



Results Presentation 1Q23

Estande Portobello
ExpoRevestir 2023

Portobello Grupo

Disclaimer

Information prepared by PBG, such as business outlooks, projections or operating and financial targets, are forecasts based on management's expectations regarding the company's future.

Future considerations are not guarantees of performance. They involve risks, uncertainties and assumptions. These expectations depend on circumstances that may or may not occur, as well as national and international market conditions, 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.





Portobello Grupo

Agenda

- 1) Market Overview
- 2) Operational and Financial Performance 1Q23
- 3) Strategic Projects Update
- 4) Outlook 2023
- 5) Questions and Answers



Market Overview

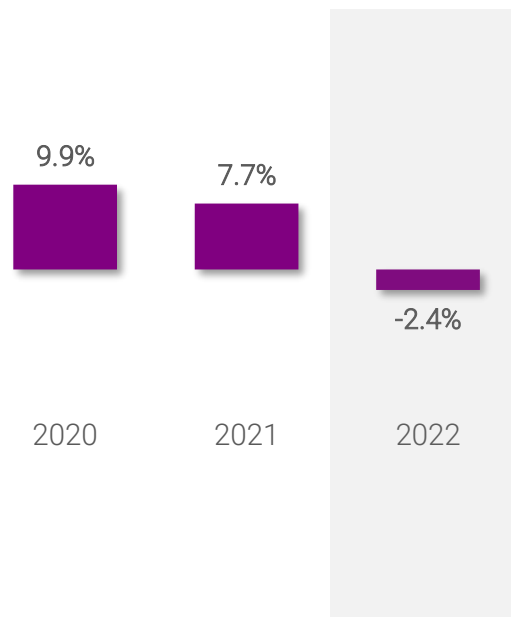
Desempenho do Mercado Brasileiro (Varejo)

Varejo de materiais de construção vem passando por desafios em função da alta da taxa de juros. No entanto, a Portobello Shop apresentou crescimento de Receita Líquida de 22,5% vs. 1T22.

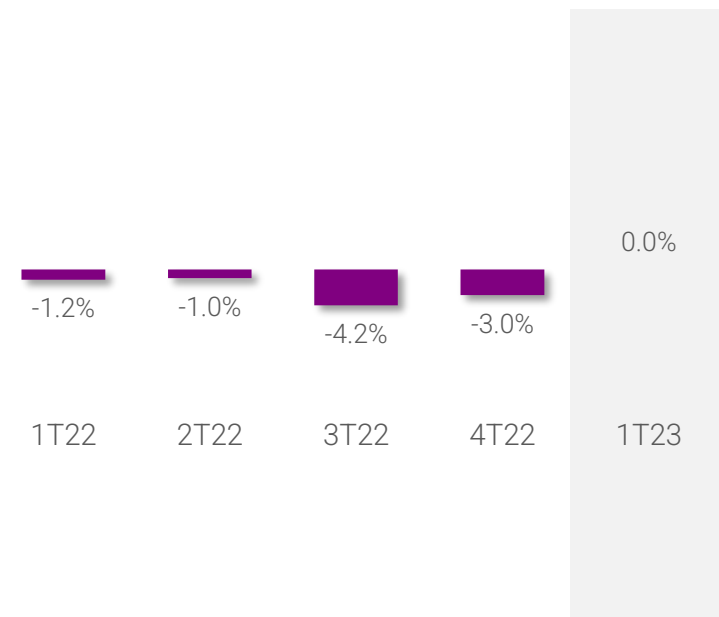


ICVA (Índice Cielo do Varejo Ampliado) Setor de Materiais para Construção (em termos nominais)

Variação anual



Variação trimestral

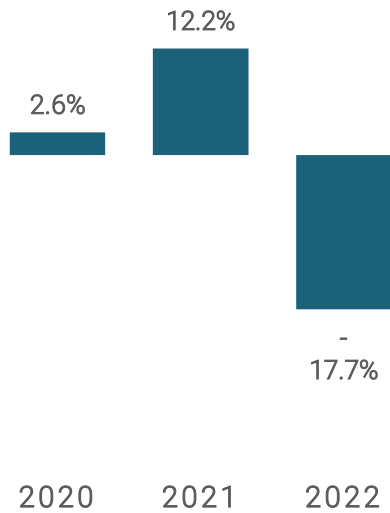


Brazilian Market Performance (Industry)

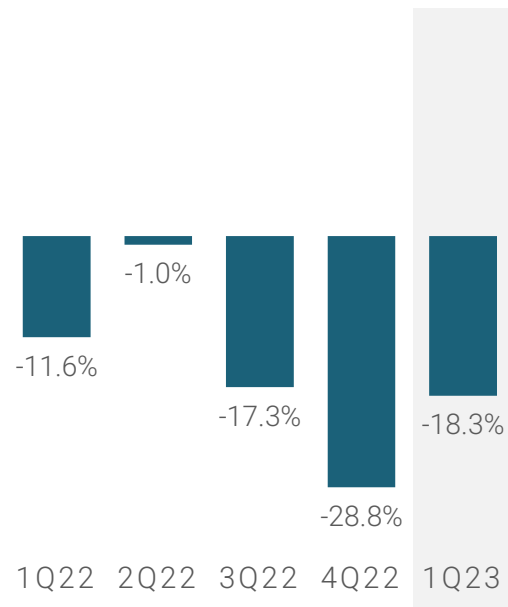
Building materials and coatings production sector faces the same challenges. PBG outperformed the domestic market (+0.7% vs. -6.5%)¹

