

1Q14 Result Presentation

May 06, 2014

Disclaimer



The forward-looking statements contained herein are based on our management's current assumptions and estimates, which may result in material differences regarding future results, performance and events. Actual results, performance and events may differ substantially from those expressed or implied in these forward-looking statements due to a variety of factors, such as general economic conditions in Brazil and other countries, interest and exchange rate levels, legal and regulatory changes and general competitive factors (whether global, regional, or national).



1Q14 Highlights

Recent Trends

Bricks and mortar sales

- 81 stores opened in LTM period
- Same store sales: + 13.2%

Online sales

- +125.4% growth vs. 1Q13
- Creation of a new Online product area for short trips and corporate hotels

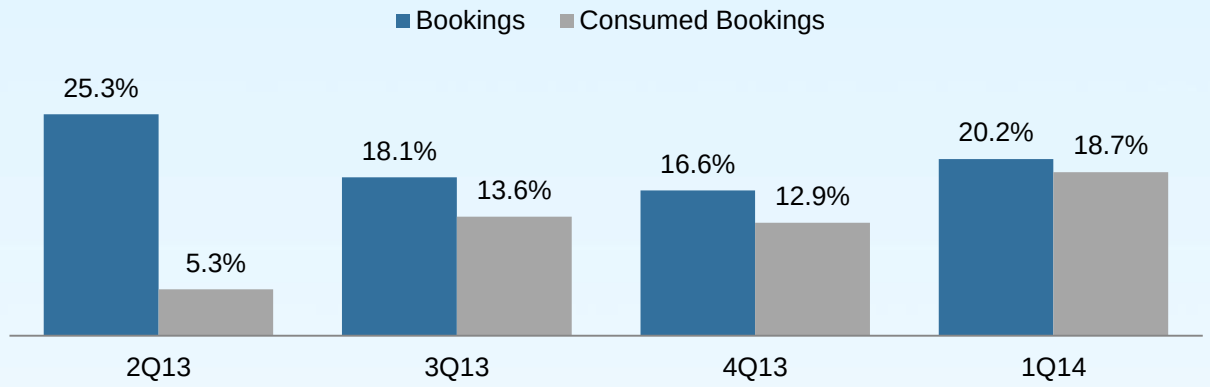
Product update

- Launch of new products: CVC European Circuits & Bahia Circuit
- Release of promotional materials for major destinations
- Mega Promo with airlines
- Partnership with hotel chains

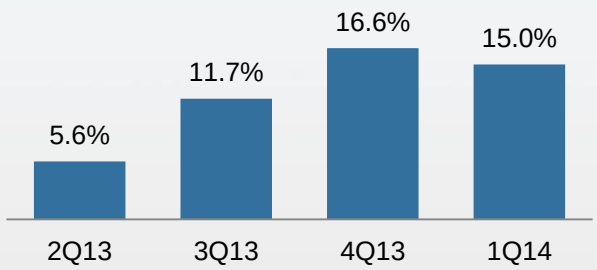
Branding

- Named as one of the 50 most valuable brands in Brazil by Brand Analytics and Millward Brown

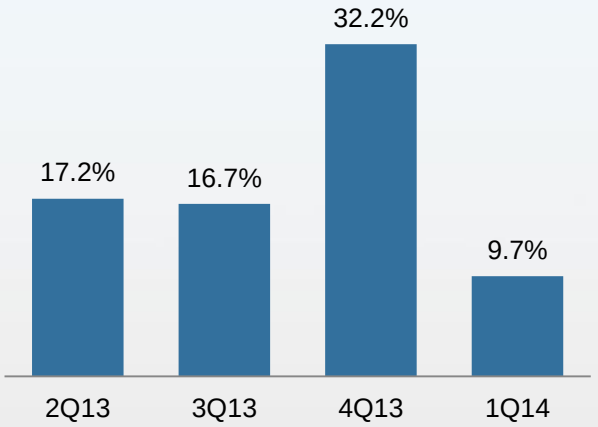
Historical Bookings and Boardings (*)



Adjusted EBITDA (*)



