



mills

2Q22

Results Presentation

Disclaimer

Disclaimer

This presentation may contain statements that present expectations of the Management of Mills Locação, Serviços e Logística S/A (“Mills”) about future events or results. Such statements are based on beliefs and assumptions of our Management taken with our best knowledge and information to which Mills currently has access. All statements, when based on future expectations, and not on historical facts, involve various risks and uncertainties, and are not performance guarantees. Mills and employees cannot guarantee that such statements will prove to be correct. Such risks and uncertainties include factors relating to the Brazilian economy, the capital markets, the infrastructure, real estate, and oil and gas sectors, competitive pressures, among others, and governmental rules that are subject to change without notice. For additional information on the factors that may give rise to results different from those estimated by Mills, please consult the reports filed with the Comissão de Valores Mobiliários – CVM.





Main Highlights

2Q22

Total consolidated **net revenue: R\$ 247.6 million in 2Q22**
(+43.7% compared to 2Q21)

ROIC of 25.1% in Rental and 21.4% Consolidated (2Q22LTM)

Gross margin

Gross margin improvement, reaching 72.9% in 2Q22 (65.3% in 2Q21)*

*Gross margin before depreciation

Adjusted EBITDA*

Consolidated statement of R\$112.1 million in 2Q22 with a margin of 45.3%

*Excluding non-recurring items and the effect of IFRS 16. Unaudited.

Net profit

Consolidated of R\$63.2 million in 2Q22, with a margin of 25.5%

Leverage

Net cash position (Net Debt / Adjusted Ebitda LTM 2Q22 = -0.1x)

Rating

S&P credit rating: 'brAA-' in August 2022

Tax

Constant search for tax opportunities, with R\$ 6.9 million already recognized in the quarter

TSR

3rd Share Buyback Plan: 4.7 million shares, with a financial disbursement of R\$ 34.5 million in the quarter

Acquisitions

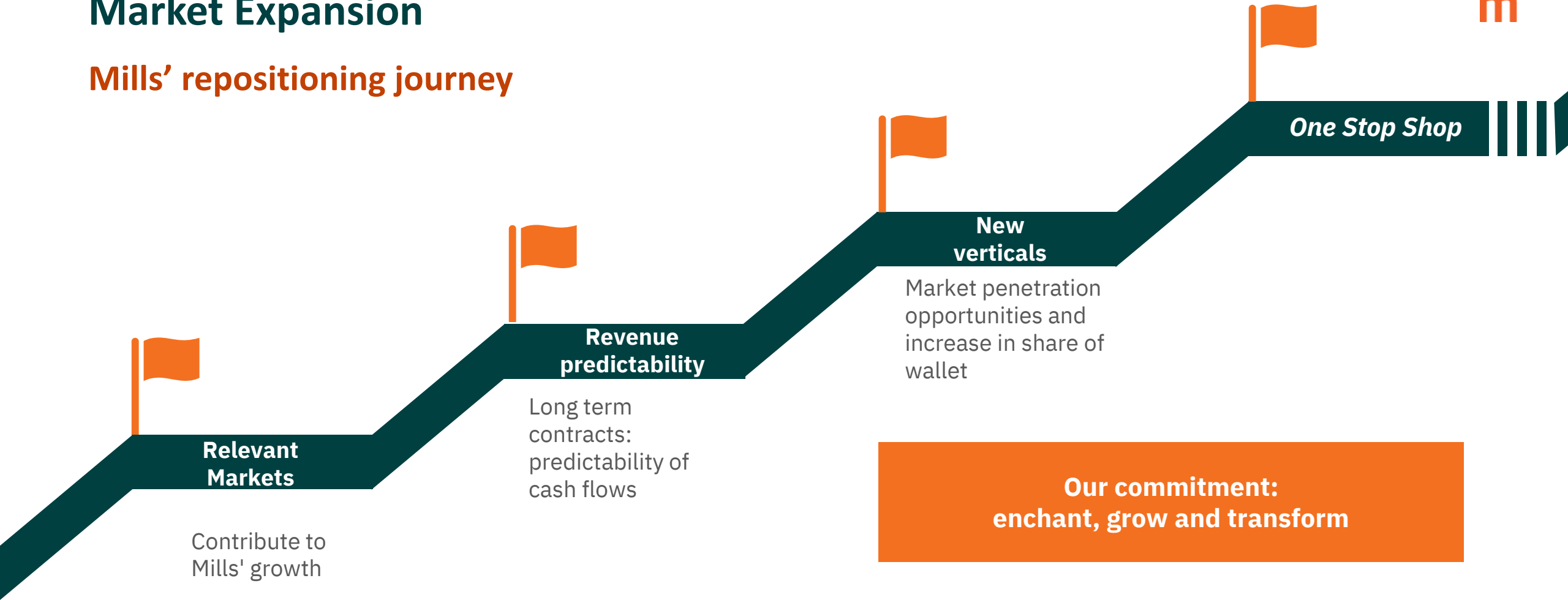
Entry into Yellow Line: agreement for the acquisition of Triengel and announcement of investment for the purchase of machines in the total amount of R\$ 360 million

