

4Q21 & 2021 RESULTS

February 25, 2022

10:30 a.m. (Brasilia time)

Simultaneous translation in English)

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Grendene®



melissa

GRENDA

ZAXY

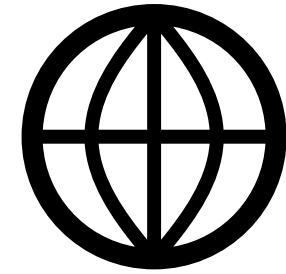
Ipanema

Grendene kids

rider

CARTAGO

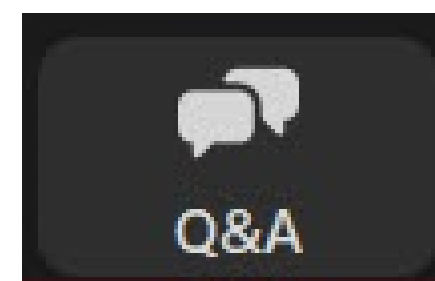
PEGA FORTÉ



Language: This videoconference will be in Portuguese, with simultaneously translated to english.

WARNING

English questions will be received by text only



To ask a question:

- Choose de “**Q&A**” section on the bottom of the screen.



Disclaimer

This presentation contains statements that can represent expectations about future events or results. These statements are based on certain suppositions and analyses made by the company in accordance with its experience, with the economic environment and market conditions, and expected future developments, many of which are beyond the company's control. Important factors could lead to significant differences between real results and the statements on expectations about future events or results, including the company's business strategy, Brazilian and international economic conditions, technology, financial strategy, developments in the footwear industry, conditions of the financial market, and uncertainty on the company's future results from operations, plans, objectives, expectations and intentions – among other factors. In view of these aspects, the company's results could differ significantly from those indicated or implicit in any statements of expectations about future events or results.

GRENDENE GLOBAL BRANDS

- **Transition of operations** between Grendene and GGB teams in phase 1 countries (United States, Hong Kong, Canada and China);
- **Construction of the necessary infrastructure** to ensure the growth of the operation in the medium and long term;
- **Sales of the spring/summer 2022 collection** carried out during 2H21 by Grendene, respecting the retailer's standard schedule;



Structuring the team with experience in the footwear and fashion sector;



Contracting of service providers for non-core activities – an asset-light structure;

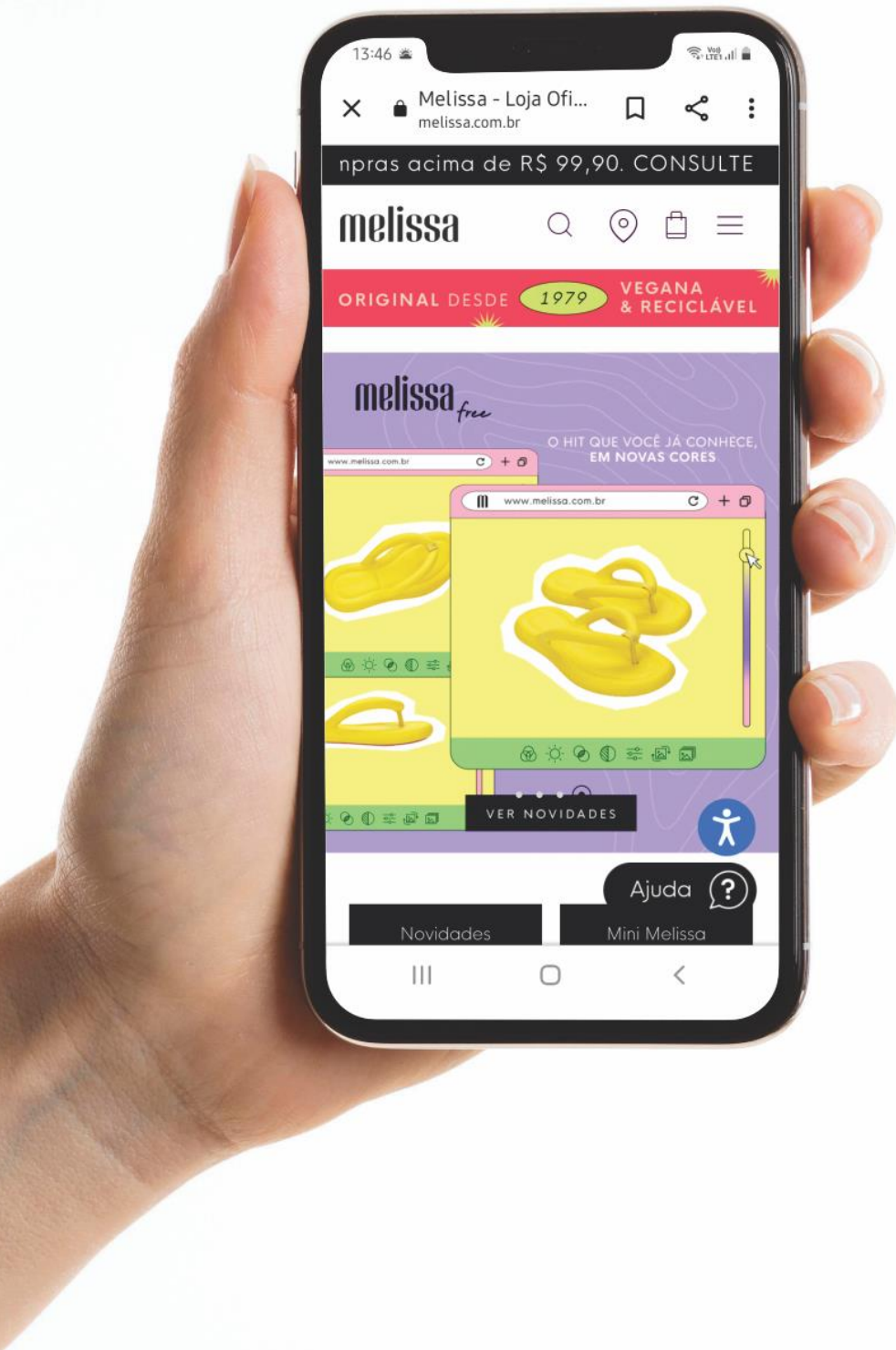


Development of IT systems to redesign the digital businesses;



Migration of Melissa's e-commerce to GGB.

E-COMMERCE



DIRECT TO CONSUMER – 4Q21

- Gross merchandise volume (GMV) higher in Brazil up 65% from 3Q21;
- GMV 48% higher than in 4Q20;
- more than 14 million online sessions – an all-time record for all the brands;
- more than 189,000 pairs sold – the biggest 'Black Friday' ever for all the brands.
- Melissa's online sales represented 8.2% of the brand's sales in 4Q21 in Brazil.

OMNI – 4Q21

14.4% share for Melissa, with 30% of this volume in the "Collect from Store" mode.

ROADMAP

- **Melissa app** development from 2Q22;
- Integration with new marketplaces: Mercado Livre, Netshoes, Zattini, Via Varejo, Dafiti and Renner.



