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Results Presentation
2023 3rd Quarter

November 7th, 2023
3pm BRT
1pm US-EST

Disclaimer

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Unless indicated, Tegma is providing this information as of the date of this communication and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise. No forward-looking statement can be guaranteed and actual results may differ materially from those we project.
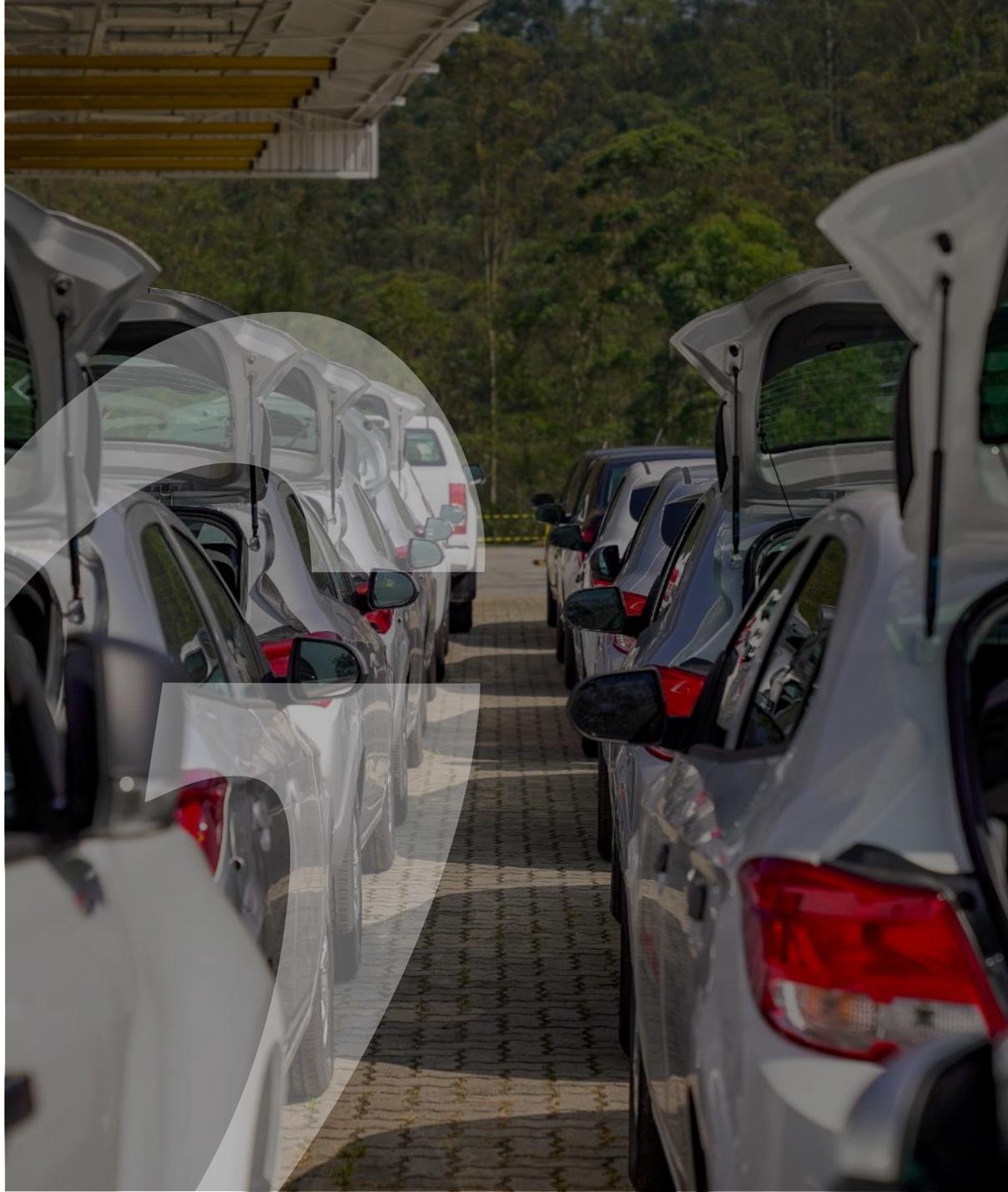
Quarter Highlights

