

TUPY – World Reference in Casting



2Q19 Highlights

Highest Net Revenues and Adjusted EBITDA in the Company's history

Earnings Conference Call

Date: August 15, 2019

Portuguese/English

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- **Revenues:** R\$1,404.6 million, up 15.3% over 2Q18, due to the improved product mix, depreciation of the exchange rate and price adjustments.
- **High value-added products:** Significant growth in sales of machined and CGI goods, which **accounted for 25% and 21% of the volume, respectively (vs. 21% and 14% in the previous year).**
- **Gross margin:** 17.5% vs. 17.1% in 2Q18 and 13.4% in 1Q19.
- **Adjusted EBITDA:** R\$204.4 million, up 13.0% compared to the same period of the previous year and equivalent to 14.6% of net revenues (vs. 14.8% in 2Q18 and 10.7% in 1Q19).
- **Net Profit:** R\$59.5 million, up 23.1% over 2Q18, with a net margin of 4.2%.
- **Cash Conversion Cycle:** 52 days, an 8-day reduction year-over-year.

MAIN INDICATORS

Consolidated (R\$ thousand)

SUMMARY	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Revenues	1,404,615	1,218,179	15.3%	2,686,144	2,277,375	17.9%
Cost of goods sold	(1,158,456)	(1,009,798)	14.7%	(2,268,896)	(1,897,393)	19.6%
Gross profit	246,159	208,381	18.1%	417,248	379,982	9.8%
<i>% on revenues</i>	17.5%	17.1%		15.5%	16.7%	
Operating expenses	(106,192)	(84,010)	26.4%	(203,275)	(160,876)	26.4%
Other operating expenses	(44,547)	(24,239)	83.8%	(71,331)	(38,448)	85.5%
Income before financial results	95,420	100,132	-4.7%	142,642	180,658	-21.0%
<i>% on revenues</i>	6.8%	8.2%		5.3%	7.9%	
Net financial result	(6,805)	(13,177)	-48.4%	6,441	(38,361)	-
Income before taxes	88,615	86,955	1.9%	149,083	142,297	4.8%
<i>% on revenues</i>	6.3%	7.1%		5.6%	6.2%	
Income tax and social contribution	(29,167)	(38,677)	-24.6%	(9,193)	(37,127)	-75.2%
Net income	59,448	48,278	23.1%	139,890	105,170	33.0%
<i>% on revenues</i>	4.2%	4.0%		5.2%	4.6%	
EBITDA (Inst. CVM 527/12)	175,639	169,072	3.9%	301,017	314,122	-4.2%
<i>% on revenues</i>	12.5%	13.9%		11.2%	13.8%	
Adjusted EBITDA	204,397	180,830	13.0%	341,344	329,102	3.7%
<i>% on revenues</i>	14.6%	14.8%		12.7%	14.5%	
Average Exchange rate (USD/BRL)	3.92	3.61	8.6%	3.85	3.43	12.2%
Average Exchange rate (EUR/BRL)	4.41	4.29	2.8%	4.34	4.14	4.8%

SALES VOLUME

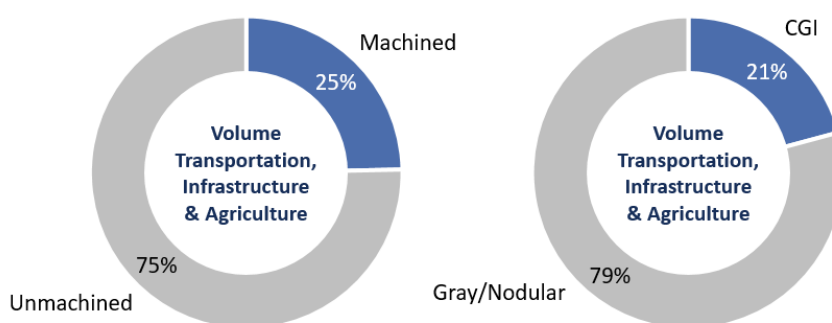
Consolidated (ton)						
	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Domestic market	30,865	28,401	8.7%	60,525	56,289	7.5%
Transportation, Infrastructure & Agriculture	27,324	24,899	9.7%	53,598	49,330	8.7%
Hydraulics	3,541	3,502	1.1%	6,927	6,959	-0.5%
Foreign market	123,407	123,295	0.1%	240,380	246,205	-2.4%
Transportation, Infrastructure & Agriculture	119,105	118,462	0.5%	233,701	236,783	-1.3%
Hydraulics	4,302	4,833	-11.0%	6,679	9,422	-29.1%
Total Sales Volume	154,272	151,696	1.7%	300,905	302,494	-0.5%

Sales volume in 2Q19 increased by 1.7% over 2Q18, mainly affected by the following factors:

- 9.7% increase in the sales of the Transportation, Infrastructure & Agriculture segment to the domestic market, especially applications used in commercial vehicles. In turn, the foreign market increased by 0.5%, mainly due to sales in the off road segment;
- The Hydraulics segment had an increase of 1.1% in the domestic market and a decrease of 11.0% in foreign market, due to, among others, a strong comparison base, as well as temporary stops in 1Q19 for the anticipation of security projects foreseen for the next five years.

Increased share of CGI (Compacted Graphite Iron) and machined goods:

- **25%** of the portfolio of the Transportation, Infrastructure & Agriculture segment is comprised of **partially or fully machined goods (vs. 21% in 2Q18 and 23% in 1Q19)**. According to the distribution of goods by type of material, **CGI products accounted for 21% of sales volume (vs. 14% in 2Q18 and 20% in 1Q19)**.



REVENUES

Revenues increased by 15.3% over 2Q18, mainly due to the improved product mix, devaluation of the BRL, pass through of raw material costs throughout 2018 and volume growth.

In the domestic market, we recorded an expressive increase of 26.8% due to the revenues growth in commercial vehicles and hydraulic applications, up 50.8% and 14.8%, respectively, mainly due to higher volume and price adjustments.

