3Q20 Highlights

Highest operating income, net income and EBITDA in the Company's history.

Earnings Conference Call

Date: October 29, 2020

Portuguese/English

11:00 a.m (Brasília) / **10:00 a.m** (EST)

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- **Revenues:** R$ 1,250.3 million, with progressive recover since June and growth of 93.9% over 2Q20;
- **Product mix:** significant recovery of the percentage of products in CGI and machined, which reached 27% and 26%, respectively (vs. 17%, both in 2Q20);
- **Gross profit:** R$ 281.8 million, with 22.5% gross margin;
- **EBITDA:** R$ 248.8 million, with 19.9% margin. The adjusted EBITDA reached R$ 257.5 million, with a 20.6% margin. This result is mainly due to structural efficiency gains obtained by the management team;
- **Net Income:** R$ 128.0 million, up 92.6% over 3Q19. Cash flow hedge operations (zero-cost collar) and mark-to-market of the financial instrument used to adjust the receivables from Eletrobrás together account for the financial revenue (accounting effect) of R$ 19.8 million;
- **Cash position:** R$ 1,433.7 million, an increase in cash availability of R$ 151.7 million compared to the previous quarter. Operational cash generation reached R$ 155.4 million, stable in relation to 3Q19. The decrease in volumes and the increase in the cash conversion cycle were offset by several management initiatives.

Note: Except when otherwise recorded, comparisons expressed by percentage changes are based on the same period of 2019.

MESSAGE FROM MANAGEMENT

The third quarter of this year was highlighted by the resumption of operations, generating expressive growth in our results, due to the recovery, even if partial, of the markets covered by the Company and the commitment and dedication of our employees, in addition to the support of customers and suppliers.

We are still facing the pandemic and we continue to take care of the people and communities in which we are integrated. The security protocol followed is very rigorous in the plants and we are keeping about 600 people at home identified as risk groups, as well as mothers with children under 10 years old. In addition, the Sorting and Testing Center based in our recreational facilities has already attended more than 20 thousand people, which contributes in an important manner to avoid overwhelming the public health system in the locations where we operate.

We have noticed the gradual recovery of volumes and, mainly, the strong growth of margins, which is the result of a series of projects and initiatives that have been developed over the last years and implemented by a high performance team, composed of new managers and executives with great experience in our key processes.

We have implemented measures to enhance the value of our products and increase efficiency through cost reduction, quality improvement and greater flexibility between lines, allowing the Company to adapt to the change in volumes that is essential to our business. These are the pillars of the Tupy Production System (SPT - Sistema de Produção Tupy), which enables our commercial strategy and positions us as a world reference in the development and manufacturing of structural components of high complexity.

Background of initiatives for permanent gains

One of several actions we have implemented in favor of operational efficiency was in the year 2017, when we stopped the foundry activities at the unit located in Mauá-SP and sold the steel shot unit. From the end of 2018 to the beginning of 2019, we began several large-scale machining projects of highly complex products in Mexico. We have faced some difficulties in the implementation, which are natural in this kind of process and that, in a first moment, caused the revenues from this project were not translated into gains in margins. We have overcome these issues and we are confident that additional services such as machining and component assembly will be an important driver of value in the coming years.

The implementation of new technologies and the use of the concept of open innovation, already used in product development, were also expanded. An example is the development of complex mathematical models that have allowed to optimize the combination of raw materials and equipment parameters, in order to make them more efficient, considering technical and economic criteria. Another project, still in the trial phase, uses artificial intelligence to analyze several parameters and with that, identify, in a predictive way, eventual problems in the process and indicate the necessary improvements, using machine learning techniques. These and other initiatives of insertion of the Industry 4.0 are conducted by a dedicated and highly qualified team, which should bring significant gains in the next years.

We also obtained significant gains with the review of the purchasing processes, led by a new team, which has implemented important changes and adopted global best practices.

Operational efficiency and volume recovery is the key to recovery

The effects of the COVID-19 pandemic had a significant impact on the Company's operations in April and May, due to the customers' stoppage. However, we are overcoming the crisis strengthened and with the sense of mission accomplished in each of the foundations of our plan of action. In this sense, we promote significant changes in the production process in Brazil and Mexico, such as the reallocation of products and equipment between the lines, redesign of flows, daily evaluation of the mix of materials used and the shutdown of less efficient equipment, in addition to the revision of contracts with suppliers of products and services.

These actions combined with the initiatives that were already being implemented, as well as the best product mix and currency devaluation, contributed to the strong performance of margins in this period in which we also achieved the highest operating profit, net profit and EBITDA in Tupy's history, despite the drop in volumes and inflation of materials and other costs. And most importantly, they have provided structural changes to operations, the benefits of which will continue in the coming quarters.

We continued to follow the gradual recovery of physical sales volumes, which in 3Q20 decreased by 26% in the annual comparison, but 79% higher than the previous quarter (2Q20). In September, the decrease was 16% over the same period last year and the net revenue for the month was slightly higher than in 2019. The progressive return of volumes and consequent dilution of fixed costs, as well as the prospect of increased participation of machined products and special alloys will also contribute to the growth of margins over time.

Our position in the ecosystem

This external view, which is a fundamental part of our culture, is also reflected in the development of technological solutions that enable customers to manufacture machines and equipment that build a better world by promoting access to infrastructure, drinking water, sanitation, food, energy, thus improving people's quality of life and life expectancy. We are aware of our importance in the chain and our role in reducing disparity and promoting sustainable growth. We have experienced transformations and our knowledge in engineering, research and development of new materials and complex geometries, with universities and other strategic partners, will be increasingly necessary. We are positioning ourselves for this scenario and we are confident that we will be an increasingly significant player in the chains in which we operate.

MAIN INDICATORS

Consolidated (R$ Mil)

