

Inmobiliaria

Vinte



Earnings
Release

4Q18

VINTE REPORTS A 15.7% GROWTH IN NET INCOME AN 18.8% ROE AND 100% UTILIZATION OF NET PROCEEDS FROM ITS GREEN BOND AS OF DECEMBER 31, 2018

Mexico City, Mexico, February 26th, 2019. – 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 yesterday its earnings results for the fourth quarter and full-year 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 (including the adoption of IFRS 9 and IFRS 15, which became applicable as of year 2018), and may include minor differences due to rounding.

2018 HIGHLIGHTS

- ✦ In line with the Company's 2018 Guidance, Consolidated Total Revenue and Net Income increased by 8.9% and 15.7% YoY, respectively, while ROE expanded from 18.1% in 2017 to 18.8% in 2018. Consequently, Vinte's Net Margin for the 4Q and full-year 2018 reaches a new all-time-high, according to the profitability scope of the Company.
- ✦ As of December 2018, we have fully deployed the Ps.800 million proceeds raised from the Vinte 18X placement (conducted in August 2018). In line with the scheduled use of these resources, the investments were deployed in 17 sustainable developments distributed along 6 states of Mexico.
- ✦ During fiscal year 2018, Vinte invested Ps.3,395 million, surpassing its 2018 Investment Plan by Ps.395 million, following the full utilization of proceeds raised from the Green Bond "VINTE 18X".
- ✦ As a result of the executed investments of 2H18, Vinte counts on a 29% growth of construction in progress (same number of homes, but a better mix), which will be instrumental to boost 2019 growth.
- ✦ In January 2019, we recorded both a 23.6% growth in presales and a 29.2% growth in homes sold, vs. January last year.
- ✦ Infonavit's mortgages origination recorded a 17% growth in January 2019, after a few days of the kick off of the new administration of this institute. Similarly, Fovissste conducted its first auction of the year under the new federal administration, during last week. The Consumer Confidence Index for January 2019 is at its highest level since March 2006.
- ✦ In 2018, the Company's revenue from subsidized housing accounted for 4.0% of total homes sold revenue.
- ✦ The adaption of IFRS 15 "revenue from contracts with customers" (recognition of income at the moment the home is delivered to the client) does not imply any material effect on Vinte's results for past years and full-year 2018 neither.
- ✦ As of December 31, 2018, the Company's total debt was 100% denominated in Mexican pesos, with an average maturity of 6.1 years, with a long-term debt orientation, for the investment decisions of the Company.

FINANCIAL STATEMENTS SUMMARY

Income Statement						
(MXN million)	4Q18	4Q17	Δ%	2018	2017	Δ%
Homes (Units)	1,260	1,348	(6.5%)	4,541	4,441	2.3%
Average Sale Price (thousands)	749.5	751.1	(0.2%)	700.8	672.3	4.2%
Revenue	1,065	1,084	(1.7%)	3,402	3,123	8.9%
Cost of Sales (non-interest bearing)	679	702	(3.3%)	2,229	2,055	8.5%
Gross Profit	386	382	1.1%	1,172	1,069	9.7%
Gross Margin	36.2%	35.2%	1.0 pp.	34.5%	34.2%	0.3 pp.
SG&A and other expenses	131	102	29.2%	409	351	16.5%
EBITDA	255	280	(9.1%)	763	717	6.3%
EBITDA Margin	23.9%	25.8%	(1.9 pp.)	22.4%	23.0%	(0.6 pp.)
Depreciation and amortization	7	6	22.5%	25	19	32.9%
CFR	24	51	(53.4%)	128	136	(5.9%)
Interest in Joint Ventures	(2)	(4)	(50.2)	4	(5)	Loss to Profit
Earnings Before Tax (EBT)	222	219	1.3%	614	557	10.1%
EBT Margin	20.8%	20.2%	0.6 pp.	18.0%	17.8%	0.2 pp.
Income Tax	26	40	(34.7%)	105	118	(10.6%)
Net Income	195	179	9.4%	508	439	15.7%
Net Margin	18.3%	16.5%	1.8 pp.	14.9%	14.1%	0.8 pp.

Financial Ratios	Dec. 2018	Dec. 2017	Balance Sheet (MXN million)	Dec. 2018	Sep. 2018	Δ%	Δ
ROE	18.8%	18.1%	Cash and Cash Equivalents	330	694	(52.5%)	(364)
ROIC	18.9%	22.1%	Inventory	5,410	5,284	2.4%	126
Interest Coverage	5.97x	5.28x	Gross Debt	2,017	2,262	(10.8%)	(245)
Gross Debt / EBITDA	2.65x	1.75x	Net Debt	1,687	1,568	7.6%	120
Net Debt / EBITDA	2.21x	1.35x	Total Liabilities	3,557	3,945	(9.8%)	(388)
Total Liabilities / Equity	1.25x	1.01x	Stockholders' Equity	2,849	2,654	7.3%	195
Net Debt / Equity	0.59x	0.38x					
Working Capital Turnover	0.69x	0.78x					
LTM EBITDA per home sold	168k	162k					
LTM Net Income per home sold	112k	99k					

MESSAGE FROM THE CHAIRMAN

In Vinte, we do feel encouraged to continue advancing on the flexibility of our business model, clearly reflected on the "Vinte for Everyone" philosophy, as during our business path has enabled us to develop a wide and attractive range of products, from homes for the elderly and disabled to sustainable and ecological prototypes, within a unique concept of community, which has generated added value for households in more than 37 thousand of Mexican homes.

2018 consolidated results are just a mirror of the business model we have developed, posting a net margin at its record-high level (14.9%) and a ROE of 18.8%; encouraging Vinte to replicate and improve this model.

Over the year we push forward house sales, quickly adapting to market conditions and boosting our attractive average price above the Ps.700 thousand mark, with the displacement of higher added-value prototypes, strengthening the firm commercial position of the "Vinte" brand throughout the locations where we operate; including the startup of construction in progress in Nuevo Leon.

As of December 31, 2018, our land bank exceeded the 35 thousand plots, as we seek to replicate our model in 6 states of Mexico, where we are already located, counting on authorizations aligned to the business model of the started year, the deployment of multi-disciplinary teams of the Vinte's family at every market, and sustainable & cutting-edge new products.

The high professionalism we see at the new administration of Infonavit, Fovissste, SHF and Conavi encourage us to continue investment in a significant fashion during year 2019.

We have started the year working with a very positive tone, striving for the generation of higher added value for our clients, shareholders and creditors, focusing on 2019 in what we really master: Vinte's communities!

