

Earnings Release

MILLS 3Q21

B3:MILS3

Earnings Conference Call

Date: Friday, November 12, 2021

Time: 09 a.m. (Brazil)

Webcast: [click here](#)

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. Management Comments

Rio de Janeiro, November 11, 2021 - Mills Estruturas e Serviços de Engenharia S.A. (Mills) announces its results for the third quarter of 2021 (3Q21).

Once again, Mills recorded a growing commercial and operational performance in the quarter, with economic and financial indicators showing constant evolution. As can be seen throughout this Earnings Release, Rental Business Unit set a record revenue, increased volume of leased equipment, and improved margins. Additionally, we reached a consolidated adjusted Ebitda of R\$ 79.6 million (116.7% growth compared to 3Q20), net income at R\$ 31.4 million (R\$ 30.3 million higher than 3Q20). We paid dividends and interest on equity, and repurchased shares, etc., showing that the Company's turnaround was successfully completed and that we are advancing on our path of growth and generation of value for shareholders.

Thus, in 3Q21LTM, Rental produced ROIC at 15.2%, reflecting, among other factors, efficient operational management and growing demand in various segments, showing an evolution in the equipment rental activity in Brazil. With a 63% utilization in September, Rental set a new record of net revenue, reaching R\$ 169 million in the quarter (67% higher than 3Q20), and reached R\$ 73.7 million adjusted Ebitda (145% higher than 3Q20).

Aiming to meet this growing demand, expand Mills' geographic footprint, increasingly improve customer service and adapt our fleet, as reported in 2Q21, the Company's Board of Directors approved in 3Q21 the acquisition of up to 1,290 new lifting platforms, which will arrive throughout 2022 and will represent a Capex of up to US\$ 63.2 million, not considering the amounts to be earned by the Company from the sales of used platforms. Therefore, we intend to close 2022 with approximately 50 branches, serving more than 1,200 cities in Brazil, a number fully aligned with Mills' organic growth plan.

On the inorganic front, where we seek to consolidate the fragmented market for lifting platforms in Brazil and maximize value creation for Mills, CADE approved, on November 4, 2021, the acquisition of all shares of SK Rental do Brasil, the rental company of lifting platforms with a strong presence in the southern region of the country, a customer base that stands out in their areas of activity, a fleet with over 300 pieces of equipment and certified in management, quality and occupational health and safety systems.

Such moves for continuous improvement, organic growth, inorganic growth, resource distribution, among others, are in line with Mills' capital allocation strategy aimed at generating value for shareholders and gained even more steam in 3Q21, also serving to improve the capital structure and were possible due to Mills' liquidity position, cash generation capacity and leverage capacity, ending the quarter with a cash position of R\$ 327.7 million and gross debt at R\$ 165 million (Net Debt/LTM Adjusted Ebitda = -0.6x), and ready for the next challenges and opportunities.

1. Management Comments



Additionally, we also advanced in the development of ESG-related themes, highlighting: (i) granting of the Women on Board seal, which recognizes the presence of women on Mills' Board of Directors and demonstrates the Company's commitment to diversity; (ii) evolution in our journey to become a B Company, which aims to build a more inclusive, equitable and regenerative economic system for people and the planet; and (iii) progress in the study of Carbon Footprint and the first Inventory of Greenhouse Gases (GHG), which can be seen in more detail in item 13 of this Earnings Release.

We thank our employees for their dedication and commitment, as well as the support of our customers, suppliers, shareholders, directors and other stakeholders and partners.

Have a good reading!

Sergio Kariya

Mills CEO

2. Quarter Highlights

Growing economic-financial performance:

- Higher total consolidated net revenue, reaching R\$ 192.9 million in 3Q21 (up 44.2% versus 3Q20);
- Improved Rental gross margin, reaching 73.0% in 3Q21 (64.1% in 3Q20);
- Consolidated adjusted EBITDA* growth, reaching R\$ 79.6 million in 3Q21 (116.7% higher than 3Q20) and margin at 41.3%;
- Higher total consolidated net income, reaching R\$ 31.4 million in 3Q21 (R\$ 30.3 million higher versus 3Q20) and margin at 16.3%;
- 15.2% ROIC in Rental (3T21LTM);
- Rating upgrade by Fitch, from BBB+ to A- (domestic scale).

Organic and inorganic growth:

- Constant growth in Rental demand, with increased leased volume and prices charged;
- Approval by the Board of Directors of an investment of up to US\$ 63.2 million for growth, mix adjustment and renewal of part of the fleet, pursuant to material fact disclosed on August 12, 2021;
- Approval by CADE for the acquisition of 100% of SK Rental do Brasil, with the transaction completion scheduled for 2021;

Shareholders:

- On August 30, 2021, payment of R\$ 20.1 million as IoE and anticipated dividends referring to the net income earned in 1H21;
- On November 11, 2021, approval for the payment of R\$ 20.1 million as IoE, to be paid in 4Q21;
- From April 1 to August 24, 2021, 5,839,000 shares were repurchased (approximately 2.3% of the outstanding shares) for a total amount of R\$ 46.8 million;

ESG:

- Women on Board seal granted;
- Progress in our journey to become a B Company.

Consolidated Data in R\$ million	3Q20 (A)	2Q21 (B)	3Q21 (C)	9M20 (D)	9M21 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net revenue	133.8	172.4	192.9	358.2	518.9	44.2%	11.9%	44.9%
CVM EBITDA	40.5	62.4	80.4	107.6	198.9	98.4%	28.8%	84.9%
CVM EBITDA margin (%)	30.3%	36.2%	41.7%	30.0%	38.3%			
EBIT	6.7	26.4	42.5	-8.2	87.5	-538.3%	-61.0%	1167.8%
EBIT margin (%)	5.0%	15.3%	22.0%	-2.3%	16.9%			
Adjusted EBITDA*	36.7	61.9	79.6	96.4	195.8	116.7%	28.5%	103.2%
Adjusted EBITDA margin* (%)	27.5%	35.9%	41.3%	26.9%	37.7%			
Profit (Loss) for the year	1.2	19.9	31.4	-12.4	58.7	2542.3%	57.8%	-574.4%

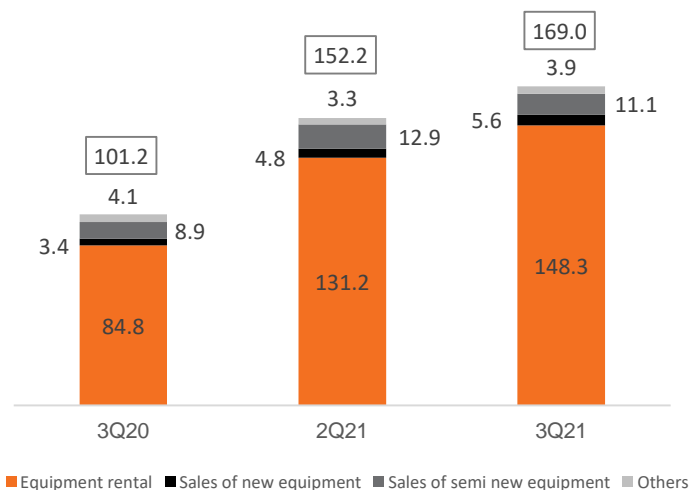
*Non-GAAP. *Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)
- information not reviewed by the independent auditors.

3. Rental

In R\$ million

3.1 Net Revenue

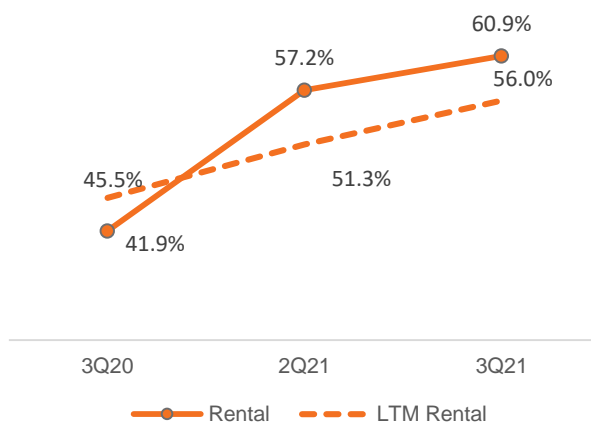
Net Revenue by Type



Rental net revenue in 3Q21 amounted to R\$ 169.0 million, 11.0% higher than the previous quarter and up 67.0% versus 3Q20, reflecting the overcoming of the effects of COVID-19 over the quarters and indicating a sustainable recovery of results. Rental revenue represented 88% in 3Q21, compared to 86% in 2Q21 and 84% in 3Q20.

