

BK BRASIL

4Q18 and 2018 EARNINGS
RELEASE



POPEYES

NET OPENING OF 104 RESTAURANTS AND 6.5% GROWTH IN COMPARABLE SALES BOOSTED EBITDA GROWTH TO 37% AND NET INCOME OF R\$128 MILLION IN 2018

Barueri, February 27, 2019 - 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 2018 and for the year 2018. 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

4Q18 Earnings Release

Conference Call and Webcast

Thursday, February 28, 2019

In Portuguese, simultaneously translated into English

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

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4Q18x4Q17 Performance:

- **Net operating revenue** of R\$718 million in 4Q18, up 37.4% from 4Q17;
- **Total of 65 restaurants opened** in 4Q18, considering the BURGER KING® and POPEYES® brands, leading to net opening of 104 restaurants in 2018;
- **Total of 793 restaurants of the BURGER KING® brand** at the end of 2018, reflecting a total of 57 restaurants opened in 4Q18;
- **Total of 8 restaurants of the POPEYES® brand** opened in 4Q18;
- **Comparable sales in same restaurants grew 7.1%** in 4Q18;
- **Adjusted EBITDA¹** of R\$125 million in 4Q18, up 50.6% from 4Q17;
- **Adjusted EBITDA margin** of 17.5%, an improvement of 160 bps compared to 4Q17;
- **Net income** of R\$84 million in 4Q18, representing an increase of R\$62 million, partially benefited by the non-recurring effect related to the recognition of deferred income tax asset in the amount of R\$30 million.

2018X2017 Performance:

- **Net operating revenue** of R\$2,348 million in 2018, up 31.6% from 2017;
- **Comparable sales in same restaurants grew 6.5%** in 2018;
- **Adjusted EBITDA¹** of R\$288 million in 2018, up 36.7% from 2017;
- **Adjusted EBITDA margin** of 12.3%, an improvement of 50 bps compared to 2017;
- **Net income** of R\$128 million in 2018, an absolute increase of R\$124 million;
- **Distribution of interest on capital** of R\$30 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	4Q18	4Q17	VAR.	3Q18	VAR.	2018	2017	VAR.
NET OPERATING REVENUE	718.1	522.5	37.4%	610.9	17.6%	2,348.3	1,783.8	31.6%
ADJUSTED EBITDA ¹	125.4	83.3	50.6%	76.7	63.4%	288.0	210.7	36.7%
% OF NET OPERATING REVENUE	17.5%	15.9%	160bps	12.6%	490bps	12.3%	11.8%	50bps
NET INCOME	83.6	21.8	283.2%	27.0	209.4%	128.0	3.8	-
GROSS DEBT	279.1	485.7	-42.5%	409.9	-31.9%	279.1	485.7	-42.5%
NET DEBT (NET CASH)	(323.8)	(706.3)	-54.2%	(236.3)	37.0%	(323.8)	(706.3)	-54.2%
SHAREHOLDERS' EQUITY	1,717.0	1,617.2	6.2%	1,662.9	3.3%	1,717.0	1,617.2	6.2%

OPERATIONAL HIGHLIGHTS	4Q18	4Q17	VAR.	3Q18	VAR.	2018	2017	VAR.
# OF RESTAURANTS	801	697	104	736	65	801	697	104
OWNED RESTAURANTS								
# OWNED RESTAURANTS BEGINNING OF PERIOD	594	492	102	583	11	526	480	46
RESTAURANT OPENINGS	46	42	4	14	32	73	64	9
RESTAURANT CLOSINGS	-	-	-	-	-	(5)	(10)	5
ACQUISITION / SALE* OF RESTAURANT BUSINESSES	(1)	(8)	7	(3)	2	45	(8)	53
# OWNED RESTAURANTS END OF PERIOD	639	526	113	594	45	639	526	113
FRANCHISEES RESTAURANTS								
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	142	136	6	134	8	171	121	50
RESTAURANT OPENINGS	19	27	(8)	6	13	37	44	(7)
RESTAURANT CLOSINGS	-	-	-	(1)	1	(1)	(2)	1
ACQUISITION / SALE* OF RESTAURANT BUSINESSES	1	8	(7)	3	(2)	(45)	8	(53)
# FRANCHISEES RESTAURANTS END OF PERIOD	162	171	(9)	142	20	162	171	(9)
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	7.1%	16.2%	-910bps	8.2%	-110bps	6.5%	13.8%	-730bps

*SALE OF COMPANY-OWNED RESTAURANTS TO FRANCHISEES.

¹ "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 option plan.

MESSAGE FROM MANAGEMENT

2018 was another year of solid achievements for BK Brasil, despite all the challenges faced specially during 2Q18 with the truckers' strike and the Soccer World Cup. Among the main achievements of the year, we would like to highlight the signing of the Master Franchise and Development Agreement of the POPEYES brand® in Brazil and the opening of the first 8 restaurants in the country; the acquisition of 51 restaurants of the BURGER KING® brand; the total opening of 110 new restaurants, of which 102 of the BURGER KING® brand; and the growth in comparable sales in same restaurants above nominal GDP.

