

Operator:

Good morning and thank you for holding. At this point, we would like to welcome you to the Fleury Group referring to the results of the 3Q19. We have with us today Mr. Carlos Marinelli, the CEO; Mr. Fernando Leão, the CFO, IRO and Legal Officer.

We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the Company's presentation. Ensuing this, we will go on to questions and answers, when further instructions will be given. Should any of you require assistance during the conference call, please press *0 to reach the help of the operator.

This event is also being broadcast simultaneously through webcast, and can be accessed at the address www.fleury.com.br/ri, where the respective presentation can be found. You can watch the slides at your own convenience. The replay of the event will be available soon after closing.

We would like to remind participants of the webcast they can post their questions through the website.

Before proceeding, we would like to clarify that forward-looking statements made during the conference call referring to the business outlook projections, operational and financial goals are based on the beliefs and premises of the management, as well as on information current available to the Fleury crew. These forward-looking statements are no guarantees of performance as they involve risks, uncertainties and premises, and therefore refer to events that may or may not occur. Investors and analysts should understand that general conditions, sector conditions and other operating factors could affect the future results of the Fleury Group and lead to results that differ materially from such statements.

We would now like to give the floor to Mr. Carlos Marinelli, who will begin the presentation. You may proceed, sir.

Carlos Marinelli:

Good morning. I would like to start out by thanking all of you for your presence at our conference results for the 3Q19. We continue to enhance our brand portfolio. We have observed an organic growth of our service units this quarter, and we have reached the highest level in the last four quarters, presenting a growth of 8.7%.

This result reinforces our belief in the assertive strategy medically and in terms of care, allied to a culture of efficiency and excellent management.

It is important to highlight that this growth took place despite the timid resumption of the economy. It is true that the recent figures of evolution and the generation of formal employment leave us quite optimistic, showing there is still a trend that has been accumulated since 2012.

In the evolution of our business platform and health, we have not come to a standstill. We are building, testing and implementing technologies and services to guarantee our move forward toward more integrated solutions, where the diagnostic sector is a key part of care, treatment and personalized and precision medicine.

The foundations necessary to guarantee a robust service platform continue to be a priority of investment for an environment to activate data, intelligent service and agile workflows.

We now go on to the presentation on slide number three, where we show you the main financial highlights of the 3Q. I would like to underscore that, for purposes of comparison, these figures do not present the IFRS 16 effect.

Gross revenue had a growth of 10.8%, totaling R\$818 million. We highlight that this increase, among others, was impacted by an acceleration in the growth of the Fleury brand, with an expansion of 6.7% in the quarter. This is the third consecutive quarter in which we have an enhancement in the brand growth.

Cancellations represented 1.4% of gross revenue and remained stable vis-à-vis the same period in the previous year. The EBITDA reached R\$196 million, with a growth of 8.2%. EBITDA margin reached 26%.

Net income attained R\$96 million, presenting a growth of 4.9%. Operating cash flow totaled R\$213 million, with an expansion of 22.6%. Return on invested capital without goodwill reached 38%.

We now go on to slide number four, where we show you the operational highlights for the quarter. Upon the close of the 3Q19, the Net Promoter Score of our brands reached 77.7%, stable vis-à-vis the previous year and maintaining that high level of differentiation for which our services are recognized and preferred.

In October, we celebrated a contract for the acquisition of the Diagmax Group in Recife that will be under assessment by the anti-trust agency before conclusion. The Diagmax Group acts mainly in diagnoses through images through six service units in the metropolitan region of Recife, State of Pernambuco.

This acquisition will allow the Fleury Group to expand its presence strategically in the region, increasing its capillarity to 17 service units and strengthening its exam portfolio, expanding our share relevantly in terms of diagnosis per image.

This acquisition is aligned with our strategy of increasing our presence in markets with an economic growth that is above average, with a great potential of carrying out strategic partnerships to guarantee care coordination and a full-service portfolio.

