

Stock quote (06/30/18)

PLAS3 - R\$ 4.50 (*)

Market value in 06/30/18 – (MARKET CAP BOVESPA)

R\$ 22.4 million

Number of shares (*)

Common: 4,970 M

Investor relation

Av. Mackenzie, 1835 – 13º floor – Vila Brandina – Campinas-SP – ZIP CODE 13092-523.

Board of Directors

Stephen J. Toy
André C. do Nascimento
Andrew C. de Araújo
Edson F. Menezes
Hugo Lancarter Mol

Supervisory Board

José Antonio Vertoan
Mauro Cesar Leschziner
Charles Dimetrius Popoff

Website:

www.plascargroup.com

IR Contact

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Campinas, SP, July 27, 2018 – Plascar Participações Industriais S.A. (Bovespa: PLAS3), (“Company”) a leader in the Brazilian market of parts and components related to the internal and external finishing of light and heavy automotive vehicles, operating as an original equipment manufacturer (OEMs), assisting automakers in Latin America and MERCOSUR, and exports to Argentina, Mexico, USA, Australia and Europe, announces the results of its operations for the first semester of 2018. The Company's operating and financial information, except when otherwise indicated, is consolidated and monetary values are expressed in Brazilian Reais.

First Semester 2018 Results:

- **Negative EBITDA of R\$ 10.2 million (Margin of -6.2%).**
- **Net revenue of R\$ 165.0 million.**
- **Gross margin of 0.3% (R\$ 0.4 million).**

Plascar	Results for the period		
	1'S 2018	1'S 2017	Var %
Amounts in thousand of R\$			
Gross sales	213,772	230,603	-7.3%
Net revenue	165,027	175,268	-5.8%
Gross profit	442	1,892	-76.6%
Gross margin %	0.3%	1.1%	-0.8p.p.
EBITDA (*)	(10,228)	(8,314)	-23.0%
Margin EBITDA %	(6.2%)	(4.7%)	-1.5p.p
Net losses (*)	(75,676)	(83,161)	9.0%

in EGM held on September 15, 2015, the shareholders approved the reverse stock Split in the proportion of 1-for-50 shares.

(*) Within the net loss of R\$ 83,161 and negative EBITDA of R\$ 8,314 in 2017, consider the positive impact of R\$ 3,437 due to the reversal of the provision for possible contingencies balance in March 2017.

