



Earnings Presentation 1Q19



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DISCLAIMER

This presentation contains statements that can represent expectations about future events or results. These statements are based on certain suppositions and analyses made by the company in accordance with its experience, with the economic environment and market conditions, and expected future developments, many of which are beyond the company's control. Important factors could lead to significant differences between real results and the statements on expectations about future events or results, including the company's business strategy, Brazilian and international economic conditions, technology, financial strategy, developments in the footwear industry, conditions of the financial market, and uncertainty on the company's future results from operations, plans, objectives, expectations and intentions – among other factors. In view of these aspects, the company's results could differ significantly from those indicated or implicit in any statements of expectations about future events or results.

PARTICIPANTS

Pedro Bartelle

Chief Executive Officer and Investor Relations Officer

André de Camargo Bartelle

1st Vice Chairman

Wagner Dantas da Silva

Chief Administrative and Financial Officer

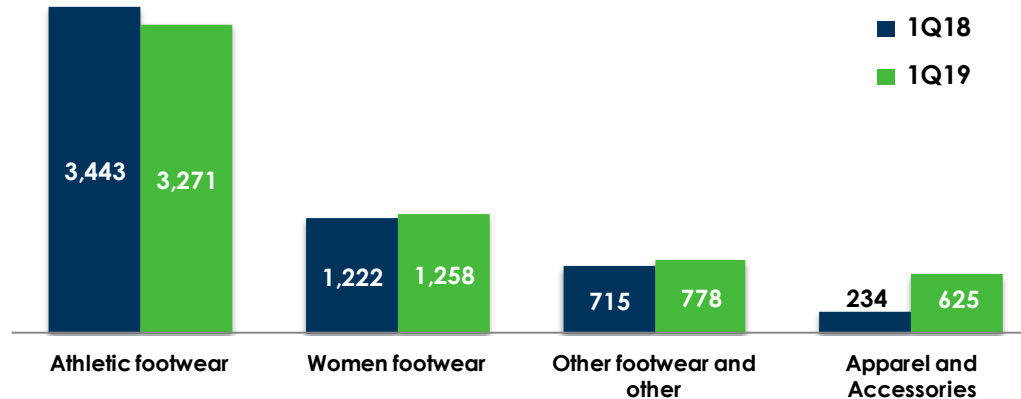
HIGHLIGHTS

- **Net Revenue:** R\$ 299.8 million in 1Q19, growth of 2.7% compared to 1Q18.
- **Gross Profit:** R\$ 102.0 million in 1Q19, growth of 1.6% compared to 1Q18.
- **Gross Margin:** 34.0% in 1Q19, down 0.4 p.p.in relation to 1Q18.
- **Net Income:** R\$ 26.2 million in 1Q19 vs. R\$ 33.4 million in 1Q18, down 21.6%.
- **EBITDA:** R\$ 47.1 million in 1Q19, down 5.4% in relation to R\$ 49.8 million in 1Q18.