I would also like to highlight that this quarter, we began the consolidation of results of 31 service units of the Lafe brand recently acquired in Rio de Janeiro. As part of the integration, in August, we began to process the exams of all the service units at our own technical area in Rio de Janeiro, significantly enhancing the quality of this process in the Lafe brand and guaranteeing a significant evolution of results in this operation.

At the beginning of November, we will conclude the integration of all of the back-office and front office in terms of operation. We understand that the integration of systems and processes is very important for our business, and it enables us to attain high-quality and efficiency levels.

With this integration, 100% of our operations will be on a sole system, presenting the same accuracy of image diagnosis at all regions. And we will also have real-time access to all the information produced at the service unit.

Even more importantly, we will guarantee the integration of information of the Lafe client to our data lake and an integral connection with our digital strategy for intelligence in terms of our data.

For the strategic pillar of personalized and precision medicine, we have taken perhaps the most important step in terms of the supply of services. Previously, the consultations were carried out only in the city of São Paulo. Presently, we are offering this in the cities of Porto Alegre and Salvador.

Genetic counseling is one more element of our health platform, with a view to better understand the clinical position of our patient and the risk of developing hereditary diseases, and the potential of transmitting these genetic conditions to future generations. All of this within a continuous care continuum with our team of geneticists, offering consultancy, pre and post exam to physicians, patients and partners.

The creation of a genetic database and its use is one of the solutions, the genomic solutions of the Fleury Group, and a strategic part to leverage our health platform in a future scenario where precision and personalized medicine will not only bring benefits to patients, but also more cost-effective clinical outcomes.

Also connected to our platform, through Santécop, we inaugurated the first of a series of shared sites for primary care. This solution allies convenience, geographic distribution and high satisfaction of clients already present at the a+ units in São Paulo, benefiting the user who is seeking a solution for health without the high cost of complex structure.

This structure has three exclusive rooms that are totally dedicated to triage, clinical care and medication for the Santécop clients. This model places our customer at the center of care, delivering high efficiency for low-complexity care situations that are more frequent day after day.

All of this integrated care that is continued and coordinated is always based on the analysis of timely data and the history of patients and brings into reality that great potential to change the relationship model between patient and the value change of health.

Finally, I would like to mention the awards that were received by the Company throughout the 3Q, showing the strength of the Company in the execution of excellency. We won the prize the Best in the Stock Market organized by InfoMoney, in partnership with Ibmecc and Economatica in the health category. We were also acknowledged by the award Empresas Mais of the O Estado de S. Paulo journal, and we have achieved a second place in the category of corporate governance for publicly listed companies and the second place in the health sector. Besides this, we were in the first position in the Best Place to Work at Infojobs.

I would now like to give the floor to Fernando, who will continue on with the presentation of results. I am at your disposal for questions at the end.

Fernando Leão:

Thank you, Carlos, and a good day, to all of you. We continue on with the presentation on slide number five, where we show you the performance of gross revenue in a consolidated way.

The gross revenue in the quarter increased 10.8%, attaining R\$818 million. The service units had an increase of 11.7%, with an increase in share of 83% to 85% of the gross revenue for the Group. B2B operations grew 5.9% in the quarter, representing 15% of the consolidated revenue. In the 9M, the amount of growth was 8.8%, with an expansion of 9.1% in the service units and 7.2% in the B2B operations.

In slide number six, we see in greater detail the growth of the brand portfolio. The graph to the left shows you the total graph of 11.7% in Patient Service Center, 8.7% in organic growth.

The Fleury brand expanded 6.7%, presenting for the third consecutive quarter an improvement in its growth. This performance reflects the mix of internal actions, among which, a strengthening of the medical relationship and an improvement in the conversion of setting up exams. Besides this, we have observed a stabilization in the number of beneficiaries with access to the premium market.

Another important impact in the brand performance was a better mix of exams carried out, along with an expressive increase of revenues with genomic exam.

The Rio de Janeiro brands increased 21.1%, 8.2% of this increase was organic. The organic performance presented reflects the entrance of new plans as well as the expansion of offer for diagnosis through images.

