

Earnings

4Q18

Conference call:

February 28th | 11AM (09AM EST)

Phone:

Brazil: + 55 11 2188-0155

USA: +1 646-843-6054

Replay: +55 11 2188-0400

Code: Fleury

Webcast: www.fleury.com.br/ri

In December 28th, 2018:

Total shares

316,113,442

Market cap

R\$ 6,253MM | US\$ 1,614MM

Share price

R\$ 19.78 /US\$ 5.10

Fleury ON

B3: FLRY3

Bloomberg: FLRY3 BZ

Thomson Reuters: FLRY3-BR

Debentures

BRFLRYDBS015

BRFLRYDBS023

BRFLRYDBS031

BRFLRYDBS049

BRFLRYDBS056



Investor Relations

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

São Paulo, February 27th, 2019 – Grupo Fleury announces today its 4th quarter 2018 (4Q18) results. All figures are compared to the same period of the previous year, unless otherwise stated, and are rounded to the nearest thousand, but may have differences when compared to the financial statements due to decimal digits.

Highlights

- Net Revenue of R\$ 654.8 MM (+12.5%). In the year, totaled R\$ 2.7 Bn (+11.8%).
- Cancellations represented 1.4% (stable). In the year, represented 1.4% (improvement of 27 bps).
- EBITDA of R\$ 145.4 MM (+11.2%), with margin of 22.2%. In the year, R\$ 691.6 MM with margin of 26.0%.
- Net Income of R\$ 58.2 MM (-10.0%), impacted by one-off effects in Depreciation and Financial Expenses. Disregarding these one-off effects, stable vs. 4Q17. In the year, totaled R\$ 331.6 MM (+3.4%).
- Operating Cash Flow of R\$ 212.1 MM (+89.8%). In 2018 was R\$ 701.5 MM (+32.5%).
- Return on Invested Capital (ROIC¹), excluding goodwill, reached 41.2% (-266 bps).
- We were recognized by the IBRC as the best brand of the country in customer service in diagnostic medicine and among the top 3 in all sectors. Our NPS reached 76.8%, which represents a maintenance of the level of differentiation of our services.
- Expansion Plan: Launch of 9 new PSCs in the period. In the year, launch of 25 new PSCs.
- 98% of the new area inaugurated with less than 24 months and 46% less than 12 months.
- Signing of a contract for the acquisition of the LAFE brand in Rio de Janeiro.
- Acquisition of Santécop to develop the channel to offer corporate health solutions and care coordination.
- New operations in hospitals: Casa de Saúde São José, in Rio de Janeiro in January 2019; and Sírío Libanês Hospital, in Brasília, in February 2019.
- Announcement in February 2019 of R\$ 217.3 MM in dividends related to 2018 which, in addition to the IoC already paid, totaled R\$ 315.0 MM on the results of 2018, with a payout of 95% and dividend yield² of 4.8 %.

¹ Excludes the goodwill of the stockholder's equity. ² Considers the closing value of December 28th, 2018.

Financial Indicators

Financial Indicators (R\$ MM)	4Q18	4Q17	Variation	2018	2017	Variation
Gross Revenue	706.8	630.2	12.2%	2,879.6	2,586.5	11.3%
Net Revenue	654.8	582.0	12.5%	2,664.5	2,383.0	11.8%
Gross Profit	172.5	153.6	12.4%	808.5	736.1	9.8%
EBITDA	145.4	130.7	11.2%	691.6	618.7	11.8%
Net Income	58.2	64.6	-10.0%	331.6	320.6	3.4%
Net Cash Income ¹	63.7	82.2	-22.5%	359.9	392.6	-8.4%
Operating Cash Flow	212.1	111.8	89.8%	701.5	529.6	32.5%
Cancellations (% Gross Revenue)	-1.4%	-1.5%	08 bps	-1.4%	-1.7%	27 bps
Gross Margin %	26.3%	26.4%	-03 bps	30.3%	30.9%	-54 bps
EBITDA Margin %	22.2%	22.4%	-25 bps	26.0%	26.0%	0 bps
Effective Tax Rate	-23.5%	-21.8%	-167 bps	-26.5%	-25.0%	-145 bps
Net Income Margin %	8.9%	11.1%	-222 bps	12.4%	13.5%	-101 bps
Net Cash Income / Net Revenue	9.7%	14.1%	-440 bps	13.5%	16.5%	-297 bps
Operating Cash Flow / Net Revenue	146.0%	85.5%	6.042 bps	101.4%	85.6%	1582 bps
ROE (LTM)	19.2%	19.8%	-59 bps	19.2%	19.8%	-59 bps
ROIC (LTM)	15.3%	15.5%	-19 bps	15.3%	15.5%	-19 bps
ROIC without goodwill (LTM)	41.2%	43.8%	-266 bps	41.2%	43.8%	-266 bps

¹ "Net Cash Income": excludes the impact of deferred income tax

Management Comments

In the fourth quarter of 2018, we continued with the execution of our Expansion Plan, adding 9 PSCs, being 4 of the Labs a+ brand, 2 of the Felipe Mattoso brand, both in Rio de Janeiro, and 3 of the a+ brand in São Paulo. In the Labs a + brand, the expansion occurred throughout 3 medium units of high diagnostic complexity, including MRI equipments, and 1 fast site unit with clinical analysis and ultrasound services. In the a + brand, the 3 new units are fast-site type, offering clinical analysis and ultrasound services. Our expansion also included the brand Felipe Mattoso with the inauguration of 2 units, being one large unit in the Barra da Tijuca region (with clinical and image analysis services, including two MRI's) and a fast site in Botafogo.

In December, we announced that we entered into a Sales and Purchase Agreement for the acquisition of the Lafe brand in Rio de Janeiro, which must be evaluated by CADE (Administrative Council for Economic Defense) to be completed. This acquisition will bring complementarity to the business platform in the region with 32 patient service centers with exclusive offer of clinical analysis, a segment in which we have presented constant growth. Also, in December, we announced the acquisition of Santécorp, a company that operates in health management services, where we will develop an important channel to offer solutions for corporate health and care coordination.

In the personalized and precision medicine segment, we developed internally, through our R&D department, the EGFR T790 liquid biopsy test. The new genetic exam tests drug resistance to fight lung cancer, targeting the most accurate drug treatment for each case.

At the same time, we were selected by the World Bank's IFC (International Finance Corporation), through the Tech Emerge project to finance initiatives with startups. Within this project, we are working with 3 international startups to develop new health technologies with the use of artificial intelligence to detect early dementia and abnormalities in CT scans as well as noninvasive tests for the detection of ulcer-causing bacteria.

Simultaneously, we have opened our space for innovation and development of solutions, named Fleury Lab. Teams formed by developers, designers and programmers are working on innovation projects such as new Apps, Digital Reception, Self-Scheduling, Data Lake, among others. This new structure will give even more speed and efficiency to the Company's digital transformation process, benefiting innovation and the development of new products and services.

For the second consecutive year, we had the Fleury brand included in the ranking of Brazil's Most Valuable Brands, conducted by Interbrand. According to the methodology of this study, the value of the brand is evaluated at R\$ 441 million, the 25th most valuable brand in the country, being the only company in the healthcare industry to be included in the list.

In the quarter, we were recognized once again by the ranking of Guia Exame de Sustentabilidade, where we were listed for the eighth time in the healthcare category. We also joined the 2019 ISE portfolio (Corporate Sustainability Index of B3) for the 6th consecutive year, composed by only 30 companies. The Fleury Group's presence in the ISE portfolio and its recognition in several specialized awards is the result of a business model that continually incorporates the concept of sustainability as a basis for decision-making and a way of acting with its stakeholders, balancing the sustainability of business and maximization of shareholder return.

We also won an important award granted by Época magazine in partnership with Reclame Aqui portal, for our excellence in services, ranking first in the category of laboratories in a survey involving 8 million clients of the portal.

Still in excellence of service, we reached the third position as the best brand in the country in customer service, according to a new edition of the ranking organized by the Instituto Íbero-Brasileiro de Relacionamento com o Cliente (IBRC). In the segment of diagnostic medicine, we are in the first position.

All these advances and recognitions contributed to continue delivering a high level of differentiation for our customers measured by the Net Promoter Score (NPS), which reached 76.8%.

The 4Q18 result presented growth of 12.2% in Gross Revenue and 12.5% in Net Revenue. EBITDA increased by 11.2% to R\$ 145.4 million, with a margin of 22.2%. Net Income decreased by 10.0% to R\$ 58.2 million, mainly explained by the specific one-off impacts on Depreciation and Amortization; and in Financial Expenses. Without considering this one-off impacts, net income would be flat when compared to the same period of 2017.

In 2018, we recorded an expansion of 11.3% of Gross Revenue and 11.8% of Net Revenue. EBITDA increased by 11.8% to R\$ 691.6 million, with a flat EBITDA margin of 26.0%. Net Income increased 3.4% to R\$ 331.6 million.

In February of 2019, we announced the third profit distribution referred to the result of 2018 in the amount of R\$ 217.3 million. Added to the IoC's already paid, announced in July and December of 2018, the total distributed amount was R\$ 315.0 million, representing a payout of 95% and dividend yield of 4.8%.

These results reflect our evolution throughout 2018 in consolidating our diagnostic operation with our portfolio of brands, growing and gaining market share despite an extremely challenging year.

We have also advanced in personalized diagnostic solutions through our genomics area, increasing our portfolio of more than 280 tests, which reflected in the significant growth in our revenues.

At the same time, we continue with the Company's digital transformation, seeking innovative solutions for clients, physicians and operators that contribute directly to increase of our competitiveness and our efficiency.

These fronts are joined to the structuring of the Health Business Platform of the Fleury brand, which amplify the Company's presence in the healthcare chain to occupy spaces in the sector where we can generate greater efficiency, based on the excellence attribute of the brand to contribute with a model of greater sustainability for the healthcare system.

We are fully confident that the basis for the success of these different initiatives lies in our essence of providing health and wellness with excellence in everything we do that are bringing us results in the present and will remain the basis of our sustainability with sustainable returns to all our stakeholders.