Operationally, in 2018 the Company once again demonstrated its strong execution capacity and a great focus on profitability. Our pace of expansion remained solid with the opening of 110 restaurants, being 73 company-owned restaurants, and in 2018 we became the largest operator and developer of fast food restaurants in the country. During the year, we opened 102 BURGER KING® restaurants and closed 6 restaurants, thus ending the year with a total of 793 restaurants of the brand. We remain focused on increasing our company-owned free standing restaurant base, and for this format we accelerated the pace of opening by more than 80%, jumping from 16 openings in 2017 to 29 in 2018.

In 2018, the Company achieved net operating revenue of R\$2,348 million (+31.6% vs. 2017), reflecting the acquisition of 51 restaurants and growth of comparable sales in same restaurants of 6.5%. This growth demonstrates the strong positioning of the BURGER KING® brand in Brazil, supported by a consistent marketing strategy focused on creativity, boldness, and presence in issues relevant to its customers. Among the highlights are the “*Whopper em Branco*” campaign held during the presidential elections, and the “*Conheça a Diferença*” campaign that showed the difference between prejudice and opinion. Moreover, during the year we continued to innovate on our product platforms, notably the launches of the Mega Stacker family, the *dulce the leche* ice cream flavor and emojis in the toy line for the Kids platform, in addition to the Unicorn Shake, which celebrated diversity, and the unusual Pizza Burger.

Regarding the operating result, we achieved an adjusted EBITDA of R\$288 million, a robust growth of 36.7% when compared to 2017. Despite the impact of the truckers' strike in 2Q18, the company maintained its operational leverage and improved its gross margin, leading to an adjusted EBITDA margin of 12.3% (compared to 11.8% in 2017).

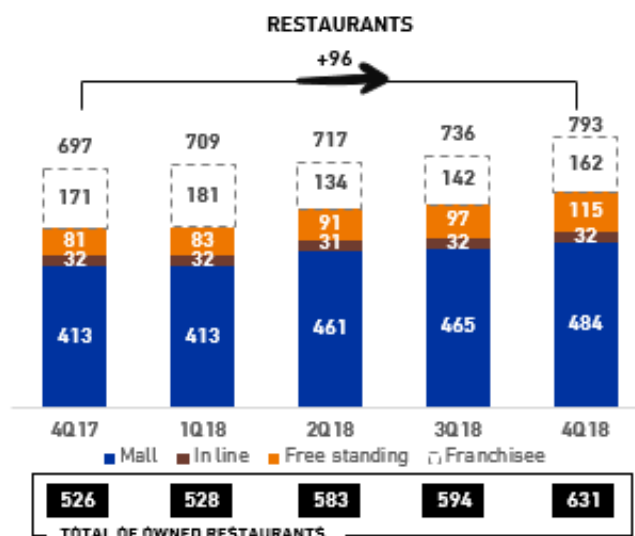
Net income grew significantly in 2018, reaching R\$128 million against income of R\$4 million in 2017, due to our strong revenue growth, constant focus on cost control, and lower financial leverage. Thus, we will carry out for the first time in our history the distribution of profits, through the proposal for payment of Interest on Capital of R\$30 million.

The enhancement of the digital strategy, with our mobile order-and-pay app, expansion of the delivery service and in-store wi-fi solution, offer more convenience and experience to our guests.

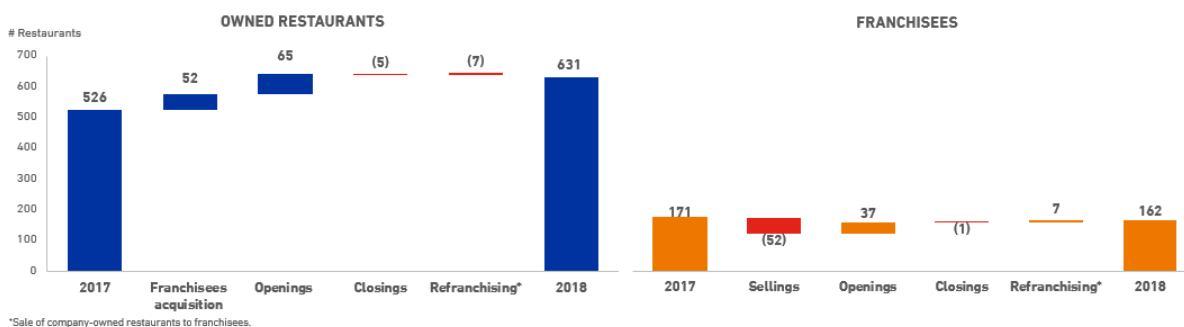
OPERATING AND FINANCIAL PERFORMANCE

BURGER KING® restaurant expansion²

During 4Q18, BURGER KING® system opened 57 new restaurants, of which 38 were company-owned restaurants and 19 were franchisees. Considering only restaurants operated by BK Brasil, net of sale of restaurant businesses³ (2 restaurants) and acquisitions (1 restaurant), the Company ended the quarter with 631 company-owned restaurants, an increase of 105 restaurants from 4Q17, including the acquisition of franchisees announced in April 2018 (51 restaurants). As for franchised restaurants, BURGER KING® system ended the year with 162 restaurants. As such, the BURGER KING® system ended 2018 with a total of 793 restaurants operating across the country, a net increase of 96 restaurants.



