

Inmobiliaria

Vinte

2003-2018

15



Earnings
Release

3Q18

VINTE REPORTS GROWTH OF 21.5% IN EBITDA AND 28.6% IN NET INCOME DURING 3Q18 WITH A ROE OF 19.5%

Mexico City, Mexico, October 22nd, 2018. – Vinte Viviendas Integrales S.A.B. de C.V. (BMV: VINTE), a leading home builder in the development and commercialization of sustainable homes in Mexico, announced today its earnings results for the third quarter 2018. The figures presented in this report are expressed in nominal Mexican pesos, are based on internal and non-audited financial statements, prepared in accordance with IFRS and current interpretations, and may include minor differences due to rounding.

HIGHLIGHTS

- Vinte recorded double-digit growth rates of 17.1%, 21.5% and 28.6% in Consolidated Revenue, EBITDA and Net Income, respectively; affirming the positive trend of 1H18 and heading with strong footing to beat its 2018 Guidance. LTM, in an annual basis, Consolidated Revenue, EBITDA and Net Income have increased 20.5%, 21.8% and 27.3%, respectively.
- ROE stood at 19.5% at quarter-end, while the LTM Net Margin reached a new all-time high of 14.4%, in line with Vinte's strategy oriented to profitability.
- During 3Q18, Homes Sold Revenue recorded a 16.3% YoY growth, mainly boosted by solid annual growth rates of 24.6% and 36.4% in homes sold in the price range of Ps.300 thousand to Ps.500 thousand and Ps.700 thousand to Ps.1 million, respectively. At the same time, we continued recording an important contribution from homes sold in the price range above Ps.1 million, which registered a 22.7% share in the homes sold mix.
- On August 31st, we executed the issuing of the Sustainable Bond "Vinte 18X", the first sustainable bond in the home builders' sector in LatAm, for an amount of Ps.800 million, at a fixed rate of 9.83% and due in 7 yrs. This security was rated "AA+" by both HR Ratings and Verum, and counted on a favorable opinion in sustainability by Sustainalytics, and a rate of "XB 1+" in the scale of sustainable bonds of HR Ratings, the highest of this scale, as it realizes the leadership of Vinte in the offering of solutions to improve the social and environmental impact of housing in Mexico. Similarly, the issuing counts with a partial guarantee of the BID Invest (development bank that has strategically worked with Vinte, for over 6 yrs.).
- As of quarter-end, the Company deployed strategic investments of around Ps.2,590 million, representing an 86% of its Ps.3,000 million annual investment plan, which is expected to be slightly surpassed over the year, given the short & long term positive market prospects of the housing market in Mexico. Thanks to the issuing of "Vinte 18X" and its today's solid financial position, Vinte is well grounded for growth in the years to come.

FINANCIAL STATEMENTS SUMMARY

(MXN million)	Income Statement			LTM 3Q18	LTM 3Q17	Δ%	Margins %			
	3Q18	3Q17	Δ%				3Q18	3Q17	LTM 3Q18	LTM 3Q17
Homes (units) and Average Sale Price (thousands)	1,287	1,150	11.9%	4,629	4,249	8.9%	675.2	654.7	702.2	640.6
Revenue	902	771	17.1%	3,420	2,837	20.5%	100.0	100.0	100.0	100.0
Cost of Sales (non-interest bearing)	595	509	17.0%	2,252	1,853	21.5%	66.0	66.0	65.9	65.3
Gross Profit	307	262	17.2%	1,168	984	18.7%	34.0	34.0	34.1	34.7
SG&A and other expenses	102	93	9.4%	380	337	12.7%	11.3	12.1	11.1	11.9
EBITDA	205	169	21.5%	788	647	21.8%	22.7	21.9	23.0	22.8
Depreciation and amortization	7	6	11.9%	24	17	38.6%	0.7	0.8	0.7	0.6
CFR	40	34	18.1%	155	113	37.6%	4.5	4.4	4.5	4.0
Interest in Joint Ventures	4	(0)	Loss to Profit	2	(2)	Loss to Profit	0.4	(0.0)	0.0	(0.1)
Earnings Before Tax	162	129	25.9%	611	516	18.4%	18.0	16.7	17.9	18.2
Income Tax	33	28	16.3%	119	130	(8.0%)	3.6	3.7	3.5	4.6
Net Income	129	100	28.6%	491	386	27.3%	14.3	13.0	14.4	13.6

Financial Ratios	Sep. 2018	Sep. 2017	Balance Sheet (MXN million)	Sep. 2018	Sep. 2017
ROE	19.5%	19.5%	Cash and Cash Equivalents	694	221
ROIC	20.7%	21.3%	Inventory	5,284	3,964
Interest Coverage	5.09x	5.75x	Gross Debt	2,262	1,247
Gross Debt / EBITDA	2.87x	1.93x	Net Debt	1,568	1,026
Net Debt / EBITDA	1.99x	1.58x	Total Liabilities	3,945	2,469
Total Liabilities / Equity	1.49x	1.04x	Stockholders' Equity	2,654	2,374
Net Debt / Equity	0.59x	0.43x			
Cost of Debt	8.8%	8.9%			
Working Capital Turnover	0.74x	0.77x			
LTM EBITDA per home sold	170k	152k			
LTM Net Income per home sold	106k	91k			

MESSAGE FROM THE CHAIRMAN

The performance recorded in 3Q18 reaffirms the results of the first half of the year and sets Vinte on the right path towards the achievement of its 2018 Guidance. During the quarter, we registered a ROE of 19.5%, as well as double-digit growth rates in total revenue, EBITDA and net income, primarily driven by a stable average sale price of Ps.675 thousand, coupled with an enhanced sales mix, and the opportunities of home sales seized at different price ranges.

In this sense, I am excited of seeing rock-solid fundamentals that support our growth and profitability of today (clearly reflected in the year-to-date results) and tomorrow, as we envisage to continue moving forward at a strong footing, just as we have done over the last 15 years. Among our fundamentals, outstand: our carefully-selected land bank (sufficient to develop up to 32 thousand homes); our model of community, which offers our clients a home that constantly increase its value and bring access to a good quality life; and, our wide operational flexibility, with an agile structure focused on maximizing the benefits brought by the diversity of the housing demand.

