2nd Quarter 2017

Results

Investor Relations
dri@tupy.com.br

August / 2017



DISCLAIMER

The material that follows is a confidential presentation of general background information about Tupy S.A. and its consolidated subsidiaries (together, the "Company") as of the date of the presentation. It is information in summary form and does not purport to be complete and is not intended to be relied upon as advice to potential investors.

No representations or warranties, express or implied, are made as to, and no reliance should be placed on, the accuracy, fairness or completeness of the information presented or contained in this presentation. Neither the Company nor any of its affiliates, advisers or representatives, accepts any responsibility whatsoever for any loss or damage arising from any information presented or contained in this presentation. The information presented or contained in this presentation is current as of the date hereof and is subject to change without notice and its accuracy is not guaranteed. Neither the Company nor any of its affiliates, advisers or representatives make any undertaking to update any such information subsequent to the date hereof. This presentation should not be construed as legal, tax, investment or other advice.

Data in this presentation was obtained from various external data sources, and the Company has not verified such data with independent sources. Accordingly, the Company makes no representations as to the accuracy or completeness of such data, and such data involves risks and uncertainties and is subject to change based on various factors. This presentation is strictly confidential and may not be disclosed to any other person.

This presentation contains forward-looking statements. Such statements are not statements of historical facts, and reflect the beliefs and expectations of the Company's management. The words "anticipates," "wishes," "expects," "estimates," "intends," "forecasts," "plans," "predicts," "projects," "targets" and similar words are intended to identify these statements. Although the Company believes that expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to the Company's management, the Company cannot guarantee future results or events. You are cautioned not to rely on forward-looking statements as actual results could differ materially from those expressed or implied in the forward-looking statements.

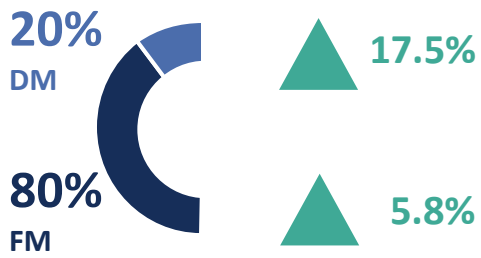
Securities may not be offered or sold in the United States unless they are registered or exempt from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Any offering of securities to be made will be made solely by means of an offering memorandum. This presentation does not constitute an offer, or invitation, or solicitation of an offer, to subscribe for or purchase any securities, and neither any part of this presentation nor any information or statement contained therein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any decision to purchase securities in any offering of securities of the Company should be made solely on the basis of the information contained in the offering document which may be published or distributed in due course in connection with any offering of securities of the Company, if any. This presentation is being made only to investors that, by means of their attendance at this presentation, represent to the underwriters and the agents that they are "Qualified Institutional Buyers" as that term is defined in the Securities Act.

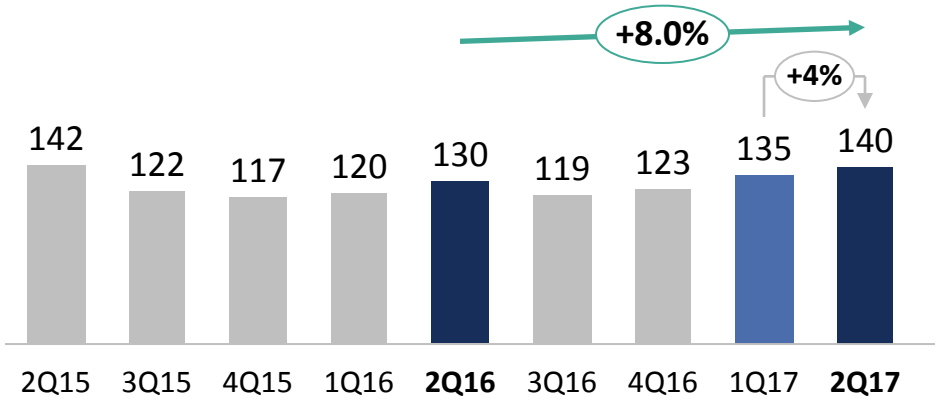
Consistent growth of sales volume

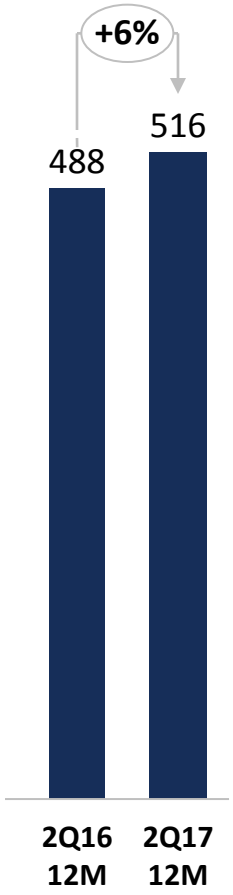
1 Sales Volume	▪ 139.9 Thousand tonnes, **up 8.0%** against 2Q16 due to higher sales in the domestic and foreign markets.
2 Revenues	▪ R$921.1 million, **8.3% up on 2Q16.**
3 Operational Efficiency	▪ Adjustments in Mauá plant with a non-recurring impact of R$45.7 million. This project will result in lower **fixed costs** starting as early as 2H17.
4 Adjusted EBITDA	▪ R$105.8 million **up 8.6% YoY** and corresponding to **11.5% of 2Q17 revenues**, a 0.1 p.p. rise against 2Q16.
5 Net Income	▪ **R$15.9 million in 2Q17,** against a loss of R$28.8 million in 2Q16.
6 Interest on Equity	▪ **R$50.0 million** to be paid in August 2017, totaling R$100.0 million in 1H17, corresponding to a **dividend yield of 4.36%.**

SALES VOLUME

Volume [kton]



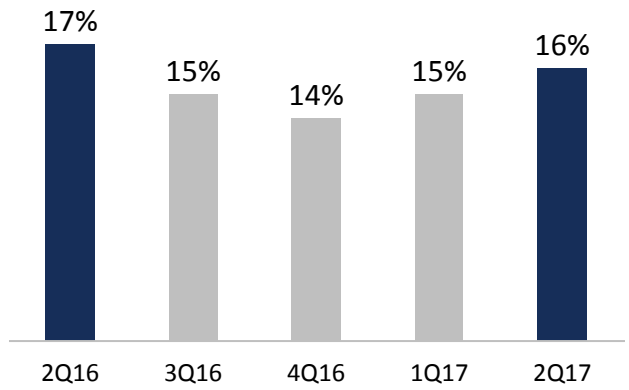




Machining [% automotive volume]

