

# 1Q 2022

## Results

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[www.tupy.com.br/ir](http://www.tupy.com.br/ir)


[dri@tupy.com.br](mailto:dri@tupy.com.br)

 [linkedin.com/company/tupy](https://www.linkedin.com/company/tupy)



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This presentation contains forward-looking statements, which are subject to risks and uncertainties and reflect the beliefs and expectations of the Company's Management based on available information. Forward-looking statements include statements regarding our Management's current intentions or expectations with respect to a number of matters, including Brazil's economic, political and business environment, and especially the geographic markets in which we operate, the level of indebtedness and other financial obligations, and our ability to contract financing, when necessary and on reasonable terms, our ability to implement our investment plans, inflation and devaluation of the Brazilian real, as well as fluctuations in interest rates, existing and future laws and regulations, increased costs, our ability to uninterruptedly obtain materials and services from suppliers, at reasonable prices and with economies of scale, our ability to acquire other companies and integrate them in a satisfactory way, growth expectations of the automotive and hydraulic industries and success in implementing our strategic plans.

The reader should be aware that the factors mentioned above, in addition to others discussed in this Presentation, may affect our future results which may differ from those expressed in the forward-looking statements we make herein. We do not assume responsibilities for updating such statements.

The words "anticipates," "wishes," "expects," "estimates," "intends," "forecasts," "plans," "predicts," "projects," "targets" and other similar words are intended to identify these statements.

Forward-looking statements involve risks, uncertainties and assumptions as they relate to future events and therefore depend on circumstances that may or may not occur. The future condition of our financial situation and operational results, market share and competitive market position may materially differ from what is expressed or implied by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. The reader is cautioned not to place undue reliance on these forward-looking statements.



**1Q22 Highlights**

**1Q22 Results**

**Strategic Rationale of Acquisitions & Sustainability**

## Expansion of Margins and Return on Invested Capital

1

Volumes

- **171 ktons in 1Q22**, increase of **34% vs 1Q21**, due to the volume of new operations, despite the lack of semiconductors and logistics bottlenecks

2

Revenues

- **R\$ 2.4 billion, the highest value in Company's history**. Up **53% vs 1Q21** (24%, excluding figures from new operations, demonstrating the capacity to pass-through costs.

3

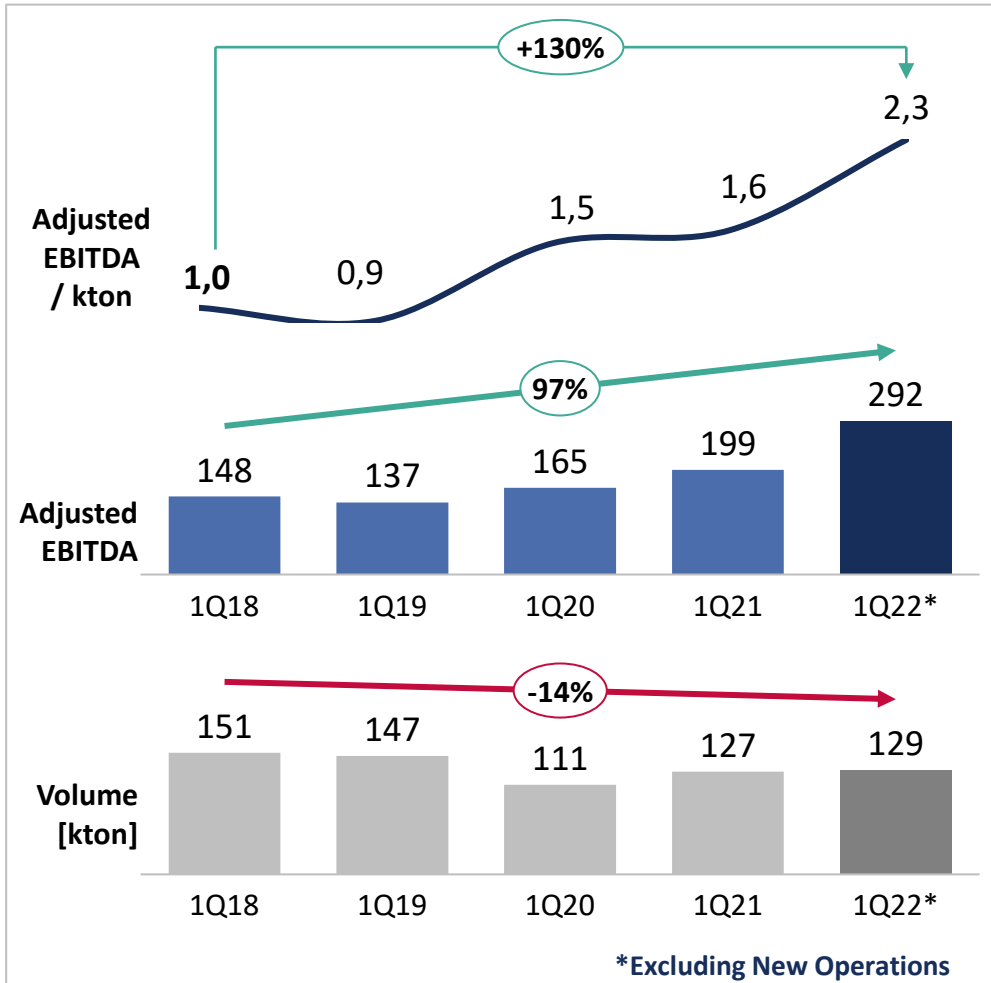
Adjusted EBITDA

- **R\$ 314 million, the highest in the Company's history**, despite customer stoppages, increase of raw materials costs, and exchange rate appreciation.
- Margin of 13,3% (**15,2% excluding new operations**). The combined margins of Aveiro and Betim was 5% (vs 2% in 4Q21)

4

Net Profit

- **Net Profit of R\$ 74 million**, vs loss of R\$ 15 million in 1Q21



## ▪ A resilient business model

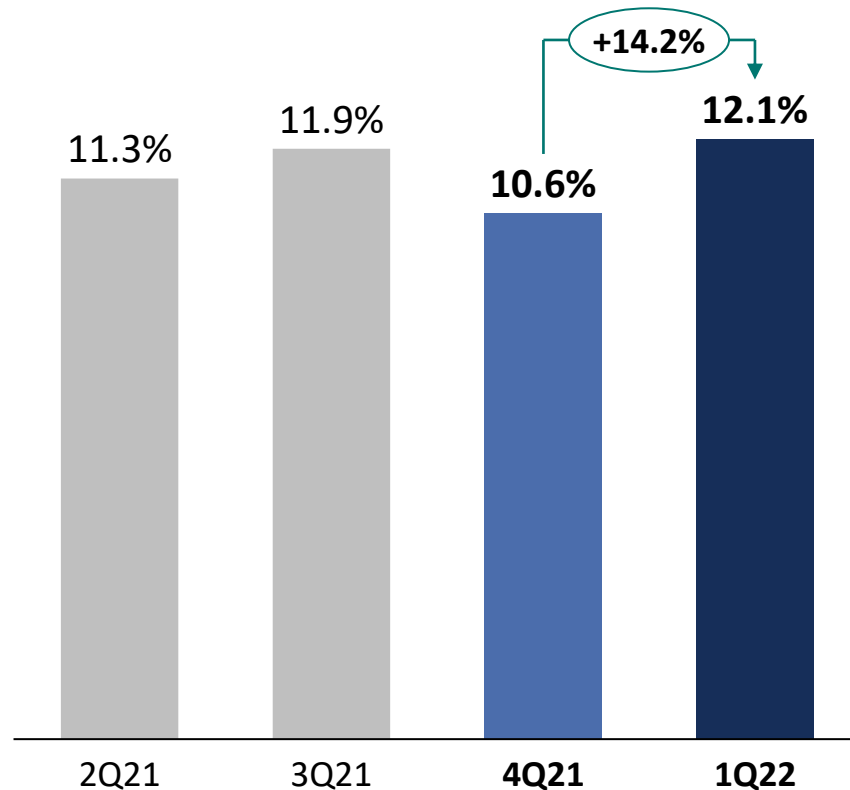
- Pass-through of raw material costs, protecting EBITDA in absolute terms
- Price Adjustments

