

TUPY

4Q23 Results



Execution of the strategic agenda, mitigating impacts from volumes and FX

Post-acquisitions cycles

1st Step: Initial synergies, improvements/ investments in plants, costs and operational efficiency

2nd Step: Assets optimization & focus on production lines with lower cash cost: positive impact on margins

Impacts from external factors

- FX appreciation: (MXP and BRL) & inflation
- Drop of 38%* in Brazilian truck production
- Cooling demand and inventory adjustments in external markets

Revenues

R\$ 11.4 billion (+12%), impacted by revenues from MWM

Adjusted EBITDA

\$ 1.3 billion, similar to 2022. Management initiatives mitigated impacts from FX and lower sales volumes (-7% vs 2022)

Margin of **11.1%**, vs 12.5% in 2022. Comparison affected by the inclusion of results from MWM and cash generation initiatives

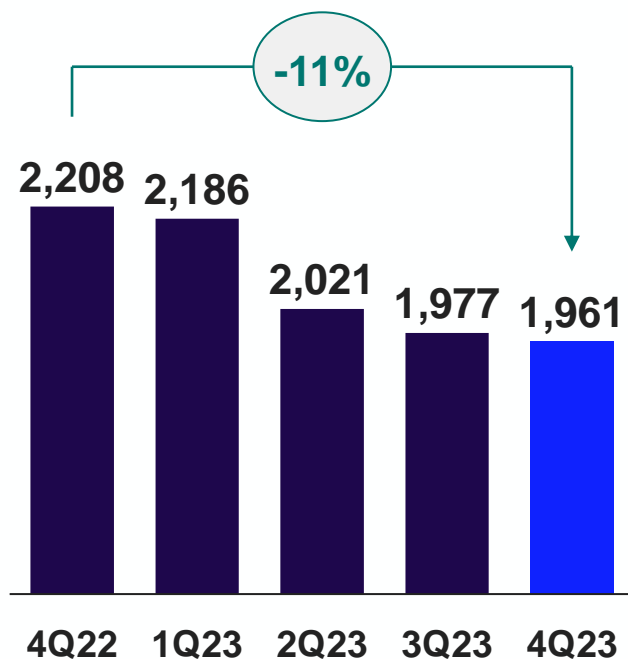
Net Income

R\$ 517 million (+3%), margin of 5%.

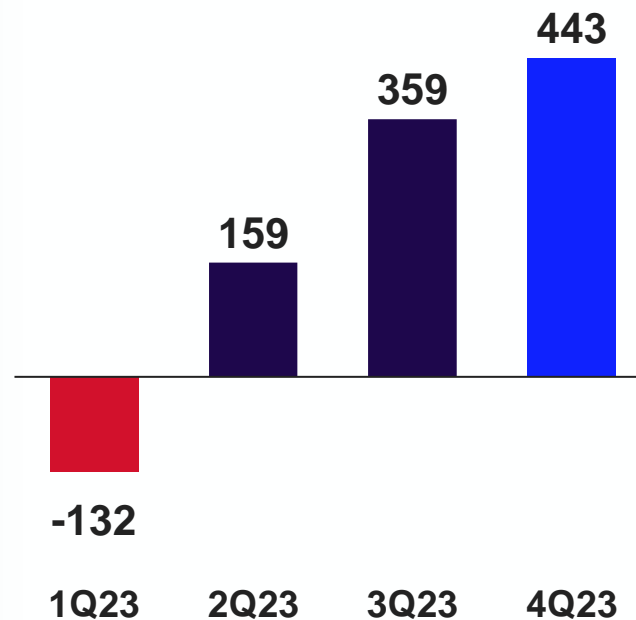
Annual comparison affected by financial expenses from debentures related to acquisition of MWM

INCREASED CASH GENERATION, ARISING FROM MANAGEMENT INITIATIVES

Inventories [MBRL]



Operational Cash Generation [MBRL]

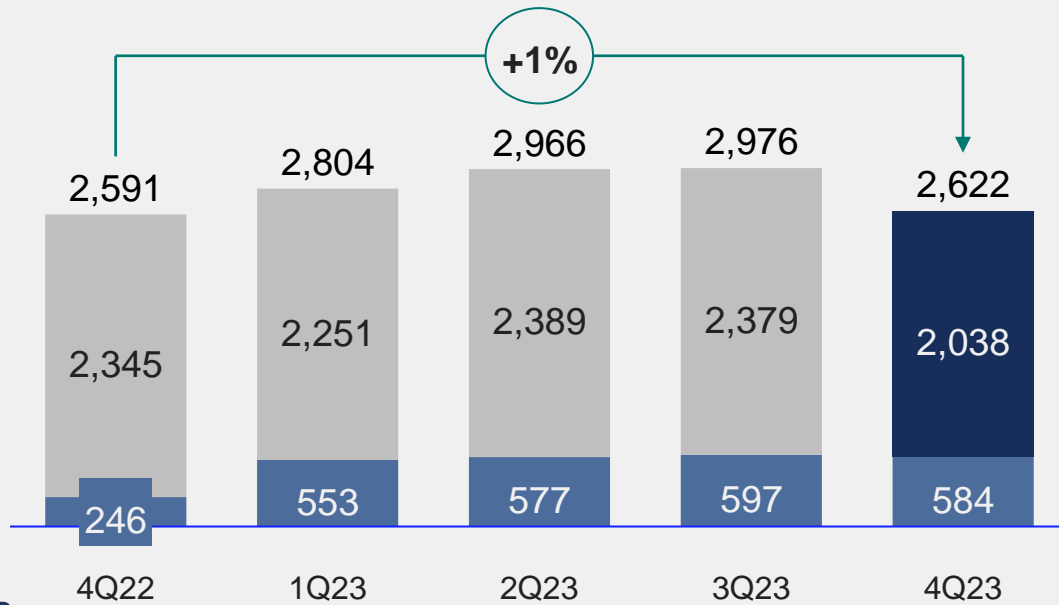


- Execution of business strategy
- Reduction of Inventories from client shutdowns
- Positive effect on operational cash generation

