



São Paulo, Aug 14<sup>th</sup>, 2Q19 - International Meal Company Alimentação S.A. (B3: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the second quarter of 2019 (2Q19). Unless otherwise indicated, the information herein is presented in a consolidated manner and in millions of Brazilian Reais (R\$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

## HIGHLIGHTS

(Non-IFRS 16 Figures)

Consolidated Same Store Sales  
**+5.0% in 2Q19**

Net Revenue  
**R\$402M in 2Q19**  
 (+1.3% vs. 2Q18)

Adjusted EBITDA  
**R\$38M in 2Q19**  
 (6.7% up vs. 2Q18)

Adjusted EBITDA Margin  
**9.3% in 2Q19**  
 (+50bps vs. 2Q18)

Net Earnings  
**R\$3.5M in 2Q19**  
 (vs. R\$2.6M in 2Q18)

Cash Flow  
**R\$20M in 2Q19**  
 (vs. R\$13M in 2Q18)

### CONFERENCE CALL - PORTUGUESE

8/14/2019  
 10:00 a.m. (Brasília) / 09:00 a.m. (US ET)

Webcast: [click here](#)

Phone number  
 +55 (11) 3127-4971 / 3728-5971

### CONFERENCE CALL - ENGLISH

8/14/2019  
 11:00 a.m. (Brasília) / 10:00 a.m. (US ET)

Webcast: [click here](#)

Phone number  
 +1 (412) 317-6387

## IFRS 16

The IASB published IFRS 16 Leases in January 2016 with an effective date of 1 January 2019. The new standard requires lessees to recognize nearly all leases on the balance sheet, which will reflect their right to use an asset for a period of time and the associated liability for payments. For further information, please visit [https://www.ey.com/gl/en/issues/ifrs/ifrs\\_slider\\_leases](https://www.ey.com/gl/en/issues/ifrs/ifrs_slider_leases).

For a better comparable analysis (as we did not adjusted our 2018 figures to reflect the new regulation), all the performance commentary related to 2Q19 will be under the regulation prior to IFRS 16. Below, we fact-in the consolidated effect in our financial statements. For additional detail on IFRS results, please refer to page 24 of this document.

<b>Consolidated Results</b> (mm R\$)	<b>Audited</b> <b>2Q19</b>		<b>Prior IFRS 16</b> <b>2Q19</b>	<b>chg.</b>
<b>Net Revenue</b>	<b>401.9</b>		<b>401.9</b>	<b>0.0%</b>
<b>COGS</b>	<b>(271.8)</b>	<b>+0.2</b>	<b>(272.0)</b>	<b>0.1%</b>
Depreciation & Amortization	(12.2)	(0.6)	(11.6)	(4.7%)
<b>Gross Profit</b>	<b>130.1</b>		<b>129.9</b>	<b>(0.1%)</b>
Gross Margin (%)	32.4%		32.3%	(0.0)p.p.
<b>Operating Expenses</b>	<b>(110.6)</b>	<b>+4.5</b>	<b>(115.1)</b>	<b>4.1%</b>
Operating Expenses	(86.6)	21.5	(108.1)	
Depreciation & Amortization	(24.0)	(17.0)	(7.1)	
(-) Special Items - Others	(5.2)		(5.2)	
Amortization of investment in joint venture	(0.6)		(0.6)	
<b>Equity Income</b>	<b>4.1</b>		<b>4.1</b>	
<b>EBIT</b>	<b>17.8</b>		<b>13.1</b>	
<b>Financial Results</b>	<b>(14.7)</b>	<b>(8.4)</b>	<b>(6.3)</b>	
<b>EBT</b>	<b>3.1</b>		<b>6.8</b>	
<b>Taxes</b>	<b>(2.4)</b>	<b>+0.9</b>	<b>(3.3)</b>	
<b>Net Earnings</b>	<b>0.7</b>	<b>(2.8)</b>	<b>3.5</b>	
(+) D&A and Asset Sale	36.8	+17.5	19.3	(47.6%)
<b>EBITDA</b>	<b>54.6</b>	<b>+22.2</b>	<b>32.4</b>	<b>(40.7%)</b>
EBITDA Margin (%)	13.6%		8.1%	0,6p.p.
(+) Special Items - Others	5.2		5.2	
<b>Adjusted EBITDA<sup>1</sup></b>	<b>59.8</b>	<b>+22.2</b>	<b>37.6</b>	<b>(37.2%)</b>
Adjusted EBITDA Margin (%)	14.9%		9.3%	(5.5)p.p.

<sup>1</sup>Before special items.



## MESSAGE FROM MANAGEMENT

In the second quarter of 2019, we were able to post solid numbers within our businesses with adjusted EBITDA growth at the consolidated level of 6.7%. We advanced in our strategy pillars of i) Frango Assado brownfield expansion in Brazil, ii) Margaritaville/Landshark expansion in the USA (growth at the businesses with high ROIC), iii) our Central Kitchen construction in Brazil (improving margins) and iv) with the simplification of IMC businesses: the closure of Viena stores with negative contribution margin, the end of smaller brands and outsourcing of logistics among other initiatives.. Additionally, last July 26<sup>th</sup> we announced an agreement with MultiQSR to incorporate KFC and Pizza Hut brands.

Over the results, consolidated net revenue grew 1.3% and gross margin was stable at 32%. Adjusted EBITDA reached R\$38 million (+6.7% vs 2Q18) representing a margin of 9.3%, a 50bps increase YoY. Net profit of R\$3.5 million, 36.6% above the R\$2.6 million from 2Q18. Our cash generation was 54.2% of the adjusted EBITDA, a 176bps improvement from 2Q18.

In Brazil, Same Store Sale growth was at 3.9% with operating income R\$4.1 million. The road segment was the main highlight with SSS of 10.7% and an operating income of R\$11.5 million, 83% above last year. Our improvements on product mix and the one-time event from last year (World Cup and trucker's strike affected negatively our results) were factors behind the positive performance. On the Malls side, we reported a stable SSS, an improvement considering past results (-7.2% on 1Q19, -5.1% on 4Q18 and -8.8% on 3Q18). During the quarter, we took the decision to close 14 stores with negative contribution margin (out of a portfolio of 94). Malls operating income reached R\$2.1 million a 54% reduction mostly on the back of a tax benefit that impacted positively 2Q18 (R\$3.4 million). Lastly, the Air business had an 8.8% SSS contraction and a 50% decline in its operating income, with Avianca bankruptcy affecting our top-line performance (last year Avianca represented R\$3.7 million in net sales) and an R\$2.2 million tax benefit in the 2Q18.

In the US, our Margaritaville and LandShark restaurants posted a 0.1% SSS with an operating income expanding 12% to US\$5.5 million. In Brazilian reais, given the USD appreciation, the SSS was up 8.1% and operating income reached R\$21.4 million (+19% YoY). Our menu engineering and our initiatives to expand seating area in our existing restaurants have helped to improve our food business SSS, helping to offset a sector trend of reduction of revenues on the retail side (restaurant merchandise). For the Caribbean, we continue to post healthy operating margins at 25.7% (vs. 24.8% 2Q18) with operating income of R\$12 million, despite the SSS performance that was down 1.5%. Colombia continues to help to mitigate the negative performance in our stores at the Panama's Tocumen Airport (due to airport expansion and refurbishments).

We also had important developments in all our strategy pillars:

- i. Frango Assado Brownfield expansion in Brazil:
  - Targets have more than one store
  - NDAs signed
- ii. US: Reached 11 new units planned for the next 24 months
  - Opening schedule of three for 2019, five for 2020 and three for 2021
- iii. Construction of our Central Kitchen broke the ground in May
  - In-line with our timeline to end during the 4Q19
- iv. IMC Simplification:
  - Closure of 14 stores with negative contribution margin
  - Outsourcing of IMC's logistics to a Logistics operator
  - Unification of Products division
  - Conversion of the last Red Lobster into Olive Garden

Lastly, in July 26th we announced an agreement to merge with MultiQSR the Master Franchisee of Pizza Hut and KFC in Brazil. If approved by our shareholders at the EGM that will be held in August, 28<sup>th</sup> it will create a company that generated approximately R\$1.8bn in gross revenues in 2018 (R\$2.3bn including the revenues from franchisees stores) and 444 stores (226 own and 218 franchisees).

Brazil has the second largest pizza market in the world (behind the US). Chicken is the most consumed protein in the country. Both sectors are highly fragmented and we believe it will be an important venue of growth for our business through own and franchised stores.

- **IMC Management Team**

## Agreement with MultiQSR

Last July 25<sup>th</sup> we signed an agreement ([link to material Fact](#)) for the merger, by the Company, of all shares of MultiQSR Gestão de Restaurantes Ltda. ("MultiQSR"), indirectly the holder of master franchising rights of Pizza Hut and KFC systems in Brazil.

### Multi QSR overview

MultiQSR owns 11 restaurants of Pizza Hut in Brazil, also holding exclusivity rights to operate and grant sub-franchises for restaurants of Pizza Hut in the country; and owns 20 restaurants of KFC in Brazil, also holding exclusivity rights to operate and grant sub-franchises for restaurants of KFC in the country. Among proprietary and sub-franchise restaurants, there are 187 Pizza Hut and 62 KFC with a total of 249 restaurants last March, 2019.

### Combination of the two business to create a Company with 444 stores

The combination of IMC with Pizza Hut and KFC, if fulfilled, shall result in a sole company in the food service sector that, considering 2018, would have adjusted gross revenues of more than BRL 1.8 billion (or approximately BRL 2,3 billion, considering also franchisees' revenues) and more than 440 stores (including franchisees) and a portfolio of very strong and traditional trademarks, such as: Frango Assado, Viena, KFC, Pizza Hut, Margaritaville, among others.

Stores Base June 2019	Pizza Hut	KFC	MultiQSR	IMC <sup>1</sup>	Total
Own	11	20	31	195	226
Franchise	176	42	218		218
<b>Total</b>	<b>187</b>	<b>62</b>	<b>249</b>	<b>195</b>	<b>444</b>

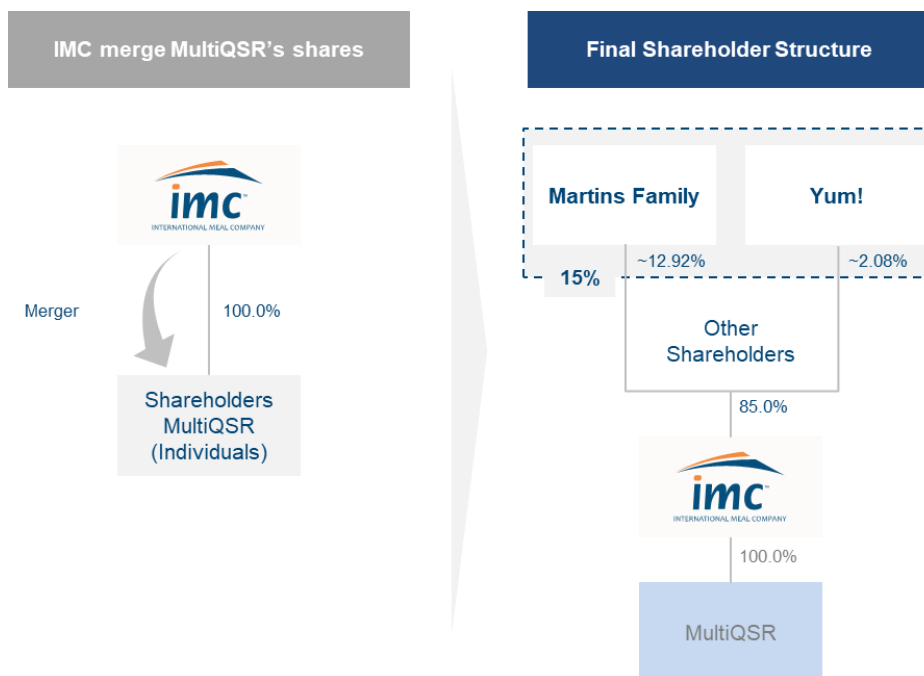
<sup>1</sup>Stores base from March/2019 <sup>2</sup>Store base form Jun/19 <sup>3</sup>if the deal is approved

R\$ million	2018 Gross Revenues	System Sales
IMC	1.683	1.683
MultiQSR	136	636
<b>Combined</b>	<b>1.819</b>	<b>2.319</b>

\*If deal is approved

## Deal Structure

By means of the Merger, Martins Family will jointly receive 29,387,930 common shares issued by the Company, corresponding, on that date, to 15% of the total common shares. Considering the capital increase arising from the Merger, Martins Family will be the main individual shareholder of the Company.

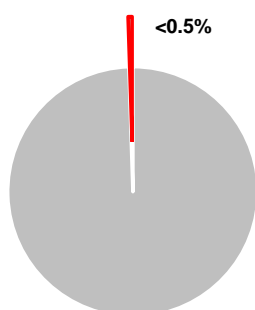


## Vast addressable market for pizza and chicken

Both pizza and chicken markets in Brazil are big and very fragmented. We believe that IMC post-deal approval would be one of the key players to expand its penetration on both. The pizza market in Brazil had roughly 36,000 restaurants in 2018 and Pizza Hut, one of the leading groups, had only 0.5% market share (including franchisee restaurants).

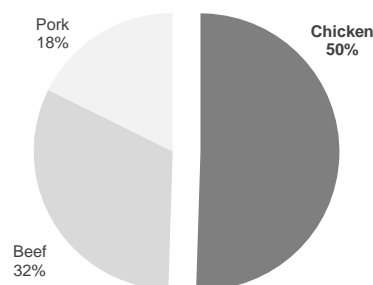
On the chicken side, it represented 50% of the protein consumed in Brazil per capita in 2017, according to the Associação Brasileira de Proteína Animal (ABPA – Brazilian Association of Animal Protein), and, as the pizza market, without a strong store chain, being KFC the largest with only 62 restaurants nationally.

**Pizza Hut Market Share is below 0.5%**  
(2018 - # of pizza restaurants in Brazil)



Source: Statista and IMC

**50% of the protein eaten by Brazilian is Chicken**  
(kg/per capita in 2017)



Source: Associação Brasileira de Proteína Animal (ABPA - Brazilian Association of Animal Protein)

**Franchise business is attractive in terms of ROIC and growth opportunity. Variety of stores increase even further the addressable market.**

The Franchise is a key model when we look at expansion on a faster pace and with a lower capex. In this type of business the franchisee takes the investments and the market risk; meanwhile it pays royalties to the Master Franchisee. This should help to increase the pace in terms of expansion with no cash necessity from our side and corroborates to expand into regions where the franchisee has a better understanding. The variety of stores on both brands, which includes Delivery/in-store pick up, food hall and dine-in restaurants, also helps to increase the addressable market.

**Synergies should come from operations and from the Martins family know-how on franchise model**

We expect synergies to come from suppliers negotiation, conversion of existing IMC's stores and also the evaluation to have Pizza Hut store-in-store at our Frango Assado locations.

On the supply side, we should increase our chicken purchase by 3.3x, double our flour necessity and have credit card transactions 70% higher. We also see opportunity with the acquisition of equipments and G&A optimization.

