TUPY

Strong operating cash generation. Reduction of costs & expenses and efficiency gains.

Earnings Conference Call

Date: May 15, 2024

Portuguese/English

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- **Revenues: R$2.6 billion in 1Q24 (-7% vs 1Q23).** Impact of the 5% appreciation of the Brazilian real vs. the U.S. dollar on revenues in foreign currency (64% of the total) and the drop in physical sales volumes, mainly due to the stabilization of demand for commercial vehicle in the foreign market and the performance of off-road applications related to agribusiness and sectors with higher sensitivity to interest rates, mitigated by price adjustment initiatives.

- **Operating cash generation:** R$121 million (vs. a consumption of R$132 million in 1Q23), reaching **the highest level in the Company's history in a first quarter.** The performance was due to initiatives in working capital management, operational efficiency, and asset optimization.

- **EBITDA Margin:** 11.9%, vs. 11.2% in 1Q23. Increase from efficiency gains, cost reductions and reimbursement of claims regarding the accident that occurred in 2022.

- **Adjusted EBITDA: R$308 million.** Synergies captured and actions to reduce costs and expenses mitigated impacts from the drop in volumes and the appreciation of the Brazilian real and the Mexican peso, which, combined, impacted EBITDA by more than R$130 million. Decrease of 2% vs the previous year.

- **Net Income: R$112 million** (vs. R$145 million in 1Q23), with a net margin of 4.3%. The variation was due to the operating result and the currency variation effect on the tax bases in foreign currency (positive impact of R$49 million in 1Q23 and R$28 million in 1Q24, due to higher appreciation of the Mexican peso compared to the previous quarter).

MESSAGE FROM MANAGEMENT

We have made progress in executing our strategic agenda, building a more efficient and diversified Company. We made significant progress, with cost and expense reduction, and brought more synergies from acquisitions.

These results were obtained in a still challenging environment, with reduced sales volume and unfavorable exchange rates, with YoY appreciations of 5% in the Brazilian real and 9% in the Mexican peso vs. the U.S. dollar. Despite this scenario, we continued to focus on generating cash and, therefore, we adjusted production in response to market fluctuations, which led to a decrease in production volumes. These effects, when combined, impacted EBITDA by approximately R$130 million in 1Q24.

Tupy plays a significant role as a consolidator and driver of the industry. We have made significant acquisitions in the last few years, and still operate with idle capacity and overlapping areas. In a scenario of low volumes, this integration movement with associated costs and expenses has impacted our performance. Several management initiatives have been implemented in all areas. We expect additional results over the next few quarters, with structure adjustments and greater production flexibility, which will allow reallocation to lines with lower cash costs, reduced fixed and variable costs, and increased margins. The progress of these actions will also contribute to improved capital allocation by prioritizing the most efficient plants, which allows for rationalization and productivity in traditional business operations.

Regarding new businesses, we have many opportunities in the manufacturing contracts, bioplants, and distribution segments, with several ongoing discussions with potential customers. These markets offer high returns and will play a key role in our growth strategy.

Resilience and cash generation

Net revenue reached R$2.6 billion, a YoY decrease of 7%, as a result of the drop in sales volume and the appreciation of the Brazilian real against the U.S. dollar, mitigated by price recovery initiatives and increased revenues from MWM.

We observed the gradual recovery of applications for heavy vehicles in Brazil, with impacts in the Structural Components and Manufacturing Contracts segments. On the other hand, segments related to agribusiness in Brazil and abroad, or those more exposed to interest rates, reported lower performance than last year. Projections for truck production in North America have been revised, indicating a lower downward level for 2024.

Despite these factors and the appreciation of the Mexican peso, Adjusted EBITDA came to R$308 million, with a margin of 11.9%, compared to 11.2% in 1Q23.

We continue an important restructuring action, reflecting the business strategy and the scenario of the markets in which we operate, with a negative impact of R$16 million in expenses for the quarter.

