

TUPY

2Q24



CEO EXECUTIVE SUMMARY

Advance of internal initiatives with a positive impact on the result



- Operational efficiency: **cost reduction, synergies, optimization of assets and structures, prioritization of lines with lower cash costs**
- Products and services with **greater added value.**
- New business in **Brazilian agribusiness and after market**

-
- **Net Revenue R\$ 2.8 billion** (-5% vs 2Q23).
Impact of lower volumes.
 - **Adj. EBITDA R\$ 395 million (+19%).** Cost reduction, efficiency gains and synergies.
 - **Margin of 14.1%** vs. 11.2% previous year.
 - **Net Income R\$ 18 million.** Impact of mark-to-market of foreign Exchange hedging instruments.



MARKET PERFORMANCE: LOWER SALES VOLUMES IN RELEVANT SEGMENTS

Changes in sales 2Q24 vs 2Q23, except as otherwise indicated

	 Brazil	 Foreigner market
COMMERCIAL VEHICLES	<ul style="list-style-type: none"> Light Commercial +11% Medium and Heavy vehicles ¹ +21% 	<ul style="list-style-type: none"> North America: Classes 4-7 -4% North America: Class 8 -19% Europe: Heavy ² -10%
OFF-ROAD	<p>Performance January – April</p> <ul style="list-style-type: none"> Agriculture machines -12% Highway machines +13% 	<p>Performance January – May²</p> <ul style="list-style-type: none"> Tractors US -10% Construction machines US -6% Construction machines Europe -23%

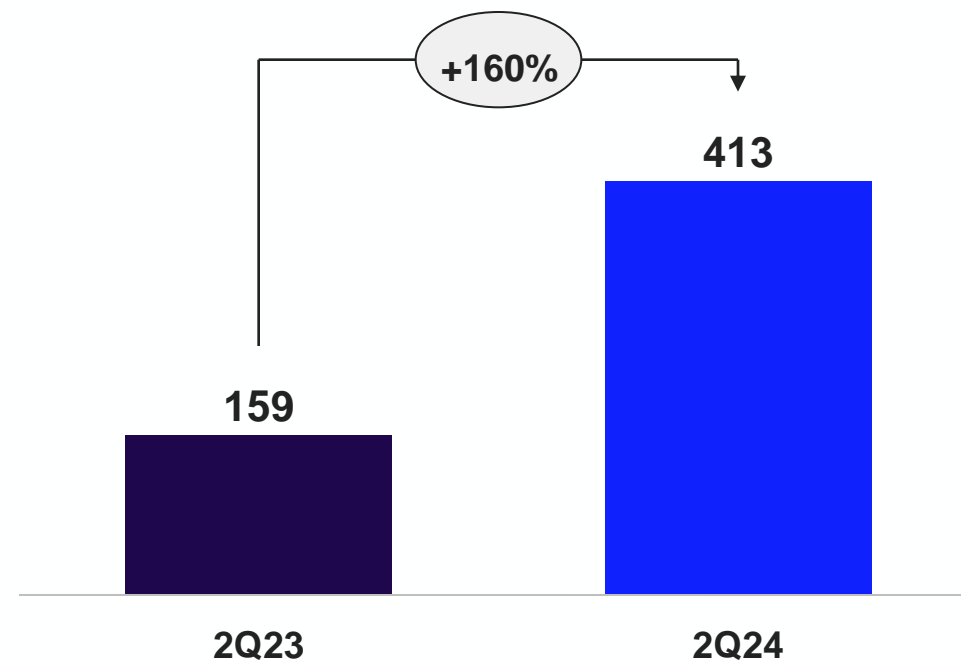
Increasing margins within a sales drop scenario

¹ Trucks and buses ² Estimates for Europe CY2024 ³ Except tractors EUA
Sources: AEM, ANFAVEA; AutomotiveNews and market players

CASH GENERATION & CAPITAL ALLOCATION

- **Execution of business strategy**
- **Working capital management**, mitigated by the effect of exchange rate appreciation (+15% YoY end of period) into balance sheet accounts
- **Operating Cash Generation of R\$ 413 million**, the highest value in history for a 2Q
- **Issuance of R\$ 1.5 billion in local market debt (debentures)**, with an average cost of CDI +0.97% p.a. (5,7- and 10-years series)
- **New Income Distribution Policy**, increasing the payout ration to at least 30% of net income

Operational Cash Generation [MBRL]



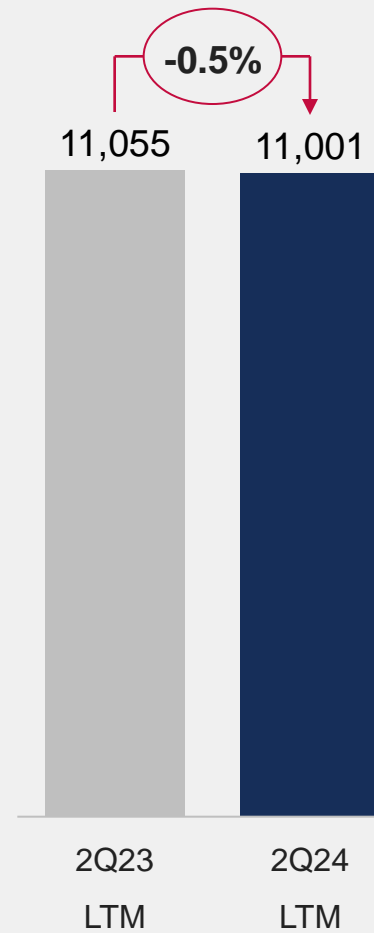
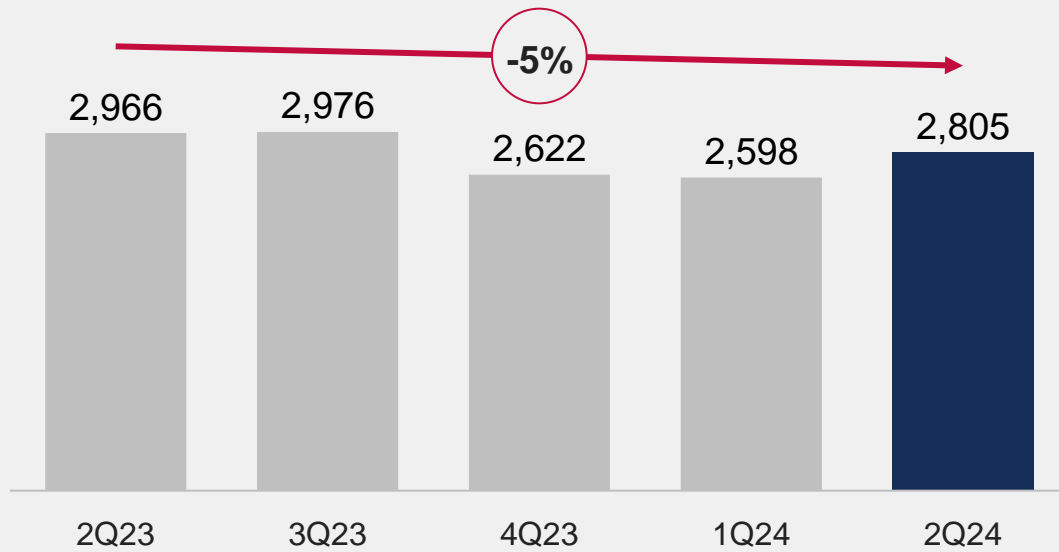
Lower production, inventory management with positive impact on working capital, despite the effect on margins (dilution of fixed costs)

