



# Results Presentation

## 4Q21 and 2021

Portobello Gruppo

# 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) 2021 Summary
- 2) 4Q21 and 2021 Operating and Financial Performance
- 3) 2022 and 1Q22 Perspectives
- 4) Strategic Projects Update
- 5) Questions and Answers





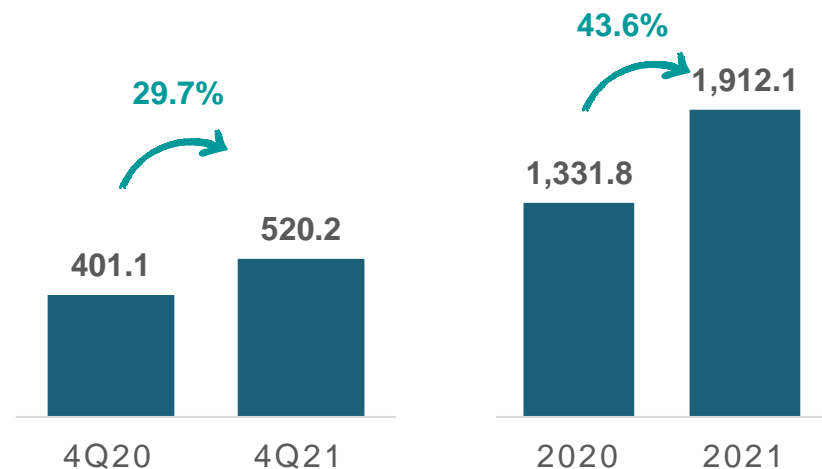
# 2021 Summary

# 2021 Summary

Portobello Grupo consolidates a new level of operational performance in 2021, with important achievements and recurring record breaks in terms of results

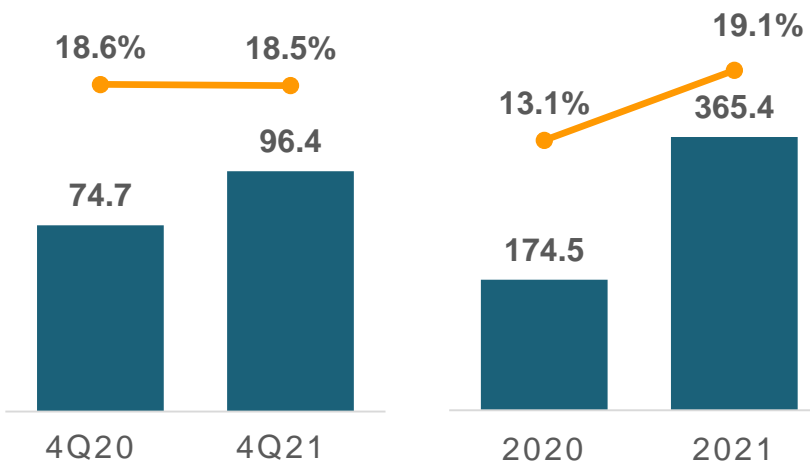
## Net Revenue

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



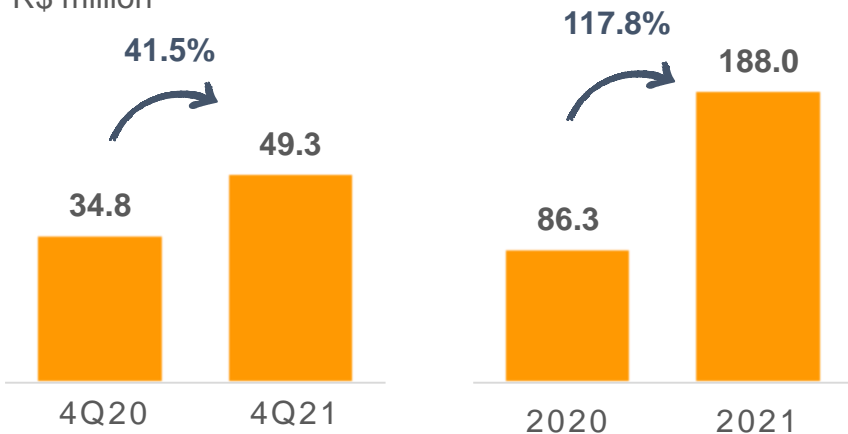
## EBITDA and Margin (Adjusted and Recurring)

R\$ million and % Margin

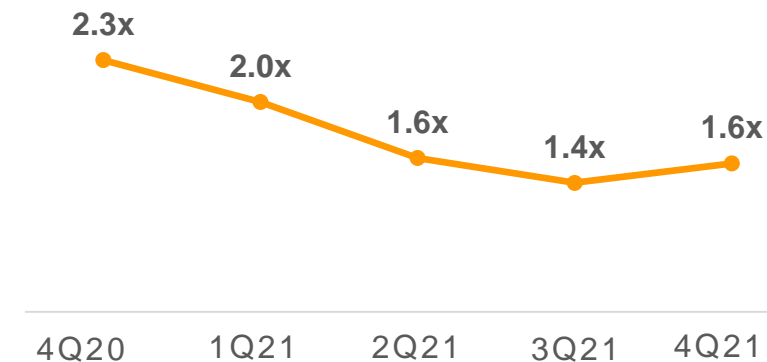


## Adjusted and Recurring Net Income

R\$ million



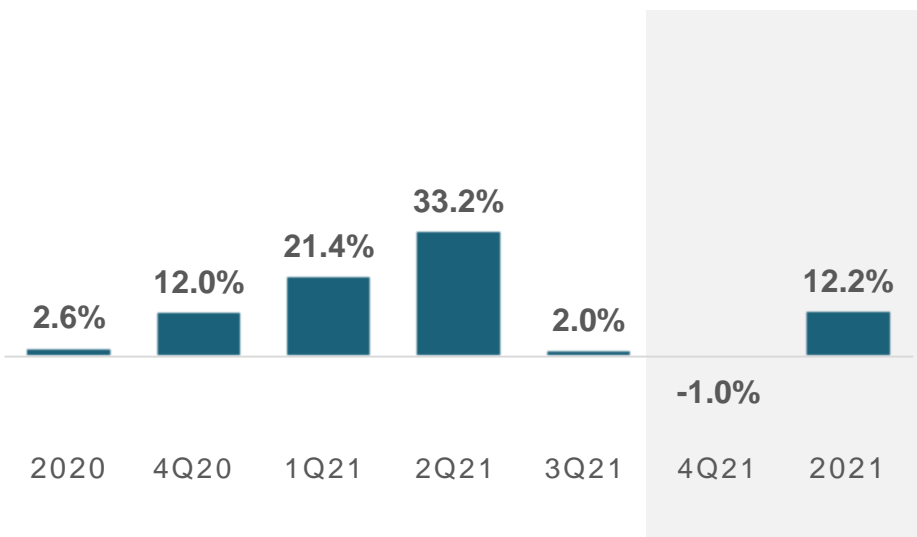
## Adjusted and Recurring Net Debt/EBITDA



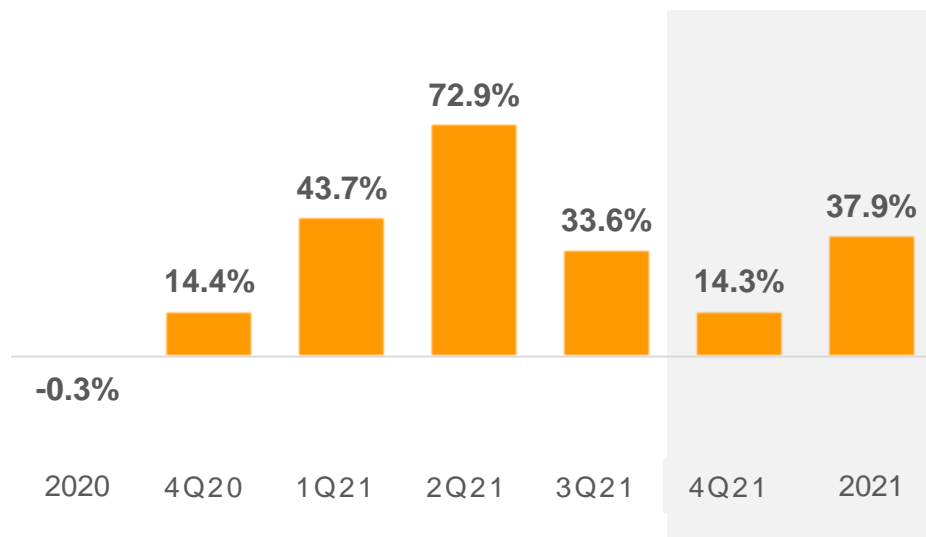
## Market Performance (Industry)

Industry continues with double-digit growth in 4Q21 in value (price and mix), but with volume stability (factories operating at full capacity since 3Q20)

**ANFACER**  
Volume



**ABRAMAT**  
Value (in nominal terms)

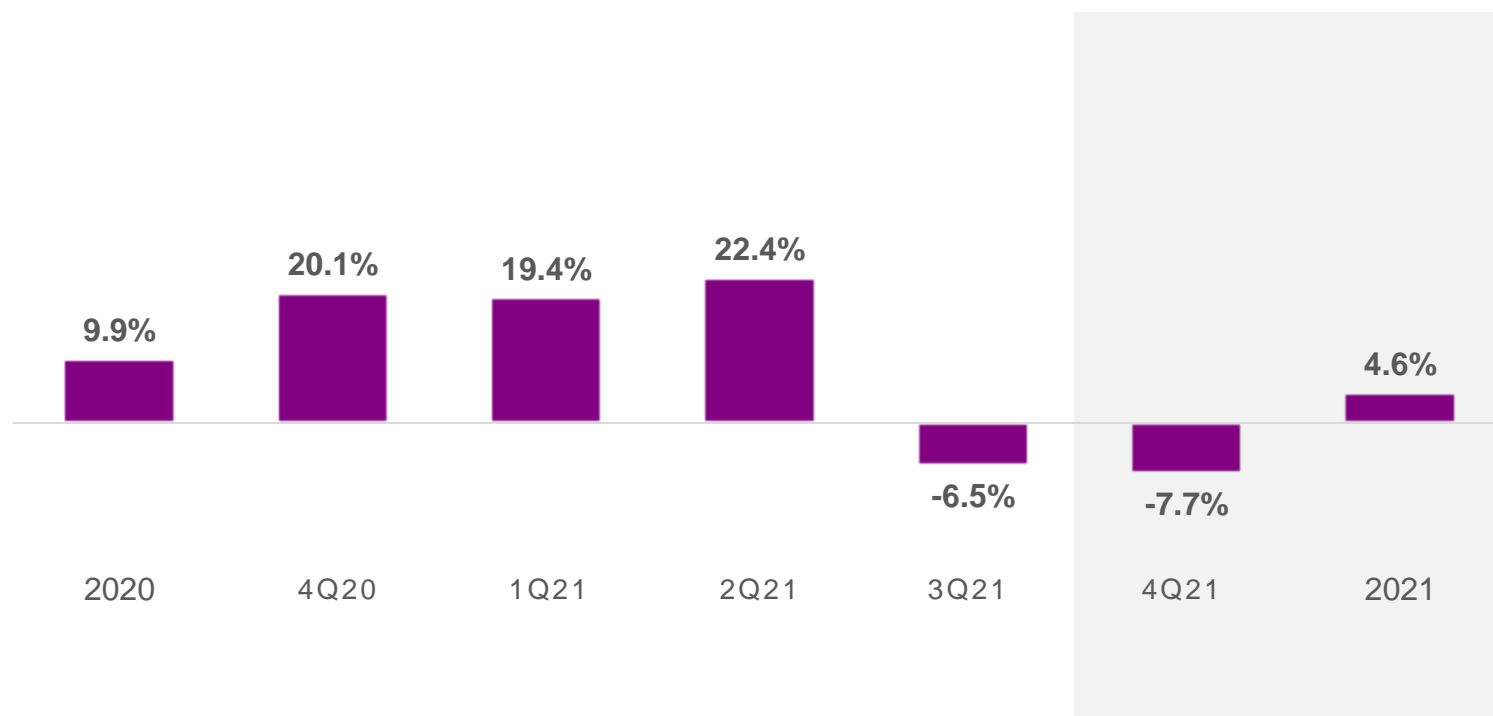


## Market Performance (Retail)

Retail with a slight retraction in the short term due to the strong basis of comparison and impact of the pandemic (rebalance of consumption between segments)



