

**AREZZO
&CO**

AREZZO&CO

DAY 19

AGENDA

14H00

14H15

OPENING REMARKS

ALEXANDRE BIRMAN

14H15

14H50

STRATEGIC PLANNING

ALEXANDRE BIRMAN, RAFAEL SACHETE
AND ALINE PENNA

14H50

15H20

BRAND HIGHLIGHTS

SILVIA MACHADO

15H20

15H35

OPERATIONS

CASSIANO LEMOS AND MAURO
FRIEDRICH

15H35

15H50

SUSTAINABILITY AND CULTURE

MARCO VIDAL

15H50

16H20

COFFEE BREAK

SHOWROOM WITH EXECUTIVES

16H20

17H00

DIGITAL TRANSFORMATION

MAURICIO BASTOS, PEDRO CORREA
AND RODRIGO RIBEIRO

17H00

17H35

INTERNATIONAL BUSINESS

FERNANDO CALIGARIS, MARINA
LARROUDE AND MILENA PENTEADO

17H35

17H55

Q&A

DIREX AREZZO&CO

17H55

18H00

FINAL REMARKS

ALEXANDRE BIRMAN

A woman with dark hair in a high ponytail, wearing a red dress and high heels, is posing on a beach at night. She is lying down with one leg raised and bent, and the other extended. The background shows the ocean and a dark sky.

AREZZO
&CO

OPENING REMARKS

ALEXANDRE BIRMAN

A BROAD PORTFOLIO OF MOST-DESIRED BRANDS

**AREZZO
&CO**

THE COMPANY HAS A STRONG PORTFOLIO OF TOP OF MIND BRANDS IN BRAZIL



AREZZO

1972

TRENDY
NEW
EASY-TO-USE
ECLECTIC

16 - 60 YEARS

WEB GROSS REVENUE
R\$ 90.9 MM (9%)

RETAIL PRICE POINT
R\$ 240.00 / PAIR

GROSS REVENUE
R\$ 985.7 MM (49.4%)



SCHUTZ

1995

FASHION
UP TO DATE
BOLD
PROVOCATIVE

18 - 40 YEARS

WEB GROSS REVENUE
R\$ 73.3 MM (12%)

RETAIL PRICE POINT
R\$ 380.00 / PAIR

GROSS REVENUE
R\$ 617.1 MM (30.9%)



ANACAPRI

2008

POP
FLATS
AFFORDABLE
COLORFUL

12 - 60 YEARS

WEB GROSS REVENUE
R\$ 16.9 MM (7%)

RETAIL PRICE POINT
R\$ 140.00 / PAIR

GROSS REVENUE
R\$ 248.8 MM (12.5%)



ALEXANDRE
BIRMAN

2009

DESIGN
EXCLUSIVENESS
IDENTITY
SEDUCTION

20 - 45 YEARS

WEB GROSS REVENUE
R\$ 4.3 MM (4%)


RETAIL PRICE POINT
R\$ 1,500.00 / PAIR

GROSS REVENUE
R\$ 101.8 MM (5.1%)

A BROAD PORTFOLIO OF MOST-DESIRED BRANDS

**AREZZO
&CO**

THE COMPANY HAS A STRONG PORTFOLIO OF TOP OF MIND BRANDS IN BRAZIL



FIEVER

— 2015 —

**CASUAL
YOUNG
URBAN
MODERN**

15 - 30 YEARS

**WEB GROSS REVENUE
R\$ 4.0 MM (15%)**

**RETAIL PRICE POINT
R\$ 320.00 / PAIR**

**GROSS REVENUE
R\$ 27.5 MM (1.4%)**



ALME

— 2018 —

**COMFORT
WELLNESS
DESIGN
SELF-CARE**

30 - 60 YEARS

**WEB GROSS REVENUE
R\$ 2.1 MM (15%)**

**RETAIL PRICE POINT
R\$ 230.00 / PAIR**

**GROSS REVENUE
R\$ 14.1 MM (0.7%)**



VANS

"OFF THE WALL"

— 1966 —

**OFF THE WALL
ACTION SPORTS
LIFESTYLE
STREET CULTURE**

16 - 24 YEARS



STRATEGIC PLANNING

ALEXANDRE BIRMAN, RAFAEL SACHETE AND ALINE PENNA

THE INSPIRATION OF OUR 5-YEAR STRATEGIC PLANNING CYCLE WAS BASED ON 3 MAIN LENSES

**AREZZO
& CO**

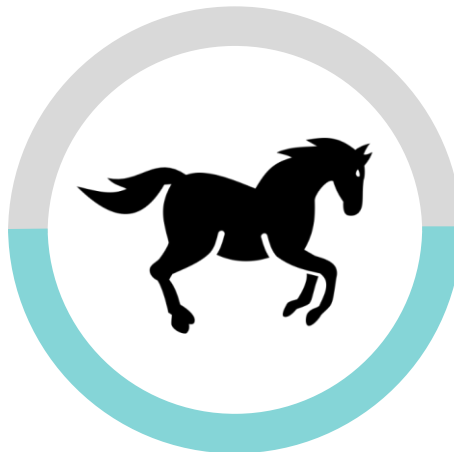
INSURGENT MISSION AND
SPIKY CAPABILITIES



**FOUNDER'S
MENTALITY**

REINVENTING CUSTOMER'S EXPERIENCE
INSURGENT PURPOSE AND CULTURE

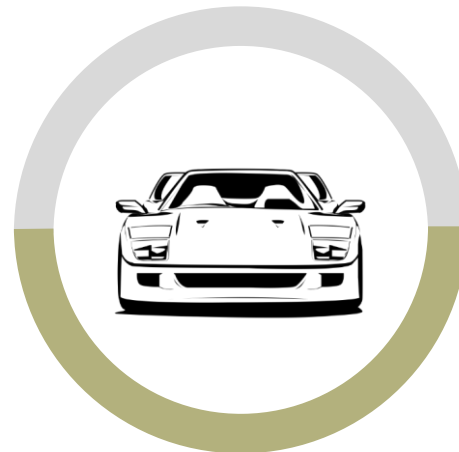
LEVERS FOR FULL POTENTIAL
AND KEY METRICS



**PRESENT
FORWARD**

INITIATIVE PRIORITIZATION
EXISTING STRATEGIES

PLATFORMS FOR LONG-TERM
GROWTH



**FUTURE
BACK**

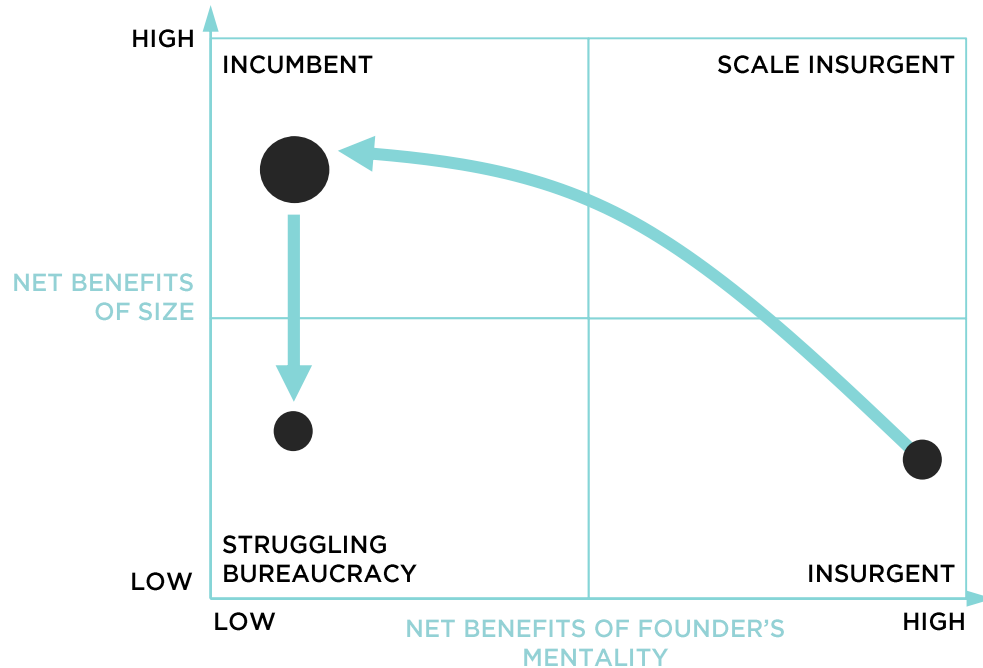
SUSTAINABILITY AS A RULE, VERTICAL FASHION
PLATFORM, INSURGENT BRANDS

TRANSLATION OF OPPORTUNITIES INTO MICRO BATTLES

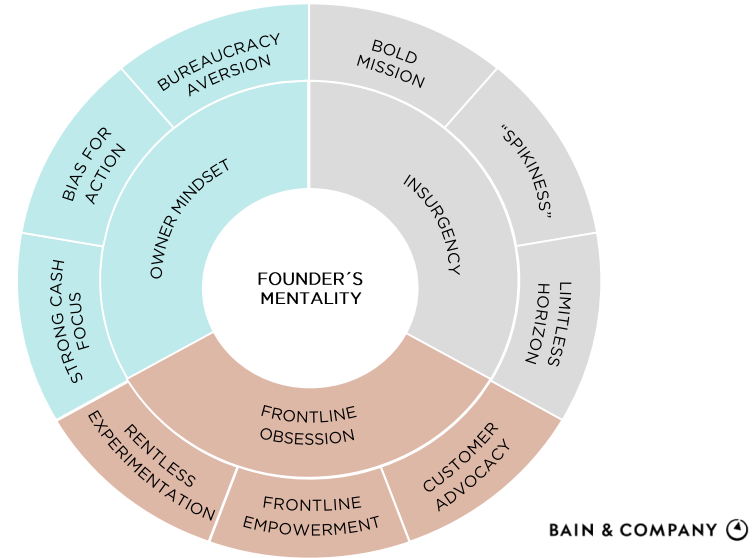
BAIN & COMPANY 

LENS 1:

AS COMPANIES GROWS, THEY TEND TO LOSE THE BENEFITS OF THE FOUNDER'S MENTALITY



**AREZZO
&CO**



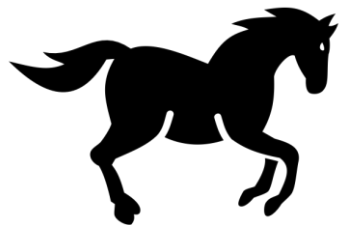
NEW INSURGENT MISSION FOR AREZZO&CO

CONTINUING TO LEVERAGE OF KEY COMPETENCIES

- BRANDS
- PRODUCT DEVELOPMENT
- SUPPLY CHAIN MANAGEMENT
- AND, ABOVE ALL, FOCUS ON THE CUSTOMER

LENSES 2 AND 3: COMBINING “PRESENT-FORWARD” AND “FUTURE-BACK” PERSPECTIVES

BUILDING A **BETTER AND LESS EXPENSIVE HORSE** BUT AT THE SAME TIME **ENVISAGING A CAR**



PRESENT FORWARD

“OUR PERFORMANCE AND STRATEGIC POSITIONING PATH”

GAME RULES AND
SUCCESS MODELS

GAP TO “FULL
POTENTIAL”

FUTURE BACK

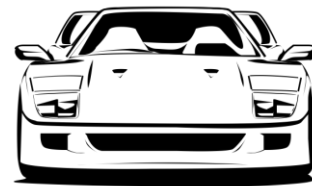
“WHAT WILL MAKE US WIN IN THE FUTURE?”

NEW BUSINESS
MODELS

CUSTOMER OF
THE FUTURE

DISRUPTIVE
TECHNOLOGIES

CHANGING
ECOSYSTEMS



LENSES 2 AND 3:

RATIONALE FOR GUIDING A DISCUSSION ON STRATEGIC LEVERS



CORE EXPANSION

LEVERS CLOSE TO CORE BUSINESS AND IMPORTANT TO ENSURE CASH GENERATION



CORE TRANSFORMATION

LEVERS THAT SHALL SUPPORT CORE BUSINESS IN MID-LONG TERM, BUT REQUIRING ADJUSTMENTS AND BUILDING NEW COMPETENCIES



CREATING ENGINE 2

FINANCIAL AND ENERGY INVESTMENT IN NEW BUSINESS EMBRACING HIGH-GROWTH MARKETS



DEVELOPING ADJACENCIES

ADDITIONAL LEVERS EXPANDING ADDRESSABLE MARKET IN BRAZIL



BASE

TRANSVERSAL LEVERS FOR STRATEGY EXECUTION:
PEOPLE, CULTURE, DATA AND TECHNOLOGY

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS

**AREZZO
&CO**

TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

— DEMOCRATIC —

SCHUTZ ALEXANDRE **BIRMAN**

— FASHION/LUXURY —

ALME

FIEVER

— EMERGING —

VANS
"OFF THE WALL"

— LIFESTYLE/ ACTION —
SPORTS



BUSINESS MODEL TRANSFORMATION

MERCHANDISING AND SUPPLY EVOLUTION

SOURCING AND LOGISTICS 2.0

REINVENTING CUSTOMER EXPERIENCE

SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

CRM AND LOYALTY AREZZO&CO

MARKETPLACE - OWN BRANDS

CONTENT, SERVICES AND SOCIAL

CONNECTIVITY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND

CULTURE

FRONT-LINE

EMPOWERMENT



DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY

**AREZZO
& CO**

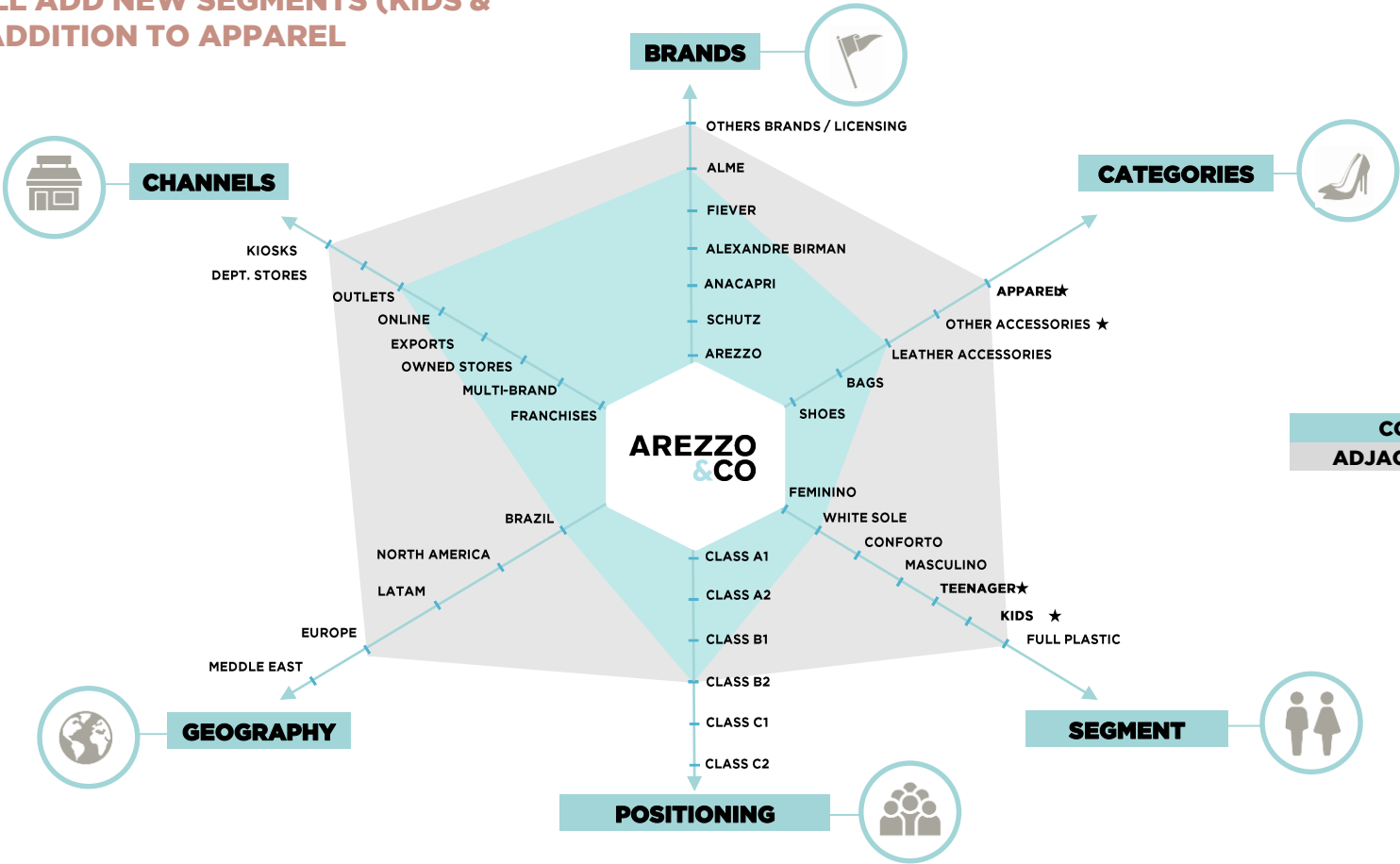
A black and white photograph of a skateboarder in mid-air, performing a trick in a concrete skate bowl. The skateboarder is wearing a helmet, a dark t-shirt, shorts, and checkered sneakers. The skateboard is upside down, showing the underside with a graphic and the brand name 'BONES'. The background shows a fence and some buildings under a cloudy sky.

**| SPEAKING OF
NEW BRANDS...**



RADAR CHART

VANS WILL ADD NEW SEGMENTS (KIDS & MEN) IN ADDITION TO APPAREL



POSITIONING AS A “HOUSE OF BRANDS”

SINERGY APPROACH - NO CANIBALIZATION WITH OUR CURRENT OPERATION AND EXISTING BRANDS

- EXPERTISE IN FRANCHISING
- AWARDED E-COMMERCE TEAM
- WELL-STRUCTURED STORE EXPANSION TEAM
- SINERGY IN SUPPORT AREAS
- MODERN AND EXPANDED DC
- WHOLESALE EXPERTISE
- SAMPLE FACTORY IN RS

HOUSE OF BRANDS - PLATFORM FOR OPERATING OTHER LICENSED BRANDS IN THE FUTURE

AREZZO

ANACAPRI

FIEVER

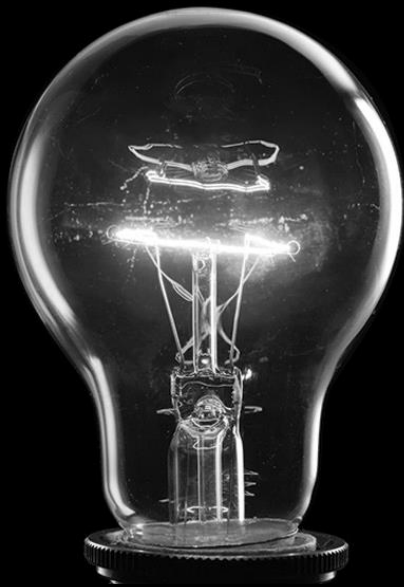
SCHUTZ

ALEXANDRE
BIRMAN

ALME



VANS®



AREZZO&CO AND VANS KEY OPPORTUNITIES

- INCREASING LOCAL SOURCING
- AUTOMATIC REPLENISHMENT / REDUCTION OF STOCK-OUTS
- ACCELERATED STORE EXPANSION
- CLOSING REGIONAL GAPS
- CONTINUOUS LEARNING IN SKEANERS CATEGORY
- NEW CATEGORIES: APPAREL, MALE AND KIDS
- EXPANSION OF CURRENT REVENUE AND PROFITABILITY LEVELS



**A NEW ROAD TO GROWTH
AHEAD...**

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

DEMOCRATIC

SCHUTZ ALEXANDRE BIRMAN

FASHION/LUXURY

ALME

EMERGING

FIEVER

VANS
"OFF THE WALL"

LIFESTYLE/ ACTION - SPORTS



BUSINESS MODEL TRANSFORMATION

- MERCHANDISING AND SUPPLY EVOLUTION
- SOURCING AND LOGISTICS 2.0
- REINVENTING CUSTOMER EXPERIENCE
- SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

- CRM AND LOYALTY AREZZO&CO
- MARKETPLACE - OWN BRANDS
- CONTENT, SERVICES AND SOCIAL CONNECTIVITY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

- ORGANIZATION AND CULTURE
- FRONT-LINE EMPOWERMENT



DATA AND TECHNOLOGY

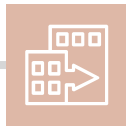
- DATA AND ANALYTICS
- TECHNOLOGY

THERE ARE DIFFERENT WAYS TO EMBRACE THE NEW BRAND OPPORTUNITIES

AREZZO
&CO



ONGOING EVOLUTION OF
CURRENT BRANDS



ACQUIRING OR
LICENSING NEW BRANDS



BUILDING A BRAND
PORTFOLIO WITH A NEW
BUSINESS MODEL



INCUBATING AND
ACCELERATING EXISTING
INSURGENT BRANDS

- TRADITIONAL M&A APPROACH



smashbox
HOLLYWOOD, CALIFORNIA
GLAMGLOW™

LE LABO®

Too Faced

- ADDRESSING NEW MARKET
NICHES



bubly
sparkling water



LVMH
MOËT HENNESSY, LOUIS VUITTON

ApotheCARE
Essentials™

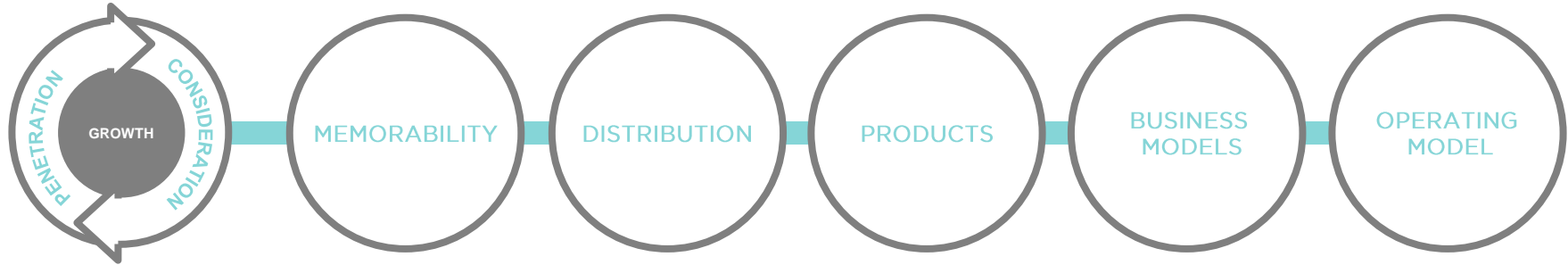
FENTY

- ACCELERATION PROGRAM OR
BRAND INCUBATOR



INSURGENT BRANDS APPLY A DIFFERENT APPROACH

**AREZZO
&CO**



INSURGENT BRAND

- AUTHENTIC BRAND
- CLEAR PURPOSE AND E CAUSES
- WELL-DEFINED AUDIENCE (NICHE)
- LACK OF PRODUCT DUE TO HIGH DEMAND
- USING DIRECT-TO-CUSTOMER
- ALTERNATIVE CHANNELS, DIGITAL PLATFORMS AND INSTAGRAM
- SMALL ASSORTMENT
- PRESENCE OF ICONIC PRODUCTS
- ASSET LIGHT
- USE OF PARTNERS' ECOSYSTEMS
- ACCESS TO DATA AND CAPITAL
- AGILE OPERATION
- QUICKY INNOVATION AND HIGHLY TESTED

**TRADITIONAL SCALE ADVANTAGE HAS BECOME LESS IMPORTANT,
ENABLING THE EVOLUTION OF NEW BUSINESS MODELS**

INSURGENT BRANDS

WHILE LESS REPRESENTATIVE IN SHARE, ALREADY CAPTURE A GOOD PART OF THE GROWTH IN THEIR MARKETS

EXAMPLE: CONSUMER GOODS IN USA



**>10X GROWTH IN
CATEGORY**



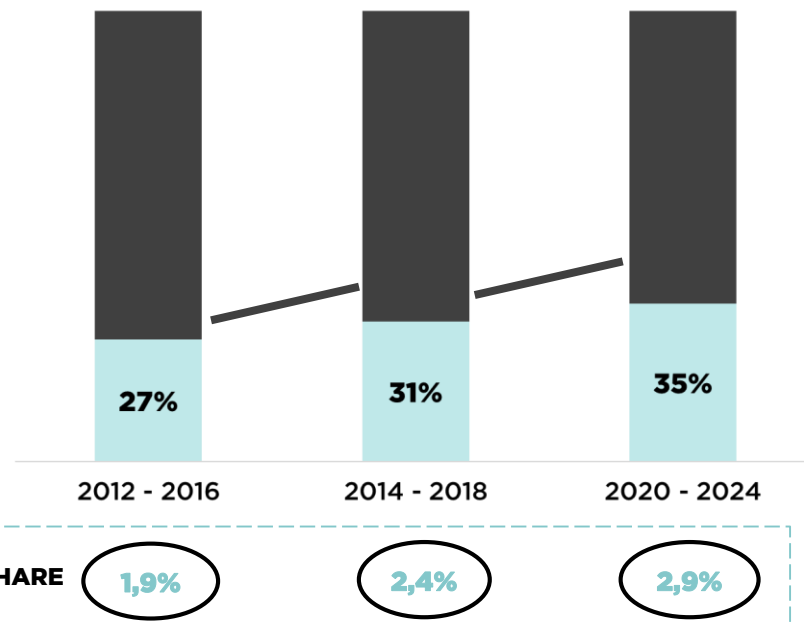
**REVENUE
< \$100M**



**< 15 YEARS
OLD**

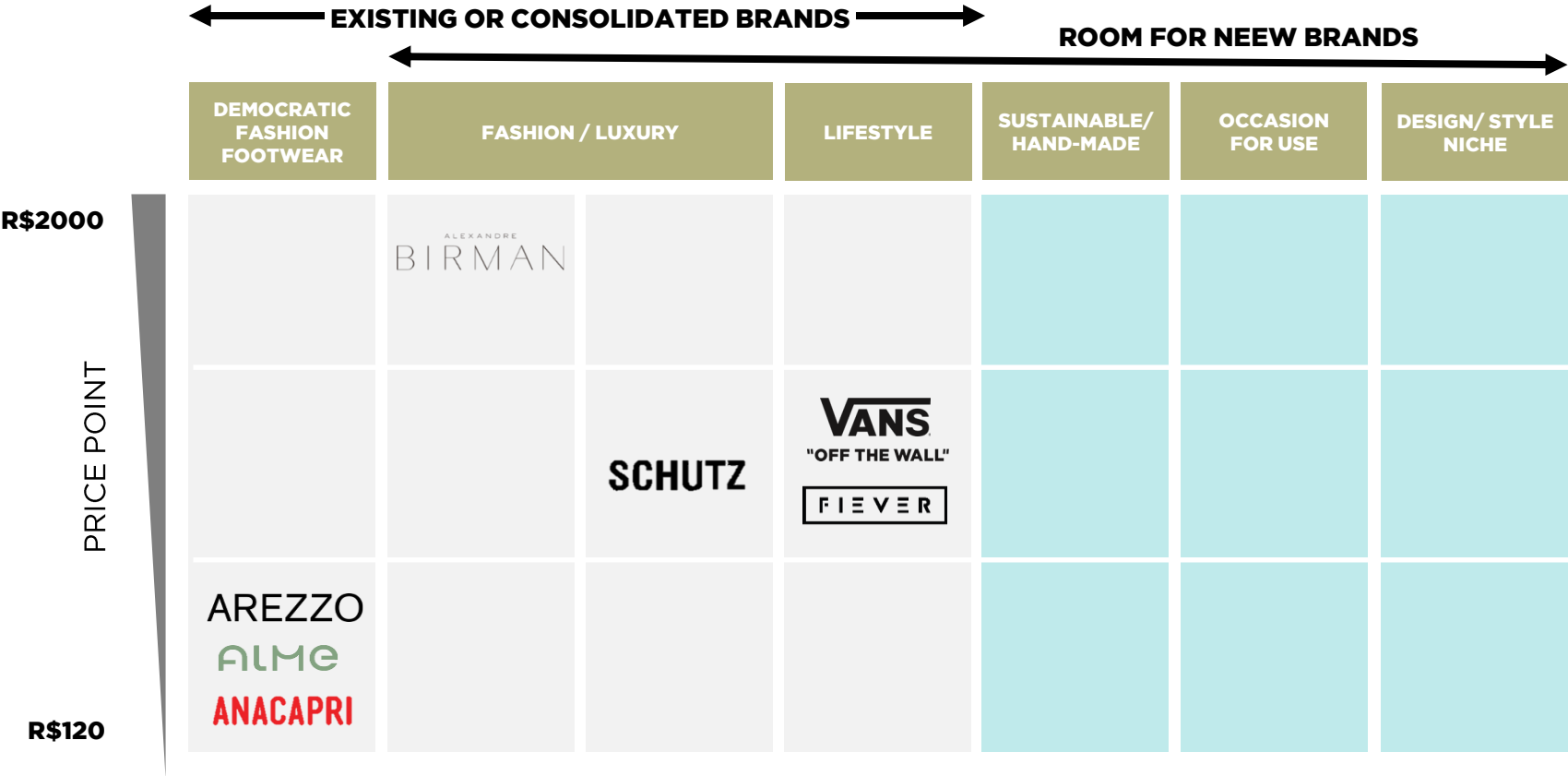


REVENUE GROWTH SHARE



NOTE: INCLUDES ONLY CATEGORIES WHERE INSURGENT BRANDS ARE PRESENT, REPRESENTING AROUND 45 CATEGORIES OR AROUND 60% OF THE MARKET ASSESSED. (THE BIGGEST IRI CATEGORIES) SOURCE IRI REVIEWS US MULO; ANALISE BAIN

ATTRACTIVE TERRITORIES FOR AREZZO&CO: LIFESTYLE, SUSTAINABLE AND DESIGN/STYLE



AREZZO
& CO

VANS

MAIRA ANASTASSAKIS
NICOLAS PRADO



THE GLOBAL ICON OF

CREATIVE EXPRESSION

IN YOUNG CULTURE.