REVENUE [M BRL]

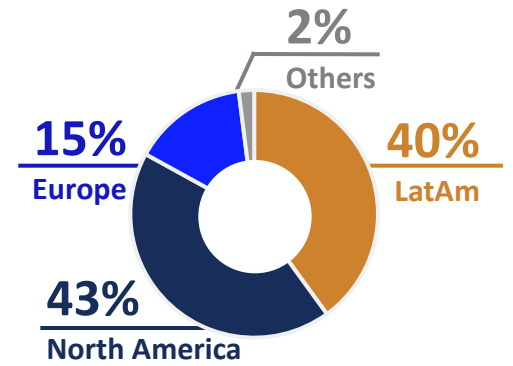
38%
DM



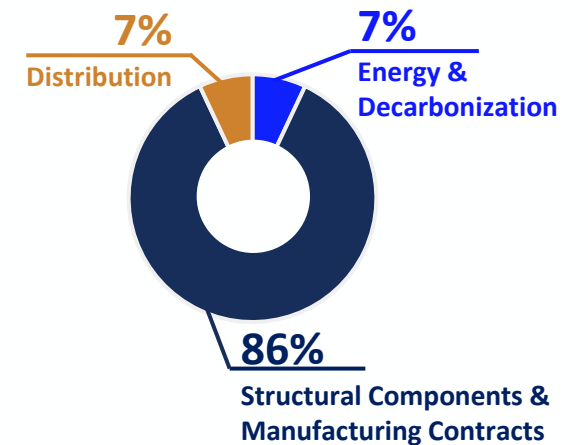
62%
FM



Source [% Revenue]

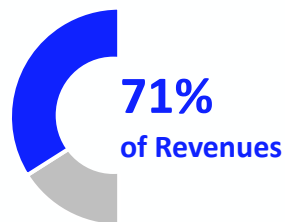


Segments [% Revenue]

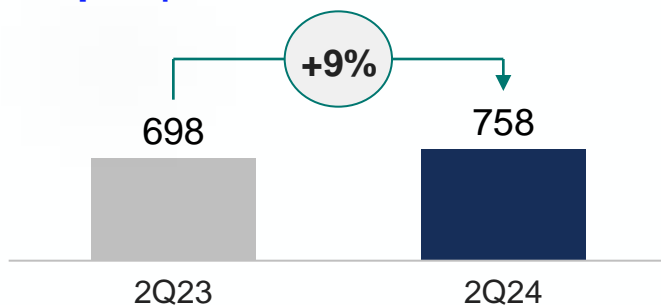


STRUCTURAL COMPONENTS & MANUFACTURING CONTRACTS

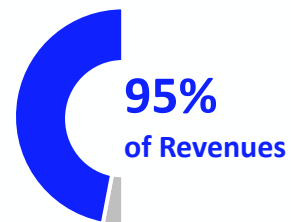
Domestic Market



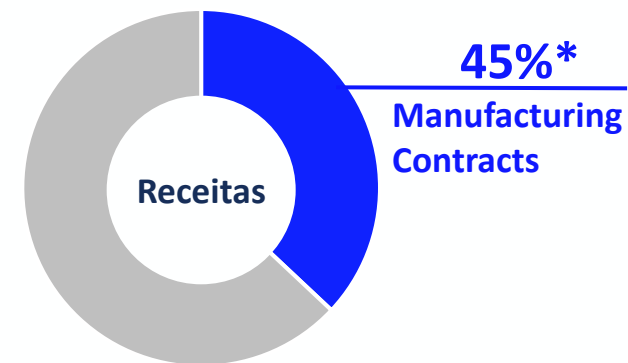
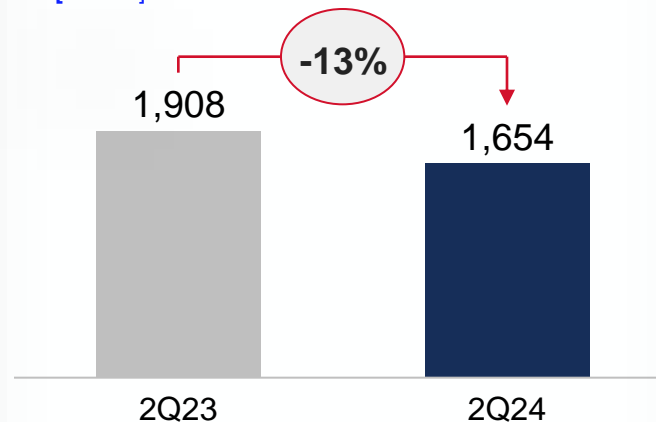
[M BRL]