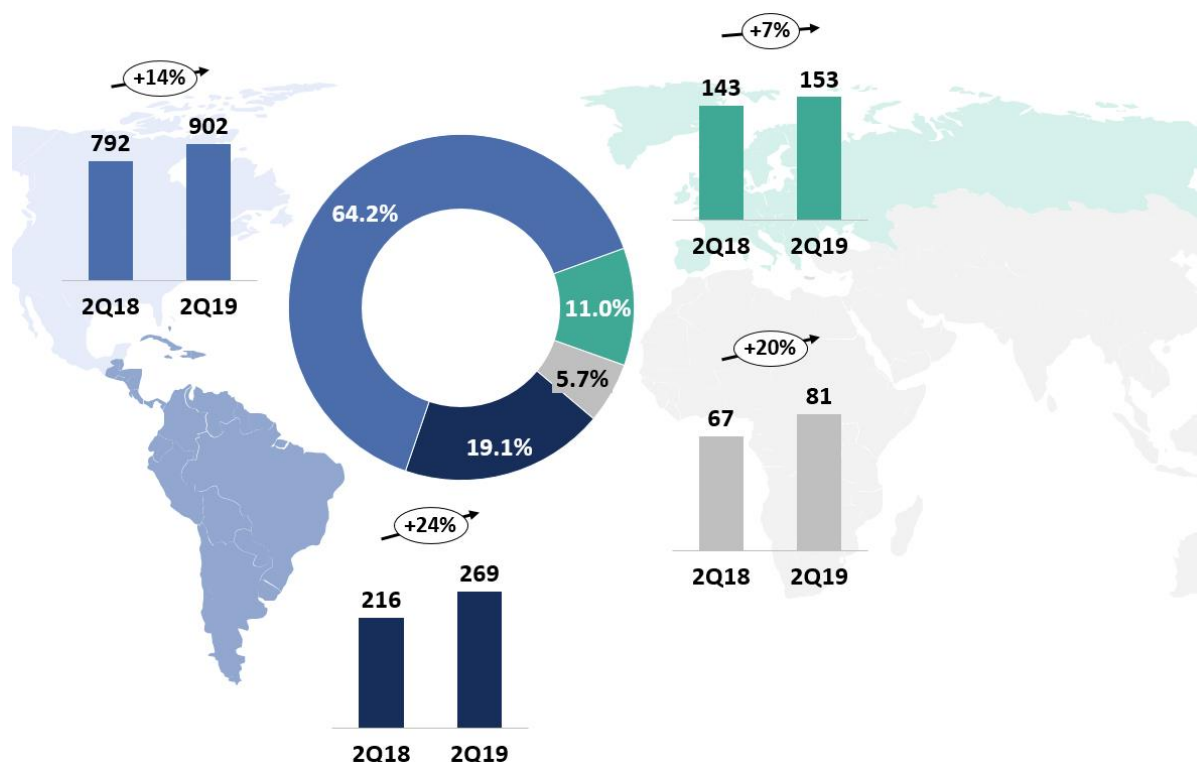
In the foreign market, net revenues increased by 13.0%, due to the revenues growth in all Transportation, Infrastructure & Agriculture segments, caused, among other factors, by the depreciation of the BRL against the USD and the Euro in the period (average exchange rates of BRL/USD 3.92 and BRL/EUR 4.41 in 1Q19 vs. BRL/USD 3.61 and BRL/EUR 4.29 in 2Q18)

Consolidated (R\$ thousand)						
	2Q19	2Q18	Var.[%]	1H19	1H18	Var.[%]
Revenues	1,404,615	1,218,179	15.3%	2,686,144	2,277,375	17.9%
Domestic Market	258,942	204,153	26.8%	496,210	389,254	27.5%
Share %	18.4%	16.8%		18.5%	17.1%	
Foreign Market	1,145,673	1,014,026	13.0%	2,189,934	1,888,121	16.0%
Share %	81.6%	83.2%		81.5%	82.9%	
Revenues per Segment	1,404,615	1,218,179	15.3%	2,686,144	2,277,375	17.9%
Transportation, Infrastructure & Agriculture	1,340,235	1,159,689	15.6%	2,573,930	2,166,828	18.8%
Share %	95.4%	95.2%		95.8%	95.1%	
Hydraulics	64,380	58,490	10.1%	112,214	110,547	1.5%
Share %	4.6%	4.8%		4.2%	4.9%	

Revenues by market and performance in the period

In 2Q19, 64.2% of revenues came from North America. In turn, South and Central America represented 19.1% and Europe 11.0%. The remaining 5.7% came from Asia, Africa and Oceania.

It should be noted that several clients in the US export their goods to other countries. Therefore, a significant part of the sales to this region meets the global demand for commercial vehicles, machinery and equipments.



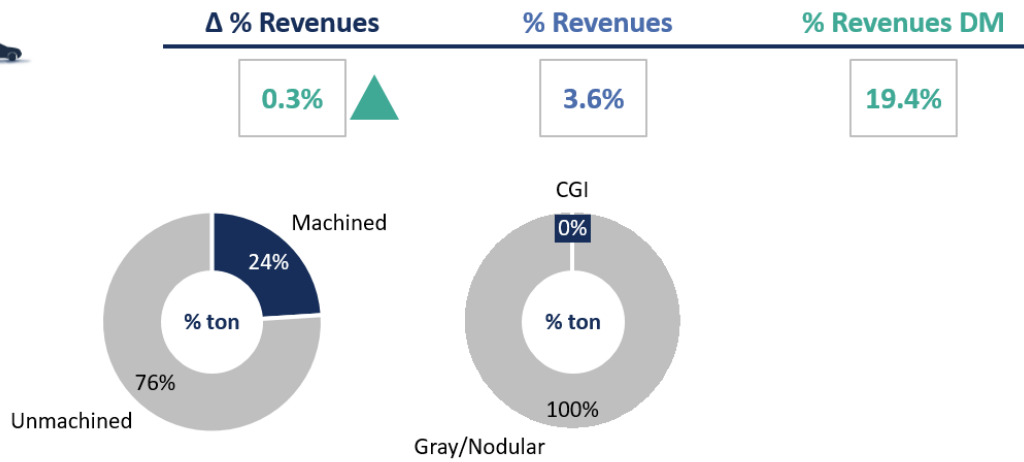
Consolidated (R\$ thousand)

	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Revenues	1,404,615	1,218,179	15.3%	2,686,144	2,277,375	17.9%
Domestic Market	258,942	204,153	26.8%	496,210	389,254	27.5%
Transportation, Infrastructure & Agriculture	224,544	174,184	28.9%	430,916	330,986	30.2%
Passenger Cars	50,221	50,087	0.3%	95,939	97,679	-1.8%
Commercial Vehicles	150,427	99,752	50.8%	287,499	188,846	52.2%
Off road	23,897	24,345	-1.8%	47,478	44,461	6.8%
Hydraulics	34,398	29,969	14.8%	65,294	58,268	12.1%
Mercado Externo	1,145,673	1,014,026	13.0%	2,189,934	1,888,121	16.0%
Transportation, Infrastructure & Agriculture	1,115,691	985,505	13.2%	2,143,014	1,835,842	16.7%
Passenger Cars	138,225	115,945	19.2%	254,278	213,117	19.3%
Light Commercial Vehicles	461,795	399,012	15.7%	896,333	744,914	20.3%
Medium and Heavy Commercial Vehicles	212,926	176,417	20.7%	409,604	327,488	25.1%
Off road	302,746	294,131	2.9%	582,799	550,324	5.9%
Hydraulics	29,982	28,521	5.1%	46,920	52,279	-10.3%

Note: The division between commercial and off road vehicles considers our best inference of the same product for these two applications.

