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4Q18 RESULTS

# 4Q18 HIGHLIGHTS



**Net revenues**



Reached R\$109 million, representing a 6.6% decrease;

Gross margin



Increased by 5.9p.p. compared to 4Q17;

SG&A



Decreased by 32.1%, or R\$17.8 million, compared to 4Q17;

Net income



Increased by R\$21.3 million compared to 4Q17;

Adjusted EBITDA



Reached R\$35.3 million in 4Q18;

Working Capital



Continuity of good working capital management, reaching R\$219.8 million and 324 days, representing a 16.2% decrease compared to 4Q17;

Net debt

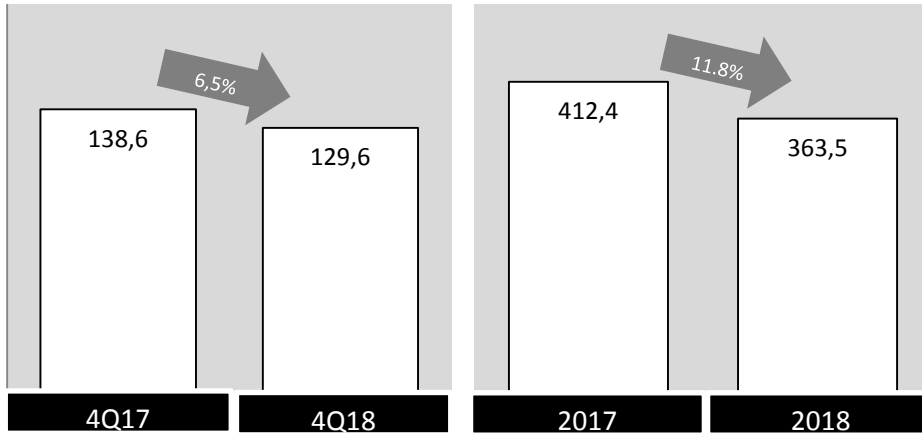


Net debt decreased by 73.5%, or R\$54.1 million, in the last 12 months, totaling R\$19.5 million as of December 31, 2018.

