



Itaúsa Headquarters | Paulista Avenue - São Paulo

ITAÚSA

2019 Results Conference Call

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February 18, 2020



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The accounting information included herein is under IFRS.

Conference Call Agenda

Results | 2019

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Capital
Allocation

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Highlights of
Itaúsa's Portfolio

3

Itaúsa
2019 Results

4

Q&A Session

Business Environment

 **2019**

- Macro Scenario recovery
- Structural reforms and economic stimulus
- Controlled inflation levels
- Flexible monetary policy, with basic interest rate decrease
- Privatization and Concession agenda progress

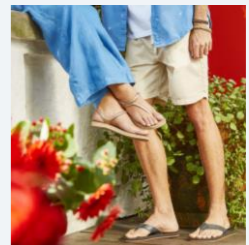
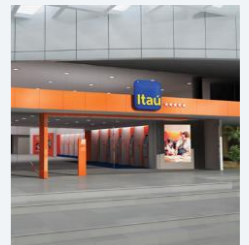
 **2020**

- Interest rate maintenance and low inflation
- Consumption, job, and income levels resuming
- Lower global growth and more confidence in Brazil
- Capital allocation from local investors in domestic assets
- Privatization and concession agenda moving forward



Opportunities in investees

- Loan portfolio growth
- Funds and investment banking growth
- Consumer goods recovery
- Civil construction sector recovering
- New gas legislation



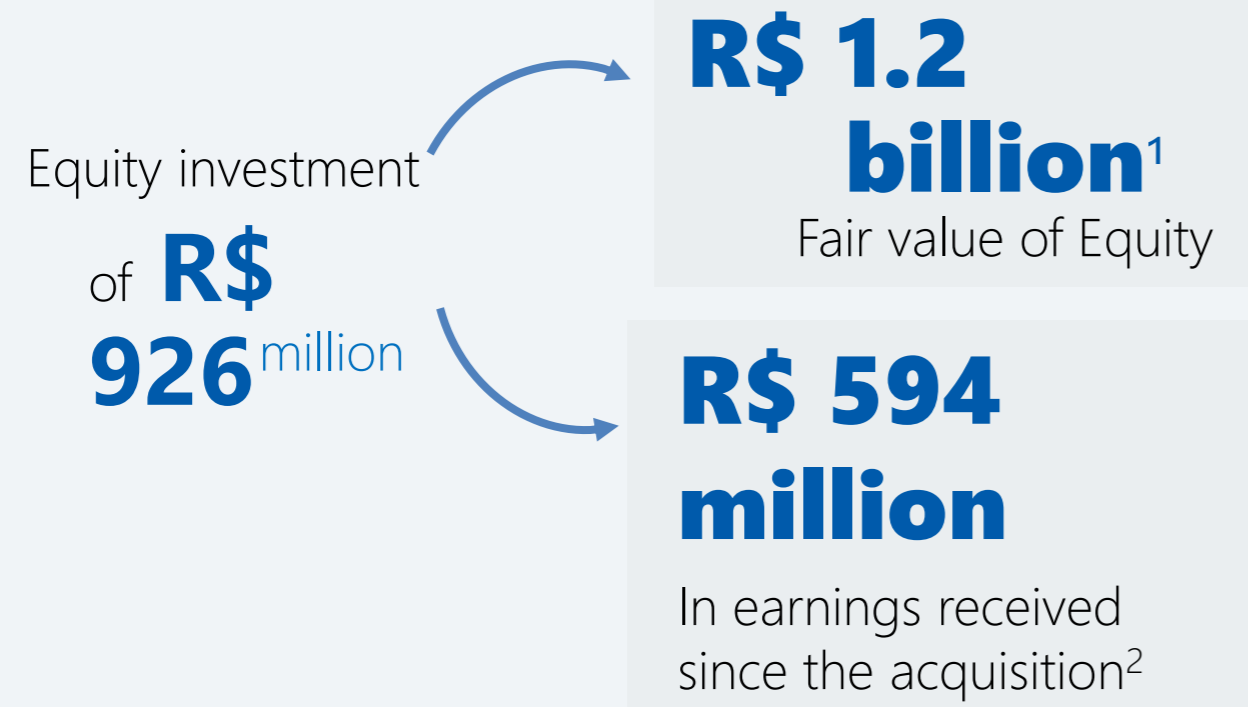
Efficient capital allocation

Investments with attractive returns



Acquisition of a **7.7%** ownership interest in **2017**

- Authorizations for long-term operation (up to 2041)
- Cash generator



Acquisition in 2017 and increased ownership interest in capital, to **28.9%³** in 2019

Total return on investment in the period⁴ **186%**

Alpargatas performance since acquisition

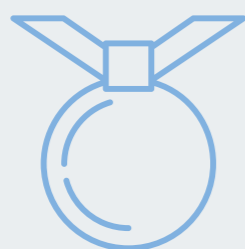


¹ Recorded in Itaúsa's Balance Sheet on December 31, 2019 ² Includes refund of capital arising from decrease in the Company's capital. ³ Acquisition of 5.2 million preferred shares at R\$ 18.25 in May 2019 and 2.5 million preferred shares at average price of R\$ 23.66 in August 2019. ⁴ From July 12, 2017 to February 14, 2020.

Efficient capital allocation



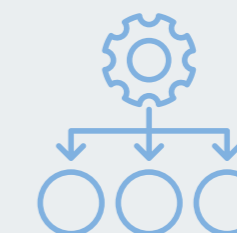
Acquisition of a ~49% ownership interest in **Copagaz** in November 2019



A group composed of Itaúsa, Copagaz, and Nacional Gás has entered into an agreement to purchase **Liquigás**



Itaúsa will invest **R\$ 1.4 billion¹** in **Copagaz** and will contribute to **improve its Corporate Governance**



This operation is **under** analysis and waits for **approval** from CADE, the Brazilian antitrust body

¹Subject to adjustments set forth in the purchase and sale agreement.

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Conference Call Agenda

Results | 2019

Highlights
of Itaúsa's Portfolio

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Highlights of Itaú's portfolio

Results | 2019 - Itaú Unibanco

Itaú **Loan portfolio** was up 10.8%, with outstanding performance of very small, small and middle-sized companies (+25.3%) and Individuals (+13.1%).

