



Tegma

Gestão Logística SA

Earnings Release

2020 third quarter and first nine months

São Bernardo do Campo, November 6, 2020

Results Conference Call

Monday, November 9, 2020

15:00 (Brasília)

1:00 pm (US-ET)

[Portuguese with simultaneous translation to English]

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Highlights

- ◆ In 3Q20 the quantity of **vehicles transported** was 161.8 thousand, a 185.6% rebound vs 2Q20 but still a 20.9% decline in YoY comparison reflecting a 25.2% market share or a 0.7 p.p loss in YoY comparison. The quarter's **average distance** was 1,174 km, 6.2% higher in annual comparison.
- ◆ In 3Q20 **net revenue** increased 122,2% vs 2Q20 because the economy reopening but it fell 15.1% in the YoY comparison due to the decrease of the quantity of vehicles transported in the automotive logistics division, reflecting the negative impact of the COVID-19 outbreak in Brazil.
- ◆ 3Q20 **EBITDA** was R\$ 55.3 million, corresponding to a 19.1% margin, 0.2 p.p higher than the adjusted EBITDA 3Q19 despite the impacts of COVID-19 pandemic in the automotive logistics division, due to the management of costs and expenses, the resumption of vehicle sales in the country and the good performance of the integrated logistics division.
- ◆ 3Q20 **net income** was R\$ 29.9 million, 67.2% lower in the YoY comparison but only 17.0% lower than 3Q19 disregarding the impacts of a tax credit in 3Q19, despite the impacts of COVID-19, which were mitigated by the costs and expenses cutting in 2Q20 and by controlling them throughout 3Q20.
- ◆ In 3Q20, **free cash flow** was R\$ 8.7 million negative, impacted mainly by working capital consumption due to the resumption of operations in the automotive logistics division, despite the Company's positive operating result.
- ◆ 3Q20 **return on invested capital** was 17.4%, a drop of 4.2 p.p vs the 2Q20 ROIC (without the tax credit), mainly due to the effects of the COVID-19 pandemic.
- ◆ In September 2020, the Company had a **net cash** of R\$ 54.3 million vs an cash surplus of R\$ 62.5 million in June, 2020.

Operational and financial highlights	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Net revenue (R\$ million)	289.2	699.1	122.2%	-15.1%	-27.9%	130.1	340.7	969.0
Gross profit (R\$ million)	64.7	135.0	463.5%	-6.6%	-32.9%	11.5	69.3	201.1
<i>Gross margin %</i>	<i>22.4%</i>	<i>19.3%</i>	<i>13.6 p.p.</i>	<i>2.0 p.p.</i>	<i>-1.4 p.p.</i>	<i>8.8%</i>	<i>20.3%</i>	<i>20.8%</i>
EBITDA* (R\$ million)	55.3	100.9	1,088.7%	-51.9%	-56.2%	4.7	114.9	230.4
Adjusted EBITDA* (R\$ million)	55.3	104.2	-	-14.3%	-42.1%	(0.4)	64.5	180.0
<i>Adjusted EBITDA* margin %</i>	<i>19.1%</i>	<i>14.4%</i>	<i>19.4 p.p.</i>	<i>0.2 p.p.</i>	<i>-4.1 p.p.</i>	<i>-0.3%</i>	<i>18.9%</i>	<i>18.6%</i>
Net income (R\$ million)	29.9	44.9	-	-67.2%	-70.2%	(4.4)	91.4	150.5
<i>Net margin %</i>	<i>10.4%</i>	<i>6.4%</i>	<i>13.7 p.p.</i>	<i>-16.5 p.p.</i>	<i>-9.1 p.p.</i>	<i>-3.4%</i>	<i>26.8%</i>	<i>15.5%</i>
Earnings per share (R\$)	0.5	0.7	-	-67.2%	-70.2%	(0.1)	1.4	2.3
Free cash flow (R\$ million)	(8.7)	122.8	-	-	16.6%	72.3	34.4	105.3
CAPEX (R\$ million)	4.4	14.1	3.3%	6.6%	-44.3%	4.3	4.1	25.3
Vehicles transported (in thousand)	161.8	375.1	185.6%	-20.9%	-36.6%	56.6	204.5	592.0
<i>Market Share %</i>	<i>25.2%</i>	<i>25.7%</i>	<i>-2.0 p.p.</i>	<i>-0.7 p.p.</i>	<i>-0.2 p.p.</i>	<i>27.2%</i>	<i>26.0%</i>	<i>25.9%</i>
Average Km per vehicle transported	1,174	1,073	8.7%	6.2%	5.9%	1,080	1,106	1,012.8

To access this spreadsheets in Excel, [Click here](#)

* It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#).

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[Click here](#) for the Financial historic and explanatory notes in EXCEL.

[Click here](#) for this report's spreadsheets in EXCEL.

Evaluate our results release

We are always trying to improve. Evaluate the quality of our results disclosure and suggest improvements that we believe are important for the improvement of transparency by Tegma.

[Click here](#) to access the survey.

Forward-looking statements

This communication contains forward-looking statements based on the current expectations and beliefs of Tegma's management. The ongoing COVID-19 pandemic imposes significant risks and uncertainties on the statements, including those discussed below. 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.

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Quarter Highlights

COVID-19 Updates in the Company

At Tegma, throughout the third quarter of 2020, we maintained all the recommended safety/distance measures and, fortunately, **no Tegma employee had any major complications due to COVID-19** or required hospitalization. All our corporate activities are being performed remotely and our operations are functioning normally, with the customary restrictions to avoid contagion.

The third quarter of 2020 was also notable due to the uncertainties arising from the COVID-19 pandemic, with a still high number of fatalities in the country, but also with **important advances related to the treatment of infected and a possible vaccine**. Economic activity, on the other hand, underwent an important recovery due to the emergency aid from the Federal Government, the reopening of Brazil's economy and the economic dynamics at an international level.

These events boosted Tegma's main market of brand new vehicles, which was additionally helped by the savings of consumers who did not spend on services, travel and leisure during the pandemic period, as well as the preference for private transportation over public transportation. The level of **sales in 3Q20 in the country has already become equal to 1Q20** (which is, in seasonal terms, the weakest). Our turnover followed this recovery and, as a result, we had to **re-hire some of the employees** that were dismissed the peak of the crisis. The recovery of margins to pre-crisis levels, even with significantly lower revenues, is the result of the Company's constant control of expenses. On the other hand, we are still aware of the difficulties that may arise due to the **reduction or cancellation of emergency government aid**, the still very high unemployment rate in the country, the reduction of disposable income and even a second wave of the pandemic in the country.

In the **integrated logistics division**, the results were positive due to the productivity gains that we obtained with the growth in revenue, improvement in the client mix and productivity, as occurred in 2Q20.

Cash management was effective this quarter due to the company's receivables and the significant improvement in operating results, which implied a low cash consumption. As such, our cash position is higher than our gross debt, our debt maturities are duly extended, and we have a great capacity for investment in projects that fit the company's strategy.

Open Corps Award

Tegma was recognized in the TOP 100 Open Corps list as one of the **companies that are the most innovative** with start-ups in Brazil.

In the general ranking, Tegma landed the 20th position among the 100 selected companies; in the categorization by sectors, **Tegma ranked 1st in logistics and transport sector**, i.e. the company in the most open innovation company with start-ups in the country.

In 2017, Tegma created **tegUP, a start-up accelerator that consists the company's open innovation and technology branch**. tegUP seeks start-ups and transformative companies that offer products, services and innovation opportunities related to the universe of digital logistics and transportation, with high potential for evolution and that require all kinds of support to significantly accelerate their growth.

This is the second year in which Tegma is part of the ranking. Last year, we were the 36th among the 100 companies that most practiced innovation with start-ups in Brazil.

Since 2018, the TOP 100 Corps Ranking highlights the leading companies in terms of open innovation with start-ups in Brazil on an annual basis.

The ranking and its categories are built from the collection of primary data, validated by a verification and audit process. In other words, the ranking measures, objectively, the volume and intensity of open innovation relations established between startups and companies, which allows the mirroring of points given to companies and start-ups.

Anticipation of dividend distribution and interest on capital (2020)

In the minutes of the Board of Directors' meeting of November 6, Tegma announced the resumption of the **distribution of interim dividends and interest on capital totaling R\$ 22.4 million** (R\$ 16.8 million in dividends and R\$ 5.6 million in interest on own capital), or R\$ 0.34 per share (R\$ 0.33 net of taxes), corresponding to 50% of the 9M20 net income. Interim dividends will be paid to shareholders on November 24, 2020, benefiting the shareholders who hold the Company's shares up to November 11, 2020 ("Cut-off Date"). The Company's shares will be traded "ex-dividends" and excluding interest on capital as of November 12, 2020, including that date. The dividend yield for the last 12 months corresponds to 1.5% (considering the base price on the date of the resolution).

Electrolux supplier of the year

In October 2020, we were finalists in the **Electrolux Suppliers Awards**, a global award that aims to recognize suppliers that have excellent performance in terms of service, quality in service provision, agility and technology.

This year's categories were: Operational Excellence in Direct Material, Operational Excellence as a Service Provider, Consumer Experience, Sustainability and the Supplier of the year.

Tegma was a finalist in the Operational Excellence category as a Service Provider.

This global recognition attests to the way in which Tegma's competitive advantages are built, through quality services that are known to generate savings for the client and that are achieved through long-term contracts with satisfied clients.

Site change for the São Paulo Warehousing Operation

In the minutes of the Board of Directors' meeting of October 2, 2020, we announced that the **warehousing operation for consumer goods that was carried out in Barueri/SP was moved to a logistics condo in Itapevi/SP**, which has more suitable characteristics for the current operations, with the possibility of expanding capacity and flexibility to provide new services and serve clients.

Tegma publishes its social and environmental responsibility and governance initiatives in a structured manner

Along with the 3Q20 results, we published a **new sustainability section** on our IR website that covers all of our initiatives directed towards the environment, road safety, governance and social responsibility.