1 Payment of interim **dividends and interest on equity** for the 3Q23

2 Start of Tegma's **ERP Transition** process

3 Tegma is included on the **Top 100 Open Corps** for the fifth consecutive year

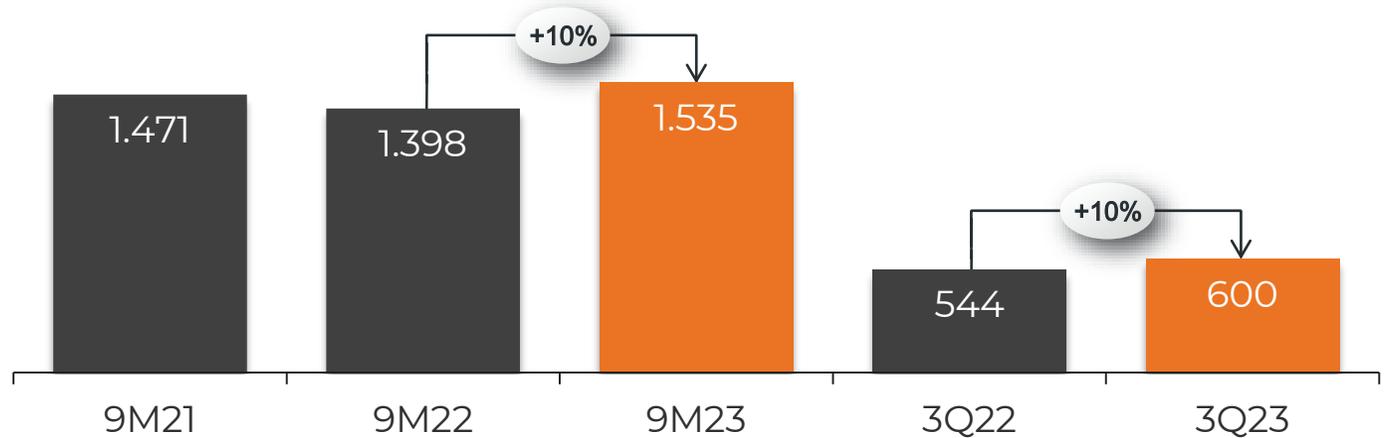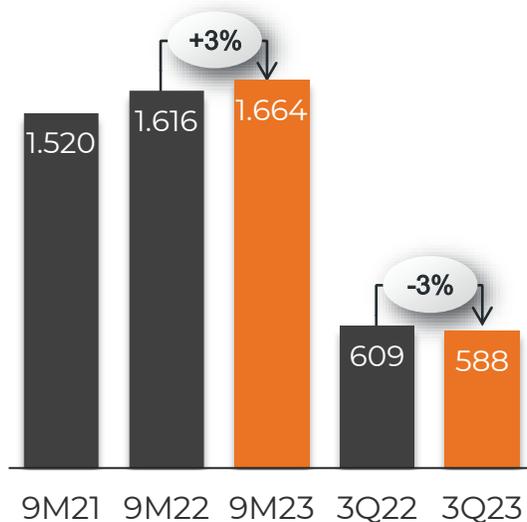**4** Disclosure of Tegma's 2022 **GHG Inventory**

Automotive Market
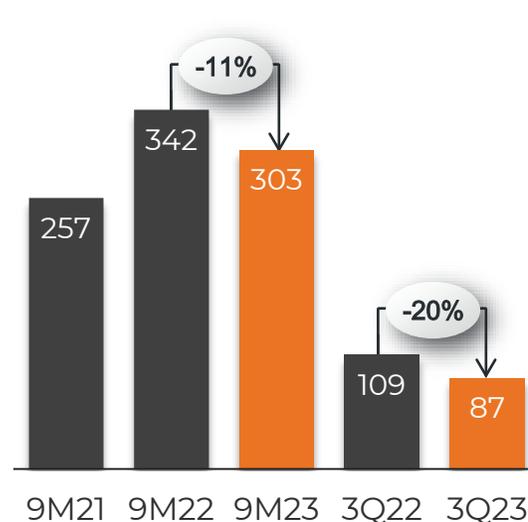## Light and light commercial vehicles. (In Thousand)

DOMESTIC SALES

9M21	9M22	9M23	3Q22	3Q23
1.471	1.398	1.535	544	600

+10% (9M22 → 9M23)
+10% (3Q22 → 3Q23)

PRODUCTION

9M21	9M22	9M23	3Q22	3Q23
1.520	1.616	1.664	609	588

+3% (9M22 → 9M23)
-3% (3Q22 → 3Q23)

EXPORTS

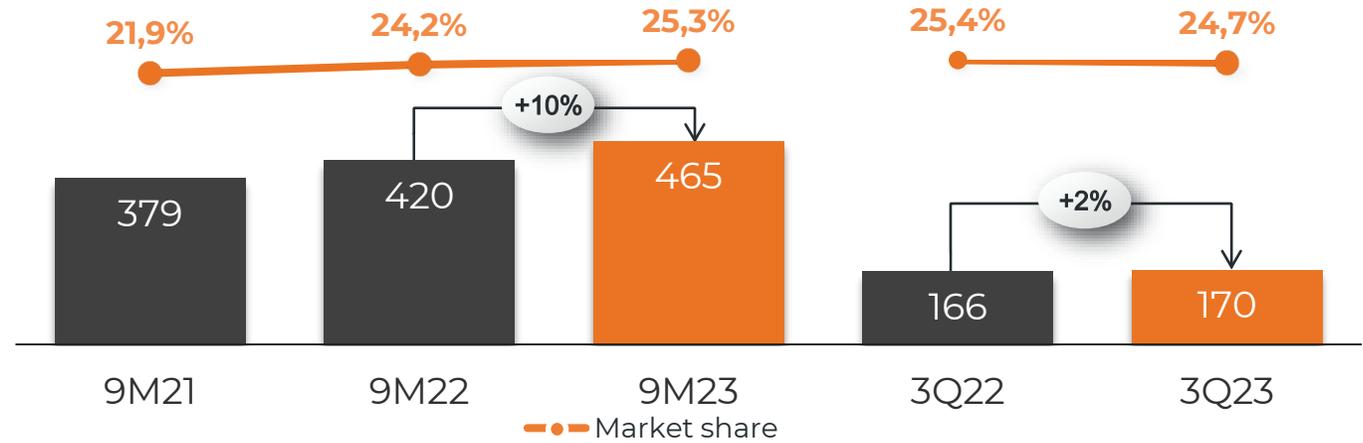| 9M21	9M22	9M23	3Q22	3Q23
257	342	303	109	87

-11% (9M22 → 9M23)
-20% (3Q22 → 3Q23)