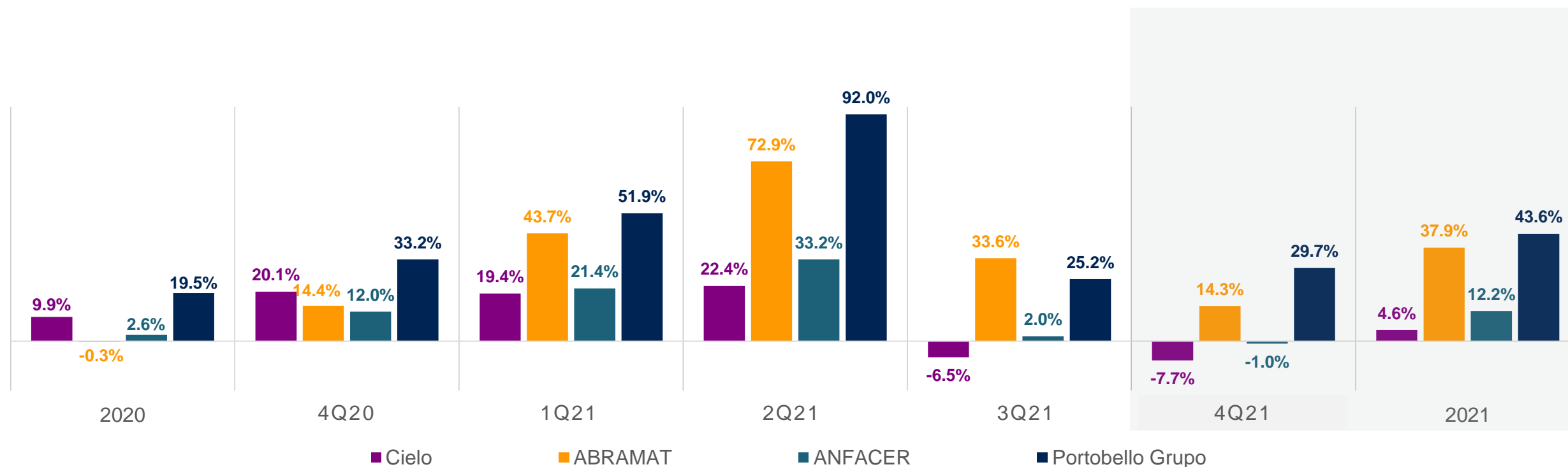
**ICVA** (Cielo Broad Retail Index)  
Building Materials Sector (in nominal terms)



# Portobello Group Performance vs. Market

Group continues to outperform the building materials market, both in Retail as in Industry, with consistent market share gain in 4Q21 and 2021

Retail (Cielo) and Industry (ABRAMAT and ANFACER) vs. Portobello Group  
Var. vs. same period of previous year







4Q21 and 2021

# Financial and Operating Performance

# Highlights

6<sup>th</sup> consecutive quarter of consistent and progressive delivery, beating quarterly guidance and breaking all-time records

## 4Q21 Perspectives

## 4Q21 Deliveries



### Production and Sales

- Net Revenue similar to 3Q21 in absolute terms, over R\$ 500 million

- **Net Revenue of R\$ 520 million**
- Net Revenue Growth of **29.7% vs. 4Q20**



### Costs and Expenses

- Maintenance of Gross Margin over 40%, despite strong inflationary pressure;
- Strict operational costs and expenses management

- **Gross Margin of 45.1%, 5.8 p.p. vs. 4Q20**
- **EBITDA Margin 18.5%**



### CapEx

- Focus on strategic projects

- R\$ 37.9 million in investments
- **38% Portobello America and 50% Tijucas Plant**



### Cash flow

- Optimization of the Cash Conversion Cycle
- and maintenance of Financial Leverage < 2.5x EBITDA\*

- CCC of **32 days, a 10-day reduction vs. 4Q20**
- Net debt/EBITDA of **1.6x, reduction of 0.7x vs. 4Q20**



✓ In line with *guidance*

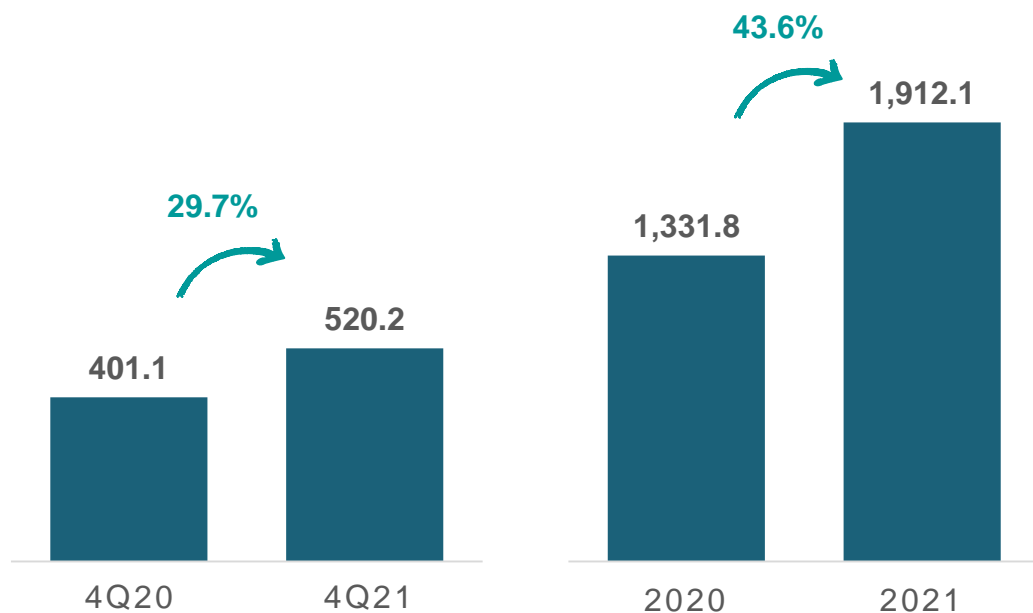
✓✓ Higher than *guidance*

# Net Revenue and Gross Profit

Net Revenue growth 29.7% in 4Q21 and 43.6% in 2021, well above the market. Gross Margin 45.1% in 4Q21 and 43.3% in 2021, with strong progression vs. 4Q20 and 2020

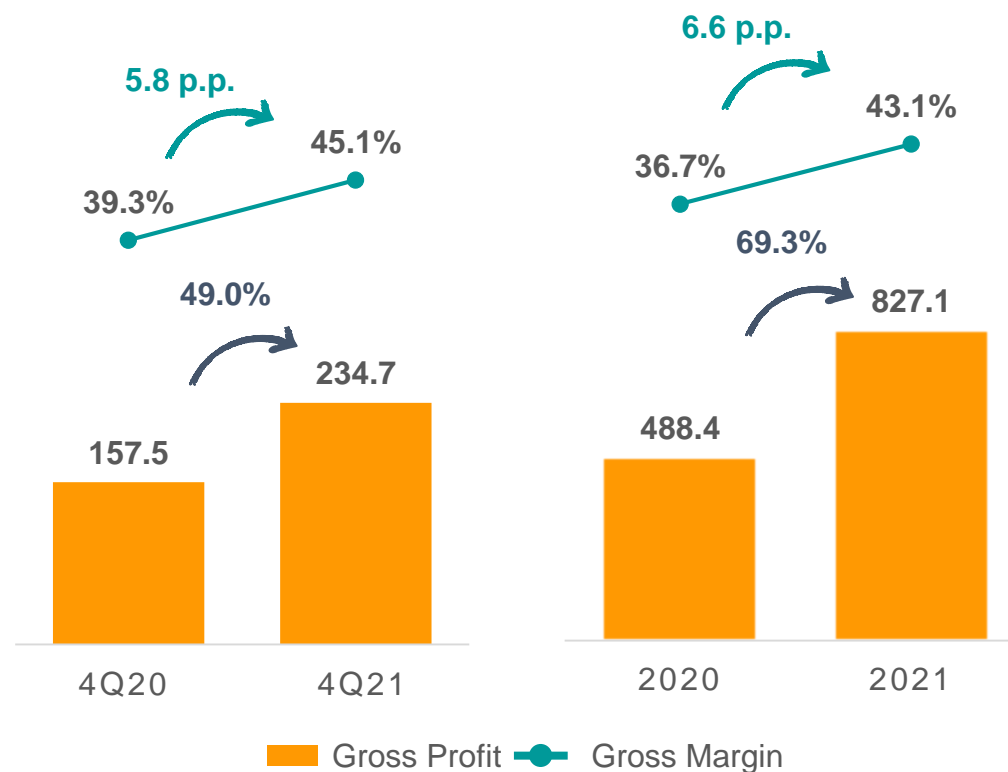
## Net Revenue

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



## Gross Profit and Gross Margin (Adjusted and Recurring)

R\$ million and % Margin

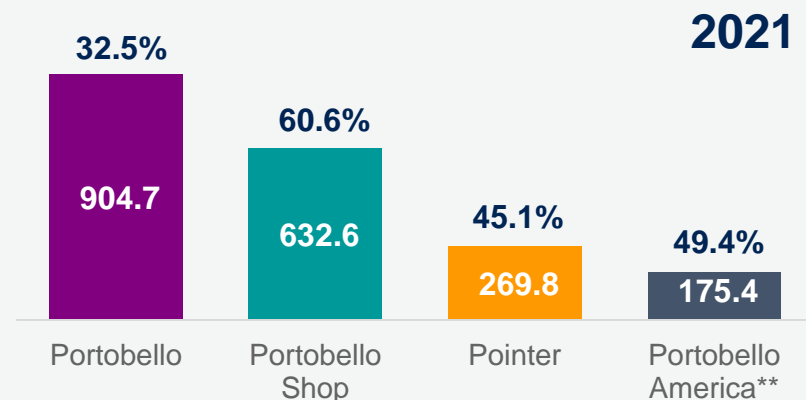
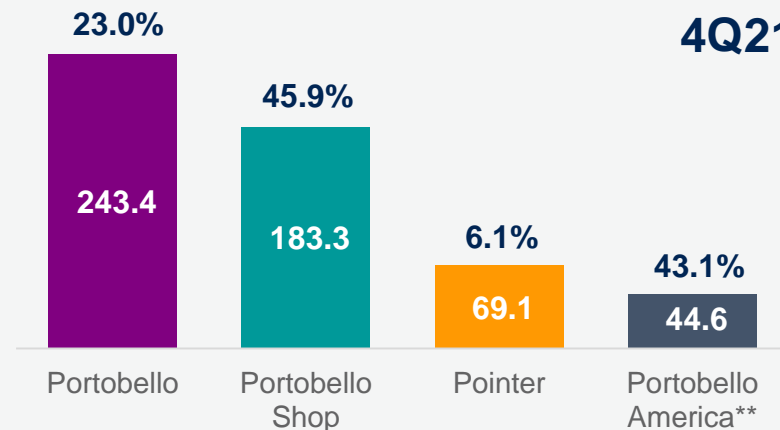


# Net Revenue by Segment

Strong performance in the Domestic and International Markets, with all BUs growing in double digits, but mainly Shop and America with growth above 40%

