

Stock quote (09/30/18)

PLAS3 - R\$ 5.00 (*)

Market value in 09/30/18 – (MARKET CAP BOVESPA)

R\$ 24.9 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!

Gordiano Pessoa Filho
Finance Director and Investor
Relation Officer.
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Campinas, SP, October 31, 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 nine-month period of 2018. The Company's operating and financial information, except when otherwise indicated, is consolidated and monetary values are expressed in Brazilian Reais.

Third quarter 2018 Results:

- **Negative EBITDA of R\$ 16.8 million (Margin of -6.6%).**
- **Net revenue of R\$ 252.9 million.**
- **Gross margin of 0.8% (R\$ 1.9 million).**

Plascar	Results for the period		
	Amounts in thousand R\$		
	9M'18	9M'17	Var %
Gross sales	326,670	361,013	-9.5%
Net revenue	252,939	276,719	-8.6%
Gross profit	1,937	11,750	-83.5%
Gross margin %	0.8%	4.2%	-3.4p.p.
EBITDA (*)	(16,763)	(3,789)	-342.4%
Margin EBITDA %	(6.6%)	(1.4%)	-5.2p.p.
Net losses (*)	(141,457)	(118,268)	-19.6%

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

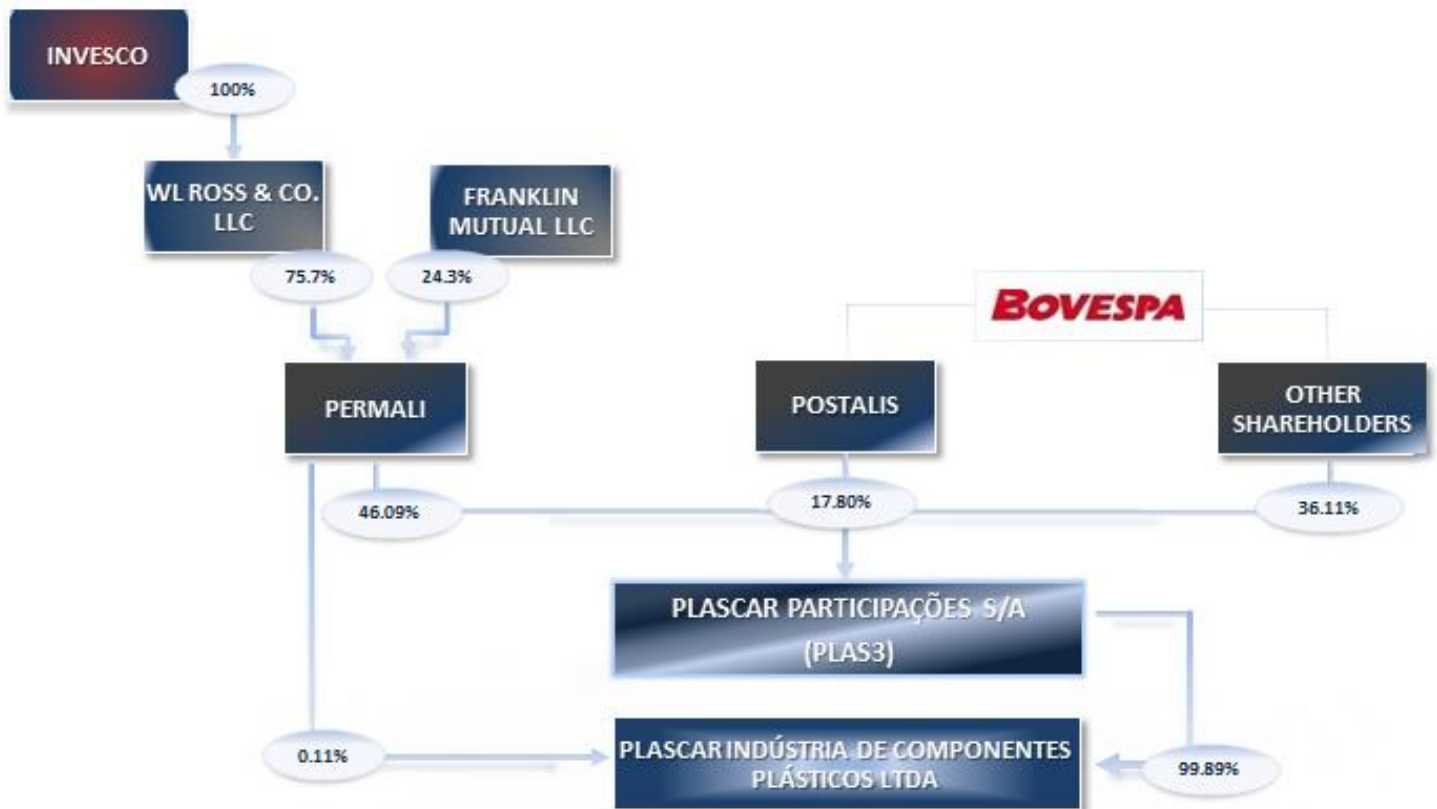
History

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 Permalí 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 first nine months of 2018 there was an increase of 14.0% in sales when compared to the same period of prior year.

Vehicle production during the first nine months of 2018 had an increase of 10.5% compared to the same period of 2017 (source: ANFAVEA). The Company's net revenue decrease was 8.6% on the comparative periods, reaching a positive gross margin of 0.8%.

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

SOURCE: ANFÁVEA – BRAZIL			
AUTOMOTIVE OUTLOOK	Acum. Jan to sep/17	Acum. Jan to sep18	VAR. %
PRODUCTION OF VEHICLES	1,986	2,195	10.5%
SALES OF VEHICLES	1,620	1,846	14.0%

Heated domestic market holds up production

The advance of higher-than-expected domestic sales is expected to save vehicle production this year, offsetting almost all the impact of the reduction in exports to Argentina, which has knocked down forecasts of a new record for foreign business. Still, shipment retraction is expected to cost almost a percentage point reduction in the expectation of plant growth in 2018.