ANFACER
Volume

Annual Variation

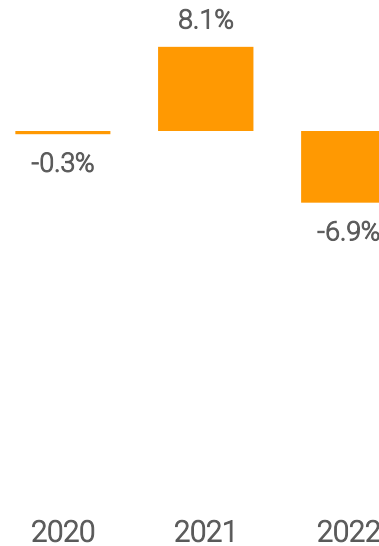


Quarterly Variation

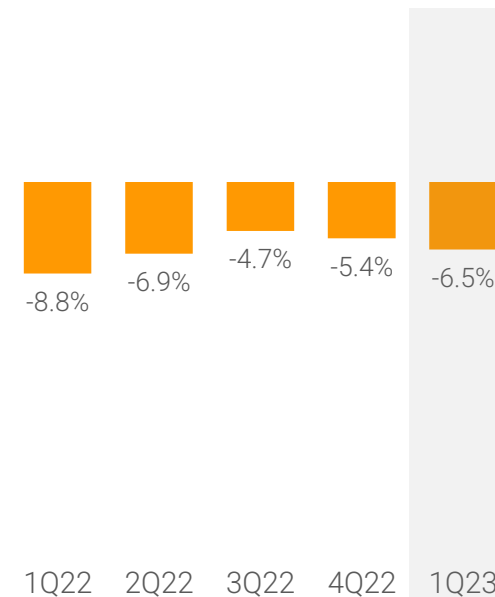


ABRAMAT
Value (deflated)

Annual Variation



Quarterly Variation



A photograph of a modern architectural interior. The space features large, floor-to-ceiling windows that offer a view of a lush, green forest. Inside, there is a minimalist living area with a light-colored sofa, a low coffee table, and two armchairs. The ceiling is made of concrete, and the walls are dark with vertical slats. The floor is a light-colored, polished material. The overall atmosphere is serene and sophisticated.

Operational and Financial Performance 1Q23

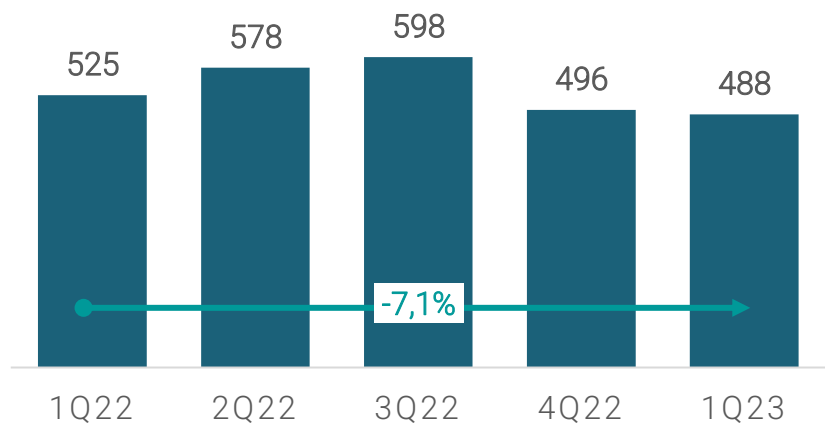
Net Revenue and Gross Profit

Lower volumes translate into lower revenue, but with sustained gross margin at 39%

Net Revenue

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

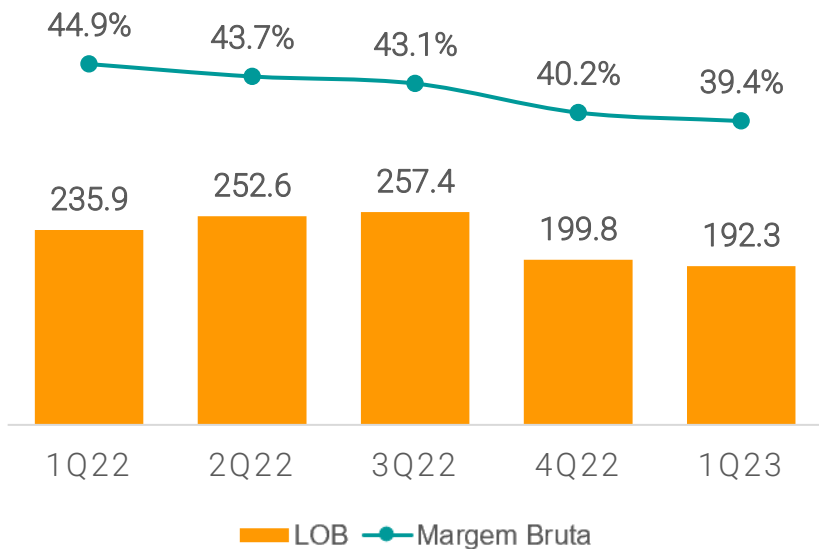
- Tighter market translates to lower volumes
- Foreign market impacted by temporary restrictions on export liberalizations in South America
- Superior results compared to the market, both in exports and in the domestic market



