



Portobello Grupo

Results
Presentation
1Q22



Disclaimer

The information prepared by PBG, such as the operational and financial perspectives, projections or targets related to the business, are forecasts based on Management's expectations regarding the company's future.

Forward-looking statements are not a guarantee of performance. They involve risks, uncertainties and assumptions. Said expectations depend on circumstances that may or may not occur, as well as the conditions of the national and international markets, the general economic performance of the country and the industry, which may lead to results that differ materially from those expressed in such forward-looking statements.



Agenda

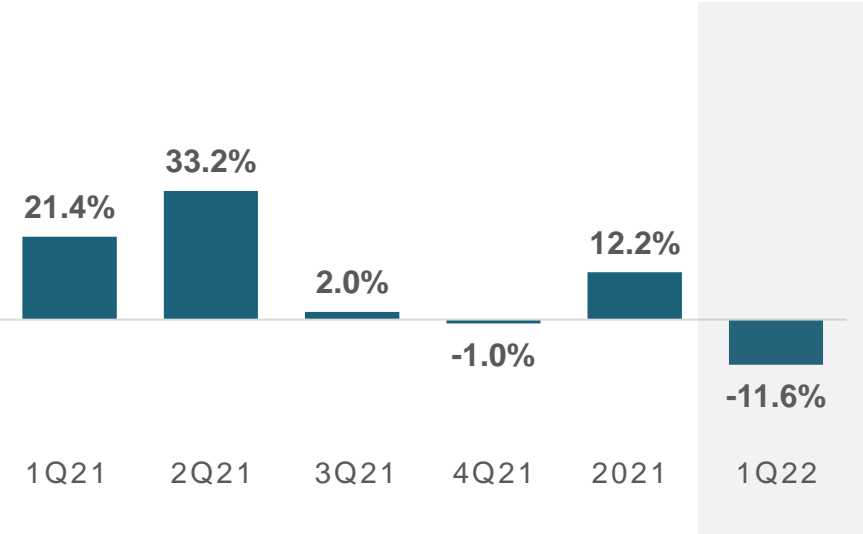
- 1) 1Q22 Summary
- 2) 1Q22 Operating and Financial Performance
- 3) 2Q22 Perspectives
- 4) Strategic Projects Update
- 5) Questions and Answers



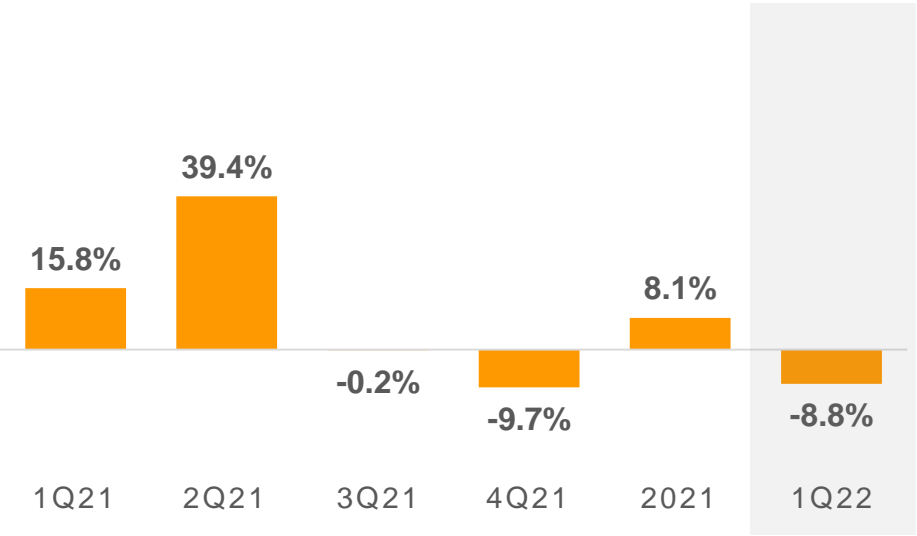
1Q22 Summary

Market Performance (Industry)

ANFACER
Volume



ABRAMAT
Value (deflated)

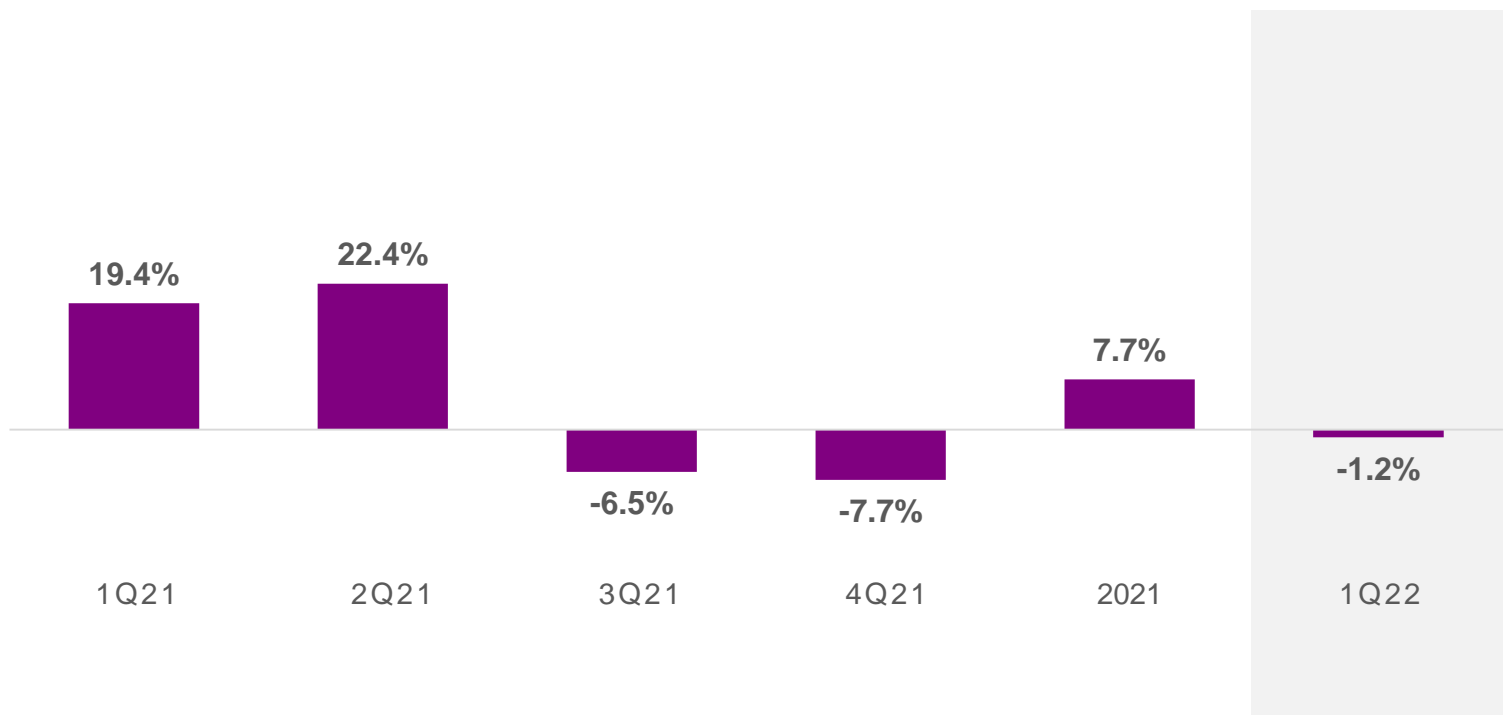


Market Performance (Retail)

The evolution of the Retail figures in the last quarters demonstrates a stabilization trend in the Building Materials sector



ICVA (Cielo Broad Retail Index)
Building Materials Sector (in nominal terms)

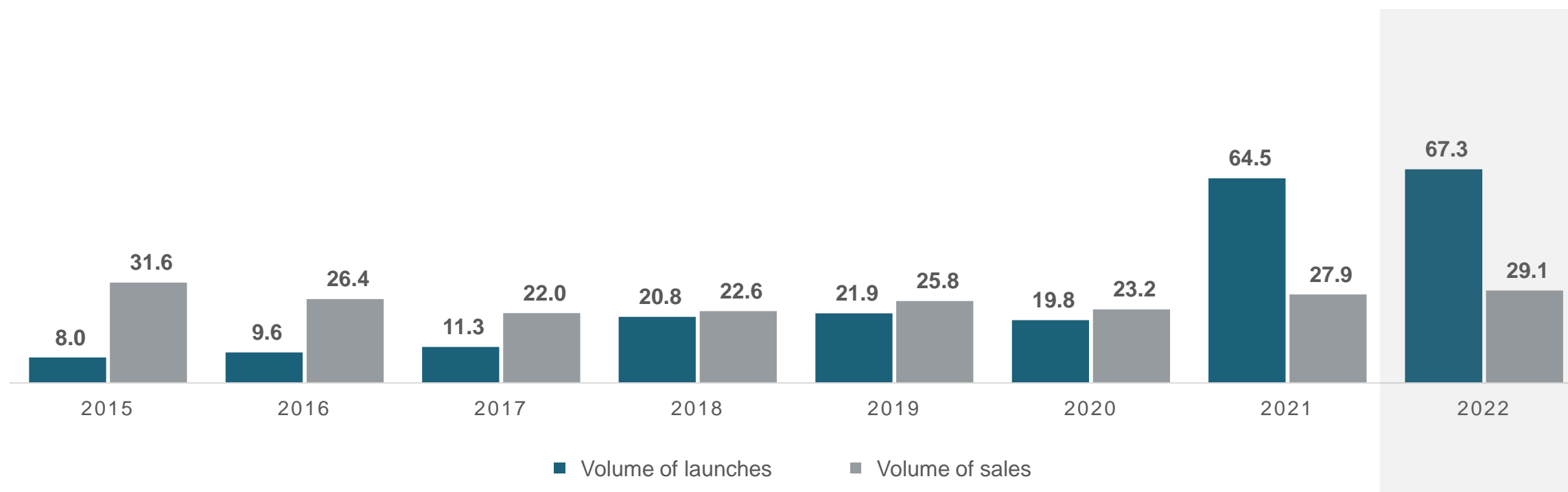


Volume of real estate launches

Market continues with a strong pace of launches. Highlight for the growth in the average value of sales since Jan/21.

