

BK

BRASIL

4Q19 and 2019 EARNINGS
RELEASE



POPEYES

NET OPENING OF 111 RESTAURANTS AND 22% GROWTH IN SALES BOOSTED ADJUSTED EBITDA GROWTH OF 14% IN 2019

Barueri, February 19, 2020 - BK Brasil Operação e Assessoria a Restaurantes S.A. (B3: BKBR3), the master franchisee of Burger King Corporation and Popeyes Louisiana Kitchen for Brazil, announces today its results for the fourth quarter of 2019 and for the year 2019. The consolidated quarterly information of the Company is presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil. Non-financial and non-accounting data were not audited by the independent auditors.

HIGHLIGHTS

4Q19 and 2019 Earnings Release

Conference Call and Webcast

February 20, 2019

In Portuguese, simultaneously translated into English

Time: 11:00 a.m. (BRT);
9:00 a.m. (US ET)

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4Q19x4Q18 Performance:

- **Net operating revenue** of R\$803 million in 4Q19, up 11.9% from 4Q18;
- **Comparable sales in same restaurants¹** of **-2.2%** in 4Q19;
- **Adjusted EBITDA²** of R\$171 million in 4Q19; Excluding the effects of the new accounting standard (IFRS 16), Adjusted EBITDA would have been R\$132 million;
- **Adjusted EBITDA Margin** of 21.3% in 4Q19. Excluding the effects of IFRS 16, the margin would have been 16.4% in 4Q19;
- **Net income** of R\$41 million in 4Q19. Excluding the effects of IFRS 16, net income would have totaled R\$47 million;

2019x2018 Performance:

- **Net operating revenue** of R\$2,868 million in 2019, up 22.1% from 2018;
- **Total of 121 restaurants opened** during 2019, of which 88 are BURGER KING® restaurants and 33 are POPEYES® restaurants;
- **Total of 871 restaurants of the BURGER KING® brand** at the end of 2019;
- **Total of 41 restaurants of the POPEYES® brand** at the end of 2019;
- **Growth of comparable sales in same restaurants of 4.9%¹** in 2019;
- **Adjusted EBITDA²** of R\$465 million in 2019. Excluding the effects of the new accounting standard (IFRS 16), Adjusted EBITDA would have been R\$328 million in 2019;
- **Adjusted EBITDA Margin** of 16.2%. Excluding the effects of the accounting standard (IFRS 16), the margin would have been 11.4% in 2019;
- **Net income** of R\$49 million in 2019. Excluding the effects of IFRS 16, net income would have totaled R\$70 million in 2019;

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	4Q19	4Q18	VAR.	2019	2018	VAR.
NET OPERATING REVENUE	803.4	718.1	11.9%	2,868.0	2,348.3	22.1%
ADJUSTED EBITDA ⁽²⁾	171.2	125.4	36.6%	465.4	288.0	61.6%
% OF NET OPERATING REVENUE	21.3%	17.5%	380bps	16.2%	12.3%	390bps
ADJUSTED EBITDA ⁽²⁾ EX-IFRS16 EFFECTS	132.1	125.4	5.3%	328.3	288.0	14.0%
% OF NET OPERATING REVENUE	16.4%	17.5%	-110bps	11.4%	12.3%	-90bps
NET INCOME (LOSS)	46.6	83.6	-44.3%	48.5	128.0	-62.1%
NET INCOME (LOSS) EX-IFRS16 EFFECTS	41.3	83.6	-50.6%	69.8	128.0	-45.5%
GROSS DEBT	519.9	279.1	86.3%	519.9	279.1	86.3%
NET DEBT (NET CASH)	(85.6)	(323.8)	-73.6%	(85.6)	(323.8)	-73.6%
SHAREHOLDERS' EQUITY	1,786.6	1,717.0	4.1%	1,786.6	1,717.0	4.1%

OPERATIONAL HIGHLIGHTS	4Q19	4Q18	VAR. ⁽³⁾	2019	2018	VAR. ⁽³⁾
# OF RESTAURANTS	912	801	111	912	801	111
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	671	594	77	639	526	113
BURGER KING® RESTAURANT OPENINGS	36	38	(2)	61	65	(4)
BURGER KING® RESTAURANT CLOSINGS	-	-	-	(8)	(5)	(3)
ACQUISITION / SALE ⁽⁴⁾ OF BURGER KING® RESTAURANT BUSINESSES	(11)	(1)	(10)	(11)	45	(56)
POPEYES® RESTAURANT OPENINGS	18	8	10	33	8	25
# OWNED RESTAURANTS END OF PERIOD	714	639	75	714	639	75
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	169	142	27	162	171	(9)
BURGER KING® RESTAURANT OPENINGS	18	19	(1)	27	37	(10)
BURGER KING® RESTAURANT CLOSINGS	-	-	-	(2)	(1)	(1)
ACQUISITION / SALE ⁽⁴⁾ OF BURGER KING® RESTAURANT BUSINESSES	11	1	10	11	(45)	56
# FRANCHISEES RESTAURANTS END OF PERIOD	198	162	36	198	162	36
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS) ⁽¹⁾	-2.2%	8.2%	-1040bps	4.9%	7.2%	-230bps

¹ Growth of comparable sales in same restaurants: Considers the sales of Burger King restaurants operated by BK Brasil that have been open for more than 13 months compared to the same period in the previous year.