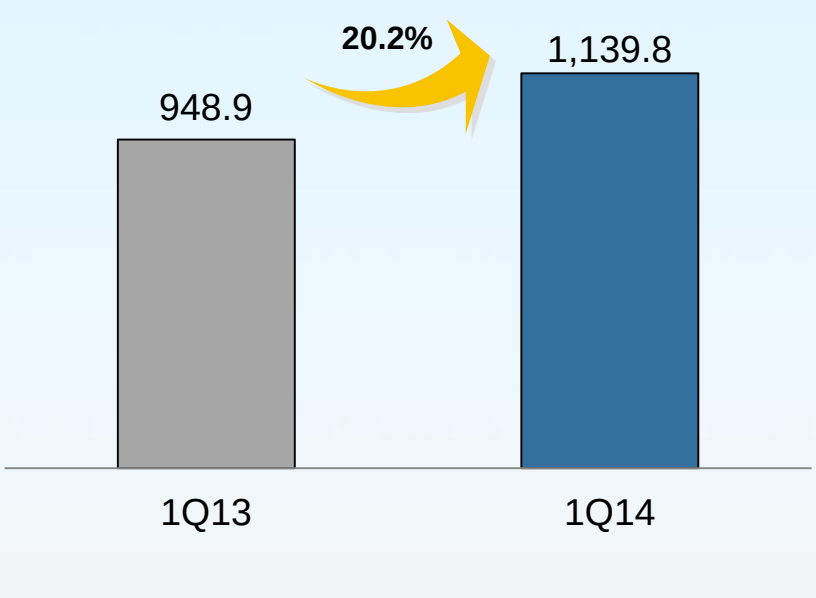
Adjusted Net Income (*)



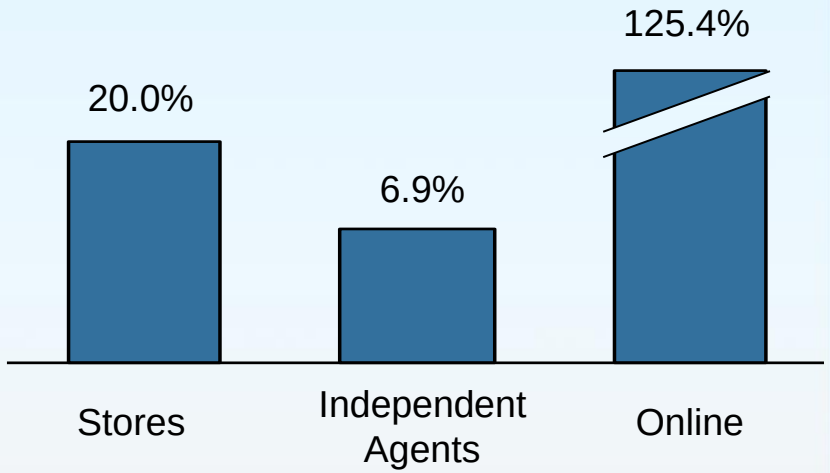
(*) YoY

Bookings - 1Q14

Total Bookings (YoY)



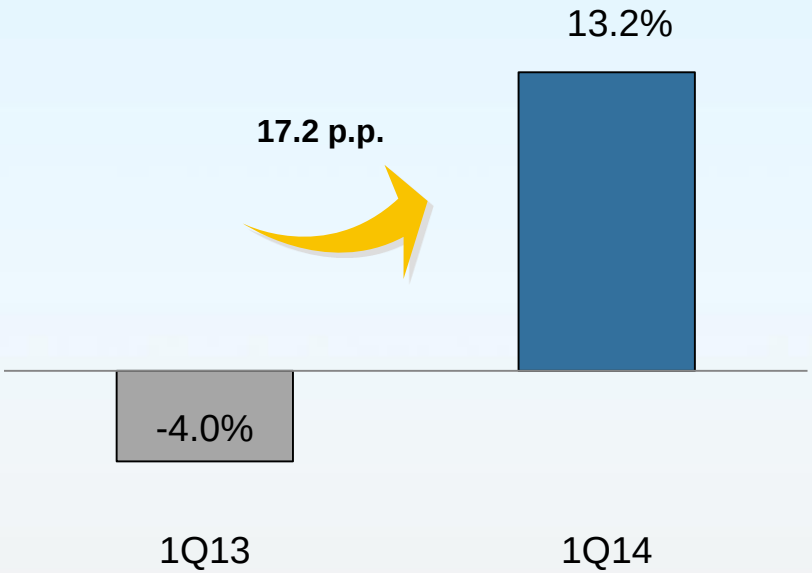
Bookings Breakdown – Growth YoY



- **In 1Q14, CVC´s bookings increased 20.2%, with significant growth across all channels**
- **Online sales increased significantly in 1Q14 (125.4%), underscoring the importance of this channel to our long-term strategy**

