ALPARGATAS

PRESS RELEASE
3Q19

RESULTS CONFERENCE CALL
November 11, 2019 | Monday

PORTUGUESE
09:00 am (BRT) / 07:00 am (EST)

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ENGLISH
10:30 am (BRT) / 08:30 am (EST)

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This conference call will be simultaneously broadcasted via webcast over the internet. For access:
https://ri.alpargatas.com.br/

havaianas OSKLEN Mizuno dupé

Quarter Highlights

Alpargatas' Net Revenue tops R$1 billion in the third quarter, up 11.4% on a year-on-year basis

Alpargatas' Net Revenue reaches R$ 1 billion in the quarter, up 11.4%

Results: Alpargatas' net revenue totaled R$1.037 billion in the third quarter of 2019, up 11.4% on a year-on-year basis. All the company's business reached a double-digit growth in the period. In Brazil, sales of Havaianas and Osklen on the basis of the direct to consumer (DTC: same stores + ecommerce) concept increased by respectively 10% and 13%. Alpargatas closed the 3Q19 with a recurring EBITDA margin of 15.0% (up 270 bps) and a recurring EBTIDA of R$155.5 million. Gross profit totaled R$480.3 million, up 18.8%, driven by a better cost management and efficiency gain projects, such as VIP 100%. Net income for the period totaled R$58.5 million. The 51.2% fall year on year was driven by the Company's recording a successful outcome of the lawsuit claiming the exclusion of ICMS (state VAT) from the COFINS calculation base in the amount of R$189.2 million. Alpargatas was able to reverse the negative recurrent result of R$4.7 million in 3Q18 to a recurring net income attributable to controlling stockholders of R$67.6 million.

Nova Alpa: In August 2019, Alpargatas moved to its new headquarters in the city of São Paulo, leaving a 14-storey single-user building for a new three-storey address awarded a LEED ® sustainability certificate, designed with collaborative work spaces and hyper connectivity. This move took place at a record speed, two months in advance of the scheduled date, thus already bringing about savings in rent expenses for the Company. Furthermore, these new headquarters are in line with the Company's evolving culture, which is based on six principles: Inspired by people, Face the impossible, Make it happen, Owner's heart, Grow together, and Take care of the future, and are a major step towards a new high growth cycle.

New Distribution Center – Extrema, MG: Alpargatas has opened a new distribution center (DC) designed for multichannel sales in the city of Extrema, in the State of Minas Gerais (MG). This new DC is part of the plan to integrate Havaianas physical stores – its top business – with ecommerce.

Havaianas: Havaianas increased its market share in all sales channels in Brazil. Launched in September, the Havaianas Friendly campaign is already a big success. Aimed at widen the range of opportunities for wearing Havaianas in different environments, this action has proposed a change in the dress code of companies, with the authorized wearing of Havaianas in corporate spaces. Over 50 companies have already joined this program, such as SAP, Kroton, 99, and Klabin. Additionally, the slide model, one of the breakthroughs of the brand portfolio, arrived in Brazil in the third quarter, after a successful launch in Europe.

The international sandals business increased net revenue by 10.4% in 3Q19, spearheaded by the LATAM and APAC regions. This result was driven by the recovery in Argentina, where the Company has a new distributor, and by the increased sell out in Duty Free as a result of better spaces and new points-of-sale in Colombia. In the APAC region, the brand has entered into a partnership with JD.com in China (in addition to the partnership with Tmall.com), and has now new 50 mono-brand stores in that region this year. There were both the opening of new points-of-sale and the conversion of multi-brand stores, which already sold Havaianas products, into exclusive stores, after the opening of Alpargatas office in Hong Kong.

Osklen: the brand's Omnichannel strategy has recorded good outcomes. Osklen has also expanded its shoes business and improved the launch of capsule collections. The Rock and January collections arrived in the market in the quarter.

Mizuno: the launch of the Sky 3 line was well received by consumers. Mizuno has reported ongoing growth in its ecommerce.