Foreign Markets



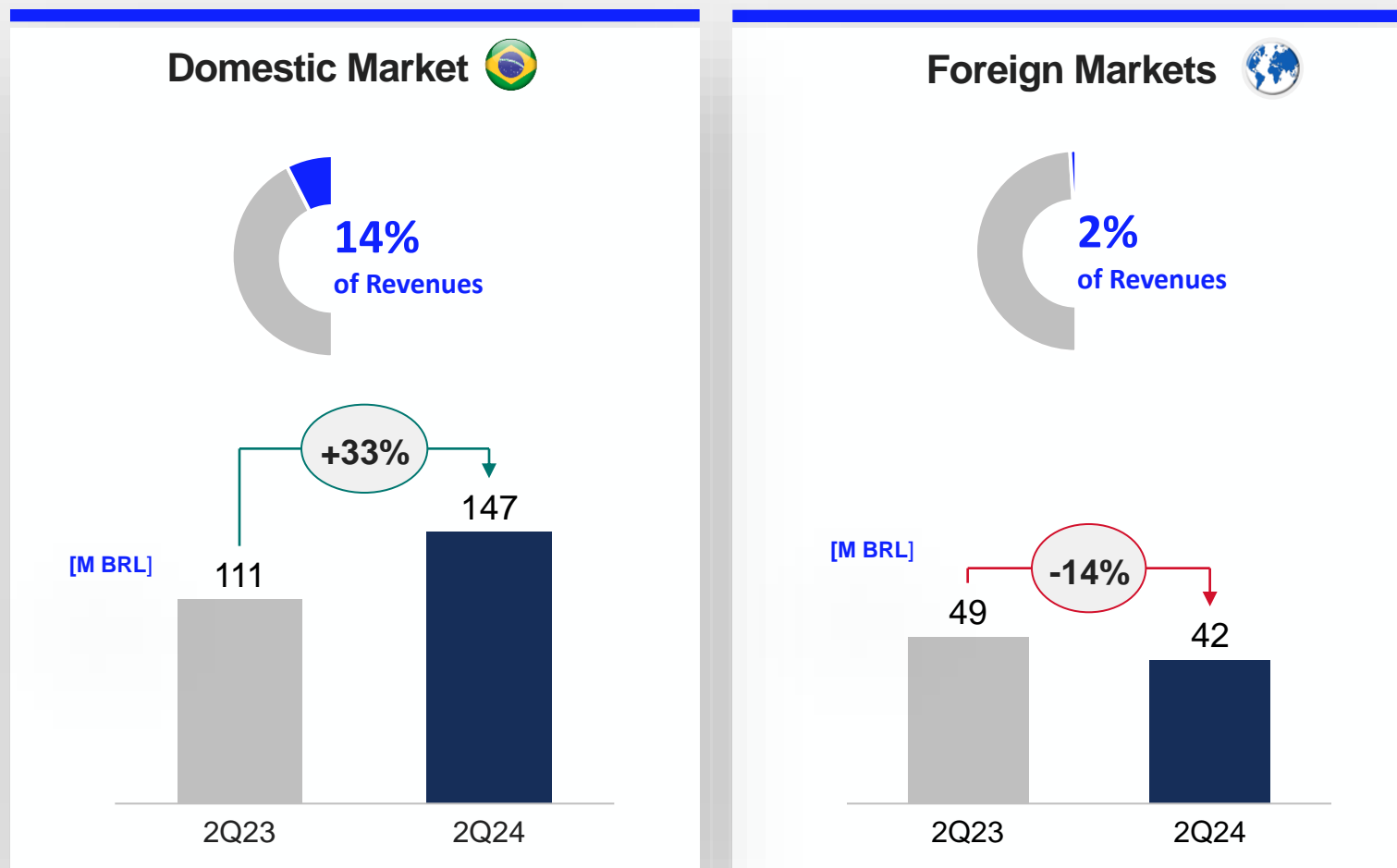
[M BRL]



*Percentage of value-added products
(Machining and/or Assembly)

Increase in the production of commercial vehicles in the domestic market

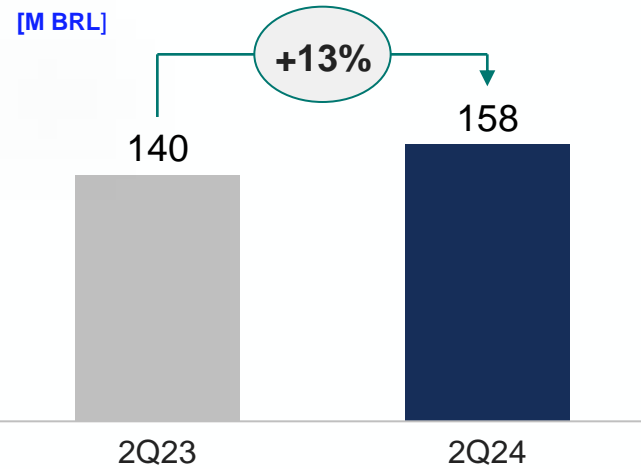
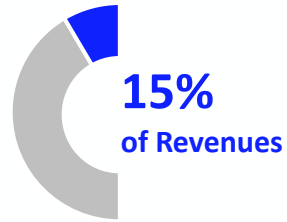
ENERGY & DECARBONIZATION



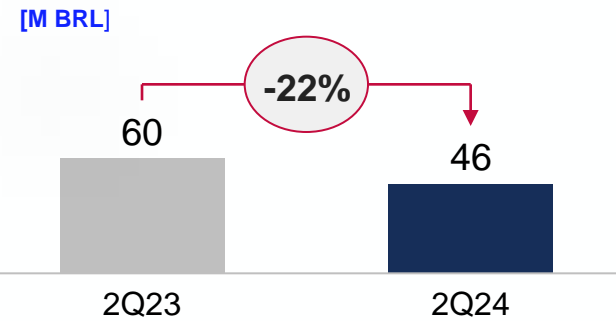
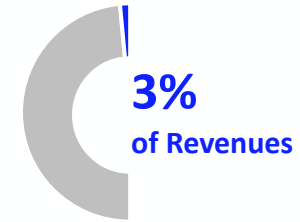
Sale of generators, marine engines and product ramp-up, mitigated the drop in sales in foreign markets

