

TUPY

2nd Quarter of 2023



TUPY



DISCLAIMER

This presentation may contain forward-looking statements, which are subject to risks and uncertainties as they have been based on assumptions made by our Management and available information. Forward-looking statements include statements about Management's current intentions or expectations regarding various matters, including the economic, political, and business environment in Brazil and particularly in the geographical markets in which we operate, our level of debt and other financial obligations, our ability to secure financing when needed and on reasonable terms, our ability to implement our investment plans, inflation and currency devaluation, as well as fluctuations in interest rates, existing and future laws and regulations, cost increases, our ability to obtain materials and services from suppliers without interruption at reasonable prices and with gains in scale, our ability to acquire and successfully integrate other companies, growth expectations in the automotive and hydraulic industries, and success in implementing our strategy.

Readers should be aware that the factors mentioned above, together with other factors discussed in this Presentation, may affect our future results and lead to outcomes different from those expressed in the forward-looking statements made in this Presentation. We do not assume any obligation to update such statements. We are not obliged to update such statements.

The words "believes," "may," "continues," "expects," "foresees," "intends," "plans," "estimates," "anticipates," or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve risks, uncertainties, and assumptions, as they refer to future events and, therefore, depend on circumstances that may or may not occur. The future condition of our financial situation and operational results, market share, and competitive position may significantly differ from that expressed or suggested in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Readers are advised not to place undue reliance on forward-looking statements.

Implementation of the strategic agenda with impact on results

- Capturing synergies and increasing operational synergies
- Reduction of costs and expenses
- Price recomposition & realization
- **Working capital management**

... Despite external factors

- 35%* drop in Brazilian heavy vehicle production, affecting Structural Components and Manufacturing Contracts
- Exchange rate appreciation: Costs in MXN

Net Revenue

R\$ 3 billion (+17), despite a 7% drop in physical sales of structural components

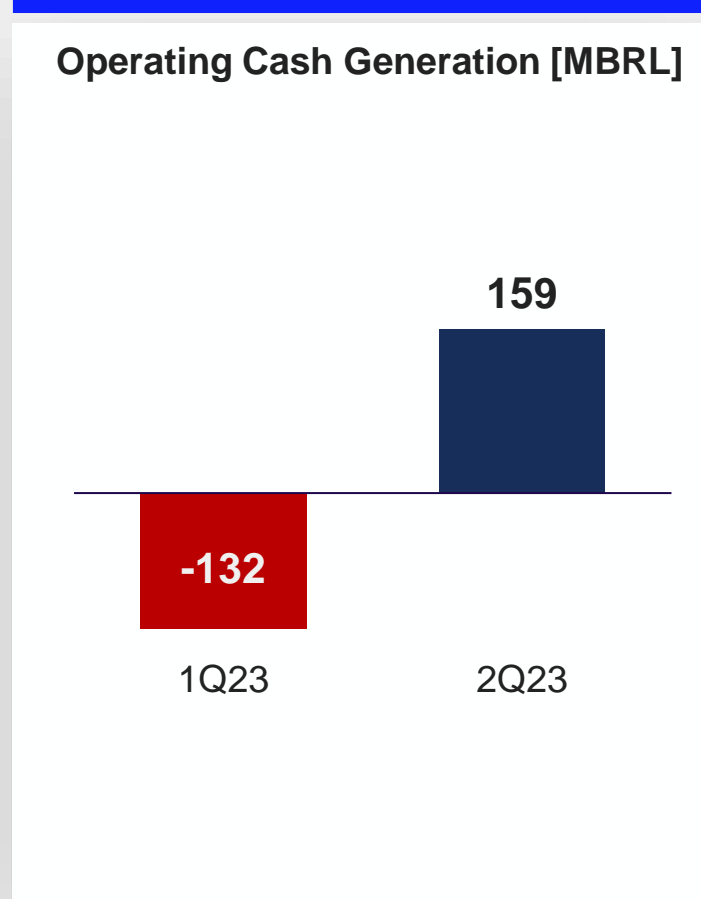
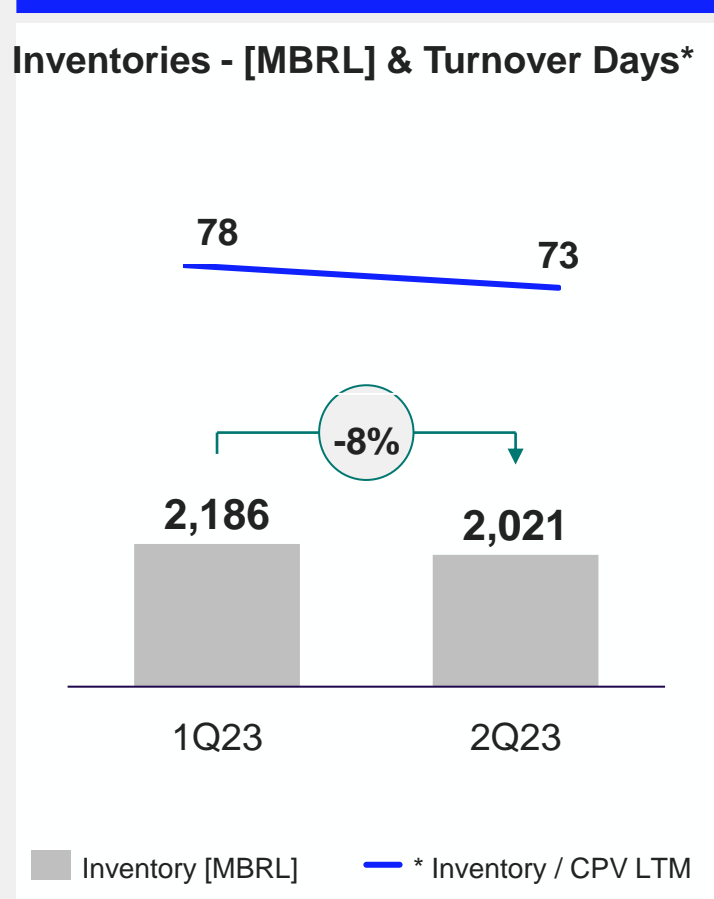
Adjusted EBITDA