## ▪ Operational Efficiency

- Production flexibility and process optimization
- Capturing synergies, benefiting all plants

➤ Cost and structure adjustments made since 4Q21 and intensified in 2022

RETURN ON INVESTED CAPITAL (ROIC)



Conservative management and ROIC expansion

- **Indebtedness**
  - 1.4x LTM Adjusted EBITDA
  - Maturity concentrated in 2031
  
- **Capital allocation**
  - strategic investments and value creation
  
- **Share Repurchase Program**

› Several initiatives aimed at assets optimization and flexibilization, and more value creation on the same base

**1Q22 Highlights**

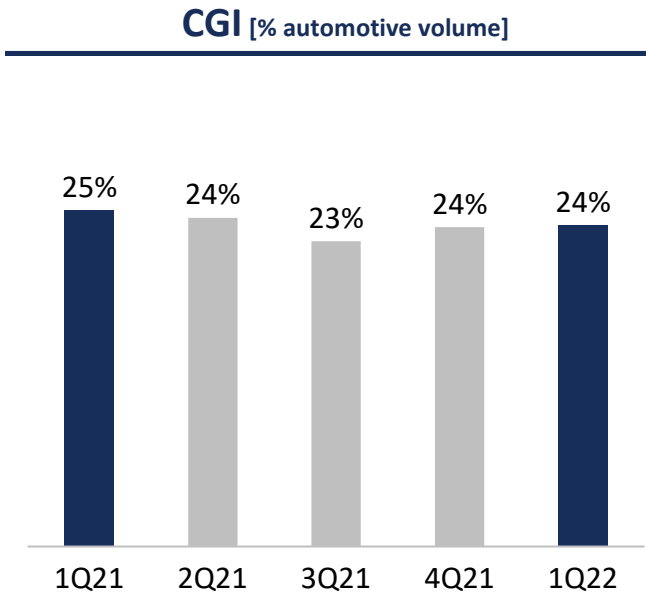
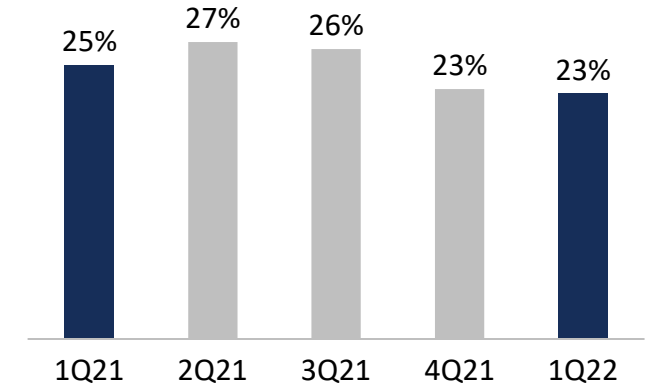
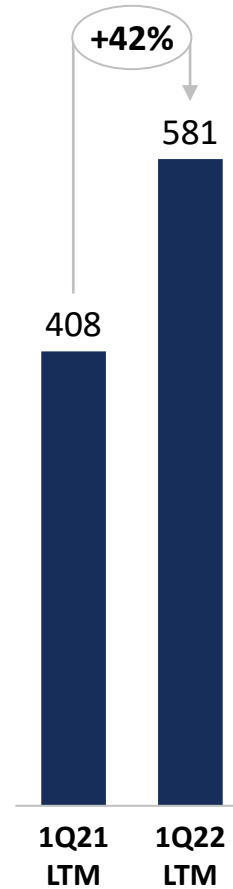
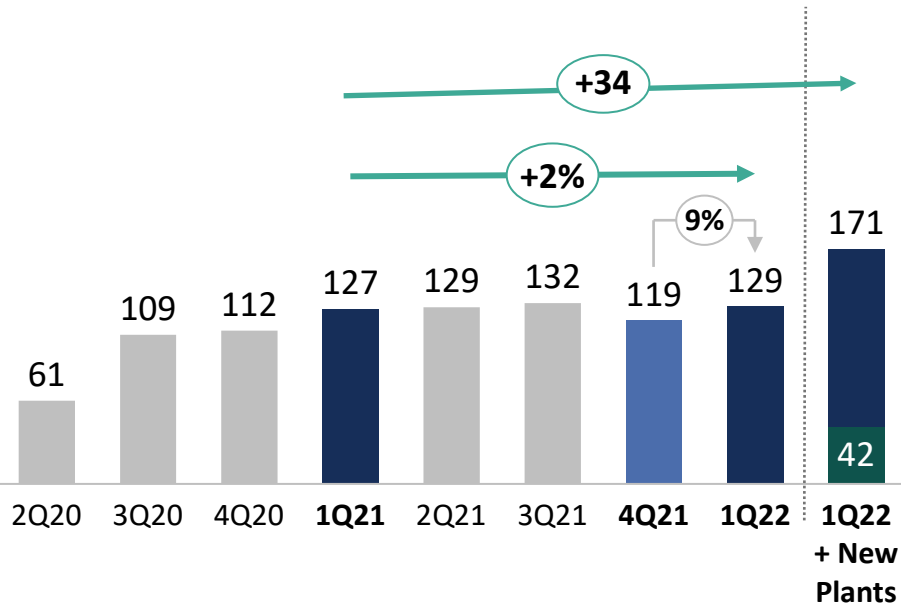


**1Q22 Results**

**Strategic Rationale of Acquisitions & Sustainability**

## Volume [kton]

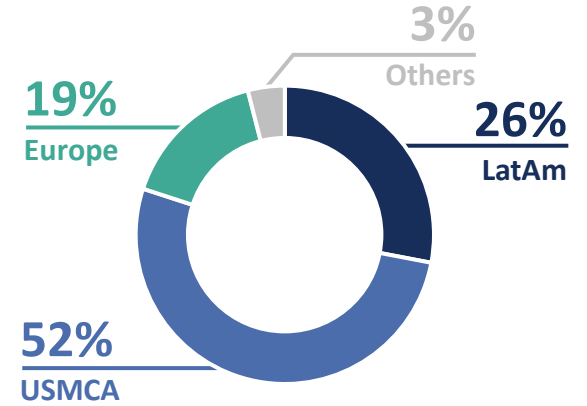
## Machining [% automotive volume]