Financial Performance

Gross Revenue

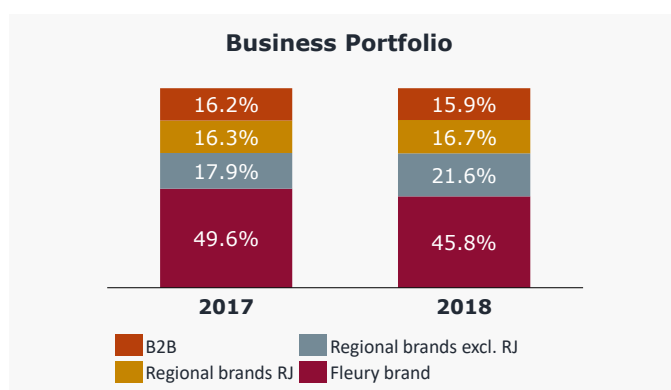
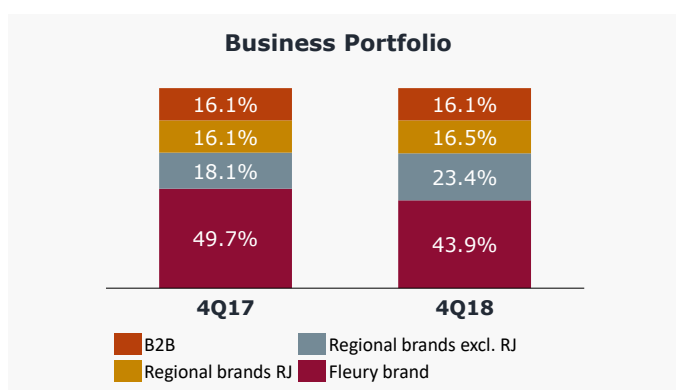
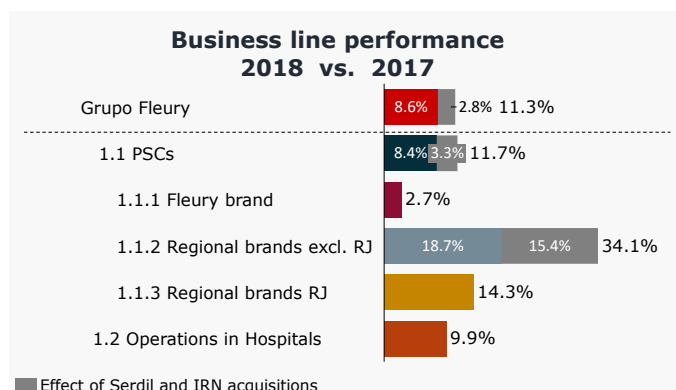
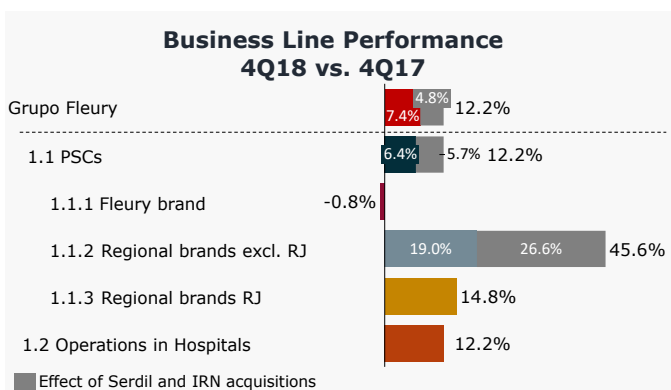
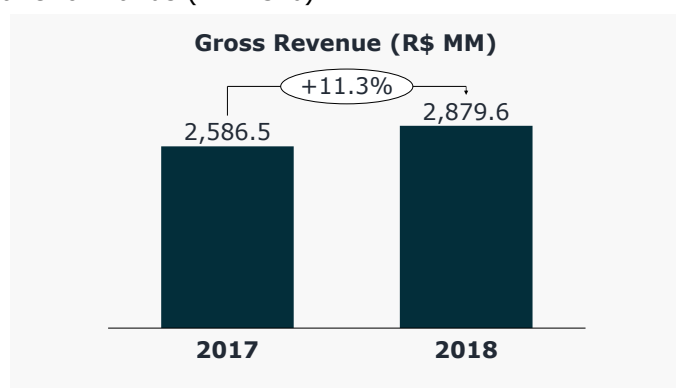
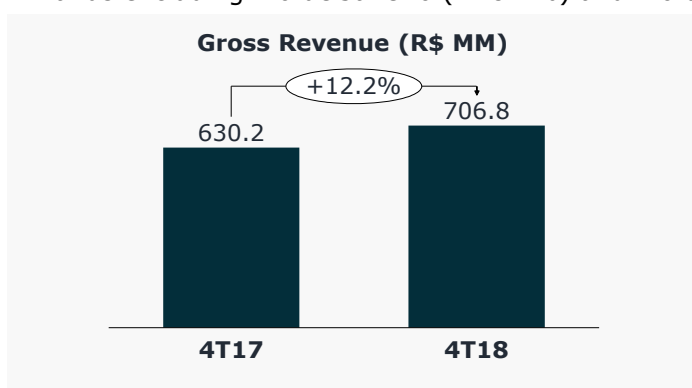
Revenue reached R\$ 706.8 million in the quarter, an increase of 12.2%. The expansion of Regional Brands excluding Rio de Janeiro (+45.6%) and brands of Rio de Janeiro (+14.8%) was noteworthy.

In the quarter, we completed the systemic integration of the processes of the IRN and Serdil brands, with the equalization of the accounting period with a one-off effect of approximately one month of revenue on these brands, as well as costs and expenses.

Disregarding the PSCs from the acquisitions of Serdil and IRN, consolidated as of 1Q18 and 2Q18, respectively, Gross Revenue in the quarter showed an organic growth of 7.4%. Highlights for Regional Brands excluding Rio de Janeiro (+19.0%) and Rio de Janeiro Brands (+14.8%).

In the year of 2018, Gross Revenue increased by 11.3%. The increase in Regional Brands excluding Rio de Janeiro (+34.1%) and Rio de Janeiro Brands (+14.3%) was noteworthy.

Similarly, without considering the PSCs from the Serdil and IRN acquisitions, consolidated as of 1Q18 and 2Q18, respectively, Gross Revenue in 2018 presented an organic growth of 8.6%. Highlights for Regional Brands excluding Rio de Janeiro (+18.7%) and Rio de Janeiro Brands (+14.3%).



Gross Revenue and Asset Efficiency from Patient Service Center (PSC's)

The Gross Revenue of PSCs reached R\$ 592.8 million in 4Q18, an increase of 12.2%.

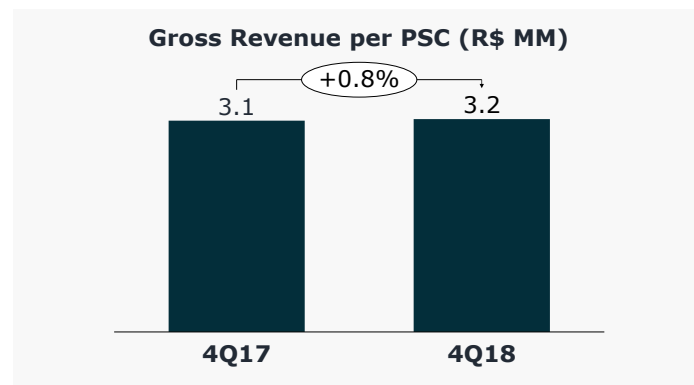
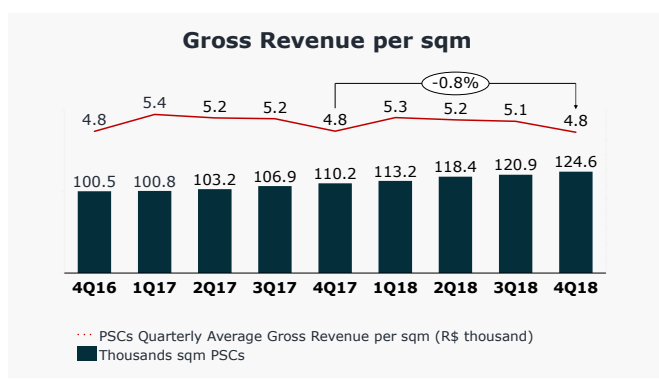
Excluding the PSCs from the acquisitions of Serdil and IRN, consolidated as of 1Q18 and 2Q18, respectively, Gross Revenue of the PSCs in the quarter showed an organic growth of 6.4%.

In 2018, Gross Revenue from PSCs reached R\$ 2.4 billion, an increase of 11.7%.

Similarly, without considering the PSCs coming from the acquisitions of Serdil and IRN, consolidated as of 1Q18 and 2Q18, respectively, the Gross Revenue of the PSCs in 2018 presented an organic growth of 8.4%.

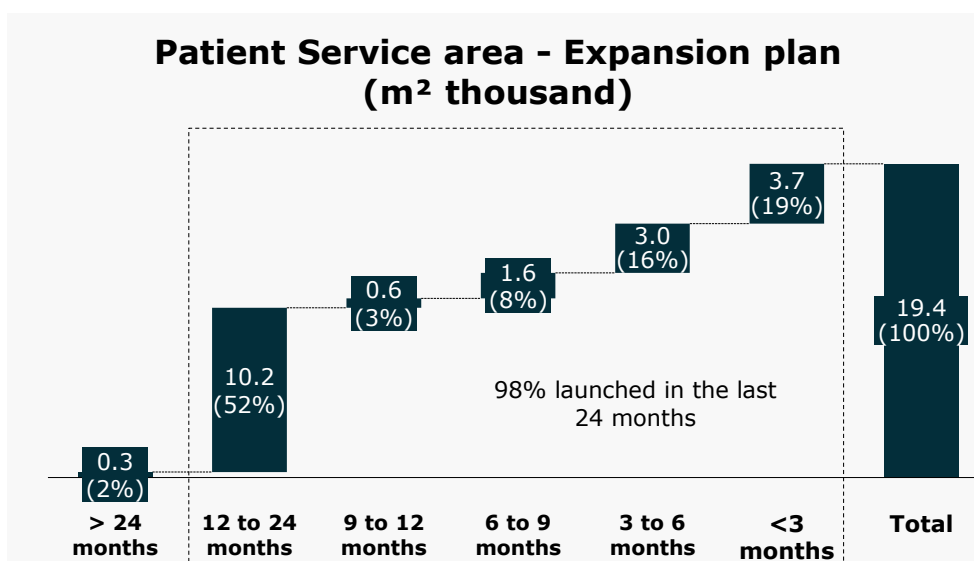
The efficiency indicators, measured by Gross Revenue per square meter and number of PSCs, reflect the Expansion Plan, which added a significant service area to our portfolio of brands. The new PSCs are advancing in the maturation curves established in our planning to reach the potential of revenue and profitability.