REVENUES [M BRL]

34%
MI

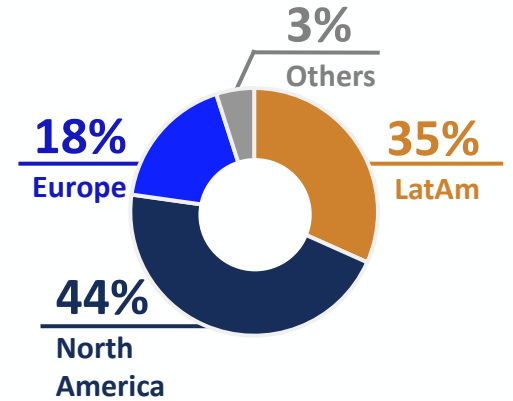
66%
ME



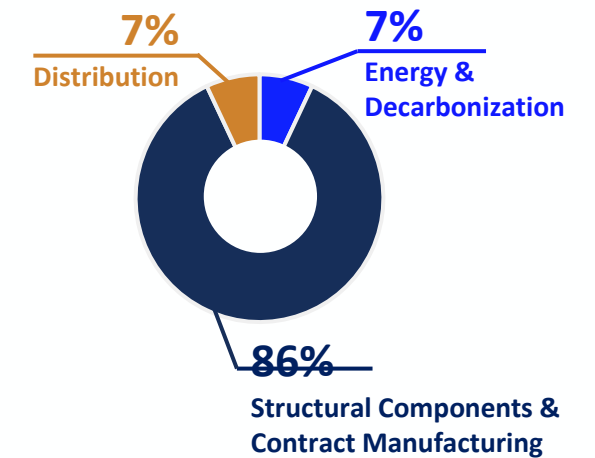
MWM do Brasil



Origin [% Revenue]

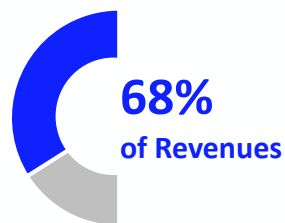


Segments [% Revenue]

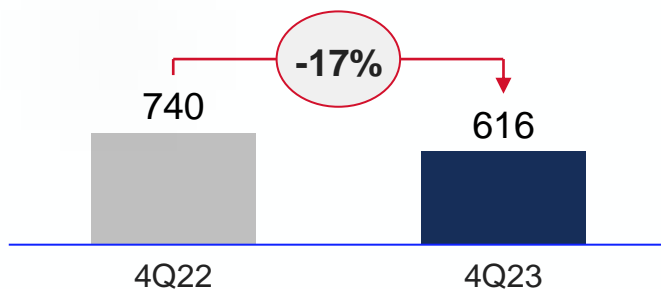


STRUCTURAL COMPONENTS & CONTRACT MANUFACTURING

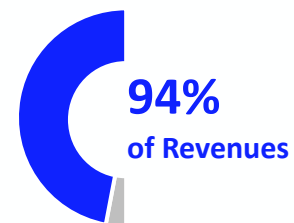
Domestic Market



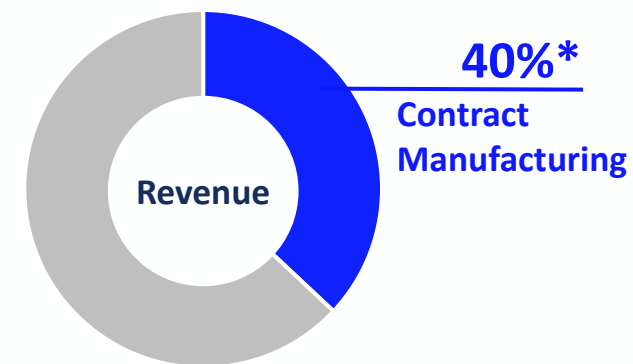
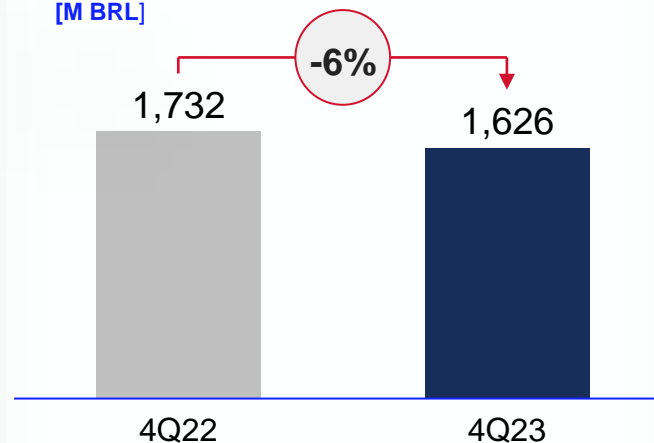
[M BRL]