ESG

Publication of the 1st report in the **GRI standard**

Market Expansion

Mills' repositioning journey



**Our commitment:
enchant, grow and transform**



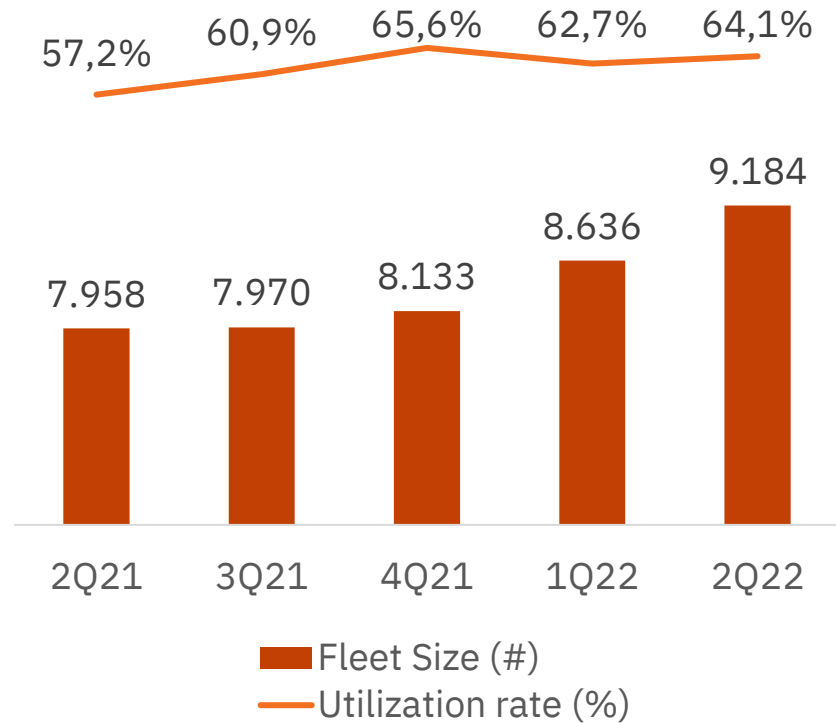


RESULTS RENTAL



Fleet

Fleet and utilization rate continued growth*



*period averages

In 2Q22, our fleet has an **average age** of **9.1** years, **replacement value** equivalent to **R\$2.7 billion**.

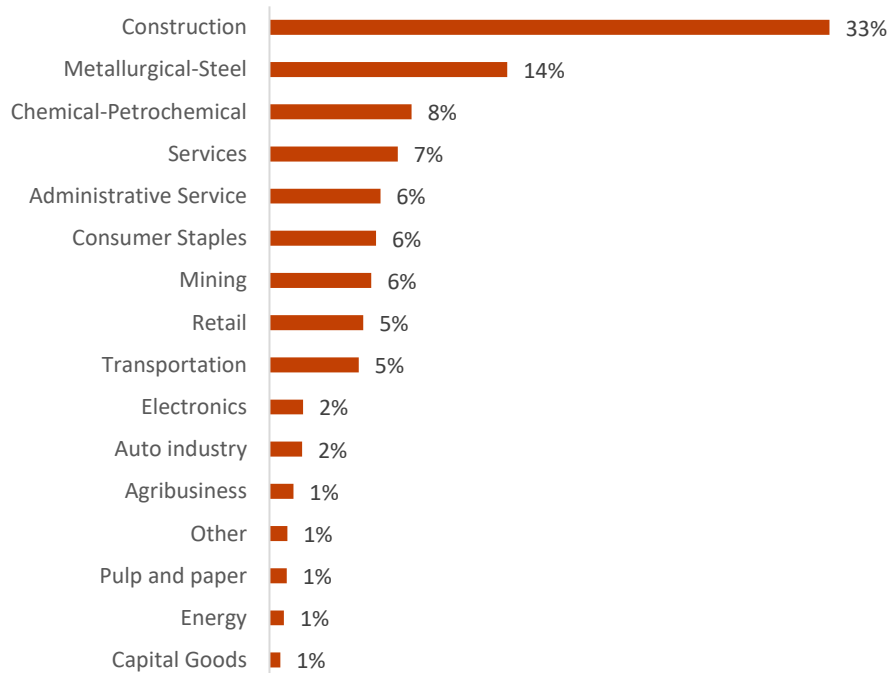
In the last 12 months, the Company has added 1,226 machines to its average fleet size. This amount includes acquisitions made through M&A transactions and purchase of new machines directly from manufacturers.

Additionally, our current plans include receiving approximately 1,000 machines in 2H22 and more 300 machines in 2023, which will add up to a fleet of over 10,000 machines.

Clients

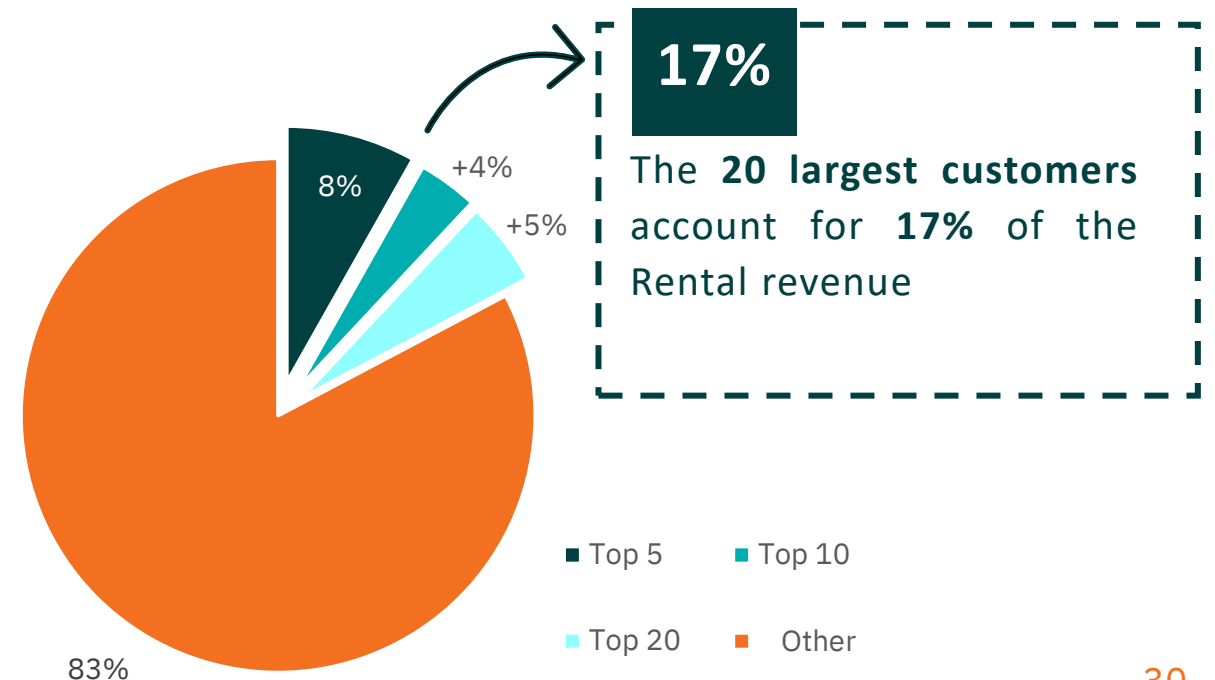
Different revenue sources and diverse customer base with exposure to different segments

