



**Or de Cacao**, a coating with veins that are pure gold which an intense cocoa hue. It is the new jewel in the Portobello portfolio, inspired by the strong textures of Spanish marbles.

# 3Q21

## Results Presentation

Portobello Grupo

# 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.





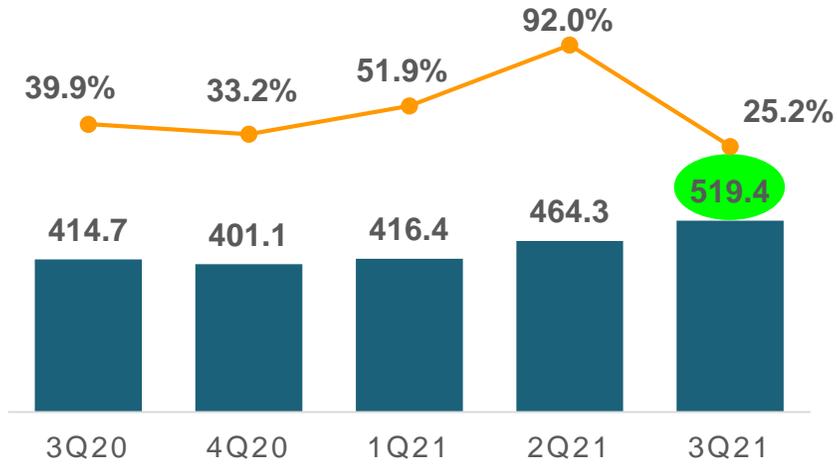
3Q21

Operating and Financial  
Performance

# 3Q21 Summary

Portobello Group continues capturing market opportunities, breaking historical records and establishing new economic/financial thresholds...

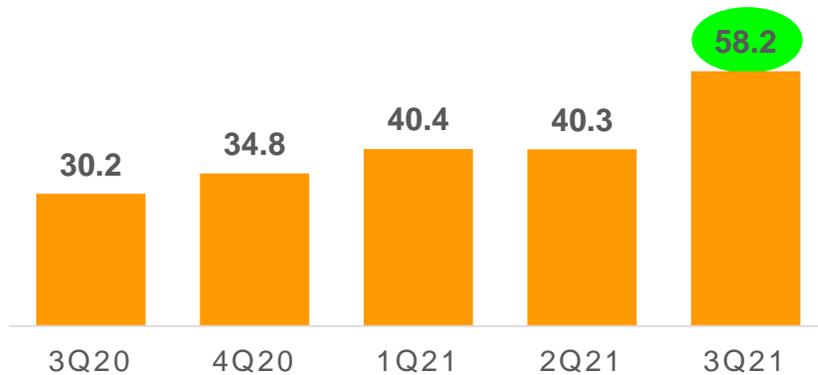
Net Revenue  
R\$ million and % change over last year



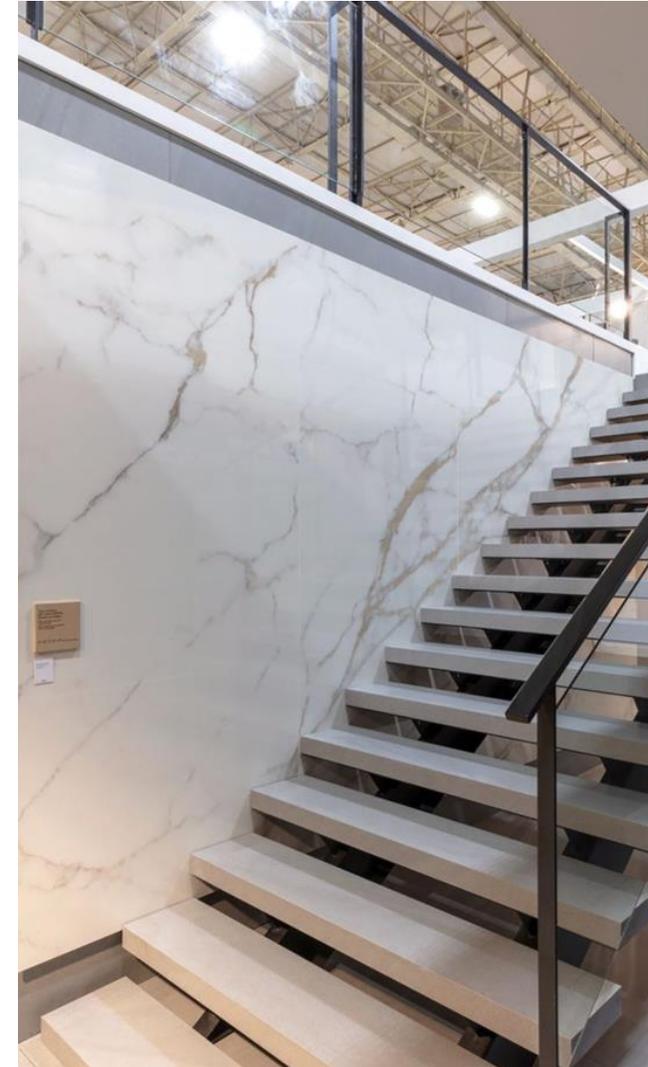
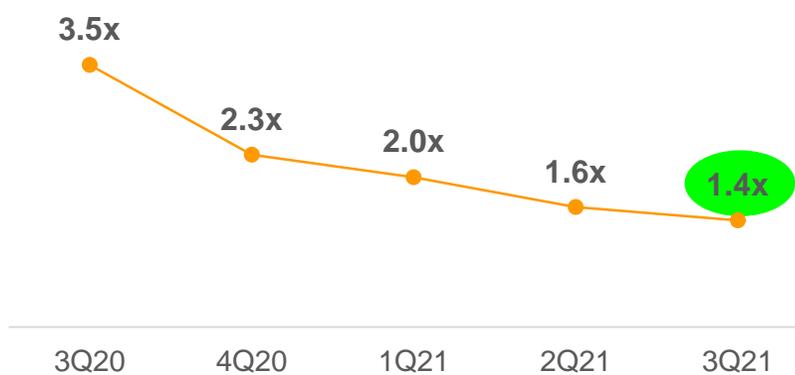
EBITDA and Margin (Adjusted and Recurring)  
R\$ million and Margin (%)



Adjusted and Recurring Net Income  
R\$ million



Adjusted and Recurring Net Debt/EBITDA



# Highlights

...through the consistent and progressive delivery in the last 5 quarters, overcoming the quarterly perspectives

## Perspectives for 3Q21

## 3Q21 Delivery



### Production and Sales

- Net Revenue similar to 2Q21 in absolute terms and double digit growth vs 3Q20

- Net Revenue **R\$ 55.1 MM higher than 2Q21 or 11.9%**
- Net Revenue growth of **25.2% vs. 3Q20**



### Costs and Expenses

- Maintenance of Gross Margin ~ 40.0%, combined with strict operational cost and expense management to improve EBITDA

- **43.0% Gross Margin, + 6.0 p.p. vs. 3Q20**
- EBITDA Margin of 20.4%, + 5.6 p.p. vs. 3Q20



### CapEx

- Focus on strategic projects

- Investments of R\$ 21.3 MM
- **44% Portobello America, 32% Tijucas**



### Cash Flow

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

- CCC of **24 days, 39 days reduction** vs. 3Q20
- **Net Debt/EBITDA \* of 1.4x in 3Q21, reduction of 2.1x vs 3Q20**



