



Grendene®

melissa

GRENDA

zaxy Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTÉ

3Q23 & 9M23 Results

Date: November 10, 2023

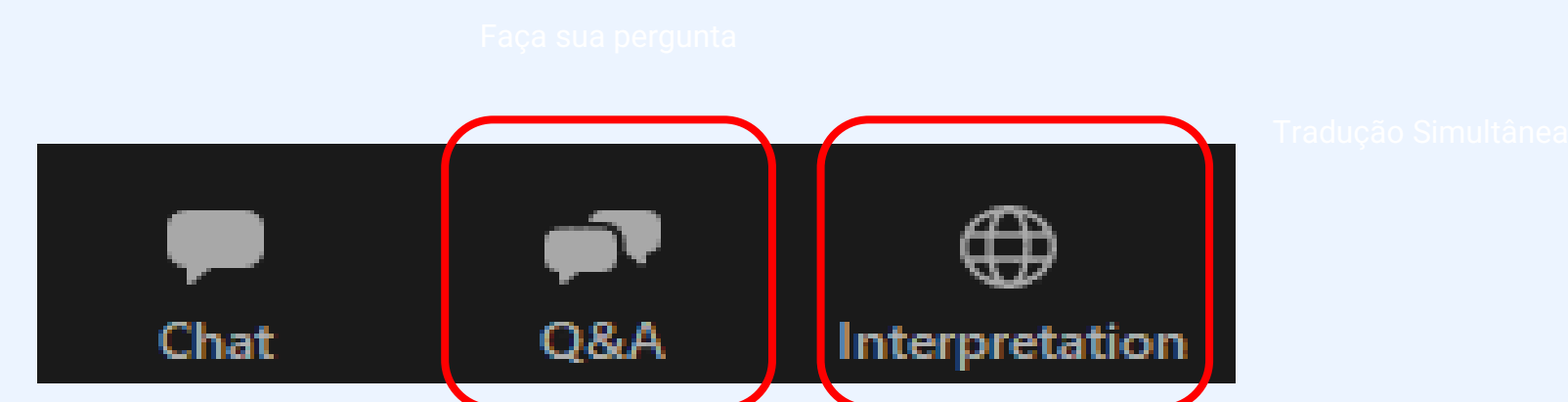
Time: 10:30 a.m.

INSTRUCTIONS

This videoconference will be in Portuguese . with simultaneous translation into English.

Language settings: to enable the English simultaneous translation. click on the Interpretation button. at the bottom right of the screen. and choose the “English” option.

To ask questions: please click on the Q&A icon and write your question. If announced. a request to activate your microphone will show up on your screen; then. you should enable your audio to ask your question. We kindly ask you to make all questions at once.



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.