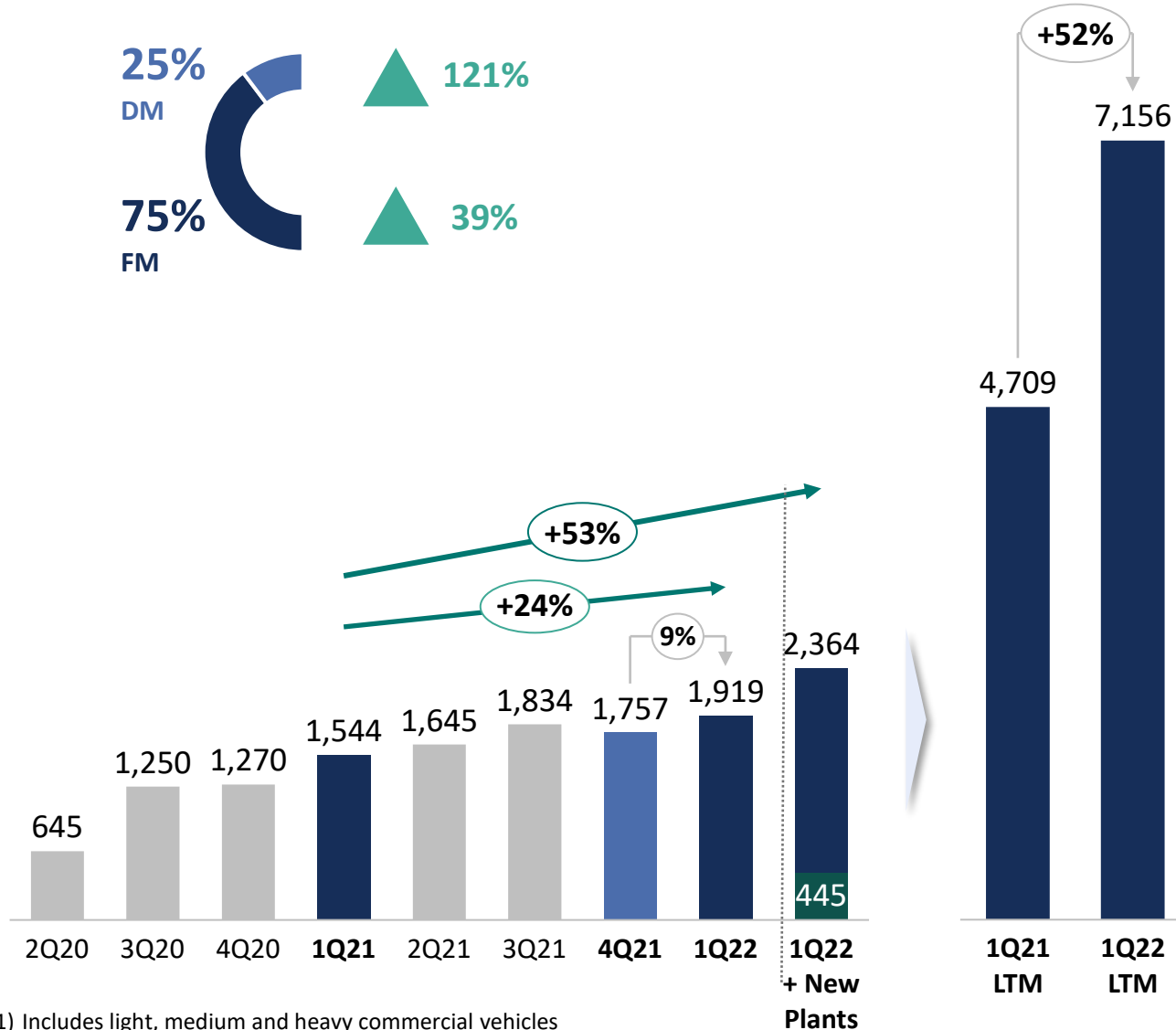
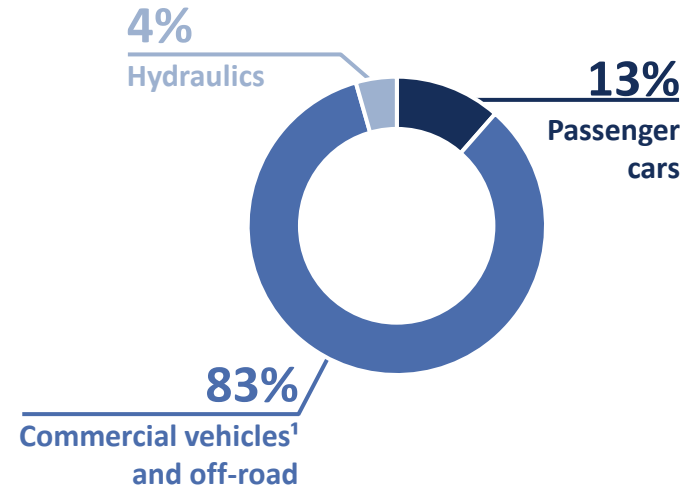


## Revenue [M BRL]

## Origin [% revenue]



## Application [% revenue]



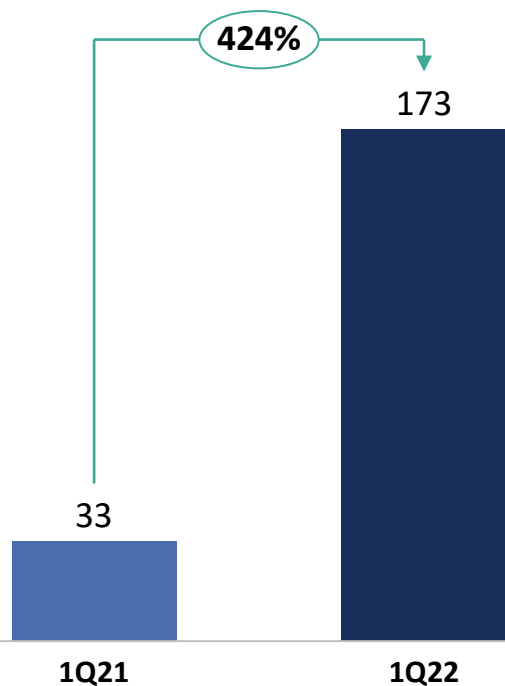
1) Includes light, medium and heavy commercial vehicles