**ACTION
SPORTS**

**STREET
CULTURE**

ART

MUSIC



OUR PROMISE

**AREZZO
&CO**

THE CREATIVE PURSUIT OF BEING YOU



OUR PURPOSE

**AREZZO
&CO**

**TO ENABLE CREATIVE EXPRESSION—AND INSPIRE
YOUTH CULTURE —BY CELEBRATING AND
ENCOURAGING THE OFF THE WALL ATTITUDE THAT
COMES FROM EXPRESSING YOUR TRUE SELF.**

A wide-angle, fisheye photograph of a skateboarder in mid-air above a concrete bowl. The skateboarder is wearing a black long-sleeved shirt with colorful floral patterns on the sleeves, black pants, a black baseball cap, and has long brown hair. Their skateboard is black with green and white graphics, including the 'VANS' logo and 'G-SHOCK' text. The bowl is made of light-colored concrete and is surrounded by a low concrete wall. In the background, there is a wooden building with a corrugated metal roof, a set of stone steps leading up a grassy hill, and a dense forest of green trees under a blue sky with scattered white clouds. Two other people are visible in the background near the wooden building.

THIS IS OFF THE WALL

BRANDING - THIS IS OFF THE WALL

OBJECTIVES



**DEFINING OFF THE WALL -
CREATIVE EXPRESSION**



**INCREASING BRAND RECALL BY
ADDING VANS CORE CLASSICS
INTO THE CAMPAIGN**



**CONNECTING LOCAL PAID MEDIA
TO GLOBAL BRAND MOMENTS**

BRANDING - THIS IS OFF THE WALL

AREZZO
&CO



WATCH HERE



DO IT

BRANDING - THIS IS OFF THE WALL



REAL CHARACTERS



**SUPPORTING CAUSES
RELEVANT TO THE BRAND**



VANS VIEW ON CREATIVITY

SPORTS MARKETING - SKATE STRATEGY



ATHLETES



EVENTS



CONTENT



**GRASSROOTS SKATE
LEADERSHIP**

SPORTS MARKETING - VANS SKATEPARK SP

**AREZZO
&CO**



**FIRST LANE OF PARK
MODALITY BUILT IN
SOUTH AMERICA**

**A SOURCE FOR
DEVELOPING THE NEW
GENERATION OF PARK
RIDERS IN BRAZIL**

OPEN AND FREE

SPORTS MARKETING - VANS SHOEBOX

AREZZO
&CO



300

LOANS IN 4 MONTHS OF
THE PROJECT

200 K

USERS IMPACTED IN
SOCIAL MEDIA

R\$ 140 K

IN MEDIA RETURN

MARKETING – BRAND PRIORITIES

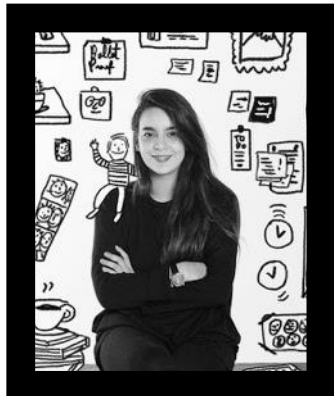
**AREZZO
&CO**



BRAND AWARENESS

GAINING DIGITAL TRACTION:
FACEBOOK @ 2.5 M FANS
INSTAGRAM @ 907K

DIGITAL MARKETING STRATEGY



ENABLE EXPRESSIVE CREATORS

CREATORS INTEGRATED IN
GLOBAL BRAND CAMPAIGNS:

ENERGIZING THROUGH
SEEDING

SUPPORTING LOCAL
AMBASSADORS
EVENTS

SPONTANEOUS MEDIA-
GLOBAL-ORIENTED



SKATE LEADERSHIP

OUR ESSENCE, OUR ROOTS

- INCLUDES GLOBAL STRATEGY AS A PILLAR AND MONITORING MONTHLY BASE THROUGH KPIS FOR DISTRIBUTION AND MARKET DEVELOPMENT
- SKATE CAMPAIGN FOR GIRLS IN MAIN TERRITORIES



EVENTS & EXPERIENCE

- OPENING OF A VANS SKATE PARK IN SÃO PAULO
- WELL-DEFINED ACTIVATION ROADMAP



@ RETAIL

EVOLUTION APPLIED TO LONG-TERM PLANS:

- 3.0 WHOLESALERS SHOP IN SHOP BEING DEVELOPED
- SUPPORT TO OWN STORES AND FRANCHISES IN EXECUTION AND ACTIVATIONS
- OTW SKOOL – TRAINING, PREPARING FIELD AND PRODUCT-FOCUSED TEAMS AND VISUAL MERCHANDISING

NOSSO CONSUMIDOR

**AREZZO
&CO**

**THE EXPRESSIVE CREATOR IS AT THE
CENTER OF ALL WE DO**

OUR CONSUMER

"SKEW YOUNGER" - 16 TO 24 YEARS



48%



52%

YOUNG PEOPLE AND WOMEN ARE
THE CONSUMERS WITH THE
HIGHEST SCORE WITHIN KPIS, AS
WELL AS BRAND EQUITY
GENERATION

BHT 2018 BRAZIL

AWARENESS

2016

2018

56%

61%



AREZZO
&CO

DIGITALLY CONNECTED 24/7

CARES WITH THE FUTURE

VALUES NEW EXPERIENCES

ART: URBAN CONTEXT, DEMOCRATIC -
INSERTED IN DAILY LIVES

MUSICA: MAINLY RAP & HIP HOP

APPRECIATES DESIGN AND COMFORT IN
SNEAKERS

WHAT VANS MEANS TO THEM?

16-18 YEARS - A FASHION BRAND

18-24 YEARS - A CLASSIC BRAND

CONNECTED TO ROCK

PRODUCT DIFFERENTIAL IS THE KEY FOR OUR CORE CONSUMERS (EC AND SKATERS)

MERCHANDISING - OVERVIEW

DRIVING GROWTH AND ENERGY THROUGH
OUR CLASSIC SILHOUETTES.

INCREASING CONSIDERATION AND
EXPANDING OUR MARKETS THROUGH
BRAND NEWNESS



CORE CLASSIC



COLORS AND
MATERIALS



ADAPTED
STYLES



CREATED
STYLES



TECHNICAL
PLATFORM
FOR
LIFESTYLE



TECHNICAL
PLATFORM
PERFORMANCE
SKATE

**PROGRESSION CATEGORY WILL REPRESENT OVER 30% IN OUR
FOOTWEAR GROWTH BY 2020**

PRODUCT: CLASSICS



- CONDUCTS ENERGY THROUGH VANS EQUITY
- KEEP THE GOOD MOMENT AND THE STRATEGY OF USING VULCANIZED FIBERS WITH OUR ICON PRODUCTS, THROUGH RELEVANT TRENDS ADDRESSING THE BRAND PILLARS, SUCH AS ARTS, MUSIC, FASHION AND STREET CULTURE

GUIDELINES

- ICON CONTROL
- UNISEX
- RELEVANT TRENDS FOR THE CULTURE
- COLLABS



T-SHIRTS



SWEATSHIRTS



PANTS



BACKPACKS



JACKETS

PRODUCT: APPAREL

GUIDELINES

- BUILDING FOR SKATE.
- 5 MAIN CATEGORIES
- FOCUS ON MALE
- FROM HEAD TO TOE
- CREATE ENERGY AT THE TOP

MERCHANDISING - OVERVIEW

SEGMENTATION

AREZZO
&CO



LEGEND

QUALITY, TRENDS AND CULTURE
THE MORE ICONIC DESTINATIONS FOR FASHION AND CORE

BEST

TOP OF LINE OF COLLECTIONS / PRODUCTS
FOCUS ON STORYTELLING

BETTER

SEASONAL PRODUCTS AND HIGHER PRICES
BIG OFFER OF BRANDS AND CATEGORIES
FOCUS ON BRAND PRESENTATION

GOOD

SEASONAL PRODUCTS
OFFER OF CASUAL AND SPORTS BRANDS/CATEGORIES

ACTION SPORTS

FUNCTIONAL
PRODUCT FOR
ACTION SPORTS

SKATE AND BOARDSHOP
PIECES

**SURFSHOPS &
SKATESHOPS**

SPORT INSPIRED

ENTHUSIASTIC
NON-
FUNCTIONAL
STYLE

NON-SKATE PRODUCT
SELLERS

+60% SPORTS BRANDS

FASHION LIFESTYLE

STYLE / FASHION

NON-SKATE PRODUCT
SELLERS

SNEAKER AND STREET
WEAR CULTURE

+60% FASHION BRANDS

**SNEAKER
STORES**

WE OPERATE WITH AN INTEGRATED AND BALANCED DISTRIBUTION

**AREZZO
& CO**



VANS.COM AS
MAIN ACCESS
POINT

VANS.COM



BETTER VANS
COMMUNICATIO
N

**OWN STORES AND
FRANCHISES
(MONOBRAND)**



THE
AUTHENTIC
CHANNEL FOR
OUR CORE
CONSUMER

SKATE AS CORE



MEETING
CONSUMERS
CONNECTED TO
TRENDS

LIFESTYLE



MAIN
DISTRIBUTION OF
SPORTS CHANNEL

SPORT INSPIRED



OPPORTUNITY
FOR COLLECTION
RENEWAL AMONG
CHANNELS

OUTLET VANS

**VANS IS PREPARED TO REACH AN AGGRESSIVE
GROWTH BY 2023 IN THE WHOLE WORLD**

**AREZZO
& CO**

+10 TO +12% CAGR

**FY'18
\$3.0B**

**FY'23
\$5B+**

FRANCHISES AND OWN STORES

- CURRENT STORES: 3 FRANCHISES AND 4 OUTLETS
- EXPANSION PLAN WITH STORE OPENINGS IN 2020
- BEGINNING OF OMNI CHANNEL STRATEGY

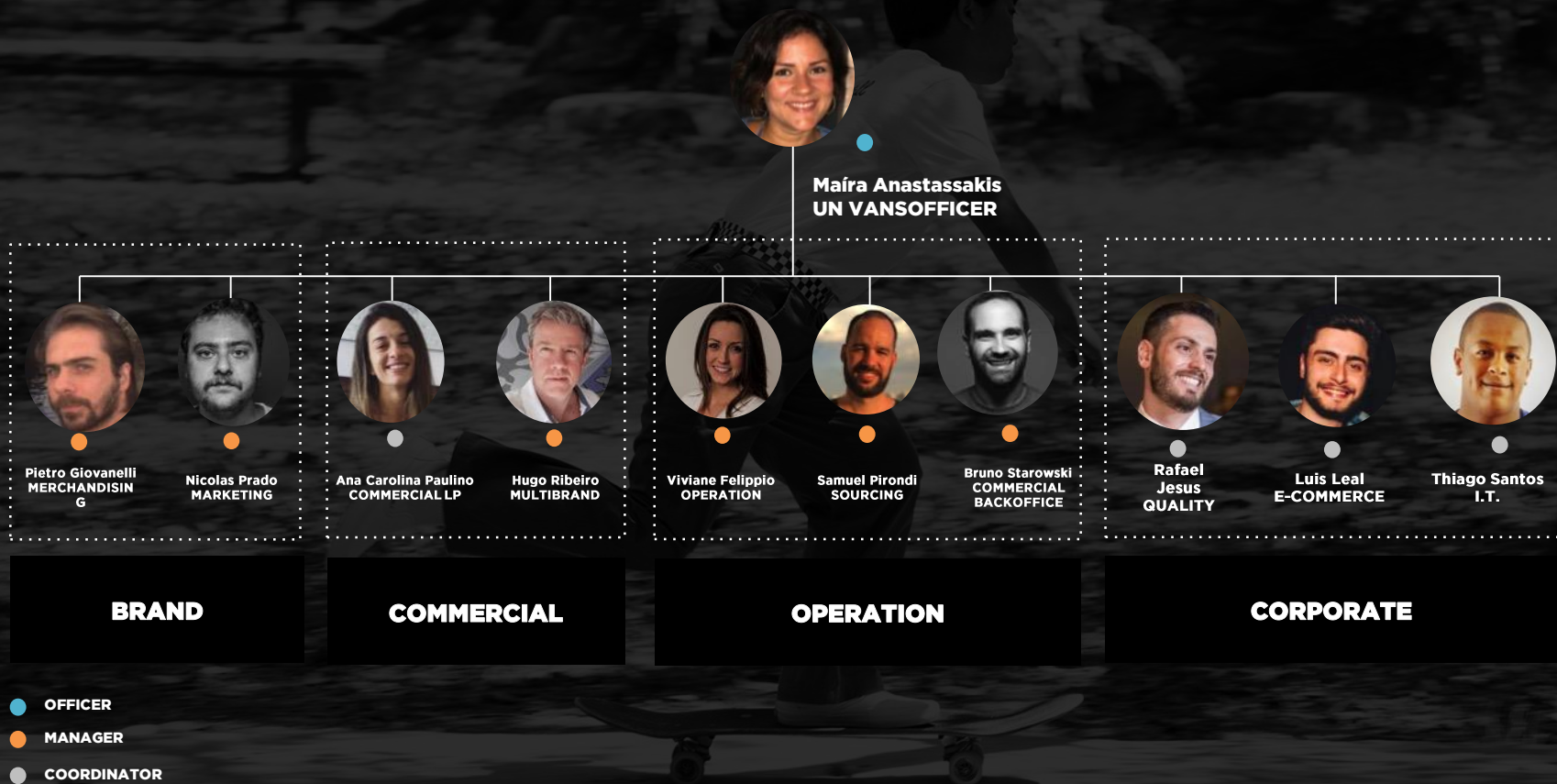
WHOLESALE

- SUCCESSFUL SEGMENTATION MODEL/ DIFFERENTIATING PRODUCTS AND CUSTOMERS
- MARKET SHARE GROWTH WITH PARTNER CUSTOMERS
- OPPORTUNITY FOR EXPANSION IN SPECIFIC REGIONS OF THE COUNTRY

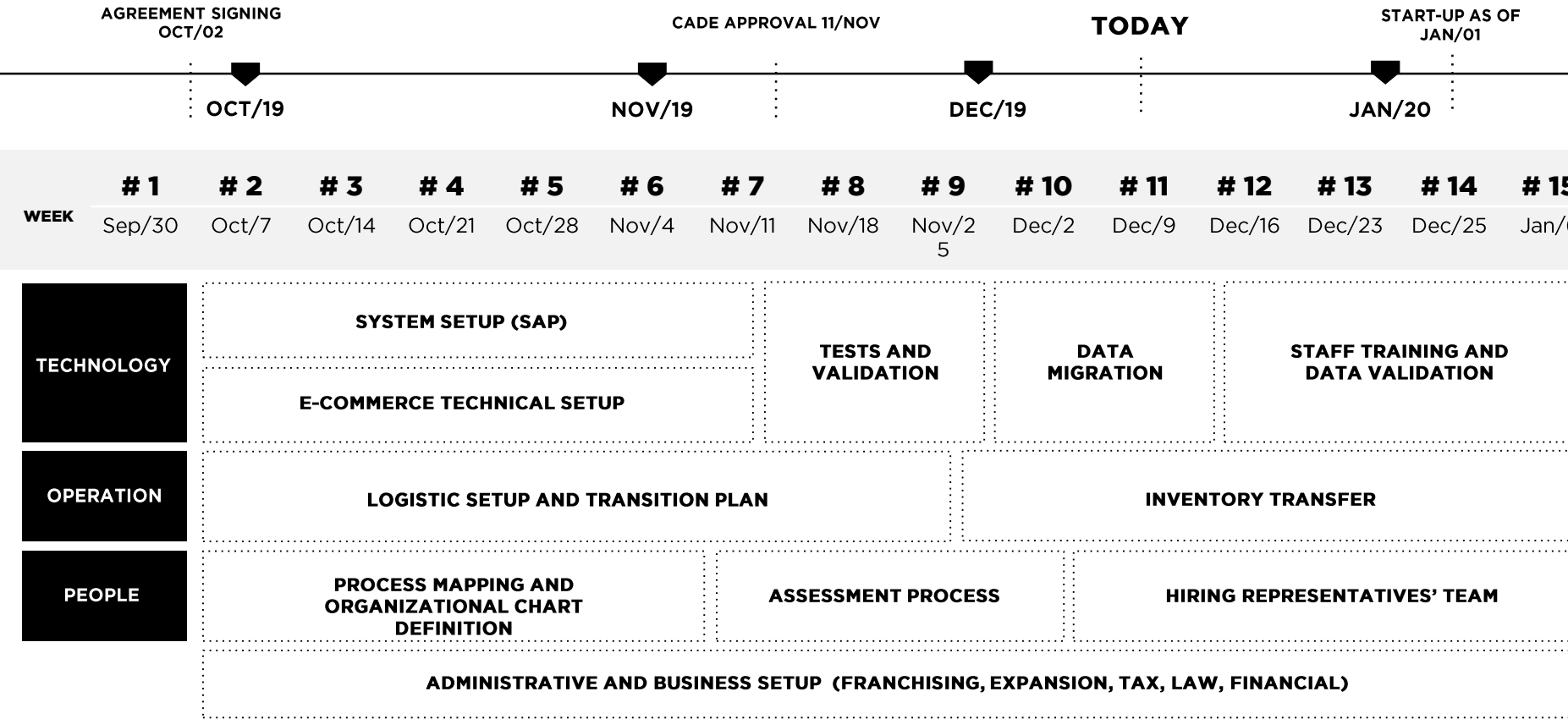
E-COMMERCE

- EFFICIENCY GAIN IN OPERATION WITH OWN STAFF
- BEGINNING OF OMNI CHANNEL STRATEGY
- FASTER RESPONSE STRATEGY FOR NORTH SOUTH COUNTRY SERVICE

EXCELLENCE IN THE SUPPLY MODEL



VANS INTEGRATION STATUS



AREZZO&CO + VANS

INTEGRATION PROCESS - "WAR ROOM"

AREZZO
&CO



KEY MESSAGES

1

SUSTAINING AND STRENGTHENING BRAND CULTURE THROUGH ITS PURPOSE

2

STARTING A STRONG STORE EXPANSION PLAN BY 2020

3

SOLIDIFYING PRODUCT AND CONSUMER SEGMENTATION STRATEGY

4

STRENGTHENING E-COMMERCE CHANNEL AND DIGITAL STRATEGIES (OMNICHANNEL)

5

SUSTAINABLE GROWTH BY BROADENING BRAND AWARENESS



VANS
"OFF THE WALL"

AREZZO
& CO

BRANDS HIGHLIGHTS

SILVIA MACHADO



AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

— DEMOCRATIC —

SCHUTZ ALEXANDRE BIRMAN

— FASHION/LUXURY —

ALME

— EMERGING —

FIEVER

VANS

"OFF THE WALL"
— LIFESTYLE/ ACTION —
SPORTS



BUSINESS MODEL TRANSFORMATION

MERCHANDISING AND SUPPLY EVOLUTION
SOURCING AND LOGISTICS 2.0
REINVENTING CUSTOMER EXPERIENCE
SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

CRM AND LOYALTY AREZZO&CO
MARKETPLACE - OWN BRANDS
CONTENT, SERVICES AND SOCIAL
CONNECTIVITY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND
CULTURE
FRONT-LINE
EMPOWERMENT



DATA AND TECHNOLOGY

DATA AND ANALYTICS
TECHNOLOGY



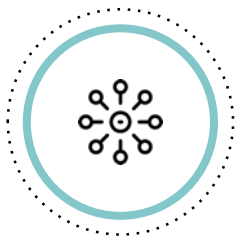
MANAGEMENT OF DESIRED BRANDS

- **8.6M** CUSTOMERS ENROLLED IN CRM
- STRONG PRESENCE IN SOCIAL NETWORKS AND DIGITAL MEDIA
- **+ 12M** FOLLOWERS
- **+ 4M** ACCESSES/ WEBSITE PER MONTH
- BRANDS WITH CLEAR AND DISTINCTIVE POSITIONING
- CONSISTENT MANAGEMENT OF DIVERSE AND RELEVANT ACTIVATIONS



PRODUCT DEVELOPMENT

- ABILITY FOR INNOVATING PRODUCTS
- **11.5K MODELS** CREATED / YEAR
- **15 - 18 LAUNCHES** / YEAR
- AGILITY IN PROCESS FROM DEVELOPMENT TO PRODUCTION
- OWN SAMPLE PLANT
- SHOE SOFTWARE



MULTICHANNEL STRATEGY

- KNOW-HOW IN MULTICHANNEL MANAGEMENT: EXCELLENT PLATFORM FOR BOOSTING BRANDS
- **OWN STORES, FRANCHISES, MULTIBRAND, WEB AND EXPORTS**
- DEEP KNOWLEDGE IN MANAGING FRANCHISING CHANNEL
- MULTIBRAND CHANNEL AS LEVER FOR NEW BRAND GROWTH

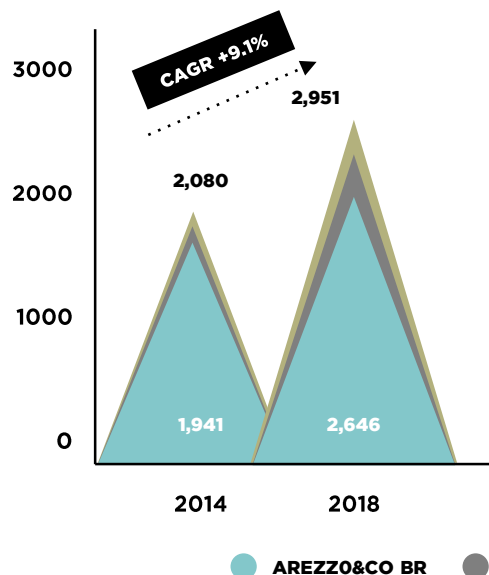


SUPPLY CHAIN MANAGEMENT

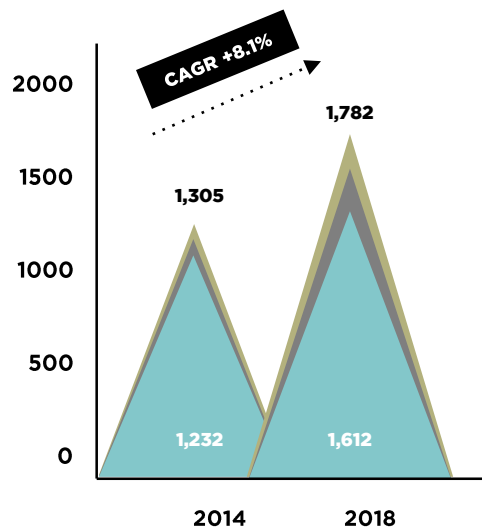
- COLLECTION DEVELOPMENT WITH **EFFICIENT SUPPLY CHAIN**
- LEAD TIME FOR RESTOCKING: **3-5 WEEKS**
- ASSET LIGHT MODEL
- **90.3%** OUTSOURCED PRODUCTION
- RELATIONSHIP WITH A HUGE SUPPLIERS' NETWORK

OUTSTANDING GROWTH IN SELL OUT, SELL IN AND NUMBER OF STORES

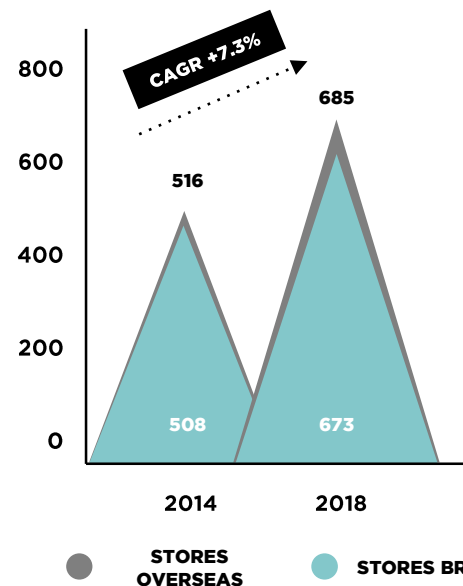
SELL-OUT BRAZIL + OVERSEAS (R\$ M)



REVENUE, NET OF RETURNS BRAZIL + OVERSEAS (R\$ M)



NUMBER OF STORES BRAZIL + OVERSEAS (# FRANCHISES + os)



NOTE: AREZZO&CO US SELL OUT WAS CALCULATED BY THE REAL MARK-UP USED IN SALES OVERSEAS
SOURCE: AREZZO&CO INTERNAL DATA

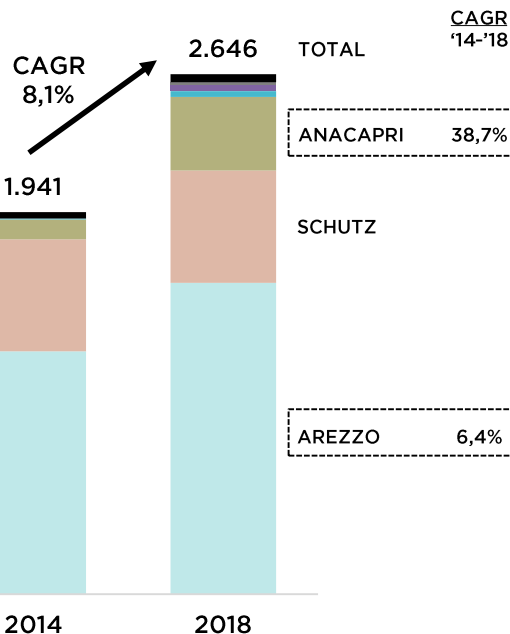
CONCENTRATED GROWTH IN AREZZO AND ANACAPRI BRANDS, IN SNEAKER AND HANDBAGS CATEGORIES, WITH STRONG EXPANSION OF WEB CHANNEL

**AREZZO
&CO**



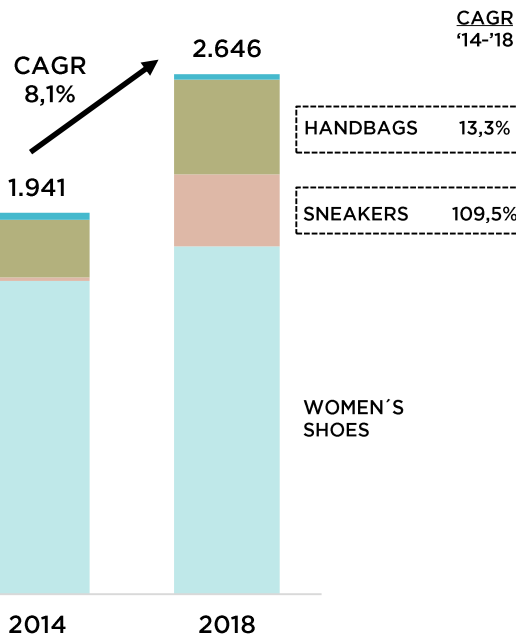
BRAND VISION

SELL-OUT BRAZIL
(R\$ M)



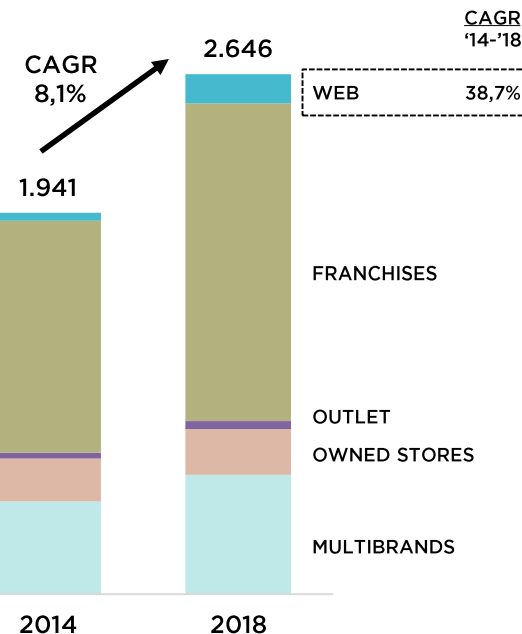
CATEGORY VISION

SELL-OUT BRAZIL
(R\$ M)

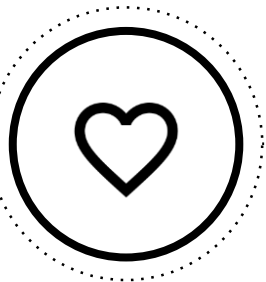


CHANNEL VISION

SELL-OUT BRAZIL
(R\$ M)



TRENDS WITH IMPACT IN CONSUMER RELATIONSHIP WITH FASHION BRANDS



CONSUMPTION WITH A CAUSE

CONNECTION WITH COMPANIES
WITH STRONG POSITION ON SOCIAL
AND ENVIRONMENTAL CAUSES

TRANSPARENCY REQUIRED ON
RESPONSIBLE PRACTICES IN VALUE
CHAIN

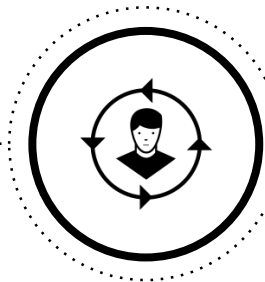
PURPOSE MUST BE AUTHENTIC AND
"INSIDE-OUT"



DIVERSITY AND INCLUSION

REPRESENTATIVENESS FOR
CREATING DEEPER
CONNECTIONS WITH CONSUMERS

ACTIONS WORTH MORE THAN
SPEECH - CONSUMER WANTS TO
WITNESS DIVERSITY AND
INCLUSION PRACTICES IN
ADDITION TO COMMUNICATION



EACH CONSUMER IS THEIR OWN MARKET

CONSUMERS, PARTICULARLY
MILLENNIALS AND GEN Z, WANT
TO BE UNIQUE AND EXPRESS
THEIR INDIVIDUALITY

SEARCH FOR PRODUCTS
EMBRACING INDIVIDUALITY



EVERYTHING AT ONCE AND NOW

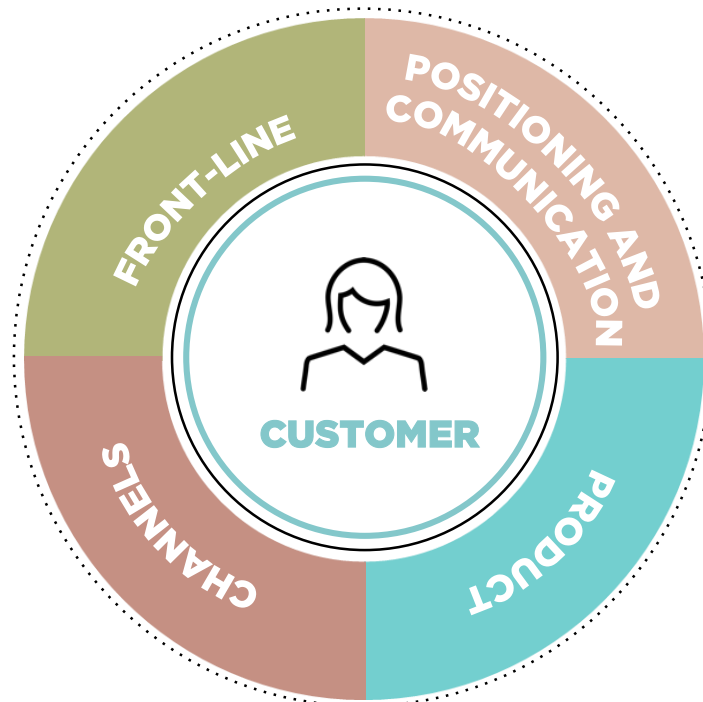
UBIQUITOUS ACCESS TO BRANDS
AND PRODUCTS IS THE RULE

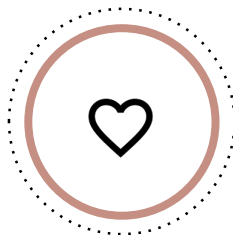
USE OF TECHNOLOGIES AND
DATA TO PROVIDE MORE
CONVENIENCE AND EASY
ACCESS

PILLARS FOR OUR GROWTH AND BRAND TRANSFORMATION

**AREZZO
&CO**

PILLARS FOR BRAND TRANSFORMATION





PURPOSE STRENGTHENING

CREATING AN EMOTIONAL CONNECTION WITH CONSUMERS, GOING BEYOND THE TRANSACTIONAL RELATION BASED ONLY IN PRODUCT.