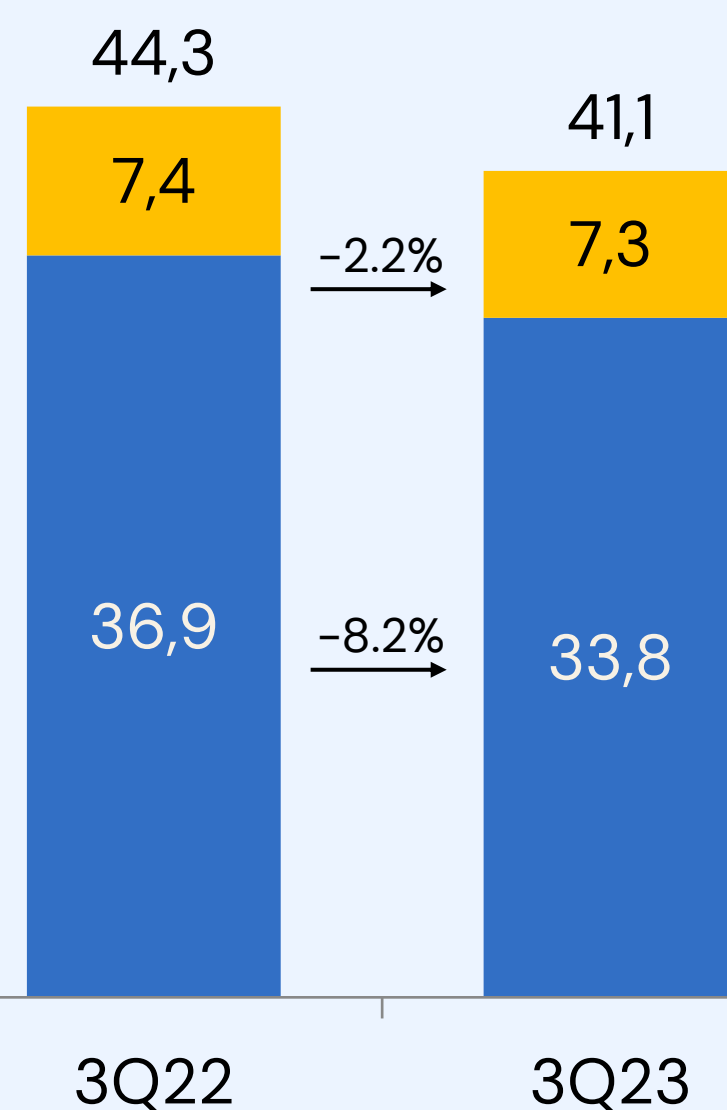
HIGHLIGHTS 3Q23 YOY

VOLUME

41.1

MILLION

-7.2% vs. 3Q22



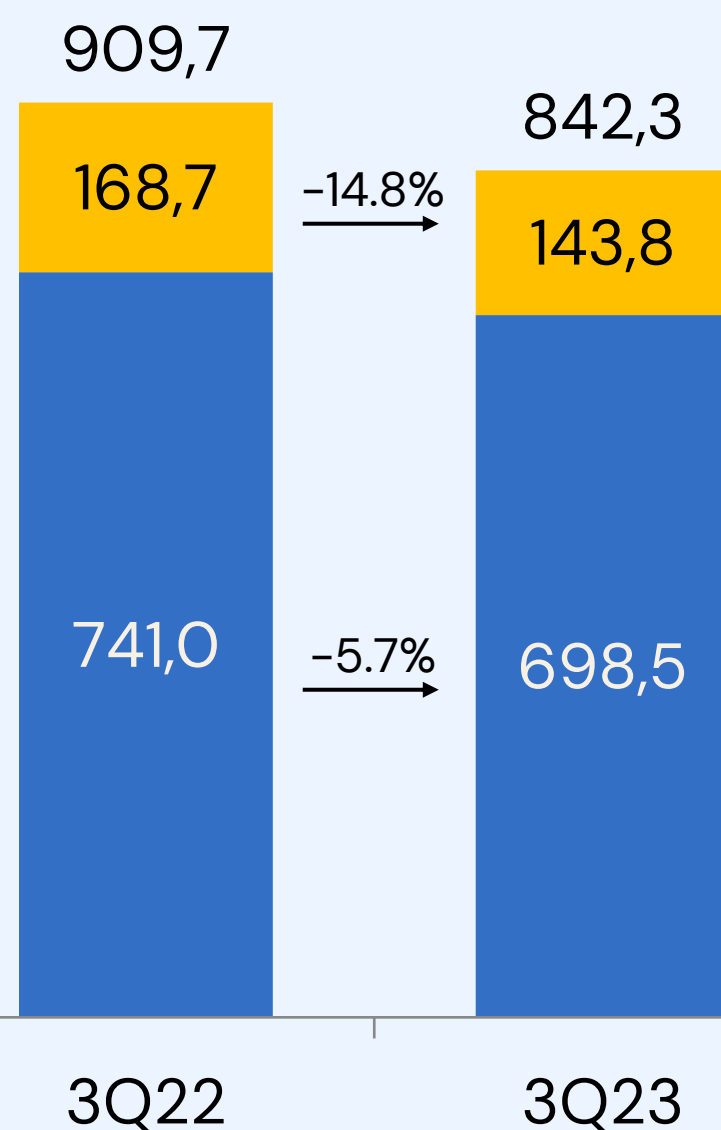
■ Export market
■ Domestic market

GROSS REVENUE

R\$ 842.3

MILLION

-7.4% vs. 3Q22



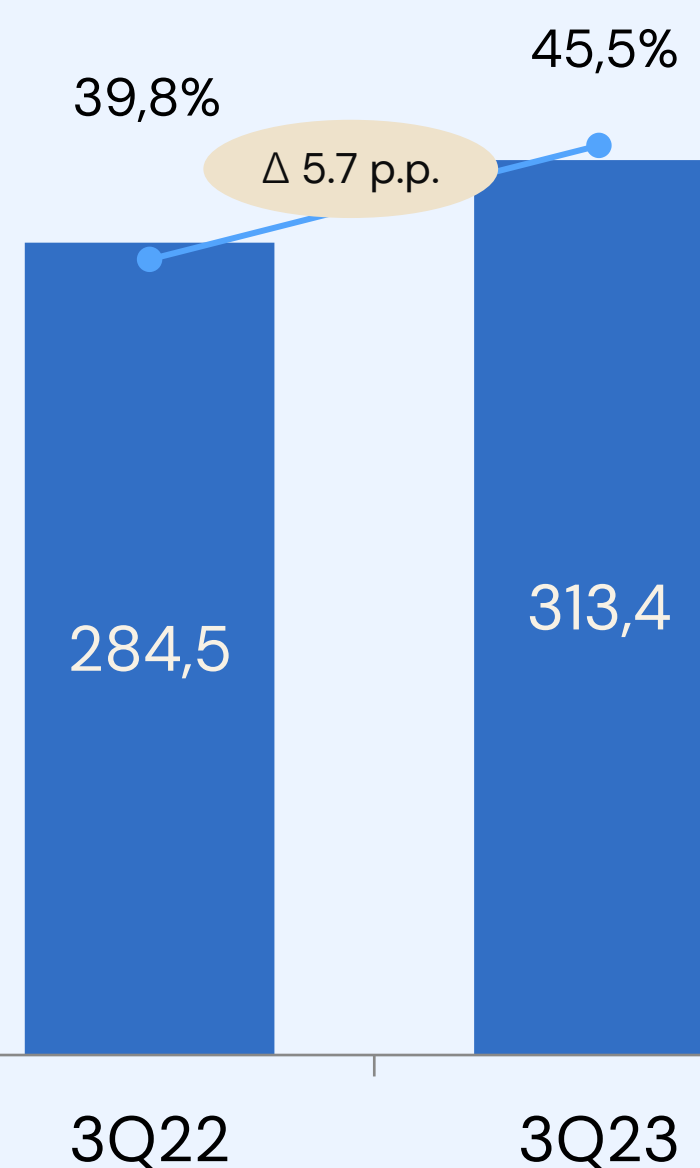
■ Export market
■ Domestic market

GROSS PROFIT

R\$ 313.4

MILLION

10.2% vs. 3Q22



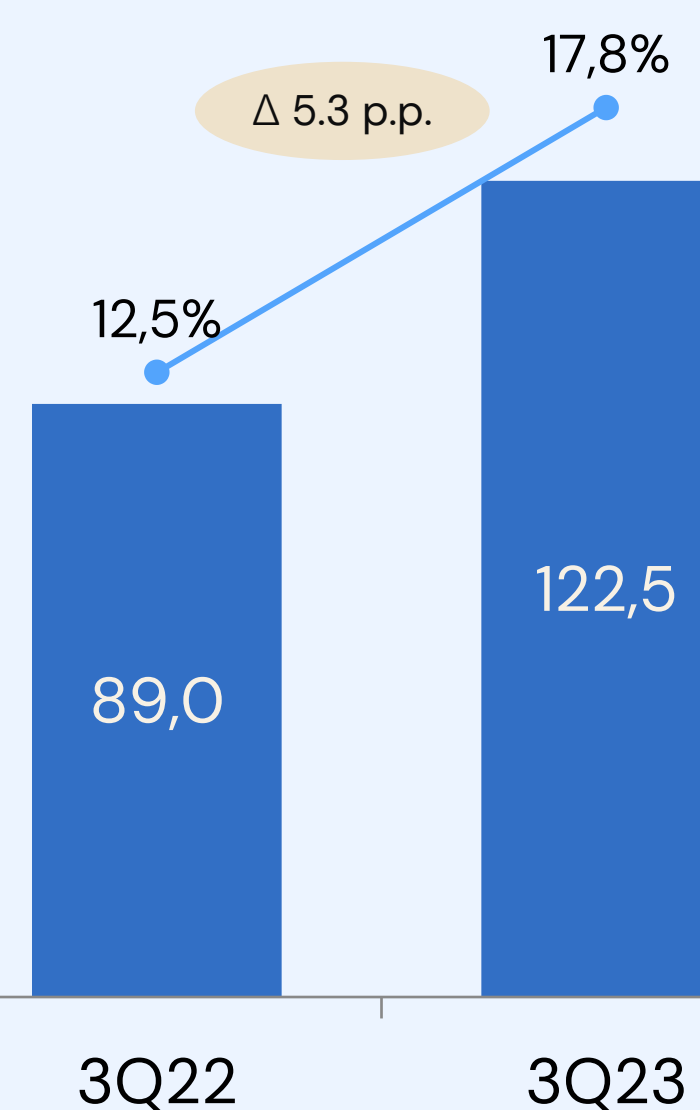
■ Gross profit
● Gross margin

RECURRING EBIT

R\$ 122.5

MILLION

37.6% vs. 3Q22



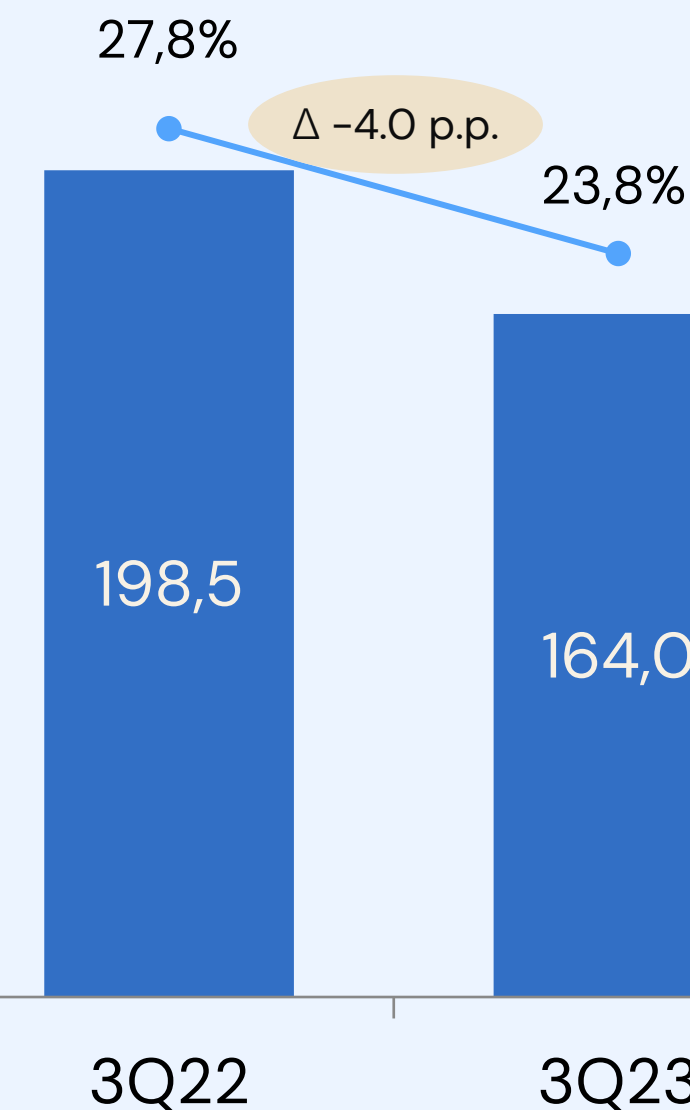
■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 164.0

MILLION

-17.4% vs. 3Q22

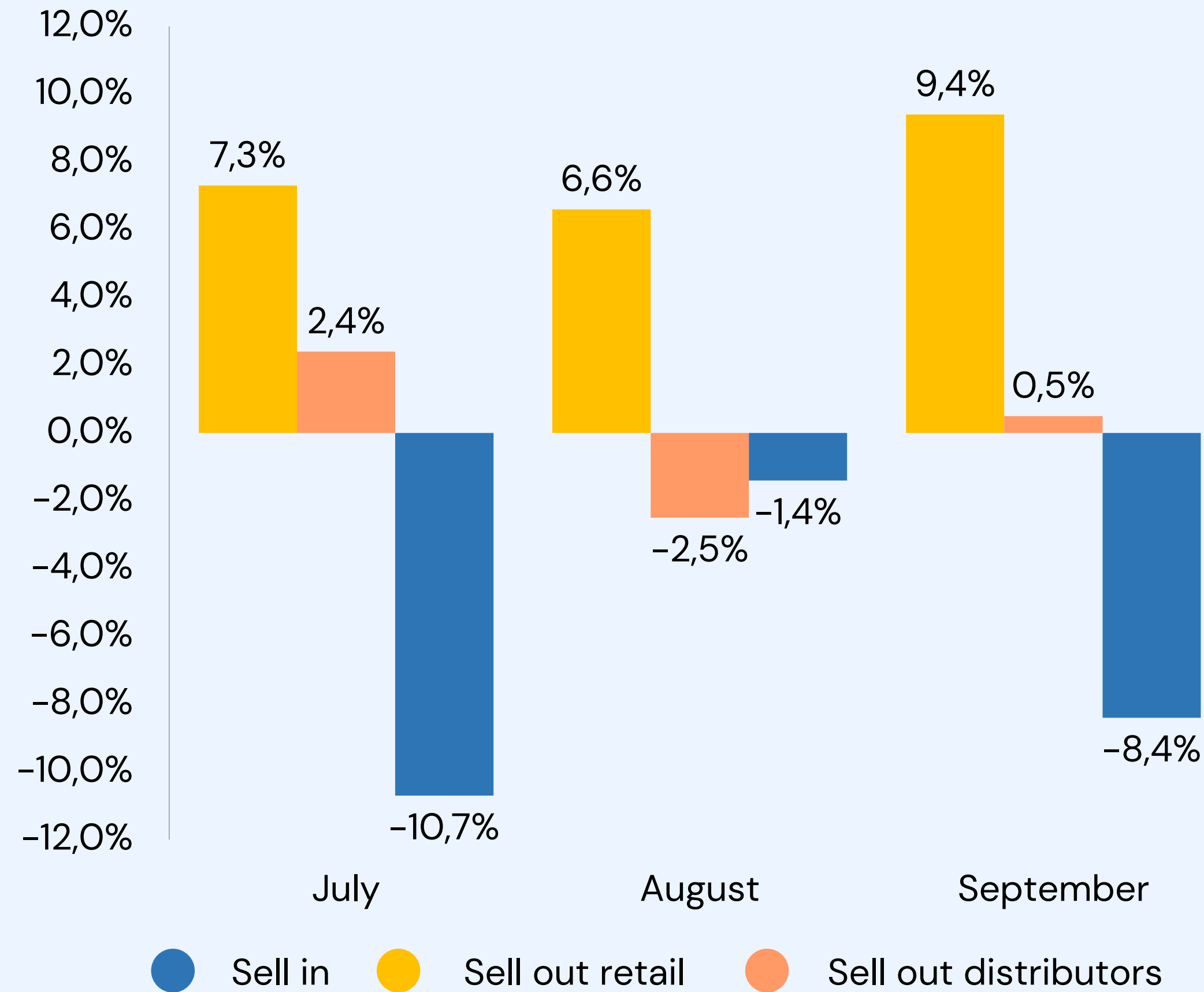


■ Recurring Net profit
● Recurring Net margin

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DOMESTIC MARKET – DIVISION 1

Sell in x Sell out
(Δ % accumulated in pairs vs. 3Q22)



