

# 3Q2020 Earnings Presentation



# Disclaimer

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# Introduction – Main Highlights of 3Q20



Consolidated Adjusted EBITDA: **R\$36.7 million**, 78.7% higher than that registered for 2Q20.



## Rental:

Equipment rental net revenue: **R\$84.8 million**, 15.3% higher than that registered for 2Q20.

Adjusted EBITDA: **R\$30.1 million**.

Rental utilization rate as of 09/30/2020 **near pre-crisis level**



## Construction:

Equipment rental net revenue: **R\$16.0 million**, 30.2% higher than that registered for 3Q19.

Adjusted EBITDA: **R\$6.7 million**.

## Debt:

Announcement of the Company's intention of issuing new debentures, in the amount of **up to R\$ 84 million**.

The payment of the last installment of the second issue of debentures in the amount of **R\$ 59.5 million**, whose rate was of IPCA + 7% per year.

Adjusted Operating Cash Flow of **R\$39.0 million**.

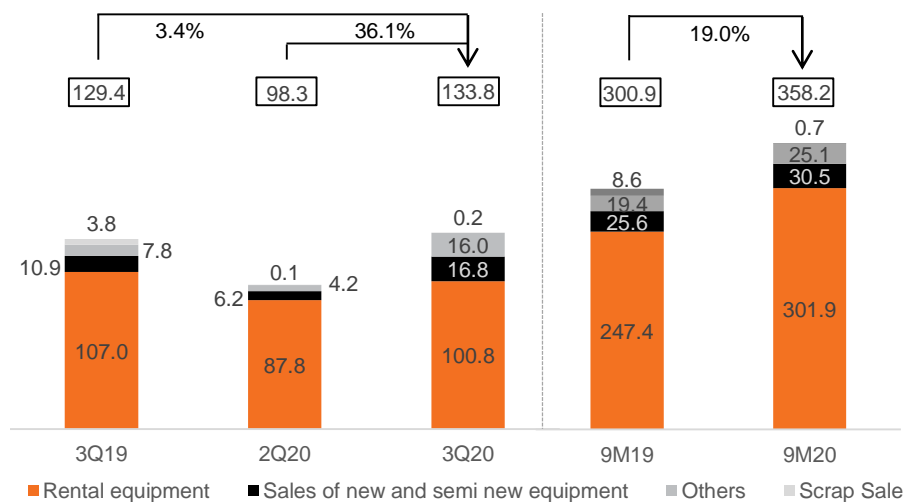
Cash balance in the amount of **R\$ 262.2 million** as of 09/30/2020, gross debt at **R\$ 125.8 million** and, thus, a net cash of **R\$ 136.4 million**.

