Operator:

Good morning, and welcome to Hypera Pharma's conference call to discuss results relative to the 4Q18. Here with us we have Mr. Breno Oliveira, CEO; Mr. Adalmario Couto, CFO and IRO; and also Mrs. Vivian Angiolucci, Strategic Projects and Planning Officer.

We would like to inform you that this event is being recorded, and all participants will be in a listen-only mode during the Company's presentation. After the Company's remarks, there will be a Q&A session, only for investors and analysts, when furthers instructions will be provided. Should any participant need assistance during the call, please, press *0 to request the assistance of an operator.

Questions can only be ask by telephone. So, if you are connected through the webcast, you should email your questions directly to the IR team, at ri@hypera.com.br.

Today's live webcast may be accessed through the Company's investor relations website, at http://www.hypera.com.br/ri.

We would also like to inform you that statements made during this conference call might be forward-looking statements, which refer to future expectations, and, therefore, are subjects to know and unknown risks and uncertainties that could lead the Company's actual results to not match the forward-looking statements.

Now, I will turn the floor over to Mr. Breno Oliveira, who will start the presentation. Please, Mr. Oliveira, you may carry on.

Breno Oliveira:

Good morning, everyone, and welcome to our results conference call relative to the 1Q19.

Before I start the comments about the Company's operational performance, I would like to touch upon the works of the independent committee. No major news on top of what has been already reported in the last call. Works have been continuing as planned, but we do not have a deadline for the conclusion of the works conducted by the committee.

There was no impact on our everyday activities nor the Company's strategy. We continue to work and make the necessary investment to speed up the mid- to long-run growth of the Company.

Now, moving onto the operational part, as I mentioned in the last call, the optimization of the Company's working capital was one of the priorities for 2019, and we would go after that as early as the 1Q19.

Since the change in the Company's top management one year ago, we have been discussing the need of an investment in working capital, especially in receivables. With operational improvements that we obtained since the end of 2017, including an increase in production capacity, reduction in lead-time, and also an increase in the coverage by our sell-out team out in the field, we concluded that we were in a position to reduce our inventory at the clients, and consequently, invest our working capital.

As expected, we have been successful in concluding that adjustment process in the 1Q19. So we have reduced sales, sell-in at the Branded Prescription and Consumer Health units, reducing the inventory levels of those products at the clients, and consequently with an average time of receivables.

Starting the 2Q, we started to concentrate all our efforts in the growth of the sell-out arm. Keeping the current inventory at our clients, this new model brings onboard a series of benefits to the Company. Among them, allocation of 100% of funds for clients for the sell-out of new products, a higher assertiveness in sales planning, and a lower level of orders, which are not met at the factory level.

An easier way to place products with our clients of new launches, which is key to the success of our growth, on top of a lower level of working capital, which will contribute to a positive operational cash flow and for the allocation of more efficient capital, expanding the plant and in projects of innovation.

And we were also able to book the tax credit relative to the favorable ruling over the exclusion of the ICMS state tax in the amount of R$546 million, and we saw growth of EBITDA by 11% and of the net revenues of continuing operations of 10%, despite the one-off adjustment, which resulted in a drop in revenue to 60%.

Starting this quarter, we will now share information about sell-out and the objective is to give more transparency to the market about our performance. In the quarter, our sell-out grew 6%, with a tendency to accelerate. In the months of February and March, the growth set at 8.5%, whereas the pharmaceutical market as a whole grew by 8.8% in the 1Q.

This accelerated growth in sell-out of the Company starting in the second half of the quarter was boosted mainly by investments in marketing, points of sale, and also by the initial results, with an increase in coverage by our field sell-out team.

We will continue with our bold investment plans to leverage the sell-out growth in the 2Q and throughout the year, including promotions, visibility actions at the points of sale, and also media initiatives, which should benefit demand generation, and also our revenues, which, in the 2Q will have a performance which will be in line to that of the sell-out.

On top of those investments, we also launched important products in this quarter. For example, Fluviral Day and Night in the market of anti-flu drugs, and Atroveran in the painkiller market.

Lastly, in the last Friday, the Board of Directors approved the creation of a new Planning and Projects office, which will be led by Vivian Angiolucci, which will focus on projects that will generate value with the objective of reaching a new level of effectiveness in terms of commercial and operational arms.