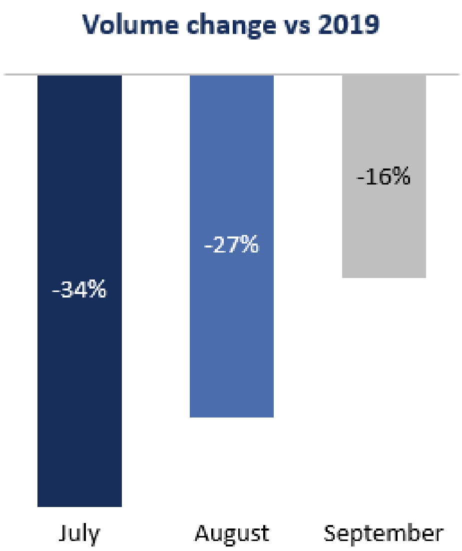
SUMMARY	3Q20	3Q19	Var. [%]	9M20	9M19	Var.[%]
Revenues	**1,250,336**	**1,339,132**	**-6.6%**	**2,987,772**	**4,025,276**	**-25.8%**
Cost of goods sold	(968,545)	(1,095,829)	-11.6%	(2,520,135)	(3,364,725)	-25.1%
Gross Profit	**281,791**	**243,303**	**15.8%**	**467,637**	**660,551**	**-29.2%**
% of revenues	*22.5%*	*18.2%*		*15.7%*	*16.4%*	
Operating expenses	(102,532)	(101,885)	0.6%	(275,720)	(305,160)	-9.6%
Other operating expenses	(19,653)	(34,157)	-42.5%	(74,652)	(105,488)	-29.2%
Impairment expenses	-	(920)	-	(37,804)	(920)	-
Income before financial results	**159,606**	**106,341**	**50.1%**	**79,461**	**248,983**	**-68.1%**
% of revenues	*12.8%*	*7.9%*		*2.7%*	*6.2%*	
Net financial result	(2,782)	8,023	-	(247,050)	14,464	-
Income (loss) before tax effects	**156,824**	**114,364**	**37.1%**	**(167,589)**	**263,447**	**-**
% of revenues	*12.5%*	*8.5%*		*-5.6%*	*6.5%*	
Income tax and social contribution	(28,795)	(47,883)	-39.9%	5,280	(57,076)	-
Net Income (Loss)	**128,029**	**66,481**	**92.6%**	**(162,309)**	**206,371**	**-**
% of revenues	*10.2%*	*5.0%*		*-5.4%*	*5.1%*	
EBITDA (CVM 527/12)	**248,756**	**187,743**	**32.5%**	**342,257**	**488,760**	**-30.0%**
% of revenues	*19.9%*	*14.0%*		*11.5%*	*12.1%*	
Adjusted EBITDA	**257,474**	**206,598**	**24.6%**	**419,737**	**547,942**	**-23.4%**
% of revenues	*20.6%*	*15.4%*		*14.0%*	*13.6%*	
Average exchange rate (USD/BRL)	5.38	3.97	35.5%	5.08	3.89	30.6%
Average exchange rate (USD/BRL)	6.29	4.41	42.5%	5.72	4.37	31.0%

SALES VOLUME

Consolidated (ton)

	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
Domestic market	**20,425**	**29,876**	**-31.6%**	**50,190**	**90,401**	**-44.5%**
Transportation, Infrastructure & Agriculture	17,100	25,756	-33.6%	42,531	79,354	-46.4%
Hydraulics	3,325	4,120	-19.3%	7,659	11,047	-30.7%
Foreign market	**88,358**	**116,836**	**-24.4%**	**230,345**	**357,217**	**-35.5%**
Transportation, Infrastructure & Agriculture	86,450	113,204	-23.6%	224,972	346,906	-35.1%
Hydraulics	1,908	3,632	-47.5%	5,373	0,311	-47.9%
Total sales volume	**108,782**	**146,712**	**-25.9%**	**280,535**	**447,618**	**-37.3%**

After the total or partial stoppage of customers in April and May, volumes continue the path of gradual recovery observed since June and recorded growth of 79.5% in relation to 2Q20, remaining at a level similar to that observed in 1Q20, with emphasis on the recovery of applications for light commercial vehicles. **There was also a reduction in the drop in volumes, in the annual comparison, over the quarter, as shown below:**

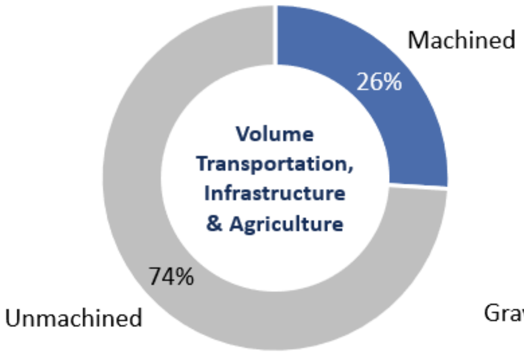


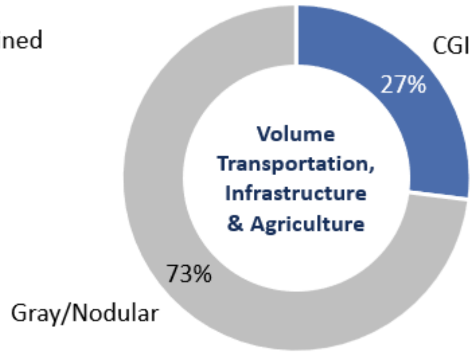
In relation to 3Q19, the result of the period was impacted, mainly, by the following factors:

- A 33.6% sales reduction in the segments of Transportation, Infrastructure and Agriculture in the domestic market, due to the effects of the pandemic, including the drop in indirect imports and the product phase-out;
- Drop of 23.6% of sales in the foreign market in the segments of Transport, Infrastructure & Agriculture, reflecting the postponement of investments, with impact, mainly, in applications for off-road equipment;
- In the Hydraulic segment, reductions of 19.3% and 47.5%, in the internal and external markets, reflecting the slower recovery of the European economy.

Share of CGI (Compacted Graphite Iron) and machined goods:

- **Partially or fully machined goods accounted for 26%** of the portfolio of the Transportation, Infrastructure & Agriculture segment **(vs. 26% in 3Q19).** The distribution of goods by type of material also shows that **CGI goods accounted for 27% of sales volume (vs. 22% in 3Q19).**





A significant recovery can be observed in relation to 2Q20, period in which the shares of CGI and machined products reached 17%.

REVENUES

In comparison with the same period of the previous year, which was not impacted by external factors, in 3Q20 revenues showed a reduction of 6.6%, with **revenue/kg increasing 25.9% compared to 3Q19**, mainly due to the better product mix and exchange rate variation.