Sectors



2022

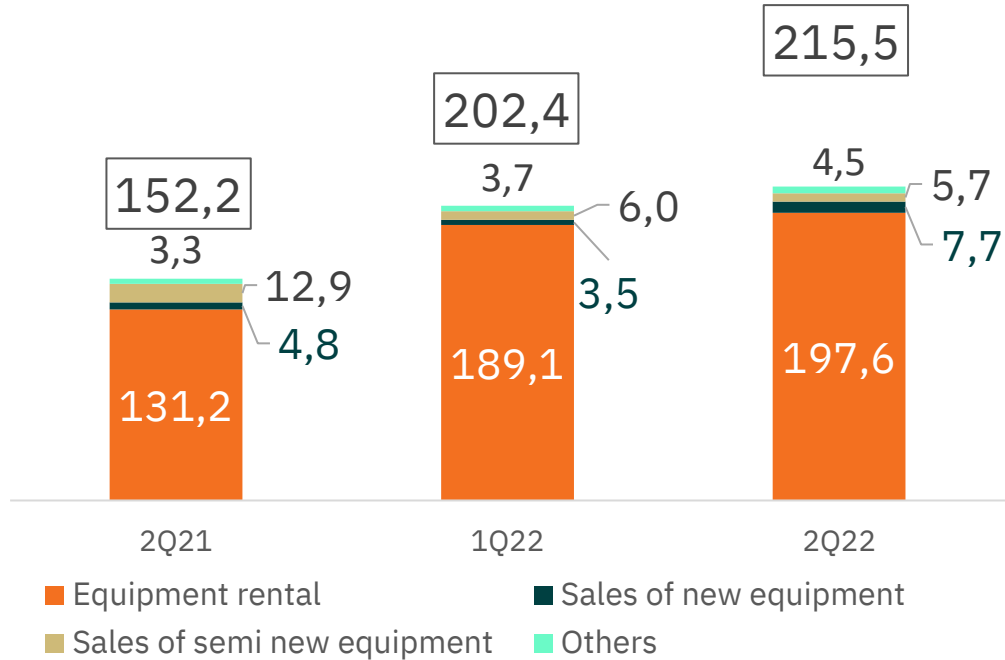
Customer base diversification



Rental Financial



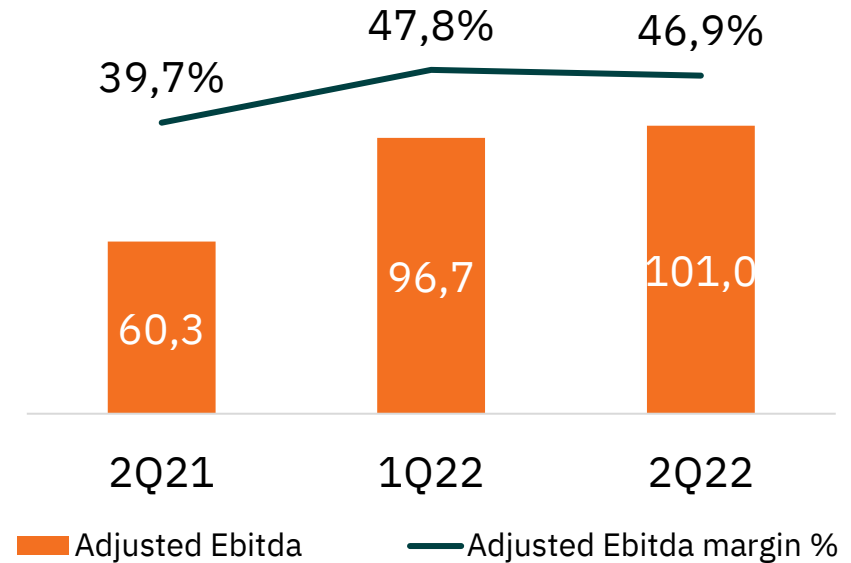
Revenue (by type)



Strong growth compared to 2Q21 (+41.6%), due to higher rental revenue, which increased 50.6% in the period

2Q22

Adjusted EBITDA¹



67.4% higher than in 2Q21, representing a margin increase of 7.2 p.p.

¹Ex-IFRS and non-recurring items. unaudited information.



