



Investors Webconference
3Q17 RESULTS

MISSION

Design. develop and manufacture products for the defense and security of society. in compliance with the current rules and regulations. ensuring the highest standards of quality. safety. effectiveness and suitability to our customers' needs.

SUMMARY

1. Highlights

2. Economic Performance

- *Net Revenue*
- *SG&A & EBITDA*
- *Financial Results & Net Income*
- *Indebtedness*
- *Working Capital Needed*
- *Cash Flow*

3. Q&A



HIGHLIGHTS 3Q17

CONSOLIDATED NET REVENUE

✓ R\$ 211.1 million ↑ 16.3% (3Q17/2Q17)
↓ 5.3% (3Q17/3Q16)

Firearms	US Market	
	✓ Net Revenue	
	R\$ 142.7 million	↑ 8.8% (3Q17/2Q17) ↓ 4.8% (3Q17/3Q16)
	Others Market	
	✓ Net Revenue	
	R\$ 15.8 million	↑ 88.1% (3Q17/2Q17) ↑ 75.6% (3Q17/3Q16)
	DOMESTIC MARKET	
	✓ R\$ 24.0 million	↑ 60.0% (3Q17/2Q17) ↓ 28.5% (3Q17/3Q16)

MARGEM BRUTA CONSOLIDADA

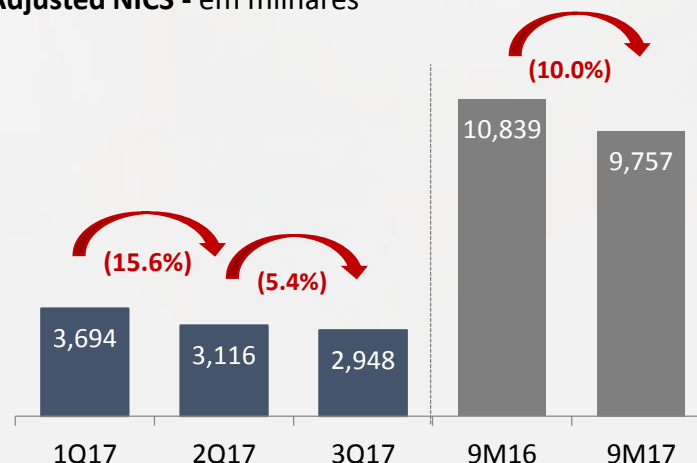
✓ 16.0% ↓ 10.0 p.p. (3Q17/2Q17)
↓ 5.7 p.p. (3Q17/3Q16)

EBITDA

✓ (R\$ 24.9 million) X (R\$ 4.7 million) 2Q17
 X (R\$ 20.5 million) 3Q16

Civil & Labor Provisions Complement		
3Q17	2Q17	1Q17
11.7 million	6.6 million	5.6 million

Adjusted NICS - em milhares



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NET REVENUE / SEGMENT

3Q17 x 2Q17



	Net Revenue				
	3Q17	Share %	2Q17	Share %	Var.
Firearms	182.5	86%	154.6	85%	18.0%
Helmets	24.5	12%	22.9	13%	7.0%
Others	4.1	2%	4.0	2%	2.5%
Total	211.1	100%	181.5	100%	16.3%

Net Revenue		
3Q17	2Q17	Var.
12.6%	24.6%	-12.0 p.p.
31.8%	28.8%	3.0 p.p.
70.7%	62.5%	8.2 p.p.
16.0%	26.0%	-10.0 p.p.

9M17 x 9M16

	Net Revenue				
	9M17	Share %	9M16	Share %	Var.
Firearms	522.7	86%	503.1	83%	3.9%
Helmets	67.5	11%	86.1	14%	-21.6%
Others	14.8	3%	17.6	3%	-15.9%
Total	605.0	100%	606.8	100%	-0.3%

Net Revenue		
9M17	9M16	Var.
21.5%	23.4%	-1.9 p.p.
30.4%	34.1%	-3.8 p.p.
41.9%	66.5%	-24.6 p.p.
23.0%	26.2%	-3.2 p.p.

In million of R\$

NET REVENUE / FIREARMS

						Δ %		
NET REVENUE	3Q17	2Q17	3Q16	9M17	9M16	3Q17/2Q17	3Q17/3Q16	9M17/9M16
Firearms	182.5	154.6	192.4	522.7	503.0	18.0%	-5.1%	3.9%
Brazil	24.0	15.0	33.5	58.5	56.8	60.0%	-28.4%	3.0%
Exports	158.5	139.6	158.9	464.2	446.2	13.5%	-0.3%	4.0%
USA	142.7	131.2	149.9	436.9	425.2	8.8%	-4.8%	2.8%
Other Countries	15.8	8.4	9.0	27.3	21.0	88.1%	75.6%	30.0%