R\$ 332 million, affected by the 15% reduction in production volume and the appreciation of the MXN (+12%). Margin of **11.2%**, similar to 1Q23

Net Profit

R\$ 62 million. Non-recurring effect of R\$ 66 million (constitution of provision)

INCREASED CASH GENERATION, RESULTING FROM MANAGEMENT INITIATIVES



- Inventory reduction strategy, affected by customer stoppages (bottlenecks in the supply chain)
- Reduction in production volumes, impacting EBITDA in the period
- **Positive impact on operating cash generation**

TUPY

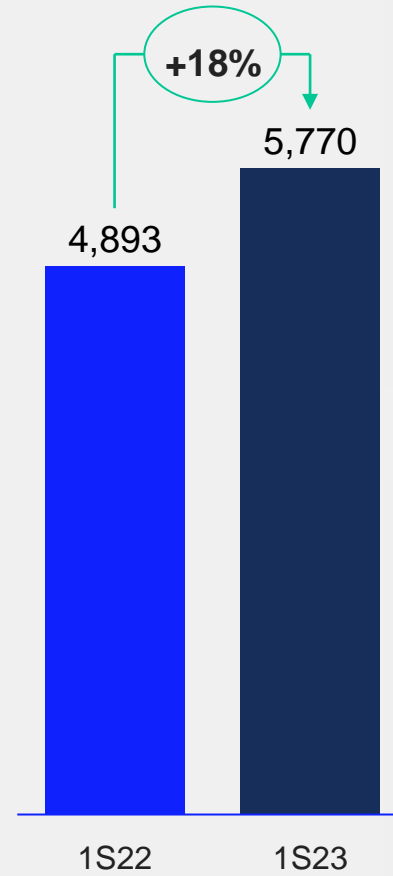
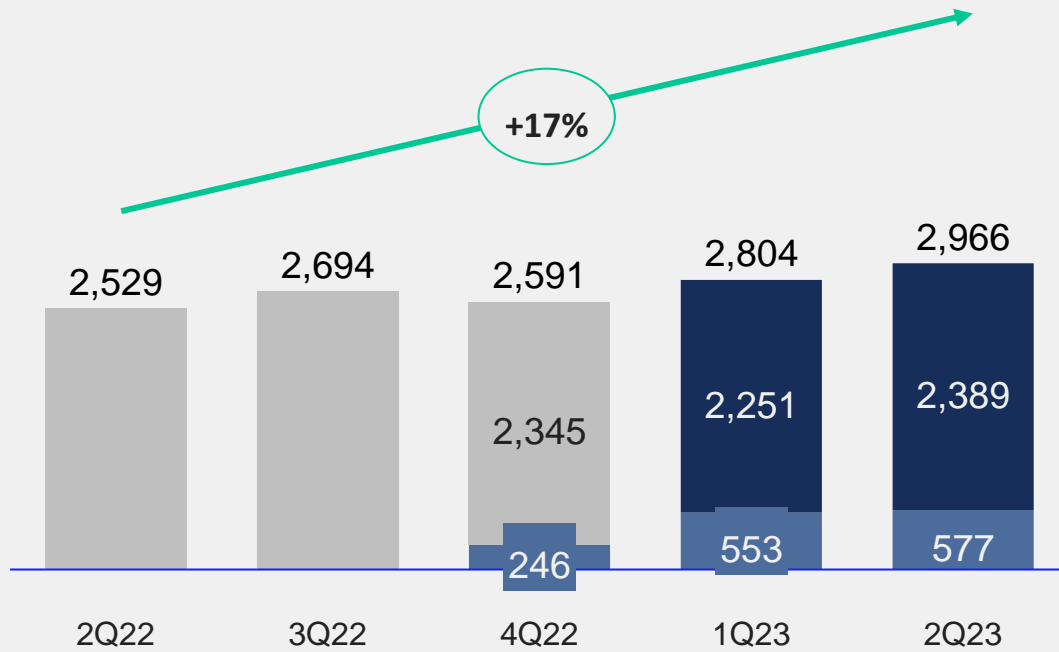


2Q23 Result

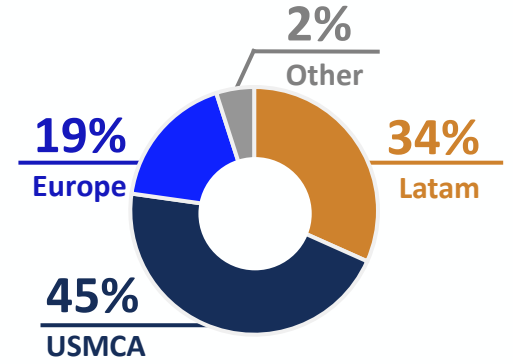
REVENUES [R\$ million]