Foreign Market



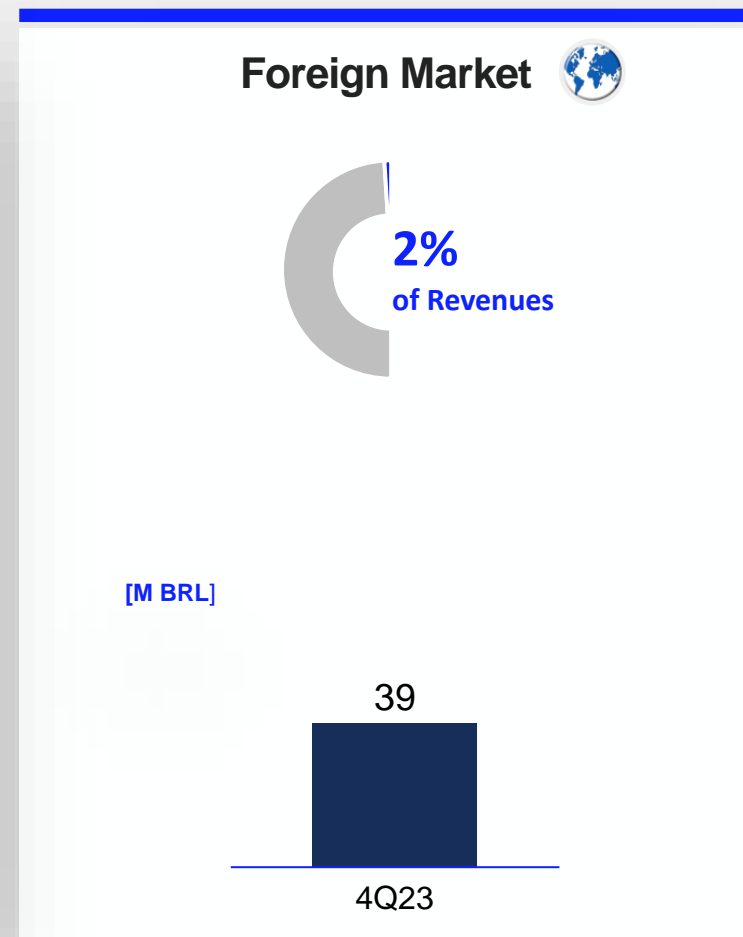
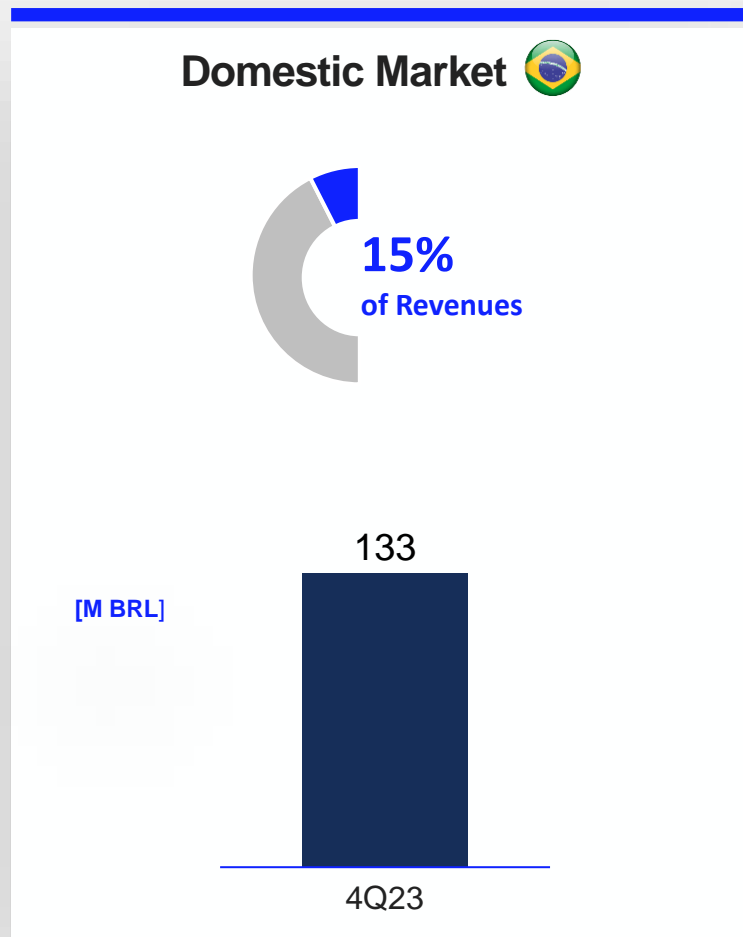
[M BRL]



