

Positivo Tecnologia posts net income of R\$11.8 million in the 3Q18

Curitiba, November 12, 2018 – Positivo Tecnologia S.A. (B3: POSI3) announces today its results for the 3Q18. The following financial and operating information refers to the consolidated results of Positivo Tecnologia S.A. and is presented in IFRS and in Brazilian reais (R\$). Except where otherwise indicated, all comparisons herein refer to the 3Q17.

3Q18 HIGHLIGHTS

- **Positivo records a market share of 14.9% (+0.2 p.p.)¹, out of which:**
 - ✓ 20.9% in Retail (+0.1 p.p.);
 - ✓ 7.8% in Corporate (+0.7 p.p.); and
 - ✓ 20.2% in Government (-7.0 p.p.), due to the Company's portfolio concentration in the 4Q18
- **Net revenue increases by 55.1% in the mobile phone market, totaling R\$115.7 million, with an increase in the market share to 4.0%¹ (+1.6 p.p.)**
- **Sales profitability recovery due to the effective transfer of the US dollar appreciation and increase in input costs to prices**
- **Adjusted EBITDA of R\$36.3 million (+18.7%), and EBITDA margin of 7.4% (+0.4 p.p.)**
- **In the 9M18, Positivo Tecnologia posts net income of R\$2.2 million, reversing the loss recorded in the same period of prior year**
- **Entry in the PC gamer market and launching of the 2 A.M. brand, offering high performance notebooks and desktops to a growing audience of players**

¹ Source: IDC

1) FINANCIAL HIGHLIGHTS

Income Statement Highlights (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
Net Revenue	437.2	485.1	490.0	12.1	1.0	1326.2	1,404.8	5.9
Gross Profit	112.9	114.7	130.3	15.4	13.6	372.7	357.1	-4.2
Adjusted EBITDA*	30.5	7.9	36.3	18.7	359.5	97.3	67.3	-30.9
Net Income (Loss)	4.6	(11.6)	11.8	155.9	201.9	(1.8)	2.2	222.5
Adjusted EBITDA Margin	7.0%	1.6%	7.4%	+0.4 p.p.	+5.8 p.p.	7.3%	4.8%	-2.5 p.p.
Multiple	3Q17	2Q18	3Q18					
Net Debt - End of the Period	245.6	207.4	265.8					
Adjusted EBITDA - LTM	131.3	84.8	90.6					
Net Debt Multiple / Adjusted EBITDA	1.9x	2.4x	2.9x					

* Adjusted for the cash effect of the FX hedge on inputs, extraordinary terminations and the addition of 50% of EBITDA from the IFSA joint venture. For further details, please refer to 4.4 - EBITDA.

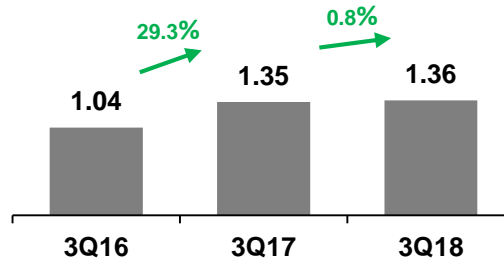
2) CURRENT INDUSTRY AND COMPANY SCENARIO

PC Market

The Brazilian PC market slightly increased 0.8% in the 3Q18 compared to the same period in the last year, according to IDC, resulting in a lower expansion than recorded in prior quarters.

The low performance resulted mainly from the pass-through to prices by the PCs manufacturers due to the US dollar appreciation, which hampered the negotiations with the sales channels, which aimed to limit the purchases in the period and work with tighter inventories. Furthermore, the uncertain environment due to the election period inhibited the companies and consumers' purchases. In the government market, the sales' volumes were significantly low in the 3Q18 due to the low purchase volumes before the elections.

Total PC Market – Brazil¹
(in million units)



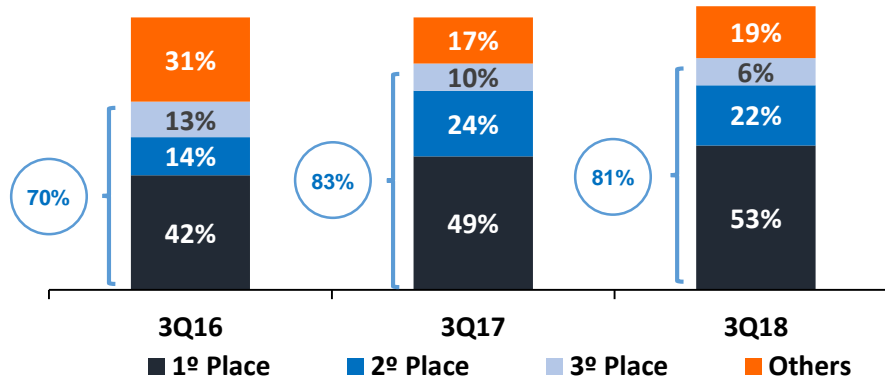
¹ Source: IDC

Mobile Phone Market

Also impacted by the negotiations with retailers in the pass-through to prices of the US dollar appreciation, the sales in the mobile phone market decreased by 4.5% in the 3Q18, due to the sales decrease of 3.0% in smartphones and 24.3% in feature phones, according to IDC.

The continuous competition between the three main brands resulted in an average concentration of 81% of the market share, which began in the 2T17 and limited the market share to the other manufacturers through the 3Q18.

