



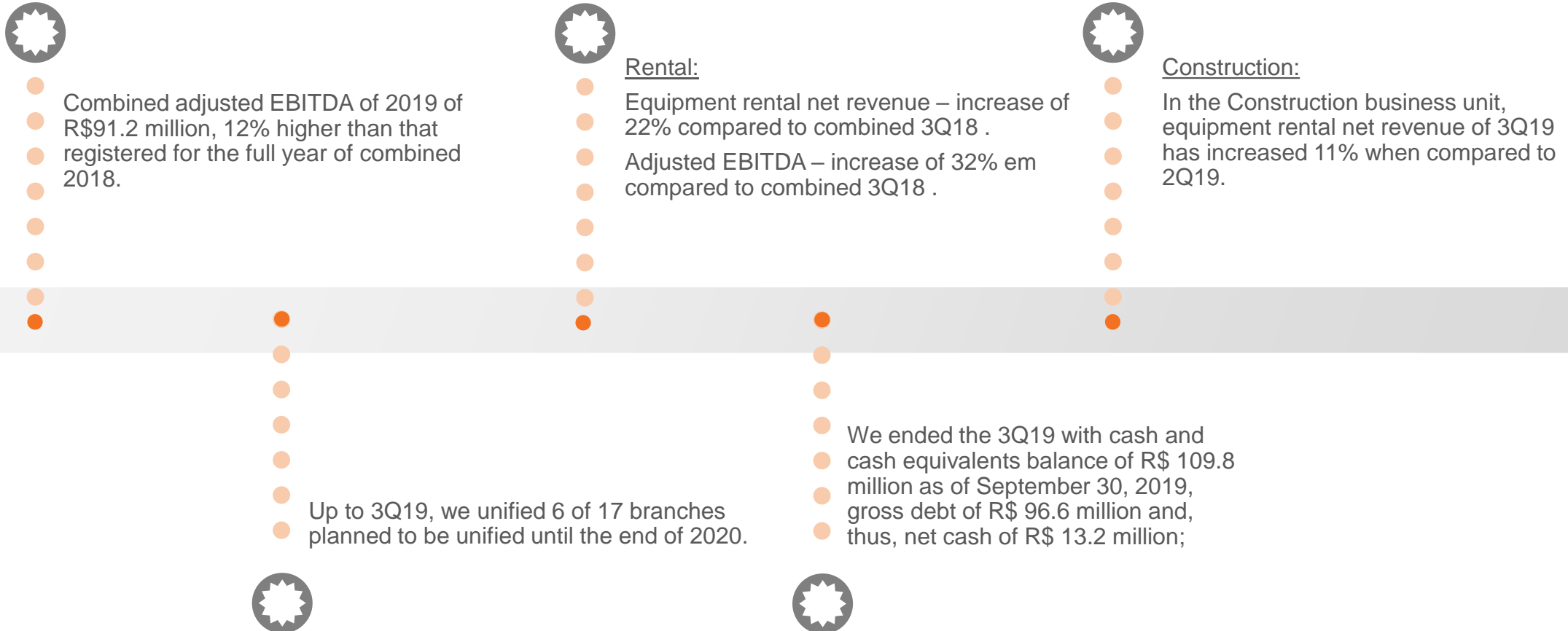
3Q2019 Earnings Presentation



Disclaimer

This presentation may contain statements that present expectations of the Management of Mills Estruturas e Serviços de Engenharia 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.

