



**Teleconference**  
**3Q20 | 9M20**



# Important

Our estimates and future statements are largely based on current expectations and projections in relation to future events and financial trends that affect or could affect our business. Many important factors can adversely affect our results, such as those predicted in our estimates and future statements. The words "we believe", "we can", "we aim to", "we estimate" and other similar words are for the purpose of identifying estimates and projections. The considerations about estimates and future statements include information related to results and projections, strategies, financing plans, competitive position, sectoral environment, potential growth opportunities, effects of future regulations and effects of competition. These estimates and projections refer only to the date when they were expressed. We cannot assume the obligation to publicly update or review any of these estimates due to new information arising, future events or any other factors, except for current regulations to which we are subject.

# Agenda

- ⚽ Profile & Results

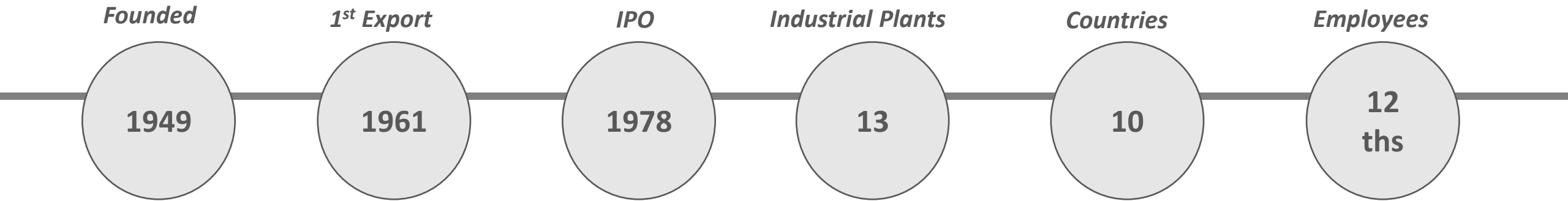
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- ⚽ Performance & Prospects

- ⚽ Attachment: Operating & Financial Results

# Profile

*International company, leader in bus body Brazilian market and strong presence in all segments.*



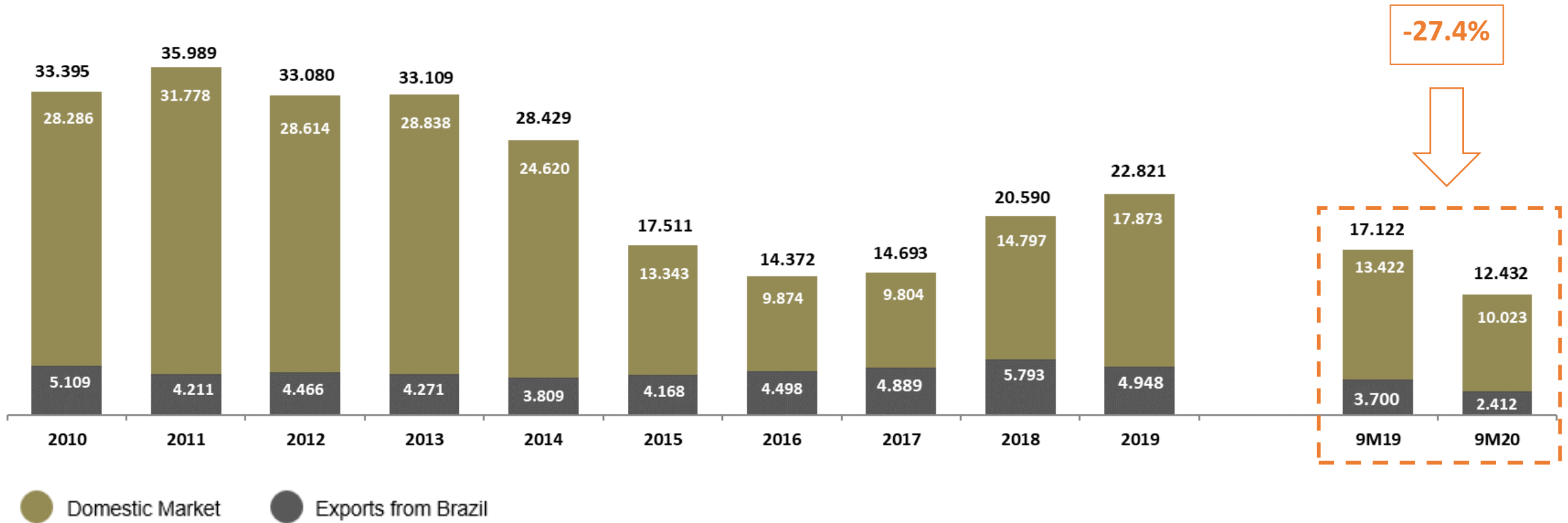
## ***Product Characteristics:***

- *State-of-the-art technology;*
- Expertise of building bodies on any chassis model, including electric;
- Engineering teams divided by products;
- Products customized and manufactured according to customers' needs.

