

**MRS Logística S.A.**

---

# **Press Release**

**3Q19 and 9M19**

**Results**



## Key Highlights

- Transported volume during 9M19 in General Cargo amounted to 44.3 million tons, 8.2% higher versus 9M18. This result sets a record in the General Cargo group.
- As a highlight in General Cargo segment, transportation of products classified as Civil Construction grew 27.9% versus 3Q18. We also recorded a positive performance in containers, with a 18.5% growth in 3Q19, as compared to the same period of the previous year and 10.8% in Steel Products.
- EBITDA in 3Q19 compared to 3Q18 showed a 37.8% expansion, amounting to R\$ 597.5 million. In turn, Net Profit reached R\$ 181.0 million, reflecting 10.0% increase as compared to the same quarter of last year. This result was fueled by the provision of take-or-pay clauses in the Company's long-term agreements.
- Financial leverage indicator, measured by the Net Debt/EBITDA ratio, reached its best quarterly level since 2010, closing 3Q19 at 1.06x.

Main Outcomes	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Transported Volume (TU million)	39,288	47,273	-16.9%	36,708	7.0%	113,358	128,041	-11.5%
Mining	22,580	31,502	-28.3%	22,006	2.6%	69,016	87,061	-20.7%
General Cargo	16,708	15,771	5.9%	14,702	13.6%	44,342	40,980	8.2%
Net Revenues (R\$ million)	856,5	1,001.6	-14.5%	815.6	5.0%	2,499,1	2,733.8	-8.6%
Net Average Tariff (R\$/ton)	21,8	21.2	2.8%	22.2	-1.9%	22,0	21.4	3.3%
Ajusted EBITDA (R\$ million)	597,5	433.5	47.7%	472.9	35.4%	1,554,7	1,147.2	39.3%
Ajusted Net Profit (R\$ million)	181,0	164.6	37.1%	119.4	89.0%	416,2	377.1	22.2%
Net Debt/EBITDA <sup>1</sup> (x)	1,06x	1.36x	-0.32x	1.23x	-0.20x	1.06x	1.36x	-0,30x

<sup>1</sup> EBITDA accumulated over the past 12 months

<sup>2</sup> Recurring EBITDA (used to calculate covenants) was detailed in the debt chapter of this release

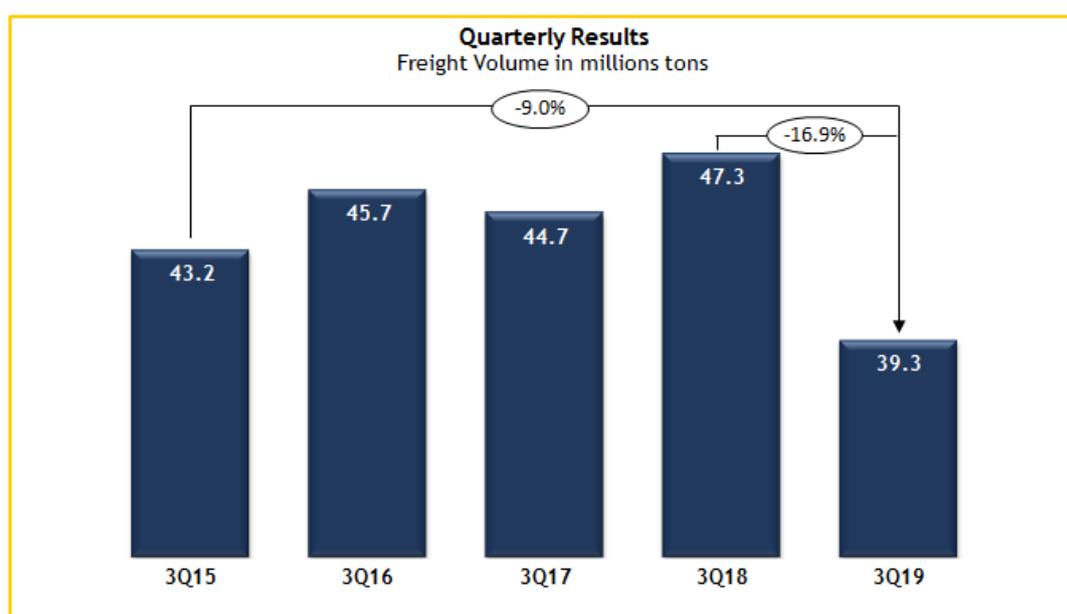
Rio de Janeiro, November 11, 2019 - MRS Logística S.A. announces its 3Q19 and 9M19 results. Comparisons refer to the same period of 2018 and 2Q19 and 9M18 results, as indicated. Information directly extracted from the Balance Sheet and the Income Statement was duly reviewed by independent auditors, except for non-financial information.

