

Earnings Release **mills**

3Q23

B3:MILS3



Live Broadcast of Results

Date: Tuesday, November 14, 2023

Time: 2pm (Brasília time)

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The financial and operational information contained in this press release, except as otherwise indicated, is in accordance with the accounting policies adopted in Brazil, which are in compliance with the International Financial Reporting Standards - IFRS).

1. Comments of Administration

Rio de Janeiro, November 13, 2023 - Mills Locação, Serviços e Logística S.A. (Mills) announces its results for the third quarter of 2023.

We ended another quarter with record results for Mills. Our performance reflects the dedication of a team committed to our purpose: increasing the safety and productivity of our customers and being the best partner for machinery and equipment rental services. It is with this objective that the Company advances on its journey of growth and expansion, generating value for our customers and stakeholders.

In September, we completed one year since Mills entered the yellow line segment. During this period, we almost quadrupled the fleet of the Heavy Rental business unit with 80% of the equipment mobilized, new customers and greater diversification of the sectors served.

We proved the thesis of entering the yellow line segment as an important growth avenue for Mills, with a relevant addressable market, opportunities for cross sell with other business units, increased penetration in more resilient markets and greater revenue predictability. The performance of the Heavy Rental business unit attests to our ability to execute in this segment and Mills' potential to be a relevant player in this market.

Our value proposition is to offer our customers the most attractive option through understanding their needs: providing the customer with greater productivity, the best uptime and more safety. We believe in the consolidation of the Heavy market, as well as in the increase in rental demand (buy vs. rent conversion) in the next years. We continue to increase our exposure to segments focused on long-term agreements, bringing greater predictability to our results.

In the Light Rental business unit, we have observed productivity increase in the second half of 2023 as a result of the efforts of our sales team and the maturation of new branches. The strategy for the Light Rental business unit continues to generate positive results, as it is a low-penetration market in Brazil with high potential for expansion.

As a result, the combined Rental business unit (Light and Heavy) recorded Gross Revenue of R\$ 335.6 million, Adjusted EBITDA of R\$ 146.1 million, 24.6% higher than 3Q22 and 9.2% higher than 2Q23. We grew profitably, presenting an Adjusted EBITDA margin of 49.8% in the 3Q, a growth of 2.2 pp compared to the previous quarter and 1.2 pp yoy.

Confident in dreaming of transforming and leading the equipment and machinery rental market in Brazil and being increasingly closer to our customers, we followed the expansion plan and opened the branch in Paranaguá (PR), to meet the demand for services in naval ports and industries in the region.

The Formwork and Shoring business unit in 3Q23 achieved Gross Revenue of R\$ 60.8 million and Adjusted EBITDA of R\$ 32.4 million, 31.2% and 63.8% higher than 3Q22, respectively. In this unit, we have strong demand and a significant improvement in prices over the quarters, resulting in an improvement of 11.2 pp in the Adjusted EBITDA margin, which totaled 59.3% in the period. Government programs encouraging investment in infrastructure continue to benefit demand, with PAC being as a catalyst, especially in the context of large constructions, such as bridges, highways, ports and airports.





Our consolidated Gross Revenue in the quarter was 22.1% higher than last year, reaching R\$ 396.4 million. Adjusted EBITDA was R\$ 178.5 million and the Adjusted EBITDA margin was 51.3%, growth of 30.2% and 2.8 pp, respectively. The gross rental margin ex depreciation rose 3.1 pp, to 74.6%. Commitment to efficiency is part of our DNA, reflecting in a better EBITDA margin in the quarter. Debt in 3Q is 0.6 times Net Debt /Adjusted EBITDA, which allows us to take advantage of growth opportunities via organic and inorganic growth.

We encourage our customers to care for the environment and continue to advance on this front: our inventory of greenhouse gases (GHG) received the “Gold Seal” from the Brazilian GHG Protocol Program, which corresponds to the highest level of qualification granted to companies that demonstrate the compliance with all transparency criteria in the publication of its GHG inventory and we are developing the emission reduction project in the company, with a commitment made to the SBTi (Science Based Targets Initiative), in line with the Paris Agreement. The largest electric and hybrid fleet in Latin America will be complemented with initiatives such as transitioning the energy matrix at branches, increasing the use of biofuels, among other actions mapped out to consolidate our actions to reduce emissions and continue evolving on our sustainability journey.

We were proud to receive on August 28th the award for leading company in the sector in the 23rd edition of “Valor 1000”, a study carried out by Valor Econômico newspaper that takes into account our profit margin, performance history, revenue diversification, portfolio expansion and highlighted by ESG initiatives. Since August 15th, we have also been part of the first IDIVERSA portfolio, a stock index focused on gender and race, being the only machinery and equipment rental company among the 75 on the list. We invest in the Company's growth and we are pleased with the financial results and gains in the sustainability indicators that are responsible for Mills' sustainable performance.

At the end of September the third share buyback program was concluded. From the creation of the program until its closure, more than 5 million shares were repurchased, equivalent to 2.2% of the share capital. On October 27th, R\$ 16.8 million in IoE were paid to our shareholders, referring to the third quarter of 2023 totaling R\$ 53.6 million in the year. We are committed to returning our shareholders and will continue to base our decisions on offering our customers the best fleet with differentiated service and quality, expanding and strengthening relationships with our customer stakeholder's base.

Looking at our achievements in 2023, we are confident in the stronger economic activity for the vast majority of Brazilian sectors and in the engagement and effort of our team. We will remain focused on positioning ourselves as a company that delights our partners, aiming to create long-term value for our customers and shareholders through the sustainable growth of our company.

Have a good reading!

Sergio Kariya
Mills CEO



2. Highlights

The main highlights for the period were:

Robust financial performance:

- Total consolidated **Gross Revenue** at **R\$ 396.4 million** in 3Q23, 22.1% higher versus 3Q22 and 3.1% higher versus 2Q23;
- Consolidated Net Rental Revenue** in **R\$ 320.5 million** in 3Q23, 24.1% higher versus 3Q22;
- Record consolidated **Adjusted EBITDA** of **R\$ 178.5 million** in 3Q23, with **51.3%** margin, 2.8 p.p. higher than 3Q22 and 1.7 p.p. higher compared to 2Q23;
- ROIC** at **20.7%** in the Consolidated result (3Q23LTM).

Efficient cash management and capital allocation:

- Strong cash position** and financial investments of **R\$ 579.4 million**, and a Net Debt/Adjusted Ebitda LTM leverage ratio of 0.6x;
- Continued focus** on expense optimization initiatives and efficiency gains for greater **dilution of SG&A**;
- Upgrade of Mills' rating by Fitch from 'A(bra)' to 'A+(bra)'.

Continuous growth in Rental:

- 3.5x** fleet increase in Rental Pesados since the beginning of our operations in the segment on September 2022, with more than **11,500** machines and equipment in the Rental business unit;
- Investment in Rental Pesados thesis confirmed: revenue diversification in more resilient economic sectors, through organic growth and *cross sell* with other business units.

Shareholders and ESG:

- Approval of R\$ 16.8 million in IoE in September;
- Closing of the buyback program, totaling the acquisition of 5.4 million shares, equivalent to 2.2% of the share capital;
- In August, we joined the first **IDIVERSA** portfolio, a stock index focused on gender and race, being the only machinery and equipment rental company among the 75 on the list.

Consolidated Data in R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Gross Revenue	324.6	384.6	396.4	888.8	1,155.6	22.1%	3.1%	30.0%
Net revenue	282.3	338.0	347.8	765.0	1,010.5	23.2%	2.9%	32.1%
CVM EBITDA	138.7	164.6	175.0	355.2	500.9	26.2%	6.3%	41.0%
CVM EBITDA margin (%)	49.1%	48.7%	50.3%	46.4%	49.6%	1.19 p.p.	1.64 p.p.	3.14 p.p.
EBIT	90.5	108.7	118.3	224.8	336.0	30.8%	8.9%	49.5%
EBIT margin (%)	32.1%	32.2%	34.0%	29.4%	33.3%	1.97 p.p.	1.86 p.p.	3.87 p.p.
Adjusted EBITDA*	137.0	167.9	178.5	367.3	509.8	30.2%	6.3%	38.8%
Adjusted EBITDA margin* (%)	48.5%	49.7%	51.3%	48.0%	50.5%	2.78 p.p.	1.65 p.p.	2.44 p.p.
Loss for the year	64.9	64.1	66.7	168.9	197.2	2.9%	4.1%	16.8%
ROIC LTM (%)	23.2%	22.1%	20.7%	23.2%	20.7%	-2.55 p.p.	-1.37 p.p.	-2.55 p.p.
Adjusted operating cash flow ³	97.4	27.9	208.3	244.8	325.7	114.0%	648.0%	33.0%
Adjusted free cash flow to the firm ³	-76.0	-53.2	88.7	-32.5	-209.5	-216.7%	-266.8%	543.8%

¹ Excluding non-recurring items. Unaudited information.