# Results

## Brazilian Bus Production (un.)

Source: FABUS



# Marcopolo Production

(units)

Operação	3T20	3T19	Δ3T20/3T19	9M20	9M19	Δ9M20/9M19
<b>Brasil</b>	2.571	2.823	-8,9%	6.827	8.103	-15,7%
<b>Exportações</b>	493	474	4,0%	1.219	1.911	-36,2%
<b>Unidades Externas</b>	358	629	-43,1%	1.158	1.785	-35,1%
África do Sul (MASA)	58	73	-20,5%	133	192	-30,7%
Austrália (Volgren)	48	146	-67,1%	217	352	-38,4%
China (MAC)	8	47	-83,0%	34	121	-71,9%
México (Polomex)	171	350	-51,1%	685	1.100	-37,7%
Argentina	73	13	461,5%	89	20	345,0%
<b>Produção Total</b>	<b>3.422</b>	<b>3.926</b>	<b>-12,8%</b>	<b>9.204</b>	<b>11.799</b>	<b>-22,0%</b>

# Marcopolo Production

(units)

	3Q20	3Q19	Δ 3Q20/3Q19	9M20	9M19	Δ 9M20/9M19
<b>Domestic Market</b>	<b>2.571</b>	<b>2.823</b>	<b>-8,9%</b>	<b>6.827</b>	<b>8.103</b>	<b>-15,7%</b>
Intercity	434	777	-44,1%	1.201	1.934	-37,9%
Urbans	1.008	1.111	-9,3%	2.738	2.853	-4,0%
Micros	660	397	66,2%	1.371	1.521	-9,9%
Volares	469	538	-12,8%	1.517	1.795	-15,5%
	-	-		-	-	
<b>Export Market</b>	<b>866</b>	<b>1.103</b>	<b>-21,5%</b>	<b>2.328</b>	<b>3.696</b>	<b>-37,0%</b>
Intercity	189	294	-35,7%	496	1.171	-57,6%
Urbans	559	557	0,4%	1.641	1.945	-15,6%
Micros	23	162	-85,8%	52	349	-85,1%
Volares	95	90	5,6%	139	231	-39,8%
<b>TOTAL</b>	<b>3.437</b>	<b>3.926</b>	<b>-12,5%</b>	<b>9.155</b>	<b>11.799</b>	<b>-22,4%</b>

# Results

Marcopolo Sales (un./BRL)

Consolidated	Sales(un.) $\Delta$ 3Q20/3Q19		Net Revenue (BRL) $\Delta$ 3Q20/3Q19	
<b>Brazilian Market</b>	<b>2.613</b>	<b>-7,9%</b>	<b>480,4</b>	<b>-21,9%</b>
<b>Export</b>	<b>508</b>	<b>-0,6%</b>	<b>192,1</b>	<b>1,9%</b>
elimination of exported KDs	-55	1275,0%		
<b>Controlled External Units</b>	<b>333</b>	<b>20,0%</b>	<b>164,0</b>	<b>-40,9%</b>
South Africa (MASA)	36	-53,8%	12,6	-42,3%
Argentina (Metalsur)	73	563,6%	29,9	412,8%
Australia (Volgren)	48	-67,1%	92,4	-31,7%
China (MAC)	19	-59,6%	2,6	-84,6%
Mexico (Polomex)	157	-54,6%	26,4	-70,0%
<b>Total</b>	<b>3.399</b>	<b>-14,4%</b>	<b>836,5</b>	<b>-30,1%</b>

