



Itaúsa Headquarters | Paulista Avenue - São Paulo

# ITAÚSA

## 2019 Results Conference Call

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CEO and Investor Relations  
Officer

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The accounting information included herein is under IFRS.

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# Conference Call Agenda

Results | 2019

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Capital  
Allocation

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Highlights of  
Itaúsa's Portfolio

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Itaúsa  
2019 Results

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Q&A Session

# Business Environment

 **2019**

- Macro Scenario recovery
- Structural reforms and economic stimulus
- Controlled inflation levels
- Flexible monetary policy, with basic interest rate decrease
- Privatization and Concession agenda progress

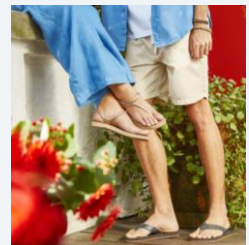
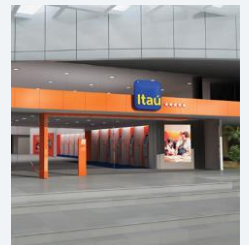
 **2020**

- Interest rate maintenance and low inflation
- Consumption, job, and income levels resuming
- Lower global growth and more confidence in Brazil
- Capital allocation from local investors in domestic assets
- Privatization and concession agenda moving forward



## Opportunities in investees

- Loan portfolio growth
- Funds and investment banking growth
- Consumer goods recovery
- Civil construction sector recovering
- New gas legislation



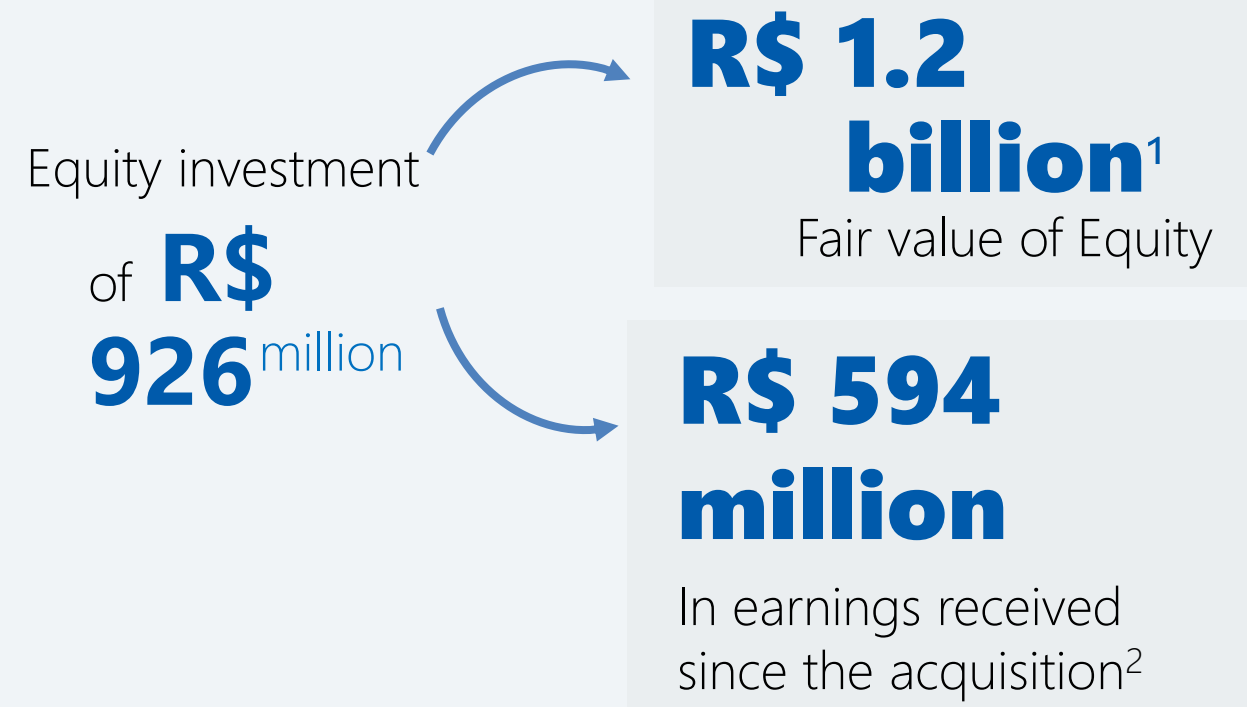
# Efficient capital allocation

Investments with attractive returns



Acquisition of a **7.7%** ownership interest **in 2017**

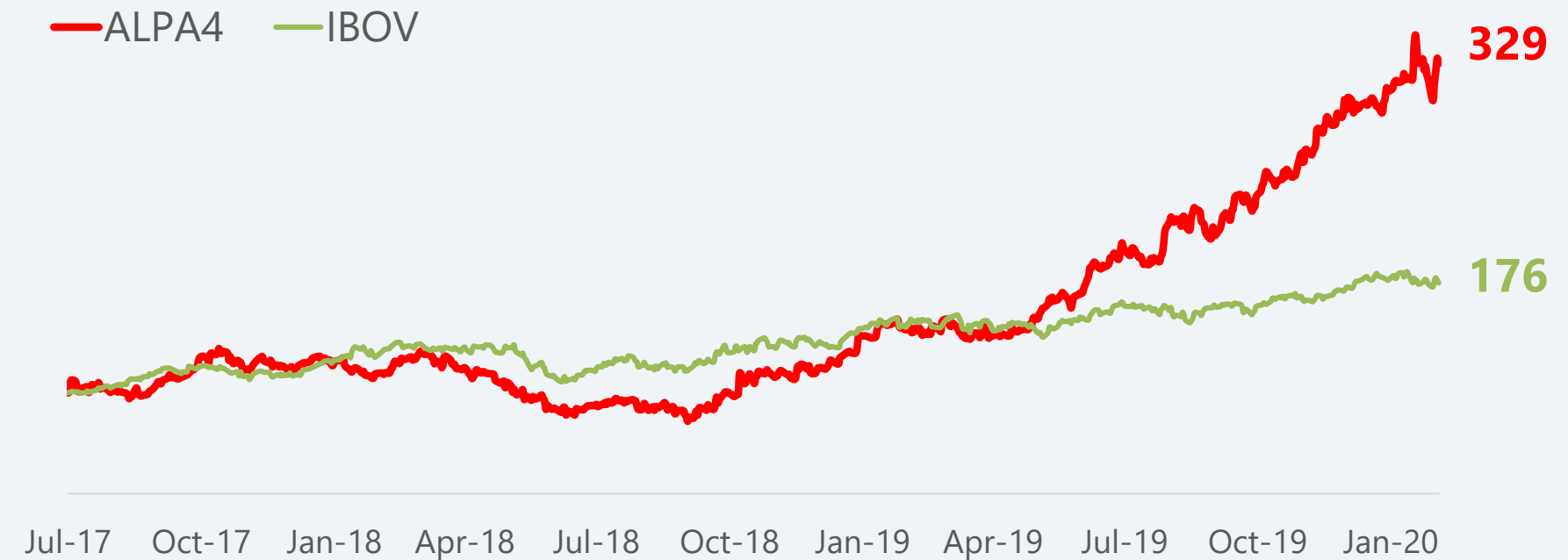
- Authorizations for long-term operation (up to 2041)
- Cash generator



Acquisition in 2017 and increased ownership interest in capital, to **28.9%<sup>3</sup>** in 2019

Total return on investment in the period<sup>4</sup> **186%**

Alpargatas performance since acquisition

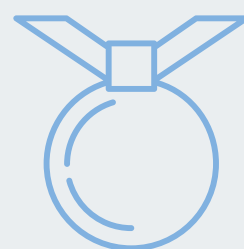


<sup>1</sup> Recorded in Itaúsa's Balance Sheet on December 31, 2019 <sup>2</sup> Includes refund of capital arising from decrease in the Company's capital. <sup>3</sup> Acquisition of 5.2 million preferred shares at R\$ 18.25 in May 2019 and 2.5 million preferred shares at average price of R\$ 23.66 in August 2019. <sup>4</sup> From July 12, 2017 to February 14, 2020.