GROSS VOLUME

Gross Volume: Pairs and clothing itens/ thousand

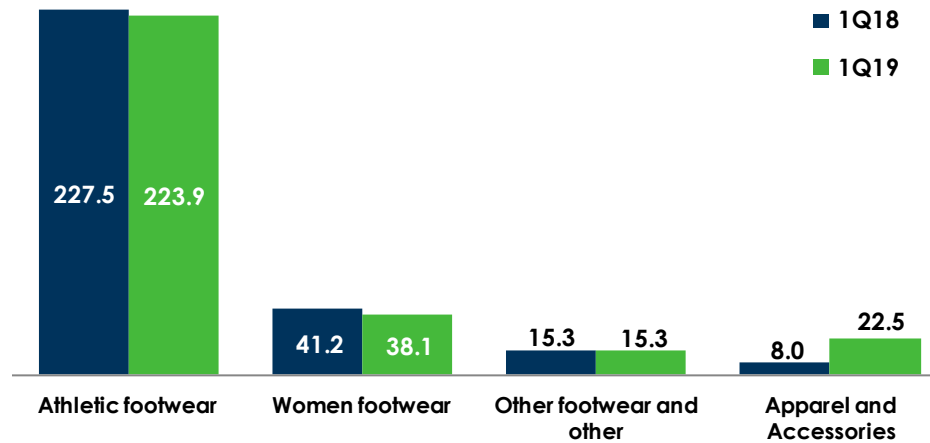
QUARTER : 1Q19 vs. 1Q18



Pairs and itens (thousand)	1Q19	Share %	1Q18	Share %	Var. % 1Q19/1Q18
Athletic footwear	3,271	55.1%	3,443	61.3%	-5.0%
Women footwear	1,258	21.2%	1,222	21.8%	2.9%
Other footwear and other	778	13.1%	715	12.7%	8.8%
Apparel and Accessories	625	10.6%	234	4.2%	167.1%
Total	5,932	100.0%	5,614	100.0%	5.7%

NET OPERATING REVENUE: CATEGORY

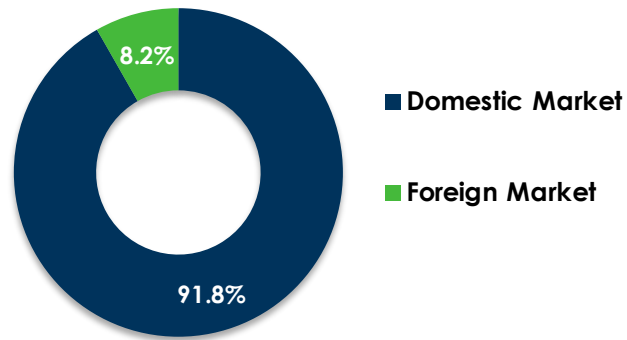
NET REVENUE – 1Q19 vs. 1Q18



R\$ Million	1Q19	Share %	1Q18	Share %	Var. % 1Q19/1Q18
Athletic footwear	223.9	74.7%	227.5	77.9%	-1.6%
Women footwear	38.1	12.7%	41.2	14.1%	-7.5%
Other footwear and other	15.3	5.1%	15.3	5.3%	0.0%
Apparel and Accessories	22.5	7.5%	8.0	2.7%	181.3%
Total Net Revenue	299.8	100.0%	292.0	100.0%	2.7%

NET OPERATING REVENUE: MARKETS

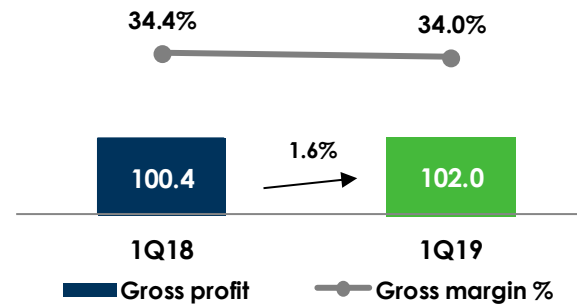
PARTICIPATION – 1Q19



R\$ Million	1Q19	Share %	1Q18	Share %	Var. % 1Q19/1Q18
Domestic Market	275.1	91.8%	254.7	87.2%	8.0%
Foreign Market	24.7	8.2%	37.3	12.8%	-33.8%
Total Net Revenue	299.8	100.0%	292.0	100.0%	2.7%