Introduction – Main Highlights of 3Q19

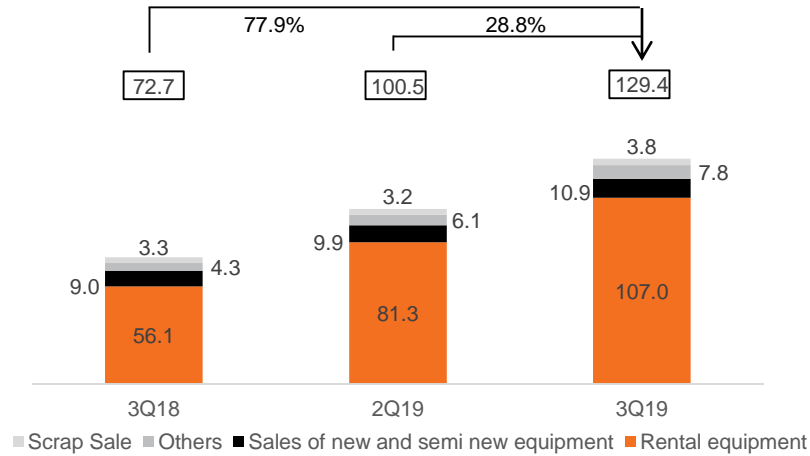


Consolidated – Revenue

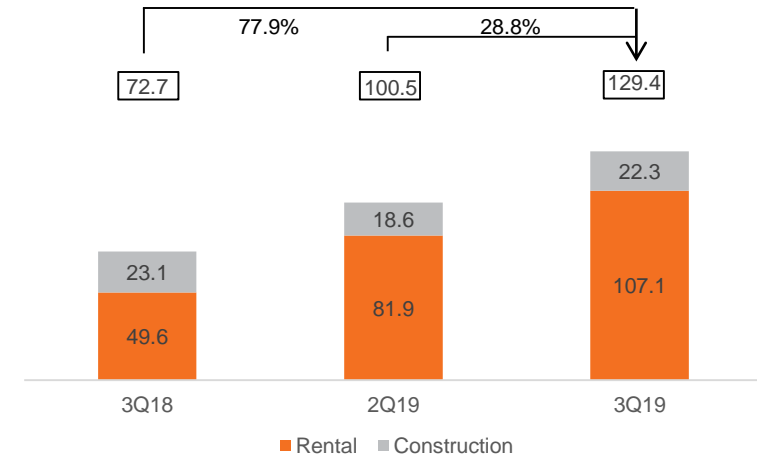
In R\$ million



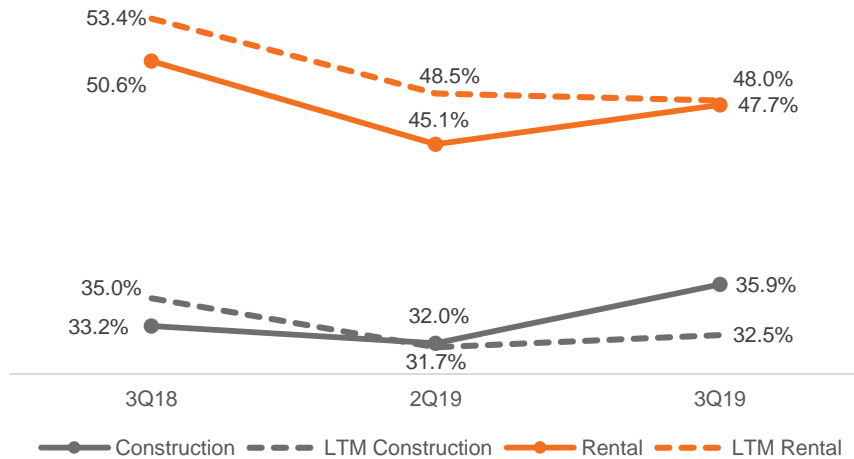
Net Revenue per Type



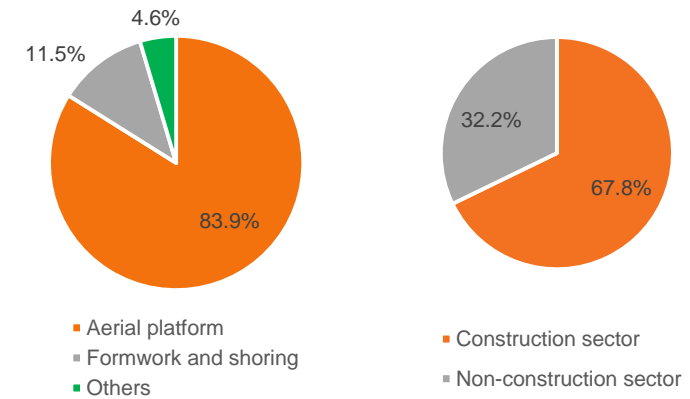
Net Revenue per Segment



Utilization Rate (Volume)



