

# CONFERENCE CALL PRESENTATION – 1Q19

May 16, 2019



# DISCLAIMER

This presentation contains forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management and on information currently available to us.

These forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officers. These forward-looking statements also include information concerning our possible or assumed future results of operations. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur.

Our future results and shareholder values may differ materially from those expressed or suggested by these statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

# JUDICIAL REORGANIZATION PROCESS

## Debt

Credits until the Request date (11/23) are suspended, subject to the terms of the Judicial Recovery Plan (within 60 days).

## Judicial Reorganization

Request

Deferred request

11/23

11/26

### Included Credits:

- (i) Labor Credits
- (ii) Credits with Real Guarantees
- (iii) Unsecured Credits
- (iv) ME and EPP Credits

## Stay Period

Suspends the actions and executions against the debtor for 180 days after the Request was deferred.

Actions taken to ensure the sustainability of the business

Product Supply

Release of receivables

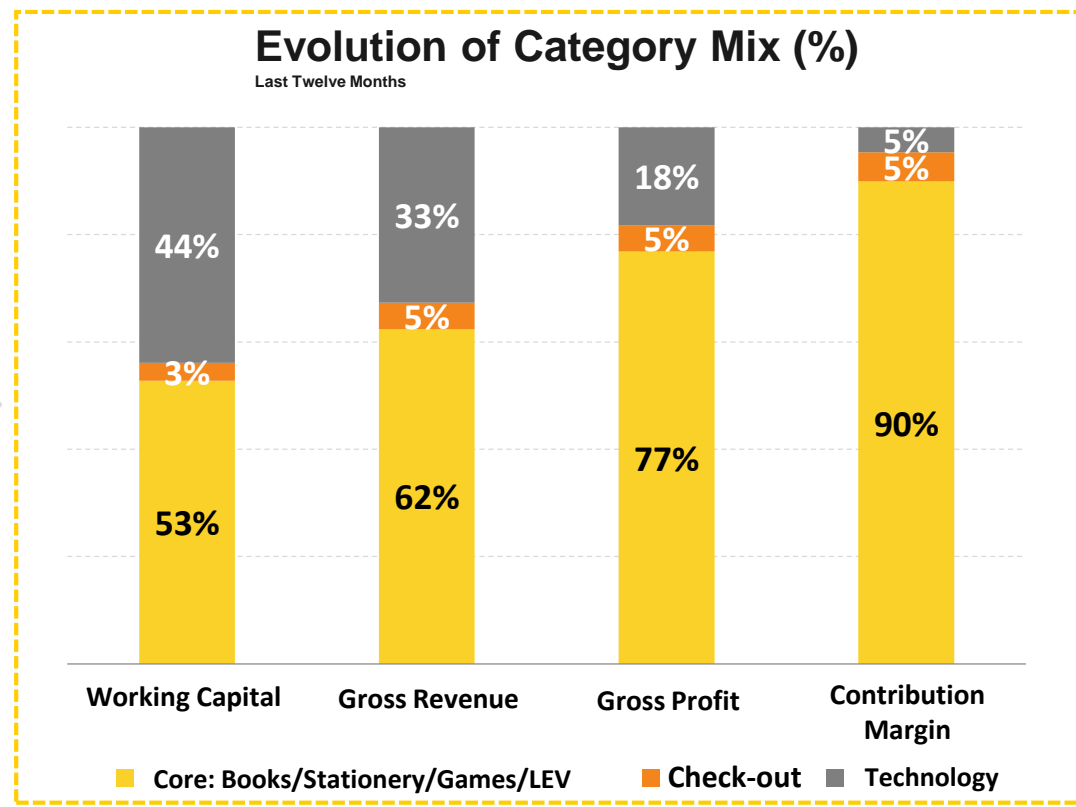
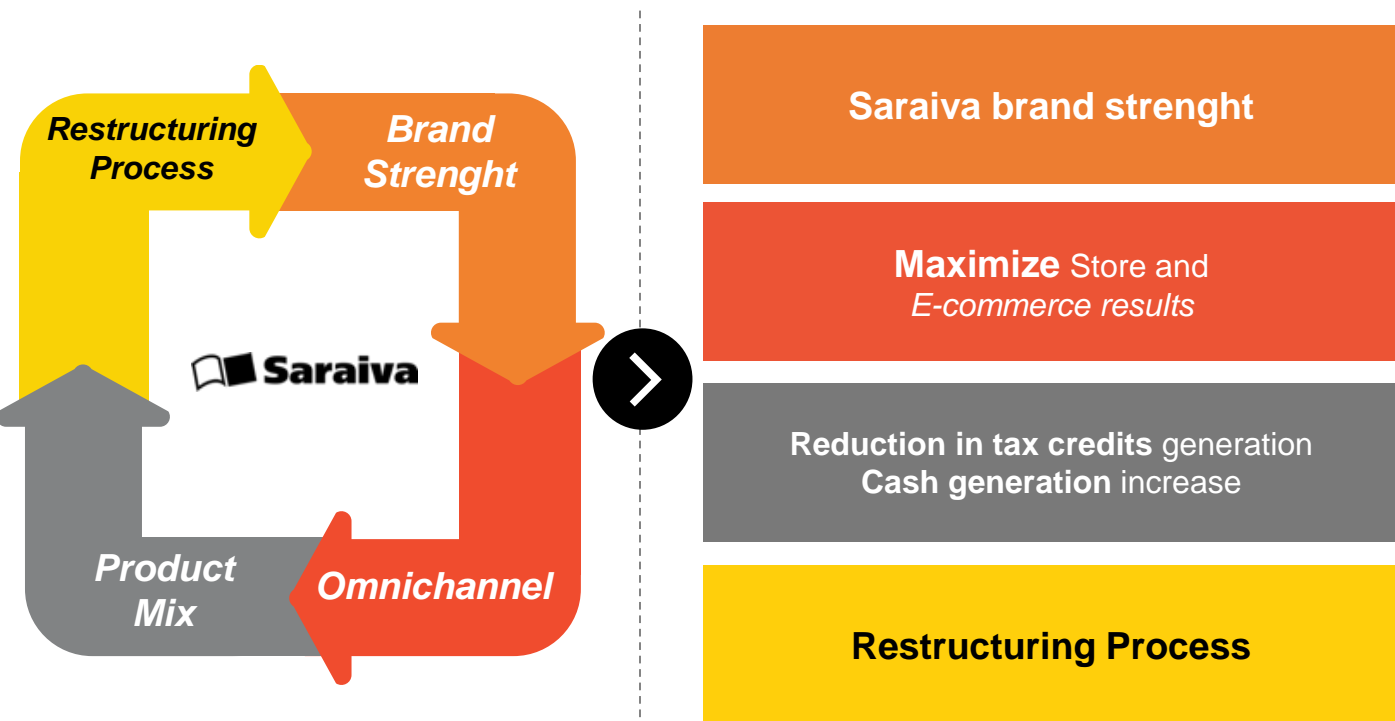
Feasibility Report