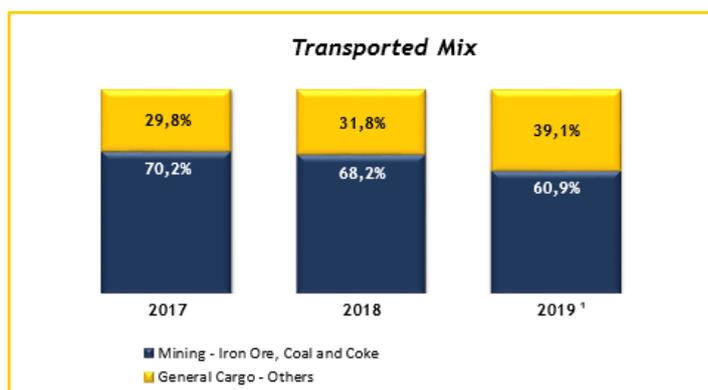
## OPERATING RESULTS

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
<b>Mining</b>	<b>22,580</b>	<b>31,502</b>	<b>-28.3%</b>	<b>22,006</b>	<b>2.6%</b>	<b>69,016</b>	<b>87,061</b>	<b>-20.7%</b>
Iron One	22,092	30,736	-28.1%	21,323	3.6%	67,207	84,688	-20.6%
Export	19,918	27,251	-26.9%	18,530	7.5%	59,049	73,862	-20.1%
Domestic Market	2,174	3,485	-37.6%	2,793	-22.2%	8,158	10,826	-24.6%
Coal and Coke	488	766	-36.3%	683	-28.6%	1,809	2,373	-23.8%
<b>General Cargo</b>	<b>16,708</b>	<b>15,771</b>	<b>5.9%</b>	<b>14,702</b>	<b>13.6%</b>	<b>44,342</b>	<b>40,980</b>	<b>8.2%</b>
Agricultural Products	11,371	10,896	4.4%	9,419	20.7%	28,852	27,703	4.1%
Steel Products	1,845	1,665	10.8%	1,758	4.9%	5,458	4,991	9.4%
Container	634	535	18.5%	595	6.6%	1,774	1,420	25.0%
Civil Construction	563	440	27.9%	533	5.6%	1,537	1,227	25.2%
Others	2,296	2,235	2.7%	2,397	-4.2%	6,721	5,639	19.2%
<b>Total</b>	<b>39,288</b>	<b>47,273</b>	<b>-16.9%</b>	<b>36,708</b>	<b>7.0%</b>	<b>113,358</b>	<b>128,041</b>	<b>-11.5%</b>

Total volume transported by the Company in 3Q19 amounted to 39.3 million tons (Mt), a 7.0% increase over the second quarter of this year. As compared to 2018, the decline in the total volume transported was mainly due to the dam break in Brumadinho (MG) - Jan / 2019 - and its consequences. Despite the unfavorable impact, MRS remains committed to boosting volumes with regular customers.

General Cargo result sets an all-time-high in the period between January and September, amounting to 44.3 million tons, 8.2% higher as compared to 9M18. Moreover, the figures achieved by this group in 3Q19 are the best for a third quarter, reaching 16.7 Mt, 13.6% higher versus 2Q19.





Year-to-date, 2019 volume in General Cargo Group reached 39.1% share of total volume transported, representing the highest percentage ever recorded in the segment, strengthening its contribution to the total volume transported by MRS. This performance reflects, particularly, the Company's efforts to foster General Cargo transported

volumes. Mining Group ended the period with a 60.9% share in the volume transported in the same period.

## MINING

Mining segment (including ore, coal and coke) amounted to 22.6 Mt in 3Q19, corresponding to a 2.6% increase versus 2Q19, reflecting the beginning of the process of the operation resumption of a major Company's customer, after the event in Brumadinho (MG).

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
<b>Mining</b>	<b>22,580</b>	<b>31,503</b>	<b>-28.3%</b>	<b>22,005</b>	<b>2.6%</b>	<b>69,016</b>	<b>87,061</b>	<b>-20.7%</b>
Iron Ore - Export	19,918	27,251	-26.9%	18,530	7.5%	59,049	73,862	-20.1%
Iron Ore - Domestic Market	2,174	3,485	-37.6%	2,793	-22.2%	8,158	10,826	-24.6%
Coal and Coke	488	766	-36.3%	683	-28.6%	1,809	2,373	-23.8%
Subtotal - Iron Ore	22,092	30,736	-28.1%	21,323	3.6%	67,207	84,688	-20.6%
Subtotal - Domestic Market	2,662	4,251	-37.4%	3,476	-23.4%	9,967	13,199	-24.5%

### Iron Ore - Export

In the third quarter of 2019, iron ore volume destined for export increased 7.5%, when compared to the immediately previous period. The segment totaled 19.9Mt transported in 3Q19.