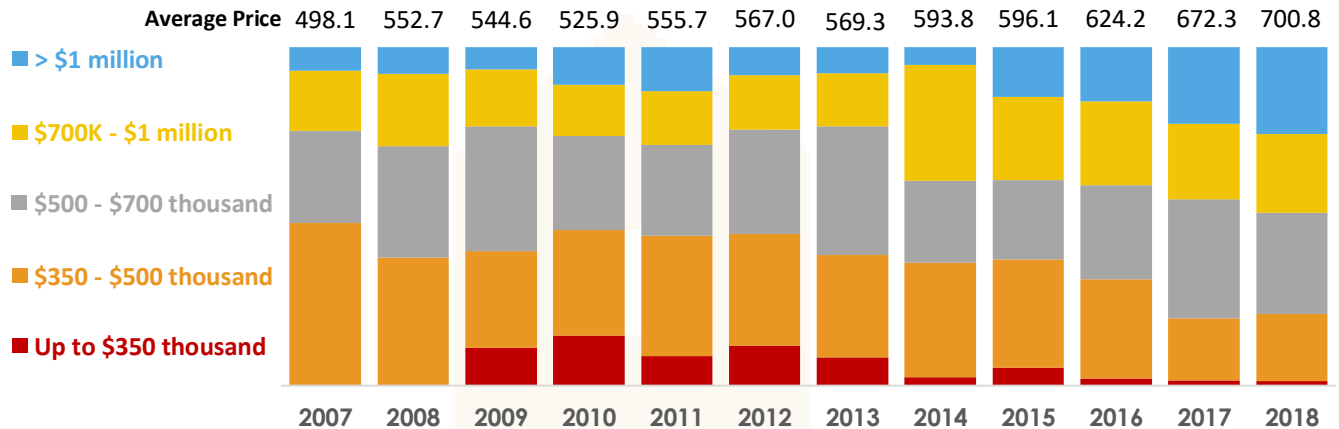
**Sergio Leal Aguirre,
Chairman and CEO**

OPERATING RESULTS

HOMES SOLD REVENUE BREAKDOWN

By segment:

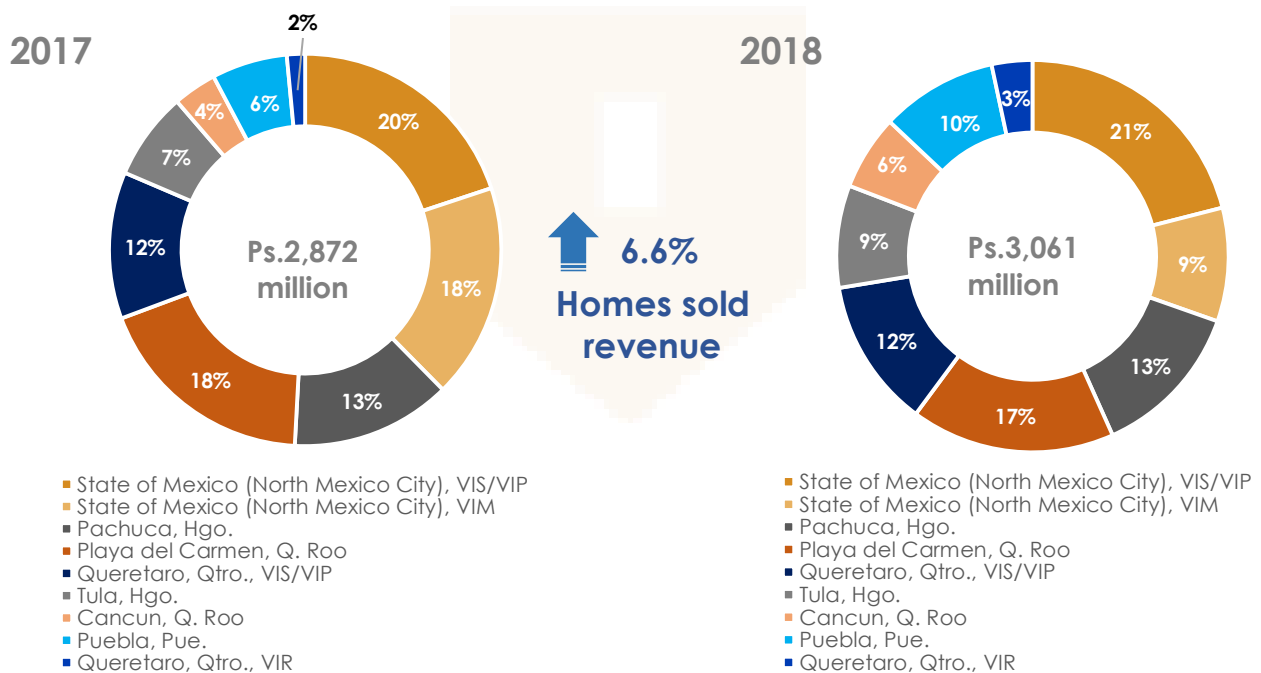
Average Sale Price and Housing Mix (MXN million, %)



During 2018, the average price per home sold surpassed the Ps.700 thousand mark for the first time in Vinte's history, with the highest revenue share from homes above the Ps.1 million price. The operating flexibility of the business model allows to rapidly move towards the sweet spot of the demand and mortgage offer.

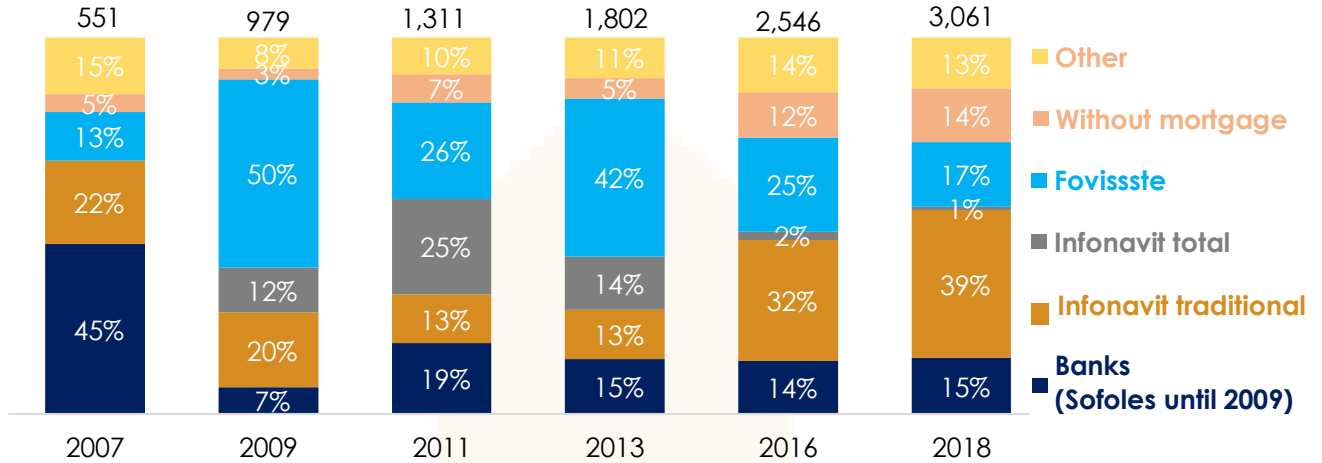
In 2018 we start a new residential project in the State of Mexico, which we expect will contribute to the increase in revenue towards 2019 (after the successful figure recorded in 2017).

