

# Earnings Release 3Q18



## EBITDA OF R\$ 33.2 MILLION IN 9M18, GROWTH OF 17.2% IN RELATION 9M17.

**Juiz de Fora, August 14, 2018** - Inter Construtora e Incorporadora SA (B3: BOVESPA MAIS - INNT3), which operates in the development of medium and large-sized real estate developments focused on popular housing (MCMV), today announces its results of the third quarter of 2018. The financial information is presented on a consolidated basis, prepared in accordance with the International Financial Reporting Standards (IFRS), which considers guidance OCPC 04 on the application of Technical Interpretation ICPC 02 applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncement Committee (CPC), Brazilian Securities Commission (CVM) and the Federal Accounting Council (CFC).

### HIGHLIGHTS

- ✓ **EBITDA of R\$ 33.2 million in the nine months of 2018, an increase of 17.2% over the same period in 2017.**
- ✓ **Gross margin record, 47.5% in the third quarter of 2018.**
- ✓ **Company net debt reduction, down 57.6% compared to the second quarter of 2018.**
- ✓ **We contracted the first development with Banco do Brasil in the third quarter of 2018.**
- ✓ **The number of units launched in 2018 is already higher than the entire year of 2017.**
- ✓ **Contract with Falconi results consultancy.**
- ✓ **Commitment to good Corporate Governance practices, Code of Conduct approved in the third quarter of 2018.**



## MESSAGE FROM MANAGEMENT

The Company continues to focus on the popular housing segment, Federal Government program (MCMV), range 2 and 3. Where we have strategic differential, strong pace of growth, but always prioritizing profitability and shareholder value generation. With the improvements implemented in recent years, we are operating with greater efficiency, internal controls and better financial management in the works.

In addition, the higher quality and speed in the onlending process has allowed for a better operational performance, improving the profile of our capital employed, and thus allowing the Company to be well positioned among the main competitors in the sector.

In line with the strategy to increase our ventures, the average number of units launched per venture in the year of 2018 increased by 50.9% over the same period in 2017. This increase in the size of our projects allows us to gain scale, increase productivity and thus improve the return of our projects.

In order to maintain our successful growth strategy for our projects, our new business team has been looking for ever larger areas, allowing us to grow our operations and even greater dilutions of fixed operating costs, with the objective of achieving better results.

Once again, we show a good operational performance, the accumulated launches of the year up to September, already surpassed the year 2017. This demonstrates the assertiveness of our strategy. Net sales for the year totaled R\$ 188.3 million, an increase of 88.6% over the same period in 2017.

In October 2018, Brazil elected its new president, the elected candidate Jair Bolsonaro will lead the country in the next 4 years. The housing issue is one of the nation's highest priorities, Brazil has a housing deficit and a high demand for housing. The civil construction sector has a direct influence on macroeconomic variables such as GDP, Investment and Employment, the importance of the activity in the macroeconomic variables is fundamental for the country's growth and development. ABRAINC (Brazilian Association of Real Estate Developers) remains in contact with the economic team of the candidate, reinforcing the importance of the MCMV program, as well as the improvement needs of the same.

In the coming quarters, we intend to attract capital markets improve our indebtedness profile and align the flow of launches with the Company's cash flow. We continue to focus on value creation through governance corporate, balanced debt, cash generation and return to shareholders. In recent years we have presented growth and margins above the market average, consolidating our leadership in the segment in the areas of operation.

## FINANCIAL AND OPERATIONAL INDICATORS

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
PSV Launched (R\$ thousand)	148,392	16,000	0	827.5%	-	348,392	180,000	93.6%
Net Sales (R\$ thousand)	59,834	87,333	46,385	-31.5%	29.0%	188,286	99,833	88.6%
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
Construction Cost (R\$ thousand)	(20,739)	(20,866)	(22,424)	-0.6%	-7.5%	(62,599)	(55,515)	12.8%
Construction Cost / Net Operating Revenue (%)	52.5%	55.6%	56.7%	-3.1p.p.	-4.2p.p.	55.6%	58.3%	-2.7p.p.
Construction Cost / Net Sales (%)	34.7%	23.9%	48.3%	10.8p.p.	-13.7p.p.	33.2%	55.6%	-22.4p.p.
Gross Profit (R\$ thousand)	18,773	16,671	17,119	12.6%	9.7%	50,001	39,728	25.9%
Gross Margin (%)	47.5%	44.4%	43.3%	3.1p.p.	4.2p.p.	44.4%	41.7%	2.7p.p.
Net Financial Result (R\$ thousand)	(592)	(2,109)	(863)	-71.9%	-31.4%	(3,956)	(2,243)	76.4%
Net Financial Result / Net Operating Revenue (%)	1.5%	5.6%	2.2%	-4.1p.p.	-0.7p.p.	3.5%	2.4%	1.2p.p.
Net Financial Result / Net Sales (%)	1.0%	2.4%	1.9%	-1.4p.p.	-0.9p.p.	2.1%	2.2%	-0.1p.p.
Net Financial Result / PSV Launched (%)	0.4%	13.2%		-12.8p.p.		1.1%	1.2%	-0.1p.p.
Selling Expenses (R\$ thousand)	(3,266)	(1,415)	(2,524)	130.8%	29.4%	(9,072)	(5,507)	64.7%
Selling Expenses / Net Operating Revenue (%)	8.3%	3.8%	6.4%	4.5p.p.	1.9p.p.	8.1%	5.8%	2.3p.p.
Selling Expenses / Net Sales (%)	5.5%	1.6%	5.4%	3.8p.p.	0.0p.p.	4.8%	5.5%	-0.7p.p.
Selling Expenses / PSV Launched (%)	2.2%	8.8%		-6.6p.p.		2.6%	3.1%	-0.5p.p.
General and Administrative Expenses (R\$ thousand)	(3,099)	(4,708)	(2,193)	-34.2%	41.3%	(8,858)	(6,035)	46.8%
Expenses G&A / Net Operating Revenue (%)	7.8%	12.5%	5.5%	-4.7p.p.	2.3p.p.	7.9%	6.3%	1.5p.p.
Expenses G&A / Net Sales (%)	5.2%	5.4%	4.7%	-0.2p.p.	0.5p.p.	4.7%	6.0%	-1.3p.p.
Expenses G&A / PSV Launched (%)	2.1%	29.4%		-27.3p.p.		2.5%	3.4%	-0.8p.p.
Net Income (R\$ thousand)	11,297	8,025	11,474	40.8%	-1.5%	26,045	25,559	1.9%
Net Margin (%)	28.6%	21.4%	29.0%	7.2p.p.	-0.4p.p.	23.1%	26.8%	-3.7p.p.
EBITDA (R\$ thousand)	12,326	11,005	12,924	12.0%	-4.6%	33,274	28,389	17%
EBITDA Margin (%)	31.2%	29.3%	32.7%	1.9p.p.	-1.5p.p.	29.6%	29.8%	-0.3p.p.
Cash Generation (R\$ thousand)	7,722	36,637	4,992	-78.9%	54.7%	7,722	4,992	54.7%
Cash and Cash Equivalents (R\$ thousand)	74,342	66,621	22,503	11.6%	230.4%	74,342	22,503	230.4%
Gross Debt (R\$ thousand)	83,630	88,544	26,853	-5.5%	211.4%	83,630	26,853	211.4%
Net Debt (R\$ thousand)	9,288	21,923	4,350	-57.6%	113.5%	9,288	4,350	113.5%
Shareholders' Equity Total (R\$ thousand)	32,810	26,311	21,630	24.7%	51.7%	32,810	21,630	51.7%
ROE	34.4%	30.5%	53.0%	3.9p.p.	-18.6p.p.	79.4%	118.2%	-38.8p.p.
Net Debt / Shareholders' Equity (%)	28.3%	83.3%	20.1%	-55.0p.p.	8.2p.p.	28.3%	20.1%	8.2p.p.
Net Debt / EBITDA 12 months	0.21x	0.49x	0.11x	-57.1%	86.5%	0.21x	0.11x	84.02%