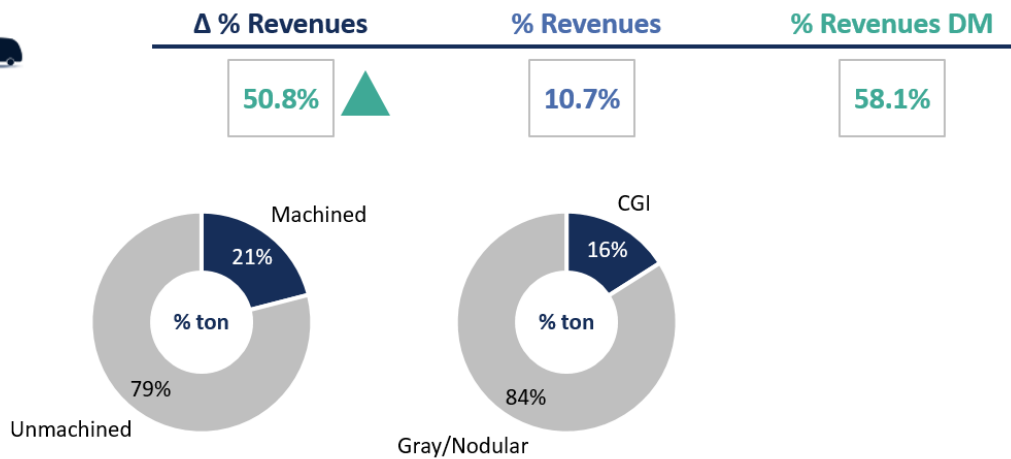
DOMESTIC MARKET (DM)

Passenger Cars



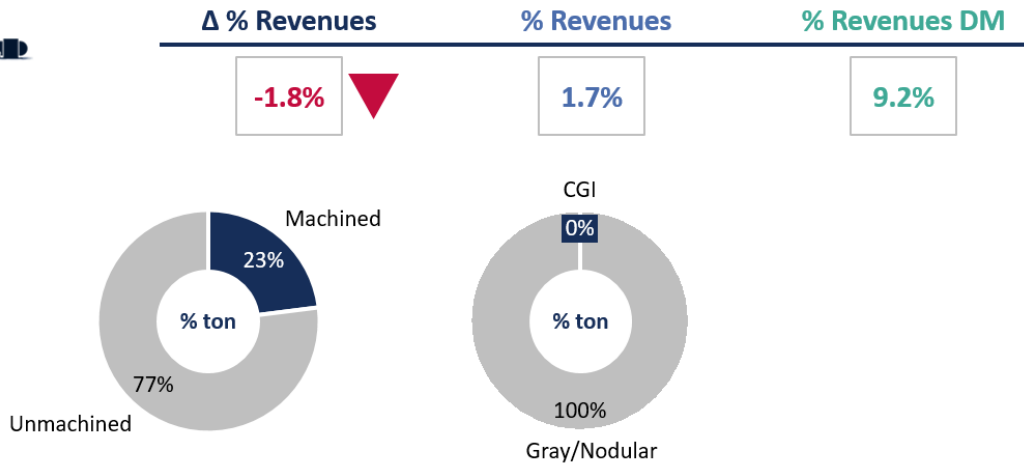
Revenues from sales of applications for passenger cars increased by 0.3% year-over-year, due to the phase out of goods already included in the Company's plan.

Commercial Vehicles



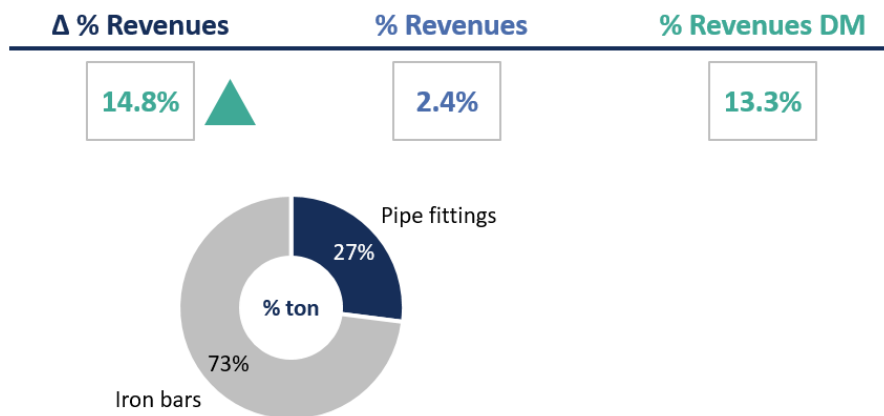
Revenues from commercial vehicle applications increased by 50.8% year-over-year. We highlight indirect exports opportunities, the increased demand for heavy vehicles in the domestic market, as well as the gain in market share of clients served by the Company.

Off road



Tupy's revenues from sales of machinery and off road vehicles decreased by 1.8% in 2Q19, mainly due to the lower production of such equipments in the Brazilian market.