² "Adjusted EBITDA" is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with stock plan.

³ Net variation.

⁴ Sale of company-owned restaurants to franchisees.

MESSAGE FROM MANAGEMENT

2019 was a challenging year for BK Brasil, mainly due to the country's slow economic recovery and more competitive environment. Despite this, the Company presented a solid pace of restaurant increase during the year, with the opening of 121 units, of which 88 are BURGER KING® and 33 are POPEYES®, ending the year with 912 units. We continued with our strategy to increase focus on free standing restaurants and this year we accelerated the number of openings of this format to 44 restaurants, breaking our historical record of openings for this model.

During this year, we surpassed the important mark of R\$3 billion in revenue, bringing the Company's net operating revenue to R\$2,868 million, an increase of 22.1%, reflecting the 4.9% growth in comparable sales in same restaurants, supported by the increase of digital sales channels and our marketing calendar.

Within our digital initiatives, it is important to highlight that our application reached the milestone of 19 million downloads and 3.6 million active users, moreover, we ended the year with more than 110 restaurants with self-order kiosk and more than 250 restaurants offering the Delivery service. Sales generated by digital channels, made through Delivery, self-order kiosk and BK Express increased 210% compared to 4Q18 and continue to increase their relevance within the Company. It is also important to highlight that we were recognized as the most digitally mature fast food brand according to the Brazil Digital Maturity Index developed by Isobar Brasil.

This year, the BURGER KING® brand was considered the most creative brand globally at the International Cannes Film Festival, with the campaign "Burn That Ad™", which was the most awarded Brazilian campaign at the festival, receiving a total of 9 Lions, in addition to being the second most awarded campaign by the Burger King brand globally. We were also recognized as a favorite fast food brand by the people from Rio de Janeiro, according to a survey by the newspaper O Globo in partnership with Troiano Branding.

The POPEYES® brand has also shown a solid evolution, ending 2019 with 41 restaurants in operation in shopping malls in São Paulo. Due to the rapid expansion and brand recognition growth, we have already achieved positive financial results in this operation.

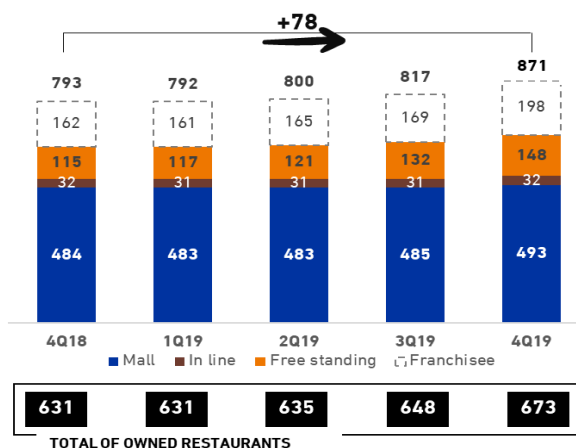
In 2019, we also made relevant moves in relation to our ESG practices. In line with the best Corporate Governance practices, we increased the number of independent members of our Board of Directors, who now already represent the majority of the members, and also improved diversity with more than 20% of the board of directors being represented by women. With regard to Sustainability, we announced the removal of the boxes from *Combo King Jr.* and with that we hope to reduce the use of approximately 119 tons of cardboard per year. We have implemented oil recycling programs in our restaurants and water reuse in our new restaurants. We have also concluded a commercial partnership for the construction of photovoltaic plants for the generation of clean and renewable energy, contributing to the annual reduction of 270 thousand tons in the volume of carbon dioxide emissions. On the Social front, we highlight our partnership with the *Arredondar Movement*, which raised over R\$1 million during the year. This amount will be directed to organizations that work to transform the world into a better place, through projects with social impact.

We are confident that we will continue to find good investment opportunities for the opening of new restaurants, which shall support the strong pace of growth for both brands. Accordingly, we hope to achieve even more significant results, supported by our technological initiatives, which will certainly give us traction for growth over the next years as will the strength of our authentic products and our brand, offering indulgent innovations that are at the forefront of consumer trends. Finally, we will continue to seek to offer an excellent level of service to our customers, through the efforts of our more than 15 thousand dedicated employees who serve the diverse service channels we offer across Brazil.