▶ As a result of the **growth** of retail sales and better availability of components, **domestic vehicle sales** were up 10% in 3Q23 YoY. **Production** reduced 3%, because of the readjustment of inventory levels and lower **exports**, which were down 20% YoY in 3Q23.
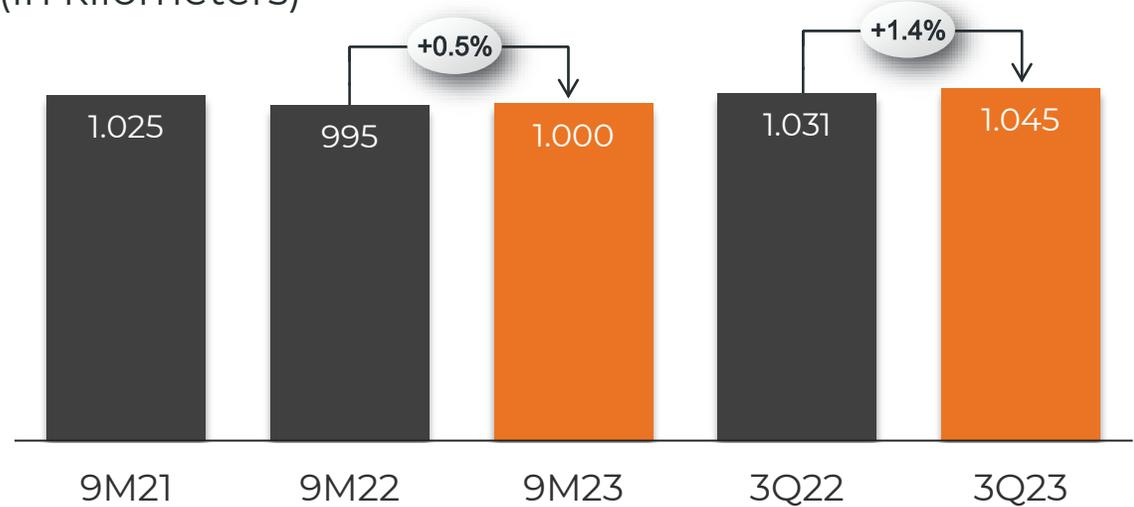
Source: ANFAVEA

4 ▶

Operation Highlights – Automotive Logistics Division

Thousand, except avg. distance

VEHICLES TRANSPORTED

	9M21	9M22	9M23	3Q22	3Q23
Market share	21,9%	24,2%	25,3%	25,4%	24,7%
Vehicles	379	420	465	166	170

+10% +2%

- - ● - Market share

AVERAGE DISTANCE
(in kilometers)

9M21	9M22	9M23	3Q22	3Q23
1.025	995	1.000	1.031	1.045

+0.5% +1.4%

➤ The **# of transported vehicles** increased by 2% in 3Q23 YoY because of the domestic sales' growth. The lower market share results from the loss of mkt share by relevant customers in July, with the Federal Government's discount program. The higher **average distance** stems from the increase of domestic trips' share within total trips.
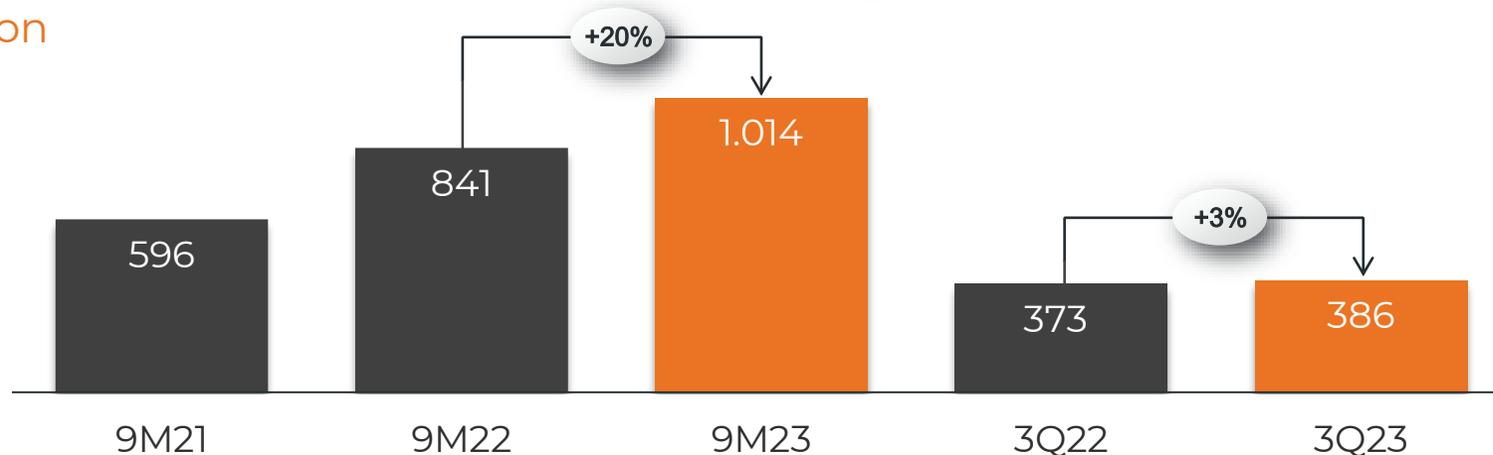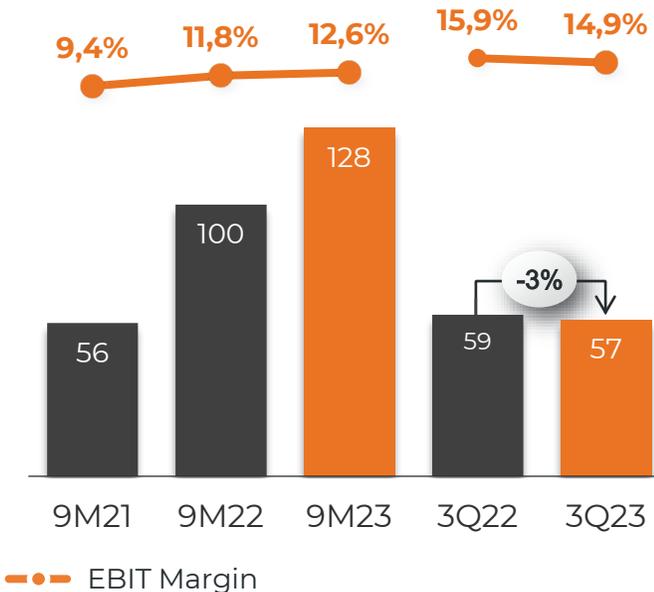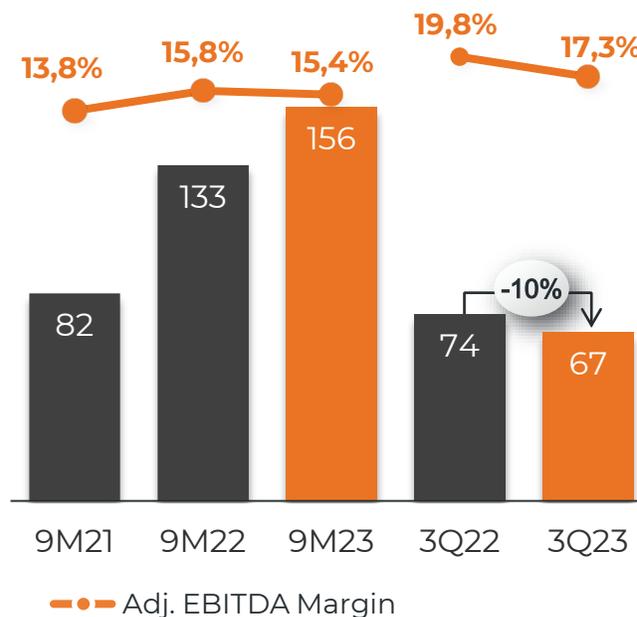
Results – Automotive Logistics Division