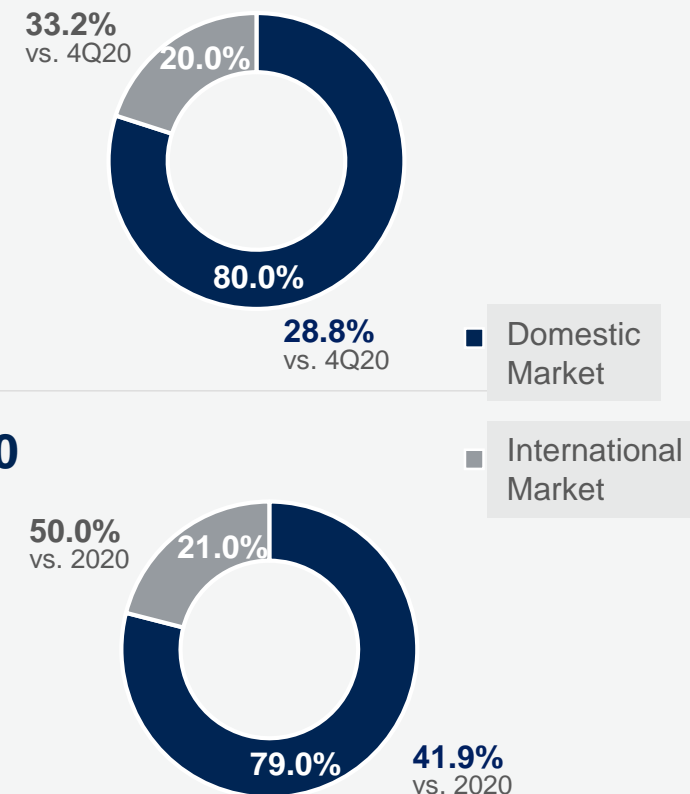
## Net Revenue by segment

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



## Net Revenue Breakdown

% vs. same period of previous year

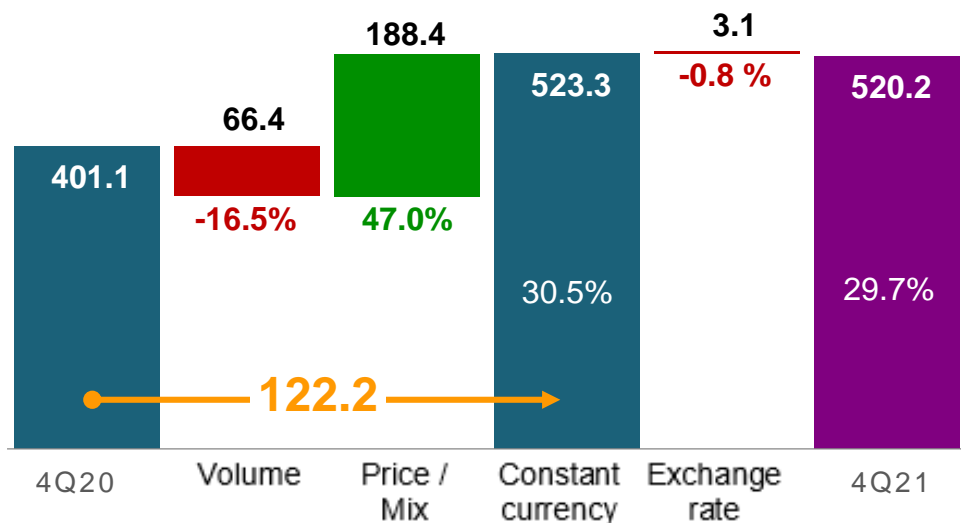




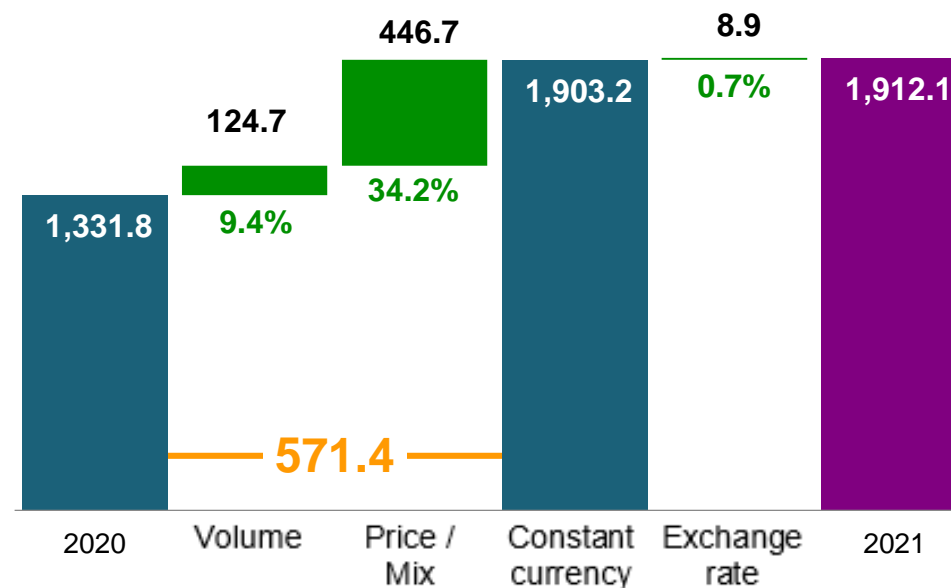
# Net Revenue Drivers

In 4Q21, growth came entirely from better price/mix management. In 2021, growth came from increased volume and better price/mix management

Net Revenue  
R\$ million



4Q21 vs. 4Q20



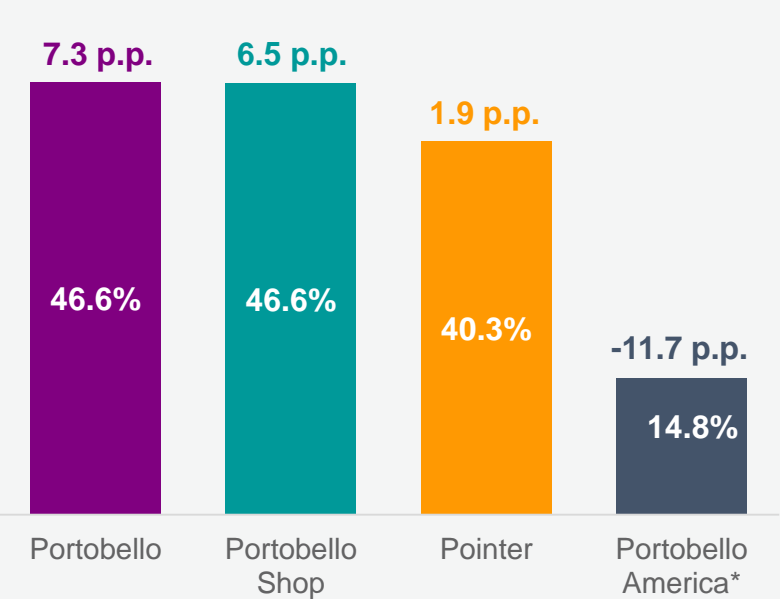
2021 vs. 2020



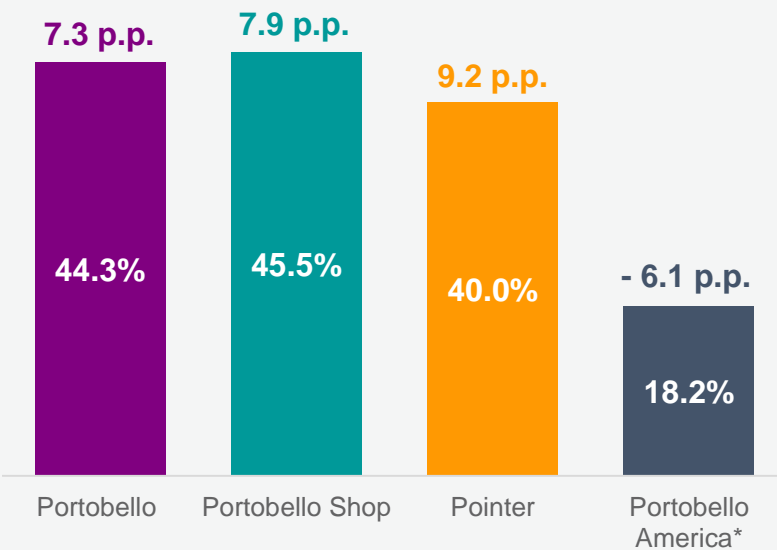
# Gross Margin by Segment

Gross Margin Gain in 4Q21 and in 2021 was focused on the Internal Market in all BUs. External Market temporarily impacted by cost pressure

Adjusted and Recurring Gross Margin  
Percentual points and % vs. same period in previous year



4Q21 vs. 4Q20



2021 vs. 2020



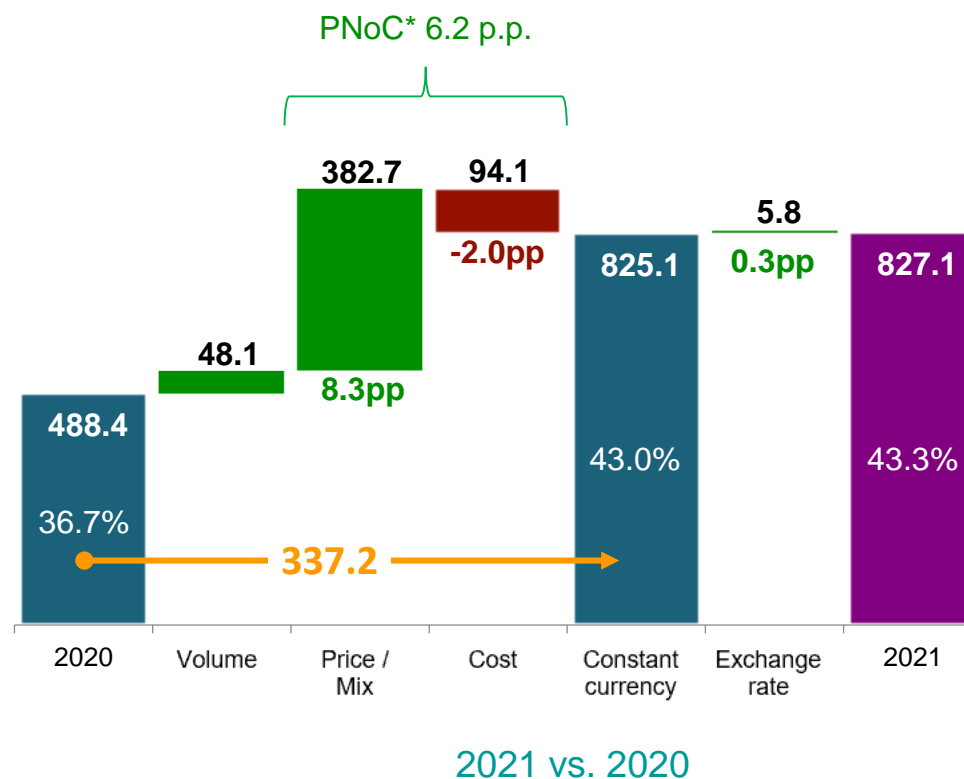
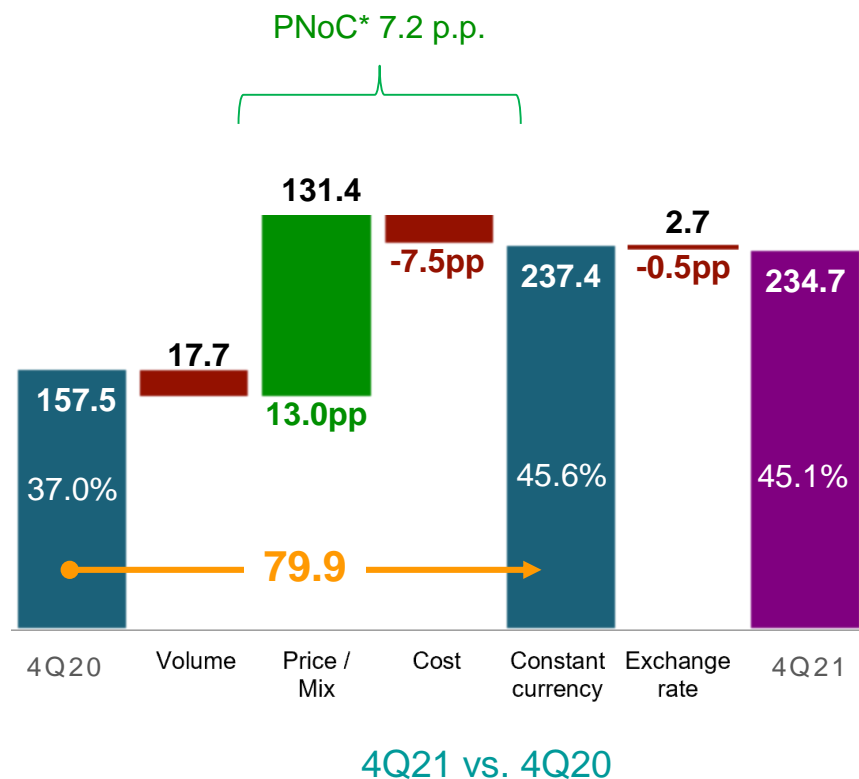
\* Temporary impact of increased industrial costs in BRL, international sea freight and currency hedging

