

# BK BRASIL

1Q19 EARNINGS RELEASE



## NET OPENING OF 94 RESTAURANTS IN THE LAST 12 MONTHS AND 5.9% GROWTH IN COMPARABLE SALES BOOSTED ADJUSTED EBITDA GROWTH TO 42.4% IN 1Q19

Barueri, Monday, May 13, 2019 - BK Brasil Operação e Assessoria a Restaurantes (S.A. BKBR3), the master franchisee of Burger King Corporation and Popeyes Louisiana Kitchen for Brazil, announces today its results for the first quarter of 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 reviewed by the independent auditors.

### HIGHLIGHTS

#### 1Q19 Earnings Release

#### Conference Call and Webcast

Monday, May 13, 2019

In Portuguese, simultaneously translated into English

#### Time:

12:00 noon (BRT); 11:00 a.m. (US ET)

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#### 1Q19x1Q18 Performance:

- **Net operating revenue of R\$665 million** in 1Q19, up 37.9% from 1Q18;
- **Total of 8 restaurants opened** in 1Q19, 5 BURGER KING® restaurants and 3 POPEYES® restaurants, leading to net opening of 94 restaurants in the last 12 months;
- **Total of 792 restaurants of the BURGER KING® brand** at the end of 1Q19;
- **Total of 11 restaurants of the POPEYES® brand** at the end of 1Q19;
- **Comparable sales in same restaurants grew 5.9%** in 1Q19;
- **Adjusted EBITDA<sup>(1)</sup> of R\$86 million** in 1Q19. Excluding the effects of the new accounting standard (IFRS 16), adjusted EBITDA would have been R\$52 million, an increase of 42.4% compared to 1Q18;
- **Adjusted EBITDA margin of 12.9%**. Excluding the effect of IFRS 16, the margin would have been 7.8%, representing an increase of 30 bps versus 1Q18;
- **Net income of R\$ 3 million** in 1Q19. Excluding the effects of IFRS 16, it would have totaled R\$ 8 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	1Q19	1Q18	VAR.	4Q18	VAR.
NET OPERATING REVENUE	665.3	482.5	37.9%	718.1	-7.3%
ADJUSTED EBITDA <sup>(1)</sup>	86.0	36.4	136.4%	125.4	-31.4%
% OF NET OPERATING REVENUE	12.9%	7.5%	540bps	17.5%	-460bps
ADJUSTED EBITDA <sup>(1)</sup> EX-IFRS16 EFFECTS	51.8	36.4	42.4%	125.4	-58.7%
% OF NET OPERATING REVENUE	7.8%	7.5%	30bps	17.5%	-970bps
NET INCOME	3.1	8.8	-65.4%	83.6	-96.4%
GROSS DEBT	164.3	458.3	-64.2%	279.1	-41.1%
NET DEBT (NET CASH)	(170.3)	(635.9)	-73.2%	(323.8)	-47.4%
SHAREHOLDERS' EQUITY	1,762.9	1,625.2	8.5%	1,717.0	2.7%

OPERATIONAL HIGHLIGHTS	1Q19	1Q18	VAR. <sup>(2)</sup>	4Q18	VAR. <sup>(2)</sup>
# OF RESTAURANTS	803	709	94	801	2
<b>OWNED RESTAURANTS</b>					
# OWNED RESTAURANTS BEGINNING OF PERIOD	639	526	113	594	45
RESTAURANT OPENINGS	7	5	2	46	(39)
RESTAURANT CLOSINGS	(4)	(1)	(3)	-	(4)
ACQUISITION / SALE <sup>(3)</sup> OF RESTAURANT BUSINESSES	-	(2)	2	(1)	1
# OWNED RESTAURANTS END OF PERIOD	642	528	114	639	3
<b>FRANCHISEES RESTAURANTS</b>					
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	162	171	(9)	142	20
RESTAURANT OPENINGS	1	8	(7)	19	(18)
RESTAURANT CLOSINGS	(2)	-	(2)	-	(2)
ACQUISITION / SALE <sup>(3)</sup> OF RESTAURANT BUSINESSES	-	2	(2)	1	(1)
# FRANCHISEES RESTAURANTS END OF PERIOD	161	181	(20)	162	(1)
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	5.9%	10.3%	-440bps	7.1%	-120bps

<sup>3</sup> SALE OF COMPANY-OWNED RESTAURANTS TO FRANCHISEES.

<sup>1</sup> "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.

