

2Q17 Results Presentation

August 10th , 2017

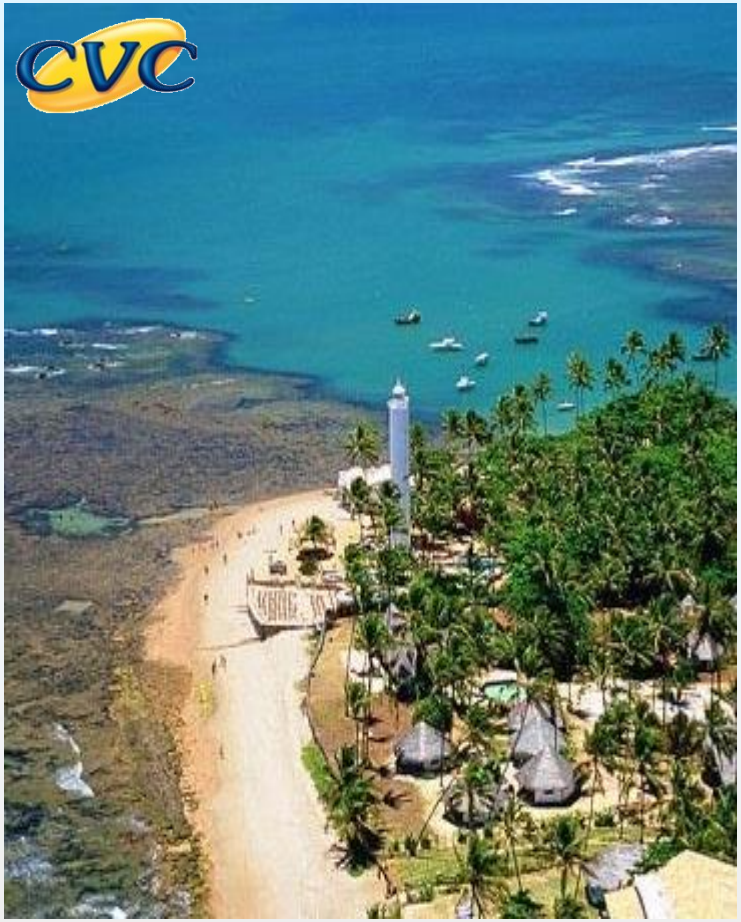
Aviso Importante



Some 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. These forward-looking statements include future results, which may be influenced by past results and investments. 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, future renegotiations or pre-payment of obligations or credits denominated in foreign currency, legal and regulatory changes and general competitive factors (whether global, regional, or domestic).



Agenda

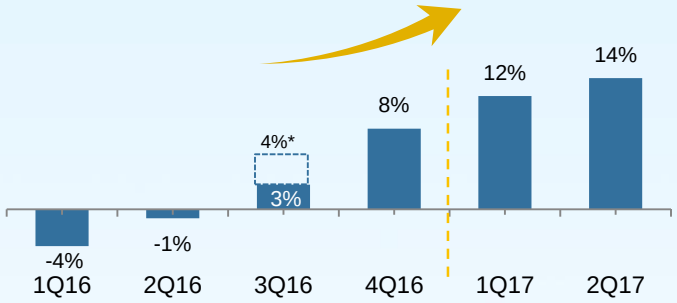


1. **Recent Events**
2. 2Q17 Results
3. Q&A Session

Highlights

Highlights - CVC Group

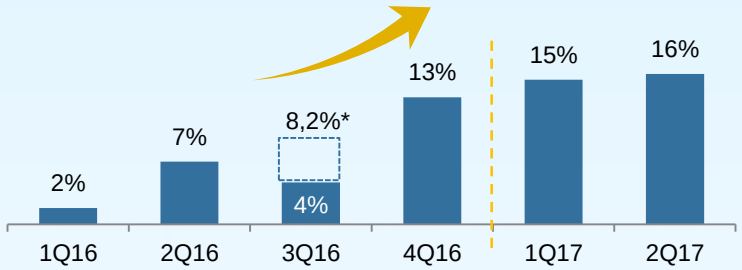
- Growth of **13.8%** in bookings of the **CVC group in 2Q17**, sustaining the trend of recovery, as demonstrated in the graph below:



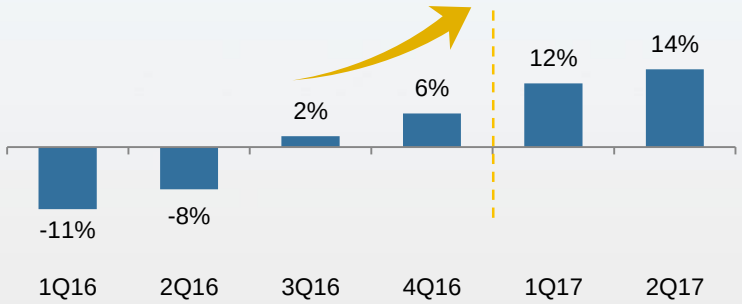
- The growth which occurred in **2Q17** was propelled by the good performance of CVC (leisure) and the corporate segment at *RA* (increase of the average ticket)
- In 2Q17 we added 32 stores, 105 openings in the last 12 months, totaling 1,136 stores in operation
- The acquisition of 49% of *RA*, now totaling 100% of corporate ownership. Marcelo Sanovicz remains as CEO
- Introduction of the NPS (Net promoter score) methodology. Customer evaluation at the time of purchase and travel

Highlights per business

- CVC (leisure) closed out 2Q17 with a growth of **15.8%**, showing a sound improvement throughout the year:



- The factors that contributed to the performance of CVC are: growth in same store sales **(SSS of 13.4% in 2Q17)** and strong growth in the cruises segment **(>100% in 2Q17)**
- The bookings at RA also showed a sound improvement:



