

# 3Q22 & 9M22 Results

October 28, 2022

10:30 a.m. (Brasília time)

Simultaneous translation into English

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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.

# NOTICE



LANGUAGE: THIS VIDEOCONFERENCE WILL BE IN PORTUGUESE, WITH SIMULTANEOUS TRANSLATION INTO ENGLISH.

## TO ASK QUESTIONS:

### BY AUDIO



- SELECT THE "**RAISE HAND**" ICON AT THE BOTTOM OF THE SCREEN.
- WHEN YOUR NAME IS ANNOUNCED, A PROMPT TO ACTIVATE YOUR MICROPHONE WILL APPEAR ON YOUR SCREEN.

### BY TEXT



- SELECT THE "Q&A" ICON AT THE BOTTOM OF THE SCREEN AND TYPE IN YOUR QUESTION.



# EVA product capacity expansion

- COMPLETION OF WORKS SCHEDULED FOR **MAR/23**;
- ACQUISITION OF **16 NEW EVA** INJECTORS;
- **TRIPLING** THE CAPACITY FOR EVA PRODUCTS;
- **LIGHTER, MORE COMFORTABLE**, AND HIGHER **ADDED VALUE** PRODUCTS;
- **4,038** PHOTOVOLTAIC PANELS, WITH CAPACITY TO GENERATE UP TO 3 MILLION KWH PER YEAR.

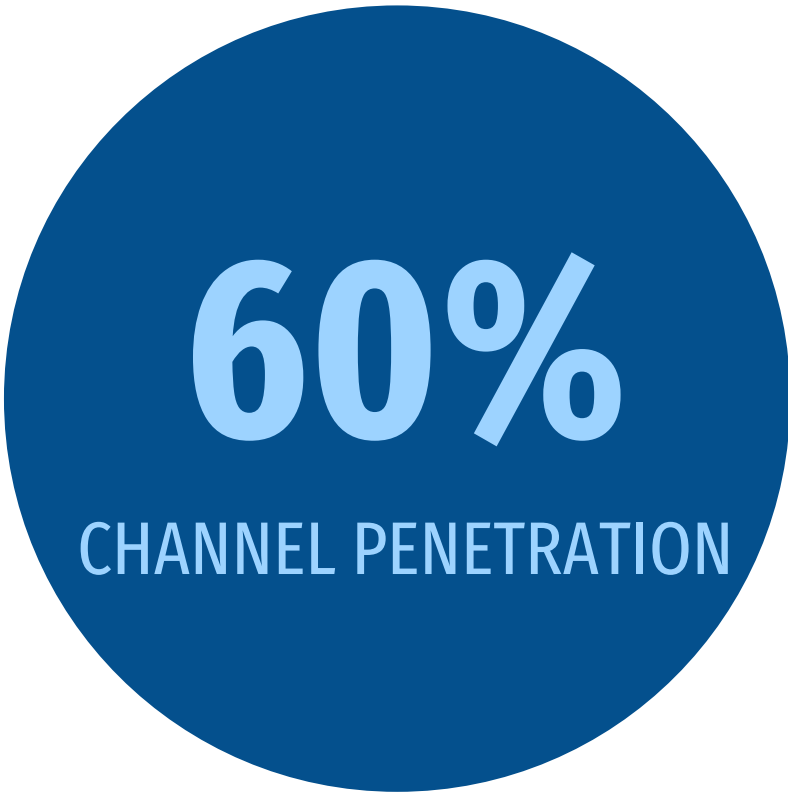




# Franchise management internalization

## OBJECTIVES

- **GETTING CLOSER** TO THE CONSUMER;
- **STRENGTHEN** THE RELATIONSHIP WITH FRANCHISEES;
- **MORE CONTROL** OVER THE CHANNEL;
- ACCELERATE THE **CAPTURE OF TRENDS**;
- STORES AS A **SPACE FOR CONNECTION**.



## MIGRATION STATUS

- PROCESS **STARTED IN JUN/22**, TO BE **CONCLUDED IN FEB/23** (END OF THE CONTRACT WITH THE MASTER FRANCHISER);
- **116 INDIVIDUAL MEETINGS** WITH FRANCHISEES TO BUILD ACTION PLANS;
- **71 EMPLOYEES** WERE HIRED (107 IS THE TOTAL FORECAST);
- THE LEADERS OF **THE MAIN VERTICALS** ARE ALREADY HIRED:
  - EXPANSION, NETWORK MANAGEMENT, TRAINING, BUSINESS PLANNING AND MARKETING, FRANCHISE MARKETING, AND RETAIL TECHNOLOGY;
- GRENDENE OFFICIALLY STARTS **MANAGING** THE FRANCHISE NETWORK IN NOV/22;
- THE NETWORK MANAGEMENT TEAM WILL VISIT ALL 389 STORES BETWEEN NOV/22 AND DEC/22.



# Bergamotta Labs

## RIDER SPACES (FRANCHISE NETWORK)

- MVP RIDER FRANCHISE NETWORK;
- SÃO PAULO – COPAN;
- GETTING TO THE CONSUMER;
- BRAND STRENGTHENING;
- SOFT OPENING ON 19 OCTOBER;
- OPENING ON 26 OCTOBER.





# Bergamotta Labs

## LOVE SPOT MELISSA

- » **AUTONOMOUS** SHOP EXPERIENCE;
- » METAVERSE AND **VIRTUAL REALITY**;
- » OPPORTUNITY FOR **MALLS AND POP-UPS**;
- » PILOT IN SÃO PAULO FROM OCTOBER TO DECEMBER;





# Bergamotta Labs

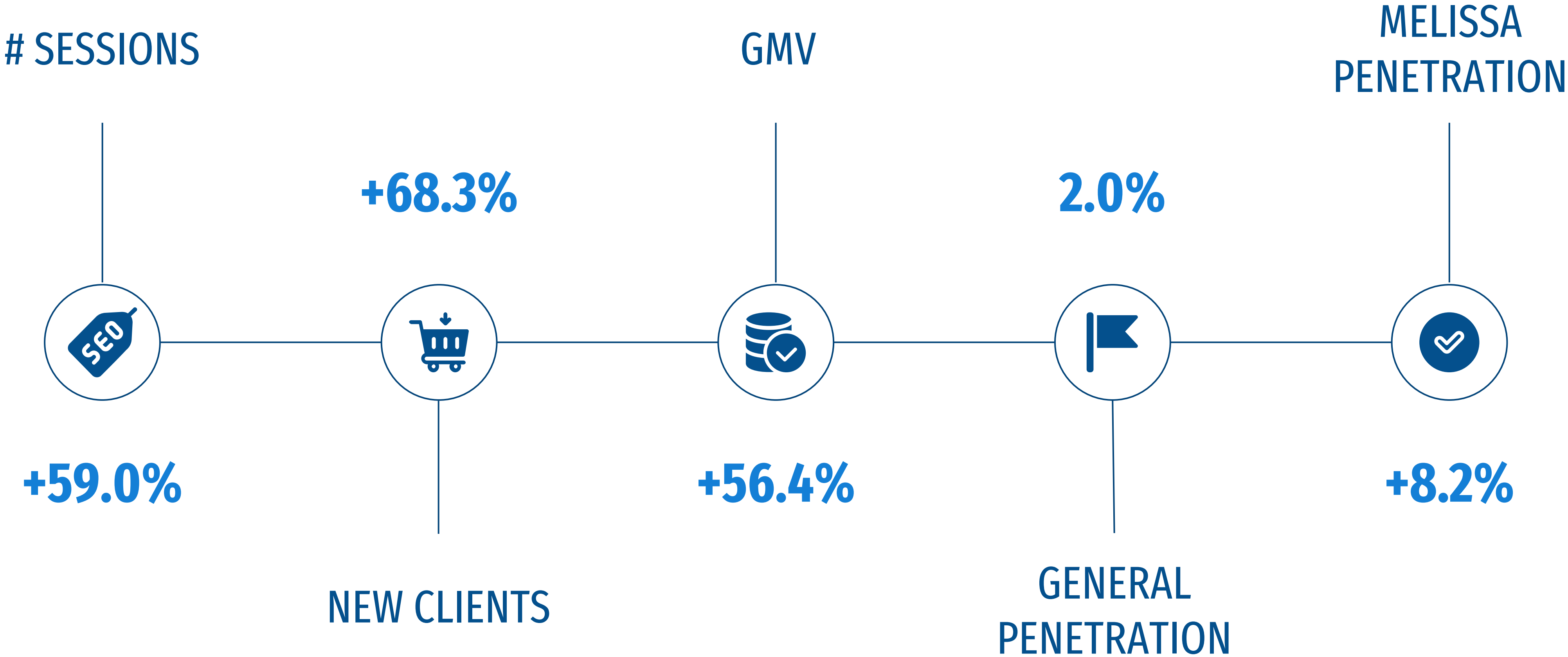
## TOP 100 OPEN STARTUPS FINALIST

- **MAIN OPEN INNOVATION** AWARD IN BRAZIL;
- INDICATED BY THE STARTUPS THEMSELVES;
- CONTRACT WITH MORE THAN 13 STARTUPS IN INNOVATION PROJECTS;
- FOCUSED IN COMPUTER VISION, ARTIFICIAL INTELLIGENCE, OMNICHANNEL RETAILING, PAYMENT METHODS, ANALYTICS, SUSTAINABILITY, AND NEW MATERIALS.



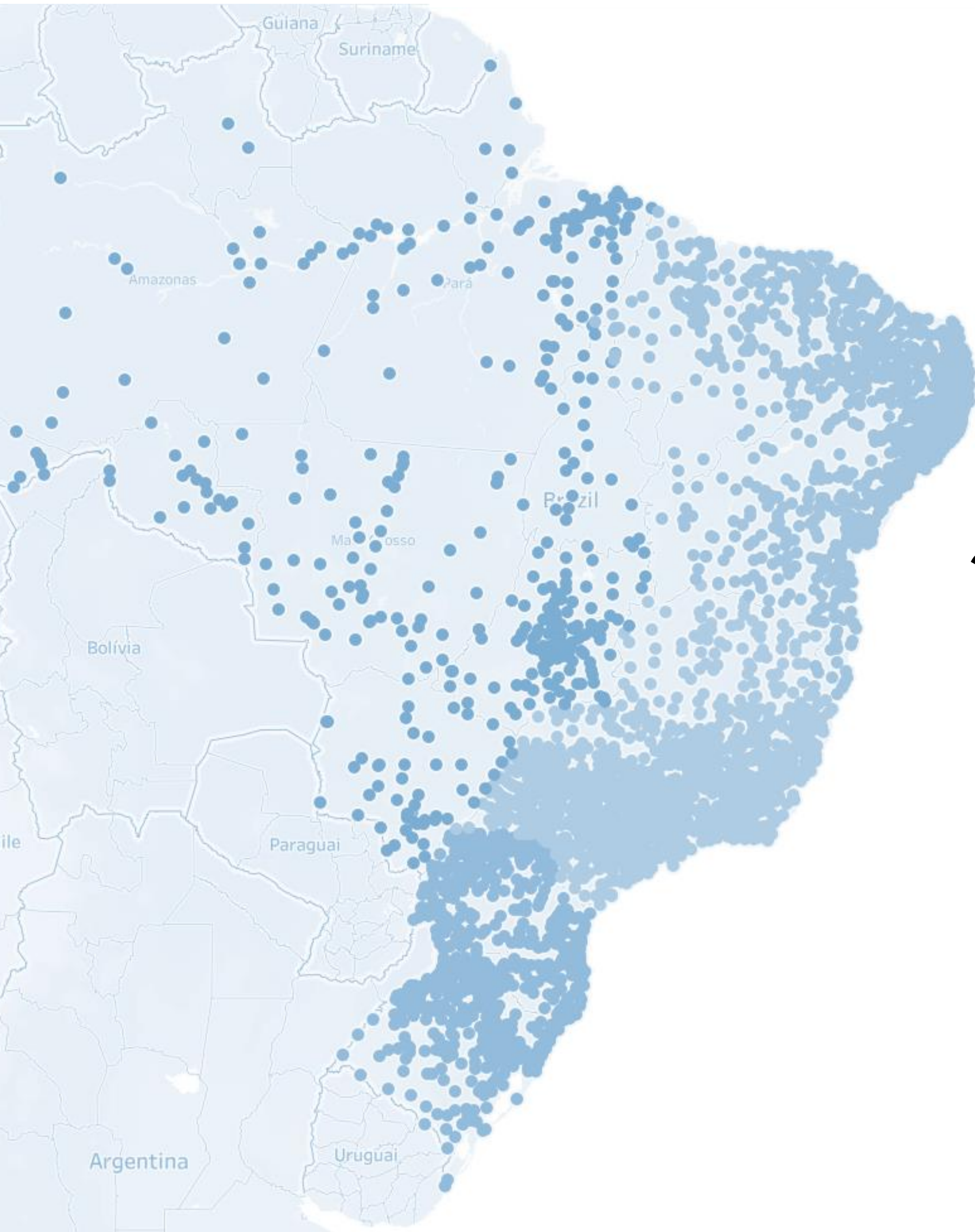


# E-commerce



# E-commerce

## ACCUMULATED YEAR AFTER YEAR



**~245 THOUSAND**  
CLIENTS



**+101%**

**~560 THOUSAND**  
PAIRS



**+115%**

**R\$ 48.4 MILLION**  
GMV



**+109%**

**4,074**  
CITIES COVERED



**+21%**

## INTEGRATED



## 4Q22





# Grendene Global Brands (“GGB”)

## PEOPLE

- STRUCTURED TEAM;
- DIVERSE BACKGROUND;
- COMPLEMENTARY SKILLS.