DISTRIBUTION

Domestic Market



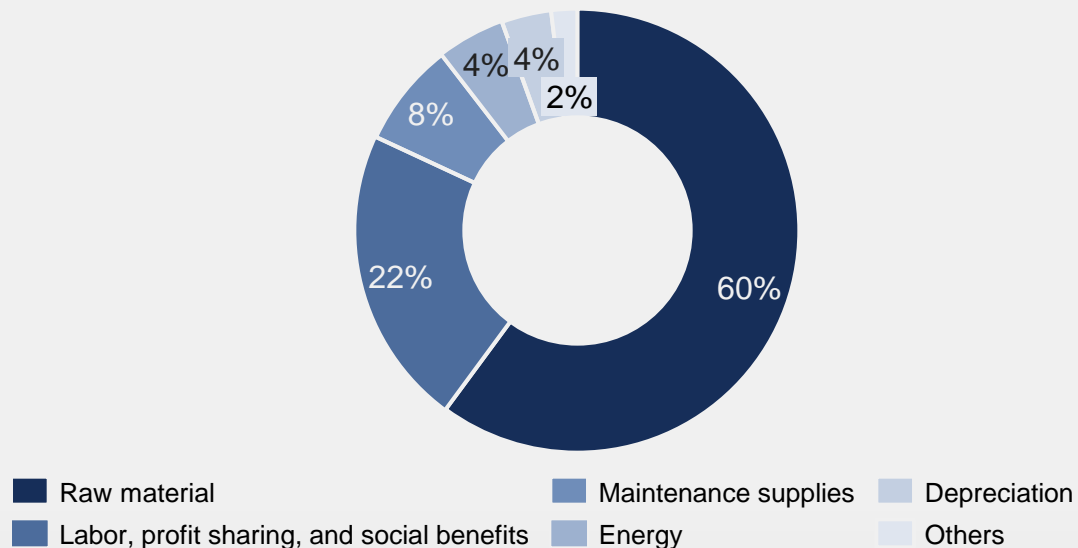
Foreign Markets



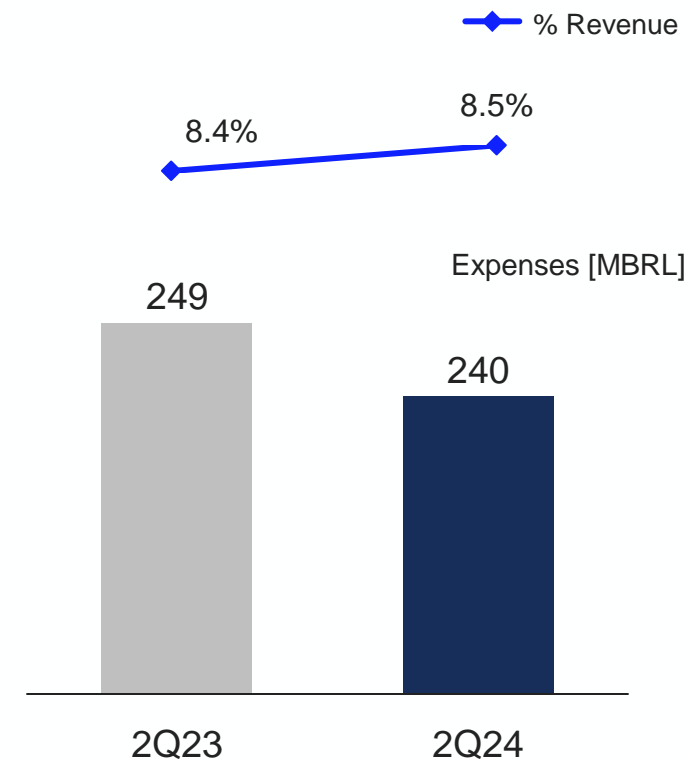
Expansion in portfolio of after market

OPERATING COSTS AND EXPENSES [M BRL]

COGS BREAKDOWN [%]



Reduction of expenses and efficiency gains



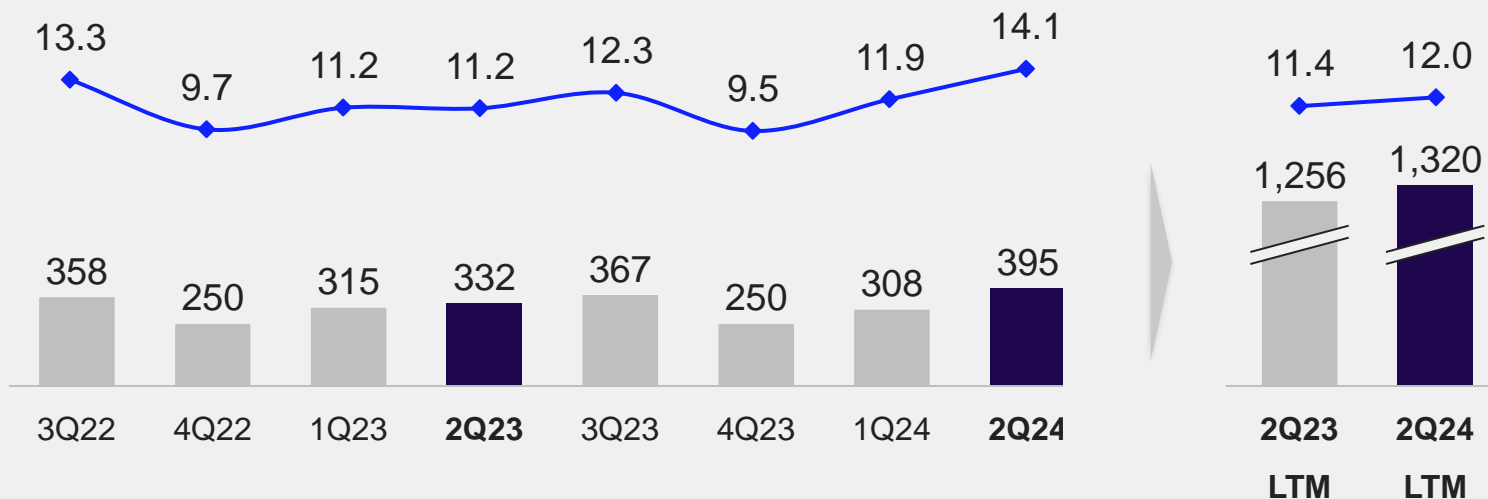
	2Q23	Change	2Q24
COGS	2,472 M BRL	-8%	2,262 M BRL
Gross Margin	16.6 %	+2.8pp	19.4 %
SG&A	249 M BRL	-4%	240 M BRL

Impact of lower volumes, labor and services, mitigated by cost reduction and synergies

ADJUSTED EBITDA & NET INCOME [M BRL]

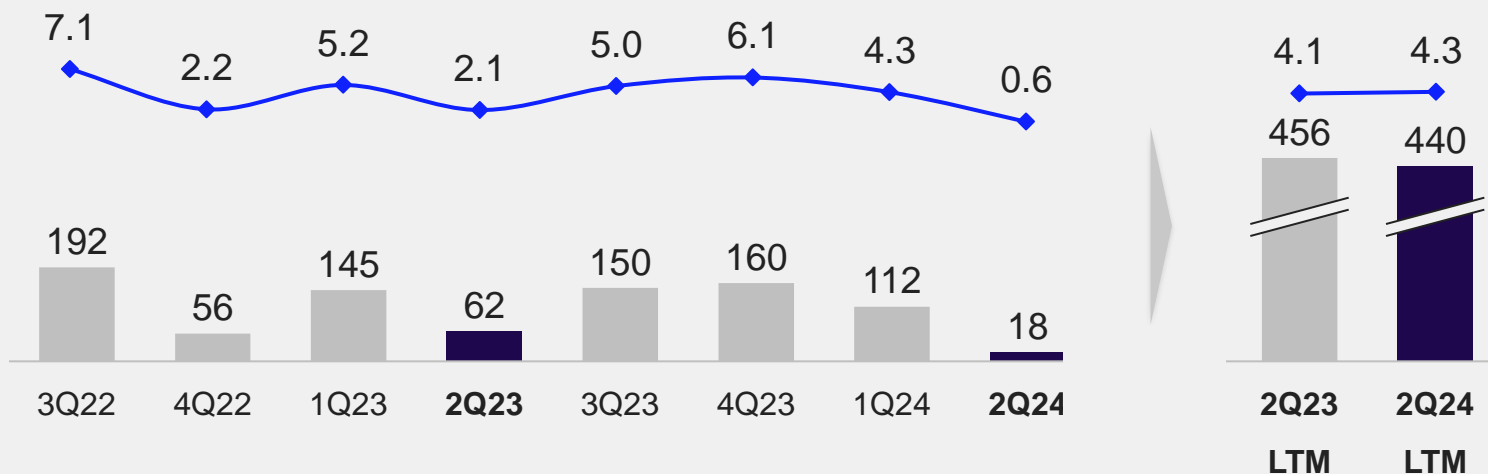
Adjusted EBITDA

◆ % Adj. EBITDA Margin



Net Income

◆ % Net Margin



- The capture of synergies and cost-cutting initiatives mitigated the impact of lower sales, labor and services inflation.
- Net income: market-to-market of foreign Exchange hedging instruments and FX variation on tax bases in foreign currency.

