

EARNINGS RELEASE 3Q19

Curitiba, November 11, 2019 – RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the third quarter of 2019 (3Q19), including July, August, and September. The results are consolidated in accordance with the accounting criteria adopted in Brazil and International Financial Reporting Standards (IFRS). Comparisons in this report consider 3Q19 and proforma 3Q18 unless otherwise indicated.

Rumo 3Q19 and 9M19 Highlights

- 3Q19 EBITDA reached R\$1,206 million, 18.5% higher than Proforma 3Q18. EBITDA margin reached 58.6%, 4 p.p. higher than 3Q18. In 9M19, EBITDA grew 11.2% to R\$2,932 million, with 54.1% margin.
- Total transported volume in 3Q19 reached 17.4 billion RTK in 3Q19, 7.7% higher than in 3Q18, particularly driven by the operational performance in July, which allowed record transported volumes.
- Rumo posted a net income of R\$369 million in 3Q19, up 61% from 3Q18. Cash generation before funding and amortizations totaled R\$489 million in the quarter. Leverage decreased to 1.8x broad net debt/EBITDA.
- Capex totaled R\$390 million in 3Q19 and R\$1,366 million in 9M19.
- As of this quarter, Rumo reports results including the Central Network (North-South Railway). This consolidation, as reported in section 2, caused negative impacts of R\$12 million on EBITDA and R\$75 million on net income.

3Q19	3Q18 Proforma*	Chg.%	Summary of Financials (Amounts in BRL mln)	9M19	9M18 Proforma*	Chg.%
17,377	16,131	7.7%	Total transported volume (million RTK)	45,099	41,423	8.9%
3,100	3,468	-10.6%	Total volume loaded (TU '000)	8,548	8,615	-0.8%
2,060	1,877	9.7%	Net revenue	5,424	4,938	9.8%
822	717	14.6%	Gross profit	1,891	1,735	9.0%
39.9%	38.2%	1.7 p.p.	<i>Gross margin (%)</i>	34.9%	35.1%	-0.2 p.p.
(101)	(79)	27.7%	Sales, general and administrative expenses	(266)	(223)	19.2%
43	(1)	>100%	Other op. revenues (expenses) and equity pickup	25	(5)	>100%
763	637	19.9%	Operational profit	1,650	1,507	9.5%
443	381	16.1%	Depreciation and amortization	1,282	1,130	13.5%
1,206	1,018	18.5%	EBITDA	2,932	2,637	11.2%
58.6%	54.2%	4.4 p.p.	<i>EBITDA margin (%)</i>	54.1%	53.4%	0.7 p.p.
369	229	61.2%	Net profit (loss)	583	131	367.1%
17.9%	12.2%	5.7 p.p.	<i>Net margin (%)</i>	10.7%	2.5%	8.0 p.p.
390	551	-29.2%	Capex	1,366	1,593	-14.3%

*As detailed in section 1 - IFRS 16 Implementation.

Conference Call

English* - 2:00 p.m. (Brasília time)

*With simultaneous translation into Portuguese

November 12, 2019 (Tuesday)

Dial-in: +55 11 2820-4080

+55 11 3193-1080

Dial-in: (US): +1 646 828 8246

+1 646 291 8936

Password: RUMO

Investor Relations

E-mail: ir@rumolog.com

Phone: +55 41 2141-7555

Website: ri.rumolog.com



1. IFRS 16 Implementation

As of January 1, 2019, the Company implemented the Accounting Standard CPC 06 (R2)/IFRS 16, which introduced a unique model of accounting for leasing in the lessee's balance sheet. As a lessee, Rumo recognized the right to use assets representing its right to use underlying assets and leasing liabilities representing its obligation to pay for the lease. In its operational results, the Company no longer records leasing expenses by the amount incurred/paid and now records amortization expenses of the right-to-use and financial charges of interest rates over leasing liabilities.

Rumo opted to use the modified retrospective approach in which the cumulative effect of initial adoption is recognized as an adjustment to the opening balance of retained earnings as of January 1, 2019.

Given the option of a modified retrospective approach, 2018 comparative information has not been restated in the financial statements. To ensure comparison of the information contained herein, the Company will report the 2018 Proforma results under the same basis of the criteria adopted in 2019.

2018 Proforma Results (Comparable)

The reconciliation of information reported in 2018 and the Proforma information are summarized below:

Income Statement for the year	3Q18			2018		
	Reported	IFRS 16	Proforma	Reported	IFRS 16	Proforma
Amounts in BRL mln						
Net operating revenue	1,877	-	1,877	6,585	-	6,585
Cost of goods sold	(1,199)	39	(1,160)	(4,466)	152	(4,314)
Gross profit (loss)	678	39	717	2,119	152	2,272
<i>Gross margin (%)</i>	36.1%	-	38.2%	32.2%	n/a	34.5%
Sales, general and administrative expenses	(79)	-	(79)	(313)	-	(313)
Other op. revenues (expenses) and equity pickup	(1.2)	-	(1.2)	(56)	-	(56)
Operational profit	598	39	637	1,750	152	1,903
Depreciation and amortization	355	27	381	1,419	105	1,523
Provision for impairment West Network	-	-	-	72	-	72
EBITDA	953	66	1,018	3,241	257	3,498
<i>EBITDA Margin (%)</i>	0.0%	-	0.0%	49.2%	n/a	53.1%
Financial result	(258)	(40)	(297)	(1,209)	(159)	(1,368)
Income tax/social contribution	(112)	1	(111)	(269)	3	(266)
Net profit (loss)	229	(0)	229	273	(4)	269
<i>Net Margin (%)</i>	12.2%	-	12.2%	4.1%	n/a	4.1%

2. Recognition of Central Network Contract (North-South Railway)

On July 31, 2019, the Company signed the Central Network sub-concession contract, which ensures the right to explore the railway network for 30 years, as of that date. The R\$2,905 million referring to the auction amount was duly restated in accordance with contractual parameters and recorded as railway infrastructure **right-of-use**. The amount of R\$145 million, corresponding to 5% of the total amount, was paid upfront, as per contract. In addition, the first quarterly installment of R\$74.5 million was paid, and the balance as of September 30, 2019, totals R\$2,732 million in the **leasing** account (liabilities), which represents the present value of due installments, applying the contract's implicit rate.

Balance sheet (Amounts in BRL mln)	Position on September 30, 2019
Right of use	2,889
Leases	(2,732)

The consolidation of Central Network in the Company's results caused an impact of R\$12.2 million on EBITDA on account of general and administrative expenses for the quarter. Net income was impacted by R\$74.7 million, mainly referring to additional financial expenses and depreciation due to the contract, affecting August and September.