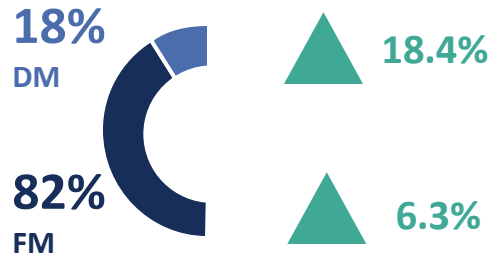


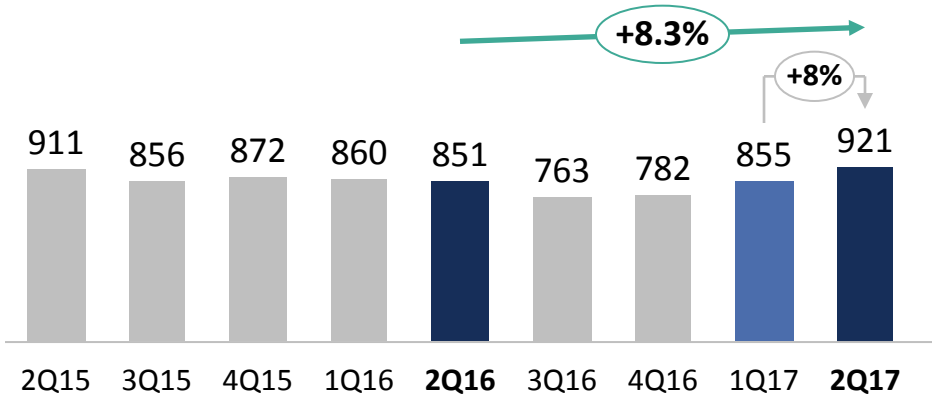
CGI [% automotive volume]

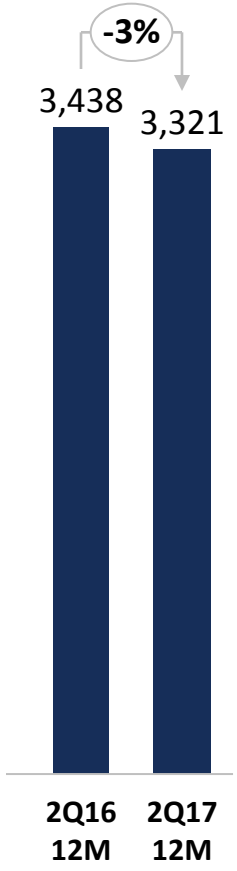


REVENUES

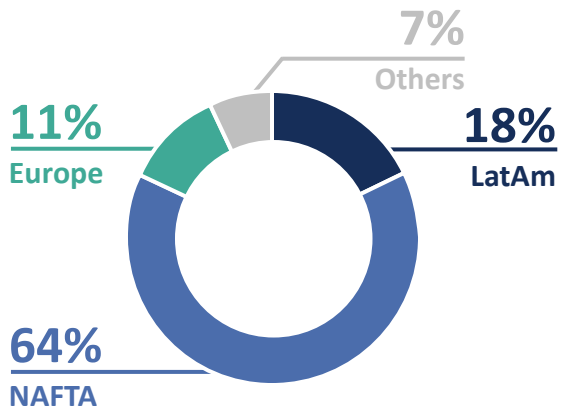
Revenues [M BRL]



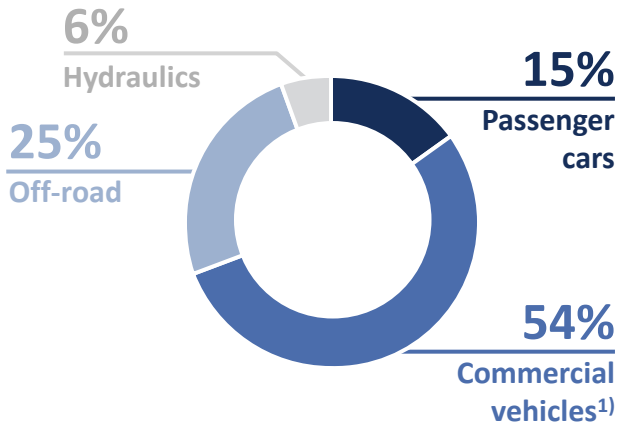




Origin [% revenues]



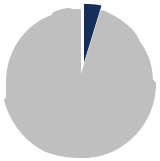
Application [% revenues]



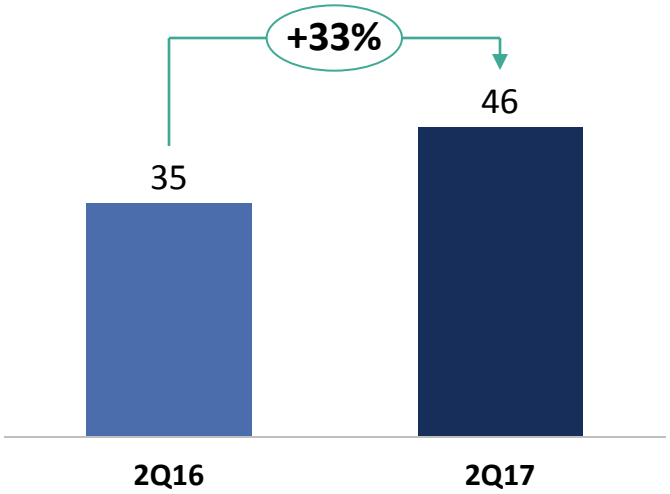
1) Includes light, medium and heavy commercial vehicles

AUTOMOTIVE DOMESTIC MARKET

Passenger cars [M BRL]



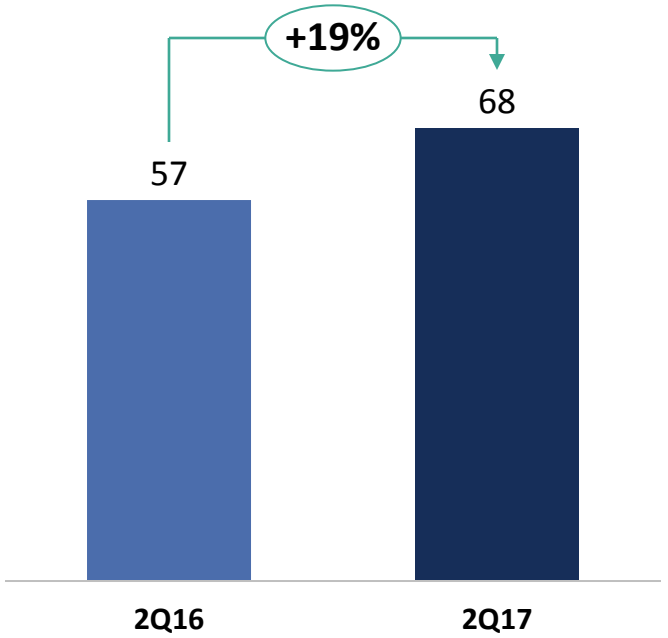
5.0%
of revenues



Commercial vehicles [M BRL]