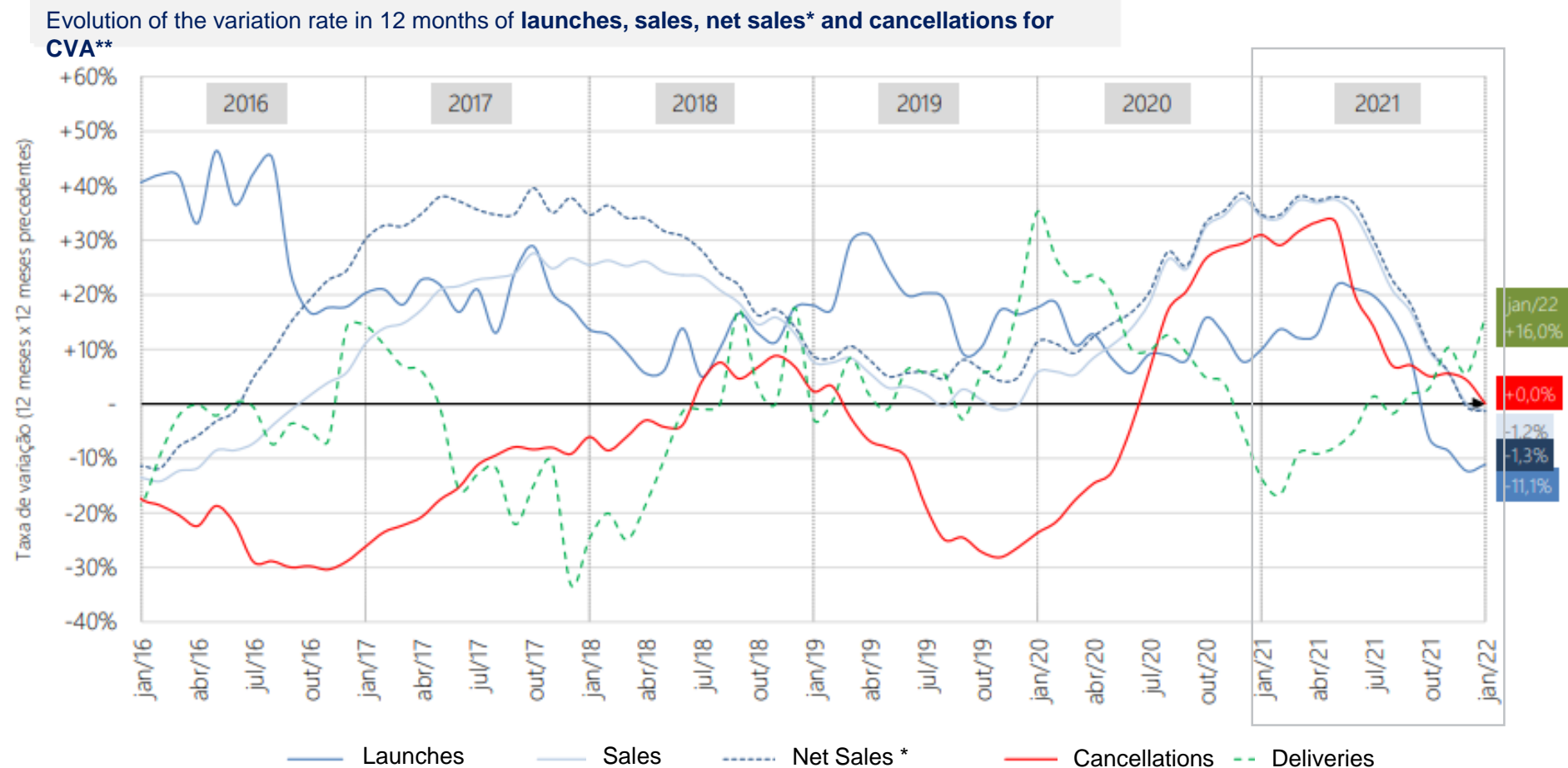
Volume annual evolution (Middle and Premium segments)

Total volume (in thousand units)



Volume of real estate launches (Economy Standard)

For the economy works market, it is possible to notice a sharp drop since half of 21.



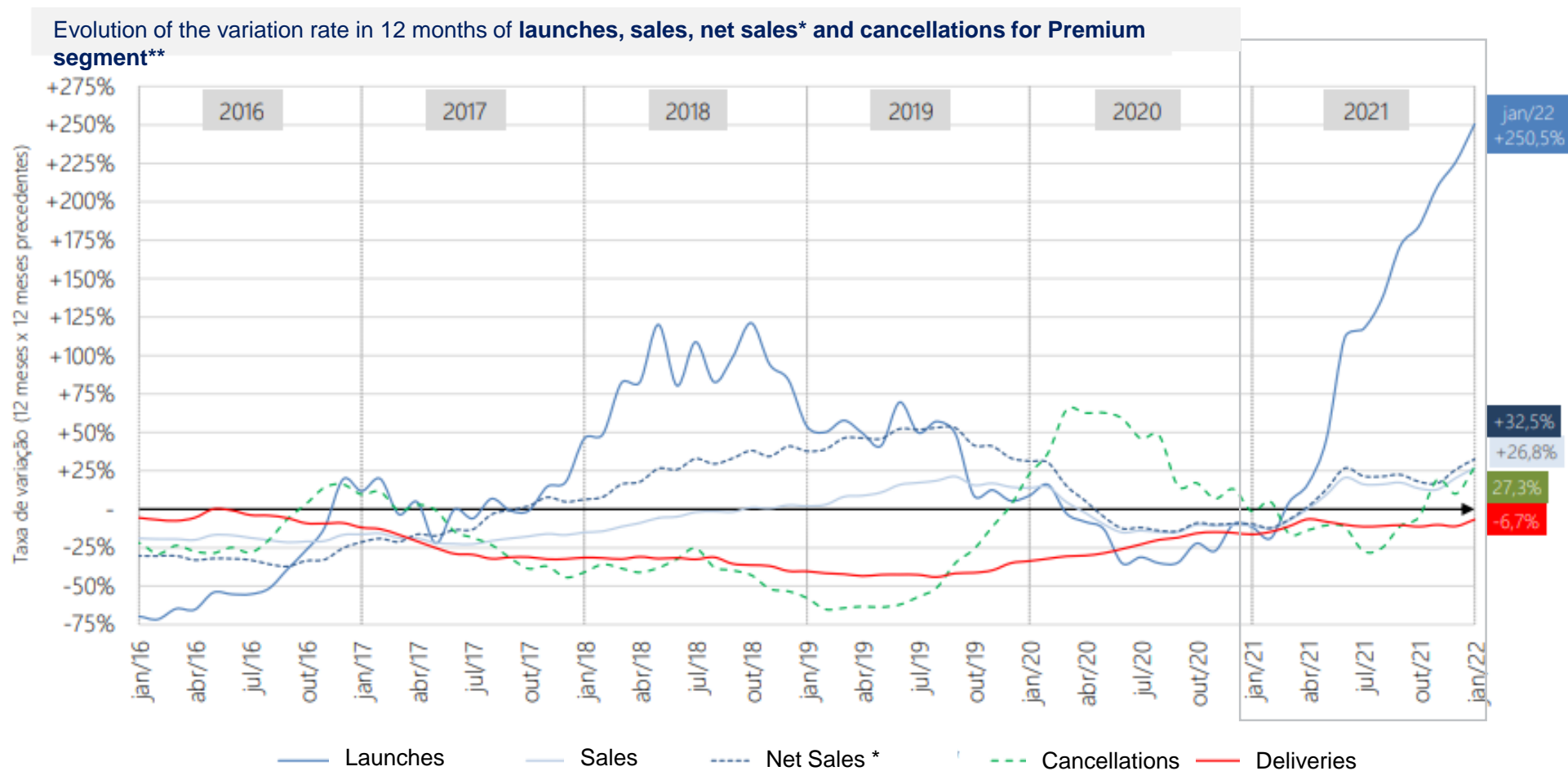
Source: ABRAINC-FIPE, based on data from 18 companies associated to Abrainc.

Notes: (*) Net sales = sales – cancellations

(**) Data include residential, commercial, urban development and undertakings not classified by associated companies.

Volume of real estate launches (Premium standard)

The market has been showing strong growth in launches in Premium segment since Jan/21.



Source: ABRAINC-FIPE, based on data from 18 companies associated to Abrainc.

Notes: (*) Net sales = sales – cancellations

(**) Data include residential, commercial, urban development and undertakings not classified by associated companies.