The Board also approved the appointment of Adalmario Couto, IR and New Business Officer, as CFO of the Company. Adalmario will continue with his activities related to new businesses and will add to that the CFO task. On top of those changes, Luiz Clavis, Vice-President of Marketing and Sales since 2018, is now part of the Company's executive office suite.

Now, I give the floor over to Adalmario, who will comment on the Company's quarterly results.

Adalmario Couto:

Thank you, Breno. Good morning, everyone. First, sorry about my rusty voice. I just bought Benegrip, Coristina and Rinosoro, our anti-flu bundle, to take care of that.

Let us move on to the numbers of the quarter and talk about our future perspectives in more detail. In this quarter, we have an impact of two nonrecurring effects in our revenues. We had a reduction of R$386 million, as mentioned by Breno. This was impacted by the optimization of the working capital, which led to a drop in sales of Branded Prescription and Consumer Health products.

We also had a positive impact of other revenues of almost R$520 million, due to that tax credit related to that favorable decision or ruling over the exclusion of ICMS from the calculation of the base of PIS federal tax.

Gross margin reached R$148 million. That reduction is tied to a reduction in sales of Branded Prescription products, which raised the relevance of Similar and Generics in sales. Our expectation is that gross margin will be normalized around 30%, starting in the 2Q.

Even with the drop in revenue, we maintained relevant investments of about R$160 million in marketing to boost mainly growth in sell-out of our leader brand in several categories, and also recent launches, with a higher focus on initiatives to generate market share.

For this year, our ad packages will be more relevantly appearing in the 2Q because of the higher concentration of launches for this year, which will happen in the 2Q.

Expenses in SG&A had an increase of 5.5%, which reflected mainly the growth of 20% in our R&D expenses, and also an increase in our sales force. This growth shows our commitment in continue to invest in innovation and accelerating the launches of new products. The total investments in R&D accounted for as intangible assets and totaled R$51 million in the 1Q19, 31% above the 1Q18.

With that, continuing operations EBITDA reached R$401 million, a growth of 10.7% quarter-on-quarter, and the net income from continuing operations reached R$331 million, up 9.5% when compared to the previous quarter.

I would like to emphasize that the Company paid out interest on capital at the tune of R$161 million, or R$0.25 per share, an increase of 20% when compared to the 1Q18.

Moving on to our cash flow and indebtedness, on slide number six. Our cash flow from operations sat at R$192 million, 25% below the other quarter, and the main driver was an increase in income tax retention on capital when compared to the previous year, which will exclude that effect of cash flow stayed at the same level of last year. We will have a drop in cash generation this quarter because of lower investments in this 1Q.

Free cash flow was lower than 1Q18, also impacted by a drop in investments, impacted by the investments in the plant expansions in Anápolis and other R&D investment. Our net cash is at R$613 million. R$463 million was the number reached in the 1Q18. An increase in free cash flow when compared to last year was mainly due to a growth in free cash flow in the period.

Now I give the floor back to Breno for his final comments.

Breno Oliveira:

Thank you, Adalmario. To wrap-up, this quarter we concluded the optimization of our working capital, which we had scheduled, which will bring about several benefits for the Company and for shareholders.

On top of that, we started to concentrate our efforts in the sell-out growth, besides having already find and implemented new initiatives to boost growth as early as the 2Q. Those initiatives include important launches for the Consumer Health units, already scheduled for the 2Q, in the market for vitamins and anti-flu drugs, on top of innovations, which will contribute to a pick-up in growth for vitamin D markets in the coming quarters.

We are confident that all those initiatives will boost our growth in sell-out as early as this year, and will contribute to our sustainable growth in the mid to the long run.

We remain confident in the potential of growth of this market in Brazil. Hypera Pharma is the best positioned Company to capture those opportunities. We have the most effective margins in the industry, and we are the Company, which invests the most in innovation, in expansion and productive capacity. We are the only company that operates relevantly in all segments across the Brazilian pharmaceutical market: OTC, OTX, Branded Prescription, Dermocosmetics, Similar and Generic products.

We have invested heavily in the past to create this single unique platform, which is very difficult to be replicated, and we continue to invest to make sure we maintain our growth in a sustainable manner for the next five to ten years.

We will now move on to the Q&A session.

Tobias Stingelin, Citibank:

Thank you. Good morning. If you could give us some more color in terms of sell-out for the remaining of the year, what kind of speed do you see that growing? You mentioned that in January, it was better, but you are also investing in sales force, you are also investing in marketing. Can we have a better idea of what to expect moving forward for the end of the year, for the other quarters?