Consolidated performance in the third quarter of 2019

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Net Revenue	**1,036.9**	**930.8**	**11.4%**	**2,956.0**	**2,646.9**	**11.7%**
Brazil	741.6	668.6	10.9%	1,916.4	1,725.0	11.1%
Sandals International	162.1	146.8	10.4%	653.1	573.4	13.9%
Argentina	133.2	115.3	15.5%	386.5	348.5	10.9%
Gross Profit	**480.3**	**404.2**	**18.8%**	**1,358.4**	**1,196.8**	**13.5%**
Gross margin	**46.3%**	**43.4%**	**+2.9 pp**	**46.0%**	**45.2%**	**+0.8 pp**
Brazil	336.0	292.7	14.8%	839.0	761.6	10.2%
Gross margin	45.3%	43.8%	+1.5 pp	43.8%	44.1%	-0.4 pp
Sandals International	110.1	100.7	9.4%	448.6	392.0	14.4%
Gross margin	67.9%	68.6%	-0.7 pp	68.7%	68.4%	+0.3 pp
Argentina	34.1	10.8	216.5%	70.7	43.2	63.7%
Gross margin	25.6%	9.3%	+16.3 pp	18.3%	12.4%	+5.9 pp
EBITDA	**150.3**	**229.8**	**-34.6%**	**382.0**	**447.9**	**-14.7%**
EBITDA margin	**14.5%**	**24.7%**	**-10.2 pp**	**12.9%**	**16.9%**	**-4 pp**
Brazil	117.6	294.7	-60.1%	241.2	401.0	-39.8%
Margin	15.9%	44.1%	-28.2 pp	12.6%	23.2%	-10.6 pp
Sandals International	15.7	-6.1	n/a	132.6	79.7	66.3%
Margin	9.7%	n/a	n/a	20.3%	13.9%	+6.4 pp
Argentina	17.0	-58.7	n/a	8.2	-32.8	n/a
Margin	12.8%	n/a	n/a	2.1%	n/a	n/a
Non-recurring charges	**-5.2**	**115.7**	**n/a**	**-37.9**	**113.1**	**n/a**
Recurring EBITDA	**155.5**	**114.1**	**36.3%**	**419.9**	**334.8**	**25.4%**
Recurring EBITDA margin	**15.0%**	**12.3%**	**+2.7 pp**	**14.2%**	**12.7%**	**+1.5 pp**
Recurring Brazil	124.1	114.0	8.9%	263.0	234.7	12.1%
Recurring margin	16.7%	17.0%	-0.3 pp	13.7%	13.6%	+0.1 pp
Recurring Sandals International	8.2	-5.4	n/a	109.4	82.3	32.9%
Recurring margin	5.1%	n/a	n/a	16.7%	14.4%	+2.3 pp
Recurring Argentina	23.2	5.5	318.7%	47.5	17.9	166.0%
Recurring margin	17.4%	4.8%	+12.6 pp	12.3%	5.1%	+7.2 pp
Consolidated Net Income	**58.5**	**119.8**	**-51.2%**	**133.9**	**251.2**	**-46.7%**
Non-recurring charges	**-1.2**	**125.6**	**n/a**	**-38.9**	**166.6**	**n/a**
Recurring Net Income	**59.7**	**-5.8**	**n/a**	**172.8**	**84.6**	**104.3%**
Net income attributable to controlling stockholders	66.3	120.9	-45.2%	155.7	257.8	-39.6%
Recurring net income attributable to controlling stockholders	67.6	-4.7	n/a	194.6	91.2	113.4%

Net Revenue

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Net Revenue	1,036.9	930.8	11.4%	2,956.0	2,646.9	11.7%

Net revenue increased by 11.4% in 3Q19 on a year-on-year basis, driven by a double-digit growth in all business in Brazil (Havaianas Brazil, Mizuno and Osklen), a 10.4% increase in Havaianas international operations, and a 15.5% increase in Argentina results in Brazilian reais.

As established by IAS 29 (Financial Reporting in Hyperinflationary Economies), as from July 2018 Argentina has been considered a highly inflationary economy. Therefore, financial statements were restated by changing the overall purchasing power of the currency by applying a general price index.

Gross Profit

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Gross Profit	480.3	404.2	18.8%	1,358.4	1,196.8	13.5%
Gross margin	46.3%	43.4%	+2.9 pp	46.0%	45.2%	+0.8 pp

Consolidated gross profit recorded a double-digit growth, of 18.8% in 3Q19, up 290 bps in margin, mainly due to the Argentina's performance, which expanded 216.5% with a 16.3 pp gain in margin, as a result of price increases and efficiency gains resulting from the restructuring carried out since 3Q18. In Brazil, gross profit grew 14.8% in the quarter, with margin expansion of 1.5 pp, largely due to price growth above inflation resulting from the turnover transfer (2Q19) and better channel mix in Havaianas. In Sandals International there was a 0.6 pp reduction in gross margin in 3Q19, mainly due to the lower share of retail sales of own stores and the anticipation of late summer discount sales in Europe.