Mobile Phones - Brazil
Market Share – Leaders vs. Other Manufacturers
(Smart + Feature)¹



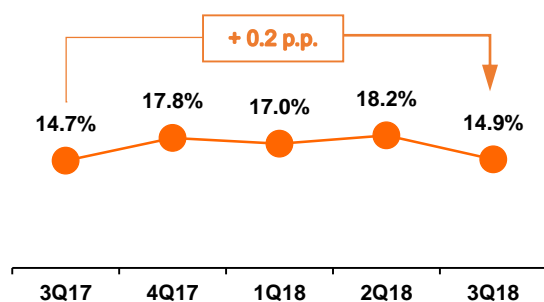
Company's Performance

Sales

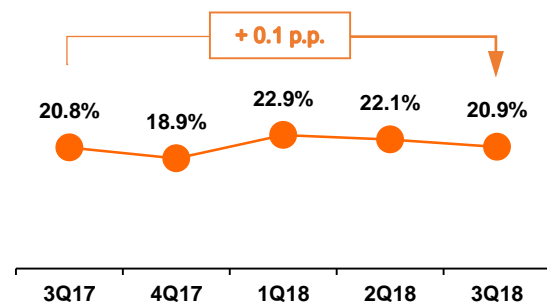
The Company's PCs sales totaled 202.5 thousand units in the 3Q18 (+1.2%). Such volume represented a market share of 14.9% of total market, aligned with the 3Q17 results, despite of the decrease of 3.3 p.p. compared to the 2Q18, mainly due to the low delivery volume in the government market, which deliveries are concentrated in the 4Q18, partially due to the legal invoicing restrictions in the election period.

In the retail market, the Company's market share was 20.9% in the 3Q18, according to IDC, aligned with the last year's results. When comparing to the 2Q18, sales decreased by 1.2 p.p., reflecting the Company's delay on negotiations to pass-through the US dollar appreciation to prices.

Market Share Positivo
PCs Market – Brazil – Total¹



Market Share Positivo
PCs Market – Brazil – Retail¹

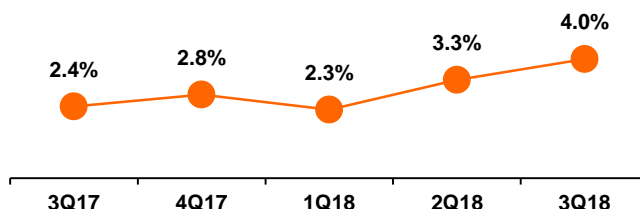


¹ Source: IDC

In the corporate market, the Brazilian PCs sales volume increased by 31.1% in the 3Q18, mainly in the small and medium-sized company segments.

Sales of mobile phones expanded 26.8% in the 3Q18 compared to the 3Q17, composed by an increase of 4.8% in Smartphones and 60.6% in Feature Phones. Positivo's market share reached 4.0% in the 3Q18, an increase of 1.6 p.p. compared to the 3Q17.

**Market Share Positivo
Mobile Phone Market¹**



¹ Source: IDC

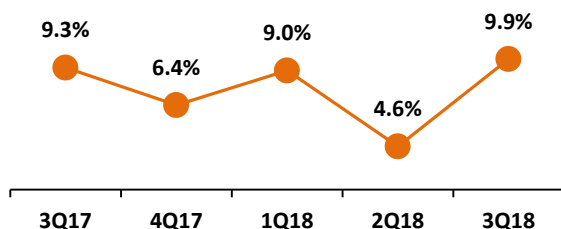
Accordingly, consolidated net revenue totaled R\$ 490 million in the 3Q18, an increase of 12.1% due to the increase in PCs sales to the retail and corporate markets, in addition to the increase of mobile phone sales. Such advance is relevant taking into consideration that, in the 3Q17, revenues increased due to the significant sales of decoders (set top boxes) to the Digital TV Project, totaling R\$87 million, compared to R\$18 million in the 3Q18.

Yield

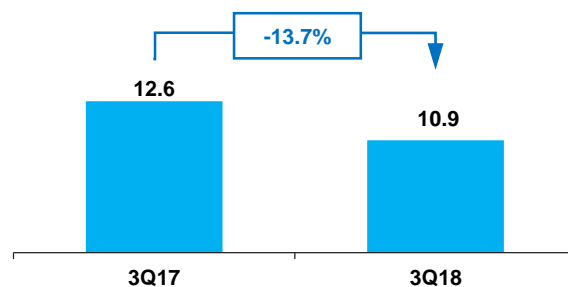
The sales margin was recovered in the 3Q18, mainly due to the pass-through of the US dollar appreciation to the sales channels, slightly impacting the Company's market share.

The fixed costs decreased in the 3Q18. In September, the Company provided a significant restructure in the administrative staff in order to obtain a more streamlined and efficient structure. As a result of such reorganization, G&A expenses decreased by 13.7%, excluding the extraordinary termination costs.

**Sales Margin¹
(% of Net Revenue)**



**G&A Expenses²
(R\$ million)**



¹ Calculated by the net revenue deducted from the hedge-adjusted COGS, selling expenses and depreciation.

² Excluding the mandatory research and development costs, extraordinary items and depreciation. See item 4.2 – G&A Expenses.

Net Debt

In the 3Q18, the net debt totaled R\$265.8 million compared to R\$207.4 million in the 3Q17. This variation resulted mainly from the increased inventory volumes to meet the concentrated demand in the government market in the 4Q18 and the expected sales increase in the retail market.