RESULTS

FORMWORK AND SHORING

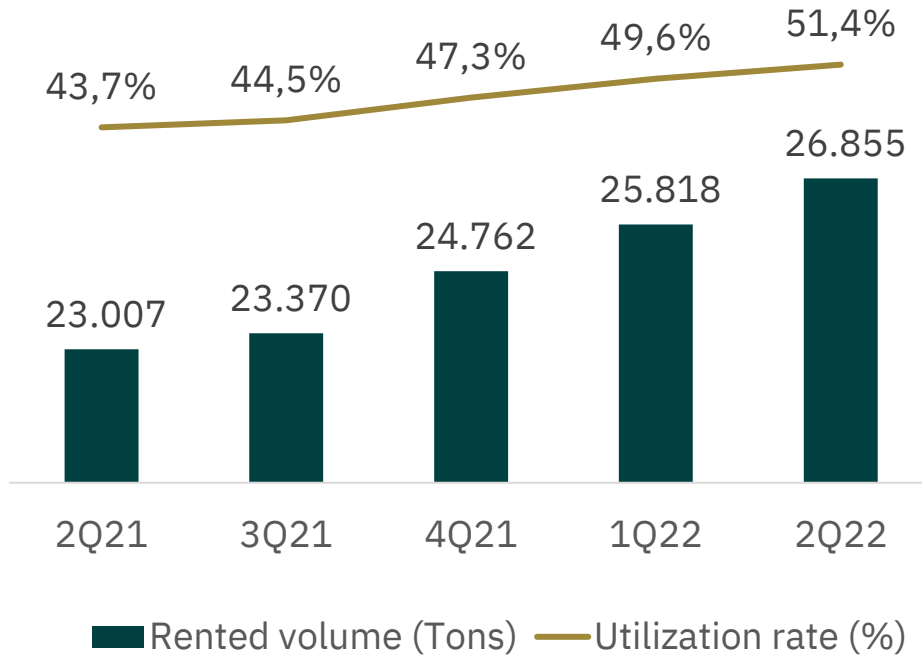
Formwork and Shoring

Operational



Volume

Last twelve months: increase in demand and utilization rate*



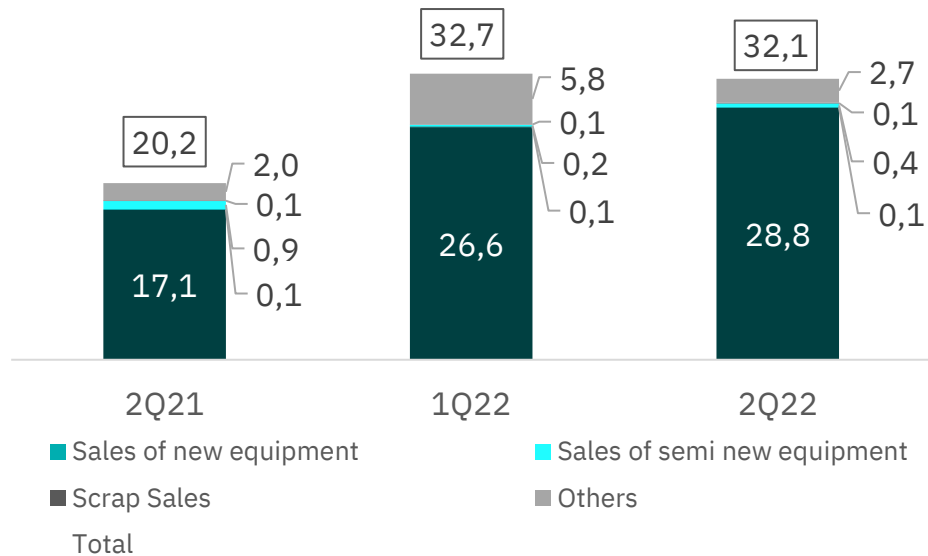
17% increase in rented volume year over year, due to the increase in demand from the infrastructure sector.

*period averages

Formwork and Shoring

Financial

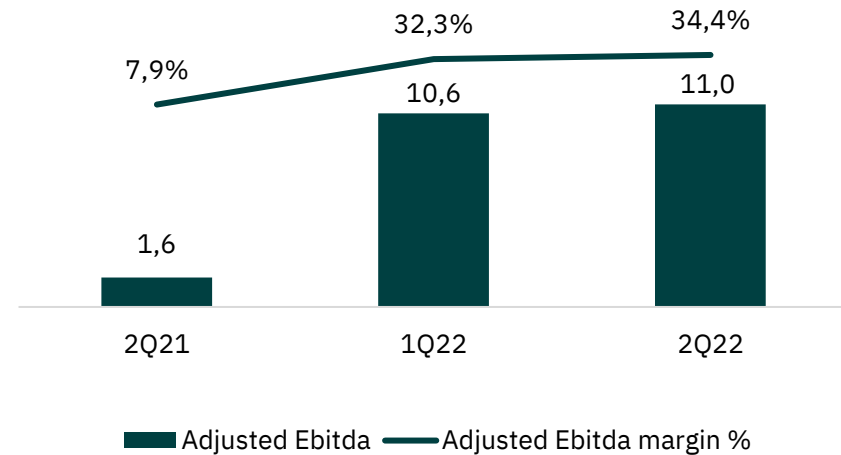
Revenue (by type)



Net revenue grew **58.9%** compared to 2Q21, due to higher rental revenue, which increased 68.2% in the period

2Q22

Adjusted EBITDA¹



Value 6x higher than 2Q21, with adjusted EBITDA margin higher by 26.5 p.p.

¹Ex-IFRS and non-recurring items. unaudited information.



