



INTERNATIONAL MEAL COMPANY

Presentation – 2Q14 and 1H14 Results

Net Revenue

Net Revenue came to R\$414.1 million in 2Q14, 29.7 % higher than in the same quarter of previous year. In 1H14, **Net Revenue** increased 22.7%.

Margaritaville

The Company began operating in the US through MV, accounting for 14% of **Net Sales**.

Same-Store Sales (SSS)

SSS grew by 7.2% in 2Q14 and 8.7% in 1H14, led by airports segment with growth of 9.6% and 12.7% in 2Q14 and 1H14, respectively

Gross Margin

Gross Margin stood at 31.3% in 2Q14 and 31.1% in 1H14, 200 bps and 190bps higher than 2Q13 e 1H13, respectively.

G&A

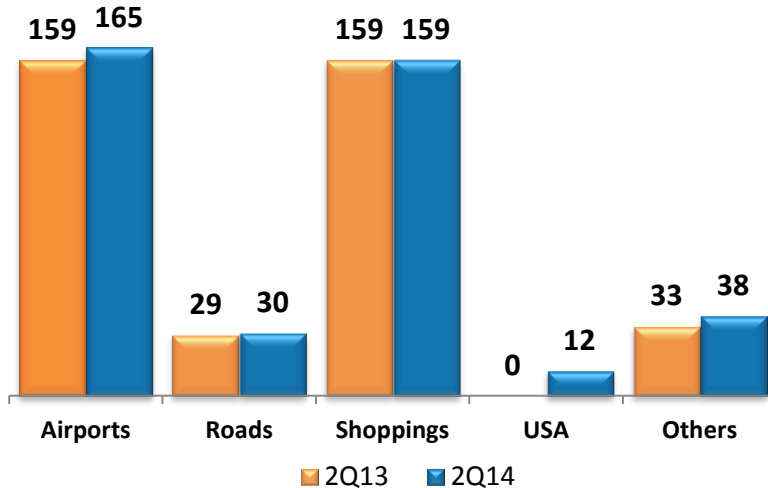
Dilution of 90 bps in G&A line in comparison with 2Q13 and 100 bps in comparison with 1H13.

Net operating cash flow

R\$ 37.3MM (+104%) and R\$ 52.4MM (+72%) of net operating cash flow in 2Q14 and 1H14, respectively.

Store Growth – 2Q14/2Q13

(end of the period)



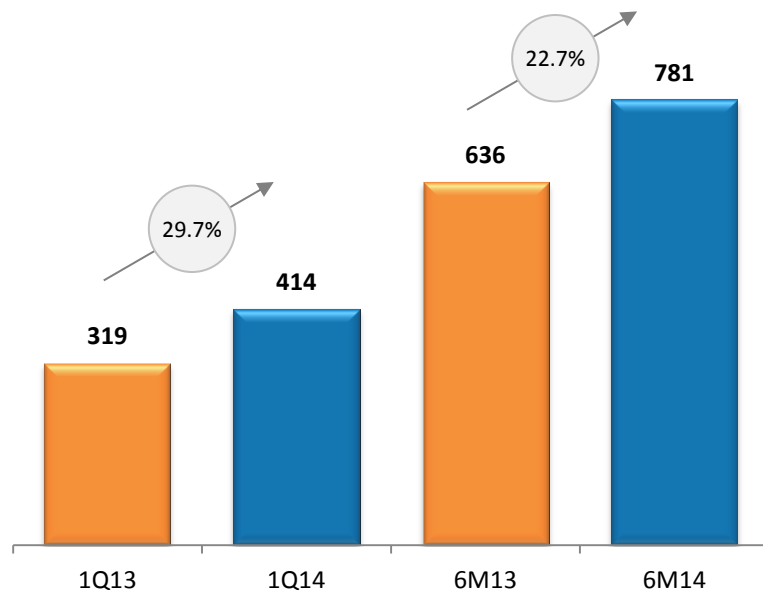
- The **total number of stores** grew to **404** in 2Q14

+ 24 stores in the last 12 months and 18 net stores in the year;

- **Airports:** + 6 new stores, comprising:
 - 10 net stores in Brazil (+4 renovation phase);
 - -4 international stores; (one already remodeled);
- **Roads:** +1 stores *Frango Assado*;
- **IMCMV:** 12 Margaritaville's stores in USA
- **Others:** +5 stores, mainly Gino's brand in Mexico.

