2025 Highlights

Impact of global uncertainties on Company's results

Earnings Call

Date: March 20, 2026

Portuguese/English

10:00 a.m. (EST) /
11:00 a.m. (BRT)

Link: Webinar TUPY3
Website: www.tupy.com.br/ri

Video: TUPY3 Comments

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- **Net Revenue: R$9.7 billion in 2025 (-9% vs. 2024),** a 10% decrease in volumes sold due to lower demand for commercial vehicles.

- **Export Market:** impacts from uncertainties regarding tariffs and emissions regulations (EPA27) on truck buyers' confidence, along with depressed freight rates.

- **Domestic Market:** truck sales affected by interest rates, delinquency levels, and agribusiness performance, offset by double-digit growth in the Aftermarket segment and the Energy & Decarbonization Business Unit.

- **Operating Cash Flow: R$915 million**, the second highest in the Company's history, driven by efficient working capital management, MWM's performance, and the sale of tax credits (IPI).

- **Adjusted EBITDA: R$661 million (-49% vs. 2024),** with a margin of 6.8% (vs. 12.1%).

  The margin of the traditional business, which includes structural components and hydraulic products, reached 5% in 2025 (vs. 13% in 2024). The decline in sales and production volumes, with impacts on operational efficiency, cost dilution, and quality indicators, affected EBITDA by approximately R$730 million in the period, partially offset by cost and expense reductions totaling R$300 million and a favorable currency impact of R$120 million. **The EBITDA margin of MWM's operations** reached 10% in 2025 (8% in 2024), reflecting productivity gains, a more favorable product mix, and recurring effects from the operational and administrative restructuring implemented since 2024.

- **Structural Capacity Reduction Initiatives:** changes to the scope of the capacity reduction project initiated in 2024 (originally expected to be completed in 2025), resulting from geopolitical developments in the United States, with impacts from idle capacity costs and the postponement of the expected benefits.

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Investments in fixed assets and inventories related to the project originally planned totaled R$145 million, incurred throughout 2024 and early 2025.

- **Net result: loss of R$655 million** (vs. income of R$ 82 million in 2024). Impact of R$ 544 million resulting from restructuring initiatives executed and provisioned throughout the year based on the implementation of the capacity decommissioning project, in line with the strategy to revise the footprint and allocate production to more efficient lines. This amount is composed of: (i) recognition of impairment totaling R$ 327 million, (ii) reduction of realizable value of inventories amounting to R$ 40 million, (iii) write-off of tax credits (IR/CSLL) of R$ 125 million, and (iv) restructuring expenses of R$ 52 million. Other optimization and restructuring initiatives resulted in expenses of R$ 45 million.

- **Net Debt: R$2.2 billion, down by 5% from 2024.** The net debt/Adjusted EBITDA ratio reached 3.35x, due to lower operating results in the period.

MESSAGE FROM MANAGEMENT

2025 was marked by an environment of uncertainty that affected the global economy and, consequently, the markets in which we operate.

The implementation of trade tariffs played a decisive role in this scenario, affecting the confidence of businesses and consumers and generating inflationary pressures. Combined with the postponement of the definition of emissions regulations for commercial vehicles (EPA27), this environment led buyers to delay the renewal and expansion of their fleets. In addition, depressed freight rates — resulting from the significant increase in supply in the post-pandemic period — pressured the profitability of transportation companies in recent years, contributing to the decline in truck sales in North America.

In the off-road market, incentives for the data center industry boosted the non-residential construction and generator sets, resulting in increased demand for larger engines.

In Brazil, the combination of high interest rates, record delinquency levels, and weak agribusiness performance reduced sales of heavy and extra-heavy commercial vehicles, directly affecting the performance of the Structural Components and Manufacturing Contracts Business Units.

This environment led the Company to make relevant adjustments to its strategy. Since the second quarter of 2024, a capacity decommissioning project has been underway, primarily focused on operations located in Mexico. This is a complex process that involved capital expenditure and inventory build-up totaling R$ 145 million.

However, in light of the new U.S. administration and the adoption of protectionist policies, we decided to suspend this initiative and reassess our industrial strategy.

As of the second quarter of 2025, we implemented significant changes to this process, including redirecting the originally planned project and launching a new capacity adjustment plan based in Brazil. These changes resulted in idle capacity costs and delayed the capture of the expected benefits.

At the same time, we continued to advance in the new businesses arising from the acquisition of MWM, with double-digit growth in the Aftermarket segment and in the Energy & Decarbonization Business Unit.

Despite the diversification of our portfolio and our strong customer relationships — factors that mitigated the direct effects of tariffs — the decline in volumes in relevant markets, in some cases exceeding 25%, was reflected in Tupy's revenues. Lower volumes also pressured margins due to reduced dilution of fixed costs, with impacts on labor, energy, maintenance, and quality indicators.

Consolidated net revenue totaled R$9.7 billion in 2025, impacted, among other factors, by a 10% decline in physical sales volumes, partially offset by a 16% growth in the Energy & Decarbonization Business Unit and a 12% rise in the Aftermarket segment, which have low correlation with the traditional business, as well as by the favorable foreign-exchange environment, with the depreciation of the Brazilian Real against the U.S. Dollar compared to 2024 (full-year average rate). This trend, however, reversed starting in the third quarter.