SERVICE LEVEL  
ABOVE

99%

SHIPPING/DELIVERY

LOCAL CONTENT  
WITH ENGAJEMENT

2X

MORE GLOBAL CONTENT

MELISSA E-COMMERCE

+274%

VS. 3Q21

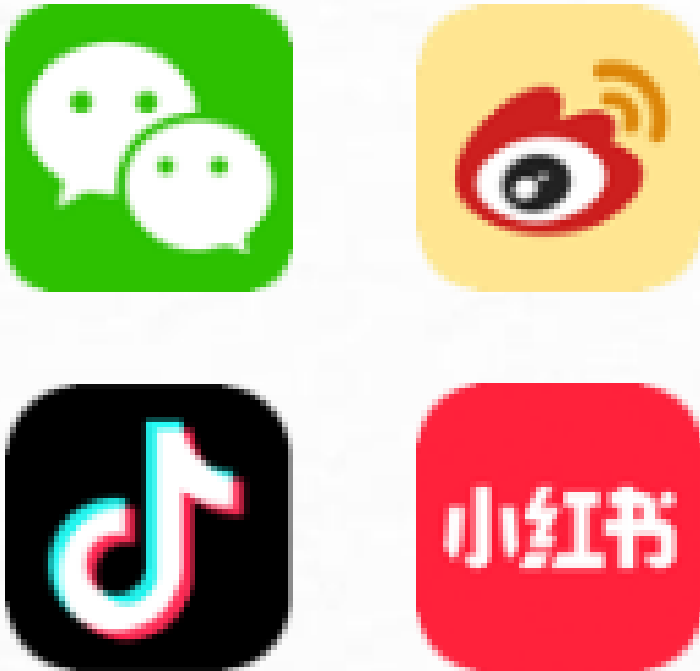
MELISSA E-COMMERCE

+179%

VS. 9M21

## PROCESSES/SYSTEMS

- COMPLETION OF THE TRANSITION OF THE LOGISTICS OPERATION;
- COMPLETION OF THE IT ARCHITECTURE TRANSITION (ERP, WMS, FRONT-END, BI);
- COMPLETION OF THE NEW TECHNOLOGY STRUCTURE FOR SERVING THE INDEPENDENT CHANNEL;
- STRUCTURING OF PROCESSES AND GOVERNANCE;



## BRAND

“GLOBAL BRANDS WITH LOCAL PRESENCE”

- COMPLETION OF BRAND POSITIONING AND PRODUCT MIX;
- START OF LOCAL CAMPAIGNS IN USA AND CHINA;

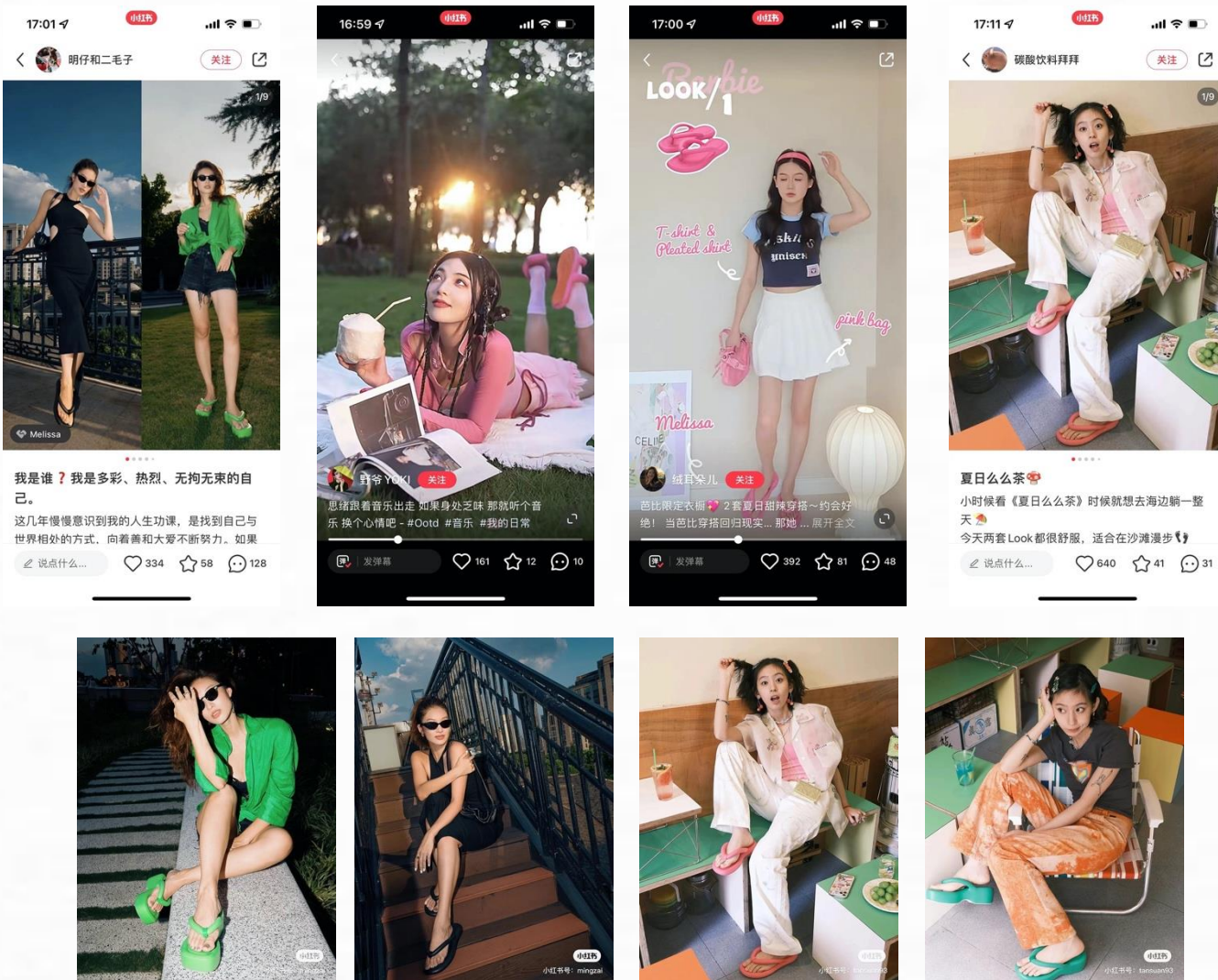
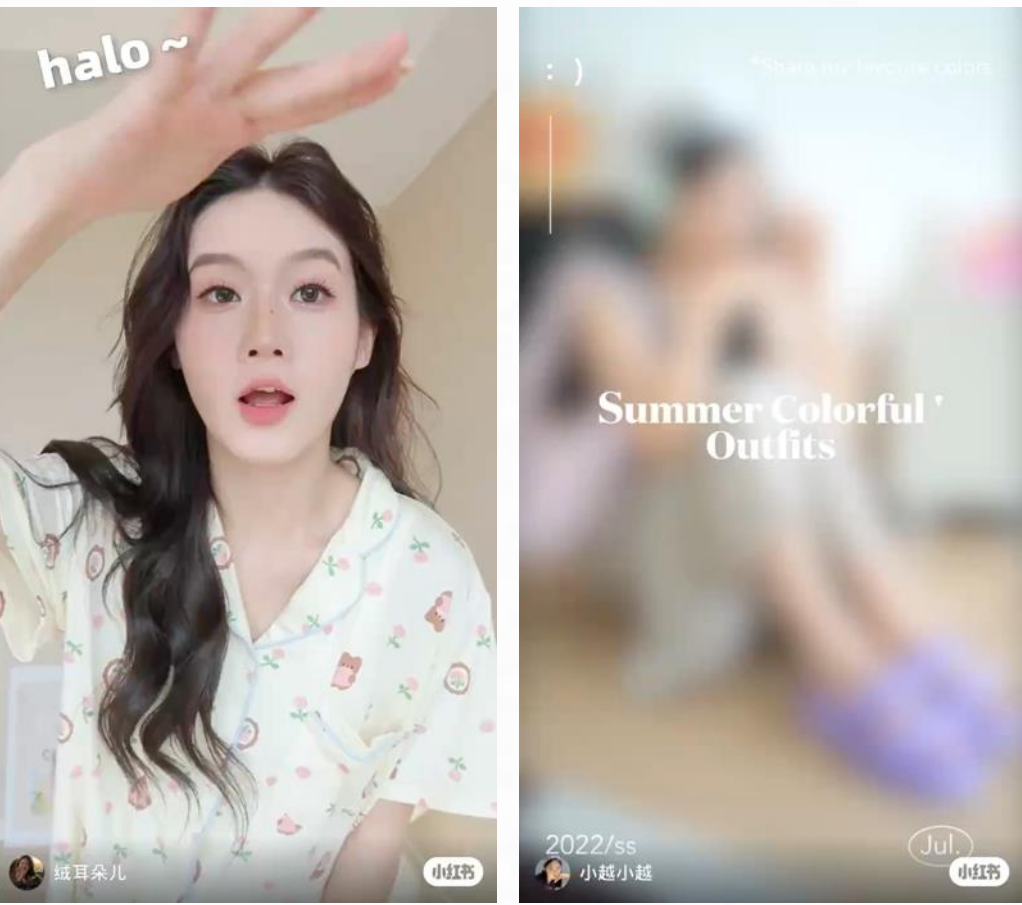
## GO TO MARKET

- RELAUNCH OF THE OFFICIAL IPANEMA STORE AND RIDER;
- MELISSA PRESENCE IN THE MAIN SOCIAL PLATFORMS IN CHINA;
- COMPLETION OF PHASE 1 CONNECTION WITH US WHOLESALERS (IN-STORE AND DROPSHIP);
- REPLICATE ACTIONS PERFORMED FOR MELISSA IN CHINA FOR THE BRAND IPANEMA.

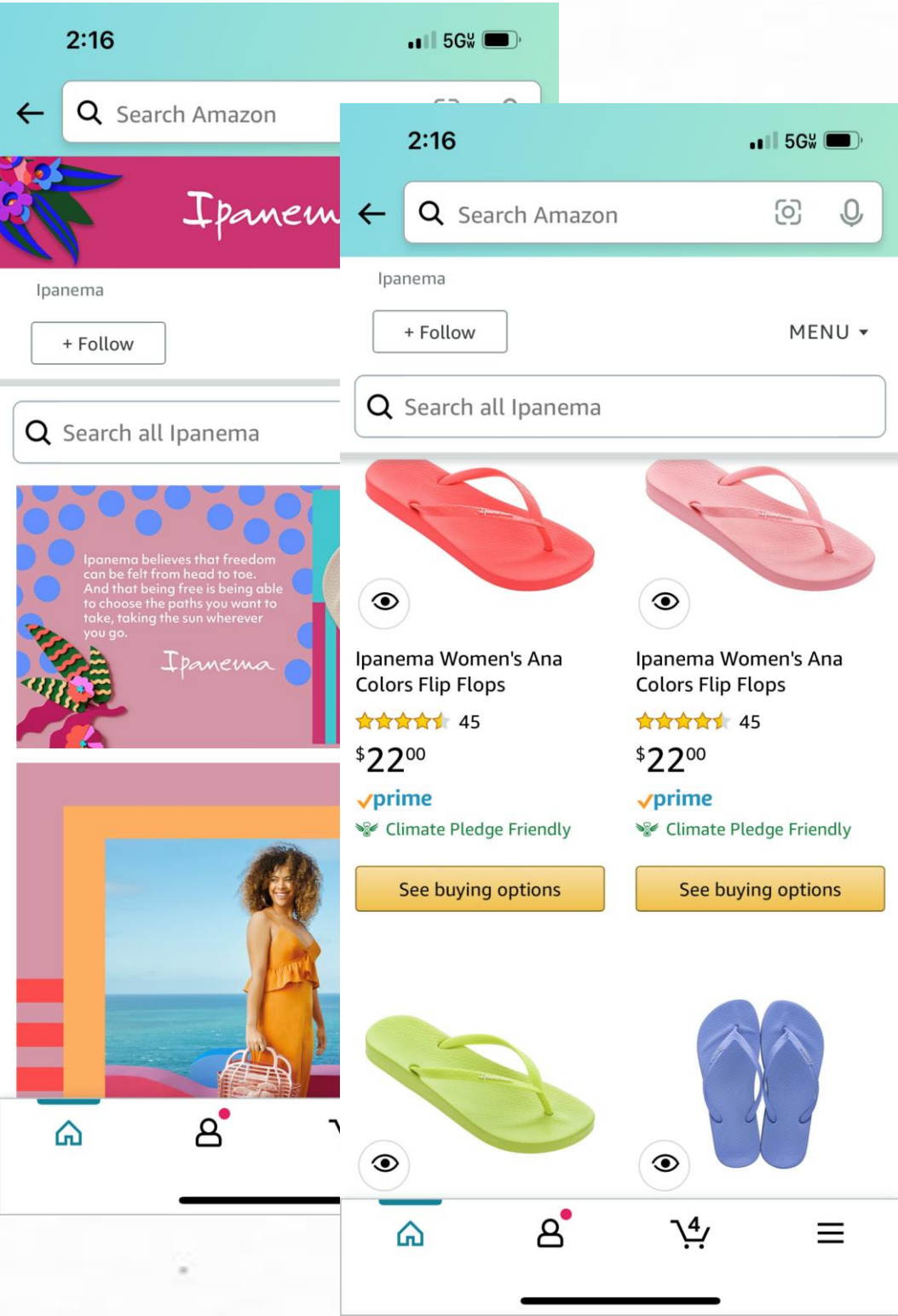
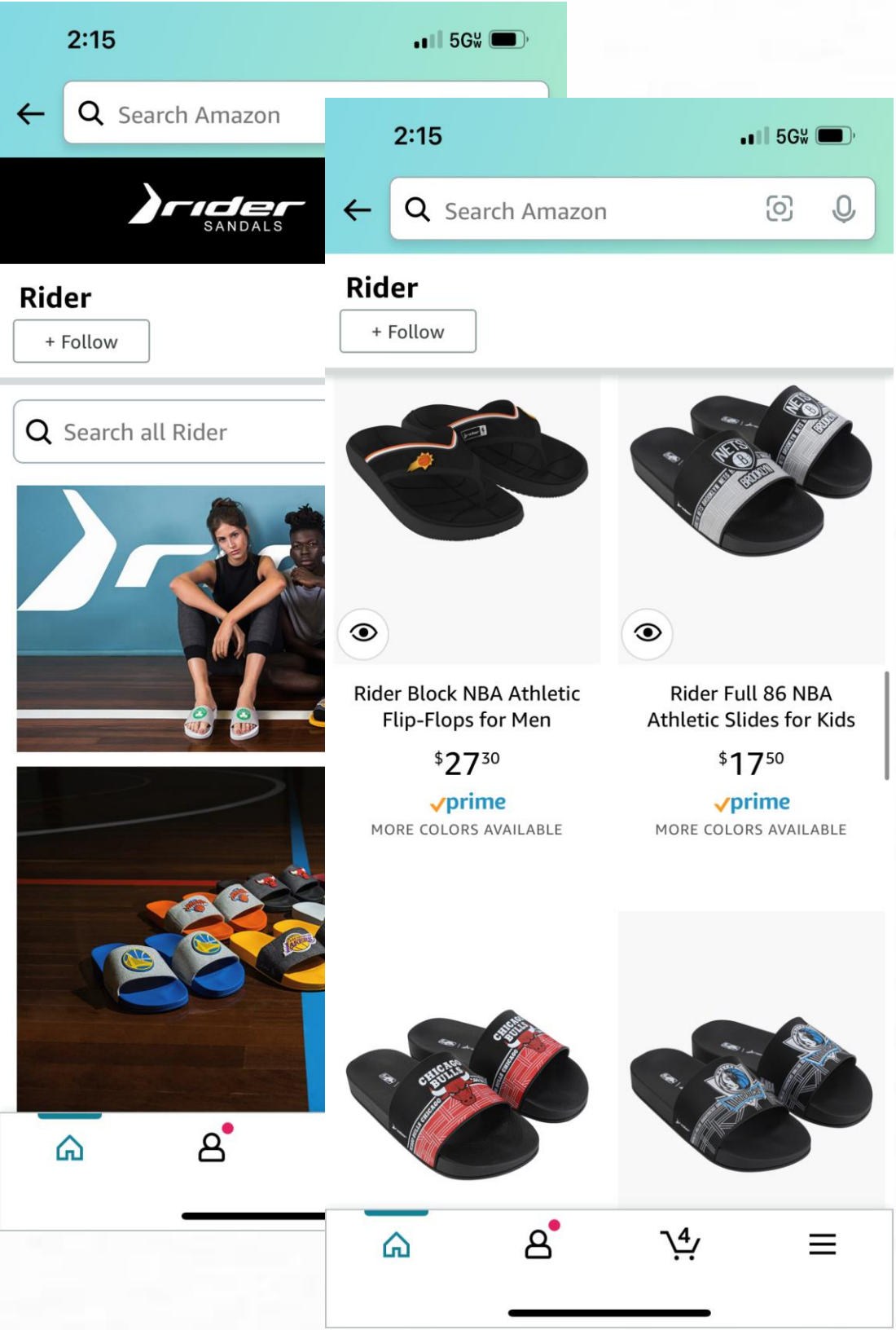