Selling Expenses

Selling expenses, including expenses on freight, advertising, marketing, commissions, royalties and licenses, totaled R$288.7 million in 3Q19, up 1.7% on a year-on-year basis. This amount accounted for 27.8% of net revenue, down 270 bps from 3Q18, mainly driven by the projects and initiatives to cut expenses and better manage the Company’s advertising and marketing investments.

General and Administrative Expenses

In the third quarter, G&A expenses totaled R$54.3 million, or 5.2% of net revenue, which represents a reduction of 10 bps compared to 3Q18.

EBITDA

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Recurring EBITDA	**155.5**	**114.1**	**36.3%**	**419.9**	**334.8**	**25.4%**
Recurring EBITDA margin	**15.0%**	**12.3%**	**+2.7 pp**	**14.2%**	**12.7%**	**+1.5 pp**

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Other non recurring revenues (expenses)	**-5.2**	**115.7**	**-104.5%**	**-37.9**	**113.1**	**n/a**
Brazil	-6.5	180.7	-103.6%	-21.8	166.4	-113.1%
Argentina	-6.2	-64.3	-90.4%	-39.3	-50.7	n/a
International	7.5	-0.7	n/a	23.2	-2.6	n/a

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
(=) EBITDA	**150.3**	**229.7**	**-34.6%**	**382.0**	**447.9**	**-14.7%**

Recurring EBITDA for the period increased 36.3%, totaling R$155.5 million, driven by double digits increase revenue in Brazil, Sandals International and Argentina businesses and a better management of the Company's costs and expenses compared to 3Q18 as provided by the VIP 100% (Value Improvement Program*)* and OBZ (Zero-Base Budgeting) projects.

For comparison purposes, the main events deemed as non-recurring in 3Q19 were as follows:

- Restructuring at Brazil: contractual agreement expenses on the former headquarters, consultancy services expenses and expenses on the closure of Meggashop stores and the Mogi Mirim Distribution Center;
- Adoption of IFRS 16;
- Argentina: sale of assets and hyperinflation adjustments.

In 3Q18, major events were as follows: the successful outcome of the lawsuit claiming the exclusion of ICMS from the COFINS calculation base in Brazil, and consultancy services and labor compensation expenses in Argentina.

R$ million	3Q19	3Q18	Var.	9M19	9M18	Var.
Recurring EBITDA	**155.5**	**114.1**	**36%**	**419.9**	**334.8**	**25%**
Recurring EBITDA margin	15.0%	12.3%	+2.7 p.p.	14.2%	12.7%	+1.6 p.p.
Other non recurring revenues (expenses)	-5.2	115.7		-37.9	113.1	
	BR e Int.: +1.0	*BR e Int.: +180.0*		*BR e Int.: +1.4*	*BR e Int.: +163.8*	
	AR: -6.2	*AR: -64.3*		*AR: -39.3*	*AR: +50.7*	
EBITDA	**150.3**	**229.8**	**-35%**	**382.0**	**447.9**	**-15%**
EBITDA margin	14.5%	24.7%	-10.2 p.p.	12.9%	16.9%	-4.0 p.p.

- IRFS 16 Adjustment
- Restructuring

- Successful outcome of the lawsuit to exclude ICMS from the COFINS calculation basis in Brazil
- Restructuring

- Restructuring
- Hyperinflation adjustment – IAS 29

- Hyperinflation adjustment – IAS 29
- Restructuring

Net Income

R$ million	3Q19	3Q18	Δ (%)	9M19	9M18	Δ (%)
Consolidated Net Income	58.5	119.8	-51.2%	133.9	251.2	-46.7%
Non-recurring charges	-1.2	125.6	n/a	-38.9	166.6	n/a
Recurring Net Income	59.7	-5.8	n/a	172.8	84.6	104.3%

Recurring net income totaled R$59.7 million in the third quarter, compared to the loss of R$5.8 million year on year, driven by the factors already mentioned and the foreign exchange variation in Argentina. In the 3Q18 there was also corporate income tax benefit on interest on capital, event that did not occur in the 3Q19.

