JSL

Entender para Atender





THE BROADEST PORTFOLIO OF LOGISTICS SERVICES IN BRAZIL



4Q13 Results Presentation

February 26th, 2014

TK: **JSLG3 / JSLGY**

Fipecafi - Serasa Experian
TROFÉU TRANSPARÊNCIA
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2013

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Highlights 2013

Logistics Services gross revenue **record** of **R$ 3.660 billion** (**+19.0%**) and **Consolidated EBITDA**[1] of **R$ 713.6 million** (**+16.9**), compliance with the guidance released earlier this year, despite the economic slowdown

Continued growth based on **value creation** for the **customer**, **industry diversification** and the **broadest portfolio** of **logistic services**

JSL Consolidada – Reported data – 2013 vs. 2012

- **Total Consolidated Gross Revenue** of **R$ 5.243 billion,** growth of **17.1%**
- **EBITDA**[1] of **R$ 713.6 million**, growth of **16,9%**
- **Net Income**[1,2] of **R$ 99.9 million**, growth of **8.9%**
- **Acquisition** of **BGN Leasing** (pending BACEN approval)
- **Acquisition** of **Movida**
- **Consolidation** of **JSL Logística** and **JSL Concessionárias** activities
- **4 new MAN heavy vehicles stores opened** by **JSL Concessionárias**

JSL Logística – Reported data – 2013 vs. 2012

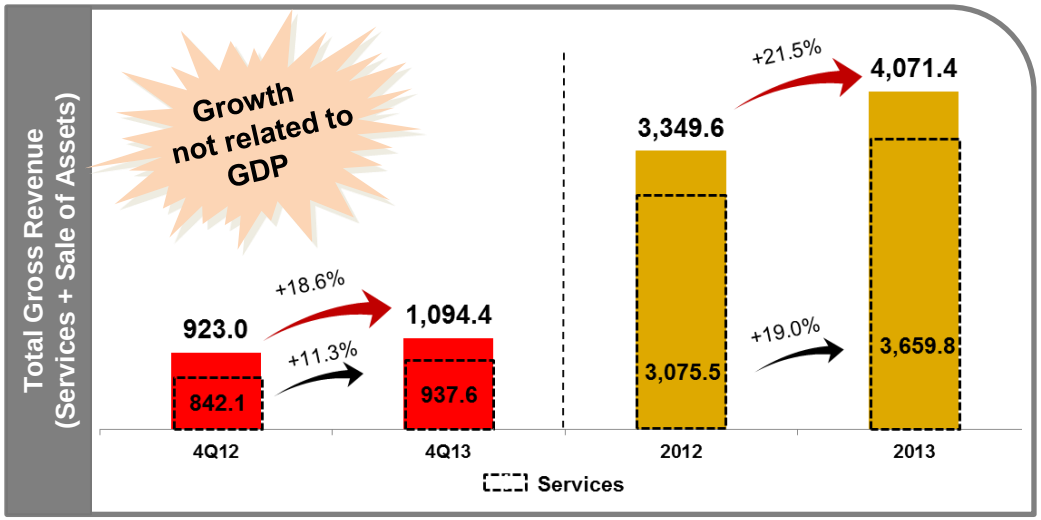
- Total Gross Revenue of **R$ 4.071 billion**, growth of **21.5%**
- **EBITDA**[1] **record** of **R$ 683.6 million**, growth of **15.9%**
- **Net Income**[2] of **R$ 94.8 million**

[1] JSL Consolidada: Excludes the effects in the amount of R$ 6.7 million of non-recurring expenses of JSL Logística related to the acquisitions of Schio and Simpar Concessionárias (current JSL Concessionárias), special projects, and others. Also R$ 1.0 million in JSL Concessionárias de Veículos in 2013.
[2] Excludes the impact from the expenses detailed in item 1. It considers a rate of 34.0% for R$ 6.7 million in Logística and R$ 6.8 million in Consolidated.

