



# 4Q19/2019 Results

## Log-In Logística Intermodal S.A.

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March 17, 2020

## ■ Disclaimer

The forward-looking statements contained herein are subject to risks and uncertainties and may be altered due to, among other factors, market behavior, Brazil's economic and political situation, the logistics industry, international markets and legal and regulatory changes. Said forward-looking statements are entirely based on Management's expectations of the Company's future performance and not guarantees of results and creation of value for Log-In's shareholders. As such, this information should not be considered as an investment recommendation. Potential investors should conduct their own analysis and evaluations. In addition, these forward-looking statements are not necessarily updated and should only be considered on the dates when they were made. Also, third-party information is their sole responsibility.

# ■ Highlights

- ✓ **Log-In's consolidated EBITDA** reached **R\$271.2 million** in **2019**, up **47.1%** from the **R\$184.4 million** (adjusted) posted in **2018**. The EBITDA margin was **25.8%** in **2019** (**18.9%** in **2018**). 
- ✓ The **Coastal Shipping EBITDA** totaled **R\$224.2 million** in **2019**, up **37.0%** from the **R\$163.7 million** recorded in **2018**. The EBITDA margin was **27.1%** in **2019** (**20.6%** in **2018**). 
- ✓ The **volume of containers** handled in **Coastal Shipping** totaled **357,800 TEUs** in **2019**, up **5.1%** from the **340,300 TEUs** handled in **2018**. 
- ✓ The **Vila Velha Terminal (TVV) EBITDA** totaled **R\$80.1 million** in **2019**, up **44.6%** from the **R\$55.4 million** posted in **2018**. The EBITDA margin was **41.0%** (**37.0%** in **2018**).
- ✓ Log-In reached the historic mark of **zero accident** with lost time across its fleet in **2019**.
- ✓ In November 2019, Log-In successfully concluded its **public primary offering (follow-on)** with restricted placement efforts, raising **R\$634 million**.
- ✓ On December 2, 2019, the **Log-In Polaris** vessel, built in the Ghangzhou Wenchong Shipyard (GWS) in China, **began operating** in the Amazonas Service (SAM) route, starting trip from Manaus.

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# Results

Consolidated Result R\$ Million	4Q19	4Q18	4Q19 vs. 4Q18	2019	2018	2019 vs. 2018
<b>Net Revenue</b>	<b>265.4</b>	<b>249.3</b>	<b>6.5%</b>	<b>1,052.2</b>	<b>977.4</b>	<b>7.7%</b>
Cost of Rendered Services	(211.6)	(191.9)	10.3%	(768.0)	(755.8)	1.6%
Operating Expenses	0.5	(10.8)	n.a.	(62.5)	(18.2)*	243.4%
AFRMM	6.6	8.9	-25.8%	49.5	31.3	58.1%
<b>EBITDA</b>	<b>60.9</b>	<b>55.5</b>	<b>9.7%</b>	<b>271.2</b>	<b>234.7</b>	<b>15.6%</b>
<b>Adjusted EBITDA</b>	<b>60.9</b>	<b>55.1</b>	<b>10.5%</b>	<b>271.2</b>	<b>184.4</b>	<b>47.1%</b>
Depreciation and Amortization	(27.8)	(25.9)	7.3%	(98.7)	(100.4)	-1.7%
<b>EBIT</b>	<b>33.1</b>	<b>29.6</b>	<b>11.8%</b>	<b>172.5</b>	<b>134.3</b>	<b>28.4%</b>
Financial Result	(14.0)	(23.3)	-39.9%	(146.7)	(131.7)**	11.4%
<b>EBT</b>	<b>19.1</b>	<b>6.3</b>	<b>203.2%</b>	<b>25.8</b>	<b>2.6</b>	<b>892.3%</b>
Income Tax and Social Contribution	(5.6)	8.9	n.a.	(14.6)	3.5	n.a.
<b>Profit (Loss)</b>	<b>13.5</b>	<b>15.2</b>	<b>-11.2%</b>	<b>11.2</b>	<b>6.1</b>	<b>83.6%</b>
<b>Adjusted Profit (Loss)</b>	<b>13.5</b>	<b>14.7</b>	<b>-8.2%</b>	<b>11.2</b>	<b>(56.3)</b>	<b>n.a.</b>

Positive non-recurring impacts:

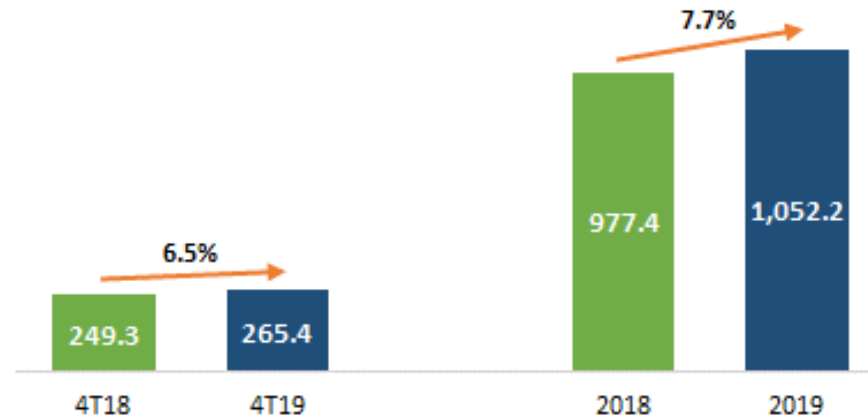
\* Tax credits: R\$38.2 million and sale of TERCAM: R\$12.1million

\*\* Tax credit restatement: R\$44.3 million



# ■ Net Operating Revenue (NOR)

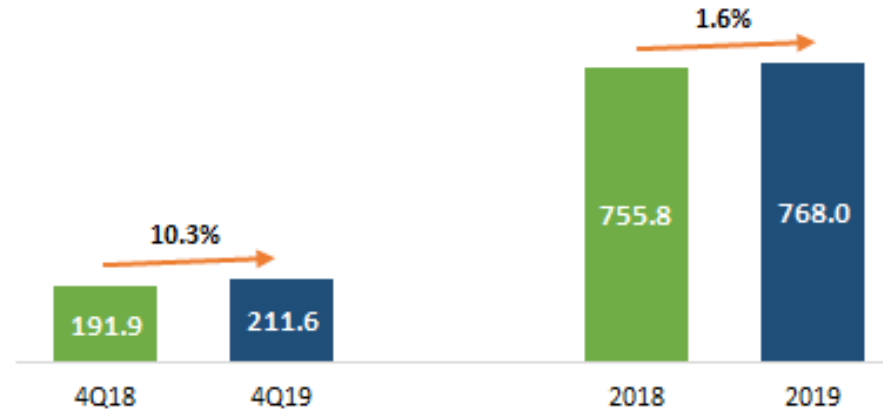
(R\$ million)



- **Growth of NOR** due to higher revenue of **container transportation**, mainly in Cabotage (Coastal Shipping) and **TVV** revenues, **negatively impacted** by lower **vehicle transportation** activities (in Mercosur), reflecting the intensification of the crisis in Argentina.