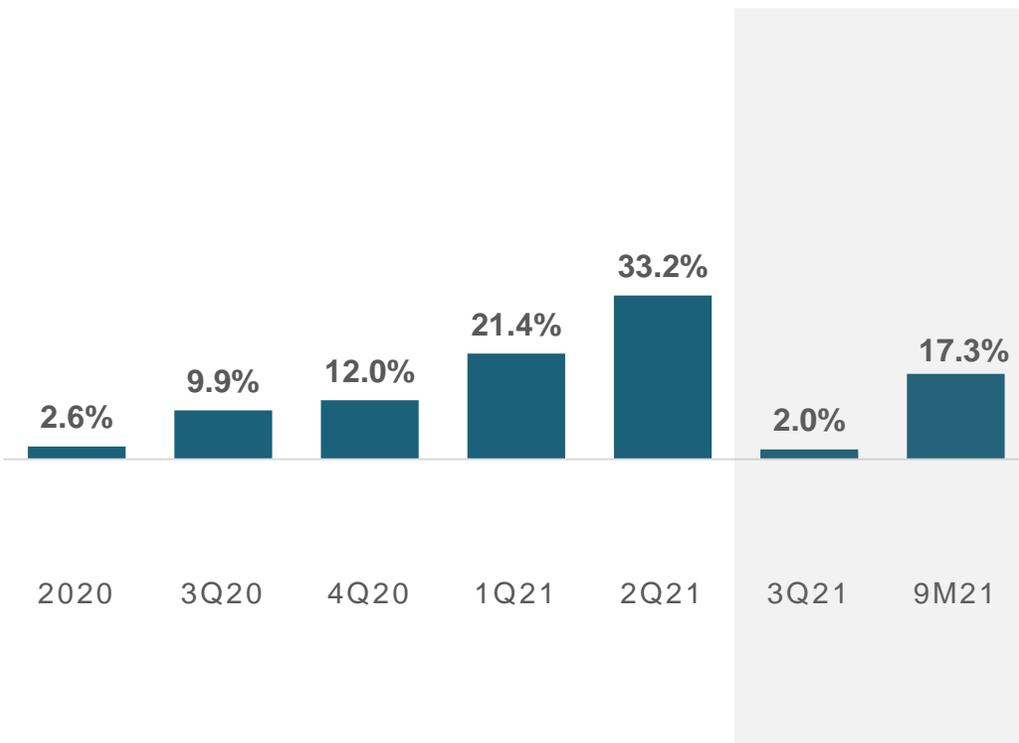
✓ Delivered    ✓✓ Surpassed

\* Adjusted and Recurring EBITDA

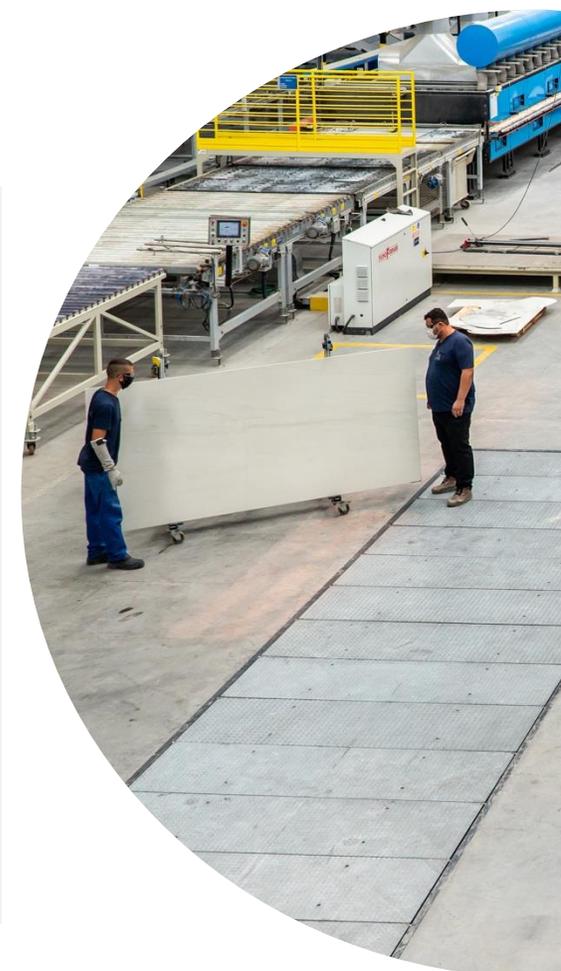
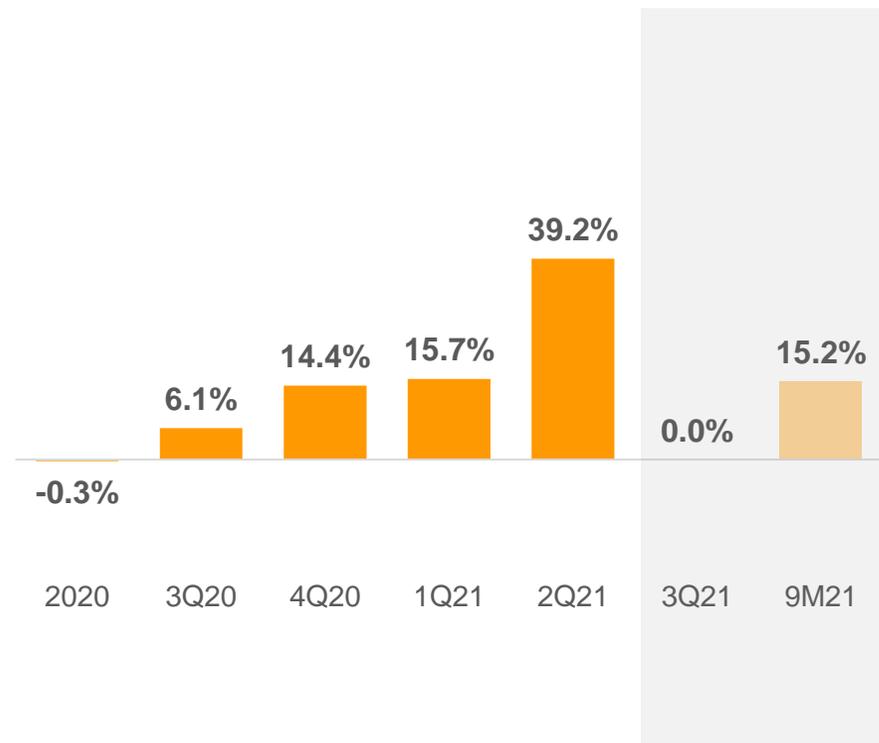
# Market Performance

Ceramic tile and building materials industry with a small volume growth in 3Q21 vs. 3Q20, due to robust comparison base (operating at full capacity since July 2020)

**ANFACER**  
Volume



**ABRAMAT**  
Value

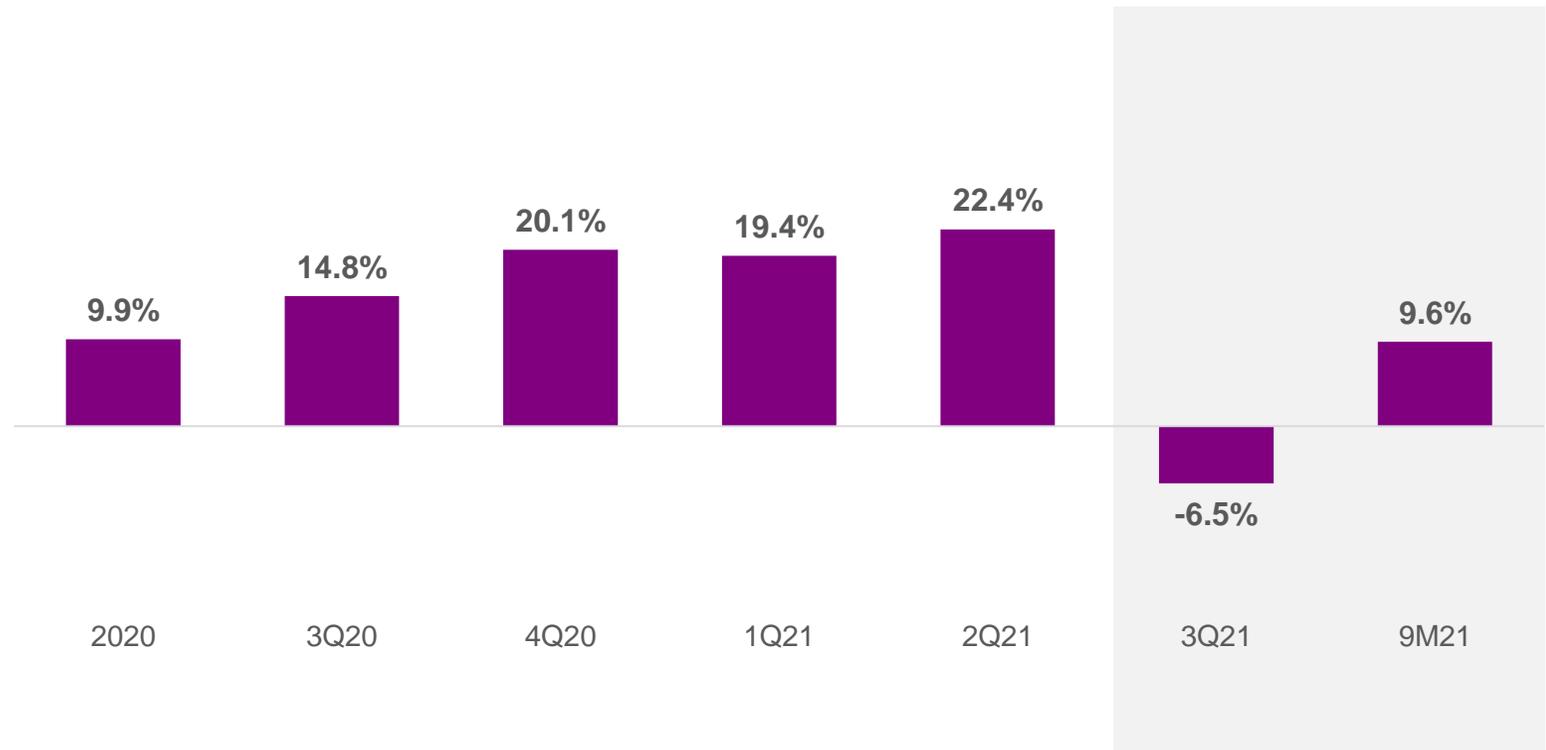


# Market Performance

Retail segment presented small drop in 3Q21 due to comparison with 3Q20 and impact from pandemic (consumption in other segments), although 9M21 is still strong



ICVA | Cielo Expanded Retail Index  
Building Materials Sector

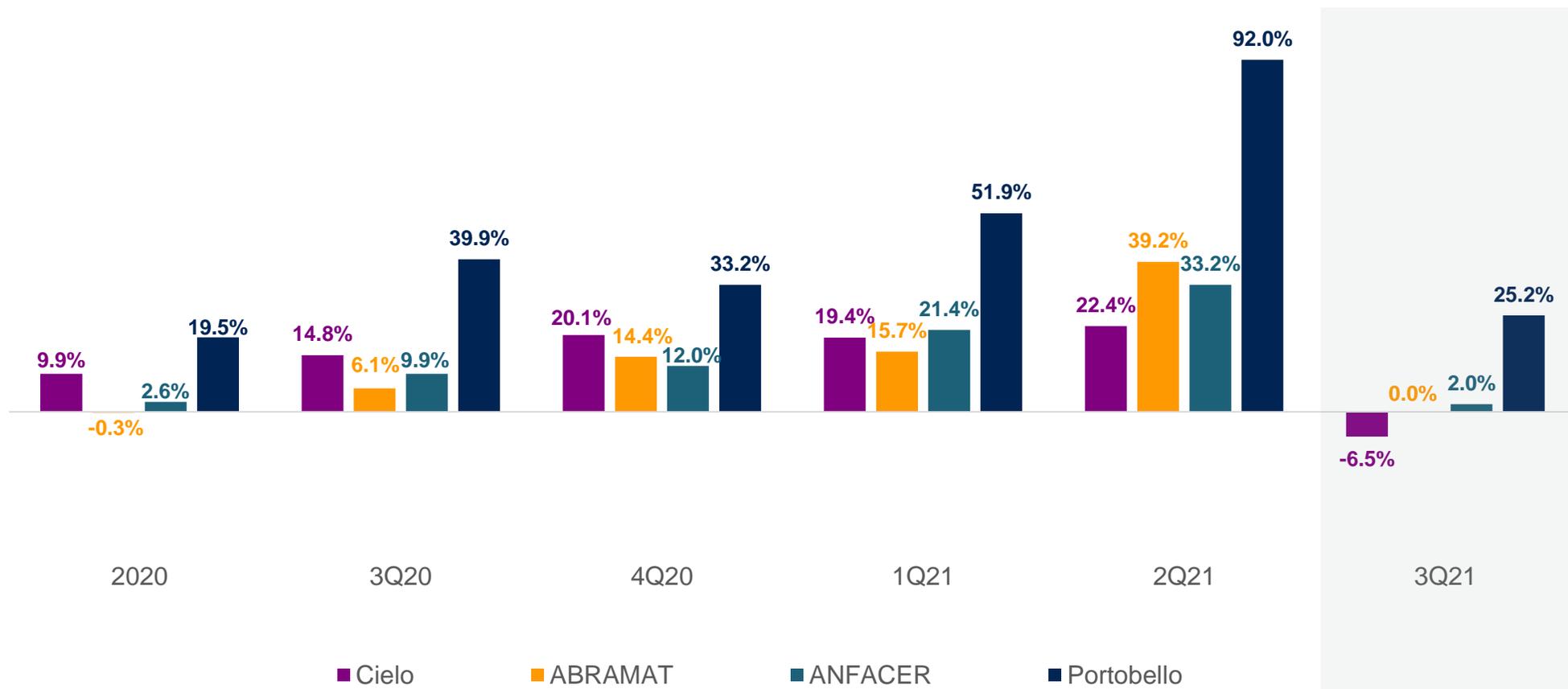


# Portobello Performance vs. Market

The Group continues to outperform the building materials market, both in retail and industry, with market share gain in the comparison of actuals vs 3Q20