² Excluding interest on debentures and Finame, investment in lease and interest, and inflation adjustments in assets and liabilities (cash).

³ Excluding cash flow from investing activities and acquisition of rental goods. Unaudited information.

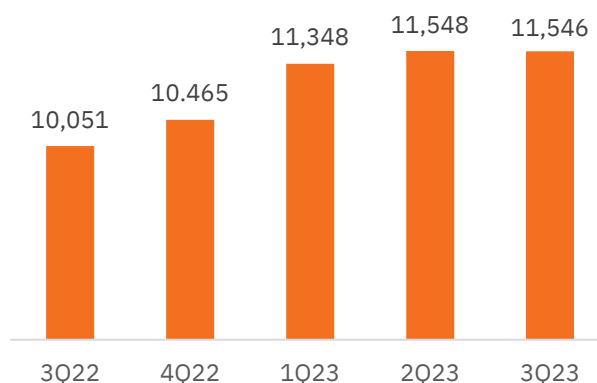


3. Rental

(Light and Heavy)

Total Fleet (units)

(End of the period)



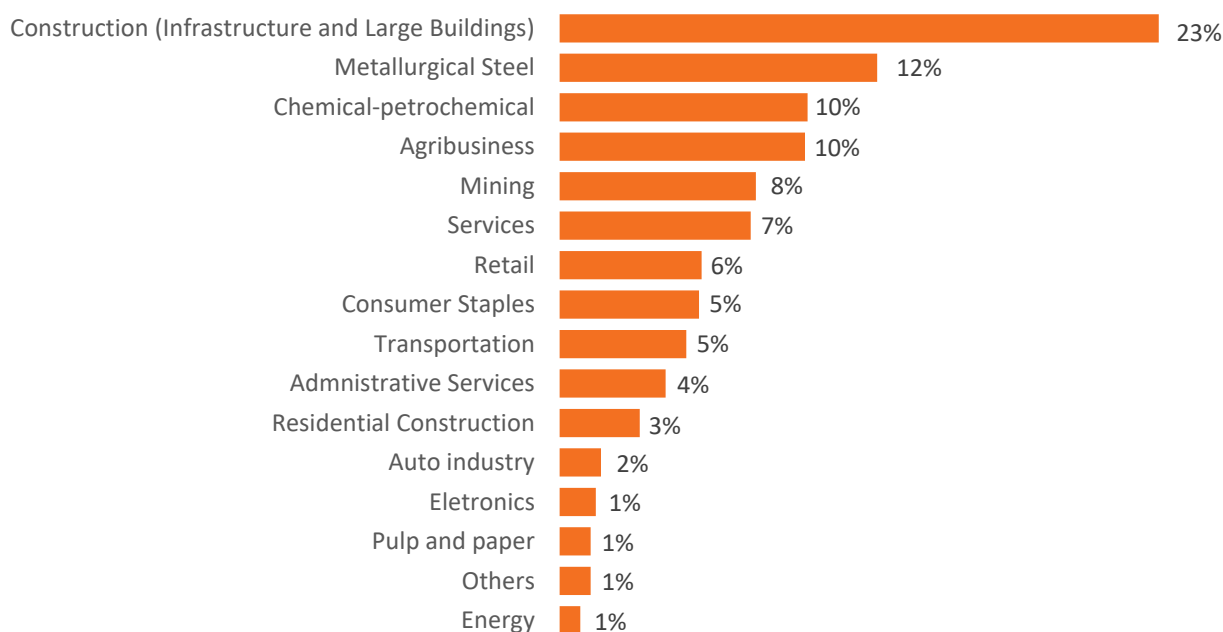
We ended 3Q23 with a fleet of 11,546 pieces of equipment, representing a 14.9% growth as compared to 3Q22 and in line with the 2Q23 fleet. The company continues with growth plans in the medium and long term, and this quarter, the focus in Light Rental was on readjusting the fleet mix to better meet demand.

Year-to-date, we have already received more than 1,500 pieces of equipment to serve the Light and Heavy Rental markets.

We opened our 56th branch in August (Paranaguá - PR), which reinforces the continuity of our expansion strategy to always be close to customers and spread the culture of using Platform Lifts, bringing more safety and productivity.



Net Rental Revenue 3Q23 – by operating segment



Results

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Gross Revenue	278.2	321.2	335.6	766.0	962.4	20.6%	4.5%	25.6%
Total Net Revenue	241.2	280.5	293.1	659.1	834.7	21.5%	4.5%	26.6%
Rental	220.6	255.4	269.7	607.2	765.9	22.2%	5.6%	26.1%
Sales	16.6	21.7	18.7	39.6	56.1	12.9%	-14.0%	41.5%
Other	4.1	3.4	4.8	12.2	12.7	18.4%	41.0%	3.7%
Total COGS, ex-depreciation	-67.1	-68.7	-74.1	-170.6	-210.4	10.5%	7.9%	23.4%
Rental	-61.9	-63.0	-70.2	-157.0	-193.1	13.4%	11.4%	23.0%
Sales	-5.1	-5.7	-3.9	-13.4	-17.3	-23.3%	-31.3%	28.5%
Other	-0.1	0.0	0.0	-0.1	0.0	-100.0%	-	-100.0%
Gross Profit, ex-depreciation	174.1	211.8	219.0	488.5	624.2	25.8%	3.4%	27.8%
Gross Margin	72.2%	75.5%	74.7%	74.1%	74.8%	2.52 p.p.	-0.80 p.p.	0.67 p.p.
Gross Margin - Rental	71.9%	75.3%	74.0%	74.1%	74.8%	2.03 p.p.	-1.37 p.p.	0.64 p.p.
Gross Margin - Sales	69.4%	74.0%	79.2%	66.1%	69.2%	9.82 p.p.	5.24 p.p.	3.12 p.p.
SG&A, ex-depreciation and ECL	-51.2	-75.0	-69.7	-162.3	-213.6	35.9%	-7.1%	31.6%
Expenses	-53.6	-72.4	-67.0	-151.9	-208.3	24.9%	-7.5%	37.1%
Non-recurring items	2.4	-2.6	-2.7	-10.4	-5.3	-212.4%	2.8%	-49.2%
ECL	-3.3	-5.7	-6.0	-13.9	-16.3	81.8%	3.8%	17.6%
EBIT	77.8	85.4	96.3	218.8	258.9	23.8%	12.8%	18.3%
EBIT margin (%)	32.3%	30.4%	32.9%	33.2%	31.0%	0.60 p.p.	2.43 p.p.	-2.18 p.p.
Adjusted EBITDA¹	117.2	133.8	146.1	322.8	401.4	24.6%	9.2%	24.4%
Adjusted EBITDA margin (%)	48.6%	47.7%	49.8%	49.0%	48.1%	1.24 p.p.	2.16 p.p.	-0.88 p.p.
Depreciation	-39.4	-48.4	-49.8	-104.0	-142.6	26.3%	2.9%	37.1%

¹Excluding non-recurring items. Non-GAAP – Information unaudited by the independent auditors.



In 3Q23, net revenue reached R\$ 293.1 million, with 21.5% increase as compared to 3Q22. Rental revenue was responsible for 94% of this growth, mainly reflecting: (i) the entry into the yellow line sector in September 2022 and (ii) increased rental revenue in Light as a result of higher prices and better mix of equipment. Year-to-date, total net revenue growth reached 26.6% compared to 9M22, amounting to R\$ 834.7 million.

Sales revenue reached R\$ 18.7 million in 3Q23, representing 12.9% increase compared to 3Q22, due to the higher price and the sales mix of used equipment.

In 3Q23, Rental costs (ex-depreciation) reached R\$ 74.1 million, up 10.5% compared to 3Q22. The growth is mainly explained by the entry into the Heavy segment (R\$ 6.6 million)¹.

Consolidated costs in 3Q23 were distributed as follows: R\$ 29.1 million refers to consumables (such as tires, batteries, paints, electrical and hydraulic materials, etc.), R\$ 17.8 million related to personnel, R\$ 15.8 million related to freight, R\$ 3.9 million with cost of sales and R\$ 7.5 million with miscellaneous costs. In 9M23, consolidated costs (excluding depreciation) reached R\$ 210.4 million, 23.4% higher versus 9M22 and below the growth in net revenue in the period.

In 3Q23, the gross margin ex-depreciation totaled 74.7%, 2.52 pp higher than in 3Q22, explained mainly by the higher gross sales margin, but also by the higher gross rental margin. Year to date, gross margin ex depreciation totaled 74.8%, compared to 74.1% in 9M22.

As mentioned in 1Q23 Earnings Release, a report was contracted this year to assess the estimated useful lives, for accounting purposes, for equipment of Heavy Rental unit, together with specialists. Through this report, the estimated useful lives were changed from 4 years to an average of 11.5 years, depending on the leased equipment, retroactive from January. After Triengel consolidation in April, tax depreciation was changed to a 4-year average (25% p.a.).

