

Earnings 3Q19

Conference Call:

October 25th | 11:00AM (10:00AM EDT)

Phone:

Brazil: + 55 11 2188-0155

Exterior: +1 646-843-6054

Replay: +55 11 2188-0400

Code: Fleury

Webcast: www.fleury.com.br/ir

In September 30th, 2019:

Total de ações

316.744.460

Total shares:

316.744.460

Market cap

R\$ 8.3 Bn | US\$ 2.0 Bn

Share price

R\$ 26,46 /US\$ 6,35

Fleury ON

B3: FLRY3



Investor Relations

www.fleury.com.br/ir | ri@grupofleury.com.br | +55 11 5014-7413

São Paulo, October 24th, 2019 – Grupo Fleury announces today its 3rd quarter 2019 (3Q19) results. All figures are compared to the same period of the previous year, unless otherwise stated, and are rounded to the nearest thousand. However, there may be differences when compared to the financial statements due to decimal digits.

Highlights

- Net Revenue of R\$ 818.0 MM (+10.8%).
- Cancellations represented 1.4%, maintaining stability compared to the same period of the previous year.
- EBITDA of R\$ 196.5 MM (+8.2%), with margin of 26.0%.
- Net Income of R\$ 94.8 MM (+4.9%).
- Operating Cash Flow Generation of R\$ 212.8 MM (+22.6%).
- Return on Invested Capital (ROIC¹) excluding goodwill reached 38.0%.
- The NPS² reached 77.7% (stable).
- Implementation of IFRS 16 - Leasing. For comparison purposes, the following numbers are presented without the effect of IFRS 16. On pages 14 and 15 we detail the impacts of its adoption.

¹ Excludes the goodwill of the stockholder's equity. ² Net Promoter Score

Main Financial Indicators

Financial Indicators (R\$ MM)	3Q19	3Q18	Variation	9M 2019	9M 2018	Variation
Gross Revenue	818.0	738.5	10.8%	2,363.5	2,172.8	8.8%
Net Revenue	755.7	683.0	10.6%	2,185.0	2,009.7	8.7%
Gross Profit	223.1	209.3	6.6%	651.2	636.0	2.4%
EBITDA	196.5	181.5	8.2%	565.7	546.3	3.6%
Net Income	94.8	90.3	4.9%	268.7	273.4	-1.7%
Cancellations (% Gross Revenue)	-1.4%	-1.4%	1.0 bps	-1.4%	-1.3%	-4 bps
Gross Margin %	29.5%	30.6%	-113.0 bps	29.8%	31.6%	-184 bps
EBITDA Margin %	26.0%	26.6%	-58.0 bps	25.9%	27.2%	-129 bps
Effective Tax Rate	-27.0%	-27.2%	20.0 bps	-27.0%	-27.1%	12 bps
Net Income Margin %	12.5%	13.2%	-69.0 bps	12.3%	13.6%	-131 bps
Recurring EBITDA	196.5	181.5	8.2%	583.8	546.3	6.9%
Recurring Net Income	94.8	90.3	4.9%	281.9	273.4	3.1%
Recurring EBITDA Margin %	26.0%	26.6%	-58.0 bps	26.7%	27.2%	-46.0 bps
Recurring Net Income Margin %	12.5%	13.2%	-69.0 bps	12.9%	13.6%	-70.0 bps
Operating Cash Flow	212.8	173.5	22.6%	409.6	489.3	-16.3%
CAPEX	40.4	96.9	-58.4%	130.1	182.4	-28.7%
Average Collection Period (Days)	66	68	-2 days	69	69	-1 days
ROE (LTM)	18.8%	19.9%	-106.0 bps	18.8%	19.9%	-106 bps
ROIC (LTM)	14.0%	15.4%	-137.0 bps	14.0%	15.4%	-137 bps
ROIC without goodwill (LTM)	38.0%	41.3%	-324.0 bps	38.0%	41.3%	-324 bps

Management Comments

We remain focused on the enhancement of our brands portfolio and advancing on the strategy of consolidation in the main markets.

It was announced, in September, the contract celebration for the acquisition of Grupo Diagmax in Recife, that will be submitted to approval by CADE (Anti-Trust Agency) before its conclusion. Grupo Diagmax offers mainly diagnostic imaging through six patient service centers in the metropolitan region of Recife, State of Pernambuco. This acquisition will allow Grupo Fleury to expand its strategic presence in the region, increasing its capillarity to 17 patient service centers and strengthening its portfolio of exams, expanding in a relevant way its representation in diagnostic imaging.

In the context of Patient Service Centers, it is observed a consistent growth in the brands portfolio of 11.7% (8.7% organic), showing a strong effort made in the differentiation of the diagnostics product. One of the levers on the contribution of the Gross Revenue growth is the client's house service, present in all regions where Grupo Fleury has clinical analysis operation. The efficient model, of strong convenience to the clients and that can also be scheduled through app, presented a double-digit growth in the quarter.

In October, it was launched a new patient service center of a+ brand, in São Paulo, in Moema neighborhood, with complete diagnostic offering, including MRI. With the opening of this patient service center, the Company reached 54 patient service centers launched in the Expansion Plan, equivalent to 74% of the lower range of the guidance that estimates the opening of 73 to 90 patient service centers until 2021.

Recognition throughout the quarter shows off Grupo Fleury's focus on taking care of the patient, through its pillar of medical excellence and services.

In the quarter, Grupo Fleury was recognized with the award "As Melhores da Bolsa", of InfoMoney in partnership with Ibmecc and Economática, of which the Company won in the Healthcare category. The Company also won the award "Best Place to Work" of Infojobs, in the Healthcare category. In October, Grupo Fleury was recognized in the prize of "Empresas Mais" of O Estado de S. Paulo journal in partnership with Fundação Instituto de Administração (FIA) and Austin Rating, conquering the second position in the category of Publicly-Held Corporate Governance and Healthcare Sector.

These recognitions also reflect the high level of the consolidated Net Promoter Score (NPS) of all the Company's brands portfolio, that reached 77.7%.

Precision and Personalized Medicine, counselling services expansion in the area of genomics.

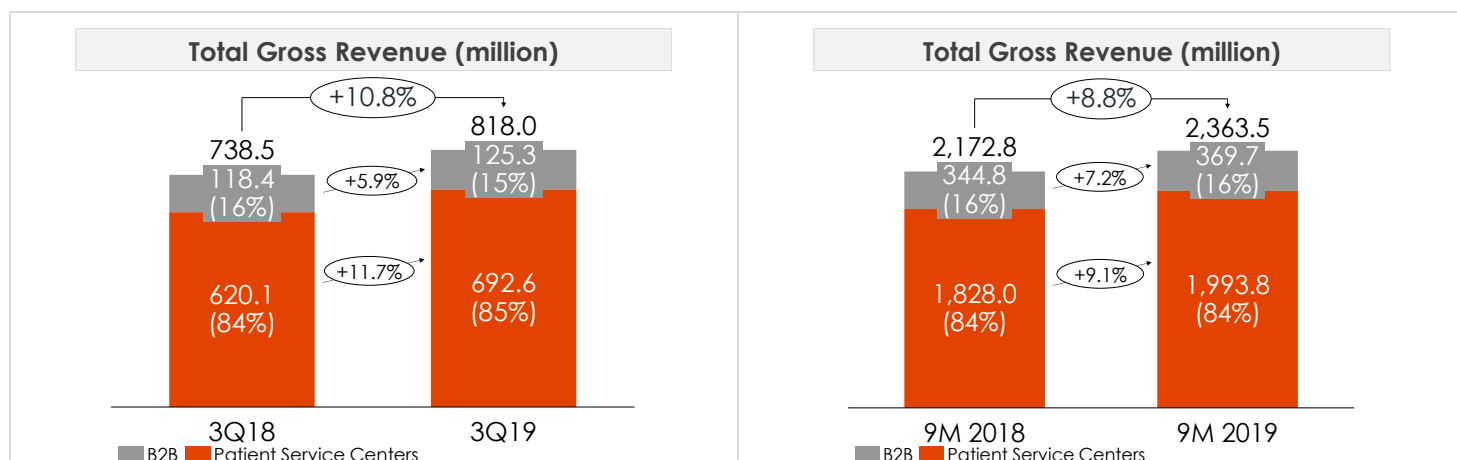
In personalized and precision medicine, it was taken one more important step in the expansion of services offered. The appointments in genetics counselling, previously made only in the City of São Paulo, also started to be offered in the regions of Porto Alegre and Salvador through local geneticists. The genetics counseling is a key service in Genetics, that aims to further understand the clinical state of the patient, and to accessorize the prescribing doctors, patients and partners before and after the exams.