Gross Profit and Gross Margin (Adjusted and Recurring)

R\$ million and % margin

- Profit and gross margin in line with 4Q22
- Inflationary cost pressure vs. 1Q22

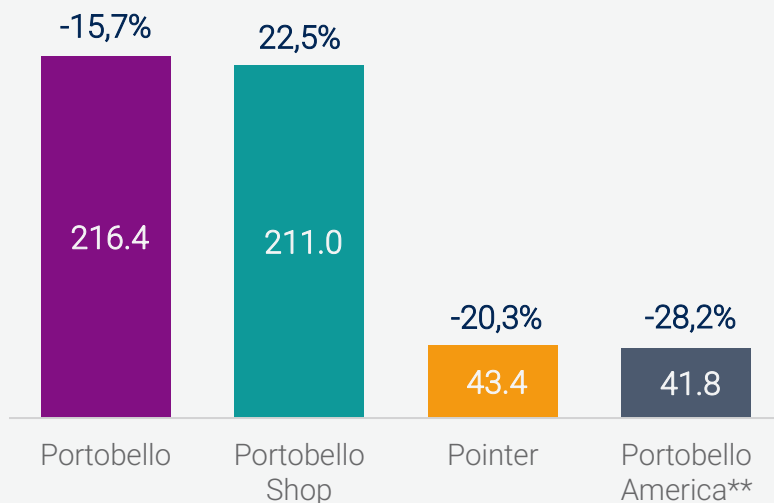


Net Revenue per Segment

Portobello Shop continues to show strong growth, partially compensating the retraction of the other businesses

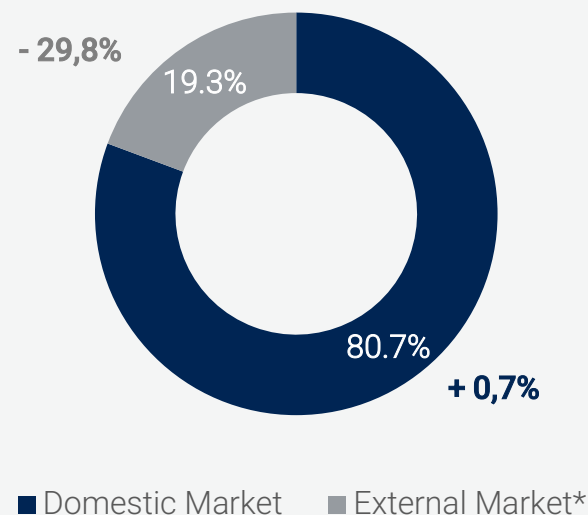
Net Revenue per segment

R\$ million | % vs. 1Q22



Participation in Net Revenue

Revenue Share | % vs. 1Q22



1T23 vs. 1T22

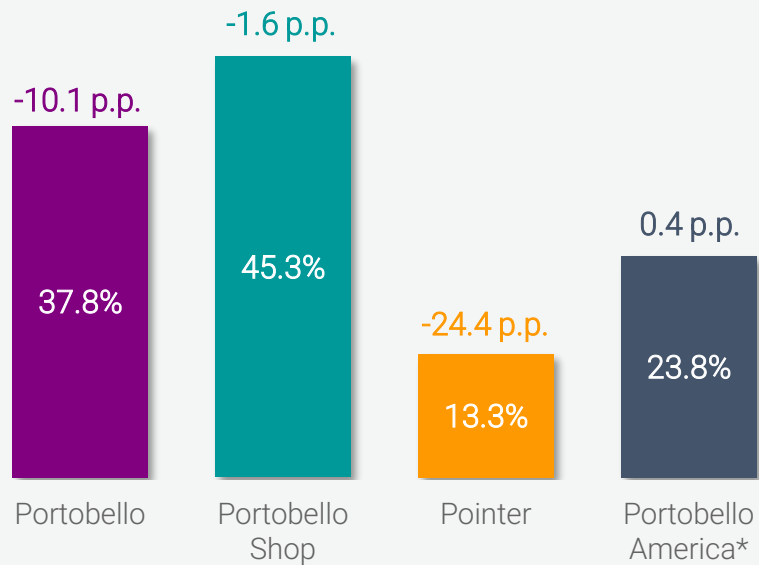


Gross Margin by Segment

Cost pressure and contraction in demand is impacting margins in all businesses

Adjusted and Recurring Gross Margin

Margin % and change in percentage points vs. the same period in 2022



1Q23 vs. 1Q22

- **Portobello:** Performance below 1Q22, but in line with 4Q22
- **Portobello Shop:** Margin maintained at good levels, in line with the company's strategy of expanding its own stores
- **Pointer:** Fall due to inflationary pressure and shrinking demand
- **Portobello America:** Results in line with 1Q22. Plant in final assembly phase of equipment for start-up