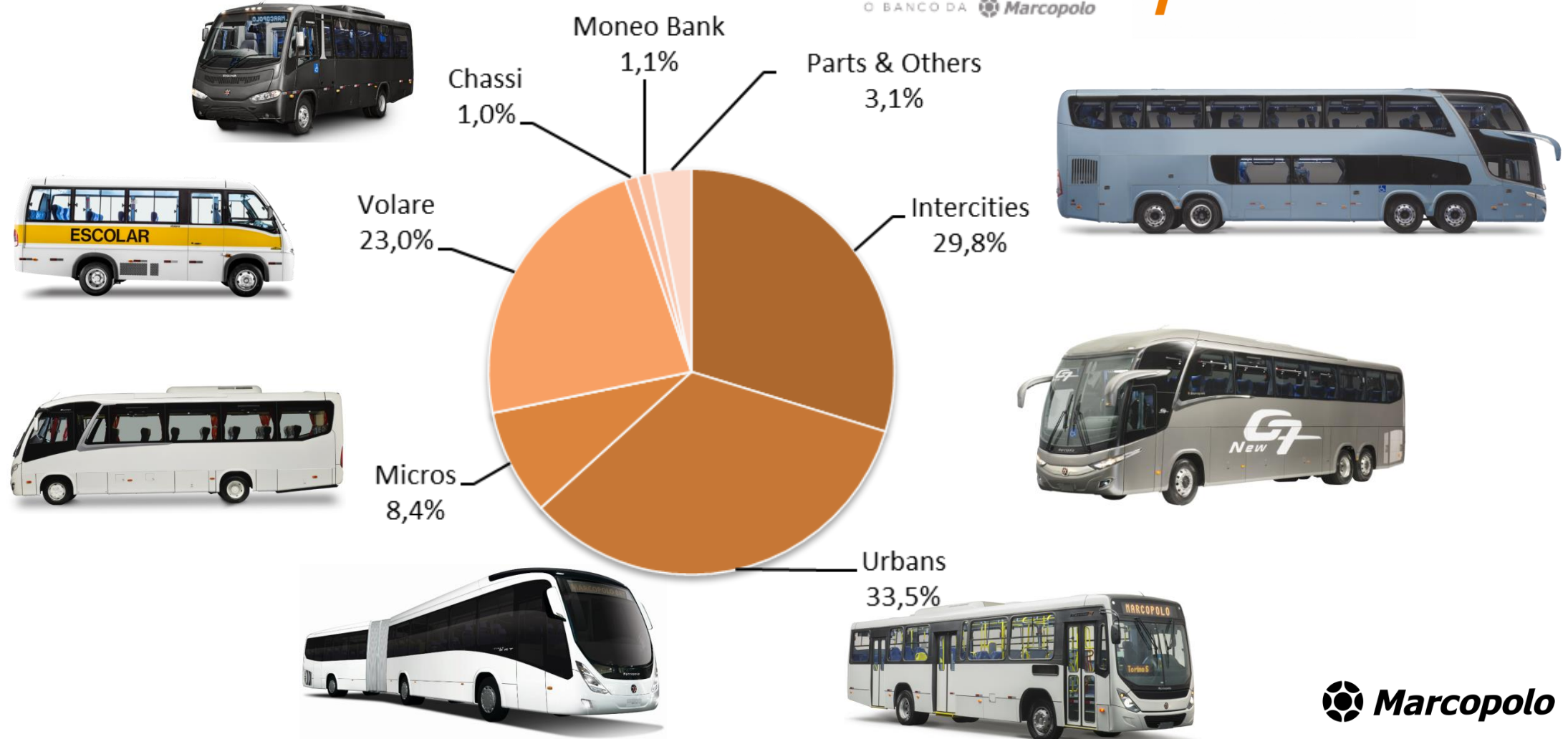


# Results

Distribution of Net Revenue by Segment – 3Q20

**Moneo**  
O BANCO DA

**Marcopolo**  
*parts*



# Results

(BRL million)

	3Q20	3Q19	Δ 3Q20/3Q19	9M20	9M19	Δ 9M20/9M19
<b>Total Revenue</b>	<b>836,5</b>	<b>1.081,2</b>	<b>-22,6%</b>	<b>2.554,4</b>	<b>3.121,6</b>	<b>-18,2%</b>
Domestic Revenue	480,4	615,1	-21,9%	1.306,3	1.651,8	-20,9%
Export Revenue	192,1	188,6	1,9%	653,7	692,5	-5,6%
Abroad Revenue	164,0	277,5	-40,9%	594,3	777,3	-23,5%
<b>Gross Profit</b>	<b>136,7</b>	<b>145,9</b>	<b>-6,3%</b>	<b>417,2</b>	<b>459,4</b>	<b>-9,2%</b>
Gross Margin	16,3%	13,5%	2,8 pp	16,3%	14,7%	1,6 pp
<b>EBITDA</b>	<b>- 23,8</b>	<b>60,2</b>	<b>-139,5%</b>	<b>119,0</b>	<b>226,3</b>	<b>-47,4%</b>
EBITDA Margin	-2,8%	5,6%	-8,4 pp	4,7%	7,3%	-2,6 pp
<b>Net Profit</b>	<b>- 57,4</b>	<b>22,8</b>	<b>-351,8%</b>	<b>- 45,4</b>	<b>140,7</b>	<b>-132,3%</b>
Net Margin	-6,9%	2,1%	-9 pp	-1,8%	4,5%	-6,3 pp

