

Earnings Release 4Q19 e 2019



COVID-19 Actions

Employees

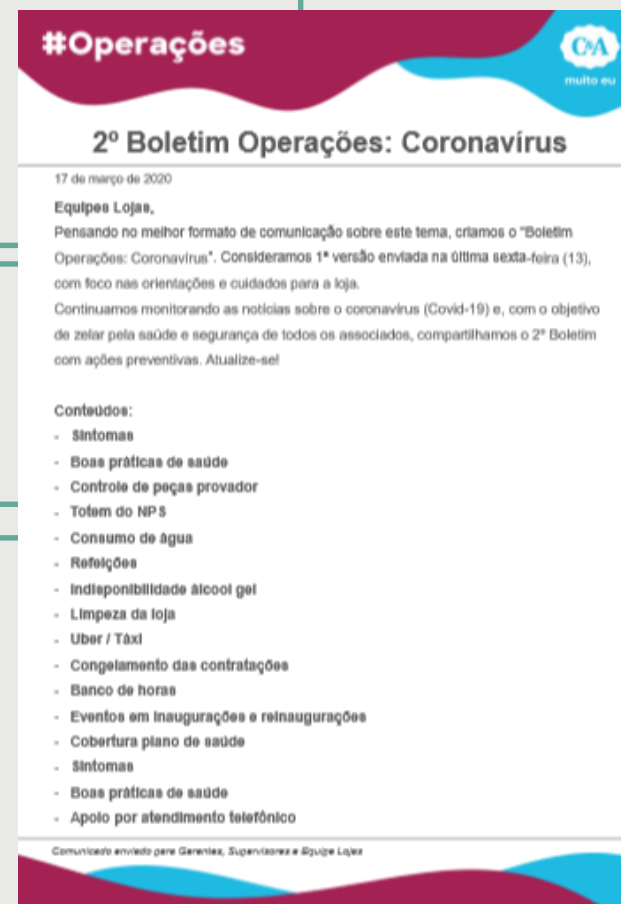
- People allocated in the Central Offices working in home office
- Suspension of work trips and of our annual convention
- Exam for the detection of the virus authorized by the healthcare plan (independent of the employee's position + reliant)
- Frequent communications to guide managers in assist the teams
- Creation of a 24x7 hotline with doctors and nurses
- Stores closed or with optimized shifts

Suppliers

- Adjustment on the receipt due to the impact on demand
- Tracking of possible breaks in case of virus, having as a consequence the breakdown in production

Clients

- Withdrawal of mobile payment equipment
- Suspension of the use of signs with the number of pieces in the fitting room
- Reinforcement with cleaning teams focused on the most exposed places
- C&A in home
- E-commerce working with a proximity solution



How we finished 2019



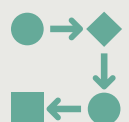
New Store openings

- 10 new store opened
- Total of 287 stores



Implementation of the **new store concept – CVP***

- 74 remodeled stores



Modernization of the **Supply Chain** operating model

- First sorter operating since October 2019



Digital Transformation

- Client Experience: 9MM of membres in the C&A&VC loyalty program
- Omnichannel: Click and Colect -280 stores, ship from store -71 stores, Infinite aisle -51 stores
- 32% growth of E-Commerce



Credit Offering increase

- New product (ELO flag)
- New system of admission
- Growth in the issue of new cards