The subject has always been a great concern for Tegma due to the risks involved in its transport operations; these risks made us establish an education program for outsourced drivers already for 13 years, called *Programa Forte*, that trains drivers on the most delicate topics in their line of work.

Concerns about the environmental impacts of our operations are mainly focused on **reducing pollutant and GHG emissions** by measuring the opacity of the smoke emitted by our vehicle transportation trucks, encouraging the constant renewal of our partners' fleets and creating more efficient equipment that requires less fuel and is less prone to accidents. In addition, the concern with water consumption also made us create innovative washing methods for our carriers, providing a reduction of up to 90% in consumption in this process.

Tegma's governance, in turn, has always been an issue in which we have always tried to **stay ahead of market laws**. We have several spheres of governance that make us confident in our control and planning instruments, with independent members specialized in each area, offering us an outside view that helps us improve.

Last, but not least, the way we treat our employees and the communities surrounding our operations. Last year, we were awarded the Great Place to Work seal, which reflects the work environment at Tegma, something that is essential for the quality of our services and for the continuity of our relations with employees. Likewise, **we collaborated with nearly 40 institutions between 2018 and 2019 that promote community-level well-being**, including support for the elderly, support for education, sports, and social initiatives. Between the years of 2019 and 2018, we invested around 0.7% of the Company's net income in these initiatives.

We know that there will still be many collaborations with all these initiatives to be done, and we are making it so that 2021 may be a milestone for Tegma on the subject of sustainability.

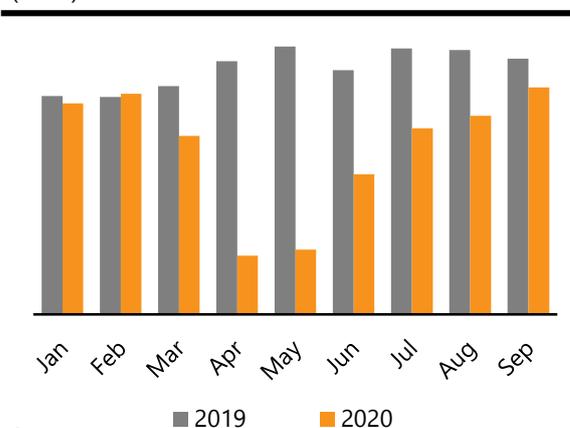
<https://ri.tegma.com.br/en/sustainability/>

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Automotive Market

The performance of **domestic vehicle sales** in 3Q20 was significantly positive in the QoQ comparison reflecting the resumption of sales after the end of the harsh restrictions imposed by the COVID-19 pandemic, but it still fell 22.6% in the annual comparison. In Chart 1, the monthly evolution of vehicle sales in the domestic market shows that in September was already at a higher level than the recorded in the first months of the year, not yet affected by the pandemic (but seasonally the weakest). This recovery can be attributed to several factors such as greater consumer confidence and damming of sales in the months of restrictions, but also to consumers' preference for private transport over public transport, low basic interest rates and savings due to the postponement spending on services, leisure and travel. This scenario, however, occurs in the opposite direction of several negative factors that still affects the Brazilian economy, such as i) the high level of unemployment, ii) the reduction in household income with the Provisional Measure that allowed the companies in reducing working hours and cancelling work contracts temporarily, iii) fiscal risks that emerge on the horizon and iv) the currency devaluation that results in an cost increase of imported products, which is already reflecting in prices increase, including brand new vehicles.

Chart 1 – Sales of vehicles on the domestic market (in mi)



Source: ANFAVEA

Exports dropped 25.0% in 3Q20 in the annual comparison, due to low sales volumes in Latin America, main destination of Brazilian exports and measures to limit vehicles imports by the Argentinian government.

Inventories in September 2020 were 141.7 thousand vehicles, 59.4% lower in the annual comparison due to the OEM's strategy to optimize production to supply the demand without generating surpluses, keeping inventories at low levels, according to ANFAVEA. This is yet another challenge for the logistics chain in this sector. This level of inventories represents 20 days of sales.

The 23.0% drop in **production** and 28.0% in **imports** in 3Q20 compared to the previous year is due to the reduction in domestic sales in the period and to the inventories consumption in the chain.

	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Vehicles and light commercial vehicles sales	618.3	1,496.5	139.0%	-22.6%	-33.9%	258.7	798.6	2,262.6
Domestic	535.7	1,300.9	131.9%	-22.2%	-32.9%	231.0	688.4	1,940.2
Exportations	82.6	195.6	197.9%	-25.0%	-39.3%	27.7	110.2	322.4
Estimated wholesale sales	641.2	1,459.0	207.9%	-18.6%	-36.1%	208.3	787.3	2,283.1
(+) Production of vehicles and light commercial	572.8	1,258.4	339.5%	-23.0%	-41.5%	130.3	744.4	2,149.3
(+) Importation of vehicles and light commercial*	54.8	148.9	59.1%	-28.0%	-32.1%	34.4	76.1	219.4
(-) OEM's inventories change	(13.6)	(51.7)	N/A	N/A	N/A	(43.5)	33.2	85.6
Inventories (in OEM and dealers)	141.7	-	-10.1%	-59.4%	-	157.6	348.6	-
Inventories (in OEM and dealers in days)	20	-	-	-55.6%	-	20	45	-
Domestic Sales	535.7	1,300.9	131.9%	-22.2%	-32.9%	231.0	688.4	1,940.2
Direct Sales	236.3	567.8	149.7%	-24.7%	-35.2%	94.6	313.7	876.3
Retail Sales	299.4	733.1	119.6%	-20.1%	-31.1%	136.3	374.7	1,063.9

Source: ANFAVEA and FENABRAVE

* Due to the lack of update from Central Bank of the number of vehicles imported by Brazil since December 2018, we replaced this information by the number of imported vehicles sold.

(in thousand)

Operation highlights – Automotive logistics division

As explained in the previous session, domestic vehicle sales 3Q20 are in a recovery process. As a result, the **number of vehicles transported** by Tegma in 3Q20 was almost three times higher than in 2Q20 (+185.6%), even though still representing a 20.9% drop in the annual comparison. The 36.6% drop in 9M20 in the annual comparison still reflects the performance of 2Q20, the worst quarter of the crisis. Due to our client mix, we recorded a 0.7 p.p market share loss [-0.2 p.p in 9M20] in the annual comparison, totaling 25.2% in 3Q20 [25.7% in 9M20], as can be seen in Chart 2. The number of vehicles transported grew month by month as can be seen in Chart 2 and September was at a higher level vs the beginning of the year (seasonally inferior).

In 3Q20, **average distance of domestic travels** was 7.1% higher in the yearly comparison, which portrays Tegma's mix delivery across the country, with a gain in the participation of the North, Northeast and Midwest regions in the post crises. **Average distance of exports** was 6.5% higher in the yearly comparison. The **consolidated average distance** has increased 6.2% in 3Q20 in the yearly comparison due to the increase in the average domestic and exports travels distance.

Chart 2 - Wholesale sales (in thous) and Tegma market share

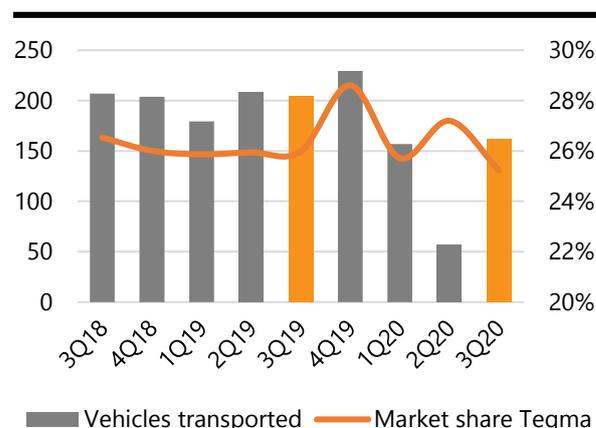


Chart 3 – Vehicles transported (in thous) and monthly average Tegma's delivery distance (in km)

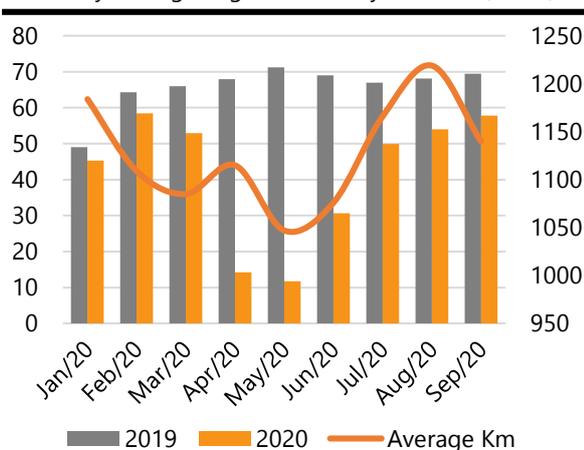
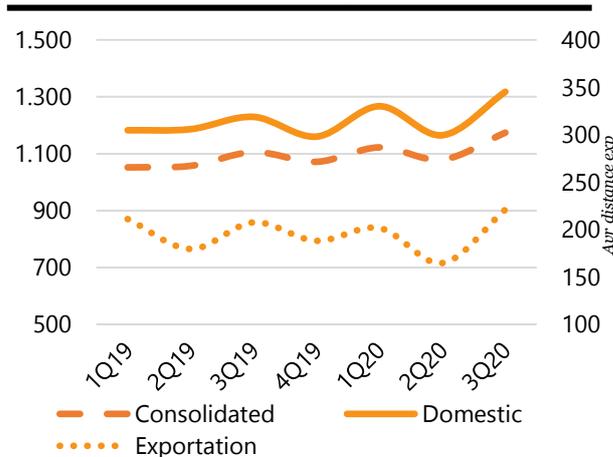


Chart 4 – Tegma's trips average distance (in km)



	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Vehicles transported (thousand)	161.8	375.1	185.6%	-20.9%	-36.6%	56.6	204.5	592.0
Domestic	140.6	327.9	171.4%	-21.8%	-36.5%	51.8	179.8	516.6
Exportations	21.2	47.2	337.0%	-14.5%	-37.4%	4.8	24.7	75.4
Market share %*	25.2%	25.7%	-2.0 p.p.	-0.7 p.p.	-0.2 p.p.	27.2%	26.0%	25.9%
Average km per vehicle (km)	1,174.2	1,072.6	8.7%	6.2%	5.9%	1,080.0	1,106.0	1,012.8
Domestic	1,317.6	1,272.6	13.1%	7.1%	6.0%	1,165.5	1,229.7	1,200.4
Exportations	221.1	206.6	34.3%	6.5%	3.9%	164.7	207.6	198.8
Total km (million km)	189.9	427.0	210.5%	-16.0%	-32.8%	61.2	226.2	635.1
Domestic total km	185.3	417.3	206.9%	-16.2%	-32.7%	60.4	221.0	620.1
Exportations total km	4.7	9.8	486.9%	-8.9%	-34.9%	0.8	5.1	15.0

Source: ANFAVEA and BACEN

* Considering the denominator the wholesale sales on the previous page.