In this positive context, and after years of hard work, we managed to match the Company's successful financing strategy with its social and environmental commitment, through the issuance of "Vinte 18X", the first sustainable bond issued by a home builder company in Latin America. This placement recorded an over-demand of 50%, reflecting again the confidence of the investors' community.

The better financing conditions achieved towards the "Vinte 18X" issuance contribute to strengthen our financial position, while accelerating our Hybrid Zero Carbon Housing project; which we anticipate will become a key element of our strategy of technological and sustainable innovation, that allow us to continue generating a high added value for Vinte's Communities members.

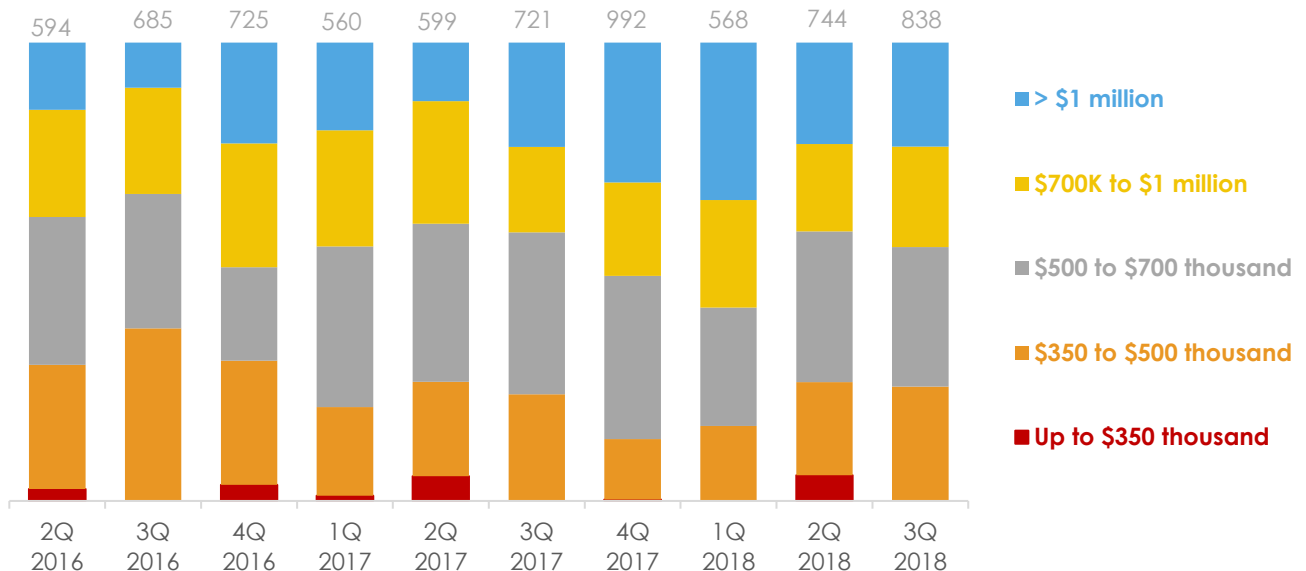
Sergio Leal Aguirre,
Chairman and CEO

OPERATING RESULTS

HOMES SOLD REVENUE BREAKDOWN

By segment:

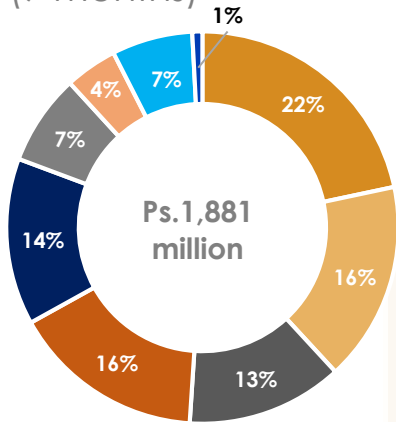
Homes sold revenue (MXN million)



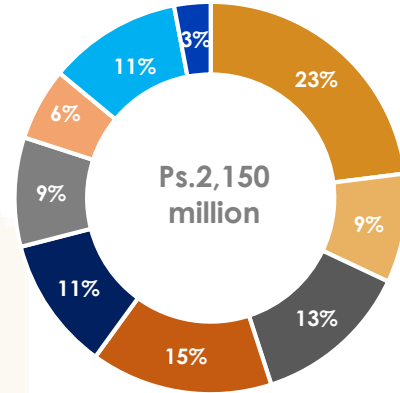
Vinte differentiates itself from its competitors by maintaining a high operational flexibility, with a wide offer of housing segments; adapting to changes in demand and swiftly adjusting its housing mix, quarter to quarter.

By market:

9M17 (9 months)



9M18 (9 months)



↑ 14.4%

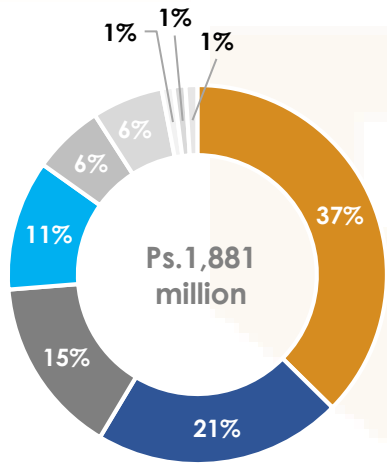
- Edo. Mex. (North Mexico City), VIS/VIP
- Edo. Mex. (North Mexico City), VIM
- Pachuca, Hgo.
- Playa del Carmen, Q. Roo
- Queretaro, Qtro., VIS/VIP
- Tula, Hgo.
- Cancun, Q. Roo
- Puebla, Pue.
- Queretaro, Qtro., VIR