When we analyze the stores conversion opportunity, we estimate that we are able to convert approximately 20 Viena restaurants out of 28.

We are also evaluating a store-in-store format, in which we could have a Pizza Hut corner inside Frango Assado restaurants. That should give Pizza Hut access to over 1.5 million customers that goes to Frango Assado every month and also should help Frango Assado stores as it will attract customers interested in Pizza Hut.




















The Martins Family background over the franchise model should also help to a potential plan for IMC's existing brands.



## New Board Members with strong background related to food and franchise businesses

Subject to the General Meeting's approval, as a part of the Merger negotiations, there will be an increase in the number of Board of Directors' members, from 6 to 7 members. The Board of Directors will be composed by some of its current members and shall also be composed by 2 (two) members appointed by Martins Family and 1 member jointly appointed by YUM!. Meanwhile, Charles and Lincoln Martins will bring the strong background over the franchise business, as the Family's know-how stems mainly from Wizard language schools and Mundo Verde. Joseph Call, a Pizza Hut VP of Global Development at YUM!, will bring a global knowledge from the owner of the brands.

With that we add board members with strong background related to food and franchise businesses.

Board Members (Proposed)	Previous Experience
Flávio Benício Jansen <b>Chairman</b>	locaweb 
Lincoln Martins <b>Member</b>	   
Charles Martins <b>Member</b>	   
Marcel Fleischmann <b>Independent Member</b>	 
José Agote <b>Member</b>	   
Rodrigo Furtado <b>Independent Member</b>	Shareholder (Financial Investor) 
Joseph Call <b>Member</b>	  

## Deal expected to close by October

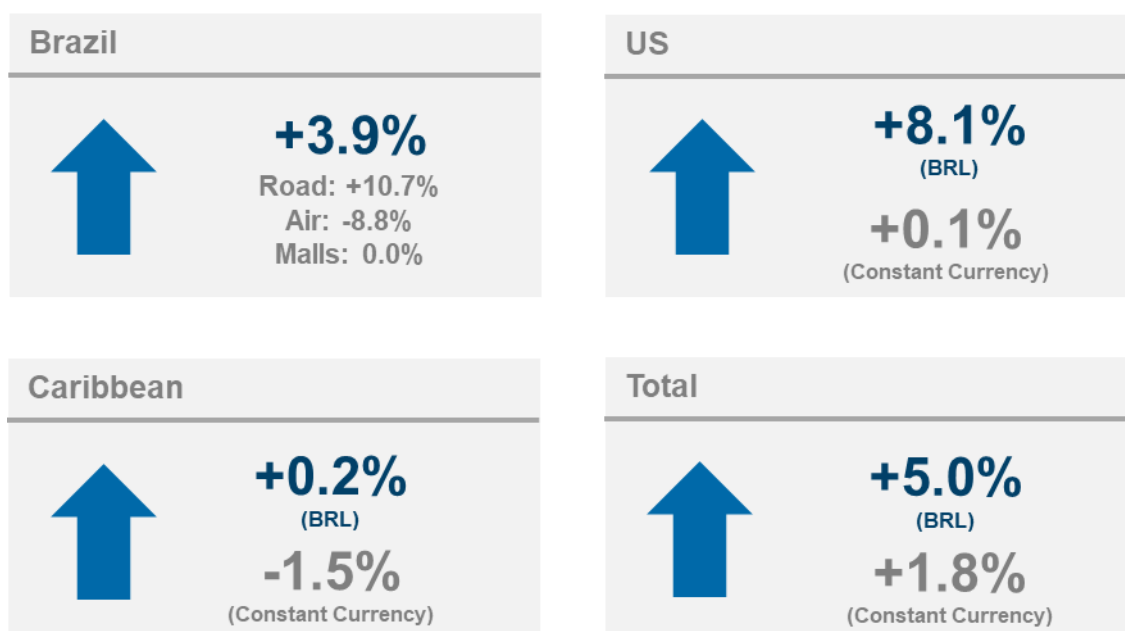
The dates given here are tentative and are also subject to change due to the implementation of certain legal or regulatory conditions, terms and procedures. The transaction was submitted to CADE (Administrative Council for Economic Defense) for approval, which may change the terms established in this schedule. That said, we expect the deal to close by October after the approval on our EGM of August, 28<sup>th</sup> and also the approval from CADE.

Information and documents of the Merger are available at the Company's headquarters and at the websites of the Company ([www.internationalmealcompany.com.br](http://www.internationalmealcompany.com.br)), CVM ([www.cvm.gov.br](http://www.cvm.gov.br)) and B3 ([www.b3.com.br](http://www.b3.com.br)).

## COMMENTS ABOUT IMC'S PERFORMANCE

### OVERVIEW OF 2Q19

### SAME-STORE SALES (SSS)



In 2Q19, consolidated same store sales reached a 5.0% increase in Brazilian Reais or a 1.8% improvement in constant currency.

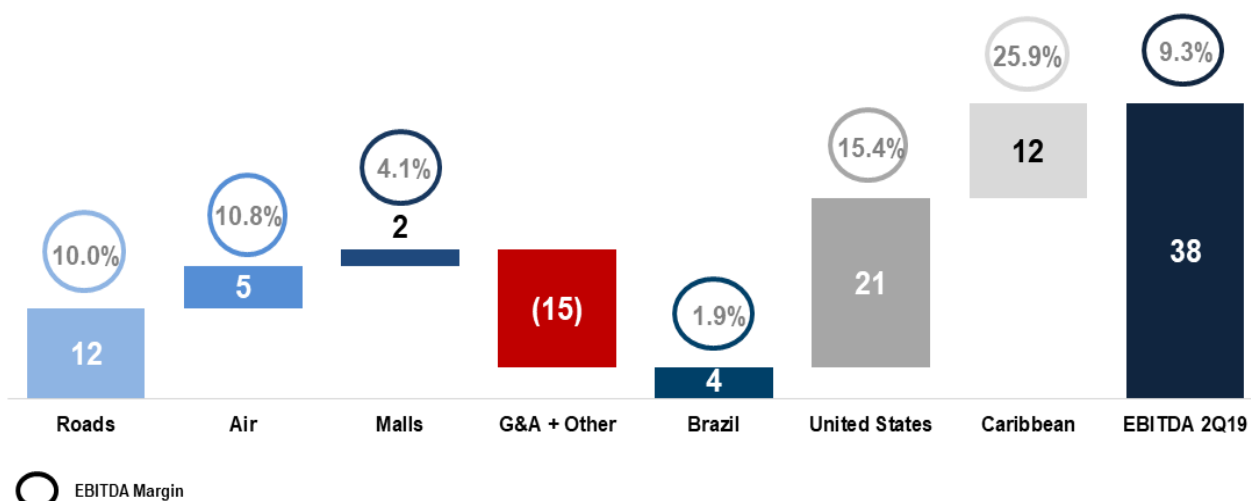
In Brazil, Roads accumulated a 10.7% increase in 2Q19, due to improvements on product mix and one-time events (World Cup and the truckers' strike) effect on 2Q18 results. The Air segment had its same store sales reduced by 8.8%, negatively impacted by Avianca bankruptcy. The Mall segment came to a flat same store sales with the net closure of 14 underperforming stores. Thus, Brazil's overall same store sales came to a 3.9% increase.

USA's same store sales in 2Q19 was up 8.1% in Reais with Food & Beverage growing 9.3% (retail was down at 1.8%). In US\$, SSS had slightly growth of 0.1%, with F&B growing 1.2% and Retail decreasing 9.0%, a sector trend.

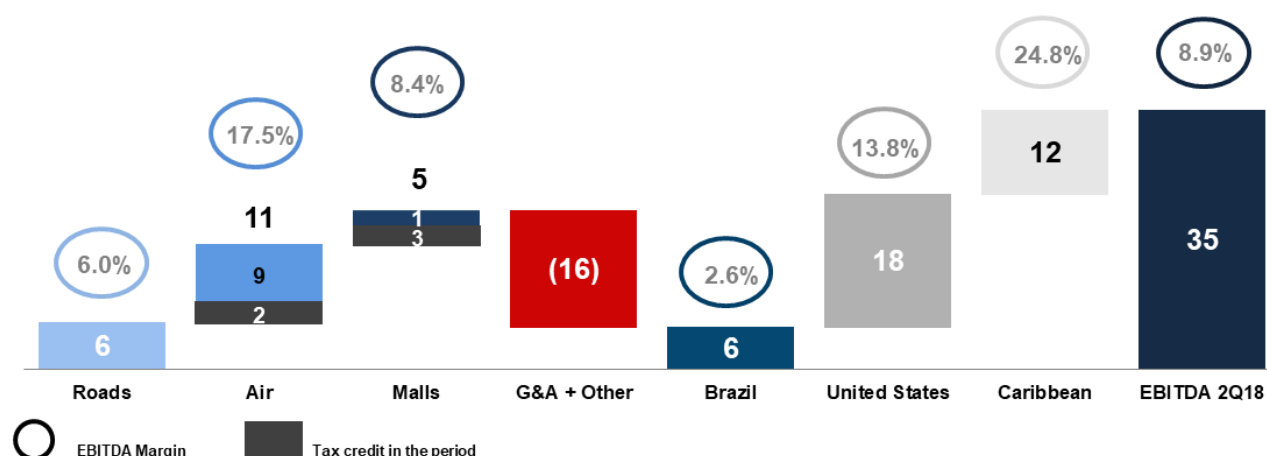
The Caribbean finished 2Q19 with a SSS of +0.2% in Reais and -1.5% in constant currency, as Colombia's positive performance was offset by lower sales in Panama, especially due to refurbishments in the airport that impacted the flow of customers in our stores.

## EBITDA EVOLUTION

### EBITDA Bridge 2Q19



### EBITDA Bridge 2Q18



In 2Q19, IMC's Adjusted EBITDA was up by 6.7% with margins expanding 50bps vs.2Q18, reaching R\$38M with a 9.3% margin.

In Brazil, operating income reached R\$4M (with a 1.9% margin), down 30% YoY. The Road segment was up by 83% YoY reaching R\$12M with a 10.0% margin (+400 bps) on the back of higher same stores sales benefited by better product mix and the impact of the World Cup and the truckers' strike on 2Q18 results. The Airport segment posted a R\$5M operating income a drop of 50.4%, mostly on the back of Avianca bankruptcy (R\$3.7M in revenues in the 2Q18) and the R\$2.2M tax benefit in the 2Q18. In the Malls segment, albeit the flat SSS our operating income was reduced by 54% to R\$2.1M (4.1% margin) as a result of the R\$3.5M tax benefit we had in the 2Q18.

In the US, there was an increase in operating income that reached R\$21M (15.4% margin) from R\$18M (-13.8% margin) in 2Q18, due to the improvement in margins (from lower food cost and selling expenses) that was amplified by the positive impact of the exchange rate.

In the Caribbean, operating income reached R\$11.8M and margins were up by 90bps at 25.7% compared to 24.8% in 2Q18.

## RESULTS BY GEOGRAPHIC REGION

(in R\$ million)	Brazil 2Q19	USA 2Q19	Caribbean 2Q19	Consolidated 2Q19	% VA	Brazil 2Q18	USA 2Q18	Caribbean 2Q18	Consolidated 2Q18	% VA	% HA
<b>Net Revenue</b>	<b>216.4</b>	<b>138.7</b>	<b>46.8</b>	<b>401.9</b>	<b>100.0%</b>	<b>220.7</b>	<b>129.5</b>	<b>46.5</b>	<b>396.7</b>	<b>100.0%</b>	<b>1.3%</b>
Restaurants & Others	156.4	138.7	46.8	341.9	85.1%	166.2	129.5	46.5	342.2	86.3%	-0.1%
Gas Stations	60.0	0.0	0.0	60.0	14.9%	54.5	0.0	0.0	54.5	13.7%	10.1%
<b>Cost of Sales and Services</b>	<b>(171.0)</b>	<b>(79.1)</b>	<b>(21.8)</b>	<b>(272.0)</b>	<b>-67.7%</b>	<b>(170.9)</b>	<b>(74.9)</b>	<b>(21.9)</b>	<b>(267.7)</b>	<b>-67.5%</b>	<b>1.6%</b>
Direct Labor	(56.1)	(40.9)	(8.3)	(105.3)	-26.2%	(57.6)	(37.1)	(8.9)	(103.7)	-26.1%	1.6%
Food	(44.4)	(26.9)	(12.5)	(83.8)	-20.9%	(47.2)	(25.2)	(12.1)	(84.5)	-21.3%	-0.8%
Others	(13.8)	(7.6)	(0.5)	(21.9)	-5.5%	(13.6)	(7.9)	(0.5)	(22.0)	-5.5%	-0.4%
Fuel and Automotive Accessories	(49.3)	0.0	0.0	(49.3)	-12.3%	(44.9)	0.0	0.0	(44.9)	-11.3%	9.7%
Depreciation & Amortization	(7.5)	(3.7)	(0.5)	(11.6)	-2.9%	(7.6)	(4.7)	(0.4)	(12.6)	-3.2%	-8.1%
<b>Gross Profit</b>	<b>45.4</b>	<b>59.6</b>	<b>25.0</b>	<b>129.9</b>	<b>32.3%</b>	<b>49.8</b>	<b>54.6</b>	<b>24.6</b>	<b>129.0</b>	<b>32.5%</b>	<b>0.7%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(53.3)</b>	<b>(42.8)</b>	<b>(15.5)</b>	<b>(111.7)</b>	<b>-27.8%</b>	<b>(56.2)</b>	<b>(42.2)</b>	<b>(15.5)</b>	<b>(113.9)</b>	<b>-28.7%</b>	<b>-2.0%</b>
Selling and Operating	(13.9)	(25.6)	(6.5)	(46.0)	-11.5%	(13.4)	(25.9)	(6.3)	(45.6)	-11.5%	0.9%
Rents of Stores	(20.1)	(15.2)	(5.3)	(40.6)	-10.1%	(21.1)	(13.3)	(5.1)	(39.5)	-10.0%	2.7%
Store Pre-Openings	0.1	(0.0)	(0.1)	(0.0)	0.0%	(1.3)	0.5	(0.2)	(0.9)	-0.2%	-98.1%
Depreciation & Amortization	(4.6)	(0.3)	(2.2)	(7.1)	-1.8%	(4.6)	(0.3)	(2.0)	(6.9)	-1.8%	1.9%
J.V. Investment Amortization	0.0	(0.6)	0.0	(0.6)	-0.2%	0.0	(0.6)	0.0	(0.6)	-0.1%	8.8%
Equity income result	0.0	4.1	0.0	4.1	1.0%	0.0	3.5	0.0	3.5	0.9%	17.1%
General & Administrative	(14.9)	(5.2)	(1.4)	(21.4)	-5.3%	(15.8)	(6.2)	(1.9)	(23.9)	-6.0%	-10.3%
(+) Depreciation & Amortization	12.0	4.6	2.7	19.3	4.8%	12.2	5.6	2.3	20.1	5.1%	-4.2%
<b>Operating Income</b>	<b>4.1</b>	<b>21.4</b>	<b>12.1</b>	<b>37.6</b>	<b>9.3%</b>	<b>5.8</b>	<b>17.9</b>	<b>11.5</b>	<b>35.2</b>	<b>8.9%</b>	<b>6.7%</b>
Special Items - Other				(5.2)	-1.3%				(2.9)	-0.7%	80.1%
<b>EBIT</b>	<b>(7.9)</b>	<b>16.8</b>	<b>9.5</b>	<b>13.1</b>	<b>3.3%</b>	<b>(6.4)</b>	<b>12.4</b>	<b>9.2</b>	<b>12.2</b>	<b>3.1%</b>	
(+) D&A and Write-offs				19.3	4.8%				20.1	5.1%	-4.2%
<b>EBITDA</b>				<b>32.4</b>	<b>8.1%</b>				<b>32.3</b>	<b>8.2%</b>	<b>0.2%</b>
(+) Special Items				5.2	1.3%				2.9	0.7%	80.1%
<b>Adjusted EBITDA</b>				<b>37.6</b>	<b>9.3%</b>				<b>35.2</b>	<b>8.9%</b>	<b>6.7%</b>