## OPERATIONAL INDICATORS

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
PSV Launched (units)	1026	160	0	541.3%	-	2266	1500	51.1%
Gross Sales (units)	488	629	397	-22.4%	22.9%	1,472	853	72.6%
Cancellation (units)	45	21	13	114.3%	246.2%	95	38	150.0%
Net Sales (units)	443	608	384	-27.1%	15.4%	1,377	815	69.0%
Contracted Units (units)	160	564	480	-71.6%	-66.7%	1,624	1,020	59.2%
Units Reported	388	521	342	-25.5%	13.5%	1,215	770	57.8%
Produced (units)	253	665	328	-62.0%	-22.9%	1,287	926	39.0%
Completed (units)	240	636	0	-62.3%	-	936	576	62.5%

## LAUNCHINGS

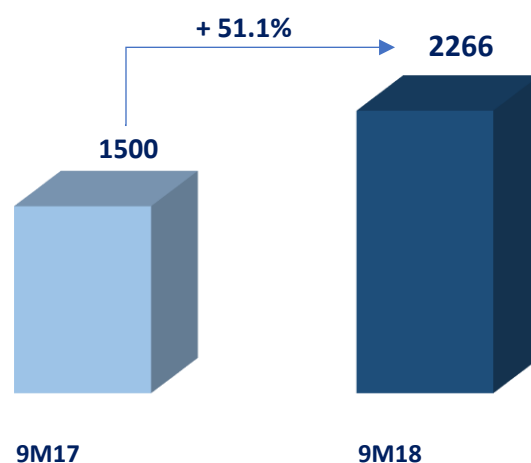
The Company launched 1026 units in the third quarter of 2018, 541.3% higher than the second quarter of 2018, in the nine months of 2018 we have 2266 units launched, a 51.1% increase over the same period of 2017.

With a PSV of launches equivalent to R\$ 148.4 million in the third quarter of 2018, 861.9% higher than in second quarter of 2018, the Company reached R\$ 353.9 million in launches in the year of 2018.

We continue with the concept of "smart apartments", offering our clients, lifts, water collection and reuse, solar energy for common areas, security cameras, automatic gate, electric fence, equipped recreation area, Wi-fi in communal areas, bicycle and shared bicycles, laminate flooring, USB sockets, individual hydrometer, among other features.

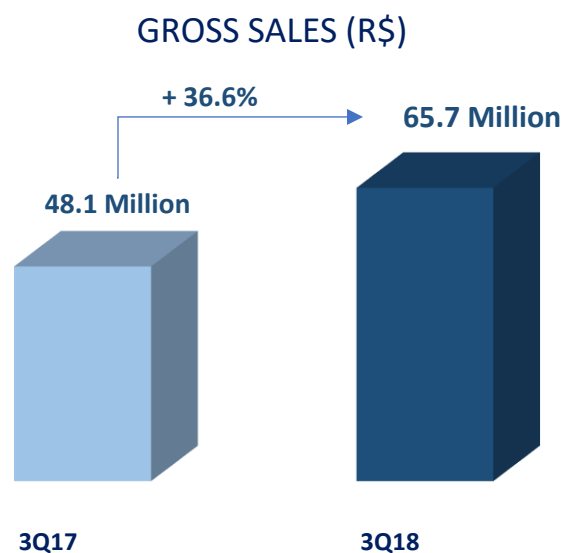
The Company is a leader in the sector in its main area of activity, Zona da Mata of Minas Gerais, in the third quarter of 2018, the number of launches outside our main area represented 70.2% of the total launches of the Company, reflecting effort, training and preparation of the strategic plan for geographical expansion.

### LAUNCHINGS (UNITS)



## GROSS SALES

Gross sales in 3Q18 reached 488 units, corresponding to R\$ 65.7 million, 27.8% lower than 2Q18, but 36.6% higher than 3Q17.



## CANCELLATIONS

In 3Q18, cancellations totaled 45 units, higher than 2Q18 and 3Q17.

