

AZZAS
2154



**EARNINGS
PRESENTATION**

4Q25 | 2025

1. MESSAGE FROM THE CEO
2. BUSINESS UNITS
3. QUARTERLY HIGHLIGHTS
4. FINANCIAL RESULTS
5. Q&A
6. 2026 PRIORITIES

Message from the CEO

- **First full year as AZZAS 2154:** focus on operational integration, portfolio simplification, and building more efficient operational foundations.
- **Growth with quality:** gross revenue of BRL 14.7 billion (+7.1% vs 2024), driven by the robust performance of direct to consumer (DTC) channels and SSS growth of 7%.
- **Profitability improvement:** recurring EBITDA reached BRL 1.9 billion, with a margin of 16.4% (+60 bps); 18.4% (+180 bps) ex-Hering.
- **Disciplined capital allocation combined with strong strategic alignment:** improvement in the cash conversion cycle , with a 9-day reduction in inventory days, and a 31% reduction in annual CAPEX.
- **“Cash is king” - Highest quarterly operating cash generation since the merger.** In the year, the Company generated BRL 1.2 billion in cash, corresponding to a 71% conversion of pre-IFRS EBITDA and a reduction in leverage to 1.28x, even after BRL 500 million in dividends.
- **Foundations for the next cycle:** continued focus on cash generation, operational efficiency, and disciplined execution.

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Fashion Women

Gross Revenue 4Q25
BRL 1.5 Bn
+11.6% vs. 4Q24

Gross Revenue 2025
BRL 5.7 Bn
+18.7% vs. 2024

Performance by channel:	Own Stores	E-commerce	Multibrand
4Q25 vs. 4Q24	+17.4%	+5.3%	+2.8%
2025 vs. 2024	+16.9%	+12.0%	+22.6%

- **Consistent growth in all brands**
- **FarmRio** reached revenue of **BRL 3.4 billion** in 2025, with BRL 2.1 billion in the domestic market and BRL 1.3 billion internationally, representing **total growth of 22.4%** in the period.
- **FarmRio International expansion:** openings in Dubai, Mexico, Argentina and Panama.
- **Sell-out as the main growth driver:** these channels represent ~70% of the BU and grew **14.0% vs. 4Q24**. Own stores grew (+17.4%), emphasis due on **Animale (+26.5%)** and **FarmRio (+16.2%)**.
- **Multibrand:** +2.8% vs. 4Q24. The more moderate growth reflects the higher billing of second-half collections (Summer/High Summer) in 3Q25. In the consolidated view of the second half, channel revenue was up **15.0%**.
- **Other highlights:**
 - **NV** posted record profitability and sales (**+29% vs. 2024**);
 - **Animale** grew by **more than 10%** in 2025. In the brand's new store model, the four renovated stores posted significant growth.



FARM RIO ANIMALE **nv** CRIS BARROS CAROL BASSI MARIA **#fabula** OFF PREMIUM ANIMALE CRO

Fashion Men

Gross Revenue 4Q25
(Continuing Brands)

