



**International Conference Call
TUPY S/A
Fourth Quarter 2019 Earnings Results
March 4th, 2020**

Operator: Good morning, thank you for waiting. Be welcome to the conference call for Q4 2019 results for Tupy.

All the participants will be in the listen-mode only, and next we will have a Q&A session, when further instructions will be given. If you need any help from an operator during the conference call, please dial *0. This conference call is being recorded.

The company would like to remind you that this event is also being transmitted simultaneously through the internet via webcast at: www.tupy.com.br/ri, where you will find the presentation. The slides will be controlled by you.

The company clarifies that any declarations made during this conference call on business perspectives, projections, operational goals, financial goals concerning the company's business are based on company's expectations. These expectations are highly dependent on market conditions, both domestic and international, general economic performance of the country and therefore subject to change.

With us we have Mr. Fernando Cestari de Rizzo, Chairman of the Company, and Mr. Thiago Struminski, Vice-President of Finance, Administration and Controls.

Mr. Fernando, you may proceed.

Mr. Fernando de Rizzo: Good morning. Thank you for participating.

2019 was a year with a lot of work. At the same time as we gave important steps to building a new cycle for the company, we created a company that is more and more vibrant, globalized and centered on the client and results. We summarize our strategy, shown in the last Investor Day, which is made up of 4 pillars: Strategic growth; operational excellence; return to shareholders; restructuring and organizational culture.

Tupy is rebuilding itself with many fronts in progress and in spite of the results delivered in 2019, naturally we have not captured all the opportunities for value generation. We carried out an organizational restructuring, we are recruiting new talents and we adopted new organizational processes, the bases of our strategy.



In the last 18 months, we attracted 2 new Vice-Presidents, 4 new Directors for the business in Europe, a new Country Manager for Mexico, a new Purchasing Manager and a new Human Resources Director, we also recruited 30 new Managers in a universe of 72 positions including the substitution of positions with low performance.

This structure will be fundamental to capture existing opportunities in Tupy and synergies after the acquisition of Teksid, as announced in December. We will become a more solid, more competitive, more diversified and more resilient company to take advantage of the opportunities in global growth.

We revamped the production system, strategic planning and we created advance manufacturing teams where we adopted the concept of open innovation with partnerships with technology companies. Apart from academic inputs from the US and foreign universities, we are carrying out agile and innovative process with the use of data analytics and mathematical modeling in the development of processes, automation, quality improvement, productivity and also the management of materials and energy consumption.

We accelerated the sale of nonstrategic assets and we restructured purchasing with a consultancy company, with their help. We brought a new team with experience in better global practices and developed a chain of suppliers to mitigate risks.

In this period, we also consolidated our global position as a specialist in metallurgical technology and also specialized in cargo transportation in all the modals, infrastructure, mining, agriculture and energy generation.

Our clients have great growing needs to invest in new technologies, which will result in more opportunities for us in the value chain with more machining and assembly of components. The strong outsourcing activities also brought an increase in the participation of CGI and Tupy alloy products with the growing demand for machining services and assembly services.

This demand has brought results in 2019 when we renewed our portfolio in Mexico, and we expanded our machining operations. With this, we had an increase in participation in structural components with complex geometries in CGI, represented 22% of our total portfolio versus 14% in 2018. And also machined products now 24% in comparison with 20% last year.

We had natural difficulties in the ramp-up of the foundry and also machining in some operations, we haven't captured all the potential in terms of margin, but this should happen this year 2020. So this shows the trust of our clients in the solid model of the business at Tupy, which will give us expressive results in the long-term.

In 2019, we increased our operational efficiency with production management and better projects, with better use of materials, less scrap, less consumption of energy and growing automation. In this way, after a first quarter with the impact of the ramp-up of new operations and other nonrecurring events that hurt our operation, we will have in the next months of the year a growth of 50 basis points in gross margin and adjusted EBITDA in spite of 6.3% drop in the volumes.

On slide number 3, we see the first results of these initiatives. We reached in 2019 record values in revenue, EBITDA and net profit in spite of lower volumes in Q1 19, especially due to the launching of new programs. Operational cash – always the great focus of the company – reached R\$567 million, second best result of the company and corresponding to a cash flow yield of 21% and 81% of adjusted EBITDA in the period.