- *Experimento* closed out the 1st semester with **a 30% growth**

•* The confirmed bookings of August were negatively impacted by the Olympics, the months of July and Sept/16 showed growth of 3.8% for CVC Group and 8.2% for CVC

Acquisitions – Next Steps



RA (RexturAdvance)

- Appraisal reports that must be concluded by August
- Perform corporate structure stages by the end of September:
  - General meeting seeking approval for the integration of holdings related to *RexturAdvance* (*RA*)
  - New general meeting seeking approval for the incorporation of shares of Read and Reserve by CVC

Trend Group

- On July 27th the *CADE* filed a registry, which is still being evaluated, with feedback deadline by August 27th
- Corporate restructuring for companies of the Trend Group, which is one of the preceding conditions for the conclusion of the transaction, is estimated to be finalized by August

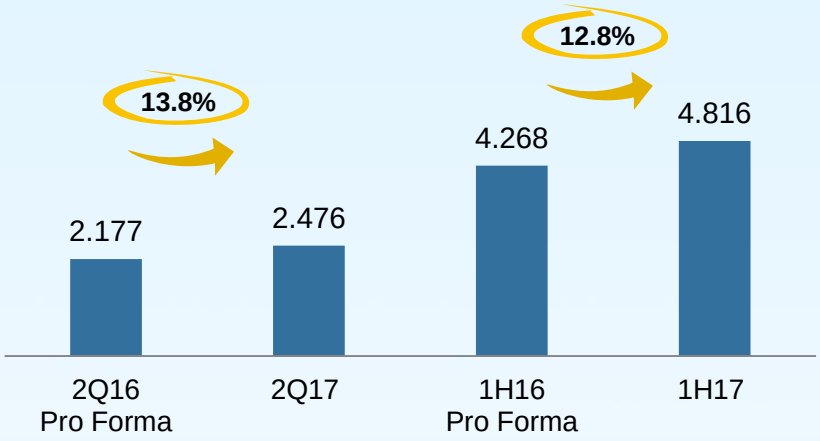
rexturadvance
simplifica a viagem

GRUPO TREND

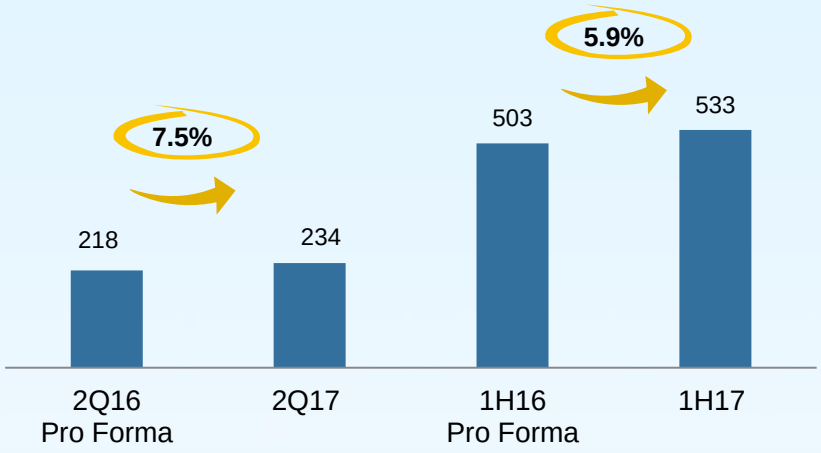


The CVC Group showed growth for the main metrics in 2Q17

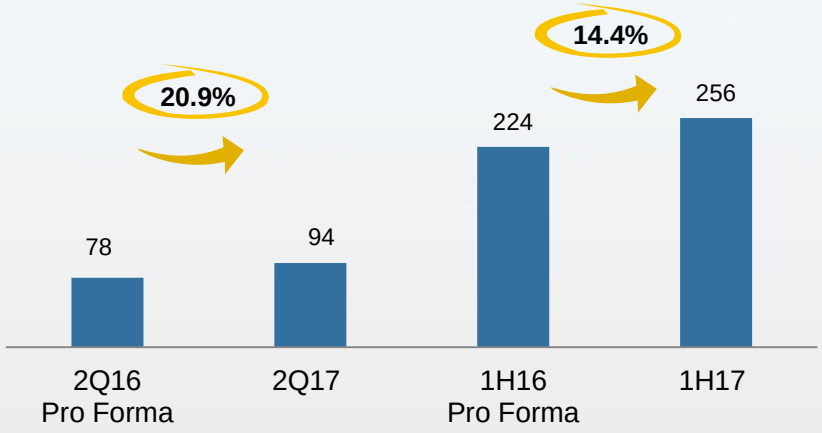
Bookings - R$ MM



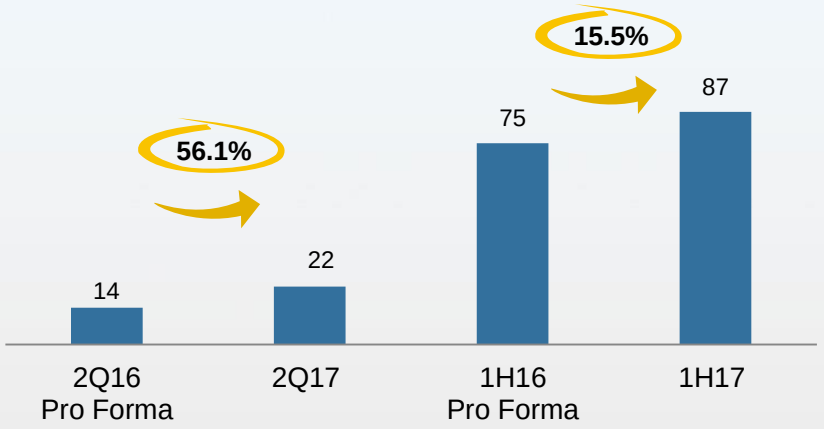
Net Revenues - R$ MM



Adjusted EBITDA(1)- R$ MM

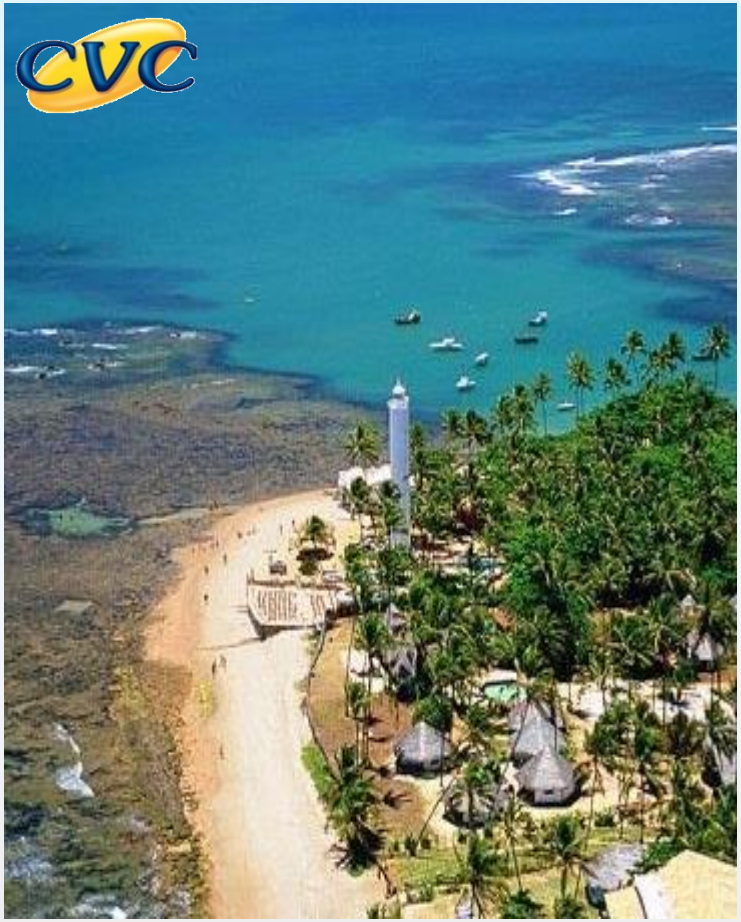


Adjusted Net Profit(1) - R$ MM



*Pro Forma includes the results of Experimento
(1) EBITDA and Adjusted Net Profit consider the new criteria of non-recurring expenses

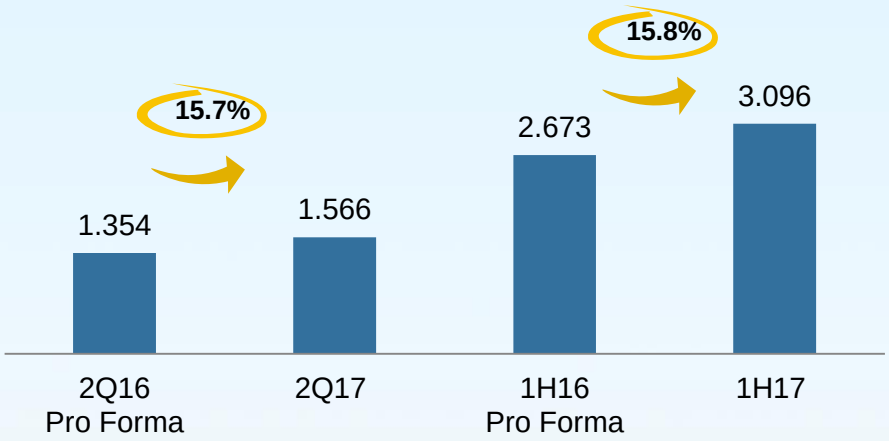
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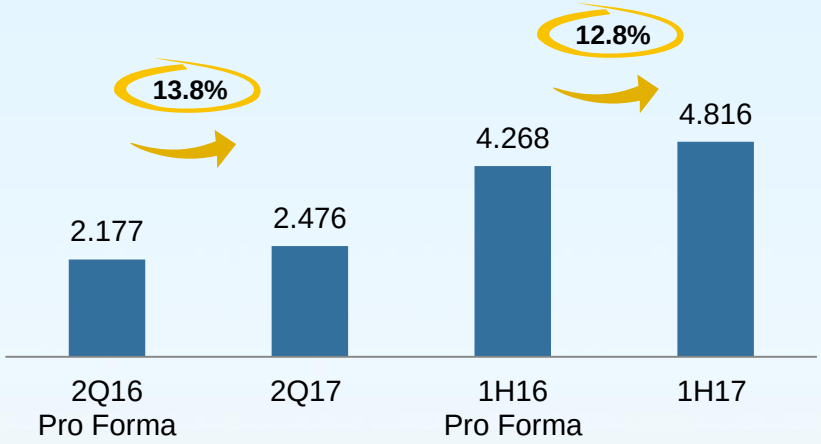
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Bookings at CVC grew 15.7% in 2Q17 and for CVC Group grew 13.8%

Bookings CVC and EX (R$ MM)



Bookings CVC Group (R$ MM)



