



Results Presentation 2Q23 and 1H23

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.



Agenda

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

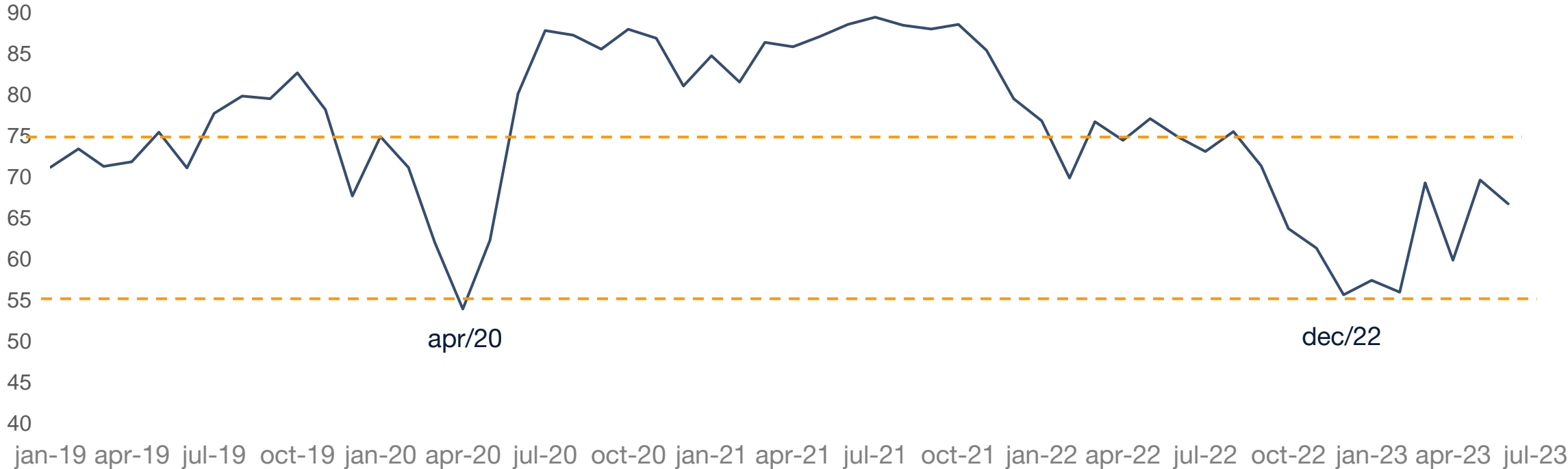
A modern outdoor lounge area featuring a wooden armchair with a cane backrest, a low wooden coffee table, and a potted plant. The floor is made of large, light-colored stone tiles. The background shows a concrete wall and a view of a pool or ocean.

Market Overview

Performance of the Brazilian Market (Ceramic Tile)

The coatings sector faced challenges, reaching one of the worst moments in the market. However, we have already observed the recovery of the sector with positive expectations.

Total Ceramic Market Evolution (Million m2)
January 2019 to June 2023

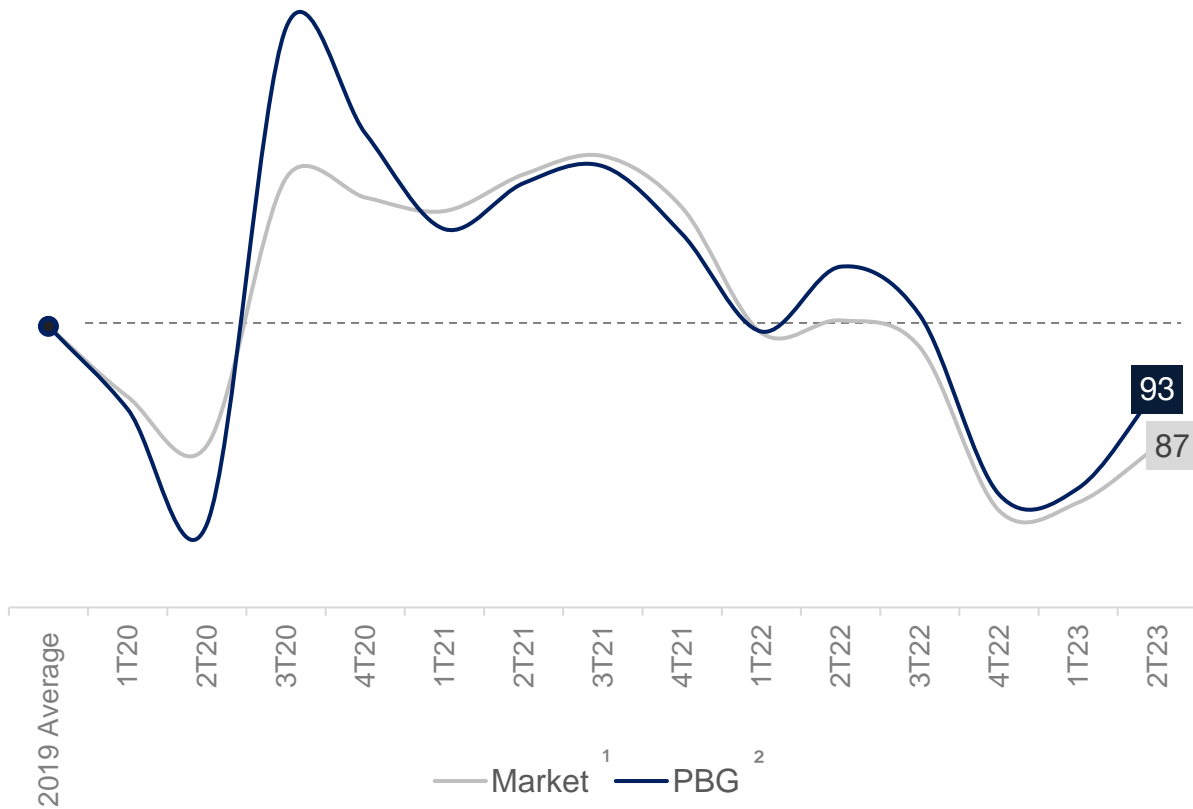


Source: Anfacer

Market vs. PBG


PBG performs above the market average, with a tendency to return to pre-pandemic normalized levels