Sell in vs. 3Q22

-5.3%
Gross revenue

-8.4%
Volume

+3.4%
Gross revenue
per pair

1.0%
Penetration
E-commerce *

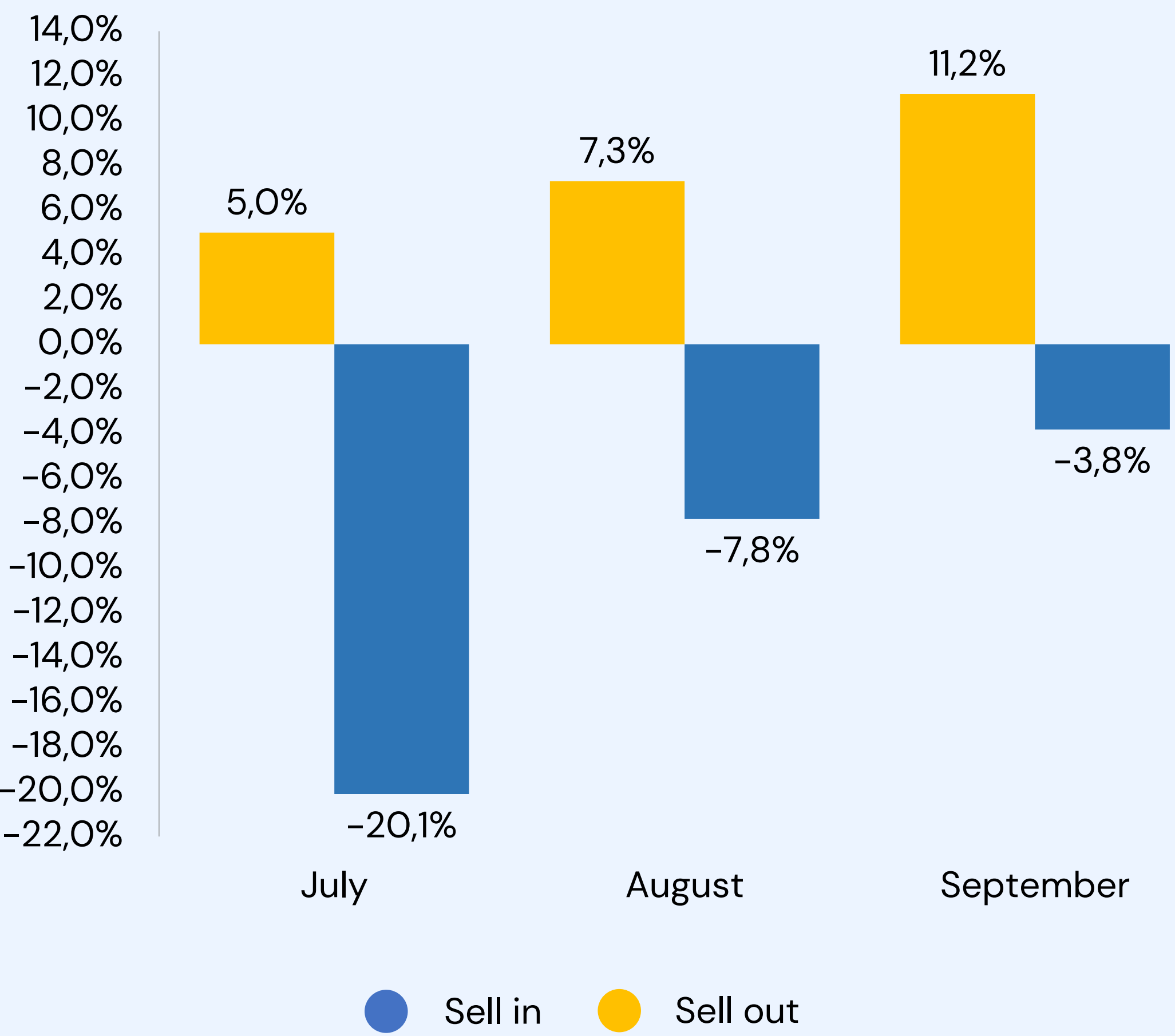
+42.2%
Gross revenue
E-commerce

- **Female** and **Male** protagonists in 3Q23;
- Positive growth in the **female** segment is driven by **Zaxy** and **Azaleia**;
- The **male** segment's growth was achieved across three brands: **Cartago, Rider, and Mormaii**;
- **Ipanema** with negative performance.
- The **Retail** and **Indirect** channels had the most negative impact on the quarterly results.

Sell out retail = estimated based on sampling representing ~20% of the retail channel volume, through an internal tool, in partnership with clients (Vision Project).
Sell out distributors = estimated based on sampling representing ~70% of the distributor volume, through an internal tool, in partnership with clients (Vision Project).
Sell In = considers B2B, B2C sales (brands' e-commerce of Division 1 and Rider's proprietary store).
* Regarding the Gross Revenue of the domestic market of Division 1.

DOMESTIC MARKET – MELISSA

Sell in x Sell out
(Δ % accumulated in pairs vs. 3Q22)



Sell in vs. 3Q22

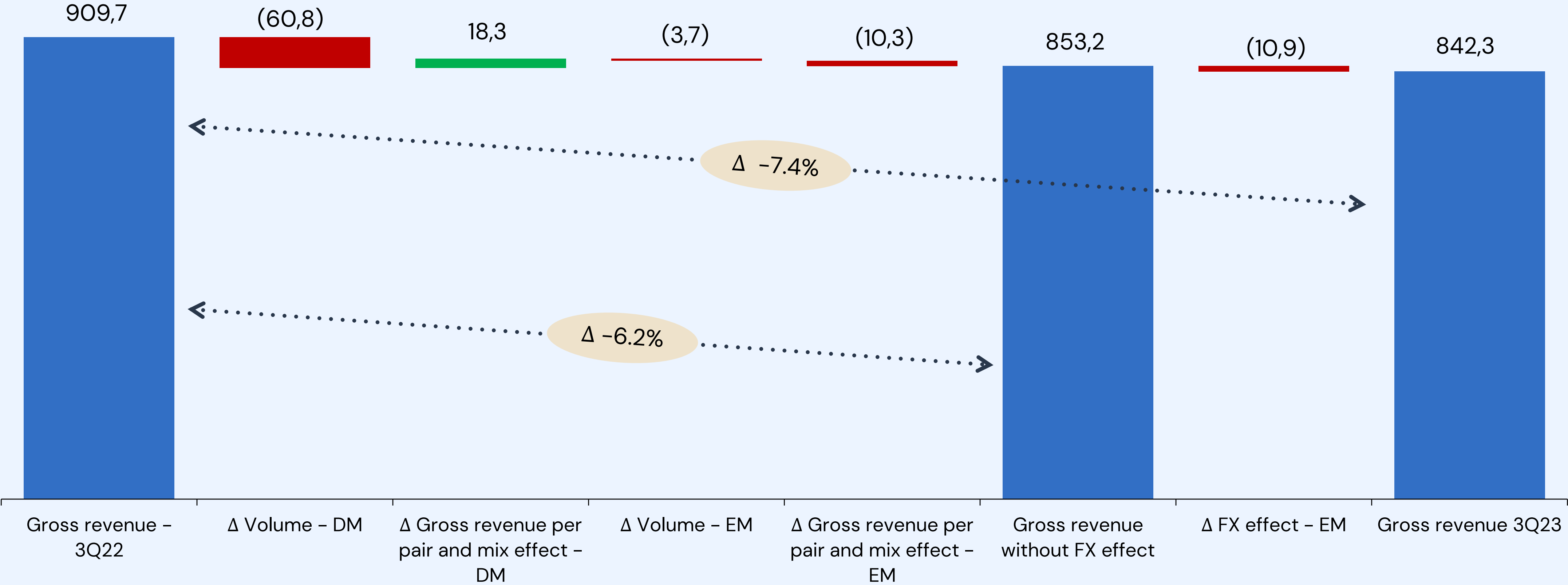
-7.7%	-3.8%	-4.1%
Gross revenue	Volume	Gross revenue per pair
	+39.8%	12.6%
	Gross revenue E-commerce	Penetration E-commerce*

- **402** Clubes Melissa in Sep./23;
- Clubes Melissa with inventory levels **below** historical average;
- **156,000** downloads for Melissa app;
- App accounted for **22.6%*** of Melissa's online sales;
- **+4.3 p.p.*** E-commerce share.

* in Gross revenue – Melissa

GROSS REVENUE

R\$ million



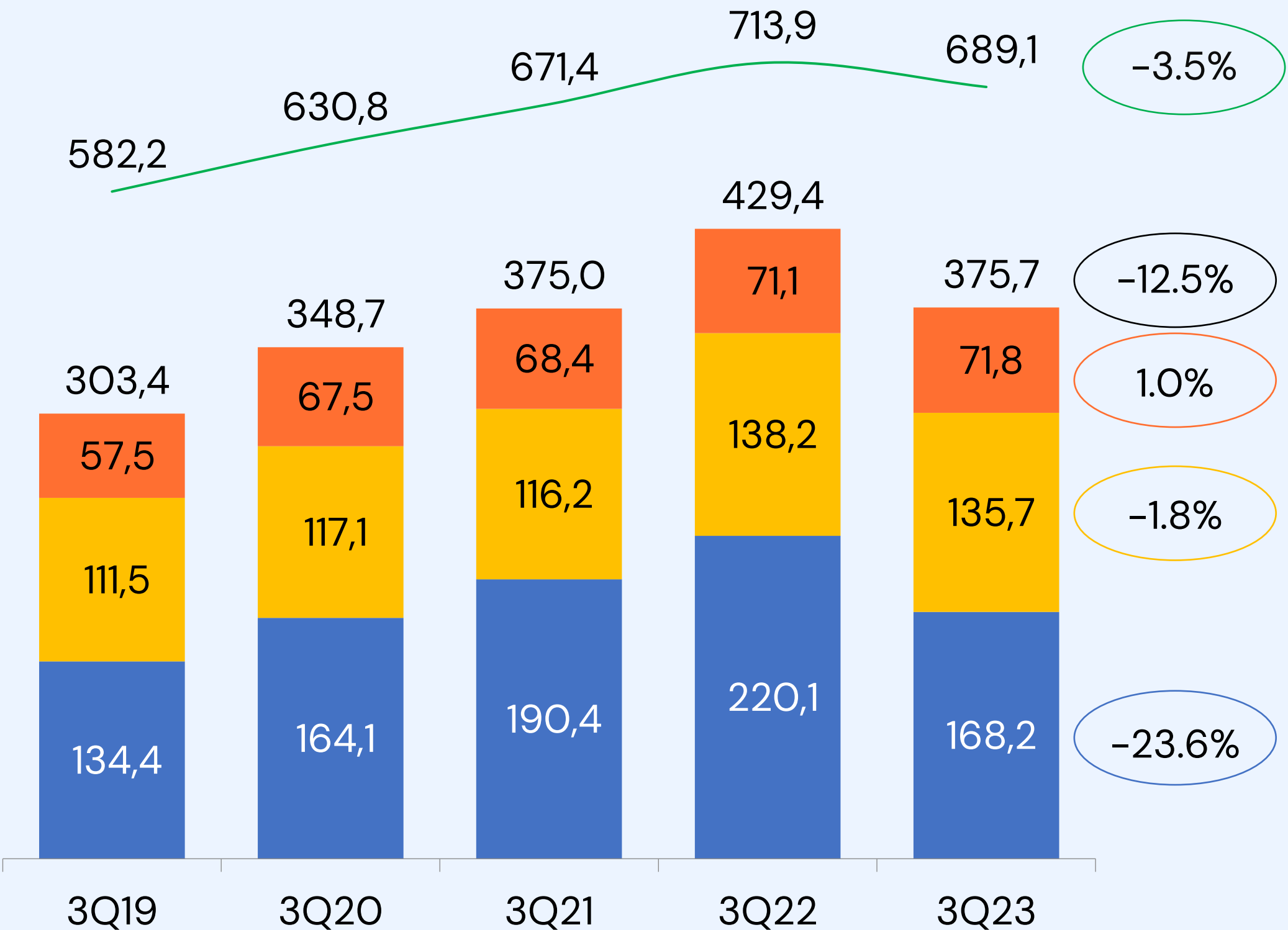
AVERAGE US DOLLAR: 3Q22 = R\$ 5.2495 / 3Q23 = R\$ 4.8804 – Δ (7.0%)

