



INSTITUTIONAL  
PRESENTATION

sequoia

# SEQUOIA – REDEFINING EXPRESS DELIVERY IN BRAZIL

Leading company in providing the best solutions for the growing e-commerce market and express

- Sequoia is a leading Brazilian tech-enabled logistics company, delivering a full spectrum of mission critical services , with a focus on e-commerce and express delivery solutions
- Proprietary and scalable technology platform delivering a unique customer experience and operational efficiency
- Asset-light business model, flexible logistics platform with ROIC exceeding the market
- Unparalleled national footprint covering 92% of Brazil's GDP and serving 3,359 cities, with 70% of Sequoia's B2C orders in the inland of the country.
- Backed by Warburg Pincus with strong corporate governance and internal controls

## SERVING 8 OF TOP 10 LARGEST E-COMMERCE PLAYERS IN BRAZIL<sup>3</sup>

<b>R\$962MM</b> Revenue <sup>1</sup>	<b>~47%</b> Revenue CAGR 17–20LTM <sup>1</sup>	<b>34%+</b> ROIC <sup>1</sup>
<b>16%</b> Share of e-commerce deliveries in Brazil <sup>4</sup>	<b>1.4MM</b> Same-day deliveries/year <sup>2</sup>	<b>30MM</b> Door-to-door deliveries/year <sup>2</sup>
<b>92% coverage</b> of Brazil's GDP in 48h <sup>6</sup>	<b>95%+</b> SLA <sup>5</sup>	<b>~9%</b> Adj. EBITDA margin <sup>1</sup>

Notes

(1) Values LTM Sep/20. CAGR calculated based on Gross Operating Revenue.

(2) Realized 2019 amounts.

(3) According to Euromonitor.

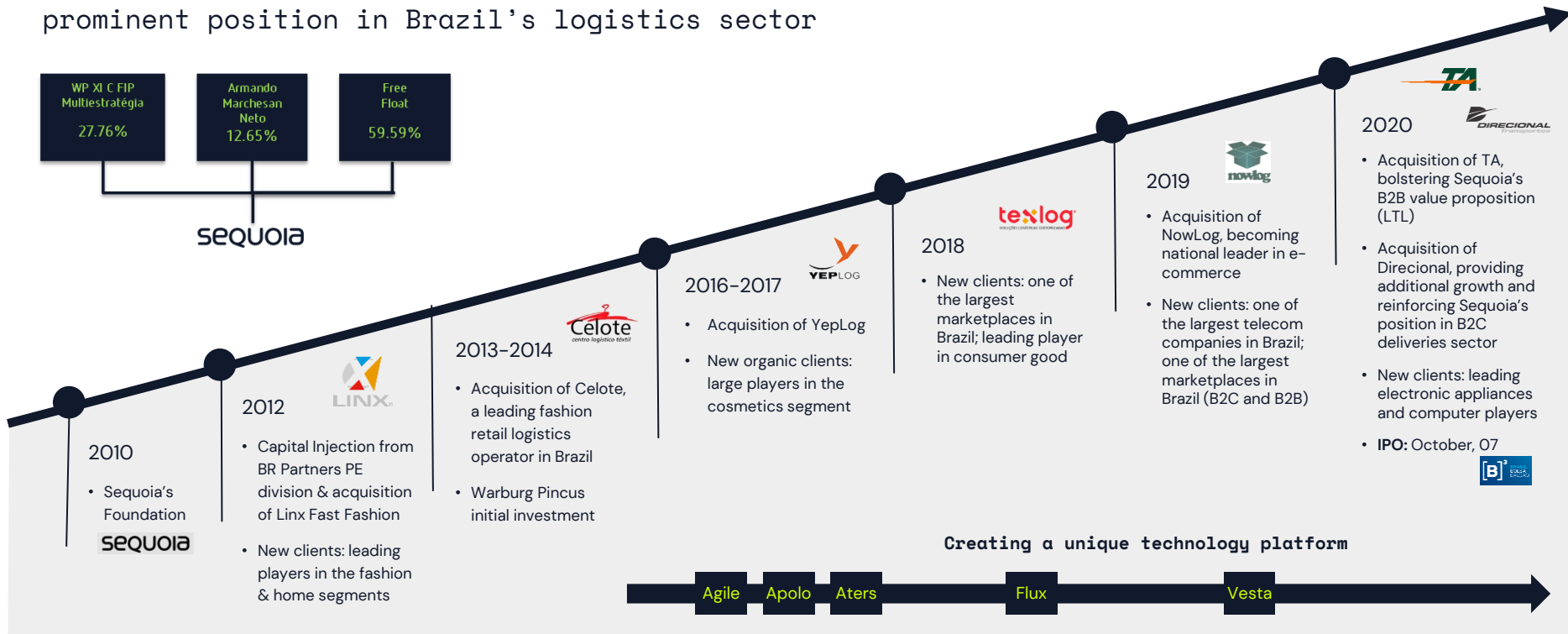
(4) 2019 Projection. Source: Nielsen (e-commerce orders volume in Brazil)

(5) In September/2020; It excludes TA. SLA is a measure of level of service and indicates the Company's efficient customer services on schedule.

(6) It considers the largest cities and metropolitan regions.

