

# Full-Year 2013 Earnings Results



## Presentation:

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**Caxias do Sul, February 26<sup>th</sup>, 2014**

## **DISCLAIMER**

This presentation contains future information. Such information is not simply historical facts, but reflects the desires and the expectations of the Company's leadership. The words anticipates, desires, hopes, forecasts, intends, plans, predicts, projects, wishes and similar ones, intend to identify affirmations that necessarily involve known and unknown risks. Known risks include uncertainties that are not limited to the impact of the competitiveness of the prices and services, market acceptance of services, the Company's service transitions and its competitors, the approval of regulations, currency, fluctuation in the exchange rate, changes in the mix of services offered, and other risks described in the reports of the Company. This presentation is updated until the present date. However, Marcopolo is not obligated to update it with new information and/or future events.

# OUTLINE

- ▶ **Highlights**
- ▶ **Outlook for 2014**
- ▶ **Operating and Financial Results**
- ▶ **Capital Market**

# HIGHLIGHTS

## Brazilian Bus Production

2013

Δ 2013/2012

- **Domestic Market:** **28,827 units** **+0.7%**
- **External Market:** **4,282 units** **-3.9%**
- **Total Market:** **33,109 units** **+0.1%**

## Marcopolo

### **Production / Destination**

- **Brazil:** **16,537 units** **+9.5%**
- **External Market:** **4,106 units** **-13.7%**
- **Total:** **20,643 units** **+4.0%**
- **Market Share in Brazil:** **39.8%**

# HIGHLIGHTS

	<u>2013</u>	<u>Δ 2013/2012</u>
• <b>Net Revenues:</b>	<b>R\$ 3,659.3 million</b>	<b>+8.6%</b>
• <b>Gross Profit:</b>	<b>R\$ 730.5 million</b>	<b>+5.4%</b>
<b>Gross Margin:</b>	<b>20.0%</b>	<b>-0.6pp</b>
• <b>EBITDA:</b>	<b>R\$ 435.1 million</b>	<b>+5.4%</b>
<b>EBITDA Margin:</b>	<b>11.9%</b>	<b>-0.3pp</b>
• <b>Net Profit:</b>	<b>R\$ 292.1 million</b>	<b>-3.4%</b>
<b>Net Margin:</b>	<b>8.0%</b>	<b>-1.0pp</b>
• <b>Dividends:</b>	<b>payout of 44.3% and yield of 2.8%</b>	

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## **2014 OUTLOOK - BRAZIL**

- ✓ **Full backlog until the end of April;**
- ✓ **Auction for 8,000 school buses from the “Caminho da Escola” program, out of which Marcopolo was authorized to manufacture and supply up to 4,100 units;**
- ✓ **Higher volumes of BRTs: 220 units in the order book;**
- ✓ **Higher volumes of exports from Brazil driven by favorable foreign exchange rate;**
- ✓ **Extension of FINAME – PSI 4: interest rate at 6.0% (p.a.) remain attractive to finance capital goods;**
- ✓ **Payroll tax break benefit in course;**
- ✓ **Strong demand from shuttle and tourism segments due to the World Cup and infrastructure projects;**
- ✓ **Intercity bus market still uncertain due to the interstate lines bidding process (accumulated demand);**
- ✓ **New Volare’s facility in the state of Espírito Santo to start up in the second half 2014;**
- ✓ **Tariff adjustments on the urban and intercity lines;**
- ✓ **Incentives from the government to improve the public transportation system.**

## 2014 OUTLOOK - OVERSEAS

- ✓ **India**: Performance below guidance due to lower economic activity in the country. Some improvement is expected, pushed by the already announced purchase of up to 10k buses from the government;
- ✓ **Argentina**: Economic uncertainties bring downward bias, but new technical regulations bring an upward bias;
- ✓ **Colombia**: Expanding market with increased competition;
- ✓ **Mexico**: Demand is recovering, increasing sales for intercity models (Generation 7);
- ✓ **South Africa**: Production is growing due to the renewal of Johannesburg and Pretoria's BRT systems;
- ✓ **Australia**: Local restructuring with focus on improving efficiency;
- ✓ **Egypt**: Internal market and exports shows a better scenario for this year;
- ✓ **China**: Strengthening sourcing operations and production of bodies for export;
- ✓ **Canada (New Flyer)**: Bus market remains in recovery. FX effect benefiting competitiveness of NFI. Marcopolo is still evaluating the north american bus market and potential synergies with NFI.