# Gross Margin Drivers

Sustainable gain in Gross Margin due to price increases 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)

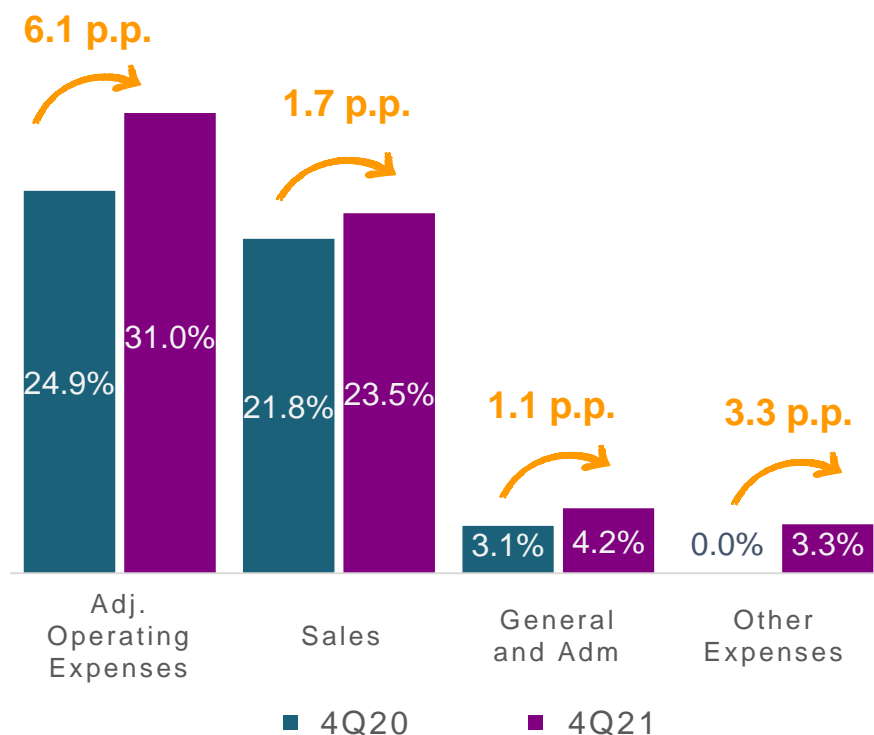


# Operating expenses

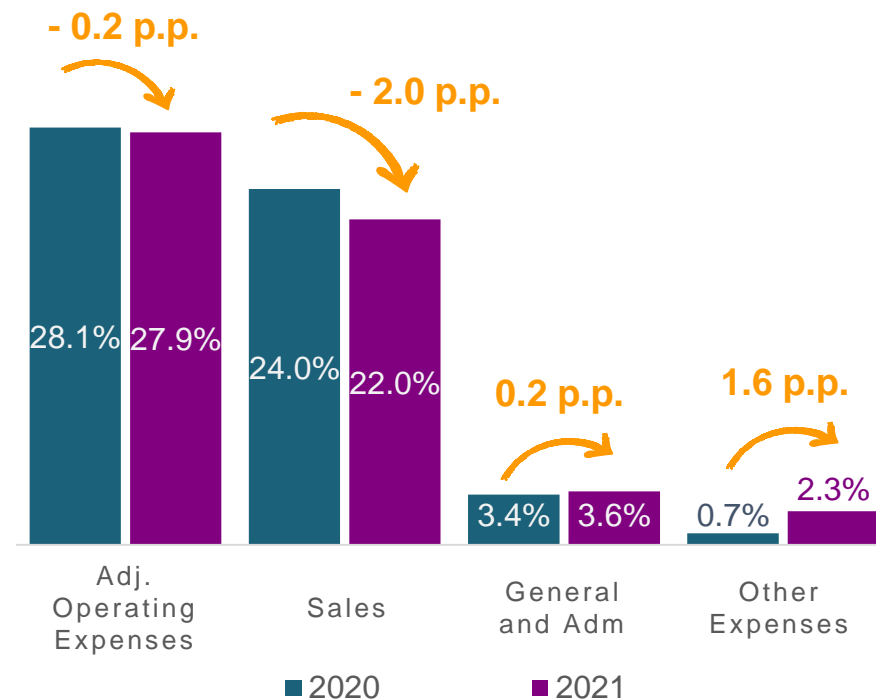
Discipline in choices generated a dilution of Expenses in 2021, mainly Sales. In 4Q21, there was an increase in Expenses due to investments for future benefit

## Adjusted and Recurring Operating Expenses

R\$ million and % of Net Revenue



4Q21 vs. 4Q20



2021 vs. 2021

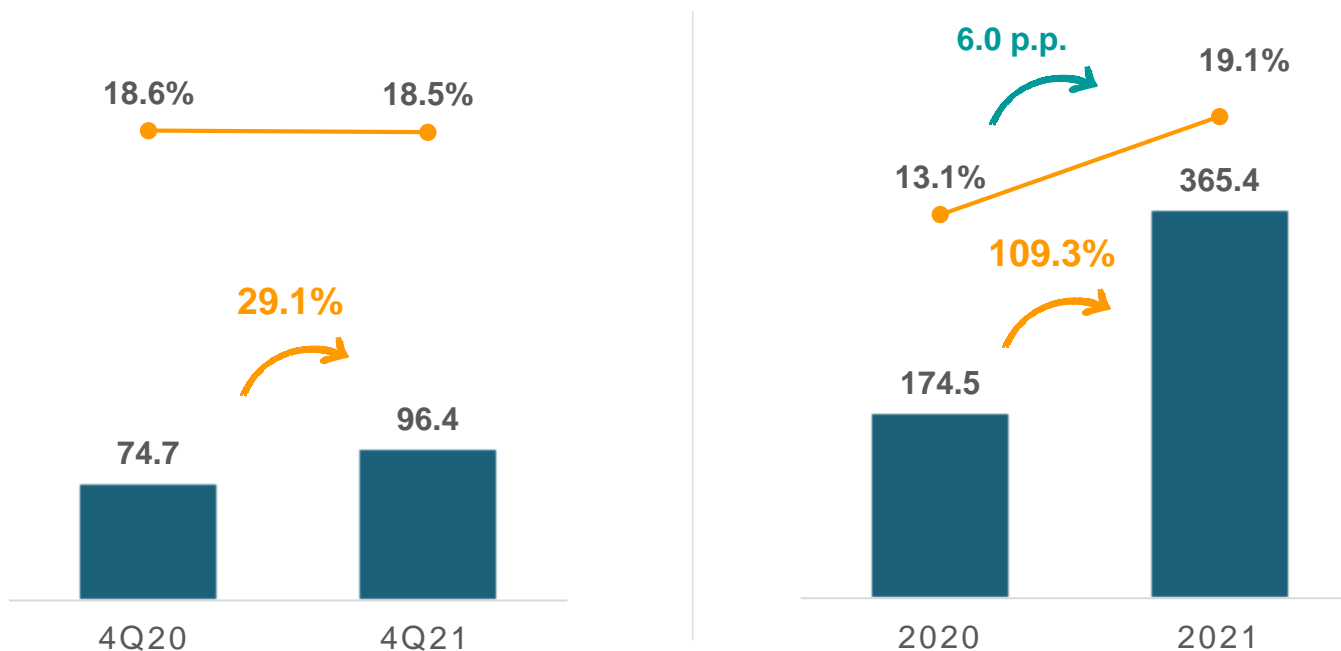


# EBITDA

In 2021, EBITDA more than doubled to R\$ 365 million and EBITDA Margin advanced 5.9 p.p. to 19.1%, mainly due to the Gross Margin progression

## EBITDA and Margin (Adjusted and Recurring)

R\$ million and % var. | % of Net Revenue



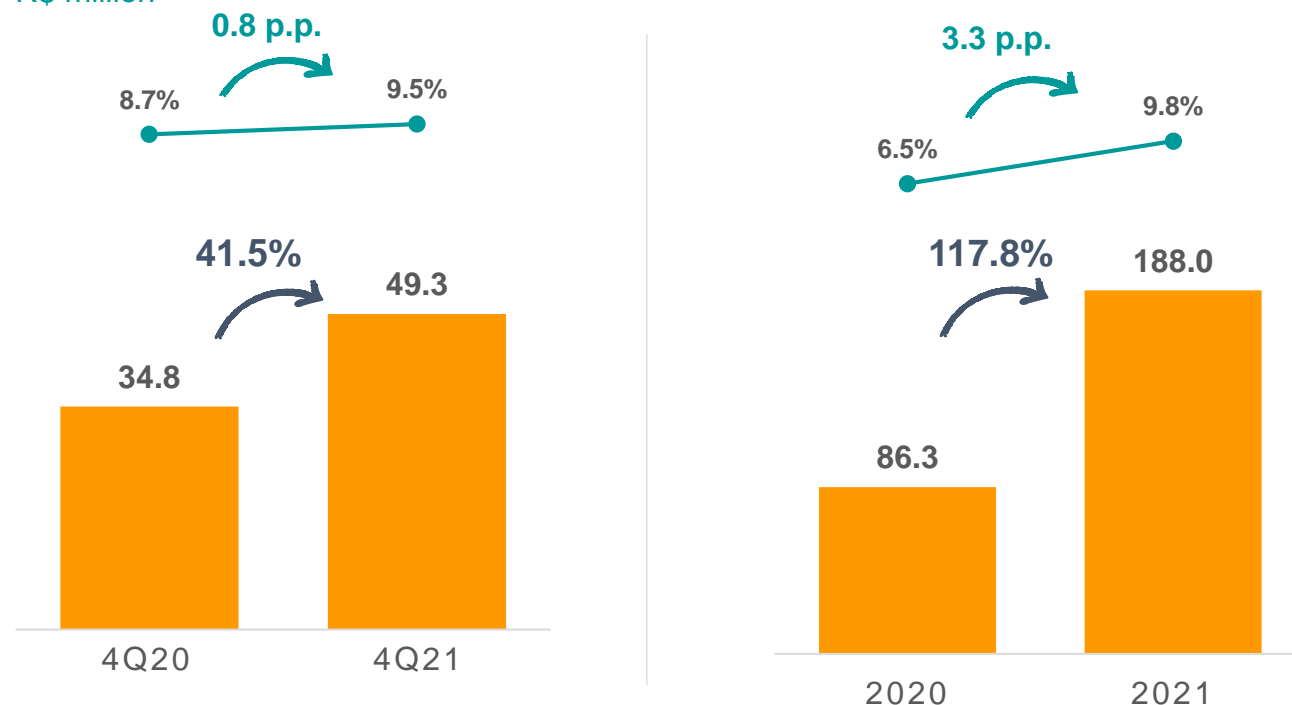
■ Adjusted and Recurring EBITDA  
—●— Adjusted and Recurring EBITDA Margin