And also, specifically about the sell-out, you are comparing those 6% with the market as a whole on a comparable basis, or are you talking about an absolute number? I would like to understand that number a little better. Are you going to adjust those different categories, so that you could have a better idea of what is performing better and what is performing not so well?

Breno Oliveira:

Tobias, thank you for your question. As for the first question, we expect a gradual growth throughout the year. A good portion of our growth will come from launches. Some more mature markets, as I have mentioned, have been decreasing somewhat, but we expect to offset that with new launches, and this will happen gradually throughout the year. So the expectation is that, at every quarter, we will have a small acceleration in growth in sell-out.

As for your question about the breakdown of the sell-out, that is the total number, with no adjustments whatsoever. It is the market absolute number. As the market, we also grew more under Similar and Generic products. As I mentioned, vitamin D market and anti-flu markets in the 1Q, the market as a whole performed negatively, a drop of around 6%, but we have our own initiatives to leverage our growth in this specific market.

Anti-flu medication, it is going to be speeding up more. It is becoming more relevant in the 2Q and 3Q, because of the flu season, of course. And the market for vitamin D, we have a few launches and a few initiatives to leverage growth even in a market, which is not so positive.

Tobias Stingelin:

OK. Just a follow-up question. Now sell-out is part of your compensation target. Is that target based on market share or are you talking about growth? You have a loss of market share. I would just like to understand if sell-out an absolute number for that target, or is it not?

Breno Oliveira:

We also included some growth in that equation, which, at the end of the day, is what matters to define inventory levels at client, and also the delivery of our results to shareholders. We could also do that based on market share, but it is implicit in our budget that there is an expectation of a gain in market share as well.

Tobias Stingelin:

For this year too?

Breno Oliveira:

Yes. For this year as well.

Tobias Stingelin:

OK. Thank you.

Joseph Giordano, JPMorgan:

Good morning. Thank you for taking my question. Going back to the innovation issue, I would like to understand a little more how has the innovation index behaved throughout the 1Q given the high volume and launches in the 2H of the year.

And also, a follow-up. You mentioned that gross margin will probably resume at 70% level, but when we look at vitamin D, that is a segment with a very high margin. I would like to understand if vitamin D may be somewhat of a hinder in that project.

As for the tax credit, I would like to hear from you how will those credits be consumed throughout time? And lastly, if the receivables level today, at about R$1 billion, if that level should be the standard going forward. Thank you.

Breno Oliveira:

Joseph, I will start with the first question, and then I will continue. Innovation index in the 1Q stayed at 28%, a slight drop when compared to the 4Q18, but it was expected. We expect that this year the innovation index will remain at that level, around 30%, but it will pick up in 2020, because we have products which are now leaving the index.

We only consider the past five years, so we have some relevant, Addera, for example, which will leave the innovation index, but we will maintain the index for the new launches. And starting 2020, we do believe that that index will pick up.

I will also answer the credits question, and then Adalmario will address the margin and receivables issue. As for the tax credits, we believe that we will not be using that in the short run. We already had something close to R$300 million in federal credits. So, this year, we will amortize the bonus, so we will start consuming those tax credits now, and also the accumulated fiscal damage, which is above R$1 billion.

So, there are several assets on the table right now, but those credits will start being used, I believe, in about two years.

An interesting thing to mention is that, as this was a tax, which was unduly paid, it is corrected as we move forward. So it is not a problem to use them in the mid run, because we accumulated a financial revenue, which will be corrected until the date when it is actually used.

I give back the floor to Adalmario for the other question.

Adalmario Couto:

Joseph, we believe that, starting the 2Q that margin will resume at the 70% level as I mentioned, especially because we will be more relevant in terms of brands, because of the sell-out initiatives, and also because of new launches. So the mix effect will improve when we compare that year-on-year.

The 1Q was a one-off quarter, so the 2Q will be business as usual. We would expect a mix similar with what we have in the previous years, even with a drop in market for vitamin D.

As Breno mentioned, we have several initiatives, which are already being implemented, to gain market share in that market. So, even with the slowdown in that market, we expect to gain market share there. And the level of inventory we closed in the 1Q should be maintained throughout the year. That is the strategy going forward.

As for the receivables question, that should increase in the 2Q, as we have a more normalized revenue level, but we expect that investment in working capital will resume in levels close to what we had in 2015, 2016. That is what we are working on.