In Cancellations/Gross sales metric, the Company continues with the lowest percentage among pairs.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Gross Sales (units)	488	629	397	-22.4%	22.9%	1472	853	72.6%
Cancellations (units)	45	21	13	114.3%	246.2%	95	38	150.0%
<b>Cancellations/Gross Sales (%)</b>	<b>9.2%</b>	<b>3.3%</b>	<b>3.3%</b>	<b>5.9p.p.</b>	<b>5.9p.p.</b>	<b>6.5%</b>	<b>4.5%</b>	<b>2.0p.p.</b>
Net Sales (units)	443	608	384	-27.1%	15.4%	1377	815	69.0%

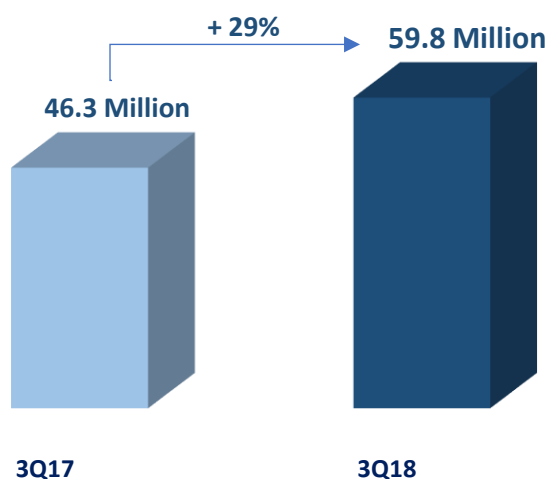
	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Gross Sales (R\$ thousand)	65,737	90,999	48,114	-27.8%	36.6%	201,510	105,139	91.7%
Cancellations (R\$ thousand)	5,903	3,666	1,729	61.0%	241.4%	13,224	5,306	149.2%
<b>Cancellations/Gross Sales (%)</b>	<b>9.0%</b>	<b>4.0%</b>	<b>3.6%</b>	<b>5.0p.p.</b>	<b>5.4p.p.</b>	<b>6.6%</b>	<b>5.0%</b>	<b>1.5p.p.</b>
Net Sales (R\$ thousand)	59,834	87,333	46,385	-31.5%	29.0%	188,286	99,833	88.6%

## NET SALES

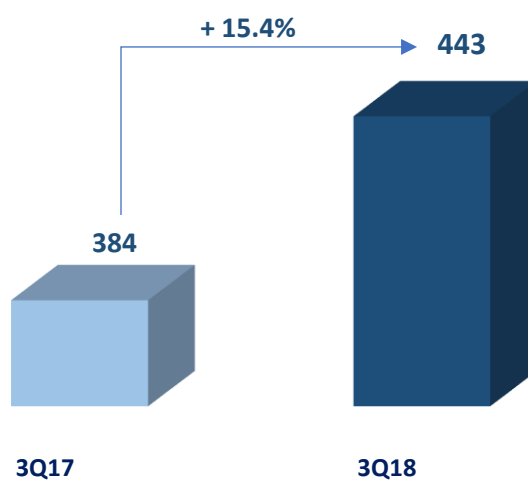
With good gross sales, the Company posted net sales of 443 units in 3Q18, corresponding to R\$ 59.8 million, a 29% increase over 3Q17. Digital marketing channels continue as a sales strategy, delivering an excellent result for the sales and its costs.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Sales (units)	443	608	384	-27.1%	15.4%	1,377	815	69.0%
Net Sales (R\$ thousand)	59,834	87,333	46,385	-31.5%	29.0%	189,246	99,833	89.6%

### NET SALES (R\$)



### NET SALES (UNITS)



## PROJECTS UNDER DEVELOPMENT

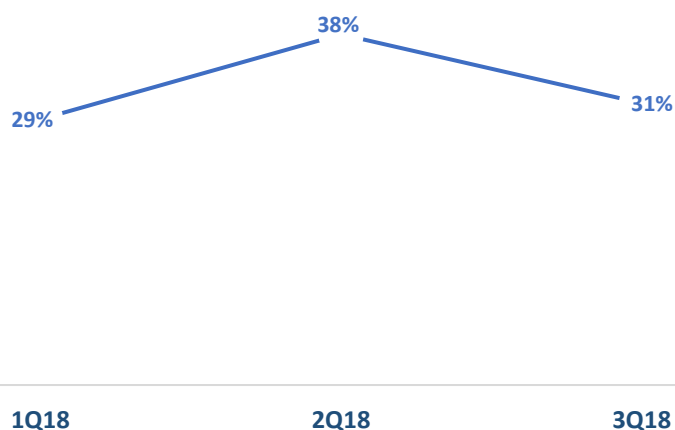
At the end of the third quarter of 2018, the Company had 3850 units in progress, we highlight the launches of 3Q18, 1026 units, of which 70.2% are outside our main area of operation. This shows that we are putting into practice the strategic planning of the geographical expansion.

Projects under development	Number the units
Unique Fontesville	240
Park Marilândia	960
Park Jardim Norte	360
Unique Marilândia	24
Park Quinet	1080
Park Nova Califórnia	160
Reserva das Acácias	306
Park Uberaba	720
<b>Total</b>	<b>3850</b>

## SALES OVER SUPPLY (SoS)

The Company achieved a sales over supply (SoS) of 31% in 3Q18. In relation to 2Q18, sales speed decreased, mainly due to a lower volume of launches in 2Q18. However, when compared to 1Q18, sales over supply (SoS) increased by 2p.p., reflecting a strong and constant demand for the sector.

SALES OVER SUPPLY (SOS) (%)