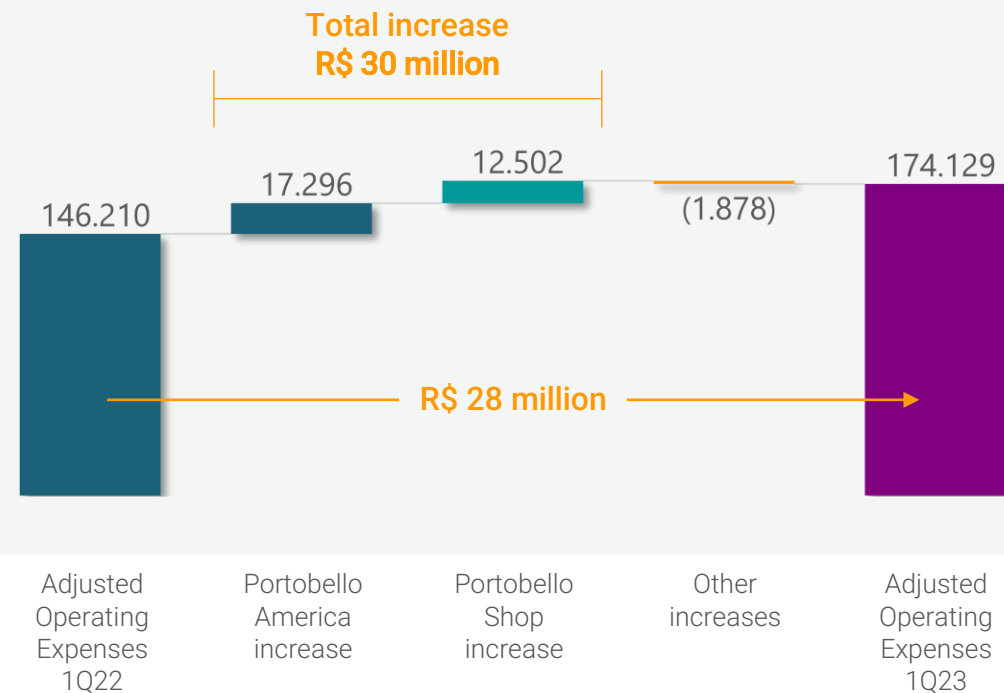
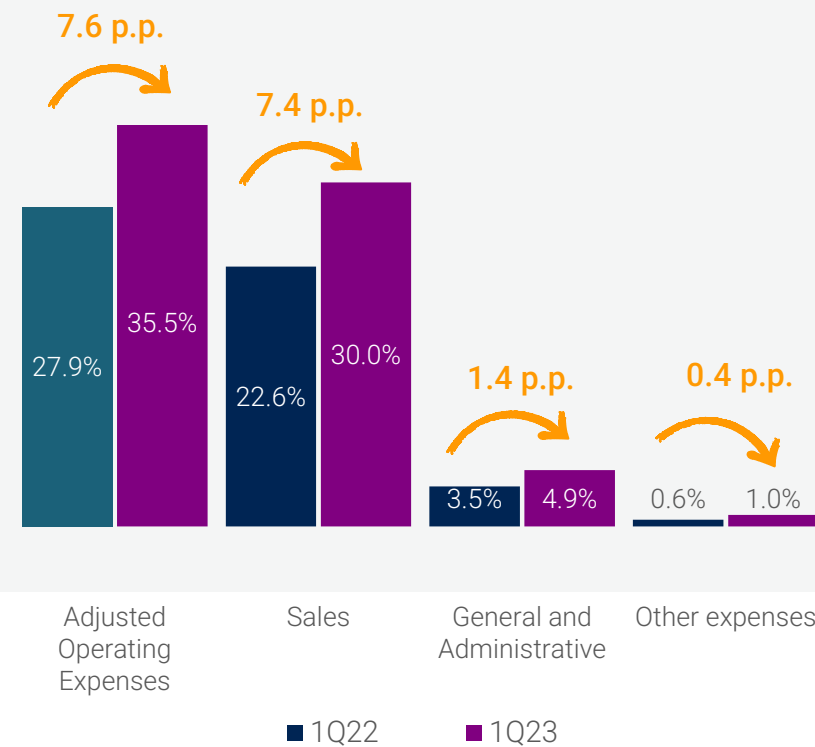