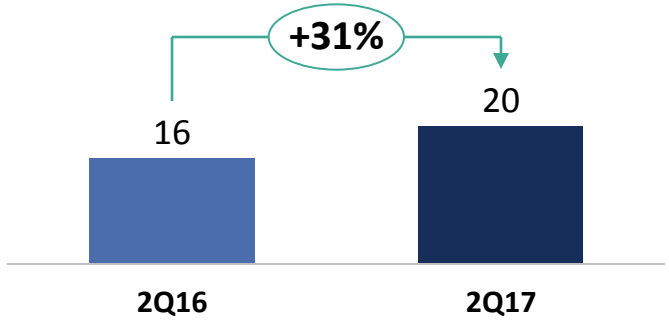
7.3%
of revenues



Off-road [M BRL]

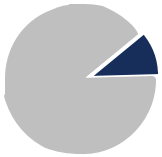


2.2%
of revenues

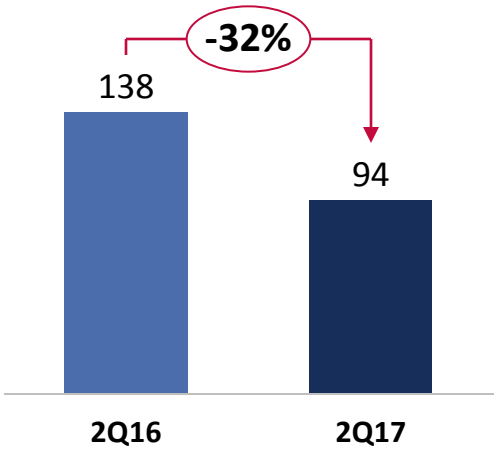


AUTOMOTIVE FOREIGN MARKET

Passenger cars [M BRL]



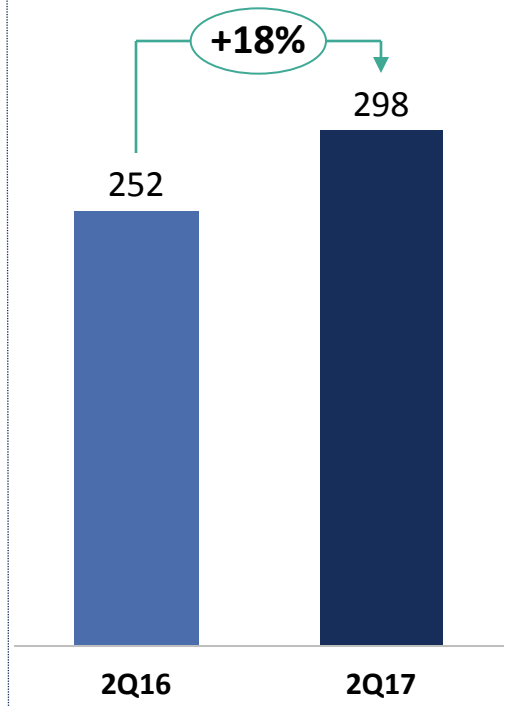
10.2% of revenues



Light commercial [M BRL]



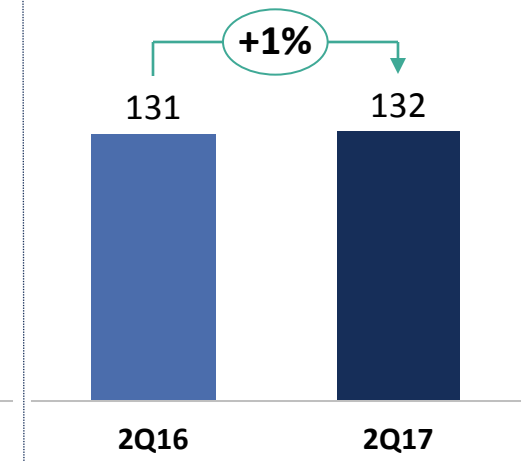
32.4% of revenues



Med. & heavy comercial [M BRL]



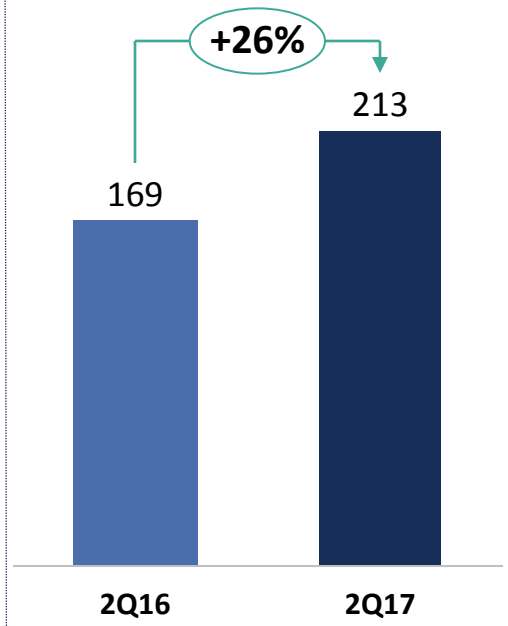
14.3% of revenues



Off-road [M BRL]



23.1% of revenues



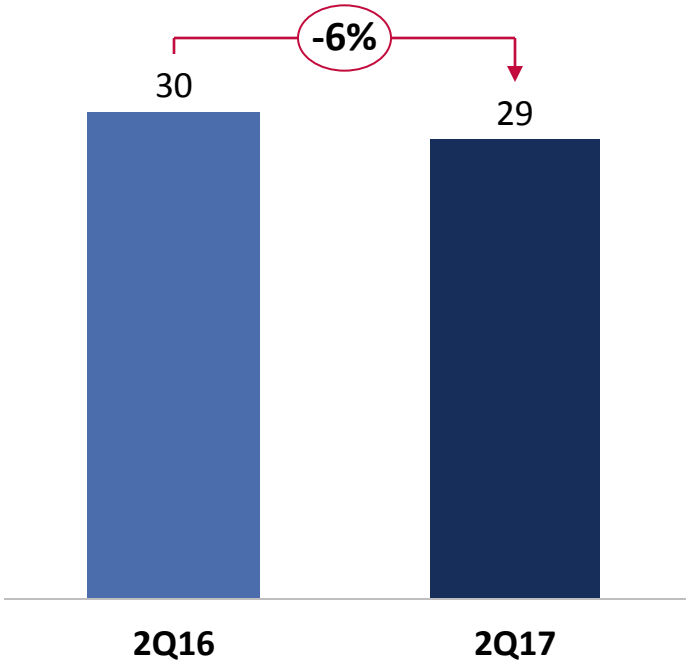
HYDRAULICS

Domestic and Foreign Markets [M BRL]