Impact on Results - Central Network (Amounts in BRL mln)	3Q19
Fixed costs and general and administrative expenses	12.2
Depreciation	16.1
Financial result	46.3
Total	74.7

When considering the Company's results, excluding the Central Network, EBITDA rose by 19.6% in 3Q19 to R\$1,218 million, with an EBITDA margin of 59.2%. Net income totaled R\$444 million, 94% higher than 3Q18.

3Q19 Adjusted ¹	3Q18 Proforma	Chg. %	Summary of Financial Information (Amounts in BRL mln)	9M19 Adjusted ¹	9M18 Proforma	Chg. %
2,060	1,877	9.7%	Net operating revenue	5,424	4,938	9.8%
838	717	16.8%	Gross profit	1,907	1,735	9.9%
40.7%	38.2%	2.5 p.p.	Gross Margin (%)	35.2%	35.1%	0.1 p.p.
(89)	(79)	12.3%	Sales, general and administrative expenses	(254)	(223)	13.8%
43	(1)	>100%	Other op. revenues (expenses) and equity pickup	24	(5)	>100%
792	637	24.3%	Operational profit	1,677	1,507	11.3%
427	381	11.9%	Depreciation and amortization	1,266	1,130	12.1%
1,218	1,018	19.7%	EBITDA	2,943	2,637	11.6%
59.2%	54.2%	5.0 p.p.	EBITDA Margin (%)	54.3%	53.4%	0.9 p.p.
444	229	93.9%	Net profit (loss)	658	131	>100%
21.5%	12.2%	9.3 p.p.	Net margin (%)	12.1%	2.7%	9.4 p.p.

Note¹: Excluding the effects of Central Network consolidation.

All the other sections of this Earnings Release include the Central Network, unless otherwise indicated.

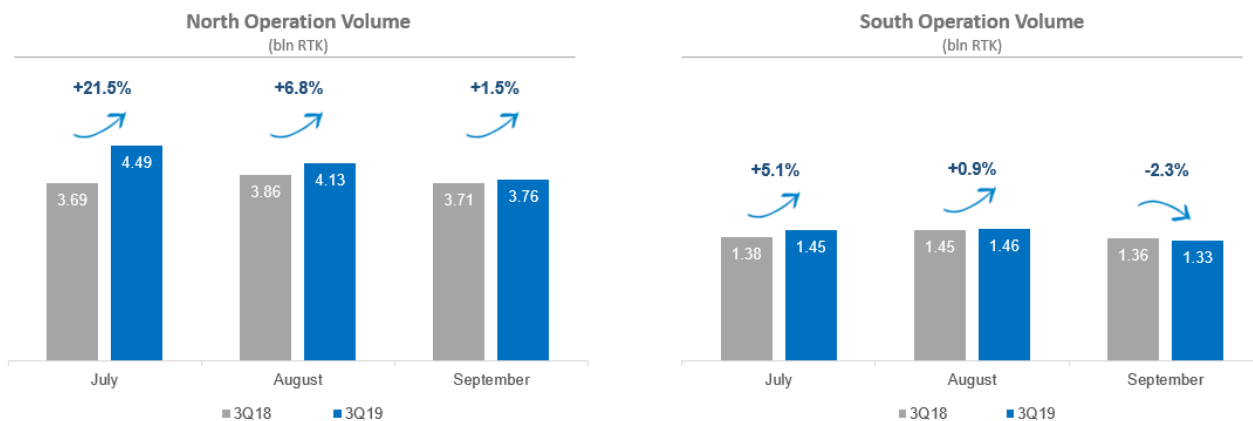
3. 3Q19 Executive Summary

Rumo's EBITDA reached R\$1,206 million in 3Q19, up 18.5% from Proforma 3Q18. In 9M19, EBITDA grew 11.2% reaching R\$2,932 million. This result reflects higher transported volumes and greater efficiency of costs and expenses. **Variable costs** only increased by 0.7% mainly due to efficiency on fuel consumption (Liters/GTK: -6.2%). In addition, the Company increased operational leverage, and despite volume growth, **fixed costs** only grew 4.3%. As a result, **EBITDA margin** reached 58.6% in 3Q19, 4 p.p. higher than 3Q18.

The volume transported by Rumo in 3Q19 grew 7.7% from 3Q18 to 17.4 billion RTK. In 9M19, volume stood at 45.1 billion RTK, up 8.9% from 9M18. Record corn crop combined with favorable business conditions bolstered exports throughout 3Q19. Especially in July, Rumo's excellent operational performance allowed transported volumes to a record of 6.2 billion RTK. In August, Rumo delivered a positive operational performance. In September, despite grain availability, the Company's operation was impacted by above-average rainfall at the ports and by operational constraints due to accidents. The Company remains committed to improving the efficiency and safety of its operations.

The **North Operation's** transported volume grew 10% in 3Q19, 22% in July alone. This increase was driven by **corn** and also **fertilizer** volumes, that reached 2 billion RTK in 9M19. The **South Operation's** transported volume rose 1%, mainly due to a 14% increase in **fuel** transportation. In 3Q19, soybean transported volume switched to corn compared to 3Q18, when soybean volumes typically increased on account of lower corn volumes in the market.

Volume growth in the quarter in the North and South Operations

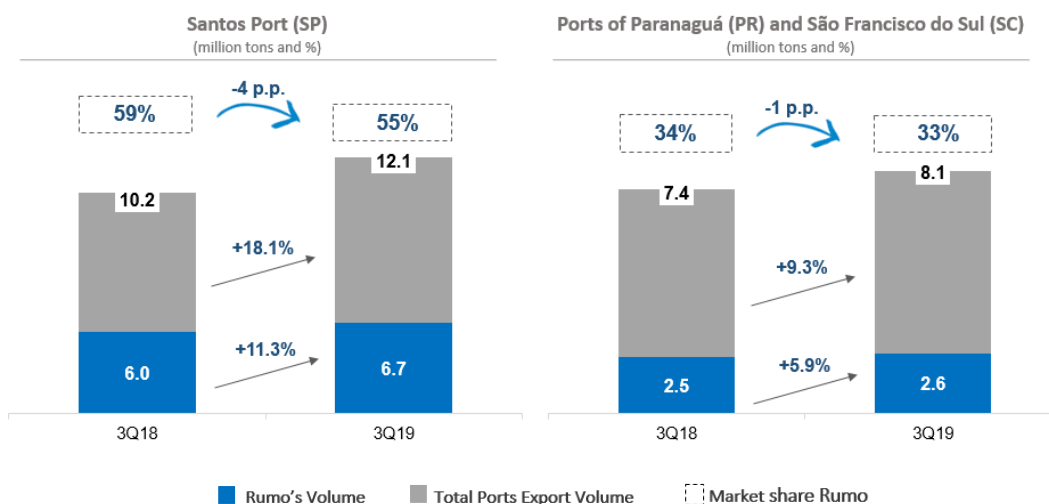


Source: Marine Agency and Rumo System.