Outlook

The Company's perspectives for its main businesses are as follows:

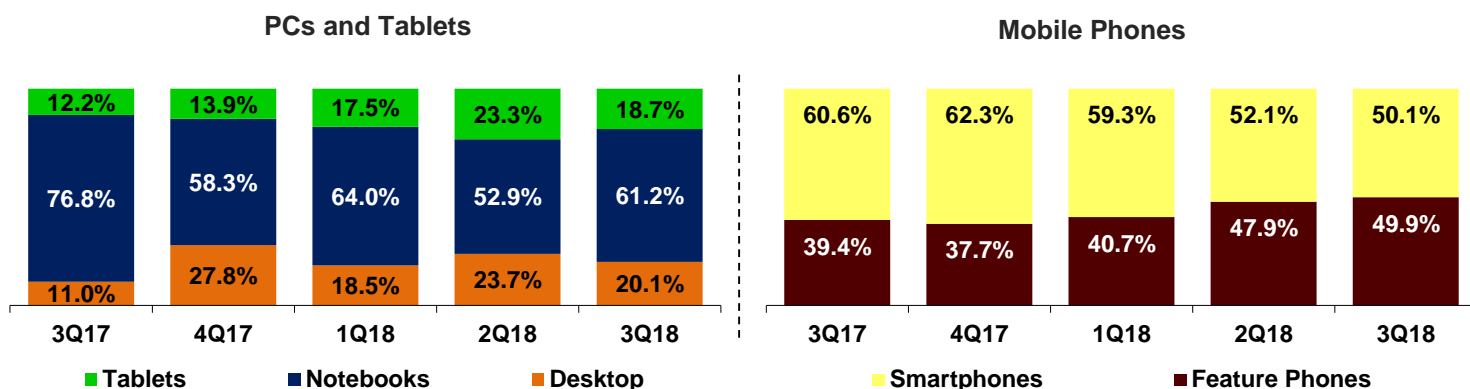
- Computers in the Retail Market: The Company believes that the Brazilian retail market performance in the 4Q18 will be superior compared to the same period of 2017, taking into consideration the growing demand for computers over the last quarters, the stable foreign exchange rate and the Brazilian consumers' confidence after elections. Furthermore, the Company has given priority to the sales of goods with higher return on capital, by analyzing and revising its portfolio in detail in this regard.
- Computers in the Government Market: The sales in the government market in the 4Q18 are expected to be significantly higher compared to the prior quarters in 2018 due to the concentration of project deliveries, partially caused by the legal restrictions in the election period, impacting the delivery of certain projects before elections.
- Mobile Phones: The sales performance in the Brazilian market are expected to remain bound to the competitiveness level of the larger manufacturers, as the Company has focused on operational profitability and revenue diversification. It's important to highlight the growing expansion of the regional retail portfolio and the good performance of customized products, such as the smartphones integrated with payment terminals.

3) VOLUMES AND REVENUES

3.1) VOLUMES

Volume Sales (units)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
PCs	279,449	272,358	229,374	-17.9	-15.8	677,946	763,343	12.6
Desktops	38,279	84,325	52,019	35.9	-38.3	139,447	194,987	39.8
Notebooks	241,170	188,033	177,355	-26.5	-5.7	538,499	568,356	5.5
PCs - Channel	279,449	272,358	229,374	-17.9	-15.8	677,946	763,343	12.6
Retail	150,805	175,236	147,891	-1.9	-15.6	422,772	480,183	13.6
Government	102,845	65,344	47,032	-54.3	-28.0	190,163	184,752	-2.8
Corporate	25,799	31,778	34,451	33.5	8.4	65,011	98,408	51.4
PCs - Brand	279,449	272,358	229,374	-17.9	-15.8	677,946	763,343	12.6
Positivo	200,004	253,986	202,478	1.2	-20.3	528,540	684,553	29.5
Positivo BGH	79,445	18,372	26,896	-66.1	46.4	149,406	78,790	-47.3
Mobile Phones	380,202	390,844	482,013	26.8	23.3	1,241,560	1,154,772	-7.0
Smartphones	230,417	203,807	241,386	4.8	18.4	837,262	612,321	-26.9
Feature Phones	149,785	187,037	240,627	60.6	28.7	404,298	542,451	34.2
Tablets	42,302	82,934	22,799	-46.1	-72.5	364,914	161,220	-55.8
Positivo	5,848	1,731	1,731	-70.4	0.0	14,244	6,174	-56.7
Positivo BGH	36,454	81,203	21,068	-42.2	-74.1	350,670	155,046	-55.8

Share of Devices in Sales (units)



3.2) AVERAGE PRICE

The factors impacting variation in average prices of products in Brazilian reais (3Q18 vs. 2Q18) are as follows:

Desktops: -7.4%, due to the strong reduction of sales in the government market, with settings superior to those available in the retail market.

Notebooks: +4.3%, due to the pass-through to the US dollar appreciation to prices.

Tablets: +47.7%, due to the increased market share of devices with superior settings in the corporate market.

Mobile Phones: +12.2%, due to the increased sales of smartphones integrated with payment terminals.

Average Price			% Chg.		% Chg.		% Chg.	
Positivo ⁽¹⁾	3Q17	2Q18	3Q18	3Q18 x 3Q17	3Q18 x 2Q18	9M17	9M18	9M18 X 9M17
Dollar Avg for the Period ²	3.16	3.69	3.97			3.17	3.64	14.55
Desktops								
In R\$	2,366.9	2,517.7	2,330.6	-1.5	-7.4	3,631.7	2,425.7	-33.2
In US\$	750.5	682.1	586.7	-21.8	-14.0	829.1	672.5	-18.9
Notebooks								
In R\$	1,138.4	1,308.6	1,364.2	19.8	4.3	1,159.0	1,327.6	14.5
In US\$	360.3	354.5	343.4	-4.7	-3.1	365.1	367.3	0.6
Tablets								
In R\$	703.6	556.4	822.1	16.8	47.7	759.2	726.5	-4.3
In US\$	222.8	150.7	206.9	-7.1	37.3	239.6	201.6	-15.9
Mobile Phones								
In R\$	301.5	244.0	273.8	-9.2	12.2	319.9	263.4	-17.7
In US\$	95.4	66.1	68.9	-27.8	4.3	100.9	73.0	-27.6

¹ Taking into account only products sold in the Brazilian market.