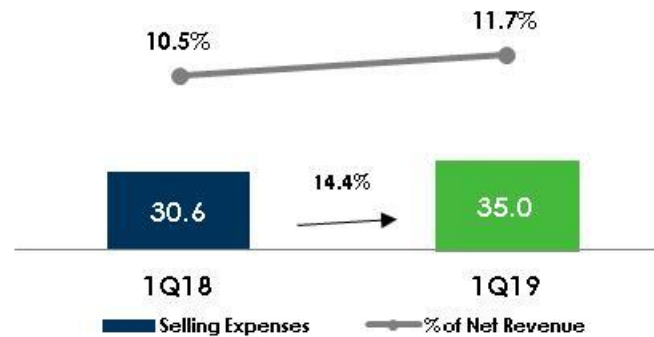
GROSS PROFIT

1Q19 vs. 1Q18

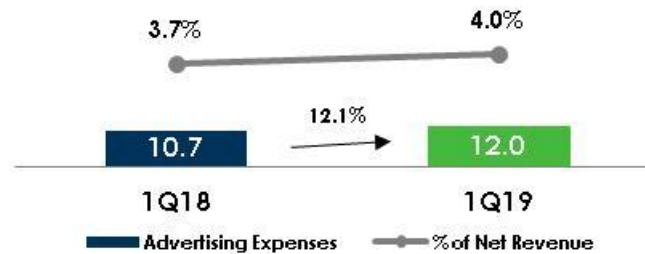


SELLING AND ADVERTISING EXPENSES

SELLING EXPENSES¹ – 1Q19 vs. 1Q18



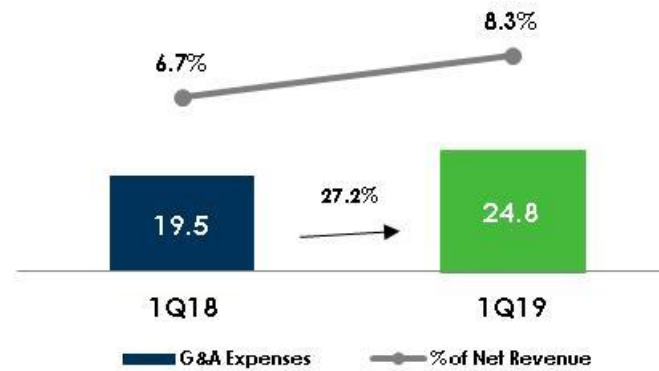
ADVERTISING AND MARKETING EXPENSES – 1Q19 vs. 1Q18



¹ Selling Expenses ex-advertising and marketing.

GENERAL AND ADMINISTRATIVE EXPENSES

1Q19 vs. 1Q18

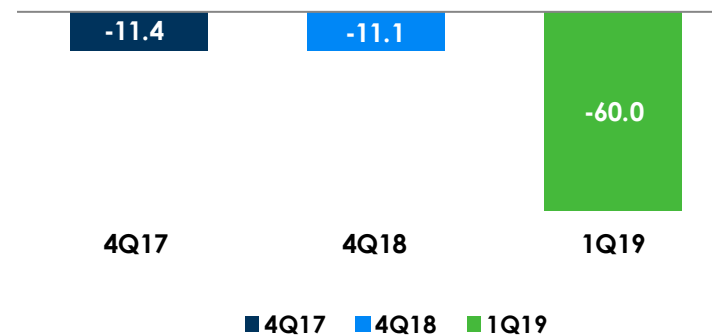


NET FINANCIAL INCOME AND NET DEBT

NET FINANCIAL INCOME

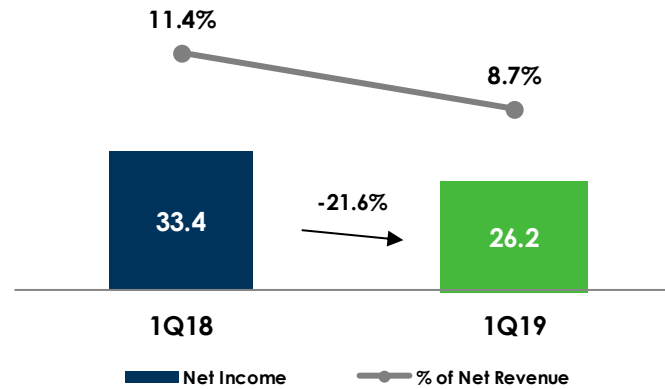
R\$ Million	1Q19	1Q18	Var. % 1Q19/1Q18
Capital structure	-1.5	-2.2	-31.8%
Operating	-2.4	-2.4	0.0%
Exchange differences	-3.4	-2.3	47.8%
Financial Costs	-7.3	-6.9	5.8%
Capital structure	1.5	2.0	-25.0%
Operating	0.7	0.3	133.3%
Exchange differences	3.3	2.5	32.0%
Financial Income	5.5	4.8	14.6%
Net Financial Income	-1.8	-2.1	-14.3%