RESULTS CONSOLIDATED

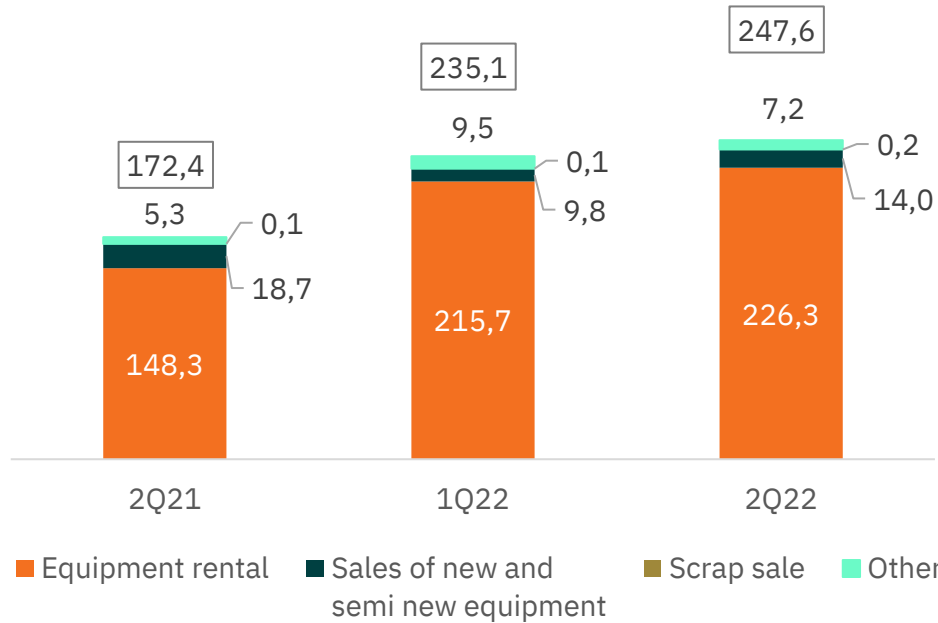


Consolidated Financial



Strong growth with profitability

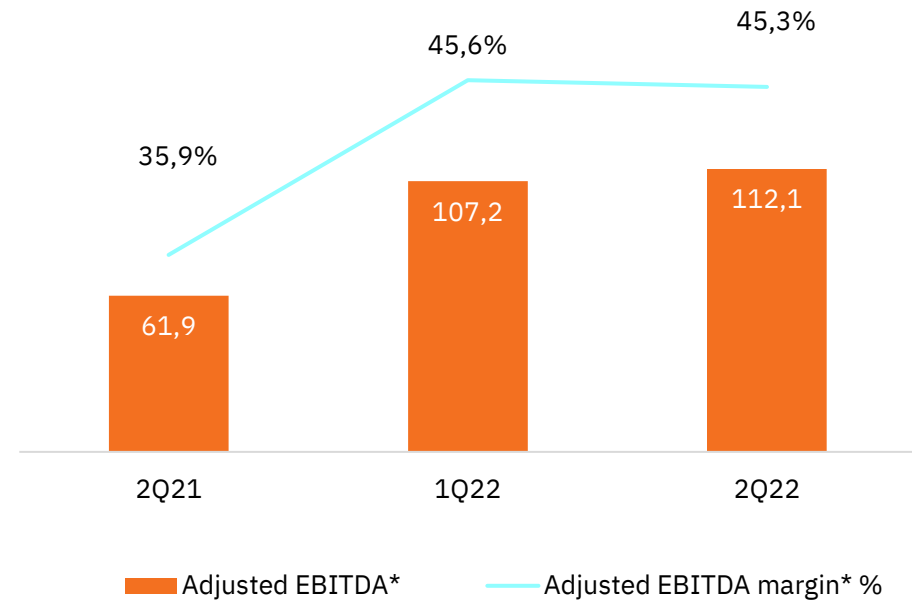
Revenue (by type)



43.7% above the annual comparison, reflecting the growth of the Company and demand

2Q22

Adjusted EBITDA¹



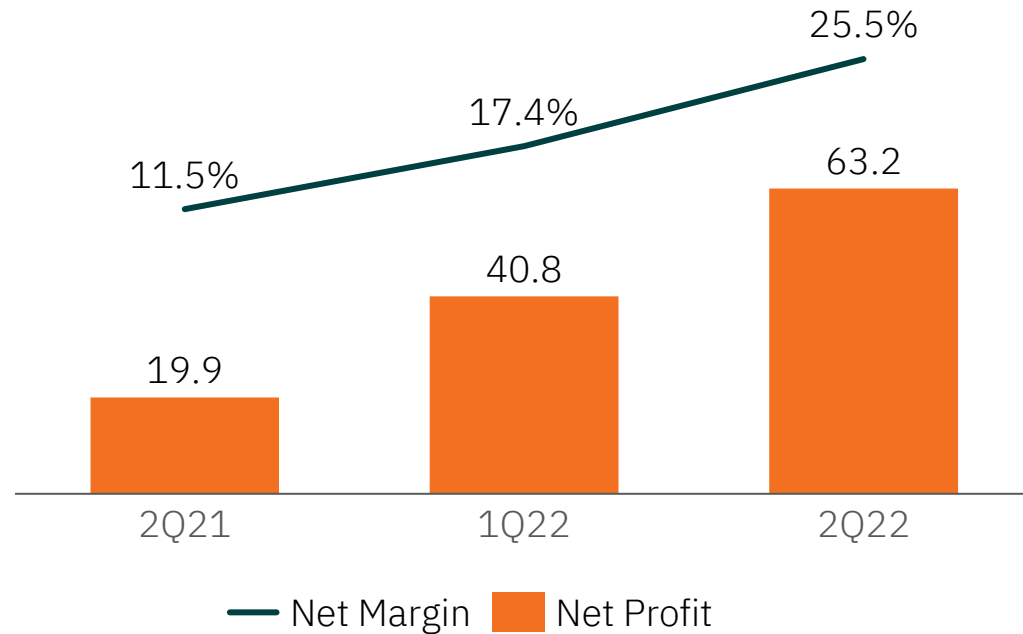
Increase of **80.9%** compared to the same period of the previous year – consistent growth

¹Ex-IFRS and non-recurring items. unaudited information.

Consolidated Financial

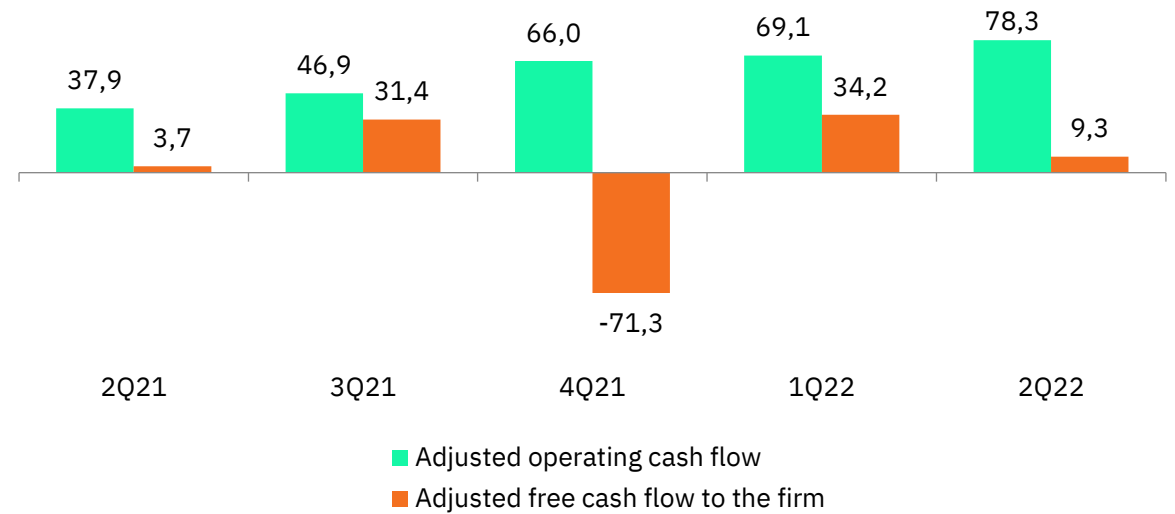


Net profit



3.2x higher than the profit recorded in 2Q21

Cash flow



Investments for the Company's expansion continue to generate consistent returns

Debt

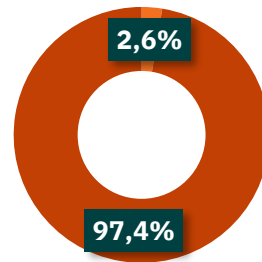
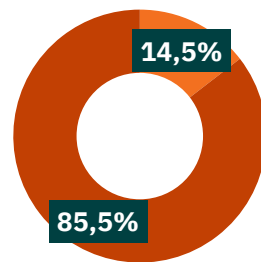
06/30/2022



Gross Debt Profile

Average Term
2.6 years

Average Cost
CDI + 2.8% p.a.



