

mills

# 4Q 2022 & 2022

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.



# Highlights

## 4Q22 and 2022

Total consolidated **Gross revenue: R\$ 375.6 million in 4Q22 (+50,4% compared to 4Q21) and R\$ 1,264 million in 2022 (+49.9% compared to 2021)**

**ROIC of 24.0% in Rental and 23.3% Consolidated(4Q22LTM)**

### Adjusted EBITDA<sup>1</sup>

Consolidated of **R\$ 146** million in 4Q22 with a margin of **45%** and **R\$ 512** million in 2022 with a margin of **47%**

### Net profit

Consolidated of **R\$ 48** million in 4Q22, with a margin of **15%** and Consolidated Net Profit of **R\$ 216** million in 2022, with a margin of **20%**.

### 7<sup>a</sup> Debenture Issued

**7<sup>a</sup> simple debentures issued** in the amount of **R\$ 430** million, raised for investment and for liability management

### Leverage

Net Debt/ Adjusted Ebitda<sup>1</sup> LTM 4Q22 = **0,2x**

### Branches Opening

We reached the mark of **55** branches opened in the end of 2022, which reinforces our leadership in the rental sector

### Investments

Investments amounted to **R\$ 246** million in 4Q22 (29% higher than 4Q21)  
In 2022, were invested **R\$ 600** million (R\$ 354 million higher than 2021)

### Dividends e IOC

In 2022, the total amount destined to the payment of dividends and IOC was **R\$ 51,4** million (25% payout and 2,5% dividend yield<sup>3</sup> )

### ESG

3<sup>a</sup> edition of Partilhar Program  
Joined GPTW Index  
First hybrid lifting platforms in our fleet

<sup>1</sup>Excluding non-recurring items. Non audited

<sup>3</sup>Amount calculated based on the average market cap in 2022 of R\$ 2,089 billion.



mills

# Results

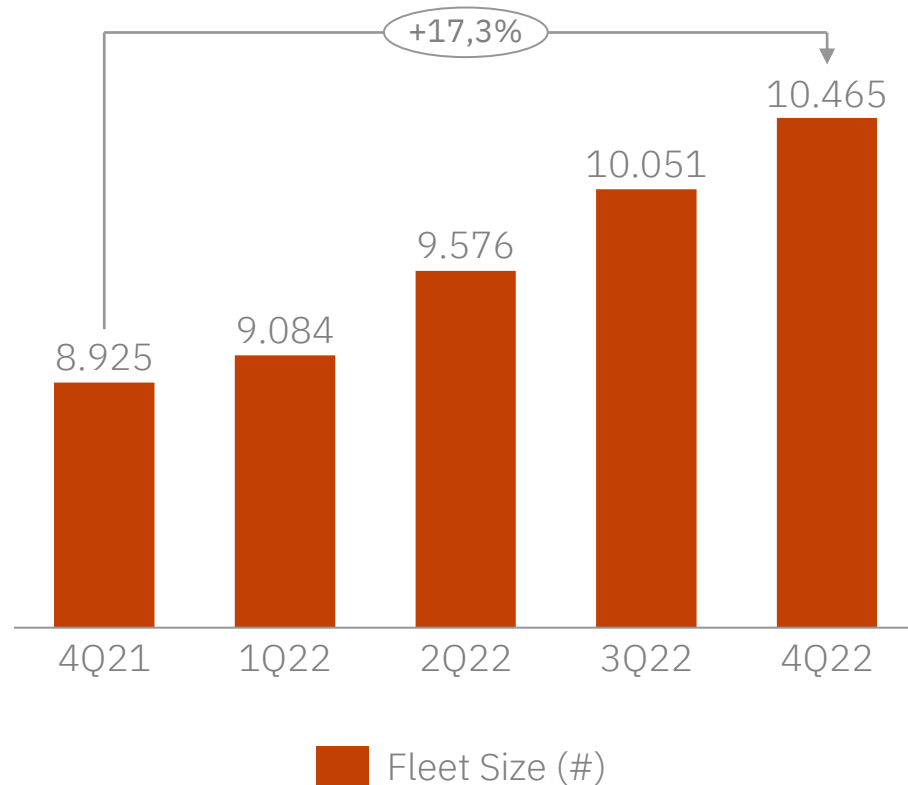
Rental (Light and Heavy)



# Rental (Light and Heavy equipment) Operational



Total Fleet (#)\*



## Continuous Growth

In 4Q22 our fleet has a **replacement value** equivalent to **R\$ 3,3 billion**.

The company **added 661 machines** to its fleet in 4Q22, ending the year with 10.465 equipment. In the year, we acquired 1.223 machines, increasing 17% our total fleet. This amount includes the equipment acquired through M&A operations and organic growth with new machines.

In 2022, we were able to conclude 92% of Fênix Project, amounting to 391 recovered machines this year.

A total of 700 machines were recovered.

## 4Q22 & 2022

\*Including Lifting Platforms, Yellow Line, Air compressor, Generators and Light Towers

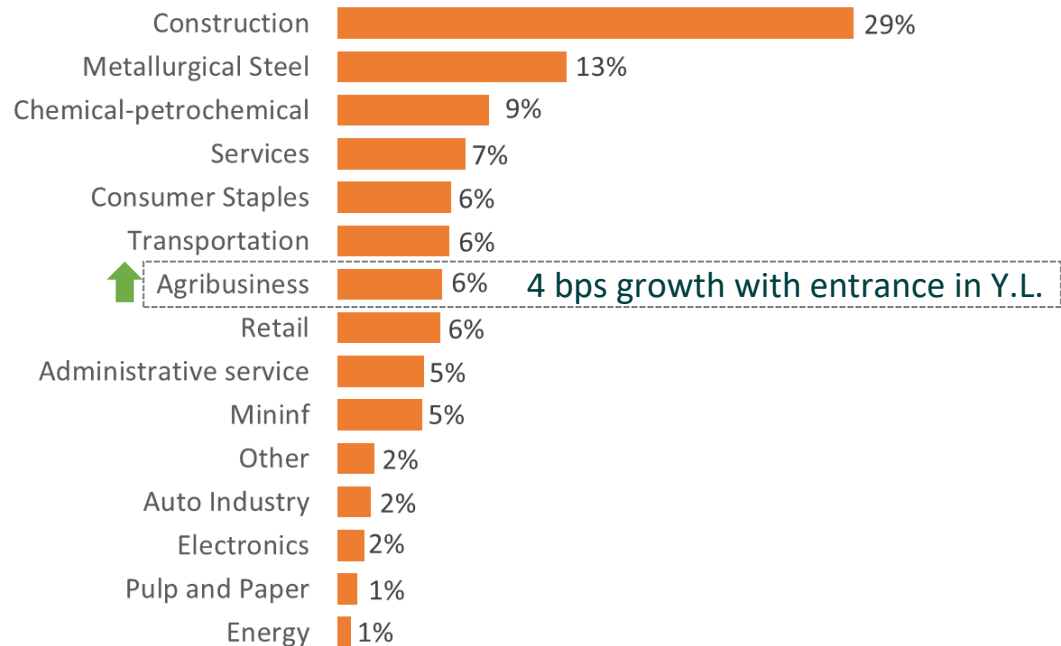
# Rental (Light and Heavy equipment)