(in thousand, except average km and total km in million)

Results – Automotive logistics division

As explained in the previous section, the recovery of the automotive market is strong and contributed with the performance of the automotive logistics division in 3Q20.

Despite the strong recovery in the 3Q20 automotive logistics division's **gross revenue** vs last quarter (181.1%), it fell 16.6% [-32.0% in 9M20], in yearly comparison. Such variation is explained by: i) the 20.9% drop in the number of vehicles transported in 3Q20 [-36.6% in 9M20] in the annual comparison, ii) the 6.2% growth in the average km per vehicle in 3Q20 [+5.9% in 9M20] in yearly comparison and iii) partly due to the price readjustment held throughout the second quarter. The recovery of the company's logistical services, such as yard management and PDI (Pre-Delivery-Inspection) was weaker compared to the transport service due to the drop in vehicles imports, reduction in the automakers inventories and due to the sharp drop in purchase of vehicles by rent-a-car companies.

Despite the drop in revenues in yearly comparison, 3Q20 automotive logistics division's **gross margin** was 21.7% [18.2% in 9M20], a 1.3 p.p gain of vs 3Q19 [-3.2 p.p in 9M20 vs 2019] . The margin recovery in quarterly basis is the result of cost reductions made in 2Q20 and of the control of the same in the 3Q20 even with volumes recovery. We are focused on maintaining our level of service in this period of sales rebound. The division rehired part of the employees that were fired during the crisis.

The division's **EBITDA* margin** recovery in 3Q20 vs 2Q20 was remarkable. Still, the 15.8% mark reflects a 0.8 p.p drop in annual comparison is mainly due to the abrupt decline in revenue. It is important to remark that in 3Q19 an important amount of tax credit was recognized which, impacted EBITDA* by R\$ 48.8 million. The 6.7 p.p drop in the 9M20 margin in the annual comparison mainly reflects the result of 2Q20 due to the pandemic. The evolution of the quarterly result in a monthly basis can be seen on the next page.

Chart 5 – Automotive gross revenue (in R\$ mi)

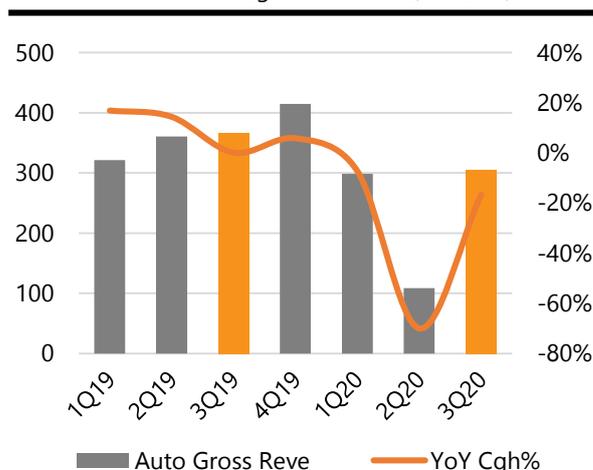
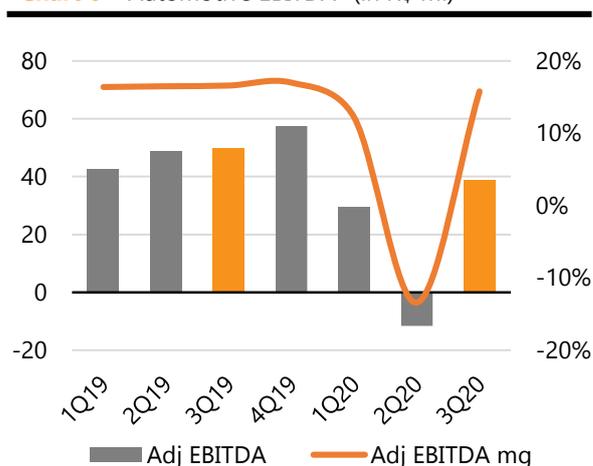


Chart 6 – Automotive EBITDA* (in R\$ mi)



Automotive logistics division	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Gross revenue	305.5	712.8	181.2%	-16.6%	-32.0%	108.6	366.4	1,049.0
Taxes and deductions	(60.0)	(139.7)	176.1%	-9.9%	-28.8%	(21.7)	(66.6)	(196.2)
Net revenue	245.5	573.1	182.5%	-18.1%	-32.8%	86.9	299.8	852.8
Cost of services	(192.1)	(468.6)	123.6%	-19.5%	-30.1%	(85.9)	(238.5)	(670.0)
Gross profit	53.4	104.5	5,440.6%	-12.9%	-42.8%	1.0	61.3	182.8
<i>Gross margin%</i>	<i>21.7%</i>	<i>18.2%</i>	<i>20.6 p.p.</i>	<i>1.3 p.p.</i>	<i>-3.2 p.p.</i>	<i>1.1%</i>	<i>20.4%</i>	<i>21.4%</i>
Expenses	(22.0)	(74.3)	7.7%	-	334.3%	(20.4)	29.3	(17.1)
Operating income	31.4	30.2	-	-65.3%	-81.8%	(19.4)	90.5	165.6
(-) Depreciation and amortization	(7.4)	(22.9)	-5.1%	-8.8%	-5.1%	(7.8)	(8.1)	(24.2)
EBITDA*	38.8	53.1	-	-60.7%	-72.0%	(11.7)	98.7	189.8
(+) Non-recurring	-	3.3	-	-	-	-	(48.8)	(48.8)
Adjusted EBITDA*	38.8	56.4	-	-22.2%	-60.0%	(11.7)	49.9	141.0
<i>Adjusted EBITDA* Margin %</i>	<i>15.8%</i>	<i>9.8%</i>	<i>29.2 p.p.</i>	<i>-0.8 p.p.</i>	<i>-6.7 p.p.</i>	<i>-13.4%</i>	<i>16.6%</i>	<i>16.5%</i>

To access this spreadsheets in Excel, [Click here](#).

* It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#).

3Q20 monthly income statement – Automotive logistics division

Following the same practice as in 2Q20, we detail the monthly performance of automotive logistics division results in 3Q20, despite the lower volatility of revenues and costs/expenses in this quarter.

	2Q20	Jul-20	Aug-20	Sep-20	3Q20
Net Revenue	86.9	74.0	87.1	84.3	245.5
Variable Costs	(52.2)	(47.6)	(56.4)	(53.7)	(157.6)
Fixed Costs*	(30.9)	(11.1)	(11.1)	(12.1)	(34.3)
<i>Severance Costs</i>	<i>(2.8)</i>	<i>(0.0)</i>	<i>(0.1)</i>	<i>(0.0)</i>	<i>(0.1)</i>
Expenses*	(19.5)	(5.8)	(9.1)	(7.0)	(21.9)
<i>Severance Costs</i>	<i>(0.9)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.1)</i>	<i>(0.1)</i>
<i>Non-recurring events¹</i>	(19.4)	9.5	10.5	11.4	31.4
Operating profit/EBIT	7.8	2.5	2.5	2.4	7.4
Depr/Amortization	(11.7)	12.0	13.0	13.8	38.8
EBITDA*	-13.4%	16.2%	14.9%	16.4%	15.8%

* Costs and expenses without severance costs. It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#).

Costs and expenses*	2Q20	Jul-20	Aug-20	Sep-20	3Q20
Payroll	(28.1)	(8.9)	(8.7)	(8.7)	(26.3)
<i>(+) PD 936</i>	4.2	-	-	-	-
Outsourced services	(10.6)	(3.6)	(2.9)	(3.1)	(9.7)
Rental costs	(0.8)	(0.5)	(0.3)	(0.2)	(1.0)
Subtotal 1 (i)	(35.3)	(13.1)	(11.9)	(12.1)	(37.0)
Legal contingencies	(2.0)	0.4	(3.5)	(2.2)	(5.3)
Depr/Amortization	(7.8)	(2.5)	(2.5)	(2.4)	(7.4)
Other costs and expenses	(5.3)	(1.8)	(2.3)	(2.4)	(6.5)
Subtotal 2	(50.4)	(16.9)	(20.2)	(19.1)	(56.2)
Amortization Right of Use	4.3	1.4	1.4	1.3	4.1
Rental costs (IAS17) (ii)	(5,2)	(1,7)	(1,8)	(1,5)	(5,0)
Costs and Expenses*	(51.1)	(17.3)	(20.5)	(19.6)	(57.4)
Hired expenses (i + ii)	(40.3)	(14.9)	(13.6)	(13.9)	(42.4)

* Costs and expenses without severance costs and without non-recurring events

In the division's income statement (on the left), one may observe the July revenues was almost equal to 2Q20. The stability in revenues in the last two months along the quarter, despite the continuous growth in volumes, is explained by the volatility of the travels average distance, which was very high in the month of August and below average in the month of September, as shown in the operating performance section on page 5. Fixed costs without severance costs increased compared to 2Q20, mainly due to the end of working hours' reductions and contract suspensions of some employees. The increase in expenses versus 2Q20 is also due as well to the end of working hours' reductions/contract suspensions and also to the increase in expenses with legal contingencies. After all, adding depreciation and amortization in operating profit/EBIT, it is possible to observe the recovery of EBITDA and EBITDA margin vs 2Q20.