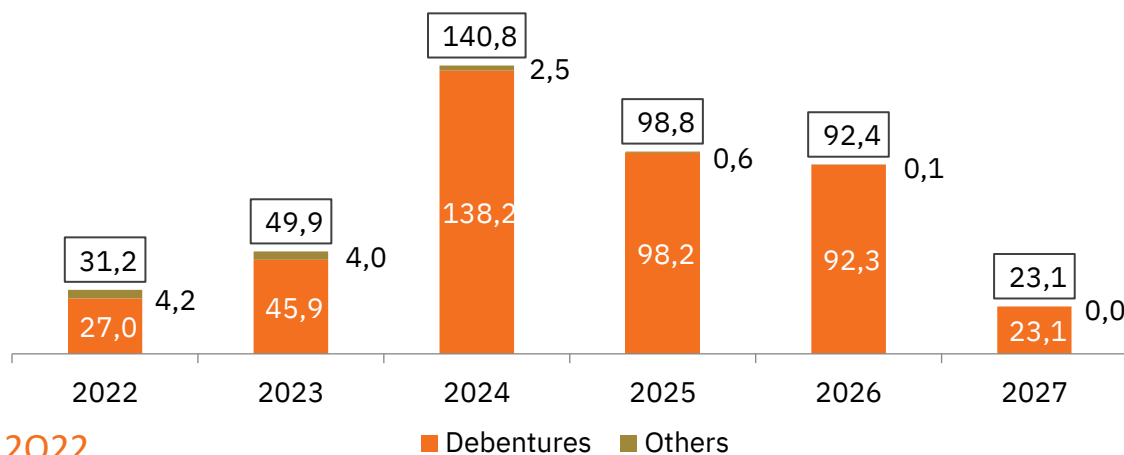
■ Short Term ■ Long Term

■ Loans ■ Debentures

Low level of indebtedness

The Company continues to generate operating cash, with R\$469.6 million in cash and net cash of R\$44.7 million as of June 30, 2022

Debt Payment Schedule¹



2Q22

■ Debentures ■ Others

¹Considers accrued interest for the period. SELIC rate 06/30/2022: 13.25%

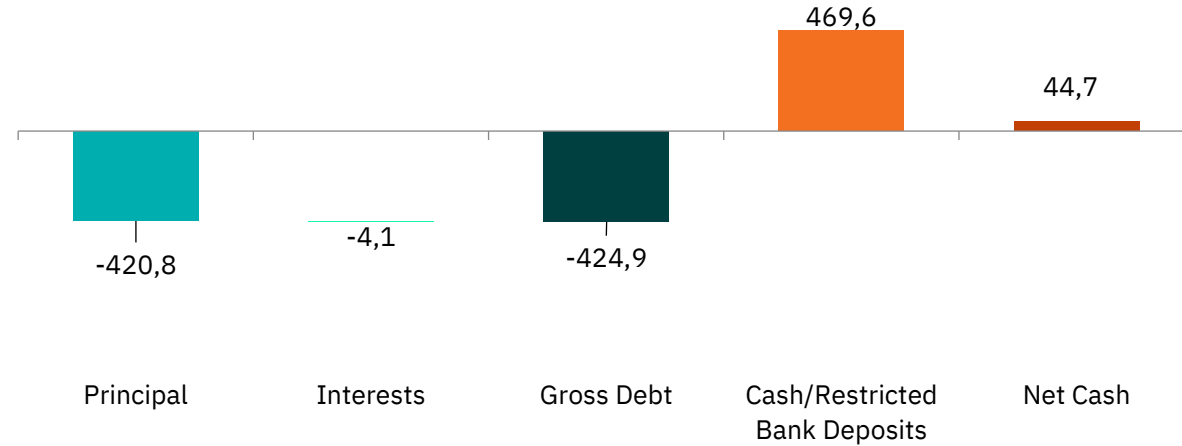
Gross debt of R\$ 424.9 million in 2Q22, excluding emission costs