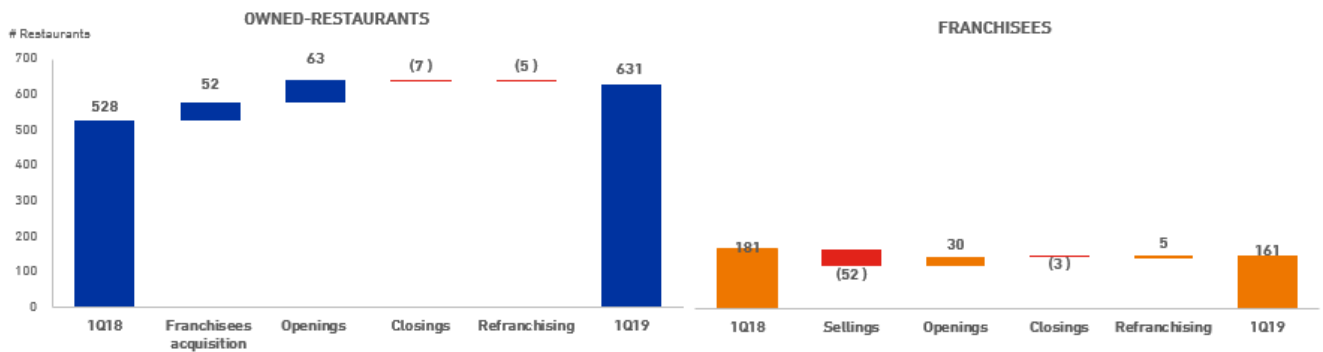
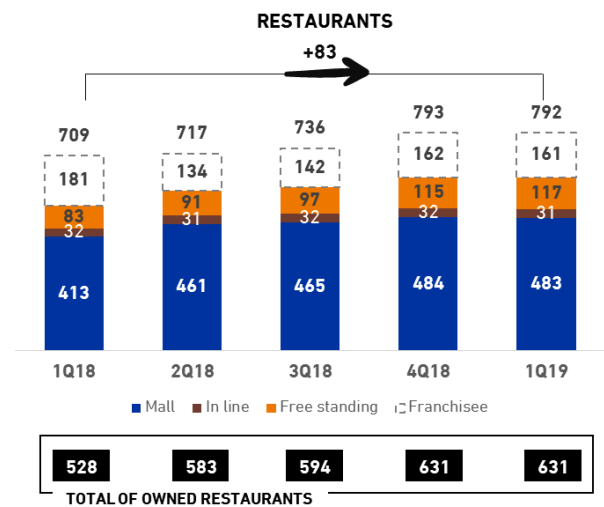
<sup>2</sup> Net variation

<sup>3</sup> Sale of company-owned restaurants to franchisees

## OPERATING AND FINANCIAL PERFORMANCE

### BURGER KING® restaurant expansion<sup>4</sup>

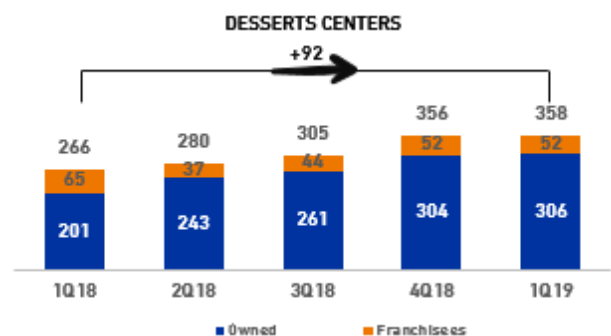
During 1Q19, BURGER KING® system opened 5 new restaurants, of which 4 are company-owned restaurants and 1 is a franchisee. Considering only restaurants owned by BK Brasil, net of closings (4 restaurants), the Company ended the quarter with 631 owned restaurants, an increase of 103 restaurants from 1Q18, including the acquisition of franchisees announced in April 2018 (51 restaurants). As for franchised restaurants, BURGER KING® system ended 1Q19 with 161 restaurants. As such, the BURGER KING® system ended the first quarter with a total of 792 restaurants operating in Brazil, a net increase of 83 restaurants in the last 12 months.



### BURGER KING® dessert centers expansion

In addition to the 792 restaurants, the BURGER KING® system ended 1Q19 with 358 dessert centers, an increase of 92 units when compared to 1Q18.

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).



<sup>4</sup> 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.

## POPEYES® restaurant expansion

Throughout 1Q19, the POPEYES® system opened 3 new restaurants and ended the quarter with 11 restaurants, in line with the expansion plan for the brand in Brazil.

With this, 1Q19 ended with a total of 803 restaurants managed by the Company, of which 642 are company-owned restaurants of BURGER KING® and POPEYES® brands, and 161 franchised restaurants of BURGER KING® brand.