Anfavea, an association of manufacturers installed in Brazil, cut slightly from 11.9% to 11.1% its expansion estimate compared to the volume produced in 2017. In new projections released on Thursday, 4, the entity estimates that all year round 3 million units will be manufactured, adding cars, light commercial vehicles, trucks and buses.

The biggest cut in the growth projection, a round percentage point, was for light vehicle production, which fell from 12% to 11%, with the forecast to produce 2.88 million cars and light commercial vehicles in the country this year. For trucks and buses, thanks to much greater domestic warming than expected, Anfavea has revised up its expansion forecast from 11.3% to 15.7%, with an estimated 120,000 trucks and buses in 2018.

In the accumulated nine months of the year, vehicle production in the country totaled almost 2.2 million units, up 10.5% over the same period last year. The isolated number of September, with 223,100 vehicles produced, signified a significant drop of 23.5% over August and a 6.3% decrease compared to the same month of 2017.

According to Antonio Megale, president of Anfavea, the sharp decline verified between one month and the other is explained by two factors: the first is that September had four working days less than August, which directly impacts the total produced, but is also a result of the sharp drop in exports. Still, Megale maintains that the 223,000 units manufactured, averaging 12,800 a working day, "is a good result, not a low number," he says.

Trucks confirm growth above expectations.

With sales up to September at 52,800 units and an increase of 49.2% over the same months last year, the truck market has led Anfavea, the manufacturers' association, to

revise its projections upwards. Instead of 79.5 thousand heavy vehicles (trucks plus buses) and a 24.7% increase over 2017, the entity now estimates 86 thousand and growth of 35%. Of this total, about 72,000 will be trucks