Million

NET REVENUE

	9M21	9M22	9M23	3Q22	3Q23
Net Revenue	596	841	1.014	373	386

+20% (9M22 → 9M23)

+3% (3Q22 → 3Q23)

EBIT

	9M21	9M22	9M23	3Q22	3Q23
EBIT	56	100	128	59	57
EBIT Margin	9,4%	11,8%	12,6%	15,9%	14,9%

-3% (3Q22 → 3Q23)

— EBIT Margin

EBITDA

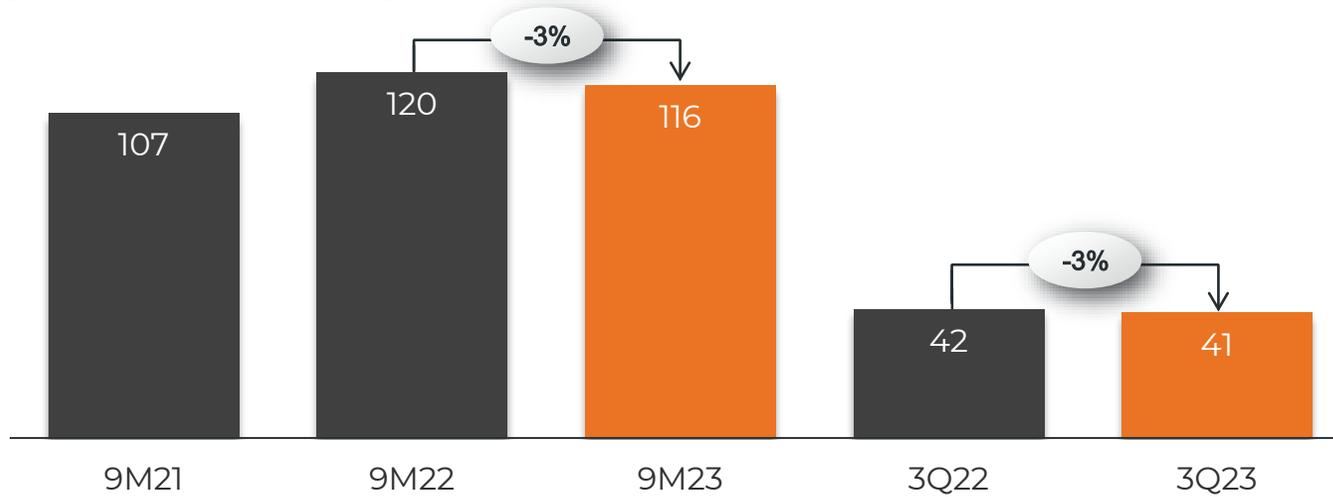|	9M21	9M22	9M23	3Q22	3Q23
EBITDA	82	133	156	74	67
Adj. EBITDA Margin	13,8%	15,8%	15,4%	19,8%	17,3%

-10% (3Q22 → 3Q23)

— Adj. EBITDA Margin

> **Division's 3Q23** revenue growth resulted from higher # of vehicles transported and average distance. The reduction in the **EBITDA margin** in 3Q23 stems from the hiring of personnel, as well as higher general and administrative expenses.
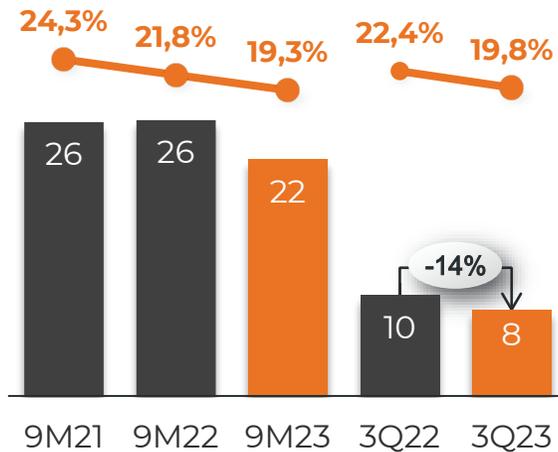
Integrated Logistics Division Results
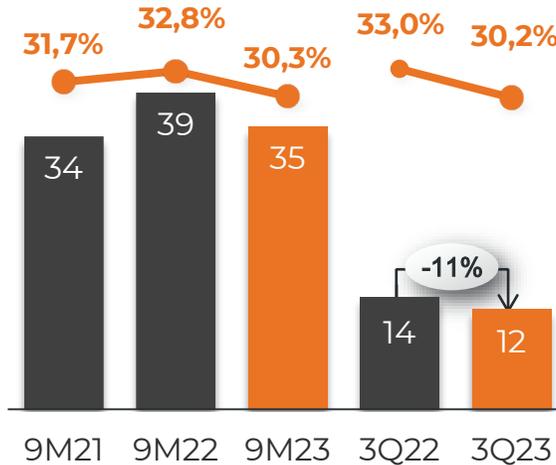
Million