BRL 668.7 Mn

+3.9% vs. 4Q24

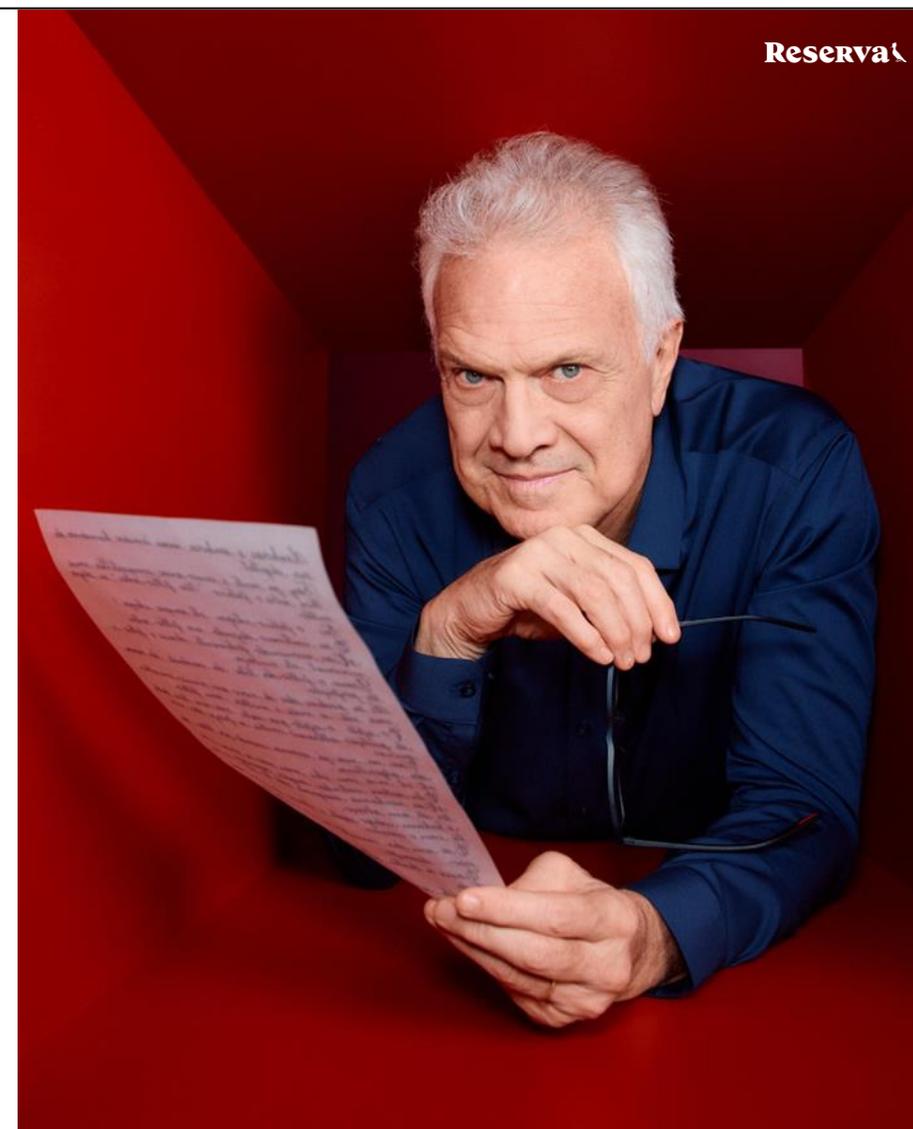
Gross Revenue 2025
(Continuing Brands)

BRL 1.9 Bn

+7.4% vs. 2024

Performance by channel :	Own Stores	E-commerce	Multibrand	Franchise
4Q25 vs. 4Q24	+5.4%	+1.6%	+15.6%	-15.7%
2025 vs. 2024	+9.7%	+0.2%	+18.2%	+1.5%

- The Fashion Men business unit achieved its strategic goals in 2025, with **healthy growth (+7.4%) and a significant improvement in profitability (+500 bps EBITDA margin)**.
- At **Reserva**, we prioritized maintaining brand desirability and pursuing greater profitability. The brand record audience and engagement levels during Father's Day and Christmas campaigns.
- **Oficina** delivered strong growth in 2025 (above 30% across all channels), with strong positioning and execution in the premium segment.
- **Foxton**, which was integrated into the Fashion Men BU during 2025, delivered approximately 11% growth in the year and an EBITDA increase of over 50% vs. 2024.
- In 4Q25, the sell-in channels grew 2.7%, with multibrand standing out as revenue increased **15.6%**, driven by Reserva. The franchise channel reflected adjustments in the network's sell-in/sell-out balance and a greater concentration of collection sales in 3Q25.
- **Healthy franchise chain:** despite the sell-in adjustment, sell-out in the Reserva chain was up 9% vs. 4Q24



Shoes & Bags

Gross Revenue 4Q25
(Continuing Brands)
BRL 1.2 Bn
-3.4% vs. 4Q24

Gross Revenue 2025
(Continuing Brands)
BRL 4.5 Bn
-1.2% vs. 2024

Performance by channel:	Own Stores	E-commerce	Multibrand	Franchises
4Q25 vs. 4Q24	-3.2%	+2.5%	-3.2%	-6.6%
2025 vs. 2024	+2.3%	+2.1%	-2.1%	-6.9%