In this challenging environment, capital allocation has become even more relevant. Among the measures adopted for working capital management, we highlight the reduction in production volumes, which remained below sales volumes, resulting in inventory drawdown. Despite the impact on margins, this strategy contributed to strong operating cash flow generation, which reached R$915 million, the second highest in the Company's history.

Adjusted EBITDA came to R$661 million, down by 49% year over year, with a margin of 6.8% on net revenue. The combined effects of lower sales and production volumes on EBITDA totaled R$580 million compared to the previous year. Lower production levels also affected quality indicators, resulting in negative impacts of R$150 million in the period.

Net income came in as a loss of R$655 million, affected, among other factors, by an impairment adjustment of R$327 million, reduction to realizable value of inventories amounting to R$ 40 million, and the write-off of tax credits (income tax/social contribution) totaling R$125 million, resulting from capacity optimization initiatives and the reallocation of production to more efficient lines, which will contribute to higher margins, stronger cash generation, and improved return on invested capital (ROIC). Restructuring expenses, arising from initiatives to increase operating efficiency and reduce capacity, totaled R$97 million in 2025 (compared to R$58 million in 2024).

Traditional business: new contracts and operational efficiency

We continued to expand our market share through new contracts in the commercial vehicle and off-road segments, with a contracted portfolio of R$1.4 billion in incremental revenues.

Throughout 2026, we will begin the phase of capturing results associated with this strategic cycle, with the gradual ramp-up of revenues and margin expansion. We estimate approximately R$600 million in revenues in the year arising from the new projects, which feature a profitability profile superior to that of the historical portfolio.

As part of our operational discipline and return on capital agenda, we advanced in the industrial reorganization of the acquired plants. The redesigned footprint will result in an approximately 25% reduction in installed capacity compared to the immediate post-acquisition scenario, eliminating structural idle capacity and capturing synergies.

A substantial portion of this restructuring will be completed in the first half of 2026, with expected gains of approximately R$100 million in Adjusted EBITDA, captured mainly in the second half of the year, and R$180 million annually starting in 2027, primarily resulting from the structural reduction of fixed costs. This movement reinforces our commitment to recurring cash generation, financial discipline, and sustainable returns on invested capital. To cover the implementation expenses of this project, which began in the second half of 2025, the Company recorded a provision of R$ 52 million, already reflected in the year's results (under restructuring expenses).

At the same time, operational efficiency initiatives in the remaining production lines — particularly the reduction of non-quality and maintenance costs — are expected to contribute to additional EBITDA margin expansion starting in 2026. These are structural and lasting gains that enhance the Company's competitiveness and reduce operational volatility throughout market cycles.

MWM: diversification, resilience, and structural margin expansion

MWM has established itself as one of the Company's main drivers for diversification and resilience, expanding exposure to less cyclical segments with greater value generation potential. In 2025, it accounted for 27% of consolidated net revenue, totaling R$2.6 billion. The 3% decline compared to 2024 mainly reflects lower commercial vehicle production volumes in Brazil and their impacts on Manufacturing Contracts revenues, partially offset by the strong performance of the Aftermarket and Energy & Decarbonization businesses.

Even in a challenging volume environment, MWM's Adjusted EBITDA margin reached 10% in 2025, expanding 200 basis points year over year. This improvement reflects structural efficiency gains in production lines, process rationalization, cost reductions, and product mix improvements, demonstrating the business's resilience and ability to expand margins despite market cycles.

The Aftermarket segment, characterized by countercyclical dynamics and higher margins than the traditional business, grew 12% in the year. The "Masterparts" and "Optional" lines rose more than 40% and already account for 20% of this Unit's sales, demonstrating the consistent evolution of the portfolio and greater revenue recurrence. Product launches and the expansion of new distribution channels supported the best historical performance of this operation.

Preparing the Unit for a new cycle of growth with greater logistics efficiency and scalability, we concluded the reorganization of the Parts Distribution Center in Jundiaí (SP), increasing its capacity by 28%. The verticalization of the operation was key to achieving a 35% productivity gain, reinforcing our ability to combine growth with profitability.

In the Energy & Decarbonization Unit, sales of generator sets — responsible for 64% of the segment's revenues — grew 18% in 2025. Gains in scale, operational discipline, and product mix improvements contributed to profitability expansion, strengthening the Company's positioning in solutions focused on the energy transition.

New businesses related to the biofuels chain, such as vehicle conversion and bioplants, generated R$32 million in revenues in 2025.

In the vehicle conversion business, MWM continues to strengthen its role in the decarbonization of transportation in Brazil by expanding strategic partnerships and the offering of biofuel and natural gas engines for new vehicles. This agenda is aligned with regulatory trends and market demand, with structural growth potential.

We also advanced in our biofuels and circular economy strategy. We started operations at the Ouro Verde do Oeste (PR) Bioplant and continued with the licensing and implementation of the Divinópolis (MG) and Seara (SC) units. The completion of these projects will expand our scalability in the protein chain, with the potential to generate recurring revenues and further diversify our portfolio.