# OUTLINE

▶ **Highlights**

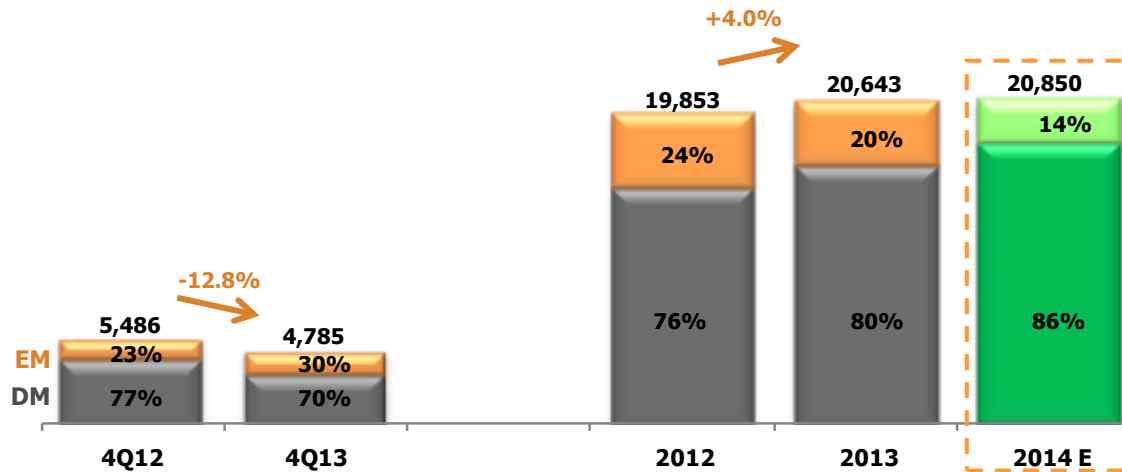
▶ **Outlook for 2014**

▶ **Operating and Financial Results**

▶ **Capital Market**

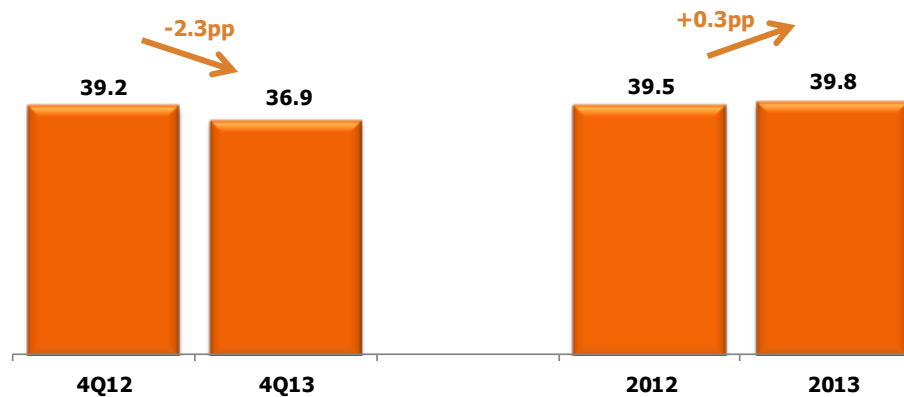
# TOTAL PRODUCTION (units) & MARKET SHARE (%)