CAPEX

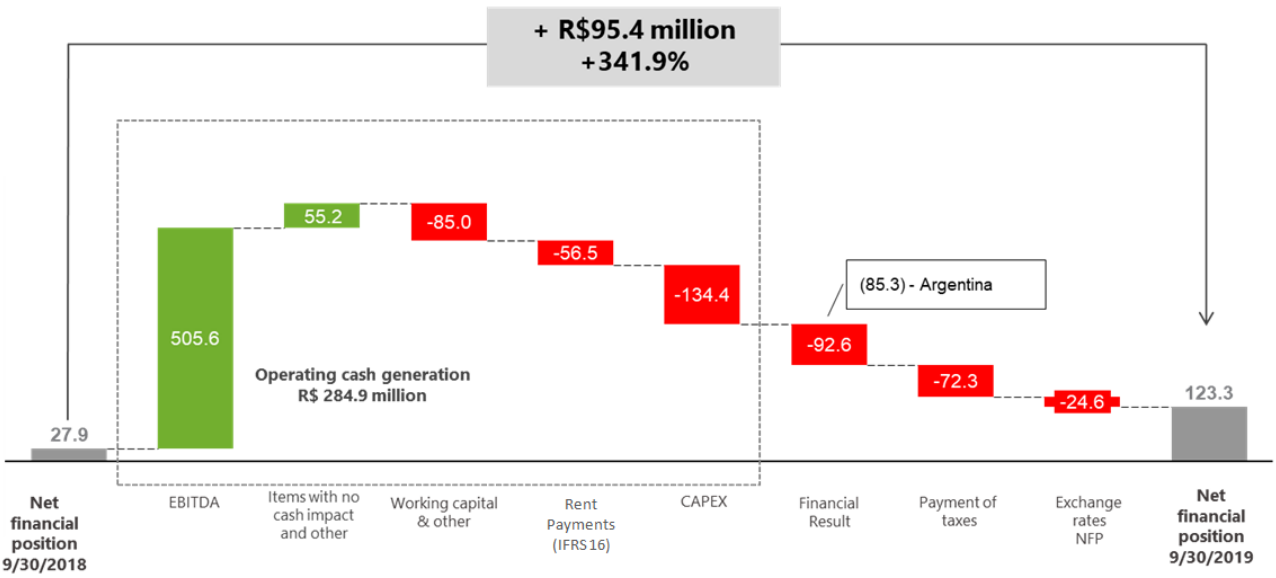
In the first nine months of 2019, consolidated investments in the support/expansion of Alpargatas' operations (CAPEX) totaled R$97.0 million. Out of this amount, half was invested in operation support/maintenance, whereas the rest was allocated to expand retail operations and plant efficiency gain and supply chain projects (VIP 100% Project).

Net Financial Position

On September 30, 2019, Alpargatas recorded a positive net financial position of R$123.3 million, arising from a cash balance of R$556.1 million (operating cash generation totaled R$284.9 million in the 12-month period ended September 2019) and indebtedness of R$432.8 million, as follows:

- R$224.8 million (52% of total) due in the short term, of which R$129.3 million in local currency. Short-term foreign currency debt amounted to R$95.5 million, of which R$35.3 million with swaps for Brazilian reais, mainly aimed at financing the working capital of foreign subsidiaries. It is worth mentioning that the Company's cash balance of R$159.5 million is in foreign currency;

- R$208 million (48% of total) due in the long-term, with total amount in local currency.



Performance by business in the third quarter of 2019

Brazil

(unit)	3Q19	3Q18	Δ
Monobrand stores - DTC (*direct to consumer*)	**533**	**529**	**4**
Havaianas	**448**	**438**	**10**
Osklen	**76**	**78**	**-2**
Mizuno	**5**	**2**	**3**
Outlets	**4**	**11**	**-7**

(thousand pairs/pieces)	3Q19	3Q18	Δ (%)	9M18	9M19	Δ (%)
Total volume	**57,539**	**55,241**	**4.2%**	**151,985**	**146,372**	**3.8%**
Havaianas (sandals & brand extension)	54,776	51,929	5.5%	144,254	138,118	4.4%
Osklen (footwear, apparel & accessories)	462	427	8.2%	1,185	1,037	14.2%
Mizuno (sports & apparel)	763	731	4.4%	2,172	2,097	3.6%
Others	1,537	2,153	-28.6%	4,374	5,120	-14.6%

(R$ million)	3Q19	3Q18	Δ (%)	9M18	9M19	Δ (%)
Net Revenue	**741.6**	**668.6**	**10.9%**	**1,916.4**	**1,725.0**	**11.1%**
Gross Profit	**336.0**	**292.7**	**14.8%**	**839.0**	**761.6**	**10.2%**
Gross Margin (%)	45.3%	43.8%	+1.5 pp	43.8%	44.1%	-0.4 pp
EBITDA	**117.6**	**294.7**	**-60.1%**	**241.2**	**401.0**	**-39.8%**
Margin EBITDA (%)	15.9%	44.1%	-28.2 pp	12.6%	23.2%	-10.6 pp
Recurring EBITDA	**124.1**	**114.0**	**8.9%**	**263.0**	**234.7**	**12.1%**
Recurring margin (%)	16.7%	17.0%	-0.3 pp	13.7%	13.6%	+0.1 pp

Operational performance:

Sandals Brazil: The volume of Havaianas in Brazil increased by 5.5% in 3Q19 (Havaianas Sandals and Havaianas Brand Extension). Net revenue on a year on year basis was driven by the increased sell-out in the direct channel. Average prices rose above inflation, driven by the launch of the new collection (2Q19) and a better mix of selling channels. In 3Q19, in the direct consumer channels, revenue rose by 10% in Havaianas mono-brand stores on the basis of the DTC (same store sales + ecommerce) concept.