Commissions and Fees and Insurance Operations were up 6.9%, with outstanding performance of investment banking operations

Improved Efficiency Ratio, reaching 45.5%

Highlights of the year

Evolution in digital transformation

Investment in services and platforms, with focus on Digital was up 54% from 2016

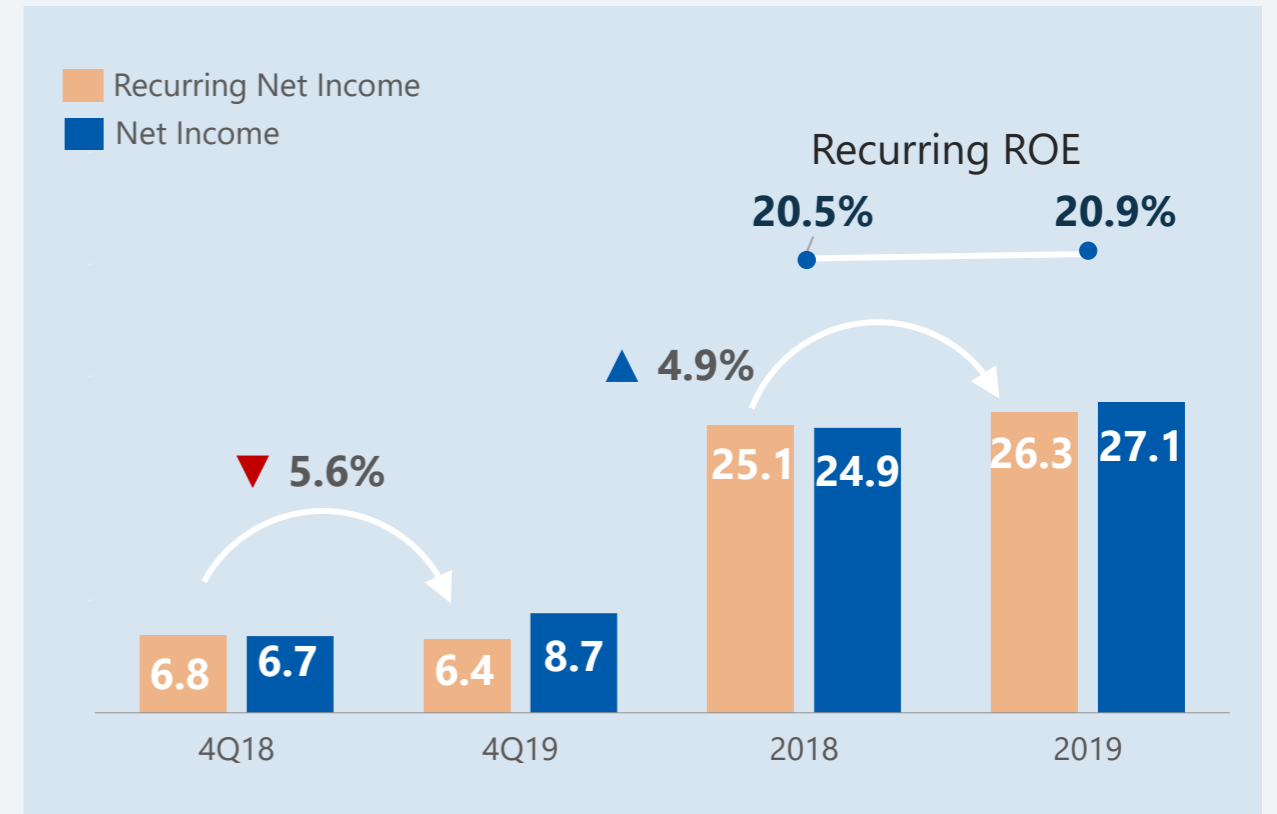
Evolution in customer experience

Customer satisfaction measured by **Global NPS** was up 900 BPS in the last 16 months



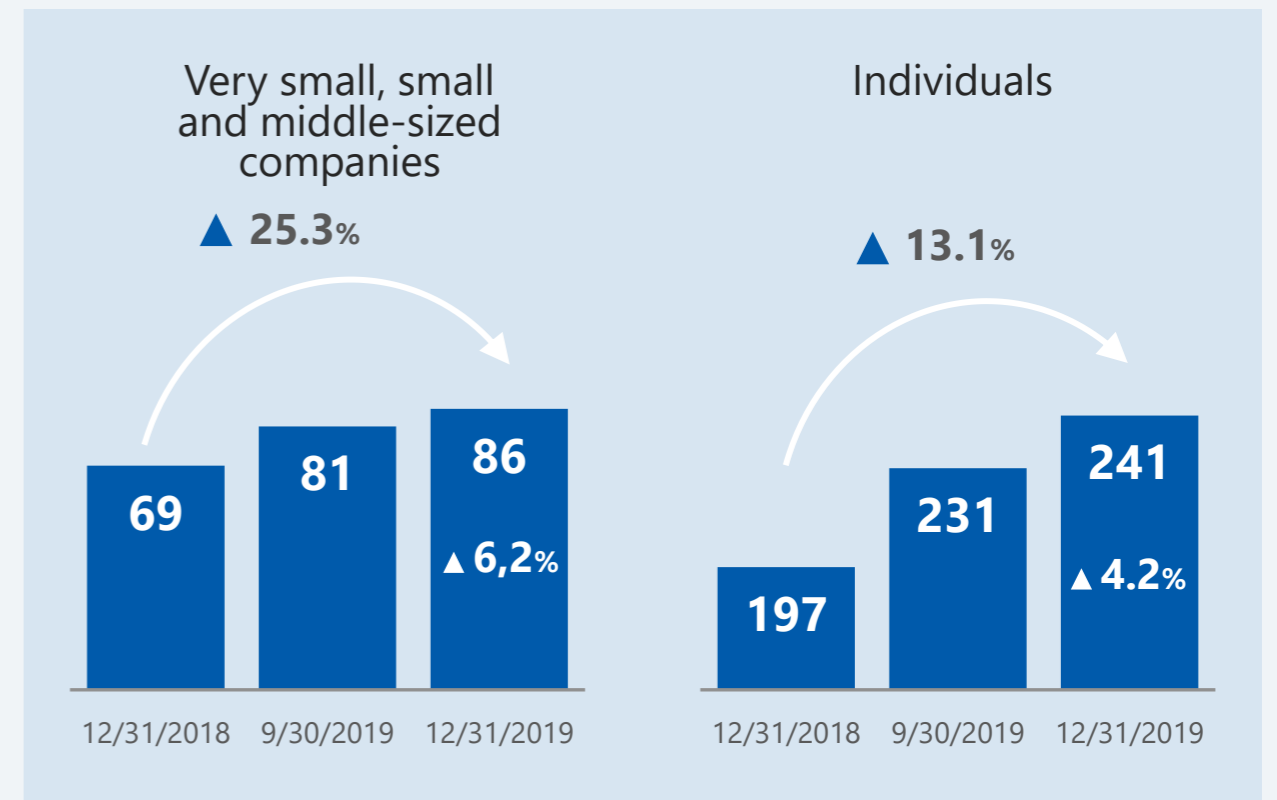
Net Income and ROE

R\$ billion - IFRS
Attributed to controlling stockholders



Loan Portfolio: Very small, small and middle-sized companies

R\$ billion - IFRS



Highlights of Itaúsa's portfolio

Results | 2019 - Alpargatas



Net revenue was up **9.8% in 2019**, mainly driven by the increased volume and revenue from operations both in Brazil and Havaianas International.

Highlights of the year

Changes in Management

First year under the new leadership and a new strategy was marked by sustainable growth and increased margins.