It is important to point out that the method of depreciation of Light Rental unit equipment is different from the Heavy Rental unit. For Light Rental, the accounting depreciation of the equipment is on average 13 years, while the tax depreciation is 10 years (10% p.a.).

Expenses (ex-depreciation and ECL), totaled R\$ 67.0 million in 3Q23 versus R\$ 53.6 million in 3Q22, up 24.9%, or 13.3 million mainly due to: i) R\$ 11.1 million increase in personnel expenses, profit sharing and stock plan, reflecting the increase in branches, expansion of machinery volume, and growth of the Company, ii) increase in expenses with General Services (R\$ 1.3 million) reflecting the increase in the number of branches; and iii) positive impact on Social Security taxes in 3Q22, when the Company carried out work mapping and taking advantage of tax opportunities.

ECL-related expenses increased R\$ 2.7 million when compared to 3Q22, now representing 2.0% of Rental business net revenue, 0.6 pp higher than 3Q22.

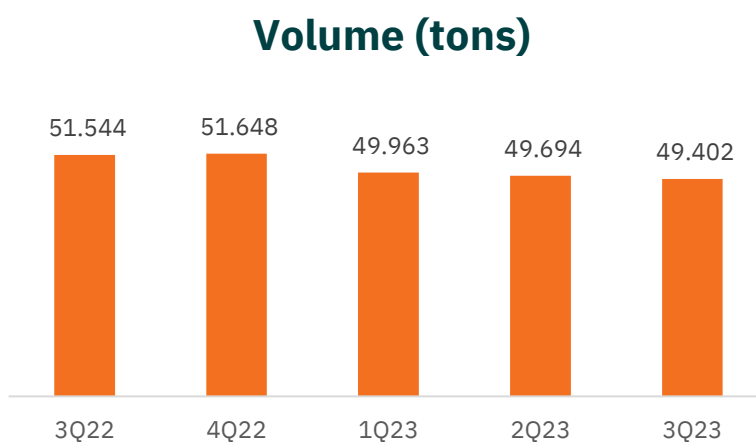
Year-to-date, expenses (ex-depreciation, non-recurring and ECL) totaled R\$ 206.5 million, representing an increase of 36.0% compared to 9M22, explained by the entry and structuring of the Heavy segment and expansion of branches in Light. As the growth of the Heavy and ramp up of the new branches of the Light unit, we will have a greater dilution of expenses.

In 3Q23, Adjusted EBITDA amounted to R\$ 146.1 million with 49.8% margin, with 24.6% and 9.2% growth, when compared do 3Q22 and 2Q23, respectively. In 9M23, Adjusted EBITDA grew by 24.4%, totaling R\$ 401.4 million.

¹ The Heavy segment started to be accounted for as of September 13, 2022.

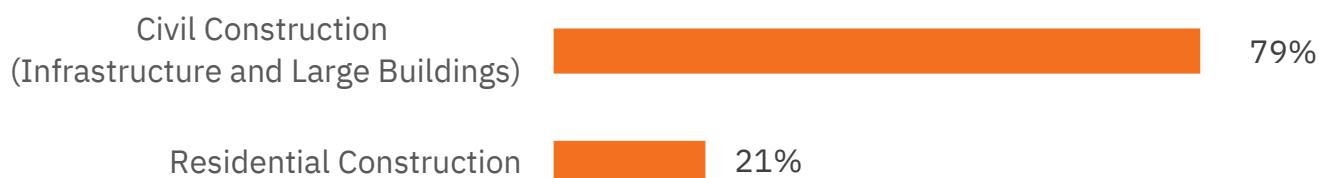


4. Formwork and Shoring



We ended 3Q23 with a volume of formwork and shoring of 49.4 thousand tons, down 0.6% and 4.1% compared to 2Q23 and 3Q22, respectively. The strategy of this business unit is still to raise profitability, with strong cash generation and maintenance of the leadership position.

Rental Net Revenue 3Q23 - per activity segment



Results

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Gross Revenue	46.3	63.5	60.8	122.8	193.2	31.2%	-4.2%	57.3%
Total net revenue	41.1	57.5	54.6	105.9	175.8	32.9%	-5.0%	66.0%
Rental	37.7	47.1	50.8	93.1	141.9	34.8%	7.9%	52.4%
Sales	0.3	0.4	0.1	1.3	10.8	-59.7%	-64.8%	746.7%
Other	3.1	10.0	3.7	11.6	23.1	20.1%	-63.2%	99.5%
Technical Assistance	0.6	0.2	0.4	1.4	0.7	-25.1%	102.5%	-51.1%
Indemnity and Expenses Recovery	2.5	9.8	3.3	10.2	22.5	30.5%	-66.8%	119.9%
Total COGS, ex-depreciation	-11.7	-11.9	-11.4	-29.6	-34.1	-3.1%	-4.8%	15.4%
Rental	-11.7	-11.7	-11.3	-29.8	-33.2	-3.9%	-3.3%	11.3%
Sales	0.0	-0.3	0.0	-0.3	-0.8	-24.9%	-89.7%	139.2%
Other	0.1	0.1	0.0	0.6	-0.2	-192.7%	-170.9%	-132.8%
Gross Profit, ex-depreciation	29.4	45.6	43.3	76.4	141.7	47.3%	-5.0%	85.5%
<i>Gross Margin</i>	<i>71.5%</i>	<i>79.2%</i>	<i>79.2%</i>	<i>72.1%</i>	<i>80.6%</i>	<i>7.73 p.p.</i>	<i>-0.05 p.p.</i>	<i>8.50 p.p.</i>
<i>Gross Margin - Rental</i>	<i>68.9%</i>	<i>75.2%</i>	<i>77.8%</i>	<i>68.0%</i>	<i>76.6%</i>	<i>8.93 p.p.</i>	<i>2.57 p.p.</i>	<i>8.63 p.p.</i>
<i>Gross Margin - Sales</i>	<i>87.0%</i>	<i>17.0%</i>	<i>75.8%</i>	<i>74.5%</i>	<i>92.8%</i>	<i>-11.22 p.p.</i>	<i>58.78 p.p.</i>	<i>18.29 p.p.</i>
SG&A, ex-depreciation and ECL	-8.7	-9.6	-9.7	-28.4	-28.8	11.7%	0.7%	1.4%
ECL	-1.6	-2.0	-1.6	-5.4	-6.1	-3.6%	-21.7%	11.6%
Adjusted EBIT	11.0	26.6	25.5	17.7	85.6	132.3%	-4.4%	384.6%
<i>Adjusted EBIT margin (%)</i>	<i>26.7%</i>	<i>46.3%</i>	<i>46.6%</i>	<i>16.7%</i>	<i>48.7%</i>	<i>19.93 p.p.</i>	<i>0.26 p.p.</i>	<i>32.00 p.p.</i>
Adjusted EBITDA¹	19.8	34.1	32.4	44.0	107.9	63.8%	-5.2%	145.1%
<i>Adjusted EBITDA margin (%)</i>	<i>48.1%</i>	<i>59.4%</i>	<i>59.3%</i>	<i>41.6%</i>	<i>61.4%</i>	<i>11.18 p.p.</i>	<i>-0.12 p.p.</i>	<i>19.81 p.p.</i>
Depreciation	-8.8	-7.5	-6.9	-26.4	-22.3	-21.4%	-7.7%	-15.3%

¹Excluding non-recurring items. Non-GAAP – Information unaudited by the independent auditors.

In 3Q23, net revenue grew 32.9% compared to 3Q22, due to the increase in rental revenue (R\$ 13.1 million) as a result of higher prices. Year to date, net revenue totaled R\$ 175.8 million, representing an increase of 66.0% compared to 9M22.

Costs (ex-depreciation) totaled R\$ 11.4 million in 3Q23, a drop of 3.9% (R\$ 0.5 million) compared to 3Q22. Year to date, costs (ex-depreciation) totaled R\$ 34.1 million, representing an increase of 15.4% compared to 9M22.

In 3Q23, gross margin ex-depreciation reached 79.2%, with 7.7 pp growth when compared to 3Q22, due to the higher rental margins. Year to date, the gross margin was 80.6%, an increase of 8.5 pp compared to 9M22.

Expenses (ex-depreciation and ECL) totaled R\$ 9.7 million in 3Q23, of which R\$ 5.9 million refer to personnel expenses, profit sharing and share-based plan. In the year, expenses totaled R\$ 28.8 million, an increase of 1.4% compared to 9M22.

ECL amounted to R\$ 1.6 million in 3Q23, representing 2.9% of net revenue, versus 4.0% in 3Q22. The improvement in 3Q23 reflects the increase in revenue in the period, reducing ECL as a percentage of revenue.

In 3Q23, Adjusted EBITDA amounted to R\$ 32.4 million, 63.8% increase versus 3Q22, with 59.3% margin, versus 48.1% in 3Q22. The margin improvement is a consequence of better rental margins, with SG&A and costs dilution. Year to date, adjusted EBITDA totaled R\$ 107.9 million, growth of 145.1% compared to 9M22.