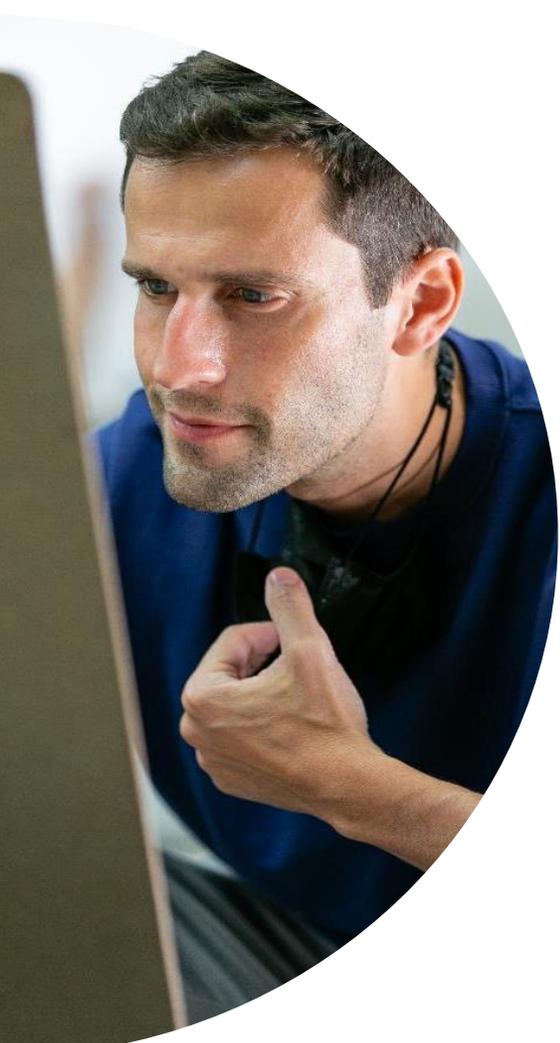
Retail (Cielo) and Industry (ABRAMAT and ANFACER) vs. Portobello

Change over the same period of last year

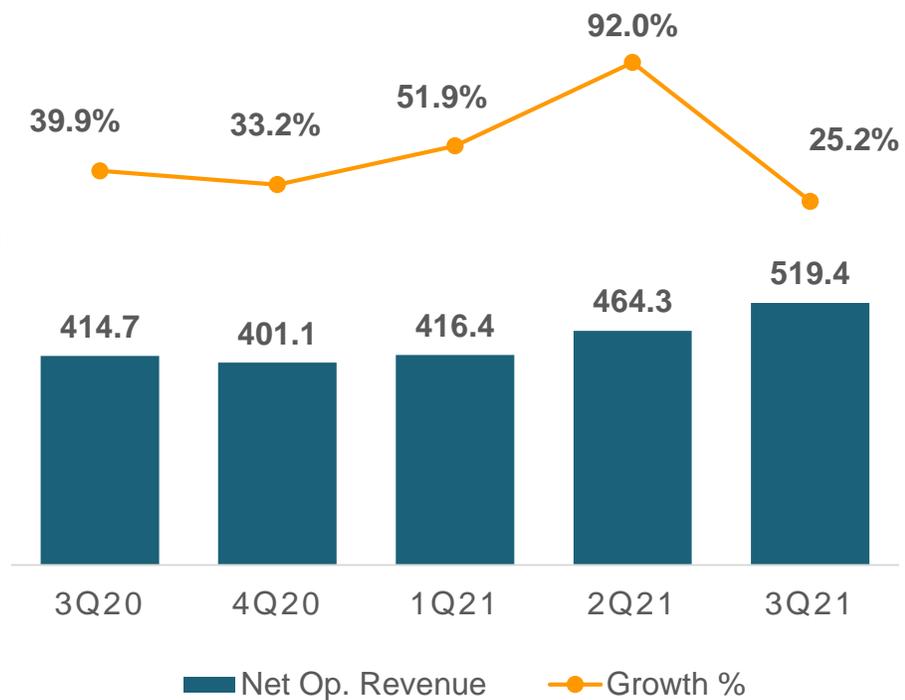


# Net Revenue and Gross Profit

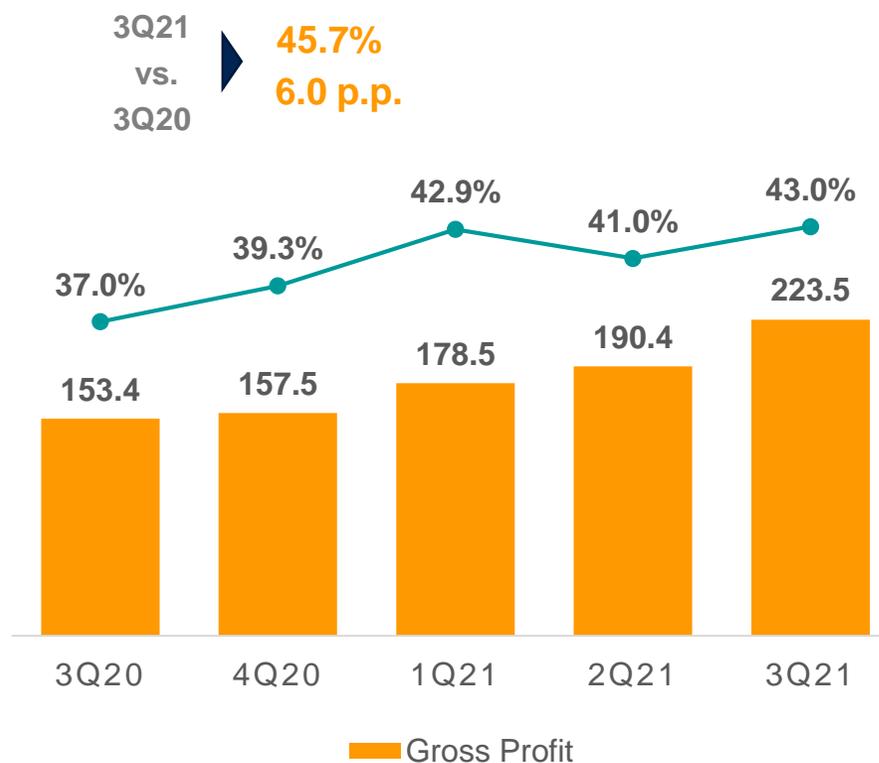
Robust growth of 25.2% for Net Revenue despite market stability in 3Q21. Gross Margin of 43.0%, repositioning the Group's profitability



Net Revenue  
R\$ million and % change



Gross Profit and Gross Margin (Adjusted and Recurring)  
R\$ million and % change | % and pp change



# Net Revenue by Segment

Strong performance in the Domestic and Foreign Markets, with all Business Units growing double digits, mainly Shop and America with growth higher than 50%

Change in Net Revenue  
% over the same period in 2020

3Q21 vs. 3Q20



9M21 vs. 9M20



\* Foreign Market in Dollars : 3Q21 42.4%; 9M21 50.7%

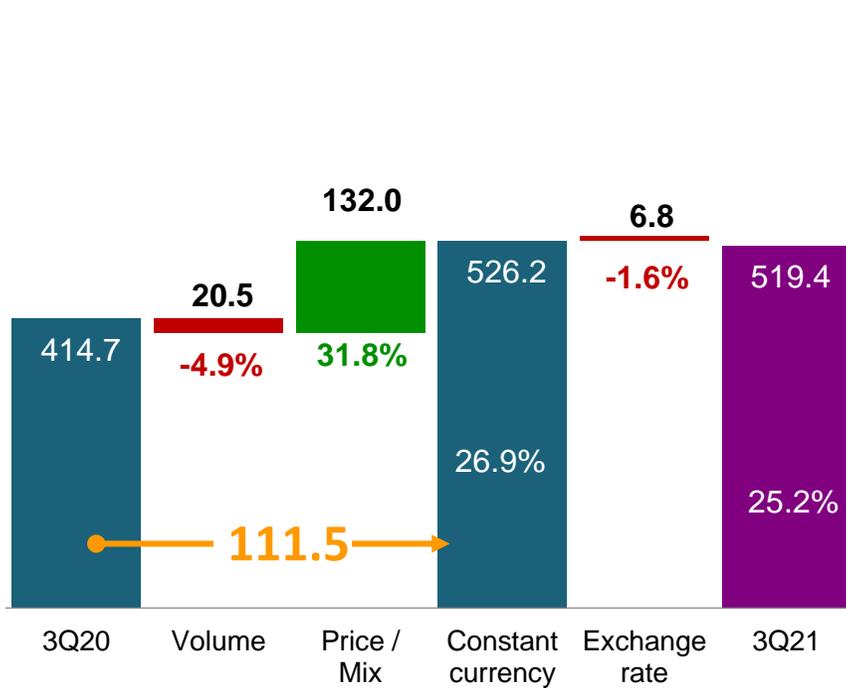
\*\* Portobello America in Dollars : 3Q21 64.9%; 9M21 47.1%