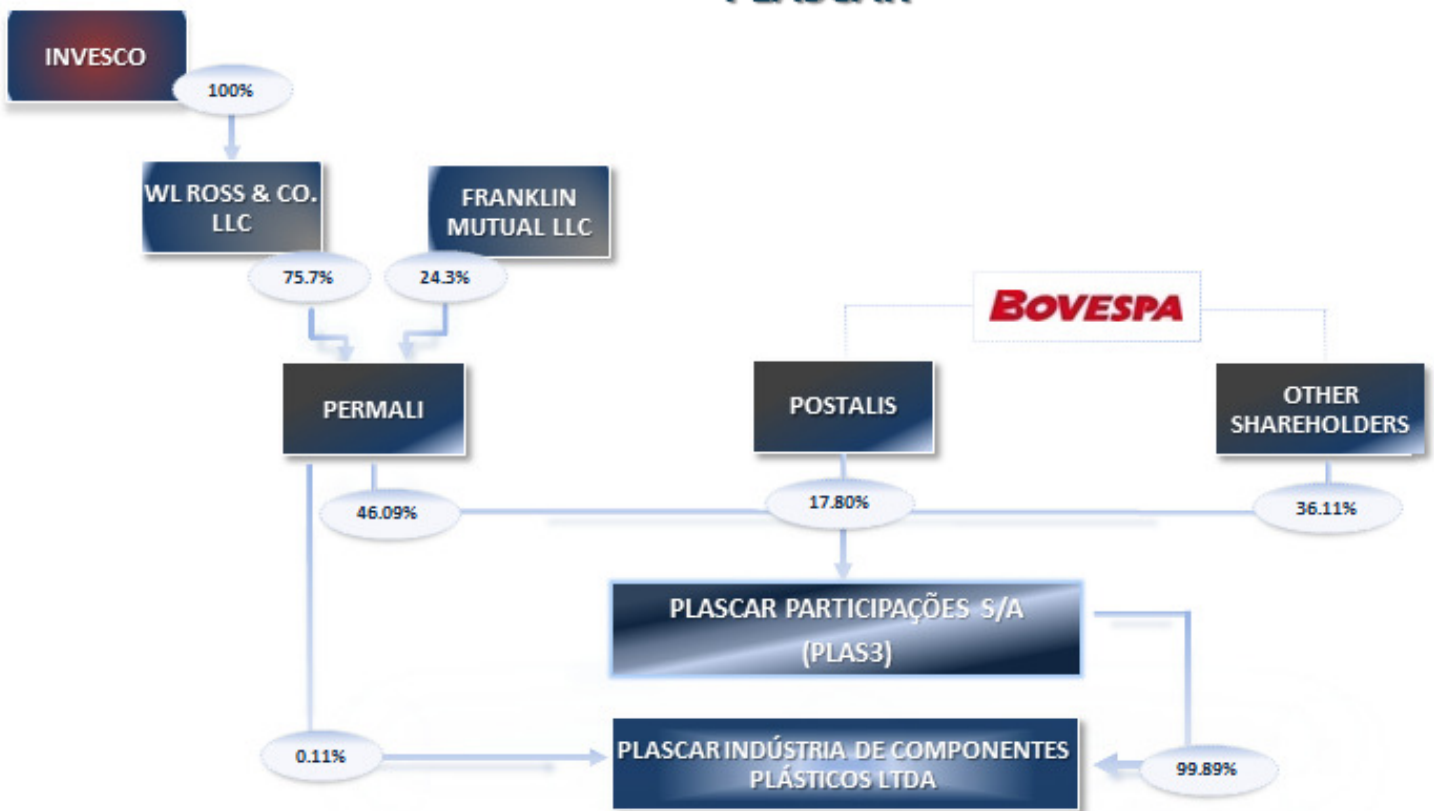
History

The Company started its activities in October 1963 in the city of Jundiaí, state of São Paulo, in the rubber products segment. In 1973 the Company entered the automotive industry and, in the mid-80s, after several business acquisitions, it gave a great impetus to its subsidiaries through a growth and modernization program, and became a market leader in plastic parts for the automotive industry.

Legal Structure

The controlling interest in Permal do Brasil Indústria e Comércio Ltda., which currently owns 46.09% of the Company's stock, is held by a joint venture formed in 2005 between WL Ross & Co., LLC (75.7%) and Franklin Mutual Advisers, LLC (24.3%), with headquarters in Delaware, United States.

LEGAL STRUCTURE PLASCAR



Operating Performance

According to data of National Association of Motor Vehicle Manufacturers - ANFAVEA, during the 1st semester of 2018 there was an increase of 14.5% in sales when compared to the same period of prior year.

Vehicle production during the 1st semester of 2018 had an increase of 13.6% compared to the same period of 2017 (source: ANFAVEA). The Company's net revenue decrease was 5.8% on the comparative periods, reaching a positive gross margin of 0.3%.

Although the recovery of the truck segment during the first quarter of 2018 have been positive for the Company, there was a significant decrease in the light vehicle market segment from our main customer.

SOURCE: ANFAVEA – BRAZIL			
AUTOMOTIVE OUTLOOK	S1/17	S1/18	VAR. %
PRODUCTION OF VEHICLES	1,263	1,435	13.6%
SALES OF VEHICLES	1,019	1,167	14.5%

Production of cars in the semester grows 13.6% and reaches higher volume since 2014

Suspension of orders from Argentina and Mexico, however, caused Anfavea to cut growth forecast for the year from 13.2% to 11.9%; sector, which estimated a 5% increase for exports, now expects to repeat the result of 2017, of 766 thousand vehicles.