Progress in the healthcare business platform with the launch of a shared-site in a patient service center of the a+ São Paulo brand for primary care

Grupo Fleury keeps advancing in the Healthcare business platform. Through SantéCorp it was launched a shared-site of primary care in the patient service center of a+ São Paulo, in Tatuapé neighborhood. The structure has three exclusive rooms totally dedicated to screening, clinical service and medication to Santécorp's clients. This model places the patient in the center of care and welcomes the patient since its first appointment until the end of the treatment.

Consolidated Gross Revenue

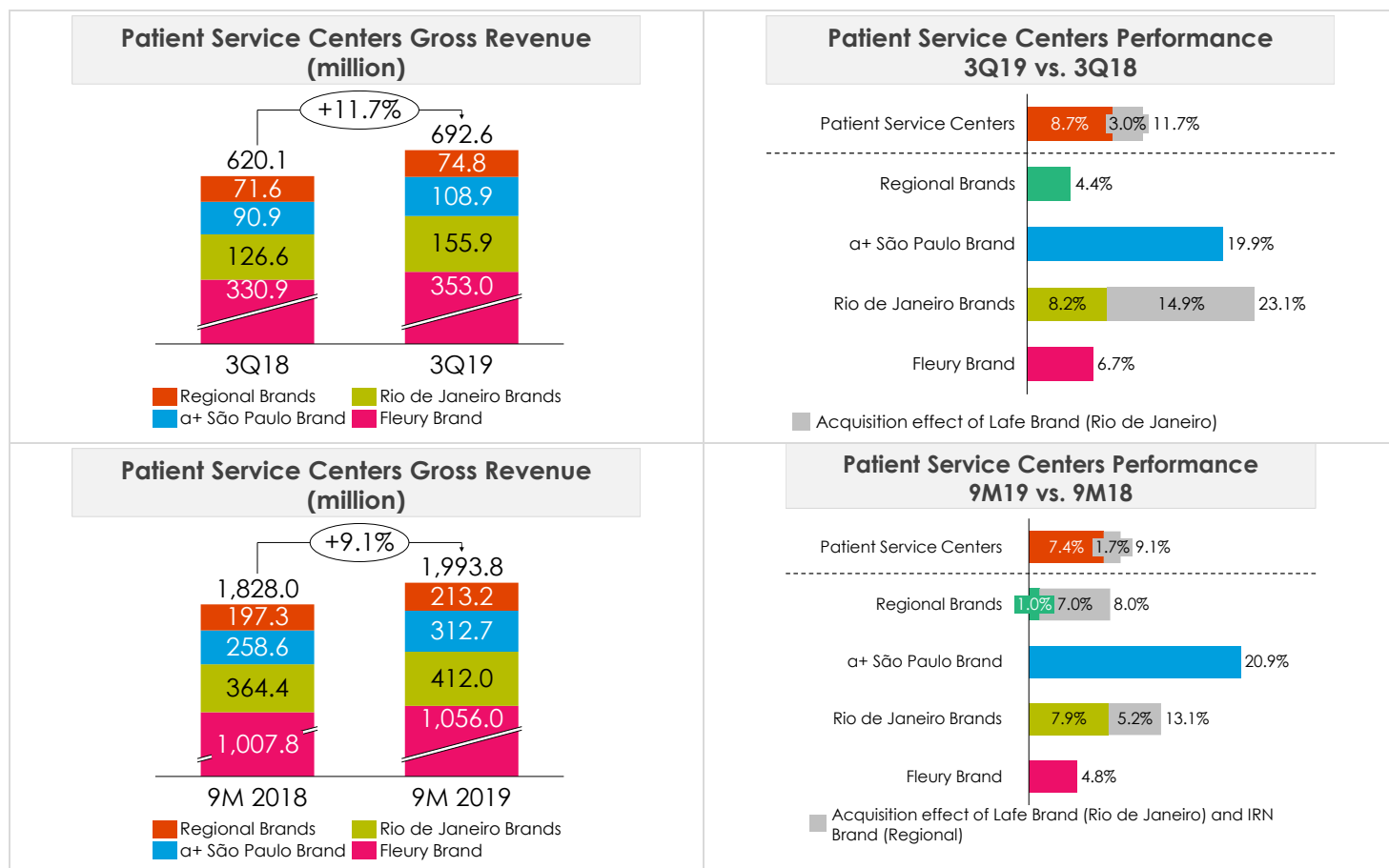
The total Gross Revenue reached R\$ 818.0 million, presenting a 10.8% increase. The Patient Service Centers increased their Gross Revenue's share from 83% to 85%. In 9M19, the Patient Service Centers maintained the share of 84%.



Patient Service Centers

Gross Revenue | Patient Service Centers

In 3Q19, the gross revenue of the Patient Service Centers presented an increase of 11.7% (+8.7% organic), reaching R\$ 692.6 million. Highlight to the Rio de Janeiro Brands with a 23.1% growth (+8.2% organic), considering the Lafe brand incorporation this quarter, and a+ São Paulo brand with an increase of 19.9%.



Volume and Gross Revenue per Test | Patient Service Centers

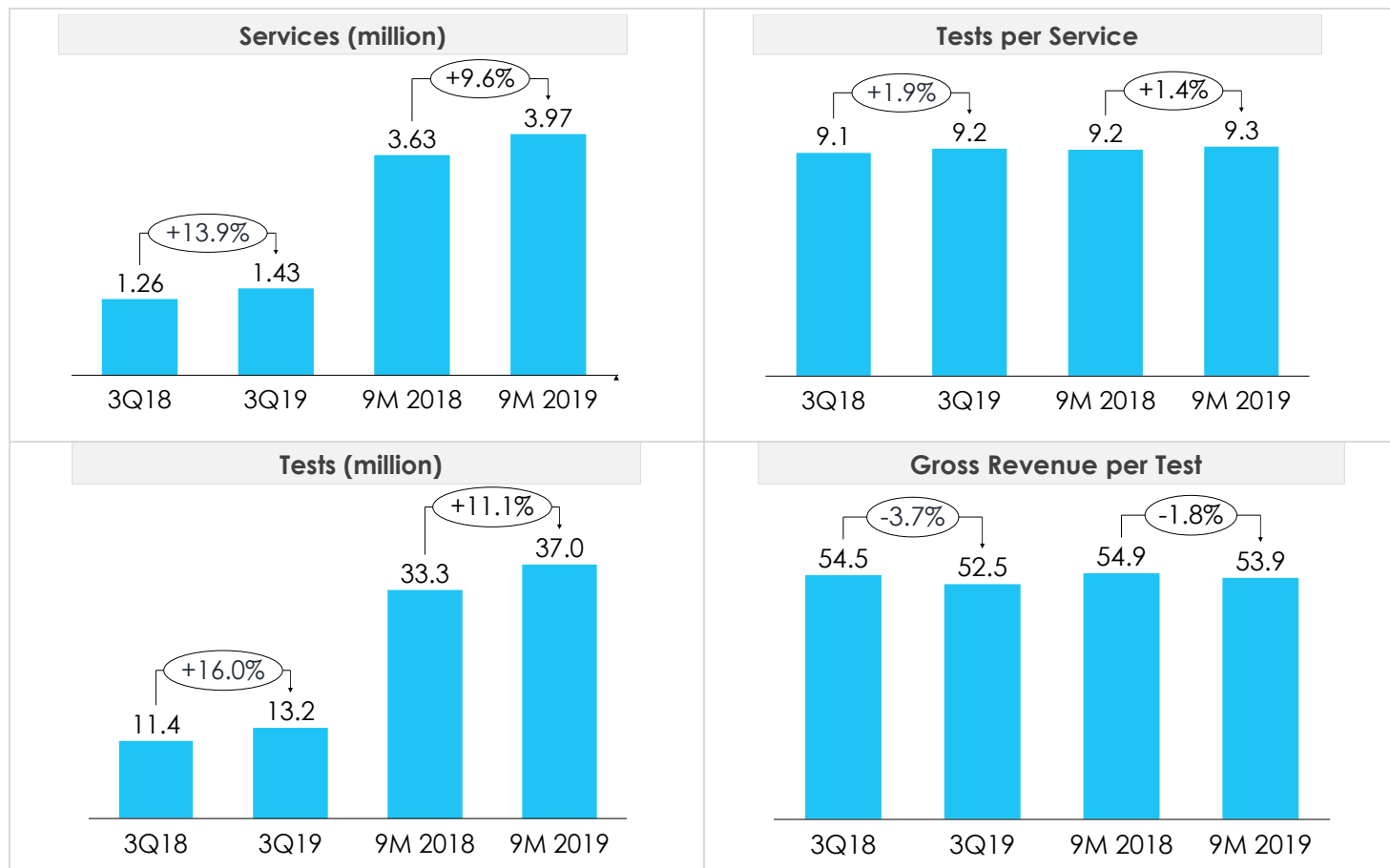
In the quarter, the number of services in Grupo Fleury's Patient Service Centers reached 1.4 million, an increase of 13.9% compared to last year. The a+ São Paulo and Rio de Janeiro brands, presented the highest increase. It is important to emphasize that, in Rio de Janeiro, there was an inorganic effect with the incorporation of Life brand in this quarter. Fleury brand presented stability in the number of services for the second consecutive quarter. At last, Regional Brands maintained the same number of services of the previous year.