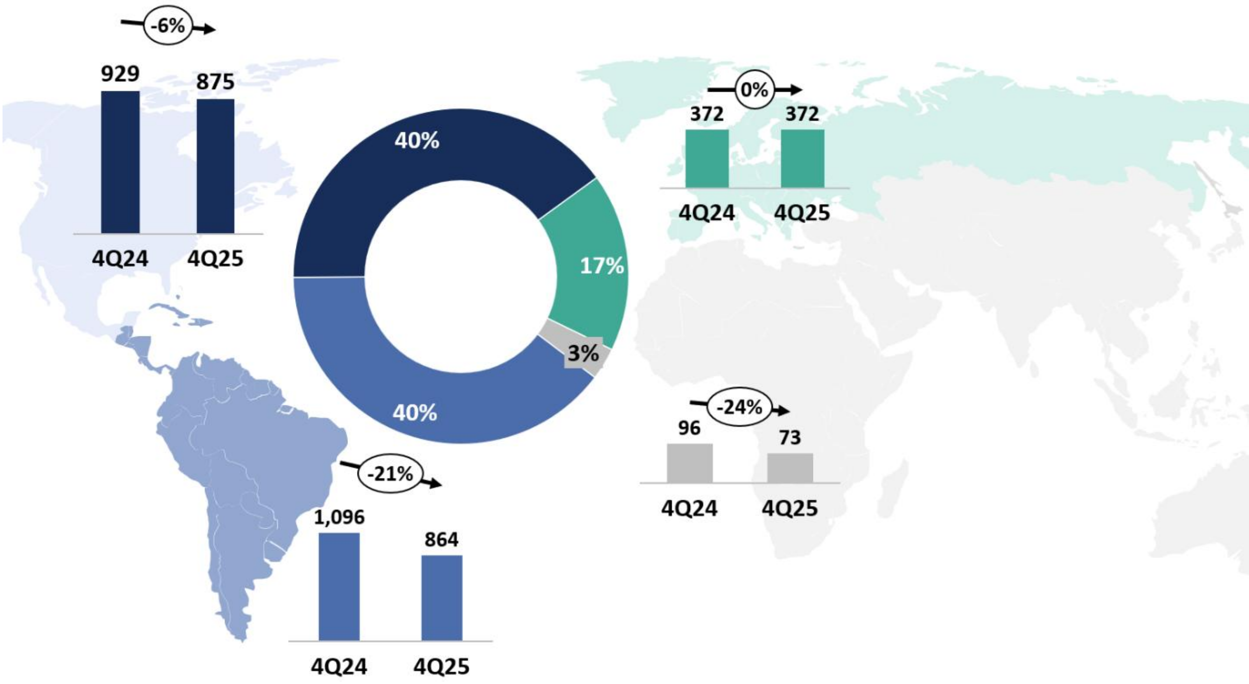
Despite short-term macroeconomic uncertainties, we observe that the industry is allocating resources toward expanding conventional engine production capacity and resuming previously discontinued programs, which should positively impact on our volumes. Freight market indicators in the United States signal a gradual recovery, already reflected in the public projections of our customers. In this context, we expect growth above the market, driven by the start-up of newly contracted projects. The Manufacturing Contracts, Energy & Decarbonization, and Distribution Units are expected to deliver significant growth, supported by new partnerships and the expansion of the portfolio of products and services.

SUMMARIZED RESULTS

	Consolidated (R$ thousand)					
SUMMARY	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Revenues	**2,183,334**	**2,493,426**	**-12.4%**	**9,692,948**	**10,665,110**	**-9.1%**
Cost of goods sold	(2,007,843)	(2,069,985)	-3.0%	(8,469,797)	(8,738,519)	-3.1%
Gross Profit	**175,491**	**423,441**	**-58.6%**	**1,223,151**	**1,926,591**	**-36.5%**
% on Revenues	*8.0%*	*17.0%*		*12.6%*	*18.1%*	
Operating expenses	(227,941)	(275,347)	-17.2%	(936,678)	(1,011,320)	-7.4%
Other operating income (expenses)	(312,243)	(231,829)	34.7%	(435,919)	(347,134)	25.6%
Depreciation of non-operating assets	(2,096)	(2,112)	-0.8%	(7,035)	(8,470)	-16.9%
Income/Loss before Financial Result	**(366,789)**	**(85,847)**	**327.3%**	**(156,481)**	**559,667**	**-**
% on Revenues	-	-		-	*5.2%*	
Net financial result	(92,049)	10,762	-	(296,860)	(300,539)	-1.2%
Income/Loss before Tax Effects	**(458,838)**	**(75,085)**	**511.1%**	**(453,341)**	**259,128**	-
% on Revenues	-	-		-	*2.4%*	
Income tax and social contribution	(167,707)	(22,581)	642.7%	(201,211)	(176,688)	13.9%
Net Income/Loss	**(626,545)**	**(97,666)**	**541.5%**	**(654,552)**	**82,440**	**-**
% on Revenues	-	-		-	*0.8%*	
EBITDA (CVM Resol. 156/22)	**(273,218)**	**20,593**	**-**	**225,013**	**946,765**	**-76.2%**
% on Revenues	-	*0.8%*		*2.3%*	*8.9%*	
Adjusted EBITDA	**39,025**	**252,422**	**-84.5%**	**660,932**	**1,293,899**	**-48.9%**
% on Revenues	*1.8%*	*10.1%*		*6.8%*	*12.1%*	
Average exchange rate (BRL/USD)	**5.40**	**5.83**	**-7.6%**	**5.59**	**5.39**	**3.6%**
Average exchange rate (BRL/EUR)	6.28	6.22	0.9%	6.31	5.83	8.2%
Closing Exchange rate (BRL/USD)	**5.50**	**6.19**	**-11.1%**	**5.50**	**6.19**	**-11.1%**
Closing Exchange rate (BRL/EUR)	6.47	6.44	0.5%	6.47	6.44	0.5%

REVENUES

In 4Q25, 40% of revenues originated in North America. The South and Central Americas, in turn, accounted for 40%, and Europe for 17%. The remaining 3% came from Asia, Africa, and Oceania.