<sup>1</sup>Before special items;

## RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R\$ million)	2Q19	% VA	2Q18	% VA	% HA	6M19	% VA	6M18	% VA	% HA
<b>Net Revenue</b>	<b>115.3</b>	<b>100.0%</b>	<b>105.2</b>	<b>100.0%</b>	<b>9.6%</b>	<b>243.7</b>	<b>100.0%</b>	<b>228.8</b>	<b>100.0%</b>	<b>6.5%</b>
Restaurants & Others	55.3	48.0%	50.7	48.2%	9.2%	122.7	50.3%	116.0	50.7%	5.7%
Gas Stations	60.0	52.0%	54.5	51.8%	10.1%	121.0	49.7%	112.8	49.3%	7.3%
<b>Cost of Sales and Services</b>	<b>(97.5)</b>	<b>-84.5%</b>	<b>(92.2)</b>	<b>-87.7%</b>	<b>5.7%</b>	<b>(200.5)</b>	<b>-82.3%</b>	<b>(193.9)</b>	<b>-84.8%</b>	<b>3.4%</b>
Direct Labor	(22.1)	-19.2%	(21.9)	-20.8%	1.0%	(46.3)	-19.0%	(45.6)	-19.9%	1.6%
Food	(17.1)	-14.8%	(16.7)	-15.9%	2.1%	(37.6)	-15.4%	(37.6)	-16.4%	0.0%
Others	(5.8)	-5.0%	(5.6)	-5.3%	4.1%	(11.8)	-4.8%	(11.2)	-4.9%	4.9%
Fuel and Automotive Accessories	(49.3)	-42.7%	(44.9)	-42.7%	9.7%	(98.4)	-40.4%	(93.3)	-40.8%	5.5%
Depreciation & Amortization	(3.2)	-2.8%	(3.1)	-3.0%	2.3%	(6.4)	-2.6%	(6.2)	-2.7%	2.7%
<b>Gross Profit</b>	<b>17.9</b>	<b>15.5%</b>	<b>13.0</b>	<b>12.3%</b>	<b>37.7%</b>	<b>43.2</b>	<b>17.7%</b>	<b>34.9</b>	<b>15.2%</b>	<b>24.1%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(10.3)</b>	<b>-9.0%</b>	<b>(10.6)</b>	<b>-10.1%</b>	<b>-2.5%</b>	<b>(22.2)</b>	<b>-9.1%</b>	<b>(21.6)</b>	<b>-9.5%</b>	<b>2.6%</b>
Selling and Operating	(5.1)	-4.4%	(5.5)	-5.2%	-7.2%	(10.3)	-4.2%	(11.2)	-4.9%	-7.2%
Rents of Stores	(4.9)	-4.3%	(4.3)	-4.1%	13.4%	(10.3)	-4.2%	(8.9)	-3.9%	16.0%
Store Pre-Openings	0.5	0.4%	0.0	0.0%	na	0.1	0.0%	0.0	0.0%	na
Depreciation & Amortization	(0.8)	-0.7%	(0.8)	-0.7%	0.1%	(1.6)	-0.6%	(1.6)	-0.7%	0.4%
(+) Depreciation & Amortization	4.0	3.4%	3.9	3.7%	1.9%	8.0	3.3%	7.8	3.4%	2.2%
<b>Operating Income</b>	<b>11.5</b>	<b>10.0%</b>	<b>6.3</b>	<b>6.0%</b>	<b>83.4%</b>	<b>29.0</b>	<b>11.9%</b>	<b>21.0</b>	<b>9.2%</b>	<b>38.0%</b>
Expansion Capex	2.4	2.1%	8.9	8.5%	-73.3%	3.7	1.5%	12.0	5.2%	-68.9%
Maintenance Capex	2.6	2.2%	0.2	0.2%	1098.0%	3.8	1.6%	0.3	0.1%	1057.3%
<b>Total Capex</b>	<b>4.9</b>	<b>4.3%</b>	<b>9.1</b>	<b>8.7%</b>	<b>-45.7%</b>	<b>7.6</b>	<b>3.1%</b>	<b>12.3</b>	<b>5.4%</b>	<b>-38.7%</b>
<b>Operating Inc. - Maintenance Capex<sup>2</sup></b>	<b>8.9</b>	<b>77.7%</b>	<b>6.1</b>	<b>96.6%</b>	<b>-18.9%</b>	<b>25.2</b>	<b>86.8%</b>	<b>20.7</b>	<b>98.4%</b>	<b>-11.6%</b>

<sup>1</sup>Before special items; <sup>2</sup> Maintenance Capex vs. Op. Inc.

The Roads segment operating income increased by 83% in 2Q19, reaching R\$ 11.5 million with a 10.0% margin (up 400bps). The highlights in terms of performance in 2Q19 were:

- i. Sales up by 9.6% as a result of positive same store sales in restaurants and fuel, on the back of product mix improvements and the impact 2Q18 had from the World Cup and the truckers' strike.
- ii. With the top-line performance:
  - a. We were able to improve our labor cost by 160bps (also helped by headcount adjustments, which partially offset the inflation pass-through in salaries) and the food cost by 110bps.
  - b. Mitigate the 10bps increase in renting expenses, on the back of the minimum rent paid last year due to the trucker's strike and world cup effect on sales.



## RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R\$ million)	2Q19	% VA	2Q18	% VA	% HA	6M19	% VA	6M18	% VA	% HA
<b>Net Revenue</b>	<b>49.2</b>	<b>100.0%</b>	<b>61.4</b>	<b>100.0%</b>	<b>-19.8%</b>	<b>102.1</b>	<b>100.0%</b>	<b>124.0</b>	<b>100.0%</b>	<b>-17.7%</b>
Restaurants & Others	49.2	100.0%	61.4	100.0%	-19.8%	102.1	100.0%	124.0	100.0%	-17.7%
<b>Cost of Sales and Services</b>	<b>(34.1)</b>	<b>-69.2%</b>	<b>(40.6)</b>	<b>-66.2%</b>	<b>-16.0%</b>	<b>(69.6)</b>	<b>-68.2%</b>	<b>(82.6)</b>	<b>-66.6%</b>	<b>-15.7%</b>
Direct Labor	(16.9)	-34.4%	(19.4)	-31.6%	-12.8%	(34.3)	-33.6%	(39.2)	-31.6%	-12.4%
Food	(12.1)	-24.6%	(15.4)	-25.1%	-21.4%	(25.0)	-24.5%	(31.9)	-25.7%	-21.5%
Others	(3.3)	-6.8%	(3.7)	-6.0%	-9.8%	(6.7)	-6.5%	(7.3)	-5.9%	-9.0%
Depreciation & Amortization	(1.7)	-3.5%	(2.1)	-3.4%	-17.9%	(3.6)	-3.5%	(4.2)	-3.4%	-15.1%
<b>Gross Profit</b>	<b>15.2</b>	<b>30.8%</b>	<b>20.8</b>	<b>33.8%</b>	<b>-27.1%</b>	<b>32.5</b>	<b>31.8%</b>	<b>41.4</b>	<b>33.4%</b>	<b>-21.5%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(14.9)</b>	<b>-30.3%</b>	<b>(15.6)</b>	<b>-25.4%</b>	<b>-4.1%</b>	<b>(29.9)</b>	<b>-29.3%</b>	<b>(34.1)</b>	<b>-27.5%</b>	<b>-12.2%</b>
Selling and Operating	(4.3)	-8.8%	(3.3)	-5.3%	32.9%	(8.6)	-8.4%	(9.3)	-7.5%	-8.2%
Rents of Stores	(7.1)	-14.4%	(8.9)	-14.5%	-20.3%	(14.3)	-14.0%	(17.9)	-14.5%	-20.1%
Depreciation & Amortization	(3.4)	-6.9%	(3.5)	-5.6%	-1.6%	(6.9)	-6.8%	(6.8)	-5.5%	0.9%
(+) Depreciation & Amortization	5.1	10.4%	5.5	9.0%	-7.7%	10.5	10.3%	11.1	8.9%	-5.5%
<b>Operating Income<sup>1</sup></b>	<b>5.3</b>	<b>10.8%</b>	<b>10.7</b>	<b>17.5%</b>	<b>-50.4%</b>	<b>13.0</b>	<b>12.8%</b>	<b>18.4</b>	<b>14.8%</b>	<b>-29.0%</b>
Expansion Capex	1.1	2.3%	1.4	2.3%	-17.2%	2.8	2.7%	1.8	1.4%	57.3%
Maintenance Capex	0.4	0.9%	0.1	0.2%	347.4%	0.8	0.8%	0.1	0.1%	735.2%
<b>Total Capex</b>	<b>1.6</b>	<b>3.2%</b>	<b>1.5</b>	<b>2.4%</b>	<b>6.7%</b>	<b>3.6</b>	<b>3.5%</b>	<b>1.9</b>	<b>1.5%</b>	<b>92.6%</b>
<b>Operating Inc. - Maintenance Capex<sup>2</sup></b>	<b>4.9</b>	<b>91.8%</b>	<b>10.6</b>	<b>99.1%</b>	<b>-7.3%</b>	<b>12.2</b>	<b>93.8%</b>	<b>18.3</b>	<b>99.5%</b>	<b>-5.7%</b>

<sup>1</sup>Before special items; <sup>2</sup> Maintenance Capex vs. Op. Inc.

The Brazilian Airport segment operating income reached R\$5.3 million in 2Q19 (from R\$10.7million in 2Q18), with a 10.8% margin (down 670bps YoY).

Notwithstanding the SSS performance (-8.8%) that was impacted by lower revenues from Avianca (R\$3.7M in 2Q18), revenues were down by 19.8% YoY. The 14-store closure and a higher base from 2Q18 (the segment had tax benefit of R\$2.2 million last year) were the reason behind the total store sales further reduction.

On the margin side, the 670bps pressure on the operating income margin that reached 10.8%, is mostly explained by a lower labor expenses dilution (-280bps) and inflation pass-through salaries (impacted sales and operating expenses by -350bps).

### Brazilian Air Results – Adjustments to Tax Benefit in 2Q18

(R\$ million)	2Q19	2Q18	Tax Benefit	Adj 2Q18	YoY
<b>Revenues</b>	<b>49.2</b>	<b>61.4</b>	<b>2.2</b>	<b>59.2</b>	<b>-16.8%</b>
Gross Profit	15.2	20.8	2.2	18.6	-18.5%
Gross Margin	30.8%	33.8%	na	31.4%	-65bps
<b>Operating Income</b>	<b>5.3</b>	<b>10.7</b>	<b>2.2</b>	<b>8.6</b>	<b>-37.8%</b>
Op. Inc. Margin	10.8%	17.5%	na	14.5%	-365bps

## RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R\$ million)	2Q19	% VA	2Q18	% VA	% HA	6M19	% VA	6M18	% VA	% HA
<b>Net Revenue</b>	<b>51.8</b>	<b>100.0%</b>	<b>54.1</b>	<b>100.0%</b>	<b>-4.3%</b>	<b>104.0</b>	<b>100.0%</b>	<b>112.5</b>	<b>100.0%</b>	<b>-7.5%</b>
Restaurants & Others	51.8	100.0%	54.1	100.0%	-4.3%	104.0	100.0%	112.5	100.0%	-7.5%
<b>Cost of Sales and Services</b>	<b>(39.5)</b>	<b>-76.2%</b>	<b>(38.1)</b>	<b>-70.4%</b>	<b>3.6%</b>	<b>(79.4)</b>	<b>-76.3%</b>	<b>(78.7)</b>	<b>-69.9%</b>	<b>0.8%</b>
Direct Labor	(17.1)	-33.0%	(16.4)	-30.2%	4.5%	(34.1)	-32.8%	(33.6)	-29.9%	1.3%
Food	(15.2)	-29.4%	(15.0)	-27.8%	1.1%	(30.9)	-29.7%	(31.4)	-27.9%	-1.7%
Others	(4.6)	-8.9%	(4.3)	-8.0%	6.7%	(9.4)	-9.0%	(8.9)	-7.9%	5.2%
Depreciation & Amortization	(2.6)	-4.9%	(2.4)	-4.4%	8.3%	(5.0)	-4.8%	(4.7)	-4.2%	5.1%
<b>Gross Profit</b>	<b>12.3</b>	<b>23.8%</b>	<b>16.0</b>	<b>29.6%</b>	<b>-23.1%</b>	<b>24.7</b>	<b>23.7%</b>	<b>33.8</b>	<b>30.1%</b>	<b>-27.0%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(13.2)</b>	<b>-25.4%</b>	<b>(14.2)</b>	<b>-26.3%</b>	<b>-7.5%</b>	<b>(27.0)</b>	<b>-26.0%</b>	<b>(29.9)</b>	<b>-26.5%</b>	<b>-9.5%</b>
Selling and Operating	(4.5)	-8.7%	(4.7)	-8.7%	-3.7%	(8.9)	-8.5%	(10.7)	-9.5%	-17.4%
Rents of Stores	(8.1)	-15.6%	(7.9)	-14.6%	2.5%	(16.3)	-15.6%	(16.1)	-14.3%	0.9%
Store Pre-Openings	(0.2)	-0.4%	(1.3)	-2.3%	-84.9%	(1.1)	-1.0%	(2.2)	-2.0%	-50.8%
Depreciation & Amortization	(0.4)	-0.7%	(0.4)	-0.8%	-6.8%	(0.8)	-0.8%	(0.8)	-0.7%	0.1%
(+) Depreciation & Amortization	2.9	5.7%	2.8	5.1%	6.1%	5.8	5.6%	5.5	4.9%	4.4%
<b>Operating Income</b>	<b>2.1</b>	<b>4.1%</b>	<b>4.6</b>	<b>8.4%</b>	<b>-53.9%</b>	<b>3.5</b>	<b>3.3%</b>	<b>9.5</b>	<b>8.4%</b>	<b>-63.5%</b>
Expansion Capex	6.0	11.6%	5.3	9.8%	13.1%	12.9	12.4%	10.0	8.9%	28.6%
Maintenance Capex	1.2	2.4%	1.0	1.8%	28.6%	1.7	1.6%	2.4	2.1%	-27.9%
<b>Total Capex</b>	<b>7.2</b>	<b>14.0%</b>	<b>6.3</b>	<b>11.6%</b>	<b>15.5%</b>	<b>14.6</b>	<b>14.0%</b>	<b>12.4</b>	<b>11.0%</b>	<b>17.8%</b>
<b>Operating Inc. - Maintenance Capex<sup>2</sup></b>	<b>0.9</b>	<b>41.0%</b>	<b>3.6</b>	<b>78.9%</b>	<b>-37.9%</b>	<b>1.8</b>	<b>51.1%</b>	<b>7.1</b>	<b>75.2%</b>	<b>-24.1%</b>

<sup>1</sup>Before special items; <sup>2</sup>Maintenance Capex vs. Op. Inc.