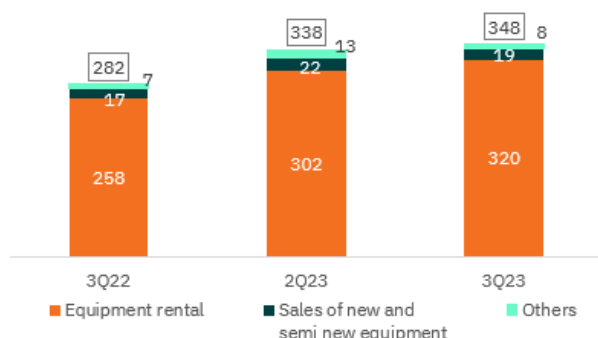


5. Financial highlights

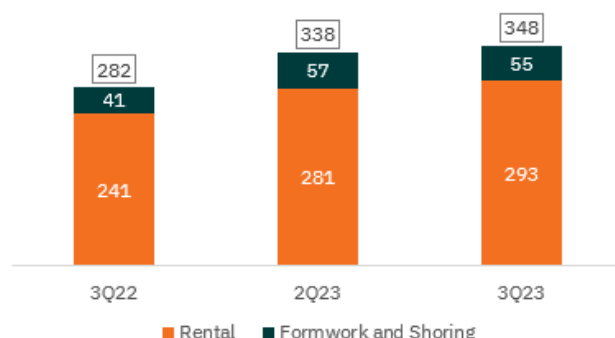
(Consolidated)

R\$ million

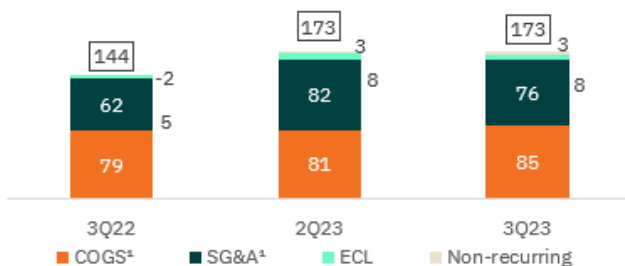
Net revenue by type



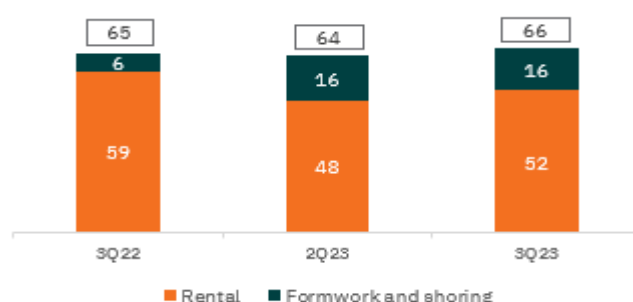
Net revenue by business unit



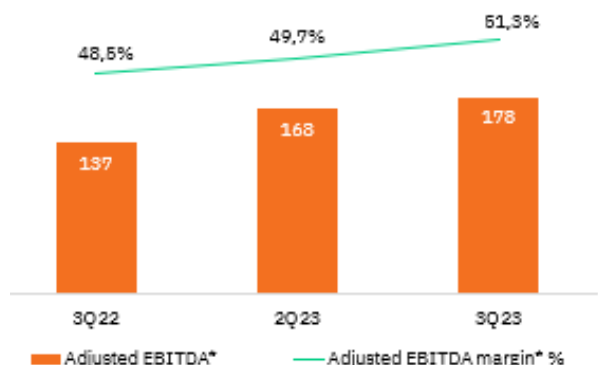
Costs & Expenses



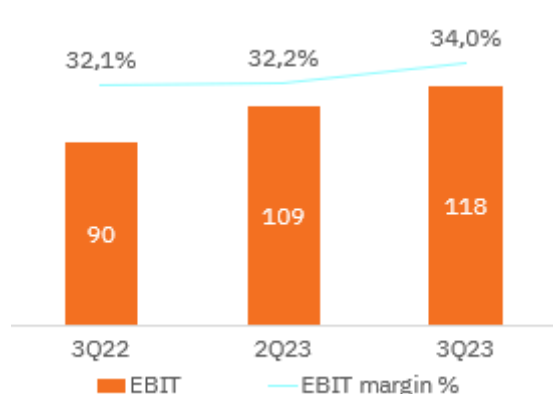
Net Income



EBITDA



EBIT



¹Excluding non-recurring items. Non-GAAP – Information unaudited by the independent auditors.



6. Non-recurring items

Non-recurring items - in R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Total non-recurring expenses	1.7	-3.3	-3.5	-11.6	-8.4	-305.5%	5.6%	-27.4%
Fleet adequacy	-4.3	-0.8	-1.7	-12.8	-2.5	-60.8%	107.9%	-80.1%
Branches demobilization	-2.2	-1.7	-1.5	-3.9	-4.8	-31.8%	-12.2%	23.0%
M&A Projects	8.2	-0.3	0.1	4.8	-0.8	-98.8%	-129.8%	-116.3%
Mills SI Expenses	0.0	-0.5	-0.4	0.3	-0.3	4553.9%	-20.9%	-209.3%

In 3Q23, non-recurring items totaled a negative balance of R\$ 3.5 million compared to R\$ 1.7 million in 3Q22, mainly due to the impact in 3Q22 of other revenues related to the advantageous purchase recognized in the acquisition of Triengel, which generated a credit of R\$ 10.4 million, as well as the lower amounts allocated to fleet readjusting (Fênix project), which is in the completion phase.

Fênix project is 91% complete and recovered 735 machines to date.

Expenses related to branch relocations are explained by the increased demand for equipment and machine leasing in some of the existing branches, requiring adjustments and changes of addresses to optimize the yard space and accommodate a larger fleet.



7. Financial Result

in R\$ million	3Q22	2Q23	3Q23	9M22	9M23	2Q23/2Q22	2Q23/1Q23	9M23/9M22
Net financial result	0.6	-20.2	-23.9	-3.9	-58.4	-3792.8%	18.5%	1378.5%
Financial Revenues	24.7	18.2	29.8	49.6	75.4	21.1%	64.3%	51.9%
Financial Expenses	-24.0	-38.3	-53.8	-53.6	-133.7	123.9%	40.2%	149.6%

Financial result in 3Q23 was a negative balance of R\$ 23.9 million, compared to a positive balance of R\$ 0.6 million in 3Q22, as a result of: i) the higher gross debt following fundraising made in December 2022 and June 2023; ii) higher average CDI in 3Q23 vs. 3Q22, which negatively affected interest expenses. The average cash position during the quarter had a positive impact on financial revenues and partially offset higher expenses.

In relation to 2Q23, the increase in financial income and expenses is mainly explained by the effect of the exchange rate variation and the hedge relating to the foreign currency loan made in June, with no effect on the company's net financial results.

For more information on the debt maturity schedule, see section 12.



8. Net income

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Results of Operations	64.9	64.1	66.7	168.9	197.2	2.9%	4.1%	16.8%
Income tax and social contribution expenses	-26.3	-24.4	-27.7	-52.0	-80.5	5.4%	-13.4%	54.9%
Loss Earnings before Income tax and social contribution	91.1	88.5	94.4	220.9	277.7	3.6%	6.7%	25.7%
Financial Result	0.6	-20.2	-23.9	-3.9	-58.4	3792.8%	-18.5%	1378.5%
Depreciation	-48.2	-55.9	-56.7	-	-	-17.7%	-1.5%	26.5%
CVM EBITDA¹	138.7	164.6	175.0	355.2	500.9	26.2%	6.3%	41.0%
Non-recurring items	1.7	-3.3	-3.5	-11.6	-8.4	-305.5%	-5.6%	-27.4%
Adjusted EBITDA (ex-non-recurring items and IFRS16 impact)	137.0	167.9	178.5	367.3	509.3	30.2%	6.3%	38.7%

¹ Excluding non-recurring items. Information unaudited by the independent auditors.

In 3Q23, Mills' net income totaled R\$ 66.7 million, virtually in line with 3Q22. The comparison is mainly explained by the following reasons:

- (+) R\$ 41.4 million increase in Adjusted EBITDA;
- (-) R\$ 8.5 million increase in depreciation as a result of the increase in the fleet;
- (-) R\$ 24.6 million impact on the financial result as a result of the increase in gross debt;
- (-) R\$ 1.4 million increase in income tax and social contribution, due to the growth in Profit before the IRCS.

The Company continues its work of identifying and enjoying tax opportunities, with a responsible and conscious view. The balance of deferred Income Tax and Social Contribution (IR/CS) on accumulated tax losses is R\$ 224.8 million in September 2023. On a monthly basis, we offset the 30% pre-tax limit.



9. Investments

Year-to-date, the total amount of investments grew by 51.0%.