32%
DM

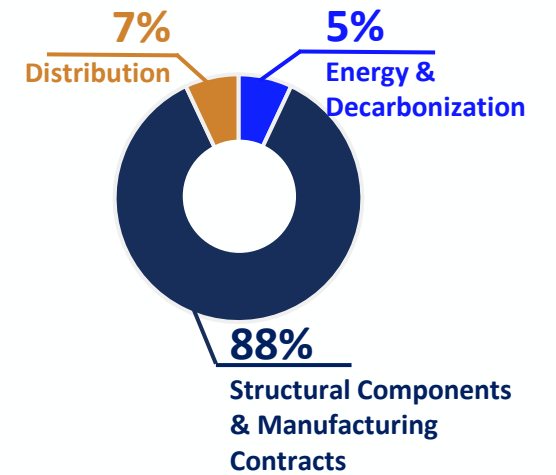
68%
EM



Origin [% Revenue]

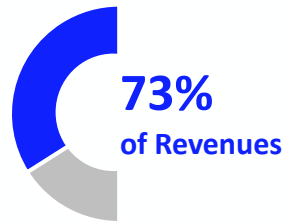


Segments [% Revenue]

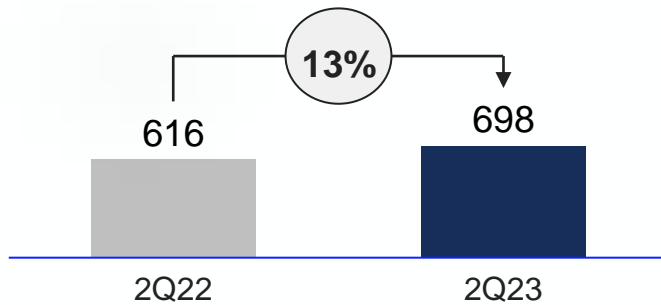


STRUCTURAL COMPONENTS & MANUFACTURING CONTRACTS

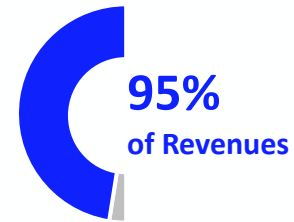
Domestic Market



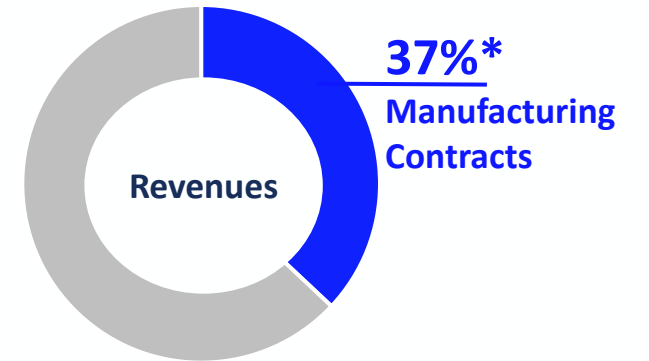
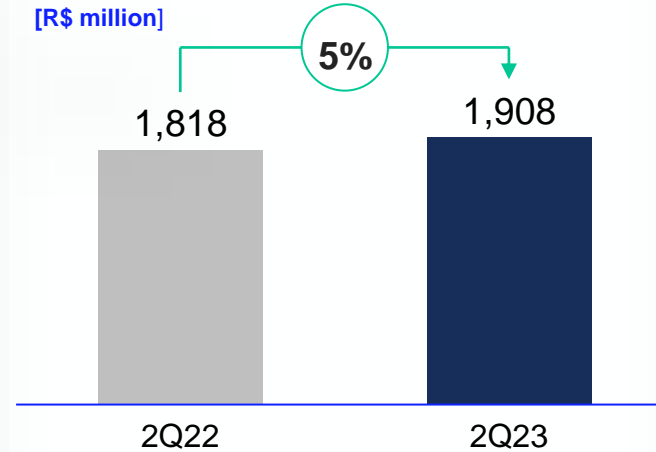
[R\$ million]