Operating cash generation, a key indicator in our business, reached R$121 million in the period, the best ever achieved by the Company in a first quarter, due to operational results and working capital management initiatives, as well as the contribution from MWM. This performance is even more significant if we take into consideration that, due to seasonal factors, the first quarter is characterized by cash consumption from operations. Similar to previous quarters, we made specific line shutdowns, which, on one hand, impacted margins due to lower fixed cost dilution, and on the other hand, contributed to better asset utilization.

The management of environmental, social, and governance factors are also part of our strategy and are fundamental to our growth. MSCI agency recently upgraded the Company's ESG rating to "BB". The upgrade reflects the recognition of the evolution of the practices adopted by Tupy over the years and its commitment. The company also holds a "Low Risk" classification by Sustainalytics.

In April, we released the 2023 Sustainability Report, prepared under the standards of the Global Reporting Initiative (GRI) and other relevant international frameworks. In this report, we present projects and processes linked to the R$170 million investment in Research & Development and in environmental and safety areas. We detail the initiatives related to the circular economy, which underpins recent initiatives focused on agribusiness, is also the basis of our traditional business. In 2023, 592 thousand tons of metallic material were recycled and turned into blocks, cylinder heads, and other structural components. In the social aspect, I highlight our first diversity census and social responsibility actions that impacted more than 18 thousand people in the communities where we operate.

I invite you to check out the document that also includes a vision of new businesses, detailing the services and products that contribute to the decarbonization of chains in which we operate. Enjoy your reading.