## Operational

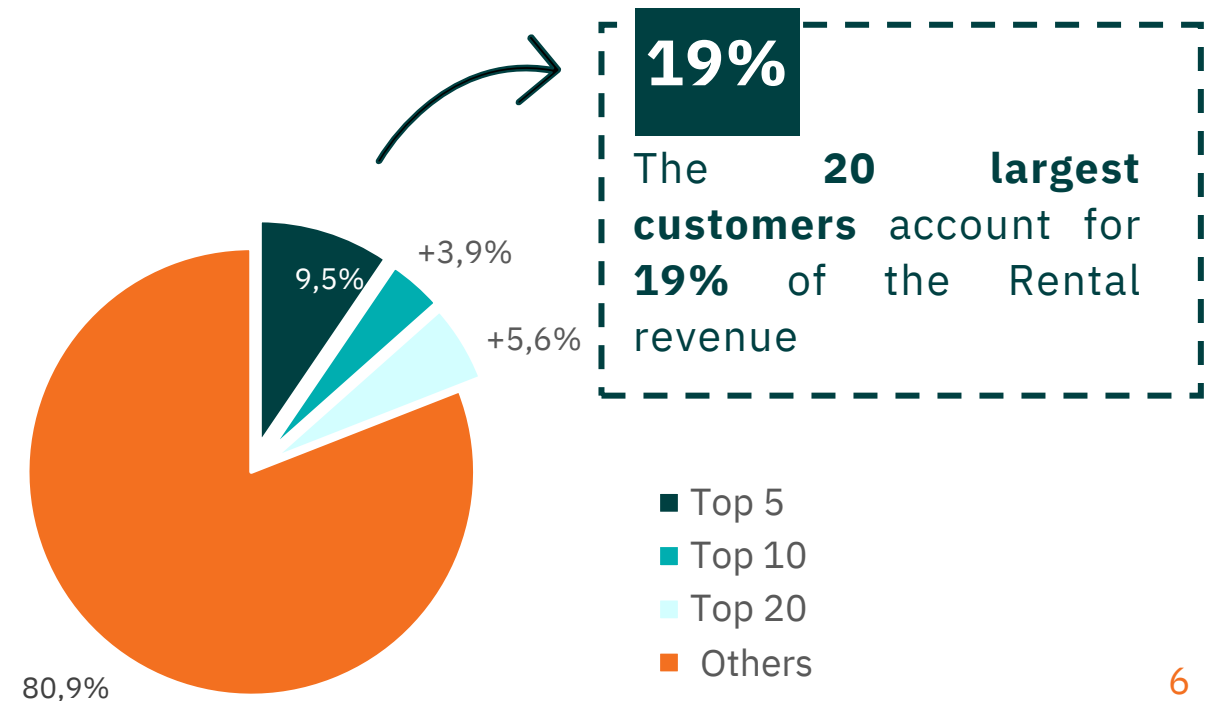
### Clients

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

### Sectors



### Customer base diversification



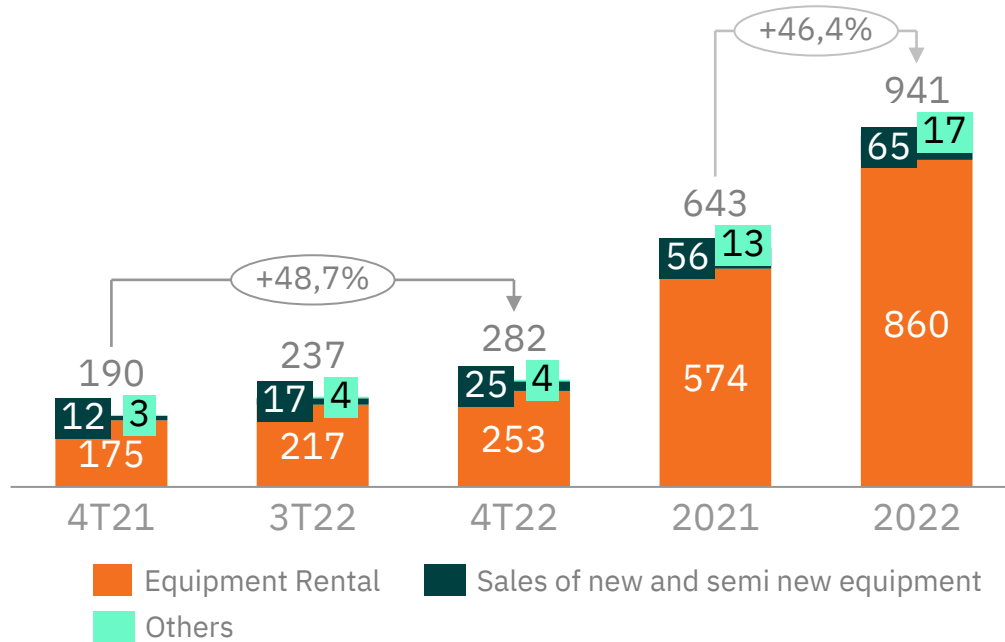
# Rental (Light and Heavy equipment)