By market:



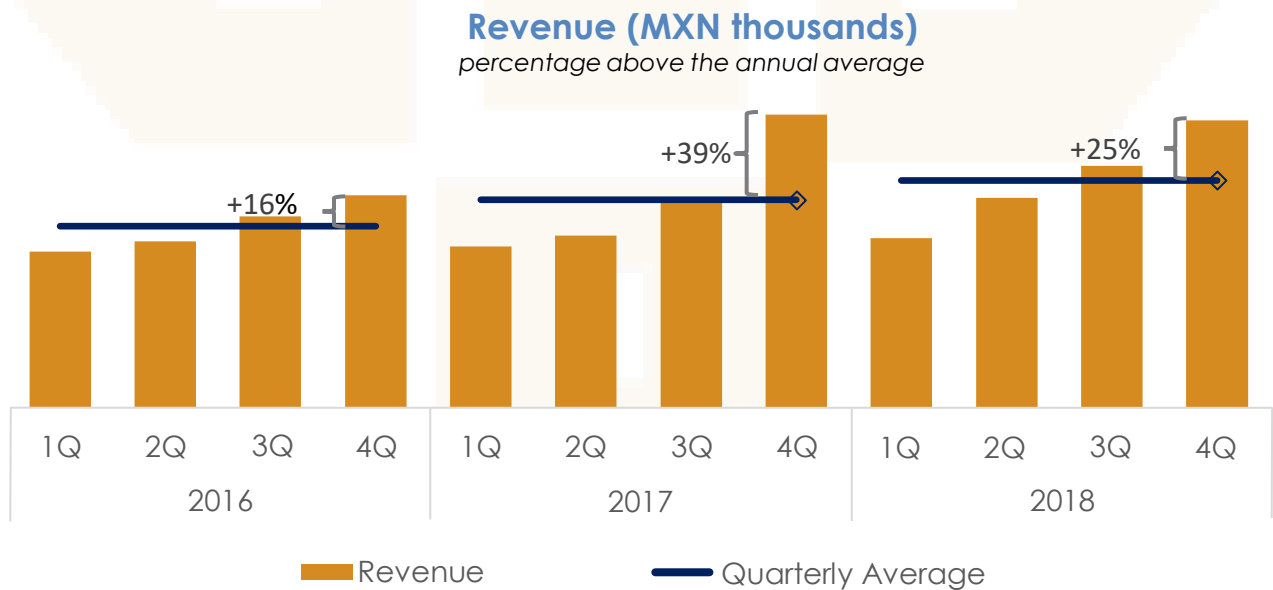
By financing:

Homes sold Revenue (MXN million)

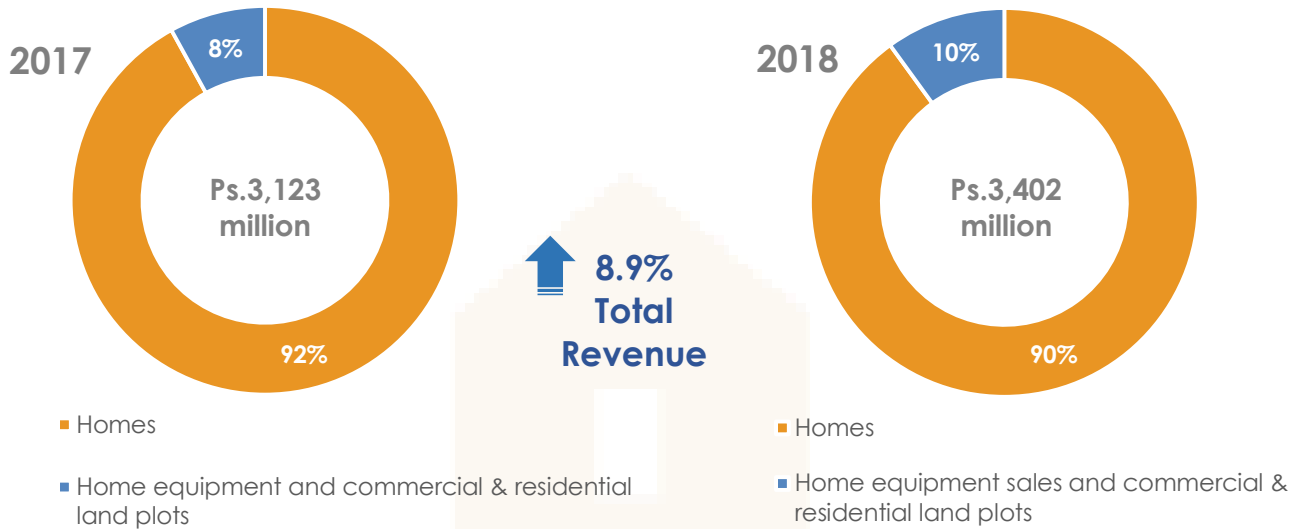


Following the strong growth in the credit cap of "Infonavit Tradicional" towards middle year 2017, Vinte has increased from 32% in 2016 to 39% this year the revenue per titled unit using this credit. Fovisste and traditional banking represented 17% and 15% of the revenue, respectively, generating opportunities of growth through the years to come.

CONSOLIDATED TOTAL REVENUE

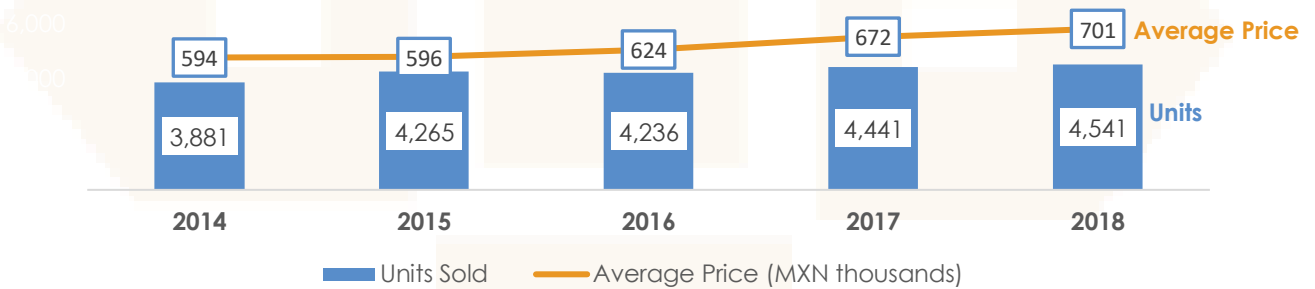


4Q18 Consolidated Revenue totaled Ps.1,065 million, posting a slight decrease of 1.7% YoY, given a high base of comparison as a significant share of last year's revenue was concentrated on 4Q17 (39% above 2017's quarterly revenue average).



For the full-year 2018, Total Consolidated Revenue rose 8.9% YoY, amounting to Ps.3,402 million. Out of the total revenue, 90% stemmed from homes sold (86% in 4Q18) and the remaining 10% from housing equipment and commercial and residential plots, as well as construction services to Jardines de Mayakoba (14% in 4Q18).