The Company recorded 59.0 Mt transported in 9M19, a 20.1% decrease as compared to the same period of previous year, explained by the impediments for the operation in some mines of Company's relevant customers.

### Iron Ore, Coal and Coke - Domestic Market

Mining Group's transportation to the domestic market in 9M19, considering volumes of iron ore, coal and coke, showed a 24.5% decline versus 9M18, closing at 10 Mt.

The steel industry has been adopting a strategy of replacing iron ore as the main raw material for the production process, directly impacting the domestic market. The reductions in transported volume are also related to occurrences in the mining market, due to the aforementioned events, and also due to a maintenance stoppage of the blast furnace at an important Company's customer.

## GENERAL CARGO

In 9M19, transported volume in General Cargo (other products not covered by the Mining group), which includes transportation by MRS and further railways, through track rights payment, recorded an 8.2% growth as compared to 9M18, reaching 44.3Mt. Comparing 3Q19 versus 2Q19, this means an increase of 13.6%.

The Company monitors new business partnerships on a regular basis. Reflecting this effort, we achieved the best performance in this segment in recent years, with advances in movement to both Rio de Janeiro and Santos ports, as a result of the extension of service to traditional clients, new partnerships and new customers.

### Agricultural products

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Agricultural Products	11,371	10,896	4.4%	9.419	20.7%	28.852	27.703	4.1%
Corn	7,232	5,166	40.0%	1.330	443.8%	9.119	5.894	54.7%
Sugar	2,491	2,782	-10.4%	2.166	15.0%	5.988	6.729	-11.0%
Soy	495	1,938	-74.5%	4.528	-89.1%	10.143	11.950	-15.1%
Soybean Meal	1,153	1,010	14.2%	1.396	-17.4%	3.602	3.129	15.1%

The volume of own and third-party agricultural products (through track rights payment) amounted to 11.4 million tons in 3Q19, 20.7% higher than 2Q19. This result is mainly explained by the good performance of the cargoes from other railways that transit through the Company's network using the track rights payment.

Among those commodities transported, corn stands out, with a significant increase compared to 3Q18, corresponding to a total amount of 7.2 Mt transported. When comparing 9M19 versus 9M18, corn transportation growth reached 3.2 million tons transported, representing a 54.7% increase.

The current scenario of record corn crop and an improvement in the international price of this commodity have fueled the growth in production flow as compared to previous years. At this point, the percentage breakdown of the volume transported between domestic consumption and exports is 12.6% and 87.4%, respectively, considering own cargo and other railways. Although domestic market share is lower compared to exports, the growth recorded in recent years is expressive.

### Steel Products

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Steel Products	1,845	1,665	10.8%	1,758	4.9%	5,458	4,991	9.4%

In 3Q19, MRS transported 1.9 Mt of steel products, a 10.8% increase versus 3Q18.

The industry's thriving result represents the best figure for this segment in the Company when comparing the nine-month period. In 9M19, MRS transported 5.5 Mt of Steel Products, as a result of the increase in slabs transported to service some customers' operations, volume leverage on new routes and development of inter-plant transportation for some customers.

Comparing results for the nine-month periods of the last three years, there was a decline in the volume of exports, accounting for a decreasing share in the category as a whole. On the other hand, the Company constantly seeks strategies to offset for the imbalance in relation to the domestic market volume, which can be verified in the favorable results of the segment, namely, in 9M17 (4.5 Mt), 9M18 (5.0 Mt) and 9M19 (5.5 Mt).

### Containers

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Containers	634	535	18.5%	595	6.6%	1,774	1,420	25.0%

Container transportation remains with positive performance, amounting to 0.6 million tons transported in 3Q19, 18.5% higher than 3Q18, considering other railways track rights payment.

Rail modal provides great operational predictability for customers, showcasing MRS's strengthening and consolidation in this type of logistics solution, through negotiations with new customers and routes, supported by an efficient operating model and now serving several flows in the main economic centers of the Southeast region of the country.

Container segment also achieved its best performance in the nine-month period of 2019, reaching 1.8 Mt. The following contributed to this result: (i) the leverage of new volumes/customers, through Santos - Jundiaí route, corresponding to a 23.6% growth, representing 51.7 thousand tons; (ii) the growth in RJ-BH route, mainly related to an increase in volume transported with the ship-owners and partner logistics operators, in addition to the start-up of the new cargo terminal in Itutinga/MG, corresponding to a 21.4% gain, equivalent to 51.4 thousand tons; and (iii) the positive results achieved in other routes due to enhanced planning with customers, increasing productivity without the need for new investments in well-established routes.