## Financial

### Net revenue (by type)

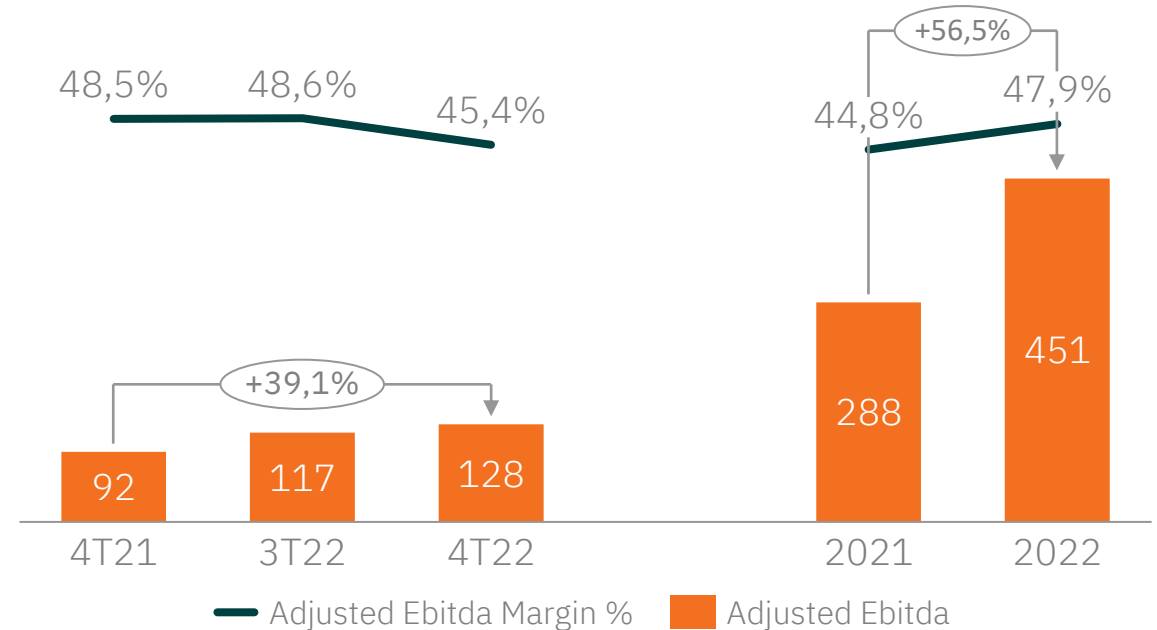
R\$ million



Strong annual growth compared to 2021, due to the increase of fleet, utilization rate and practiced prices in MEWPs and YL.

### Adjusted EBITDA<sup>1</sup>

R\$ million



Annual growth of **57%** and **39%** in the quarter mainly due to revenue increase.

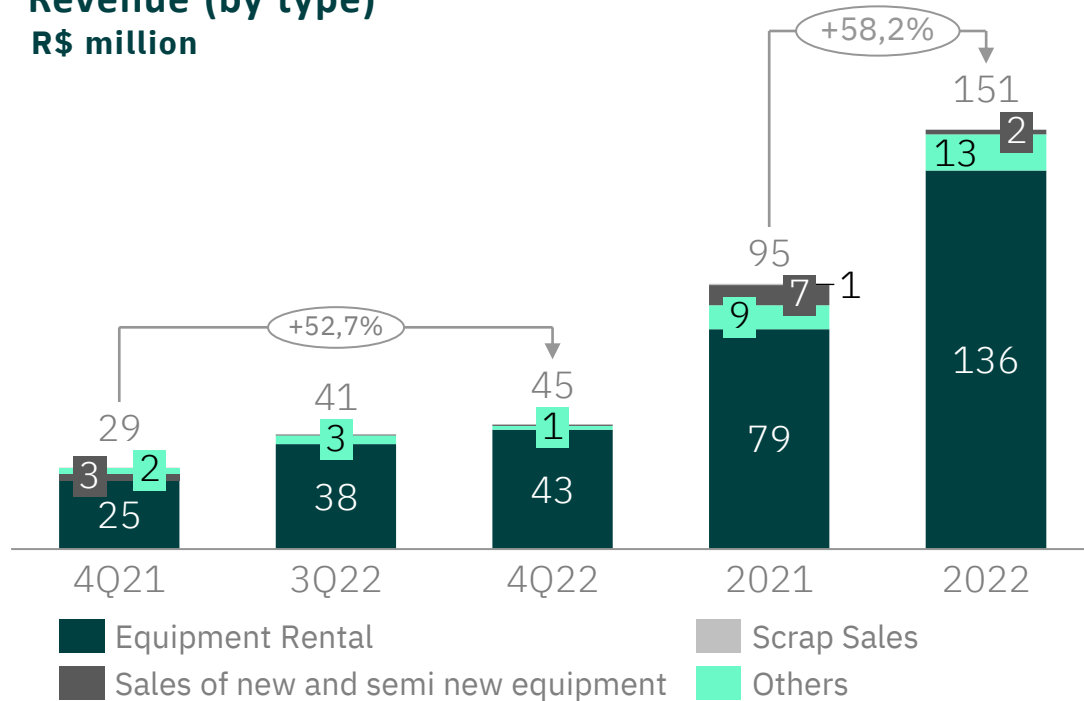
# Results

Formwork & Shoring

# Formwork & Shoring

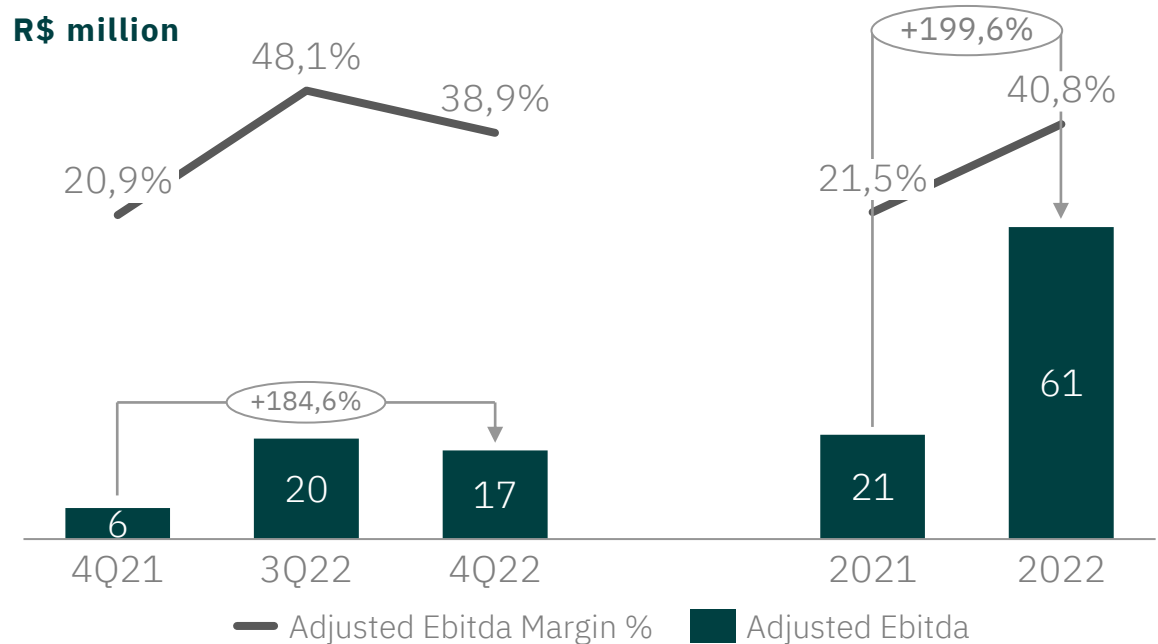
## Financial

### Revenue (by type) R\$ million



Net revenue grew compared to 4Q21, due to higher rental revenue, which increased 74,1% in the period. Both the increase in the quarterly comparison and the accumulated are mainly due to the price increase and higher utilization rate.