	3Q17	2Q17	3Q16	9M17	9M16	3Q17 / 2Q17	3Q17/3Q16	9M17/9M16
Latin America	4.0	2.8	1.8	9.2	5.6	42.9%	122.2%	64.3%
Europa	1.6	3.4	3.4	5.4	5.1	-52.9%	-52.9%	5.9%
Africa	3.5	1.2	0.1	4.8	1.7	191.7%	3400.0%	182.4%
Asia & Oceania	6.7	1.0	3.7	7.9	8.6	570.0%	81.1%	-8.1%
Total	15.8	8.4	9.0	27.3	21.0	88.1%	75.6%	30.0%

SG&A & EBITDA

CONSOLIDATED SG&A

	3Q17	2Q17	3Q16	9M17	9M16	3Q17x2T17	3Q17x3Q16	9M17x9M16
SG&A	67.3	61.1	77.2	188.9	229.2	10.1%	-12.8%	-17.6%
Civil & Labor Provisions Complement	11.7	6.6	8.0	23.9	20.5	77.3%	46.3%	16.6%
Net Revenue	211.1	181.5	223.0	605.0	606.8	16.3%	-5.3%	-0.3%
% SG&A	31.9%	33.7%	34.6%	31.2%	37.8%	-1.8 p.p.	-2.7 p.p.	-6.5 p.p.
% SG&A Ex-Civil & Labor Provisions Compl.	26.3%	30.0%	31.0%	27.3%	34.4%	-3.7 p.p.	-4.7 p.p.	-7.1 p.p.

CONSOLIDATED EBITDA

	3Q17	2Q17	3Q16	9M17	9M16	3Q17x2T17	3Q17x3Q16	9M17x9M16
= Net Income	(18.5)	(25.5)	(55.4)	(50.5)	(44.1)	-27.5%	-66.6%	14.5%
(+) Taxes	(11.2)	(51.3)	2.1	(64.4)	(0.9)	-78.2%	-	7055.6%
(+) Financial Result, net	(3.8)	62.8	24.4	65.0	(25.3)	-	-	-
(+) Depreciation/Amortization	8.6	9.3	8.4	26.4	25.4	-7.5%	2.4%	3.9%
= EBITDA CVM Inst. 527/12	(24.9)	(4.7)	(20.5)	(23.5)	(44.9)	429.8%	21.5%	-47.7%

In million of R\$

FINANCIAL RESULTS & NET INCOME

FINANCIAL RESULTS

	3Q17	2Q17	3Q16	9M17	9M16
Interest	(18.2)	(22.6)	(17.3)	(62.0)	(54.5)
Exchange Variation	25.6	(28.1)	(5.3)	13.9	93.3
Swap on financial operations	-	-	-	-	(9.1)
Deductible fines	(0.6)	(8.8)	-	(9.4)	-
Other income / expenses, net	(3.0)	(3.3)	(1.8)	(7.5)	(4.4)
Financial Result, net	3.8	(62.8)	(24.4)	(65.0)	25.3

NET INCOME

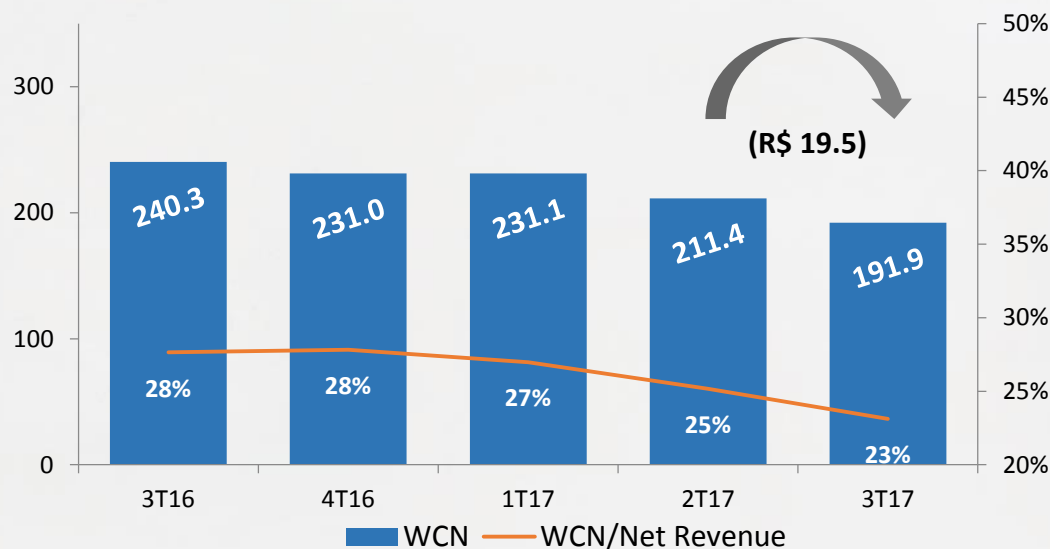
	3Q17	2Q17	3Q16	9M17	9M16
Losses	(18.5)	(25.5)	(55.4)	(50.4)	(44.2)