NET REVENUE

	9M21	9M22	9M23	3Q22	3Q23
Net Revenue	107	120	116 (-3%)	42	41 (-3%)

EBIT

	9M21	9M22	9M23	3Q22	3Q23
EBIT	26	26	22	10	8 (-14%)
EBIT Margin	24,3%	21,8%	19,3%	22,4%	19,8%

—•— EBIT Margin

EBITDA

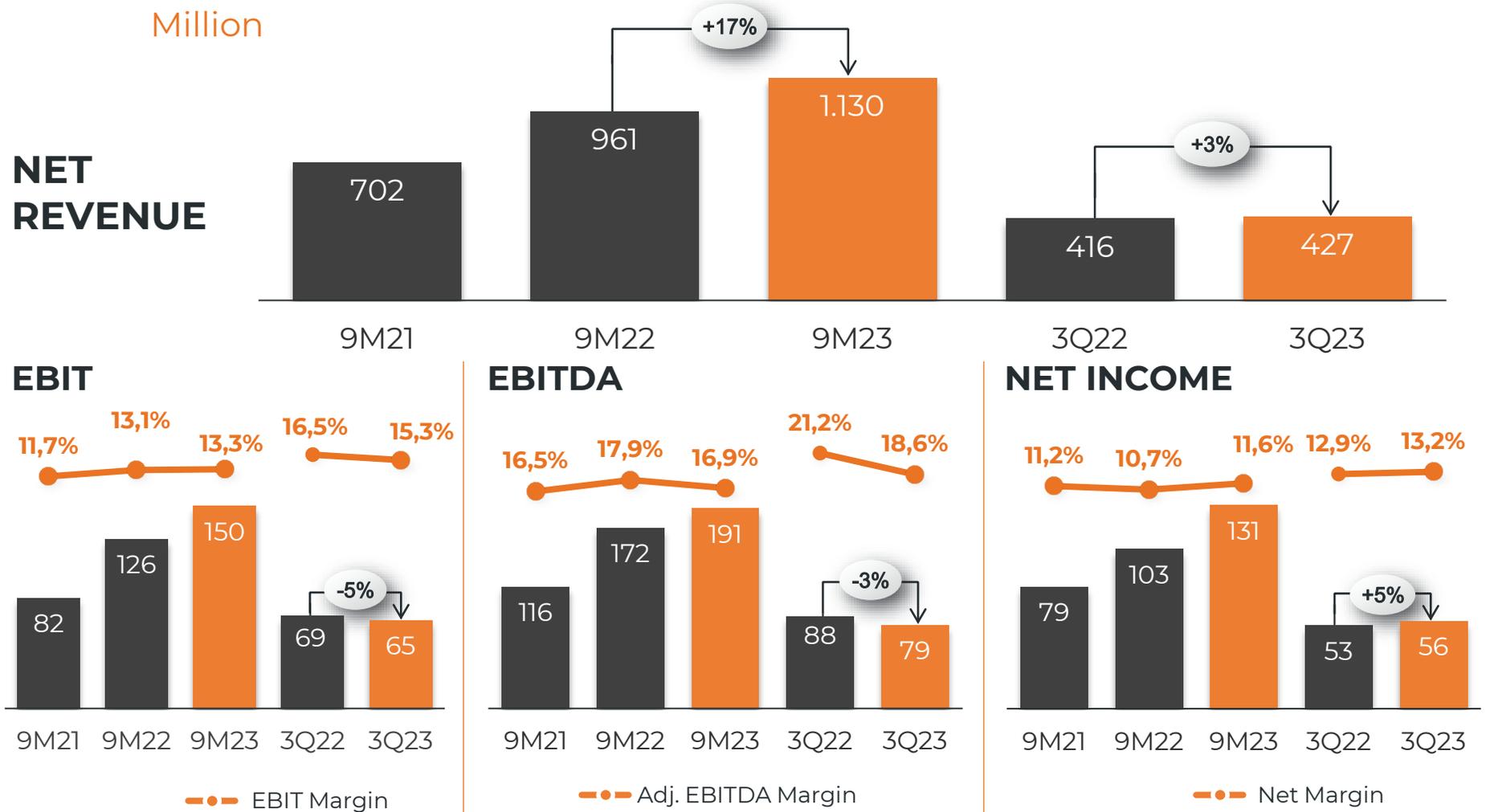|	9M21	9M22	9M23	3Q22	3Q23
EBITDA	34	39	35	14	12 (-11%)
Adj. EBITDA Margin	31,7%	32,8%	30,3%	33,0%	30,2%

—•— Adj. EBITDA Margin

> **Net Revenue** decreased on 3Q23 YoY because of the lower volume of chemical products transported stemming from the silo carrier fleet renewal pro - cess, despite higher revenue from the household appliances operation. 3Q23 **margins** re- tracted YoY because of lower revenue and the services mix of the chemical operation.