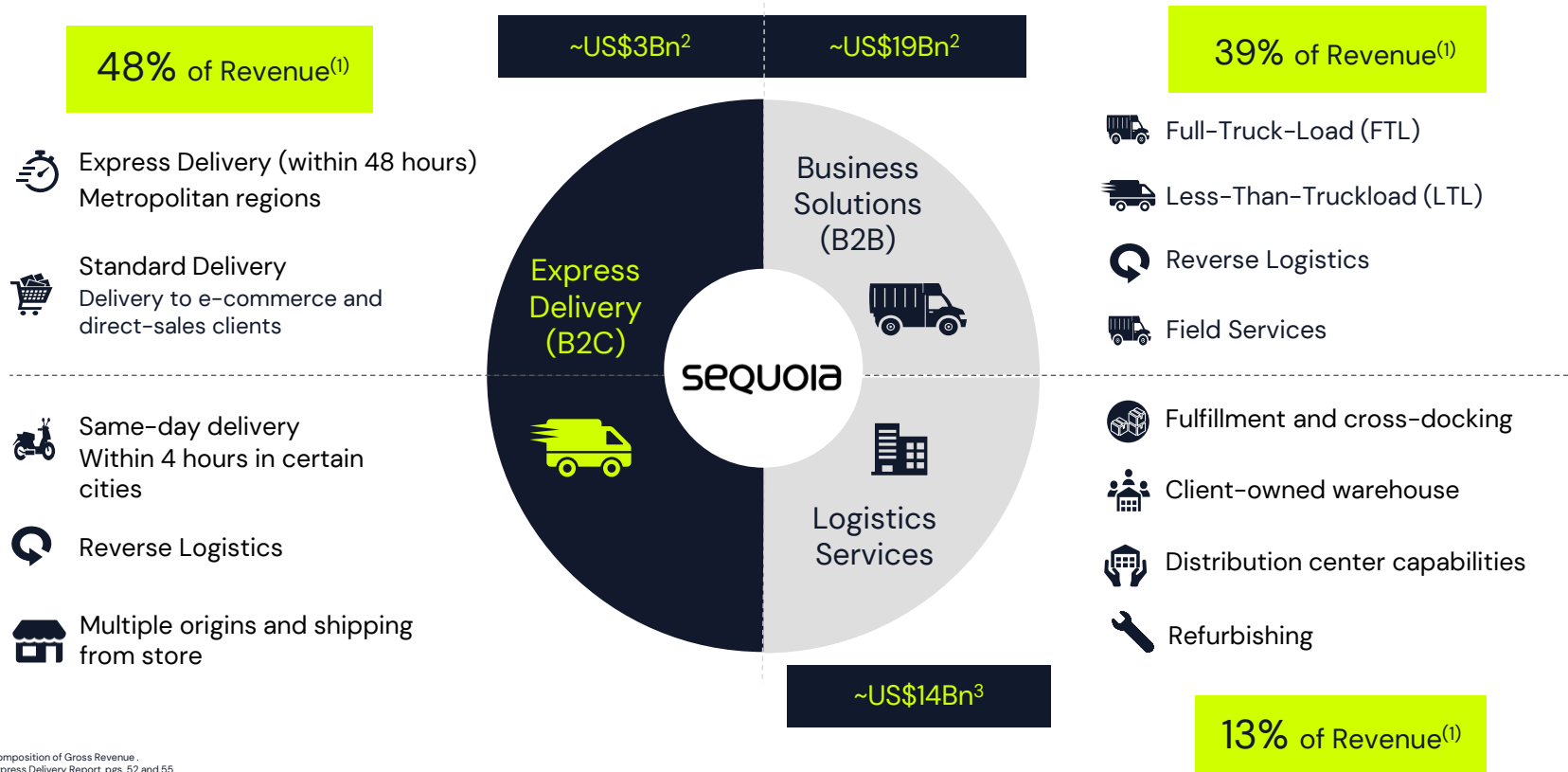
# OUR JOURNEY TO BECOME A LEADING PLATFORM IN THE LOGISTICS SECTOR

Sequoia has been growing steadily between organic growth and acquisitions to achieve a prominent position in Brazil's logistics sector



# SEQUOIA'S INTEGRATED PLATFORM MEETING ALL NEEDS OF LOGISTICS AND SUPPLY CHAIN

Asset-light business model, with fast and reliable solutions



Notes

- (1) Composition of Gross Revenue.  
(2) Express Delivery Report, pgs. 52 and 55.  
(3) Third-Party Logistics, pg. 62.



## WE ARE THE LEADING TECH-ENABLED EXPRESS DELIVERY AND 3PL COMPANY IN BRAZIL

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- 1 Proprietary technology stack
- 2 Addressing a large and growing e-commerce market
- 3 Unique nationwide express network
- 4 Seasoned management team and strong corporate culture
- 5 High growth, asset-light model delivering superior ROIC

# Proprietary and Scalable Technology Platform Delivering a Unique Customer Experience and Operational Efficiency

11 Best-in-class Logistics Applications; 9 Developed In-house

## Fully Integrated Proprietary Technology Stack

### Transportation Management System

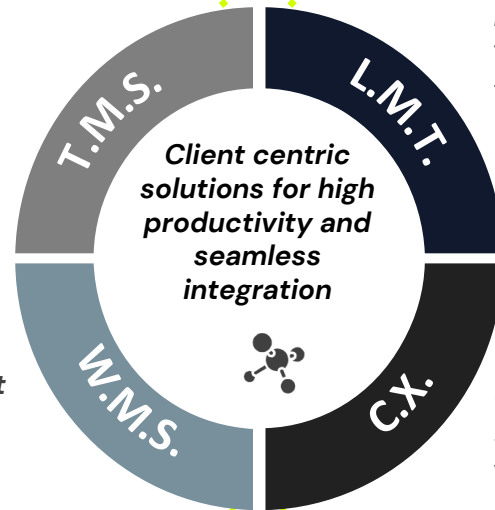
Fast integration of new clients and services

### Last Mile Tracking

Tailored mobile app for real time experience

### Warehouse Management System

Flawless inventory and order management



Operational Excellence

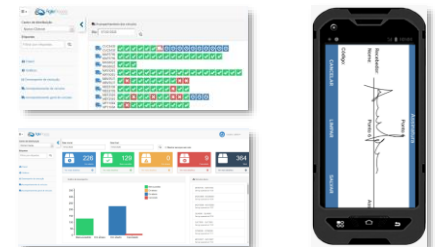
120 FTEs Dedicated to Tech

### Agile - delivery routing system



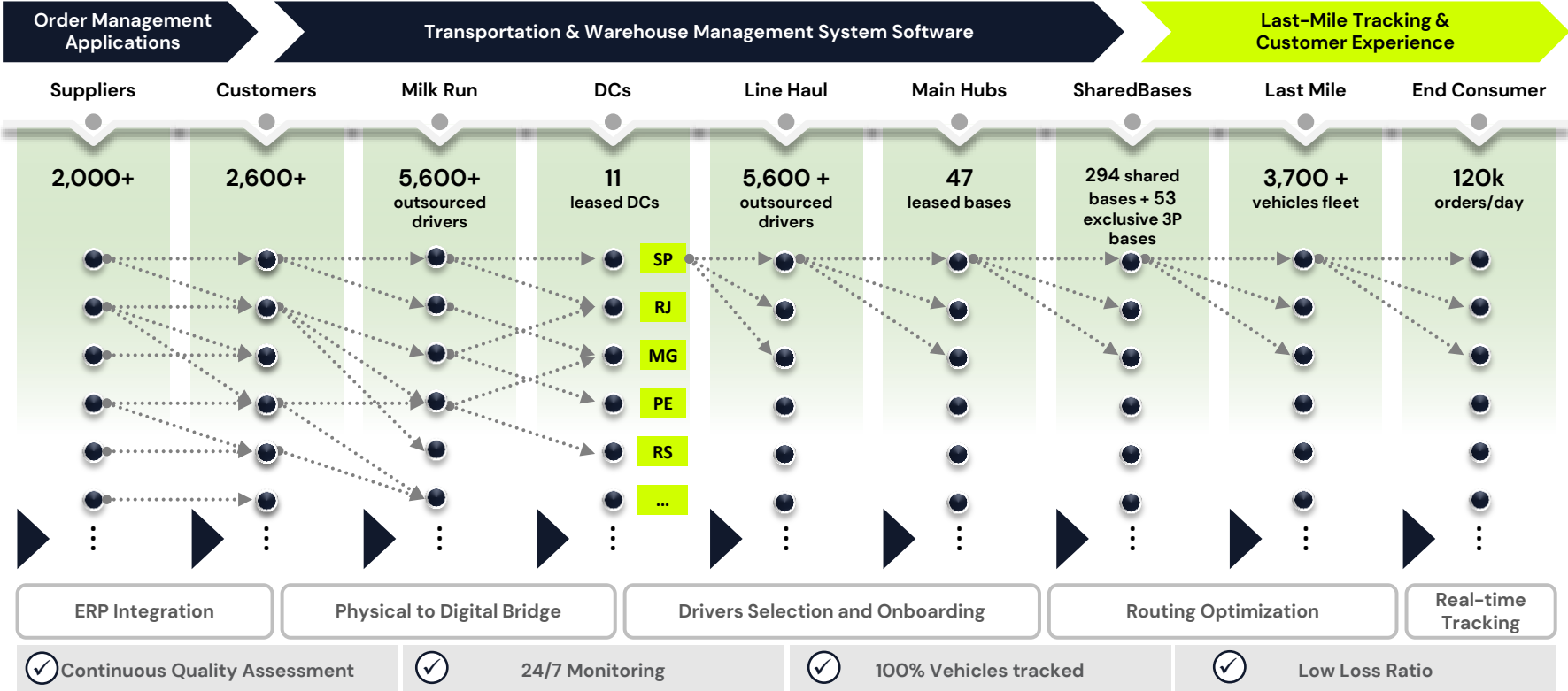
- ✓ Routing services for last-mile deliveries
- ✓ End-customer online tracking
- ✓ Manages occurrences by motive