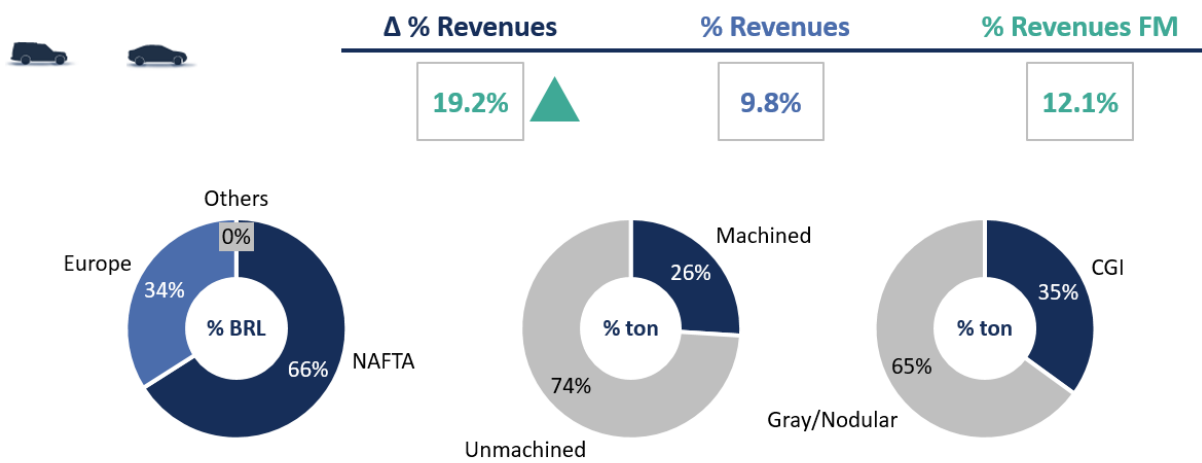
Hydraulics



In the second quarter of 2019, revenues from sales in the Hydraulics segment rose by 14.8% over the same period of 2018. In addition to the increase in volumes, we observed an improvement in product mix in recent months, which had a higher share of pipe fittings.

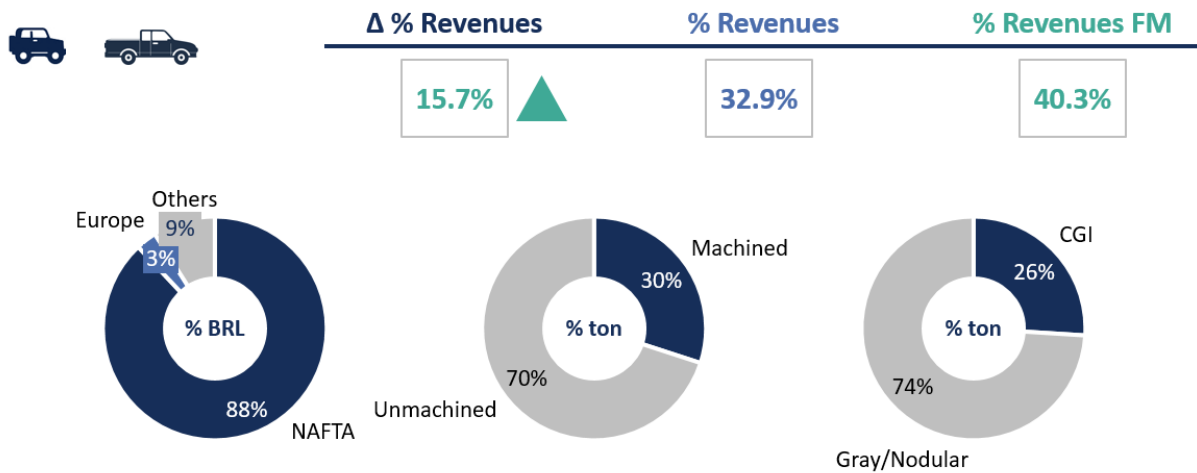
FOREIGN MARKET (FM)

Passenger cars



Revenues from passenger cars increased by 19.2% over 2Q18. In addition to the increased demand and the favorable exchange rate scenario due to the devaluation of the BRL, the variation was due to product phase-in and ramp-up in the period, as well as recovery of delivery backlog.

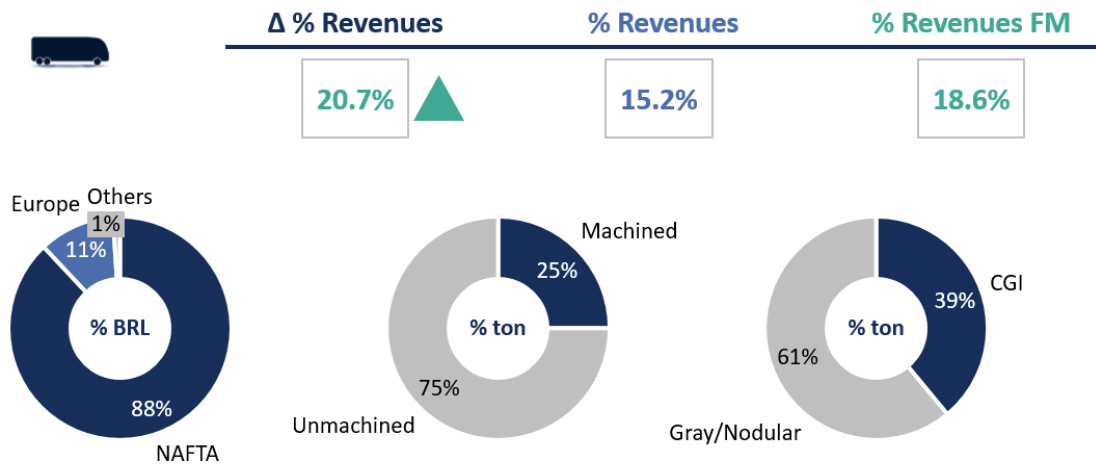
Light Commercial Vehicles



As in previous quarters, we observed a high share of pick-ups and SUVs in the US sales of “light vehicles” (70% vs. 68% in 2Q18).

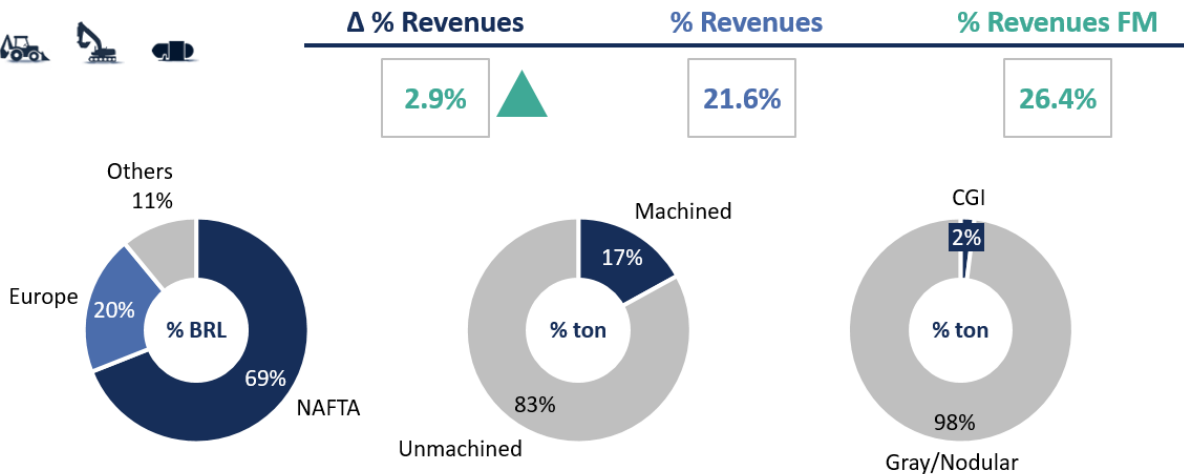
Sales for this application were positively affected in the period due to the devaluation of the BRL, as well as the increased share of machined goods (30% vs 28% in 2Q18) and CGI goods (26% vs 18% in 2Q18), both resulting from new programs.