- **Two business verticals:** one focused on **licensing**, launched in 2019 with VANS, and another focused on the legacy of **core footwear brands**.
- **Core Brands:**
 - Arezzo, Schutz and Anacapri posted growth during the period.
 - **Resilient sell-out:** revenue was practically flat (-0.2% vs. 4Q24). **Arezzo** was a positive highlight, with sell-out channels up **9.5%**.
 - **Sell-in impacted by commercial decisions:** the Company chose not to pull forward the billing of the Pre-Fall 26 (~BRL 17 million). Excluding this effect, the BU's gross revenue would have shown a **2.0% decline vs. 4Q24**.
 - **Franchises undergoing operational adjustments:** reduction in sell-in to rebalance the **sell-in / sell-out** ratio in the Arezzo network.
 - **Arezzo** has been consolidating itself as a gift brand every Christmas and was assertive in expanding the base of the pyramid with entry-level products. In March 2026, Arezzo's new winter campaign starring Sarah Jessica Parker aired, maintaining its positioning as a desirable/top-of-mind brand.
- **Licensing**
 - **Vans impact:** after a cycle of strong growth in Brazil (CAGR ~30% in the last 5 years), the brand recorded a 14.8% drop in revenue in the quarter, reflecting a less favorable moment for vulcanized sneakers in the global scenario. Excluding this impact on the BU, revenue would have decreased by **0.5% vs. 4Q24**.



SCHUTZ

Basic

Gross Revenue 4Q25
(Continuing Brands)
BRL 736.6 Mn
-12.7% vs. 4Q24

Gross Revenue 4Q25
(Continuing Brands)
BRL 2.6 Bn
+0.3% vs. 2024

Performance by channel:	Own Stores	E-commerce	Multibrand	Franchise
4Q25 vs. 4Q24	-3.9%	-11.9%	-17.9%	-15.9%
2025 vs. 2024	+8.6%	+6.7%	+1.7%	-9.5%

- 4Q25 marked the **beginning of a new phase of execution** under the new management team that took office in October. Since then, Hering has prioritized building the foundations for a sustainable growth cycle, with a focus on margins, commercial discipline, operational efficiency, and cash generation.
- In sell-in, the decision **not to pull forward the billing of the Fall 2026 collection** had an impact of **approximately R\$38 million** on 4Q25 sell-in (which would have reduced the decline to 8.2% vs. 4Q24). In DTC, revenue declined 7.1% vs. 4Q24, against a strong +25.3% base in the prior year and considering that the Company transferred eight stores to franchisees in 2025 out of a total of 67. E-commerce declined 11.9% vs. 4Q24 due to a pronounced reduction in marketplace sales channels, which are margin dilutive.
- In 4Q25, **Hering generated R\$112 million in cash**, compared to a cash consumption of R\$4 million in 4Q24, reflecting a meaningful improvement in the business following the new management and the reversal of the operating cycle (“sell before producing”).
- In the first half of the year, revenue will still face pressure, with sell-out impacted by collections developed prior to the new management and by the deliberate reduction of clearance sales and online marketplace channels. **The second half represents the inflection point of the year**, reflecting a better product mix with higher entry margins and stronger discount discipline in both sell-in and sell-out.
- Expected evolution curve throughout 2026:** **1Q26** – Clean-up: period of operational adjustments and correction of distortions; **2Q26** – Stabilization: new operating cycle implemented, with margin improvement and stable sell-out; **3Q26** – Inflection: first effects from the new collections and channel recalibration; **4Q26** – Capture: resumption of growth with operating leverage and margin expansion.

HERING



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4Q25



Revenue from sell-out channels was up **5.2%**, emphasis due on own stores (**+8.0%**), reflecting **brand desirability**



Recurring EBITDA was **BRL 501.1 million** (-3.5%), with an EBITDA margin of **15.4%**, up **10 bps**, due to decreasing expenses.