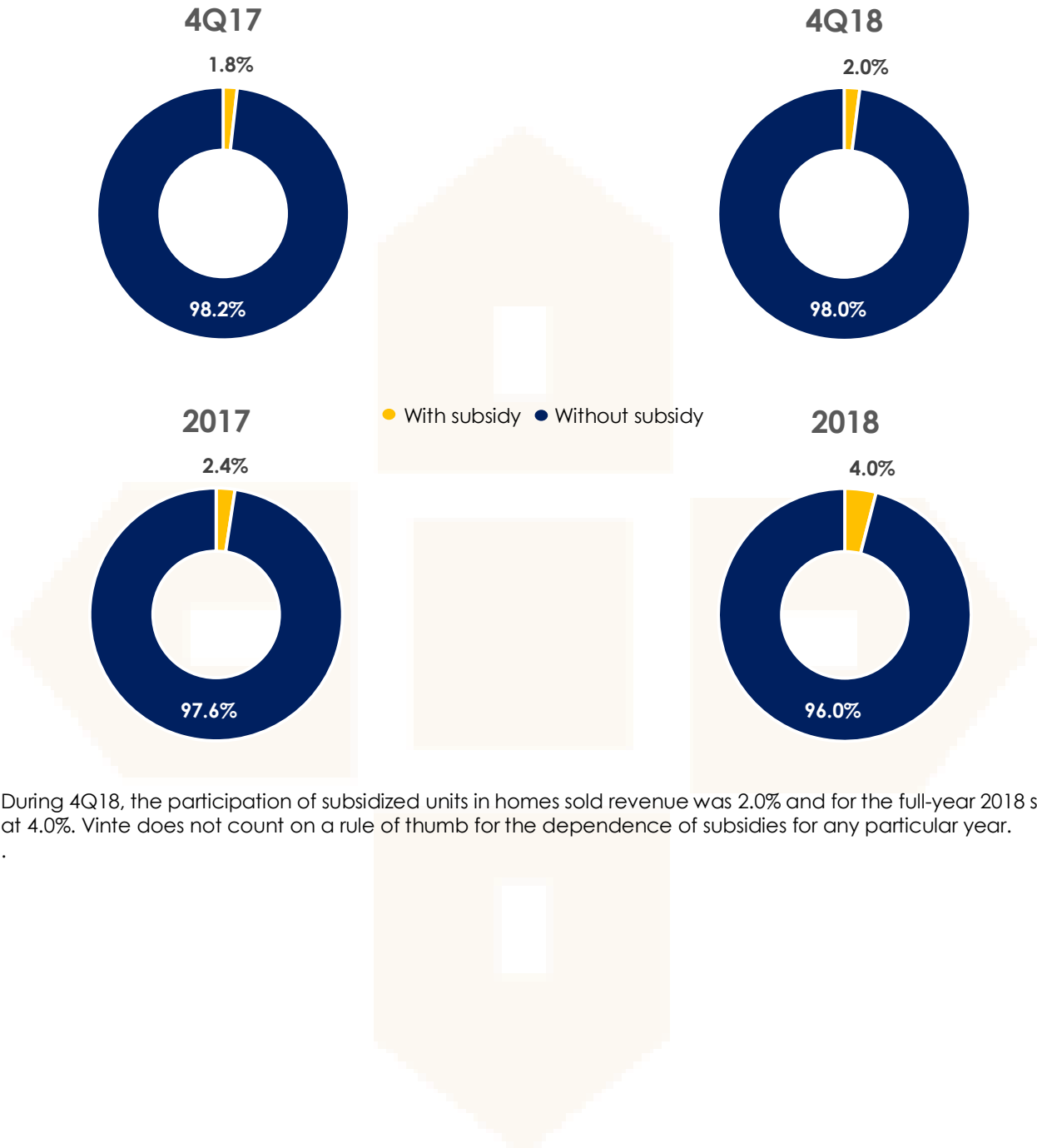
AVERAGE CONSOLIDATED PRICE



In 2018, the consolidated average price (including revenue from equipment sales) stood at Ps.701 thousand, 4.2% more than that of 2017, following a higher participation of homes with prices above the Ps.1 million mark. Regarding the units sold in 2018, these amounted to 4,541, 2.3% higher than that of 2017.

NON-DEPENDENCE ON SUBSIDIES

HOMES WITH SUBSIDIES



During 4Q18, the participation of subsidized units in homes sold revenue was 2.0% and for the full-year 2018 stood at 4.0%. Vinte does not count on a rule of thumb for the dependence of subsidies for any particular year.

FINANCIAL PERFORMANCE

INCOME STATEMENT

Gross Profit

Gross Profit went up, from Ps.382 million in 4Q17 to Ps.386 million this quarter, increasing 1.1% YoY. 4Q18 Gross Margin was 36.2%, up 100 bps. vs. 4Q17. The Cost of Sales does not consider Ps.22 million and Ps.23 million, associated to capitalized interests on inventory during 4Q18 and 4Q17, respectively.

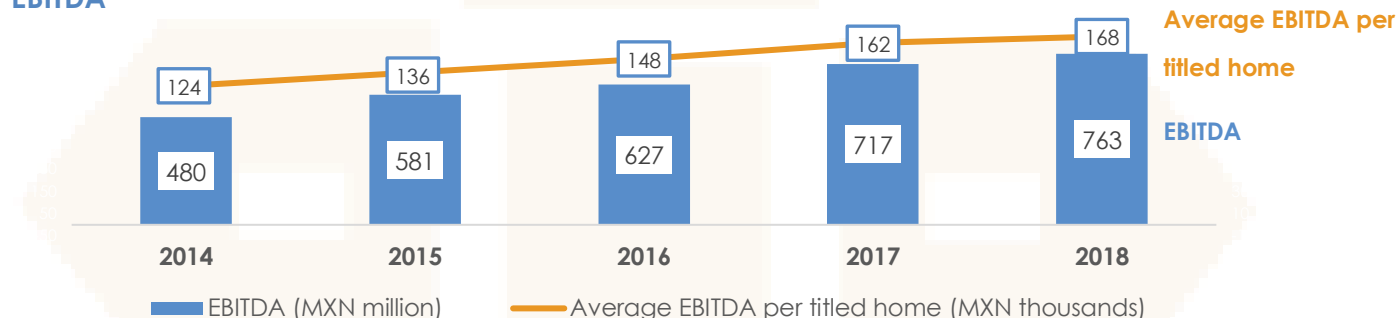
For the full-year 2018, Gross Profit totaled Ps.1,172 million, recording a 9.7% growth, from Ps.1,069 million in 2017. Gross Margin increased 30 bps. on a YoY basis, standing at 34.5% in 2018. Gross Profit does not consider capitalized financial cost associated to inventory, and included in cost of sales, for Ps.72 million in 2018 and Ps.68 million in 2017.

Selling, General and Administrative Expenses and Other Expenses

SG&A and Other Expenses of the quarter, registered an annual increase of 29.2%, reaching Ps.131 million, due to the startup of operations in Monterrey and 4Q17 high base of comparison. In this regard, for the full-year 2018, SG&A and Other Expenses amounted to Ps.409 million, increasing 16.5% vs. the Ps.351 million in 2017.

The proportion of SG&A and Other Expenses to Revenue was 12.3% for 4Q18, vs. 9.4% in 4Q17; meanwhile, for the full-year 2018 this proportion stood at 12.0%, 70 bps. higher than the 11.3% recorded in 2017.

EBITDA



EBITDA went from Ps.280 million in 4Q17 to Ps.255 million this quarter, decreasing 9.1%, mainly due to a high base of comparison and the increase of expenses over the quarter related to the Nuevo Leon startup. 2018 EBITDA reached Ps.763 million, a 6.3% growth when compared to the Ps.717 million registered in 2017. Average EBITDA per titled home was Ps.168 thousand (+4.0% YoY).