### User Friendly Interfaces



# Complex Real-Time Data Management With Strong Network Effects

Our software applications ensure logistics and first to last mile shipping reliability for our clients and their customers

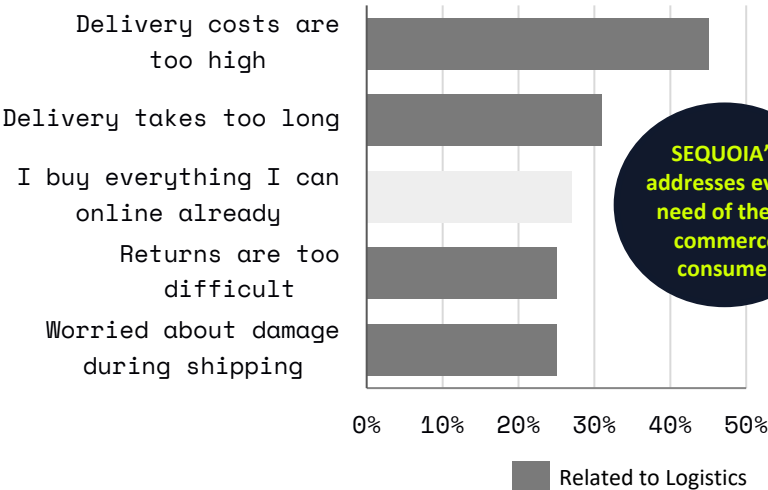


Note:  
1. Data as of September 2020

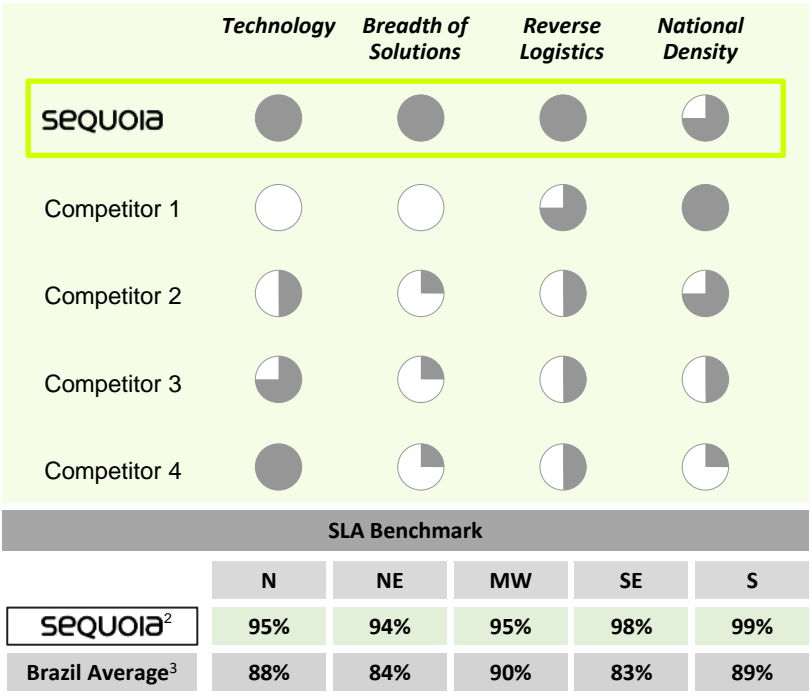
# Shipping Costs, Delivery Time and Reliability are Key When Choosing The Right 3PL Operator

## Delivery Experience is Imperative for Retailers

Brazil: Most Important Reasons for not Shopping Online



## Just Sequoia Provides Outstanding Services Among Competitors



✓ **88%** of consumers say the ability to track shipments in real time is important

✓ **53%** of consumers abandoned an online purchase because of slow delivery times

Source: Oracle, Tempkin Group, Dropoff, eBit MSER and Company filings

Note:  
1. As of September, 2020, does not consider TA

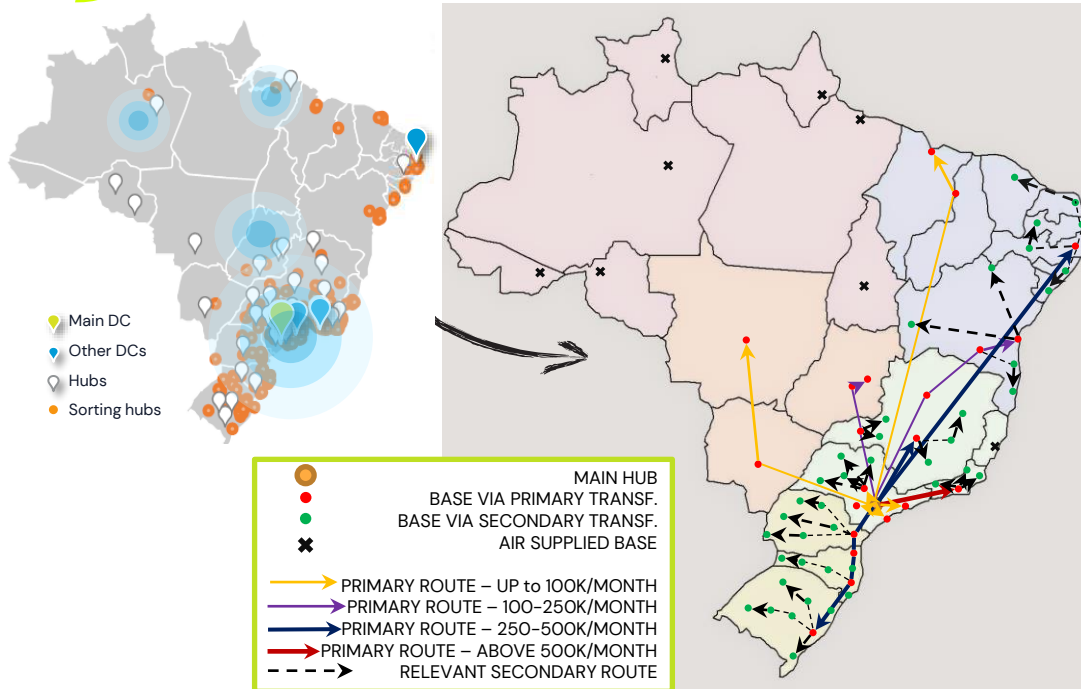
2. As of 2020  
3. As of 2019, according to Nielsen eBit report (Webshoppers)