## Marcopolo's Total Production



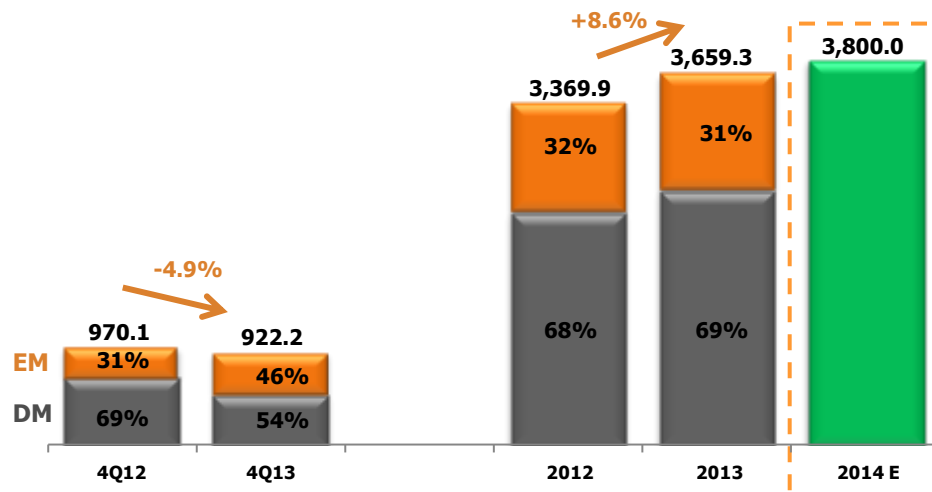
\*E = expected

## Marcopolo's Market Share in Brazil



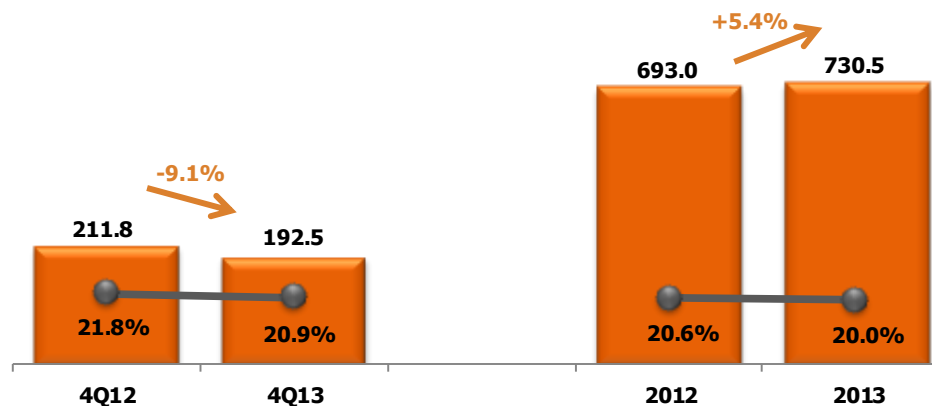
# FINANCIAL HIGHLIGHTS (R\$ Million)