FINANCIAL RESULT [M BRL]

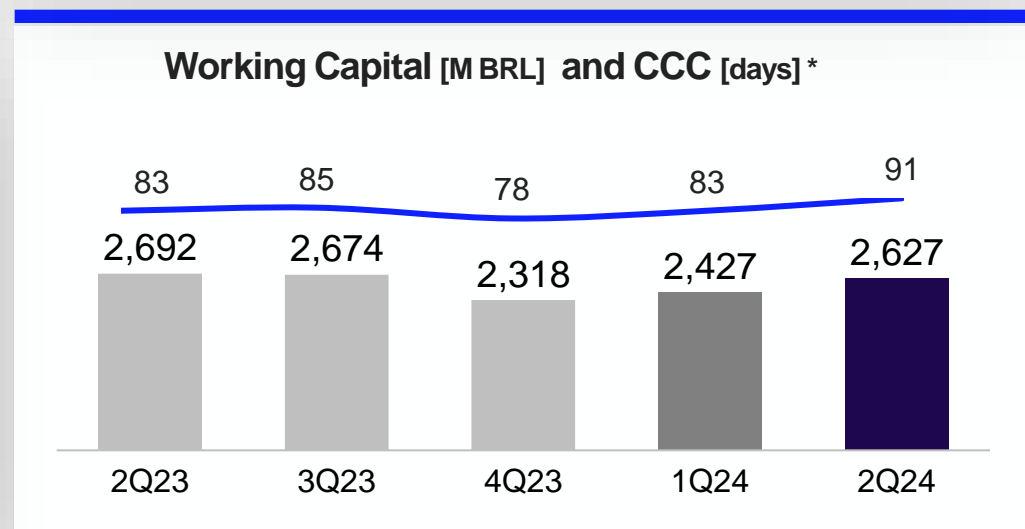
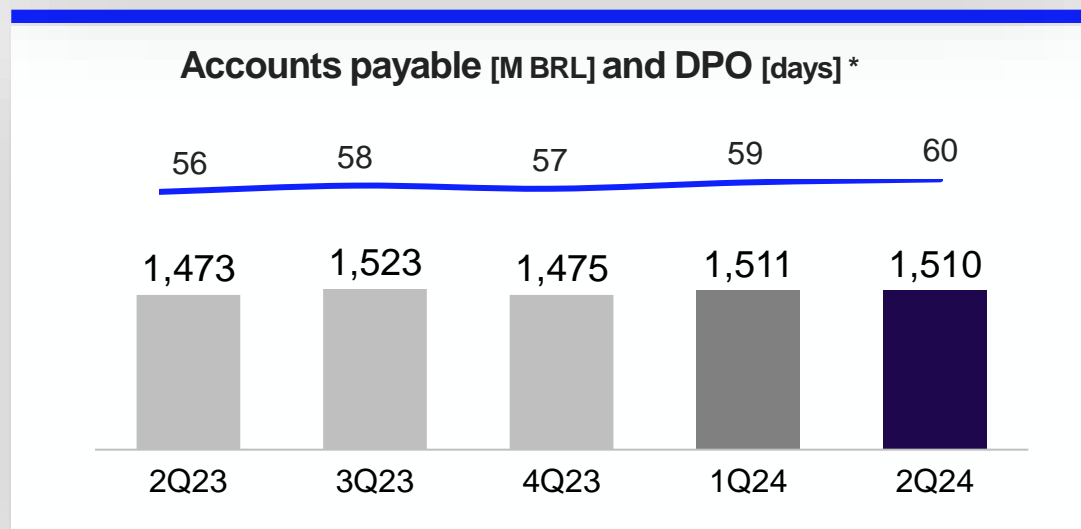
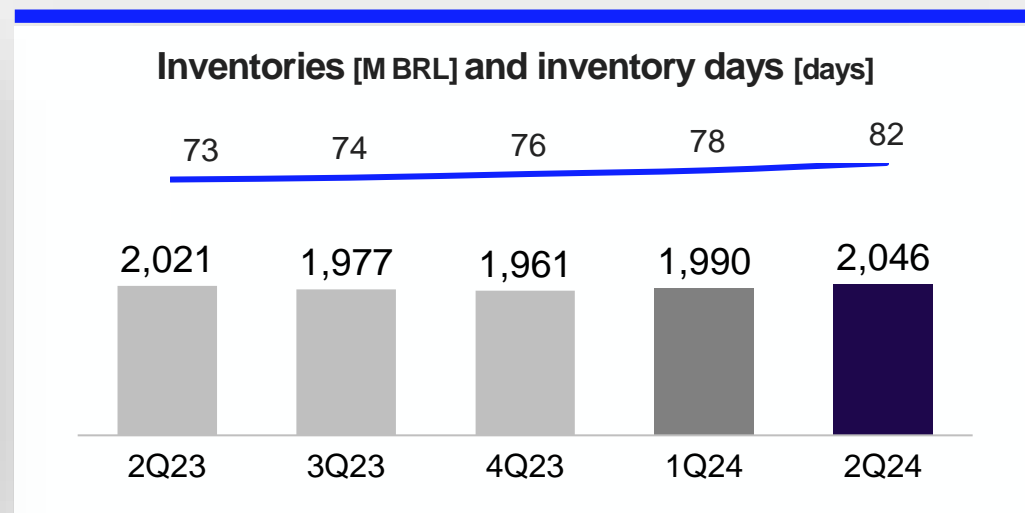
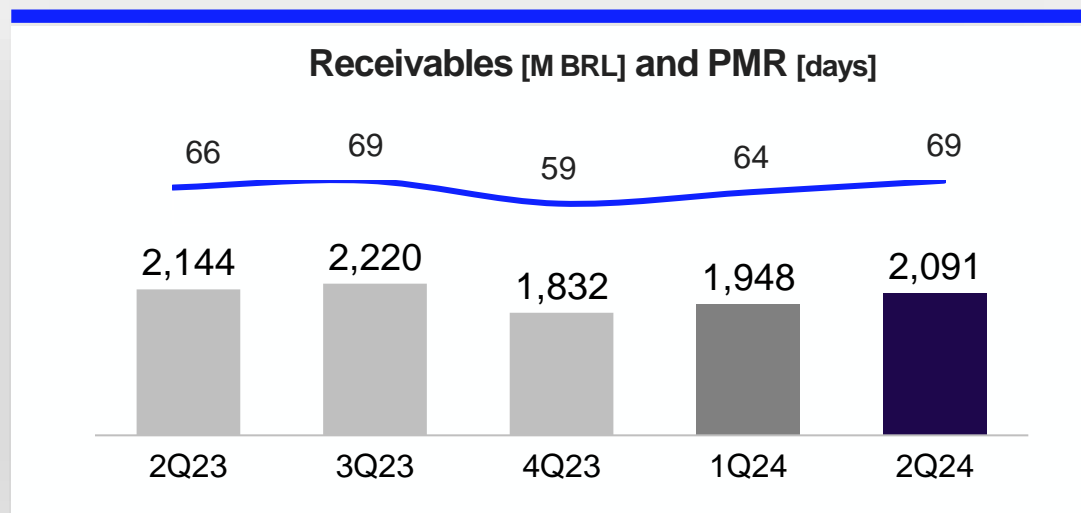
	2Q24	2Q23
Financial Expenses	1 (96)	(77)
Financial Income	2 +35	+22
Monetary and FX Var.	3 (115)	(40)
TOTAL	(176)	(95)