COST OF GOODS SOLD

NET SALES AND COGS

(R\$ MILLION)

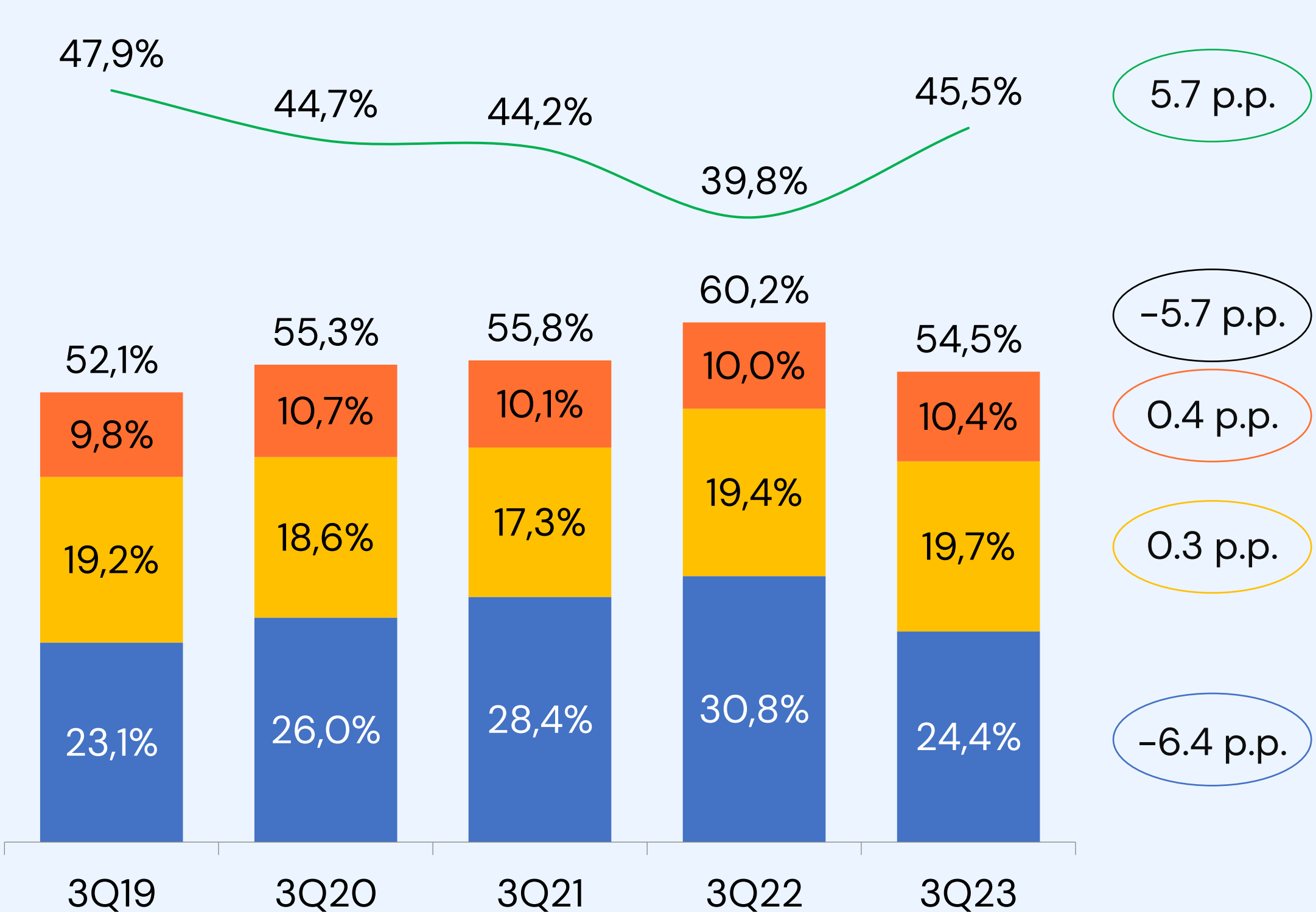
Δ%
3Q22 VS 3Q23



GROSS MARGIN AND COGS

(% NET SALES REVENUE)