Sales Performance

Same Stores Sales Growth (%)



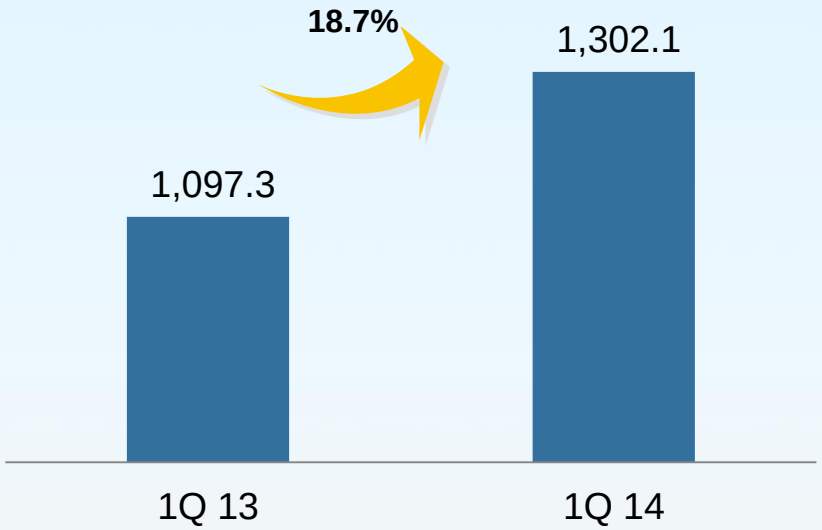
Store Openings (# of stores)



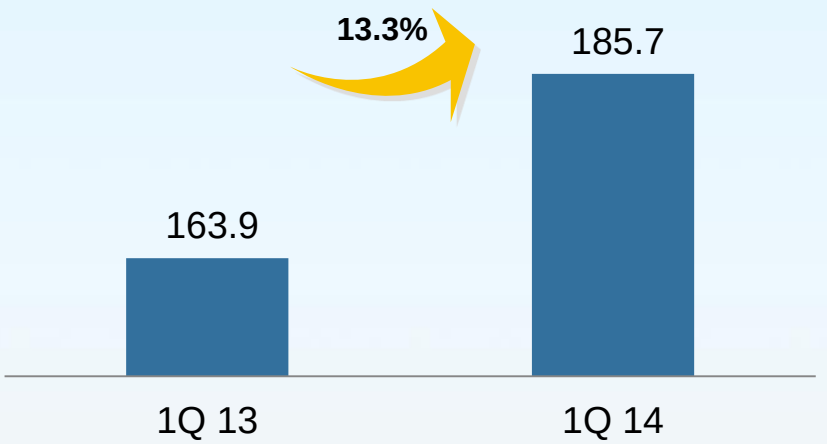
- **Bricks and Mortar growth driven by the increase in same store sales and new store openings**

Consumed Bookings & Net Revenue

Consumed Bookings (R$ millions)



Net Revenue (R$ millions)



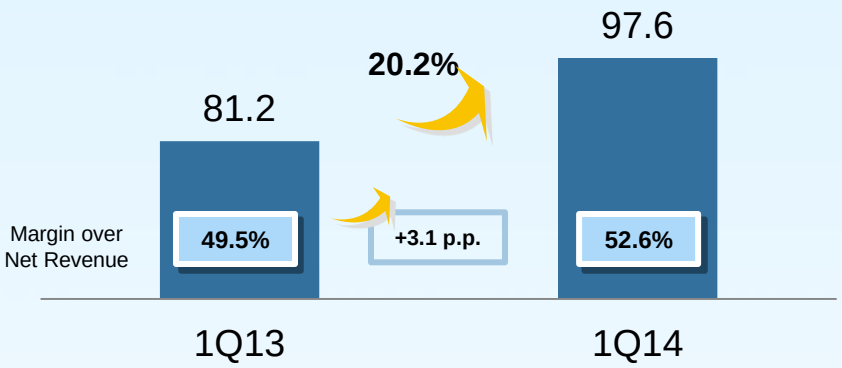
% of Consumed Bookings	14.9%	14.3%

- **Strong growth in Consumed Bookings**
- **Higher mix of International boarding, leading to higher average ticket and lower net revenue margins***