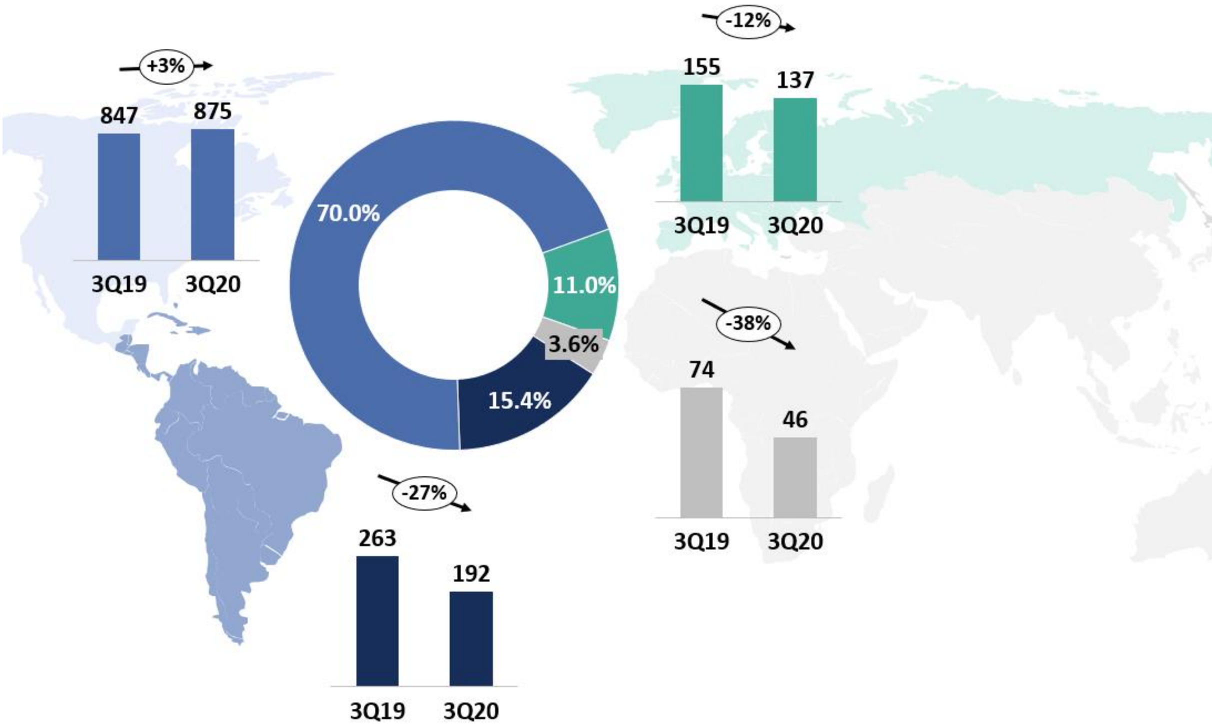
Consolidated (R$ Mil)

	3Q20	3Q19	Var.[%]	9M20	9M19	Var.[%]
Revenues	**1,250,336**	**1,339,132**	**-6.6%**	**2,987,772**	**4,025,276**	**-25.8%**
Domestic market	186,344	252,719	-26.3%	447,975	748,929	-40.2%
Share %	*14.9%*	*18.9%*		*15.0%*	*18.6%*	
Foreign market	1,063,992	1,086,413	-2.1%	2,539,797	3,276,347	-22.5%
Share %	*85.1%*	*81.1%*		*85.0%*	*81.4%*	
Revenues per segment	**1,250,336**	**1,339,132**	**-6.6%**	**2,987,772**	**4,025,276**	**-25.8%**
Transportation, Infrastructure & Agriculture	1,193,894	1,274,346	-6.3%	2,855,990	3,848,276	-25.8%
Share %	*95.5%*	*95.2%*		*95.6%*	*95.6%*	
Hydraulics	56,442	64,786	-12.9%	131,782	177,000	-25.5%
Share %	*4.5%*	*4.8%*		*4.4%*	*4.4%*	

Revenues by market and performance in the period

In 3Q20, 70.0% of revenues were originated in North America. South and Central America accounted for 15.4% and Europe 11.0%. The remaining 3.6% came from Asia, Africa and Oceania.

It is worth noting that multiple clients in the U.S. export their goods to other countries. Therefore, a substantial portion of sales to this region meets the global demand for commercial vehicles, machinery and equipment.



Consolidated (R$ Mil)

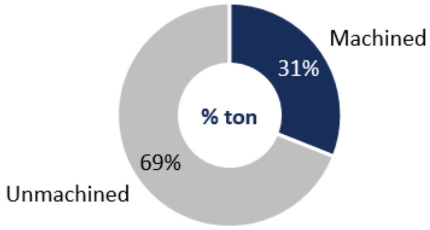
	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
Revenues	**1,250,336**	**1,339,132**	**-6.6%**	**2,987,772**	**4,025,276**	**-25.8%**
Domestic market	**186,344**	**252,719**	**-26.3%**	**447,975**	**748,929**	**-40.2%**
Transportation, Infrastructure & Agriculture	**150,326**	**216,673**	**-30.6%**	**367,037**	**647,589**	**-43.3%**
Passenger Cars	34,356	46,001	-25.3%	75,027	142,956	-47.5%
Commercial vehicles	89,709	148,554	-39.6%	226,805	436,053	-48.0%
Off road	26,261	22,118	18.7%	65,205	68,580	-4.9%
Hydraulics	**36,018**	**36,046**	**-0.1%**	**80,938**	**101,340**	**-20.1%**
Foreign market	**1,063,992**	**1,086,413**	**-2.1%**	**2,539,797**	**3,276,347**	**-22.5%**
Transportation, Infrastructure & Agriculture	**1,043,568**	**1,057,673**	**-1.3%**	**2,488,953**	**3,200,687**	**-22.2%**
Passenger Cars	53,343	57,525	-7.3%	114,621	171,348	-33.1%
Light Commercial Vehicles	559,495	512,052	9.3%	1,178,298	1,523,219	-22.6%
Medium and Heavy Commercial Vehicles	206,612	204,987	0.8%	532,602	634,760	-16.1%
Off road	224,118	283,110	-20.8%	663,433	871,360	-23.9%
Hydraulics	**20,424**	**28,740**	**-28.9%**	**50,844**	**75,660**	**-32.8%**

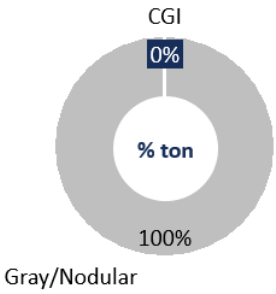
Note: The division among applications considers our best inference for cases in which the same product is categorized in two applications.

DOMESTIC MARKET (DM)

Passenger Cars

Δ % Revenues	% Revenues	% Revenues DM
-25.3% ▼	2.7%	18.4%

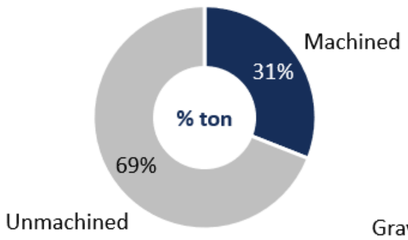


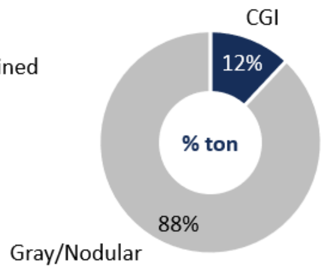


Revenues from sales of passenger cars fell by 25.3% year on year in 2Q20, reflecting the effects of the pandemic, besides the phase out of products.