OPERATING AND FINANCIAL PERFORMANCE

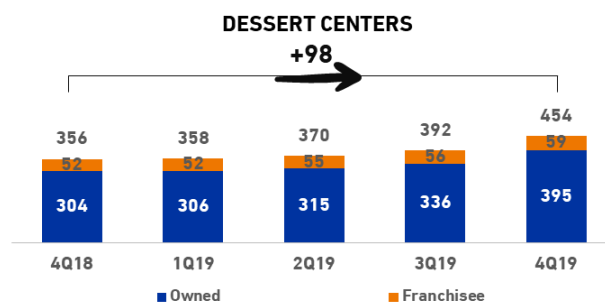
BURGER KING® restaurant expansion⁵

During 4Q19, BURGER KING® system opened 54 new restaurants, of which 36 were company-owned restaurants and 18 were franchisees. Considering only restaurants owned by BK Brasil, net of sale of restaurants businesses⁶ (11 restaurants), the Company ended the quarter with a total of 673 owned restaurants, an increase of 42 restaurants from 4Q18. As for franchised restaurants, BURGER KING® system ended 2019 with 198 restaurants. As such, the BURGER KING® system ended 2019 with a total of 871 restaurants operating in Brazil, a net increase of 78 restaurants.



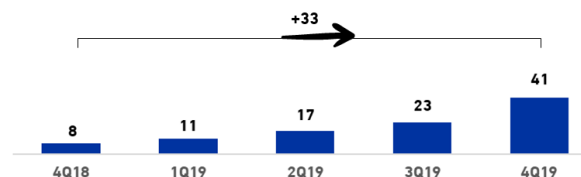
BURGER KING® desert centers expansion

In addition to the 871 restaurants, the BURGER KING® system ended 4Q19 with 454 dessert centers, an increase of 98 units when compared to 4Q18.



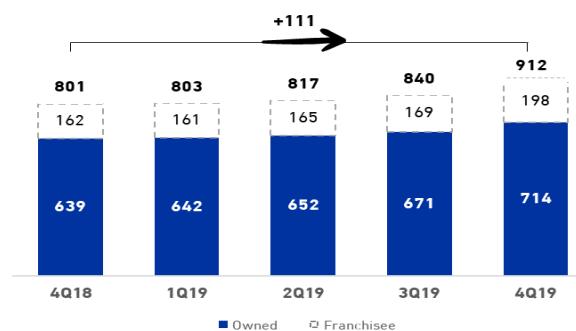
POPEYES® restaurant expansion

Throughout 4Q19, the POPEYES® system opened 18 new restaurants and closed the quarter with 41 restaurants, all of them BK Brasil owned restaurants, located in the state of São Paulo.



Total restaurant expansion

Therefore, we ended 4Q19 with a total of 912 restaurants managed by the Company, of which 714 are company-owned BURGER KING® and POPEYES® restaurants and 198 are BURGER KING® franchised restaurants.



⁵Mall: Shopping malls, hypermarkets and air | road terminals; In line: Stores with direct access to the public thoroughfare, which have internal lounges with tables and seats; Free standings: Street stores with drive-thru.

⁶Transfer: Sale of company-owned restaurants to franchisees.

Effects of the IFRS 16 adoption

On January 1, 2019, the Company adopted the accounting standard IFRS 16 – Leases. According to the new accounting standard, the Company, as the lessee, recognizes a right-of-use asset related to the leased asset and a lease liability representing its obligation to make future lease payments. As the Company's main lease agreement refers to rent of company-operated restaurants, the fixed portion of lease expenses is now recognized as amortization and financial expense, while the variable portion of lease expenses continues recognized as occupancy expense.

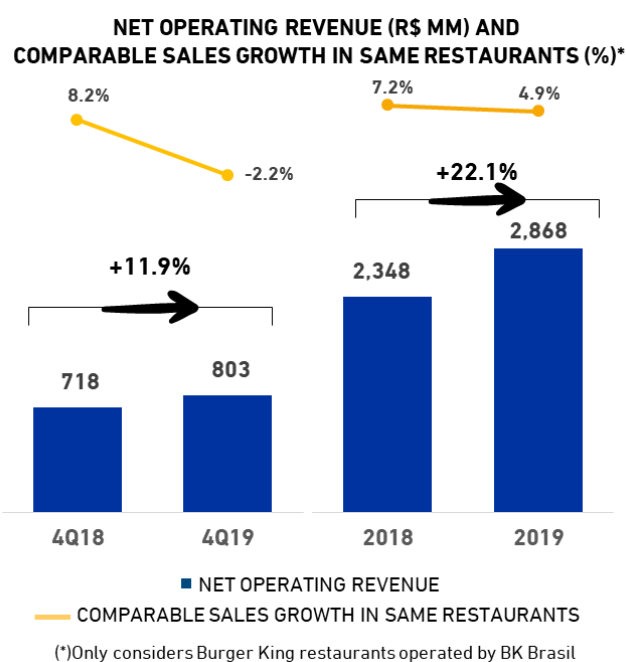
For better understanding, throughout this report, information on the effects from adoption of the new accounting standard on the main accounts impacted in 4Q19 and 2019 was included, both in tables and graphs.