Vehicle production in the first half of the year increased 13.6% over the same period last year and totaled 1.43 million units, the highest volume for the period since 2014. The sector was moving towards an expected growth of 13.2% this year, but with the suspension of orders from Argentina and Mexico in recent weeks, the increase was revised to 11.9%. In numbers, it will be about 34,000 fewer cars.

"We will still have a number that is not negligible, of 3 million units produced," says Antonio Megale, president of the National Association of Automobile Manufacturers (Anfavea).

The sector projected a 5% increase in exports, but now expects to repeat the record result of 2017, of 766 thousand vehicles. Sales to Mexico fell 54% in the first half. For Argentina, which had been growing at double digits, the increase is at 4%. The neighboring country accounts for more than 70% of Brazil's foreign sales.

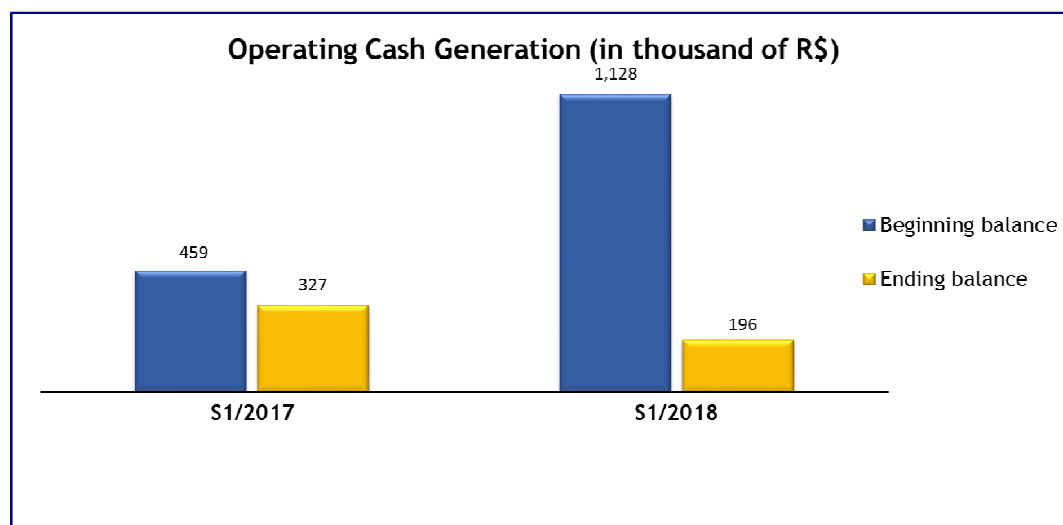
In June, the companies were able to recover part of the lost production in the previous month with the truck drivers' strike, estimated between 70,000 and 80,000 units. 256,300 vehicles were manufactured, the best result for the month since 2013. Compared to May and June 2017, the increase was 21%.

Sales were stable compared to May, which had already been a weak month because of the strike, which interrupted the delivery of parts to factories and cars to stores. The 202,000 vehicles sold were 3.6% above the volume of June last year. In the year, the sum is 1.16 million units, 14.4% more than in 2017, but the trend is to decelerate in the second half of the year, closing with an increase of 11.7%, or 2.5 million of units.