In the analysis of fixed costs and expenses on the right, we can see a 5% increase in hired expenses (in the bottom line) in 3Q20 vs 2Q20, even in a scenario of sharp growth in the number of vehicles transported vs 2Q20. The reduction in savings from the end of working hours' reduction/contracts suspension, is one of the reasons, as well as the increase in legal contingencies.

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Operational highlights – Integrated logistics division

Even with the impact on the economy caused by the COVID-19 pandemic, the integrated logistics division performed resiliently, similar to that reported in the pre-pandemic period. This stable performance in the midst of the crisis is due to the fact that a significant part of the operations consists of providing services for essential products, such as cleaning products, food/beverages. In addition, we continue to expand our services and volumes to our current clients.

The 3Q20 **quantity of travels** ran by Tegma was 4.7% lower [-1.4% in 9M20] in the annual comparison. This reduction in the quarter is mainly due to the increase in the products inventory used in the chemical operation during the second quarter, because of prevention of interruption of its world supply chain due to the COVID-19 pandemic. Despite this, we registered a record number of trips in the home appliances operation due to the increase of home appliances sales during the pandemic.

Due to the same reason mentioned above, the amount of **tons transported** by the chemical operation fell 13.2% in 3Q20 [-3.1% in 9M20] in the annual comparison, while the **average tons stored** by the chemical division increased 21.8% in 3Q20 [39.7% in 9M20] in the annual comparison.

Chart 7 – Consolidated # of travels by the integrated logistics division

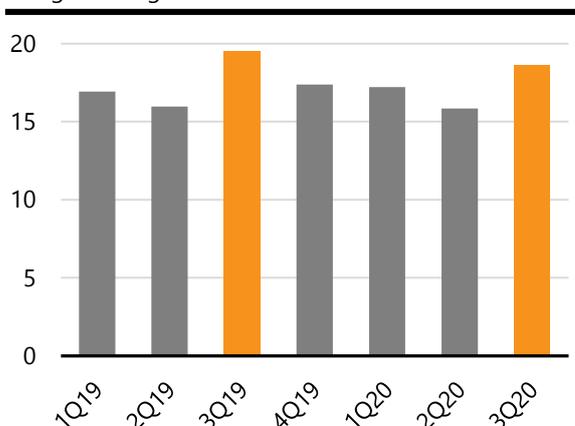


Chart 8 – Average tons stored by chemical operation (thousand)

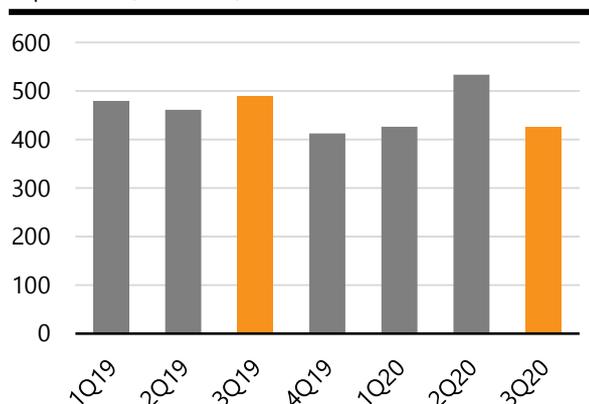
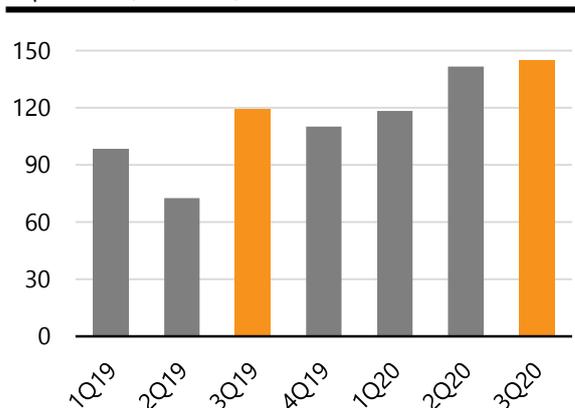


Chart 9 – Tons transported by the chemical operation (thousand)



Operational highlights	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Consolidated # travels	18.6	51.7	17.3%	-4.7%	-1.4%	15.9	19.5	52.4
Tons transported by the chemical operation (thousand)	425.3	1,385.2	-20.3%	-13.2%	-3.1%	533.8	489.8	1,429.7
Average tons stored by chemical operation (thousand)	145.1	135.1	2.4%	21.8%	39.7%	141.7	119.1	96.7

To access this spreadsheets in Excel, [Click here](#).

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Results – Integrated logistics division

For the second consecutive quarter, the integrated logistics division, despite the impacts of the COVID-19 pandemic, reported a positive performance.

Gross revenue of industrial logistics operation in 3Q20 grew 6.9% [6.0% in 9M20] in the annual comparison due to the good performance in **chemicals operation**, that supplies home 'n personal care and glass factories, which had an increase in production during the pandemic and also to the **home appliance operation**, which have been operating in high demand due to the growth in sales during the pandemic. Revenues from the **warehousing operation** grew 6.4% [15.0% in 9M20] in 3Q20 in annual comparison due to the volumes increase in the services provided to clients in the food and beverage sector, which had sales growth in this period.

The division's **gross margin** in 3Q20 was 25.9% [24.2% in 9M20], 6.4 p.p [+8.4 p.p in 9M20] higher in the annual comparison due to the growth in revenue from industrial logistics operation and from warehousing, allowing a better fixed costs dilution and also for improving the business profile in industrial logistics.

The division's **EBITDA margin*** in 3Q20 was 37.8% [37.9% in 9M20], +2.0 p.p [+4.4 p.p in 9M20] in annual comparison mainly due to the same reasons for the gross margin gains. This is the division's highest nominal EBITDA level since it began in 2007.

Chart 10 - Gross Revenue Integr. Logistics (in R\$ mi)

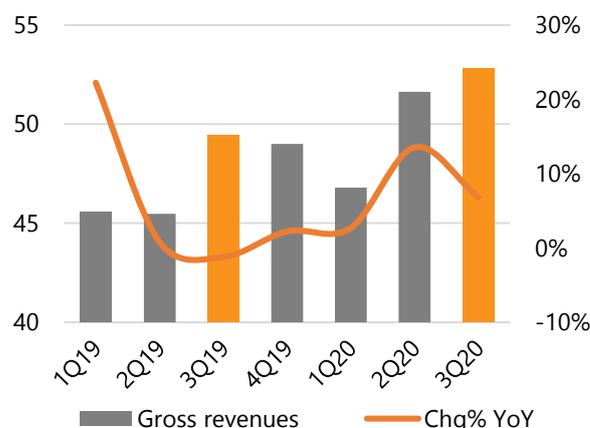
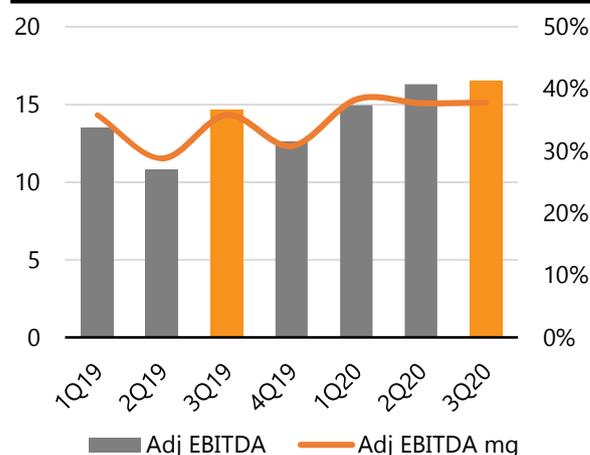


Chart 11 - Integrated Logistics EBITDA* (in R\$ mi)



Integrated logistics division	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Gross revenue	52.8	151.3	2.3%	6.8%	7.7%	51.6	49.4	140.5
Warehouse	9.3	29.8	-21.2%	6.4%	15.0%	11.8	8.8	25.9
Industrial logistics	43.5	121.4	9.2%	6.9%	6.0%	39.8	40.7	114.6
Gross revenue deductions	(9.1)	(25.3)	8.5%	6.8%	4.0%	(8.4)	(8.5)	(24.3)
Net revenue	43.7	126.0	1.1%	6.8%	8.4%	43.3	40.9	116.2
Cost of services	(32.4)	(95.5)	-1.0%	-1.6%	-2.4%	(32.7)	(32.9)	(97.8)
Gross profit	11.3	30.5	7.6%	41.6%	66.0%	10.5	8.0	18.4
Gross margin %	25.9%	24.2%	1.6 p.p.	6.4 p.p.	8.4 p.p.	24.3%	19.5%	15.8%
Expenses	(0.6)	(1.0)	135.9%	-	-	(0.3)	1.5	2.5
Operating income	10.7	29.5	4.4%	12.4%	41.4%	10.3	9.5	20.9
(-) Depreciation and amortization	(5.8)	(18.3)	-4.0%	-13.7%	-7.3%	(6.0)	(6.7)	(19.7)
EBITDA*	16.5	47.8	1.3%	1.6%	17.7%	16.3	16.3	40.6
(+) Non-recurring	-	-	-	-	-	-	(1.6)	(1.6)
Adjusted EBITDA*	16.5	47.8	1.3%	12.7%	22.6%	16.3	14.7	39.0
Adjusted EBITDA* Margin %	37.8%	37.9%	0.1 p.p.	2.0 p.p.	4.4 p.p.	37.7%	35.8%	33.5%

To access this spreadsheets in Excel, [Click here](#).

* It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#)

Results - Consolidated

The **consolidated gross revenue** in 3Q20 was negatively impacted by the decrease in the number of vehicles transported by automotive logistics division and positively by the good performance of integrated logistics division.