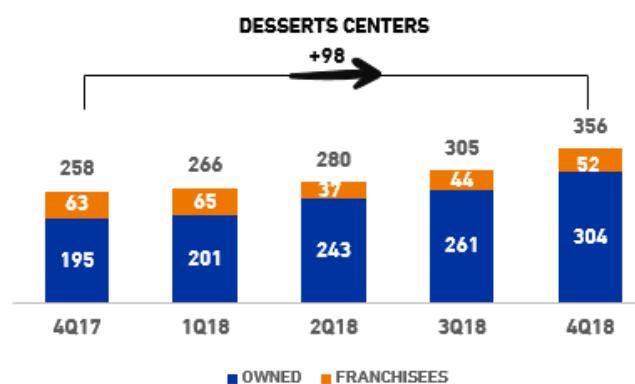
With regard to the company-owned restaurants of the free standing format, 29 restaurants were opened in 2018 compared to 16 openings in 2017, a strong acceleration of 80% and representing roughly half of the year's net openings of BURGER KING's® company-owned restaurants.



BURGER KING® desert centers expansion

In addition to the 793 restaurants, the BURGER KING® system ended 4Q18 with 356 dessert centers, an increase of 98 units when compared to 4Q17.

In 4Q18, we adjusted the dessert centers classification to better reflect the different points of sale of the BURGER KING® brand. We consider as dessert center all dessert outlets segregated from the counter, including both the traditional dessert kiosks and the dessert centers located inside the restaurants, but not physically attached to the counter (stand-alone).



² Mall: 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.

³ Sale of company-owned restaurants to franchisees.

POPEYES® restaurant expansion

As announced on March 20, 2018, the Company acquired the exclusive right to develop and operate restaurants, through its own operations or franchisees, under the POPEYES® brand in Brazil for a period of 20 years.

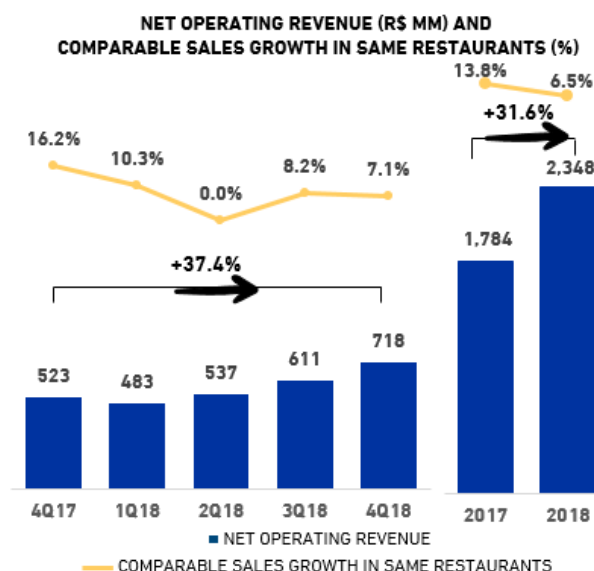
On October 10, 2018, the first restaurant with the POPEYES® brand was opened in Brazil, at Shopping Metrô Itaquera, in São Paulo.

In total, 8 restaurants were opened in 4Q18, in line with the plan for gradual expansion of the number of restaurants of the brand in the country.



Net operating revenue

In 4Q18, BK Brasil posted net operating revenue of R\$718 million, an increase of 37.4% from 4Q17. This increase is related to the growth in comparable sales by 7.1% in the period, the strong performance of restaurants opened during the last 12 months and the acquisition of franchised restaurants. The solid growth in comparable sales is a result of further evolution of the brand in the country, the development of new sales channels such as mobile order-and-pay app and the delivery service, as well as the strong performance of our innovations and products. During this quarter we highlight the launch of the Mega Stacker Dynamite on the premium platform, BK Mix Bis and Shake Bis on the dessert platform, in addition to the Adventure time®, Ben 10® and Powerpuff Girls® campaigns on the kids platform.