Mizuno: Volume increased by 4.4% in the third quarter of 2019. Mizuno's ecommerce platform, mainly responsible for this increased volume, recorded a double-digit growth in the first three quarters of 2019. Double-digit growths were also recorded in the mid, basic, and soccer categories, following the launch of new models (cool line). Another Mizuno outlet store was opened in the city of Guarulhos, São Paulo.

Osklen: Net revenue increased by 15.6% in 3Q19 compared to 3Q18, and noteworthy were the larger share of footwear in the mix of products and the expansion of omnichannel in the mix of channels. The DTC (same store sales + ecommerce) concept recorded growth for the 9th consecutive quarter, reaching 13% compared to 3Q18.

Gross Profit and Gross Margin: In Brazil, gross profit rose by 14.8% in the quarter, with margin expansion of 1.5 pp, largely due to price growth above inflation as a result of the launch of the new collection (2Q19) and better channel mix in Havaianas.

Recurring EBITDA: A 8.9% growth in the quarter, driven by an increase in volume, together with price growth, better mix of channels of Havaianas and better SG&A expenses management.

Sandals International

(unit)	3Q19	3Q18	Δ
Monobrand stores - DTC (*direct to consumer*)			
Havaianas	**185**	**193**	-8

(thousand pairs/pieces)	3Q19	3Q18	Δ (%)	9M18	9M19	Δ (%)
Total volume	**5,716**	**5,017**	**13.9%**	**22,099**	**20,200**	**9.4%**
Havaianas (sandals & brand extension)	5,592	4,808	16.3%	21,501	19,104	12.6%
Others	124	209	-41.0%	597	1,097	-45.5%

(R$ million)	3Q19	3Q18	Δ (%)	9M18	9M19	Δ (%)
Net Revenue	**162.1**	**146.8**	**10.4%**	**653.1**	**573.4**	**13.9%**
Variation in local currency						
EMEIA - euro			0.3%			4.4%
EUA - dollar			-3.1%			-3.8%
LATAM - dollar			87.2%			45.7%
APAC - dollar			24.0%			37.2%
Gross Profit	**110.1**	**100.7**	**9.4%**	**448.6**	**392.0**	**14.4%**
Gross Margin (%)	67.9%	68.6%	-0.7 pp	68.7%	68.4%	+0.3 pp
EBITDA	**15.7**	**-6.1**	**n/a**	**132.6**	**79.7**	**66.3%**
Margin EBITDA (%)	9.7%	n/a	n/a	20.3%	13.9%	+6.4 pp
Recurring EBITDA	**8.2**	**-5.4**	**n/a**	**109.4**	**82.3**	**32.9%**
Recurring margin (%)	5.1%	n/a	n/a	16.7%	14.4%	+2.3 pp

Operational performance: Havaianas grew 16.3% in volume in the third quarter, mainly benefited by sales growth in the LATAM and APAC regions. The 13.9% growth in international sandals was partially affected by Dupé exports.

EMEIA (Europe and Middle East): In the quarter, net revenue remained stable + 0.3% in local currency. Noteworthy were the own operation in Greece, which has outperformed expectations, and the new ecommerce platform (launched in May) that has recorded a double-digit growth.

North America: In 3Q19, revenue in US dollars has dropped by 3.1%, driven by a decrease in volume caused by a repositioning of the mix of channels with priority given to better quality of revenue and reduction of off-price sales in the wholesale channel. Gross margin has increased, driven by the smaller share of off-price sales and a mix with a larger retail share, with doors opening since 3Q18. In the Caribbean, at the end of September sales began in 2 new distributors that started to operate in the region.

LATAM (Latin America) & Africa: The Latin America operation recorded increase in net revenue by 87.2% in U.S. dollars in 3Q19. This result was driven by the Argentina market recovery, where the Company has now a new distributor, by the increase in the sell-out in Duty Free derived from better spaces and the ramp-up in the distribution in Colombia, with an increased number of doors opening.