Items that had impact in the 2019 result

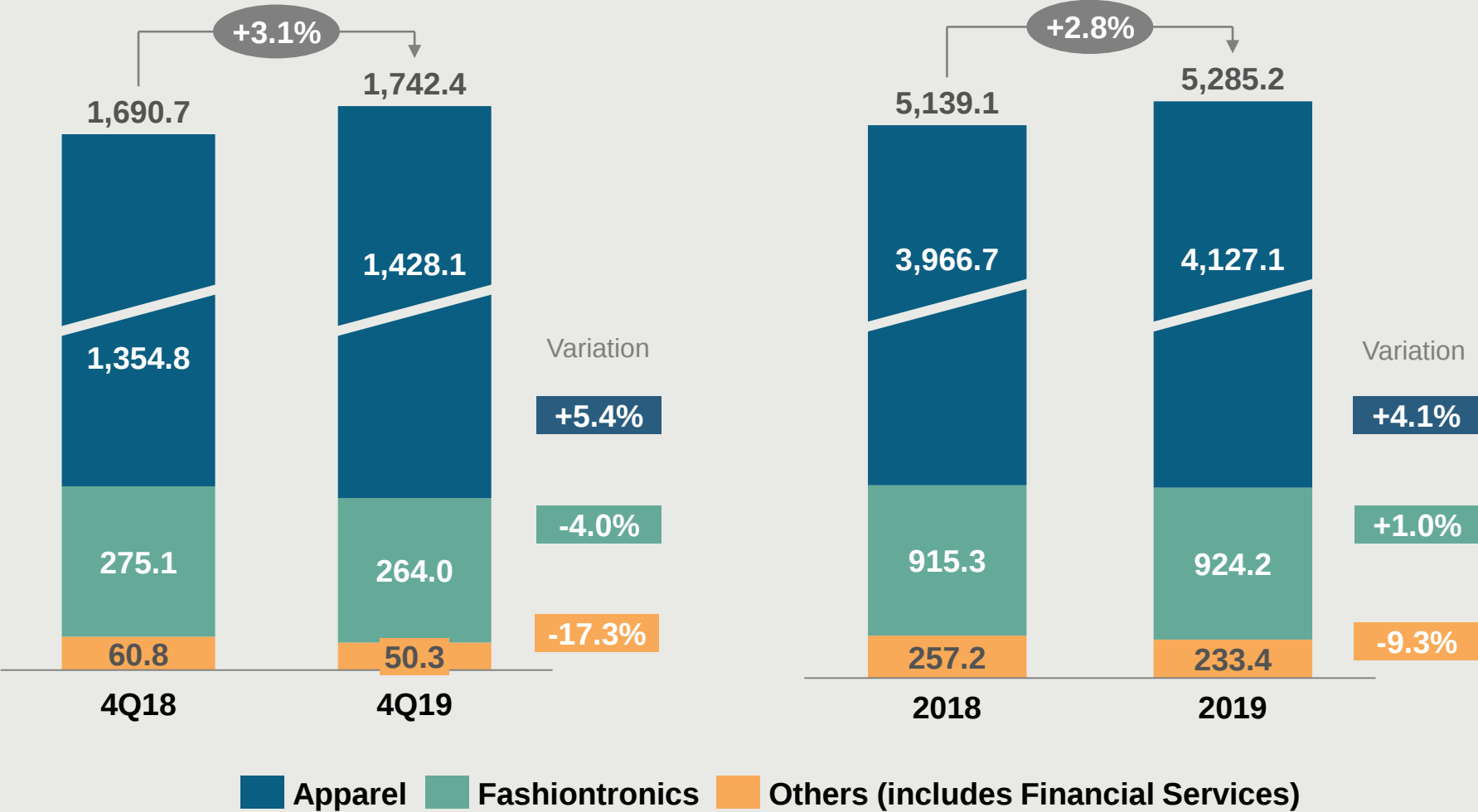
→ IFRS 16 adoption:

Balance		4Q19	2019
Right-of-use – leases (Assets) + R\$ 1,507.8 million	Occupancy (Operational Expenses)	- R\$ 84.6M	- R\$ 322.6M
Lease (Liabilities) + R\$ 1,587.7 milhões	Depreciation and Amortization (Operational Expenses)	+ R\$ 49.0M	+ R\$ 268.7M
	Interest on Leasing (Financial Result)	+ R\$ 82.3M	+ R\$ 137.5M
	Profit, Net of Tax Effects	- R\$ 30.9M	- R\$ 55.2M

→ Tax credit regarding the right to exclude ICMS of PIS/COFINS calculation base.