Consolidated Results

Million

NET REVENUE

	9M21	9M22	9M23	3Q22	3Q23
	702	961	1.130	416	427

9M22 → 9M23: **+17%**

3Q22 → 3Q23: **+3%**

EBIT

	9M21	9M22	9M23	3Q22	3Q23
EBIT	82	126	150	69	65
EBIT Margin	11,7%	13,1%	13,3%	16,5%	15,3%

3Q22 → 3Q23: **-5%**

—•— EBIT Margin

EBITDA

	9M21	9M22	9M23	3Q22	3Q23
EBITDA	116	172	191	88	79
Adj. EBITDA Margin	16,5%	17,9%	16,9%	21,2%	18,6%

3Q22 → 3Q23: **-3%**

—•— Adj. EBITDA Margin

NET INCOME

|	9M21	9M22	9M23	3Q22	3Q23
Net Income	79	103	131	53	56
Net Margin	11,2%	10,7%	11,6%	12,9%	13,2%

3Q22 → 3Q23: **+5%**

—•— Net Margin

> The higher **Revenue** in 3Q23 YoY stems from the Automotive Division's growth in the period. The lower **EBIT** and **EBITDA margins** in the quarter results from hiring of operational personnel and higher expenses. The 0.3 p.p. expansion in the **net margin**, despite the lower EBIT and EBITDA margins in 3Q23 YoY, is explained by the positive net financial result and the improvement in the results of the GDL Joint Venture.

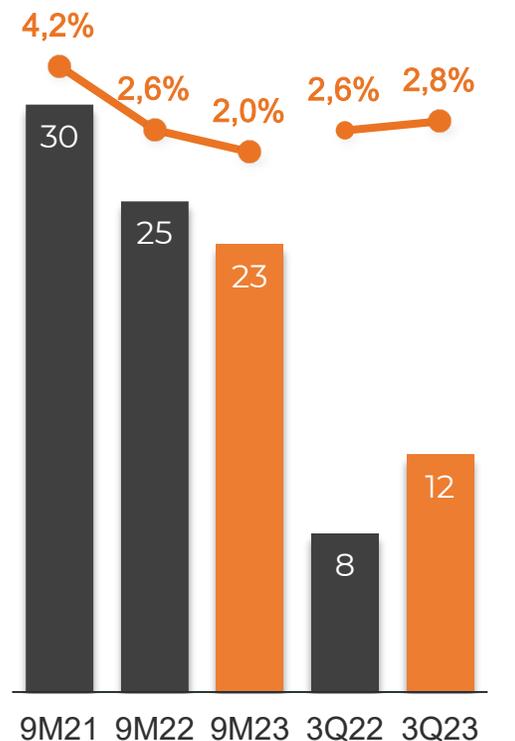# Free Cash Flow & CAPEX

R$ million, except cash-to-cash cycle (days)

CASH-TO-CASH CYCLE

3Q22	4Q22	1Q23	2Q23	3Q23
42	42	44	41	36
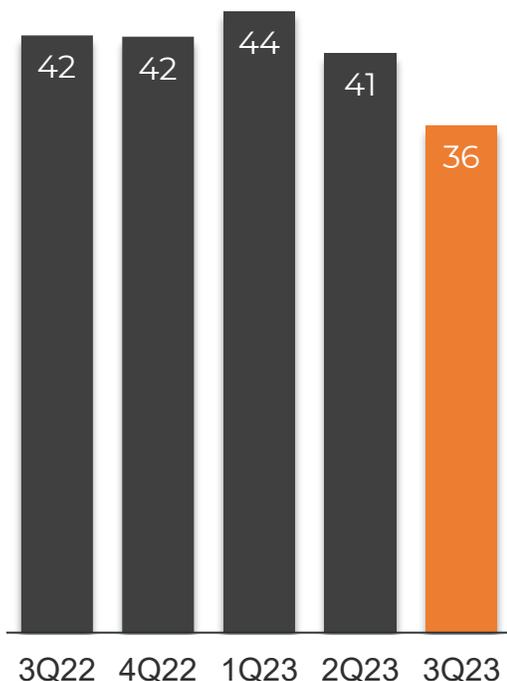
Days receivable − days payable

CAPEX

R$ million

CAPEX values:
9M21	9M22	9M23	3Q22	3Q23
30	25	23	8	12

% of Net Revenue: 4,2% · 2,6% · 2,0% · 2,6% · 2,8%

■ CAPEX ●— % of Net Revenue

FREE CASH FLOW

R$ million

9M21	9M22	9M23	3Q22	3Q23
56	96	142	41	50
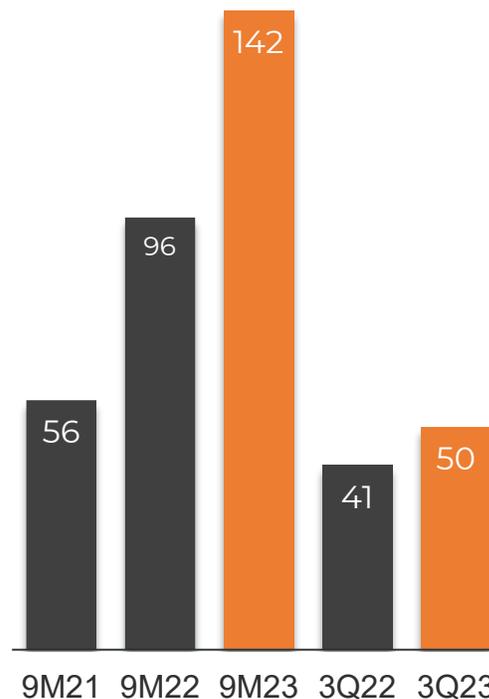
Operating cash generation - acquisition of fixed assets and intangible assets - leasing repayment