DIGITAL MARKETING

MAXIMIZING RELATIONSHIPS WITH CONSUMERS THROUGH RELEVANT DIGITAL CONTENT, INNOVATIVE EXPERIENCES AND STRATEGIC NETWORK OF INFLUENCERS.



ALWAYS ON MANAGEMENT

SURPRISING AND ENGAGING OUR CONSUMERS THROUGH FREQUENT AND INNOVATIVE ACTIVATIONS

PURPOSE STRENGTHENING

AREZZO
&CO

AREZZO

1972

**BE AN ALLY
OF WOMEN
IN FASHION
AND LIFE**

SCHUTZ

1995

**ELEVATE
THE
MOMENT**

ANACAPRI

2008

**CHOOSE TO
BE YOU**

**ALEXANDRE
BIRMAN**

2009

**EXCLUSIVE
EXPERIENCE**

PIEVE

2015

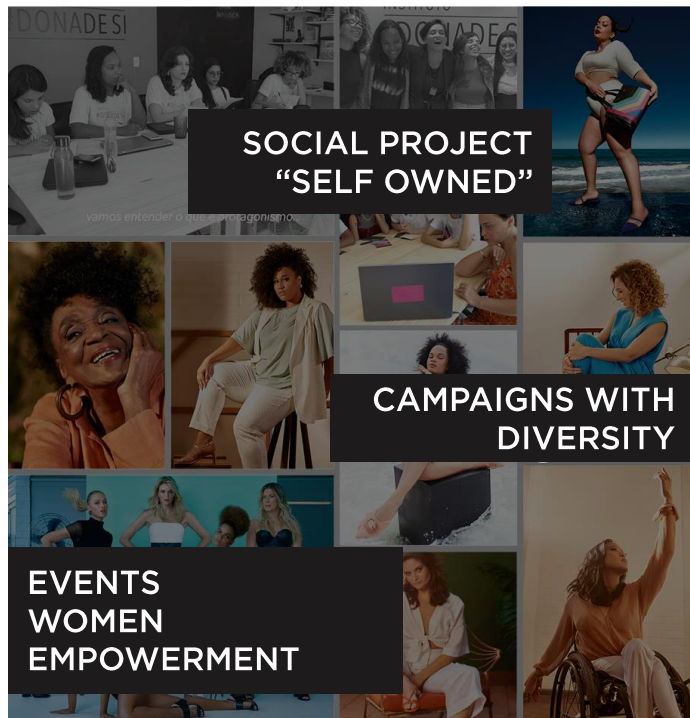
**CELEBRATE
DIFFERENCES**

ALME

2018

SELF-CARE

AREZZO BRAND PURPOSE



SUMMER CAMPAIGN 2019 | GISELE

Confortável Sapato Bolsa
Qualidade Gisele Arezzo
Quero Meu Perfeita Olha Valor Alto
Amei Cara Linda Sandália
Mar Quanto Maravilhoso Foto

SUMMER CAMPAIGN 2020 | DIVERSITY #TOGETHER

Sapato Ser
Parabéns Campanha Modelo
Quero Linda Amei Sandália
Maravilhosa Meu Perfeita Olha Marca Adorei
Quanto Cara Propaganda Mulher Foto Arrasou
Diversidade Arezzo Reais

**93% OF AREZZO
CUSTOMERS FEEL
MORE
REPRESENTED**



PURPOSE STRENGTHENING

CREATING AN EMOTIONAL CONNECTION WITH CONSUMERS, GOING BEYOND THE TRANSACTIONAL RELATION BASED ONLY IN PRODUCT.



DIGITAL MARKETING

MAXIMIZING RELATIONSHIPS WITH CONSUMERS THROUGH RELEVANT DIGITAL CONTENT, INNOVATIVE EXPERIENCES AND STRATEGIC NETWORK OF INFLUENCERS.



ALWAYS ON MANAGEMENT

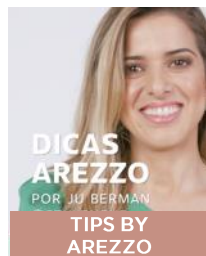
SURPRISING AND ENGAGING OUR CONSUMERS THROUGH FREQUENT AND INNOVATIVE ACTIVATIONS

DIGITAL MARKETING

RELEVANT CONTENT



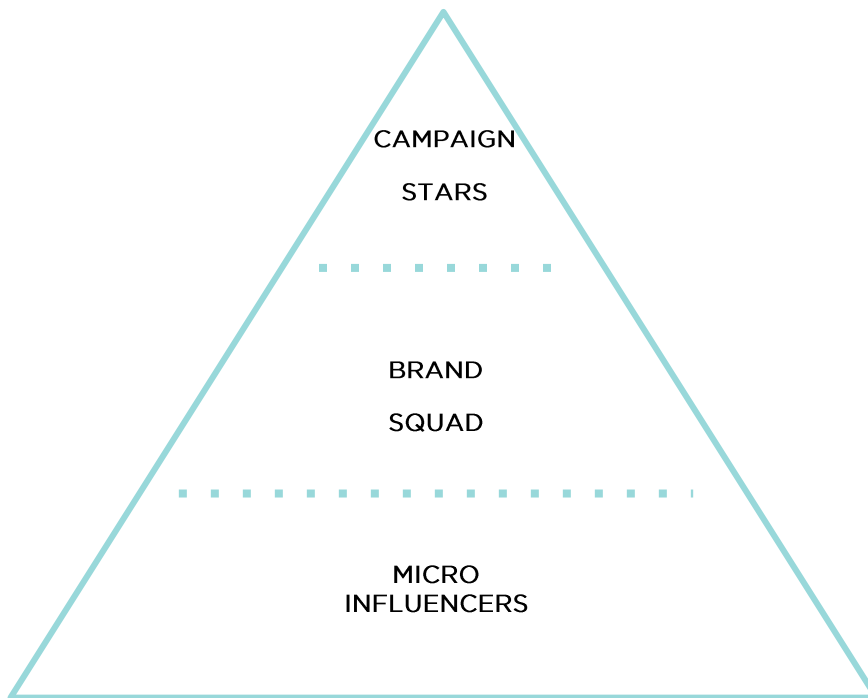
STREET STYLE



PODCASTS



STRATEGIC NETWORK OF INFLUENCERS



INNOVATIVE EXPERIENCES



YOGA CLASS AND
MINDFULNESS TALK



UNLOCK YOUR CITY EVENT



PURPOSE STRENGTHENING

CREATING AN EMOTIONAL CONNECTION WITH CONSUMERS, GOING BEYOND THE TRANSACTIONAL RELATION BASED ONLY IN PRODUCT.



DIGITAL MARKETING

MAXIMIZING RELATIONSHIPS WITH CONSUMERS THROUGH RELEVANT DIGITAL CONTENT, INNOVATIVE EXPERIENCES AND STRATEGIC NETWORK OF INFLUENCERS.



ALWAYS ON MANAGEMENT

SURPRISING AND ENGAGING OUR CONSUMERS THROUGH FREQUENT AND INNOVATIVE ACTIVATIONS

CALENDAR ALWAYS ON MANAGEMENT

VALUE ELEMENTS NEW GENERATIONS

RETAIL CALENDAR



AREZZO



AREZZO



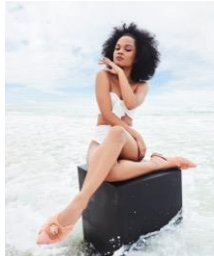
SCHUTZ



ANACAPRI



SCHUTZ



ANACAPRI



SCHUTZ



AREZZO

JAN

MAR

APR

JUN

JUL

AUG

NOV

DEC

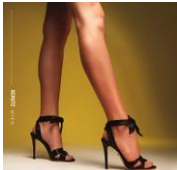
ICONS CALENDAR



AREZZO



SCHUTZ



SCHUTZ



ANACAPRI



ANACAPRI



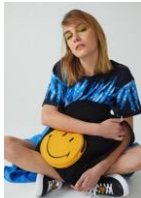
ANACAPRI



ANACAPRI



SCHUTZ



ANACAPRI



SCHUTZ

JAN

MAR

JUN

AUG

SEP

OCT

NOV



ICON PRODUCTS

CONSISTENT LAUNCHING OF DESIRED ICON PRODUCTS



SNEAKERS

STRUCTURING AND GROWTH IN SNEAKERS CATEGORY



HANDBAGS

STRENGTHENING AND GROWTH OF BAG CATEGORY

LAUNCHING OF DESIRED ICON PRODUCTS IN 2019

AREZZO
&CO

AREZZO



ZZ ASTRAL

SCHUTZ



COMBAT BOOTS



AMY

FIEVER



BEATS



ANACAPRI



CAMILA



ZZ FUN



MALU

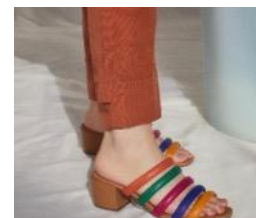


PAULA

ALME



MELINA



YARA



ICON PRODUCTS

CONSISTENT LAUNCHING OF DESIRED ICON PRODUCTS



SNEAKERS

STRUCTURING AND GROWTH IN SNEAKERS CATEGORY



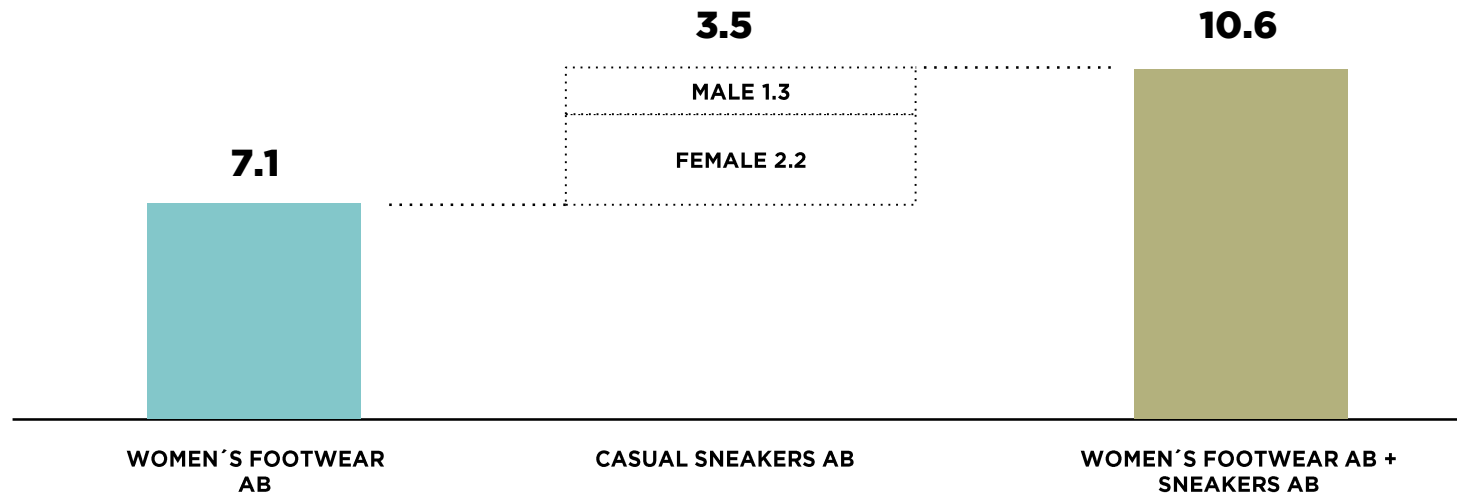
HANDBAGS

STRENGTHENING AND GROWTH OF BAG CATEGORY

30% INCREASE OF ADDRESSABLE FEMALE MARKET WITH THE ENTRY IN THE CASUAL SNEAKERS CATEGORY

**AREZZO
&CO**

ADDRESSABLE MARKET (WOMEN'S FOOTWEAR AB + CASUAL SNEAKERS AB)
(R\$ BI, SELL OUT 2019E)



MS AREZZO&CO
ESTIMATED

25.3%

23.0%

23.7%

NOTE: THE WOMEN'S FOOTWEAR MARKET WAS ESTIMATED FROM THE VALUE OF 2018 OF 7%.
SOURCE: INTERNAL AREZZO&CO DATABASE; REPORT IEMI 2019; EUROMONITOR; POF - IBGE. EUROMONITOR USING BREAKS OF IEMI 2019, CONSIDERING CAGR OF 4.5%. CASUAL SNEAKERS AB MARKET AB WAS CALCULATED FROM IEMI 2019 (WITH ADJUSTMENT) CONSIDERING CAGR OF

SEGMENTED OPERATION ACCORDING TO OUR BRANDS PROFILE

**AREZZO
&CO**



FASHION/CASUAL



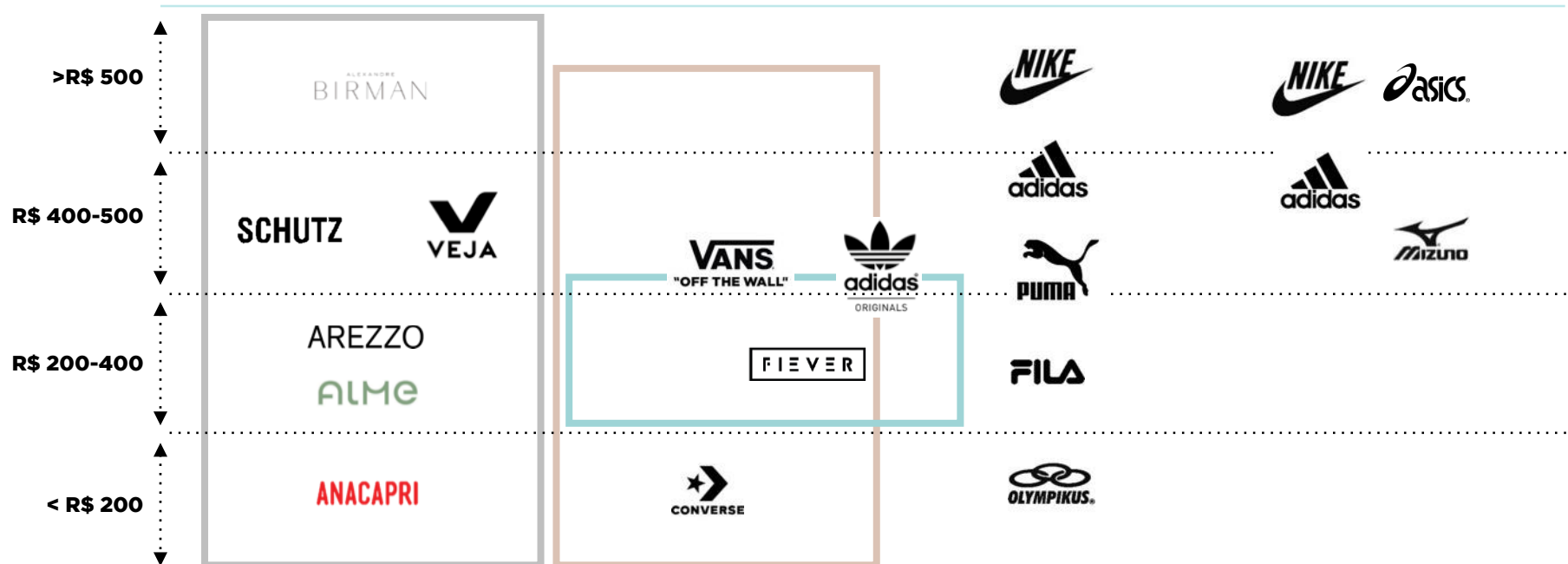
URBAN/LIFESTYLE



CASUAL SPORTS



PERFORMANCE



DIFFERENTIATED STRATEGY FOR SNEAKERS CATEGORY

PRODUCT MIX

COSTUMER PROFILE

BASIC
NEOTRADITIONAL
TRENDY
GLAM

BOX



LOW SOLE



HIGH SOLE



ATHLEISURE

PRICE

VISUAL MERCHANDISING



COMMUNICATION



PAULA



ZZ FUN



IT SCHUTZ



ICON PRODUCTS

CONSISTENT LAUNCHING OF DESIRE ICON PRODUCTS



SNEAKERS

STRUCTURING AND GROWTH IN SNEAKERS CATEGORY



BAGS

STRENGTHENING AND GROWTH OF BAG CATEGORY

MARKET SHARE EVOLUTION IN BAGS

AREZZO
&CO

NUMBER OF BAGS SOLD ('000)

MARKET SHARE EVOLUTION



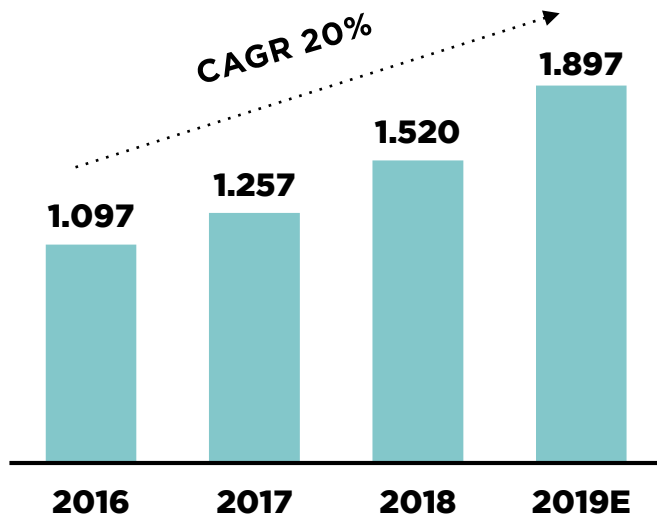
+6.5
P.P.

+3.8
P.P.

+2.2
P.P.

+3.0
P.P.

+15.5 P.P.
IN 5 YEARS



OPERATIONAL HIGHLIGHTS

- CAGR OF 20% IN THE LAST 4 YEARS
- 15.5 P.P. INCREASE IN BAGS MARKET SHARE
- HIGH SHARE IN NORTHEAST REGION: STRONG POTENTIAL TO BE ACHIEVED IN OTHER REGIONS IN BRAZIL
- ANACAPRI AS KEY HIGHLIGHT
 - 9.6% OF BRAND REVENUES IN 2019
- PROFITABILITY SIMILAR TO FOOTWEAR BUSINESS

DIFFERENTIATED STRATEGY FOR BAG CATEGORY

AREZZO
&CO

PRODUCT MIX

CUSTOMER PROFILE

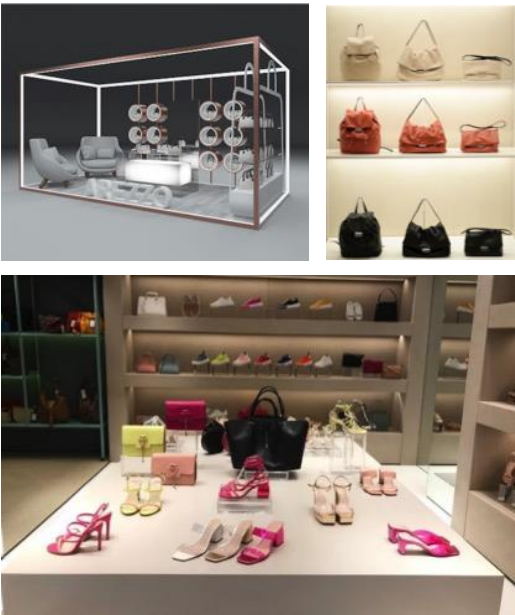
BASIC
NEOTRADITIONAL
TRENDY
GLAM

SHAPE

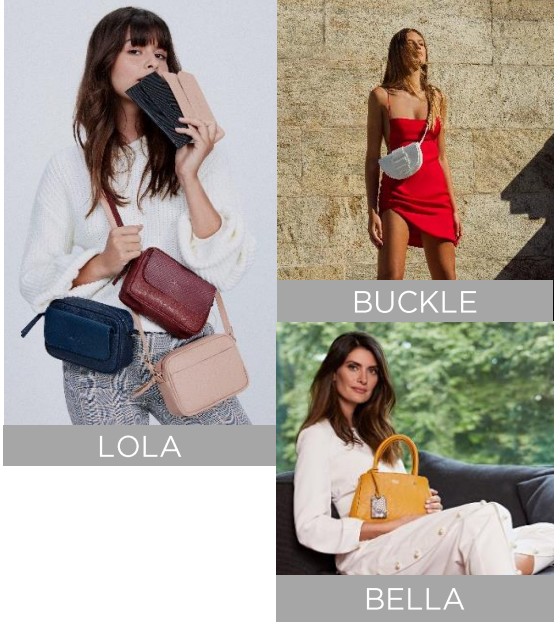
TOTE	SHOPPING BAG	CROSSBODY
BOWLING	BUCKET	SACHEL

PRICE

VISUAL MERCHANDISING



COMMUNICATION





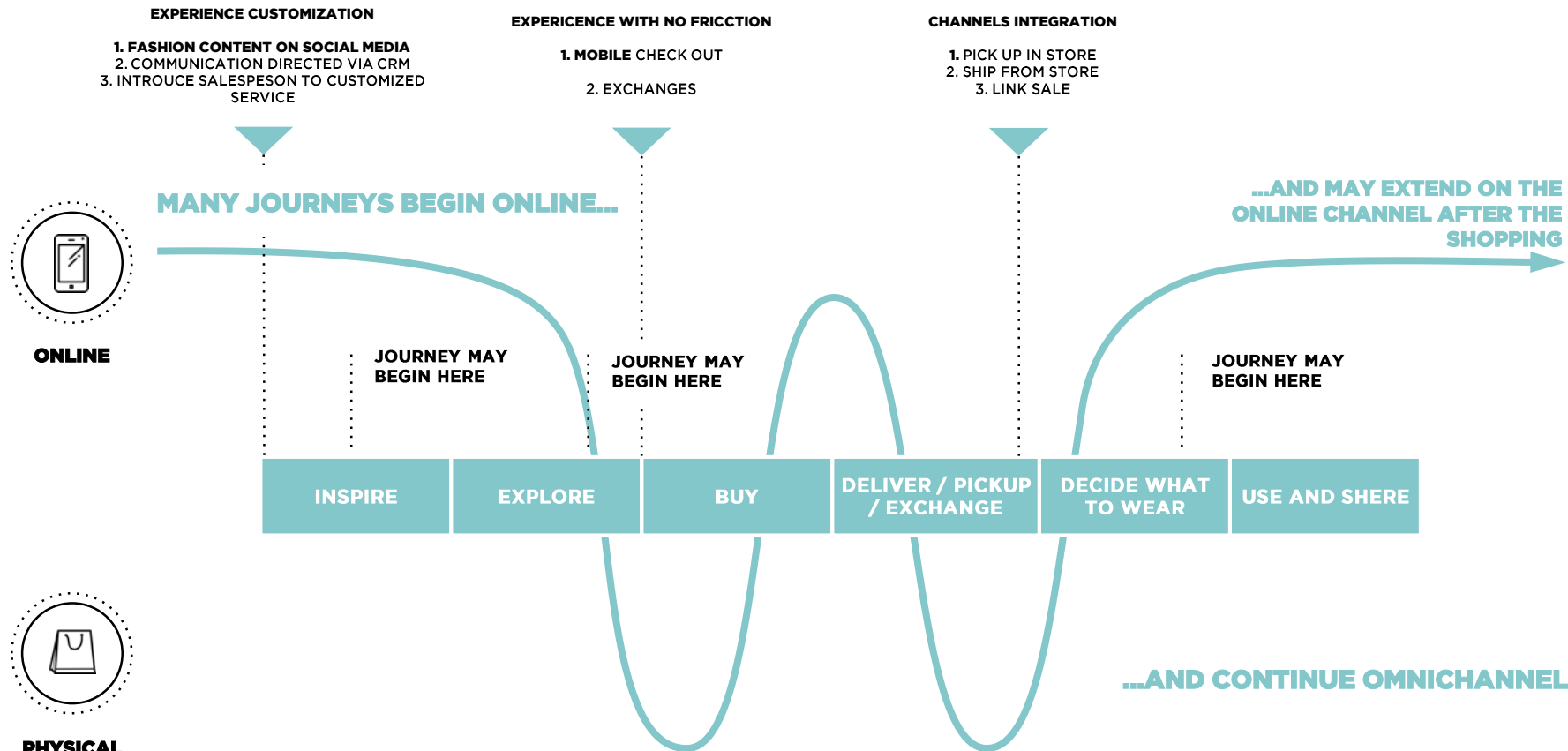
OMNICHANNEL JOURNEY



**PHYSICAL NETWORK
EXPANSION**

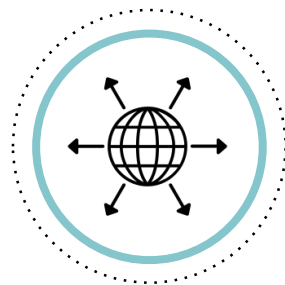
OMNICHANNEL JOURNEY CHALLENGES

AREZZO
&CO





OMNICHANNEL JOURNEY



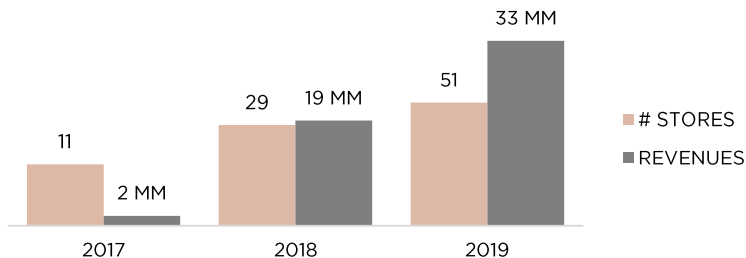
**PHYSICAL NETWORK
EXPANSION**

EXPANSION OF THE MONO BRAND PHYSICAL NETWORK

AREZZO
&CO

EXPANSION OF AREZZO LIGHT MODEL

AREZZO



- 51 STORES INAUGURATED IN THE LAST 3 YEARS
- DIFFERENTIATED DESIGN: STORE CONCEPT, TEAM MANAGEMENT, DIRECTED PURCHASE AND INFINITE SHELF (PENETRATION 10X LARGER THAN CONVENTIONAL STORES)
- AVERAGE SELL OUT OF BRL 100K/MONTH
- INITIAL INVESTMENT 20% TO 30% LOWER THAN THE REGULAR MODEL