Export Market

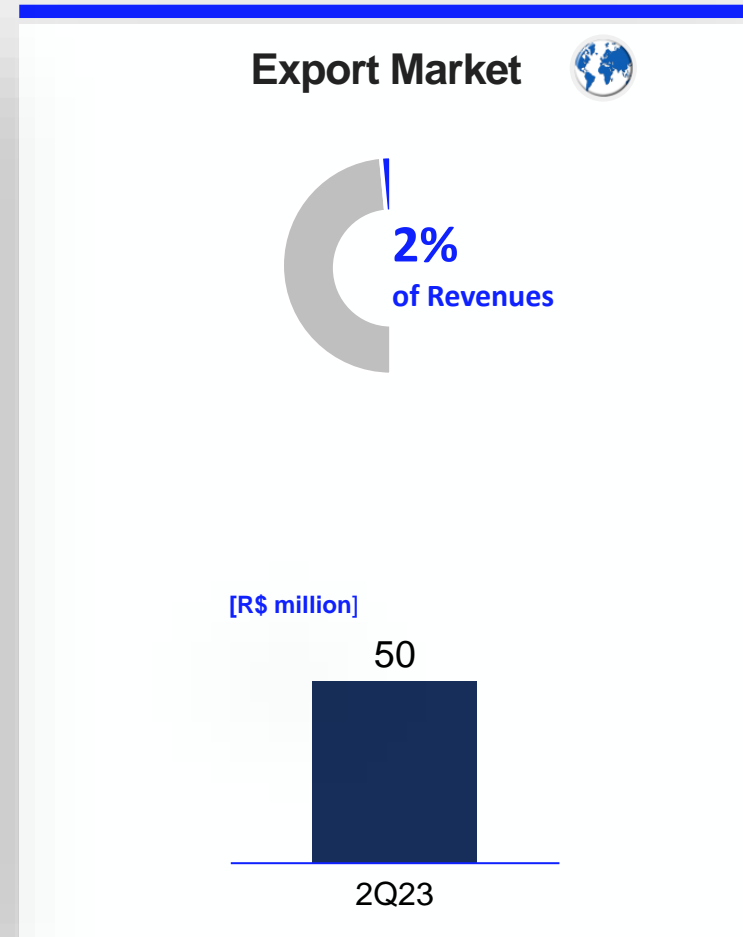
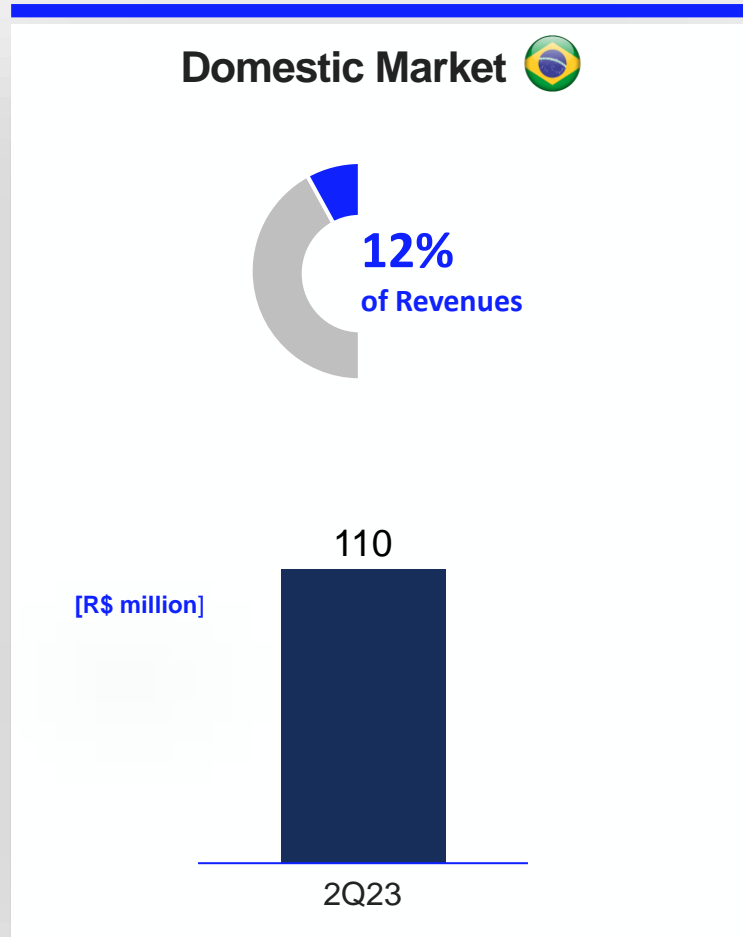


[R\$ million]