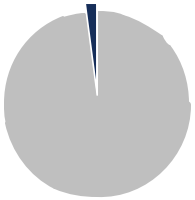
Domestic Market



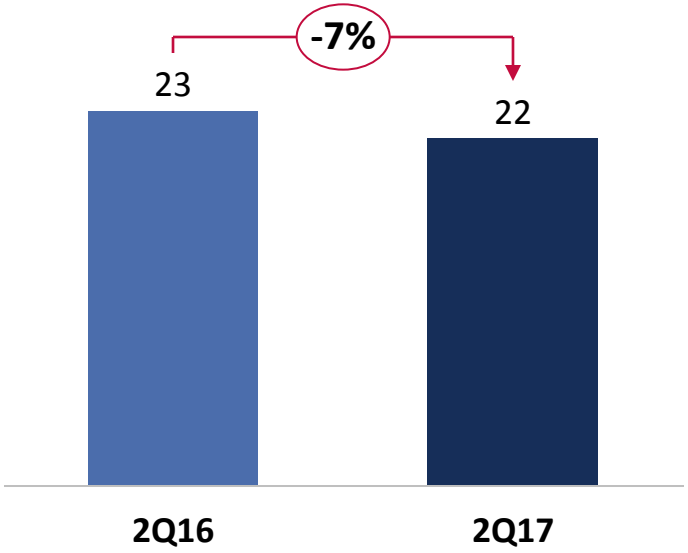
3.1%
of revenues



Foreign Markets

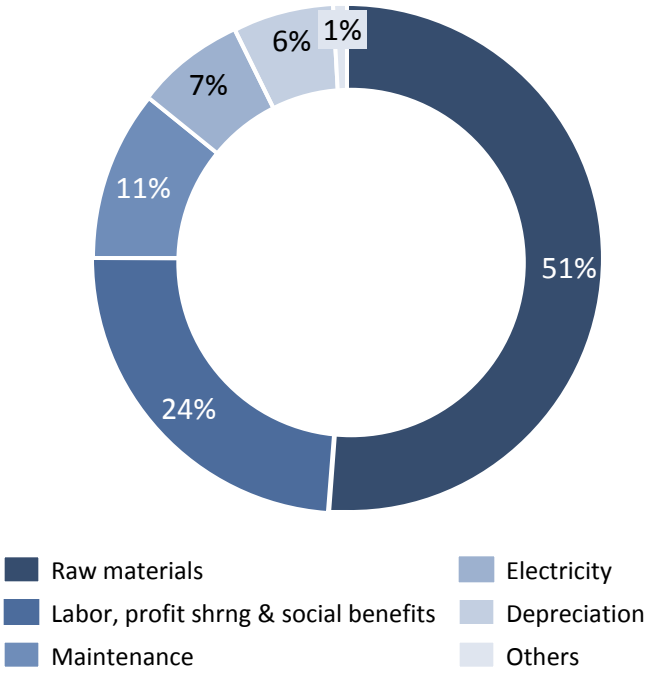


2.3%
of revenues

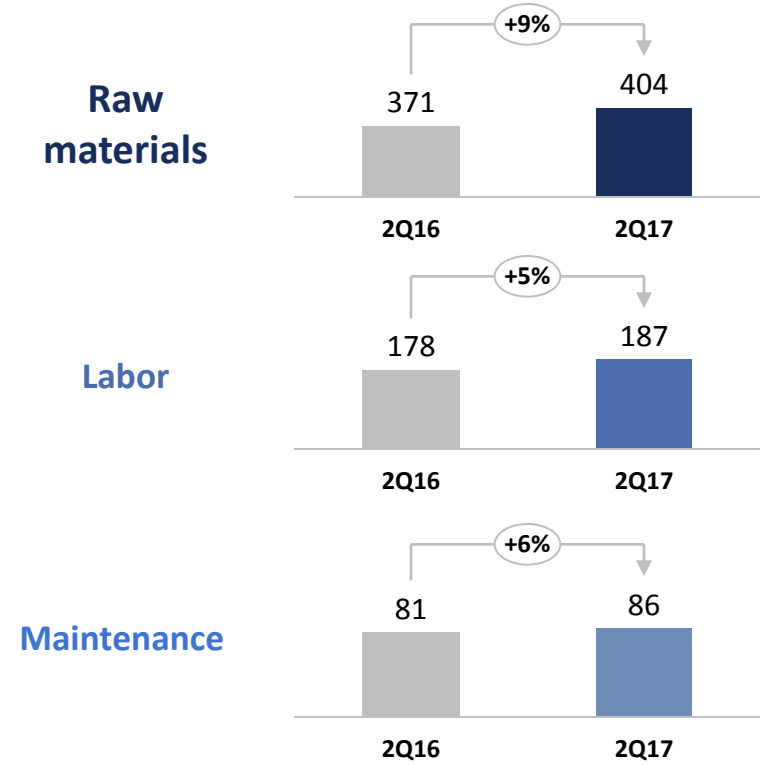


COGS AND SG&A

COGS by nature 2Q17 [%]



Variation of main costs by nature [%]



	2Q16		2Q17
COGS	738.8 M BRL	+6.7%	788.2 M BRL
Gross Margin	13.2 %	+1.2pp	14.4 %
SG&A	68.7 M BRL	+17.8%	80.9 M BRL

ADJUSTMENTS IN MAUÁ PLANT

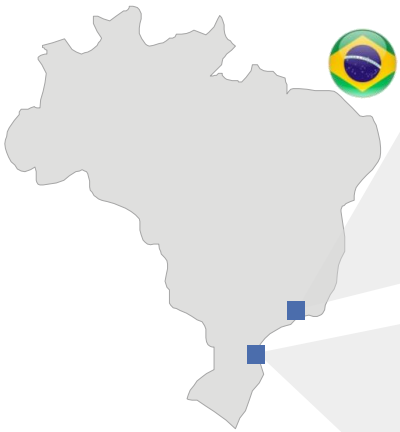


Ramos Arizpe

Capacity :	92 kton/year
Area:	358,000 m²
Employees:	~1,000

Saltillo

Capacity:	216 kton/year
Area:	223,000 m²
Employees:	~2,000



Mauá/SP

Capacity:	100 kton/year
Area:	100,000 m²
Employees:	~600

Joinville/SC Headquarter

Capacity:	440 kton/year
Area:	1,208,000 m²
Employees:	~7,000

Opportunities

- Efficiency on asset allocation
- Consolidation of Tupy´s Production System
- Gains of scale
- **Decreases of fixed and variable costs**