# Net Income

Net Income also more than doubled in 2021 to R\$ 188 million, due to higher EBITDA generation, partially reduced by Financial Expenses

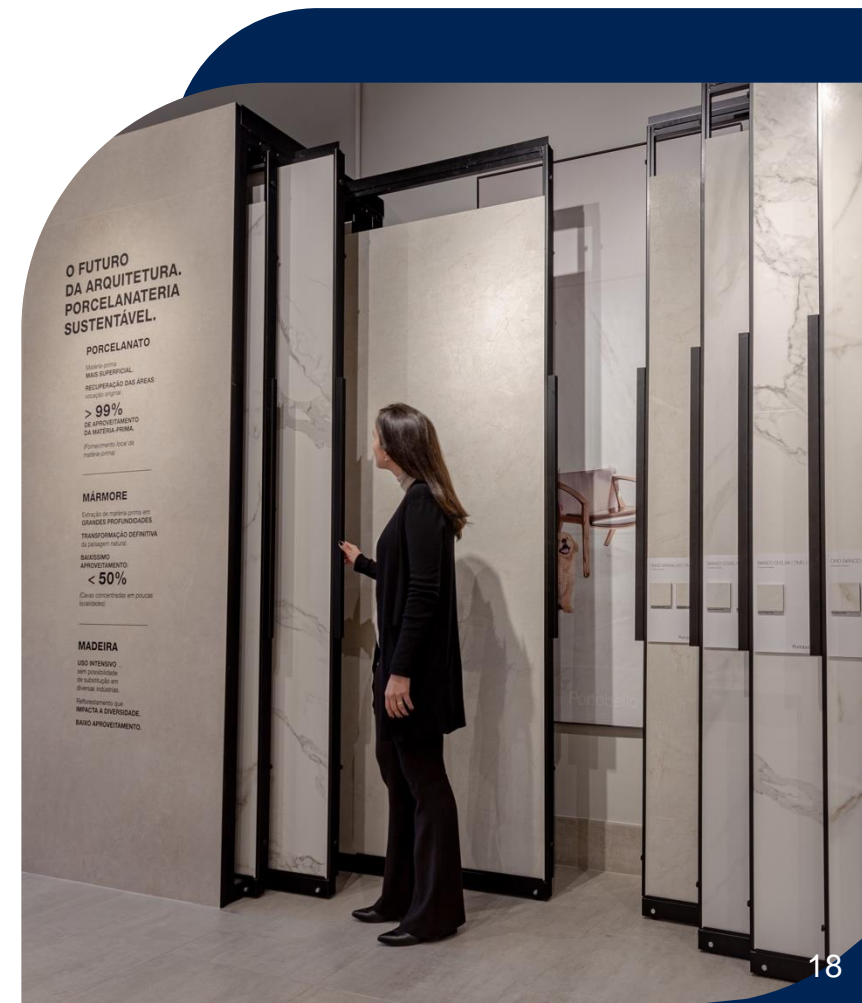
## Adjusted and Recurring Net Income

R\$ million



■ Adjusted and Recurring Net Income

—●— Adjusted and Recurring Net Margin

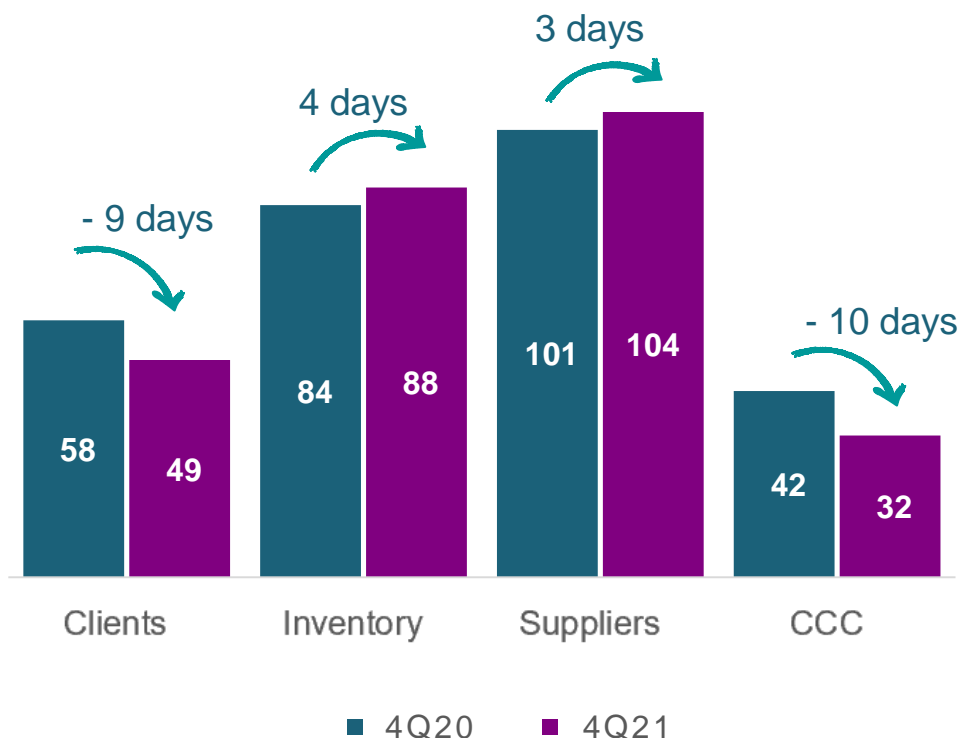


# Working Capital

10-day optimization in the CCC due to better management of receivables and the extension of suppliers term, reducing investment in Working Capital

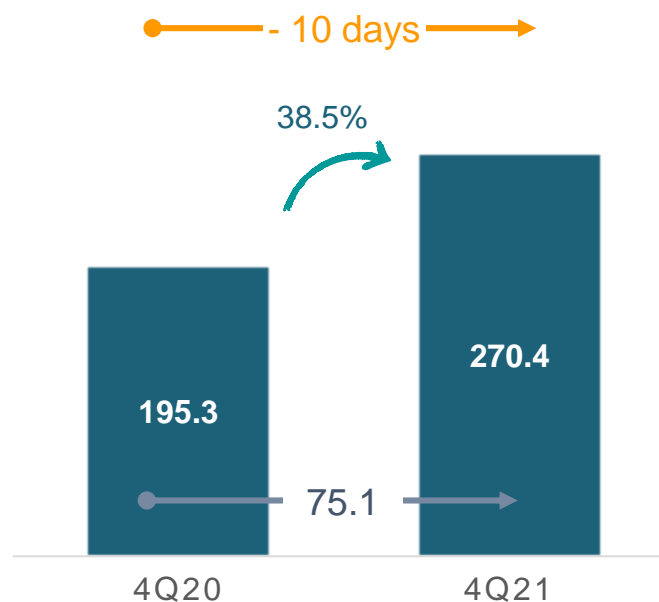
### Cash Conversion Cycle (CCC)

R\$ million



### Cash Conversion Cycle Evolution (CCC)

R\$ million and days

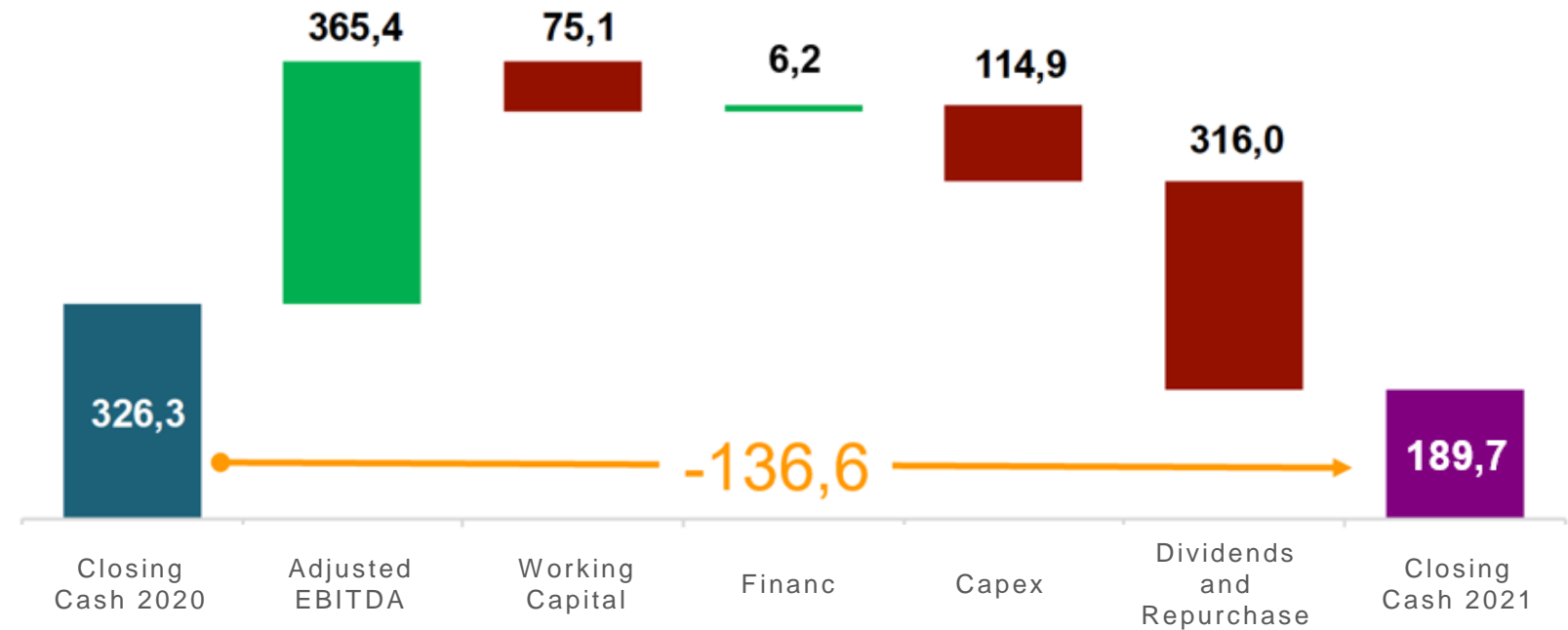


# Cash flow

Cash reduction in 2021 mainly due to investments in CapEx, Working Capital and share buyback combined with dividend distribution