Comprehensive Financial Result (CFR):

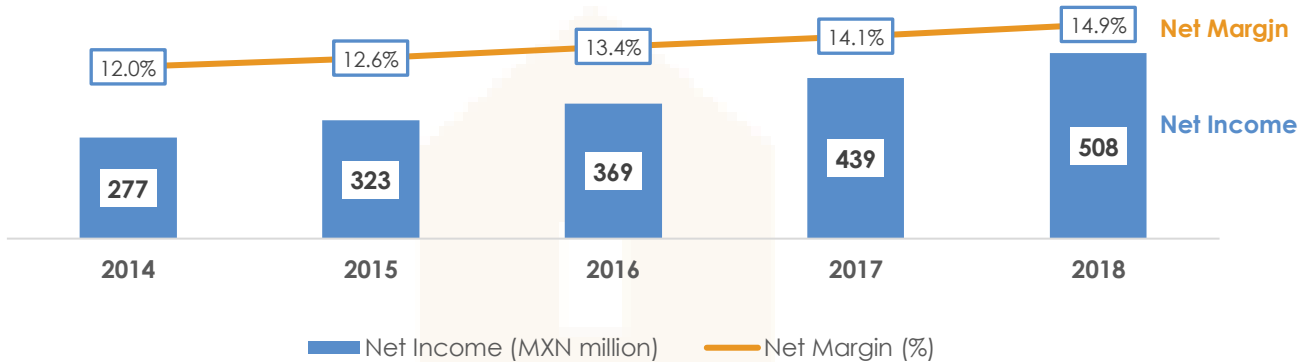
CONCEPT (MXN million)	4Q18	4Q17	Δ%	2018	2017	Δ%
Capitalized interests	22	23	(3.3)	72	68	5.8
Interest Income	(16)	(5)	229.9	(31)	(16)	93.8
Financial Expenses	17	33	(47.2)	86	83	3.5
Total CFR	24	51	(53.4)	128	136	(5.9)
CFR to Revenue	2.2%	4.7%	(2.5 pp.)	3.8%	4.3%	(0.5 pp.)

Following Vinte 18X's debt issuing, we were able to cut CFR in a significant fashion. On the one hand, the interest gain from raised resources were capitalized according to the standard; and, on the other, we generated interest income from the high level of cash invested as our treasury guidelines, in the meantime of achieving a full deployment of these resources in sustainable projects.

Income Tax:

For the full-year 2018, Income Tax totaled Ps.105 million, a 10.6% decrease when compared to the Ps.118 million in 2017. Separately, the effective tax rate of the Company for year 2018 was 17.2%, 4.0 pp. below than the 21.2% recorded in 2017, mainly following a reduction in deferred taxes, as stated by the 2014 fiscal reform.

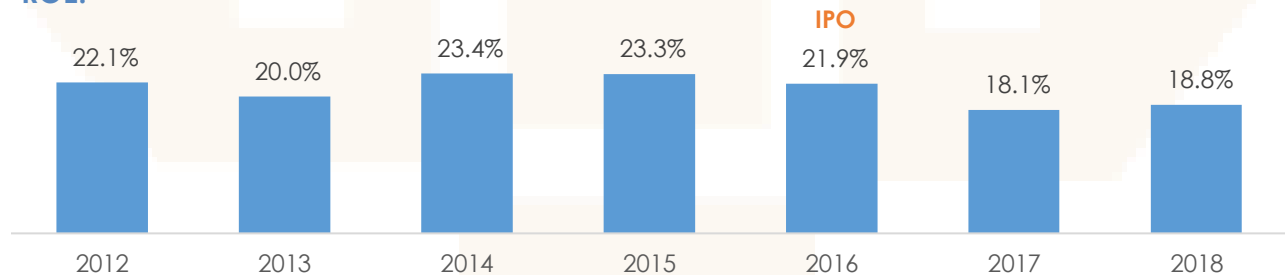
Net Income:



In 4Q18, despite a high comparative base, Net Income amounted to Ps.195 million, increasing 9.4% vs. the Ps.179 million of 4Q17, favored by a lower CFR and tax income. 4Q18 Net Margin was 18.3%.

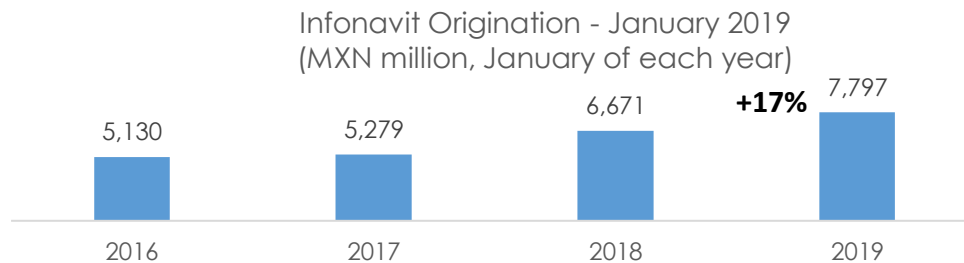
2018 Net Income recorded a 15.7% growth, from Ps.439 million in 2017 to Ps.508 million. 2018 Net Margin stood at 14.9%, reaching a new all-time high. 2018 Net Income per titled home was Ps.112 thousand (+13.1% YoY).

ROE:



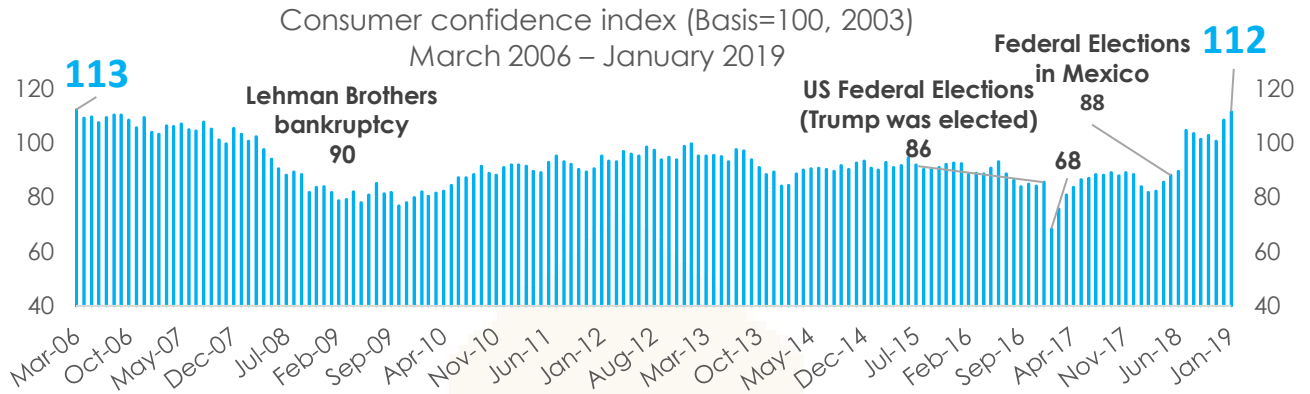
2018 ROE stood at 18.8%, in line with the target set at our 2018 Guidance and the Company's focus on profitability.

Infonavit origination of mortgage credits in January 2019:



- Infonavit's 2019 Financial Plan reflects a 6.8% growth in mortgage credit origination that follows a mix of higher average prices. Likewise, Infonavit started the year with its highest level in mortgage origination for a January (since 2016).
- Infonavit's mortgage origination increased 10.8% YoY, vs. a 3.9% growth at its 2018 scheduled financial plan.