In the Rio de Janeiro brands, this quarter we consolidated the Lafe brand into our results. With the closing of the acquisition that took place in May of this year, we consolidated four months of their results.

In the a+ brand São Paulo, the expansion was 19.9% of revenues, arising mostly from growth concentrated in the units inaugurated between 2017 and 2018. That is still in the initial stage of maturity. The regional brands that take into account operations in the South, North, East and Federal District had a growth of 4.4%. An important part of this increase is due to the brand's IRN in Natal and the a+ in Recife that had a two-digit growth in the revenues. In the graph to the right, we show you the performance of our brand portfolio for the 9M.

In slide number seven, we highlight the cancellations and net revenues. In the graph to the left, we observed the cancellation indicator showing that we have maintained a high level of efficiency, reaching 1.4% for the quarter and for the 9M19.

To the right of the slide, we see a growth of 10.6% of net revenue in the quarter, totaling R\$755.7 million, and 8.7% increase for the 9M19.

In the next slide, we will present the main financial indicators. And I would like to highlight that in January of 2019, we adopted the IFRS 16 leasing. With a goal of having better comparability amongst periods, we will show the indicators in the next

slide without the IFRS 16 effect. If you need further details on the impacts of IFRS 16, please look at our financial statements or the earnings release.

In slide number eight, to the left, we highlight the evolution of costs. In the quarter, we had an increase of 12.4%, representing a loss vis-à-vis constant net revenues of 130 bps. The cost with direct material and exam intermediation grew 23.8%, with a loss in terms of net revenue of 120 bps.

This effect in this line is related to the mix of exams carried out in the quarter with a reduction in the share of the automation section that has a higher margin and the increase of share of specialized sections and hospitals. The specialized section has a main field, genomic exams. The costs with personnel, medical services and occupation presented an improvement in efficiency, mitigating the effects that I have just mentioned. Medical services and occupation, once again, had that improvement in efficiency.

To the right of the slide, we present our operational expenses. This quarter, we obtained, an increase of 7.2%, with a gain vis-à-vis the expenses and net revenue of 34 bps. What can also be observed in this slide is the evolution for the 9M19 in terms of costs and expenses.

In slide number nine, in the graph to the left, we observed that EBITDA attained R\$196.5 million in the quarter, with a growth of 8.2%. The EBITDA margin reached 26%, a retraction of 58 bps vis-a-vis the 3Q18.

As explained in the previous slide, the pressure on the EBITDA margin arises from the cost of services rendered, partially mitigated by the gain in efficiency and operating expenses.

Additionally, the inclusion of the Lafe brand in the results of the quarter has also contributed to the pressure observed in the EBITDA margin. If we exclude the effects of the Lafe brand, the pressure on the EBITDA margin would be 21 bps vis-à-vis the 3Q18, and the margin would reach 26.4% in the quarter.

In the graph to the right, we show you the accumulated comparison of EBITDA. Excluding the nonrecurring events that occurred in the 2Q19, we reached R\$583.8 million, with a growth of 6.9% and a margin of 26.7%.

In slide number ten, we show you the graph to the left with net income during the period reaching R\$94.8 million, a growth of 4.9% vis-à-vis the same period 2018. The net margin was 12.5%, compared to 13.2% in the 3Q18.

To the right, we show you the accumulated comparison of net income. Excluding the effects that are not recurrent, we reached R\$281.9 million, a growth of 3.1% and a net margin of 12.9%.

In slide number 11, to the left, we show you the operating cash flow graph recording R\$212.8 million in the quarter, an increase of 22.6%. The conversion to operating cash into EBITDA reached 108.3%. This quarter, the average term of receivables reached 66 days, a reduction of 2 days vis-à-vis the 3Q18, with a positive impact on accounts receivables.

To the right of the slide, we present to you the CAPEX for the quarter that totaled R\$40.4 million, a reduction of 58.4% when compared to the 3Q18. This reduction happens mainly in the new units, the expansion of the offer in existing units and technical areas, due to the decrease of investments with the opening of new units.