We have a strong commitment with our investors and a favorable cash balance R\$840 million and our index net debt adjusted EBITDA is 0.921 times, which shows that we made the right strategy to buy Teksid and will allow us to pay our shareholders. So the company paid dividends in JCP worth 162.5 million, a dividend yield of 5.95%.

Now to talk about the main indicators, I invite our CFO, Mr. Thiago Struminski.

Mr. Thiago Struminski: On slide number 4 and with the numbers of Q4, we have 119,000 tons, 17% lower than Q4 18, especially due to the reduction in indirect exports, adjustments in our clients' inventory and also due to the performance of off-road abroad.

Of the volume in transportation, infrastructure and agriculture, 23% from total or partially machined products, 24% CGI. The reduction of the participation of machined products in Q3 19, which reached 26%, is related to the applications that use this service, especially off-road.

On slide number 5, the revenue had a drop of 8% and per kilogram there was an increase of 11% due to a better mix, 64% of the revenue came from NAFTA, in this case we must say that this is due to our clients in this region using plants to export, 17% South America and Central, 13% Europe, 5% Asia and Africa. And in terms of application, 80% off-road, 15% passenger cars, 5% hydraulics.

Slide number 6, revenue from transportation, infrastructure and agriculture in Brazil. The drop is due to a phase out of some products that we had already in our plant and commercial we see here also commercial vehicles and we see a drop in indirect exports and also the effect of inventory and our clients.

Revenue in the domestic market, on slide number 7, revenue from the foreign market had an impact especially due to the reduction in volumes in off-road due to uncertainties and problems between the USA and China, and the reduction in revenue in applications for light vehicles is due to the performance of some markets and also strong comparison base in the previous year.

Slide number 8, we see performance in hydraulics, 6% of the revenue, the reduction in volumes was compensated by a better mix and also better prices and exchange rate.

Slide number 9, here we see cost of products, CPV we see here a drop of 8%, gross margin an increase of 20 basis points. In this period, CPV totaled 964 million, a drop of 8%, and a gross margin 15%, an increase of 20 basis points in 2018. Also in this period, a drop of 19% in the cost of raw materials due to the volumes and better prices of materials, a growth of 3% in the expenses with labor and also participation in results and social benefits.

We'd like to say that looking at the previous quarter, Q3 19, we had a drop of 5% in this line due to many actions to make operational improvements and reduction in over time. An increase of 7% in maintenance and third-party materials, this had an impact due to credits of Pis and Cofins taxes worth 9 million in Q4 18.

If we exclude this effect, we would have had a reduction of 3% in relation to the previous years. Operational expenses a drop of 4%, especially due to a drop in expenses with freight.

Slide number 10, adjusted EBITDA, 152 million, an increase with a margin of 13%, 120 basis points increase in relation to the previous year. The drop in volumes was compensated by the implementation of products with gains in efficiency, operational efficiency, we are also implementing our strategies to defend ourselves, we use this to mitigate the impact of fluctuations in demand including relocation of products between plants, relocation of work hours and other initiatives reducing also fixed costs.

At the bottom of this slide, we see net profit 73 million in comparison with 78 million in Q3 18 with an increase of 10 basis points in net margin, which reached 6%.

Slide 11 we show the main accounts of working capital. So looking at the previous quarter, Q3, we see a reduction of 15 days in accounts receivable due to seasonality and receiving of tooling, an increase of 7 days in inventory reflecting the transfer production from Mexico to Brazil, and also thus the preservation of margin.

Slide number 12 we see the investments of intangibles, here we see the investments intangible 92 million, a little above the depreciation of the period.



Investments in 2019 totaled 270 million corresponding to 5% of net revenue during the year, and also the other initiatives related to CGI and industry 4.1 and also revamping, environmental projects and labor safety.

On slide number 13, operational cash generation in Q4 19 342 million, this is the highest value in the company's history. Among other factors, this had an impact due to credits that we received for Pis and Cofins taxes, 65 million, and also, we received 63 million in credits from Eletrobras – the electricity company.

On slide number 14, we show net debt of 639 million corresponding to 0.91 times adjusted EBITDA in the last 12 months, the obligations in foreign currency represented 98%, most of our debt is in foreign currency and it is a bond and it will become mature in 2024 and 40% are in local currency.

Now I will pass the floor to Fernando.

Mr. de Rizzo: In spite of the drop in volume in Q4, which doesn't represent a drop in market share, we are operating in a healthy economic scenario, the GDP of Brazil and the US should grow around 2% and in Europe we will have a growth in GDP.