(*) Net Revenue / Consumed Bookings

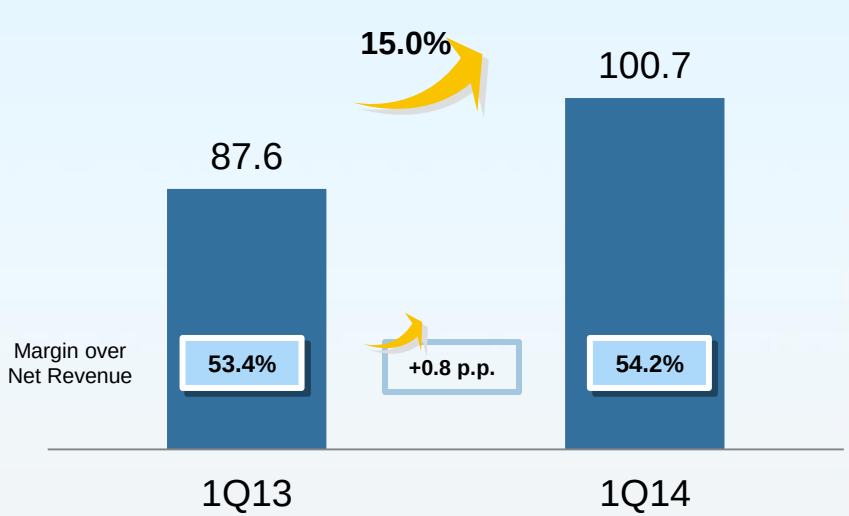
EBITDA

EBITDA (R$ millions)



R$ mm*	1Q13	1Q14	Chg.
EBITDA	**81.2**	**97.6**	**20.2%**
(+) Stock options	(2.8)	1.9	
(+) Consulting expenses	1.7		
(+) Online indemnification	5.6		
(+) Extraordinary bonuses	1.6	1.2	-24.1%
(+) Extraordinary losses	0.3		
Adjusted EBITDA	**87.6**	**100.7**	**15.0%**

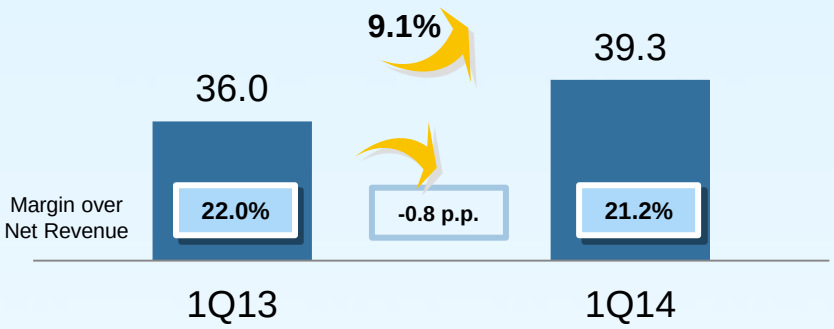
Adjusted EBITDA (R$ millions)



- **Non-recurring items limited to options and hiring bonuses**
- **Higher margins as a consequence of fixed cost leverage**

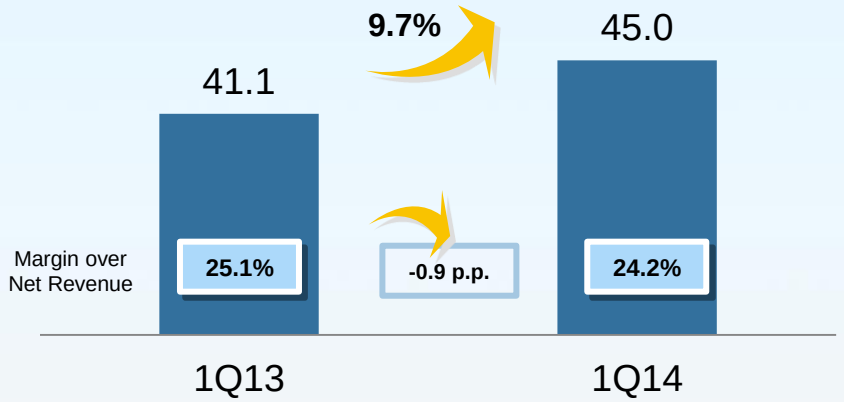
Net Income

Net Income (R$ millions)



