

Gol Intelligent Airlines Inc.
Form 6-K
November 01, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of November, 2018
(Commission File No. 001-32221) ,

GOL LINHAS AÉREAS INTELIGENTES S.A.
(Exact name of registrant as specified in its charter)

GOL INTELLIGENT AIRLINES INC.
(Translation of Registrant's name into English)

Praça Comandante Linneu Gomes, Portaria 3, Prédio 24
Jd. Aeroporto
04630-000 São Paulo, São Paulo
Federative Republic of Brazil
(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicated below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

(Free translation into English from original issued in Portuguese)

Individual and consolidated

Interim Financial Information for the quarter ended September 30, 2018

GOL Linhas Aéreas Inteligentes S.A.

September 30, 2018

with report on the review of quarterly information

Gol Linhas Aéreas Inteligentes S.A.

Individual and consolidated interim financial information

September 30, 2018

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Management report

Our team was successful in their efforts to produce solid results this third quarter. The traditional July high season was impacted by the accelerated appreciation of the US Dollar against the Real, higher jet fuel prices and a booking curve impacted by the hangover from the nationwide trucking strike that occurred in May. However, despite this adverse scenario, we remain focused on delivering the best flight experience to our clients with a differentiated, high quality product through new, modern aircraft that connect our main markets with the most convenient schedules and frequencies, while relentlessly focusing on cost efficiency.

Through dynamic yield management and flexible capacity management, shifting aircraft from our international to our domestic network, GOL was able to maximize results, as the strong dollar increased the demand for domestic flights. GOL's response was possible due to our unique and standardized fleet of 737 aircraft.

In August, GOL received its second 737 MAX 8 aircraft, which has better fuel efficiency and range of up to 6,500 km. Our new Boeing 737 MAX 8 aircraft, with next-gen technology, will offer customers all the convenience and comfort of GOL's flights, including in-flight internet and entertainment, eco-leather seats with ample leg room, and free on-board drinks and meals.

In September, GOL announced the expansion of international destinations, with four nonstop flights per week to Cancun Mexico, from its Brasilia hub. The initiation of flights to GOL's new destination in Mexico is scheduled for June 2019. These flights will be operated with new Boeing 737 MAX 8 aircraft that allow GOL to offer nonstop flights from Brazil to any destination in Latin America.

On November 4, GOL will start operating nonstop flights from Brasilia and Fortaleza to the international airports of Miami and Orlando. At approximately 6,079 kilometers, the Brasilia to Orlando flight will be the world's longest regular flight ever made with a 737. In December 2018, GOL will begin operating nonstop flights to Quito, Ecuador, with three weekly nonstop flights from Guarulhos International Airport to Mariscal Sucre International Airport. We will be the only airline operating between Brazil and Ecuador with no stops or connections.

GOL remains the lowest-cost airline in South America for the 17th consecutive year. With simplified and standardized fleet and the lean and productive operations GOL has a significant and sustainable competitive advantage over its peers. We remain committed to reduce our cost of debt and improve our liquidity and leverage profile. On September 30, 2018, the net debt (ex-perpetual bonds) to EBITDA LTM ratio was of 3.2x, and the total liquidity was of R\$3.0 billion.

In October, GOL successfully concluded a liability management and refinancing exercise on debentures issued by its wholly-owned subsidiary, Gol Linhas Aéreas S.A. ("GLA"), fully-amortizing the total amount of R\$1.0 billion and issuing a new single series of non-convertible and unsecured debentures in the amount of R\$887.5 million, resulting in a net indebtedness reduction of R\$137.5 million. The new debentures were issued at a yield of 120.0% of the Brazilian CDI interbank rate (approximately 7.68% in BRL; this represents a substantial reduction compared to the retired debt, whose cost was of 132.0% of the Brazilian CDI) with quarterly interest payments of approximately R\$17.0 million and semi-annually principal payments of approximately R\$148.0 million (final payment to be made on September 28, 2021). This transaction is additional deleveraging of GOL's balance sheet and better matches GLA's operating cash flow generation with the amortization of its liabilities. The issuance reduced the Company's cost of debt and improved its credit metrics.

Also in October, the Company announced its intention to effect a corporate reorganization, including the merger of Smiles. The Reorganization seeks to ensure the long-term competitiveness of the Group, aligning the interests of all stakeholders, reinforcing capital structure, simplifying corporate governance, reducing operating, administrative and financing costs and expenses, and increasing the market liquidity for shareholders.