# NATIONWIDE, FLEXIBLE AND HIGH-DENSITY OPERATIONS IN CENTRAL REGIONS



92% of Brazil's GDP within 48h<sup>1</sup>



## Flexibility to adjust capacity

Distribution Centers (Lease)	11 DCs Fully Automated
Own Bases (Lease)	47 Leased Bases
Exclusive Partner Bases (3P)	53 Exclusive 3P bases
Small Shared Bases (3P)	294 Shared bases

# Reaching the Entire Country At the Most Competitive Price

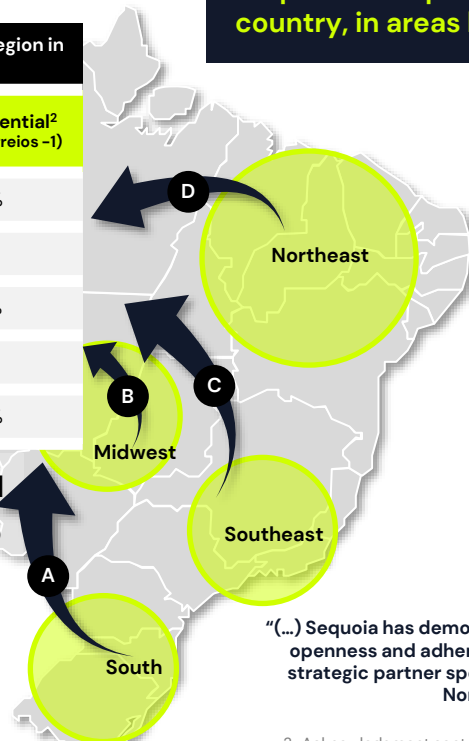
Selected States, non-exhaustive list

Examples of Sequoia's Positioning Across Every Region in Brazil

	State <sup>1</sup> (interior)	Delivery Time (days) <sup>2</sup>		Cost Differential <sup>2</sup> (Sequoia/Correios -1)
		SEQUOIA	Correios	
A	RS	3	7	-70%
B	GO	3	7	-21%
C	RJ	3	7	-75%
D	PE	3	6	-21%
D	MA	5	9	-70%

Sequoia offers the **fastest** and **cheapest** delivery solution to the **unexplored market** of the interior of Brazil

Sequoia's unique network enables the Company to serve the interior of the country, in areas highly underserved by other players



**+3.2mm**  
B2C orders  
(total monthly orders across Brazil)

**+2.2mm**  
B2C orders in the interior of the country

**+70% of Sequoia's B2C orders are in the interior of Brazil**

"(...) Sequoia has demonstrated throughout this period proximity, openness and adherence to our model, becoming a relevant strategic partner specially in RJ, RS and DF, advancing to the Northeast region and MG"

*Leading Brazilian marketplace<sup>(3)</sup>*

## Notes:

- Does not consider state capitals and metropolitan areas
- Sequoia's figures consider Northeastern orders sourced from Recife, and other regions are sourced from São Paulo (as of Sep/20). Correios assumes the Sedex delivery schedule and price tables

3. Acknowledgment sent to Sequoia due to its high quality service

# Unmatched Density allows for a more Efficient Cost Structure

Sequoia is able to operate in areas where marketplaces do not have enough volume to perform own deliveries

## Significant Presence in the Countryside

Percentage of total Deliveries by Client Type

Large B2C<sup>(1)</sup>

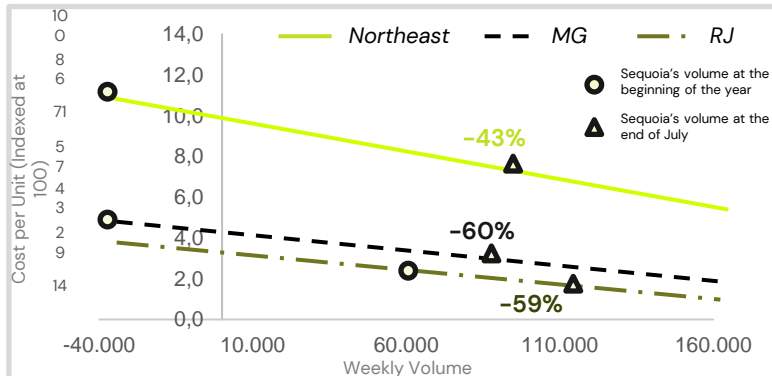
Medium B2C

Other B2C

~71%  
Interior of  
the Country

~49%  
Interior of  
the Country

~78%  
Interior of  
the Country



Sequoia's  
higher  
volume  
ensures it  
has the  
lowest cost  
per unit  
delivered

## Volume Delivered

City (Interior)	State	Sequoia Total %	Largest Client	Others
City 1	Paraíba	100%	17.5%	82.5%
City 2	Bahia	100%	16.5%	83.6%
City 3	Pernambuco	100%	16.1%	83.9%

- ✓ Sequoia benefits from the scale of delivering for multiple companies, resulting in lower cost per unit
- ✓ On average, Sequoia has ~6x the volume of the largest marketplace in the interior of the country (as per examples above)
- ✓ Individually, the marketplaces do not have enough volume to offer a competitive solution and compete with Sequoia
- ✓ In these examples Sequoia estimates to have approximately 100% of B2C volumes for these marketplaces

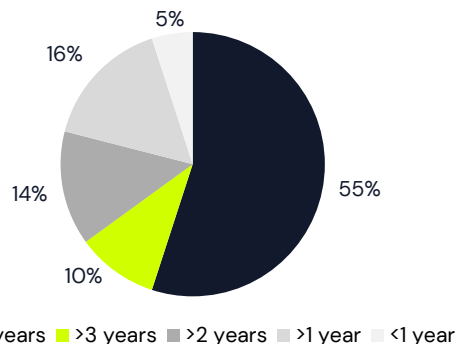
Source: Company information, as of Sep/2020

Notes (1) Considering 5 large marketplaces served by Sequoia

# SEQUOIA IS THE PARTNER OF CHOICE FOR CRITICAL MISSION SERVICES TO BLUE-CHIP CLIENTS

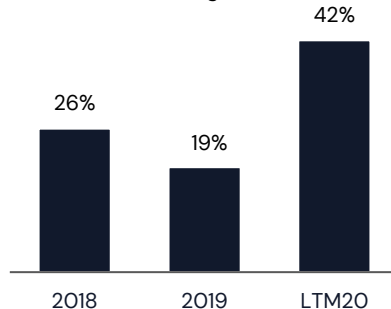
**HIGHLY FRAGMENTED AND DIVERSIFIED CUSTOMER BASE: +2,600 ACTIVE CUSTOMERS**

## Years of Relationship



## Same Client Sales

21% of clients<sup>4</sup> already with multiple contracts across segments (B2C, B2B and Logistics)



Notes

(1) Reference landmark logistics operator ABOL Vol.1 pg. 53- Armstrong.