I would like to inform you that in October, we inaugurated a new unit of the a+ brand in São Paulo in Moema, with approximately 680 m² of service area. This new unit has a complete diagnosis area, including magnetic resonance.

The Company has inaugurated 54 units as part of its expansion plan, a number equivalent to 74% of the lower point of our guidance until 2021.

In slide number 12, in the graph to the left, the ROIC without goodwill reached 38%. Adjusted for nonrecurring events that happened in the 2Q19, and the effect of the acquisition of the Lafe brand, the result was 39.7%. To the right, we show you the evolution of Net Promoter Score reaching 77.7%.

Finally, on slide number 13, we include the events that have already been confirmed with the market for the coming months.

We would now like to open the floor for questions and answers. Thank you very much for your attention.

Joseph Giordano, JPMorgan:

Good morning, and thank you for taking my questions. The first question refers to Lafe. Fernando referred to the impact of consolidating Lafe. I would like to ask you when you expect that Lafe will operate in an aligned fashion in the Rio de Janeiro operation, when the margin will become more normalized?

The second question refers to your new avenues of growth. How much does the genomic part represent in your brand portfolio? It has given a good push the Fleury brand. And secondly, how these new initiatives, led by Santécorp and others, have contributed to the revenues of the Company? Thank you.

Carlos Marinelli:

I would like to answer your questions and speak more about our genomic initiatives, and then Fernando will refer to what is happening with Lafe.

When it comes to the issue of genomic, we have an enormous pressure of seeing how the market responds to our genomic solution. This is a business unit with a very rapid growth. Nowadays, in 2019, it represents 2% of the revenues of the Group, once again, all concentrated on genomics. And we have fast growth.

The greater challenge in this area are the effects that we have mentioned, this impact on gross margin. It is a highly specialized section that requires a great deal of investment in equipment, but also specialized people. And therefore, it is natural that, as we are focused on genomics and growth, at this point, we have greater pressure on our gross margin.

But this is the goal precisely. The goal is to become leaders in genomics throughout Brazil, as we already are, and to continue to grow this market. We are convinced that this is a market that will add to the traditional diagnostic medicine, and it will enhance the outcome for patients in the future connected to our health platform. It will help us in terms of information, how to use information, and we will have an ever-greater participation in the life of the patients, especially in the long term.

This is something we will continue to invest in. At present, it has had an impact on our gross revenue, but everything is under control. And of course, we are working hard on efficiency so that this can become an ever-important part of the Company.

In terms of Santécop, we inaugurated the first unit in the shared site. It was working in another way. This is a purely Santécop shared site, and there will be other inaugurations in the coming months.

This is an initiative that we are also focusing on because of the growth. Santécop is an operation with a dynamic that is different from others. It is highly connected. It has the ability of generating strong business, and we see the enormous attraction on the part of several of our customers in the health area. Companies that offer with post-payment also desire these services.

And the leverage of the platform will be very strong. Soon, we will announce another inauguration in terms of the shared site.

This is still a small operation. It is marginal in our business, but it has that characteristic. The isolated revenues of Santécop are one thing, but the impact and the future impact on the Company growth will become decisive in our business.

Therefore, we continue to focus on growth in genomics as well as in the part of Santécop. And we firmly believe that these are strategic initiatives that are pillars of our growth strategy for our platform. And we believe that they will attain maturity very quickly, showing our capacity to leverage growth.

Fernando Leão:

Regarding Lafe, we have two main factors in terms of integration. The first is to have in-house exams that will be processed by the technical area. This already happened in the 3Q. And secondly, the elimination of systems that will happen now at the beginning of November.

In the third quarter, we continued to have costs that relate to the Lafe *modus operandi*, where they work with outsourced services. We are still carrying these expenses, and these expenses were partially mitigated in the last month. This is something that will no longer appear in the 4Q.

And what will be different in the 4Q will be a fuller integration into our system. We hope that this carry effect of cost linked to Lafe will be lower compared to the 3Q, and that we will enter the 1Q20 with an operation that is much more similar to what we have in terms of margins.