I would like to share with you our perspectives for the main markets that we evaluate all the time and we are very cautious at this.

I will begin with light commercial vehicles, 33% of our revenue, and especially in the US. This is a segment that continues to have a favorable demand and we will have new products launched there. With the US economy growing higher wages and low unemployment, housing favorable, we had wonderful numbers in December and January for construction in the US, and also pickup trucks, very healthy. So we should maintain the volumes in this sector.

The off-road segment, which represents 23% of our revenue, I will talk about 4 subitems: The first, agriculture. So we had uncertainties that brought a drop in the substitution of machines in 2018 and 2019, and also the problems between the US and China we believe this should be solved this year. The feelings of American farmers are improving, and the age of the fleet is the highest in a decade, so this brings us a vision that many clients in the US will have to substitute their machinery since they use them a lot;

The second sector is construction. We are seeing a softer market in relation to 2019, and this depends a lot on the government. Housing starts have grown, which shows an improvement in construction of houses. We see new machines being sold and also usage of existing machinery, but there is excessive stock, inventory, that should drop;



The third, mining. We saw commodity prices that still show investments being made and there is optimism to recover Capex after the second semester of 2020;

The fourth, energy generation. Here we talk about oil and gas and also diesel and gas generators. We believe this area of oil and gas should be soft in 2020 as in the second semester of 2019 and the generators will have moderate growth.

Now medium and heavy commercial vehicles, 15% of our sales in 2019, we see a reduction of one digit with an expectation of recovery in Q4 2020 both in Europe and in the US. Different from others cycles in the past that were unfavorable, we should bear in mind that the US economy and the transportation of merchandise continue growing. There were higher sales, higher than cargo in 2019, and now there is an adjustment, but the market continues to grow using vehicles, growing usage of vehicles.

In vocational trucks, like concrete trucks and cranes or garbage trucks, dump trucks, have a good market and very positive in the US and Canada these sales. The reduction in the export market normally last 3 to 6 quarter and we are already ahead.

Now medium and heavy vehicles in Brazil, in domestic market, 11% of our sales, we are expecting growth in heavy equipment, we have had another year with a very good harvest and improvement in the transportation of merchandise, some volumes for indirect exports may be lower than last year and may depend on global growth and Eastern Europe.

Also passenger cars 13%, we expect stability, especially in the US market and also in Europe, especially luxury vehicles. So we have this expectation of stability or a small drop.

Well, in periods of possible reduction in demand, we should have cost control measures. Since Q3, as we noticed the risk of a drop, we began many initiatives to lower costs, all of them already planned. We focused on rigorous execution of our strategy with activities to defend ourselves to adapt our company to a drop in demand. Apart from a more mature production system, we reduced nonessential services, trips, cost with special freight and we continue to transfer volumes from higher cost plants to those that are more efficient.

These actions together with other initiatives implemented in 2019 helped strongly to expand margins in the last semester and will continue in 2020.

Apart from this, we have a significant pipeline of new actions always increasing efficiency and productivity. Our automation projects in finishing also were carried out, we have good expectations for 2020, we began projects to apply data



analytics to improve the consumption of materials, energy consumption and also better quality of our products.

The acquisitions of the casting business for structural components from Teksid, announced in December, was an important strategy to allocate efficiently our capital, and after this we closed the operations in Mauá with this transformation we will increase our exposure to sectors that will continue for decades.

We also expanded our portfolio of clients who will benefit from our know-how with special alloys and complex geometries, machining and assembly. From an operational point of view, there are many synergies and gains in scale that will be implemented during the year.

Now would like to begin the Q&A session.

Question-and-Answer Session

Operator: Ladies and gentlemen, we would like to begin our Q&A session. To ask a question, please dial *1. To remove your question, please dial *2. This conference call is for investors and investment professionals.

Our first question is from Mr. Marcelo Motta, JP Morgan.

Mr. Motta: Good morning, thank you for the opportunity. Two questions. Could you comment on Teksid, the acquisition, the time for approval? We know that you depend on antitrust laws, could you comment anything else? Also volatility on a global coronavirus, could this change price negotiations?

And when we look at coronavirus, is there any impact, are you feeling any impact, are you worried? In Q1, China stopped for a long time, so please tell us how you see these issues; Teksid and the impact of the coronavirus.