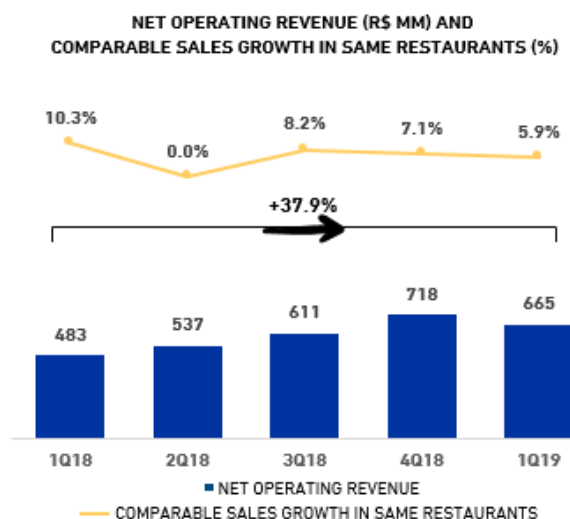
## Impact of the IFRS 16 adoption

On January 1, 2019, the Company adopted accounting standard IFRS 16 – Leases. According to the new 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 payments. As the Company's main lease agreement refers to rent of company-operated restaurants, the fixed portion of rent expenses is now recognized as amortization and financial expense, while the variable portion of rent expenses remains unchanged and is recognized as occupancy expense. For better understanding, throughout this report, information with the effects of the adoption of the new accounting standard on the main accounts impacted in 1Q19 were included, both in tables and graphs.

Consolidated Income Statement (R\$ million)	1Q19	IFRS16	1Q19	1Q18	Var. %
	Reported	Effects	Ex-IFRS16	Reported	
NET OPERATING REVENUE	665.3	-	665.3	482.5	37.9%
COST OF GOOD SOLD	(254.5)	-	(254.5)	(185.2)	37.4%
GROSS PROFIT	410.8	-	410.8	297.3	38.2%
TOTAL SELLING EXPENSES	(369.1)	(2.9)	(371.9)	(265.8)	39.9%
PERSONNEL EXPENSES	(127.8)	-	(127.8)	(89.7)	42.5%
ROYALTIES AND MARKETING FUND	(61.6)	-	(61.6)	(45.3)	36.0%
EXPENSES ON OCCUPANCY AND UTILITIES	(53.3)	(33.9)	(87.1)	(64.0)	36.1%
PRE-OPERATING EXPENSES	(1.9)	-	(1.9)	(0.9)	109.1%
DEPRECIATION AND AMORTIZATION	(70.2)	31.0	(39.2)	(27.7)	41.2%
OTHER SELLING EXPENSES	(54.3)	-	(54.3)	(38.2)	42.2%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(37.1)	(0.3)	(37.4)	(28.6)	30.7%
GENERAL AND ADMINISTRATIVE EXPENSES	(27.8)	(0.4)	(28.2)	(23.7)	18.8%
DEPRECIATION AND AMORTIZATION	(6.6)	0.1	(6.5)	(1.9)	250.9%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.7)	-	(0.7)	(0.9)	-14.9%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(1.3)	-	(1.3)	(1.1)	23.0%
COST OF STOCK OPTION PLAN	(0.7)	-	(0.7)	(1.1)	-41.1%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	4.7	(3.2)	1.5	2.9	-46.5%
FINANCIAL RESULTS	(12.5)	10.8	(1.7)	8.0	-
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(7.8)	7.7	(0.1)	10.9	-
INCOME TAX AND SOCIAL CONTRIBUTION	10.8	(2.6)	8.2	(2.1)	-
NET INCOME FOR THE PERIOD	3.1	5.1	8.1	8.8	-7.8%

## Net operating revenue

In 1Q19, BK Brasil posted net operating revenue of R\$665 million, an increase of 37.9% from 1Q18. This increase is related to the performance of restaurants opened in the last 12 months, the acquisition of franchised restaurants and the growth in comparable sales by 5.9% in the period. The growth in comparable sales reflects the evolution of the Company's digital sales, such as through delivery and mobile order-and-pay app, as well as the strong positioning of the brand through the marketing campaigns and product innovations. Among the highlights of this quarter were the launch of the Mega Stacker Mafioso in the premium segment, in addition to the Barbie® and Hot Wheels® campaigns in the kids segment.