- Edo. Mex. (North Mexico City), VIS/VIP
- Edo. Mex. (North Mexico City), VIM
- Pachuca, Hgo.
- Playa del Carmen, Q. Roo
- Queretaro, Qtro., VIS/VIP
- Tula, Hgo.
- Cancun, Q. Roo
- Puebla, Pue.
- Queretaro, Qtro., VIR

By financing:

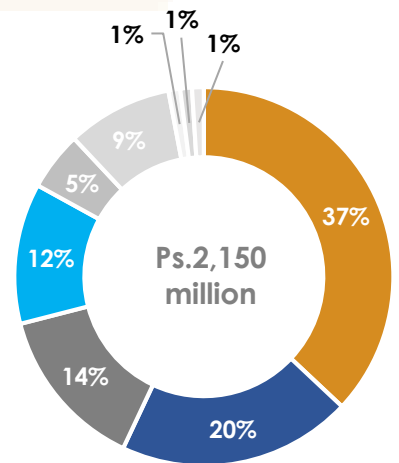
9M17 (9 months)

- Infonavit
- Fovissste
- Banks
- Without mortgage
- Cofinavit
- Misc. (CFE/PEMEX/Other)
- Info Total
- Alia2
- Infonavit-Fovissste



9M18 (9 months)

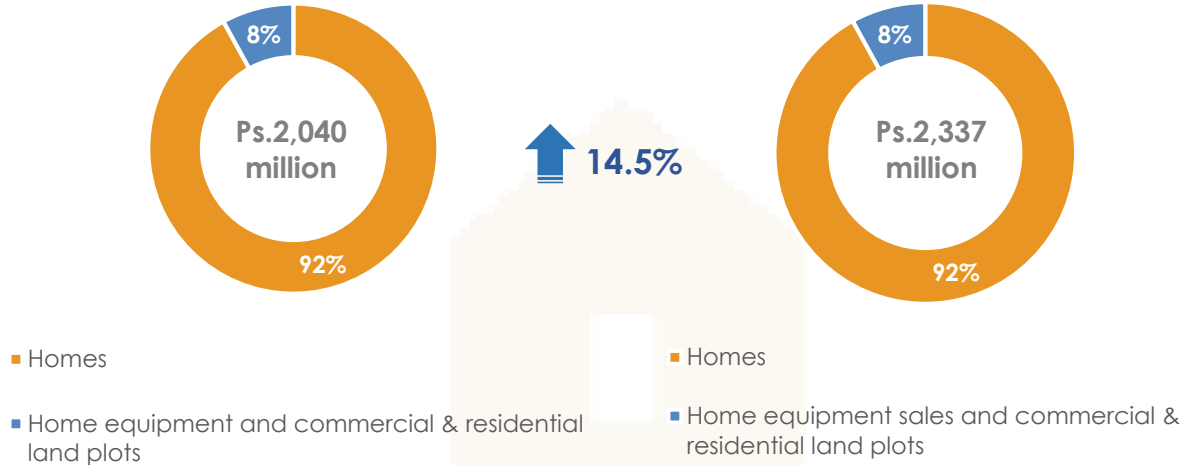
- Infonavit
- Fovissste
- Banks
- Without mortgage
- Cofinavit
- Misc. (CFE/PEMEX/Other)
- Info Total
- Alia2
- Infonavit-Fovissste



CONSOLIDATED TOTAL REVENUE

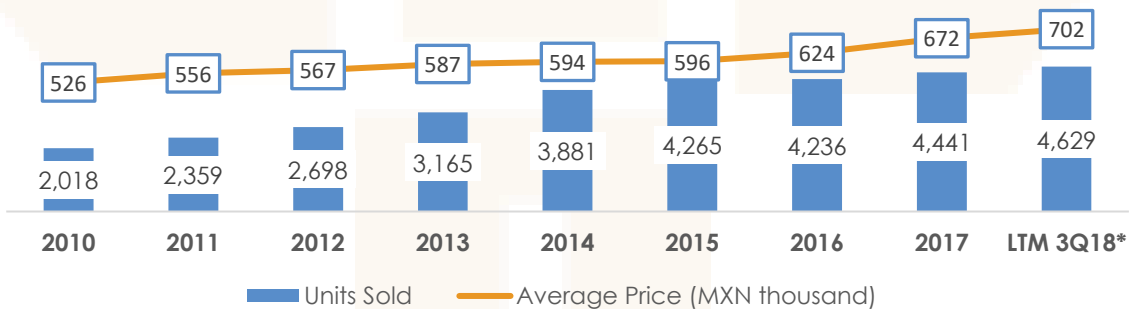
9M17 (9 months)

9M18 (9 months)



3Q18 Consolidated Total Revenue amounted to Ps.902 million, increasing 17.1% vs. the Ps.771 million recorded in 3Q17. This result was mainly driven by the higher number of homes sold with prices between Ps.350 thousand and Ps.500 thousand and homes with prices between Ps.700 thousand and Ps.1 million. The participation of non-housing revenue in total consolidated revenue was 7% this quarter, reaching Ps.64 million, which includes Ps.31 million from the sale of housing equipment and technologies, while the remaining Ps.33 million came from the sale of commercial and residential land plots plus other services.

AVERAGE CONSOLIDATED PRICE



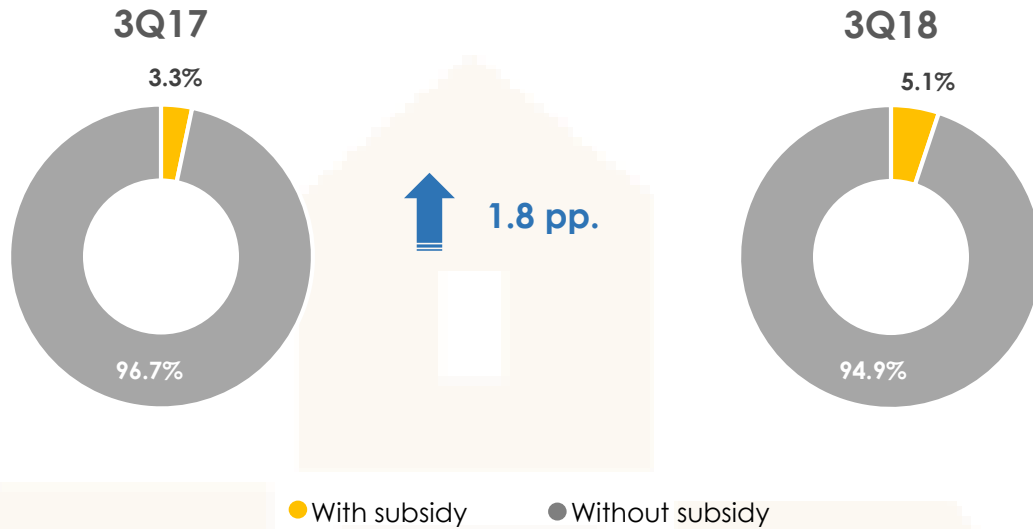
*With financial information from 4Q17 and 9M18 (LTM).