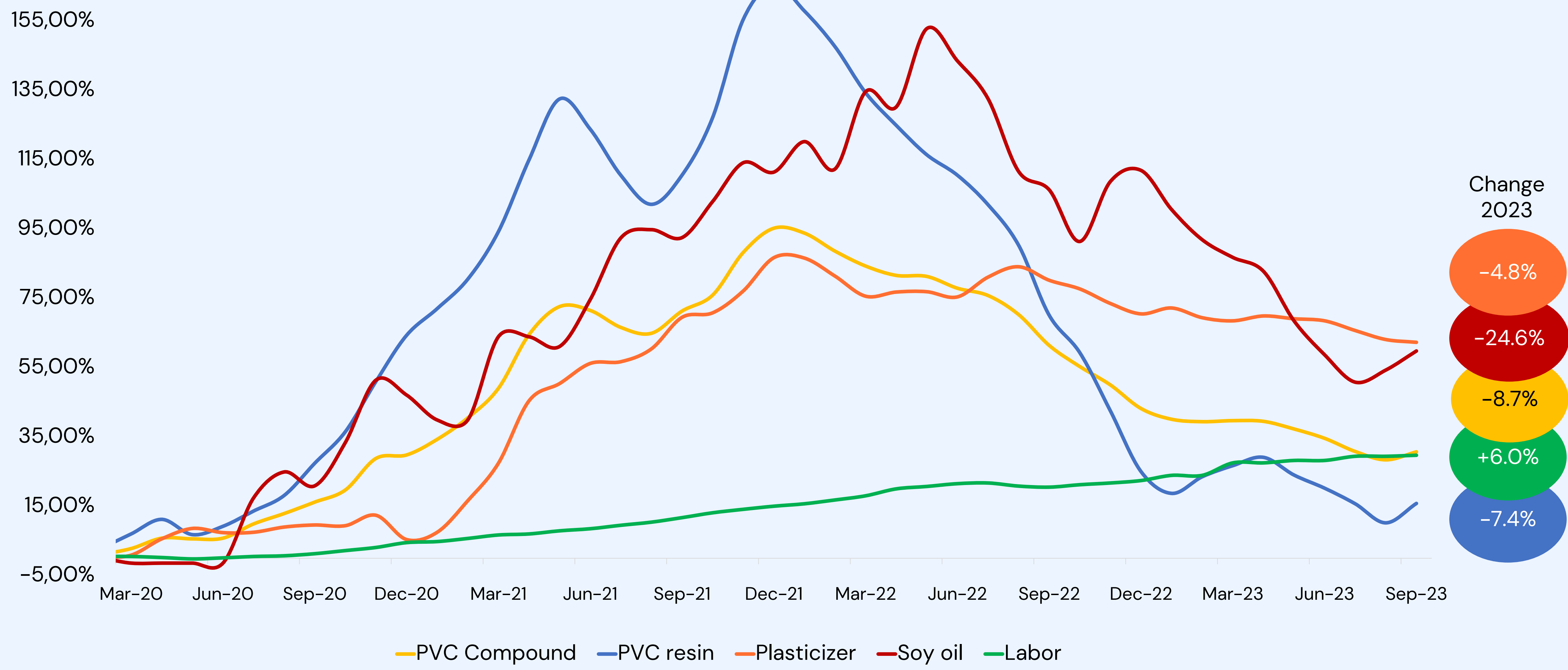
Δ%
3Q22 VS 3Q23



OGF Labor Raw material Net sales

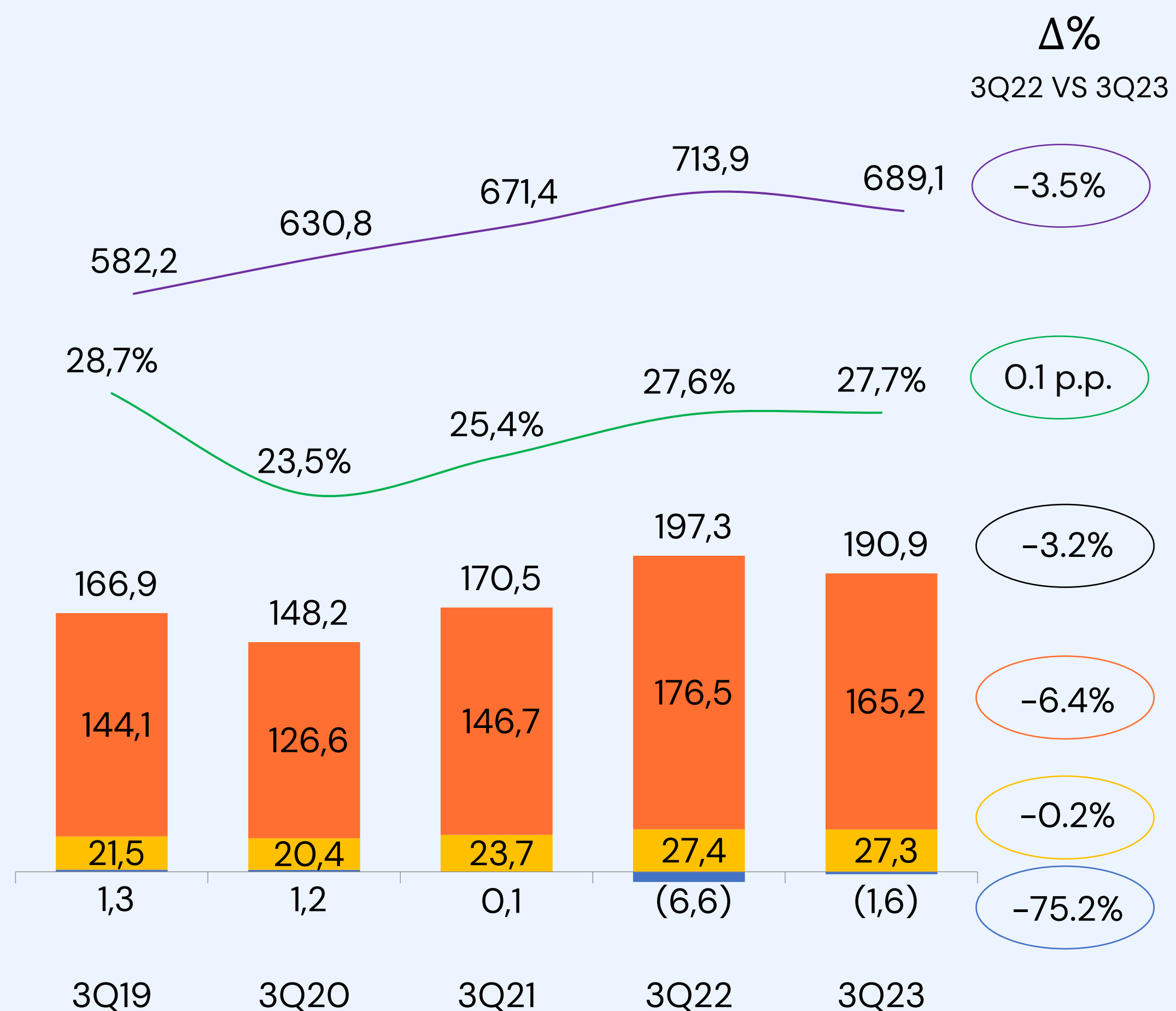
OGF Labor Raw material Gross margin

VARIATION OF THE MAIN COMPONENTS OF COGS



RECURRING OPERATIONAL EXPENSES

R\$ million



Other G&A Exp. Selling Exp. Net sales revenue % Net sales revenue

Recurring Selling expenses

	3Q22	% Net Sales	3Q23	% Net sales	Change %	Change R\$
Variable	(96.9)	(13.6%)	(85.3)	(12.4%)	(12.0%)	11.6
Advertising and publicity	(36.1)	(5.1%)	(32.5)	(4.7%)	(9.8%)	3.6
Personnel expenses	(15.4)	(2.2%)	(20.2)	(2.9%)	30.8%	(4.8)
Outsourced services	(10.6)	(1.5%)	(4.2)	(0.6%)	(60.3%)	6.4
Travel and accommodation	(2.0)	(0.3%)	(2.6)	(0.4%)	28.3%	(0.6)
Conventions	(0.4)	(0.1%)	(0.5)	(0.1%)	22.2%	(0.1)
Footwear samples	(3.9)	(0.5%)	(4.4)	(0.6%)	13.1%	(0.5)
Other	(11.2)	(1.6%)	(15.5)	(2.3%)	38.8%	(4.3)
TOTAL	(176.5)	(24.7%)	(165.2)	(24.0%)	(6.4%)	11.3

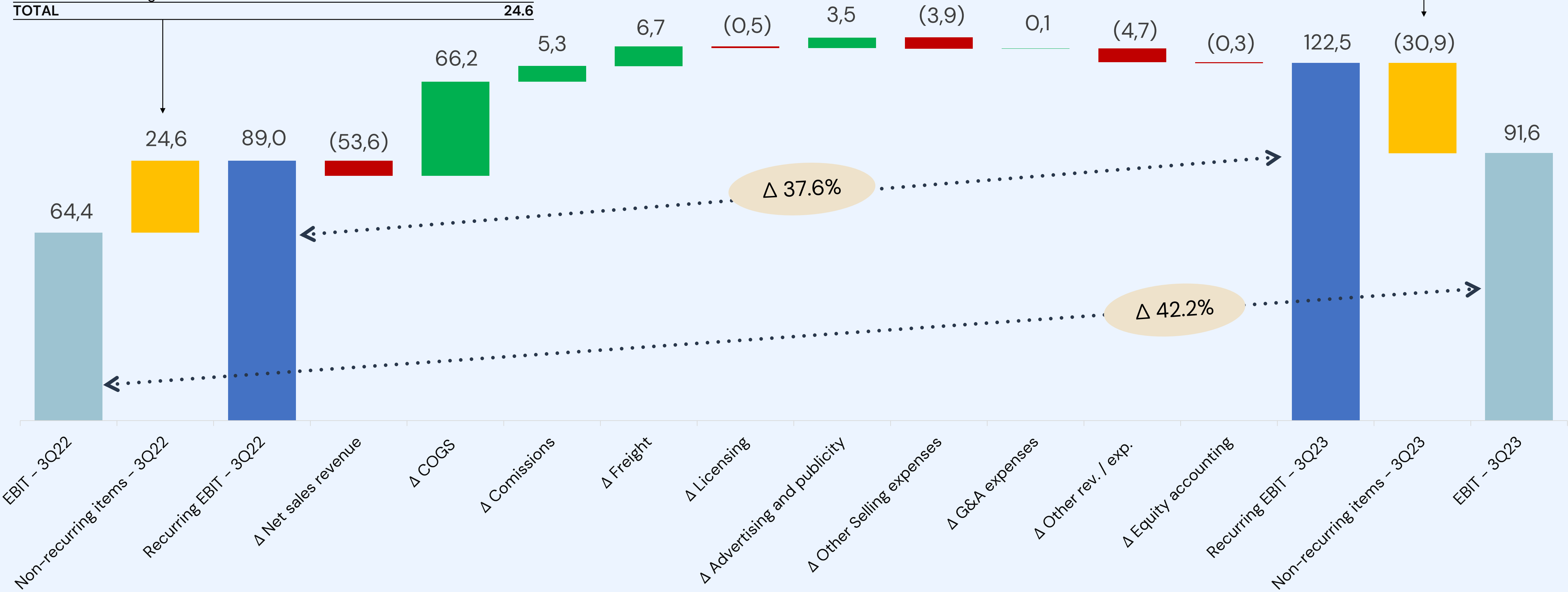
Recurring G&A expenses

	3Q22	% Net Sales	3Q23	% Net sales	Change %	Change R\$
Personnel expenses	(19.4)	(2.7%)	(20.1)	(2.9%)	3.5%	(0.7)
Outsourced services	(3.8)	(0.5%)	(3.5)	(0.5%)	(8.6%)	0.3
Travel and accommodation	(0.2)	(0.0%)	(0.2)	(0.0%)	6.4%	(0.0)
Tax expenses	(1.7)	(0.2%)	(1.3)	(0.2%)	(24.2%)	0.4
Other	(2.3)	(0.3%)	(2.2)	(0.3%)	(0.3%)	0.1
TOTAL	(27.4)	(3.8%)	(27.3)	(4.0%)	(0.2%)	(0.1)

EBIT
R\$ million

Non-recurring items 3Q22	R\$ million
Write-down of inventory Grendene USA	1.8
Impairment of Property. Plant. and Equipment - Grendene USA	1.2
Expenses related to Covid-19	0.2
Franchise management	1.5
Civil Compensations	0.9
Equity Earnings (GGB)	10.1
Retail results – Foreign market	9.0
TOTAL	24.6

Non-recurring items 3Q23	R\$ million
Equity Earnings (GGB)	15.7
Closure of Melissa Gallery NY and LA Store	15.0
Closure of Grendene UK	(7.6)
Legal proceedings	3.7
Legal Advisory	0.8
Franchise management	2.7
Estimated provision for doubtful debts	0.5
Impairment of Property. Plant. and Equipment - Grendene Italy	0.1
TOTAL	30.9

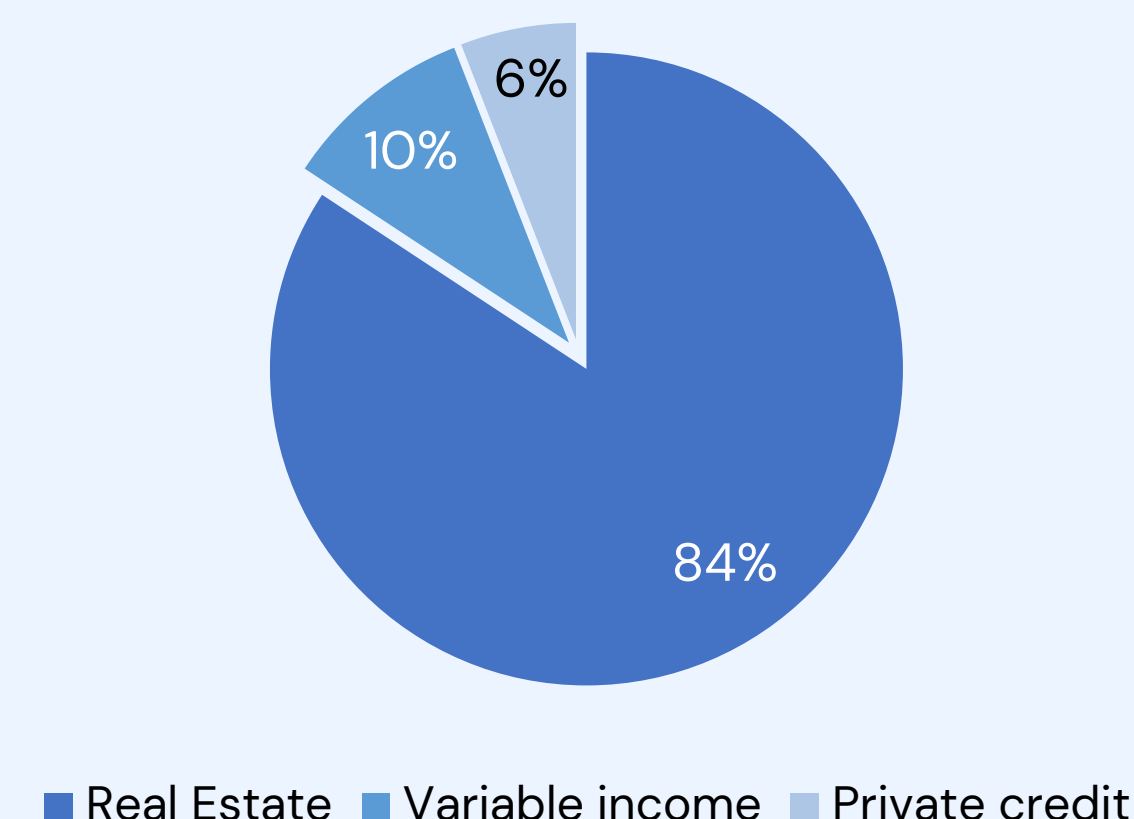


NET FINANCIAL REVENUE

In thousands of R\$. unless otherwise indicated

Account	3Q22	3Q23	Change % / Change p.p.	Change R\$
CDI - % p.a.	13.5%	13.3%	(0.2 p.p.)	-
Average US dollar - R\$	5.2495	4.8804	(7.0%)	(0.3691)
Cash and equivalents + financial investments - average - R\$	1.706.121	1.131.602	(33.7%)	(574.519)
Revenue from cash investments	27.936	20.081	(28.1%)	(7.855)
Gain on equity financial instruments	50.197	4.513	(91.0%)	(45.684)
Net gain (loss) on FX variations	4.612	(115)	-	(4.727)
Profit/loss on Other financial assets - SCP's	20.798	3.566	(82.9%)	(17.232)
Other financial transactions (*)	2.226	(4.077)	-	(6.303)
Gains on adjustments to presente value - AVP	17.066	26.551	55.6%	9.485
Net financial revenue	122.835	50.519	(58.9%)	(72.316)

Portfolio Allocation - Sep. 30. 2023
Balance: **R\$ 565.6 million**



(*) Main item - Interest on lawsuits: Proceeding to exclude ICMS from the PIS and Cofins calculation base and update SELIC undue tax IRPJ/CSLL.