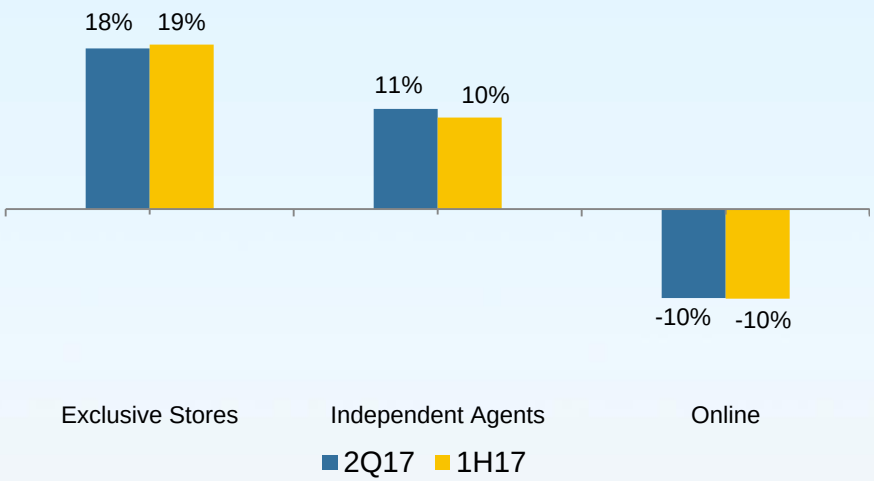
- Bookings of CVC (Leisure) and *Experimento* totaled R$1,566.1MM in 2Q17 and R$3,095.6MM in 1H17, representing growth of 15.7% and 15.8% versus the 1Q16 and 1H16 Pro Forma
- The growth in Bookings at CVC in 2Q17, mainly occurred due to the strong growth of the international segment, cruises and same store sales

- Bookings of CVC Group totaled R$ 2,476.1MM in 2Q17 and R$ 4,816MM in 1H17, representing growth of 13.8% and 12.8% versus 2Q16 and 1H16 Pro Forma
- The growth in bookings of *RexturAdvance* (average ticket) and the improvement in the performance of *Submarino Viagens* also provided support for the growth of the CVC Group

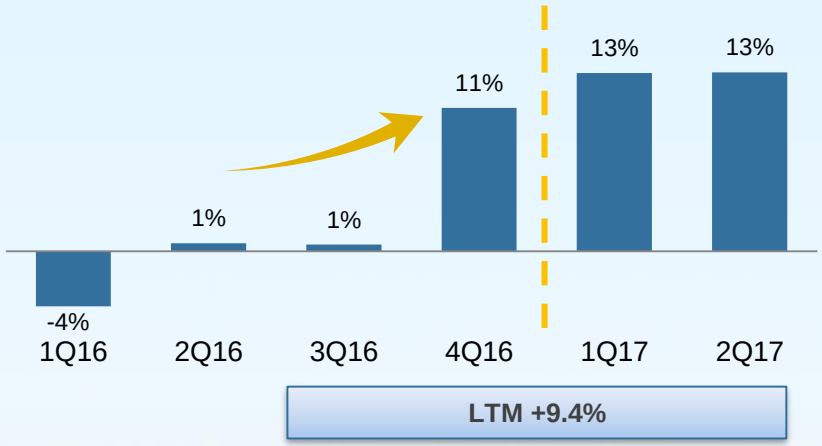
*Pro Forma includes results of Experimento

Bookings breakdown for CVC and *Experimento*

Bookings per Channel (vs. 2016)



Same Store Sales (SSS)

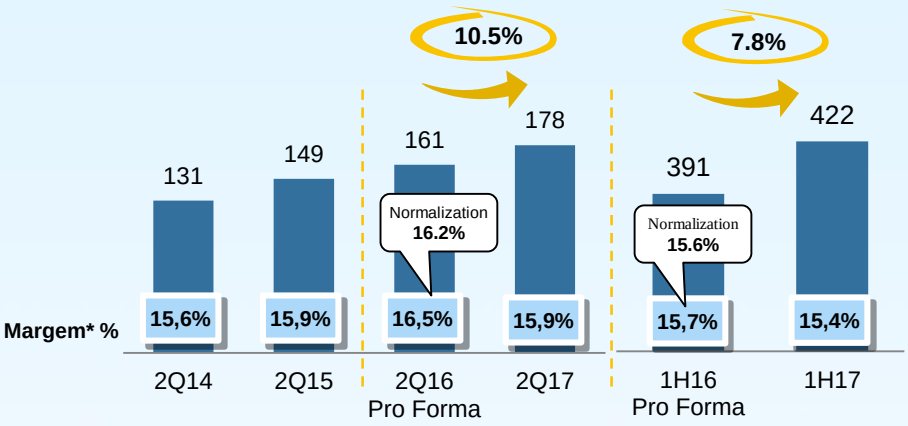


- The growth in Bookings at CVC in 2Q17 occurred due to:
  - Strong performance in exclusive stores and of multi brand travel agents
  - Strong growth in the international segment , cruises and same store sales
- The online channel, which includes the website cvc.com and telemarketing, showed reduction in bookings as a function of the drop in received telemarketing calls and contraction in the conversion rate (beginning of the migration process for franchisees)
- In the last 12 months the same store sales showed growth of 9.4%, surpassing inflation (*IPCA*) of that period of 3.60% (May/2017) and indicating that the observed gap of the last two years, due to the crisis, should be totally offset by the end of 2017

Obs: Figures exclude RexturAdvance and Submarino Viagens

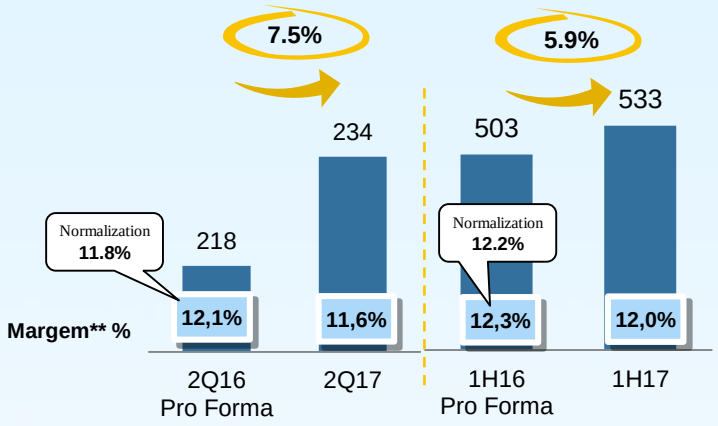
Net Revenues CVC Group

CVC and EX Net Revenues (R$ MM)