In 3Q23, investments totaled R\$ 119.6 million, with 42.1% drop when compared to 3Q22, which was impacted by Triengel transaction. Compared to 2Q23, there was an increase of 47.4%, due to the greater investment in Heavy Rentals in the quarter. In Heavy, we continue to execute investments along with closing new agreements. We continue to assess strategic opportunities for upfront equipment acquisitions and M&A for accelerating growth.

At Light Rental, we see an increase in demand in the second half of the year, so our focus is to increase the productivity of the existing fleet and make investments to adapt the mix.

R\$ millions	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
M&As	133.7	0.0	0.0	210.1	0.0	-	-	-
Rental equipment	55.5	71.4	112.3	122.6	501.3	102.3%	57.3%	308.9%
Corporate and use goods	17.3	9.8	7.3	38.4	34.0	-57.6%	-24.9%	-11.6%
Total Capex	206.5	81.2	119.6	371.1	535.2	-42.1%	47.4%	44.2%

Information not audited by the independent auditors.

10. ROIC and ROE

R\$ million	3Q22	2Q23	3Q23
NOPAT	182.1	265.4	281.8
EBIT	275.9	402.1	427.0
Income Tax and Social Contribution	-93.8	-136.7	-145.2
Average equity	784.3	1,202.8	1,361.9
Working capital (LTM Average)	182.6	162.6	163.6
Property, Plant and Equipment (LTM Average)	601.6	1,040.3	1,198.4
ROIC LTM	23.2%	22.1%	20.7%

¹Calculated at 34% rate, disregards effective rate

Mills presents a high ROIC because of its good fleet management and its operations. The investment on new machines and equipment increase the immobilized assets account on the balance sheet when the machines are purchased. We balance ROIC and the cost of capital to increase the economic value added to our business.

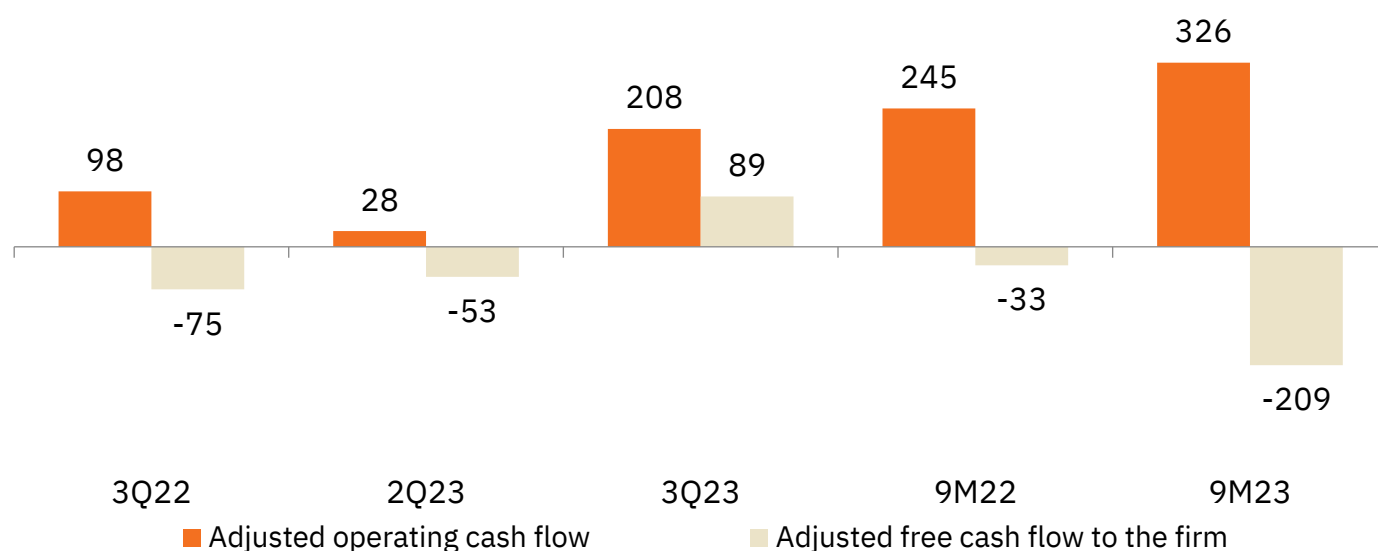
R\$ million	3Q22	2Q23	3Q23
Net Profit (LTM)	212.4	242.9	244.8
Average equity*	1,145.0	1,268.7	1,315.5
ROE LTM	18.6%	19.1%	18.6%



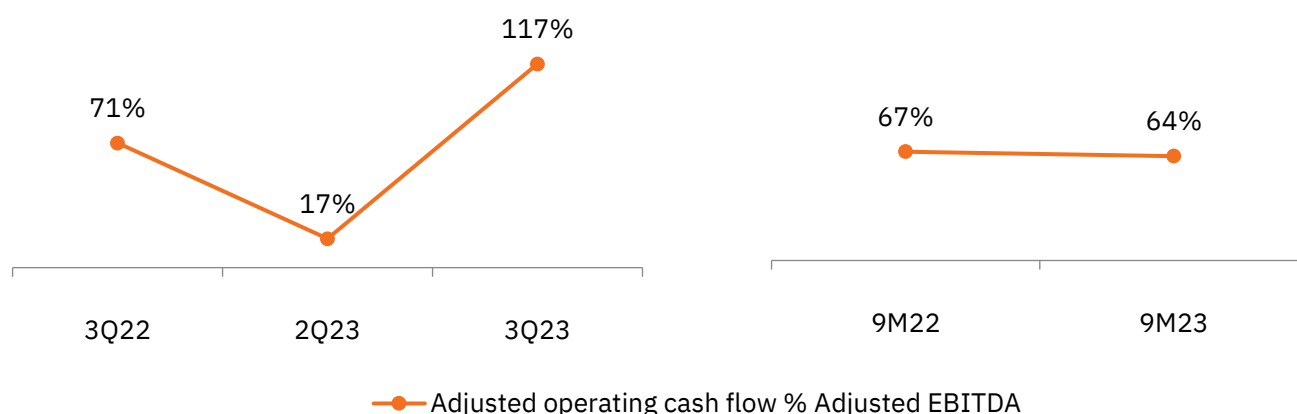
11. Adjusted Cash Flow

In 3Q23, adjusted consolidated operating cash flow¹ totaled R\$ 208.3 million, an increase of 648% compared to 2Q23, mainly due to payments made in 2Q23 related to the acquisition of assets for rent made in previous periods and to the employees of the 2022 profit share. Free cash flow for the firm¹ represented an inflow of R\$ 88.7 million in 3Q23, a significant improvement compared to 2Q23, mainly due to the improvement in adjusted operational flow, semi-annual interest paid in 2Q23 referring to the 7th issue debenture and the largest investments in acquisitions of new machinery and equipment.

R\$ million



¹ For adjusted operating cash flow, interest paid, investment in lease, interest, and inflation adjustments in assets and liabilities are not included. For the free cash flow to the firm, cash flow from investing activities and purchases of leased goods are also excluded.



12. Indebtedness

Gross debt was R\$ 960.7 million in 3Q23, excluding the cost of issuing debentures in the period, 85% of which is long-term. The average maturity for paying Mills total indebtedness is 2.4 years, at an average cost of CDI + 2.30% p.a.

The Company's cash on September 30, 2023 was R\$ 579.4 million and net debt was R\$ 381.3 million, which demonstrates a balance sheet in a healthy position to continue taking advantage of organic and inorganic growth opportunities.

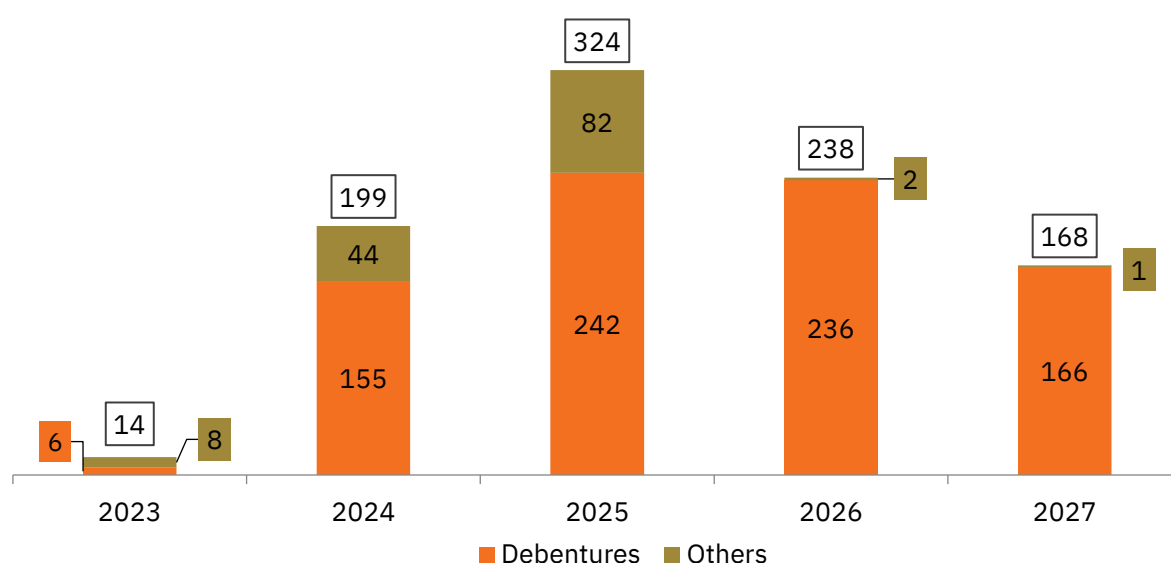
In September 2023, the risk rating agency Fitch Ratings (“Fitch”) raised the corporate rating of Mills and its sixth issue of secured debentures, from 'A(bra)' to 'A+(bra)', with a stable outlook. In its report, Fitch highlights that “the increase in Mills' rating reflects the expectation of continued gradual increase in its operational cash generation and profitability, driven mainly by the growth of the yellow line machinery and equipment rental business.”