# Efficient capital allocation



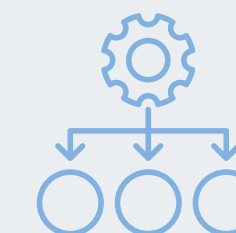
**Acquisition** of a ~49% ownership interest in **Copagaz** in November 2019



A group composed of Itaúsa, Copagaz, and Nacional Gás has entered into an agreement to purchase **Liquigás**



**Itaúsa** will invest **R\$ 1.4 billion<sup>1</sup>** in **Copagaz** and will contribute to **improve its Corporate Governance**



This operation is **under** analysis and waits for **approval** from CADE, the Brazilian antitrust body

<sup>1</sup>Subject to adjustments set forth in the purchase and sale agreement.

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# Conference Call Agenda

Results | 2019

Highlights  
of Itaúsa's Portfolio

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# Highlights of Itaú's portfolio

Results | 2019 - Itaú Unibanco



**Loan portfolio** was up 10.8%, with outstanding performance of very small, small and middle-sized companies (+25.3%) and Individuals (+13.1%).

**Commissions and Fees and Insurance Operations** were up 6.9%, with outstanding performance of investment banking operations

**Improved Efficiency Ratio**, reaching 45.5%

## Highlights of the year

### Evolution in digital transformation

Investment in services and platforms, with focus on Digital was up 54% from 2016

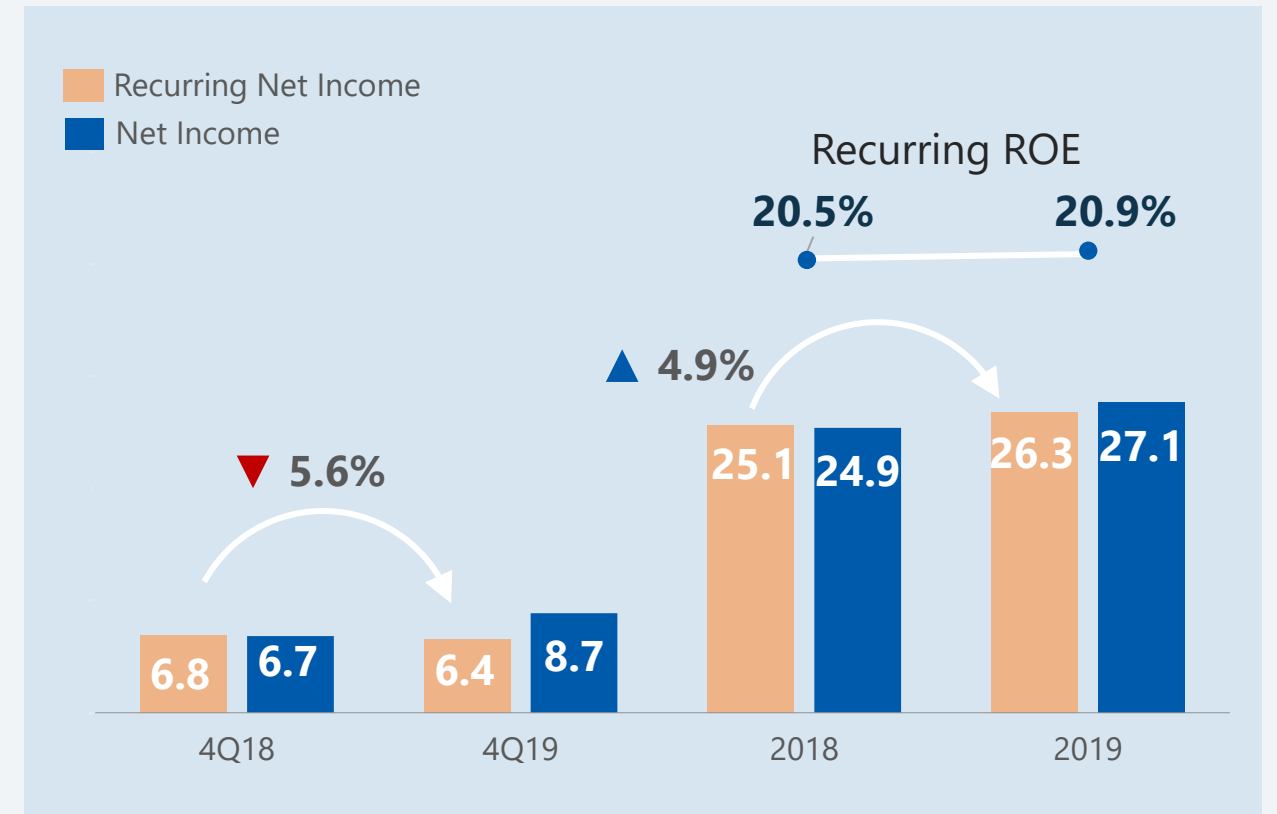
### Evolution in customer experience

**Customer satisfaction** measured by **Global NPS** was up 900 BPS in the last 16 months



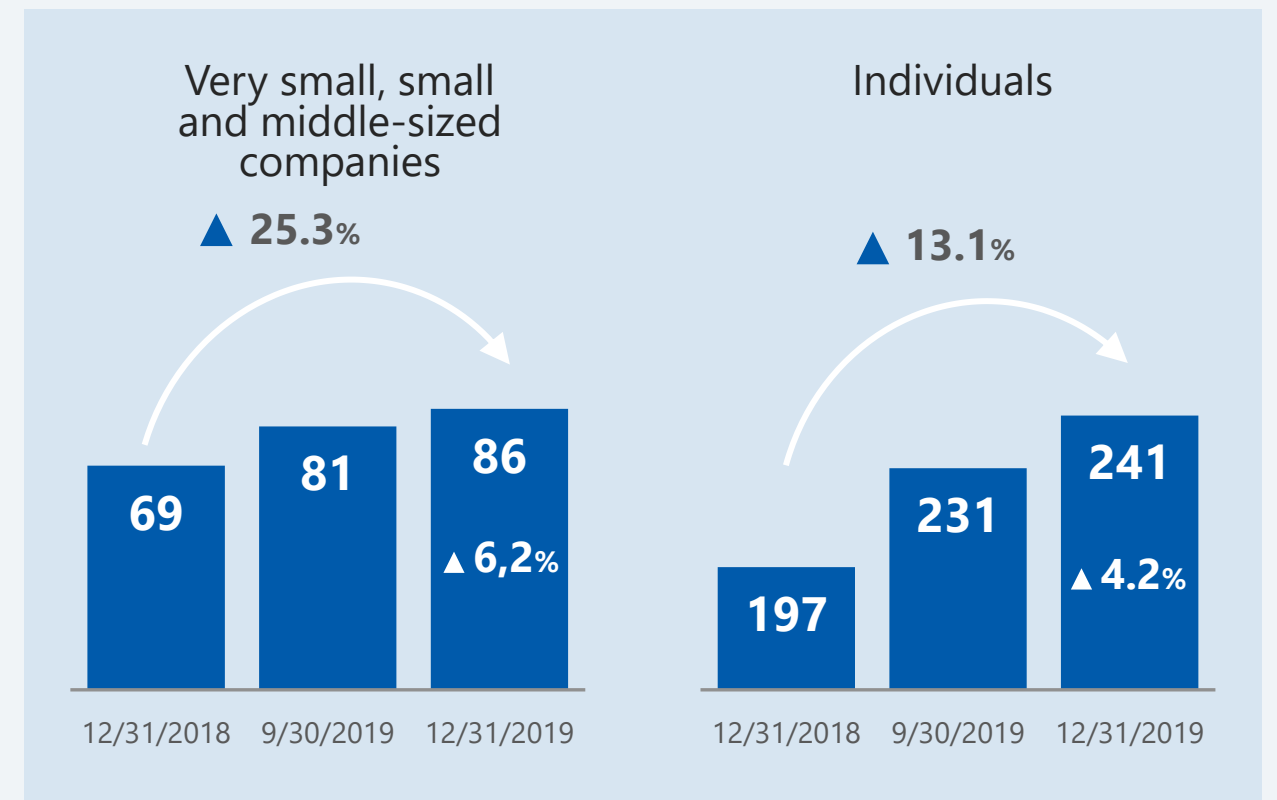
### Net Income and ROE

R\$ billion - IFRS  
Attributed to controlling stockholders



### Loan Portfolio: Very small, small and middle-sized companies

R\$ billion - IFRS





# Highlights of Itaúsa's portfolio

Results | 2019 - Alpargatas



Net revenue was up **9.8% in 2019**, mainly driven by the increased volume and revenue from operations both in Brazil and Havaianas International.

## Highlights of the year

### Changes in Management

First year under the new leadership and a new strategy was marked by sustainable growth and increased margins.