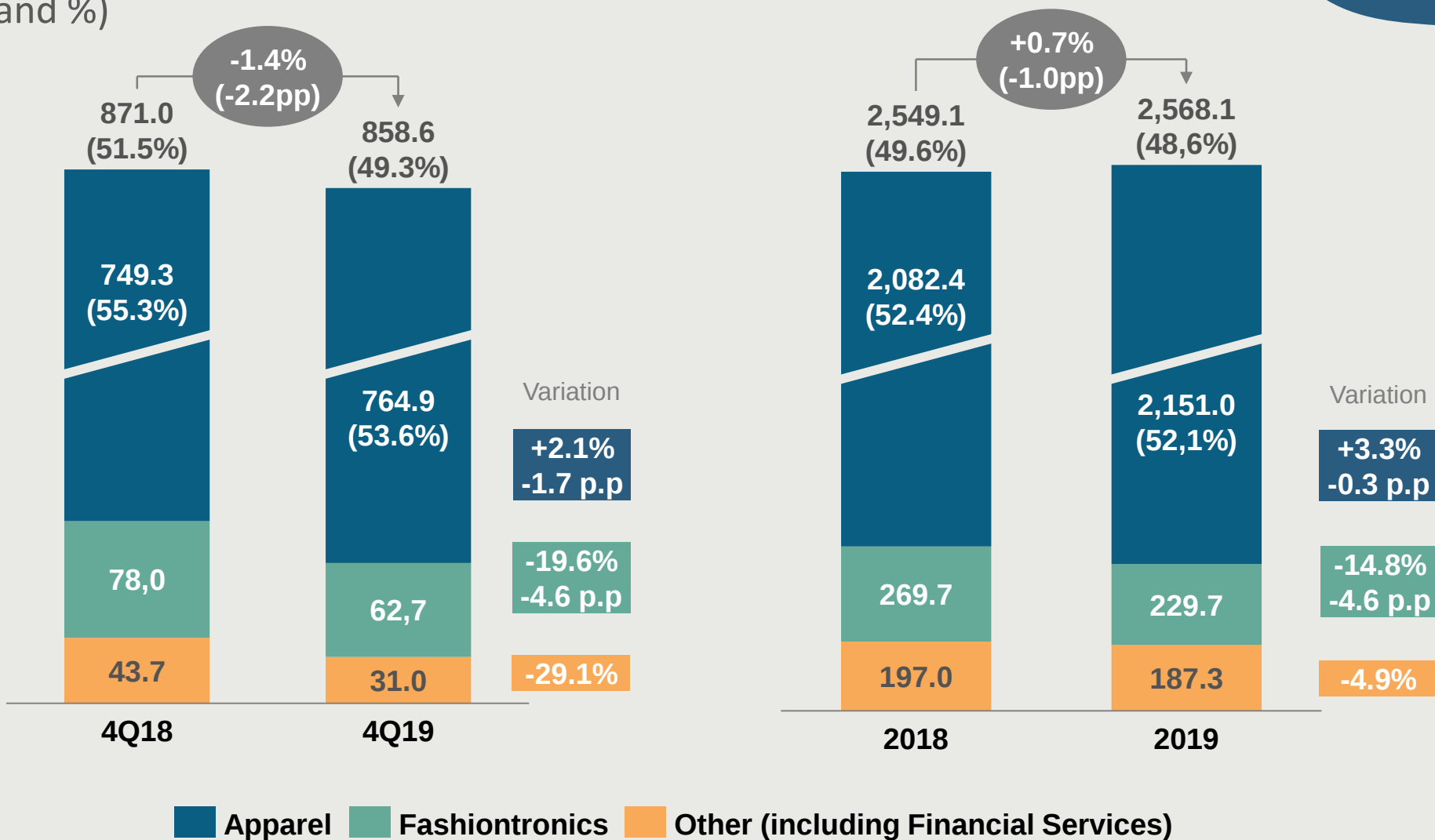
Net Revenue

(R\$ million)