Consumer Confidence Index as of January 2019:



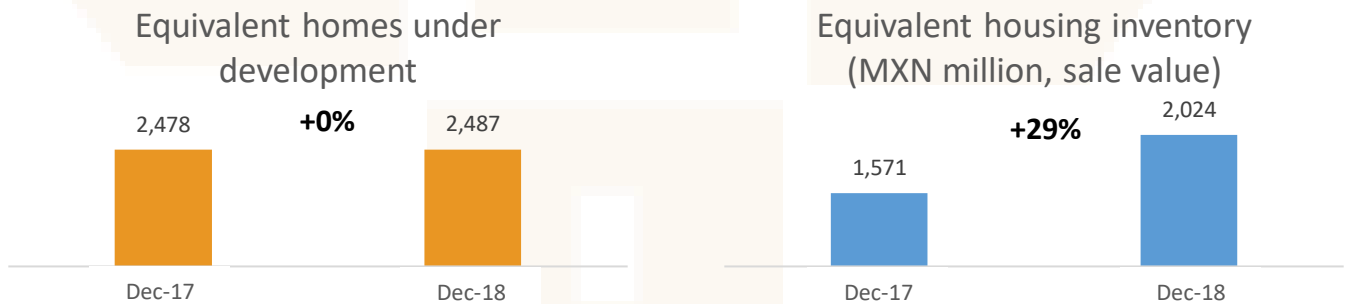
Consumer confidence index for January 2019 is at its highest level since March 2006.

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 December 31, 2018, cash and cash equivalents bounced back to its standard ranges after the total deployment of the resources raised from "Vinte 18X". This balance decreased from Ps.694 million at quarter-end 3Q18 to Ps.330 million as of December 31, 2018 (equivalent to 7.3 weeks of sales and financial expenses).

Equivalent housing inventory under development:



As of December 31, 2018, the number of homes under construction remained unchanged vs. 2017. However, their average sale price was 29% higher in an annual basis, due to the enhancement of the Company's housing mix; (5.5% corresponding to inflation and 23.5% from a better prototypes' mix), thus increasing proportionally construction, urbanization and infrastructure investments.

Therefore, the presales at the end of January 2019 increased 23.6% vs. January 2018.

Remaining Inventories:

As of December 31, 2018, the inventory balance recorded Ps.5,410 million, from Ps.4,244 million as of December 31, 2017, increasing 27.5% YoY, following the increase of land bank for new housing projects and a higher construction in progress at our different developments, as well as the aforementioned progress in project developments.

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

Debt:

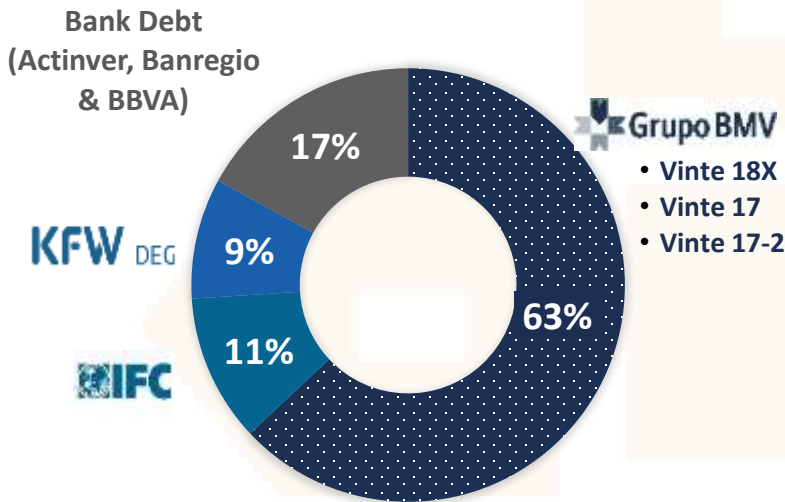
Concept (MXN million)	4Q18	3Q18	4Q17
Gross Debt	2,017	2,262	1,253
Net Debt	1,687	1,568	969

Debt balance totaled Ps.2,057 million as of year-end 2018 and, discounting issuance costs in accordance with IFRS, reached Ps.2,017 million, increasing Ps.764 million vs. 4Q17, due to the full deployment of Vinte 18X and the investment program that follows our 2019 business plan.

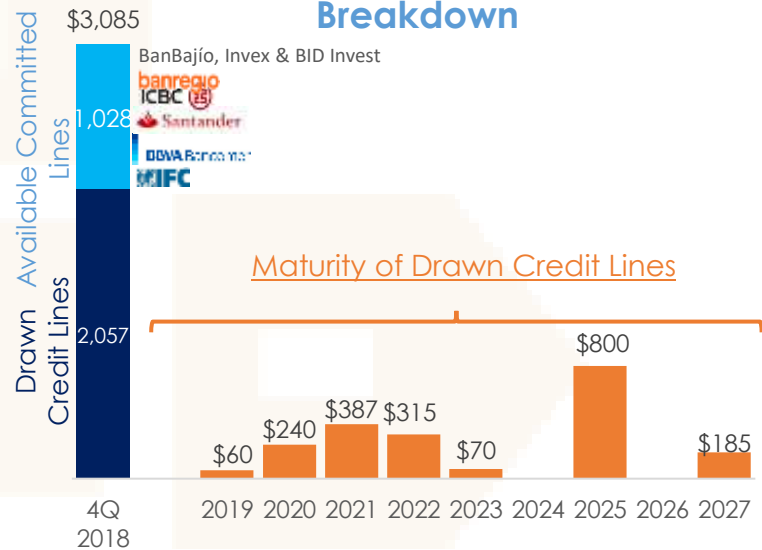
Vinte's total debt is 100% denominated in Mexican pesos and as of December 31, 2018, approximately 58% of the Company's gross debt (68% in net debt terms) was contracted at a weighted average fixed rate of 9.6%.

Regarding to our debt maturity profile, our maturities for 2019 amount to Ps.60 million, while the average term of the debt was 6.1 years, as of year-end 2018.

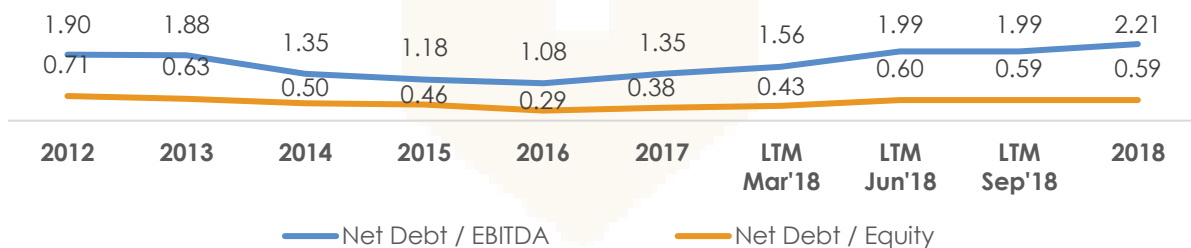
Debt Breakdown by Bank (Ps.2,057 million)