### Adjusted EBITDA<sup>1</sup> R\$ million



Value 1,8x higher than 4Q21 and 2,0x higher in the annual comparison, with adjusted EBITDA margin higher by 18.0 p.p in the quarterly comparison and 19.3 p.p in the accumulated comparison.



# RESULTS CONSOLIDATED

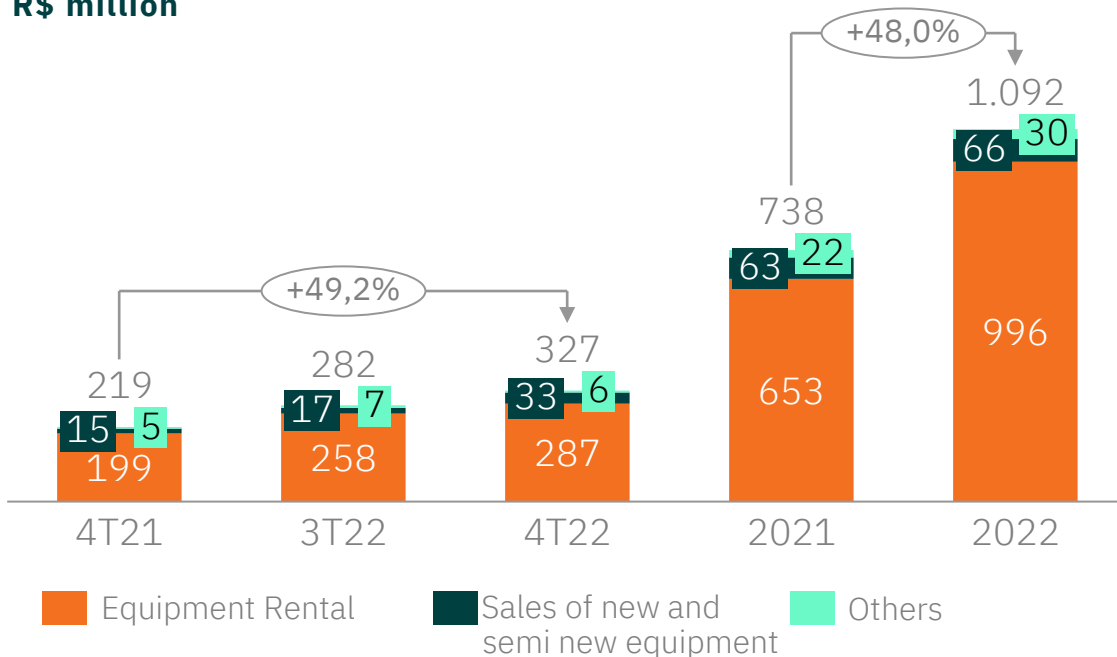


# Consolidated - Financial



## New Mills grows fast and profitable

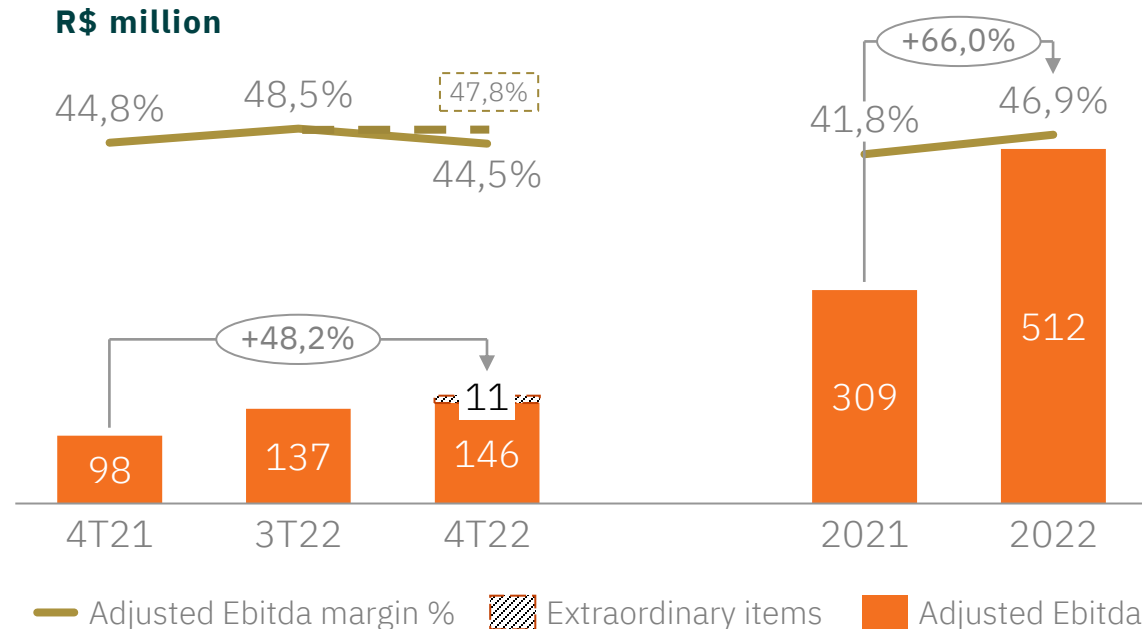
Revenue (by type)  
R\$ million



**49,2%** above in the comparison with 4Q21 and **48,0%** above in the accumulated comparison, reflecting the growth of the Company and demand.