- Net revenues of CVC and EX were R$ 178.2MM in 2Q17 and R$ 421.7MM in 1H17 representing growth of 10.5% and 7.8% versus the 2T16 and 1H16 Pro Forma, respectively
- The percentage of net revenues over boarded bookings was 15.9% in 2Q17 and 15.4% in 1H17, 30 bps and 10 bps lower than the margins of the previous year after normalization of extraordinary effects in 2Q16 and in 1H16 Pro forma (pre-payment made to suppliers in exchange for improvement of commercial terms)
- The reduction of the margin is due to higher international mix

CVC Group Net Revenues (R$ MM)



- Net revenues of CVC group totaled R$ 234.3MM in 2Q17 and R$ 532.6MM in 1H17 representing a variation of 7.5% and 5.9% in relation to 2Q16 and 1H16 Pro forma
- The percentage of net revenues over boarded bookings was 11.6% in 2Q17 and 12.0% in 1H17, 20 bps lower than the margins of the previous year, after normalization of extraordinary effects in 2Q16 and in 1H16 Pro forma (pre-payment made to suppliers in exchange for improvement of commercial terms)
- The reduction of the margin is due to higher international mix

* Net revenues as % of boardings at CVC and EX
** Net revenues as % of boardings at CVC and EX and Confirmed Bookings at RA and SV
*** The result pro forma includes Experimento

New criteria for Non-recurring expenses



- From 2Q17 onwards we modified the criteria of **non-recurring expenses**
- The following non-recurring items were maintained, regarding:
  - Compensation of the CEO and VPs above compensation of the new plan proposed by Mercer. The compensation proposed will come into effect beginning 2019, once the agreed succession plan have been achieved
  - The amortization of franchising contracts (values paid in 2012 and that shall be recognized in results by 2022)
  - Discontinued operations in RJ (shall end in 2018)
- The historical results were normalized based on this new criteria

CVC Group R$ mm	1Q17	2Q17	1H17	1H16
EBITDA	**160.0**	**84.8**	**245.3**	**221.5**
Chg. (year over year)	10.3%	11.0%	10.8%	
Non-Recurring Items	**2.3**	**9.0**	**11.3**	**2.7**
CEO/ VPs Remuneration(1)	2.3	9.0	11.3	2.7
Adjusted EBITDA (New criteria)	**162.4**	**94.1**	**256.5**	**224.1**
Chg. (year over year)	11.0%	20.9%	14.4%	

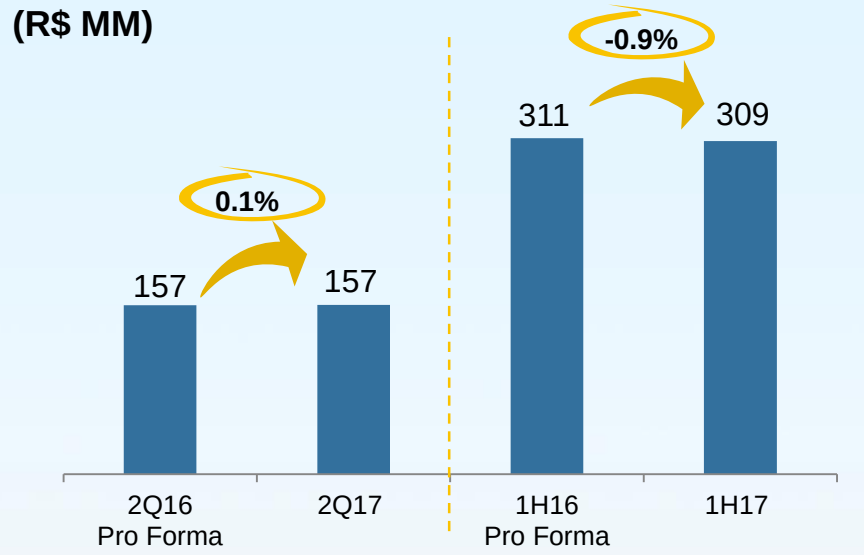
CVC Group R$ mm	1Q17	2Q17	1H17	1H16
LL	**61.0**	**13.5**	**74.5**	**69.3**
Chg. (year over year)	4.3%	25.3%	7.5%	
Non-Recurring Items	**4.3**	**8.1**	**12.4**	**5.9**
CEO/ VPs Remuneration(1)	2.1	6.4	8.4	3.0
Franchisee agremement amortization	1.5	1.5	3.0	2.9
Rio Operation	0.8	0.3	1.0	0.0
Adjusted Net Income (New criteria)	**65.3**	**21.6**	**86.9**	**75.2**
Chg. (year over year)	6.4%	56.1%	15.5%	

(1) Value that exceeds the value proposed by Mercer



Flat recurring operational expenses versus 2Q16

CVC Group Recurring Operational Expenses



Detail per nature (R$ MM)

R$ mm	1Q17	Chg.	1H17	Chg.
Operating Expenses	**165.7**	**5%**	**319.8**	**2%**
(-) Non-Recurring Items	9.0	525%	11.3	323%
Recurring Operating Expenses	**156.7**	**0%**	**308.5**	**-1%**
Selling	46.0	-6%	94.1	-7%
General and administrative	91.3	11%	176.8	10%
Depreciation and Amortization	11.2	-13%	22.1	-9%
Other operating expenses	3.3	-64%	5.7	-67%
PPA Amortization	5.0	32%	9.9	14%