**Achievement of Consolidated Net Income**, after six years of consecutive quarterly losses.

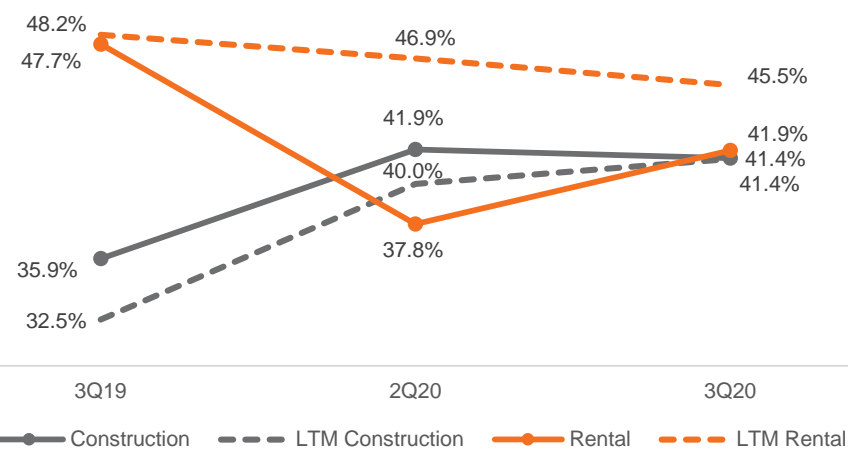
# Consolidated – Revenue

In R\$ million

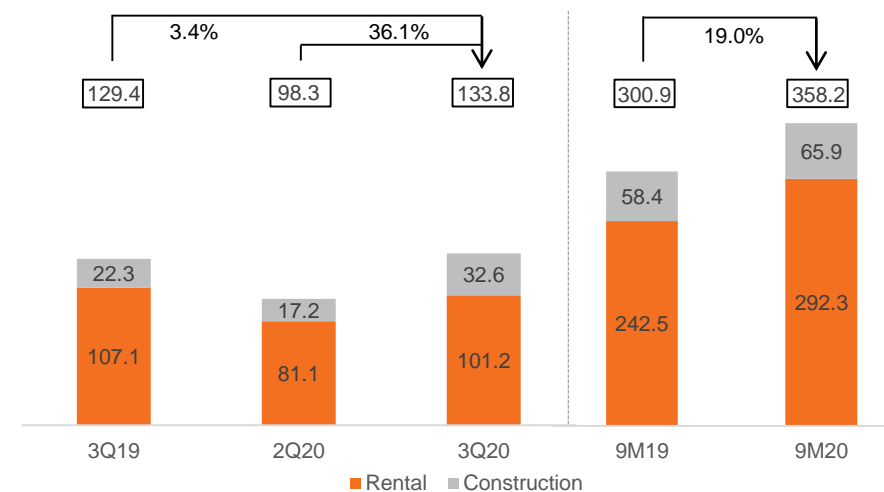
## Net Revenue per Type



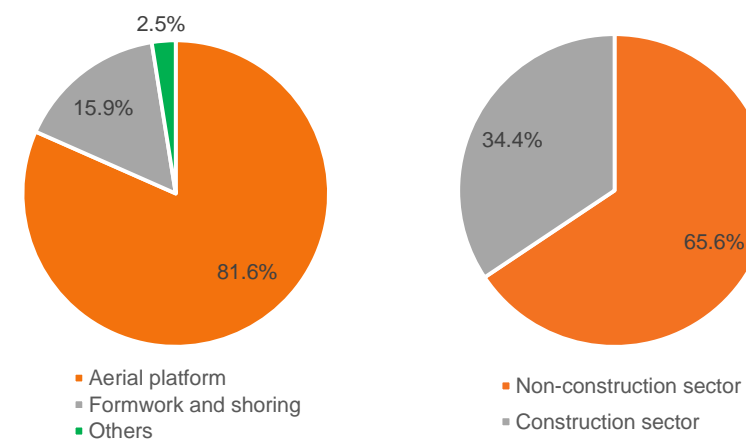
## Utilization Rate (Volume)



## Net Revenue per Segment

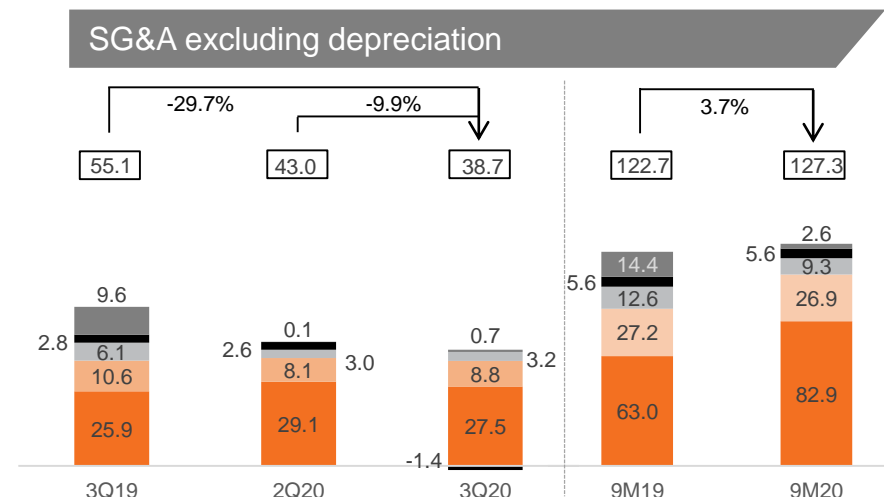
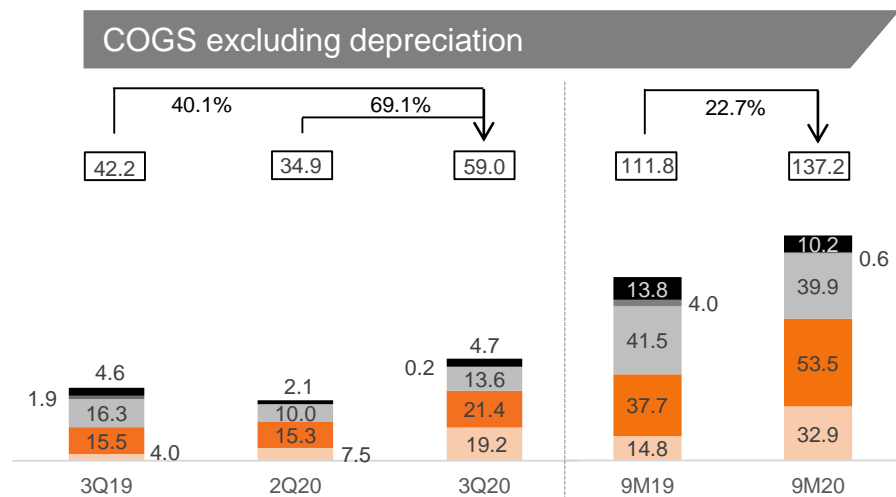
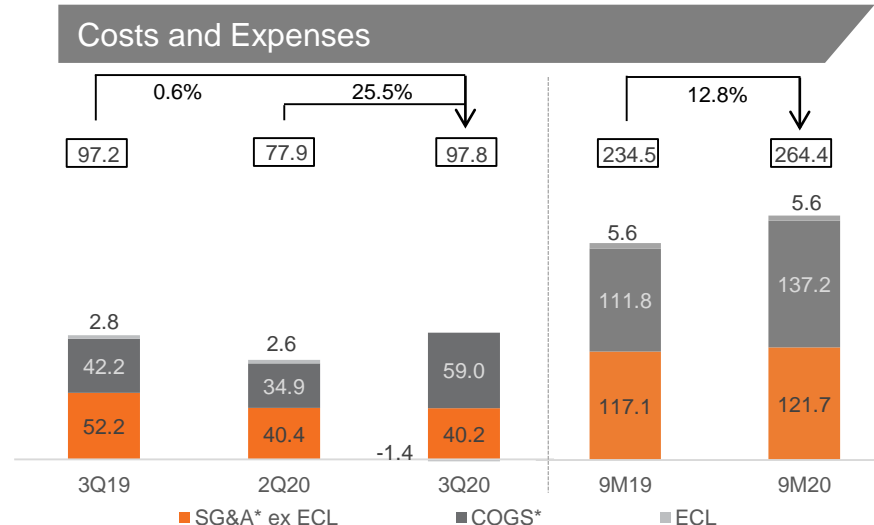