# Grendene Global Brands (“GGB”)

## CHINA LOCAL CONTENT



## IPANEMA AND RIDER BACK ON AMAZON

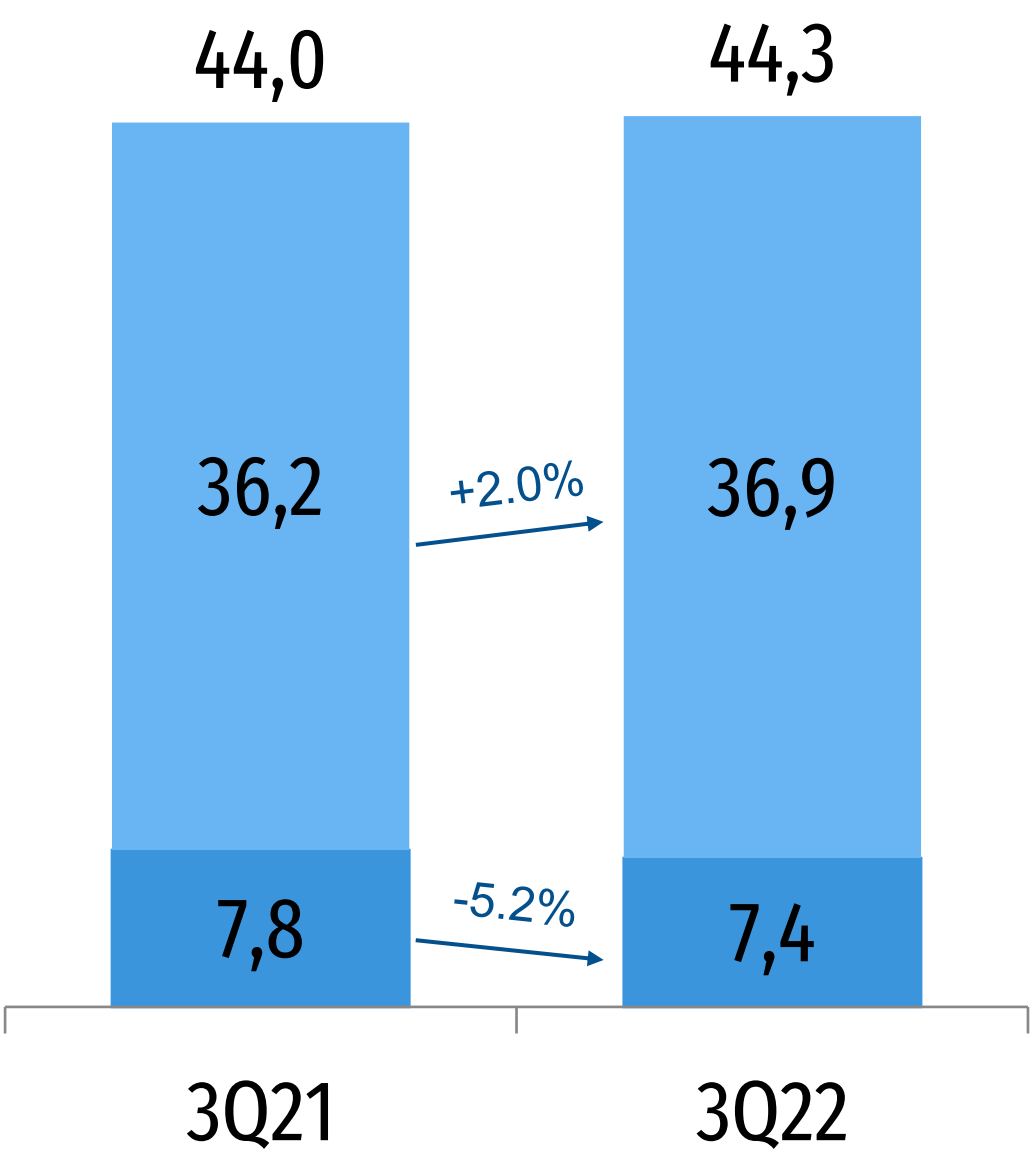




# 3Q22 Highlights yoy

## VOLUME

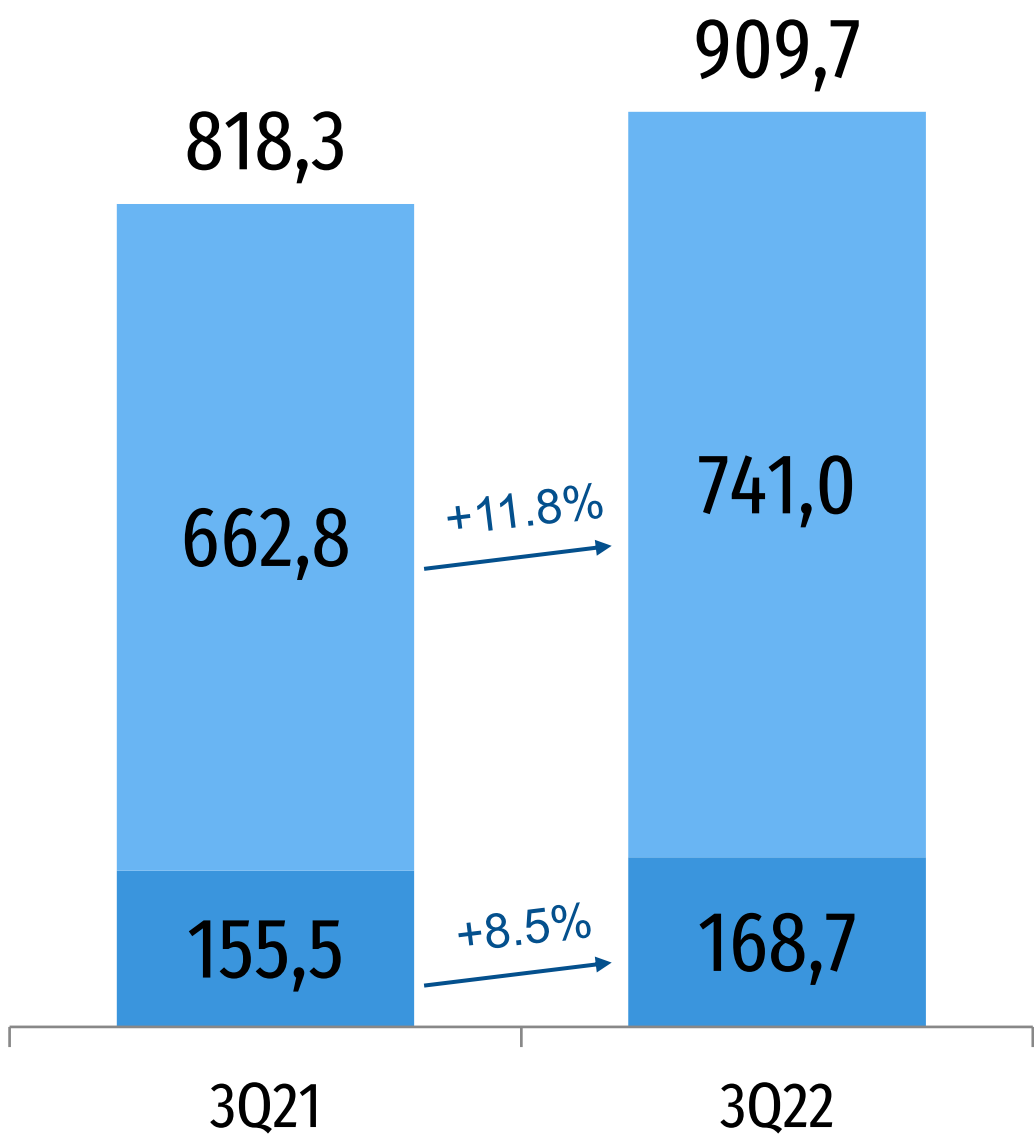
**44.3**  
MILLION PAIRS  
0.7% vs. 3Q21



■ Export market ■ Domestic market

## GROSS REVENUE

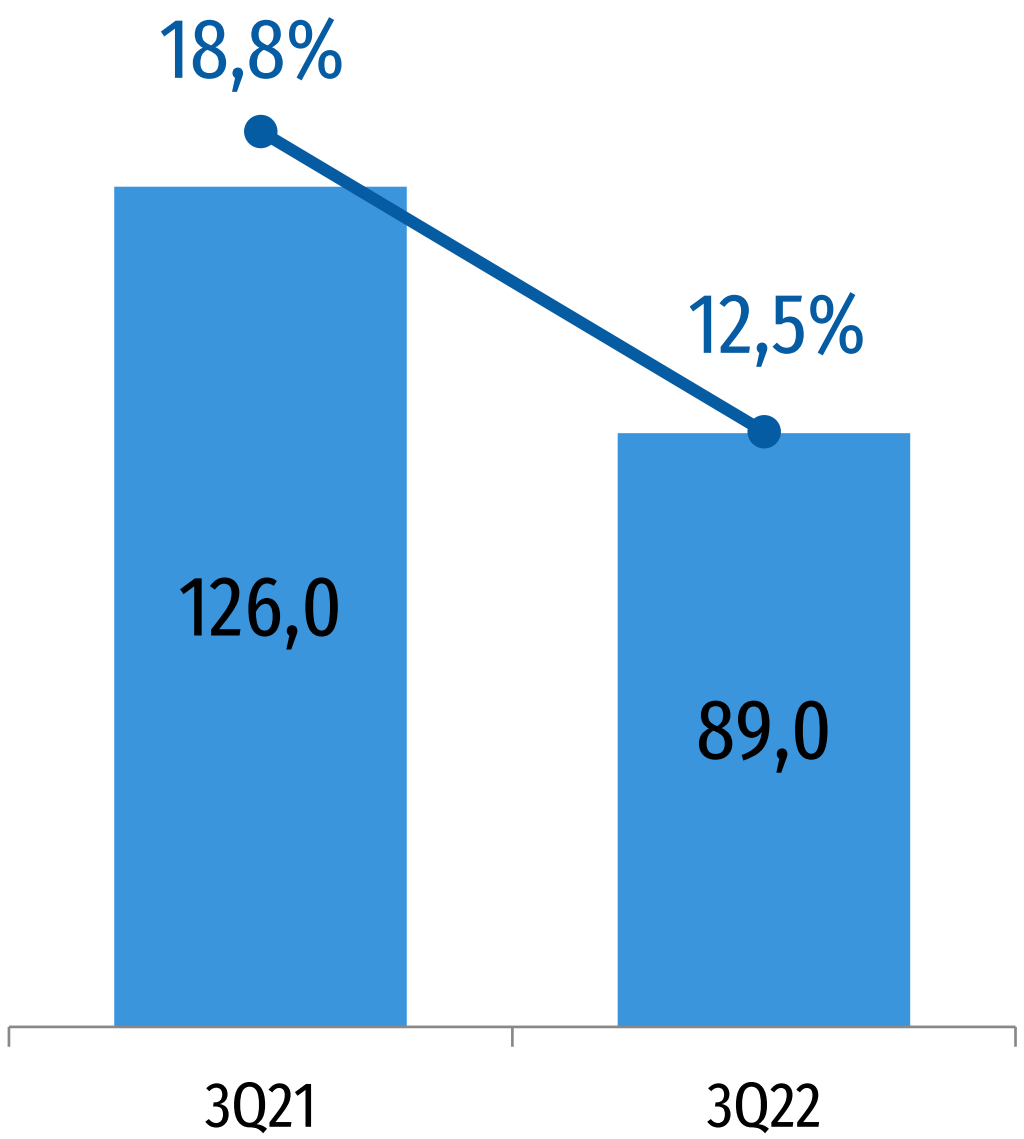
**R\$ 909.7**  
MILLION  
11.2% vs. 3Q21



■ Export market ■ Domestic market

## RECURRING EBIT

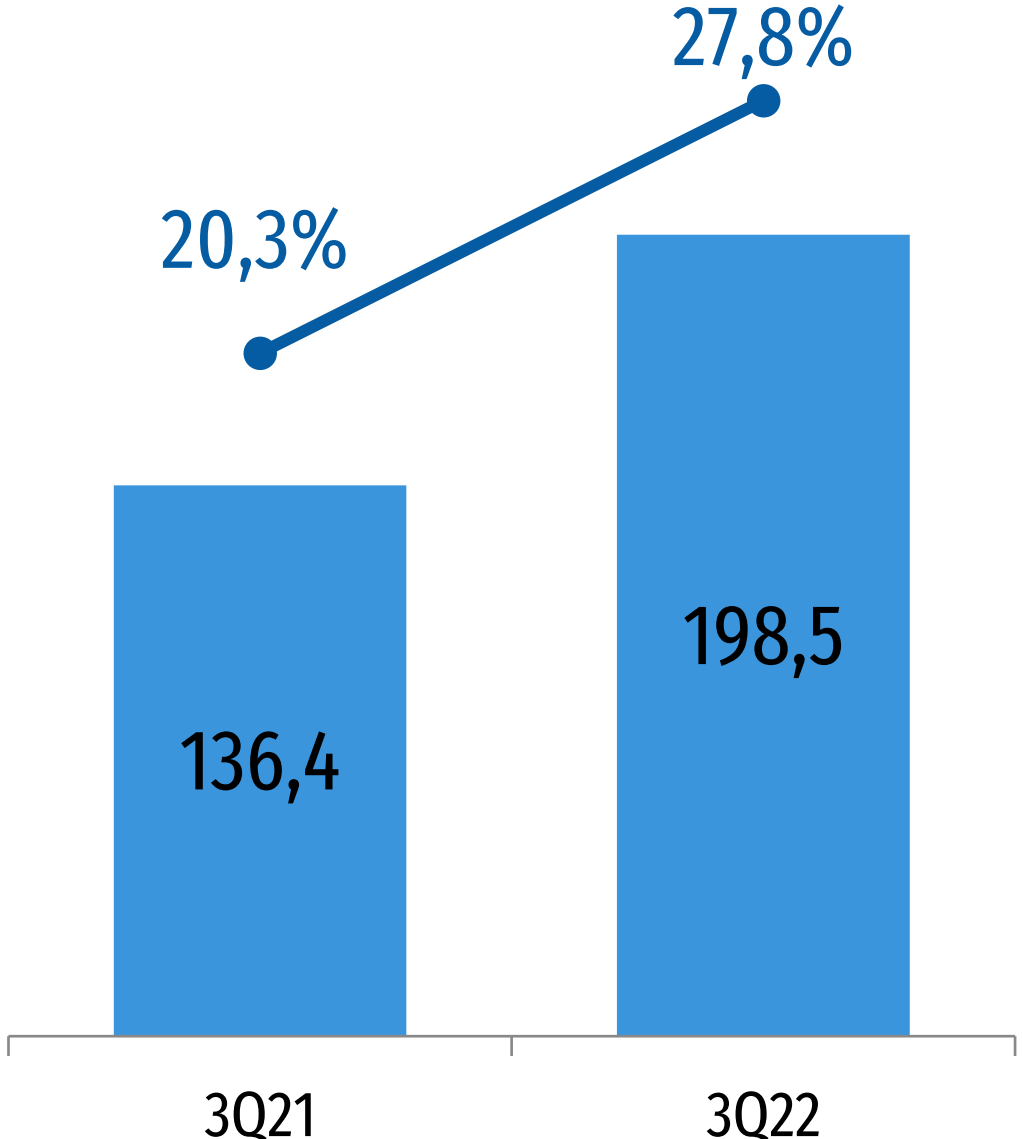
**R\$ 89.0**  
MILLION  
(29.3%) vs. 3Q21