Medium and Heavy Commercial Vehicles



The increase in revenues from medium and heavy commercial vehicles is mainly due to the positive performance of the US and European markets, especially in heavy vehicle applications. As observed in light commercial vehicles, revenue growth was affected by the higher share of high value-added goods, such as machined goods (25% vs. 12% in 2Q18) and CGI goods (39% vs. 28% in 2Q18), ramp-up of new products and the devaluation of the BRL year-over-year.

Off road



Sales for off road applications in 2Q19 grew by 2.9% over the same period of 2018, as volume performance was affected by a slight decrease in the demand for applications used in the agriculture, construction and oil & gas segments.

Hydraulics



Δ % Revenues

5.1%

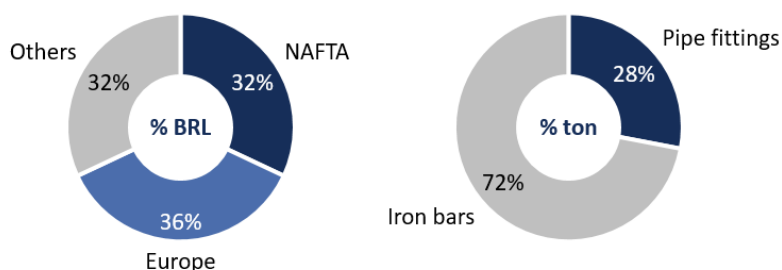


% Revenues

2.1%

% Revenues FM

2.6%



In the second quarter of 2019, we observed a 5.1% increase in net sales from pipe fittings and iron bars, despite the decrease in sales volume of these products, which was offset by the devaluation of the BRL and price adjustments.

▽ COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) in 2Q19 totaled R\$1,158.5 million, up 14.7% over 2Q18. Operating expenses reached R\$106.2 million, representing 7.6% of the net revenue in the quarter.

Consolidated (R\$ thousand)

	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Revenues	1,404,615	1,218,179	15.3%	2,686,144	2,277,375	17.9%
Cost of Goods Sold	(1,158,456)	(1,009,798)	14.7%	(2,268,896)	(1,897,393)	19.6%
Raw material	(655,269)	(574,370)	14.1%	(1,282,273)	(1,072,525)	19.6%
Labor, profit sharing and social benefits	(270,745)	(223,195)	21.3%	(518,088)	(427,459)	21.2%
Maintenance and third parties	(100,666)	(87,302)	15.3%	(199,639)	(160,379)	24.5%
Energy	(64,260)	(56,365)	14.0%	(126,071)	(106,719)	18.1%
Depreciation	(61,370)	(53,448)	14.8%	(121,292)	(103,930)	16.7%
Others	(6,146)	(15,118)	-59.3%	(21,533)	(26,381)	-18.4%
Gross Profit	246,159	208,381	18.1%	417,248	379,982	9.8%
<i>% on Revenues</i>	<i>17.5%</i>	<i>17.1%</i>		<i>15.5%</i>	<i>16.7%</i>	
Operating Expenses	(106,192)	(84,010)	26.4%	(203,275)	(160,876)	26.4%
<i>% on Revenues</i>	<i>7.6%</i>	<i>6.9%</i>		<i>7.6%</i>	<i>7.1%</i>	

Gross margin was 17.5% in the period, an improvement of 0.4 percentage point compared to 2Q18. The variation in the year-on-year comparison was affected by factors related to the truck drivers' strike last year, such as the end of payroll tax exemption, reduced tax benefit for exporters – REINTEGRA and

increased freight, with an impact of approximately R\$22.7 million in the period. Regarding the 2Q19 results, the following factors stand out:

- 14.1% rise in raw material costs, driven by the increase in prices year-over-year, as well as the devaluation of the BRL, since the raw material costs of Mexican operations are denominated in USD. There was also growth in the consumption of more noble materials, due to the increased share of CGI and machined goods;
- 21.3% rise in labor costs, mainly due to the increase in headcount, in order to meet the demands from the new programs, as well as the effect resulting from the collective bargain agreement in the annual comparison and exchange rate depreciation. Payroll tax exemption also impacted the result in the period and its effect was observed from September 2018;
- 15.3% increase in maintenance materials and third-party costs due to the start of new operations in Mexico and specific maintenance activities at the Joinville plant;
- 14.0% increase in energy costs, due to the increased volume of CGI (electric power intensive) and machined goods, as well as exchange rate depreciation and the tariff increase in the annual comparison.

Operating expenses, including administrative and commercial expenses, represented 7.6% of net revenues, totaling R\$106.2 million, a 26.4% increase over 2Q18. This variation is mainly due to higher labor and freight expenses and exchange rate depreciation. The application of the freight price table on the transportation of finished and semi-finished goods, as well as the payroll tax exemption, also had an impact in this figure.

OTHER OPERATING INCOME (EXPENSES)

Other net operating expenses reached R\$44.5 million in 2Q19, compared to R\$24.2 million in 2Q18, up 83.8%.

	Consolidated (R\$ thousand)					
	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Depreciation of Non-Operating Assets	(225)	(175)	28.6%	(448)	(348)	28.7%
Amortization of Intangible Assets	(15,564)	(12,306)	26.5%	(30,556)	(23,120)	32.2%
Others	(28,758)	(11,758)	144.6%	(40,327)	(14,980)	169.2%
Other Net Operating Expenses	(44,547)	(24,239)	83.8%	(71,331)	(38,448)	85.5%

Expenses related to the amortization of intangible assets increased by 26.5%, due to the increase in the asset base, as a result of exchange rate depreciation and partial reversal of impairment in 4Q18, in the amount of R\$33.6 million.

The "Other" line consists of (i) R\$25.8 million in restatement/constitution of provisions (vs. R\$8.8 million in 2Q18) and (ii) R\$2.9 million related to write-off of property, plant and equipment, the sale of unserviceable assets and third party tooling (vs. R\$2.9 million in 2Q18).