Commercial Vehicles

Δ % Revenues	% Revenues	% Revenues DM
-39.6% ▼	7.2%	48.1%

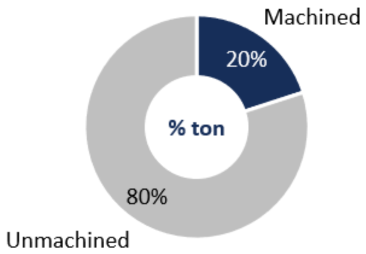


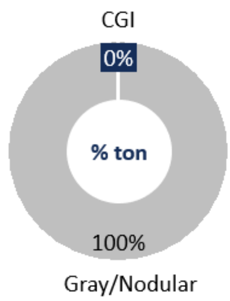


Revenues from commercial vehicle applications decline by 39.6% year over year. In addition to the decrease in truck and bus production in Brazil, performance was affected by the reduction in indirect exports to the European and North American markets.

Off road

Δ % Revenues	% Revenues	% Revenues DM
18.7% ▲	2.1%	14.1%

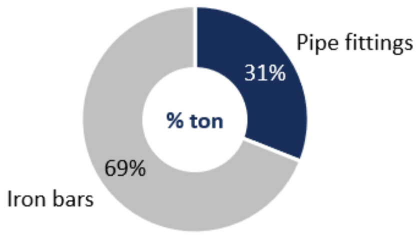




Tupy's revenues from sales of machinery and off-road vehicles advanced 18.7% in 3Q20, mainly due to indirect export opportunities and currency devaluation since some contracts are denominated in foreign currency.

Hydraulics

Δ % Revenues	% Revenues	% Revenues DM
-0.1% ▼	2.9%	19.3%

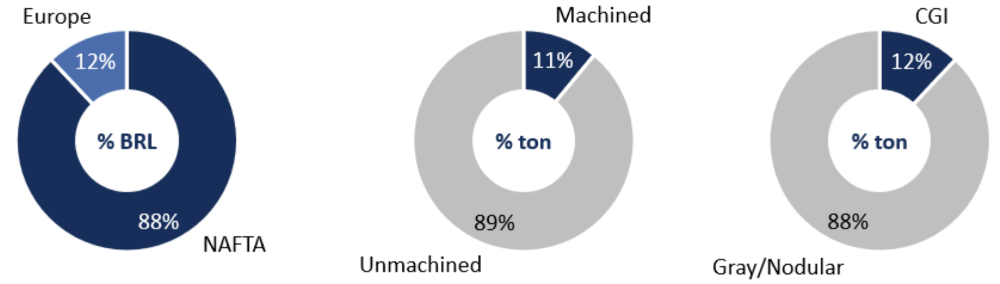


Revenues from sales in the Hydraulics segment declined by 0.1% year on year in 3Q20. The 19.3% reduction on the physical sales volume was compensated by a better product mix.

FOREIGN MARKET (FM)

Passenger Cars

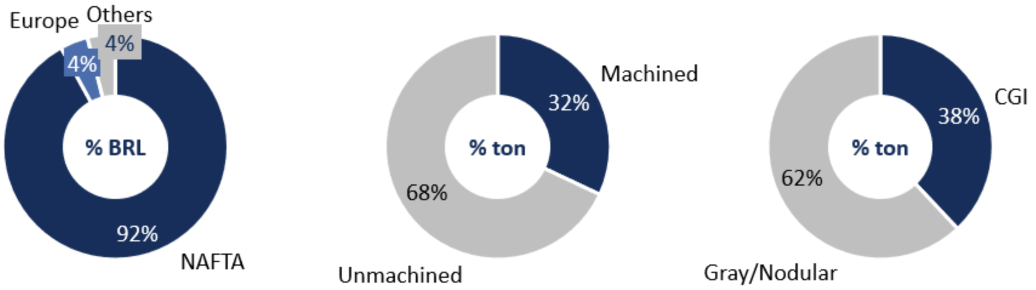
Δ % Revenues	% Revenues	% Revenues FM
-7.3%	4.3%	5.0%



Revenues from products for passenger cars increased by 7.3% over 4Q19, due to the pandemic effects.

Light Commercial Vehicles

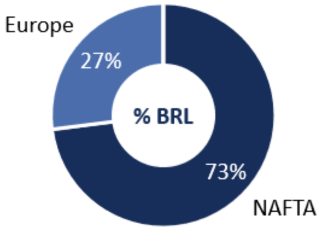
Δ % Revenues	% Revenues	% Revenues FM
9.3%	44.7%	52.6%

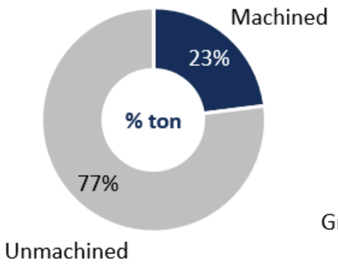


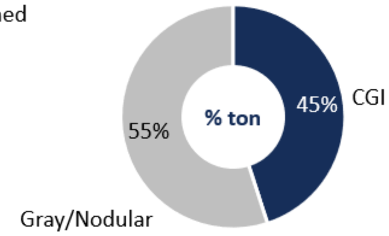
Similar to previous quarters, we observed a high participation of pick-ups and SUVs in the sales of the "light vehicles" category in the USA (77% vs 73% in 3Q19), reflecting the recovery of sectors of the economy that use these applications, such as residential construction and agribusiness, as well as product launches and aggressive commercial conditions offered by manufacturers. The revenue was also impacted by the increased share of products in CGI and the depreciation of the Real.

Medium and Heavy Commercial Vehicles

Δ % Revenues	% Revenues	% Revenues FM
0.8% ▲	16.5%	19.4%



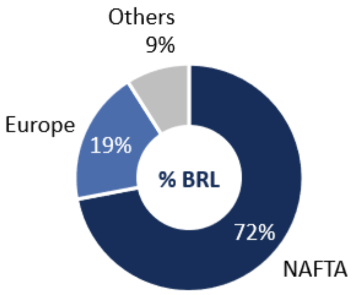


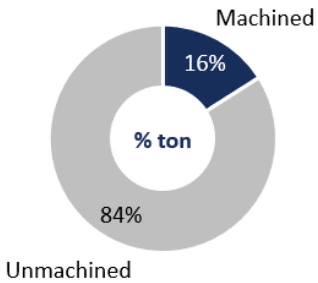


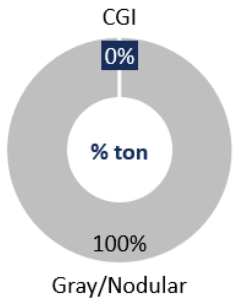
The reduction in volumes in the third quarter of 2020 is mainly due to the downturn of relevant markets such as the European and Class 8 trucks in the U.S., offset by the depreciation of the Real and higher percentage of products in CGI. The annual comparison basis was also affected by a customer's stock formation in 3Q19.