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

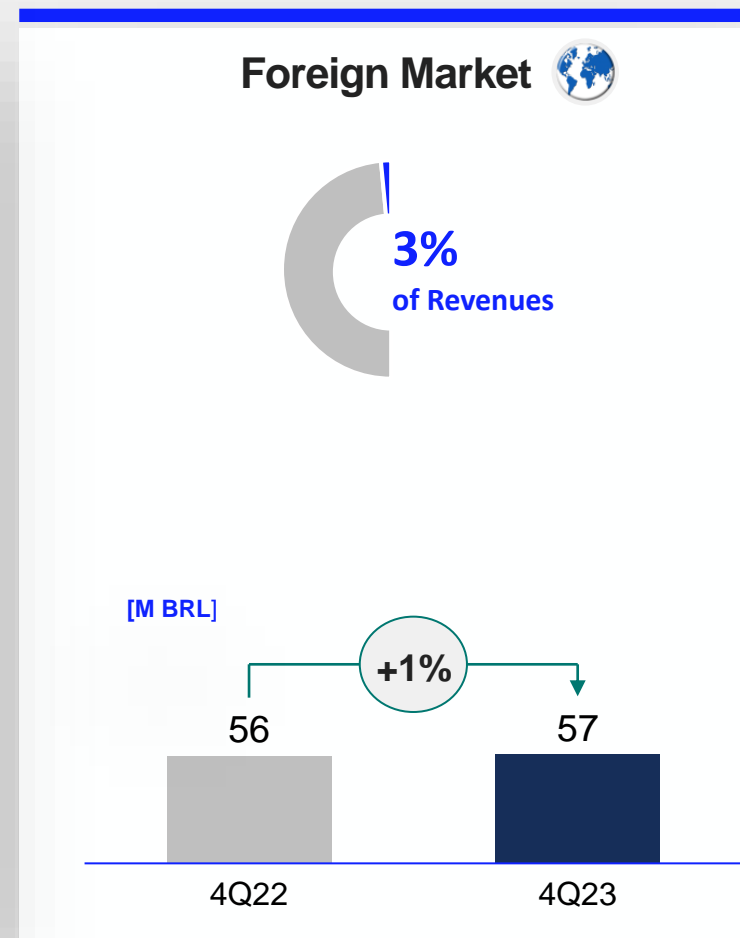
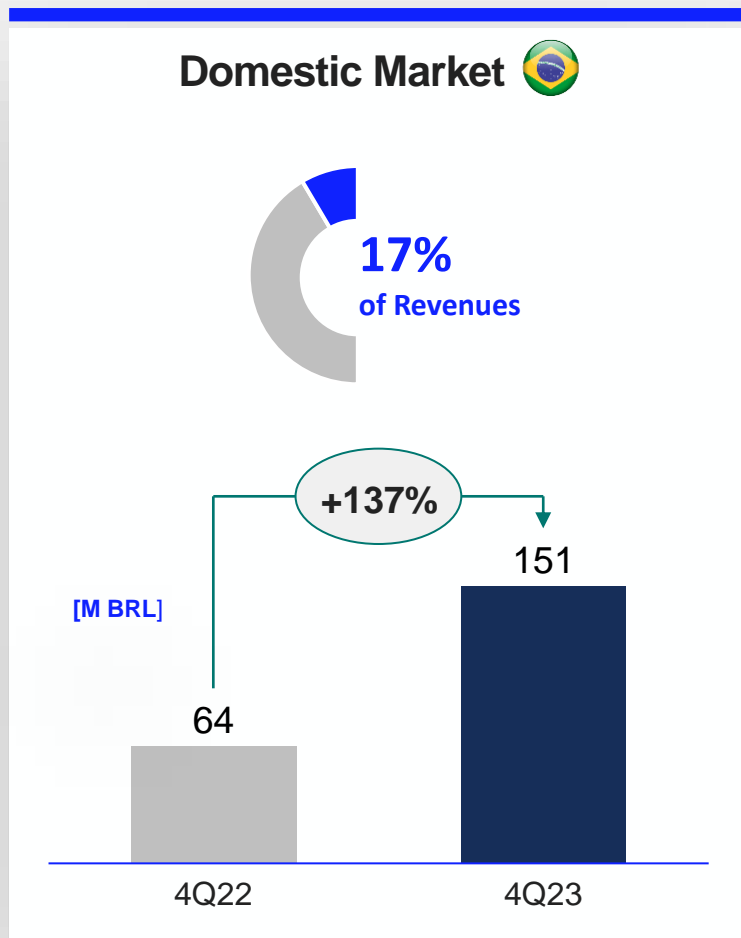
Impact of MWM's operations and the performance of domestic market

ENERGY & DECARBONIZATION



Development of new projects (biogas, lighting towers, etc.), vehicle conversion and decarbonization projects with high scalability potential