Operating and Financial Indicators

RPK GOL – Total	9,853	9,638	2.2%	28,180	27,334	3.1%
RPK GOL – Domestic	8,923	8,559	4.3%	25,229	24,367	3.5%
RPK GOL – International	930	1,079	-13.8%	2,951	2,967	-0.5%
ASK GOL – Total	12,458	12,015	3.7%	35,552	34,481	3.1%
ASK GOL – Domestic	11,128	10,582	5.2%	31,527	30,596	3.0%
ASK GOL – International	1,330	1,433	-7.2%	4,025	3,885	3.6%
GOL Load Factor – Total	79.1%	80.2%	-1.1 p.p	79.3%	79.3%	0.0 p.p
GOL Load Factor – Domestic	80.2%	80.9%	-0.7 p.p	80.0%	79.6%	0.4 p.p
GOL Load Factor – International	70.0%	75.3%	-5.3 p.p	73.3%	76.4%	-3.1 p.p
Average Fare (R\$)	312	299	4.2%	311	288	8.1%
Revenue Passengers - Pax on board ('000)	8,677	8,303	4.5%	24,520	23,774	3.1%
Aircraft Utilization (block hours/day)	11.8	12.3	-3.6%	11.9	12.0	-0.7%
Departures	63,918	63,761	0.2%	186,609	185,744	0.5%
Total Seats ('000)	11,177	10,667	4.8%	31,889	31,081	2.6%
Average Stage Length (km)	1,089	1,106	-1.5%	1,094	1,090	0.3%
Fuel Consumption (mm liters)	359	351	2.1%	1,038	1,015	2.3%
Full-time Employees (at period end)	15,115	15,277	-1.1%	15,115	15,277	-1.1%
Average Operating Fleet ⁵	111	109	1.7%	110	109	1.6%
On-time Departures	92.1%	95.6%	-3.5 p.p	93.2%	95.4%	-2.2 p.p
Flight Completion	98.6%	98.3%	0.3 p.p	98.5%	98.4%	0.1 p.p
Passenger Complaints (per 1000 pax)	1.59	1.38	15.1%	1.91	1.39	38.0%
Lost Baggage (per 1000 pax)	2.01	1.93	3.8%	1.97	2.02	-2.5%
Net YIELD (R\$ cents)	27.44	25.76	6.5%	27.14	25.09	8.2%
Net PRASK (R\$ cents)	21.70	20.66	5.0%	21.51	19.89	8.2%
Net RASK (R\$ cents)	23.22	22.23	4.5%	23.09	21.52	7.3%
CASK (R\$ cents)	21.77	19.52	11.5%	21.05	19.78	6.4%

CASK ex-fuel (R\$ cents)	13.24	13.70	-3.4%	13.34	13.79	-3.2%
CASK ex-fuel ⁴ (R\$ cents)	14.06	13.67	2.9%	14.13	13.79	2.5%
Breakeven Load Factor	74.1%	70.4%	3.7 p.p	72.2%	72.8%	-0.6 p.p
Average Exchange Rate ¹	3.9505	3.1640	24.9%	3.6055	3.1750	13.6%
End of period Exchange Rate ¹	4.0039	3.1680	26.4%	4.0039	3.1680	26.4%
WTI (avg. per barrel. US\$) ²	69.43	48.20	44.0%	66.79	49.36	35.3%
Price per liter Fuel (R\$) ³	2.84	1.94	45.9%	2.50	1.98	26.0%
Gulf Coast Jet Fuel (avg. per liter. US\$) ²	0.56	0.42	34.5%	0.54	0.39	36.3%

1. Source: Brazilian Central Bank; 2. Source: Bloomberg; 3. Fuel expenses excluding hedge results and PIS/COFINS credits/liters consumed; 4. Excluding results of sale and sale-leaseback transactions; 5. Average operating fleet excluding aircraft in sub-leasing and MRO. *3Q17 and 9M17 results have been restated based on IFRS 15. Certain calculations may not match with the information in the quarterly financials due to rounding.

Domestic market – GOL

GOL's domestic supply increased by 5.2% and demand increased by 4.3% in 3Q18. As a result, the Company's domestic load factor reached 80.2%, a decrease of 0.7 p.p. when compared to 3Q17. GOL transported 8.2 million domestic passengers in the quarter, an increase of 5.3% when compared with the same period in 2017. The Company is the leader in transported passengers in Brazil's domestic aviation market.

International market - GOL

GOL's international supply decreased by 7.2% and international demand decreased 13.8% in 3Q18 compared to 3Q17. The Company's international load factor in 3Q18 was 70.0%, decreasing 5.3 p.p. over 3Q17. During the quarter, GOL transported 0.4 million passengers in the international market, a decrease of 12.6% when compared to the third quarter of 2017.

Volume of Departures and Total seats - GOL

The total volume of GOL departures was 63,918, an increase of 0.2% in 3Q18 over 3Q17. The total number of seats available to the market was 11.2 million in the third quarter of 2018, an increase of 4.8% over the same period in 2017.