



ALPARGATAS

Conference Call 2Q19 Results

Beto Funari – CEO
Julian Garrido – CFO





Roberto Funari

Performance



| 2Q19 Consolidated Results*

Revenues increased to R\$ 993,4 million and recurring EBITDA to R\$ 127,7 million



+12%

NET REVENUE



+39%
+2.6pp

RECURRING EBITDA



+278%

**RECURRING NET
INCOME**

*Within Topper and Textile Argentina

| 2Q19 highlights (without Topper and textile Argentina) ALPARGATAS

Revenues increased to R\$ 843,1 million and recurring EBITDA to R\$ 111,9 million



+15%

NET REVENUE



+16%
+0.4pp

GROSS PROFIT



+34%
+1.8pp

RECURRING EBITDA

VOLUME

NET REVENUE

BRAZIL

+5%

+17%

INTERNATIONAL

+15%

+14%

*Without Topper and Textile Argentina

Market Share*

+0,5pp

havaianas®

Same Store Sales** 2Q19

+17%

havaianas®

+21%

OSKLEN

* Brazil volume share, internal estimate YTD

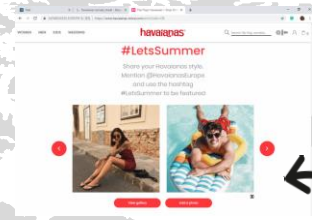
**Net Revenue based on Direct to Consumer same store sales

Havaianas Global – brand experience and new channels



<https://youtu.be/imtKECn0dVk>

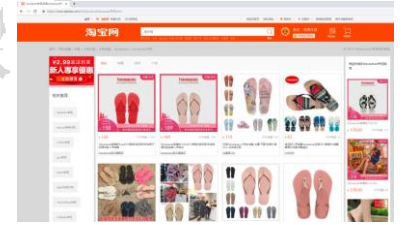
LA digital
experience:
interactive
boardwalk



New Flagship
store: EMEA



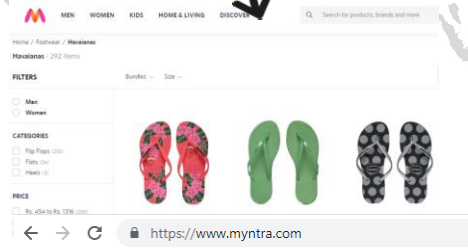
CHINA



淘宝网
Taobao.com

havaianas官方旗舰店
描述 4.8 | 物流 4.9 | 服务 4.8 | 品牌直售

INDIA



MEN WOMEN KIDS HOME & LIVING



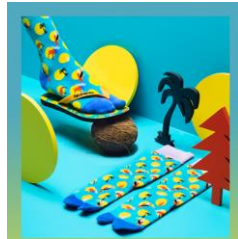
+49%

FOLLOWERS
2T19x2T18



~12MM
views per video

Havaianas Global – desirability



JUST IN:

Happy Socks
x
havaianas

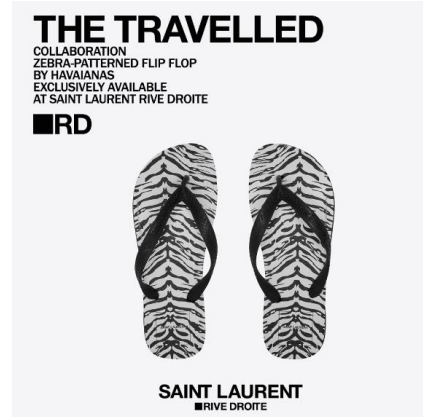
Inspired by the snowy landscapes of Sweden and the sunny beaches of Brazil, Get your exclusive pair of flip-flops and toe socks today.