Consolidated Income Statement (R\$ million)	4Q19	IFRS16	4Q19	2019	IFRS16	2019	2018	Var. %
	Reported	Effects	Ex-IFRS16	Reported	Effects	Ex-IFRS16	Reported	
NET OPERATING REVENUE	803.4	-	803.4	2,868.0	-	2,868.0	2,348.3	22.1%
COST OF GOOD SOLD	(304.1)	-	(304.1)	(1,082.9)	-	(1,082.9)	(891.3)	21.5%
GROSS PROFIT	499.3	-	499.3	1,785.1	-	1,785.1	1,457.0	22.5%
TOTAL SELLING EXPENSES	(388.4)	(10.7)	(399.1)	(1,518.3)	(30.1)	(1,548.4)	(1,219.7)	26.9%
PERSONNEL EXPENSES	(121.8)	-	(121.8)	(498.9)	-	(498.9)	(404.5)	23.3%
ROYALTIES AND MARKETING FUND	(71.2)	-	(71.2)	(262.7)	-	(262.7)	(215.8)	21.7%
EXPENSES ON OCCUPANCY AND UTILITIES	(55.3)	(38.6)	(93.9)	(223.9)	(136.2)	(360.1)	(280.2)	28.5%
PRE-OPERATING EXPENSES	(7.1)	-	(7.1)	(18.1)	-	(18.1)	(9.7)	87.0%
DEPRECIATION AND AMORTIZATION	(75.6)	27.9	(47.7)	(282.4)	106.1	(176.3)	(125.1)	40.9%
OTHER SELLING EXPENSES	(57.4)	-	(57.4)	(232.3)	-	(232.3)	(184.4)	26.0%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(36.9)	(0.3)	(37.2)	(142.4)	0.2	(142.2)	(110.5)	28.7%
GENERAL AND ADMINISTRATIVE EXPENSES	(22.5)	(0.6)	(23.1)	(102.0)	(1.0)	(103.0)	(84.2)	22.4%
DEPRECIATION AND AMORTIZATION	(5.2)	0.3	(4.9)	(20.8)	1.2	(19.6)	(8.0)	144.1%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.1)	-	(0.1)	(3.1)	-	(3.1)	(6.7)	-53.8%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(7.1)	-	(7.1)	(12.2)	-	(12.2)	(7.1)	71.4%
COST OF STOCK OPTION PLAN	(2.0)	-	(2.0)	(4.3)	-	(4.3)	(4.5)	-4.1%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	74.0	(11.0)	63.0	124.4	(29.9)	94.5	126.8	-25.5%
FINANCIAL RESULTS	(21.7)	19.0	(2.7)	(70.7)	62.1	(8.6)	10.9	-
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	52.3	8.0	60.3	53.7	32.2	85.9	137.7	-37.6%
INCOME TAX AND SOCIAL CONTRIBUTION	(11.0)	(2.7)	(13.7)	(5.2)	(10.9)	(16.1)	(9.7)	66.8%
NET INCOME (LOSS) FOR THE PERIOD	41.3	5.3	46.6	48.5	21.3	69.8	128.0	-45.5%

Net operating revenue

In 4Q19, BK Brasil posted net operating revenue of R\$803 million, an increase of 11.9% compared to 4Q18. This increase is related to the good performance of restaurants and dessert centers opened in the last 12 months. With regard to restaurants opened for more than 12 months, the drop in sales happened due to a more competitive environment compared to 4Q18, yet recovering economic scenario, and, the strategy adopted by the Company in Delivery service, with only one aggregator and the Premium category weaker performance with focus on the Rebel Whopper launch.

In 2019, net operating revenue grew 22.1% when compared to 2018, boosted by the growth in sales in same restaurants and the performance of the stores opened during the year.



Cost of goods sold and selling expenses

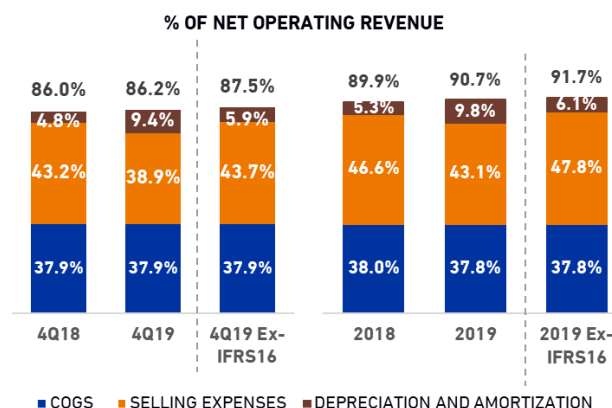
Total restaurant expenses, excluding the effects of IFRS 16, were R\$703 million in 4Q19, representing 87.5% of net operating revenue.

The cost of goods sold reached 37.9% of net operating revenue, stable compared to 4Q18, despite the intensification of the competitive scenario in relation to the same period of the prior year.

Selling expenses at restaurants (excluding depreciation and amortization) represented 43.7% of net operating revenue, an increase of 50 bps in comparison with 4Q18.

This variation was a result of higher expenses with third party services due to sales growth in digital channels and the operational de-leveraging and occupancy and utilities expenses inflation. However, the variation was partially offset by higher efficiency in other selling expenses.