Operational Expenses

Higher spending increments in Priority Projects: Retail and PBA

Adjusted and Recurring Operating Expenses

R\$ million and % over Net Revenue



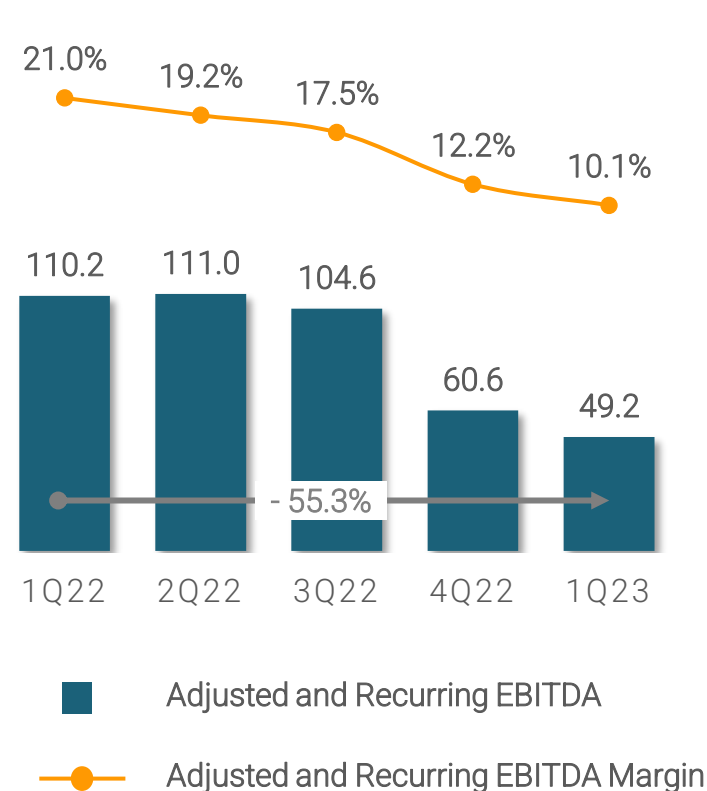
EBITDA ajustado e recorrente

Positive operating result, despite the retraction in demand, inflationary pressure on costs and higher expenses with the expansion of Shop and PBA



EBITDA and Margin (Adjusted and Recurring)

R\$ million and % over Net Revenue



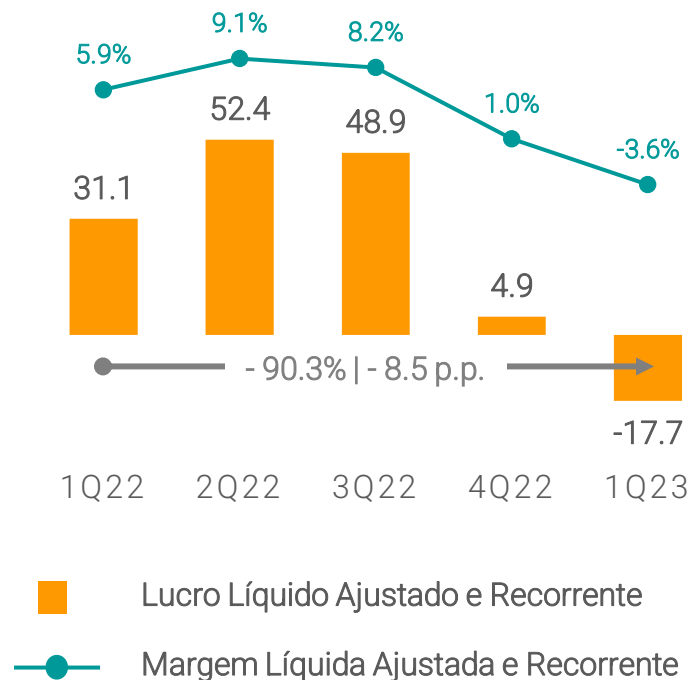
- Even in the face of market challenges, the company continues to present a positive operating result
- In this adverse scenario, the company has been prioritizing strategic projects and optimization of results

Net Profit

The Company presented a net loss for the period, impacted by lower operating results added to higher financial expenses in the quarter

Adjusted and Recurring Net Income

R\$ million and % of Net Revenue



- Adjusted Recurring Net Loss of -R\$17.7 million
- Impact of lower operating income and high interest rates