2021 Cash Position  
R\$ million

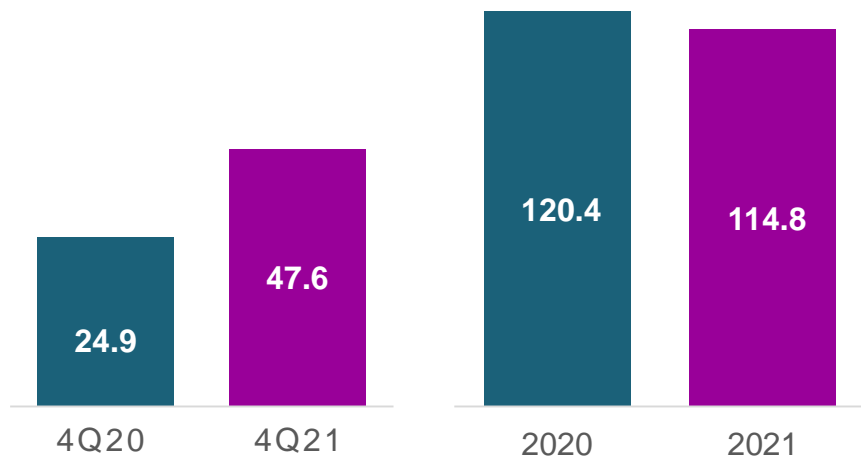




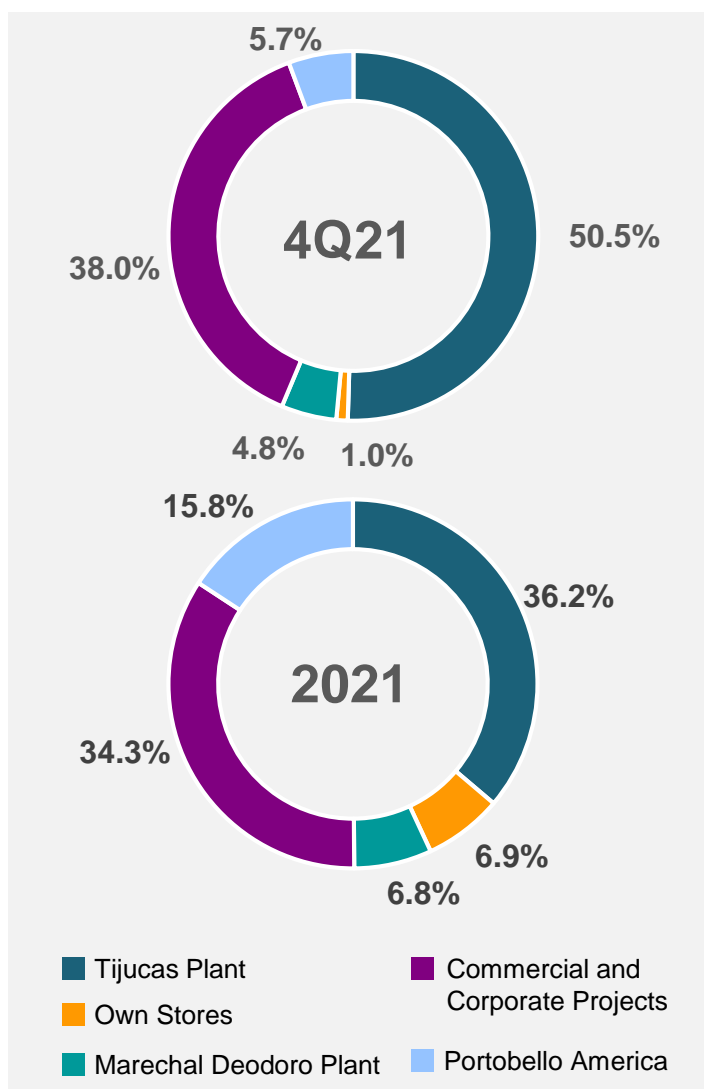
# Investments

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

Investments  
R\$ million



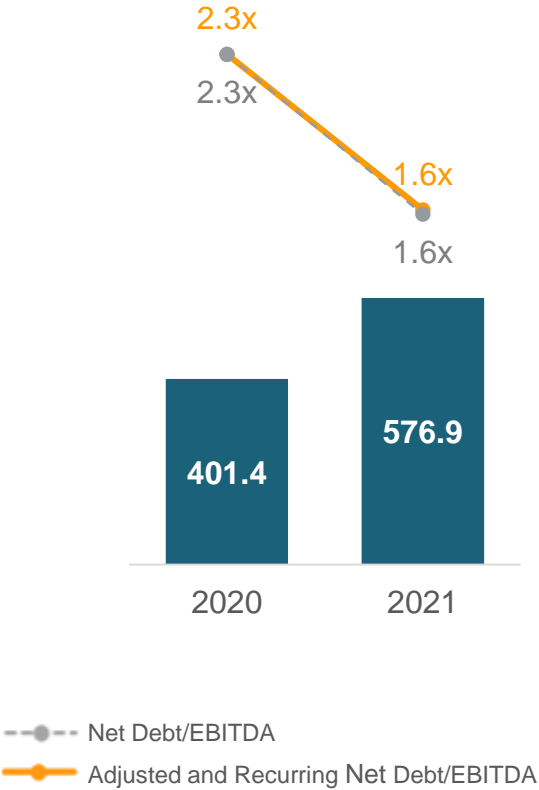
Investments Breakdown



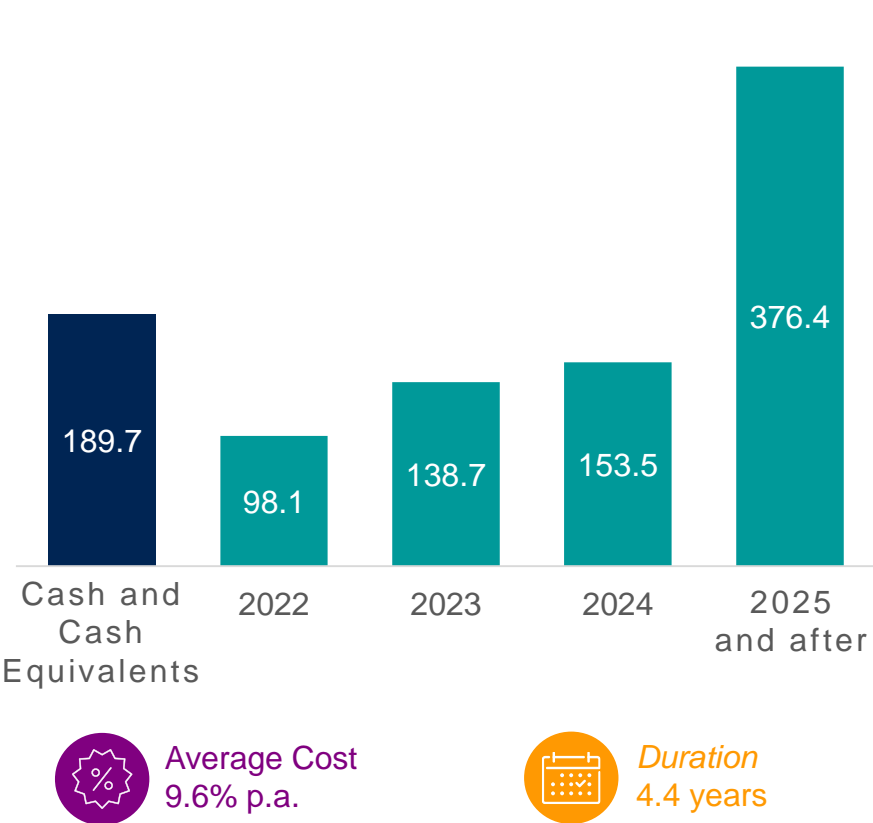
# Net Debt

Reduction of Financial Leverage to lowest historic level and improvement in the debt profile reflected in the upgrade of Fitch Ratings by 2 notches, moving to A-(bra)

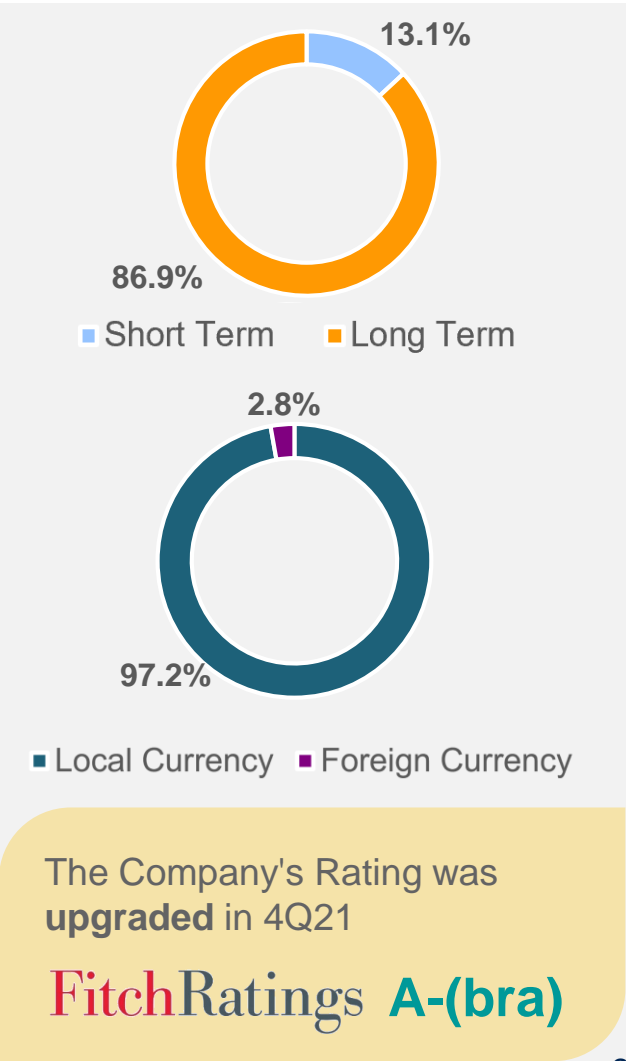
Net Debt and Net Debt/EBITDA  
R\$ million



Amortization Schedule  
R\$ million



Debt Breakdown



# Capital Markets

R\$ 319.4 million distributed in the year between Dividends (Dividend Yield of 15.3% in 2021\*) and Share Repurchase



## Repurchase Program

- 13.5 million shares (8.8% of the total before operations)
- Amount paid: BRL 153.7 million (average price of BRL 11.38 per share)
- On March 16<sup>th</sup>, the cancellation of the 6,542,817 shares held in treasury was approved

## Dividends Distribution



In the year, **R\$ 102.7** million were distributed to shareholders:

- R\$ 99.2 million in advance in Sep/21 and Nov/21
- R\$ 3.5 million will be paid in Apr/22 (R\$ 0.0247 per share)
- This value is equivalent to 50% of the 2021 Net Income discounted from capital reserves

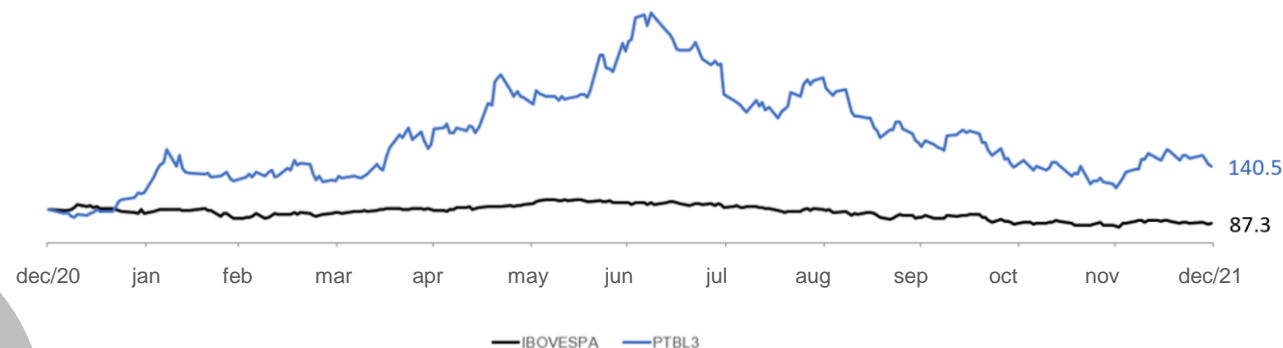
**+ BRL 63.0 million in addition to the 2020 fiscal year**

Performance  
PTBL3 vs. IBOV

Average daily trading volume (ADTV)  
R\$ 11.8 million no 4Q21

40.5% in 12 months

PTBL3 x Ibovespa  
Base 100 – 12/30/2020 to 12/30/2021

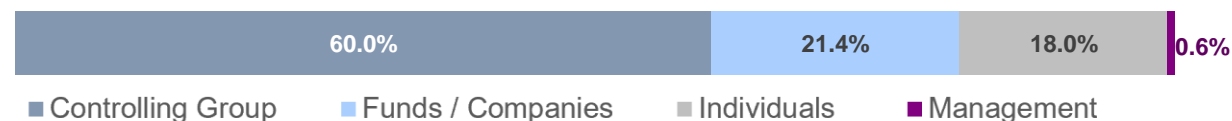


Shareholder Composition  
Dec 31<sup>st</sup>, 2021

141.0 million  
shares\*\*

55.6 million  
shares on  
free float

39.5%  
free float



\*Considering the share price on 12/31/21

\*\* Excluding Treasury shares

## 2022 Perspectives





# 2022 Perspectives

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



## Market

- Expectation that the *premium* building materials market will continue to be heated throughout 2022



## Production and Sales

- **Growth of 20% Net Revenue vs. 2021**, driven by price increases and product mix improvement to cover cost pressure.
- In the first quarter, Company expects to grow 25% vs. 1Q21. In January and February 2022, the Company presented a growth in Net Revenue of 25% vs. same period in 2021.