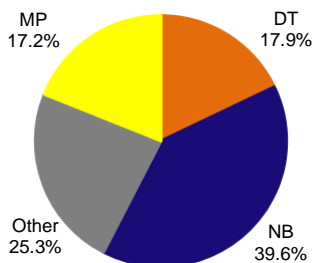
² Company calculation, weighted by monthly sales to decrease seasonal distortions, based on the Brazilian Central Bank's PTAX Sale rate.

3.3) NET REVENUE

Net Revenue (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
Total Net Revenue	437.2	485.1	490.0	12.1	1.0	1,326.2	1,404.8	5.9
Devices by product	432.0	479.8	483.0	11.8	0.7	1,310.5	1,387.6	5.9
Desktops	77.3	166.1	136.6	76.7	-17.7	323.3	411.8	27.4
Notebooks	171.3	215.2	196.2	14.5	-8.8	425.1	620.5	46.0
Mobile Phones	74.6	85.2	115.7	55.1	35.7	316.6	265.2	-16.2
Tablets	4.0	0.8	1.3	-67.8	52.0	10.4	4.2	-59.7
Others	104.7	12.4	33.2	-68.3	167.0	235.1	86.0	-63.4
Devices by channel	432.0	479.8	483.1	11.8	0.7	1,310.5	1,387.7	5.9
Retail	194.9	261.0	265.3	36.1	1.7	687.3	737.6	7.3
Government	87.0	153.2	114.6	31.7	-25.2	267.0	391.1	46.5
Corporate	150.1	65.6	103.2	-31.2	57.4	356.1	258.9	-27.3
Educational Technology	5.2	5.3	7.0	35.1	31.2	15.7	17.1	9.2

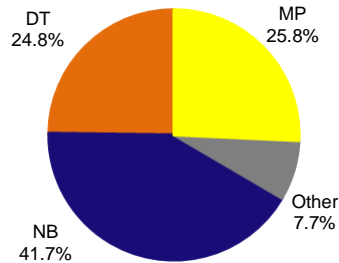
Breakdown of Net Revenue – Devices

Product



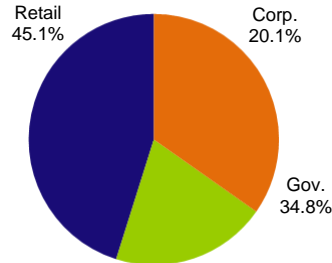
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NB: Notebooks
DT: Desktops
MP: Mobile Phones



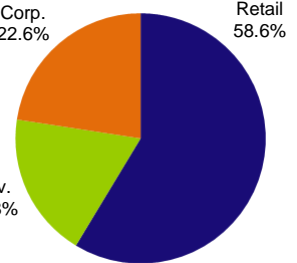
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Channel



3Q17

Corp.: Corporate
Gov.: Government



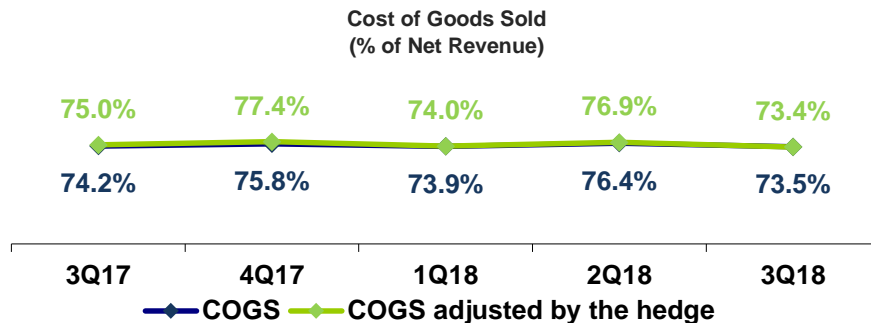
3Q18

4) FINANCIAL PERFORMANCE

4.1) COST OF GOODS SOLD (COGS) AND GROSS PROFIT

Cost of Goods Sold (R\$ million)				% Chg.				% Chg.
	3Q17	2Q18	3Q18	3Q18 x 3Q17	3Q18 x 2Q18	9H17	9H18	9H18 X 9H17
Inputs	(309.2)	(351.1)	(342.7)	10.8	-2.4	(908.2)	(992.6)	9.3
Depreciation and Amortization	(1.9)	(1.8)	(1.5)	-21.8	-17.1	(6.9)	(4.9)	-29.0
Other Costs	(12.5)	(17.5)	(16.1)	28.9	-8.2	(38.4)	(50.7)	31.9
Total	(323.5)	(370.4)	(360.2)	11.3	-2.7	(953.5)	(1,048.2)	9.9
Conciliation - adjusted COGS								
(+) Cash Effect of inputs hedging*	(3.4)	(2.6)	0.5	-114.5	-119.1	(14.0)	(2.6)	-81.3
Total adjusted	(327.0)	(373.0)	(359.7)	9.8	-3.6	(967.5)	(1,050.8)	8.6

* Refers to amounts received (or paid) by the Company in FX hedge instruments contracted to cover the dollarized inputs. These amounts are net of the exchange rate changes on US dollar invoices.



In the 3Q18, hedge-adjusted COGS accounted for 73.4% of consolidated net revenue, a decrease of 1.6 p.p. compared to the 3Q17.

Inputs

Hedge-adjusted raw materials and inputs accounted for 69.8% of net revenue in the 3Q18, a decrease of 1.7 p.p. compared to the 3Q17, reflecting the normalization between the foreign exchange rate and the pricing for the period.

The Company believes that the analysis of this line adjusted for the hedge and the exchange variation is the best way to understand the dynamics of the margins, given that pricing is established considering the contracted-hedge positions, which are required by internal policies.