The net revenue from rental increased 13.0% as compared to 2Q21, mainly due to the price increase and volume leased (average utilization rate was 3.7 p.p. higher versus the previous quarter), due to the increased demand. Sales revenue was down 5.0% compared to the previous quarter, mainly due to the decrease in used car sales in 3Q21.

3.2 Utilization Rate (Units)¹



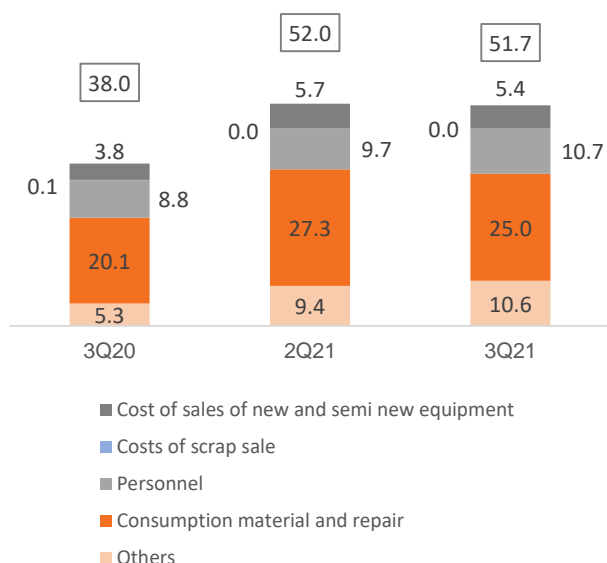
¹ Average for the period

3. Rental

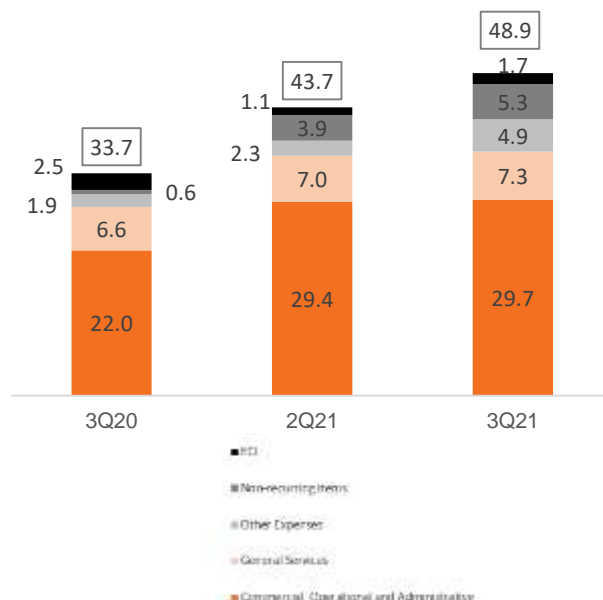
In R\$ million

3.3 Costs and Expenses

Costs by Type



SG&A Breakdown



Consolidated costs in 3Q21 (excluding depreciation and IFRS16) amounted to R\$ 51.7 million, of which: 48.4% refers to consumables (such as batteries, inks, electrical, hydraulic equipment, etc.) which are directly linked to the volume leased, 20.6% were personnel costs and 10.5% related to selling costs. Cost result was mostly in line with the previous quarter, despite the increase in the volume leased, evidencing the Company's efforts to ensure higher efficiency in the operation.

Expenses (excluding depreciation and IFRS16) amounted to R\$ 48.9 million in the quarter, of which R\$ 17.4 million refer to personnel expenses (commercial, domestic operations and administrative staff). The 11.9% increase compared to the previous quarter is mainly due to: i) reversal of PLR provision made in April, classified in Others line after payment; and ii) non-recurring expenses related to fleet adjustment, which will be addressed in item 6 of this Earnings Release.

3.4 Rental EBITDA

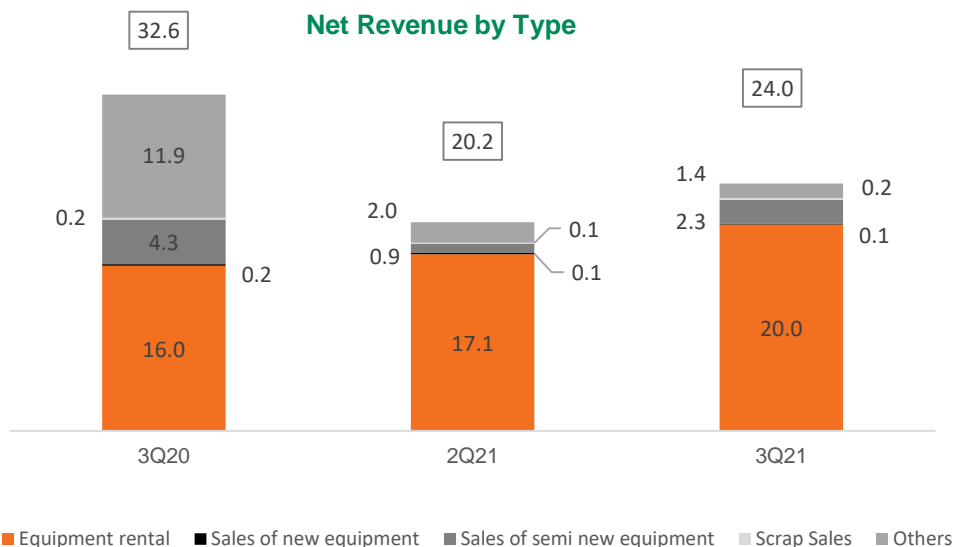
Consolidated Data in R\$ million	3Q20	2Q21	3Q21	9M20	9M21	(C)/(A)	(C)/(B)	(E)/(D)
	(A)	(B)	(C)	(D)	(E)			
Net Revenue	101.2	152.2	169.0	292.3	453.0	67.0%	11.0%	55.0%
CVM EBITDA	32.8	59.6	72.7	95.3	184.6	121.5%	22.0%	93.6%
CVM EBITDA margin (%)	32.4%	39.1%	43.0%	32.6%	40.7%			
Adjusted EBITDA*	30.1	60.3	73.7	87.3	185.7	145.0%	22.1%	112.7%
Adjusted EBITDA margin* (%)	29.7%	39.7%	43.6%	29.9%	41.0%			
EBIT	10.7	34.9	46.5	15.7	107.7	334.2%	33.2%	584.9%
EBIT margin (%)	10.6%	22.9%	27.5%	5.4%	23.8%			

*Non-GAAP. *Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)
- information not reviewed by the independent auditors.

4. Construction

In R\$ million

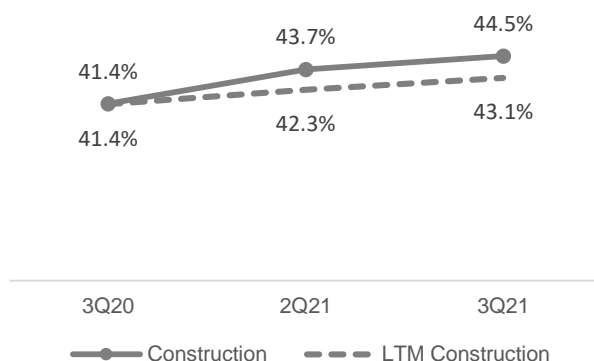
4.1 Net Revenue by Type



Construction net revenue amounted to R\$ 24.0 million in 3Q21, 18.6% higher than the previous quarter, with rental net revenue growing 17.0% between the periods due to higher prices.