## Total Net Revenues



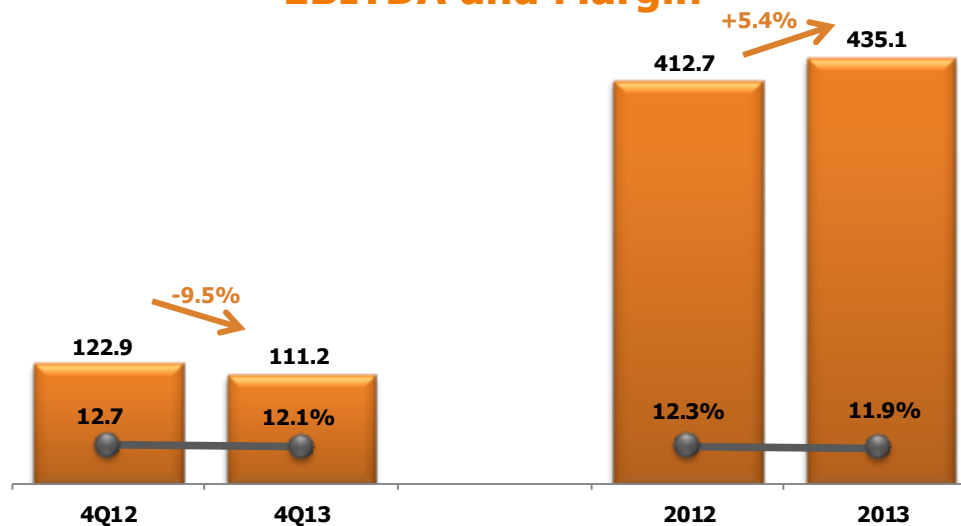
\*E = expected

## Gross Profit and Margin

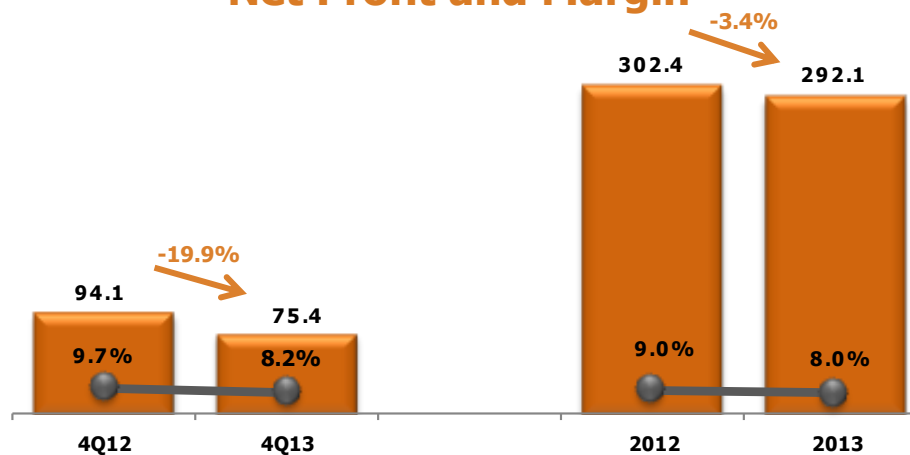


# FINANCIAL HIGHLIGHTS (R\$ Million)

## EBITDA and Margin

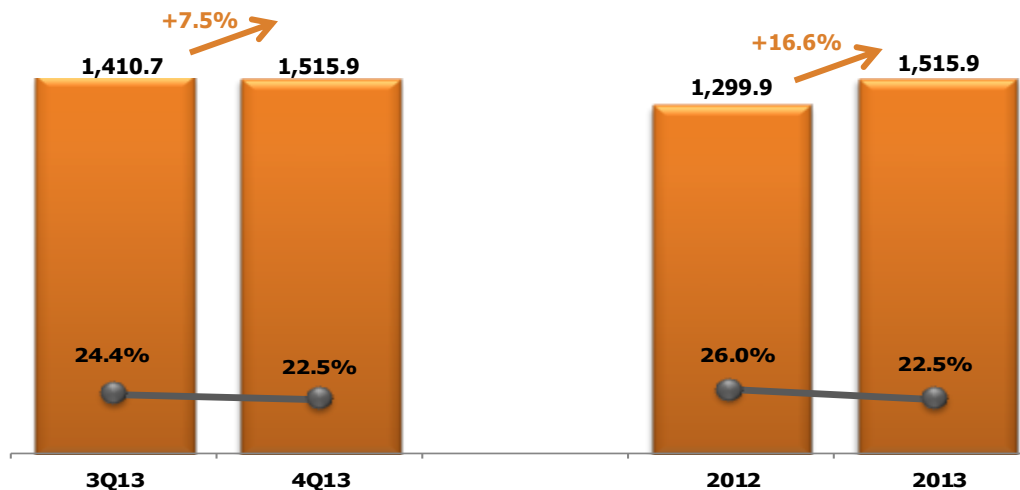