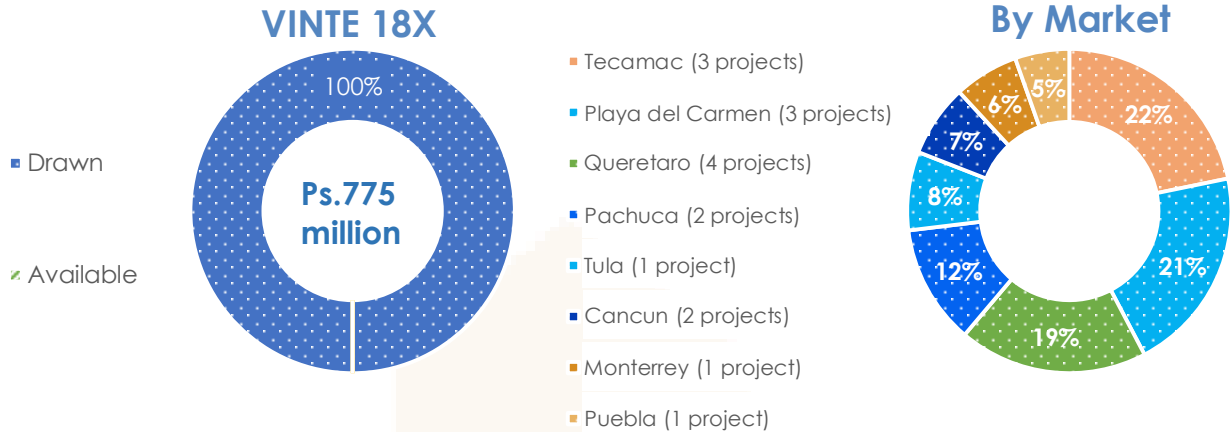
Committed Financing Breakdown



The level of indebtedness measured as Net Debt / EBITDA increased from 1.99x last quarter to 2.21x this quarter and Net Debt / Stockholders' Equity stood at 0.59x. (compared to 3Q18) These variations are explained by the additional investments from the "Vinte 18X" issuance. Although these levels are within all our internal and external limits, the Company has set a deleverage plan towards year 2019.



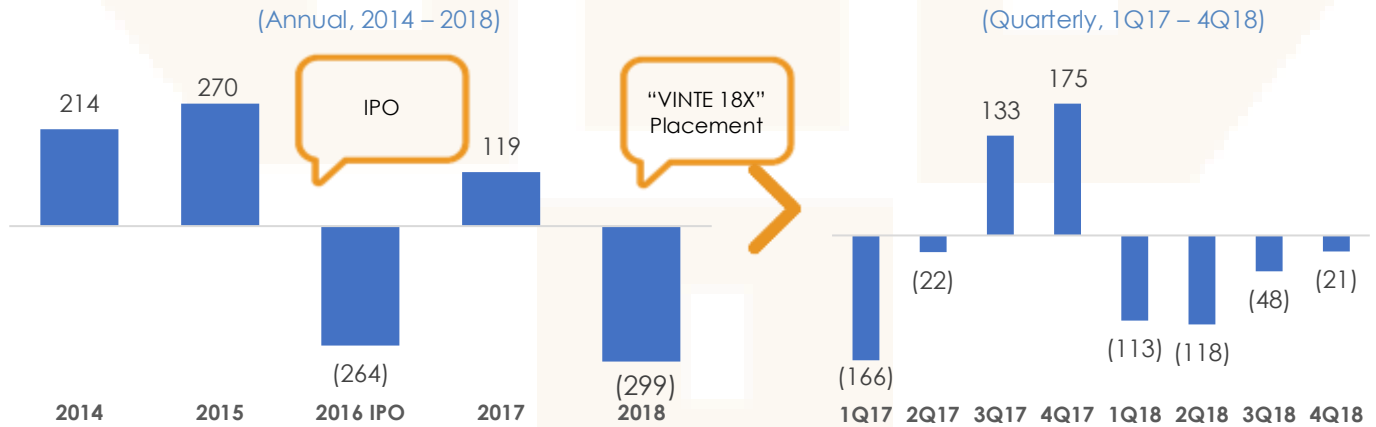
Use of proceeds from the "VINTE 18X" Green Bond:



As of December 31, 2018, the Company fully used the net resources raised in the "VINTE 18X" issuance, for Ps.775 million, which allowed us to surpass the figure estimated at our investment program and move forward with the development of the Company's sustainable communities. These resources were deployed in 17 projects, located in Tecamac, Queretaro, Playa del Carmen, Tula, Pachuca, Monterrey, Puebla and Cancun, including the development of our Hybrid Zero Carbon Housing project in Tecamac.

Free Cash Flow from Operation:

4Q and full-year 2018 cash flow from operations was Ps.-21 million and Ps.-299 million, respectively, reflecting the investments executed according to Vinte 18X and our 2018 investment plan. Nevertheless, the Company estimates a positive cash flow generation in year 2019, since it has already advanced in the investments aimed to achieve an agile development of its housing projects.



ADDITIONAL INFORMATION

2019 GUIDANCE

On December 19, 2018, Vinte announced its 2019 Guidance, setting out the following estimates:

- ✦ Annual growth around 7% in Consolidate Revenue, EBITDA and Net Income
- ✦ Return on Equity (ROE) about 19%
- ✦ Positive Cash Flow generation
- ✦ Solid Financial Position, with a solid liquidity, alongside a healthy and long-term oriented leverage

RECENT DEVELOPMENTS

- ✦ On January 4th, 2019, Vinte announced the renewal of the market maker service agreement with Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander Mexico, for an additional 12-month period (ending as of December 2019), with the option to automatically renovate for an equal period.
- ✦ On December 27th, 2019, HR Ratings reaffirmed its long-term credit rating on local scale of 'HR A+', with stable outlook, for "Vinte 17", "Vinte 17-2" and Vinte. Furthermore, reaffirmed its long-term credit rating on local scale of 'HR AA+', with stable outlook, for "Vinte 18X". And, reaffirmed its long-term credit rating on global scale of 'HR BB+' and 'HR BBB+', with stable outlook, for Vinte and "Vinte 18X", respectively.
- ✦ On November 7th, 2018, Vinte confirmed again the engagement of Galaz, Yamazaki, Ruiz Urquiza, S.C. (Deloitte) as its external audit firm for full-year 2018, considering the best corporate practices and recommendation of its audit and corporate practices committee.