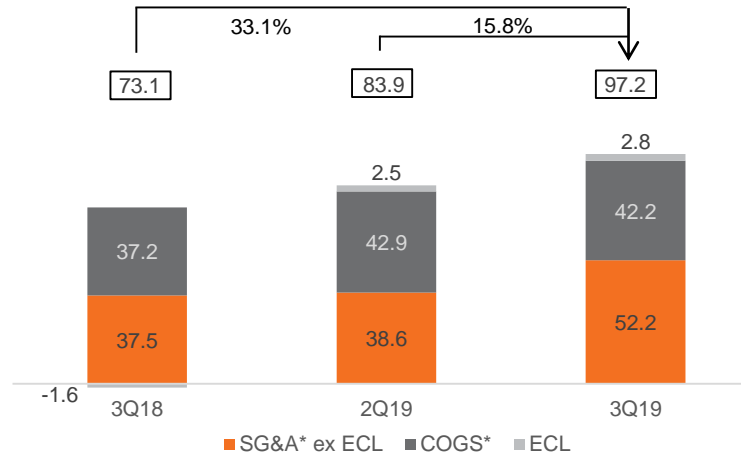
3Q19 Rental Net Revenue



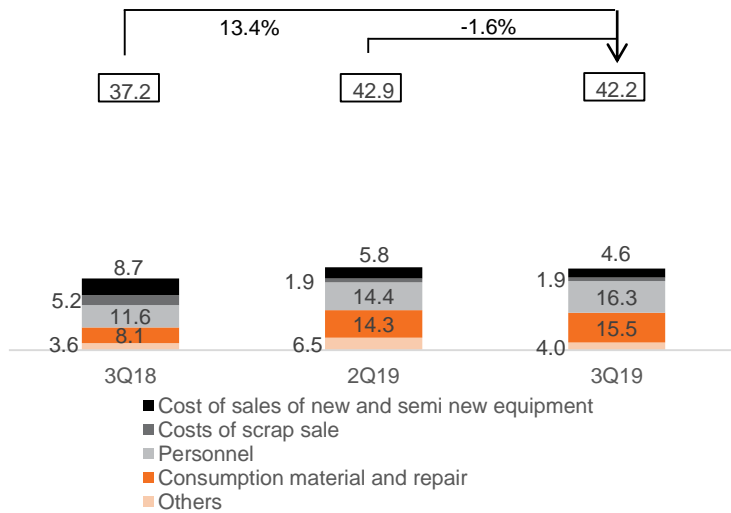
Consolidated – Costs and Expenses*

In R\$ million

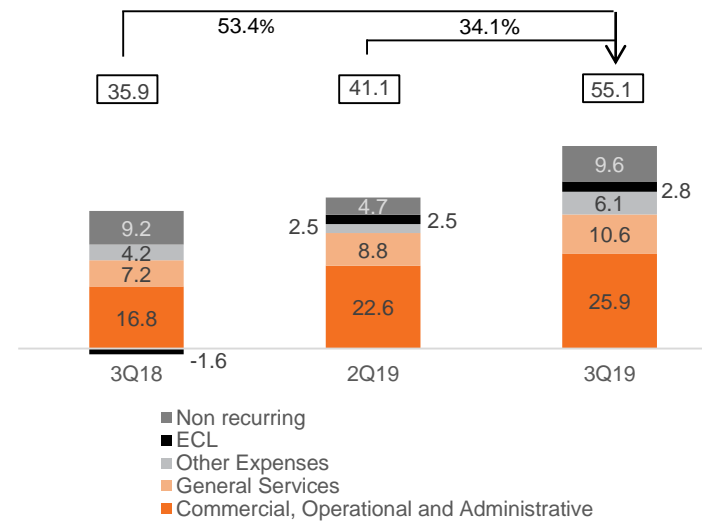
Costs and Expenses



COGS excluding depreciation



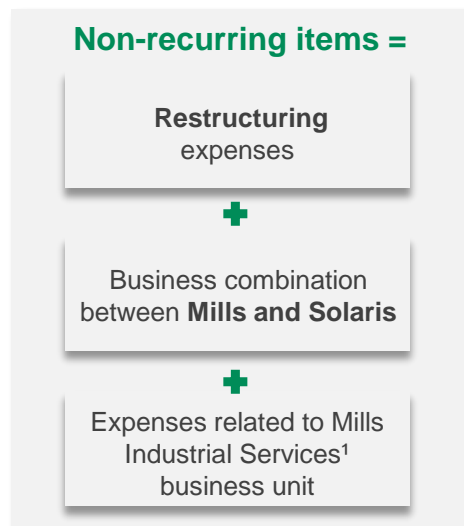
SG&A excluding depreciation



*Excluding IFRS16 effect.

Consolidated – Non-recurring items

In R\$ million



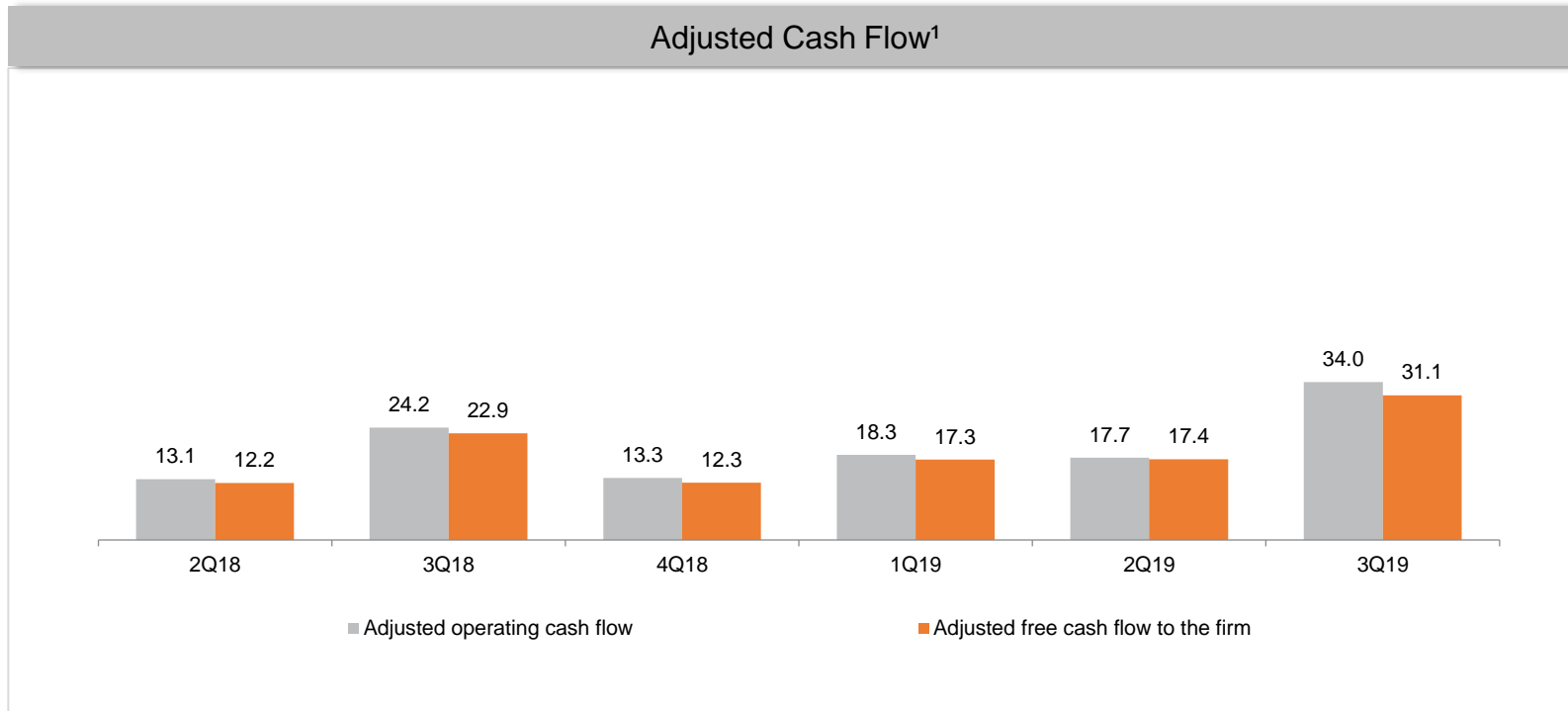
- Expenses with closing and demobilization of branches
- Resizing of equipment focused on the light real estate market (scrap result)
- Organizational changes
- Business combination between Mills and Solaris

Non-recurring items - Breakdown					
IFRS 16 and non-recurring items - in R\$ million	3Q18 (A)	2Q19 (B)	3Q19 (C)	(C)/(A)	(C)/(B)
Total non-recurring expenses	-10.6	-2.8	-5.6	-47.0%	103.9%
Resizing expenses	-10.0	1.8	2.9	57.1%	57.1%
Branches demobilization	-8.5	-0.1	-1.1	-86.8%	794.3%
Result of sale of semi new equipment	4.4	1.2	3.1	-28.9%	162.4%
Cost of sale of semi new equipment	-4.0	-0.4	-1.0	-75.9%	123.1%
Revenue of scrap sale	3.3	3.1	3.8	12.4%	19.5%
Cost of scrap sale	-5.1	-1.9	-1.9	-63.4%	-2.5%
Business combination between Mills and Solaris	0.0	-4.0	-7.9		97.1%
Expenses to capture synergies	0.0	-1.7	-2.7		54.2%
Other incorporation expenses	0.0	-2.3	-5.2		130.0%
Other non-recurring expenses	-0.6	-0.6	-0.7	2.4%	7.4%
Mills SI Expenses	-0.6	-0.6	-0.7	2.4%	7.4%

¹ Sold in 2013.

