Grendene®

Resultado 1S19

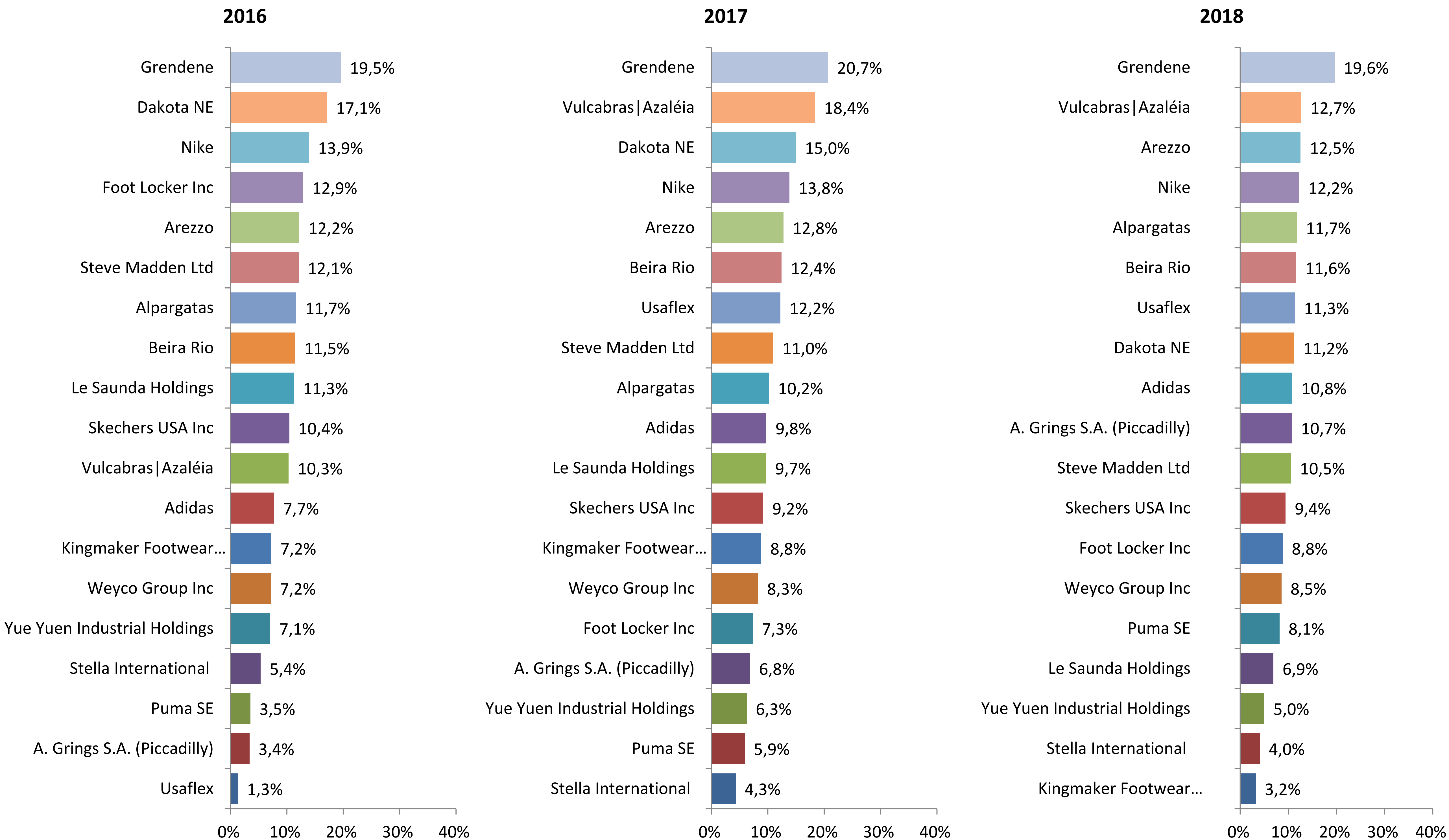
Safra Corretora

Setembro/2019

Aviso

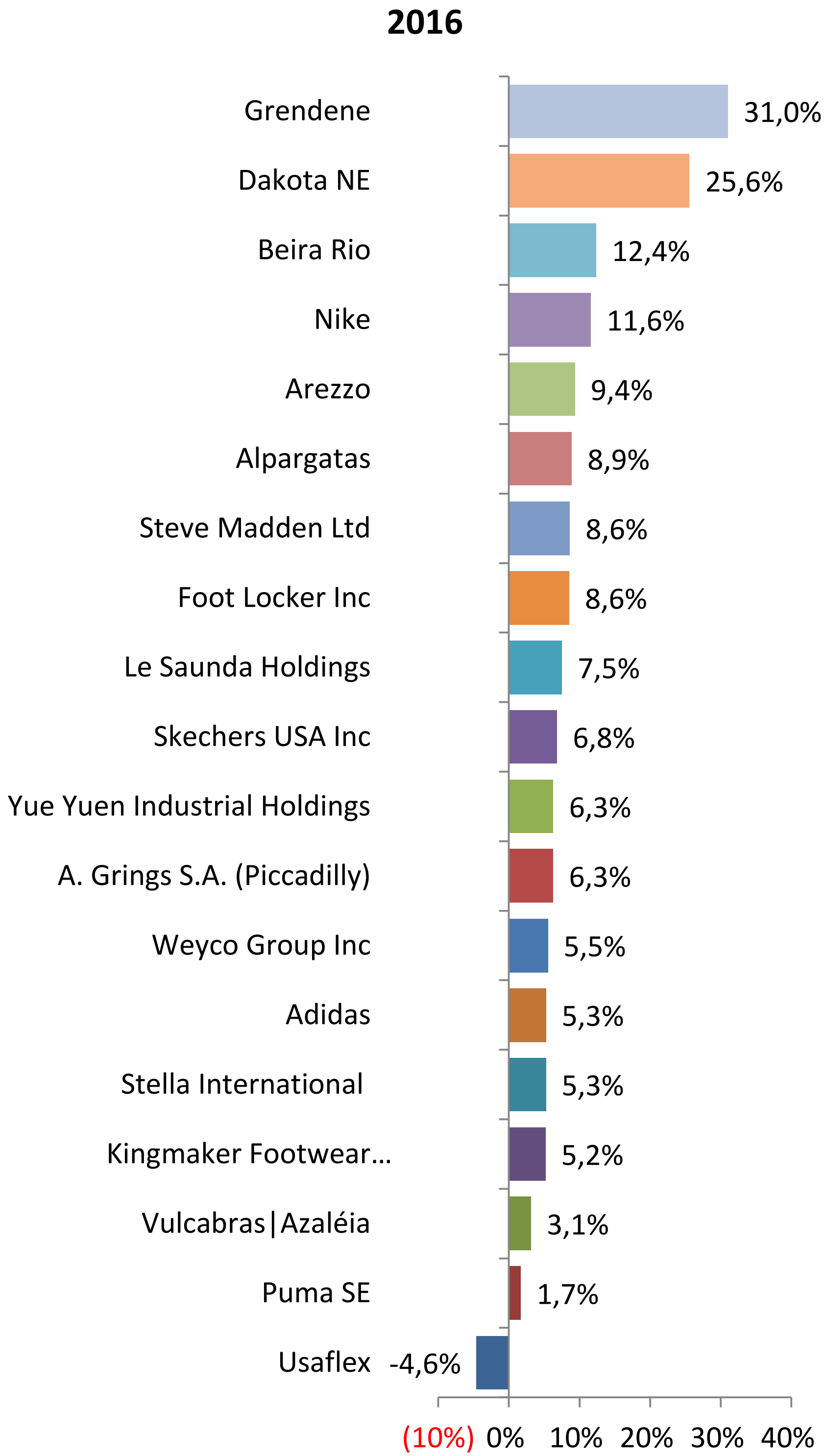
Essa apresentação contém declarações que podem representar expectativas sobre eventos ou resultados futuros. Essas declarações estão baseadas em certas suposições e análises feitas pela Companhia de acordo com sua experiência, com o ambiente econômico e nas condições de mercado e nos desenvolvimentos futuros esperados, muitos dos quais estão além do controle da Companhia. Fatores importantes que podem levar a diferenças significativas entre os resultados reais e as declarações de expectativas sobre eventos ou resultados futuros, incluindo a estratégia de negócios da Companhia, condições econômicas brasileira e internacional, tecnologia, estratégia financeira, desenvolvimento da indústria de calçados, condições do mercado financeiro, incerteza a respeito dos resultados de suas operações futuras, planos, objetivos, expectativas e intenções, e outros fatores. Como resultado desses fatores, os resultados reais da Companhia podem diferir significativamente daqueles indicados ou implícitos nas Declarações de Expectativas sobre Eventos ou Resultados Futuros.

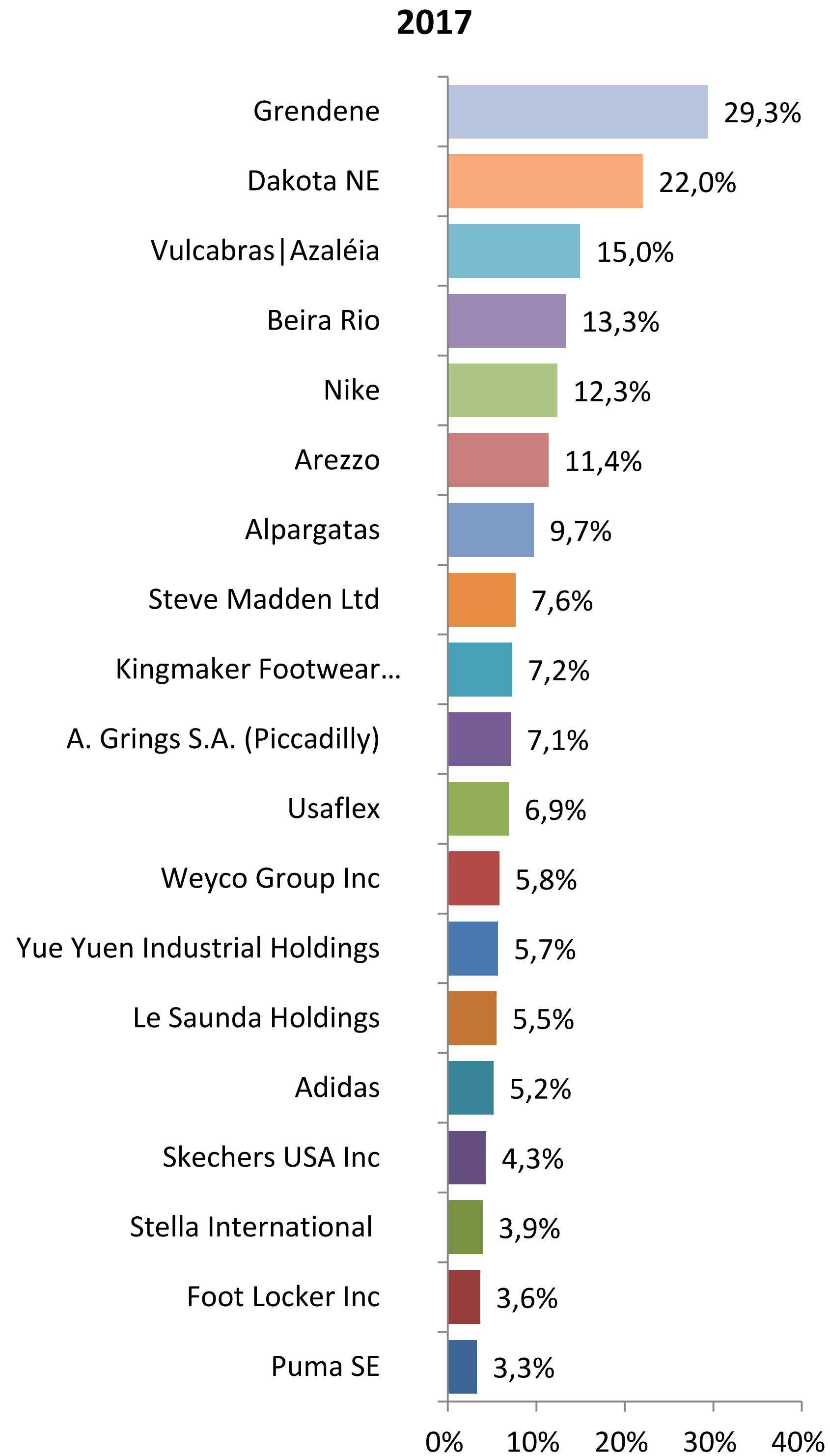
Rentabilidade – Margem EBIT

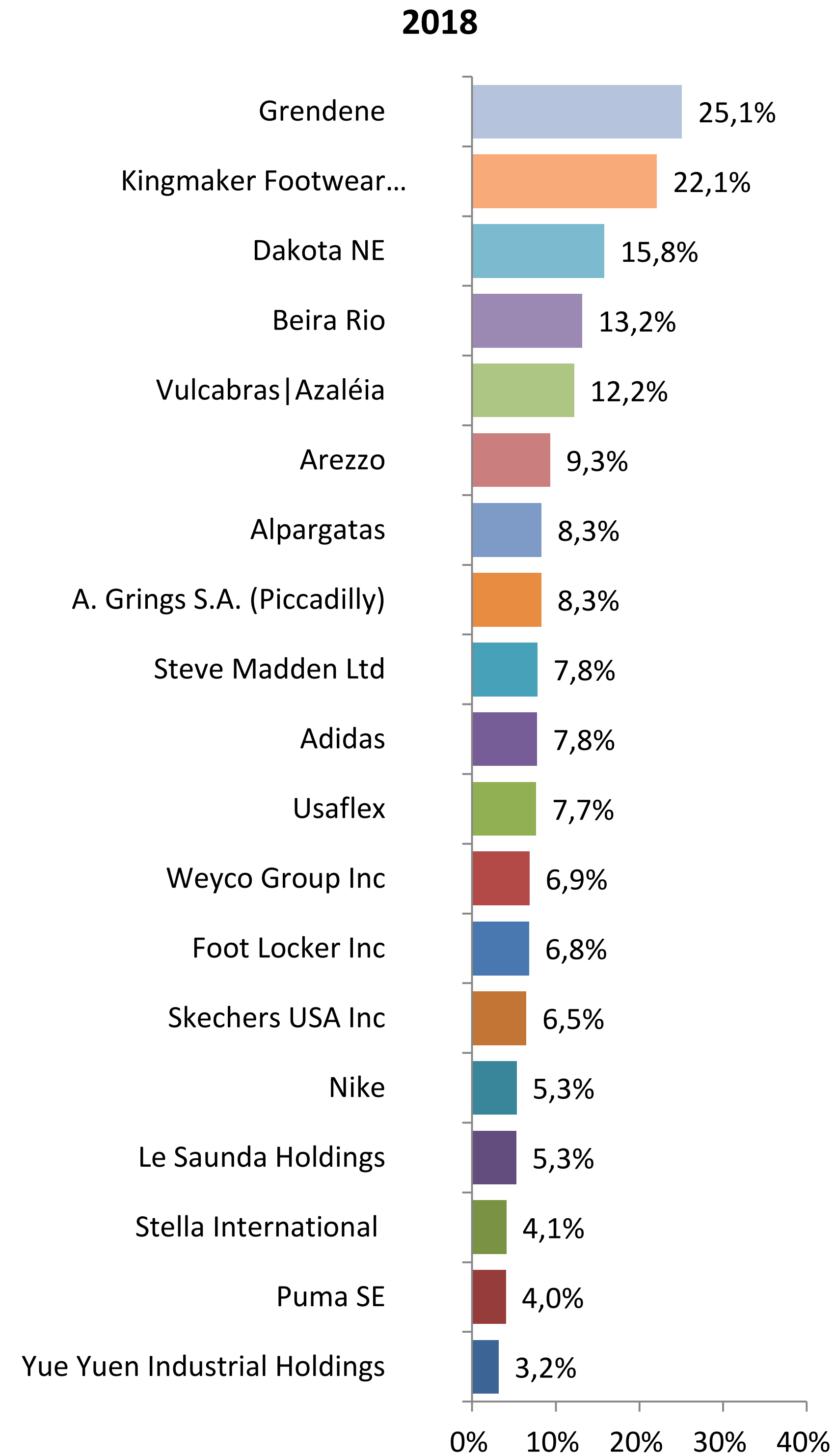


Fonte: Grendene / Bloomberg / Demonstrações financeiras das Companhias.

Rentabilidade – Margem Líquida







Fonte: Grendene / Bloomberg / Demonstrações financeiras das Companhias.

EBIT e Margem EBIT
-Empresas referência do setor

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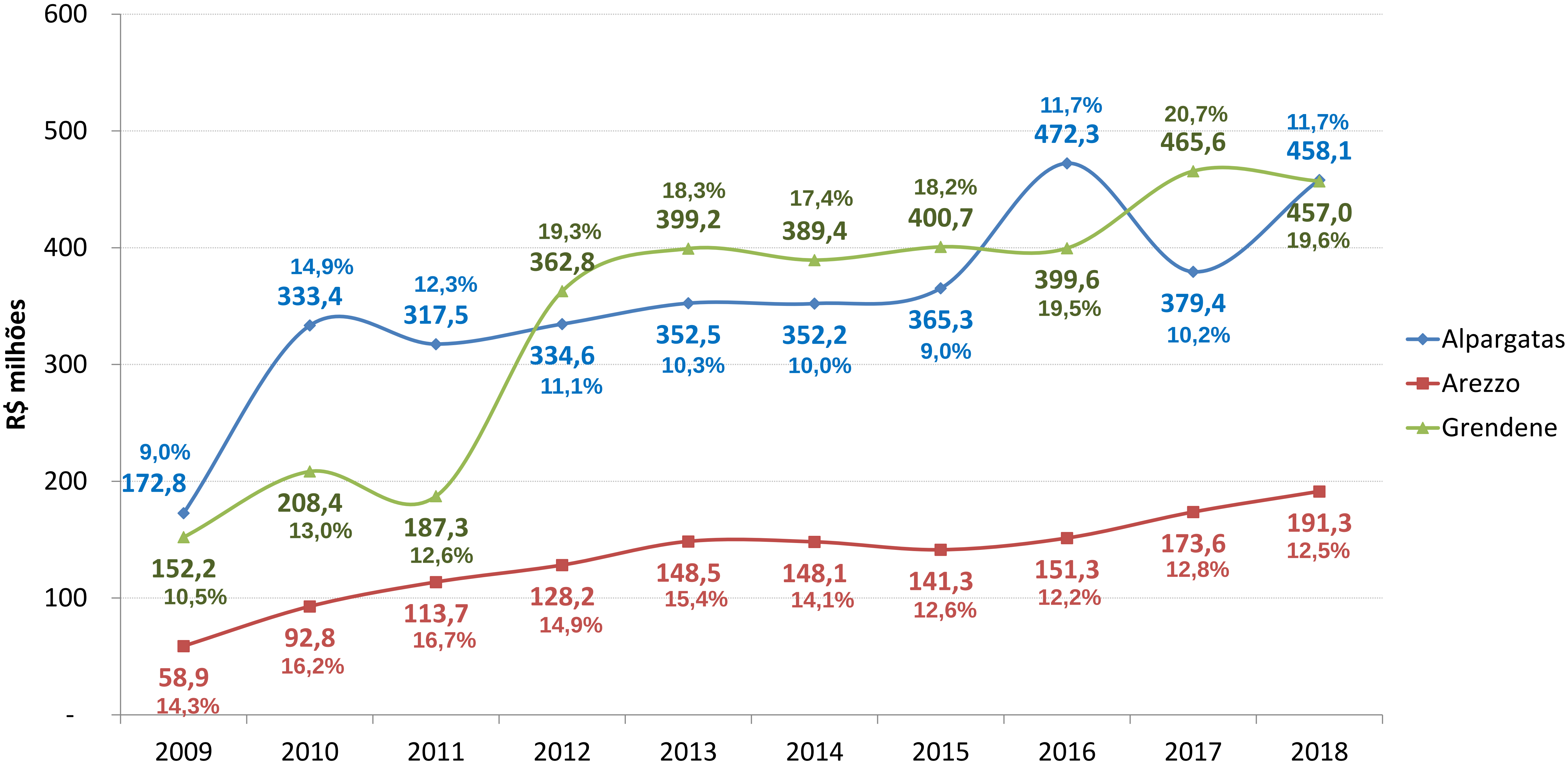
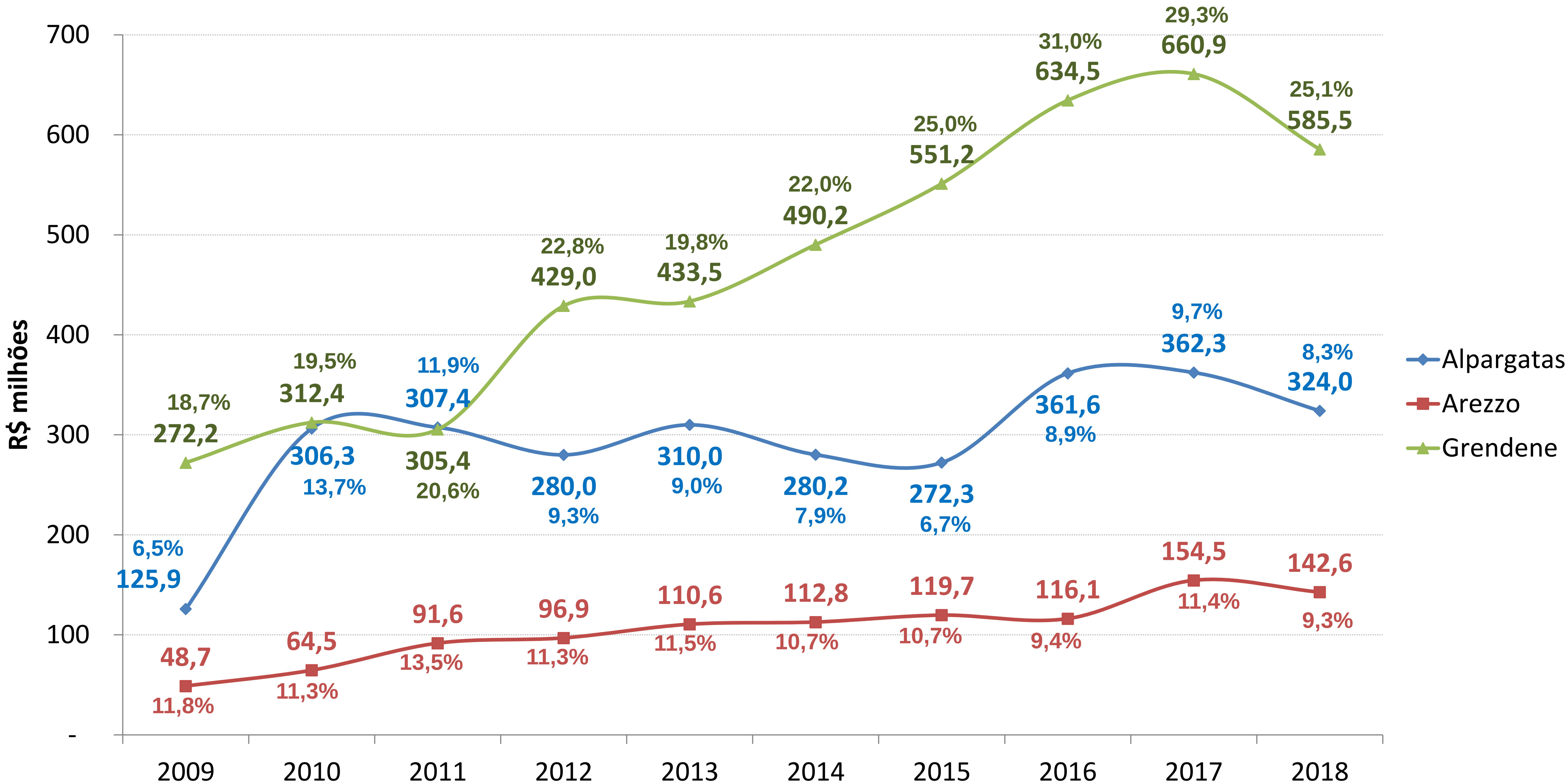


Fonte: Grendene / Bloomberg

Lucro líquido e Margem líquida -Empresas referência do setor



Fonte: Grendene / Bloomberg

Patrimônio líquido (R$) e Retorno sobre o patrimônio líquido (%)

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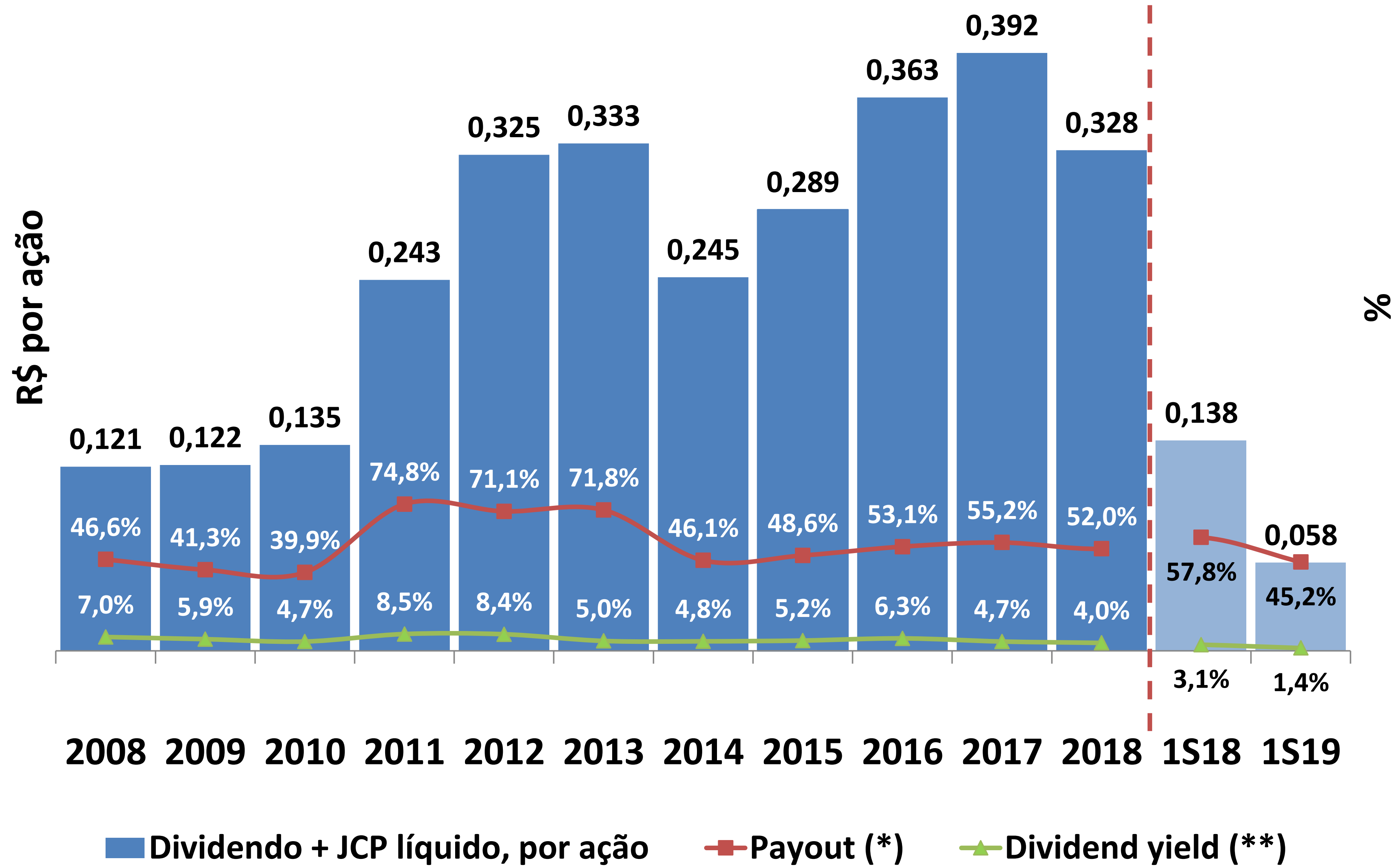
Ano (em milhares de R$)	Patrimônio líquido inicial[1]	Lucro Líquido	Proventos	Reinvestimento	Retorno s/patrimônio líquido	Patrimônio líquido final[1]
2004	692.726	204.865	64.152	140.713	29,6%	733.566
2005	733.566	200.116	81.181	118.935	27,3%	847.373
2006	847.373	257.343	128.261	129.082	30,4%	998.510
2007	998.510	260.508	119.724	140.784	26,1%	1.132.718
2008	1.132.718	239.367	109.000	130.367	21,1%	1.274.080
2009	1.274.080	272.211	110.000	162.211	21,4%	1.430.569
2010	1.430.569	312.399	121.738	190.661	21,8%	1.624.542
2011	1.624.542	305.446	219.526	85.920	18,8%	1.713.743
2012	1.713.743	429.003	293.503	135.500	25,0%	1.848.309
2013	1.848.309	433.540	300.057	133.483	23,5%	1.957.295
2014	1.957.295	490.244	220.814	269.430	25,0%	2.232.649
2015	2.232.649	551.223	275.925	275.298	24,7%	2.520.866
2016	2.520.866	634.492	351.383	283.109	25,2%	2.792.976
2017	2.792.976	660.929	377.773	283.156	23,7%	3.087.479
2018	3.087.479	585.530	315.076	270.454	19,0%	3.341.108
Acumulado		**5.837.216**	**3.088.113**	**2.749.103**	**1.874,8%**	
					Retorno médio s/PL = 23,7% a.a.	

1) Patrimônio líquido ajustado com a exclusão do saldo de dividendos a pagar.

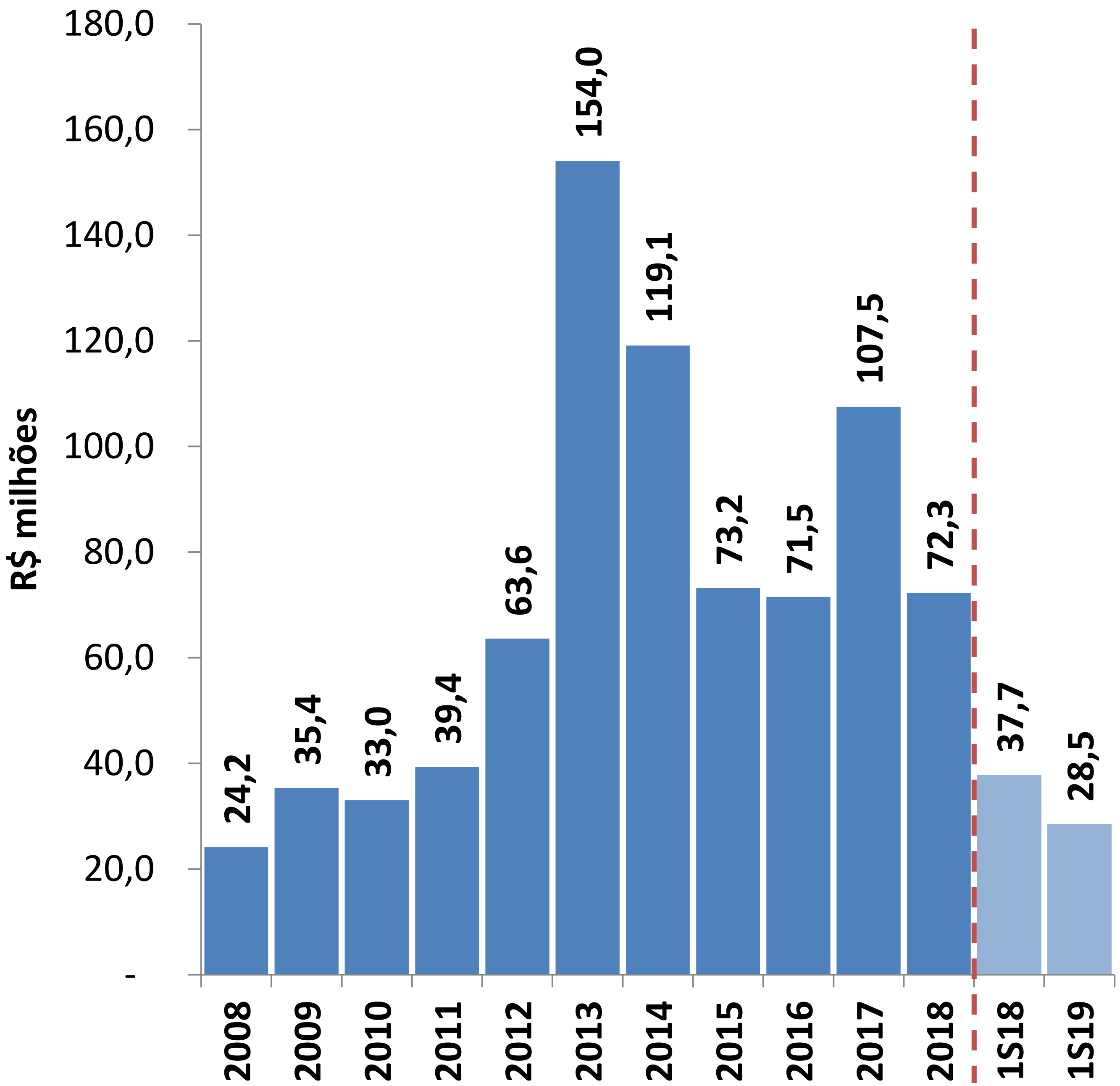
Política de Dividendos

A Política de dividendos da Companhia é **distribuir como dividendos a totalidade dos Lucros que não tem como origem os incentivos fiscais, após a constituição das Reserva Legais e Estatutárias.**



(*) Payout: Dividendo + JCP líquido, dividido pelo lucro líquido após a constituição das reservas legais.
(**) Dividend yield: Dividendo por ação + JCP líquido por ação, dividido pelo preço médio ponderado da ação no período anualizado.