**Domestic Market**

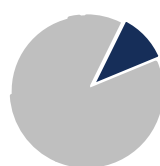
**Passenger cars [M BRL]**



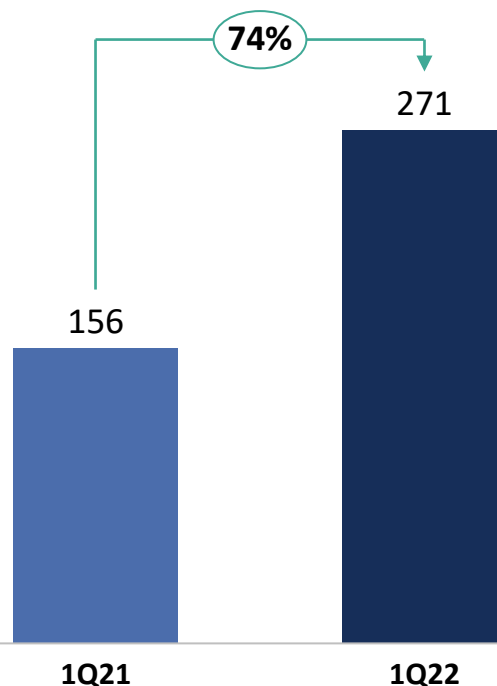
7%  
of revenue



**Commercial vehicles [M BRL]**



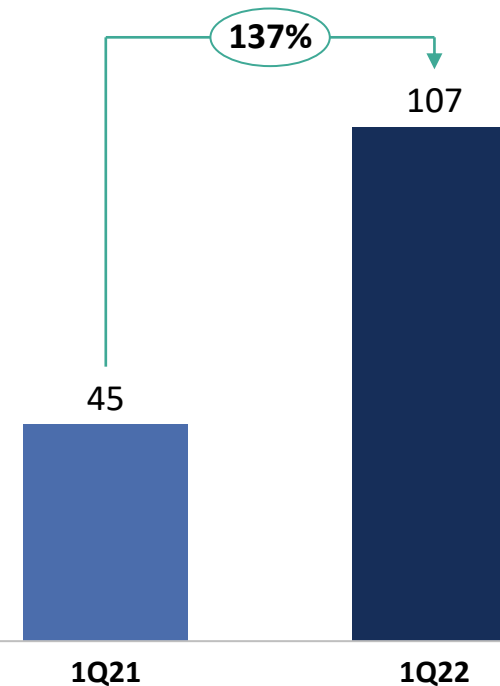
11%  
of revenue



**Off-road [M BRL]**



5%  
of revenue



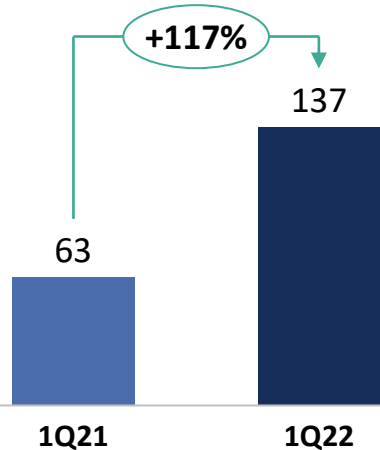


## Foreign Market

### Passenger cars [M BRL]



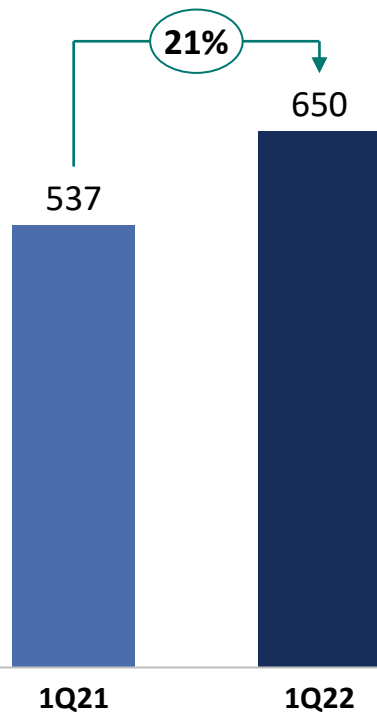
6%  
of revenue



### Commercial vehicles [M BRL]



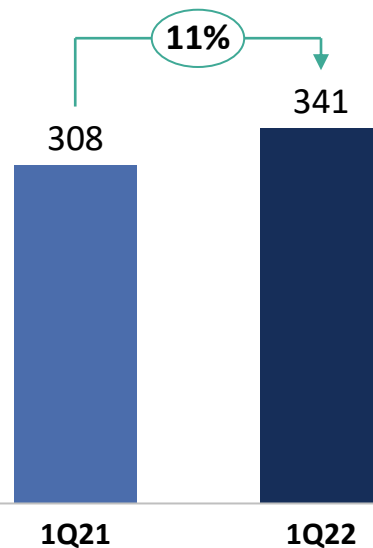
27%  
of revenue



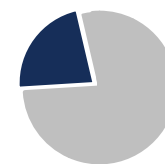
### Med. & heavy commercial [M BRL]



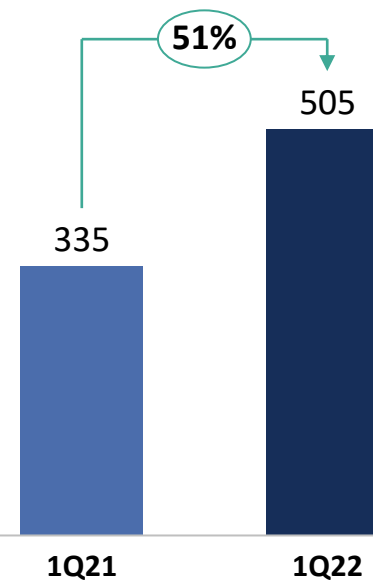
17%  
of revenue



### Off-road [M BRL]

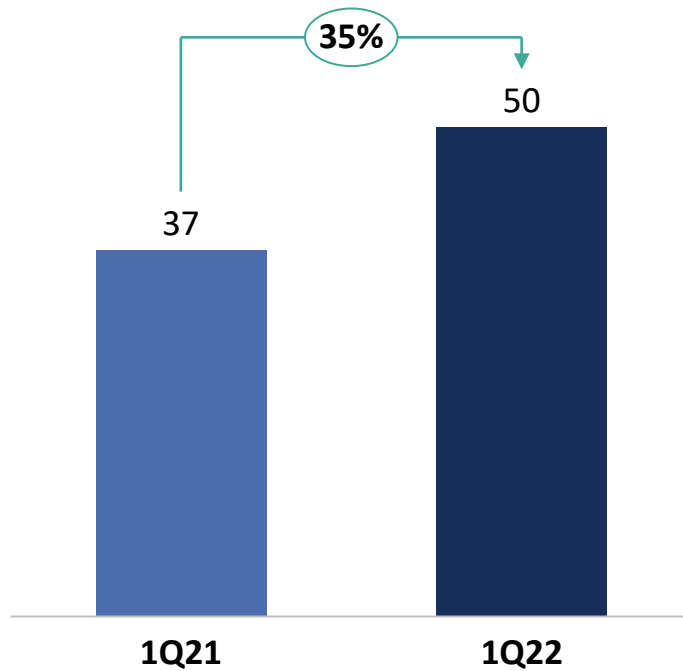


22%  
of revenue

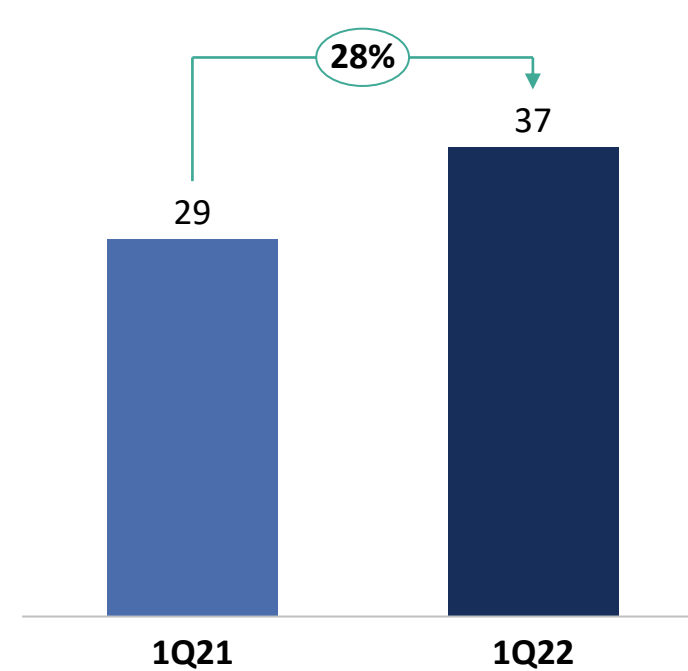


## Domestic & Foreign Markets [M BRL]

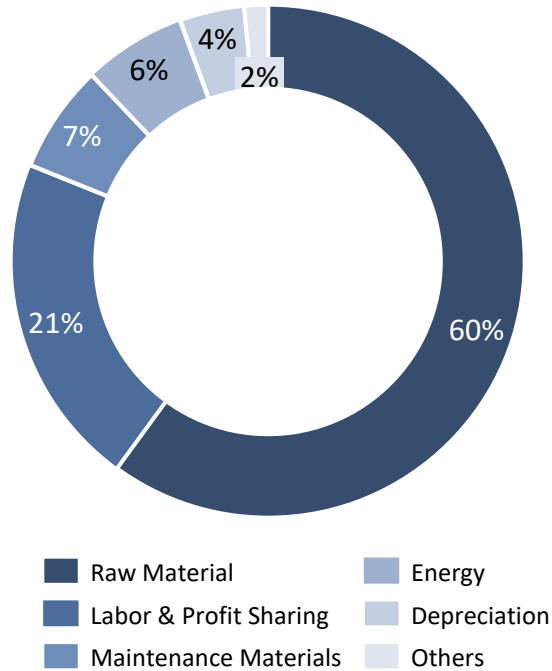
### Domestic Market



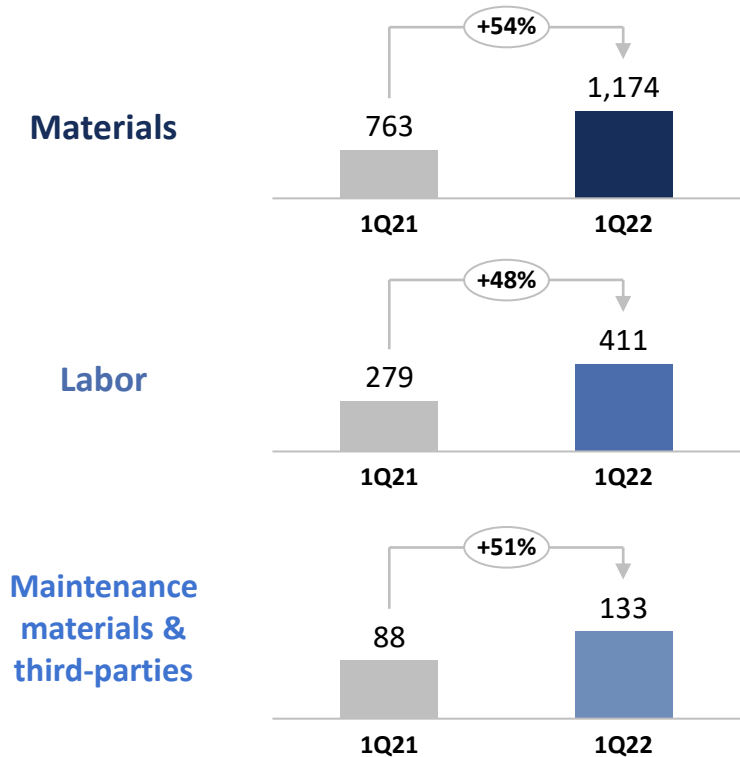
### Foreign Market



COGS Breakdown 1Q22 [%]