Other Costs

Other costs accounted for 3.3% of net revenue in the 3Q18, an increase of 0.1 p.p. compared to the 3Q17.

Gross Profit

Gross profit reached R\$129.8 million in the 3Q18, accompanied by a gross margin of 26.5% (+0.7 p.p.). With the data adjusted for the hedge and the exchange variation, gross margin stood at 26.6% in the 3Q18 (+1.6 p.p.).

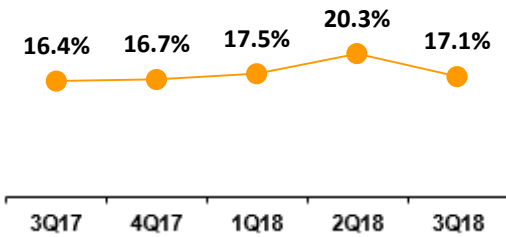
4.2) OPERATING EXPENSES

Operating Expenses (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
Selling Expenses	(71.8)	(98.6)	(83.6)	16.4	-15.2	(234.1)	(257.3)	9.9
General and Administrative Expenses	(25.5)	(28.3)	(27.5)	7.9	-2.9	(74.2)	(79.9)	7.7
Financial Result	(13.6)	(7.7)	(7.1)	-47.7	-7.2	(66.6)	(22.3)	-66.5
Other Revenue (Expenses)	0.6	6.4	(0.7)	-215.5	-110.4	1.2	5.7	371.8
Total	(110.4)	(128.2)	(118.9)	7.7	-7.2	(373.6)	(353.8)	322.9

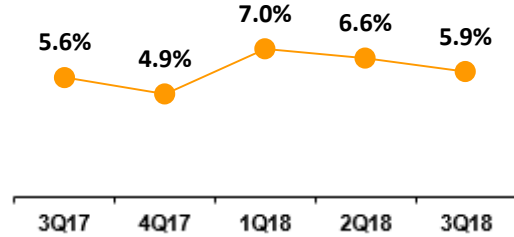
SELLING EXPENSES

Selling Expenses (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
Marketing	(24.7)	(31.8)	(29.0)	17.6	-8.8	(98.2)	(90.9)	-7.4
Tech. Assistance and Warranties	(19.7)	(27.2)	(25.2)	28.0	-7.4	(59.2)	(68.3)	15.5
Deprec. and Amortization	(0.9)	(0.6)	(0.4)	-53.3	-22.4	(2.7)	(1.6)	-39.8
Others	(26.5)	(39.0)	(29.0)	9.2	-25.6	(74.0)	(96.4)	30.3
Total	(71.8)	(98.6)	(83.6)	16.4	-15.2	(234.1)	(257.3)	9.9
% of Net Revenue	16.4	20.3	17.1	+0.6 p.p.	-3.3 p.p.	17.6	18.3	+0.7 p.p.

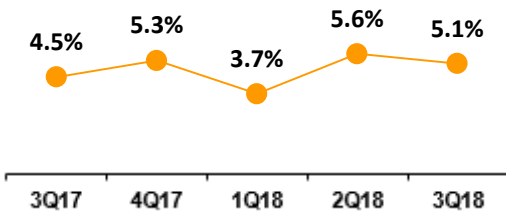
Selling Expenses
(% of Net Revenue)



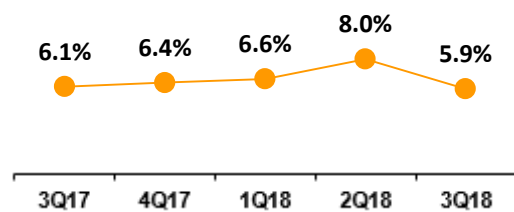
Marketing Expenses
(% of Net Revenue)



Technical Support and Warranty Expenses
(% of Net Revenue)



Other Selling Expenses
(% of Net Revenue)



Marketing

Marketing expenses totaled R\$ 29 million in the 3Q18, accounting for 5.9% of net revenue, an increase of 0.3 p.p., aligned with the 3Q17 results. Compared to the 2Q18, the decrease of 0.7 p.p. resulted from the lower discount expenses and marketing cooperation agreements entered into with retail customers.

Launching of the 2 A.M. brand

Positivo Tecnologia entered in the PCs gamer market by launching the 2 A.M. brand. In Brazil, this market represented a turnover of R\$ 5.5 billion in 2018 and has a growing audience, currently estimated at 75 thousand players, according to Newzoo.



Technical Support and Warranty

The technical support and warranty totaled R\$ 25.2 million in the 3Q18 and accounted for 5.1% of net revenue, an increase of 0.6 p.p. compared to the 3Q17. Such increase resulted from the increased sales of smartphones integrated with payment service devices, which represents an increase in accrued expenses.

G&A Expenses

In the 3Q18, G&A expenses totaled R\$27.5 million, an increase of 7.7% compared to the 3Q17. Excluding depreciation and amortization expenses, mandatory Research & Development (R&D) expenses and extraordinary items, G&A expenses totaled R\$10.9 million for the period, a decrease of 13.7%. Such decrease resulted mainly from the reorganization of the Company's administrative staff, in September, in order to obtain a more streamlined and efficient structure.