Investimentos (Imobilizado e Intangível)



Modernização do parque fabril e melhor eficiência da produção

Setor de Calçados

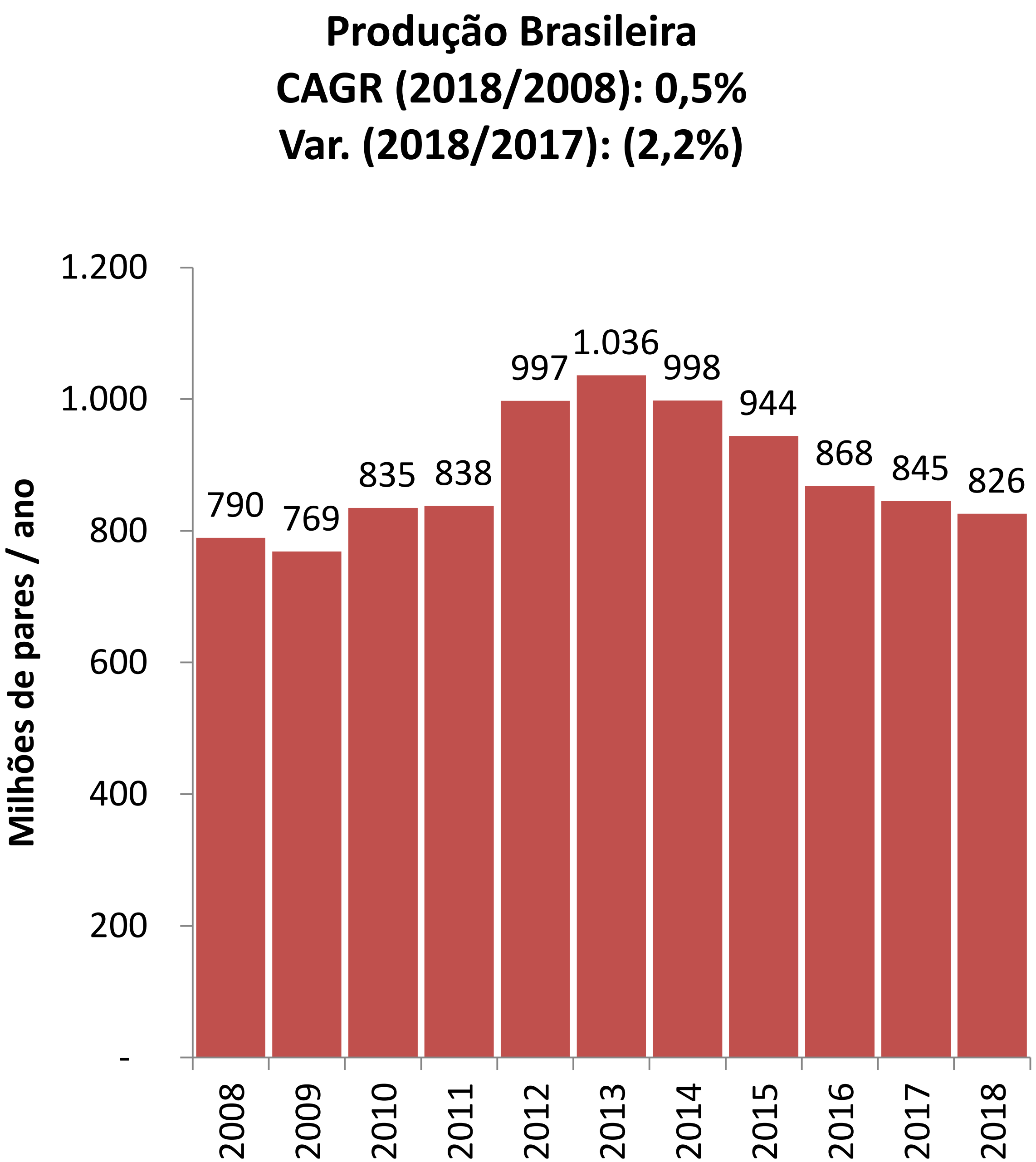
Setor de Calçados - **Brasil**

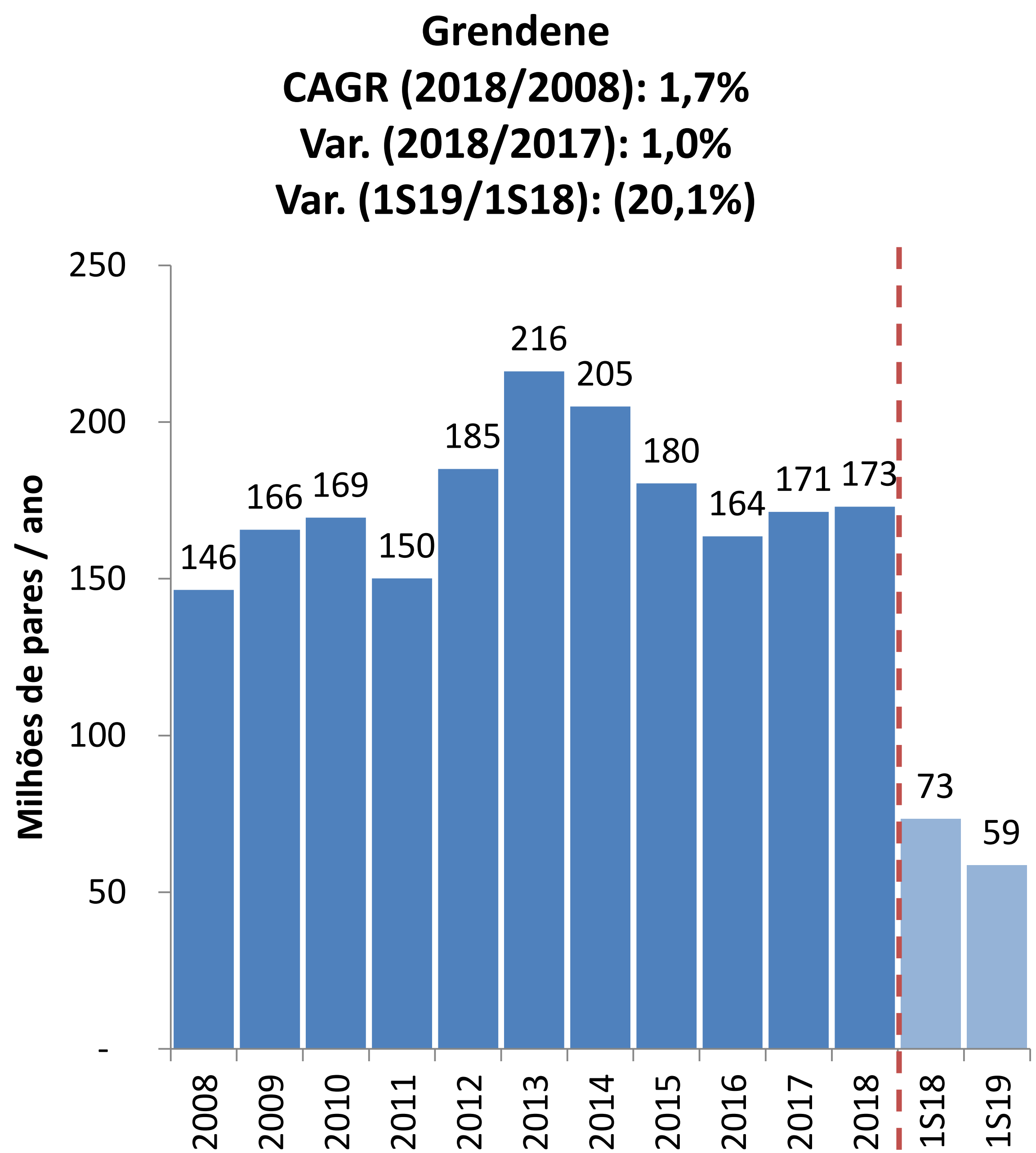
Milhões de pares	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Produção	790	769	835	838	997	1.036	998	944*	868*	845*	826*
Importação	39	30	29	34	36	39	37	33	23	24	27
Exportação	166	127	143	113	113	123	130	124	126	127	113
Consumo aparente	663	672	721	759	920	952	905	853*	765*	742*	740*
Cons. per capita (pares)	**3,5**	**3,5**	**3,7**	**3,8**	**4,6**	**4,7**	**4,5**	**4,2***	**3,7***	**3,6***	**3,5***

Fonte: IBGE / SECEX / ABICALÇADOS / (*) Números estimados pela Grendene

Indústria Brasileira de Calçados x Grendene

Fonte: IEMI / Abicalçados / Grendene

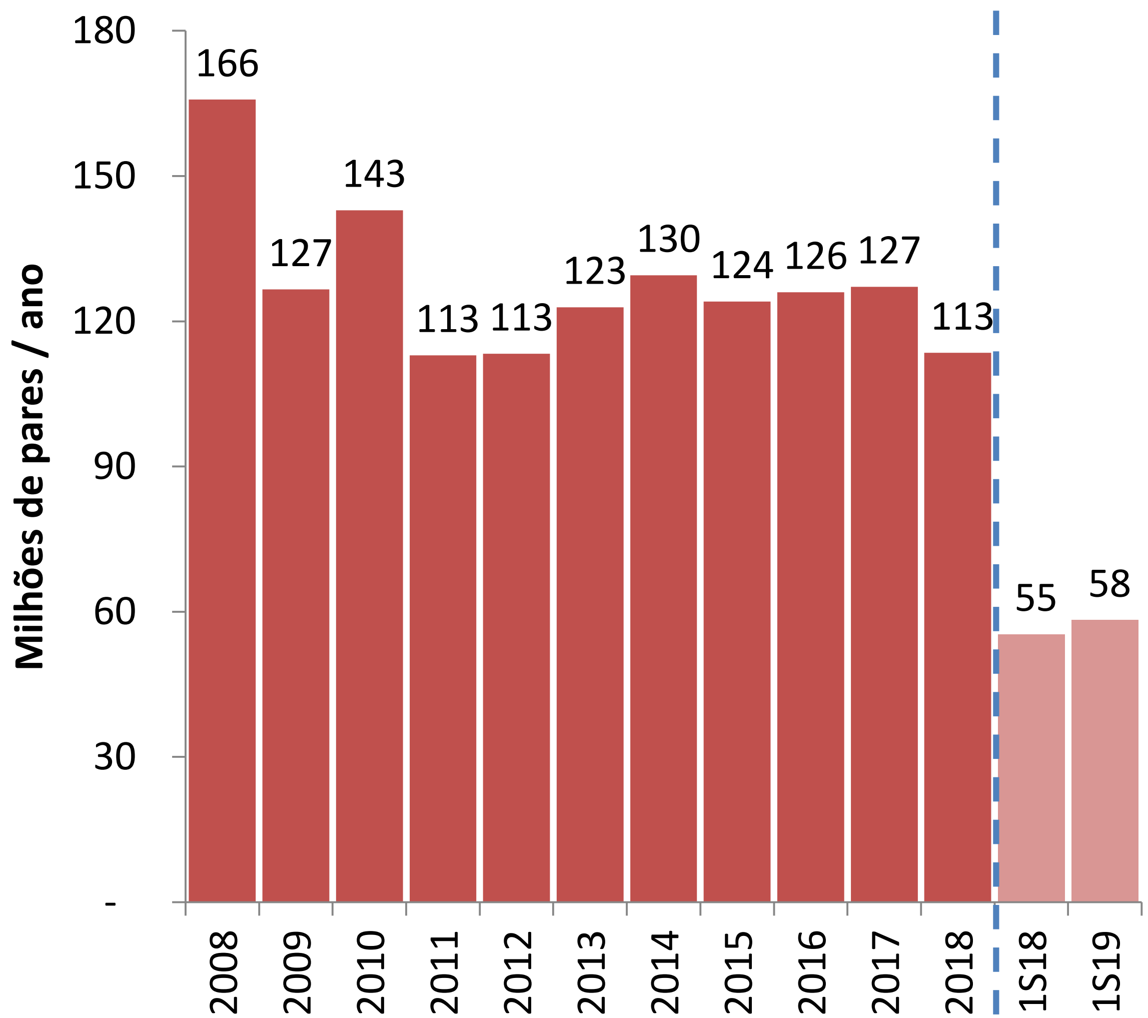




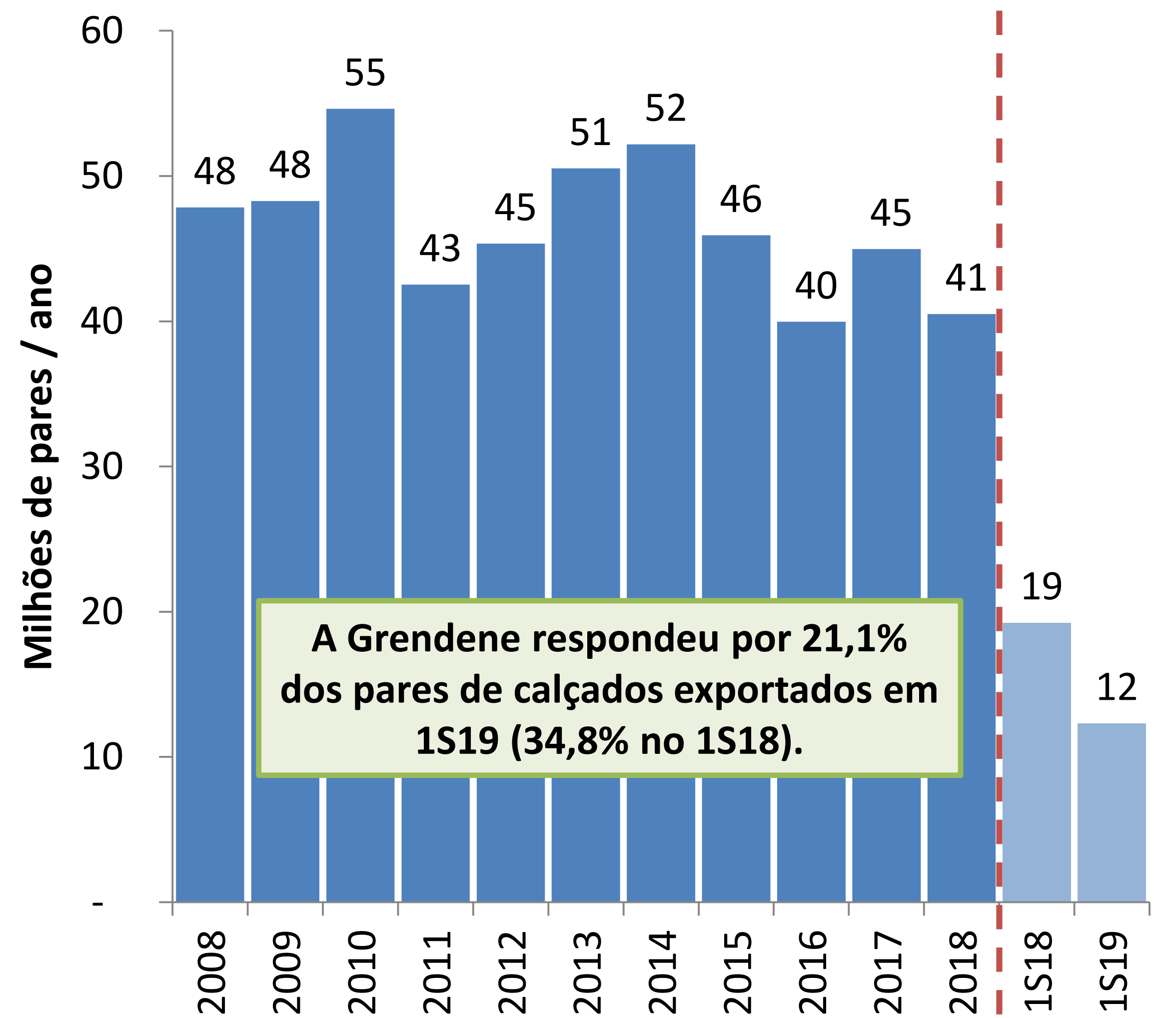
Exportação Brasil - Calçados x Grendene

Grendene®

Exportações Brasileiras
CAGR (2018/2008): (3,7%)
Var. (2018/2017): (10,8%)
Var. (1S19/1S18): 5,3%



Grendene
CAGR (2018/2008): (1,7%)
Var. (2018/2017): (9,9%)
Var. (1S19/1S18): (36,0%)



Fonte: MDIC / Decex / Abicalçados / Grendene

Marca e Comunicação

Grendene®

Produtos que atendam as necessidades essenciais a baixo custo.

Produtos para todas as classes sociais: A, B, C, D e E, com custo x benefício muito bom.

GRENDHA

ZAXY

rider

CARTAGO

Ipanema

melissa

Grendene® kids
O melhor da infância

Marketing

Grendene®

melissa®

+

rider

GRENDHA

zaxy

Ivete Sangalo

Ludmilla + Duda Beat + Hiran

Luísa Sonza

Marketing

Grendene

Ipanema

Marketing

Grendene®

rider

You Tube

G+

SPORTV

SPORTV2

SPORTV3

Spotify

PREMIERE FC

You Tube

MULTI SHOW

NEWS

MEGAPIX

gnt

Marketing

Mídia TV/ Digital/ Redes Sociais

O melhor da infância

Marketing

Grendene®

Mídia TV/ Digital/ Redes Sociais

Miraculous

Instagram YouTube Facebook sbt Cartoon Network Gloob

Larissa Manoela

Instagram YouTube Facebook Twitter nick Cartoon Network Gloob

Marketing

Marketing

Grendene®

melissa®

Galeria Melissa São Paulo

Galeria Melissa New York

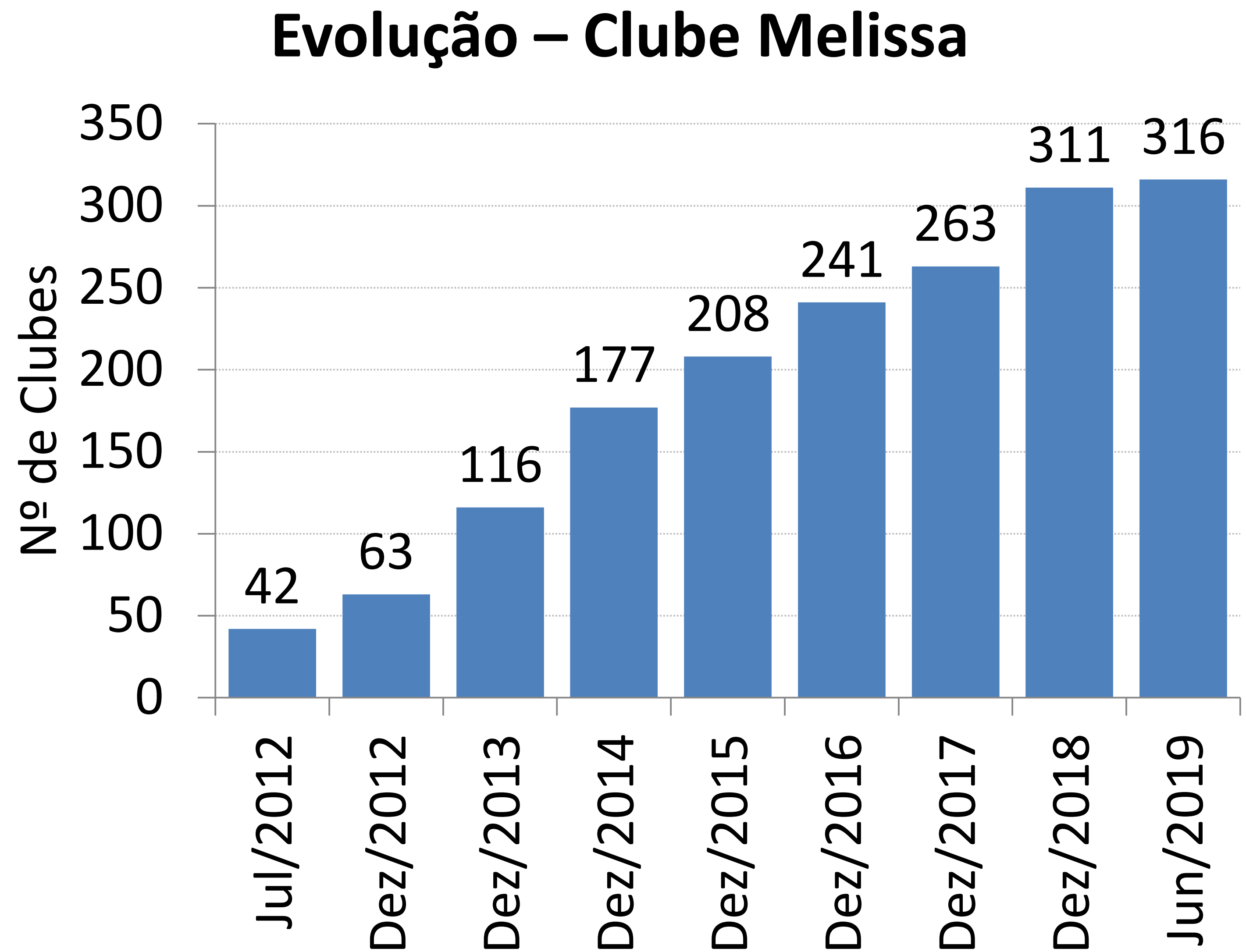
Showroom em Milão

Galeria Melissa Londres

Galeria Melissa

Canais de distribuição

Grendene®



Clube Melissa segue trajetória de crescimento e bom desempenho

Canais de distribuição

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Forte relacionamento com o trade

Resultados (em IFRS)

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Destaques 1S19 (YOY 2018)

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Receita Bruta	Merc. Interno: R$ 793,0 milhões	(14,0%)
	Exportação: R$ 219,4 milhões	(23,1%)
	Exportação: US$ 57,1 milhões	(31,5%)
Lucro líquido	R$ 118,0 milhões	(46,8%)
EBIT	R$ 43,6 milhões	(76,1%)
	Margem 5,3%	(13,1 p.p.)
Câmbio	Impacto positivo: R$ 24,0 milhões	
Volumes	Merc. Interno: 46,3 milhões de pares	(14,5%)
	Exportação: 12,3 milhões de pares	(36,0%)

Receita bruta por par	Mercado interno	R$ 17,12	0,5%
	Exportação	R$ 17,81	20,0%
		US$ 4,63	6,9%

Principais indicadores

(*) CAGR 10 anos – 2008 a 2018

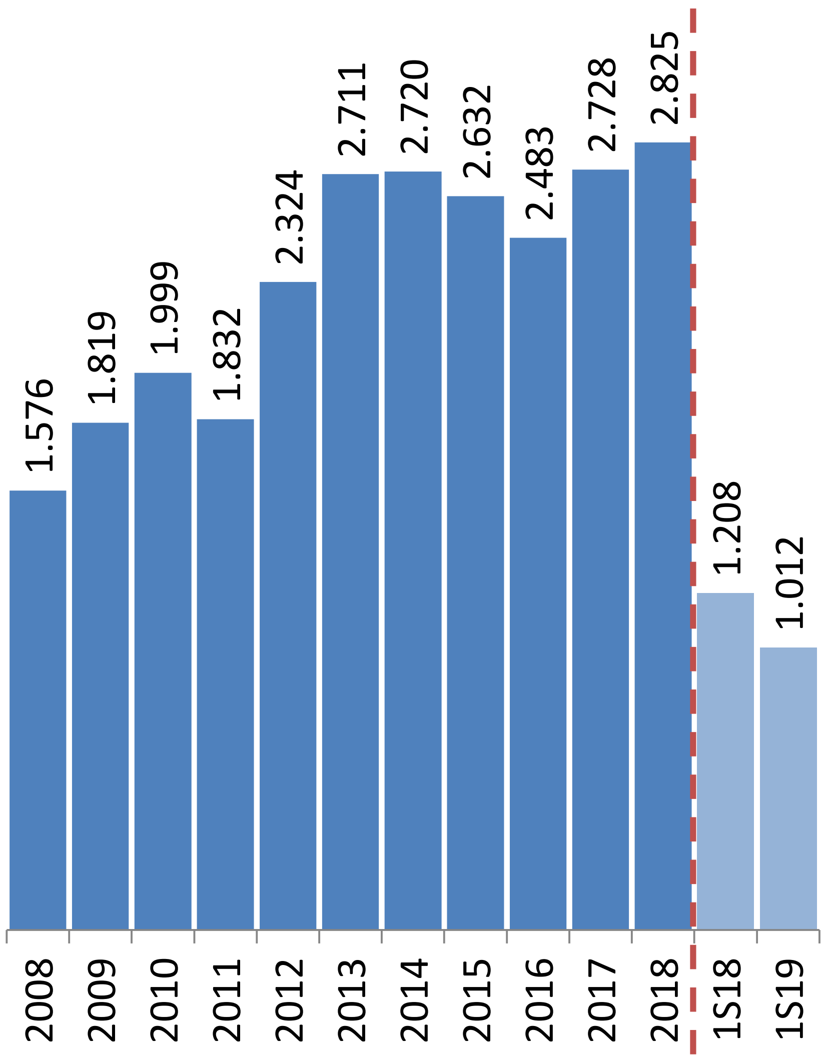
Milhões de R$	2014	2015	2016	2017	2018	Var. % 2018-17	CAGR*	1S18	1S19	Var. % 1S19-18
Receita bruta	2.720	2.632	2.483	2.728	2.825	3,6%	6,0%	1.208,1	1.012,4	(16,2%)
Merc. Interno	2.078	1.900	1.870	2.107	2.168	2,9%	5,9%	922,6	793,0	(14,0%)
Exportação	642	732	613	621	657	5,8%	6,3%	285,5	219,4	(23,1%)
Receita líquida	2.233	2.203	2.045	2.252	2.333	3,6%	6,4%	991,9	823,1	(17,0%)
CPV	(1.207)	(1.135)	(1.048)	(1.151)	(1.227)	6,6%	5,3%	(536,4)	(495,0)	(7,7%)
Lucro Bruto	1.026	1.068	997	1.101	1.106	0,5%	7,9%	455,5	328,0	(28,0%)
EBIT	389	401	400	466	457	(1,9%)	10,7%	182,6	43,6	(76,1%)
EBITDA	437	454	457	526	523	(0,7%)	10,6%	215,2	77,0	(64,2%)
Lucro líquido	490	551	634	661	586	(11,4%)	9,4%	221,9	118,0	(46,8%)

Margem %	2014	2015	2016	2017	2018	Var. 2018-17 (p.p.)	Var. 2018-08 (p.p.)	1S18	1S19	Var. 1S19-18 (p.p.)
Bruta	45,9%	48,5%	48,7%	48,9%	47,4%	(1,5 p.p.)	5,9 p.p.	45,9%	39,9%	(6,0)
EBIT	17,4%	18,2%	19,5%	20,7%	19,6%	(1,1 p.p.)	6,3 p.p.	18,4%	5,3%	(13,1)
EBITDA	19,6%	20,6%	22,4%	23,4%	22,4%	(1,0 p.p.)	7,1 p.p.	21,7%	9,4%	(12,3)
Líquida	22,0%	25,0%	31,0%	29,3%	25,1%	(4,2 p.p.)	5,9 p.p.	22,4%	14,3%	(8,1)

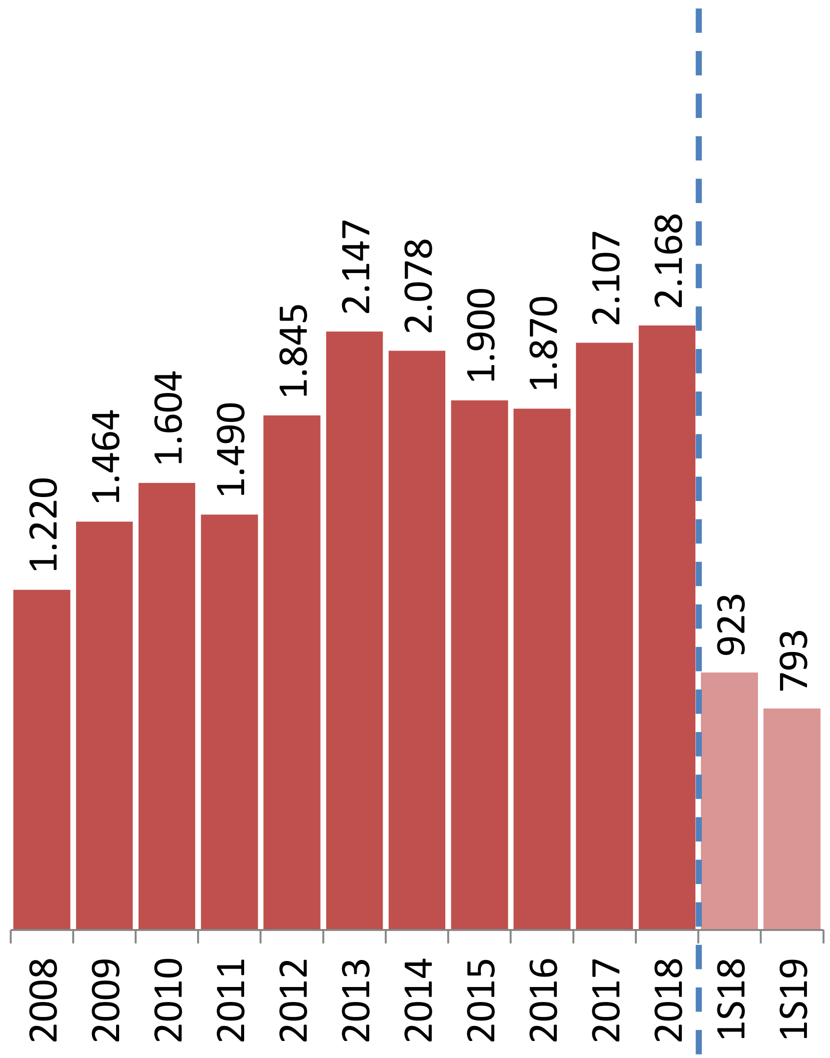
Receita bruta – em milhões de R$

Obs: CAGR 10 anos

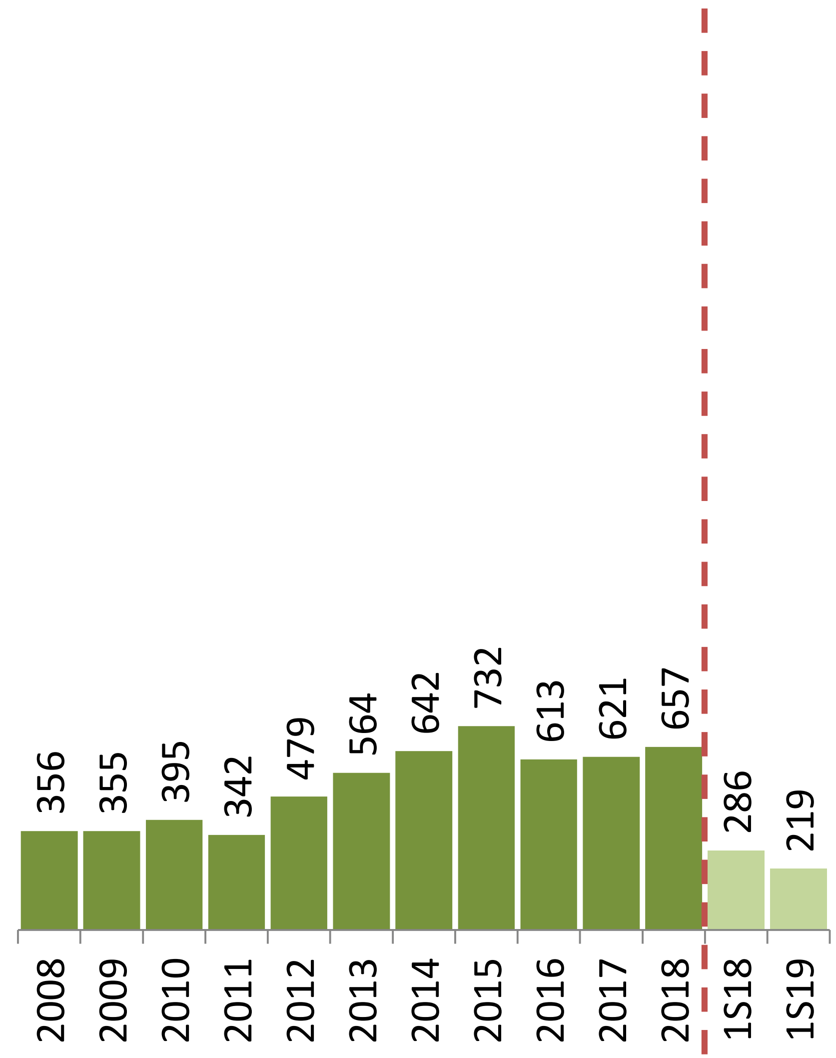
Receita Bruta de Vendas
CAGR (18-08): 6,0%
Var. % (18-17): 3,6%
Var. % (1S19-18): (16,2%)



Receita Mercado Interno
CAGR (18-08): 5,9%
Var. % (18-17): 2,9%
Var. % (1S19-18): (14,0%)



Receita Mercado Externo
CAGR (18-08): 6,3%
Var. % (18-17): 5,8%
Var. % (1S19-18): (23,1%)