R$ mm*	1Q13	1Q14	Chg.
Net income	**36.0**	**39.3**	**9.1%**
(+) Stock options	(2.8)	1.9	
(+) Consulting expenses	1.1		
(+) Online Indemnification	3.7		
(+) Extraordinary bonuses	1.1	0.8	-24.1%
(+) Extraordinary losses	0.2		
(+) Earn-out provision	0.5	1.6	
(+) Franchisee agremement Amortization	1.2	1.4	13.0%
Adjusted Net Income	**41.1**	**45.0**	**9.7%**

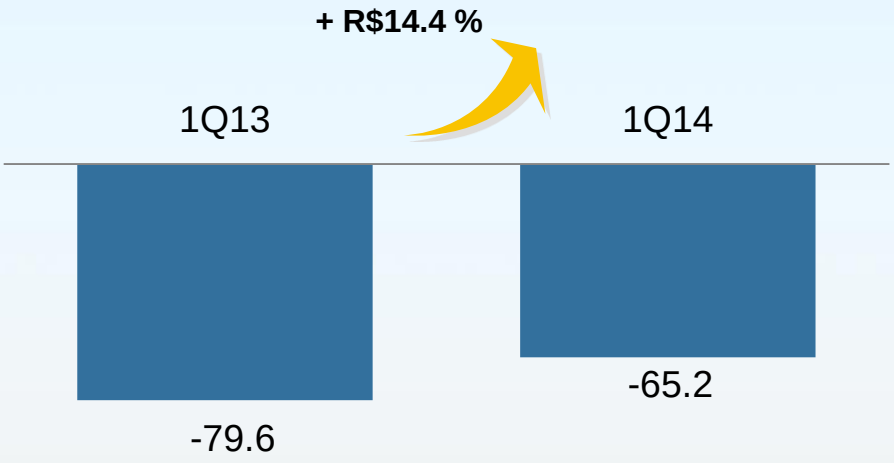
Adjusted Net Income (R$ millions)



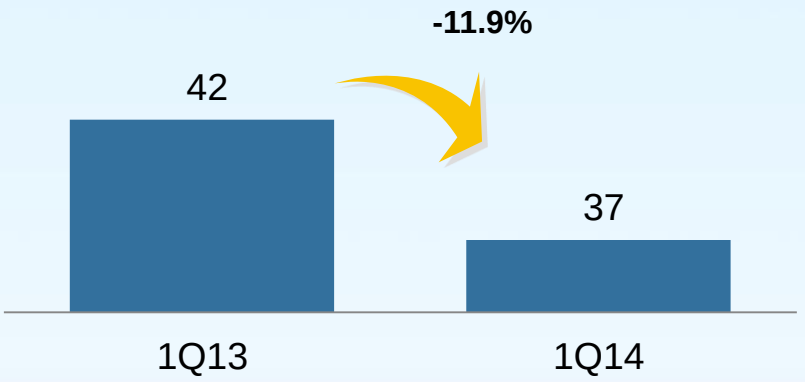
- **Very few non-recurring items during 1Q14**

Cash Flow Generation & Working Capital

Operational Cash Flow(1) (R$ millions)



Working Capital (days)