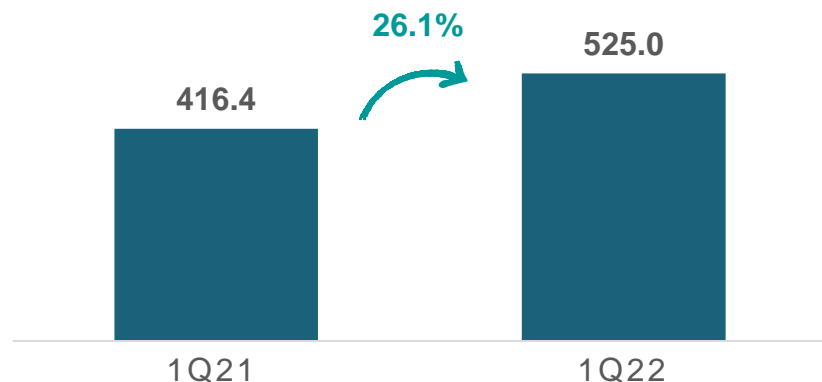
Summary

Portobello Grupo registers another record-breaking quarter in 1Q22

Net Revenue R\$ 525 million, EBITDA R\$ 110 million and Leverage 1.3x

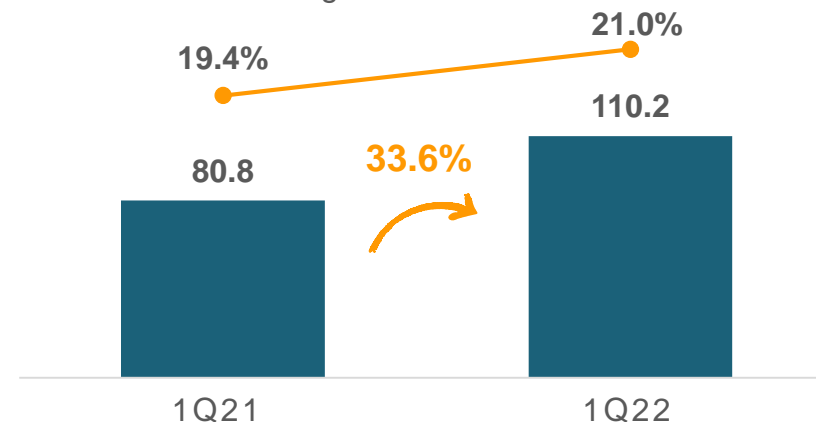
Net Revenue

R\$ million and % var. vs. previous year



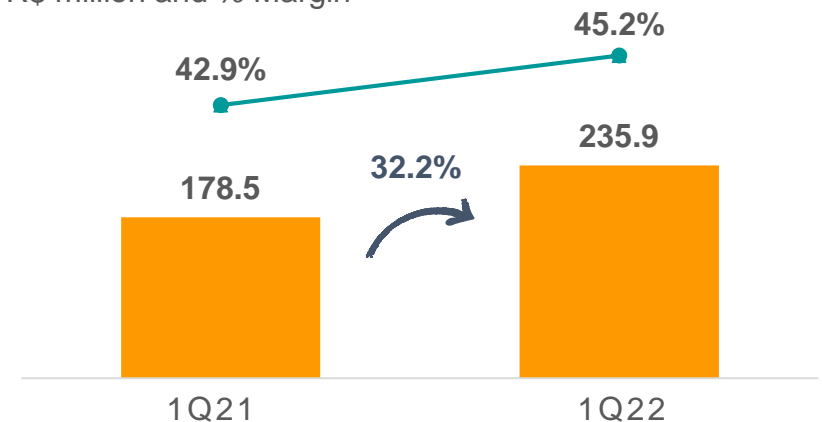
EBITDA and Margin (Adjusted and Recurring)

R\$ million and % Margin

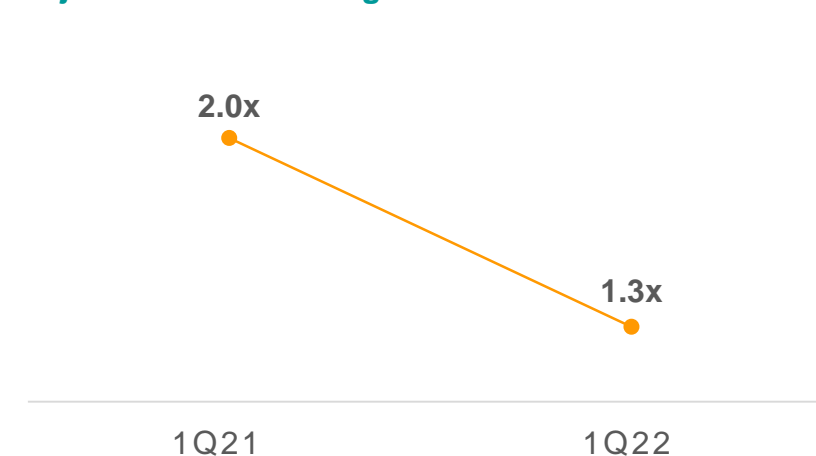



Gross Profit and Gross Margin (Adjusted and Recurring)

R\$ million and % Margin



Adjusted and Recurring Net Debt/EBITDA



A photograph of a modern architectural interior. The space features large, floor-to-ceiling windows that offer a view of a lush, green landscape with trees. The interior is furnished with contemporary outdoor-style furniture, including a large sectional sofa, a low coffee table, and several armchairs. The ceiling is a thick, light-colored concrete slab, and the walls are made of dark, vertical wooden slats. The floor is composed of large, light-colored stone tiles. The overall atmosphere is clean, minimalist, and connected to nature.

1Q22

Financial and Operating Performance

Highlights

7th consecutive quarter of consistent and progressive delivery, beating quarterly guidance and breaking all-time records

1Q22 Perspectives



Production and Sales

- Net Revenue Growth around 20% vs. 1Q21



Costs and expenses

- Maintenance of Gross Margin around 43%, despite strong inflationary pressure;
- Strict operational costs and expenses management



CapEx

- Focus on strategic projects



Cash flow

- Optimization of the Cash Conversion Cycle
- Maintenance of Financial Leverage < 2.5x EBITDA

1Q22 Deliveries

- **Net Revenue of R\$ 525 million**
- Net Revenue Growth of **26.1% vs. 1Q21**



- **Gross Margin of 45.2%, 2.3 p.p. vs. 1Q22**
- Adjusted and Recurring EBITDA of **R\$ 110.2 million**
- **Adjusted and Recurring EBITDA Margin of 21.0%**



- Investments of R\$ 46.5 million
- **56.8% Portobello America** and 29.6% Tijucas plant



- CCC of 42 days, an increase of 8 days vs. 1Q21
- **Net Debt/EBITDA of 1.3x**, reduction of 0.7x vs. 1Q21



In line with *guidance*



higher than *guidance*

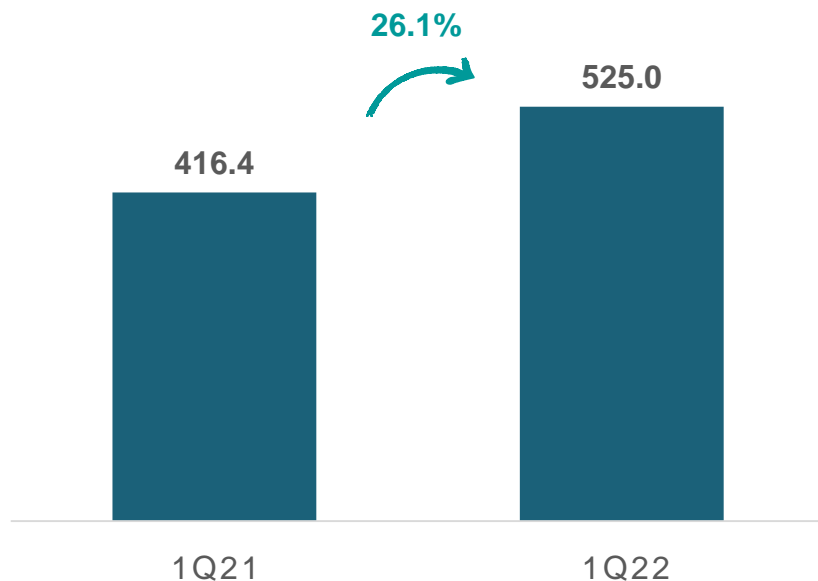


Net Revenue and Gross Margin

Net Revenue Growth of 26.1% in 1Q22, outperforming the market. Gross Margin 45.2% in 1Q22, maintaining the Company's best historical level achieved in 4Q22

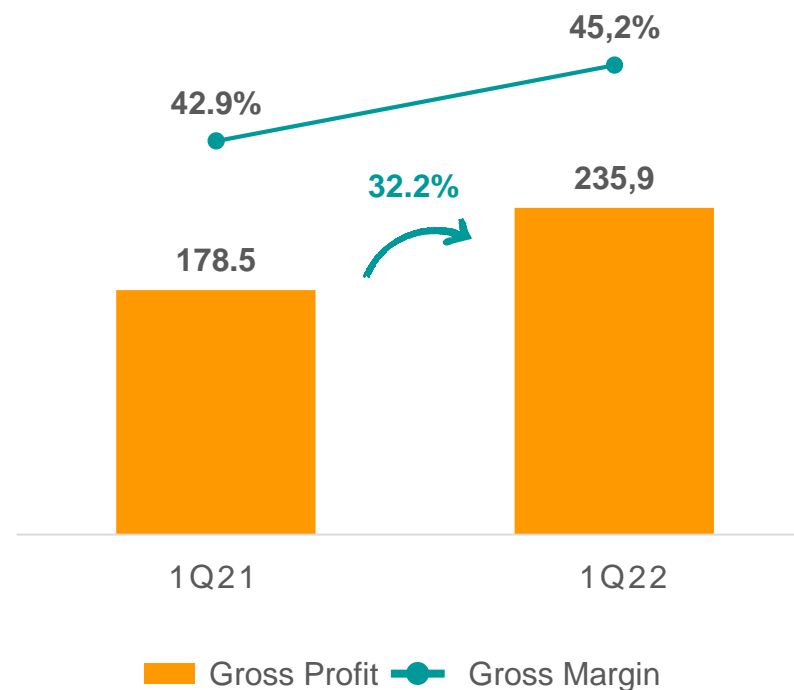
Net Revenue

R\$ million and % var. vs. same period of previous year



Gross Margin and Gross Margin (Adjusted and Recurring)