## Net Profit and Margin

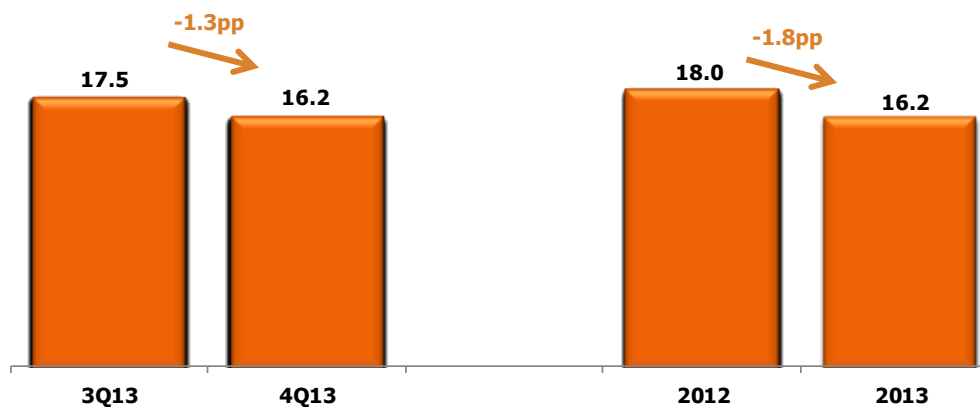


# FINANCIAL HIGHLIGHTS (R\$ Million)

## Net Equity & ROE

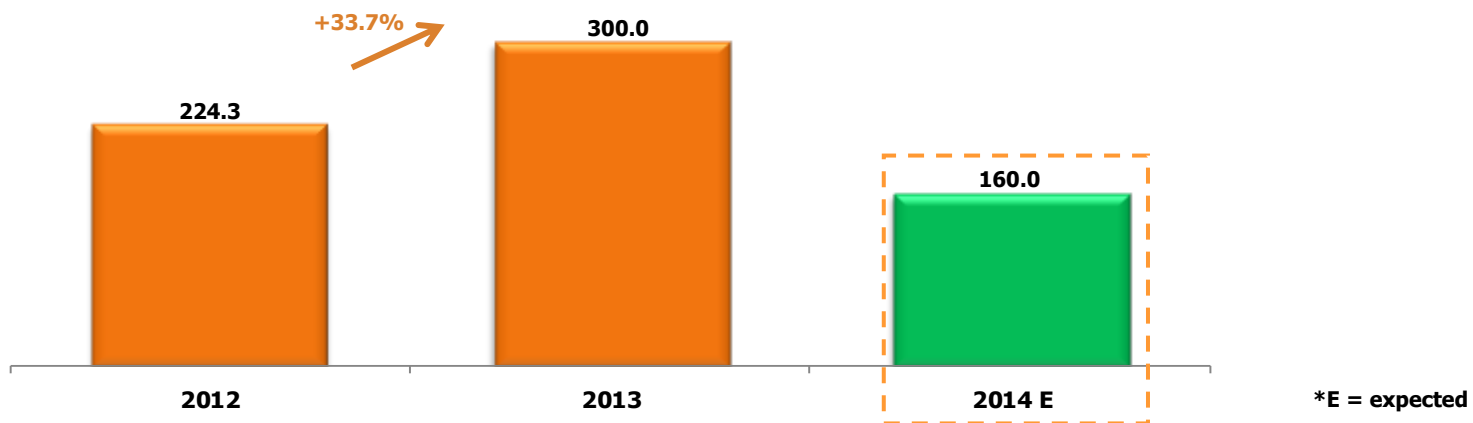


## ROIC (%)

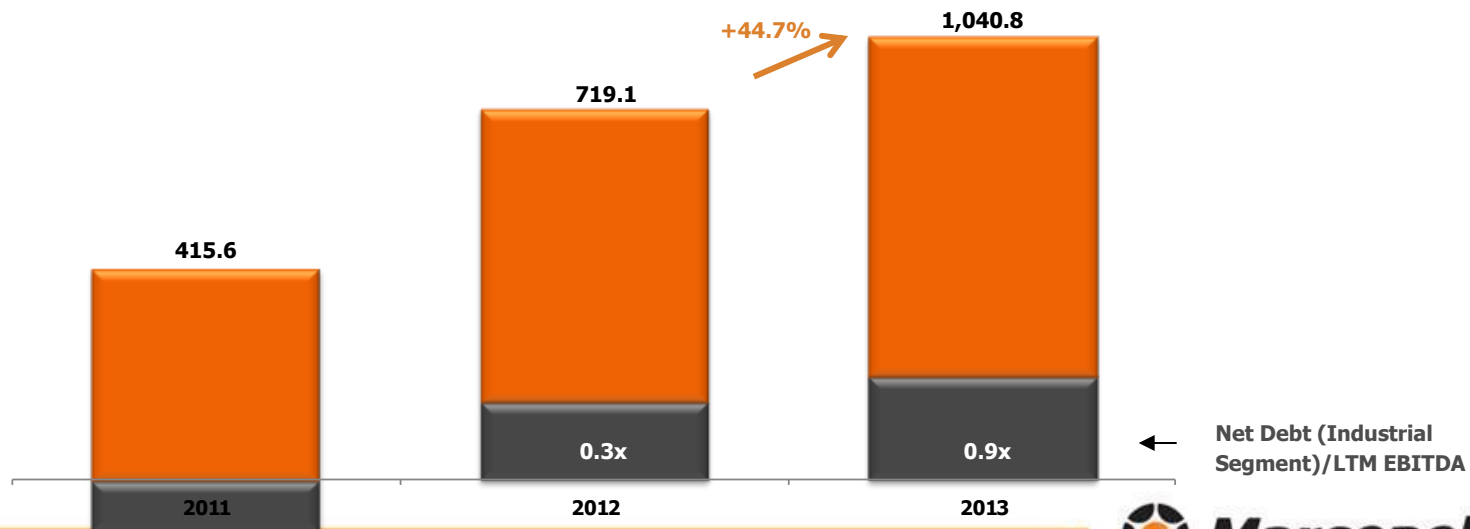