# Agenda

- ⚽ Profile & Results
  - ⚽ Performance & Prospects
- 
- ⚽ Attachment: Operating & Financial Results

# Performance & Prospects

## Domestic Market

- ✿ **Intercities:** charter activities continue to sustain demand, but tourism activities and long-distance lines are back on track, showing signs of recovery in 4Q20. The sales mix was concentrated on lighter products, with lower added value.
- ✿ **Urbans:** urban public transport remains affected by the pandemic. The reopening of cities and the return to classroom activities will be important factors in the recovery of volumes. The federal program Caminho da Escola (Road to School) remains as the positive highlight.
- ✿ **Micros & Volares:** the segment of micros and Volares continues to show recovery in sales, helped by the chartering which has been presenting expressive volumes. The School Path is also the highlight in the segment. The segment's performance should remain positive in 4Q20.
- ✿ **Caminho da Escola (Road to School):** the Company delivered 1,187 units for the program in the quarter (2,534 units in 9M20), out of which 463 micros, 595 urban and 129 Volare models. The Company should start 2021 with a portfolio of approximately 1,100 units for the program. There is a prospect of a new bid in early 2021.

# Performance & Prospects

## Exports & International Operations

- ✿ **Exports:** exports continue to perform better compared to the domestic market, especially due to the exchange rate devaluation. The lower volume of units continues to be offset by the higher profitability of operations. The Company notes that exports should increase again as of 4Q20, considering the seasonality of the period and new deliveries to Africa. Operators in South America have resumed operations, albeit at levels below the pre-pandemic period.
- ✿ **Controlled Companies:** the highlight of the quarter was the Argentine Metalsur, which returned to work, partially offsetting the volumes that were no longer produced due to the lockdown extended until the end of June. The expectation is positive for the last months of the year. Marcopolo Australia's results were negatively affected by the arrival of a second wave of the pandemic in the country, with the postponement of deliveries that would happen in 3Q20 to 4Q20. Marcopolo México, Marcopolo China and Marcopolo South Africa suffered from less demand in their respective markets, with prospects for recovery starting in 2021.
- ✿ **Affiliates:** in affiliates, the Colombian operation, Superpolo, continues to benefit from a more extensive order backlog associated with the renewal of Bogotá's fleet. For the other side, the Indian affiliate TMML continues to experience difficulties associated with the pandemic, with the growth in the number of cases of the disease in the country affecting volumes and profitability.

# Performance & Prospects

## Post Covid-19 Actions

- ✿ **Compensatory Aid Covid-19:** in 3Q20, the Company used the tools provided for in Law No. 14,020/20, using the suspension of employment contracts for approximately 50% of its employees, at a cost of R\$ 14.8 million. Based on the labor adjustments made in August and September, the Company will reduce the use of this instrument in 4Q20.
- ✿ **Termination Costs:** the Company carried out an internal reorganization, especially in the Caxias do Sul plants in 3Q20, with dismissals in direct and indirect labor, necessary to correct expenses to the current level of revenue. These termination costs represented an additional of non-recurring expense in the amount of R\$ 37.2 million.
- ✿ **Marcopolo Rio Closure:** the Company announced the closure of Marcopolo Rio's activities on October 2nd. The volumes of the plant will be transferred to the factories of San Marino and São Mateus. The remaining termination expenses will be recorded in 4Q20 and will represent an additional of non-recurring amount of approximately R\$ 11.4 million.
- ✿ **Dividends:** the Company keeps the distribution of earnings suspended until it has a better visibility of results.



# Performance & Prospects

## Plants Optimization

### Completion of the Project on October 30: 2020

- ✿ Closure of Três Rios plant (state of Rio de Janeiro)
- ✿ Construction of the new Plastics factory at the San Marino site, after the fire of 2017;
- ✿ Construction of the new Fabrication Center, concentrating the manufacturing areas of San Marino and Ana Rech;
- ✿ Closure of the Planalto plant;
- ✿ Verticalization of parts and components at the São Mateus plant;
- ✿ Closure of the Marcopolo Rio plant.