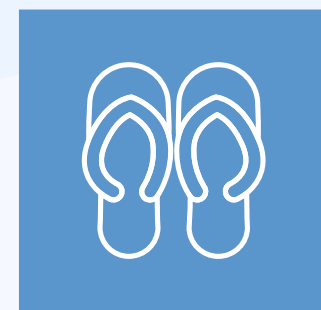
E-COMMERCE



R\$ 20.8 MM

GMV

+40.5% vs. 3Q22



193.500

Pairs sold

+13.4% vs. 3Q22



~ 12.4 MM

Session

-13.3% vs. 3Q22



3.0%

General penetration *

2.0% in 3Q22

* Gross revenue – Domestic market



12.6%

Melissa penetration **

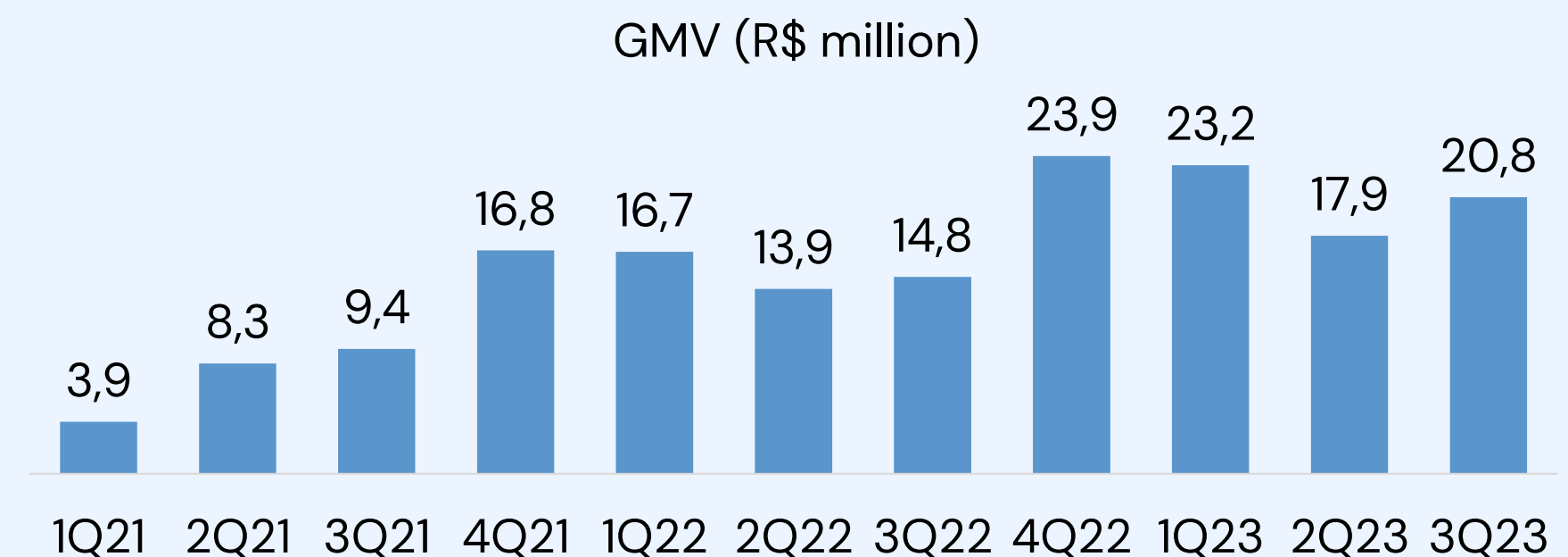
8.3% in 3Q22

** Gross revenue – Melissa domestic market

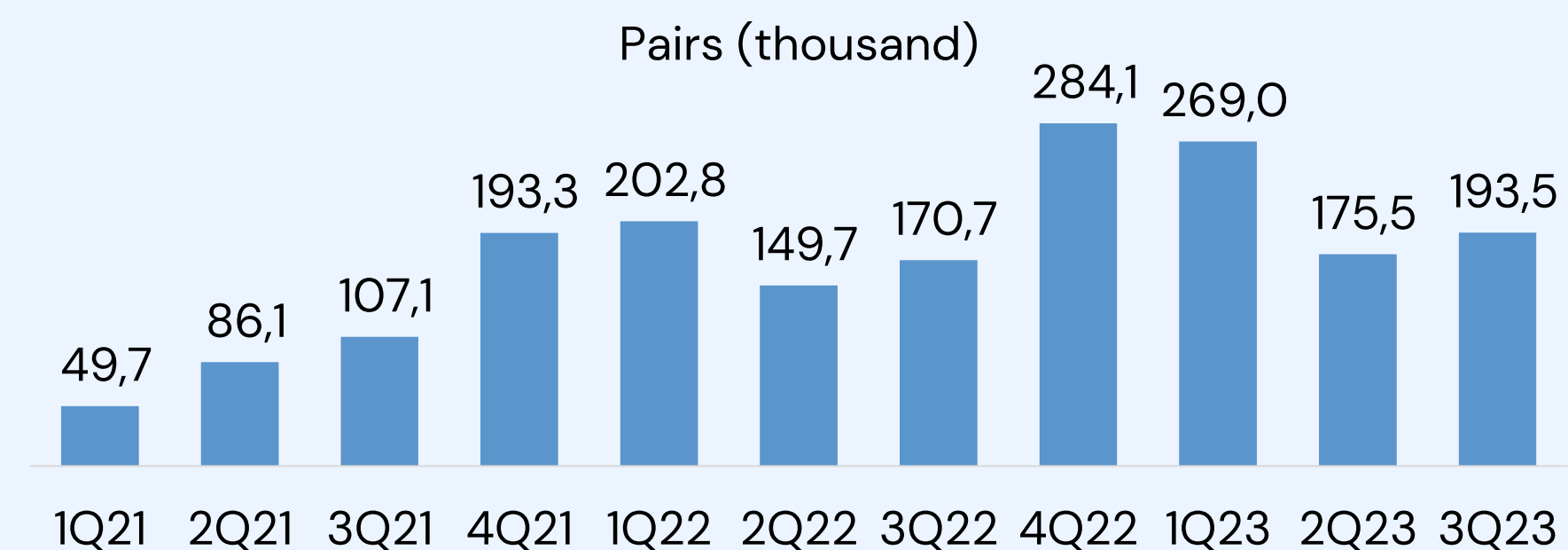


22.6%

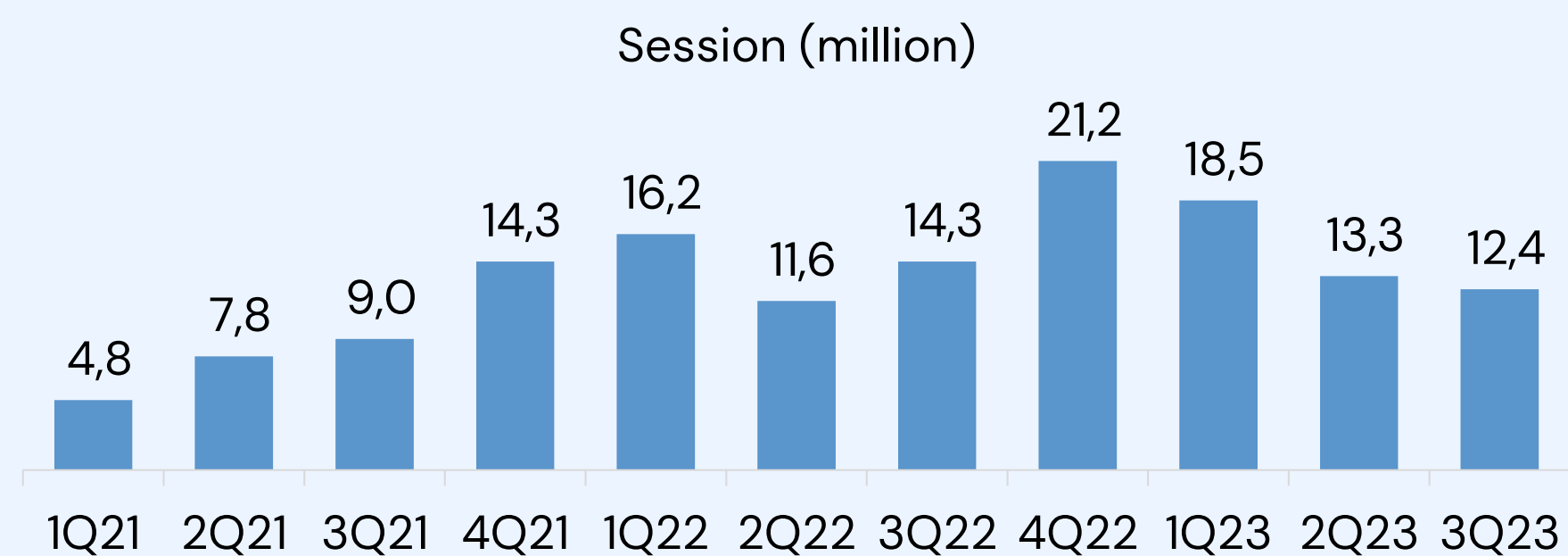
Melissa APP penetration on 3Q23



+40.5% compared to 3Q22



+13.4% compared to 3Q22



-13.3% compared to 3Q22

GRENDENE GLOBAL BRANDS (GGB)

- ❖ Expansion of **brand awareness**;
 - Leveraging partnership with Shakira;
 - Optimizing investments in social media;
 - Renewal of contract with Rosy Zhao in China;
 - Digital influencers program in the USA;
 - Editorial coverage.
- ❖ Reinforcement of the promotion of the **sustainability attributes** of our products;
- ❖ Expansion of the **distribution** of our brands.
- ❖ Ipanema and Cartago **exclusive suppliers** of flip-flops for Universal Parks and Hotels, starting in 2024.
- ❖ **60%** increase in the number of **Macy's** Stores where Ipanema is presente;
- ❖ Melissa's adult line makes a comeback at **Nordstrom**.