Operating Highlights - JSL Logística

(R$ million)

JSL Logística – Reported Data – Comparisons with 4Q12



Record gross revenue from Services

- **Growth** of Revenue from **Same Contracts (RSC): 6.7%**
- **New Contracts** contributed with **R$ 80.4 million**

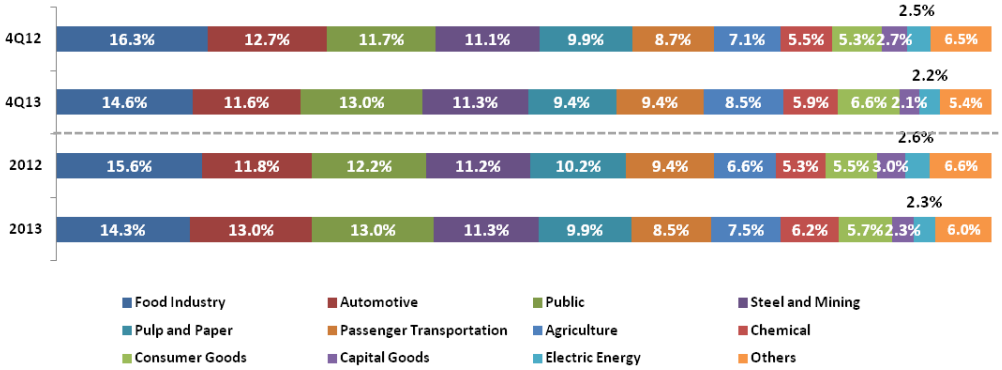
Resale of assets

- **Growth of 93.8%** in revenue from the Usual Resale of Assets, due to:
  - **more assets available** for sale
  - **new sale channels** from the **network of dealerships**

By Economic Sector

- **Continuous increase in sectoral diversification**

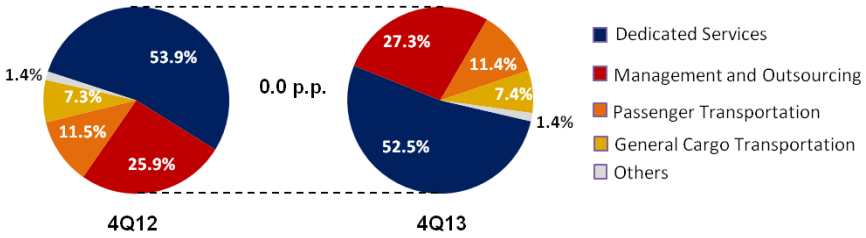
+ 16 sectors of economy



By Business Line

- Focus on **Logistics Services** with **higher value added**

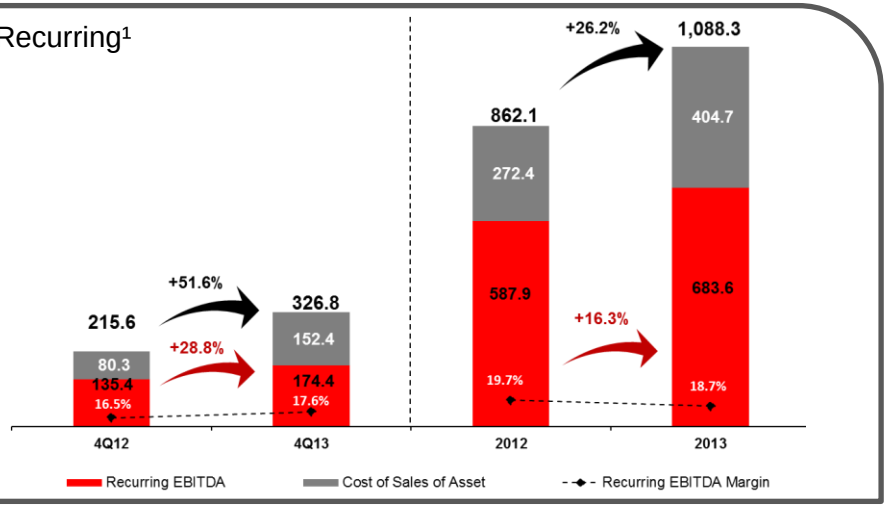
79.8% of **Dedicated Services + Management and Outsoucing**