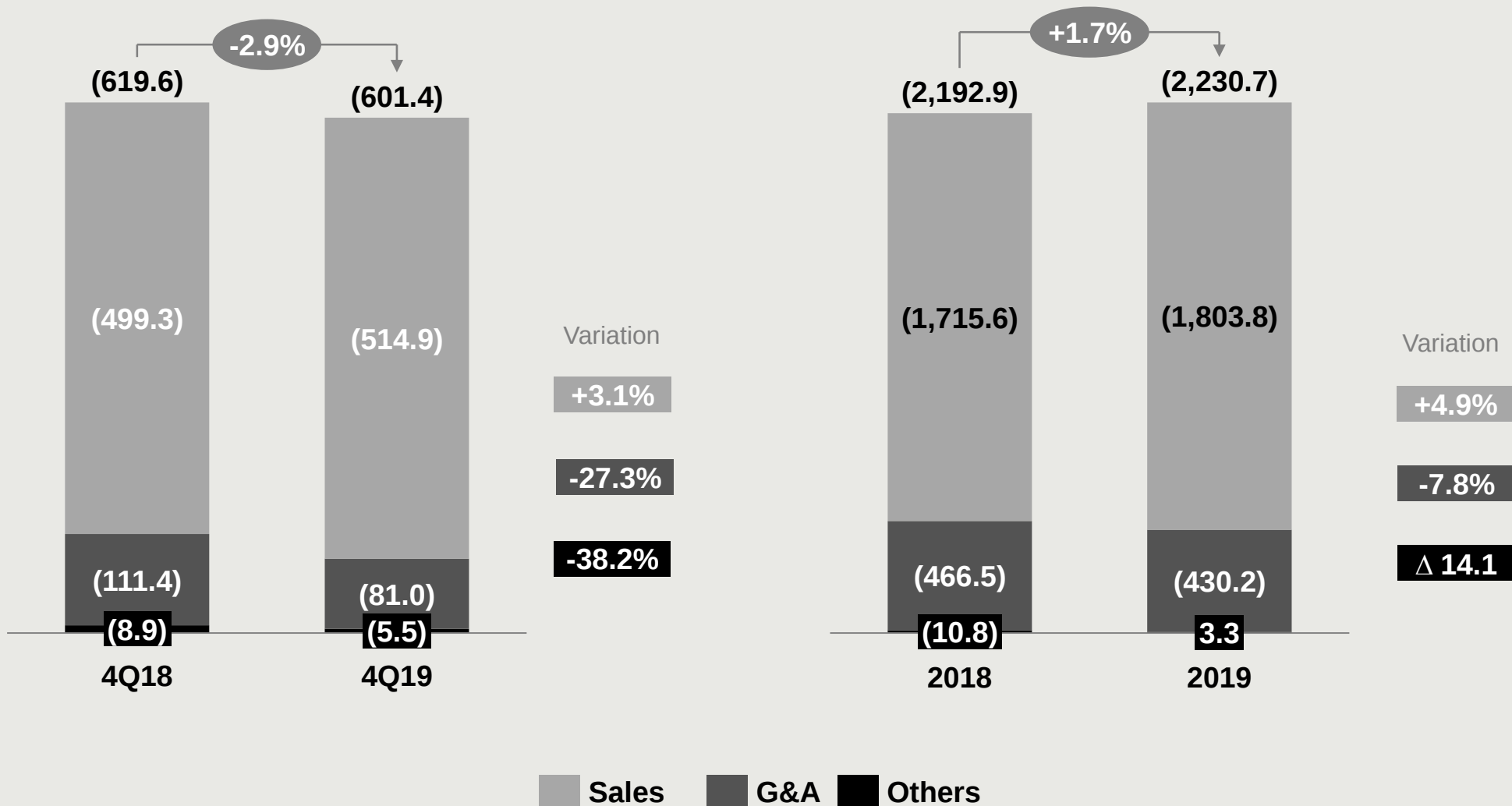
Profit and Gross Margin

(R\$ million and %)



Pro Forma Operational Expenses

(R\$ million)



Financial Products Partnership



R\$ million	4Q19	4Q18	△	2019	2018	△
Net Revenue of the partnership with Bradescard	46.6	56.3	-17.2%	215.4	241.3	-10.7%
Financial Services Gross Profit	46.3	55.9	-17.3%	214.1	239.7	-10.7%
(-) Financial Services Expenses - Sales	(56.4)	(47.7)	18.2%	(207.8)	(191.1)	8.8%
(=) Financial Services Result	(10.2)	8.2	-R\$ 18,3M	6.3	48.6	-87.0%