Consolidated – Adjusted Cash Flow

In R\$ million



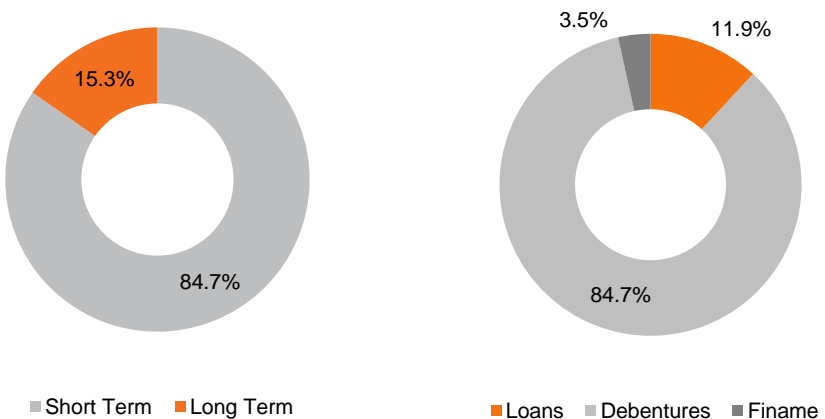
¹ For the adjusted operating cash flow, interest related to debentures and Finame and investment in rental equipment and interest and net monetary and asset variations are excluded. For the free cash flow to the firm, the interest paid and the net monetary and asset variations are excluded.

Consolidated – Indebtedness

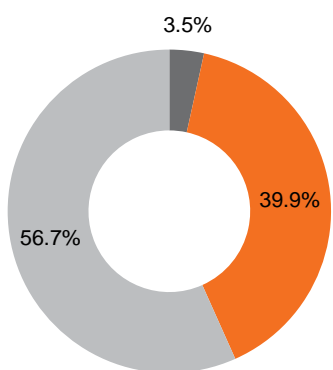
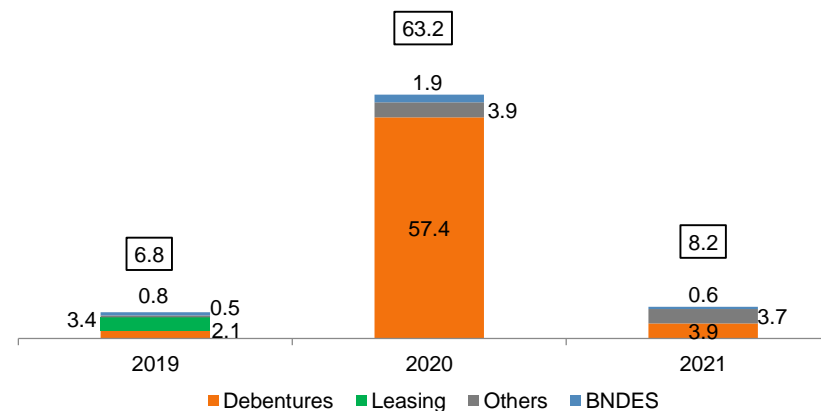
In R\$ million

❖ The weighted average maturity of our debt on September 30, 2019, was of 1.1 year at a cost of CDI+4.43% per year.

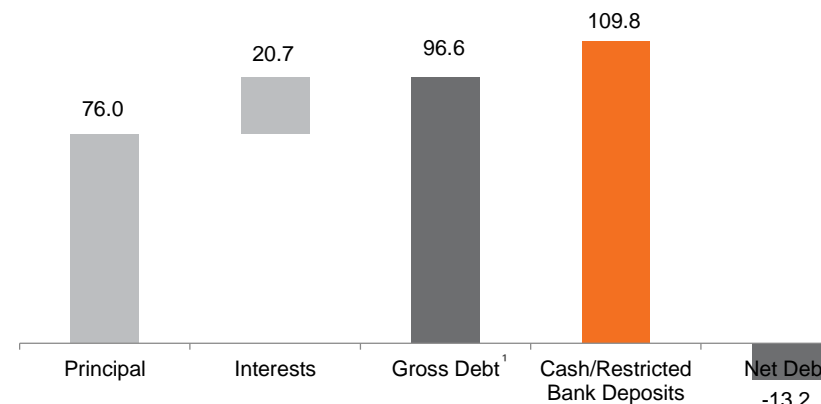
Gross Debt Profile



Debt Payment Schedule



Indebtedness on 09/30/2019

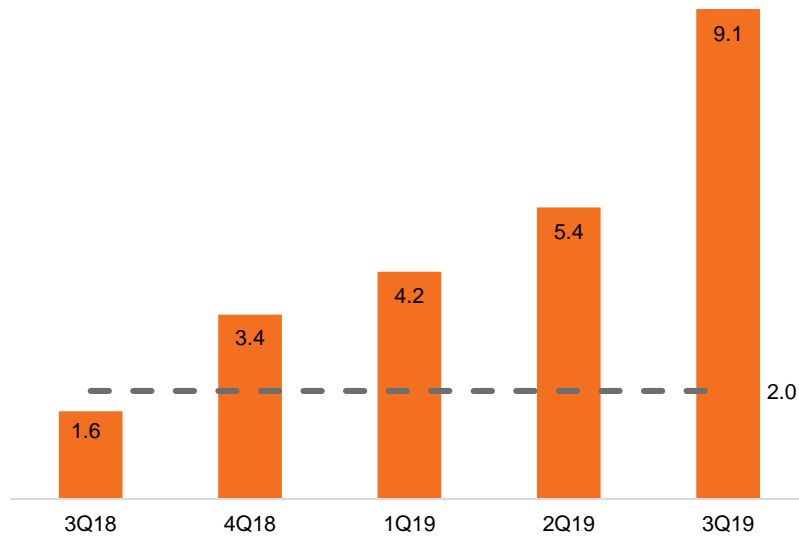


¹Considers accrued interests.