4Q22 & 2022 <sup>1</sup>Excluding non-recurring items. Unaudited information

Adjusted EBITDA<sup>1</sup>  
R\$ million



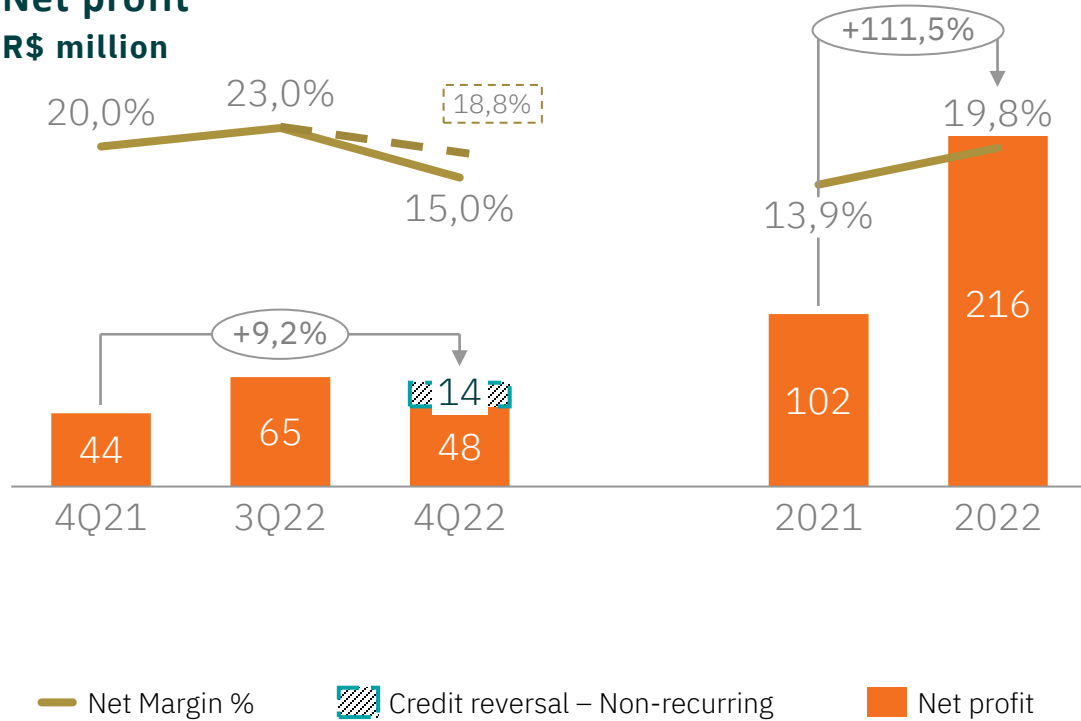
Increase of **48,2%** compared to the same period of the previous year and **66,0%** in the accumulated comparison – consistent growth.

# Consolidated - Financial

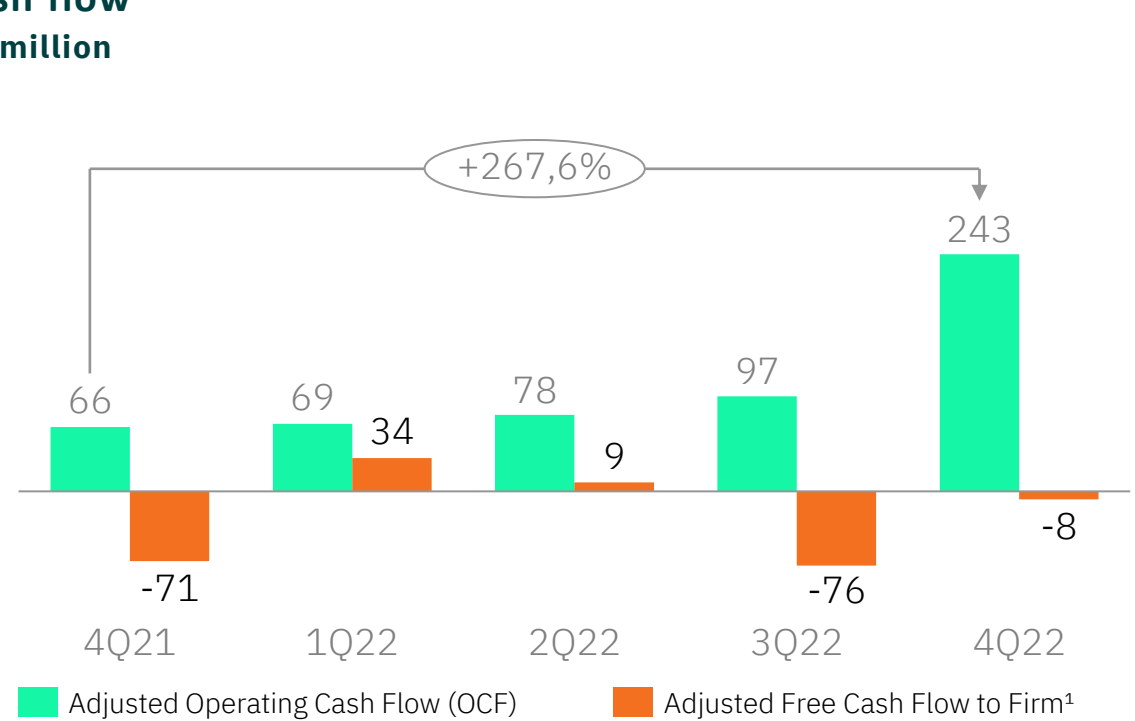


## Efficient operation and expressive margins impulse cash generation

**Net profit**  
R\$ million



**Cash flow**  
R\$ million



Net profit 112% higher than registered in 2021. In 4Q22 there was a non-recurring effect of a tax credit reversal of R\$ 14 million, without impact this year.

Strong growth in 4Q22 resulting from acquisition of new light and heavy rental equipment.

<sup>1</sup> For the Free Cash Flow to Firm, interest paid, investment in lease, interest and net inflation adjustments in assets and liabilities, cash flow from investing activities and purchases of leased goods are not included.