Joseph Giordano:

Thank you very much, Carlos and Fernando. Have a good day.

Emerson, Itaú BBA:

Good morning. Thank you for taking my question. The first question is the following. You mentioned an improvement in the premium market and some in-house measures that you have taken to improve the relationship with physicians or doctors. Could you give us more details on the ramp-up of these initiatives? What will this represent for the penetration of the Company? And how will this help other issues in the Company?

Carlos Marinelli:

Thank you for your question, Emerson. We do have several initiatives. We have perhaps a dozen initiatives and we have specific projects to work on the Fleury brand. With this, as we mentioned, there are dozens of initiatives, each of which contribute towards the relationship with doctors, consultancy with doctors, bringing customers closer.

We have initiatives such as the intensification of integration. We do have projects that are being intensified by specialty, allowing greater comfort to the requesting physician in terms of the reading of the diagnosis of their patients. We are saving a great deal of time for the physicians in their offices, we are conveying information, communication and generating greater knowledge regarding their patients or customers.

When it comes to our specialized units, in a short while, we are going to be launching a revitalization of the pediatrics area with new personnel in our children's area. And of course, this represents a great deal of comfort for the parents of these children.

We have also invested heavily in our relationship with pediatrician. We have a very effective relationship. This is a specialty that demands a rapid communication, comfort when it comes to the parents, and this has been enhanced significantly.

Simply to mention one more, this week, we worked in the field of technology on thyroid. This was very successful. We had 200 physicians in São Paulo learning more about our technological evolution.

And besides these three, we have dozens of initiatives, each of which is building a higher penetration into the market for the Fleury Group, as we can observe when it comes to our increase in market share in this market segment.

Emerson:

Thank you very much.

Gustavo Oliveira, UBS:

Good morning and thank you for taking my questions. I would like to go back to the question about the genomic processes and gain an understanding of how you are thinking about this business and the impact it has had on your gross revenue.

Two questions: in the short term, especially. Your contribution margin in this product is negative presently. Therefore, I do not truly understand what is happening. Perhaps it is a process of a problem with pricing, or because it does not have a great scale. And this will not happen in one or two years when we think about the rollout.

The second question refers to what you are thinking about this project as part of your health platform. It is very easy if you can think that this product will continue to grow with a negative margin. And if you project the gross margin going forward, will this truly continue to grow with this negative impact? And which will be the impact on the total platform? Which are the data that you will collect and the additional services that you will offer?

Carlos Marinelli:

Thank you for your question. First of all, I would like to clarify something. The margin of genomics is positive, it is not negative. We have a practice within the Company with all of our brands and businesses. We compete for quality, we compete for differentiation, and not based on price. We are working with prices that oftentimes, when compared to other genomic services in the market, are steeper. And we work with state-of-the-art technology in terms of genomics.

This does not mean that we have a negative impact. The impact that you see in the gross revenue relates to a mix that goes much beyond genomics. Genomics should reach 2% of the total of revenue for the year.

But this is not a mature service so far. What is going to happen? We are going to grow in the specialized exams from other areas and other specialties that have higher prices, as well as higher costs that will be diluted through time as we leverage the volume.

We want to be an incontestable leader in terms of diagnosis, and we have to have these new tests. And we have to pay the penalty for introducing these new tests. The costs are higher, there is little dilution initially. But rapidly, we add these tests to clinical practice, and this will dilute our costs and enable us to improve our prices.

So the impact does not come only from genomics. It is only one component. Genomics does have a positive margin, as well as other areas. And we are still with margins that are above a+.

We do not work with negative margins. What ends up happening is that, as time goes by, we will be able to size this properly. And we also have the issue of mix in hospitals and others. We have brands and prices that are different from the Fleury brand for example, and it has that impact as part of our general calculation.

Gustavo Oliveira:

Thank you, Carlos. That was very clear. A follow-up on my second question refers to which is your outlook for the year 2020. Will you attain greater stability in brands or will the growth of other brands also have an impact? Evidently, you will gain more scale in terms of genomics. What will be the balance in the year 2020?