## 3Q20 Rental Net Revenue



# Consolidated – Costs and Expenses\*

In R\$ million



- Cost of sales of new and semi new equipment
- Costs of scrap sale
- Personnel
- Consumption material and repair
- Others

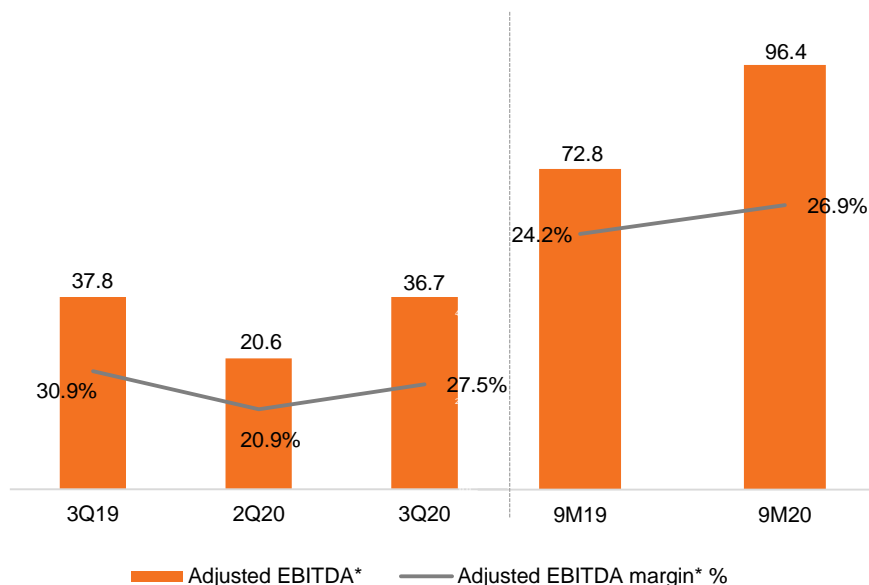
- Non recurring
- ECL
- Other Expenses
- General Services
- Commercial, Operational and Administrative

\*Excluding IFRS16 effects.

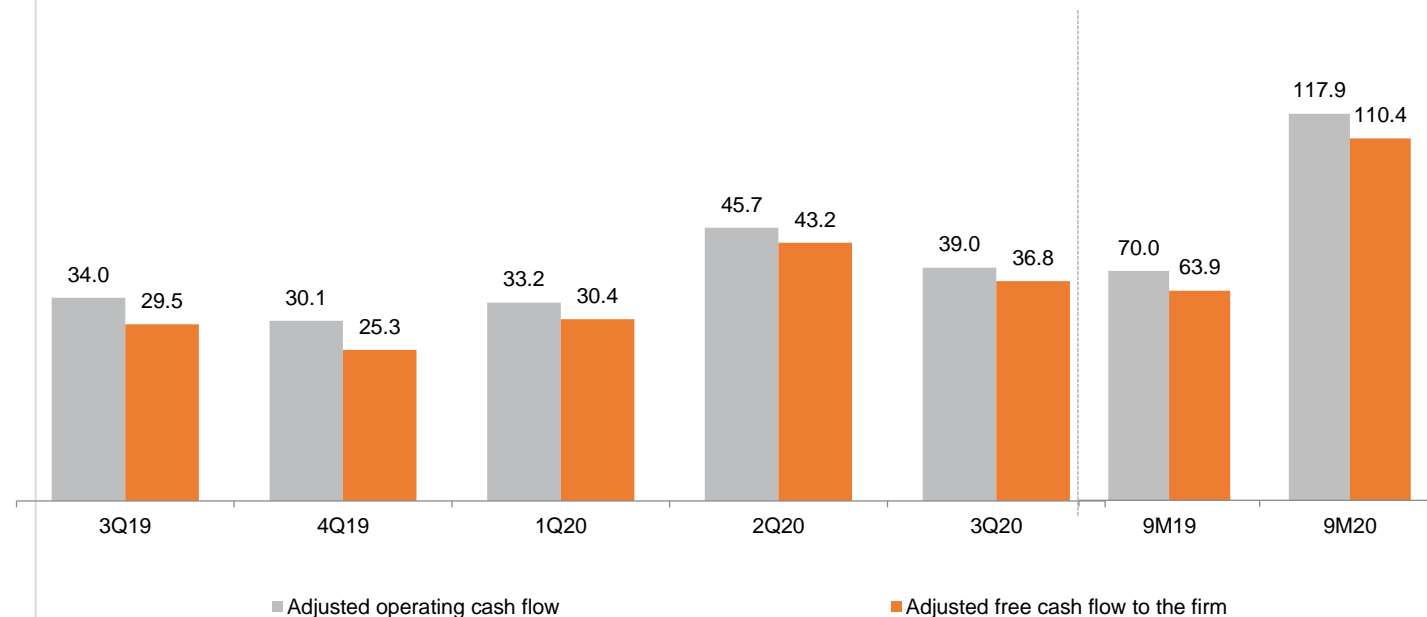
# Consolidated – Adjusted Ebitda and Cash Flow