4Q21 SCENARIO

DOMESTIC MARKET: CHALLENGING

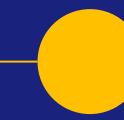
high inflation

High interest rate

High level of unemployment

End of emergency assistance

consumption slowdown



EXPORTS: OPPORTUNITIES

Resumption of economic activity

Economic stimulus programs

Supplier diversification strategy

Exchange rate devaluation

High International Shipping Cost

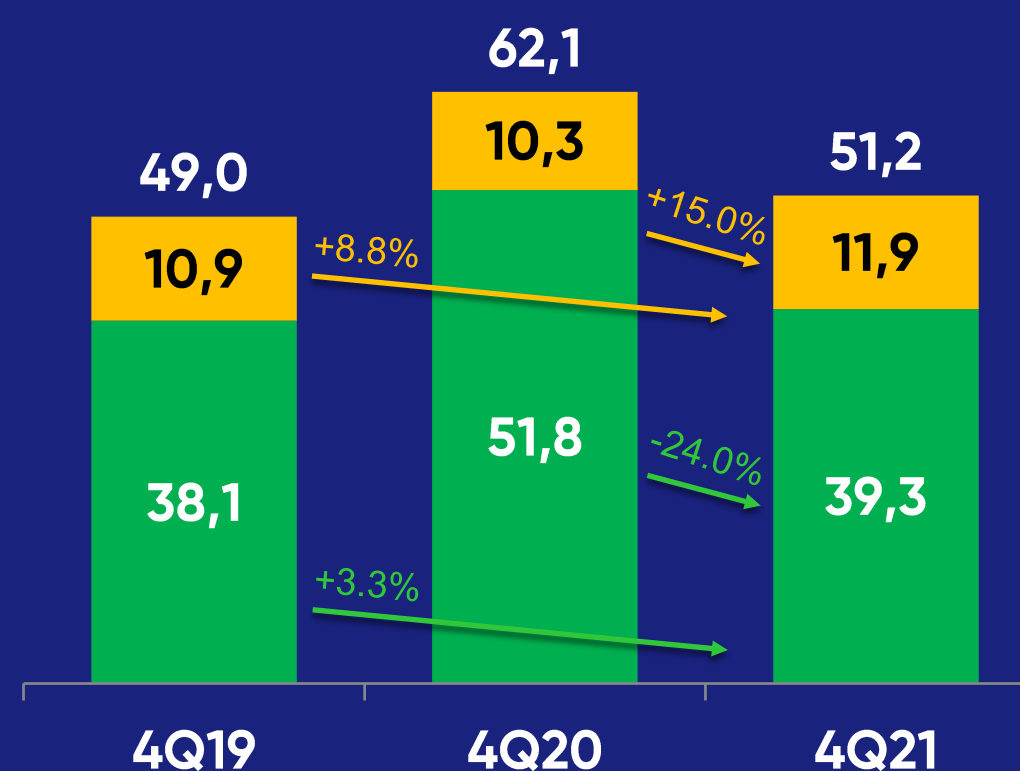
HIGHLIGHTS OF 4Q21 YOY

VOLUME

51.2

million

↓ - 17.6% vs. 4Q20
↑ + 4.5% vs. 4Q19



■ Domestic market ■ Export market

GROSS REVENUE

R\$ 946.8

million

↓ - 8.0% vs. 4Q20
↑ + 19.1% vs. 4Q19



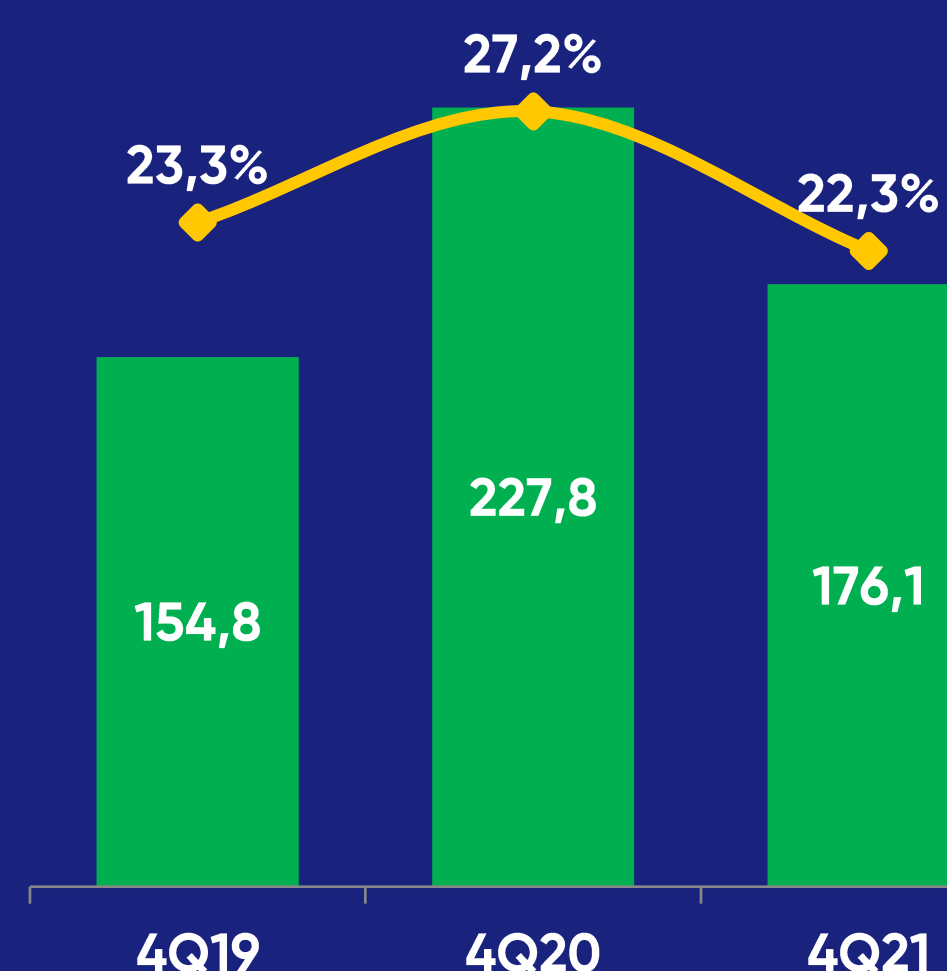
■ Domestic market ■ Export market

RECURRENT EBIT

R\$ 176.1

million

↓ - 22.7% vs. 4Q20
↑ + 13.8% vs. 4Q19



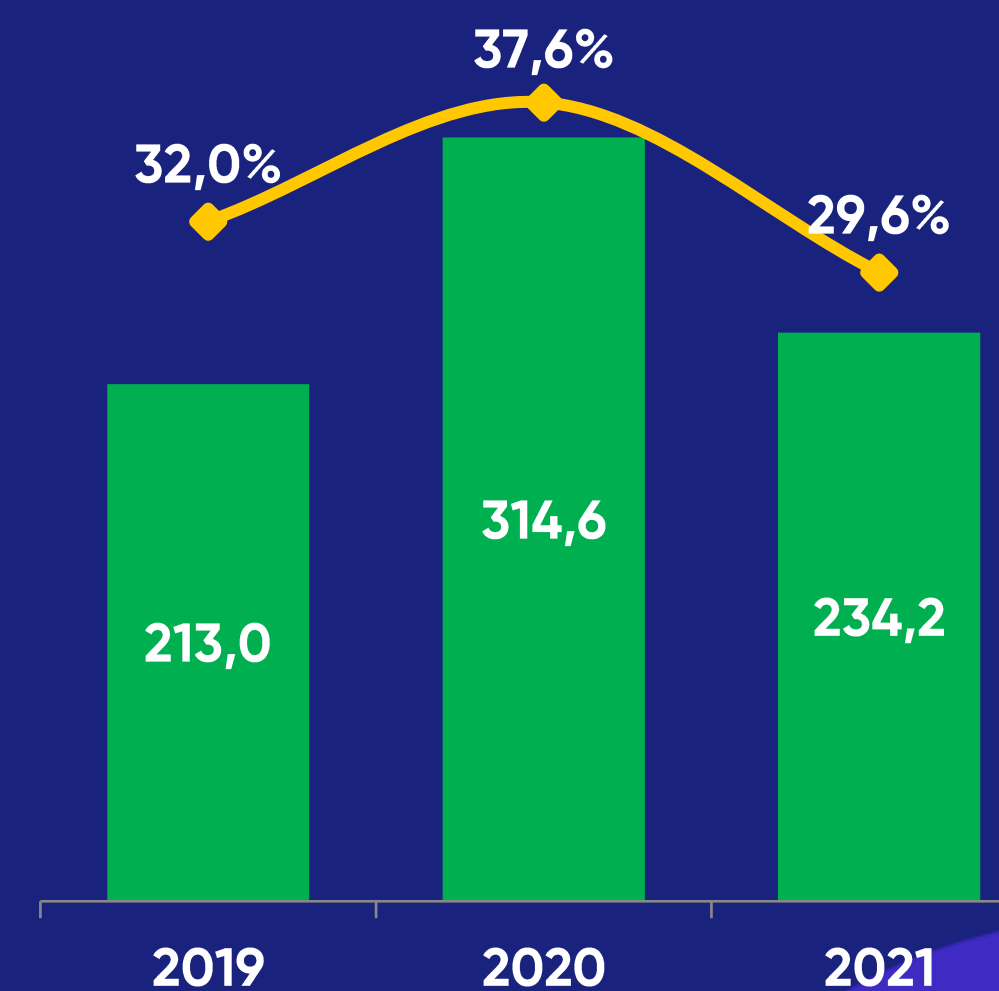
■ Recurring Ebit ◆ Recurring Ebit margin

RECURRENT NET PROFIT

R\$ 234.2

million

↓ - 25.6% vs. 4Q20
↑ + 9.9% vs. 4Q19



■ Recurring Net profit ◆ Recurring Net margin

CONSOLIDATED PROFIT AND LOSS ACCOUNT 4Q21

(R\$ '000)	4Q21	% Net sales	4Q20	% Net sales	Change % 4Q21/4Q20	4Q19	% Net sales	Change % 4Q21/4Q19
Gross revenue	946,815		1,029,362		(8.0%)	795,021		19.1%
Domestic Market	692,553		849,886		(18.5%)	603,802		14.7%
Export Market	254,262		179,476		41.7%	191,219		33.0%
Net sales revenue	789,851	100.0%	837,088	100.0%	(5.6%)	665,730	100.0%	18.6%
COGS	(419,437)	(53.1%)	(421,654)	(50.4%)	(0.5%)	(328,034)	(49.3%)	27.9%
Raw material	(222,157)	(28.1%)	(219,294)	(26.2%)	1.3%	(148,132)	(22.3%)	50.0%
Labor	(124,539)	(15.8%)	(128,383)	(15.3%)	(3.0%)	(114,330)	(17.2%)	8.9%
Other manufacturing costs	(72,741)	(9.2%)	(73,977)	(8.8%)	(1.7%)	(65,572)	(9.8%)	10.9%
Gross profit	370,414	46.9%	415,434	49.6%	(10.8%)	337,696	50.7%	9.7%
Operational expenses	(198,475)	(25.1%)	(194,253)	(23.2%)	2.2%	(187,390)	(28.1%)	5.9%
Selling expenses	(174,058)	(22.0%)	(166,996)	(19.9%)	4.2%	(159,603)	(24.0%)	9.1%
General and Administrative expenses	(23,413)	(3.0%)	(22,309)	(2.7%)	4.9%	(20,953)	(3.1%)	11.7%
Other operational revenues	1,813	0.2%	3,617	0.4%	(49.9%)	1,442	0.2%	25.7%
Other operational expenses	(2,814)	(0.4%)	(8,570)	(1.0%)	(67.2%)	(8,276)	(1.2%)	(66.0%)
Equity accounting	(3)	-	5	-	-	-	-	-
Operational profit (Accounting Ebit)	171,939	21.8%	221,181	26.4%	(22.3%)	150,306	22.6%	14.4%
Operational profit (Recurring Ebit)	176,152	22.3%	227,837	27.2%	(22.7%)	154,802	23.3%	13.8%
Net Financial Revenue (expenses)	54,845	6.9%	91,475	10.9%	(40.0%)	46,745	7.0%	17.3%
Net profit for the period	230,609	29.2%	308,999	36.9%	(25.4%)	209,207	31.4%	10.2%
Recurring Net profit for the period	234,180	29.6%	314,640	37.6%	(25.6%)	213,017	32.0%	9.9%
Total volume (Thousand pairs)	51,188	100.0%	62,095	100,0%	(17.6%)	48,975	100.0%	4.5%
Domestic market (DM)	39,340	76.9%	51,793	83,4%	(24.0%)	38,089	77.8%	3.3%
Export Market	11,848	23.1%	10,302	16,6%	15.0%	10,886	22.2%	8.8%