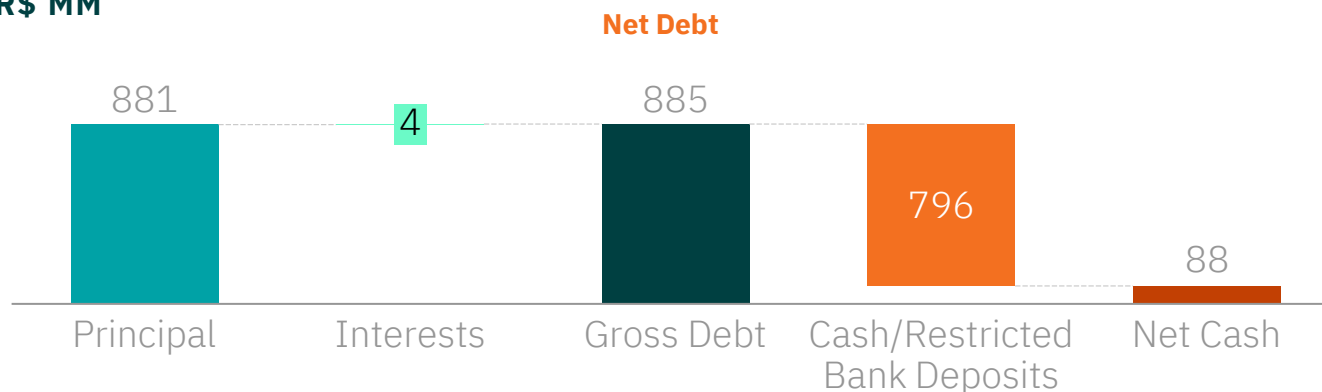
# Debt



Strong balance sheet, with low indebtedness enhances our growth opportunities

31/12/2022

R\$ MM



## Indebtedness

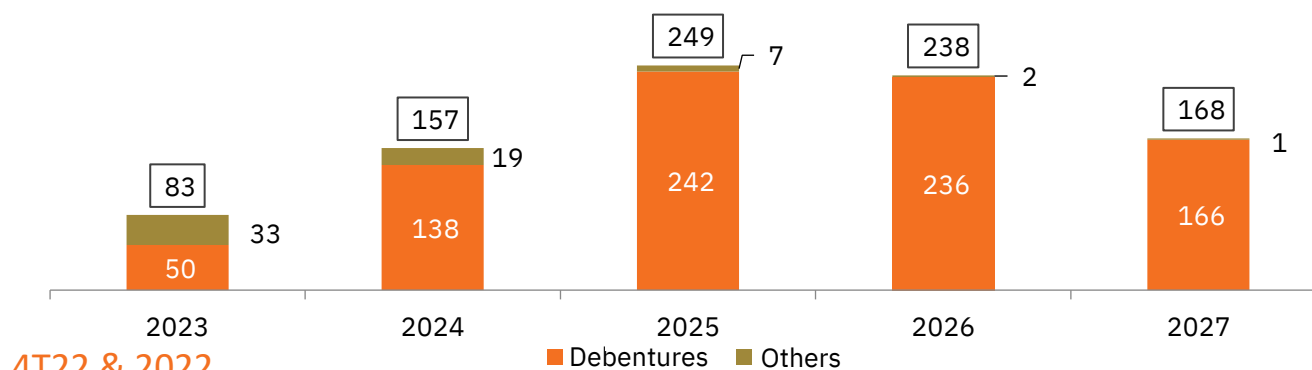
- Debentures: Issue of R\$ 430 million in December at the cost of CDI + 2.05% with payment term up to 2027
- Moody's credit rating **'A+.br'** (maintained brAA- by S&P and A(bra) by Fitch)

## Leverage

- Net Debt/Adjusted EBITDA LTM = 0,2x
- ST Debt / Adjusted EBITDA LTM = -1,3x

R\$ MM

## Amortization Schedule

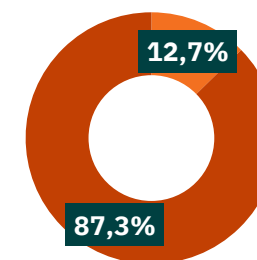


4T22 & 2022

<sup>1</sup>Interest as accrued for the period. SELIC rate 31/12/2022: 13,75%

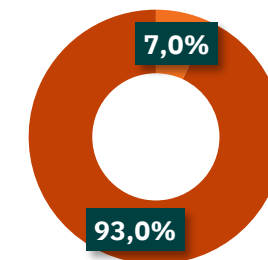
## Average Term

3,1 years



## Average Cost

CDI + 2,23% a.a.



■ Short Term ■ Long Term ■ Loans ■ Debentures



# 2023: beyond the macroeconomic scenario

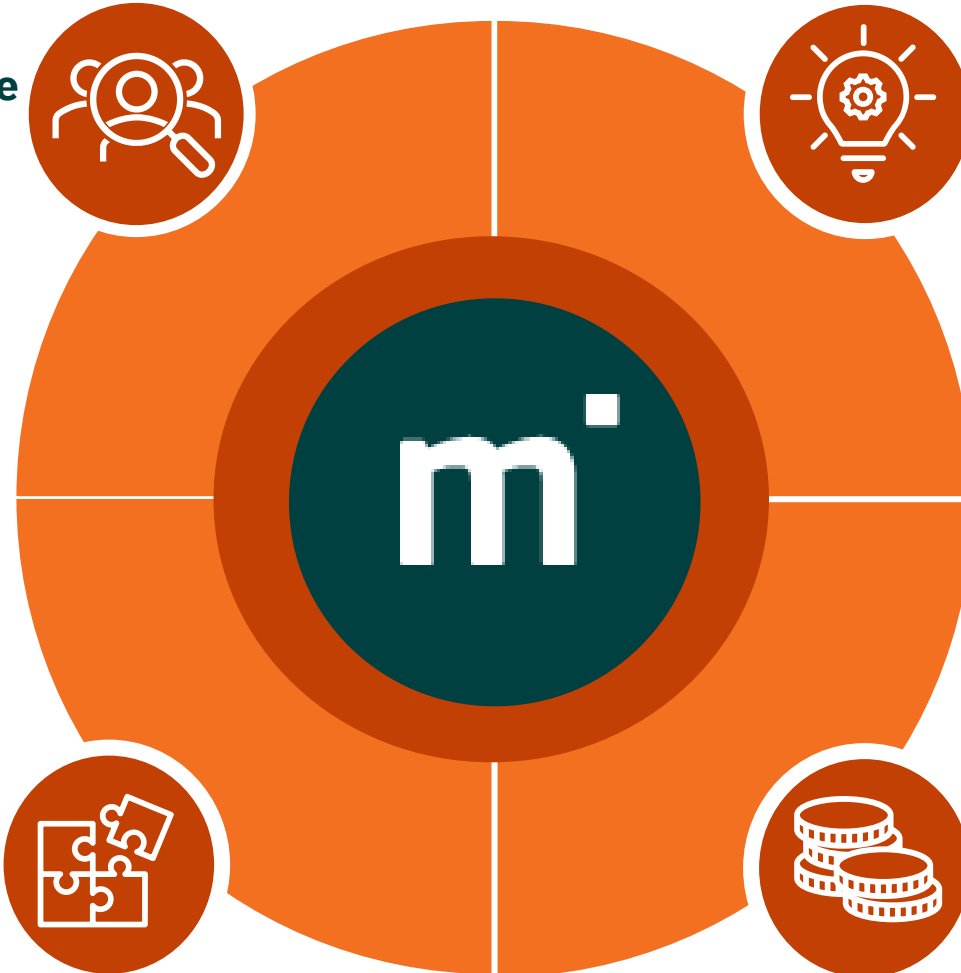
## Mills has major projects and ambitions, without losing sight of its purpose