# FINANCIAL HIGHLIGHTS (R\$ Million)

## Investments



## Net Indebtedness



■ = Financial Segment

■ = Industrial Segment



**Marcopolo**

Investor Relations

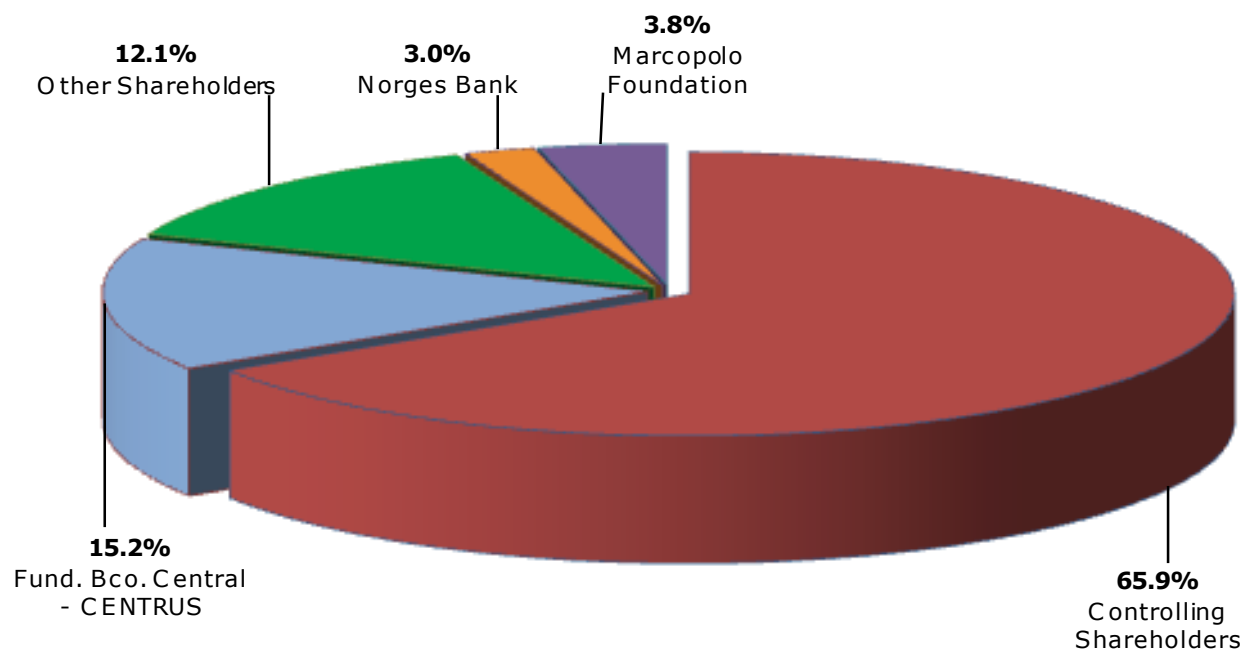
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# SHAREHOLDING DISTRIBUTION