3Q20's **consolidated gross margin** was 22.4% [19.3% in 9M20], a 2.0 p.p increase [-1.4 p.p in 9M20] vs. previous year, due to cost cutting in the automotive logistics division in 2Q20 and the recovery of volumes in 3Q20, without the proportional increase in costs. The performance of integrated logistics, which was benefited from the improvement of mix of services and clients in industrial logistics, in addition to the revenue growth, also contributed to the Company's margins improvement.

3Q20's **expenses** were R\$ 22.6 million (10% lower in the annual comparison, disregarding the R\$ 56.5 million tax credit positive impact in 3Q19) mainly reflecting the corporative expense cutting measures during the second quarter of the year. Part of these expenses can be resumed as the resumption of the Company's in loco work.

In 3Q20, **EBITDA margin*** was positive by 19.1%, [14.9% in 9M20], similar to that recorded in 3Q19, due to the resumption of revenue from the automotive logistics division in the post pandemic with the reduction in costs and expenses operations in the second quarter and to the positive result of the integrated logistics division.

Chart 12 – Gross revenue consolidated (in R\$ mi)

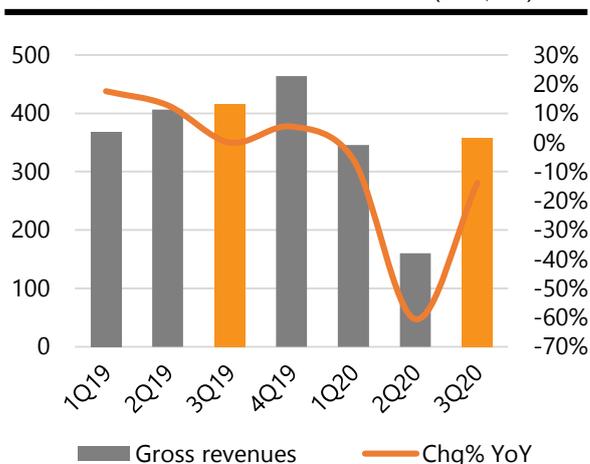
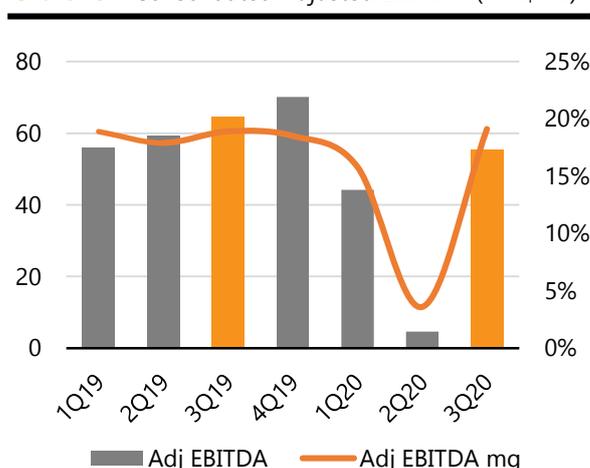


Chart 13 – Consolidated Adjusted EBITDA* (in R\$ mi)



Consolidated	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Gross revenue	358.3	864.0	123.6%	-13.8%	-27.4%	160.3	415.8	1,189.5
Automotive Logistics	305.5	712.8	181.2%	-16.6%	-32.0%	108.6	366.4	1,049.0
Integrated Logistics	52.8	151.3	2.3%	6.8%	7.7%	51.6	49.4	140.5
Gross revenue deductions	(69.1)	(165.0)	129.5%	-8.0%	-25.2%	(30.1)	(75.1)	(220.5)
Net revenue	289.2	699.1	122.2%	-15.1%	-27.9%	130.1	340.7	969.0
Cost of services	(224.5)	(564.0)	89.2%	-17.3%	-26.5%	(118.7)	(271.4)	(767.9)
Gross profit	64.7	135.0	463.5%	-6.6%	-32.9%	11.5	69.3	201.1
<i>Gross margin %</i>	22.4%	19.3%	13.6 p.p.	2.0 p.p.	-1.4 p.p.	8.8%	20.3%	20.8%
Expenses	(22.6)	(75.4)	9.3%	-	414.9%	(20.7)	30.8	(14.6)
Operating income	42.1	59.7	-	-57.9%	-68.0%	(9.2)	100.1	186.5
(-) Depreciation and amortization	(13.2)	(41.2)	-4.7%	-11.0%	-6.1%	(13.8)	(14.8)	(43.9)
EBITDA*	55.3	100.9	1,088.7%	-51.9%	-56.2%	4.7	114.9	230.4
(+) Non-recurring	-	3.3	-	-	-	-	(50.4)	(50.4)
Adjusted EBITDA*	55.3	104.2	1,088.7%	-14.3%	-42.1%	4.7	64.5	180.0
<i>Adjusted EBITDA* Margin %</i>	19.1%	14.9%	15.6 p.p.	0.2 p.p.	-3.7 p.p.	3.6%	18.9%	18.6%

To access this spreadsheets in Excel, [Click here](#).

* It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#)

Results – Consolidated ...continuation

The 85.3% growth in **interest expenses, net of revenue from financial investments** in 3Q20 [-12.2% in 9M20] in the annual comparison is mainly due to the negative impact of the reduction in the basic interest rate on the financial investments remuneration, considering that the increase in debt spread and in debt balance offset the positive impact of the decline in the basic interest rate in debt.

	3Q20	9M20	Chg % vs		3Q19	9M19
			3Q19	9M19		
Revenue from financial investments	1.3	4.6	-29.2%	-9.8%	1.9	5.1
Interest expenses	(2.6)	(7.0)	1.6%	-10.6%	(2.6)	(7.8)
Interest expenses, net of revenue from financial investments	(1.3)	(2.4)	85.3%	-12.2%	(0.7)	(2.7)
Interest on leasing	(1.3)	(4.3)	-26.7%	-6.8%	(1.7)	(4.6)
Monetary correction PIS COFINS tax credit	-	-	-	-	33.3	33.3
Other financial revenues (expenses)	(0.2)	(0.3)	-35.4%	14,700.0%	(0.4)	(0.0)
Financial result	(2.8)	(7.0)	-	-	30.5	25.9

Equity, which corresponds to 50% of GDL (Espírito Santo state bounded and general warehousing) and to 49% of the non-operating Company Catlog, was positive by R\$ 2.6 million in 3Q20 [R\$ 6.4 million in 9M20]. The table beside is the 100% GDL income statement. The comparison shows a stability of the Joint Venture's net revenue and the 202.6% growth in net income in 3Q20 vs. 3Q19 [592.3% in 9M20], positively impacted by the BZ currency devaluation, which increases the revenue from customs storage and the increase in volume in existing operations, which generated a significant improvement in operating and net income.

GDL (100%)	3Q20	9M20	Chg % vs		3Q19	9M19
			3Q19	9M19		
Net Revenue	19.2	56.8	-1.3%	10.5%	19.4	19.4
Operating income	7.0	19.0	124.2%	297.3%	3.1	3.1
<i>Operating margin%</i>	<i>36.8%</i>	<i>33.5%</i>	<i>20.6 p.p.</i>	<i>24.1 p.p.</i>	<i>16.2%</i>	<i>16.2%</i>
Net income	5.1	13.0	202.6%	592.3%	1.7	1.7
<i>Net margin %</i>	<i>26.7%</i>	<i>22.9%</i>	<i>18.0 p.p.</i>	<i>19.3 p.p.</i>	<i>8.7%</i>	<i>8.7%</i>

The **income tax rate** in 3Q20 was -28.6% [-24.1% in 9M20] mainly due to the exclusion of ICMS tax credit from the income tax calculation base, which reduced the rate by 5.4 p.p.

	3Q20	9M20	Chg % vs		3Q19	9M19
			3Q19	9M19		
Income before tax	42.0	59.1	-68.1%	-72.3%	131.4	213.1
<i>Real tax rate</i>	<i>-34.0%</i>	<i>-34.0%</i>	-	-	<i>-34%</i>	<i>-34%</i>
Income tax and social contribution at the nominal rates	(14.3)	(20.1)	-68.1%	-72.3%	(44.7)	(72.4)
Presumed ICMS tax credit	1.6	3.8	2.7%	-20.0%	1.5	4.7
Interest on own capital	-	-	-	-	2.5	4.9
Permanent differences, equity equivalence and others	0.9	2.1	55.1%	738.1%	0.6	0.2
Income tax	(12.0)	(14.2)	-70.0%	-77.2%	(40.1)	(62.6)
<i>Effective tax Rate</i>	<i>-28.6%</i>	<i>-24.1%</i>	<i>1.8 p.p.</i>	<i>5.3 p.p.</i>	<i>-30.5%</i>	<i>-29.4%</i>

Net income in 3Q20 was R\$ 29,9 million [R\$ 44.9 million in 9M20], reversing the R\$ 4.4 million loss in 2Q20. In the annual comparison 3Q20 net income decreased 67.2% [-70.2% in 9M20], mainly due to the tax credit recognized in 3Q19. If we disregarded this effect, 3Q19 net income would have been R\$ 36.1 million, or 3Q20 would have decreased 17.0% in the annual comparison.

Consolidated	3Q20	9M20	Chg % vs			2Q20	3Q19	9M19
			2Q20	3Q19	9M19			
Operating income	42.1	59.7	-	-57.9%	-68.0%	(9.2)	100.1	186.5
Financial result	(2.8)	(7.0)	25.9%	-	-	(2.2)	30.5	25.9
Equity	2.6	6.4	9.1%	211.9%	910.8%	2.4	0.8	0.6
Income before tax	42.0	59.1	-	-68.1%	-72.3%	(9.0)	131.4	213.1
Income tax	(12.0)	(14.2)	-	-70.0%	-77.2%	4.6	(40.1)	(62.6)
Net income	29.9	44.9	-	-67.2%	-70.2%	(4.4)	91.4	150.5

Cash Flow

The Company's **free cash flow** in 3Q20 was R\$ 8.7 million negative, influenced by the working capital consumption due to the sharply revenue recovery in automotive logistics division in 3Q20 compared to 2Q20 and despite the good company's operating result in the quarter. The 3Q20 free cash flow was positively impacted by the PIS/COFINS tax credit compensation in the amount of R\$ 9.6 million. This tax credit balance in September 2020 corresponds to R\$ 46.6 million.