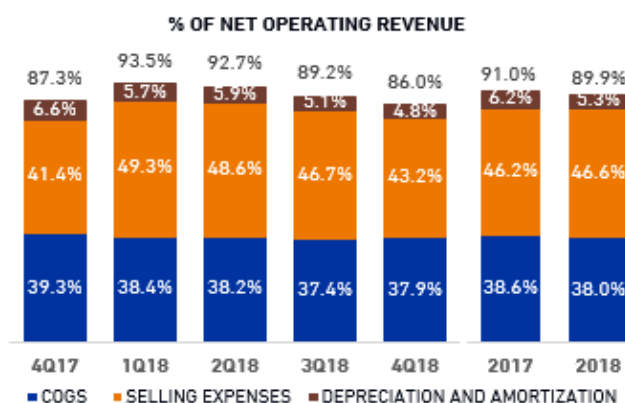


In 2018, net operating revenue grew 31.6% when compared to 2017, leveraged by the comparable sales growth of 6.5%, the solid performance of the new stores opened during the year and the consolidation of the restaurants acquired from franchisees in 2Q18.

Cost of goods sold and selling expenses

Total restaurant expenses, including cost of goods sold and selling expenses at restaurants, were R\$617 million in 4Q18, representing 86.0% of net operating revenue, an improvement of 130 bps compared to 4Q17.

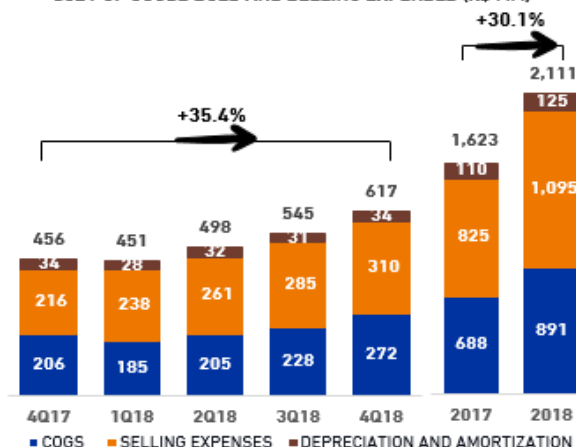
Cost of goods sold in 4Q18 improved to 37.9% of net operating revenue, down 140 bps in comparison with 4Q17, reflecting a more favorable product mix, the development of new sales channels such as delivery and



efficient cost control. Moreover, selling expenses at restaurants (excluding depreciation and amortization) represented 43.2% of net operating revenue, an increase of 180 bps versus 4Q17, reflecting higher expenses with third-party services due to new sales channels, pre-operating expenses due to the greater number of free standing restaurants and first openings of the POPEYES® restaurants, besides the strong comparison base since marketing expenses in 4Q17 were positively impacted by the recognition of retroactive tax credits in the amount of R\$12.6 million. Excluding marketing and pre-operating expenses, selling expenses at restaurants would have improved 20 bps in 4Q18 when compared to 4Q17.

In 2018, total restaurant expenses were R\$2,111 million, representing 89.9% of net operating revenue, an improvement of 110 bps versus 2017. Cost of goods sold represented 38.0% of net operating revenue in the year, improving 60 bps compared to 2017. Lastly, selling expenses at restaurants (excluding depreciation and amortization) represented 46.6% of net operating revenue, increasing 40 bps, mainly reflecting higher expenses with maintenance and repairs and pre-operating expenses, due to more openings of free standing restaurants.

COST OF GOODS SOLD AND SELLING EXPENSES (R\$ MM)

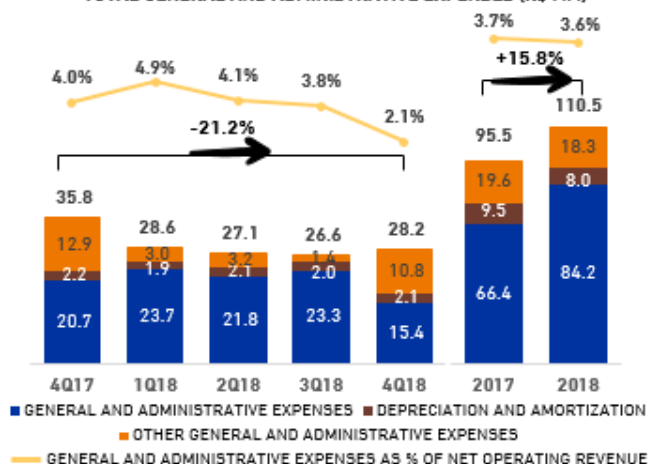


Total general and administrative expenses

Corporate general and administrative expenses (G&A) represented 2.1% of net operating revenue in 4Q18, mainly impacted by lower provisions for lawsuits and higher concentration of other revenues in the last quarter of the year. These corporate expenses totaled R\$15 million in 4Q18 compared to R\$21 million in 4Q17. Total general and administrative expenses reached R\$28 million, mainly due to the drop in corporate expenses, as mentioned above, and other general and administrative expenses, due to lower cost of stock option plan and lower expenses related to write-off of property and equipment.

In 2018, corporate general and administrative expenses (G&A) represented 3.6% of net operating revenue, a drop of 10 bps versus 2017, reflecting the Company's operating leverage.