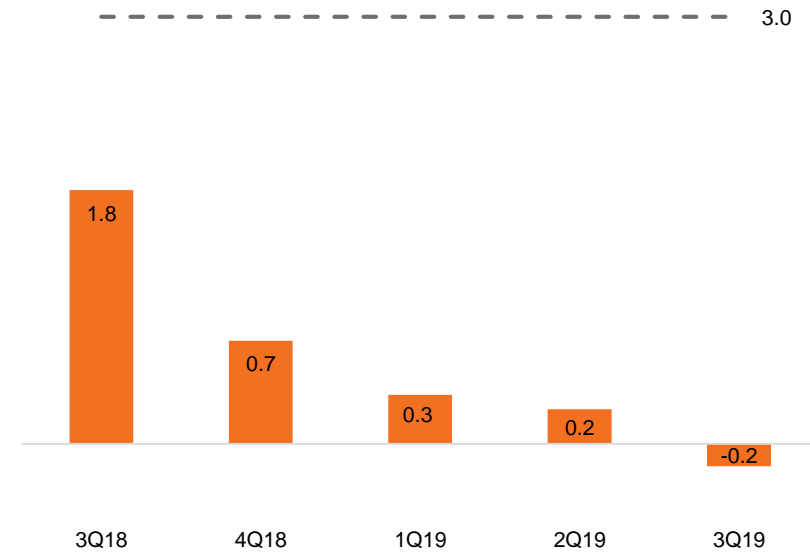
Consolidated – Debt Indicators

In R\$ million

Adjusted LTM EBITDA / Financial Result



Net Debt / Adjusted LTM EBITDA



❖ Covenants of Mills' debentures:

- (1) Adjusted LTM EBITDA/Financial Result ≥ 2.0 ; and
- (2) Net Debt/Adjusted LTM EBITDA ≤ 3.0 .

Consolidated – Financial Summary

In R\$ million



	2016	2017 ²	2018	LTM3Q19	% Part
Net Revenue					
Consolidated	396.6	296.3	304.2	371.4	100.0%
Construction	182.3	115.0	100.6	76.5	33.1%
Rental	214.3	181.3	203.6	294.9	66.9%
EBITDA					
EBITDA	40.9	-37.3	0.3	78.1	100.0%
Construction	-15.9	-69.5	-53.6	-11.5	-14.7%
Rental	59.8	31.9	60.0	95.8	122.7%
Others	-3.1	0.4	-6.0	-6.2	-8.0%
EBITDA Margin					
Consolidated	10.3%	-12.6%	0.1%	21.0%	
Construction	-8.7%	-60.5%	-53.3%	-15.0%	
Rental	27.9%	17.6%	29.4%	32.5%	
Gross Capex (accrual basis)					
Consolidated	5.5	29.5	4.6	6.4	100.0%
Leasing - Construction	1.8	8.0	0.4	0.2	2.6%
Leasing - Rental	0.1	9.5	1.3	1.7	26.8%
Own Use and intangible assets	3.6	12.0	2.9	4.5	70.6%
Utilization rate (volume)					
Construction	41.5%	37.5%	33.2%	32.5%	
Rental	55.1%	55.8%	51.7%	48.0%	
Cash Flow¹					
Adjusted Operational Cash Flow	157.0	50.2	63.3	81.2	
Adjusted Free Cash Flow to the Firm	172.7	49.2	59.8	77.0	

¹For the adjusted operating cash flow, interest related to debentures and finance and investment in rental equipment and interest and monetary exchange gains and losses, net are excluded. For the free cash flow to the firm the interest paid interest and monetary exchange gains and losses, net are excluded.

²Rohr impairment of R\$6.0 million in 2017 is not considered.

Combined* – Financial Summary

In R\$ million



Combined Mills Solaris* in R\$ million	3Q18 (A)	2Q19 (B)	3Q19 (C)	(C)/(A)	(C)/(B)
Total Net Revenue	113.9	114.7	129.4	13.7%	12.8%
Rental	90.5	93.6	107.0	18.3%	14.3%
Others	15.7	16.8	15.5	-0.9%	-7.5%
Non-recurring	7.7	4.3	6.9	-11.0%	58.6%
COGS (ex. depreciation and IFRS16)	-51.2	-48.1	-42.2	-17.6%	-12.4%
Rental costs (personnel, warehouse, etc.)	-34.0	-38.9	-35.7	5.0%	-8.3%
Others	-8.0	-6.8	-3.6	-55.0%	-47.6%
Non-recurring items	-9.2	-2.4	-2.9	-68.9%	20.6%
SG&A (ex. depreciation, IFRS16 and ECL)	-49.7	-43.5	-52.5	5.6%	20.6%
Commercial, Operational and Administrative	-26.4	-25.2	-25.9	-2.1%	2.4%
General Services	-9.9	-9.9	-10.6	6.8%	6.6%
Other expenses	-4.2	-2.6	-6.1	47.5%	134.0%
Non-recurring items	-9.2	-5.7	-9.6	5.2%	69.4%
ECL	2.3	-3.6	-2.8	-222.1%	-20.7%
Non-recurring items	-10.6	-3.7	-5.6	-47.0%	51.0%
Depreciation	-38.1	-38.7	-47.9	25.9%	23.8%
Adjusted EBITDA	26.0	23.2	37.8	45.4%	62.6%
Adjusted EBITDA margin (%)	24.5%	21.1%	30.9%		
Loss for the year	-58.7	-15.5	-19.4	-66.7%	26.7%
Final Balance	139.6	149.3	109.9	-21.3%	-26.4%

* "Combined" information refer to the sum of the result of Mills and Solaris for the specified period.