The Malls segment operating income reached R\$2.1 million, a 54% decrease compared to 2Q18, with a reduction in margins of 440bps reaching 4.1% in the quarter.

Despite the flat SSS performance, revenues were down by 4.3% mostly as a result of the R\$3.5 million tax benefit that impacted revenues last year, that offset the improved traffic given the seasonality related to the World Cup in 2Q18 (World Cup games reduced malls traffic last year).

On the margin side, the 440bps pressure on the operating income, that reached 4.1%, is mostly explained by a slower SSS performance that reduces dilution of labor expenses (-277bps) and food costs (-156bps). Remembering that both costs are linked to inflation.

The 14 underperforming stores that we closed at the beginning of June should have a more effective impact over the 3Q19 performance.

### Brazilian Malls Results – Adjustments to Tax Benefit in 2Q18

(R\$ million)	2Q19	2Q18	Tax Benefit	Adj 2Q18	YoY
<b>Revenues</b>	<b>51.8</b>	<b>54.1</b>	<b>3.5</b>	<b>50.7</b>	<b>2.2%</b>
Gross Profit	12.3	16.0	3.5	12.6	-2.0%
Gross Margin	23.8%	29.6%	na	24.8%	-104bps
<b>Operating Income</b>	<b>2.1</b>	<b>4.6</b>	<b>3.5</b>	<b>1.1</b>	<b>88.2%</b>
Op. Inc. Margin	4.1%	8.4%	na	2.2%	186bps

## RESULTS OF THE BRAZILIAN OPERATIONS

(in R\$ million)	2Q19	% VA	2Q18	% VA	% HA	6M19	% VA	6M18	% VA	% HA
<b>Net Revenue</b>	<b>216.4</b>	<b>100.0%</b>	<b>220.7</b>	<b>100.0%</b>	<b>-1.9%</b>	<b>449.9</b>	<b>100.0%</b>	<b>465.3</b>	<b>100.0%</b>	<b>-3.3%</b>
Restaurants & Others	156.4	72.3%	166.2	75.3%	-5.9%	328.8	73.1%	352.6	75.8%	-6.7%
Gas Stations	60.0	27.7%	54.5	24.7%	10.1%	121.0	26.9%	112.8	24.2%	7.3%
<b>Cost of Sales and Services</b>	<b>(171.0)</b>	<b>-79.0%</b>	<b>(170.9)</b>	<b>-77.4%</b>	<b>0.1%</b>	<b>(349.4)</b>	<b>-77.7%</b>	<b>(355.3)</b>	<b>-76.3%</b>	<b>-1.6%</b>
Direct Labor	(56.1)	-25.9%	(57.6)	-26.1%	-2.6%	(114.7)	-25.5%	(118.4)	-25.4%	-3.1%
Food	(44.4)	-20.5%	(47.2)	-21.4%	-5.9%	(93.6)	-20.8%	(100.9)	-21.7%	-7.3%
Others	(13.8)	-6.4%	(13.6)	-6.2%	1.2%	(27.8)	-6.2%	(27.5)	-5.9%	1.3%
Fuel and Automotive Accessories	(49.3)	-22.8%	(44.9)	-20.4%	9.7%	(98.4)	-21.9%	(93.3)	-20.0%	5.5%
Depreciation & Amortization	(7.5)	-3.4%	(7.6)	-3.4%	-1.4%	(14.9)	-3.3%	(15.2)	-3.3%	-1.5%
<b>Gross Profit</b>	<b>45.4</b>	<b>21.0%</b>	<b>49.8</b>	<b>22.6%</b>	<b>-8.9%</b>	<b>100.4</b>	<b>22.3%</b>	<b>110.1</b>	<b>23.7%</b>	<b>-8.7%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(53.3)</b>	<b>-24.6%</b>	<b>(56.2)</b>	<b>-25.5%</b>	<b>-5.2%</b>	<b>(110.4)</b>	<b>-24.5%</b>	<b>(117.9)</b>	<b>-25.3%</b>	<b>-6.3%</b>
Selling and Operating	(13.9)	-6.4%	(13.4)	-6.1%	3.7%	(27.8)	-6.2%	(31.2)	-6.7%	-11.0%
Rents of Stores	(20.1)	-9.3%	(21.1)	-9.6%	-4.9%	(40.9)	-9.1%	(43.0)	-9.2%	-4.7%
Store Pre-Openings	0.1	0.1%	(1.3)	-0.6%	-109.2%	(1.2)	-0.3%	(2.2)	-0.5%	-46.9%
Depreciation & Amortization	(4.6)	-2.1%	(4.6)	-2.1%	-1.7%	(9.3)	-2.1%	(9.2)	-2.0%	0.8%
General & Administrative Others <sup>2</sup>	(14.9)	-6.9%	(15.8)	-7.2%	-5.9%	(31.3)	-7.0%	(32.3)	-6.9%	-3.1%
(+) Depreciation & Amortization	12.0	5.6%	12.2	5.5%	-1.5%	24.2	5.4%	24.4	5.3%	-0.8%
<b>Operating Income</b>	<b>4.1</b>	<b>1.9%</b>	<b>5.8</b>	<b>2.6%</b>	<b>-29.5%</b>	<b>14.2</b>	<b>3.2%</b>	<b>16.6</b>	<b>3.6%</b>	<b>-14.2%</b>
Expansion Capex	9.5	4.4%	15.6	7.1%	-39.0%	19.4	4.3%	23.8	5.1%	-18.4%
Maintenance Capex	4.3	2.0%	1.3	0.6%	232.5%	6.3	1.4%	2.8	0.6%	127.8%
<b>Total Capex</b>	<b>13.8</b>	<b>6.4%</b>	<b>16.9</b>	<b>7.6%</b>	<b>-18.4%</b>	<b>25.8</b>	<b>5.7%</b>	<b>26.6</b>	<b>5.7%</b>	<b>-3.1%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>(0.2)</b>	<b>-4.5%</b>	<b>4.5</b>	<b>77.8%</b>	<b>-82.3%</b>	<b>7.9</b>	<b>55.5%</b>	<b>13.8</b>	<b>83.2%</b>	<b>-27.7%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments; <sup>3</sup>Maintenance Capex vs. Op. Inc.

In Brazil, operating income reached R\$4.1M, a 29.5% decrease YoY, with margins reaching 1.9%, -70bps compared to 2Q18.

Brazilian operation's top line in 2Q19 reached R\$216.4 million, down 1.9% vs 2Q18. Avianca bankruptcy and the stores closure (14) at our Air operations, plus a lackluster Malls business offset the positive performance in Roads.

On the margin side, the higher participation of gas sales over the consolidated mix (from 25% to 28% in the 2Q19) was a key factor behind the gross margin pressure of 160bps to 21.0%, as it carries a lower margin. On the expenses side, a higher dilution of stores rental and G&A and Others were the main factor behind the positive performance of 80bps dilution, despite the air operation impact on selling and operating expenses.

## RESULTS OF U.S. OPERATIONS

(in US\$ Million)	2Q19	% VA	2Q18	% VA	% HA	6M19	% VA	6M18	% VA	% HA
<b>Net Revenue</b>	<b>35.4</b>	<b>100.0%</b>	<b>35.7</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>57.1</b>	<b>100.0%</b>	<b>58.6</b>	<b>100.0%</b>	<b>-2.6%</b>
Restaurants & Others	35.4	100.0%	35.7	100.0%	-0.8%	57.1	100.0%	58.6	100.0%	-2.6%
<b>Cost of Sales and Services</b>	<b>(20.2)</b>	<b>-57.0%</b>	<b>(20.7)</b>	<b>-58.0%</b>	<b>-2.5%</b>	<b>(34.5)</b>	<b>-60.4%</b>	<b>(36.0)</b>	<b>-61.4%</b>	<b>-4.3%</b>
Direct Labor	(10.4)	-29.5%	(10.3)	-28.8%	1.5%	(18.1)	-31.7%	(18.2)	-31.1%	-0.9%
Food	(6.9)	-19.4%	(7.0)	-19.5%	-1.3%	(11.1)	-19.4%	(11.6)	-19.7%	-4.4%
Others	(1.9)	-5.5%	(2.2)	-6.1%	-10.3%	(3.3)	-5.7%	(3.7)	-6.3%	-11.5%
Depreciation & Amortization	(0.9)	-2.6%	(1.3)	-3.6%	-27.9%	(2.1)	-3.6%	(2.5)	-4.3%	-17.9%
<b>Gross Profit</b>	<b>15.2</b>	<b>43.0%</b>	<b>15.0</b>	<b>42.0%</b>	<b>1.5%</b>	<b>22.6</b>	<b>39.6%</b>	<b>22.6</b>	<b>38.6%</b>	<b>0.0%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(10.9)</b>	<b>-30.8%</b>	<b>(11.7)</b>	<b>-32.7%</b>	<b>-6.5%</b>	<b>(19.2)</b>	<b>-33.6%</b>	<b>(21.1)</b>	<b>-36.0%</b>	<b>-9.1%</b>
Selling and Operating	(6.5)	-18.4%	(7.2)	-20.0%	-8.7%	(11.3)	-19.8%	(12.8)	-21.8%	-11.6%
Rents of Stores	(3.9)	-11.0%	(3.7)	-10.3%	5.8%	(6.4)	-11.1%	(6.2)	-10.5%	2.9%
Store Pre-Openings	(0.0)	0.0%	0.1	0.4%	-102%	(0.0)	0.0%	(0.3)	-0.6%	-99.0%
Depreciation & Amortization	(0.1)	-0.2%	(0.1)	-0.3%	-13.4%	(0.1)	-0.3%	(0.2)	-0.3%	-18.8%
J.V. Investment Amortization	(0.2)	-0.4%	(0.2)	-0.4%	0.0%	(0.3)	-0.5%	(0.3)	-0.5%	0.0%
Equity income result	1.1	3.0%	1.0	2.7%	7.8%	1.9	3.3%	1.7	2.9%	10.0%
General & Administrative and Others	(1.3)	-3.7%	(1.7)	-4.8%	-23.5%	(2.9)	-5.1%	(3.0)	-5.1%	-2.4%
(+) Depreciation & Amortization	1.2	3.3%	1.5	4.3%	-24.3%	2.5	4.4%	3.0	5.1%	-16.1%
<b>Operating Income</b>	<b>5.5</b>	<b>15.5%</b>	<b>4.9</b>	<b>13.6%</b>	<b>12.3%</b>	<b>6.0</b>	<b>10.4%</b>	<b>4.5</b>	<b>7.7%</b>	<b>31.8%</b>
Expansion Capex	0.2	0.7%	0.4	1.2%	-42.2%	1.3	2.2%	1.2	2.1%	1.7%
Maintenance Capex	0.6	1.8%	0.2	0.7%	160.0%	0.8	1.4%	0.4	0.6%	117.5%
<b>Total Capex</b>	<b>0.9</b>	<b>2.5%</b>	<b>0.7</b>	<b>1.9%</b>	<b>31.9%</b>	<b>2.0</b>	<b>3.6%</b>	<b>1.6</b>	<b>2.7%</b>	<b>27.5%</b>
<b>Operating Inc. - Maintenance Capex<sup>2</sup></b>	<b>4.8</b>	<b>88.5%</b>	<b>4.6</b>	<b>95.0%</b>	<b>4.6%</b>	<b>5.2</b>	<b>87.1%</b>	<b>4.2</b>	<b>92.2%</b>	<b>24.5%</b>

<sup>1</sup>Before special items; <sup>2</sup>Maintenance Capex vs. Op. Inc.

The operations in the United States consist mainly of Margaritaville and currently has 22 restaurants. The comments below (as well as the table above) are in local currency (US\$) to provide a better understanding of the region's results eliminating the impact of FX. It is important to note that the restaurants in the US are located mostly in summer destinations; therefore, most of the profitability is concentrated in the end of the second and fully in the third quarters.

In 2Q19, SSS grew 0.1%, with the food business reaching 1.2% and the retail posting a 9.0% decrease, corroborating with a sector view of declining of stores' merchandise. The store closure in Dec, 2018 (Mohegan Sun) was the main reason behind the decline in store revenues.

Operating income increased to US\$5.5M from US\$4.9M with a 15.5% operating margin (+180bps YoY) on the back of our menu engineering that offset the increase in labor costs and expenses control.