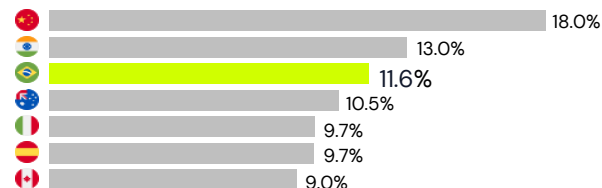
(2) CNT, Abilog and companies (2018)

(3) Technavio, ABOL

(4) Does not consider TA

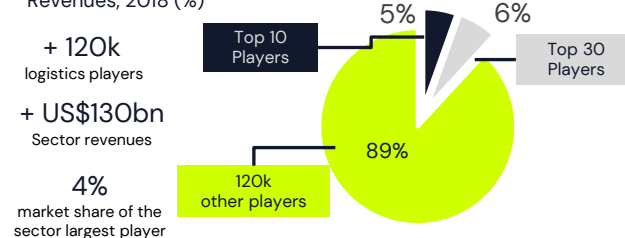
## Logistics expenses<sup>1</sup>

Logistics expenses (% of GDP)



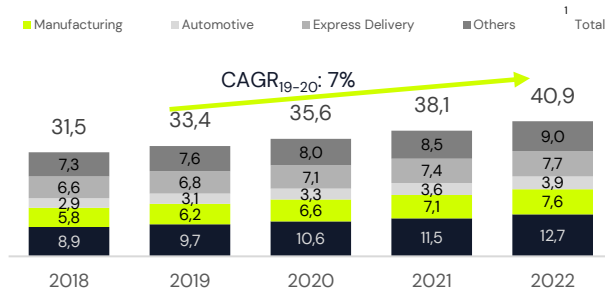
## Fragmented Brazilian logistics market<sup>2</sup>

Revenues, 2018 (%)



## Third-party logistics (3PL) market in Brazil<sup>3</sup>

Size in US\$ bn



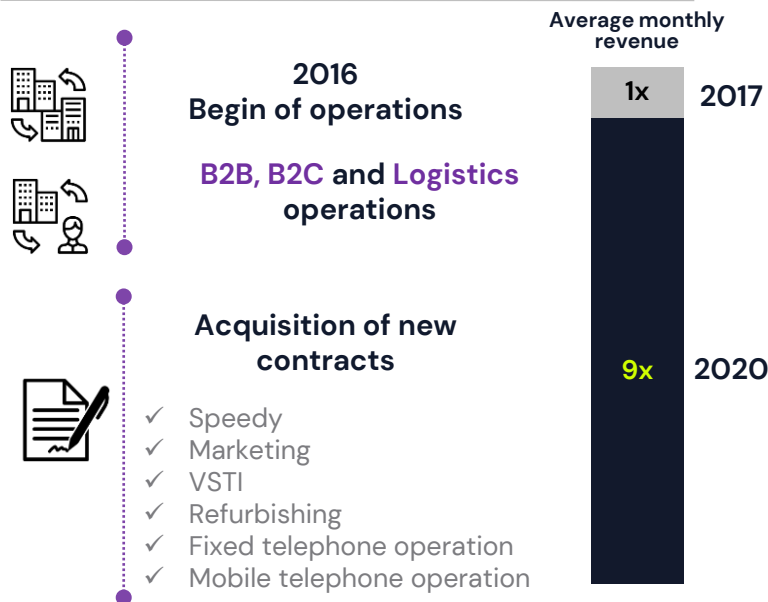
# Proven Ability to Increase Revenues Within Existing Clients

Land and Expand Track-Record

**21% of clients<sup>1</sup>** already with **multiple contracts** across segments (B2C, B2B and Logistics)

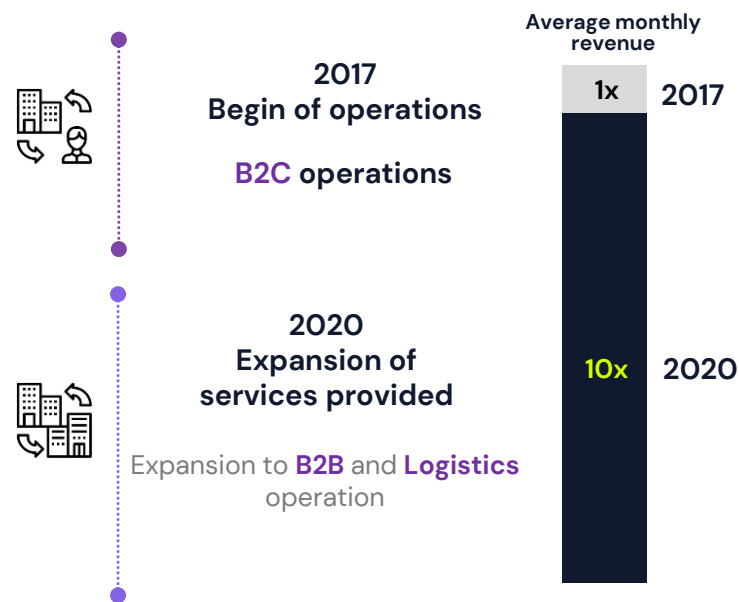
Leading  
telecommunications  
provider in Brazil