Combined* – Financial Summary

In R\$ million



Combined Rental business unit*	3Q18	2Q19	3Q19	(C)/(A)	(C)/(B)
	(A)	(B)	(C)		
Total Net Revenue	90.8	96.2	107.3	18.2%	11.6%
Rental	77.8	82.6	94.9	22.1%	15.0%
Others	13.0	13.6	12.4	-4.9%	-9.0%
COGS (ex. depreciation and IFRS16)	-33.2	-37.8	-31.4	-5.4%	-17.0%
Rental costs (personnel, warehouse, etc.)	-27.4	-31.9	-27.9	1.8%	-12.5%
Others	-5.8	-5.9	-3.5	-39.7%	-41.0%
SG&A (ex. depreciation, IFRS16 and ECL)	-28.0	-32.5	-41.0	46.4%	26.2%
Commercial, Operational and Administrative	-19.1	-18.8	-20.6	7.7%	9.7%
General Services	-6.7	-7.2	-7.7	14.6%	7.5%
Other expenses	-2.1	-1.5	-4.8	126.8%	211.8%
Non-recurring items	0.0	-5.0	-7.9		58.6%
ECL	3.0	-3.6	0.1	-98.2%	-101.5%
Non-recurring	0.0	-5.0	-7.9		58.6%
Depreciation	-38.1	-38.7	-47.9	25.9%	23.8%
EBITDA ex. non-recurring items	32.6	27.3	42.9	31.5%	57.1%
Adjusted EBITDA margin (%)	35.9%	28.4%	40.0%		
Loss for the year	-27.7	-3.7	-3.4	-87.6%	-6.6%

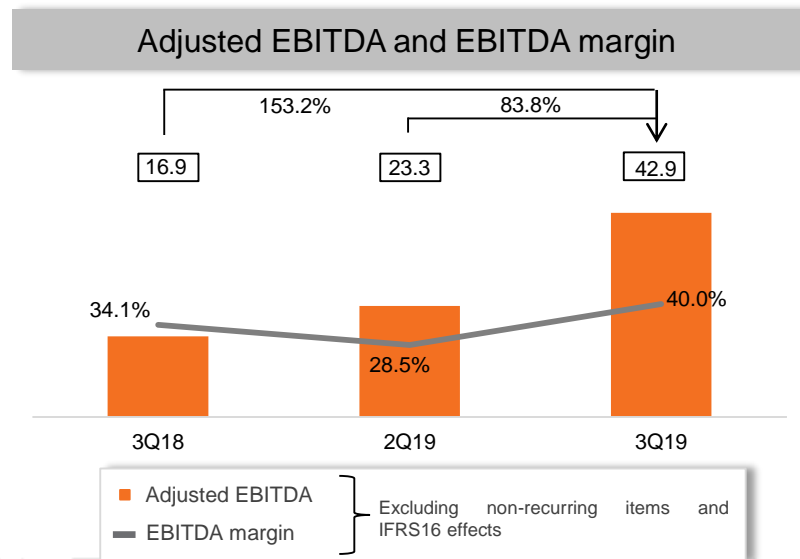
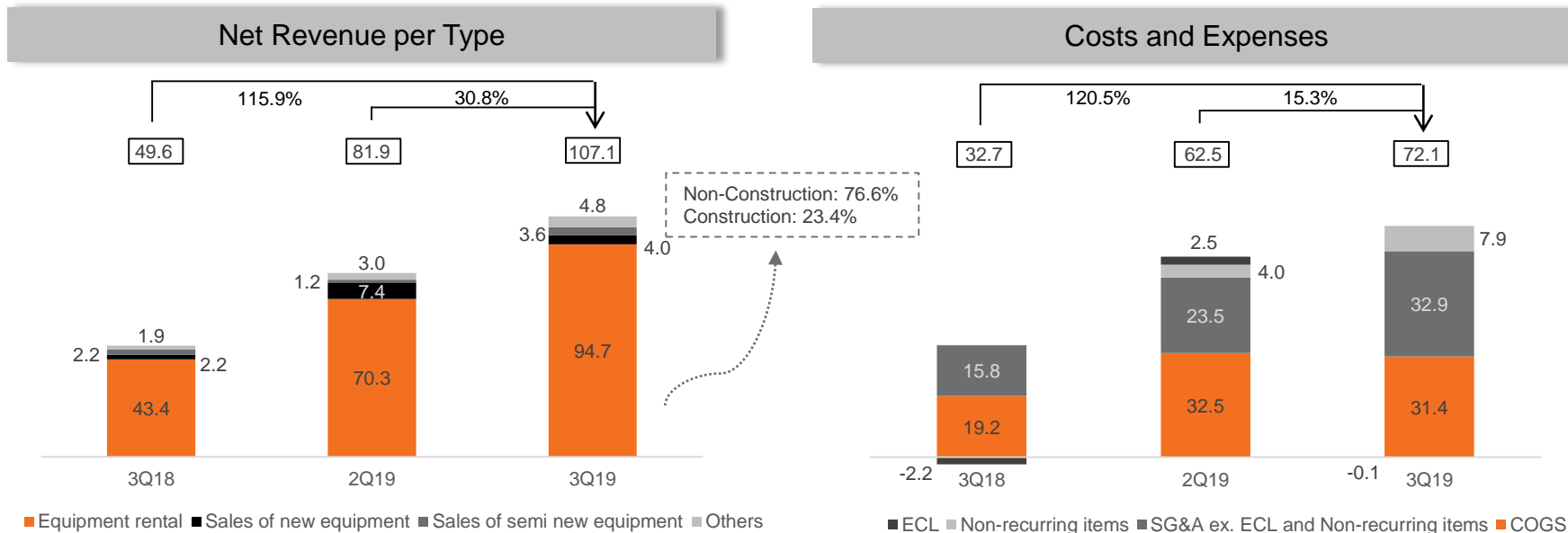
* "Combined" information refer to the sum of the result of Mills and Solaris for the specified period.