Base 100 evolution of market volume and PBG



¹ Market volume, source: Anfacer. ² PBG sales volume

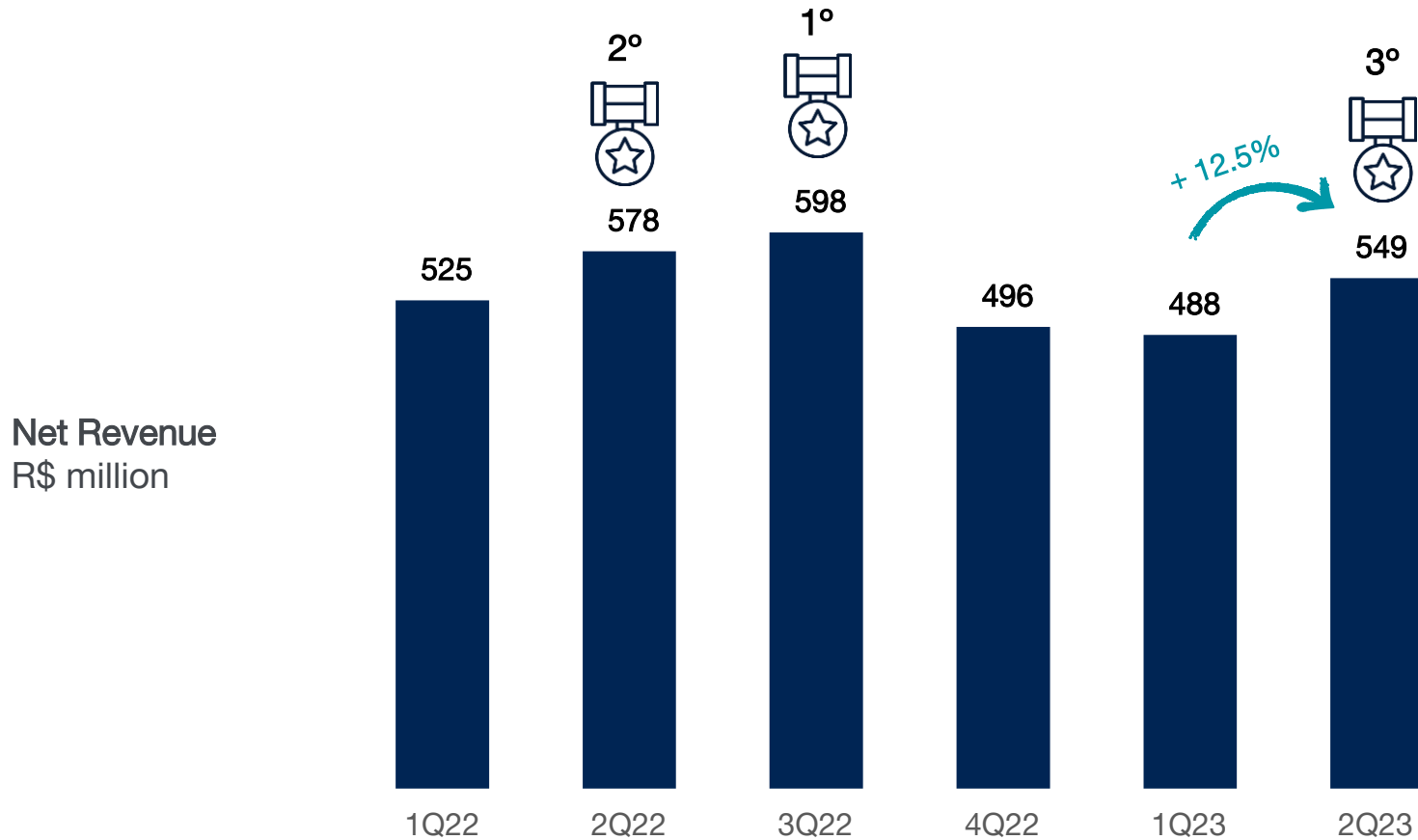


A modern, minimalist building with a large concrete overhang and a glass-walled outdoor lounge area. The lounge contains a sofa, armchairs, and a coffee table. The building is surrounded by trees and landscaping.

Operational and Financial
Performance
2Q23 and 1H23

Net Revenue

The Company reached the third highest historical net revenue (R\$549 million), due to the multichannel strategy and geographic diversification



PBG continues to outperform the market

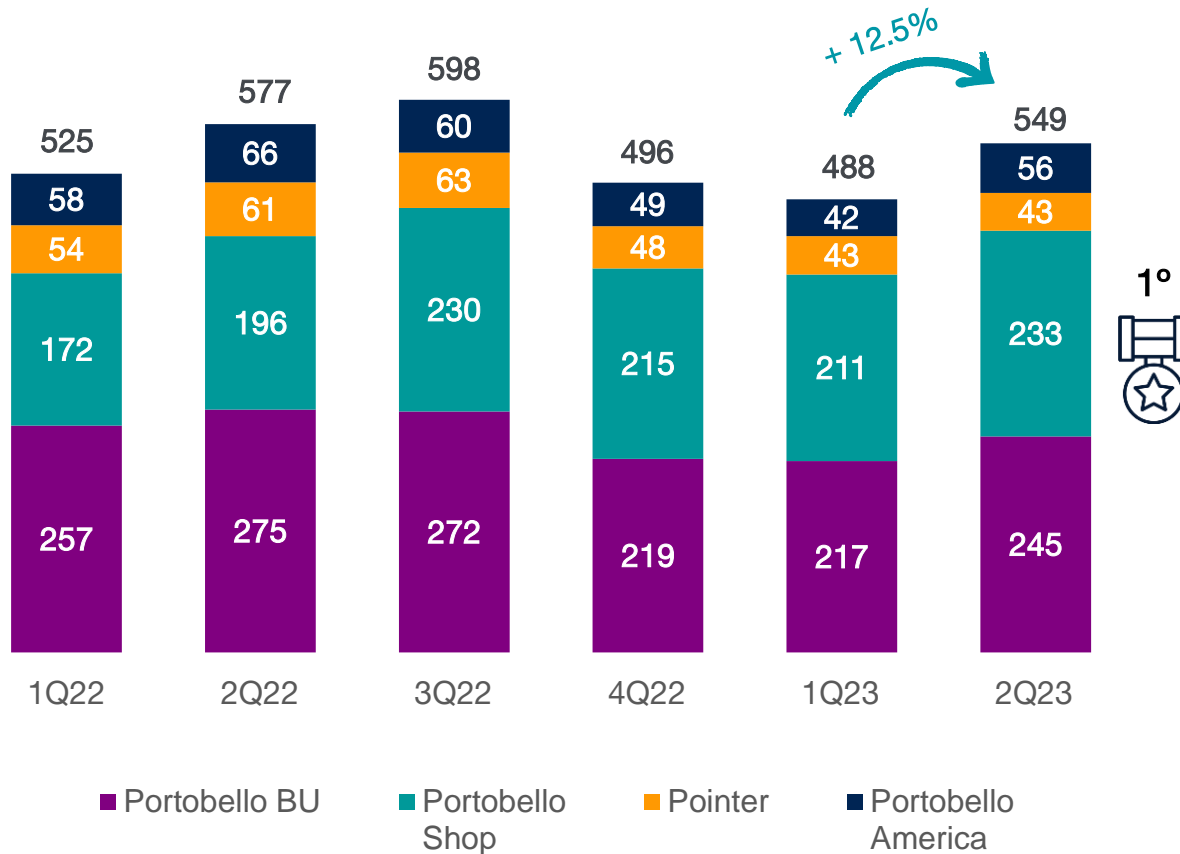
Resumption of Net Revenue above R\$ 500 million, in the face of a bad moment in the market

Growth of 12.5% vs. 1Q23 shows the beginning of the recovery expected at the beginning of the year

Net Revenue by Business Unit

Business Units show revenue growth compared to previous quarters.
Highlight for the Net Revenue record at the Portobello Shop (R\$ 233 million)

Net Revenue
per segment
R\$ million



Portobello BU: Good results with growth mainly in the domestic market

Portobello Shop: Record revenue for the quarter

Portobello America: Resumption of levels of R\$50 million (U\$), with a strong backlog for the year