**& SEQUOIA**



Leading consumer  
goods company in  
Brazil

**& SEQUOIA**



# Seasoned Management Team Supported by Global Sponsor and Strong Governance Standard

## Professional Executive Team is Unique in the Industry

 <p><b>Armando Marchesan, CEO</b></p> <ul style="list-style-type: none"><li>20+ years of experience in the logistics industry</li></ul> <p> </p>	 <p><b>Bruno Henrique, Operations VP</b></p> <ul style="list-style-type: none"><li>19+ years of experience in the logistics industry</li></ul> <p> </p>
 <p><b>Fernando Stucchi, IRO &amp; CFO</b></p> <ul style="list-style-type: none"><li>19+ years of relevant experience</li></ul> <p>  </p>	 <p><b>Rogerio Macedo, Commercial VP</b></p> <ul style="list-style-type: none"><li>25+ years of experience in the logistics industry</li></ul> <p></p>
 <p><b>Diná Carvalho, HR Director</b></p> <ul style="list-style-type: none"><li>+20+ years of relevant experience</li></ul> <p> </p>	 <p><b>Christian Reis, CIO &amp; CTO</b></p> <ul style="list-style-type: none"><li>20+ years of relevant experience</li></ul> <p> </p>
 <p><b>Marcelo Issao, Operations Director</b></p> <ul style="list-style-type: none"><li>26+ years of experience in the logistics industry</li></ul> <p> </p>	 <p><b>Luiz Biazzi, Operations Director</b></p> <ul style="list-style-type: none"><li>20+ years of experience in the logistics industry</li></ul> <p> </p>

**Full alignment with management team:  
Stock Option Plan encompassing 11 Executives and 14 Managers**

## Strong Corporate Governance & Culture



### Corporate

- Code of Conduct and Anti-Corruption policies for all employees, representatives, affiliated companies and third-parties



### Human Resources Sustainability

- Culturally diverse workforce
- 32% of employees are women (before TA acquisition this figure was 50%)
- Continuous development initiatives: elected the best internship program in Brazil by Prêmio IEL Nacional in 2019



### Environmental Initiatives

- Actions to develop a culture of sustainability
- Project Bike delivery, reuse of cardboard boxes, implementation of a biodigester, and recycling program



### Finance and Accounting

- Audited financial statements by a Big 4 since 2012



### Highly Experienced Board of Directors

- 7 Board members (2 independent)

WARBURG PINCUS

### Best-in-class Sponsor

- Global Private Equity firm with US\$56bn AuM and strong tech-enabled logistics expertise

# 3Q20 HIGHLIGHTS

GROSS  
REVENUE



R\$329.6 MM

**+131% yoy**

SAME  
CLIENT SALES



R\$173.6 MM

**+53% yoy**

GROSS  
MARGIN



R\$62.4 MM

**22.5%**  
margin

ADJUSTED  
EBITDA



R\$30.1 MM

**10.9%** margin  
**+130% yoy**

ADJUSTED  
NET  
INCOME



R\$13.9 MM

**5.0%** margin  
**+192% yoy**

ROIC



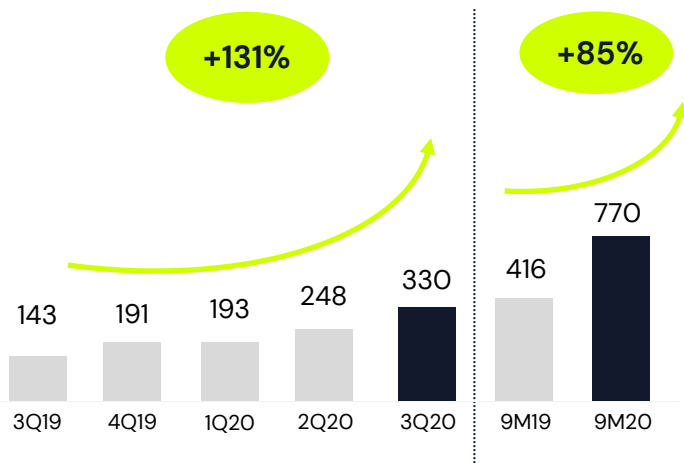
34.1%

**+5.9% pp**

# OPERATING REVENUE

High Quality Organic Growth Track Record

Gross Revenue Evolution by period



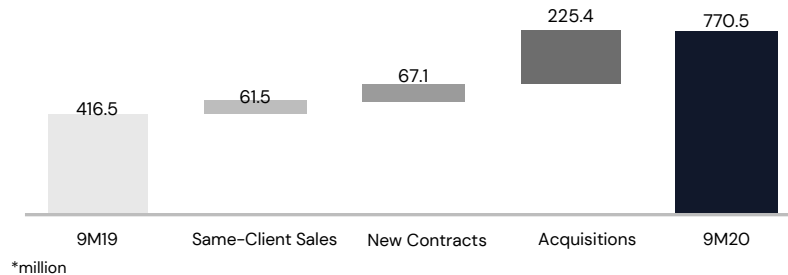
## Same-Client Sales

+53%

Gross Revenue Evolution | 3Q19X3Q20



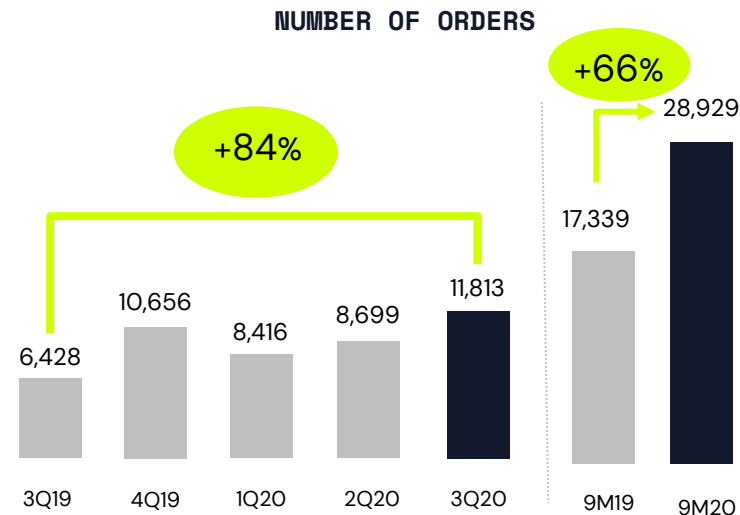
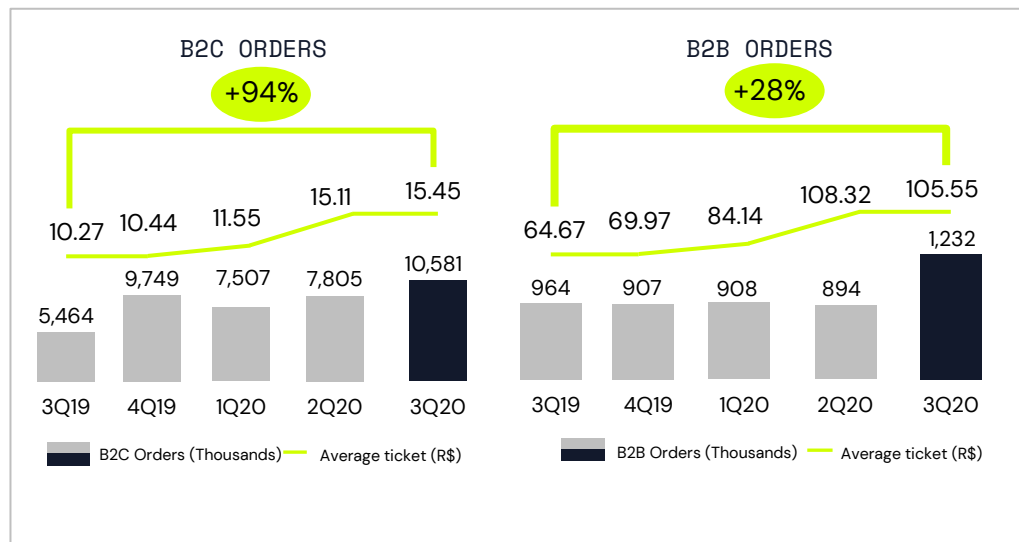
Gross Revenue Evolution | 9M19X9M20