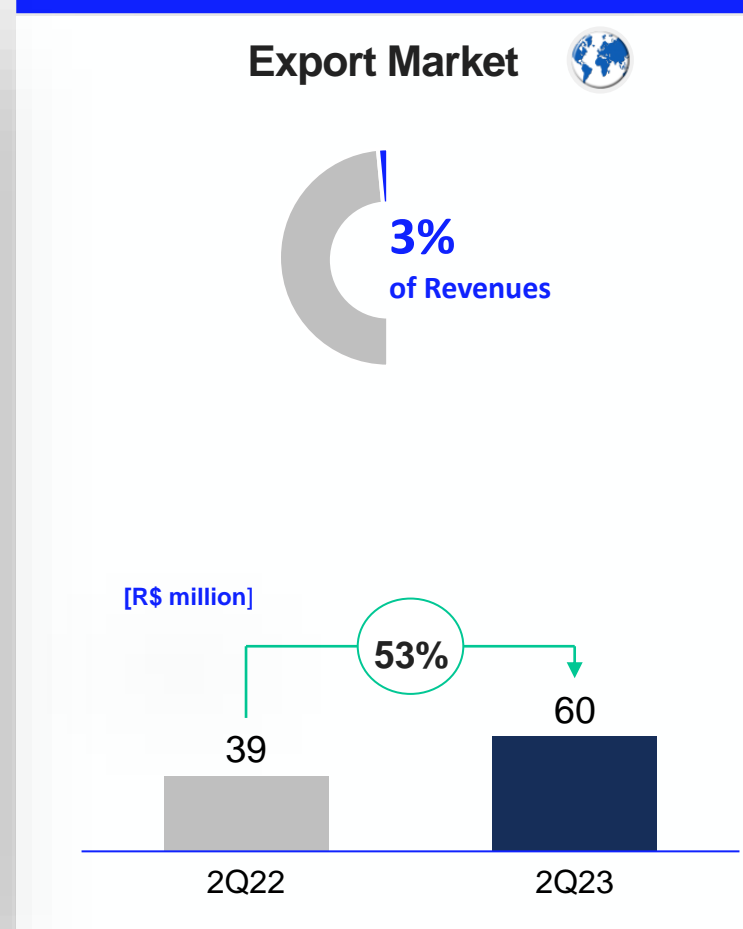
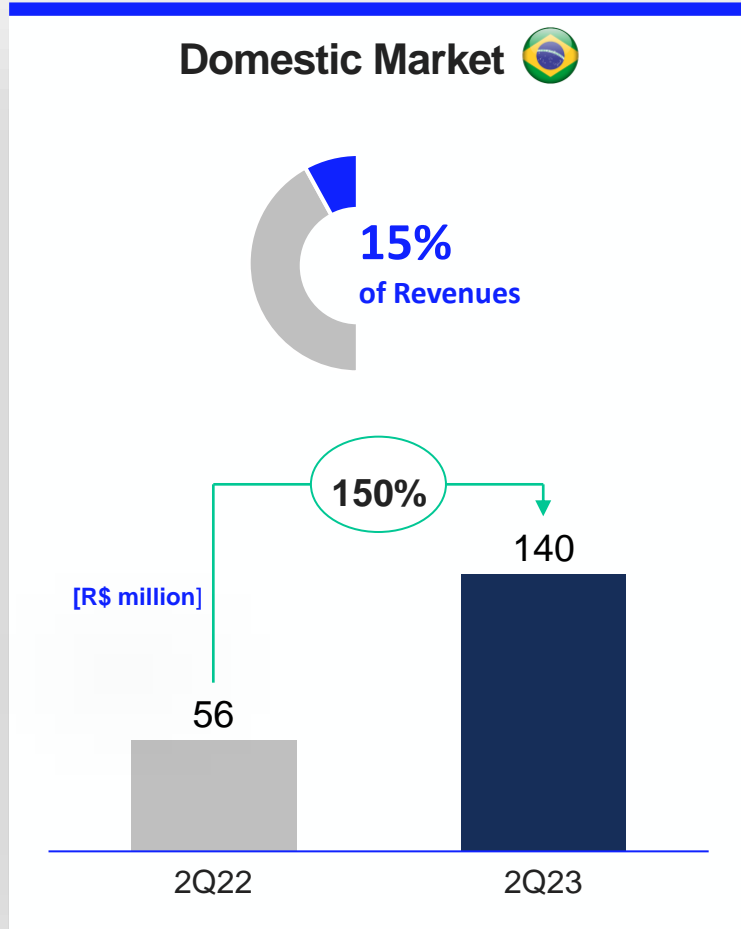
*Percentage of value-added products (Machining and/or Assembly)