As already widely informed, the Company has reduced its construction equipment capacity over the past few years, currently standing at around 50 thousand tons. Even with this adjustment, the Company is able to meet the construction pipeline expected for the coming years.

3.2 Utilization Rate (Tons)¹



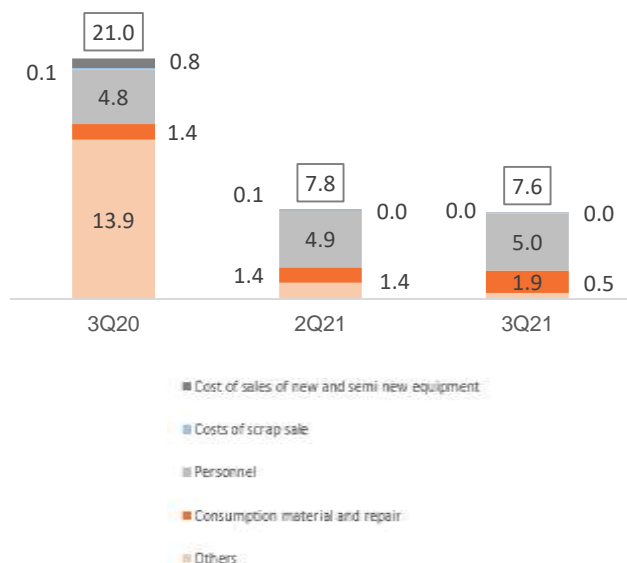
¹ Average for the period

4. Construction

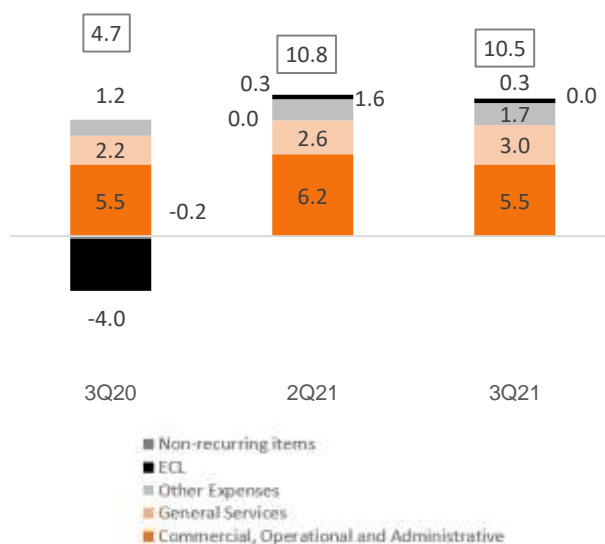
In R\$ million

4.3 Costs and Expenses

Costs by Type



SG&A Breakdown



In 3Q21, costs (excluding depreciation and IFRS16) reached R\$ 7.6 million, 3.2% lower than the previous quarter, mainly related to the PIS/Cofins credit on ICMS on previous sales.

Expenses (excluding depreciation and IFRS16) amounted to R\$ 10.5 million in 3Q21, 2.7% lower versus the previous quarter.

4.4 Construction EBITDA

Consolidated Data in R\$ million	3Q20 (A)	2Q21 (B)	3Q21 (C)	9M20 (D)	9M21 (E)	(C)/(A)	(C)/(B)	(E)/(D)
Net Revenue	32.6	20.2	24.0	65.9	66.0	-26.5%	18.6%	0.0%
CVM EBITDA	8.0	2.8	7.5	12.6	14.4	6.4%	164.6%	-14.3%
CVM EBITDA margin (%)	24.6%	14.1%	31.4%	19.1%	21.8%			
Adjusted EBITDA*	6.7	1.6	5.9	9.1	10.2	11.5%	269.2%	-11.8%
Adjusted EBITDA margin* (%)	20.4%	7.9%	24.6%	13.8%	15.4%			
EBIT	-3.7	-8.5	-4.2	-23.6	-20.1	-14.7%	49.9%	14.7%
EBIT margin (%)	-11.4%	-41.9%	-17.7%	-35.7%	-30.5%			

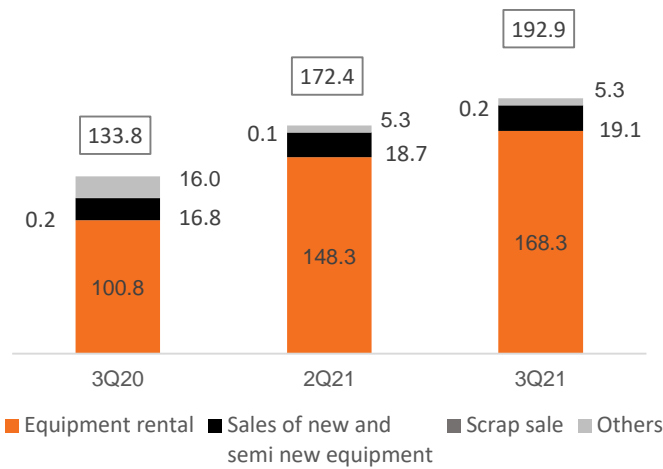
*Non-GAAP. *Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project) - information not reviewed by the independent auditors.

5. Financial Highlights

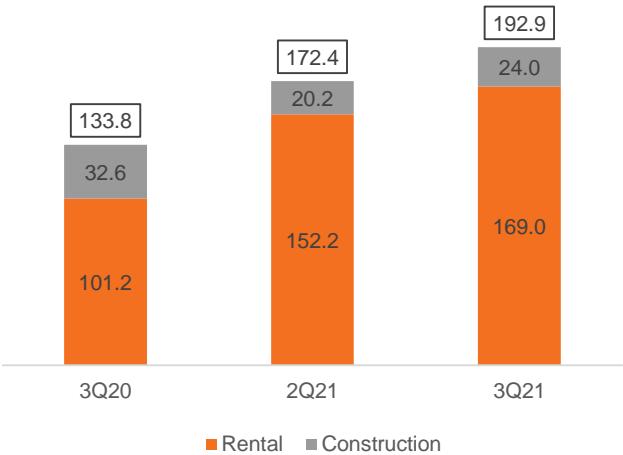
Consolidated Data in R\$ million



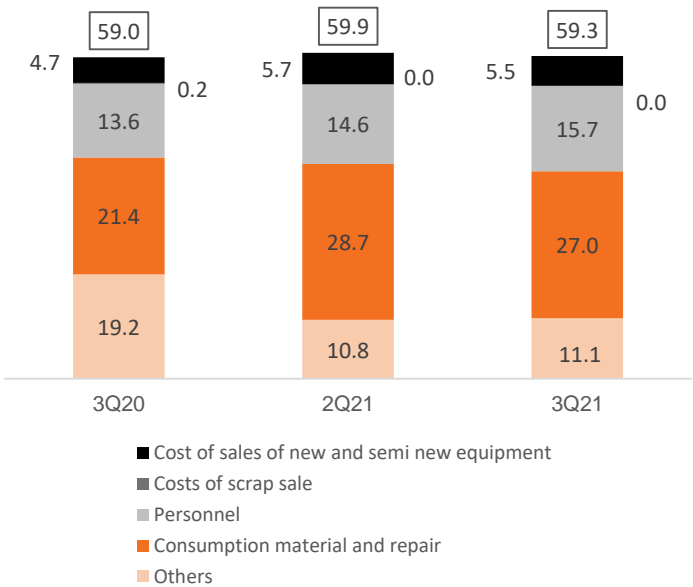
Net revenue by type



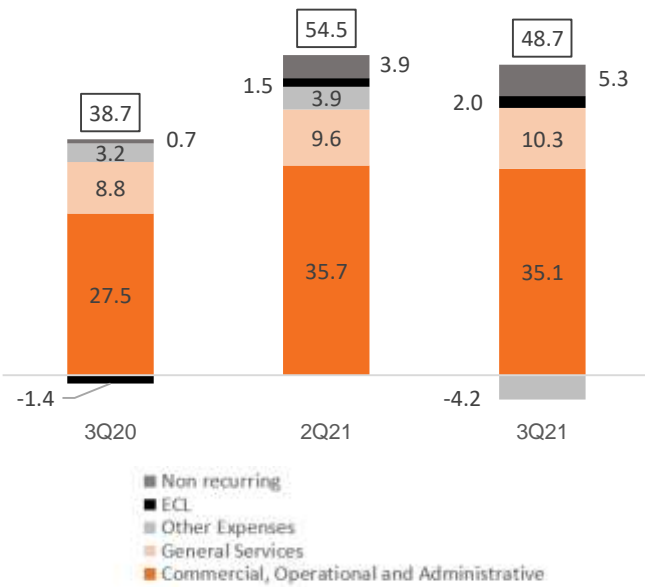
Net revenue by business unit



COGS ex-depreciation²



SG&A ex-depreciation²



Note 2: Also excluding IFRS 16 effects.