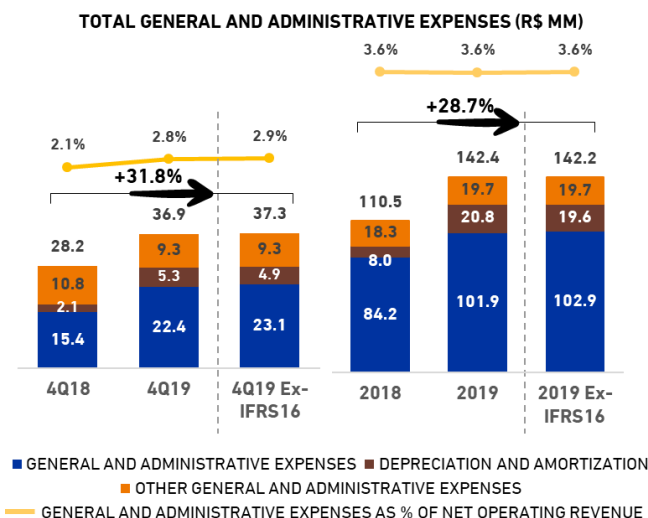
In 2019, total restaurant expenses were R\$2,631 million, representing 91.7% of net operating revenue. Cost of goods sold represented 37.8%, an improvement of 20 bps compared to 2018, reflecting the recognition of tax credit benefits from prior periods in the amount of approximately R\$10 million in 2Q19. Lastly, selling expenses at restaurants (excluding depreciation and amortization) represented 47.8% in 2019, an increase of 120 bps in comparison to 2018, reflecting higher third-party service expenses due to new sales channels, and greater utilities, personal and pre-operating expenses due to the start of operation of the POPEYES® brand.



Total general and administrative expenses

Corporate general and administrative expenses, excluding the effects of IFRS 16, represented 2.9% of net operating revenue in 4Q19, impacted by a greater dilution of other revenues throughout 2019. These corporate expenses totaled R\$23 million in 4Q19. Total general and administrative expenses reached R\$37 million, due to the increase in corporate expenses, partially offset by lower expenses with mergers and acquisitions.

In 2019, corporate general and administrative expenses represented 3.6% of net operating revenue, remaining stable compared to 2018.



Adjusted EBITDA

In 4Q19, adjusted EBITDA reached R\$171 million, already reflecting the adoption of the new accounting standard IFRS 16. Excluding this impact, adjusted EBITDA would have increased by 5.3%, from R\$125 million to R\$132 million, this growth was due to the increase in net operating revenue. The adjusted EBITDA margin, excluding the effects of IFRS 16, decreased by 110 bps, reaching 16.4%.

In 2019, adjusted EBITDA, excluding the effects of IFRS 16, reached R\$328 million, an increase of 14.0% compared to the same period last year. As a result, the adjusted EBITDA margin was 11.4% in 2019.

EBITDA - R\$ MILLION	4Q19	4Q18	VAR %	2019	2018	VAR %
NET INCOME (LOSS) FOR THE PERIOD	41.3	83.6	-50.6%	48.5	128.0	-62.1%
(+) FINANCIAL INCOME (LOSS)	21.7	(3.0)	-	70.7	(10.9)	-
(+) DEPRECIATION AND AMORTIZATION	80.8	36.6	121.1%	303.2	133.1	127.7%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	11.0	(8.1)	-	5.2	9.7	-46.2%
EBITDA	154.8	109.0	42.0%	427.6	260.0	64.5%
EBITDA MARGIN	19.3%	15.2%	410bps	14.9%	11.1%	380bps
(+) OTHERS EXPENSES*	7.2	6.0	18.6%	12.3	7.1	72.4%
(+) COST OF STOCK OPTION PLAN	2.0	1.1	77.3%	4.3	4.5	-3.8%
(+) MERGE AND ACQUISITION EXPENSES	0.1	3.6	-96.6%	3.1	6.7	-53.2%
(+) PRE-OPERATING EXPENSES	7.1	5.6	27.9%	18.1	9.7	86.9%
ADJUSTED EBITDA	171.2	125.4	36.6%	465.4	288.0	61.6%
ADJUSTED EBITDA MARGIN	21.3%	17.5%	380bps	16.2%	12.3%	390bps
IFRS16 EFFECTS	(39.1)	-	-	(137.2)	-	-
ADJUSTED EBITDA EX-IFRS16 EFFECTS	132.1	125.4	5.3%	328.3	288.0	14.0%
ADJUSTED EBITDA MARGIN EX-IFRS16 effects	16.4%	17.5%	-110bps	11.4%	12.3%	-90bps

*Includes write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment).

Net income

The Company posted net income of R\$41 million in 4Q19. Excluding the effects from the adoption of IFRS 16, net income would have been R\$47 million, compared to net income of R\$84 million in 4Q18, reflecting the non-recurring effect of the recognition of deferred income tax assets in the amount of R\$30 million in 4Q18.