EXPANSION OF ANACAPRI FRANCHISES

ANACAPRI



- 188 STORES BY THE END OF 2019
- AVERAGE STORE OPENING PER YEAR SINCE 2017: 35
- AREZZO&CO EXPANSION VECTOR (USING AREZZO BRAND AS BENCHMARK)
- AVERAGE SELL OUT OF BRL 140 K/MONTH



	WHAT WE ALREADY DO	WHAT'S NEXT	
TRAINING AND DEVELOPMENT	TECHNICAL TRAINING (Sales Techniques, Visual Merchandising, Fashion and Trends)	ENGAGING PRACTICES	CAPILARITY INCREASE
	4,615 PEOPLE TRAINED	COMMERCIAL AND MOTIVATIONAL CONVENTIONS	DISTANCE LEARNING TRAINING PLATFORM
	BEHAVIOR TRAINING (Leaders School, Authentic Communication, Company Integration)	FACE-TO-FACE	MOBILE CONVENIENCE AT REACH
	1,210 PEOPLE TRAINED	3,500 PEOPLE ONLINE	INTERACTIVITY USER FRIENDLY PLATFORM GAMIFICATION USER EXPERIENCE

AREZZO
& CO

BRANDS HIGHLIGHTS



KEY MESSAGES

1

MARKET LEADERSHIP EXPANSION AND CONSOLIDATION

2

PURPOSE BEYOND THE PRODUCT WITH EMPHASIS ON FEMALE PROTAGONISM

3

FOCUS ON SUSTENTABILITY PILLAR – “AREZZO FUTURE”

4

WEBCOMMERCE AND OMMNICALITY GROWTH

5

CONTINUOS EXPANSION OF THE LIGHT FORMAT



KEY MESSAGES

1

STRENGTHEN BRAND PURPOSE

2

OMNICHANALITY AND INNOVATION AT THE POINT OF SALE

3

REVOLUTION ON SCHUTZ APP

4

INNOVATION AND DIGITALIZATION OF THE MULTIBRAND CHANNEL

5

SNEAKERS AND BAGS AS IMPORTANT PRODUCT CATEGORY



SCHUTZ

KEY MESSAGES

1

FAST EXPANSION VIA FRANCHISES, MULTIBRANDS AND E-COMMERCE

2

**SOLIDIFICATION AND REINFORCEMENT OF BRAND PURPOSE
“SELF-ESTEEM, CHOOSE TO BE YOU”**

3

JUST FLATS, ADHERENT TO NEW GENERATION VALUES

4

SNEAKERS AS IMPORTANT PRODUCT CATEGORY

5

**HIGH SHARE OF PRODUCTS WITH AUTOMATIC REPLENISHMENT
RESULTING IN HIGHER INVENTORY EFFICIENCY AND ASSERTIVENESS**



ANACAPRI

KEY MESSAGES

1

CONSOLIDATION AS A DESIRE SNEAKER BRAND

2

FOCUS ON YOUNG AUDIENCE THAT CELEBRATES DIVERSITY AND FREEDOM OF SPEECH

3

CAMPAIGN WITH DJ ALOK - WORLDWIDE REACH PERSONALITY

4

ENTRY AT CENTAURO MULTIBRAND CHAIN

5

BEGINNING OF FRANCHISE OPENINGS



FEVER

KEY MESSAGES

1

ALME BRAND STRENGTHENING

2

COMFORT AND VALUE FOR MONEY AIMING GREATER ADDRESSABLE MARKET

3

PURPOSE AND VALUES BUILDING: LOOK TO SELF CARE AS A NORTH

4

CAMPAIGN WITH BRAZILIAN ACTRESS CAMILA PITANGA TO LEVERAGE AWARENESS

5

ACCELERATION OF STORE EXPANSION (OWN AND FRANCHISES)



AREZZO
&CO

AREZZO
&CO
BIRMAN
FEVER

OPERATIONS

CASSIANO LEMOS E MAURO FRIEDRICH

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS

**AREZZO
&CO**

TOTAL POTENTIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

— DEMOCRATIC —

SCHUTZ ALEXANDRE **BIRMAN**

— FASHION/LUXURY —

ALME

— EMERGING —

FIEVER

VANS

"OFF THE WALL"

— LIFESTYLE/ ACTION —
SPORTS



BUSINESS MODEL TRANSFORMATION

MERCHANDISING AND SUPPLY EVOLUTION

SOURCING AND LOGISTICS 2.0

REINVENTING CUSTOMER EXPERIENCE

SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

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INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND

CULTURE

FRONT-LINE

EMPOWERMENT

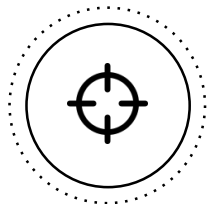


DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY

BUSINESS MODEL TRANSFORMATION



TRANSFORM OUR BUSINESS MODEL TO CONNECT QUICKLY
THE CUSTOMER DESIRE FOR THE PRODUCT WHEREVER IT IS

DATA-DRIVEN, INTEGRATED, SUSTAINABLE AND COLLABORATIVE
WITH OUR UNIQUE ECOSYSTEM TO ENABLE AREZZO&CO'S CONTINUOUS EXPANSION

INTEGRATED AND DIGITAL CHAIN MANAGEMENT

MERCHANDISING EVOLUTION AND SUPPLY

COLLABORATIVE
PLANNING
COLLECTION

DATA AND
ANALYTICS FOR
DEFINITION OF
ASSORTMENT

SEASON
MANAGEMENT AND
QUICK REACTION

SOURCING AND LOGISTICS 2.0

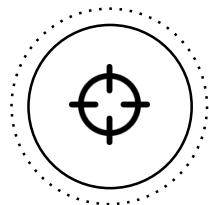
SYNCHRONIZATION
BETWEEN DEMAND
AND PRODUCTION
CAPACITY

LEAD TIME
REDUCTION

CHANNEL INTEGRATION

TOTAL
INTEGRATION
STORES AND
ONLINE

BUSINESS MODEL TRANSFORMATION



TRANSFORM OUR BUSINESS MODEL TO CONNECT QUICKLY
THE CUSTOMER DESIRE FOR THE PRODUCT WHEREVER IT IS

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SEASON
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QUICK REACTION

SOURCING AND LOGISTICS 2.0

SYNCHRONIZATIO
N BETWEEN
DEMAND AND
PRODUCTIVE
CAPACITY

LEAD TIME
REDUCTION

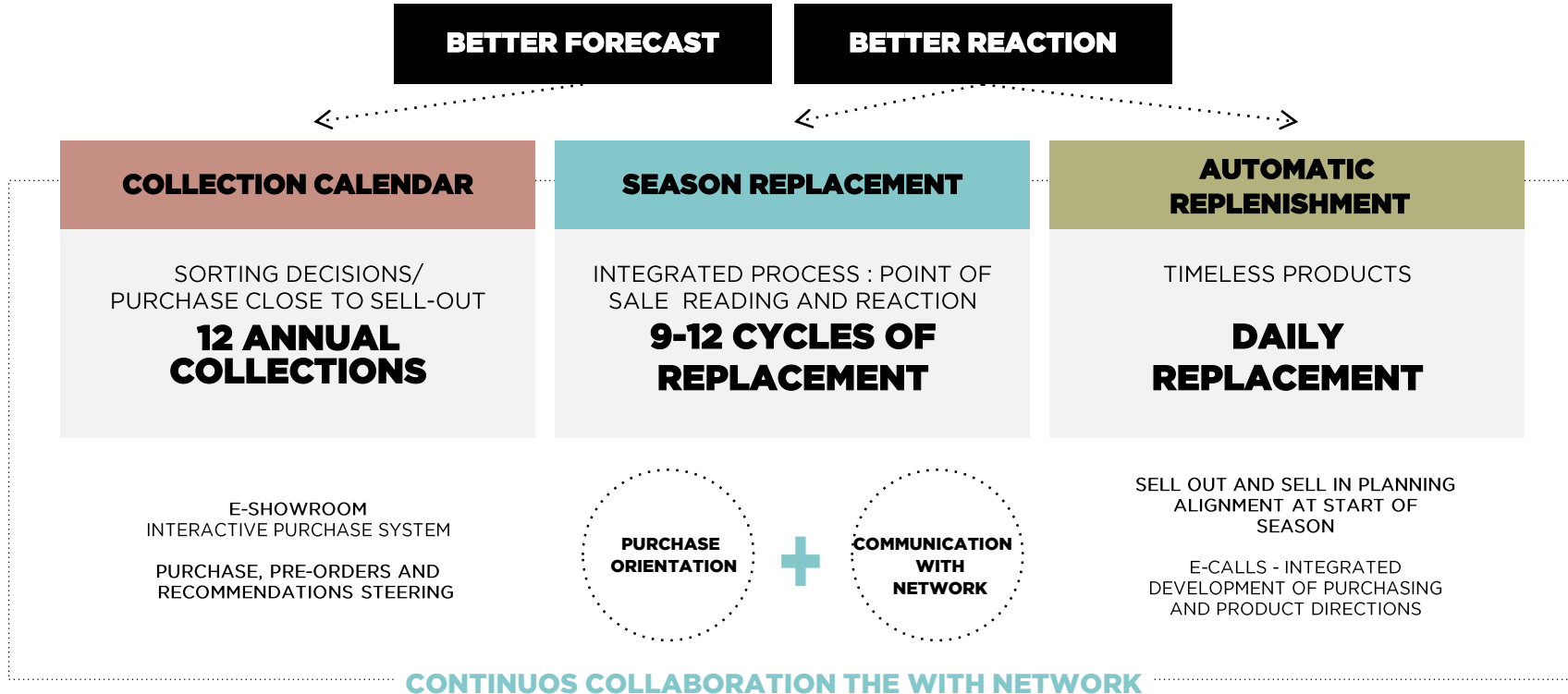
CHANNEL INTEGRATION

TOTAL
INTEGRATION
STORES AND
ONLINE

COLLABORATIVE SUPPLY MODEL AND ORIENTED BY SELL OUT

**AREZZO
&CO**

GREATER PRODUCT ASSERTIVINESS AND RESULT
INCREASE COME IN TWO WAYS:



TRANSFORMATION OF THE BUSINESS MODEL MERCHANDISING AND SUPPLY EVOLUTION

AREZZO
&CO

CONTINUOUS DATA ANALYSIS AND NETWORK COLLABORATION
FROM START TO END OF PRODUCT CYCLE

TECHNOLOGY AS A MEAN TO



PRE SEASON

IN SEASON

COLLABORATIVE CONSTRUCTION COLLECTION

- PREDICTIVE ANALYSIS
- REUNITED DATA ANALYSIS WITH INTUITION / COLLABORATION IN DEVELOPING THE COLLECTION FOR GREATER ASSERTIVENESS

ASSORTMENT AND SUPPLY ASSERTIVE

- TOOLS FOR THE PURCHASE DECISION-MAKING CONCILIATION WITH COLLABORATIVE CENTRAL DIRECTION (EXAMPLE: ONLINE VISIBILITY DURING SHOWROOM)

PRODUCTION AND DISTRIBUTION

- PRODUCTION LEAD TIMES REDUCTION AND BEST SELLERS DELIVERY
- MORE REPLACEMENT BY SKU PRESENCE, REDUCING STOCK OUT

IN SEASON MANAGEMENT AND QUICK REACTION

- MANAGEMENT TOOLS FOR SELL OUT CYCLE AND QUICK REACTION

NEW E-SHOWROOM

TRANSFORMATION OF THE BUSINESS MODEL MERCHANDISING AND SUPPLY EVOLUTION

AREZZO
&CO

CONTINUOUS DATA ANALYSIS AND NETWORK COLLABORATION
FROM START TO END OF PRODUCT CYCLE

TECHNOLOGY AS A MEAN TO



PRE SEASON

IN SEASON

COLLABORATIVE CONSTRUCTION COLLECTION

- PREDICTIVE ANALYSIS
- REUNITED DATA ANALYSIS WITH INTUITION / COLLABORATION IN DEVELOPING THE COLLECTION FOR GREATER ASSERTIVENESS

ASSORTMENT AND SUPPLY ASSERTIVE

- TOOLS FOR THE PURCHASE DECISION-MAKING CONCILIATION WITH COLLABORATIVE CENTRAL DIRECTION (EXAMPLE: ONLINE VISIBILITY DURING SHOWROOM)

PRODUCTION AND DISTRIBUTION

- PRODUCTION LEAD TIMES REDUCTION AND BEST SELLERS DELIVERY
- MORE REPLACEMENT BY SKU PRESENCE, REDUCING STOCK OUT

IN SEASON MANAGEMENT AND QUICK REACTION

- MANAGEMENT TOOLS FOR SELL OUT CYCLE AND QUICK REACTION

NEW E-SHOWROOM

NEW E-SHOWROOM

WE REDESIGNED THE FRANCHISE BUYING EXPERIENCE
AND WE DEVELOP A NEW E-SHOWROOM

**AREZZO
&CO**

DESIGN SPRINT

- 3-DAY INTENSE WORKSHOP
- MULTIDICIPLINE TEAM
- FOCUS ON STORE RESULT
- CONSUMER OBSESSION
- UNDERSTANDING BUSINESS' PAIN POINTS
- POSSIBLE SOLUTIONS
- PROTOTYPE CONSTRUCTION

"IMPROVEMENTS SUBMITTED BY THE NEW SYSTEM WERE ESSENTIAL FOR A MORE CONSCIOUS DATA-BASED PURCHASE. SURELY, I CAN SAY THAT THIS APPLICATION WAS THE MOST ASSERTIVE OF ALL REQUESTS I HAVE EVER MADE. I NEVER ENTERED IN SMALL DETAILS AS I ENTERED IN THUS PURCHASE! SIMPLY AMAZING!"

PAULA ACCIOLY - AREZZO FRANCHISEE



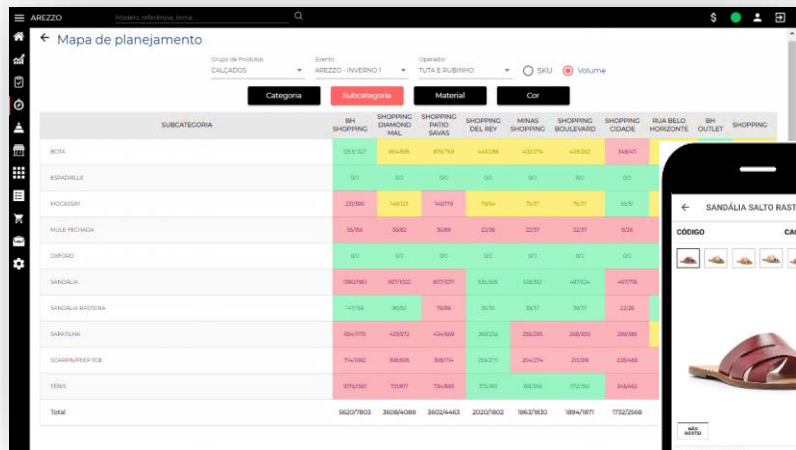
"SURPRISED ME! MAKING AN EASY ONLINE ANALYSIS OF WHAT'S BEING PURCHASED, MORE STRATEGIC STEP OF OUR PROCESS, SOMETHING SMARTER.. I BELIEVE THIS IS A KEY STEP FOR INCREASING PROFITABILITY AND ACHIEVEMENT 100%."

BRUNO ARAÚJO - ANACAPRI FRANCHISEE

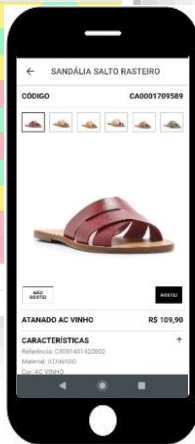
NEW E-SHOWROOM

NEW E-SHOWROOM ALLOWS THE FRANCHISEE TO ANALYSE THE BALANCE OF IT ORDER AND PRODUCTS THAT ARE BEING MORE PURCHASED IN THE COLLECTION, IN REAL TIME

AREZZO
&CO



SUBCATEGORIA	BH SHOPPING	SHOPPING DIAMOND MAL	SHOPPING PATIO SALES	SHOPPING DEL REY	MINAL SHOPPING	SHOPPING BOULEVARD	SHOPPING COADE	RUA BELLO HORIZONTE	BH OUTLET	SHOPPING
BOTA	853/521	544/056	870/769	443/286	403/276	449/332	544/351			
ESPADRILLE	9/1	9/2	9/3	9/4	9/5	9/6	9/7			
MOCASSIN	235/390	548/121	548/719	76/34	76/31	76/31	76/31			
MULE PECHADA	50/56	50/52	50/58	22/28	22/27	22/27	22/27			
EMPORD	9/1	9/2	9/3	9/4	9/5	9/6	9/7			
SANDALIA	588/1981	907/1022	907/1021	838/305	838/302	447/1024	447/1016			
SANDALIA BASTELA	147/156	90/51	76/38	36/35	36/31	36/31	22/28			
SARAFELIA	854/1710	433/372	424/368	388/324	256/285	338/330	238/288			
SCARFALINEP REB	714/1088	838/838	838/714	260/275	261/274	213/38	208/488			
TENIS	5076/580	713/817	784/833	775/861	361/556	370/550	3434/42			
TOTAL	5620/7803	36048/4088	36024/4433	20202/1802	1863/1830	1894/1871	17732/2548			



NEW SHOPPING EXPERIENCE
FOR ASSERTIVENESS
INCREASE

NEW SHOPPING PROCESSES
THAT EMPOWER THE BUYER

GREATER ADHERENCE TO
PURCHASING
RECOMMENDATIONS USING THE
TOOL

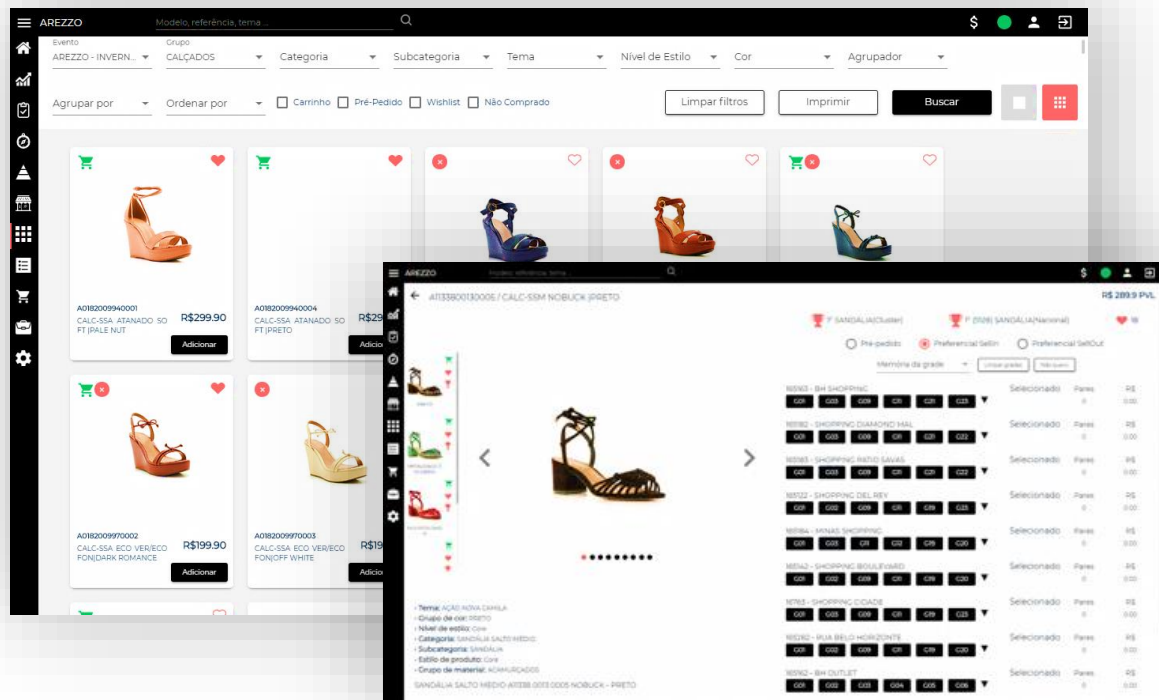
STORE INTELLIGENCE

PRODUCT INTELLIGENCE

COLLABORATION AND
COLLECTIVE INTELLIGENCE

NEW E-SHOWROOM

AREZZO
& CO



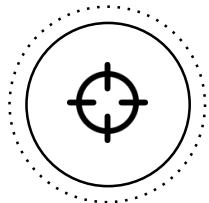
100%

OF FRANCHISES WILL
USE THE NEW E-
SHOWROOM UNTIL
JANUARY / 20

NEW INTUITIVE AND AGILE CATALOG
FOR ORDERING

QUALITY REVIEW SHOWROOM
MIX AND PURCHASE DEPTH

BUSINESS MODEL TRANSFORMATION



TRANSFORM OUR BUSINESS MODEL TO CONNECT QUICKLY
THE CUSTOMER DESIRE FOR THE PRODUCT WHEREVER IT IS
DATA-DRIVEN, INTEGRATED, SUSTAINABLE AND COLLABORATIVE
WITH OUR UNIQUE ECOSYSTEM TO ENABLE AREZZO&CO'S CONTINUED EXPANSION

INTEGRATED AND DIGITAL CHAIN MANAGEMENT

MERCHANDISING EVOLUTION AND SUPPLY

COLLABORATIVE
PLANNING
COLLECTION

DATA AND
ANALYTICS FOR
DEFINITION OF
ASSORTMENT

SEASON
MANAGEMENT AND
QUICK REACTION

SOURCING AND LOGISTICS 2.0

SYNCHRONIZATION
BETWEEN DEMAND
AND PRODUCTIVE
CAPACITY

LEAD TIME
REDUCTION

CHANNEL INTEGRATION

TOTAL
INTEGRATION
STORES AND
ONLINE

SOURCING: FLEXIBLE PRODUCTION PROCESS

AGILITY, FLEXIBILITY AND PRODUCTION SCALABILITY

AREZZO
&CO

FLEXIBLE SUPPLY MODEL

STRONG RELATIONSHIP WITH THE "VALE DOS SINOS" PRODUCTION CLUSTER

SUPPLIER CERTIFICATION AND AUDIT

QUALITY AND PUNCTUALITY ASSURED



SCALE GAINS

FLEXIBILITY TO OUTSIDE THE PRODUCTION OF A LARGE NUMBER OF SKUS FROM VARIOUS FACTORIES IN A SHORT TIME, AT COMPETITIVE PRICES.

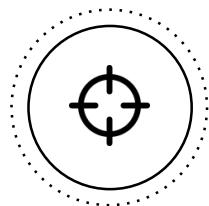
BULK PURCHASE

NEGOTIATION OF RAW MATERIAL PURCHASE IN PARTNERSHIP WITH THE LOCAL FACTORIES.

BIG NUMBERS:

- PRODUCTION: 14.2 MILLION SHOES AND 1.8 MILLION HANDBAGS (LTM)
- **90% OF OUTSOURCED PRODUCTION**
- VALE DOS SINOS/RS CONCENTRATES 90% OF PRODUCTION
- **45 DAYS AVERAGE PRODUCTION TIME AND 30 DAYS REPLACEMENTS**
- 60K SAMPLE OF SHOES PRODUCED PER YEAR
- **14K FOOTWEAR MODELS CREATED PER YEAR**

BUSINESS MODEL TRANSFORMATION



TRANSFORM OUR BUSINESS MODEL TO CONNECT QUICKLY
THE CUSTOMER DESIRE FOR THE PRODUCT WHEREVER IT IS
DATA-DRIVEN, INTEGRATED, SUSTAINABLE AND COLLABORATIVE
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INTEGRATED AND DIGITAL CHAIN MANAGEMENT

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BETWEEN DEMAND
AND PRODUCTIVE
CAPACITY

LEAD TIME
REDUCTION

CHANNEL INTEGRATION

TOTAL
INTEGRATION
STORES AND
ONLINE

BUSINESS MODEL TRANSFORMATION LOGISTICS 2.0

KEY PROBLEM: MATCH CUSTOMER'S DESIRE, NO MATTER WHERE SHE IS, WITH THE PRODUCT SHE WANTS, IN THE RIGHT SIZE - REGARDLESS WHERE THE INVENTORY ACTUALLY IS

MAIN LOGISTICS INITIATIVES

1

**ALLOCATION SYSTEM,
FOR BETTER
DECISIONS OF WHAT/
HOW REPLACE**

- FIRST IN CONTINUABLE PRODUCTS (WITH SALE HISTORY / LONG LIFE CYCLE)
- IN THE FUTURE FOR ANY REPLACEMENTÃO

2

**LOGISTICS TO
RESET IN OPEN
GRID**

- NEW WEB DC
- EXPANSION OF LOGISTIC CAPACITY, IN PARTICULAR TO REPLACE IN OPEN GRID

3

**LEADTIME
REDUCTION FROM
FACTORY DOOR TO
STORE DOOR**

- MULTIDISCIPLINARY WHORKSHOP DESIGNING, TESTING AND IMPLEMENTING PROCESS AND SYSTEM ADJUSTMENTS

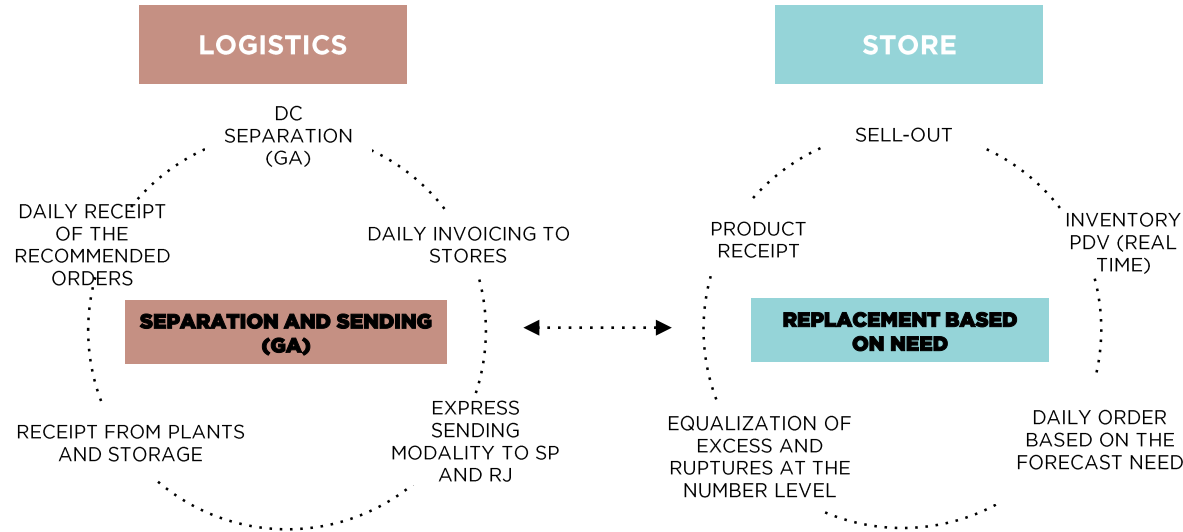
4

**RFID,
FOR BETTER
ACCURACY OF
STORIES AT THE
STORE**

- ALLOWING ASSERTIVE OPEN GRID REPLACEMENT AND BETTER CHANNEL INTEGRATION

1. ALLOCATION SYSTEM FOR CONTINUABLE PRODUCTS REPLACEMENT

USE OF ARTIFICIAL INTELLIGENCE FOR BETTER DECISIONS ON WHAT AND HOW MUCH REPLACE



**STORE RUPTURE LEVELS
REDUCTION**

**GREATER EFFICIENCY
OF INVENTORIES AT
THE STORE AND DC**

DOOR-TO-DOOR LEAD TIME REDUCTION

INCREASE OF THE REPLACEMENT FREQUENCY IN OPEN GRID

MORE ACCURATE REPLACEMENTS

USE OF ARTIFICIAL INTELLIGENCE, MACHINE LEARNING AND
ALGORITHMS BASED ON STORE INVENTORY

REACTION IN SEASON

EXTENSION OF THE USE OF THE REPLENISHMENT
MODEL FOR ITEMS OF COLLECTION BET

2. EXPANSION OF THE LOGISTICS CAPACITY, SPECIALLY FOR OPEN GRID REPLACEMENT

**AREZZO
&CO**



EXPANSION RESULTS

- OPERATION TIME REDUCTION
- PRODUCTIVITY INCREASE
- INCREASE IN THE OPEN GRID SUPPLY

2018

OPERATION AREA: 11 THOUSAND M²

2019

NEW E-COMMERCE DC

OPERATION AREA: 16 THOUSAND M²

2020

NEW VANS OPERATION DC
APPAREL AND FOOTWEAR

OPERATION AREA: 21 THOUSAND M² IN
JAN/2020

3. LEAD TIME REDUCTION GREATER OPERATIONAL EFFICIENCY

AREZZO
&CO

LEAD TIME REDUCTION THROUGH INITIATIVES FOR GREATER
OPERATIONAL EFFICIENCY AND SHORTER TRANSPORTATION TIME



2018

NEW TRANSPORTATION
MANAGEMENT MODEL



2019

IMPLEMENTATION OF "CROSS
DOCKING" MODE



2020

LOGISTICS NETWORK REVIEW FOR
LEAD TIME REDUCTION

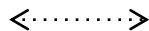
REDUCTION DELIVERY TIMES



LEAD TIME
WEIGHTED AVERAGE

2017

9.9 DAYS



2018

9.6 DAYS



2019 YTD

8.2 DAYS

-17% IN 2 YEARS

4. RFID FOR INVENTORY ACCURACY IN THE WHOLE NETWORK

**AREZZO
&CO**



IDENTIFICATION BY RADIO FREQUENCY

IT IS A TECHNOLOGY IN WHICH THE READER COMMUNICATES WITH A TAG THROUGH RADIO WAVES.