# OPERATING REVENUE

Domestic e-commerce growth drove Operating Revenue

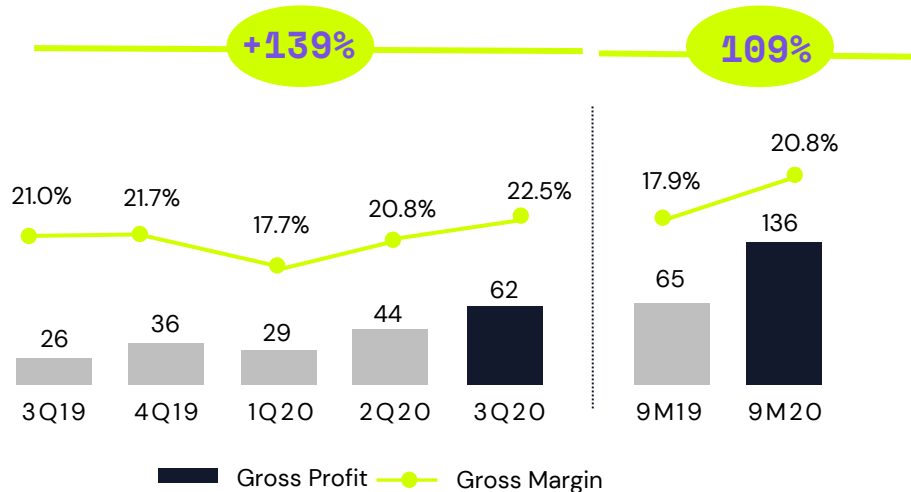


# PROFITABILITY

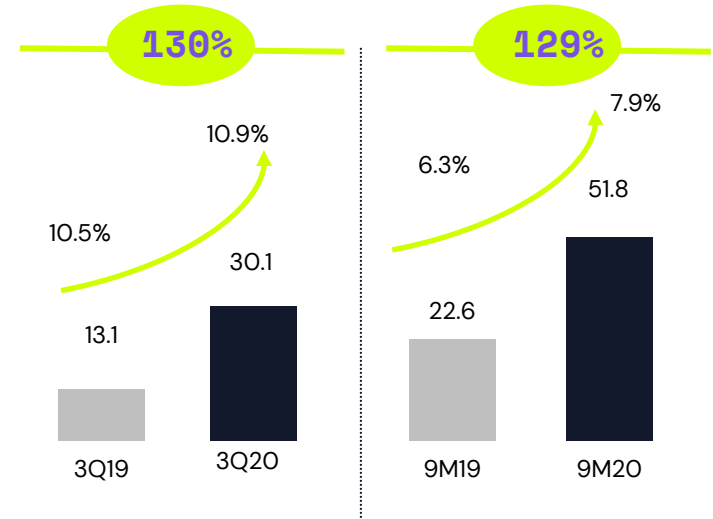
Higher productivity and scale gains in operation

## GROSS PROFIT

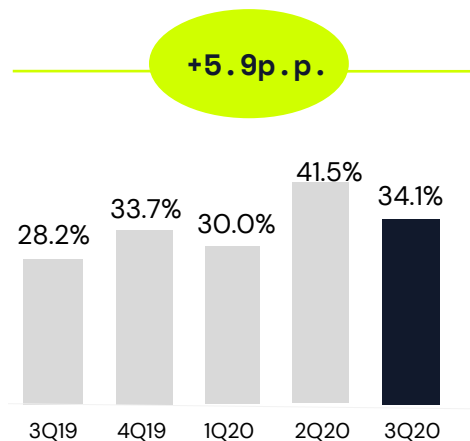
1.5 p.p. gain on Gross Margin compared to revenue vs. 3Q19, and 2.9 p.p. vs. 9M19



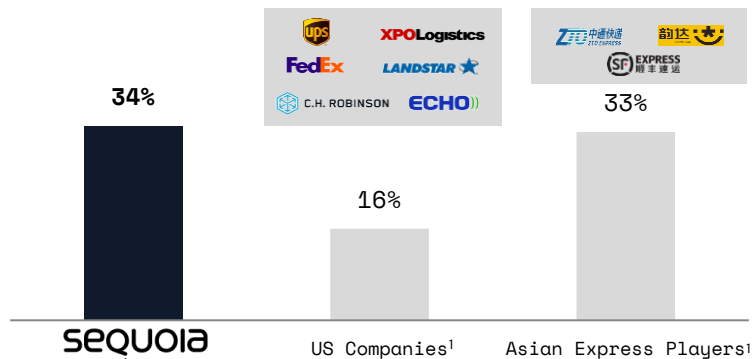
## ADJUSTED EBITDA



# ROIC



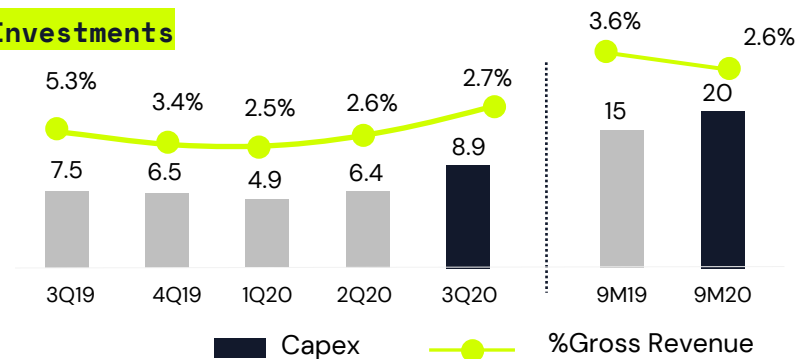
## Superior Return Levels



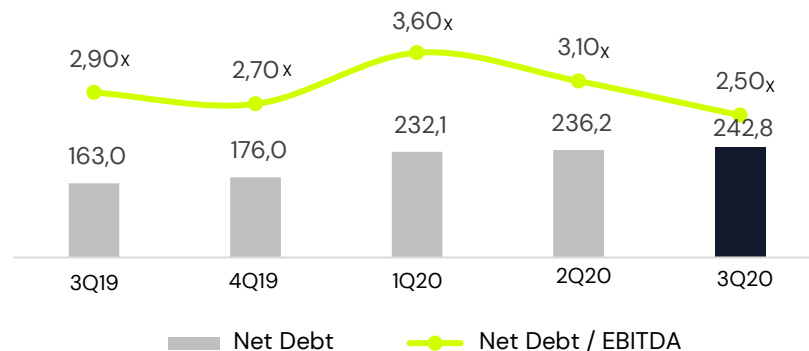
Note: 1 Refers to average of peers, as of 2019 (Source: Capital IQ)