During the LTM at 3Q18, the consolidated average price (including revenue from equipment sales) growth trend continued, reflecting, on the one hand, the higher volume of homes sold in the price range of Ps.700 thousand to Ps.1 million, which boosted a higher participation of the high-end bracket of our middle-income segment, and on the other, a significant contribution of high value-added prototypes, with prices above the Ps.1 million mark.

The consolidated average price reached Ps.675 thousand in the 3Q18, a 3.1% increase when compared to the Ps.655 thousand recorded in the 3Q17.

NON-DEPENDENCE ON SUBSIDIES

HOMES WITH SUBSIDIES



At quarter-end, the participation of subsidized homes in the homes sold revenue stood at 5.2%, 177 bps. higher than that recorded in the 3Q17, following the seizing of current market opportunities to title certain number of homes with subsidies, in line with the Company's operational flexibility framework. Nevertheless, the Company's share of homes tilted with subsidies remains as one of the healthiest in the industry. YTD, the participation of homes sold with subsidies in the homes sold revenue only was 4.8%.

The low exposure to subsidies of Vinte allows it to maintain stable results, which coupled with its high degree of operating flexibility, widen the chances to capitalize on the opportunities that may arise in the medium-term from the announced change in the national housing policy, taking place with the new federal administration.

FINANCIAL PERFORMANCE

INCOME STATEMENT

Gross Profit

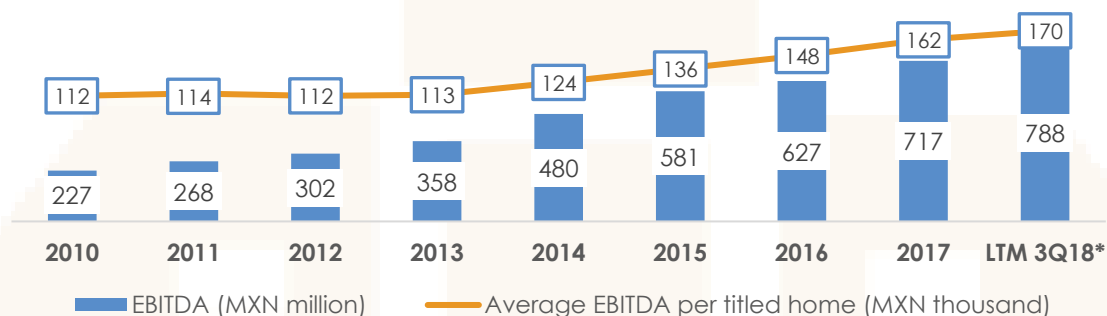
3Q18 Gross Profit increased 17.2% YoY, from Ps.262 million in 3Q17 to Ps.307 million this quarter. At the end of 3Q18, Gross Margin was 34.0%, in line with that recorded in 3Q17. The cost of sales does not consider Ps.19 million and Ps.16 million associated to capitalized interests on inventory during 3Q18 and 3Q17, respectively.

Selling, General and Administrative Expenses and Other Expenses

SG&A and Other Expenses totaled Ps.102 million, an increase of 9.4% when compared to that registered in the third quarter of 2017, mainly derived from the higher volume of homes sold during the period.

The proportion of SG&A and Other Expenses to Revenue for the quarter stood at 11.3%, 80 bps. lower than the 12.1% recorded in the third quarter of 2017, following the continuous achievement of operational efficiencies.

EBITDA



*With financial information from 4Q17 and 9M18 (LTM).

3Q18 EBITDA rose 21.5% when compared to the Ps.169 million in 3Q17, reaching Ps.205 million. Meanwhile, 3Q18 LTM EBITDA amounted to Ps.788 million, vs. Ps.647 million in the same period last year, an annual increase of 21.8%. LTM average EBITDA per titled home was Ps.170 thousand, up 11.8%.

Comprehensive Financial Result (CFR):

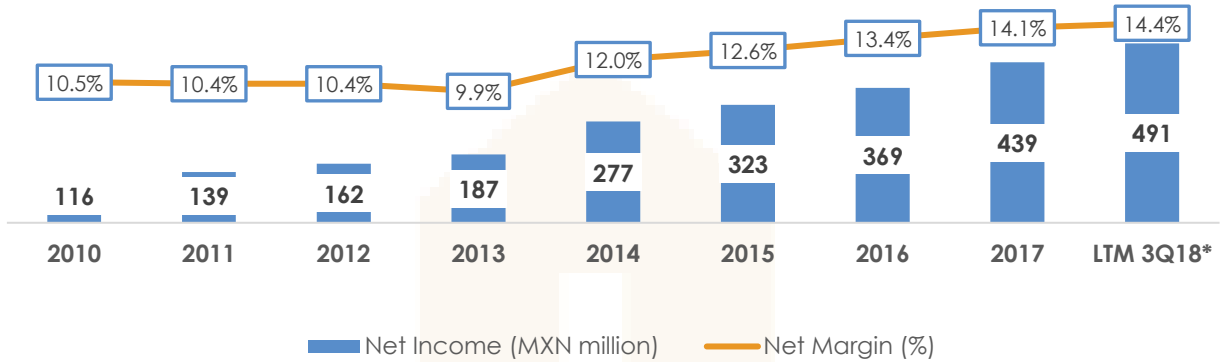
CONCEPT (MXN million)	3Q18	3Q17	Δ%	9M18	9M17	Δ%
Capitalized interests	19	16	23.9	50	46	10.3
Interest Income	(8)	(3)	154.4	(15)	(11)	35.5
Financial Expenses	29	21	33.6	69	50	36.8
Total CFR	40	34	18.1	104	85	22.7
CFR to Revenue	4.5%	4.4%	0.1 pp.	4.5%	4.2%	0.3 pp.