SHOP NOW



Campanha da coleção Havaianas x Pull & Bear, fotografada por Daria Kobayashi Blich em Los Angeles

PULL&BEAR



Tarsila

Havaianas – Best Sellers

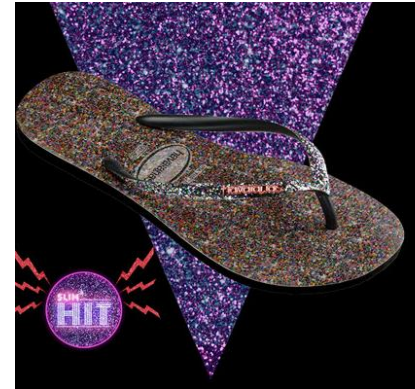
Havaianas Slide



Havaianas You Saint Tropez



Havaianas Slim Hit



Havaianas Urban Family



Havaianas Slim Glitter



Osklen – brand experience and new channels

Omnichannel: : 104% growth in the second quarter and 148% in the first half/2019.

Product Launch May/ 19

TOP 5 Stores

IGUATEMI	SP
OSCAR FREIRE	SP
CIDADE SÃO PAULO	SP
MORUMBI	SP
PATIO HIGIENOPOLIS	SP



Sustainability Recognition



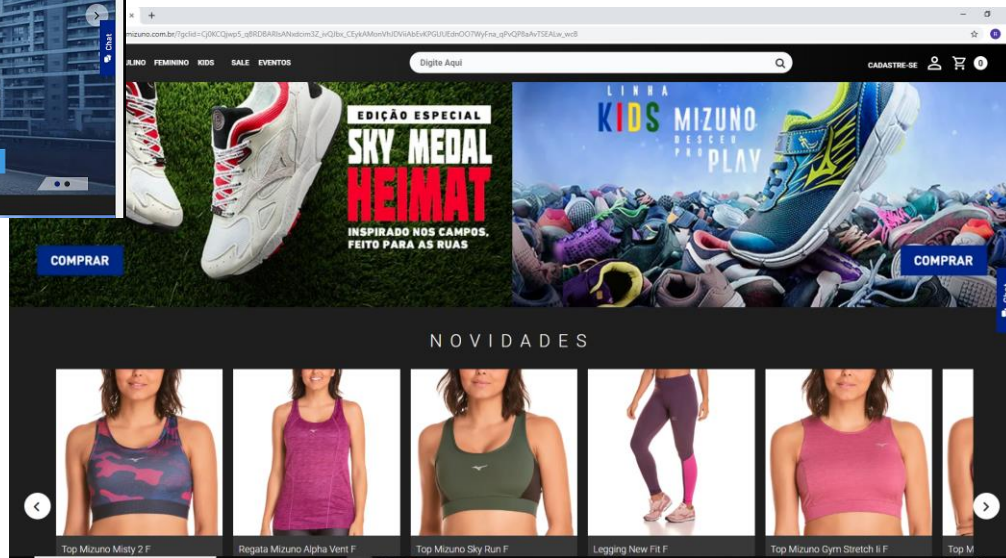
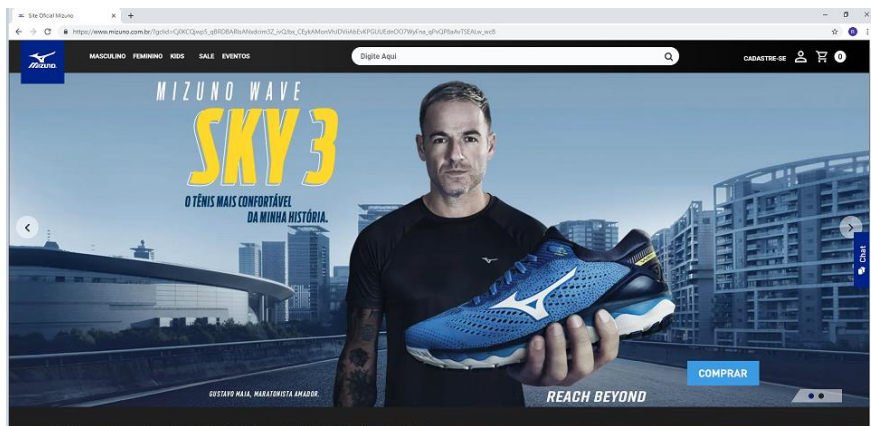
Tarsila