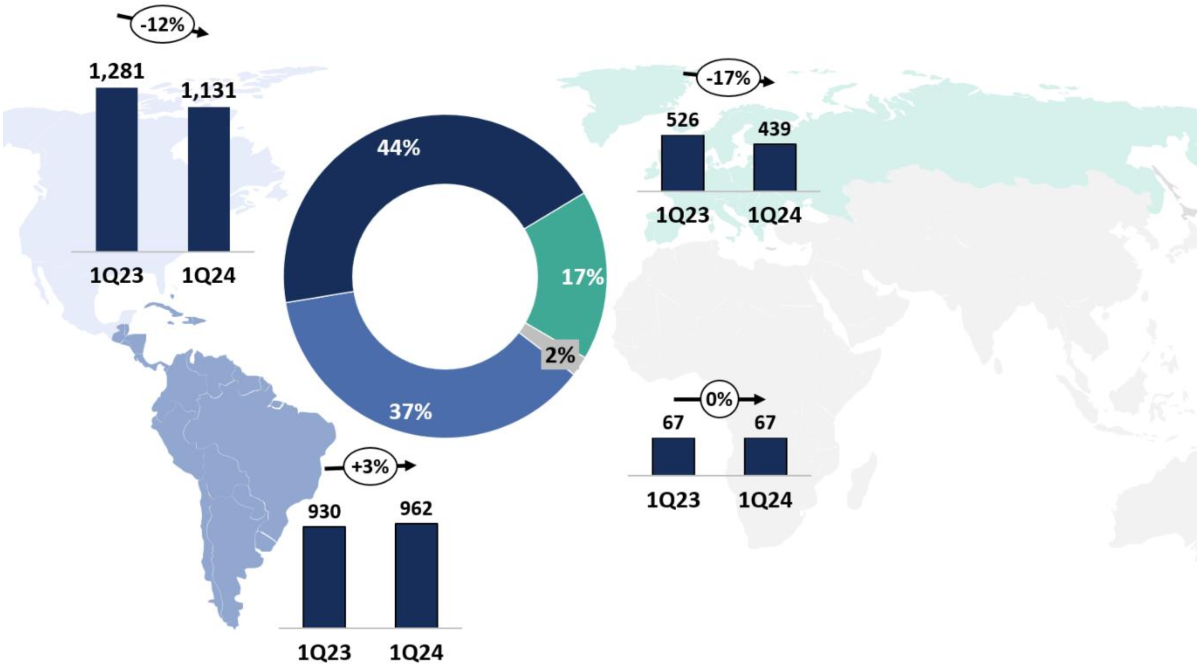
SUMMARIZED RESULTS

	Consolidated (R$ thousand)		
SUMMARY	**1Q24**	**1Q23**	**Var. [%]**
Revenues	**2,597,904**	**2,804,406**	**-7.4%**
Cost of goods sold	(2,133,555)	(2,299,706)	-7.2%
Gross Profit	**464,349**	**504,700**	**-8.0%**
% on Revenues	*17.9%*	*18.0%*	
Operating expenses	(243,766)	(278,921)	-12.6%
Other operating expenses	(27,711)	(8,517)	225.4%
Earnings before Financial Result	**192,872**	**217,262**	**-11.2%**
% on Revenues	*7.4%*	*7.7%*	
Net financial result	(52,015)	(66,256)	-21.5%
Earnings before Tax Effects	**140,857**	**151,006**	**-6.7%**
% on Revenues	*5.4%*	*5.4%*	
Income tax and social contribution	(29,112)	(5,730)	408.1%
Net Income	**111,745**	**145,276**	**-23.1%**
% on Revenues	*4.3%*	*5.2%*	
EBITDA (CVM Inst. 527/12)	**282,479**	**308,991**	**-8.6%**
% on Revenues	*10.9%*	*11.0%*	
Adjusted EBITDA	**308,061**	**315,353**	**-2.3%**
% on Revenues	*11.9%*	*11.2%*	
Average exchange rate (BRL/USD)	**4.95**	**5.20**	**-4.7%**
Average exchange rate (BRL/€)	5.38	5.58	-3.6%

REVENUES

In 1Q24, 44% of revenues originated in North America. The South and Central Americas accounted for 37%, and Europe for 17% of the total. The remaining 2% came from Asia, Africa, and Oceania, and the acquired plants contributed to higher exposure to the Brazilian and European markets.

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



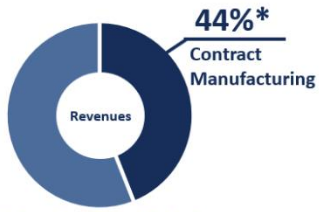
Consolidated (R$ thousand)	1Q24	1Q23	Var. [%]
Revenues	**2,597,904**	**2,804,406**	**-7.4%**
Domestic Market	**934,461**	**890,735**	**4.9%**
Structural Components & Manufacturing Contracts	**686,840**	**604,240**	**13.7%**
Commercial vehicles (and passenger cars)	624,385	521,425	19.7%
Off-road	62,455	82,815	-24.6%
Energy & Decarbonization	**122,675**	**144,274**	**-15.0%**
Distribution	**124,946**	**142,221**	**-12.1%**
Export Market	**1,663,443**	**1,913,671**	**-13.1%**
Structural Components & Manufacturing Contracts	**1,581,765**	**1,805,122**	**-12.4%**
Commercial vehicles (and passenger cars)	1,208,804	1,231,950	-1.9%
Off-road	372,961	573,172	-34.9%
Energy & Decarbonization	**37,767**	**51,010**	**-26.0%**
Distribution	**43,911**	**57,539**	**-23.7%**

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

REVENUE BY BUSINESS UNIT

Structural Components & Manufacturing Contracts

Δ % Revenues	% Revenues DM	% Revenues FM
- 6% ▼	74%	95%



*% of products with added value (machining and/or assembly)

Truck production in Brazil grew by 20% YoY versus previous year, impacting our operations in structural components and manufacturing contracts in the domestic market.

Approximately 44% of revenues come from products that contain machining or engine assembly services for third parties (Manufacturing Contracts), percentage that was 37% in 1Q23.

Price recovery initiatives mitigated the effects of the 5% appreciation of the Brazilian real against the U.S. dollar, a currency that accounts for 70% of sales in this segment, and the drop in sales volume, resulting from the stabilization of demand for commercial vehicles in the United States and Europe, the high interest rates, and the product phase out.

Demand from off-road applications was mainly impacted by the significant decrease in global prices of agricultural commodities and the performance of sales of machinery for the residential construction market.