### Focus on the customer: unique products and services

- Quality that guarantees equipment productivity and uptime, with premium suppliers;
- Our portfolio is comprehensive, with entry into new product lines;
- The customer is always at the center of decisions.

### Competitive advantages and diversified revenue

- Absolute MEWP leader in Latin America, operating in more than 1,400 cities;
- Increased revenue diversification and long-term contracts after entering in Yellow Line sector.



### Operational efficiency and digital transformation

- Investments in technology and innovation;
- A closer look at the digital journey of enchantment;
- Standardization and optimization of processes to ensure greater efficiency and cost reduction.

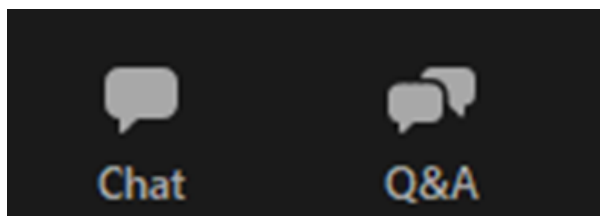
### Solid balance and responsible capital allocation

- Low level of indebtedness and strong cash generation;
- Optimization of allocation and capital structure;
- Focus on ramping up the business without compromising leverage.

# 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 questions:





# APPENDIX



# Appendix I

## Income Statement

in R\$ million	4T21	3T22	4T22	2021	2022	4T22/4T21	4T22/3T22	2022/2021
<b>Gross Revenue</b>	<b>249,9</b>	<b>324,6</b>	<b>375,6</b>	<b>843,4</b>	<b>1.264,3</b>	<b>50,3%</b>	<b>15,7%</b>	<b>49,9%</b>
Net revenue from sales and services	219,2	282,3	327,1	738,1	1.092,1	49,2%	15,9%	48,0%
Cost of products sold and services rendered	-85,4	-113,9	-101,8	-335,1	-397,0	19,1%	-10,6%	18,5%
<b>Gross Profit</b>	<b>133,7</b>	<b>168,4</b>	<b>225,3</b>	<b>403,0</b>	<b>695,1</b>	<b>68,4%</b>	<b>33,8%</b>	<b>72,5%</b>
Selling, general and administrative expenses	-71,6	-85,0	-117,3	-246,5	-355,7	63,9%	38,0%	44,3%
ECL	-6,7	-4,9	-7,0	-12,7	-26,3	4,3%	42,6%	107,7%
Other revenues	1,0	12,0	-3,5	3,0	9,2	-443,0%	-129,3%	209,2%
<b>Loss before Financial Result</b>	<b>56,5</b>	<b>90,5</b>	<b>97,4</b>	<b>146,8</b>	<b>322,2</b>	<b>72,5%</b>	<b>7,6%</b>	<b>119,6%</b>
Financial expenses	-8,3	-24,0	-24,8	-32,5	-78,4	198,0%	3,2%	141,3%
Financial revenues	8,8	24,7	16,8	26,9	66,5	91,8%	-31,7%	146,9%
<b>Financial result</b>	<b>0,5</b>	<b>0,6</b>	<b>-7,9</b>	<b>-5,6</b>	<b>-11,9</b>	<b>-1834,0%</b>	<b>-1321,7%</b>	<b>113,8%</b>
<b>Loss before taxes</b>	<b>56,9</b>	<b>91,2</b>	<b>89,5</b>	<b>141,2</b>	<b>310,3</b>	<b>57,2%</b>	<b>-1,8%</b>	<b>119,8%</b>
Income tax and social contribution	-13,4	-26,3	-41,9	-38,9	-93,9	213,7%	59,5%	141,5%
<b>Loss for the year</b>	<b>43,6</b>	<b>64,9</b>	<b>47,6</b>	<b>102,3</b>	<b>216,5</b>	<b>9,2%</b>	<b>-26,6%</b>	<b>111,6%</b>