SG&A was down **5.4%**, with a **-0.5-p.p.** dilution of net revenues



Operating cash flow generation was **BRL 838.1 million**, the highest since the merger



Revenue from sell-in channels was down **7.2%**, enabling progress in **improving chain coverage**, which continues to display **healthy sell-out**



Recurring EBITDA Ex-Basic was up **10.6%** and reached an EBITDA margin of **16.8%**, up **170 bps**



Leverage decrease from **1.37x** in Sep/25 to **1.28x** in Dec/25, despite payment of **BRL 500 million** in dividends in the quarter

2025



Revenue from sell-out channels was up **9.3%**, emphasis due on Fashion Women (+15.5%)



Revenue from sell-in channels was up **1.5%**, impacted by **adjustments to the franchise channel** made in 2H25



Recurring EBITDA was BRL 1,941.1 million (+5.8%), with EBITDA margin of 16.4%, up **60 bps**, due to decreasing expenses



Recurring EBITDA Ex-Basic was up **15.0%** and reached an EBITDA margin of **18.4%**, up **180 bps**



International revenues were up **21.0%** FarmRio (+27.6%) has been consolidating as a **global lifestyle brand**



Shareholder return of **BRL 667 million**, through dividends (BRL 500 million) and share buybacks (BRL 167 million).



Operating cash flow generation was **BRL 1.2 billion**, a **71%** pre-IFRS 16 EBITDA conversion

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	4Q24 Recurring		4Q25 Recurring
Gross Revenue (Continuing) BRL millions	4,094.8	+0.7%	4,124.1
Net Revenue BRL millions	3,403.9	-4.1%	3,263.4
Gross Profit BRL millions	1,888.1	-4.8%	1,796.6
Gross Margin %	55.5%	-0.4p.p.	55.1%
Gross Profit ex. Basic BRL millions	1,590.1	-0.6%	1,580.3
Gross Margin ex. Basic %	58.7%	0.0p.p.	58.7%
Expenses (ex. D&A) BRL millions	(1,380.2)	-5.4%	(1,305.6)
Expenses (ex. D&A)/ROL %	40.5%	-0.5p.p.	40.0%
D&A BRL millions	(145.2)	-4.5%	(138.7)
EBITDA BRL millions	519.2	-3.5%	501.1
Ebitda Margin %	15.3%	+0.1p.p.	15.4%
EBITDA ex-BU Basic BRL millions	409.0	+10.6%	452.5
Ebitda Margin ex-BU Basic %	15.1%	+1.7p.p.	16.8%

Growth of 0.7% in gross revenue (Continuing brands)

Highlights include the growth of international operations with FarmRio (+9.0%) and own stores (+8.0%), driven by the Fashion Woman brands. Excluding the effect of the lack of anticipated sell-in, growth would be 2.1%.

Reduction of 4.1% in net revenue

A 1.8 p.p. gap between gross revenue growth (-2.3%) and net revenue, representing an improvement compared with the gaps recorded in 2Q25 (2.6 p.p.) and 3Q25 (3.5 p.p.). The main factors were:

- I. an increase in the tax line, resulting from lower ICMS credit generation and the impact of import tariffs in the United States;
- II. a higher volume of sell-in returns, due to the process of reducing franchisee inventory levels in Shoes & Bags and the growth of FarmRio's international e-commerce – in the international market, this channel operates with higher return rates than those observed in Brazil.

Reduction of 40 bps in gross margin. Excluding Basic, gross margin would have remained stable

The recurring gross margin (ex-Hering) is explained by the following factors:

- I. expansion of the Fashion Men gross margin, which was partially offset by;
- II. the impact of U.S. import tariffs on FarmRio's international operations.

Growth of 10 bps in EBITDA margin. Excluding Basic, EBITDA margin would have grown by 170 bps.

The Company's recurring EBITDA continues to be negatively pressured by the performance of the Basic unit, which was the only margin detractor in the quarter.