Digital

Global engagement of a **single e-commerce platform**

User Experience and **Global Business Intelligence** departments created

New store model: **Store Labs**

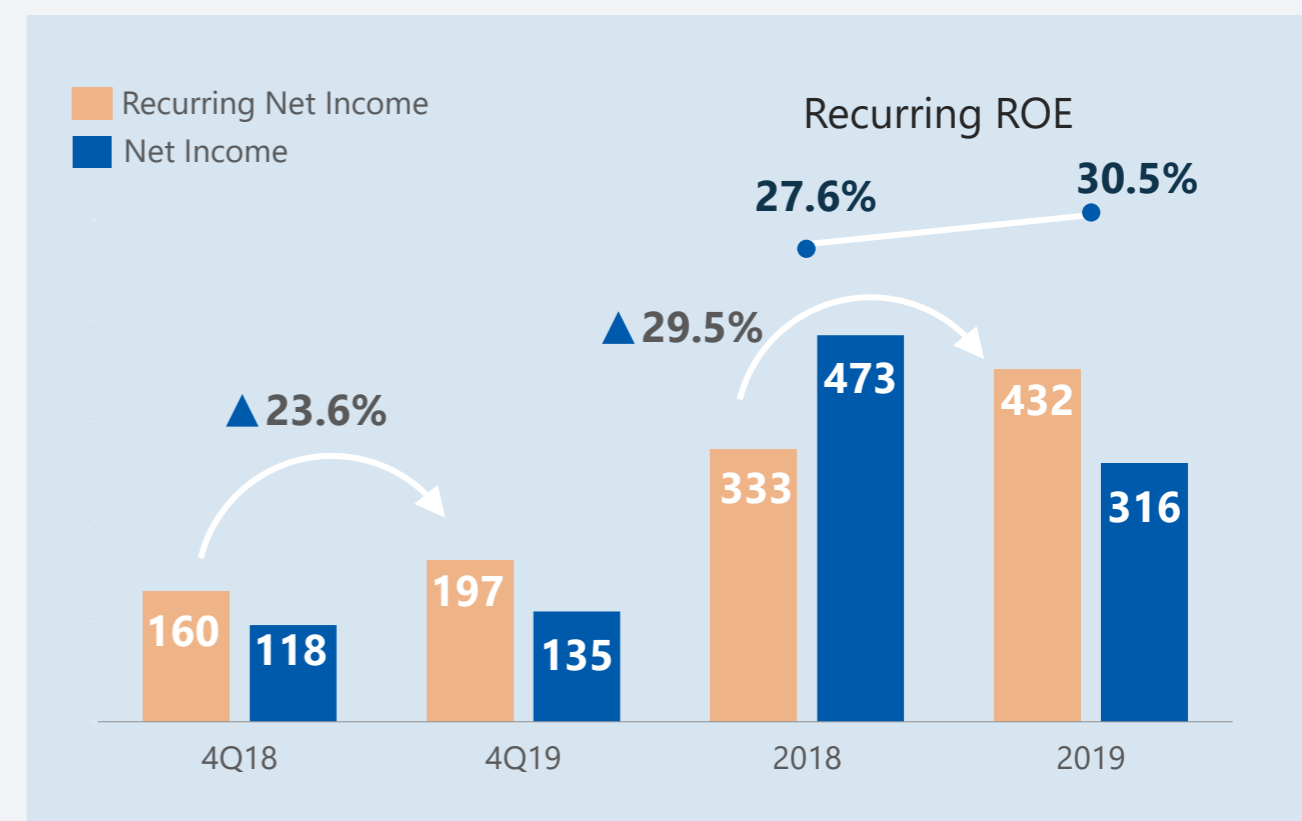
Capital Management

Sale of textile segment operations and assets related to brand **Topper¹** in Argentina



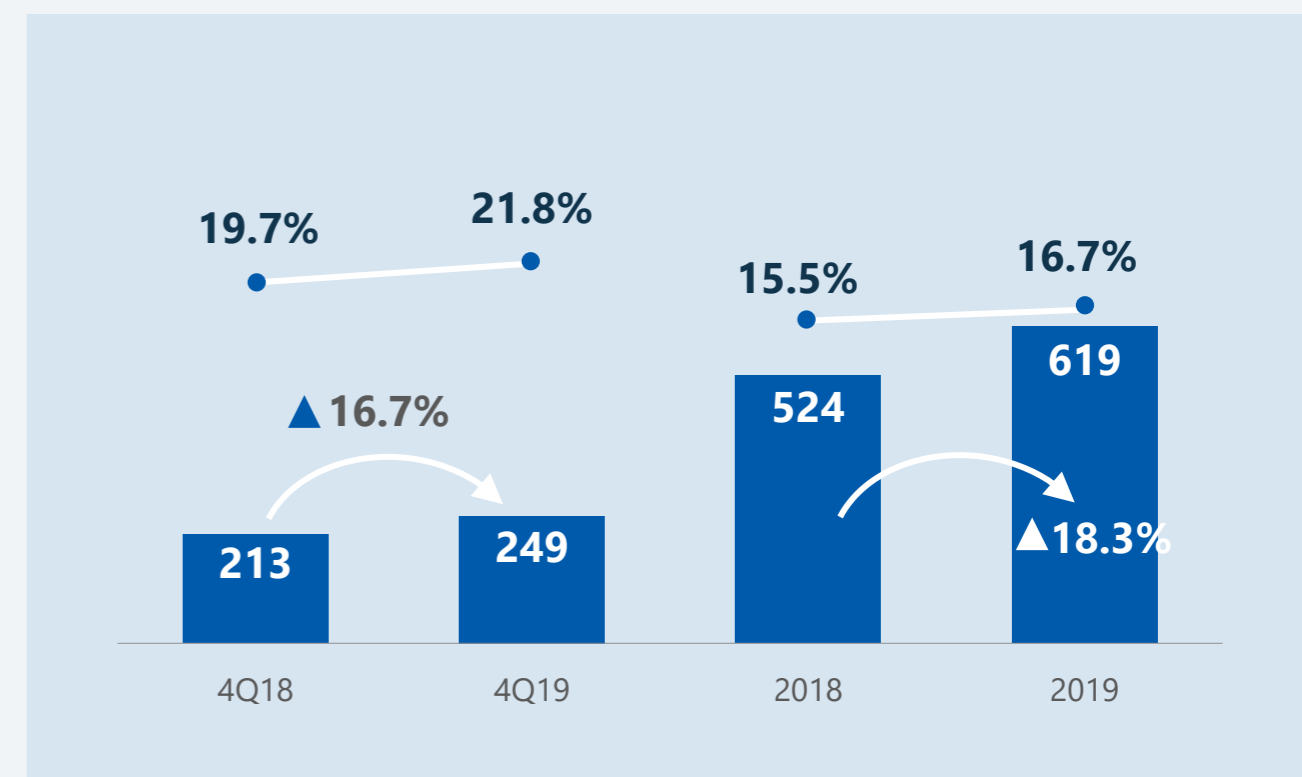
Net Income and ROE

R\$ million



Recurring EBITDA

R\$ million
Recurring EBITDA Margin



¹ Subject to the fulfillment of certain conditions precedent

Highlights of Itaúsa's portfolio

Results | 2019 - Duratex

Duratex **Consolidated recurring EBITDA was up 7.1%**, mainly driven by more efficient operations, acquisition of Cecrisa, and Deca division outperformance

Lower financial leverage, driven by **strong cash generation**

Highlights of the year

Supplementing the portfolio in ceramic tiles

Acquisition of Cecrisa, which produces and sells ceramic tiles under Cecrisa and Portinari brands.

New line 4.0 of Ceramic Tiles unit starts production with a 6.2 million sq. m. capacity and focus on high-end customers.