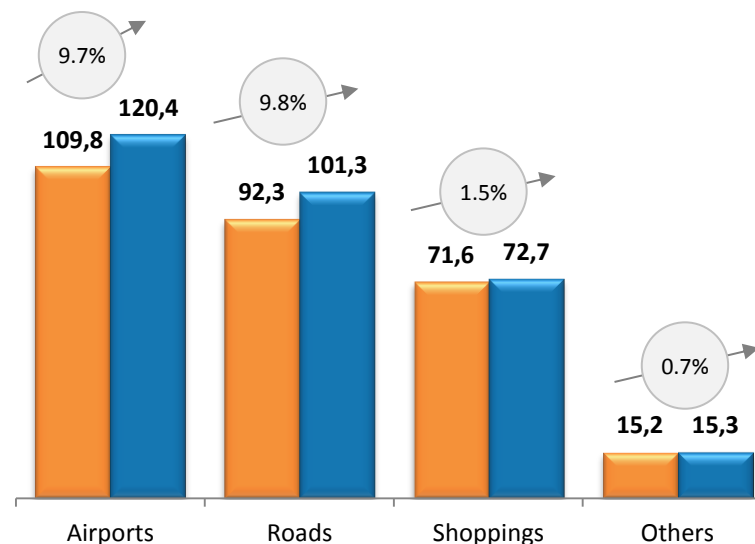
Net Revenue

(R\$ million)



Same-Store Sales (SSS) in 2Q14

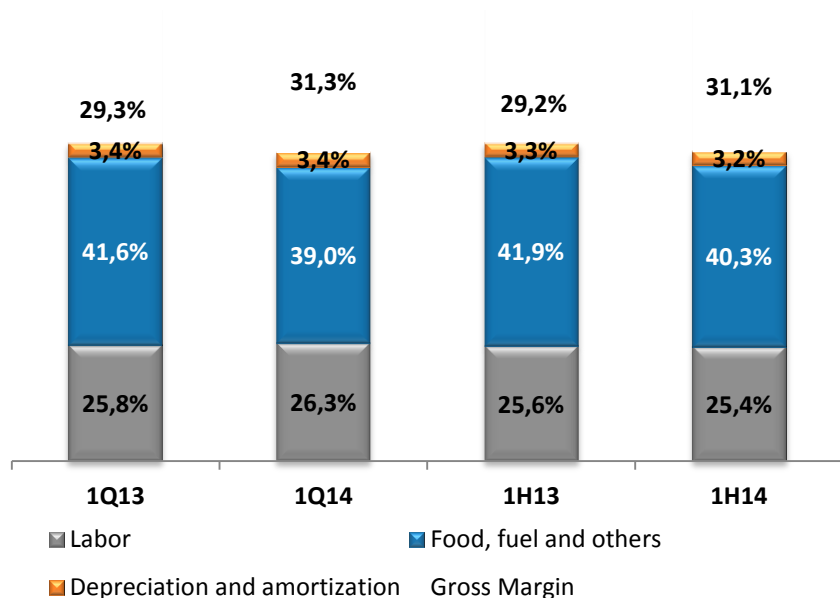
(R\$ million)



- ✓ **Net Revenue of R\$414.1 million in 2Q14, 29.7% above 2Q13. In 1H14 Net Revenue increased 22.7%.**
- ✓ Consolidated **SSS** of **7.2%** in 2Q14 and **8.7%** in 1H14, led by the airport and road segments with growth of **9.7%** and **9.8%** in 2Q14 and **12.7%** and **9.7%** in 1H14;
- ✓ The road segment recorded **SSS** of **8.9%** in 2Q14 and **9.1%** in 1H14, excluding fuel sales.