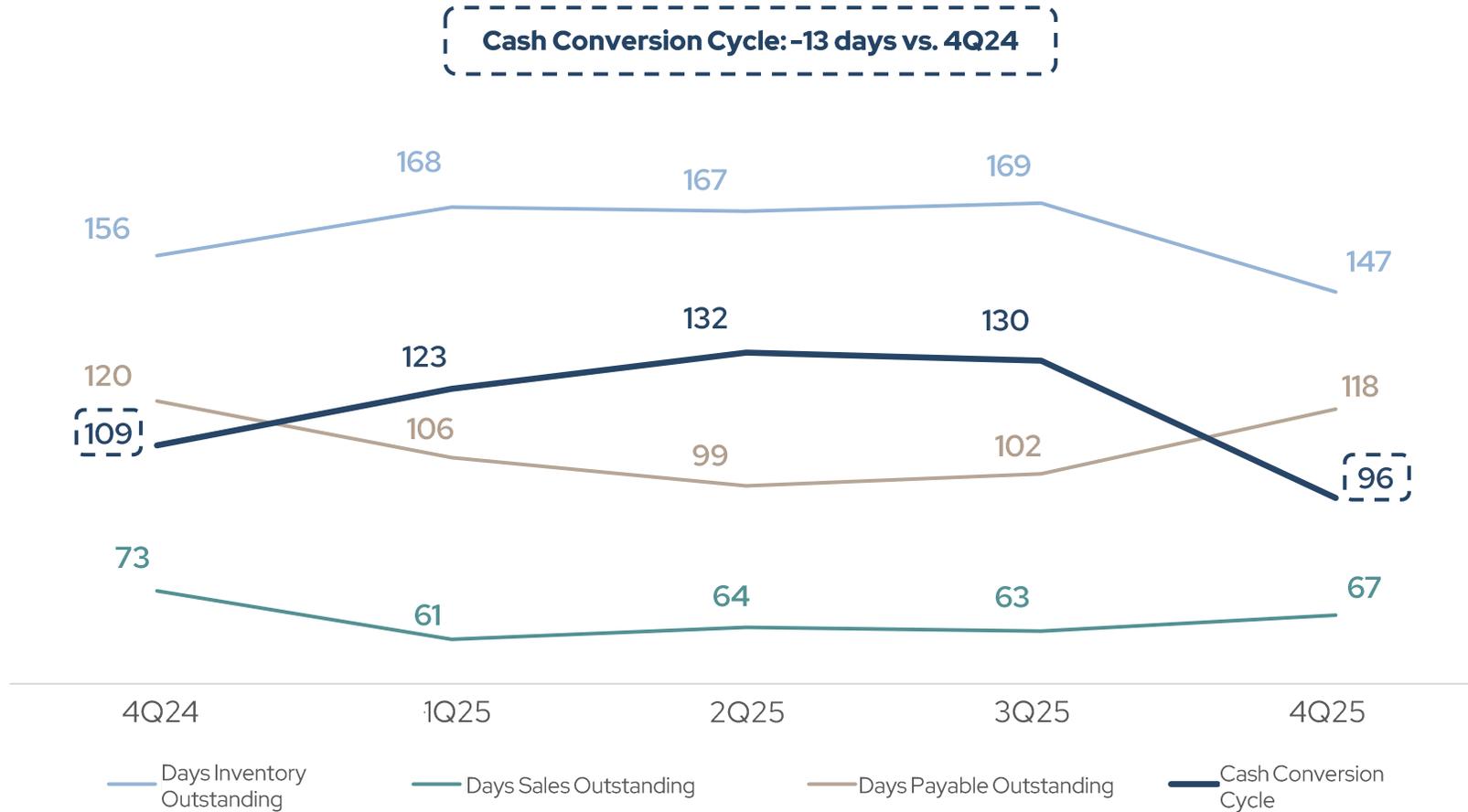
	4Q24 Recurring		4Q25 Recurring
EBIT BRL millions	362.7	-2.9%	352.3
Financial Result BRL millions	(156.8)	+36.4%	(213.8)
EBT BRL millions	205.9	-32.7%	138.5
Income Taxes BRL millions	(37.0)	N.A	29.5
Net Income BRL millions	168.9	-0.5%	168.0
Net Margin %	5.0%	+0.1 pp	5.1%

In 4Q25, the Company recorded net financial expenses of BRL 213.8 million versus BRL 156.8 million in 4Q24

The increase in net financial expenses is primarily explained by higher interest expenses on financing.

Recurring net income totaled BRL 168 millions, down 0.5% vs.4Q24

Net margin was 5.1% in the quarter, up a slight 0.1 p.p. vs. 4Q24. The increase in net financial expenses during the period was offset by an improvement in the tax line. It is worth mentioning that, as of 2Q25, the Company stopped provisioning IRPJ and CSLL on ICMS/RJ subsidies.



In 4Q25, the Company's cash cycle was 96 days, showing a significant 13-day reduction compared to 4Q24. The cycle reduction is primarily explained by a 9-day decrease in Inventory Days, reflecting Company actions to reduce inventory levels. Additionally, Days Payable Outstanding decreased by 2 days, while Days Sales Outstanding improved by 6 days.