ENERGY & DECARBONIZATION



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

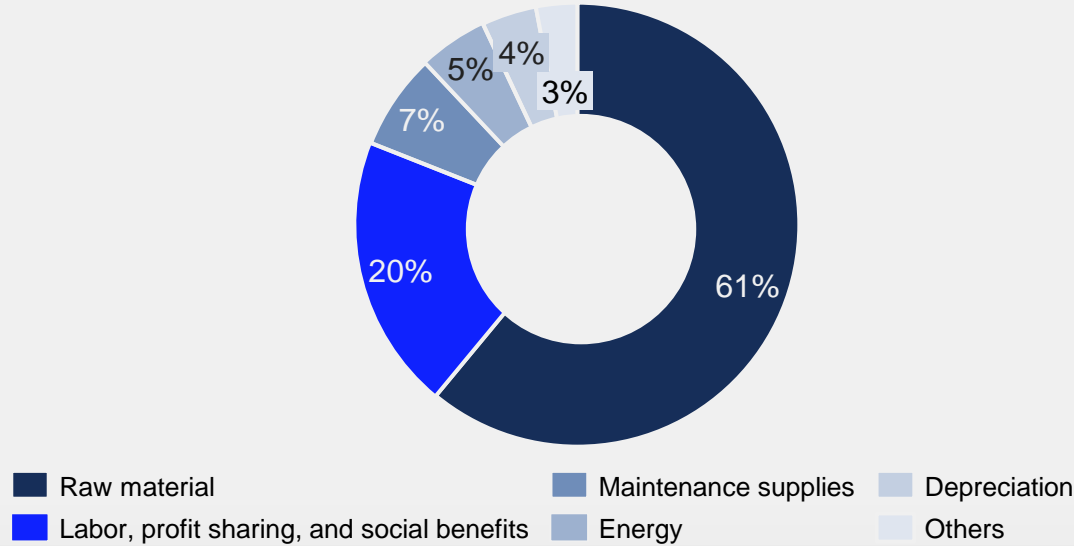
DISTRIBUTION



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

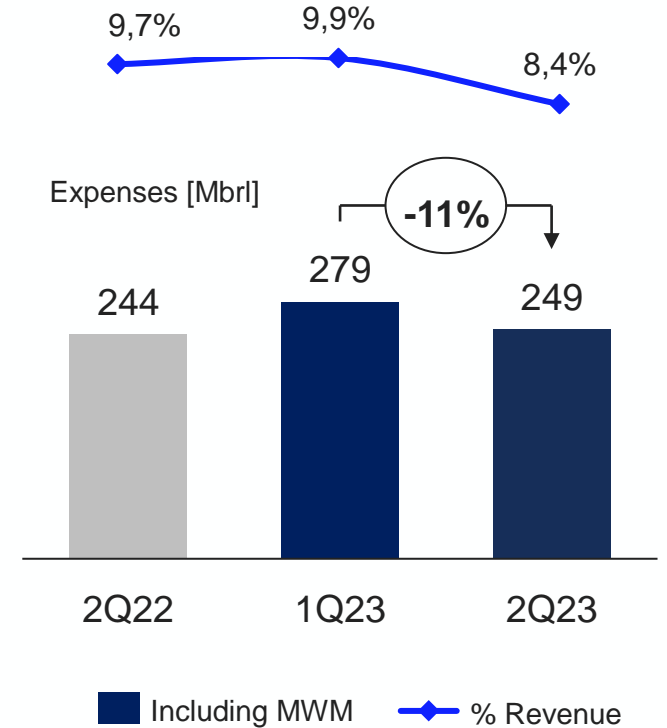
OPERATING COSTS AND EXPENSES [R\$ MILLION]

BREAKDOWN OF COGS 2Q23 [%]



	2Q22		2Q23
COGS	R\$2,019M	+22%	R\$2,472M
Gross Margin	20.2 %	-3.6pp	16.6 %
SG&A	R\$244M	+2%	R\$249M

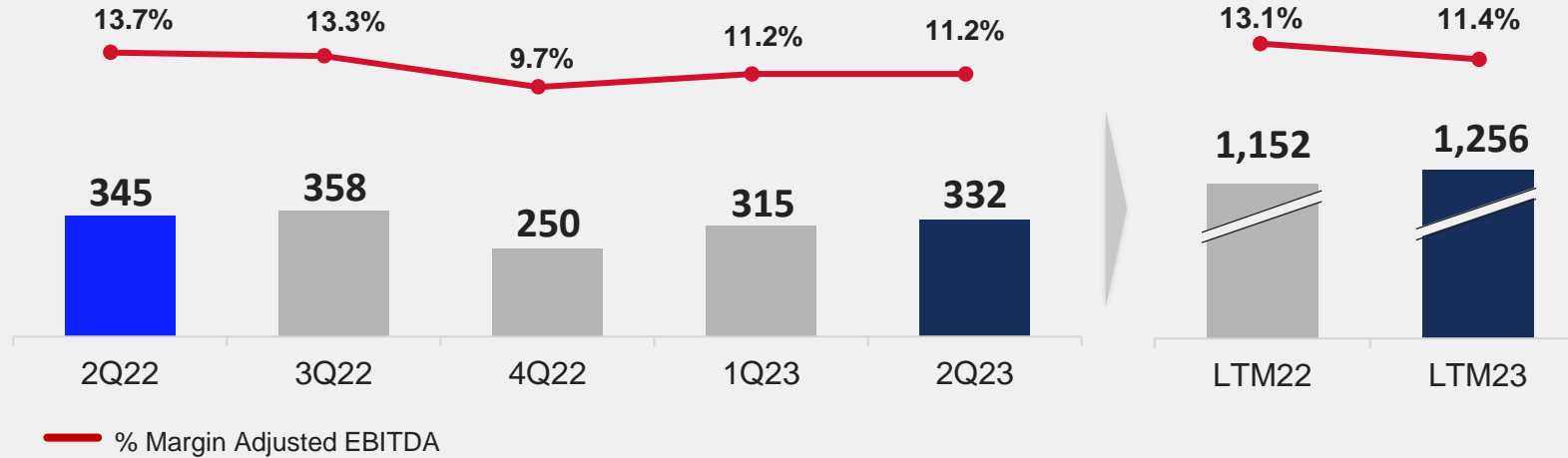
Expenses impacted by lower freight prices



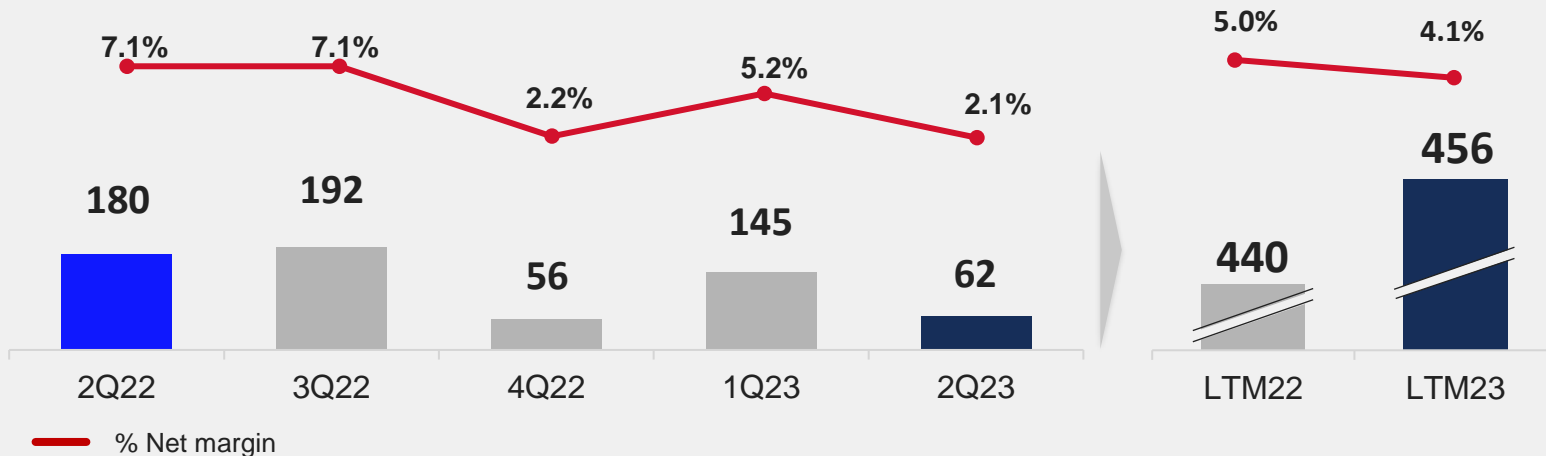
Inclusion of MWM costs from 2023 onwards. Impact of exchange rate and volume produced