NET FINANCIAL INCOME

In 2Q19, the Company recorded net financial expenses of R\$6.8 million, compared to expenses of R\$13.2 million in 2Q18.

Consolidated (R\$ thousand)						
	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Financial Expenses	(26,641)	(30,668)	-13.1%	(51,621)	(59,943)	-13.9%
Financial Revenues	20,499	9,218	122.4%	45,643	20,881	118.6%
Net Monetary and Exchange Rate	(663)	8,273	-	12,419	701	-
Net Earnings	(6,805)	(13,177)	-48.4%	6,441	(38,361)	-

The reduction in financial expenses is chiefly due to net amortizations in the last twelve months, which amounted to R\$102.9 million. The comparison with the same period of the previous year was also impacted by the devaluation of the BRL against the USD (average exchange rate of R\$3.92 in 2Q19 vs. R\$3.61 in 2Q18), which affected the recognition of interest on borrowings denominated in USD.

Increase of 122.4% in financial revenues, which reached R\$20.5 million in the period. Of this amount, R\$14.6 million is due to the restatement of the derivative instrument used to adjust Eletrobrás' receivable credits to present value, with no cash effect.

The result of net monetary and exchange variations, in the amount of R\$0.7 million, is due to (i) gains with hedge operations (settlement of contracts and mark-to-market), corresponding to a revenue of R\$3.9 million in the period, and (ii) monetary and exchange variations in the balance sheet accounts, with a negative impact of R\$4.6 million.

EARNINGS BEFORE TAXES AND NET INCOME

Consolidated (R\$ thousand)						
	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Income before tax effects	88,615	86,955	1.9%	149,083	142,297	4.8%
Tax effects before foreign Exchange impacts	(28,632)	(27,202)	5.3%	(17,265)	(39,109)	-55.9%
Gains before Exchange effects on the tax base	59,983	59,753	0.4%	131,818	103,188	27.7%
Exchange effects on the tax base	(535)	(11,475)	-95.3%	8,072	1,982	307.3%
Net Income	59,448	48,278	23.1%	139,890	105,170	33.0%
<i>% on Revenues</i>	<i>4.2%</i>	<i>4.0%</i>		<i>5.2%</i>	<i>4.6%</i>	

The Company recorded tax effects before foreign exchange impacts in the amount of R\$28.6 million, resulting from the difference in expenses at the rate of 34% on profit before tax effects and the effects of permanent additions/exclusions.

The effect of exchange rates on the tax base (deferred income tax in Mexican operations) is calculated in Mexican Pesos. The conversion from the functional currency, the USD, resulted in a reduction of R\$0.5 million due to the appreciation of the Mexican Peso against the USD in 2Q19.

Net income from these effects amounted to R\$59.4 million in 2Q19, up 23.1% over 2Q18.

EBITDA

The combination of the above-mentioned factors resulted in EBITDA of R\$175.6 million, an increase of 3.9% over the same period of the previous year. EBITDA adjusted by the restatement/constitution of provisions, write-off of property, plant and equipment, and the sale of unserviceable assets totaled R\$204.4 million, with a margin of 14.6% and an increase of 13.0% over 2Q18, **representing the highest value in the Company's history, despite the end of payroll tax exemption and the reduced tax benefit for exporters – REINTEGRA, with impact of R\$22.7 million in the quarter.**

Consolidated (R\$ thousand)						
RECONCILIATION OF NET INCOME TO EBITDA	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
Net Income	59,448	48,278	23.1%	139,890	105,170	33.0%
(+) Net financial results	6,805	13,177	-48.4%	(6,441)	38,361	-116.8%
(+) Income tax and social contribution	29,167	38,677	-24.6%	9,193	37,127	-75.2%
(+) Depreciation and amortization	80,219	68,940	16.4%	158,375	133,464	18.7%
EBITDA (Instr. CVM 527/12)	175,639	169,072	3.9%	301,017	314,122	-4.2%
<i>% on Revenues</i>	<i>12.5%</i>	<i>13.9%</i>		<i>11.2%</i>	<i>13.8%</i>	
(+) Other net operating expenses*	28,758	11,758	-	40,327	14,980	-
Adjusted EBITDA	204,397	180,830	13.0%	341,344	329,102	3.7%
<i>% on Revenues</i>	<i>14.6%</i>	<i>14.8%</i>		<i>12.7%</i>	<i>14.5%</i>	

*Includes the restatement/constitution of provisions, write-off of property, plant and equipment and the sale of unserviceable assets

The margin of 14.6% represents a substantial increase compared to 1Q19 (10.7%), when we observed unscheduled shutdowns in the Joinville operations and start of operations of high value-added goods in Mexico.

The adjustments made to EBITDA have the purpose of offsetting the effect of items that present less correlation with the Company's business, have no cash or non-recurring effect. These expenses amounted to R\$28.8 million in 2Q19 and comprise of (i) R\$25.8 million related to the restatement/constitution of provisions (vs. R\$8.8 million in 2Q18), and (ii) R\$2.9 million related to write-off of property, plant and equipment and the sale of unserviceable assets (vs. R\$2.9 million in 2Q18).

The provisions are mainly related to labor issues and the development of lawsuits filed in the period immediately preceding the new labor legislation coming into effect, chiefly related to the suspension of activities of the plant located in Mauá-SP in 2017, aimed at efficiency gains and higher return on invested capital.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R\$73.9 million in 2Q19.

Consolidated (R\$ thousand)						
	2Q19	2Q18	Var. [%]	1H19	1H18	Var. [%]
PP&E						
Strategic investments	44,261	6,020	-	60,941	10,510	-
Maintenance and sustenance	27,463	27,073	1.4%	51,789	47,815	8.3%
Environment	214	1,411	-84.8%	1,227	3,093	-60.3%
Interest and financial expenses	396	535	26.0%	785	1,083	-27.5%
Intangible Assets						
Software	1,262	345	265.8%	4,880	1,964	148.5%
Research and development	260	858	-69.7%	912	1,441	-36.7%
Total	73,856	36,242	103.8%	120,534	65,906	82.9%
<i>% on Revenues</i>	<i>5.3%</i>	<i>3.0%</i>		<i>4.5%</i>	<i>2.9%</i>	

The increase in investments is due to development and launching of CGI and machining projects and to initiatives to increase productivity (including automation / Industry 4.0 projects), as well as renovations and projects related to the environment and occupational safety.