Carlos Marinelli:

That is an excellent question, Gustavo. The main message I would like to give is one of growth. We have a guidance for growth with excellence. What happens with this? One source of growth is to gain new businesses, to continue doing what we are doing and to incorporate new tests into our portfolio, and they will be the greater added value test in the future. And once again, they will cause pressure on gross margin. We are focused, first of all, on growth, and secondly on trying to mitigate the effects on our margin.

But this is one of the penalties that the leader in the sector has to pay. We are incorporating technology. We are developing techniques for a better diagnosis in the market. And perhaps one of the prices for this is to work with a lower margin.

But we are going to mitigate this. The effect on margins initially maybe higher, but the 3Q showed some gains, the impact on the margins were lower than in the 2Q. And how all of this evolves depends on how we will grow in the future.

Gustavo Oliveira:

And if we take on a vision in the longer term?

Carlos Marinelli:

Very good question. In the long-term, it is important to underscore that genomics is no longer a promise. It is a reality. And what limits the use of genomic information nowadays is bioinformatics. We have just acquired a new supplier that, linked to your first question, should reduce some of the costs that we have. It is a later-generation sequencer with a very steep investment cost. We are growing a great deal on the genomics platform.

And as we have always mentioned in our interactions, this is an additional share that we will have beyond diagnosis. It opens a new avenue of growth that will complement what we already had in terms of diagnosis. And that ability that we have of attracting customers and having customers give us their genetic data has had a very important response.

This is complementary to the consultancy that we give in genetics. And in the future, this can generate new tests, new analysis and new outcomes based on the genetic information that we already have in-house.

As I tend to say, we are just scratching the surface of genomics nowadays. What limits us is the part of bioinformatics. We already have sequencing, and in Brazil, as well as elsewhere, we are working with what is most advanced in terms of bioinformatics to find the right solutions for genomics in the future.

Gustavo Oliveira:

Thank you very much, Carlos. That was very clear.

Tobias Stingelin, Citibank:

Good morning. Carlos, what has happened with your accreditation? You just opened up a new unit. What is happening with the accreditation as a whole? This new trend that we see in B2B, this figure seems to make sense. Can we base ourselves on this going forward? And your priority is growth. As part of growing, you have acquisitions. If you could refer to this, if you have mapped anything, if there is anything that is about to happen. Thank you.

Carlos Marinelli:

Tobias, thank you for your question. We continue to seek this accreditation, and a very positive news related to accreditation that we had this quarter with results in January. In January, some of the plans left, but we have the entry of new health plans and we began to observe organic growth in Rio de Janeiro where we achieved more than 8%. Also growth in that Lafe group, that is, with the growth of 23%.

Going beyond the growth of our great current growth, and to go back to your question, this unit that has just been inaugurated is a unit for which we had already negotiated some accreditation. It took more than normal to accredit the unit because of regulatory issues, but we are already operating that unit with 70% accreditation.

It is in a very positive site. It is in a neighborhood where there already was an a+ unit. And the customers at Moema, the first unit we opened was a true success.

In terms of acquisition, we do have a pipeline, of course. We were fortunate to announce the acquisition of Diagmax, and Recife is a very important site for us. It is one of the regions where the GDP is higher than the national average. It is a state where it is very hard to compete, but we have found a very organized site. The technical people stand out, and this will enable us to double the size of our operation in Recife.

Compared to others, of course, we cannot disseminate it, but we continue to be very active. We have ten projects that are active at present, and we are highly focused on the part of growth. We have looked upon the market and we have seen new opportunities coming up again. And once again, we are being very active in terms of this.

Tobias Stingelin:

Thank you. And could you refer more to what you expect for the Fleury brand and its growth?

Carlos Marinelli:

We are going to say that it has gone back to growing. We are gaining market share in a very strong way and a consistent way through time. This is a brand that has a high customer satisfaction, a very low customer churn. When you look at this, we have a very low churn of customers. Sometimes they leave and they tend to return.