Off road

Δ % Revenues	% Revenues	% Revenues FM
-20.8% ▼	17.9%	21.1%



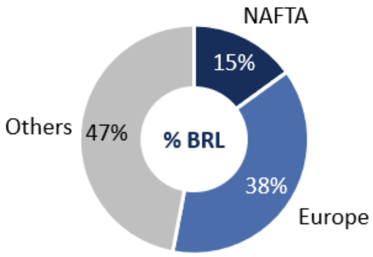


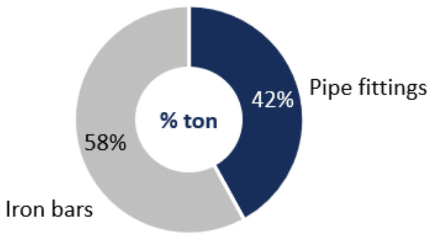


Sales for off-road applications in 3Q20 registered a drop of 20.8% compared to the same period of 2019, due to the slowdown in demand for this type of application, especially in the oil & gas and non-residential construction segments. The annual comparison was also affected by the effects of pre-purchases and stock building observed in 3Q19.

Hydraulics

Δ % Revenues	% Revenues	% Revenues FM
-28.9%	1.6%	1.9%





During the third quarter of 2020, it was registered a 28.9% drop in net revenue from the hydraulics segment, with a 47.5% drop in physical volume partially compensated by the better mix of products and depreciation of the Real.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) in 3Q20 totaled R$968.5 million, down 11.6% from 3Q19.

Over the last quarters, several projects have been implemented by a new management team and have resulted in gains in operational efficiency, such as the transfer of production to better performing lines, the use of mathematical models to optimize the use and cost of materials, waste reduction and review of purchasing processes. To these initiatives were added the review of the production process flows in Brazil and Mexico, the shutdown of less efficient equipment and the renegotiation of numerous product and service supply contracts. These are structural changes whose benefits will be observed over the next quarters.

Despite the reduction in supply and the consequent inflation of materials and other costs resulting from the exchange depreciation, the **gross margin for the period reached 22.5%, the highest value in the Company's history**.

Consolidated (R$ Mil)

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Revenues	**1,250,336**	**1,339,132**	**-6.6%**	**2,987,772**	**4,025,276**	**-25.8%**
Cost of goods sold	**(968,545)**	**(1,095,829)**	**-11.6%**	**(2,520,135)**	**(3,364,725)**	**-25.1%**
Raw material	(519,763)	(595,652)	-12.7%	(1,235,906)	(1,877,924)	-34.2%
Labor, profit sharing and social benefits	(218,029)	(263,333)	-17.2%	(630,552)	(781,422)	-19.3%
Maintenance and third parties	(85,685)	(94,623)	-9.4%	(243,315)	(294,263)	-17.3%
Energy	(64,204)	(64,157)	0.1%	(162,369)	(190,227)	-14.6%
Depreciation	(75,175)	(62,150)	21.0%	(218,715)	(183,441)	19.2%
Others	(5,689)	(15,914)	-64.3%	(29,278)	(37,448)	-21.8%
Gross Profit	**281,791**	**243,303**	**15.8%**	**467,637**	**660,551**	**-29.2%**
% of revenues	*22.5%*	*18.2%*		*15.7%*	*16.4%*	
Operating expenses	**(102,532)**	**(101,885)**	**0.6%**	**(275,720)**	**(305,160)**	**-9.6%**
% of revenues	*8.2%*	*7.6%*		*9.2%*	*7.6%*	

- Decrease of 12.7% in raw material costs, due to the drop in volumes. The effect of exchange depreciation on inputs used in Mexican operations as well as the indirect effect on materials consumed in Brazil, in addition to the greater participation of products in CGI (which use more noble inputs), were mitigated by several initiatives that were implemented over the past quarters, such as optimization of the use of materials, reduction of waste, renegotiation of contracts with suppliers, among others;

- A reduction of 17.2% in the labor account, mainly due to a decrease in headcount (restructuring and non-replacement of turnover) and overtime. The adoption of measures to reduce working days and salaries in Brazil (Provisional Measure 936) contributed to a cost reduction of R$27.5 million the period;

- Reduction of 9.4% in the maintenance and third-party services account. The comparison basis was affected by the receipt of overdue credits (PIS/COFINS) in 3Q19, in the amount of R$6.5 million. The impact of inflation and the depreciation of the Real in the period was offset by the reduction of third-party services and renegotiation of contracts;

- Increase of 0.1% in energy costs. Despite the lower volume produced, energy costs were affected by the increase in distribution and generation tariffs in the annual comparison, as well as by the exchange rate variation, since part of the energy contracts in Mexico are denominated in USD.

Operating expenses, including administrative and commercial expenses, reached R$ 102.5 million, an increase of 0.6% in the annual comparison, affected by the higher use of freight resulting from the flexibility of production and exchange rate devaluation, as well as the collective bargaining agreement, among other expenses.

OTHER OPERATING INCOME (EXPENSES)

Other net operating expenses reached R$19.7 million in 3Q20, down 42.5% from R$34.2 million in 3Q19.

Consolidated (R$ Mil)

	3Q20	3Q19	Var. [%]	9M20	9M19	Var.[%]
Depreciation of non-operating assets	(158)	(193)	-18.1%	(491)	641	-23.4%
Amortization of intangible assets	(10,777)	(16,029)	-32.8%	(34,485)	(46,585)	-26.0%
Land sale	9,635	-	-	20,135	-	-
Others	(18,353)	(17,935)	2.3%	(59,811)	(58,262)	2.7%
Other operating expenses, net	**(19,653)**	**(34,157)**	**-42.5%**	**(74,652)**	**(105,488)**	**-29.2%**
Impairment of property, plant and equipment	-	(920)	-	(3,404)	(920)	-
Impairment loss of intangible assets	-	-	-	(34,400)	-	-
Total impairments adjustments	**-**	**(920)**	**-**	**(37,804)**	**(920)**	**-**

Expenses related to the amortization of intangible assets decline by 32.8%, due to a decrease in the asset base, as a result of the impairment in December 2019 and March 2020 in the amount of R$45.5 million and R$34.4 million, respectively.

The Company recorded revenues of R$9.6 million related to the sale of non-strategic assets (land) resulting from a long-term partnership for the development of allotment, which was announced in 3Q18. This amount refers to the advance on the project, and the Company will also receive an amount equivalent to 34% of the cash flow from sales of the land and its respective financing portfolio for the lots that will comprise the project.