## ■ Cost of Services Rendered

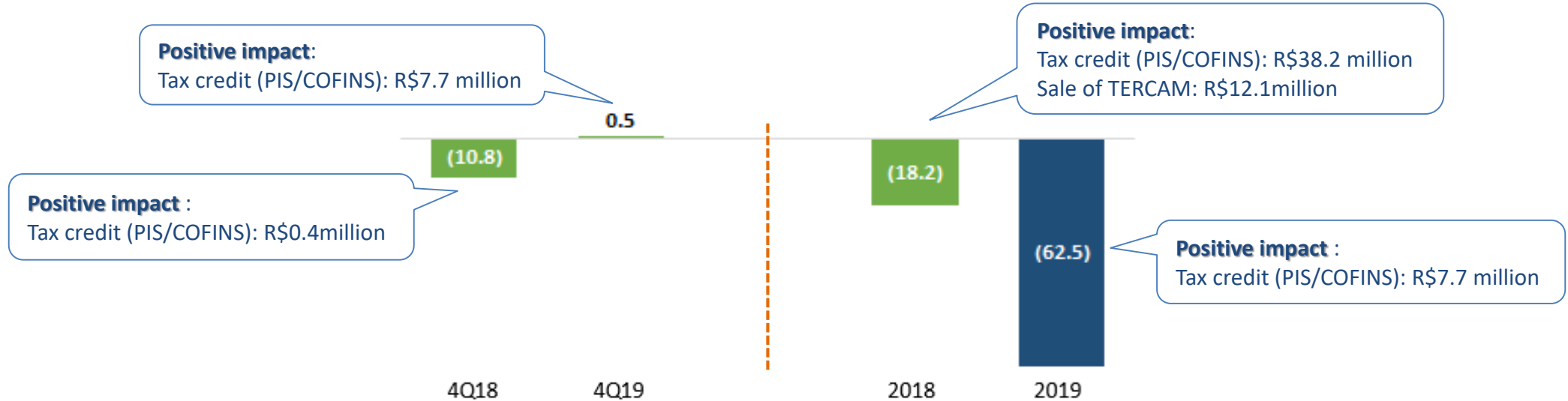
(R\$ million)



- The **cost of services rendered** moved up, both year over year and quarter over quarter, due to higher **volume** of containers transported in **Coastal Shipping**, cargo loading and unloading and auxiliary services in **TVV**, positively impacted by **lower chartering costs of Roll-on/Roll-off vessels**, used for vehicle transportation.

# Operating Expenses

(R\$ million)

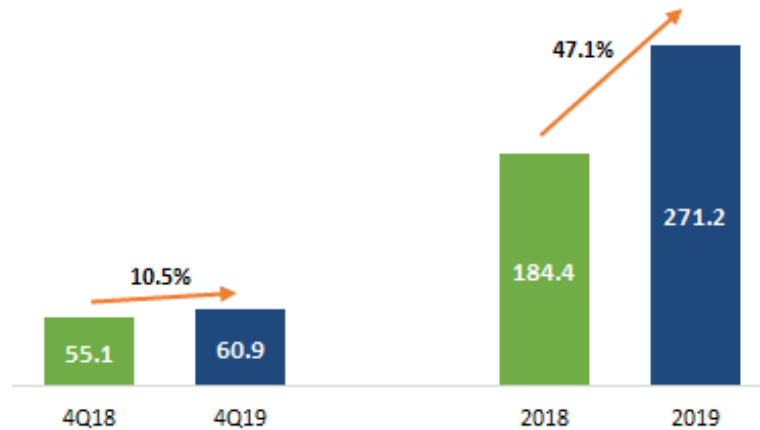


- Net operating expenses were a **positive R\$0.5 million** in 4Q19, due to tax credits recognition (PIS/COFINS) in the amount of R\$7.7 million versus a negative R\$10.8 million recorded in 4Q18.
- Operating expenses came to **R\$62.5 million** in 2019, compared to the R\$18.2 million recorded in 2018, which were positively impacted by tax credits recognition (R\$38.2 million) and the positive result from the sale of TERCAM, in the amount of R\$12.1 million.

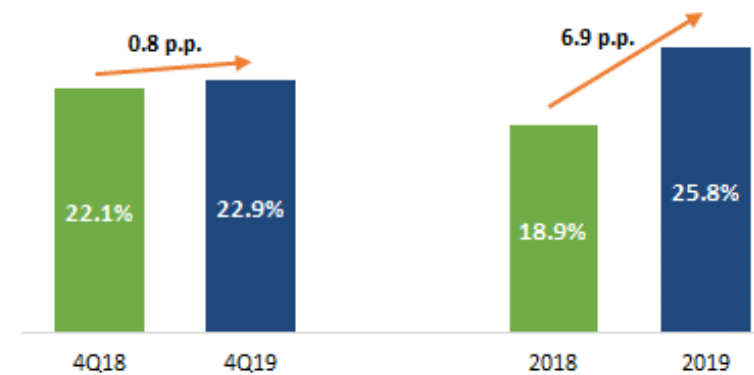
# Adjusted EBITDA

EBITDA R\$ Million	4Q19	4Q18	4Q19 vs. 4Q18	2019	2018	2019 vs. 2018
EBITDA	60.9	55.5	9.7%	271.2	234.7	15.6%
EBITDA Margin	22.9%	22.3%	0.6 p.p.	25.8%	24.0%	1.8 p.p.
Adjusted EBITDA <sup>(1)</sup>	60.9	55.1	10.5%	271.2	184.4	47.1%
Adjusted EBITDA Margin	22.9%	22.1%	0.8 p.p.	25.8%	18.9%	6.9 p.p.

Adjusted EBITDA (R\$ million)



Adjusted EBITDA Margin (%)



<sup>(1)</sup> 4Q19 and 2019 EBITDA were not impacted by non-recurring results, differently from 4Q18 and 2018 EBITDA.