GROSS REVENUE/PAIR

Total (R\$ 18.50)
+ 11.6% vs 4Q20
+ 14.0% vs 4Q19

Domestic market (R\$ 17.60)
+ 7.3% vs 4Q20
+ 11.0% vs 4Q19

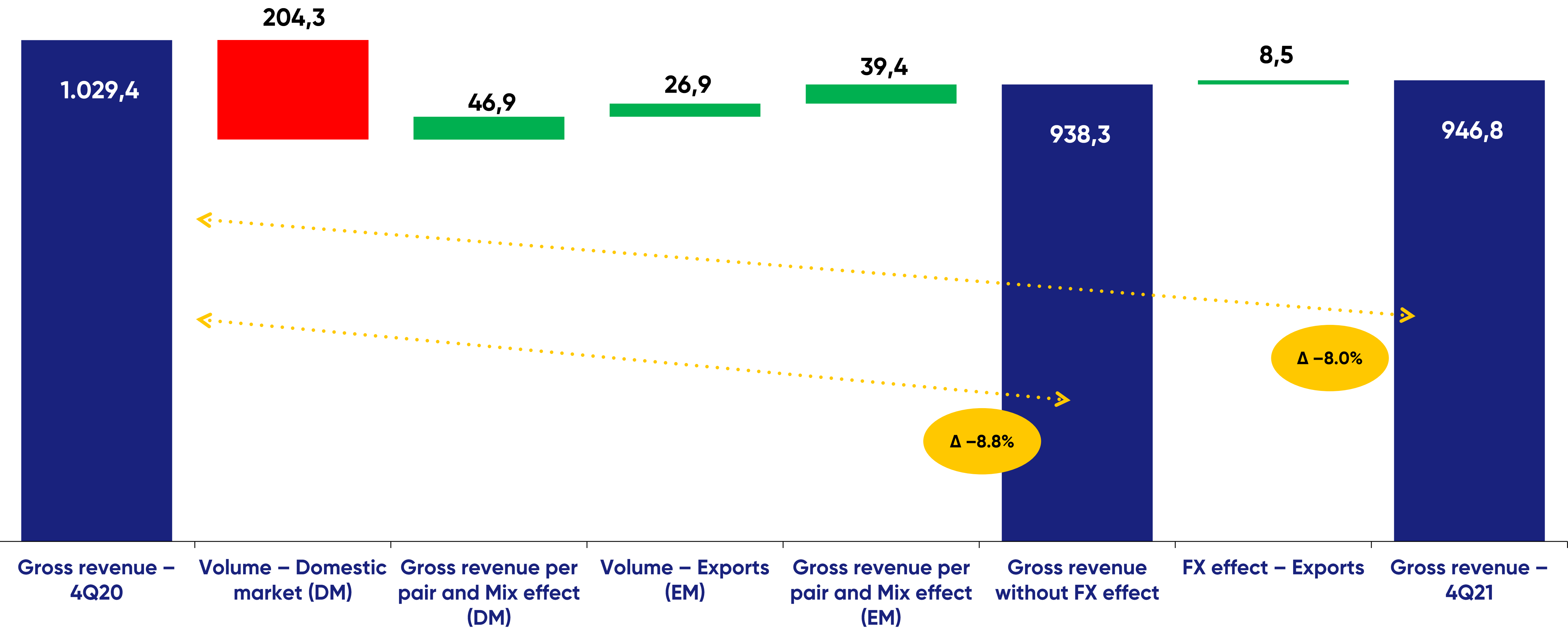
Export market (R\$ 21.46)
+ 23.2% vs 4Q20
+ 22.1% vs 4Q19

Export market (US\$ 3.84)
+ 18.9% vs 4Q20
- 10.1% vs 4Q19

GROSS REVENUE

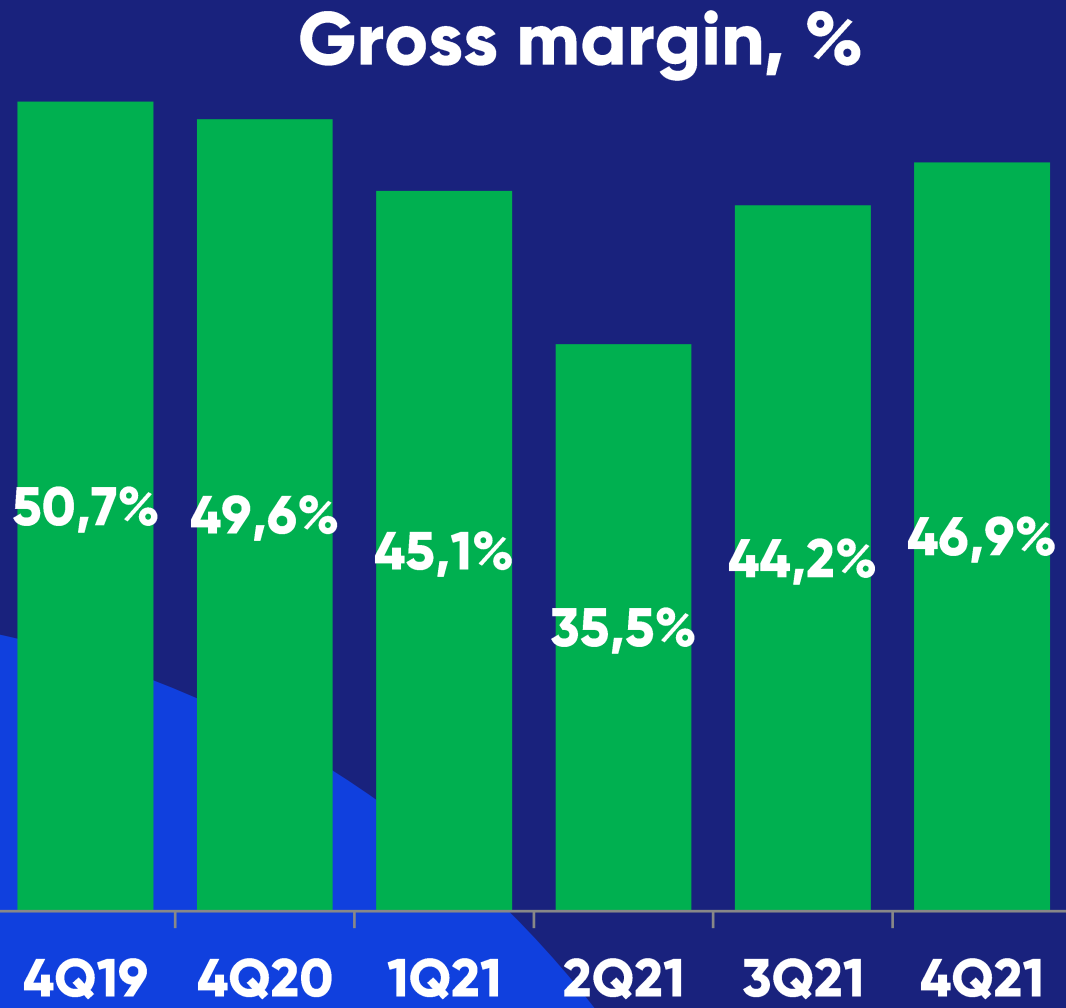
DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix

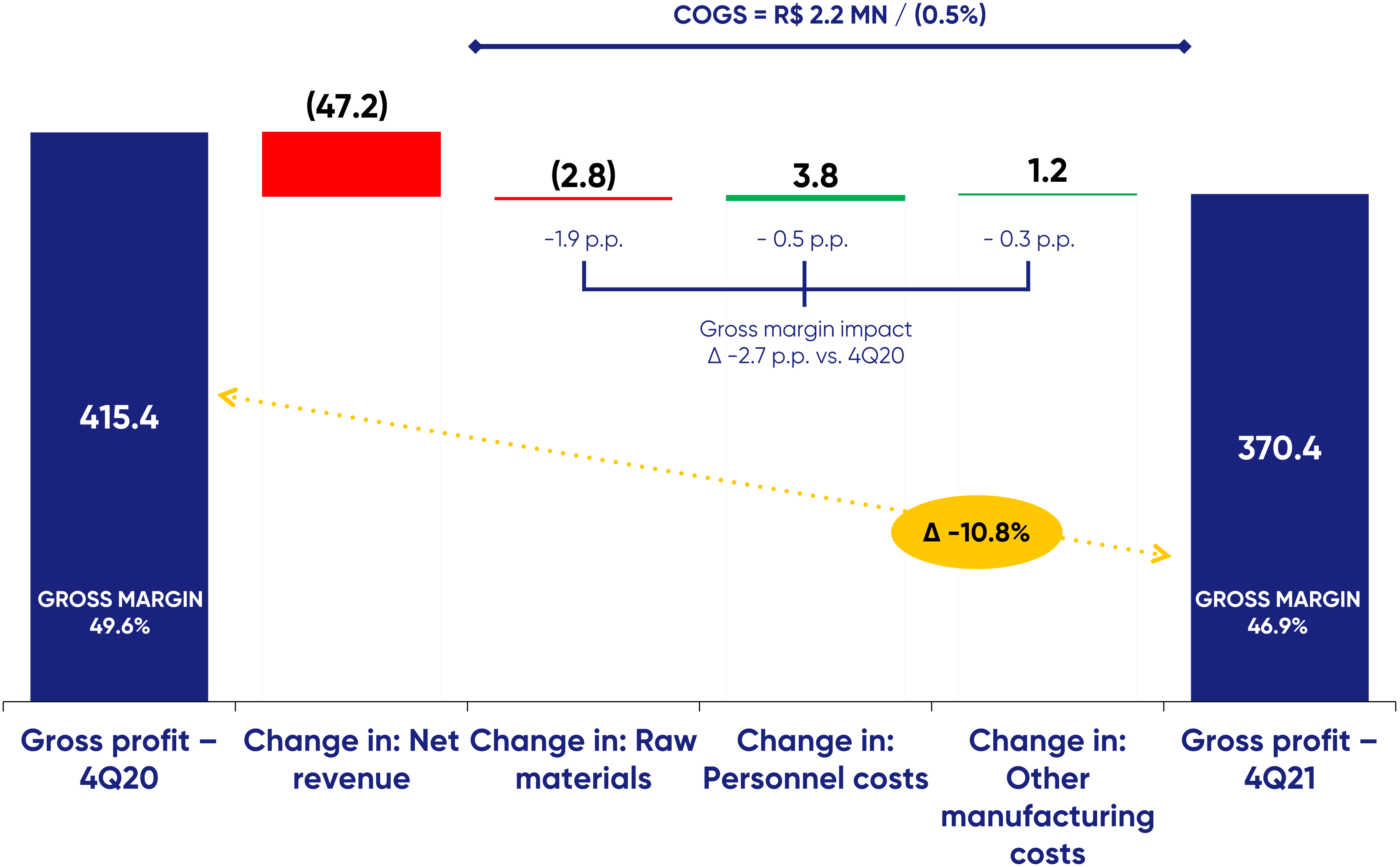


Average US dollar exchange rate: 4Q20 = R\$ 5.3964 / 4Q21 = R\$ 5.5828 – Δ 3.5%

GROSS PROFIT CONSOLIDATED DATA (R\$ MILLION)



Although labor costs (-3%) and other manufacturing costs (-1.7%) have nominally declined, the retraction was less than the drop in net revenue (-5.6%). As well as raw materials, these components came to represent a larger share of net revenue.