Mr. Struminski: Thank you, Marcelo, Thiago. I will answer the first part then Fernando.

The acquisition of Teksid we are waiting for the approval from the antitrust authorities and it depends on the US, Brazil, Poland and so forth, so now we are waiting, we should have this in the second semester the closing of the deal.

Mr. de Rizzo: Now coronavirus, first point, Tupy doesn't depend on any raw material from that region and there is no restriction on materials that could hurt our operation.

In terms of demand, we haven't seen any change due to coronavirus, although a drop could affect us, we don't know maybe some electronic components in the



chain, there may be a delay in receiving some of these components in the future. For the time being, we haven't identified any effect until now.

Mr. Struminski: Just supplementing Fernando's answer, concerning Teksid, the acquisition, the position should come at the end of the second semester, and the volatility due to coronavirus should happen in the next quarters, if we have any effect.

We may have a recovery, greater concentration of volumes at the end, so in practice, looking at the contracts, there is no adverse effect and when we have a response from authorities about Teksid we should have also a recovery.

Mr. Motta: Thank you.

Operator: The next question is in English, from Jorge Contreras, Zurich Asset Management.

Mr. Contreras: Hi, hello everyone. You mentioned in the beginning about the potential gains due to the reorganization are not still reflected in the numbers. So could you please give to us like guidance of these gains?

Mr. de Rizzo: Thank you for the question. There were 2 effects that we were mentioning: First, the company went through great restructuring and the new team is still adjusting itself and new processes are being implemented in the company, so we hope we will have a greater and greater efficiency as the quarters go;

Also, an important renovation in the product portfolio of Tupy. Some applications we increased 50%, for example, in the use of iron, and when we are beginning these projects entering the ramp-up we have plants that were not used to these products, so we are training the employees, this involves a lot of people, vendors, special materials during the ramp-up.

So we see a favorable indicator in sales, prices are better, and the participation of machined products has increased, but we haven't been able to convert this to margin. From now on these products cycles take 8 years to 10 years, so now we have a new range of products, we will capture the benefits from now on after we stabilize these plants.

So this is the message and this organizational restructuring aims not only to improve the current company, but to prepare the company and prepare the company to absorb the acquisition and to get synergies from these processes.

Mr. Contreras: Okay, thank you.

Operator: Reminding you to ask questions, please dial *1, star 1.

The next question comes from Catherine Kiselar, Bank of Brazil.

Ms. Kiselar: Good morning, congratulations for the results. My first question is on the price increase strategy, especially in hydraulics. How did this go and how about prices for 2020, especially due to inventories at clients, price increases?

Mr. de Rizzo: Hi Catherine, thank you. Well, in hydraulics, this is a sector that is a commodity and the favorable exchange rate helps us in exports, we were able, and we closed spot contracts with a favorable exchange rate, we had a benefit in terms of prices.

The other parts in blocks, engine blocks and heads, we observed an improvement in the mix, we had a good improvement in the mix with more special alloys, more machining, this brings us better prices, but also higher costs, so we hope to lower the cost, maintain the prices, thus generating more efficiency we should reduce these relative costs.

So these 2 factors explain the better prices for the company.

Ms. Kiselar: Could you give us a follow-up of the operations in Mexico? The synergies between Mexico and Brazil, better efficiency, better margins.

Mr. de Rizzo: So the operations in Mexico, we renewed the products in Mexico, we had a machining plant that was small, last year we inaugurated an important part for machining and assembly for 2 important clients from the US, pickups and also engines for industrial applications, so the operation has improved, we have a new team, they have helped a lot for our results and depending on the products we carry out actions and we send products to the plants that are more efficient.

In Mexico we have 4 production lines, Brazil 3 production lines, and when we move products between these plans, it depends on the product and the kind of product.

Mexico contributed a lot for the results between 2013 and 2016, more than Brazil in that period, and now we have new products, this is natural in the industry, it's very good, we have a strong portfolio of products, long-term products and now we are capturing and improving things at each quarter to capture more benefits.

Ms. Kiselar: Thank you.

Operator: Our next question comes from Werner Roger, Trígono Capital.

Mr. Roger: Good morning, congratulations for the results. Could you give us an idea if you can increase production or improve the mix in the current capacity?

What are the investments apart from Teksid? So this year what is the Capex investment this year?