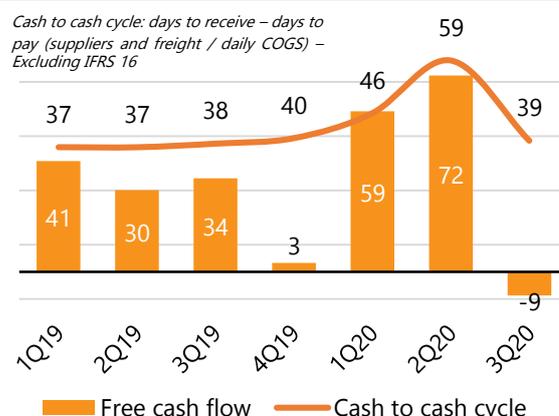
The Company's **cash to cash cycle** in 3Q20 returned to a level close to its recent historical level at 39 days due to the resumption of representativeness of the automotive logistics division in accounts receivable, which has a shorter receivables terms.

CAPEX in 3Q20 was R\$ 4.4 million [14.1 million in 9M20], as shown in the table below. The most relevant investment in the quarter was the acquisition of packages in the amount of R\$ 3.3 million due to the increase in the volume of industrial logistics operations for the home appliance sector.

Net cash generated by investing activities in 3Q20 were R\$ 0.9 million negative because of CAPEX explained above and of dividends received from GDL Joint Venture amounting R\$ 3.8 million in 3Q20.

Net cash from financing activities in 3Q20 was negative by R\$ 41.3 million due to i) the Debenture partial payment amounting R\$ 25.0 million, ii) the payment of a loan in the amount of R\$ 71.4 million and iii) a debt raising amounting R\$45 million.

Chart 14 – Free cash flow (in R\$ mi) and cash to cash cycle (in days) consolidated



Consolidated CAPEX	3Q20	9M20	3Q19	9M19
Land improvements	0.2	0.4	4.4	2.0
New operations	-	0.1	-	0.4
Maintenance and general improvements	3.5	2.7	6.4	7.5
Transport equipment	-	-	-	5.4
IT	0.7	1.0	3.4	3.6
Contract renewal	-	0.0	-	3.2
Total	4.4	4.1	14.1	21.9

	3Q20	9M20	3Q19	9M19
A - Cash at beginning of period	286.5	106.8	67.3	83.5
1- Net cash generated by operating activities	3.5	45.6	160.1	152.7
2 - Capital expenditures "cash"	(4.7)	(3.5)	(14.8)	(27.6)
3 - Payment of leasing	(7.5)	(7.7)	(22.6)	(19.8)
Free cash flow (1 + 2 + 3)	(8.7)	34.4	122.8	105.3
4 - Net cash generated by investing activities	(0.9)	0.5	5.4	1.1
5 - Net cash from financing activities	(41.3)	(37.3)	29.7	(97.6)
(=) Cash at end of period (A + 1 + 4 + 5)	247.8	112.1	247.8	112.1

(consolidated)

* It is important to remark that EBITDA after IFRS-16 does not include the rental costs of the operation. For reconciliation, see [Annex I](#)

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Debt and cash

Tegma's capital structure has remained with very low leverage for some years, due to the Company's cash generation. Since the first half of 2020, we started to report a cash levels above debt due to several factors, but mainly due to the release of working capital in 2Q20, to the temporary interruption of dividend distribution in 2020 and to the recovery of operating income in 3Q20.

September 30, 2020 **net cash** was R\$ 54.3 million vs the net cash of R\$ 62.5 million as of June 30, 2020.

The September 30, 2020 and June 30, 2020 **net debt / LTM adjusted EBITDA* index** was not applicable due to the net cash in both quarters. The 3Q20 coverage ratio (which is equivalent to **adjusted EBITDA* / financial result**) was 17.0x. The Company's *covenants* are <2.5x and >1.5x, respectively.

The Company's gross debt average cost on September 30, 2020 was CDI + 2.92%, a cost increase vs. June 30, 2020 due to the settlement of cheaper debts and more expensive debts raising.

During in the quarter, we settled a R\$ 25 million debenture and a R\$ 71.4 million loan we also raised a R\$ 45 million new loan.

Chart 15 – Debt and cash consolidated (in R\$ mi)

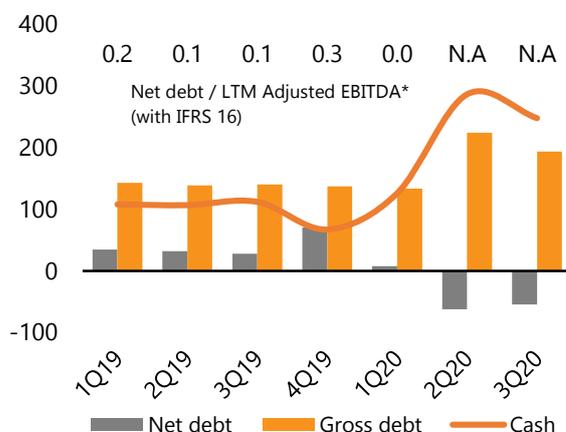
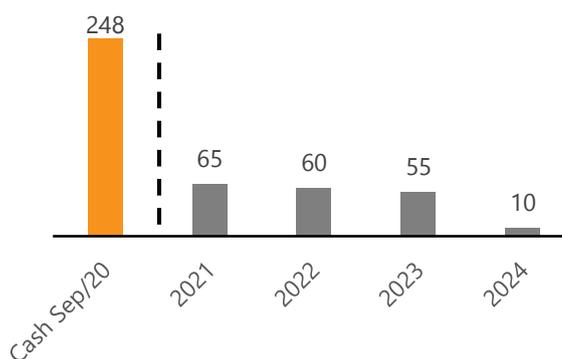


Chart 16 – Cash, FCF and Principal debt schedule amortization (R\$ mi)



	4Q19	1Q20	2Q20	3Q20
Current debt	82.4	78.5	119.0	68.4
Non-current debt	55.0	55.0	105.0	125.0
Gross debt	137.4	133.5	224.0	193.4
(-) Cash	1.4	0.9	0.6	0.7
(-) Banking investments	66.0	125.0	285.9	247.1
Net debt	70.1	7.6	(62.5)	(54.4)
Adjusted EBITDA* TTM	250.1	238.3	183.5	174.3
<i>Net debt / Adjusted EBITDA* TTM</i>	<i>0.3</i>	<i>0.0</i>	<i>N/A</i>	<i>N/A</i>
Financial result TTM	22.7	22.6	23.1	(10.3)
<i>Adjusted EBITDA TTM / Financial result TTM</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>17.0</i>

(consolidated)

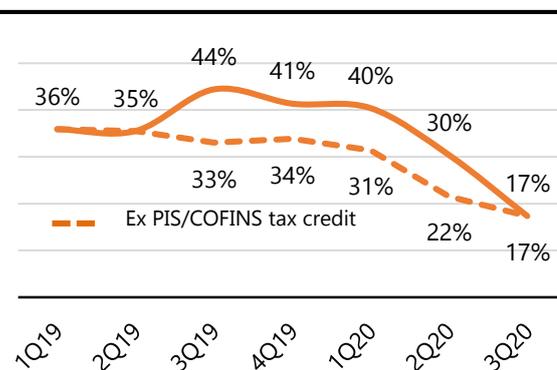
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Return on invested capital

The Company consider that **return on invested capital** (ROIC) is significant for investors, since it reflects the Company's value creation. ROIC is not a substitute for other accounting measures in accordance with IFRS and may not be comparable to similar measures used by other companies. The Company defines ROIC as the last 12 months operating profit (after-tax of 34%), divided by the previous 12 months invested capital (shareholders' equity plus net debt minus acquisition goodwill).

ROIC in 3Q20 was 17.4%, a 4.1 p.p drop vs 21.5% ROIC reported in 2Q20 (ex PIS COFINS tax credit). The drop in ROIC is mainly due to the negative impact of COVID-19 pandemic in automotive logistic division.

Chart 17 – Return on invested capital (ROIC) consolidated



ROIC: $NOPAT / (Net\ debt + Equity - goodwill)$
Indicator math in the file *Historical Financials.xml* (Qtl figures)

	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
ROIC (A / B)	33.5	28.0	35.9	35.5	44.4%	41.3%	40.4%	30.4%	17.4
	%	%	%	%	*	*	*	*	%
NOPAT (Oper inc *(1-34%) (A)	104.6	101.0	112.9	119.3	155.2	158.1	149.0	112.7	74.4
Operating income (TTM)	158.5	153.0	171.1	180.7	235.1	239.6	225.7	170.7	112.8
Capital employed (B) (previous 12 months)	312.7	360.4	314.8	336.0	349.6	382.7	369.0	371.0	429.0
(+) Net debt	74.7	74.1	28.7	57.4	60.9	75.0	34.7	31.9	28.0
(+) Equity	400.6	448.8	462.8	455.3	465.4	484.4	511.0	515.8	577.7
(-) Acquisitions goodwill	162.6	162.6	176.7	176.7	176.7	176.7	176.7	176.7	176.7

(consolidated)

*Due to the PIS COFINS credit that impacted NOPAT in 3Q19 in the amount of R \$ 50 million, the ROIC adjusted by NOPAT for these quarters were 33.0%, 33.8%, 31.4% and 21.5% respectively.