Energy & Decarbonization

Δ % Revenues	% Revenues DM	% Revenues FM
- 18% ▼	13%	2%

Revenues from the Energy & Decarbonization segment were impacted by the decrease in sales of engines, mainly used in agribusiness, lower export volume, and a mix of gensets with lower average prices, compared to the previous year.

The segment accounted for 13% of the Company's net revenues in the domestic market and 6% of total revenues.

Distribution

Δ % Revenues	% Revenues DM	% Revenues FM
- 15%	13%	3%

Revenue from the distribution segment fell by 15%. The aftermarket business was impacted by downtime resulting from the implementation of a new warehouse management software at the Distribution Center located in Jundiaí (São Paulo), by approximately R$20 million in revenue for the first months of the year, which will be offset throughout 2024.

The hydraulic product business, in turn, was impacted by lower industrial construction volume and a decrease in exports.

The segment accounted for 13% of the Company's net revenue in the domestic market and 7% of total revenue.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$2.1 billion in 1Q24, down by 7% in the annual comparison.

Production volume fell in the quarter vs. 1Q23, due to the reduction in demand of some applications in the Brazilian and foreign markets, in addition to initiatives aimed at generating cash.

Similar to previous quarters, the Mexican peso appreciated in the annual comparison (9% vs. 1Q23), impacting costs in this currency, which account for approximately 20% of the Company's costs.

These effects were partially mitigated by several initiatives to reduce costs and expenses, in addition to productivity gains and synergies captured.

Consolidated (R$ thousand)	1Q24	1Q23	Var. [%]
Revenues	**2,597,904**	**2,804,406**	**-7.4%**
Cost of goods sold	**(2,133,555)**	**(2,299,706)**	**-7.2%**
Raw material	(1,297,975)	(1,436,331)	-9.6%
Labor, profit sharing, and social benefits	(443,729)	(451,601)	-1.7%
Maintenance supplies	(169,248)	(171,690)	-1.4%
Energy	(115,078)	(110,180)	4.4%
Depreciation and amortization	(80,912)	(84,139)	-3.8%
Others	(26,613)	(45,765)	-41.8%
Gross profit	**464,349**	**504,700**	**-8.0%**
% on Revenues	*17.9%*	*18.0%*	
Operating expenses	**(243,766)**	**(278,921)**	**-12.6%**
% on Revenues	*9.4%*	*9.9%*	

Costs for 1Q24 were also mainly affected by:

- Raw material: impact of the appreciation of the Mexican peso and product mix (higher share of machined and CGI parts) mitigated by volume reductions and material deflation;
- Labor: annual salary adjustments and appreciation in the Mexican peso, offset by reduced overtime and headcount;
- Maintenance and outsourced services: volume reductions, management initiatives, and efficiency gains, mitigating the effects of inflation on services and appreciation of the Mexican peso;
- Energy: 4% increase, mainly due to rising energy prices and currency appreciation of the Mexican peso;
- Decrease of R$19 million in the other operating costs line. The line includes costs with the handling of products and materials, engine engineering projects, leases, and health and safety, among other items. The result for the period was impacted by the receipt of amounts related to loss incurred from a casualty in an operation in Mexico in 2022, of R$26 million (refund of loss of profit).

Operating expenses, including selling and administrative expenses, reached R$237 million, down by 13% from 1Q23, mainly due to the drop in expenses with freight (reduction in volumes and contractual negotiations) and efficiency gains.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Income/Expenses came in as an expense of R$28 million in 1Q24, compared to an expense of R$9 million in the previous year.

Consolidated (R$ thousand)			
	1Q24	1Q23	Var. [%]
Depreciation of non-operating assets	(2,129)	(2,155)	-1.2%
Others	(25,582)	(6,362)	302.1%
Other operating expenses	**(27,711)**	**(8,517)**	**225.4%**

The "Others" line consists of net expenses of R$26 million, resulting from (i) the creation/update of provisions, totaling R$16 million, (ii) the receipt of amounts related to losses incurred from a casualty in Mexico (reimbursement of expenses in the recovery of equipment), totaling R$20 million, net of asset write-offs and process expenses, (iii) expenses of R$16 million related to organizational restructuring, and (iv) expenses of R$14 million related to sales of PP&E and other expenses.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$52 million in 1Q24, against R$66 million in 1Q23.