Mr. de Rizzo: Werner, thank you for the question. Well, Brazil is working 3 shifts, and all the lines 3 shifts we are working at full capacity in Brazil, we are developing products between Brazil and Mexico and we are trying to obtain the lines that are in operation always with 3 shifts.

In terms of internal investments, we decided to make an acquisition, we believe acquisition is the best way to grow, this has the lowest cost because we did the acquisition, as I told you.

Concerning investments in 2019, there are many investments in efficiency gains, new projects, a young team of engineers working with also automation, process automation, automation of finishing processes, all of this should have a good benefit. So we should begin to rip the benefits from now on.

In 2020, we want to invest an amount equivalent to depreciation. So as we believe these projects... as we see the projects that have a better return, we will continue investing.

Mr. Roger: Can I ask another 2 questions? Concerning Pis and Cofins taxes, the credits, the tax credits and electricity credits, do you have more credits, especially electricity? Or do you have more credits coming?

Also concerning heavy vehicles, do you see a good market in Brazil and OEM launching trucks and buses gas powered?

Mr. Struminski: I will talk about the electricity company. In August of 2019, the Court determined to adjust the value according to inflation. After this initiative, they determined an amount of 72 million, when we remove the costs, we got to 63 million.

We have also 152 million to be received, to be collected, this includes, for example, other calculations, we are discussing these points and we hope that during the year we will solve this. It's difficult to say when we will have a result. We hope it will not take too long.

Now concerning Pis and Cofins taxes, the recognition from the Supreme Court saying that ICMS tax should not be included in calculating Pis and Cofins taxes. So they recognize our right to remove ICMS tax from the calculation of Pis and Cofins, but it's a credit, this can be used to compensate federal taxes, and this makes it easier for us.

Mr. de Rizzo: Now concerning gas powered vehicles, it's an interesting topic, there are things happening, 3 OEMs are working on projects, some already announced, new products in the market. For this application, urban buses and some types of trucks in restricted areas, there are great opportunities, especially in land fields, this is used a lot in the US, this should come to Brazil and this will depend on the price of gas.

We have changes happening in the country and with the gas from the pre-salt oil wells we should have a lower cost for gas in the future. There is a pipeline near our company, the value is good, there should be an important change for many industrial applications, industrial engines, energy generation will make sense to use this for generation.

This should reduce also some things, there should be a better benefit in demand, we have special products, special products for this, special engine blocks, special heads, this is used today in oil rigs, they use gas from the oil wells to generate electricity, but with a lower price of gas this will bring many investments in companies using engines, internal combustion engines with gas to generate energy and also mechanical energy in the plants. It should be cheaper than electricity using gas, so we believe this should grow.

Mr. Roger: Fernando, within gas, we have a limit for emissions. Tupy's products can be used in ships, boats, in ships or support ships and boats?

Mr. de Rizzo: Yes. We participate, we are in engines up to 90 liters, these are not that big, they can be used for tugboats, ships are changing and they are no longer using heavy oil now, they are going to diesel and gas, and when they come close to some cities they will have to use new fuels, so this is bringing changes in generating demand for us, not for the main engines, although for Caterpillar we have some products that can be used in cruise ships, cruise ships are going from diesel oil to gas now cruise ships, the passengers in cruise ships and the black smoke the came from diesel is very bad, so they are changing the fuel from diesel oil to gas in cruise ships.

So these are very large engines and there are many auxiliary systems they use our product because they use auxiliary systems, tugboat engines which use these products.

So it's important to stress this, all these changes to improve emissions have a positive effect on our company. That's where we have more CGI, our technologies, because these are different engines, they have special demands and that's when we grow our share. So we have projects in engineering in these areas, but this is the natural path of industry that helps companies that have engineering prepared to develop these new products.

Mr. Roger: Air-conditioning in cruise ships, do they use gas?

Mr. de Rizzo: Probably, the central systems may use one machine for electricity and buildings and ships, or you have production with central chillers that can be activated by gas engines. These are large compressors with electrical engines, and you can use gas system, yes it can be done.

Yes, if we have cheap gas, we have a lot of gas in Brazil, we haven't been able to take advantage of the gas, nowadays it's being burned, but we will have many new applications when gas becomes cheaper. It can be used in converted diesel engines or in turbines. But turbines are for very high volume operations and must have stability. Turbines cannot have fluctuation in the RPM. So most of the benefit comes to converted diesel engines, diesel engines converted to gas.