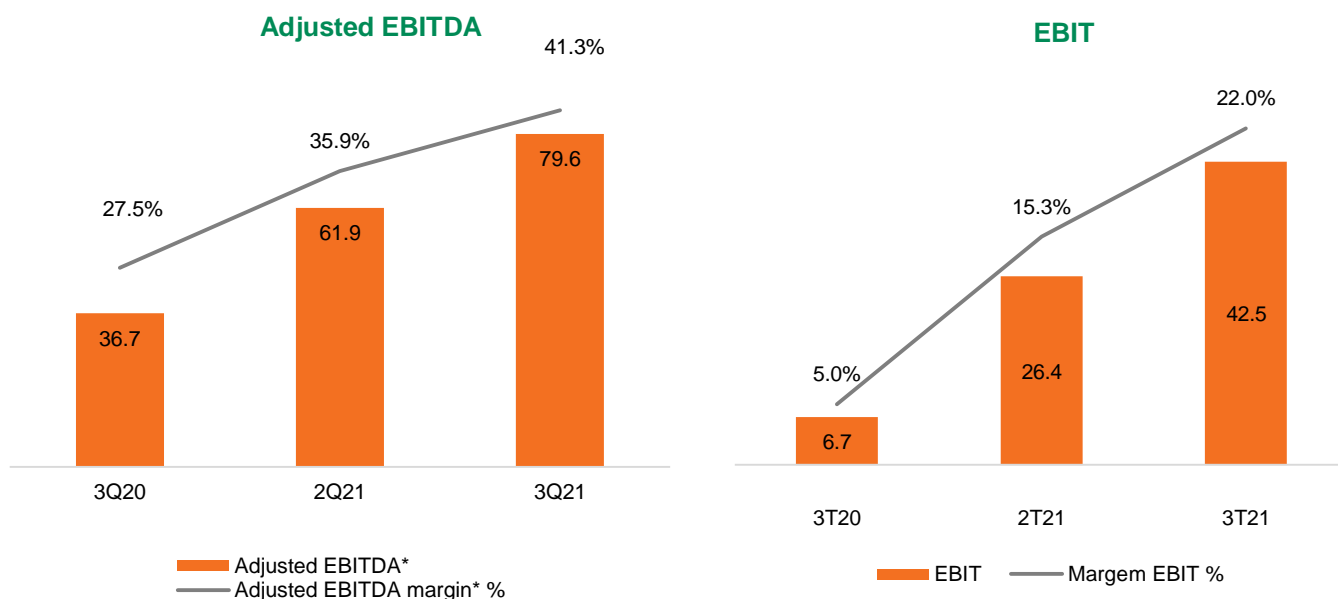
6. Non-recurring Items

In 3Q21, R\$ 5.1 million was recorded referring to non-recurring items (consolidated), comprising mainly R\$ 4.8 million in expenses related to the project to adjust the aerial work platform fleet.

Non-recurring items - in R\$ million	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total non-recurring expenses	-0.7	-3.9	-5,1	612,0%	31,0%

7. Adjusted EBITDA

Consolidated adjusted EBITDA (excluding non-recurring items and IFRS16 effects) amounted to R\$ 79.6 million, with 41.3% margin in 3Q21 versus R\$ 61.9 million with 35.9% margin in 2Q21.



*excluding non-recurring items and IFRS 16

8. Financial Result (ex-IFRS 16)

Consolidated Data in R\$ million	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Net financial result	-1.6	-1.2	1.2	-172.8%	199.3%
Financial Revenues	3.6	5.9	7.8	119.7%	32.2%
Financial Expenses	-5.2	-7.1	-6.6	27.5%	-6.8%

9. Investments

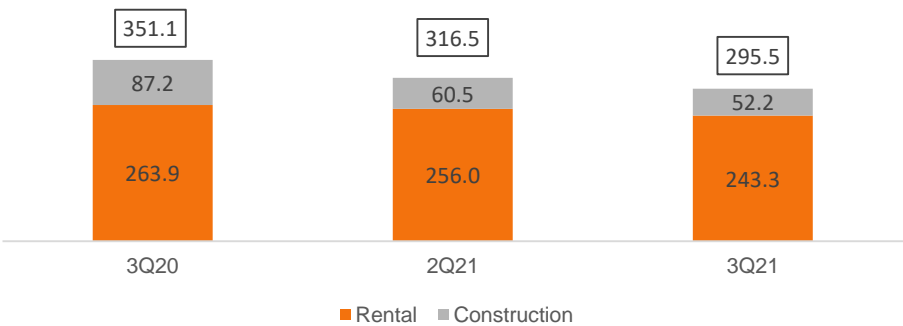
In 3Q21, investments amounted to R\$ 15.4 million, of which R\$ 7.6 million was for assets for rent and the remainder was mainly allocated to the resumption of investments in technology and adjustments to branches. In 9M, R\$ 26.7 million have already been invested in assets for rent in Rental, in line with our plan for the acquisition of equipment to be applied to the growth, mix adjustment and renewal of part of the Company's fleet, providing an improvement in customer service and capacity to expand its geographic footprint.

Pursuant to the Notice to the Market published on November 4, 2021, the General Superintendence of the Administrative Council for Economic Defense approved, with no restrictions, the acquisition, by the Company, of quotas representing 100% of the share capital of SK Rental Locação de Equipamentos Ltda. The Transaction will be effective after the final and unappealable decision by CADE and after fulfilling other conditions precedent, which should take place within the next 30 days.

SK Rental do Brasil acquisition is in line with Mills' strategic goals related to improving the customer experience, growth, consolidation and market penetration. We continue with a robust pipeline of opportunities.

10. Property, plant and equipment

The balance of PP&E, net of lease/Company's operating use, amounted to R\$ 295.5 million in 3Q21.

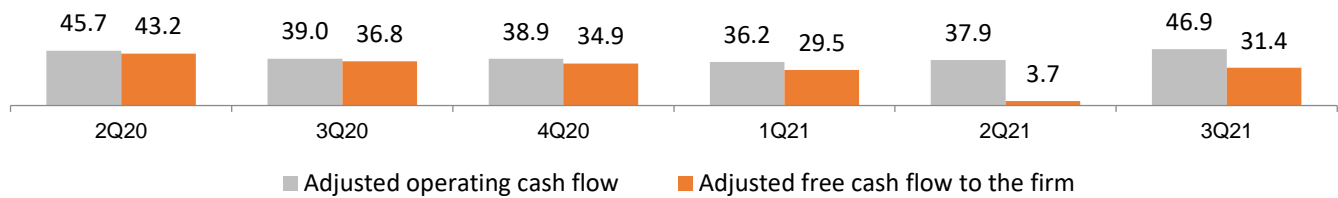


11. Adjusted Cash Flow



Adjusted Operating Cash Flow^{1 2} increased as compared to 2Q21, impacted mainly by the Ebitda improvement in 3Q21;

Adjusted Free Cash Flow¹ was positive by R\$ 31.4 million in the quarter, and also includes the effect of the reduction in Capex between the quarters.