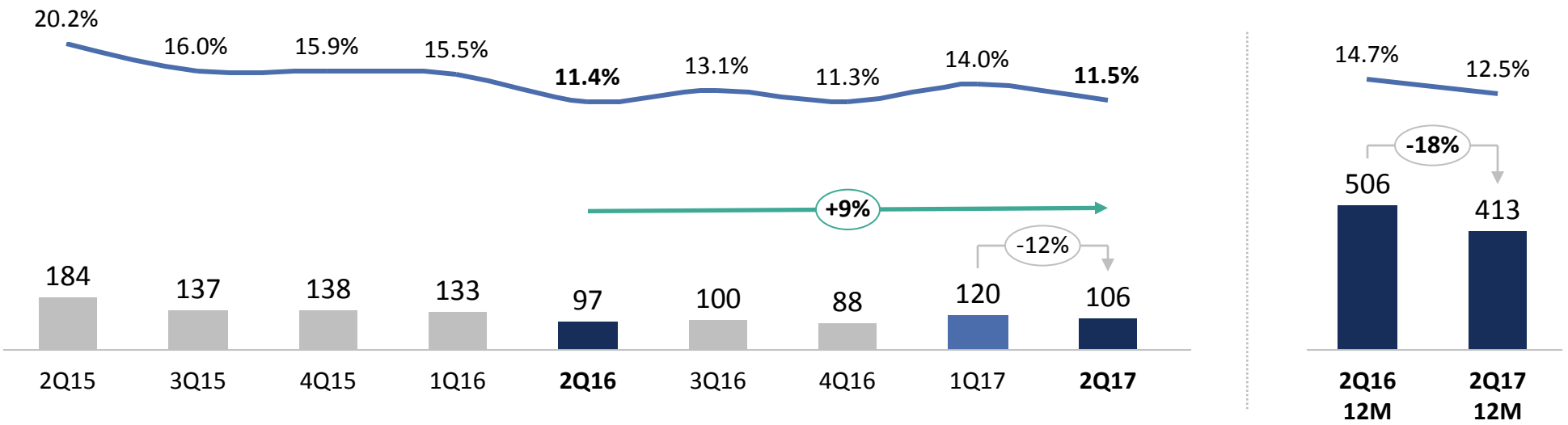
Challenges

- Ramp up of products
- Training people
- Synchronim of processes
- Dealing with different alloys
- Severance payments and write-off of obsolete inventories and in-process products, **totalling R$45.7 million.**

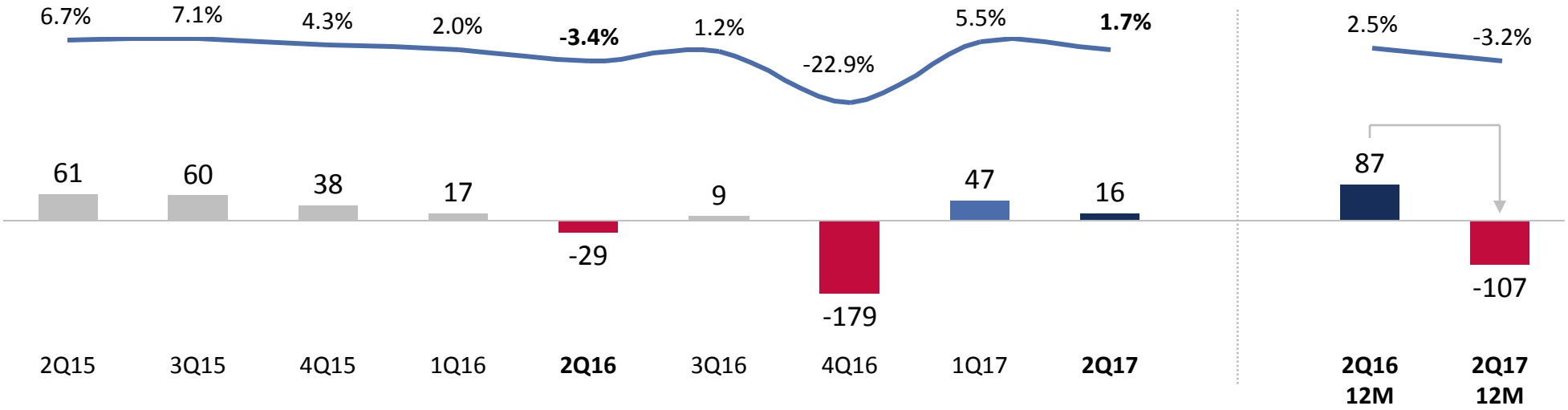
ADJUSTED EBITDA AND NET INCOME

TUPY

Adjusted EBITDA [M BRL] and EBITDA margin [%]

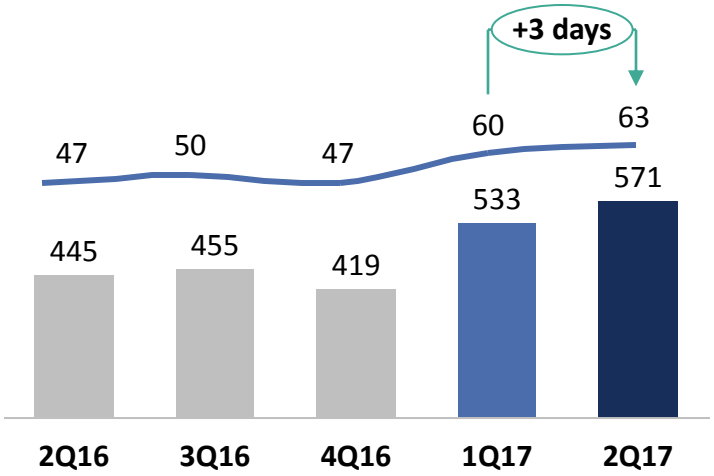


Net income [M BRL] and net margin [%]