Revision of assets, increase in return

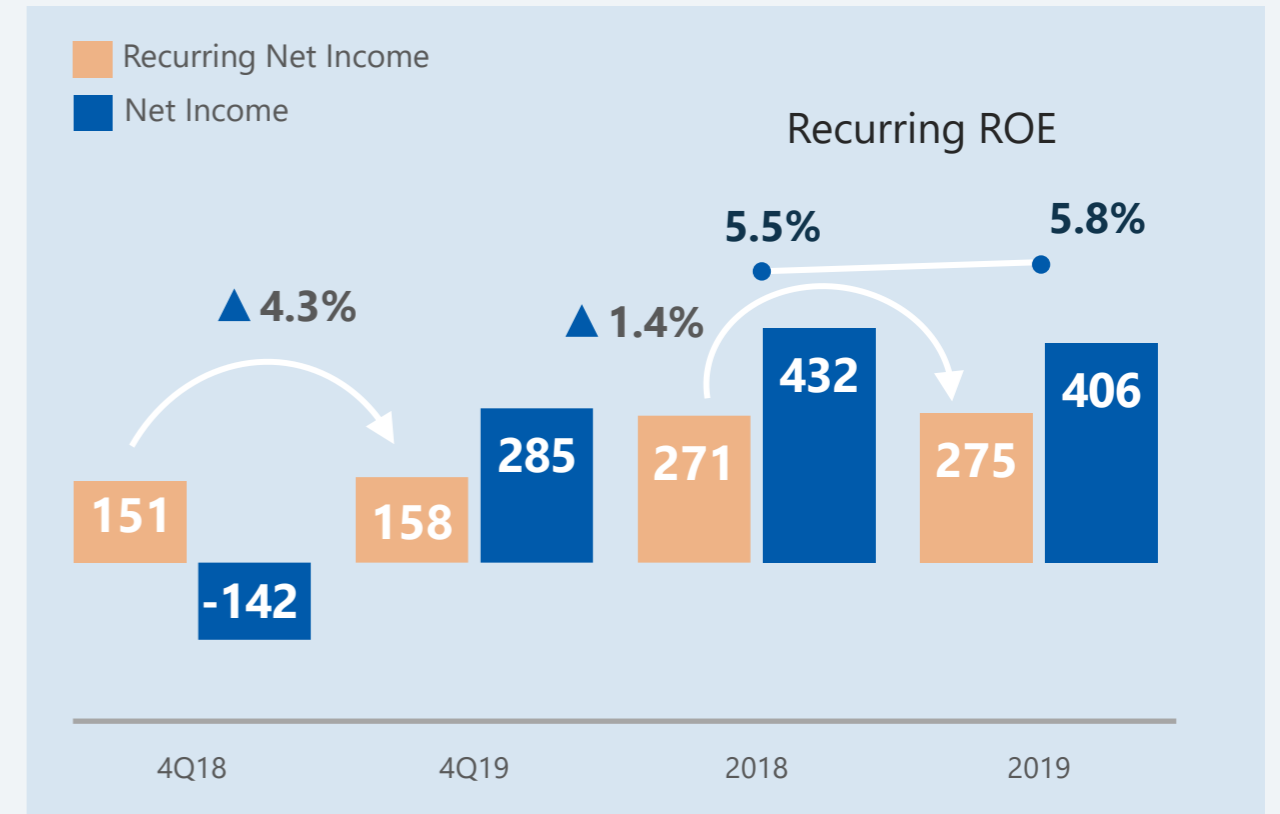
Final approval for the JV with Austrian company Lenzing AG to produce DWP, with industrial investment of ~R\$ 5.2 billion.

Revision and rationalization of assets, as manufacturing plants and forests.



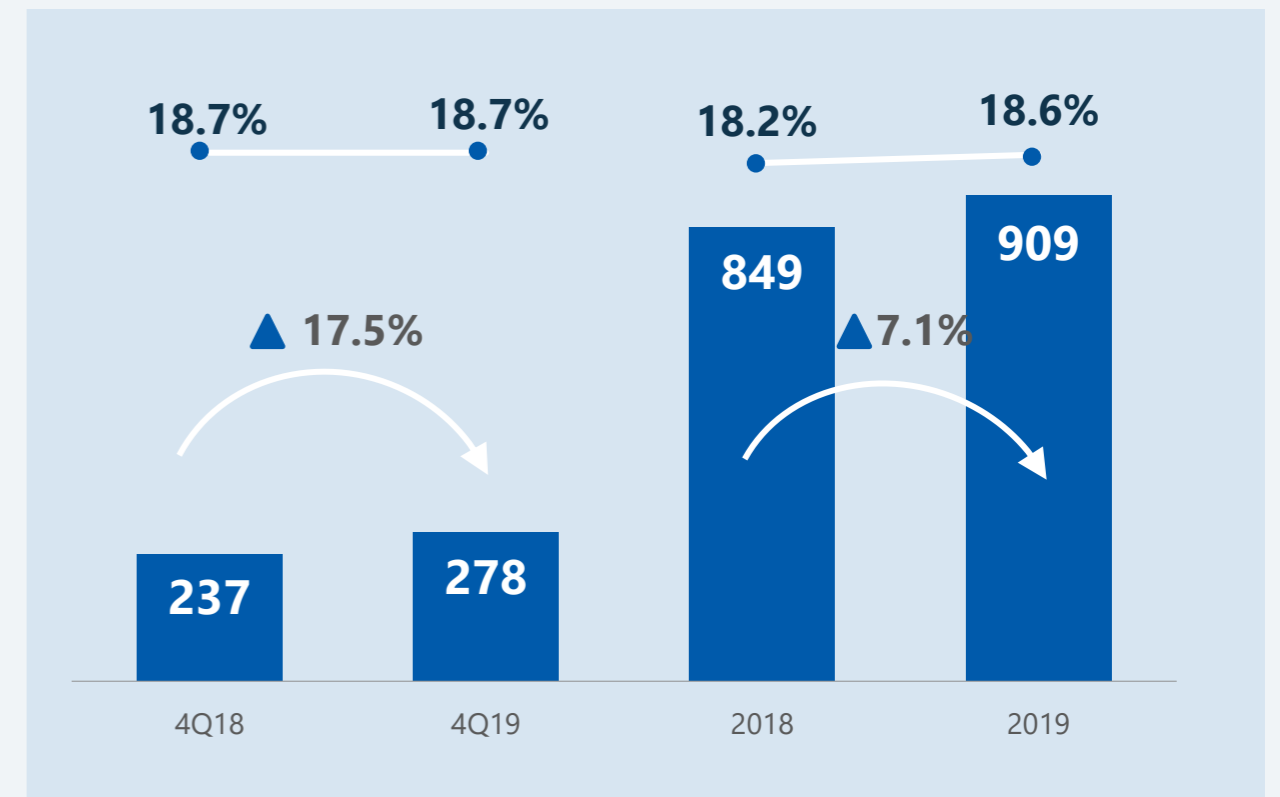
Net Income and ROE

R\$ million



Recurring EBITDA

R\$ million
Recurring EBITDA Margin



Highlights of Itaúsa's portfolio

Results | 2019 - NTS



Net revenue increased **9.0% in 2019**, due to contractual adjustments; **Net income advances 14.7%** also due to better financial result

Highlights of the year

On April 18, 2019, CVM authorized the company's **registration as an issuer of securities** category "B".

New CEO elected: Wong Loon – also holding the position of COO.