In 3Q19, the number of Tests per Service presented an increase of 1.9%, reaching 9,2 Tests per Service. The main contribution occurs in Rio de Janeiro brands, with the increase of clinical analysis tests penetration in services.

The volume of Tests registered an increase of 16.0%, being a result of the service flow growth with the number of Tests per Services.

In 3Q19, Gross Revenue per Test presented a reduction of 3.7%, reaching R\$ 52.5. The observed reduction is explained by the mix of business, with a higher growth of the intermediate brands that presented a lower ticket per test than the Fleury brand (premium), as well as the relevance increase of clinical analysis tests compared to diagnostic imaging, that also presents a lower average ticket.

It is presented in the graphs below the same comparisons regarding the accrued nine months of the year.



Gross Revenue and Same Store Sales | Patient Service Centers

The growth of the Patient Service Centers reached 11.7% (8.7% organic), best result in 2019. The SSS presented acceleration, reaching 6.4% (vs. 5.2% in 2Q19).

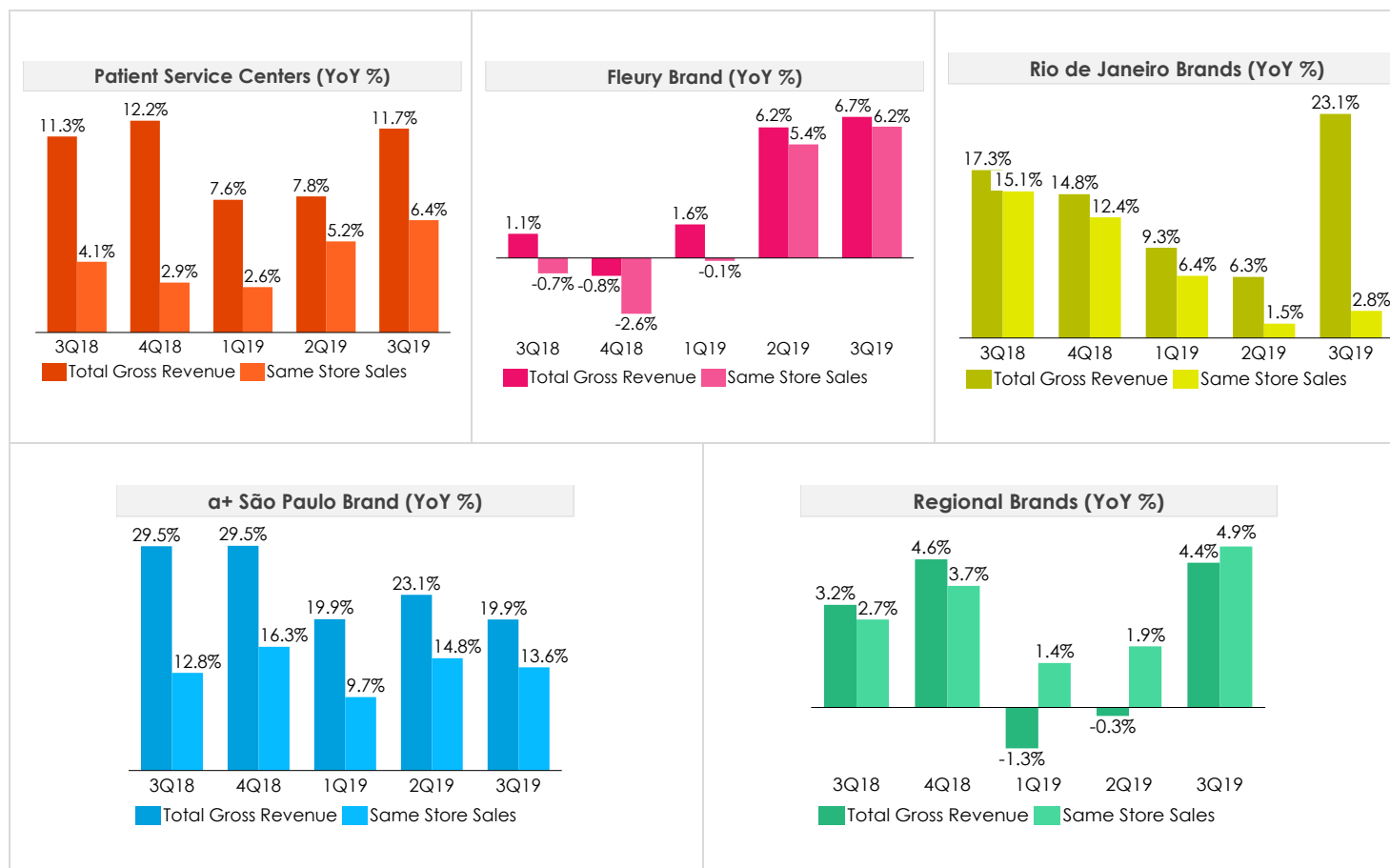
One of the highlights in the progress of Patient Service Centers is in the expansion of the client's house services for clinical analysis, that presented a double-digit growth in the quarter. This model is characterized by its high convenience, of which the service is done at the patient's houses or any other address of their choice.

Flery Brand (51% of PSCs Gross Revenue), for the third consecutive quarter there was an improvement in the brand's growth, with an increase of 6.7% in Gross Revenue and 6.2% in SSS. The observed growth reflects, mainly, a mix of internal actions, within them the straightening of the medical relationship and the improvement on the tests schedule conversion, besides the stabilization of the number of beneficiaries with access to the premium market. There was also part of the results impact the ennoblement of the mix of tests together with an expressive increase of the revenue with genomic tests.

Rio de Janeiro Brands (23% of PSCs Gross Revenue), Gross Revenue growth of 23.1% (8.2% organic). The improvement of the organic growth compared to 2Q19, reflects the entrance of new healthcare plans and the expansion of the diagnostic imaging offering. In this quarter, it was initiated the consolidation of Lafe brand results, as it shows in the comparison between total and organic growth.

a+ São Paulo Brand (16% of PSCs Gross Revenue), the increase of Gross Revenue reached 19.9%, taking the biggest part of the growth concentrated in the opened patient service centers between 2017 and 2018. The Same Store Sales maintained the level reached in the second quarter of 2019, staying at 13.6%.

Regional Brands (11% of PSCs Gross Revenue), reached 4.4% of growth. The increase presented was benefited by the two digits growth of the brands IRN (Natal) and a+ Pernambuco.



B2B: Hospital Operations and Lab-to-lab

Volume and Gross Revenue | B2B

In 3Q19, B2B Operations presented growth of 5.9% in Gross Revenue, being 2.2% of increase in volume of Tests and 3.6% in Gross Revenue per Test.

Hospital Operations presented in the quarter a growth of 4.2% in Gross Revenue, reaching R\$ 112.6 million. Most of the growth is related to the increase of Gross Revenue per Test (+2.5%). In August 2019, it was initiated the operation in Santa Joana Hospital in the City of Recife. The hospital has 211 rooms and performs approximately 40 thousand tests/month.

Lab-to-lab operations presented a 23.4% growth in Gross Revenue, totaling R\$ 12.7 million. Most of the increase is due to the expansion of volume of Tests (+17.1%). Following the trend of the previous quarter, we continue to present increments of tests related to Genomics and small size hospital operations.