In 4Q18, asset efficiency measured by the Gross Revenue per square meter decreased by 0.8% compared to the same period of 2017, while the efficiency of the Gross Revenue per PSC increased by 0.8%, reaching R\$ 3.2 million per PSC in the quarter.



Since the announcement of our Expansion Plan in the last quarter of 2016 until December 2018, we have inaugurated 53 PSCs, corresponding to a gross increase of 19.4 thousand square meters of patient service area. Of this area, 98% were inaugurated less than 24 months ago, which means that the significant part of these PSCs are still in the early stage of the maturation curve.

In addition to the PSCs inaugurated by the Expansion Plan, we added 5 new PSCs through acquisitions, of which 1 in the Serdil brand (Porto Alegre) and 4 in the IRN brand (Natal), representing 4,800 square meters of service area.



Gross Revenue per Test

The Gross Revenue per Test for the Fleury Group presented a growth of 1.2% in the quarter. This growth reflects the mix of tests, brands and segments carried out in the period, as well as the new price table resulting from the annual readjustment. In 2018, growth was 1.6%.

- PSC's: Gross Revenue per test increased by 1.6% in the quarter and 0.9% in the year of 2018. The observed growth stems from the mix of tests and brands, as well as the annual price readjustment that reflects the lower level of inflation, significantly below the comparison with the previous year;
- Hospital Operations: Gross Revenue per test recorded growth of 0.8% in the quarter and 1.8 in 2018. The increase is a result of the process of maturation of the mix of tests of the new hospital operations, which has been observed in the previous quarters;
- Lab-to-Lab: presented a reduction of 4.2% in the quarter and in 2018.

Gross Revenue per test	4Q18	4Q17	Variation	2018	2017	Variation
Grupo Fleury	38.6	38.2	1.2%	38.4	37.7	1.6%
- Patient Service Centers	56.0	55.1	1.6%	55.1	54.6	0.9%
- Hospital Operations	14.1	14.0	0.8%	14.0	13.7	1.8%
- Lab to Lab	35.3	36.8	-4.2%	35.1	36.7	-4.2%

Gross Revenue from PSCs

In 4Q18, PSC's grew 12.2% and 6.4% excluding PSCs from acquisitions. In the period Same Store Sales (SSS) increased 3.9%.

In the year, the PSC's grew 11.7% and 8.4%, excluding PSCs from acquisitions.

Fleury Brand



Fleury's gross revenue decreased by 0.8% in the quarter and presented growth of 2.7 in the year of 2018. Given the economic scenario, the premium segment has shown a reduction in the number of beneficiaries in the last quarters, this effect has reflected in the performance of the Fleury brand. Even in view of this scenario, we understand that the brand has expanded its market share in the premium segment, specially in the regions where we launched new PSCs.

We continue to develop new product and service offerings that should broaden our participation in the healthcare market and increase the occupancy of existing assets, as well as capture new customers in the current product and service offerings, in a design of a differentiated healthcare platform.

Regional Brands excluding Rio de Janeiro



The Gross Revenue of the Regional Brands, excluding Rio de Janeiro, increased by 45.6% (+19.0% organic), mainly due to the increase in Gross Revenue in the a+ brand in São Paulo (+29.5%), where all growth is organic and Rio Grande do Sul (+26.3%), resulting from the acquisition of Serdil brand, consolidated in 1Q18.

In the quarter, we completed the systemic integration of the processes of the IRN and Serdil brands with the equalization of the accounting period with a one-off effect of approximately one month of revenue on these brands, as well as costs and expenses.

In the year of 2018, growth totaled 34.1% or 18.7% excluding acquisitions.

The strong growth of Regional Brands is explained, for the most part, by: (i) increase in the number of services, (ii) expansion of the offer with the inauguration of the new units and expansion of routes in mobile attendance services, (iii) relationship with physicians, and (iv) increasing recognition of our brands by physicians and clients.

In the quarter, 3 a+ brand units were launched in São Paulo, being all fast sites.

In 2018, 13 units were launched, of which 12 are from the a+ brand in São Paulo: 9 fast-site units, 2 large units and 1 medium-sized unit; and 1 fast-site unit of the a+ brand in Pernambuco.

Rio de Janeiro Brands

clínica luiz felippe mattoso



The Gross Revenue of Rio de Janeiro Brands grew 14.8% in the quarter and 14.3% in the year of 2018. The strong growth is the result of a number of factors, among which we have listed: (i) increased attendance in clinical analysis, (ii) expansion and optimization of the offer with an expanded scheduling for image tests, (iii) accreditation of new operators initiated since 4Q of the previous year, (iv) expansion of mobile attendance services routes, (v) relationship with physicians, and (vi) increase of penetration in the current healthcare operators portfolio.

In 4Q18, 6 units were launched, being 4 units of Labs a+: 3 medium-sized and 1 fast-site; and 2 units of the Felipe Mattoso brand: 1 large unit in Barra da Tijuca, with clinical and image analysis services, including 2 MRI's, and 1 fast site unit.

In 2018, the opened units were concentrated in 4Q18.

Gross Revenue Indicators 4Q18 vs. 4Q17	Fleury Brand	Regional Brands excl. RJ	Brands RJ	Total (PSCs)
Indicators				
- Gross Revenue	-0.8%	45.6%	14.8%	12.2%
- SSS	-1.9%	12.4%	12.4%	3.9%
- Gross Revenue / m ² *	-2.0%	9.5%	3.7%	-0.8%
- Gross Revenue / PSC*	-3.7%	31.5%	4.0%	0.8%

* The Gross Revenue per sqm and Gross Revenue per PSC indicators are impacted by the Expansion Plan since the new PSCs are at the beginning of the maturation curve.

Gross Revenue from B2B

Hospital Operations

The Gross Revenue from Operations in Hospitals reached R\$ 104.4 million in the quarter, an increase of 12.2%. Growth in Same Hospital Sales (SHS) was 3.7% on the same period.

In the year of 2018, Gross Revenue increased by 9.9%.

In January of 2019, we started the diagnostic operation at Casa de Saúde São José hospital in Rio de Janeiro, with an approximate volume of 400,000 tests per year. In February 2019, we started a diagnostic operation at the recently inaugurated Hospital Sírio Libanês in Brasília.

Lab-to-lab

Gross Revenue was R\$ 8.3 million in the quarter, an increase of 7.3%.

In 2018, Gross Revenue increased by 9.6%.

Preventive medicine

Gross Revenue reached R\$ 1.3 million in the quarter and R\$ 5.3 million in the year of 2018.

Revenue Tax and Cancellations/Deductions

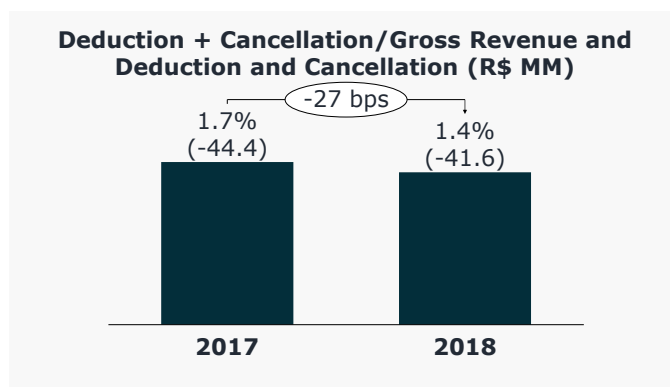
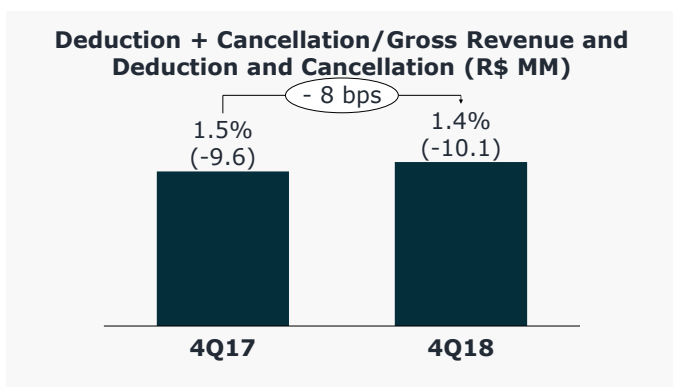
Taxes on Gross Revenue represented 6.2% in the quarter, a stable percentage compared to the same period in 2017.

In the quarter, the cancellations and deductions accounted for 1.4% of gross revenue, R\$ -10.1 million, and remained stable versus 4Q17.

In 2018, the cancellations and deductions indicator totaled 1.4% of gross revenue, R\$ -41.6 million, and improved 27 bps compared to the same period of the previous year.

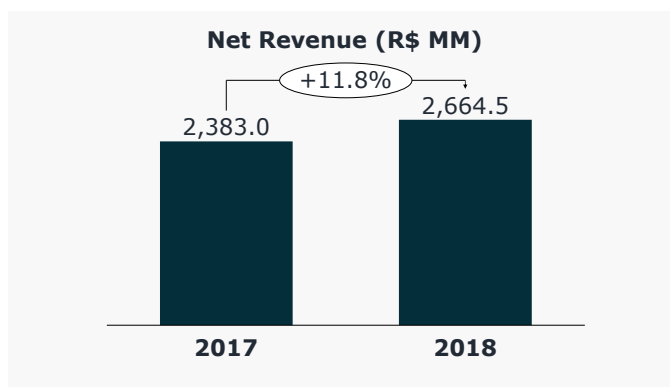
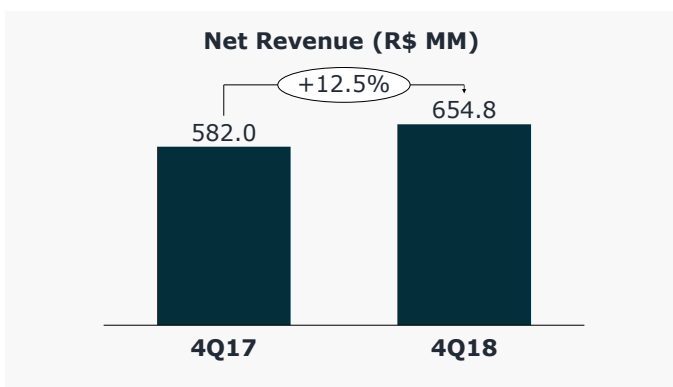
The result reflects the continuous improvement of processes and systems related to the receiving cycle.