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Exhibit I – EBITDA reconciliation

EBITDA Reconciliation	3Q20	9M20	Chg % vs		3Q19	9M19
			3Q19	9M19		
Automotive division						
Net Revenue	245.5	573.1	-18.1%	-32.8%	299.8	852.8
Operating income	31.4	30.2	-65.3%	-81.8%	90.5	165.6
(-) Depreciation	(7.4)	(22.9)	-8.8%	-5.1%	(8.1)	(24.2)
EBITDA	38.8	53.1	-60.7%	-72.0%	98.7	189.8
(-) Non-recurring	-	3.3	-	-	(48.8)	(48.8)
Adj EBITDA	38.8	56.4	-22.2%	-60.0%	49.9	141.0
Adjusted EBITDA Mg%	15.8%	9.8%	-0.8 p.p.	-6.7 p.p.	16.6%	16.5%
Rental costs (IAS 17)	(5.3)	(15.5)	11.5%	9.8%	(4.8)	(14.1)
Adjusted EBITDA ex IFRS16	33.5	40.9	-25.8%	-67.8%	45.1	126.9
Ex IFRS16 Adjusted EBITDA Mg%	13.6%	7.1%	-1.4 p.p.	-7.7 p.p.	15.0%	14.9%
Integrated logistics division						
Net Revenue	43.7	126.0	6.8%	8.4%	40.9	116.2
Operating income	10.7	29.5	12.4%	41.4%	9.5	20.9
(-) Depreciation	(5.8)	(18.3)	-13.7%	-7.3%	(6.7)	(19.7)
EBITDA	16.5	47.8	1.6%	17.7%	16.3	40.6
(-) Non-recurring	-	-	-	-	(1.6)	(1.6)
Adj EBITDA	16.5	47.8	12.7%	22.6%	14.7	39.0
Adjusted EBITDA Mg%	37.8%	37.9%	2.0 p.p.	4.4 p.p.	35.8%	33.5%
Rental costs (IAS 17)	(4.1)	(13.2)	-5.3%	1.7%	(4.3)	(12.9)
Adjusted EBITDA ex IFRS16	12.4	34.6	20.2%	32.9%	10.3	26.0
Ex IFRS16 Adjusted EBITDA Mg%	28.4%	27.5%	3.2 p.p.	5.1 p.p.	25.2%	22.4%
Consolidated						
Net Revenue	289.2	699.1	-15.1%	-27.9%	340.7	969.0
Operating income	42.1	59.7	-57.9%	-68.0%	100.1	186.5
(-) Depreciation	(13.2)	(41.2)	-11.0%	-6.1%	(14.8)	(43.9)
EBITDA	55.3	100.9	-51.9%	-56.2%	114.9	230.4
(-) Non-recurring	-	3.3	-	-	(50.4)	(50.4)
Adj EBITDA	55.3	104.2	-14.3%	-42.1%	64.5	180.0
Adjusted EBITDA Mg%	19.1%	14.9%	0.2 p.p.	-3.7 p.p.	18.9%	18.6%
Rental costs (IAS 17)	(9.4)	(28.7)	3.5%	6.0%	(9.1)	(27.1)
Adjusted EBITDA ex IFRS16	45.9	75.5	-17.2%	-50.6%	55.4	152.9
Ex IFRS16 Adjusted EBITDA Mg%	15.9%	10.8%	-0.4 p.p.	-5.0 p.p.	16.3%	15.8%

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Capital Markets TGMA3

Tegma's shares (TGMA3) has been underperforming IBOV Index due to the uncertainties related to vehicles sales recovery after the COVID-19 pandemic. The Company's market cap is around R\$ 1.5 billion (R\$ 23 per share).

The ADTV of Tegma's shares in the last three months was around R\$ 16 million traded daily (USD 3.0 million), maintaining the last quarters growth. TGMA3's tradability index vs IBX-100 has been growing compared to the same period in 2019.

As mentioned in the quarter highlights, the Company announced the resumption of the distribution of dividends, amounting R\$ 22.4 million or R\$ 0.34 per share, corresponding to 50% of 9M20 net income. The dividend yield for the last 12 months corresponds to 1.5% (considering the base price on the date of the resolution).

The 3Q20 multiples, considering only the 2021 results of sell side analysts who reviewed projections after a pandemic, were 15.9 EV/EBITDA and 8.4 P/E.

Chart 18 – TGMA3 and IBOV Base zero (Jan/02/2020)

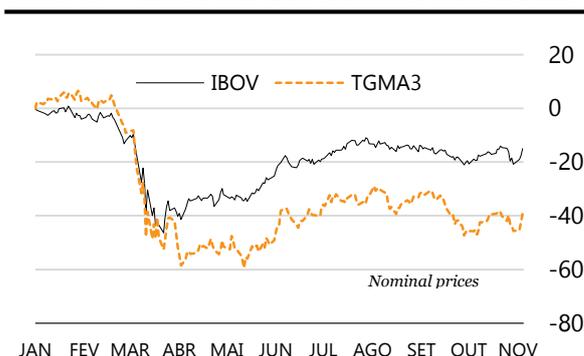


Chart 19 – TGMA3 Liquidity

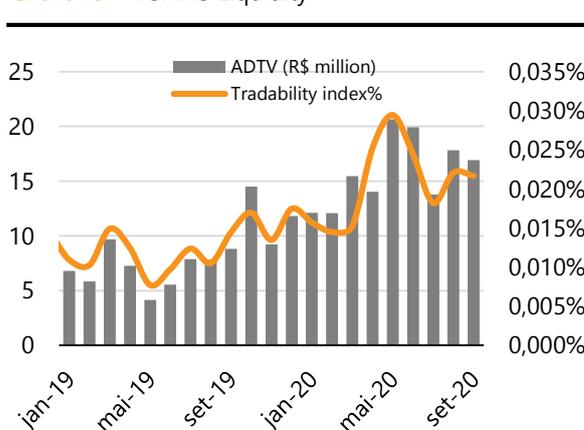
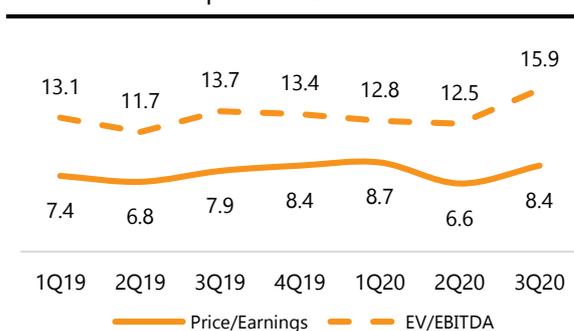


Table 3 – Dividends and Payout

Year	Dividend per share (R\$)	Payout %	Div Yld % LTM
2020	0.34	50%	1.5%
2019	1.14	43%	3.7%
2018	0.99	60%	4.3%
2017	0.93	60%	4.9%
2016	0.12	61%	1.0%
2015	0.08	53%	1.4%
2014	-	-	-
2013	0.71	100%	3.4%

Chart 20 – Multiples TGMA3



Shareholder composition

Shareholder	# stocks TGMA3 ON	% Total
Mopia Participações e Empreendimentos Ltda.	15,396,481	23.3%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7.3%
Coimex Empreendimentos e Participações Ltda.	13,207,034	20.0%
Other controlling shareholders (individuals)	509,473	0.8%
Directors and administration board	101	0.0%
Treasury	65,143	0.1%
Controllers, administrators e treasury	33,996,036	51.5%
Free float	32,006,979	48.5%
Total stocks	66,002,915	100.0%

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Tegma Gestão Logística SA e subsidiaries
Income statement
 (in R\$ million)

Income statement	3Q20	9M20	Chg % vs		3Q19	9M19
			3Q19	9M19		
Gross revenue	358.3	864.0	-13.8%	-27.4%	415.8	1,189.5
Taxes and deductions	(69.1)	(165.0)	-8.0%	-25.2%	(75.1)	(220.5)
Net revenue	289.2	699.1	-15.1%	-27.9%	340.7	969.0
(-) Cost of services	(224.5)	(564.0)	-17.3%	-26.5%	(271.4)	(767.9)
Personnel	(24.8)	(80.6)	-22.5%	-13.6%	(32.1)	(93.2)
Freight	(186.9)	(432.9)	-12.5%	-29.2%	(213.6)	(611.5)
Other costs	(32.1)	(96.1)	-31.2%	-24.4%	(46.6)	(127.1)
Taxes credit (PIS and COFINS)	19.3	45.5	-7.8%	-28.9%	20.9	64.0
Gross profit	64.7	135.0	-6.6%	-32.9%	69.3	201.1
General and administrative expenses	(17.1)	(62.6)	-16.5%	5.1%	(20.5)	(59.6)
Other expenses and revenues	(5.5)	(12.7)	-	-	51.3	45.0
Operating income	42.1	59.7	-57.9%	-68.0%	100.1	186.5
Financial result	(2.8)	(7.0)	-	-	30.5	25.9
Equity	2.6	6.4	211.9%	910.8%	0.8	0.6
Income before tax	42.0	59.1	-68.1%	-72.3%	131.4	213.1
Income tax	(12.0)	(14.2)	-70.0%	-77.2%	(40.1)	(62.6)
Net income	29.9	44.9	-67.2%	-70.2%	91.4	150.5
<i>Net margin %</i>	<i>10.4%</i>	<i>6.4%</i>	<i>-16.5 p.p.</i>	<i>-9.1 p.p.</i>	<i>26.8%</i>	<i>15.5%</i>

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Tegma Gestão Logística SA e subsidiaries
Balance sheet
(in R\$ million)