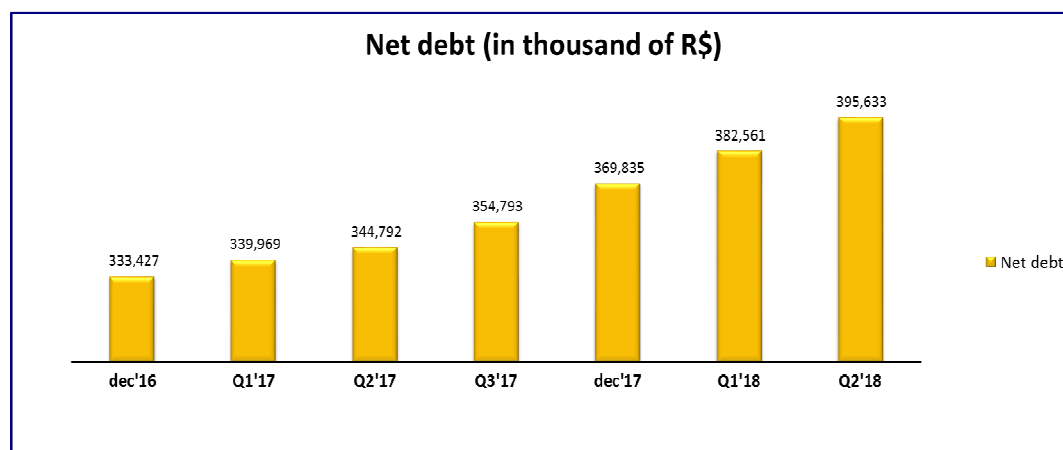
"We were on a good pace, but the truckers' strike had an impact on consumer confidence and in the case of June, it also had the Cup," Megale justifies.

With production on the rise and sales and exports slowing, the industry closed last month with 240,600 vehicles in stock, enough for 36 days of sales, up from 31 days in May. Megale says "this does not worry us because, seasonally, July and August are good sales months and we will be prepared."

The Company continues to take actions to reduce its internal operating costs and improve its margin, while also promoting constant price negotiations with customers to pass through cost increases such as labor, raw materials and others.

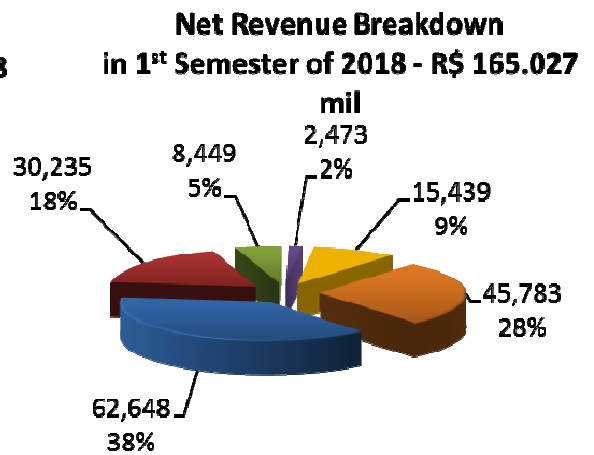
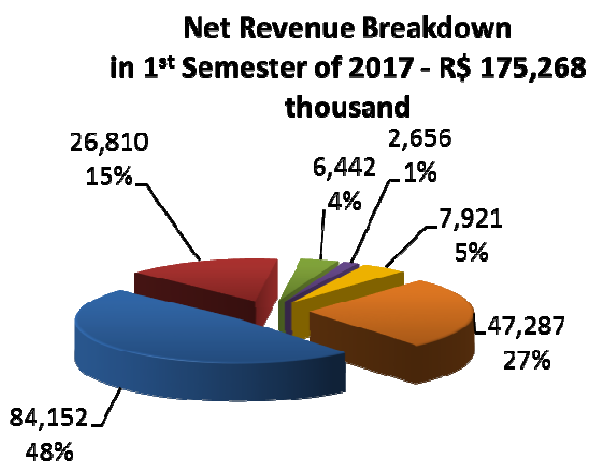
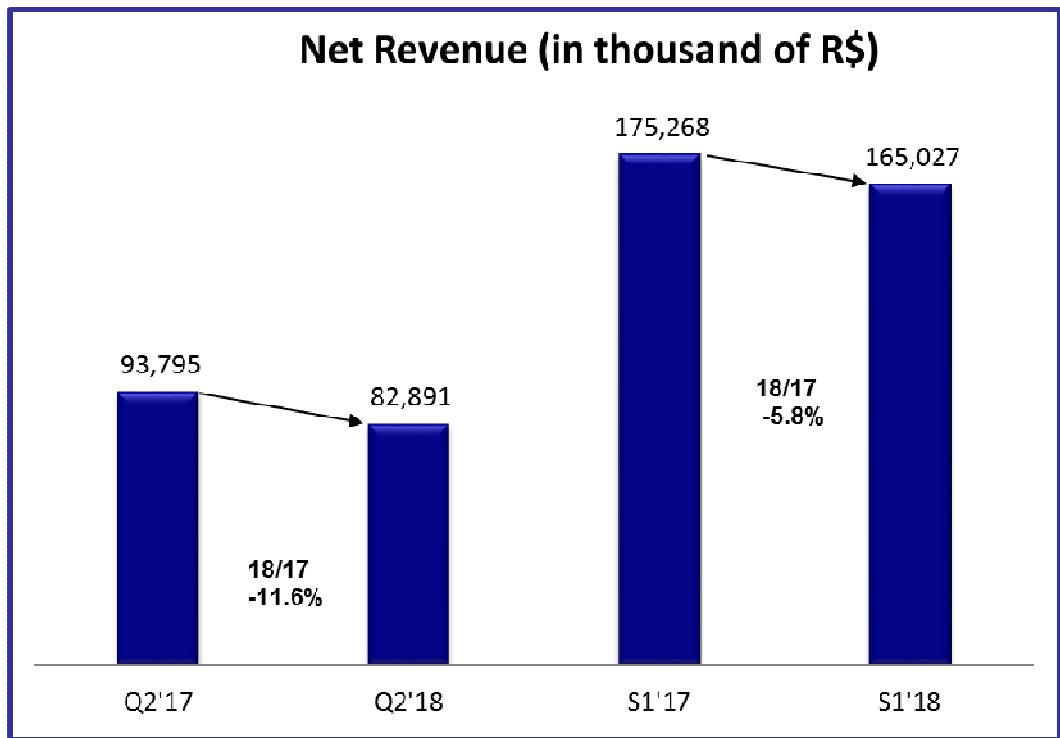