As of September 30, 2023, Mills complied with its financial covenants considering its IFRS 16 and ex-IFRS 16 results.

On October 18, 2023, the Board of Directors approved the Second Amendment to the Private Deed Instrument for the 5th Issue of Debentures to change the maturity date of the Issue, which goes from October 14, 2024 to December 8, 2026 as well as the surcharge (spread) that makes up its compensation, which went from 3.75% to 3.65% per year. We constantly seek to improve capital structure and liability management in order to optimize the cost of debt.

Debt payment schedule²

(R\$ million)



²Including issue costs



Net Debt and Indicators

R\$ million	3Q22	2Q23	3Q23
Gross Debt	477.5	953.6	960.7
Cash and Financial Investments	416.9	523.0	579.4
Net debt	60.7	430.7	381.3
Short term Debt	100.2	102.7	140.6
Adjusted EBITDA ex-IFRS 16 LTM	443.3	582.3	620.3
Net debt / Adjusted EBITDA ex IFRS 16 LTM (x)	0.1	0.7	0.6
ST Net Debt / Adjusted EBITDA ex IFRS 16 LTM (x)	-0.7	-0.7	-0.7



13. ESG

Qualitative and quantitative information was not audited by the independent auditors.

We continue to advance on our sustainability journey, with a commitment to further strengthen our ESG actions. In 3Q23, we advanced in initiatives, focusing on generating a positive impact for employees, society and the environment.

On the social front, the Transformar program, our own initiative that offers scholarships in technical courses to young people in situations of social vulnerability, has already reached more than 600 beneficiaries, and during this period we have turned our attention to actions that promote employability. With the aim of speeding up entry into the job market and increasing the retention of these young people until they graduate, we have launched a new type of program, which offers vacancies on vocational courses. Initially, 40 vacancies were opened in the regions of Uberlândia and Campinas to evaluate the new format.

On the environmental front, our GHG inventory received the "Gold Seal" from the Brazilian GHG Protocol Program. This seal corresponds to the highest level of qualification granted to companies that demonstrate compliance with all transparency criteria in publishing their greenhouse gas (GHG) inventory.

Another significant advance was the beginning of the development of an emissions reduction project in the company, with a commitment made to the SBTi (Science Based Targets Initiative). This initiative focused on climate science seeks to mobilize the private sector to meet the objectives of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels, we understand that in order to decarbonize our operations, it will be crucial to reduce our impact on climate change. Therefore, in October 2023 we formally committed to the SBTi, and based on this action, we are working with the different areas to define the goals, with official release expected by November 2023 and studying projects such as: transition of the energy matrix in branches, changing fuel for fleet vehicles, investments in electrical equipment, use of biofuels, chain engagement, among other actions mapped out to consolidate our actions to reduce emissions.

We also reinforce our commitment to environmental transparency by disclosing our environmental impact through the Carbon Disclosure Project (CDP), a global non-profit organization that manages the world's leading environmental disclosure platform. We responded to the Climate Change questionnaire published in October 2023, which is available for public consultation on the official CDP website, with the score expected to be released in January 2024. Our data will be added to the most comprehensive inventory of self-reported environmental data in the world – helping to drive reporting and monitoring of environmental impacts in companies.

We also continue to encourage our customers to learn about emissions arising from the use of our equipment, by making an inventory available on our Customer Portal. On this platform, it is possible to have visibility over emissions, to create your own GHG inventories and possibly carry out compensation.

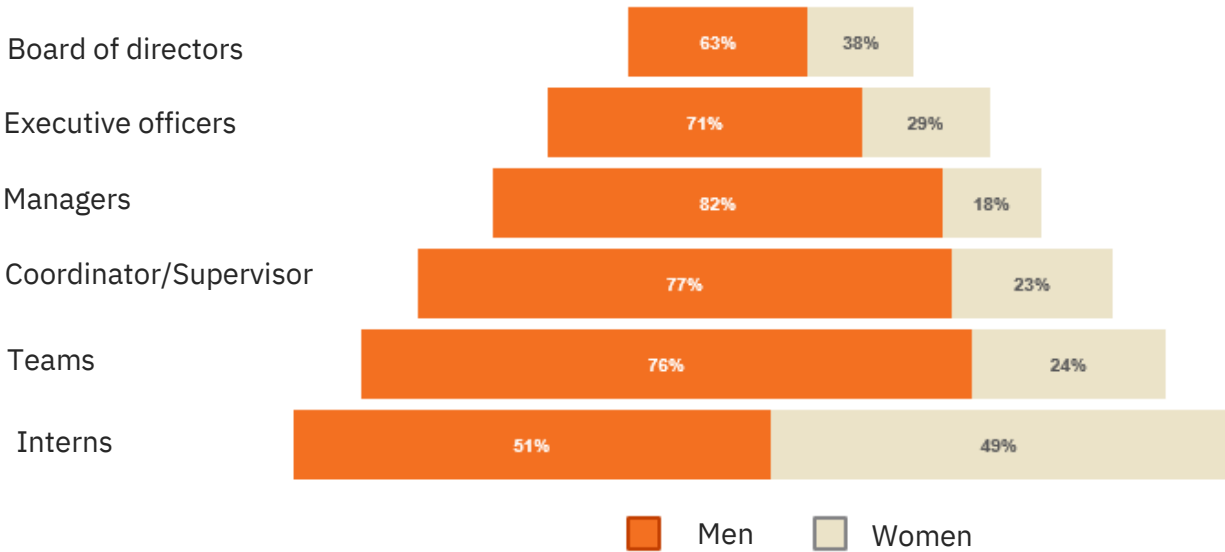
We are also starting a new study of the carbon footprint of equipment in the Heavy business area (yellow line) that will make it possible to understand the impacts of operations on the use of machines, including the data in the CO2 Calculator available on the Mills website and in the inventory of emissions on the Portal of the Customer.

Social indicators (3Q23)

Diversity Indicators	Men	Women
Blacks*	162	65
Brown*	556	187
Caucasian/White (a)*	718	273
Asian/Yellow (a)*	14	10
Indigenous*	5	0
Not informed	33	9
TOTAL	1488	544
Disabled people	7	1
Refugees	14	0
Average age (years)	34	31
Average time with the company (years)	4	3

* Informed by self-declaration

Gender distribution by hierarchical level



Environmental indicators (3Q23)

3,855 m³

average monthly water consumption at branches.

1.9 m³ per month

average water consumption per Employee.

234,232 kwh

average monthly energy consumption.

115 kW/month

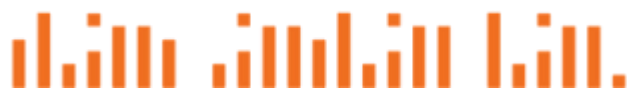
relative average consumption per Employee.

470 ton

of total waste disposal in 3Q23.

252 tons

destined for recycling in 3Q23.



14. Tables

Consolidated data in R\$ million

Table 1 - Rental net revenue per product

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Total Rental Net Revenue	258.3	302.5	320.5	700.3	907.8	24.1%	6.0%	29.6%
Rental (Combined)	220.6	255.4	269.7	607.2	765.9	22.2%	5.6%	26.1%
Formwork and Shoring	37.7	47.1	50.8	93.1	141.9	34.8%	7.9%	52.4%

Information not audited by the independent auditors.