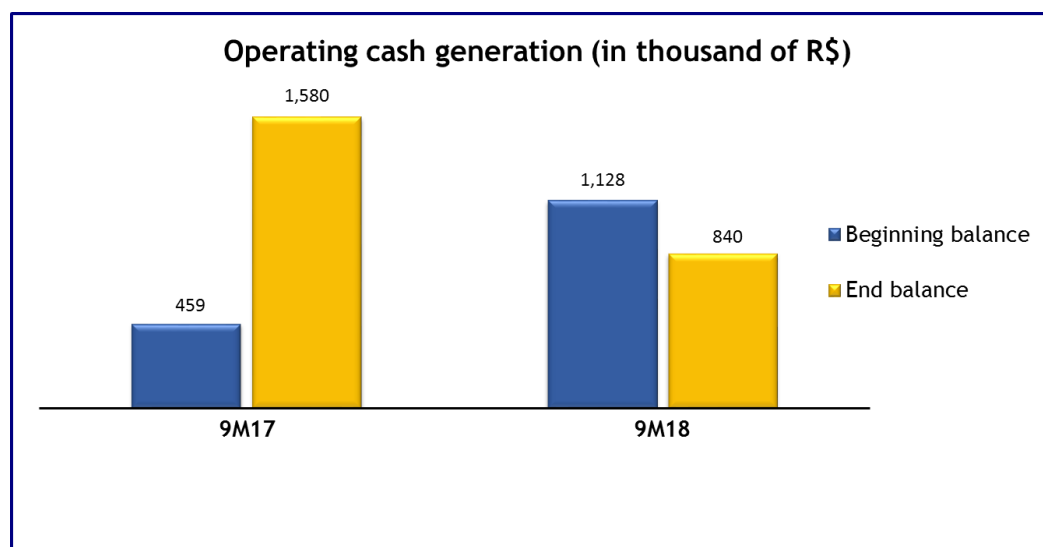
The September analysis showed a drop in sales compared to August, due to the lower number of business days (19, compared to 23), but the daily average of license plates increased by 9%. The management of Anfavea also attributes the resumption to the process of renewal of the fleet of large carriers. "They are pressured by costs and are looking for more modern and economical vehicles," estimates Anfavea president Antonio Megale

Fall on exports increase.

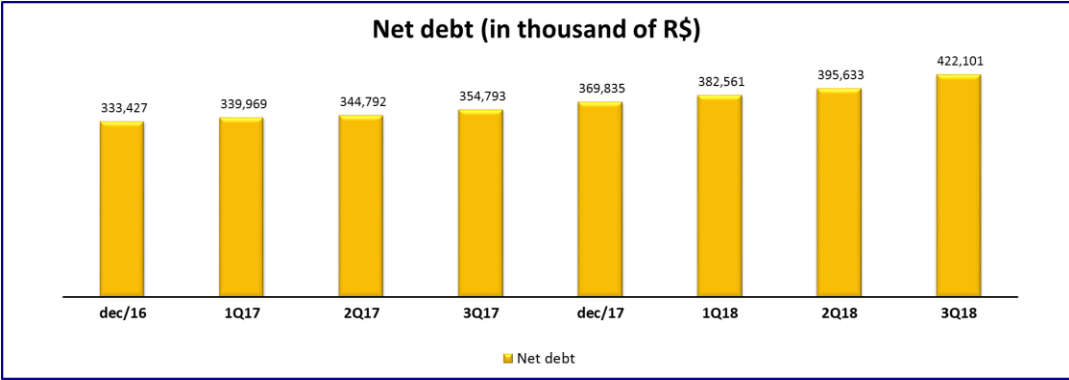
The sale of trucks to the foreign market also received negative influence from Argentina and forced Anfavea to revise its annual projection downwards. Instead of 37,300, the new forecast is 35,000 heavy vehicles and down 6.2%. In the accumulated until September, Brazil exported 20.5 thousand trucks, 4.5% less than in the inter-annual comparison (and 2.5 percentage points higher than the one registered until August).

In production, the new projection of Anfavea was revised upwards in just under 5 thousand units. Instead of 115,400, the manufacturers' association now estimates 120,000 heavy vehicles and a high of 15.7%.

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.