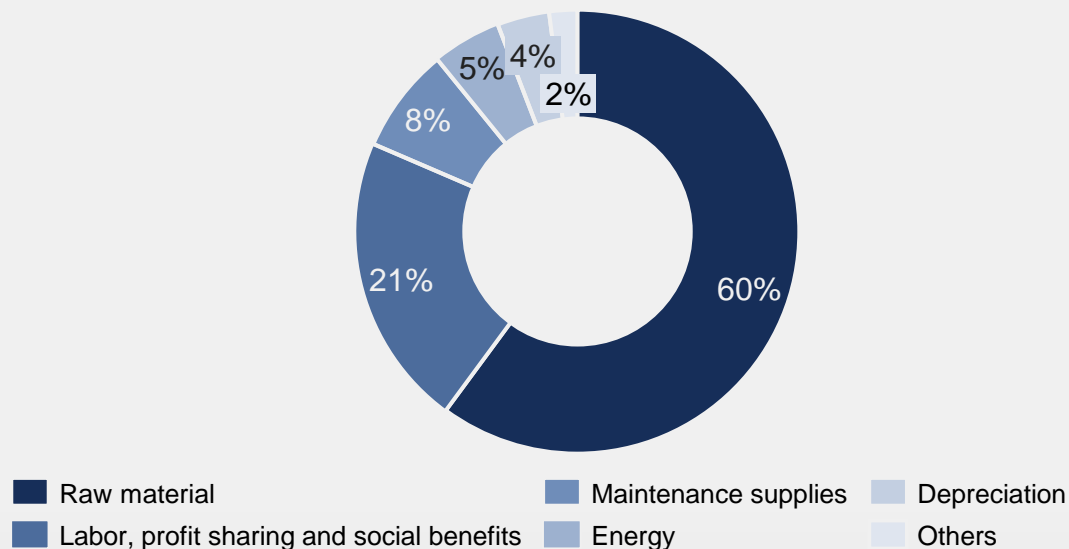
DISTRIBUTION



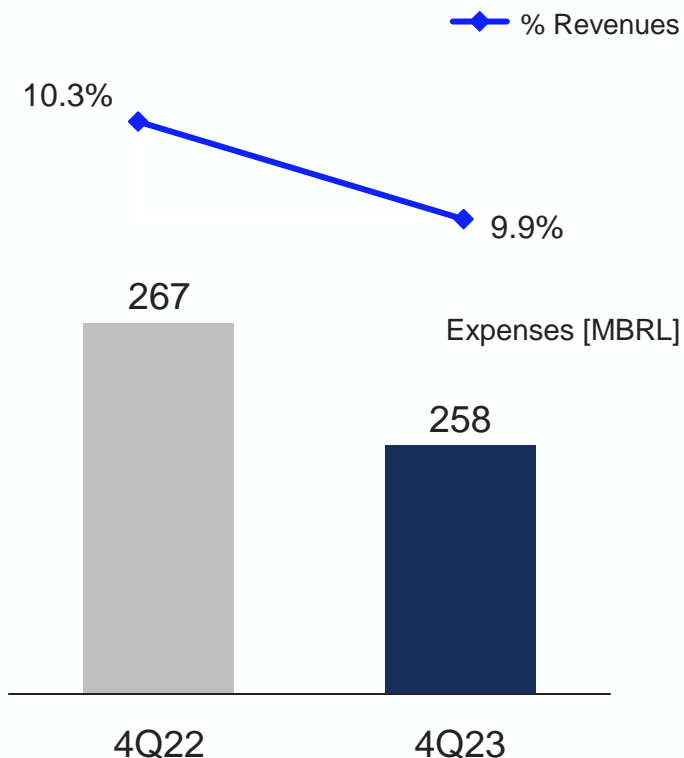
Incorporation of MWM's results (aftermarket): resilience and new products

OPERATING COSTS AND EXPENSES [M BRL]

BREAKDOWN OF COGS [%]



Expenses impacted by lower freight prices, synergies and efficiency gains



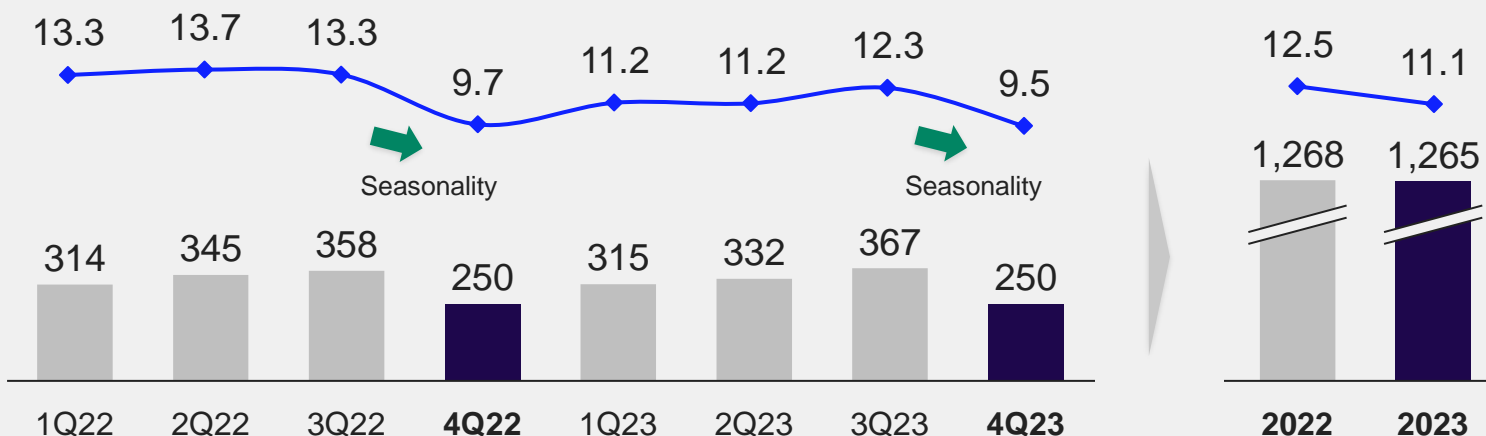
	4Q22	Change	4Q23
COGS	2,158 M BRL	+2%	2,208 M BRL
Gross Margin	16.7 %	-0.9pp	15.8 %
SG&A	267 M BRL	-3%	258 M BRL

Inclusion of MWM's costs as of 2023. impact of the foreign Exchange, volumes and inflation of labor and services, mitigated by reduction in costs and synergies captured

ADJUSTED EBITDA & NET INCOME [M BRL]

