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3Q18 RESULTS

Net revenues



Reached R\$71.2 million, representing a 7.3% decrease

Gross margin



Remained stable compared to 3Q17 (47.1%)

SG&A



Decreased by 5.4%, or R\$2.0 million, compared to 3Q17

Net income



Increased by R\$3.3 million compared to 3Q17

Adjusted EBITDA



Totaled R\$1.7 million in 3Q18

Working capital



Continuity of good working capital management, reaching R\$217.5 million and 324 days, representing a 21.7% decrease compared to 3Q17

Net debt

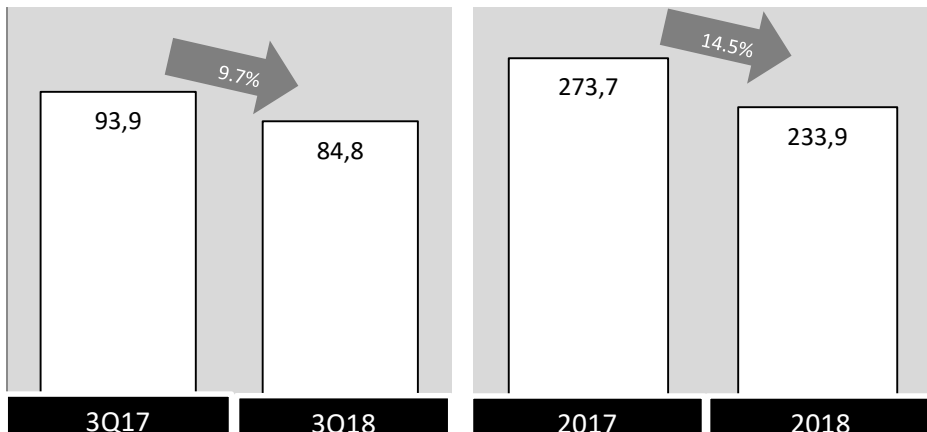


Net debt decreased by 36.6%, or R\$28.3 million, in the last 12 months, totaling R\$49.0 million as of September 30, 2018

GROSS REVENUE



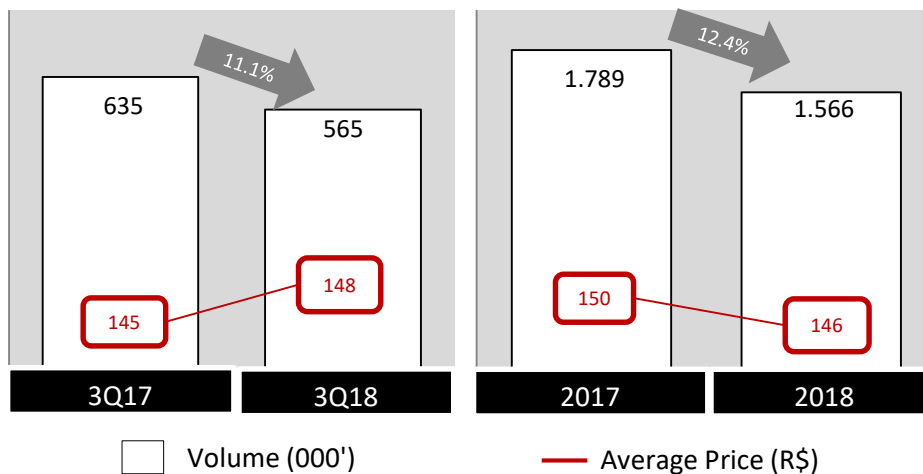
GROSS REVENUE



Gross revenue:

- R\$84.8 million (-9.7%) in 3Q18
- R\$233.9million (-14.5%) in 9M18

VOLUME OF WATCHES VS. AVERAGE PRICE



Volume:

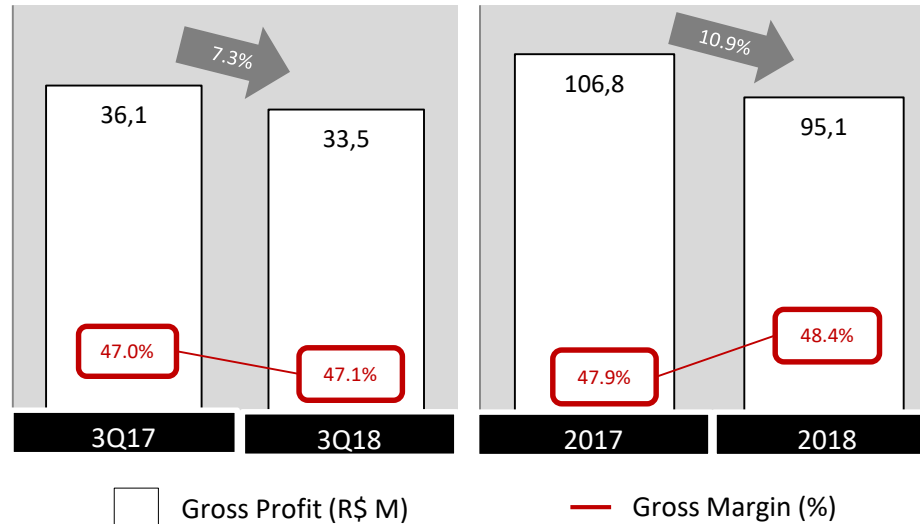
- 565 thousand (-11.1%) in 3Q18
- 1,566 Thousand (-12.4%) in 9M18

Average Price :

- R\$148 (1.8%) in 3Q18
- R\$146 (-2.2%) in 9M18



GROSS PROFIT AND GROSS MARGIN



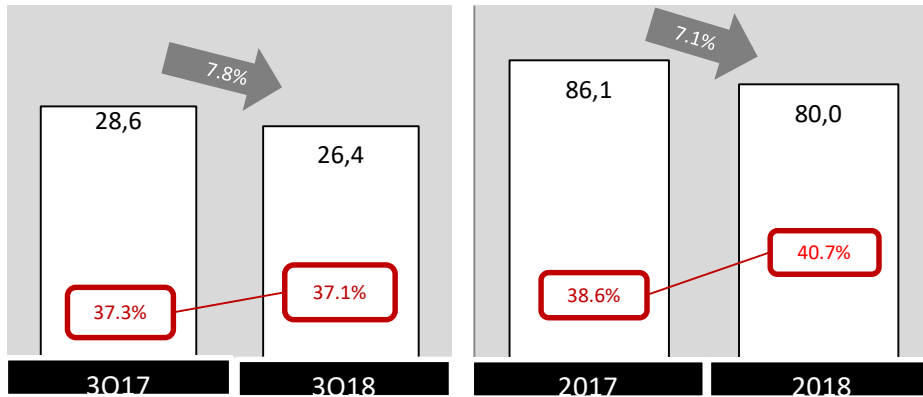
Gross Profit:

- R\$33.5 million (-7.3%) in 3Q18
- R\$95.1 million (-10.9%) in 9M18

Gross Margin :