# INVESTMENT & INDEBTEDNESS

## Investments



## Net Debt/Ebitda LTM




# SEQUOIA IS KEY CONSOLIDATOR OF LOGISTICS AND TRANSPORTATION SECTORS WITH POST-ACQUISITION PROVEN SYNERGIES

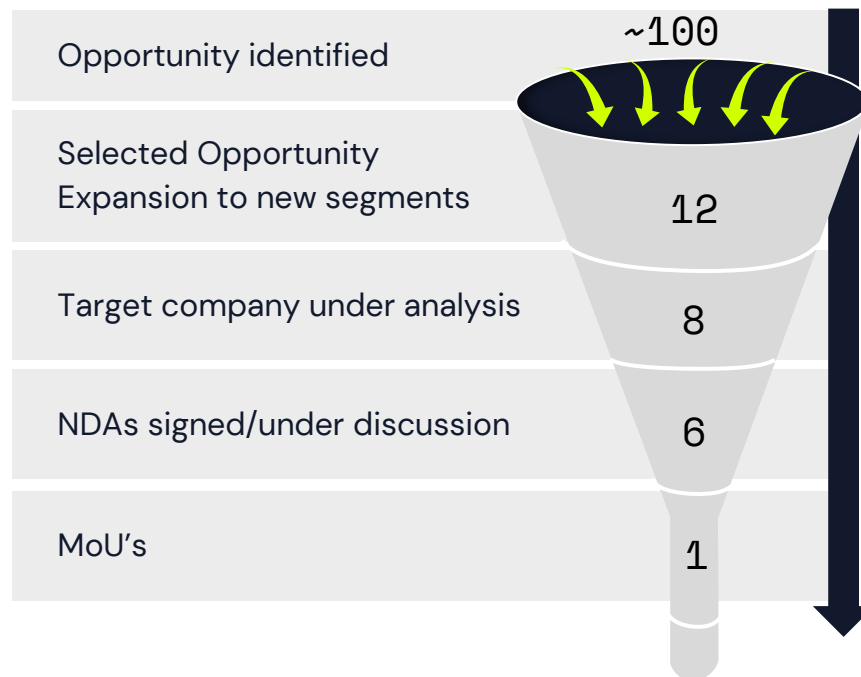
DISCIPLINED ACQUISITION APPROACH: STRATEGY COMES FIRST WHEN AN OPPORTUNITY ARISES

## Acquisition Timeline

## Synergies in % of EBITDA<sup>1</sup>

2012		Expansion to fashion and retail	Information not available
2013		Consolidation of the fashion and retail markets	Information not available
2016		Expansion to financial services (POS machines)	Information not available
2018		Expansion to Rio de Janeiro and Minas Gerais	~ 62%
2019		Expansion to the Northeast region	~ 88%
2020		Expansion to B2B LTL transportation segment	<b>Negative to positive EBITDA</b>
2020		Expansion to LTL and B2C transportation segment (heavy load)	na

## Pipeline of Acquisitions



Notes

(1) Synergy defined as Ebitda of the target company, prior to acquisition

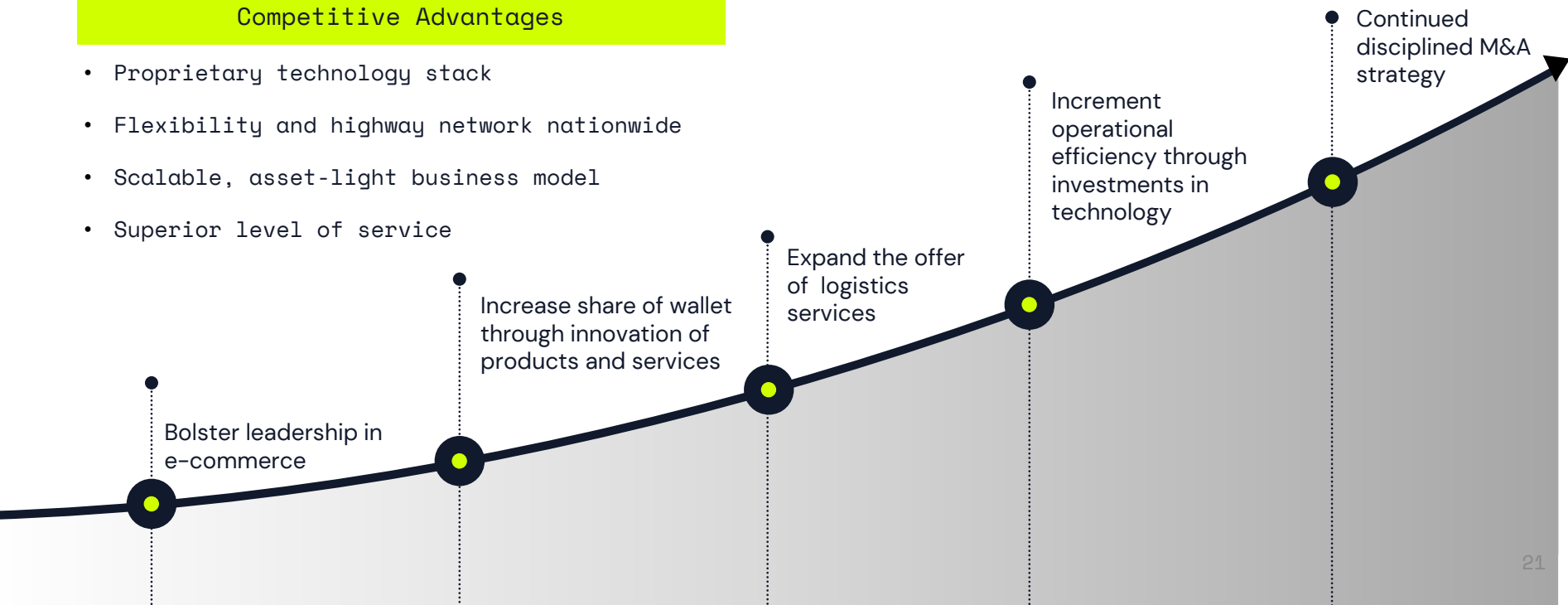
# DELIVERING A BRIGHT FUTURE AHEAD

Competitive advantages with multiple growth drivers and opportunities

## sequoia

### Competitive Advantages

- Proprietary technology stack
- Flexibility and highway network nationwide
- Scalable, asset-light business model
- Superior level of service





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Fernando Stucchi  
CFO&IRO

Ana Carolina Sartori  
IR Manager

Thank you ;)

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