## RESULTS OF THE CARIBBEAN OPERATIONS

(in R\$ million)	2Q19	% VA	2Q18	% VA	% HA	2Q19 <sup>2</sup>	% VA <sup>2</sup>	% HA <sup>2</sup>	6M19	% VA	6M18	% VA	% HA	6M19 <sup>2</sup>	% VA <sup>2</sup>	% HA <sup>2</sup>
<b>Net Revenue</b>	<b>46.8</b>	<b>100.0%</b>	<b>46.5</b>	<b>100.0%</b>	<b>0.7%</b>	<b>46.0</b>	<b>100.0%</b>	<b>-1.0%</b>	<b>93.6</b>	<b>100.0%</b>	<b>90.1</b>	<b>100.0%</b>	<b>3.9%</b>	<b>88.1</b>	<b>100.0%</b>	<b>-2.2%</b>
Restaurants & Others	46.8	100.0%	46.5	100.0%	0.7%	46.0	100.0%	-1.0%	93.6	100.0%	90.1	100.0%	3.9%	88.1	100.0%	-2.2%
<b>Cost of Sales and Services</b>	<b>(21.8)</b>	<b>-46.7%</b>	<b>(21.9)</b>	<b>-47.0%</b>	<b>-0.1%</b>	<b>(21.7)</b>	<b>-47.2%</b>	<b>-0.6%</b>	<b>(43.8)</b>	<b>-46.7%</b>	<b>(42.2)</b>	<b>-46.9%</b>	<b>3.7%</b>	<b>(41.7)</b>	<b>-47.3%</b>	<b>-1.3%</b>
Direct Labor	(8.3)	-17.8%	(8.9)	-19.1%	-6.4%	(8.3)	-18.0%	-6.5%	(16.8)	-17.9%	(17.1)	-19.0%	-2.1%	(16.0)	-18.2%	-6.4%
Food	(12.5)	-26.8%	(12.1)	-26.0%	3.7%	(12.4)	-26.9%	2.6%	(25.0)	-26.7%	(23.4)	-25.9%	6.9%	(23.7)	-26.9%	1.3%
Others	(0.5)	-1.1%	(0.5)	-1.1%	0.5%	(0.6)	-1.2%	5.4%	(1.1)	-1.2%	(1.0)	-1.1%	12.1%	(1.1)	-1.2%	11.6%
Depreciation & Amortization	(0.5)	-1.0%	(0.4)	-0.8%	25.7%	(0.5)	-1.0%	26.3%	(0.9)	-1.0%	(0.7)	-0.8%	25.6%	(0.9)	-1.0%	20.8%
<b>Gross Profit</b>	<b>25.0</b>	<b>53.3%</b>	<b>24.6</b>	<b>53.0%</b>	<b>1.4%</b>	<b>24.3</b>	<b>52.8%</b>	<b>-1.3%</b>	<b>49.9</b>	<b>53.3%</b>	<b>47.9</b>	<b>53.1%</b>	<b>4.2%</b>	<b>46.4</b>	<b>52.7%</b>	<b>-3.0%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(15.5)</b>	<b>-33.1%</b>	<b>(15.5)</b>	<b>-33.2%</b>	<b>0.4%</b>	<b>(15.1)</b>	<b>-32.9%</b>	<b>-2.1%</b>	<b>(31.8)</b>	<b>-34.0%</b>	<b>(29.7)</b>	<b>-33.0%</b>	<b>7.1%</b>	<b>(29.8)</b>	<b>-33.8%</b>	<b>0.4%</b>
Selling and Operating	(6.5)	-13.9%	(6.3)	-13.6%	3.0%	(6.4)	-14.0%	2.0%	(12.8)	-13.6%	(11.8)	-13.2%	7.9%	(12.1)	-13.8%	2.3%
Rents of Stores	(5.3)	-11.3%	(5.1)	-11.0%	4.1%	(5.1)	-11.0%	-1.0%	(10.6)	-11.4%	(9.8)	-10.9%	8.6%	(9.7)	-11.1%	-0.5%
Store Pre-Openings	(0.1)	-0.3%	(0.2)	-0.3%	-19.7%	(0.1)	-0.2%	-29.8%	(0.2)	-0.3%	(0.2)	-0.2%	60.2%	(0.2)	-0.2%	38.6%
Depreciation & Amortization	(2.2)	-4.7%	(2.0)	-4.2%	11.7%	(2.2)	-4.7%	10.6%	(4.4)	-4.7%	(4.0)	-4.4%	11.6%	(4.2)	-4.8%	6.0%
General & Administrative and Others	(1.4)	-2.9%	(1.9)	-4.1%	-28.4%	(1.4)	-3.0%	-28.9%	(3.7)	-4.0%	(3.9)	-4.4%	-5.4%	(3.5)	-4.0%	-10.5%
(+) Depreciation & Amortization	2.7	5.7%	2.3	5.0%	13.9%	2.7	5.8%	13.1%	5.3	5.7%	4.7	5.2%	13.8%	5.1	5.8%	8.3%
<b>EBITDA</b>	<b>12.1</b>	<b>25.9%</b>	<b>11.5</b>	<b>24.8%</b>	<b>5.5%</b>	<b>11.8</b>	<b>25.7%</b>	<b>2.7%</b>	<b>23.4</b>	<b>25.0%</b>	<b>22.9</b>	<b>25.4%</b>	<b>2.3%</b>	<b>21.7</b>	<b>24.7%</b>	<b>-5.0%</b>
Margin EBITDA (%)	25.9%	0.0%	24.8%	0.0%	1.2p.p.	25.7%	0.0%	0.9p.p.	25.0%	0.0%	25.4%	0.0%	-0.4p.p.	24.7%	0.0%	-0.7p.p.
<b>Operating Income</b>	<b>12.1</b>	<b>25.9%</b>	<b>11.5</b>	<b>24.8%</b>	<b>5.5%</b>	<b>11.8</b>	<b>25.7%</b>	<b>2.7%</b>	<b>23.4</b>	<b>25.0%</b>	<b>22.9</b>	<b>25.4%</b>	<b>2.3%</b>	<b>21.7</b>	<b>24.7%</b>	<b>-5.0%</b>
Expansion Capex	0.0	0.0%	0.2	0.5%	-94.0%	0.0	0.0%	-94.1%	0.3		4.6	5.1%	-94.5%	0.2	0.3%	-94.8%
Maintenance Capex	1.5	3.2%	0.4	0.8%	314.1%	1.5	3.2%	307.1%	1.6		0.7	0.8%	116.7%	1.5	1.7%	104.0%
<b>Total Capex</b>	<b>1.5</b>	<b>3.2%</b>	<b>0.6</b>	<b>1.2%</b>	<b>159.8%</b>	<b>1.5</b>	<b>3.2%</b>	<b>155.5%</b>	<b>1.9</b>	<b>2.0%</b>	<b>5.4</b>	<b>6.0%</b>	<b>-65.2%</b>	<b>1.8</b>	<b>2.0%</b>	<b>-67.2%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>	<b>10.6</b>	<b>87.7%</b>	<b>11.1</b>	<b>96.9%</b>	<b>-4.5%</b>	<b>10.3</b>	<b>87.6%</b>	<b>-7.2%</b>	<b>21.8</b>	<b>93.1%</b>	<b>22.1</b>	<b>96.7%</b>	<b>-1.5%</b>	<b>20.2</b>	<b>93.0%</b>	<b>-8.6%</b>

<sup>1</sup>Before special items; <sup>2</sup>In constant currencies as of the prior year; <sup>3</sup>Maintenance Capex vs. Op. Inc.

The information in the table above is presented in Reais and in constant currency (using the 2Q18 FX rate to convert the 2Q19), to eliminate the effect of exchange rate fluctuations. The comments below also refer to 2Q19 constant currency numbers.

Net revenues reached R\$46.0 million, 1.0% reduction versus 2Q18, as a result of a softer SSS performance in Panama (airports – mostly due to changes in the airport that affected customer flow in our restaurants – and malls) that offset the positive performance in Colombia (mainly catering and airport restaurants).

The Caribbean operation still sustains a high level of margins at 25.7% (up from 24.8% in 2Q18). Higher efficiency on labor cost (+110bps) and lower G&A (+40bps), despite the worse food cost (-90bps) and the deleveraging of operating expenses, mainly selling & operating (-40bps).

Consequently, operating income reached R\$11.8 million in 2Q19, a 2.7% increase compared to 2Q18, with an operating margin of 25.7%.



## CONSOLIDATED P&L

(in R\$ million)	2Q19	%VA	2Q18	%VA	%HA	2Q19 <sup>2</sup>	%VA <sup>3</sup>	%HA <sup>3</sup>	6M19	%VA	6M18	%VA	%HA	6M19 <sup>3</sup>	%VA <sup>3</sup>	%HA <sup>3</sup>
<b>Net Revenue</b>	<b>401.9</b>	<b>100.0%</b>	<b>396.7</b>	<b>100.0%</b>	<b>1.3%</b>	<b>390.9</b>	<b>100.0%</b>	<b>-1.5%</b>	<b>764.3</b>	<b>100.0%</b>	<b>759.5</b>	<b>100.0%</b>	<b>0.6%</b>	<b>737.0</b>	<b>100.0%</b>	<b>-3.0%</b>
Restaurants & Others	341.9	85.1%	342.2	86.3%	-0.1%	330.9	84.6%	-3.3%	643.2	84.2%	646.7	85.2%	-0.5%	616.0	83.6%	-4.8%
Gas Stations	60.0	14.9%	54.5	13.7%	10.1%	60.0	15.4%	10.1%	121.0	15.8%	112.8	14.8%	7.3%	121.0	16.4%	7.3%
Brazil	216.4	53.8%	220.7	55.6%	-1.9%	216.4	55.4%	-1.9%	449.9	58.9%	465.3	61.3%	-3.3%	449.9	61.0%	-3.3%
US	138.7	34.5%	129.5	32.6%	7.1%	128.4	32.9%	-0.8%	220.8	28.9%	204.1	26.9%	8.2%	199.0	27.0%	-2.5%
Caribbean	46.8	11.6%	46.5	11.7%	0.7%	46.0	11.8%	-1.0%	93.6	12.3%	90.1	11.9%	3.9%	88.1	12.0%	-2.2%
<b>Cost of Sales and Services</b>	<b>(272.0)</b>	<b>-67.7%</b>	<b>(267.7)</b>	<b>-67.5%</b>	<b>1.6%</b>	<b>(265.9)</b>	<b>-68.0%</b>	<b>-0.7%</b>	<b>(526.3)</b>	<b>-68.9%</b>	<b>(522.1)</b>	<b>-68.7%</b>	<b>0.8%</b>	<b>(510.6)</b>	<b>-69.3%</b>	<b>-2.2%</b>
Direct Labor	(105.3)	-26.2%	(103.7)	-26.1%	1.6%	(102.2)	-26.1%	-1.4%	(201.3)	-26.3%	(198.6)	-26.1%	1.4%	(193.3)	-26.2%	-2.6%
Food	(83.8)	-20.9%	(84.5)	-21.3%	-0.8%	(81.7)	-20.9%	-3.3%	(161.3)	-21.1%	(164.5)	-21.7%	-2.0%	(155.8)	-21.1%	-5.3%
Others	(21.9)	-5.5%	(22.0)	-5.5%	-0.4%	(21.4)	-5.5%	-2.9%	(41.5)	-5.4%	(41.2)	-5.4%	0.7%	(40.2)	-5.5%	-2.4%
Fuel and Automotive Accessories	(49.3)	-12.3%	(44.9)	-11.3%	9.7%	(49.3)	-12.6%	9.7%	(98.4)	-12.9%	(93.3)	-12.3%	5.5%	(98.4)	-13.3%	5.5%
Depreciation & Amortization	(11.6)	-2.9%	(12.6)	-3.2%	-8.1%	(11.3)	-2.9%	-10.4%	(23.8)	-3.1%	(24.5)	-3.2%	-3.1%	(22.8)	-3.1%	-6.8%
<b>Gross Profit</b>	<b>129.9</b>	<b>32.3%</b>	<b>129.0</b>	<b>32.5%</b>	<b>0.7%</b>	<b>125.0</b>	<b>32.0%</b>	<b>-3.1%</b>	<b>238.0</b>	<b>31.1%</b>	<b>237.4</b>	<b>31.3%</b>	<b>0.3%</b>	<b>226.4</b>	<b>30.7%</b>	<b>-4.6%</b>
Gross Margin (%)	32.3%		32.5%		-0.2p.p.	32.0%	-0.5p.p.	-0.5p.p.	31.1%		31.3%		-0.1p.p.	30.7%	-0.5p.p.	-0.5p.p.
<b>Operating Expenses</b>	<b>(111.6)</b>	<b>-27.8%</b>	<b>(113.9)</b>	<b>-28.7%</b>	<b>-2.0%</b>	<b>(107.9)</b>	<b>-27.6%</b>	<b>-5.3%</b>	<b>(216.2)</b>	<b>-28.3%</b>	<b>(220.4)</b>	<b>-29.0%</b>	<b>-1.9%</b>	<b>(206.4)</b>	<b>-28.0%</b>	<b>-6.3%</b>
Selling and Operating	(46.0)	-11.5%	(45.6)	-11.5%	0.9%	(44.0)	-11.3%	-3.6%	(84.2)	-11.0%	(87.3)	-11.5%	-3.5%	(79.1)	-10.7%	-9.4%
Rents of Stores	(40.6)	-10.1%	(39.5)	-10.0%	2.7%	(39.2)	-10.0%	-0.7%	(76.1)	-10.0%	(74.2)	-9.8%	2.6%	(72.8)	-9.9%	-1.9%
Store Pre-Openings	(0.0)	0.0%	(0.9)	-0.2%	-98.1%	(0.0)	0.0%	-99.9%	(1.4)	-0.2%	(3.4)	-0.5%	-58.3%	(1.4)	-0.2%	-59.3%
Depreciation & Amortization	(7.1)	-1.8%	(6.9)	-1.8%	1.7%	(7.0)	-1.8%	1.0%	(14.2)	-1.9%	(13.8)	-1.8%	3.1%	(13.9)	-1.9%	1.0%
J.V. Investment Amortization	(0.6)	-0.2%	(0.6)	-0.1%	8.8%	(0.6)	-0.1%	0.0%	(1.2)	-0.2%	(1.1)	-0.1%	12.3%	(1.1)	-0.1%	0.0%
Equity income result	4.1	1.0%	3.5	0.9%	17.1%	3.8	1.0%	8.0%	7.2	0.9%	5.9	0.8%	22.8%	6.5	0.9%	9.9%
General & Administrative and Others	(21.4)	-5.3%	(23.9)	-6.0%	-10.3%	(20.9)	-5.3%	-12.5%	(46.2)	-6.0%	(46.5)	-6.1%	-0.7%	(44.6)	-6.1%	-4.1%
Special Items - Other	(5.2)		(2.9)		80.1%	(5.2)		80.1%	(7.2)		(5.4)		33.3%	(7.2)		33.3%
<b>EBIT</b>	<b>13.1</b>	<b>3.3%</b>	<b>12.2</b>	<b>3.1%</b>	<b>7.6%</b>	<b>12.0</b>	<b>3.1%</b>	<b>-2.0%</b>	<b>14.6</b>	<b>1.9%</b>	<b>11.5</b>	<b>1.5%</b>	<b>na</b>	<b>12.7</b>	<b>1.7%</b>	<b>na</b>
(+) D&A and Write-offs	19.3	4.8%	20.1	5.1%	-4.3%	18.9	4.8%	-6.2%	39.2	5.1%	39.4	5.2%	-0.5%	37.8	5.1%	-3.9%
<b>EBITDA</b>	<b>32.4</b>	<b>8.1%</b>	<b>32.3</b>	<b>8.2%</b>	<b>0.2%</b>	<b>30.9</b>	<b>7.9%</b>	<b>-4.6%</b>	<b>53.8</b>	<b>7.0%</b>	<b>50.9</b>	<b>6.7%</b>	<b>5.6%</b>	<b>50.6</b>	<b>6.9%</b>	<b>-0.6%</b>
EBITDA Margin (%)	8.1%		8.2%		-0.1p.p.	7.9%		-0.3p.p.	7.0%		6.7%		0.3p.p.	6.9%		0.2p.p.
(+) Special Items - Other	5.2	1.3%	2.9	0.7%	-	5.2	1.3%	-	7.2	0.9%	5.4	0.7%	33.3%	7.2	1.0%	33.3%
<b>Adjusted EBITDA<sup>1</sup></b>	<b>37.6</b>	<b>9.3%</b>	<b>35.2</b>	<b>8.9%</b>	<b>6.7%</b>	<b>36.0</b>	<b>9.2%</b>	<b>2.3%</b>	<b>61.0</b>	<b>8.0%</b>	<b>56.3</b>	<b>7.4%</b>	<b>8.3%</b>	<b>57.8</b>	<b>7.8%</b>	<b>2.6%</b>
Adjusted EBITDA Margin (%)	9.3%		8.9%		0.5p.p.	9.2%		0.3p.p.	8.0%		7.4%		0.6p.p.	7.8%		0.4p.p.

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments and countries; <sup>3</sup>In constant currencies as of the prior year.