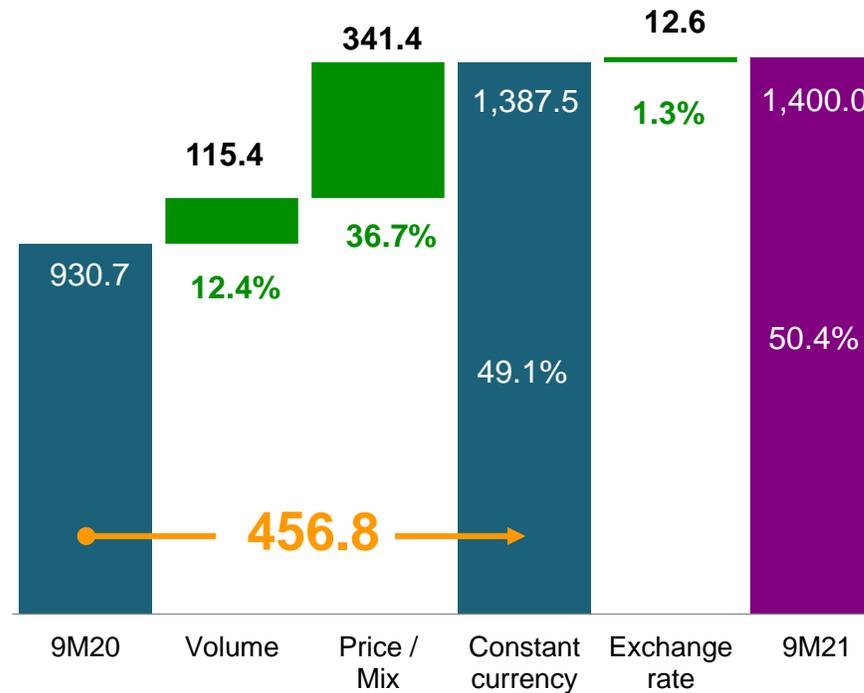
# Net Revenue drivers

In 3Q21 growth came from better price/mix management. In 9M21, growth came from volume, better price/mix management and favorable exchange rate

Net Revenue  
R\$ million



3Q21 vs. 3Q20



9M21 vs. 9M20



# Gross Margin by Segment

In 3Q21 the Gross Margin gain was concentrated in Internal Market, mainly Shop and Pointer BUs. In 9M21, all BUs growing Gross Margin vs 9M20

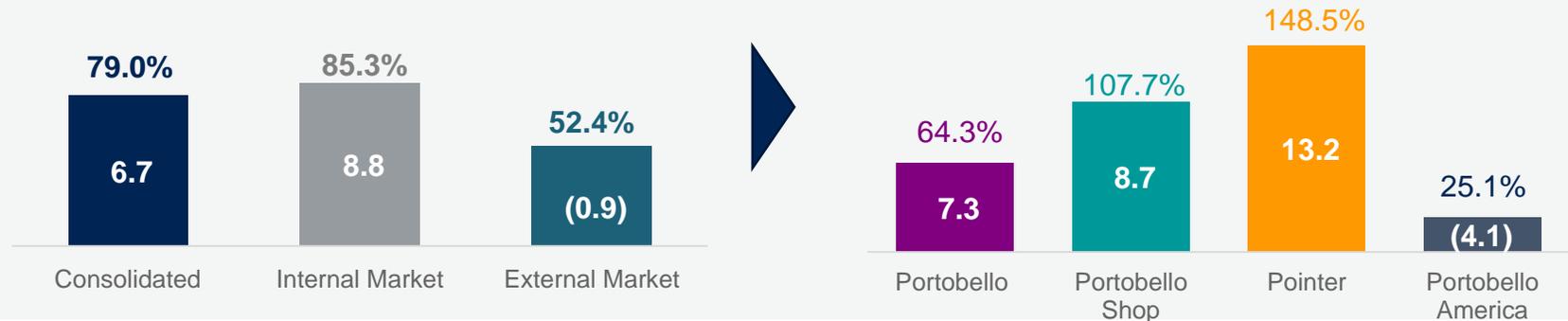
## Adjusted and Recurring Gross Margin Change

Percentage points and % over the same period in 2020

### 3Q21 vs. 3Q20



### 9M21 vs. 9M20



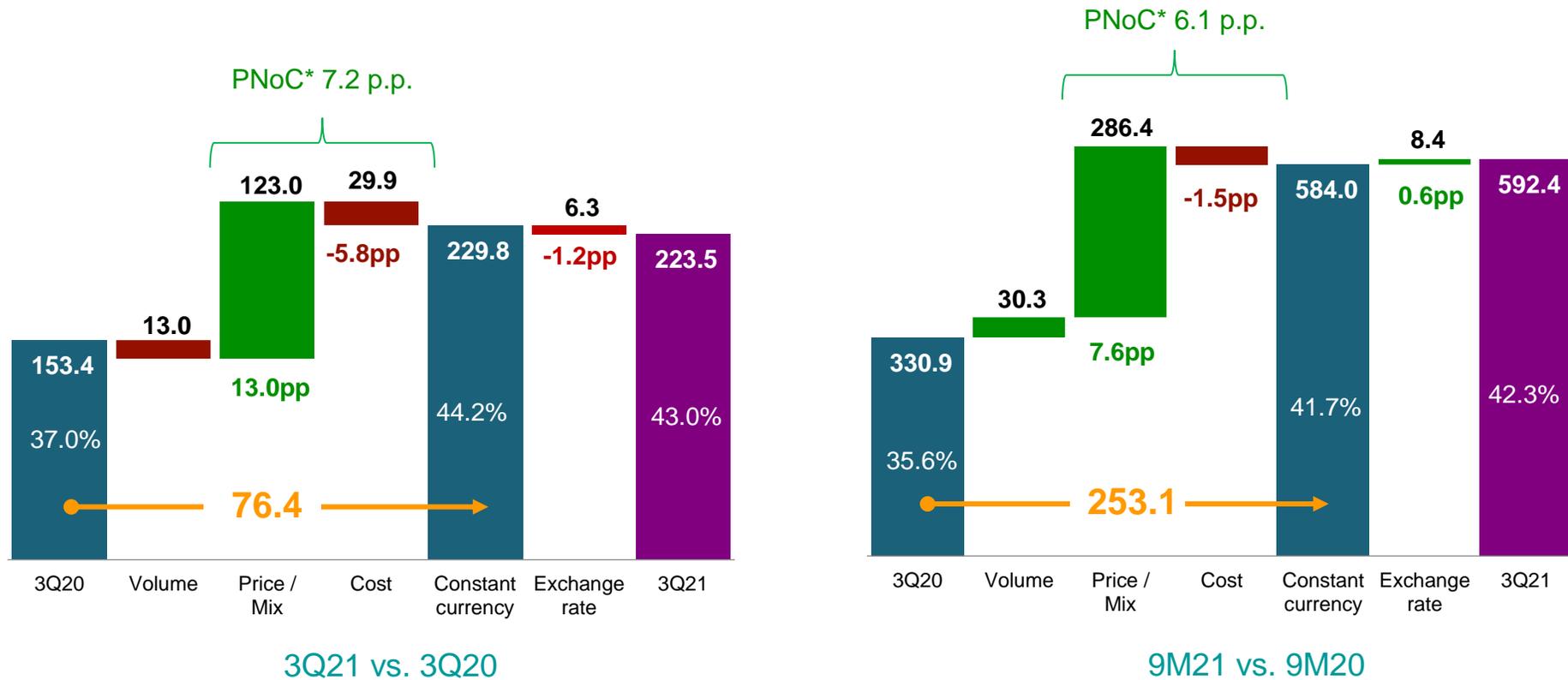
\* Temporary impact of increased industrial costs in BRL, international maritime freight and currency hedge



# Gross Margin drivers

Sustainable Gross Margin gain due to higher prices and better mix, despite strong cost pressure (net of industrial efficiencies)

Gross Profit and Gross Margin (Adjusted and Recurring)  
R\$ Million and % of Net Revenue



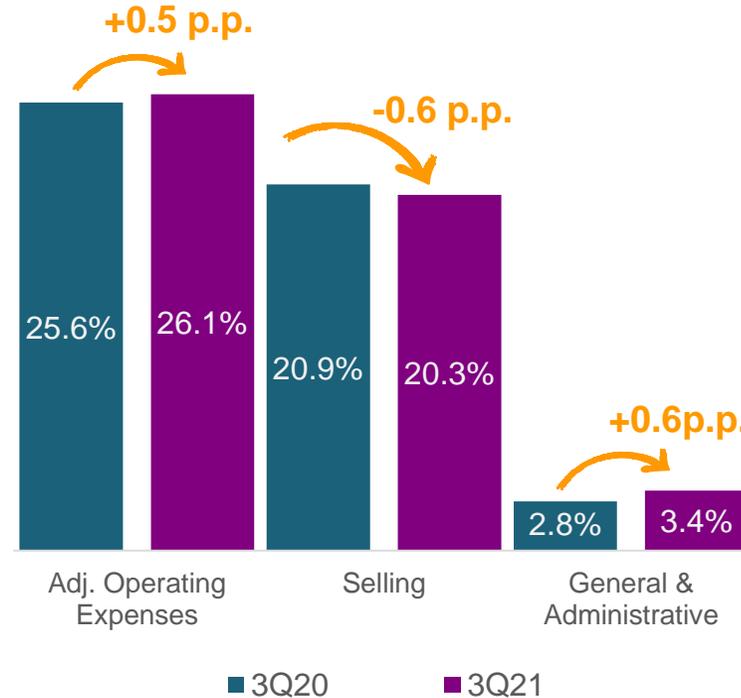
\* PNoC (Pricing Net of Cost)



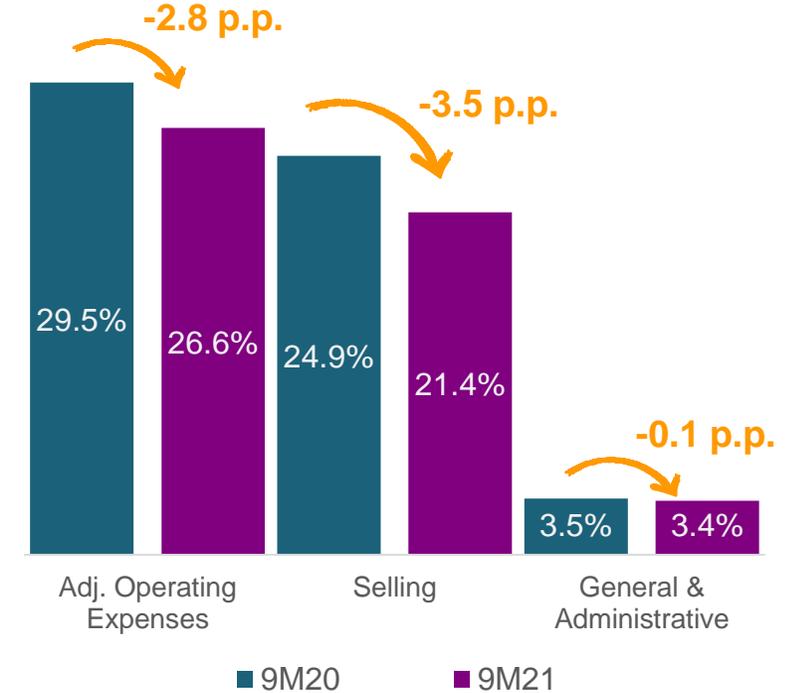
# Operational Expenses

Punctual increase in 3Q21 related to strategic planning consulting firm. In 9M21, management discipline and selectivity in choices generated expenses dilution