In R\$ million

Adjusted Ebitda<sup>2</sup>



Adjusted Cash Flow<sup>1</sup>



<sup>1</sup> 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 and IFRS16 leasing are excluded. For the free cash flow to the firm, the interest paid and the net monetary and asset variations are excluded.

<sup>2</sup> 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)

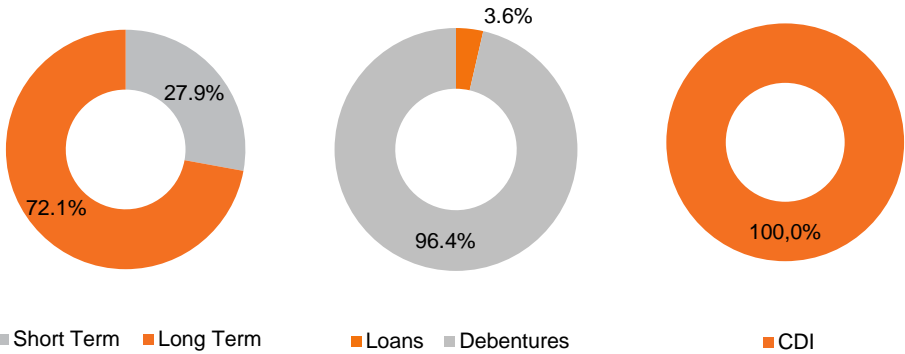
# Consolidated – Indebtedness

In R\$ million

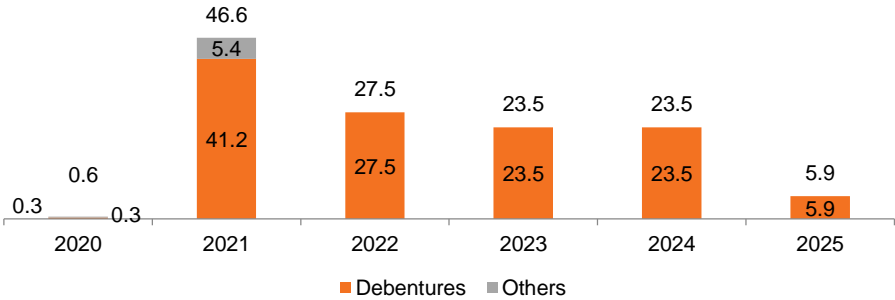


❖ The weighted average maturity of our consolidated debt on September 30, 2020, was of 1.9 year, at a cost of CDI + 2.84% per year.

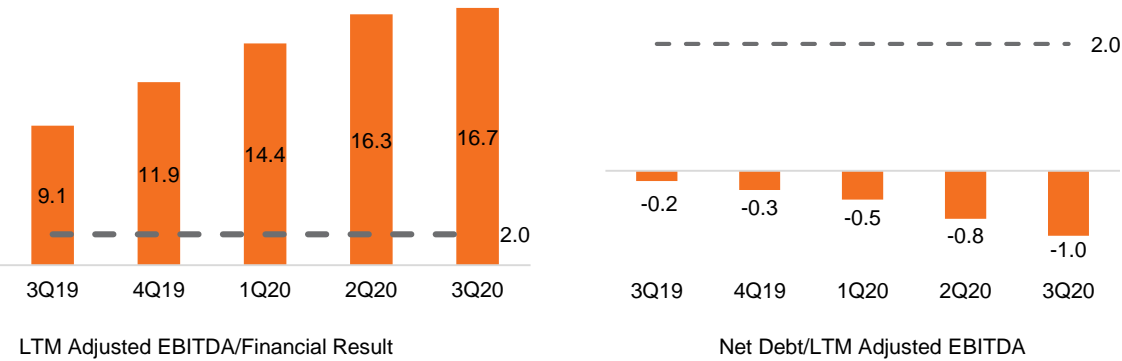
Gross Debt Profile



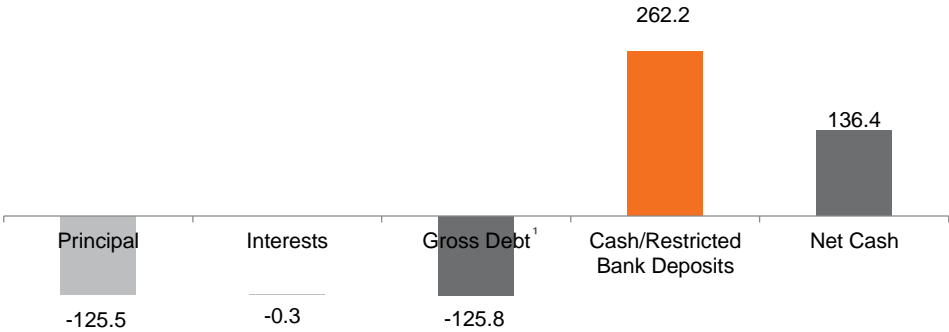
Debt Payment Schedule<sup>1</sup>



Covenants



Indebtedness on 09/30/2020



<sup>1</sup>Considers accrued interests.