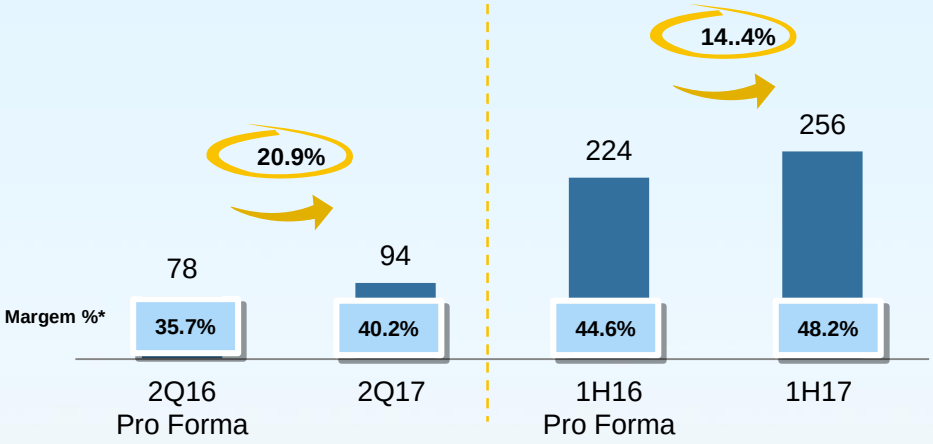
- The non-recurring expenses in 2Q17 grew R$ 7.6MM versus 2Q16, due to the approval of the new incentive plan (LIP for CEO and CFO and Retention Bonus of Commercial VP)
- The recurring operational expenses were stable in 2Q17, due to control of expenses and synergisms
- Selling expenses dropped 5.6% as a consequence of the optimization of marketing resources and lower insolvency rates among customers who were offered financing through CVC.
- General and administrative expenses in 2Q17 increased 11.2% due to *dissídio* (which is a mandatory yearly adjustment on employee salary imposed by trade union per Brazilian labor law) , expenses with M&A and recovery of social welfare credits in 2016
- Other Expenses and Operational Revenues affected by higher value of incentives from GDS* (resulting from growth of international segment) and reduction of expenses of *chargeback* from credit card

*Global Distribution System – Companies that mediate international flight connection for airlines

[2] 1Q16 and 1H16 Pro Forma adjusted due to change of criteria for non-recurring items and includes Experimento

EBITDA growth of 20.9%

CVC Group EBITDA Adjusted** (R$ MM)



Reconciliation CVC Group EBITDA** (R$ MM)

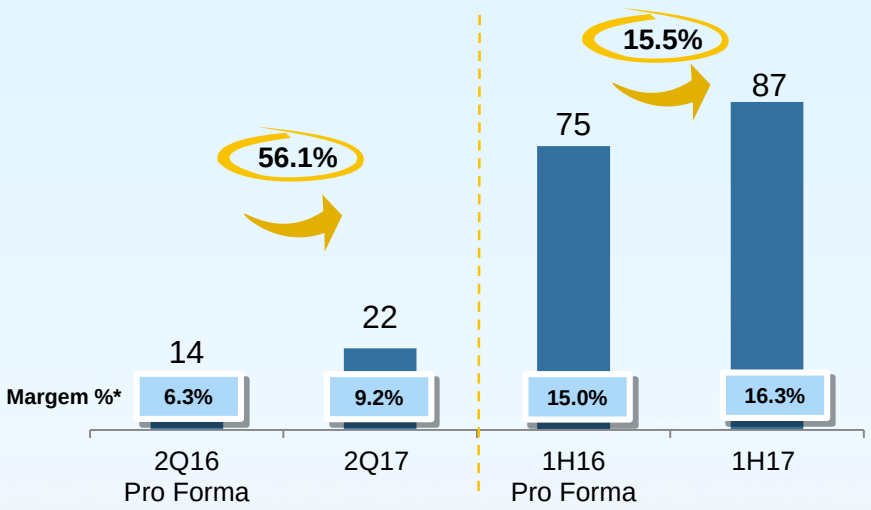
R$ mm	2Q17	Chg.	1H17	Chg.
EBITDA	**84.8**	**11%**	**245.3**	**11%**
(+) CEO/ VPs Remuneration[1]	9.0		11.3	
Adjusted EBITDA	**94.1**	**21%**	**256.5**	**14%**

- The Adjusted EBITDA of the CVC Group totaled R$ 94MM in 2Q17 and R$ 256MM in 1H17, representing growth of 20.9% and 14.4% versus1Q16 and 1H16 of CVC Group Pro Forma, respectively
- The EBITDA margin increased from 35.7% in 2Q16 pro forma to 40.2% in 2Q17, mainly due to expenses control and capturing synergies

(1) Value which exceeds the value proposed by Mercer
* EBITDA Adjusted as % of net revenues Results Pro forma includes Experimento
** EBITDA 2016 adjusted by new criteria of non-recurring expenses

Growth of 56% in the Adjusted Net Profit

CVC Group Adjusted Net Profit** (R$ MM)



Reconciliation CVC Group Net Profit** (R$ MM)