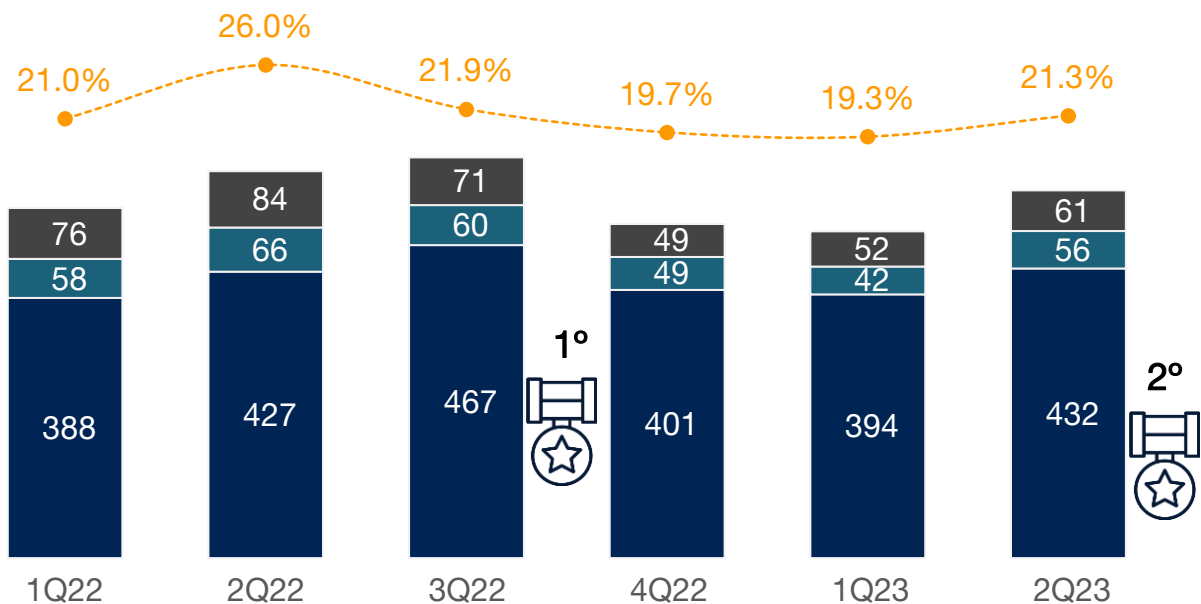
Pointer: Maintained the revenue level, ending the declines of recent quarters

Net Revenue by Segment

Another highlight is the recovery of exports and the growth of sales in the domestic market.

Share in Net Revenue

R\$ million | % of Net Revenue

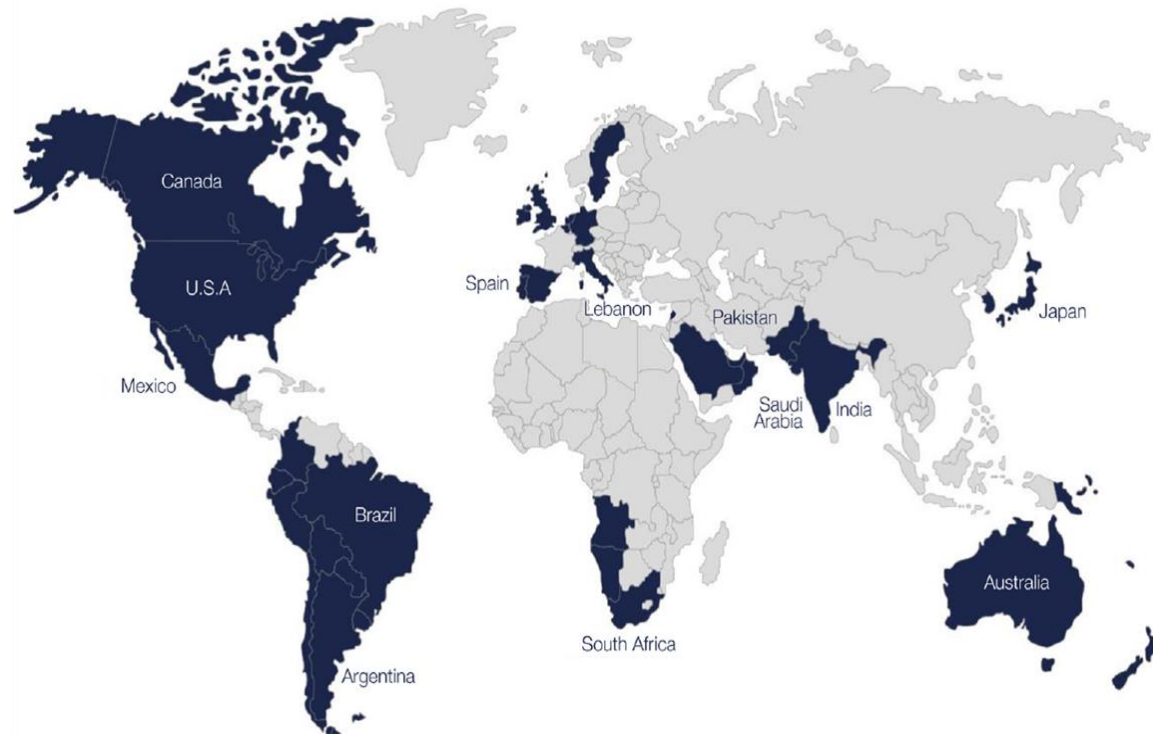


Domestic Market (BR)

Portobello America

Exports

% Exports + PBA

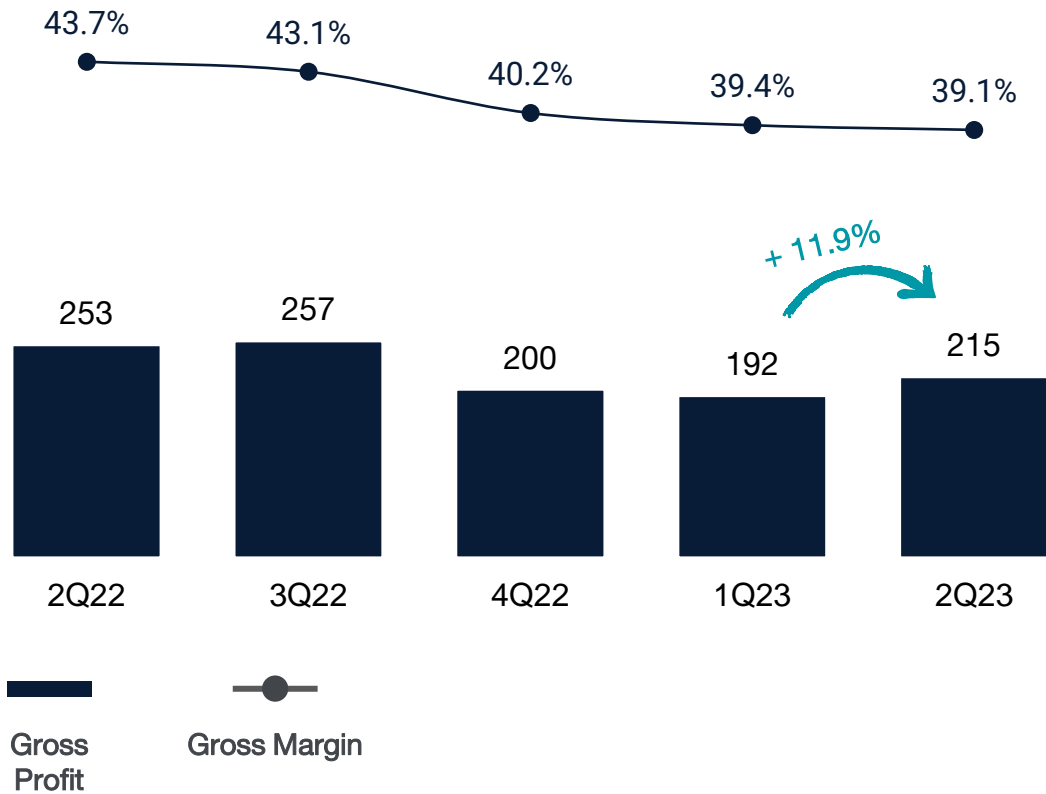


Gross Profit and Gross Margin

Gross Profit also presented an evolution vs. 1Q23, with margin maintenance, even pressured by idle costs

Gross Profit and Gross Margin (Adjusted and Recurring)

R\$ million and margin %



Expansion of Gross Profit and sustained gross margin compared to 1Q23

Despite the more competitive market, margins maintained with price, mix and cost management

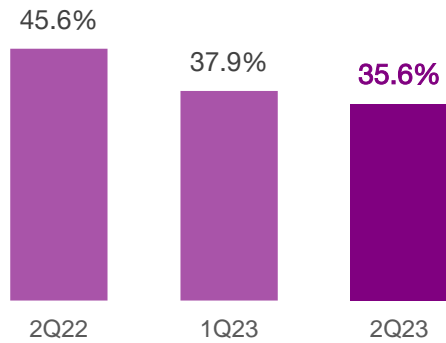
Gross Margin per Business Unit

Resilience of the business model with the multi-channel strategy, which minimizes specific negative effects and boosts the good results, mainly from the Portobello Shop