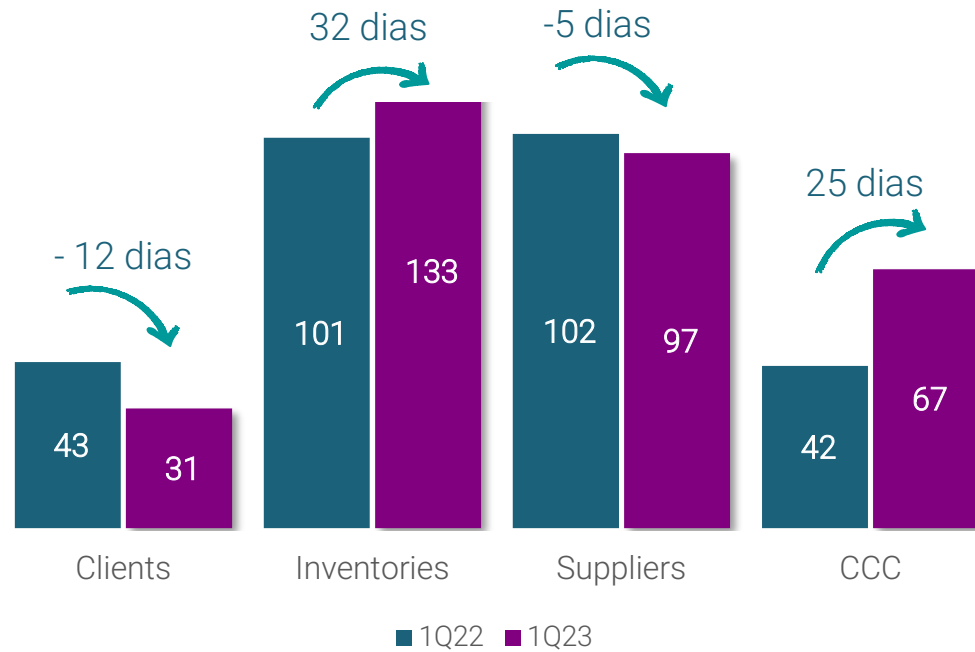


Working Capital

Growth of inventory levels, partially offset by optimization of the receivables portfolio

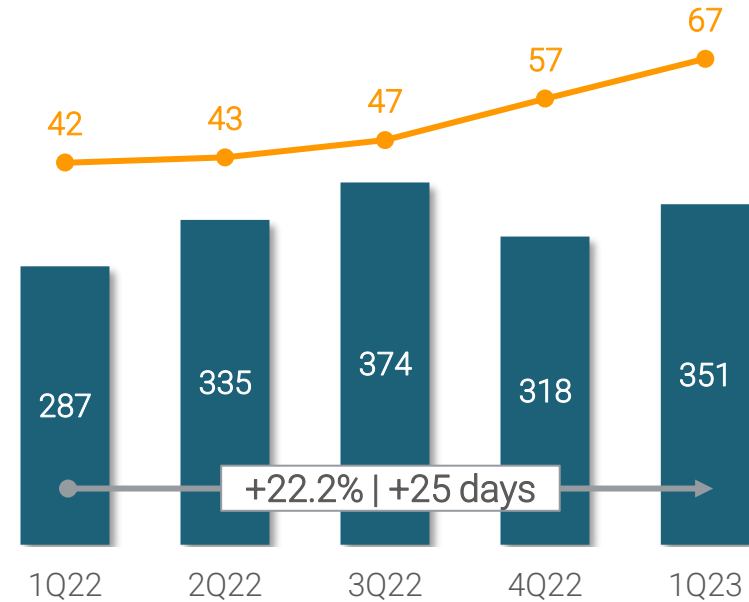
Cash Conversion Cycle (CCC)

Days



Evolution of the Cash Conversion Cycle (CCC)

R\$ million and days

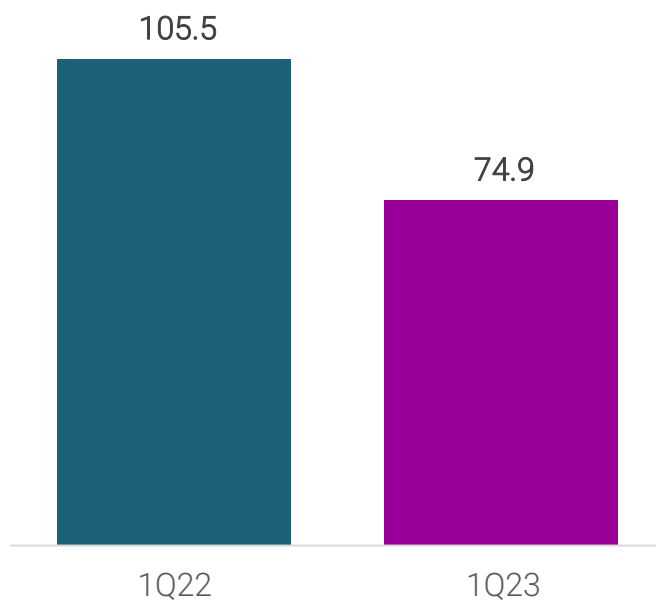


Investments

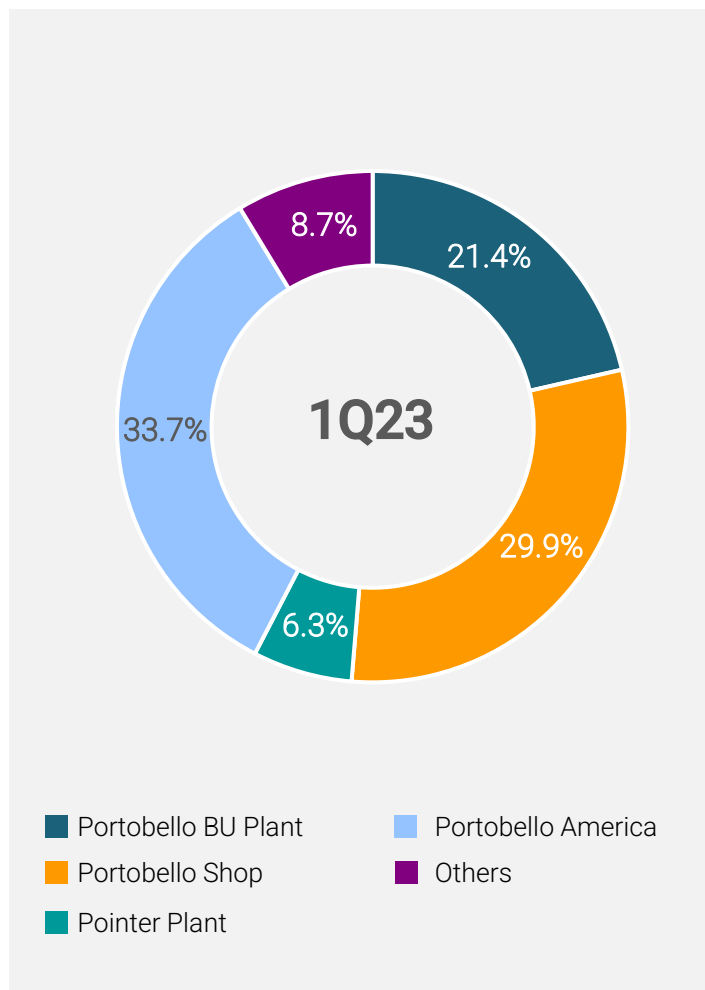
CapEx focused on investments in the Portobello America plant and in the expansion of the Own Stores network