▷ Sell-out total (Revenue)
+167% vs 3Q22;
+165% vs 9M22;

Melissa **+53%**
Ipanema **+1,571%** ▷
vs 9M22 in USD in USA;

▷ Digital Channels: **+185%** in USD vs 3Q22, main growth driver in GGB's operating regions.

Wholesale and physical stores a **point of focus** in the USA; ▷

▷ Strong Sales Evolution (USD) in China **+15x** compared to 2022, reflecting marketing initiatives in the country.

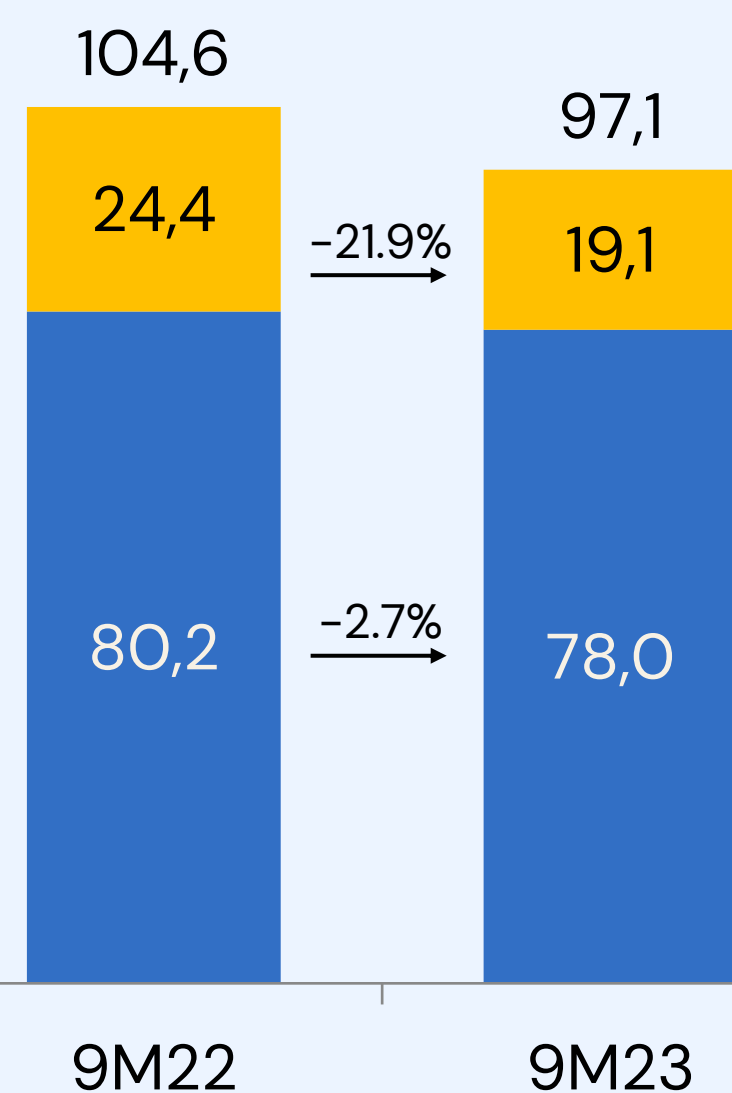
HIGHLIGHTS 9M23 YOY

VOLUME

97.1

MILLION

-7.2% vs. 9M22



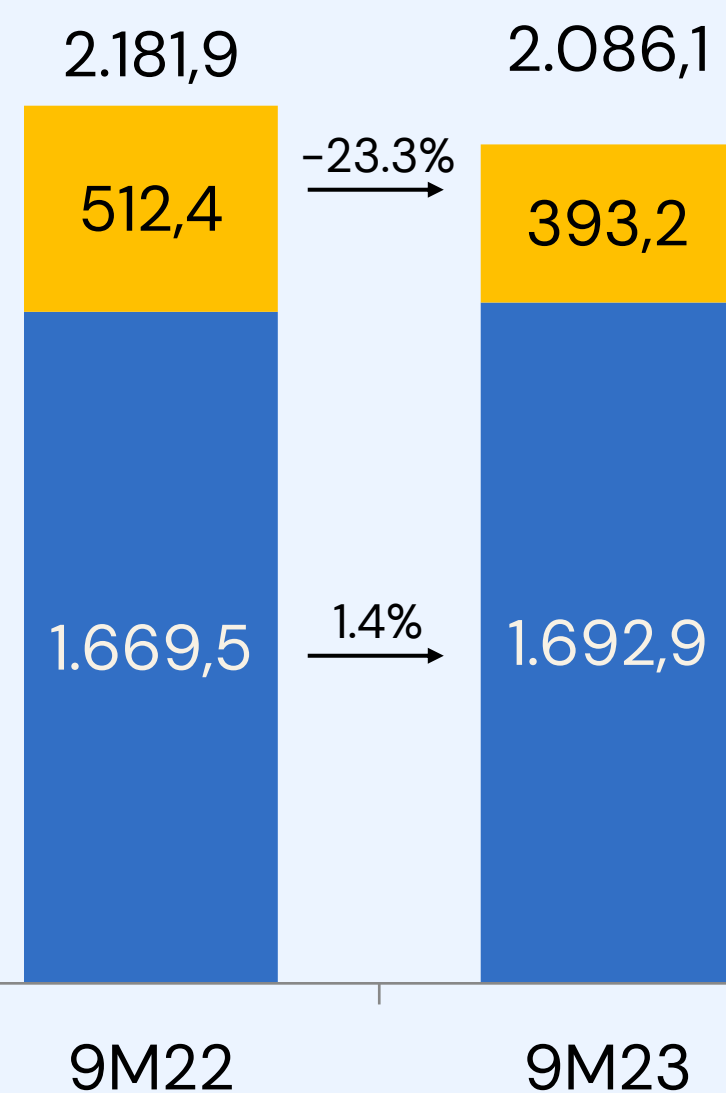
■ Export market
■ Domestic market

GROSS REVENUE

R\$ 2.086.1

MILLION

-4.4% vs. 9M22



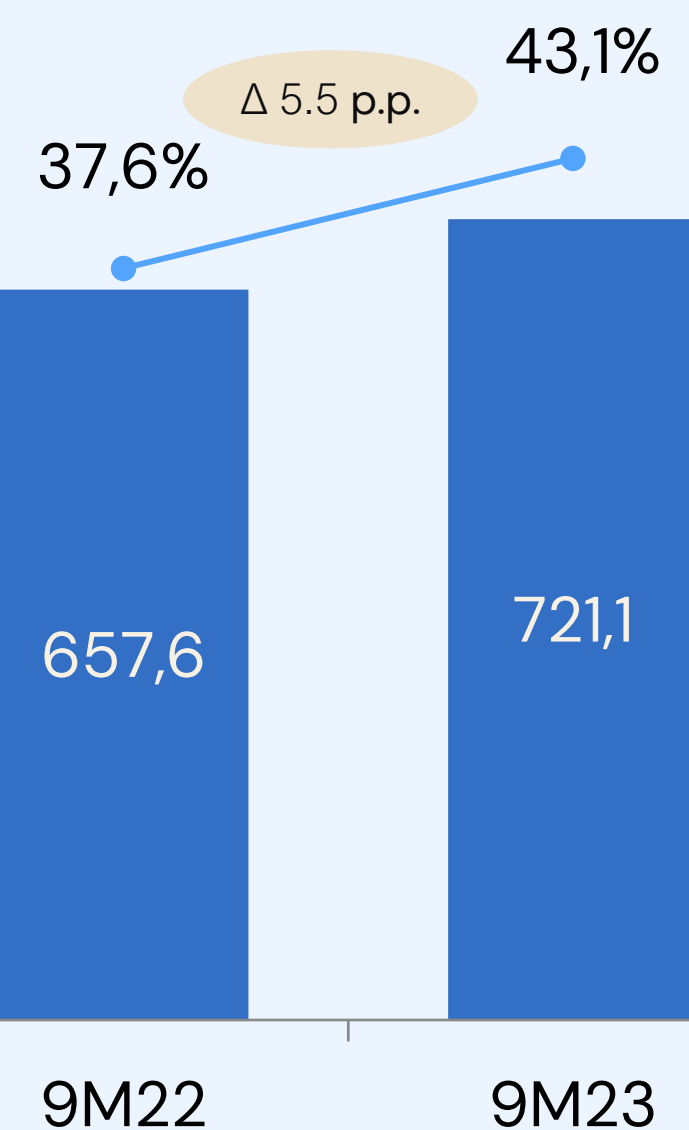
■ Export market
■ Domestic market

GROSS PROFIT

R\$ 721.1

MILLION

9.7% vs. 9M22



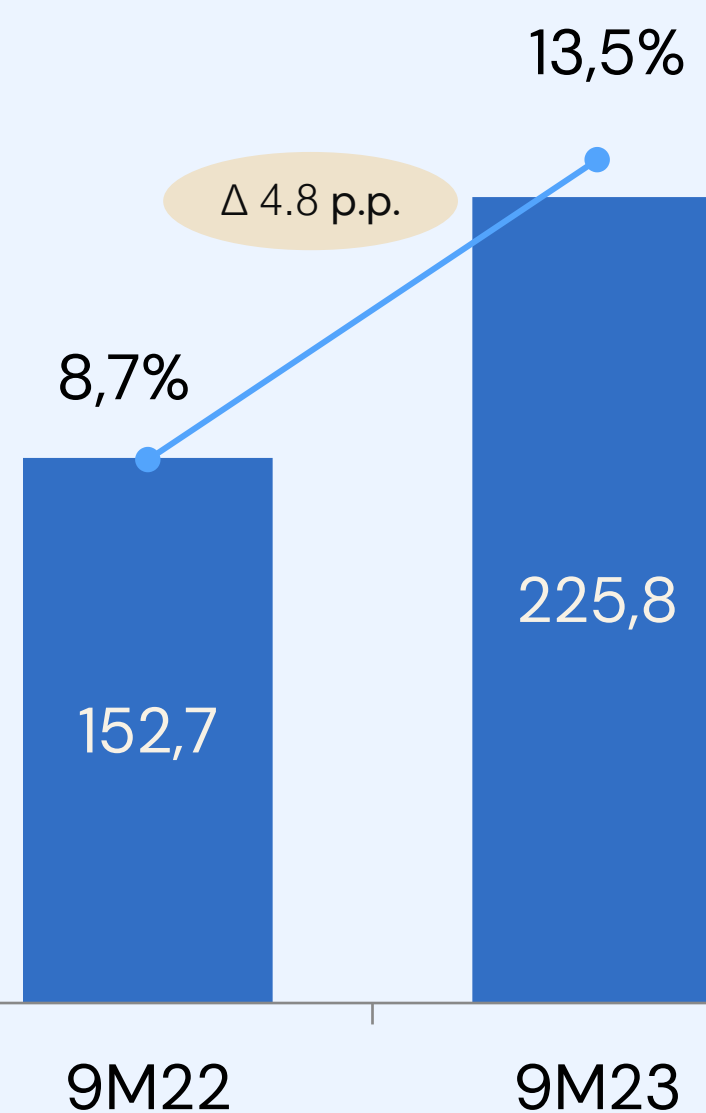
■ Gross profit
● Gross margin

RECURRING EBIT

R\$ 225.8

MILLION

47.8% vs. 9M22



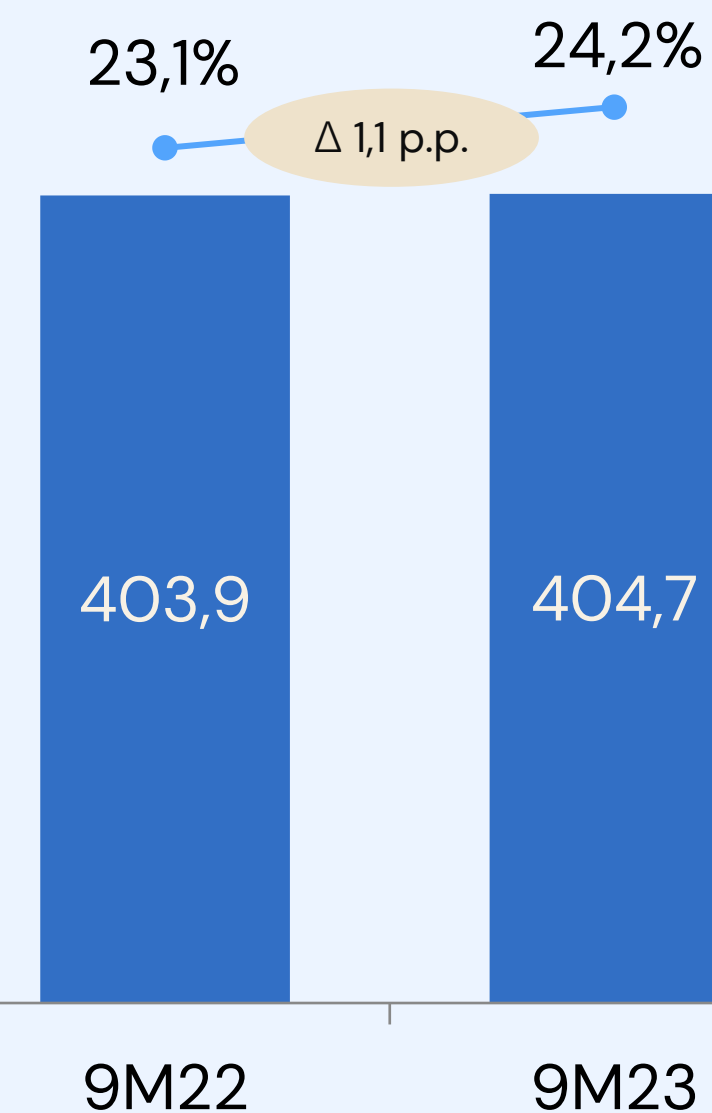
■ Recurring Ebit
● Recurring Ebit margin

RECURRING NET PROFIT

R\$ 404.7

MILLION

0.2% vs. 9M22



■ Recurring Net profit
● Recurring Net margin

Grendene®

DESTINATION OF DIVIDENDS

Grendene (holding company)	R\$
Net profit	314,639,231.29
(–) Tax incentive reserve	(177,471,582.75)
Basis for calculation of the Legal Reserve	137,167,648.54
(–) Legal Reserve	–
Amount of dividend for 9M23 / calculation basis of the minimum mandatory dividend	137,167,648.54
(+) Prescribed dividends	3,901.54
Total of the dividend proposed by management	137,171,550.08
(–) Dividends paid in advance (1Q23 and 2Q23)	(85,258,029.55)
Balance available for distribution	51,913,520.53

Dividends approved “*ad referendum*” of the Annual General Meeting that considers the Financial Statements for 2023 business year.

* The balance of the legal reserve reached 20% of the share capital. with no need to set up an additional reserve.

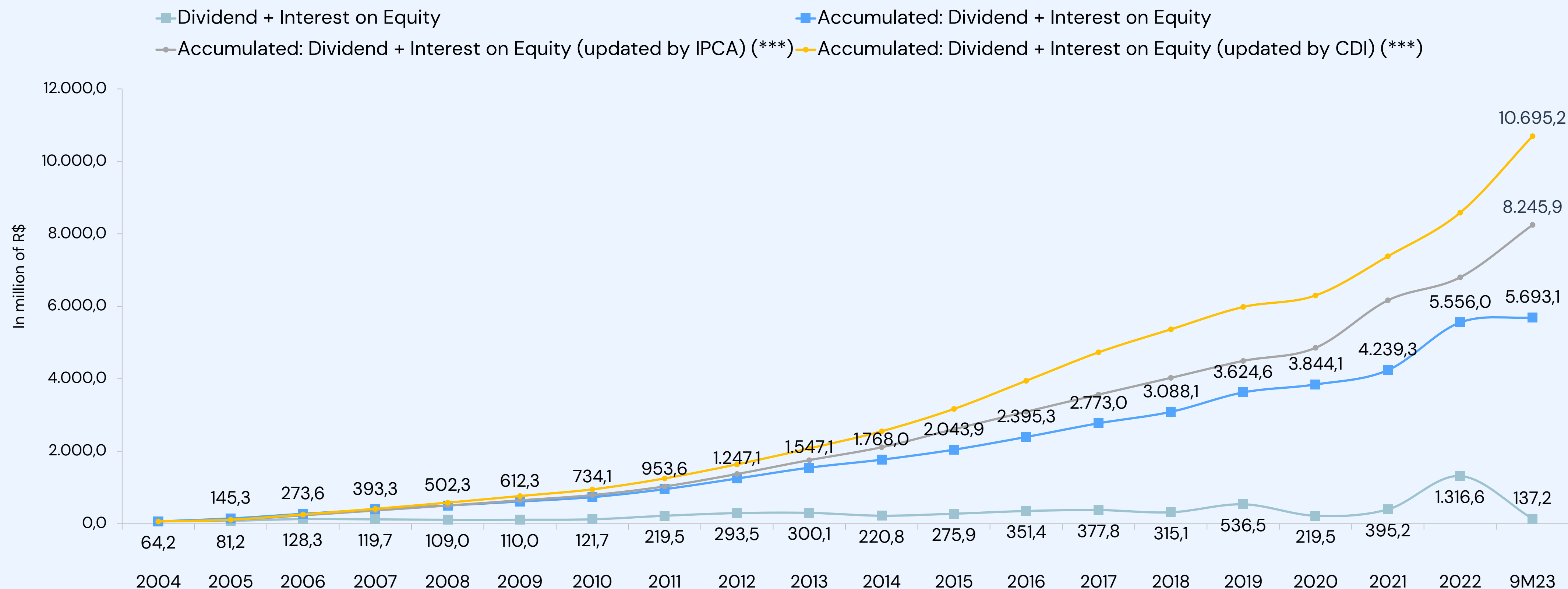