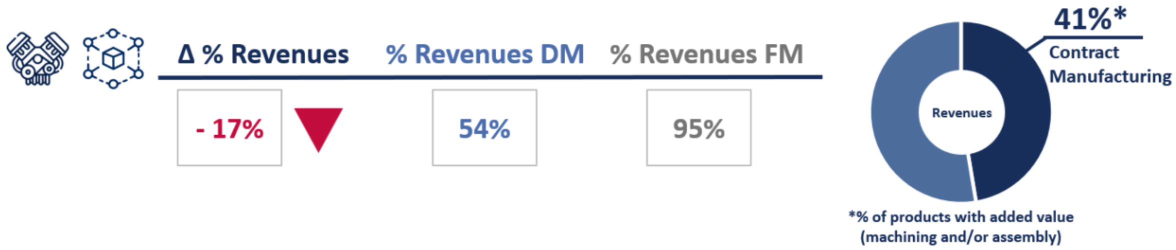
Consolidated (R$ thousand)

	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Revenues	**2,183,334**	**2,493,426**	**-12.4%**	**9,692,948**	**10,665,110**	**-9.1%**
Domestic Market	**798,926**	**1,019,770**	**-21.7%**	**3,972,079**	**4,165,743**	**-4.6%**
Structural Components and Manufacturing Contracts	**431,779**	**723,795**	**-40.3%**	**2,626,144**	**3,033,055**	**-13.4%**
Commercial vehicles (and passenger cars)	391,994	660,126	-40.6%	2,311,384	2,742,993	-15.7%
Off-road	39,785	63,669	-37.5%	314,760	290,062	8.5%
Energy & Decarbonization	**193,297**	**142,250**	**35.9%**	**680,024**	**533,591**	**27.4%**
Distribution (aftermarket and hydraulics)	**173,850**	**153,725**	**13.1%**	**665,911**	**599,097**	**11.2%**
Aftermarket	125,371	108,975	15.0%	471,670	406,454	16.0%
Hydraulic products	48,479	44,750	8.3%	194,241	192,643	0.8%
Export Market	**1,384,408**	**1,473,656**	**-6.1%**	**5,720,869**	**6,499,367**	**-12.0%**
Structural Components and Manufacturing Contracts	**1,317,698**	**1,389,006**	**-5.1%**	**5,454,309**	**6,157,859**	**-11.4%**
Commercial vehicles (and passenger cars)	945,930	991,163	-4.6%	3,799,612	4,616,156	-17.7%
Off-road	371,768	397,842	-6.6%	1,654,697	1,541,702	7.3%
Energy & Decarbonization	**26,007**	**35,905**	**-27.6%**	**100,963**	**140,770**	**-28.3%**
Distribution (aftermarket and hydraulics)	**40,703**	**48,745**	**-16.5%**	**165,597**	**200,738**	**-17.5%**
Aftermarket	21,546	26,869	-19.8%	95,705	101,360	-5.6%
Hydraulic products	19,157	21,876	-12.4%	69,892	99,378	-29.7%

Note: the division among applications considers our best assumption for cases in which the same product is in two applications.

REVENUE BY BUSINESS UNIT

Structural Components and Manufacturing Contracts



The decline in revenue in 4Q25 was primarily driven by lower sales volumes of commercial vehicle applications. The uncertain environment related to tariffs — and their effects on economic variables such as inflation and interest rates — combined with weaker sector indicators, including freight rates and utilization levels, affected demand for commercial vehicles, as transportation companies have postponed fleet renewal and expansion.

In the European market, in turn, this scenario was partially mitigated by the recovery in commercial vehicle sales, mainly driven by fleet renewal.

In Brazil, the heavy vehicle market remains under pressure from high interest rates, tighter financing conditions, and the deterioration in agribusiness performance, marked by record delinquency levels. Customers' indirect exports also contributed negatively to the results. In this context, heavy truck production declined 45% in 4Q25, while sales decreased 21%.

This scenario was reflected in customers' production levels, as they have adopted inventory reduction strategies, impacting sales in the Structural Components and Manufacturing Contracts Business Units.

The off-road segment, characterized by long production chains, has been affected by the weak performance of agribusiness and the residential construction market. These effects were partially mitigated by the non-residential construction sector, especially in the export market, resulting in higher demand for large-engine applications.

The quarter's results were also negatively impacted by currency appreciation (average BRL/USD of 5.40 in 4Q25 vs. 5.83 in 4Q24).

Currently, approximately 41% of revenue comes from higher value-added products, such as machined and/or assembled components.

In 2025, the Structural Components and Manufacturing Contracts Units recorded revenues of R$8.1 billion, down by 12% from 2024, reflecting lower heavy vehicle production in Brazil and abroad.