Table 2 - Cost of products and services sold (COGS) and Operating, general and administrative expenses (SG&A) ex. depreciation

R\$ million	3Q22	%	2Q23	%	3Q23	%	9M22	%	9M23	%
COGS total, ex-depreciation	-78.8	54.9%	-80.6	46.5%	-85.5	49.5%	-200.1	48.8%	-244.5	47.7%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-73.7	51.3%	-74.7	43.1%	-81.5	47.2%	-186.8	45.6%	-226.3	44.1%
Costs of sales of new equipment	-3.6	2.5%	-3.9	2.3%	-1.4	0.8%	-10.8	2.6%	-10.8	2.1%
Costs of sales of semi new equipment	-1.5	1.0%	-2.0	1.2%	-2.5	1.5%	-3.0	0.7%	-7.2	1.4%
Cost of scrap sale	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Costs of indemnity	0.0	0.0%	0.1	0.0%	0.0	0.0%	0.5	-0.1%	-0.2	0.0%
SG&A, ex-depreciation and ECL	-59.9	41.7%	-85.1	49.1%	-79.8	46.2%	-190.4	46.5%	-246.1	48.0%
Commercial, Operational and Administrative	-51.6	35.9%	-67.8	39.1%	-61.8	35.8%	-143.4	35.0%	-190.5	37.1%
General Services	-7.3	5.1%	-8.3	4.8%	-8.0	4.6%	-20.8	5.1%	-24.4	4.8%
Other expenses	-1.1	0.7%	-9.0	5.2%	-10.0	5.8%	-26.2	6.4%	-31.2	6.1%
ECL	-4.9	3.4%	-7.7	4.5%	-7.5	4.4%	-19.3	4.7%	-22.4	4.4%
COGS + SG&A Total	-143.6	100.0%	-173.5	100.0%	-172.8	100.0%	-409.9	100.0%	-513.0	100.0%

Table 3 - Reconciliation of Adjusted EBITDA

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	3Q23/2Q23	9M23/9M22
Results of Operations	64.9	64.1	66.7	168.9	197.2	2.9%	4.1%	16.8%
Income tax and social contribution expenses	-26.3	-24.4	-27.7	-52.0	-80.5	5.4%	-13.4%	54.9%
Loss Earnings before Income tax and social contribution	91.1	88.5	94.4	220.9	277.7	3.6%	6.7%	25.7%
Financial Result	0.6	-20.2	-23.9	-3.9	-58.4	3792.8%	-18.5%	1378.5%
Depreciation	-48.2	-55.9	-56.7	-130.4	-164.9	-17.7%	-1.5%	26.5%
CVM EBITDA¹	138.7	164.6	175.0	355.2	500.9	26.2%	6.3%	41.0%
Non-recurring items	1.7	-3.3	-3.5	-11.6	-8.4	-305.5%	-5.6%	-27.4%
Adjusted EBITDA (ex-non-recurring items and IFRS16 impact)	137.0	167.9	178.5	367.3	509.3	30.2%	6.3%	38.7%

¹ Excluding non-recurring items. Information unaudited by the independent auditors.

14. Tables

Consolidated data in R\$ million

Table 4 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

Consolidated in R\$ million	3Q23	9M23
EBITDA CVM	175.0	500.9
Non cash items	20.4	56.7
Provision for tax, civil and labor risks	1.0	1.6
Accrued expenses on stock options	3.9	12.3
Post Employment Benefits	0.3	0.9
Residual value of property, plant and equipment and intangible assets sold and written off	2.3	7.4
Provision (reversal) for impairment loss on trade receivables	7.5	22.0
Provision (reversal) for impairment	0.0	0.0
Provision (reversal) for slow-moving inventories	-1.1	2.4
Provision for Profit Sharing	6.6	18.2
Other provisions	-0.1	-8.3
EBITDA ex-non cash provisions	195.4	557.6
Cash	-87.7	-726.2
Interest and monetary and exchange gains and losses (cash)	18.1	59.1
Trade receivables	-31.4	-66.9
Acquisitions of rental equipment	-76.9	-457.0
Inventories	3.5	3.4
Taxes recoverable	-2.8	-33.4
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	10.3	2.7
Judicial deposits	0.0	0.0
Other assets	1.1	-2.2
Suppliers	21.7	-78.2
Payroll and related taxes	3.0	3.0
Taxes payable	-7.7	-5.0
Other liabilities	6.4	6.1
Profit participation to pay	0.0	-26.4
Paid income and social contribution taxes	-16.3	-47.2
Law suits settled	-0.2	-1.7
Interest paid	-16.5	-82.4
Cash flows from operating activities according to the financial statements	107.7	-168.6
Interest and monetary and exchange gains and losses (cash)	-18.1	-59.1
Acquisitions of rental equipment (Gross of PIS COFINS)	112.3	501.3
Interest paid	16.5	82.4
Leasing IFRS16	-10.1	-30.3
Adjusted Operating Cash Flow	208.3	325.6

15. Income Statement

Consolidated data in R\$ million

R\$ million	3Q22	2Q23	3Q23	9M22	9M23	3Q23/3Q22	2Q23/2Q22	3Q23/9M22
Gross Revenue	324.6	384.6	396.4	888.8	1,155.6	22.1%	3.1%	30.0%
Net revenue from sales and services	282.3	338.0	347.8	765.0	1,010.5	23.2%	2.9%	32.1%
Cost of products sold and services rendered	-113.9	-120.7	-126.0	-295.2	-361.1	10.6%	4.4%	22.3%
Gross Profit	168.4	217.3	221.8	469.8	649.4	31.7%	2.0%	38.2%
Selling, general and administrative expenses	-85.0	-102.4	-96.8	-238.4	-295.9	13.8%	-5.5%	24.2%
ECL	-4.9	-7.7	-7.5	-19.3	-22.4	53.4%	-2.8%	15.9%
Other revenues	12.0	1.5	0.9	12.7	4.9	-92.9%	-42.9%	-61.3%
Loss before Financial Result	90.5	108.7	118.3	224.8	336.0	30.7%	8.8%	49.5%
Financial expenses	-24.0	-38.3	-53.8	-53.6	-133.7	123.9%	40.2%	149.4%
Financial revenues	24.7	18.2	29.8	49.7	75.4	21.1%	64.3%	51.8%
Financial result	0.6	-20.2	-23.9	-3.9	-58.4	-3792.8%	18.5%	1378.2%
Loss before taxes	91.2	88.5	94.4	220.9	277.7	3.6%	6.7%	25.7%
Income tax and social contribution	-26.3	-24.4	-27.7	-52.0	-80.5	5.4%	13.4%	54.9%
Net income (loss)	64.9	64.1	66.7	168.9	197.2	2.8%	4.1%	16.7%



16. Cash flow

Consolidated data in R\$ million

in R\$ million	3Q22	2Q23	3Q23
Cash flows from operating activities			
Profit for the year	47.5	64.1	66.7
Non cash adjustments:	121.8	129.1	129.1
Depreciation and amortization	37.2	55.9	56.7
Deferred income and social contribution taxes	22.2	13.7	9.9
Provision (reversal) for tax, civil and labor risks	-0.4	1.4	1.0
Accrued expenses on stock options	8.2	5.4	3.9
Post-employment benefit	0.2	0.3	0.3
Residual value of property, plant and equipment and intangible assets sold and written off	6.1	2.0	2.3
Interest and monetary exchange gains and losses, net	19.7	34.6	40.0
Leasing interest	2.1	2.1	2.0
Provision (reversal) for impairment loss on trade receivables	7.0	7.4	7.5
Provision (reversal) for impairment and fair value	0.3	0.0	0.0
Provision (reversal) for slow-moving inventories	0.2	2.7	-1.1
Provision for Profit Sharing	12.6	5.6	6.6
Result of advantageous purchase on investment	1.9	0.0	0.0
Other provisions	4.3	-1.9	-0.1
Variations on assets and liabilities:	-69.6	-199.8	-55.0
Trade receivables	-33.1	-24.1	-31.4
Acquisitions of rental equipment	-210.0	-71.9	-76.9
Acquisition of leased assets through capital reduction in subsidiary	12.6	0.0	0.0
Inventories	2.5	-1.4	3.5
Inventory acquisitions through capital reduction subsidiary	0.3	0.0	0.0
Taxes recoverable	-27.1	-3.4	-2.8
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	8.0	-6.2	10.3
Judicial deposits	-0.5	0.0	0.0
Other assets	-2.6	3.1	1.1
Suppliers	138.4	-82.1	21.7
Trade payables	12.0	0.0	0.0
Payroll and related taxes	-2.2	-0.8	3.0
Profit Sharing	0.0	-26.4	0.0
Taxes payable	32.5	13.3	10.1
Other liabilities	0.0	0.1	6.4
Paid income and social contribution taxes	-30.0	-9.3	-16.3