Note 1: indicators not reviewed by independent auditors

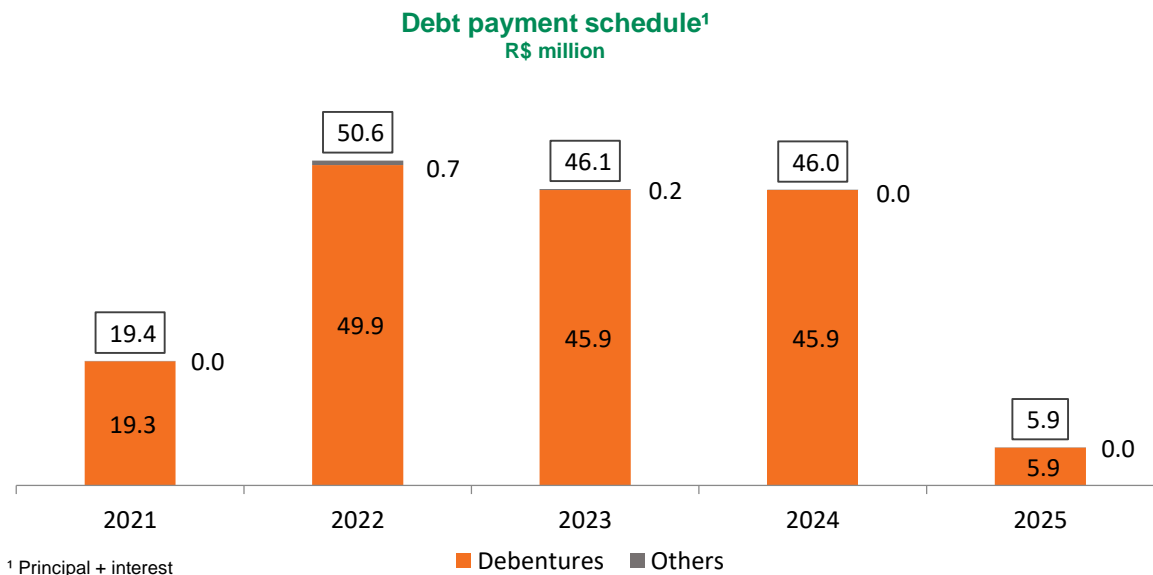
Note 2: For adjusted operating cash flow, interest paid, investment in lease, interest and net inflation adjustments in assets and liabilities are not included, as well as IFRS16 impact. For adjusted free cash flow to the firm, interest paid and net inflation adjustments in assets and liabilities are not included.

12. Indebtedness

Mills ended September 30, 2021, with a gross debt of R\$ 165.0 million, excluding the issue cost.

The Company remains as operating cash generator, closing the quarter with R\$ 327.7 million in free cash and, thus, with net cash of R\$ 162.7 million. The Company has a solid liquidity position and room for leverage to boost its organic and inorganic growth.

The average maturity for paying Mills total indebtedness is 1.6 years, at an average cost of CDI + 3.39% p.a.

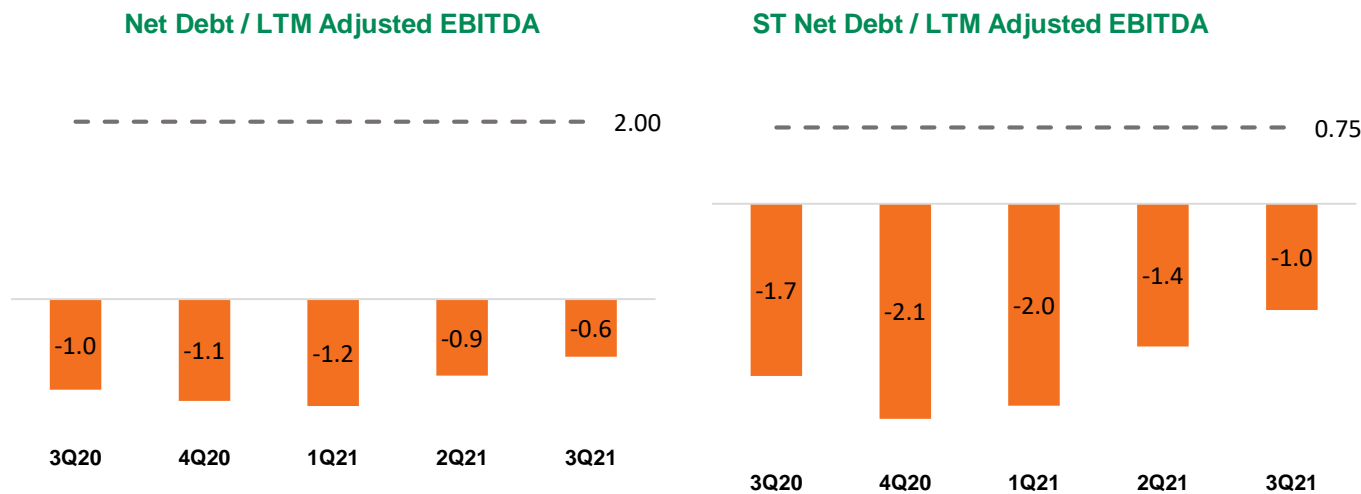


12. Indebtedness



Debt Indicators

As of September 30, 2021, Mills complied again with its financial covenants and recorded a Net Debt / LTM Adjusted Ebitda ratio of -0.6x (-0.9x in 2Q21) and ST Net Debt / LTM Adjusted EBITDA at -1.0x (-1.4x in 2Q21), as follows:



ESG themes have been gaining more space and development in the company, and consequently, more recognition in the market. In the third quarter of 2021, we continued advancing with the planned actions. The main highlights of this period are mentioned below:

Mills received the seal **Women On Board (WOB)**, which values the existence of corporate environments with the presence of women on the board of directors or consultancy boards. This seal is granted to companies having at least two women as board members, and the company's Board of Directors currently has three women in its effective staff. WOB recognition reaffirms part of our commitment to **human development, inclusion and equity**.

As signatories of the Global Compact, the world's largest initiative to mobilize the business community in favor of corporate sustainability, we have submitted the first **Annual Communication on Progress Report (COP)**. This document describes all our **actions developed in the themes of Human Rights, Workers, Environment and Anti-Corruption**, highlighting the company's code of conduct, our integrity program, the ethics committee and internal programs for the full development of our teams, such as the Conexão Mulher program, focused on advice and mentoring for the development of Mills female employees, the Mills School, which promotes on-site and virtual training actions and Evoluir, our program for granting scholarships to employees.

To better understand our possible environmental impacts, we advanced in the development of the first **Inventory of Greenhouse Gases (GHG)**, a study for the **identification and quantification of emission sources** of these gases within the activities performed by the company. After completing the technical analyses, we proceeded to identify the total emissions in 2020. Aiming to restrict these emissions, carbon management is being assessed through measures such as freight routing and periodic maintenance of the truck and forklift fleet. The availability of technical information on our emissions, referring to 2020, will be available in our GRI report for 2021, which is expected to be published in the 1st quarter of 2022. We are currently working to improve the internal controls for information to be used in GHG inventory for base year 2021, the result of which will be available in the 2nd half of 2022.

We started our study of **Carbon footprint**, with the aim of **estimating the emission of greenhouse gases over the life cycle** of a representative sample of each equipment family of the Rental business unit. At the current stage, we are collecting data and information that will support the study, which is expected to be completed in December 2021. Based on the results obtained, it will be possible to assess which stages of Mills' process are most relevant to the issue of carbon emissions and which measures are required to control, reduce and influence the supply chain.

We continue to evolve towards the goal of becoming a **B Company**. We kicked-off the **certification process** and after confirming our eligibility, we are raising evidence for the audit phase.