WORKING CAPITAL

Consolidated (R\$ thousand)					
	2Q19	1Q19	4Q18	3Q18	2Q18
Balance Sheet					
Accounts Receivables	890,013	813,127	688,495	754,026	783,072
Inventories	522,374	513,142	523,623	486,753	467,613
Accounts Payable	643,790	677,581	621,292	576,245	550,562
Sales outstanding [days]	62	59	52	60	68
Inventories outstanding [days]	43	44	47	47	49
Payables outstanding [days]	53	58	56	55	57
Cash Conversion Cycle [days]	52	45	43	52	60

There was a significant improvement (8 days) in working capital in the period compared to the same quarter of the previous year (2Q18). The main working capital lines presented the following variations:

- Increase of R\$106.9 million in the accounts receivable line, with a 6-day reduction in sales. This increase is mainly due to higher revenue in the period;
- Increase in inventories in the amount of R\$54.8 million, with a 6-day reduction in relation to the cost of goods sold, due to the greater efficiency of operations;
- Increase of R\$93.2 million in the accounts payable line, with a 4-day reduction.

CASH FLOW

Consolidated (R\$ thousand)						
CASH FLOW SUMMARY	2Q19	2Q18	Var.[%]	1H19	1H18	Var.[%]
Cash at the beginning of period	532,389	494,695	7.6%	713,733	865,368	-17.5%
Cash from Operating Activities	75,525	162,421	-53.5%	69,364	168,434	58.8%
Cash used in Investments	(74,062)	(32,848)	125.5%	(115,458)	(57,955)	99.2%
Cash used in Financing Activities	(38,896)	(47,854)	-18.7%	(170,252)	(401,938)	57.6%
Effect of the Exchange Rate on Cash	(2,697)	37,687	-	(5,128)	40,192	-
Increase (decrease) in cash	(40,130)	119,406	-	(221,474)	(251,267)	-
Cash at the end of period	492,259	614,101	-19.8%	492,259	614,101	-19.8%

In 2Q19, the Company generated R\$75.5 million in cash from operating activities, compared to a generation of R\$162.4 million in 2Q18. Cash generation was mainly impacted by the increase in working capital consumption and the cash conversion cycle compared to the immediately previous quarter (1Q19), given the strong revenue growth.

Regarding investment activities, R\$74.1 million were consumed in 2Q19, an increase of 125.5% over the same period of the previous year, due to the development and implementation of new programs in high value-added goods and operational efficiency projects.

Regarding financing activities, during 2Q19, we recorded the consumption of R\$38.9 million, mainly due to the payment of dividends totaling R\$25.0 million.

The combination between these factors and the exchange rate variation resulted in a reduction in cash availability of R\$40.1 million in the period. Therefore, we ended the second quarter of 2019 with a cash balance of R\$492.2 million.

INDEBTEDNESS

The Company closed 2Q19 with net debt of R\$921.1 million and net debt/Adjusted EBITDA ratio for the LTM was 1.34.

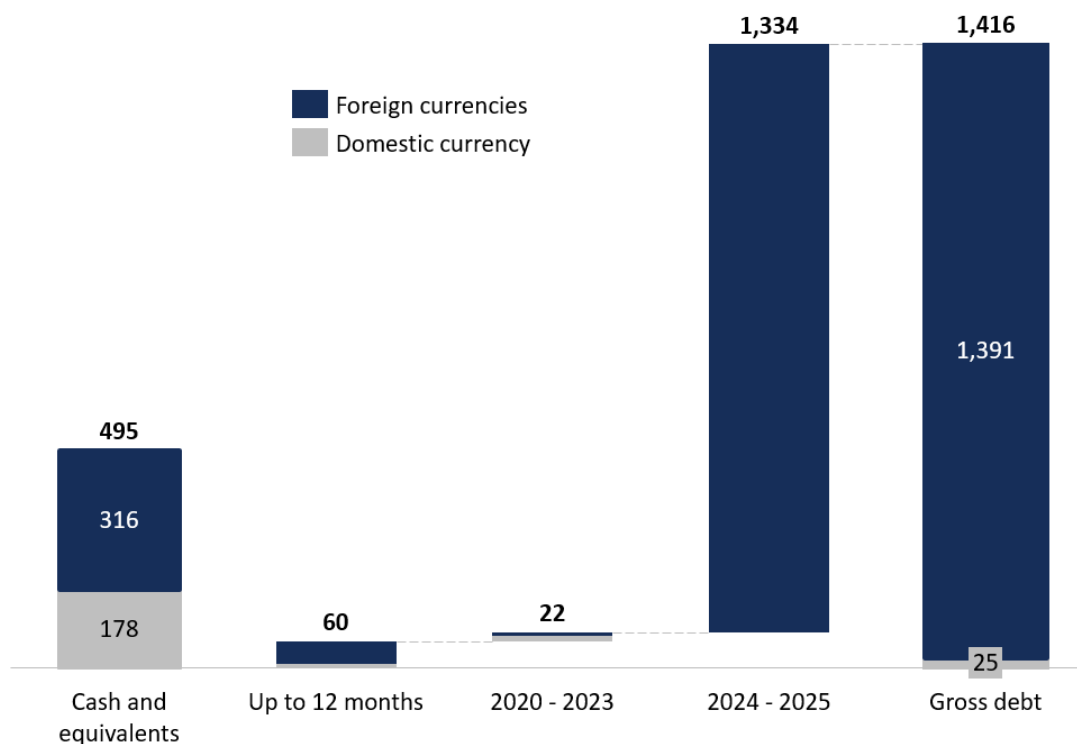
Foreign currency liabilities represent 98.3% of the total (4.2% short-term and 95.8% long-term debt), while 1.7% of the debt is denominated in BRL (40.5% short-term and 59.5% long-term debt). Regarding the cash balance, 35.9% is denominated in BRL and 64.1% in foreign currency.