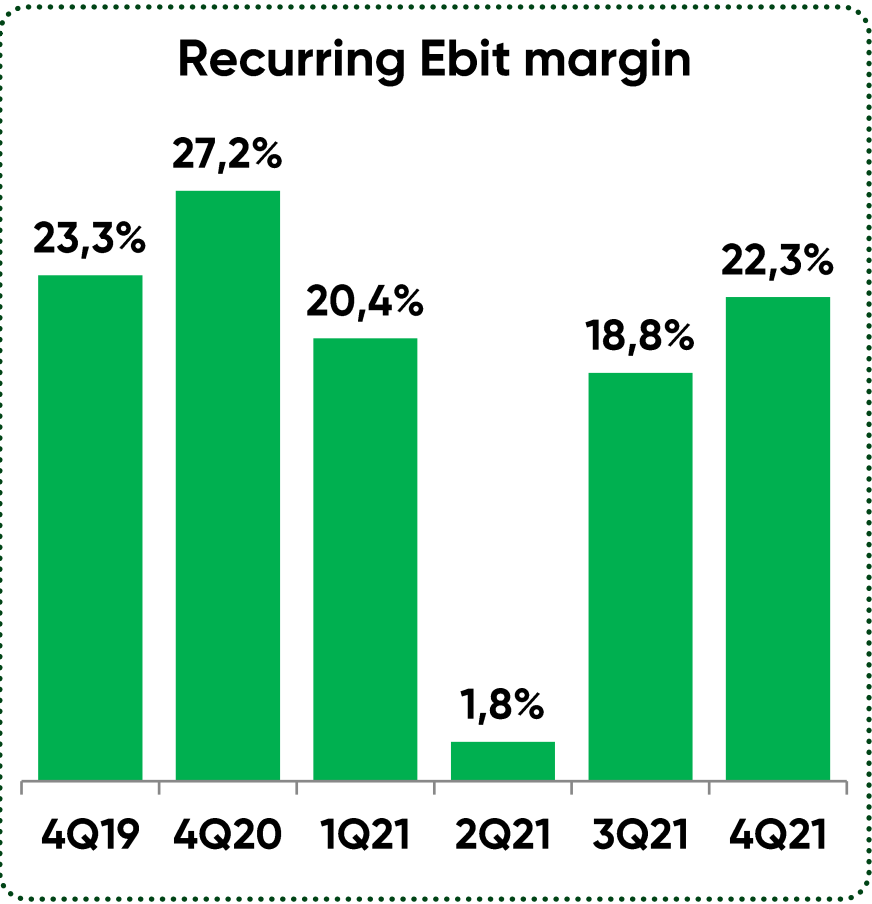
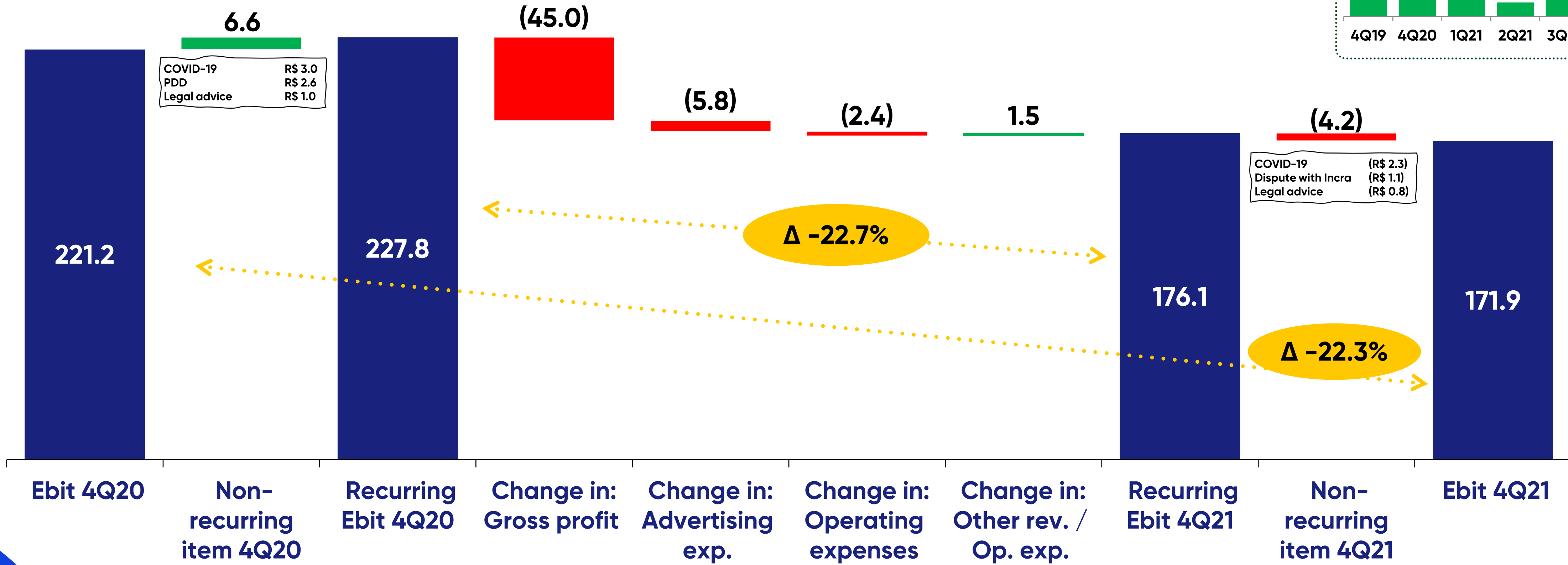


EBIT

CONSOLIDATED DATA

(R\$ MILLION)

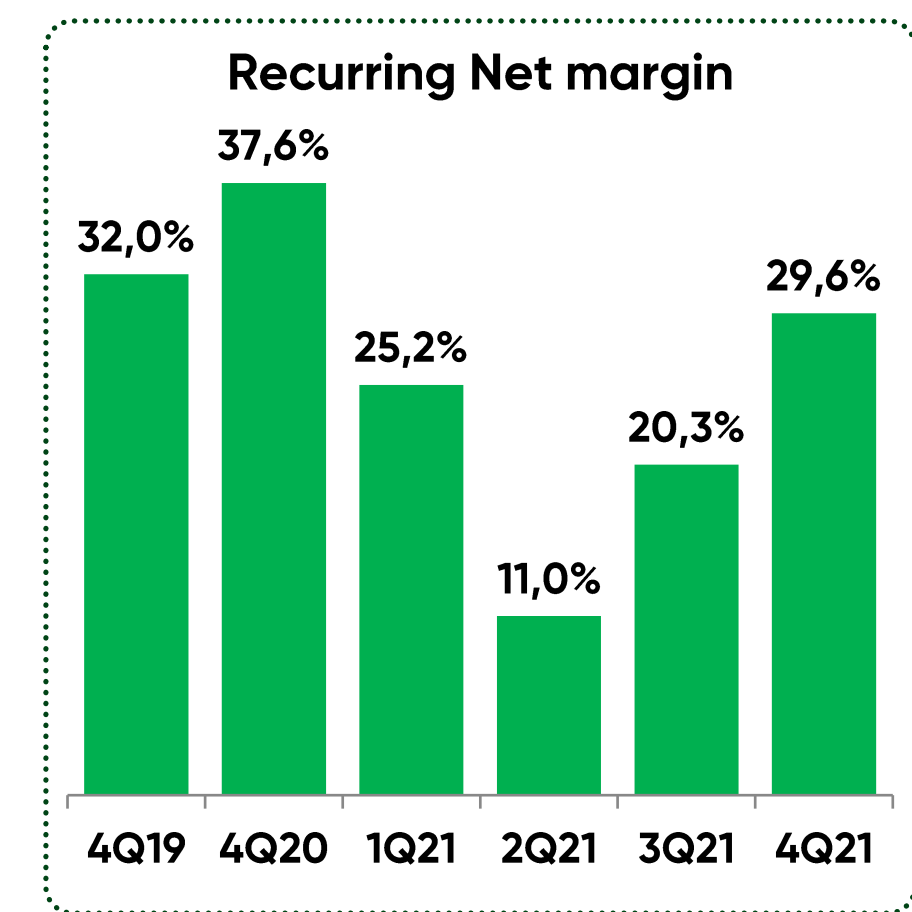
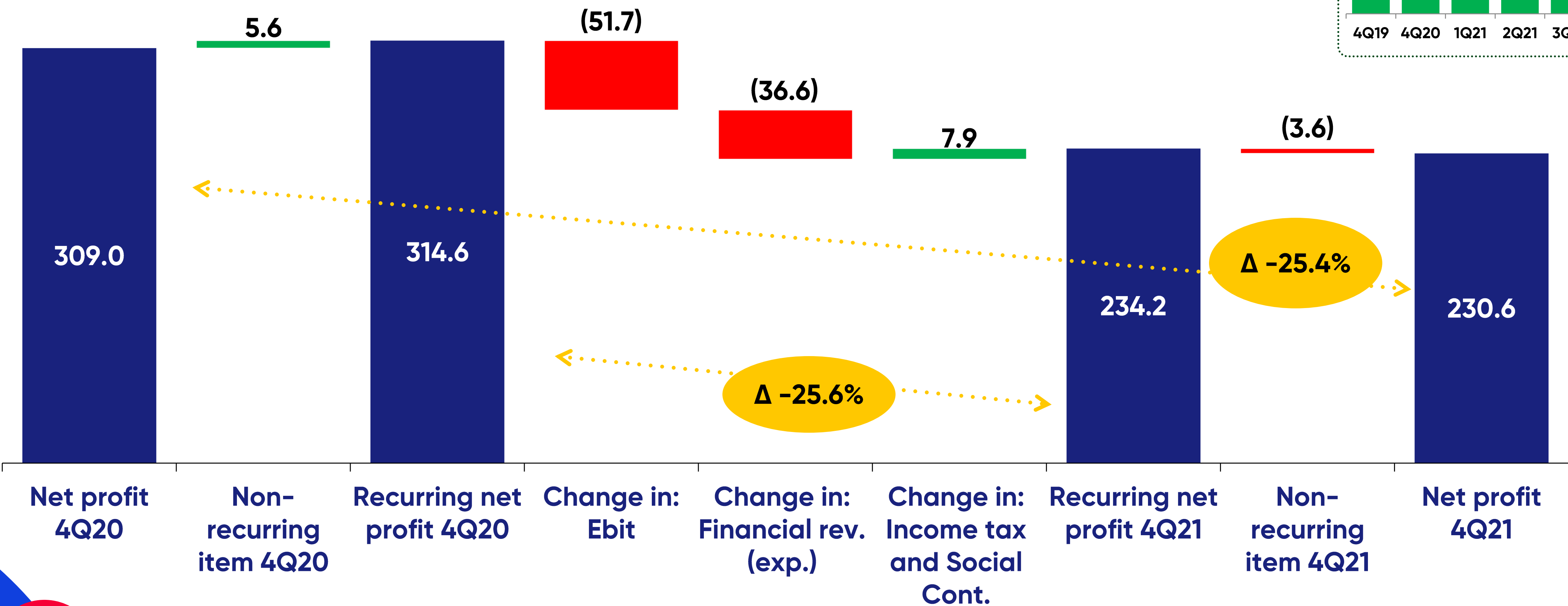
CHANGE IN OPERATING EXPENSES = (R\$ 6.7 MN) / 3.6%