Since 1Q18, the accounting standard CPC 48 was enforced, which, among other requirements, has impacted the Company with a new classification of the estimated losses with bad debt. Until 2017, the classification of these losses was carried out as a reduction of gross revenue and was recognized as Other Operating Expenses (Notes 2.1 - letter "e" and 31). On a managerial basis, we continue to report the percentage of cancellations and deductions including the estimated losses with bad debt.



Net Revenue

Net Revenue totaled R\$ 654.8 million in the quarter, growth of 12.5%. In 2018, the increase was 11.8%.



Cost of Services

Cost of Services in 4Q18 totaled R\$ 482.2 million, showing an increase of 12.5%. In relation to Net Revenue, costs represented 73.7%, an increase of 3 bps compared to the same period of the previous year.

In 2018, there was a 12.7% growth, with an increase of 54 bps in relation to Net Revenue.

Cost of Services breakdown	4Q18		4Q17		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	238.0	36.3%	220.8	37.9%	7.8%	-158 bps
General services, rentals and utilities	136.8	20.9%	121.3	20.8%	12.8%	5 bps
Materials and Test Intermediation	64.8	9.9%	55.9	9.6%	15.9%	29 bps
Depreciation and Amortization	40.7	6.2%	28.6	4.9%	42.4%	131 bps
General Expenses	1.9	0.3%	1.9	0.3%	-0.9%	-4 bps
Cost of Services	482.2	73.7%	428.5	73.6%	12.5%	3 bps

Cost of Services breakdown	2018		2017		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Personnel and medical services	926.3	34.8%	843.9	35.4%	9.8%	-65 bps
General services, rentals and utilities	525.8	19.7%	460.7	19.3%	14.1%	40 bps
Materials and Exam Intermediation	257.7	9.7%	233.6	9.8%	10.3%	-13 bps
Depreciation and Amortization	138.8	5.2%	100.2	4.2%	38.5%	101 bps
General Expenses	7.4	0.3%	8.6	0.4%	-14.3%	-8 bps
Cost of Services	1,856.0	69.7%	1,646.9	69.1%	12.7%	54 bps

Below is the analysis of the main Cost of Service in 4Q18 compared to 4Q17:

- **Personnel and Medical Services (+7.8%)** are the main cost of the company and accounted for 36.3% of Net Revenue, a reduction of 158 bps. The efficiency gain of this line is related to: (i) reduction of costs with our employees' health plans, through internal corporate health and care coordination programs, and (ii) with salaries, that in the period we had only 8.0% increase in headcount.
- **General Services, Rentals and Utilities (+12.8%)** corresponded to 20.9% of Net Revenue, an increase of 5 bps, impacted by the rental of equipment in the Central Lab, due to the new model of contracting of one of our materials' suppliers, and increased costs with electricity according to seasonal rate adjustment.
- **Materials and Tests Intermediation (+15.9%)** accounted for 9.9% of Net Revenue, an increase of 29 bps. The increase in the relation with Net Revenue is associated with the growth in the volume of intermediation of genomic tests, where the cost matrix is more concentrated in this line.
- **Depreciation and Amortization (+42.4%)** amounted to 6.2% of Net Revenue, an increase of 131 bps in comparison with the previous period. The growth is the result of the Company's Expansion Plan with the opening of new service units and one-off effects with the systemic integration of the processes of the IRN and Serdil brands, of approximately R\$ 5 million. The expectation is that this level will be maintained for the coming periods in view of the inaugurations concentrated in 4Q18.
- **General Expenses (-0.9%)** represented 0.3% of Net Revenue, a reduction of 4 bps. The reduction can be explained by lower labor lawsuit costs.

Gross Profit

Gross Profit reached R\$ 172.5 million, which represents growth of 12.4%. The gross margin in turn reached 26.3% and remained stable versus the same period of the last year.

In 2018, Gross Profit increased by 9.8%. Gross margin reached 30.3%, a reduction of 54 bps.

Operating Expenses and Equity in Subsidiaries

Operating Expenses totaled R\$ 81.1 million in the quarter, which represents an increase of 29.7%. Related to Net Revenue, this line represented 12.4%, an increase of 165 bps compared to the same period of 2017. In 2018, it presented growth of 17.8% and increase of 58 bps in relation to Net Revenue.

Operating Expenses breakdown and Equity in Subsidiaries	4Q18		4Q17		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	66.3	10.1%	54.4	9.3%	21.9%	78 bps
Depreciation and Amortization	13.3	2.0%	10.9	1.9%	22.6%	17 bps
Other Operating (Income) Expenses	2.8	0.4%	(2.2)	-0.4%	-229.1%	80 bps
Provision (Reversal) for Contingency	(1.2)	-0.2%	(0.7)	-0.1%	66.2%	-6 bps
Equity in Subsidiaries	(0.1)	0.0%	0.2	0.0%	-148.0%	-4 bps
Operating Expenses and Subsidiaries'	81.1	12.4%	62.5	10.7%	29.7%	165 bps

Operating Expenses breakdown and Equity in Subsidiaries	2018		2017		Variação	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
G&A	245.1	9.2%	214.0	9.0%	14.5%	22 bps
Depreciation and Amortization	50.5	1.9%	42.6	1.8%	18.6%	11 bps
Other Operating (Income) Expenses	8.0	0.3%	4.9	0.2%	64.6%	10 bps
Provision (Reversal) for Contingency	2.6	0.1%	(1.3)	-0.1%	-302.9%	15 bps
Equity in Subsidiaries	(0.9)	0.0%	(0.9)	0.0%	-3.5%	1 bps
Operating Expenses and Subsidiaries'	305.3	11.5%	259.2	10.9%	17.8%	58 bps

Below, the analysis of the main lines of operating expenses in 4Q18 compared to 4Q17:

- **General and Administrative Expenses (+21.9%)** accounted for 10.1% of Net Revenue, an increase of 78 bps. The increase was mostly driven by the expenses related to personnel and benefits, mainly due to the adjustment of provisions of prior periods compared to the realized of the year.
- **Depreciation and Amortization (+22.6%)** amounted to 2.0% of Net Revenue, an increase of 17 bps. This increase is due to the increase in the amortization of IT systems developed internally.
- **Other operational Income/Revenues (-229.1%)** accounted for 0.4% of Net Revenue, an increase of 80 bps. Positive effects in 4Q17 with the renegotiation of fiscal debts contributed to the presented variation.
- **Provision for Contingencies (-148.0%)** represented 0.2% of Net Revenue, a reduction of 6 bps, due to the reversal of tax provisions.

Equity in Subsidiaries

Grupo Papaiz, a dental diagnostics company in São Paulo, was acquired by the Fleury and Odontoprev at the end of 2012. The figures have been reported by equity equivalence method, considering the form of a Joint Venture in which Grupo Fleury holds a 51% stake of the business. Below is the performance in the 4Q18 and 2018:

Equity in Subsidiaries Papaiz	4Q18		4Q17		Variation	
	R\$ thousand	% Net Revenue	R\$ thousand	% Net Revenue	▲ %	▲ bps
Net Revenue	5,222.8		4,583.8		13.9%	
EBITDA	334.5	6.4%	266.6	5.8%	25.5%	59 bps
Net Income	-530.1	-10.2%	-341.9	-7.5%	55.1%	-269 bps
Net Income attributed to Grupo Fleury (51%)	(270.4)		(174.4)		55.1%	

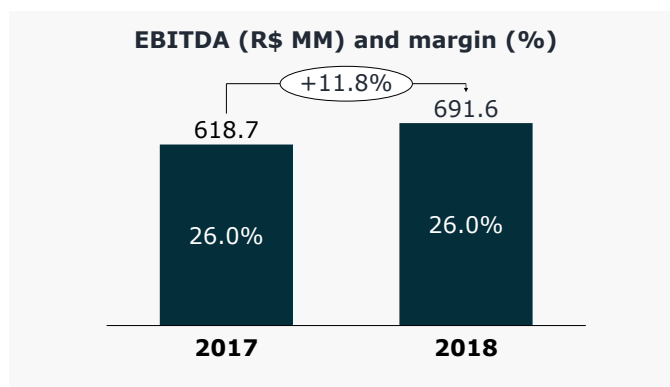
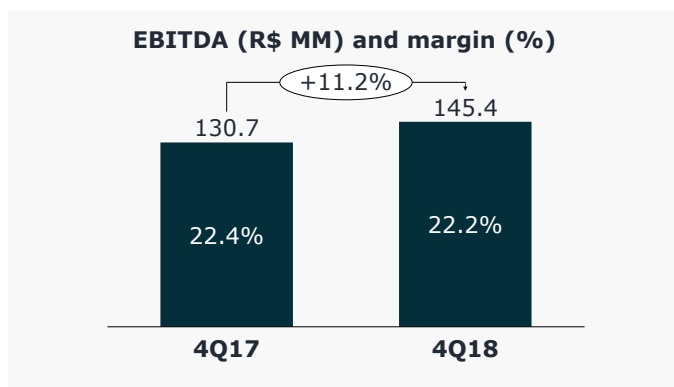
Equity in Subsidiaries Papaiz	2018		2017		Variation	
	R\$ thousand	% Net Revenue	R\$ thousand	% Net Revenue	▲ %	▲ bps
Net Revenue	23,093.7		20,079.3		15.0%	
EBITDA	4,401.6	19.1%	4,103.1	20.4%	7.3%	-137 bps
Net Income	1,217.1	5.3%	1,829.8	9.1%	-33.5%	-384 bps
Net Income attributed to Grupo Fleury (51%)	620.7		933.2		-33.5%	

EBITDA

EBITDA reached R\$ 145.4 million in the quarter, an increase of 11.2%. The EBITDA margin reached 22.2% versus 22.4% in 4Q17, therefore stable, despite impacts related to the expansion of new units.

The strong performance of Regional Brands, which contributed with 40% of participation in the gross revenue (570 bps more than in 4Q17), combined with efficiency gains and operating leverage, resulted in improvements of EBITDA margin in most of the brands, that neutralized the effects of the new PSCs ramp up, as well as changes in the brands mix in the revenues.

In 2018, EBITDA increased by 11.8%, recording a stable margin of 26.0% compared to 2017.