Participação % por mercado

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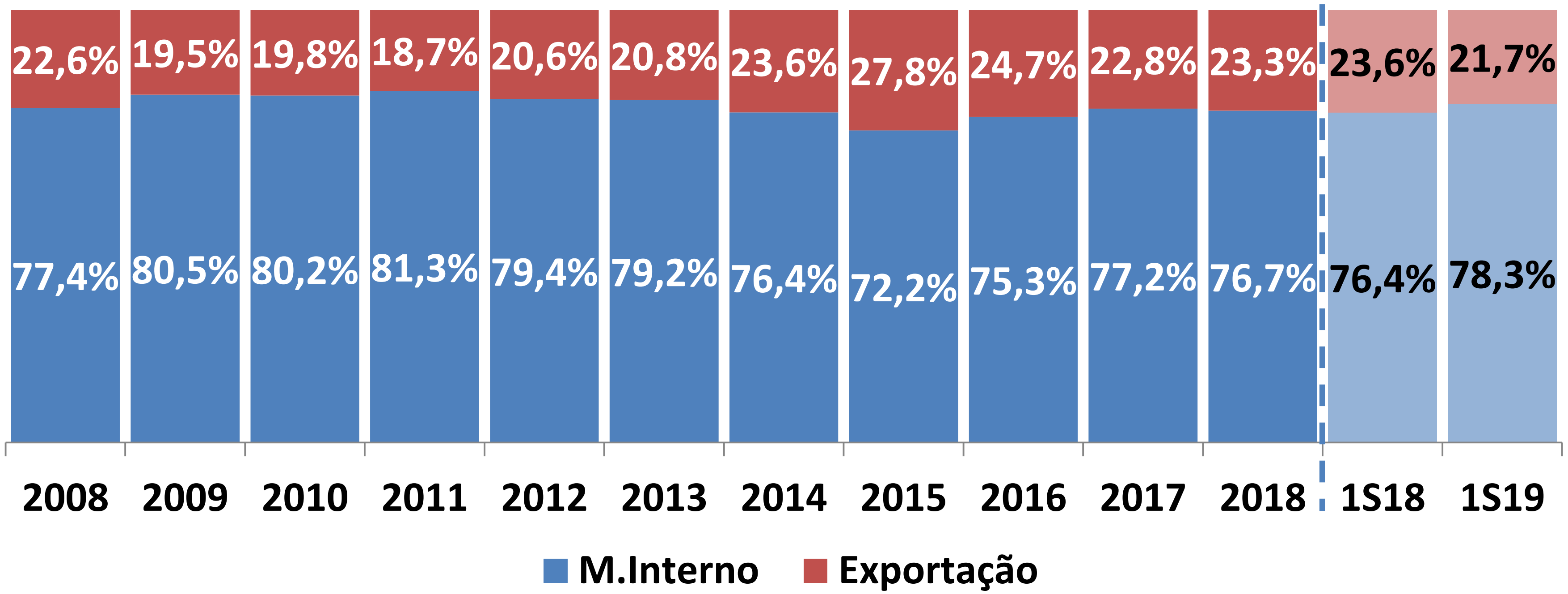
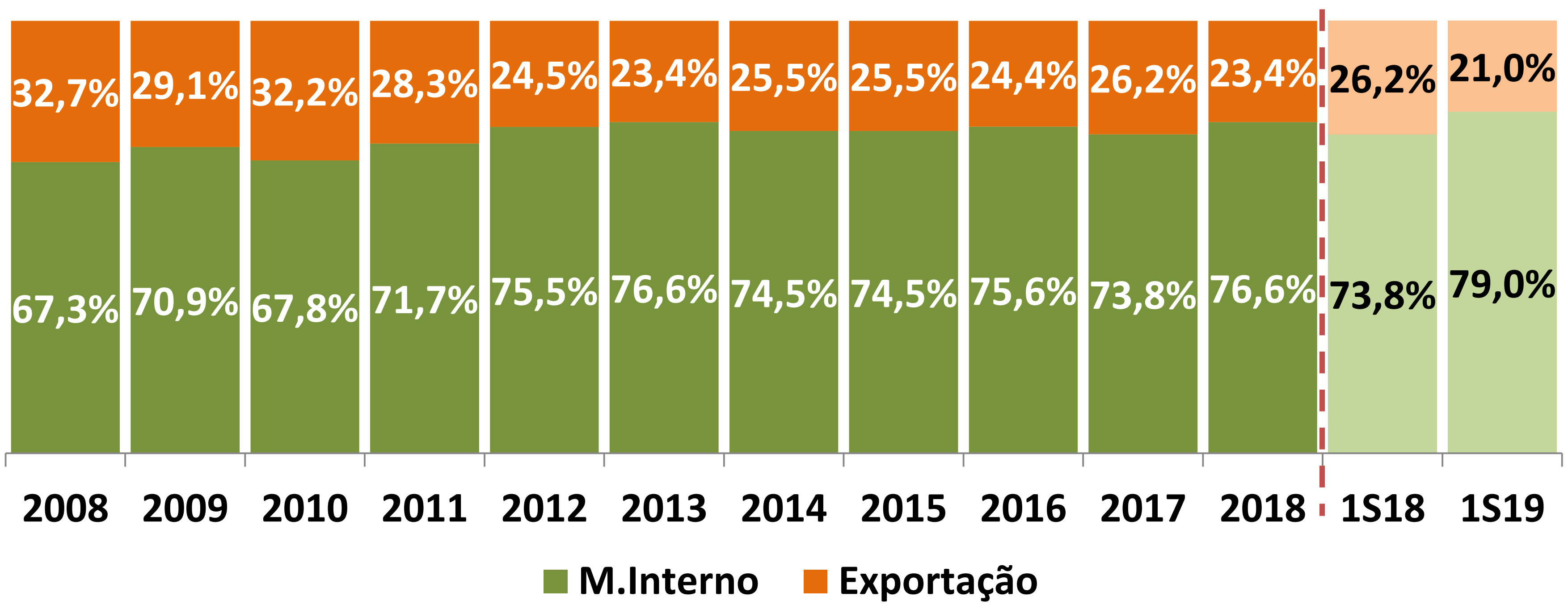
Receita bruta de vendas



Volume de pares

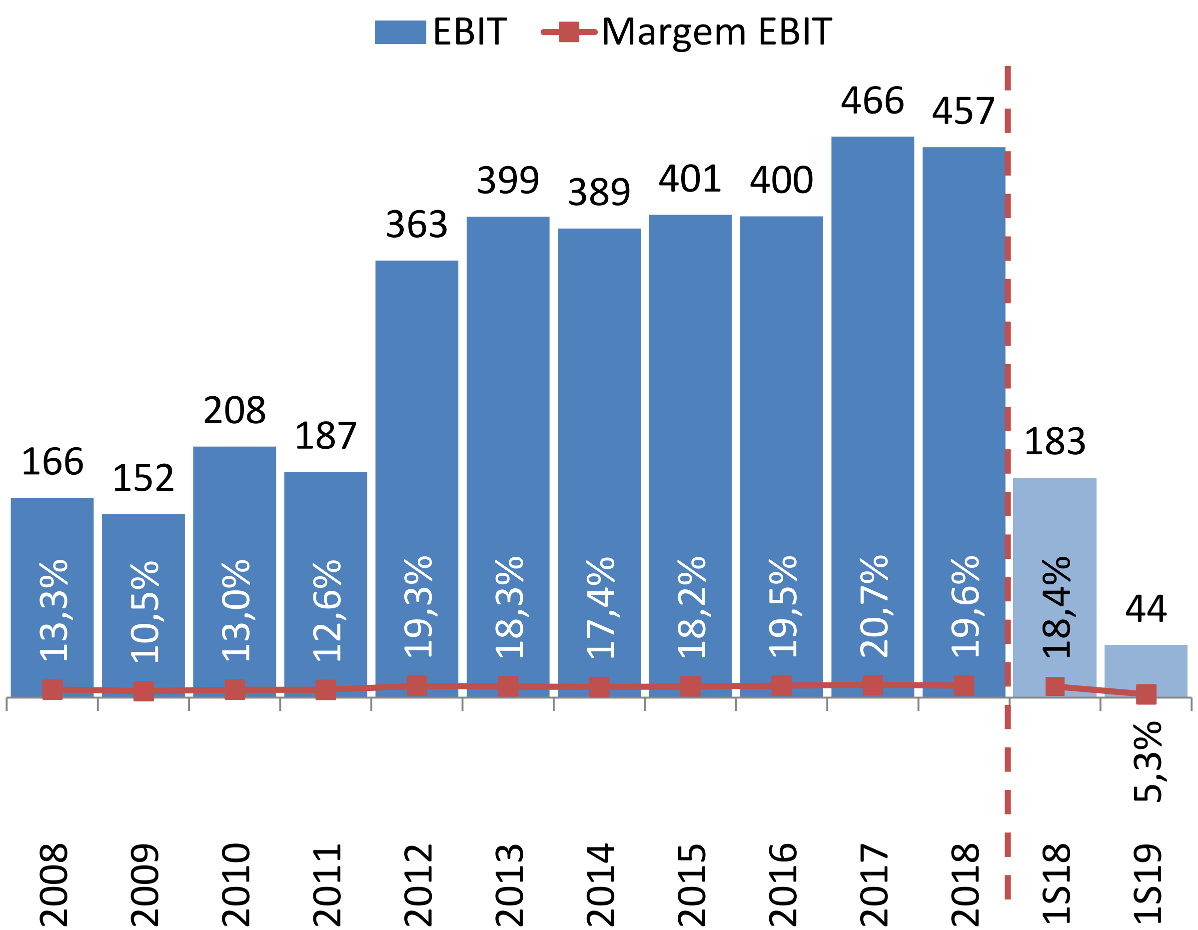


CARTAGO

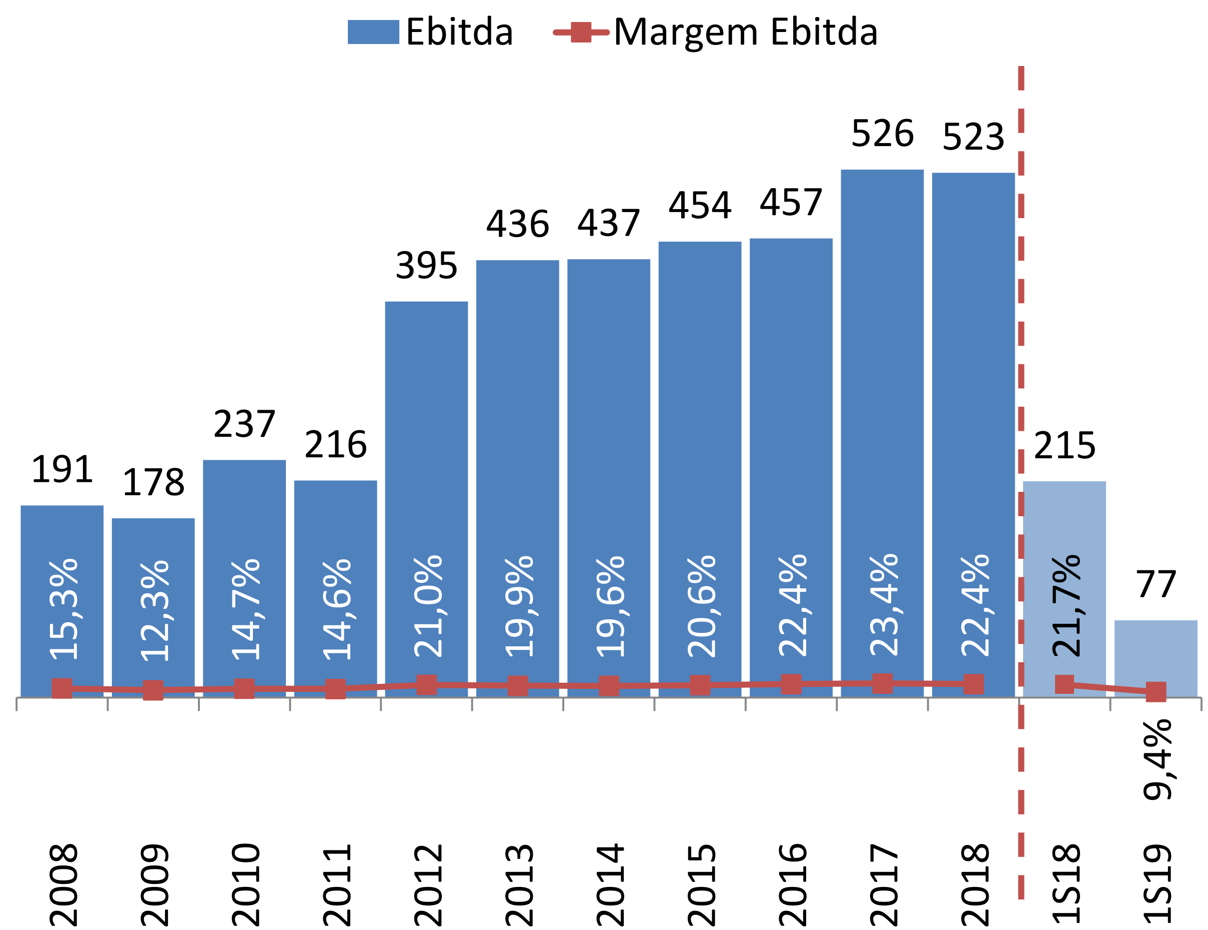
EBIT / EBITDA – em milhões de R$

Obs: CAGR 10 anos

EBIT / Margem EBIT
CAGR (18-08): 10,7%
Var. % (18-17): (1,9%)
Var. % (1S19-18): (76,1%)



EBITDA / Margem EBITDA
CAGR (18-08): 10,6%
Var. % (18-17): (0,7%)
Var. % (1S19-18): (64,2%)



Melhorias dos processos internos de geração de Valor.

Resultado Financeiro / Lucro Líquido – em milhões de R$

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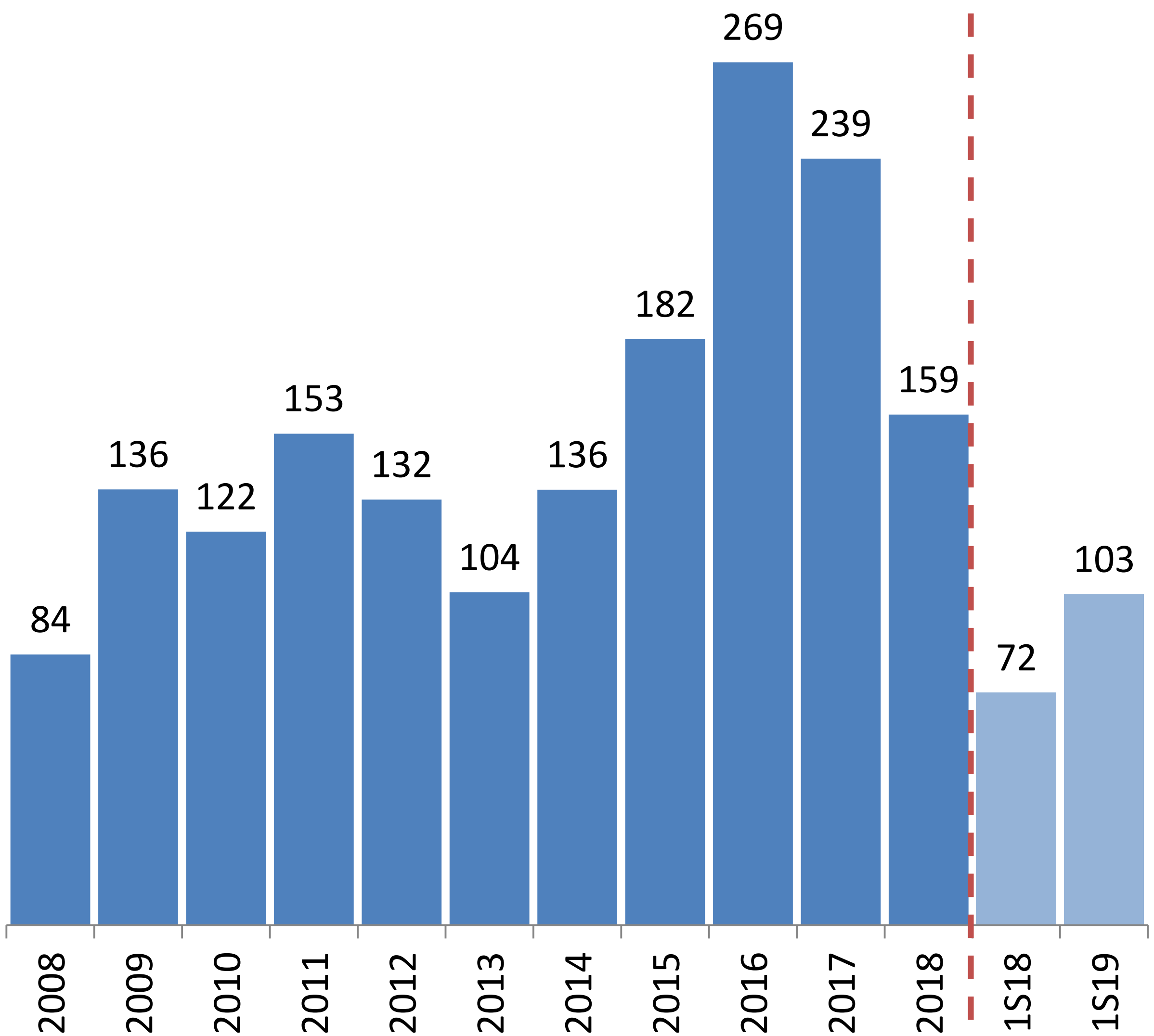
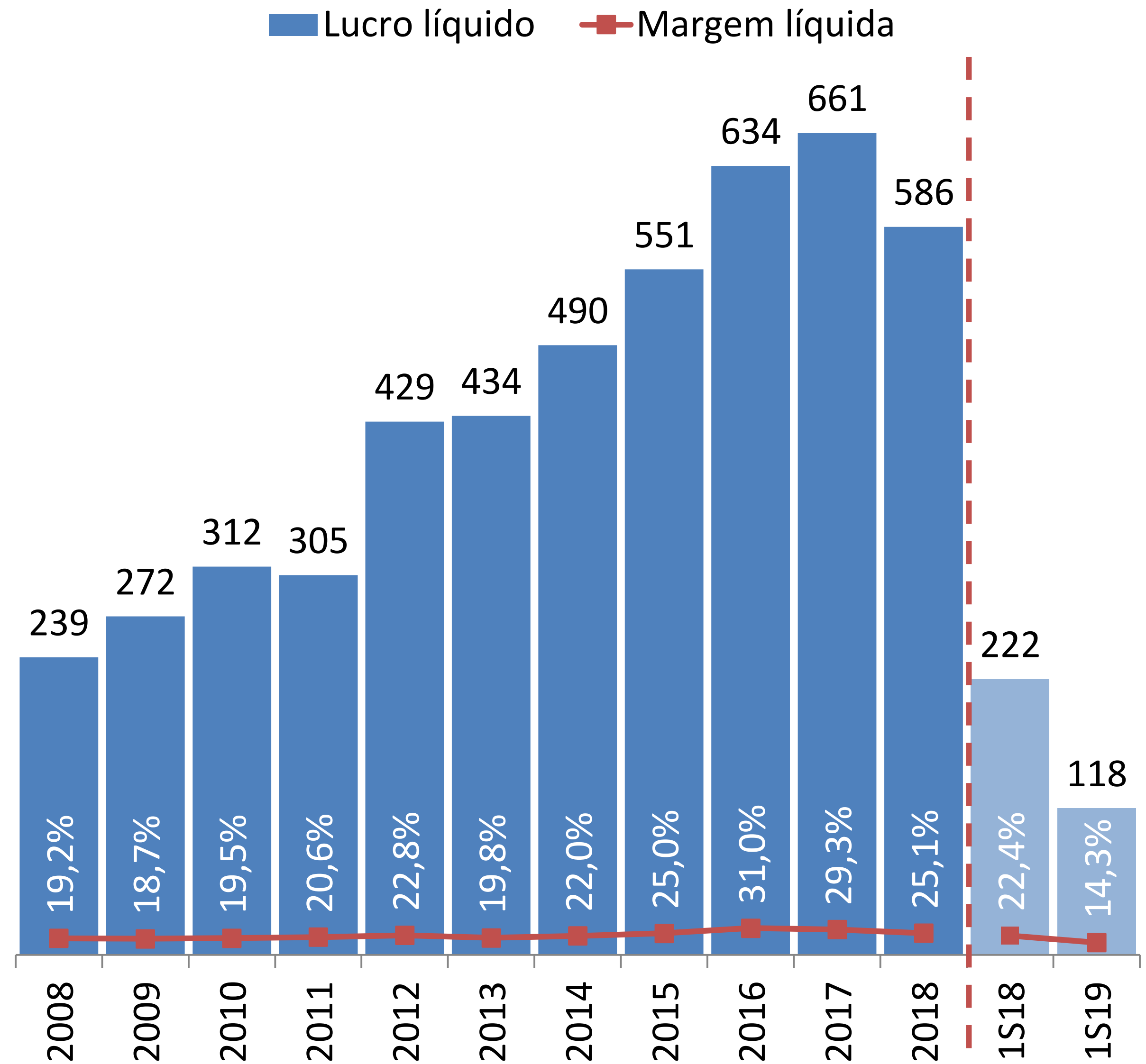
Obs: CAGR 10 anos

Resultado Financeiro
CAGR (18-08): 6,6%
Var. % (18-17): (33,4%)
Var. % (1S19-18): 42,3%



Lucro Líquido
CAGR (18-08): 9,4%
Var. % (18-17): (11,4%)
Var. % (1S19-18): (46,8%)



Produção – em milhões de pares

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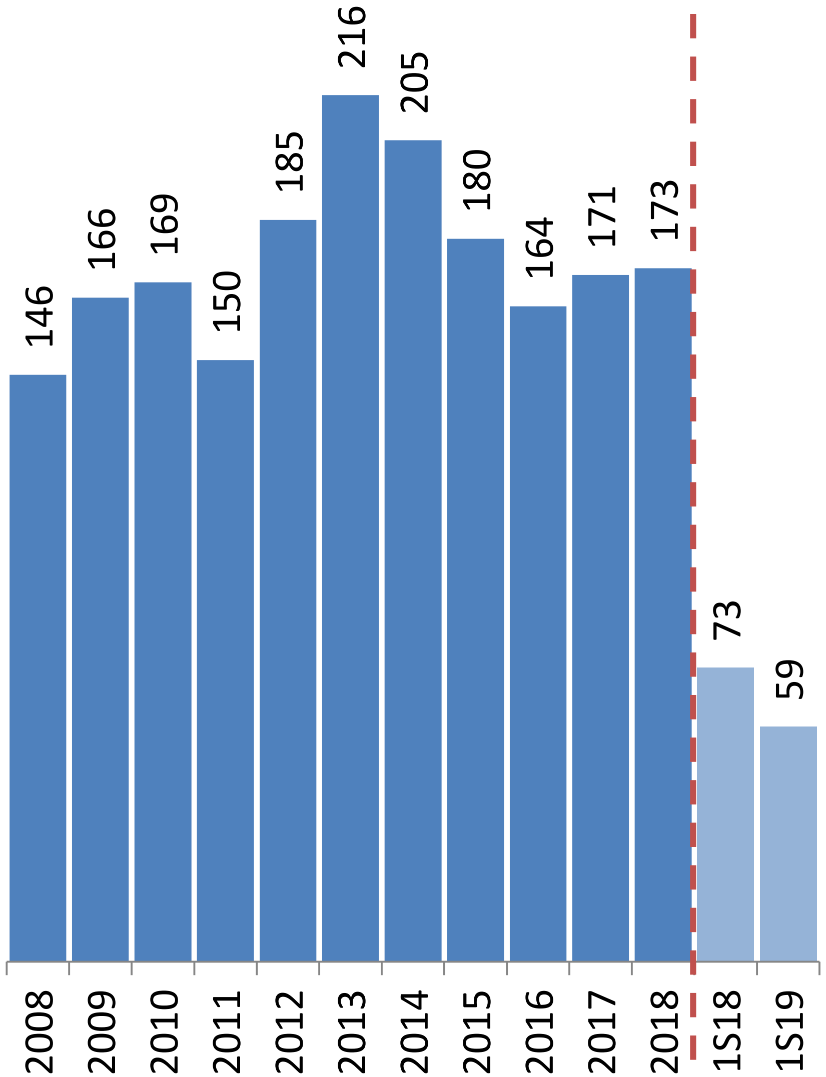
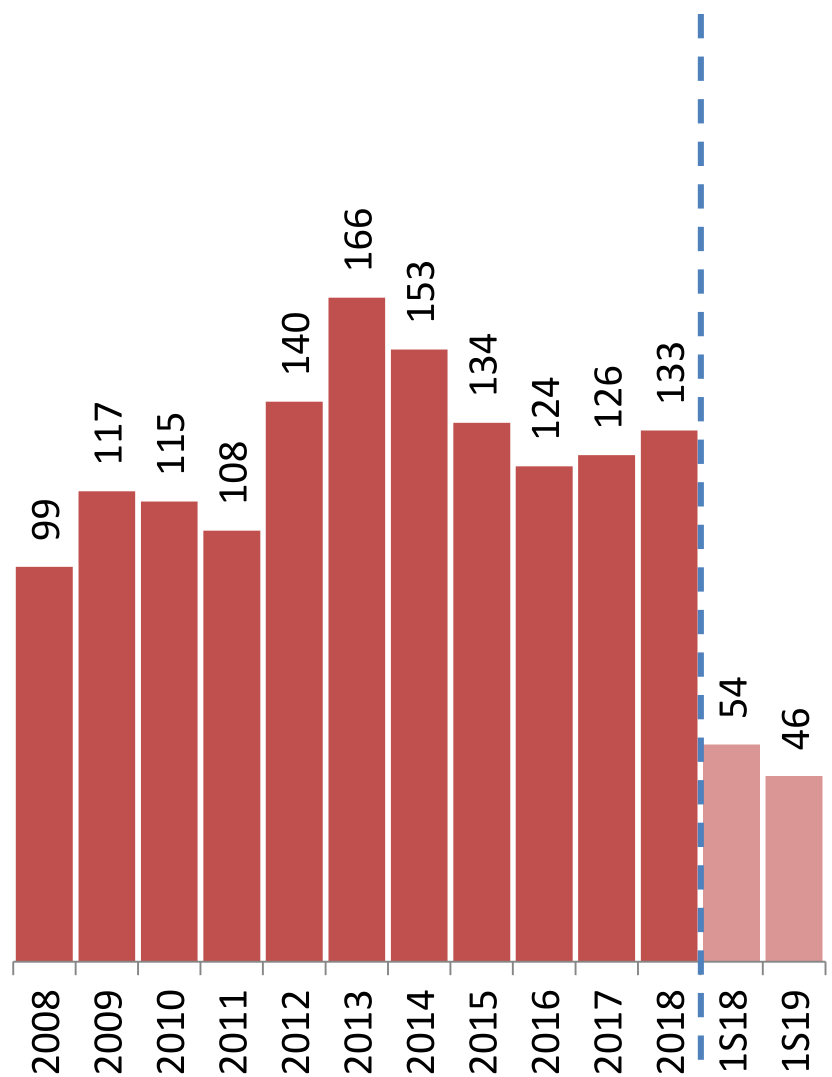
Obs: CAGR 10 anos

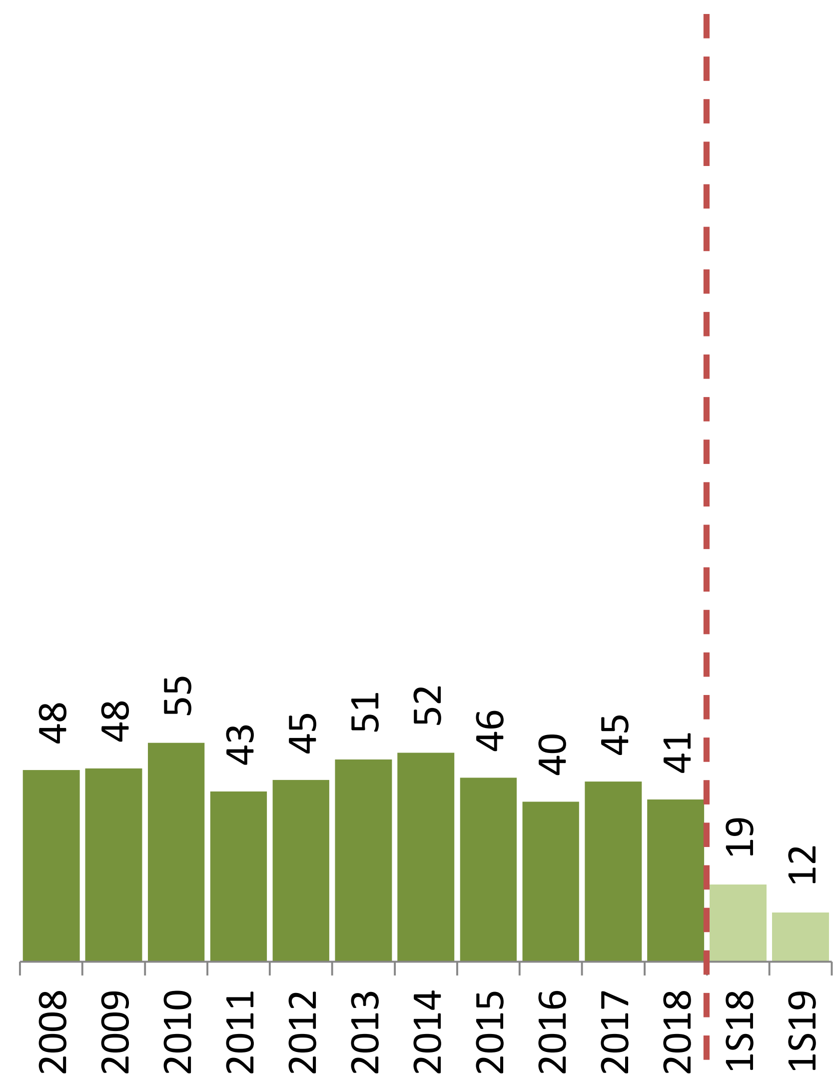
Volume de Vendas
CAGR (18-08): 1,7%
Var. % (18-17): 1,0%
Var. % (1S19-18): (20,1%)



Volume – M. Interno
CAGR (18-08): 3,0%
Var. % (18-17): 4,9%
Var. % (1S19-18): (14,5%)



Volume – M. Externo
CAGR (18-08): (1,7%)
Var. % (18-17): (9,9%)
Var. % (1S19-18): (36,0%)