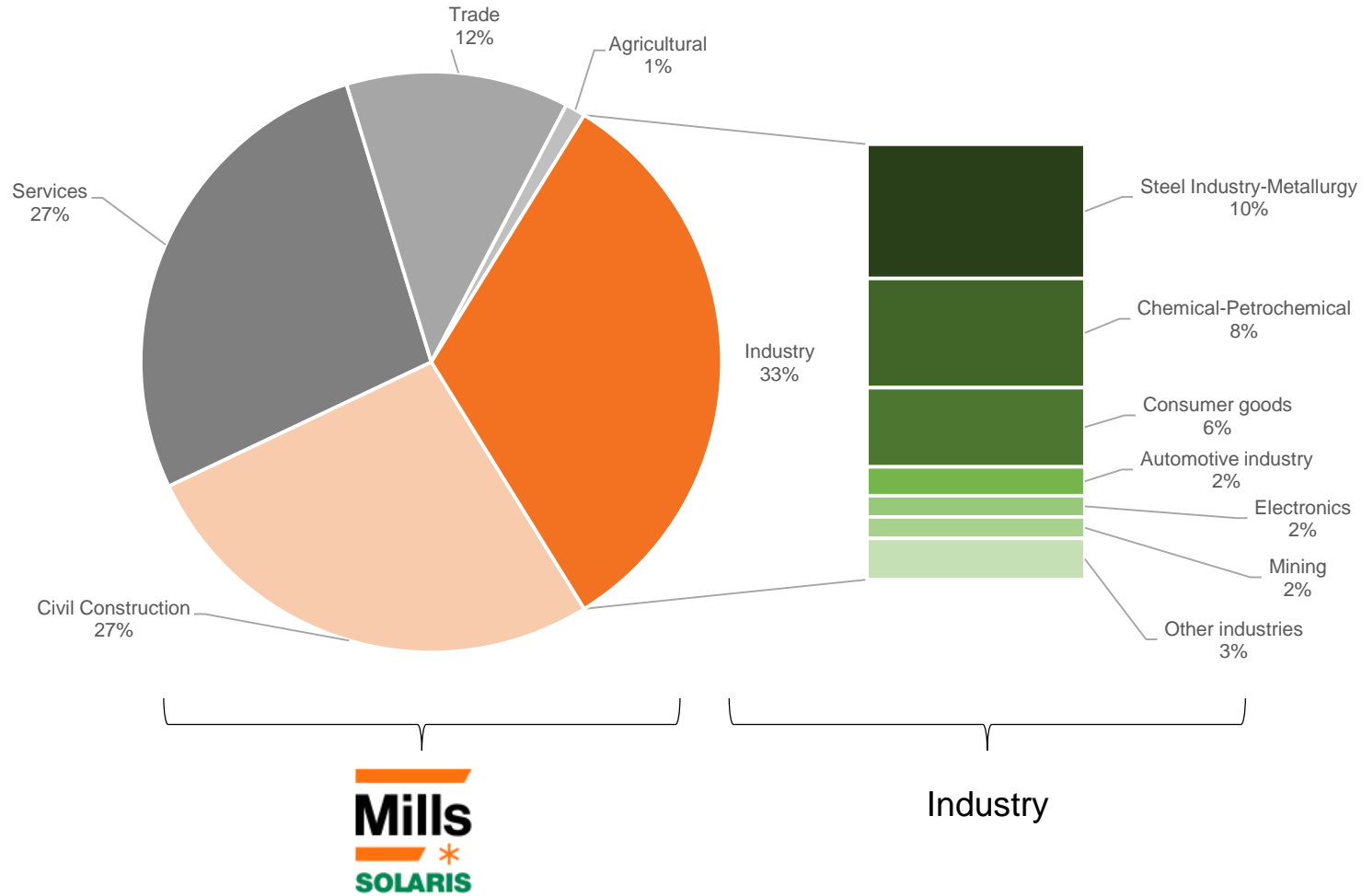
RENTAL

Rental – Consolidated Financial Performance

In R\$ million
(Consolidated)