### Digital

Global engagement of a **single e-commerce platform**

**User Experience** and **Global Business Intelligence** departments created

New store model: **Store Labs**

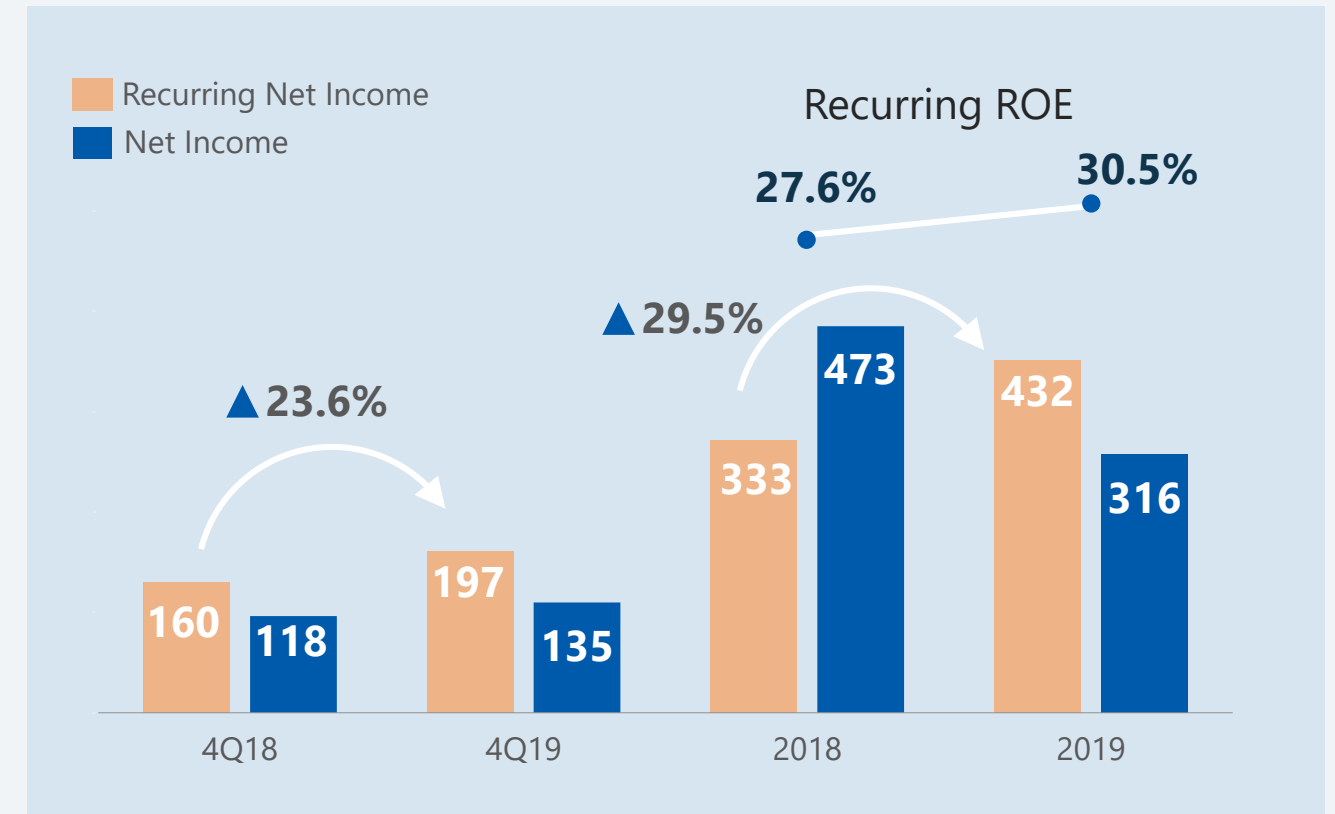
### Capital Management

**Sale of textile segment operations** and assets related to brand **Topper<sup>1</sup>** in Argentina



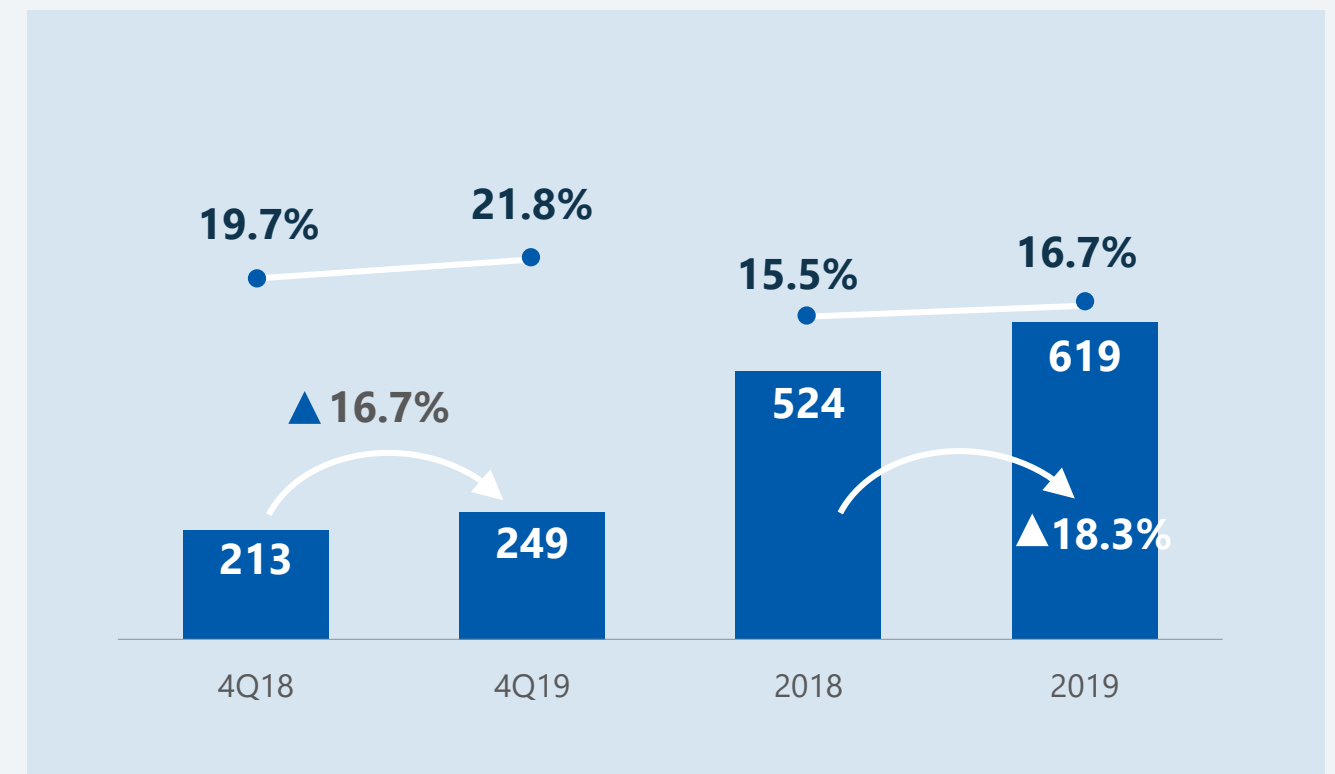
### Net Income and ROE

R\$ million



### Recurring EBITDA

R\$ million  
Recurring EBITDA Margin



<sup>1</sup> Subject to the fulfillment of certain conditions precedent

# Highlights of Itaúsa's portfolio

Results | 2019 - Duratex

**Duratex** **Consolidated recurring EBITDA was up 7.1%**, mainly driven by more efficient operations, acquisition of Cecrisa, and Deca division outperformance

Lower financial leverage, driven by **strong cash generation**

## Highlights of the year

### Supplementing the portfolio in ceramic tiles

**Acquisition of Cecrisa**, which produces and sells ceramic tiles under Cecrisa and Portinari brands.

**New line 4.0 of Ceramic Tiles unit starts production** with a 6.2 million sq. m. capacity and focus on high-end customers.

### Revision of assets, increase in return

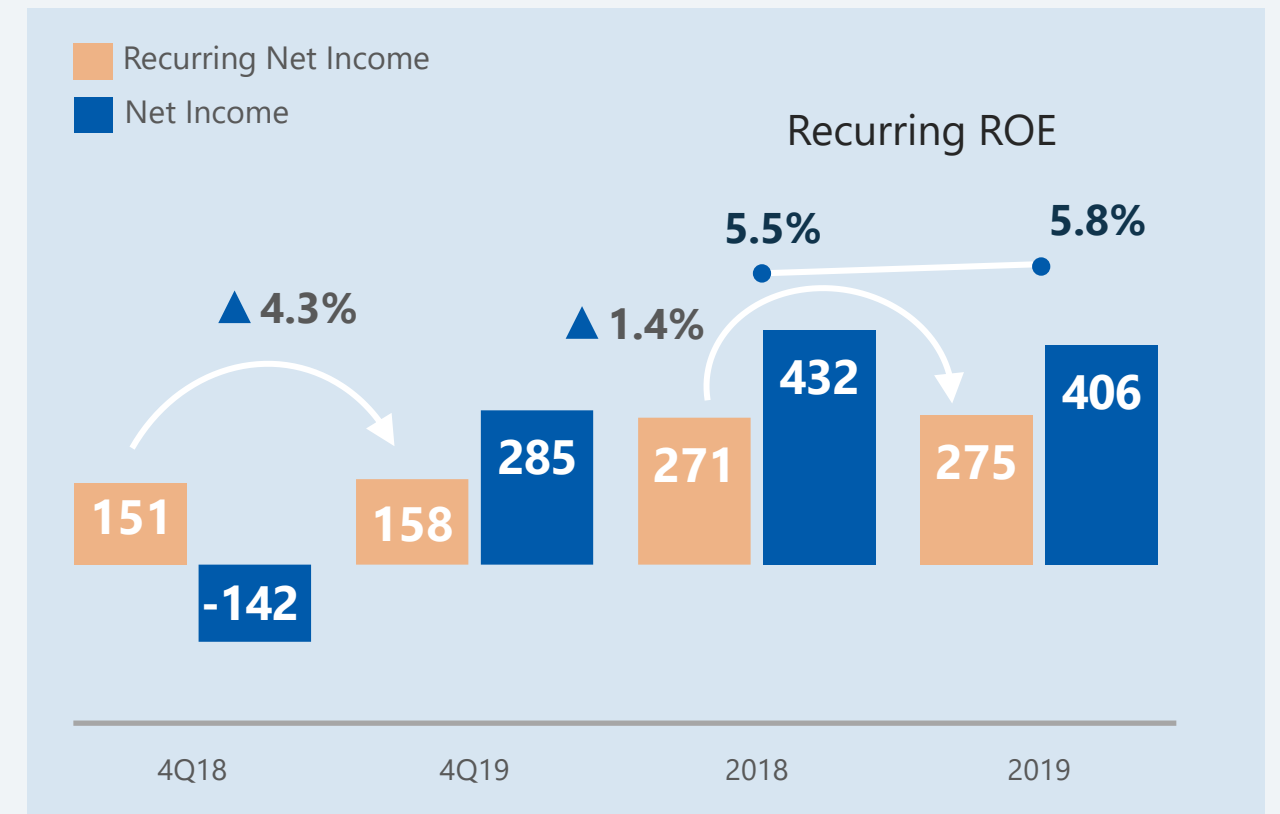
**Final approval for the JV with Austrian company Lenzing AG** to produce DWP, with industrial investment of ~R\$ 5.2 billion.