The line "Others" is comprised of (i) R$8.7 million updating/constituting provisions (vs R$13.8 million in 3Q19), (ii) R$9.6 million related to the sale of fixed assets, non-operating and other costs (vs R$4.1 million in 3Q19).

NET FINANCIAL RESULT (LOSS)

In 3Q20, the Company recorded net financial loss of R$ 2.8 million, versus revenue of R$ 8.0 million in 3Q19.

Consolidated (R$ Mil)

	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
Financial expenses	(45,933)	(38,841)	18.3%	(156,135)	(90,462)	72.6%
Financial income	7,513	34,136	-78.0%	24,499	79,779	-69.3%
Net monetary and exchange rate variations	35,638	12,728	180.0%	(115,414)	25,147	-
Net Financial Income/Loss	**(2,782)**	**8,023**	**-**	**(247,050)**	**14,464**	**-**

Financial expenses were impacted mainly by the depreciation of the Real against the Dollar (average exchange rate of 5.38 in 3Q20 vs. 3.97 in 3Q19) in the period, which affected the recognition of interest on borrowings denominated in USD, as well as the recognition of interest on bank debts assumed of R$ 494.4 million in March 2020. These effects totaled R$ 40.3 million in the period. The restatement of the derivative instrument effect used to adjust Eletrobras' receivables to present value (with no cash effect) accounted for R$ 3.0 million in expenses. Other financial expenses in the quarter totaled R$ 2.6 million.

The financial revenues reached R$ 7.5 million in the period, originated mainly from financial investments in Reais and restatement of tax credits.

The revenues of net monetary and exchange variations, in the amount of R$ 35.6 million, was due to (i) positive variation in the balance sheet accounts, in the amount of R$ 12.8 million and (ii) the result of hedge operations based on the zero-cost collar instrument, corresponding to an revenue of R$ 22.8 million in the period.

The cash effect of the derivative operations in the quarter was a disbursement of R$ 68.1 million, which was partially offset by the positive impact of foreign exchange on operating income and foreign exchange variation on cash. On the other hand, the positive effect of the mark-to-market of operations with maturity up to December 2020 (no cash effect) was R$ 90.9 million.

EARNINGS BEFORE TAXES AND NET INCOME

The Company recorded net income of R$ 128.0 million, compared to net income of R$ 66.5 million in 3Q19, **being the major amount in the Company's history**,

Consolidated (R$ Mil)

	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
Income (loss) before tax effects	**156,824**	**114,364**	**37.1%**	**(167,589)**	**263,447**	**-**
Tax effects before foreign exchange impacts	(33,818)	(42,652)	-20.7%	47,599	(59,917)	-
Income (loss) before exchange effects on the tax base	**123,066**	**71,712**	**71.5%**	**(119,990)**	**203,530**	**-**
Exchange effects on the tax base	5,023	(5,231)	-	(42,319)	2,841	-
Net Income (Loss)	**128,029**	**66,481**	**92.6%**	**(162,309)**	**206,371**	**-**
% of revenues	*10.2%*	*5.0%*		*-5.4%*	*5.1%*	

The tax basis of the assets and liabilities of companies located in Mexico, where the functional currency is the Dollar, are held in Mexican Pesos for their historical values. Fluctuations in exchange rates modify tax bases and, consequently, exchange effects are recognized as deferred income tax profit and/or loss. In 3Q20, revenues recorded R$ 5.0 million, with no cash effect, due to the appreciation of the Mexican peso against the dollar compared to the previous quarter (2Q20).

EBITDA

The aforementioned factors combined resulted in an EBITDA of R$ 248.8 million. Adjusted EBITDA for the effect of the constitution/update of provisions, write-off of property, plant and equipment and sale of land accounted for R$ 257.5 million, **representing the major figures in the Company's history.**

This result reflects the several initiatives of operational efficiency gains and cost reduction implemented, as well as a product mix with higher added value, after overcoming the learning curve inherent to operations of this complexity.

Consolidated (R$ Mil)

RECONCILIATION OF NET INCOME TO EBITDA	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
Net Income (Loss) for the Period	**128,029**	**66,481**	**92.6%**	**(162,309)**	**206,371**	**-**
(+) Net financial result	2,782	(8,023)	-	247,050	(14,464)	-
(+) Income tax and social contribution	28,795	47,883	-39.9%	(5,280)	57,076	-
(+) Depreciation and amortization	89,150	81,402	9.5%	262,796	239,777	9.6%
EBITDA (CVM 527/12)	**248,756**	**187,743**	**32.5%**	**342,257**	**488,760**	**-30.0%**
% on Revenues	*19.9%*	*14.0%*		*11.5%*	*12.1%*	
(+) Other net operating expenses*	8,718	17,935	-51.4%	39,676	58,262	-31.9%
(+) Impairment	-	920	-	37,804	920	-
Adjusted EBITDA	**257,474**	**206,598**	**24.6%**	**419,737**	**547,942**	**-23.4%**
% on Revenues	*20.6%*	*15.4%*		*14.0%*	*13.6%*	

The adjustments made to EBITDA have the purpose of offsetting the effect of items that present less correlation with the Company’s business, are non-recurring or have no cash effect. These expenses totaled R$ 8.7 million in 3Q20 and consist of (i) R$ 8.7 million of updating/constituting provisions, (ii) R$ 9.6 write-off of fixed assets and other costs and (iii) recognition of non-operating land sale results, in the amount of R$ 9.6 million.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R$ 32.0 million in 3Q20.

Consolidated (R$ Mil)

	3Q20	3Q19	Var. [%]	9M20	9M19	Var. [%]
PP&E						
Strategic investments	10,900	33,505	-67.5%	28,716	94,446	-69.6%
Maintenance and sustenance	12,166	21,610	-43.7%	54,323	73,399	-26.0%
Environment	730	1,050	-30.5%	2,119	2,277	-6.9%
Interest and financial expenses	355	459	-22.7%	1,239	1,244	-0.4%
Intangible assets						
Software	7,099	822	763.6%	8,584	5,702	50.5%
Projects under development	705	1,055	-33.2%	2,021	1,967	2.7%
Total	**31,955**	**58,501**	**-45.4%**	**97,002**	**179,035**	**-45.8%**
% on Revenues	*2.6%*	*4.4%*		*3.2%*	*4.4%*	

The 45.4% reduction was due to the suspension/postponement of projects arising from the Company's strategy to preserve cash and prioritize investments related to maintenance, safety and the environment.