Caixa gerado pelas atividades operacionais

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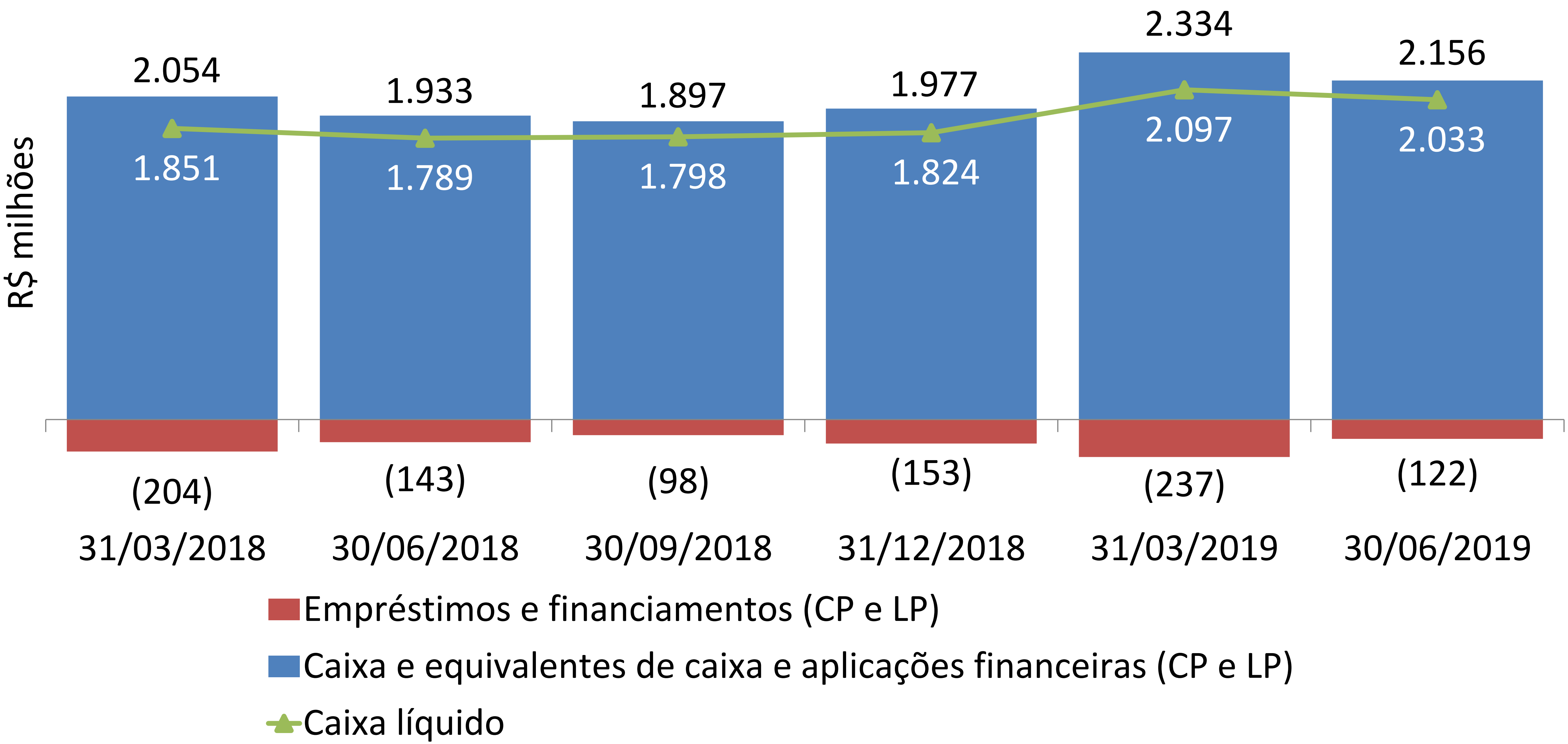
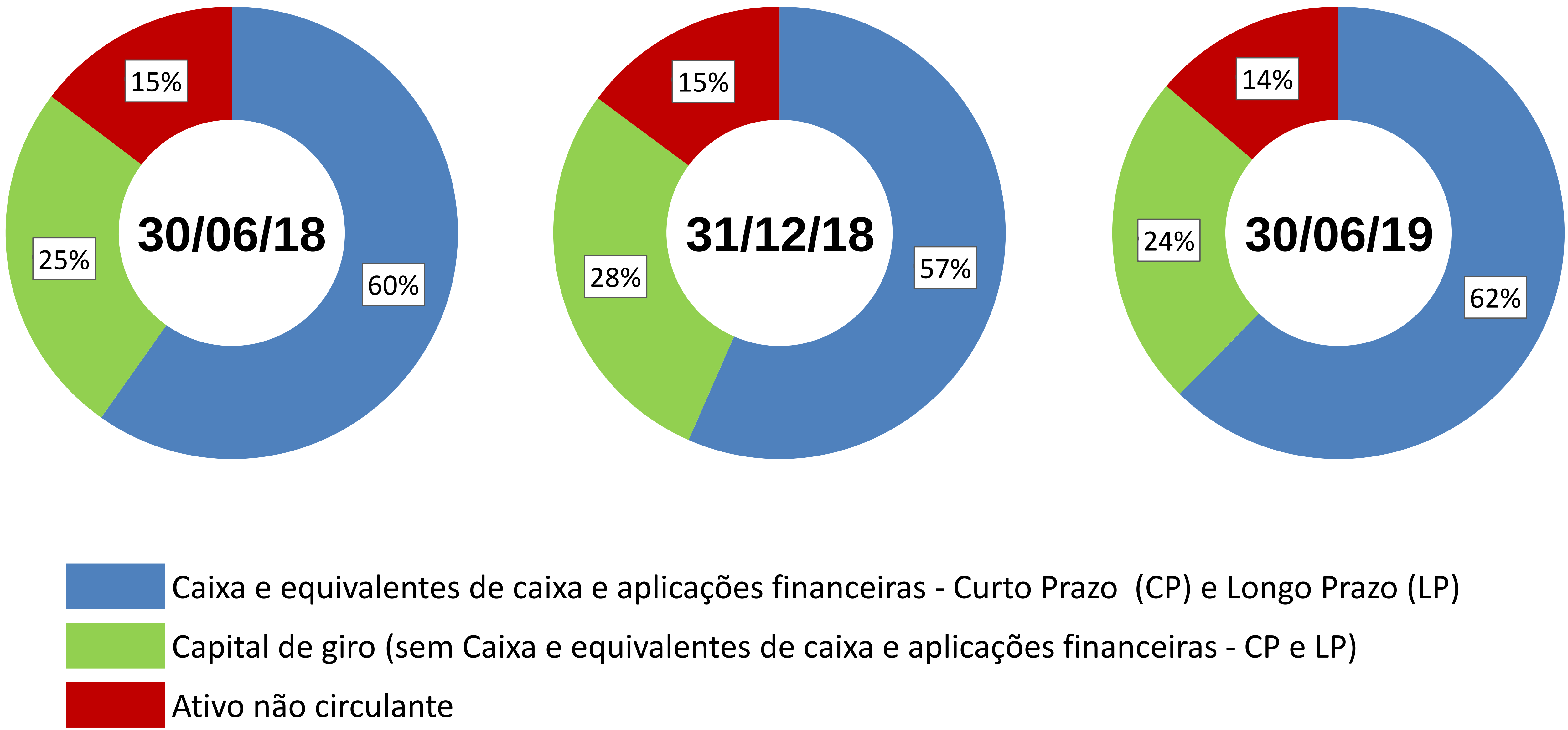
Geração de caixa operacional	2014	2015	2016	2017	2018	Var. % (18-17)	CAGR (18-09)	1S18	1S19	Var. % (1S19-18)
Lucro líquido do exercício	**490.244**	**539.311**	**633.955**	**660.903**	**585.530**	**(11,4%)**	**8,9%**	**221.862**	**118.042**	**(46,8%)**
Depreciação	**47.461**	**53.652**	**57.878**	**60.639**	**65.761**	**8,4%**	**10,7%**	**32.559**	**33.381**	**2,5%**
Outros	**(78.417)**	**(117.261)**	**(215.269)**	**(125.916)**	**(88.034)**	**(30,1%)**	**2,8%**	**(3.642)**	**(41.030)**	**1.026,6%**
Variação nos ativos e passivos	**25.671**	**(32.984)**	**89.907**	**(69.900)**	**(79.422)**	**13,6%**	**1,9%**	**146.481**	**225.678**	**54,1%**
Contas a receber de clientes	2.387	54.355	91.811	(92.385)	(89.288)	(3,4%)	(4,2%)	243.336	357.550	46,9%
Estoques	(10.298)	(49.121)	(3.180)	(19.735)	(12.917)	(34,5%)	8,0%	(54.479)	(23.975)	(56,0%)
Fornecedores	(3.505)	8.616	(3.534)	(4.664)	5.390	(215,6%)	(14,5%)	(1.125)	(10.831)	862,8%
Variações de outros ativos e passivos	37.087	(46.834)	4.810	46.884	17.393	(62,9%)	(10,8%)	(41.251)	(97.066)	135,3%
Disponibilidades líquidas geradas pelas atividades operacionais	**484.959**	**442.718**	**566.471**	**525.726**	**483.835**	**(8,0%)**	**12,8%**	**397.260**	**336.071**	**(15,4%)**

Sólida Estrutura de Capital e Forte Geração de Caixa

Caixa e equivalentes de caixa e aplicações financeiras (CP e LP), empréstimos e financiamentos (CP e LP) e caixa líquido



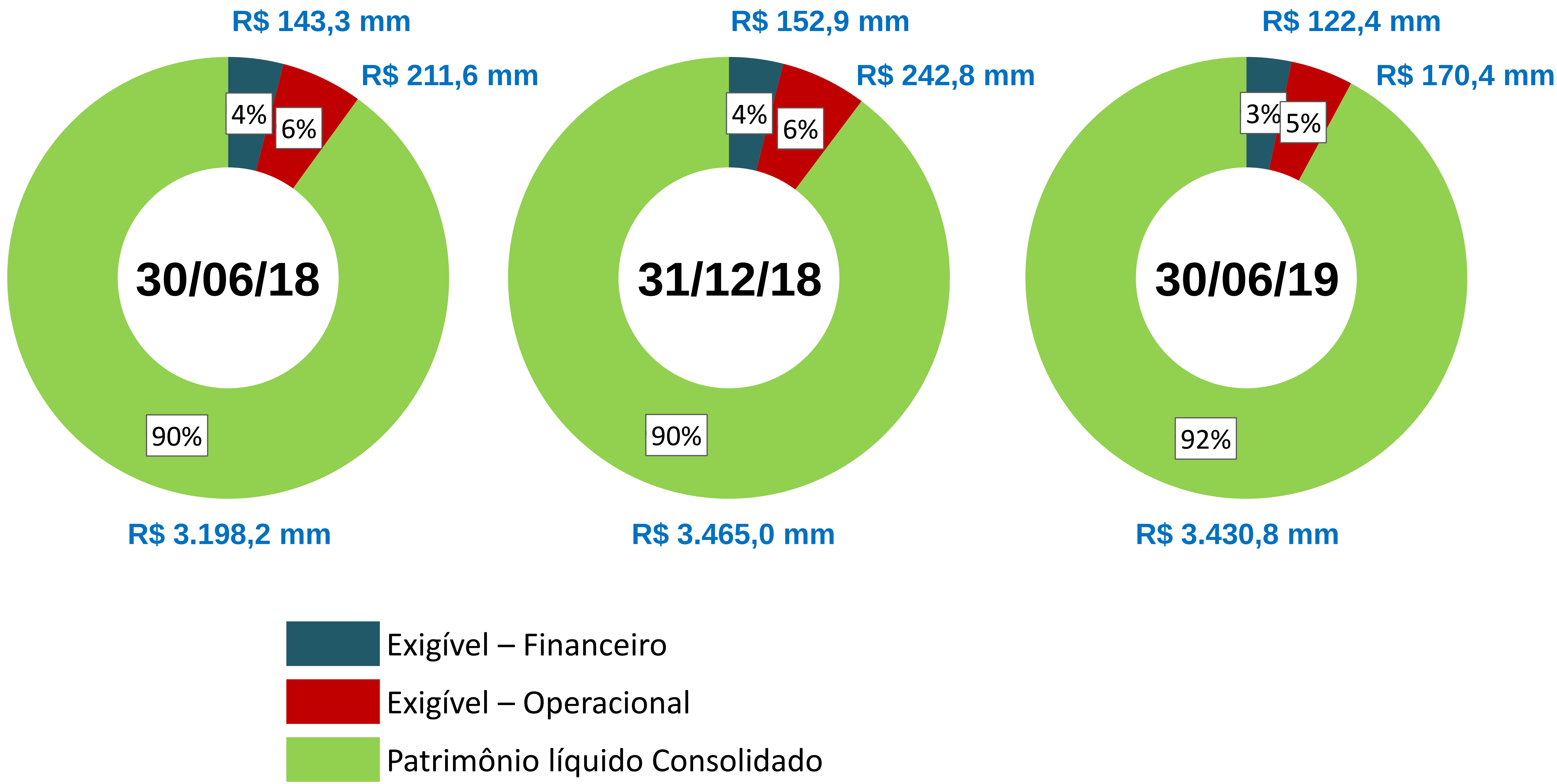
Ativos



15%
25%
30/06/18
60%
15%
28%
31/12/18
57%
14%
24%
30/06/19
62%
Caixa e equivalentes de caixa e aplicações financeiras - Curto Prazo (CP) e Longo Prazo (LP)
Capital de giro (sem Caixa e equivalentes de caixa e aplicações financeiras - CP e LP)
Ativo não circulante

Exigível* e Patrimônio líquido

** Exigível: Passivo circulante + Passivo não circulante*



Indicadores de valor (contábil)

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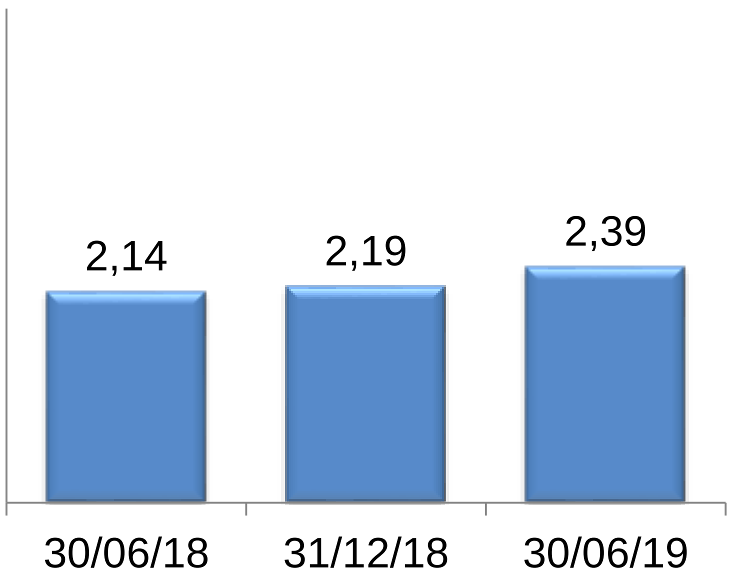
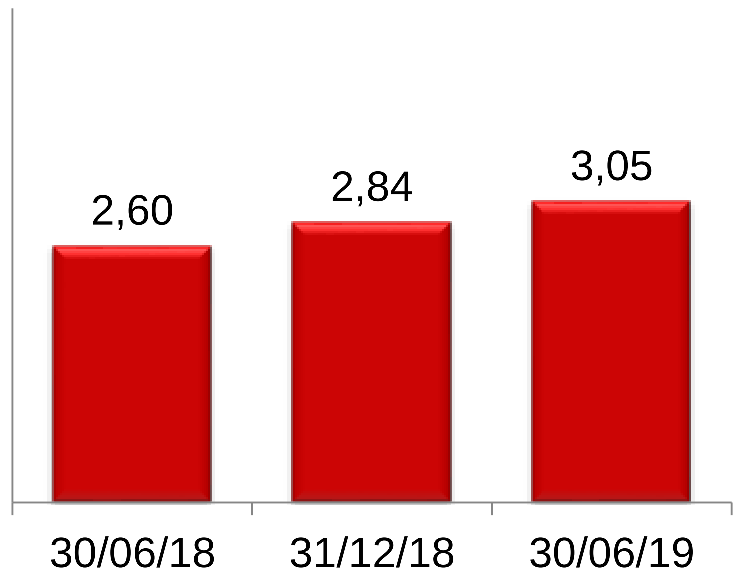
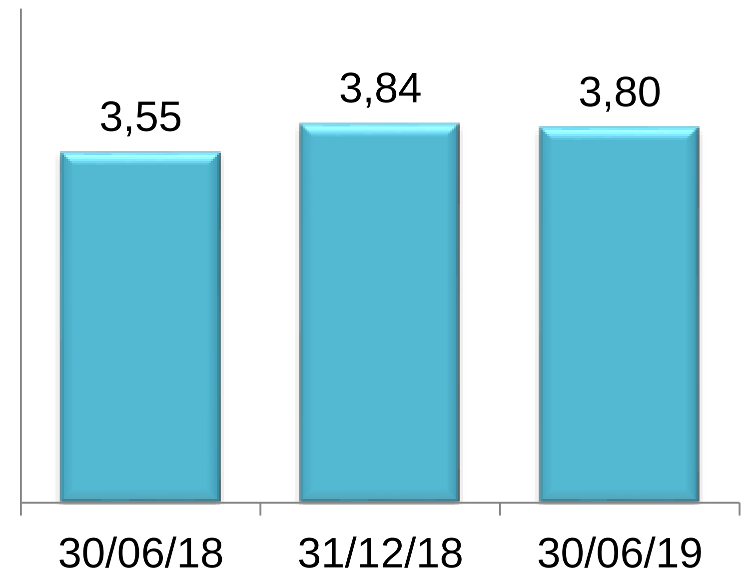
Caixa e equiv. caixa e aplic. finan. por ação



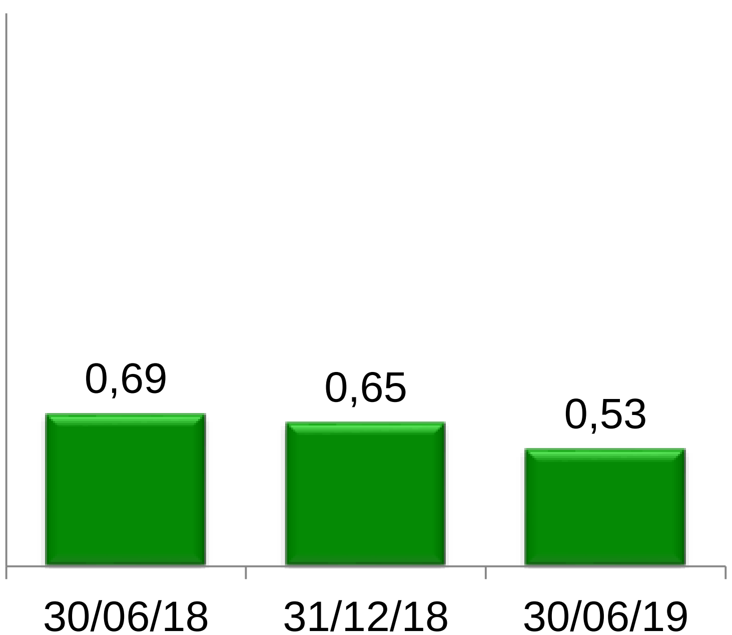
Cap. Circ. Líquido por ação



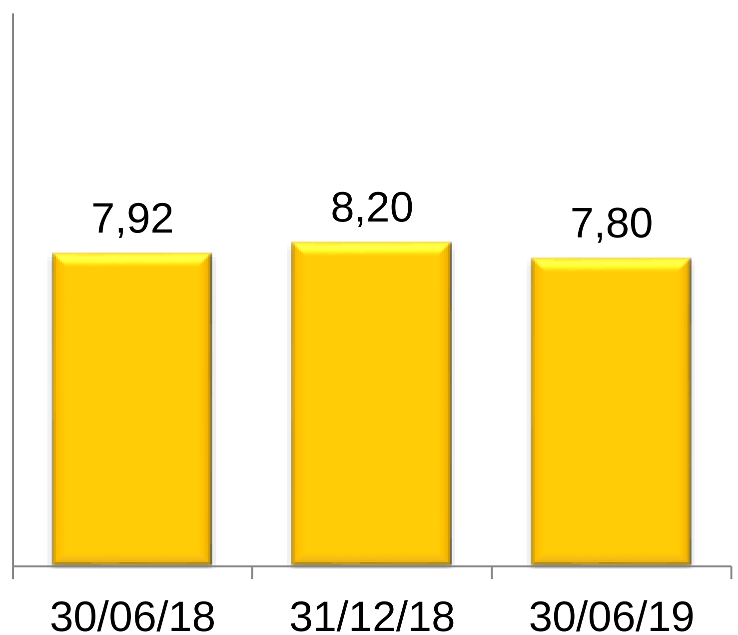
Valor Patrimonial por ação



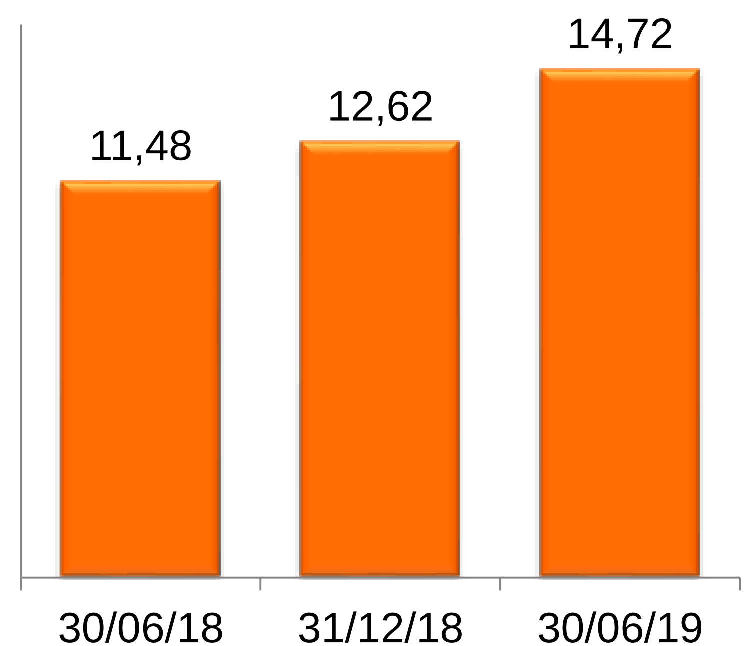
Lucro por Ação **



Preço da Ação



Preço / Lucro **



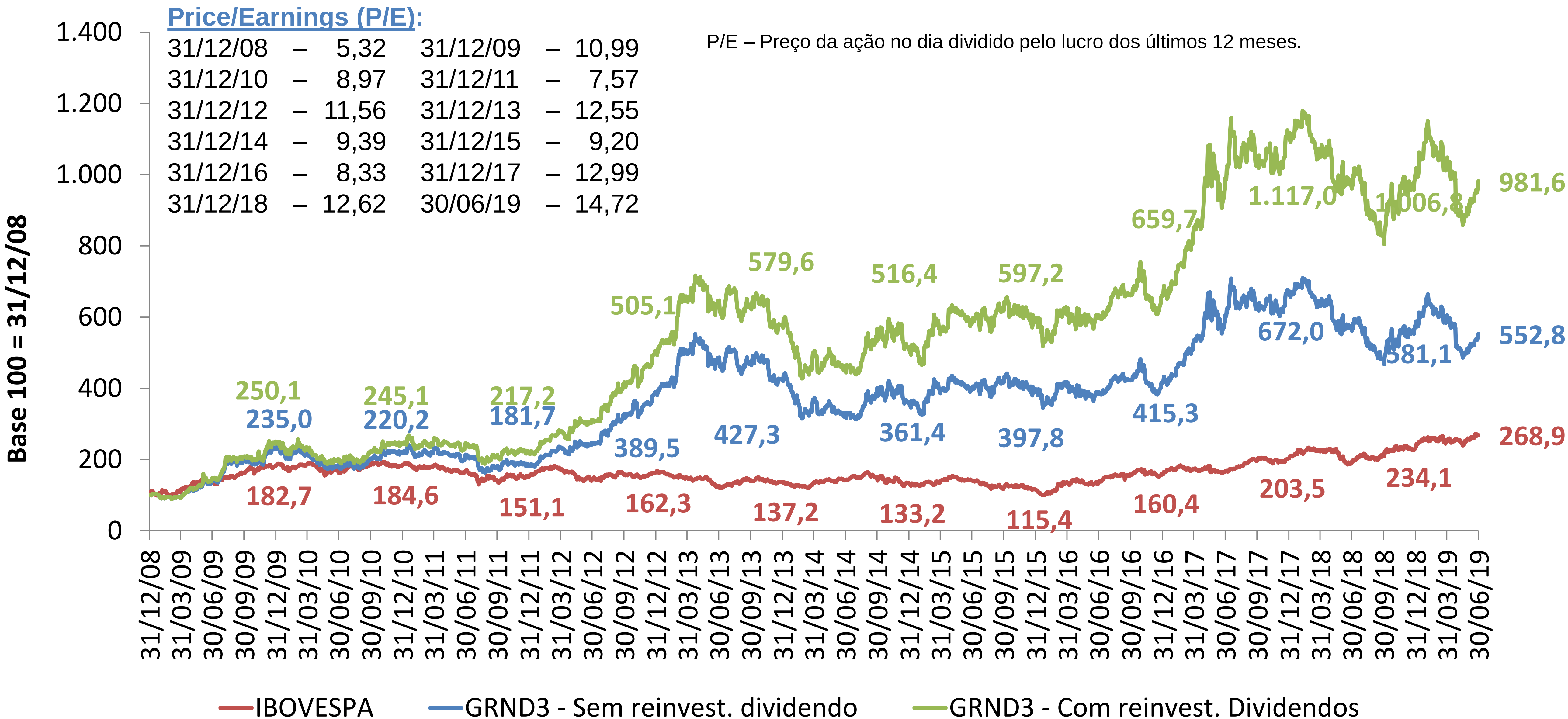
**** últimos 12 meses**

Mercado de Capitais

Grendene®

Últimas 52 semanas	Data	Preço da ação	Valor de mercado	Valor de mercado – free-float
Menor	01/10/2018	R$ 6,59	R$ 5,9 bilhões	R$ 1,6 bilhão
Maior	05/02/2019	R$ 9,40	R$ 8,4 bilhões	R$ 2,5 bilhões

Evolução GRND3 x IBOVESPA – 31/12/08 a 30/06/19

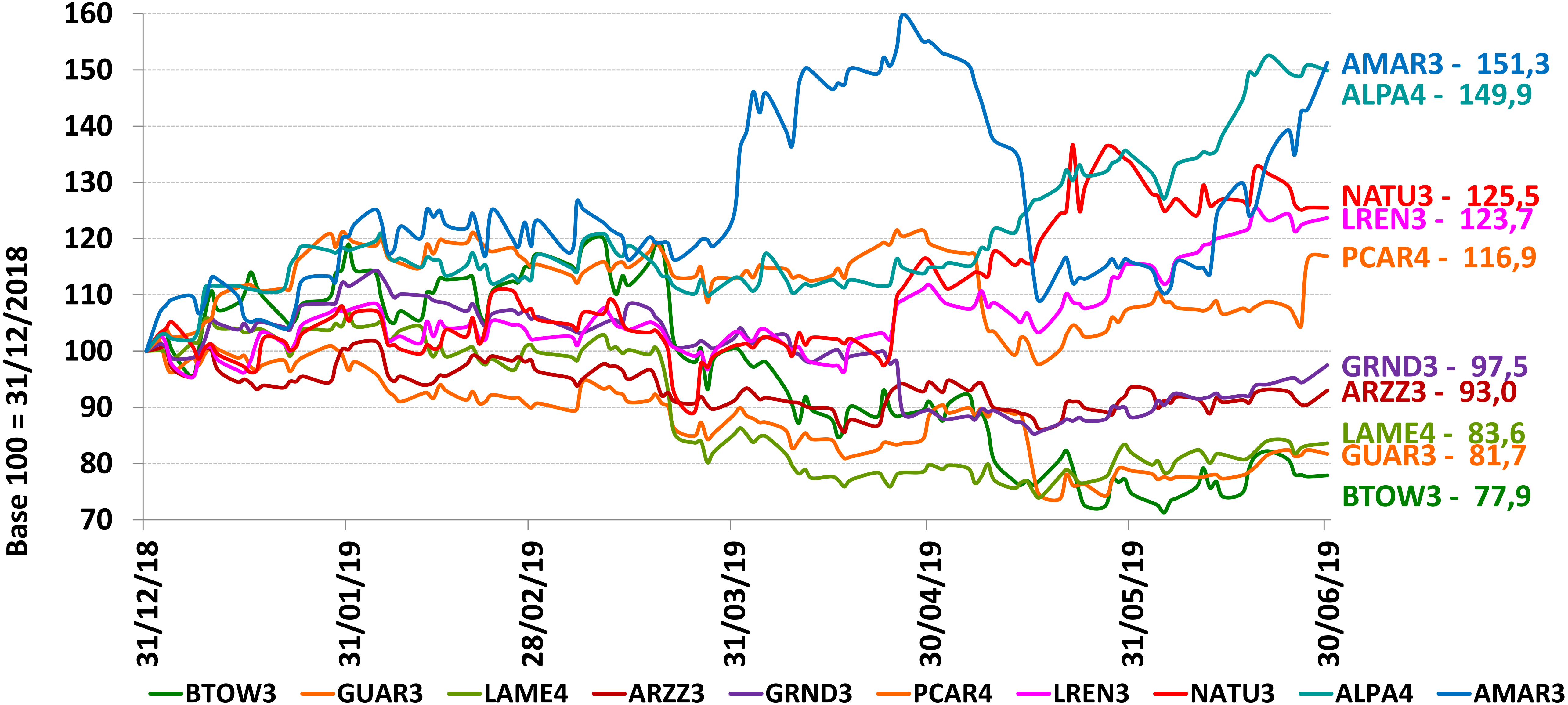


Comportamento das ações das principais empresas do setor de consumo

Grendene®

Período: 31/12/18 a 30/06/19

com reinvestimento dos dividendos



ALPA4	AMAR3	ARZZ3	BTOW3	GRND3	GUAR3	LAME4	LREN3	NATU3	PCAR4
Alpargatas	Marisa	Arezzo	B2W	Grendene	Guararapes	Americanas	Lojas Renner	Natura	P.Açúcar

Estratégia

Grendene®

Menos intensiva em mão de obra

Mais intensiva em capital

Estratégia: Quebra de Paradigmas

Maior barreira a entrada

Muito intensiva em marketing

A expertise de mais de 48 anos produzindo calçados inovadores e gerindo marcas desejadas, demonstra o acerto de nossa visão do mercado, nossa estratégia e modelo de negócios e a capacidade de criar valor para nossos acionistas.

Proposta de valor

Grendene®

Marcas

+

Licenças: Personagens infantis, Celebridades e Designers

Produtos

- Criação constante de produtos
- Design inovador
- Tecnologia de fabricação
- Poucos produtos em larga escala

Marketing

- Marketing agressivo
- Segmentação
- Investimento em mídia / Eventos
- Forte relacionamento com o trade

Gestão

- Ganhos de escala e escopo
- Rentabilidade
- Melhoria contínua
- Solidez financeira
- Crescimento sustentável

Valor para Stakeholders

melissa®

Grendene®

Campana

Jason Wu

Mini Melissa +
10 Corso Como

Linha Melissa

Marca: Melissa
Licenças: J.Maskrey, Jason Wu e Vivienne Westwood entre outros

Concorrentes: Arezzo, Schultz, Cravo e Canela

Linha Feminina

Marca: Grendha e Zaxy
Licença: Ivete Sangalo

Concorrentes: Via Marte, Beira Rio, Ramarim, Dakota, Picadilly, Via Uno, Anacapri, Usaflex

rider

CARTAGO

FC BARCELONA

Harry Potter

Linha Masculina

Marcas: Rider e Cartago
Licenças: Mormaii, Marvel, NBA entre outros

Concorrentes: Kenner, Beira Rio, Alpargatas, Itapuã, Free-Way

Grendene kids
O melhor da infância

Grendene®

Linha Infantil → Marca: Grendene Kids
Licenças: Hello Kitty, Disney, Hot Wheels, Barbie entre outros → Concorrentes: Klim, Bibi, Pampily, Bical, Pé com Pé, Marisol

Grendene

Ipanema

LENNY NIEMEYER

salinas

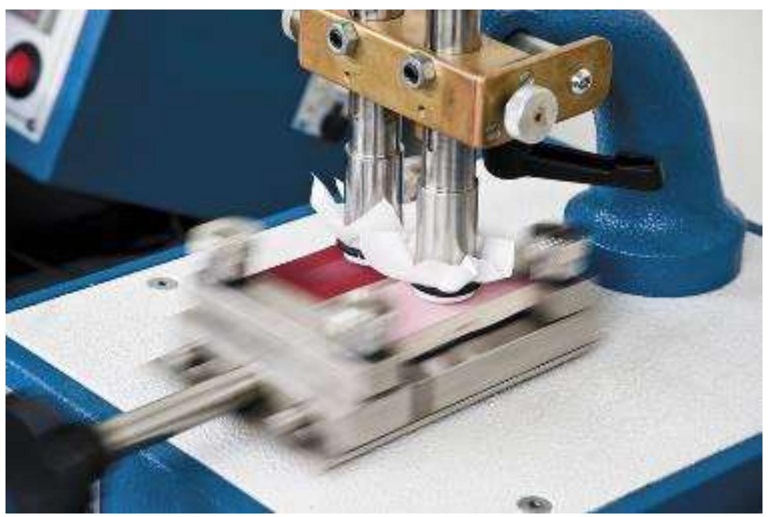
Consumo de Massa

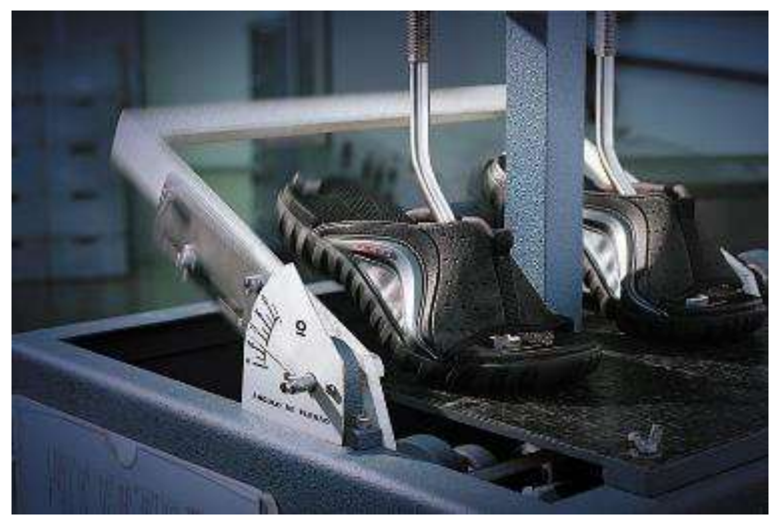
Marca: Ipanema
Licenças: Hello Kitty, Disney, Hot Wheels, Barbie entre outros

Concorrentes: Alpargatas, Dupé, Balina, Beira Rio

Perspectivas

CAPEX – Para 2019 estimamos investimentos em torno de R$100 milhões.





Time de RI da Grendene

Francisco Schmitt

Diretor Financeiro e de Relações com Investidores

(55 54) 2109.9022

Secretária

Cátia Gastmann

(55 54) 2109.9011

Analistas

Lenir Zatti / Alexandre Vizzotto

Maiores informações

Internet: http://ri.grendene.com.br

Email: dri@grendene.com.br

Muito Obrigado!