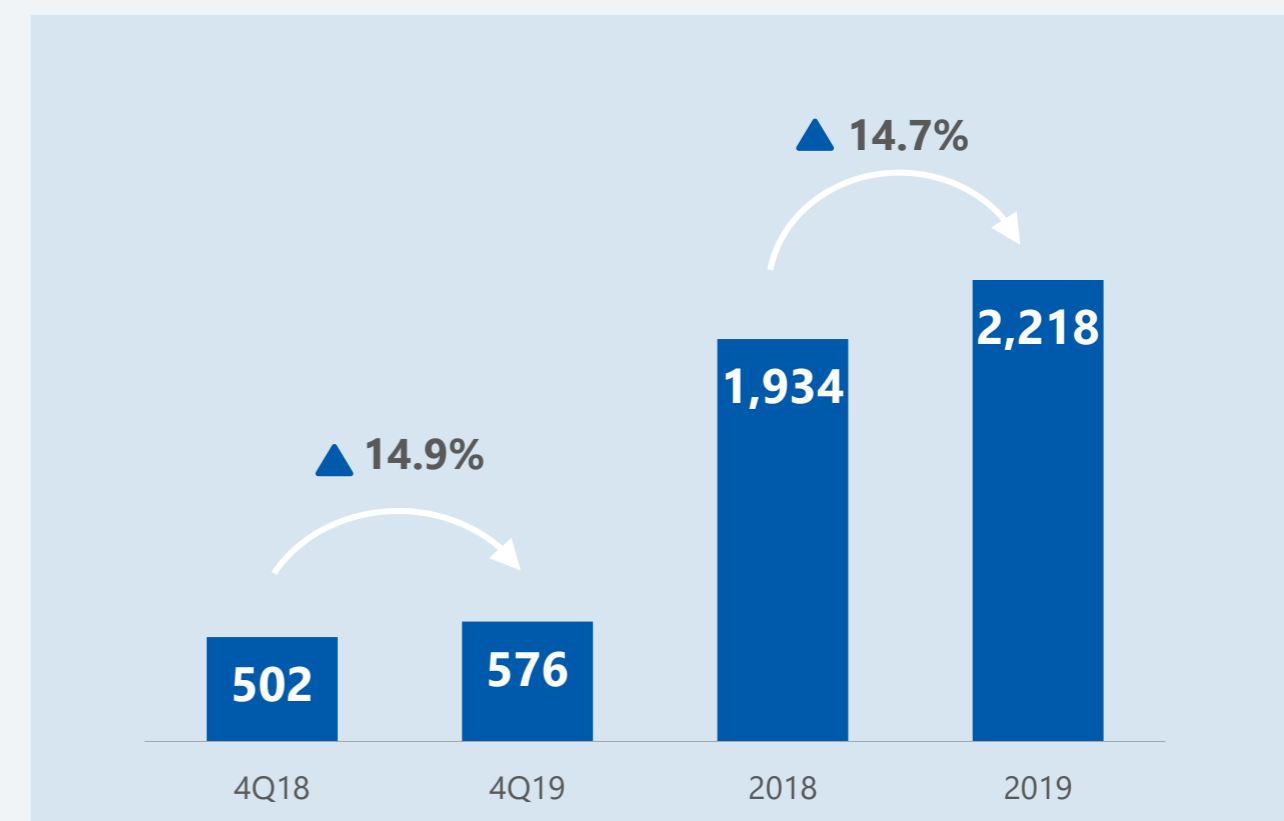
Itaúsa received **Earnings** in the amount of **R\$211** million in 2019.

Net revenue was up 9.0%, to **R\$4.6 billion** and Net Income totaled **R\$2.2 billion**.



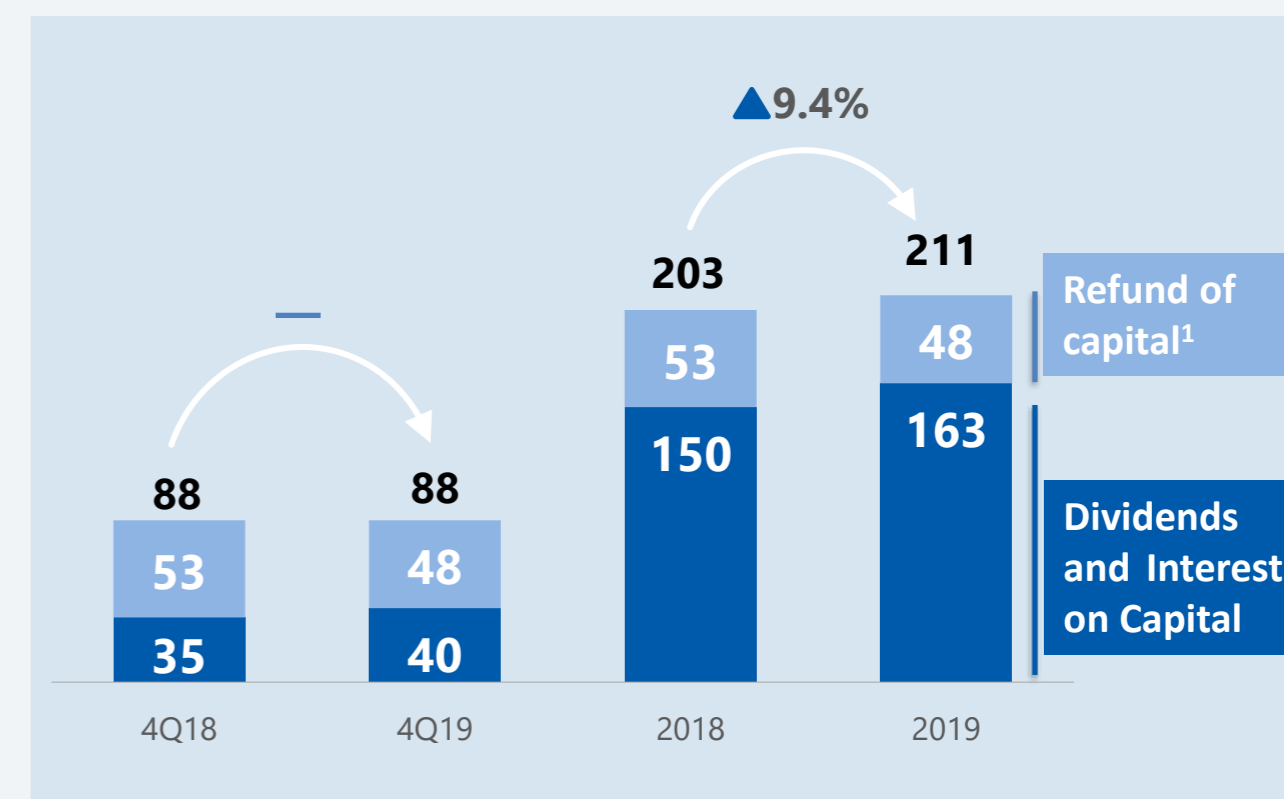
Net Income

R\$ million



Earnings received by Itaúsa

R\$ million



¹Refund of capital as a result of the capital decrease carried out by the Company