Adjusted and Recurring Operating Expenses  
R\$ million and % on Net Revenue



3Q21 vs. 3Q20



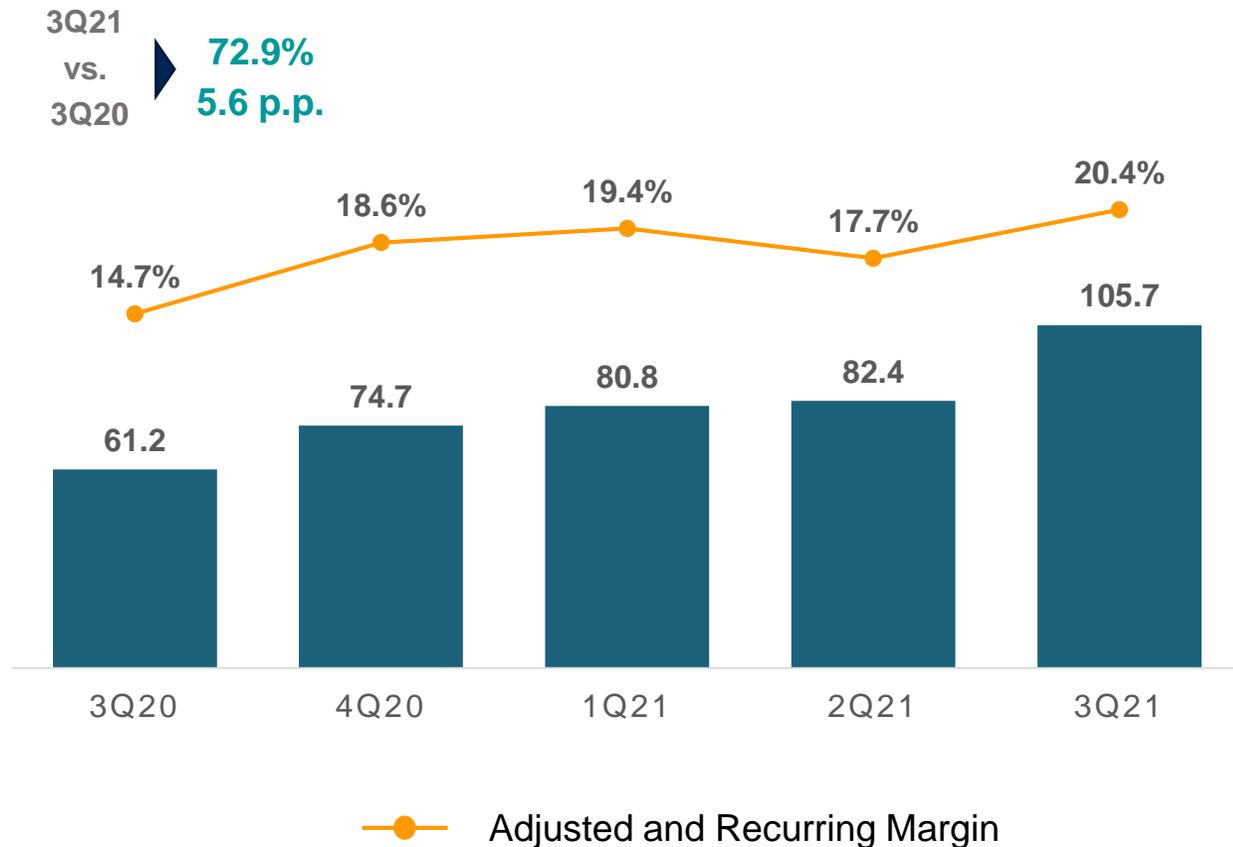
9M21 vs. 9M20

# EBITDA

Constant EBITDA growth in the last 5 quarters due to the improvement in Gross Margin and Expenses management discipline



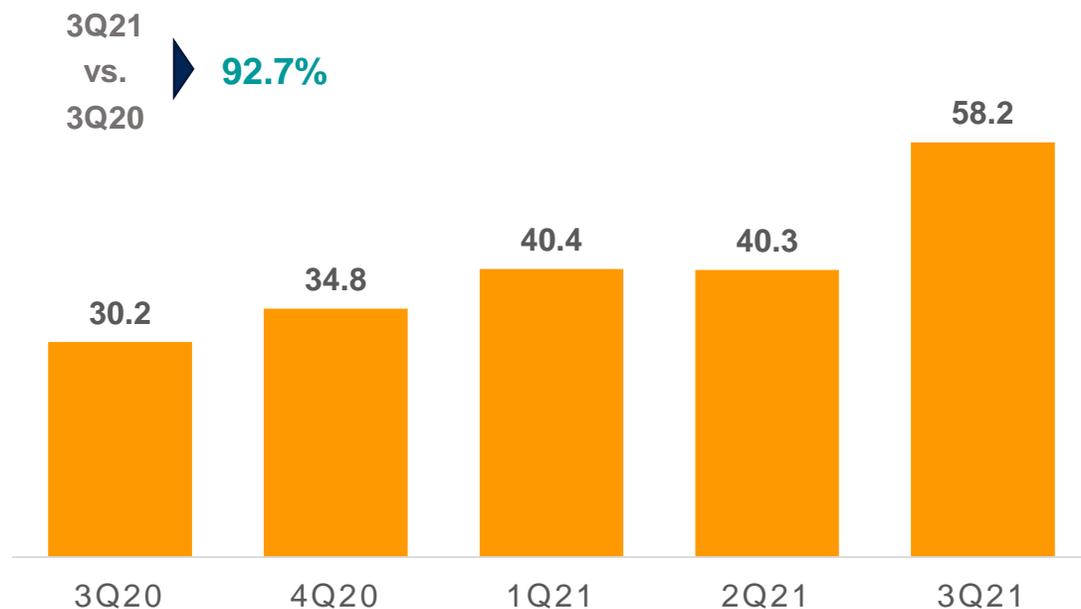
EBITDA and Margin (Adjusted and Recurring)  
R\$ million and % change | % and pp change



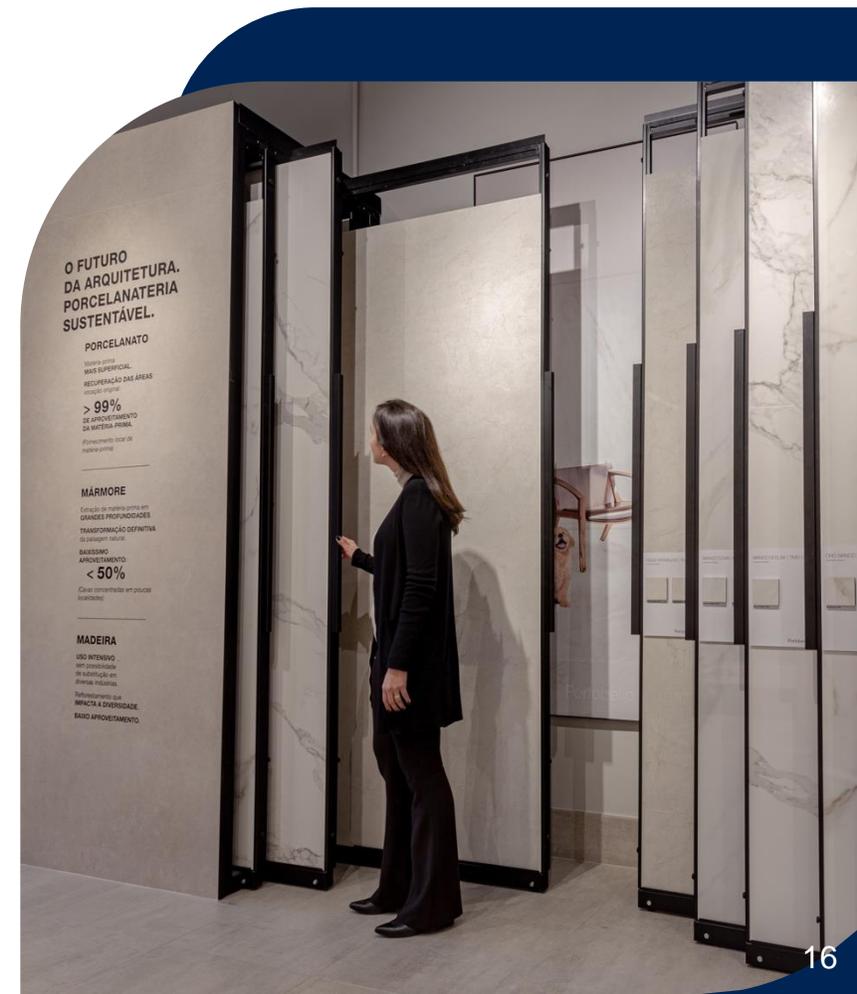
# Net Income

Growth in Net Profit mainly due to higher EBITDA and better financial result, coupled with lower effective tax rate