## Adjusted EBITDA by Business

EBITDA Breakdown R\$ million	4Q19	4Q18	4Q19 vs. 4Q18	2019	2018	2019 vs. 2018
Coastal Shipping	45.1	49.2	-8.3%	224.2	163.7	37.0%
Vila Velha Terminal (TVV)	17.5	15.9	10.1%	80.1	55.4	44.6%
Intermodal Terminals	4.1	4.5	-8.9%	17.3	18.5	-6.5%
G&A and Other Expenses <sup>(1)</sup>	(5.8)	(14.1)	-58.9%	(50.4)	(2.9)	1637.9%
<b>EBITDA</b>	<b>60.9</b>	<b>55.5</b>	<b>9.7%</b>	<b>271.2</b>	<b>234.7</b>	<b>-15.6%</b>
Recovery of Tax Credits <sup>(2)</sup>	0.0	(0.4)	n.a.	0.0	(38.2)	n.a.
Sale of Assets Result	0.0	0.0	n.a.	0.0	(12.1)	n.a.
<b>Adjusted EBITDA</b>	<b>60.9</b>	<b>55.1</b>	<b>10.5%</b>	<b>271.2</b>	<b>184.4</b>	<b>47.1%</b>

<sup>(1)</sup> **G&A and Other Revenues (Expenses)** – Amounts not allocated to the businesses, such as G&A expenses and non-recurring events.

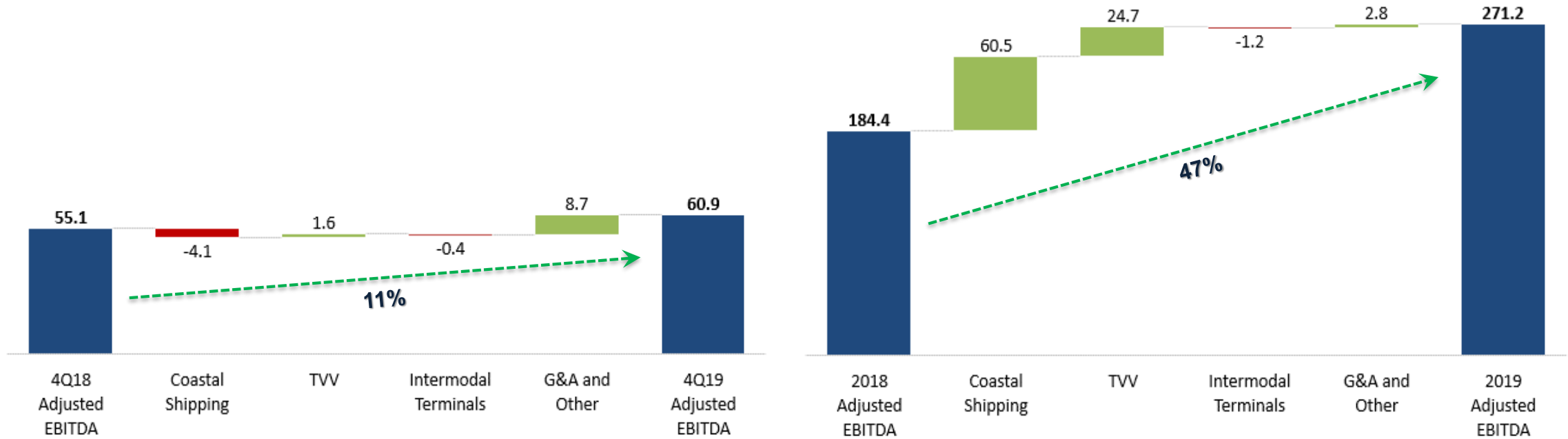
<sup>(2)</sup> Only tax credits recorded as non-recurring.

# Adjusted EBITDA – Evolution by Business

(R\$ million)

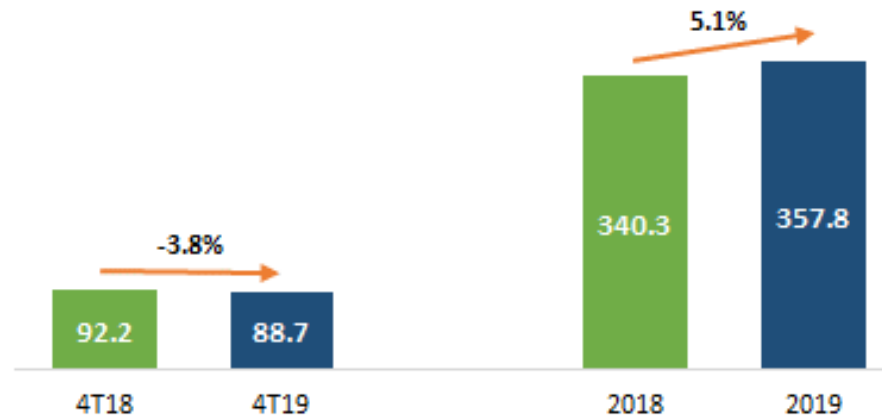
### 4Q19 vs. 4Q18

### 2019 vs. 2018



## ■ Coastal Shipping – Container Volume

('000 TEUs)