Net revenue totaled R\$401.9 million in 2Q19, +1.3% vs. 2Q18. The positive consolidated same store sales performance were offset by the negative impact of the net store closures of 27 restaurants, as shown in the section "Number of stores". We also note the R\$5.6 million tax benefit in Brazil last year that helped to increase the comparison base.

Food cost totaled R\$83.8 million in 2Q19, or R\$81.7 million in constant currency, compared to R\$84.5 million in 2Q18, representing a 40bps improvement YoY (as a % of sales).

Direct Labor cost totaled R\$105.3 million, or R\$102.2 million in constant currency, compared to R\$103.7 million in 2Q18, representing a 10bps decrease YoY (as a % of sales).

Fuel cost totaled R\$49.3M, a 9.7% increase compared to 2Q18.

Sales and Operating expenses came in at R\$46.0 million or R\$44.0 million in constant currency compared to R\$45.6 million in 2Q18.

Rent expenses totaled R\$40.6 million or R\$39.2 million in constant currency, compared to R\$39.5 million in 2Q18, mainly because of 26 restaurants net reduction in the year.

G&A and Holding expenses totaled R\$21.4 million, or R\$20.9 million in constant currency, compared to R\$23.9 million in 2Q18.

Overall, in 2Q19, the adjusted EBITDA reached R\$37.6 million, 7% up from 2Q18, and margin reached 9.3%, up by 40bps YoY.

## ADJUSTED EBITDA AND ADJUSTED MARGIN

(R\$ million)	2Q19	2Q18	HA (%)	2019	2018	HA (%)
<b>NET INCOME (LOSS)</b>	<b>3.5</b>	<b>2.6</b>	<b>36.6%</b>	<b>(1.3)</b>	<b>(3.8)</b>	<b>-66.4%</b>
(+) Income Taxes	3.3	6.8	-51.2%	3.1	12.0	-73.9%
(+) Net Financial Result	6.3	2.8	122.3%	12.7	3.3	280.6%
(+) D&A and Write-offs	18.7	19.6	-4.6%	38.0	38.3	-0.9%
(+) Amortization of Investments in Joint Venture	0.6	0.6	8.8%	1.2	1.1	12.3%
<b>EBITDA</b>	<b>32.4</b>	<b>32.3</b>	<b>0.2%</b>	<b>53.8</b>	<b>50.9</b>	<b>5.6%</b>
(+) Special Items	5.2	2.9	80.1%	7.2	5.4	33.3%
<b>Adjusted EBITDA</b>	<b>37.6</b>	<b>35.2</b>	<b>6.7%</b>	<b>61.0</b>	<b>56.3</b>	<b>8.3%</b>
<i>EBITDA / Net Revenues</i>	<i>8.1%</i>	<i>8.2%</i>		<i>7.0%</i>	<i>6.7%</i>	
<i>Adjusted EBITDA / Net Revenues</i>	<i>9.3%</i>	<i>8.9%</i>		<i>8.0%</i>	<i>7.4%</i>	

The Adjusted EBITDA in 2Q19 reached R\$37.6 million, up 6.7% compared to 2Q18, with a margin of 9.3%, compared to 8.9% in 2Q18. The special items refer to the stock option plan provisioning and M&A expenses.

## FINANCIAL RESULT, INCOME TAX AND NET INCOME

IMC had a net financial expense of R\$6.3 million, vs. R\$2.8 million in 2Q18, as result of the debenture issuance during 1Q19.

Income taxes (current and differed) totaled R\$3.3 million, compared to R\$6.8 million expenses in 2Q18.

Consequently we had a net income of R\$3.5 million, compared to R\$2.6 million in 2Q18.

## SELECTED CASH FLOW INFORMATION

EBITDA Reconciliation to Operating Cash Flow (R\$ Million)	2Q19	2Q18	Var. (%)	6M19	6M18	Var. (%)
<b>Adjusted EBITDA</b>	<b>37.6</b>	<b>35.2</b>	<b>6.7%</b>	<b>61.0</b>	<b>56.3</b>	<b>8.3%</b>
Special Items	(5.2)	(2.9)		(7.2)	(5.4)	
(+/-) Working Capital and Other Non-Cash Items	(4.4)	(14.9)		(22.0)	(25.7)	
<b>Operating Cash Before Taxes and Interest</b>	<b>28.0</b>	<b>17.4</b>	<b>60.7%</b>	<b>31.7</b>	<b>25.2</b>	<b>26.0%</b>
(-) Paid Taxes	(0.2)	(0.8)		(4.7)	(2.4)	
(-) Maintenance Capex	(8.2)	(3.7)		(11.0)	(6.7)	
<b>Net Cash Generated by Operating Activities</b>	<b>19.6</b>	<b>12.9</b>	<b>51.9%</b>	<b>16.0</b>	<b>16.1</b>	<b>-0.7%</b>
<b>Operating Net Cash/EBITDA</b>	<b>52.2%</b>	<b>36.7%</b>	<b>15.5 p.p.</b>	<b>26.2%</b>	<b>28.6%</b>	<b>-2.4 p.p.</b>

Operating cash flow in 2Q19 reached R\$19.6 million (versus R\$12.9 million in 2Q18) impacted by lower working capital needs in 2Q19 vs. last year with the conversion of tax credits in cash and lower contingencies disbursement. The higher Capex was mostly due to the Central Kitchen construction, improvements and refurbishments at our Road business in Brazil and in the US.

## INVESTMENT ACTIVITIES

(R\$ million)	2Q19	2Q18	HA (%)	6M19	6M18	HA (%)
Property and Equipment	(20.6)	(21.0)	-2.0%	(36.5)	(35.5)	2.8%
Additions to Intangible Assets	(0.9)	(0.5)	81.5%	(2.1)	(4.8)	-56.7%
<b>(=) Total Invested (CAPEX)</b>	<b>(21.5)</b>	<b>(21.5)</b>	<b>-0.1%</b>	<b>(38.6)</b>	<b>(40.3)</b>	<b>-4.2%</b>
Payment of Acquisitions	(1.6)	(1.6)	0.6%	(3.1)	(3.6)	-14.9%
Dividends Received	3.4	3.1	9.8%	5.6	5.0	12.9%
Other*	0.0	0.0		3.7	1.3	179.4%
<b>Total Investments</b>	<b>(19.7)</b>	<b>(20.0)</b>	<b>-1.5%</b>	<b>(32.3)</b>	<b>(37.5)</b>	<b>-14.0%</b>

CAPEX (in R\$ million)	2Q19	2Q18	HA (%)	6M19	6M18	HA (%)
<b>Expansion</b>						
<b>Brazilian Operations</b>	<b>9.5</b>	<b>15.6</b>	<b>-39.0%</b>	<b>19.4</b>	<b>23.8</b>	<b>-18.4%</b>
Brazil - Air	1.1	1.4	-17.2%	2.8	1.8	57.3%
Brazil - Roads	2.4	8.9	-73.3%	3.7	12.0	-68.9%
Brazil - Malls	6.0	5.3	13.1%	12.9	10.0	28.6%
<b>USA Operations</b>	<b>0.9</b>	<b>1.5</b>	<b>-37.6%</b>	<b>4.9</b>	<b>4.3</b>	<b>13.0%</b>
<b>Caribbean Operations</b>	<b>0.0</b>	<b>0.2</b>	<b>-94.0%</b>	<b>0.3</b>	<b>4.6</b>	<b>-94.5%</b>
<b>Holding</b>	<b>2.7</b>	<b>0.5</b>	<b>411.8%</b>	<b>2.9</b>	<b>0.8</b>	<b>244.2%</b>
<b>Total Expansion Investments</b>	<b>13.2</b>	<b>17.9</b>	<b>-26.1%</b>	<b>27.4</b>	<b>33.6</b>	<b>-18.3%</b>
<b>Maintenance</b>						
<b>Brazilian Operations</b>	<b>4.3</b>	<b>1.3</b>	<b>232.5%</b>	<b>6.3</b>	<b>2.8</b>	<b>127.8%</b>
Brazil - Air	0.4	0.1	347.4%	0.8	0.1	735.2%
Brazil - Roads	2.6	0.2	1098.0%	3.8	0.3	1057.3%
Brazil - Malls	1.2	1.0	28.6%	1.7	2.4	-27.9%
<b>USA Operations</b>	<b>2.5</b>	<b>0.9</b>	<b>180.8%</b>	<b>3.0</b>	<b>1.2</b>	<b>141.6%</b>
<b>Caribbean Operations</b>	<b>1.5</b>	<b>0.4</b>	<b>314.1%</b>	<b>1.6</b>	<b>0.7</b>	<b>116.7%</b>
<b>Holding</b>	<b>0.0</b>	<b>1.2</b>	<b>-100.0%</b>	<b>0.1</b>	<b>1.9</b>	<b>-94.9%</b>
<b>Total Maintenance Investments</b>	<b>8.2</b>	<b>3.7</b>	<b>123.0%</b>	<b>11.0</b>	<b>6.7</b>	<b>64.9%</b>
<b>Total CAPEX Investments</b>	<b>21.4</b>	<b>21.5</b>	<b>-0.6%</b>	<b>38.5</b>	<b>40.3</b>	<b>-4.5%</b>

\*Others related to the sale of Puerto Rico, Mexico and Dominican Republic operations.

CAPEX in 2Q19 was mainly impacted by stores' opening in the US, the refurbishment of Frango Assado's stores (Road) and Hospital Albert Einstein's Stores (Malls), which include stores' capacity increase.

## NET DEBT

R\$ million	2Q19	2Q18
Debt	373.1	169.5
Financing of past acquisitions	33.3	36.4
<b>Total Debt</b>	<b>406.4</b>	<b>205.9</b>
<b>(-) Cash</b>	<b>(226.1)</b>	<b>(183.6)</b>
<b>Net Debt</b>	<b>180.3</b>	<b>22.3</b>

Net debt position at the end of 2Q19 was of R\$180.3 million, including cash, cash equivalents and short-term investments.

## NUMBER OF STORES EVOLUTION

(end of period)	2Q19	2Q18	YoY	
			Var. (%)	Var. (#)
<b>Brazil</b>	<b>129</b>	<b>157</b>	<b>-17.8%</b>	<b>-28</b>
<i>Air</i>	29	43	-32.6%	-14
<i>Roads</i>	25	25	0.0%	0
<i>Shopping Malls</i>	75	89	-15.7%	-14
<b>USA</b>	<b>22</b>	<b>22</b>	<b>0.0%</b>	<b>0</b>
<b>Caribbean</b>	<b>44</b>	<b>43</b>	<b>2.3%</b>	<b>1</b>
<b>Total Number of Stores</b>	<b>195</b>	<b>222</b>	<b>-12.2%</b>	<b>-27</b>

At the end of 2Q19, the Company had 195 stores, a net reduction of 27 stores vs 2Q18, due to the closure of non-performing units at our Malls business and contract renegotiation with Guarulhos Airport at our Air business.

At the end of June, the company took the decision to review its store base and simplified the way we report. That said, we adjusted our store base without any impact in revenues and, for a matter of higher disclosure, we detail below the adjusted historical figures.

(End of Period)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
<b>Brazil</b>	<b>184</b>	<b>177</b>	<b>175</b>	<b>167</b>	<b>162</b>	<b>157</b>	<b>149</b>	<b>147</b>	<b>145</b>	<b>129</b>
<i>Airports</i>	57	52	51	47	47	43	32	31	31	29
<i>Shopping Mall</i>	101	100	99	95	90	89	92	91	89	75
<i>Road</i>	26	25	25	25	25	25	25	25	25	25
<b>Estados Unidos</b>	<b>20</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
<b>Caribe</b>	<b>48</b>	<b>46</b>	<b>46</b>	<b>44</b>	<b>43</b>	<b>43</b>	<b>42</b>	<b>43</b>	<b>43</b>	<b>44</b>
<b>Total Number of Stores</b>	<b>252</b>	<b>242</b>	<b>241</b>	<b>231</b>	<b>227</b>	<b>222</b>	<b>213</b>	<b>212</b>	<b>210</b>	<b>195</b>

## CONSOLIDATED INCOME STATEMENT

(R\$ thousand)	2Q19	2Q18	6M19	6M18
<b>NET REVENUE</b>	<b>401,900</b>	<b>396,673</b>	<b>764,292</b>	<b>759,494</b>
<b>COST OF SALES AND SERVICES</b>	<b>(271,971)</b>	<b>(267,675)</b>	<b>(526,257)</b>	<b>(522,124)</b>
<b>GROSS PROFIT</b>	<b>129,929</b>	<b>128,998</b>	<b>238,035</b>	<b>237,370</b>
<b>OPERATING INCOME (EXPENSES)</b>				
Commercial and operating expenses	(86,620)	(85,128)	(160,371)	(161,486)
General and administrative expenses	(28,214)	(27,162)	(53,606)	(53,221)
Depreciation and amortization	(7,062)	(6,945)	(14,210)	(13,787)
Other income (expenses)	1,600	(503)	(1,275)	(2,151)
Equity income result	3,501	2,950	6,020	4,812
Net financial expenses	(6,292)	(2,830)	(12,738)	(3,347)
<b>EARNINGS BEFORE TAXES</b>	<b>6,842</b>	<b>9,380</b>	<b>1,855</b>	<b>8,190</b>
<b>Income Taxes</b>	<b>(3,315)</b>	<b>(6,798)</b>	<b>(3,146)</b>	<b>(12,034)</b>
<b>NET PROFIT (LOSS)</b>	<b>3,527</b>	<b>2,582</b>	<b>(1,291)</b>	<b>(3,844)</b>



## CONSOLIDATED BALANCE SHEET

(R\$ thousand)	2Q19	2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	226,096	268,561
Accounts receivable	77,112	78,907
Inventories	35,912	37,742
Derivatives	14	53
Other current assets	75,959	73,042
<b>Total current assets</b>	<b>415,093</b>	<b>458,305</b>
<b>NONCURRENT ASSETS</b>		
Deferred income taxes	9,727	9,863
Derivatives	4	40
Other noncurrent assets	55,508	57,257
Property and equipment	267,316	259,399
Intangible assets	842,086	853,618
<b>Total noncurrent assets</b>	<b>1,174,641</b>	<b>1,180,177</b>
<b>TOTAL ASSETS</b>	<b>1,589,734</b>	<b>1,638,482</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	64,730	80,980
Loans, financing and acquisitions' payables	51,199	196,123
Salaries and payroll charges	51,348	55,676
Other current liabilities	43,164	43,575
<b>Total current liabilities</b>	<b>210,441</b>	<b>376,354</b>
<b>NONCURRENT LIABILITIES</b>		
Loans, financing and acquisitions' payables	355,222	138,295
Provision for labor, civil and tax disputes	12,799	12,900
Deferred income tax liability	71,893	71,575
Other noncurrent liabilities	20,901	24,140
<b>Total noncurrent liabilities</b>	<b>460,815</b>	<b>246,910</b>
<b>EQUITY</b>		
Capital and reserves	890,756	983,182
Accumulated losses	7,523	8,814
Other comprehensive income	20,199	23,222
<b>Total equity</b>	<b>918,478</b>	<b>1,015,218</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,589,734</b>	<b>1,638,482</b>