Energy & Decarbonization

Δ % Revenues	% Revenues DM	% Revenues FM
23% ▲	24%	2%

Quarterly performance was mainly driven by revenues from proprietary engines, applied in segments such as agribusiness and mining, as well as by the increase in indirect exports to Argentina. New businesses, including bioplants and vehicle conversion, added R$22 million in revenues in 4Q25.

This Business Unit accounted for 10% of the Company’s total revenue in the quarter and 8% in 2025.

In 2025, revenues reached R$781 million, up by 16% over 2024, driven by the growth of the generator market (+18%) and the ramp-up of new businesses, which added R$32 million to revenues.

Aftermarket

Δ % Revenues	% Revenues DM	% Revenues FM
8% ▲	16%	3%

Revenue from the aftermarket grew by 8% in 4Q25, reflecting the launch of new product lines — “Masterparts” (a multi-brand product line) and “Optional” (a more competitive line for MWM-branded products) — which, combined, reported an increase of approximately 40%.

The segment accounted for 7% of the Company's total revenue in 4Q25 and 6% in 2025.

In 2025, aftermarket revenues reached R$567 million, up by 12% year over year. The new product lines accounted for approximately 20% of revenues in the period.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$2.0 billion in 4Q25, down by 3% from 4Q24.

The decline in production volumes at levels greater than sales, with impacts on fixed cost dilution and operational efficiency, affected the gross margin, which reached 8.0% in the period.

	Consolidated (R$ thousand)					
	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Revenues	**2,183,334**	**2,493,426**	**-12.4%**	**9,692,948**	**10,665,110**	**-9.1%**
Cost of goods sold	**(2,007,843)**	**(2,069,985)**	**-3.0%**	**(8,469,797)**	**(8,738,519)**	**-3.1%**
Raw material	(1,126,196)	(1,259,049)	-10.6%	(4,977,599)	(5,298,767)	-6.1%
Labor, profit sharing, and social benefits	(466,004)	(405,370)	15.0%	(1,860,203)	(1,828,353)	1.7%
Maintenance materials and third parties	(167,431)	(165,251)	1.3%	(667,185)	(677,368)	-1.5%
Energy	(104,098)	(108,338)	-3.9%	(424,521)	(444,257)	-4.4%
Depreciation and amortization	(83,556)	(94,778)	-11.8%	(339,453)	(343,675)	-1.2%
Others	(60,558)	(37,199)	62.8%	(200,836)	(146,101)	37.5%
Gross profit	**175,491**	**423,441**	**-58.6%**	**1,223,151**	**1,926,591**	**-36.5%**
% on Revenues	*8.0%*	*17.0%*		*12.6%*	*18.1%*	
Operating expenses	**(227,941)**	**(275,347)**	**-17.2%**	**(936,678)**	**(1,011,320)**	**-7.4%**
% on Revenues	*10.4%*	*11.0%*		*9.7%*	*9.5%*	

Costs in 4Q25 were also affected by:

- Raw materials: decreased due to lower volumes in the period, offset by materials inflation and currency appreciation;
- Labor: increased due to the appreciation in the Mexican peso and the inflation (annual wage adjustments), mitigated by initiatives to reduce direct labor, associated with lower production volumes and operational efficiency projects;
- Maintenance and third-party services: inflation effect, partially offset by renegotiations with suppliers;
- Energy: reduced mainly due to the lower sales volume. Higher utilization of electric furnaces that use more energy was observed, offset by gains in other cost lines;
- Other operating costs: increased mainly due to expenses with the handling of products and materials, engine engineering projects, leases, and health and safety initiatives;

Operating expenses — administrative and selling — totaled R$228 million in the quarter, down by 17% from 4Q24, influenced by lower sales volumes, currency appreciation, and cost reduction initiatives. The year-over-year comparison also reflects higher freight expenses in 2024 due to logistics bottlenecks.

OTHER INCOME AND EXPENSES

Other Net Operating Income/Expenses came in as an expense of R$12 million in 4Q25, compared to R$232 million in the previous year.

	Consolidated (R$ thousand)					
	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Constitution and restatement of provisions	(64,866)	(18,542)	249.8%	(138,287)	(85,901)	61.0%
Insurance reimbursement - Mexico	-	-	-	-	25,894	-
Restructuring expenses	(72,208)	(32,523)	122.0%	(96,886)	(57,755)	67.8%
Sales of claim related to IPI tax credit	173,500	-	-	173,500	-	-
Write-off of PP&E, unusable assets, and others	18,510	7,369	151.2%	(7,067)	(41,239)	-82.9%
Reversion of ICMS impairment	-	61,993	-	-	61,993	-
Impairment of property, plant and equipment	(324,791)	(219,614)	47.9%	(324,791)	(219,614)	47.9%
Impairment of intangible assets	(2,493)	(30,512)	-91.8%	(2,493)	(30,512)	-91.8%
Reduction to realizable value of inventories	(39,895)	-	-	(39,895)	-	-
Other operating income (expenses)	**(312,243)**	**(231,829)**	**34.7%**	**(435,919)**	**(347,134)**	**25.6%**
Depreciation of non-operating assets	(2,096)	(2,112)	-0.8%	(7,035)	(8,470)	-16.9%

In December 2025, the Company carried out the sale of IPI tax credit claims through the assignment of rights, with a cash effect, totaling R$174 million. The tax benefit relates to exports made in prior years, for which the right of use was recognized by a final and unappealable court decision.