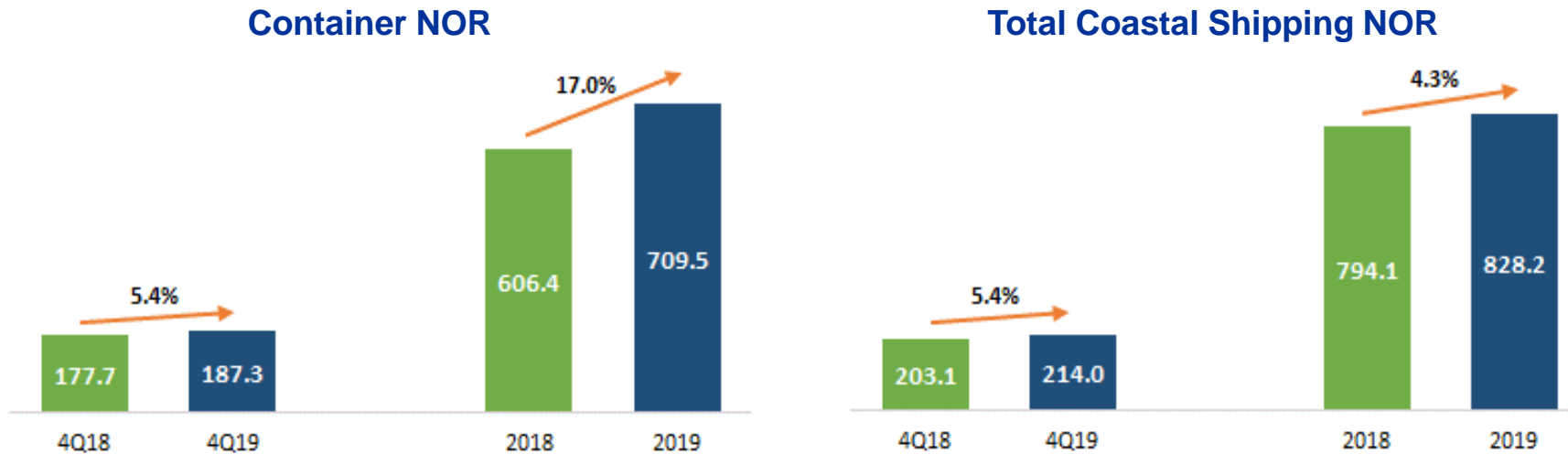


- In 4Q19, volumes fell by 3.8%, with **growth in Cabotage volumes**.
- 2019 posted **record volume (357,800 TEUs)**: higher **Cabotage** and **Feeder** volumes; and higher **occupancy** in the **Southbound**.

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# ■ Coastal Shipping – Net Operating Revenue (NOR)

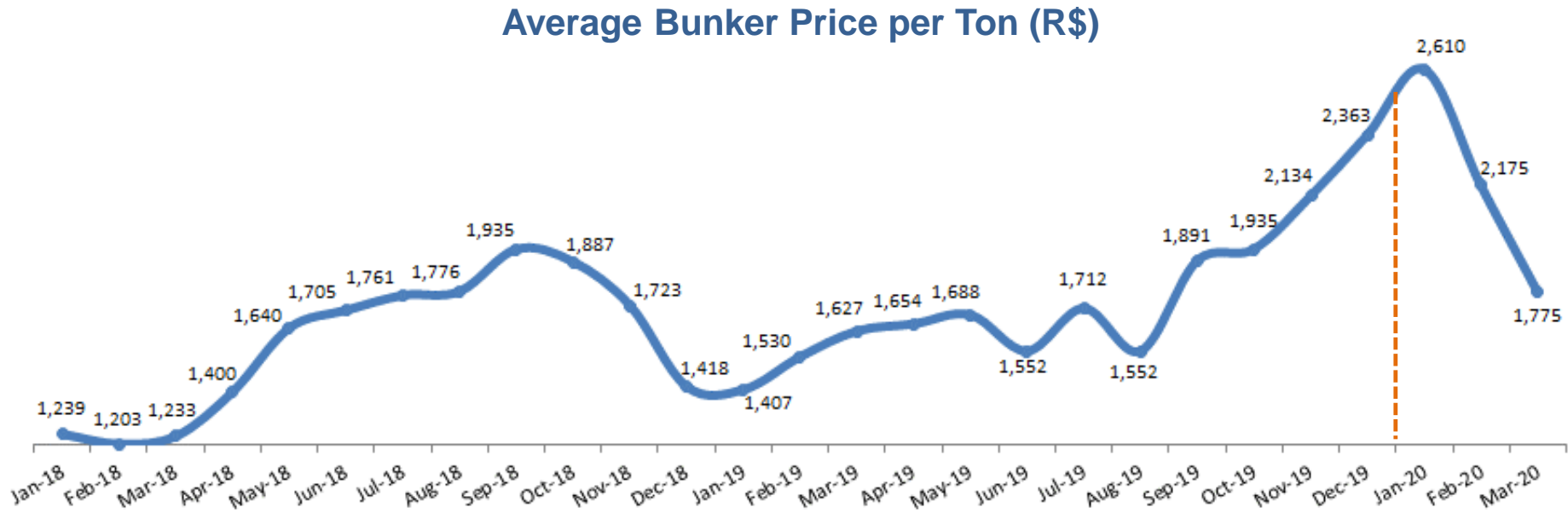
(R\$ million)



- 4Q19: **growth in Container NOR**, due to **higher Cabotage volumes**, which has higher unit value, and **BRL depreciation** (positive for Feeder cargo and Mercosur).
- Main impacts in 2019:
  - ✓ **Growth in Container NOR**, due to higher **volumes**, **better** container **mix** and the bunker rate throughout 2019.
  - ✓ **Total Coastal Shipping NOR** was negatively impacted by lower vehicle transportation activities (*Ro Ro*).



# ■ Evolution of Bunker Prices



Graph from January 1, 2018 to March 13, 2020. Sources: Petrobras (bunker prices in the port of Santos in USD) and Brazilian Central Bank (PTAX)

- The average bunker price was R\$1,750 in 2019 (+11.5% vs. 2018).
- IMO 2020 Regulation: limit of 0.5% in sulfur emissions as from January 2020 demanded that fuel adapts to the new parameter, pressing prices in the last months of 2019. However, it is worth noting the discontinuity of this trend in JAN/2020.