Adjusted and Recurring Net Income  
R\$ million



\* Excluding R\$ 22.5 million non-recurring tax gain in 3Q21



# Working capital

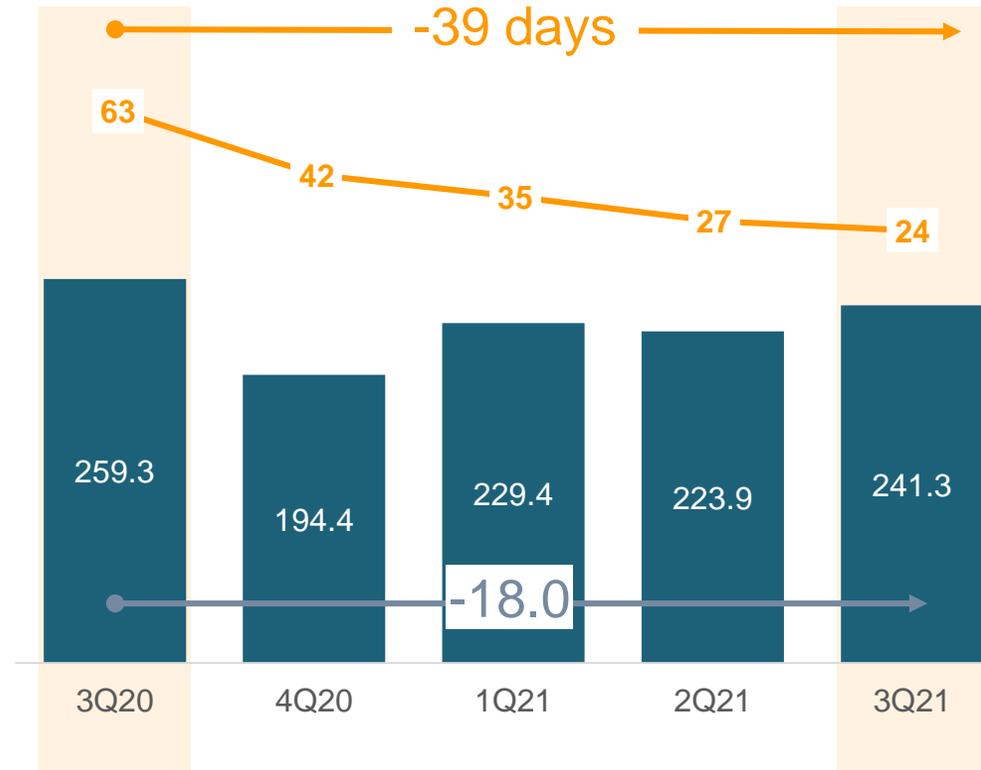
Stable Working Capital with a strong decrease in the CCC due to the focus on opt. inventories, better management of receivables and longer terms with suppliers

Cash Conversion Cycle (CCC)  
R\$ million



3Q20	57	99	93	<b>63</b>
3Q21	48	83	107	<b>24</b>
Var.	-9	-16	14	<b>-39</b>

Evolution of Cash Conversion Cycle (CCC)  
R\$ million and days



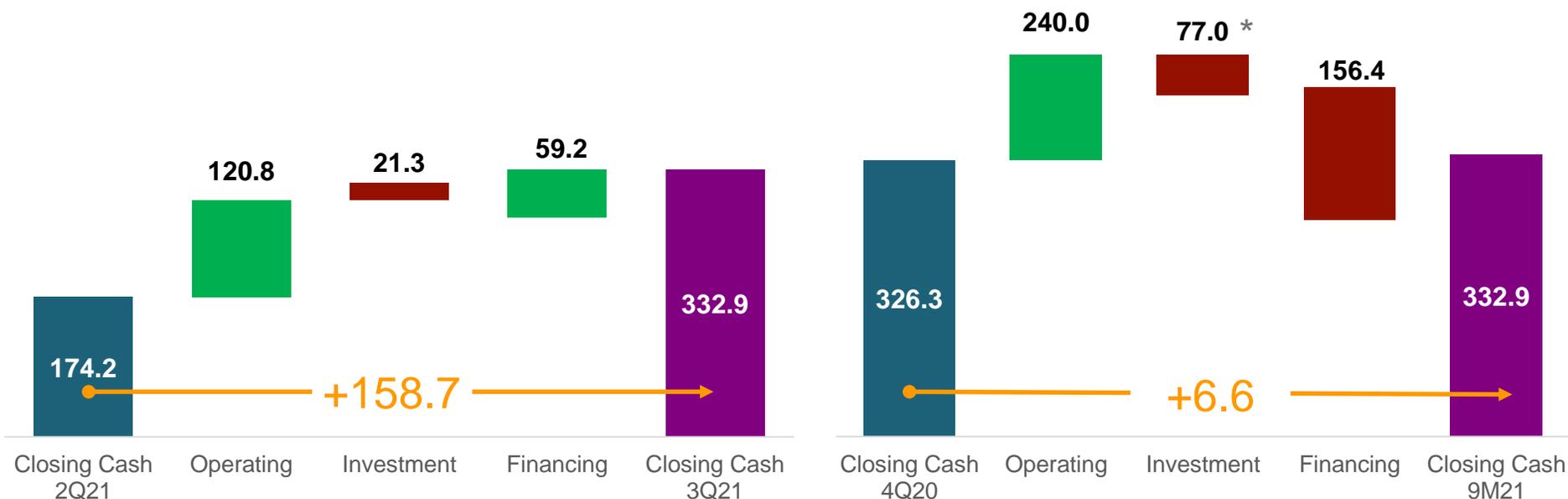
# Cash Flow

Increase in cash position in 3Q21 due to strong operational cash generation, combined with debentures/NCEs issues, net of amortization anticipations



**3Q21 Cash Position**  
R\$ million

**9M21 Cash Position**  
R\$ million

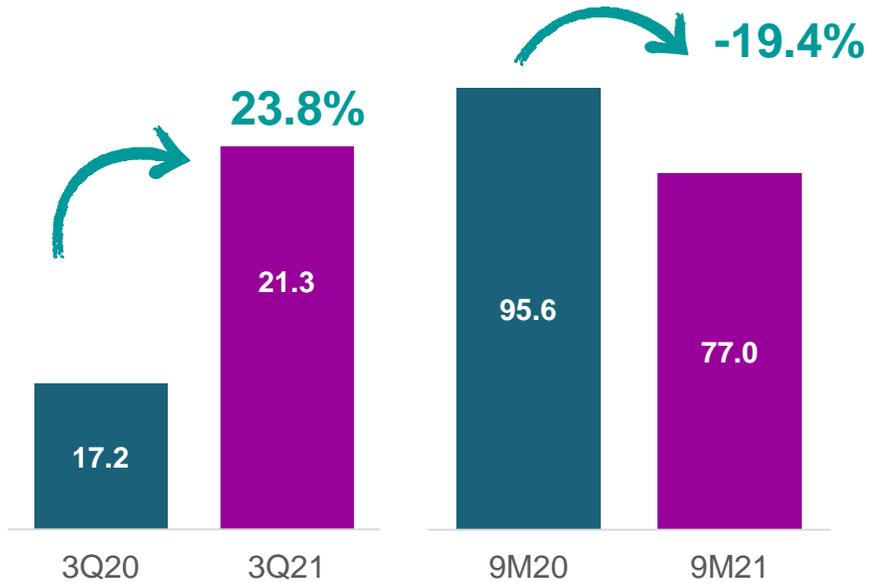


\*Share buyback program reclassified from Investment to Financing

# Investments

CapEx focused on Portobello America investment, increasing production capacity (Tijucas and Marechal Deodoro) and own stores expansion

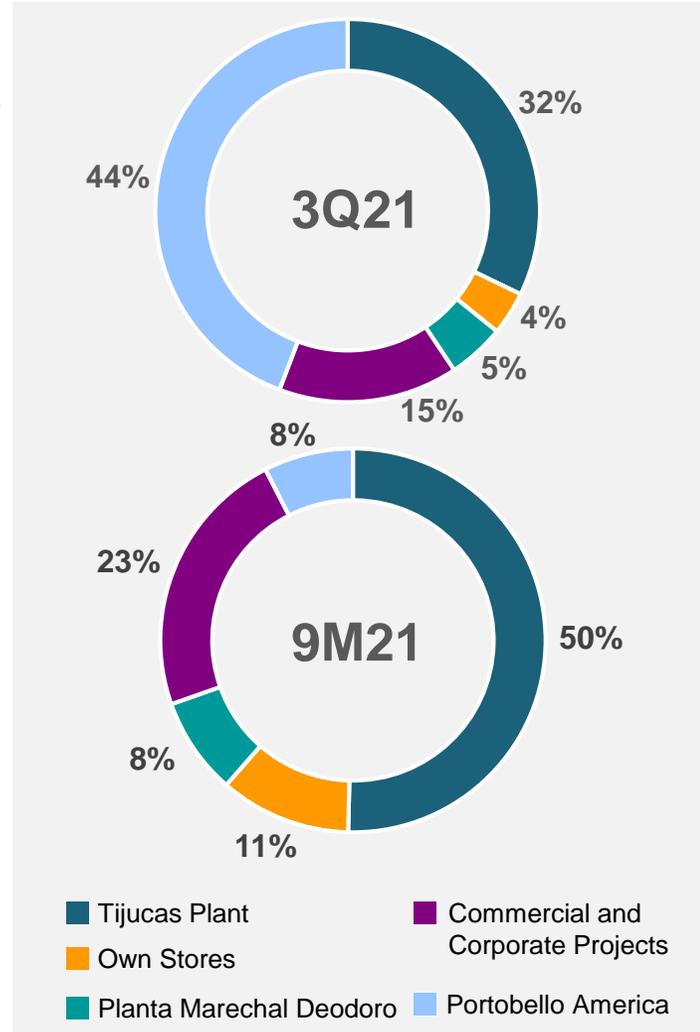
Investments  
R\$ million



\* In 2020, 50% of the investments for the year were concentrated in 2Q20 (Lastras Project)

Lastras = Large formats (Slabs)