In 4Q25, the “Constitution and restatement of provisions” line includes the constitution of a contingency, with no cash effect, totaling R$42 million, related to administrative proceedings concerning tax credits in addition to Reintegra, following the revision of the loss assessment.

Restructuring expenses, arising from initiatives to increase operating efficiency and reduce capacity, reached R$72 million in the quarter, an amount that includes provisions of R$ 52 million related to the capacity decommissioning project.

The impairment of property, plant and equipment and intangible assets, totaling R$ 327 million, and the R$ 40 million write-down of inventories to net realizable value are linked to the ongoing process of reducing production capacity and reallocating operations to more efficient lines.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$92 million in 4Q25, against an income of R$11 million in 4Q24.

	Consolidated (R$ thousand)					
	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Financial expenses	(144,052)	(116,734)	23.4%	(442,547)	(400,941)	10.4%
Financial income	44,720	43,698	2.3%	149,796	152,067	-1.5%
Net monetary and currency variations	7,283	83,798	-91.3%	(4,109)	(51,665)	-92.0%
Net Financial Result	**(92,049)**	**10,762**	-	**(296,860)**	**(300,539)**	-1.2%

Financial expenses grew by 23% year over year, as a result of higher interest rates in Brazil and their effects on local-currency debt, partially offset by a reduction in indebtedness, with amortization of R$366 million in the first half of the year. The result was also affected by the full recognition of expenses related to the waiver of covenants on the debentures, approved at the debenture holders' meeting held in December 2025.

Financial income reached R$45 million in the period, driven by the increase in interest from financial investments and the higher cash position in Brazilian reais.

Income from net monetary and currency variations totaled R$7 million and were composed of (i) positive variations in balance sheet accounts in foreign currency, of R$9 million, due to management initiatives on currency exposure and the depreciation of the Brazilian real against the U.S. dollar; and (ii) the result of hedge transactions, corresponding to an expense of R$1.5 million in the period, of which an expense of R$10 million from the mark-to-market of currency hedging instruments and an income of R$8.5 million from the cash effect of settled operations.

INCOME/LOSS BEFORE TAX EFFECTS AND NET INCOME/LOSS

Net result for 4Q25 came in as a loss of R$627 million, compared to a loss of R$98 million in 4Q24, reflecting lower operating results, restructuring expenses totaling R$ 72 million and the effects of accounting write-offs totaling R$367 million in PP&E, intangible assets, and inventories, as well as R$125 million in tax credits (income tax/social contribution), related to the ongoing process of reducing production capacity and redirecting operations to more efficient lines, offset by reductions in fixed costs, higher operating efficiency, and optimization of investments in inventories and PP&E.

	Consolidated (R$ thousand)					
	4Q25	4Q24	Var. [%]	2025	2024	Var. [%]
Income/Loss before Tax Effects	**(458,838)**	**(75,085)**	**511.1%**	**(453,341)**	**259,128**	**-**
Tax effects before currency impacts	(167,647)	171	-	(244,999)	(76,489)	220.3%
Income/Loss before currency effects on the tax base	**(626,485)**	**(74,914)**	**736.3%**	**(698,340)**	**182,639**	**-**
Currency effects on the tax base	(60)	(22,752)	-99.7%	43,788	(100,199)	-
Net Income/Loss	**(626,545)**	**(97,666)**	**541.5%**	**(654,552)**	**82,440**	**-**

EBITDA

The combination of the aforementioned factors resulted in negative CVM EBITDA of R$273 million. EBITDA adjusted for other operating expenses and income reached R$39 million, with a margin of 1.8% in 4Q25 (vs. 10.1% in 4Q24).

	Consolidated (R$ thousand)					
RECONCILIATION OF NET INCOME WITH EBITDA	**4Q25**	**4Q24**	**Var. [%]**	**2025**	**2024**	**Var. [%]**
Net Income for the Period	**(626,545)**	**(97,666)**	**541.5%**	**(654,552)**	**82,440**	**-**
(+) Net Financial Result	92,049	(10,762)	-	296,860	300,539	-1.2%
(+) Income Tax and Social Contribution	167,707	22,581	642.7%	201,211	176,688	13.9%
(+) Depreciation and Amortization	420,855	356,566	18.0%	708,778	637,224	11.2%
EBITDA (according to CVM Resolution 156/22)	**(273.218)**	**20,593**	**-**	**225,013**	**946,765**	**-76.2%**
% on revenues	-	*0.8%*		*2.3%*	*8.9%*	
(+) Other Operating Expenses, Net	312,243	231,829	34.7%	435,919	347,134	25.6%
Adjusted EBITDA	**39,025**	**252,422**	**-84.5%**	**660,932**	**1,293,899**	**-48.9%**
% on revenues	*1.8%*	*10.1%*		*6.8%*	*12.1%*	

The Adjusted EBITDA margin of the traditional business, which includes structural components and hydraulic products, was negative by 1% in 4Q25. The decline in sales and production volumes, which affected operational efficiency and the dilution of costs and expenses, had an impact of approximately R$148 million on EBITDA compared to the same period in 2024.