■ Recurring Ebit ● Recurring Ebit margin

## RECURRING NET PROFIT

**R\$ 198.5**  
MILLION  
45.5% vs. 3Q21

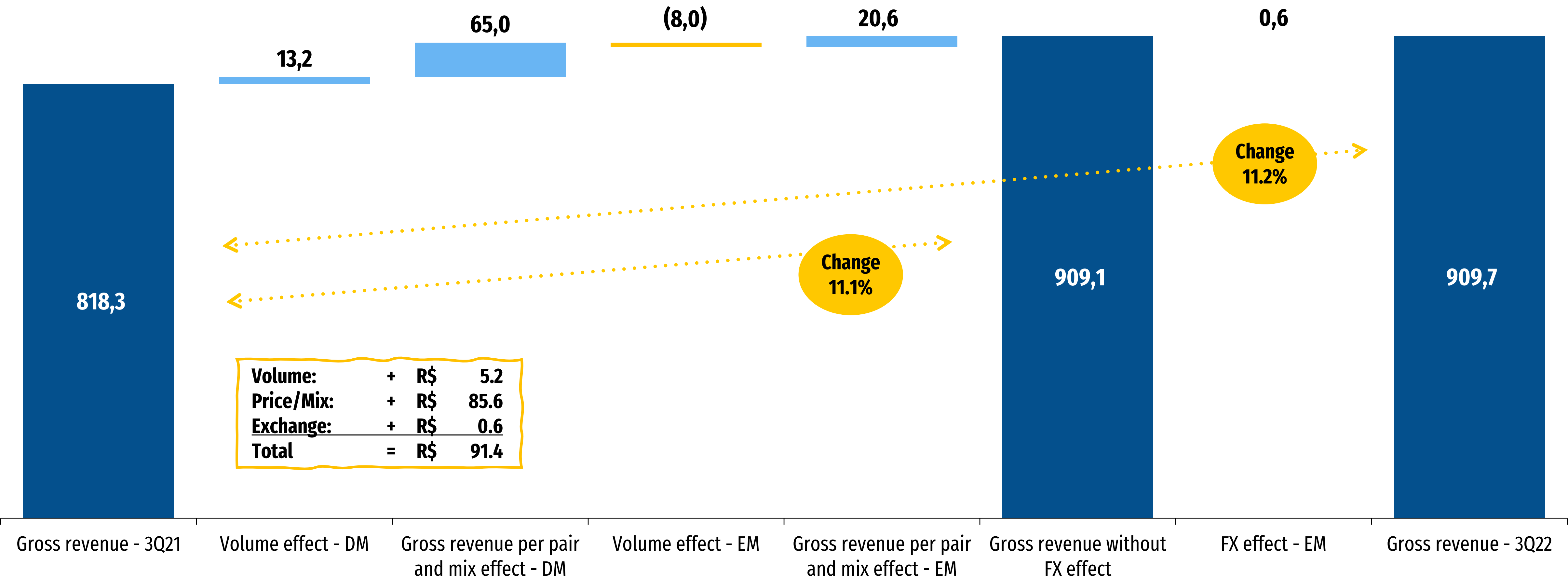


■ Recurring Net Profit ● Recurring Net margin

# Gross sales revenue – Domestic market and Export Market

(in million of R\$)

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



Average US dollar: 3Q21 = R\$ 5.2294 / 3Q22 = R\$ 5.2495 – Δ 0.4%

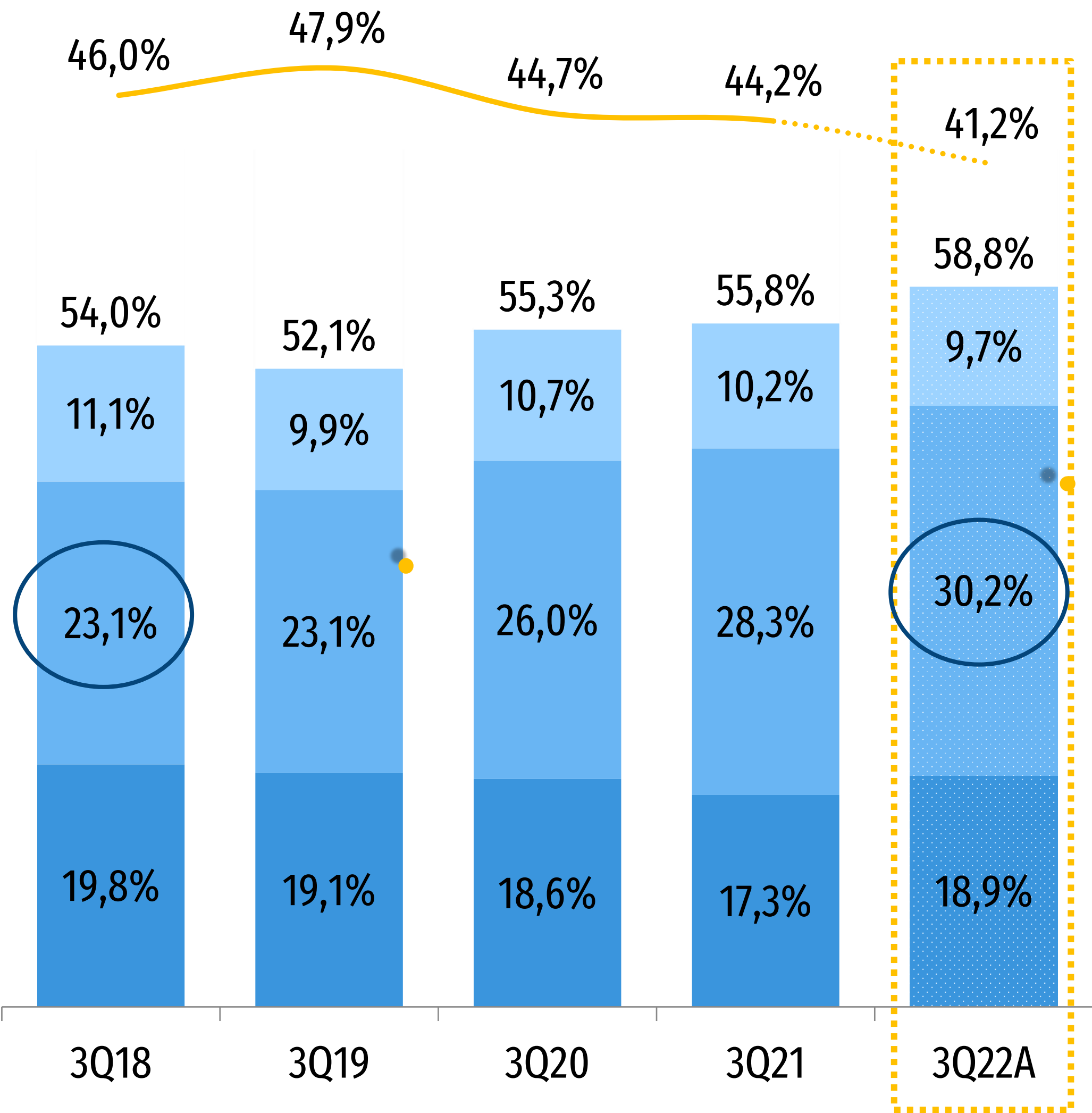


# Cost of goods sold

(% of Net Sales)

## 3Q22A

- OTHER MANUFACTURING COST**
  - 0.5 PP vs. 3Q21
  - 0.2 PP vs. 3Q19
  - 1.4 PP vs. 3Q18
- RAW MATERIAL**
  - +1.8 PP vs. 3Q21
  - +7.1 PP vs. 3Q19
  - +7.1 PP vs. 3Q18
- LABOR**
  - +1.6 PP vs. 3Q21
  - 0.3 PP vs. 3Q19
  - 0.9 PP vs. 3Q18
- TOTAL COGS**
  - +3.0 PP vs. 3Q21
  - +6.7 PP vs. 3Q19
  - +4.8 PP vs. 3Q18
- GROSS MARGIN**
  - 3.0 PP vs. 3Q21
  - 6.7 PP vs. 3Q19
  - 4.8 PP vs. 3Q18



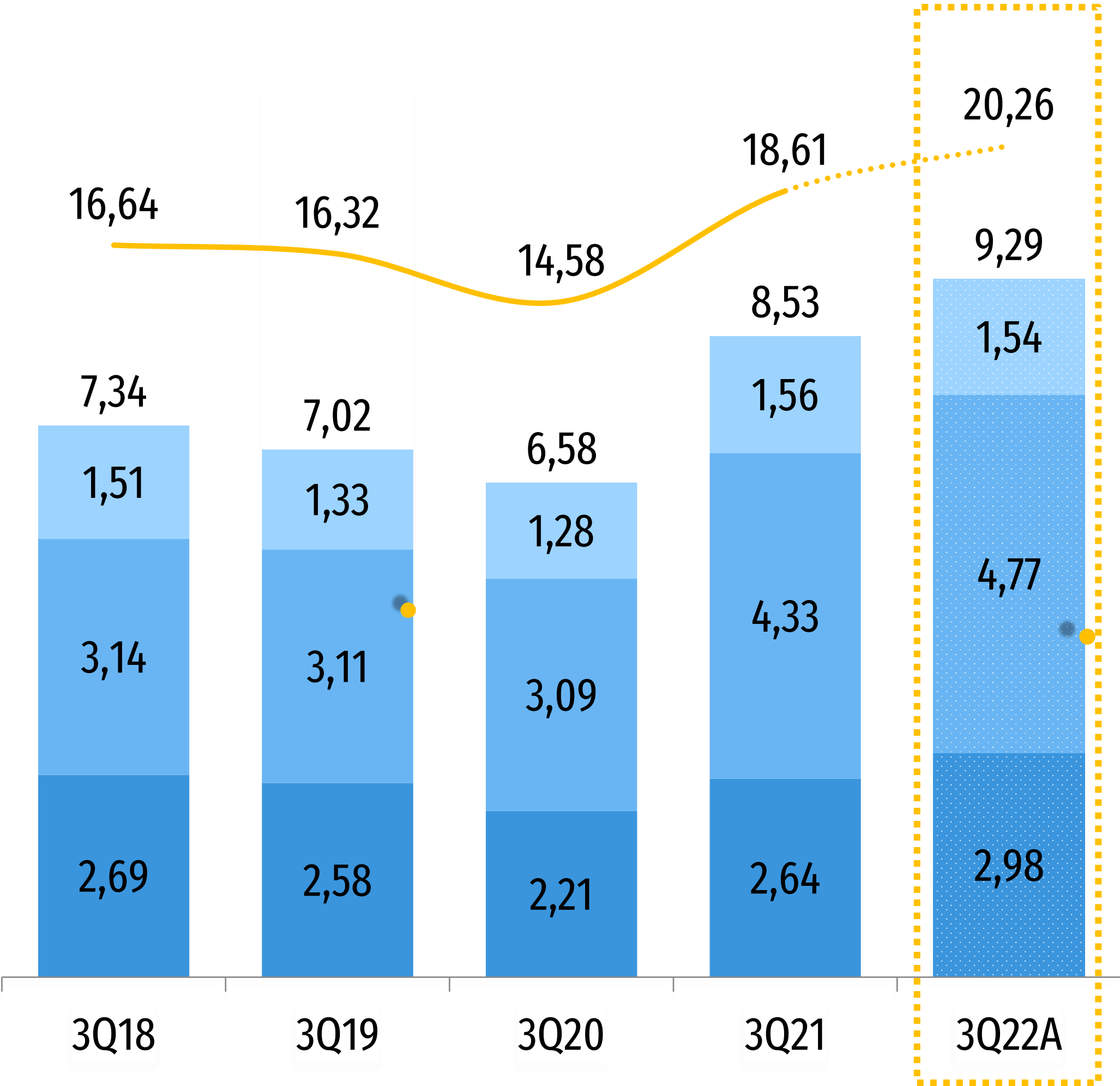
\* Excluding revenue (R\$ 19.7 MM) and cost (R\$ 21.5 MM) from ~355 thousand pairs sold at a price below cost due to the termination of Grendene USA's operating activities.

# Cost of goods sold per pair

(in R\$)

## 3Q22A

- OTHER MANUFACTURING COST/PAIR**
  - 1.3% vs. 3Q21
  - +15.8% vs. 3Q19
  - +2.0% vs. 3Q18
- RAW MATERIAL/PAIR**
  - +10.2% vs. 3Q21
  - +53.4% vs. 3Q19
  - +51.9% vs. 3Q18
- LABOR/PAIR**
  - +12.9% vs. 3Q21
  - +15.5% vs. 3Q19
  - +10.8% vs. 3Q18
- TOTAL COGS/PAIR**
  - +8.9% vs. 3Q21
  - +32.3% vs. 3Q19
  - +26.6% vs. 3Q18
- GROSS REVENUE/PAIR**
  - +8.9% vs. 3Q21
  - +24.1% vs. 3Q19
  - +21.8% vs. 3Q18