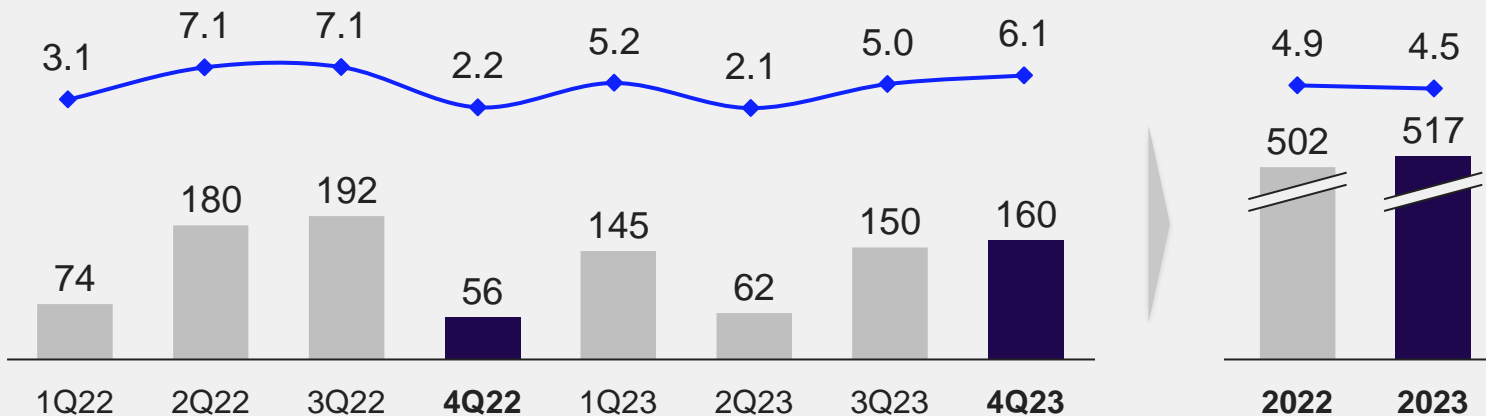
Adjusted EBITDA

◆ % Adj. EBITDA Margin



Net Income

◆ % Net Margin



- The capture of synergies and cost-cutting initiatives mitigated the negative impact of the FX variation (USD and MXN), reduced volumes and inflation of services and labor.

- Net income affected by higher financial expenses (debenture issue) and tax credits arising from historical losses of the subsidiaries

FINANCIAL RESULT [M BRL]

	4Q23	4Q22
Financial Expenses	¹ (93)	(82)
Financial Income	² +30	+47
Monetary and FX Var.	³ (20)	(5)
TOTAL	(83)	(40)

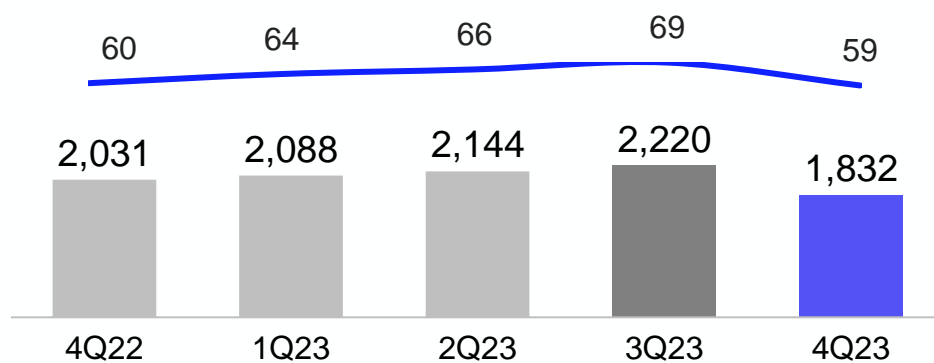
¹ Financial expenses with the issue of debentures (acquisition of MWM)

² Increase in the interest rate that remunerates investments

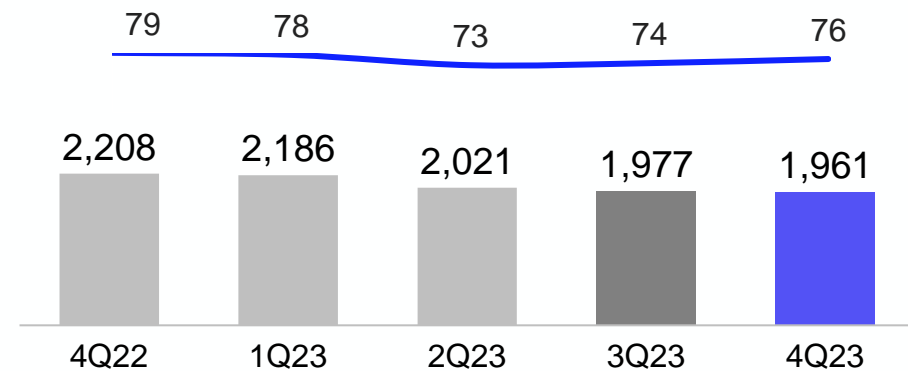
³ FX variation in the balance sheet lines in foreign currency and the result of hedge transactions

WORKING CAPITAL

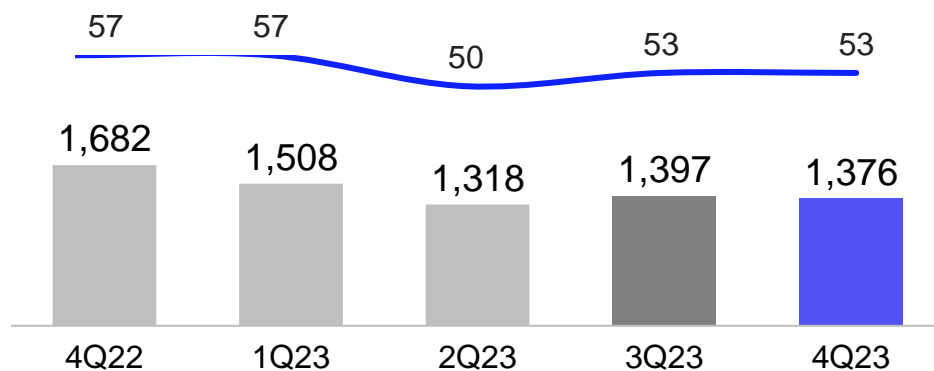
Receivables [M BRL] and DSO [days]