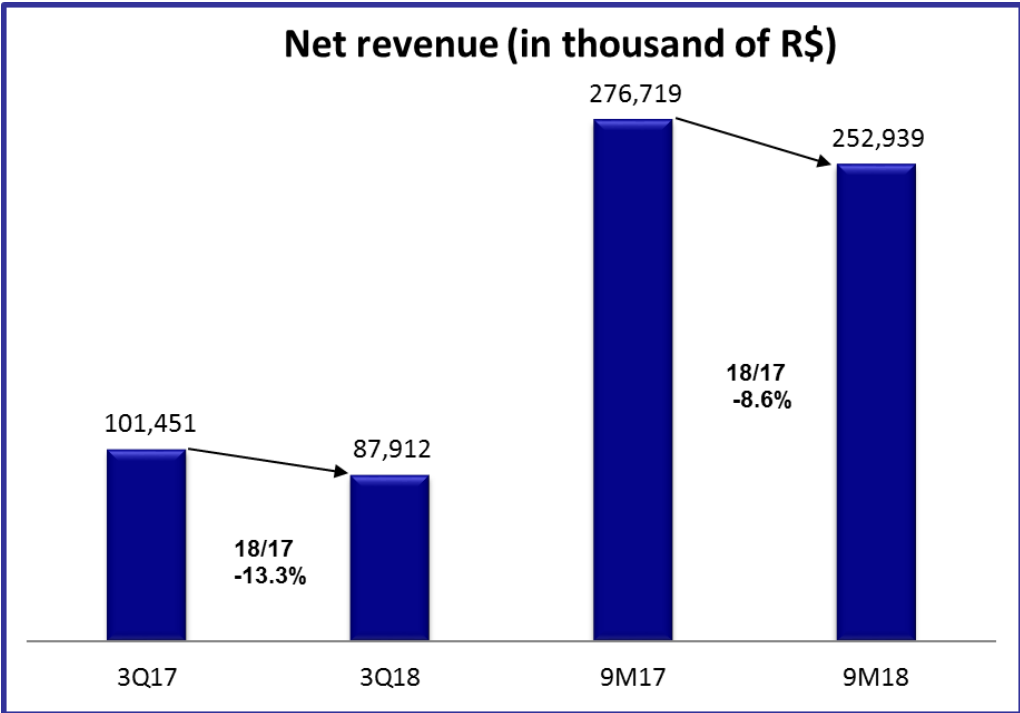


The Company has past-due bank contracts and has been negotiating directly with each of the banks, seeking the best way to equate the outstanding amounts, in what has been successful. In the face of ongoing negotiations and the Company's clear effort to renegotiate each of these contracts, no bank has yet to execute the overdue debt. There is no expectation of any execution by the Company. Additionally, on June 12, 2018, the Company, Plascar Indústria de Componentes Plásticos Ltda. together with the other subsidiaries, Permali do Brasil, International Automotive Components Group Brazil LLC, Capital Map (potential investor) and certain financial and non-financial creditors of Plascar, signed a non-binding "Summary of Principal Terms and Conditions for Restructuring of Plascar" ("Term Sheet"), with the objective of restructuring the existing debt of Plascar Ltda. through the entry of a new partner into the economic group of Plascar and restructuring of the existing debt for shares issued by a vehicle to be created to control the Company. This Term Sheet which had initial validity until October 31, 2018, was extended and its new maturity date became December 31, 2018 or until the parties sign the new debt restructuring bank contracts, whichever occurs first.

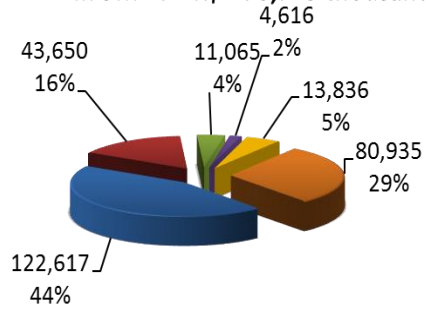


PLASCAR	
Gross sales	
9M'18	R\$ 326,670
9M'17	R\$ 361,013
Variation (%)	-9.5%

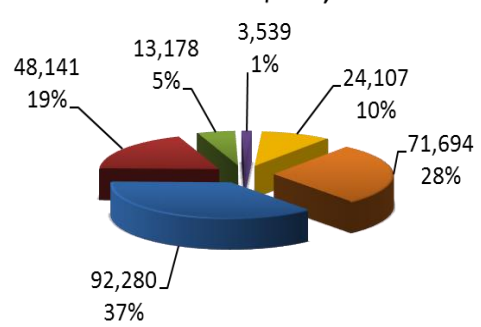
PLASCAR	
Net sales	
9M'18	R\$ 252,939
9M'17	R\$ 276,719
Variation (%)	-8.6%