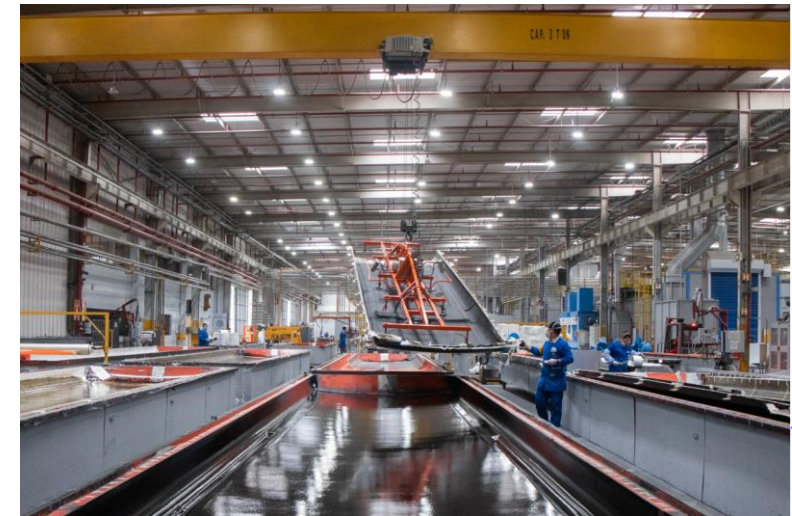
São Mateus



Fabrication Center



New Plastics



# Performance & Prospects

## Plants Optimization

### Already Achieved Results

- ✿ Concentration of activities and capacity better use, associated with the Lean methodology, raised efficiency to record levels in Ana Rech and San Marino;
- ✿ *Turnaround* of the San Marino (Neobus) operation;
- ✿ São Mateus Breakeven;
- ✿ Fixed costs reduction due to the closure of the Planalto plant.

### Upcoming Benefits

- ✿ Additional efficiency increase in San Marino site;
- ✿ Turnaround of the São Mateus operation to levels higher than the San Marino operation;
- ✿ Fixed costs reduction due he closure of the Marcopolo Rio plant (approx. R\$ 30 million / year);
- ✿ Demobilization of assets (Três Rios, Planalto and Duque de Caxias).



# Q&A

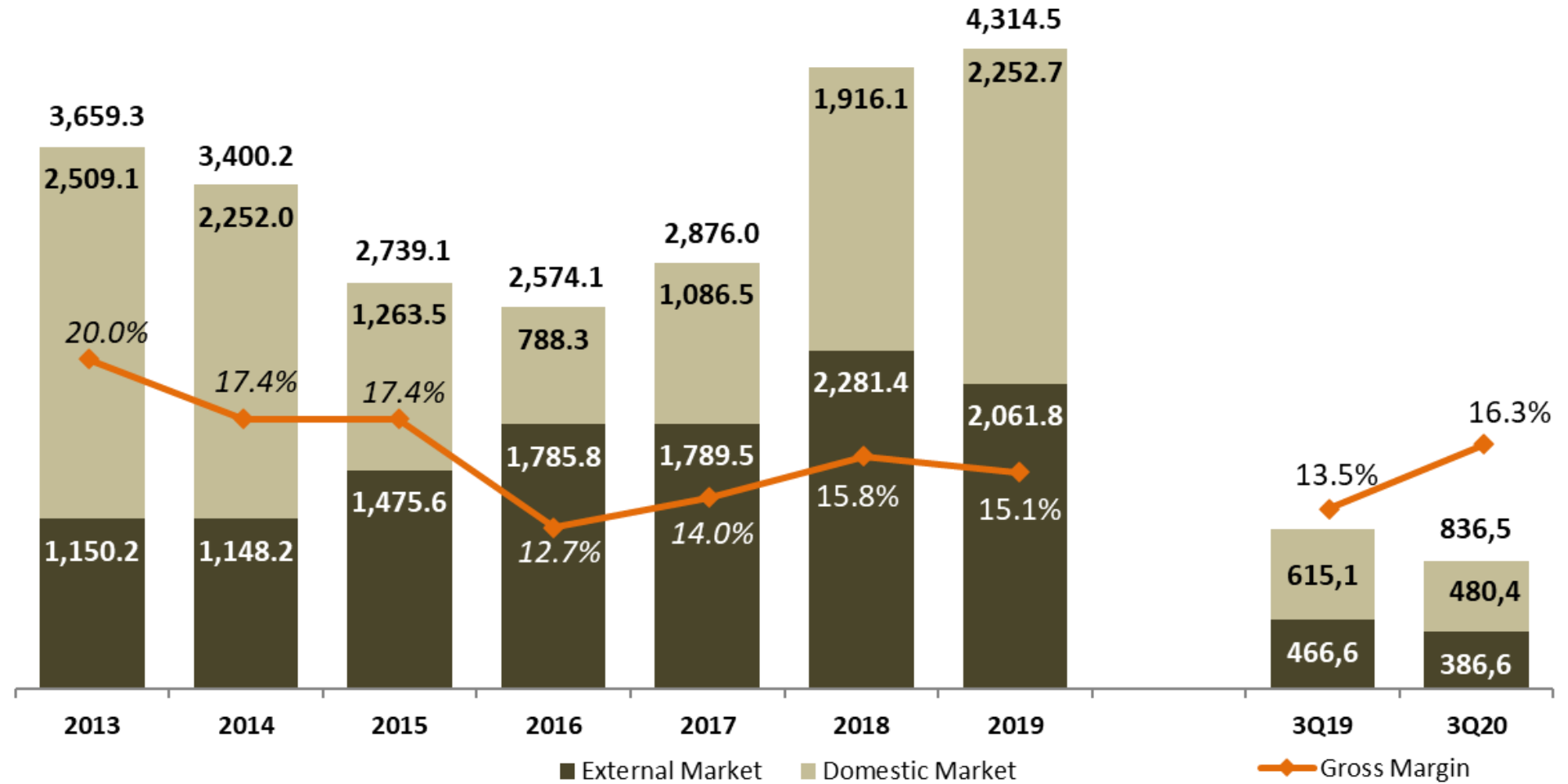
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# Attachment