1 New debt and consequent increase of interest expense. BRL depreciation with impact on interest paid in foreign exchange;

2 Increasing cash position from new debt and operational cash flow generation

3 MTM of derivatives and FX variation in the balance sheet lines in foreign currency

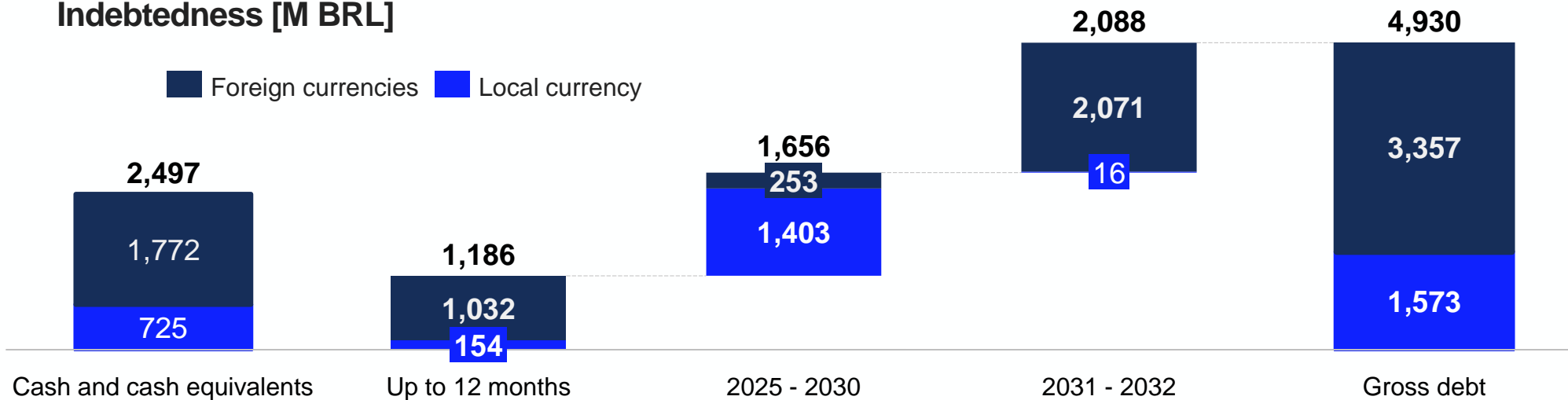
WORKING CAPITAL



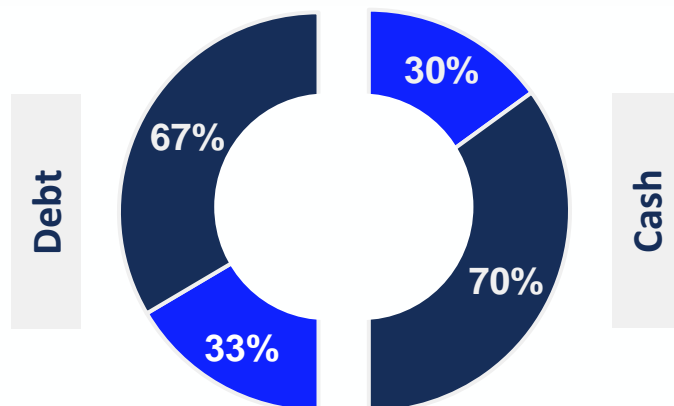
* Includes advance payment, by clients, for working capital on the MWM engine manufacturing contracts.

CASH AND INDEBTEDNESS | DECEMBER 2024

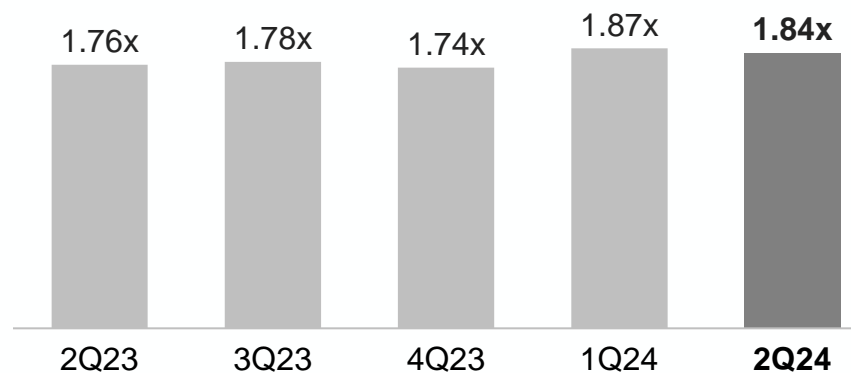
Indebtedness [M BRL]



Currency distribution [% total]



Net Debt / 12M Adj. EBITDA



TUPY



Markets & New Businesses

MARKET PERSPECTIVES CY24



Commercial vehicles & passenger cars

FOREIGN MARKET



- North America: review of production projections for 2024
 Heavy: -9% vs (vs -20% em jan.24)
 Medium: -4% (vs -7% em jan.24)
- Europe: double-digit decrease