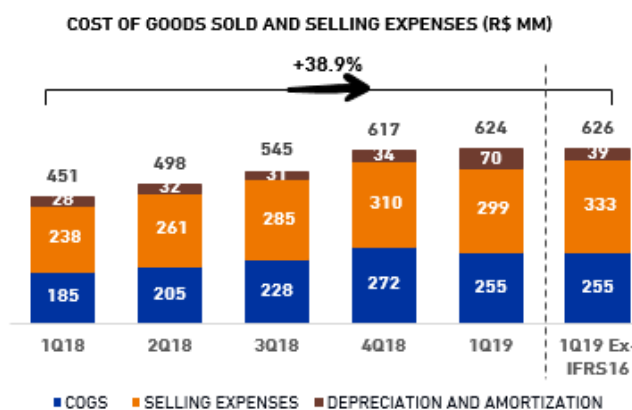
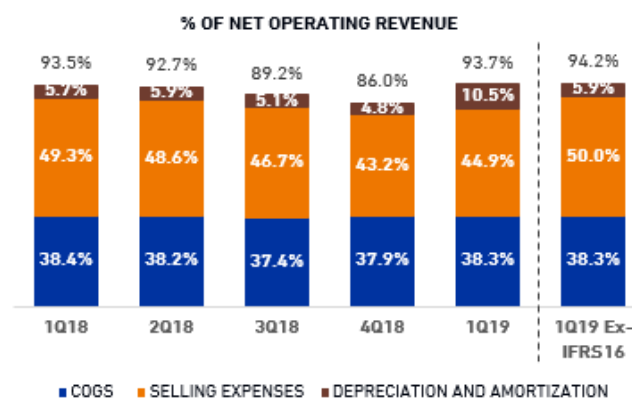


## Cost of goods sold and selling expenses

Total restaurant expenses, excluding the effects of IFRS 16, were R\$626 million in 1Q19, representing 94.2% of net operating revenue, an increase of 70 bps compared to 1Q18.

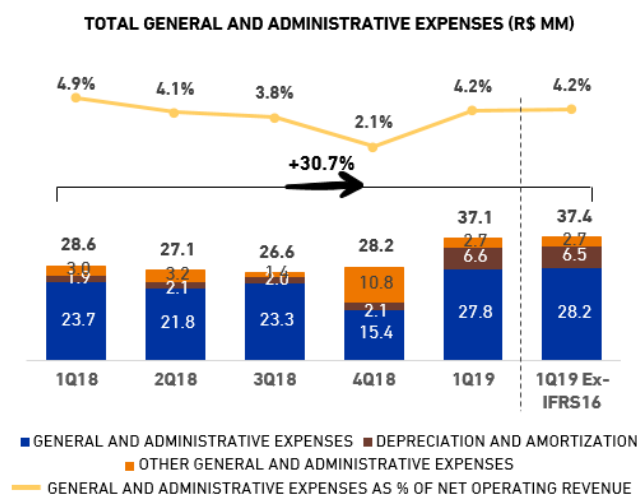
The cost of goods sold improved to 38.3% of net operating revenue, dropping 10 bps compared to 1Q18, reflecting our continued focus on improving the products mix and cost control, despite the prevailing challenging macroeconomic scenario.

Selling expenses at restaurants (excluding depreciation and amortization) represented 50.0% of net operating revenue, an increase of 70 bps in comparison with 1Q18, due to higher personnel expenses, repairs and maintenance and expenses with third-party services due to new sales channels. The adoption of the new accounting standard also impacted the depreciation and amortization account, which represented 10.5% of net operating revenue. Excluding this effect, depreciation and amortization would have represented 5.9% of the Company's net operating revenue.



## Total general and administrative expenses

Corporate general and administrative expenses represented 4.2% of net operating revenue in 1Q19, an improvement of 70% bps in comparison to 1Q18, reflecting the strong focus on controlling the Company's expenses, operating leverage and synergies due to the acquisition of franchised restaurants. In the quarter, corporate general and administrative expenses reached R\$28 million. IFRS 16 did not have material effects on Company's corporate general and administrative expenses.



## Adjusted EBITDA

In 1Q19, adjusted EBITDA reached R\$86 million, reflecting the adoption of the new accounting standard IFRS 16. Excluding this impact, adjusted EBITDA would have increased by 42.4%, from R\$36 million in 1Q18 to R\$52 million. Such growth in adjusted EBITDA, excluding the effects of IFRS 16, was due to the strong increase in net operating revenues, reflecting the growth of comparable sales in same restaurants, and the recurring focus on expenses control. As a result, the adjusted EBITDA margin (excluding the effects of IFRS 16) improved by 30 bps, reaching 7.8%.