**Revision and rationalization of assets**, as manufacturing plants and forests.



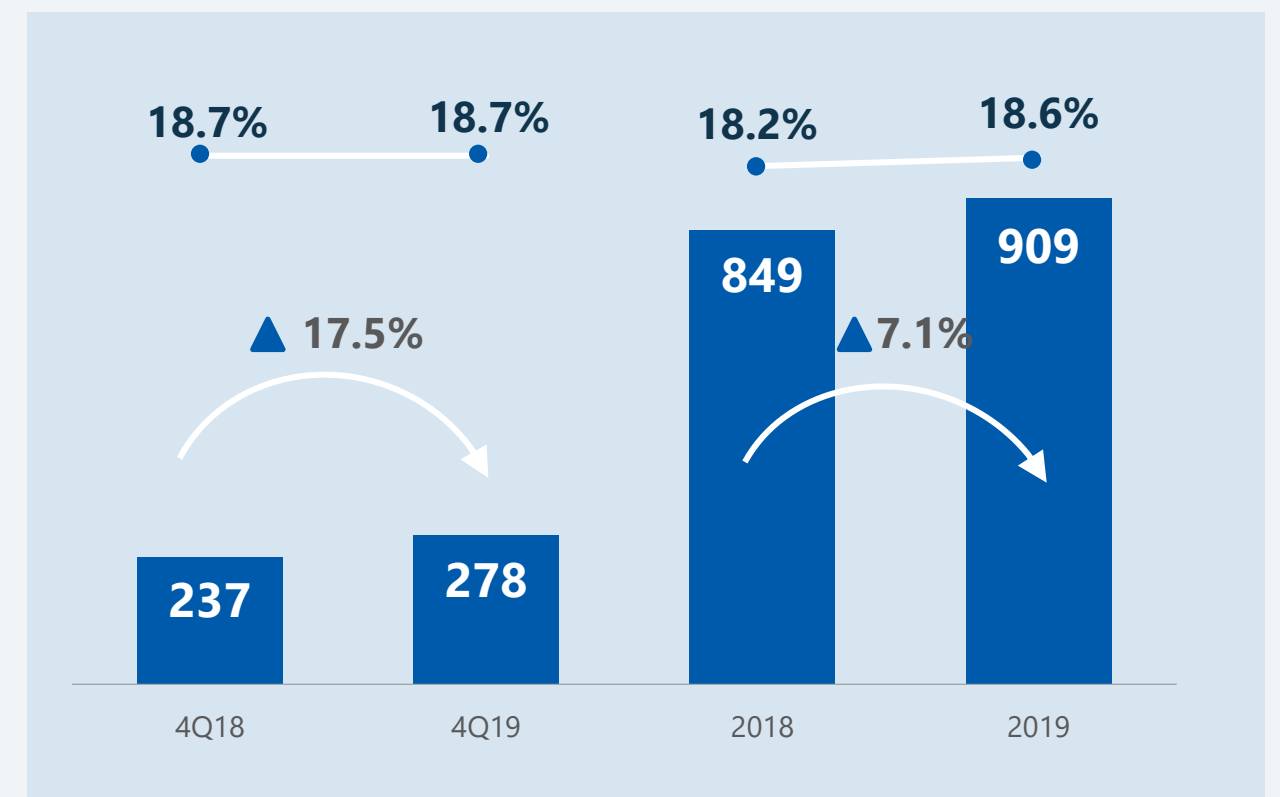
### Net Income and ROE

R\$ million



### Recurring EBITDA

R\$ million  
Recurring EBITDA Margin



# Highlights of Itaúsa's portfolio

Results | 2019 - NTS



Net revenue increased **9.0% in 2019**, due to contractual adjustments; **Net income advances 14.7%** also due to better financial result

## Highlights of the year

On April 18, 2019, CVM authorized the company's **registration as an issuer of securities** category "B".

**New CEO** elected: Wong Loon – also holding the position of COO.

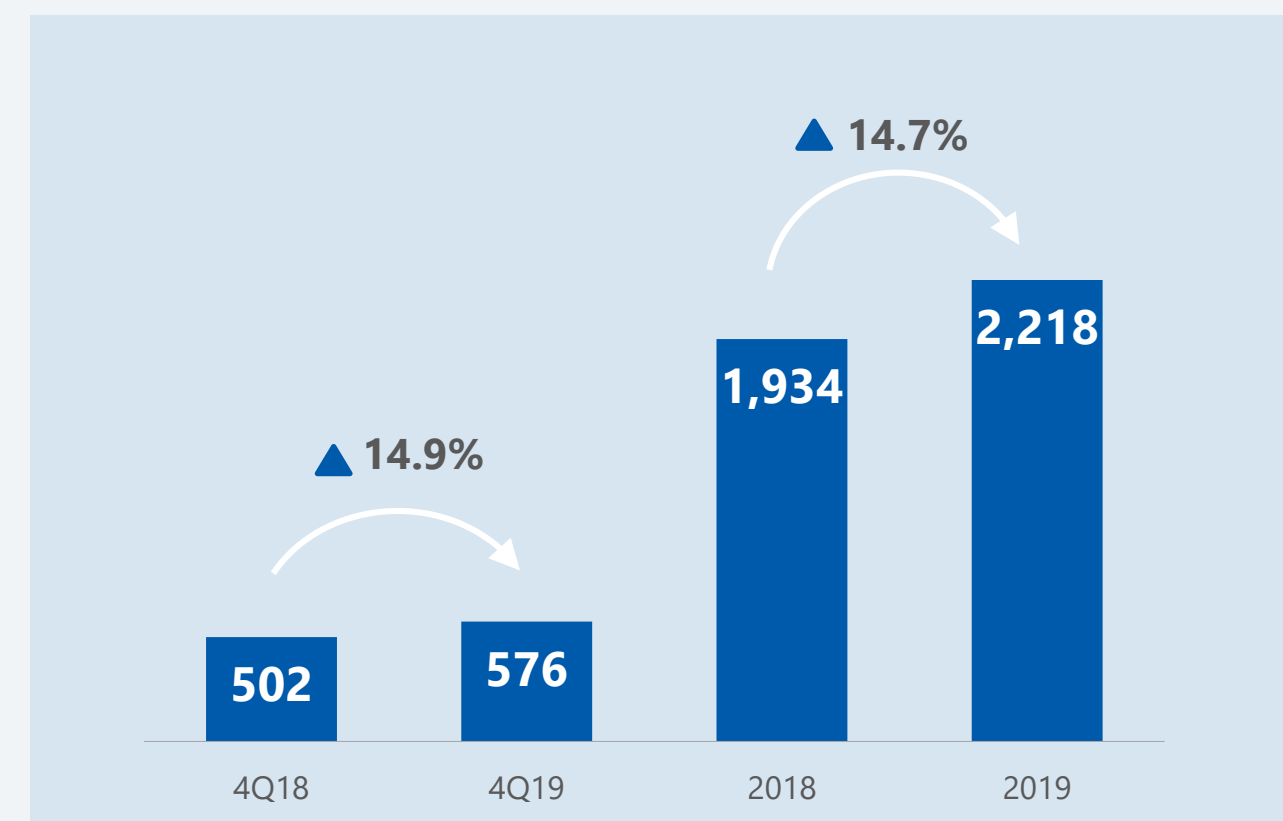
Itaúsa received **Earnings** in the amount of **R\$211** million in 2019.