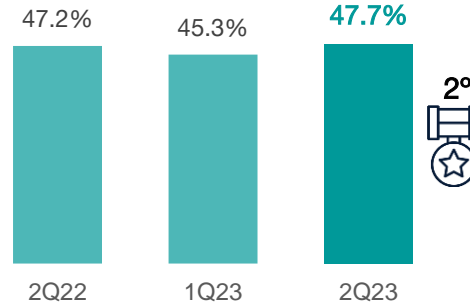
Gross Margin and Gross Profit (Adjusted and Recurring)

R\$ million and % margin

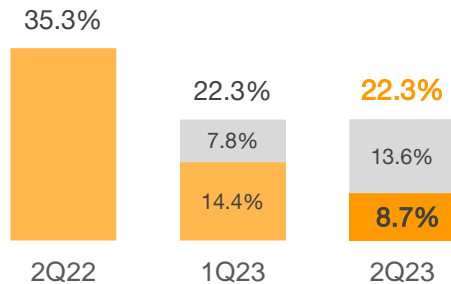
Portobello



Portobello shop

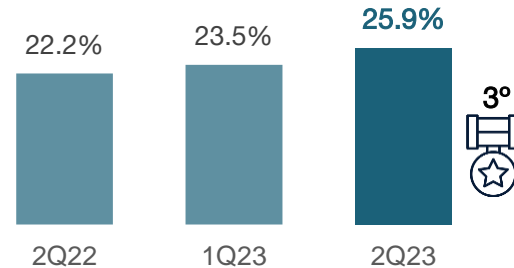


POINTER



Idleness costs Effect

Portobello America



BU Portobello: Price adjustments with product mix optimization

Portobello Shop: 2nd largest historical margin

Portobello America: Improved local distribution margins

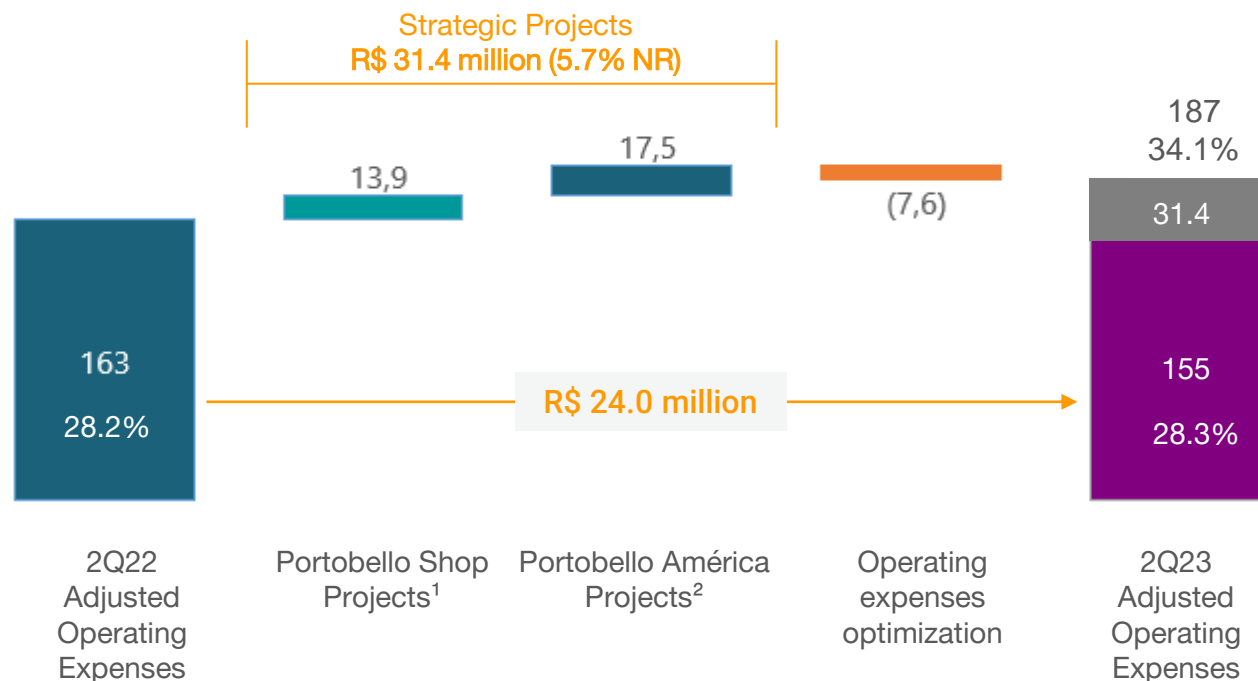
Pointer: Impact of idleness costs with inventory adjustment actions

Operating Expenses

Optimization of operating expenses partially offset investments in **strategic projects** to expand future revenues

Adjusted and Recurring Operating Expenses

R\$ million and % of Net Revenue



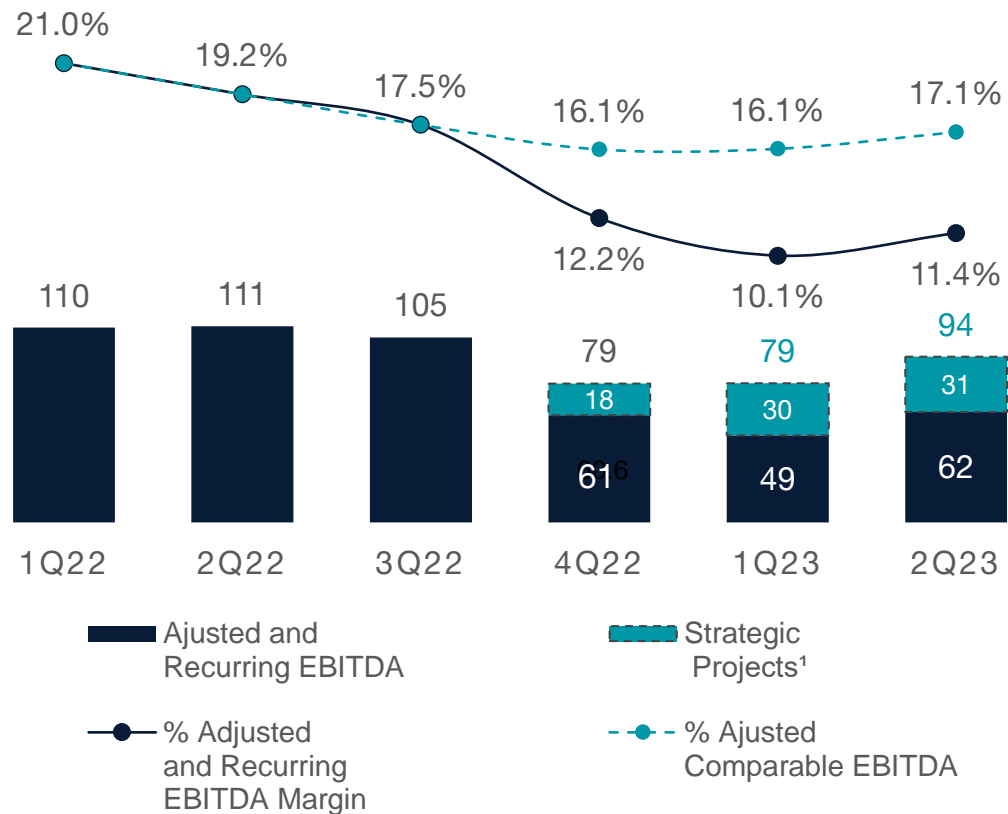
¹ Portobello Shop strategic investments: considers incremental expenses related to the maturation stage of the new stores acquired, with the expectation of generating future revenues.