APAC (Asia Pacific): The 24.0% increase in net revenues in US dollars, when compared to 3Q18, was a result of a better mix of products sold, lower commercial discounts and increased sell out in markets served by distributors. Philippines was the highlight of the region.

Net revenue: Sandals International operations' net revenue in Brazilian reais was up 10.4% year on year, arising from the increase in sales volume in LATAM and APAC regions.

Gross Profit and Gross Margin: Gross margin decreased by 0.7 pp in 3Q19, mainly due to the lower share of retail sales and the anticipation of late summer discount sales in EMEIA.

EBITDA and EBITDA Margin: The historical seasonal effect of overseas sales compressed in 3Q when compared to 1Q and 2Q was offset by the performance of LATAM and APAC. Recurring EBITDA margin in 3Q19 was 5.1% compared to the negative result in 3Q18.

Argentina

(unit)	3Q19	3Q18	Δ
Number of stores	**25**	**26**	**-1**
Topper Argentina	10	10	0
Outlets	15	16	-1

(thousand pairs/pieces)	3Q19	3Q18	Δ	9M18	9M19	Δ (%)
Total volume	**4,748**	**3,963**	**19.8%**	**12,117**	**12,658**	**-4.3%**
Footwear	1,091	1,216	-10.3%	3,263	3,890	-16.1%
Apparel	467	463	0.9%	1,293	1,350	-4.2%
Textile (km)	3,190	2,284	39.6%	7,561	7,418	1.9%

(R$ million)	3Q19	3Q18	Δ (%)	9M18	9M19	Δ (%)
Net Revenue	**133.2**	**115.3**	**15.5%**	**386.5**	**348.5**	**10.9%**
Gross Profit	**34.1**	**10.8**	**216.5%**	**70.7**	**43.2**	**63.7%**
Gross Margin (%)	25.6%	9.3%	+16.3 pp	18.3%	12.4%	+5.9 pp
EBITDA	**17.0**	**-58.7**	**n/a**	**8.2**	**-32.8**	**n/a**
Margin EBITDA (%)	12.8%	n/a	n/a	2.1%	n/a	n/a
Recurring EBITDA	**23.2**	**5.5**	**318.7%**	**47.5**	**17.9**	**166.0%**
Recurring margin (%)	17.4%	4.8%	+12.6 pp	12.3%	5.1%	+7.2 pp

Operational performance:

Sporting goods + Retail: There was a decrease of 10.3% in the volume of sports shoes in 3Q19 and 16.1% in 9M19, as a result of the drop in consumption in all markets. However, net revenue increased, as a result of price increases in pesos in the period. In addition, the restructuring carried out since 3Q18 also positively impacted the recurring EBITDA margin, which expanded 12.6 pp.

Textile: Volume increased by 39.6% in 3Q19 year on year. In the first nine months of the year the increase reached 1.9%.
On July 16, 2019, Alpargatas completed negotiations on the sale of its textile segment related assets in Argentina, subject to certain conditions precedent. The overall amount involved in all operations above totaled approximately US$14.4 million, which will be paid by the corresponding buyers. With the actual transfers of these assets to the corresponding buyers, Alpargatas will no longer operate in the textile industry.

Independent Auditors

In accordance with CVM Instruction 381/03, Alpargatas S.A. informs that, in the period from July to September 2019, it did not contract out non-audit services to KPMG Auditores Independentes.

Representation of the Executive Board

In accordance with Article 25, paragraph 1, item 5 of CVM Instruction No. 480/09, the Executive Board hereby represents, to the best of its knowledge, that it has reviewed, discussed and agreed with the accounting information of Alpargatas S.A. for the period from July to September 2019 and with the independent auditor's review report on the individual and consolidated financial statements.

Audit Committee

Alpargatas' Audit Committee has a fundamental role in managing the Company, contributing to ensure the stockholders' trust by overseeing internal controls, monitoring risks, and following up the entire information preparation and reporting process.