EBITDA - R\$ MILLION	1Q19	1Q18	VAR %	4Q18	VAR %
<b>NET INCOME FOR THE PERIOD</b>	<b>3.1</b>	<b>8.8</b>	<b>-65.4%</b>	<b>83.6</b>	<b>-96.4%</b>
(+) FINANCIAL INCOME (LOSS)	12.5	(8.0)	-	(3.0)	-
(+) DEPRECIATION AND AMORTIZATION	76.8	29.6	159.5%	36.6	110.1%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	(10.8)	2.1	-	(8.1)	33.4%
<b>EBITDA</b>	<b>81.5</b>	<b>32.5</b>	<b>151.0%</b>	<b>109.0</b>	<b>-25.3%</b>
<i>EBITDA MARGIN</i>	12.2%	6.7%	550bps	15.2%	-300bps
(+) OTHERS EXPENSES*	1.3	1.1	23.0%	6.0	-78.5%
(+) COST OF STOCK OPTION PLAN	0.7	1.1	-41.1%	1.1	-41.0%
(+) MERGE AND ACQUISITION EXPENSES	0.7	0.9	-14.9%	3.6	-79.9%
(+) PRE-OPERATING EXPENSES	1.9	0.9	109.1%	5.6	-66.2%
<b>ADJUSTED EBITDA<sup>(1)</sup></b>	<b>86.0</b>	<b>36.4</b>	<b>136.4%</b>	<b>125.4</b>	<b>-31.4%</b>
<i>ADJUSTED EBITDA MARGIN</i>	12.9%	7.5%	540bps	17.5%	-460bps
IFRS16 EFFECTS	(34.2)	-	-	-	-
<b>ADJUSTED EBITDA EX-IFRS16 EFFECTS</b>	<b>51.8</b>	<b>36.4</b>	<b>42.4%</b>	<b>125.4</b>	<b>-58.7%</b>
<i>ADJUSTED EBITDA MARGIN EX-IFRS16 effects</i>	7.8%	7.5%	30bps	17.5%	-970bps

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

## Net income

Net income reached R\$3 million in 1Q19. Excluding the effects of IFRS 16, net income would have totaled R\$8 million, impacted by the non-recurring effect of R\$4 million in depreciation and amortization related to the franchisee acquisition, partially benefited by the also non-recurring recognition of deferred income tax asset in the amount of R\$7 million.

## Total debt

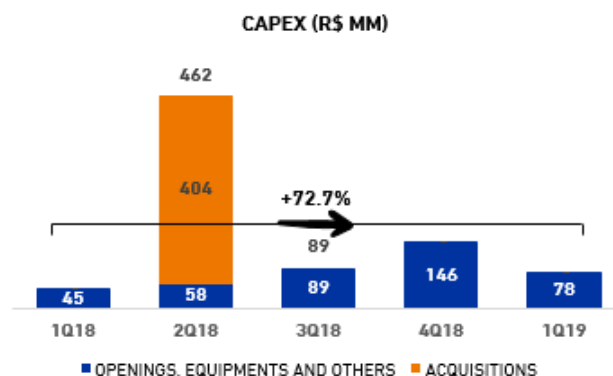
In March 2019, the Company's gross debt was R\$164 million, down 64.2% from R\$458 million in March 2018. Total cash balance was R\$335 million at the end of 1Q19, a decrease of 69.4% compared to 1Q18, mainly due to the acquisition of franchisees in April 2018, in addition to the reduction of debt, in line with the debt amortization schedule. As a result, in March, 2019 the Company had a net cash position of R\$170 million, compared to a net cash position of R\$636 million in the same period of 2018.

NET DEBT - R\$ MILLION	MAR/19	MAR/18	VAR %	DEC/18	VAR %
<b>LOANS AND FINANCINGS</b>	<b>164.3</b>	<b>458.3</b>	<b>-64.2%</b>	<b>279.1</b>	<b>-41.1%</b>
CURRENT	52.3	303.6	-82.8%	161.6	-67.6%
NON-CURRENT	112.0	154.7	-27.6%	117.5	-4.7%
<b>CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES</b>	<b>334.5</b>	<b>1,094.2</b>	<b>-69.4%</b>	<b>602.9</b>	<b>-44.5%</b>
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	323.0	1,081.0	-70.1%	590.6	-45.3%
MARKETABLE SECURITIES (NON-CURRENT)	11.6	13.3	-12.8%	12.4	-6.5%
<b>NET DEBT</b>	<b>(170.3)</b>	<b>(635.9)</b>	<b>-73.2%</b>	<b>(323.8)</b>	<b>-47.4%</b>
<b>ADJUSTED EBITDA (12M)</b>	<b>303.4</b>	<b>222.4</b>	<b>36.4%</b>	<b>288.0</b>	<b>5.4%</b>
<i>NET DEBT / TOTAL ADJUSTED EBITDA (12M)</i>	<i>(0.6x)</i>	<i>(2.9x)</i>	<i>2.3x</i>	<i>(1.1x)</i>	<i>0.6x</i>