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Results | 2019

Main metrics of income and balance sheet

Parent Company: in IFRS

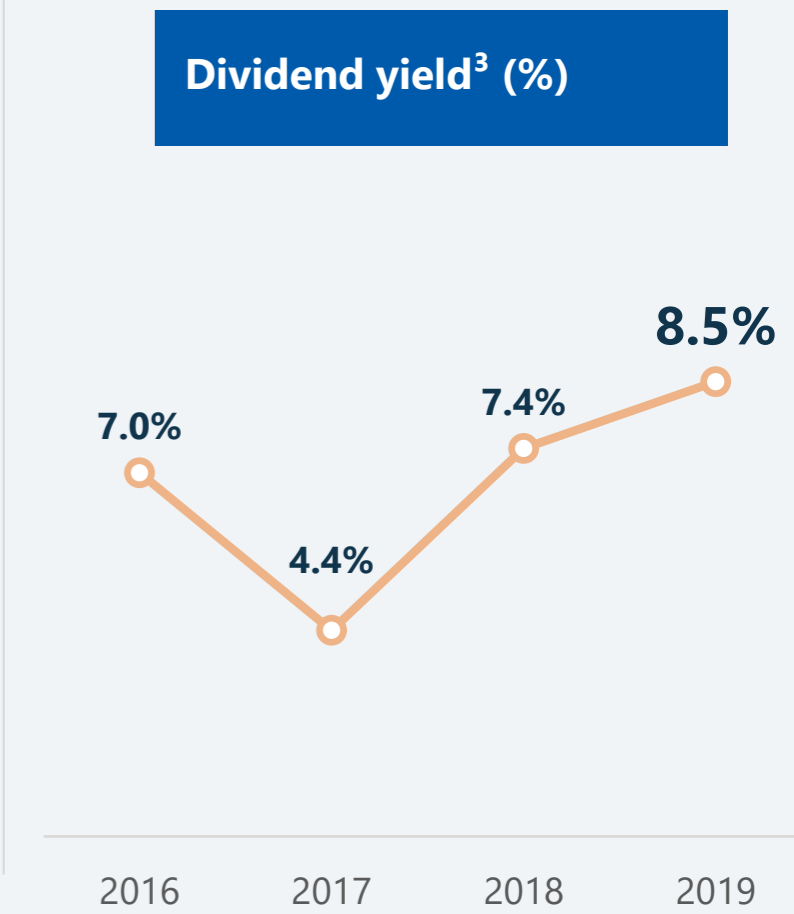
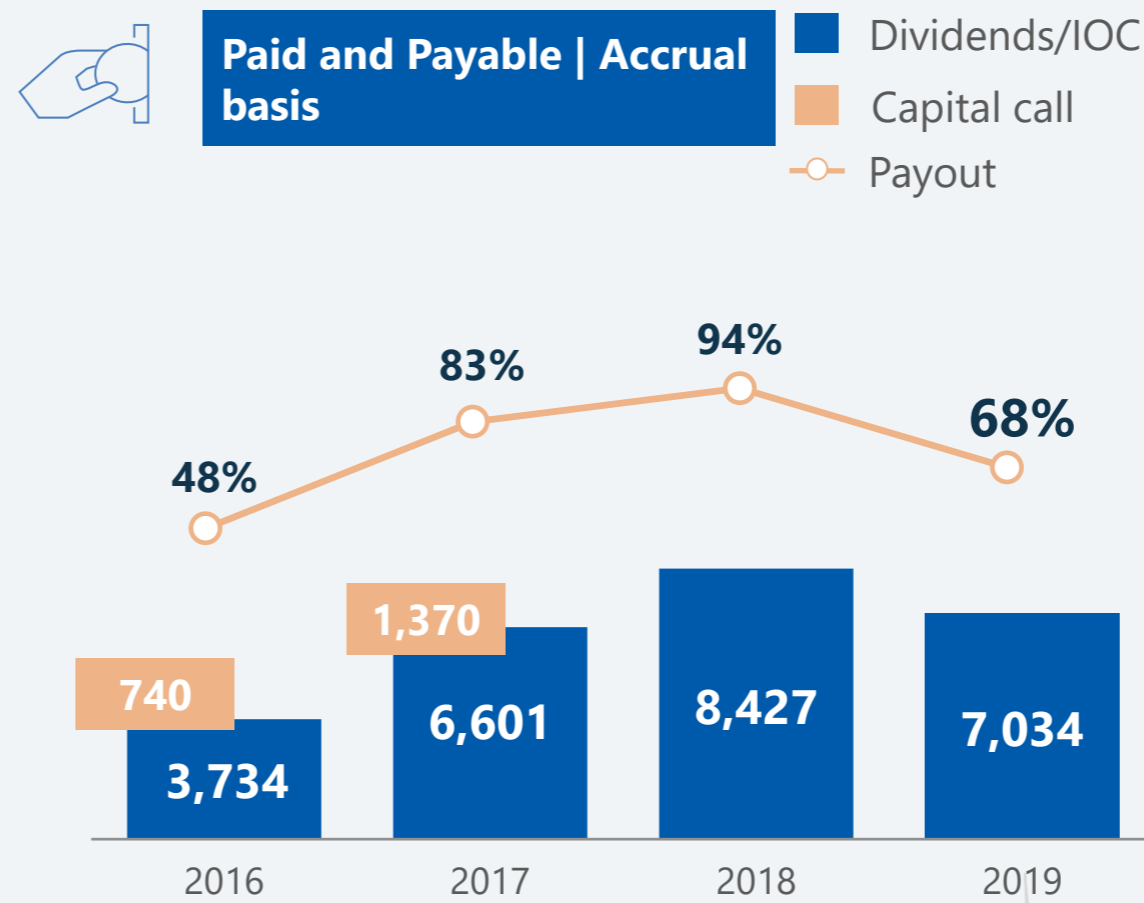
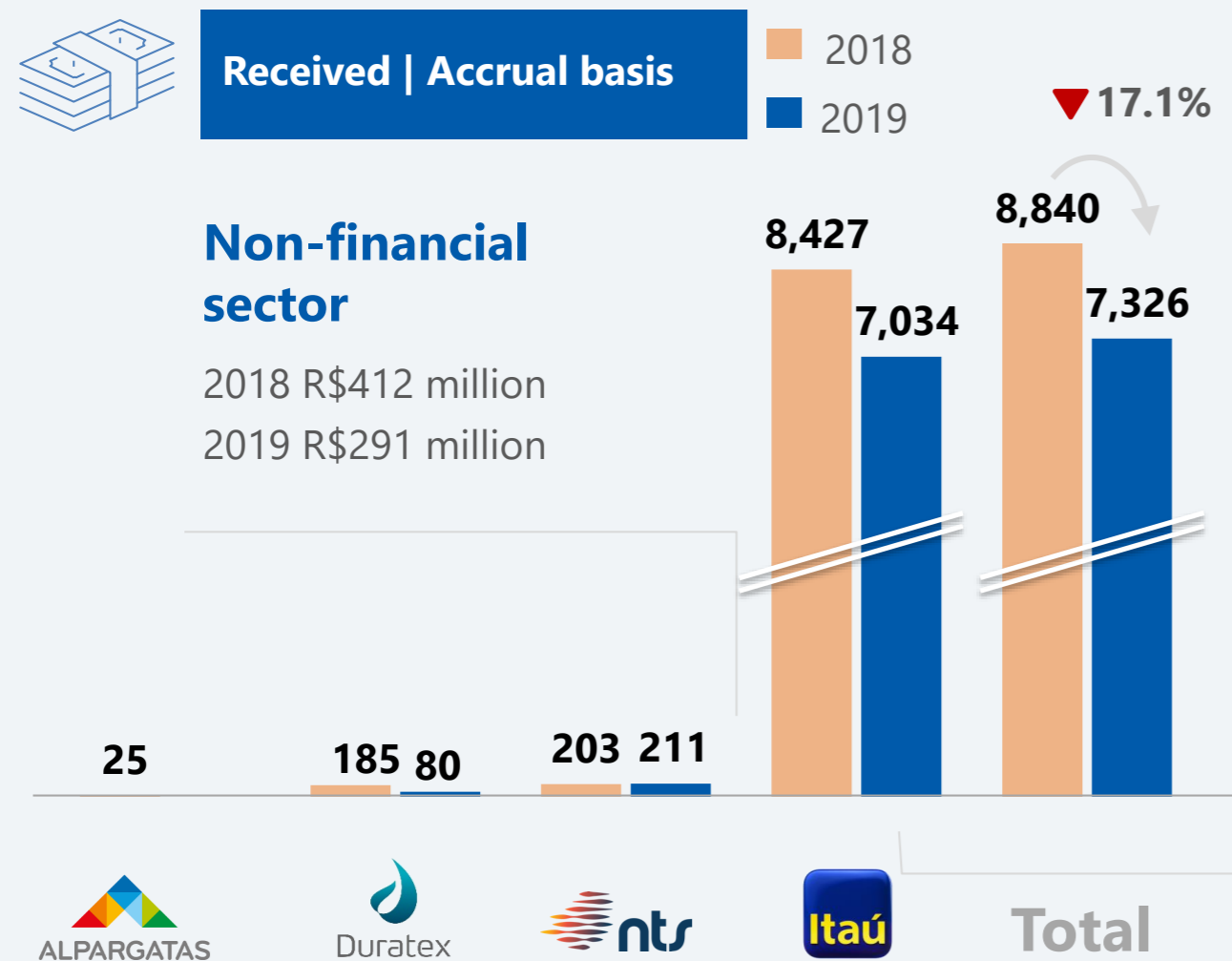
	R\$ million			R\$ per share	
	2019	2018	Change	12.31.2019	12.31.2018
Profitability					
Net Income	10,312	9,436	+9.3%	1.23	1.13
Recurring Net Income	9,765	9,427	+3.6%	1.16	1.13
ROE	19.4%	18.2%	+120bps		
Recurring ROE	18.4%	18.2%	+20bps		
Balance Sheet					
Total Assets	58,710	58,377	+0.6%		
Stockholders' Equity	55,232	55,143	+0.2%	6.57	6.56
Market Value ¹	118,508	101,601	+16.6%		
Payout					
Dividend Yield ²	8.5%	7.4%	+110bps		