The next steps on this path:

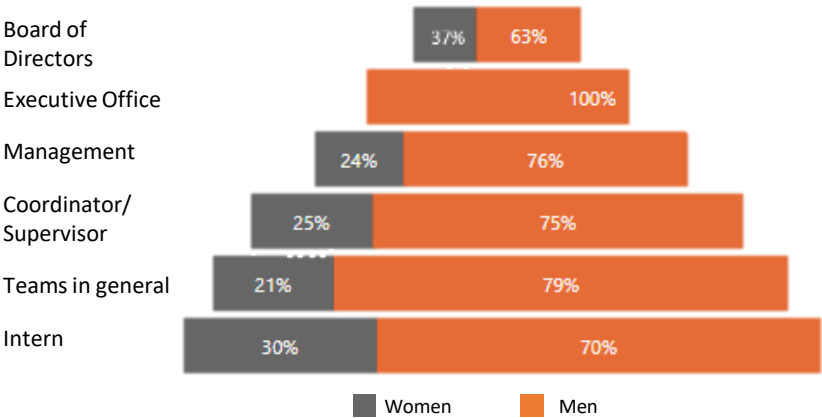
- Conclude the definition of commitments and goals associated with Mills' material themes;
- Continue promoting solidarity through programs such as Partilhar, with the aim of sharing our financial results with the local communities located in the vicinity of our branches;
- Prepare our first report in the Global Reporting Initiative (GRI) format, containing the company's goals and results for sustainability themes for 2021;
- Implement our Diversity Committee, with the objective of discussing agendas and developing actions in favor of diversity and inclusion of under-represented groups within the company;
- With the completion of the 2020 GHG Inventory, we will define possible strategies to minimize and/or offset our carbon footprint.

Social indicators (2021)¹

Diversity Indicators	Men	Women
Blacks (a)*	58	10
Brown (a)*	238	49
Caucasian / White (a)*	426	136
Asian/Yellow*	1	1
Indigenous*	0	0
Not informed	476	146
TOTAL	1199	342
PwD	5	4
Refugees	11	0
Average age (years)	33	31
Time with the company (years)	4	3

* Informed by self-declaration

Gender distribution by hierarchical level¹



Environmental indicators (3Q21)¹

2,222 m³
average monthly water
consumption at branches,

205 thousand kwh
average monthly energy
consumption,

445 tonnes
of total waste disposal,

0.5 m³ per month
average water consumption
per
employee

45 kWh/month
relative average
consumption, per
employee

189 tonnes
destined for recycling

¹ indicators not reviewed by independent auditors

14. Tables

Consolidated Data in R\$ million

Table 1 - Net revenue per type

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total net revenue	133.8	172.4	192.9	44.2%	11.9%
Equipment rental	100.8	148.3	168.3	67.0%	13.5%
Sales of new equipment	3.6	4.9	5.7	58.5%	16.2%
Sales of semi new equipment	13.2	13.8	13.5	2.0%	-2.3%
Scrap sale	0.2	0.1	0.2	11.6%	120.6%
Technical Assistance	1.3	0.9	1.1	-15.5%	16.7%
Indemnity and Expenses Recovery	14.7	4.4	4.2	-71.8%	-4.4%

Table 2 - Rental net revenue per product

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total Rental Net Revenue	100.8	148.3	168.3	67.0%	13.5%
Aerial platforms	82.3	129.7	145.1	76.4%	11.8%
Formwork and Shoring	16.0	17.1	20.0	25.1%	17.0%
Others	2.5	1.5	3.2	26.8%	120.4%

Table 3 - Net revenue per Business Unit

	3Q20	%	2Q21	%	3Q21	%
Total Net revenue	133.8	100.0%	172.4	100.0%	192.9	100.0%
Construction	32.6	24.4%	20.2	11.7%	24.0	12.4%
Rental	101.2	75.6%	152.2	88.3%	169.0	87.6%

Table 4 - Cost of products and services sold (COGS) and operating, general and administrative Expenses (SG&A) ex. depreciation and IFRS16

	3Q20	%	2Q21	%	3Q21	%
COGS total, ex-depreciation	-59.0	60.4%	-59.9	52.4%	-59.3	50.0%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-41.2	42.1%	-53.6	46.9%	-52.7	44.4%
Costs of sales of new equipment	-2.1	2.2%	-4.9	4.3%	-4.8	4.0%
Costs of sales of semi new equipment	-2.6	2.6%	-0.8	0.7%	-0.7	0.6%
Cost of scrap sale	-0.2	0.2%	0.0	0.0%	0.0	0.0%
Costs of assets write-offs	-13.0	13.3%	-0.5	0.4%	-1.1	0.9%
SG&A, ex-depreciation and ECL	-40.2	41.1%	-53.0	46.3%	-57.2	48.3%
Commercial, Operational and Administrative	-27.5	28.1%	-35.7	31.2%	-35.1	29.7%
General Services	-8.8	9.0%	-9.6	8.4%	-10.3	8.7%
Other expenses	-3.9	4.0%	-7.8	6.8%	-11.7	9.9%
ECL	1.4	-1.5%	-1.5	1.3%	-2.0	1.7%
COGS + SG&A Total	-97.8		-114.3		-118.5	

Table 5 - CVM EBITDA per business unit and CVM EBITDA margin

	3Q20	%	2Q21	%	3Q21	%
CVM EBITDA	40.5	100.0%	62.4	100.0%	80.4	100.0%
Construction	8.0	19.8%	2.8	4.6%	7.5	9.4%
Rental	32.8	81.0%	59.6	95.4%	72.7	90.4%
Others	-0.3	-0.8%	0.0	0.0%	0.2	0.3%
CVM EBITDA margin (%)	30.3%		36.2%		41.7%	
Adjusted EBITDA*	36.7		61.9		79.6	

*Non-GAAP. *Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project) - information not reviewed by the independent auditors.

Consolidated Data in R\$ million

Table 6 - Reconciliation of Adjusted EBITDA

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Results of Operations	1.2	19.9	31.4	-2561.9%	-57.8%
Income tax and social contribution expenses	-2.7	-4.0	-13.1	378.1%	-230.1%
Loss Earnings before Income tax and social contribution	3.9	23.9	44.5	-1036.3%	-86.4%
Financial Result	-2.7	-2.5	0.5	120.1%	121.7%
Depreciation	-33.9	-36.0	-36.4	-7.6%	-1.2%
CVM EBITDA	40.5	62.4	80.4	98.5%	28.8%
IFRS 16 Impact	-4.5	-4.4	-5.9	-32.0%	-35.5%
EBITDA*	36.0	58.0	74.5	106.8%	28.3%
Adjusted EBITDA	36.7	61.9	79.6	117.2%	28.5%

* Excluding IFRS 16 effect.

¹ Pursuant to CVM Instruction 527

Table 7 - Reconciliation of EBITDA with Adjusted Operating Cash Flow

	3Q21
EBITDA CVM	80.4
Non cash items	7.8
Provision for tax, civil and labor risks	-1.5
Accrued expenses on stock options	1.1
Post Employment Benefits	0.2
Residual value of property, plant and equipment and intangible assets sold and written off	2.1
Provision (reversal) for impairment loss on trade receivables	2.0
Provision (reversal) for impairment	0.0
Provision (reversal) for slow-moving inventories	-0.3
IFRS 9/CPC 48 Adjustment	0.0
Result of share in investments	0.0
Provision for Profit Sharing	3.3
Other provisions	0.9
EBITDA ex-non cash provisions	88.2
Cash	-41.2
Interest and monetary and exchange gains and losses (cash)	5.1
Trade receivables	-12.0
Acquisitions of rental equipment	-7.8
Inventories	-8.0
Taxes recoverable	-4.1
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-0.5
Judicial deposits	-0.2
Other assets	-0.2
Suppliers	-6.7
Payroll and related taxes	1.9
Taxes payable	0.5
Other liabilities	0.1
Profit participation to pay	0.0
Paid income and social contribution taxes	-4.1
Law suits settled	-1.7
Interest paid	-3.4
Cash flows from operating activities according to the financial statements	47.0
Interest and monetary and exchange gains and losses (cash)	-5.1
Acquisitions of rental equipment	7.8
Interest paid	3.4
Leasing IFRS16	-6.2
Adjusted Operating Cash Flow	46.9