Joseph Giordano:

OK. Thank you. Just one follow-up about credits. We feel that there are some outstanding legal issues to recover past credits. Can you give us a magnitude of those credits still to be received? In your expectations, you mentioned that there are legal cases still requesting for credits. How much is that still outstanding?

Vivian Angiolucci:

Those credits are not really relevant. It is immaterial.

Joseph Giordano:

OK. Thank you. Have a nice day.

Marco Calvi, Itaú BBA:

Good morning. We saw a nominal drop in marketing expenses, as you mentioned in the release. My question is, what should be normalized marketing expenses? Would it be something close to last year for the next three quarters of the year?

And the second question is if you have an idea of how much that drop in marketing expenses affected the sell-out. Where would the sell-out be if you had had a more normalized marketing expenses level? That is the question. Thank you.

Breno Oliveira:

Marco, as I mentioned in the release, that drop had to do with seasonality of the year. In the 2Q, with several new launches that we are promoting, also using media outlets, and also the anti-flu medications coming onboard, that will increase.

So, for the year as a percentage of the revenue, we do not expect to see a drop, excluding the 1Q, of course, where we had a lower revenue. But for the remaining of the year, we expect similar levels to what we had in 2018, maybe with a migration towards marketing at the points of sale. With all the initiatives that we have mentioned, we should see some migration towards marketing at the point of sale.

Medical visits as well will increase. As I mentioned, we have increased our sales force in terms of visiting doctors, so that is also a place where we should be migrating marketing expenses.

Marco Calvi:

OK. As for sell-out, do you have any idea? What kind of effect did the sell-out suffer with the drop in marketing expenses?

Breno Oliveira:

There is no direct relation in the short run. We are talking about an investment in the mid run, an investment in the brand. So no relationship in the short run sell-out.

Marco Calvi:

OK, Breno. Thank you.

Ruben Couto, Santander:

Good morning. Could you talk about inventory level of the 1Q in direct channel, small chains? How was that received by the market? Is there still something to be done, or can we assume that all adjustments, irrespective of the size of the clients, have been done? Thank you.

Breno Oliveira:

Ruben, it has all been done. As I mentioned, the adjustment has been done in the 1Q, and we are talking about clients who work with Branded Prescription, both distributors and chains. As you mentioned, we have been talking to those clients throughout the past month, so the process was quite agreed upon from both sides. A very transparent negotiation, if you will. So there are no other adjustments planned going forward.

Ruben Couto:

OK. And if I can, can you share with us the expansion status at Anápolis? Just the schedule, if you may, in terms of expansion for Anápolis.

Breno Oliveira:

We hope to have the expansion finalized by the end of next year. In the 2H19, we will start some civil works, construction, and then we have assembly, equipment, so that we have a plant operating at 100% capacity by the end of 2020.

Ruben Couto:

OK. Thanks.

Breno Oliveira:

Regardless, we have other initiatives to increase our capacity. We are buying higher capacity machinery at the same time. So we hope to see a growth in capacity irrespective of the completion of our expansion in Anápolis, maybe in the next year.

Ruben Couto:

OK.

Irma Sgarz, Goldman Sachs:

Thank you for taking my questions. Breno, two questions. As for the adjustments you made, I thought it was interesting that you now have a metric, which is linked to the sell-out, which is related to the variable part of the bonus. What has changed inside in terms of processes? What have you learned with those adjustments? Those were somewhat large adjustments that you made in the past six months, and especially in the 1Q. What is different now? Do you have checks and balances, more monitoring to avoid problems in the future?

And the second question is about the guidance. I understand you are maintaining the guidance for this year. It would be useful to know if you have different impacts on the profits line. I would be useful for the market to know what you expect in terms of market growth, in terms of the top line growth. In other words, around the Company's fundamentals. Thank you.

Breno Oliveira:

Irma, I will start with the guidance question. As for the guidance, we are maintaining the guidance. As you mentioned, we see no reason now to change that. We are not providing a top line guidance as we did in the past, but the growth in net income is quite in line with our growth in top line, and also with the market growth.

So, excluding the 1Q, we are talking about a growth of around high single digits, both for our top line and for the market. High single-digit growth, and consequently, maintaining margins to meet that net earnings guidance.

As for the other question, about the changes in adjustments that were made, I would say that, in terms of visibility, we already had a good level of monitoring of stocks of inventory at the client. It was our internal policy. The policy was to have higher inventory, but with the improvements we have seen inside the Company, we felt safe enough to bring the inventory level slightly down, maintaining the same level of service provided to clients.