São Paulo, November 8, 2019
Board of Directors

Investor Relations
Julian Garrido Del Val Neto
Carlos Augusto Biehl
Felipe Lucas Fontes
Fernanda Yuri Shiraishi

Contact Information
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CONSOLIDATED BALANCE SHEET
(in thousands of Brazilian reais)

ASSETS	2019	2018
CURRENT ASSETS		
Cash and banks	167,392	234,927
Tempory cash investment	377,153	392,938
	544,545	**627,865**
Trade accounts receivable (net of provisions)	918,928	779,824
Provision for doubtful receivables	(54,384)	(58,593)
	864,544	**721,231**
Inventories	828,342	829,899
Other receivables	64,431	47,726
Prepaid expenses	26,847	25,151
Assets available for sale	26,627	-
Recoverable taxes	78,188	59,501
	1,024,435	**962,277**
TOTAL CURRENT ASSETS	**2,433,524**	**2,311,373**
LONG-TERM ASSETS		
Trade accounts receivable	3,170	-
Tempory cash investment	11,548	-
Recoverable taxes	280,908	202,473
Deferred income and social contribuition taxes	100,946	91,487
Escrow deposits	29,418	49,474
Other receivables	21,414	16,995
	447,404	**360,429**
Investments	2,309	2,342
Property, plant and equipment	742,055	741,078
Asset right of use	429,140	-
Intangible assets	307,102	476,284
	1,480,606	**1,219,704**
TOTAL NON-CURRENT ASSETS	**1,928,010**	**1,580,133**
TOTAL ASSETS	**4,361,534**	**3,891,506**

LIABILITIES	2019	2018
CURRENT LIABILITIES		
Suppliers	429,005	456,532
Loans and financing	224,751	271,559
Leasing liabilities	57,252	-
Debt reestructuring agreements	1,310	1,830
Payroll and related charges	183,796	177,812
Reserve for contingencies	10,631	9,265
Provision for income and social contribution taxes	18,229	16,660
Taxes payable	35,976	18,132
Interest on capital and dividends payable	3,281	5,055
Other payable liabilities	153,064	170,706
	1,117,295	**1,127,551**
LONG-TERM LIABILITIES		
Loans and financing	207,994	328,388
Leasing liabilities	311,816	-
Debt reestructuring agreements	4,825	6,616
Provision for income and social contribuition t	61,816	69,908
Reserve for contingencies	18,226	17,716
Other payable	37,146	22,544
	641,823	**445,172**
SHAREHOLDERS' EQUITY		
Capital	1,500,000	648,497
Capital reserves	177,928	172,799
Treasury shares	(64,248)	(64,248)
Profit reserves	1,015,489	1,625,615
Equity assessment	(94,085)	(175,204)
Inflation Adjustments	-	41,728
Equity of controlled shareholders	**2,535,084**	**2,249,187**
Minority interest	**67,332**	**69,596**
	2,602,416	**2,318,783**
TOTAL LIABILITIES	**4,361,534**	**3,891,506**
Book value per share (R$)	**4.38**	**4.86**

CONSOLIDATED INCOME STATEMENT
(in thousands of Brazilian Reais)

	3Q19	ΔV(%)	3Q18	ΔV(%)	ΔH(%)	9M19	ΔV(%)	9M18	ΔV(%)	ΔH(%)
Net Sales	**1,036,863**	**100.0%**	**930,773**	**100.0%**	**11.4%**	**2,955,965**	**100.0%**	**2,646,921**	**100.0%**	**11.7%**
Cost of sales	(556,586)	-53.7%	(526,599)	-56.6%	5.7%	(1,597,607)	-54.0%	(1,450,123)	-54.8%	10.2%
Gross Profit	**480,276**		**404,174**		**18.8%**	**1,358,358**		**1,196,798**		**13.5%**
gross margin	***46.3%***		***43.4%***			***46.0%***		***45.2%***		
Operating Income (Expenses)	**(375,669)**	**-36.2%**	**(200,477)**	**-21.5%**	**87.4%**	**(1,105,386)**	**-37.4%**	**(827,527)**	**-31.3%**	**33.6%**
Selling	(288,743)	-27.8%	(283,988)	-30.5%	1.7%	(844,437)	-28.6%	(800,035)	-30.2%	5.5%
General and administrative	(48,888)	-4.7%	(47,854)	-5.1%	2.2%	(147,632)	-5.0%	(143,672)	-5.4%	2.8%
Management fees	(5,465)	-0.5%	(1,994)	-0.2%	174.1%	(16,059)	-0.5%	(11,961)	-0.5%	34.3%
Amortization of intangible charges	(8,865)	-0.9%	(9,179)	-1.0%	-3.4%	(24,727)	-0.8%	(25,319)	-1.0%	-2.3%
Other operating Income (expenses), net	(23,709)	-2.3%	142,538	15.3%	-116.6%	(72,529)	-2.5%	153,460	5.8%	-147.3%
EBIT - Operating Results	**104,607**		**203,697**		**-48.6%**	**252,972**		**369,270**		**-31.5%**
operating margin	***10.1%***		***21.9%***			***8.6%***		***14.0%***		
Financial Result	(17,588)	-1.7%	(15,505)	-1.7%	13.4%	(61,754)	-2.1%	(21,803)	-0.8%	183.2%
Exchange variation	(50,778)	-4.9%	(38,424)	-4.1%	32.2%	(71,134)	-2.4%	(62,375)	-2.4%	14.0%
Hedge operations	437	0.0%	6,083	0.7%	-92.8%	146		4,947		
Operating Income	**60,644**	**5.8%**	**171,180**	**18.4%**	**-64.6%**	**187,083**	**6.3%**	**315,478**	**11.9%**	**-40.7%**
Income and social contribution taxes	(2,164)	-0.2%	(51,382)	-5.5%	-95.8%	(53,158)	-1.8%	(64,269)	-2.4%	-17.3%
Consolidated net income	**58,480**	**5.6%**	**119,797**	**12.9%**	**-51.2%**	**133,925**	**4.5%**	**251,210**	**9.5%**	**-46.7%**
Net Income from controlling shareholder	66,304	6.4%	120,895	13.0%	-45.2%	155,677	5.3%	257,781	9.7%	-39.6%
Minority Interest	(7,824)	-0.8%	(1,098)	-0.1%	612.7%	(21,752)	-0.7%	(6,572)	-0.2%	231.0%
EBITDA - R$ million	**150.3**		**229.8**		**-34.6%**	**382.0**		**448.0**		**-14.7%**
EBITDA margin	***14.5%***		***24.7%***			***12.9%***		***16.9%***		