WORKING CAPITAL

Consolidated (R$ Mil)

	3Q20	2Q20	1Q20	4Q19	3Q19
Balance Sheet					
Accounts receivable	836,020	547,149	796,215	672,356	909,148
Inventories	725,452	765,179	825,971	654,107	584,464
Accounts payable	538,689	343,151	645,820	627,565	642,209
Sales outstanding [days]	74	47	58	48	63
Inventories outstanding [days]	76	77	73	55	48
Payables outstanding [days]	57	35	55	52	52
Cash conversion cycle [days]	**93**	**89**	**76**	**51**	**59**

There was a four-day increase in working capital in the period compared to the previous quarter (2Q20). The main working capital lines presented the following variations:

- An increase of R$ 288.9 million in the line of accounts receivable, equivalent to 27 days of sales in the period, due to the expressive increase in sales volume compared to 2Q20, especially in the months of August and September, as well as the exchange devaluation of 3.0% in the conversion of accounts receivable into foreign currency, which represented about 86.9% of the total at the end of September;

- Inventory reduction in the amount of R$ 39.7 million, representing a reduction of 1 day in relation to the cost of products sold. The Company continues its strategy of flexible production between plants with the objective of increasing operational efficiency. There was an effect of the exchange rate variation on foreign currency inventories, corresponding to 70.2% of the total in 3Q20;

- An increase of R$ 195.5 million in accounts payable line, representing an increase of 22 days in relation to the previous quarter, due to the progressive increase in production providing an increase in the volume of raw material purchases in the period and a 3.0% exchange devaluation in our accounts payable in foreign currency, which corresponded to 55.3% of payables.

CASH FLOW

Consolidated (R$ Mil)

CASH FLOW SUMMARY	3Q20	3Q19	Var.[%]	9M20	9M19	Var.[%]
Cash and cash equivalents at the beginning of period	**1,281,999**	**492,259**	**160.4%**	**840,030**	**713,733**	**17.7%**
Cash from operating activities	155,405	155,276	0.1%	36,478	24,640	-83.8%
Cash used in investments	(22,154)	(52,226)	-57.6%	(94,433)	(167,684)	-43.7%
Cash used in financing activities	(6,230)	(4,202)	48.3%	474,874	(174,454)	-
Effect of the exchange rate on cash for the period	24,695	20,079	23.0%	176,766	14,951	1,082.3%
Increase (decrease) in cash and cash equivalents	**151,716**	**118,927**	**27.6%**	**593,685**	**(102,547)**	**-**
Cash and cash equivalents at the end of period	**1,433,715**	**611,186**	**134.6%**	**1,433,715**	**611,186**	**134.6%**

In 3Q20, the Company generated R$ 155.4 million in cash from operating activities, versus R$ 155.3 million in 3Q19. Despite the drop in volumes in the annual comparison and the consequent reduction in customer receipts, the result reflects several initiatives aimed at preserving cash, such as the containment of fixed costs and expenses, contract renegotiation, production flexibility and several initiatives for gains in operating efficiency, such as the redesign of flows and shutdown of less efficient equipment, among others. There was also a tax refund of R$ 9.9 million (PIS/COFINS) and the receipt of R$ 5.0 million from the sale of non-operating land. In relation to derivatives, payments were made to the maturity of cash flow hedge operations (zero cost collar), in the amount of R$ 68.1 million, partially offset by the positive effect of exchange devaluation on operating income.

Investment activities consumed R$ 22.1 million in 3Q20, a 57.6% decrease over the same period of the previous year, due to the strategy of postponement and revaluation of investments, with priority to investments related to maintenance, safety and environment.

With regard to financing activities, during 3Q20, there was a consumption of R$ 6.2 million compared to R$ 4.2 million in 3Q19, impacted by increased expenditure on leasing contracts.

The combination between these factors and the exchange rate variation on cash, in the amount of R$ 24.7 million, resulted in an increase of R$ 151.7 million in cash in the period. Therefore, we ended the semester with a cash balance of R$ 1,433.7 million.

INDEBTEDNESS

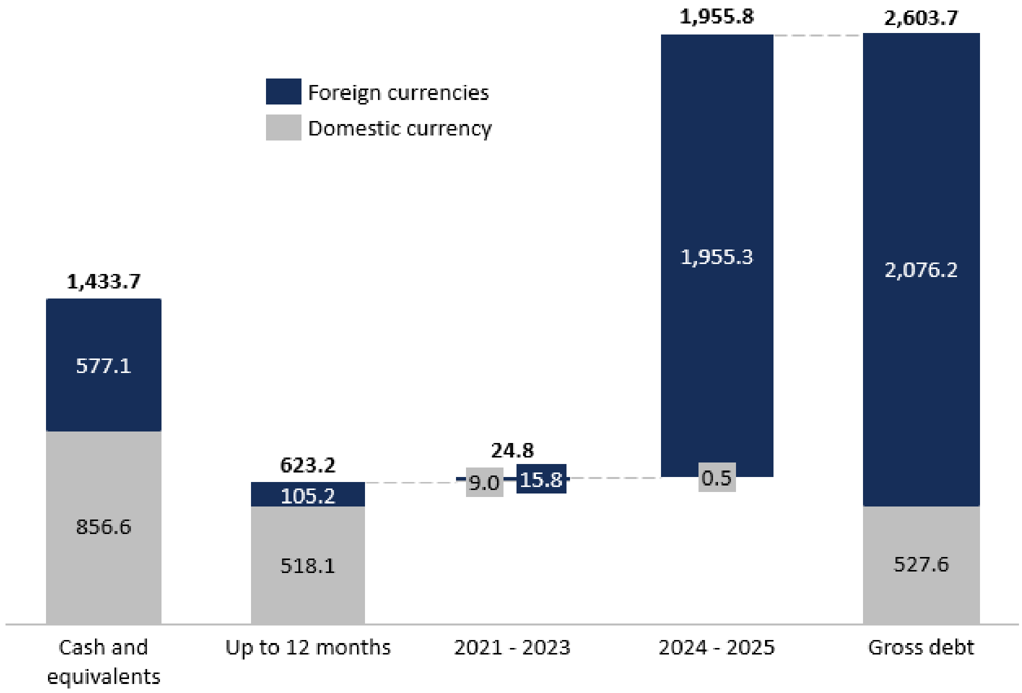
The Company closed 3Q20 with net debt of R$ 1,170.0 million and a net debt/LTM adjusted EBITDA ratio of 2.05x. The decline in leverage compared to the previous quarter was due to the cash generation during the quarter, resulting in an increase of R$ 151.7 million in cash in the period.

Foreign currency liabilities represented 79.7% of the total (5.1% short-term and 94.9% long-term debt), while 20.3% of the debt is denominated in BRL (98.2% short-term and 1.8% long-term debt). Regarding the cash balance, 59.7% is denominated in BRL and 40.3% in foreign currency.