G&A Expenses (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9M17	9M18	% Chg. 9M18 X 9M17
Personnel and Management Compensation	(10.5)	(10.6)	(9.0)	-14.6	-15.4	(27.7)	(29.1)	4.9
Others	(2.1)	(2.1)	(1.9)	-9.5	-9.5	(4.4)	(4.8)	9.1
Subtotal - before non-recurring items, R&D expenses, depreciation and amortization	(12.6)	(12.7)	(10.9)	-13.7	-14.4	(32.1)	(33.9)	5.5
(+) Deprec. and amortization	(5.2)	(5.9)	(6.1)	17.9	4.1	(13.1)	(17.6)	34.5
(+) Research and Development - R&D	(5.0)	(5.9)	(6.9)	38.2	17.1	(23.4)	(20.4)	-12.8
(+) Non-recurring items	(2.7)	(3.8)	(3.6)	31.9	-6.3	(5.7)	(8.0)	41.2
Total	(25.5)	(28.3)	(27.5)	7.7	-2.9	(74.3)	(79.9)	7.6

FINANCIAL RESULTS

The finance costs in the 3Q18 totaled R\$ 7.1 million, an improvement of 47.7% compared to the 3Q17, mainly due to the exchange gains and lower debt costs.

The exchange rate account is represented by the sum of (i) the R\$ 39.5 million gain from hedge instruments; and (ii) the R\$ 28.8 million loss from the effect of the exchange rate fluctuation on outstanding liabilities in foreign currency.

The finance costs in the 3Q18 decreased by 7.7% compared to the 3Q17, aligned with the decrease in the Brazilian basic interest in the period. The finance income decreased by 46.2% in the period, mainly due to the lower adjustment to the customers' present value in the 3Q18, due to the sales decrease in the government market in the long term, combined with the CDI rate decrease, in addition to the lower average cash position between the periods.

Financial Result (R\$ million)				% Chg.	% Chg.	% Chg.		
	3Q17	2Q18	3Q18	3Q18 x 3Q17	3Q18 x 2Q18	9M17	9M18	9M18 X 9M17
Cash effect of raw material hedging	(3.4)	(2.6)	0.5	-114.5	-119.1	(14.0)	(2.6)	-81.3
Mark to market and other non-cash items	1.9	6.2	10.2	426.5	63.8	(5.8)	3.8	-25.7
Subtotal - Exchange rate (a)	(1.5)	3.6	10.7	-807.3	197.3	(19.8)	3.8	-120.9
Financial Revenue	17.2	16.0	9.2	-46.2	-42.2	51.7	39.5	-23.5
Financial Expenses	(29.3)	(27.3)	(27.1)	-7.7	-0.8	(98.5)	(76.3)	-22.5
Subtotal - Cost of debt and others (b)	(12.1)	(11.3)	(17.8)	46.8	58.0	(46.8)	(36.8)	-21.4
Total (a + b)	(13.6)	(7.7)	(7.1)	-47.7	-7.2	(66.6)	(15.2)	-71.4

4.3) NET INCOME (LOSS)

Net income totaled R\$11.8 million in the 3Q18, an increase compared to the R\$4.6 million recorded in the 3Q17. Such performance resulted from the margin recovery due to the pass-through to prices of the US dollar appreciation, as well as foreign exchange gains in the period.

In the accumulated for the year, the Company recorded profit of R\$2.2 million, reversing the loss of R\$1.8 million recorded between January and September 2017.

4.4) EBITDA

In the 3Q18, Adjusted EBITDA totaled R\$36.3 million, an increase of 18.7% compared to the 3Q17, with EBITDA margin of 7.4% (+0.4 p.p.). On the year accumulated, EBITDA totaled R\$ 67.3 million, a decrease of 30.9%, mainly due to the low performance in the 2Q18, which was impacted by the US dollar appreciation and increase in input costs.

EBITDA (R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18 x 3Q17	% Chg. 3Q18 x 2Q18	9H17	9H18	% Chg. 9H18 X 9H17
Net Income (Loss)	4.6	(11.6)	11.8	155.9	-198.1	(1.8)	2.2	-222.6
Deprec. and Amortization	(8.1)	(8.3)	(8.1)	0.7	2.2	(23.0)	(24.4)	5.9
Financial Result	(13.6)	(7.7)	(7.1)	-47.7	7.7	(66.6)	(22.3)	-66.5
Equity Income	2.1	1.9	0.9	-56.5	100.2	(0.5)	(0.6)	26.5
IR e Social Contribution	(0.0)	0.0	0.0	-100.0	N/A	(0.3)	0.0	-100.0
EBITDA	24.2	2.5	26.2	7.9	-90.4	88.6	49.5	-44.2
EBITDA Margin (%)	5.5	0.5	5.4	-3.5 p.p.	-90.3 p.p.	6.7	3.5	-3.3 p.p.

Conciliation of Adjusted EBITDA								
EBITDA	24.2	2.5	26.2	8.2	943.4	88.6	49.5	-44.2
(1) Cash Effect of raw material hedging	(3.4)	(2.6)	0.5	-114.7	-119.1	(14.0)	(2.6)	-81.4
(2) EBITDA Joint Ventures (50%)	9.7	8.0	6.0	-38.1	-25.0	17.3	16.8	-2.9
(3) Extraordinary Costs	0.0	0.0	3.6	N/A	N/A	5.4	3.6	-33.3
Adjusted EBITDA	30.5	7.9	36.3	18.7	360.3	97.3	67.3	-30.9
Adjusted EBITDA margin (%)	7.0	1.6	7.4	+0.4 p.p.	+5.8 p.p.	7.3	4.8	-2.6 p.p.

Multiple			
Net Debt - end of the period	245.6	207.4	265.8
Adjusted EBITDA - LTM	131.3	84.8	90.1
Net Debt Multiple / Adjusted EBITDA	1.9x	2.4x	2.9x

The items used in the calculation of Adjusted EBITDA are presented as follows:

- 1) Cash input hedge effect: corresponds to the amounts received (or paid) by the Company in exchange hedge instruments contracted to cover inputs in US dollars. These amounts are net of the exchange variation on US dollar invoices. Since they are fully linked to inputs, the Company considers this as an operational result.
- 2) Positivo BGH Joint Venture EBITDA: refers to half of the EBITDA of Positivo BGH's joint venture operations in Argentina, Rwanda and Kenya, where the Company's stake in these companies totals 50%. We have disclosed this adjustment since the 1Q13 due to the introduction of accounting regulations that began to account for joint ventures under the equity method, which is excluded from the traditional calculation of EBITDA.
- 3) Extraordinary terminations: as part of the Company's strategy to control the expenses over the last years and, for purposes of efficiency gains, in the 3Q18, the Company reduced the fixed costs, which resulted in extraordinary termination expenses.