In 2019, net income, excluding the effects of IFRS 16, was R\$70 million, compared to net income of R\$128 million in 2018, reflecting the non-recurring effect of the recognition of deferred income tax assets in the amount of R\$ 30 million in 2018.

Total debt

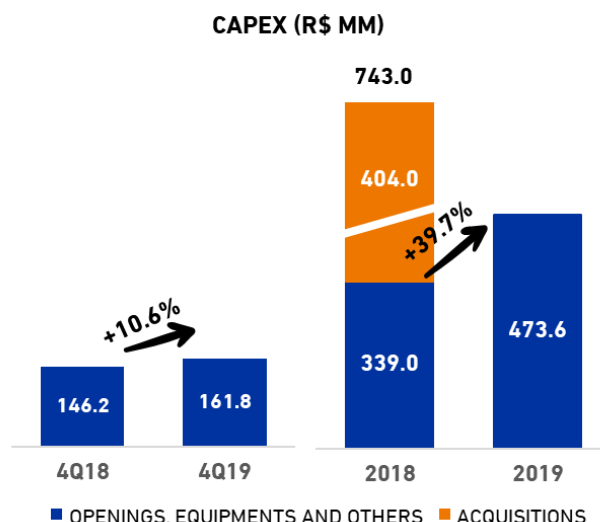
In December 2019, the Company's total gross debt reached R\$520 million, reflecting the effects of the 8th issuance of simple debentures, not convertible into shares in the amount of R\$ 400 million in November 2019. As a result, the total cash available was R\$606 million at the end of 4Q19. Consequently, in December 2019 the Company had net cash position of R\$86 million, compared to a net cash position of R\$324 million in the same period of 2018.

NET DEBT - R\$ MILLION	DEZ/19	DEZ/18	VAR %	SET/19	VAR %
LOANS AND FINANCINGS	519.9	279.1	86.3%	132.8	291.6%
CURRENT	116.6	161.6	-27.9%	26.2	344.1%
NON-CURRENT	403.3	117.5	243.2%	106.5	278.6%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES	605.5	602.9	0.4%	180.6	235.2%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	604.1	590.6	2.3%	179.2	237.0%
MARKETABLE SECURITIES (NON-CURRENT)	1.4	12.4	-88.9%	1.4	0.7%
NET DEBT	(85.6)	(323.8)	-73.6%	(47.8)	78.9%
ADJUSTED EBITDA* (12M)	328.3	288.0	14.0%	321.5	2.1%
NET DEBT / TOTAL ADJUSTED EBITDA (12M)	(0.3x)	(1.1x)	0.9x	(0.4x)	0.1x

*Considers Adjusted EBITDA ex-IFRS16 in 2019

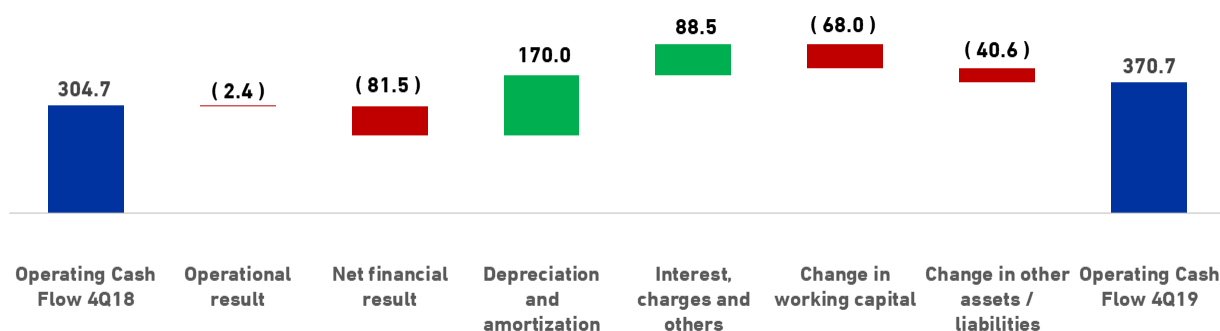
CAPEX

During 4Q19, the total investments of the Company in fixed assets reached R\$162 million, an increase of 10.6% when compared to 4Q18. This increase was due to the opening of POPEYES® restaurants and dessert centers in 4Q19, in addition to reinvestment and restaurants remodeling. For 2019, expansion CAPEX increased 39.7% when compared to 2018, reaching R\$474 million due to the greater number of openings of free standing and POPEYES® restaurants, in addition to reinvestment and restaurants remodeling.



Operating cash flow

In 2019, the Company's operating cash generation was positive and totaled R\$371 million, an increase of R\$66 million when compared to the cash generation of R\$305 million in 2018. The higher generation of operating cash was benefited by the adoption of IFRS 16, being partially offset by higher demands for working capital.



DISTRIBUTION OF PROFIT

Interest on Capital

Pursuant to Notice to Shareholders of February 19, 2020, the Company's Board of Directors approved the distribution of interest on capital referring to the profit for the year 2019, in the total amount of R\$11.5 million and with payment on March 27, 2020.