R\$ million and % Margin

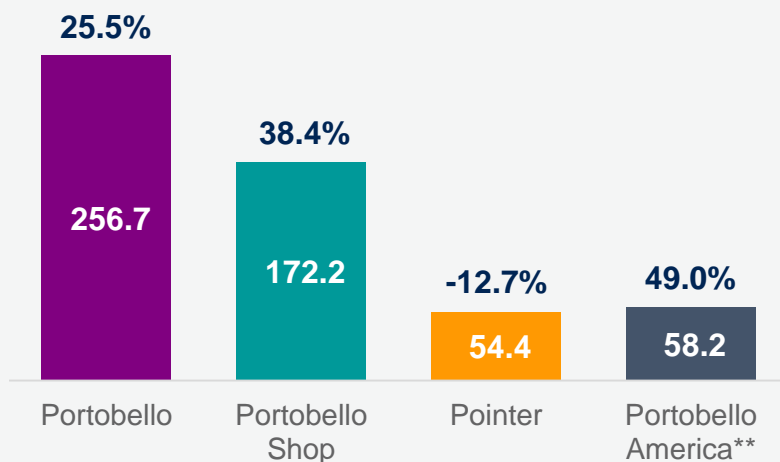


Net Revenue by Segment

Significant growth, with highlight on retail and export operations, specially the Portobello Shop and Portobello America BUs

Net Revenue by Segment

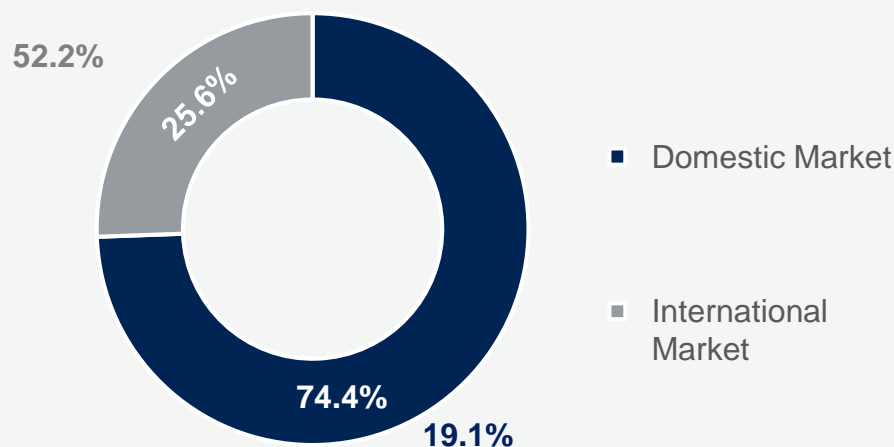
R\$ million | % vs. same period vs. previous year



1Q22 vs. 1Q21

Share in Net Revenue

% of share in revenue | % vs. same period of previous year

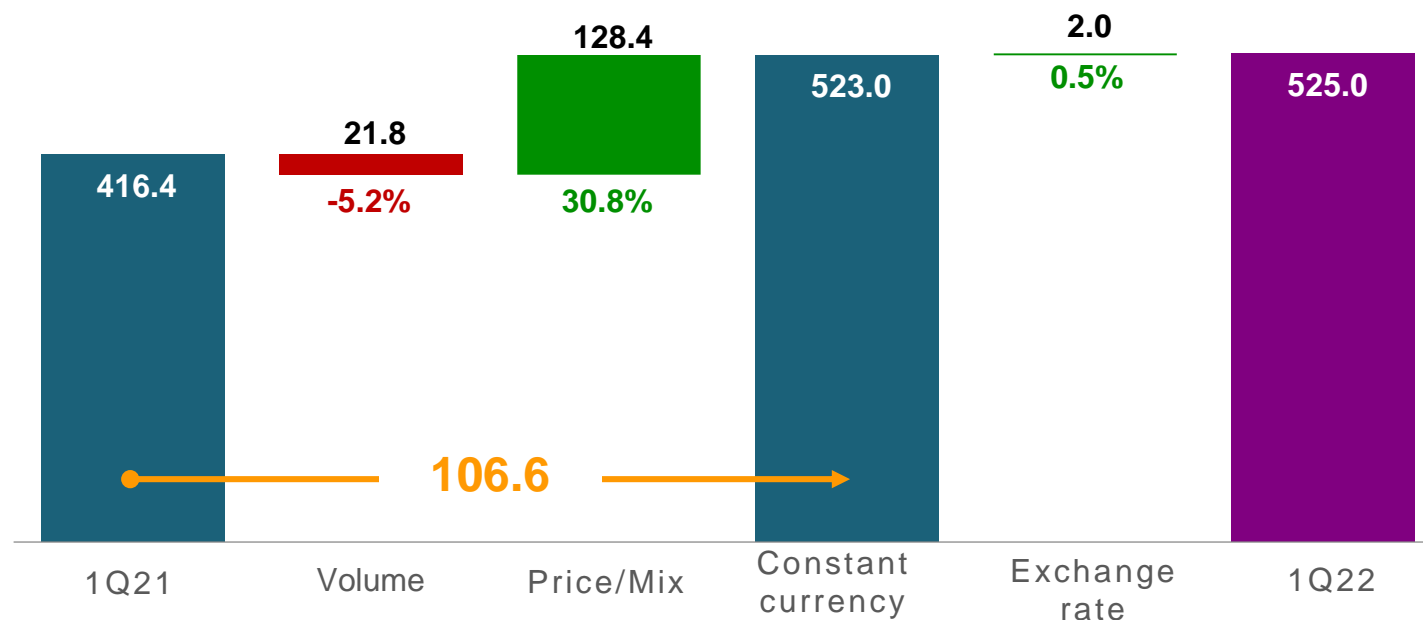


Net Revenue Drivers

The growth in 1Q22 came from better price and mix management.

Net Revenue

R\$ million



1Q22 vs. 1Q21

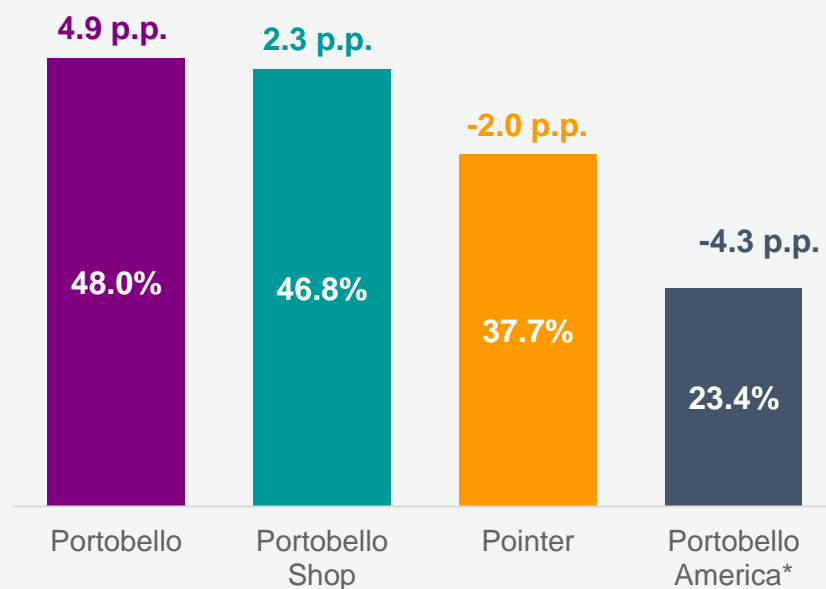


Gross Margin by Segment

Important results achieved by the Business Units, specially the Portobello and Shop BUs.

Adjusted and Recurring Gross Margin

Percentual points and % vs. same period in previous year



1Q22 vs. 1Q21

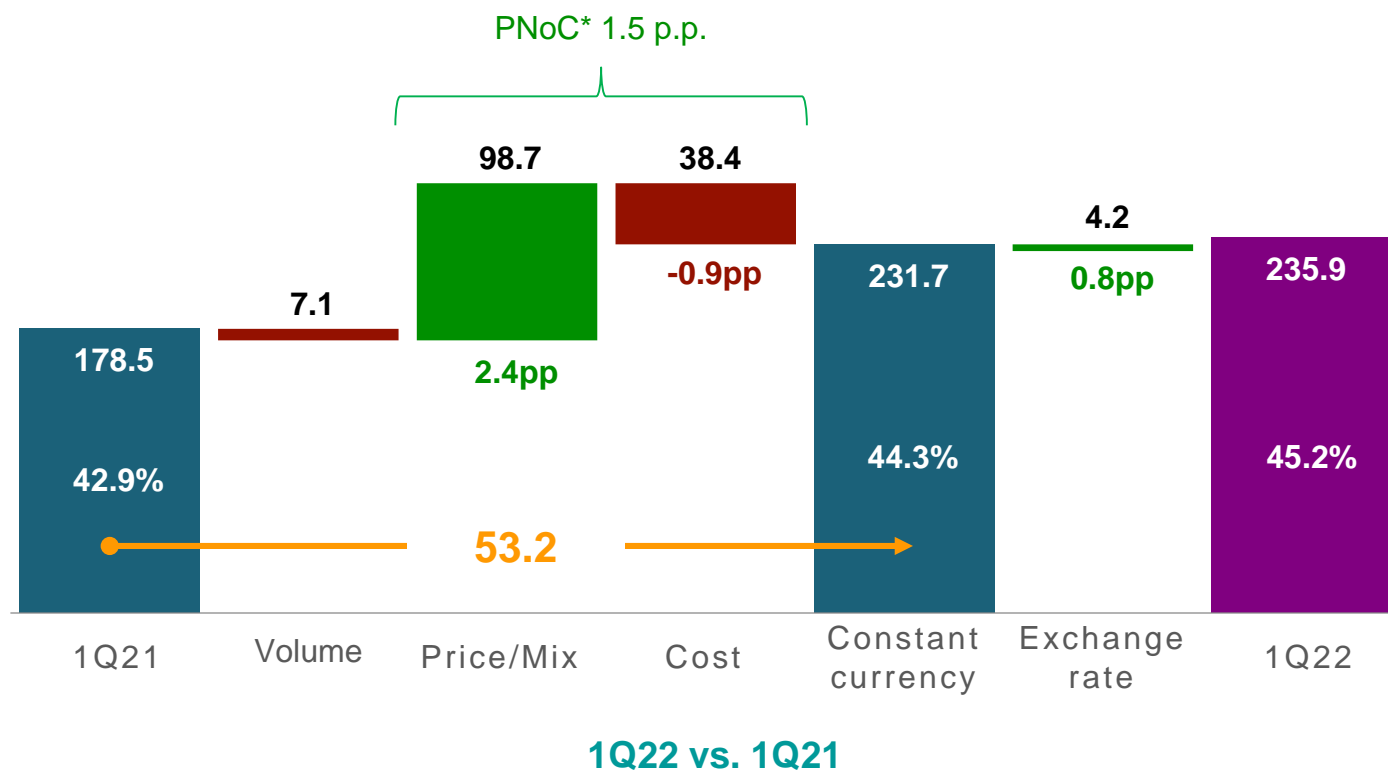


Gross Margin Drivers

Sustainable gain in Gross Margin due to price adjustment and mix improvement, despite strong cost pressure (net of industrial efficiencies).