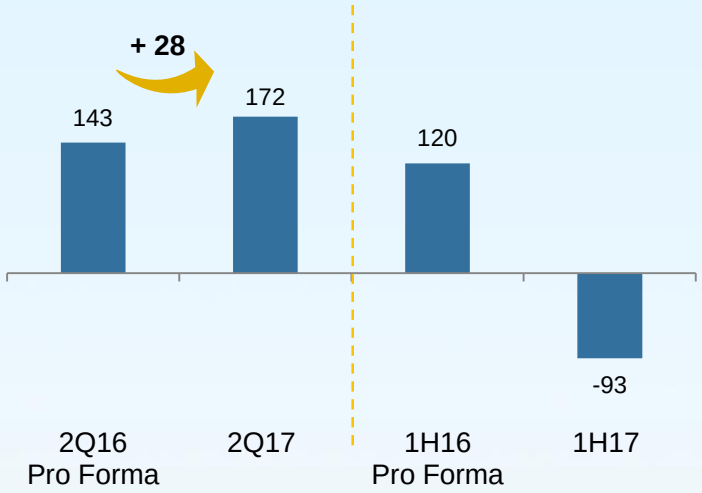
R$ mm	2Q17	Chg.	1H17	Chg.
Net income	**21.2**	**32%**	**88.2**	**13%**
(-) Minority Stake	-7.7		-13.7	
Net income to shareholders	**13.5**	**25%**	**74.5**	**8%**
(+) CEO/ VPs Remuneraçtion[1]	6.4		8.4	
(+) Franchisee agremement amortization	1.5		3.0	
(+) Rio Operation	0.3		1.0	
Adjusted Net Income	**21.6**	**56%**	**86.9**	**16%**

- The adjusted Net Profit of CVC Group totaled R$ 22MM in 2Q17 and R$ 87MM in 1H17, representing growth of 56.1% and 15.5% versus 2Q16 and 1H16 of CVC Group Pro Forma, respectively
- The growth of the Adjusted Net Profit in 2Q17 was due to the growth of 20.9% in EBITDA and small growth in financial expenses (3%)

(1) Value which exceeds the value proposed by Mercer
* Adjusted Net Profit as% of net revenues
Results Pro forma includes Experimento
** Adjusted Net Profit 2016 considers the new criteria of non-recurring expenses

Operating Cash Generation of R$ 172MM in 2Q17

Operating Cash Flow[1] (R$ MM)



Operating Cash Flow (R$ MM)

Cash Flow - R$mm	2Q16	2Q17	1H16	1H17
Net Income	**17.5**	**21.2**	**80.0**	**88.2**
Deferred tax	5.0	(1.0)	19.6	6.9
Interests	15.4	18.4	27.0	36.2
Depreciation & amortization	13.7	13.9	27.2	27.5
Others Adjustments	23.8	16.6	38.2	31.4
NI Adjusted by cash itens	**75.4**	**69.2**	**192.0**	**190.3**
Change in Working Capital	**87.1**	**118.2**	**(40.8)**	**(253.0)**
Capex	(19.3)	(15.8)	(33.9)	(30.7)
Other	-	-	3.0	-
Operational Cash Flow	**143.1**	**171.6**	**120.4**	**(93.4)**

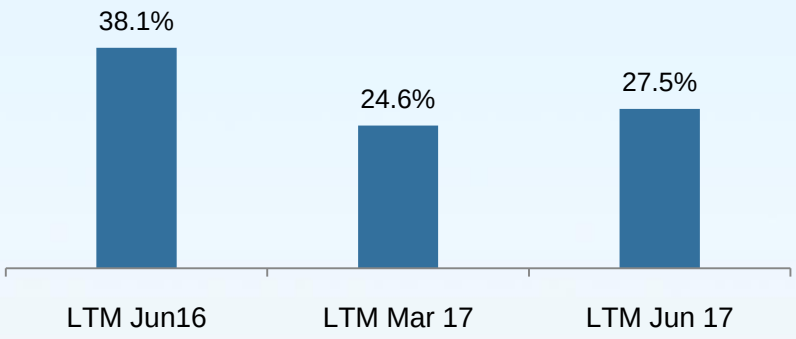
	2Q17	1Q17	2Q16
Working Capital (Days)	35.4	41.9	27.2
Boardings (Days)[2]	77.4	78.1	72.3

- In 2Q17, the CVC Group generated R$ 172MM of operating cash, R$ 28MM better than in 2Q16. The greater cash generation in the quarter was a result of the improvement in the working capital that captured the consumers´ decision to anticipate the purchase of their travel (77.4 days in 2Q17 versus 72.3 days in 2Q16)
- In the first half of 2017, CVC Group reported a cash consumption of R$ 93MM impacted by the worsening of working capital occurred in 1Q17, as a consequence of pre-payments made to suppliers and the increase in sales with regular air travel payments (where the payment is performed after booking, whereas for the charter and block charter we pay after boarding)

1 Net of Capex and changes in working capital
2 Days between the date of booking and the date of boarding

Return on invested capital of 27.5%

ROIC[1] (%) – CVC Group



ROIC Calculation[1] (%)

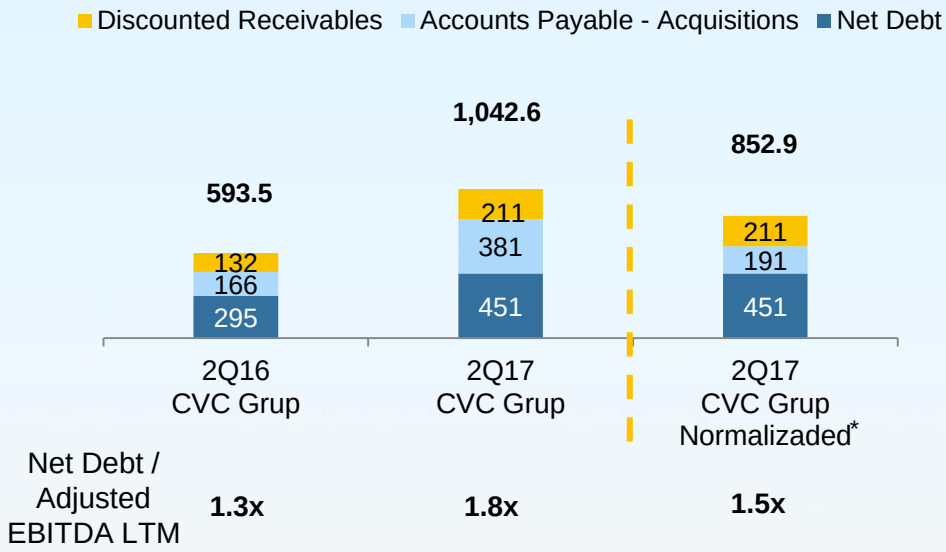
	LTM		
CVC Group R$ mm	**jun/17**	**jun/16**	**Chg.**
EBIT[1]	**486.9**	**464.8**	**4.7%**
Tax rate (34%)	(165.5)	(158.0)	
Goodwill tax benefit		26.4	
NOPAT	**321.3**	**333.2**	**-3.6%**
Net PP&E[2]	235.4	238.8	
Net Working Capital[3]	932.9	636.5	
Invested Capital	**1,168.3**	**875.3**	**33.5%**
ROIC	**27.5%**	**38.1%**	**-10.6 p.p.**