NET DEBT EVOLUTION

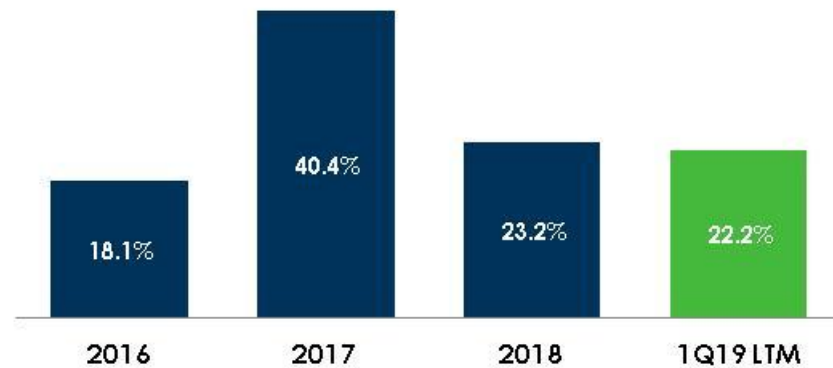


NET INCOME AND ROIC

NET INCOME – 1Q19 vs. 1Q18



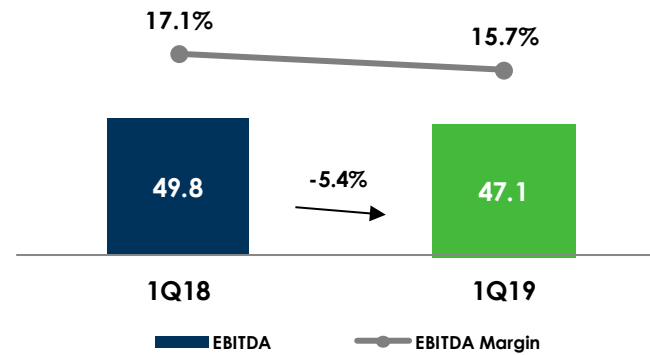
AJUSTED ROIC



EBITDA MARGIN



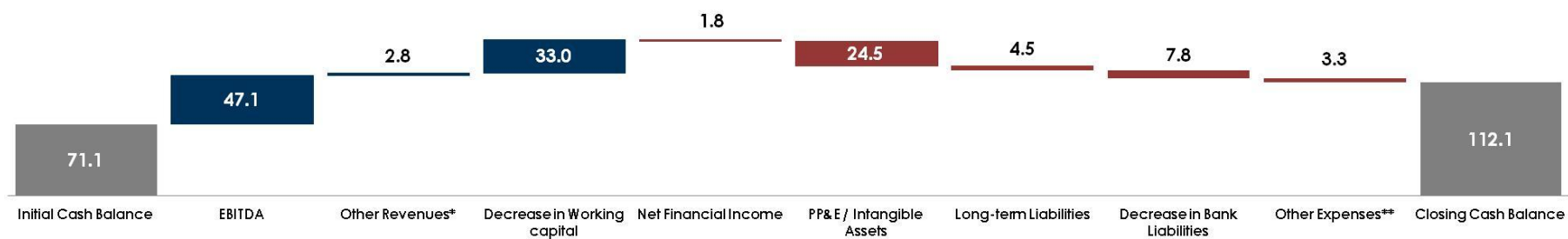
1Q19 vs. 1Q18



ADDITIONS TO PROPERTY, PLANT AND EQUIPAMENT AND INTANGIBLE ASSETS

R\$ Million	1Q19	1Q18	Var. % 1Q19/1Q18
Molds	12.3	10.7	15.0%
Machinery and equipment	6.6	9.9	-33.3%
Industrial facilities	4.5	3.8	18.4%
Others	1.0	2.6	-61.5%
Property, plant and equipment	24.4	27.0	-9.6%
Software	0.1	0.9	-88.9%
Assignment of right	0.0	0.0	0.0%
Others	0.0	0.0	0.0%
Intangible assets	0.1	0.9	-88.9%
Total	24.5	27.9	-12.2%

CASH FLOW – 1T19



PP&E - Property, plant and equipment

***Other Revenues = Sale of fixed assets:** R\$ 2.8 million.

** **Other Expenses: Income tax:** R\$ 0.1 million+ Payment of financial lease liabilities: R\$ 3.1 million.

INVESTOR RELATIONS

Pedro Bartelle

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