Gross Profit and Gross Margin (Adjusted and Recurring)

R\$ million and % of Net Revenue



* PNoC (Pricing Net of Cost)

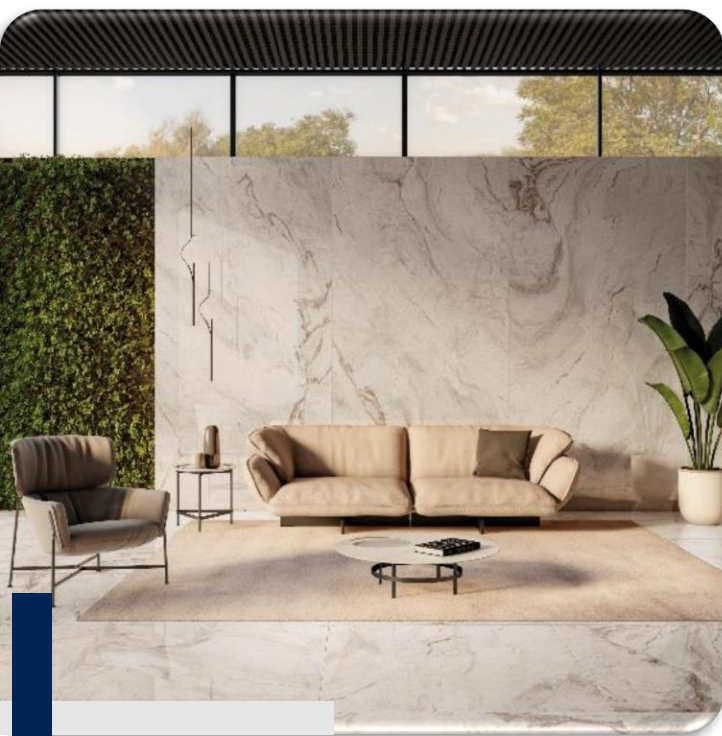
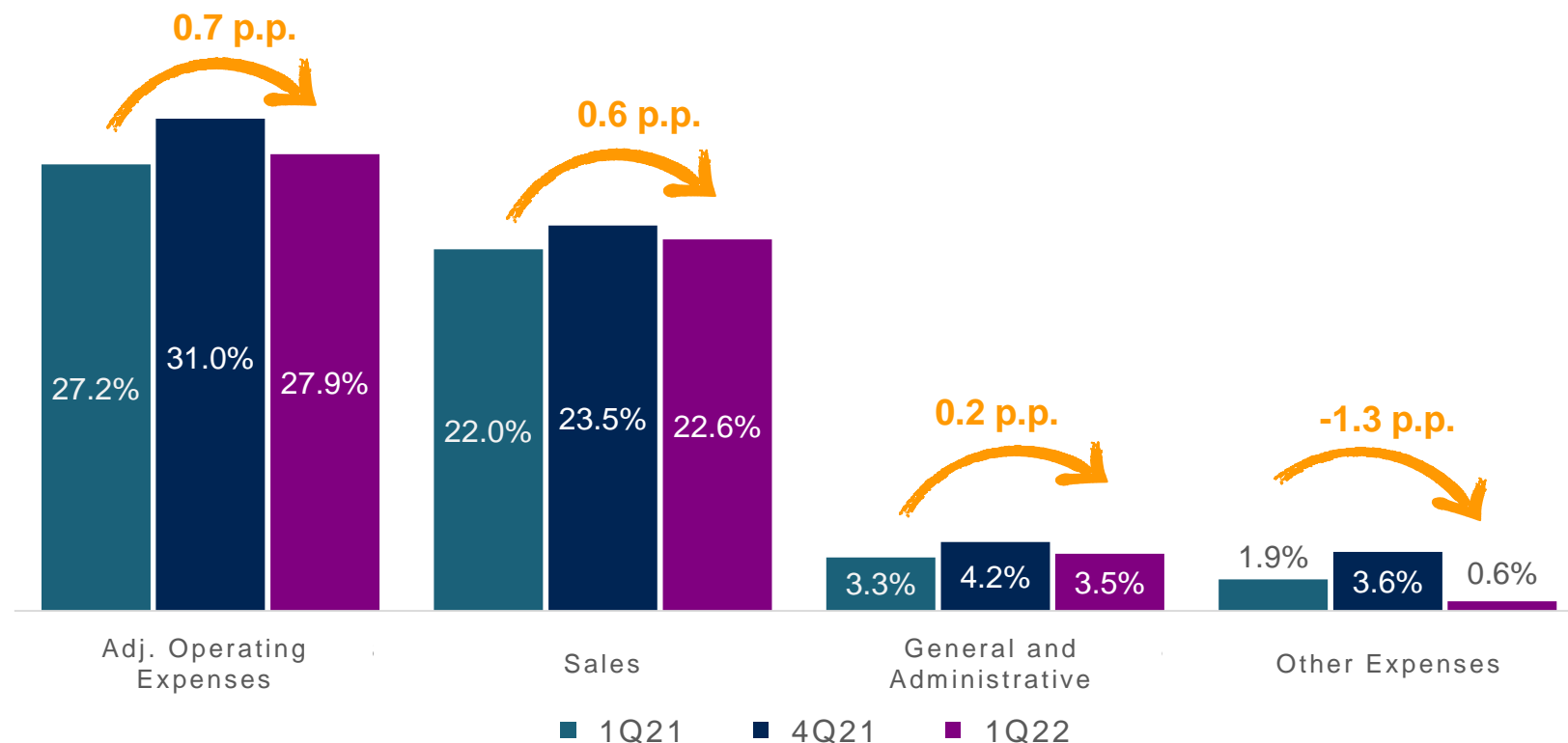


Operating expenses

Management discipline allowed expenses to remain in line with 1Q21 and with a significant drop vs. 4Q21

Adjusted and Recurring Operating Expenses

R\$ million and % of Net Revenue



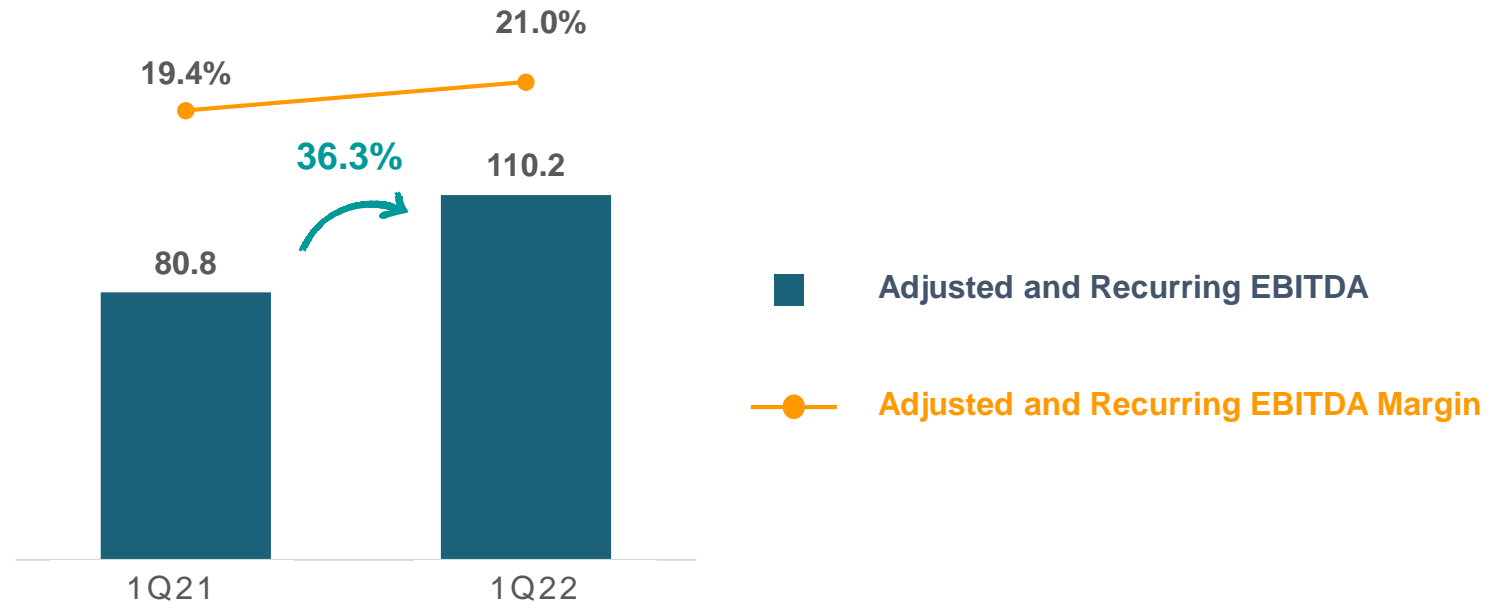
EBITDA

EBITDA presented the highest result in absolute terms, accompanied by the best historical EBITDA Margin, as a result of the operational performance.