OSKLEN
HYBRID
オスクレン



Mizuno – brand experience and new channels





Julian Garrido

Chief Financial Officer




| 2Q19 Consolidated Results*

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RECURRING EBITDA



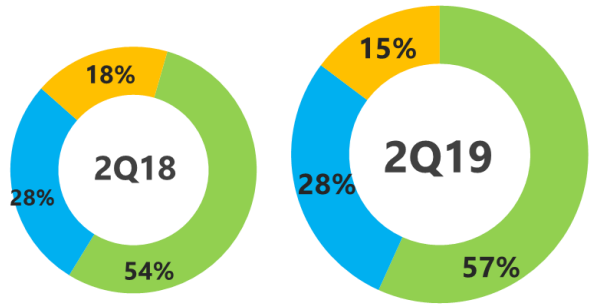
+278%

**RECURRING NET
INCOME**

*Within Topper and Textile Argentina

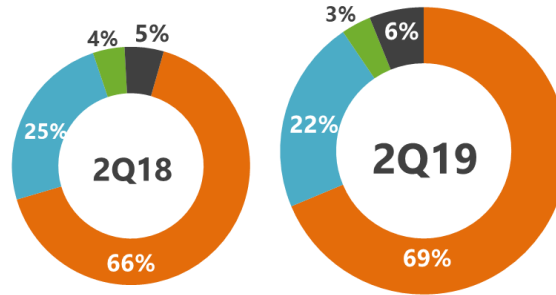
| 2Q19 highlights – Net Revenue

Consolidated by region



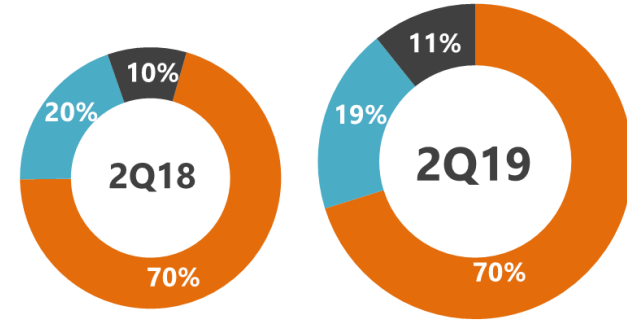
▶ Brazil ▶ Sandals International ▶ Topper/Textile Argentina

Consolidated by business



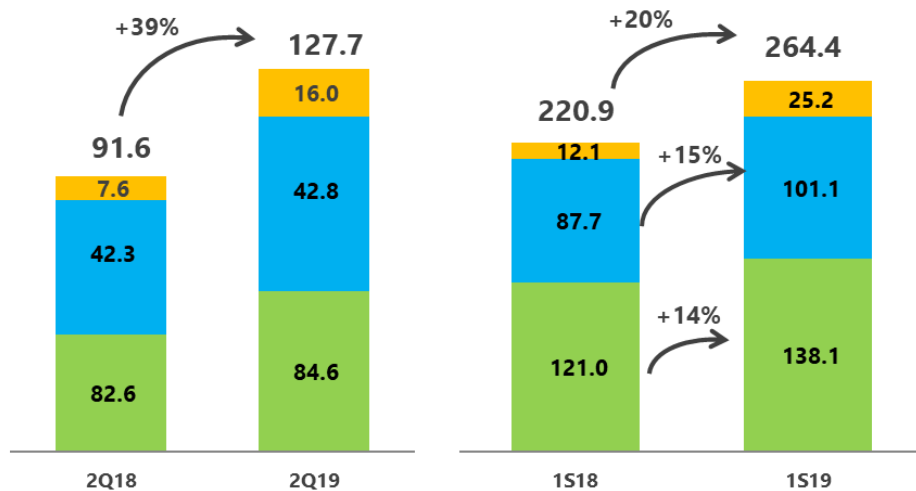
▶ Sandals ▶ Sporting goods

Brazil by business



▶ Textiles Argentina ▶ Osken

Recurring EBITDA (R\$ million)