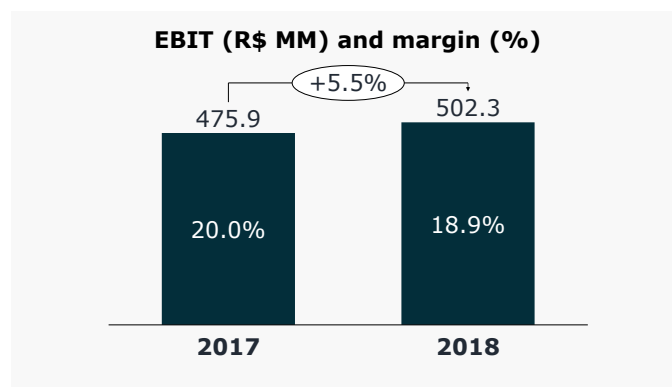
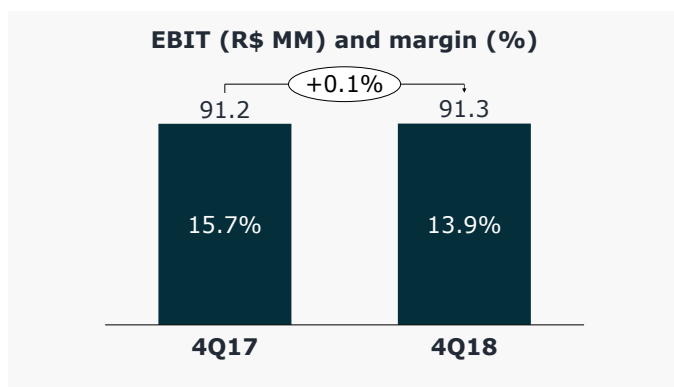
EBITDA	4Q18		4Q17		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Net Income	58.2	8.9%	64.6	11.1%	-10.0%	-222 bps
Financial Result	15.3	2.3%	8.3	1.4%	83.9%	91 bps
Depreciation and Amortization	54.1	8.3%	39.5	6.8%	36.9%	147 bps
Income Tax and Social Contribution	17.9	2.7%	18.0	3.1%	-1.0%	-37 bps
Equity in Subsidiaries	(0.1)	0.0%	0.2	0.0%	-148.0%	-4 bps
EBITDA	145.4	22.2%	130.7	22.4%	11.2%	-25 bps

EBITDA	2018		2017		Variation	
	R\$ MM	% Net Revenue	R\$ MM	% Net Revenue	▲ %	▲ bps
Net Income	331.6	12.4%	320.6	13.5%	3.4%	-101 bps
Financial Result	52.1	2.0%	49.1	2.1%	6.1%	-11 bps
Depreciation and Amortization	189.3	7.1%	142.8	6.0%	32.6%	111 bps
Income Tax and Social Contribution	119.6	4.5%	107.1	4.5%	11.6%	-1 bps
Equity in Subsidiaries	(0.9)	0.0%	(0.9)	0.0%	-3.5%	1 bps
EBITDA	691.6	26.0%	618.7	26.0%	11.8%	0 bps

EBIT (Operational Income)

EBIT reached R\$ 91.3 million in the quarter, stable versus 4Q17. The margin was 13.9%, a reduction of 172 bps.

In 2018, EBIT expanded 5.5%, reaching a margin of 18.9%, a reduction of 112 bps.



Financial Result

The financial result reached R\$-15.3 million, representing an increase of 83.9%. Financial expenses increased 50.5%, while financial revenues increased 25.0%. Financial Expenses presented an one-off impact of R\$ 3.9 million related to the write-off of monetary adjustments on certain non-current assets. In 2018, the financial result increased by 6.1%.

Financial Result (R\$ MM)	4Q18	4Q17	Variation	2018	2017	Variation
Net financial income	(15.3)	(8.3)	83.9%	(52.1)	(49.1)	6.1%
Financial income	13.6	10.9	25.0%	50.3	49.2	2.3%
Earnings on financial investments	13.9	10.2	35.9%	46.8	44.5	5.2%
Interest and inflation adjustment	(0.3)	0.7	-143.9%	3.5	4.6	-25.5%
Financial expenses	(29.0)	(19.2)	50.5%	(102.4)	(98.3)	4.2%
Interest on debentures and financing	(21.9)	(17.0)	28.7%	(80.8)	(81.7)	-1.1%
Interest and inflation adjustment	(7.1)	(2.2)	216.4%	(21.6)	(16.6)	30.2%

Indebtedness

In the quarter, the net debt/LTM EBITDA ratio reached 0.7x compared to 0.6x in the same period of 2017.

Composition of Net Debt (R\$ MM)	4Q17	3Q18	4Q18	Next 12 months
Gross Debt (Debentures and Borrowings and Acquisitions)	1,069.6	1,422.3	1,305.8	231.3
Cash, Cash Equivalents and Marketable Securities	(671.8)	(889.8)	(808.9)	
Net Debt	397.7	532.6	497.0	
Net Debt / EBITDA LTM	0.6x	0.8x	0.7x	
EBITDA LTM / Financial Result LTM	12.6x	15.0x	13.3x	

In the quarter, we amortized R\$ 100.0 million referred to the first debentures issuance and R\$ 7.4 million related to financing, payment of R\$ 32.3 million of interest, related to debentures and financing.

In 2018, there was a release of R\$ 500 million related to the fourth debentures issuance, the amortization of R\$ 266.7 million related to the first and second debentures issuance and R\$ 31.3 million related to financing. Interest paid in the period totaled R\$ 82.6 million between debentures and financing.

Income Tax and Social Contribution

In the quarter, income tax and social contribution on net income totaled R\$ 17.9 million. The effective rate was 23.5% compared to 21.8% in 4Q17. The increase in the effective tax rate is related to the lower tax loss constitution of the subsidiary CPMA in 4Q18 compared to 4Q17.

In 2018, income tax and social contribution on net income totaled R\$ 119.6 million. The effective tax rate was 26.5% compared to 25.0% in 2017.

Income Tax and Social Contribution (R\$ MM)	4Q18	4Q17	Variation	2018	2017	Variation
Earnings Before Tax (EBIT)	76.1	82.7	-8.0%	451.1	427.8	5.5%
Expected taxes	(25.9)	(28.1)	-8.0%	(153.4)	(145.4)	5.5%
Non-deductible expenses and incentives	(4.6)	2.6	-274.9%	(0.3)	3.8	-108.1%
Effective taxes linearization	12.0	7.4	61.2%	33.2	34.1	-2.6%
Subsidiaries' share of profits	0.0	0.0	460.0%	0.3	0.4	-19.9%
Income tax and social contribution	(17.9)	(18.0)	-1.0%	(119.6)	(107.1)	11.6%
% EBIT (Effective Tax Rate)	23.5%	21.8%	167 bps	26.5%	25.0%	145 bps
Current	(12.4)	(0.5)	2458.7%	(91.3)	(35.1)	159.9%
Deferred	(5.5)	(17.6)	-68.7%	(28.3)	(72.0)	-60.7%

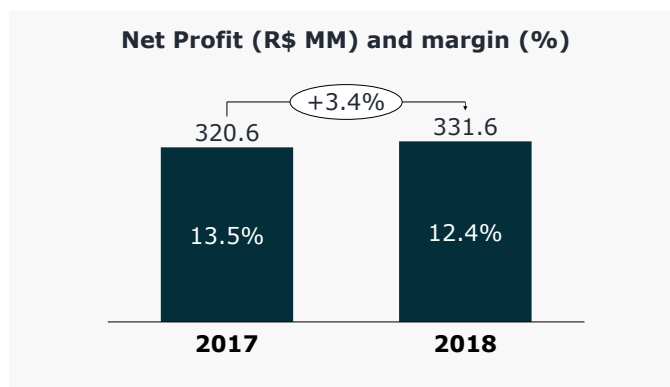
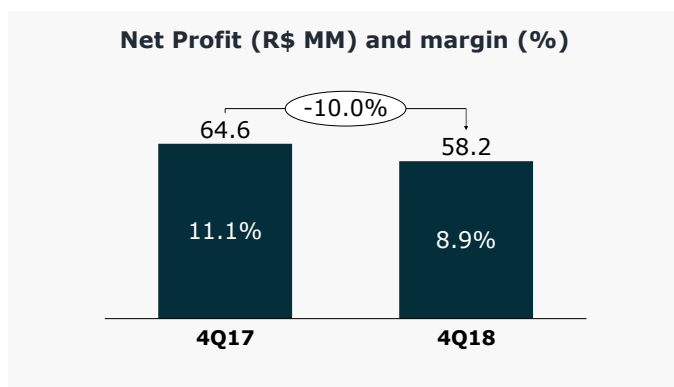
Below is the expectation for the goodwill amortization for tax purposes, which reduces the cash tax.

Expected Amortization of Goodwill	
Period	Balance R\$ MM
2019	7
2020	7

Net Income

Net Income reached R\$ 58.2 million, a decrease of 10.0%. The net margin was 8.9%, a decrease of 222 bps. The reduction in Net Income is mainly explained by the specific one-off impacts on Depreciation and Amortization; and in Financial Expenses. In Depreciation we had an effect of R\$ 5 million with the integration of IRN and Serdil brands and in Financial Expenses, we had impact of R\$ 3.9 million related to the write-off of monetary restatements of certain non-current assets. Without considering these one-off effects, Net Income would have remained stable in comparison with the same period of the previous year.

In 2018, Net Income reached R\$ 331.6 million, an increase of 3.4%. Net margin reached 12.4%, a reduction of 101 bps.



Cash Flow

In the quarter, the Operating Cash Flow recorded R\$ 212.1 million, which represents an increase of 89.8%. The conversion (Operating Cash/EBITDA) was 146.0%, compared to 85.5% in 4Q17.

The average receivables collection reached 65 days versus 74 days in the 4Q17, resulting in a cash generation of R\$ 34.8 million in accounts receivable. We also showed positive effects with other assets and liabilities as a result of the lower absorption of cash by accounts receivable. Finally, the suppliers' account showed a lengthening of the average payment term, reaching 57 days (vs. 50 days in 4Q17), reflecting the concentration of investments in the quarter benefiting the average term.

In the quarter, Investment activities recorded R\$-150.7 million compared to R\$-273.8 million in 4Q17. Excluding the effect of investments in marketable securities, we presented an increase in investment activities of 32.6% as a result of the Expansion Plan.