**Net revenue breakdown
in 9M'17 - R\$ 276,719 thousand**



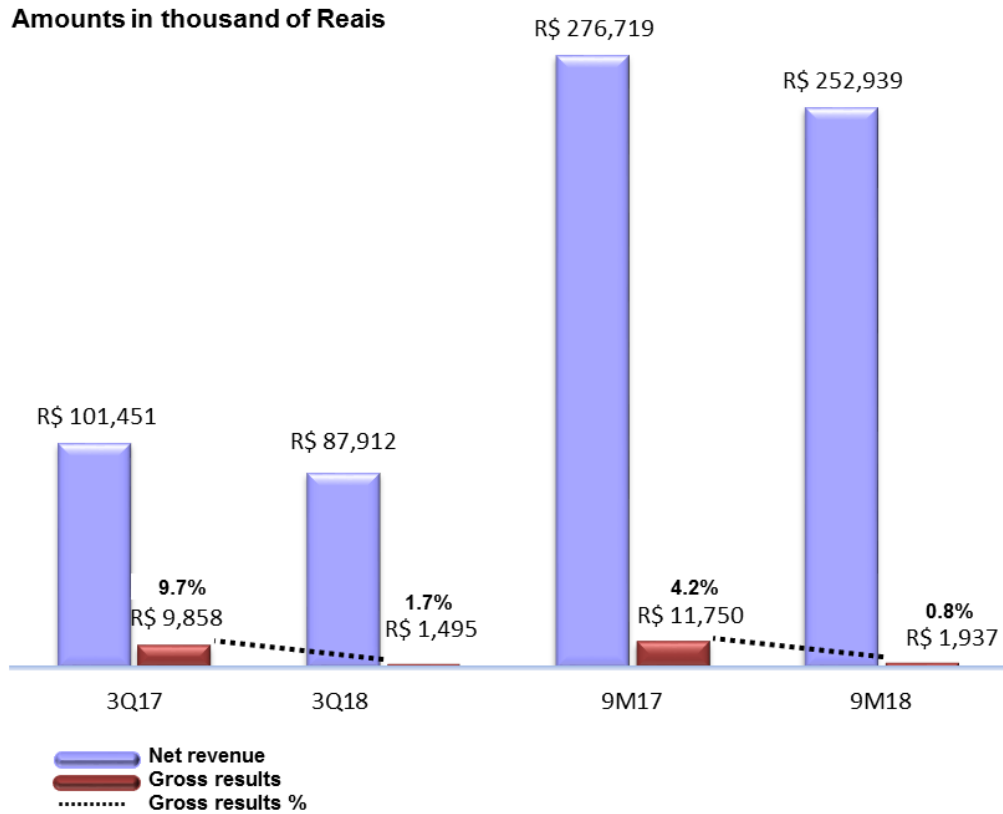
**Net revenue breakdown
in 9M'18 - R\$ 252,939 thousand**