² Portobello América strategic investments: considers incremental expenses related to the team structuring stage in preparation for the ramp-up of the new plant

Adjusted and Recurring EBITDA (Comparable)

The comparable EBITDA Margin, excluding the effects of investments in strategic projects, would be maintained at approximately 17%. While Adjusted and Recurring EBITDA shows a positive evolution in the last quarter

EBITDA and EBITDA Margin (Adjusted and Recurring) and Comparable
R\$ million and % of Net Revenue



¹Strategic projects in the Portobello Shop chain and Portobello America



Without the effects of expenses related to investments in strategic projects at Portobello Shop and PBA, the estimated Ebitda margin would be around 17.1% in 2Q23.

Net Profit

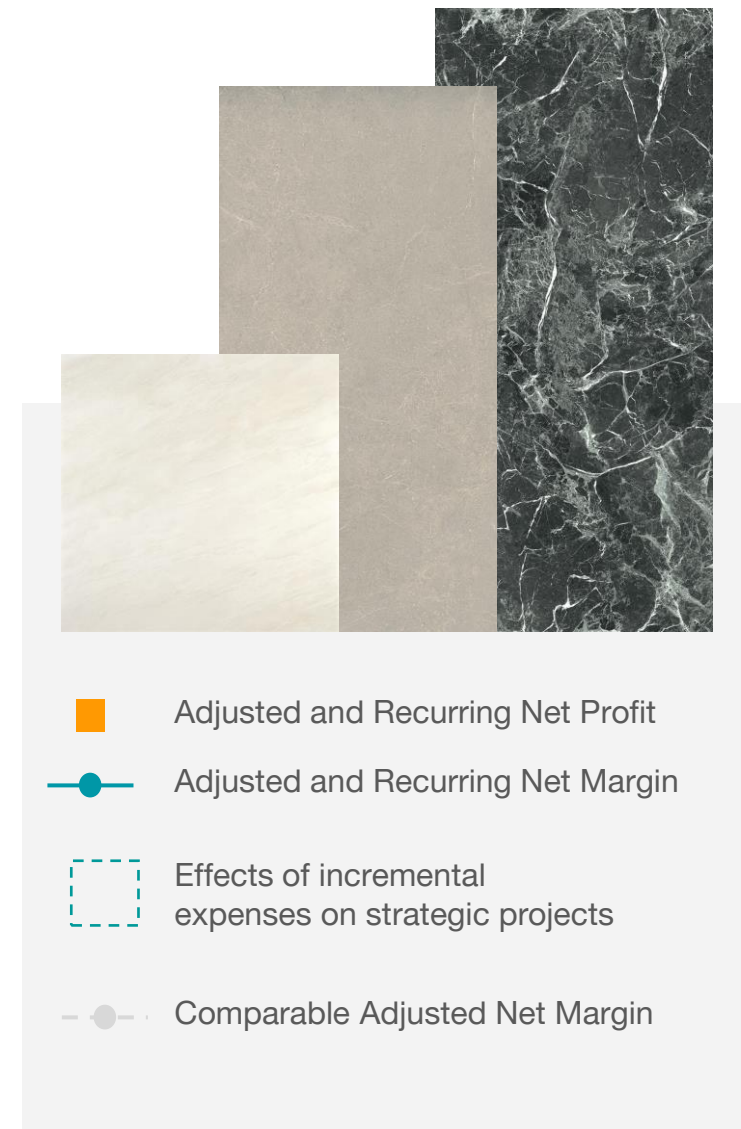
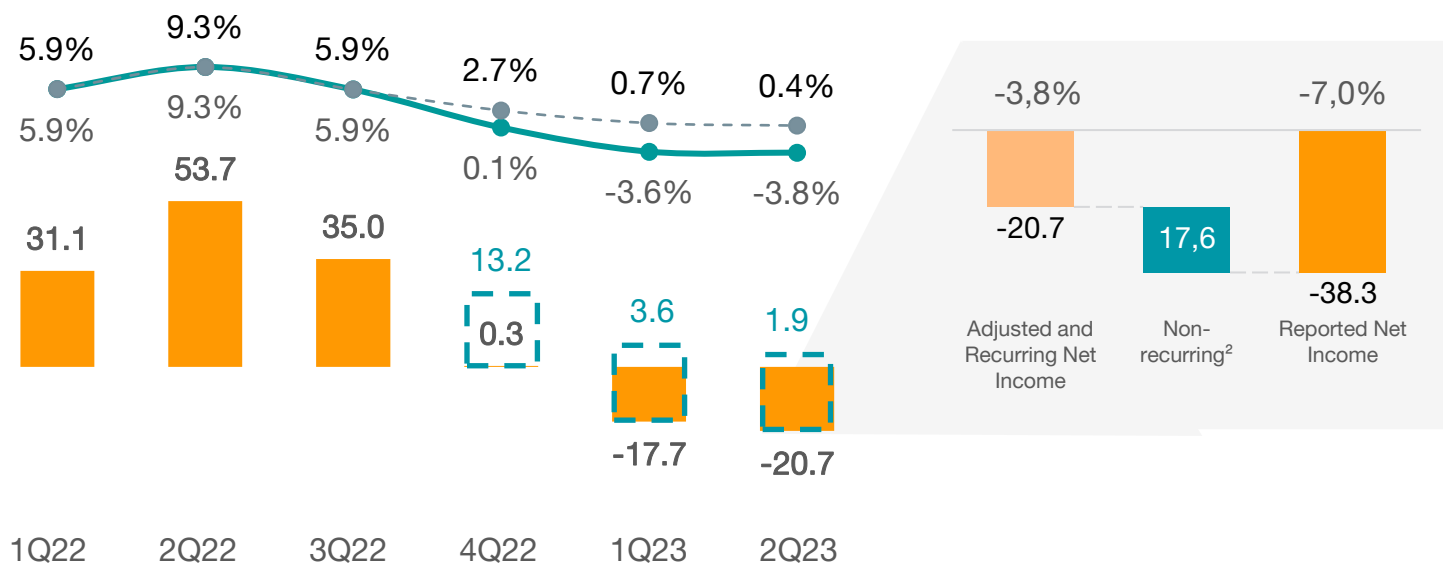
The Group reports an adjusted and recurring net loss of R\$20.7 million, impacted by lower operating results and increased financial expenses.

The comparable result¹ of net income would be R\$1.9 million in 2Q23.

Adjusted and Recurring Net Profit

R\$ million and % of Net Revenue

Adjusted and Recurring Net Loss of -R\$ 20.7 million



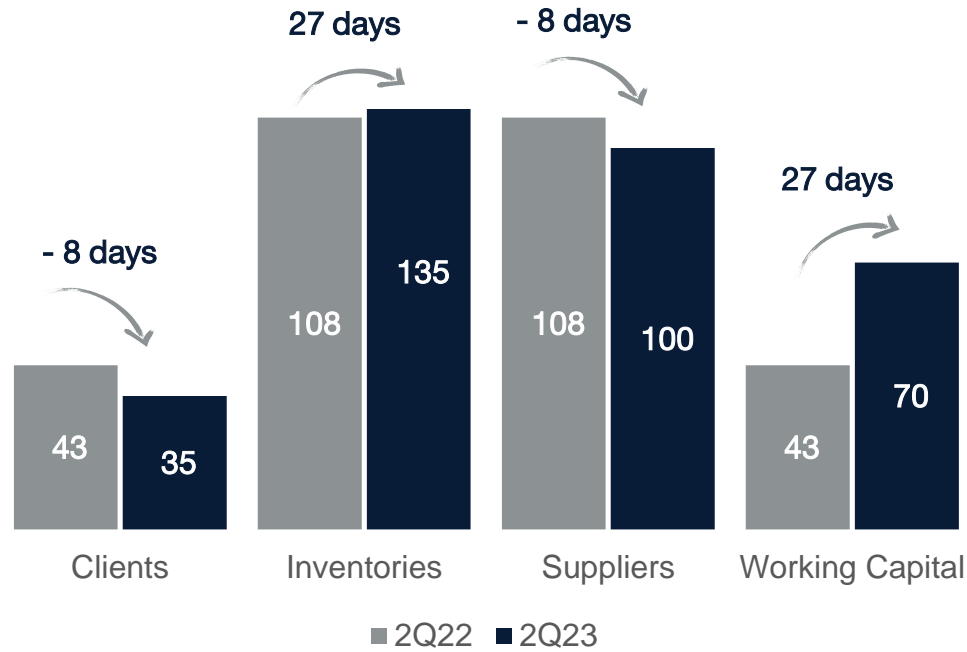
¹ Comparable Net Income estimate excludes the effect of strategic investment expenses in Portobello Shop and America, considering a 28% income tax rate.