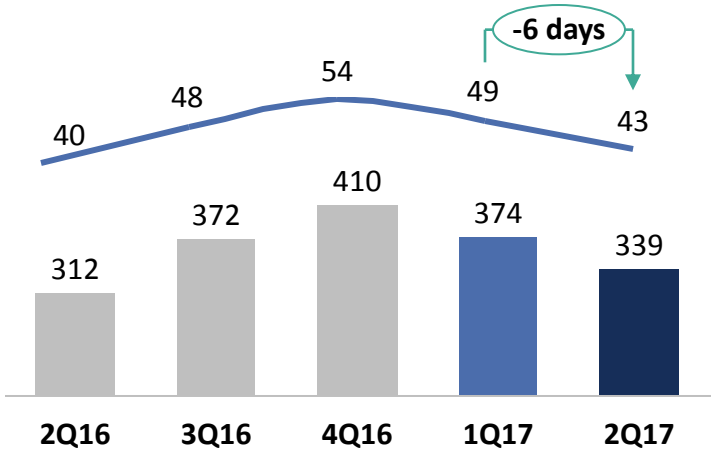


WORKING CAPITAL

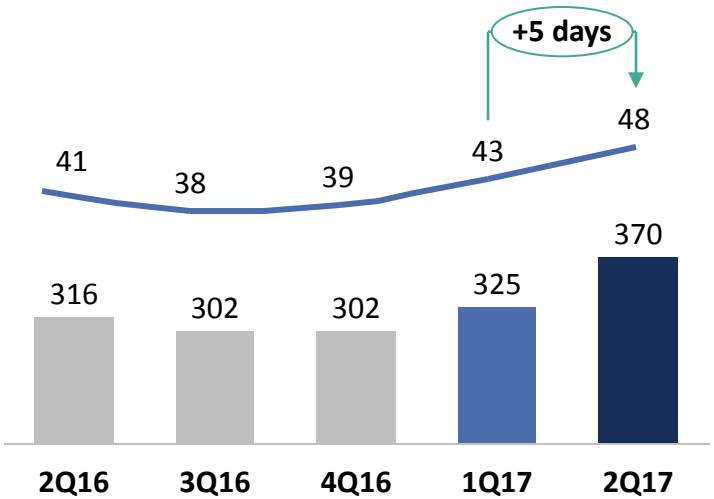
Accounts receivable [M BRL] and DSO [days]



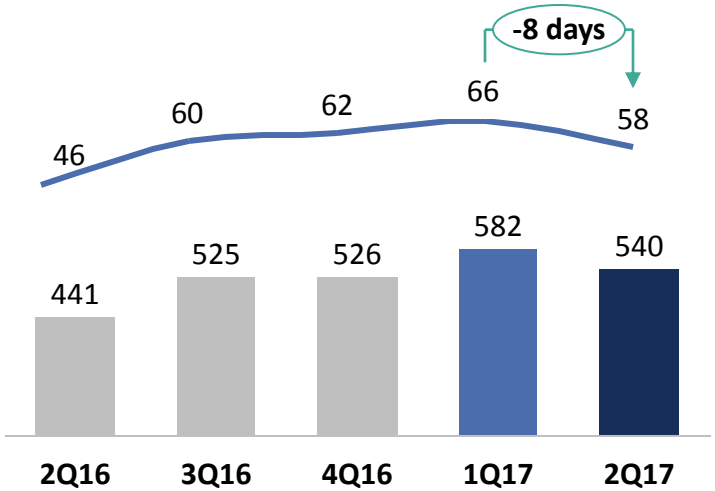
Inventories [M BRL] and DIO [days]



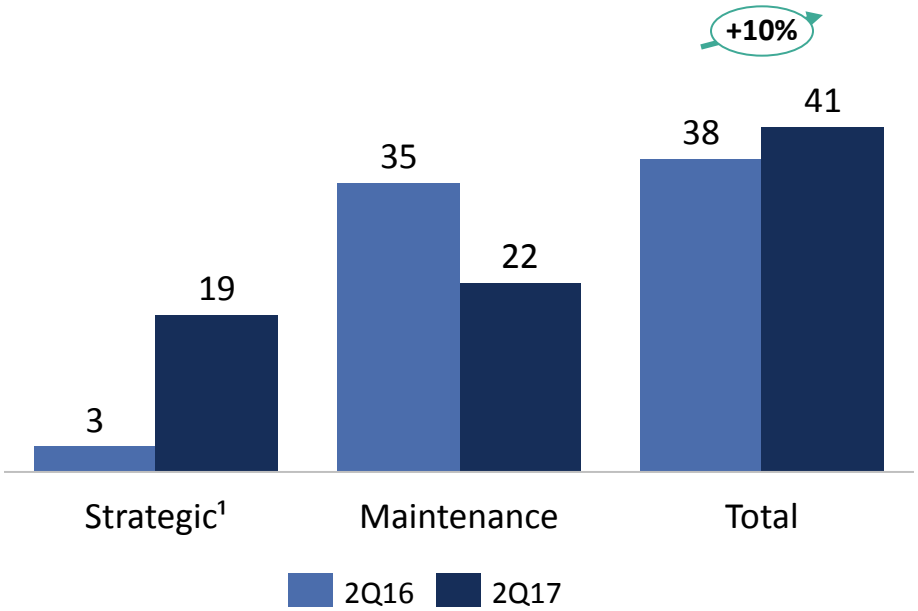
Accounts payable [M BRL] and DPO [days]



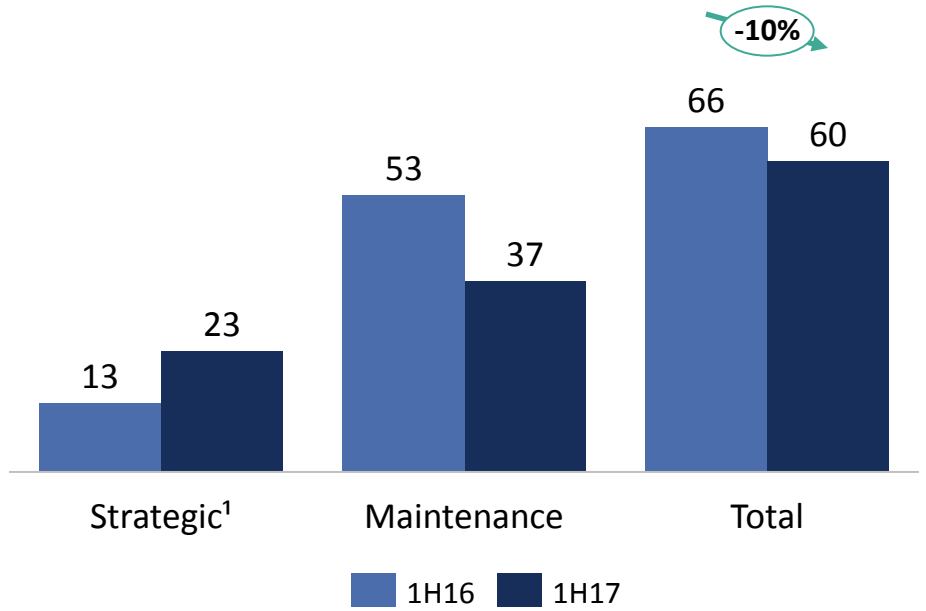
Working capital [M BRL] and CCC [days]



Investments 2Q17 vs. 2Q16 [M BRL]



Investments 1H17 vs. 1H16 [M BRL]