▶ Brazil
 ▶ Sandals International
 ▶ Argentina

Recurring EBITDA margin	2Q18	2Q19	Var.
Consolidated	10.3%	12.9%	+2,6 pp
Brazil	8.1%	9.5%	+1,4 pp
International	18.2%	20.6%	+2,4 pp
Argentina - Topper e Textil	4.8%	10.9%	+6,1 pp

Recurring EBITDA

R\$ million	2Q19	2Q18	Var.	1S19	1S18	Var.
Recurring EBITDA	127.7	91.6	39%	264.4	220.9	20%
Recurring EBITDA margin	12.9%	10.3%	+2,6 p.p.	13.6%	12.3%	+1,3 p.p.
Other non recurring revenues (expenses)	-29.7	-27.5		-33.3	12.3	
EBITDA	98.0	64.1	53%	231.2	233.2	-1%
EBITDA margin	9.9%	7.2%	+2,7 p.p.	11.9%	13.0%	-1,1 p.p.

BR e Int.: -8.5

BR e Int.: -14.7

BR e Int.: +1.3

BR e Int.: -16.5

AR: -21.2

AR: -12.8

AR: -34.6

AR: +28.8

- Successful outcome in the lawsuit requesting the exclusion of ICMS (state VAT) from the PIS
- Impairment Goodwill Argentina

- One timer success fee of contingency

- Operation restructuring

- Hyper-inflation adjustments IAS29
- Operation restructuring

- Property sale (head office)

2Q19 Consolidated Net Income (R\$ million)

R\$ million	2Q19	2Q18	Var.	1S19	1S18	Var.
Recurring Net Income	70.4	18.6	278.3%	112.6	90.9	23.9%
Other non recurring revenues (expenses)	-38.8	-0.3		-40.1	40.3	
	<i>BR e Int.: -34.0</i>	<i>BR e Int.: +8.6</i>		<i>BR e Int.: -40.3</i>	<i>BR e Int.: +20.1</i>	
	<i>AR: -4.8</i>	<i>AR: -8.9</i>		<i>AR: +0.2</i>	<i>AR: +20.2</i>	
Net Income	31.6	18.3	73.0%	72.6	131.2	-44.7%