### Civil Construction

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Civil Construction	563	440	27.9%	533	5.6%	1,537	1,227	25.2%

Results from products related to Civil Construction (sand, cement, blast furnace slag) remained positive and ended 9M19 with a total of 1.5 Mt transported, representing a 25.2% growth when compared to the same period of 2018.

The good performance is due to the Company's strategy in prospecting new customers, renegotiating non-operating routes, improving operating performance and the increased share with current customers.

#### Others

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
Others	2,296	2,235	2.7%	2,397	-4.2%	6,721	5,639	19.2%

Other products amounted to 6.7 Mt. The group, comprising several cargoes (chemicals, pig iron, fertilizers, pulp, among others), reported a 19.2% growth when comparing the nine-month period in 2019 and 2018.

The following contributed to this result: (i) the transportation of chemicals from other railways to serve domestic market; (ii) transportation of pig iron for exports with 93.2% increase over the same nine-month period. This growth may be explained by the pig iron price in foreign market and favorable exchange rate, combined with the reduction of this product sales in the domestic market; and (iii) the transportation of fertilizers from other railways, with significant growth, on a nine-month basis.

## ECONOMIC AND FINANCIAL RESULTS

Quarterly Results	3Q19	3Q18	3Q19 x 3Q18	2Q19	3Q19 x 2Q19	9M19	9M18	9M19 x 9M18
Gross Revenues (R\$ million)	927.0	1,094.0	-15.3%	887.3	4.5%	2,711.3	2,997.6	-9.5%
Gross Average Tariff (R\$/ton)	26.6	23.1	2.1%	24.2	-2.4%	24.0	23.4	2.3%
Net Revenues (R\$ million)	856.5	1,001.6	-14.5%	815.6	5.0%	2,499.1	2,733.8	-8.6%
Net Average Tariff (R\$/ton)	21.8	21.2	2.8%	22.2	-1.9%	22.0	21.4	3.3%
Adjusted EBITDA <sup>1</sup> (R\$ million)	597.5	433.5	47.7%	472.9	35.4%	1,597.6	1,147.2	39.3%
Adjusted EBITDA Margin <sup>1</sup> (%)	69.8%	43.3%	31.5pp	58.0%	16.8pp	63.9%	42.0%	21.9pp
Adjusted Net Profit <sup>1</sup> (R\$ million)	181.0	164.6	37.1%	119.4	89.0%	460.9	377.1	22.2%
Net Debt/EBITDA <sup>1</sup> (x)	1.06x	1.36x	-0.32x	1.23x	-0.20x	1.04x	1.36x	-0.24x

<sup>1</sup>EBITDA accumulated over the past 12 months. The covenant adopted towards some creditors was detailed in the debt chapter of this release

### NET REVENUES

In 3Q19, the Company registered Net Revenue of R\$ 856.5 million, reflecting a 5.0% increase versus the immediately previous quarter.

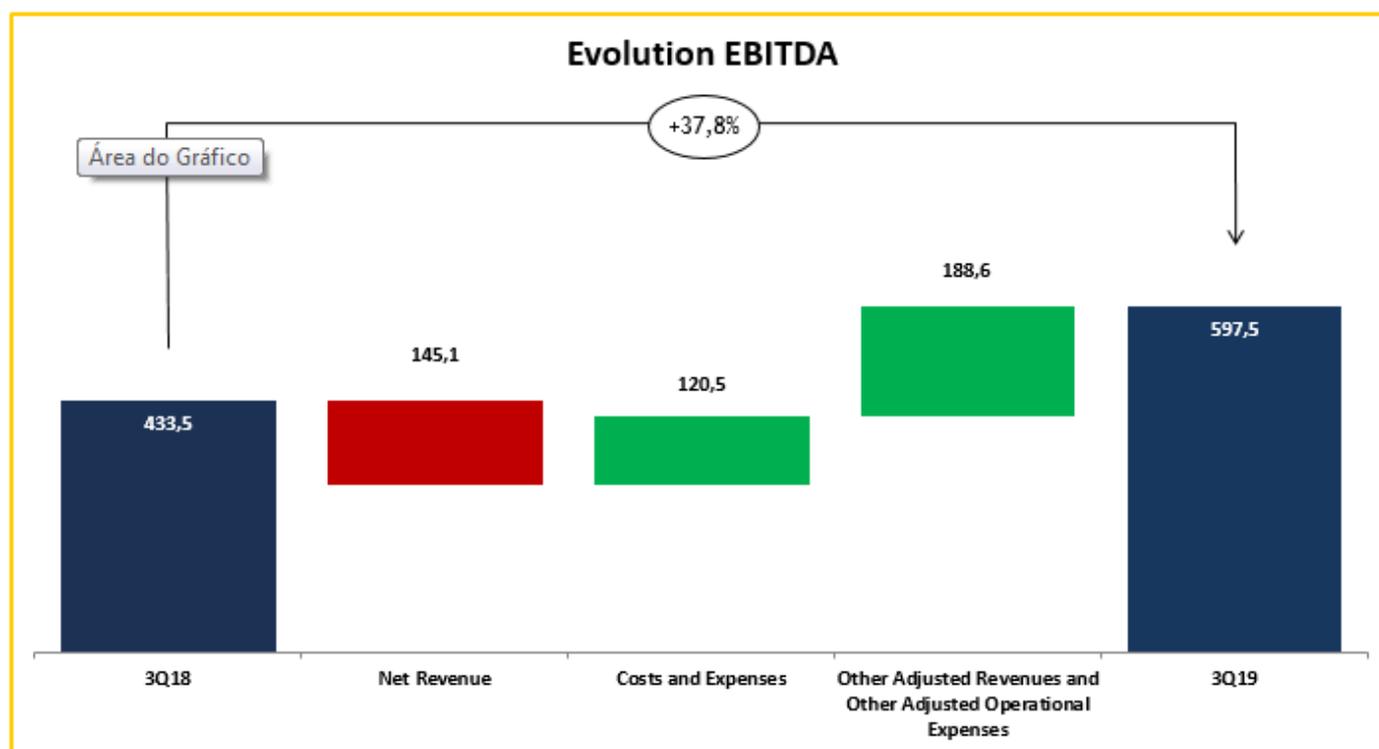
Due to the fall in performance of transported volume, mainly as a result of the circumstances of the dam break in Brumadinho (MG), we once again reinforce the contribution of the General Cargo segment (other products not covered by the Mining group)