Breakdown of Investments

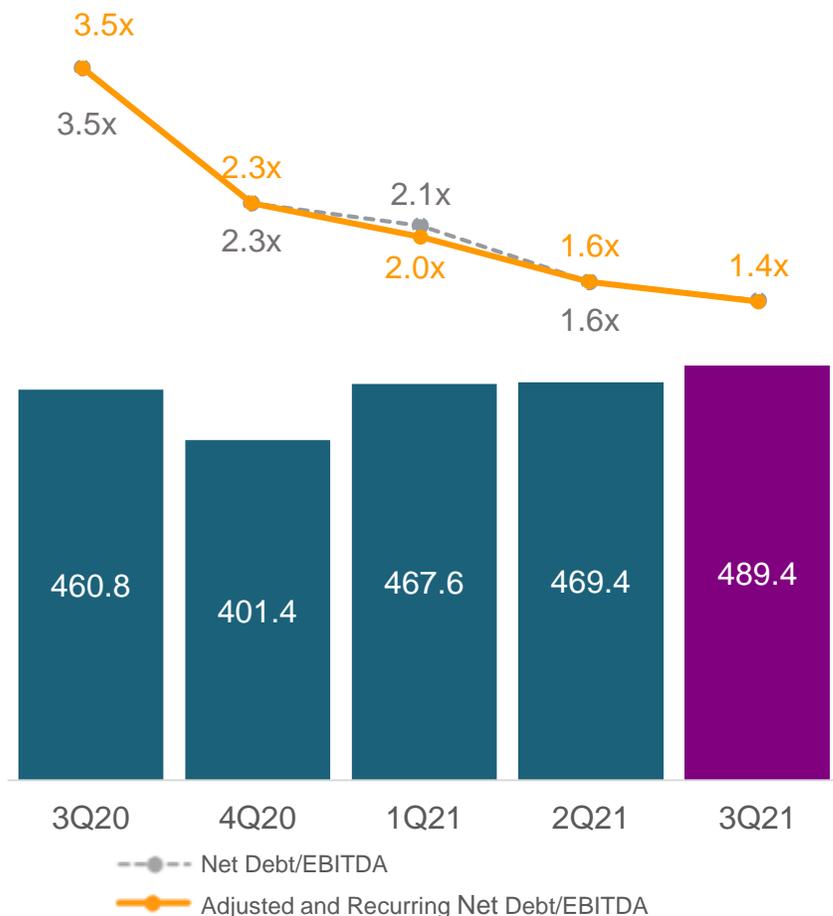


# Net Debt

Reduction of Net Debt and Financial Leverage to lowest historical level due to the EBITDA increase and better working capital management

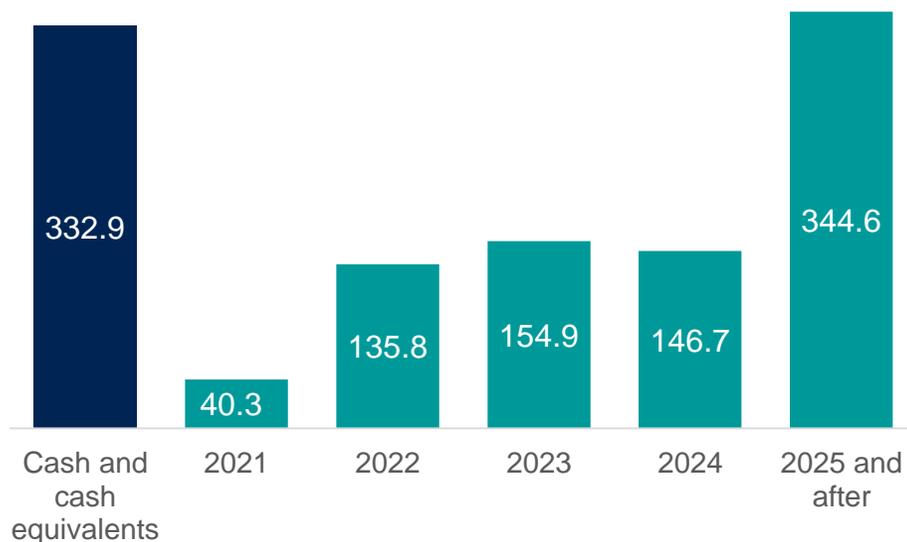
Net Debt and Net Debt-to-EBITDA Ratio

R\$ million

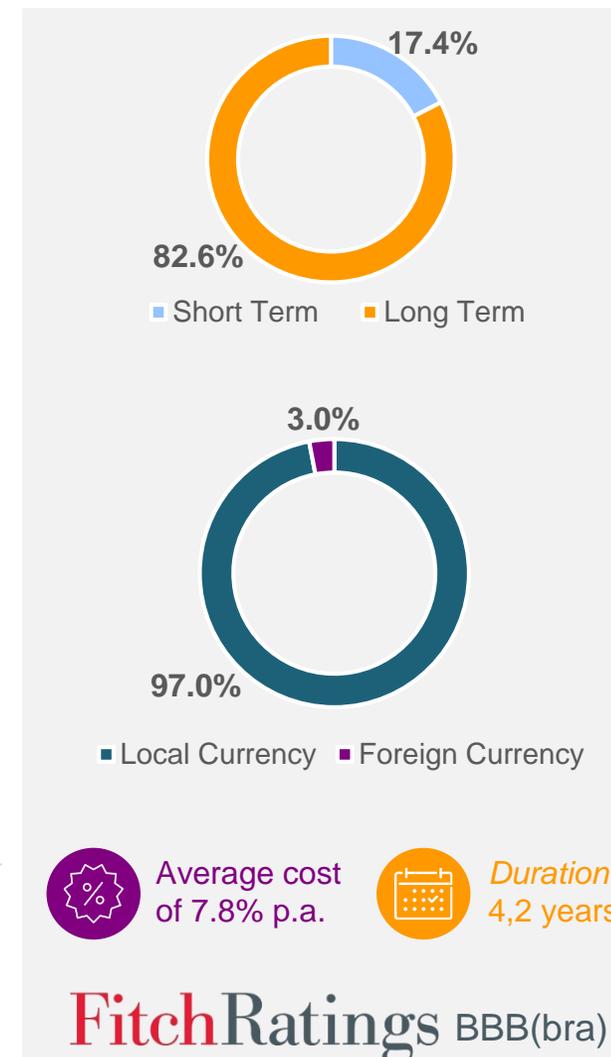


Amortization Schedule

R\$ million



Breakdown of Debt



# Capital Markets

PTBL3 shares performing above Ibovespa, with increase in the volume traded.  
Buyback program conclusion and Dividend anticipation of R\$ 0.5736 per share.



## Buyback Program

- Conclusion on Sep 6<sup>th</sup>, 2021
- **6,542,817 ordinary shares (ONs)**
- Average cost of **R\$ 13.96 per share**
- 4.4% of total Company shares issues or 10.0% of free float shares
- The buyback shares are intended to be held in treasury for later resale and/or cancelation

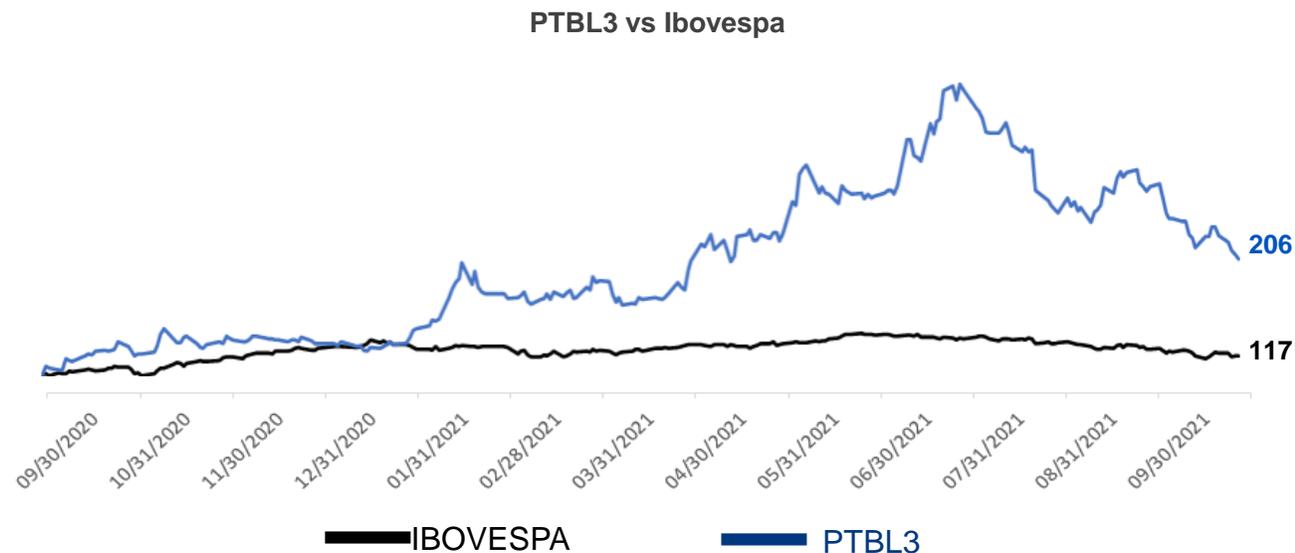
## Dividends Distribution



Distribution of R\$ 80.9 million  
**R\$ 0.5736 per share**  
*Dividend yield of 5.3%*

Record date Nov 19, 2021  
"Ex" Date Nov 22, 2021  
Payment **Nov 30, 2021**

Performance PTBL3 vs. IBOV	Average daily trading volume (ADTV) R\$ 44.6 million 341.0% vs. 3Q20	106.3% in 12 months
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ESG: Adoption of Global Pact



Pacto Global  
Rede Brasil

# Perspectives for 4Q21

Market remains favorable vs 2020 comparison base (industry operating at full capacity). Group performance continues consistent in quarterly evolution



## Market

- Civil construction market should remain heated in the short term



## Production and Sales

- Net Revenue in 4Q21 in absolute terms similar to 3Q21, maintaining above R\$ 500 MM
- Oct/21 with record sales of approx. R\$ 188 MM, ~26% vs Oct/20
- Focus on the improvement of service levels



## Costs and Expenses

- Maintenance of Gross Margin higher than 40.0%, despite strong inflationary pressure on costs
- Maintenance of strict operational cost and expense management



## EBITDA

- EBITDA Margin in 4Q21 with positive evolution vs 4Q20



## CapEx

- Focus on strategic projects: America and Shop



## Cash Flow

- Maintenance of the Net Debt/EBITDA ratio below 2.5x
- Financial management discipline, optimization of the Cash Conversion Cycle and preservation of liquidity





# Strategic Projects Update

# Progress on the Debt Lengthening Strategy

Indebtedness profile improvement through long term issues (5 and 6 years) combined with short and medium term debt amortizations