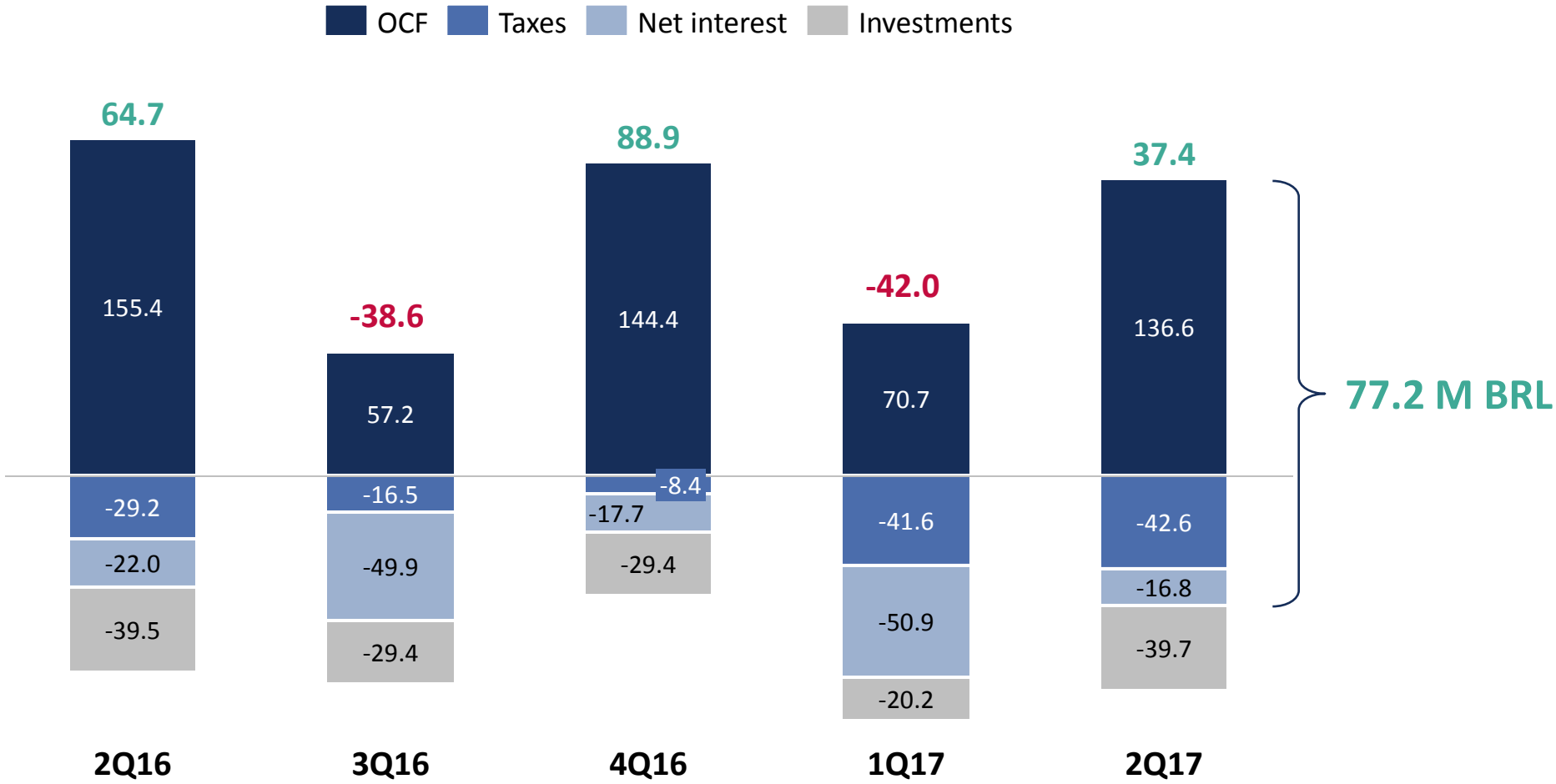


› **Increasing investments due to new machining projects**

1) Includes intangibles

FREE CASH FLOW
[M BRL]

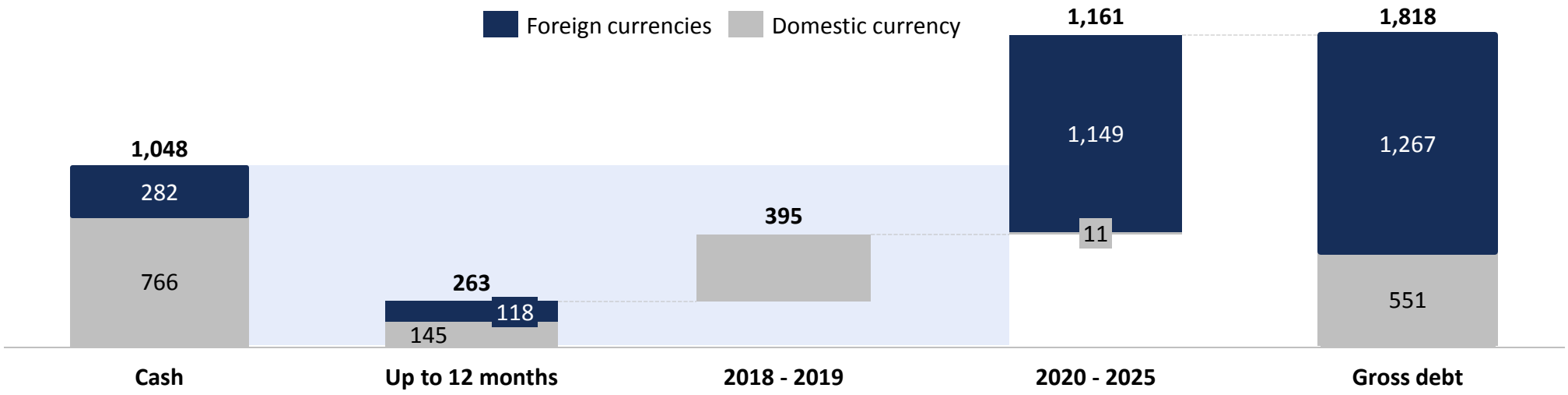
TUPY



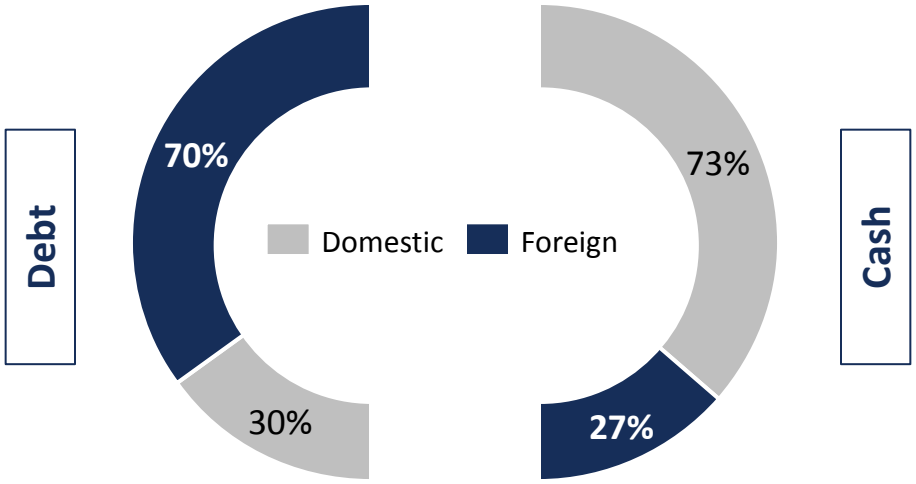
› **Improvements in working capital led to a stronger operational cash flow generation**