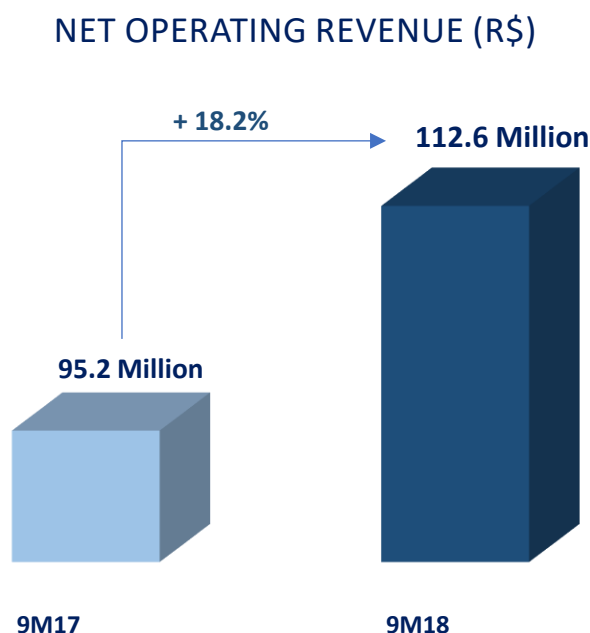
## FINANCIAL INDICATORS

The Company good performance in operating indicators has a direct impact on financial indicators.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
Construction Cost (R\$ thousand)	(20,739)	(20,866)	(22,424)	-0.6%	-7.5%	(62,599)	(55,515)	12.8%
Gross Profit (R\$ thousand)	18,773	16,671	17,119	12.6%	9.7%	50,000	39,728	25.9%
General and Administrative Expenses (R\$ thousand)	(3,099)	(4,708)	(2,193)	-34.2%	41.3%	(8,858)	(6,035)	46.8%
Selling expenses (R\$ thousand)	(3,266)	(1,415)	(2,524)	130.8%	29.4%	(9,072)	(5,507)	64.7%
Net Financial Result (R\$ thousand)	(592)	(2,109)	(863)	-71.9%	-31.4%	(3,956)	(2,243)	76.4%
Net Income (R\$ thousand)	11,297	8,025	11,474	40.8%	-1.5%	26,045	25,559	1.9%

## NET OPERATING REVENUE

Net Operating Revenue totaled R\$ 39.5 million in 3Q18, practically stable in relation to 3Q17 and an increase of 5.3% in relation to 2Q18. However, if we observe in the accumulated of the year, we reached R\$ 112.6 million, an increase of 18.2% compared to the same period of 2017.



## GROSS PROFIT

Gross profit in 3Q18 was R\$ 18.7 million, representing an increase of 9.7% in relation to 3Q17 and of 12.6% in relation to 2Q18. Gross margin stood at 47.5% in 3Q18, an increase of 4.2p.p. compared to 43.3% in 3Q17

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
Construction Cost (R\$ thousand)	(20,739)	(20,866)	(22,424)	-0.6%	-7.5%	(62,599)	(55,515)	12.8%
Gross Profit (R\$ thousand)	18,773	16,671	17,119	12.6%	9.7%	50,000	39,728	25.9%
Gross Margin (%)	47.5%	44.4%	43.3%	3.1p.p.	4.2p.p.	44.4%	41.7%	2.7p.p.

## SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

General and administrative expenses totaled R\$ 3,1 million in 3Q18. The G&A/Net Operating Revenue margin increased by 2.3p.p. in relation to 3Q17 and a reduction of 4.7 p.p. in relation to 2Q18, reflecting the Company's commitment to grow in a sustainable and perennial manner.

Selling expenses in 3Q18 totaled R\$ 3.2 million. The margin of selling expenses/Net Operating Revenue increased by 4.5p.p. in relation to 2Q18 and 1.9p.p. in relation to 3Q17, impacted by the volume of launches in 3Q18, 1026 units, 70.2% of which were outside our main operating area.

Selling, general and administrative expenses (SG&A) totaled R\$ 6.3 million in 3Q18. The SG&A/Net Operating Revenue margin had a reduction of 0.2p.p. in relation to 2Q18 and an increase of 4.2p.p. when compared to 3Q17. The increase in relation to 3Q17 reflects the change in the level of the business, we are preparing to grow in a sustainable way, strengthening internal controls and continuous management improvement.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
General and Administrative Expenses (R\$ thousand)	(3,099)	(4,708)	(2,193)	-34.2%	41.3%	(8,858)	(6,035)	46.8%
Selling expenses (R\$ thousand)	(3,266)	(1,415)	(2,524)	130.8%	29.4%	(9,072)	(5,507)	64.7%
<b>Total (SG&amp;A)</b>	<b>(6,365)</b>	<b>(6,123)</b>	<b>(4,717)</b>	<b>4.0%</b>	<b>34.9%</b>	<b>(17,930)</b>	<b>(11,542)</b>	<b>55.3%</b>
Selling expenses / Net Operating Revenue (%)	8.3%	3.8%	6.4%	4.5p.p.	1.9p.p.	8.1%	5.8%	2.3p.p.
G&A / Net Operating Revenue (%)	7.8%	12.5%	5.5%	-4.7p.p.	2.3p.p.	7.9%	6.3%	1.5p.p.
SG&A / Net Operating Revenue (%)	16.1%	16.3%	11.9%	-0.2p.p.	4.2p.p.	15.9%	12.1%	3.8p.p.

## FINANCIAL RESULT

The Company net financial result in 3Q18 was negative by R\$ 592 thousand, a reduction of 31.3% in relation to 3Q17 and 71.9% in relation to 2Q18.

If we look at the metric of net financial income over net operating revenue, the Company reduced this metric both in relation to 3Q17 and in compared to 2Q18, 0.9p.p. and 4.1p.p. respectively.

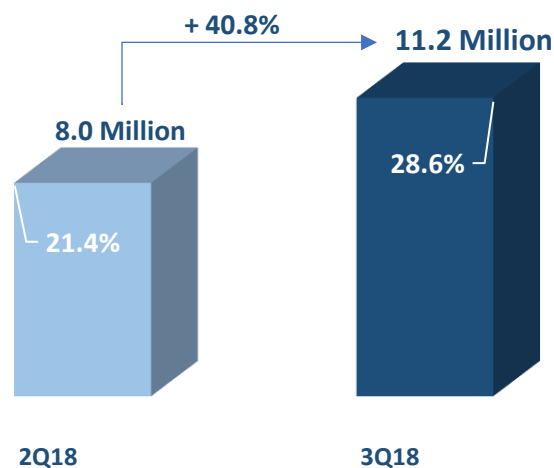
	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	36,543	5.3%	8.1%	112,600	95,244	18.2%
Financial income (R\$ thousand)	867	567	306	52.9%	183.3%	1,635	802	103.9%
Financial expenses (R\$ thousand)	(1,459)	(2,676)	(1,168)	-45.5%	24.9%	(5,591)	(3,046)	83.6%
<b>Net Financial Result (R\$ thousand)</b>	<b>(592)</b>	<b>(2,109)</b>	<b>(862)</b>	<b>-71.9%</b>	<b>-31.3%</b>	<b>(3,956)</b>	<b>(2,244)</b>	<b>76.3%</b>
Net Financial Result / Net Operating Revenue (%)	1.5%	5.6%	2.4%	-4.1p.p.	-0.9p.p.	3.5%	2.4%	1.2p.p.