to the total transported volume, with continuous growth, reaching 39.1% in 9M19 versus 32.0% in 9M18. This result supports the Company's strategy of diversifying the cargo transported.

## EBITDA

The Company recorded EBITDA in the amount of R\$ 597.5 million, 37.8% increase versus 3Q18 EBITDA, highlighting the following changes:

- Net Revenue showed a R\$ 145.1 million decrease, impacted by the decline in the volume transported by the Company, mainly in Mining Segment;
- Costs and expenses decreased R\$ 120.5 million leading to a favorable impact on the result. The main reasons were the adoption of accounting standard CPC06-R2/IFRS16, reallocating costs of some operating lease agreements, lower fuel consumption, linked to the decrease in transported volume in 3Q19 and the effort aimed at resizing and reducing expenses; and
- In Other Operating Revenues and Expenses, we had a positive influence on EBITDA in the amount of R\$ 188.7 million. This increase is mainly due to the provision of clauses set forth in the Company's long-term agreements (take-or-pay) as a result of the volume reduction by a relevant Company's customer. The impact was partially reduced by legal provisions in the labor scope.



## INDEBTEDNESS

Company's Gross Debt in 3Q19 remained flat as compared to the immediately previous period, closing at R\$ 3,072.0 million. This result may be explained by the non-occurrence of funding throughout the quarter.

Financial leverage indicator, measured by the Net Debt/EBITDA LTM ratio, decreased from 1.23x to 1.06x when comparing 2018 and 2019 quarters, representing its best quarterly result

in the last 10 years, reflecting the sustainable focus, robust EBITDA generation and low indebtedness.

In R\$ Millions	3Q19	3Q18	2Q19	3Q19 x 3Q18	3Q19 x 2Q19
<b>Gross Debt<sup>1</sup></b>	<b>3,072.0</b>	<b>2,454.6</b>	<b>3,181.8</b>	<b>30.1%</b>	<b>0.4%</b>
Gross Debt in Reais	2,513.3	1,829.1	2,575.5	38.9%	-1.3%
Gross Debt in US\$ <sup>2</sup>	558.7	625.0	606.3	4.4%	7.6%
<b>Cash<sup>3</sup></b>	<b>1,023.8</b>	<b>495.7</b>	<b>920.7</b>	<b>106.5%</b>	<b>11.2%</b>
<b>Net Debt</b>	<b>2,066.1</b>	<b>1,958.9</b>	<b>2,203.0</b>	<b>5.5%</b>	<b>-6.2%</b>
<b>EBITDA<sup>4</sup></b>	<b>1,950.7</b>	<b>1,445.6</b>	<b>1,786.7</b>	<b>37.9%</b>	<b>11.6%</b>
<b>Net Debt/EBITDA (x)<sup>4</sup></b>	<b>1.06x</b>	<b>1.36x</b>	<b>1.23x</b>	<b>-0.30x</b>	<b>-0.30x</b>

<sup>1</sup> The difference in relation to the sum of the Lines of Loans and Financing (Balance Sheet) corresponds to the Transaction Costs.