As I mentioned earlier in this presentation, we saw changes in efficiency, in logistics, in delivering the products, improvements at the factory level in terms of capacity, fewer problems with lack of products, a significant reduction in orders not filled. We also improved several processes. Sales and operational planning is one of them, which is now more in line with the business units and the plant, and with the logistics arm, other areas of the Company, which are involved in the process.

There were some changes throughout the past year and a half, which allowed us to make that adjustment at this moment. I am not sure I addressed your question.

Irma Sgarz:

Enough. Thank you.

Vinicius Ribeiro, Bradesco BBI:

Good morning. Thank you for taking my questions. Two questions. Number one, the changes with Adalmario and Vivian, I would like to understand the scope of Vivian's new role. What does that impact the Company's day-to-day operations?

And then, number two, looking at your SG&A, it increased by 12%, which is partially explained by a drop in the payroll. Can you give us a breakdown of the impact? Is there anything else to explain that increase? That is all. Thank you.

Breno Oliveira:

Vinicius, I will address the first one, and then Adalmario will address the second one. As for Vivian's role, she will maintain some of the tasks she was already in charge of. For example, planning was something she already did, and will add other activities, which are related to projects.

The idea, as I answered to Irma, we are trying to achieve improvements in other processes in the Company and, of course, at the end of the day, trying to generate more value for the Company, so that we can invest in those areas that generate revenues and benefits for the Company in terms of marketing the Company; in other words, reallocating investments.

That is the main objective, the main target of Vivian in this new role that she will be playing.

Adalmario Couto:

As for the impact of the compensation, we are talking about R$8.6 million in EBITDA, but that was offset by an impact of CPC 16. So compensation alone, we would reduce our EBITDA by R$8.6 million, and CPC 16, which has to do with reclassification of leasing revenues will have an impact of R$8.2 million positive. In other words, one practically offsets the other.

Vinicius Ribeiro:

OK. Thank you.

Gustavo Oliveira, UBS:

Good morning. Thank you for taking my question. Breno, going back to the inventory question, you mentioned that in the past 18 months, you implemented processes that allowed you to make those adjustments now. What were the premises? What did you base your decision on? Is logistics better, more efficient? Would you say that clients are more comfortable working with lower inventory levels? Are you going to be working with an inventory level, which will be much lower than that of the industry or not? Will that lead industry to decrease average inventory levels or not? Maybe you do not have such a sophisticated client that is able to work with lower inventory level. And what kind of increase in logistics expenses that entailed? So, what led you to make that decision, in other words?

And you did not adjust Similar and Generic products. Is that in the radar, or we are talking about a different dynamic for that specific industry, where you have different inventory levels? When you complete your expansion process, do you think you will need to make adjustments going forward? I would like to have a better idea of the sustainability of that decision. How will that impact your consumers and clients, in other words?

Breno Oliveira:

Gustavo, as I said, the adjustment was finalized in the 1Q, and we believe that we are closing with the inventory level that is upwards in the range of the industry average. We still benefit from the fact that our inventories are essentially higher than the average, the idea is to avoid stock-out.

As you know, at some clients that is not a simple issue. Some clients have six, seven, ten distribution centers throughout Brazil. So, per SKU, we have about 1,000 SKUs for each DC. To analyze that, that is quite complex. So we are still sticking to that policy of staying in the upper range of the industry average in terms of inventory.

Now, as for change in the policy, as you asked, we are keeping a close eye on that, and I mentioned that sell-out is part of the target. But just as working capital, inventory levels are also part of our target for the business unit.

As for the logistics cost, it is the opposite. We believe that that cost will drop because of that. We hope that, with this new commercial policy, we will have a more efficient process that will lead the logistics prices to go down. We do not believe we will see an impact in the short run, no. But in the mid run, we expect that number to go down, not up.

As for Similar and Generic products, we have not made any adjustment. We did not see an opportunity there to improve. And in this case, the level of inventory that we have is beneficial. It is good. It is even helpful to clients. That will encourage sell-out on their part. But, in this case, we do not intend to make any adjustments, again, for Similar and Generic products.

Have I covered your concerns, Gustavo?

Gustavo Oliveira:

I think you have covered, yes. Just one more thing. As for Similar and Generic products, it is like you said, it is the opposite of what I thought, maybe because the margins are lower for some distributors. I do not know if I am right in my rationale here. I would expect an adjustment, to be frank, but maybe it is a little early to talk about that.