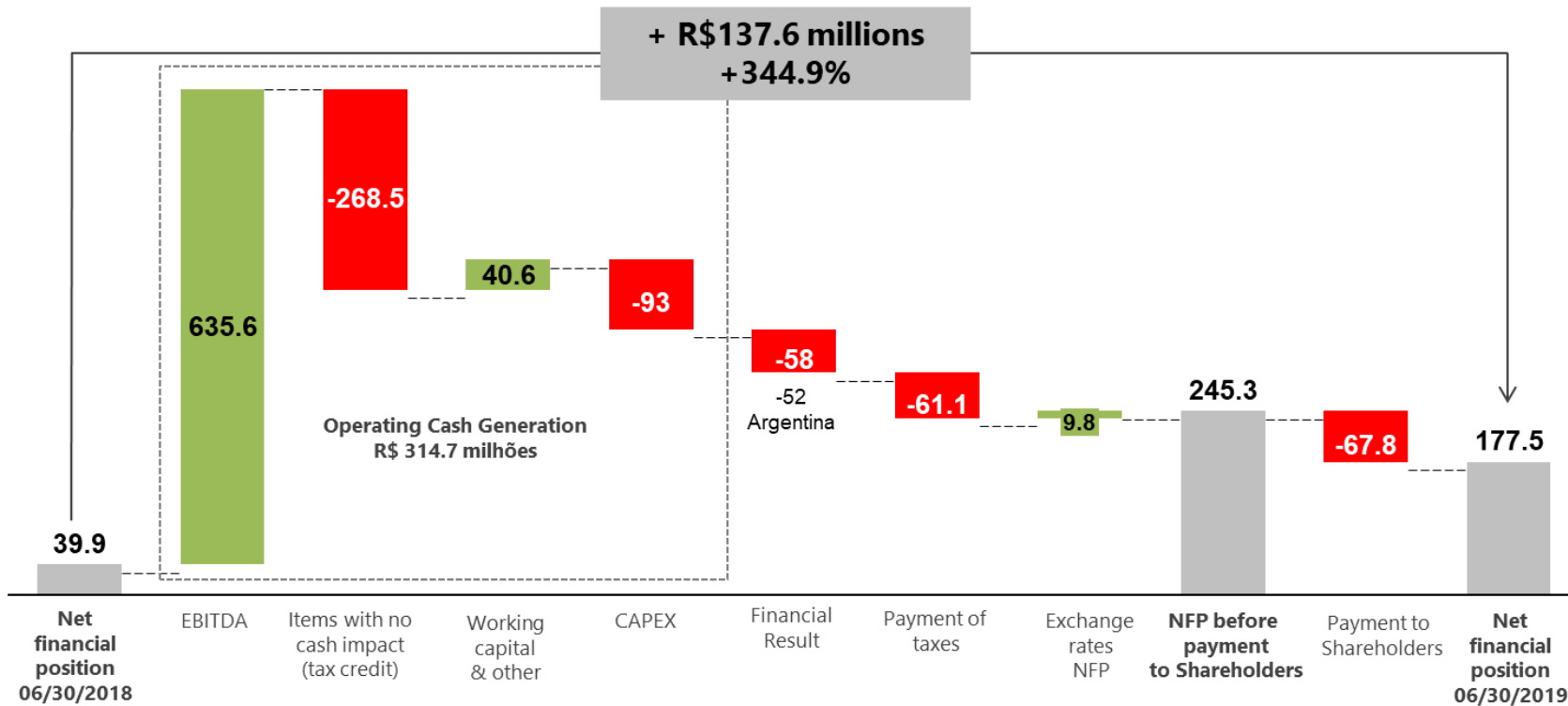
- Successful outcome in the lawsuit requesting the exclusion of ICMS (state VAT) from the PIS
- Impairment Goodwill Argentina

- One timer success fee of contingency
- **Tax Shield from Interest of Capital**

- Operation restructuring

- Hyper-inflation adjustments IAS29
- Operation restructuring

Net Financial Position (R\$ million)





Final message






New Alpa

designed for a performance leap, for a new high growth cycle

Where we are: delivering results, transforming Alpa in a consumer/brand centric powerhouse

- New strategic focus on Big Bets, VIP100% (value improvement program) and OBZ (zero base budget)
- Implementation of new management system based on goals
- Strengthening global leadership team


Where we are headed: a new organization and a new culture that will allow for a performance and growth leap

- More proximity and focus on our consumers
 - Higher focus on strategic big bets and new areas of excellence
 - Value our people
- 



New Alpa

designed for a performance leap, for a new high growth cycle

- Frontline proximity, higher agility: from 3 BUs (Business Units) to **6 BMUs (Brand Market Units)**
 - **New global areas of excellence : Marketing, Technology & Supply Chain**
- 

New Alpa

designed for a performance leap, for a new high growth cycle

CEO
BETO

BMUs

HAVAIANAS BRASIL
& DUPE
FABIO

HAVAIANAS EMEA
(EMEA + INDIA)
GUILLAUME

HAVAIANAS APAC
CHINA
ROBERT

HAVAIANAS NA&C
JACOB

HAVAIANAS LATAM
TOMAS

OSKLEN & MIZUNO
LEANDRO

New global areas of excellence

MARKETING
FEFA

TECHNOLOGY
RAMALHO

SUPPLY CHAIN
(LOG & PROC)
TURRI

Independent Board Member

(subject to approval by the ESM)



**STACEY
BROWN**



Apple Inc. since Oct/2000

Retail Merchandising & Accessories Global Director

- Experience in England, Holland, Australia, Japan and Asia's Southeast
- 10 years GAP Inc. - Banana Republic



ALPARGATAS

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