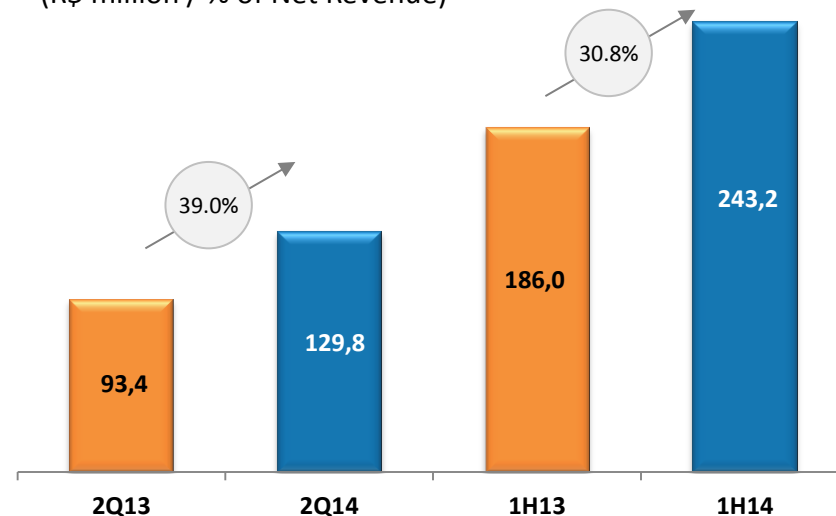
Cost of Sales

(% of Net Revenue)



Gross Profit

(R\$ million / % of Net Revenue)



✓ **Gross Margin** of **31.3%** in 2Q14 and **31.1%** in 1H14, 200 bps and 190 bps above 2Q13 and 1H14, mainly affected by:

- Cost with food and fuel fell 260 bps in comparison with 2Q13, even on a food inflation environmental;
- Labor cost increased 50 bps in comparison with 2Q13, due to some anticipation in labor union agreements and the low demand during the World Cup.