DOMESTIC MARKET



- Recover of heavy vehicles production
(Forecast + 32%)
- Reduction in interest rates and grow of passenger car sales
(Forecast +11%)



Off-Road

- Double digit sales drop agriculture and constructions segments
 - Impact of inventory adjustments in the chain,, lower commodities price and high interest rate
 - Lower economic activity and investments in China
 - Good performance of infrastructure and energy segments
-
- Demand for agriculture machines impacted by commodities prices and credit availability
 - Highway machines: growth expectation due to demand for construction, infrastructure projects and rental equipment

RECENT ANNOUNCEMENTS: EXPANSION, VALUE AGREGATION AND NEW BUSINESSES



Energy & Decarbonization

- MoU **Bioplant** Seara
- 200,000 pork and 1,700,000 poultry
- Production of **biomethane, organic-mineral fertilizer and CO₂**

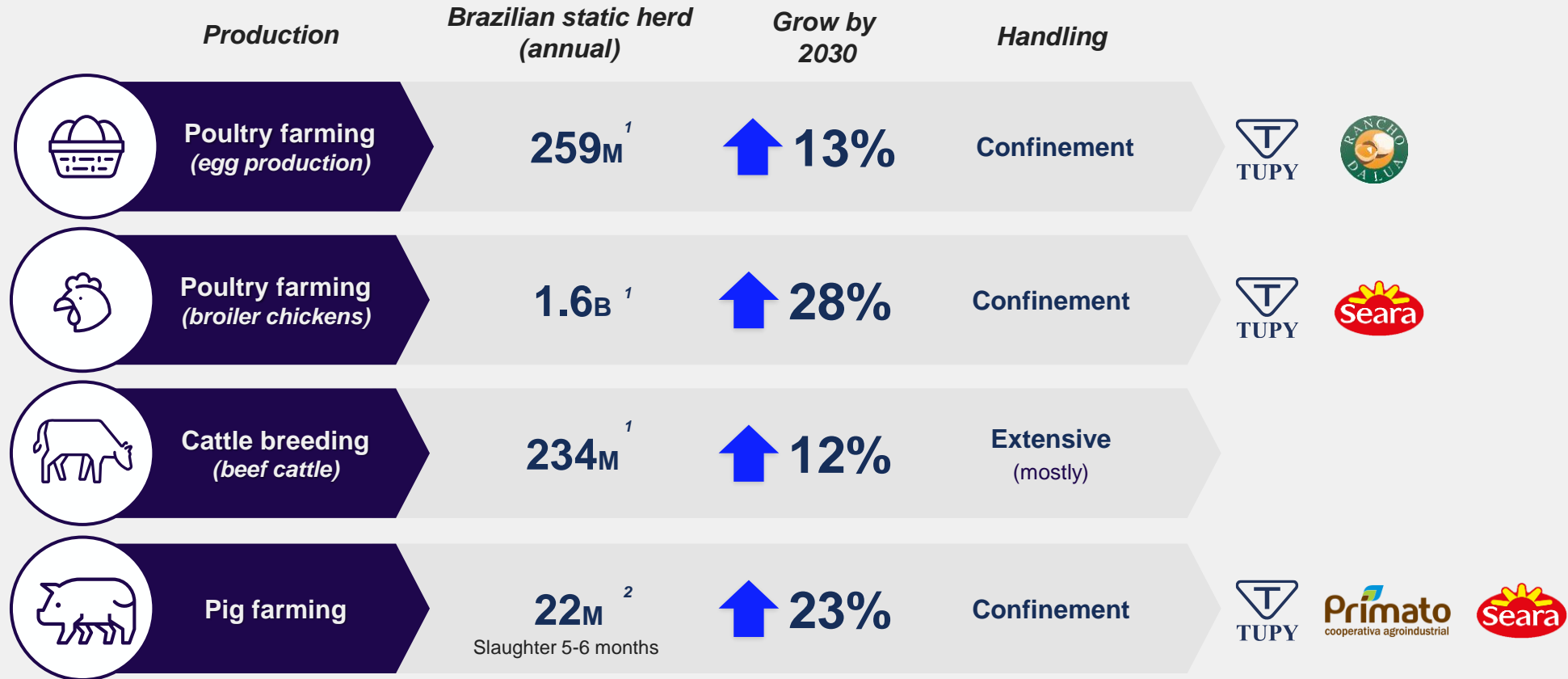


Structural Components & Contract Manufacturing

- Machining agreement with VWCO
- Nationalization and partnership with for **complete solutions** (casting, machining, tests and engine assembly)
- **Increasing volumes contracted by a pick-up manufacturer.**

Broad pipeline of projects and ongoing negotiations in all segments

ANIMAL PROTEIN IN BRAZIL



Sources: ¹ EMBRAPA | Central Intelligence for Poultry and Pigs - CIAS

² Ministry of Agriculture and Livestock (Agribusiness Projections Brasil 2022/23 to 2032/33) | OECD-FAO (Food and Agriculture Organization of United Nations)

³ Adapted according to the life and slaughter cycle

PROJECT SCOPE

Project Characteristics

- **Hybrid Project for waste from pigs and poultry**, from SEARA/SC region
- **Seara's integrated** producers – pork and poultry division of JBS group
- Pilot bioplanta with capacity for **200k pigs and 1.7 million poultry**
- Two areas: **Biodigestion and Organic-Mineral plants**
- **Start** schedule for **4Q25**, with a minimum term of 15 years