Yields increased 4.6% year-over-year, reversing the unfavorable scenario of previous quarters, resulting in a gain of 1% in 9M19. The North, South, and Container operations had yield increases of 3.6%, 7.0%, and 6.7%, respectively, on the back of (i) seasonality, which got back on track; (ii) yield increases from 2018 to 2019; and (iii) a lower impact of fertilizer volume on average price, as 3Q18 already had transported volumes.

Rumo increased the volume of grains to the Port of Santos (SP) by 11%. Driven by favorable market conditions, exports grew 18% in 3Q19, exceeding North Operation's capacity. As a consequence, the Company's market share decreased 4 p.p. **Grain transportation to the ports of Paranaguá (PR) and São Francisco do Sul (SC)** increased by 6% from 3Q18, and exports grew by 9%, exceeding South Operation's capacity, causing a drop of 1p.p. on Rumo's market share.

Rumo's Volume and Market Share Evolution in Transportation at the Ports



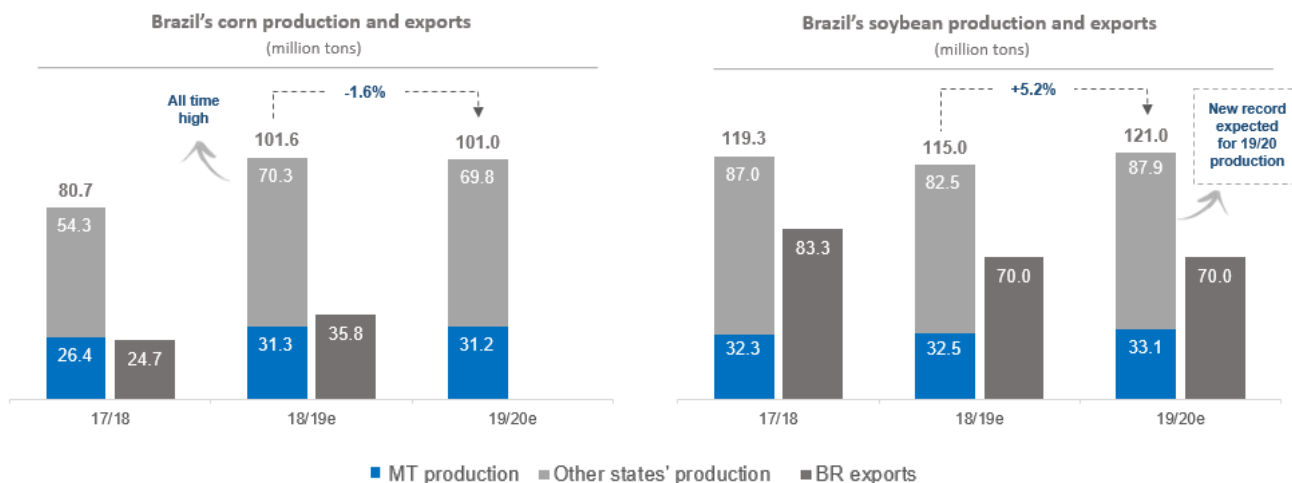
Source: Marine Agency.

Rumo's net income was R\$369 million in 3Q19, 61% higher than in 3Q18. In 9M19, net income totaled R\$583 million, versus R\$131 million in 9M18. A solid EBITDA and lower investments execution allowed positive cash generation performance and a decrease in the Company's leverage. Cash generation before funding and amortizations totaled R\$489 million in 3Q19, reversing a net loss of R\$127 million in 9M18 to a positive result of R\$406 million in 9M19. Thus, leverage stood at 1.8x broad net debt/EBITDA.

According to AgRural's analysis, a record corn crop of 35.8 million tons should result in record exports this year, though carryover stocks should still increase. Good corn availability, if combined with favorable market conditions, may boost Rumo's volumes in 4Q19, a period where transported volumes are more a function of the market than of Company's capacity.

Soybean forecasts for 2020, which already include preliminary planting data, indicate record soybean production in Brazil and in the State of Mato Grosso, and Brazilian exports should come in line with 2019. This scenario may result in higher volumes for Rumo, especially in the first three months of the crop, when commodity prices and demand for efficient logistics increase. Regarding corn, AgRural's projections indicate that production should come in line with this year's record figures, i.e., 101 million tons. However, there's still no data for either Brazilian exports or exports by state.

Evolution of soybean and corn production and export in Brazil



Source: AgRural and CONAB (Oct/19)
Note: (e) - Estimate.

4. Consolidated Operating and Financial Indicators

3Q19	3Q18 Proforma	Chg.%	Summary of Financial Information (Amounts in BRL mln)	9M19	9M18 Proforma	Chg.%
17,377	16,131	7.7%	Total transported volume (million RTK)	45,099	41,423	8.9%
14,464	13,367	8.2%	Agricultural products	37,094	34,126	8.7%
2,913	2,763	5.4%	Industrial products	8,005	7,297	9.7%
104.0	99.5	4.6%	Average transportation yield (R\$/000 RTK)²	103.5	102.5	1.0%
3,100	3,468	-10.6%	Total volume loaded (TU '000)	8,548	8,615	-0.8%
25.3	27.3	-7.3%	Average loading yield (R\$/TU)	25.6	26.5	-3.3%
2,060	1,877	9.7%	Net operating revenue	5,424	4,938	9.8%
1,808	1,604	12.7%	Transportation	4,670	4,247	10.0%
79	95	-17.1%	Port loading	219	228	-4.0%
173	178	-2.6%	Other ³	535	463	15.5%
1,206	1,018	18.5%	EBITDA	2,932	2,637	11.2%
58.6%	54.2%	4.4 p.p.	EBITDA Margin (%)	54.1%	53.4%	0.7 p.p.

Note²: Average transportation tariff including the final amount charged from customer (container), excluding take-or-pay and right-of-way.

Note³: Includes revenue from the right-of-way of other railways, revenue from sugar transportation using other railways, or road transportation and revenue from volumes contracted, but not executed, according to commercial agreements (take-or-pay).