1H19 Results

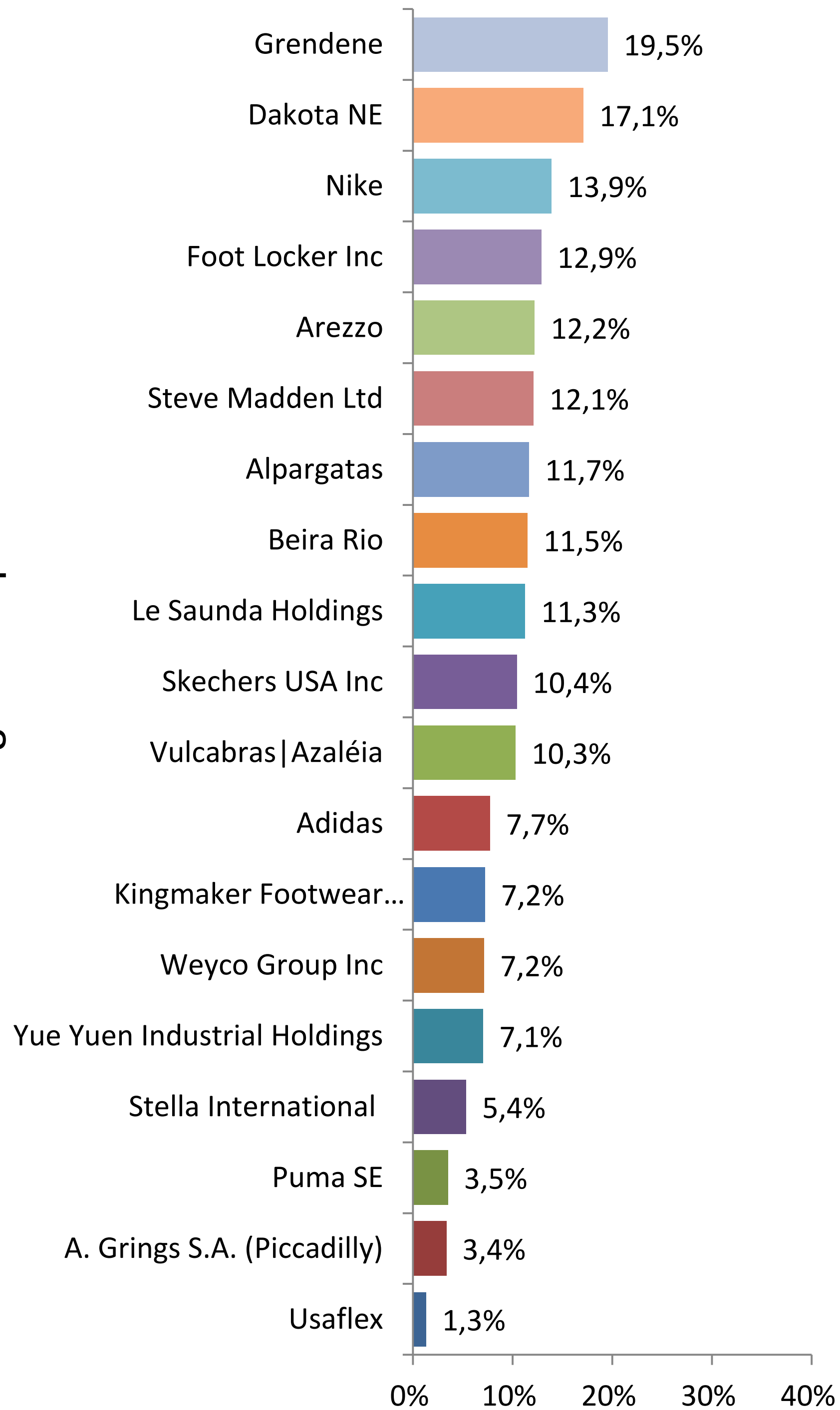
Safra Corretora
September/2019

Disclaimer

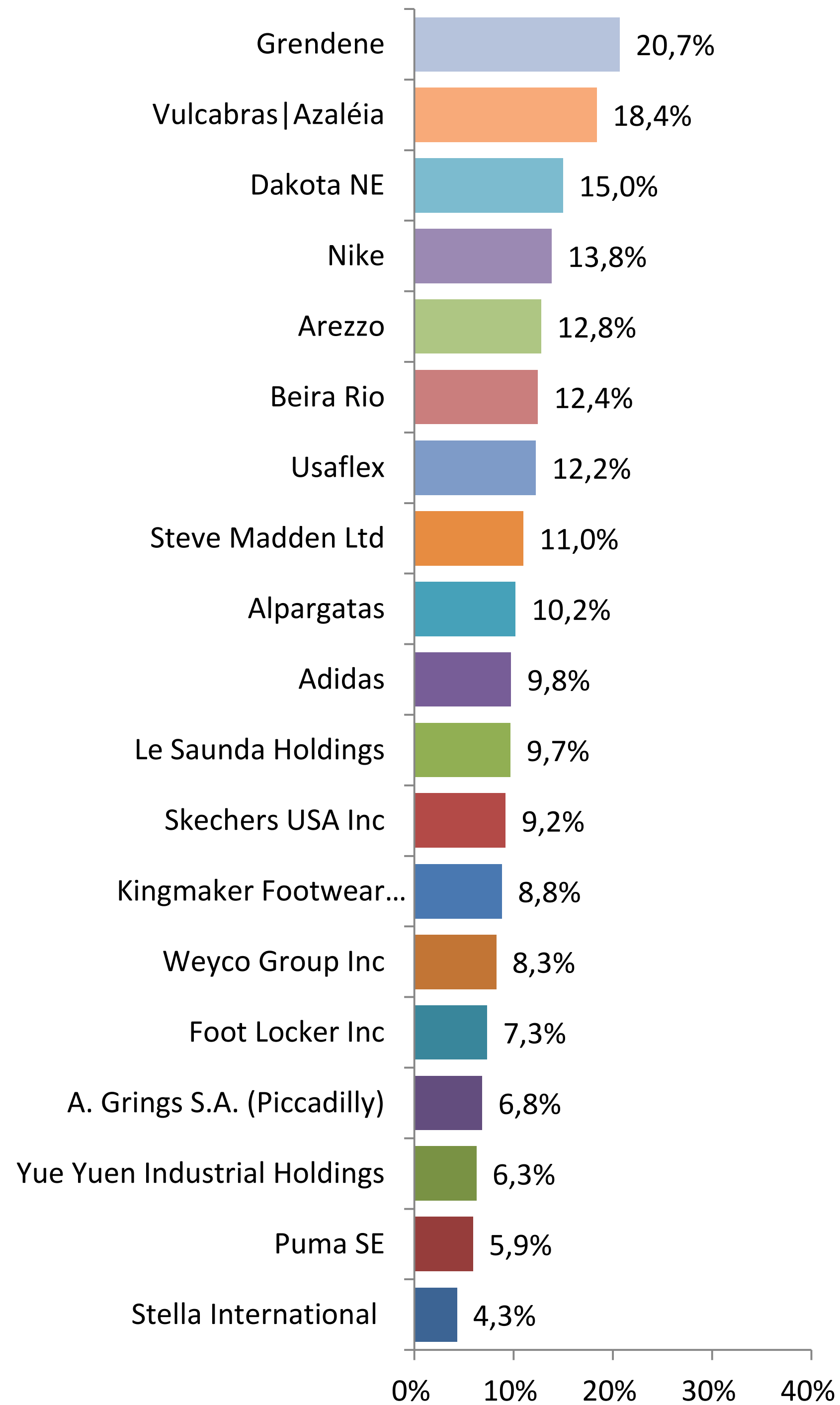
This presentation contains statements that can represent expectations about future events or results. These statements are based on certain suppositions and analyses made by the company in accordance with its experience, with the economic environment and market conditions, and expected future developments, 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.

Profitability – EBIT margin

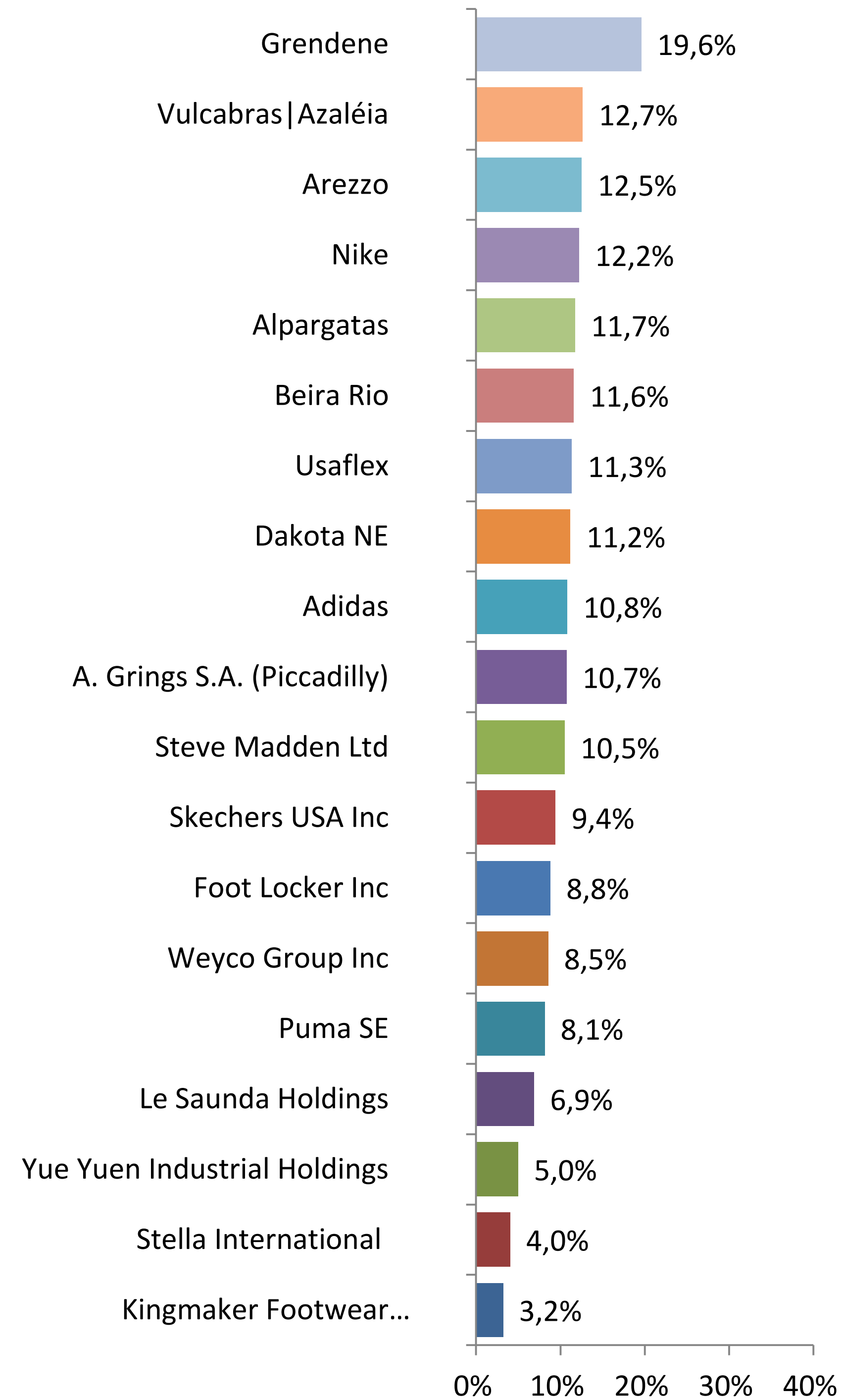
Ebit margin 2016



Ebit margin 2017



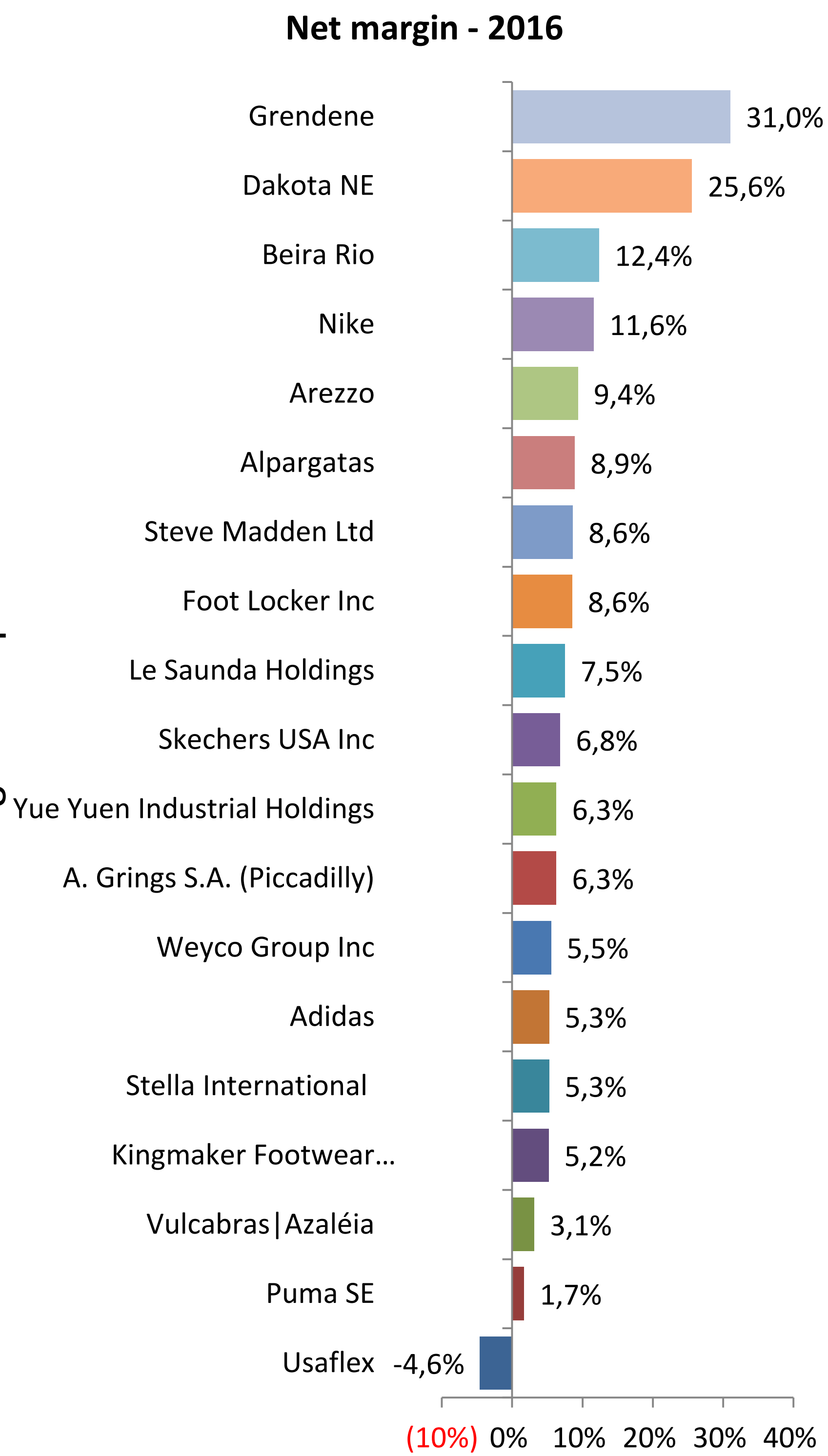
EBIT margin - 2018

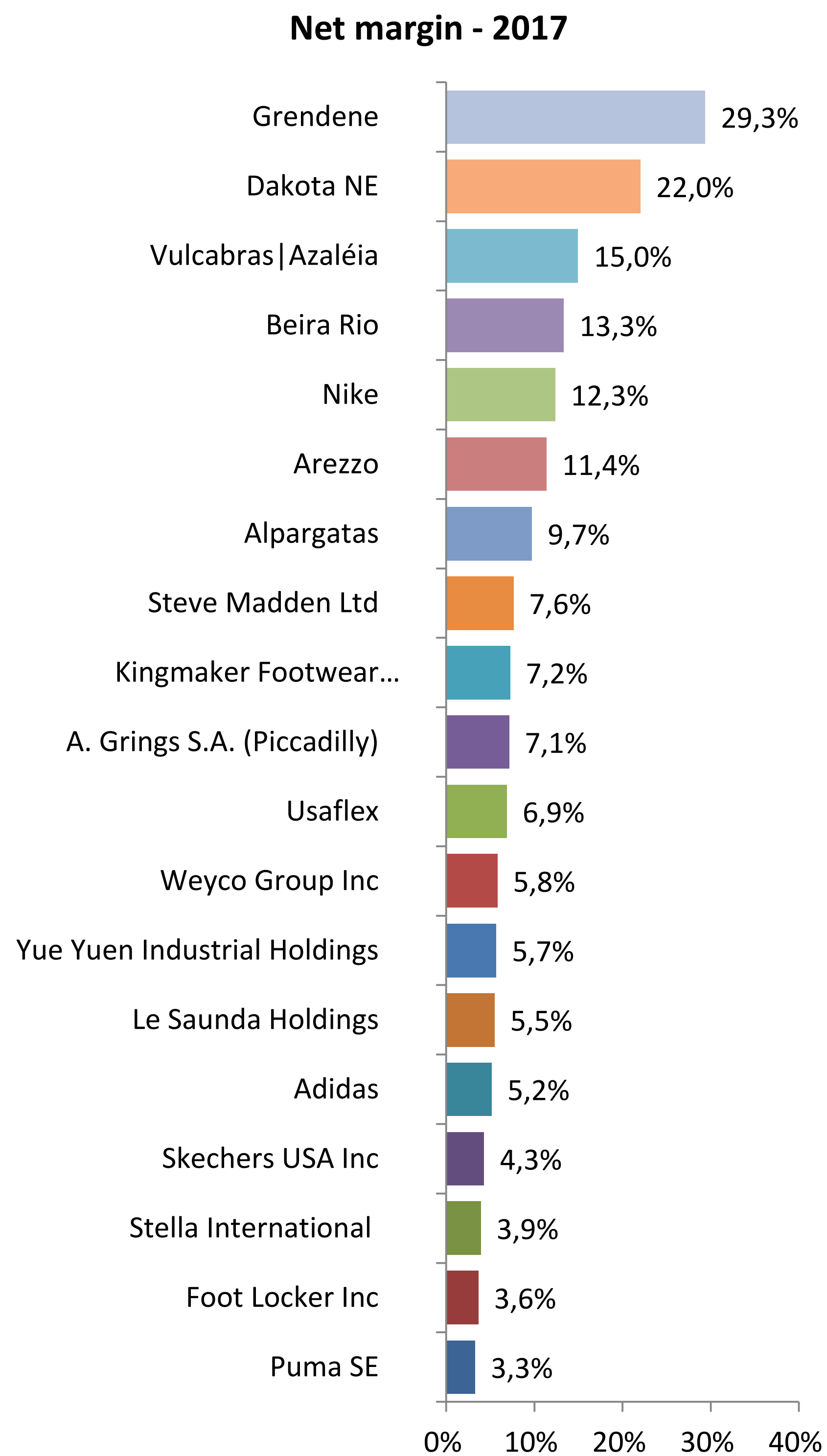


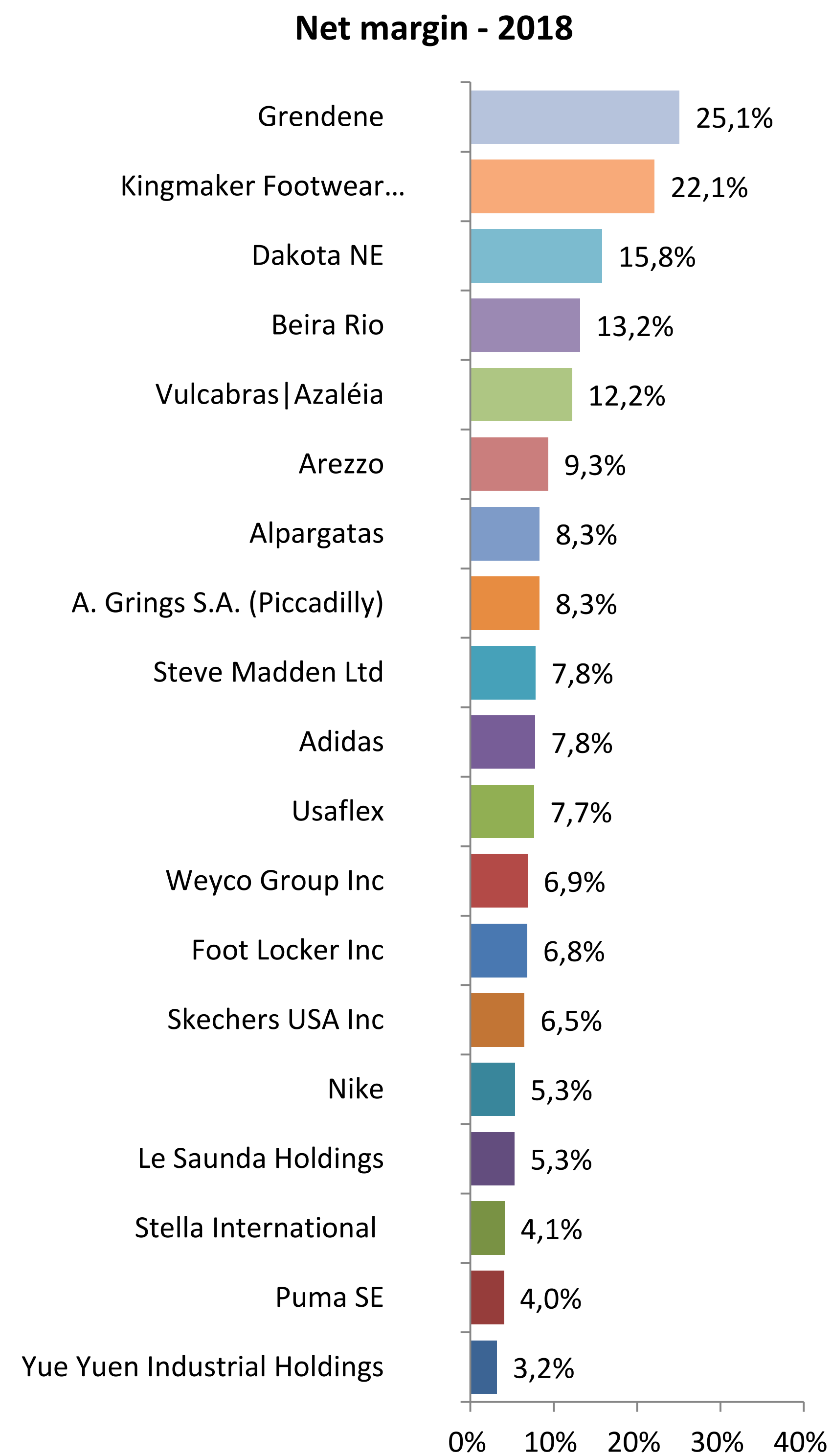
Source: Grendene / Bloomberg / Companies Financial Statements.

Profitability – Net margin

Grendene®

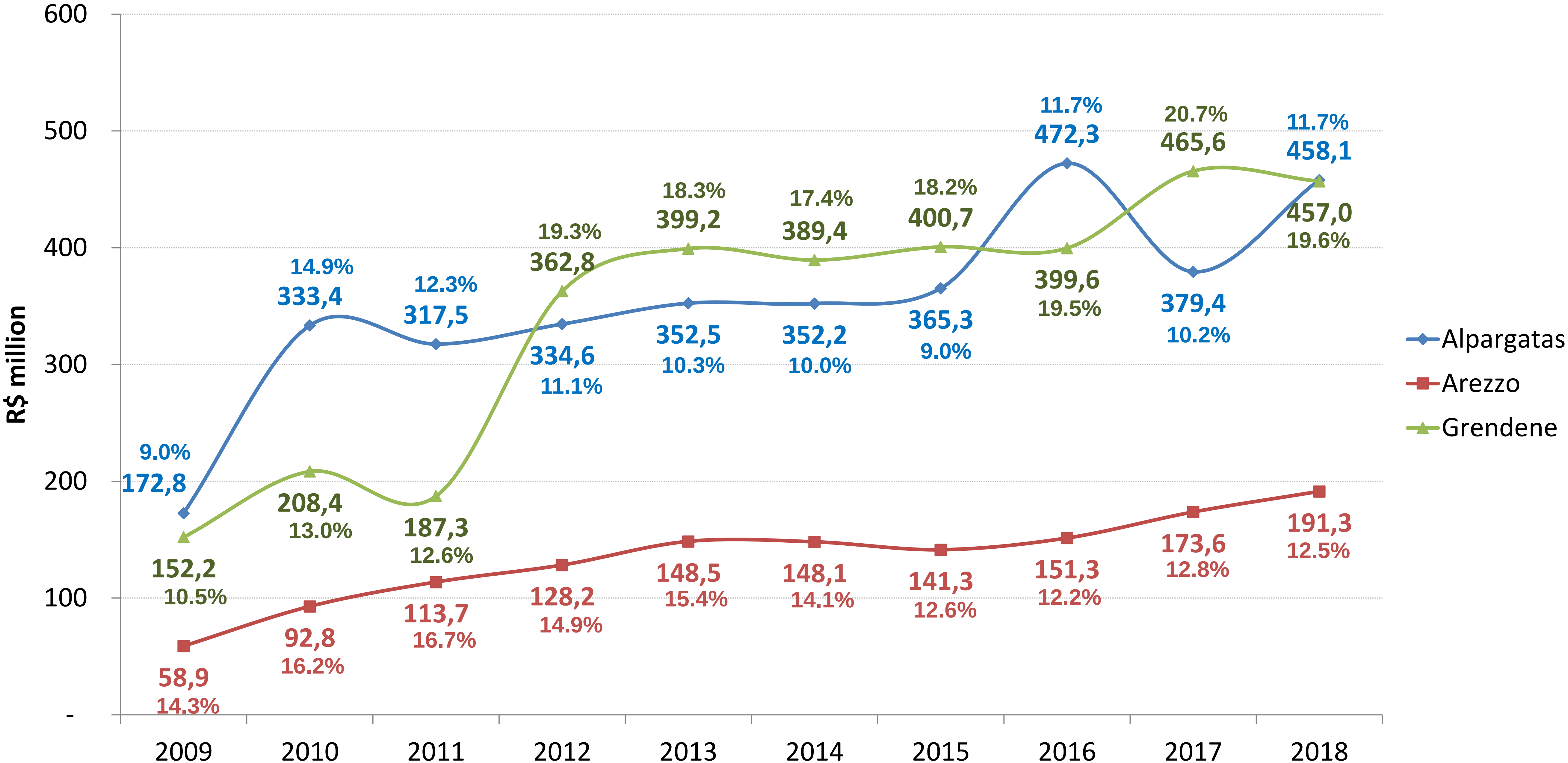






Source: Grendene / Bloomberg / Companies Financial Statements.

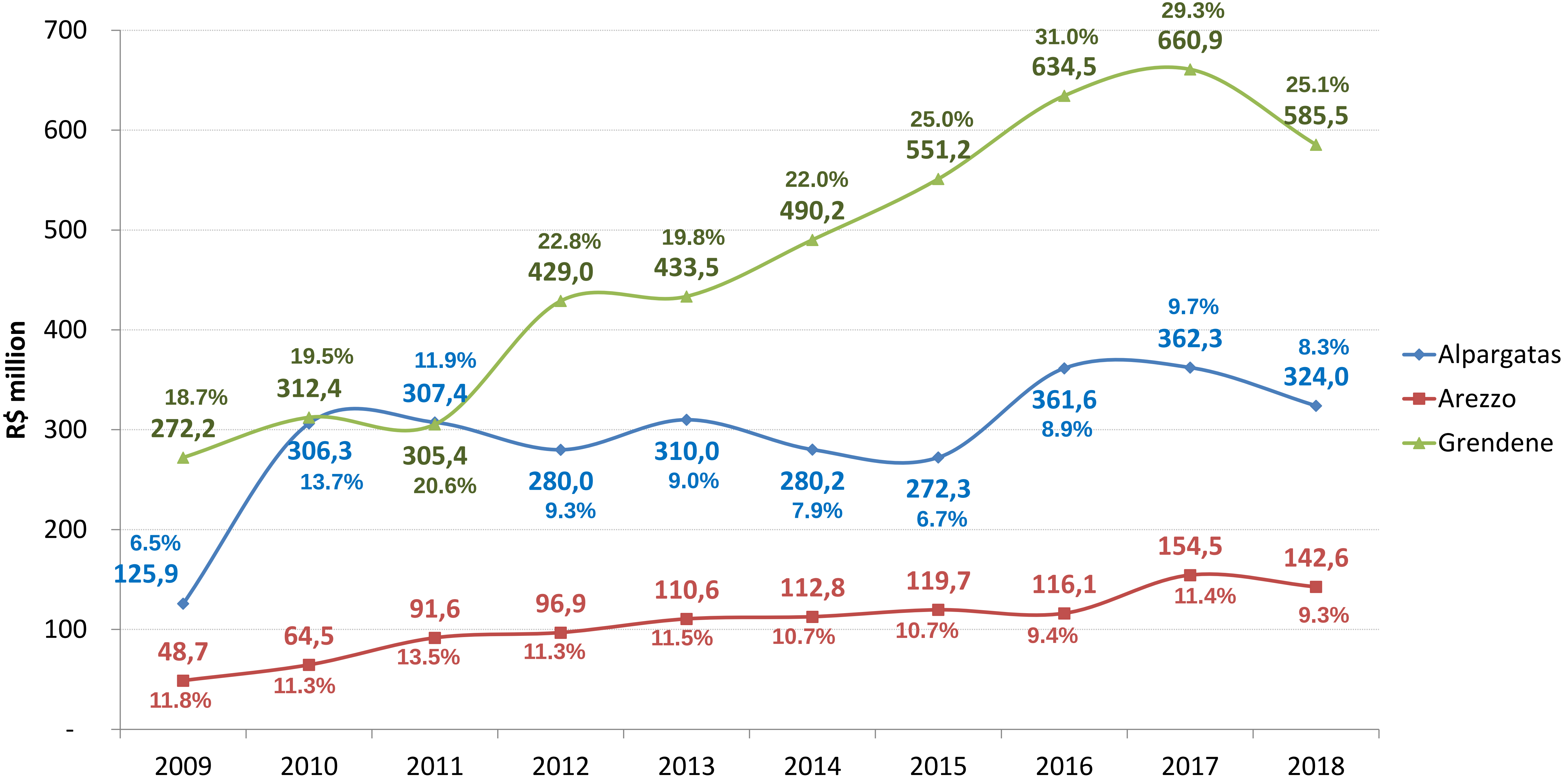
EBIT and EBIT margin
- Main companies in Brazil



Source: Grendene / Bloomberg

Net profit and Net margin - Main companies in Brazil

Grendene®



Source: Grendene / Bloomberg

Shareholder´s equity (R$) and return on equity (%)

Grendene®

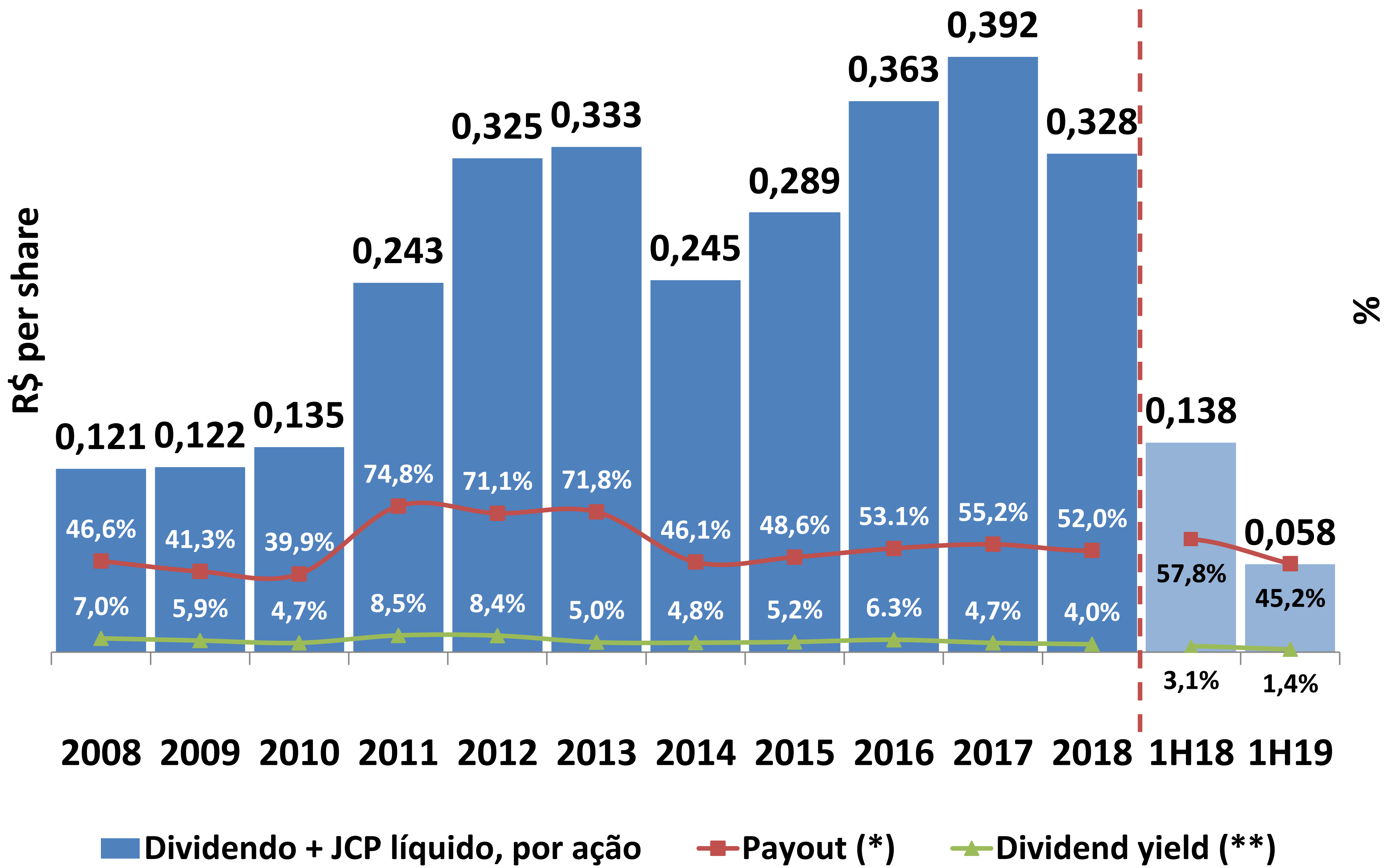
Year (all amounts in Thousand of R$)	Openning equity[1]	Profit	Dividend	Reinvestment	Return on equity	Closing equity[1]
2004	692,726	204,865	64,152	140,713	29.6%	733,566
2005	733,566	200,116	81,181	118,935	27.3%	847,373
2006	847,373	257,343	128,261	129,082	30.4%	998,510
2007	998,510	260,508	119,724	140,784	26.1%	1,132,718
2008	1,132,718	239,367	109,000	130,367	21.1%	1,274,080
2009	1,274,080	272,211	110,000	162,211	21.4%	1,430,569
2010	1,430,569	312,399	121,738	190,661	21.8%	1,624,542
2011	1,624,542	305,446	219,526	85,920	18.8%	1,713,743
2012	1,713,743	429,003	293,503	135,500	25.0%	1,848,309
2013	1,848,309	433,540	300,057	133,483	23.5%	1,957,295
2014	1,957,295	490,244	220,814	269,430	25.0%	2,232,649
2015	2,232,649	551,223	275,925	275,298	24.7%	2,520,866
2016	2,520,866	634,492	351,383	283,109	25.2%	2,792,976
2017	2,792,976	660,929	377,773	283,156	23.7%	3,087,479
2018	3,087,479	585,530	315,076	270,454	19.0%	3,341,108
Accumulated		**5,837,216**	**3,088,113**	**2,749,103**	**1,874.8%**	
					Equity average return = 23.7% p.a.	