14. Tables

Consolidated Data in R\$ million

Table 8 - Investment per business unit

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total Capex	-2.3	-29.1	-15.5	-586.6%	46.7%
Rental equipment	-0.2	-20.1	-7.8	4248.4%	61.3%
Construction	1.6	-0.2	-0.2	-111.3%	13.6%
Rental	-1.7	-19.9	-7.6	336.0%	61.9%
Corporate and use goods	-2.1	-9.0	-7.7	-271.0%	14.2%

Table 9 - Construction Business Unit

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total net revenue	32.6	20.2	24.0	-26.5%	18.6%
Rental	16.0	17.1	20.0	25.1%	17.0%
Sales of new equipment	0.2	0.1	0.1	-63.3%	-52.5%
Sales of semi new equipment	4.3	0.9	2.3	-45.9%	157.7%
Scrap Sale	0.2	0.1	0.2	-6.6%	106.5%
Technical Assistance	0.4	0.1	0.2	-56.8%	75.9%
Indemnity and Expenses Recovery	11.6	1.9	1.2	-89.3%	-34.5%
Total COGS, ex-depreciation	-21.0	-7.8	-7.6	-63.9%	-3.2%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-7.1	-7.3	-6.4	-9.6%	-12.0%
Cost of sales of new equipment	-0.2	-0.1	0.0	-81.1%	-64.2%
Cost of sales of semi new equipment	-0.7	0.0	0.0	-97.3%	176.1%
Cost of scrap sale	-0.1	0.0	0.0	-71.7%	71.6%
Cost of assets write-offs and Provision of recoverable value	-13.0	-0.5	-1.1	-91.4%	136.1%
SG&A, ex-depreciation and ECL	-8.7	-10.4	-10.1	17.2%	-2.8%
ECL	4.0	-0.3	-0.3	-108.8%	1.6%
CVM EBITDA	8.0	2.8	7.5	6.4%	-164.6%
EBITDA margin (%)	24.6%	14.1%	31.4%		
Adjusted EBITDA	6.7	1.6	5.9	11.5%	-269.2%
Adjusted EBITDA margin (%)	20.4%	7.9%	24.6%		
Depreciation	-10.6	-10.1	-12.7	19.7%	26.0%
Equipment rental capex	1.6	-0.2	-0.2	-111.3%	13.6%
Rental gross fixed assets	451.4	439.2	438.2	-2.9%	-0.2%
Quantity of equipment final of period (thousand tons)	53.4	52.7	52.5	-1.8%	-0.3%
Utilization Rate Quarter	41.4%	43.7%	44.5%		
Utilization Rate LTM	41.4%	42.3%	43.1%		

¹Non-GAAP. ²Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)
- information not reviewed by the independent auditors.

14. Tables

Consolidated Data in R\$ million

Table 10 - Rental Business Unit*

	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Total Net Revenue	101.2	152.2	169.0	67.0%	11.0%
Rental	84.8	131.2	148.3	74.9%	13.0%
Sales of new equipment	3.4	4.8	5.6	64.8%	18.1%
Sales of semi new equipment	8.9	12.9	11.1	25.3%	-13.6%
Scrap Sale	0.0	0.0	0.0	925.5%	220.8%
Technical Assistance	0.9	0.9	0.9	0.7%	10.5%
Indemnity and Expenses Recovery	3.2	2.5	2.9	-7.7%	18.7%
Total COGS, ex-depreciation	-38.0	-52.0	-51.7	36.0%	-0.6%
Rental costs (maintenance, personnel, warehouses, etc) ¹	-34.1	-46.4	-46.3	35.6%	-0.2%
Cost of sales of new equipment	-2.0	-4.8	-4.8	141.1%	-1.3%
Cost of sales of semi new equipment	-1.9	-0.8	-0.7	-64.4%	-20.0%
Cost of scrap sale	-0.1	0.0	0.0	-84.0%	0.0%
Cost of assets write-offs and Provision of recoverable value	0.0	0.0	0.0	0.0%	0.0%
SG&A, ex-depreciation and ECL	-31.2	-42.6	-47.2	51.5%	11.0%
ECL	-2.5	-1.1	-1.7	-34.3%	44.6%
CVM EBITDA	32.8	59.6	72.7	121.5%	22.0%
EBITDA margin (%)	32.4%	39.1%	43.0%		
Adjusted EBITDA	30.1	60.3	73.7	145.0%	22.1%
Adjusted EBITDA margin (%)	29.7%	39.7%	43.6%		
Depreciation	-19.5	-22.2	-21.9	12.6%	-1.4%
Equipment rental capex	-1.7	-19.9	-7.6	336.0%	-61.9%
Rental gross fixed assets	1075.8	1057.0	1049.8	-2.4%	-0.7%
Quantity of awp final of period (unity)	8,201	7,966	7,955		
Utilization Rate Quarter	41.9%	57.2%	60.9%		
Utilization Rate LTM	45.5%	51.3%	56.0%		

*Non-GAAP. ¹Excluding IFRS 16 effect and non-recurring items (Construction unit restructuring expenses, liabilities from Industrial Services business unit and expenses related to Solaris business combination project)
- information not reviewed by the independent auditors.

15. Income Statement

Consolidated Data in R\$ million

	3Q20	2Q21	3Q21	(C)/(A)	(C)/(B)
	(A)	(B)	(C)		
Net revenue from sales and services	133.8	172.4	192.9	44.2%	11.9%
Cost of products sold and services rendered	(85.0)	(87.3)	(85.3)	0.4%	-2.3%
Gross Profit	48.8	85.1	107.7	120.5%	26.5%
Selling, general and administrative expenses	(44.9)	(57.9)	(62.0)	38.0%	7.2%
ECL	1.4	(1.5)	(2.0)	-240.5%	34.7%
Other revenues	1.3	0.7	0.3	-75.7%	-52.8%
Loss before Financial Result	6.7	26.4	44.0	559.9%	66.5%
Financial expenses	(6.3)	(8.4)	(7.3)	15.5%	-13.9%
Financial revenues	3.6	5.9	7.8	119.7%	32.2%
Financial result	(2.7)	(2.5)	0.5	-120.1%	-121.7%
Loss before taxes	3.9	23.9	44.5	1033.8%	86.4%
Income tax and social contribution	(2.7)	(4.0)	(13.1)	378.1%	230.1%
Loss for the year	1.2	19.9	31.4	2542.3%	57.8%