¹Calculated based on the closing price of preferred shares on the last day of the period.

²Dividend Yield includes dividends/interest on capital, gross, paid in the last 12 months, divided by the closing price.

Dividends and Interest on Capital^{1,2}

In R\$ million



R\$ 1.1 bn
Cash position
12.31.2019

No capital call
expected for 2020

R\$0.41
per share⁴

Feb 20th
Record date

¹ Refers to Individual Balance Sheet.

² Interest on capital, net of withholding income tax. Includes refund of capital arising from decrease in NTS's capital

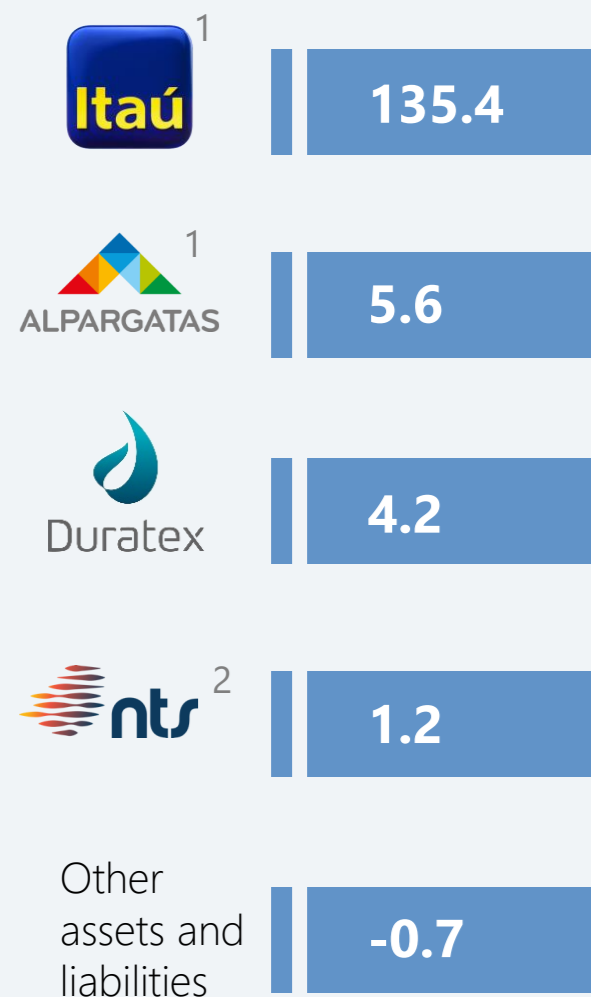
³ Dividend Yield includes dividends/interest on capital, gross, paid in the last 12 months, divided by the closing price.

⁴ Approximate amount, net of income tax. For further information, please refer to Material Fact disclosed on February 17, 2020.

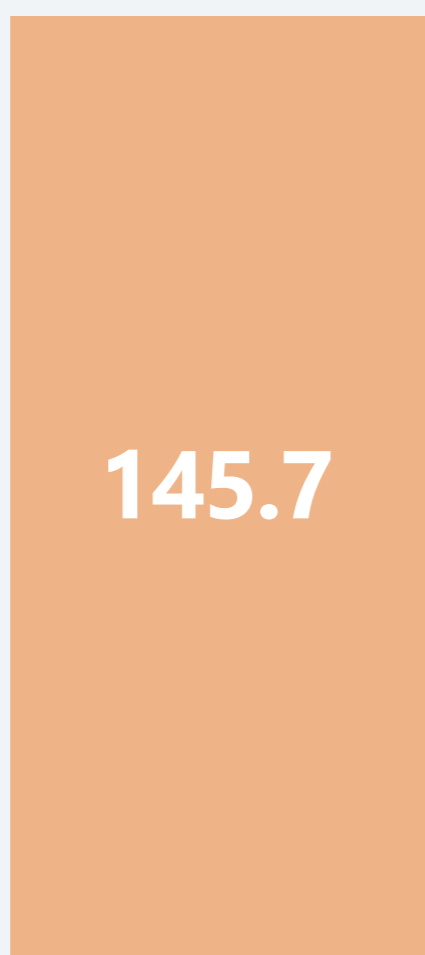
Capital markets

Itaúsa's portfolio – market value¹
R\$ billion – on 12.31.2019

Market value of Itaúsa's portfolio



Sum of the parts (a)