NET PROFIT

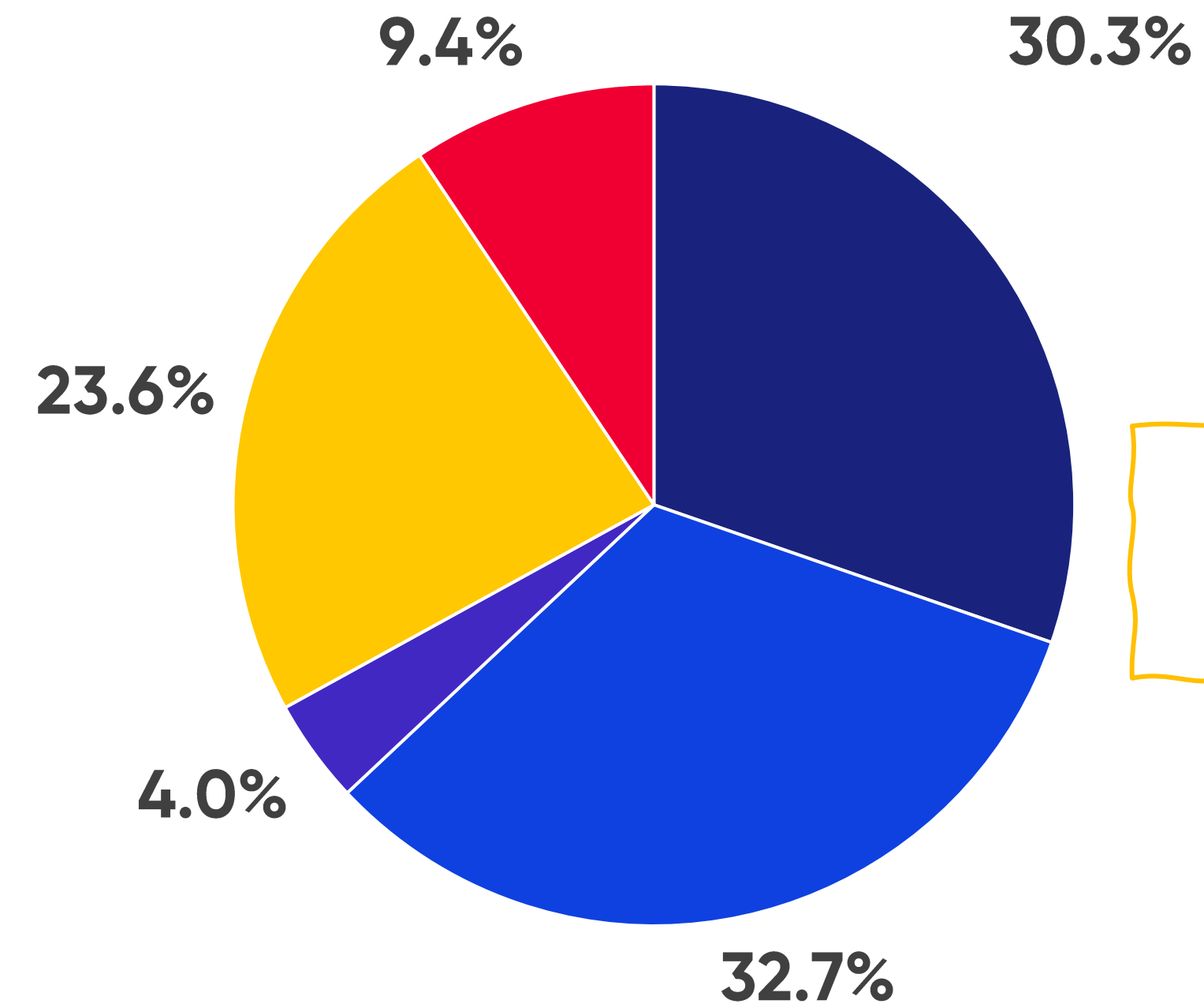
CONSOLIDATED DATA

(R\$ MILLION)



VARIABLE INCOME PORTFOLIO

Share by Sector, %
(December 31, 2021)