# Financial Summary

In R\$ million



	2016	2017	2018	2019	LTM3Q20	% Part
<b>Net Revenue</b>						
Consolidated	396.6	296.3	304.2	439.5	496.7	100.0%
Construction	182.3	115.0	100.6	81.9	89.4	33.1%
Rental	214.3	181.3	203.6	357.5	407.3	66.9%
<b>EBITDA</b>						
EBITDA	40.9	-37.3	0.3	119.3	146.7	100.0%
Construction	-15.9	-69.5	-53.6	-6.1	8.2	-5.1%
Rental	59.8	31.9	60.0	126.6	139.2	106.2%
Others	-3.1	0.4	-6.0	-1.2	-0.7	-1.0%
<b>EBITDA Margin</b>						
Consolidated	10.3%	-12.6%	0.1%	27.1%	29.5%	
Construction	-8.7%	-60.5%	-53.3%	-7.5%	9.2%	
Rental	27.9%	17.6%	29.4%	35.4%	34.2%	
<b>Gross Capex (accrual basis)</b>						
Consolidated	5.5	29.5	4.6	11.5	14.3	100.0%
Leasing - Construction	1.8	8.0	0.4	0.1	1.9	1.1%
Leasing - Rental	0.1	9.5	1.3	6.0	5.8	51.7%
Own Use and intangible assets	3.6	12.0	2.9	5.4	6.6	47.2%
<b>Utilization rate (volume)</b>						
Construction	41.5%	37.5%	33.2%	35.2%	41.4%	
Rental	55.1%	55.8%	51.7%	48.2%	45.5%	
<b>Cash Flow</b>						
Adjusted Operational Cash Flow	157.0	50.2	63.3	100.1	148.0	
Adjusted Free Cash Flow to the Firm	172.7	49.2	59.8	88.6	135.6	

Combined Mills *	9M19 (A)	9M20 (B)	(B)/(A)
<b>Total Net Revenue</b>	<b>359.8</b>	<b>358.2</b>	<b>-0.5%</b>
Rental	298.5	301.9	1.1%
Others	47.3	56.3	19.0%
Non-recurring	14.0	0.0	-100.0%
<b>COGS (ex. depreciation and IFRS16)</b>	<b>-131.6</b>	<b>-137.2</b>	<b>4.2%</b>
Rental costs (personnel, warehouse, etc.)	-110.2	-113.3	2.8%
Others	-11.7	-7.9	-32.4%
Non-recurring items	-6.1	0.0	0.0%
<b>SG&amp;A (ex. depreciation, IFRS16 and ECL)</b>	<b>-136.9</b>	<b>-121.7</b>	<b>-11.1%</b>
Commercial, Operational and Administrative	-76.2	-82.9	8.7%
General Services	-31.6	-26.9	-15.0%
Other expenses	-13.7	-9.3	-32.0%
Non-recurring items	-15.4	-2.6	-83.1%
<b>ECL</b>	<b>-7.5</b>	<b>-5.6</b>	<b>-25.7%</b>
<b>Non-recurring items</b>	<b>-7.4</b>	<b>-2.6</b>	<b>-64.8%</b>
<b>Depreciation</b>	<b>-125.5</b>	<b>-102.0</b>	<b>-18.8%</b>
<b>Adjusted EBITDA</b>	<b>91.2</b>	<b>96.4</b>	<b>5.7%</b>
Adjusted EBITDA margin (%)	26.4%	26.9%	
<b>Loss for the year</b>	<b>-41.9</b>	<b>-12.4</b>	<b>-70.4%</b>
Final Balance	109.9	262.2	138.7%

\*For 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 and IFRS16 leasing are excluded. For the free cash flow to the firm the interest paid interest and monetary exchange gains and losses, net are excluded.

<sup>2</sup> Rohr impairment of R\$6.0 million in 2017 is not considered.