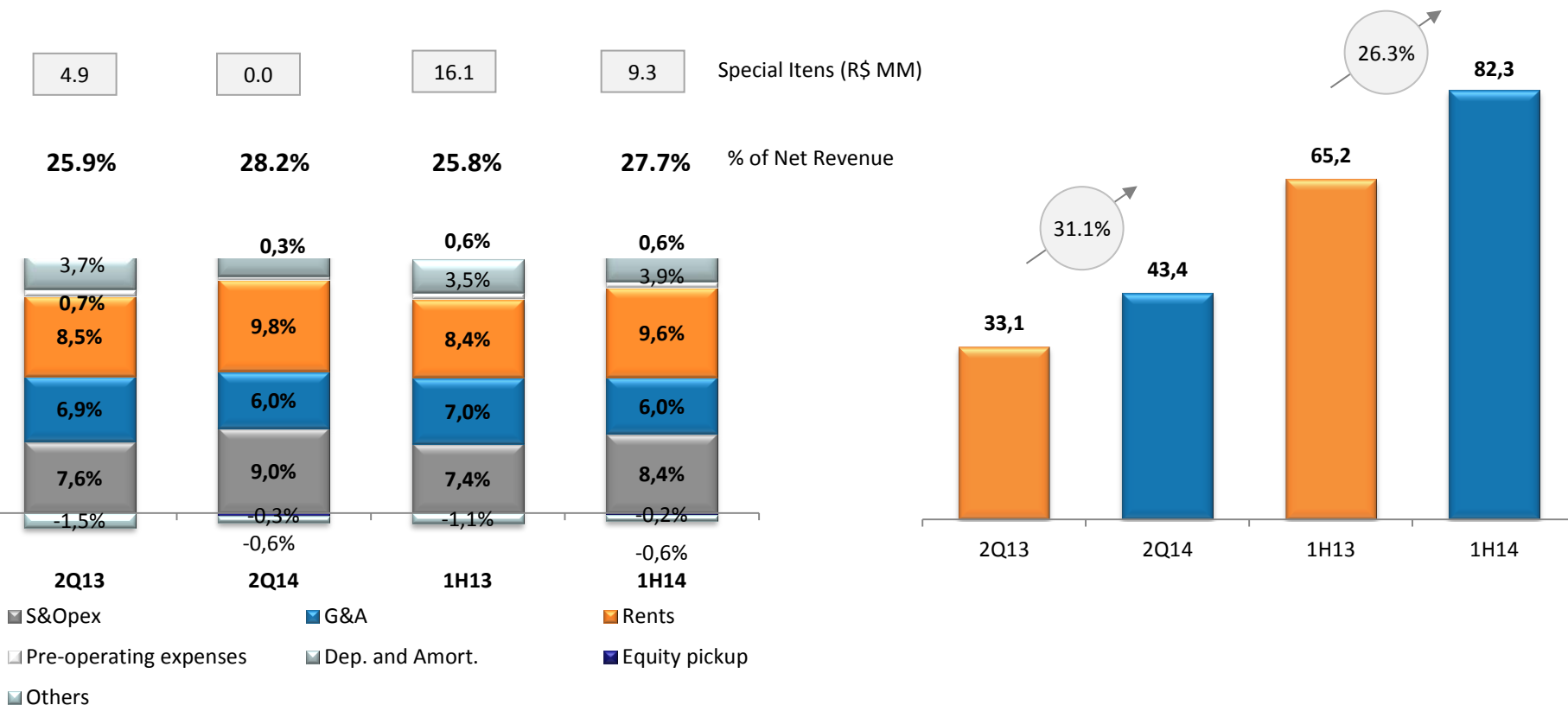
Operating Expenses and Adjusted EBITDA

Operating Expenses

(R\$ million / % of Net Revenue)

Adjusted EBITDA

(R\$ million)



- ✓ Dilution of 90 bps in the **G&A** line, in the quarter.
- ✓ Increase in **store rents** in line with our expectations, with a slight dilution as soon as the stores located in the new terminals increase their sales
- ✓ **No special items** in 2Q14, as disclosed by the company over the last two quarters.