And when we look at the strength of this brand, when the customer has access to a premium brand, they end up using the Fleury brand. This is a brand that stands out in

terms of health, and it is a brand that is acknowledged due to the customer satisfaction. Customers leave, they return and they end up feeling very satisfied.

The part of merger has grown quite a bit. We are very enthusiastic with the outlook of this. We are using our full capacity that we have at the Patient Service Center.

And in terms of the platform, what we have is a very positive ramp-up. When we think of the number of doctors accredited, all of these allow us to be very optimistic to intensely work on our health platform based on the Fleury brand.

Once again, the possibilities of this platform will transform our future. We will be able to enter new areas with this very strong brand, and we will be able to offer other types of services.

Tobias Stingelin:

Thank you. That is excellent. Have a good day.

Fred Mendes, Bradesco:

Thank you. I have two questions as well. The first, I would like to refer to the margins in B2B. There has been a slight pressure on this, and I would like to know which is the dynamic because of your new contract. What will happen with this in the future?

And what has happened in the Company after two of the directors have left, especially in the part of IT, that is very relevant when it comes to your data? Thank you.

Carlos Marinelli:

I would like to begin speaking about the structure, and then Fernando will complete the response to your questions.

When it comes to the structure, those two directors that ended up leaving the Company, the other structures remain untouched, and some of them are receiving greater investments, specifically in the business area, where Jeane has taken on the Company business. We have strengthened the presence of Jeane. And in all of the brands, especially the Fleury brand, you can observe the consistent growth that we have delivered in terms of our figures and the efficiency that we have in several of our initiatives.

And when it comes to strategy and innovation, all of this remains untouched. Once again, we are reinforcing the part of innovation and strategy, especially to be able to do everything that we have prepared for the future in terms of growth, especially for the Fleury brand and the health business. And we are accelerating our investment.

You can see this in Fleury Lab. In less than one year, we have had significant deliveries. When we look at genomics, it has grown at significant rates. We have been enhancing processes and services constantly throughout Brazil, carrying out that connection with physicians, with diagnostic services and hospitals. And we are also updating the technology.

So when it comes to the future, the fact that we no longer have these two executive director positions means that our executive team is working tighter than ever before, more strongly. We continue to invest in innovation and marketing, and this has given us greater mobility in terms of our gestation, strengthening the first line of Jeane. Once again, growth is the focus of the company.

Fernando Leão:

When it comes to your question on B2B, a very good question because this is connected with the discussion of the gross margin of the Company this quarter. The pressure on margin, B2B, we have already responded to this.

The B2B business has a very specific dynamic and the pressure on margin that is specific for this quarter relates fully to a growth at a level somewhat lower to the levels we observed in the 2 previous quarters. The operation in hospitals grew a little above 4% in the 3Q, and for the 9M19 the growth is 6%.

In the 3Q, we have some specific and very timely issues due to the dynamics of this business, and we depend on the performance of each of the hospitals that we have contracted.

This is not related to a loss of contract, it is something very specific. And once again, this is a onetime impact that happens this quarter. It is nothing that will set up a warning. We are very comfortable with the dynamic of the business. And this quarter, of course, there was that specific pressure.

Fred Mendes:

Thank you, Carlos and Fernando, for your responses.

Operator:

As there are no further questions, we now end the question-and-answer session and return the floor to Mr. Marinelli for his closing remarks. You may proceed, sir.

Carlos Marinelli:

I would like to end the call reinforcing our vision for the growth of the brand portfolio, as well as our focus on the development of the health platform, with a growing impact on the makeup of services in the Company as being something with high strategic value for our competitiveness.

I would like to invite you to participate in the 9th edition of Fleury Investor Day that will be held on December 9 at our headquarters. We are prepared at the event to share more details in terms of our vision for the future of the Company and the health sector as part of our model where we have care coordination and closeness with the patients. Thank you, and have a good day.

Operator:

The Fleury conference call ends here. We would like to thank all of you for your participation. Have a good day.

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