² Further details of non-recurring adjustments are explained in the earnings release

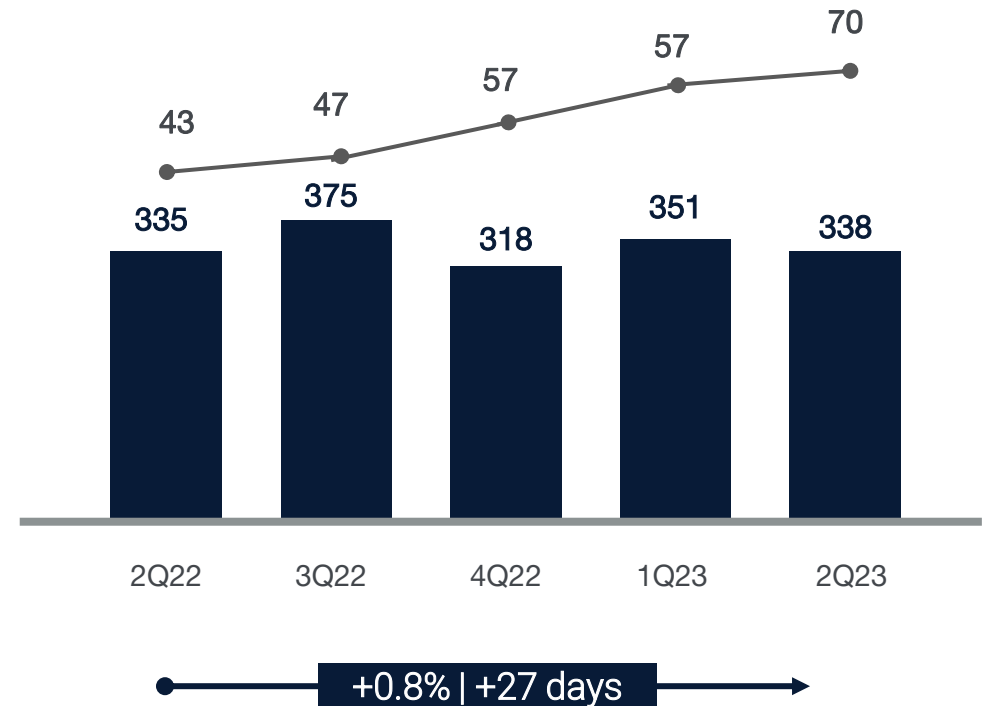
Working Capital

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

Cash Conversion Cycle (CCC) Days



Cash Conversion Cycle Evolution R\$ million and days

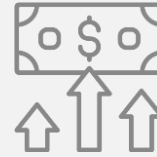
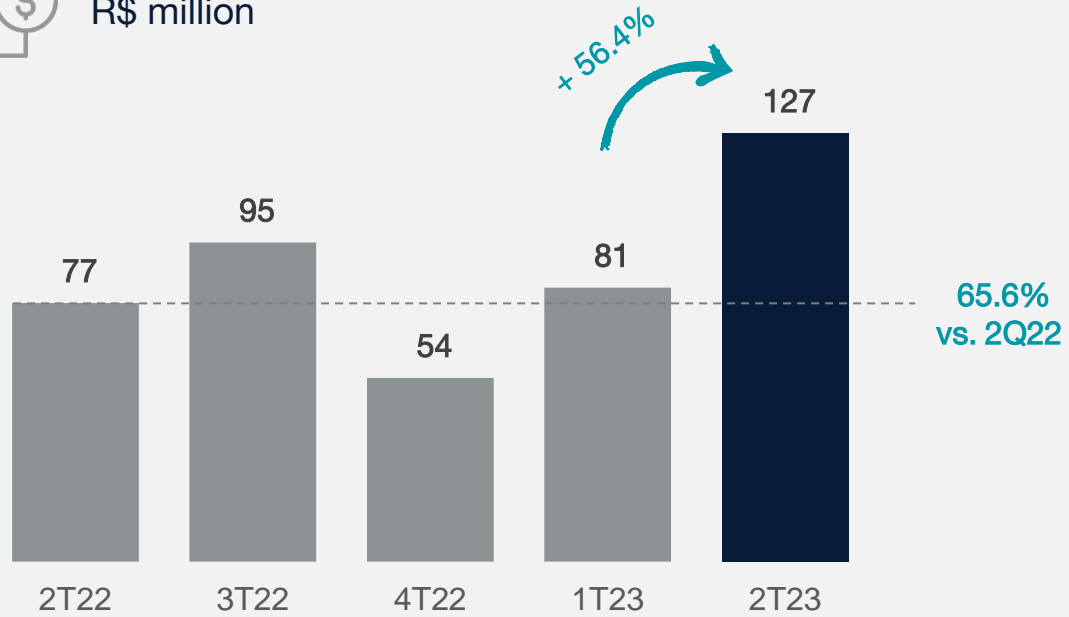


Investments

Maintenance of the strategic investment plan in Portobello America and Portobello Shop via expansion of our specialized retail network with own stores and digital transformation

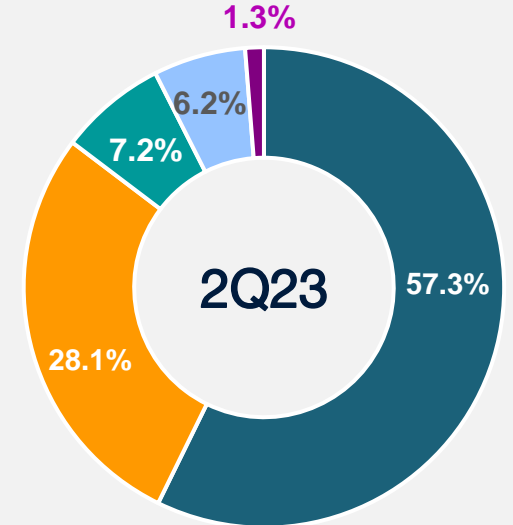


Investments
R\$ million



Composition
of investments

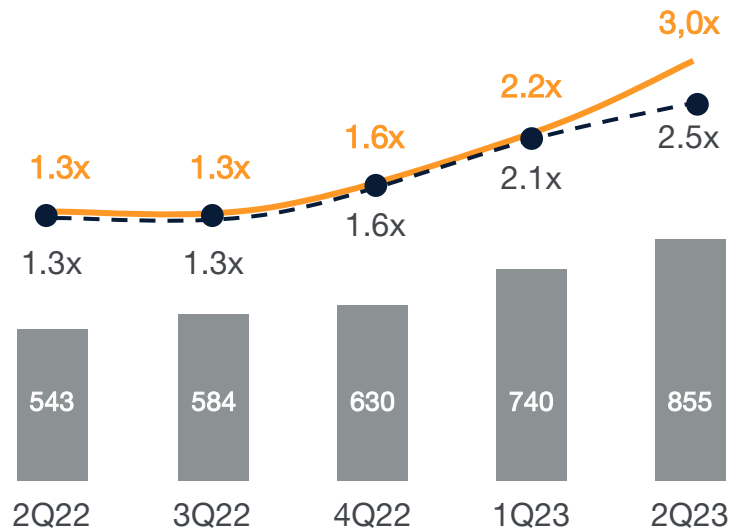
- Portobello America
- Portobello Shop
- Portobello BU Plant
- Pointer Plant
- Others