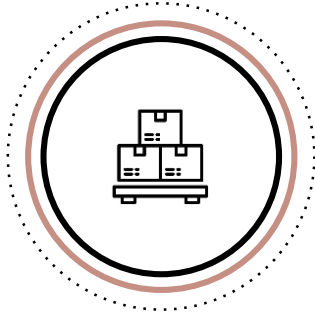
ENABLES EACH ITEM WITH AN UNIQUE IDENTITY.

POSITIVE FACTORS FOR RFID TECHNOLOGY IMPLEMENTATION IN AREZZO&CO:

1. TAG INSIDE PRODUCT INSOLE
2. RELATIVELY SMALL SQUARE FOOTAGE STORES, EASENING PHYSICAL INVENTORY PROCESS
3. HIGH ADDED PRODUCT VALUE, REDUCING TAG COST IMPACT

4. RFID FOR INVENTORY ACCURACY IN THE WHOLE NETWORK

NEEDS INVENTORY VISIBILITY, PRODUCT TRACEABILITY, BREAK REDUCTION VIA BEST REPLACEMENTS AND EASE IN CHANNEL INTEGRATION PROCESSES



INVENTORY ACCURACY

REDUCTION THROUGH
MORE ASSERTIVE
REPLACEMENTS



OMNICALITY

ENABLING BETTER CHANNEL
INTEGRATION (VISIBILITY OF
ALL NETWORK STOCKS)



SPEED

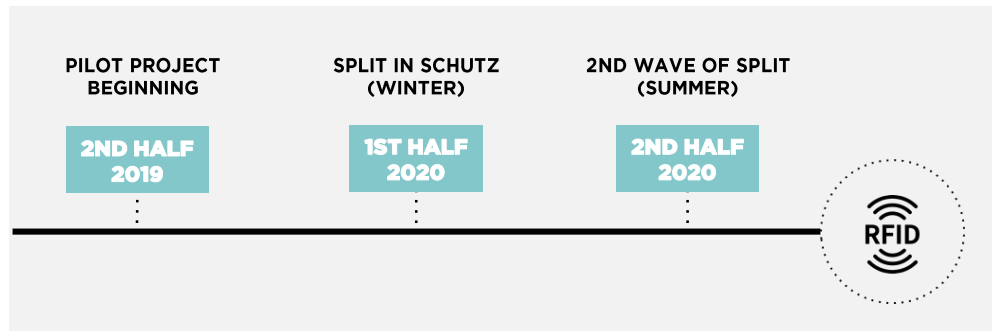
IN STORE MOVEMENT AND
INVENTORY PROCESSES



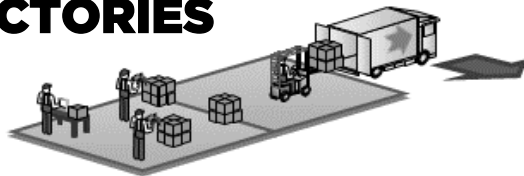
CUSTOMER PURCHASE EXPERIENCE

REDUCING WAITING TIME BY
SHOE IN STORE

4. RFID - TIMELINE DO PROJETO RFID



FACTORIES



EM FÁBRICA: TAG APPLICATION INSIDE THE FOOTWEARS STRUCTURE



DC



STORES



IN STORE: RECEIPT, SALE, REPLACEMENT AND TRANSFER

KEY MESSAGES

1

INTEGRATED CHAIN MANAGEMENT TO HAVE LOWER TIME TO MARKET

2

**COLLABORATIVE SUPPLY CHAIN MODEL AND SELL-OUT DRIVEN IN
CONSTANT EVOLUTION, GUIDING THE WHOLE CHAIN**

3

**MERCHANDISING INITIATIVES, ALIATING CONTINUOUS DATA ANALYSIS
AND COLLECTIVE NETWORK/COLLABORATION INTELLIGENCE**

4

**ORIENTED LOGISTICS TO REDUCE STOCK OUT THROUGH LESS LEAD
TIMES AND LARGER OPEN GRID REPLACEMENT**

5

START OF RFID USE FOR INVENTORY ACCURACY

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& CO



SUSTAINABILITY

MARCO VIDAL

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

DEMOCRATIC

SCHUTZ ALEXANDRE BIRMAN

FASHION/LUXURY

ALME

EMERGING

FIEVER

VANS
"OFF THE WALL"

LIFESTYLE/ ACTION
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SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

CRM AND LOYALTY AREZZO&CO

MARKETPLACE - OWN BRANDS

CONTENT, SERVICES AND SOCIAL

CONNECTIVITY



PEOPLE AND CULTURE

ORGANIZATION AND

CULTURE

FRONT-LINE

EMPOWERMENT



DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



**SUSTAINABILITY AS A RULE,
WITH DISTINCTIVE GOALS FOR
EACH BRAND**

SUSTAINABILITY AS A STRATEGIC PILLAR

VISION 2020 | 2024

AREZZO
&CO



RESPONSIBLE PRODUCTION

ENSURE THE PRODUCTION CHAIN ADDRESSES ALL LOCAL AND INTERNATIONAL REGULATIONS

PROVIDE TRANSPARENCY TO CUSTOMERS



WASTE AND ENVIRONMENT

ENSURE PRODUCTION EFFICIENCY

REDUCE WASTE GENERATION AND NEGATIVE IMPACT TO THE ENVIRONMENT



OUR PEOPLE

QUALIFY AND EMPOWER DIFFERENT AREZZO&CO STAKEHOLDERS



BRAND DISTINCTION

ENSURE AREZZO&CO BRANDS ARE DISTINGUISHED THROUGH SUSTAINABLE PRACTICES

GENERATE BUSINESS VALUE



RESPONSIBLE
PRODUCTION

100%

OF THE LIFE CYCLE AND
CHAIN OF PRODUCTS
TRACED AND CERTIFIED

100%

OF PRODUCT TRANSPARENCY
FOR CUSTOMERS, INCLUDING
INFORMATION ON
COMPOSITION, ORIGIN AND
PROCESS



NEUTRALIZATION OF EMISSIONS
IN OWNED OPERATIONS AND
30% REDUCTION IN
PRODUCTION EMISSIONS



ISE CERTIFICATION



WASTE AND
ENVIRONMENT

15%

REDUCTION OF SKUs PER
GROUP COLLECTION OF
AREZZO&CO

70%

OF SAMPLE REDUCTION

40%

REPLACEMENT OF MATERIALS
FOR RENEWABLE SOURCE
ALTERNATIVES

100%

OF PACKAGES PRODUCED WITH
RECYCLED OR BIODEGRADABLE
MATERIAL



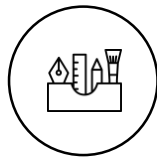
OUR PEOPLE

25%

OF SUPPLIERS
TRAINED IN RELATED
TOPICS



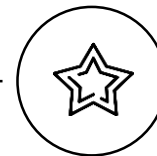
BE AMONG THE BEST 3
RETAIL COMPANIES IN
BRAZIL IN THE GREAT
PLACE TO WORK FOR
WOMEN



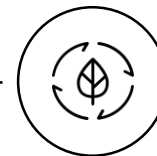
RENEWAL OF THE
SHOEMAKERS' ROSTER



AREZZO&CO BRAND DISTINCTION



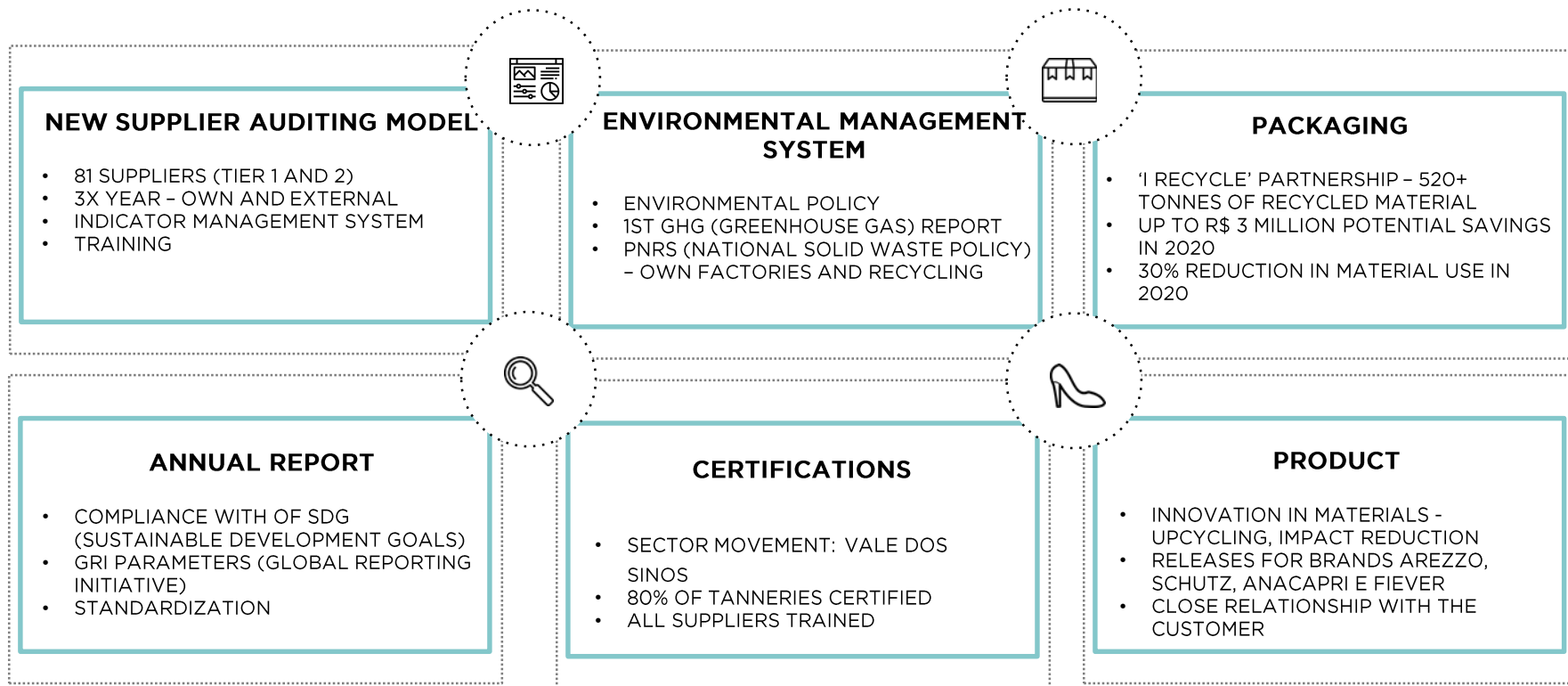
ACKNOWLEDGEMENT OF
BRAND SUSTAINABILITY
PRACTICES



BE AMONG THE TOP 10 RETAIL
COMPANIES IN BRAZIL,
AMONG SUSTAINABILITY
INDEXES OF GLOBAL
RELEVANCE

WHAT HAVE WE ACCOMPLISHED SO FAR IN 2019?

OUR RESULTS



2019

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

AREZZO
&CO

- ENVIRONMENTAL POLICY UPDATE
- REPORT AND NEW ENVIRONMENTAL MANAGEMENT SYSTEM (EMS) GOVERNANCE
- 1ST GREENHOUSE GAS INVENTORY (GHG)
- REPORT ON THE NEUTRALIZATION OF GREENHOUSE GAS INVENTORY SCOPES 1 AND 2
- LIST OF ENVIRONMENTAL ASPECTS AND IMPACTS FOR ACTION PLAN



- DIVERSITY POLICY
- INTERNAL TRAINING CYCLES ON DIVERSITY AND INCLUSION
- INCLUSION AND DEVELOPMENT ROUTE FOR DISABLED PEOPLE
- PARTICIPATION IN EMPLOYABILITY FORUMS
- AWARENESS CAMPAIGNS “LGBTQIA+ WEEK” AND “FEMALE EMPOWERMENT”



2019

DIVERSITY - RACIAL EQUALITY

AREZZO
&CO

- PARTNERSHIP WITH INSTITUTE IDENTITIES OF BRAZIL (ID_BR)
- PRODUCTION OF RETAIL TRAINING VIDEOS
- LEADERSHIP PRESENT TRAINING
- EMPLOYABILITY FORUM - TOP 3 IN THE MOST DESIRED COMPANIES
- OVER 150 VACANCY APPLICATIONS



2019

PACKAGE CHALLENGE CASE

AREZZO
&CO

- PARTNERSHIP WITH ISTITUTO EUROPEO DI DESIGN (IED)
- 40 STUDENTS, 3 MONTH PROJECT
- 4 PROTOTYPES PRESENTED
- 1 PROTOTYPE APPROVED FOR IMPLEMENTATION
- IMPLEMENTATION ON WINTER 2020 COLLECTION



2019

CERTIFICATION CASE VALE DOS SINOS

AREZZO
& CO

- SECTORIAL EVENT- PARTNERSHIP WITH ABICALÇADOS AND CIBC (BRAZILIAN CURTUM INDUSTRY CENTER) - FOR 500 MANUFACTURERS, IN CAMPO BOM / RS
- LEADERSHIP IN DEMAND FOR PRODUCTIVE CHAIN CERTIFICATIONS - UNTIL 2021
- CERTIFICATIONS FOR PRODUCTION, CURTUMES AND OTHER INDUSTRY COMPONENTS
- STRENGTHENING THE BELL VALLEY AS A PRODUCTIVE CLUSTER
- LILIAN PACCE AND SUSTAINABILITY AS A COMPETITIVE DIFFERENTIAL IN THE FASHION INDUSTRY



2019

CASE “PRIDE TO BE SHOE MAKER”

AREZZO
&CO

- COMMITMENT TO VALE DOS SINOS LABOR SUSTAINABILITY
- ATTRACTION AND RETENTION OF NEW TALENTS - STRENGTHENING THE SHOE CULTURE
- 7 YEARS PARTNERSHIP WITH SENAI AND ABICALÇADOS
- VOCATIONAL TRAINING FOR OVER 150 PROFESSIONALS
- TRAINING CONTRACTING, PROFESSIONAL FRAMEWORK DEVELOPMENT



2019

UPCYCLING CASE - WASTE SOLE

AREZZO
& CO

- DEVELOPMENT OF EXCLUSIVE TECHNIQUE FOR INDUSTRIAL WASTE RECYCLING
- USE OF OWN FACTORY WASTE FOR SOLE PRODUCTION
- 10% WASTE COMPOSITION WASTE IN SCHUTZ, ANACAPRI, FIEVER BRAND LINES
- CURRENTLY THE WASTE FORMULA REPRESENTS 5% OF THE TOTAL AREZZO & CO.
- 100% PRESERVED FASHION CONTENT AND APPEAL



2019

AREZZO FUTURE CASE

**AREZZO
&CO**



AREZZO FUTURO

2019 ZZBIO CASE

**AREZZO
& CO**



LAUNCHED ON 11/22/2019

+18K SELL IN PAIRS

65% OF SKUS CLASSIFIED AS BEST SELLER TOP SALES

20% OF SELL THROUGH IN 2 DAYS



ECONÔMICO
Valor

Arezzo cria tênis com material sustentável

Inovação

Cibelle Bouças
De São Paulo

A Arezzo & Co., dona das marcas Arezzo, Anacapri, Schutz, Alexandre Birman, Alme e Fiever, vai apresentar ao mercado, hoje, uma nova linha de tênis feito com material biodegradável.

O lançamento faz parte do plano da companhia de tornar a produção mais sustentável. Entre as metas traçadas estão ter 100% da cadeia de produção rastreada até 2024, neutralizar as emissões de gases de efeito estufa nas operações próprias em 2020 e substituir 30% dos materiais derivados de petróleo por componentes de fontes renováveis até 2024.

A linha de tênis é feita com um fio de poliamida biodegradável desenvolvida pela Rhodia, do grupo Solvay, que substitui a fibra sintética. "Enquanto a fibra sintética leva décadas para se de-

MENSAGENS PRINCIPAIS

1

ESG INTEGRATED WITH STRATEGY

2

VALUE GENERATION FOR BRANDS

3

DIFFERENTIATION AND INNOVATION THROUGH SUSTAINABLE PRACTICES

4

EXPANDED RISK MANAGEMENT

5

INCREASED EFFICIENCY IN PRODUCTION, RESOURCE USAGE AND MATERIALS

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&CO

PEOPLE AND CULTURE

MARCO VIDAL



AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

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SCHUTZ ALEXANDRE BIRMAN

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INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND

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EMPOWERMENT



DATA AND TECHNOLOGY

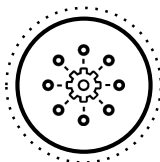
DATA AND ANALYTICS

TECHNOLOGY



CULTURE

- AREZZO&CO DNA LAUNCH AND DEVELOPMENT
- MINDSET FOCUSED ON INNOVATION, SUSTAINABILITY AND COLLABORATION, GENERATING COMPETITIVE ADVANTAGE FOR BUSINESS
- CULTURE PLANNING



ORGANIZATION AND GOVERNANCE

- COLLABORATIVE ENVIRONMENT WITH CORE OPTIMIZED PROCESSES
- ORGANIZATIONAL STRUCTURE THAT LEADS SYNERGY, INTEGRATION AND DYNAMISM BETWEEN AREAS TO DELIVER HIGH EFFICIENCY

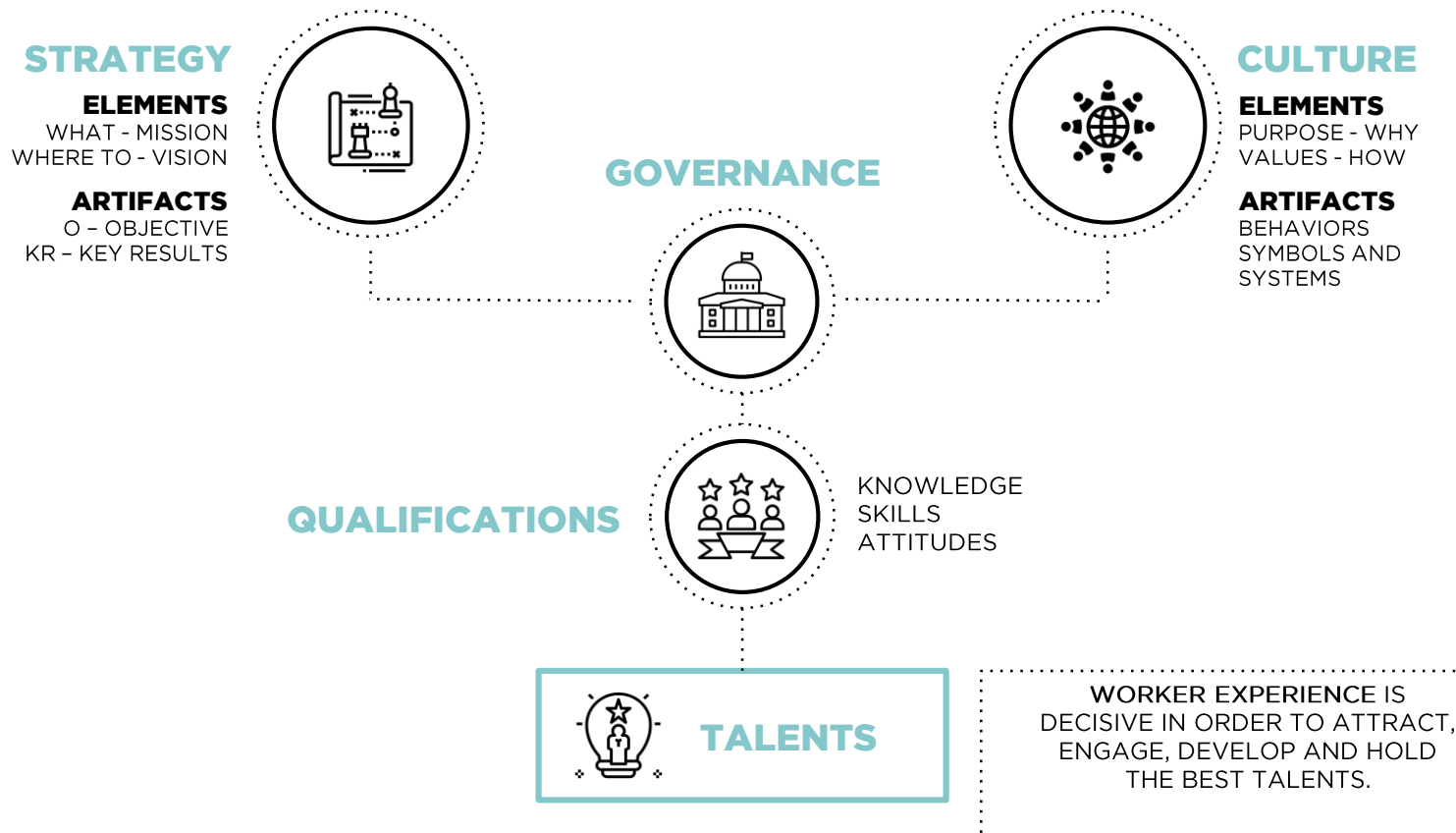


FRONT LINE EMPOWERMENT

- CLEAR COMMUNICATION AND POSITIONING TO CUSTOMER FOCUS
- TRAINING AND EMPOWERMENT OF THE FRONT LINE FOR DECISION-MAKING
- INTERNAL PROCESS DEBUREOCRATIZATION (SIMPLIFY STORE ROUTINES)

"CULTURE EATS STRATEGY FOR BREAKFAST" PETER DRUCKER

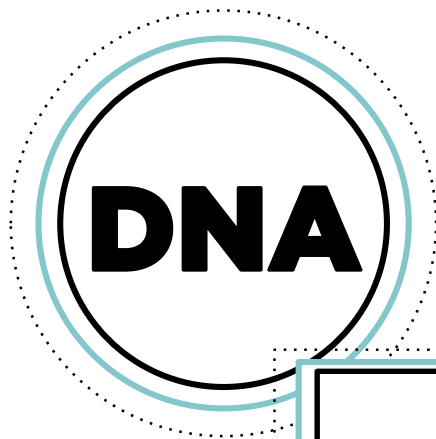
AREZZO
&CO



FRAMEWORK

CULTURE + STRATEGY JOURNEY

AREZZO
&CO



CULTURAL ELEMENTS

EXPRESSION OF DNA THROUGH
PURPOSE, VALUES, MISSION
AND VISION, MANIFESTED AS
THE FOLLOWING ARTIFACTS:

- BEHAVIORS
- SYMBOLS
- SYSTEMS

CULTURE



PURPOSE
WHY



MISSION:
WHAT

STRATEGY
TECHNICAL SKILLS



VISION
WHERE TO



VALUES
HOW

CULTURE
BEHAVIORAL
QUALIFICATIONS

IN 2019 WE BEGIN LEADERSHIP EMPOWERMENT WORK

STRENGTHENING OUR DNA

AREZZO
&CO



- THROUGH AN ENVIRONMENT
- WITH BEHAVIORS
- BOOSTING LEVERS
- WITH ALL

STRONG CULTURE IMPACT ECOSYSTEM

DNA IMPACT ON EMPLOYEES PERFORMANCE

**AREZZO
&CO**

EMPLOYER BRANDING

LINKEDIN



189.611

FOLLOWERS

+ 51.987

NEW
FOLLOWERS
IN ONE YEAR

PROGRAMS

TALENTS

6 TRAINEES

MERCHANDISING

8 INTERNS

TREND&CO

FOCUS ON LONG - TERM
STRATEGY
(22 TRAINEES 2014 - 2019)
(24 INTERNS 2014 - 2019)

RETENTION

TURNOVER

**TURNOVER
INDEX**

2017 / 2018 2018 / 2019

- 1,2 PP

- 1,9 PP

SURVEY

CLIMATE

GROWING INDEXES
2014 / 2016 - AON
2018 / 2019 - GPTW

2014

59

2016

67

2018

67

2019

68

COMMUNICATION

WORKPLACE

85%

PLATFORM EMPLOYEES
BRASIL AND USA

CASE

- IMPLEMENTATION
- CONTENT MANAGEMENT
- INTERNAL COMMUNICATION STRATEGY

PROMOTION

CARRER

**+ 81
PESSOAS**

PROMOTED
INTERNALLY

8%

FROM THE FRAMEWORK
OF EMPLOYEES

DEVELOPMENT CORPORATE

2.787 PAX - 35.283 H/H

12 HOURS

TRAINING BY COLLABORATOR

DEVELOPMENT EXECUTIVES

20 PAX - 213 H/H

11 HOURS

TRAINING BY COLLABORATOR

RETAIL DEVELOPMENT

PRESENTIAL

5.932 PAX - 28.227 H/H

265 CLASSES

SALES CONVENTION ONLINE TRANSMISSION

12 C/H

18.000 PAX

3 EVENTS / YEAR

AND WHAT HAVE WE DONE IN 2019?

OUR RESULTS

AREZZO
&CO



WORKPLACE INTERNAL COMMUNICATION STRATEGY

- CONNECTION OF PEOPLE TO CULTURE
- EMPLOYEE ENGAGEMENT IN STRATEGIC OBJECTIVES
- PROMOTE COLLABORATION AND INTEGRATION OF UNITS



EMPLOYEE EXPERIENCE

- INTEGRATED PEOPLE MANAGEMENT SYSTEM (PERFORMANCE, SUCCESSION, DEVELOPMENT, REMUNERATION ETC)
- CORPORATE PERFORMANCE
- SAFETY ACCESS MANAGEMENT



LEADERSHIP DEVELOPMENT FOR DIGITAL AGE

- GIVE MORE UNDERSTANDING ABOUT DIGITAL AGE
- TALK DAY
- HACKATHON - SOLUTIONS APPLIED FOR AREZZO&CO REALITY



NEW FRANCHISE SERVICE TEMPLATE

- TRAINING WITH FOCUS ON ACTION STRATEGY
- KEY ACCOUNT FORMAT SERVICE

LEARNING PROGRAM IN RETAIL

- PARTNERSHIP WITH THE VOCATION NGO
- FOCUS ON RETAIL TALENTS
- 0% TURNOVER IN PERIOD
- 28% OF TEAM EFFECTIVENESS
- 70% AS PIPELINE FOR CHRISTMAS SALES FORCE

WORKPLACE INTERNAL COMMUNICATION STRATEGY

**AREZZO
&CO**

85%

DE COLABORADORES
NA PLATAFORMA
(CORPORATIVO, VAREJO E USA)

83%

ATIVOS MENSALMENTE

+800

PUBLICAÇÕES
MENSALMENTE



CULTURA & CLIMA

- 53% DE IMPACTO (VISUALIZAÇÕES)
- INTEGRAÇÃO COM TIME USA (96% DE COLABORADORES NO WORKPLACE)
- ENGAJAMENTO NA AÇÃO DE ANIVERSÁRIO AREZZO&CO – MAIS DE 2 MIL CURTIDAS E MIL COMENTÁRIOS
- CONVITE PARA PARTICIPAÇÃO NA PESQUISA DE CLIMA ENVIADO VIA WORKCHAT – 80% DE ADESÃO
- AÇÃO “É O QUE CONTA” DO CÓDIGO DE ÉTICA – MAIS DE MIL COLABORADORES IMPACTADOS



TRANSFORMAÇÃO DIGITAL

- 51% DE IMPACTO (VISUALIZAÇÕES)
- DIVULGAÇÃO DAS SOLUÇÕES VIA WORKPLACE
- CONCURSO “MULHER DIGITAL AREZZO” – MAIS DE 300 INDICAÇÕES DE NOMES



DIVERSIDADE

- 62% DE IMPACTO (VISUALIZAÇÕES)
- MAIS DE 170 NO GRUPO LGBTQIA+ NO WORKPLACE
- VIDEOS OFICIAIS 100% LEGENDADOS
- INTÉRPRETE DE LIBRAS NAS TRANSMISSÕES AO VIVO



PESQUISA

- 72% DECLARAM QUE SE SENTEM MAIS CONECTADOS COM AS FILIAIS
- 84% PERCEBEM MAIS VELOCIDADE NAS INFORMAÇÕES
- 92% AVALIAM QUE A TRANSMISSÃO É EFICIENTE



ESTRATÉGIA

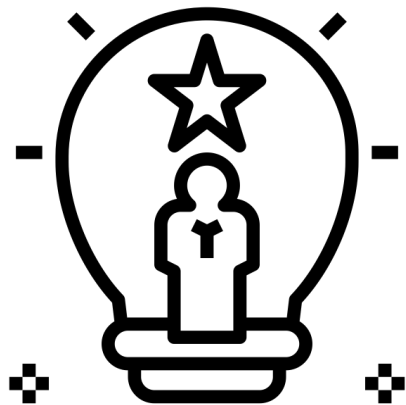
- 56% DE IMPACTO (VISUALIZAÇÕES)
- TRANSMISSÃO CANAL ABERTO: MAIS DE 800 VISUALIZAÇÕES (+80%)
- ENGAJAMENTO DAVINCI: MAIS DE 1000 CURTIDAS E COMENTÁRIOS



SUSTENTABILIDADE

- 51% DE IMPACTO (VISUALIZAÇÕES)
- EVENTOS DE SUSTENTABILIDADE (IGUALDADE RACIAL, HÁBITOS DE CONSUMO, PITCH DO DESAFIO DA EMBALAGEM)
- CONVOCAÇÃO E DIVULGAÇÃO PROGRAMA DE VOLUNTARIADO

TALENT TRAINING IN CORE AREAS OF BUSINESS



6 TRAINEES (MERCHANDISING FOCUS)



- PROGRAM DURATION 1 YEAR
- INTEGRATION IN BUSINESS AREAS
- RETAIL IMMERSION
- PERIODIC EVALUATIONS
- MERCHANDISING TECHNICAL TRAINING
- IMPROVEMENT PROJECT - FORMATURE

8 INTERNS (DESIGN FOCUS)



- PROGRAM DURATION 2 YEARS
- INTEGRATION IN BUSINESS AREAS
- R&D DEVELOPMENT PROGRAM
- PERIODIC EVALUATIONS
- TECHNICAL AND BEHAVIORAL TRAINING

TRAINING AND DEVELOPMENT

AREZZO&CO STRATEGY CONNECTED

**AREZZO
&CO**

LEADERSHIP IN THE DIGITAL AGE



- BOARDING INDUSTRIAL LEADERSHIP IN DIGITAL JOURNEY
- 7 MODULES - 80 HOURS
- TALKS DAY | 4 HOURS
- HACKATHON | 16 HOURS - SOLUTIONS APPLIED FOR AREZZO&CO REALITY

NEW FRANCHISE SERVICE TEMPLATE



- SPECIALIZATION AND SEGMENTATION OF DUTY OPERATOR SERVICE
- 3 MODULES - 96 HOURS
- FOCUS ON TRADE ROUTINE

YOUNG LEARNING PROGRAM RETAIL



- PARTNERSHIP WITH THE ONG VOCAÇÃO
- 11 MONTHS OF PROGRAM
- FOCUS ON RETAIL TALENTS
- 0% TURNOVER IN PERIOD
- 28% OF TEAM EFFECTIVENESS
- 72% AS PIPELINE FOR CHRISTMAS SALES FORCE

U.S. TEAM CULTURE INITIATIVES: DECISIONWISE & WORKPLACE

**AREZZO
& CO**

The Engagement Experience



ENGAGEMENT TRAINING



TIMELINE 2019-2020

AUGUST	SEPTEMBER	OCTOBER	NOV. / DEC.	JANUARY	FEBRUARY	MARCH
Engagement Training - Executive Team	Launch of Employee Survey, MAGIC Self-Assessment	Team Assessment and 30 Day Follow Up	Results Meetings	Employee Engagement Summit	360 Degree Feedback Assessment	Project Review and 2020 Planning

WORKPLACE

Workplace launched in the U.S. corporate office in October 2019. This followed by a successful launch of workplace at the retail stores in December 2019.