# Appendix II

## Balance Sheet

in R\$ million	4T21	3T22	4T22	in R\$ million	4T21	3T22	4T22
<b>Assets</b>				<b>Liabilities</b>			
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	202,7	397,6	780,1	Trade payables	43,2	75,7	225,3
Restricted bank deposits	11,9	19,2	16,0	Borrowings and financing	0,8	30,5	31,7
Trade receivables	155,2	216,5	247,1	Right of Use to lease (IFRS 16)	16,3	26,4	28,3
Inventories	74,1	77,8	75,2	Debentures	51,4	69,7	80,3
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	8,5	24,2	16,2	Income tax and social contribution	25,6	39,5	37,3
Taxes recoverable	6,3	15,5	14,0	Payroll and related taxes	9,0	5,0	6,5
Advances to suppliers	6,0	5,1	5,8	Tax debt refinancing program (REFIS)	1,5	1,5	1,6
Assets held for sale	7,3	6,4	8,4	Taxes payable	7,8	8,6	9,6
<b>Total Current Assets</b>	<b>472,1</b>	<b>762,3</b>	<b>1.162,9</b>	Profit sharing payable	14,1	14,5	27,2
				Dividends and interest on equity payable	12,8	0,0	4,4
Assets held for sale	6,2	19,5	19,1	Other liabilities	1,3	0,8	0,8
<b>Non-current Assets</b>				<b>Total Current Liabilities</b>	<b>183,6</b>	<b>272,3</b>	<b>453,0</b>
Deferred taxes - IRPJ and CSLL	310,9	275,7	268,3	<b>Non Current Liabilities</b>			
Taxes recoverable	0,1	0,0	28,6		0,0	28,5	26,2
Judicial deposits	9,9	11,6	12,2	Borrowings and financing	0,2	38,8	30,8
Other assets	0,0	3,0	0,2	Right of Use to lease (IFRS 16)	36,9	55,3	59,3
Financial derivative instruments	0,1	0,0	0,0	Debentures	95,9	338,5	741,9
	321,0	290,3	309,2	Tax debt refinancing program (REFIS)	2,3	1,3	0,9
Financial assets at fair value through other comprehensive income	34,0	0,0	0,0	Provision for tax, civil and labor risks	17,6	15,3	16,2
Property, plant and equipment	393,8	646,1	912,6	Taxes payable	10,7	11,3	11,5
Right to use (IFRS 16)	48,6	67,7	0,0	Provision for post-employment benefits	8,9	9,6	11,2
Intangible	174,3	192,3	184,6	Other liabilities	0,8	1,4	1,4
<b>Total Non-current Assets</b>	<b>971,7</b>	<b>1.196,4</b>	<b>1.406,4</b>	<b>Total non-current Liabilities</b>	<b>173,3</b>	<b>500,0</b>	<b>899,3</b>
<b>Total Assets</b>	<b>1.450,0</b>	<b>1.978,3</b>	<b>2.588,4</b>	<b>Total Liabilities</b>	<b>357,0</b>	<b>772,3</b>	<b>1.352,3</b>
				<b>Equity</b>			
				Share capital	1.090,3	1.091,6	1.091,6
				Capital reserves	43,2	-1,8	1,5
				Earnings reserves	44,4	44,4	38,5
				Treasury shares	-70,2	-41,5	-41,5
				Equity adjustments	-17,0	-17,0	-18,0
				Accumulated losses	0,0	128,1	161,9
				<b>Total Equity</b>	<b>1.090,7</b>	<b>1.203,8</b>	<b>1.234,0</b>
				Non-controlling shareholders	2,2	2,2	2,2
				<b>Total Liabilities and Equity</b>	<b>1.450,0</b>	<b>1.978,3</b>	<b>2.588,4</b>



# Appendix III

## Cash Flow

in R\$ million	4T21	3T22	4T22
<b>Cash flows from operating activities</b>			
<b>Profit for the year</b>	<b>43,5</b>	<b>64,9</b>	<b>47,5</b>
<b>Non cash adjustments:</b>	<b>59,4</b>	<b>70,3</b>	<b>121,7</b>
Depreciation and amortization	36,2	48,2	37,2
Deferred income and social contribution taxes	0,1	9,4	22,2
Provision (reversal) for tax, civil and labor risks	-2,2	-3,0	-0,4
Accrued expenses on stock options	1,1	1,9	8,2
Post-employment benefit	0,2	0,2	0,2
Residual value of property, plant and equipment and intangible assets sold and written off	3,5	1,6	6,1
Interest and monetary exchange gains and losses, net	4,8	13,1	19,7
Leasing interest	1,4	1,8	2,1
Provision (reversal) for impairment loss on trade receivables	6,7	4,9	7,1
Provision (reversal) for impairment and fair value	-0,1	0,0	0,3
Provision (reversal) for slow-moving inventories	0,1	0,5	0,2
Provision for Profit Sharing	6,1	6,3	12,6
Result of advantageous purchase on investment	0,0	-10,4	4,7
Other provisions	1,5	-4,2	1,3
<b>Variations on assets and liabilities:</b>	<b>-57,6</b>	<b>-92,6</b>	<b>-69,6</b>
Trade receivables	-28,0	-27,1	-33,1
Acquisitions of rental equipment	-45,8	-91,1	-210,0
Inventories	5,8	-2,8	2,5
Taxes recoverable	2,9	-3,0	-27,1
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-1,2	-0,5	8,0
Judicial deposits	-0,2	0,6	-0,5
Other assets	1,6	2,6	-2,6
Suppliers	-4,3	15,1	138,4
Trade payables	0,0	-10,0	12,0
Payroll and related taxes	-4,2	7,9	-2,2
Profit Sharing	0,0	0,0	0,0
Taxes payable	15,6	15,3	32,5
Other liabilities	0,3	0,3	0,0
<b>Paid income and social contribution taxes</b>	<b>-11,3</b>	<b>-11,6</b>	<b>-30,0</b>
<b>Lawsuits settled</b>	<b>-1,5</b>	<b>-1,2</b>	<b>-1,1</b>
<b>Interest paid</b>	<b>-3,7</b>	<b>-17,7</b>	<b>-17,8</b>
<b>Net cash from operating activities</b>	<b>28,8</b>	<b>12,1</b>	<b>38,2</b>

4T22 e 2022

\*Non -GAAP information , not revised by auditors .

in R\$ million	4T21	3T22	4T22
<b>Cash flow from investing activities</b>			
Acquisition of subsidiary		-89,8	-26,4
Capital contribution in subsidiary		0,0	-43,6
Acquisition of cash due to merger of subsidiary		15,3	0,4
Acquisition of PP&E for own use and intangible assets		-16,9	-17,3
Sale of interest in investment		0,0	4,6
Interest on capital received		0,0	0,0
<b>Net cash generated by (used in) investing activities</b>		<b>-91,5</b>	<b>-82,3</b>
<b>Cash flows from financing activities</b>			
Leasing (IFRS 16)		-5,6	-8,0
Capital increase		0,0	44,1
Restricted bank deposits		-4,5	-0,5
Funding (costs) of borrowing and debentures		-0,1	5,0
Amortization of borrowing and debentures		-17,4	-15,7
Acquisition of treasury shares		-8,2	4,5
Interest on equity paid		-18,8	-12,4
Dividends paid		-0,1	0,0
<b>Net cash generated by (used in) financing activities</b>		<b>-54,9</b>	<b>16,9</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-117,5</b>	<b>-53,3</b>
Cash and cash equivalents at the beginning of the period	320,3	450,9	397,6
Cash and cash equivalents at the end of the period	202,7	397,6	780,1
Net increase/(decrease) in cash and cash equivalents	-132,8	-53,7	382,5
<b>Operating cash flow</b>	<b>28,8</b>	<b>12,1</b>	<b>38,2</b>
Interest paid	3,7	17,7	17,8
Acquisition of rental equipment	45,8	91,1	210,0
Interest and monetary exchange net gains and losses (non-cash)	-6,7	-15,6	-13,9
Leasing (IFRS 16)	-5,6	-8,0	-9,3
<b>Adjusted Operating Cash Flow</b>	<b>66,0</b>	<b>97,3</b>	<b>242,7</b>



# Investor relations

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