- 47.1% (+0.1 p.p.) in 3Q18
- 48.4% (+0.6 p.p.) in 9M18

SALES EXPENSES

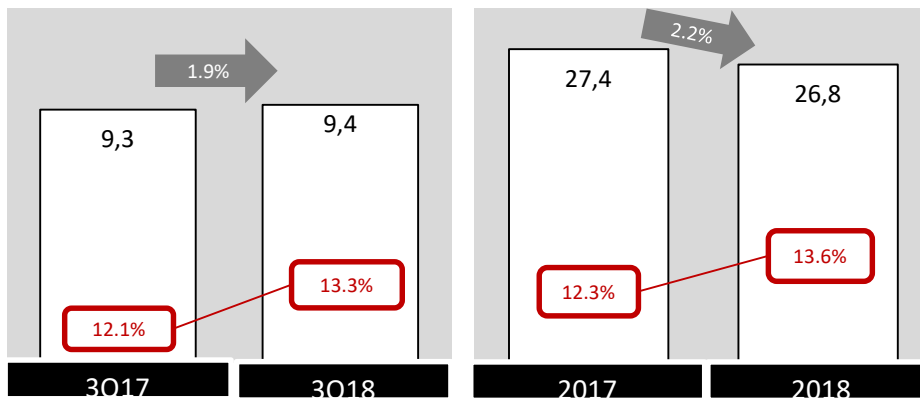


□ Sales Expenses (R\$ M) — Net Revenue (%)

Sales Expenses:

- R\$26.4 million (-7.8%) in 3Q18
- R\$80.0 million (-7.1%) in 9M18

ADMINISTRATIVE EXPENSES

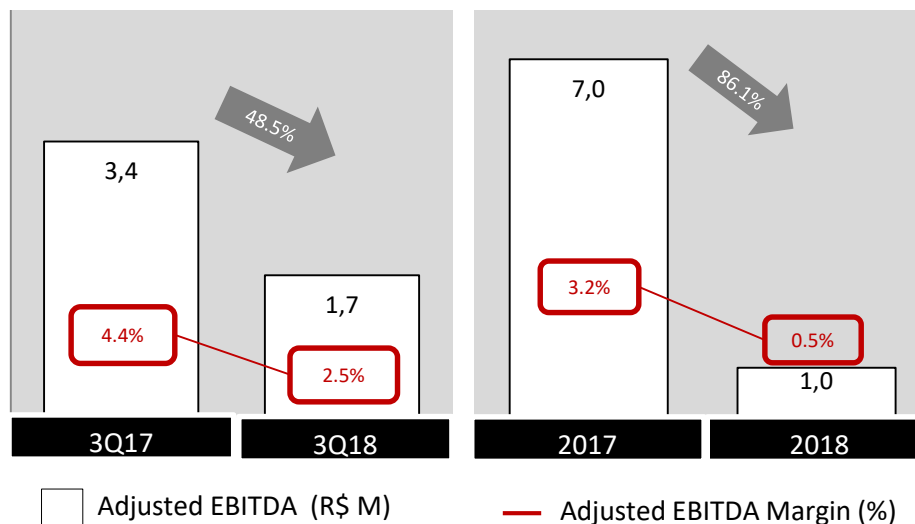


□ Administrative expenses (R\$ M) — Net Revenue (%)

Administrative Expenses:

- R\$9.4 million (1.9%) in 3Q18
- R\$26.8 million (-2.2%) in 9M18

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN



Adjusted EBITDA :

- R\$1.7 million (-48.5%) in 3Q18
- R\$1.0 million (-86.1%) in 9M18

Adjusted EBITDA Margin :

- 2.5% (-2.0 p.p.) in 3Q18
- 0.5% (-2.7 p.p.) in 9M18



R\$ million	3Q17	Days	3Q18	Days
(+) Accounts receivable	172.7	183	140.2	161
(+) Inventories	140.4	287	145.0	307
(-) Accounts payable	35.7	73	68.0	144
(=) Working capital	277.4	397	217.2	324

- Accounts Receivable : -22 days
- Inventories : +20 days
- Accounts Payable : +71 days
- **Total Working Capital : -73 days***

*Excluding the impact of adjustments to inventories and provisions for doubtful accounts made in 4Q17, we had 50 fewer days

R\$ milhões	3Q17	2Q18	3Q18
Gross debt	(89.2)	(101.2)	(99.9)
(-) Cash	12.0	47.1	50.9
(=) (Debt)/Net cash	(77.2)	(54.1)	(49.0)

NET DEBT

- R\$28.3 million drop (-36.6%) compared to September 30, 2017 – gross debt raise (R\$ 10.7 million) and cash raise (R\$ 38.9 million)
- R\$5.1 million decrease against position on June 30, 2018 – cash up on R\$3.8 million

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