5) WORKING CAPITAL

Working capital, composed of inventories, advances, trade receivables and trade payables, totaled R\$ 414 million in the 3Q18, an increase of R\$ 39.3 million compared to the 2Q18. The main variation was recorded in inventories and advances, due to the inventory increase as a result of the lower delivery volume in the government market, which deliveries will be postponed to the 4Q18 due to the election period, as well as the common seasonality in the retail market before the Black Friday and Christmas.

Working Capital WITH Materials in Transit (R\$ Million - end of period)	3Q17	4Q17	1Q18	2Q18	3Q18	Avg.
Accounts Receivable	329.9	276.5	247.5	250.8	254.4	251
Inventories + Advances	550.2	553.6	656.5	695.9	731.3	695
Suppliers	(401.3)	(486.1)	(505.9)	(572.0)	(573.6)	(550)
Working Capital	478.7	343.9	398.1	374.7	412.2	386

Working Capital WITHOUT Materials in Transit (in days – end of period)	3Q17	4Q17	1Q18	2Q18	3Q18	Avg.
Accounts Receivable(1)	69	52	52	47	47	48
Inventories + Advances(2)	132	113	133	144	138	139
Suppliers(2)	(104)	(108)	(111)	(129)	(117)	(119)
Cash Conversion Cycle	97	57	74	61	68	68

(1) In days of net revenue

(2) In days of COGS

6) CASH FLOW AND NET DEBT

Cash Flow (R\$ million)	3Q17	2Q18	3Q18	9H17	9H18
Net Income (Loss) in the Period	4.6	(11.6)	11.8	(1.8)	2.2
(+) Depreciation and amortization	8.1	8.3	8.2	23.1	24.4
(+) Equity Income	3.1	(1.9)	(0.9)	0.5	0.6
Internal Cash Flow	15.9	(5.2)	19.1	21.8	27.2
(+) Working capital	33.5	(15.7)	(14.3)	(12.9)	(148.8)
(+) Other assets and liabilities	(42.5)	57.5	(55.0)	(6.2)	(5.9)
Operating Cash Flow	6.8	36.7	(50.2)	2.7	(127.5)
(+) Investments	(11.8)	(5.9)	(8.2)	(29.2)	1.5
(+) Dividends	0.0	0.0	0.0	0.0	0.0
(+) Treasury shares	0.1	0.1	0.1	1.0	0.3
Increase (Decrease) in Net Debt	4.9	(30.9)	58.3	25.5	125.7
Net Debt (Cash) - Beginning of the Period	240.7	238.3	207.5	220.2	140.1
Net Debt (Cash) - End of the Period	245.6	207.5	265.8	245.6	265.8

7) INVESTMENTS

Investments totaled R\$6.9 million in the 3Q18, mostly related to R&D activities. There were no significant investments in fixed assets in the period.

8) CAPITAL MARKETS

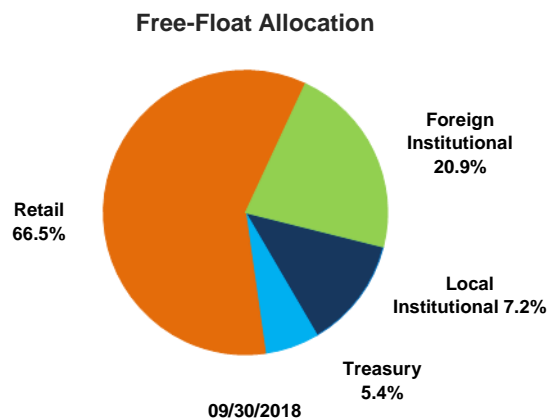
Share Performance

Positivo Tecnologia's shares closed the 3Q18 at R\$2.08, equivalent to a market value of R\$182.6 million. POSI3's performance in the 3Q18 is broken down below.

Parameters	3Q18
Closing Price (R\$)	2.08
Minimum Price (R\$)	2.08
Maximum Price (R\$)	2.12
POSI3 Appreciation	-10.3%
Ibovespa Appreciation	9.0%

Allocation of Outstanding Shares

On September 30, 2018, the Company had 7.4 thousand individuals in its shareholding base, holding 66.9% of the outstanding shares. Institutional investors held 28.1% of the free-float, as presented below:



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3Q18 Conference Call

Tuesday, November 13, 2018

> Portuguese

10:30 a.m. (Brasília)
11:30 a.m. (US EST)
Calls originating in Brazil: (11) 2188-0155
Code: Positivo

> English

11:30 a.m. (Brasília)
08:30 p.m. (US EST)
Calls originating in the United States: 1 (844) 802-0463
Calls originating in other countries: 1 (412) 317-6396
Code: Positivo

Founded in 1989, Positivo Tecnologia (B3: POSI3) is present both in Brazil and abroad, and offers the most advanced technology solutions, from the production of computers to the development of educational tools. The Company operates through two business divisions: Hardware and Educational Technology. The Hardware division portfolio offers a complete line of personal computers (desktops and notebooks), tablets and mobile phones. In order to provide support for all of its activities, it maintains a technical support network covering every Brazilian city, as well as the CRP (Positivo Relationship Center). In the Educational Technology segment, Positivo Tecnologia is renowned for being at the forefront of development and for the high quality of its technological solutions in the three segments in which it operates: Private Education, Public Education, and Retail. Positivo Tecnologia's educational solutions are present in more than 14,000 schools and are exported to more than 40 countries. Positivo Tecnologia on the Internet: www.positivotecnologia.com.br/ri

Some of the information contained herein is based on the current premises and outlook of the Company's management and could give rise to material changes to future results, performance and events. Actual results, performance and events may differ materially from those expressed or implied by such statements, as a result of several factors, such as general and economic conditions in Brazil and other countries; FX and interest rate levels, changes to laws and regulations, and overall competitive factors (on a global, regional or national basis).