The Comprehensive Financial Result (CFR) to Revenue ratio stood at 4.5%, slightly higher than the 4.4% registered in 3Q17. 3Q18 CFR was Ps.40 million, which is explained by the use of debt to fund Vinte's investment projects (as outlined in the Company's business plan). It is important to note that the increased utilization of funding sources has been partially offset by the improvements made in the financial structure, which has resulted in favorable interest rates for the Company.

Income Tax:

During the quarter, Income Tax reached Ps.33 million, up 16.3% when compared to the Ps.28 million recorded in 3Q17. At quarter-end, the effective tax rate for the Company stood at 20.3%, down 1.7 pp. vs. the 22.0% in 3Q17.

Net Income:



*With financial information from 4Q17 and 9M18 (LTM).

3Q18 Net Income amounted to Ps.129 million, a 28.6% annual growth, while the net margin expanded by 130 bps. during the period, from 13.0% in 3Q17 to 14.3% this quarter.

Regarding the 3Q18 LTM Net Income, it reached Ps.491 million, up 27.3% when compared to the Ps.386 million registered in the same period last year. LTM Net Income per titled home rose 16.9% YoY, totaling Ps.106 thousand and the LTM net income margin reached a new all-time high, at 14.4%.

STATEMENT OF FINANCIAL POSITION

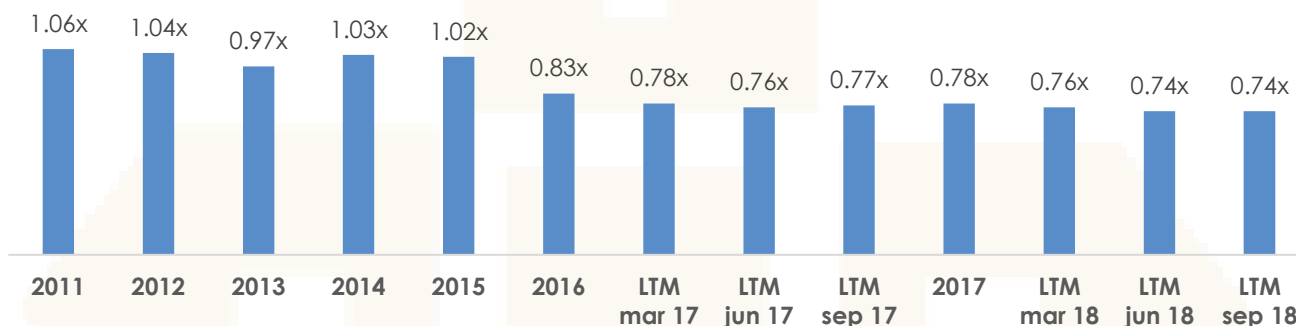
Cash and Cash Equivalents:

Vinte seeks to maintain an available cash balance equal to 6 - 7 weeks of sales and financial expenses. We consider that this amount is an appropriate balance between the financial stability required to face any unpredicted contingency and the maximization of the productive use of the Company's financial resources. As of September 30, 2018, cash and cash equivalents balance was Ps.694 million, increasing 213.5% and 170.5% when compared to the Ps.221 million in 3Q17 and Ps.257 million in 2Q18, respectively, attributable to the resources raised from the "Vinte 18X" issuance (Ps.800 million/Ps.775 million, net), of which approximately 24% has been drawn down. At quarter-end, cash and cash equivalents balance were about 15 weeks of sales and financial expenses; which is expected to rapidly bounce back to the Company's standard range of 6 – 7 weeks, as we advance in the deployment of the cash balance surplus registered at quarter-end.

Working Capital Turnover:

Vinte's approach to closely monitor the performance of working capital has boosted continuous growth and reduced financial and operating risk.

Working Capital Turnover = LTM Revenue / (accounts receivable + long and short-term inventories – accounts payable – customer advances)



In 3Q18, working capital turnover stood at 0.74 times, a decrease of 0.03 times when compared to the 0.77 times recorded in 3Q17, derived from the investments made during the period, in line with the Company's 2018 investment program of up Ps.3,000 million.

Inventories:

At the end of 3Q18, the inventory balance was Ps.5,284 million, up 33.3% vs. the Ps.3,964 million recorded in the same period 2017. This growth is mainly attributed to the construction progress at our different developments, as well as the land bank increase for new housing projects, including infrastructure and urbanization.

It is important to mention that Vinte's inventory is recorded at acquisition cost, therefore its market value might be substantially higher, considering the inflationary effect since its acquisition and the homes price appreciation that is presented at Vinte's developments.

Debt:

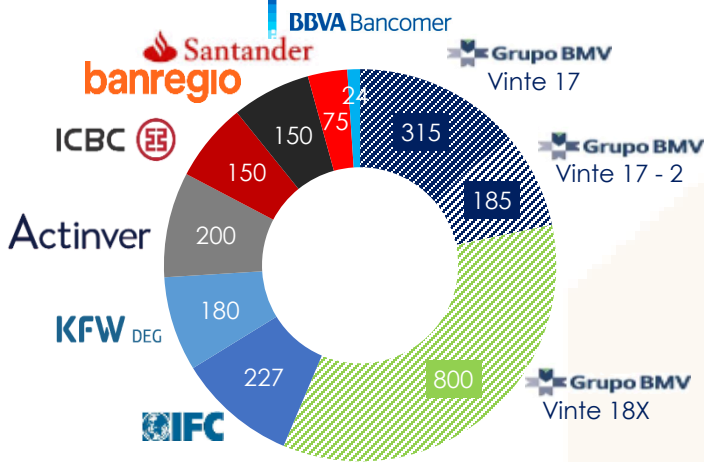
Concept (MXN million)	3Q18	3Q17	Δ%
Net Debt	1,568	1,026	52.8
Gross Debt	2,262	1,247	81.4

As of September 30, 2018, Vinte's outstanding debt balance totaled Ps.2,305 million and, discounting issuance costs in accordance with IFRS, reached Ps.2,262 million. This 81.4% increase in gross debt is largely explained by the "Vinte 18X" issuance, for an amount of Ps.800 million, as well as the use of credit lines for financing land acquisition, construction works and other working capital items.