1) Equity adjusted by the exclusion of the balance of dividends payable.

Dividend Policy

Grendene®

The Company´s dividend policy is **distribute, as dividends – after constitution of the Legal Reserve, and the Reserve under the Bylaws – that part of Profit that does not arise from state tax incentives.**

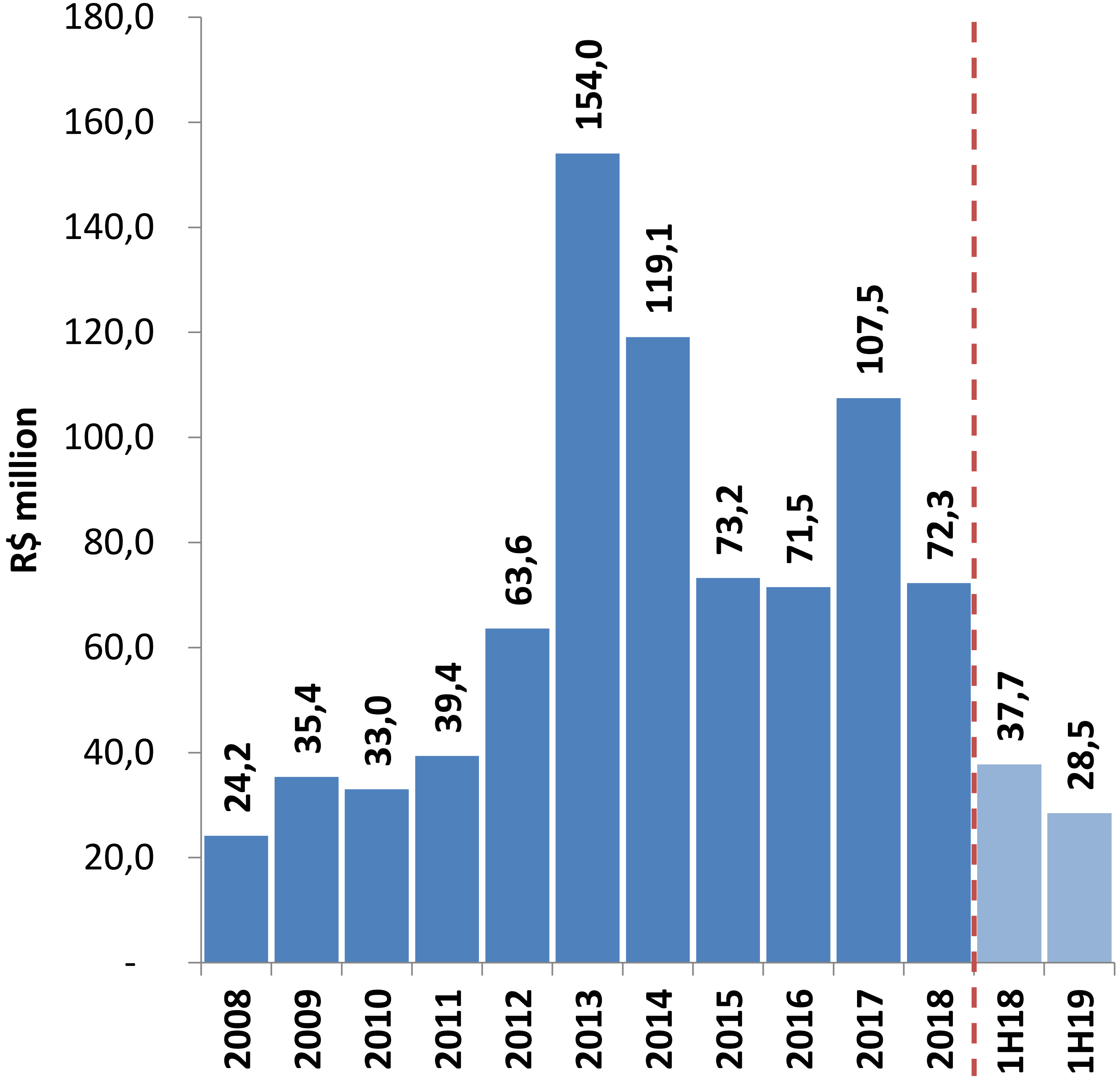


(*) Payout: Dividend + Net Interest on Equity divided by profit after the allocations to legal reserves.

(**) Dividend yield: Dividend per share + Net Interest on Equity per share in the period divided by the weighted average price of the share, annualized.

Capex (in fixed and intangible assets)

Grendene®



Modernization of the plant and better efficiency of production

Footwear sector

Footwear sector- **Brazil**

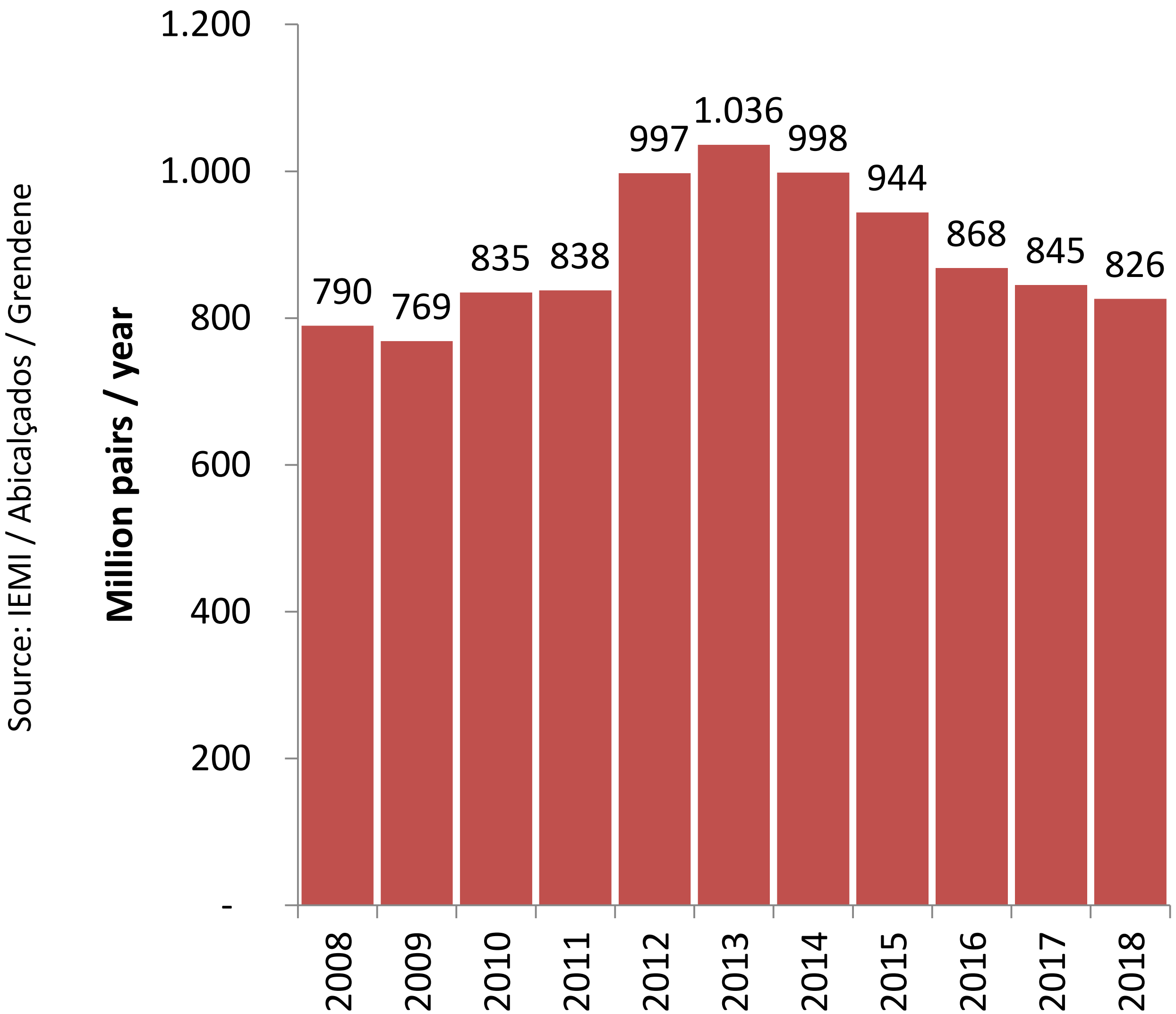
Grendene®

Million pairs	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Production	790	769	835	838	997	1.036	998	944*	868*	845*	826*
Imports	39	30	29	34	36	39	37	33	23	24	27
Exports	166	127	143	113	113	123	130	124	126	127	113
Apparent consumption	663	672	721	759	920	952	905	853*	765*	742*	740*
Per capita consumption (pairs)	**3.5**	**3.5**	**3.7**	**3.8**	**4.6**	**4.7**	**4.5**	**4.2***	**3.7***	**3.6***	**3.5***

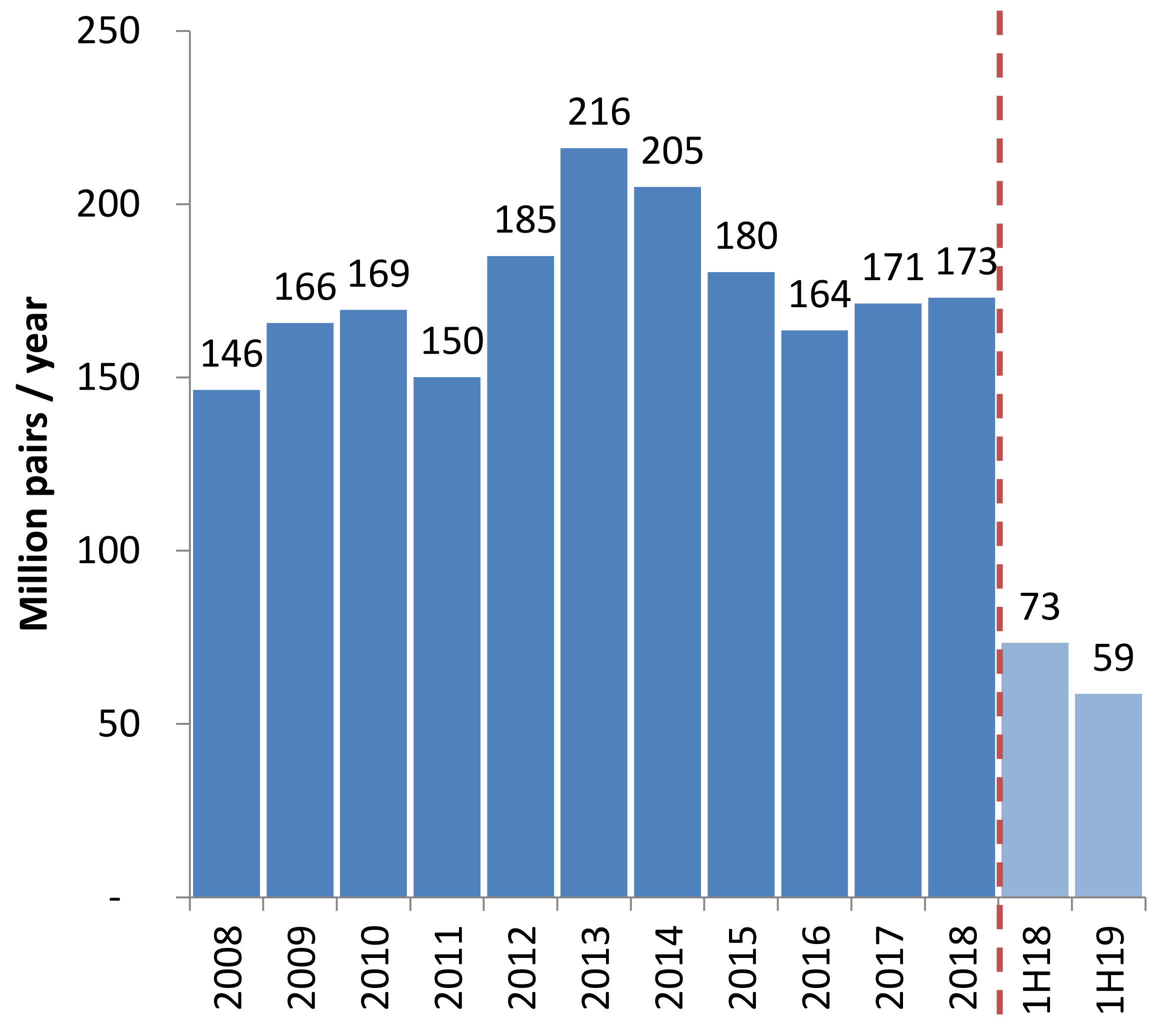
Source: IBGE / SECEX / ABICALÇADOS / (*) Numbers estimated by Grendene

Brazilian Footwear sector x Grendene

Brazilian production
CAGR (2018/2008): 0.5%
Change (2018/2017): (2.2%)



Grendene
CAGR (2018/2008): 1.7%
Change (2018/2017): 1.0%
Change (1H19/18): (20.1%)

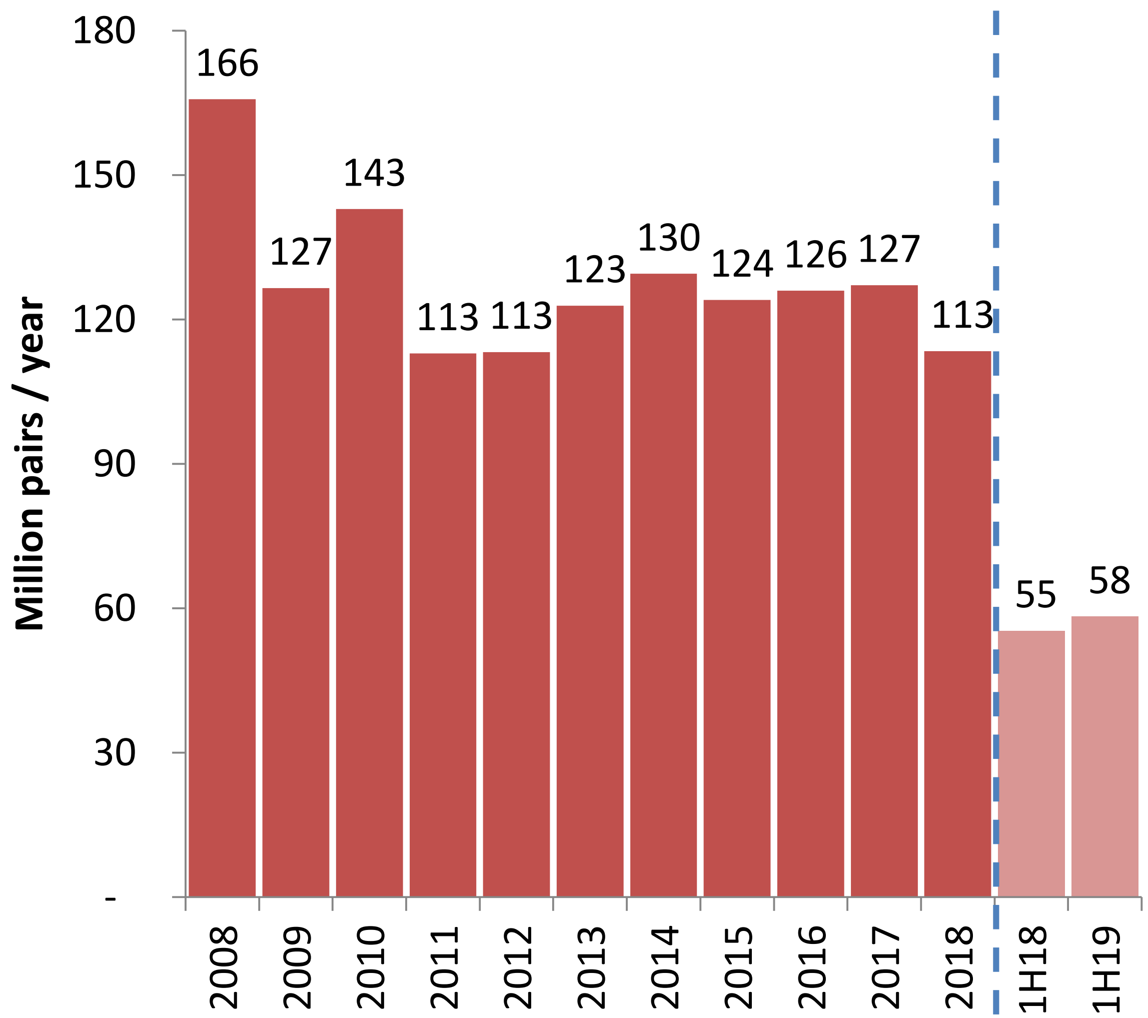


Export: Brazil vs. Grendene

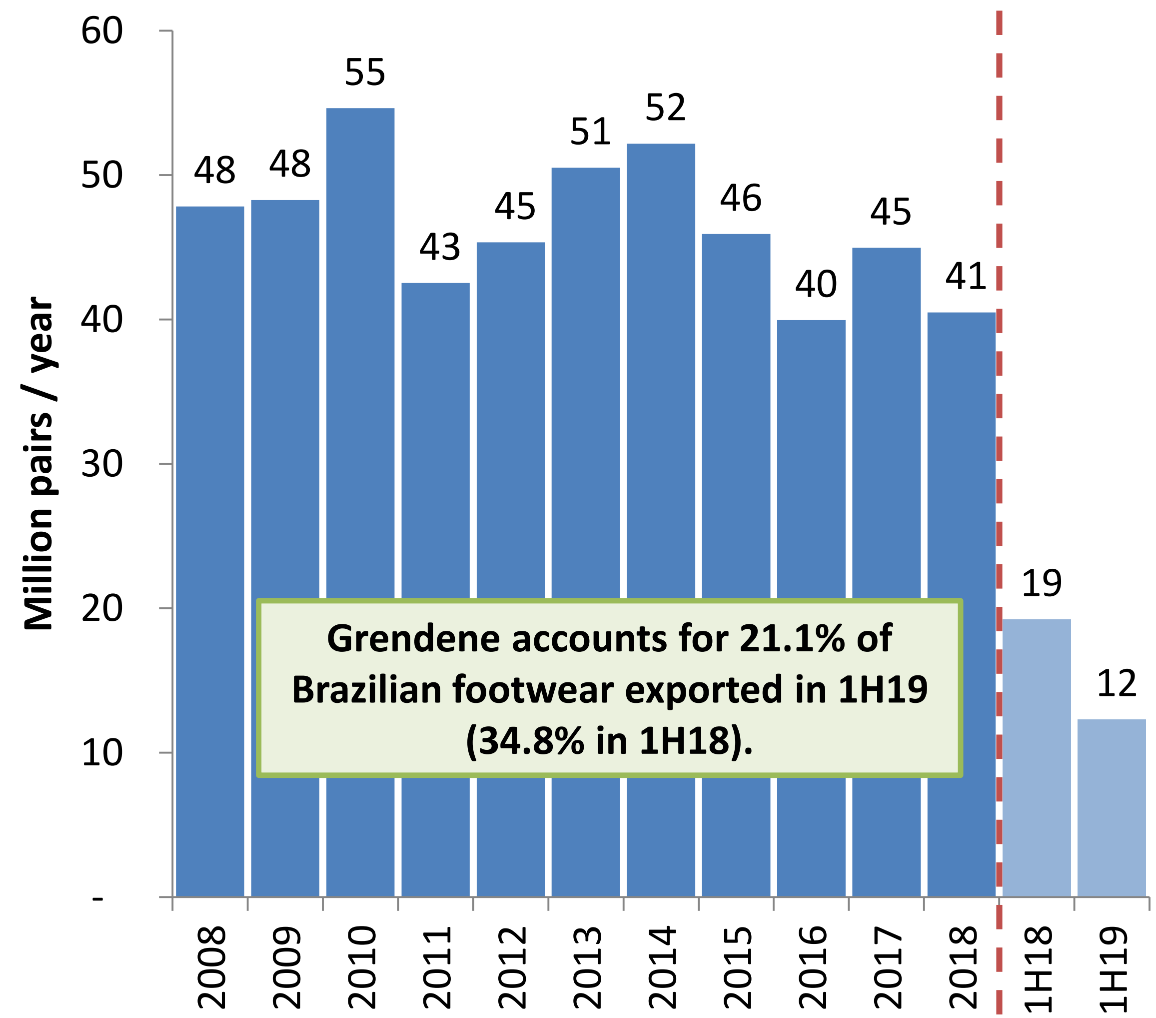
Grendene®

Source: MDIC / Decex / Abicalçados / Grendene

Brazilian exports
CAGR (2018/2008): (3.7%)
Change (2018/2017): (10.8%)
Change (1H19/1H18): 5.3%



Grendene
CAGR (2017/2008): (1.7%)
Change (2018/2017): (9.9%)
Change (1H19/1H18): (36.0%)



Brands & Marketing

Grendene®

Products that meet essential and basic needs at low cost.

Products for all the income levels: A, B, C, D and E – with very good cost vs. benefit.

Marketing

Grendene®

GRENDHA

Ivete Sangalo

melissa®
+
rider

Ludmilla + Duda Beat + Hiran

zaxy

Luísa Sonza

Marketing

Grendene®

Ipanema

Marketing

Grendene®

rider

YouTube Instagram Facebook G+

SPORTV
SPORTV2
SPORTV3

Spotify
PREMIERE FC

Instagram Facebook YouTube

MULTI SHOW
NEWS
MEGAPIX
gnt

Marketing

Grendene®

Mídia TV/ Digital/ Redes Sociais

MINNIE MOUSE

L.O.L. SURPRISE!

JUSTICE LEAGUE

Grendene® kids
O melhor da infância

Marketing

Grendene®

Mídia TV/ Digital/ Redes Sociais

Marketing

Marketing

Galeria Melissa São Paulo

Galeria Melissa New York

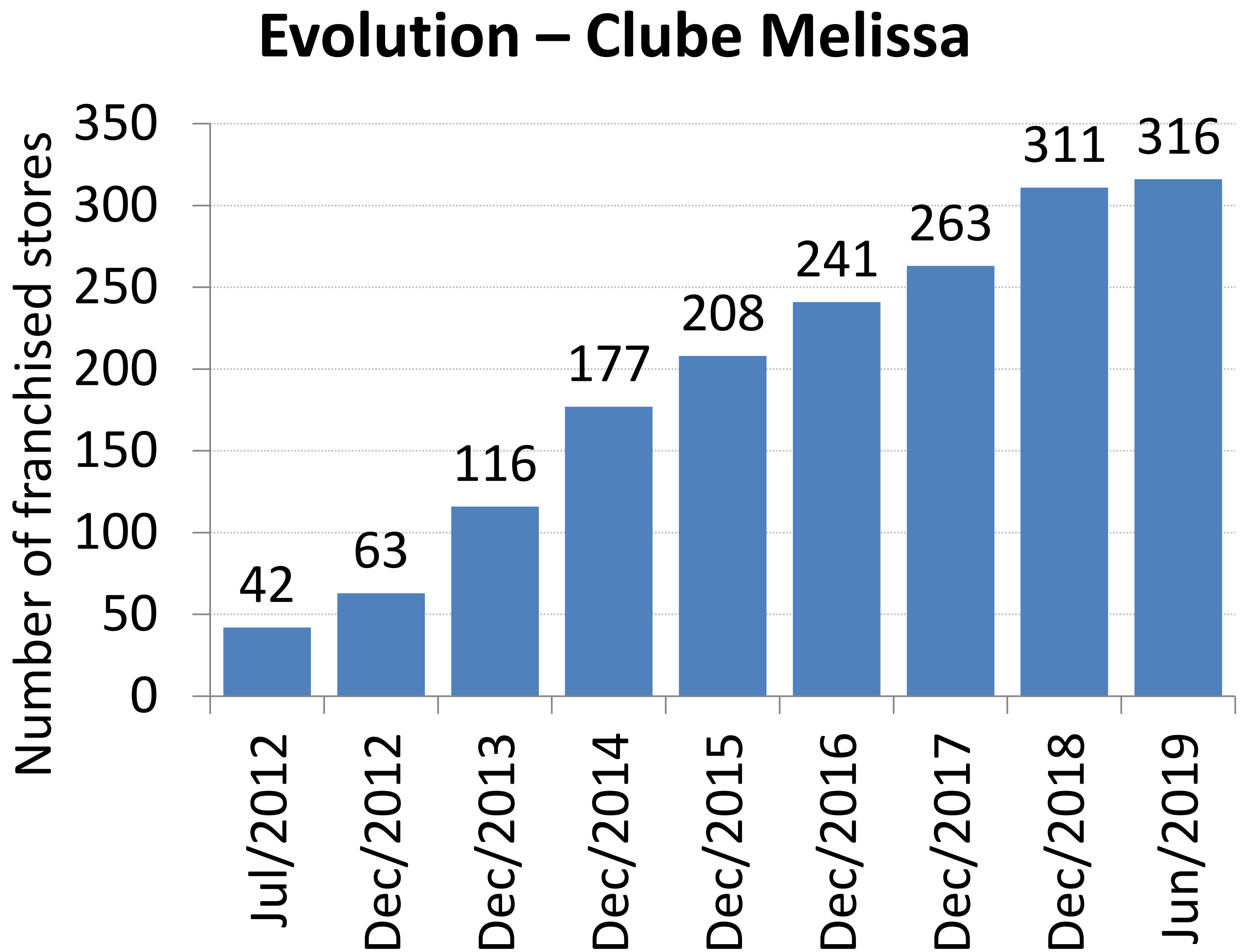
Showroom in Milan

Galeria Melissa London

Galeria Melissa

Sales Channels

Grendene®



Club Melissa follows growth trajectory and good performance

Sales Channels

Strong relationship with trade

Results (in IFRS)

Grendene®

Grendene®

Highlights 1H19 (YOY 2018)

Gross revenue	Domestic market: R$ 793.0 million	↓	(14.0%)
	Exports: R$ 219.4 million	↓	(23.1%)
	Exports: US$ 57.1 million	↓	(31.5%)
Net profit	R$ 118.0 million	↓	(46.8%)
EBIT	R$ 43.6 million	↓	(76.1%)
	Margin 5.3%	↓	(13.1 p.p.)
Exchange	Positive impact: R$ 24.0 million	↑	
Volumes	Domestic Market: 46.3 million pairs	↓	(14.5%)
	Exports: 12.3 million pairs	↓	(36.0%)

Gross revenue per pair	Domestic Market	R$ 17.12	↑	0.5%
	Exports	R$ 17.81	↑	20.0%
		US$ 4.63	↑	6.9%

Main indicators

(*) CAGR 10 years – 2008 – 2018

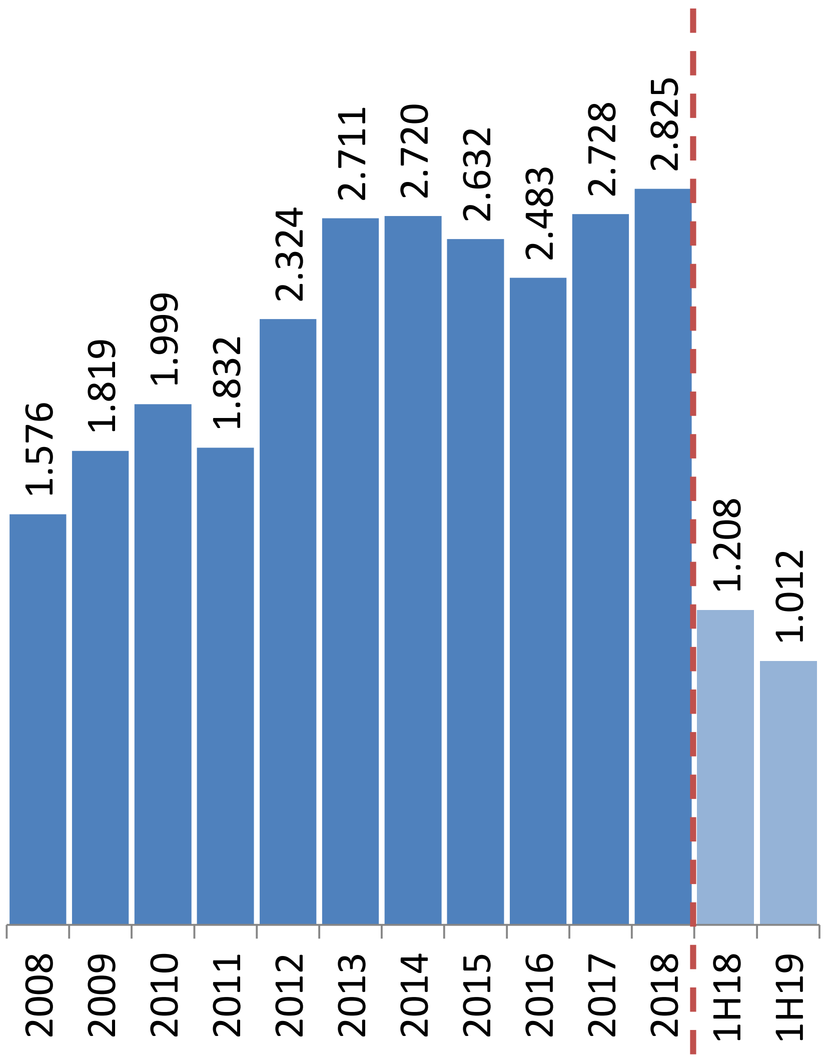
R$ million	2014	2015	2016	2017	2018	Change % 2018-17	CAGR*	1H18	1H19	Change % 1H19-18
Gross revenue	2,720	2,632	2,483	2,728	2,825	3.6%	6.0%	1,208.1	1,012.4	(16.2%)
Domestic market	2,078	1,900	1,870	2,107	2,168	2.9%	5.9%	922.6	793.0	(14.0%)
Exports	642	732	613	621	657	5.8%	6.3%	285.5	219.4	(23.1%)
Net revenue	2,233	2,203	2,045	2,252	2,333	3.6%	6.4%	991.9	823.1	(17.0%)
Costs of sales	(1,207)	(1,135)	(1,048)	(1,151)	(1,227)	6.6%	5.3%	(536.4)	(495.0)	(7.7%)
Gross profit	1,026	1,068	997	1,101	1,106	0.5%	7.9%	455.5	328.0	(28.0%)
EBIT	389	401	400	466	457	(1.9%)	10.7%	182.6	43.6	(76.1%)
EBITDA	437	454	457	526	523	(0.7%)	10.6%	215.2	77.0	(64.2%)
Net income	490	551	634	661	586	(11.4%)	9.4%	221.9	118.0	(46.8%)

Margin %	2014	2015	2016	2017	2018	Change 2018-18 (p.p.)	Change 2018-08 (p.p.)	1H18	1H19	Change 1H19-18 (p.p.)
Gross	45.9%	48.5%	48.7%	48.9%	47.4%	(1.5 p.p.)	5.9 p.p.	45.9%	39.9%	(6.0)
EBIT	17.4%	18.2%	19.5%	20.7%	19.6%	(1.1 p.p.)	6.3 p.p.	18.4%	5.3%	(13.1)
EBITDA	19.6%	20.6%	22.4%	23.4%	22.4%	(1.0 p.p.)	7.1 p.p.	21.7%	9.4%	(12.3)
Net	22.0%	25.0%	31.0%	29.3%	25.1%	(4.2 p.p.)	5.9 p.p.	22.4%	14.3%	(8.1)