STATEMENT OF CASH FLOWS
(in thousands of Brazilian Reais)

CASH FLOW FROM OPERATING ACTIVITIES	9/30/2019	09/30/2018*
Cash from operating activities	**411,546**	**318,967**
Net income for the period	133,925	251,210
Depreciation and amortization	70,649	78,703
Income (loss) from disposal/write-off of property, plant and equips.	12,364	4,871
Interest and Monetary and foreign exchange variation	34,020	33,927
Provisions for tax, civil contingencies and labor claims	15,456	14,278
Provisions for income tax and social contribution	63,829	29,881
Deferred income and social contribuition taxes	(8,887)	34,388
Suspended tax payments	-	(189,226)
Allowance (reversal of) for doubtful accounts	6,702	14,259
Provision for (reversal of) inventory losses	2,729	14,088
Gains/losses fair Value of derivative financial instruments	(146)	-
Stock option plan granted	5,129	-
Provision for Impairment of property, plant and equipment/Intangible assets	82,998	-
Correction of legal deposits	355	(10,944)
Provision for success fees	704	8,011
Provision for Restructuring Argentina	-	35,521
IFRS 16 taxes	16,150	-
IFRS 16 depreciation of right of use	58,389	-
Write-off of the right of use IFRS16	(230)	-
Extemporaneous tax credits	(82,590)	-
Changes in assets and liabilities	**(82,205)**	**(25,767)**
Trade accounts receivable	53,758	106,754
Inventories	(157,275)	(224,772)
Prepaid expenses	(4,391)	(14,123)
Taxes recoverable	(9)	11,089
IPI tax credit received	-	37,031
Trade accounts payable	(14,875)	142,317
Taxes payable	(272)	(5,054)
Payroll and social charges	40,508	61,071
Payment of income and social contribuition taxes	(44,859)	(18,561)
Operations with derivatives	1,336	(547)
Amortization of loans and financing	(35,669)	(46,737)
Contingencies	(13,724)	(41,438)
Other	93,267	(32,797)
NET CASH - OPERATING ACTIVITIES	**329,341**	**293,200**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(96,533)	(43,290)
Short-term investments	(233,400)	(164,201)
Redemption of Financial Investments	91,058	171,186
NET CASH - INVESTING ACTIVITIES	**(238,875)**	**(36,305)**
CASH FLOW FROM FINANCING ACTIVITIES		
Loans and financing raised	317,348	331,544
Amortization loans and financing - Principal	(476,589)	(456,837)
Payment of dividends and interest on equity	(10)	(206,504)
Amortization through debt restructuring of subsidiary	(1,502)	(6,673)
Leasing payment	(40,384)	-
Leasing taxes payment	(16,150)	-
NET CASH - FINANCING ACTIVITIES	**(217,287)**	**(338,470)**
Exchange gains (losses) on cash and cash equivalents	**(1,722)**	**5,412**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(128,543)**	**(76,163)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	518,782	629,238
CASH AND CASH EQUIVALENTS AT END OF PERIOD	390,239	553,075

* There was a reclassification between accounts of the Net Cash of the operational activities for better adaptation