** Deliberate earnings that were not paid. as shareholders did not update their register. (Shareholders lose the right to receive these dividends after 3 years.)

PROPOSED DIVIDENDS AND INTEREST ON EQUITY (I.E.)

Dividend	Date approved	Ex-date	Date of start of payment	Gross value R\$	Gross value per share R\$	Net value R\$	Net value per share R\$
Dividend ¹	May 11. 2023	May 23. 2023	Jun. 7. 2023	68.121.469.32	0.075509523	68.121.469.32	0.075509523
Dividend ¹	Aug. 10. 2023	Aug. 22. 2023	Sep. 6. 2023	17.136.560.23	0.018995091	17.136.560.23	0.018995091
Dividend ¹	Nov. 9, 2023	Nov. 22, 2023	Dec. 6, 2023	31,913,520.53	0.035374673	31,913,520.53	0.035374673
I.E. ¹	Nov. 9, 2023	Nov. 22, 2023	Dec. 6, 2023	20,000,000.00	0.022169082	17,000,000.00	0.018843720
			Total	137,171,550.08	0.152048369	134,171,550.08	0.148723007

¹ Dividends approved “ad referendum” of the Annual General Meeting that considers the Financial Statements for 2023 business year.

DIVIDENDS AND INTEREST ON EQUITY (I.E.) – ACCUMULATED



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	9M23
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%	233.4%	42.6%
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%	17.9%	2.8%

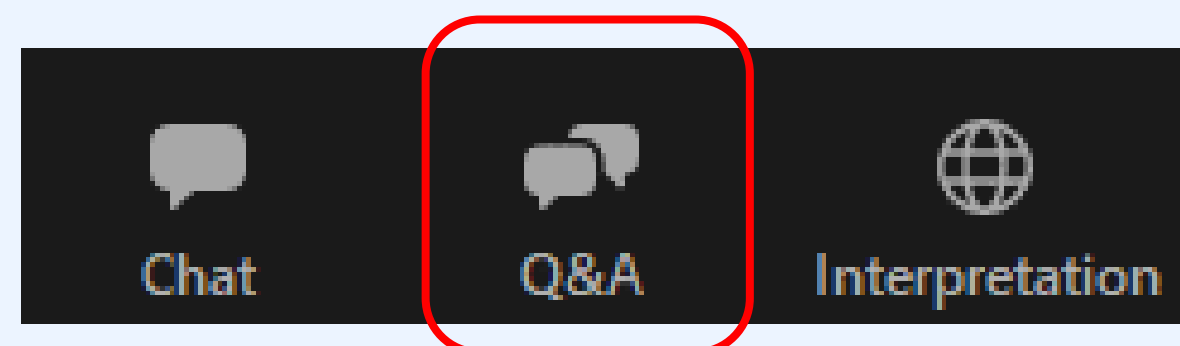
(*) Payout: [Dividend plus net interest on equity]. divided by [net profit after constitution of the Legal Reserves].

(**) Dividend yield: [Dividend per share plus net interest on equity per share in the period] divided by [weighted average price of the share in the period]. annualized.

(***) Values updated from the date of payment of the proceeds.

Q&A

To ask questions: please click on the **Q&A** icon and write your question. If announced. are quest to activate your microphone will show upon your screen; then. you should enable your audio to ask your question. We kindly ask you to make all questions at once.



Grendene®

melissa

GRENDA

ZAXY

Ipanema

Grendene kids

rider

CARTAGO

PEGA FORTE