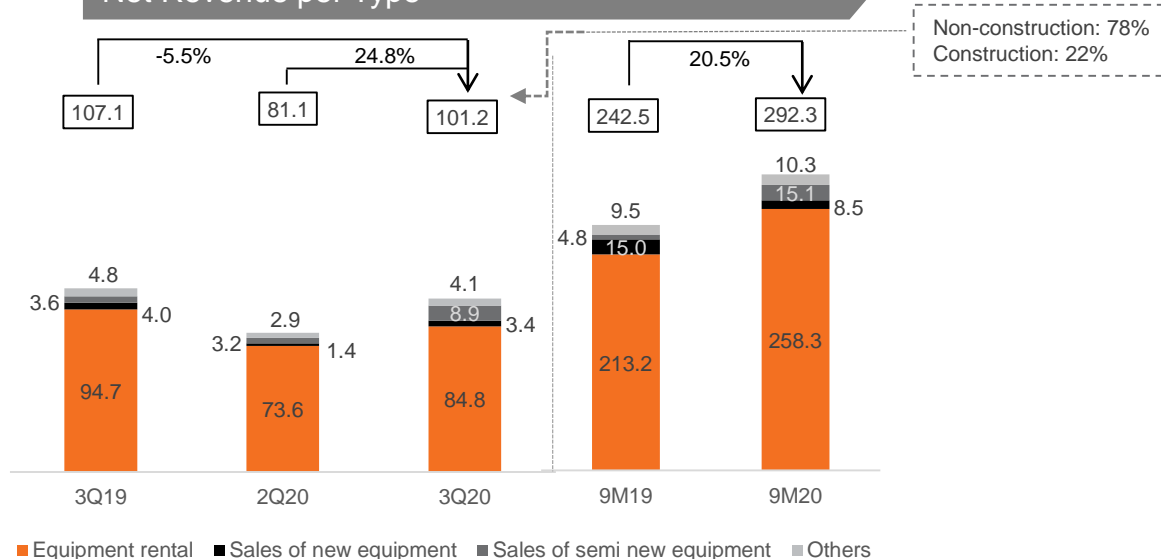
RENTAL



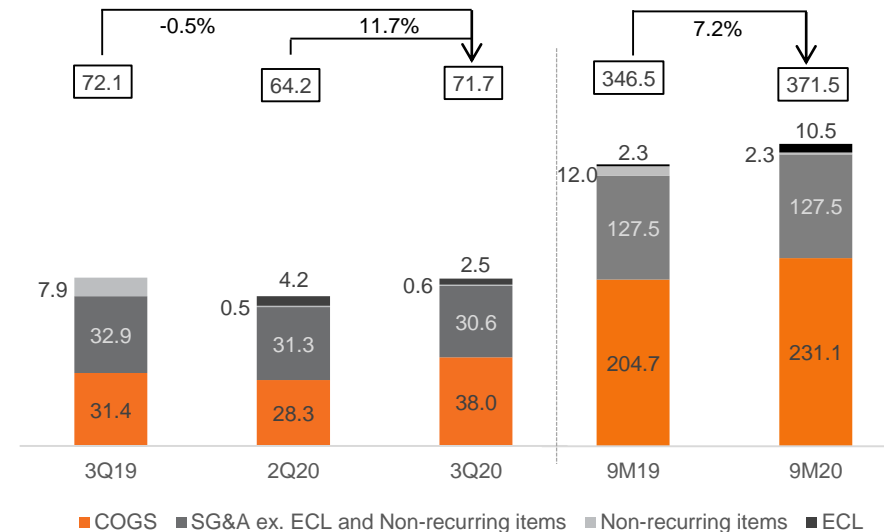
# Rental – Consolidated Financial Performance

In R\$ million  
(consolidated)