16. Balance Sheet

Consolidated Data in R\$ million

In R\$ million	3Q20	2Q21	3Q21
Assets			
Current assets			
Cash and cash equivalents	262.2	354.2	320.3
Restricted bank deposits	0.0	7.1	7.4
Trade receivables	88.7	120.9	130.7
Inventories	43.7	70.9	79.1
Inventories - other assets held for sale	0.0	0.0	0.0
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	6.2	6.7	7.2
Taxes recoverable	5.2	4.7	8.9
Advances to suppliers	3.9	5.7	5.0
Other receivables - sale of investee	0.0	0.0	0.0
Other assets	8.4	10.1	9.0
Assets held for sale	5.8	4.5	7.0
Total Current Assets	424.0	584.8	574.6
Non-current Assets			
Deferred taxes - IRPJ and CSLL	317.9	313.1	309.0
Taxes recoverable	0.3	0.2	0.1
Judicial deposits	12.2	9.0	9.4
Other assets	0.0	0.0	0.0
Financial derivative instruments	1.1	0.3	0.0
	331.5	322.6	318.5
Available-for-sale financial assets	50.6	39.3	39.3
Property, plant and equipment	414.5	359.7	342.7
Right of Use (IFRS 16)	55.4	54.5	52.4
Intangible assets	120.7	124.8	125.3
	641.1	578.4	559.7
Total Non-current Assets	972.6	901.0	878.2
Total Assets	1,396.7	1,485.9	1,452.8
In R\$ million	3Q20	2Q21	3Q21
Liabilities			
Current liabilities			
Trade payables	28.1	51.4	44.3
Borrowings and financing	5.7	2.0	0.7
Right of Use to lease (IFRS 16)	14.1	16.8	17.1
Debentures	29.3	62.6	56.8
Income tax and social contribution	27.2	27.0	28.9
Payroll and related taxes	0.7	1.8	6.9
Tax debt refinancing program (REFIS)	1.7	1.5	1.5
Taxes payable	7.6	4.2	4.7
Profit sharing payable	5.0	4.8	8.1
Dividends and interest on equity payable	0.0	0.1	0.4
Other liabilities	0.7	0.7	0.7
Total Current Liabilities	120.0	172.8	170.1
Non Current Liabilities			
Borrowings and financing	0.0	0.4	0.2
Right of Use to lease (IFRS 16)	37.4	41.6	39.2
Debentures	90.8	118.8	107.2
Tax debt refinancing program (REFIS)	4.1	3.0	2.7
Provision for tax, civil and labor risks	24.3	20.1	19.0
Taxes payable	10.3	10.4	10.5
Provision for post-employment benefits	13.4	12.1	12.6
Derivative financial instruments	0.0	0.0	0.0
Other liabilities	1.0	1.1	0.8
Total non-current Liabilities	181.3	207.5	192.2
Total Liabilities	301.3	380.4	362.4
Equity			
Share capital	1,089.6	1,090.3	1,090.3
Capital reserves	37.4	59.3	60.5
Shares issuance	0.0	-18.4	-18.4
Earnings reserves	10.3	0.9	0.9
Treasury shares	-15.1	-34.3	-61.9
Equity adjustments	-9.9	-16.1	-16.1
Accumulated losses	-17.1	21.5	32.9
Total Equity	1,095.3	1,103.1	1,088.0
Non-controlling shareholders		2.4	2.3
Total Liabilities and Equity	1,396.7	1,485.9	1,452.8

17. Indirect Cash Flow

Consolidated Data in R\$ million

in R\$ million	3Q20	2Q21	3Q21
Cash flows from operating activities			
Profit for the year	1.2	19.9	31.5
Non cash adjustments:	56.5	44.4	52.9
Depreciation and amortization	33.9	36.0	36.4
Deferred income and social contribution taxes	0.0	-1.1	4.1
Provision (reversal) for tax, civil and labor risks	0.1	-1.0	-1.5
Accrued expenses on stock options	0.8	1.1	1.1
Post-employment benefit	0.3	0.2	0.2
Residual value of property, plant and equipment and intangible assets sold and written off	15.6	1.3	2.1
Interest and monetary exchange gains and losses, net	3.6	3.5	3.9
Leasing interest	0.0	1.3	0.6
Provision (reversal) for impairment loss on trade receivables	-1.4	1.5	2.0
Impairment loss on inventories held for sale	0.0	0.0	0.0
Provision (reversal) for impairment and fair value	0.2	0.0	0.0
Provision (reversal) for slow-moving inventories	0.9	-1.3	-0.3
Provision for rental equipment inventory adjustment	0.0	0.0	0.0
IFRS 9/CPC 48 Adjust	0.0	0.0	0.0
Result of participation in investments	0.0	0.0	0.0
Provision for Profit Sharing	1.5	1.4	3.3
Other provisions	1.2	1.4	0.9
Variations on assets and liabilities:	-10.8	-31.7	-28.1
Trade receivables	-12.4	-17.2	-12.0
Acquisitions of rental equipment	-0.2	-20.1	-21.5
Acquisition of leased assets through capital reduction in subsidiary	0.0	0.0	13.8
Inventories	1.1	-14.5	-8.0
Inventory acquisitions through capital reduction subsidiary	0.0	0.0	0.0
Taxes recoverable	1.2	0.0	-4.1
IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-0.3	-0.4	-0.5
Judicial deposits	0.2	-0.2	-0.2
Other assets	-0.5	-0.5	-0.2
Trade payables	-2.2	17.8	-6.7
Payroll and related taxes	1.7	4.9	1.9
Profit Sharing	0.0	-6.1	0.0
Taxes payable	0.4	4.7	9.5
Other liabilities	0.0	0.0	0.1
Paid income and social contribution taxes	-1.4	-5.3	-4.1
Lawsuits settled	-0.8	-1.5	-1.7
Interest paid	-24.9	-2.9	-3.4
Net cash generated by operating activities	19.7	22.9	47.0
Cash flows from investing activities:			
Acquisition of cash resulting from the incorporation of a subsidiary	0.0	-5.1	0.0
Acquisition of PP&E for own use and intangible assets	-2.5	-9.0	-8.3
Proceeds from sale of the Industrial Services business unit	0.4	0.0	0.6
Interest on capital received	0.0	0.0	0.0
Net cash generated from investing activities	-2.1	-14.1	-7.7
Cash flows from financing activities			
Lease operations (IFRS16)	-4.9	-5.8	-6.2
Capital increase/decrease	0.1	0.7	0.0
Restricted bank deposits	0.0	-0.3	-0.3
Borrowing and debentures	0.0	0.4	-0.7
Share issue cost	0.0	0.0	0.0
Amortization of borrowings and debentures	-40.2	-17.8	-19.6
Capital Increase	-0.4	0.0	0.0
Share buyback	0.0	-19.3	-27.6
Interest on equity paid	0.0	-5.3	-10.9
Dividends paid	0.0	0.0	-7.9
Lease operations	0.0	0.0	0.0
Net cash used in financing activities	-45.4	-47.3	-73.3
Net increase (decrease) in cash and cash equivalents	-27.7	-38.4	-33.9
Cash and cash equivalents at the beginning of the period	289.9	392.5	354.2
Cash and cash equivalents at the end of the period	262.2	354.2	320.3
Net increase (decrease) in cash and cash equivalents	-27.7	-38.4	-33.9
Operating Cash Flow	19.7	22.9	47.0
Interest Paid	24.9	2.9	3.4
Acquisitions of rental equipment	0.2	20.1	7.8
Interest and monetary exchange net gains and losses (non-cash)	-1.2	-2.3	-5.1
Financial Result Income Statement	-4.9	-5.8	-6.2
Adjusted Operating Cash Flow	38.7	37.8	46.9

Information not audited by the independent auditors.

18. MILS3 History

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

The closing price of Mills' share on B3, as of September 30, 2021, was R\$ 6.19, 9.8% higher versus the closing price in the same period of 2020, while IBOVESPA index recorded a 17.3% positive variation in the same period. By 3Q21 closing, Mills market cap amounted to R\$ 1,560.9 million.

Average daily traded volume of Mills shares in B3 in 3Q21 amounted to R\$ 11.0 million, 30.9% lower versus the previous year.

MILS3 Performance	3Q20 (A)	2Q21 (B)	3Q21 (C)	(C)/(A)	(C)/(B)
Share final price (R\$)	5.64	8.77	6.19	9.8%	-29.4%
Maximum ¹	8.00	9.18	9.02	12.8%	-1.7%
Minimum ¹	5.64	7.53	6.19	9.8%	-17.8%
Average ¹	6.99	8.36	7.65	9.5%	-8.5%
Market value final of period (R\$ million)	1,421.0	2,211.5	1,560.9	9.8%	-29.4%
Daily average negotiated volume (R\$ million)	15.95	16.17	11.01	-30.9%	-31.9%
Number os shares (million)	251.95	252.17	252.17	0.1%	0.0%

(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 thirteen 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 warehouse - This cost includes expenses directly related to the management of the warehouse, storage, handling and maintenance of assets for rent and resale, including expenses with labor, PPE used in the warehouse activities (handling, storage and maintenance), inputs (forklift gas, welding gases, plywood, paints, timber battening, among others) and maintenance of machinery and equipment (forklifts, welding machines, jetting machines, hoists and tools in general).

(g) 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).

(h) 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.

(i) Net debt - Gross debt less cash and cash equivalents.

(j) EBITDA - EBITDA is a non-accounting measurement prepared by the Company, reconciled with our financial statements, subject to the provisions of CVM Circular Letter No. 01/2007, 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 representing 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 are 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.