## NET INCOME

The Company excellent financial and operating results in 3Q18 can be seen in net income, a small reduction of 1.5% in relation to 3Q17 and an increase of 40.8% in relation to 2Q18. The Company achieved an excellent increase in its net margin (28.6%), a reduction of 0.4p.p. when compared to 3Q17 and a significant increase of 7.2p.p. in relation to 2Q18.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
Net Income (R\$ thousand)	11,297	8,025	11,474	40.8%	-1.5%	26,045	25,559	1.9%
Net Margin (%)	28.6%	21.4%	29.0%	7.2p.p.	-0.4p.p.	23.1%	26.8%	-3.7p.p.

### NET INCOME (R\$) AND NET MARGIN (%)

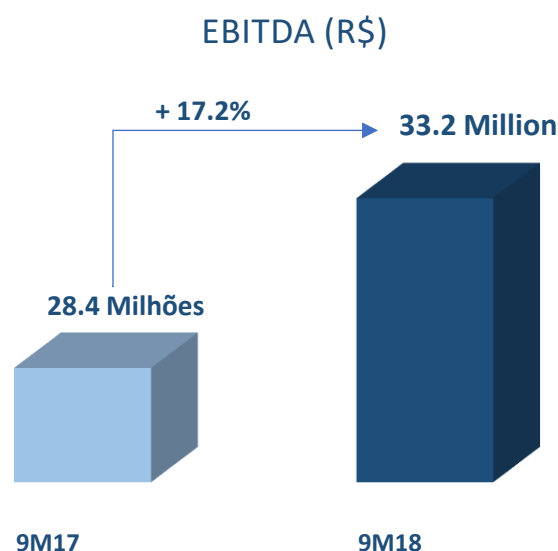


## EBITDA

EBITDA in 3Q18 was positive by R\$ 12.3 million. In the nine months of 2018 EBITDA reached R\$ 33.2 million, 17.2% higher than the result of R\$ 28.3 million in the same period of 2017.

The EBITDA margin in the quarter reached 31.2%, compared to 32.7% in 3Q17 and 29.3% in 2Q18. The expansion in the EBITDA margin can be attributed to higher revenue volume in the period and better level of gross margin.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Net Operating Revenue (R\$ thousand)	39,512	37,538	39,543	5.3%	-0.1%	112,600	95,244	18.2%
Net Income (R\$ thousand)	11,297	8,025	11,474	40.8%	-1.5%	26,045	25,559	1.9%
<b>EBITDA</b>	<b>12,326</b>	<b>11,005</b>	<b>12,924</b>	<b>12.0%</b>	<b>-4.6%</b>	<b>33,274</b>	<b>28,389</b>	<b>17.2%</b>
EBITDA Margin (%)	31.2%	29.3%	32.7%	1.9p.p.	-1.5p.p.	29.6%	29.8%	-0.3p.p.



## CASH AND CASH GENERATION

At September 30, 2018, the balance of cash, cash equivalents and securities was R\$ 74.3 million, 11.6% higher than the position on June 30, 2018. The Company cash generation in the third quarter in the order of R\$ 7.7 million.

The resources of the issuance in 2Q18 of the 1st Debenture of the Company in the amount of R\$ 45 million are being used exclusively in the expansion plan with acquisition of land in strategic cities.

	4Q17	1Q18	2Q18	3Q18
Cash and Cash Equivalents (R\$ thousand)	29,984	23,817	66,621	74,342
Cash Generation (R\$ thousand)	12,419	(6,165)	36,637	7,722



## DIVIDENDS

Dividend distributed in 3Q18 in the total amount of R\$ 3,156,931 will be made available through June 31, 2019, with the total amount of dividends of R\$ 0.15737 per share based on the shareholding position on November 20, 2018. In 2018, the payment of R\$ 14.0 million in dividends has already been approved.

The table below shows the evolution of the dividend spread on net income in the quarters of 2018, the Company deducted the margin by 45.9p.p. when compared to 1Q18.

	1Q18	2Q18	3Q18
Net Income (R\$ thousand)	8,366	8,025	11,297
Dividends (R\$ thousand)	6,176	4,689	3,157
Dividends (%)	73.8%	58.4%	27.9%

## FINANCING OF SUPPORT FOR PRODUCTION

Significant reduction of production support financing, 22.6% down in 4Q17, due to the good progress of the Company projects.

This type of loan is intended to finance the projects during their construction period. It is a credit line to finance the production of housing projects, using the FGTS, linked to the Associated Letter of Credit Program, with direct financing to individuals (final beneficiary), formalized through a partnership with an Organizing Entity and intervention of a company of the construction industry.

The interest rates applicable to these loans vary, depending on the operation, between 8.7% per year. These transactions are guaranteed by mortgages of the properties of the respective developments.

After contracting the project, the funds are released to the Organizing Entity on a monthly basis, according to the schedule and after proof of the execution of works by CAIXA Engineering.

In order to complete the project, the resources required for completion of the project remain under the management of CAIXA until the completion of the project and legalization of the project at the Registry of Real Estate.

Feature	Average rate per month	Average contract maturity	Debt balance 3Q18	Debt balance 4Q17	Var. 3Q18 x 4Q17
Production (R\$ thousand)	0.7%	19/12/2019	22,604	29,213	-22.6%
<b>Total (R\$ thousand)</b>			<b>22,604</b>	<b>29,213</b>	<b>-22.6%</b>

## BANKING FINANCING

Feature	Average rate per month	Maturity	Debt balance 3Q18	Debt balance 4Q17	Var. 3Q18 x 4Q17
Working capital (R\$ thousand)	1.39%	11/04/2022	7,425	5,830	27.4%
Working capital (R\$ thousand)	1.10%	17/10/2037	6,042	793	661.9%
Working capital (R\$ thousand)	1.30%	31/01/2019	2,125	3,000	-29.2%
<b>Total (R\$ thousand)</b>			<b>15,592</b>	<b>9,623</b>	<b>62.0%</b>

## FINANCING SUPPORT FOR EXPANSION

In 2Q18 the Company issued the 1st Debenture in the amount of R\$ 45 million, the funds raised will be used exclusively in the acquisition of land, only after proving compliance with the eligibility criteria. The resources are available to the Company and will be used exclusively in the expansion plan with acquisition of land in strategic cities.