ADJUSTED EBITDA & NET INCOME [R\$ MILLION]

Adjusted EBITDA



Net Income



- Reduction in volumes (market and working capital management) and currency appreciation
- Net income affected by exchange rate variation in financial result and non-recurring impact of R\$ 66 million (constitution of provision for tax contingency)

FINANCIAL RESULT [R\$ MILLION]

	2Q23	2Q22
Financial Expenses	1 (77)	(43)
Financial Income	2 +22	+14
Monetary and FX Variation	3 (40)	+36
TOTAL	(95)	+7

1 Increase in CDI interest rate and gross debt (debenture issuance)

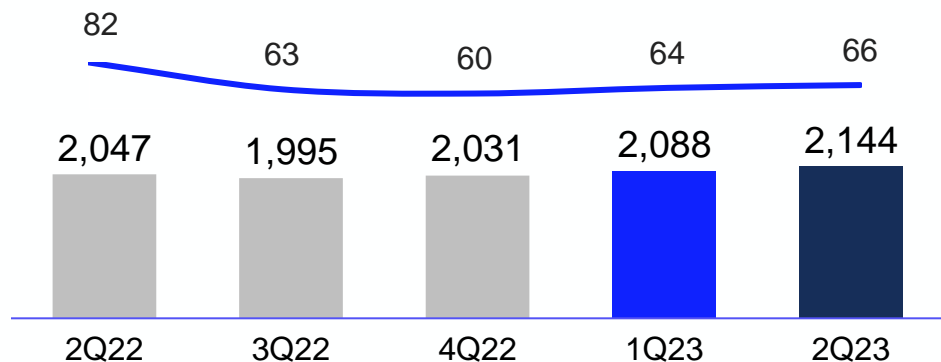
2 Increase of the cash balance in Reais and in the interest rate that remunerates investments

3 Variation in the balance sheet lines in foreign currency (appreciation BRL/USD vs 1Q23)

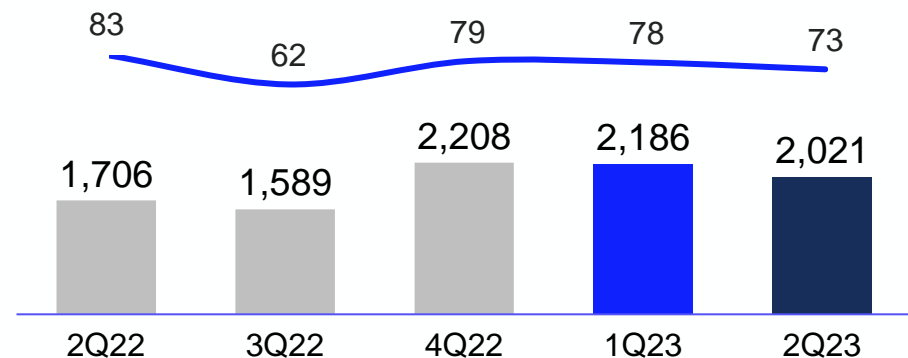
Positive result of R\$ 19 million from hedge operations

WORKING CAPITAL

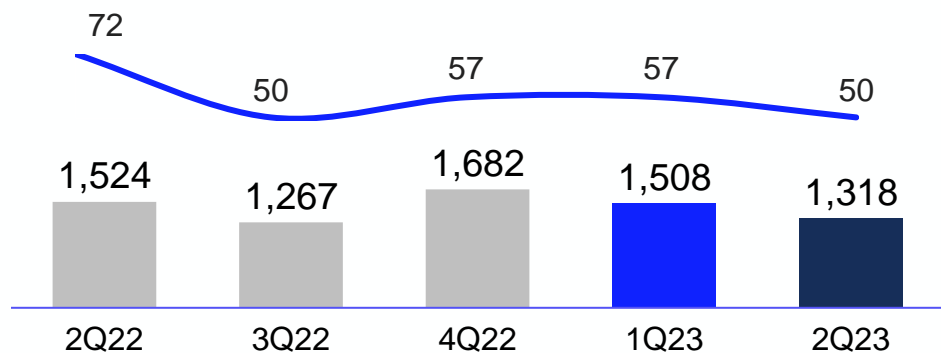
Receivables [R\$ million] and PMR [days]