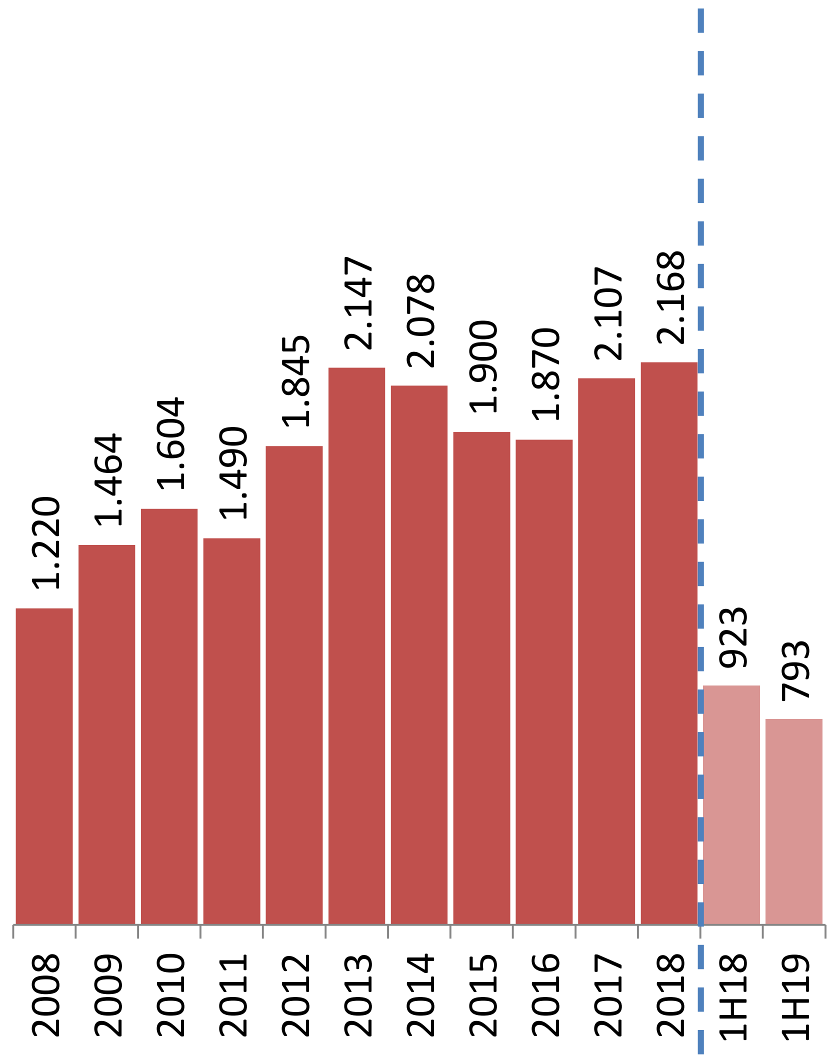
Gross sales revenue– R$ million

Note: CAGR 10 years

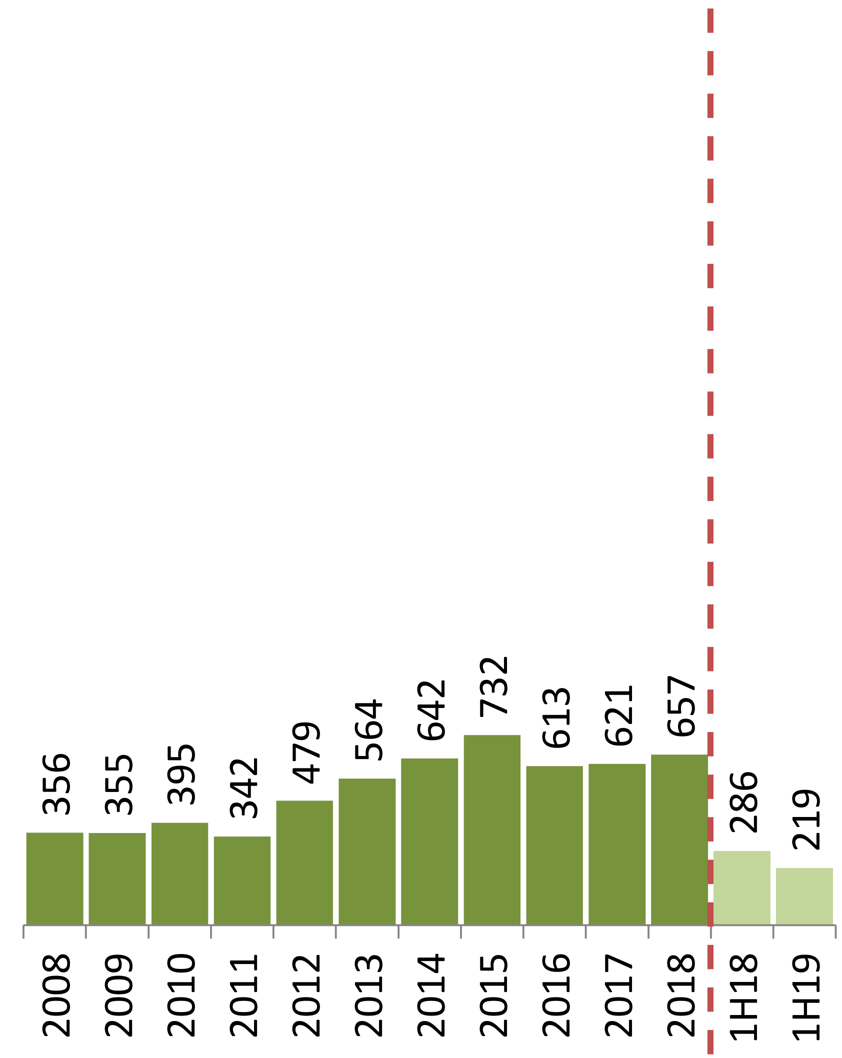
Gross sales revenue
Total
CAGR (18-08): 6.0%
Change % (18-17): 3.6%
Change % (1H19-18): (16.2%)



Gross sales revenue
Domestic market
CAGR (18-08): 5.9%
Change % (18-17): 2.9%
Change % (1H19-18): (14.0%)

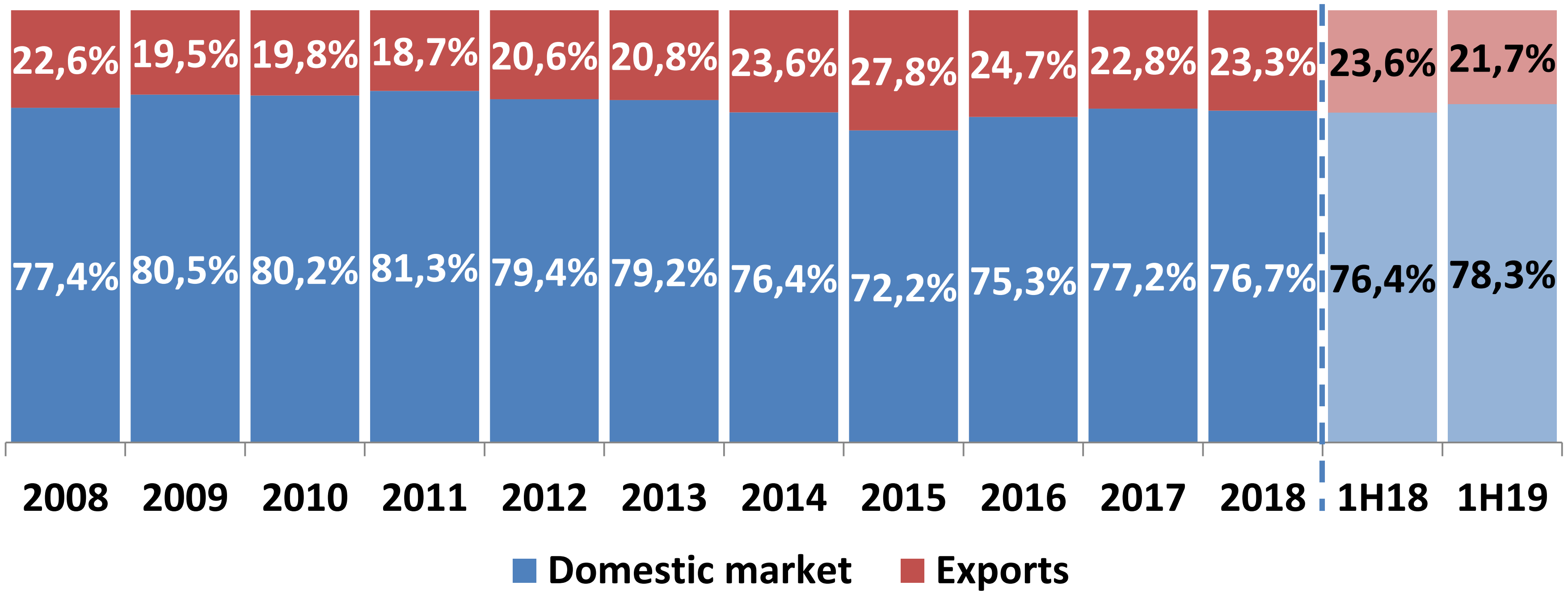


Gross sales revenue
Exports
CAGR (18-08): 6.3%
Change % (18-17): 5.8%
Change % (1H19-18): (23.1%)



Share %

Gross sales revenue



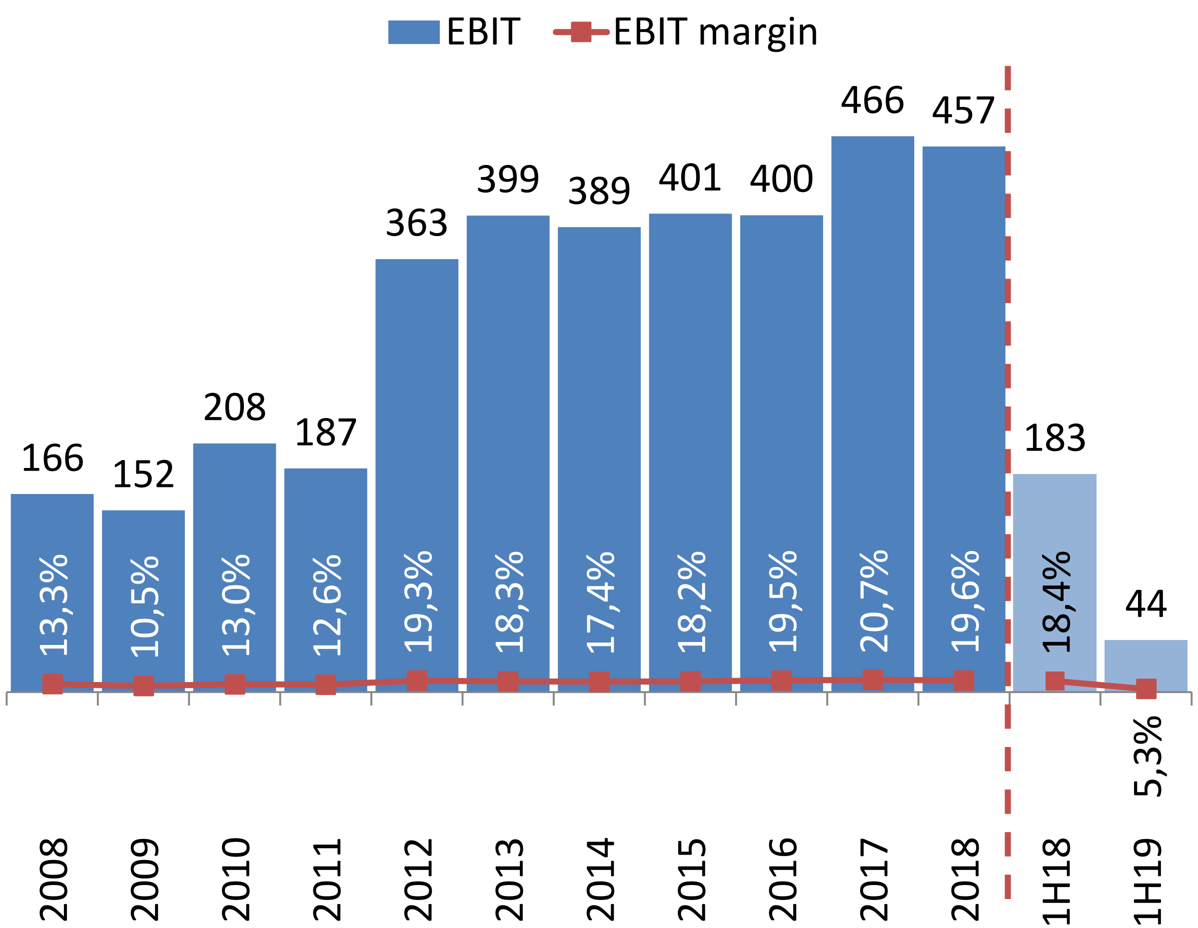
Sales volume

EBIT/EBITDA – R$ million

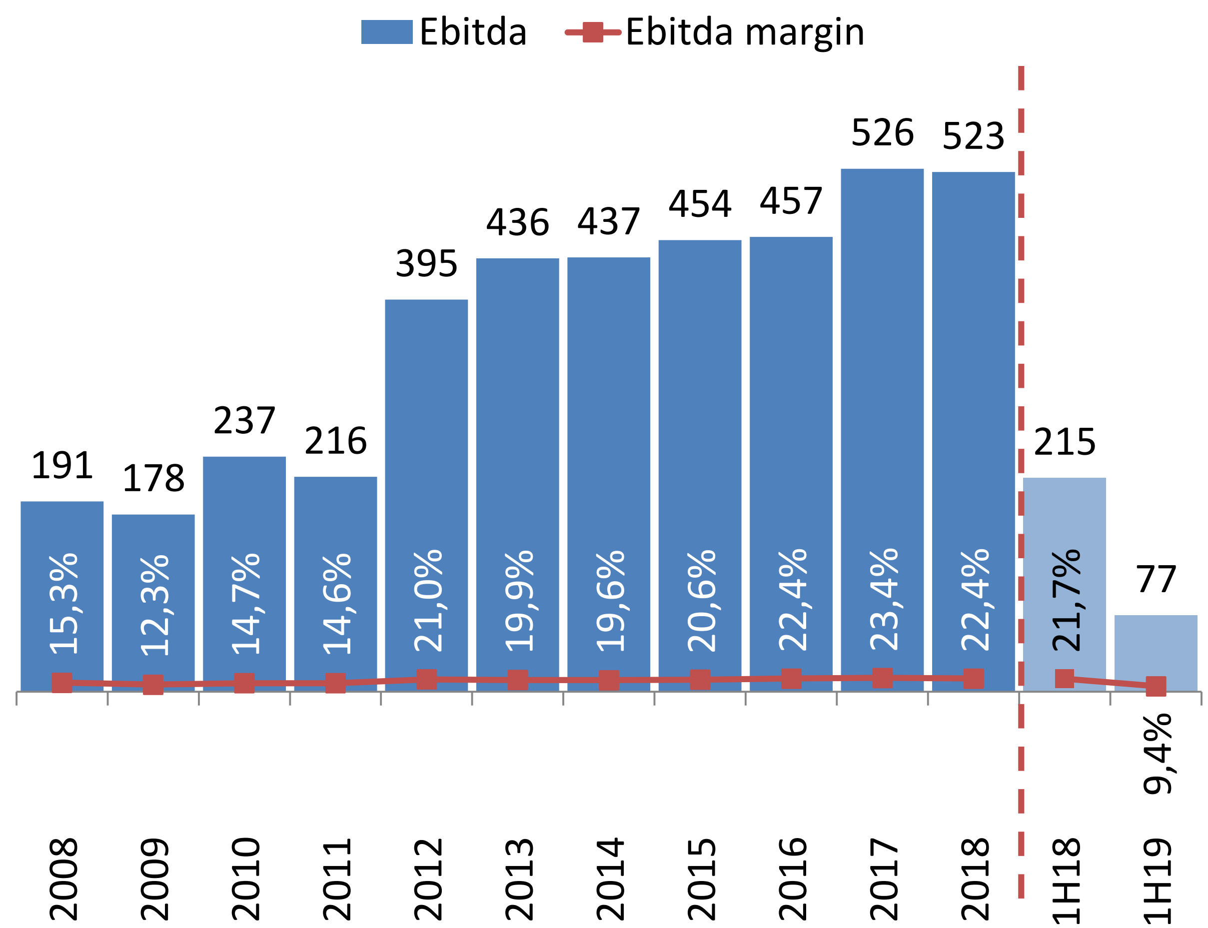
Grendene®

Note: CAGR 10 years

EBIT / EBIT margin
CAGR (18-08): 10.7%
Change % (18-17): (1.9%)
Change % (1H19-18): (76.1%)



EBITDA / EBITDA margin
CAGR (18-08): 10.6%
Change % (18-17): (0.7%)
Change % (1H19-18): (64.2%)

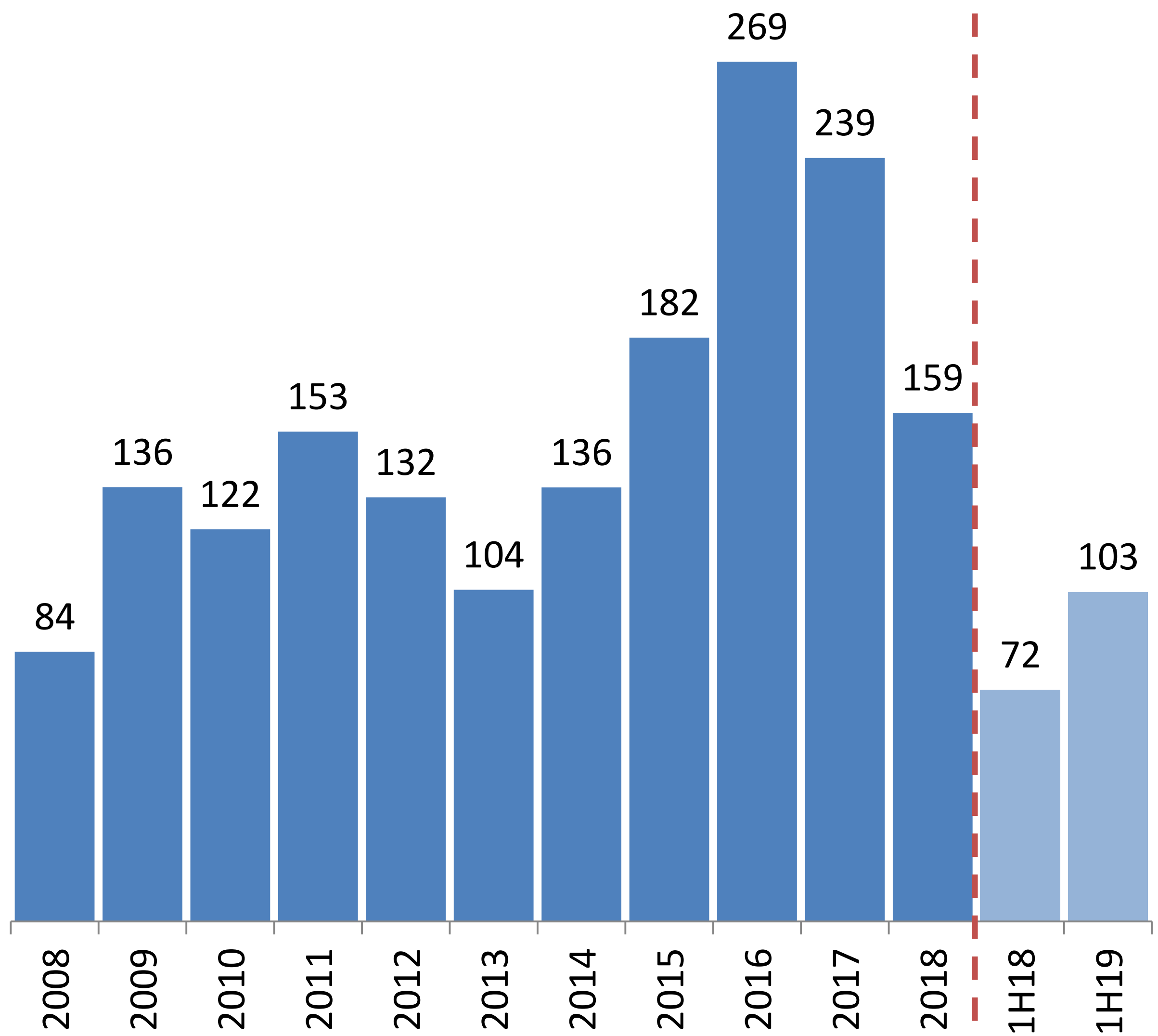


Improvement of internal processes to generate value.

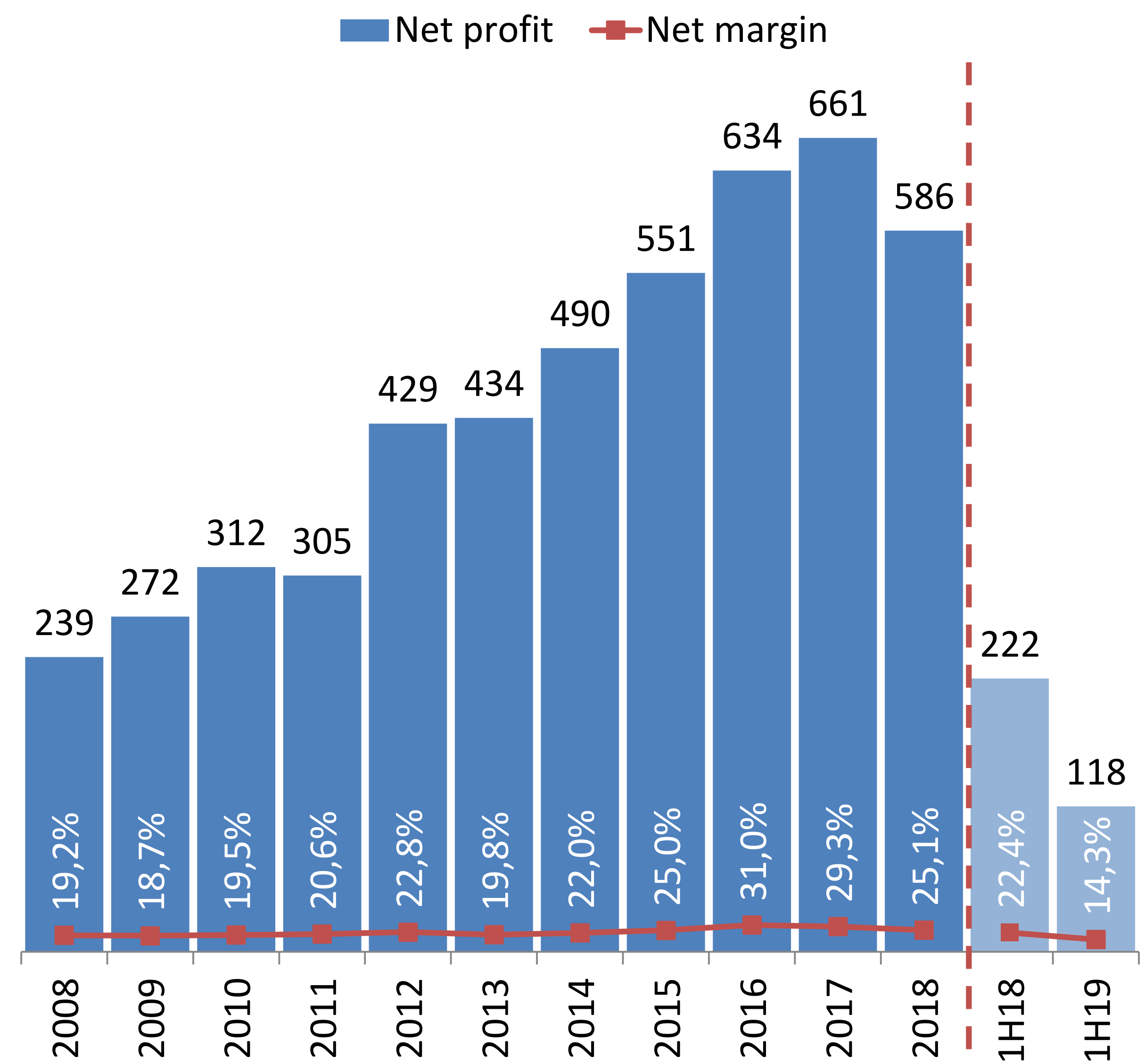
Net financial revenue (expenses) / Net profit – R$ million

Note: CAGR 10 years

Net financial revenue (expenses)
CAGR (18-08): 6.6%
Change % (18-17): (33.4%)
Change % (1H19-18): 42.3%



Net profit
CAGR (18-08): 9.4%
Change % (18-17): (11.4%)
Change % (1H19-18): (46.8%)

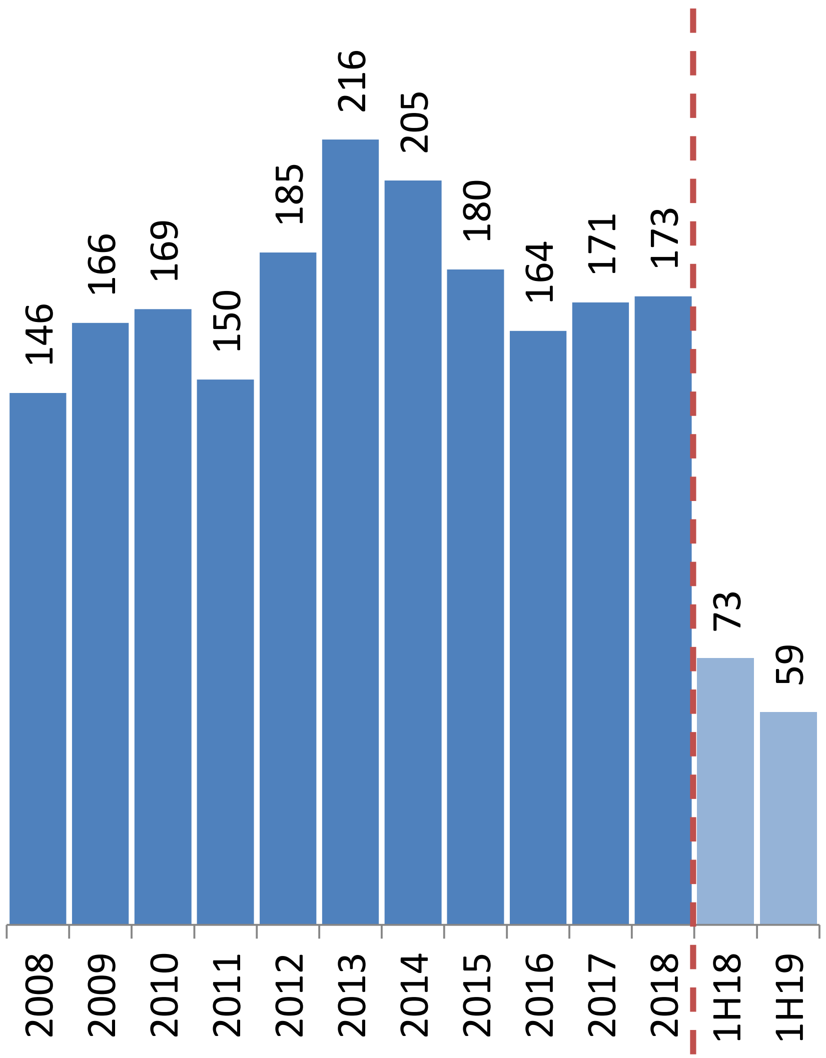


Production (million pairs)

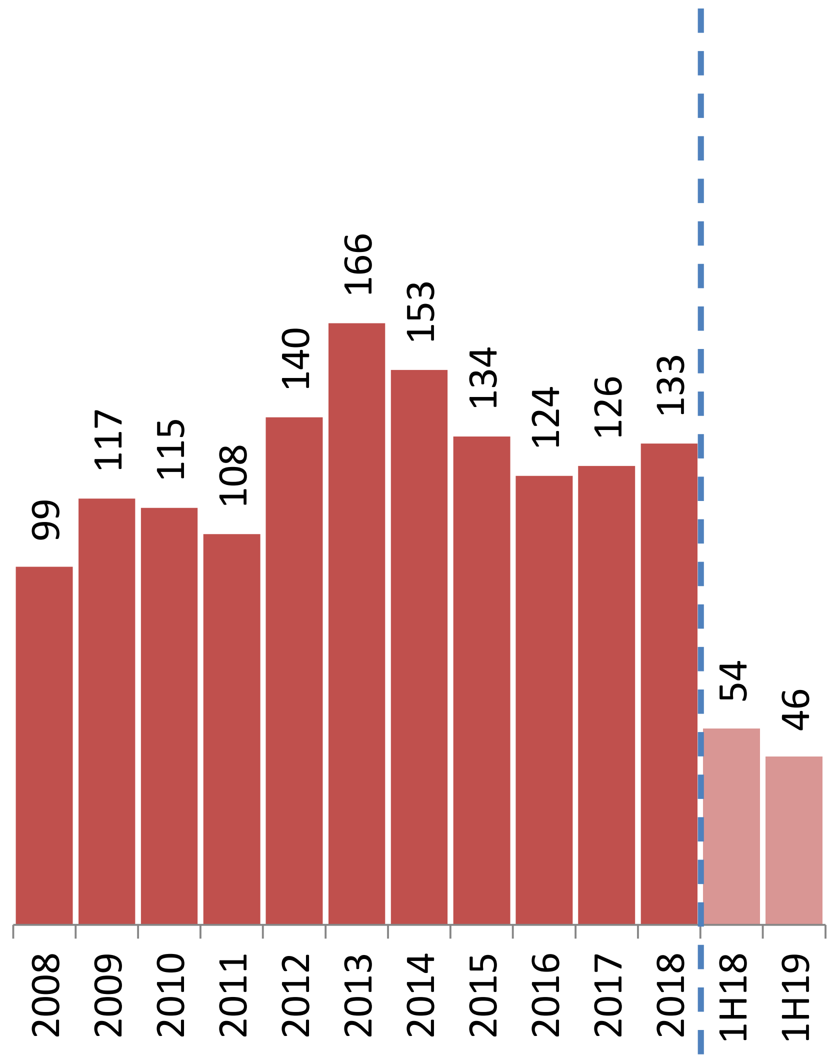
Grendene®

Note: CAGR 10 years

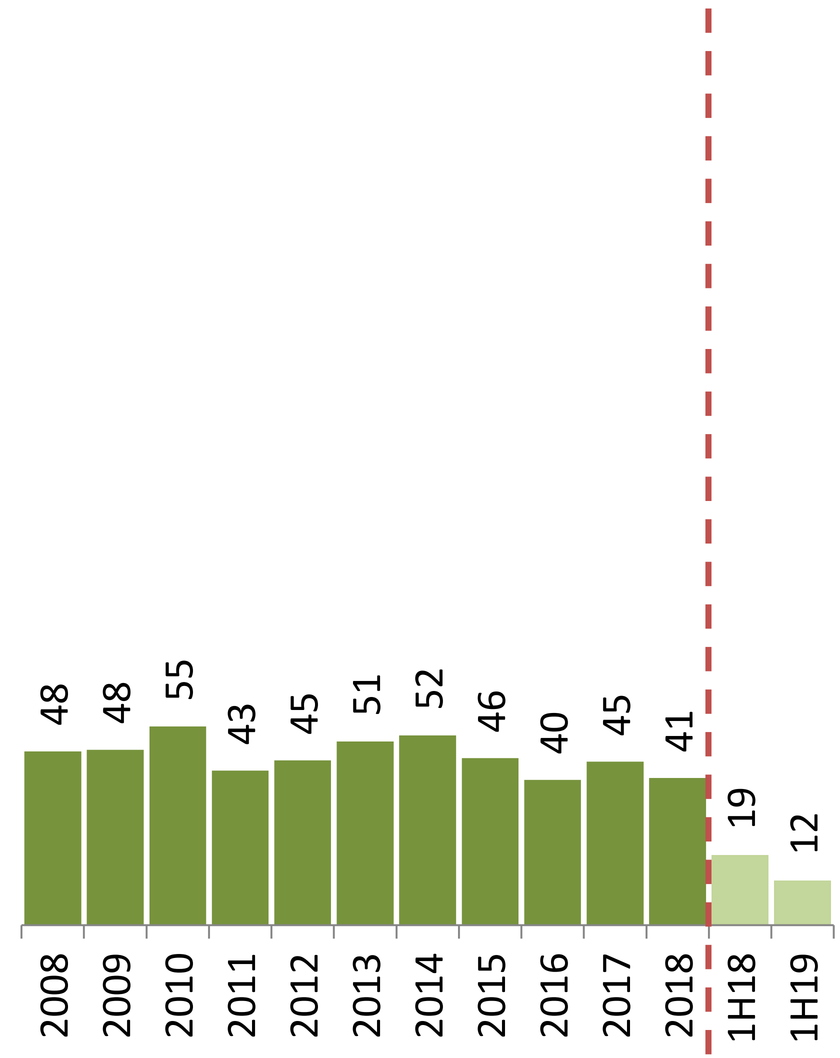
Sales volume
Total
CAGR (18-08): 1.7%
Change % (18-17): 1.0%
Change % (1H19-18): (20.1%)



Sales volume
Domestic market
CAGR (18-08): 3.0%
Change % (18-17): 4.9%
Change % (1H19-18): (14.5%)



Sales volume
Exports
CAGR (18-08): (1.7%)
Change % (18-17): (9.9%)
Change % (1H19-18): (36.0%)