The appreciation of the Brazilian real and Mexican peso against the U.S. dollar, in turn, had an impact of R$70 million on the period's results. The unfavorable currency scenario was mitigated by initiatives to reduce costs and expenses.

Lower production levels also affected quality indicators, resulting in negative impacts of R$57 million in the quarter.

The margin of MMW's operations (Manufacturing Contracts, Aftermarket, and Energy & Decarbonization) stood at 10% in the period. The implementation of manufacturing and organizational optimization projects contributed to a significant increase in the EBITDA margin, which stood at 6% at the time of the acquisition.

Year over year, the reduction in sales and production volumes had a negative impact of R$580 million in 2025, while the effects associated with quality indicators contributed R$150 million. These factors were partially offset by cost and expense reductions of approximately R$300 million and a favorable currency scenario, which generated gains of approximately R$120 million. The comparison base with 2024 was also impacted by R$173 million in non-recurring revenues from commercial negotiations recorded during that period.

INVESTMENTS IN PP&E AND INTANGIBLE ASSETS

Investments in PP&E and intangible assets totaled R$177 million in 4Q25 (accrual), compared to R$175 million in 4Q24 (+0.8%).

	Consolidated (R$ thousand)					
	4Q25	**4Q24**	**Var. [%]**	**2025**	**2024**	**Var. [%]**
PP&E						
Strategic investments	56,567	66,766	-15.3%	161,937	195,242	-17.1%
Maintenance and modernization of operational capacity	96,731	80,907	19.6%	235,271	200,294	17.5%
Environment	5,655	10,319	-45.2%	12,253	30,812	-60.2%
Interest and financial charges	2,717	3,882	-30.0%	8,527	17,704	-51.8%
Intangible assets						
Software	12,871	12,304	4.6%	19,624	20,591	-4.7%
Projects under development	2,088	1,036	101.5%	8,125	4,434	83.2%
Total	**176,629**	**175,214**	**0.8%**	**445,737**	**469,077**	**-5.0%**
% on Revenues	*8.1%*	*7.0%*		*4.6%*	*4.4%*	

The figures mainly refer to new foundry and machining programs, higher operational efficiency, and synergies between operations, in addition to investments in health, safety, and the environment.

Investments related to capacity optimization initiatives totaled R$11 million in 4Q25, allocated to the development and construction of tooling.

WORKING CAPITAL

	Consolidated (R$ thousand)				
	4Q25	**3Q25**	**2Q25**	**1Q25**	**4Q24**
Balance Sheet					
Accounts receivable	1,597,455	1,660,082	1,935,840	2,028,377	1,837,435
Inventories	1,721,952	1,979,252	2,041,125	2,134,475	2,197,704
Accounts payable	1,137,117	1,289,374	1,321,633	1,574,755	1,482,620
Advances from Customers	*114,379*	*110,614*	*151,504*	*149,093*	*85,207*
Sales outstanding [days]	60	61	68	70	63
Inventories [days]	74	85	86	89	92
Payables outstanding [days]	56	60	62	73	65
Cash conversion cycle [days]	**78**	**86**	**92**	**86**	**90**

The cash conversion cycle was reduced by eight days compared to 3Q25.

The main lines presented the following variations:

- Reduction of R$63 million in accounts receivable, equivalent to a one-day impact on the average collection period. The comparison was affected by seasonal factors, given the higher concentration of cash inflows in the fourth quarter, as well as by the reduction in sales volumes, partially offset by the depreciation of the Brazilian real against the U.S. dollar compared to the previous quarter (BRL/USD closing rate of 5.50 in Dec/25 vs. 5.32 in Sep/25), which impacted accounts receivable denominated in foreign currency, accounting for 71% of the total.

- Decrease of R$257 million in inventories, with an 11-day reduction in working capital, driven by management initiatives, particularly for raw materials and work-in-process goods.

- Reduction of 4 days in the average accounts payable term, driven by lower inventory levels and reduced purchase volumes, partially offset by the depreciation of the Brazilian real, with effects on foreign currency-denominated payables, which accounted for 40% of the total.

  The calculation of outstanding payables (in days) considers the advance, by customers, of working capital from the engine manufacturing contract. In 4T25, this amount corresponded to R$114 million, compared to R$111 million in 3Q25.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	4Q25	4Q24	Var.	2025	2024	Var.
Cash and cash equivalents at the beginning of the period	**1,648,624**	**2,167,915**	**-24.0%**	**2,376,203**	**1,593,098**	**49.2%**
Cash from operating activities	357,714	591,616	-39.5%	915,137	1,353,491	-32.4%
Cash used in investing activities	(162,451)	(189,141)	-14.1%	(482,926)	(640,086)	-24.6%
Cash provided by (used in) financing activities	(28,670)	(329,384)	-91.3%	(885,404)	(151,687)	483.7%
Currency effect on the cash for the year	37,939	135,197	-71.9%	(69,854)	221,387	-
Increase (decrease) in cash and cash equivalents	**204,532**	**208,288**	**-1.8%**	**(523,047)**	**783,105**	**-**
Cash and cash equivalents at the end of the period	**1,853,156**	**2,376,203**	**-22.0%**	**1,853,156**	**2,376,203**	**-22.0%**

The Company reported operating cash generation of R$358 million, down by 40% from the previous year. The comparison base was impacted by a tax refund abroad and extraordinary customer payments recorded in 4Q24.