Consolidated (R$ Mil)

INDEBTEDNESS	3Q20	2Q20	1Q20	4Q19	3Q19
Short-Term	623,190	621,013	651,268	62,920	41,557
Loans and financing	550,665	456,928	420,833	62,920	38,776
Derivative financial instruments	72,525	164,085	230,435	-	2,781
Long-term	1,980,553	2,043,544	1,948,534	1,421,061	1,468,802
Gross debt	**2,603,743**	**2,664,557**	**2,599,802**	**1,483,981**	**1,510,359**
Cash and cash equivalents	1,433,715	1,281,999	1,364,975	840,030	611,186
Derivative financial instruments	-	-	-	4,751	408
Net debt	**1,170,028**	**1,382,558**	**1,234,827**	**639,200**	**898,765**
Gross debt/adjusted EBITDA	4.55x	5.11x	3.57x	2.12x	2.16x
Net debt/adjusted EBITDA	**2.05x**	**2.65x**	**1.70x**	**0.91x**	**1.29x**

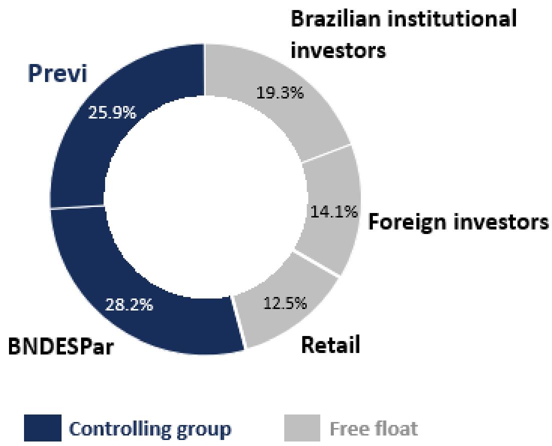
The Company's debt profile is as follows:



All amounts in R$ million.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of September 30, 2020 was as follows:



Attachment I – Commercial vehicle production and sales in Brazil

	(Units)					
	3Q20	3Q19	Var. (%)	9M20	9M19	Var. (%)
Production						
Trucks						
Semi-lights	165	277	-40.4%	460	803	-42.7%
Light	4,231	4,219	0.3%	9,577	13,285	-27.9%
Medium	1,329	1,847	-28.0%	2,710	4,608	-41.2%
Semi-heavy	8,311	8,029	3.5%	17,458	20,445	-14.6%
Heavy	9,530	17,684	-46.1%	28,099	48,311	-41.8%
Total trucks	**23,566**	**32,056**	**-26.5%**	**58,304**	**83,647**	**-33.3%**
Buses	5,274	7,719	-31.7%	14,248	21,783	-34.6%
Commercial vehicles	**28,840**	**39,775**	**-27.5%**	**72,552**	**105,430**	**-33.6%**
Sales						
Trucks						
Semi-lights	1,324	1,116	18.6%	3,360	3,758	-10.6%
Light	2,329	2,811	-17.1%	6,206	8,207	-24.4%
Medium	2,441	2,761	-11.6%	5,962	7,430	-19.8%
Semi-heavy	6,374	6,601	-3.4%	15,779	16,635	-5.1%
Heavy	12,460	14,184	-12.2%	31,481	38,225	-17.6%
Total trucks	**24,928**	**27,473**	**-9.3%**	**62,788**	**74,255**	**-15.4%**
Buses	4,253	5,577	-23.7%	9,969	15,196	-34.4%
Commercial vehicles	**29,181**	**33,050**	**-11.7%**	**72,757**	**89,451**	**-18.7%**
Exports						
Trucks						
Semi-lights	119	148	-19.6%	144	369	-61.0%
Light	732	667	9.7%	1,467	1,866	-21.4%
Medium	159	364	-56.3%	376	595	-36.8%
Semi-heavy	1,237	777	59.2%	2,364	2,410	-1.9%
Heavy	1,798	1,891	-4.9%	4,493	4,598	-2.3%
Total trucks	**4,045**	**3,847**	**5.1%**	**8,844**	**9,838**	**-10.1%**
Buses	1,091	1,422	-23.3%	2,817	5,219	-46.0%
Commercial vehicles	**5,136**	**5,269**	**-2.5%**	**11,661**	**15,057**	**-22.6%**

Source: ANFAVEA

Attachment II – Production and sales of light and commercial vehicles in foreign markets

(Units)

	3Q20	3Q19	Var. (%)	9M20	9M18	Var. (%)
North America						
Production						
Passenger cars	961,093	1,0327,321	-6.4%	2,346,221	3,389,334	-30.8%
Light commercial vehicles – Class 1-3	3,036,753	2,918,689	4.0%	7,016,616	9,085,735	-22.8%
% Light commercial vehicles	**76.0%**	**74.0%**	**+2.0p.p.**	**74.9%**	**72.8%**	**+2.1p.p.**
Light Duty – Class 4-5*	-	20,239	-	-	61,937	-
Medium Duty – Class 6-7*	-	37,201	-	-	119,843	-
Heavy Duty – Class 8	60,186	92,538	-35.0%	148,891	279,445	-46.7%
Medium & Heavy Duty[1]	**-**	**149,978**	**-**	**-**	**461,225**	**-**
United States						
Sales						
Passenger cars	944,954	1,169,316	-19.2%	2.564.966	3.693.050	-30.5%
Light commercial vehicles – Class 1-3	3,029,303	3,168,430	-4.5%	7.887.797	9.116.013	-13.5%
% Light commercial vehicles	**76.2%**	**73.0%**	**+3.2p.p.**	**75.5%**	**71.2%**	**+4.3p.p.**
Light Duty – Class 4-5	32,739	31,789	3.0%	89.712	93.968	-4.5%
Medium Duty – Class 6-7	25,817	37,590	-31.3%	71.062	108.546	-34.5%
Heavy Duty – Class 8	51,287	76,942	-33.3%	133.994	211.833	-36.7%
Medium & Heavy Duty[1]	**109,843**	**146,321**	**-24.9%**	**294.768**	**414.347**	**-28.9%**
Europe						
Sales						
Passenger cars	2,776,541	2,992,610	-7.2%	7,058,090	9,908,370	-28.8%

Source: Automotive News; Bloomberg; ACEA

**September/20 data not available.*

Attachment III – Production and sales of agricultural machinery in global markets

(Units)	3Q20	3Q19	Var. (%)	9M20	9M19	Var. (%)
Production						
Americas						
Brazil	14,043	16,539	-15.1%	33,178	41,263	-19.6%
Sales						
Americas						
Brazil	13,646	13,099	4.2%	33,283	32,995	0.9%
United States and Canada	85,477	69,400	23.2%	241,457	212,722	13.5%
Europe						
Germany*	-	11,639	-	-	34,977	-
United Kingdom	2,675	3,225	-17.1%	7,870	10,127	-22.3%

Source: ANFAVEA; Bloomberg; AEM

**September/20 data not available.*