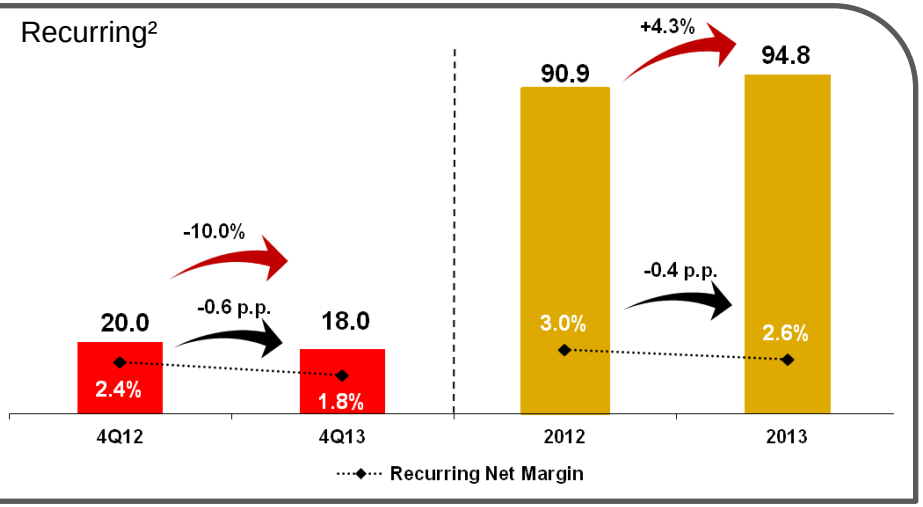
Financial Results – JSL Logística
(R$ million)

Comparison with 4Q12

EBITDA-A



Net Income



Destaques

- **28.8% growth** in EBITDA**,** reaching **R$ 174.4 million in 4Q13,** with Services EBITDA margin of **20.4%, 2.2 p.p. up**, due to higher dilution of operational expenditure, partially offset by increased cost with third parties and independent contractors
- The total recurring net income was R$ 18.0 million, decrease of 10.0%, due to the recognition of revenue in the amount of R$ 9.5 million related to the adjustment by the Selic of the negative balance of income tax / social contribution in 4Q12, and an expense of R$ 2.5 million linked to prepayment of loans (low the balance of deferred costs in hiring debentures), beyond higher investments, primarily to the expansion of the company, resulting in higher interest expenses

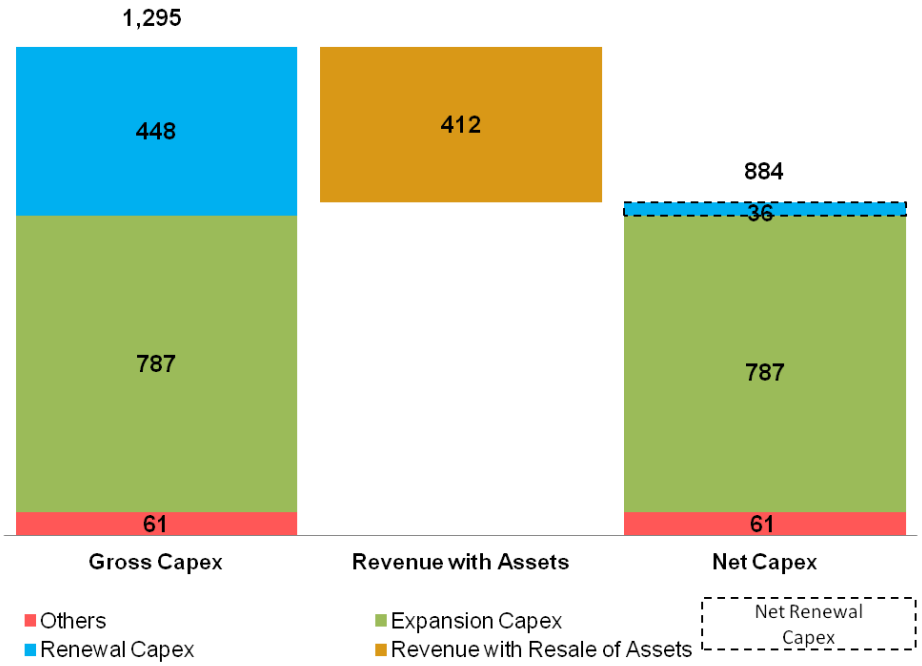
¹ Excludes the effects of non-recurring expenses related to the aquisitions of Schio and SIMPAR Concessionárias (currently JSL Concessionárias), special projects, totaling R$ 2.0 millions in 4Q12 , R$ 12.0 millions in 2012, R$ 3.1 million in 4Q13,and R$ 6.7 million in 2013