Consolidated (R$ thousand)			
	1Q24	1Q23	Var. [%]
Financial expenses	(78,080)	(83,332)	-6.3%
Financial income	31,186	29,087	7.2%
Net monetary and currency variations	(5,121)	(12,011)	-57.4%
Net Financial Result	**(52,015)**	**(66,256)**	-21.5%

The reduction in financial expenses in 1Q24 compared to 1Q23 is mainly due to the decrease in the CDI rate and the appreciation of the Brazilian real against the U.S. dollar, impacting the payment of debenture and bond interest, respectively, and the positive result of swap operations on loans.

The financial revenues for the period reached R$31 million, resulting from the increase in cash position from fundraising and operational cash generation, offsetting the decline in interest income from financial investments.

Expenses from net monetary and currency variations totaled R$5 million, comprised of (i) negative variations in the balance sheet accounts in foreign currency, of R$4 million, due to the depreciation of the Brazilian real compared to the previous quarter (closing rate at the end of the quarter); and (ii) the result from hedge operations, corresponding to an expense of R$1 million in the period, with a positive cash effect of R$3 million in the settled operations.

EARNINGS BEFORE TAXES AND NET INCOME

The Company's Net Income was R$112 million, down by 23% from the previous year. The result was mainly due to lower operational results, arising from lower revenue, and the impact of currency effects on the tax base.

	Consolidated (R$ thousand)		
	1Q24	1Q23	Var. [%]
Earnings before Tax Effects	**140,857**	**151,006**	**-6.7%**
Tax effects before currency impacts	(56,984)	(54,317)	4.9%
Earnings before the currency effects on the tax base	**83,873**	**96,689**	**-13.3%**
Currency effects on the tax base	27,872	48,587	-42.6%
Net Income	**111,745**	**142,276**	**-23.1%**
% on revenues	*4.3%*	*5.2%*	

The tax bases of the assets and liabilities of the companies located in Mexico, where the functional currency is the U.S. dollar, are held in Mexican pesos at their historical values. Fluctuations in exchange rates affect the tax bases and, consequently, the currency effects are recorded as deferred income tax revenues and/or expenses. In 1Q24, the Company recorded a revenue of R$28 million, with no cash effect (compared to a revenue of R$49 million in 1Q23).

EBITDA

The combination of the aforementioned factors resulted in an EBITDA (CVM) of R$282 million, with a margin of 10.9%. EBITDA adjusted for other operating expenses and income (creation/update of provisions, result of PP&E sales, restructuring expenses, and receipt of amounts from incurred losses) reached R$308 million, with a margin of 11.9%, up by 70 b.p. YoY.

	Consolidated (R$ thousand)		
RECONCILIATION OF NET INCOME WITH EBITDA	1Q24	1Q23	Var. [%]
Net Income for the Period	**111,745**	**145,276**	**-23.1%**
(+) Net financial result	52,015	66,256	-21.5%
(+) Income tax and social contribution	29,112	5,730	408.1%
(+) Depreciation and amortization	89,607	91,729	-2.3%
EBITDA (CVM 527/12)	**282,479**	**308,991**	**-8.6%**
% on revenues	*10.9%*	*11.0%*	
(+) Other operating expenses, net	25,582	6,362	302.1%
Adjusted EBITDA	**308,061**	**315,353**	**-2.3%**
% on revenues	*11.9%*	*11.2%*	

This result was due to several management initiatives implemented in the last quarters, in which we highlight projects aimed at efficiency gains, contractual negotiations with customers and suppliers, transfers, and reductions in costs and expenses for all the Company's areas. In turn, the process of capturing synergies from acquisitions has outperformed the business plan.