Consolidated image & Market leadership

CASH PROTECTION

# RESTRUCTURING PROCESS

*Initiatives allied to the strength of the brand will guarantee the continuity of the operation*



# HIGHLIGHTS

- **Book category margin +0,9 p.p.;**
- In mar/19, **release of receivables** in guarantee with Banco Itaú in the amount of **R\$31 million;**
- **-36.4% in Recurring Operating Expenses;**
- **Improvement of 3 days in Accounts Receivable;**
- **Progress** in our strategy to position the Company as a **omnichannel** operation:
  - **Click & Collect** service reached **19.9%** of the online orders.

# 1Q19 RESULTS

Discontinuation of Technology categories

Product supply reduced during the quarter;

Decrease in the number of physical stores;

Difficulties in the implementation of a new internal management system;

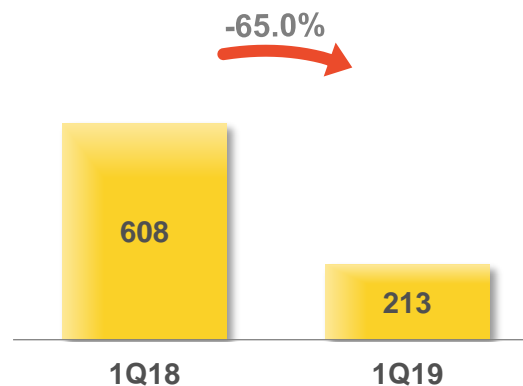
Instabilities in our e-commerce.

Resilient recovery of online sales

Higher competition in the marketplace model

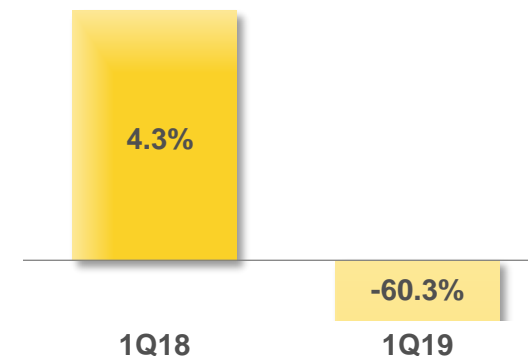
## Gross Revenue - Total

R\$ MILLION



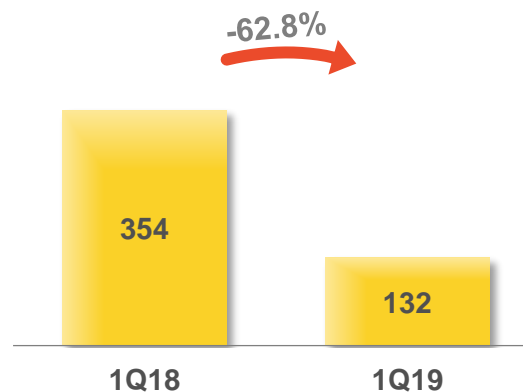
## SSS Growth

In %



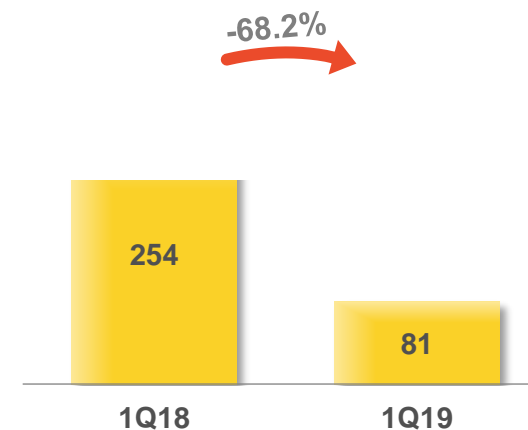
## Gross Revenue - Store

R\$ MILLION



## Gross Revenue - E-commerce

R\$ MILLION

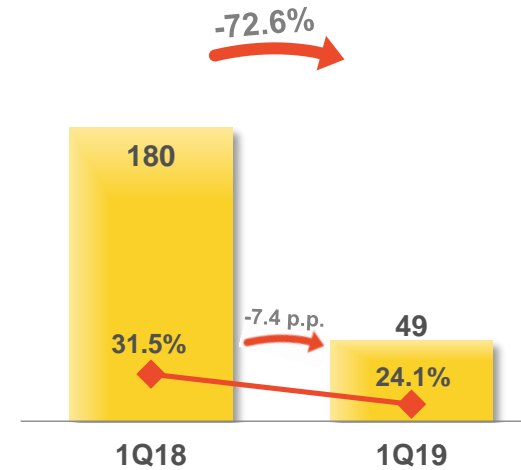


# 1Q19 RESULTS

- **Fiercer competition** in the **online retail market**;
- **New dynamic pricing system** to improve gross margin management in the **E-commerce** channel;
- **Focus** on **book** business, which has **higher margin**;
- **Discontinuation** of **Technology** categories.