Mills Solaris has a diverse client base

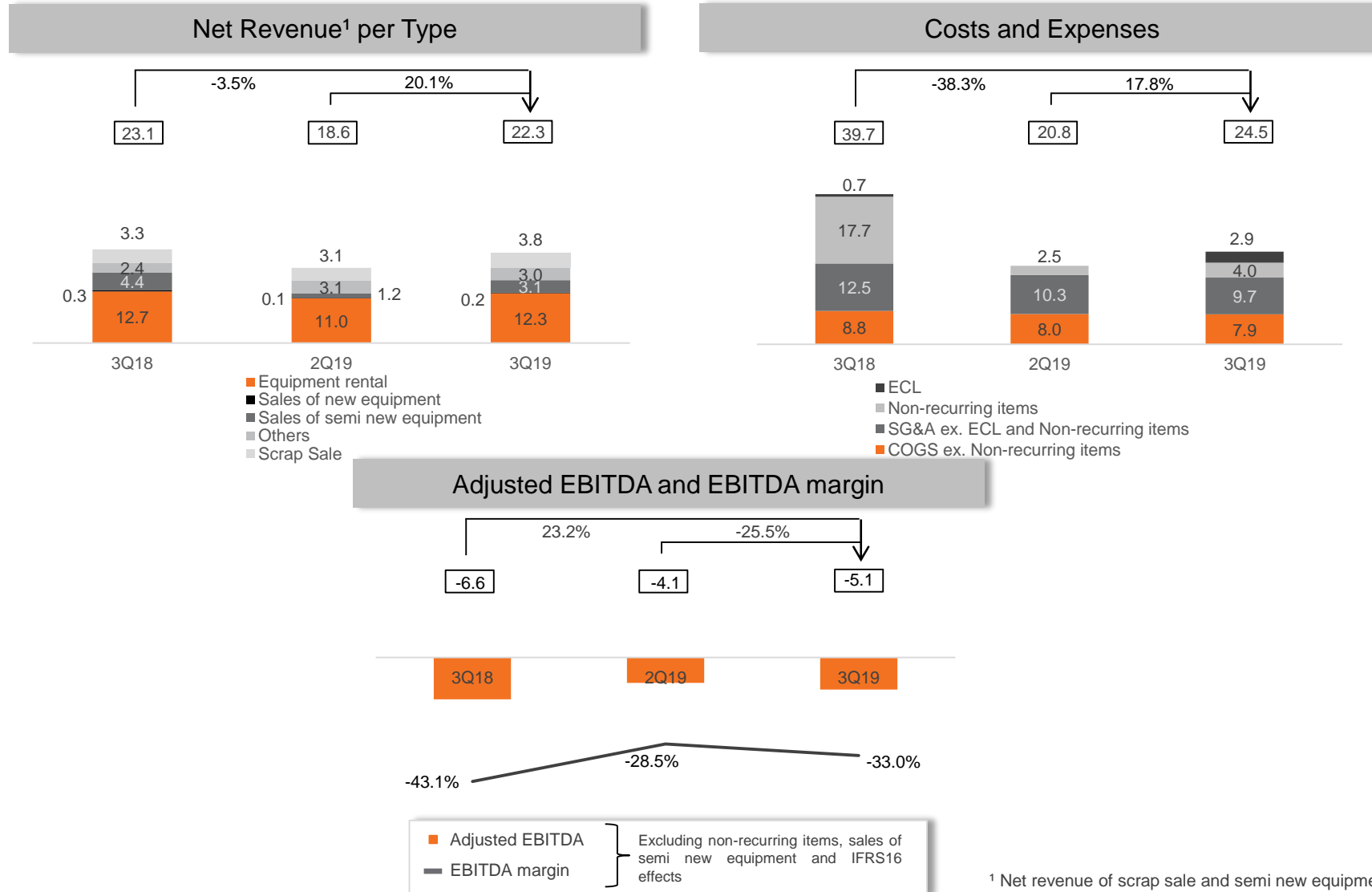




CONSTRUCTION

Construction – Financial Performance

In R\$ million

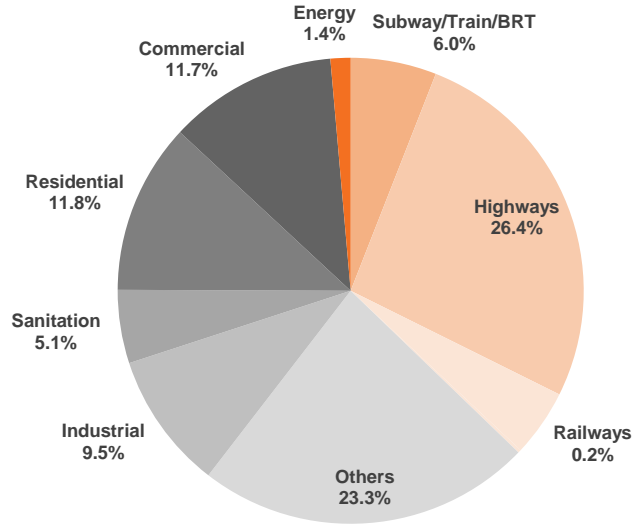


¹ Net revenue of scrap sale and semi new equipment, related to the capacity adjust of Construction business unit, is considered non-recurring item.

Construction – 3Q19 Rental Net Revenue Breakdown

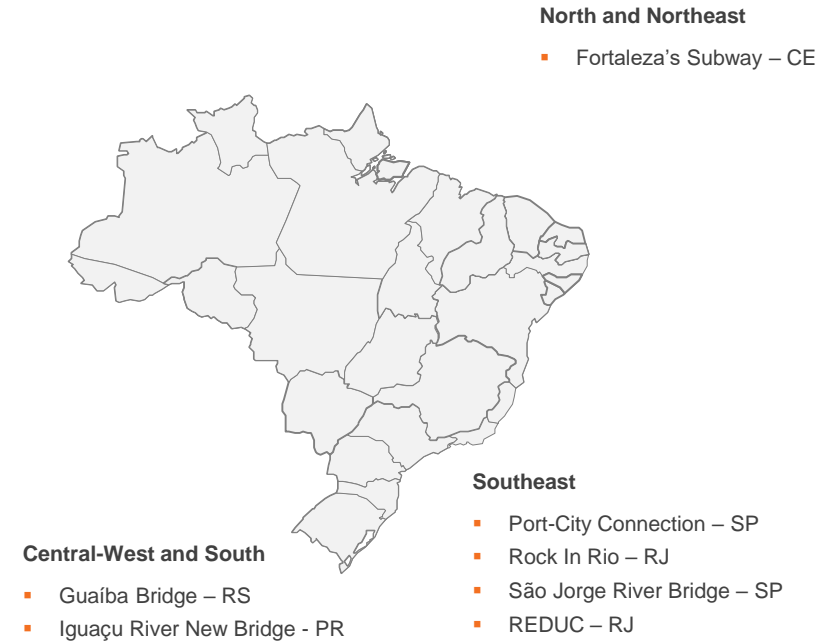
In R\$ million

Per sector R\$ 12.3 milhões



37.4% in public works, resources coming from government.
 51.7% in private works, resources coming from private sector.
 10.9% in PPP works (public partnership, private), resources coming from government and from the private sector.

Main Works with Mills participation



□ Mills has national presence.



Mills – Investor Relations

Phone: +55 (21) 3924-8768

E-mail: ri@mills.com.br

ir.mills.com.br