EBITDA and Margin (Adjusted and Recurring)

R\$ million and % of Net Revenue

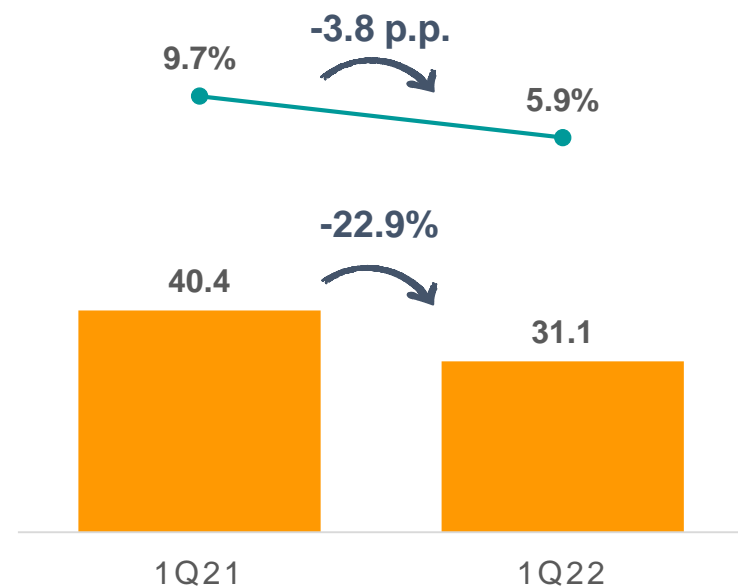


Net Income

Net income was impacted by the increase in financial expenses, as a result of higher interest rates and exchange rate variation

Adjusted and Recurring Net Income

R\$ million and % of Net Revenue



■ Adjusted and Recurring Net Income

—●— Adjusted and Recurring Net Margin

Effects on Net Income



Operating Results

R\$ 110.2

Adjusted and Recurring EBITDA



Financial Expenses **R\$ - 22.2**

Exchange Variation **R\$ - 19.1**

R\$ - 41.3

Financial Result

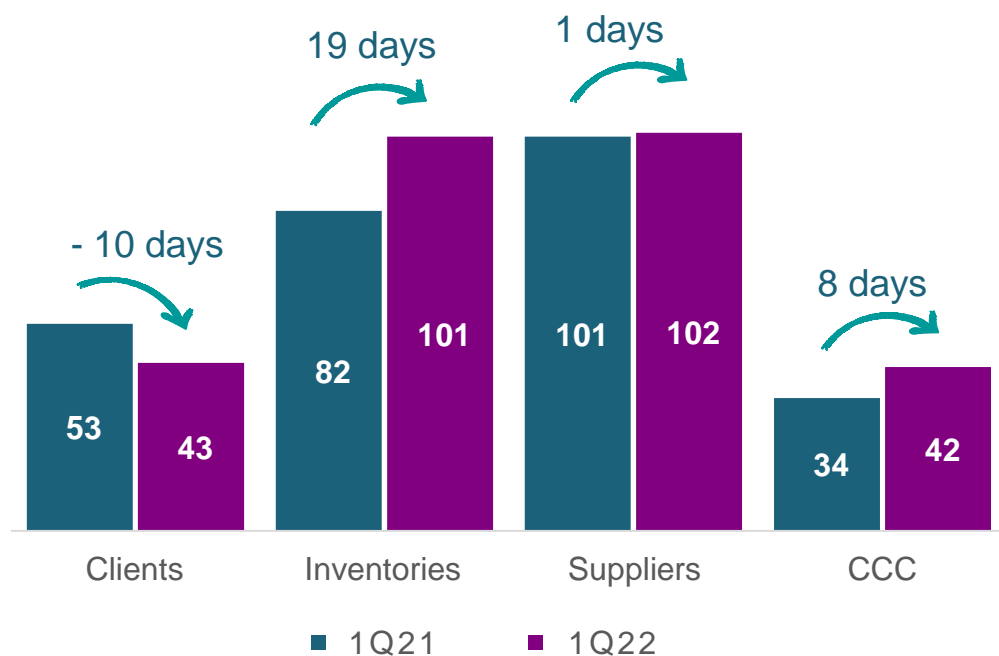


Working Capital

The lowest historical level in the term of the receivables portfolio partially offset the increase in the level of inventories at the Pointer and Portobello America Units

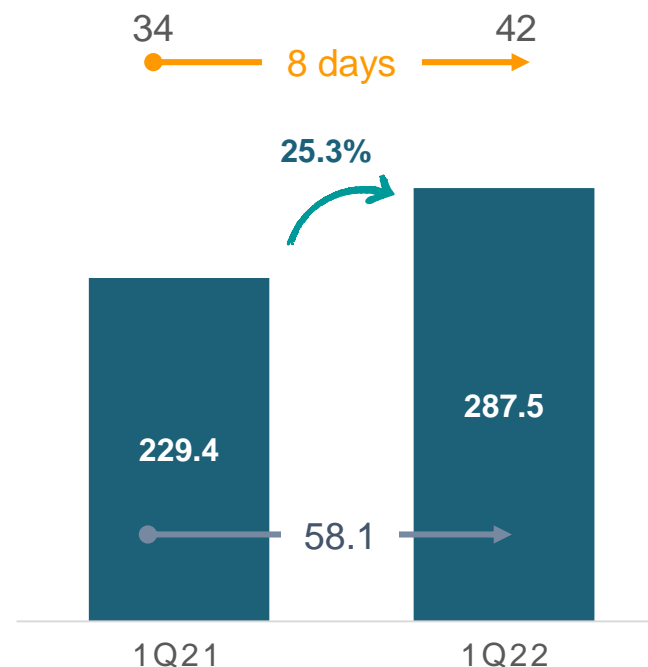
Cash Conversion Cycle (CCC)

R\$ million



Evolution of the Cash Conversion Cycle (CCC)

R\$ million and days



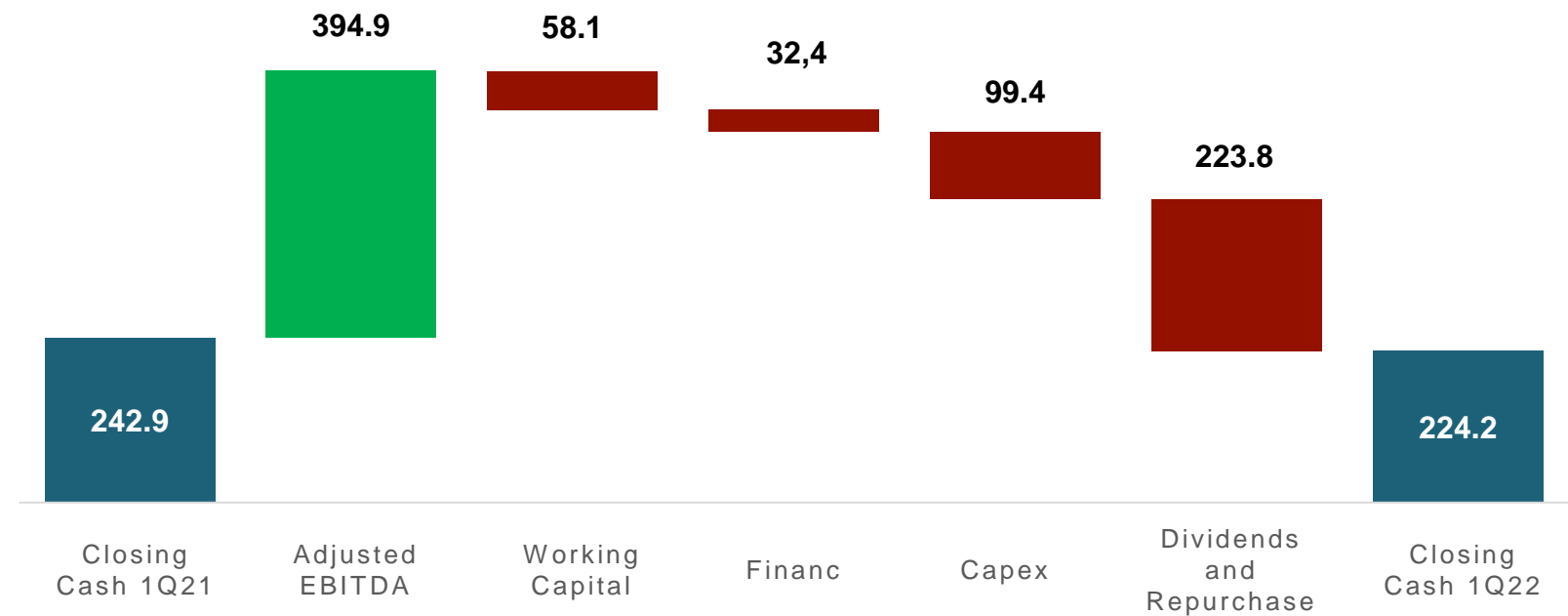
Cash Flow

Cash generation in the last 12 months supporting investments, dividends, working capital and debt reduction