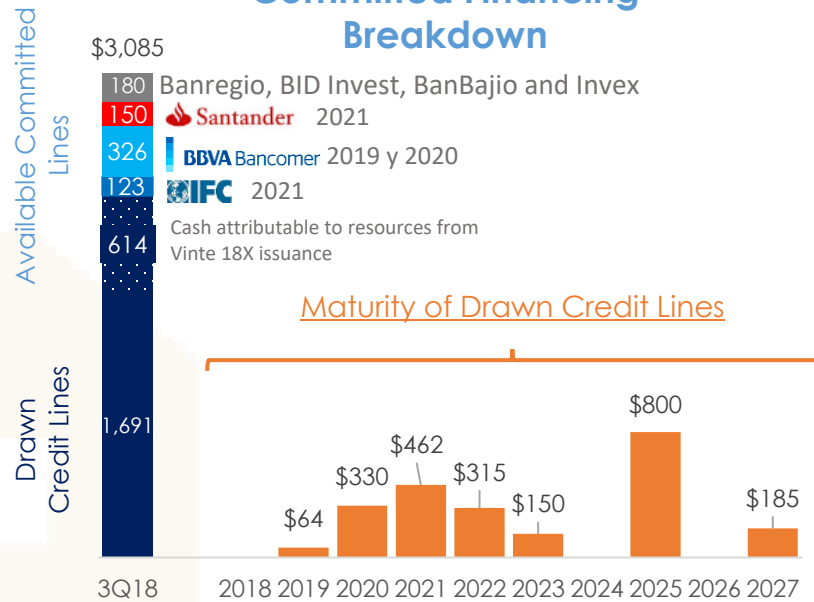
At the end of 3Q18, approximately 52% of the Company's gross debt (74% in net debt terms) was contracted at a weighted average fixed rate of 9.6%. It is important to emphasize that Vinte's total debt is 100% denominated in Mexican pesos.

Regarding the average term of the debt, at the end of 3Q18, it stood at 6.2 years, increasing 1.2 years after the "Vinte 18X" issuance. In the remainder of 2018, there is not any debt maturity, while for 2019 debt maturities amount to Ps.64 million.

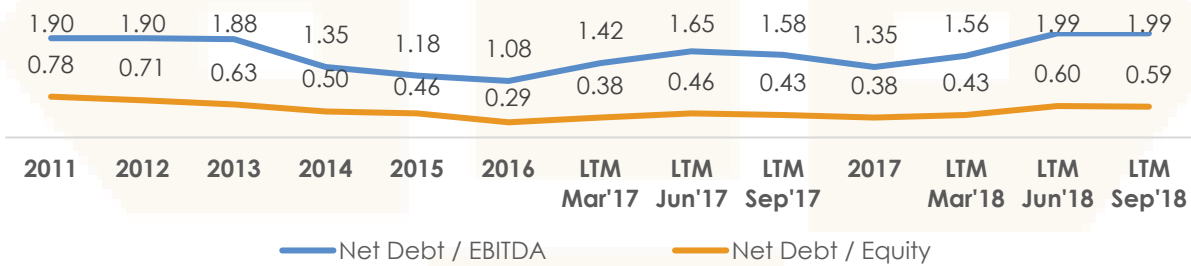
Debt Breakdown by Bank (Ps.2,305 million)



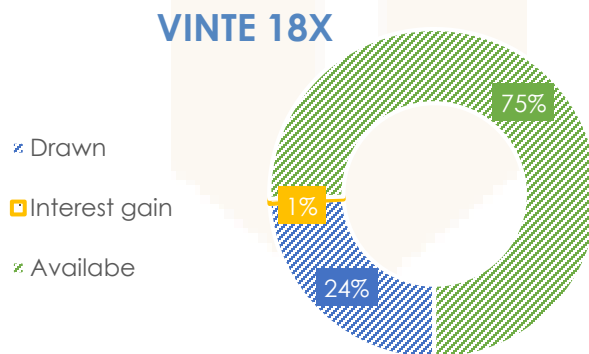
Committed Financing Breakdown



The level of indebtedness as of 3Q18, measured as Net Debt / EBITDA and Net Debt / Stockholders' Equity, registered a year-on-year expansion, from 1.58x to 1.99x and from 0.43x to 0.59x, respectively. These variations are mainly explained by the recent "Vinte 18X" issuance, whose proceeds will be deployed for refinancing purposes and the development of the Company's sustainable communities within its different projects. Nevertheless, Vinte maintains a healthy leverage level that matches its growth expectations and business plan.