<sup>2</sup> Incorporates the fair value of derivative instruments.

<sup>3</sup> Includes restricted cash.

<sup>4</sup> EBITDA accumulated in the last 12 months (unadjusted result, that is, considering non-recurring events)

The table below shows the Recurring EBITDA reconciliations used to calculate covenants.

Reconciliation EBITDA (R\$ million)	3Q19	3Q18	3Q19 x 3Q18	2019 <sup>1</sup>	2018 <sup>1</sup>	2019 x 2018
<b>Net Income for the Year</b>	<b>181.0</b>	<b>164.6</b>	<b>37.1%</b>	<b>560.8</b>	<b>521.6</b>	<b>16.1%</b>
(+) Taxes on Profit	92.4	81.3	-	283.0	262.8	-
(+) Depreciation and Amortization	230.8	151.9	-	840.4	604.6	-
(-) Depreciation - Right of Use (lease agreements)	(65.4)	-	-	(201.2)	-	-
(+) Net Financial Result	93.3	35.7	-	266.6	154.3	-
(-) Financial Charges AVP (lease contracts)	(39.3)	-	-	(120.8)	-	-
<b>(=) EBITDA<sup>2</sup></b>	<b>492.8</b>	<b>433.5</b>	<b>23,6%</b>	<b>1,628.7</b>	<b>1,543.2</b>	<b>5.5%</b>

<sup>1</sup> Accumulated over the past 12 months

<sup>2</sup> More restrictive condition assumed with creditors

## NET PROFIT

Net Profit in third quarter 2019 amounted to R\$ 181.0 million, 10.0% increase versus 3Q18. The result represents the Company's best operating performance, and comprises improved General Cargo performance, better cost management and provision of contractual clauses contained in the Company's long-term agreements (Take-or-Pay).

## CASH FLOW

The Company ended 9M19 with R\$ 1,021.8 million in cash and cash equivalents, with positive cash generation in the amount of R\$ 745.2 million versus R\$ 4.5 million recorded in 9M18. This change was influenced by the broadened funding in the period, bilateral, Debentures and BNDES. In the period, the redemption of investments linked to some financing agreements with BNDES in 2019 compared to 2018, have naturally influenced the performance assessed.

Statement of Cash Flow - R\$ Million	9M19	9M18
<b>Cash at beginning of period</b>	<b>276,7</b>	<b>422.8</b>
<b>Net Income before IR and CSLL</b>	<b>631,8</b>	<b>572.4</b>
Depreciation and Amortization	684,8	449.0
Monetary/Foreign Exchange Variation and Financial Charges	292,4	138.8
Residual Value of Fixed Assets / Invest. Allowed	40,4	11.5
Deferred taxes	43,3	-
Others	85,7	26.0
<b>Net Income cash basis</b>	<b>1.778,4</b>	<b>1,197.7</b>
<b>Changes in assets and liabilities</b>	<b>(857,3)</b>	<b>(321.9)</b>
Accounts Receivable and Related Parties	(412,3)	74.8
Stocks	(17,5)	(8.6)
Restricted Cash	67,9	2.0
Taxes Recoverable	14,8	(5.9)
Providers	(13,7)	(35.2)
Tax liabilities	(7,0)	(3.0)
Taxes on profit	(230,9)	(234.1)
Social and Labor Obligations	(24,9)	(16.4)
Payment of interest on loans and financing	(101,8)	(95.2)
Payment of interest on rights of use	(120,7)	-
Others	(11,2)	(0.3)
<b>Net cash provided by operating activities</b>	<b>921,1</b>	<b>875.8</b>
Immobilized		(547.7)
Intangible	(495,9)	(8.6)
Proceeds from the sale of property, plant and equipment	(7,7)	0.4
	1,8	
<b>Investment activities</b>		<b>(555.8)</b>
	<b>(501,8)</b>	
Borrowing and financing		207.0
Debentures	280,5	-
Payments	650,0	(518.5)
Rights of use	(443,4)	(3.9)
Paid dividends	(161,1)	(0.0)
<b>Financing activities</b>	<b>(0,0)</b>	<b>(315.4)</b>
<b>Cash at end of period</b>	<b>325,9</b>	<b>427.3</b>
<b>Cash flow</b>	<b>1.021,8</b>	<b>4.5</b>

## **Investor Relations**

### **General Finance Manager**

Douglas Coutinho

Email: [douglas.coutinho@mrs.com.br](mailto:douglas.coutinho@mrs.com.br)

### **Financial Operations and Investor Relations Manager**

Diogo Rocha

Email: [diogo.rocha@mrs.com.br](mailto:diogo.rocha@mrs.com.br)

### **Bookkeeper**

Banco Bradesco S.A.