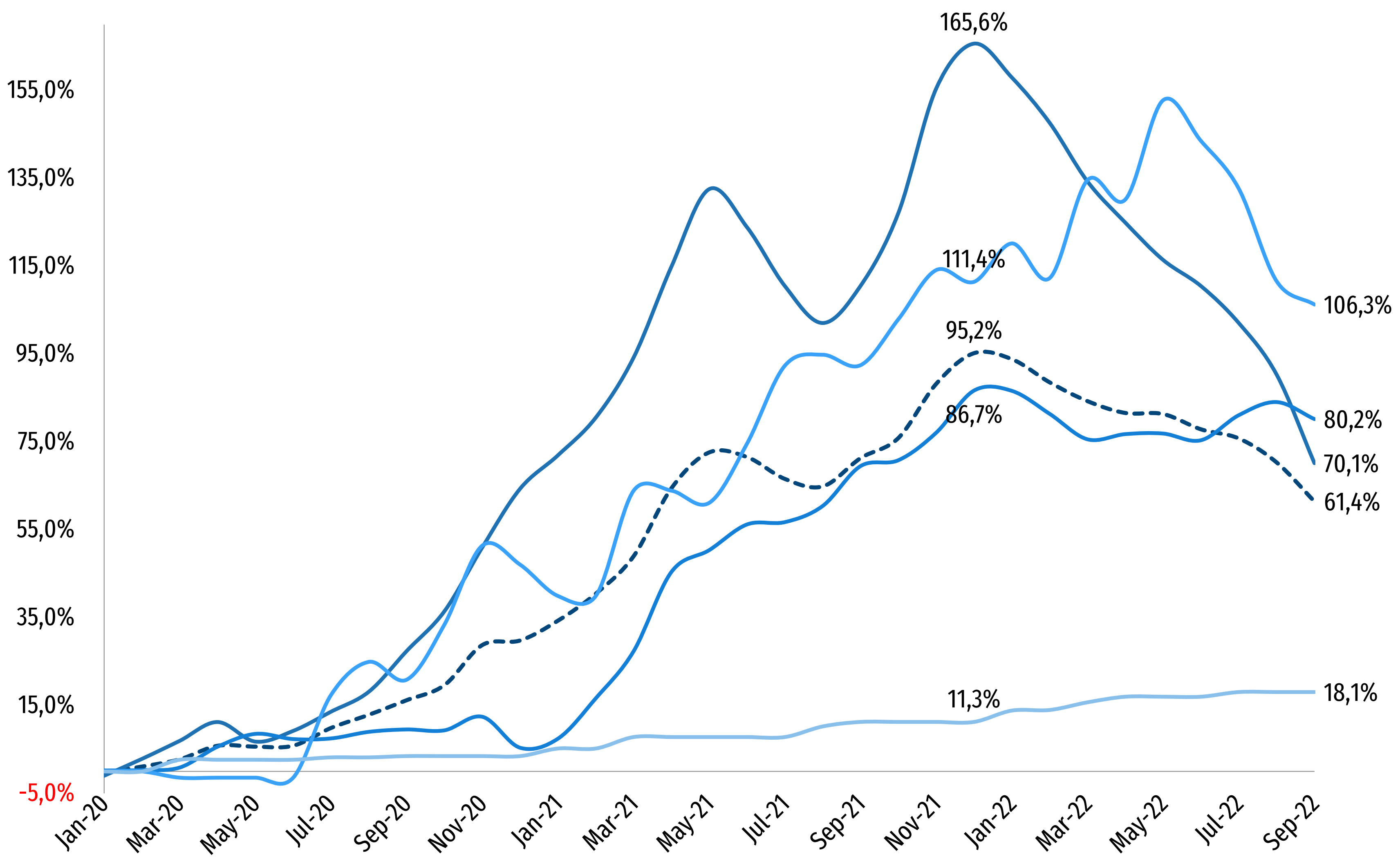


IPCA variation from Jul/19 to Sep/22: 22.17%.  
IPCA variation from Jul/18 to Sep/22: 26.28%.

\* Excluding revenue (R\$ 19.7 MM) and cost (R\$ 21.5 MM) from ~355 thousand pairs sold at a price below cost due to the termination of Grendene USA's operating activities.



# Variation of the main components of COGS



↓ -17.3%  
2022

**PVC compound**  
**+61.4%**  
Jan/20 – Sep/22

↓ -35.9%  
2022

**PVC Resin**  
**+70.1%**  
Jan/20 – Sep/22

↓ -3.5%  
2022

**Plasticizer**  
**+80.2%**  
Jan/20 – Sep/22

↑ -2.4%  
2022

**Soy Oil**  
**+106.3%**  
Jan/20 – Sep/22

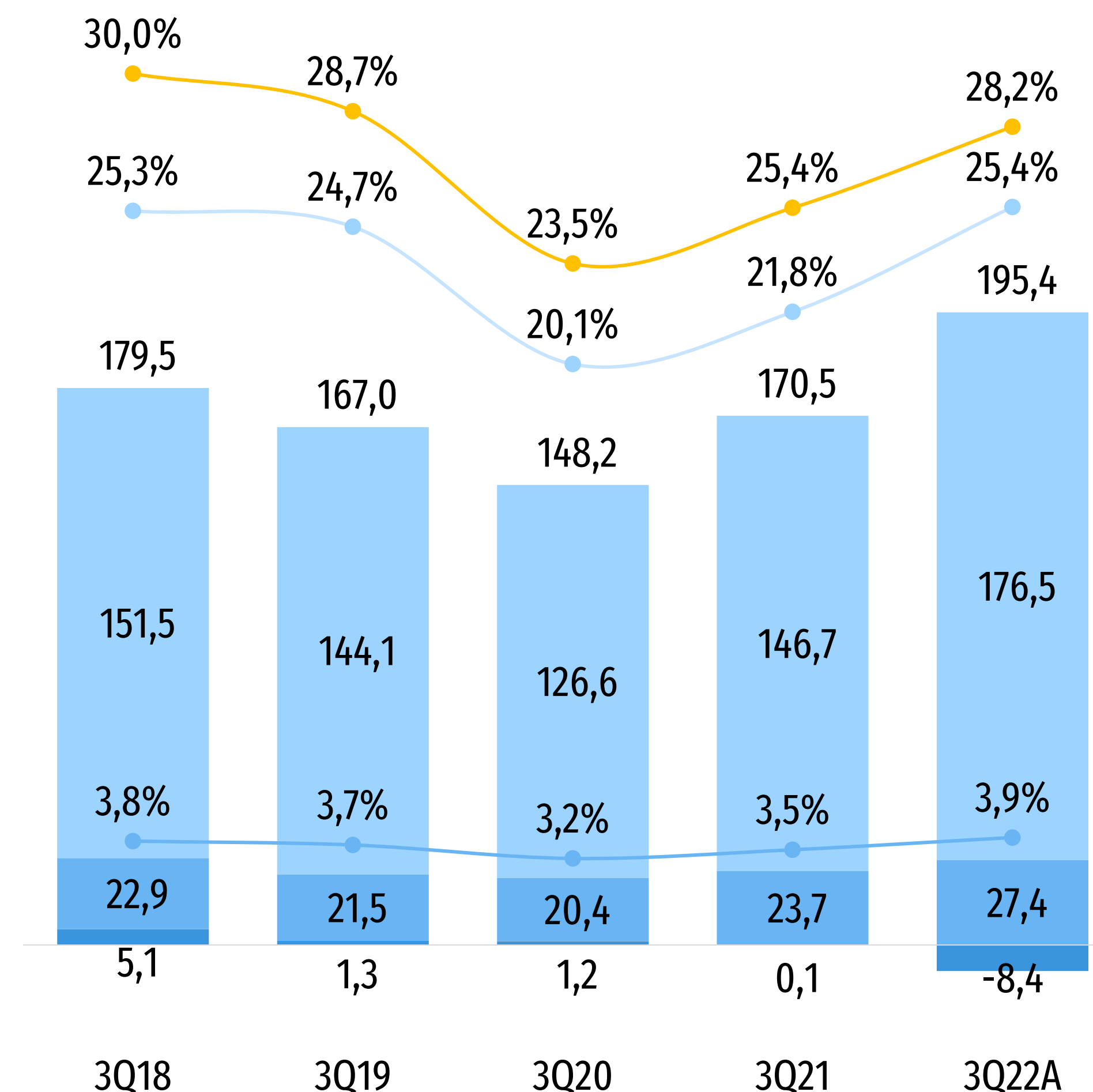
↑ +9.6%  
2022

**Labor**  
**+22.0%**  
Jan/20 – Sep/22

# Recurring Operational Expenses

(in million of R\$)

- **TOTAL OPERATIONAL EXPENSES**  
 +14.7% vs. 3Q21 (+R\$ 24.9 MN)  
 +2.8 PP NSR vs. 3Q21
- **SELLING EXPENSES**  
 +20.3% vs. 3Q21 (+R\$ 29.8 MN)  
 +3.6 PP NSR vs. 3Q21
- **GENERAL & ADMINISTRATIVE**  
 +15.6% vs. 3Q21 (+R\$ 3.7 MN)  
 +0.4 PP NSR vs. 3Q21
- **OTHER OPERATIONAL EXPENSES (REVENUE) AND EQUITY ACCOUNTING**  
 n.s. vs. 3Q21 (+R\$ 8.5 MN)  
 +1.2 PP NSR vs. 3Q21

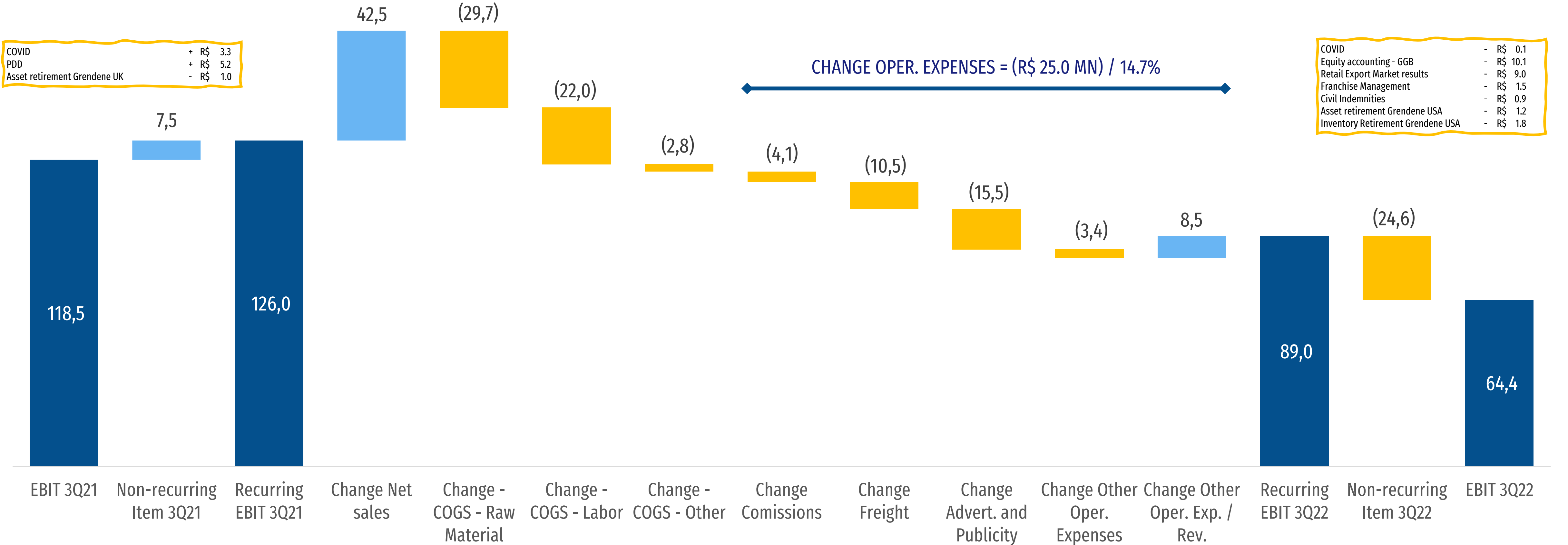
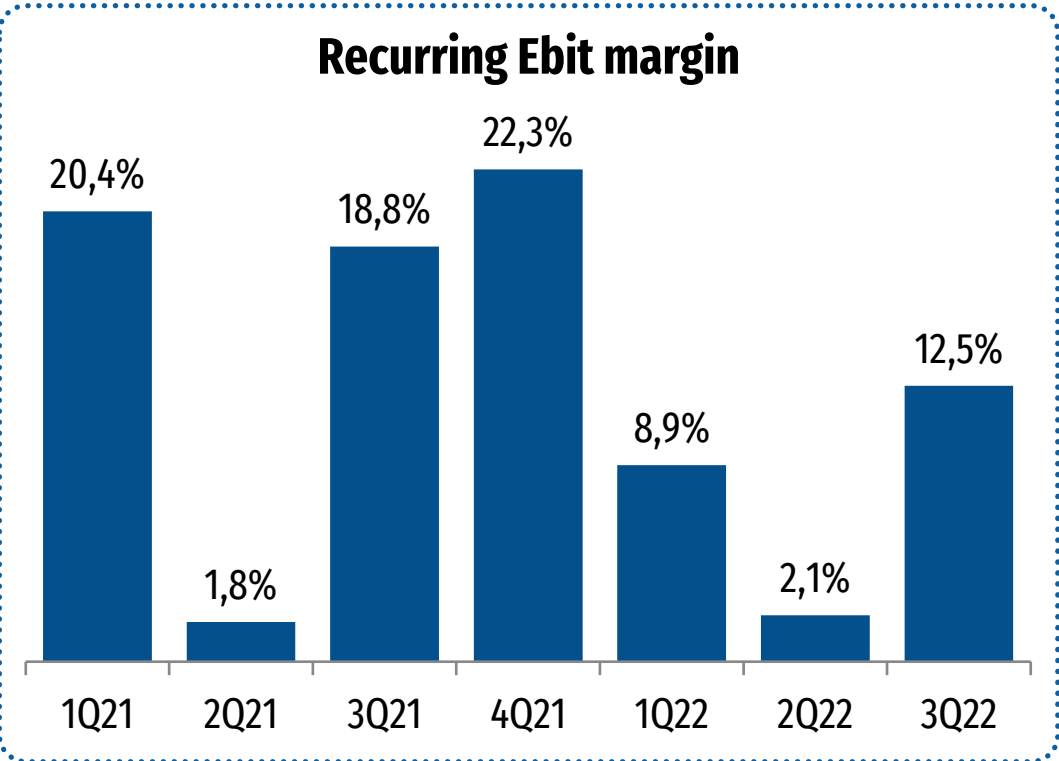


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# EBIT

(in million of R\$)