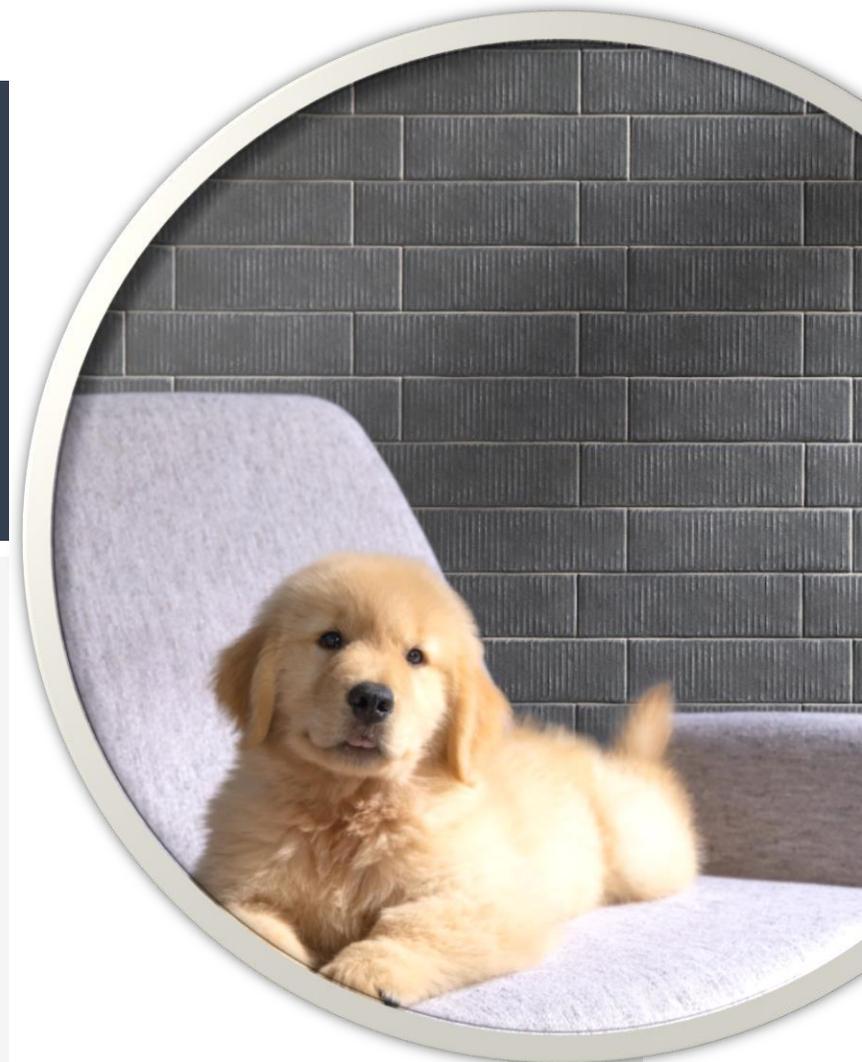
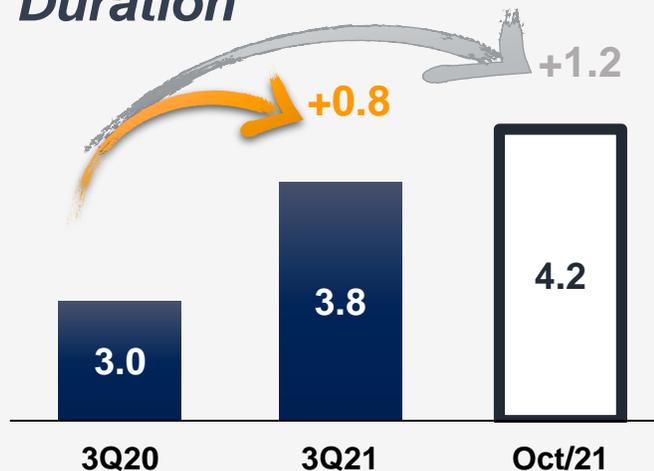
## 4<sup>th</sup> Debenture issuance

- ✓ Amount of **R\$ 300 million** finalized on Sep 30<sup>th</sup>, 2021
- ✓ Maturity period of **5 years** from the date of issue, with a **2 year grace period**
- ✓ Remuneration corresponding to **100% of CDI\*** plus a **spread of 3% per year**.
- ✓ **Early settlement of 3<sup>rd</sup> debenture bonds issuance**, in the amount of **R\$ 150.0 million**

## NCE's

- ❑ Issuance of NCE's\* in the amount of **R\$ 130 million**
- ❑ Cost of **CDI\* + 2.85%** per year
- ❑ Tranche 1: **R\$ 100 million, term of 6 years**
- ❑ Tranche 2: **R\$ 30 million, term of 5 years**

## Duration



# Portobello America

Board Directors approval for USD 160 Million investment in construction of plant in the United States. Status: Completion of architectural design and earthworks



- Board Directors approval on Oct 7<sup>th</sup>, 2021
- The total investment estimate is USD 160 million, being USD 80 million for the construction (BtS)\* and USD 80 M for machines and equipment
- Upon conclusion of construction, the company will enter long term lease arrangement of the facility (20 years)
- Conclusion expected for the end of 2022 / production early 2023

- Creation of 220 local jobs
- Annual Revenue exceeding US\$ 100 million
- Plant area: 895,000 sqf
- Capacity of 77.5 million sqf per year,
- Increase of ~15% in the Group's capacity

# Portobello Shop BU Progress

Hiring new leader with solid experience with relevant players of Integrated Retail.  
 Net increase of sale area of 9 stores in the last 12 months



Curitiba/PR



Gov. Valadares/MG



Itaipava/RJ



Lucas do Rio Verde/MT



**Romael Soso**  
 New Managing Director  
 for Portobello Shop



## New stores opened in the last 12 months

City	Launch
Dourados/MS	Oct/20
Limeira/SP	Dec/20
Alfenas/MG	Dec/20
Itapetininga/SP	Dec/20
Lajeado/RS	Jan/21
Lucas do Rio Verde/MT	Jan/21
Araguaína/TO	Jan/21
Gov. Valadares/MG	Jan/21
Itumbiara/GO	Jan/21
Itaipava/RJ	May/21
Goianésia/GO	Jul/21
Assis/SP	Jul/21
Osasco/SP	Jul/21
Praia Grande/SP	Jul/21
Rio Branco/AC	Aug/21

# Progress on Corporate Governance

Evolution of corporate governance aligned with Novo Mercado rules, through the implementation of Audit Comitee and Compliance dept. linked to Legal Dept...



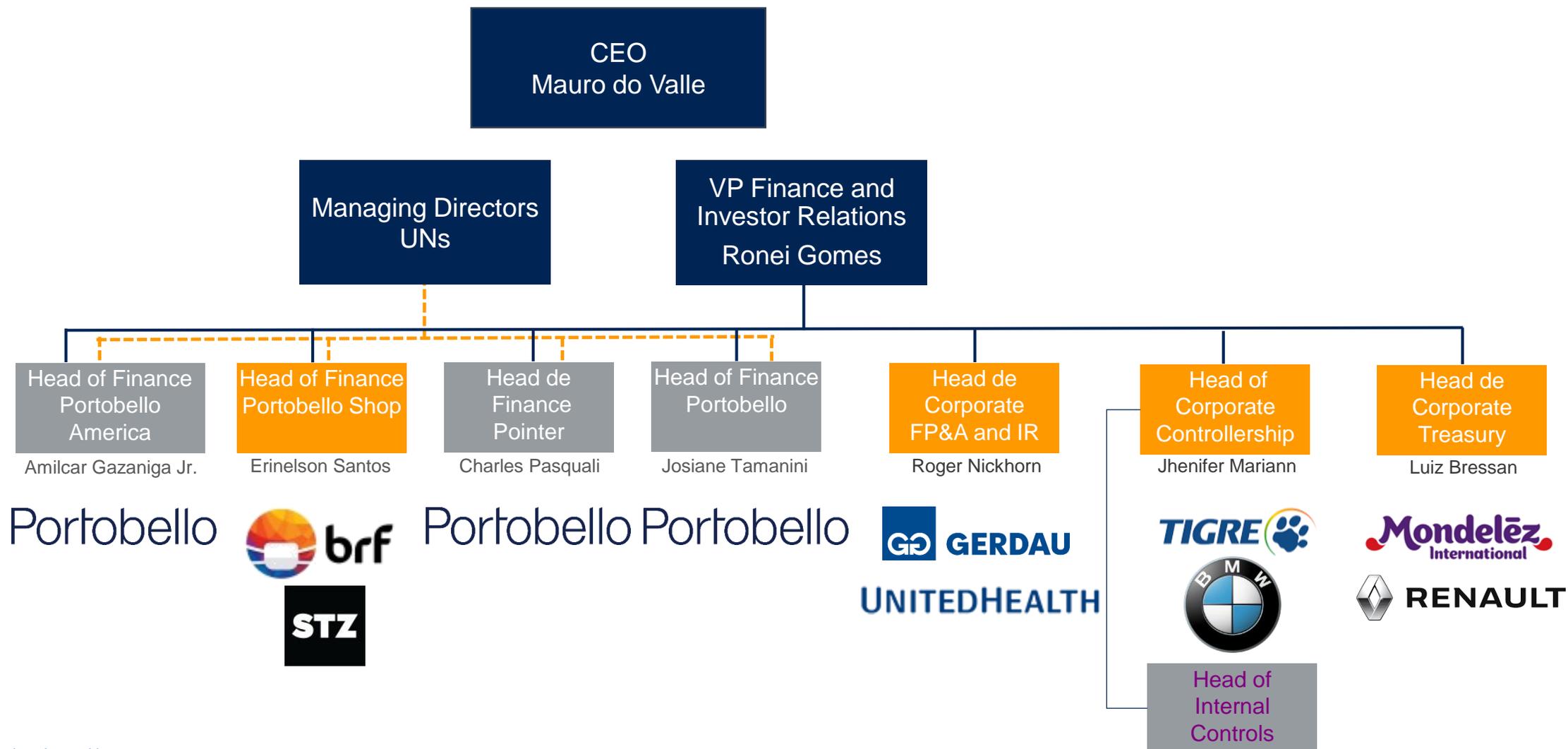
- **Glauco José Côrte**  
Independent Member of the Board of Directors
- **Cláudio Ávila da Silva**  
Member of the Board of Directors
- **Gladimir Brzezinski**  
Accounting and Finance Specialist

\* Scope includes Internal Audit activities



# Progress on Corporate Governance

...and also Internal Controls structure linked to new Finance team, formed by internal and external talents with focus on the BUs profitable growth





# Questions and Answers

# Investor Relations

**Ronei Gomes**  
CFO and IRO

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

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