KEY MESSAGES

1

CULTURE AS A STRATEGY ENABLER

2

**IMPLEMENTATION OF CULTURE PLAN TO STRENGTHEN
RESULTS IN BRAZIL AND UNITED STATES**

3

DNA EXPRESSION BY PURPOSE, VALUES, MISSION AND VISION

4

**COMMUNICATION: EMPLOYEE ENGAGEMENT IN STRATEGIC
OBJECTIVES**

5

**EMPLOYEE EXPERIENCE:
EVOLUTION AND CONSISTENCY IN PEOPLE PROGRAMS**

AREZZO
& CO

COFFEE BREAK





31415926535 8979323846 2643383279
5028841971 6898987530 6870598944
5020729244 6265959696 63610683
3421170679 8214808651 328026647
0909446035 5050023072 5399438279

DIGITAL TRANSFORMATION

MAURÍCIO BASTOS



DIGITAL TRANSFORMATION



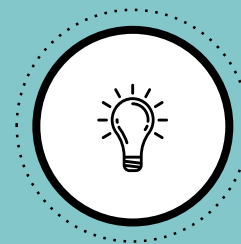
TECHNOLOGY



E-COMMERCE



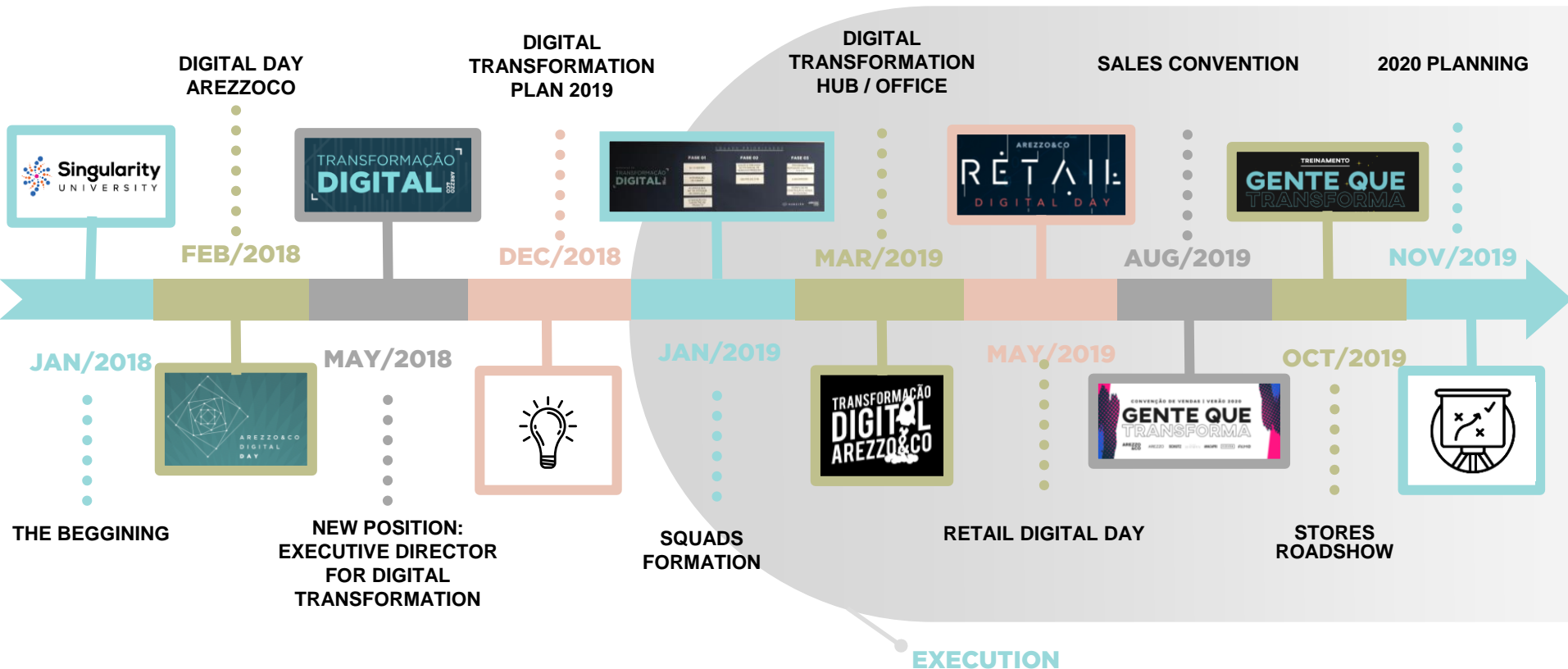
VALORIZZA - CRM



**DIGITAL
TRANSFORMATION**

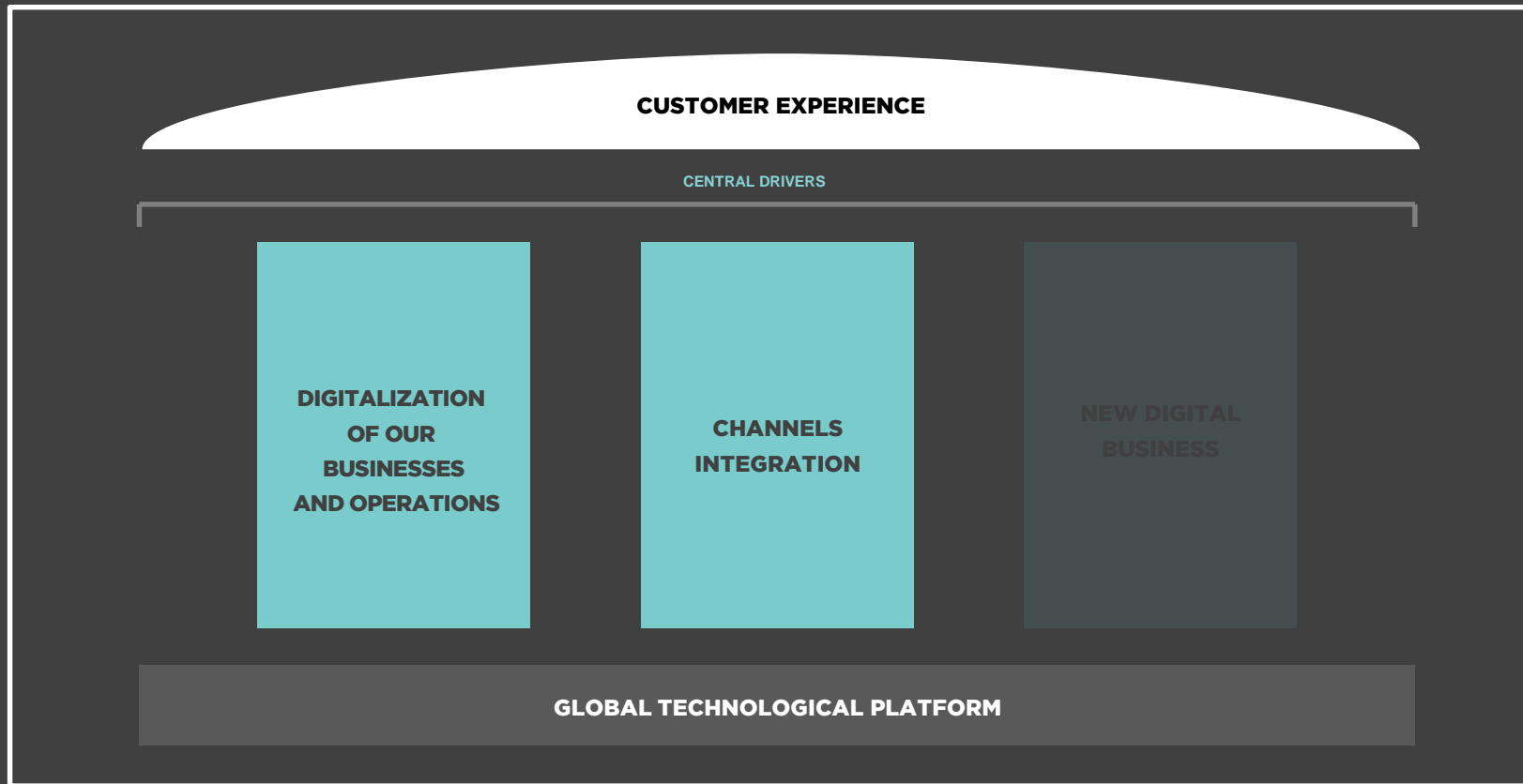
DIGITAL TRANSFORMATION EVOLUTION

AREZZO
&CO



DIGITAL TRANSFORMATION AREZZO&CO IN 2019

INNOVATION CULTURE



DIGITAL TRANSFORMATION



TECHNOLOGY



E-COMMERCE



VALORIZZA



DIGITAL
TRANSFORMATION

**AREZZO
&CO**

TECHNOLOGY

RODRIGO RIBEIRO



HOW ARE WE STRUCTURING OURSELVES
TO SUPPORT THE STRATEGIC GOALS?

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

— DEMOCRATIC —

SCHUTZ ALEXANDRE BIRMAN

— FASHION/LUXURY —

ALME

FIEVER

— EMERGING —

VANS
"OFF THE WALL"

— LIFESTYLE/ ACTION —
SPORTS



BUSINESS MODEL TRANSFORMATION

MERCHANDISING AND SUPPLY EVOLUTION

SOURCING AND LOGISTICS 2.0

REINVENTING CUSTOMER EXPERIENCE

SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

CRM AND LOYALTY AREZZO&CO

MARKETPLACE - OWN BRANDS

CONTENT, SERVICES AND SOCIAL

CONNECTIVITY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND

CULTURE

FRONT-LINE

EMPOWERMENT

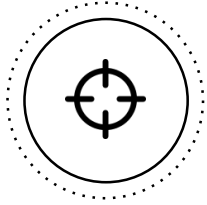


DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY

GLOBAL TECHNOLOGICAL PLATFORM AS ENABLER



MAKE AREZZO&CO A COMPANY THAT IS DIFFERENTIATED BY THE USE OF DATA AND ANALYTICS FOR DECISION MAKING IN ALL COMPANY LEVELS AND THAT IS SUPPORTED BY A GLOBAL TECHNOLOGY PLATFORM, ROBUST AND WITH FLEXIBILITY FOR INNOVATION

GLOBAL TECHNOLOGY PLATFORM

ARCHITECTURE

INCREASE CORPORATE AND TECHNOLOGICAL ARCHITECTURE LEVEL

- ROAD MAP
- SOA
- TOGAF

OPERATIONAL EXCELLENCE

CREATE SOLIDITY AND SCALABILITY OF OUR BUSINESS

- ERP (SAP)
- DATACENTER (IBM)
- CLOUD JOURNEY

STRENGTHEN GOVERNANCE/ SECURITY INFORMATION

- VMO
- LGPD
- SI POLICIES

DIGITAL TRANSFORMATION AND INNOVATION

PROMOTE CHANNEL INTEGRATION

- E-COMMERCE (HYBRIS)
- OMS
- API BARRING

BE A DATA DRIVEN COMPANY

- BI (TABLEAU)
- DATA LAKE (AWS)
- BIGDATA
- IA

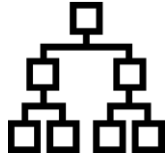
ADOPTION OF AGILE DEVELOPMENT METHODS

- AGILE
- DEVSECOPS

TECHNOLOGY STRATEGIC PILLARS



OPERATIONS



ARCHITECTURE



SYSTEMS



GOVERNANCE



INFORMATION
SECURITY

DO THE BASICS WELL



MONITORING AND SOLUTION CENTER, AS KNOWN AS NOC (NETWORK OPERATION CENTER)

DASHBOARDS AND ALERTS TO MONITOR ISSUES AND ANOMALIES IN THE ENVIRONMENT

PROBLEM SOLVING PROACTIVITY



OPERATIONS

ARCHITECTURE

SYSTEMS

GOVERNANCE

INFOR. SAFETY

AREZZO
&CO

INCREASE THE CORPORATE AND TECHNOLOGY ARCHITECTURE LEVEL



**STRATEGIC
ARCHITECTURE**



**TECHNOLOGICAL
ARCHITECTURE**



**INTEGRATION
ARCHITECTURE**

OPERATIONS

ARCHITECTURE

SYSTEMS

GOVERNANCE

INFOR. SAFTEY

INCREASE ARCHITECTURE LEVEL

OWNED STORES

FRANCHISES

MULTIBRAND

OUTLET

E-COMMERCE

FAST INNOVATION

DIGITAL SERVICES PLATAFORM

INFINITE SHELF

POS

OMNI

CHECKOUT

PAYMENT

ZZ DATA

DATA LAKE

CRM

BI

API MANAGEMENT

SAP PI / SAP SLT

SAP CAR / ZZNET

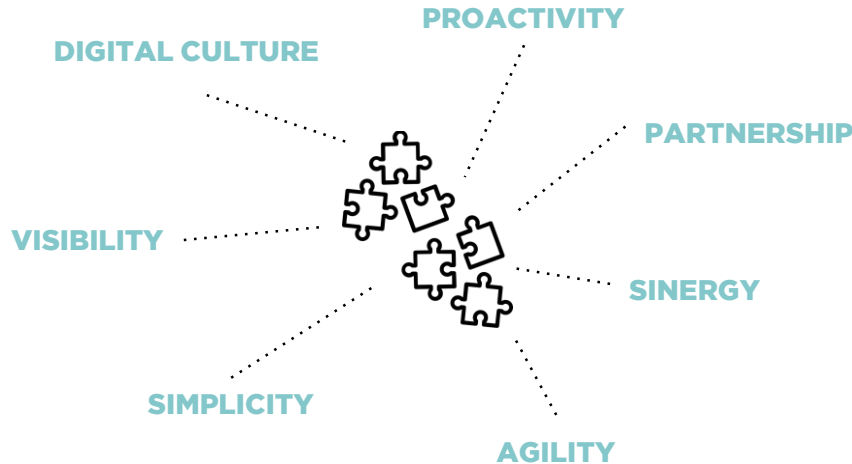
SAP ECC

ERP ABACOS

ORGANIZATIONAL INFRASTRUCTURE

OPERATIONAL EXCELLENCE

STRENGTHEN GOVERNANCE AND INFORMATION SECURITY



360° BUSINESS

KEY INITIATIVES

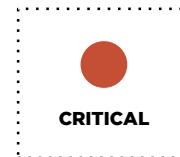
- DEMAND MANAGEMENT
- TI / VMO GOVERNANCE
- PROCESSES + ROLES + RESPONSABILITIES
- COMMUNICATION
- HIGH PERFORMANCE TEAMS
- PDTI

INFORMATION SECURITY AND COMPLIANCE

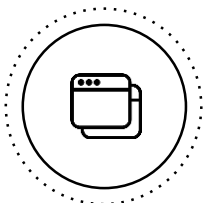


LGPD

ASSESSMENT INITIATED FOR ADEQUACY TO LGPD (GOVERNMENT DEADLINE UNTIL OCTOBER/2020)

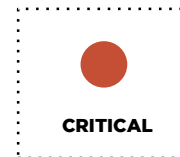


CRITICAL

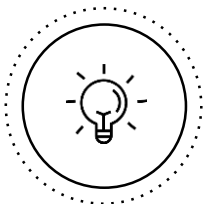


ERP - SAP

IDENTITY AND ACCESS MANAGEMENT PROJECTS, PROFILE MAPPING, ROLES SEGREGATION AND SOLUTION OF 100% OF EXTERNAL AND INTERNAL AUDITING POINTS

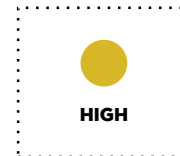


CRITICAL



AWARENESS PLAN

INTRODUCTION VIDEOS DISCLOSURE ON CYBERSECURITY, CAMPAIGNS, PHISHING TESTS AND TRAINING



HIGH

AREZZO
&CO

CUSTOMER

VANS
"OFF THE WALL"



OTHER COUNTRIES

CUSTOMER SERVICE

SUPPORTING PROCESSES



●▶
**CONSUMER CENTRIC
RETAIL MARKET FUTURE**

●▶
**BIG CONSUMER PAIN
EXCHANGE PROCESS/ RETURNS**

●▶
**SEARCH FOR AREZZO&CO EXCELLENCE
CURE THE CONSUMER PAIN**

●▶
**EXCHANGE PROCESS AND RETURNS
AS ONE MORE SELL-OUT TOOL**

DELIVERIES MOBILE CHECKOUT

AREZZO
&CO



SALESPeople JOURNEY ON A SINGLE MOBILE
DEVICE (PINPAD PHONE)

INFINITE SHELF WITH INTEGRATED PAYMENT,
SALES THROUGH LINK AND OWNED CHECKOUT

REDUCTION OF QUEUES AT BUSY TIMES

DIFFERENTIATED EXPERIENCE FOR OUR
CUSTOMER

AGILE SOLUTION DEVELOPMENT (2.5 MONTHS)

PROPRIETARY TECHNOLOGY AREZZO&CO

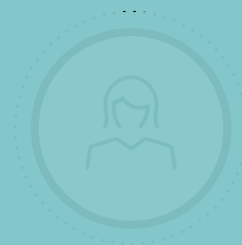
DIGITAL TRANSFORMATION



TECHNOLOGY



E-COMMERCE



VALORIZZA



DIGITAL
TRANSFORMATION

AREZZO

NOVIDADES

AREZZO
&CO

SEMPRE PRESENTE
natal 2019

VEJA MAIS

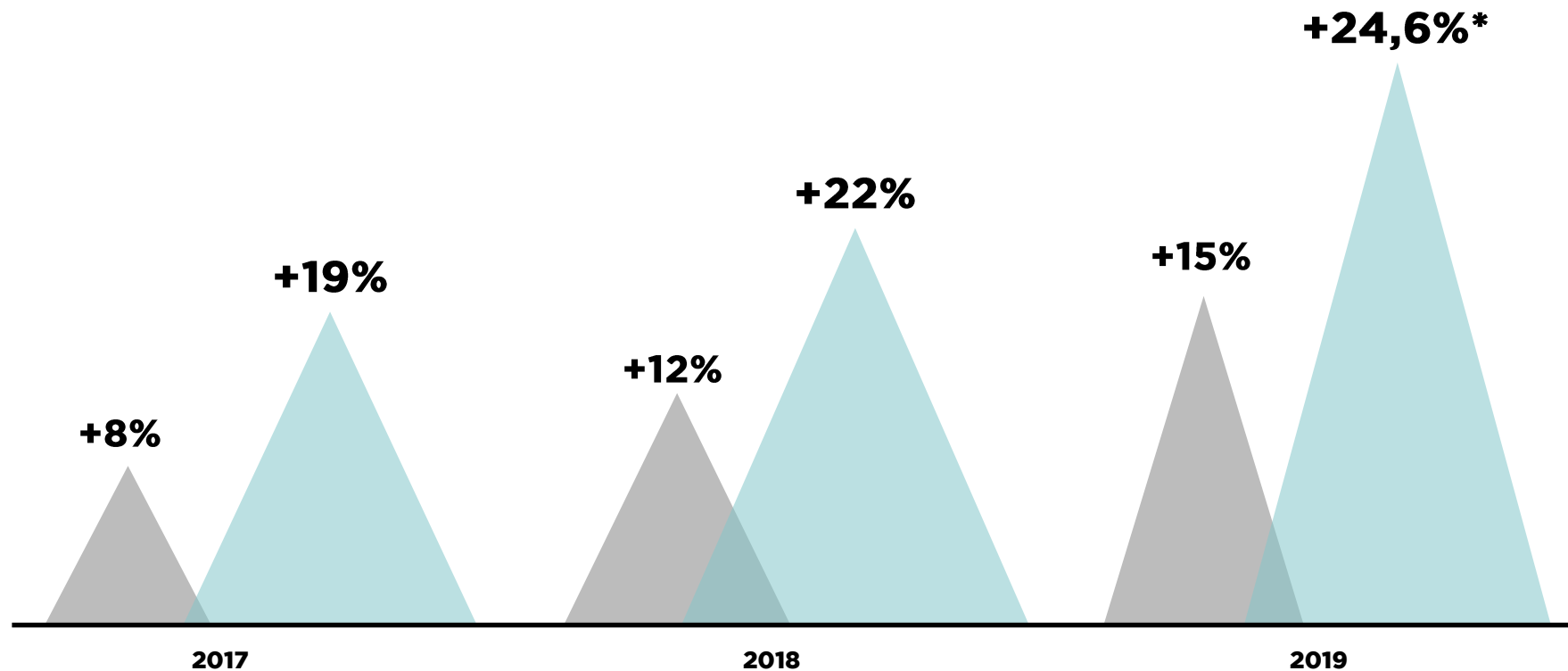
E-COMMERCE

PEDRO CORREA

FEMME FATA

E-COMMERCE GROWTH

**AREZZO
&CO**



*RESULT ACCUMULATED UNTIL SEPTEMBER 2019

** EBIT NIELSEN 2018 DATA

■ E-COMMERCE BR MARKET**

■ AREZZO&CO

OUR NUMBERS



780 THOUSAND ORDERS (LTM)

70 MILLION VISITORS (LTM)

25 MILLION UNIQUE USERS (LTM)

22,5% GROWTH IN AUDIENCE ON MOBILE DEVICES IN 2019

14% GROWTH ON PAGE VIEWS

CONVERSION INCREASED 9.5% VS. 2018

PORTFOLIO 100% ONLINE

GROWING REPRESENTATIVENESS ON WEB FOR EACH BRAND OF THE PORTFOLIO

2019	10%	12%	7%	5%	15%	15%
2018	8%	11%	6%	3%	11%	9,5%



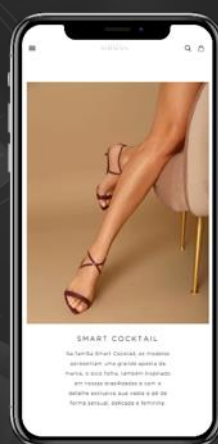
AREZZO



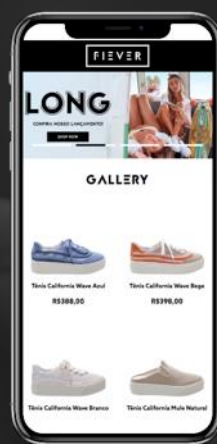
SCHUTZ



ANACAPRI



BIRMAN



FIEVER



ALME



**BUT HOW DID WE
GET HERE?**

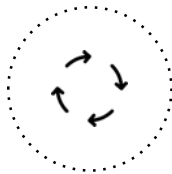
OUR E-COMMERCE DIFFERENTIALS



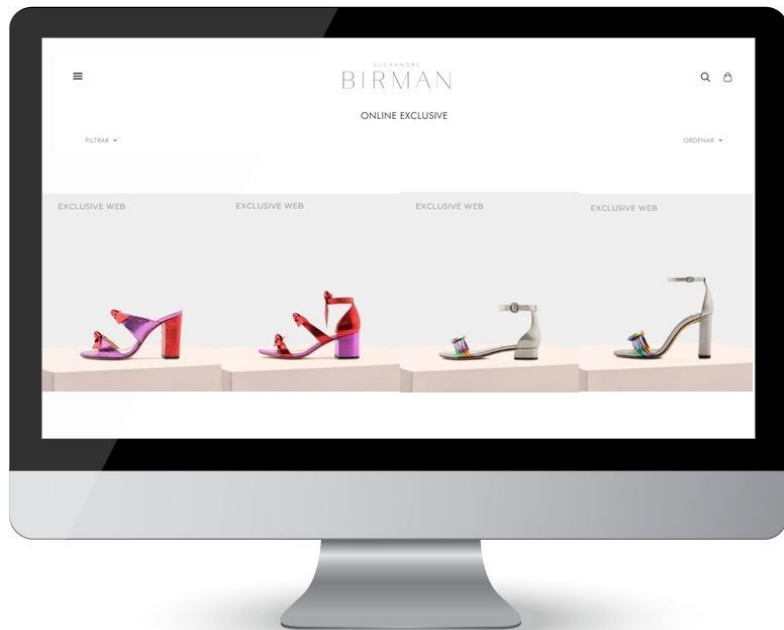
CUSTOMIZATION



OWN FULLCOMMERCE



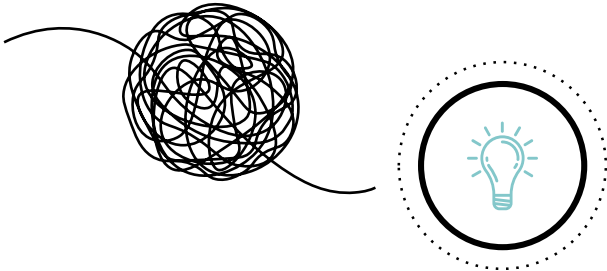
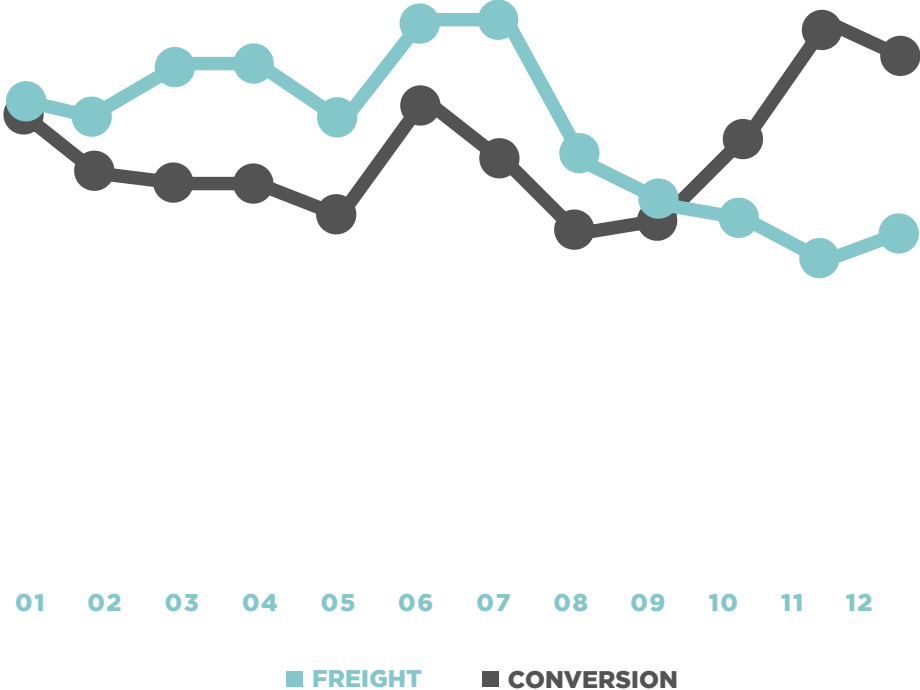
**RETURN INDEX BELOW THE
MARKET: < 9%**