² Excludes the impact from the expenses detailed in item 1. It considers a rate of 34.0% for R$ 0.5 million in 4Q12, R$ 5.0 millions in 2012, R$ 3.1 million in 4Q13 and R$ 6.7 millions in 2013

Capex - JSL Logística

(R$ million)

2013 Capex



Capex profile:

- **61%** on **business expansion**
- **80%** in **Dedicated Services** and **Manag. and Outsourcing**
- **56%** in **heavy vehicles and 38%** in **light vehicles**

Flexibility in the management of Renewal Capex due to the low average fleet age, as well as Expansion Capex, which is linked to the execution of new contracts

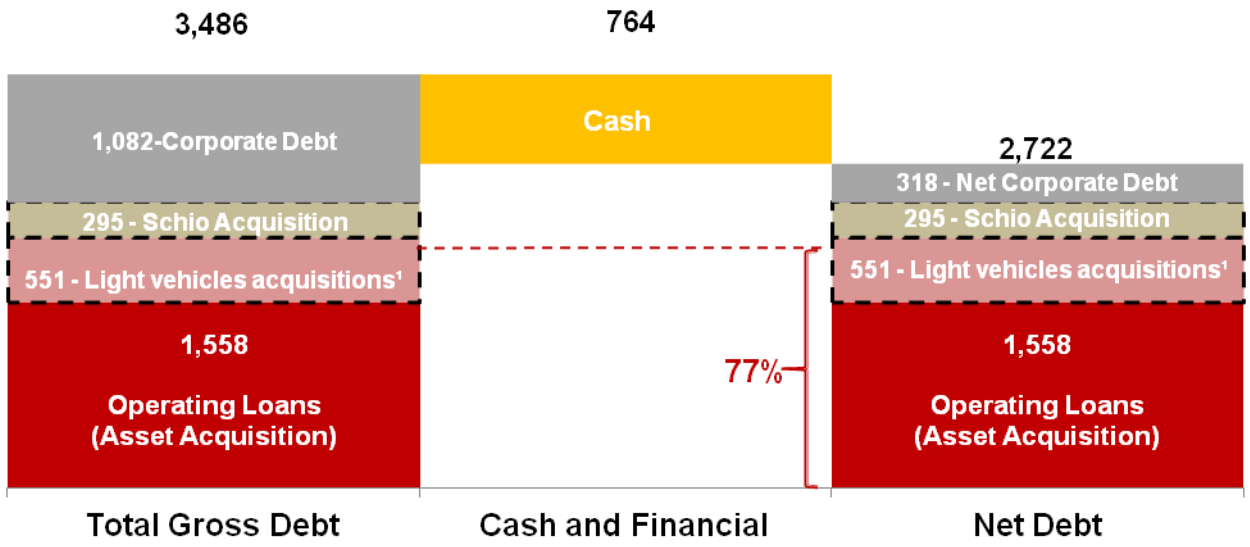
- **Expansion Capex contributes only partially to revenue and cash generation in the year in which it is executed, as it depends on the moment in which the new contracts come into effect, keeping in mind that they have an implementation period that ranges from 90 to 120 days (expenses without revenue)**

- **Full contributions from the contracts executed during a given year only take place in the following years, after a full year operating at their maturity**