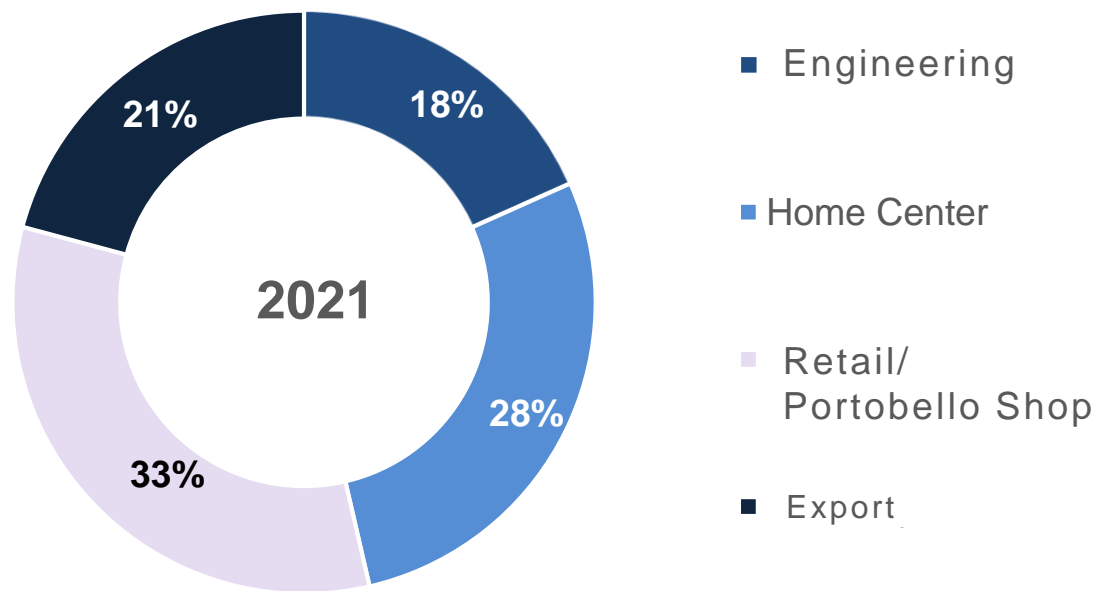
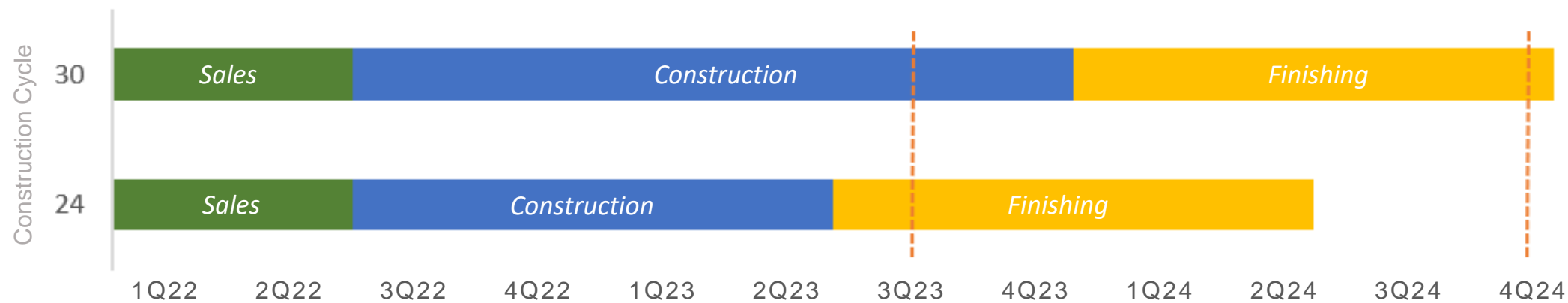
## Costs and Expenses

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



# Real Estate Cycle

Considering the construction cycle of 24-30 months, the finishing phase in the last 12 months affects sales starting in 3Q23. Low dependence on Engineering



## 2022 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, about 19%



### CapEx

- **Estimate of R\$ 280 million**, with focus on strategic projects
  - ~ 40% Portobello America
  - ~ 25% Portobello Shop
  - ~ 35% Portobello and Pointer



### Cash flow

- **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**

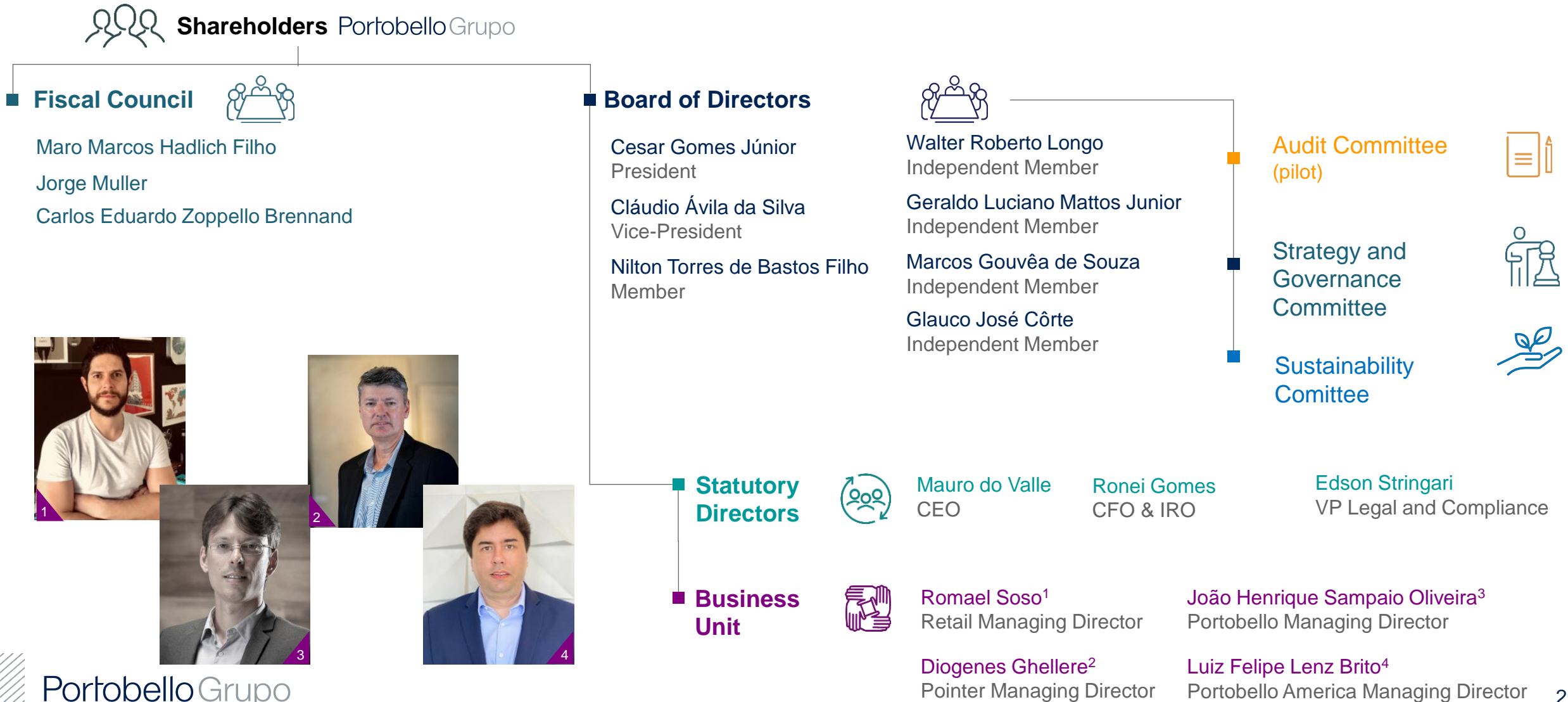




# Strategic Projects Update

# Corporate Governance

Continuous efforts to improve governance, with the strengthening of the Board and Executive Team, as well as the creation of 3 Committees





# Corporate Governance

Strategy and Governance Committee: Leadership of the main strategic projects (physical and digital retail expansion, internationalization) and governance improvement



Board Members (3,4)

Executive Officers (1, 2, 5)



## Strategy and Governance Committee

Cesar Gomes Júnior<sup>3</sup>  
Chairman of the Board

Cláudio Ávila da Silva<sup>4</sup>  
Vice-Chairman of the Board

Mauro do Valle<sup>1</sup>  
CEO

Ronei Gomes<sup>2</sup>  
CFO & IRO

Edson Stringari<sup>5</sup>  
VP Legal and Compliance

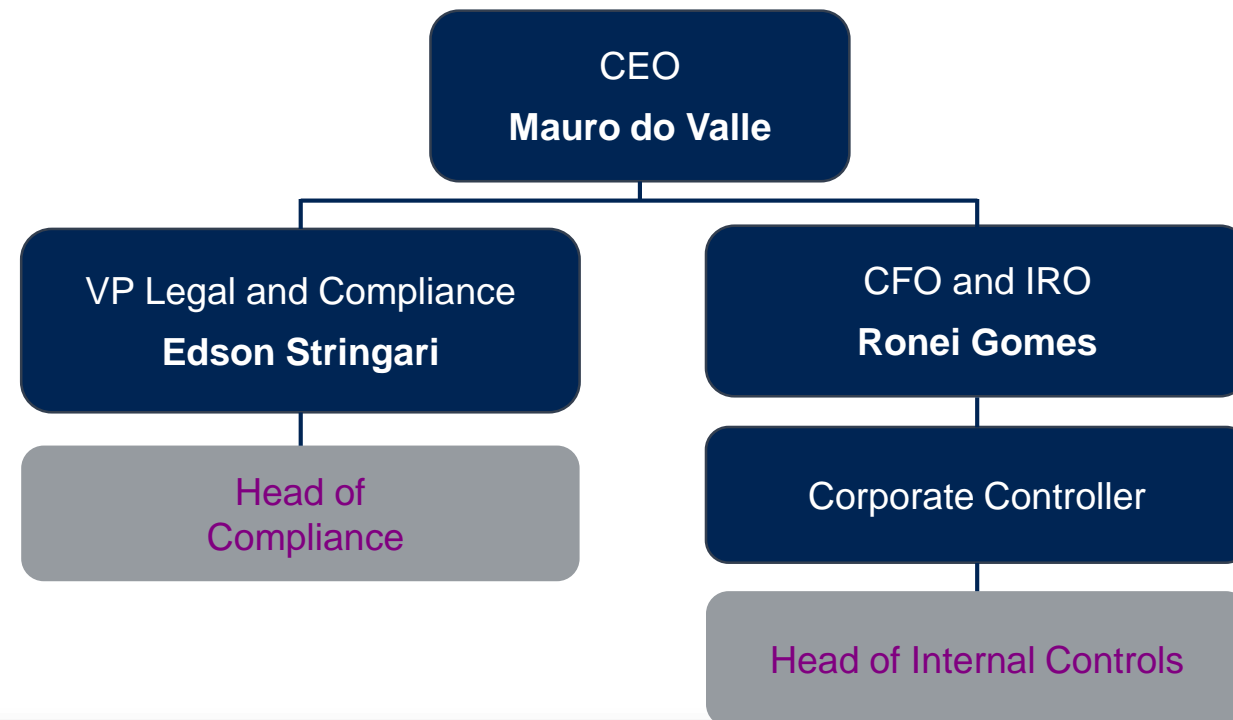


# Progress in Corporate Governance

Evolution of governance in line with Novo Mercado regulations. Implementation of the Audit Committee, Compliance and Internal Controls structure



- Glauco José Côrte  
Independent Board Member
- Cláudio Ávila da Silva  
Board Member
- Gladimir Brzezinski  
Accounting and Finance Specialist



\*Scope includes Internal Audit activities





# ESG

Our ambition and actions will make Portobello an increasingly sustainable company, aligned with the ESG concept

## Portobello + Ecoeficiente

### Objetivo

Fazer mais com menos, garantindo que o uso dos recursos naturais seja feito de maneira regenerativa com destaque na gestão da matéria-prima, da água e redução das emissões.