16. Cash flow

Consolidated data in R\$ million

Lawsuits settled	-1.1	-0.8	-0.2
Interest paid	-17.8	-47.7	-16.5
Net cash from operating activities	38.2	-64.5	107.7
Cash flow from investing activities			
Acquisition of subsidiary	0.6	0.0	0.0
Capital contribution in subsidiary	-18.4	0.0	0.0
Acquisition of cash due to merger of subsidiary	0.0	0.0	0.1
Acquisition of PP&E for own use and intangible assets	-23.2	-9.7	-7.4
Sale of interest in investment	0.0	0.0	0.0
Interest on capital received	0.0	0.0	0.0
Net cash generated by (used in) investing activities	-29.1	-16.8	-9.7
Leasing (IFRS 16)	-9.3	-10.2	-10.1
Capital increase	18.4	0.0	0.0
Restricted bank deposits	3.2	-0.3	-0.3
Funding (costs) of borrowing and debentures	425.0	100.0	0.0
Amortization of borrowing and debentures	-20.6	-14.3	-13.9
Acquisition of treasury shares	-17.3	0.0	0.0
Interest on equity paid	-14.0	-16.8	-19.9
Dividends paid	0.0	-1.2	0.0
Net cash generated by (used in) financing activities	385.3	57.2	-44.2
Net increase/(decrease) in cash and cash equivalents	382.5	-17.0	56.2
Cash and cash equivalents at the beginning of the period	397.6	530.9	514.0
Cash and cash equivalents at the end of the period	780.1	514.0	570.1
Net increase/(decrease) in cash and cash equivalents	382.5	-17.0	56.2
Operating cash flow	38.2	-64.5	107.7
Interest paid	17.8	47.7	16.5
Acquisition of rental equipment (Gross of PIS COFINS)	210.0	71.4	112.3
Interest and monetary exchange net gains and losses (cash)	-13.9	-16.5	-18.1
Leasing (IFRS 16)	-9.3	-10.2	-10.1
Adjusted Operating Cash Flow	242.7	27.9	208.3



17. Balance Sheet - Assets

Consolidated data in R\$ million

In R\$ million	3Q22	2Q23	3Q23
Assets			
Current assets			
Cash and cash equivalents	397.6	514.0	570.1
Restricted bank deposits	19.2	9.0	9.3
Trade receivables	216.5	268.5	292.4
Inventories	77.8	71.8	69.4
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	24.2	24.0	13.7
Taxes recoverable	15.5	20.3	22.4
Advances to suppliers	5.1	5.8	3.1
Derivative financial instruments			
Assets held for sale	6.4	11.9	16.4
Sub total	762.3	925.4	1,004.3
Assets held for sale	19.5	18.9	8.5
Total Current Assets	781.8	944.3	1,012.8
Non-current Assets			
Deferred taxes - IRPJ and CSLL	275.7	244.5	234.6
Taxes recoverable	0.0	52.7	50.6
Judicial deposits	11.6	12.5	12.6
Other assets	3.0	0.2	0.2
Sub total	290.3	309.9	297.9
Property, plant and equipment	646.1	1,211.1	1,250.8
Intangible assets	192.4	192.1	193.9
	838.5	1,403.2	1,444.6
Total Non-current Assets	1,128.8	1,713.1	1,742.6
Total Assets	1,910.6	2,657.4	2,755.3

17. Balance Sheet - Liabilities



Consolidated data in R\$ million

In R\$ million	3Q22	2Q23	3Q23
Liabilities			
Current liabilities			
Trade payables	75.7	111.7	135.6
Trade payables - acquisition of subsidiary	0.0	2.7	3.1
Borrowings and financing	30.5	30.5	29.8
Right of Use to lease (IFRS 16)	26.4	30.1	30.1
Debentures	26.4	72.1	110.7
Income tax and social contribution	39.5	37.3	42.4
Payroll and related taxes	5.0	6.6	2.7
Tax debt refinancing program (REFIS)	1.5	1.5	1.2
Taxes payable	8.6	10.7	10.0
Profit sharing payable	14.5	12.4	19.0
Dividends and interest on equity payable	0.0	16.8	15.3
Other liabilities	0.8	1.0	1.0
Total Current Liabilities	229.0	333.5	407.4
Non Current Liabilities			
Trade payables	28.5	8.1	6.2
Trade payables - acquisition of subsidiary	-	21.7	22.1
Borrowings and financing	38.8	116.5	113.6
Right of Use to lease (IFRS 16)	55.3	61.5	63.9
Debentures	338.5	734.4	706.6
Tax debt refinancing program (REFIS)	1.3	0.1	0.0
Provision for tax, civil and labor risks	15.3	17.5	17.2
Taxes payable	11.3	12.0	12.2
Provision for post-employment benefits	9.6	11.9	12.2
Derivative financial instruments	-	-	-
Other liabilities	1.4	0.9	0.9
Total non-current Liabilities	500.0	984.7	954.9
Total Liabilities	729.0	1,318.2	1,362.3
Equity			
Share capital	1,091.6	1,091.6	1,091.6
Capital reserves	16.6	9.9	13.8
Earnings reserves	44.4	196.2	196.2
Treasury shares	-41.5	-36.2	-36.2
Equity adjustments	-17.0	-18.0	-18.0
Accumulated losses	128.1	93.7	143.4
Sub total	1,203.8	1,337.1	1,390.7
Non-controlling shareholders	2.2	0.0	2.3
Total Equity			
Total Liabilities and Equity	1,935.0	2,657.4	2,755.3





18. MILS3 History

Mills common shares are traded on B3's Novo Mercado under ticker MILS3.

IBOVESPA and Small Caps index increased 5.9% and dropped 2.9% between September 30, 2022 and September 30, 2023. The closing price of Mills' shares on B3 on September 30, 2023 was R\$ 12.12, with 9.7% rise as compared to the closing price for the same period in 2022. At the end of 2Q23, Mills market cap amounted to R\$ 2,985.3 million.

MILS3 Performance	3Q22	2Q23	3Q23	3T23/3T22	3T23/2T23
Share final price (R\$)	11.05	11.27	12.12	9.7%	7.5%
Maximum ¹	11.54	12.08	13.64	18.2%	12.9%
Minimum ¹	6.04	8.42	11.44	89.4%	35.9%
Average ¹	8.77	10.22	12.47	42.1%	22.0%
Market value final of period (R\$ million)	2,721.7	2,775.9	2,985.3	9.7%	7.5%
Daily average negotiated volume (R\$ million)	10.11	11.45	11.72	15.9%	2.4%
Number os shares (million)	246.31	246.31	246.31	0.0%	0.0%

¹ Stock closing price





19. Glossary

- (a) Write-off of Assets - linked to the revenue from Indemnities, this amount is the cost of writing off the indemnified asset in our property, plant and equipment.
- (b) Capex (Capital Expenditure) - Acquisition of tangible and intangible assets for non-current assets.
- (c) Invested capital - For the company, invested capital is defined as the sum of equity (net equity) plus third party capital (including all onerous, bank and non-bank debts), both being the average values in the period. By business segment, it is the average amount of the company's invested capital in the period, weighted by average assets of each business segment (net current capital plus fixed assets). The asset base for the year is calculated as the average of the asset base for the last twelve months.
- (d) Adjusted Operational Cash Flow - based on the Company's Consolidated Financial Statements, net cash provided by operating activities, excluding interest and inflation adjustments in net assets and liabilities, acquisitions of property, plant and equipment for rental and interest paid;
- (e) Rental cost (maintenance, personnel, deposits, etc.) - includes: (i) personnel for the supervision of works and technical assistance; (ii) personnel for the assembly and disassembly of material, when performed by Mills own workforce; (iii) equipment transportation freight, when under Mills responsibility; (iv) cost of materials used in maintenance of equipment; and (v) rental of equipment from third parties.
- (f) Cost of sales - cost of selling new products is linked to revenue from new sales. The cost of sales of used equipment is linked to the revenue from sales of used equipment and is equivalent to the write-off of these fixed assets (residual cost).
- (g) General and administrative expenses - (i) Commercial, Operational and Administrative SG&A includes current expenses, such as salaries, benefits, travel, representations, from the various departments, including Commercial, Marketing, Engineering and administrative back office departments, such as HR and Finance; (ii) General Services encompasses equity expenses of the head office and several branches (mainly rents, fees, security and cleaning); and (iii) Other expenses are mostly non-cash items, such as provisions for stock option programs, provisions for contingencies, provisions for slow-moving inventories and some non-permanent disbursements.
- (h) Net debt - Gross debt less cash and cash equivalents.
- (i) EBITDA - EBITDA is a non-accounting measurement prepared by the Company, reconciled with our financial statements, subject to the provisions of CVM/SEP Annual Circular Letter, when applicable. We calculate our EBITDA as our operating earnings before financial result, the effects of depreciation of assets in use and rental equipment and the amortization of intangible assets. EBITDA is a measure not recognized by the Accounting Practices Adopted in Brazil, IFRS or US GAAP, it does not have a standard meaning and may not be comparable to measures with similar securities provided by other companies. We disclose EBITDA as we use it to measure our performance. EBITDA shall not be considered on a standalone basis or as a substitute for net income or operating profit, as indicators of operating performance or cash flow or to measure liquidity or the ability to pay debts.

This press release may include statements that present expectations of the Company's Management about future events or results. All statements, when based on future expectations and not on historical facts, involve various risks and uncertainties. Mills is not able to ensure that such statements will prove to be correct. Such risks and uncertainties include factors related to the Brazilian economy, the capital market, the sectors of infrastructure, real estate, oil and gas, among others, and government rules, which are subject to change without prior notice. For additional information on factors that may give rise to results other than those estimated by the Company, please see reports filed with Brazilian Securities and Exchange Commission - CVM.