ANALYST COVERAGE

Institution	Analyst	Email	T.P.	Recommendation
Actinver	Ramon Ortiz Reyes	rortiz@actinver.com.mx	Ps.33.00	Buy
UBS	Marimar Torreblanca	marimar.torreblanca@ubs.com	Ps.32.00	Buy
Miranda	Martin Lara	martin.lara@miranda-gr.com	Ps.33.00	Buy

ABOUT VINTE

Vinte is a vertically integrated Mexican home builder with a clear focus on profitability. For more than 16 years 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 37 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 27 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

Inmobiliaria Vinte **4Q18 CONFERENCE CALL**

Date:
Tuesday, February 26th, 2019

Time:
11:00 a.m. (CST, Mexico City)
12:00 p.m. (EST, NYC)

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

Dial-in number:
USA / International:
Tel: 1-334-323-7224
Mexico:
Tel: 001-334-323-7224

Passcode:
VINTE

MP3 Recording:
Available 30 min. after the
conference call at:
www.vinte.com

**4Q18 earnings
release date:**
Monday, February 25th, 2019
(after market close)

**Additional
information:**
www.vinte.com
gonzalo.pizzuto@vinte.com
+52 (55) 5010-7360

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31ST, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

ASSETS	DEC 31, 2018	DEC 31, 2017	Δ%
CURRENT ASSETS:			
Cash, cash equivalents and restricted cash	329,728	283,849	16.2
Accounts receivable	327,834	322,772	1.6
Accounts receivable from Mayakoba Trust No CIB/2185	41,488	23,042	80.1
Inventory	2,642,227	2,441,421	8.2
Prepayments and other assets	61,451	76,596	(19.8)
TOTAL CURRENT ASSETS	3,402,729	3,147,680	8.1
NON-CURRENT ASSETS:			
Inventory	2,767,403	1,802,475	53.5
Prepayments	32,356	44,787	(27.8)
Property, plant and equipment	104,733	48,087	117.8
Investments in Trust and Joint Ventures	54,372	50,477	7.7
Other non-current assets	39,153	23,178	68.9
Long-term receivables from sale of commercial lots	4,776	4,776	-
TOTAL NON-CURRENT ASSETS	3,002,792	1,973,781	52.1
TOTAL ASSETS	6,405,521	5,121,460	25.1
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt subscribed with financial institutions	60,000	80,000	(25.0)
Current portion of local notes (CEBURES)	-	-	-
Obligations secured by sales of future receivables contracts	24,379	88,521	(72.5)
Accounts payable to land suppliers	303,679	161,926	87.5
Accounts payable to suppliers	225,073	188,277	19.5
Dividends payable	-	-	-
Various creditors, subcontractors and other	167,761	144,078	16.4
Customer prepayments	105,895	92,377	14.6
Accumulated expenses and taxes	121,352	102,294	18.6
Income tax	4,920	7,221	(31.9)
Profit sharing payables	17,939	10,282	74.5
TOTAL CURRENT LIABILITIES	1,030,999	874,975	17.8
NON-CURRENT LIABILITIES			
Long-term debt	686,263	682,876	0.5
Long-term local notes (CEBURES)	1,270,959	490,078	159.3
Accounts payable to land suppliers	-	-	-
Employee benefits	2,625	2,119	23.9
Deferred income tax	566,097	526,418	7.5
TOTAL NON-CURRENT LIABILITIES	2,525,944	1,701,492	48.5
TOTAL LIABILITIES	3,556,942	2,576,467	38.1
STOCKHOLDERS' EQUITY			
Capital stock	862,281	862,281	-
Reserve for share repurchase	56,403	51,942	8.6
Retained earnings of previous years	1,421,741	1,191,474	19.3
Fiscal year performance	508,153	439,296	15.7
TOTAL STOCKHOLDERS' EQUITY	2,848,579	2,544,993	11.9
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	6,405,521	5,121,460	25.1

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

STATEMENT OF CONSOLIDATED INCOME FOR THE THREE-MONTHS AND TWELVE-MONTHS
ENDED DECEMBER 31, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

	4Q18	4Q17	Var.%	2018	2017	Var.%
Homes sold (units)	1,260	1,348	(6.5)	4,541	4,441	2.3
Average sale price	749.5	751.1	(0.2)	700.8	672.3	4.2
REVENUE	1,064,933	1,083,572	(1.7)	3,401,524	3,123,384	8.9
Cost of Sales (non-interest bearing)	679,080	701,911	(3.3)	2,229,392	2,054,657	8.5
GROSS PROFIT	385,852	381,661	1.1	1,172,132	1,068,727	9.7
Gross margin	36.2%	35.2%	1.0 pp.	34.5%	34.2%	0.3 pp.
SG&A and other expenses	131,247	101,615	29.2	409,490	351,402	16.5
EBITDA	254,605	280,045	(9.1)	762,642	717,325	6.3
EBITDA margin	23.9%	25.8%	(1.9 pp.)	22.4%	23.0%	(0.6 pp.)
Depreciation and amortization	7,032	5,743	22.5	25,248	19,002	32.9
CFR	23,739	50,971	(53.4)	127,747	135,729	(5.9)
Interests in Joint Ventures	(2,234)	(4,486)	(50.2)	3,895	(5,434)	Loss to Profit
EARNINGS BEFORE TAXES	221,600	218,846	1.3	613,542	557,160	10.1
Earnings Before Taxes margin	20.8%	20.2%	0.6 pp.	18.0%	17.8%	0.2 pp.
ISR	26,319	40,276	(34.7)	105,389	117,864	(10.6)
NET INCOME	195,281	178,570	9.4	508,153	439,296	15.7
Net margin	18.3%	16.5%	1.8 pp.	14.9%	14.1%	0.8 pp.

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

STATEMENT OF CONSOLIDATED CASH FLOW AS OF DECEMBER 31ST, 2018 AND 2017
(THOUSANDS OF MEXICAN PESOS)

	2018	2017	Δ%
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before income tax	613,542	557,160	10.1
Adjusted for:			
Depreciation and amortization of intangible assets	25,248	19,002	32.9
Amortization of debt issuance costs	15,942	15,622	2.0
Asset retirement	405	656	(38.3)
Interests in Joint Ventures	(3,895)	5,434	(171.7)
Interest expense	181,294	158,197	14.6
Interest received	(20,448)	(8,804)	132.3
Sum	812,089	747,267	8.7
CHANGES IN WORKING CAPITAL:			
Decrease (increase) in accounts receivable	(23,509)	(13,558)	73.4
Decrease (increase) in inventory	(1,198,090)	(782,781)	53.1
Decrease (increase) in other accounts receivable and other current assets	27,472	(6,227)	(541.2)
Increase (decrease) in suppliers	141,753	129,870	9.1
Increase (decrease) in other liabilities	39,322	20,608	90.8
Income tax paid or benefited	19,058	13,991	36.2
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(993,994)	(638,097)	55.8
Net cash flows from (used in) operating activities	(181,905)	109,171	(266.6)
CASH FLOWS FOR INVESTMENT ACTIVITIES:			
Investment in property, plant and equipment	(70,539)	(19,541)	260.9
Investments in Trusts and Joint Ventures	-	-	
Advance payments	-	-	
Payments for other assets	-	-	
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES	(70,539)	(19,541)	260.9
CASH FLOWS FOR FINANCING ACTIVITIES:			
Increase in Capital	-	-	
Increase in bank financing	2,952,950	2,301,063	28.3
Increase in debt bond issuances	800,000	-	
Share repurchase	4,461	(37,738)	(111.8)
Decrease in bank financing	(2,976,350)	(1,934,216)	53.9
Obligations for sale of future collection rights contracts	(28,274)	(24,757)	14.2
Payment of obligations for sale of future collections rights contracts	-	-	
Expenses for placement of debt instruments	(64,141)	(5,760)	>100.0
Dividends paid	(209,029)	(163,744)	27.7
Interests paid	(181,294)	(158,197)	14.6
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	298,323	(23,349)	(>100.0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	45,879	66,281	(30.8)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	283,849	217,568	30.5
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	329,728	283,849	16.2