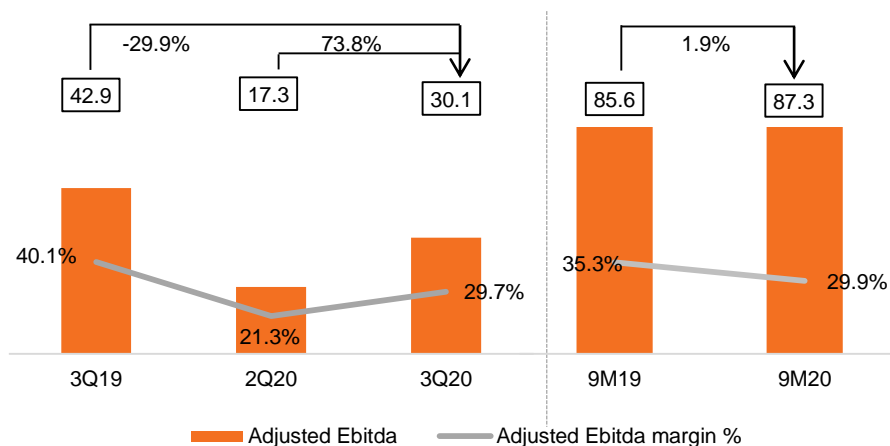
## Net Revenue per Type



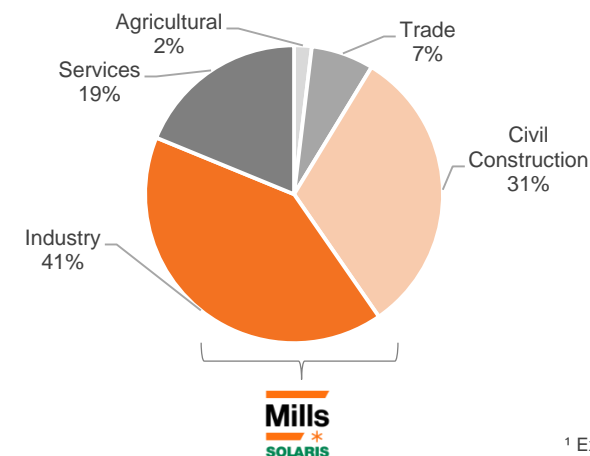
## Costs and Expenses



## EBITDA and EBITDA margin<sup>1</sup>



## Income per Type – 3Q20



<sup>1</sup> Excluding non-recurring items and IFRS16 effects

# Combined\* – Financial Summary

In R\$ million

Combined Rental business unit*	9M19 (A)	9M20 (B)	(B)/(A)
<b>Total Net Revenue</b>	<b>301.4</b>	<b>292.3</b>	<b>-3.0%</b>
Rental	264.4	258.3	-2.3%
Others	37.1	34.0	-8.4%
<b>COGS (ex. depreciation and IFRS16)</b>	<b>-102.2</b>	<b>-101.1</b>	<b>-1.1%</b>
Rental costs (personnel, warehouse, etc.)	-88.6	-92.4	4.2%
Others	-13.6	-8.8	-35.6%
<b>SG&amp;A (ex. depreciation, IFRS16 and ECL)</b>	<b>-104.0</b>	<b>-95.7</b>	<b>-8.0%</b>
Commercial, Operational and Administrative	-58.9	-57.1	-3.0%
General Services	-23.1	-20.4	-11.4%
Other expenses	-9.0	-6.5	-28.2%
Non-recurring items	-13.0	-2.3	-81.9%
<b>ECL</b>	<b>-4.2</b>	<b>-10.5</b>	<b>150.9%</b>
<b>Non-recurring</b>	<b>-13.0</b>	<b>-2.3</b>	<b>-81.9%</b>
<b>Depreciation</b>	<b>-88.5</b>	<b>-69.2</b>	<b>-21.8%</b>
<b>EBITDA ex. non-recurring items</b>	<b>104.0</b>	<b>87.3</b>	<b>-16.1%</b>
Adjusted EBITDA margin (%)	34.5%	29.9%	
<b>Loss for the year</b>	<b>-3.9</b>	<b>7.4</b>	<b>-287.4%</b>