Consolidated (R\$ thousand)					
INDEBTEDNESS	2Q19	1Q19	4Q18	3Q18	2Q18
Short-Term*	59,589	31,008	47,591	123,278	156,912
Long-Term	1,356,083	1,391,251	1,359,492	1,405,145	1,354,399
Gross debt	1,415,672	1,422,259	1,407,083	1,528,423	1,511,311
Cash and Cash Equivalents**	494,550	532,520	724,545	746,592	614,105
Net debt	921,122	889,739	682,538	781,831	897,206
Gross Debt/Adjusted EBITDA	2.05x	2.14x	2.08x	2.32x	2.42x
Net Debt/Adjusted EBITDA	1.34x	1.34x	1.01x	1.19x	1.44x

* Includes derivative financial instruments

† Includes financial investments

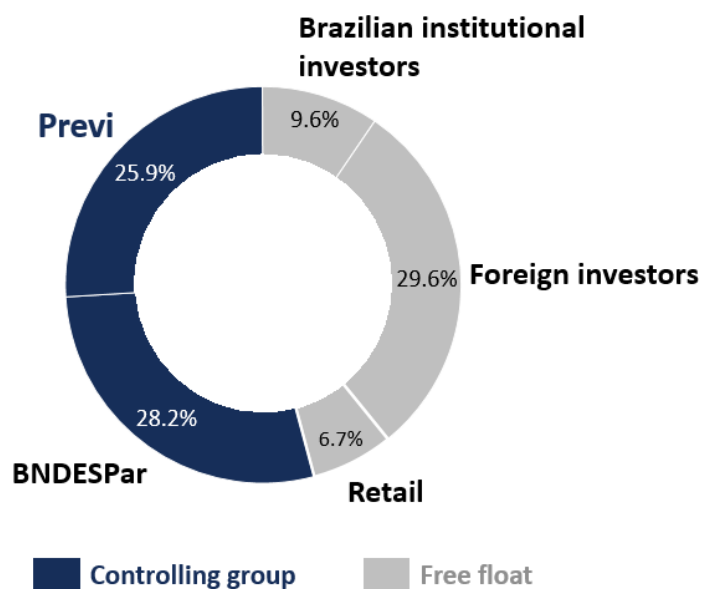
The Company's debt profile is as follows:



All amounts in R\$ million.

OWNERSHIP STRUCTURE

Tupy's ownership structure as of June 30, 2019 was as follows:



EXECUTIVE OFFICER'S STATEMENT

In compliance with the provisions established under Article 25 of CVM Instruction No. 480, of December 7, 2009, Tupy S.A.'s Board of Executive Officers declares that it has reviewed, discussed and agreed with the opinion presented in the Independent Auditor's Report on the Quarterly Financial Report, issued on this date, and with the Quarterly Financial Report of June 30, 2019.

* * *

Attachment I – Commercial vehicle production and sales in Brazil

	(Units)					
	2Q19	2Q18	Var. (%)	1H19	1H18	Var. (%)
Production						
Trucks						
Semi-lights	279	556	-49.8%	526	994	-47.1%
Light	4,433	4,882	-9.2%	9,066	9,661	-6.2%
Medium	1,640	1,645	-0.3%	2,761	3,052	-9.5%
Semi-heavy	6,717	6,443	4.3%	12,410	13,373	-7.2%
Heavy	17,566	11,627	51.1%	30,633	22,507	36.1%
Total trucks	30,635	25,153	21.8%	55,396	49,587	11.7%
Buses	7,948	8,069	-1.5%	14,064	14,955	-6.0%
Commercial vehicles	38,583	33,222	16.1%	69,460	64,542	7.6%
Sales						
Trucks						
Semi-lights	484	576	-16.0%	1,143	1,116	2.4%
Light	2,808	2,872	-2.2%	5,383	5,666	-5.0%
Medium	2,479	1,676	47.9%	4,669	2,979	56.7%
Semi-heavy	5,409	4,165	29.9%	10,035	7,359	36.4%
Heavy	13,353	7,783	71.6%	24,035	14,180	69.5%
Total trucks	24,533	17,072	43.7%	45,265	31,300	44.6%
Buses	4,939	2,812	75.6%	9,619	5,570	72.7%
Commercial vehicles	29,472	19,884	48.2%	54,884	36,870	48.9%
Exports						
Trucks						
Semi-lights	197	48	310.4%	221	220	0.5%
Light	588	1,498	-60.7%	1,199	2,949	-59.3%
Medium	70	396	-82.3%	231	737	-68.7%
Semi-heavy	788	2,437	-67.7%	1,633	5,291	-69.1%
Heavy	1,829	2,651	-31.0%	2,707	5,164	-47.6%
Total trucks	3,472	7,030	-50.6%	5,991	14,361	-58.3%
Buses	1,717	2,261	-24.1%	3,797	4,734	-19.8%
Commercial vehicles	5,189	9,291	-44.2%	9,788	19,095	-48.7%

Source: ANFAVEA

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

	(Units)					
	2Q19	2Q18	Var. (%)	1H19	1H18	Var. (%)
North America						
Production						
Passenger cars	1,158,236	1,293,935	-10.5%	2,380,688	2,642,845	-9.9%
Light commercial vehicles – Class 1-3	3,140,292	3,027,110	3.7%	6,153,910	6,100,622	0.9%
% Light commercial vehicles	73.1%	70.1%	+3.0p.p.	72.1%	69.8%	+2.3p.p.
Light Duty – Class 4-5	23,388	11,580	102.0%	41,698	30,264	37.8%
Medium Duty – Class 6-7	41,941	26,177	60.2%	82,642	62,607	32.0%
Heavy Duty – Class 8	96,354	45,376	112.3%	186,907	117,736	58.8%
Medium & Heavy Duty¹	161,683	83,133	94.5%	311,247	210,607	47.8%
United States						
Sales						
Passenger cars	1,279,518	1,427,599	-10.4%	2,474,469	2,767,127	-10.6%
Light commercial vehicles – Class 1-3	3,148,818	3,077,883	2.3%	5,943,335	5,861,412	1.4%
% Light commercial vehicles	71.1%	68.3%	+2.8p.p.	70.6%	67.9%	+2.7p.p.
Light Duty – Class 4-5	34,343	35,247	-2.6%	62,179	66,139	-6.0%
Medium Duty – Class 6-7	36,398	33,283	9.4%	70,956	65,955	7.6%
Heavy Duty – Class 8	71,980	59,493	21.0%	134,891	110,054	22.6%
Medium & Heavy Duty¹	142,721	128,023	11.5%	268,026	242,148	10.7%
Europe						
Sales						
Passenger cars	4,150,681	4,277,748	-3.0%	8,183,562	8,449,689	-3.1%

Source: Automotive News; Bloomberg; ACEA

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

	(Units)					
	2Q19	2Q18	Var. (%)	1H19	1H18	Var. (%)
Production						
Americas						
Brazil	13,908	14,900	-6.7%	24,724	26,900	-8.1%
Sales						
Americas						
Brazil	10,537	12,340	-14.6%	19,830	19,863	-0.2%
United States and Canada	92,953	91,207	1.9%	142,862	138,801	2.9%
Europe						
Germany	13,763	12,414	10.9%	23,338	19,643	18.8%
United Kingdom	3,530	3,597	-1.9%	6,197	6,529	-5.1%

Source: ANFAVEA; Bloomberg; AEM