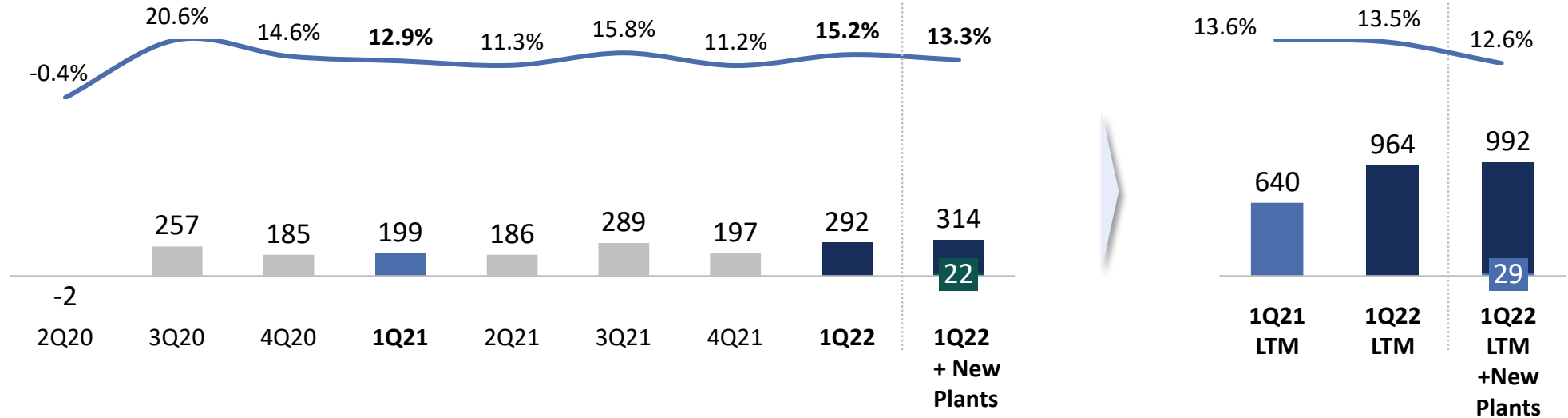


Variation of main cost inputs by nature [%]

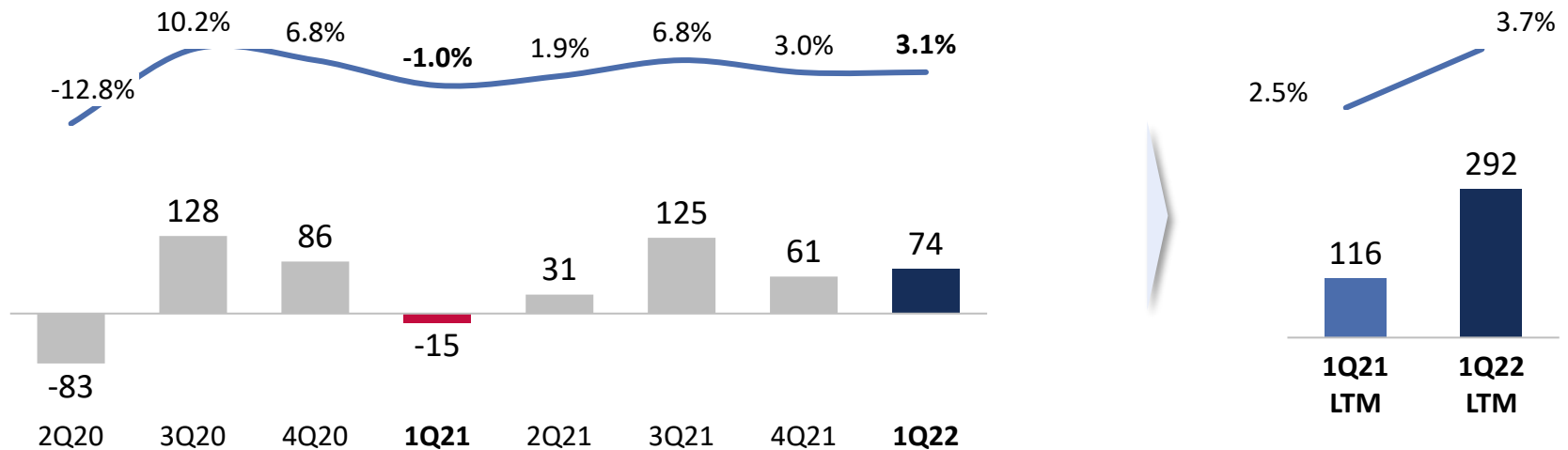


	1Q21		1Q22
COGS	1,304 M BRL	+50%	1,955 M BRL
Gross Margin	15.5 %	+1.8pp	17.3 %
SG&A	118 M BRL	+52%	180 M BRL
Excluding freight	73 M BRL	+14%	83 M BRL

## Adjusted EBITDA [M BRL] and Adjusted EBITDA Margin [%]



## Net Income [M BRL] and Net Margin [%]



## Financial Result - R\$ million

		1Q22	1Q21
Financial expenses	<b>1</b>	-45	-93
Financial income	<b>2</b>	17	4
Monetary and exchange variation	<b>3</b>	-70	30
<b>TOTAL</b>		<b>-98</b>	<b>-59</b>

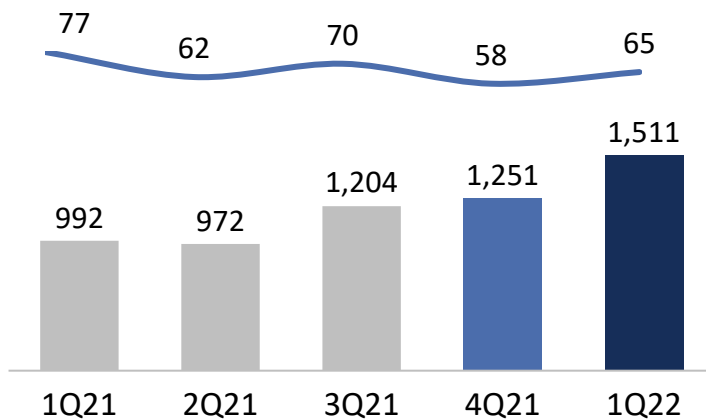
**1** Lower cost of debt (Senior notes issued in February 2021) and comparison basis affected by early settlement expenses in 1Q21

**2** Increase in interest rate that remunerates financial investments

**3** Impact of FX variation in the balance sheet and cash flow hedge (zero-cost collar)

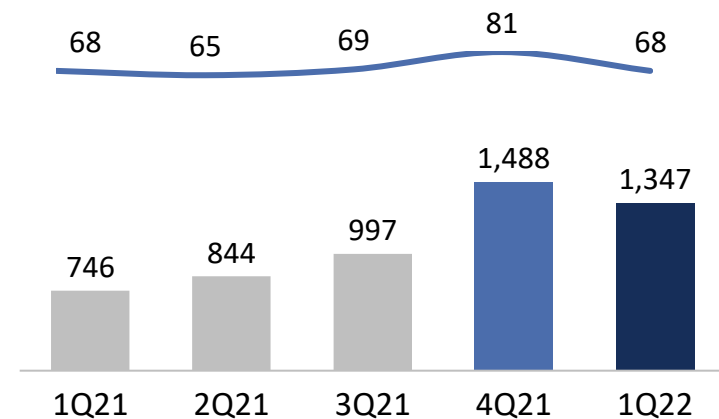
## Accounts receivable [M BRL] and DSO [days]