The Company has a conservative profile in the acquisition of new land, conducting a feasible feasibility study of possible lands, Due Diligence very comprehensive, we understand that the Criterious Acquisition of Land is the pillar that bases our operation.

Feature	Rate	Maturity	Debt balance 3Q18	Debt balance 2Q18	Var. 3Q18 x 2Q18
Debenture - 1st issue - CRI (R\$ thousand) <sup>1</sup>	DI + 5,5%	10/05/2021	45,435	45,000	1.0%
<b>Total (R\$ thousand)</b>			<b>45,435</b>	<b>45,000</b>	<b>1.0%</b>

(1) The average rate per month may change

## WEIGHTED MEDIUM COST OF DEBT

The Weighted Average Cost of Debt is an average of the different sources of financing that the company uses, due to the weight of each of them in its financing structure. The cost of capital is an important factor in the decision to use the resource in any area of the Company.

Feature	Debt Balance 3Q18	Average rate per month	Annual Interest (%)
Working capital (R\$ thousand)	7,425	1.39%	18.02%
Working capital (R\$ thousand)	2,125	1.30%	16.77%
Working capital (R\$ thousand)	6,042	1.10%	14.03%
Production (R\$ thousand)	22,604	0.70%	8.73%
Debenture - 1st issue - CRI (R \$ thousand) <sup>1</sup>	45,435	0.99%	12.55%
<b>Total (R\$ thousand)</b>	<b>83,630</b>		<b>12,22%<sup>2</sup></b>

(1) The average rate per month may change.

(2) Annual Weighted Interest

## NET DEBT

Inter has one of the lowest levels of indebtedness in the sector if we consider the companies listed in B3. Net debt/EBITDA 12 months stood at 0.21x, a result of efficiency, commitment and debt management.

The Company understands that the level of indebtedness is in line with strategic planning to strengthen and expand the business. However, the Company net debt decreased 57.6% in relation to 2Q18 and gross debt decreased 5.5% when compared to 2Q18.

	3Q18	2Q18	3Q17	Var. 3Q18 x 2Q18	Var. 3Q18 x 3Q17	9M18	9M17	Var. 9M18 x 9M17
Gross Debt (R\$ thousand)	83,630	88,544	26,853	-5.5%	211.4%	83,630	26,853	211.4%
Cash and Cash Equivalents (R\$ thousand)	74,342	66,621	22,503	11.6%	230.4%	74,342	22,503	230.4%
Net debt	9,288	21,923	4,350	-57.6%	113.5%	9,288	4,350	113.5%
Shareholders' Equity Total (R\$ thousand)	32,810	26,311	21,630	24.7%	51.7%	32,810	21,630	51.7%
Net Debt / Shareholders' Equity (%)	28.3%	83.3%	20.1%	-55.0p.p.	8.2p.p.	28.3%	20.1%	8.2p.p.
EBITDA 12 months (R\$ thousand)	44,417	45,015	38,797	-1.3%	14.5%	44,417	38,797	14.5%
Net Debt / EBITDA 12 months	0.21x	0.49x	0.11x	-57.1%	86.5%	0.21x	0.11x	86.5%

## RESULTS TO APPROPRIATE

At the end of 3Q18, the Company presented a balance of revenues to be appropriated in the total amount of R\$ 141.3 million, 6.9% higher than in the previous quarter. The performance of revenues for future years reflects the good sales performance for the year, signaling a positive outlook for the volume of revenue and result to appropriate in the coming periods.

Revenues to be appropriated from real estate sold (R\$ thousand)			
Empreendimento	1Q18	2Q18	3Q18
Unique Ubá	1,199	0	0
Unique Borboleta	1,088	0	0
Unique São Geraldo	1,396	0	0
Res. São Geraldo II	352	0	0
Unique Fontesville	4,136	2,359	780
Park Marilândia	21,996	12,917	7,305
Park Jardim Norte	19,737	25,990	15,667
Unique Marilândia	0	2,340	1,040
Park Quinet	0	88,305	100,029
Park Nova Califórnia	0	200	4,018
Reserva das Acácias	0	0	5,590
Park Uberaba	0	0	6,860
<b>Total</b>	<b>49,904</b>	<b>132,111</b>	<b>141,289</b>

Gross income to be appropriated in 3Q18 increased by 14.4% in relation to 2Q18, and gross margin improvement contributed to this increase.

	3Q18	2Q18	Var. 3Q18 x 2Q18
Revenues to be appropriated (R\$ thousand)	141,289	132,111	6.9%
Cost of units sold to be appropriated (R\$ thousand)	74,177	73,454	1.0%
<b>Gross Income to be appropriated (R \$ thousand)</b>	<b>67,112</b>	<b>58,657</b>	<b>14.4%</b>
Gross Margin to be appropriated (%)	47.5%	44.4%	3.1p.p.



## STOCK UNITS TO BE SOLD

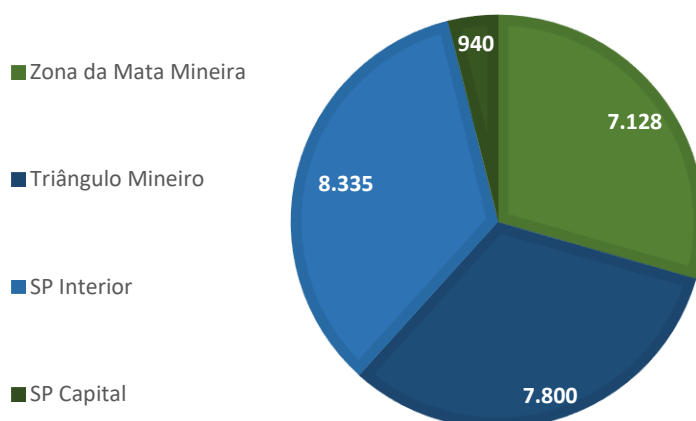
Development	Constructed Stock (units)	Construction Stock (units)	Estimate value sales (R\$ thousand)
Residencial Yuni Previdenciários	2		260
Unique Ubá	5		650
Park Marilândia		283	36,790
Park Jardim Norte		28	3,640
Unique Marilândia		3	450
Park Quinet		371	70,490
Park Nova Califórnia		115	11,500
Reserva das Acácias		263	36,031
Park Uberaba		671	89,914
<b>Total</b>	<b>7</b>	<b>1734</b>	<b>249,725</b>

## LANDBANK

In the second quarter of 2018, the Company continued to pace the land acquisition process, with the strategy of expanding the land bank in areas with high potential for demand for housing units that fit our profile.