Rumo's Transported Volume and Yield by Operation

3Q19	3Q18 Proforma	Chg.%	Operational Figures (Amounts in BRL MLN)	9M19	9M18 Proforma	Chg.%
17,377	16,131	7.7%	Total transported volume (million RTK)	45,099	41,423	8.9%
14,464	13,367	8.2%	Agricultural products	37,094	34,126	8.7%
1,372	2,313	-40.7%	Soybean	14,587	16,654	-12.4%
1,635	1,520	7.5%	Soybean meal	5,006	4,777	4.8%
9,751	7,876	23.8%	Corn	12,978	8,921	45.5%
797	1,006	-20.8%	Sugar	1,982	2,649	-25.2%
909	640	42.2%	Fertilizers	2,494	1,068	133.6%
-	12	0.0%	Wheat	48	57	-17.3%
2,913	2,763	5.4%	Industrial products	8,005	7,297	9.7%
1,304	1,260	3.5%	Fuels	3,549	3,387	4.8%
604	603	0.2%	Wood, pulp, and paper	1,770	1,532	15.5%
758	677	12.0%	Containers	2,018	1,713	17.8%
247	224	10.2%	Other	668	665	0.4%

3Q19	3Q18	Chg.	Yield by Operation	9M19	9M18	Chg.
North Operation						
105.6	102.0	3.6%	Yield (BRL/000 RTK)	104.6	105.8	-1.1%
71.2%	69.8%	1.4 p.p.	% Volume	71.4%	69.1%	2.3 p.p.
South Operation						
100.6	94.1	7.0%	Yield (BRL/000 RTK)	101.4	95.9	5.8%
24.4%	26.0%	-1.6 p.p.	% Volume	24.1%	26.8%	-2.7 p.p.
Container Operation						
97.2	91.2	6.7%	Yield (BRL/000 RTK)	97.5	91.6	6.5%
4.4%	4.2%	0.2 p.p.	% Volume	4.5%	4.1%	0.4 p.p.
Consolidated						
104.0	99.5	4.6%	Yield (BRL/000 RTK)	103.5	102.5	1.0%

Results by Business Unit

Business Units

The business units (reporting segments) are organized as follows:

- **North Operation** North Network, Paulista Network, and Port Operation in Santos
- **South Operation** West Network and South Network
- **Container Operation** Container operations, including Brado Logística
- **Central Operation¹** Central Operation, under the pre-operating phase

Results by Business Unit 3Q19	North Operation	South Operation	Container Operations	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	12,376	4,242	758	17,377	-	17,377
Net revenue	1,546	434	80	2,060	-	2,060
Cost of services	(782)	(361)	(80)	(1,223)	(15)	(1,238)
Gross profit (loss)	764	73	0	837	(15)	822
Gross margin (%)	49.4%	16.8%	-0.4%	40.6%	n/a	39.9%
Sales, general and administrative expenses	(63)	(17)	(9)	(89)	(13)	(101)
Other operating revenues (expenses) and equity	26	15	2	43	0	43
Depreciation and amortization	273	135	19	427	16	443
EBITDA	1,000	205	12	1,218	(12)	1,206
EBITDA margin (%)	64.7%	47.3%	14.9%	59.1%	n/a	58.6%

Results by Business Unit 9M19	North Operation	South Operation	Container Operations	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	32,191	10,890	2,018	45,099	-	45,099
Net revenue	4,070	1,134	219	5,424	-	5,424
Cost of services	(2,202)	(1,074)	(240)	(3,517)	(15)	(3,532)
Gross profit (loss)	1,868	61	(21)	1,906	(15)	1,891
Gross margin (%)	45.9%	5.2%	-9.6%	35.1%	n/a	34.9%
Sales, general and administrative expenses	(187)	(40)	(27)	(254)	(13)	(267)
Other operating revenues (expenses) and equity	13	8	4	25	0	25
Depreciation and amortization	785	421	60	1,266	16	1,282
EBITDA	2,478	450	16	2,943	(12)	2,932
EBITDA margin (%)	60.9%	39.6%	7.4%	54.3%	n/a	54.1%

¹ The section of Central Operation will not be reported, as this unit is under pre-operating phase, and currently there's only information on costs.

North Operation

3Q19	3Q18 Proforma	Chg. %	Operational figures	9M19	9M18 Proforma	Chg. %
12,376	11,264	9.9%	Total transported volume (million RTK)	32,191	28,624	12.5%
11,366	10,249	10.9%	Agricultural products	29,342	25,961	13.0%
428	349	22.8%	Soybean	10,559	11,045	-4.4%
1,440	1,379	4.4%	Soybean meal	4,500	4,392	2.5%
8,511	7,701	10.5%	Corn	11,301	8,572	31.8%
277	369	-24.9%	Sugar	994	1,357	-26.8%
710	452	57.1%	Fertilizers	1,989	594	234.7%
1,010	1,015	-0.5%	Industrial products	2,849	2,663	7.0%
654	693	-5.6%	Fuels	1,803	1,866	-3.4%
356	322	10.6%	Other	1,046	797	31.2%
105.6	102.0	3.6%	<i>Average transportation yield (R\$/RTK x 1000)</i>	104.6	105.8	-1.1%
3,100	3,468	-10.6%	Total volume loaded (TU '000)	8,548	8,615	-0.8%
25.3	27.3	-3.8%	<i>Average loading yield (BRL/TU)</i>	25.6	26.5	-0.5%

In 3Q19, total volume transported by North Operation reached 12.4 billion RTK, up 9.9% from 3Q18. In 9M19, it grew 12.5%, reaching 32.2 billion RTK. July saw a 22% increase in transported volumes due to excellent operational performance, and the North Operation hit its historical record. August was up 7% year-over-year and, in September, volume was impacted by above-average rainfall at the Port of Santos and operational constraints. Agricultural volumes rose by 10.9% on the back of strong corn volumes and fertilizers, that grew 57%. Industrial products fell 0.5% due to a 5.6% decrease in fuel transportation. Port loading decreased 10.6% due to an unfavorable scenario for sugar exports.

3Q19	3Q18 Proforma	Chg. %	Financial Data (Amounts in BRL mln)	9M19	9M18 Proforma	Chg. %
1,546	1,406	10.0%	Net operating revenue	4,070	3,670	10.9%
1,307	1,148	13.8%	Transportation	3,368	3,027	11.3%
1,203	1,055	14.0%	Agricultural products	3,086	2,784	10.8%
104	93	11.9%	Industrial products	283	243	16.3%
79	95	-17.1%	Port loading	219	228	-4.0%
160	162	-1.2%	Other revenues ⁴	483	414	16.6%
(782)	(737)	6.1%	Cost of services	(2,202)	(1,997)	10.3%
(328)	(326)	0.6%	Variable costs	(917)	(809)	13.4%
(181)	(167)	8.5%	Fixed costs	(506)	(458)	10.5%
(272)	(244)	11.7%	Depreciation and amortization	(778)	(730)	6.6%
764	668	14.3%	Gross profit	1,868	1,673	11.7%
49.4%	47.6%	3.9%	<i>Gross margin (%)</i>	45.9%	45.6%	0.7%
(63)	(57)	11.1%	Sales, general and administrative expenses	(187)	(158)	17.9%
26	3	686.2%	Other op. revenues (expenses) and equity pickup	13	7	85.0%
273	245	11.4%	Depreciation and amortization	785	735	6.4%
1,000	861	16.3%	EBITDA	2,478	2,256	9.8%
64.7%	61.2%	3.5 p.p.	<i>EBITDA margin (%)</i>	60.9%	61.5%	-1.4 p.p.

