

1Q20 Results

Conference call
May 15, 2020
10:30 a.m. (Brasilia Time)



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.













Dividends

	R\$
Net profit for 1Q20	29,736,926.00
(-) Tax incentives reserve	(25,305,151.39)
Legal reserve calculation basis	4,431,774.61
(-) Legal reserve	(221,588.73)
Result for the 1Q20	4,210,185.88
<i>Mandatory dividends (R\$ 4,210,185.88 x 25%)</i>	<i>1,052,546.47</i>
<i>Dividends in addition to the minimum mandatory amount</i>	<i>3,157,639.41</i>
Sum	4,210,185.88

Dividends

This quarter, management **not to propose the payment of interim dividends**, due to the effects caused by the Covid-19 pandemic on the economy and on the Company's results. Among other consequences, the pandemic caused the Company to suspend all its manufacturing activities, and it is difficult to predict the future impacts of the pandemic on the Company's results in the coming quarters. This one-off decision in no way alters the Company's Dividend Policy and the provisions of Clause 34 of its Bylaws.

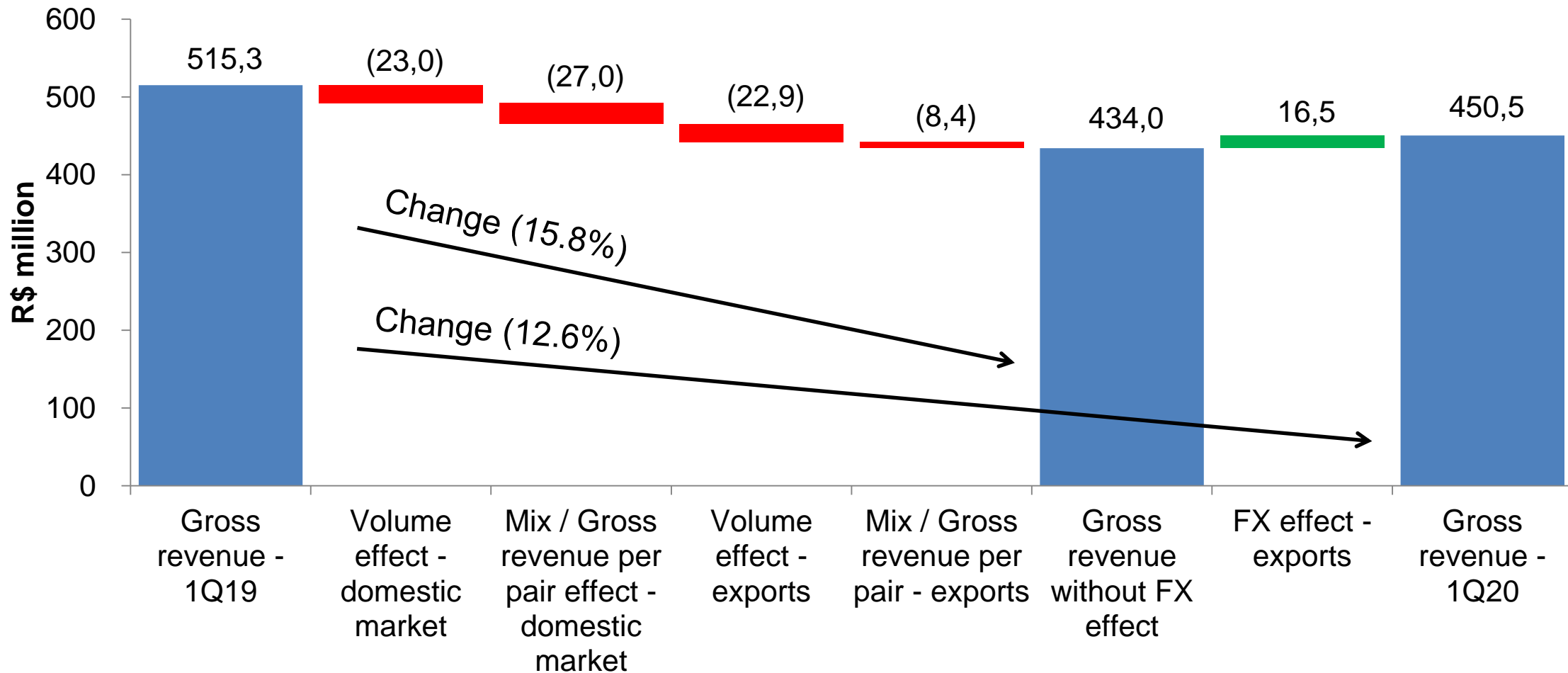
Highlights 1Q20 (YOY 2019)