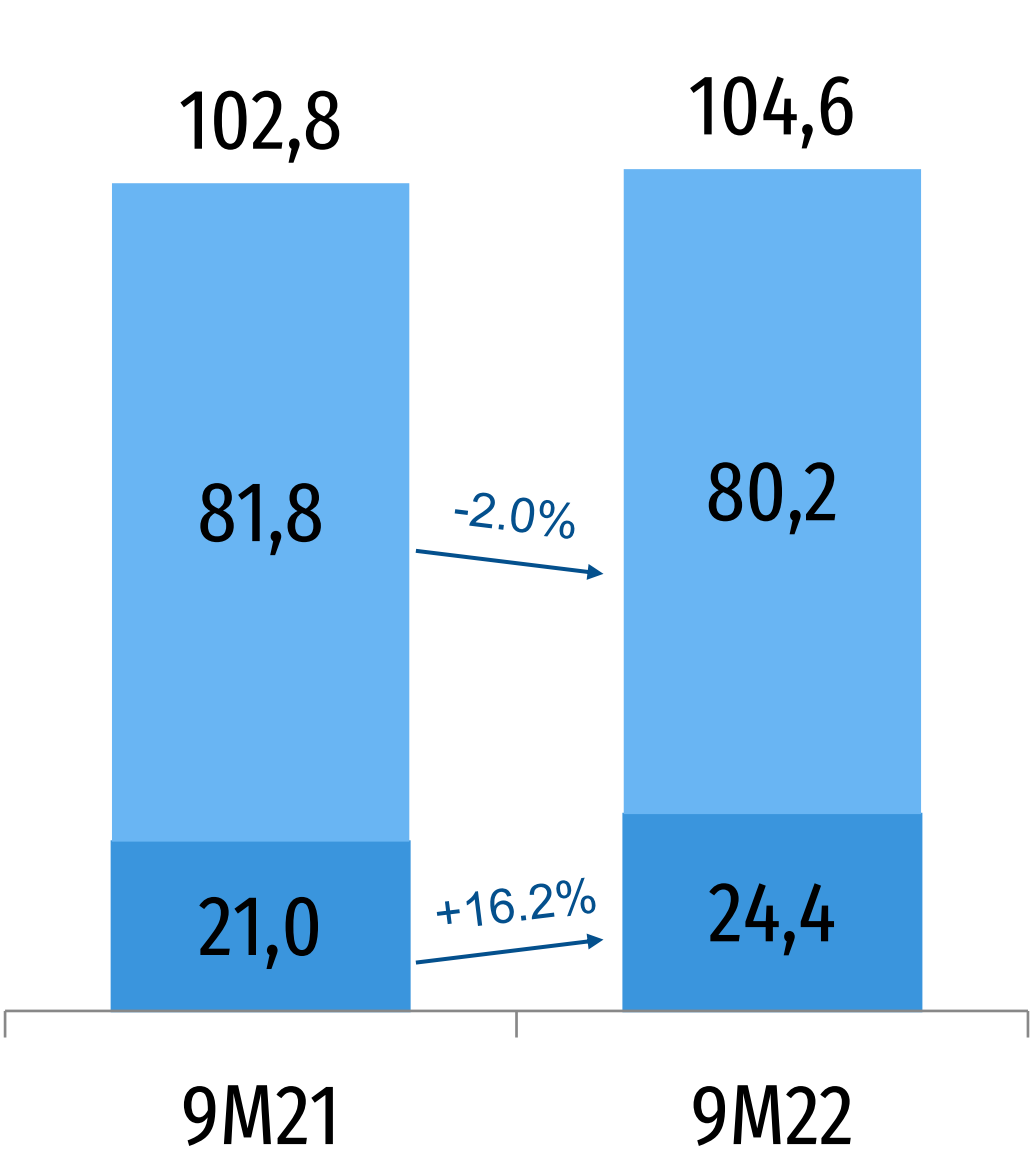
# 9M22 Highlights yoy

## VOLUME

104.6

MILLION

1.7% vs. 9M21



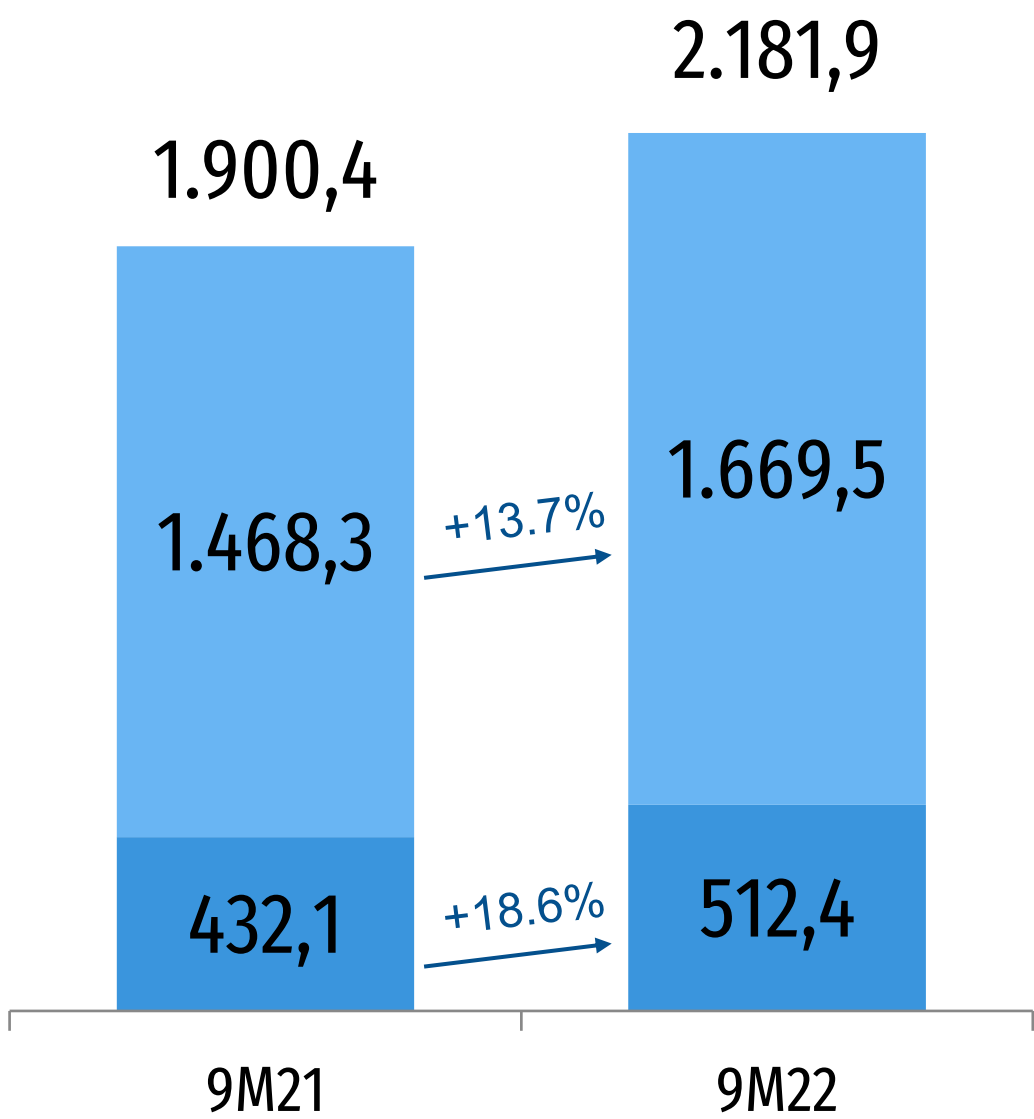
■ Export market ■ Domestic market

## GROSS REVENUE

R\$ 2,181.9

MILLION

14.8% vs. 9M21



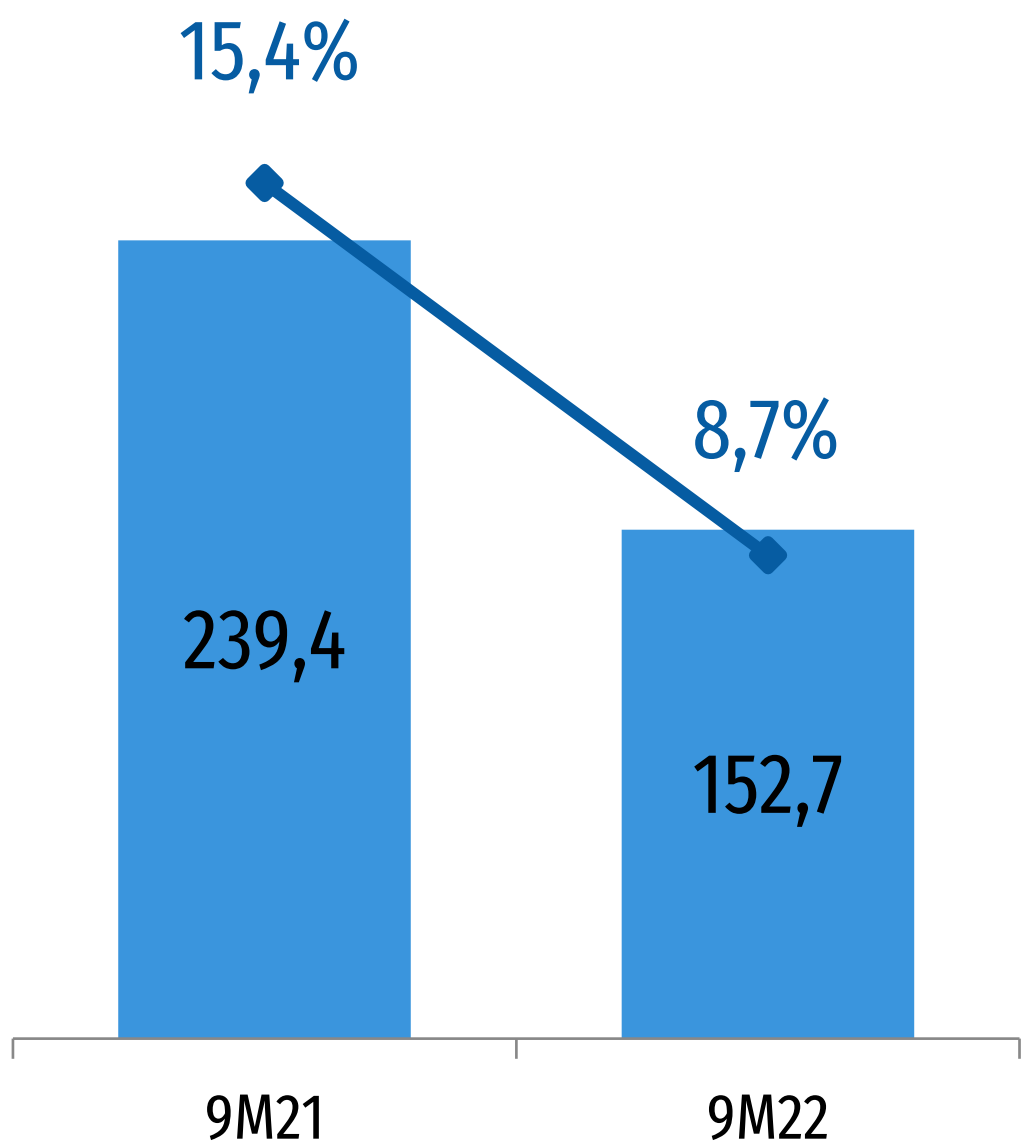
■ Export market ■ Domestic market

## RECURRING EBIT

R\$ 152.7

MILLION

(36.2%) vs. 9M21



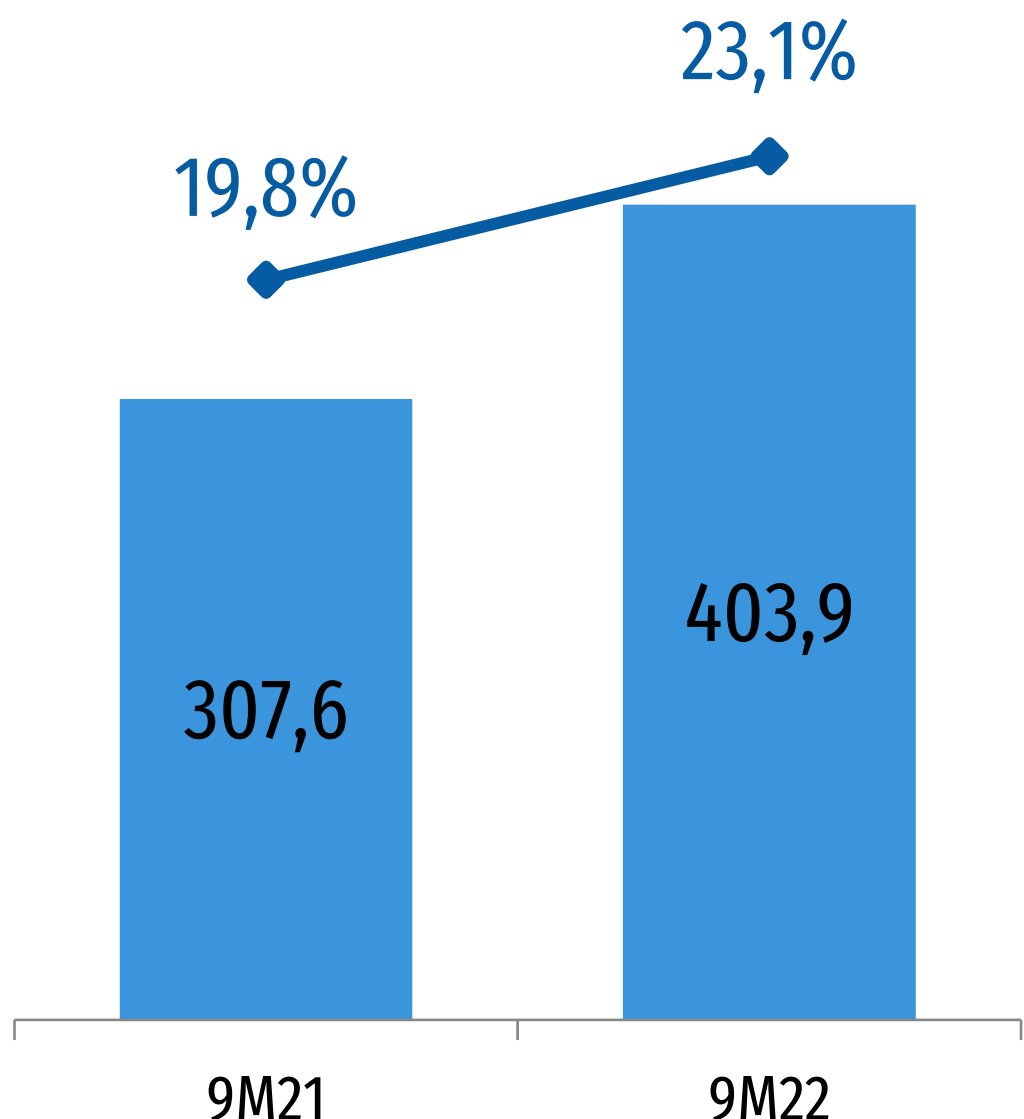
■ Recurring Ebit ◆ Recurring Ebit margin

## RECURRING NET PROFIT

R\$ 403.9

MILLION

31.3% vs. 9M21



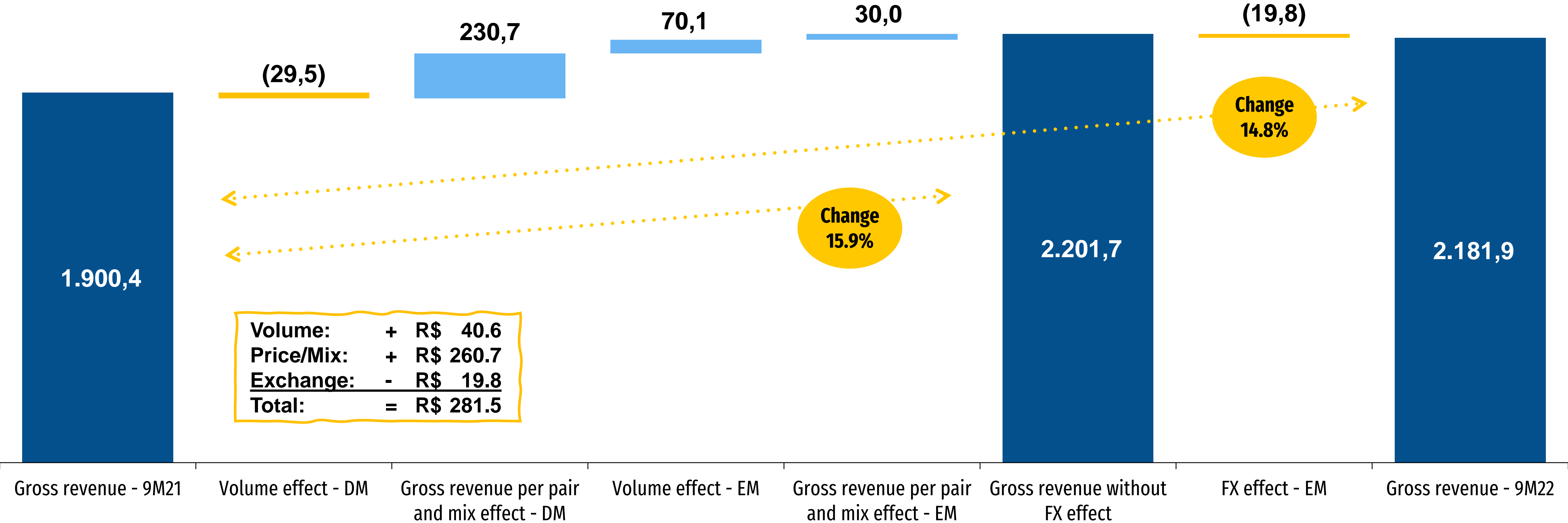
■ Recurring Net Profit ◆ Recurring Net margin