CONSOLIDATED INCOME STATEMENT 4Q19 (R\$ MILLION)

	4Q19	4Q18	VAR %
NET OPERATING REVENUE	803.4	718.1	11.9%
GROSS REVENUE FROM SALES	859.7	776.9	10.7%
GROSS REVENUE FROM SALES DEDUCTIONS	(69.3)	(62.3)	11.2%
GROSS REVENUE FROM SERVICES	14.7	4.1	259.9%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(1.6)	(0.5)	207.1%
COST OF GOOD SOLD	(304.1)	(272.5)	11.6%
GROSS PROFIT	499.3	445.6	12.1%
TOTAL SELLING EXPENSES	(388.4)	(344.9)	12.6%
PERSONNEL EXPENSES	(121.8)	(108.9)	11.8%
ROYALTIES AND MARKETING FUND	(71.1)	(65.6)	8.3%
EXPENSES ON OCCUPANCY AND UTILITIES	(55.3)	(79.3)	-30.2%
PRE-OPERATING EXPENSES	(7.1)	(5.6)	27.4%
DEPRECIATION AND AMORTIZATION	(75.5)	(34.5)	119.1%
OTHER SELLING EXPENSES	(57.5)	(51.1)	12.6%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(36.9)	(28.2)	30.8%
GENERAL AND ADMINISTRATIVE EXPENSES	(22.4)	(15.4)	45.8%
DEPRECIATION AND AMORTIZATION	(5.3)	(2.1)	153.7%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.1)	(3.6)	-97.2%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(7.1)	(6.0)	17.8%
COST OF STOCK OPTION PLAN	(2.0)	(1.1)	78.4%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	74.0	72.5	2.1%
FINANCIAL RESULTS	(21.7)	3.0	-
FINANCIAL EXPENSES	(27.6)	(10.5)	163.2%
FINANCIAL INCOME	5.9	13.5	-56.3%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	52.3	75.5	-30.7%
INCOME TAX AND SOCIAL CONTRIBUTION	(11.0)	8.1	-
CURRENT	(9.3)	(21.0)	-
DEFERRED	(1.8)	29.1	-
NET INCOME (LOSS) FOR THE PERIOD	41.3	83.6	-50.6%

The numbers of 4Q19 are presented with the adoption of the new accounting standard IFRS 16

CONSOLIDATED INCOME STATEMENT 2019 (R\$ MILLION)

	2019	2018	VAR %
NET OPERATING REVENUE	2,868.0	2,348.3	22.1%
GROSS REVENUE FROM SALES	3,069.8	2,541.8	20.8%
GROSS REVENUE FROM SALES DEDUCTIONS	(228.1)	(206.1)	10.7%
GROSS REVENUE FROM SERVICES	29.5	14.3	105.9%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(3.2)	(1.7)	90.2%
COST OF GOOD SOLD	(1,082.9)	(891.3)	21.5%
GROSS PROFIT	1,785.1	1,457.0	22.5%
TOTAL SELLING EXPENSES	(1,518.3)	(1,219.7)	24.5%
PERSONNEL EXPENSES	(498.9)	(404.5)	23.3%
ROYALTIES AND MARKETING FUND	(262.7)	(215.8)	21.7%
EXPENSES ON OCCUPANCY AND UTILITIES	(223.9)	(280.2)	-20.1%
PRE-OPERATING EXPENSES	(18.1)	(9.7)	87.0%
DEPRECIATION AND AMORTIZATION	(282.4)	(125.1)	125.7%
OTHER SELLING EXPENSES	(232.3)	(184.4)	26.0%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(142.4)	(110.5)	28.9%
GENERAL AND ADMINISTRATIVE EXPENSES	(101.9)	(84.2)	21.1%
DEPRECIATION AND AMORTIZATION	(20.8)	(8.0)	159.0%
EXPENSES WITH MERGER AND ACQUISITIONS	(3.1)	(6.7)	-53.8%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(12.2)	(7.1)	71.4%
COST OF STOCK OPTION PLAN	(4.3)	(4.5)	-4.1%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	124.4	126.8	-1.9%
FINANCIAL RESULTS	(70.7)	10.9	-
FINANCIAL EXPENSES	(93.3)	(44.6)	109.2%
FINANCIAL INCOME	22.6	55.5	-59.3%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	53.8	137.7	-60.9%
INCOME TAX AND SOCIAL CONTRIBUTION	(5.2)	(9.7)	-46.3%
CURRENT	(9.3)	(35.5)	-
DEFERRED	4.0	25.8	-84.5%
NET INCOME (LOSS) FOR THE PERIOD	48.5	128.0	-62.1%

The numbers of 2019 are presented with the adoption of the new accounting standard IFRS 16

CONSOLIDATED BALANCE SHEET 2019 (R\$ MILLION)