In 4Q18, financing activities recorded R\$ -136.6 million compared to R\$ -186.4 million in the same period of last year. This variation is mainly explained by raising of R\$ 300.0 million with the Third Debenture Issuance occurred in 4Q17.

In 2018, Operating Cash Flow registered R\$ 701.5 million, an increase of 32.5%. The conversion (Operating Cash/EBITDA) was 101.4%. Investment activities reached R\$ -805.7 million compared to R\$ -521.0 million in 2017. Financing activities recorded R\$ -177.9 million versus R\$ -14.9 million in 2017.

Cash Flow (R\$ MM)	4Q18	4Q17	Variation	2018	2017	Variation
Net Income	58.2	64.6	-10.0%	331.6	320.6	3.4%
Items not affecting cash:						
Financial revenues and expenses	24.5	11.9	106.5%	79.5	55.9	42.2%
Depreciation and amortization	54.1	39.5	37.0%	189.3	142.8	32.6%
Income tax and social contribution	17.9	18.0	-1.0%	119.6	107.1	11.6%
Provisions (Reversals)	18.3	21.0	-13.0%	78.5	82.9	-5.4%
Others	(0.2)	(1.0)	80.4%	1.2	(0.0)	10642.8%
Net Income before non-cash effects	172.7	154.0	12.1%	799.7	709.4	12.7%
Δ Working capital:						
Accounts receivables	34.8	(34.8)	200.0%	(33.7)	(151.9)	77.8%
Inventories	(4.6)	2.3	-298.7%	(5.0)	10.1	-149.6%
Taxes recoverable	(10.8)	7.0	-254.4%	(31.3)	17.5	-279.1%
Suppliers	31.9	10.7	198.6%	45.5	5.1	796.2%
Salaries / Charges	(17.6)	(22.7)	22.5%	(3.6)	(25.4)	85.9%
Others Assets and Liabilities	27.7	0.4	7058.3%	20.0	(0.1)	14560.5%
Other Operating Cash Flow:						
Income tax and social contribution	(21.9)	(5.1)	-332.4%	(90.1)	(34.9)	-157.8%
Cash Flow from Operating Activities	212.1	111.8	89.8%	701.5	529.6	32.5%
Investment Activities:						
Acquisition of fixed and intangible assets	(143.0)	(101.1)	-41.4%	(326.3)	(295.6)	-10.4%
Interest income and dividends received	0.9	7.2	-86.9%	11.6	31.9	-63.6%
Marketable Securities	5.8	(164.5)	103.5%	(419.4)	(241.3)	-73.8%
Acquisitions Payments	(14.3)	(14.4)	0.4%	(71.7)	(15.0)	-378.5%
Others Investment Activities	(0.1)	(1.0)	86.7%	0.0	(1.0)	104.2%
Cash Flow from Investing Activities	(150.7)	(273.8)	45.0%	(805.7)	(521.0)	-54.7%
Financing Activities						
Borrowings and Debentures Issue	0.0	301.3	-100.0%	500.0	351.5	142.3%
Others Financing Activities	(139.1)	(119.6)	-16.3%	(380.2)	(219.7)	-73.1%
Dividends and/or interest on capital	0.0	0.0	0.0%	(303.2)	(130.1)	-133.1%
Capital increase	2.5	4.8	-46.8%	5.5	13.2	-58.0%
Cash Flow from Financing Activities	(136.6)	186.4	-173.3%	(177.9)	14.9	-1296.0%
Cash Flow	(75.1)	24.4	-408.4%	(282.1)	23.5	-1299.5%
Cash Flow Adjusted by Marketable Securities	(80.9)	188.9	-142.8%	137.2	264.8	-48.2%
Conversion (Operating Cash Flow / EBITDA)	146.0%	85.5%	6042 bps	101.4%	85.6%	1582 bps

Account Receivables

In 4Q18, outstanding balances on total receivables reached 87.9%, compared to 87.4% in 4Q17. The amount overdue over 121 days increased from 5.8% in 4Q17 to 6.4% in 4Q18 and Accounts Receivable (CR) provisions over 121 days accounted for 70.2% of this amount (62.0% in 4Q17).

Aging Account Receivable R\$ MM	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Trade Receivables	444.7	520.3	495.0	508.7	531.5	579.8	552.9	574.0	529.2
- Current	349.7	439.0	427.7	437.1	464.6	515.3	481.3	505.8	465.2
- Up to 120 days past due	36.7	31.6	34.1	42.1	35.9	34.6	44.1	37.7	30.2
- 121 to 360 days past due	31.3	26.6	22.1	20.7	24.8	26.0	22.1	21.4	24.4
- Over 361 days past due	27.0	23.1	11.2	8.8	6.1	4.0	5.4	9.1	9.5
Sales Deductions Provisions	(41.6)	(40.6)	(28.0)	(23.0)	(19.2)	(21.4)	(19.5)	(23.4)	(23.8)
Total	403.0	479.7	467.0	485.7	512.2	558.5	533.3	550.6	505.4
Current / Trade Receivables	78.6%	84.4%	86.4%	85.9%	87.4%	88.9%	87.1%	88.1%	87.9%
Up to 120 days past due/ Trade Receivables	8.2%	6.1%	6.9%	8.3%	6.8%	6.0%	8.0%	6.6%	5.7%
Over 121 days past due / Trade Receivables	13.1%	9.5%	6.7%	5.8%	5.8%	5.2%	5.0%	5.3%	6.4%
Provisions / Over 121 days past due	71.4%	81.7%	84.2%	77.9%	62.0%	71.3%	71.2%	76.6%	70.2%

Expansion Plan

In 4Q18, the Fleury Group inaugurated 9 new units, being of the Labs a+ brand in Rio de Janeiro, 3 of the a+ brand in São Paulo and 2 of the Felipe Mattoso brand in Rio de Janeiro. In this way, from October 2016 to December 2018, 53 service PSCs were inaugurated. These inaugurations correspond to 73% of the minimum and 59% of the maximum ranges of the Company's Expansion Plan guidance, which foresees the inauguration of 73 to 90 PSCs by 2021.

PSCs inaugurated by brand

	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	a+ João Bettega	Small	128	Paraná	dec/17
2	a+ Água Verde	Small	171	Paraná	may/17
3	Weinmann General Vitorino	Small	113	Rio Grande do Sul	may/17
4	a+ Ecoville	Small	47	Paraná	feb/17
5	a+ Champagnat	Small	81	Paraná	feb/17
6	a+ Centro	Small	29	Paraná	feb/17
7	a+ Batel	Small	134	Paraná	dec/16
8	a+ Nossa Saúde	Small	79	Paraná	oct/16
	a+ São Paulo	Complexity	Patient Service Area (sqm)	State	Date
1	a+ Chácara Flora	Fast site	299	São Paulo	dec/18
2	a+ Verbo Divino	Fast site	196	São Paulo	dec/18
3	a+ Berrini	Fast site	199	São Paulo	dec/18
4	a+ São Bernardo do Campo	Fast site	517	São Paulo	sep/18
5	a+ Granja Viana	Fast site	231	São Paulo	aug/18
6	a+ Tatuapé	Large	1,483	São Paulo	aug/18
7	a+ Vila Andrade	Fast site	234	São Paulo	jul/18
8	a+ Brasil	Fast site	348	São Paulo	jul/18
9	a+ Alphaville Rio Negro	Fast site	230	São Paulo	jul/18
10	a+ Ipiranga	Medium	359	São Paulo	jun/18
11	a+ Funchal	Fast site	239	São Paulo	may/18
12	a+ Guarulhos	Large	832	São Paulo	apr/18
13	a+ Pedroso de Morais	Medium	421	São Paulo	dec/17
14	a+ Leôncio Magalhães	Medium	544	São Paulo	nov/17
15	a+ Queiroz Filho	Medium	673	São Paulo	oct/17
16	a+ Santo André	Medium	437	São Paulo	jul/17
17	a+ Augusto Tolle	Fast site	392	São Paulo	jul/17
18	a+ 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 a+ Carioca	Fast site	559	Rio de Janeiro	nov/18
4	Labs a+ Posto 6	Média	318	Rio de Janeiro	nov/18
5	Labs a+ Freguesia	Média	363	Rio de Janeiro	nov/18
6	Labs a+ Flamengo	Média	478	Rio de Janeiro	nov/18
7	Felippe Mattoso Ipanema	Fast site	239	Rio de Janeiro	dec/17
8	Labs a+ Catete	Fast site	145	Rio de Janeiro	dec/17
9	Labs a+ Shopping Santa Cruz	Fast site	131	Rio de Janeiro	dec/17
10	Labs a+ Mariz e Barros	Fast site	134	Rio de Janeiro	dec/17
11	Labs a+ Uruguai	Fast site	129	Rio de Janeiro	nov/17
12	Labs a+ Santa Rosa	Fast site	148	Rio de Janeiro	oct/17
13	Labs a+ Campo Grande	Fast site	281	Rio de Janeiro	set/17
	Regional Brasília	Complexity	Patient Service Area (sqm)	State	Date
1	a+ Asa Sul	Fast site	58	Brasília	aug/17
2	a+ Sudoeste	Fast site	119	Brasília	aug/17
	Regional Pernambuco	Complexity	Patient Service Area (sqm)	State	Date
1	a+ Casa Forte	Small	151	Pernambuco	may/18
Total 53 PSCs			19,405 sqm		

Additionally, we listed below the 5 PSCs from the acquisitions, being 4 PSCs of the Institute of Radiology of Natal (IRN) and 1 of Serdil.