## CASH FLOW STATEMENT

(R\$ thousand)	2Q19	2Q18	6M19	6M18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss for the quarter	3,527	2,582	(1,291)	(3,844)
Depreciation and amortization	18,657	19,566	37,970	38,298
Impairment of intangible assets (using)	(1,796)	(1,913)	(1,877)	(3,526)
Investment amortization	611	562	1,200	1,069
Equity income result	(4,112)	(3,512)	(7,220)	(5,881)
Provision for labor, civil and tax disputes	2,468	1,942	3,918	3,970
Income taxes	3,315	6,798	3,146	12,034
Interest expenses	8,123	3,330	14,741	6,249
Effect of exchange rate changes	(246)	1,525	(270)	1,980
Disposal of property and equipment	2,994	1,058	3,136	3,043
Deferred Revenue, Rebates	(974)	-	(2,170)	-
Expenses in payments to employees based in stock plan	1,404	2,620	2,004	4,995
Others	(2,794)	(6,105)	343	(11,970)
Changes in operating assets and liabilities	(3,161)	(11,024)	(21,903)	(21,229)
Cash generated from operations	28,016	17,429	31,727	25,188
Income tax paid	(201)	(837)	(4,698)	(2,386)
Interest paid	(4,732)	(2,974)	(9,790)	(5,122)
<b>Net cash generated by (used in) operating activities</b>	<b>23,083</b>	<b>13,618</b>	<b>17,239</b>	<b>17,680</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Payment of business acquisitions made in prior years	(1,560)	(1,551)	(3,060)	(3,597)
Dividends received	3,421	3,115	5,649	5,002
Sale of controlling interest in discontinued operations, net of cash	-	-	3,694	1,322
Additions to intangible assets	(920)	(507)	(2,066)	(4,766)
Additions to property and equipment	(20,602)	(21,027)	(36,506)	(35,504)
<b>Net cash used in investing activities</b>	<b>(19,661)</b>	<b>(19,970)</b>	<b>(32,289)</b>	<b>(37,543)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Capital contributions from minority interest	-	-	(100,000)	-
Shares in Treasury	2,425	210	5,569	449
New loans	-	-	238,710	-
Payment of loans	(8,770)	(16,737)	(168,622)	(24,190)
<b>Net cash used in financing activities</b>	<b>(8,220)</b>	<b>(17,398)</b>	<b>(26,218)</b>	<b>(24,612)</b>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,109)	10,498	(1,197)	12,309
<b>NET INCREASE (DECREASE) FOR THE PERIOD</b>	<b>(5,907)</b>	<b>(13,252)</b>	<b>(42,465)</b>	<b>(32,166)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>232,003</b>	<b>164,674</b>	<b>268,561</b>	<b>183,588</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>226,096</b>	<b>151,422</b>	<b>226,096</b>	<b>151,422</b>

## APPENDIX – 2Q19 and 6M19 Results under IFRS 16

(in R\$ million)	Brazil		USA		Caribbean		Consolidated	
	2Q19	% VA	2Q19	% VA	2Q19	% VA	2Q19	% VA
<b>Net Revenue</b>	<b>216.4</b>	<b>100.0%</b>	<b>138.7</b>	<b>100.0%</b>	<b>46.8</b>	<b>100.0%</b>	<b>401.9</b>	<b>100.0%</b>
Restaurants & Others	156.4	72.3%	138.7	100.0%	46.8	100.0%	341.9	85.1%
Gas Stations	60.0	27.7%	0.0	0.0%	0.0	0.0%	60.0	14.9%
<b>Cost of Sales and Services</b>	<b>(170.9)</b>	<b>-79.0%</b>	<b>(79.1)</b>	<b>-57.0%</b>	<b>(21.8)</b>	<b>-46.6%</b>	<b>(271.8)</b>	<b>-67.6%</b>
Direct Labor	(56.1)	-25.9%	(40.9)	-29.5%	(8.3)	-17.8%	(105.3)	-26.2%
Food	(44.4)	-20.5%	(26.9)	-19.4%	(12.5)	-26.8%	(83.8)	-20.9%
Others	(13.3)	-6.2%	(7.6)	-5.5%	(0.2)	-0.5%	(21.2)	-5.3%
Fuel and Automotive Accessorie	(49.3)	-22.8%	0.0	0.0%	0.0	0.0%	(49.3)	-12.3%
Depreciation & Amortization	(7.8)	-3.6%	(3.7)	-2.6%	(0.7)	-1.6%	(12.2)	-3.0%
<b>Gross Profit</b>	<b>45.5</b>	<b>21.0%</b>	<b>59.6</b>	<b>43.0%</b>	<b>25.0</b>	<b>53.4%</b>	<b>130.1</b>	<b>32.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(49.8)</b>	<b>-23.0%</b>	<b>(42.4)</b>	<b>-30.6%</b>	<b>(14.9)</b>	<b>-31.9%</b>	<b>(107.1)</b>	<b>-26.7%</b>
Selling and Operating	(13.9)	-6.4%	(25.6)	-18.5%	(6.5)	-13.9%	(46.0)	-11.5%
Rents of Stores	(8.2)	-3.8%	(10.9)	-7.9%	(1.4)	-3.0%	(20.5)	-5.1%
Store Pre-Openings	0.5	0.2%	(0.0)	0.0%	(0.1)	-0.3%	0.4	0.1%
Depreciation & Amortization	(14.2)	-6.5%	(4.4)	-3.1%	(5.5)	-11.8%	(24.0)	-6.0%
J.V. Investment Amortization	0.0	0.0%	(0.6)	-0.4%	0.0	0.0%	(0.6)	-0.2%
Equity income result	0.0	0.0%	4.1	3.0%	0.0	0.0%	4.1	1.0%
Other revenues (expenses)	1.2	0.5%	0.2	0.1%	0.3	0.7%	1.7	0.4%
General & Administrative	(13.2)	-6.1%	(5.0)	-3.6%	(1.7)	-3.7%	(19.9)	-5.0%
Corporate (Holding) <sup>2</sup>	(2.1)	-1.0%	(0.2)	-0.1%	0.0	0.0%	(2.3)	-0.6%
(+) Depreciation & Amortization	21.9	10.1%	8.6	6.2%	6.3	13.4%	36.8	9.2%
<b>Operating Income</b>	<b>17.6</b>	<b>8.1%</b>	<b>25.8</b>	<b>18.6%</b>	<b>16.3</b>	<b>34.9%</b>	<b>59.8</b>	<b>14.9%</b>
Special Items - Other							(5.2)	-1.3%
<b>EBIT</b>	<b>(9.5)</b>	<b>-0.9%</b>	<b>17.2</b>	<b>-3.7%</b>	<b>10.1</b>	<b>18.3%</b>	<b>17.8</b>	<b>4.4%</b>
(+) D&A and Write-offs							36.8	9.2%
<b>EBITDA</b>							<b>54.6</b>	<b>13.6%</b>
(+) Special Items							5.2	1.3%
<b>Adjusted EBITDA</b>							<b>59.8</b>	<b>14.9%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments

(in R\$ million)	Brazil		USA		Caribbean		Consolidated	
	6M19	% VA	6M19	% VA	6M19	% VA	6M19	% VA
<b>Net Revenue</b>	<b>449.9</b>	<b>100.0%</b>	<b>220.8</b>	<b>100.0%</b>	<b>93.6</b>	<b>100.0%</b>	<b>764.3</b>	<b>100.0%</b>
Restaurants & Others	449.9	207.9%	220.8	159.2%	93.6	200.0%	764.3	190.2%
<b>Cost of Sales and Services</b>	<b>(349.2)</b>	<b>-161.3%</b>	<b>(132.9)</b>	<b>-95.8%</b>	<b>(43.7)</b>	<b>-93.3%</b>	<b>(525.8)</b>	<b>-130.8%</b>
Direct Labor	(114.7)	-53.0%	(69.8)	-50.3%	(16.8)	-35.8%	(201.3)	-50.1%
Food	(93.6)	-43.2%	(42.8)	-30.9%	(25.0)	-53.3%	(161.3)	-40.1%
Others	(26.9)	-12.4%	(12.5)	-9.0%	(0.5)	-1.0%	(39.9)	-9.9%
Fuel and Automotive Accessorie	(98.4)	-45.5%	0.0	0.0%	0.0	0.0%	(98.4)	-24.5%
Depreciation & Amortization	(15.6)	-7.2%	(7.9)	-5.7%	(1.5)	-3.1%	(24.9)	-6.2%
<b>Gross Profit</b>	<b>100.7</b>	<b>46.5%</b>	<b>87.9</b>	<b>63.4%</b>	<b>50.0</b>	<b>106.7%</b>	<b>238.5</b>	<b>59.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(103.2)</b>	<b>-47.7%</b>	<b>(73.3)</b>	<b>-52.9%</b>	<b>(30.8)</b>	<b>-65.9%</b>	<b>(207.3)</b>	<b>-51.6%</b>
Selling and Operating	(27.8)	-12.8%	(43.7)	-31.5%	(12.8)	-27.3%	(84.2)	-21.0%
Rents of Stores	(17.0)	-7.8%	(16.3)	-11.7%	(3.0)	-6.5%	(36.3)	-9.0%
Store Pre-Openings	(0.2)	-0.1%	(0.0)	0.0%	(0.2)	-0.5%	(0.4)	-0.1%
Depreciation & Amortization	(28.5)	-13.2%	(8.4)	-6.0%	(10.9)	-23.4%	(47.8)	-11.9%
J.V. Investment Amortization	0.0	0.0%	(1.2)	-0.9%	0.0	0.0%	(1.2)	-0.3%
Equity income result	0.0	0.0%	7.2	5.2%	0.0	0.0%	7.2	1.8%
Other revenues (expenses)	0.3	0.2%	0.0	0.0%	0.7	1.4%	1.0	0.2%
General & Administrative	(26.1)	-12.0%	(10.7)	-7.7%	(4.3)	-9.3%	(41.1)	-10.2%
Corporate (Holding) <sup>2</sup>	(4.0)	-1.9%	(0.3)	-0.2%	(0.2)	-0.3%	(4.5)	-1.1%
(+) Depreciation & Amortization	44.1	20.4%	17.4	12.6%	12.4	26.5%	73.9	18.4%
<b>Operating Income</b>	<b>41.6</b>	<b>19.2%</b>	<b>32.0</b>	<b>23.1%</b>	<b>31.5</b>	<b>67.3%</b>	<b>105.1</b>	<b>26.2%</b>
Special Items - Other							(7.3)	-1.8%
<b>EBIT</b>	<b>(9.7)</b>	<b>-0.9%</b>	<b>14.5</b>	<b>-3.7%</b>	<b>19.1</b>	<b>18.3%</b>	<b>24.0</b>	<b>6.0%</b>
(+) D&A and Write-offs							73.9	18.4%
<b>EBITDA</b>							<b>97.9</b>	<b>24.4%</b>
(+) Special Items							7.3	1.8%
<b>Adjusted EBITDA</b>							<b>105.1</b>	<b>26.2%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments

**Brazil**

(in R\$ million)

	2Q19							
	Air	% VA	Road	% VA	Malls	% VA	2Q19	% VA
<b>Net Revenue</b>	<b>49.2</b>	<b>100.0%</b>	<b>115.3</b>	<b>100.0%</b>	<b>51.8</b>	<b>100.0%</b>	<b>216.4</b>	<b>100.0%</b>
Restaurants & Others	49.2	100.0%	55.3	48.0%	51.8	100.0%	156.4	100.0%
Gas Stations	0.0	0.0%	60.0	52.0%	0.0	0.0%	60.0	38.4%
<b>Cost of Sales and Services</b>	<b>(34.1)</b>	<b>-69.2%</b>	<b>(97.3)</b>	<b>-84.4%</b>	<b>(39.5)</b>	<b>-76.2%</b>	<b>(170.9)</b>	<b>-109.3%</b>
Direct Labor	(16.9)	-34.4%	(22.1)	-19.2%	(17.1)	-33.0%	(56.1)	-35.9%
Food	(12.1)	-24.6%	(17.1)	-14.8%	(15.2)	-29.4%	(44.4)	-28.4%
Others	(3.2)	-6.5%	(5.5)	-4.7%	(4.6)	-8.9%	(13.3)	-8.5%
Fuel and Automotive Accessories	0.0	0.0%	(49.3)	-42.7%	0.0	0.0%	(49.3)	-31.5%
Depreciation & Amortization	(1.8)	-3.7%	(3.4)	-2.9%	(2.6)	-4.9%	(7.8)	-5.0%
<b>Gross Profit</b>	<b>15.2</b>	<b>30.8%</b>	<b>18.0</b>	<b>15.6%</b>	<b>12.3</b>	<b>23.8%</b>	<b>45.5</b>	<b>29.1%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(13.8)</b>	<b>-28.0%</b>	<b>(9.4)</b>	<b>-8.2%</b>	<b>(11.3)</b>	<b>-21.8%</b>	<b>(49.8)</b>	<b>-31.9%</b>
Selling and Operating	(4.3)	-8.8%	(5.1)	-4.4%	(4.5)	-8.7%	(13.9)	-8.9%
Rents of Stores	(1.6)	-3.2%	(2.1)	-1.8%	(4.5)	-8.7%	(8.2)	-5.2%
Store Pre-Openings	(0.1)	-0.2%	0.8	0.7%	(0.1)	-0.3%	0.5	0.3%
Depreciation & Amortization	(8.0)	-16.2%	(2.7)	-2.3%	(3.4)	-6.6%	(14.2)	-9.0%
Other revenues (expenses) <sup>2</sup>	0.2	0.4%	(0.3)	-0.3%	1.3	2.5%	1.2	0.8%
General & Administrative <sup>2</sup>							(13.2)	-8.4%
Corporate (Holding) <sup>2</sup>							(2.1)	-1.3%
(+) Depreciation & Amortization	9.8	20.0%	6.1	5.3%	6.0	11.6%	21.9	14.0%
<b>Operating Income</b>	<b>11.2</b>	<b>14.6%</b>	<b>14.7</b>	<b>12.7%</b>	<b>7.0</b>	<b>2.6%</b>	<b>17.6</b>	<b>11.2%</b>
Expansion Capex							9.5	6.1%
Maintenance Capex							4.3	2.7%
<b>Total Capex</b>							<b>13.8</b>	<b>8.8%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>							<b>13.3</b>	<b>8.5%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments; <sup>3</sup>Maintenance Capex vs. Op. Inc.