Indebtedness - JSL Consolidada

(R$ million)

Net Debt Breakdown



Base:12/31/2013

¹Acquisition of light vehicles with own funds to acquire to increasing fleet

Debt profile in 4Q13:

- **77%** linked to **operational assets**
- **51%** linked to **pre-fixed** taxes (includes TJLP)
- **49%** linked to **float** taxes, basically **CDI**
- **Average cost of debt 9.2% a.a.**

Leveraging Parameters

	4Q13	Covenants
Net Debt¹/ EBITDA-A²	2.4x	Max 3.0 x
EBITDA²/ Net Interest²	5.3x	Min 2.0 x
Cash and Investments¹/Gross Debt ST¹	1.4x	N.A.

EBITDA-A or EBITDA Added - corresponds to EBITDA plus the residual accounting cost from the sale of fixed assets, which is non-cash, since it represents merely an accounting entry of the removal of assets from the balance sheet at the moment they are sold. Thus, the Company's management believes that EBITDA-A is a better measure of operating cash flow than traditional EBITDA, representing the Company's capacity to meet its financial obligations.

¹ **End of period; recurrent last 12 months**

Other Covenants: Net Debt/EBITDA: 3.9x; EBITDA/Net interest: 3.3x

JSL Logística and JSL Concessionárias de Veículos:
Independent yet complementary businesses

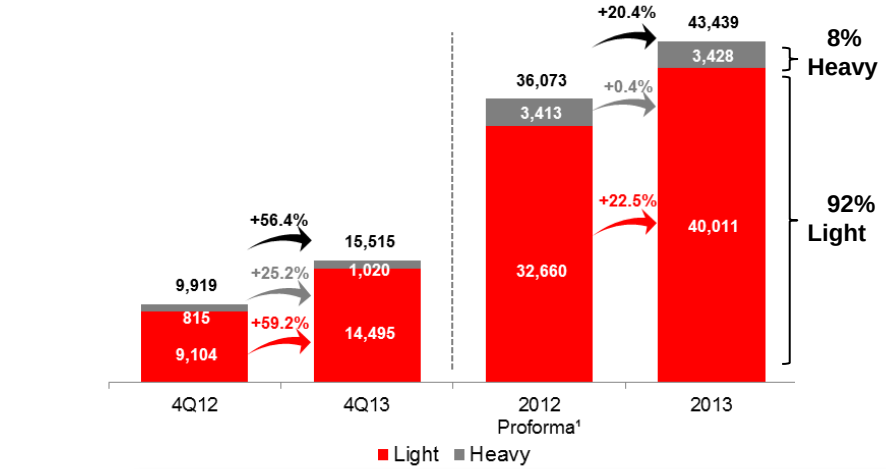
JSL Concessionárias de Veículos results

Synergy between JSL Logistics and JSLConcessionárias	4Q13			2013		
	JSL Logística	Through JSL Concessionárias	Synergy % of Total	JSL Logística	Through JSL Concessionárias	Synergy % of Total
Purchase of Light Vehicles (units)	5.050	4.968	98,4%	17.617	12.473	70,8%
Purchase of Heavy Vehicles (units)	361	84	23,3%	3.630	239	6,6%
Sales of Light Vehicles Used Vehicles (units)	1.965	1.114	56,7%	6.674	2.852	42,7%