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



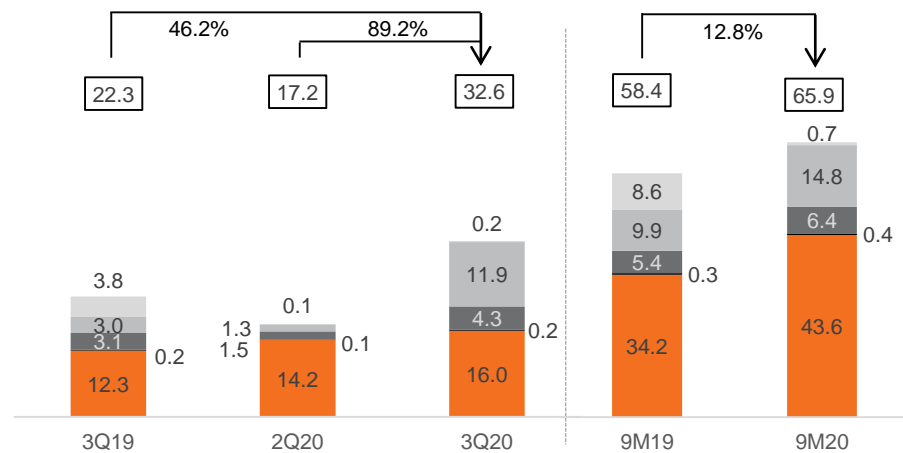


CONSTRUCTION

# Construction – Financial Performance

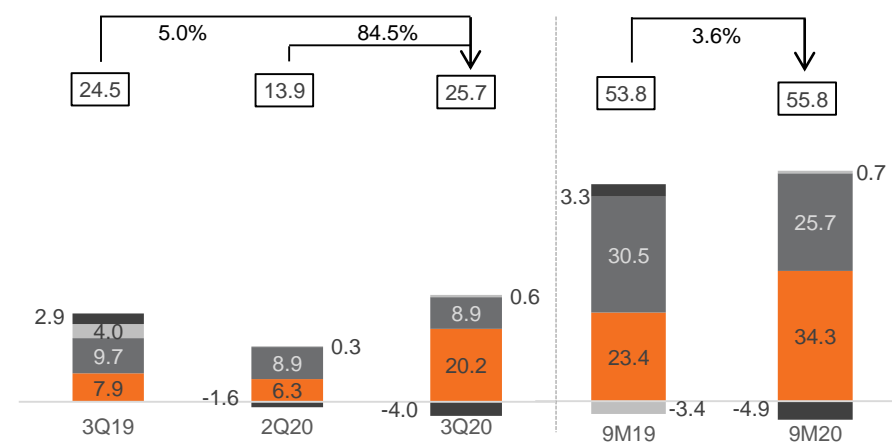
In R\$ million

## Net Revenue<sup>1</sup> per Type



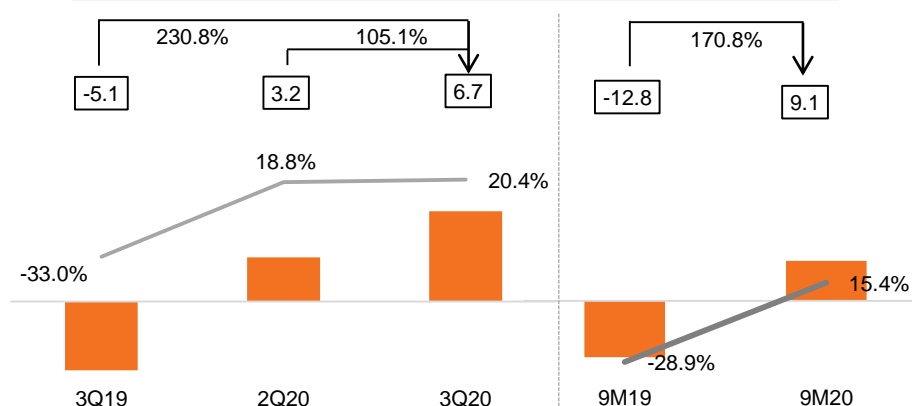
Equipment rental Sales of new equipment Sales of semi new equipment Others Scrap Sale

## Costs and Expenses



COGS ex. Non-recurring items SG&A ex. ECL and Non-recurring items Non-recurring items ECL

## EBITDA and EBITDA margin<sup>2</sup>



Adjusted Ebitda Adjusted Ebitda margin %

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

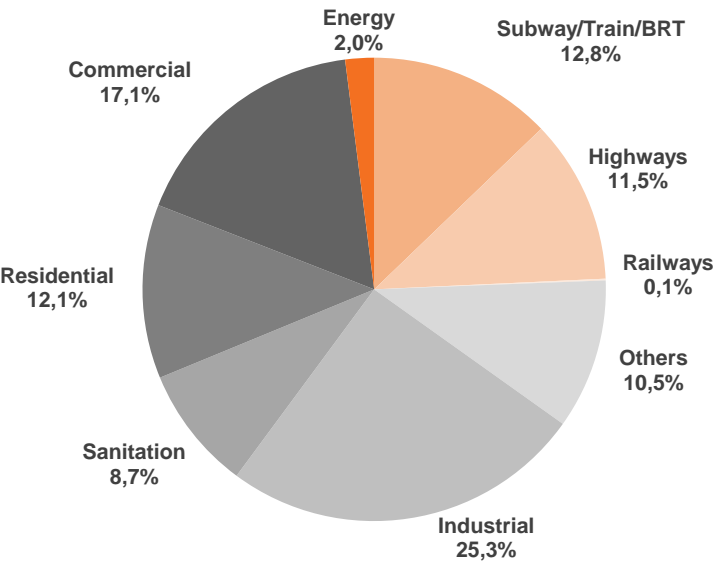
<sup>2</sup> Excluding non-recurring items, sales of semi new equipment and IFRS16 effects.



# Construction – 3Q20 Equipment Rental Net Revenue Breakdown

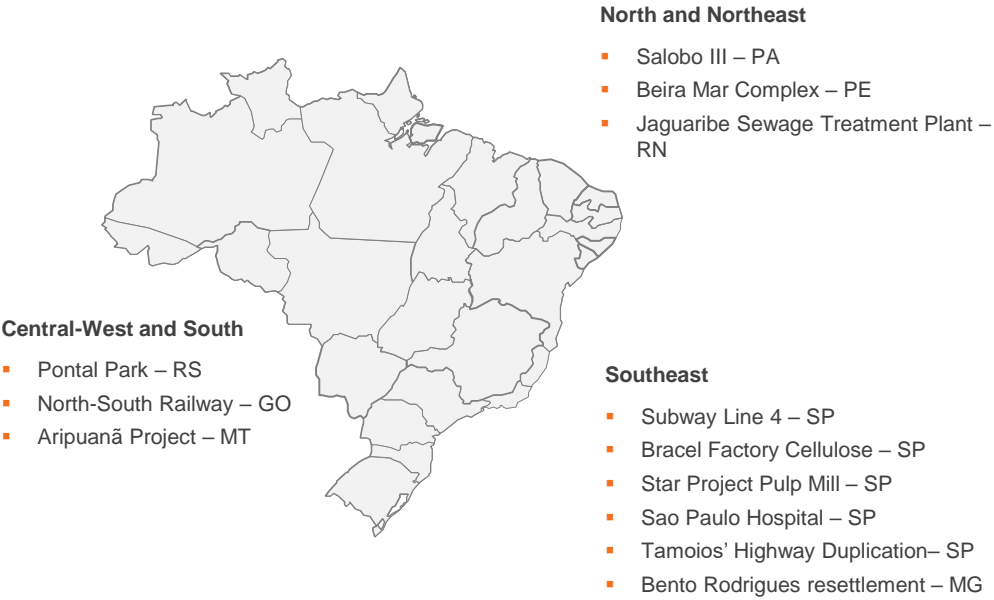
In R\$ million


Per sector  
R\$ 16.0 million



57.9% in public works, resources coming from government.  
41.8% in private works, resources coming from private sector.  
0.3% 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 - Relações com Investidores

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