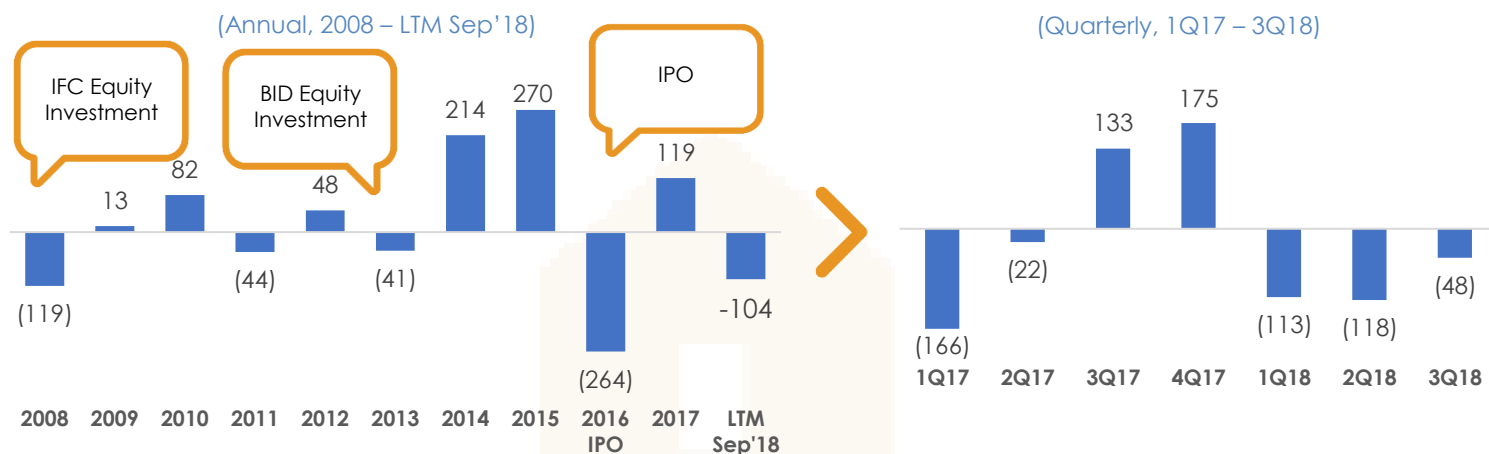
Use of the proceeds from the "VINTE 18X" Green Bond:



At the end of 3Q18, the Company has used Ps.186 million out of the Ps.775 million net resources raised in the "VINTE 18X" issuance, accounting for a 24% of the total amount. These resources were deployed in working capital items of our new housing developments. Similarly, Our Acquisition Land Bank Analysis Committee approved the resources to be applied over the developments that meet the eligibility criteria stated under the reference framework of our Sustainable Bonds.

Free Cash Flow from Operation:

As of September 30, 2018, cash flow from operations was Ps.-48 million, vs. the negative Ps.118 million generated in the previous quarter. 3Q18 LTM cash flow was Ps.-104 million, given the speed and progress achieved at our investment program (in line with our 2018 expected growth and business cycle).



ADDITIONAL INFORMATION

RECENT DEVELOPMENTS

- On October 3, 2018, HR Ratings assigned a sustainability rating of “HR XB 1+” (the highest grade in its scale) to the Local Notes “VINTE 18X”. This rating measures the social and environmental impact associated to the sustainable projects tied up to this instrument.
- On October 3, 2018, Vinte announced the appointment of Ms. Dalia Alondra Rodriguez Alvarez, who has served in Vinte for more than 14 years, as Head of the Corporate Legal Area of the Company.
- On August 29, 2018, Vinte announced the issuance of its first Green Bond under ticker symbol “Vinte 18X”, being the first Sustainable Bond launched by a housing development company in Latin America, for a total amount of Ps.800 million, with maturity of 7 years and at a fixed rate of 9.83%. The net proceeds from the issuance will be used to finance projects linked to the development of sustainable communities. The security is backed by a partial guarantee issued by the BID Invest, up to Ps.250 million or 50% (whichever is greater).
- On August 7, 2018, S&P Global Ratings assigned its ‘BB’ long-term issuer credit rating to Vinte Viviendas Integrales, S.A.B. de C.V., with a stable outlook, based on the Company's operational and financial strength.

ANALYST COVERAGE

Institution	Analyst	Email	T.P.	Recommendation
Actinver	Ramon Ortiz Reyes	rortiz@actinver.com.mx	Ps.31.00	Buy
Citigroup	Alejandro Lavin	alejandro.lavin@citi.com	Ps.30.00	Neutral
UBS	Marimar Torreblanca	marimar.torreblanca@ubs.com	Ps.31.00	Buy

ABOUT VINTE

Vinte is a vertically integrated Mexican home builder with a clear focus on profitability. For more than a decade it has been dedicated to developing residential complexes for middle-income families, focused on improving their quality of life, a commitment for which it has received multiple national and international awards. Vinte has developed more than 35 thousand homes across five states of Mexico, mainly in the center of the country, achieving a high level of loyalty amongst its clients and extensive brand recognition in the markets in which it operates. Vinte's highly-qualified management team has over 26 years of experience in the Mexican housing sector.

FORWARD-LOOKING STATEMENTS

"This document contains certain statements related to the comprehensive overview of Vinte Viviendas Integrales (VINTE) regarding its activities to the present day. The information included in this document is a summary of information regarding VINTE which is not intended to cover all related information about VINTE. The information contained in this document has not been included to provide specific advice to investors. The statements contained herein reflect the current views of VINTE with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause future results, performance or achievements of VINTE be different from those expressed or implied by such forward looking statements, including, among others, economic or political changes and global business conditions, changes in exchange rates, the overall level of the industry, changes in housing demand, prices of raw materials, etc. If one or more of these risks occur, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. VINTE does not intend nor assume any obligation to update the statements presented in this document."