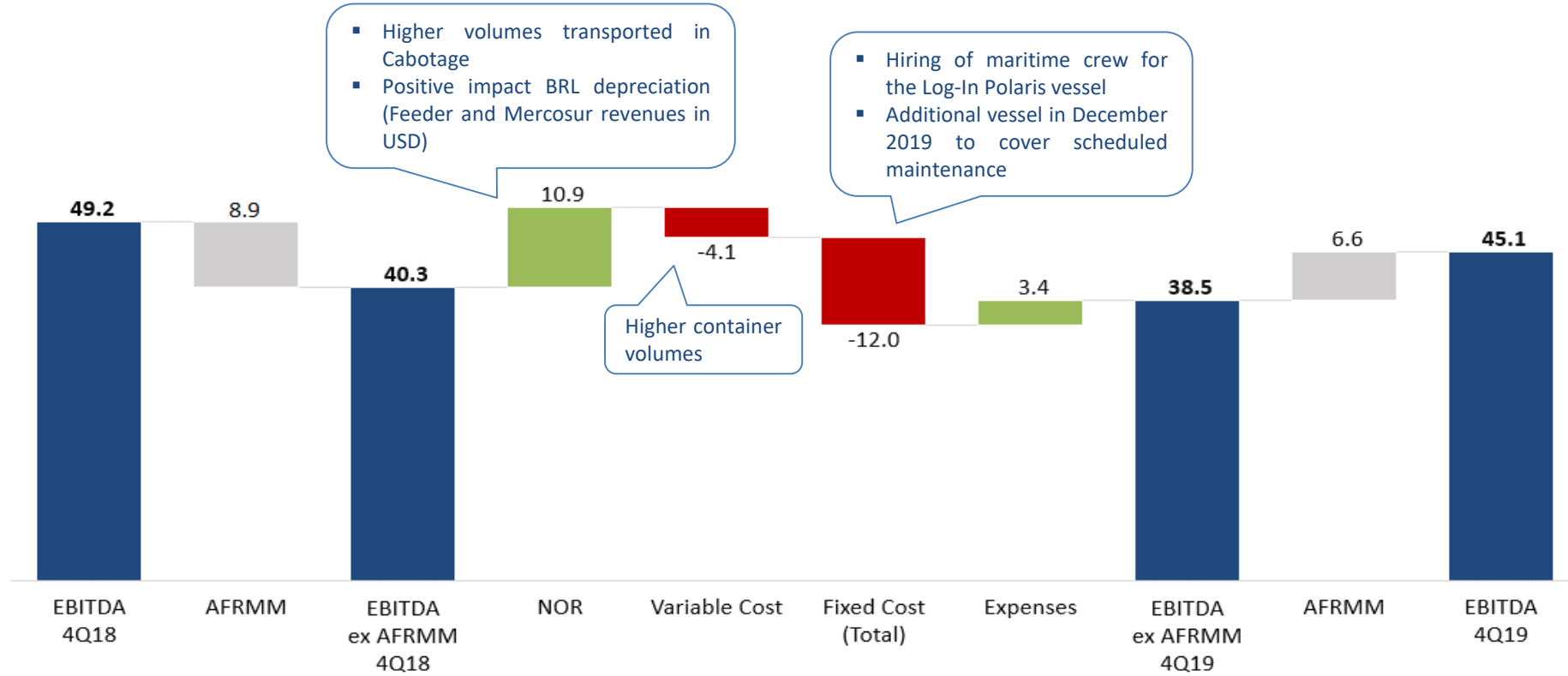


## ■ Coastal Shipping – EBITDA

Coastal Shipping EBITDA R\$ MM	4Q19	4Q18	4Q19 vs. 4Q18	2019	2018	2019 vs. 2018
Net Operating Revenues	214.0	203.1	5.4%	828.2	794.1	4.3%
Cost of Services	(174.4)	(158.3)	10.2%	(633.7)	(648.7)	-2.3%
Operational Expenses	(1.1)	(4.5)	-75.6%	(19.8)	(13.0)	52.3%
AFRMM	6.6	8.9	-25.8%	49.5	31.3	58.1%
Depreciation and amortization	(19.7)	(17.2)	14.5%	(70.2)	(68.0)	3.2%
<b>EBIT</b>	<b>25.4</b>	<b>32.0</b>	<b>-20.6%</b>	<b>154.0</b>	<b>95.7</b>	<b>60.9%</b>
<i>EBIT Margin</i>	11.9%	15.8%	-3.9 p.p.	18.6%	12.1%	6.5 p.p.
(+) Depreciation and amortization	19.7	17.2	14.5%	70.2	68.0	3.2%
<b>EBITDA</b>	<b>45.1</b>	<b>49.2</b>	<b>-8.3%</b>	<b>224.2</b>	<b>163.7</b>	<b>37.0%</b>
<i>EBITDA Margin</i>	21.1%	24.2%	-3.1 p.p.	27.1%	20.6%	6.5 p.p.

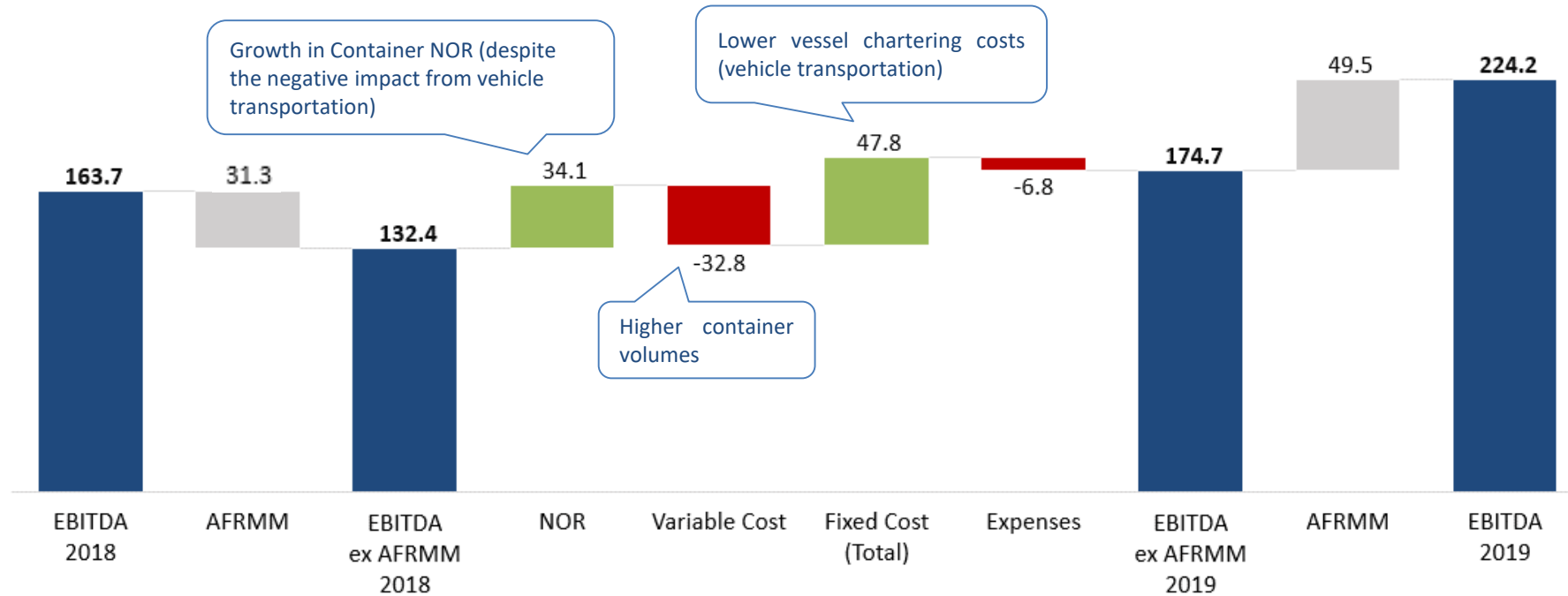
# Coastal Shipping – EBITDA 4Q19 vs. 4Q18

(R\$ million)