We expanded our Landbank to a potential construction of 24 thousand units with a PSV equivalent to R\$ 3.5 billion.

### LANDBANK (UNITS)



## INTER ROCKET

In the third quarter of 2018, the Company entered into a partnership agreement with Falconi results consultancy, launching the INTER & Falconi Project, called "INTER ROCKET". Rocket, summarizes the current moment of Inter, its short and long term goals.

Falconi is recognized for its ability to help organizations build exceptional results by improving their management system. Founded by Professor Vicente Falconi, it has been in the market for more than 30 years.

The partnership with Falconi is a result of the Company commitment to transparency, management, controls and good Corporate Governance practices.

A promotional graphic for the "INTER ROCKET" project. The background is a dark blue space scene with a starry sky and a bright orange horizon. In the center, an astronaut in a full space suit stands on a rocky surface. In the top left, the text "ROCKET LAUNCH" is in white, and "INTER & FALCONI PROJECT" is in orange. Below this, a white text block reads: "You are a fundamental passenger on this journey. Your passage is already guaranteed. Come and join us." In the top right, there is a circular logo with a white rocket and the text "INTER ROCKET" below it. In the bottom left, the "INTER Construtora" logo is shown next to the "falconi" logo, which consists of a colorful circular graphic and the word "falconi" in lowercase.

## BALANCE SHEET | ASSETS | IFRS | CONSOLIDATED

Balance Sheets (in reais)		Consolidated	
Assets	Note	2018-09-30	2017-12-31
<b>Current</b>			
Cash and cash equivalents	5	74,342,382	29,983,593
Cientes por incorporação de imóveis	6	18,368,492	13,255,303
Stocks	7	37,370,657	18,975,746
Advances to third parties		3,454,009	1,474,596
		<b>133,535,540</b>	<b>63,689,238</b>
<b>Not current</b>			
Long-term achievable:			
Related parts	8	2,888,266	1,345,793
Prepaid expenses		1,162,420	947,712
Deposits for social security		-	834,086
		<b>4,050,686</b>	<b>3,127,591</b>
Investment		19,200	19,200
Immobilized	9	15,862,584	18,168,300
Intangible		42,766	43,491
		<b>15,924,550</b>	<b>18,230,991</b>
<b>Total Assets</b>		<b>153,510,776</b>	<b>85,047,820</b>

The accompanying notes are an integral part of the quarterly financial information.

## BALANCE SHEET | LIABILITIES | IFRS | CONSOLIDATED

Balance Sheets (in reais)		Consolidated	
Liabilities	Note	2018-09-30	2017-12-31
<b>Current</b>			
Providers	10	4,222,142	5,821,076
Loans, financing and debenture	11	8,608,000	2,097,666
Social and labor obligations	12	1,919,336	1,139,347
Tax liabilities	13	646,231	759,505
Other bills to pay		164,725	240,623
Customer down payment		15,265,043	-
		<b>30,825,477</b>	<b>10,058,217</b>
<b>Not Current</b>			
Providers	10	13,890,120	15,226,057
Loans, financing and debenture	11	75,022,247	36,738,246
Obligations with third parties		-	18,026
Provision for loss of investment		-	-
Tax installment		-	117,017
Provision for contingency	14	962,784	2,164,830
		<b>89,875,151</b>	<b>54,264,176</b>
<b>Shareholders' Equity</b>			
	15		
Share capital		20,060,181	12,371,189
Profit reserves		12,751,800	8,354,238
		<b>32,811,981</b>	<b>20,725,427</b>
Non-controlling interest		(1,834)	-
Total shareholders' equity		<b>32,810,147</b>	<b>20,725,427</b>
<b>Total liabilities and shareholders' equity</b>		<b>153,510,776</b>	<b>85,047,820</b>

The accompanying notes are an integral part of the quarterly financial information.



## INCOME STATEMENT | IFRS | CONSOLIDATED

Income Statements (in reais)	Note	Consolidated			
		01/07/2018 à 30/09/2018	01/01/2018 à 30/09/2018	01/07/2017 à 30/09/2017	01/01/2017 à 30/09/2017
Net operating revenue	16	39,512,326	112,600,089	39,543,471	95,243,532
Net operating revenue		(20,738,892)	(62,599,206)	(22,424,379)	(55,515,220)
<b>Gross profit</b>		<b>18,773,434</b>	<b>50,000,883</b>	<b>17,119,092</b>	<b>39,728,312</b>
Operating income (expenses):					
Selling expenses		(3,266,352)	(9,087,906)	(2,524,051)	(5,506,829)
General and Administrative Expenses		(3,099,155)	(8,897,070)	(2,193,281)	(6,035,419)
Loss with equity pickup		-	-	-	-
Other operating expenses, net		(519,518)	(2,014,897)	(65,334)	(383,310)
		<b>(6,885,025)</b>	<b>(19,999,873)</b>	<b>(4,782,666)</b>	<b>(11,925,558)</b>
Operating income before financial result:		11,888,409	30,001,010	12,336,426	27,802,754
Net financial result:	17	(591,700)	(3,955,557)	(862,533)	(2,243,431)
Financial income		867,107	1,635,911	305,929	802,191
Financial expenses		(1,458,807)	(5,591,468)	(1,168,462)	(3,045,622)
<b>Net income for the period</b>		<b>11,296,709</b>	<b>26,045,453</b>	<b>11,473,893</b>	<b>25,559,323</b>
<b>Net Income per Share / Quotas - In Reais</b>		<b>0.56</b>	<b>1.30</b>	<b>0.93</b>	<b>2.07</b>
Net income attributable to:					
Company Shareholders		9,657,717	26,048,287	11,473,893	25,559,323
Non-controlling shareholders		1,638,992	(2,834)	-	-

The accompanying notes are an integral part of the quarterly financial information.