# GROSS REVENUE



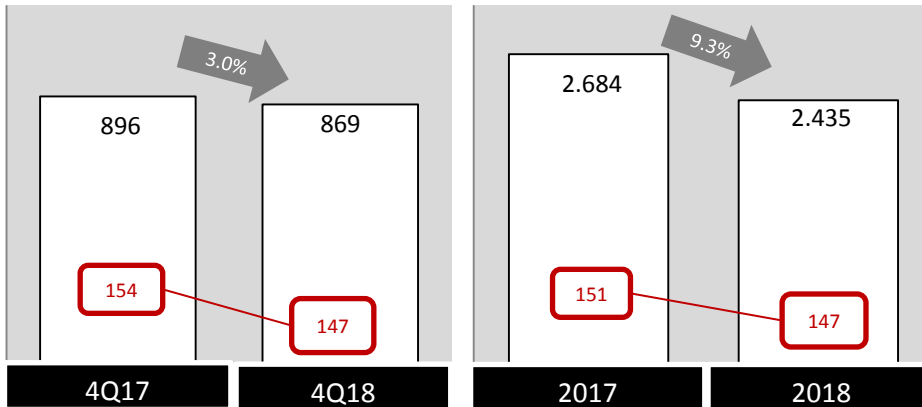
## GROSS REVENUE



### Gross revenue:

- R\$129.6 million (-6.5%) in 4Q18
- R\$363.5million (-11.8%) in 2018

## VOLUME OF WATCHES VS. AVERAGE PRICE



### Volume:

- 869 thousand (-3.0%) in 4Q18
- 2,434 Thousand (-9.3%) in 2018

### Average Price :

- R\$147 (-4.0%) in 3Q18
- R\$147 (-2.8%) in 9M18

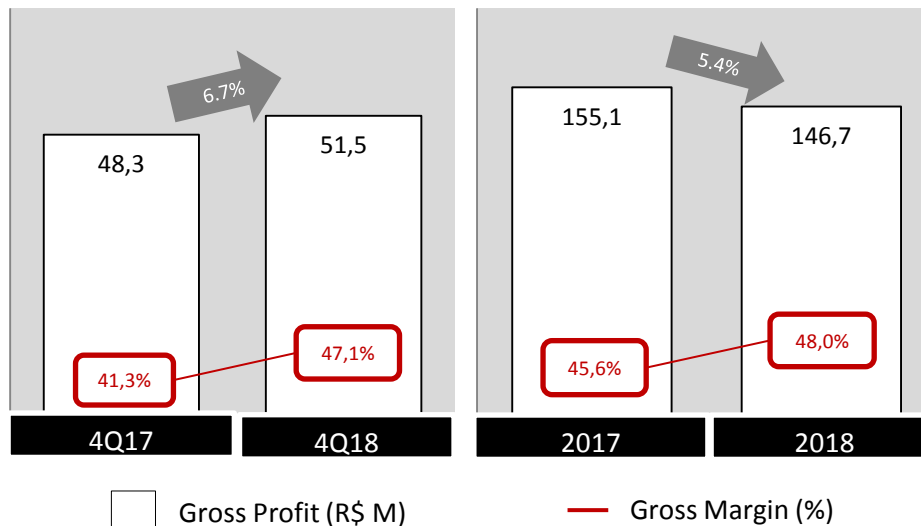
□ Volume (000')

— Average Price (R\$)

# GROSS PROFIT AND GROSS MARGIN



## GROSS PROFIT AND GROSS MARGIN



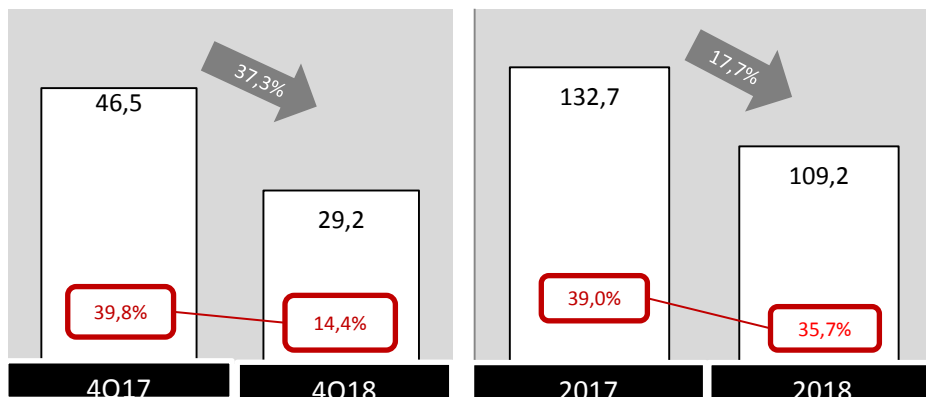
### Gross Profit:

- R\$51.5 million (+6.7%) in 4Q18
- R\$146.7 million (-5.4%) in 2018

### Gross Margin :

- 47.1% (+5.9 p.p.) in 4Q18
- 48.0% (+2.4 p.p.) in 2018

### SALES EXPENSES

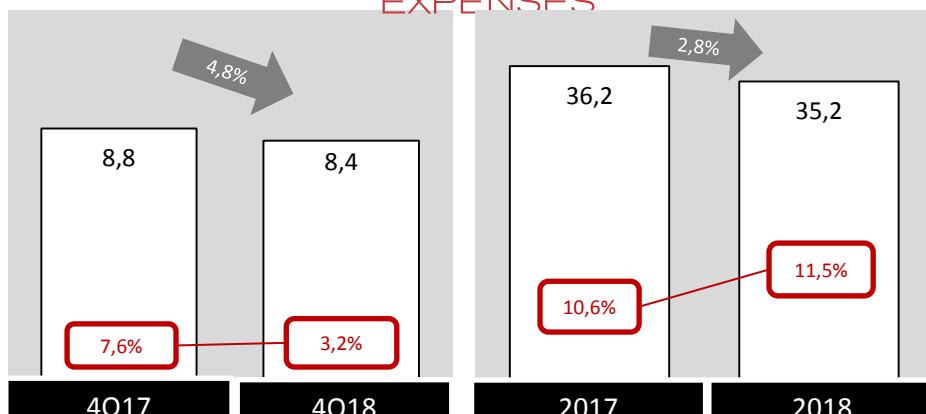


□ Sales Expenses (R\$ M)      — Net Revenue (%)

#### Sales Expenses:

- R\$29.2 million (-37.3%) in 4Q18
- R\$109.2 million (-17.7%) in 2018

### ADMINISTRATIVE EXPENSES

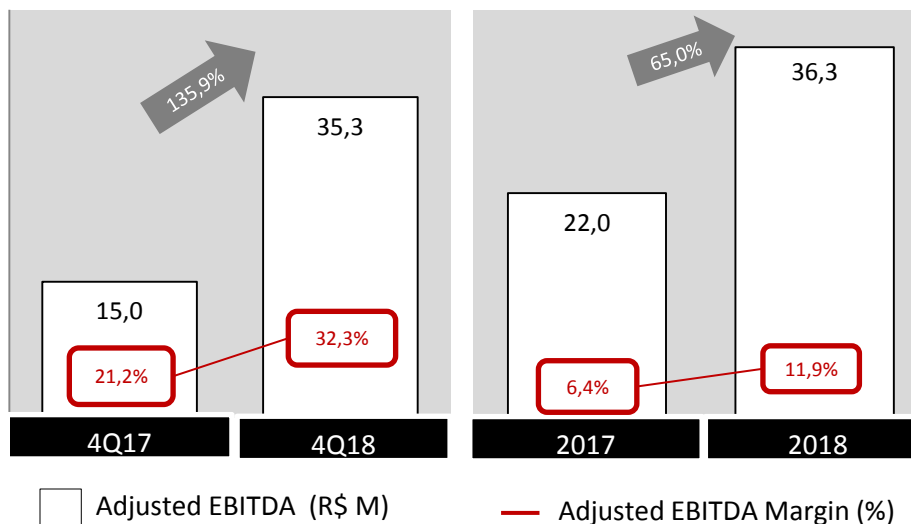


□ Administrative expenses (R\$ M)      — Net Revenue (%)

#### Administrative Expenses:

- R\$8.4 million (-4.8%) in 4Q18
- R\$35.2 million (-2.8%) in 2018

## ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN



### Adjusted EBITDA :

- R\$35.3 million (+135.9%) in 4Q18
- R\$36.3 million (+65.0%) in 2018

### Adjusted EBITDA Margin :

- 32.3% (+11.1 p.p.) in 4Q18
- 11.9% (+5.5 p.p.) in 2018

R\$ million	3Q17	Days	3Q18	Days
(+) Accounts receivable	191.6	203	160.2	189
(+) Inventories	105.6	205	115.1	261
(-) Accounts payable	35.0	68	55.4	126
(=) Working capital	262.2	340	219.8	324

- Accounts Receivable : -14 days
- Inventories : +55 days
- Accounts Payable : +57 days
- Total Working Capital : -17 days

R\$ milhões	12/31/2017	09/30/2018	12/31/2018
Gross debt	(88.4)	(99.9)	(96.9)
(-) Cash	14.8	50.9	77.4
(=) (Debt)/Net cash	(73.5)	(49.0)	(19.5)

## NET DEBT

- R\$28.3 million drop (-36.6%) compared to December 31, 2017
- R\$29.5 million decrease against position on September 30, 2018



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