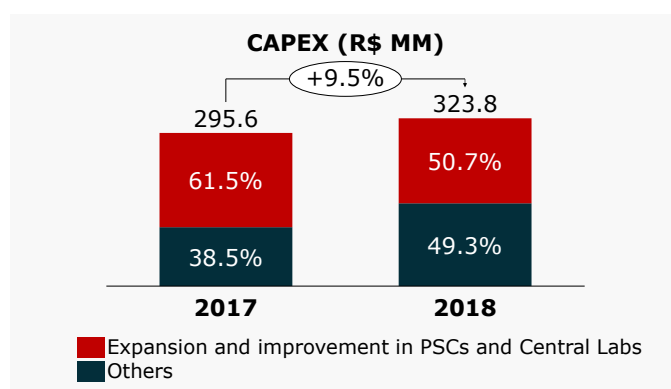
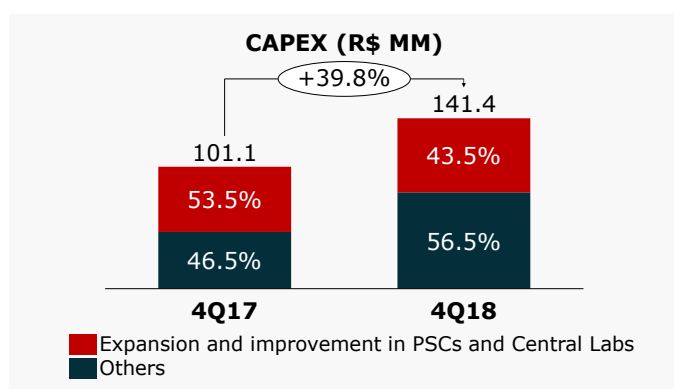
PSC	Complexity	Patient Service Area (sqm)	State	Date
1 IRN - Instituto de Radiologia Matriz	NA	1,697	Rio Grande do Norte	NA
2 IRN - Instituto de Radiologia Parnamirim	NA	477	Rio Grande do Norte	NA
3 IRN - Instituto de Radiologia Zona Sul	NA	1,317	Rio Grande do Norte	NA
4 IRN - Harmony Center	NA	98	Rio Grande do Norte	NA
5 Serdil	NA	1,213	Rio Grande do Sul	NA
Total 5 PSCs by acquisition		4,801		

Investments

Investments (additions to fixed and intangible assets) totaled R\$ 141.4 million in the quarter, of which 43.5% were concentrated in the Expansion Plan and improvements in PSCs. Compared with 4T17, there was an increase of 39.8%. In the group "Others" the main increment is in Projects and IT, with investments in systems, applications and big data.

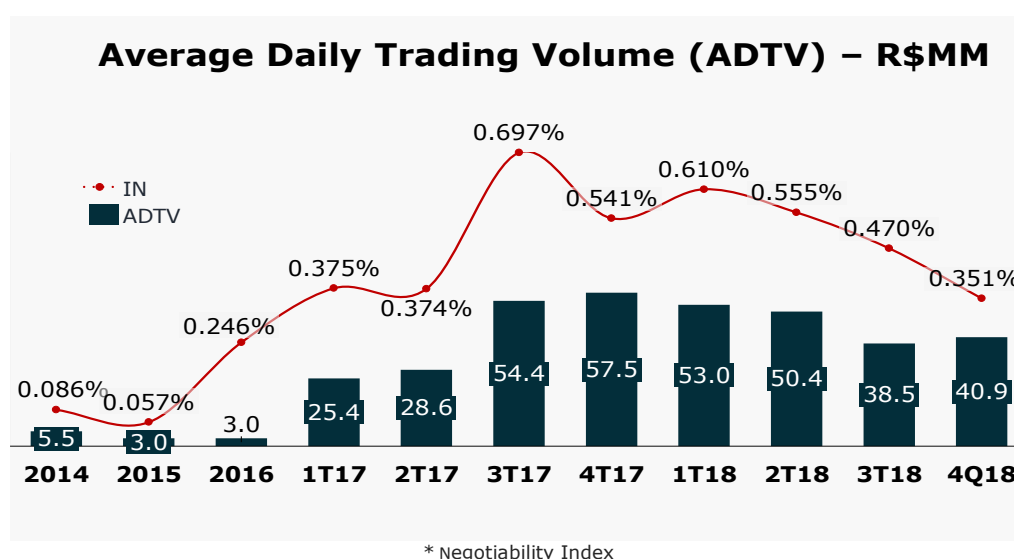
In 2018, investments reached R\$ 323.8 million, with 50.7% dedicated to the Expansion Plan and improvements in PSCs.

The group "Others" consists of projects and IT, Infrastructure and equipment Renewal.



Stock Market Performance

Fleury shares (B3: FLRY3) at the end of 4Q18 were quoted at R\$ 19.78. The Average Daily Trading Volume (ADTV) for the period was R\$ 40.9 million, an amount 28.9% lower than that registered in the same period of 2017.



* Negotiability Index

Investor Relations

Phone: + 55 11 5014-7413 | **E-mail:** ri@grupofleury.com.br | **Website:** www.fleury.com.br/ri

Address: Avenida General Valdomiro de Lima, 508 - 04344-903 - São Paulo, SP – Brasil

Performance Indicators

Operational Indicators	Description	Unit	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Income Statement										
Gross Revenue	Gross Revenue	R\$ MM	642.1	646.5	667.7	630.2	706.3	728.1	738.5	706.8
Net Revenue	Gross Revenue - Tax (ISS and PIS/COFINS) - Cancellations	R\$ MM	587.8	597.6	615.6	582.0	653.3	673.4	683.0	654.8
COGS	Personnel and Medical Services + Materials and Outsourcing + General Services, Rent and Utilities + General Expenses + Depreciation and Amortization	R\$ MM	-385.2	-410.9	-422.4	-428.5	-439.9	-460.1	-473.7	-482.2
SG&A	Does not include Other Operating Expenses / Revenues neither Contingency Provisions	R\$ MM	-58.5	-67.2	-65.5	-65.3	-69.3	-74.7	-72.0	-79.7
EBIT	Earnings Before Interest and Taxes	R\$ MM	139.7	117.5	127.5	91.2	141.7	134.3	135.0	91.3
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	R\$ MM	173.2	151.4	163.4	130.7	185.9	178.8	181.5	145.4
Net Finance Income	Interest Revenue - Interest Expenses	R\$ MM	-16.9	-12.7	-11.2	-8.3	-10.7	-14.8	-11.2	-15.3
Net Income	Net Income	R\$ MM	81.6	87.9	86.6	64.6	96.4	86.6	90.3	58.2
Net Cash Income	Net Income - Deferred income tax	R\$ MM	105.6	92.2	112.7	82.2	104.3	85.7	106.1	63.7
Result Indicators										
Cancellation Index	Cancellations / Gross Revenue	%	-2.3%	-1.4%	-1.7%	-1.5%	-1.4%	-1.4%	-1.5%	-1.4%
Gross Margin	Gross Profit / Net Revenue	%	34.5%	31.3%	31.4%	26.4%	32.7%	31.7%	30.6%	26.3%
EBIT Margin	Earnings Before Interest and Tax / Net Revenue	%	23.8%	19.7%	20.7%	15.7%	21.7%	19.9%	19.8%	13.9%
EBITDA Margin	Earnings Before Interest, Tax, Depreciation and Amortization / Net Revenue	%	29.5%	25.3%	26.5%	22.4%	28.5%	26.6%	26.6%	22.2%
Effective Tax Rate	Current Tax / Earnings Before Tax	%	-33.8%	-16.4%	-25.8%	-21.8%	-26.6%	-27.6%	-27.2%	-23.5%
Net Margin	Net Profit / Net Revenue	%	13.9%	14.7%	14.1%	11.1%	14.8%	12.9%	13.2%	8.9%
Net Cash Income Margin	(Net Income - Deferred income tax) / Net Revenue	%	18.0%	15.4%	18.3%	14.1%	16.0%	12.7%	15.5%	9.7%
Financial Debt										
Cash & Equivalents	Cash, Equivalents and Marketable Securities	R\$ MM	337.2	433.8	482.7	671.8	470.5	883.6	889.8	808.9
Gross Debt	Short and Long Term Debts (Borrowings and Debentures)	R\$ MM	825.4	837.5	858.4	1,069.6	919.7	1,418.1	1,422.3	1,305.8
Net Debt	Gross Debt - Cash and Cash equivalents	R\$ MM	488.2	403.7	375.7	397.7	449.2	534.5	532.6	497.0
Net Debt / EBITDA LTM	(Gross Debt - Cash and Cash equivalents) / EBITDA LTM	Multiple	0.9x	0.7x	0.6x	0.6x	0.7x	0.8x	0.8x	0.7x
Profitability and Return										
ROIC without Goodwill (LTM)	NOPAT LTM (tax= 34%) / Capital Employed (Shareholders Equity + Net Debt - Goodwill)	%	35.6%	39.8%	43.6%	43.8%	43.6%	41.9%	41.3%	41.2%

FLEURY S.A. CONSOLIDATED

Balance Sheet as of December 31, 2018 and December 31, 2017 (In R\$ thousands)

	Consolidated	
	12/31/2018	12/31/2017
Assets		
Current		
Cash and cash equivalents	55,231	337,544
Marketable securities	753,651	334,286
Derivative financial instruments	-	-
Accounts receivable	505,424	512,241
Inventories	26,563	21,545
Taxes recoverable	39,836	27,028
IRPJ e CSLL recoverable	40,715	22,258
Credits receivable	240	3,854
Related Parties	199	-
Other assets	12,347	8,281
Total current	1,434,206	1,267,037
Non-current		
Credits receivable	7,980	12,694
Dividends receivable	-	-
Other assets	3,155	9,555
Judicial deposits	40,921	47,521
Total non-current	41,056	70,770
Total assets	3,910,448	3,527,332
Liabilities and equity		
Current		
Financing	33,252	30,948
Debentures	182,962	284,693
Financial lease	610	606
Derivative financial instruments	170	-
Trade accounts payable	193,945	148,485
Payroll and related taxes payable	128,715	100,354
Taxes and contributions payable	29,405	30,575
IRPJ e CSLL payable	938	59
Accounts payable - company acquisition	15,039	1,855
Dividends payable	34,971	41,420
Other accounts payable	4,693	151
Total current	624,700	639,146
Non-current		
Financing	76,295	105,949
Debentures	966,667	633,334
Financial lease	6,176	6,769
Deferred income tax and social contribution, net	391,701	362,777
Provision for tax, labor and civil risks	26,583	30,480
Taxes and contributions payable	24,338	29,549
Accounts payable - company acquisition	31,627	12,800
Other accounts payable	12,400	-
Total non-current	1,535,787	1,181,658
Total liabilities and equity	3,910,448	3,527,332
Equity		
Share capital	1,419,136	1,413,608
Capital reserve - options granted recognized	26,259	17,923
Revaluation reserve	-	78
Legal reserve	87,261	70,681
Retained earnings	217,305	204,238
Additional dividends proposed	-	-
Total equity	1,749,961	1,706,528
Total liabilities and equity	3,910,448	3,527,332