	4Q19	4Q18	△	2019	2018	△
Average Net Receivables (R\$ bilions)	3.1	3.2	-0,9%	2.9	3.5	-15,0%
% of sales	20.1%	21.2%	-1,1 p.p	20.8%	22.4%	-1,6 p.p
Number of new cards (thousand)	294.1	198.2	48,4%	783.5	589.8	32,8%
Number of active cards (million)	5.3	6.0	-12,3%	5.4	6.1	-12.3%
Delinquency Rate* (%)	9.8%	6.3%	-3,5 p.p	9.0%	7.0%	-2,0 p.p

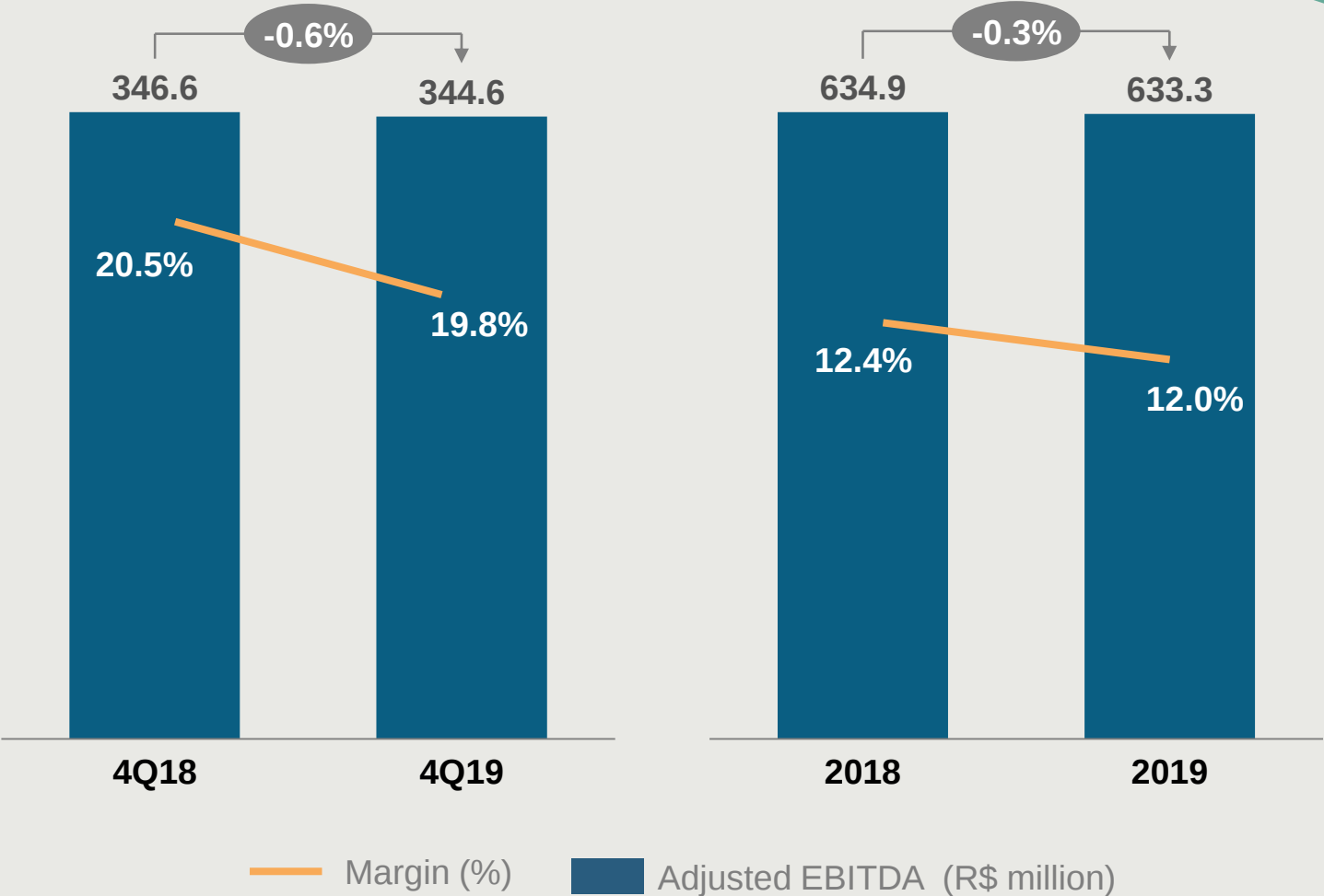
*Net Losses /Portfolio

New cards which generated the expected increase in PDD, and credit portfolio sale in 2018