B2B Indicators	3Q19	3Q18	Variation	9M 2019	9M 2018	Variation
Gross Revenue (R\$ Million)						
B2B	125.3	118.4	5.9%	369.7	344.8	7.2%
Hospital Operations	112.6	108.1	4.2%	334.4	314.8	6.2%
Lab-to-Lab	12.7	10.3	23.4%	35.3	30.0	17.4%
Tests (million)						
B2B	8.2	8.0	2.2%	24.4	23.5	4.1%
Hospital Operations	7.8	7.7	1.6%	23.4	22.5	3.7%
Lab-to-Lab	0.4	0.3	17.1%	1.1	0.9	15.9%
Average Ticket per Test (R\$)						
B2B	15.3	14.7	3.6%	15.1	14.7	2.9%
Hospital Operations	14.4	14.0	2.5%	14.3	14.0	2.5%
Lab-to-Lab	33.5	31.8	5.3%	32.7	32.3	1.3%

Cost of Services

Bellow, the analysis of the main lines of costs in 3Q19 compared to 3Q18:

Personnel and Medical Services (+10.4%) composes the main cost of the company and represented 34.2% of the Net Revenue, a reduction of 7 bps. The efficiency gain of this line is related to the salary account, consequence of initiatives with efficiency gains in the Patience Service Centers.

General Services, Rentals and Utilities (+9.1%) equivalent to 19.5% of the Net Revenue, reduction of 28 bps. Part of the efficiency gain can be explained by a reduction in costs related to IT and logistics.

Materials and Test Intermediation (+23.8%) represented 11.2% of the Net Revenue, an increase of 120 bps. The increase related to the Net Revenue is associated to the mix of tests made in the quarter, with a reduction in the share in the Automation Section, that has a higher margin, and the increase in the Specialized and Hospitals sections. The Specialized Section has as its main acronyms the exams related to the area of genomics.

Depreciation and Amortization (+17.1%) totaled 5.2% of the Net Revenue, increase of 29 bps in comparison with the previous year. The growth is a result of the Company's Expansion Plan with the opening of new Patient Service Centers and consequent impact on the depreciation increase with improvements of the new Patient Service Centers and medical equipment's.

General Expenses (+5.1%) represented 0.3% of the Net Revenue, decrease of 1 bps.

Cost of Services breakdown	3Q19		3Q18		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(258.5)	-34.2%	(234.1)	-34.3%	10.4%	7 bps
General services, rentals and utilities	(147.3)	-19.5%	(135.0)	-19.8%	9.1%	28 bps
Materials and Test Intermediation	(85.0)	-11.2%	(68.7)	-10.1%	23.8%	-120 bps
Depreciation and Amortization	(39.9)	-5.3%	(34.1)	-5.0%	17.1%	-29 bps
General Expenses	(2.0)	-0.3%	(1.9)	-0.3%	5.1%	1 bps
Cost of Services	-532.6	-70.5%	-473.7	-69.4%	12.4%	-113 bps

Cost of Services breakdown	9M 2019		9M 2018		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	(751.4)	-34.4%	(688.3)	-34.3%	9.2%	-14 bps
General services, rentals and utilities	(427.8)	-19.6%	(389.0)	-19.4%	10.0%	-22 bps
Materials and Exam Intermediation	(230.6)	-10.6%	(192.9)	-9.6%	19.5%	-96 bps
Depreciation and Amortization	(118.6)	-5.4%	(98.0)	-4.9%	20.9%	-55 bps
General Expenses	(5.4)	-0.2%	(5.5)	-0.3%	-0.3%	2 bps
Cost of Services	-1,533.8	-70.2%	-1,373.7	-68.4%	11.7%	-184 bps

Operating Expenses and Equity in Subsidiaries

Below, the analysis of the main lines of operating expenses in 3Q19 compared to 3Q18:

General and Administrative Expenses (+11.0%) represented 8.7% of the Net Revenue, an increase of 3 bps. consulting services contributed to the increase.

Depreciation and Amortization (+5.6%) equals to 1.7% of the Net Revenue, reduction of 8 bps.

Other Operating (Income)/Expenses (-320.1%) represented a reduction of 28 bps of the Net Revenue, due to social security credits accounted in the period.

Provision (Reversal) for Contingency (+5.1%) represented 0.2% of the Net Revenue, increase of 1 bps.

Operating Expenses breakdown and Equity in Subsidiaries	3Q19		3Q18		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(66.1)	-8.7%	(59.6)	-8.7%	11.0%	-3 bps
Depreciation and Amortization	(13.1)	-1.7%	(12.4)	-1.8%	5.6%	8 bps
Other Operating (Income) Expenses	1.4	0.2%	(0.6)	-0.1%	-320.1%	28 bps
Provision (Reversal) for Contingency	(1.8)	-0.2%	(1.7)	-0.2%	5.1%	1 bps
Equity in Subsidiaries	0.2	0.0%	0.3	0.0%	-16.0%	-1 bps
Operating Expenses and Subsidiaries' Share of Profits	-79.4	-10.5%	-74.0	-10.8%	7.2%	34 bps

Operating Expenses breakdown and Equity in Subsidiaries	9M 2019		9M 2018		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	(194.9)	-8.9%	(178.7)	-8.9%	9.0%	-3 bps
Depreciation and Amortization	(38.9)	-1.8%	(37.2)	-1.9%	4.5%	7 bps
Other Operating (Income) Expenses	(6.4)	-0.3%	(5.2)	-0.3%	23.3%	-3 bps
Provision (Reversal) for Contingency	(2.7)	-0.1%	(3.8)	-0.2%	-28.0%	6 bps
Equity in Subsidiaries	0.0	0.0%	0.8	0.0%	-94.4%	-4 bps
Operating Expenses and Subsidiaries' Share of Profits	-242.9	-11.1%	-224.1	-11.2%	8.4%	4 bps
Non-recurring	18.1	0.8%	0.0	0.0%	0.0%	83 bps
Recurring Operating Expenses and Subsidiaries' Share of Profits	-224.8	-10.3%	-224.1	-11.2%	0.3%	86 bps

Income Statement

The Net Revenue presented an increase of 10.6%, result of the Gross Revenue growth of 10.8% and of the Cancellations stability in the level of 1.4%

The Gross Profit presented a growth of 6.6% with gross margin of 29.5%, reduction of 113 bps compared to the 3Q18. The pressure on the gross margin is consequence of the mix of products and the brands in the line of Materials and Test Intermediation, as well as the increase of Depreciation and Amortization in face of the Organic Expansion Plan.

The EBITDA grew 8.2% with EBITDA margin of 26%, decrease of 58 bps compared to the 3Q18. As previously detailed, the pressure observed in EBITDA margin has origin in the Cost of Services (-84 bps), being partially mitigated by the efficiency gain in Operating Expenses (+26 bps). Additionally, the entrance of Lafe brand in the quarter's results, has also contributed to the pressure observed in EBITDA margin.

The Net Income reached R\$ 94.8 million, increasing 4.9%. The result reflects the reduction of the Financial Result due to lower cash position at the end of the quarter, because of the disbursement with the Lafe brand acquisition.