Investments

R\$ million



Composition of Investments

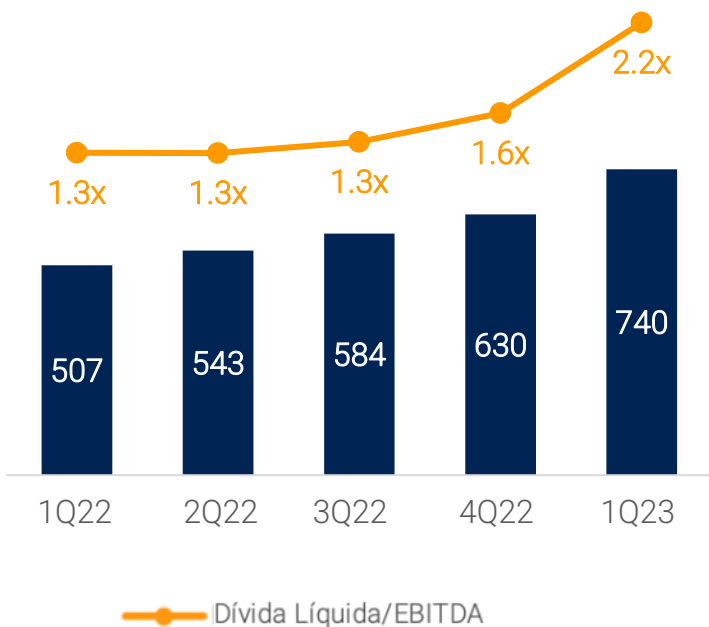


Net Debt

Financial leverage maintained at healthy level

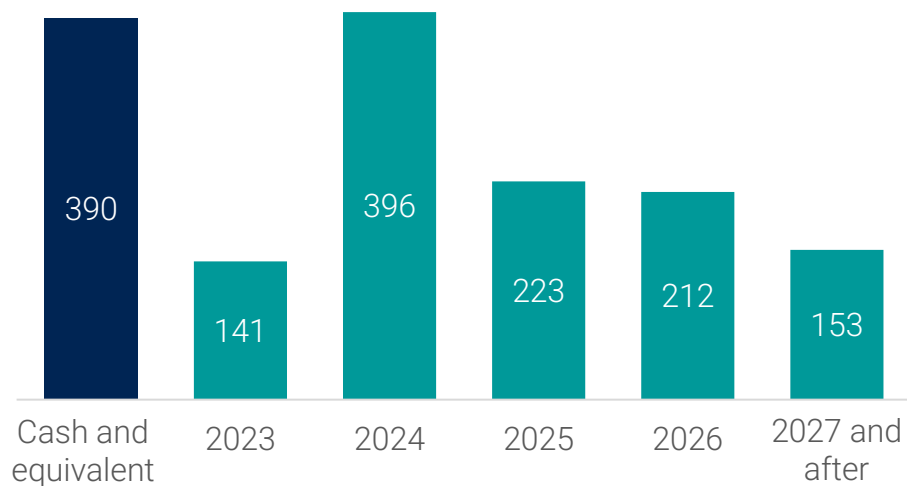
Net Debt and Net Debt/EBITDA

R\$ million



Amortization Schedule

R\$ million

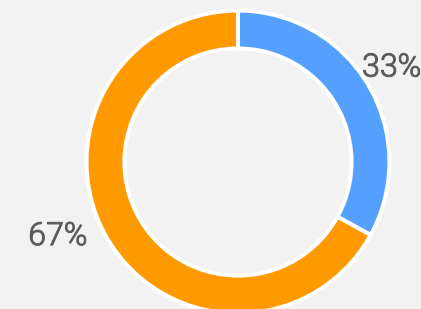


Average cost
13.8% p.a.