## STATEMENT OF CASH FLOWS | IFRS | CONSOLIDATED

Statements of Cash Flows (in reais)	Consolidated	
	01/01/2018 à 30/09/2018	01/01/2017 à 30/09/2017
<b>Cash flows from operating activities:</b>		
Net income for the period	26,045,453	25,559,323
Settings for:		
Depreciation / amortization	1,307,546	587,213
Loss with equity pickup	-	-
	<u>27,352,999</u>	<u>26,146,536</u>
<b>Changes in assets and liabilities</b>		
Increase in other accounts receivable	(5,113,190)	(10,974,462)
Increase (decrease) in inventories	(18,394,911)	(7,064,024)
Increase in advances to third parties	(1,979,413)	(1,791,284)
Decrease in other current assets	-	-
Decrease (Increase) in suppliers	(2,934,871)	15,603,380
Decrease (Increase) in tax liabilities	(113,274)	244,425
Increase in obligations with personnel	779,988	580,700
Increase in accounts payable by customer down payment	15,265,043	1,120,563
Increase (decrease) in other current and non-current liabilities	(1,412,986)	508,562
<b>Net cash provided by operating activities</b>	<b>13,449,385</b>	<b>24,374,396</b>
<b>Cash flows from investing activities</b>		
Increase (decrease) in long-term receivables	(923,095)	(390,232)
Decrease in fixed investments	(299,000)	-
Acquisition of fixed assets	1,000,990	(14,050,779)
Acquisition (disposal) of intangible assets	(2,094)	(3,585)
Distribution of profits	(14,021,913)	(16,300,380)
Capital increase	360,181	
<b>Net cash used in investing activities</b>	<b>(13,884,931)</b>	<b>(30,744,976)</b>
<b>Cash flows from financing activities</b>		
Borrowing and Consortia	44,794,335	11,362,604
<b>Net cash provided by financing activities</b>	<b>44,794,335</b>	<b>11,362,604</b>
<b>Increase (decrease) in cash and cash equivalents, net</b>	<b>44,358,789</b>	<b>4,992,024</b>
<b>Statement of increase (decrease) in cash and cash equivalents:</b>		
Cash and cash equivalents at the beginning of the period	29,983,593	17,511,314
Cash and cash equivalents at end of period	74,342,382	22,503,338
<b>Increase (decrease) in cash and cash equivalents, net</b>	<b>44,358,789</b>	<b>4,992,024</b>

The accompanying notes are an integral part of the quarterly financial information.

## INVESTOR RELATIONS

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## RELATIONSHIP WITH INDEPENDENT AUDITORS

Pursuant to CVM Instruction 381/03 we hereby inform that our independent auditors - BKR-Lopes Machado Auditores - did not provide services during the third quarter of fiscal year 2018, other than those related to external auditing. The Company's policy of hiring independent auditors ensures that there is no conflict of interest, loss of independence or objectivity.

## COMMITMENT CLAUSE

According to art. 45 of Chapter VIII - Arbitral Judgment, of the Company's Bylaws: The Company, its shareholders, directors and members of the Fiscal Council undertake to resolve, through arbitration, before the Market Arbitration Chamber, any and all dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Corporation Law, in the Company's bylaws, in the edited rules the National Monetary Council, the Brazilian Central Bank and the Securities and Exchange Commission, as well as other rules applicable to the operation of the capital market in general, in addition to those contained in the BOVESPA MAIS Regulation, the Arbitration Regulation, the Sanctions Regulation, and the Participation Agreement on BOVESPA MAIS.

## COMMENTS

The financial information is based on the consolidated accounting information prepared in accordance with the International Financial Reporting Standards (IFRS), which considers OCPC 04 Guidance on the application of Technical Interpretation ICPC 02 applicable to real estate development entities in Brazil, as approved (CPC), the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), and all pronouncements issued by the CPC.

The financial information is presented in thousand Reais (R\$ thousand), unless otherwise indicated. The statements contained in this document relating to business prospects, projections of operating and financial results, and those related to INTER's growth prospects are merely projections and as such are based exclusively on management's expectations about the future of the business. These expectations depend substantially on the approvals and licenses required for the approval of projects, market conditions, the performance of the Brazilian economy, the sector and international markets and are therefore subject to change without prior notice. This performance report includes non-accounting data such as operating, financial and projections based on the expectations of the Company's Management. Non-accounting data such as quantitative and launch PSV, contracted sales, MCMV program values, inventory at market value, land bank, result to be appropriated, cash consumption, and projections were not subject to review by the auditors independent of the Company.

## STATEMENT BY THE BOARD OF DIRECTORS

In compliance with the provisions of CVM Instruction 480, the Board of Executive Officers declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and with the financial statements for the year ended September 30, 2018.



## GLOSSARY

**Landbank** - land held in stock with the estimated future PSV of the same.

**BOVESPA MAIS** - Listing segment of B3, Bovespa Mais makes it possible to make smaller fundings compared to the Novo Mercado, but sufficient to finance its growth project. The companies listed on Bovespa Mais tend to attract investors who see a greater development potential in the business. Stock offers can be aimed at a few investors and they usually have prospects for medium and long term returns.

This segment allows you to list without an offer, that is, you can list your company on the Stock Exchange and have up to 7 years to complete the IPO. This possibility is ideal for companies that want to access the market gradually. You can work on the professionalization of your business only for the listing and then have more time to make the public offering of shares. By disassociating one moment from the other, market access tends to be quieter and the level of preparation of your company higher.

**Exchange** - Land purchase system whereby the land owner receives in payment a certain number of units of the project to be built in it.

**PSV Launched** - General Sales Value of units launched in a given period.

**Net Sales** - PSV arising from all contracts for the sale of properties entered into in a given period, including the sale of units launched in the period and the sale of units in inventory, net of cancellations and net of exchange.

**Contracted Units** - Units contracted with the financial institution.

**SoS - Sales on offer** - to minimize the volatility of this metric, we exclude units in stock and units sold from developments in the quarter.

**EBITDA** - is the acronym for "Earnings Before Interest, Taxes, Depreciation and Amortization".

**Completed Units** - Units completed by engineering. Registered after completion of the work.

**Units Produced** - Units produced by measuring the evolution of the work, equivalent construction.

**Units Reported** - Number of clients (individual) who signed their financing with a financial institution in the period.

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