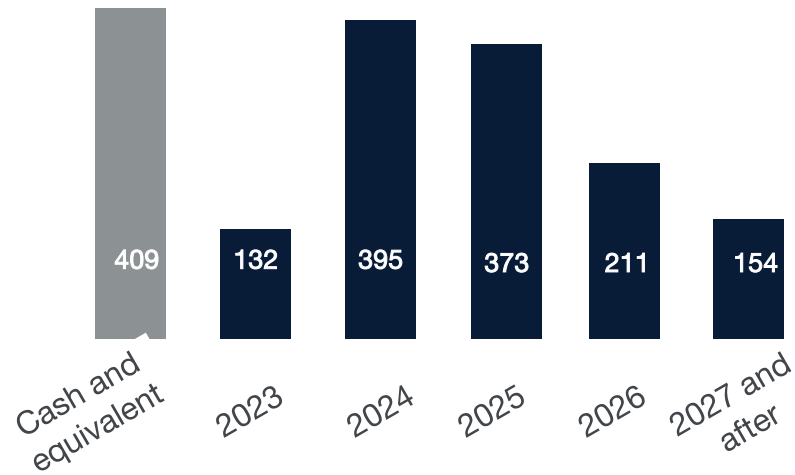
Net Debt

Level of leverage supporting the strategic investment plan, circumstantially higher than planned, but with an expectation of returning to prudential levels by the end of the year

Net Debt and Net Debt/EBITDA
R\$ million



Amortization Schedule
R\$ million



—●— Net Debt / EBITDA
-●- Net Debt / Comparable EBITDA¹

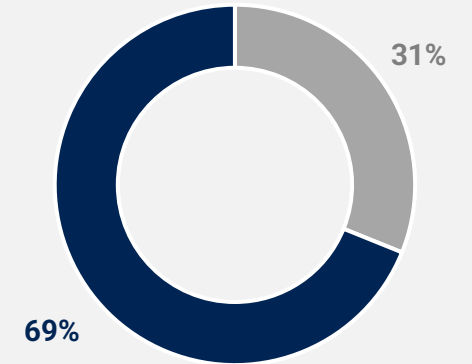


Average Cost
14.0% p.y.

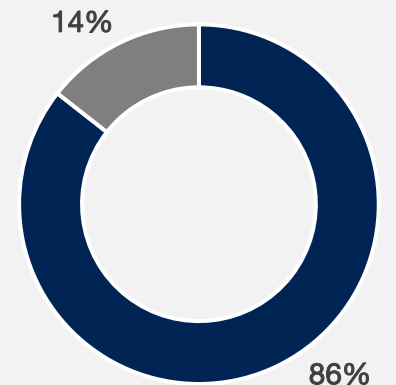


Average term
3.8 years

Debt Composition



■ Short Term ■ Long Term







■ Local Currency ■ Foreign currency

¹Comparable EBITDA considers strategic projects in the Portobello Shop chain and the Portobello America factory

Deliveries

Results show sequential evolution of the business model result, with performance above the market, still reflecting sectoral scenario in recovery

	2Q23 Perspectives	2Q23 Deliveries	
 Production and Sales	Receita Líquida em linha com 1T23	Net Revenue of R\$ 548.8 million (+12.1% vs. 1Q23) Historic sales record at Portobello Shop 2nd highest revenue in the Domestic Market	✓
 Costs and Expenses	Maintenance of the Gross Margin around 43.0%, despite strong inflationary pressure; Strict management of operating costs and expenses	Gross Margin of 39.1% The multichannel strategy guarantees the maintenance of the margin close to 40% Sustaining strategic priorities, with sequential improvement in expense efficiency (% NOR -1.5 p.p. vs. 1Q23)	✗ ✓
 Capex	Focus on strategic projects	Capex of R\$ 127.0 million Focus on Portobello America's strategic projects and sales growth in the Portobello Shop retail network with investments in digital transformation	✓
 Cashflow	Cash Conversion Cycle Optimization Maintenance of Financial Leverage < 2.5x EBITDA	CCC of 70 days, increase of 27 days vs. 1Q22 Net Debt/EBITDA of 3.04x	✗ ✗