Increase in issuance as a result of new product, new plataforma and increased investment in uptake in festive dates

Adjusted EBITDA and Margin

(R\$ million and %)

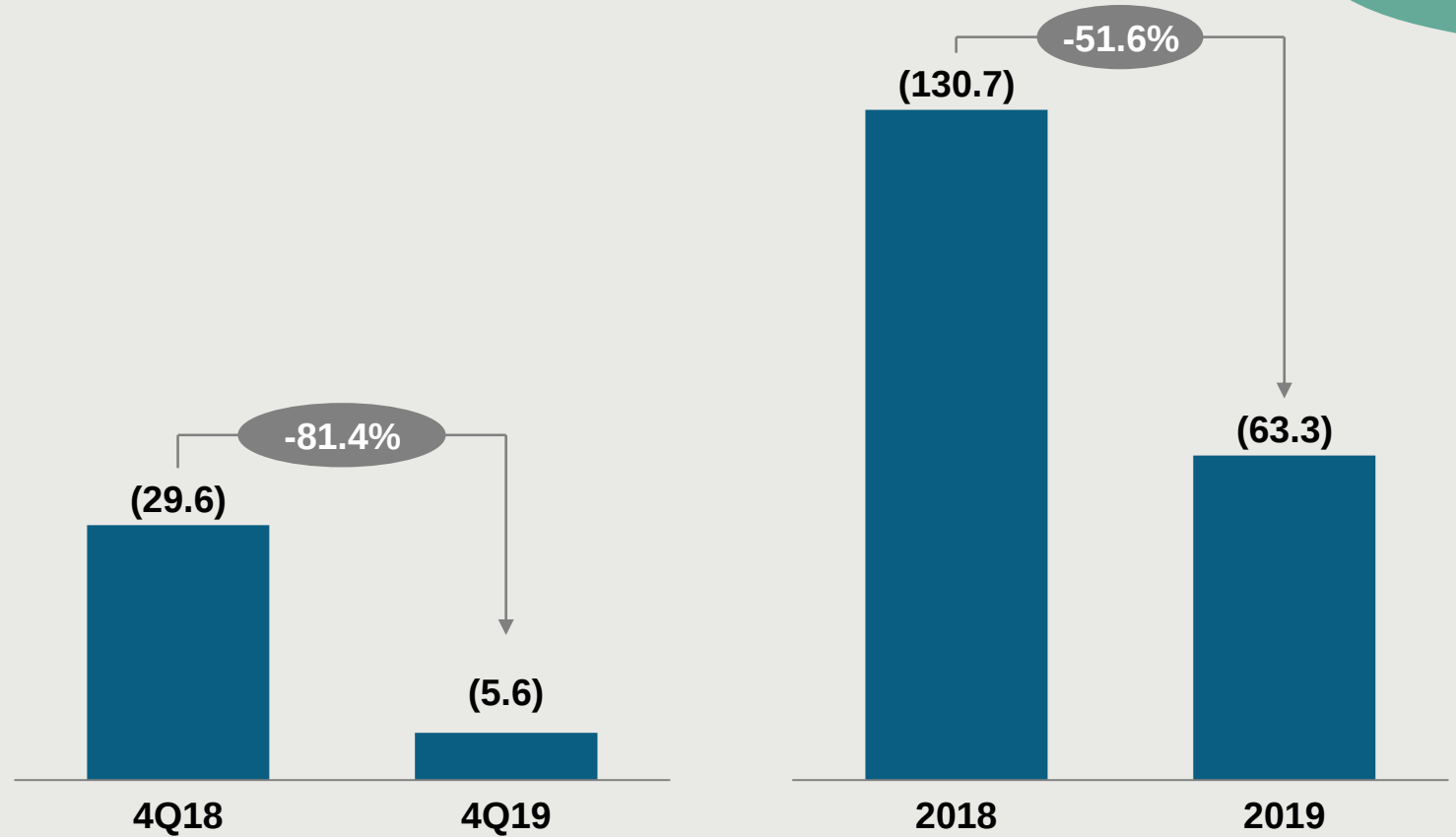


Pro Forma Financial Result

(R\$ million e %)