\*Considers Adjusted EBITDA ex-IFRS16 in 1Q19

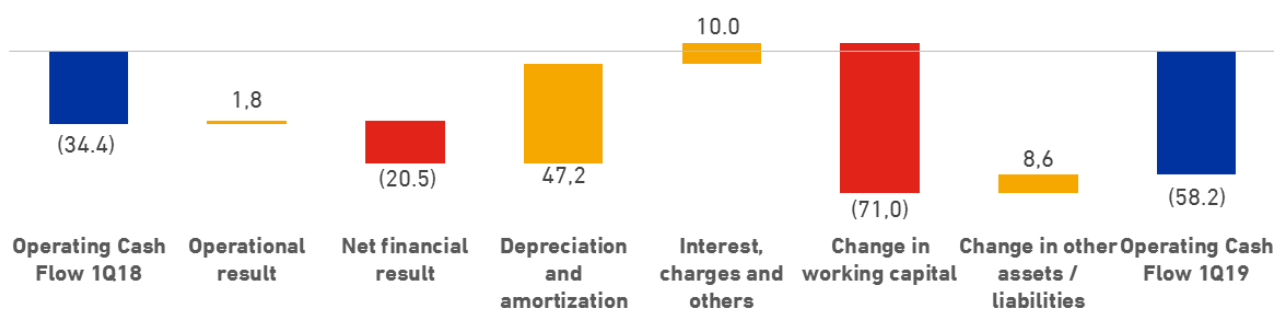
## CAPEX

During 1Q19, the total investments of the Company in fixed assets reached R\$78 million, an increase of 72.7% when compared to 1Q18, mainly due to the opening of restaurants of the BURGER KING® and POPEYES® brands in 1Q19, building of restaurants that will be opened in the following quarters, opening of dessert centers, in addition to reinvestment in stores and remodeling of restaurants.



## Operating cash flow

In 1Q19, the Company's operating cash consumption amounted to R\$58 million, an increase of R\$24 million compared to the consumption of R\$34 million in 1Q18. This change reflected higher working capital needs due to the increase in prepayments, given annual agreement with marketing services providers with better commercial conditions, and a decrease in the balances of trade payables and rental payable, reflecting the higher number of restaurants openings in 4Q18, mainly in the free standing format. It is important to note that the generation of operating cash in the first quarter is impacted by the seasonality of sales and by the lower number of restaurants openings.



## CAPITAL MARKETS

### Secondary Public Offering of Shares

In March 2019, there was a secondary public offering of 33,373,621 common shares, registered, book-entry and with no par value, all free and clear of any liens or encumbrances, issued by the Company and owned by VCP II B FIP (Vinci Partners), Sommerville Investments (Temasek), Montjuic (Capital Group) and some individual shareholders, with restricted placement efforts in Brazil and with placement efforts abroad. After the bookbuilding, the price per share of R\$21.41 was established, reaching the approximate amount of R\$714.5 million.

OWNERSHIP STRUCTURE PRE-FOLLOW ON	COMMON SHARES	%	OWNERSHIP STRUCTURE POST-FOLLOW ON	COMMON SHARES	%
BURGER KING CORPORATION (BKC)	22,442,100	9.9%	BURGER KING CORPORATION (BKC)	22,442,100	9.9%
VINCI CAPITAL PARTNERS II B FIP (VINCI PARTNERS)	29,535,393	13.0%	VINCI CAPITAL PARTNERS II B FIP (VINCI PARTNERS)	17,721,236	7.8%
MONTJUIC FUNDO DE INVESTIMENTO (CAPITAL GROUP)	28,380,817	12.5%	MONTJUIC FUNDO DE INVESTIMENTO (CAPITAL GROUP)	17,028,491	7.5%
SOMMERVILLE INVESTMENTS BV (TEMASEK )	18,523,620	8.2%	SOMMERVILLE INVESTMENTS BV (TEMASEK )	11,114,172	4.9%
OUTROS	128,193,040	56.5%	OUTROS	158,768,971	69.9%
<b>TOTAL</b>	<b>227,074,970</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>227,074,970</b>	<b>100.0%</b>

## SUBSEQUENT EVENTS

### Capital Increase

At a meeting held on April 16, 2019, the Company's Board of Directors approved an increase in the Company's capital stock, within the authorized capital limit and without changes to the Company's Bylaws, due to the exercise of 306,100 stock options within the scope of the Company's First Stock Option Plan.

As a result of the decisions, the capital stock increased from R\$940.3 million, divided into 227,074,970 shares, to R\$943.3 million, divided into 227,381,070 shares.

As a result, all the options granted by the Company under the First Plan were fully exercised and/or cancelled, with no options outstanding; the total of 2,524,400 options covered by the Second Plan were granted by the Company, of which 81,982 options remain vested and unexercised; of the total of 5,744,900 options covered by the Third Plan (i) 626,000 options had not yet been granted; (ii) 1,299,883 options were granted and fully exercised and/or canceled; (iii) 819,153 options were granted and vested, although not yet exercised; and (iv) 2,999,864 options were granted and have not vested yet; and (d) none of the 1,839,905 virtual restricted shares covered by the Fourth Plan was granted by the Company. Accordingly, all options already granted by the Company are held by current members of the Company's Management.