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)



Adjusted EBITDA

In 4Q18, adjusted EBITDA increased by 50.6%, from R\$83 million in 4Q17 to R\$125 million. The increase in adjusted EBITDA was due to a strong increase in net operating revenue, given the solid growth of comparable sales in same restaurants, consistent growth of gross margin, and a focus on cost control. As a result, adjusted EBITDA margin increased 160 bps to 17.5% due to the improvement in gross margin and the Company's operating leverage.

In 2018 adjusted EBITDA reached R\$288 million, an increase of 36.7% compared to 2017. As a result, the adjusted EBITDA margin was 12.3% in 2018, 50 bps higher than in the previous year.

EBITDA - R\$ MILLION	4Q18	4Q17	VAR %	3Q18	VAR %	2018	2017	VAR %
NET INCOME FOR THE PERIOD	83.6	21.8	283.2%	27.0	209.4%	128.0	3.8	-
(+) FINANCIAL INCOME (LOSS)	(3.0)	7.2	-	(2.3)	29.0%	(10.9)	56.3	-
(+) DEPRECIATION AND AMORTIZATION	36.6	36.4	0.4%	33.3	9.8%	133.1	119.7	11.2%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	(8.1)	1.6	-	14.9	-	9.7	5.2	85.3%
EBITDA	109.0	67.0	62.7%	72.9	49.6%	260.0	185.0	40.5%
<i>EBITDA MARGIN</i>	<i>15.2%</i>	<i>12.8%</i>	<i>240bps</i>	<i>11.9%</i>	<i>330bps</i>	<i>11.1%</i>	<i>10.4%</i>	<i>70bps</i>
(+) OTHERS EXPENSES*	6.0	9.4	-35.6%	(0.4)	-	7.1	11.9	-40.4%
(+) COST OF STOCK OPTION PLAN	1.1	2.9	-61.7%	1.1	-0.1%	4.5	5.5	-18.7%
(+) MERGE AND ACQUISITION EXPENSES	3.6	0.7	453.4%	0.6	464.5%	6.7	2.1	219.9%
(+) PRE-OPERATING EXPENSES	5.6	3.3	68.4%	2.5	126.9%	9.7	6.1	57.7%
ADJUSTED EBITDA¹	125.4	83.3	50.6%	76.7	63.4%	288.0	210.7	36.7%
<i>ADJUSTED EBITDA MARGIN</i>	<i>17.5%</i>	<i>15.9%</i>	<i>160bps</i>	<i>12.6%</i>	<i>490bps</i>	<i>12.3%</i>	<i>11.8%</i>	<i>50bps</i>

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

Net income

Net income reached R\$84 million in 4Q18, a strong growth of 283.2% when compared to 4Q17. This growth reflects the solid growth in operating income, the Company's operating leverage and the non-recurring effect of the recognition of deferred income tax asset in the amount of R\$30 million.

In 2018, the Company posted a net income of R\$128 million against R\$4 million in 2017, an increase of R\$124 million, due to better operating and financial results, as well as the non-recurring effect of the recognition of deferred income tax asset in the amount of R\$30 million.

Total debt

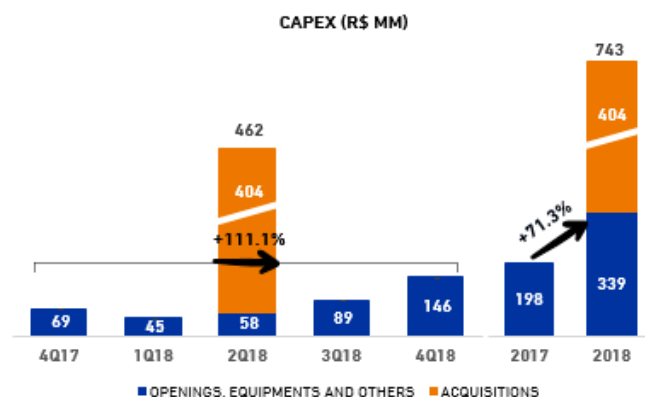
In December 2018, the Company's gross debt was R\$279 million, down 42.5% from R\$486 million in December 2017. Total cash balance was R\$603 million at the end of 4Q18, a decrease of 49.4% compared to 4Q17, mainly due to the acquisition of franchisees in April 2018. Consequently, in December 2018 the Company had a net cash position of R\$324 million, compared to a net cash of R\$706 million in the same period of 2017.