### Ambição

- Contribuir com a redução do aquecimento global através dos controles das emissões de CO<sup>2</sup>;
- Reduzir o consumo de água e maximizar o tratamento de efluentes;
- Ampliar a matriz energética para fontes renováveis

## Portobello + Gente

### Objetivo

Garantir um ambiente atrativo para os melhores talentos, que entreguem resultados de excelência, tenham espírito de equipe, visão de longo prazo e compartilhem nossos valores.

### Ambição

- Fortalecer a Cultura da Meritocracia e Resultados;
- Adotar metodologias de avaliação para ser uma das melhores empresas para se trabalhar;
- Engajar os colaboradores no programa de Voluntariado

## Portobello + Diversidade

### Objetivo

Ser ativamente inclusiva, promovendo a diversidade e o bem estar, valorizando as pessoas, a criatividade, as diferentes opiniões com ética, respeito e oportunidade para todos.

### Ambição

- Ser proativo em políticas para a promoção da igualdade de gênero.
- Garantir a participação das mulheres e a igualdade de oportunidades em todos os níveis.
- Estar além das cotas, desenvolvendo um programa de inclusão e desenvolvimento dos colaboradores PcD's;

## Portobello + Engajamento

### Objetivo

Ser mais sustentável juntos, engajando todo o nosso ecossistema, inspirando colaboradores, fornecedores, parceiros, clientes e comunidade, com transparência, gerenciamento de riscos e conformidade.

### Ambição

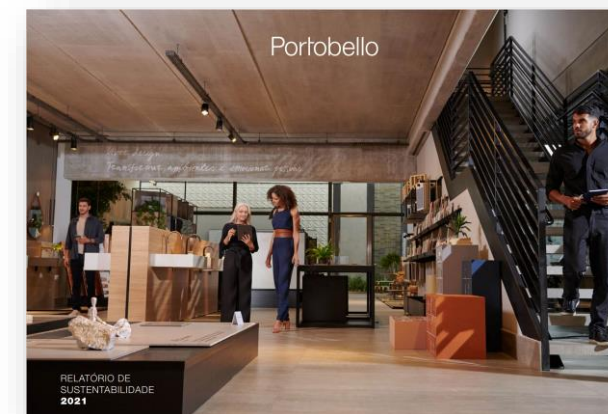
- Inspirar a Cultura de Sustentabilidade em todo nosso ecossistema
- Consolidar o sistema de gestão de compliance na empresa



**Pacto Global**  
Rede Brasil



Release of **2021**  
**Sustainability Report**  
on **GRI standards**





# Portobello America Progress

Evolution of the works at the Portobello America facilities, advancing rapidly through the stages of earthworks, foundations and concreting



Nov/21



Jan/22



Mar/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 puts openings, renovations and acquisitions on the roadmap, in addition to digital transformation, with the arrival of seasoned professionals



## Opened Stores

**138 stores** (6 new stores in 2021)

120 franchises | 18 own stores

## Own stores performance



**78%** sales growth  
vs. 2020

**32.7%** of retail unit total  
revenue



Robert Nunes

## Hiring of new CT&DO

Focus on the Group's digital transformation





# Expansion of the Own Stores network

In line with the Company's strategy of being more connected with customers, the acquisition of two franchises was announced on March 16<sup>th</sup>

## About the stores

- Two of the largest stores in the network
- Strategic location
- Above average performance

## Valuation

- R\$ 60 million
- Similar to Company's current multiples

## Main Synergies

- Significant increase in the sell-out of owned stores
- Higher profitability of the Company
- Important presence in the largest city in Brazil
- Operational synergies with other stores in the city
- Corporate Governance Improvement

## Pacaembu Store

4.4 thousand sqf

Opened in 2000

Pacaembu Avenue  
São Paulo/SP



## Gabriel Store

4.7 thousand sqf

Opened in 2000

Gabriel Monteiro da Silva Al,  
Jardim América  
São Paulo/SP





Portobello

Oh!Take

Inovacje

Novo Formato  
160x160

Portobello  
Portobello shop  
Portobello America  
PONTIER  
Portobello Grupo

Portobello

UNLTD**Dreams**  
REVESTIR 2022



# Expo Revestir

The 2022 edition of Expo Revestir was a success in many ways, with several highlights for Portobello

909m<sup>2</sup>

of product exhibition

15

assembled  
settings

54K

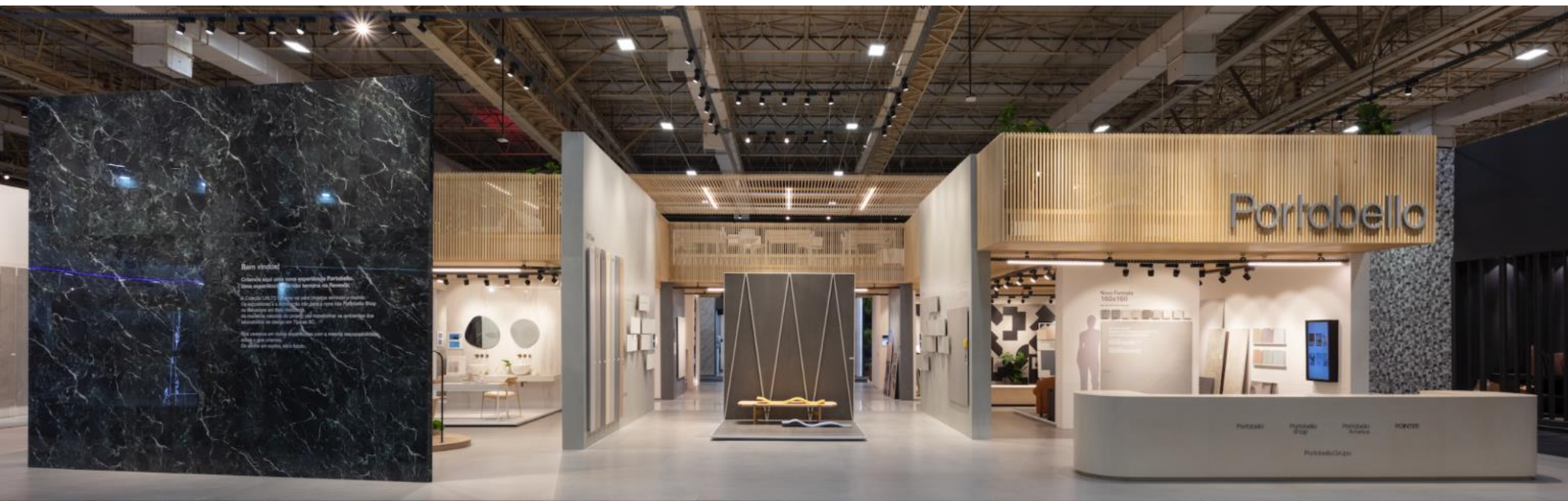
Visitors at the Exhibition  
2019 edition: 60K

20K

Visitors at the  
**Portobello**  
stand

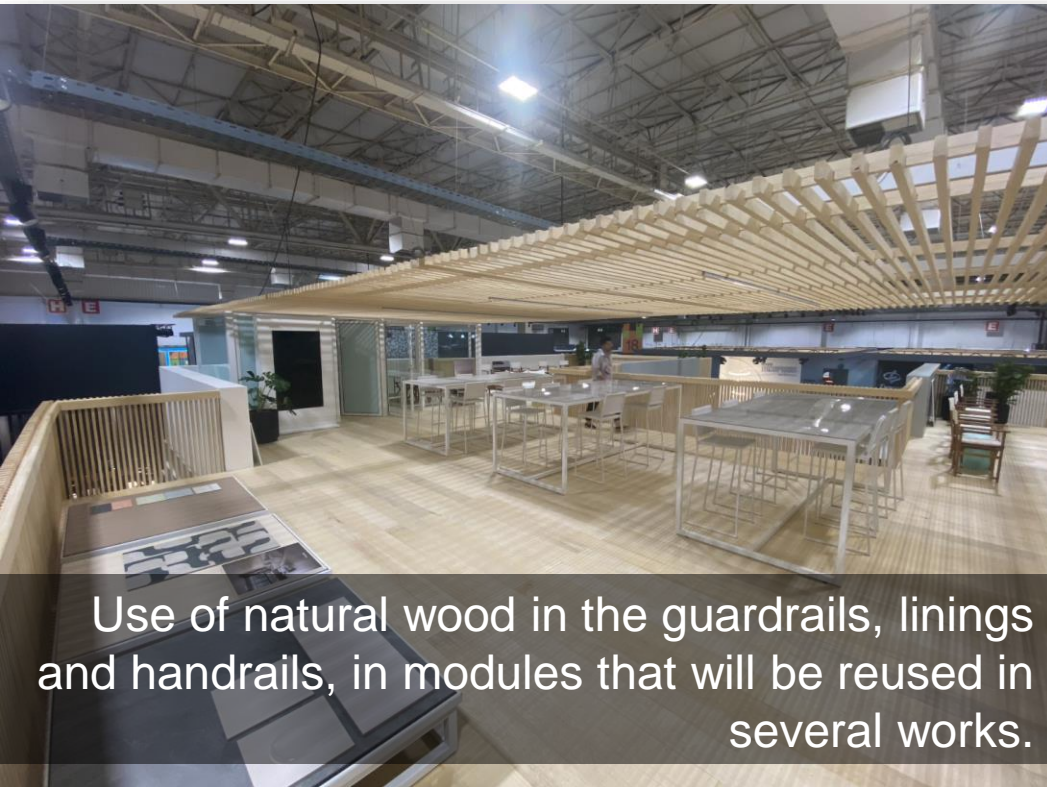
+54%

sales  
vs. 2020



# Sustainability Highlights

Portobello presents a new concept based on sustainable practices, with exhibitions and explanatory materials



Use of natural wood in the guardrails, linings and handrails, in modules that will be reused in several works.



Visual communication made on tablets and TVs, decreasing from 300 printed plates in 2019 to 50 in 2022.

- **Collaborative Projects** between the branding department, Giovanni Bonetti and Marcelo Rosenbaum
- Modular: easier and faster to assemble.
  - **+ Safety and health for assemblers**
- **80% of the stand will be reused** (store, design department and School in Salvador).



# Portobello Launches

The launches announced at Revestir were also a success. In all, there were 21 launches, in addition to the communication of new strategic partnerships

## Launch

of 21 new lines:

- 7 Shop
- 7 Resale
- 7 Pointer

Highlight for  
new format

**160x160**



Portobello Grupo



Launch of the  
partnership  
with Ruy  
Ohtake.

**Oh!Take Line**

Elected best  
porcelain tile for  
flooring by Revestir.







# Question and Answers

# Investor Relations

**Ronei Gomes**  
CFO and IRO

**Roger Nickhorn**  
Financial Planning and IR Sr. Manager

[dri@portobello.com.br](mailto:dri@portobello.com.br)  
[ri.portobello.com.br](http://ri.portobello.com.br)