### Annual General Shareholders' Meeting

At the Annual General Shareholders' Meeting held on April 29, 2019, the following matters were approved: (i) assessment of the Company's financial statements for the fiscal year of 2018; (ii) approval of the Company's capital budget; (iii) approval of the allocation of profit for the 2018 financial year; (iv) definition of the number of members for the composition of the Board of Directors; (v) election of the members of the Company's Board of Directors; (vi) approval of the directors' overall compensation for 2019; and (vii) ratification of the change of the newspaper of great circulation for the legal publications of the Company.

## CONSOLIDATED INCOME STATEMENT 1Q19 (R\$ MILHÕES)

	1Q19	1Q18	VAR %	4Q18	VAR %
<b>NET OPERATING REVENUE</b>	<b>665.3</b>	<b>482.5</b>	<b>37.9%</b>	<b>718.1</b>	<b>-7.3%</b>
GROSS REVENUE FROM SALES	712.9	523.3	36.2%	776.9	-8.2%
GROSS REVENUE FROM SALES DEDUCTIONS	(51.8)	(43.7)	18.5%	(62.3)	-16.9%
GROSS REVENUE FROM SERVICES	4.8	3.3	44.2%	4.1	16.7%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(0.5)	(0.4)	42.0%	(0.5)	3.3%
<b>COST OF GOOD SOLD</b>	<b>(254.5)</b>	<b>(185.2)</b>	<b>37.4%</b>	<b>(272.5)</b>	<b>-6.6%</b>
<b>GROSS PROFIT</b>	<b>410.8</b>	<b>297.3</b>	<b>38.2%</b>	<b>445.6</b>	<b>-7.8%</b>
<b>TOTAL SELLING EXPENSES</b>	<b>(369.1)</b>	<b>(265.8)</b>	<b>38.8%</b>	<b>(344.9)</b>	<b>7.0%</b>
PERSONNEL EXPENSES	(127.8)	(89.7)	42.5%	(108.9)	17.4%
ROYALTIES AND MARKETING FUND	(61.6)	(45.3)	36.0%	(65.6)	-6.2%
EXPENSES ON OCCUPANCY AND UTILITIES	(53.3)	(64.0)	-16.8%	(79.3)	-32.8%
PRE-OPERATING EXPENSES	(1.9)	(0.9)	109.1%	(5.6)	-66.2%
DEPRECIATION AND AMORTIZATION	(70.2)	(27.7)	153.1%	(34.5)	103.7%
OTHER SELLING EXPENSES	(54.3)	(38.2)	42.2%	(51.1)	6.4%
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(37.1)</b>	<b>(28.6)</b>	<b>29.6%</b>	<b>(28.2)</b>	<b>31.3%</b>
GENERAL AND ADMINISTRATIVE EXPENSES	(27.8)	(23.7)	17.2%	(15.4)	80.9%
DEPRECIATION AND AMORTIZATION	(6.6)	(1.9)	255.0%	(2.1)	216.3%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.7)	(0.9)	-14.9%	(3.6)	-79.9%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(1.3)	(1.1)	23.0%	(6.0)	-78.5%
COST OF STOCK OPTION PLAN	(0.7)	(1.1)	-41.1%	(1.1)	-41.0%
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME</b>	<b>4.7</b>	<b>2.9</b>	<b>63.4%</b>	<b>72.5</b>	<b>-93.5%</b>
<b>FINANCIAL RESULTS</b>	<b>(12.5)</b>	<b>8.0</b>	<b>-</b>	<b>3.0</b>	<b>-</b>
FINANCIAL EXPENSES	(19.0)	(11.6)	64.4%	(10.5)	81.6%
FINANCIAL INCOME	6.6	19.6	-66.5%	13.5	-51.5%
<b>PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(7.8)</b>	<b>10.9</b>	<b>-</b>	<b>75.5</b>	<b>-</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>10.8</b>	<b>(2.1)</b>	<b>-</b>	<b>8.1</b>	<b>33.4%</b>
CURRENT	-	(1.4)	-	(21.0)	-
DEFERRED	10.8	(0.6)	-	29.1	-62.7%
<b>NET INCOME FOR THE PERIOD</b>	<b>3.1</b>	<b>8.8</b>	<b>-65.4%</b>	<b>83.6</b>	<b>-96.4%</b>