Debt

06/30/2022

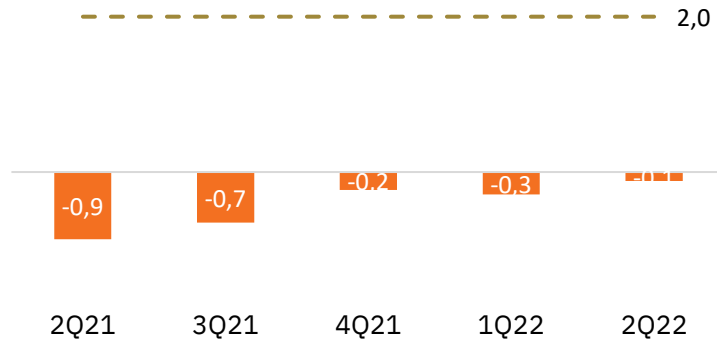


Net Cash

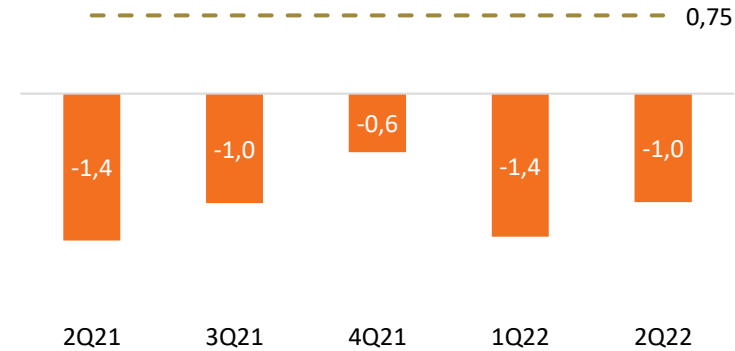


Covenants

Net Debt/Adjusted EBITDA LTM



ST Net Debt/Adjusted EBITDA LTM

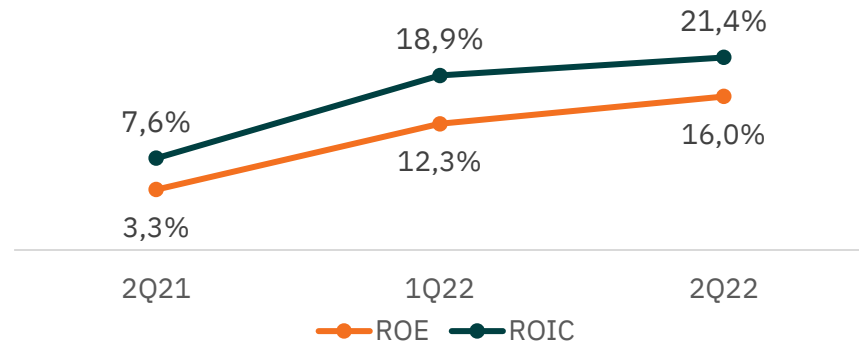




Return

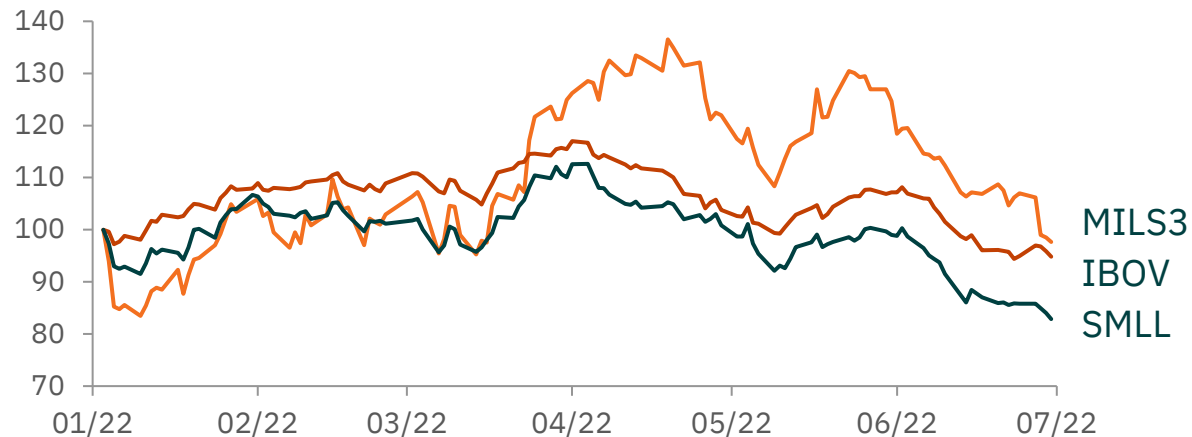
Commitment to attractive profitability and fair valuation of the Company

ROE, ROIC



ROIC above the current average debt cost of the Company: CDI + 2.8%

MILS3



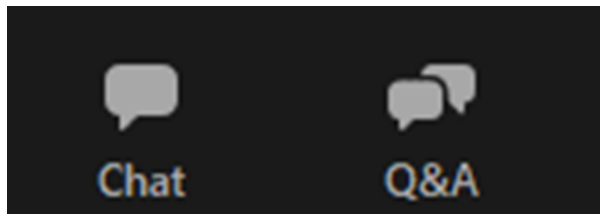
Return to Shareholders

EPS of BRL 0.50/share in the first six months of 2022, 3.8x higher than in the same period in 2021

Q&A

To ask questions: click on the Q&A icon, on the bottom of the screen and write your NAME, your Company's name and your language preference (portuguese/english). After your name is announced, you will see a pop up notification asking to unmute your microphone on the screen, then you should active it so that you may ask a question.

Ask your question:





APPENDIX



Appendix I

Income Statement

	2Q21 (A)	1Q22 (B)	2Q22 (C)	1S21 (D)	1S22 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue from sales and services	172.4	235.1	247.6	326.0	482.7	43.7%	5.3%	48.1%
Cost of products sold and services rendered	(87.3)	(83.6)	(97.7)	(164.5)	(181.3)	11.9%	16.8%	10.2%
Gross Profit	85.1	151.4	149.9	161.5	301.4	76.2%	-1.0%	86.6%
Selling, general and administrative expenses	(57.9)	(77.8)	(75.5)	(112.8)	(153.3)	30.4%	-3.0%	35.9%
ECL	(1.5)	(8.0)	(6.4)	(4.0)	(14.4)	329.3%	-20.1%	264.6%
Other revenues	0.7	0.2	0.5	1.6	0.6	-32.1%	171.5%	-60.2%
Profit before Financial Result	26.4	65.8	68.5	46.3	134.3	159.4%	4.2%	190.1%
Financial expenses	(8.4)	(9.0)	(20.6)	(16.9)	(29.6)	143.9%	128.6%	75.2%
Financial revenues	5.9	6.9	18.1	10.3	25.0	206.1%	162.1%	142.1%
Financial result	(2.5)	(2.1)	(2.5)	(6.6)	(4.6)	-1.5%	18.4%	-30.0%
Profit before taxes	23.9	63.7	66.0	39.7	129.7	176.5%	3.7%	226.6%
Income tax and social contribution	(4.0)	(22.8)	(2.9)	(12.4)	(25.7)	-28.0%	-87.5%	106.6%
Profit for the year	19.9	40.8	63.2	27.3	104.0	217.2%	54.7%	281.2%