12 months Cash Flow

R\$ million

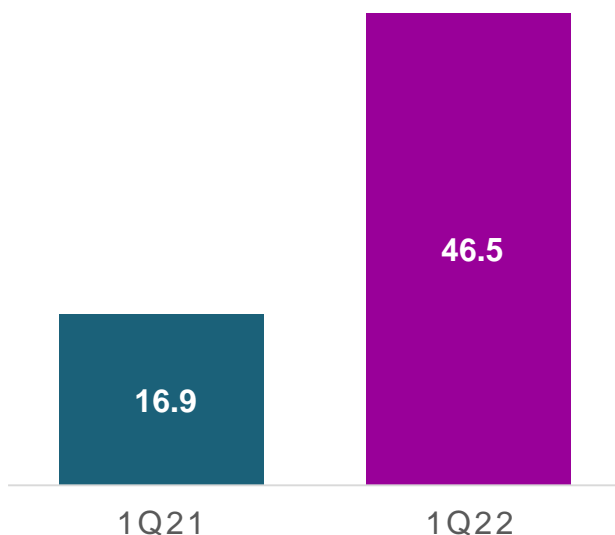


Investments

CapEx focused on the PB America plant, retail expansion and digital transformation, and increasing production capacity (Tijucas and Marechal Deodoro plants)

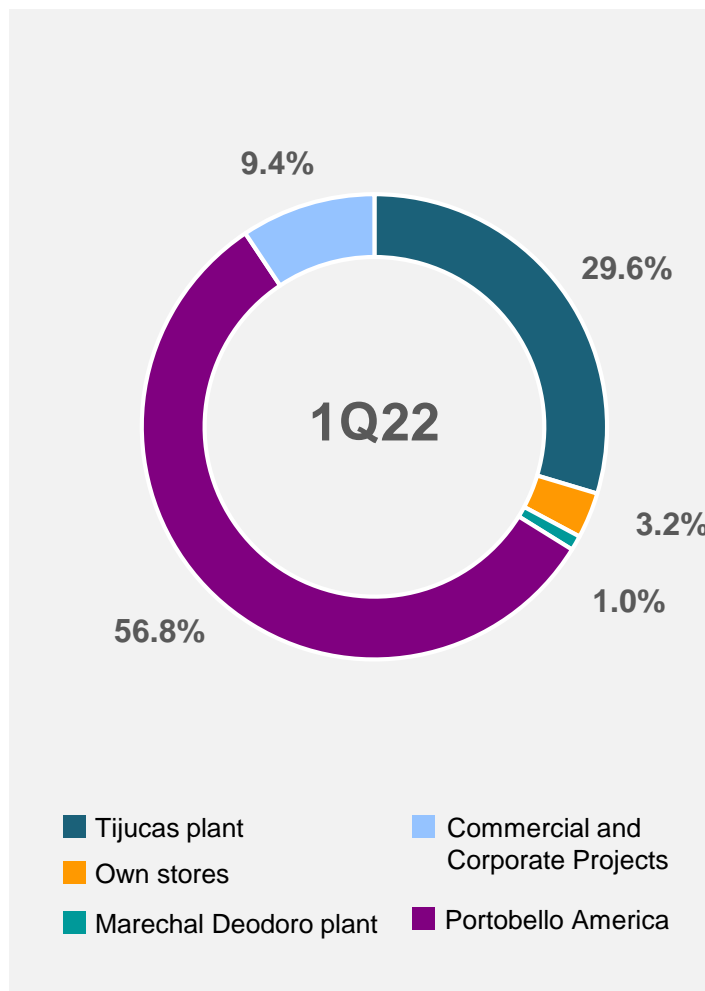
Investments

R\$ million



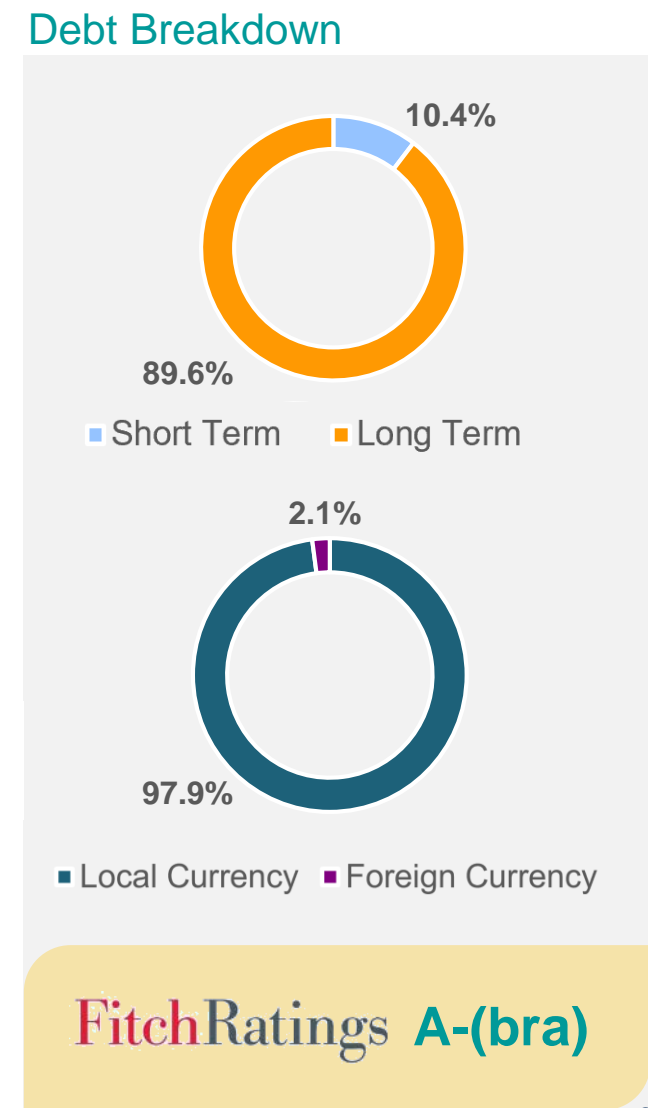
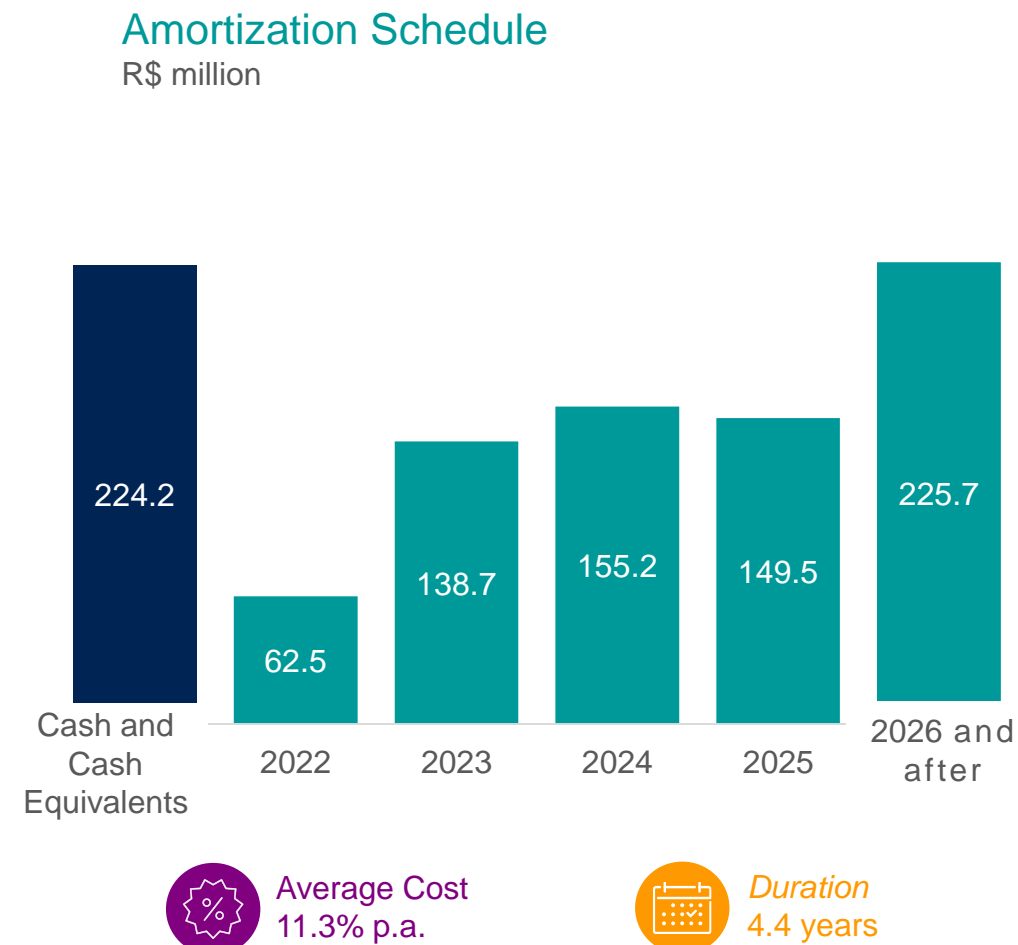
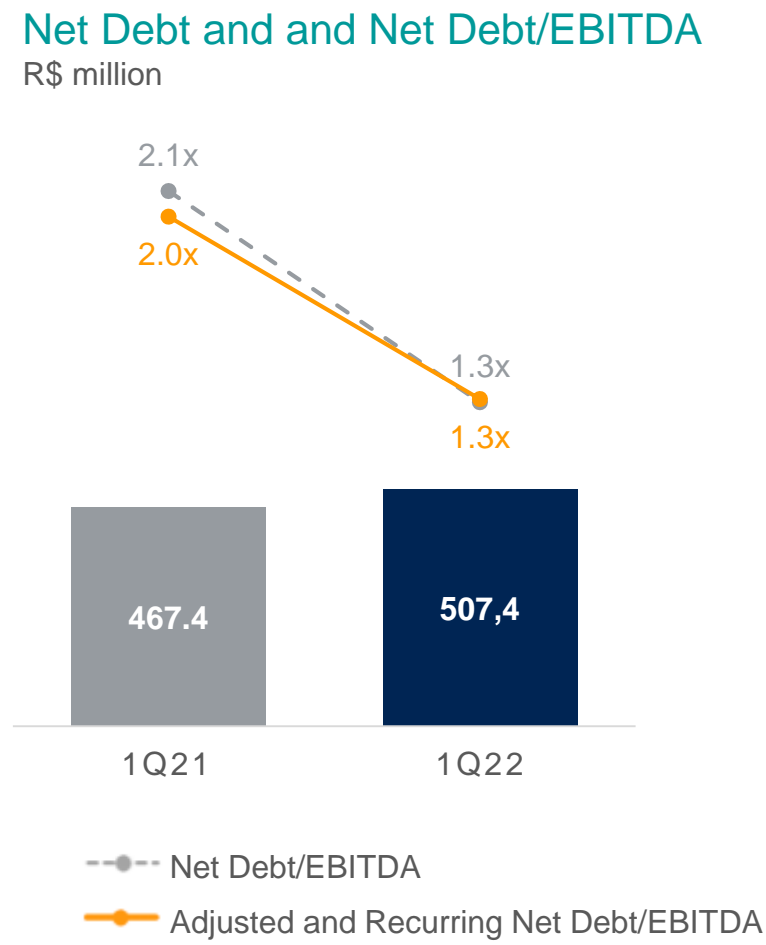
* Value does not include reimbursement made to Portobello America for investments made in the new factory