▶ Cash-to-cash cycle in 3Q23 was five days shorter QoQ, influenced by better dynamics of receipts in the quarter. CAPEX was R$ 12 million in 3Q23, amounting to 2.8% of net revenue, within the historical range. **Free cash flow** in 3Q23 was R$ 50 million stemming from the positive operational performance, combined with the lower cash-to-cash cycle and the offset of tax credits. In 9M23, cash flow also reflects operational performance.
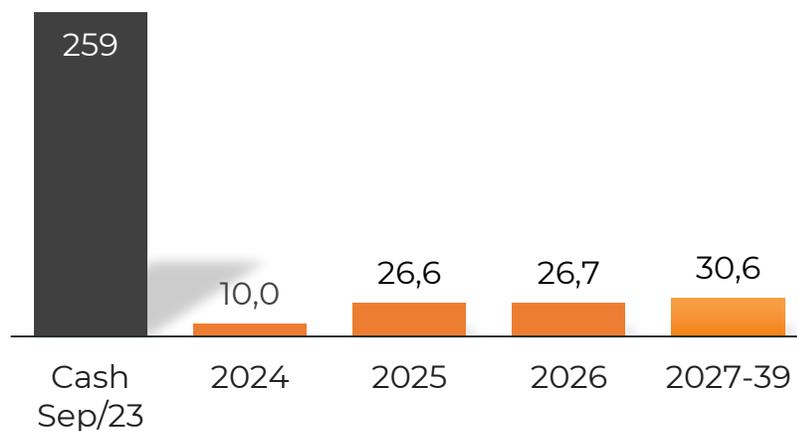
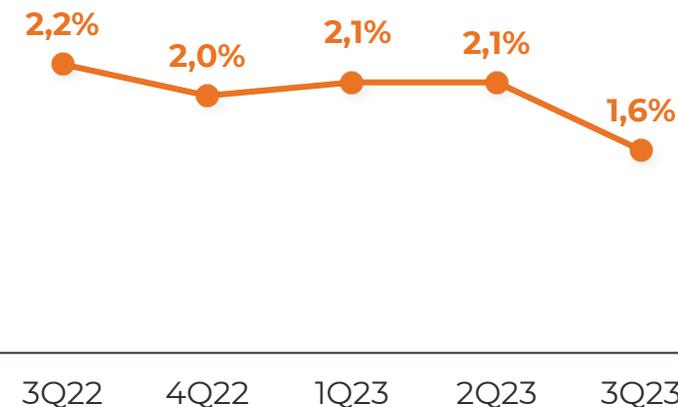# Capital Structure
Million

GROSS DEBT PAYMENT AMORTIZATION
R$ Million

Cash Sep/23	2024	2025	2026	2027-39
259	10,0	26,6	26,7	30,6

NET DEBT COMPOSITION (R$ million)	Jun/23	Sep/23
(=) Gross debt	91	96
(-) Cash	237	259
(=) Net debt (cash)	(146)	(163)
Adj EBITDA LTM	272	264
Net debt/ Adj EBITDA LTM	N/A	N/A

GROSS DEBT COST
% + CDI (basic interest)

3Q22	4Q22	1Q23	2Q23	3Q23
2,2%	2,0%	2,1%	2,1%	1,6%

RATING

Fitch Ratings   **A** Local
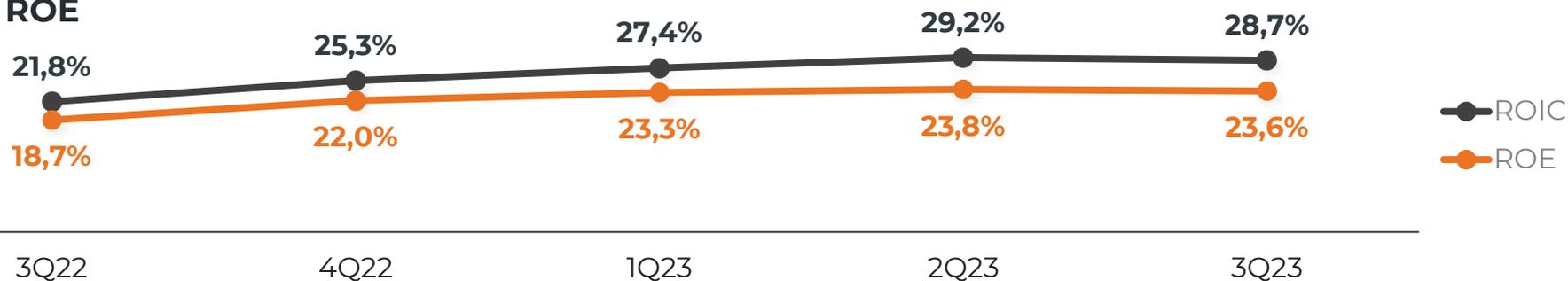
Outlook: Stable

Date: April 17, 2023

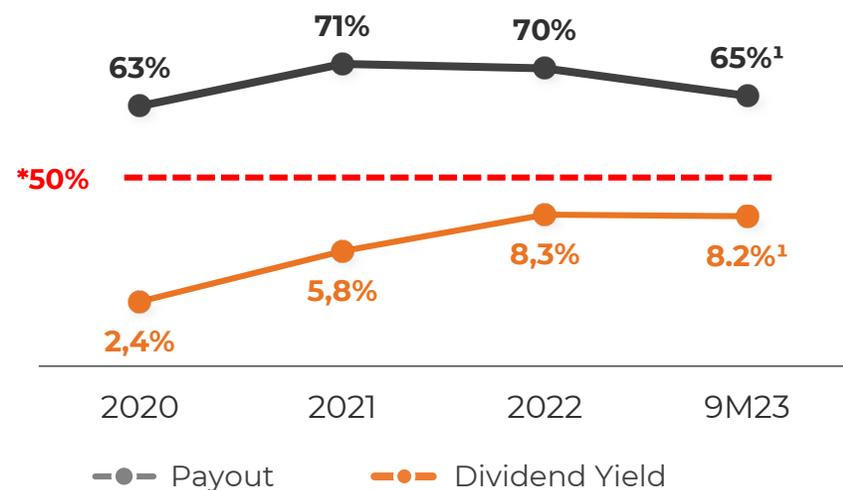> Unleveraged capital structure based on cash generation.