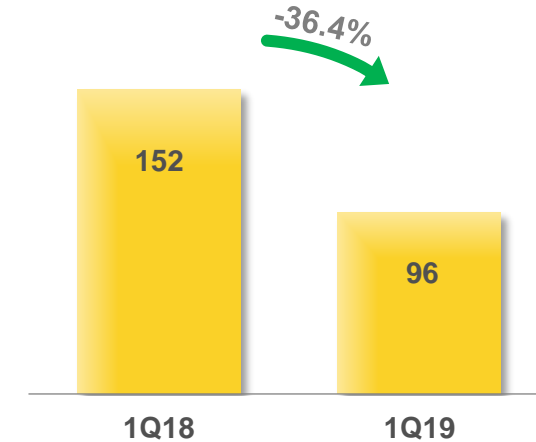
## Gross Profit and Gross Margin

R\$ MILLION / %



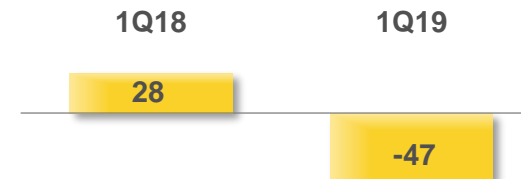
## Operating Expense<sup>1</sup>

R\$ MILLION / %



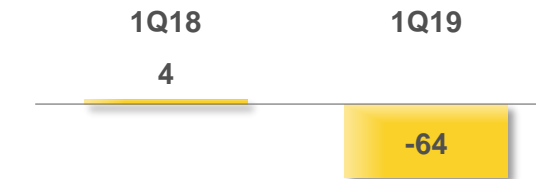
## EBITDA

R\$ MILLION



## Net Income and Net Margin

R\$ MILLION / %



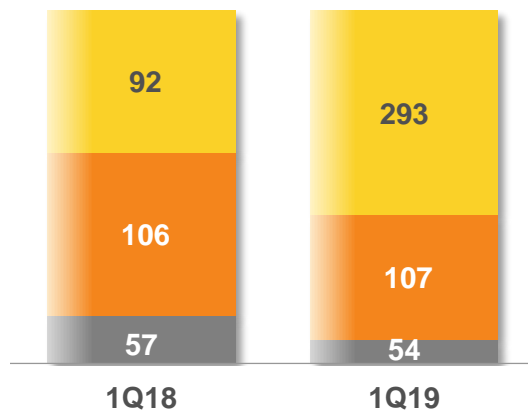
# 1Q19 RESULTS

- Improvement of 3 days in Accounts Receivable.

- Release of **receivables** in guarantee in the amount of **R\$ 31 million**.
- Blocked cash** in the amount of **R\$ 31.1 million**.

## Operating Cycle

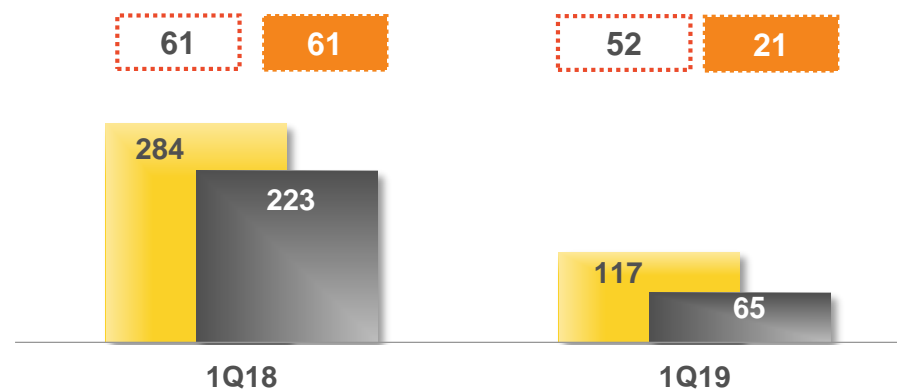
In days



- Operating Cycle
- Supplier Payment
- Inventory Coverage
- Accounts Receivable

## Consolidated Net Debt

R\$ MILLION



- Net Debt
- Receivables
- Net Debt (Cash) after receivables
- Net Debt (Cash) after receivables inc. blocked amount





 **Saraiva**