These factors offset several adverse effects, such as the 5% appreciation in the Brazilian real against the U.S. dollar, a currency that accounted for approximately 64% of revenues in the quarter, and the 9% appreciation in the Mexican peso, which directly impacts approximately 20% of costs. In addition to these aspects, there is a reduction in sales and production volumes, leading to less dilution of fixed costs.

The combined impact of these factors for the period was approximately R$130 million on the EBITDA for the quarter.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment, and intangible assets totaled R$73 million in 1Q24, compared to R$91 million in 1Q23.

Consolidated (R$ thousand)

	1Q24	1Q23	Var. [%]
PP&E			
Strategic investments	16,568	34,614	-52.1%
Maintenance and renovation of operating capacity	46,296	47,239	-2.0%
Environment	2,384	4,030	-40.8%
Interest and financial charges	3,179	2,599	22.3%
Intangible assets			
Software and others	2,991	1,213	146.6%
Projects under development	1,398	1,348	3.7%
Total	**72,816**	**91,043**	**-20.0%**
% on Revenues	*2.8%*	*3.2%*	

The amounts mainly refer to new foundry and machining programs, higher operating efficiency, and synergies and investments in health, safety, and the environment.

WORKING CAPITAL

Consolidated (R$ thousand)

	1Q24	4Q23	3Q23	2Q23	1Q23
Balance Sheet					
Accounts receivable	1,947,770	1,831,735	2,220,125	2,143,880	2,087,909
Inventories	1,990,018	1,961,262	1,977,233	2,021,128	2,185,575
Accounts payable	1,407,774	1,375,774	1,397,277	1,318,083	1,508,278
Advances from customers	103,039	99,702	126,040	155,415	126,431
Sales outstanding [days]	64	59	69	66	64
Inventories [days]	78	76	74	73	78
Payables outstanding [days]	59	57	58	56	62
Cash conversion cycle [days]	**83**	**78**	**85**	**83**	**80**

The cash conversion cycle increased by 5 days compared to the previous quarter (4Q23). The main lines presented the following variations:

- Increase of R$116 million in Accounts Receivable, with an impact on sales outstanding equivalent to 5 days of sales, mainly due to seasonality in the period and currency depreciation over foreign currency accounts receivable, which accounted for 72% of the total (closing rate of US$/R$ 5.00 in March 2024 vs. US$/R$ R$4.84 in December 2023);

- Increase of R$29 million in Inventories, mainly due to exchange rate fluctuations and an increase in the volume of work-in-progress products, offset by various actions conducted by the Company to reduce inventories in operations located in Brazil and Mexico.

- Rise of R$35 million in Accounts Payable. This line was impacted by various management initiatives with suppliers and the currency appreciation on accounts payable in foreign currency, which accounted for 33% of the total.

  The calculation of the average payment term (in days) considers the advance, by customers, of working capital from the MWM engine manufacturing contract.

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	1Q24	1Q23	Var. [%]
Cash and cash equivalents at the beginning of the period	**1,593,098**	**1,509,829**	**5.5%**
Cash used in operating activities	121,168	(131,903)	-
Cash used in investing activities	(192,570)	(98,701)	95.1%
Cash provided by (used in) financing activities	328,672	(86,185)	-
Currency effect on the cash for the year	26,088	(15,419)	-
Decrease in cash and cash equivalents	**283,358**	**(332,208)**	**-**
Cash and cash equivalents at the end of the period	**1,876,456**	**1,177,621**	**59.3%**

The Company recorded an **operating cash generation of R$121 million**, **the highest volume recorded by the Company in a first quarter**, compared to a consumption of R$132 million in 1Q23. This result was due mainly to efforts to manage working capital, with a highlight to the supplier management and the performance of MWM's operations.

Investment activities consumed R$193 million in 1Q24, compared to R$99 million in 1Q23. The variation was mainly due to the cash return and reimbursement of tax credits to the former controlling shareholder of MWM, according to contractual conditions, of R$91 million.

As for financing activities, a total of R$329 million was generated in 1Q24, arising mainly from net funding.