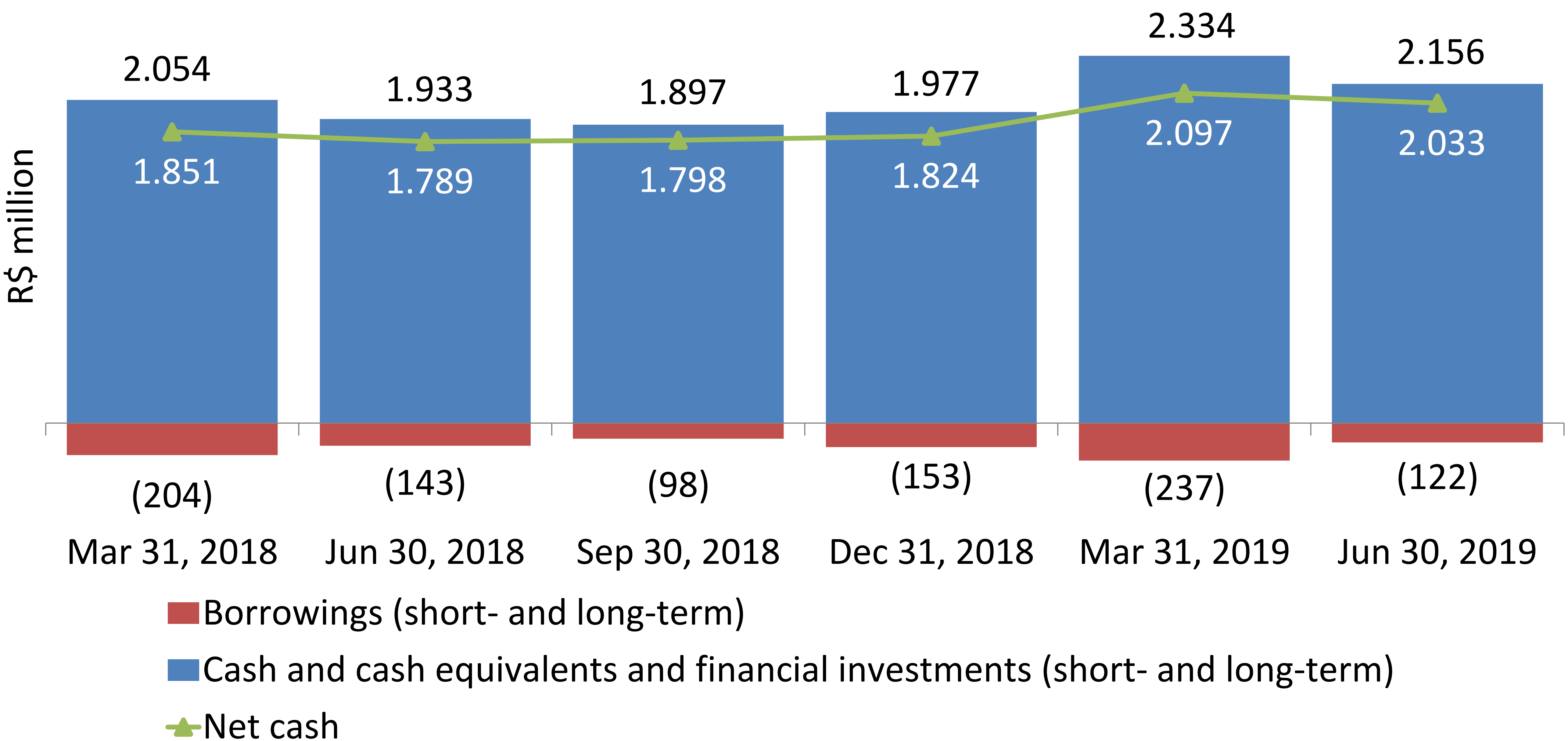


Net cash provided by operating atictivities

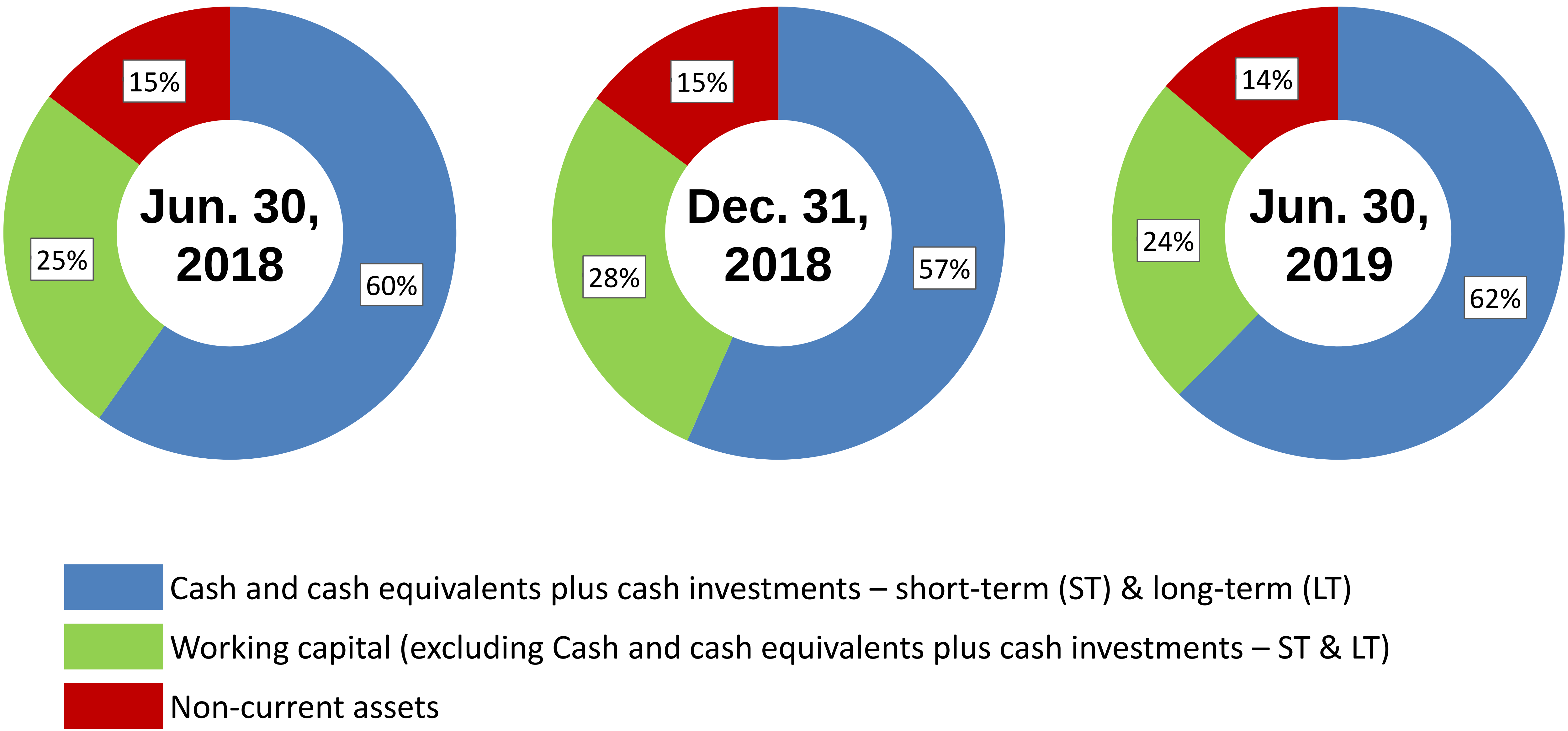
Operating cash generation	2014	2015	2016	2017	2018	Change % (18-17)	CAGR (18-09)	1H18	1H19	Change % (1H19-18)
Profit for the year	**490,244**	**539,311**	**633,955**	**660,903**	**585,530**	**(11.4%)**	**8.9%**	**221,862**	**118,042**	**(46.8%)**
Depreciation	**47,461**	**53,652**	**57,878**	**60,639**	**65,761**	**8.4%**	**10.7%**	**32,559**	**33,381**	**2.5%**
Other	**(78,417)**	**(117,261)**	**(215,269)**	**(125,916)**	**(88,034)**	**(30.1%)**	**2.8%**	**(3,642)**	**(41,030)**	**1,026.6%**
Cash generation by changes in assets and liabilities	**25,671**	**(32,984)**	**89,907**	**(69,900)**	**(79,422)**	**13.6%**	**1.9%**	**146,481**	**225,678**	**54.1%**
Trade receivables	2,387	54,355	91,811	(92,385)	(89,288)	(3.4%)	(4.2%)	243,336	357,550	46.9%
Inventories	(10,298)	(49,121)	(3,180)	(19,735)	(12,917)	(34.5%)	8.0%	(54,479)	(23,975)	(56.0%)
Suppliers	(3,505)	8,616	(3,534)	(4,664)	5,390	(215.6%)	(14.5%)	(1,125)	(10,831)	862.8%
Change in other assets and liabilities	37,087	(46,834)	4,810	46,884	17,393	(62.9%)	(10.8%)	(41,251)	(97,066)	135.3%
Net cash provided by operating activities	**484,959**	**442,718**	**566,471**	**525,726**	**483,835**	**(8.0%)**	**12.8%**	**397,260**	**336,071**	**(15.4%)**

Solid capital structure and strong cash generation

Cash and cash equivalents and financial investments (short- and long-term), borrowings (short- and long-term)and net cash



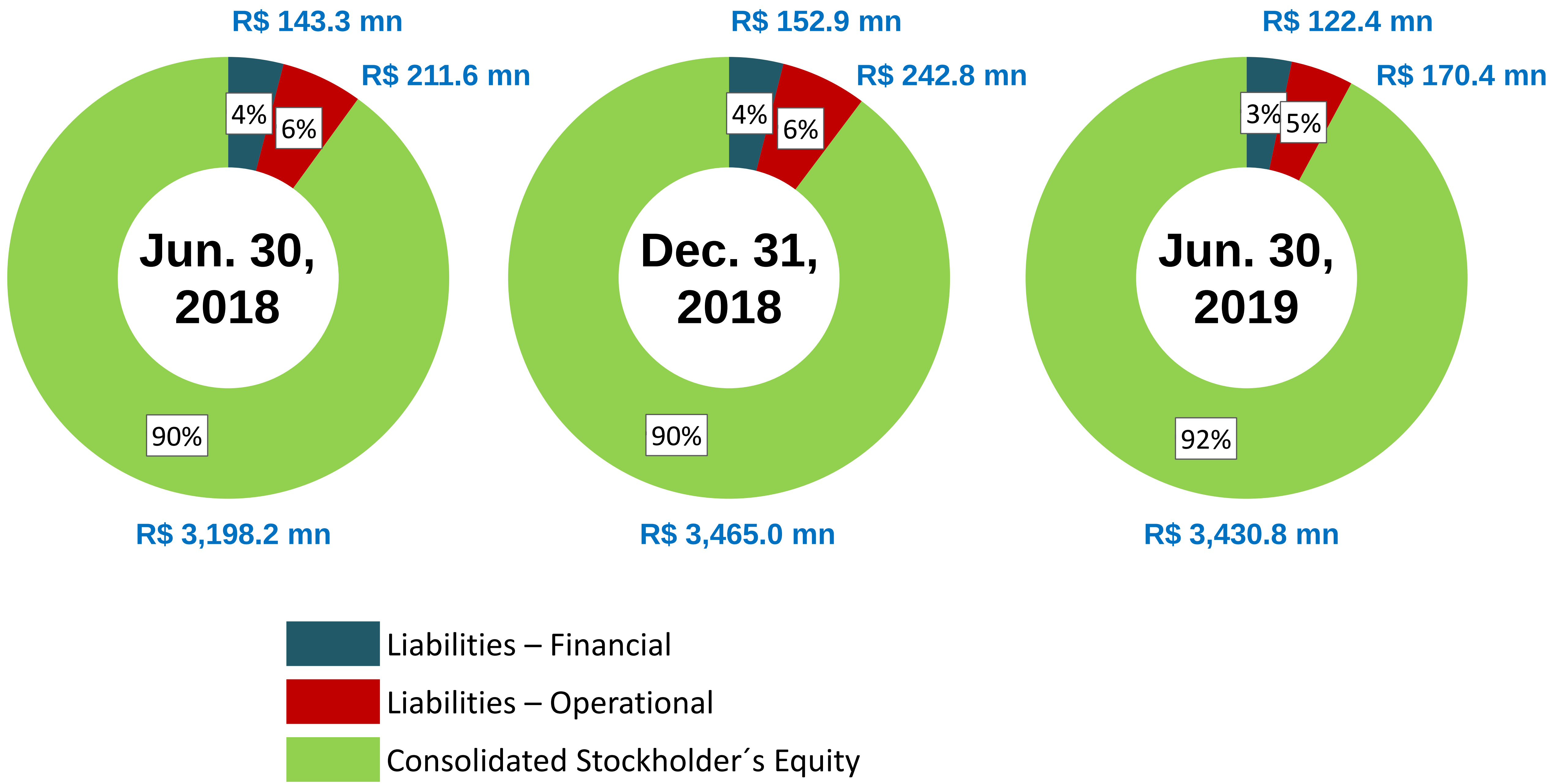
Assets



15%
25%
60%
Jun. 30, 2018
15%
28%
57%
Dec. 31, 2018
14%
24%
62%
Jun. 30, 2019
Cash and cash equivalents plus cash investments – short-term (ST) & long-term (LT)
Working capital (excluding Cash and cash equivalents plus cash investments – ST & LT)
Non-current assets

Liabilities* and Stockholder´s Equity

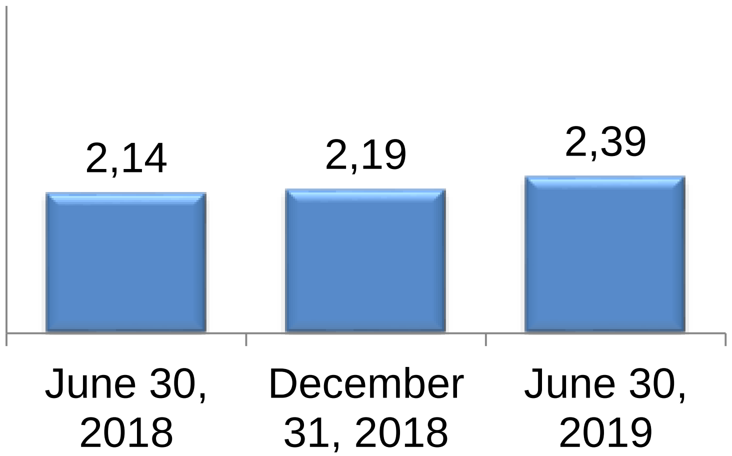
** Liabilities: Current + Non-current Liabilities*



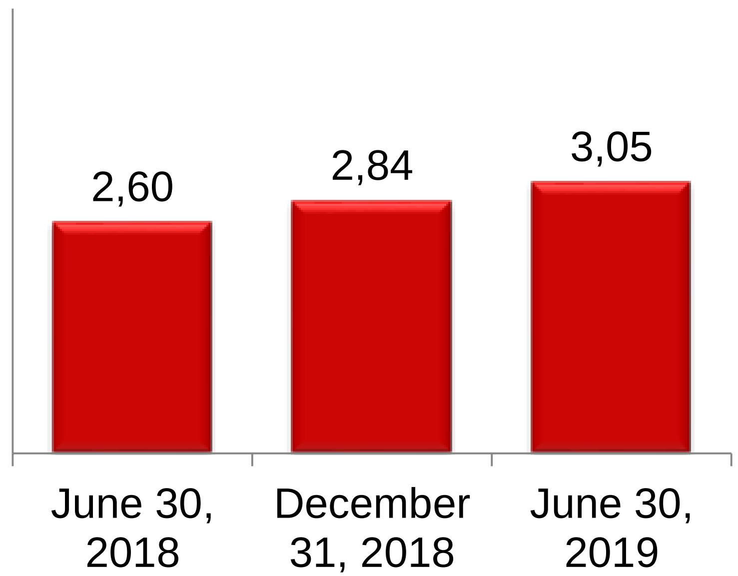
Value indicators (Accounting)

Grendene®

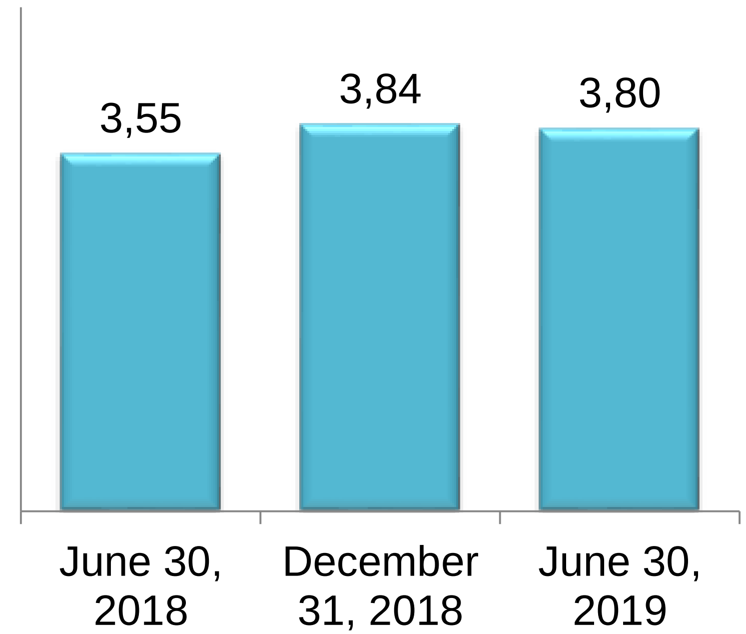
Cash and cash equivalents and financial investments per share



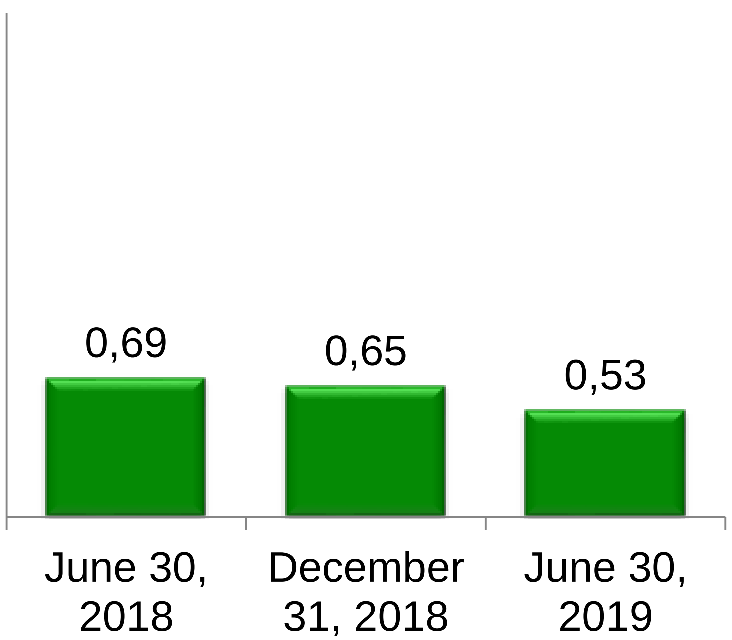
Net working capital per share



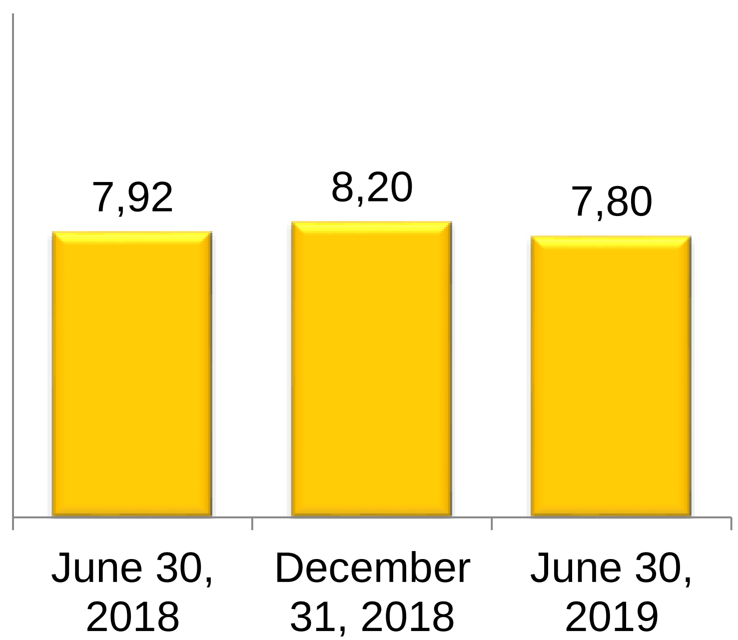
Book value per share



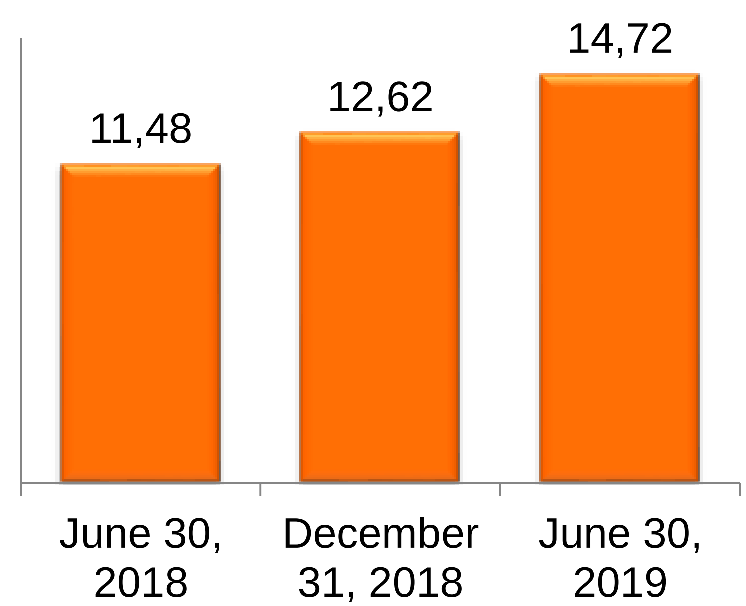
Profit per share**



Share price



Share price / profit per share**



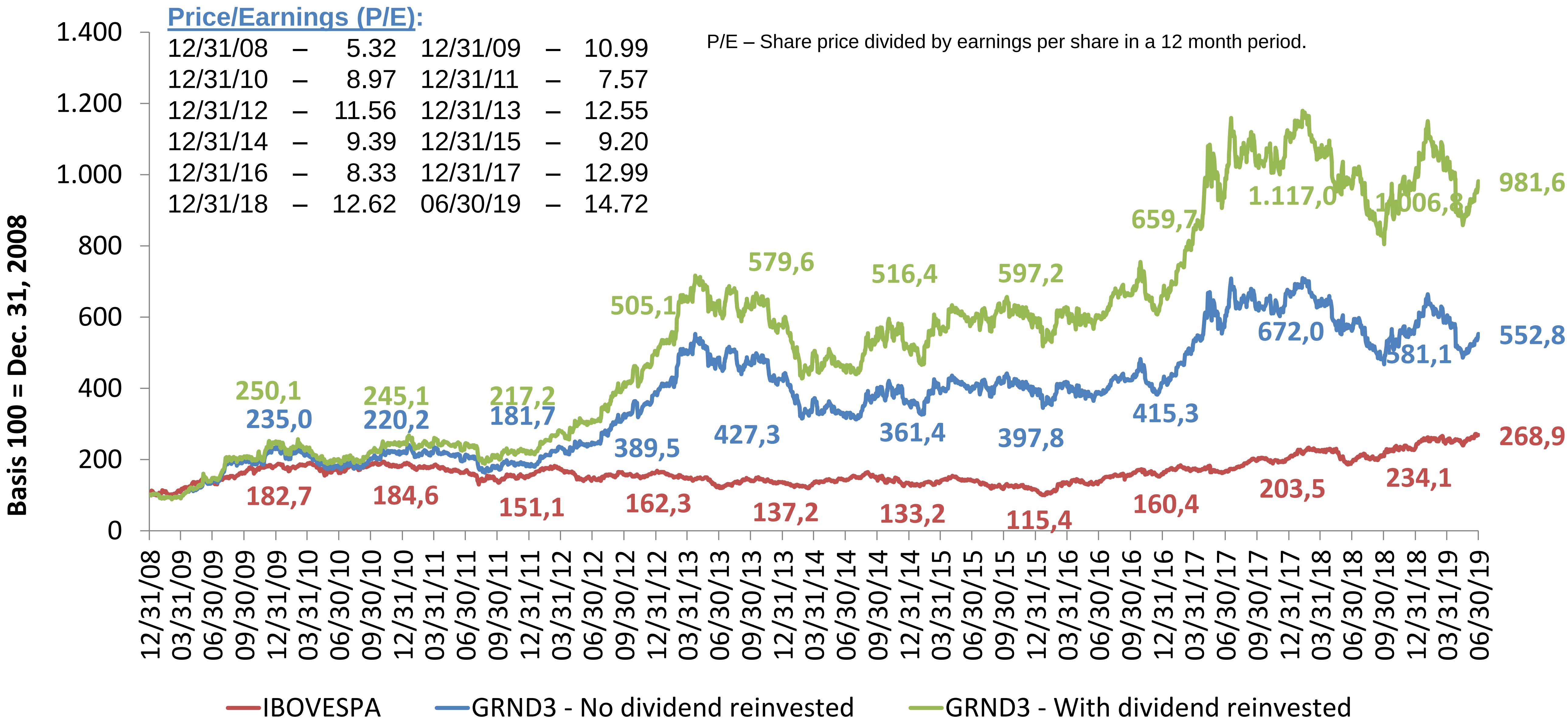
**** last 12 months**

Capital Markets

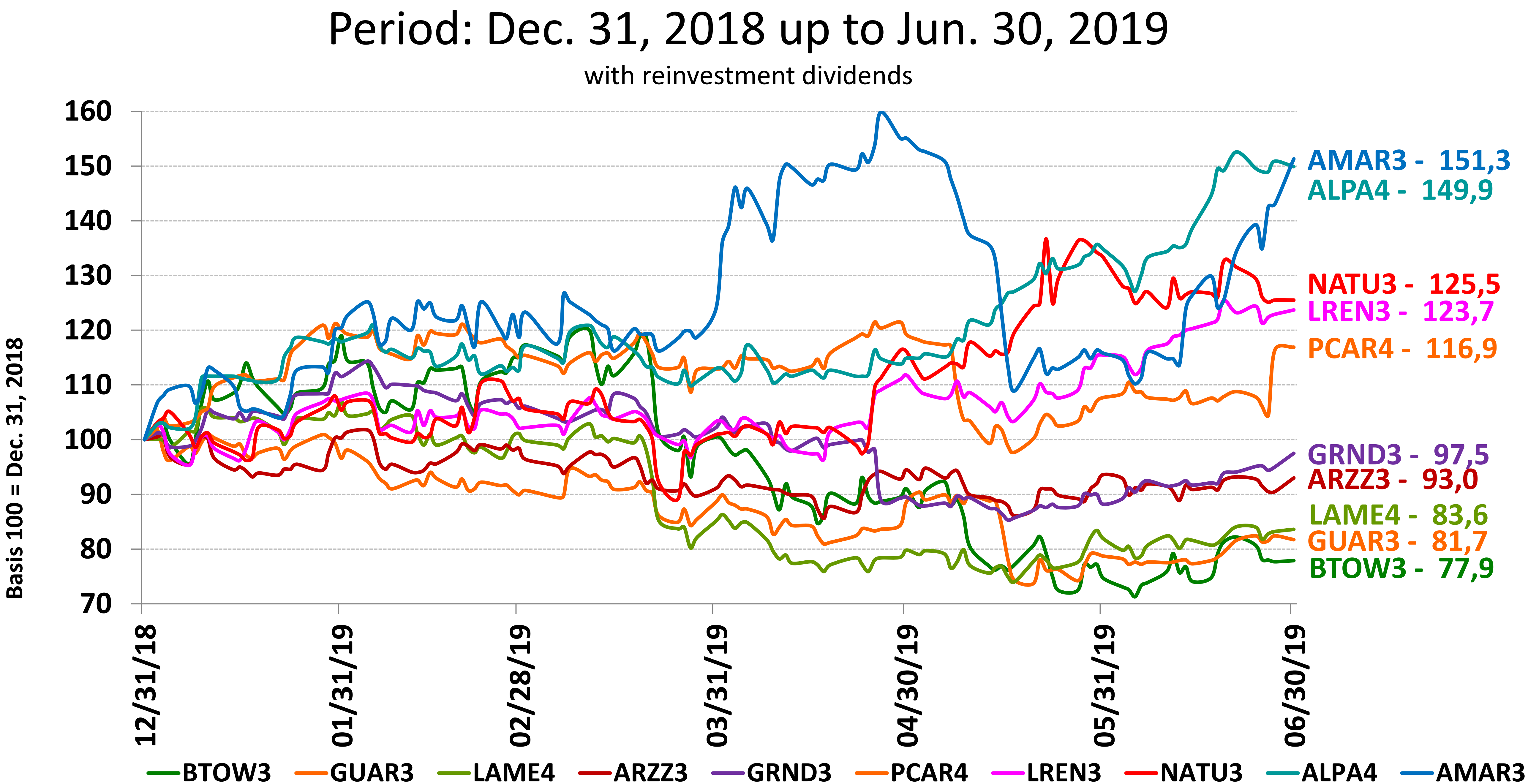
Grendene®

Last 52 weeks	Date	Share price	Market Capitalization	Market Capitalization – free-float
Minimum	Oct. 1, 2018	R$ 6.59	R$ 5.9 billion	R$ 1.6 billion
Maximum	Feb. 5, 2019	R$ 9,40	R$ 8.4 billion	R$ 2.5 billion

Evolution GRND3 x IBOVESPA – Dec. 31, 2008 up to Jun. 30, 2019



Performance of the shares of main companies in the consumption sector



ALPA4	AMAR3	ARZZ3	BTOW3	GRND3	GUAR3	LAME4	LREN3	NATU3	PCAR4
Alpargatas	Marisa	Arezzo	B2W	Grendene	Guararapes	Americanas	Lojas Renner	Natura	P.Açúcar

Strategy

Grendene®

Less labor intensive

More capital intensive

Strategy: Break paradigms

Higher entry barriers

Highly marketing intensive

Our expertise of more than 48 years producing innovative footwear and generating desired brands, shows the success of our vision of the market, our strategy and our business model – and our capacity to create value for stockholders.

Value proposition

Grendene®

Brands

+

Licenses: Cartoons characters, celebrities and successful designers

Products

- Constant creation of products
- Innovative design
- Manufacturing technology
- Few products in large scale

Marketing

- Aggresive marketing
- Segmentation
- Investment in media / events
- Strong relationship with trade

Management

- Scale gains, scope gains
- Profitability
- Continuous improvement
- Financial solidity
- Sustainable growth

Value for Stakeholders

Grendene

melissa

Mini Melissa +
10 Corso Como

Campana

Jason Wu

Melissa → **Brand: Melissa Licenses: J. Maskrey, Jason Wu e Vivienne Westwood among others** → **Competitors: Arezzo, Schultz, Cravo and Canela**

Grendene®

zaxy

GRENDHA

zaxy nina

Women

Brand: Grendha and Zaxy
Licenses: Ivete Sangalo

Competitors: Via Marte, Beira Rio, Ramarim, Dakota, Picadilly, Via Uno, Anacapri, Usaflex

rider

CARTAGO

FC BARCELONA

Harry Potter

Men → **Brands: Rider e Cartago Licenses: Mormaii, Marvel, NBA among others** → **Competitors: Kenner, Beira Rio, Alpargatas, Itapuã, Free-Way**

Grendene kids
O melhor da infância

Grendene®

Kids

Brand: Grendene Kids
Licenses: Hello Kitty, Disney, Hot Wheels, Barbie among others

Competitors: Klim, Bibi, Pampily, Bical, Pé com Pé, Marisol

Grendene®

Ipanema

LENNY NIEMEYER

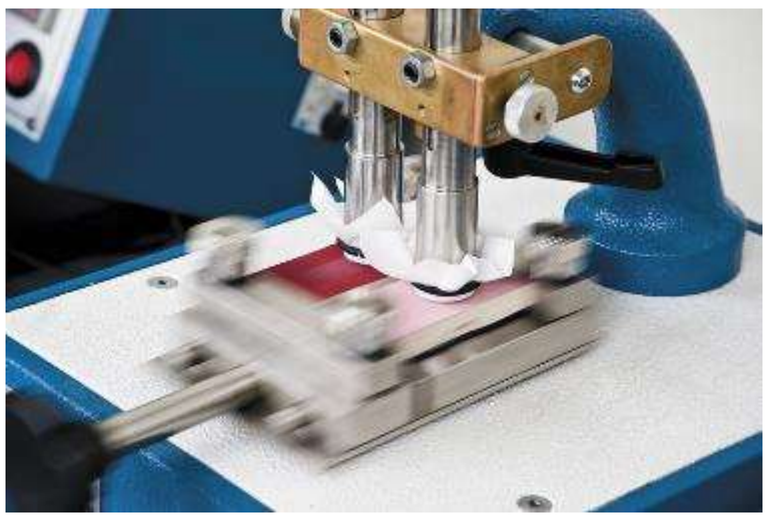
salinas

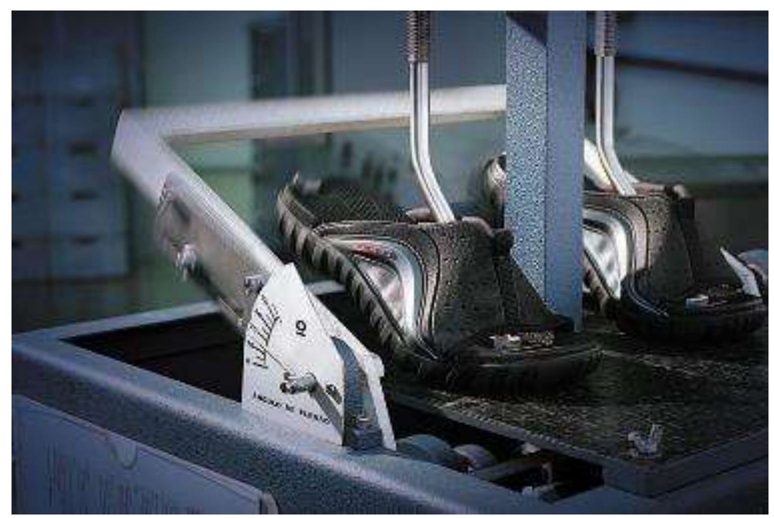
Mass Market

Brand: Ipanema
Licenses: Hello Kitty, Disney, Hot Wheels, Barbie entre outros

Competitors: Alpargatas, Dupé, Balina, Beira Rio

CAPEX – In 2019 we expect to invest around R$100 mn.





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Thank you!