Phone: (11) 3684-9441

Email: [4010.acoes@bradesco.com.br](mailto:4010.acoes@bradesco.com.br)

### **B3 - OTC Market**

### **Investor Relations Website**

[www.mrs.com.br/ri](http://www.mrs.com.br/ri)

## CONSOLIDATED TABLES: FINANCIAL AND OPERATIONAL RESULT

Transported Volume TU Millions	3Q19	3Q18	3Q19 X 3Q18	2Q19	3Q19 X 2Q19	9M19	9M18	9M19 X 9M18
<b>Mining</b>	<b>22,580</b>	<b>31,502</b>	<b>-28.3%</b>	<b>22,006</b>	<b>2.6%</b>	<b>69,016</b>	<b>87,061</b>	<b>-20.7%</b>
Iron Ore	22,092	30,736	-28.1%	21,323	3.6%	67,207	84,688	-20.6%
Export	19,918	27,251	-26.9%	18,530	7.5%	59,049	73,862	-20.1%
Domestic Market	2,174	3,485	-37.6%	2,793	-22.2%	8,158	10,826	-24.6%
Coal and Coke	488	766	-36.3%	683	-28.6%	1,809	2,373	-23.8%
<b>General Cargo</b>	<b>16,708</b>	<b>15,771</b>	<b>5.9%</b>	<b>14,702</b>	<b>13.6%</b>	<b>44,342</b>	<b>40,980</b>	<b>8.2%</b>
Agricultural Products	11,371	10,896	4.4%	9,419	20.7%	28,852	27,703	4.1%
Corn	7,232	5,166	40.0%	1,330	443.8%	9,119	5,894	54.7%
Sugar	2,491	2,782	-10.4%	2,166	15.0%	5,988	6,729	-11.0%
Soy	495	1,938	-74.5%	4,528	-89.1%	10,143	11,950	-15.1%
Soybean Meal	1,153	1,010	14.2%	1,396	-17.4%	3,602	3,129	15.1%
Steel Products	1,845	1,665	10.8%	1,758	4.9%	5,458	4,991	9.4%
Container	634	535	18.5%	595	6.6%	1,774	1,420	25.0%
Civil Construction	563	440	27.9%	533	5.6%	1,537	1,227	25.2%
Others	2,296	2,235	2.7%	2,397	-4.2%	6,721	5,639	19.2%
<b>Total</b>	<b>39,288</b>	<b>47,273</b>	<b>-16.9%</b>	<b>36,708</b>	<b>7.0%</b>	<b>113,358</b>	<b>128,041</b>	<b>-11.5%</b>
<b>Average Gross Tariff (R\$/ton)</b>	<b>23.6</b>	<b>23.1</b>	<b>2.1%</b>	<b>24.2</b>	<b>-2.4%</b>	<b>24.0</b>	<b>23.4</b>	<b>2.3%</b>

Investments - R\$ Million	3Q19	3Q18	2Q19	9M19	9M18
Chains	146.5	140.7	149.0	443.5	406.7
Improvement	1.5	4.1	0.6	3.5	13.6
Expansion	30.1	75.2	18.9	110.4	146.5
<b>Total</b>	<b>178.1</b>	<b>220.0</b>	<b>168.5</b>	<b>557.4</b>	<b>566.8</b>

<b>Income Statement - R\$ Millions</b>	<b>3Q19</b>	<b>2Q19</b>	<b>3Q18</b>	<b>9M19</b>	<b>9M18</b>
Net Revenue	856.5	815.6	1,001.6	2,499.1	2,733.8
Costs of Provided Services	(366.7)	(349.7)	(485.9)	(1,113.9)	(1,391.4)
<b>(=) Gross Profit</b>	<b>489.8</b>	<b>465.9</b>	<b>515.7</b>	<b>1,385.2</b>	<b>1,342.4</b>
<b>Income (Expenses)</b>	<b>150.7</b>	<b>7.0</b>	<b>(82.3)</b>	<b>212.4</b>	<b>(195.2)</b>
Sales Expenses	(3.5)	(3.1)	(3.1)	(9.6)	(9.7)
General and Administrative Expenses	(48.2)	(44.9)	(49.9)	(141.2)	(141.4)
Other Operating Income	288.3	113.5	24.7	561.2	63.9
Other Operating Expenses	(128.9)	(58.5)	(53.9)	(198.0)	(108.0)
<b>(=) EBITDA</b>	<b>597.5</b>	<b>472.9</b>	<b>433.5</b>	<b>1,597.6</b>	<b>1,147.2</b>
Depreciation/ Amortization	(230.7)	(229.3)	(151.9)	(684.7)	(449.0)
<b>(=) Operating Income Before Financial Effects</b>	<b>366.8</b>	<b>243.6</b>	<b>281.6</b>	<b>912.9</b>	<b>698.2</b>
Financial Income	89.1	70.3	100.8	219.8	219.5
Financial Expenses	(182.4)	(133.7)	(136.5)	(433.2)	(345.3)
<b>(=) Income Before Income Tax and Social</b>	<b>273.4</b>	<b>108.2</b>	<b>245.8</b>	<b>699.4</b>	<b>572.4</b>
IR/CS Current/Deferred	(92.4)	(60.9)	(81.3)	(238.6)	(195.3)
<b>(=) NET PROFIT</b>	<b>181.0</b>	<b>119.4</b>	<b>164.4</b>	<b>460.9</b>	<b>377.1</b>