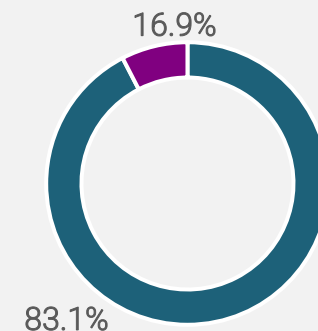


Duration
3.8 years

Debt Composition



■ Curto Prazo ■ Longo Prazo



■ Moeda Local ■ Moeda Estrangeira

FitchRatings A-(bra)

Results

More challenging quarter, with results pressured mainly by market factors

1Q23 Outlook

1Q23 Results



Production and Sales

- Net Revenue in line with 4Q22

- Net Revenue of R\$ 488 million (-1.7% vs. 4Q22)



Costs and Expenses

- Maintenance of the Gross Margin around 43.0%, despite the strong inflationary pressure;
- Rigorous management of operating costs and expenses

- Gross Margin of 39.4%
- Increased spending focused on strategic priorities. Reduction in the other businesses



CapEx

- Focus on strategic projects

- Investments of R\$ 74.9 million
- 55.9% plant to Portobello America and 20.3% own stores



Cash Flow

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

- CCC of 67 days, increase of 25 days vs. 1Q22
- Net Debt/EBITDA of 2.2x



✓ in line with guidance

✓✓ above the guidance

Oh!Take



A cor nos convida para fora do

Strategic Projects Update

Progress of Portobello America BU

Production at the plant should start in the next few weeks with a good order book

- ❑ Portobello America's factory is about to start operating
- ❑ One of the most modern ceramic tile factories in the United States
- ❑ Important breakthrough in strategy and business model
- ❑ Expectation of an expressive gain in margins and competitiveness
- ❑ Ramp-up continues, now for phase II of the project



Portobello
America



Portobello Shop

In 1Q23, 2 new stores were opened and there is a pipeline of openings throughout the year

Inaugurations in 1Q23



Maringá / PR



Open stores

146 stores
(2 stores opened and 1 closed in 1Q23)

122 franchises | **24 own stores**



Business Unit Performance

R\$ 211 million
of Net Revenue
in 1Q23

Growth of
22.5%
vs. 1Q22



Luiz Eduardo Magalhães / BA

Performance of own stores (Sell Out)

24
Own
stores

+57.3%
in sales vs.
1Q22

44.3%
of the retail
unit revenue

ESG

As a central theme for Portobello Grupo, we continue to advance in social projects



Portobello + Gente

Projeto Sururu Shells that Transform

PBG's social project seeks the development of the Vergel community, in Alagoas, through circular economy, focusing on the re-signification of the sururu shell.



Lançamento ExpoRevestir 2023 (Linha Solar)

Advances in Governance



New Board of Directors

John Suzuki (CEO) | Rosangela Sutil (CFO) | Luciano Abrantes (CTO)

New members of the Board of Directors

Mauro do Valle | Márcio Lobo | Maria Laura Santos Tarnow

Creation of New Committees

Comitê de Design | Comitê de Internacionalização

Maximum score on Signatory Seal 2023



Portobello met all six commitments of the *Santa Catarina* SDG Movement and therefore achieved the maximum score.

ExpoRevestir 2023

Portobello Grupo was the highlight at Brazil's largest coverings fair



ExpoRevestir 2023 Highlights

Stand with 1.400 m²

100% reused structure

Collection Launch **Authentic**



Record sales in one edition Customers from more than 30 countries

51% of sales were of new launches

Pointer was also present in the fair and achieved good results, especially in exports



Collabs

Oskar Metsavaht

Alex Atala

Patricia Pomerantzeff

Marcelo Rosenbaum

Rodrigo Ambrosio





Outlook 2023

Outlook 2023

Group performance remains strong maintaining consistency in quarterly evolution



Market

- Brazilian and North American markets still suffering the impact of high interest rates and uncertainties in the economic scenario
- Resilient performance expected in the Premium (Shop) and Engineering segments



Produção e Vendas

- Start of production at Portobello America's plant in 2Q23
- Gains from 2022 store acquisitions still being captured
- Net Revenue growth in 2023 in line with the growth presented in 2022 vs. 2021 (around 15%)



Custos e Despesas

- Recovery of gross margins, mainly due to the entry of the US plant, but closing 2023 slightly below 2022
- Maintenance of strict management of operating costs and expenses



Outlook 2023

Group performance remains strong maintaining consistency in quarterly evolution



EBITDA

- EBITDA margin in 2023 slightly below 2022



CapEx

- An estimate of R\$ 380 million*, focused on strategic projects
 - ~ 45% Portobello America (equipment and infrastructure)
 - ~ 30% Portobello Shop (Retail and digital initiatives)
 - ~ 25% Portobello e Pointer



Fluxo de Caixa

- Net Debt/EBITDA ratio approaching 2.5 times throughout the year, but ending the year at lower levels.
- Discipline in financial management with Cash Conversion Cycle maintained in line with performance at the end of 2022. Main pressure in 2023 will be the United States operation





Questions and Answers

Investor Relations

dri@portobello.com.br
ri.portobello.com.br

John Suzuki
President Director

Rosangela Sutil de Oliveira
Vice President, Finance and
Investor Relations

Andrés López
IR Manager

Renato Dias Dzierva
IR Specialist