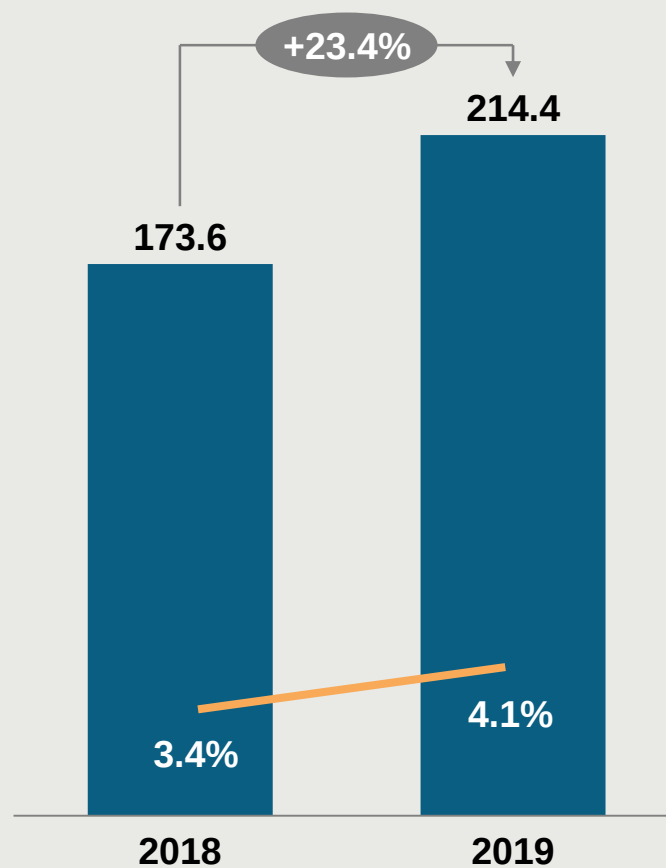
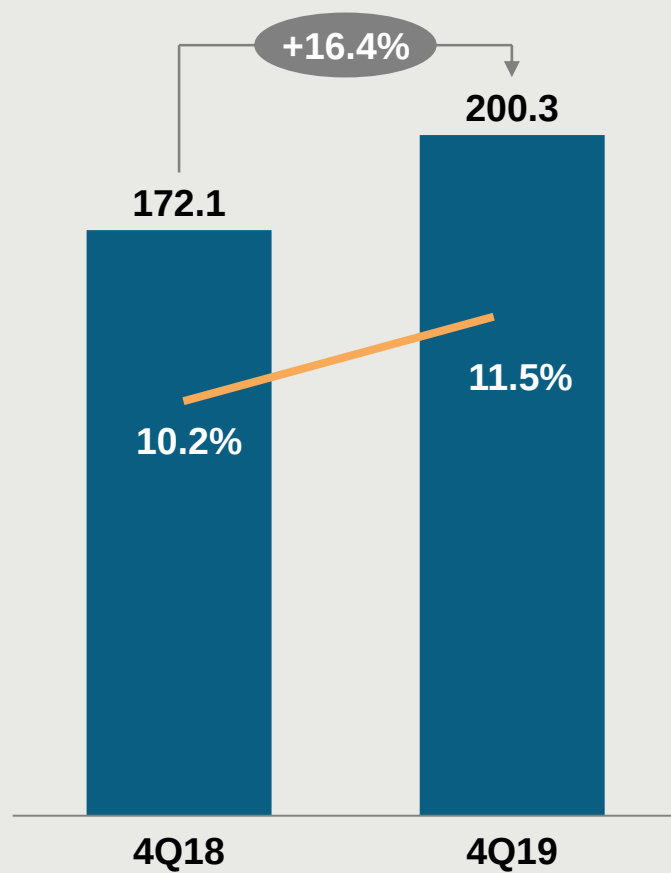
Pro Forma Financial Result was mainly impacted by the settlement of loans with related parties during 2019:

- savings of R\$ 13.5 million in 4Q19 between exchange variation, exchange swap and interest
- R\$ 65.1 million savings in 2019