In 4Q25, the Company achieved **operating cash flow generation of BRL 838.0 million (excluding non-recurring effects), one of the highest conversions ever recorded since the merger.**

In 2025, operating cash flow generation (excluding non-recurring effects), reached BRL 1,169.7 millions, **representing a pre-IFRS EBITDA conversion of 71%.**

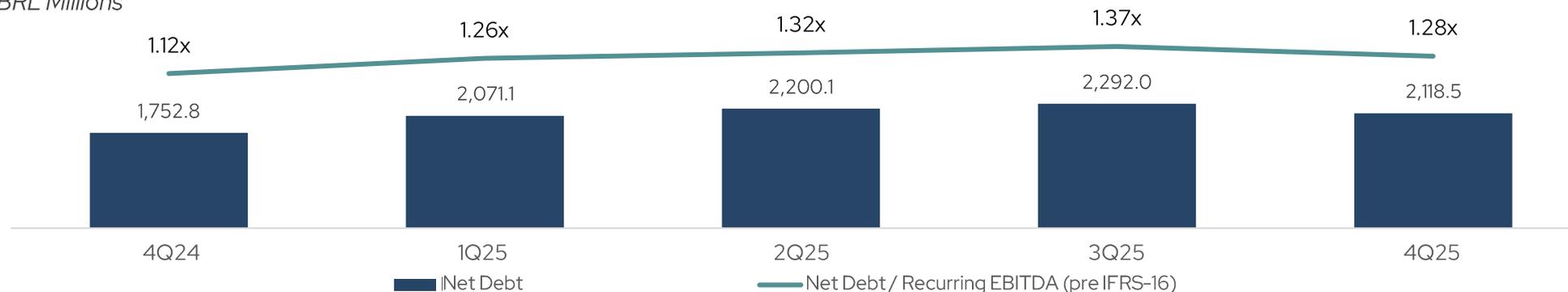
BRL M	4Q24	1Q25	2Q25	3Q25	4Q25	2025
Operating cash flow generation (consumption)	399.6	(50.3)	106.0	275.9	983.0	1,314.6
Operating cash flow generation (consumption) post-CAPEX	204.4	(134.7)	11.8	166.8	887.0	930.9
Cash generation (consumption) from investing activities	(172.3)	(487.8)	246.4	(19.0)	(274.0)	(534.4)
Cash generation (consumption) from financing activities	(212.6)	493.7	(308.6)	(258.5)	(564.4)	(637.8)
Net increase (decrease) in cash and cash equivalents	14.7	(44.4)	43.8	(1.6)	144.6	142.4

Note: Cash Flow (Managerial View) includes the "Interest payments on loans" account within the cash generation (consumption) from financing activities.

At the end of 4Q25, the Company reported a cash position of BRL 1,081.3 million and net debt of BRL 2,118.5 million. **Net leverage fell from 1.37x in 3Q25 to 1.28x in 4Q25, despite the BRL 500 million dividend payout.**

BRL M	4Q24	1Q25	2Q25	3Q25	4Q25
Cash and Cash Equivalents	774.5	1,103.4	823.2	735.5	1,081.3
Swap Contracts ⁽¹⁾	127.4	65.4	10.0	35.1	26.8
Gross Debt	2,654.7	3,239.9	3,033.3	3,062.6	3,226.6
Short Term	1,476.5	1,904.1	1,741.3	1,010.7	1,031.1
% Gross Debt	55.6%	58.8%	57.4%	33.0%	32.0%
Long Term	1,178.2	1,335.8	1,292.0	2,051.9	2,195.5
% Gross Debt	44.4%	41.2%	42.6%	67.0%	68.0%
Net Debt	1,752.8	2,071.1	2,200.1	2,292.0	2,118.5
<i>Net Debt / Recurring EBITDA LTM (pre IFRS-16)</i>	1.12x	1.26x	1.32x	1.37x	1.28x

Net Debt and Leverage
BRL Millions



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Q&A

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2026 PRIORITIES

1. **Hering turnaround** with recovery in profitability
2. Focus on **execution with excellence** in other BUs and **healthy revenue growth**
3. **ROIC** as a central theme, through **efficient working capital management** (inventories), **diligence in CAPEX** (IT), and reduction of dispersion between brands