**Net revenue was up 9.0%**, to **R\$4.6 billion** and Net Income totaled **R\$2.2 billion**.



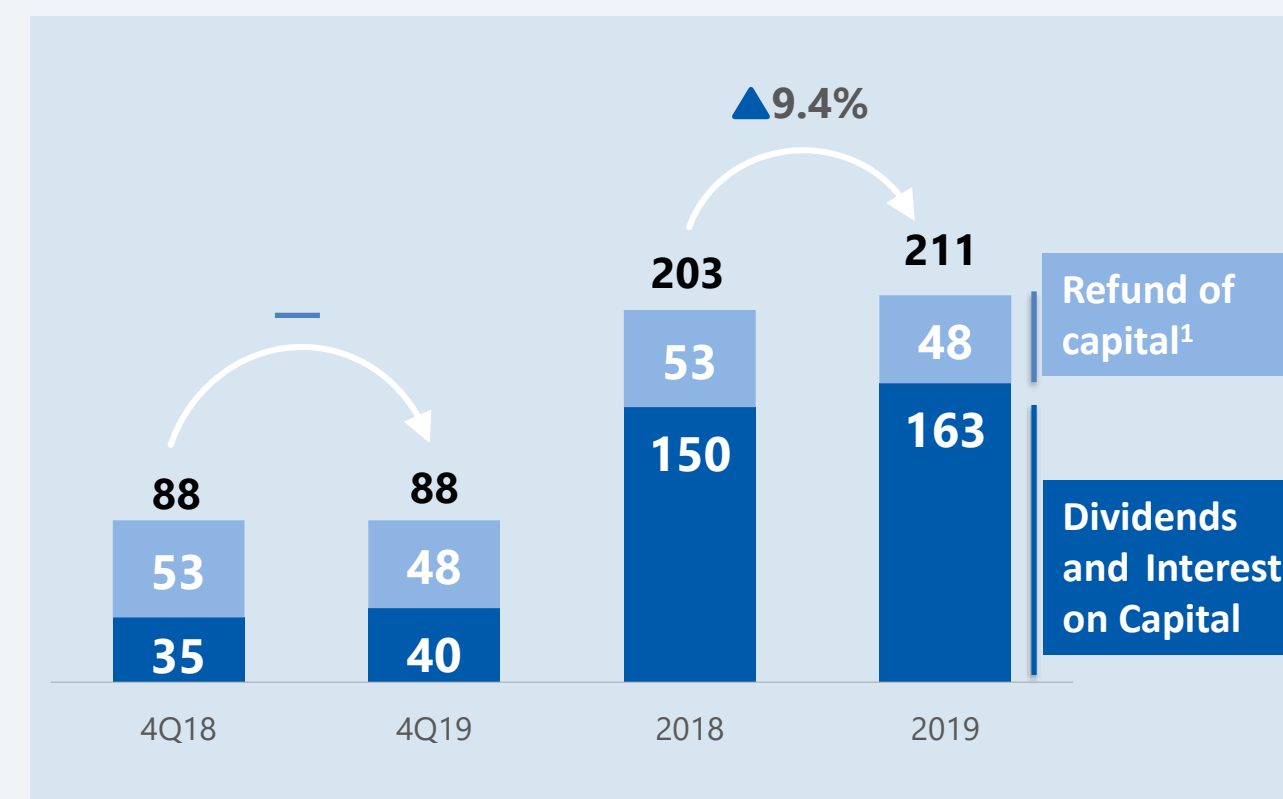
### Net Income

R\$ million



### Earnings received by Itaúsa

R\$ million



<sup>1</sup>Refund of capital as a result of the capital decrease carried out by the Company

# ITAÚSA

**Results | 2019**



# Main metrics of income and balance sheet

Parent Company: in IFRS

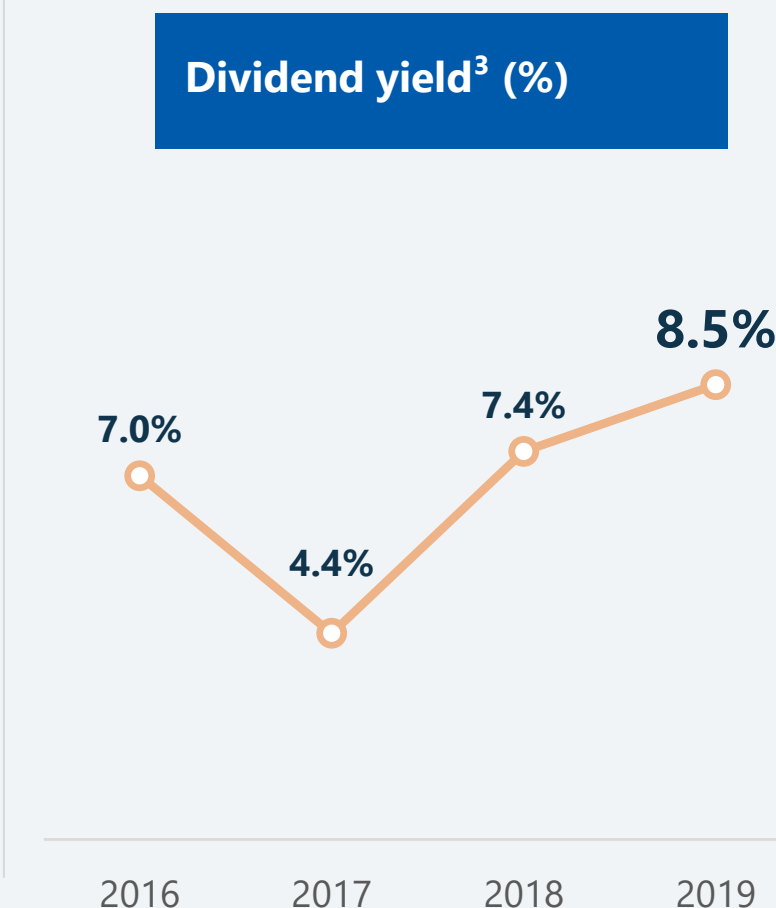
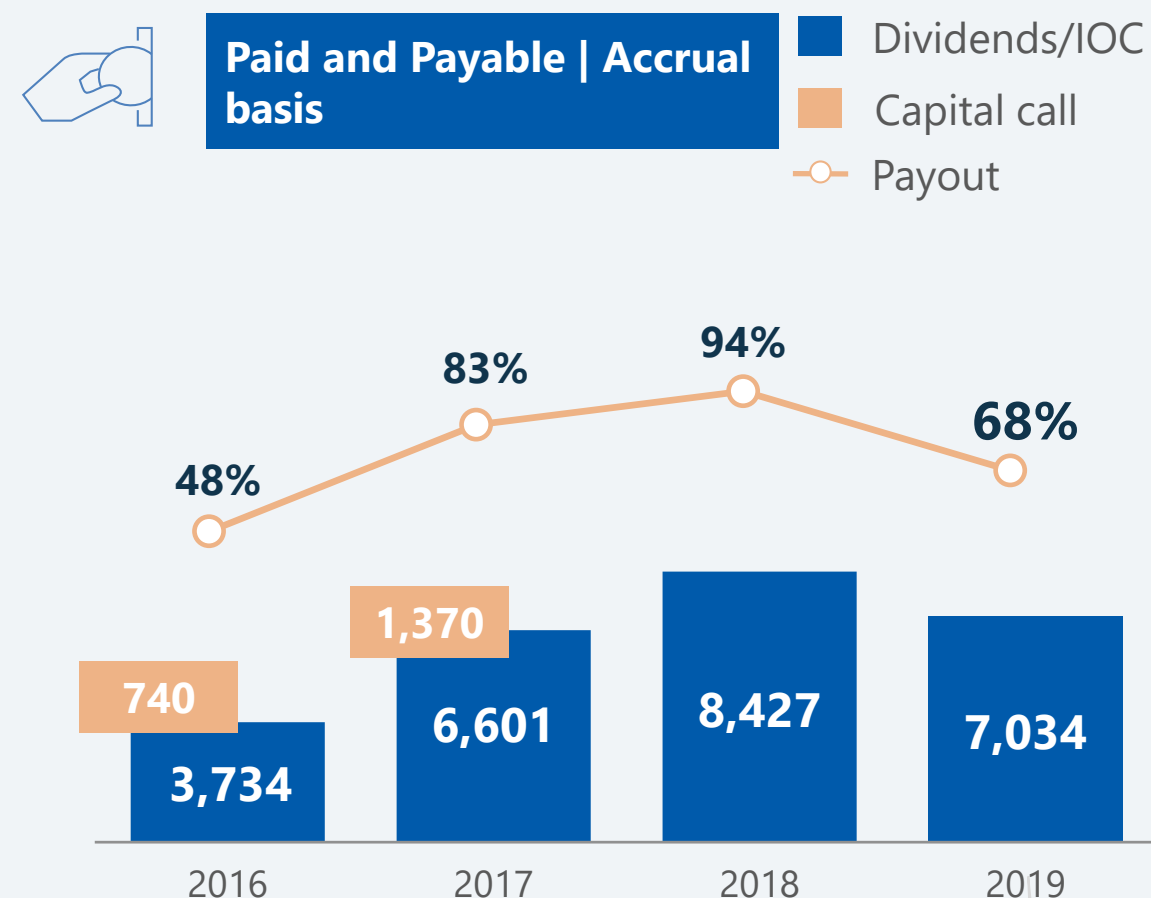
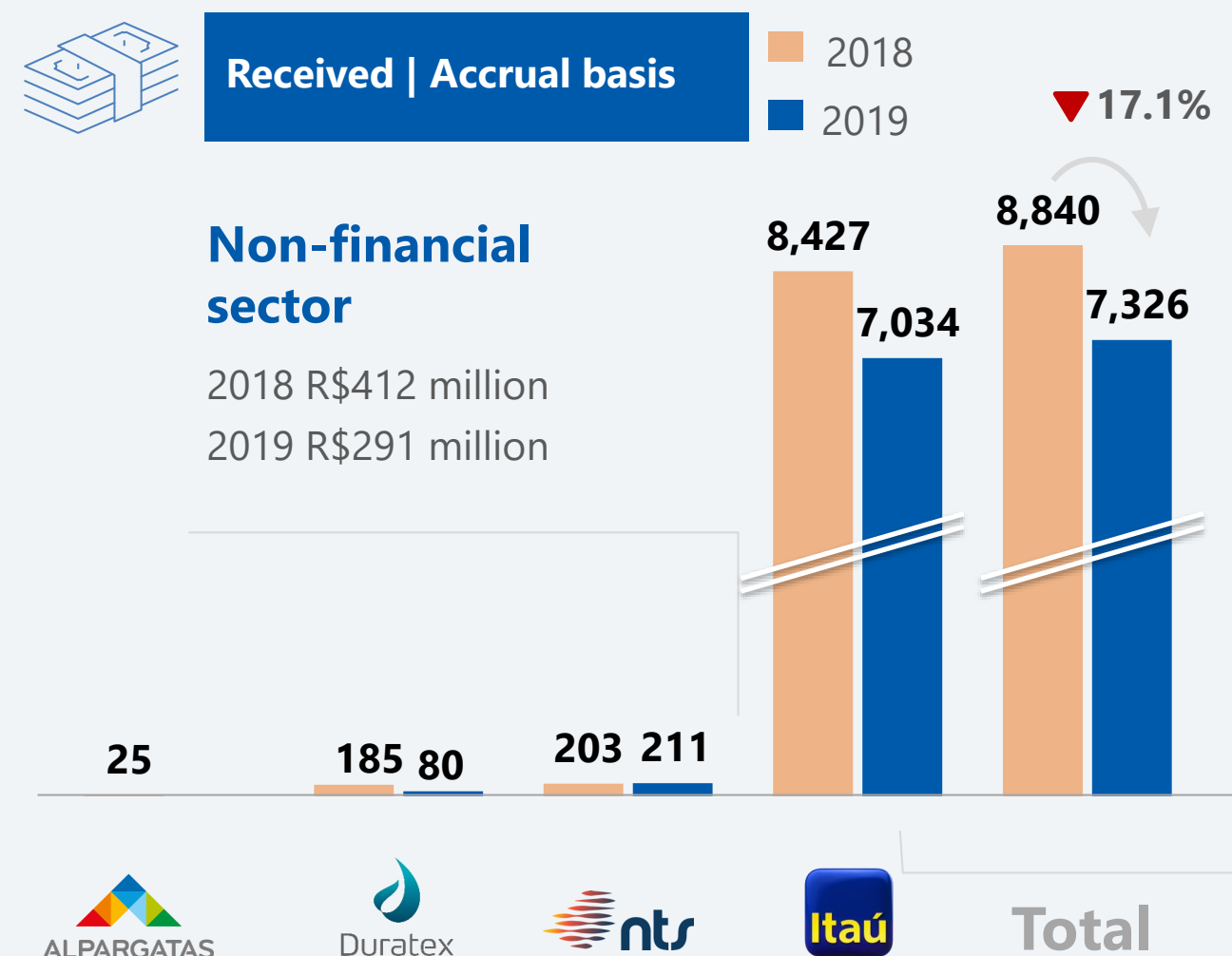
	R\$ million			R\$ per share	
	2019	2018	Change	12.31.2019	12.31.2018
<b>Profitability</b>					
Net Income	10,312	9,436	<b>+9.3%</b>	1.23	1.13
Recurring Net Income	9,765	9,427	<b>+3.6%</b>	1.16	1.13
ROE	19.4%	18.2%	<b>+120bps</b>		
Recurring ROE	18.4%	18.2%	<b>+20bps</b>		
<b>Balance Sheet</b>					
Total Assets	58,710	58,377	<b>+0.6%</b>		
Stockholders' Equity	55,232	55,143	<b>+0.2%</b>	6.57	6.56
Market Value <sup>1</sup>	118,508	101,601	<b>+16.6%</b>		
<b>Payout</b>					
Dividend Yield <sup>2</sup>	8.5%	7.4%	<b>+110bps</b>		