## Common Shares



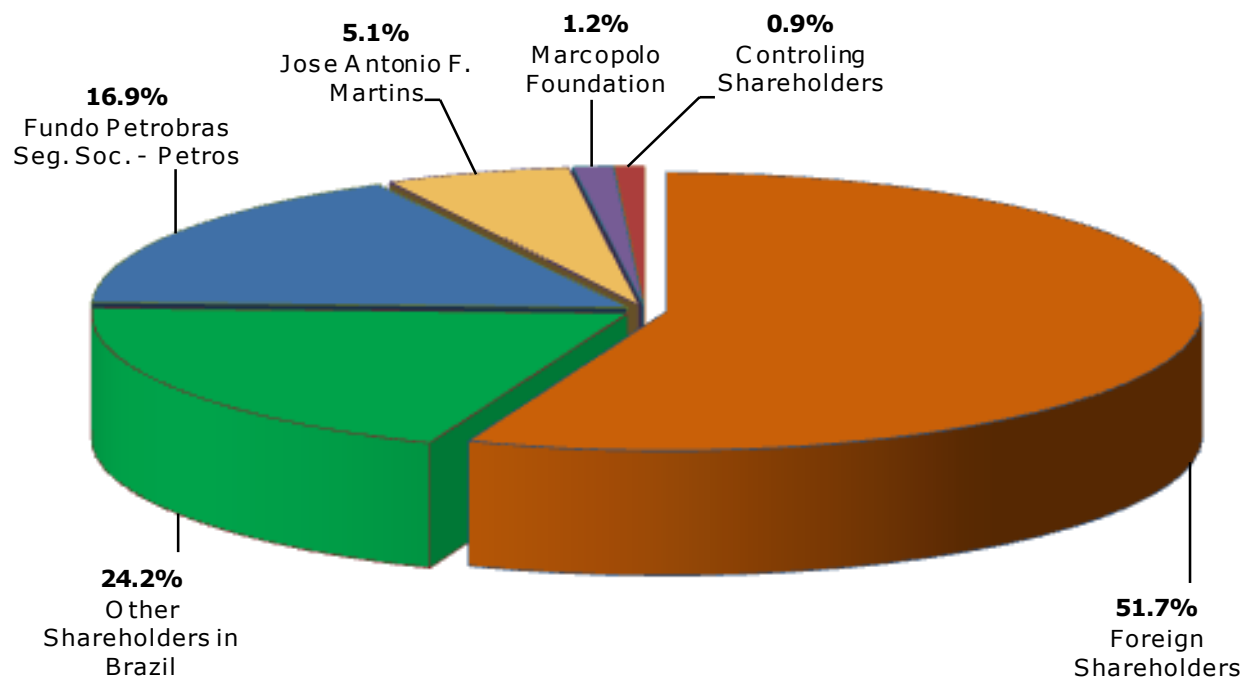
As of December 31<sup>st</sup>, 2013.



# SHAREHOLDING DISTRIBUTION



## Preferred Shares



As of December 31<sup>st</sup>, 2013.