Gross revenue	Total: R\$ 450.5 million			(12.6%)
	Domestic market: R\$ 343.5 million			(12.7%)
	Exports: R\$ 107.0 million			(12.1%)
Net profit	R\$ 29.7 million			(61.1%)
EBIT	R\$ 39.6 million			18.2%
	Margin 10.7%			2.8 p.p.
Exchange	Positive impact: R\$ 16.5 million			
Volumes	Domestic market: 20.4 million pairs			(5.8%)
	Exports: 5.6 million pairs			(18.8%)
Gross revenue per pair	Domestic market	R\$ 16.88		(7.3%)
	Exports	R\$ 19.05		8.2%
		US\$ 4.27		(8.6%)

Gross sales revenue

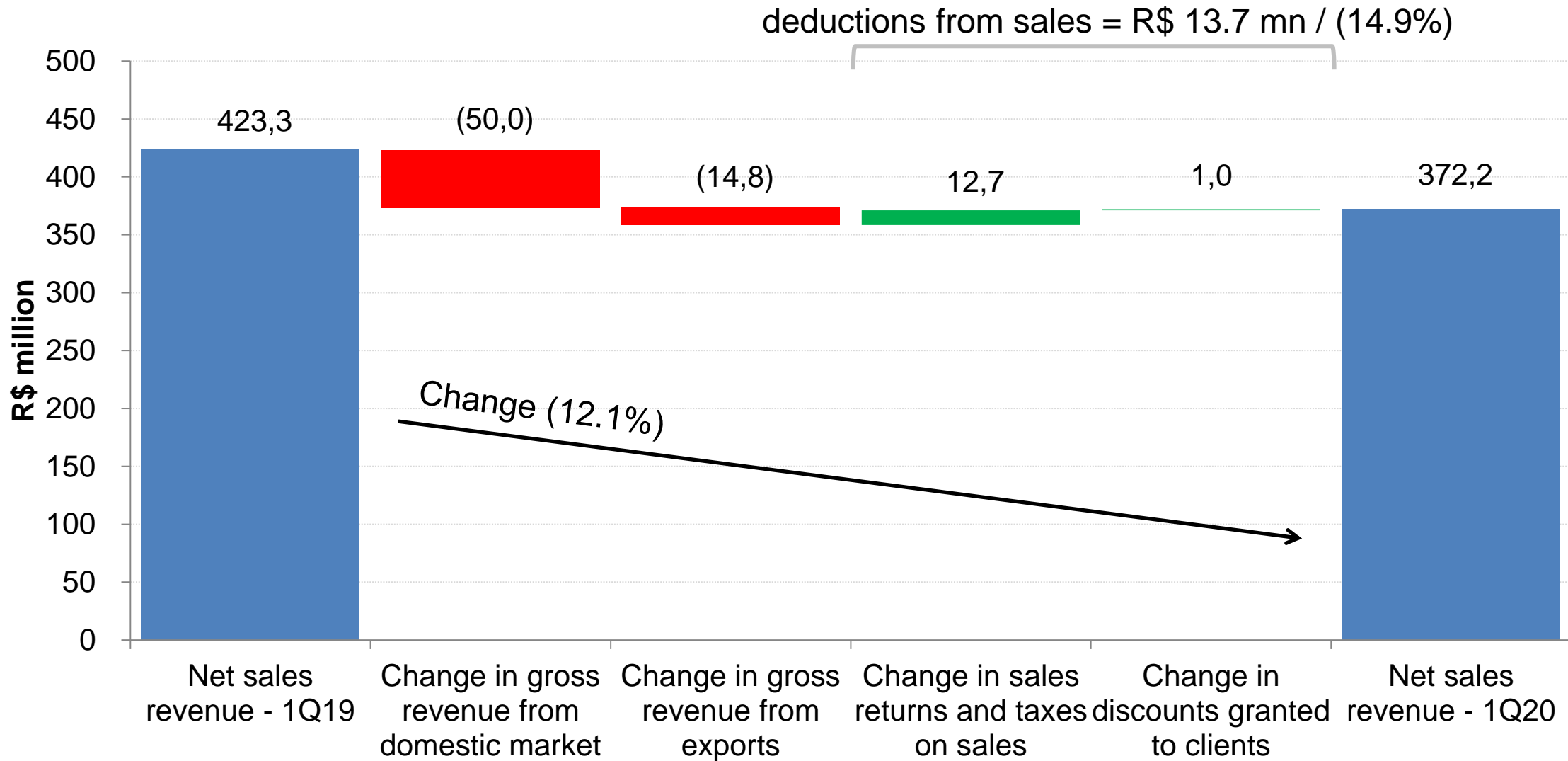
– Domestic market and exports

Analysed by effect of volume, mix and gross revenue per pair

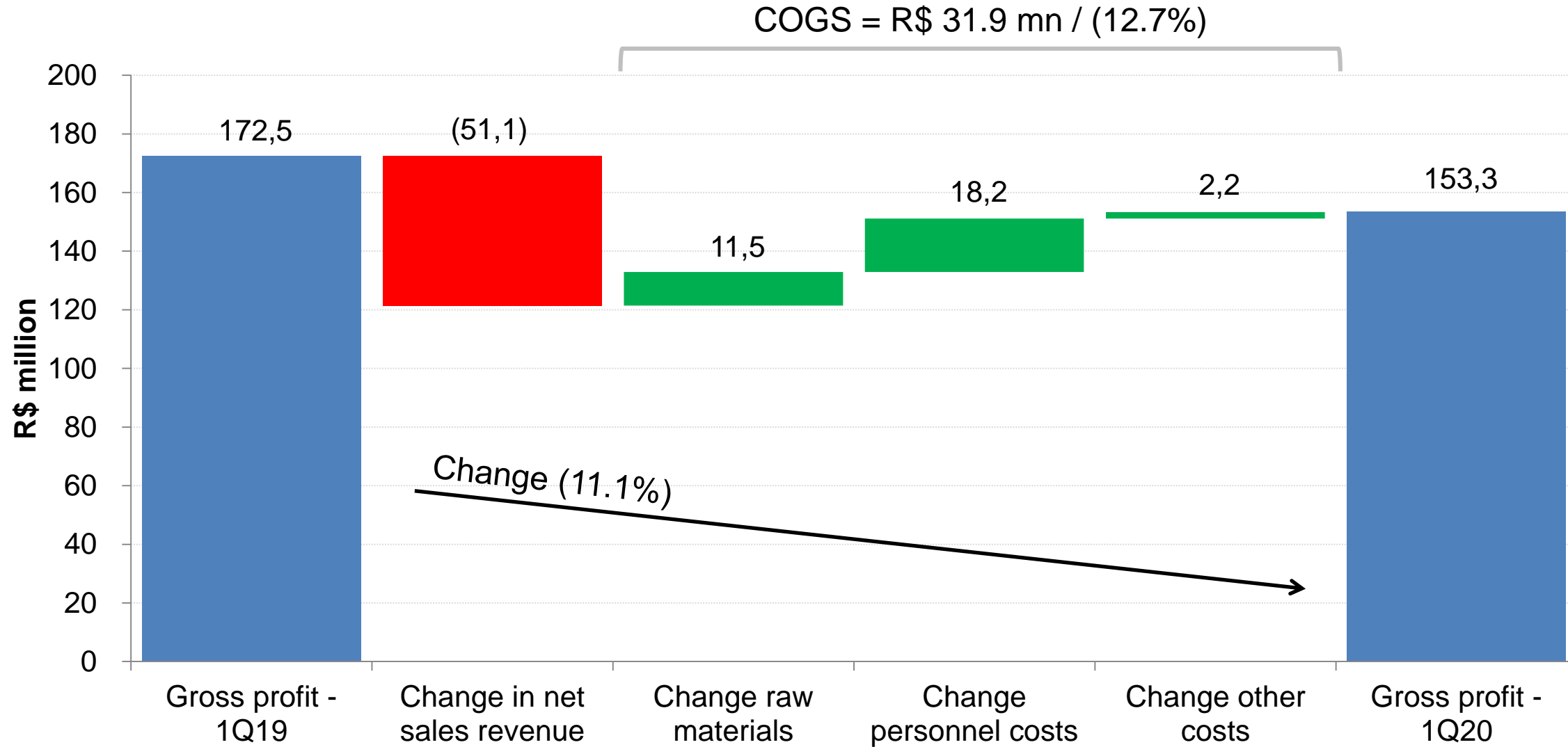