The combination of these factors and the currency variation on cash, with a positive impact of R$26 million, resulted in an increase of R$283 million in cash and cash equivalents in the period. Accordingly, we ended 1Q24 with a balance of R$1,876 million.

INDEBTEDNESS

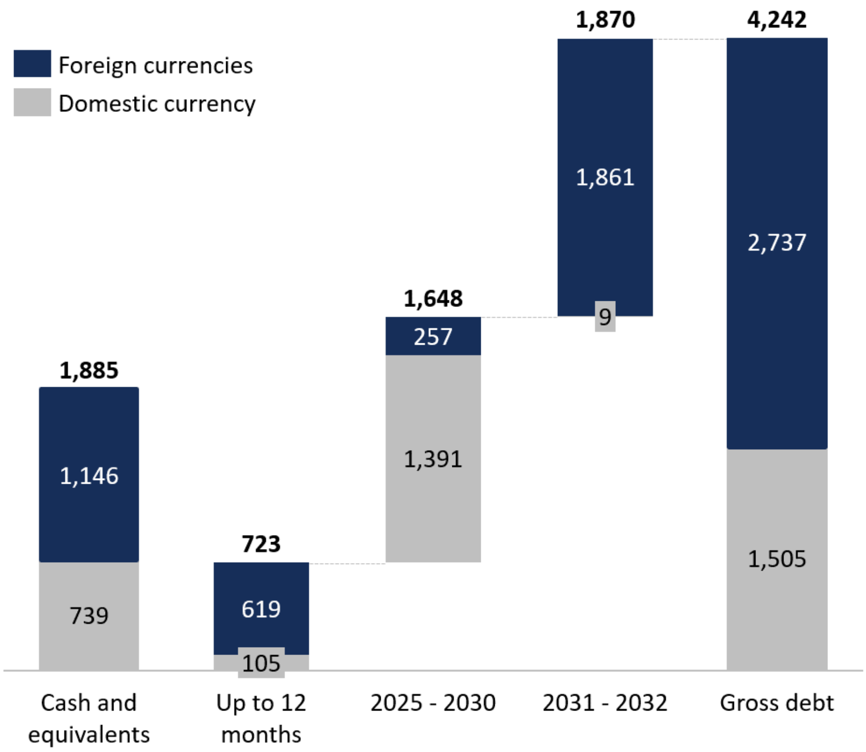
The Company ended 1Q24 with a net debt of R$2.4 billion, corresponding to a net debt/LTM Adjusted EBITDA ratio of 1.87x.

In 1Q24, US$68 million was raised through EXIM and ACC, and R$346 million was raised through NCE to increase liquidity and reduce the cost of capital.

Foreign currency liabilities accounted for 65% of the total (23% in the short term and 77% in the long term), while 35% of debt is denominated in Brazilian reais (7% in the short term and 93% in the long term). As for the cash balance, 39% of the total amount is denominated in Brazilian reais and 61% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**1Q24**	**4Q23**	**3Q23**	**2Q23**	**1Q23**
Short-term	723,435	676,277	226,040	208,295	139,668
Financing and loans	715,909	662,933	219,161	206,312	138,681
Financial instruments and derivatives	7,526	13,344	6,879	1,983	987
Long-term	3,518,745	3,127,748	3,170,678	3,173,618	3,274,608
Gross debt	**4,242,180**	**3,804,025**	**3,396,718**	**3,381,913**	**3,414,276**
Cash and cash equivalents	1,876,456	1,593,098	1,142,775	1,148,946	1,177,621
Financial instruments and derivatives	8,410	10,874	8,058	25,532	20,789
Net debt	**2,357,314**	**2,200,053**	**2,245,885**	**2,207,435**	**2,215,866**
Gross debt/Adjusted EBITDA	3.37x	3.01x	2.69x	2.69x	2.69x
Net debt/Adjusted EBITDA	**1.87x**	**1.74x**	**1.78x**	**1.76x**	**1.75x**

The Company’s debt profile is as follows:



All amounts are reported in R$ million.