<sup>1</sup>Calculated based on the closing price of preferred shares on the last day of the period.

<sup>2</sup>Dividend Yield includes dividends/interest on capital, gross, paid in the last 12 months, divided by the closing price.

# Dividends and Interest on Capital<sup>1,2</sup>

In R\$ million



**R\$ 1.1 bn**  
Cash position  
12.31.2019

**No capital call**  
expected for 2020

**R\$0.41**  
per share<sup>4</sup>

**Feb 20<sup>th</sup>**  
Record date

<sup>1</sup> Refers to Individual Balance Sheet.

<sup>2</sup> Interest on capital, net of withholding income tax. Includes refund of capital arising from decrease in NTS's capital

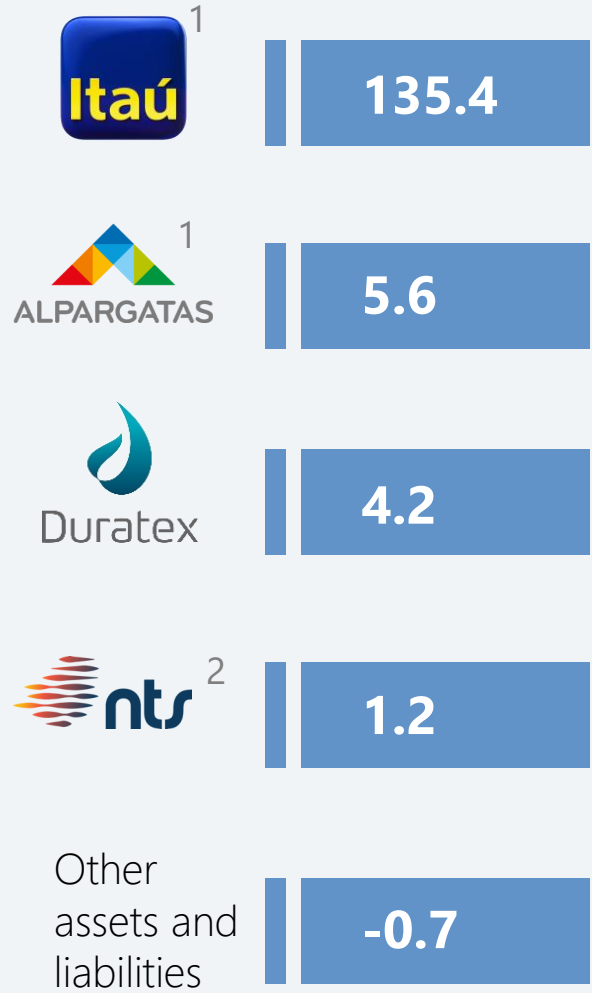
<sup>3</sup> Dividend Yield includes dividends/interest on capital, gross, paid in the last 12 months, divided by the closing price.

<sup>4</sup> Approximate amount, net of income tax. For further information, please refer to Material Fact disclosed on February 17, 2020.