Balance:
R\$ 269.2 million

- Energy
- Financial
- Incorporation of real estate projects
- Mining
- Steel

HIGHLIGHTS 2021 YOY

VOLUME

154.0

million

↑ + 5.9% vs. 2020

↑ + 2.1% vs. 2019



■ Domestic market ■ Export market

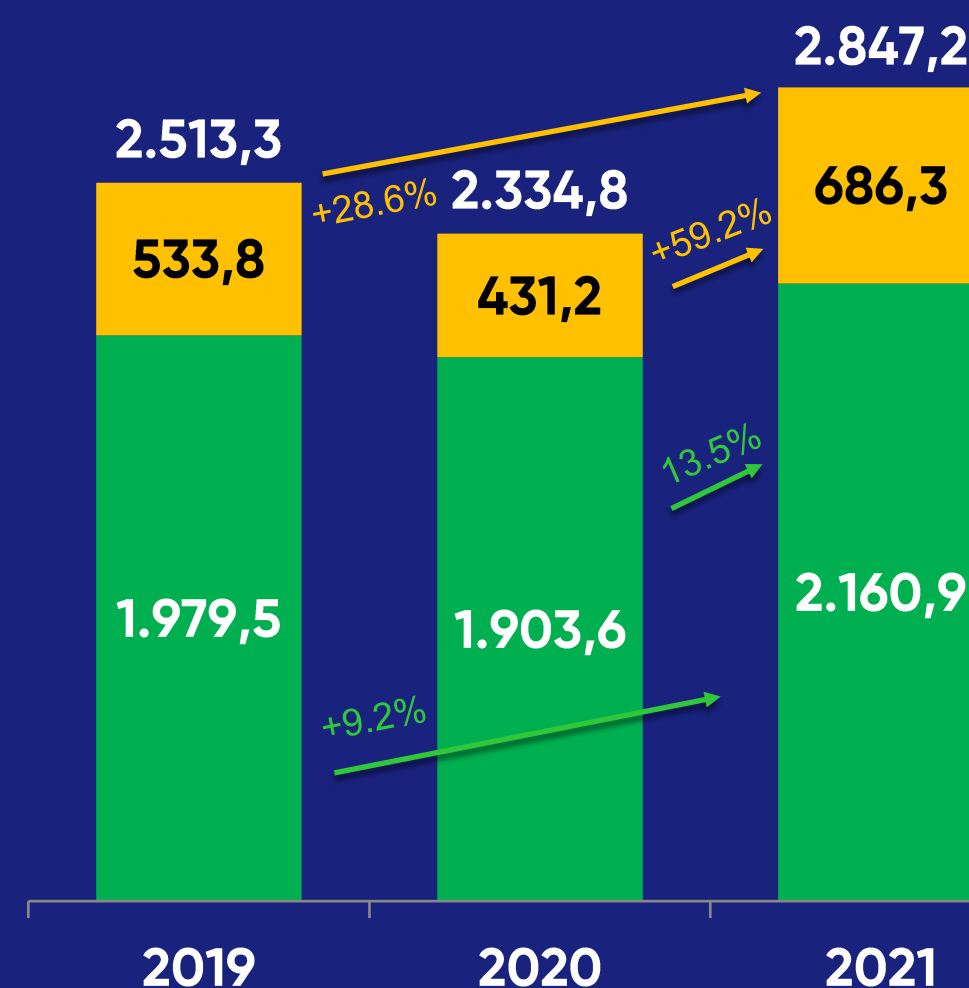
GROSS REVENUE

R\$ 2,847.2

million

↑ + 21.9% vs. 2020

↑ + 13.3% vs. 2019



■ Domestic market ■ Export market

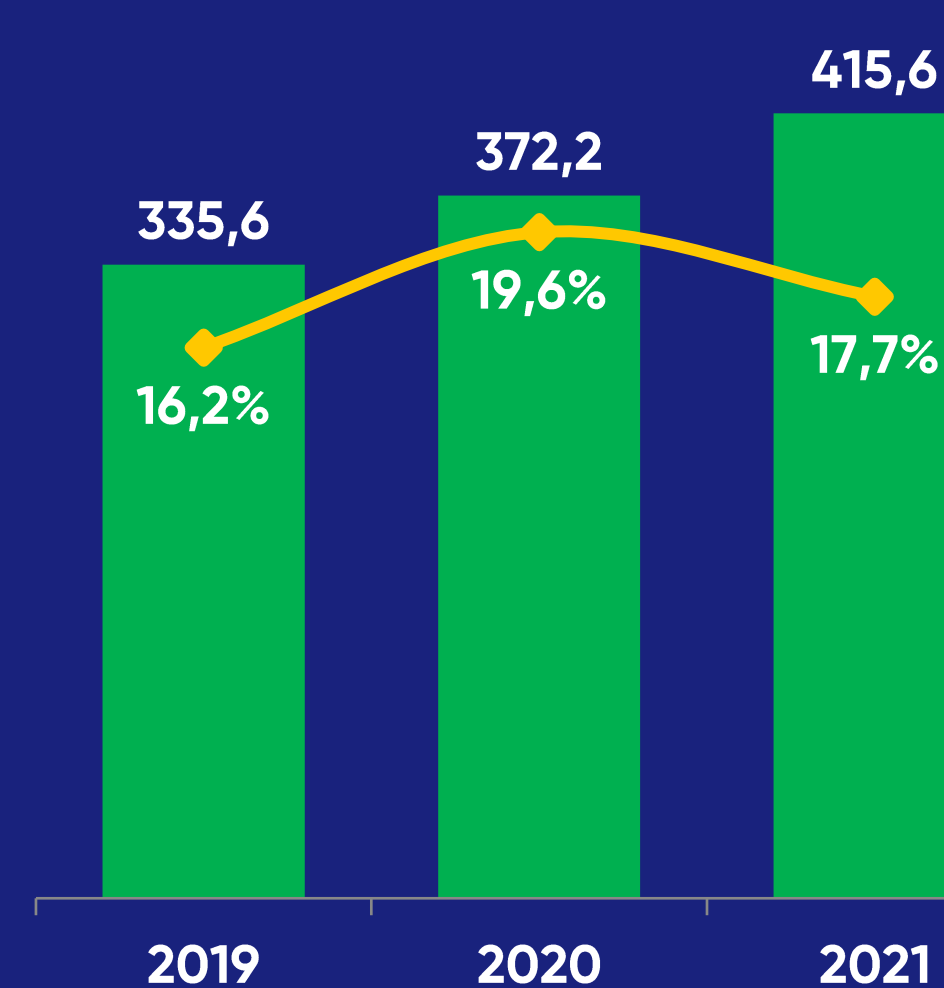
RECURRENT EBIT

R\$ 415.6

million

↑ + 11.7% vs. 2020

↑ + 23.9% vs. 2019



■ Recurring Ebit ◆ Recurring Ebit margin

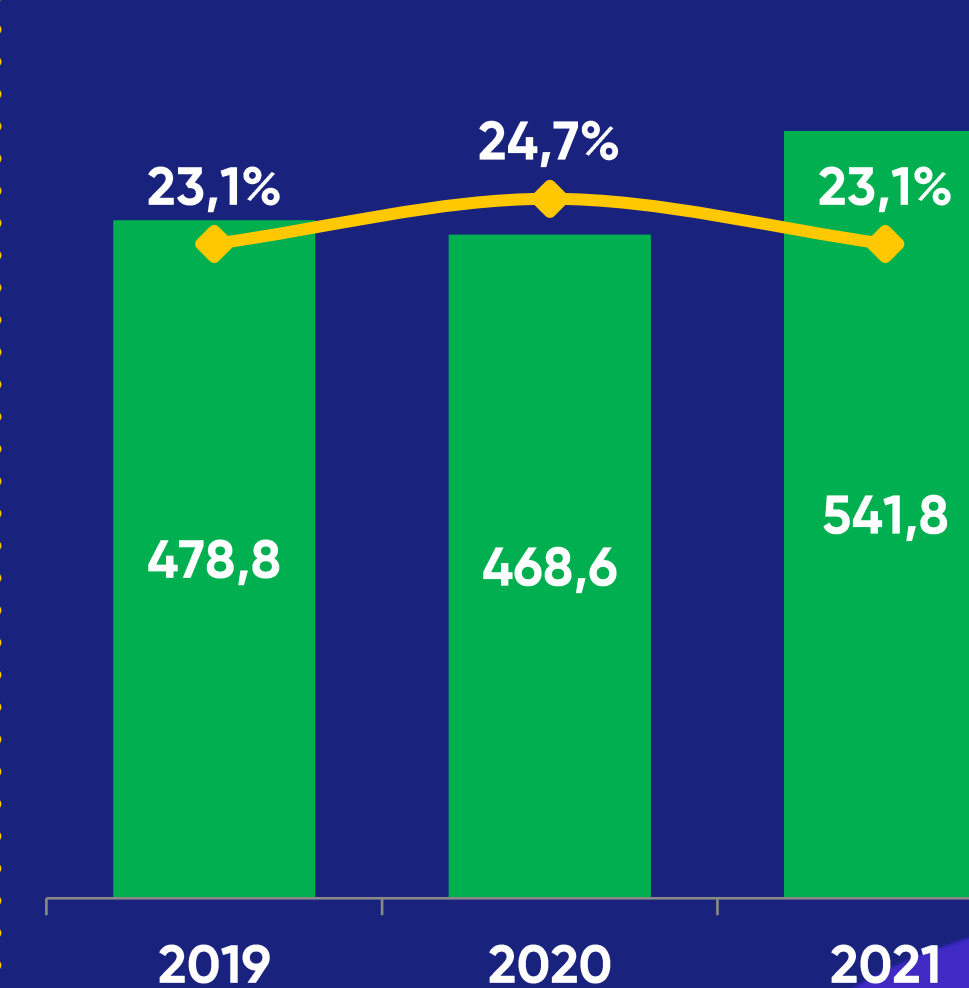
RECURRENT NET PROFIT

R\$ 541.8

million

↑ + 15.6% vs. 2020

↑ + 13.2% vs. 2019



■ Recurring Net profit ◆ Recurring Net margin

CONSOLIDATED PROFIT AND LOSS ACCOUNT 2021

(R\$ '000)	2021	% Net sales	2020	% Net sales	Change % 2021/2020	2019	% Net sales	Change % 2021/2019
Gross revenue	2,847,221		2,334,797		21.9%	2,513,301		13.3%
Domestic Market	2,160,905		1,903,565		13.5%	1,979,515		9.2%
Export Market	686,316		431,232		59.2%	533,786		28.6%
Net sales revenue	2,342,546	100.0%	1,896,785	100.0%	23.5%	2,071,034		13.1%
COGS	(1,312,479)	(56.0%)	(1,022,330)	(53.9%)	28.4%	(1,126,511)	(54.4%)	16.5%
Raw material	(644,381)	(27.5%)	(485,324)	(25.6%)	32.8%	(475,164)	(22.9%)	35.6%
Labor	(425,120)	(18.1%)	(340,563)	(18.0%)	24.8%	(430,779)	(20.8%)	(1.3%)
Other manufacturing costs	(242,978)	(10.4%)	(196,443)	(10.4%)	23.7%	(220,568)	(10.7%)	10.2%
Gross profit	1,030,067	44.0%	874,455	46.1%	17.8%	944,523	45.6%	9.1%
Operational expenses	(636,545)	(27.2%)	(573,256)	(30.2%)	11.0%	(375,162)	(18.1%)	69.7%
Selling expenses	(534,203)	(22.8%)	(431,846)	(22.8%)	23.7%	(530,825)	(25.6%)	0.6%
General and Administrative expenses	(89,462)	(3.8%)	(77,471)	(4.1%)	15.5%	(87,631)	(4.2%)	2.1%
Other operational revenues	16,220	0.7%	7,906	0.4%	105.2%	291,576	14.1%	(94.4%)
Other operational expenses	(29,012)	(1.2%)	(23,870)	(1.3%)	21.5%	(48,282)	(2.3%)	(39.9%)
Non-recurring expenses (Covid-19)	-	-	(47,980)	(2.5%)	(100.0%)	-	-	-
Equity accounting	(88)	-	5	-	-	-	-	-
Operational profit (Accounting Ebit)	393,522	16.8%	301,199	15.9%	30.7%	569,361	27.5%	(30.9%)
Operational profit (Recurring Ebit)	415,590	17.7%	372,154	19.6%	11.7%	335,552	16.2%	23.9%
Net Financial Revenue (expenses)	159,207	6.8%	137,413	7.2%	15.9%	374,408	18.1%	(57.5%)
Net profit for the period	601,005	25.7%	405,206	21.4%	48.3%	819,217	39.6%	(26.6%)
Recurring Net profit for the period	541,761	23.1%	468,598	24.7%	15.6%	478,789	23.1%	13.2%
Total volume (Thousand pairs)	154,046	100.0%	145,408	100.0%	5.9%	150,863	100.0%	2.1%
Domestic market (DM)	121,160	78.7%	119,429	82.1%	1.4%	120,001	79.5%	1.0%
Export Market	32,886	21.3%	25,979	17.9%	26.6%	30,862	20.5%	6.6%

GROSS REVENUE/PAIR

Total (R\$ 18.48)
+ 15.1% vs 2020
+ 10.9% vs 2019

Domestic market (R\$ 17.84)
+ 11.9% vs 2020
+ 8.1% vs 2019

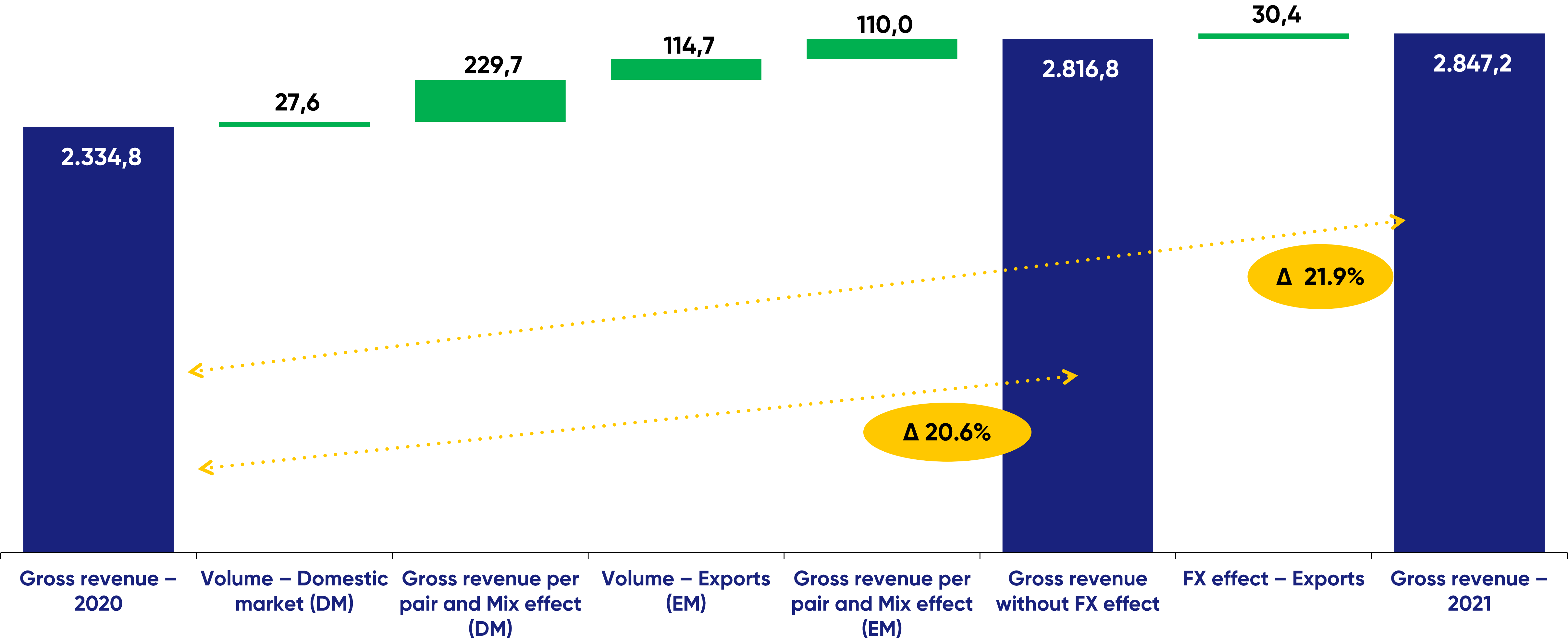
Export market (R\$ 20.87)
+ 25.7% vs 2020
+ 20.6% vs 2019

Export market (US\$ 3.87)
+ 20.2% vs 2020
11.8% vs 2019

GROSS REVENUE

DOMESTIC MARKET AND EXPORTS (R\$ MILLION)

Changes in revenue due to changes in (i) volume and (ii) gross revenue per pair and mix