In million of R\$

DEBT

Debt		sep/17	jun/17	Dec/2016	Sep/17 x Jun/17	Sep/17 x Dec/16
Short Term	Loans and Financing	106.5	80.4	26.6	32.5%	300.4%
	Debentures	16.6	12.5	0.4	32.8%	4050.0%
	Advance of Receivables	15.6	11.9	6.1	31.1%	155.7%
	Foreign and Exchange withdraws	23.4	21.8	28.1	7.3%	-16.7%
	Financial Instruments	0.4	0.4	0.5	0.0%	-20.0%
	TOTAL SHORT TERM	162.5	127.0	61.7	28.0%	163.4%
Long Term	Loans and Financing	498.3	544.8	573.1	-8.5%	-13.1%
	Debentures	57.9	63.0	68.0	-8.1%	-14.9%
	TOTAL LONG TERM	556.2	607.8	641.1	-8.5%	-13.2%
TOTAL DEBT		718.7	734.8	702.8	-2.2%	2.3%
Cash and Cash Equivalents		9.3	15.9	29.9	-41.5%	-68.9%
Net Debt		709.4	718.9	672.9	-1.3%	5.4%

WORKING CAPITAL NEEDED



Δ Receivables: R\$ 28.3
Δ Inventories: - R\$ 16.3
Δ Soc./Labor Obligations.: -R\$ 6.1
Δ Suppliers: - R\$ 25.4

WCN= Inventories+ Receivables – Suppliers – Social and Labor Obligations

CASH FLOW

In million of R\$

	3Q17	2Q17	3Q16	9M17	9M16	3Q17 x 2Q17	3Q17 x 3Q16	9M17 x 9M16
Cash at the beginning of the period	11.7	23.0	22.7	26.9	60.4	-49.1%	-48.5%	-55.5%
Cash generated by operating activities	7.8	3.0	(7.9)	12.2	45.4	160.0%	-	-73.1%
Loss before taxes on net income	(29.7)	(76.7)	(53.3)	(114.8)	(45.1)	-61.3%	-44.3%	154.5%
Depreciation and amortization	8.6	9.3	8.4	26.4	25.4	-7.5%	2.4%	3.9%
Cost of permanent assets written-off	(1.6)	(1.0)	1.5	2.9	8.8	60.0%	-	-67.0%
Equity in net income of subsidiaries	-	-	0.3	-	1.8	-	-	-
Provisions for financial charges	19.1	16.1	11.2	53.6	53.4	18.6%	70.5%	0.4%
Provision for contingencies	11.9	1.2	(29.2)	17.3	(18.8)	891.7%	-	-
Allowance for doubtful accounts	(3.5)	(1.6)	2.0	(1.8)	3.5	118.8%	-	-
Provisions for inventories losses	-	-	35.0	-	35.0	-	-	-
Provision for guarantees	(0.4)	-	0.3	1.4	(1.5)	-	-	-
Exchange rate change on loans and other	(29.2)	32.6	5.3	(20.1)	(50.1)	-	-	-59.9%
Changes in assets and liabilities	40.4	15.4	10.6	47.3	29.1	162.3%	281.1%	62.5%
Payment of Taxes	(7.8)	7.7	-	-	(1.0)	-	-	-
Write-off of investment (Famastil)	-	-	-	-	4.9	-	-	-
Investment activities	(0.9)	(6.7)	(7.1)	(17.6)	0.7	-86.6%	-87.3%	-
In property, plant and equipment	(2.0)	(5.9)	(6.4)	(17.5)	(28.7)	-66.1%	-68.8%	-39.0%
In intangible assets	(0.6)	0.1	-	(0.6)	(3.0)	-	-	-80.0%
Sale of investment (Famastil)	-	-	-	-	5.0	-	-	-
Interest earning bank deposits	1.7	(0.9)	(0.7)	0.5	27.4	-	-	-98.2%
Financing activities	(11.8)	(7.6)	15.8	(14.6)	(83.0)	55.3%	-	-82.4%
Borrowings	22.6	30.8	59.1	70.8	278.9	-26.6%	-61.8%	-74.6%
Payments of loans	(13.1)	(35.2)	(37.3)	(66.8)	(354.3)	-62.8%	-64.9%	-81.1%
Payment of Interest on loans	(21.3)	(3.2)	(6.0)	(28.9)	(25.1)	565.6%	255.0%	15.1%
Capital increase	-	-	-	10.5	17.5	-	-	-40.0%
Others	-	-	-	(0.2)	-	-	-	-
Cash Generation	(4.9)	(11.3)	0.8	(20.0)	(36.9)	-56.6%	-	-45.8%
Cash at the End of the Period	6.8	11.7	23.5	6.9	23.5	-41.9%	-71.1%	-70.6%

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