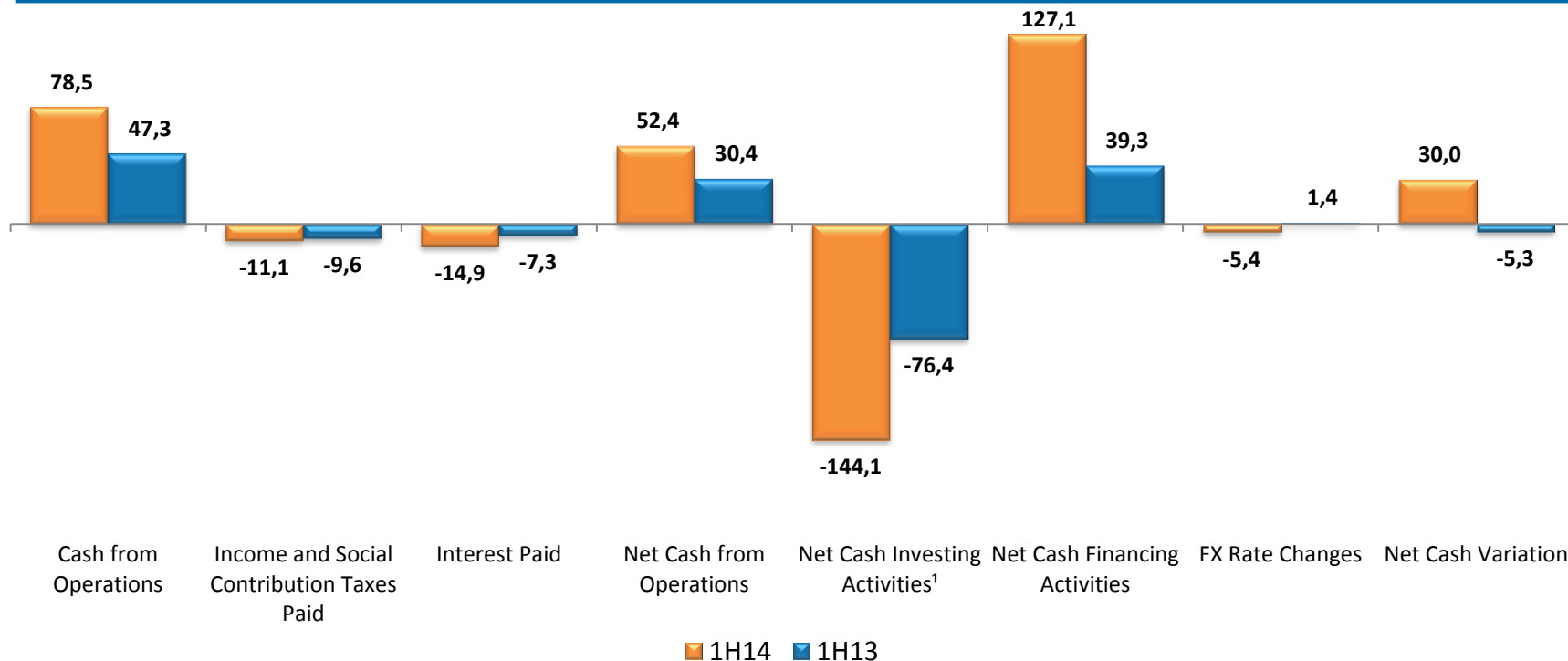
Net Income

(R\$ million)

SUMMARY (R\$ million)	2Q14	2Q13	Var. (%) 2Q14/2Q13	6M14	6M13	Var. (%) 6M14/6M13
Adjusted EBITDA ³	43.4	33.1	31.1%	82.3	65.2	26.3%
<i>Adjusted EBITDA MARGIN (%)</i>	<i>10.5%</i>	<i>10.4%</i>	<i>0.1 p.p.</i>	<i>10.5%</i>	<i>10.2%</i>	<i>0.3 p.p.</i>
DEPRECIATION & AMORTIZATION ²	30.3	22.3	36.1%	55.1	43.4	26.9%
SPECIAL ITEMS ⁴	0.0	(4.9)	n/a	(9.3)	(16.1)	n/a
NET FINANCIAL EXPENSES	(10.0)	(6.2)	61.9%	(18.6)	(11.2)	65.5%
INCOME TAX	(2.7)	(1.7)	58.8%	(6.9)	(6.2)	11.3%
NET (LOSS) PROFIT	0.3	(2.0)	n/a	(7.6)	(11.8)	n/a
<i>NET MARGIN (%)</i>	<i>0.1%</i>	<i>-0.6%</i>	<i>0.7 p.p.</i>	<i>-1.0%</i>	<i>-1.9%</i>	<i>0.9 p.p.</i>

- ✓ No special itens in the quarter
- ✓ Income and Social Contribution Taxes of R\$2.7 million on 2Q14 and R\$6.9 million in 1H14;
- ✓ Net Income of R\$0.3 milion in 2Q14 vs Net Loss of R\$2.0 million in 2Q13;

Cash Flow Summary (R\$ million)



✓ **Capex of R\$ 114.0 million** in 2Q14 (R\$ 36.7 MM ex-MV)

- R\$27.5 MM in new stores (mostly in airports)
- R\$9,1 MM Intangible related to *key money* of new contracts
- Positive working capital of R\$ 4.5 MM in 2Q14
- R\$\$ 37,3MM of net operating cash vs R\$ 36,7MM in Capex (ex-MV)

✓ **Balance Sheet**

- **Net Debt of R\$452.1 million**
- Net Debt/ LTM EBITDA = **2.4x**
- Net Debt (including receivables) / EBITDA = **2.0x**

(1) For demonstration purpose, investing Activities excludes Temporary investments, considered to be cash equivalents.

CEO

Javier Gavilán

CFO

Julio Millán

Executive Director

Neil Amereno

Phone: +55 11 3041.9538

ri@internationalmealcompany.com

www.internationalmealcompany.com/ir