# Capital markets

Itaúsa's portfolio – market value<sup>1</sup>  
R\$ billion – on 12.31.2019

### Market value of Itaúsa's portfolio



### Sum of the parts (a)

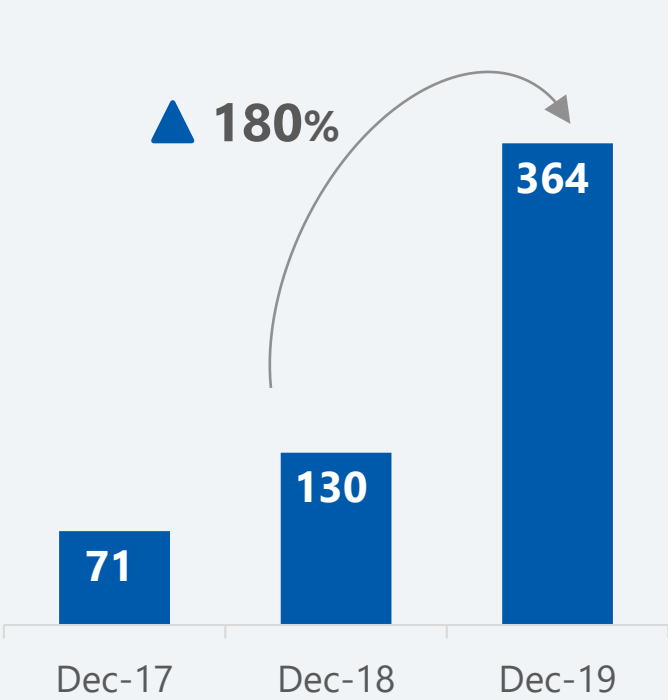


### Market value<sup>1</sup> of Itaúsa (b)



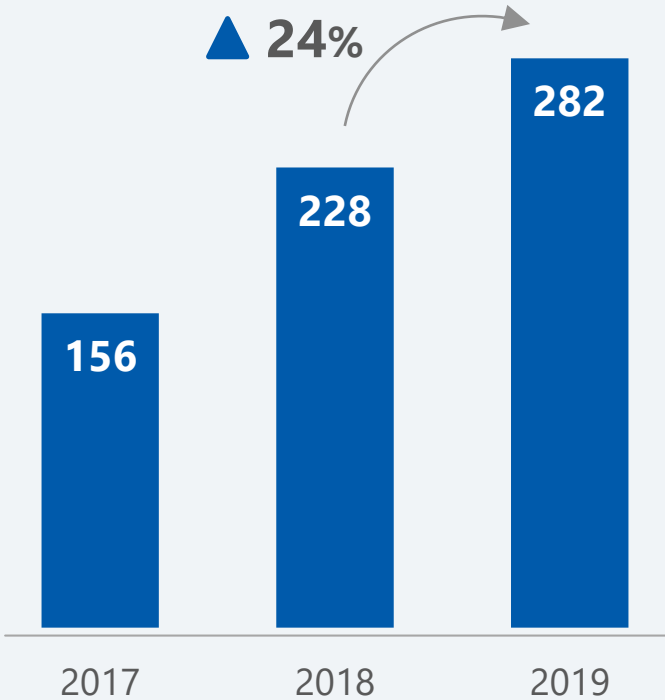
### Evolution of individual stockholders' base

Thousands of stockholders

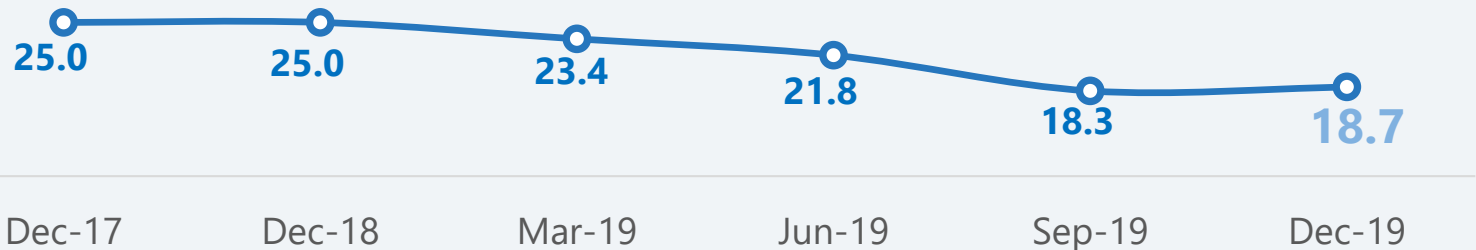


### Average daily traded volume

ITSA4 – R\$ million



### Holding discount (%)



<sup>1</sup> Calculated based on the price of preferred shares.

<sup>2</sup> Investment amount recorded in the Balance Sheet on 12.31. 2019.

# Itaúsa in the capital markets

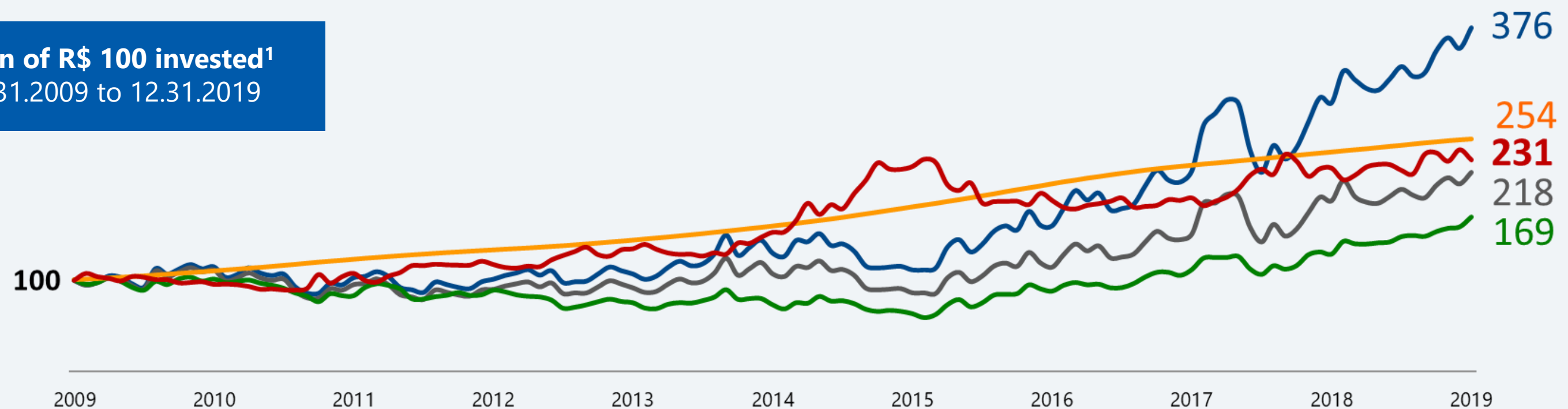


## CAGR (in Reais)

	Itaúsa Total return <sup>1</sup>	Itaúsa without reinvestment	Ibovespa	CDI	US dollar
<b>10 years</b>	14.2%	8.1%	5.4%	9.8%	8.8%
<b>5 years</b>	23.7%	15.3%	18.3%	9.9%	8.7%
<b>12 months</b>	27.9%	16.6%	31.6%	5.9%	4.0%



## Evolution of R\$ 100 invested<sup>1</sup> from 12.31.2009 to 12.31.2019



<sup>1</sup>With dividends/interest on capital reinvested



# Q&A Session

# ITAÚSA

## **Henri Pechas**

Chairman of the Board of Directors

## **Alfredo E. Setubal**

CEO and Investor Relations Officer

## **Priscila G. Toledo**

CFO

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## **Guilherme S. Silva**

IR and New Business Manager



ALPARGATAS

## **Carlos Biehl**

Investor Relations Manager