**CONSOLIDATED BALANCE SHEET 1Q19 (R\$ MILLION)**

	03/31/2019	12/31/2018
<b>ASSETS</b>	<b>3,048.6</b>	<b>2,525.6</b>
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	99.9	175.0
MARKETABLE SECURITIES	223.1	415.6
TRADE RECEIVABLES, NET	77.4	59.6
DERIVATIVE FINANCIAL INSTRUMENTS	-	0.1
INVENTORIES	72.2	81.3
RECOVERABLE TAXES	34.9	40.4
ADVANCES PAID	52.0	26.6
RELATED PARTIES	2.1	-
OTHER RECEIVABLES	21.9	21.1
<b>TOTAL CURRENT ASSETS</b>	<b>583.6</b>	<b>819.7</b>
<b>NON-CURRENT ASSETS</b>		
NON-CURRENT INVESTMENTS AT FAIR VALUE	11.6	12.4
RECOVERABLE TAXES	22.6	15.6
JUDICIAL DEPOSITS	32.6	30.9
LONG-TERM RECEIVABLES	5.0	4.6
PROPERTY AND EQUIPMENT	959.2	928.2
INTANGIBLE ASSETS	1,433.8	714.3
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,464.9</b>	<b>1,705.9</b>
<b>TOTAL ASSETS</b>	<b>3,048.6</b>	<b>2,525.6</b>
<b>LIABILITIES</b>	<b>1,285.6</b>	<b>808.7</b>
<b>CURRENT LIABILITIES</b>		
LOANS AND FINANCING	52.3	161.6
TRADE PAYABLES	166.0	241.2
LEASING LIABILITIES	101.1	-
PAYROLL AND SOCIAL CHARGES	88.4	95.2
CORPORATE PAYABLES	8.8	18.0
TAXES PAYABLE	14.1	33.8
DEFERRED REVENUE, NET	9.1	9.1
DIVIDENDS AND INTEREST ON CAPITAL	3.6	26.7
OTHER PAYABLES	23.1	14.1
<b>TOTAL CURRENT LIABILITIES</b>	<b>466.5</b>	<b>599.7</b>
<b>NON-CURRENT LIABILITIES</b>		
LOANS AND FINANCING	112.0	117.5
PROVISION FOR LEGAL CLAIMS	12.2	10.7
TAXES PAYABLE	22.2	21.8
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	1.6	12.5
LEASING LIABILITIES	628.4	-
DEFERRED REVENUE, NET	24.3	26.4
OTHER PAYABLES	18.5	20.1
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>819.2</b>	<b>209.0</b>
<b>EQUITY</b>		
CAPITAL	940.3	898.2
EARNINGS RESERVE	97.6	97.6
CAPITAL RESERVES AND STOCK OPTIONS PLAN	721.8	721.1
OTHER COMPREHENSIVE INCOME	0.2	(0.0)
RETAINED EARNINGS (ACCUMULATED LOSSES)	3.1	-
<b>TOTAL EQUITY</b>	<b>1,762.9</b>	<b>1,717.0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,048.6</b>	<b>2,525.6</b>

The numbers of 1Q19 are presented with the adoption of the new accounting standard IFRS 16

## CONSOLIDATED STATEMENT OF CASH FLOWS 1Q19 (R\$ MILLION)

	1Q19	1Q18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(58.2)</b>	<b>(34.4)</b>
<b>CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>90.2</b>	<b>51.7</b>
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(7.8)	10.9
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	45.7	29.6
LEASING AMORTIZATION	31.1	-
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	11.4	(3.2)
OTHERS	9.8	14.4
<b>CHANGES IN ASSETS AND LIABILITIES</b>	<b>-</b>	<b>-</b>
TRADE RECEIVABLES, NET	(17.8)	2.0
INVENTORIES	9.0	(10.2)
RECOVERABLE TAXES	(1.6)	(2.9)
ADVANCES PAID	(25.3)	0.9
TRADE AND RENTAL PAYABLES	(75.3)	(35.7)
PAYROLL AND SOCIAL CHARGES	(11.9)	(12.0)
PAYMENT OF INTEREST ON LOANS AND FINANCINGS	(1.1)	(8.2)
OTHERS CHANGES IN ASSETS AND LIABILITIES	(24.4)	(20.0)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>118.1</b>	<b>90.8</b>
PURCHASES OF PROPERTY AND EQUIPMENT	(69.6)	(40.4)
PURCHASES OF INTANGIBLE ASSETS	(8.8)	(5.0)
REIMBURSABLE EXPENSES WITH SHARES OFFERING	(2.1)	-
INVESTMENT IN MARKETABLE SECURITIES	(147.7)	(142.2)
REDEMPTION OF MARKETABLE SECURITIES	346.3	278.4
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(134.9)</b>	<b>(31.7)</b>
CAPITAL CONTRIBUTED IN THE PERIOD	42.1	-
SHARE PREMIUM INCREASE, NET OF ISSUANCE COSTS	-	(2.0)
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(119.5)	(29.7)
INTEREST ON CAPITAL PAYABLE	(23.2)	-
LEASING LIABILITIES PAYMENT	(34.3)	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(75.1)</b>	<b>24.7</b>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	175.0	102.3
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	99.9	127.1

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