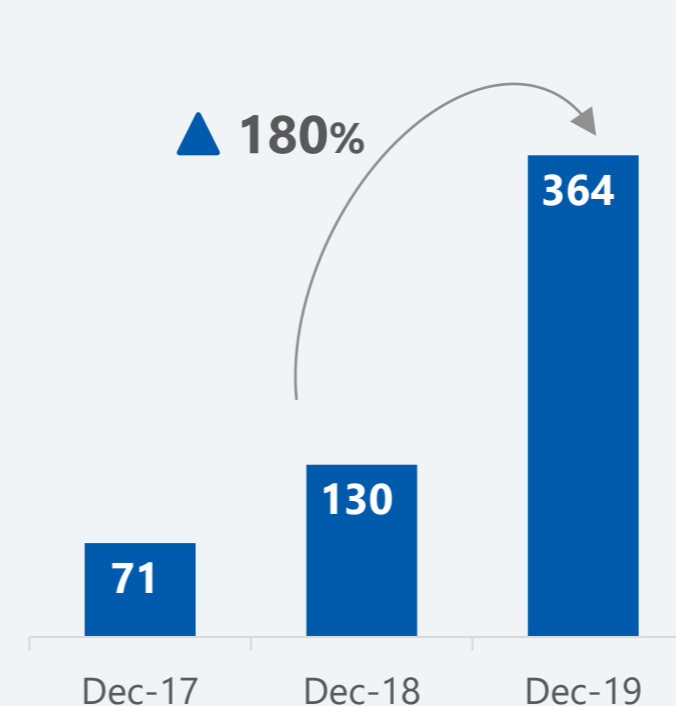


Market value¹ of Itaúsa (b)



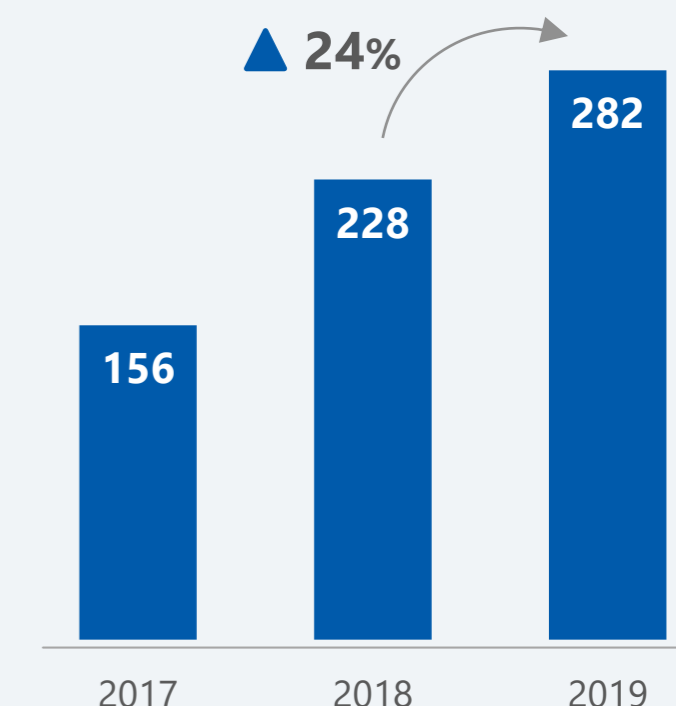
Evolution of individual stockholders' base

Thousands of stockholders

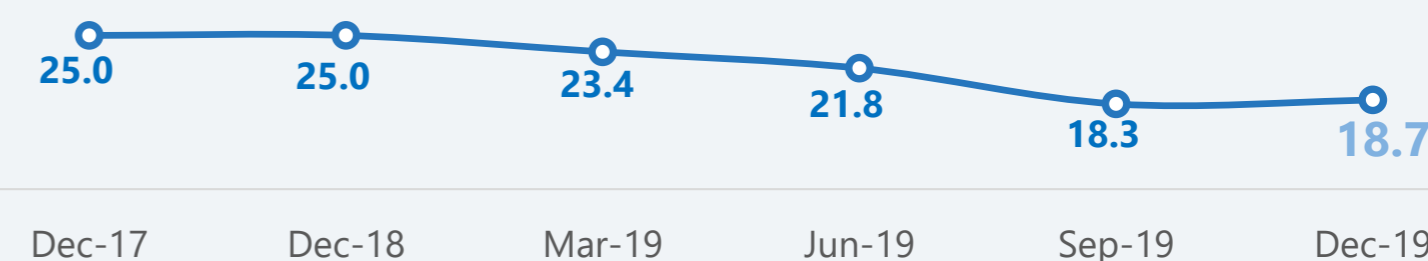


Average daily traded volume

ITSA4 – R\$ million



Holding discount (%)



¹ Calculated based on the price of preferred shares.

² Investment amount recorded in the Balance Sheet on 12.31. 2019.

Itaúsa in the capital markets

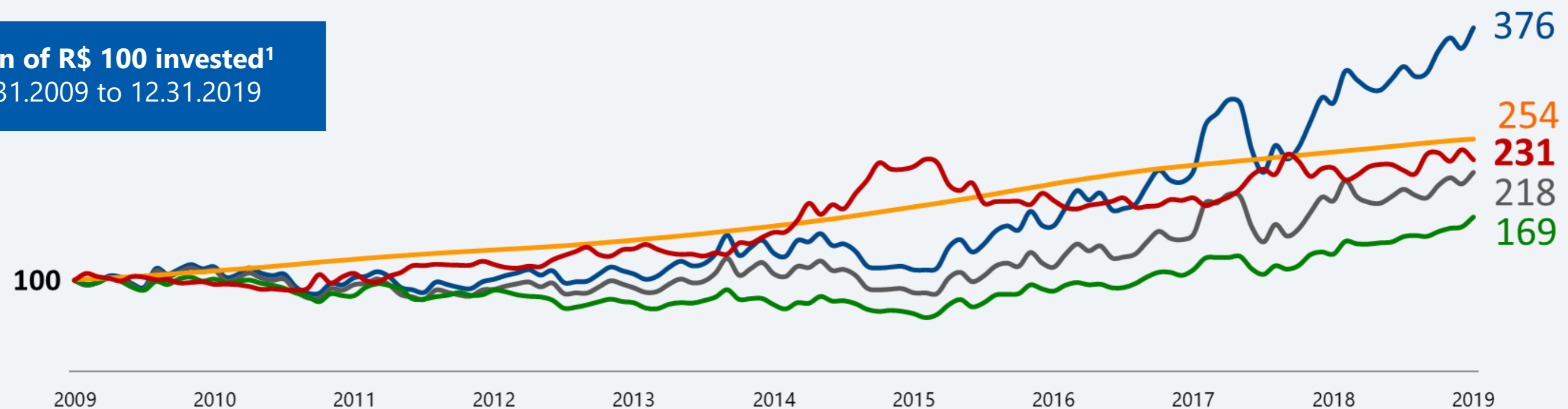


CAGR (in Reais)

	Itaúsa Total return ¹	Itaúsa without reinvestment	Ibovespa	CDI	US dollar
10 years	14.2%	8.1%	5.4%	9.8%	8.8%
5 years	23.7%	15.3%	18.3%	9.9%	8.7%
12 months	27.9%	16.6%	31.6%	5.9%	4.0%



Evolution of R\$ 100 invested¹ from 12.31.2009 to 12.31.2019



¹With dividends/interest on capital reinvested

Q&A Session

ITAÚSA

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