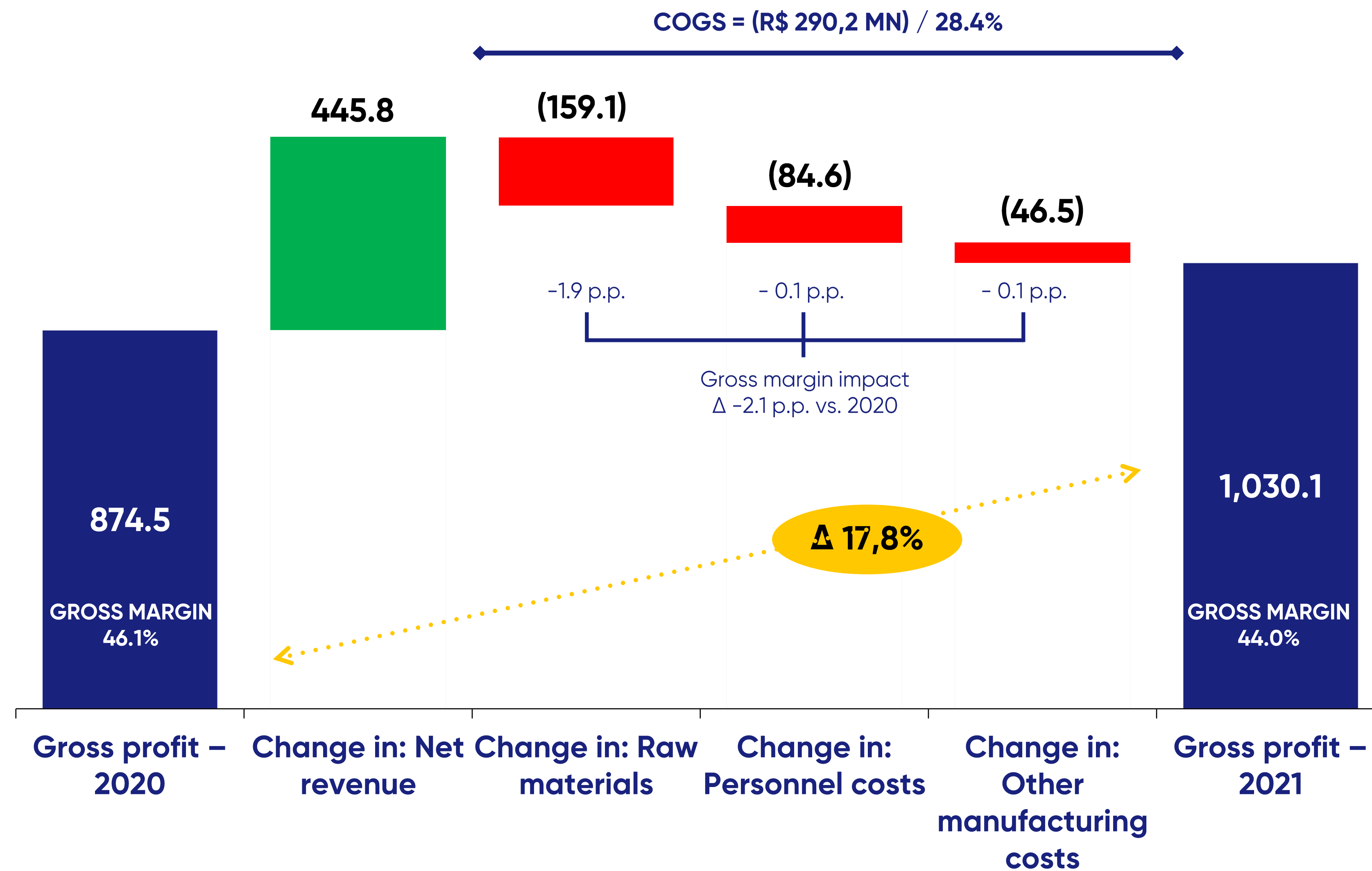
Average US dollar exchange rate: 2020 = R\$ 5.1558 / 2021 = R\$ 5.3950 – Δ 4.6%

GROSS PROFIT CONSOLIDATED DATA (R\$ MILLION)

Gross Margin



In 2021, costs with raw materials (+32.8%), personnel (+24.8%) and other manufacturing costs (+23.7%) increased more than net revenue (+23.5%) , representing a larger portion of this one.

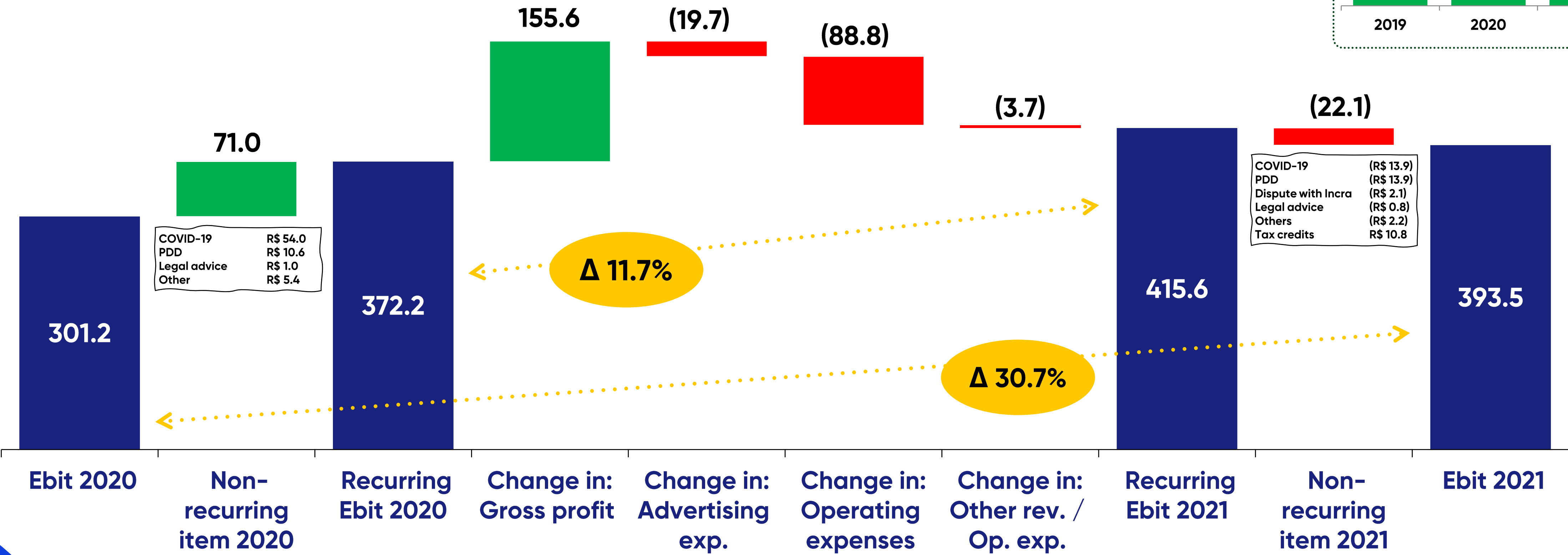
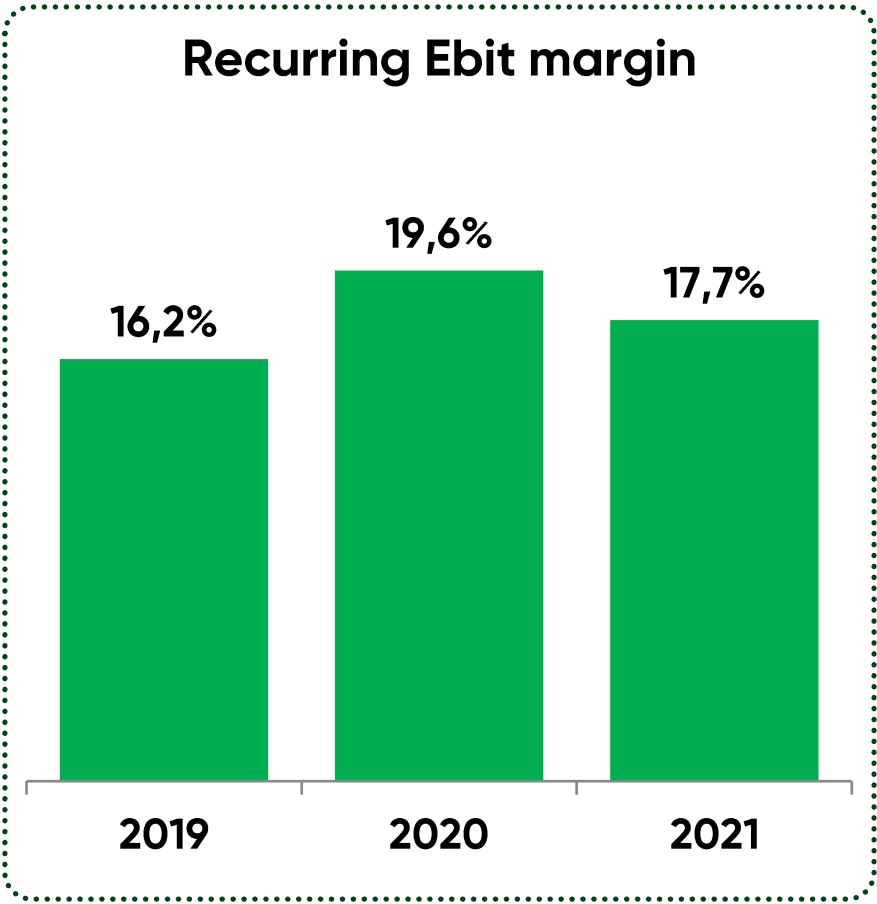


EBIT

CONSOLIDATED DATA

(R\$ MILLION)