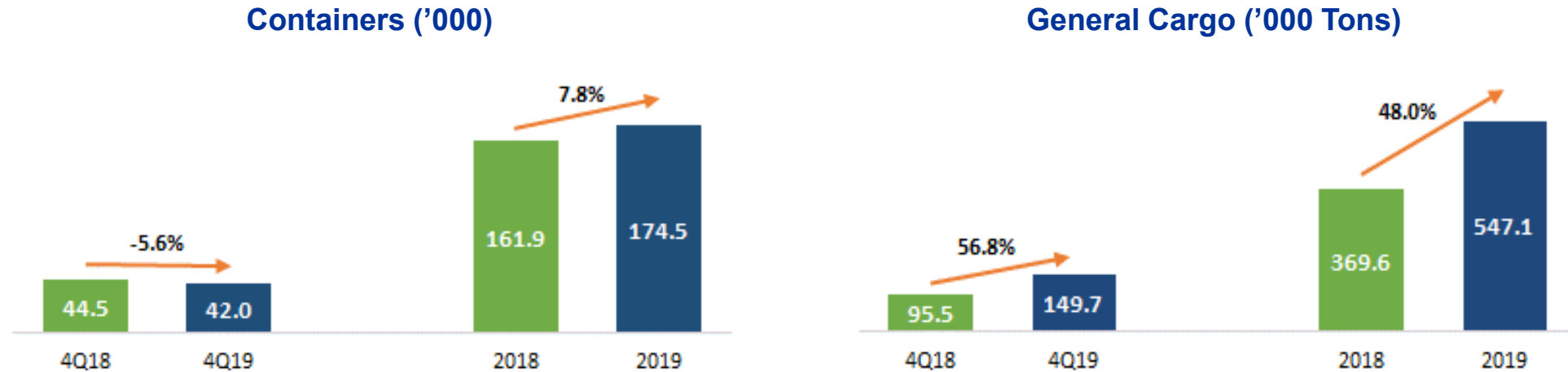


# Coastal Shipping – EBITDA 2019 vs. 2018

(R\$ million)



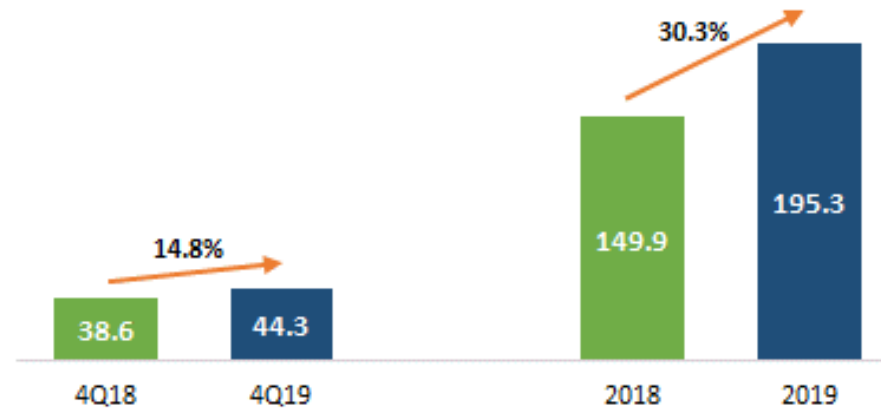
## ■ Vila Velha Terminal (TVV) – Volumes



- 4Q19: Lower **container** handling compared to 4Q18, with the flow of the strong coffee harvest; the **general cargo grew 57%**, due to higher volumes of granite, trails and machinery.
- 2019: **Higher container** handling, mainly electronic products and granite slabs; **record general cargo in 2019**, especially the handling of machinery and mining input.

## ■ TVV – Net Operating Revenue

(R\$ million)



- **Growth of auxiliary revenues**, due to increased exploitation of TVV's potential as a provider of additional services to container handling.
- **Higher volumes of general cargo** (record in 2019).
- **Increased container handling** in 2019.

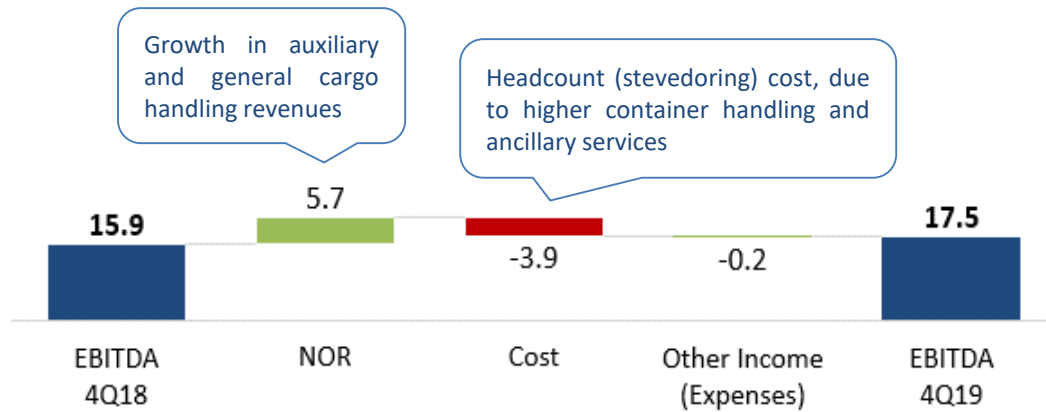
## ■ TVV – EBITDA

<b>EBITDA TVV</b> R\$ million	<b>4Q19</b>	<b>4Q18</b>	<b>4Q19 vs. 4Q18</b>	<b>2019</b>	<b>2018</b>	<b>2019 vs. 2018</b>
Net Operating Revenues	44.3	38.6	14.8%	195.3	149.9	30.3%
Cost of Services Rendered	(29.7)	(25.8)	15.1%	(118.9)	(97.1)	22.5%
Other Operational Income (Expenses)	2.9	3.1	-6.5%	3.7	2.6	42.3%
Depreciation and amortization	(2.6)	(2.9)	-10.3%	(11.1)	(12.1)	-8.3%
<b>EBIT</b>	<b>14.9</b>	<b>13.0</b>	<b>14.6%</b>	<b>69.0</b>	<b>43.3</b>	<b>59.4%</b>
<i>EBIT Margin</i>	33.6%	33.7%	-0.1 p.p.	35.3%	28.9%	6.4 p.p.
(+) Depreciation and amortization	2.6	2.9	-10.3%	11.1	12.1	-8.3%
<b>EBITDA</b>	<b>17.5</b>	<b>15.9</b>	<b>10.1%</b>	<b>80.1</b>	<b>55.4</b>	<b>44.6%</b>
<i>EBITDA Margin</i>	39.5%	41.2%	-1.7 p.p.	41.0%	37.0%	4.0 p.p.

