# 3rd Quarter 2018

## Earnings Presentation

October 29, 2018

# Disclaimer

Forward-looking statements if part of this document are exclusively related to the prospects of the business. its operating and financial results and prospects for growth. These data are merely projections and as such based exclusively on our management's expectations for the future of the business and its continued access to capital to fund its business plan. These forward-looking statements substantially depend on changing market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, as well as the risks shown in our filed disclosure documents and are therefore subject to change without prior notice.

Unaudited information herein reflects management's interpretation of information taken from its financial statements and their respective adjustments, which were prepared in accordance with market practices and for the sole purpose of a more detailed and specific analysis of our results. Therefore these additional points and data must also be analyzed and interpreted independently by shareholders and market agents who should carry out their own analysis and draw their own conclusions from the results reported herein. No data or interpretative analysis provided by our management should be treated as a guarantee of future performance or results and are merely illustrative of our directors' vision of our results.

Management is not responsible for compliance or accuracy of the management financial data discussed in this report which must be considered as for informational purposes only and should not override the analysis of our audited consolidated financial statements for purposes of a decision to invest in our stock, or for any other purpose.

# 3Q18 Results (R$ Million)

**NET REVENUE**

**R$949** +8.4% vs 3Q17

## 3Q18 Highlights

- Branded Prescription[1]
- Similars and Generics[2]
- Consumer Health[3]



[1]Branded products promoted with doctors; [2]Generics & Similars promoted at the point-of-sale; [3]OTC and sweeteners

# 3Q18 Highlights

- 2019 TV GLOBO SOCCER MEDIA PACKAGE
- NEW HEAD FOR CONSUMER HEALTH
- INVESTMENTS IN INNOVATION REACHED 5.1%* OF NET REVENUE
- 11 LAUNCHES IN THE QUARTER

*Highlights:*

Lubrinat® Rinosoro Jet INFANTIL episol® ATROFEM® urby uv ESTOMAZIL®




*Excluding the Lei do Bem benefit impact

Hypera pharma

# 3Q18 Results (R$ Million)

**GROSS PROFIT**
**R$671** +2.7%[1]

**GROSS MARGIN**
**70.7%** -390bps[1]

**MARKETING EXPENSES[2]**
**25.1%[2]** +70bps[1]

**G&A EXPENSES[2]**
**4.7%[2]** -70bps[1]

**EBITDA[3]**
**R$288** +5.0%[1]

**EBITDA MARGIN[3]**
**30.4%** -100bps[1]

**NET INCOME[3]**
**R$245** +17.6%[1]

**NET MARGIN[3]**
**25.8%** +210bps[1]

**EPS**
**R$0.39** +17.6%[1]

**DPS[4]**
**R$0.20**



[1]Change over 3Q17; [2]Marketing and Sales as a percentage of Net Revenue; [3]Continuing Operations; [4]DPS corresponds to interest on capital per share declared in 3Q18 (R$0.19966/share)

# 3Q18 Cash Flow and Debt (R$ Million)

**OPERATING CASH FLOW**

**R$301** +72.5%[1]

**FREE CASH FLOW**

**R$276** +162.2%[1]

**NET CASH**

**R$991** 0.7x LTM EBITDA[2]

**RETURN ON EQUITY**

**16.2%**





[1]Change over 3Q17; [2]Continuing Operations


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