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

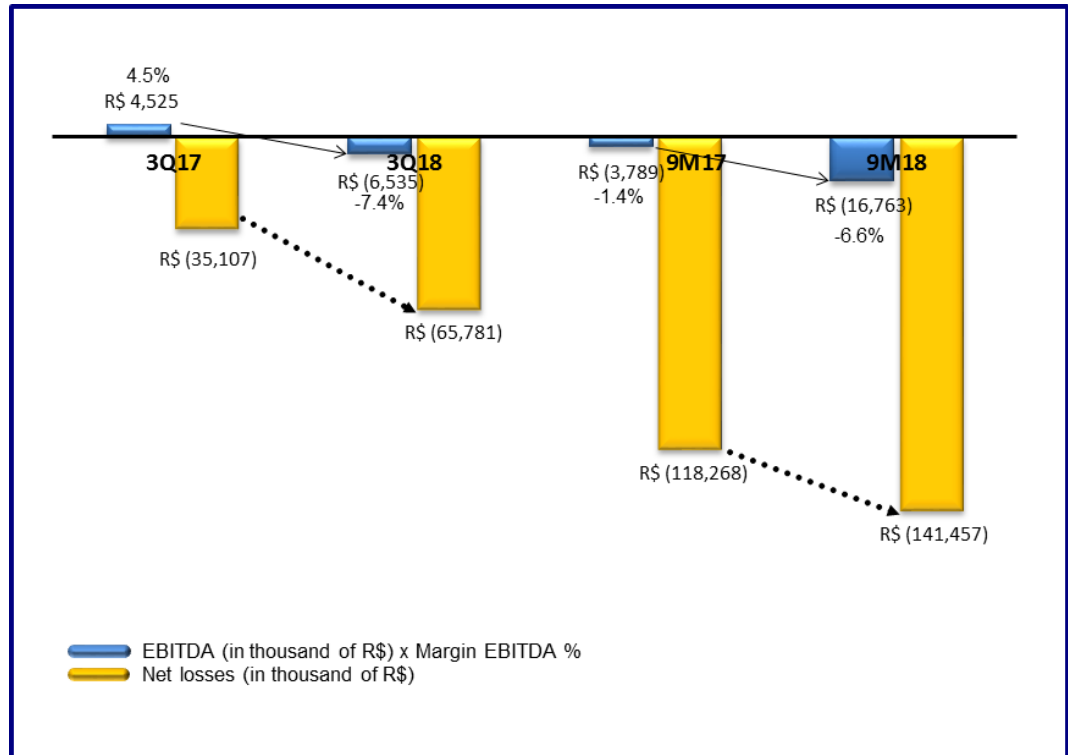
Gross Results vs. Gross Margin %

During first nine months of 2018 the gross margin was positive 0.8% versus 4.2% in 2017



EBITDA in R\$ vs. EBITDA%

The EBITDA in the first nine months of 2018 amounted negative R\$ 16,763 thousand. The EBITDA margin was negative 6.6% in 2018 versus a negative 1.4% in 2017



The net loss was R\$ 141,457 thousand in the first nine months of 2018, versus a net loss of R\$ 118,268 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 53.9 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 September 30, 2018, the Company had 1,798 employees (1,820 in September 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	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Current assets				
Cash and cash equivalents	1	11	840	1,128
Trade accounts receivable	-	-	21,477	25,844
Inventories	-	-	36,129	38,826
Recoverable taxes	-	-	1,032	856
Other assets	15	16	7,077	7,075
Total current	16	27	66,555	73,729
Non-current assets				
Other trade accounts receivable	-	-	3,857	3,857
Recoverable taxes	-	-	2,757	2,750
Judicial deposits	-	-	4,769	4,349
Property, plant and equipment	7	7	411,495	439,690
Related parties	-	-	2,390	-
Other assets	-	-	8,859	9,005
Total non-current	7	7	434,127	459,651
Total assets	23	34	500,682	533,380

Liabilities

Statement of financial position

(in thousand of Reais)

	Company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Current liabilities				
Loans and financing	-	-	422,941	370,963
Trade accounts payable	-	-	63,114	51,049
Accrued income taxes and other taxes	24	21	46,043	29,284
Accrued payroll and social charges	-	-	41,785	27,234
Advances from customers related parties	-	-	85,163	82,296
Provision for investment losses	388,890	248,361	-	-
Other liabilities	-	-	92,696	70,281
Total current	388,914	248,382	751,742	631,166
Non-current liabilities				
Provision for contingencies	-	-	6,539	9,636
Related parties	9,617	8,703	-	-
Accrued payroll and social charges	-	-	5,482	7,389
Deferred income taxes and social contribution	-	-	16,306	14,114
Accrued income taxes and other taxes	-	-	113,474	128,386
Other trade accounts payable	-	-	6,075	13
Total non-current	9,617	8,703	147,876	159,538
Equity				
Share capital	481,972	481,972	481,972	481,972
Capital reserve	-	22,269	-	22,269
Equity valuation adjustment	7,435	7,717	7,435	7,717
Accumulated losses	(887,915)	(769,009)	(887,915)	(769,009)
Attributable to controlling interest	(398,508)	(257,051)	(398,508)	(257,051)
Attributable to non-controlling interest	-	-	(428)	(273)
Total equity (negative equity)	(398,508)	(257,051)	(398,936)	(257,324)
Total liabilities and equity (negative equity)	23	34	500,682	533,380