Return, EVA and Dividends

ROIC & ROE

21,8% 25,3% 27,4% 29,2% 28,7%

18,7% 22,0% 23,3% 23,8% 23,6%

3Q22   4Q22   1Q23   2Q23   3Q23

ROIC
ROE

EVA (R$ million)

100
80
60
40
20
-
(20)

3Q18   3Q19   3Q20   3Q21   3Q22   3Q23

EVA Wacc 17%   EVA Wacc 12%

EVA considers the WACC range used in sell-side analysts' projections. The indicator's calculation memory can be found in the Historical financials file, under the "indicators" tab

HISTORICAL DIVIDENDS

63%   71%   70%   65%[1]

*50%

2,4%   5,8%   8,3%   8,2%[1]

2020   2021   2022   9M23

Payout   Dividend Yield
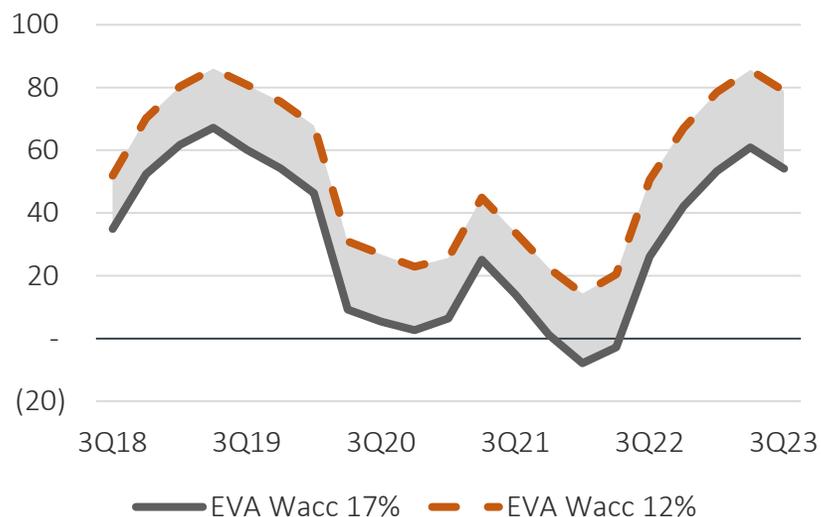
*Minimum distribution policy of 50% of adjusted net income.
[1]August and November prepayments: 50% of net income; complementary distribution of last years in April: 60% of net profit; [2] Div Yield LTM

ROIC, ROE and **EVA** were lower in 3Q23 QoQ because of the slight reduction in Tegma's operating margins. The indicators' upward trend from 2022 onwards stems from the automotive market's recovery , the growth of automotive logistics services and the growth of Fastline (pre-owned logistics) and GDL (ROE). **Dividend payout** remains above the indicative policy.

TGMA3

TGMA3 STOCK PRICE | BASE 0 = January 2nd
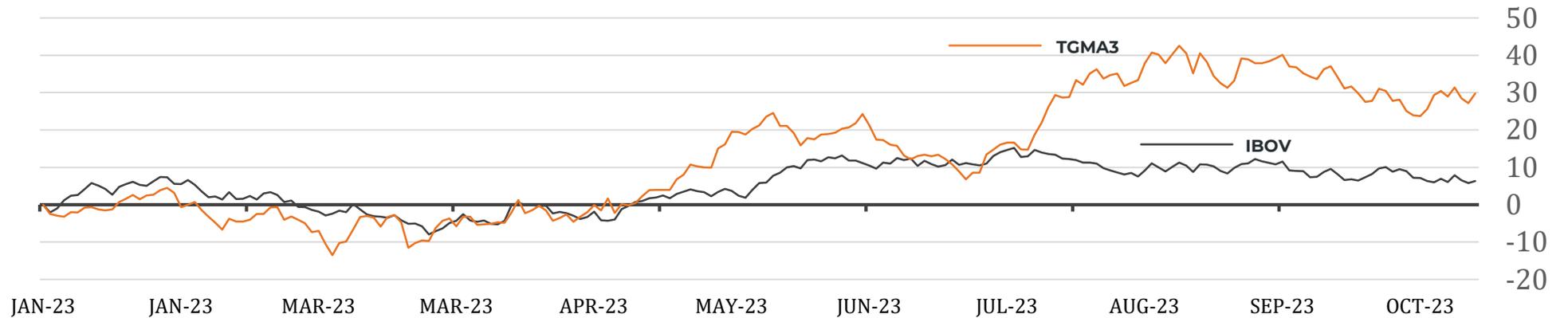
TGMA3 MULTIPLES

* Multiples based on average sell -side analyst estimates. * Year X multiple uses estimates from year X itself through July. From   August onwards, estimates for year X+1 are used.

Tegma's stock outperformed the stock market as of mid-July 2023, because of the automotive sector recovery and the resilience of the Company's results. Still, Tegma is traded at multiples below its historical average due to macroeconomic reasons, as is the case with most listed companies.