Significant increase of sales in march

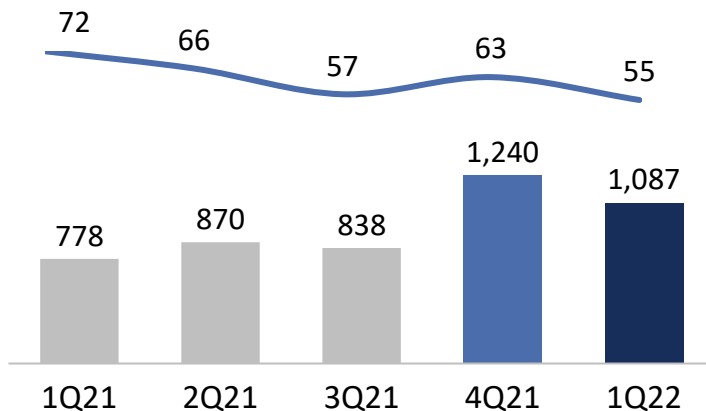


## Inventories [M BRL] and DIO [days]

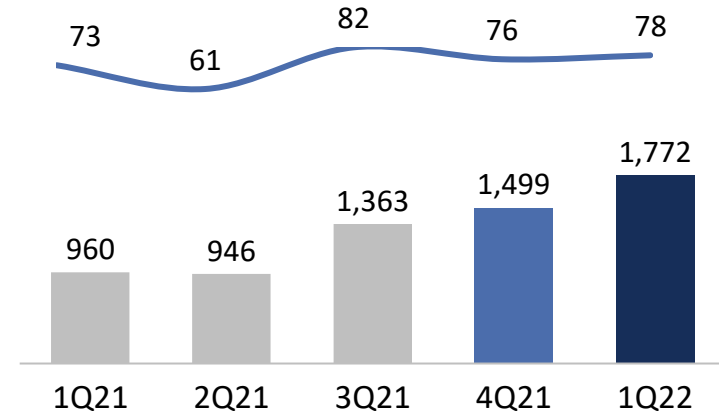
Actions for inventory adjustment and Exchange effect on foreign currency inventories



## Accounts payable [M BRL] and DPO [days]



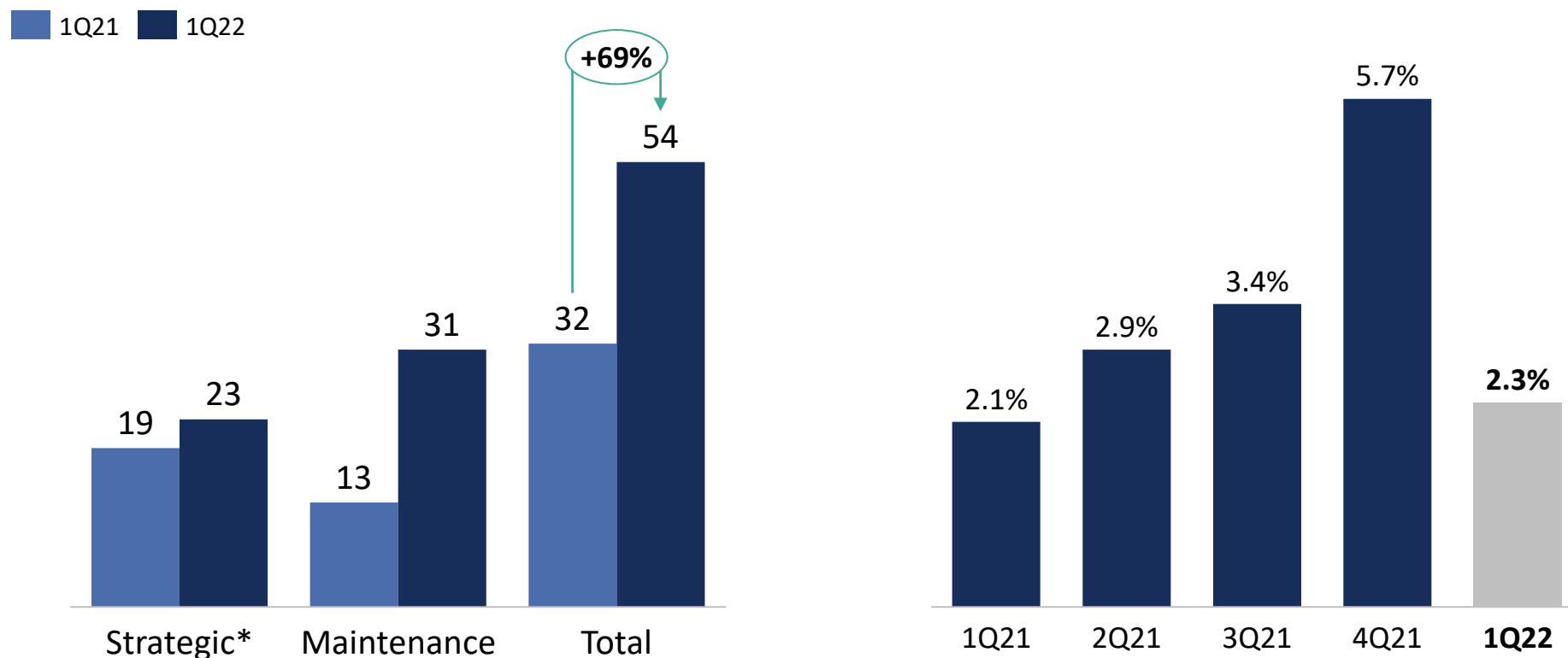
## Working capital [M BRL] and CCC [days]





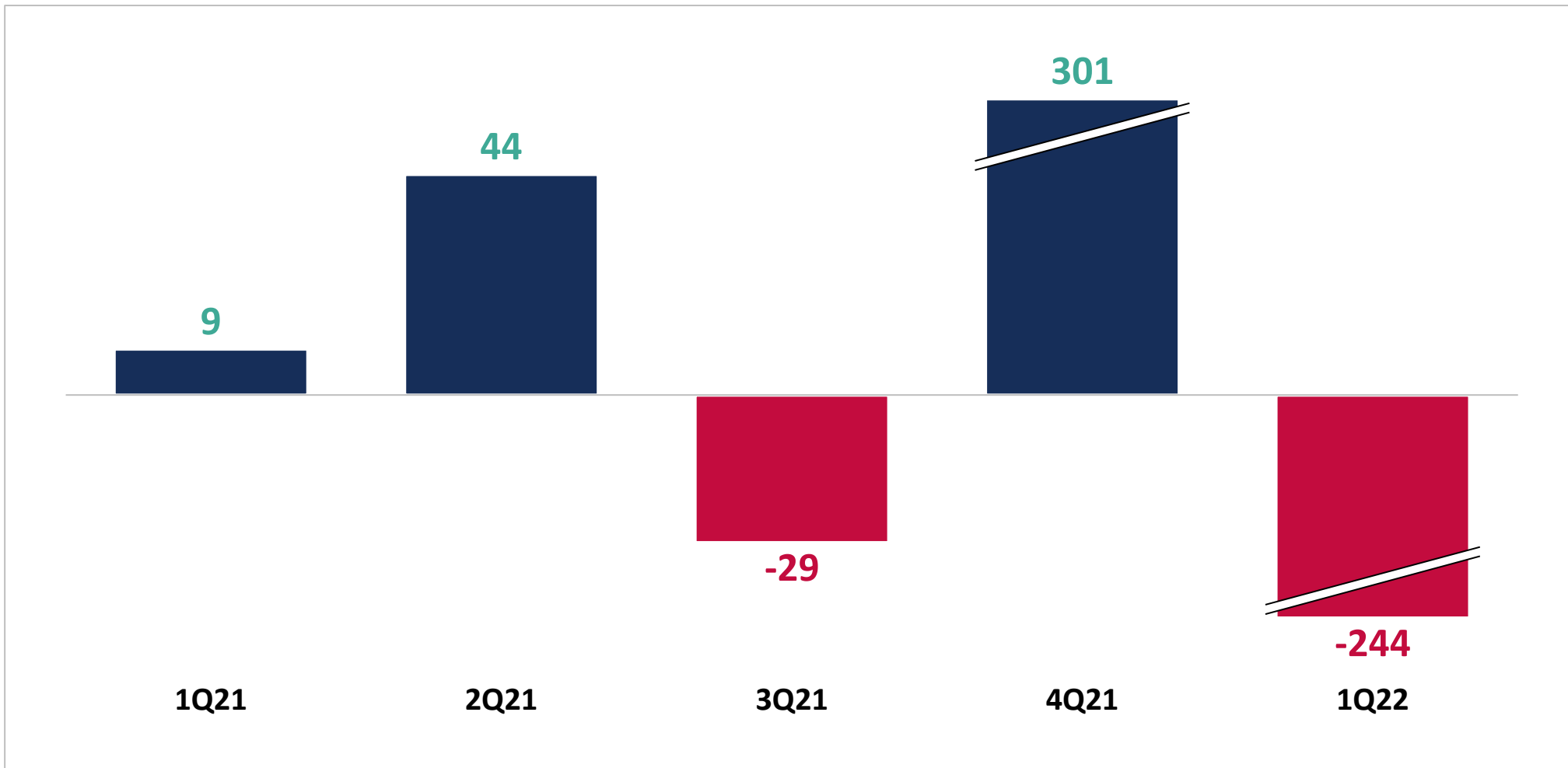
## 1Q21 vs. 1Q22 Investments [R\$ thousand]