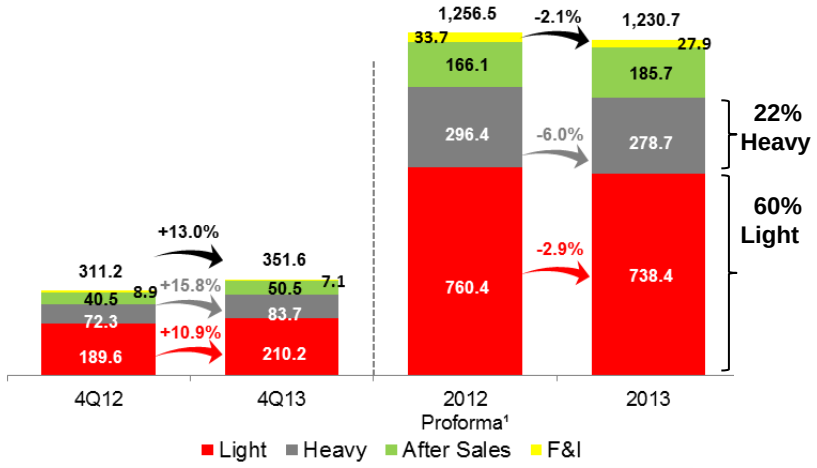
Financial Hihglights (R$ million)	2012 Proforma[1]	2013	Chg. 2012 x 2013 (Proforma)
Net Revenue	**1,164.3**	**1,143.4**	**-1.8%**
Recurring Net Income[2]	**(0.2)**	**5.1**	**+2650.0%**
Recurring Net Margin[2]	0.0%	0.4%	+0.4 p.p.
Recurring EBITDA[2]	**21.6**	**28.8**	**+33.3%**
Recurring EBITDA Margin[2]	1.9%	2.5%	+0.6 p.p.

Highlights of JSL Concessionárias de Veículos:

Volume and Mix of Vehicles Sold (units)



Gross Revenue and Revenue Mix (R$ million)



In 4Q13, the recurring EBITDA[1] was R$ 8.8 millions (margin of 2.7%) and Net Profit[2] of R$ 2.4 millions basically by the increase in gross profit from retail and direct sales

[1]From January to September 2012

[2]Related to provision write-offs, depreciation of improvements in previous years, pre-operating expenses of new stores and other

Consolidated Results - JSL Consolidada 2013

(R$ million)

JSL Consolidada (R$ million)	4Q13					2013				
	JSL Logística	JSL Concessionárias	Movida	Exclusion	JSL Consolidada[2]	JSL Logística[1]	JSL Concessionárias	Movida	Exclusion	JSL Consolidada[1,2]
Gross Revenue	**1,094.4**	**351.6**	**7.1**	**(35.0)**	**1,418.1**	**4,071.4**	**1,230.7**	**7.1**	**(66.4)**	**5,242.8**
Net Revenue	**991.1**	**328.4**	**6.8**	**(35.0)**	**1,291.2**	**3,662.6**	**1,143.4**	**6.8**	**(66.4)**	**4,746.5**
Gross Profit	**145.0**	**56.3**	**1.5**	**-**	**202.8**	**561.8**	**197.5**	**1.5**	**-**	**760.8**
Gross Margin	14.6%	17.1%	0.5%	-	15.7%	15.3%	17.3%	0.5%	-	16.0%
EBIT	**87.0**	**6.4**	**0.2**	**-**	**93.7**	**341.7**	**21.5**	**0.2**	**-**	**363.4**
EBIT Margin	8.8%	1.9%	0.1%	-	7.3%	9.3%	1.9%	0.1%	-	7.7%
Recurring Net Income	**18.0**	**2.4**	**(0.0)**	**-**	**20.5**	**94.8**	**5.1**	**(0.0)**	**-**	**99.9**
Recurring Net Margin	1.8%	0.7%	0.0%	-	1.6%	2.6%	0.4%	0.0%	-	2.1%
Recurring EBITDA	**174.4**	**8.8**	**1.2**	**-**	**184.4**	**683.6**	**28.8**	**1.2**	**-**	**713.6**
Recurring EBITDA Margin	17.6%	2.7%	0.4%	-	14.3%	18.7%	2.5%	0.4%	-	15.0%
Recurring EBITDA-A	**326.8**	**12.0**	**2.8**	**-**	**341.7**	**1,088.3**	**37.9**	**2.8**	**-**	**1,129.0**
Recurring EBITDA-A Margin	33.0%	3.7%	0.9%	-	26.5%	29.7%	3.3%	0.9%	-	23.8%

[1] Proforma

[2] Excludes pre-operational companies expenses

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