Investments Breakdown



Net Debt

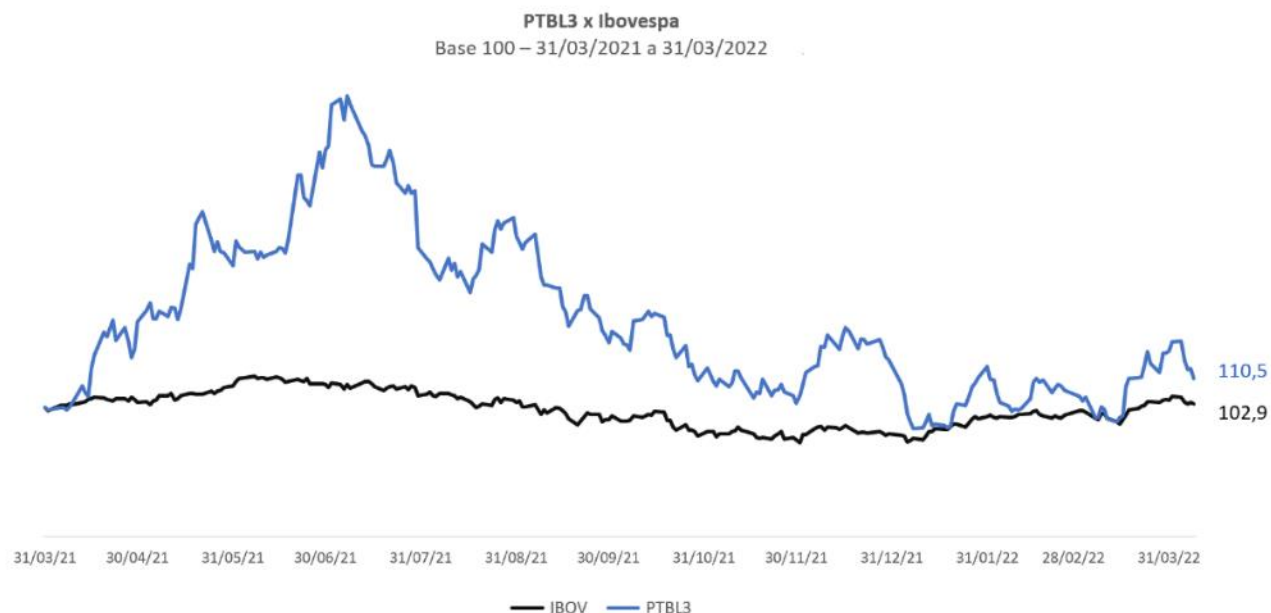
Reduction of Financial Leverage to a historic low, due to the evolution of EBITDA in the last 12 months and discipline in debt management



Capital Markets – PTBL3

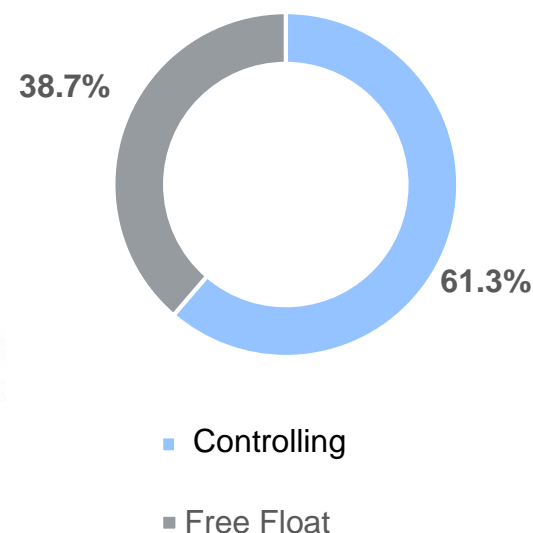
Performance

PTBL3 vs. IBOV

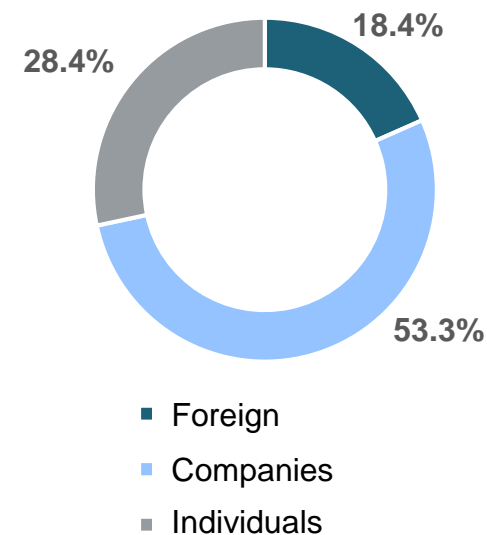


Shareholding Composition

March 31. 2022



Participation in the free float



Dividends Payment

Payment of R\$ 3.5 million
supplementary dividends made in
Apr/22 (R\$ 0,0247 por ação)

SHARE PRICE

R\$ 9.92

MARKET VALUE

R\$ 1,398.6 million

TOTAL # OF SHARES

140,986,886

FREE FLOAT (% of total)

38.7%

* Considering the share price as of 03/31/22



Perspectives 2Q22 and 2022

2022 and 2Q22 Perspectives

Market continues with good growth opportunities vs. 2021. Group performance remains strong, maintaining consistency in the quarterly evolution



Market

- Expectation that the premium building materials market will remain resilient throughout 2022



Production and Sales

- **Growth of 20% Net Revenue vs. 2Q21**, driven by product mix qualification and channels management
- In April 2022, the Company presented a growth in Net Revenues of 23.8% vs. same period in 2021.



Costs and Expenses

- Focus on the improvement of service levels
- **Maintenance of the Gross Margin at around 43.0%**, despite the strong inflationary pressure on costs (mainly energy)
- Maintenance of **strict management of operating costs and expenses**



2022 and 2Q22 Perspectives

Market continues with good growth opportunities vs. 2021. Group performance remains strong, maintaining consistency in quarterly evolution



EBITDA

- **EBITDA Margin** in 2022 at the same level of 2021

- **Estimate of R\$ 280 million**, with focus on strategic projects



CapEx

- ~ 40% Portobello America
- ~ 25% Portobello Shop
- ~ 35% Portobello e Pointer

- **Maintenance of Net Debt/EBITDA ratio below 2.5 times** and the preservation of liquidity
- Discipline in financial management with **maintenance of the Cash Conversion Cycle** in line with the performance at the end of 2021, with a small correction in inventories
- Dividend distribution of **50% of net income**



Cash Flow



Oh!Take



A cor nos convida para fora do

Strategic Projects Update

Portobello America Progress

Evolution of the works at the Portobello America facilities, moving quickly towards the assembly of the structure



Nov/21



Jan/22



May/22

Portobello
America

Project Highlights

- Creation of 220 local jobs
- Annual Revenue over USD 150 million
- Plant area: 895,000 sqf
- Capacity of 77.5 million sqf per year
- Increase of ~15% in the Group capacity



Portobello Shop

Expansion strategy for the Portobello Shop store chain with accelerated growth and solid results

Openings in 1Q22



Jataí/SP



Tubarão/SC



Novo Hamburgo/RS



Opened Stores

141 stores (3 new stores in 1Q22)

121 franchises | 20 own stores

Performance



R\$ 172.2 million
of Net Revenue in 1Q22

38.4% growth
in sales vs. 1Q21

34.1%
Same Store Sales

Portobello Shop own stores

Increase in the network of own stores in order to capture synergies and be closer to customers



Pacaembu store



Gabriel store

Stores integration

- Stores acquired in 2022
- Onboarding process in progress
- Consolidation in the group's results as of May/22

Main Synergies

- Significant increase in the sell-out of owned stores
- Higher profitability of the Company
- Important presence in the largest cities in Brazil
- Operational synergies with other stores in the city
- Corporate Governance improvement
- Greater proximity to the customer

Own stores performance



20
own stores



+39.5%
in sales vs. 1Q21

+35.7%
Same Store Sales



34.5%
of retail unit revenue

Portobello Shop

Digital transformation of the Retail Unit, with the development of new technologies to improve the experience and level of customer satisfaction

CORE – Customer Omnichannel Retail Experience

Management and monitoring system focused on Customer Experience
+ proximity and assertiveness in meeting customer needs



Development of the
order tracking system

- more visibility for the customer
- higher level of delivery management
- Reduction of inefficiencies in the logistics chain



Questions and Answers

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