In December 2025, the Company sold its IPI premium tax credit through an assignment of rights for a total amount of R$174 million. This tax benefit refers to exports carried out between 1988 and 1990, whose right of use was recognized by a final and unappealable court decision.

Investment activities consumed R$162 million in 4Q25, compared to R$189 million in 4Q24.

As for investing activities, we recorded a consumption of R$29 million in 4Q25, due to debt amortization (leasing). The year-over-year comparison was affected by a higher volume of financial amortizations carried out in 4Q24, totaling R$181 million, in addition to dividend distributions and share buybacks in that period, which totaled R$139 million.

The combination of these factors and the currency variation on cash, with a positive impact of R$38 million, resulted in an increase of R$204 million in cash and cash equivalents in the period. Accordingly, we ended 4Q25 with a balance of R$1,853 million.

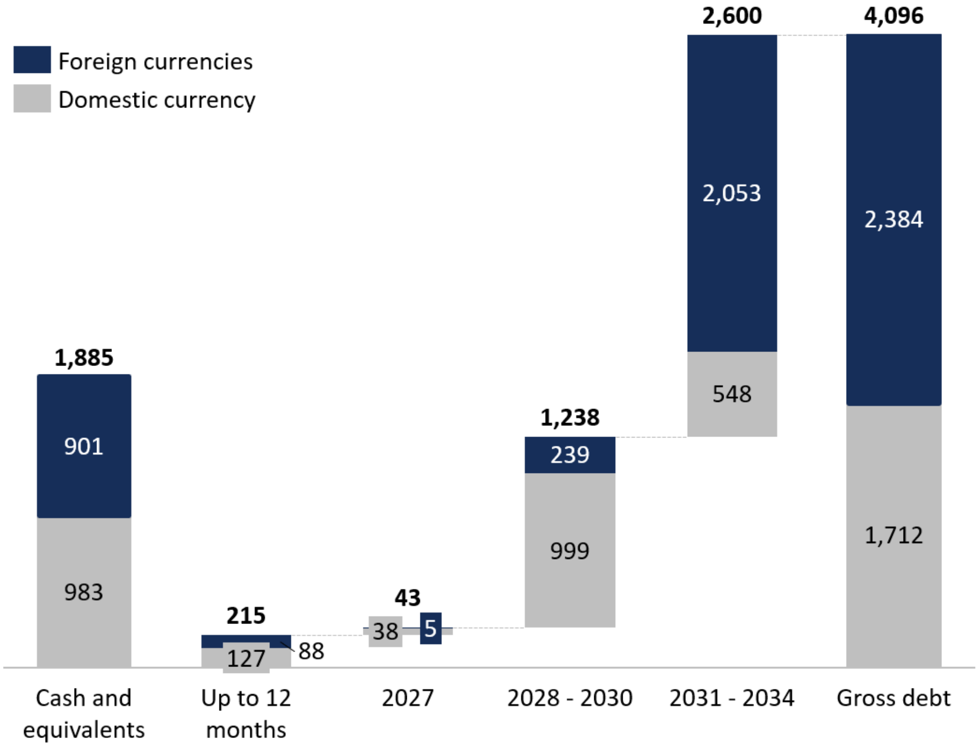
INDEBTEDNESS

The Company ended 4Q25 with a net debt of R$2.2 billion. The decline in LTM Adjusted EBITDA (R$661 million in 4Q25 vs. R$874 million in 3Q25) contributed to an increase in leverage, which reached 3.35x.

Liabilities in foreign currency accounted for 58% of the total (4% in the short term and 96% in the long term), while 42% of debt is denominated in Brazilian reais (7% in the short term and 93% in the long term). As for cash and cash equivalents, 48% is denominated in foreign currency and 52% in Brazilian reais.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**4Q25**	**3Q25**	**2Q25**	**1Q25**	**4Q24**
Short term	214,586	127,239	196,248	301,363	660,196
Financing and loans	212,756	127,036	195,483	299,141	638,123
Financial instruments and derivatives	1,830	203	765	2,222	22,073
Long term	3,881,960	3,812,511	3,848,700	3,958,966	4,132,189
Gross debt	**4,096,546**	**3,939,750**	**4,044,948**	**4,260,329**	**4,792,385**
Cash and cash equivalents	1,853,156	1,648,624	1,436,624	1,713,478	2,376,203
Financial instruments and derivatives	31,703	31,121	40,547	40,472	73,825
Net debt	**2,211,687**	**2,260,005**	**2,567,777**	**2,506,379**	**2,342,357**
Gross debt/Adjusted EBITDA	6.20x	4.51x	3.86x	3.45x	3.70x
Net debt/Adjusted EBITDA	**3.35x**	**2,58x**	**2.45x**	**2.03x**	**1.81x**

The Company's debt profile is as follows (R$ million):



In December 2025, the General Debenture Holders’ Meeting approved the flexibilization of the financial covenants of the debentures (waiver). In return, conditions were established, including the fiduciary assignment of the Company’s PP&E items totaling R$620 million, a temporary restriction on the repurchase of shares and bonds, and a limitation on dividend distributions above the legal minimum, among other obligations.

The guarantees will remain in force throughout the waiver period, which extends from 4Q25 to 3Q27. These conditions do not restrict the execution of the Company’s strategic plan for this period.