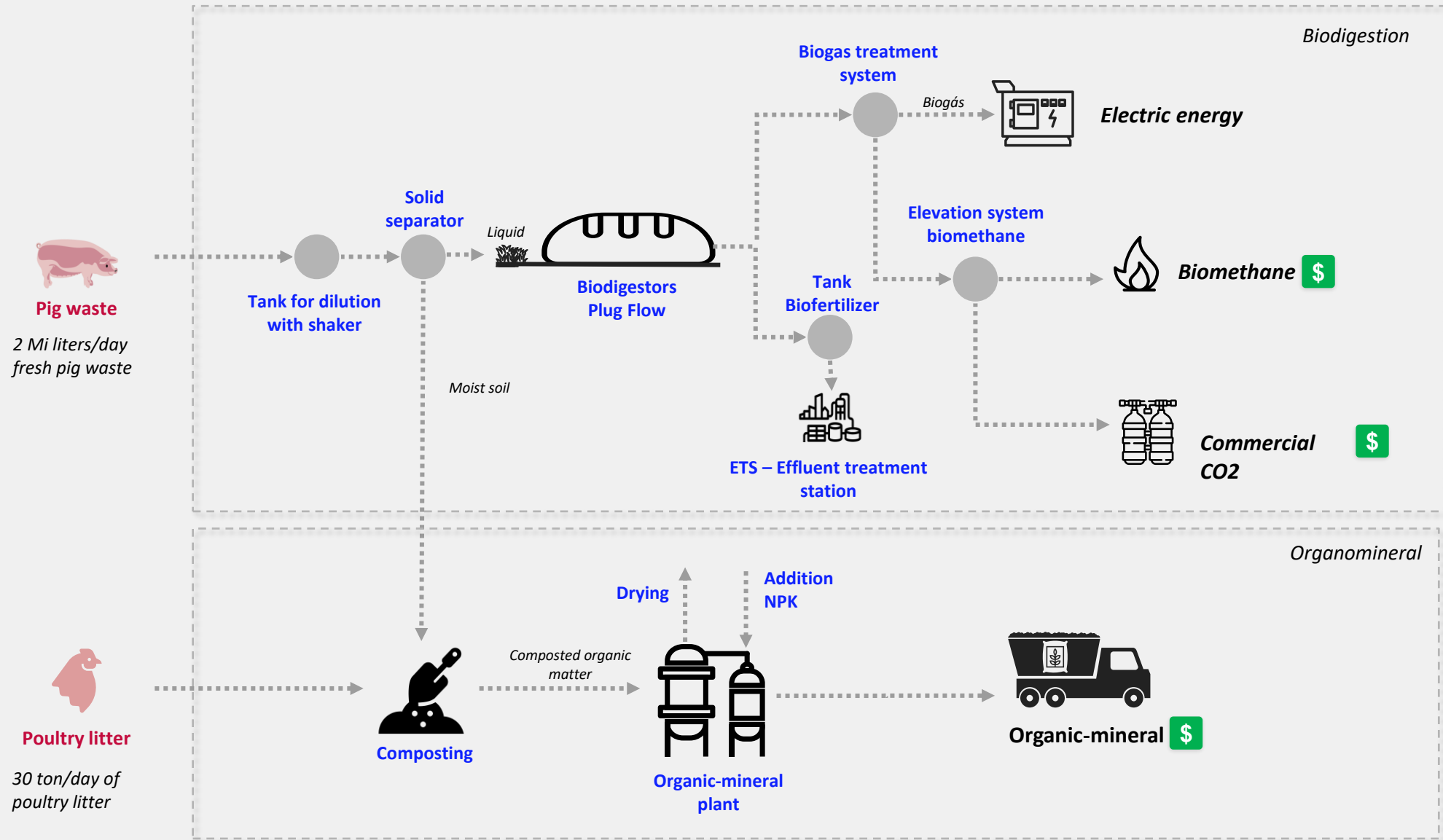
Location



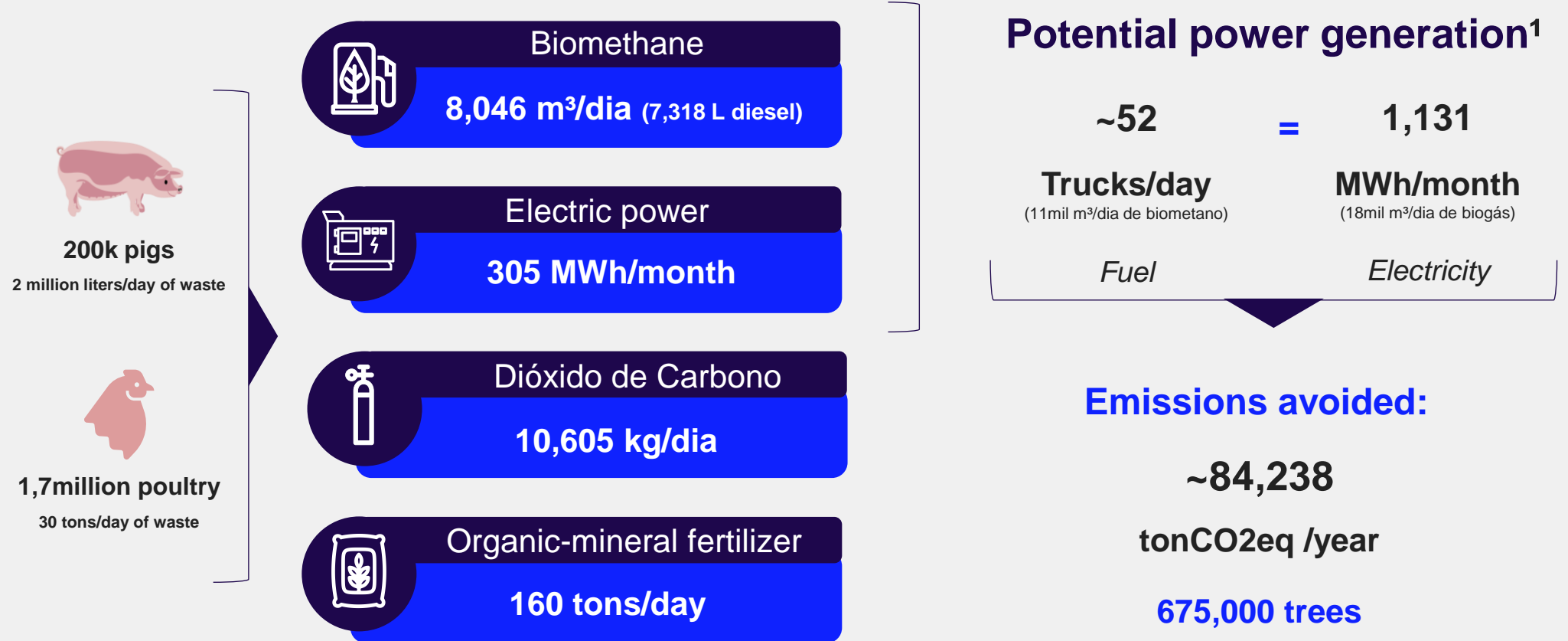
Santa Catarina is the largest pig producer in Brazil, followed by Other states in the South of the country

› Project with high scalability potential in the region, supporting the growth in Brazilian protein production

SOLUTION



PRODUCTION CHAIN AND EMISSIONS AVOIDED



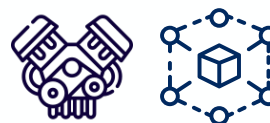
¹ Potential volumes for biomethane or electric power

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VALUE LEVERS

Volume Recovery

Traditional business

Synergies and Assets Opt.

Previous acquisitions

FX vs. Inflation

Announced Contracts

Casting and Machining, CapEx completed

Bioplants

(biomethane e organic-mineral)

+Opportunities Agriculture

Vehicle transformation

Moto pumps

After Market

Gensets

P&D for new business

(H2, Batteries, Ethanol, Biofuels)



Tupy



Tupy SA

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