INCOME STATEMENT								
(R\$ million)	3Q17	2Q18	3Q18	% Chg. 3Q18x3Q17	% Chg. 3Q18x2Q18	9H17	9H18	% Chg. 9H18x9H17
NET SALES REVENUE	437,165	485,111	490,001	12.1	1.0	1,326,160	1,404,770	5.9
COST OF GOODS SOLD AND SERVICES RENDERED	(324,288)	(370,421)	(360,213)	11.1	-2.8	(953,479)	(1,048,152)	9.9
GROSS PROFIT	112,877	114,690	129,788	15.0	13.2	372,682	356,619	-4.3
OPERATING (EXPENSE) INCOME								
Selling Expenses	(71,835)	(98,571)	(83,630)	16.4	-15.2	(234,051)	(257,303)	9.9
General and Administrative Expenses	(25,453)	(28,293)	(27,470)	7.9	-2.9	(74,216)	(79,932)	7.7
Financial Income	17,191	15,999	9,242	-46.2	-42.2	51,688	39,540	-23.5
Financial Expenses	(29,334)	(27,271)	(27,051)	-7.8	-0.8	(98,505)	(76,303)	-22.5
Monetary and Foreign Exchange Variations	(1,497)	3,591	10,681	813.5	197.4	(19,750)	14,480	-173.3
Other net operating income (expenses)	575	6,373	(664)	-215.5	-110.4	1,210	5,712	372.1
	(110,353)	(128,172)	(118,892)	7.7	-7.2	(373,624)	(353,806)	-5.3
EQUITY INCOME	2,147	1,872	935	-56.5	-50.1	(498)	(630)	26.5
OPERATING INCOME	4,671	(11,610)	11,831	-153.3	-201.9	(1,441)	2,183	-251.5
NET INCOME BEFORE TAXES	4,671	(11,610)	11,831	-153.3	-201.9	(1,441)	2,183	-251.5
Provision for Income Taxes	(48)	0	0	0.0	0.0	(340)	0	-100.0
Provision for Social Contribution	0	0	0	0.0	0.0	0	0	N/A
Deferred Income Taxes and Social Contribution	0	0	0	0.0	0.0	0	0	N/A
NET INCOME (LOSS)	4,623	(11,610)	11,831	-155.9	-201.9	(1,781)	2,183	-222.6

BALANCE SHEET (R\$ thousand)								
ASSETS	09/30/2018	06/30/2018	09/30/2017	LIABILITIES	09/30/2018	06/30/2018	09/30/2017	
CURRENT ASSETS				CURRENT LIABILITIES				
Cash and Cash Equivalents	279,788	303,596	387,619	Loans and Financing	492,935	463,740	497,945	
Receivables	254,378	250,702	328,167	Suppliers	573,557	572,013	401,314	
Inventories	661,885	630,325	496,209	Accrued Payroll	24,625	25,030	30,334	
Recoverable taxes	149,567	163,498	88,217	Provisions	84,538	85,076	73,414	
Advances	69,423	65,591	47,033	Taxes Payables	26,948	29,710	14,430	
Financial Instrument Balance	-	-	-	Dividends Payable	3	3	2,212	
Related parties	75,411	77,354	1,138	Deferred Revenue	10,115	10,115	9,806	
Other Credits	22,273	12,426	10,362	Financial Instrument Balance	-	-	27,616	
	29,373	46,018	29,229	Related parties	1,560	1,680	2,055	
				Other Payables	4,257	51,065	2,701	
Total Current Assets	1,542,098	1,549,510	1,387,974	Total Current Liabilities	1,218,538	1,238,432	1,061,827	
NON CURRENT ASSETS				NON CURRENT LIABILITIES				
Long term Assets	184,755	149,458	205,341	Long term Liabilities	149,340	136,590	151,025	
Recoverable taxes	75,518	75,561	117,901	Loans and Financing	100,502	87,163	107,704	
Deferred Taxes	66,731	66,731	69,955	Provisions	11,173	11,173	7,609	
Receivables	28	84	1,727	Provisions for Contingencies	33,579	33,741	32,697	
Other Credits	42,478	7,082	15,758	Net capital deficiency in subsidiaries	-	-	-	
Investments - Joint Venture	8,551	-	-	Other Payables	460	460	459	
Net Property, Plant & Equipment	40,299	55,244	60,242		3,626	4,053	2,556	
Net Intangible Assets	52,695	54,310	56,759					
	59,548	60,949	58,078					
Total Noncurrent Liabilities	345,848	319,961	380,420	Total Noncurrent Liabilities	149,340	136,590	151,025	
SHAREHOLDERS' EQUITY								
				Capital	-	-	-	
				Capital Reserve	389,000	389,000	389,000	
				Income Reserve	185,701	173,587	232,392	
				Treasury Shares	(20,242)	(20,242)	(24,531)	
				Cumulative translation adjustment	(34,391)	(47,896)	(41,319)	
				Total Shareholders' Equity	520,068	494,449	555,542	
TOTAL ASSETS	1,887,946	1,869,471	1,768,394	TOTAL LIABILITIES	1,887,946	1,869,471	1,768,394	