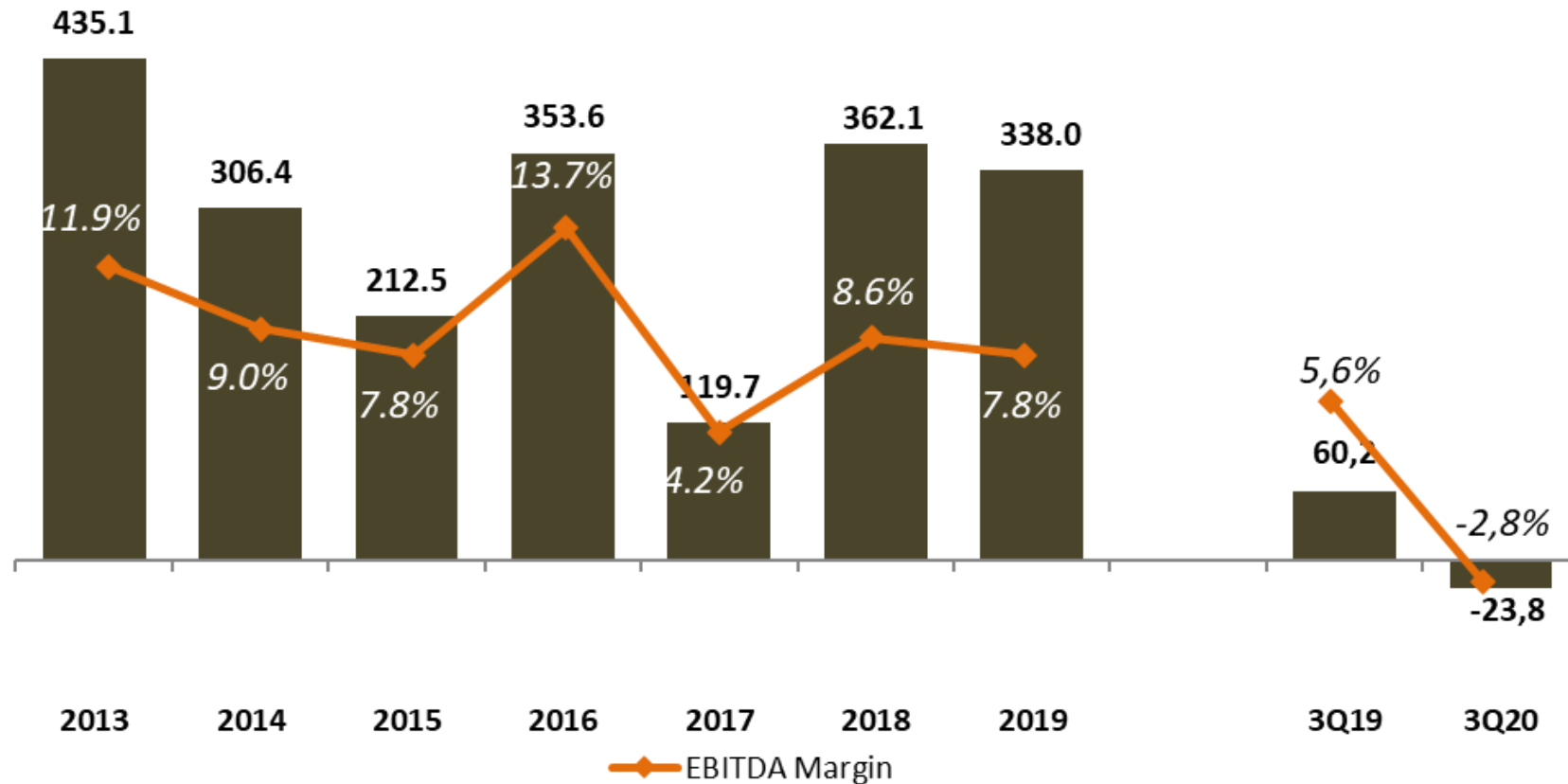
Net Revenue (BRL million) – EM e DM



# Attachment

EBITDA (BRL million)