	Mar-20	Jun-20	Sep-20
Current assets	425.4	509.8	511.2
Cash	0.9	0.6	0.7
Banking investments	125.0	285.9	247.1
Accounts receivable	208.5	127.4	199.7
Related parties	0.6	0.1	0.1
Inventories	0.1	0.1	0.1
Income tax and social contribution	0.8	0.8	0.8
Taxes to recover	57.1	57.3	50.7
Other receivables	8.6	9.4	9.0
Prepaid expenses	3.2	4.4	3.1
Derivative financial instruments	20.7	23.9	-
Non-current assets	46.5	48.5	46.2
Taxes to recover	9.7	9.8	9.8
Other receivables	1.9	1.9	2.3
Deferred taxes	15.5	17.0	14.3
Marketable securities	3.6	4.6	4.6
Related parties	1.1	1.1	1.1
Judicial deposits	14.7	14.1	14.1
Long term Assets	497.5	485.6	474.0
Investments	39.7	40.6	39.4
Property, plant and equipment	207.8	204.7	203.6
Intangible assets	171.8	171.7	171.3
Right of use assets	78.2	68.6	59.6
Total assets	969.4	1,043.9	1,031.4
	Mar-20	Jun-20	Sep-20
Current liabilities	224.2	268.7	211.2
Loans and financing	73.3	116.4	43.3
Bonds	25.9	26.5	25.2
Lease liabilities	33.5	31.7	29.6
Suppliers and freights payable	21.3	17.2	28.2
Taxes payable	14.9	16.8	17.6
Salaries and social charges	22.0	24.9	26.1
Other accounts payable	28.8	29.9	30.3
Related parties	0.0	0.0	0.0
Income tax	4.5	5.4	11.0
Non-current liabilities	150.0	185.1	200.3
Loans and financing	30.0	80.0	125.0
Related parties	0.7	0.7	0.6
Bonds	25.0	25.0	-
Lease liabilities	51.0	45.2	39.1
Deferred tax	6.5	-	-
Provision for contingencies	36.8	34.2	35.6
Shareholders equity	595.1	590.1	619.9
Capital stock	144.5	318.5	318.5
Capital reserve	174.1	-	-
Profit reserve	260.9	262.6	266.8
Retained earnings	15.2	9.3	34.9
Treasury shares	(0.3)	(0.3)	(0.3)
Assets valuation adjustment	0.8	0.1	-
Total liabilities and shareholders' equity	969.4	1,043.9	1,031.4

Tegma Gestão Logística SA e subsidiaries
Cash flow statement
(in R\$ million)

	3Q20	3Q19	9M20	9M19
Income before income and social contribution taxes	42.0	131.4	59.1	213.1
Depreciation and amortization	5.7	6.6	17.9	19.5
Right of use assets amortization	7.5	8.3	23.3	24.3
Interest and exchange variation on unpaid loans and debentures	(0.5)	6.5	23.6	11.1
(Reversal of) provision for contingencies	5.6	6.1	13.5	15.1
Interest on leasing	1.3	1.7	4.3	4.6
Swap result	-	(91.4)	-	(91.4)
Equity	3.1	(3.8)	(16.3)	(3.2)
Loss (gains) on disposal of assets	(2.6)	(0.8)	(6.4)	(0.6)
Allowance for (reversal of) doubtful accounts	0.2	(0.0)	0.2	0.0
Expenses (revenues) not affecting cash flows	20.3	(66.8)	60.2	(21.8)
Accounts receivable	(72.4)	(7.0)	61.4	4.7
Taxes recoverable	10.8	0.4	21.3	(1.1)
Judicial deposits	(0.2)	(2.4)	(0.5)	(3.6)
Other assets	(0.0)	2.5	(4.4)	1.2
Suppliers and freight payable	11.3	(1.0)	(7.4)	(4.3)
Salaries and related charges	1.3	3.9	(0.1)	3.9
Increase (decrease) in related parties	(0.1)	1.9	0.6	14.5
Other liabilities	1.0	7.4	(1.4)	1.2
Changes in assets and liabilities	(48.3)	5.7	69.4	16.4
Interest on loans, financing and swap	(0.9)	(1.1)	(4.9)	(1.6)
Interest on debentures	(1.7)	-	(1.7)	(3.8)
Interest on leasing	(1.1)	(1.6)	(3.8)	(4.0)
Lawsuits paid	(3.9)	(11.4)	(12.1)	(20.6)
Income and social contribution taxes paid	(2.9)	(10.6)	(5.9)	(25.1)
(A) Net cash generated by (used in) operating activities	3.6	45.6	160.2	152.7
Acquisition of intangible assets	(0.7)	(0.8)	(3.3)	(3.3)
Acquisition of property and equipment and intangible assets	(4.0)	(2.7)	(11.5)	(24.3)
Proceeds from sale of assets	0.0	0.1	0.1	0.6
(B) Net cash generated by (used in) investing activities	(0.9)	(3.0)	(9.4)	(26.5)
New loans	45.0	-	135.0	30.0
Payment of debentures	(96.4)	-	(99.7)	(50.0)
Payment of leasing	(7.5)	(7.7)	(22.6)	(19.8)
(C) Net cash generated by (used in) financial activities	(41.3)	(37.3)	29.7	(97.6)
Changes in cash (A + B + C)	(38.7)	5.3	180.5	28.6
Cash at beginning of period	286.5	106.8	67.3	83.5
Cash at end of year	247.8	112.1	247.8	112.1

Tegma Gestão Logística SA e subsidiaries
Statements of change in equity
(in R\$ million)

	Capital	Capital reserve	Legal reserve	Tax incentive reserve	Retained profit	Additional dividend	Treasury stock	Equity adjustment	Retained earnings (accumulated)	Total equity
Balance on January 1, 2019	144.5	174.1	28.9	26.0	83.3	28.3	(0.3)	(0.3)	-	484.4
Net income for the period	-	-	-	-	-	-	-	-	59.1	59.1
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	-	0.6	-	0.6
Tax incentives	-	-	-	8.6	-	-	-	-	(8.6)	-
Allocation:										
Set up of reserves	-	-	-	-	-	-	-	-	-	-
Dividends and interest on capital	-	-	-	-	-	-	-	-	-	-
Balance on September 30, 2019	144.5	174.1	28.9	34.6	83.3	28.3	(0.3)	0.3	50.5	544.1
Balance on July 1, 2019	144.5	174.1	28.9	30.5	83.3	28.3	(0.3)	(0.3)	22.1	511.0
Net income for the period	-	-	-	-	-	-	-	-	32.5	32.5
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	-	0.6	-	0.6
Tax incentives	-	-	-	4.0	-	-	-	-	(4.0)	-
Allocation										
Set up of reserves	-	-	-	-	-	-	-	-	-	-
Dividends and interest on capital	-	-	-	-	-	(28.3)	-	-	-	(28.3)
Balance on September 30, 2019	144.5	174.1	28.9	34.6	83.3	-	(0.3)	0.3	50.5	515.9
Balance on January 1, 2020	144.5	174.1	28.9	43.7	184.3	-	(0.3)	(0.0)	-	575.1
Net income for the period	-	-	-	-	-	-	-	-	14.9	14.9
Payment of company capital	174.1	(174.1)	-	-	-	-	-	-	-	-
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	-	0.1	-	0.1
Tax incentives	-	-	-	5.7	-	-	-	-	(5.7)	-
Allocation										
Set up of reserves	-	-	-	-	-	-	-	-	-	-
Dividends and interest on capital	-	-	-	-	-	-	-	-	-	-
Balance on September 30, 2020	318.5	-	28.9	49.4	184.3	-	(0.3)	0.1	9.3	590.1
Balance on July 1, 2020	144.5	174.1	28.9	47.7	184.3	-	(0.3)	0.8	15.2	595.1
Net income for the period	-	-	-	-	-	-	-	-	(4.4)	(4.4)
Payment of company capital	174.1	(174.1)	-	-	-	-	-	-	-	-
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	-	(0.7)	-	(0.7)
Tax incentives	-	-	-	1.6	-	-	-	-	(1.6)	-
Allocation										
Set up of reserves	-	-	-	-	-	-	-	-	-	-
Dividends and interest on capital	-	-	-	-	-	-	-	-	-	-
Balance on September 30, 2020	318.5	-	28.9	49.4	184.3	-	(0.3)	0.1	9.3	590.1

Tegma Gestão Logística SA e subsidiaries
Statements of change in value added
 (in R\$ million)

			Chg % vs			
	3Q20	9M20	3Q19	9M19	3Q19	9M19
Gross sale of services	339.2	820.7	-14.2%	-27.4%	395.5	1,130.3
Other income	0.2	0.9	-99.6%	-98.6%	57.3	59.2
(Reversal of) allowance for doubtful accounts	(0.1)	(0.1)	-15.9%	-	(0.1)	1.3
Income	339.3	821.5	-25.1%	-31.0%	452.8	1,190.8
Cost of services provided	(186.9)	(432.9)	-12.5%	-29.2%	(213.6)	(611.5)
Materials, energy, third-party services and other operating expenses	(30.1)	(92.0)	-30.5%	-20.2%	(43.3)	(115.3)
Input products acquired from third parties	(217.0)	(524.9)	-15.6%	-27.8%	(257.0)	(726.8)
Net value added produced by the Company	122.3	296.5	-37.5%	-36.1%	195.8	464.2
Depreciation and amortization	(5.7)	(17.9)	-13.5%	-8.3%	(6.6)	(19.5)
Right of use assets amortization	(7.5)	(23.3)	-9.1%	-4.3%	(8.3)	(24.3)
Gross value added	109.1	255.4	-39.7%	-39.2%	181.0	420.3
Equity pickup	2.6	6.4	211.8%	910.7%	0.8	0.6
Financial income	(1.5)	22.2	-	-45.9%	40.3	41.1
Total value added to be distributed	110.3	284.0	-50.4%	-38.5%	222.2	462.0
Personnel and related charges	30.3	101.5	-70.1%	-65.1%	39.6	113.5
Direct compensation	23.2	76.3	-69.6%	-65.0%	30.2	86.3
Benefits	5.6	18.3	-69.6%	-64.5%	7.6	21.4
FGTS	1.6	6.9	-76.7%	-68.0%	1.9	5.8
Taxes, charges and contributions	47.4	103.8	-54.4%	-54.9%	79.6	176.6
Federal	27.0	54.0	-50.0%	-48.0%	59.6	114.6
State	19.0	45.5	-58.2%	-67.9%	18.6	58.0
Local	1.4	4.4	-68.8%	-65.0%	1.4	4.1
Financing agents	32.6	78.7	-58.6%	-40.1%	103.0	171.9
Interest and exchange variations	1.3	29.2	-95.6%	-35.2%	9.8	15.2
Rent	1.4	4.6	-70.6%	-72.1%	1.7	6.2
Dividends	-	-	-	-	29.6	29.6
Retained profits (losses)	29.9	44.9	-33.3%	-48.9%	61.8	121.0
Value added distributed	110.3	284.0	-61.2%	-51.9%	222.2	462.0

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