## % Investments / Net Revenue



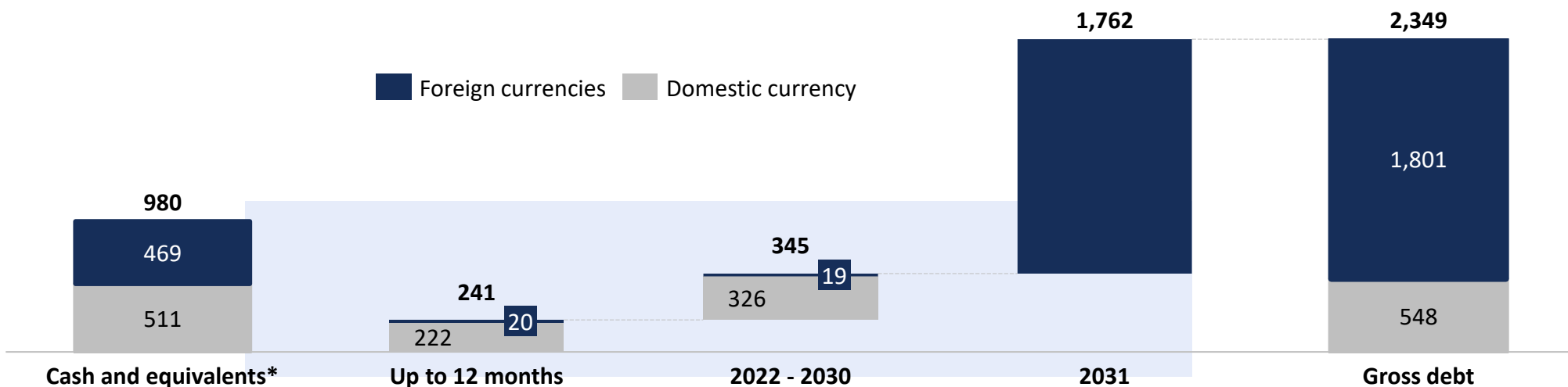
› Investments in casting and machining programs, IT, safety and environment

R\$ thousand

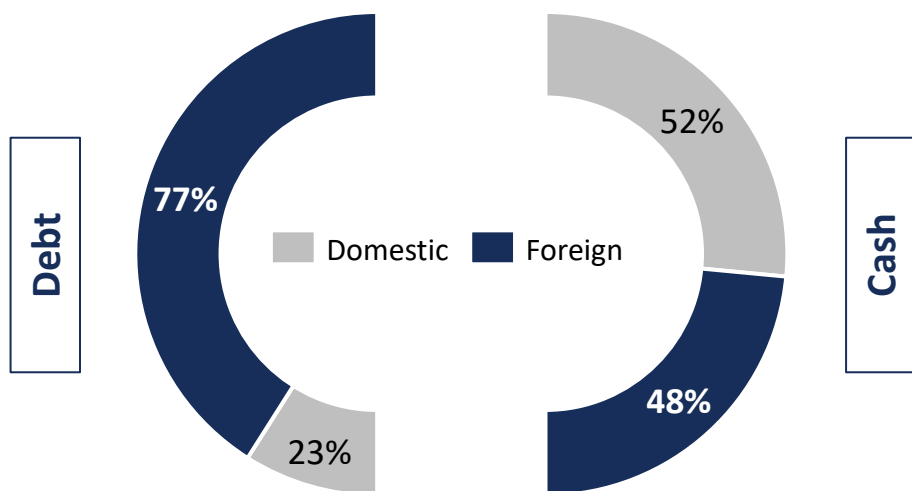


› Increase in sales, especially in March, with a consequent increase in accounts receivable and payment of suppliers, including the formation of inventories in Europe (Not included in the scope of Acquisition)

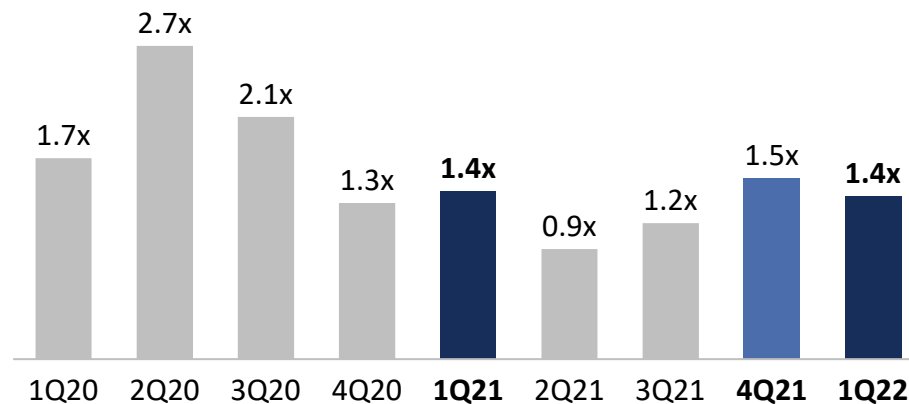
## Debt [M BRL]