FLEURY S.A. CONSOLIDATED

Income Statement as of December 31, 2018 and 2017 (R\$ thousands)

	Consolidated		Consolidated	
	4Q18	4Q17	2018	2017
Revenue from services rendered	654,755	582,047	2,664,463	2,383,012
Cost of services rendered	(482,230)	(428,487)	(1,855,962)	(1,646,936)
	-	-	-	-
Gross Profit	172,525	153,560	808,501	736,076
Operating income (expenses)				
General and administrative	(79,657)	(65,271)	(295,571)	(256,535)
Other operating income (expenses), net	(2,796)	2,165	(8,015)	(4,868)
Provision for tax, labor and civil risks	1,223	736	(2,568)	1,266
Equity in the earnings (losses) of subsidiaries	83	(175)	900	933
	-	-	-	-
Operating profit before financial result	91,378	91,015	503,247	476,872
Financial income	13,635	10,905	50,273	49,159
Financial expenses	(28,959)	(19,238)	(102,380)	(98,266)
	-	-	-	-
Financial result	(15,324)	(8,333)	(52,107)	(49,107)
Earnings before income tax and social contribution	76,054	82,682	451,140	427,765
Income tax and social contribution:				
Current	(12,367)	(483)	(91,281)	(35,116)
Deferred	(5,504)	(17,563)	(28,274)	(72,031)
	-	-	-	-
Profit for the period	58,183	64,636	331,585	320,618
Earnings per share attributable to owners of the Company				
Basic earnings per share (weighted average)	0.18	0.21	1.05	1.02
Diluted earnings per share (weighted average)	0.17	0.20	1.03	0.99

FLEURY S.A. CONSOLIDATED

Statements of Changes in Equity as of December 31, 2018 and December 31, 2017 and 2016
(R\$ thousands)

	Share Capital	Share issue expenses	Capital Reserve	Options granted recognized	Revaluation reserve	Legal Reserve	Profit Reserve	Investment Reserve	Investment Reserve	Profit for the period	Additional dividends proposed	Equity
Balances on December 31, 2015	1,402,531	(22,784)	5,709	242	43,213	-	215,762	-	10,766	-	-	1,655,439
Capital increase	20,706	-	-	-	-	-	-	-	-	-	-	20,706
Realization of revaluation reserve	-	-	-	(165)	-	-	-	-	-	-	-	-
Stock option plan	-	-	3,703	-	-	-	-	165	-	-	-	4,629
Profit for the period (R\$1.46 per share)	-	-	-	-	-	-	-	288,749	-	-	-	288,749
Dividends from previous period	-	-	-	-	-	-	-	(216,853)	-	-	(10,766)	(227,619)
Profit allocation:	-	-	-	-	-	-	-	-	-	-	-	-
Legal Reserve	-	-	-	-	11,437	-	-	-	-	(11,437)	-	-
Interest on own capital	-	-	-	-	-	-	-	-	-	(110,425)	-	(110,425)
Dividends	-	-	-	-	-	-	-	-	-	(106,887)	71,133	(35,754)
Balances on December 31, 2016	1,423,237	(22,784)	9,412	77	54,650	-	204,238	-	71,133	-	-	1,555,725
Realization of revaluation reserve	-	-	-	1	-	-	-	-	-	-	-	1
Capital increase	13,155	-	-	-	-	-	-	-	-	-	-	13,155
Stock option plan	-	-	8,511	-	-	-	-	-	-	-	-	8,511
Profit for the period (R\$1.02 per share)	-	-	-	-	-	-	-	320,618	-	-	-	320,618
Profit allocation:	-	-	-	-	-	-	-	-	-	-	-	-
Legal Reserve	-	-	-	-	16,031	-	-	-	-	(16,031)	-	-
Interest on own capital	-	-	-	-	-	-	-	-	-	(100,349)	(71,133)	(171,482)
Dividends	-	-	-	-	-	-	-	204,238	-	(204,238)	-	-
Balances on December 31, 2017	1,436,392	(22,784)	17,923	78	70,681	204,238	-	204,238	-	-	-	1,706,528
Capital increase	7,143	-	-	-	-	-	-	-	-	-	-	7,143
Stock option plan	-	-	8,336	-	-	-	-	-	-	-	-	8,336
Profit for the period (R\$0.87 per share)	-	-	-	-	-	-	-	331,585	-	-	-	331,585
Legal Reserve	-	-	-	-	16,580	-	-	-	-	(16,580)	-	-
Dividends	-	-	-	-	-	-	-	-	-	(204,238)	-	(204,238)
Interest on own capital	-	-	-	-	-	-	-	-	-	(87,700)	-	(87,700)
Revaluation reserve	-	-	-	(78)	-	-	-	-	-	-	-	(78)
Balances on December 31, 2018	1,441,920	(22,784)	26,259	-	87,261	-	217,305	-	-	-	-	1,749,961

FLEURY S.A. CONSOLIDATED

Statements of Cash Flow as of December 31, 2018 and 2017 (R\$ thousands)

	Consolidated		Consolidated	
	4Q18	4Q17	2018	2017
Profit for the period	58,183	64,636	331,585	320,618
Items not affecting cash:				
Income tax and social contribution	17,872	18,047	119,555	107,147
Financial and expenses income	24,483	11,855	79,503	55,921
Depreciation and amortization	54,064	39,479	189,291	142,752
Equity in the earnings (losses) of subsidiaries	(83)	175	(900)	(933)
Stock option plan	2,182	2,285	8,336	8,511
Constitution (reversal) of provision for tax, labor and civil risks	(2,350)	(736)	(2,281)	(1,266)
Estimated losses with allowance for doubtful accounts	9,841	9,328	40,479	43,761
Profit sharing	8,583	10,119	31,948	31,936
Other	(121)	(1,207)	2,136	923
Cash flows from operating activities before changes in assets and liabilities	172,654	153,981	799,652	709,370
(Increase) decrease in accounts receivable	34,761	(34,768)	(33,662)	(151,890)
(Increase) decrease in inventories	(4,580)	2,305	(5,018)	10,111
(Increase) decrease in taxes recoverable	(10,793)	6,991	(31,264)	17,459
(Increase) decrease in judicial deposits	7,443	1,574	6,600	(4,785)
(Increase) decrease in other assets	11,889	8,972	10,443	18,084
Increase (decrease) in trade accounts payable	31,913	10,688	45,460	5,077
Increase (decrease) in payroll and related charges	(17,626)	(22,739)	(3,587)	(25,449)
Increase (decrease) in tax liabilities	(4,261)	(711)	1,865	(815)
Increase (decrease) in taxes paid in installments	(2,307)	(7,268)	(13,432)	(9,912)
(Increase) decrease in other liabilities	14,969	(2,203)	14,486	(2,711)
Total variation in assets and liabilities	61,408	(37,159)	(8,109)	(144,831)
Income tax and social contribution paid	(21,913)	(5,067)	(90,058)	(34,932)
Net cash from operating activities	212,149	111,755	701,485	529,607
Acquisition of property and equipment and intangible assets	(142,958)	(101,120)	(326,343)	(295,589)
Sale of fixed assets	-	-	1,428	-
Marketable securities and interest earned	5,783	(166,092)	(419,365)	(260,004)
Redemption of marketable securities	-	1,547	-	18,694
Payments	(14,329)	-	-	-
Payments excepted cash	-	-	(54,158)	(585)
Related parties increase	(129)	(1,651)	-	(1,651)
Acquisition of	-	-	(1,387)	-
Interest earned from financial investments	942	7,213	11,593	31,886
Net cash used in investing activities	(150,691)	(273,810)	(805,732)	(520,956)
Borrowings and debentures	-	301,263	500,000	351,466
Settlement (principal) of financing and debentures	(107,381)	(107,179)	(298,225)	(122,821)
Interest paid in financing and debentures	(32,254)	(11,113)	(82,515)	(92,045)
Financial expenses paid	(398)	(1,242)	(3,125)	(4,157)
Derivative financial instruments	59	(79)	(358)	(684)
Capital integralization	2,533	4,759	5,528	13,155
Dividends and / or interest on shareholders' equity	-	-	(303,210)	(130,071)
Dividends	26	-	26	26
Other	56	-	-	-
	550	-	-	-
	-	-	-	-
	247	-	4,003	-
Net cash used in financing activities	(136,562)	186,409	(177,876)	14,869
(Decrease) increase in cash and cash equivalents	(75,104)	24,354	(282,123)	23,520
Cash and cash equivalents				
At the beginning of the period	130,335	313,000	337,354	313,834
At the end of the period	55,231	337,354	55,231	337,354
Variation in cash and cash equivalents	(75,104)	24,354	(282,123)	23,520

FLEURY S.A. CONSOLIDATED

Statements of Value Added as of December 31, 2018 and 2017 (R\$ thousands)

	Consolidated	
	31/12/2018	31/12/2017
Revenues	2,847,345	2,547,352
Goods and products sold and services rendered	2,878,710	2,585,839
Estimated losses with allowance for doubtful accounts	(40,479)	(43,761)
Other revenue	9,114	5,274
Inputs purchased from third parties	(1,038,133)	(935,799)
Cost of goods and products sold and services rendered	(957,628)	(865,040)
Materials, electricity, outsourced services and others	(79,203)	(69,073)
Loss/recovery of asset values	(1,302)	(1,686)
Gross value added	1,809,212	1,611,553
Depreciation and amortization	(189,291)	(142,752)
Net value added	1,619,921	1,468,801
Value added received through transfer	53,578	52,431
Equity in the earnings (losses) of subsidiaries	900	933
Financial income	52,678	51,498
	-	-
Total value added	1,673,499	1,521,232
	-	-
Distribution of value added	(1,673,499)	(1,521,232)
Personnel and charges	(636,134)	(576,610)
Direct remuneration	(434,798)	(391,002)
Benefits	(165,061)	(153,663)
Charges	(36,275)	(31,945)
Taxes, fees and contributions	(423,344)	(380,174)
Federal	(336,280)	(306,014)
Municipalities	(87,064)	(74,160)
State	-	-
Interest, rental and other operating expenses	(282,436)	(243,830)
Interest	(160,340)	(132,897)
Rental	(102,381)	(98,266)
Other operating expenses	(19,715)	(12,667)
Dividends and/or Interest on Equity	(97,700)	(100,349)
Legal Reserve	(16,580)	(16,031)
Retained earnings	(217,305)	(204,238)