Note⁴: Includes revenue for the right-of-way of other railroads, revenue from sugar transportation using other railroads or the road method, and revenue for contracted and unrealized volumes under take-or-pay agreements.

EBITDA totaled R\$1,000 million in 3Q19, up 16.3% from Proforma 3Q18. In 9M19, EBITDA reached R\$2,478 million, up 9.8% from 9M18. Net revenue from transportation grew 13.8% on the back of volume and yield. Variable costs only increased 0.6%, reinforcing efficiency gains and a decrease in fuel consumption (Liters/GTK: -6.0%). Fixed costs grew 8.5% from 3Q18 due to higher maintenance expenses. As a result, EBITDA margin reached 64.7% in the quarter, 3.5 p.p. higher than in 3Q18.

South Operation

3Q19	3Q18 Proforma	Chg. %	Operational Figures	9M19	9M18 Proforma	Chg. %
4,242	4,189	1.3%	Transported volume (million RTK)	10,890	11,086	-1.8%
3,097	3,118	-0.7%	Agricultural products	7,752	8,165	-5.1%
943	1,964	-52.0%	Soybean	4,028	5,609	-28.2%
195	141	38.0%	Soybean meal	506	385	31.4%
1,239	175	606.3%	Corn	1,677	349	381.0%
520	637	-18.4%	Sugar	988	1,292	-23.5%
200	188	6.4%	Fertilizers	505	474	6.7%
-	12	-100.0%	Other	48	57	-17.3%
1,145	1,071	6.9%	Industrial products	3,138	2,920	7.5%
650	567	14.7%	Fuel	1,746	1,521	14.8%
248	281	-11.7%	Wood, pulp, and paper	724	734	-1.4%
247	224	10.2%	Other	668	665	0.4%
100.6	94.1	7.0%	<i>Average transportation yield</i>	101.4	95.9	5.8%

The South Operation saw a 1.3% increase in 3Q19 transported volume. In 9M19, it dropped to 10.9 billion RTK, down 1.8%. This performance is mainly explained by a 15% increase in fuel transportation. The weaker performance of agricultural products reflects an unfavorable scenario for sugar trading. In 3Q19, soybean transported volume switched to corn volumes compared to 3Q18, when atypically soybean volumes increased due to lower corn volumes in the market

3Q19	3Q18 Proforma	Chg. %	Financial data (Amounts in BRL mln)	9M19	9M18 Proforma	Var. %
434	400	8.4%	Net operating revenue	1,134	1,078	5.3%
427	394	8.3%	Transportation	1,105	1,063	3.9%
299	282	6.1%	Agricultural products	756	752	0.6%
128	112	13.8%	Industrial products	349	311	12.1%
7	6	14.3%	Other revenues ⁵	30	15	99.3%
(361)	(347)	4.1%	Cost of services	(1,074)	(985)	9.0%
(94)	(99)	-4.8%	Variable costs	(259)	(270)	-3.9%
(133)	(128)	3.5%	Fixed costs	(394)	(369)	6.7%
(134)	(120)	12.0%	Depreciation and amortization	(421)	(347)	21.4%
73	53	36.8%	Gross profit (loss)	61	93	-34.6%
16.8%	13.3%	3.5 p.p.	<i>Gross margin (%)</i>	5.3%	8.6%	-3.3 p.p.
(17)	(16)	10.2%	Sales, general and administrative expenses	(40)	(47)	-13.5%
15	(5)	-406.5%	Other op. revenues (expenses) and equity pickup	8	(19)	-145.2%
135	120	12.0%	Depreciation and amortization	421	347	21.4%
205	153	34.5%	EBITDA	450	374	20.3%
47.3%	38.1%	9.2 p.p.	<i>EBITDA margin (%)</i>	39.6%	34.7%	4.9 p.p.

Note⁵: Includes revenue from volumes contracted, but not executed according to commercial agreements (take-or-pay)

EBITDA totaled R\$205 million in 3Q19, up 34.5% from Proforma 3Q18. In 9M19, EBITDA grew by 20.2% from 9M18, totaling R\$450 million. Net revenue rose by 8.4%, mainly on the back of higher industrial products volume and higher yields. Variable costs dropped 4.8%, on the back of lower fuel consumption (Liters/GTK: -4.9%), despite steady volumes. Fixed costs were up only 3.5% from 3Q18, reflecting good cost management, mitigating the impact of a R\$6 million payroll exemption. As a result, EBITDA margin reached 47.3% in 3Q19.

Container Operation

3Q19	3Q18 Proforma	Chg. %	Operational figures	9M19	9M18 Proforma	Chg. %
23,066	18,495	24.7%	Total volume (containers)	60,568	48,319	25.3%
97.2	91.2	6.7%	<i>Intermodal average yield (BRL/000 RTK)</i>	97.5	91.6	6.5%
758	677	12.0%	Total volume (million RTK)	2,018	1,713	17.8%

Container Operation volume was up 12% from 3Q18. In 9M19, volume grew 17.8% from 9M18. The business strategy of taking advantage of return freights to increase transportation volumes in the domestic market and import cargoes has been increasing container operations profitability.

3Q19	3Q18 Proforma	Chg. %	Financial Data (Amounts in BRL mln)	9M19	9M18 Proforma	Chg. %
80	71	11.8%	Net operating revenue⁶	219	191	14.6%
74	62	19.5%	Transportation	197	157	25.5%
6	9	-38.5%	Other revenues	22	34	-34.9%
(80)	(76)	5.3%	Cost of services	(240)	(221)	8.7%
(36)	(30)	20.2%	Variable costs	(102)	(82)	25.1%
(26)	(31)	-14.4%	Fixed costs	(79)	(92)	-13.7%
(18)	(15)	16.2%	Depreciation and amortization	(58)	(47)	23.8%
0	(5)	-93.7%	Gross loss	(21)	(30)	-29.5%
-0.4%	-6.5%	14.5 p.p.	<i>Gross margin (%)</i>	-9.6%	-15.6%	6 p.p.
(9)	(6)	38.0%	Sales, general and administrative expenses	(27)	(19)	38.5%
2	1	187.4%	Other op. revenues (expenses) and equity pickup	4	7	-51.9%
19	16	17.7%	Depreciation and amortization	60	48	24.6%
12	6	>100.0%	EBITDA	16	7	>100.0%
14.9%	7.9%	7 p.p.	<i>EBITDA Margin (%)</i>	7.3%	3.5%	3.8 p.p.

Note⁶: Includes revenue from service units.