Average US dollar: 1Q19 = R\$ 3.7706 / 1Q20 = R\$ 4.4581 – Δ 18.2%

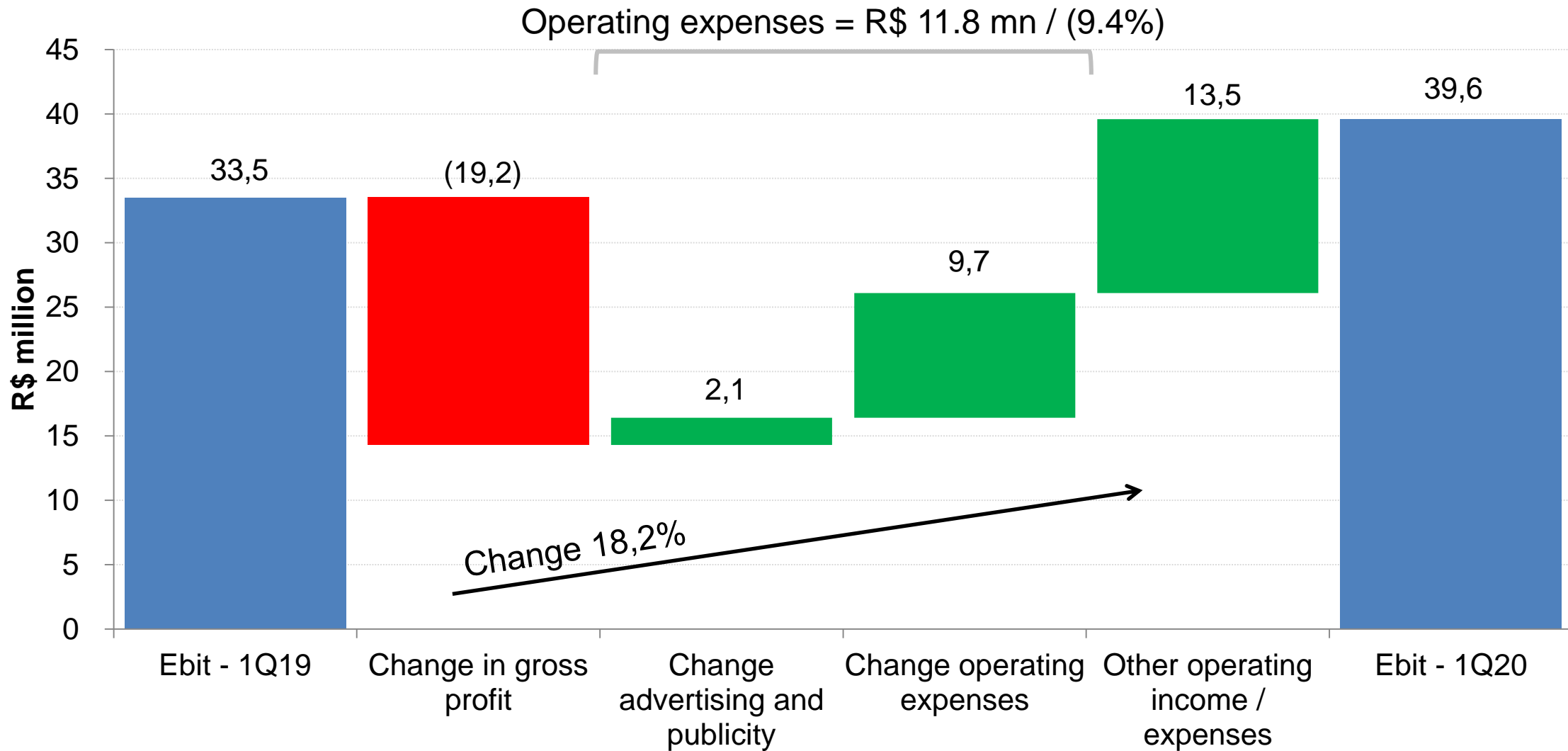
Net sales revenue



Gross profit



EBIT



Net financial revenues (expenses)

(R\$ '000)	1Q19	1Q20	Change %	Change R\$
Interest received from clients	447	272	(39.1%)	(175)
Revenue from cash investments	37,639	28,408	(24.5%)	(9,231)
Other financial revenues	884	848	(4.1%)	(36)
Subtotal	38,970	29,528	(24.2%)	(9,442)
Costs of financings	(2,283)	(2,058)	(9.9%)	225
Cofins and PIS taxes on Financial revenues	(1,836)	(1,560)	(15.0%)	276
Other financial expenses	(938)	(940)	0.2%	(2)
Subtotal	(5,057)	(4,558)	(9.9%)	499
Net financial revenues (expenses) (1)	33,913	24,970	(26.4%)	(8,943)
Revenue from FX derivatives – BM&FBovespa	15,064	0	(100.0%)	(15,064)
Foreign exchange gains	22,381	63,385	183.2%	41,004
Subtotal	37,445	63,385	69.3%	25,940
Op, expenses on FX derivatives – BM&FBovespa	(9,539)	(63,366)	564.3%	(53,827)
Expenses of FX variation	(22,703)	(44,864)	97.6%	(22,161)
Subtotal	(32,242)	(108,230)	235.7%	(75,988)
Net gain (loss) on FX variations (2)	5,203	(44,845)	(961.9%)	(50,048)
Adjustments to present value (APV)	12,050	9,863	(18.1%)	(2,187)
Financial result – APV (3)	12,050	9,863	(18.1%)	(2,187)
Net financial revenues (expenses) (1) + (2) + (3)	51,166	(10,012)	(119.6%)	(61,178)

Net profit