WEB CUSTOMIZATION

- RELEVANT FOR LONGTAIL EXPANSION
- DIGITAL PLATFORM STRENGTHENING
- OPPORTUNITY TO CREATE “DIGITAL-NATIVE” BEST SELLERS

FREIGHT AS LEVER OF E-COMMERCE CONVERSION



THE PERCEPTION IN
FREIGHT REDUCTION
IS APPROXIMATELY 2X
BIGGER THAN THE
PRODUCT DISCOUNT

CAMPEÃ

AREZZO | LOJA ONLINE

E-COMMERCE - CALÇADOS, BOLSAS E ACESSÓRIOS



CUSTOMER SATISFACTION

92%

IN THE LAST 3 YEARS

AVERAGE OF

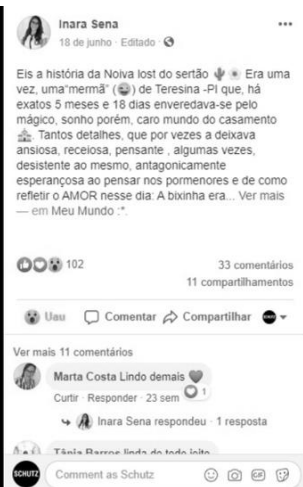
1094 COMPLIMENTS

PER MONTH

NPS OF

83,5%

ACUMMULATED AMONG
THE 6 BRANDS (JAN-OCT)



O U T S T O R E



CHANGE IN
BRANDING
FROM OUTLETS TO
OUTSTORE
AND BEGINNING OF
CROSSCHANNEL

SSS OF 203%
E-COMMERCE

GROWTH OF
+ 202%
IN DIRECT ACCESS TO E-COMMERCE
+137% IN "OUTSTORE" NAME
SEARCHING

OVER
1MM CUSTOMERS

IMPACTED BY ADDS GEOTARGETED
IN PHYSICAL STORES



E-COMMERCE PRIORITIES 2020

STRATEGIC PRIORITIES 2020



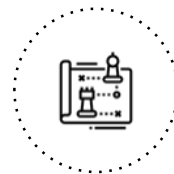
**OMNICHANNEL
ADVANCE**



**VANS
INTEGRATION**



**KEEP
EXCELLENCE
ON SERVICE**



**FASHION AS A
PLATFORM**





31415926535 8979323846 2643383279
5028841971 6898987530 6870598944
502072854 5060080999 6830204685
3421170679 8214803651 3280306647
0908440235 505003077 5195940129

DIGITAL TRANSFORMATION

MAURÍCIO BASTOS



DIGITAL TRANSFORMATION



TECHNOLOGY



E-COMMERCE



VALORIZZA

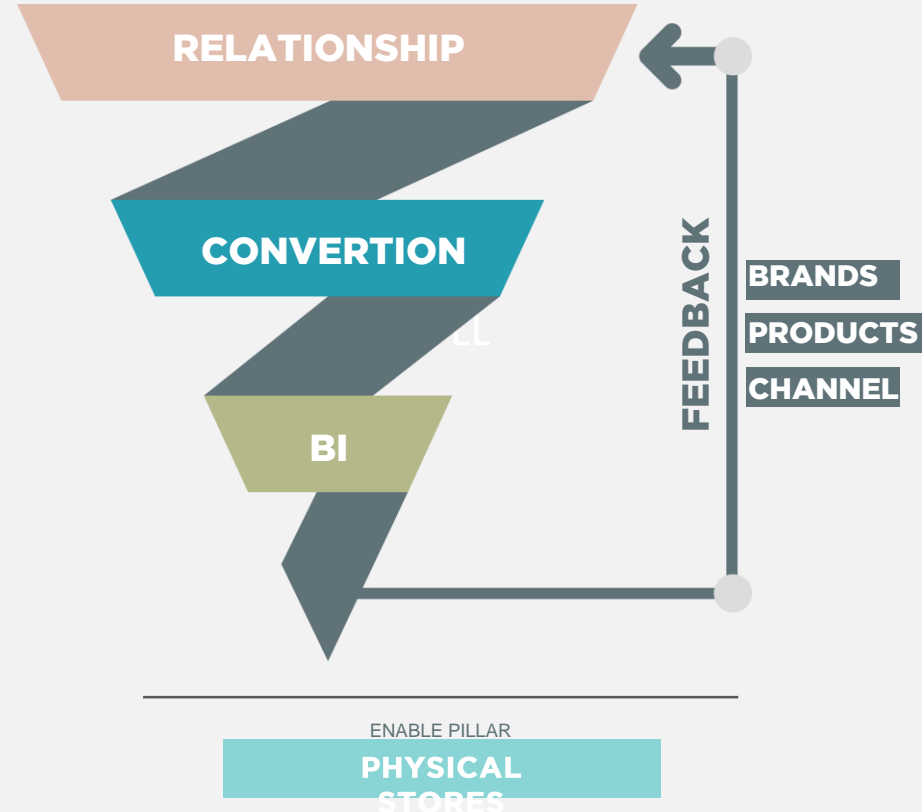


**DIGITAL
TRANSFORMATION**

CRM OVERVIEW AREZZO&CO

GENERATES VALUE BY INCREASING CUSTOMER RETENTION AND FREQUENCY THROUGH DATA-DRIVEN ANALYTICS AND ACTIONS THAT BROADEN THE EMOTIONAL CONNECTION WITH CUSTOMERS AND IMPACT THE COMPANY'S SELL OUT RESULT

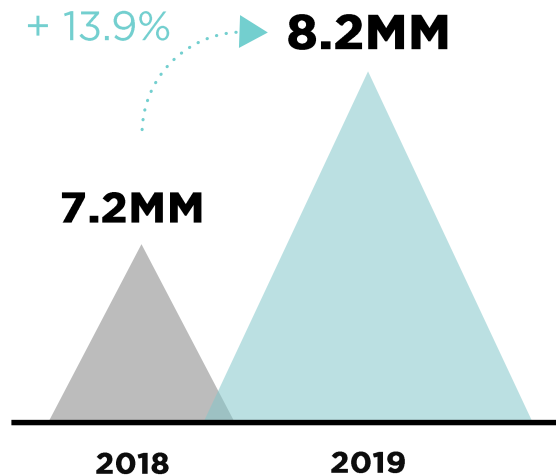
**AREZZO
&CO**



MAIN RESULTS IN 2019

**AREZZO
&CO**

CUSTOMERS BASE



HIGHLIGHTS

51.6%

OF ACTIVE CUSTOMERS *, INCREASE

+17,2%

IN SELL OUT WITH CUSTOMERS
WITH PURCHASE PERIOD LESS
THAN 12 MONTHS

+ R\$ 9MM

IN SELL OUT WITH EXPERIMENT TO INCREASE
ACTIVE CUSTOMER RECURRENCE

+3 p.p.

IMPROVING REGISTRATION-
RELATED TO SALES RATE YoY

+16.4%

IN SELL OUT WITH
RECOVERY IN
INACTIVE CUSTOMERS

*ACTIVE CUSTOMER: MADE AT LEAST 1 PURCHASE IN THE LAST TWELVE MONTHS, IN OTHER WORDS, THE SUM OF THE NEW CUSTOMER AND LOYAL CUSTOMERS.

**BRANDS: AREZZO, SCHUTZ, ANACAPRI, AB, FIEVER AND ALME

DIGITAL TRANSFORMATION



TECHNOLOGY



E-COMMERCE

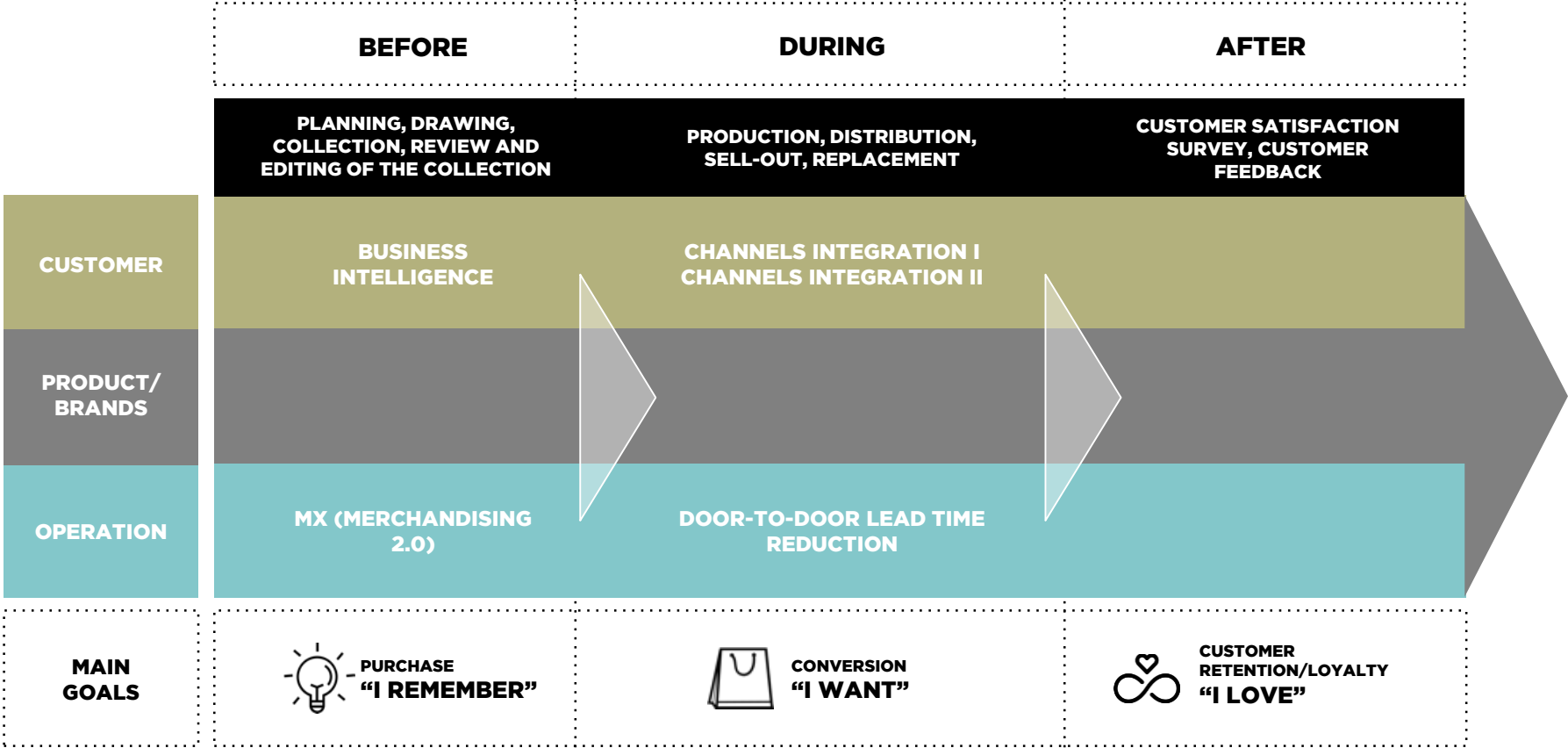


VALORIZZA



**DIGITAL
TRANSFORMATION**

PRIORITY SQUADS IN 2019



SQUAD

CHANNELS INTEGRATION

OMNICHANNEL SOLUTIONS



CHANNELS INTEGRATION

OMNICHANNEL SOLUTIONS

AREZZO
& CO



**PICK UP AT
STORE**



**STORE
SHIPPING**



**INFINITE
SHELF**



**SALES
THROUGH LINK**

ROLL OUT

**IN 2019, WE WORKED VERY HARD AND
TOOK OUR CHANNEL INTEGRATION
SOLUTIONS TO THE AREZZO AND
SCHUTZ NETWORKS**

WORKING CLOSELY WITH THE SALES TEAM

| 875 PEOPLE TRAINED PRESENTLY

| 500 PEOPLE TRAINED ONLINE

| 125 STORES VISITED



**ONLINE DEMAND
GENERATION FOR
PHYSICAL STORE**



**PICK UP AT
THE STORE**



**STORE
SHIPPING**



VILLA LOBOS

AREZZO

6.3%

OF INCREMENTAL
SALES IN THE
MONTHLY AVERAGE
FROM JANUARY TO
SEPTEMBER 2019

PICK UP AT STORE

453 STORES ENABLED

64% OF THE NETWORK*

STORE SHIPPING

134 STORES ENABLED

19% OF THE NETWORK*

STOCK OUT REDUCTION AT THE PHYSICAL STORE



**INFINITE
SHELF**



SÃO MATHEUS

AREZZO

15,5%

OF INCREMENTAL SALES IN
THE MONTHLY AVERAGE
FROM JANUARY TO
SEPTEMBER 2019

604 STORES ENABLED
85% OF THE NETWORK*

STOCK OUT REDUCTION AT THE PHYSICAL STORE



INFINITE SHELF

85%

OF STORES AGREE THAT
THE INFINITE SHELF
OVERTURNED SALES THAT
WOULD HAVE BEEN LOST
OTHERWISE*

*SURVEY CARRIED OUT AT STORES THAT
USE THE INFINITE SHELF

DIGITAL STORE EXTENSION



**REMOTE SALES
THROUGH
WEB LINK FOR
PAYMENT**



**IGUATEMI SP
ALEXANDRE
BIRMAN**

16.5%

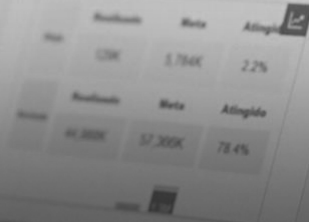
OF INCREMENTAL
SALES IN THE
MONTHLY AVERAGE
FROM JANUARY TO
SEPTEMBER 2019

587 STORES ENABLED
83% OF THE NETWORK*

SQUAD

BI

DATA DRIVEN COMPANY



User Specific View

User Specific View

SSS Marca e Canal
SSS Gerencial

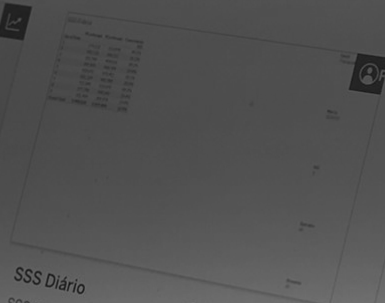
2 mil 9

ZAP 2.0 Tabela
Comercial v1.9

907 2

Geral

Contador de Fluxo e Co

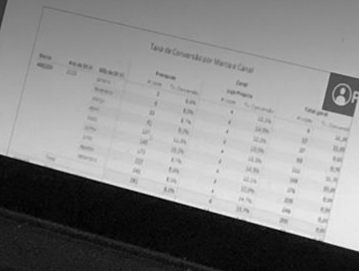


SSS Diário
SSS Diário

76 0

Auditoria Vir
Auditoria Vir Conf

104 0

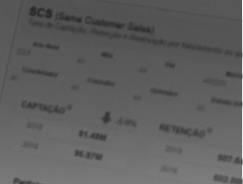


Operador Real vs. Meta

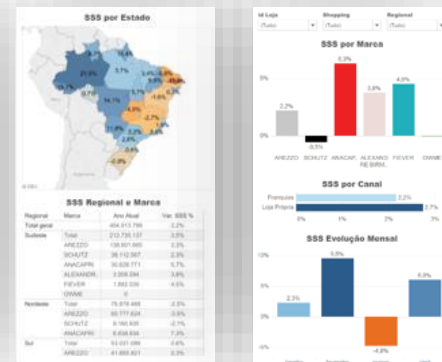
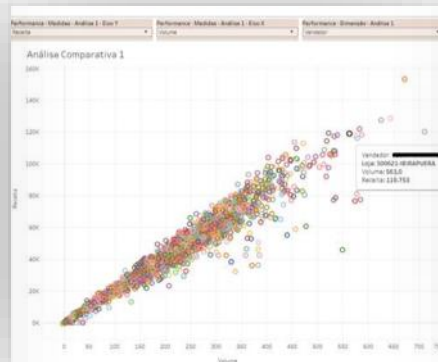
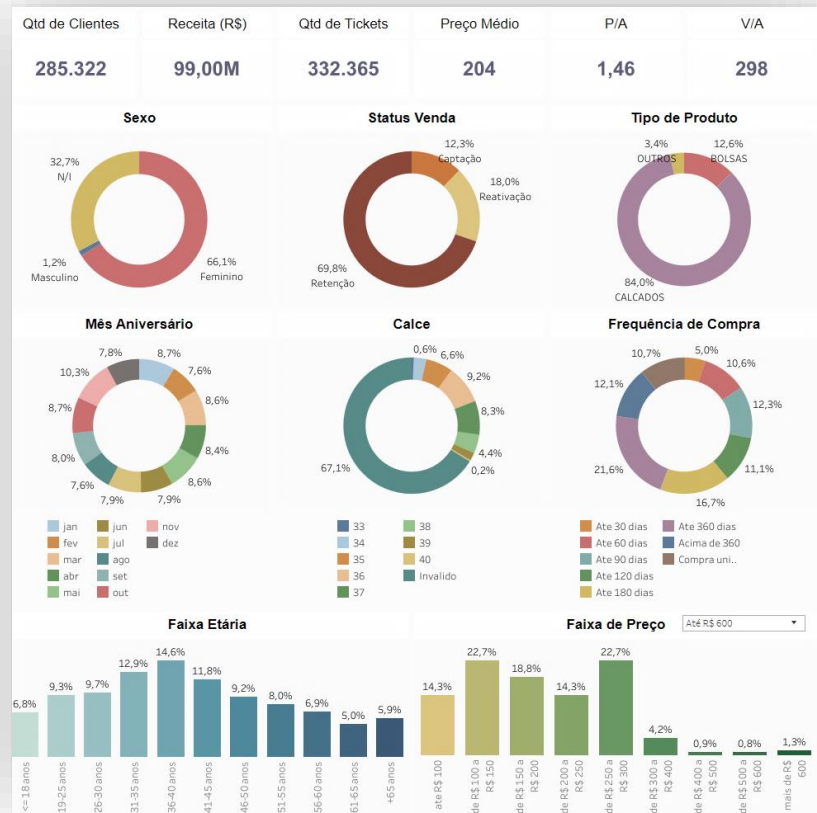


SCS

SCS



CUSTOMER PROFILE DASHBOARD + COMMERCIAL VIEW



DETAILED VIEWS ON
AREZZO&CO CUSTOMER
PURCHASE BEHAVIOR

MACHINE LEARNING
SOLUTION TO FORECAST THE
CHURN OF THE CUSTOMERS
OF THE AREZZO BRAND IN
THE CRM

+30

DATA VIEWS
(DASHBOARDS)
INCLUDING
MOBILE AND REAL
TIME VIEW



CONVERSION RATE MEASURE OF ~ 450 PHYSICAL STORES IN ALL THE BRAZILIAN STATES

SOME OF OUR DASHBOARDS PROCESS OVER 40 MILLION ROWS IN 3 SECONDS

DASHBOARDS NEAR REAL TIME WITH KPIS OF STORES TO ACT ON OFFENDERS THROUGHOUT THE DAY

I.A SUPPORT FROM TABLEAU TO EXPLAIN RESULTS (GROWTHS AND VARIATIONS)



2020 IS COMING

DIGITAL TRANSFORMATION

2020

AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENTIAL BRAZIL



CURRENT BRAND EXPANSION IN AB FEMALE MARKET + CASUAL SNEAKERS

AREZZO ANACAPRI

— DEMOCRATIC —

SCHUTZ ALEXANDRE BIRMAN

— FASHION/LUXURY —

ALME

FIEVER

— EMERGING —

VANS
"OFF THE WALL"

— LIFESTYLE/ ACTION —
SPORTS



BUSINESS MODEL TRANSFORMATION

MERCHANDISING AND SUPPLY EVOLUTION

SOURCING AND LOGISTICS 2.0

REINVENTING CUSTOMER EXPERIENCE

SUSTAINABILITY AS A RULE



ENGINE 2: FASHION PLATFORMS

CRM AND LOYALTY AREZZO&CO

MARKETPLACE - OWN BRANDS

CONTENT, SERVICES AND SOCIAL

CONNECTIVITY



NEW BRANDS IN BRAZIL

INSURGENT BRANDS

AB FEMALE MARKET CONSOLIDATION



INTERNATIONAL MARKET

US MARKET



PEOPLE AND CULTURE

ORGANIZATION AND

CULTURE

FRONT-LINE

EMPOWERMENT



DATA AND TECHNOLOGY

DATA AND ANALYTICS

TECHNOLOGY



MERCHANDISING

EVOLUTION OF PREV TOOLS

IN ADDITION TO PREDICTIVE
INTELLIGENCE IN THE PURCHASING
PROCESS

AUTOMATION OF MANAGEMENT OF THE
“R”S

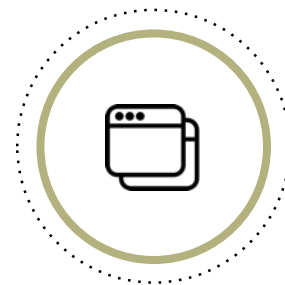
NEW MODEL FOR SUPPLYING



CUSTOMER EXPERIENCE

INITIATIVES FOR CHANNEL
INTEGRATION EXPANSION

IMPROVE CUSTOMER EXPERIENCE
AT THE STORES



FASHION PLATFORM

DEVELOPMENT OF NEW
DIGITAL BUSINESSES

CONCEPTION OF A NEW
LOYALTY PROGRAM

THE TRANSFORMATION

**AREZZO
&CO**

FROM

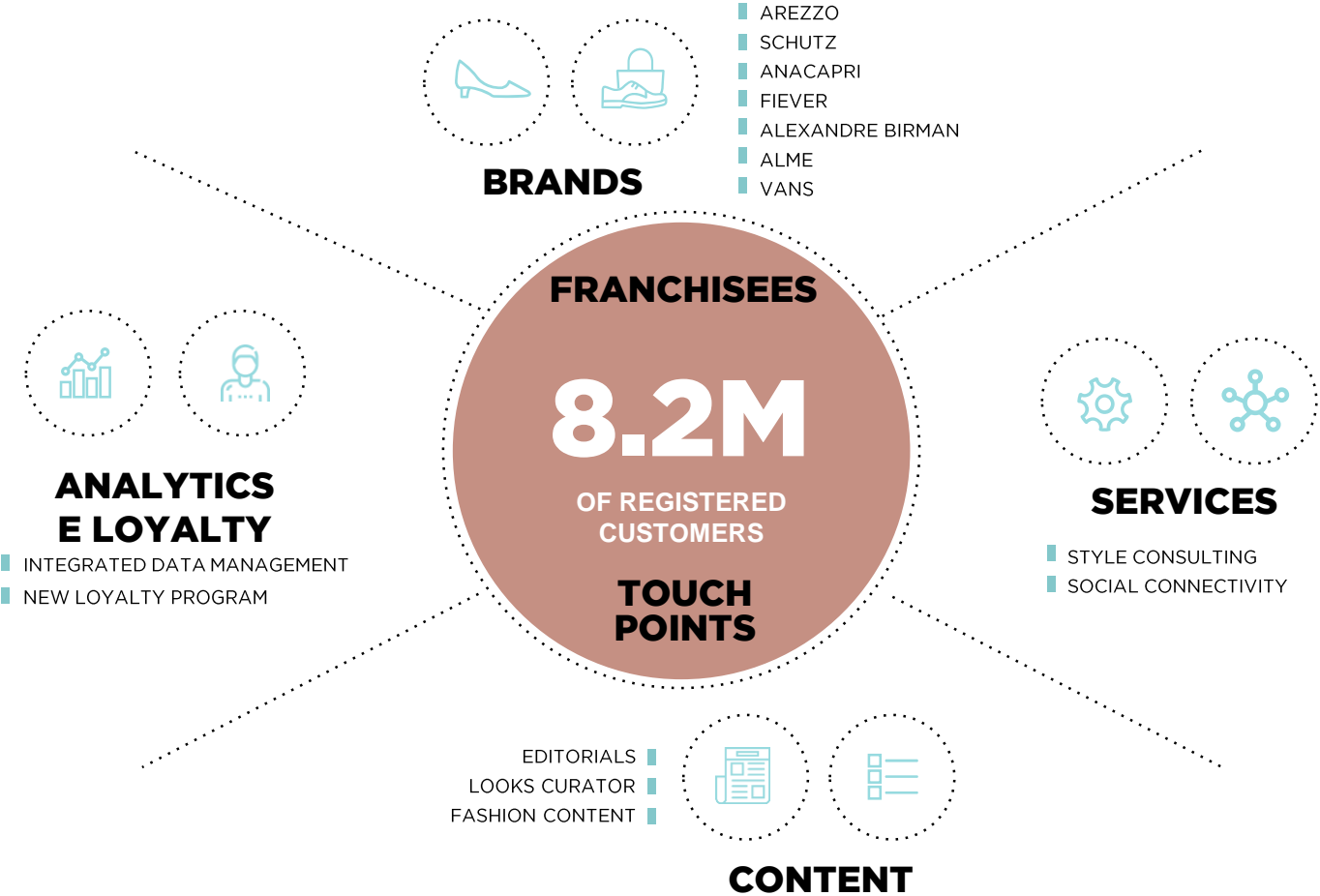


**A FOOTWEAR AND
HANDBAGS BRAND
MANAGER IN BRAZIL**

TO



**A DIGITAL FASHION
PLATFORM WITH BRAND
EXPERIENCE**



KEY MESSAGES

1

DIGITAL TRANSFORMATION IS A JOURNEY

2

TECHNOLOGY AND DATA ARCHITECTURE AS A PRIORITY

3

PATHWAY FOR ACCELERATION OF E-COMMERCE AND CHANNEL INTEGRATION

4

CURRENT SQUAD DELIVERIES WITH RELEVANT IMPACT IN BUSINESS

5

TRANSFORMATION OF MERCHANDISING, CUSTOMER EXPERIENCE AND FASHION PLATFORM AS A FOCUS FOR 2020

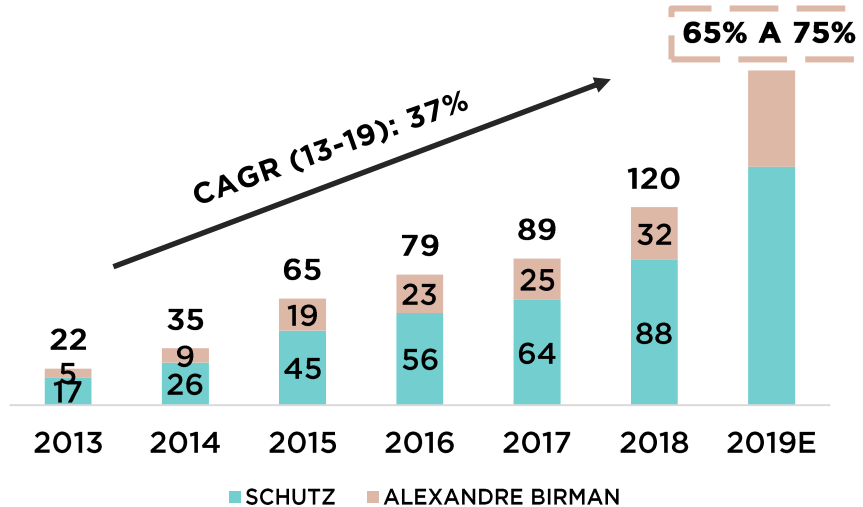


INTERNATIONAL BUSINESS

INTERNATIONAL BUSINESS

- REVENUE GROWTH CONSISTENCY
- EXPANSION ENABLERS
- GROWTH DRIVERS

GROSS REVENUES (R\$ MILLION)



AREZZO&CO STRATEGIC LEVERS WERE GROUPED IN 7 KEY PILLARS



TOTAL POTENCIAL BRAZIL



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DATA AND ANALYTICS

TECHNOLOGY

AREZZO
& CO

SCHUTZ

MARINA LARROUDE



MARINA LARROUDE

HEAD OF SCHUTZ INTERNATIONAL

MARINA LARROUDE IS A FASHION INDUSTRY VETERAN WITH ALMOST TWO DECADES OF EXPERIENCE.

CURRENTLY THE HEAD OF SCHUTZ INTERNATIONAL, SHE JOINED SCHUTZ FROM BARNEYS NEW YORK, WHERE SHE SERVED AS VICE PRESIDENT, FASHION DIRECTOR.