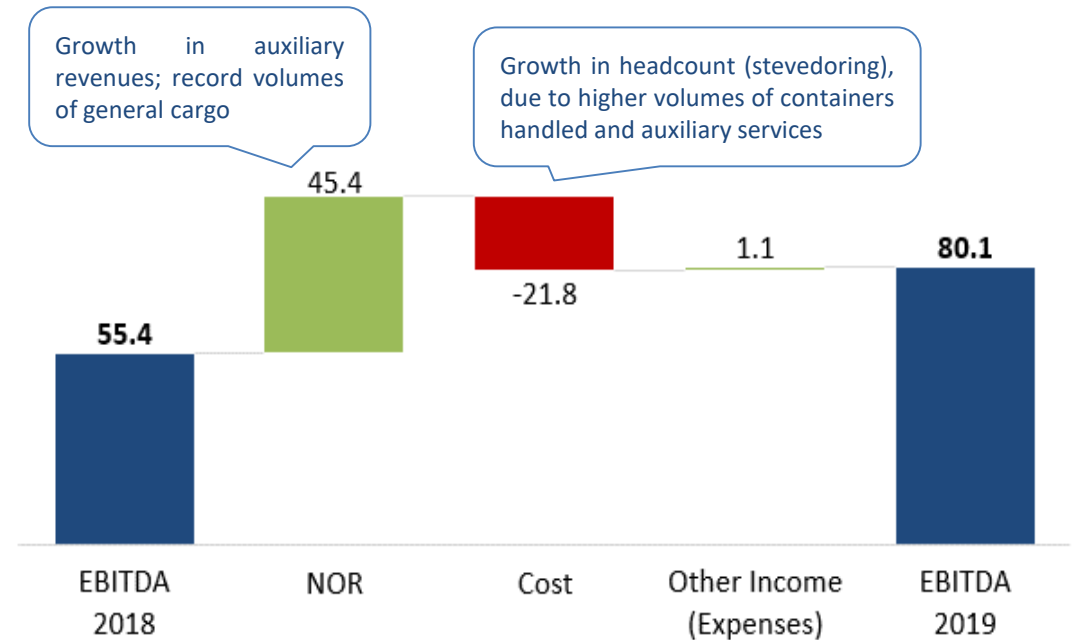
# ■ TVV – EBITDA

(R\$ million)

4Q19 vs. 4Q18



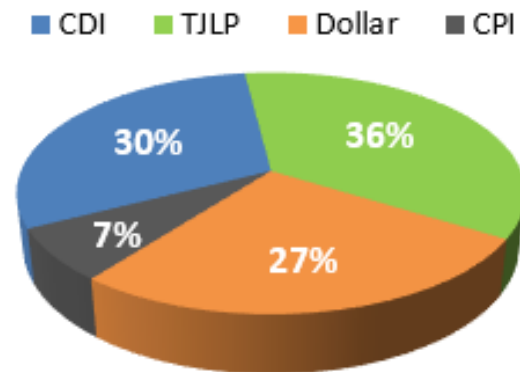
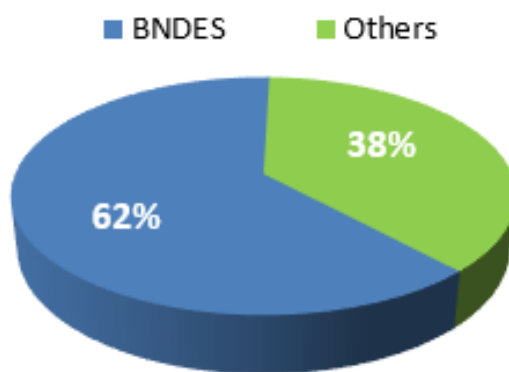
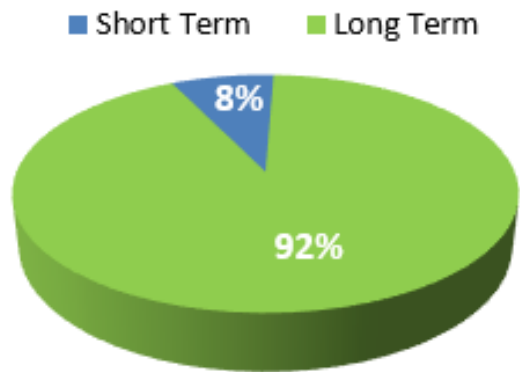
2019 vs. 2018