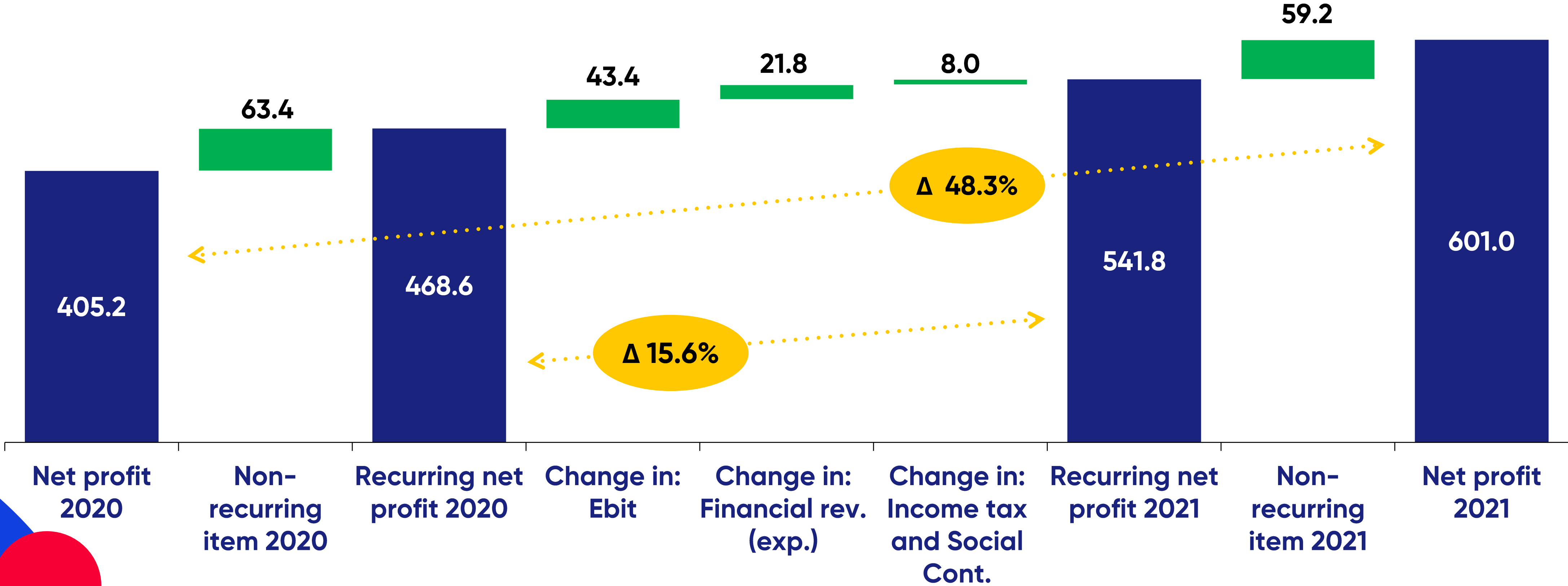
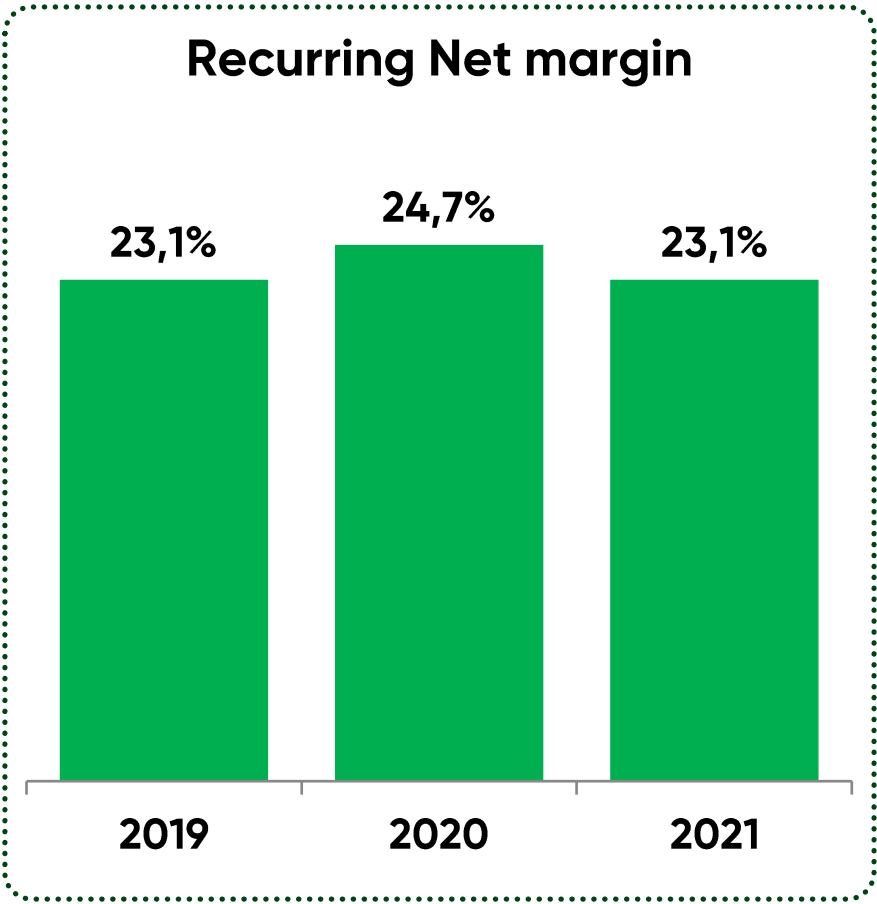
CHANGE IN OPERATING EXPENSES = (R\$ 112.2 MN) / 22.3%



NET PROFIT

CONSOLIDATED DATA

(R\$ MILLION)



DESTINATION OF PROPOSED DIVIDENDS AND I.E.

Allocation of Net profit for 2021 business year		R\$
Net profit for 2021 business year		601,004,937.05
(-) Tax incentives reserve		(204,210,647.37)
Basis for calculation of the legal reserve		396,794,289.68
(-) Legal reserve		(19,839,714.49)
Dividends relating to the profit of the 2021 business year /	Basis for calculation of the mandatory dividend	376,954,575.19
(+) Allocation of part of the reserve for acquisition of shares		17,000,000.00
(+) Diverse allocation of tax incentive (1Q21)		1,254,000.00
Total of dividends proposed by management		395,208,575.19
(-) Dividends paid in advance		(321,986,057.77)
Balance of dividends relating to the profit of the 2021 business year		73,222,517.42
Minimum obligatory dividend – 25%		94,238,643.80
Dividend in addition to the minimum mandatory amount – 2021 business year		282,715,931.39
Sum		376,954,575.19
Diverse allocation of incentive + allocation of share acquisition reserve		18,254,000.00
Total		395,208,575.19

Dividend approved "ad referendum" of the Ordinary General Meeting that examines the balance sheet and financial statements for the year 2021.

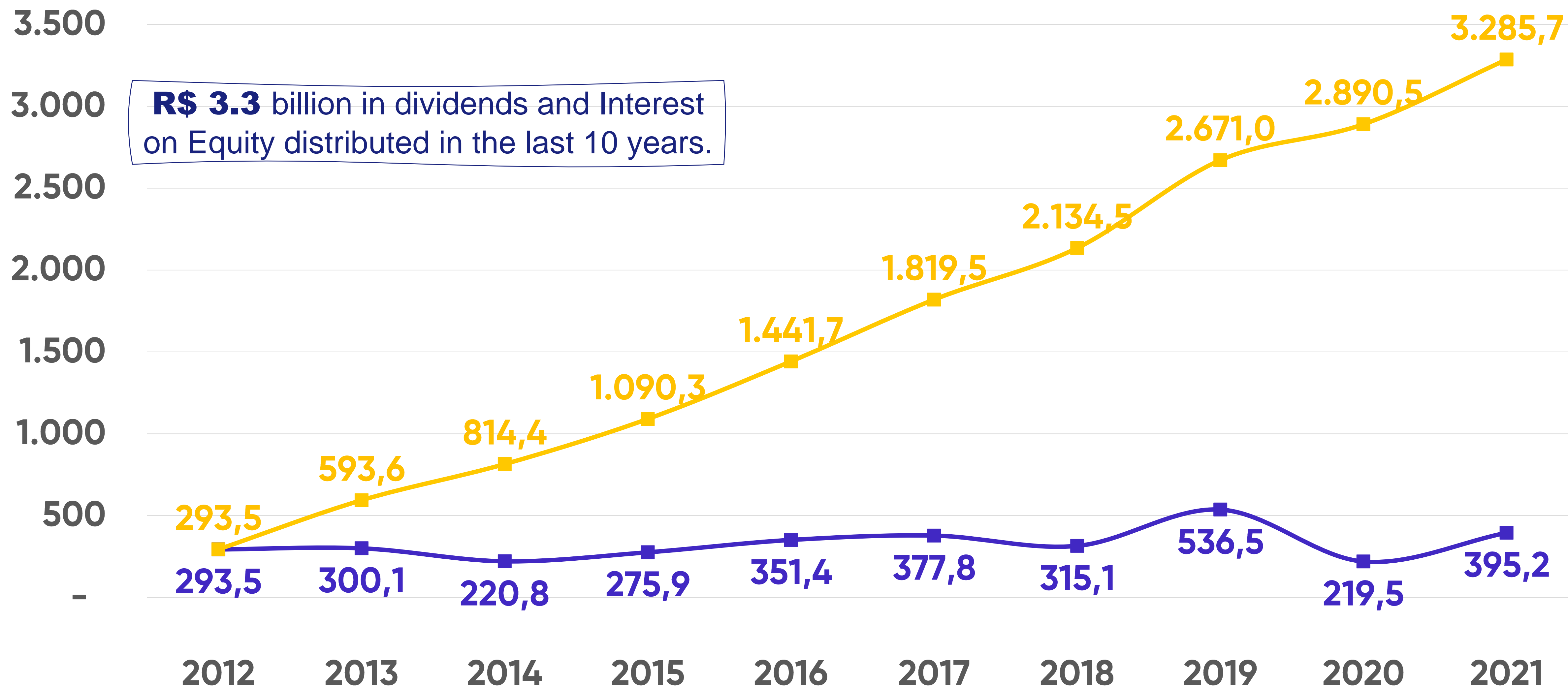
Dividend and Interest on Equity (I.E.)							
Dividend / I.E.	Approval date	Ex-dividend date	Payment start date	Gross value R\$	Gross value per share R\$	Net value R\$	Net value per share R\$
Dividend ¹	Apr. 29, 2021	May 11, 2021	May 19, 2021	81,971,596.22	0.090861484	81,971,596.22	0.090861484
Dividend ¹	Jul 29, 2021	Aug. 6, 2021	Aug. 18, 2021	33,702,818.19	0.037357917	33,702,818.19	0.037357917
Dividend ¹	Oct. 28, 2021	Nov. 8, 2021	Nov. 24, 2021	134,658,598.45	0.149262435	134,658,598.45	0.149262435
Dividend ¹	Dec. 13, 2021	Dec. 17, 2021	Dec. 28, 2021	71,653,044.91	0.079441975	71,653,044.91	0.079441975
Dividend ^{1 and 2}	Fev. 24, 2022	May 3, 2022	May 18, 2022	222,517.42	0.000246706	222,517.42	0.000246706
I.E. ^{1 and 2}	Fev. 24, 2022	May 3, 2022	May 18, 2022	73,000,000.00	0.080935348	62,050,000.00	0.068795046
Sum				395,208,575.19	0.438105865	384,258,575.19	0.425965563

¹ Dividend approved "ad referendum" of the Ordinary General Meeting that examines the balance sheet and financial statements for the year 2021.

² Value of the dividends & I. E. per share, subject to alteration depending on the balance of shares in treasury on the cutoff date (May 2, 2022).

DIVIDENDS ACCUMULATED IN THE LAST 10 YEARS

■ Dividend + I. E. ■ Accumulated: Dividend + I.E.





Q&A



THANK YOU!

Grendene®