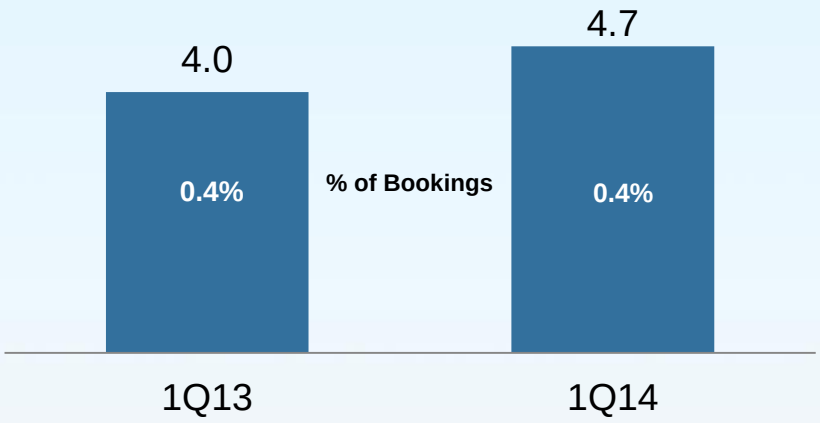


- **Operational cash flow improvement was driven mainly by growth in net income and higher working capital efficiency**
- **1Q Cash Flow is affected by high season suppliers payment**

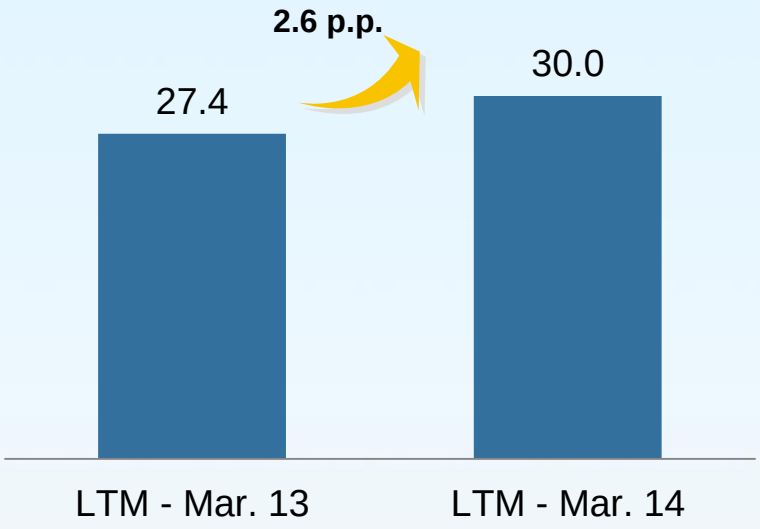
(1) After working capital and capex

Capital Expenditures & ROIC

Capital Expenditures (R$ millions)



ROIC(1) (%)

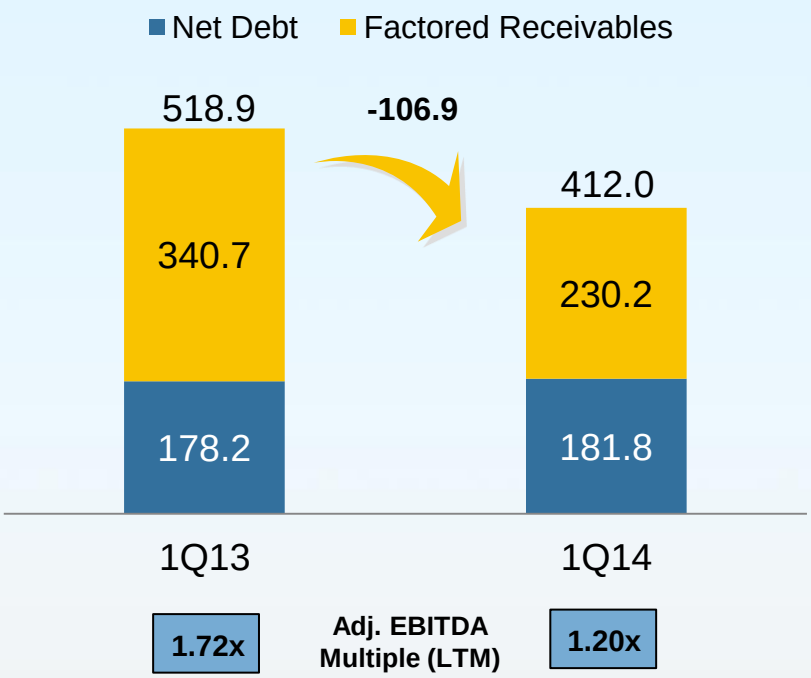


- **Return on invested capital was 30.0% in LTM, 2.6 p.p. higher than previous period, primarily as a result of EBIT growth, a reduction in PP&E and higher working capital efficiency**