Appendix II

Balance Sheet

In R\$ million	2Q21	1Q22	2Q22	In R\$ million	2Q21	1Q22	2Q22
Assets				Liabilities			
Current assets				Current liabilities			
Cash and cash equivalents	354.2	516.8	450.9	Accounts payable	51.4	43.5	80.7
Restricted bank deposits	7.1	12.0	18.7	Borrowings and financing	2.0	0.8	4.1
Trade receivables	120.9	183.8	200.6	Leases payable	16.8	17.9	19.0
Inventories	70.9	73.1	74.6	Debentures	62.6	47.0	57.6
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	6.7	9.0	23.7	Payroll and related taxes	27.0	28.1	31.4
Taxes recoverable	4.7	6.7	12.6	Income tax and social contribution	1.8	10.5	3.0
Advances to suppliers	5.7	7.9	8.0	Tax debt refinancing program (REFIS)	1.5	1.5	1.5
Financial derivative instruments	-	-	10.7	Taxes payable	4.2	8.6	6.7
Other assets	4.5	6.0	6.1	Profit sharing payable	4.8	17.8	8.3
				Dividends and interest on equity payable	0.1	12.8	0.0
Assets held for sale	10.1	19.5	19.5	Other liabilities	0.7	1.6	0.8
Total Current Assets	584.8	834.8	825.4	Total Current Liabilities	172.8	189.9	213.3
Non-current Assets				Non Current Liabilities			
Deferred taxes - IRPJ and CSLL	313.1	307.5	281.5	Accounts payable	-	-	17.6
Taxes recoverable	0.2	0.1	0.0	Borrowings and financing	0.4	0.2	1.6
Judicial deposits	9.0	10.7	12.2	Leases payable	41.6	35.5	39.5
Other assets	-	0.1	0.2	Debentures	118.8	382.0	361.5
Financial derivative instruments	0.3	-	-	Tax debt refinancing program (REFIS)	3.0	2.0	1.6
	322.6	318.4	293.9	Provision for tax, civil and labor risks	20.1	19.2	17.3
Available-for-sale financial assets	39.3	-	-	Taxes payable	10.4	10.8	11.1
Affiliates and subsidiaries investments	-	-	0.0	Provision for post-employment benefits	12.4	9.1	9.4
Property, plant and equipment	359.7	399.9	458.0	Other liabilities	0.8	0.7	1.5
Right of Use (IFRS 16)	54.5	48.8	53.9	Total non-current Liabilities	207.5	459.6	461.1
Intangible assets	124.8	179.5	192.4	Total Liabilities	380.4	649.5	674.4
	578.4	628.2	704.3	Equity			
Total Non-current Assets	901.0	946.6	998.2	Share capital	1,090.3	1,090.3	1,091.1
Total Assets	1,485.9	1,781.4	1,823.6	Capital reserves	59.3	13.7	14.7
				Shares issuance	(18.4)	(18.4)	(18.4)
				Earnings reserves	0.9	44.4	44.4
				Treasury shares	(34.3)	(24.1)	(50.8)
				Equity adjustments	(16.1)	(17.0)	(10.0)
				Accumulated profit	21.5	40.8	76.0
				Equity attributed to controlling shareholders	1,103.1	1,129.7	1,147.0
				Non-controlling shareholders		2.2	2.3
				Total Equity	1,105.5	1,131.9	1,149.2
				Total Liabilities and Equity	1,485.9	1,781.4	1,823.6



Appendix III


Cash flow

in R\$ million	2021	1Q22	2Q22	in R\$ million	2021	1Q22	2Q22
Cash flows from operating activities				Cash flows from investing activities:			
Profit for the year	19.9	40.8	63.2	Acquisition of cash resulting from the incorporation of a subsidiary	-5.1	0.0	-19.1
Non cash adjustments:	44.4	67.7	79.1	Net increase (decrease) in cash and cash equivalents	0.0	0.0	1.4
Depreciation and amortization	36.0	39.2	43.0	Acquisition of PP&E for own use and intangible assets	-9.0	-9.3	-11.8
Deferred income and social contribution taxes	-1.1	3.4	8.1	Proceeds from sale of investments	0.0	0.0	0.3
Provision (reversal) for tax, civil and labor risks	-1.0	0.0	-2.8	Net cash generated from investing activities	-14.1	-7.7	-29.1
Accrued expenses on stock options	1.1	1.0	1.1	Cash flows from financing activities			
Post-employment benefit	0.2	0.2	0.2	Lease operations (IFRS16)	-5.8	-5.5	-6.1
Residual value of property, plant and equipment and intangible assets sold and written off	1.3	1.2	0.0	Capital increase/decrease	0.7	0.0	0.8
Interest and monetary exchange gains and losses, net	3.5	6.2	16.7	Restricted bank deposits	-0.3	-0.1	-6.7
Leasing interest	1.3	1.2	1.3	Borrowing and debentures	0.4	297.2	0.2
Provision (reversal) for impairment loss on trade receivables	1.5	8.0	6.4	Amortization of borrowings and debentures	-17.8	-15.4	-11.6
Provision (reversal) for slow-moving inventories	-1.3	0.8	-0.5	Share buyback	-19.3	-2.8	-26.8
Provision for Profit Sharing	1.4	3.6	4.0	Interest on equity paid	-5.3	0.0	-19.8
Other provisions	1.4	2.8	1.6	Dividends paid	0.0	0.0	-12.8
Variations on assets and liabilities:	-31.7	-36.4	-66.3	Net cash used in financing activities	-47.3	273.3	-82.8
Trade receivables	-24.2	-29.4	-27.0	Net increase (decrease) in cash and cash equivalents	-38.4	314.0	-65.8
Acquisitions of rental equipment	-20.1	-27.2	-39.9	Cash and cash equivalents at the beginning of the period	392.5	202.7	516.8
Inventories	-14.5	0.2	-1.5	Cash and cash equivalents at the end of the period	354.2	516.8	450.9
Taxes recoverable	0.0	-0.4	-5.8	Net increase (decrease) in cash and cash equivalents	-38.4	314.0	-67.3
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-0.4	-0.5	-14.9	Operating Cash Flow*	23.0	48.4	46.1
Judicial deposits	-0.2	-0.6	-1.1	Interest Paid	2.9	4.3	14.0
Other assets	-0.5	0.2	-0.5	Acquisitions of rental equipment	20.1	27.2	39.9
Trade payables	17.8	-1.0	29.3	Interest and monetary exchange net gains and losses (non-cash)	-2.3	-5.3	-15.5
Payroll and related taxes	4.9	2.5	3.4	Financial Result Income Statement	-5.8	-5.5	-6.1
Profit Sharing	-6.1	0.0	-13.5	Adjusted Operating Cash Flow*	37.9	69.1	78.3
Taxes payable	4.7	19.4	5.4				
Other liabilities	0.0	0.3	-0.2				
Paid income and social contribution taxes	-5.3	-17.2	-14.7				
Law suits settled	-1.5	-2.1	-1.2				
Interest paid	-2.9	-4.3	-14.0				
Net cash generated by operating activities	23.0	48.4	46.1				

*Non-GAAP information, not revised by auditors.



Investor Relations

 +55 (21) 3924-8768

 <http://ri.mills.com.br>

 ri@mills.com.br

 Millsbr

 @millsoficial