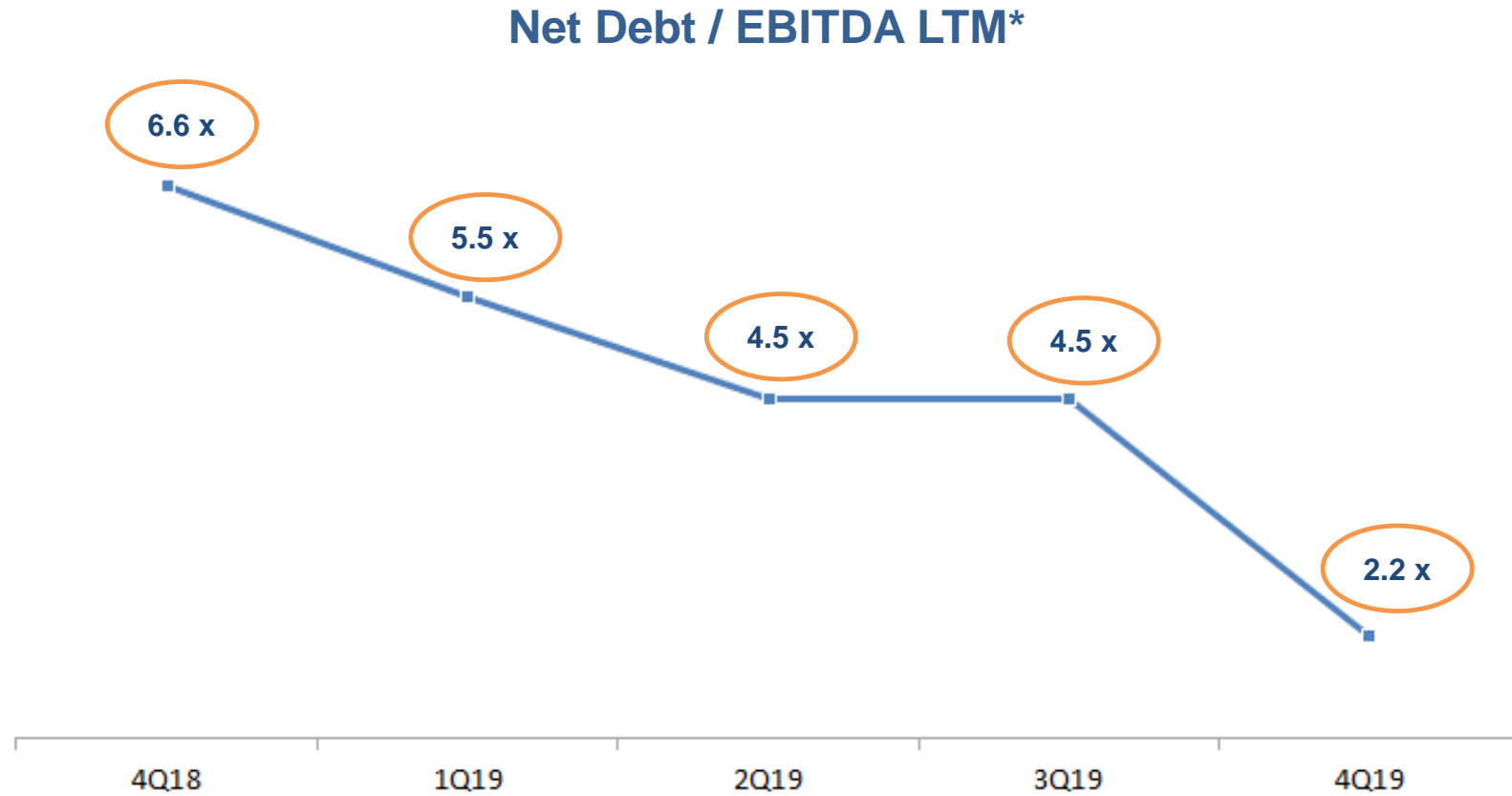
# Debt

Gross Debt R\$ Million	12/31/2019		Total
	Short Term	Long Term	
BNDES	56.6	727.3	<b>783.9</b>
Others	41.8	430.9	<b>472.7</b>
<b>TOTAL</b>	<b>98.4</b>	<b>1,158.2</b>	<b>1,256.6</b>

- Gross debt: **R\$1,256.6 million**; average cost: **7.0% p.a.**
- Second Debenture Issue (**R\$90 million** raised)
- Follow-on (**R\$634 million** raised)
- Net debt: **R\$593.1 million**



# ■ Deleveraging Evolution



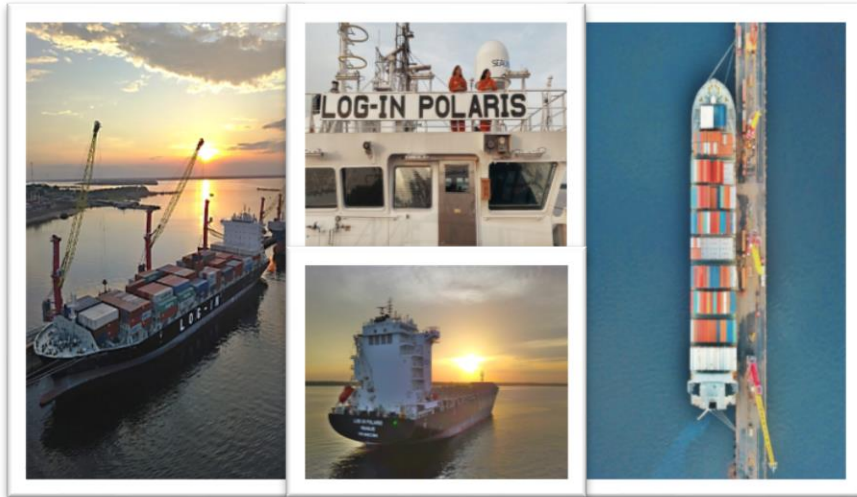
\* EBITDA LTM (Last Twelve Months).

EBITDA and net debt amounts recalculated based on IFRS 16 in order to preserve the evolution of the indicator.



## ■ New Vessels (Fleet Renewal)

### Log-In Polaris



**Became operational on December 2, 2019**

- ✓ Own vessel (imported)
- ✓ Built in China
- ✓ Nominal capacity of 2,700 TEUs
- ✓ Extended class docking (7.5 years)
- ✓ Investment of approximately US\$40 million

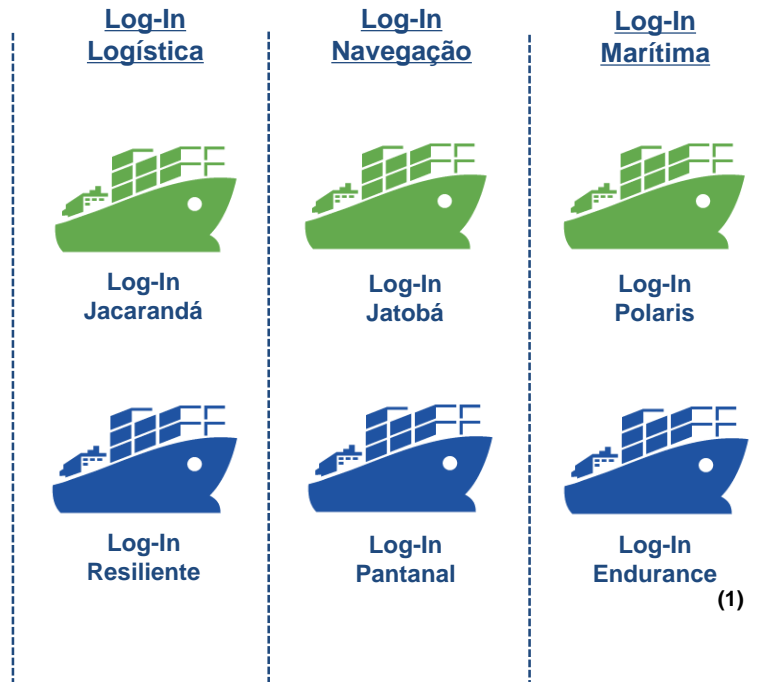
### Log-In Endurance *(subsequent event)*



**Acquired on March 5, 2020 – Will begin operations in May 2020**

- ✓ Own vessel (acquired by Log-In Austria) and chartered to Log-In (intercompany)
- ✓ Nominal capacity of 2,800 TEUs
- ✓ Built in China
- ✓ Investment of approximately US\$13 million

# Operational Model of the Fleet



All vessels will be able to generate AFRMM revenue



Own Brazilian vessels (built in Brazil or imported)



Own vessels acquired by Log-In Austria and operated based on tonnage rights



<sup>(1)</sup> The Log-In Endurance vessel is expected to begin operations in May 2020, replacing a foreign flag chartered vessel.

# THANK YOU!



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