Income Statement (R\$ million)	3Q19	3Q18	Variation	9M 2019	9M 2018	Variation
Gross Revenue	818.0	738.5	10.8%	2,363.5	2,172.8	8.8%
Taxes on Gross Revenue	(50.6)	(44.8)	-12.9%	(145.8)	(134.0)	-8.8%
Cancellations	(11.6)	(10.6)	-10.1%	(32.7)	(29.2)	-12.2%
Cancellations (% Gross Revenue)	-1.4%	-1.4%	1.0 bps	-1.4%	-1.3%	-4.0 bps
Net Revenue	755.7	683.0	10.6%	2,185.0	2,009.7	8.7%
Cost of Rendered Services	(532.6)	(473.7)	-12.4%	(1,533.8)	(1,373.7)	-11.7%
Gross Profit	223.1	209.3	6.6%	651.2	636.0	2.4%
Gross Margin	29.5%	30.6%	-113.0 bps	29.8%	31.6%	-184.0 bps
Operating Expenses and Equity in Subsidiaries	(79.4)	(74.0)	-7.2%	(242.9)	(224.1)	-8.4%
Financial Results	(13.9)	(11.2)	-24.1%	(40.2)	(36.8)	-9.4%
Earnings Before Tax (EBIT)	129.8	124.1	4.6%	368.1	375.1	-1.9%
Income Tax and Social Contribution	(35.0)	(33.7)	-3.8%	(99.3)	(101.7)	2.3%
Effective Tax Rate	-27.0%	-27.2%	20.0 bps	-27.0%	-27.1%	12.0 bps
Net Income	94.8	90.3	4.9%	268.7	273.4	-1.7%
Net Margin	12.5%	13.2%	-69.0 bps	12.3%	13.6%	-131.0 bps
(+) Non-recurring to Net Income	0.0	0.0	0.0%	13.2	0.0	0.0%
Recurring Net Income	94.8	90.3	4.9%	281.9	273.4	3.1%
Recurring Net Margin	12.5%	13.2%	-69.0 bps	12.9%	13.6%	-70.0 bps
EBITDA	196.5	181.5	8.2%	565.7	546.3	3.6%
EBITDA Margin	26.0%	26.6%	-58.0 bps	25.9%	27.2%	-129.0 bps
(+) Non-recurring to EBITDA	0.0	0.0	0.0%	18.1	0.0	0.0%
Recurring EBITDA	196.5	181.5	8.2%	583.8	546.3	6.9%
Recurring EBITDA Margin	26.0%	26.6%	-58.0 bps	26.7%	27.2%	-46.0 bps

Indebtedness

Composition of Net Debt (R\$ MM)	3Q19	3Q18	Variation
Gross Debt (Debentures and Borrowings and Acquisitions)	1,155.0	1,422.3	-18.8%
Cash, Cash Equivalents and Marketable Securities	463.6	889.8	-47.9%
Net Debt	691.4	532.6	29.8%
Net Debt / EBITDA LTM	1.0x	0.8x	0.2x
EBITDA LTM / Financial Result LTM	12.8x	15.0x	-2.2x

Investments

In the quarter, the investments presented a decrease of 58.4%, reaching R\$ 40.4 million. The reduction observed can be explained by the decrease of investments due to the opening of new patient service centers.

CAPEX (R\$ million)	3Q19	3Q18	Variation	9M 2019	9M 2018	Variation
New PSC's, Offer Expansion in Existing Units and Technical Areas	8.9	63.4	-86.0%	37.9	112.5	-66.3%
Diagnostic Equipment Renewal and Maintenance	9.7	19.7	-50.9%	39.5	33.8	16.7%
IT/Digital	21.8	13.8	57.5%	52.6	36.1	45.7%
Total Capex	40.4	96.9	-58.4%	130.1	182.4	-28.7%

Cash Flow

The Operating Cash Flow registered R\$ 212.8 million, an increase of 22.6%. The conversion (Operating Cash/EBITDA) was of 108.3% compared to 95.6% in the 3Q18. The line of trade accounts receivable presented an improvement of 112.3% with the reduction of the average collection period in 2 days, resulting in 66 days.

The Free Cash Flow to firm presented expansion of 113.7% mainly due to the reduction of investments to the opening of new patient service centers.

At last, the Free Cash Flow to Equity presented a growth of 153.9%, as consequence of the due date change of the interest on capital distribution related to first semester, from August to October.

Cash Flow (R\$ MM)	3Q19	3Q18	▲ %	9M 2019	9M 2018	▲ %
EBITDA	196.5	181.5	8.2%	565.7	546.3	3.6%
Provisions (reversions)	22.2	16.5	34.5%	61.5	60.2	2.0%
Income Tax Paid	(16.0)	(19.3)	17.2%	(82.7)	(68.1)	-21.3%
Others Operating Results	5.4	11.7	-53.9%	21.3	20.5	4.1%
Δ Working Capital:	4.6	(17.0)	127.3%	(156.2)	(69.5)	-124.6%
Trade Accounts Receivables	3.5	(28.3)	112.3%	(110.4)	(68.4)	-61.4%
Suppliers	(15.5)	(0.6)	-2581.6%	(46.3)	13.5	-441.9%
Salaries / Charges	7.0	9.2	-23.7%	1.6	14.0	-88.4%
Others Assets and Liabilities	9.6	2.7	261.2%	(1.1)	(28.7)	96.3%
(=) Operating Cash Flow	212.8	173.5	22.6%	409.6	489.3	-16.3%
(+) Capital Expenditures	(40.4)	(97.4)	58.5%	(130.1)	(183.4)	29.1%
(+) Others Investing Activities	(0.9)	4.1	-120.7%	(3.7)	1.6	-334.6%
(=) Free Cash Flow to Firm (FCFF)	171.5	80.3	113.7%	275.9	307.5	-10.3%
Interest Paid / Received	(6.6)	(10.8)	39.0%	(47.0)	(39.6)	-18.8%
Change in Debt	(7.3)	(7.3)	0.9%	(188.5)	309.2	-161.0%
(=) Free Cash Flow to Equity (FCFE)	157.7	62.1	153.9%	40.4	577.1	-93.0%
Dividends and Interest on Capital	0.0	(57.6)	100.0%	(252.3)	(303.2)	16.8%
(+) Payment of Acquisitions	0.0	(1.4)	100.0%	(140.6)	(58.7)	-139.4%
Capital Increase (Stock Options)	5.5	3.0	84.1%	7.1	3.0	138.1%
(=) Cash Flow	163.2	6.1	2553.7%	(345.3)	218.1	-258.3%

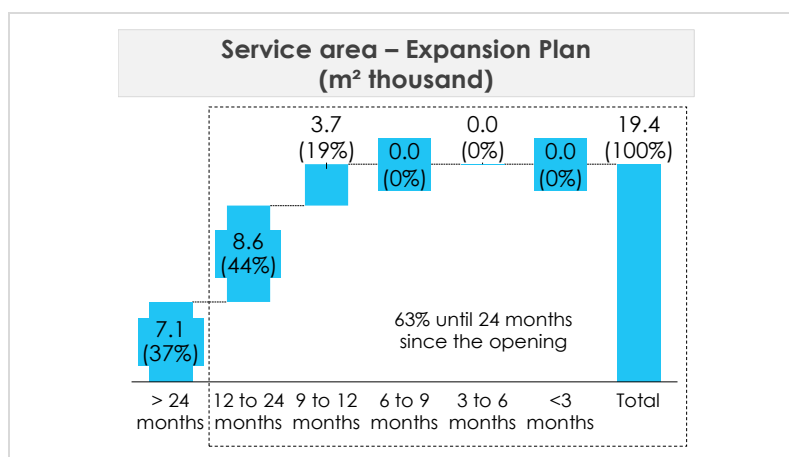
¹ It does not consider the variation in Marketable securities

Cash Flow Indicators	3Q19	3Q18	▲	9M 2019	9M 2018	▲
Average Collection Period	66	68	-2.0 dias	69	69	-1.0 dias
Average Payment Period	50	54	-4.0 dias	52	55	-4.0 dias
Cash Flow Conversion LTM	108.3%	95.6%	1270.0 bps	72.4%	89.6%	-1716.0 bps