Simplified financial statements

Statement of income

for the nine month period ended September 30, 2018 and 2017

(in thousand of Reais)

	Company		Consolidated	
	09/30/2018	09/30/2017	09/30/2018	09/30/2017
Net revenue	-	-	252,939	276,719
Cost of goods sold	-	-	(251,002)	(264,969)
Gross revenue/(loss)	-	-	1,937	11,750
Operating income and expenses				
Selling expenses	-	-	(15,358)	(12,581)
General and administrative expenses	(923)	(842)	(33,905)	(37,818)
Equity-accounted investees results	(140,529)	(117,422)	-	-
Other operating income/expenses	-	-	192	2,824
Operating results	(141,452)	(118,264)	(49,071)	(47,575)
Operating results before financial results	(141,452)	(118,264)	(47,134)	(35,825)
Financial results				
Financial income	-	-	1,956	2,035
Financial expenses	(5)	(4)	(93,953)	(78,820)
	(5)	(4)	(91,997)	(76,785)
Results before income tax and social contribution	(141,457)	(118,268)	(139,131)	(112,610)
Income tax and social contribution				
Deferred	-	-	(2,481)	(5,787)
	-	-	(2,481)	(5,787)
Net loss	(141,457)	(118,268)	(141,612)	(118,397)
Attributable to:				
Non-controlling interest	-	-	(155)	(129)
Controlling interest	(141,457)	(118,268)	(141,457)	(118,268)
	(141,457)	(118,268)	(141,612)	(118,397)

Cash flow

for the nine month period ended September 30, 2018 and 2017

(in thousand of Reais)

	Company		Consolidated	
	09/30/2018	09/30/2017	09/30/2018	09/30/2017
Cash flow from operating activities				
net loss before income tax and social contribution	(141.457)	(118.268)	(139.131)	(112.610)
Adjustment for net loss conciliation to cash generated by (used in)				
Operating activities:				
Depreciation and amortization	-	-	30.227	31.926
Loss on disposal of assets	-	-	159	528
Interest and currency fluctuation, net	-	-	87.461	74.885
Addition/reversal of provision for judicial deposits	-	-	(3.097)	-
Addition/reversal of provision for inventory adjustment to market and obsolescence	-	-	(1.016)	-
Accrual/reversal of allowance for doubtful accounts	-	-	935	-
Equity-accounted investees results	140.529	117.422	-	-
Others	4	3	-	-
(increase)/decrease in asset and liability accounts				
Trade accounts receivable	-	-	3.432	(5.415)
Inventory	-	-	3.713	1.390
Recoverable taxes	-	-	(184)	820
Other assets	-	-	(275)	(935)
Trade accounts payable	-	-	11.355	6.034
Payroll and social charges	-	-	11.182	(15.704)
Advances from customers	-	-	(2.134)	(14.703)
Income tax and other taxes	-	-	(6.284)	39.214
Provision for judicial deposits (payments)	-	-	-	(2.942)
Other trade accounts payable	-	-	13.403	13.367
Net cash generated by (used in) operating activities	(924)	(843)	9.746	15.855
Cash flow from investing activities				
Acquisition of property, plant and equipment and intangible assets	-	-	(2.191)	(4.908)
Net increase in loans receivable from related parties	914	836	(2.390)	(1.281)
Net cash generated by (used in) investing activities	914	836	(4.581)	(6.189)
Cash flow from financing activities				
Payments of loans and financing (principal and interest)	-	-	(5.394)	(20.754)
Borrowing of loans	-	-	-	12.209
Net increase in loans to receive from related parties	-	-	(59)	-
Net cash generated by (used in) financing activities	-	-	(5.453)	(8.545)
Net change in cash and cash equivalents	(10)	(7)	(288)	1.121
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	1	1	840	1.580
Net change in cash and cash equivalents	(10)	(7)	(288)	1.121