NET DEBT - R\$ MILLION	DEC/18	DEC/17	VAR %	SEP/18	VAR %
LOANS AND FINANCINGS	279.1	485.7	-42.5%	409.9	-31.9%
CURRENT	161.6	210.0	-23.1%	278.9	-42.1%
NON-CURRENT	117.5	275.7	-57.4%	131.1	-10.3%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES	602.9	1,192.0	-49.4%	646.2	-6.7%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	590.6	1,178.7	-49.9%	633.4	-6.8%
MARKETABLE SECURITIES (NON-CURRENT)	12.4	13.3	-7.0%	12.8	-3.4%
NET DEBT	(323.8)	(706.3)	-54.2%	(236.3)	37.0%
ADJUSTED EBITDA (12M)	288.0	210.7	36.7%	245.9	17.1%
<i>NET DEBT/ TOTAL ADJUSTED EBITDA (12M)</i>	<i>(1.1x)</i>	<i>(3.4x)</i>	<i>2.2x</i>	<i>(1.0x)</i>	<i>(0.2x)</i>

CAPEX

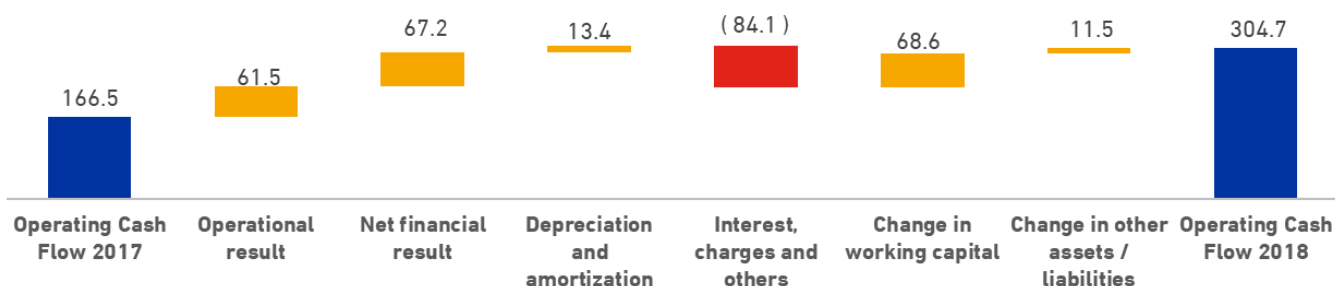
During 4Q18, total CAPEX of the Company was R\$146 million, an increase of 111.1% when compared to 4Q17, mainly due to the Company's expansion strategy focused on opening of restaurants of the free standing format, acceleration of the opening of dessert centers, remodeling of restaurants, as well as the investment in the structuring and opening of the new POPEYES® restaurants.

For 2018, CAPEX of restaurants, excluding investment in the acquisition of franchisees in 2Q18, increased 71.3% when compared to 2017, reaching R\$339 million.



Operating cash flow

In 2018, the Company's operating cash generation was positive and totaled R\$305 million, an increase of R\$138 million when compared to a cash generation of R\$167 million in 2017. This increase was mainly due to better financial results, reflecting lower financial leverage given the cash generation in the period, as well as active management of working capital.



CAPITAL MARKET

Ownership Structure

We ended the first year in which the shares of BK Brasil are publicly traded. They debuted at B3 on December 18, 2017, traded on the Novo Mercado listing segment under the ticker BKBR3. They are currently part of the Broad Brazil Index (IBRA), Consumption Index (ICON), Corporate Governance Trade Index (IGCT), Differentiated Corporate Governance Index (IGCX), Novo Mercado Governance Index (IGNM), Tag Along Index (ITAG) and Small Cap Index (SMLL). On December 28, 2018, BKBR3 shares closed at R\$20.68, representing a market capitalization of R\$4.6 billion.

The Company's ownership structure at the end of the fourth quarter is as follows:

OWNERSHIP STRUCTURE ON 12/31/2018	COMMON SHARES	%
VINCI CAPITAL PARTNERS II B FIP (VINCI PARTNERS)	29,535,393	13.3%
MONTJUIC FUNDO DE INVESTIMENTO (CAPITAL GROUP)	28,380,817	12.8%
BURGER KING CORPORATION (BKC)	22,442,100	10.1%
SOMMERVILLE INVESTMENTS BV (TEMASEK)	18,523,620	8.3%
OTHERS	123,643,891	55.5%
TOTAL	222,525,821	100.0%

DISTRIBUTION OF PROFIT

Interest on Capital

Pursuant to Notice to Shareholders of December 14, 2018 and February 27, 2019, the Company's Board of Directors approved the distribution of interest on capital referring to the profit for the year 2018, in the total amount of R\$30.4 million and with payment on March 29, 2019.

SUBSEQUENT EVENTS

Capital Increase

At a meeting held on January 8, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws, as a result of the exercise of stock options within the scope of: First Stock Option Plan of the Company; Second Stock Option Plan of the Company; and Third Stock Option Plan of the Company.

As a result of the decisions, the capital stock increased from R\$898.2 million, divided into 222,525,821 shares, to R\$915.4 million, divided into 224,277,280 shares.