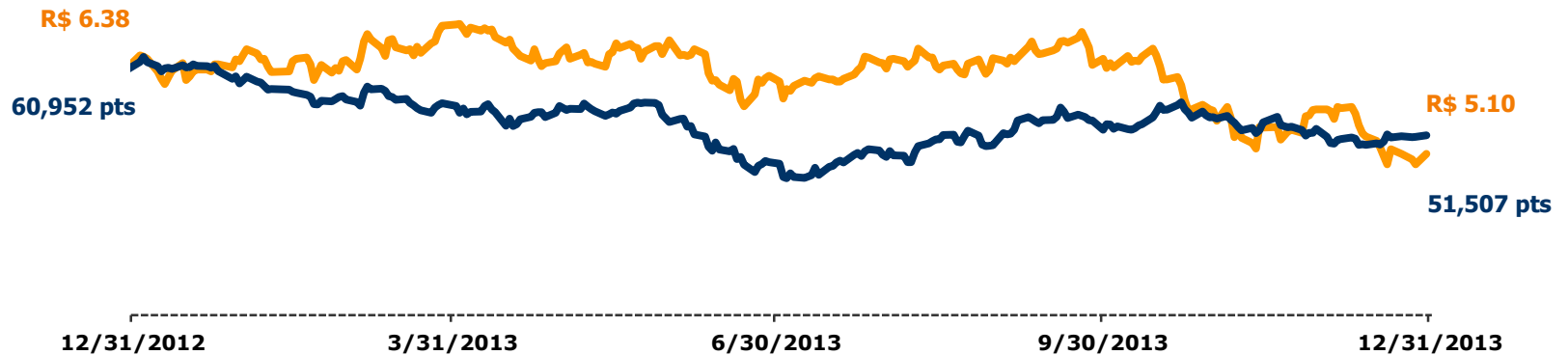
# STOCK PERFORMANCE



## Marcopolo PN x Ibovespa - Base 100

**POMO4: -20.1%**

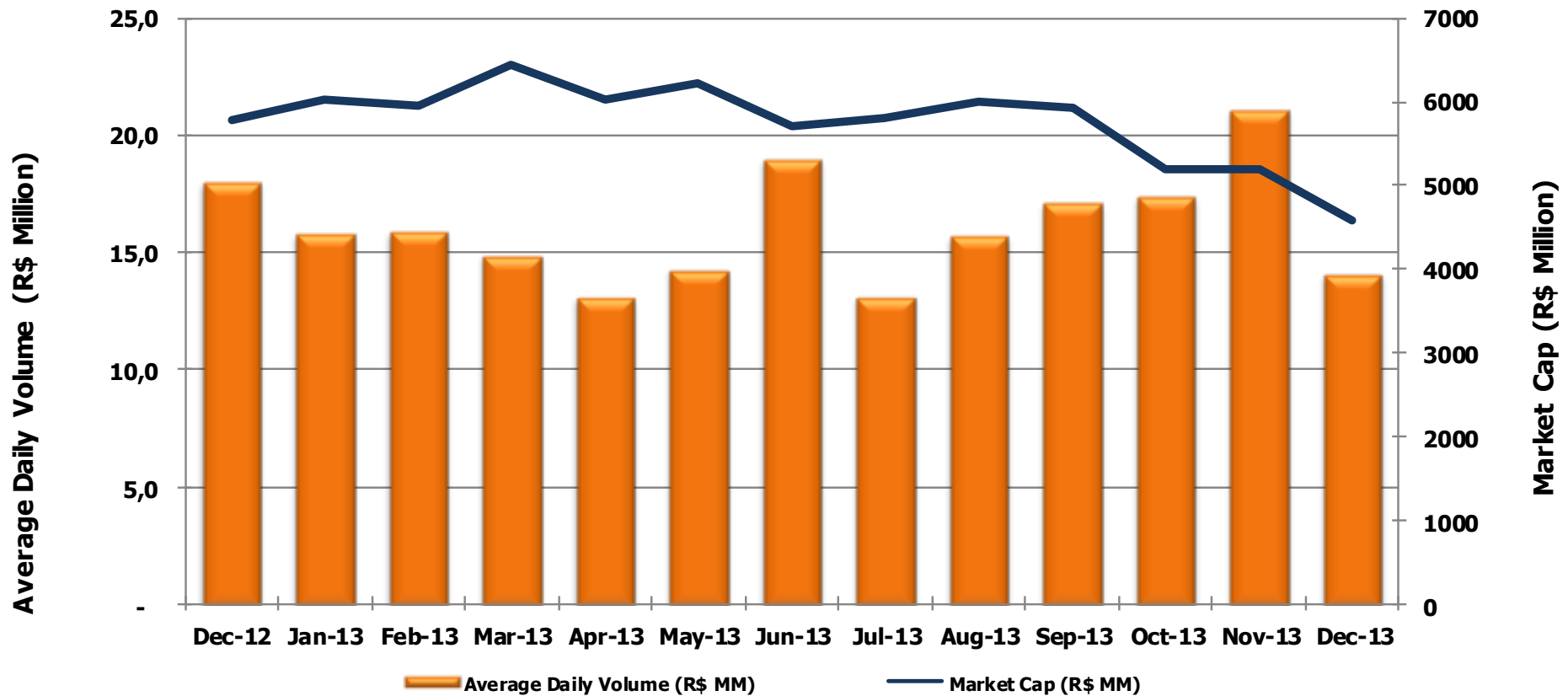
**IBOV: -15.5%**



# SHARE LIQUIDITY & VALUATION



## Marcopolo PN - POM04



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