EBITDA from Container Operations in 3Q19 more than doubled year-over-year, totaling R\$12 million. Net revenue from transportation increased 19.5% due to a 12.0% volume growth and a 6.7% yield gain. Other revenue decreased by R\$3 million due to the selling of deficits service units in 3Q18, which, on the other hand, reduced fixed costs by 14.4%. Variable costs increased 20% due to (i) a 12% volume growth of RTK and (ii) higher expenses with road transportation, which are passed on tariffs.

5. Other Results

Breakdown of Costs of Services Rendered

3Q19	3Q18 Proforma	Chg. %	Consolidated Costs (Amounts in BRL mln)	9M19	9M18	Chg. %
(1,238)	(1,160)	6.7%	Consolidated costs	(3,532)	(3,203)	10.3%
(458)	(455)	0.7%	Variable costs	(1,279)	(1,161)	10.2%
(271)	(271)	0.0%	Fuel and lubricants	(740)	(717)	3.2%
(98)	(65)	50.8%	Own logistics costs ⁷	(257)	(168)	53.0%
(88)	(118)	-25.4%	Third-party freight costs ⁸	(282)	(275)	2.5%
(340)	(326)	4.2%	Fixed costs	(977)	(919)	6.3%
(36)	(33)	9.1%	Maintenance	(109)	(95)	14.7%
(194)	(175)	10.9%	Payroll expenses	(572)	(515)	11.1%
(41)	(45)	-8.9%	Third-party services	(118)	(127)	-7.1%
(68)	(72)	-5.6%	Other operational costs	(179)	(182)	-1.6%
(441)	(379)	16.4%	Depreciation and	(1,276)	(1,123)	13.6%

Note⁷: Own logistics costs include sand, right-of-way, terminals, and other variable costs.

Note⁸: Third-party freight costs include road and railroad carriers contracted from other concessionaires.

Variable costs totaled R\$458 million in 3Q19, only 0.7% higher than in 3Q18. In 9M19, variable costs increased 10.3%. In 3Q19, diesel and lubricant expenses did not increase, and a higher volume was offset by efficiency gains in locomotives' fuel consumption (Liters/GTK: -6.2%). Own logistics costs grew due to: (i) an additional cost of R\$5.9 million at terminals resulting from higher fertilizer volumes in the North Operation; (ii) higher right-of-way expenses of R\$6.5 million due to higher volume and inflation; and (iii) rolling stock rental of R\$13.1 million to support additional volume in the second half of 2019.

Fixed costs totaled R\$340 million in 3Q19, 4.3% higher than in 3Q18. In 9M19, fixed costs increased 6.3%. Personnel expenses were impacted at R\$6 million by the end of payroll exemption and inflation. Costs referring to depreciation and amortization grew 16.4% year-over-year due to executed investments and the addition of R\$16.2 million regarding the amortization of the right-of-use of Central Network's sub-concession contract.

Financial Results

3Q19	3Q18 Proforma	Chg. %	Financial results (Amounts in BRL mln)	9M19	9M18 Proforma	Chg. %
(162)	(189)	-14.3%	Cost of bank debt ⁹	(486)	(779)	-37.6%
(101)	(56)	80.8%	Charges over leasing	(237)	(209)	13.5%
-	(1)	-100%	Charges on certificates of real estate receivables	-	(5)	-100%
41	41	-1.3%	Interest Income	113	144	-21.8%
(223)	(205)	8.7%	(=) Cost of broad net debt	(610)	(849)	-28.1%
(49)	(48)	2.2%	Monetary variation on liabilities of concessions	(147)	(141)	4.9%
(18)	(20)	-7.8%	Rates on contingencies and contracts	(66)	(68)	-3.9%
(10)	(25)	-59.6%	Other financial expenses	(60)	(129)	-53.5%
(300)	(298)	0.8%	(=) Financial result	(883)	(1.187)	-25.6%

Note⁹: Includes interest, monetary variation, net derivative income, and other debt charges.

The financial result in 3Q19 was a net expense of R\$300 million, in line with 3Q18. Banking debt costs decreased significantly, mainly due to future interest curve reduction (positive mark-to-market impact of R\$28.1 million in 3Q19 compared to R\$4.6 million in 3Q18), and a decrease in gross debt and the average cost of debt. Charges over leasing increased due to the inclusion of interest rates on installments referring to the Central Network. Interest income yields fell 1.3% due to reduced CDI interest rate quarter-over-quarter. The monetary variation on leasing and concession agreements reflects the SELIC interest rate adjustment to the unpaid concession amounts of the West and Paulista Networks, which are currently under litigation. Other financial expenses include bank collaterals and other financial operations.

Income Tax and Social Contribution

3Q19	3Q18	Chg. %	Income Tax and Social Contribution (Amounts in BRL mln)	9M19	9M18	Chg. %
463	340	36.1%	Income before IT / SC	766	329	>100%
34%	34%	0 p.p.	Theoretical rate IR / SC	34%	34%	0 p.p.
(157)	(116)	36.1%	Theoretical income (expense) with IT / SC	(261)	(112)	>100%
Adjustments to calculate the effective rate						
(12)	(19)	-34.4%	Tax losses and temporary differences not recognized ¹⁰	(80)	(80)	0.1%
66	11	>100%	Tax incentives arising from the North network ¹¹	138	-	>100%
3	2	19.1%	Equity pickup	6	3	93.7%
7	9	-22.2%	Other effects	13	(4)	>100%
(94)	(112)	-15.8%	Income (expense) with IT / SC	(184)	(193)	-4.5%
-20.3%	-32.9%	12.5 p.p.	Effective rate (%)	-24.0%	-58.7%	34.6 p.p.
(74)	(22)	>100%	IT/SC current	(117)	(30)	>100%
(20)	(90)	-77.3%	IT/SC deferred	(67)	(162)	-58.9%

Note¹⁰: Deferred income tax and social contribution on tax losses in certain companies were not recorded due to the lack of prospects for future taxable income.

Note¹¹: North Network enjoys the Amazon Development Office (SUDAM) benefit that entitles it to a 75% reduction in corporate income tax (rate of 25%) until 2023.

6. Loans and Financing

Broad gross debt at the end of 3Q19 was R\$11.4 billion, up 1.8% from 2Q19. Rumo reduced leverage, which stood at 1.8x (broad net debt/EBITDA). The balance of broad net debt was R\$6.9 billion, 5.7% lower than in 2Q19.