The Company has past-due bank contracts and has been negotiating directly with each of the banks, seeking the best way to equate the outstanding amounts, in what has been successful. In the face of ongoing negotiations and the Company's clear effort to renegotiate each of these contracts, no bank has yet to execute the past due debt. There is no expectation of any execution by the Company. In addition, the process of renegotiating its bank indebtedness with the main creditor banks began, through the signing of a "Standstill Contract".



PLASCAR		
Gross Revenue		
1 st Semester of 2018	R\$	213,772
1 st Semester of 2017	R\$	230,603
Variation (%)		-7.3%

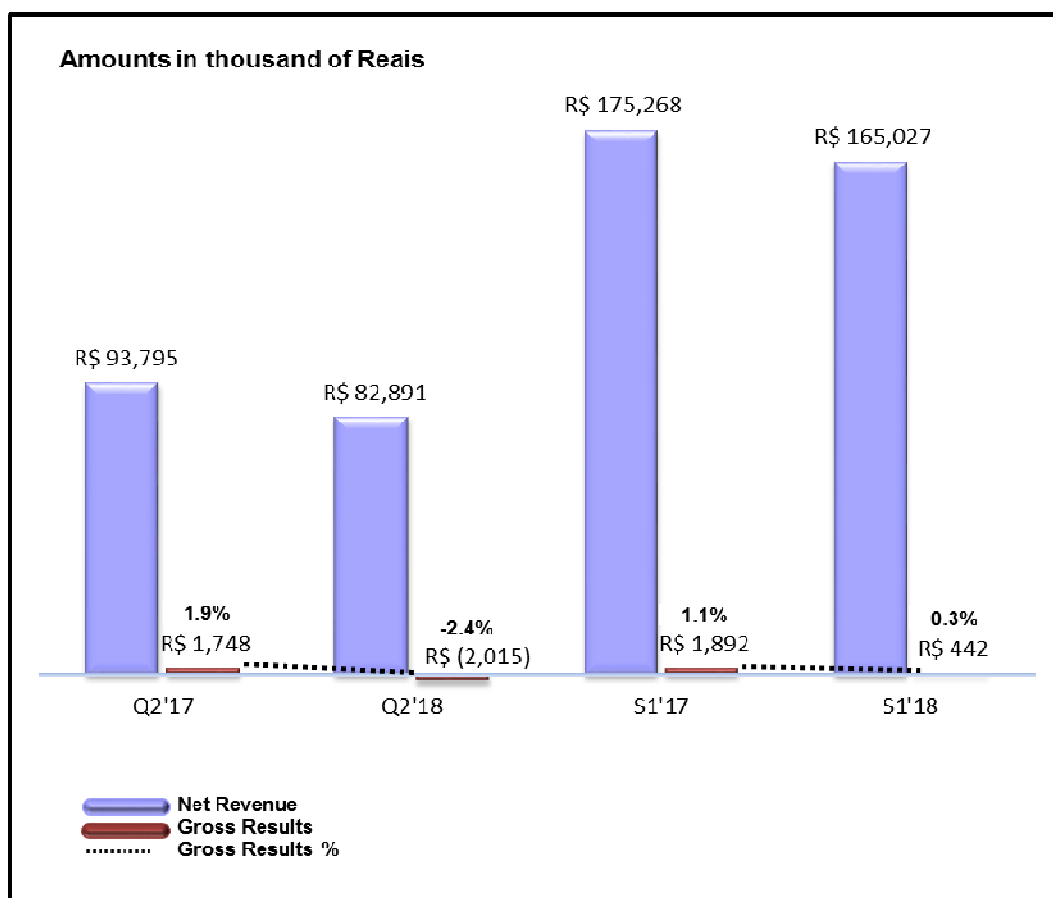
PLASCAR		
Gross Revenue		
1 st Semester of 2018	R\$	165,027
1 st Semester of 2017	R\$	175,268
Variation (%)		-5.8%



■ Bumpers
 ■ Dashboards
 ■ Door trim panels
 ■ Headlights
 ■ Grilles
 ■ Others

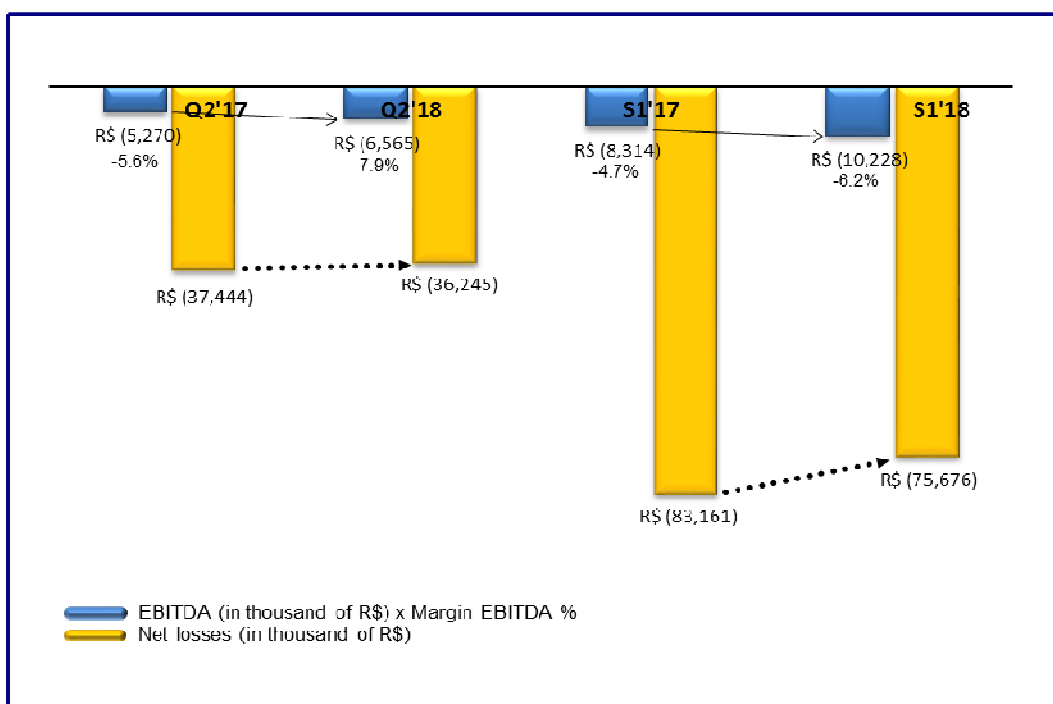
Gross Results vs. Gross Margin%

During first semester of 2018 the gross margin was positive 0.3% versus 1.1% in 2017.