DEBT STRUCTURE – JUNE/2017

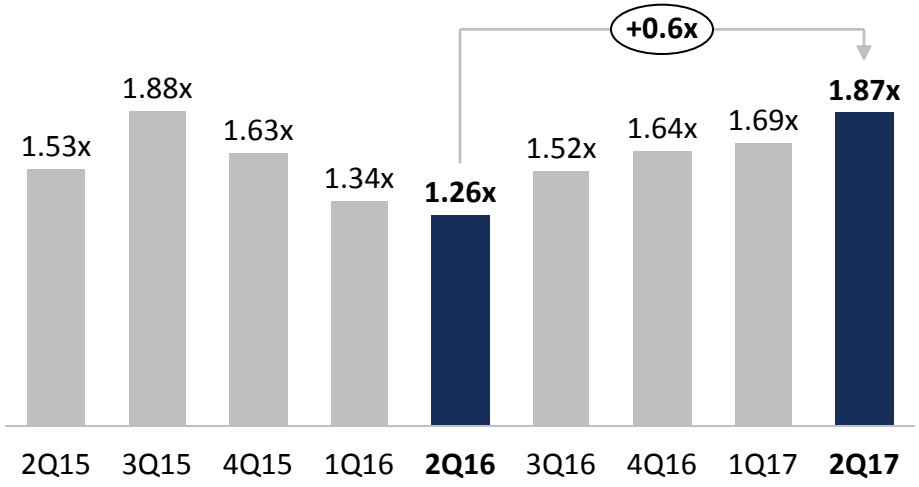
Debt [M BRL]



Currency distribution [% total]

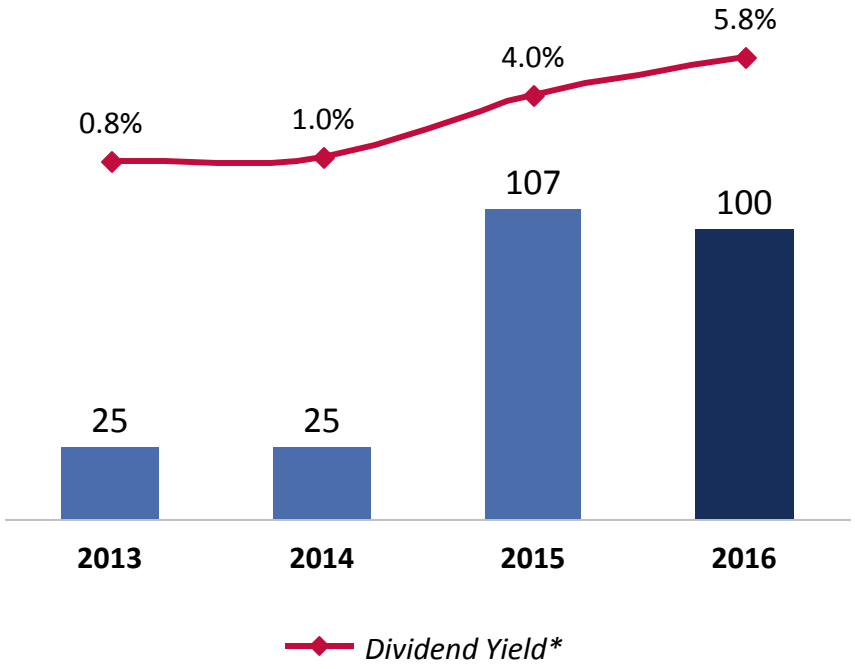


Net debt/Adjusted EBITDA LTM

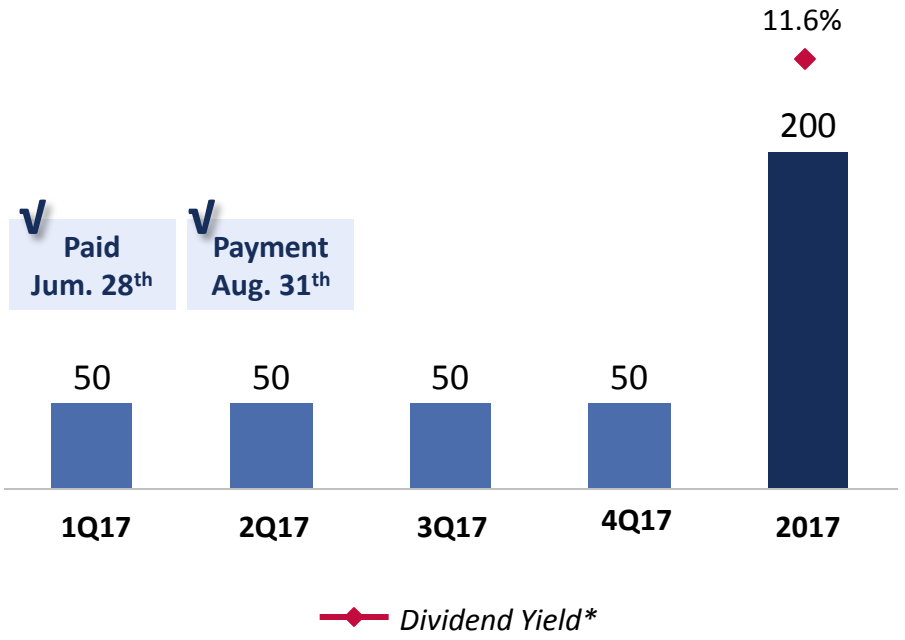


DISTRIBUTION OF DIVIDENDS & INTEREST ON EQUITY (IOE)

Historical IOE and Dividends [M BRL]



Proposed IOE and Dividends - 2017 [M BRL]



- **Consistent increase in return to shareholders,** despite the incidence of non-recurring costs in 2016
- **257 M BRL paid** between 2013 and 2016

- **Payment of interest on equity and dividends in the amount of 200 M BRL related to fiscal year 2017,** with quarterly distribution
- Proposed value takes into account capital structure, cash policy and investment opportunities

* According to the last trading session of 2016

TUPY

Investor Relations

+55 (11) 2763-7844

dri@tupy.com.br

www.tupy.com.br/ir