Brazil (in R\$ million)	6M19						2Q19	% VA
	Air	% VA	Road	% VA	Malls	% VA		
<b>Net Revenue</b>	<b>102.1</b>	<b>100.0%</b>	<b>243.7</b>	<b>100.0%</b>	<b>104.1</b>	<b>100.0%</b>	<b>449.9</b>	<b>100.0%</b>
Restaurants & Others	102.1	207.4%	243.7	211.3%	104.1	200.8%	449.9	287.7%
<b>Cost of Sales and Services</b>	<b>(69.6)</b>	<b>-141.3%</b>	<b>(200.2)</b>	<b>-173.6%</b>	<b>(79.4)</b>	<b>-153.1%</b>	<b>(349.2)</b>	<b>-223.3%</b>
Direct Labor	(34.3)	-69.7%	(46.3)	-40.2%	(34.1)	-65.8%	(114.7)	-73.3%
Food	(25.0)	-50.9%	(37.6)	-32.6%	(30.9)	-59.7%	(93.6)	-59.8%
Others	(6.4)	-13.0%	(11.2)	-9.7%	(9.4)	-18.1%	(26.9)	-17.2%
Fuel and Automotive Accessories	0.0	0.0%	(98.4)	-85.3%	0.0	0.0%	(98.4)	-62.9%
Depreciation & Amortization	(3.8)	-7.7%	(6.8)	-5.9%	(5.0)	-9.6%	(15.6)	-10.0%
<b>Gross Profit</b>	<b>32.5</b>	<b>66.0%</b>	<b>43.5</b>	<b>37.7%</b>	<b>24.7</b>	<b>47.7%</b>	<b>100.7</b>	<b>64.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(28.1)</b>	<b>-57.0%</b>	<b>(20.2)</b>	<b>-17.5%</b>	<b>(24.8)</b>	<b>-47.9%</b>	<b>(103.2)</b>	<b>-66.0%</b>
Selling and Operating	(8.6)	-17.4%	(10.4)	-9.0%	(8.9)	-17.1%	(27.8)	-17.7%
Rents of Stores	(3.5)	-7.1%	(4.7)	-4.1%	(8.7)	-16.9%	(17.0)	-10.8%
Store Pre-Openings	(0.1)	-0.2%	0.9	0.7%	(0.9)	-1.8%	(0.2)	-0.1%
Depreciation & Amortization	(15.9)	-32.3%	(5.5)	-4.8%	(7.1)	-13.7%	(28.5)	-18.2%
Other revenues (expenses) <sup>2</sup>	0.0	0.0%	(0.5)	-0.4%	0.8	1.6%	0.3	0.2%
General & Administrative <sup>2</sup>							(26.1)	-16.7%
Corporate (Holding) <sup>2</sup>							(4.0)	-2.6%
(+) Depreciation & Amortization	19.7	40.0%	12.3	10.6%	12.1	23.3%	44.1	28.2%
<b>Operating Income</b>	<b>24.2</b>	<b>14.6%</b>	<b>35.6</b>	<b>30.8%</b>	<b>12.0</b>	<b>2.6%</b>	<b>41.6</b>	<b>26.6%</b>
Expansion Capex							12.2	7.8%
Maintenance Capex							4.3	2.7%
<b>Total Capex</b>							<b>16.5</b>	<b>10.5%</b>
<b>Operating Inc. - Maintenance Capex<sup>3</sup></b>							<b>37.4</b>	<b>23.9%</b>

<sup>1</sup>Before special items; <sup>2</sup>Not allocated in segments; <sup>3</sup>Maintenance Capex vs. Op. Inc.

## USA

(in R\$ million)

	2Q19	% VA	6M19	% VA
<b>Net Revenue</b>	<b>138.7</b>	<b>100.0%</b>	<b>220.8</b>	<b>159.2%</b>
Restaurants & Others	138.7	100.0%	220.8	159.2%
<b>Cost of Sales and Services</b>	<b>(79.1)</b>	<b>-57.0%</b>	<b>(132.9)</b>	<b>-95.8%</b>
Direct Labor	(40.9)	-29.5%	(69.8)	-50.3%
Food	(26.9)	-19.4%	(42.8)	-30.9%
Others	(7.6)	-5.5%	(12.5)	-9.0%
Depreciation & Amortization	(3.7)	-2.6%	(7.9)	-5.7%
<b>Gross Profit</b>	<b>59.6</b>	<b>43.0%</b>	<b>87.9</b>	<b>63.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(42.4)</b>	<b>-30.6%</b>	<b>(73.3)</b>	<b>-52.9%</b>
Selling and Operating	(25.6)	-18.5%	(43.7)	-31.5%
Rents of Stores	(10.9)	-7.9%	(16.3)	-11.7%
Depreciation & Amortization	(4.4)	-3.1%	(8.4)	-6.0%
J.V. Investment Amortization	(0.6)	-0.4%	(1.2)	-0.9%
Equity income result	4.1	3.0%	7.2	5.2%
Other revenues (expenses)	0.2	0.1%	0.0	0.0%
General & Administrative	(5.0)	-3.6%	(10.7)	-7.7%
Corporate (Holding) <sup>2</sup>	(0.2)	-0.1%	(0.3)	-0.2%
(+) Depreciation & Amortization	8.6	6.2%	17.4	12.6%
<b>EBITDA</b>	<b>25.8</b>	<b>18.6%</b>	<b>32.0</b>	<b>23.1%</b>
Margin EBITDA (%)	18.6%		14.5%	
<b>Operating Income</b>	<b>25.8</b>	<b>18.6%</b>	<b>32.0</b>	<b>23.1%</b>
Expansion Capex	0.9	0.7%	4.9	0.0%
Maintenance Capex	2.5	1.8%	3.0	0.0%
<b>Total Capex</b>	<b>3.4</b>	<b>2.5%</b>	<b>7.9</b>	<b>0.0%</b>
<b>Maintenance Capex<sup>3</sup></b>	<b>23.4</b>	<b>16.8%</b>	<b>29.0</b>	<b>23.1%</b>

<sup>1</sup>Before special items; <sup>2</sup>In constant currencies as of the prior year; <sup>3</sup>Maintenance Capex vs. Op. Inc.

## Caribbean

(in R\$ million)

	2Q19	% VA	6M19	% VA
<b>Net Revenue</b>	<b>46.8</b>	<b>33.8%</b>	<b>93.6</b>	<b>67.5%</b>
Restaurants & Others	46.8	33.8%	93.6	67.5%
<b>Cost of Sales and Services</b>	<b>(21.8)</b>	<b>-15.7%</b>	<b>(43.7)</b>	<b>-95.8%</b>
Direct Labor	(8.3)	-6.0%	(16.8)	-50.3%
Food	(12.5)	-9.0%	(25.0)	-30.9%
Others	(0.2)	-0.2%	(0.5)	-9.0%
Depreciation & Amortization	(0.7)	-0.5%	(1.5)	-5.7%
<b>Gross Profit</b>	<b>25.0</b>	<b>18.0%</b>	<b>50.0</b>	<b>63.4%</b>
<b>Operating Expenses<sup>1</sup></b>	<b>(14.9)</b>	<b>-10.8%</b>	<b>(30.8)</b>	<b>-52.9%</b>
Selling and Operating	(6.5)	-4.7%	(12.8)	-9.2%
Rents of Stores	(1.4)	-1.0%	(3.0)	-2.2%
Store Pre-Openings	(0.1)	-0.1%	(0.2)	-0.2%
Depreciation & Amortization	(5.5)	-4.0%	(10.9)	-7.9%
Other revenues (expenses)	0.3	0.2%	0.7	0.5%
General & Administrative	(1.7)	-1.2%	(4.3)	-3.1%
Corporate (Holding) <sup>2</sup>	0.0	0.0%	(0.2)	-0.1%
(+) Depreciation & Amortization	6.3	4.5%	12.4	8.9%
<b>EBITDA</b>	<b>16.3</b>	<b>11.8%</b>	<b>31.5</b>	<b>22.7%</b>
<i>Margin EBITDA (%)</i>	<i>34.9%</i>		<i>33.7%</i>	
<b>Operating Income</b>	<b>16.3</b>	<b>11.8%</b>	<b>31.5</b>	<b>22.7%</b>
Expansion Capex	0.0	0.0%	0.3	0.0%
Maintenance Capex	1.5	1.1%	1.6	0.0%
<b>Total Capex</b>	<b>1.5</b>	<b>1.1%</b>	<b>1.9</b>	<b>0.0%</b>
<b>Maintenance Capex<sup>3</sup></b>	<b>14.8</b>	<b>10.7%</b>	<b>29.6</b>	<b>22.7%</b>

<sup>1</sup>Before special items; <sup>2</sup>In constant currencies as of the prior year; <sup>3</sup>Maintenance Capex vs. Op. Inc.

## Balance Sheet

(R\$ thousand)

2Q19

### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents	226,096
Accounts receivable	77,112
Inventories	35,912
Derivatives	14
Other current assets	75,959
<b>Total current assets</b>	<b>415,093</b>

#### NONCURRENT ASSETS

Deferred income taxes	9,727
Derivatives	4
Other noncurrent assets	55,508
Property and equipment	267,316
Intangible assets	842,086
Right of use	361,987
<b>Total noncurrent assets</b>	<b>1,536,628</b>

<b>TOTAL ASSETS</b>	<b>1,951,721</b>
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### LIABILITIES AND EQUITY

#### CURRENT LIABILITIES

Trade accounts payable	64,730
Loans, financing and acquisitions' payables	51,199
Salaries and payroll charges	51,348
Other current liabilities	43,164
Liabilities from Right of use	82,560
<b>Total current liabilities</b>	<b>293,001</b>

#### NONCURRENT LIABILITIES

Loans, financing and acquisitions' payables	355,222
Provision for labor, civil and tax disputes	12,799
Deferred income tax liability	69,854
Other noncurrent liabilities	20,901
Liabilities from Right of use	287,444
<b>Total noncurrent liabilities</b>	<b>746,220</b>

### EQUITY

Capital and reserves	890,756
Accumulated losses	1,538
Other comprehensive income	20,206
<b>Total equity</b>	<b>912,500</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,951,721</b>

**CASH FLOW**  
(R\$ thousand)

**2Q19**

**CASH FLOW FROM OPERATING ACTIVITIES**

Loss for the quarter	(7,276)
Depreciation and amortization	37,970
Depreciation of right of use	34,751
Impairment of intangible assets (using)	(1,877)
Impairment of intangible assets (provision)	-
Investment amortization	1,200
Equity income result	(7,220)
Provision for labor, civil and tax disputes	3,918
Income taxes	1,107
Interest expenses	14,741
Effect of exchange rate changes	(270)
Interest on lease	17,335
Disposal of property and equipment	3,136
Deferred Revenue, Rebates	(2,170)
Expenses in payments to employees based in stock plan	2,004
Others	343
Changes in operating assets and liabilities	(21,903)
Cash generated from operations	75,789
Income tax paid	(4,698)
Interest on lease paid	(7,863)
Interest paid	(9,790)

**Net cash generated by (used in) operating activities 53,438**

**CASH FLOW FROM INVESTING ACTIVITIES**

Capital increase in subsidiaries	-
Payment of business acquisitions made in prior years	-
Additions to investments in subsidiaries	(3,060)
Dividends received	5,649
Sale of controlling interest in discontinued operations, net of cash	3,694
Additions to intangible assets	(2,066)
Additions to property and equipment	(36,506)

**Net cash used in investing activities from continued operations (32,289)**

Net cash used in investing activities from discontinued operations -

**Net cash used in investing activities (32,289)**

**CASH FLOW FROM FINANCING ACTIVITIES**

Capital Increase (Reduction)	(100,000)
Shares in Treasury	5,569
Dividends Paid	(1,875)
Right of use ("lease")	(36,360)
New loans	238,710
Payment of loans	(168,622)

**Net cash used in financing activities (62,578)**

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (1,036)

**NET INCREASE (DECREASE) FOR THE PERIOD (42,465)**

**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD 268,561**

**CASH AND CASH EQUIVALENTS AT THE END OF PERIOD 226,096**

## APPENDIX - CURRENCY CONVERSION TABLE

	US\$		COP	
	EOp	Average	EOp	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	3.915	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088
1Q18	3.324	3.247	0.001190	0.001137
2Q18	3.856	3.604	0.001320	0.001269
3Q18	4.004	3.954	0.001353	0.001337
4Q18	3.875	3.805	0.001194	0.001202
1Q19	3.897	3.772	0.001224	0.001204
2Q19	3.832	3.921	0.001195	0.001203

## MANAGEMENT NOTE

There may be some minor differences between the financial information presented in the charts and graphs in this release and that in the Audited Consolidated Financial Statements due to rounding.

Any and all non-accounting information or information arising from non-accounting figures, in addition to comparable historical information, has not been reviewed by the independent auditors.

## GLOSSARY

**Net store openings:** References to “net store openings”, “net store closures” or similar expressions correspond to the sum of stores opened or reopened in a given period less the sum of the stores closed in the same period.

**Company:** International Meal Company Alimentação S.A. or IMCASA.

**EBITDA and Adjusted EBITDA:** The Company calculates EBITDA as net income, before income tax and social contribution tax, financial income (expenses) and depreciation and amortization.

Adjusted EBITDA reflects EBITDA, adjusted to exclude the effects of transactions deemed by management as being unrepresentative of the normal course of business and/or do not impact cash generation, such as provisions for store closures, corporate restructuring expenses, consulting expenses related to projects’ implementation.

According to the accounting practices adopted in IFRS, EBITDA and the Adjusted EBITDA is not a measure of financial performance and should not be considered as an alternative to net income as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity.

Due to the fact that the calculation of EBITDA does not consider the income tax and social contribution tax, financial income (expense), depreciation and amortization, EBITDA is an indicator of the Company’s overall financial performance, which is unaffected by changes in income tax and social contribution tax rates, fluctuations in interest rates or levels of depreciation and amortization.

Therefore, the Company believes that Adjusted EBITDA serves as a significant comparative tool to measure, periodically, its operating performance and to base certain decisions of an administrative nature. The Company believes that Adjusted EBITDA provides a better understanding of not only of its financial performance, but also its ability to pay interest and principal on its debt and to incur more debt to finance its capital expenditures and working capital.

However, because Adjusted EBITDA does not consider certain costs inherent in its business, which could, in turn, significantly affect earnings, such as interest, taxes, depreciation, capital expenditures and other related charges, EBITDA has limitations that affect its use as an indicator of the Company’s profitability.

**Master Franchise:** an arrangement where a company allows one person or business the right to sell its products or services in a particular area or country. A master franchise typically involves control of the franchise rights for an entire geographical region.

**Same-store sales (SSS):** corresponds to the sales of stores that have been opened for more than eighteen months and have maintained operations in comparable periods, excluding stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of another period. Some of the reasons for the temporary closure of the Company’s stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in comparable store sales, said store is excluded from the comparable store sales. The variations in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies



and initiatives, and also represent the trends of the local economy and consumers. The Company's sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company's financial information is converted and demonstrated in reais (R\$), Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present gains or losses resulting from the exchange rate of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance according to the accounting practices adopted in Brazil (BR GAAP) or IFRS. Same-store sales do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales in used by other companies.

## DISCLAIMER

This report contains forward-looking information. Such information does not refer to historical facts only, but reflect IMC's management's wishes and expectations. The words "anticipates", "wants", "expects", "forecasts", "intends", "plans", "predicts", "projects", "aims" and the like are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency, currency fluctuations, supply and production hurdles and changes in product sales, among other risks. This report also contains information prepared by the Company only for information and reference purposes; therefore, it has not been audited. This report is up-to-date, and IMC has no obligation to update it with new information and/or future events. There may some minor differences between the financial information presented in the charts and graphs in this release and that in the Audited Financial Statements due to rounding. Any and all non-accounting information or information arising from non-accounting figures, in addition to comparable historical information, has not been reviewed by the independent auditors.