Organic Expansion Plan

	Fleury Brand	Complexity	Patient Service Area (sqm)	State	Date
1	Fleury Santo André	Medium	587	São Paulo	feb/18
2	Fleury Carlos Weber	Medium	681	São Paulo	oct/17
3	Fleury Alameda Jaú	Fast site	380	São Paulo	set/17
4	Fleury Morumbi	Large	1,988	São Paulo	jul/17
5	Fleury Anália Franco	Large	1,214	São Paulo	jun/17
6	Fleury Heitor Penteado	Fast site	183	São Paulo	jun/17
7	Fleury São Caetano do Sul	Fast site	411	São Paulo	may/17
8	Fleury Cerro Corá	Fast site	233	São Paulo	apr/17
9	Fleury Ipiranga	Fast site	206	São Paulo	mar/17
10	Fleury Brasil	Fast site	235	São Paulo	jan/17
11	Fleury Moema	Fast site	126	São Paulo	dec/16
	Regional South	Complexity	Patient Service Area (sqm)	State	Date
1	α+ João Bettega	Small	128	Paraná	dec/17
2	α+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	α+ Ecoville	Small	47	Paraná	feb/17
5	α+ Champagnat	Small	81	Paraná	feb/17
6	α+ Centro	Small	29	Paraná	feb/17
7	α+ Batel	Small	134	Paraná	dec/16
8	α+ Nossa Saúde	Small	79	Paraná	oct/16
	α+ São Paulo	Complexity	Patient Service Area (sqm)	State	Date
1	α+ Canário	Grande	680	São Paulo	out/19
2	α+ Chácara Flora	Fast site	299	São Paulo	dec/18
3	α+ Verbo Divino	Fast site	196	São Paulo	dec/18
4	α+ Berrini	Fast site	199	São Paulo	dec/18
5	α+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
6	α+ Granja Viana	Fast site	231	São Paulo	aug/18
7	α+ Tatuapé	Large	1,483	São Paulo	aug/18
8	α+ Vila Andrade	Fast site	234	São Paulo	jul/18
9	α+ Brasil	Fast site	348	São Paulo	jul/18
10	α+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
11	α+ Ipiranga	Medium	359	São Paulo	jun/18
12	α+ Funchal	Fast site	239	São Paulo	may/18
13	α+ Guarulhos	Large	832	São Paulo	apr/18
14	α+ Pedroso de Morais	Medium	421	São Paulo	dec/17
15	α+ Leônicio Magalhães	Medium	544	São Paulo	nov/17
16	α+ Queiroz Filho	Medium	673	São Paulo	oct/17
17	α+ Santo André	Medium	437	São Paulo	jul/17
18	α+ Augusto Tolle	Fast site	392	São Paulo	jul/17
19	α+ Itaim Bibi	Fast site	207	São Paulo	may/17
	Regional RJ	Complexity	Patient Service Area (sqm)	State	Date
1	Felippe Mattoso Mena Barreto	Fast site	276	Rio de Janeiro	dec/18
2	Felippe Mattoso Av. das Américas	Grande	1009	Rio de Janeiro	nov/18
3	Labs α+ Carioca	Fast site	559	Rio de Janeiro	nov/18
4	Labs α+ Posto 6	Média	318	Rio de Janeiro	nov/18
5	Labs α+ Freguesia	Média	363	Rio de Janeiro	nov/18
6	Labs α+ Flamengo	Média	478	Rio de Janeiro	nov/18
7	Felippe Mattoso Ipanema	Fast site	239	Rio de Janeiro	dec/17
8	Labs α+ Catete	Fast site	145	Rio de Janeiro	dec/17
9	Labs α+ Shopping Santa Cruz	Fast site	131	Rio de Janeiro	dec/17
10	Labs α+ Mariz e Barros	Fast site	134	Rio de Janeiro	dec/17
11	Labs α+ Uruguai	Fast site	129	Rio de Janeiro	nov/17
12	Labs α+ Santa Rosa	Fast site	148	Rio de Janeiro	oct/17
13	Labs α+ Campo Grande	Fast site	281	Rio de Janeiro	set/17
	Regional Brasília	Complexity	Patient Service Area (sqm)	State	Date
1	α+ Asa Sul	Fast site	58	Brasília	aug/17
2	α+ Sudoeste	Fast site	119	Brasília	aug/17
	Regional Pernambuco	Complexity	Patient Service Area (sqm)	State	Date
1	α+ Casa Forte	Small	151	Pernambuco	may/18
Total 54 PSCs			20,085 sqm		

Inaugurated Service Area Distribution



Acquisition

Company	PSC	Complexity	PSCs area (sqm)	State	Date
Serdil	Serdil	NA	1,213	Rio Grande do Sul	NA
IRN	Matriz	NA	1,697	Rio Grande do Norte	NA
IRN	Parnamirim	NA	477	Rio Grande do Norte	NA
IRN	Zona Sul	NA	1,317	Rio Grande do Norte	NA
IRN	Harmony Center	NA	98	Rio Grande do Norte	NA
LAFE	Alcantara	NA	217	Rio de Janeiro	NA
LAFE	Bairro de Fatima	NA	287	Rio de Janeiro	NA
LAFE	Barra I	NA	256	Rio de Janeiro	NA
LAFE	Barra II	NA	107	Rio de Janeiro	NA
LAFE	Barra III	NA	151	Rio de Janeiro	NA
LAFE	Belford Roxo	NA	202	Rio de Janeiro	NA
LAFE	Botafogo I	NA	442	Rio de Janeiro	NA
LAFE	Centro I	NA	308	Rio de Janeiro	NA
LAFE	Copacabana I	NA	207	Rio de Janeiro	NA
LAFE	Copacabana II	NA	212	Rio de Janeiro	NA
LAFE	Del Castilho	NA	303	Rio de Janeiro	NA
LAFE	Duque de Caxias I	NA	176	Rio de Janeiro	NA
LAFE	Duque de Caxias II	NA	257	Rio de Janeiro	NA
LAFE	Gavea	NA	132	Rio de Janeiro	NA
LAFE	Guadalupe	NA	120	Rio de Janeiro	NA
LAFE	Icarai	NA	522	Rio de Janeiro	NA
LAFE	Ilha do Governador I	NA	156	Rio de Janeiro	NA
LAFE	Ilha do Governador II	NA	268	Rio de Janeiro	NA
LAFE	Ipanema I	NA	251	Rio de Janeiro	NA
LAFE	Laranjeiras I	NA	211	Rio de Janeiro	NA
LAFE	Laranjeiras II	NA	84	Rio de Janeiro	NA
LAFE	Leblon	NA	117	Rio de Janeiro	NA
LAFE	Madureira	NA	154	Rio de Janeiro	NA
LAFE	Nilopolis	NA	170	Rio de Janeiro	NA
LAFE	Nova Iguacu I	NA	242	Rio de Janeiro	NA
LAFE	Nova Iguacu II	NA	88	Rio de Janeiro	NA
LAFE	Nova Iguacu III	NA	200	Rio de Janeiro	NA
LAFE	Sao Cristovão	NA	620	Rio de Janeiro	NA
LAFE	Tijuca	NA	318	Rio de Janeiro	NA
LAFE	Vila da Penha I	NA	209	Rio de Janeiro	NA
LAFE	Vila da Penha II	NA	175	Rio de Janeiro	NA
Total 36 PSCs through acquisition			11,962 sqm		

Performance Indicators

Operational Indicators	Description	Unit	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2119	3Q19
Income Statement										
Gross Revenue	Gross Revenue	R\$ MM	630.2	706.3	728.1	738.5	706.8	757.9	787.6	818.0
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R\$ MM	582.0	653.3	673.4	683.0	654.8	700.6	728.7	755.7
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R\$ MM	(428.5)	(439.9)	(460.1)	(473.7)	(482.2)	(484.3)	(516.9)	(532.6)
SG&A	Does not include Other Operating Expenses / Revenues, Contingency Provisions and Equity in Subsidiaries	R\$ MM	(65.3)	(69.3)	(74.7)	(72.0)	(79.7)	(70.6)	(83.9)	(79.3)
EBIT	Earnings Before Interest and Taxes	R\$ MM	91.2	141.7	134.3	135.0	91.3	144.2	120.7	143.4
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	130.7	185.9	178.8	181.5	145.4	196.7	172.6	196.5
Net Finance Income	Interest Revenue - Interest Expenses	R\$ MM	(8.3)	(10.7)	(14.8)	(11.2)	(15.3)	(11.3)	(15.0)	(13.9)
Net Income	Net Income	R\$ MM	64.6	96.4	86.6	90.3	58.2	96.9	77.1	94.8
Net Cash Income	Net Income - Deferred income tax	R\$ MM	82.2	104.3	85.7	106.1	63.7	98.8	63.1	106.0
Result Indicators										
Cancellation Index	Cancellations / Gross Revenue	%	-1.5%	-1.3%	-1.3%	-1.4%	-1.2%	-1.4%	-1.3%	-1.4%
Gross Margin	Gross Profit / Net Revenue	%	26.4%	32.7%	31.7%	30.6%	26.3%	30.9%	29.1%	29.5%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	15.7%	21.7%	19.9%	19.8%	13.9%	20.6%	16.6%	19.0%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	22.4%	28.5%	26.6%	26.6%	22.2%	28.1%	23.7%	26.0%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-21.8%	-26.6%	-27.6%	-27.2%	-23.5%	-27.0%	-27.0%	-27.0%
Net Margin	Net Profit / Net Revenue	%	11.1%	14.8%	12.9%	13.2%	8.9%	13.8%	10.6%	12.5%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	14.1%	16.0%	12.7%	15.5%	9.7%	14.1%	8.7%	14.0%
Financial Debt										
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R\$ MM	671.8	470.5	883.6	889.8	808.9	602.0	300.4	463.6
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R\$ MM	1,069.6	919.7	1,418.1	1,422.3	1,305.8	1,131.9	1,150.4	1,155.0
Net Debt	Gross Debt - Cash and Cash equivalents	R\$ MM	397.7	449.2	534.5	532.6	497.0	529.8	850.1	691.4
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	0.6x	0.7x	0.8x	0.8x	0.7x	0.8x	1.2x	1.0x
Profitability and Return										
ROE (LTM)	Net Income LTM / Shareholders Equity	%	19.2%	19.8%	21.3%	20.0%	19.9%	19.2%	20.5%	18.8%
ROIC without Goodwill (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt - Goodwill)	%	43.8%	43.6%	41.9%	41.3%	41.2%	45.2%	35.8%	38.0%
ROIC (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt)	%	15.5%	15.5%	15.3%	15.4%	15.3%	15.8%	13.5%	14.0%