CONSOLIDATED INCOME STATEMENT 4Q18 (R\$ MILLION)

	4Q18	4Q17	VAR %	3Q18	VAR %
NET OPERATING REVENUE	718.1	522.5	37.4%	610.9	17.6%
GROSS REVENUE FROM SALES	776.9	564.8	37.6%	662.9	17.2%
GROSS REVENUE FROM SALES DEDUCTIONS	(62.3)	(46.5)	34.1%	(55.1)	13.1%
GROSS REVENUE FROM SERVICES	4.1	4.5	-9.5%	3.5	17.7%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(0.5)	(0.3)	101.9%	(0.4)	21.2%
COST OF GOOD SOLD	(272.5)	(205.6)	32.5%	(228.4)	19.3%
GROSS PROFIT	445.6	316.9	40.6%	382.5	16.5%
TOTAL SELLING EXPENSES	(344.9)	(250.5)	37.7%	(316.3)	9.1%
PERSONNEL EXPENSES	(108.9)	(81.1)	34.3%	(105.5)	3.3%
ROYALTIES AND MARKETING FUND	(65.6)	(38.0)	72.6%	(57.3)	14.5%
EXPENSES ON OCCUPANCY AND UTILITIES	(79.3)	(59.2)	34.0%	(72.7)	9.0%
PRE-OPERATING EXPENSES	(5.6)	(3.3)	68.4%	(2.5)	126.9%
DEPRECIATION AND AMORTIZATION	(34.5)	(34.3)	0.6%	(31.3)	10.1%
OTHER SELLING EXPENSES	(51.1)	(34.6)	47.5%	(47.1)	8.5%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(28.2)	(35.8)	-21.2%	(26.6)	6.2%
GENERAL AND ADMINISTRATIVE EXPENSES	(15.4)	(20.7)	-25.9%	(23.3)	-33.9%
DEPRECIATION AND AMORTIZATION	(2.1)	(2.2)	-3.2%	(2.0)	5.9%
EXPENSES WITH MERGER AND ACQUISITIONS	(3.6)	(0.7)	453.4%	(0.6)	464.5%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(6.0)	(9.4)	-35.7%	0.4	-
COST OF STOCK OPTION PLAN	(1.1)	(2.9)	-61.7%	(1.1)	-0.1%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	72.5	30.6	136.7%	39.6	82.9%
FINANCIAL RESULTS	3.0	(7.2)	-	2.3	29.0%
FINANCIAL EXPENSES	(10.5)	(15.1)	-30.3%	(9.4)	11.7%
FINANCIAL INCOME	13.5	7.9	71.6%	11.7	15.2%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	75.5	23.4	222.1%	42.0	79.9%
INCOME TAX AND SOCIAL CONTRIBUTION	8.1	(1.6)	-	(14.9)	-
CURRENT	(21.0)	-	-	(13.0)	61.6%
DEFERRED	29.1	(1.6)	-	(1.9)	-
NET INCOME FOR THE PERIOD	83.6	21.8	283.2%	27.0	209.4%

CONSOLIDATED INCOME STATEMENT 2018 (R\$ MILLION)

	2018	2017	VAR %
NET OPERATING REVENUE	2,348.3	1,783.8	31.6%
GROSS REVENUE FROM SALES	2,541.8	1,917.7	32.5%
GROSS REVENUE FROM SALES DEDUCTIONS	(206.1)	(148.1)	39.2%
GROSS REVENUE FROM SERVICES	14.3	15.1	-5.1%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(1.7)	(0.8)	100.0%
COST OF GOOD SOLD	(891.3)	(687.9)	29.6%
GROSS PROFIT	1,457.0	1,096.0	32.9%
TOTAL SELLING EXPENSES	(1,219.7)	(935.2)	30.4%
PERSONNEL EXPENSES	(404.5)	(308.2)	31.2%
ROYALTIES AND MARKETING FUND	(215.8)	(160.1)	34.8%
EXPENSES WITH OCCUPANCY AND UTILITIES	(280.2)	(221.9)	26.3%
PRE-OPERATING EXPENSES	(9.7)	(6.1)	57.7%
DEPRECIATION AND AMORTIZATION	(125.1)	(110.2)	13.5%
OTHER SELLING EXPENSES	(184.4)	(128.7)	43.3%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(110.5)	(95.5)	15.8%
GENERAL AND ADMINISTRATIVE EXPENSES	(84.2)	(66.4)	26.8%
DEPRECIATION AND AMORTIZATION	(8.0)	(9.5)	-15.5%
EXPENSES WITH MERGER AND ACQUISITIONS	(6.7)	(2.1)	219.9%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(7.1)	(12.2)	-41.9%
GAIN (LOSS) ON CLAIMS	0.0	0.3	-98.7%
COST OF STOCK OPTION PLAN	(4.5)	(5.5)	-18.7%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	126.8	65.3	94.2%
FINANCIAL RESULTS	10.9	(56.3)	-
FINANCIAL EXPENSES	(44.6)	(84.7)	-47.3%
FINANCIAL INCOME	55.5	28.4	95.3%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	137.7	9.0	-
INCOME TAX AND SOCIAL CONTRIBUTION	(9.7)	(5.2)	85.3%
CURRENT	(35.5)	-	-
DEFERRED	25.8	(5.2)	-
NET INCOME FOR THE PERIOD	128.0	3.8	-