Breno Oliveira:

It is like you said, it is the opposite. For us, margins are lower when compared to Branded Prescription, but for clients, margins are higher. Usually clients, especially the smaller ones, do not pass on the same level of discounts that they receive.

They have significant margins, much better in Generic and Similar products than with Branded Prescription. But on our end, we do not see our inventory levels as too high that would justify an adjustment in this policy right now.

Gustavo Oliveira:

OK. I have two more questions. Your inventory level has increased 30% year-on-year, accounts payable also dropped, I saw that, but the speed was not comparable. How do you see inventory levels going forward? What would be the ideal level?

And also, looking at your numbers, when you compare net to gross sales, the return levels increased significantly, up to R$30 million. Is that linked to the adjustment you mentioned? I would like to understand that dynamic a little more.

And lastly, what is the percentage of vitamin D and anti-flu medications represent in your total sales? That might affect your margins down the road, so if you could give us a breakdown for that. Thank you.

Adalmario Couto:

Gustavo, inventory levels grew significantly, especially because of finished products inventory. Factory is working at normal levels. As I said, we are talking about finished products mainly. And as demand resumes normal levels in the 2Q, the idea is that we will reduce the inventory levels throughout the year, especially for Branded Prescription products.

Gustavo Oliveira:

What would be the level that you would be comfortable with?

Adalmario Couto:

Last year, we had a safety inventory for raw material. Today, we consider raw materials to be at an adequate level. Now we have a higher inventory for finished products. The idea is to close the year with the same levels we had for last year.

Gustavo Oliveira:

OK. As you are going to have less inventory for sell-out, would it make sense for you to have a higher inventory? Or would you say that the process is so much improved that you can work now with the lower inventory when compared to your DC? Do you have a higher delivery frequency? I do not know.

Adalmario Couto:

Exactly. We have reduced our lead-time. Last year, when compared to 2017, we still had more than 1/2 the number of days for the lead-time for clients. That is clearly a major benefit that allows us to work with lower inventory levels. In this quarter, we saw that impact because the plant never stopped, but we are resuming normal levels in the coming quarters.

Breno Oliveira:

Just to complement, Gustavo, even with this level that Adalmario mentioned, the average last year it is still higher than what we had in the past. So we do not foresee problems in terms of lack of products because of the current level of inventory.

Gustavo Oliveira:

OK.

Adalmario Couto:

As for returns, yes, you are correct. There is an impact coming from our policy to optimize working capital. We had an additional volume in terms of returns of products. That is another benefit, another encouragement for us to optimize working capital going forward.

So the idea is that, as that volume drops, that will reduce that number of returns to the lowest possible level. That cost associated to returns was taken into account in our strategy to improve working capital.

Gustavo Oliveira:

OK.

Adalmario Couto:

And for Vitamin D and anti-flu medications, they represent about 20% of our revenues.

Breno Oliveira:

As a complement, that number is going down. If you look back, that number was higher. But with the launches we have made in the other categories, the trend is that that dependence will drop throughout time.

Gustavo Oliveira:

Thank you. The question was to address vitamin D and anti-flu medications. Are there issues of competitiveness or of other nature?

Breno Oliveira:

For vitamin D, we see a very fierce competition. There is price pressure. The same goes for anti-flu medications. The competition for vitamin D has been in place for some time. Since 2016, as other players joined the market, we have seen strong competition, but the main problem with the slowdown in the market. A market that grew in the past 40%, in the 2H18 grew only by 14%, in the year as a whole. And this year, a drop of 6%. Very different dynamics.

And the same goes for anti-flu medication. In 2017, the market grew by 20%. Last year, it was flat, and this year, we see a drop also of 6%, so more than the competition itself. The major impact came from other factors for anti-flu medications. We did not have such a strong flu season in 2017. And for vitamin D, the numbers dropped because we saw a lower number of prescriptions from doctors because of a change in guidelines, especially in the early months of last year.

Gustavo Oliveira:

OK. Thank you for your answers. Have a nice day.

Operator:

The Q&A session is now over. I would like to turn the floor now back to Mr. Oliveira for his final remarks.

Breno Oliveira:

Thank you all for participating in our call today. As usual, our IR team remains available for comments or questions you may still have. Thank you, and have a nice day everyone.

Operator:

Hypera Pharma's audioconference is now over. Thank you all, and have a nice day.