IFRS 16 Impacts – Leasing

Grupo Fleury adopted the IFRS 16 - Leases as of January 1, 2019 and choose for the simplified retrospective transition approach, so to give better comparability within previous periods, we adopted the presentation of the results without the effect of IFRS 16, except when indicated.

The following tables, the Company shows the main impacts of IFRS 16 in the Income Statement, Balance Sheet and Cash Flow. The main impact on the operations occurs in the accounting of real estate rental agreements (leases), where it is developed the administrative, technical and service operations. Equipment and vehicles rental contracts also had an impact (for more information see explanatory note 2.2).

Income Statement Impacts IFRS 16 (R\$ million)	3Q19	IFRS 16	3Q19 IFRS 16	Note
Net Revenue	755.7		755.7	
Personnel and medical services	(258.5)		(258.5)	
General services, rentals and utilities	(147.3)	40.0	(107.2)	1
Materials and Test Intermediation	(85.0)		(85.0)	
Depreciation and Amortization	(39.9)	(31.7)	(71.6)	2
General Expenses	(2.0)		(2.0)	
Cost of Services	(532.6)	8.3	(524.3)	
Gross Income	223.1	8.3	231.4	
Gross Margin	29.5%	110 bps	30.6%	
G&A	(66.1)	2.2	(63.9)	1
Depreciation and Amortization	(13.1)	(2.0)	(15.2)	2
Other Operating (Income) Expenses	1.4		1.4	
Provision (Reversal) for Contingency	(1.8)		(1.8)	
Equity in Subsidiaries	0.2		0.2	
Operating Expenses and Subsidiaries'	(79.4)	0.2	(79.2)	
Financial Income	8.4		8.4	3
Financial Expenses	(22.3)	(13.5)	(35.8)	3
Net Financial Income	(13.9)	(13.5)	(27.4)	
Income tax and social contribution - Current	(23.8)	1.3	(22.5)	4
Income tax and social contribution - Deferred	(11.3)	0.1	(11.2)	
Income tax and social contribution	(35.0)	1.4	(33.7)	
Net Income	94.8	(3.7)	91.1	
Net Margin	12.5%	-49 bps	12.1%	
EBITDA	196.5	42.2	238.7	
EBITDA Margin	26.0%	558 bps	31.6%	

1. Rental costs and expenses were converted into Right of Use (Asset) and Financial Lease (Liabilities).
2. The Right of Use is being depreciated according to the average term of lease contracts. Grupo Fleury adopted the average term of 10 years for real estate rental agreements.
3. The interest is calculated based on the obligation constituted in the Liabilities – Financial Lease. The percentage of interest is based on the debts issued by the Company and the term of lease contracts. The Price method was used to interest calculation.
4. The Current Income Tax and Social Contribution are impacted by the temporary reduction of Profit before Taxes and Social Contribution. The effective tax rate is not impacted by the adoption.

Balance Sheet Impacts IFRS 16 (R\$ million)	3Q19	IFRS 16	3Q19 IFRS 16	Note
Total current	1,169.8		1,169.8	
Other non-current	1,862.9		1,862.9	
Investments	13.7	0.7	14.5	1
Property and Equipment	740.9	0.1	741.0	
Right of use	0.0	966.0	966.0	2
Total non-current	2,617.6	966.8	3,584.3	
Total assets	3,787.4	966.8	4,754.2	
Other current Liabilities	475.8		475.8	
Financial lease	0.0	110.9	110.9	3
Trade accounts payable	158.2	0.1	158.3	
Tax Provision	15.9	(2.6)	13.3	4
Total current Liabilities	649.9	108.4	758.3	
Other non-current Liabilities	1,387.4		1,387.4	
Financial lease	0.0	871.4	871.4	3
Total non-current Liabilities	1,387.4	871.4	2,258.8	
Other Equity	1,544.2		1,544.2	
Net Income	206.0	(13.0)	192.9	5
Total Equity	1,750.1	(13.0)	1,737.1	
Total liabilities and equity	3,787.4	966.8	4,754.2	

1. Effect in net income due to the lease accounting in the parent companies.
2. Rental agreements must be recognized as a lease, constituting an asset, classified as Right of Use (see explanatory note 15). The depreciation term was stipulated based on the validity of our rental and renewal contracts, for the cases that we have "reasonable certainty" of continuity (90% are real estate).
3. Rental agreements must be recognized as a financial lease, constituting a Lease liability, taking into account the obligations of future payments, both of which are brought to present value (see explanatory note 18). The term of amortization of the lease was stipulated based on the validity of the rental contracts (90% are real estate) and renewal, in cases that there is "reasonable certainty" of continuity.
4. Income Tax and Social Contribution impacted by temporary effect on net income mainly due to the recognition of interest and monetary adjustments associated to the leases.
5. Net income for the year is impacted by the temporary effects, mainly due to interest recognition (Price method) and monetary adjustments associated to the leases.

Cash Flow Impacts IFRS 16 (R\$ million)	3Q19	IFRS 16	3Q19 IFRS 16	9M 2019	IFRS 16	9M 2019 IFRS 16	Nota
Net Income Before Change in Assets and Liabilities	224.1	41.7	265.8	648.5	118.2	766.7	1
Change in Assets and Liabilities	4.6		4.6	(156.2)	(0.2)	(156.4)	
Income tax and social contribution paid	(16.0)		(16.0)	(82.7)		(82.7)	
Operating Cash Flow	212.8	41.7	254.4	409.6	118.0	527.6	
Total Investment Activities	(205.2)		(205.2)	26.1		26.1	
Total Financing Activities	(10.1)	(41.7)	(51.8)	(484.5)	(118.0)	(602.5)	1
Cash Flow	(2.5)	0.0	(2.5)	(48.8)	(0.0)	(48.8)	

1. Reclassification of leases (rentals) from operating activities to financing activities.

FLEURY S.A. CONSOLIDATED BALANCE SHEET

Balance Sheet as of September 30th, 2019 and September 30th, 2018 (In R\$ thousand) – IFRS 16

	Consolidated	
	09/30/2019	12/31/2018
Assets		
Current		
Cash and cash equivalents	6.469	55.231
Marketable securities	457.089	753.651
Derivative financial instruments	117	-
Accounts receivable	592.548	505.424
Inventories	29.968	26.563
Taxes recoverable	17.574	12.267
IRPJ e CSLL recoverible	46.359	68.284
Credits receivable	-	240
Related Parties	-	199
Other assets	19.691	12.347
Total current	1.149.815	1.434.206
Non-current		
Credits receivable	-	7.980
Other assets	11.256	3.155
Deferred income tax and social contribution	10.150	-
Judicial deposits	40.237	40.921
Total non-current	61.643	51.056
Total assets	1.211.458	1.485.262
Liabilities and equity		
Current		
Financing	30.935	33.252
Debentures	189.063	182.962
Financial lease	110.887	610
Derivative financial instruments	-	170
Trade accounts payable	158.309	193.945
Payroll and related taxes payable	151.676	128.715
Taxes and contributions payable	27.540	29.405
IRPJ e CSLL payable	13.263	938
Accounts payable - company acquisition	15.468	15.039
Dividends payable	55.218	34.971
Other accounts payable	5.917	4.693
Total current	758.276	624.700
Non-current		
Financing	54.671	76.295
Debentures	800.000	966.667
Financial lease	871.421	6.176
Deferred income tax and social contribution, ne	401.416	391.701
Provision for tax, labor and civil risks	34.456	26.583
Taxes and contributions payable	22.613	24.338
Accounts payable - company acquisition	64.836	31.627
Other accounts payable	9.142	-
Total non-current	2.258.783	1.535.787
Total liabilities and equity	4.754.157	3.910.448
Equity		
Share capital	1.426.267	1.419.136
Capital reserve - options granted recognized	30.637	26.259
Legal reserve	87.261	87.261
Retained earnings	-	217.305
Additional dividends proposed	192.933	-
Total equity	1.737.098	1.749.961
Total liabilities and equity	4.754.157	3.910.448