Net Profit and Margin

(R\$ million and %)



Margin (%)

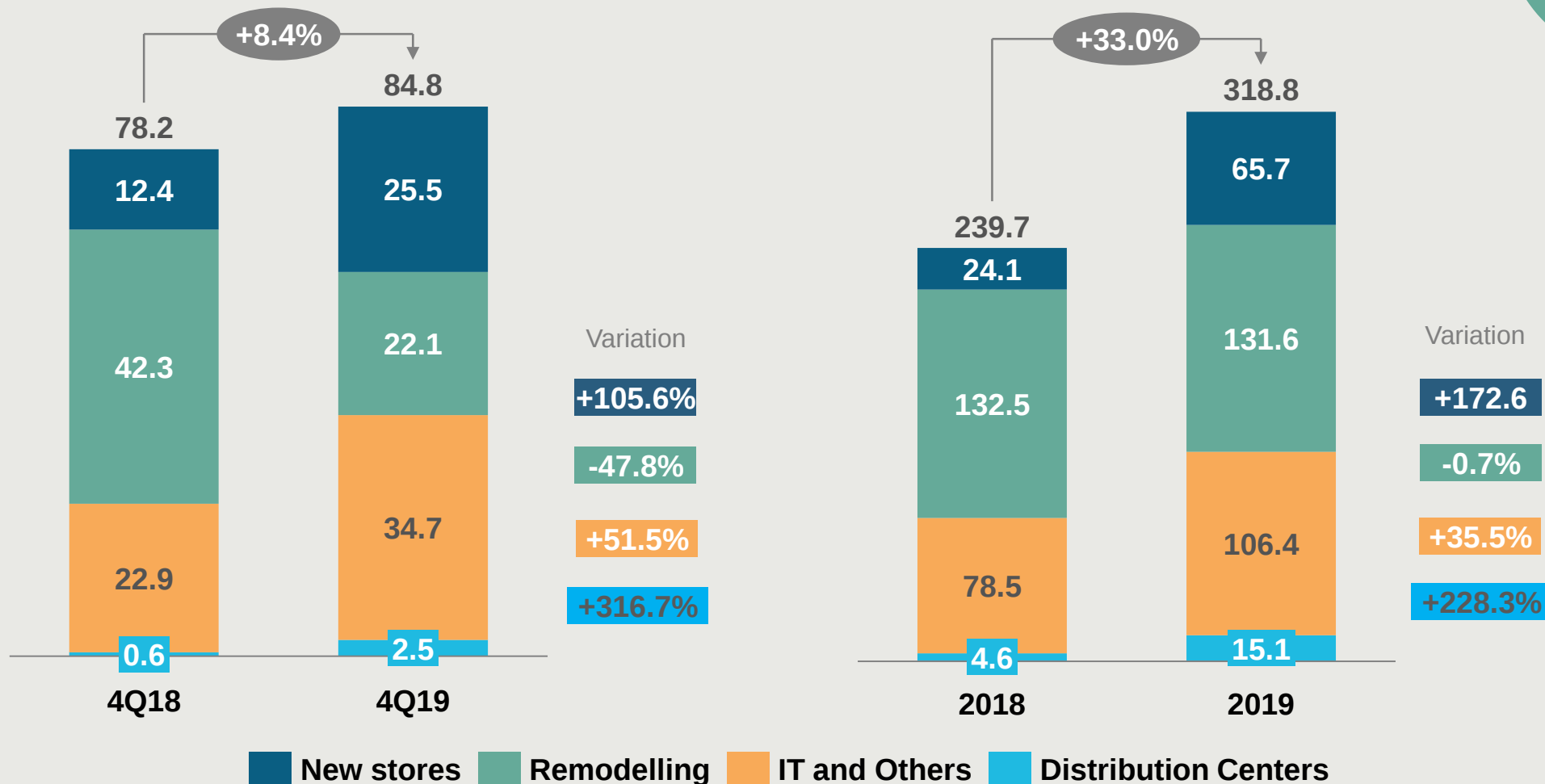


Net Profit (R\$ Million)



Investments

(R\$ million)



Earnings Release

4Q19 e 2019

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