CONSOLIDATED BALANCE SHEET 2018 (R\$ MILLION)

	12/31/2018	12/31/2017
ASSETS	2,525.6	2,415.6
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	175.0	102.3
MARKETABLE SECURITIES	415.6	1,076.4
TRADE RECEIVABLES, NET	59.6	61.0
DERIVATIVE FINANCIAL INSTRUMENTS	0.1	0.1
INVENTORIES	81.3	39.7
RECOVERABLE TAXES	40.4	25.0
ADVANCES PAID	26.6	24.8
OTHER RECEIVABLES	21.1	9.1
TOTAL CURRENT ASSETS	819.7	1,338.4
NON-CURRENT ASSETS		
NON-CURRENT INVESTMENTS AT FAIR VALUE	12.4	13.3
RECOVERABLE TAXES	15.6	17.3
JUDICIAL DEPOSITS	30.9	26.6
LONG-TERM RECEIVABLES	4.6	4.2
PROPERTY AND EQUIPMENT	928.2	699.6
INTANGIBLE ASSETS	714.3	316.1
TOTAL NON-CURRENT ASSETS	1,705.9	1,077.1
TOTAL ASSETS	2,525.6	2,415.6
LIABILITIES	808.7	798.4
CURRENT LIABILITIES		
LOANS AND FINANCING	161.6	210.0
TRADE PAYABLES	241.2	139.0
PAYROLL AND SOCIAL CHARGES	95.2	69.8
CORPORATE PAYABLES	18.0	14.0
TAXES PAYABLE	33.8	20.3
DEFERRED REVENUE, NET	9.1	-
DIVIDENDS AND INTEREST ON CAPITAL	26.7	-
OTHER PAYABLES	14.1	19.9
TOTAL CURRENT LIABILITIES	599.7	473.0
NON-CURRENT LIABILITIES		
LOANS AND FINANCING	117.5	275.7
PROVISION FOR LEGAL CLAIMS	10.7	6.2
TAXES PAYABLE	21.8	5.1
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	12.5	38.3
DEFERRED REVENUE, NET	26.4	-
OTHER PAYABLES	20.1	-
TOTAL NON-CURRENT LIABILITIES	209.0	325.4
EQUITY		
CAPITAL	898.2	895.8
EARNINGS RESERVE	97.6	-
CAPITAL RESERVES AND STOCK OPTIONS PLAN	721.1	915.7
RETAINED EARNINGS/ACCUMULATED LOSSES	-	(194.4)
TOTAL EQUITY	1,717.0	1,617.2
TOTAL LIABILITIES AND EQUITY	2,525.6	2,415.6

CONSOLIDATED STATEMENT OF CASH FLOWS 2018 (R\$ MILLION)

	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES	304.7	166.5
CASH GENERATED BY OPERATING ACTIVITIES	321.8	263.8
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	137.7	9.0
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	133.1	119.7
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	(7.6)	67.4
OTHERS	58.5	67.6
CHANGES IN ASSETS AND LIABILITIES		
TRADE RECEIVABLES, NET	8.5	(27.3)
INVENTORIES	(39.4)	(8.9)
RECOVERABLE TAXES	(12.0)	(2.0)
ADVANCES PAID	(1.5)	(16.1)
TRADE AND RENTAL PAYABLES	96.6	58.6
PAYROLL AND SOCIAL CHARGES	(10.1)	(11.1)
PAYMENT OF INTEREST ON LOANS AND FINANCINGS	(30.8)	(68.2)
OTHERS CHANGES IN ASSETS AND LIABILITIES	(28.4)	(22.3)
NET CASH USED IN INVESTING ACTIVITIES	6.0	(1,208.4)
PURCHASES OF PROPERTY AND EQUIPMENT	(321.4)	(172.2)
PURCHASES OF INTANGIBLE ASSETS	(17.5)	(25.6)
CONSIDERATION PAID ON THE ACQUISITION OF INVESTMENTS	(360.9)	-
INVESTMENT IN MARKETABLE SECURITIES	(722.9)	(1,304.9)
REDEMPTION OF MARKETABLE SECURITIES	1,428.7	294.4
NET CASH USED IN FINANCING ACTIVITIES	(238.1)	887.3
CAPITAL CONTRIBUTED IN THE PERIOD	2.4	890.1
SHARE PREMIUM INCREASE, NET OF ISSUANCE COSTS	-	178.8
SHARES ISSUANCE COSTS	(4.7)	(48.6)
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(235.7)	(121.3)
PAYMENT OF CONTINGENT CONSIDERATION AND PAYABLES FOR ACQUISITION OF SUBSIDIARIES	-	(11.6)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	72.6	(154.6)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	102.3	256.9
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	175.0	102.3