Mr. Roger: Thank you.

Operator: Reminding you, to ask question please dial *1.

The next question comes from Eduardo Nishio, Banco Plural.

Mr. Nishio: Good morning, Fernando, Thiago, Hugo. Thank you for the opportunity. Two questions. First, the drop in volumes, do you see a recovery in the first quarter of 2020? You mentioned in the release that you made some adjustments, please give us some more details.

Concerning efficiency and the activities to defend the company, 2019 EBITDA margins dropped a little in relation to 2018. So did you have a recovery during 2019 with your actions? Do you see margins recovering during 2020 even with a drop in volumes? In 2019, you had a drop of 5%. 2020 do you believe you can protect margins?

Mr. de Rizzo: Thank you. First, about the actions, we said that if you look at the last 3 quarters margins improved 50 basis points, so in the first quarter the new plant we had some maintenance problems at the end of 2018 and 2019, but didn't have this year, so we began with the plants operating well. So margin improved in the period, we are operating better than we did a year ago. We are now more efficient than a year ago.

Concerning volumes, I try to analyze each market because we have a mixture. Some things that happened if you look there are some interesting indicators in the US market for agricultural machines, construction machines, we see that our clients sold more than their dealerships sold, so during 2019 there were high inventories at the dealerships in the US, now they are selling during the year.



That's why there was a drop, the machinery manufacturers decreased their production and now they are waiting to sell these products. So the US economy is growing, the Brazilian economy is growing. This is important for us.

Trucks, same thing. So they have to substitute the fleet because of the cost of maintenance. It so happens that since we had changes in technology, we see that the sales of trucks, truck sales in the last 2 years, truck sales before October 2019 were higher than the growth of freight. So this segment is adjusting itself, but merchandise transportation continues to grow, that's why we understand it we are in an adjustment phase so we should use this to plan our resources and we should have a recovery at the end of the year.

So these are changes, the effects of coronavirus we haven't seen any effects what could happen, the Chinese plants stopped, they are already producing, we have monitored this, but essentially this is what we see; Brazil is growing but exports of engines and trucks is not growing, this should drop in Brazil. So we may have a small drop.

Medium trucks stable, this is what we see. If you look at the inventory indicators of the leaders in pickup trucks, heavy pickup trucks, the lowest inventory was in December the inventory in dealerships, which shows that the market is buying and should continue to buy and this inventory has to be replenished during the year.

So in construction and off-road we see more variation, like the case of the sale of machinery and now it has become stable. So it's hard to give you numbers. Q4 had a more abrupt change to adjust this system, we produced more than what was sold in Q4.

But Tupy's share did not drop and the consumption of equipment is growing. In agriculture it's interesting, the fleet is getting very old, we have the oldest fleet in the last 10 years, this brings higher maintenance costs, lack of reliability in these machineries and they need these vehicles for harvesting and planting.

Mr. Nishio: Thank you.

Operator: If you have any questions, please dial *1. Thank you.

Would like to close the Q&A session. I'd like to pass the floor to Mr. Fernando for his final comments.

Mr. de Rizzo: Well, I'd like to thank you all for participating and we thank you for the questions.

We are proud of the results we reached in 2019, but we know that we can do much more and we are reorganizing the company and improving the capacity of Tupy.



Resilience, flexibility and robustness are words that can summarize the year of 2019.

After a first quarter with a beginning of production of complex products, renewal in our portfolio and maintenance, now we have consistent growth in margins in the other quarters of the year in spite of the drop in volumes. This way, in 2019 we delivered the highest net revenue in history, which for the first time surpassed 5 billion apart from record results in EBITDA and net profit.

More than renewing and conquering new contracts, both in foundry and in machining, we are building a company that will be prepared to absorb new opportunities in the market making progress in engines and helping our clients to solve their challenges. For example, the assembly of components, a new lever for value in the next few years which will have a positive impact on our results and also bring us better partnerships.

We are preparing Tupy to integrate the foundry from Teksid, we will be a more global and strategic player with the fundamental role in the development of new generations of diesel and natural gas engines, the cleanest fractions using fossil fuels, which are essential for society's new demands.

We are building a company that is global and diversified, prepared to capture opportunities based on technology and with focus on return to shareholders and a good impact on communities.

Thank you for your attention and we wish you a good day.

Operator: The conference call is concluded. We thank you for participating in we wish you a good day.