- The ROIC was 27.5% in the last twelve months ended in June/17, 2.9 p.p better than what was determined in March/17, due to improvement in working capital

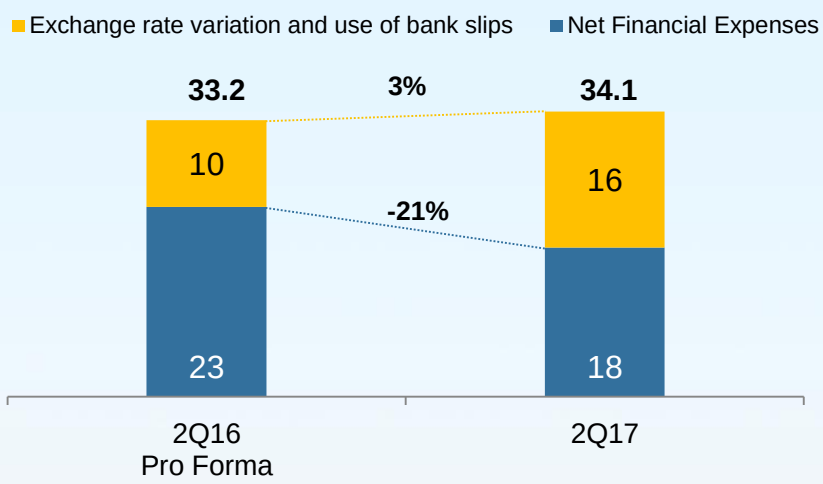
1 ROIC: Operating Net Profit after taxes divided by Invested Capital (Fixed Assets + Working Capital)

Debt and Financial Expenses

Net Debt (R$ MM)



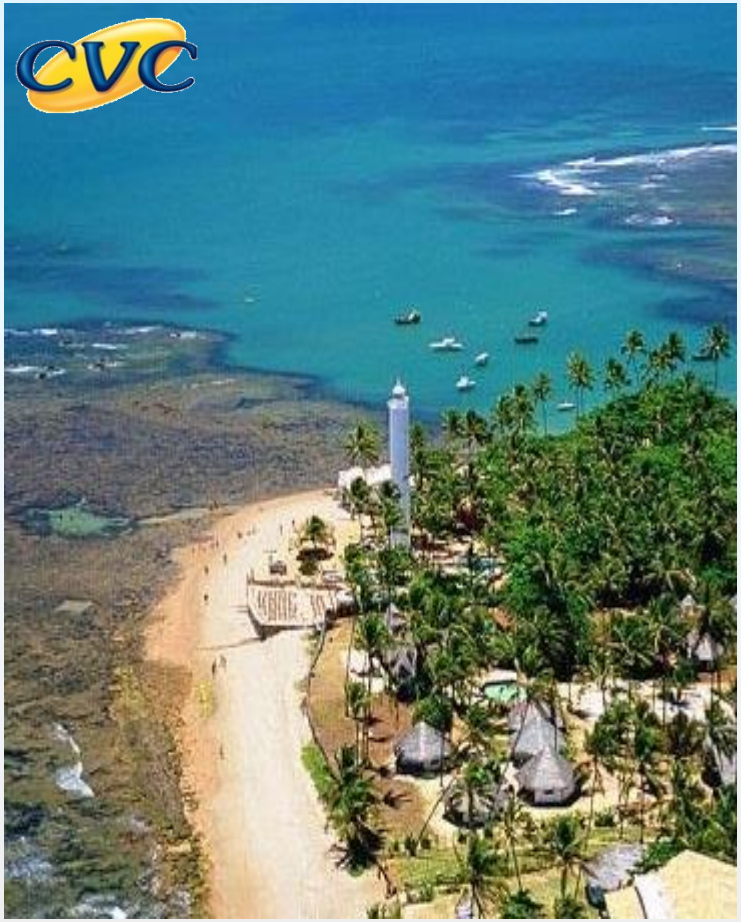
Net Financial Expenses (R$ MM)



- The leverage** of the group in 2Q17 was 1.8x net debt/EBITDA LTM, already considering debt from acquisitions and advancing of receivables
- For accounting purposes the value of R$ 190MM relative to the purchase of 31.85% of RA, which shall be paid with CVC shares, must be treated as debt until such payment is approved in the general meeting
- After normalizing the value of R$ 190MM, the leveraging of CVC Group would be 1.5x net debt/EBITDA LTM in 2Q17
- The net financial expenses of CVC Group showed drop of 21%, mainly due to increase of financial revenues (due to pre-payment to suppliers)
- If we include the other items (exchange rate variation and financing through use of bank slips), the growth in total net financial expenses was 3%

*Excluding the value of R$ 190MM treated as debt in the financial statement
** Net Debt / Adjusted Ebitda LTM

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