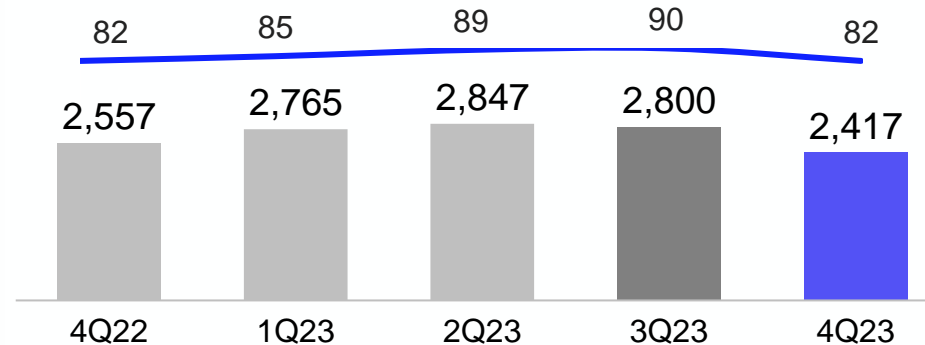
Inventories [M BRL] and DIO [days]



Accounts payable [M BRL] and DPO [days]

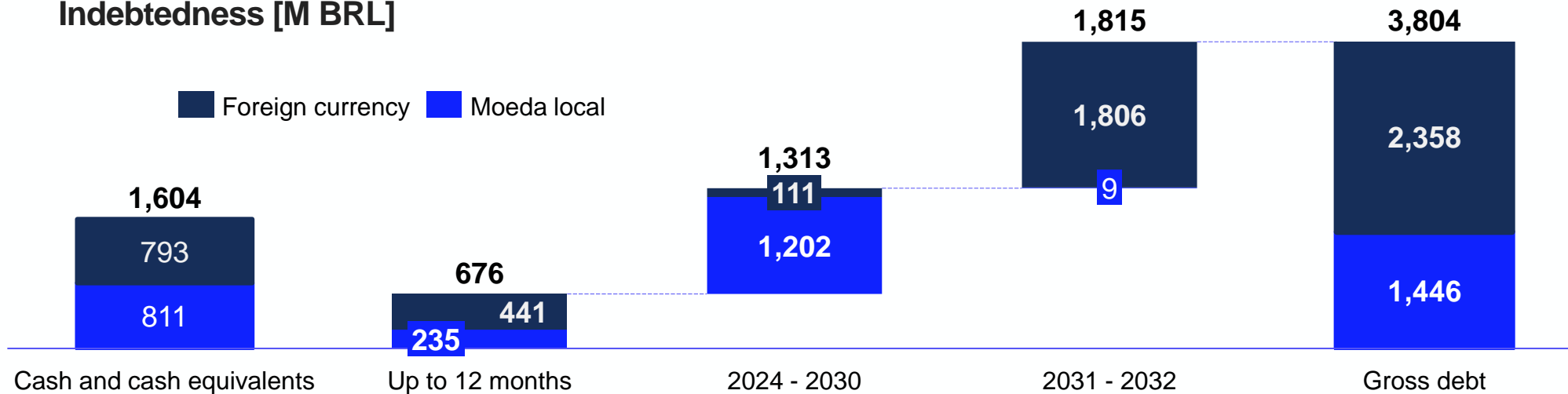


Working Capital [M BRL] and CCC [days]

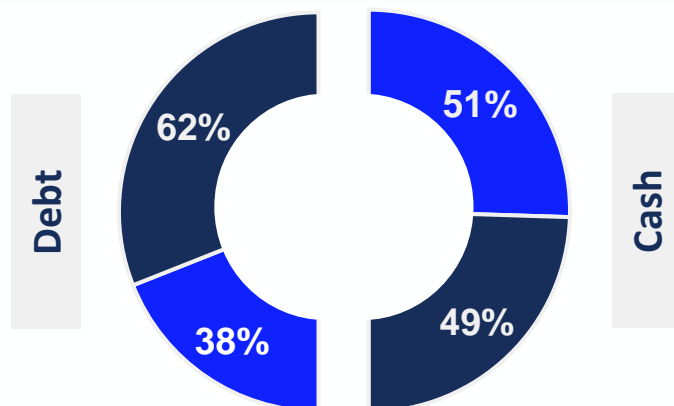


CASH AND INDEBTEDNESS | DECEMBER 2023

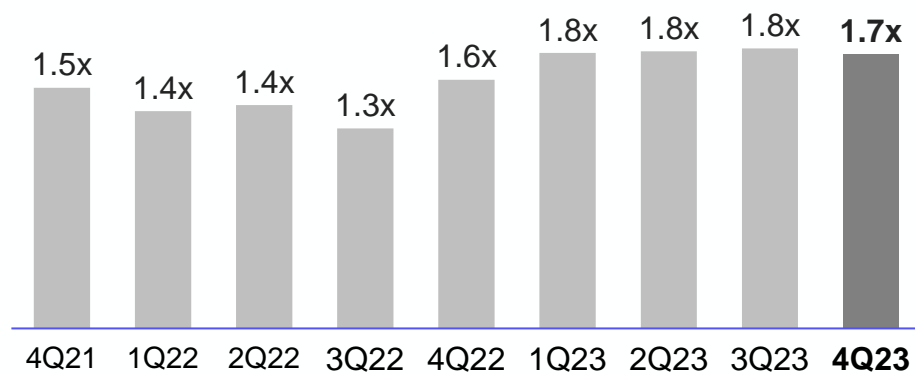
Indebtedness [M BRL]