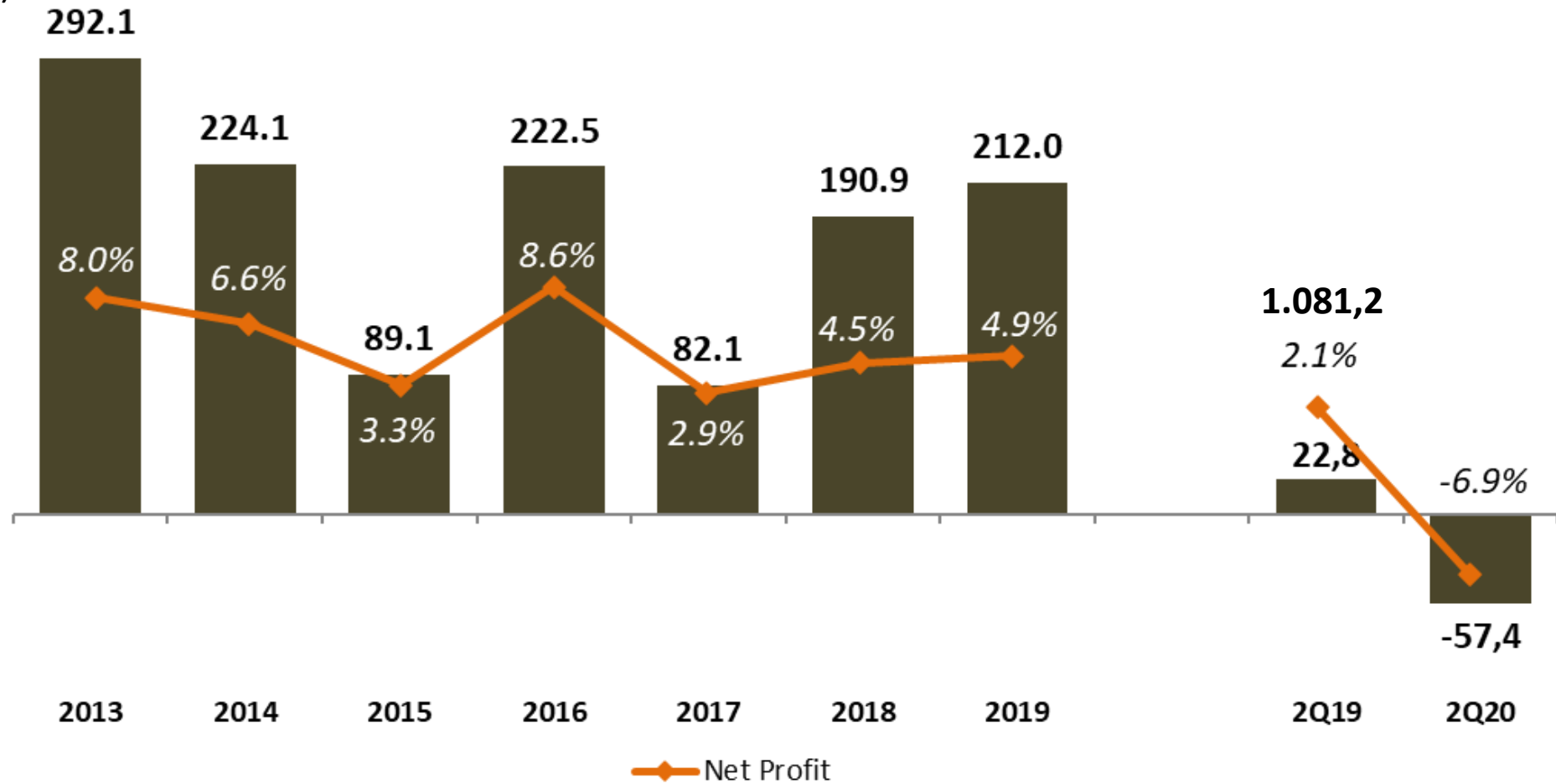
EBITDA Margin (%)