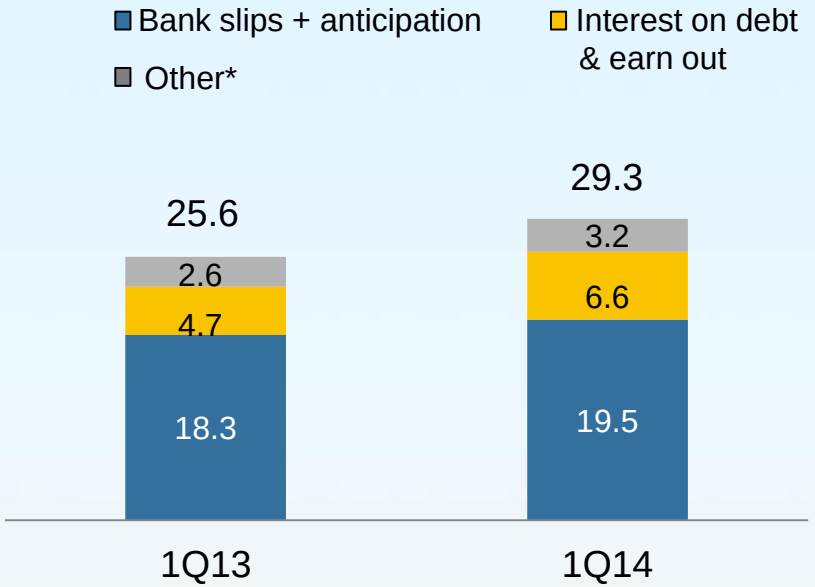
(1) ROIC: NOPAT (Net operating profit after tax) divided by Invested Capital (Net PP&E plus Net Working Capital)

Indebtedness & Financial Expenses

Indebtedness (R$ millions)



Financial Expenses (R$ millions)

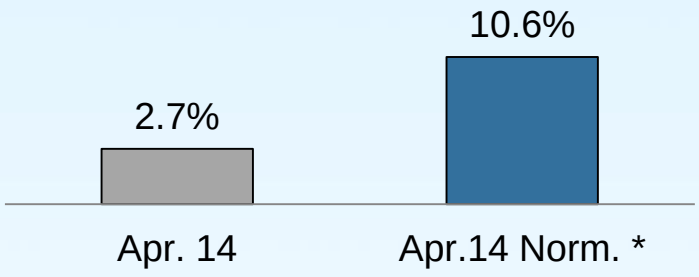


* Mainly exchange variation

- **Decrease in factored receivables is related to the cessation of factoring bank slips and checks. Currently, we anticipate credit card receivables at lower rates and tenors**
- **Increase in financial expenses is due to higher SELIC and IGP-M and higher banking fees related to bank slips/checks (driven by bookings growth of 20%)**

Bookings – April 2014

Bookings growth affected by 2 primary factors



* Normalized by holydays

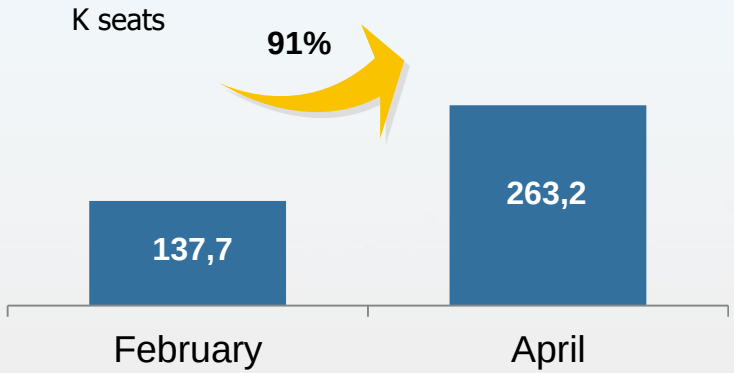
1 Less working days due to holidays

- Easter
- "Tiradentes" (national)
- São Jorge (local – Rio de Janeiro)

2 Stronger YoY basis for comparison

- In March 2013 , our CEO Mr. Falco joined the Company and immediately doubled available seats
- 24.5% and 25.3% YoY growth in Apr.13 and 2Q13, part of it from pent up sales.

Available Seats in 2013 (Packages [1])



Note:
1 Available seats for the next 6 months





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