# Gross sales revenue – Domestic market and Export Market

(in million of R\$)

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



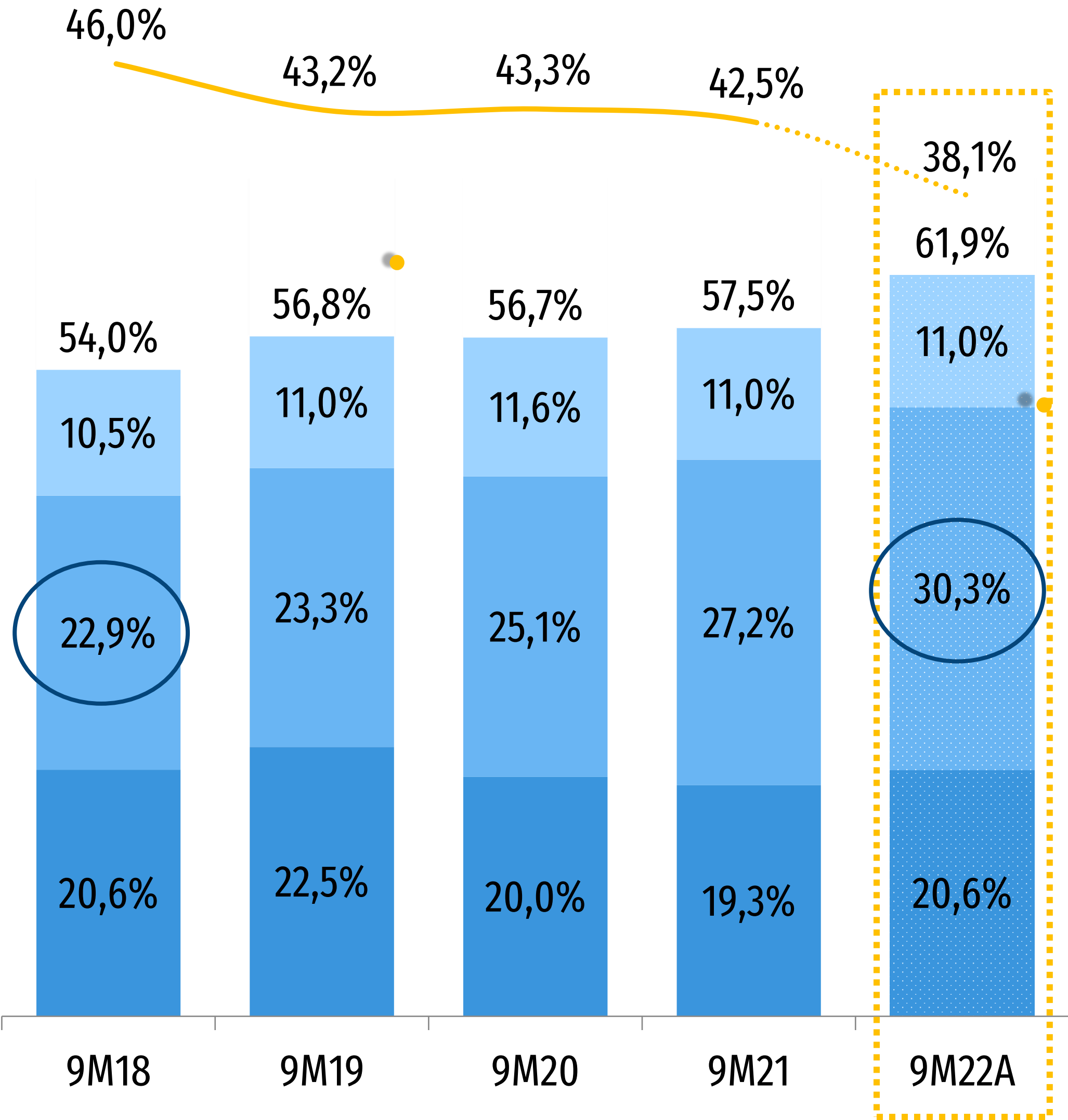
Average US dollar: 9M21 = R\$ 5.3324 / 9M22 = R\$ 5.1344 – Δ (-3.7%)

# Cost of goods sold

(% of Net Sales)

- 9M22A**

  - OTHER MANUFACTURING COST**  
0.0 PP vs. 9M21  
0.0 PP vs. 9M19  
+0.5 PP vs. 9M18
  - RAW MATERIAL**  
+3.1 PP vs. 9M21  
+7.0 PP vs. 9M19  
+7.4 PP vs. 9M18
  - LABOR**  
+1.3 PP vs. 9M21  
-1.9 PP vs. 9M19  
0.0 PP vs. 9M18
  - TOTAL COGS**  
+4.4 PP vs. 9M21  
+5.1 PP vs. 9M19  
+7.9 PP vs. 9M18
  - GROSS MARGIN**  
-4.4 PP vs. 9M21  
-5.1 PP vs. 9M19  
-7.9 PP vs. 9M18



\* Excluding revenue (R\$ 19.7 MM) and cost (R\$ 21.5 MM) from ~355 thousand pairs sold at a price below cost due to the termination of Grendene USA's operating activities.

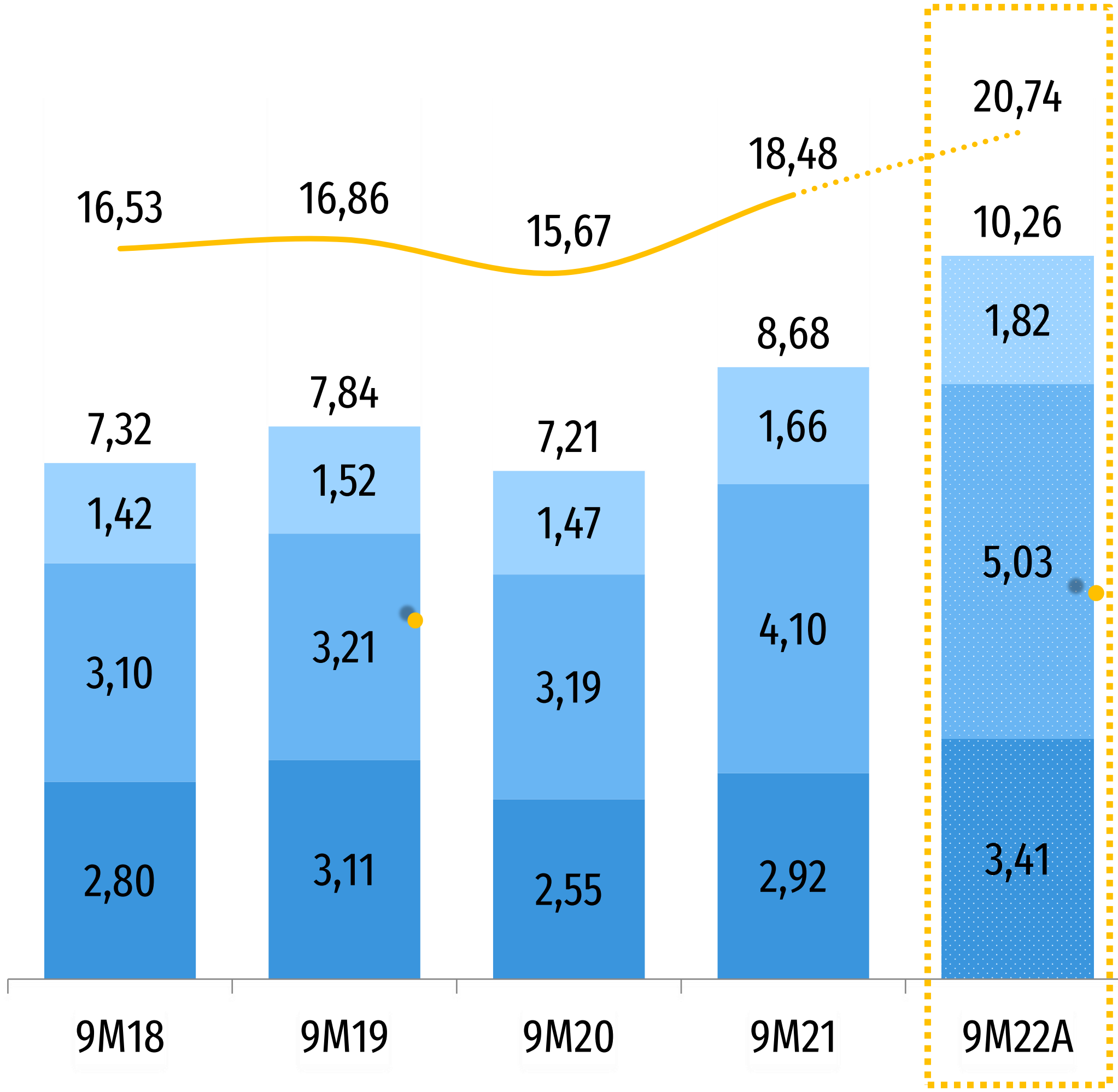


# Cost of goods sold per pair

(in R\$)

## 9M22A

- OTHER MANUFACTURING COST/PAIR**  
+9.6% vs. 9M21  
+19.7% vs. 9M19  
+28.2% vs. 9M18  
CAGR: **6.40%**  
9M18-9M22
- RAW MATERIAL/PAIR**  
+22.7% vs. 9M21  
+56.7% vs. 9M19  
+62.3% vs. 9M18  
CAGR: **12.86%**  
9M18-9M22
- LABOR/PAIR**  
+16.8% vs. 9M21  
+9.6% vs. 9M19  
+21.8% vs. 9M18  
CAGR: **5.05%**  
9M18-9M22
- TOTAL COGS/PAIR**  
+18.2% vs. 9M21  
+30.9% vs. 9M19  
+40.2% vs. 9M18  
CAGR: **8.81%**  
9M18-9M22
- GROSS SALES/PAIR**  
+12.2% vs. 9M21  
+23.0% vs. 9M19  
+25.5% vs. 9M18  
CAGR: **5.84%**  
9M18-9M22



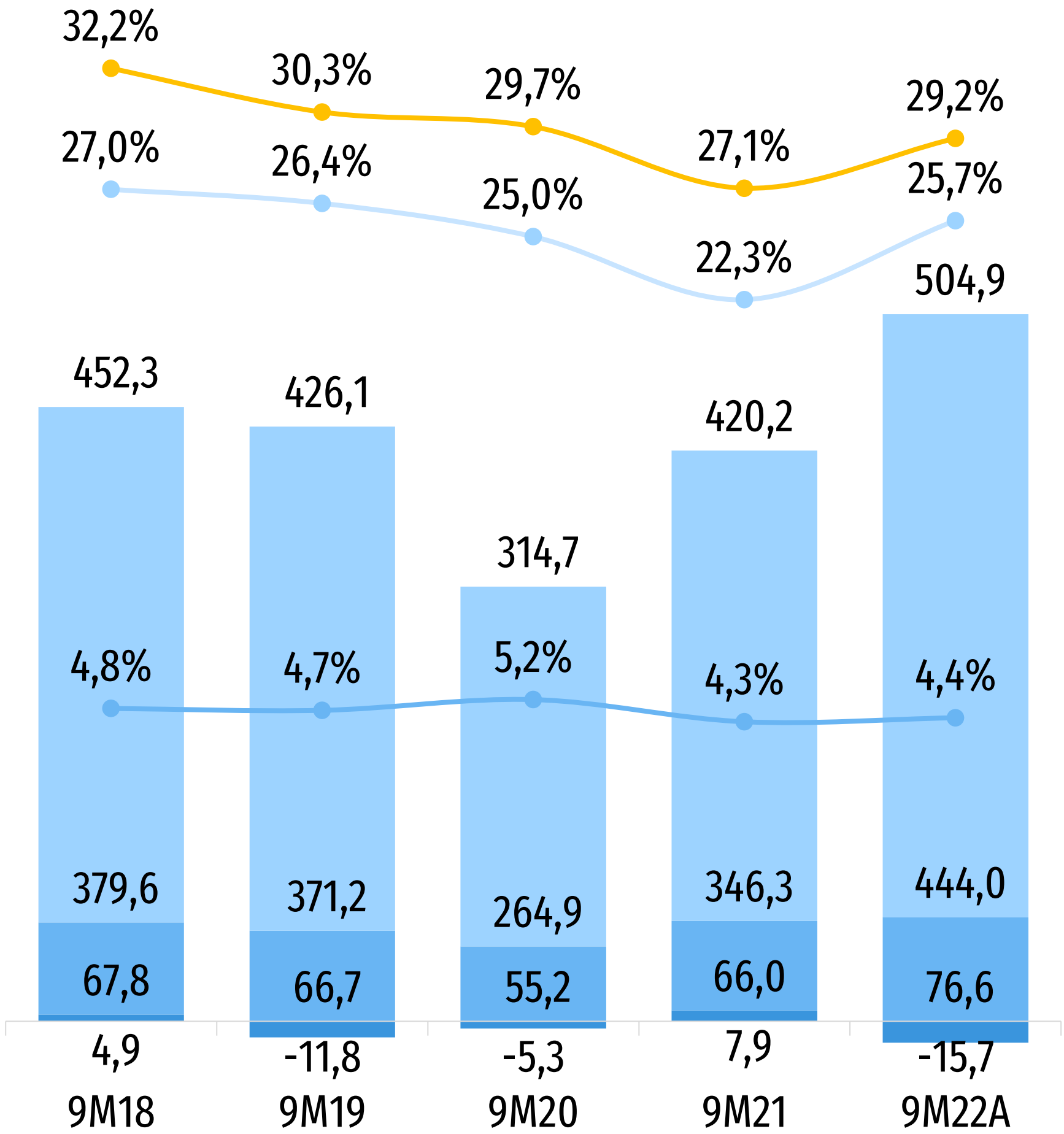
IPCA variation from Jul/19 to Sep/22: 24.89%.  
IPCA variation from Jul/18 to Sep/22: 29.57%.