✓ In line with **guidance**

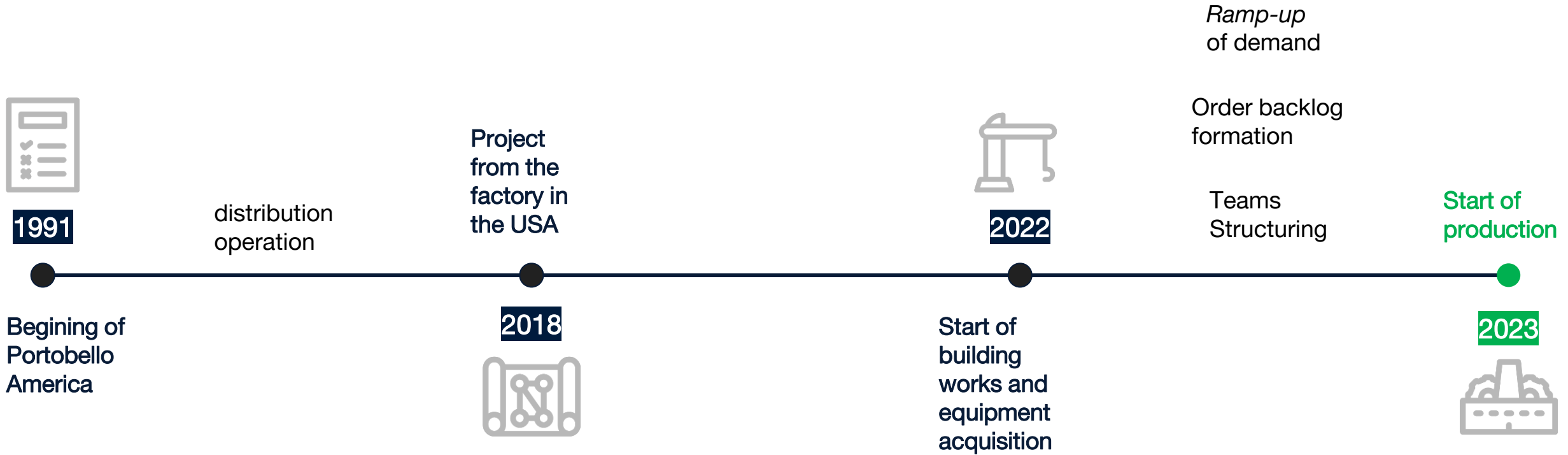
✓✓ Above the **guidance**

Strategic Projects Update



Portobello America

Consolidation of an important milestone in the Company's history



¹ According to data from Anfacar

Portobello America

Consolidation of an important milestone in the Company's history

Opportunities

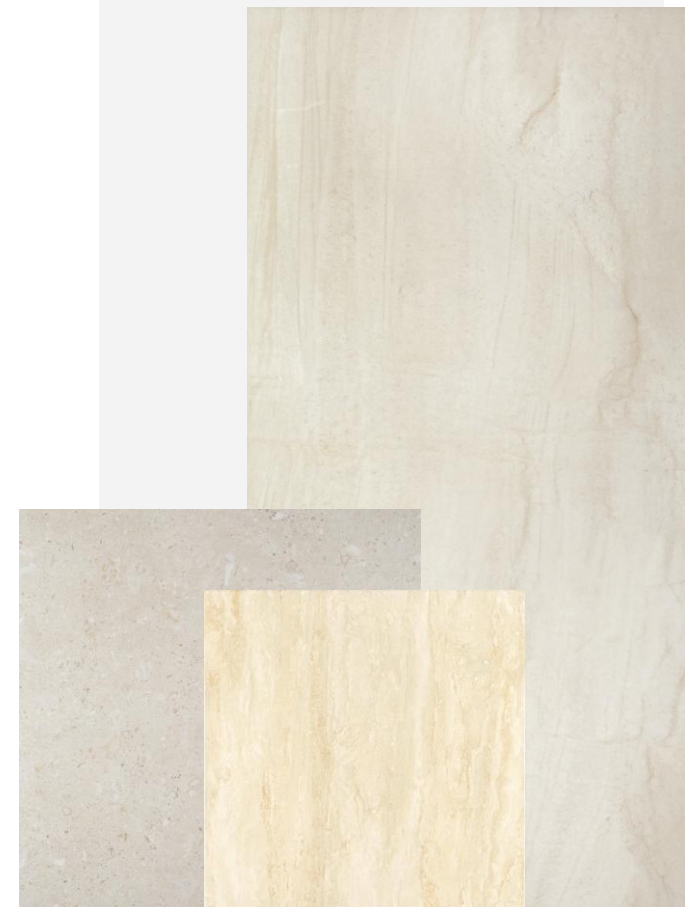
- Market highly dependent on imports (**70%**)
- Growing gains in competitiveness of local producers :
 - Energy competitiveness with shale gas
 - Demand for a better level of service due to uncertainties in the supply of imported goods, volatility in international freight rates and an increase in the cost of capital

Value Proposition

- Design, innovation and complete solution
- High Level of Services
- Digital Platform

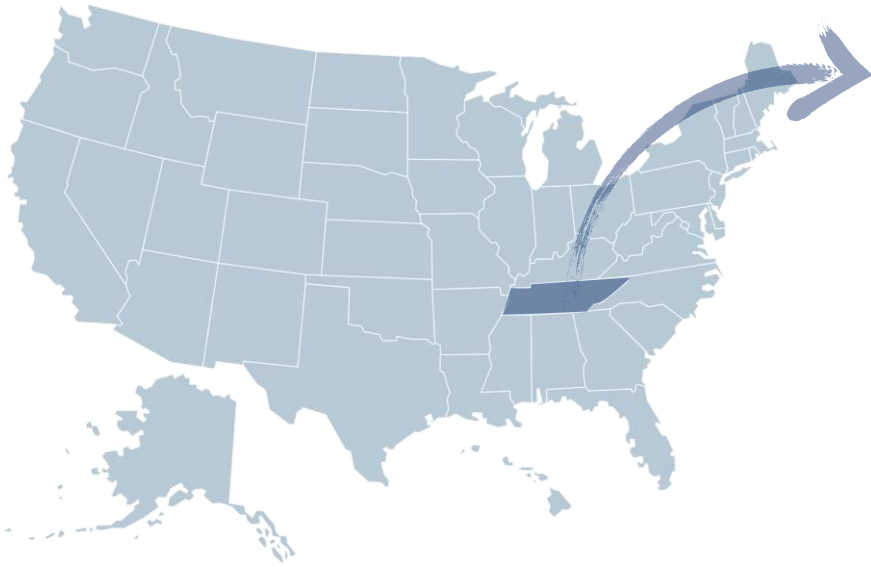
Investment Thesis

- Advances in the Company's **internationalization**
- Risk **diversification** with a more stable market
- **High demand** for local production
- **Differentiation** based on the value proposition
- Price positioning and mix similar to European players (**higher added value**)
- **Multichannel**, mainly in distributors and home centers
- Supply by **production and outsourcing**
- **Synergies** and know-how of the business model with PBG/Brazil



Start of production at the new Portobello America factory

Portobello America factory starts production in July



About Portobello America factory



Factory Located in Baxter –Tennessee

One of the main poles of the ceramic industry in the United States



Land of 370 Thousand m²

Constructed Area of ~90 Thousand m²



Total investment of approx.

US\$ 180 million



One of the most modern ceramic coating plants in the country



Direct creation of more than 200 jobs



Installed capacity of 3.6 million m² per ano with the first kiln



With total production reaching 7.2 million m², with the second kiln.



Ability to generate annual revenue of **US\$150 million**



Coverings

Portobello
America

Coverings 2023

In April, Portobello America participated in the largest Flooring fair in the United States

Coverings 2023 Highlights



+120

Attended
Customers



+1.6M SF

Sales
Entry



8

New launches
Focused on North
American market



**Global strengthening of
the Portobello brand**



Portobello Shop

Portobello
shop

The image shows the exterior of a modern building with a dark, textured facade. The words "Portobello shop" are mounted on the wall in large, white, three-dimensional letters. To the left, there is a large glass window with a dark frame. The foreground is landscaped with various green plants, including tall grasses and small trees, planted in dark rectangular planters. The sky is clear and blue.

Portobello Shop

In 2Q23, the Unit posted record sales and high margins, representing 42.4% of the Group's revenues



Performance of Business Unit

R\$ 233 million
of Net Revenue
on 2Q23

Growth
of **18.6%**
vs. 2Q22

Same Store Sales
11.2%
vs. 2Q22



Open Stores

146 Stores
122 franchises | 24 own stores

Performance of own stores

44.3%
of total BU's Net
Revenue

+34.2%
in sales vs.
2Q22

10.5%
Same Store Sale

87.3%
NPS



Semana da

Sustentabilidade

Portobello Grupo

ESG

We constantly reinforce the importance of Sustainability as a pillar of the Company's culture and strategy

Sustainability Week

Sowing change, transforming the future

- ESG Plan
- Diversity Ambassadors
- Governance Day
- Leed Platinum Certification

Recognized the Portobello Shop Jardim Social store in Curitiba-PR with the title in the most important category of the USGBC (U.S. Green Building Council) certification for sustainable buildings.

- Volunteer Program

Portobello
+Ecoeficiente

Portobello
+Gente

Portobello
+Governança



2023
Outlook



2023 Perspectives

Group performance remains strong, maintaining consistency in the quarterly evolution



Market

Brazilian and US markets are still impacted by high interest rates and uncertainties in the economic scenario

Expectation of resumption in all segments, with emphasis on Shop and Engineering



Production and Sales

Start of production at the Portobello America factory

Earnings from 2022 PBShop store acquisitions still being captured

Resumption in Resale and Engineering



Costs and Expenses

Recuperação das margens brutas, principalmente pela entrada da fábrica dos EUA

Maintaining strict management of operating costs and expenses

2023 Perspectives

Group performance remains strong, maintaining consistency in the quarterly evolution



EBITDA

Gradual recovery of the EBITDA Margin in 2023 to historic levels with the resumption of the ceramic tile sector



CapEx

- **Estimated BRL 380 million***, focusing on strategic projects
 - ~ 45% **Portobello America** (equipment and infrastructure)
 - ~ 30% **Portobello Shop** (Retail and Digital initiatives)
 - ~ 25% **Portobello e Pointer**



Fluxo de Caixa

Expectation of return to levels of Net Debt/EBITDA approaching the level of **2.5x at the end of the year**

Discipline in financial management with maintenance of the Cash Conversion Cycle in line with performance at the end of 2022. The main pressure in 2023 will be the US operation

* Efeito financeiro (caixa), sendo efeito contábil de R\$ 640



Questions and Answers

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