EBITDA in R\$ vs. EBITDA%

The EBITDA in the first semester of 2018 amounted negative R\$ 10,228 thousand. The EBITDA margin was negative 6.2% in 2018 versus a negative 4.7% in 2017.



The net loss was R\$ 75,676 thousand in the first semester of 2018, versus a net loss of R\$ 83,161 in the same period of 2017.

Human Resources

Despite economic adversities in the country, and the needs for headcount cuts, the Company continues to invest in the professional development of its employees, with approximately 54.7 hours of learning and training per employee (in the last 12 months), focused on SENAI workshop, internships, technical training besides internal training, with technical and operational development.

In June 30, 2018, the Company had 1,761 employees (1,851 in June 30, 2017).

Disclaimer

We make statements about future events that are subject to risks and uncertainties. Such statements are based on the assumptions of our Management and information to which the Company currently has access. Statements about future events include information about our current intentions, beliefs or expectations, as well as those of the members of the Company's Board of Directors and Officers.

Statements and information about the future are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events, depending, therefore, on circumstances that may or may not occur. Future results and shareholder value creation may differ significantly from those expressed or implied by the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

Simplified financial statements

Assets

Statement of financial position

(in thousand of Reais)

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Current assets				
Cash and cash equivalents	-	11	196	1,128
Trade accounts receivable	-	-	15,942	25,844
Inventories	-	-	39,577	38,826
Recoverable taxes	-	-	995	856
Other assets	16	16	7,112	7,075
Total current	16	27	63,822	73,729
Non-current assets	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Other trade accounts receivable	-	-	3,857	3,857
Recoverable taxes	-	-	2,734	2,750
Judicial deposits	-	-	4,750	4,349
Property, plant and equipment	7	7	421,462	439,690
Related parties	-	-	228	-
Other assets	-	-	8,907	9,005
Total non-current	7	7	441,938	459,651
Total assets	23	34	505,760	533,380

Liabilities

Statement of financial position

(in thousand of Reais)

	Company		Consolidated	
	06/30/2018	21/31/2017	06/30/2018	21/31/2017
Current liabilities				
Loans and financing	-	-	395,829	370,963
Trade accounts payable	-	-	56,182	51,049
Accrued income taxes and other taxes	25	21	38,216	29,284
Accrued payroll and social charges	-	-	34,594	27,234
Advances from customers	-	-	84,884	82,296
related parties	-	-	-	59
Provision for investment losses	323,429	248,361	-	-
Other liabilities	-	-	82,273	70,281
Total current	323,454	248,382	691,978	631,166
Non-current liabilities	06/30/2018	21/31/2017	06/30/2018	21/31/2017
Provision for contingencies	-	-	6,059	9,636
Related parties	9,296	8,703	-	-
Accrued payroll and social charges	-	-	6,788	7,389
Deferred income taxes and social contribution	-	-	15,695	14,114
Accrued income taxes and other taxes	-	-	118,318	128,386
Other trade accounts payable	-	-	5	13
Total non-current	9,296	8,703	146,865	159,538
Equity				
Share capital	481,972	481,972	481,972	481,972
Capital reserve	-	22,269	-	22,269
Equity valuation adjustment	7,520	7,717	7,520	7,717
Accumulated losses	(822,219)	(769,009)	(822,219)	(769,009)
Attributable to controlling interest	(332,727)	(257,051)	(332,727)	(257,051)
Attributable to non-controlling interest	-	-	(356)	(273)
Total equity (negative equity)	(332,727)	(257,051)	(333,083)	(257,324)
Total liabilities and equity (negative equity)	23	34	505,760	533,380