	12/31/2019	12/31/2018
ASSETS	3,528.1	2,525.6
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	325.3	175.0
MARKETABLE SECURITIES	278.8	415.6
TRADE RECEIVABLES	60.4	59.6
DERIVATIVE FINANCIAL INSTRUMENTS	-	0.1
INVENTORIES	99.0	81.3
RECOVERABLE TAXES	27.6	40.4
ADVANCES PAID	46.1	26.6
OTHER RECEIVABLES	25.2	21.1
TOTAL CURRENT ASSETS	862.4	819.7
NON-CURRENT ASSETS		
NON-CURRENT INVESTMENTS AT FAIR VALUE	1.4	12.4
RECOVERABLE TAXES	73.1	15.6
JUDICIAL DEPOSITS	33.4	30.9
LONG-TERM RECEIVABLES	4.5	4.6
PROPERTY AND EQUIPMENT	1,163.6	928.2
INTANGIBLE ASSETS	1,389.7	714.3
TOTAL NON-CURRENT ASSETS	2,665.7	1,705.9
TOTAL ASSETS	3,528.1	2,525.6
LIABILITIES	1,741.4	808.7
CURRENT LIABILITIES		
LOANS AND FINANCING	116.6	161.6
TRADE PAYABLES	286.4	241.2
LEASING LIABILITIES	99.2	-
PAYROLL AND SOCIAL CHARGES	96.6	95.2
CORPORATE PAYABLES	23.8	18.0
TAXES PAYABLE	25.2	33.8
DEFERRED REVENUE, NET	9.1	9.1
DERIVATIVE FINANCIAL INSTRUMENTS	-	-
DIVIDENDS AND INTEREST ON CAPITAL	10.1	26.7
OTHER PAYABLES	4.7	14.1
TOTAL CURRENT LIABILITIES	671.6	599.7
NON-CURRENT LIABILITIES		
LOANS AND FINANCING	403.3	117.5
PROVISION FOR LEGAL CLAIMS	16.3	10.7
TAXES PAYABLE	12.6	21.8
CONTINGENT CONSIDERATION OF ACQUISITIONS	-	-
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	8.5	12.5
LEASING LIABILITIES	594.1	-
DEFERRED REVENUE, NET	17.9	26.4
OTHER PAYABLES	17.2	20.1
TOTAL NON-CURRENT LIABILITIES	1,069.9	209.0
EQUITY		
CAPITAL	950.8	898.2
EARNINGS RESERVE	134.6	97.6
CAPITAL RESERVES AND STOCK OPTIONS PLAN	725.4	721.1
SHARES IN TREASURY	(24.2)	-
TOTAL EQUITY	1,786.6	1,717.0
TOTAL LIABILITIES AND EQUITY	3,528.1	2,525.6

The numbers of 2019 are presented with the adoption of the new accounting standard IFRS 16

CONSOLIDATED STATEMENT OF CASH FLOWS 2019 (R\$ MILLION)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES	370.7	304.7
CASH GENERATED BY OPERATING ACTIVITIES	496.3	321.8
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	53.8	137.7
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	195.9	133.1
LEASING AMORTIZATION	107.3	-
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	69.7	(7.6)
OTHERS	69.7	58.5
CHANGES IN ASSETS AND LIABILITIES	-125.6	-17.1
TRADE RECEIVABLES, NET	(0.8)	8.5
INVENTORIES	(17.8)	(39.4)
RECOVERABLE TAXES	(44.7)	(12.0)
ADVANCES PAID	(19.5)	(1.5)
TRADE AND RENTAL PAYABLES	45.2	96.6
PAYROLL AND SOCIAL CHARGES	(23.7)	(10.1)
PAYMENT OF INTEREST ON LOANS AND FINANCINGS	(8.1)	(30.8)
OTHERS CHANGES IN ASSETS AND LIABILITIES	(56.3)	(28.4)
NET CASH USED IN INVESTING ACTIVITIES	(313.1)	6.0
PURCHASES OF PROPERTY AND EQUIPMENT	(426.0)	(321.4)
PURCHASES OF INTANGIBLE ASSETS	(47.6)	(17.5)
CONSIDERATION PAID ON THE ACQUISITION OF INVESTMENTS	-	(360.9)
INVESTMENT IN MARKETABLE SECURITIES	(569.8)	(722.9)
REDEMPTION OF MARKETABLE SECURITIES	730.2	1,428.7
CONSIDERATION PAID ON THE ACQUISITION OF BUSINESSES NET OF CASH ACQUIRED IN THE ACQI	-	-
NET CASH USED IN FINANCING ACTIVITIES	92.7	(238.1)
CAPITAL CONTRIBUTED IN THE PERIOD	52.5	2.4
SHARES ISSUANCE COSTS	-	(4.7)
NEW LOANS AND FINANCINGS	400.0	-
LOANS AND FINANCINGS COSTS	(2.2)	-
ACQUISITION OF TREASURY SHARES	(24.2)	-
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(169.5)	(235.7)
INTEREST ON CAPITAL PAYABLE	(26.7)	-
LEASING LIABILITIES PAYMENT	(137.2)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	150.3	72.6
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	175.0	102.3
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	325.3	175.0

The numbers of 2019 are presented with the adoption of the new accounting standard IFRS 16