### Balance sheet - R\$ Million

ASSETS	3Q19	3Q18	2Q19	LIABILITIES	3Q19	3Q18	2Q19
<b>CURRENT</b>				<b>CURRENT LIABILITIES</b>			
Cash and Cash Equivalents	1,021.9	427.3	918.7	Suppliers	172.7	255.7	136.9
Restricted Cash	2.0	68.4	2.0	Labor Express	155.2	153.5	129.6
Accounts Receivable with Related Parties	667.0	34.5	400.8	Income Tax and Social Contribution	55.7	108.5	69.0
Other Accounts Receivables	41.3	178.4	43.0	Others Taxes Obligations	30.7	25.8	31.9
Stocks	127.0	101.1	120.0	Loans and Financing	695.4	458.0	651.5
Recoverable Taxes	91.1	99.1	84.5	Leasing to pay	247.5	24.8	245.5
Prepaid Expenses	8.6	25.2	11.9	Derivative Financial Instruments	12.9	219.2	13.0
Derivative Financial Instruments	62.2	43.6	36.4	Payable Dividends	124.0	74.0	124.0
Other Current Assets	19.8	18.6	14.2	Payable Concessions and Lease	3.8	4.0	3.7
<b>Total Current Assets</b>	<b>2,040.9</b>	<b>996.2</b>	<b>1,631.7</b>	Client Advances	5.1	35.3	2.0
				Provisions	41.2	21.2	42.8
				Others Current Liabilities	31.6		27.7
				<b>Total Current Liabilities</b>	<b>1,575.8</b>	<b>1,380.0</b>	<b>1,477.7</b>
<b>NOT CURRENT</b>				<b>NOT CURRENT</b>			
Long Term Realizable				Suppliers	36.4	33.8	36.6
Restricted Cash	-	-	-	Loans and Financing	2,458.4	2,051.5	2,487.8
Accounts Receivable with Related Parties	198.8	134.3	198.8	Derivative Financial Instruments	-	-	0.4
Other Accounts Receivables	117.1	58.1	116.5	Payable Concessions and Lease	2.7	61.2	2.8
Recoverable Taxes	43.3	46.0	39.8	Client Advances	-	-	-
Prepaid Expenses	2.1	157.1	0.8	Diferred Taxes	272.2	219.1	167.3
Derivative Financial Instruments	41.7	63.1	21.7	Provisions	524.1	398.2	424.0
Other Not-Current Assets	122.0	116.0	110.8	Leasing to pay	1,662.0	-	1,718.1
Rights os use	1,833.5	-	1,900.6	Others Obligations	79.3	2.8	79.4
Immobilized	6,432.0	6,354.2	6,413.2	<b>Total Not-Current Liabilities</b>	<b>5,035.2</b>	<b>2,766.5</b>	<b>4,916.3</b>
Intangible	40.4	44.3	39.8	<b>TOTAL LIABILITIES</b>	<b>6,611.0</b>	<b>4,146.4</b>	<b>6,394.1</b>
<b>Total Not-Current Assets</b>	<b>8,830.7</b>	<b>6,973.1</b>	<b>8,841.9</b>	<b>STOCKHOLDERS EQUITY</b>			
<b>TOTAL ASSETS</b>	<b>10,871.7</b>	<b>7,969.4</b>	<b>10,473.6</b>	Capital Stock	1,917.3	1,718.4	1,917.3
				Reserve Allocation for Capital	-	-	-
				Profit Reserves	1,917.3	1,718.4	1,917.3
				Legal Reserves	295.4	269.3	295.4
				Investments Reserves	1,621.9	1,449.2	1,621.9
				Proposed Additional Dividend	-	-	-
				Accumulated Profit	416.2	377.1	235.2
				Equity Valuation Adjustments	9.8	9.1	9.8
				<b>Total Stockholders Equity</b>	<b>4,260.7</b>	<b>3,823.0</b>	<b>4,079.6</b>
				<b>TOTAL LIABILITIES AND STOCKHOLDERS</b>	<b>10,871.7</b>	<b>7,969.4</b>	<b>10,473.6</b>