# Attachment

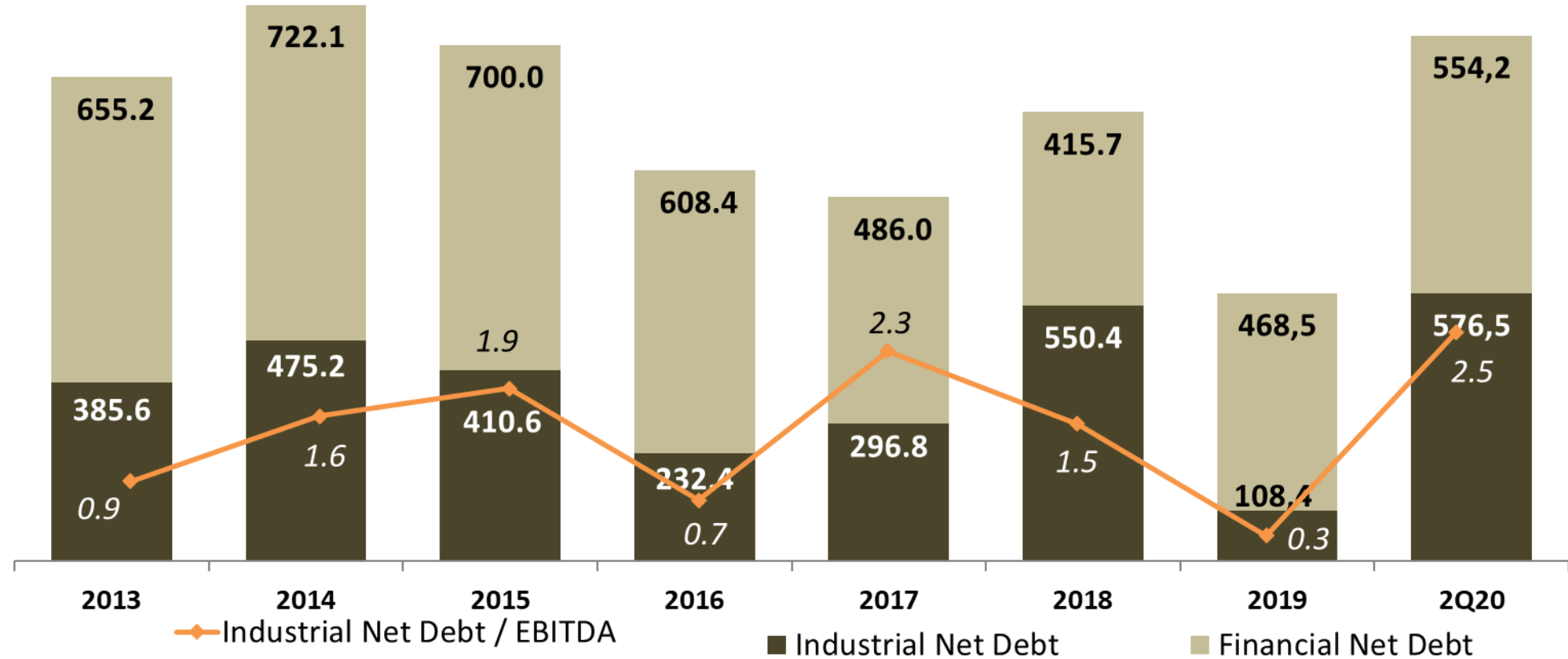
Net Profit (BRL million)

Net Margin (%)



# Attachment

Indebtedness (BRL million)



# Attachment

## International Operations Subsidiaries and Affiliates

Controlled	Units			Net Revenue (R\$ MM)			Net Profit (R\$ MM)		
	3Q20	3Q19	Var. % 3Q20/3Q19	3Q20	3Q19	Var. % 3Q20/3Q19	3Q20	3Q19	Var. % 3Q20/3Q19
MASA (South Africa)	36	78	-53,8%	12.627	21.885	-42,3%	- 510	- 2.568	80,1%
Metalsur (Argentina)	73	13	461,5%	29.908	5.832	412,8%	- 5.958	- 5.708	-4,4%
Volgren (Austrália)	48	146	-67,1%	92.441	135.298	-31,7%	- 2.230	4.857	-
MAC (China)	19	47	-59,6%	2.607	16.981	-84,6%	- 3.547	196	-
Polomex (México)	157	346	-54,6%	26.418	88.075	-70,0%	- 5.162	8.037	-
Joint Ventures *							Equity (R\$ MM)		
	3Q20	3Q19	Var. % 3Q20/3Q19	3Q20	3Q19	Var. % 3Q20/3Q19	3Q20	3Q19	Var. % 3Q20/3Q19
NFI (Canada)							- 43.761	3.733	-
Superpolo (Colombia)							9.834	6.605	48,9%
TMML (India)							- 8.176	1.847	-

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## Thank you!