## Currency breakdown [% total]



## Net debt/Adjusted EBITDA 12M



\*Includes derivatives

**1Q22 Highlights**

**1Q22 Results**



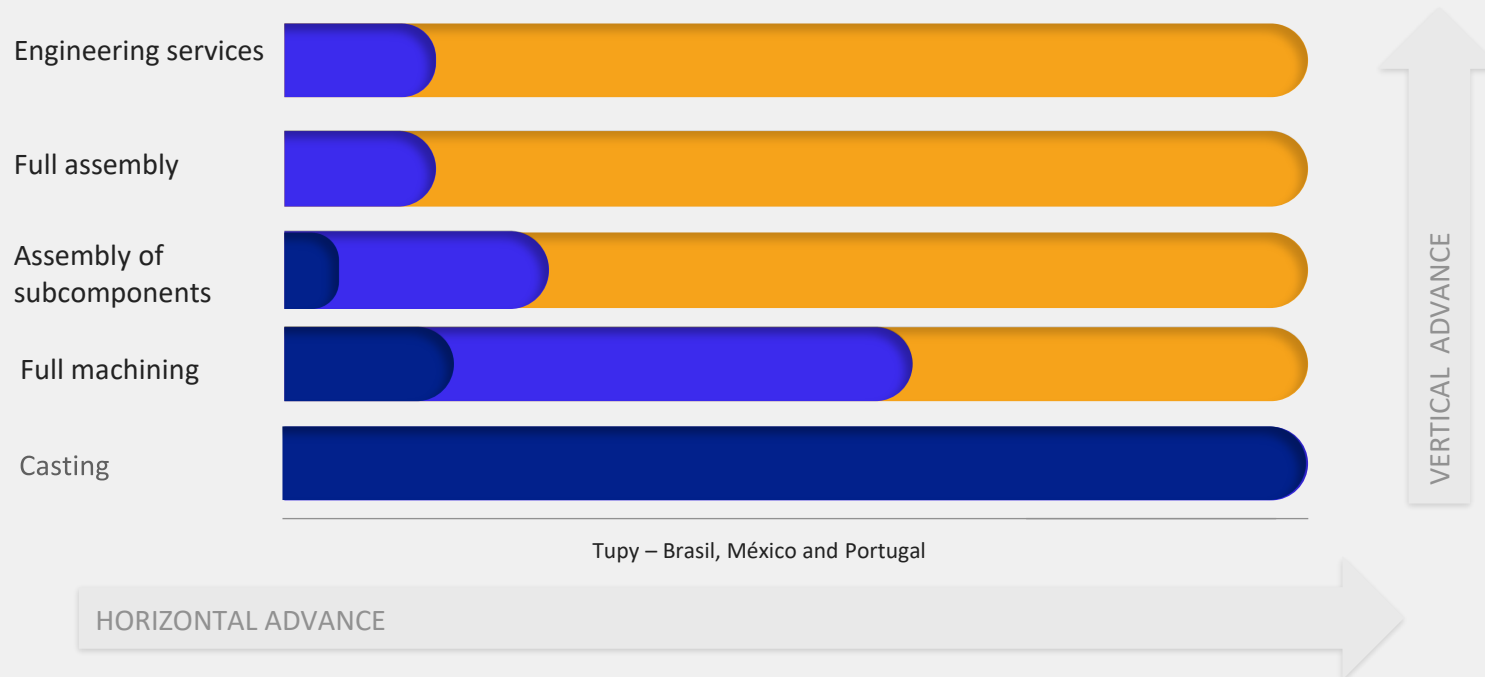
**Strategic Rationale of Acquisitions & Sustainability**

# Acquisitions: Different rationales, a more complete company

The acquisition of Teksid's iron smelting assets in Betim and Aveiro brings **gains in scale, flexibility and synergies on several fronts** that will contribute to increasing competitiveness and margins

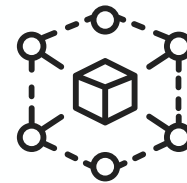
With MWM, we expanded our **added value in the same component**, as well as increasing **our skill and client portfolio** through a **business model with a higher return on invested capital**

- Tupy + MWM Potential
- Captured by Tupy
- Captured by MWM



# ***Contract Manufacturing & Engineering Service***

The ability to deliver custom-built products, provide engineering services **for a multi-fuel future**, adapted to the availability of each region of the world, will be a decisive success factor that **will allow us to meet the needs of current and future customers**



## **Integrated business model**

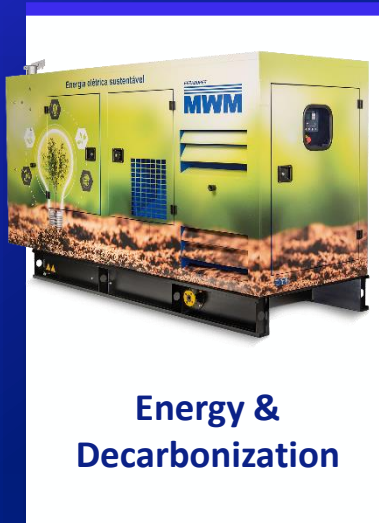
Foundry + machining +  
assembly + tests + services  
(supply chain, tests &  
validation, etc)



## **Unique value proposition & Industry Trends**

Tupy + MWM : Solutions to  
meet customers strategic  
challenges

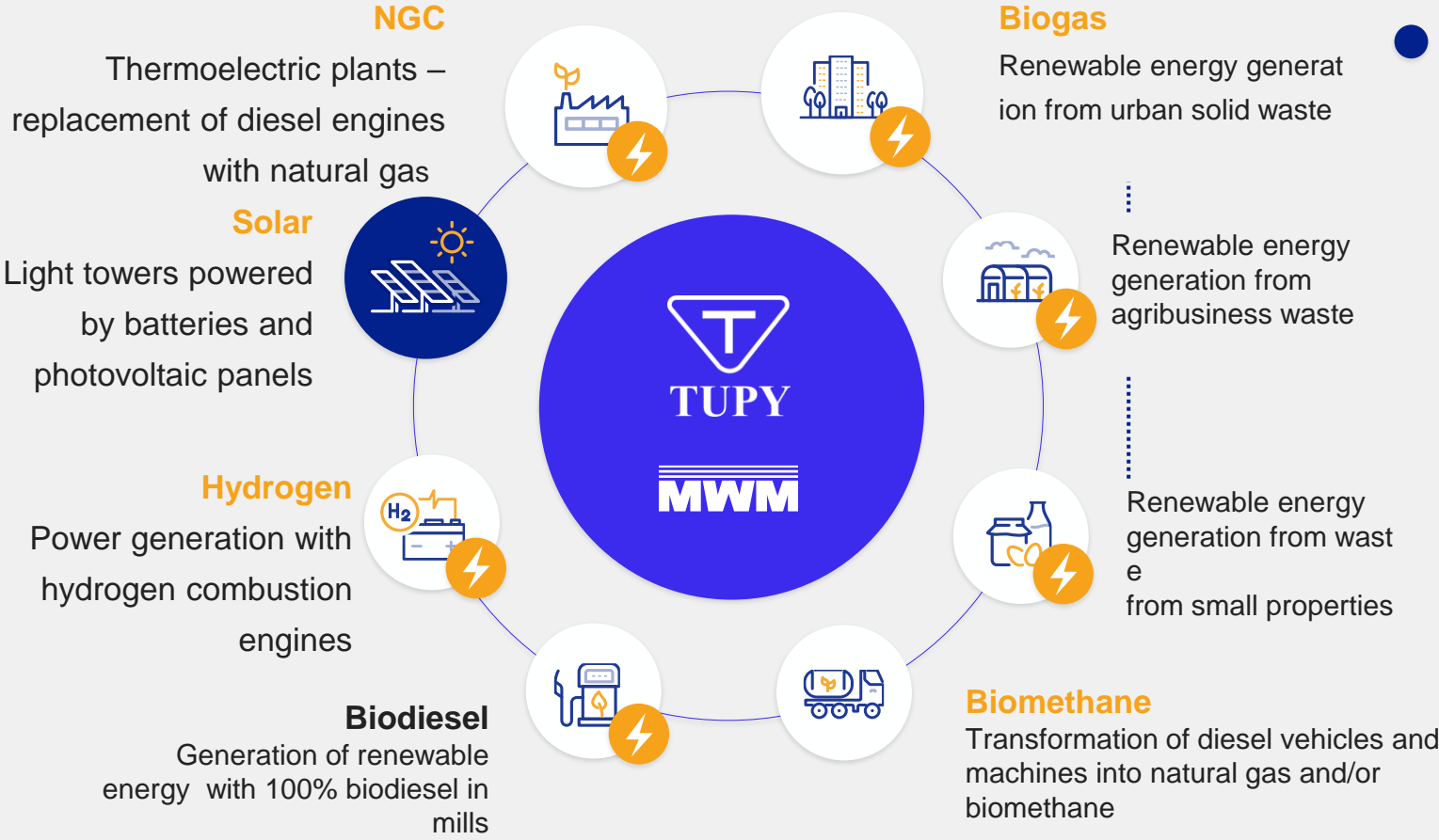
# Other business units: Diversification and high growth potential



# MWM decarbonization solutions

● Current Business

● Future Business





# 2021 HIGHLIGHTS



› Sustainability is inherent to Tupy's business through the essentiality of our products, insertion in the circular economy and acting in local communities



**TUPY**

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**+55 (11) 2763-7844**

[dri@tupy.com.br](mailto:dri@tupy.com.br)

[www.tupy.com.br/ir](http://www.tupy.com.br/ir)

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