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# Recurring Operational Expenses

(in million of R\$)

- TOTAL OPERATIONAL EXPENSES**  
+20.1% vs. 9M21 (+R\$ 84.7 MN)  
+2.1 PP NSR vs. 9M21
- SELLING EXPENSES**  
+28.2% vs. 9M21 (+R\$ 97.8 MN)  
+3.4 PP NSR vs. 9M21
- GENERAL & ADMINISTRATIVE**  
+15.9% vs. 9M21 (+R\$ 10.5 MN)  
+0.1 PP NSR vs. 9M21
- OTHER OPERATIONAL EXPENSES (REVENUE) AND EQUITY ACCOUNTING**  
n.s. vs. 9M21 (-R\$ 23.6 MN)  
+1.4 PP NSR vs. 9M21

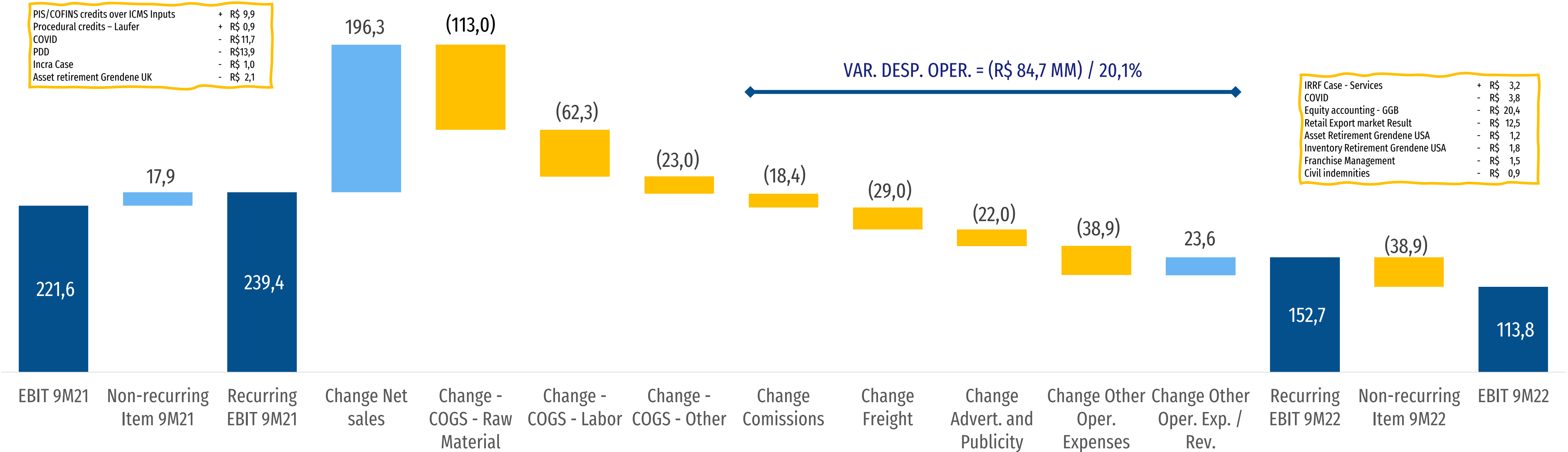
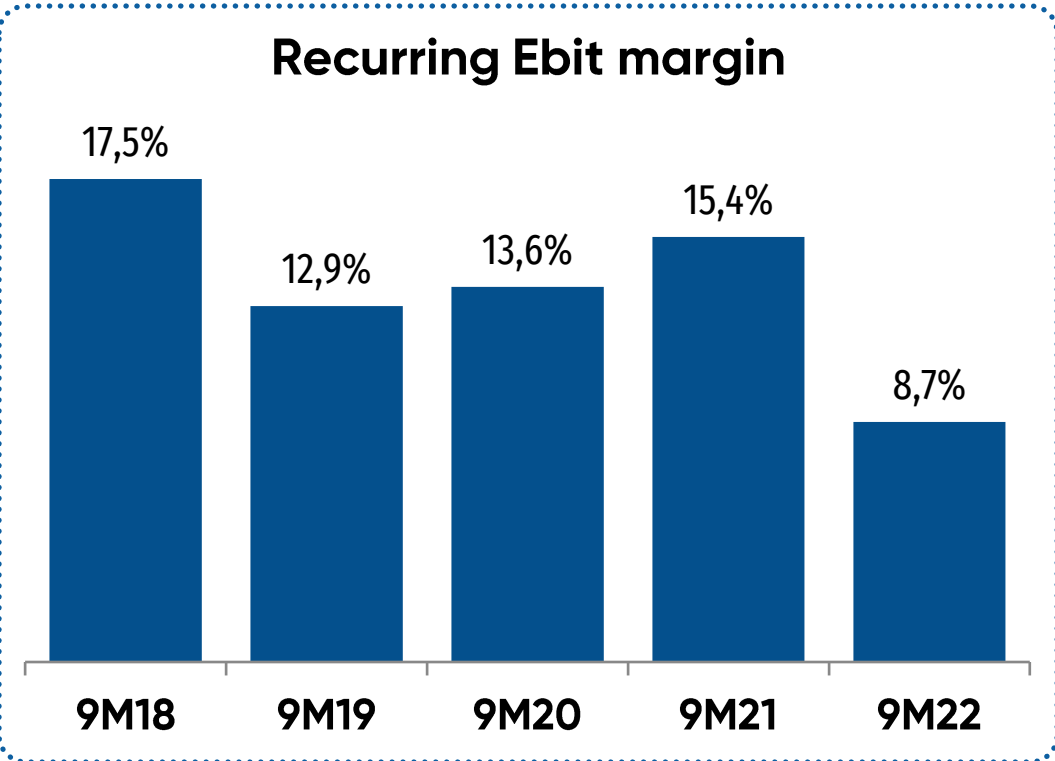


\* Excluding revenue (R\$ 19.7 MM) and cost (R\$ 21.5 MM) from ~355 thousand pairs sold at a price below cost due to the termination of Grendene USA's operating activities.



# EBIT

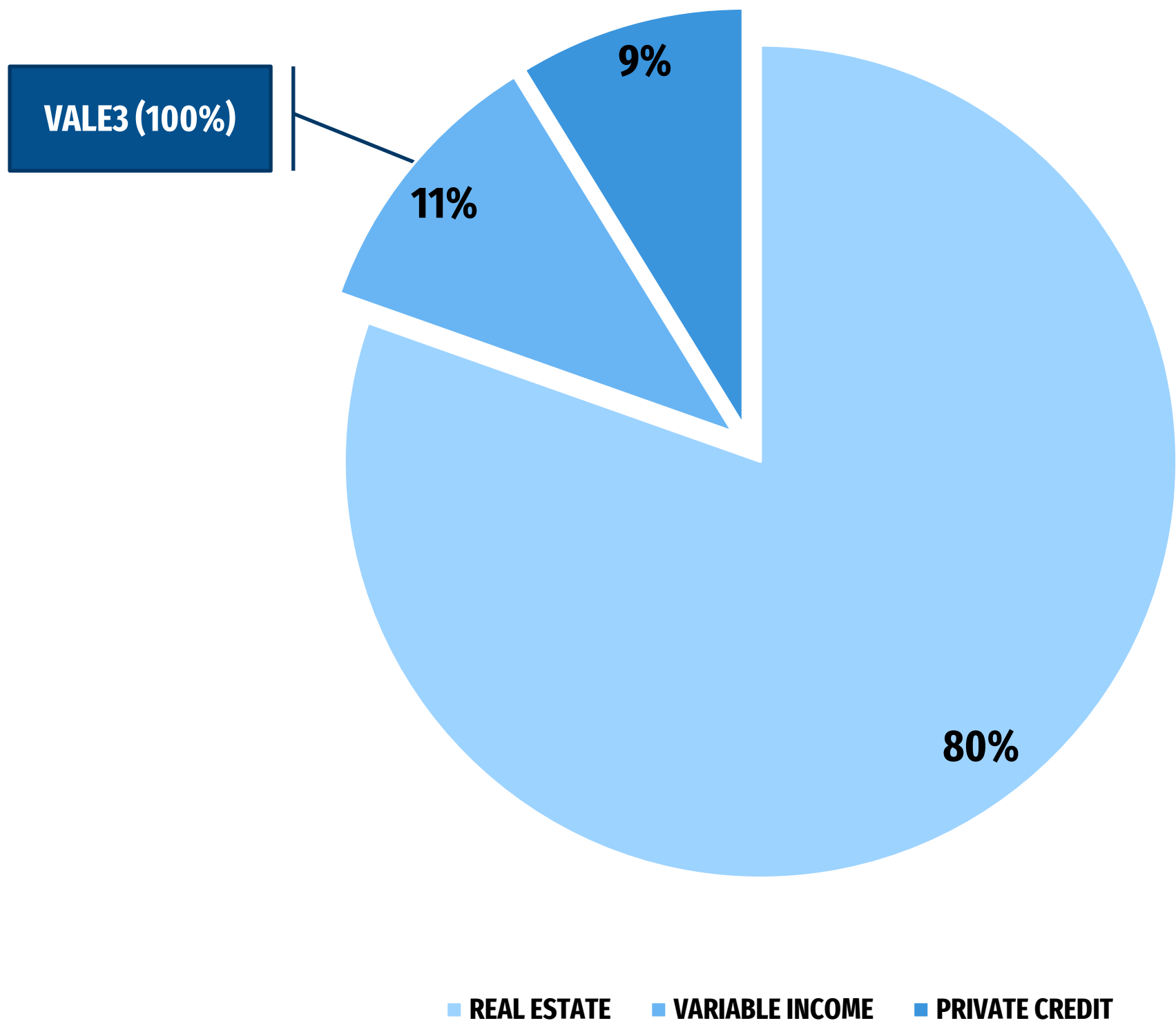
(in million of R\$)



# “Investment Committee” Portfolio

Balance: R\$ 581.0 Million

SHARE BY SECTOR % (Sep. 30, 2022)



## PROFITABILITY THE “INVESTMENT COMMITTEE” PORTFOLIO

REAL ESTATE	60.44%	330.42% CDI
PRIVATE CREDIT	43.20%	226.23% CDI
VARIABLE INCOME	158.33%	1,013.31% CDI
TOTAL	92.00%	452.70% CDI



# Destination of Proposed Dividend and Interest on Equity (I.E.)

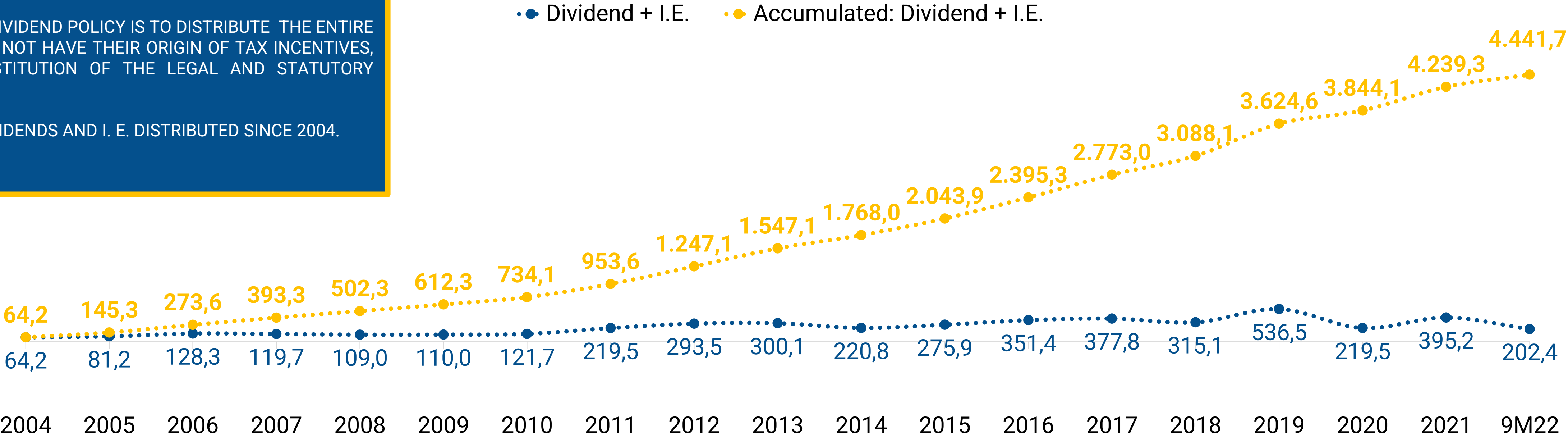
Allocation of Net Profit (9M22)						R\$	
Net Profit for the period						365,419,815.87	
(-) Tax Incentive Reserve						(152,358,273.69)	
Basis for calculation of the Legal Reserve						213,061,542.18	
(-) Legal Reserve						(10,653,077.11)	
Dividend / Basis for calculation of the minimum mandatory dividend						202,408,465.07	
(-) 1 <sup>st</sup> and 2 <sup>nd</sup> Interim Dividend and Interest on Equity (I.E.)						(109,340,692.83)	
Balance available for 3 <sup>rd</sup> interim distribution of dividends						93,067,772.24	
Minimum obligatory dividend – 25%						50,602,116.27	
Dividend in addition to the minimum mandatory						151,806,348.80	
Sum						202,408,465.07	
Dividend / I.E.	Approval date	Ex-dividend date	Payment start date	Gross amount R\$	Gross value per share R\$	Net value R\$	Net value per pair R\$
Dividend <sup>1</sup>	April 28, 2022	May 10, 2022	May 25, 2022	46,696,009.12	0.051760415	46,696,009.12	0.051760415
I.E. <sup>1</sup>	April 28, 2022	May 10, 2022	May 25, 2022	37,000,000.00	0.041012827	31,450,000.00	0.034860903
Dividend <sup>1</sup>	August 4, 2022	August 12, 2022	August 31, 2022	7,644,683.71	0.008478151	7,644,683.71	0.008478151
I.E. <sup>1</sup>	August 4, 2022	August 12, 2022	August 31, 2022	18,000,000.00	0.019962463	15,300,000.00	0.016968093
Dividend <sup>1</sup>	October 27, 2022	November 4, 2022	November 23, 2022	59,067,772.24	0.065507678	59,067,772.24	0.065507678
I.E. <sup>1</sup>	October 27, 2022	November 4, 2022	November 23, 2022	34,000,000.00	0.037706874	28,900,000.00	0.032050843
Sum				202,408,465.07	0.224428408	189,058,465.07	0.209626083

<sup>1</sup> Dividend and I.E. approved "ad referendum" of the Annual General Meeting that examines the balance sheet and financial statements for the 2022 business year.

# Dividend and Interest on Equity Accumulated since 2004

THE COMPANY'S DIVIDEND POLICY IS TO DISTRIBUTE THE ENTIRE PROFITS THAT DO NOT HAVE THEIR ORIGIN OF TAX INCENTIVES, AFTER THE CONSTITUTION OF THE LEGAL AND STATUTORY RESERVES.

R\$ 4.4 BILLION DIVIDENDS AND I. E. DISTRIBUTED SINCE 2004.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	9M22
Payout (*)	96.4%	101.3%	100.4%	100.3%	45.9%	40.7%	39.8%	74.8%	71.1%	71.8%	46.1%	48.6%	53.1%	55.2%	52.0%	65.7%	51.6%	63.0%	53.3%
Dividend yield (**)	2.0%	4.0%	6.6%	5.2%	7.0%	5.9%	4.7%	8.5%	8.4%	5.0%	4.8%	5.2%	6.3%	4.7%	4.0%	6.7%	2.7%	4.5%	3.9%

(\*) Payout: (Dividend plus net Interest on Equity), divided by (Net profit after constitution of the legal reserves).  
(\*\*) Dividend yield: (Dividend per share + net Interest on Equity per share in the period) divided by (weighted average price of the share in the period, annualized).



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# Q&A

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THANK YOU

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