Simplified financial statements

Statement of income
for the six months period ended June 30, 2018 and 2017
(in thousand of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Net revenue	-	-	165,027	175,268
Cost of goods sold	-	-	(164,585)	(173,376)
Gross revenue/(loss)	-	-	442	1,892
Operating income and expenses				
Selling expenses			(9,634)	(8,234)
General and administrative expenses	(605)	(553)	(21,258)	(24,721)
Equity-accounted investees results	(75,068)	(82,605)	-	-
Other operating income/expenses	-	-	71	1,482
Operating results	(75,673)	(83,158)	(30,821)	(31,473)
Operating results before financial results	(75,673)	(83,158)	(30,379)	(29,581)
Financial results				
Financial income	-	-	1,098	1,490
Financial expenses	(3)	(3)	(45,133)	(53,895)
	(3)	(3)	(44,035)	(52,405)
Results before income tax and social contribution	(75,676)	(83,161)	(74,414)	(81,986)
Income tax and social contribution				
Deferred	-	-	(1,345)	(1,266)
	-	-	(1,345)	(1,266)
Net loss	(75,676)	(83,161)	(75,759)	(83,252)
Attributable to:				
Non-controlling interest	-	-	(83)	(91)
Controlling interest	(75,676)	(83,161)	(75,676)	(83,161)
	(75,676)	(83,161)	(75,759)	(83,252)

Simplified financial statements

Cash flow for the six months period ended June 30, 2018 and 2017 (in thousand of Reais)

	Company		Consolidated	
	06/30/2018	06/30/2017	06/30/2018	06/30/2017
Cash flow from operating activities				
net loss before income tax and social contribution	(75,676)	(83,161)	(74,414)	(81,986)
Adjustment for net loss conciliation to cash generated by (used in)				
Operating activities:				
Depreciation and amortization	-	-	20,053	21,193
Loss on disposal of assets	-	-	60	515
Interest and currency fluctuation, net	-	-	41,852	51,580
Accrual/reversal of provision for judicial deposits	-	-	-	4,894
Accrual/reversal of provision for inventory adjustment to market and obsolescence	-	-	608	(550)
Accrual/reversal of allowance for doubtful accounts	-	-	586	-
Equity-accounted investees results	75,068	82,605	-	-
Others	4	2	-	-
(increase)/decrease in asset and liability accounts				
Trade accounts receivable	-	-	9,315	6,211
Inventory	-	-	(1,359)	1,319
Recoverable taxes	-	-	(123)	438
Other assets	-	-	290	(199)
Judicial depositis	-	-	-	-
Trade accounts payable	-	-	4,681	(306)
Payroll and social charges	-	-	5,878	15,182
Advances from customers	-	-	(629)	(2,419)
Income tax and other taxes	-	-	(5,444)	5,567
Provision for judicial deposits (payments)	-	-	(3,978)	(7,195)
Other trade accounts payable	-	-	9,203	10,327
Net cash generated by (used in) operating activities	(604)	(554)	6,579	24,571
Cash flow from investing activities				
Acquisition of property, plant and equipment and intangible assets	-	-	(1,885)	(3,634)
Proceeds from disposal of assets	-	-	-	14
Net increase in loans receivable from related parties	593	583	(287)	(978)
Net cash generated by (used in) investing activities	593	583	(2,172)	(4,598)
Cash flow from financing activities				
Payments of loans and financing (principal and interest)	-	-	(5,340)	(15,305)
Payments of reassessed taxes	-	-	-	(4,801)
Borrowing of loans	-	-	-	-
Net cash generated by (used in) financing activities	-	-	(5,340)	(20,106)
Net change in cash and cash equivalents	(11)	29	(933)	(133)
Cash and cash equivalents at the beginning of the period	11	8	1,128	459
Cash and cash equivalents at the end of the period	-	37	195	326
Net change in cash and cash equivalents	(11)	29	(933)	(133)