Total Indebtedness (Amounts in BRL mln)	3Q19	2Q19	Chg%
Commercial banks	296	290	2.0%
NCE	505	507	-0.4%
BNDES	3,245	3,431	-5.4%
Debentures	1,194	1,171	2.0%
Senior notes 2024 and 2025	5,660	5,266	7.5%
Total bank debt	10,899	10,666	2.2%
Leases ¹²	457	489	-6.6%
Total broad gross debt	11,356	11,155	1.8%
Cash and cash equivalents and securities ¹³	(2,659)	(2,620)	1.5%
Net derivative instruments	(1,816)	(1,249)	45.5%
Total broad net debt	6,880	7,287	-5.6%
EBITDA LTM ¹⁴	3,794	3,606	5.2%
Leverage (broad net debt / EBITDA LTM)	1.8x	2.0x	-10.4%

Note¹²: Excludes operating lease IFRS 16.

Note¹³: In 2Q19, it includes restricted cash linked to bank debts totaling R\$80.4 million. 1Q19 includes restricted cash from bank debts totaling R\$37.6 million.

Note¹⁴: LTM considering the proforma 2018 quarters.

The following table gives a breakdown of the items that impacted Rumo's consolidated debt.

Gross bank indebtedness (Amounts in BRL mln)	3Q19
Opening balance of broad net debt	7,287
Cash and cash equivalents and marketable securities ¹⁵	(2,620)
Net derivative instruments	(1,249)
Opening balance of broad gross debt	11,155
Items with cash impact	(515)
New funding	-
Amortization of principal	(235)
Amortization of interest rates	(280)
Items without cash impact	716
Provision for interest rates (accrual)	187
Monetary variation, MTM adjustments of debt, and others	529
Closing balance of broad gross debt	11,356
Cash and cash equivalents and marketable securities ¹⁵	(2,659)
Net derivative instruments	(1,816)
Closing balance of broad net debt	6,880

Note¹⁵: In 3Q19, it includes restricted cash from bank debts totaling R\$81.3 million. 2Q19 includes restricted cash from bank debts totaling R\$80.4 million.

Rumo is subject to certain restrictive covenants regarding its leverage level and debt service coverage in a few of its contracts. Most restrictive provisions are verified at year-end and refer to broad net debt. Broad net debt includes bank debts, debentures, leases, real estate receivables certificates, and derivatives linked to credit operations, less marketable securities, cash, and cash equivalents. The covenants for this quarter are: a maximum leverage of 4.0x (broad net debt/LTM EBITDA), a minimum interest rate coverage index of 1.4x EBITDA/Financial result, and a minimum interest rate coverage index of 0.25x (Shareholders' equity/total assets).

7. Capex

3Q19	3Q18	Chg.-%	Investment (Amounts in BRL mln)	9M19	9M18	Chg.-%
390.4	551.4	-29.2%	Total investments	1,366.0	1,593.2	-14.3%
226.8	186.3	21.7%	Recurring	690.6	602.9	14.5%
163.6	365.0	-55.2%	Expansion	675.4	990.3	-31.8%

In 3Q19, Capex reached R\$390.4 million, down 29% from 3Q18. In 9M19, Capex totaled R\$1,366 million, down 14% from 9M18. In the quarter, recurring Capex came to R\$227 million, up 21.7% year-over-year, mainly due to mechanical and permanent way maintenance expenses. Expansion Capex totaled R\$164 million, 55.2% lower than in 3Q18 due to investments phasing that concentrates them in the last quarter of the year.

The main investments in capacity expansion this quarter were: (i) upgrading the permanent way by replacing tracks and sleepers; (ii) expanding yards to adjust for the 120-railcar train, (iii) implementing infrastructure improvements to remove restrictions, and (iv) renovating yards and terminals to reduce train dwell time and increase operational productivity.

8. Cash Flow Statement

Below is Rumo's consolidated cash flow statement. Marketable securities were considered cash and cash equivalents in this statement.

	3Q19	3Q18 Proforma	Chg.-%	Indirect Cash Flow (Amounts in BRL mln)	9M19	9M18 Proforma	Chg.-%
	1,206	1,018	18.5%	Adjusted EBITDA	2,932	2,637	11.2%
	(22)	(35)	-36.4%	Working capital variations and non-cash effects	(417)	(593)	-29.7%
	35	38	-9.1%	Operating financial result	89	85	4.7%
(a)	1,219	1,022	19.3%	(=) Operating cash flow (FCO)	2,604	2,129	22.3%
	(397)	(537)	-26.1%	Capex	(1,378)	(1,576)	-12.6%
(b)	(216)	(187)	15.7%	Recurring	(680)	(603)	12.7%
	(181)	(350)	-48.3%	Expansion	(698)	(973)	-28.2%
	2	(0)	>100%	Dividends received	6	6	0.2%
(c)	(395)	(537)	-26.4%	(=) Cash flow from investing activities (FCI)	(1,372)	(1,570)	-12.6%
(d)	-	0	-100.0%	Funding	1,298	2,137	-39.3%
(e)	(451)	(408)	10.7%	Amortization of principal	(2,111)	(3,084)	-31.5%
	(325)	(319)	2.1%	Amortization of interest rates	(733)	(766)	-4.2%
	1	(1)	>100%	Paid dividends	(4)	(3)	26.5%
	(25)	2	>100%	Derivative financial instruments	(51)	(29)	72.1%
	14	53	-72.8%	Restricted cash	(38)	113	>100%
	(787)	(671)	17.2%	(=) Cash flow from financing activities (FCF)	(1,640)	(1,632)	0.5%
(g)	1	0	>100%	Forex variation impact on cash balances	1	127	-99.1%
(f)	39	(185)	>100%	(=) Net cash generated (consumed)	(407)	(947)	-57.1%
	2,539	2,569	-1.2%	(+) Total cash (includes cash + marketable securities) opening	2,985	3,330	-10.4%
	2,578	2,384	8.2%	(=) Total cash (includes cash + marketable securities) closing	2,578	2,384	8.2%
Metrics							
	1,003	835	20.1%	(=) Cash generation after recurring capex (a+b)	1,924	1,525	26.2%
	824	485	69.9%	(=) Cash generation after cash from investments (a+c)	1,232	559	>100%
	489	222	>100%	(=) Cash generation (consumption) before funding and amortization (f-e-d-g)	406	(127)	>100%

9. Operating and Financial Performance Indicators

Below is the historical trend of main operating and financial performance indicators.

Operating and Financial Performance Index	3Q18	3Q19	Chg. %	9M18	9M19	Chg. %
Consolidated						
Operating ratio	66%	65%	-1.5%	69%	70%	0.9%
Diesel consumption (liters/ '000 GTK)	4.1	3.8	-6.2%	4.2	4.0	-5.5%
Rail accidents (MM Train/Km)	15.2	17.0	12.3%	15.0	17.0	13.6%
Personal accidents (accidents /MM MHW)	0.4	0.5	17.4%	0.6	0.5	-16.2%
North Operation						
Cycle of railcars (days)	9.3	9.1	-2.2%	10	11	7.0%
South Operation						
Cycle of railcars (days)	7.0	7.0	0.0%	7.7	7.9	2.6%

Operating ratio: This index, which represents the portion of costs and expenses as a percentage of net revenue, improved by 1.5% in the quarter, reflecting volume growth and increased yields with a higher dilution of costs.