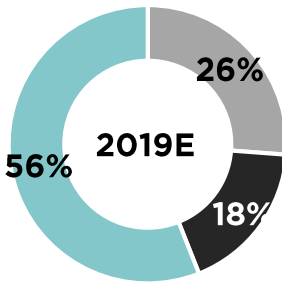
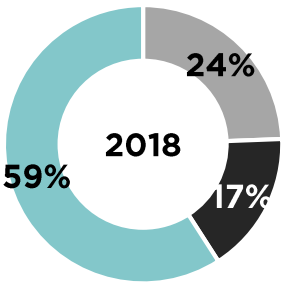
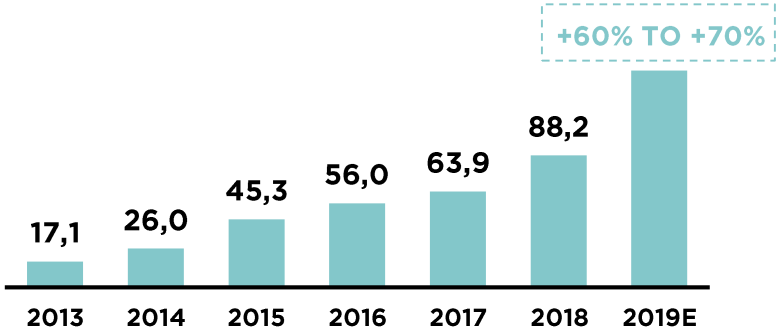
PRIOR TO BARNEYS, LARROUDE WAS TEEN VOGUE'S FASHION AND ACCESSORIES DIRECTOR AND SPENT OVER TWELVE YEARS AS FASHION DIRECTOR FOR VARIOUS CONDÉ NAST PUBLICATIONS.



BUSINESS RESULTS

AREZZO
&CO

GROSS REVENUE (R\$ MILLION)



WHOLESALE RETAIL E-COMMERCE



HIGH-SPEED FASHION

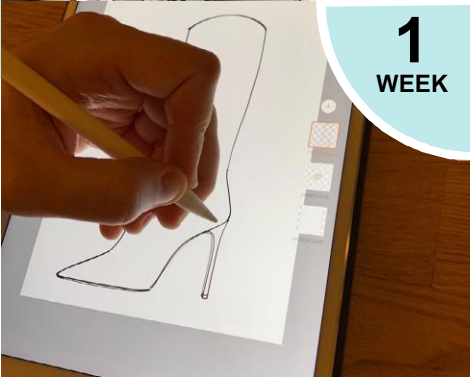
SCHUTZ IS UNIQUELY
POSITIONED DELIVERING
TREND FORWARD
FOOTWEAR AT
APPROACHABLE PRICES AT
HIGH SPEED TO MARKET

6-WEEKS

WITH THE QUICK
TURNAROUND TIME,
QUALITY IS NEVER
COMPROMISED, WHICH
ALSO SETS THE BRAND A
PART FROM OTHER
FOOTWEAR COMPETITORS.

2 VS 26
WEEKS

MARYANA BEING SAMPLED



MARYANA BEING SKETCHED

MARYANA AT THE SHOWROOM



MARYANA AT THE STORE



8 VS 26
WEEKS



RETAIL

AREZZO
& CO

MADISON AVENUE RENOVATION

BEFORE



THE MADISON STORE RENOVATION WAS CURATED WITH AN INSTAGRAMMABLE AND EXPERIENTIAL ATMOSPHERE

AFTER



FOLLOWING THE MADISON STORE RENOVATION, SALES CONTINUE TO REMAIN STRONG.

POP-UPS



WWD

POP-UPS BREATHE LIFE INTO FASHION AND BEAUTY

IT'S NOT A NEW PHENOMENON, BUT THE POP-UP STORE HAS EVOLVED FROM MARKETING TOOL TO REVENUE DRIVER IN ITS OWN RIGHT, MAKING IT A MUST FOR BRANDS TODAY AS THE BATTLE FOR FOOTBALL CONTINUES.

US DOOR COUNT



655 MADISON AVE
NEW YORK, NY

SEPTEMBER 2012



314 N BEVERLY DRIVE
BEVERLY HILLS, CA

APRIL 2016



AVENTURA MALL
AVENTURA, FL

NOVEMBER 2018



LAS VEGAS NORTH
PREMIUM OUTLETS
LAS VEGAS, NV

APRIL 2016



WESTFIELD SAN
FRANCISCO CENTRE,
SAN FRANCISCO, CA

MAY 2019



THE MALL AT
SHORT HILLS
SHORT HILLS, NJ

MAY 2019



THE GROOVE
LOS ANGELES, CA

COMING MARCH 2020



THE AMERICANA
GRENDALE, CA

COMING MAY 2020



NORTH PARK CENTER
DALLAS, TX

COMING FALL 2020

DOOR COUNT DOUBLED IN 2019
WITH A TOTAL OF 6 US STORES

WHOLESALE

	2018	2019	2020	DROPSHIP
NORDSTROM	14	26	26	✓
<i>Saks Fifth Avenue</i>	3	4	8	✓
bloomingdales	6	21	36	✓
<i>Neiman Marcus</i>	0	1	3	✓
Dillard's	0	17	17	✓
HUDSON'S BAY	0	5	10	
VON MAUR	0	1	3	
	23	75	101	

+35%

US DOOR COUNT
IN 2020 vs. 2019

+43%

GROWTH IN
STRING 2020
MARKET
BOOKINGS vs. LY

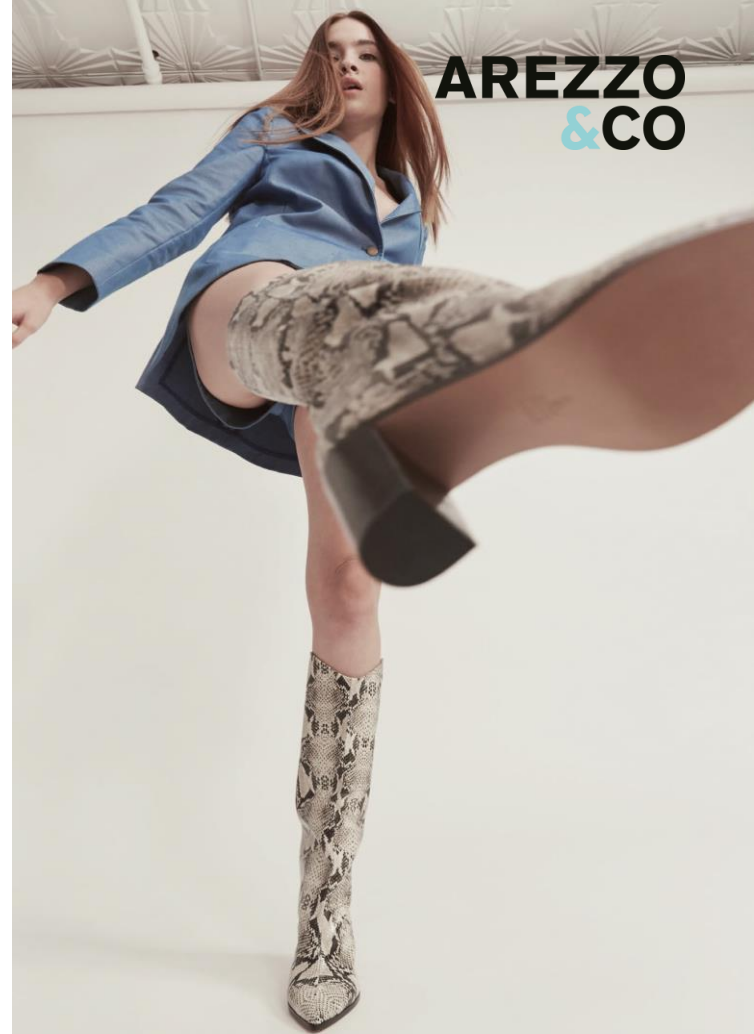
SCHUTZ CONTINUES TO GAIN MOMENTUM AND MARKET SHARE IN THE US

SIGNIFICANT GROWTH IN WHOLESALE BUSINESS

BLOOMINGDALE'S FULL STORE DEPLOYMENT (35 STORES FOR SPRING 2020).

NORDSTROM NYC FLAGSHIP OPENING FEATURED SCHUTZ IN MORE PRODUCT VITRINES THAN OTHER SHOE COMPETITORS.

*OTHER DROPSHIP PARTNERS: OLIVELA, NORDSTROMRACK



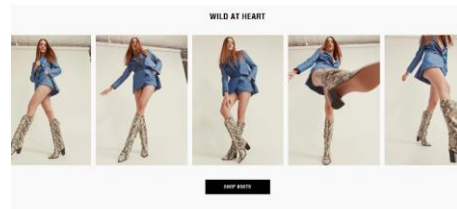
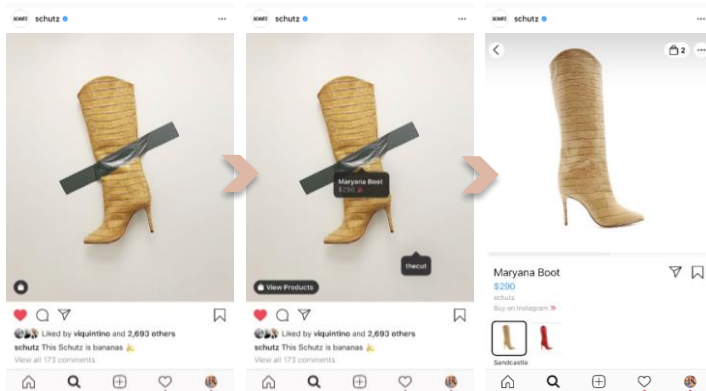
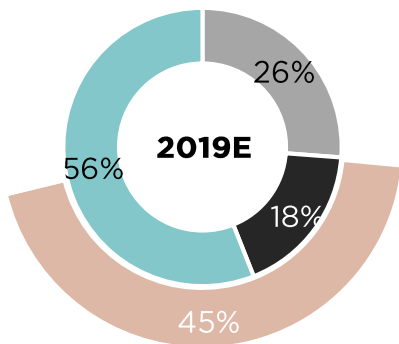
ONLINE

- DIGITAL READY BRAND
- RELEVANT REVENUE CHANNEL *
*OWNED AND THIRD PARTY



- SCHUTZSHOES.COM
- KEY DROPSHIP PARTNERS
 - NORDSTROM.COM
 - BLOOMINGDALES.COM
 - NEIMANS.COM
 - DILLARDS.COM
 - SAKS.COM
- STRONG E-TAILERS
 - REVOLVE
 - SHOPBOP
 - ZAPPOS

- WHOLESALE
 - RETAIL
 - E-COMMERCE
- ONLINE

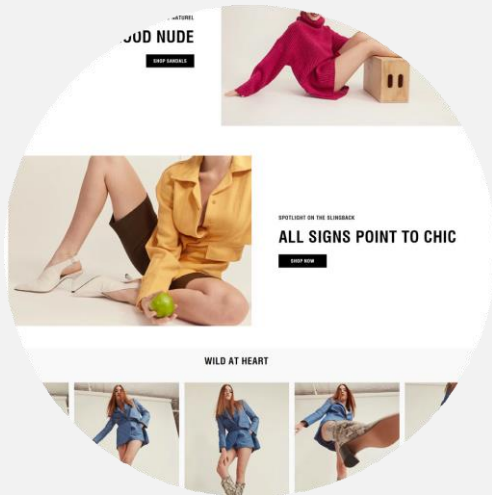


RECORD BREAKING SALES

AREZZO
& CO

E-COMMERCE

+70% **+35%**
YTD NET SALES YTD TRAFFIC
TY vs LY TY vs LY



RETAIL

+35.5%
SEPT - NOV SALES AT MADISON
AVE VS. LY (MONTH
FOLLOWING STORE RENO)



WHOLESALE

+50%
IN YTD SALES
VS LY





A woman with reddish-brown hair is posing on a wooden chair. She is wearing a cream-colored, long-sleeved, ribbed sweater and black, thigh-high, patent leather boots. She is lying back on the chair, with her legs raised and bent, and her right arm resting on the chair's seat. Her left arm is extended to the floor, supporting her weight. She is looking directly at the camera. The background is a plain, light-colored wall.



EVERYONE'S WEARING SCHUTZ



KARLIE KLOSS
IN MARYANA
8 MILLION

ROMEE TRIJD
IN ARIELLA
6 MILLION



AWKWAFINA
IN KEEFA
1 MM
FOLLOWERS



BELLA HADID
IN PEDRIA
27 MM
FOLLOWERS



EMILY ATAJKOWSKI
IN MARYANA
25 MM FOLLOWERS



MARTHA HUNT
IN MARYANA
3 MM FOLLOWERS



CAMILA CABELLO
IN DEMETRIA
44 MM FOLLOWERS



MEG THEE STALLION
IN ALTINA
7 MM FOLLOWERS

MENSAGENS PRINCIPAIS

1

BRAND AWARENESS INCREASE

2

GREATER USE OF MAIN COMPETITIVE ADVANTAGE “HIGH SPEED FASHION” WITHIN DTC AND WHOLESALE CHANNELS

3

ONLINE CHANNEL AS KEY GROWTH AVENUE POSITIVELY AFFECTING PHYSICAL DOORS

4

PER CLIENT DOOR COUNT INCREASE AS WELL AS SHARE OF WALLET EXPANSION

5

POP-UP STORES AS KEY MARKET ACTIVATION STRATEGY



AREZZO
&CO

A woman with dark hair tied back, wearing a white strapless gown and red high-heeled sandals, is sitting on a red upholstered chair with ornate gold-colored legs. She is resting her chin on her hands and looking off to the side. The background features a classical interior with a large mirror, a wooden chest of drawers, and a window with a grid pattern.

ALEXANDRE BIRMAN

MILENA PENTEADO OMETTO

LUXURY FOOTWEAR MARKET - GLOBAL LANDSCAPE

AREZZO
&CO

LUXURY GLOBAL FOOTWEAR MARKET AMOUNTS TO APPROXIMATELY
US\$ 30 BILLION IN TOTAL REVENUES PER YEAR



Christian
Louboutin



JIMMY CHOO



AQUAZZURA



MANOLO BLAHNIK



ALEXANDRE
BIRMAN

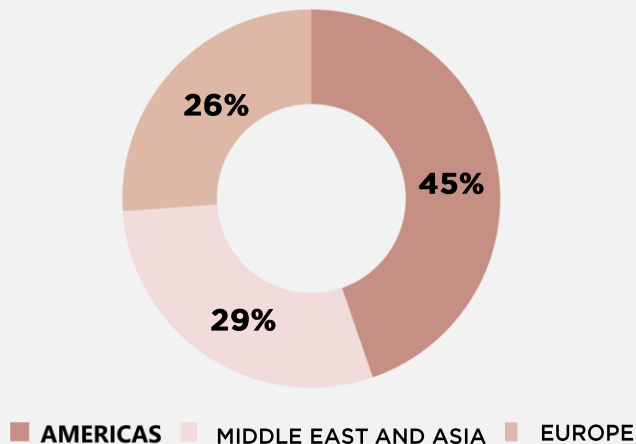
LUXURY FOOTWEAR MARKET IN THE WORLD

AREZZO
&CO

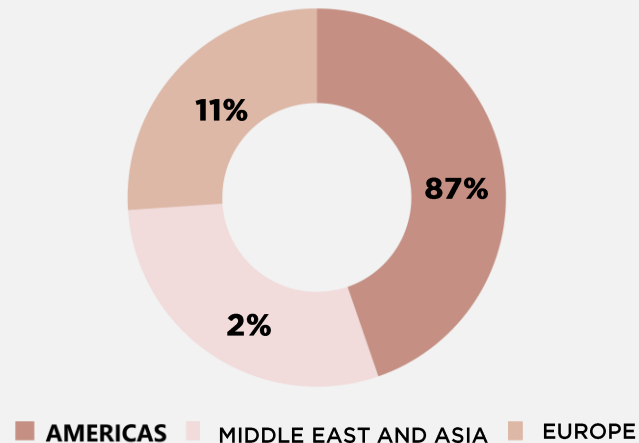
LUXURY MARKET CONCENTRATED IN THREE REGIONS

ALEXANDRE BIRMAN BRAND HAS A **STRONG** PRESENCE IN THE NORTH AMERICAN MARKET

LUXURY MARKET PER REGION



ALEXANDRE BIRMAN AROUND THE WORLD



AND THERE IS **POTENTIAL** IN THE EUROPEAN, ASIAN AND MIDDLE EAST MARKETS

**STRONG BRAND PRESENCE IN OVER 45 COUNTRIES MAINLY IN
NORTH AMERICA AND EUROPE THROUGH KEY DEPARTMENT STORES AND ONLINE**



BERGDORF
GOODMAN

NET-A-PORTER

NORDSTROM bloomingdale's

Saks Fifth Avenue

Neiman Marcus



Harrods

MYTHERESA

ANTONIA

*Galleries
Lafayette*



ALEXANDRE BIRMAN BRAND GLOBAL FOOTPRINT

AREZZO
& CO

WITH SHOWROOMS IN **NOVA YORK**, **SÃO PAULO**, AND RECENTLY IN **MILAN**
THE BRAND IS GAINING RELEVANCE IN THE EUROPEAN MARKET

MILAN SHOWROOM

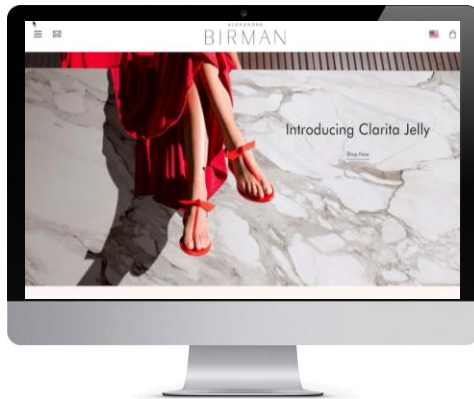


EXCLUSIVE WINDOW AT HARRODS



ALEXANDRE BIRMAN DTC BUSINESS

**AREZZO
& CO**



ONLINE STORE THAT SHIPS
WORLDWIDE

NEW YORK



MIAMI



DALLAS



THREE INTERNATIONAL BOUTIQUES IN THE USA: NEW YORK, MIAMI AND DALLAS IN ADDITION TO FIVE BOUTIQUES IN BRAZIL

THE ALEXANDRE BIRMAN BRAND HAS A WELL ESTABLISHED **DNA** AND
TIMELESS **COHESIVE COLLECTIONS**



CLARITA "THE ICON"

CONTINUE TO STRENGTHEN THE CLARITA ICON THROUGH BRAND EXPERIENCES, LIKE THE CLARITA BAR POP-UP & GLOBAL ONLINE CUSTOMIZATION PLATFORM



CLARITA SNEAKER

MULTI-CATEGORY PRODUCT EXPANSION: THE CLARITA SNEAKER CONSISTENT 360° PLAN THROUGHOUT THE YEAR



JELLY SANDAL

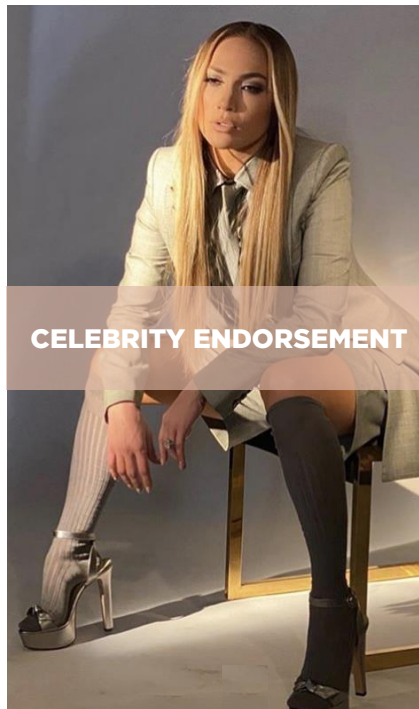
APPEAL TO NEW CUSTOMERS: THE JELLY SANDAL WITH A COMPELLING NARRATIVE AND PRICE POINT



ALEXANDRE BIRMAN - MARKETING STRATEGY

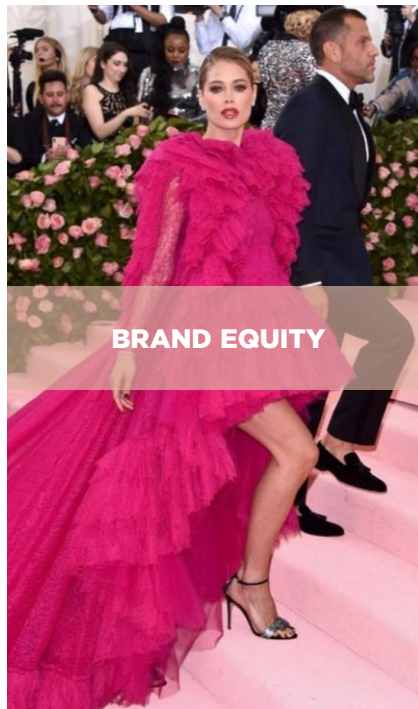
**AREZZO
& CO**

KEY STRATEGIC PILLARS



CELEBRITY ENDORSEMENT

RED CARPET AND EDITORIAL
PLACEMENTS TO BOOST PR
IMPRESSIONS INTERNATIONALLY



BRAND EQUITY

BUILD BRAND EQUITY THROUGH
CULTURALLY RELEVANT EXPERIENCES
CREATING AN EMOTIONAL BOND



DIGITAL SAVVY

STRONG SOCIAL MEDIA AND
DIGITAL PLATFORMS WITH DRIVE
TO PURCHASE FOCUS



SUSTAINABILITY & COLLABS

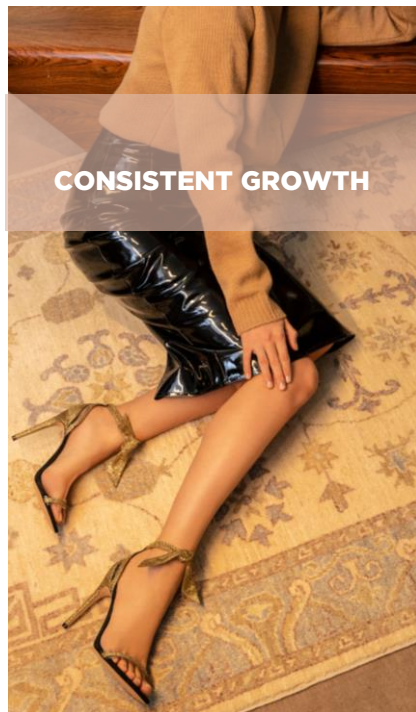
BE AHEAD OF THE CURVE IN
SUSTAINABILITY PARTNERING WITH
KEY OPINION LEADERS

ALEXANDRE BIRMAN IN BRAZIL

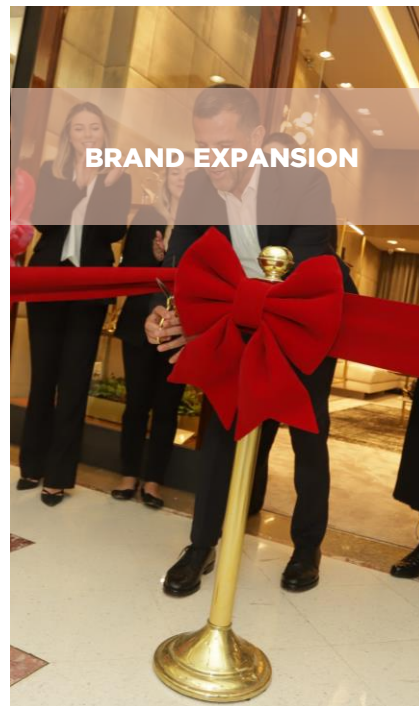
**AREZZO
& CO**



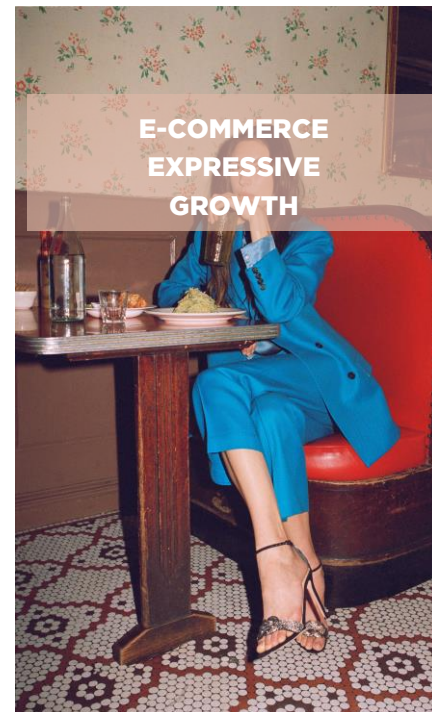
ICON PRODUCTS COPIED BY
COMPETITORS IN MANY
CATEGORIES



CONSISTENT GROWTH YEAR AFTER
YEAR WITH CAGR OF 60% IN THE
LAST 5 YEARS



OPENING OF NEW STORES IN
CURITIBA IN PATIO BATEL AND
BRASILIA IN IGUATEMI SHOPPING
AND EXPANSION FOR BH IN 2020



125% GROWTH IN E-COMM
CHANNEL

KEY MESSAGES

1

STRONG GROWTH IN BRAZIL

2

OPENING OF NEW STORES

3

ONLINE GROWTH

4

CLARITA LINE EXTENTION (SNEAKERS AND FLATS)

5

EUROPE AND ASIA GROWTH POTENTIAL



Q&A

DIRETORES EXECUTIVOS



AREZZO
& CO



FINAL REMARKS

ALEXANDRE BIRMAN

KEY MESSAGES

1

CONSISTENT GROWTH WITH CORE EXPANSION (NEW BRANDS)

2

**“AS IS’ TRANSFORMATION
(MERCHANDISING, SUPPLY, SUSTAINABILITY AND OMNI)**

3

CREATION OF FASHION PLATFORM

4

INTERNATIONAL EXPANSION

5

OUR MAIN PILLAR - OUR PEOPLE

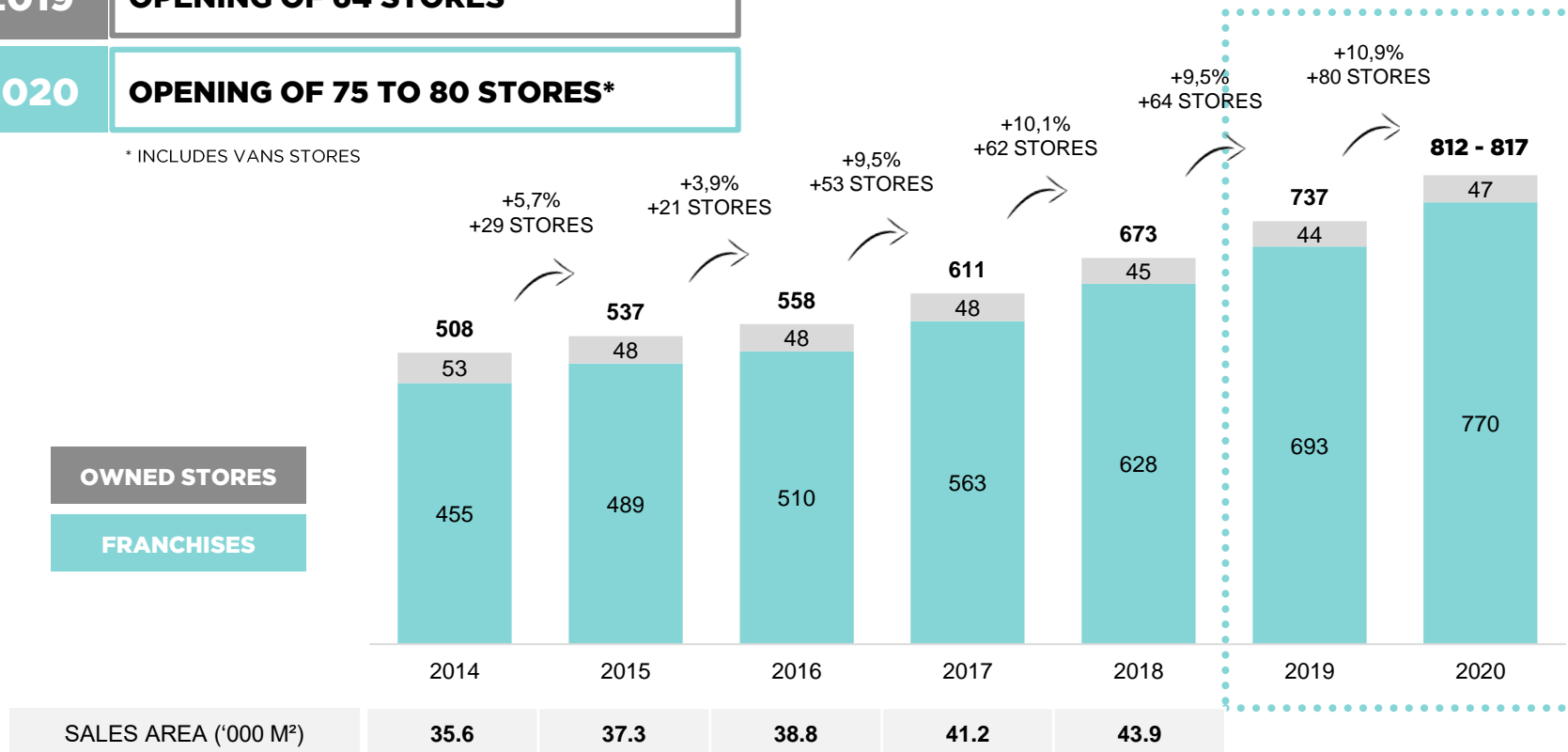


STORE OPENINGS IN BRAZIL

**AREZZO
&CO**

2019	OPENING OF 64 STORES
2020	OPENING OF 75 TO 80 STORES*

* INCLUDES VANS STORES



* CONSIDERS 4 STORES CONVERSION (OWNED STORES TO FRANCHISES)

AREZZO
& CO

¡OBRIGADO!