FLEURY S.A. CONSOLIDATED INCOME STATEMENT

Income Statement as of September 30th, 2019 and September 30th, 2018 (In R\$ thousand, except Earnings per share) – IFRS 16

	Consolidated	
	3Q19	Q18
Revenue from services rendered	755.708	683.036
Cost of services rendered	(524.328)	(473.700)
	-	-
Gross Profit	231.380	209.336
Operating income (expenses)		
General and administrative	(79.093)	(72.020)
Other operating income (expenses), net	1.401	(636)
Provision for tax, labor and civil risks	(1.771)	(1.685)
Equity in the earnings (losses) of subsidiaries	248	295
	-	-
Operating profit before financial result	152.165	135.290
Financial income	8.350	16.424
Financial expenses	(35.785)	(27.641)
	-	-
Financial result	(27.435)	(11.217)
Earnings before income tax and social contribution	124.730	124.073
Income tax and social contribution:		
Current	(22.493)	(17.946)
Deferred	(11.167)	(15.786)
	-	-
Profit for the period	91.070	90.341
Earnings per share attributable to owners of the Company		
Basic earnings per share (weighted average)	0,29	0,29
Diluted earnings per share (weighted average)	0,28	0,28

FLEURY S.A. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity as of September 30th, 2019 and September 30th, 2018 (In R\$ thousand) – IFRS 16

	Share Capital		Capital Reserve		Revaluation reserve	Legal Reserve	Profit Reserve		Investment Reserve		Additional dividends proposed	Equity
	Share Capital	Share issue expenses	Options granted recognized	Share issue expenses			Investment Reserve	Profit for the period	Investment Reserve	Profit for the period		
Balances on December 31, 2017	1,436,372	(22,784)	17,923	78	70,481	204,238	-	-	-	-	-	1,706,528
Capital increase	2,995	-	-	-	-	-	-	-	-	-	-	2,995
Stock option plan	-	6,154	-	-	-	-	-	-	-	-	-	6,154
Profit for the period (R\$0.87 per share)	-	-	-	-	-	-	-	-	-	-	273,402	273,402
*Dividends	-	-	-	-	-	(204,238)	-	-	-	-	-	(204,238)
Interest on own capital	-	-	-	-	-	-	-	-	-	-	(57,566)	(57,566)
Revaluation reserve	-	-	-	(78)	-	-	-	-	-	-	-	(78)
Balances on December 31, 2018	1,441,920	(22,784)	26,259	-	87,261	-	217,305	-	-	-	-	1,749,961
Capital increase	7,131	-	-	-	-	-	-	-	-	-	-	7,131
Legal reserve	-	4,378	-	-	-	-	-	-	-	-	-	4,378
Profit for the period	-	-	-	-	-	-	-	-	-	-	256,241	256,241
*Dividends	-	-	-	-	-	-	(217,305)	-	-	-	-	(217,305)
Interest on own capital	-	-	-	-	-	-	-	-	-	-	(63,308)	(63,308)
Balances on December 31, 2019	1,449,051	(22,784)	30,637	-	87,261	-	192,933	-	-	-	-	1,737,098

FLEURY S.A. CONSOLIDATED STATEMENTS OF CASH FLOW

Statements of Cash Flow as of September 30th, 2019 and September 30th, 2018 (In R\$ thousand) – IFRS 16

	Consolidated	
	3Q19	3Q18
Profit for the period	91.070	90.341
Items not affecting cash:		
Income tax and social contribution	33.660	33.731
Financial and expenses income	31.107	22.726
Depreciation and amortization	86.761	46.513
Equity in the earnings (losses) of subsidiaries	(247)	(295)
Stock option plan	1.236	1.967
Constitution (reversal) of provision for tax, labor and civil risks	1.771	(2.037)
Estimated losses with allowance for doubtful accounts	11.575	11.016
Profit sharing	7.679	5.598
Other	1.193	230
Cash flows from operating activities before changes in assets and liabilities	265.805	209.790
(Increase) decrease in accounts receivable	3.483	(28.288)
(Increase) decrease in inventories	759	6.306
(Increase) decrease in taxes recoverable	9.133	(11.052)
(Increase) decrease in judicial deposits	224	(103)
(Increase) decrease in other assets	420	2.898
Increase (decrease) in trade accounts payable	(15.537)	(579)
Increase (decrease) in payroll and related charges	7.319	9.225
Increase (decrease) in tax liabilities	(577)	2.278
Increase (decrease) in taxes paid in installments	(1.042)	(978)
(Increase) decrease in other liabilities	447	3.323
Total variation in assets and liabilities	4.629	(16.970)
Income tax and social contribution paid	(16.000)	(19.314)
Net cash from operating activities	254.434	173.506
Acquisition of property and equipment and intangible assets	(40.366)	(97.380)
Sale of fixed assets	-	660
Marketable securities and interest earned	(165.679)	(98.086)
Redemption of marketable securities	-	-
Payments	-	-
Payments excepted cash	-	-
Related parties increase	740	1.192
Acquisition of	140	(1.387)
Interest earned from financial investments	-	2.389
	-	-
Net cash used in investing activities	(205.165)	(192.612)
Borrowings and debentures	-	-
Settlement (principal) of financing and debentures	(7.265)	(7.329)
Interest paid in financing and debentures	(6.746)	(13.209)
Financial expenses paid	(607)	(780)
Derivative financial instruments	126	(148)
Leasing	(41.669)	-
Capital integralization	5.516	2.995
Dividends and / or interest on shareholders' equity	-	(57.566)
Dividends	-	-
Related Parties	-	(550)
Other	-	-
	-	-
Risk Withdrawn Operation	(1.115)	-
Net cash used in financing activities	(51.760)	(72.831)
(Decrease) increase in cash and cash equivalents	(2.491)	(91.937)
Cash and cash equivalents		
At the beginning of the period	8.960	222.272
At the end of the period	6.469	130.335
Variation in cash and cash equivalents	(2.491)	(91.937)

FLEURY S.A. CONSOLIDATED STATEMENTS OF VALUE ADDED

Statements of Value Added as of September 30th, 2019 and September 30th, 2018 (In R\$ thousand) – IFRS 16

	Consolidated	
	30/09/2019	30/09/2018
Revenues	2.336.386	2.149.369
Goods and products sold and services rendered	2.362.377	2.172.230
Estimated losses with allowance for doubtful accounts	(32.976)	(30.638)
Other revenue	6.985	7.777
Inputs purchased from third parties	(855.457)	(770.219)
Cost of goods and products sold and services rendered	(792.381)	(712.521)
Materials, electricity, outsourced services and others	(62.230)	(56.749)
Loss/recovery of asset values	(846)	(949)
Gross value added	1.480.929	1.379.150
Depreciation and amortization	(254.836)	(135.227)
Net value added	1.226.093	1.243.923
Value added received through transfer	29.601	39.193
Equity in the earnings (losses) of subsidiaries	45	817
Financial income	29.556	38.376
	-	-
Total value added	1.255.694	1.283.116
	-	-
Distribution of value added	(1.255.694)	(1.283.116)
Personnel and charges	(515.991)	(470.918)
Direct remuneration	(353.291)	(323.681)
Benefits	(133.701)	(119.424)
Charges	(28.999)	(27.813)
Taxes, fees and contributions	(342.337)	(329.152)
Federal	(269.485)	(263.702)
Municipalities	(72.852)	(65.450)
State	-	-
Interest, rental and other operating expenses	(141.125)	(209.644)
Rental	(7.743)	(118.360)
Interest	(108.395)	(73.421)
Other operating expenses	(24.987)	(17.863)
Dividends and/or Interest on Equity	(63.308)	(57.566)
Retained earnings	(192.933)	(215.836)