Currency distribution [% total]



Net debt / Adjusted EBITDA 12M

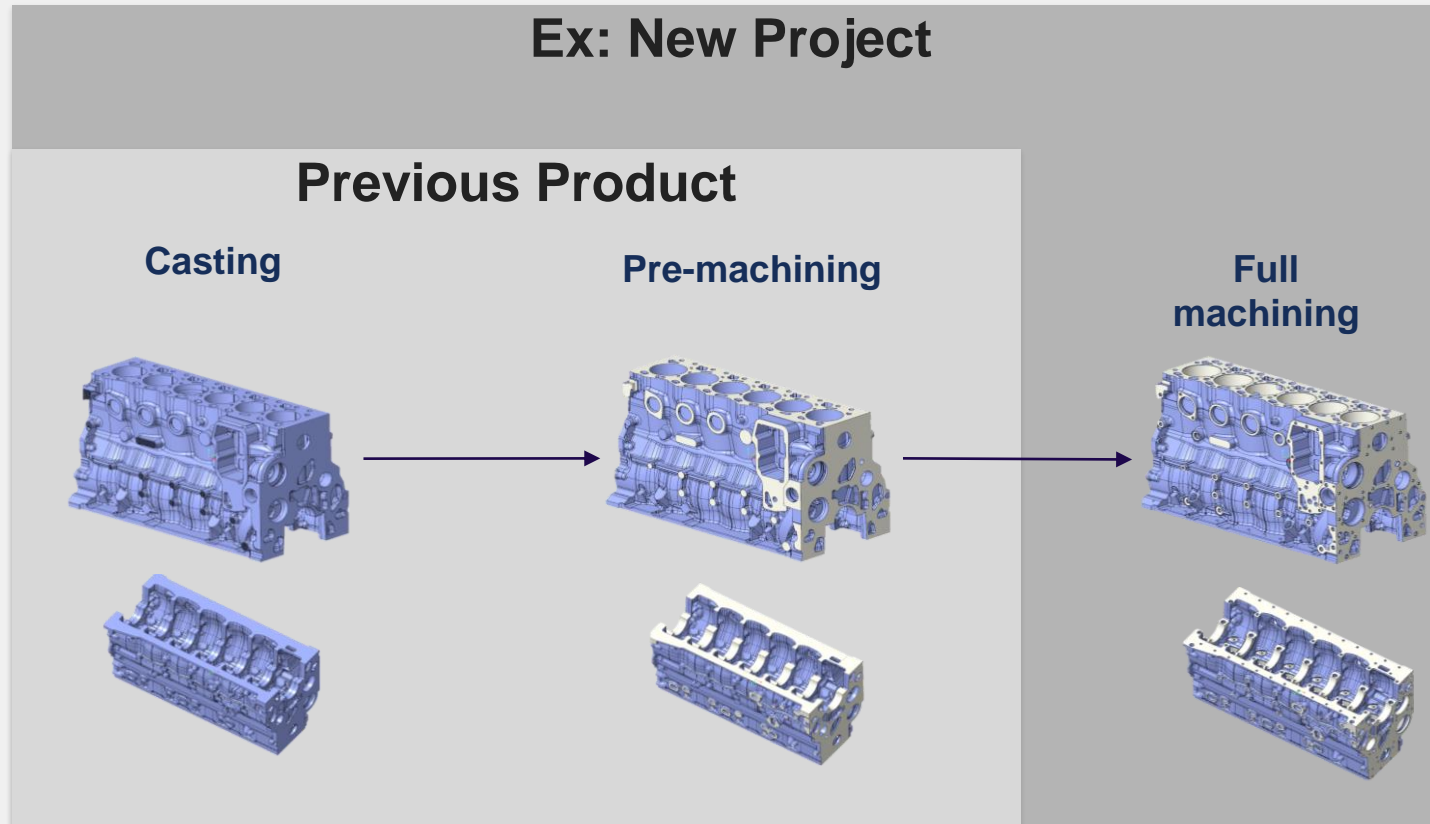


TUPY



Agenda 2024

OPPORTUNITIES FOR NEW MANUFACTURING CONTRACTS



Added Value

- Advances in machining
- Assembling of engine heads
- Partial or full assembling of engines



Full solution to meet customer's production regionalization strategy



B&H Casting



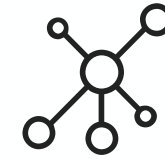
Full solution

- Casting
- Machining
- Assembly

After market

- **Spare parts** for engines and gensets
- Products for **own and third-party engines**
- **Blocks and heads with added value**

Growth leveraged by broadening portfolio, expanding sales channels and offering of complex solutions



Distribution network

~1,300 channels for parts, gensets & marine, and
~ 1,700 points for sales for hydraulic products



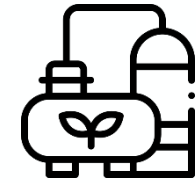
Technical assistance

~ 300 shops accredited and trained in Brazil

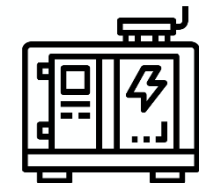
Energy & Decarbonization

- **Bioplants:** biofuels, electric power, organomineral fertilizer and green carbon dioxide originated from waste management
- **Gensets:** diesel / biogas / CNG
- **Equipment & Engines:** Own platform for biofuels, vehicle conversion, motor pumps and lighting towers.

Decarbonization of Brazilian agrobusiness



Turn-key solutions for bioplants



Leader in gensets

CONFIDENTIAL



Tupy



Tupy SA

tupy.com.br/ri