Diesel consumption: The 6.2% improvement in 3Q19 versus 3Q18 reflects consistent efforts to improve energy efficiency, especially renewing locomotives and investing in a permanent way.

Rail accidents: This index, which measures the number of accidents per million kilometers, increased from 3Q18, reflecting a higher number of accidents involving third parties, despite the Company's efforts and investments to improve railway safety.

Personal accidents: This index, which measures the number of accidents that required leave, grew versus 3Q18, but shows an improvement in the 9M19,

Cycle time of railcars: This index improved in the North Operation, reflecting an expansion of rail capacity, which enabled achieving additional volumes through cycle reduction. In the South Operation, this index came in line with 3Q18.

10. Guidance

This section contains the guidance ranges for the key parameters that will influence Rumo's consolidated results for 2019. Note that other sections of this earnings release may also contain projections. Such projections and guidance are estimates and indications and should not be taken as a guarantee of future results.

Short Term

	<i>Guidance</i>	2019
Rumo	EBITDA (BRL mln)	3,850 ≤ Δ ≤ 4,150
	Total Capex (BRL mln)	2,000 ≤ Δ ≤ 2,200
	Volume (RTK)	62.0 ≤ Δ ≤ 64.0

11. Attachments

11.1 Financial Statements - Rumo

11.1.1 Balance Sheet

Balance sheet (Amounts in BRL mln)	09/30/19	06/30/19
Current assets	3,807	3,765
Cash and cash equivalents	1,395	1,391
Marketable securities	1,183	1,148
Trade receivables	441	494
Inventories	285	289
Peer company receivables	21	20
Income tax and social contribution	48	54
Other taxes recoverable	286	226
Other assets	148	143
Non-current assets	27,915	24,507
Trade receivable	16	17
Restricted cash	155	168
Deferred income tax and social contribution	1,100	1,113
Recoverable income tax and social contribution	229	258
Other taxes recoverable	786	772
Judicial deposits	413	400
Financial and derivative instruments	1,816	1,249
Other assets	70	69
Investments in associates	47	40
Property and equipment	11,461	11,383
Intangible	7,397	7,431
Right of use	4,424	1,607
Total assets	31,722	28,272
Current liabilities	2,832	2,452
Loans, financing, and debentures	939	1,007
Leases	542	190
Suppliers	435	434
Labor and social security obligations	247	186
Income tax and social contribution taxes	7	5
Other payable taxes	51	36
Dividends payables	7	4
Leases and concessions	9	10
Payable to related parties	163	162
Deferred revenue	8	8
Other financial liabilities	341	302
Other payables	85	107
Non-current liabilities	20,480	17,786
Loans, financing, and debentures	9,961	9,659
Leases	3,997	1,661
Financial and derivative instruments	-	-
Other payables	8	9
Provision for lawsuits	520	533
Leases and concessions	3,375	3,299
Deferred income tax and social contribution	2,515	2,508
Deferred revenues	38	39
Other payables	67	77
Shareholders' equity	8,409	8,035
Total liabilities	31,722	28,272

11.1.2 Income Statement

3Q19	3Q18	Chg.%	Income Statement (Amounts in BRL mln)	9M19	9M18	Chg.%
2,060	1,877	9.7%	Net operating revenue	5,424	4,938	9.8%
(1,238)	(1,199)	3.3%	Cost of goods sold	(3,532)	(3,316)	6.5%
822	678	21.1%	Gross profit	1,891	1,622	16.6%
(101)	(79)	28.1%	Sales, general and administrative expenses	(266)	(223)	19.3%
35	(5)	>100%	Other net operating income (expenses)	8	(13)	>100%
(300)	(258)	16.6%	Net financial result	(883)	(1,066)	-17.1%
8	3	>100%	Equity pickup	16	8	93.7%
(94)	(112)	-15.8%	Income tax and social contribution	(184)	(193)	-4.8%
369	229	61.4%	Net profit (loss)	583	136	>100%
17.9%	12.2%	5.7 p.p.	<i>Net margin (%)</i>	10.7%	2.7%	8 p.p.

11.1.3 Cash Flows

3Q19	3Q18	Accounting cash flow (Amounts in BRL mln)	9M19	9M18
463	340	Profit before income tax and social contribution	766	329
443	355	Depreciation and amortization	1,282	1,052
(8)	(3)	Equity pickup	(16)	(8)
33	25	Provision for profit sharing and bonuses	99	73
(0)	(3)	Result of disposals of fixed assets and intangible assets	(1)	(8)
19	16	Provision for lawsuits	58	58
2	(1)	Provision (reversal) for losses on doubtful accounts	(11)	(2)
3	2	Stock option plan	7	6
-	52	Leases and concessions	-	153
318	259	Interest, monetary and exchange variation, Net	914	1,033
(40)	-	Other	(40)	-
(26)	(12)	Depreciation and amortization	(64)	(24)
1,206	1,030	(=) Adjustments	2,994	2,660
73	21	Trade receivables	51	(5)
(2,7)	24	Related parties, Net	4	22
(44)	(37)	Taxes	(87)	(80)
3	44	Inventories	(23)	(18)
27	16	Labor and social security payable	(62)	(52)
(1)	(4)	Suppliers	(18)	(180)
-	(26)	Leases and concessions payable	(0)	(80)
(53)	(50)	Lawsuits	(135)	(101)
32	2	Other financial liabilities	(12)	(3)
(38)	(33)	Other assets and liabilities, Net	(166)	(152)
(4)	(45)	(=) Changes in assets and liabilities	(448)	(649)
1,202	985	(=) Cash Flow from Operating Activities	2,546	2,011
(18)	213	Marketable securities	1,719	959
14	53	Restricted cash	(38)	113
2	(0)	Dividends received from subsidiaries and associated companies	6	6
(397)	(537)	Additions to property, plant and equipment, software, and other intangibles	(1,378)	(1,576)
(398)	(270)	(=) Cash Flow from Investing Activities	309	(499)
-	0	Funding	1,298	2,137
(451)	(408)	Amortization of principal	(2,111)	(3,084)
(325)	(319)	Amortization of interest	(733)	(766)
(25)	2	Derivative financial instruments	(51)	(29)
1	(1)	Dividend paid	(4)	(3)
(801)	(724)	(=) Cash generated by (used in) financing activities	(1,602)	(1,745)
1	0	Impact of exchange variation in cash balance	1	127
4	(10)	(=) Net increase (decrease) in cash and cash equivalents	1,254	(106)
1,391	82	Beginning balance of cash and cash equivalents	142	178
1,395	72	Final balance of cash and cash equivalents	1,395	72