CONFERENCE CALL



CONFERENCE CALL 3Q18

Date:
Tuesday, October 23rd, 2018

Time:
12:30 p.m. (CST, Mexico City)
01:30 p.m. (EST, NYC)

Dial-in number:

USA / International:
Tel: 1-334-323-7224

Mexico:
Tel: 001 334-323-7224

3Q18 earnings release date:

Monday, October 22nd, 2018
(before market opening)

Presenters:
Sergio Leal – CEO
Domingo Valdes – CFO
Gonzalo Pizzuto – Finance Team

Passcode:
VINTE

MP3 Recording

Available 60 min. after the conference call at:
www.vinte.com

Additional information:

www.vinte.com
gonzalo.pizzuto@vinte.com
+52 (55) 9171-2008



VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30TH, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

ASSETS	SEP 30, 2018	SEP 30, 2017	Δ%
CURRENT ASSETS:			
Cash, cash equivalents and restricted cash	694,198	221,431	213.5
Accounts receivable	253,437	281,632	(10.0)
Accounts receivable from Mayakoba Trust No CIB/2185	19,147	12,667	51.2
Inventory	3,481,609	2,662,078	30.8
Prepayments and other assets	155,812	238,793	(34.8)
TOTAL CURRENT ASSETS	4,604,202	3,416,601	34.8
NON-CURRENT ASSETS:			
Inventory	1,802,475	1,301,559	38.5
Prepayments	4,776	-	-
Property, plant and equipment	55,394	47,496	16.6
Investments in Trust and Joint Ventures	56,607	54,964	3.0
Other non-current assets	29,943	23,121	29.5
Long-term receivables from sale of commercial lots	44,787	-	-
TOTAL NON-CURRENT ASSETS	1,993,982	1,427,140	39.7
TOTAL ASSETS	6,598,184	4,843,740	36.2
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt subscribed with financial institutions	64,040	130,000	(50.7)
Current portion of local notes (CEBURES)	-	-	-
Obligations secured by sales of future receivables contracts	34,977	40,803	(14.3)
Accounts payable to land suppliers	359,174	84,066	327.3
Accounts payable to suppliers	235,666	169,230	39.3
Dividends payable	-	-	-
Various creditors, subcontractors and others	177,987	136,251	30.6
Customer prepayments	163,029	177,888	(8.4)
Accumulated expenses and taxes	89,849	68,674	30.8
Income tax	7,221	-	-
Profit sharing payables	6,792	8,455	(19.7)
TOTAL CURRENT LIABILITIES	1,138,735	815,367	39.7
NON-CURRENT LIABILITIES			
Long-term debt	928,130	429,516	116.1
Long-term local notes (CEBURES)	1,269,733	687,637	84.7
Accounts payable to land suppliers	-	-	-
Employee benefits	2,464	1,789	37.7
Deferred income tax	605,496	535,077	13.2
TOTAL NON-CURRENT LIABILITIES	2,805,823	1,654,019	69.6
TOTAL LIABILITIES	3,944,558	2,469,386	59.7
STOCKHOLDERS' EQUITY			
Capital stock	862,281	862,281	-
Reserve for share repurchase	56,731	59,872	(5.2)
Retained earnings of previous years	1,421,741	1,191,474	19.3
Fiscal year performance	312,872	260,727	20.0
TOTAL STOCKHOLDERS' EQUITY	2,653,626	2,374,354	11.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	6,598,184	4,843,740	36.2

VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED INCOME FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

	3Q18	3Q17	Δ%	9M18	9M17	Δ%
REVENUE	902,217	770,674	17.1	2,336,591	2,039,812	14.5
Cost of Sales	614,698	524,425	17.2	1,600,644	1,398,368	14.5
GROSS PROFIT	287,519	246,249	16.8	735,947	641,443	14.7
SG&A	107,737	98,625	9.2	295,967	266,497	11.1
Other Expenses (Income), net	807	488	65.4	492	(3,452)	(114.2)
OPERATING INCOME	178,975	147,137	21.6	439,489	378,397	16.1
Comprehensive Financial Result	20,814	18,386	13.2	53,675	39,135	37.2
Interest in Joint Ventures	3,856	(102)	(>100.0)	6,129	(948)	(746.6)
EARNING BEFORE TAX	162,018	128,649	25.9	391,942	338,314	15.9
Income Tax	32,912	28,289	16.3	79,070	77,588	1.9
CONSOLIDATED NET INCOME	129,105	100,360	28.6	312,872	260,727	20.0

VINTE VIVIENDAS INTEGRALES, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOW AS OF SEPTEMBER 30TH, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

	9M18	9M17	Δ%
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before income tax	391,942	338,314	15.9%
Adjusted for:			
Depreciation and amortization of intangible assets	18,216	13,259	37.4%
Amortization of debt issuance costs	11,188	9,054	23.6%
Asset retirement	235	409	(42.4%)
Interests in Joint Ventures	(6,129)	948	(746.6%)
Interest expense	136,753	126,547	8.1%
Interest received	(9,923)	-	-
Sum	542,283	488,532	11.0%
CHANGES IN WORKING CAPITAL:			
Decrease (increase) in accounts receivable	73,230	42,732	71.4%
Decrease (increase) in inventory	(1,084,974)	(502,521)	115.9%
Decrease (increase) in other accounts receivable and other current assets	31,873	(98,940)	(132.2%)
Increase (decrease) in suppliers	197,248	52,010	279.3%
Increase (decrease) in other liabilities	80,575	100,114	(19.5%)
Income tax paid or benefited	(15,824)	(31,475)	(49.7%)
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(717,873)	(438,080)	63.9%
Net cash flows from (used in) operating activities	(175,590)	50,452	(448.0%)
CASH FLOWS FOR INVESTMENT ACTIVITIES:			
Investment in property, plant and equipment	(17,285)	(15,869)	8.9%
Investments in Trusts and Joint Ventures	-	-	-
Advance payments	-	-	-
Payments for other assets	-	-	-
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES	(17,285)	(15,869)	8.9%
CASH FLOWS FOR FINANCING ACTIVITIES:			
Increase in Capital	-	-	-
Increase in bank financing	2,439,717	1,344,967	81.4%
Increase in debt bond issuances	800,000	500,000	60.0%
Share repurchase	4,790	(29,808)	(116.1%)
Decrease in bank financing	(2,214,277)	(1,480,119)	49.6%
Obligations for sale of future collection rights contracts	(53,544)	(53,478)	0.1%
Payment of obligations for sale of future collections rights contracts	-	-	-
Expenses for placement of debt instruments	(27,679)	(21,991)	25.9%
Dividends paid	(209,029)	(163,744)	27.7%
Interests paid	(136,753)	(126,547)	8.1%
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	603,225	(30,720)	(>100.0%)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	410,350	3,862	>100.0%
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	283,848	217,568	30.5%
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	694,198	221,430	213.5%