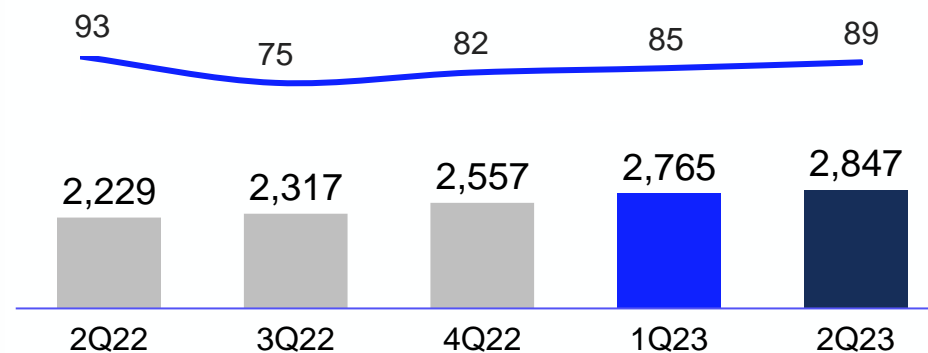
Inventories [R\$ million] and inventory days [days]



Accounts payable [R\$ million] and PMP [days]

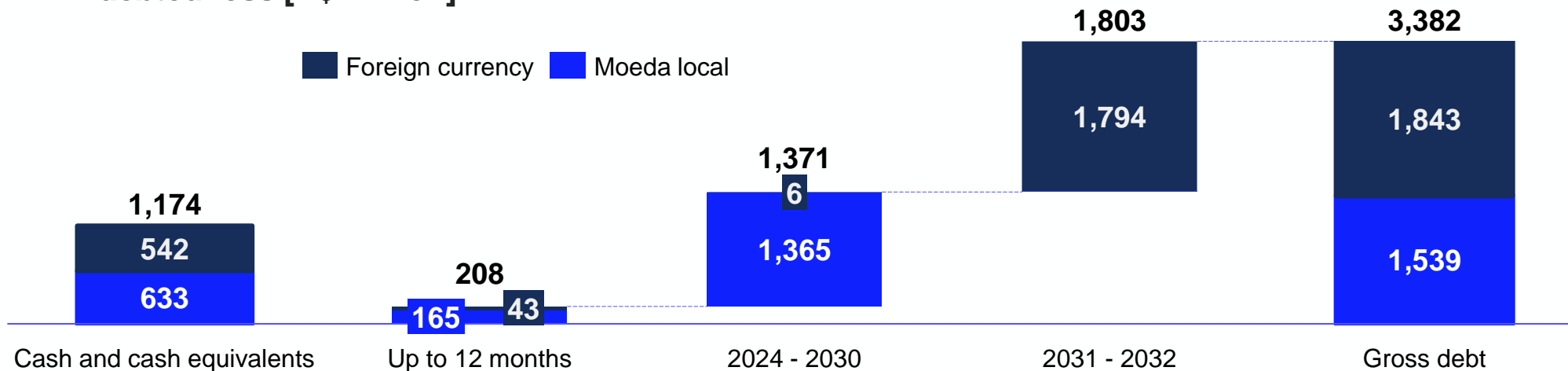


Working capital [R\$ million] and CCC [days]

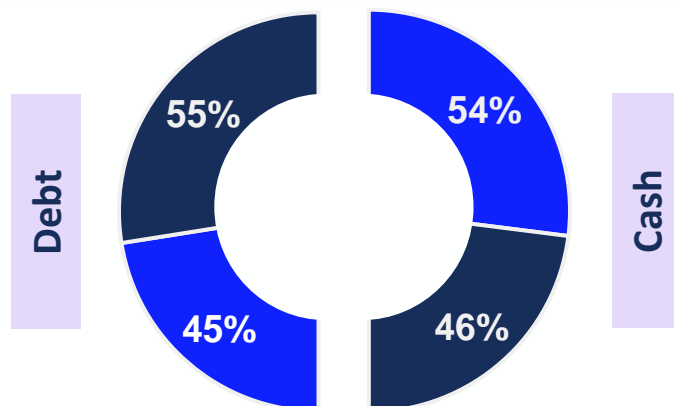


CASH AND INDEBTEDNESS | JUNE 2023

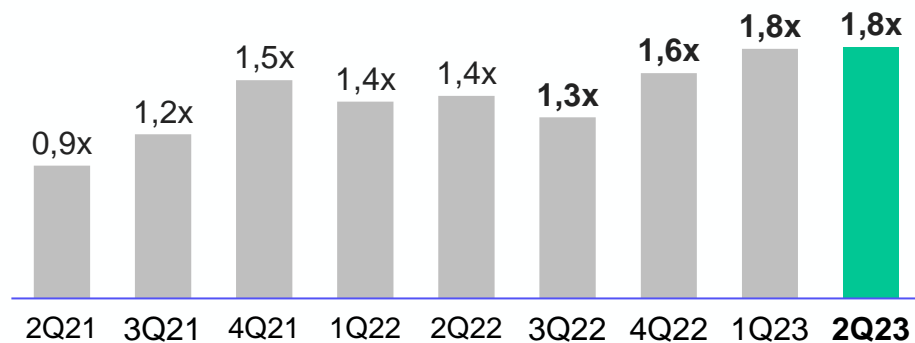
Indebtedness [R\$ million]



Currency distribution [% total]



Net Debt / LTM Adjusted EBITDA



TUPY



2023 Agenda

MARKET



MEDIUM AND HEAVY



OFF-ROAD



LIGHT COMMERCIAL AND PASSENGER

	MEDIUM AND HEAVY	OFF-ROAD	LIGHT COMMERCIAL AND PASSENGER
NORTH AMERICA	<p>Order portfolio of carmakers filled until the end of the year.</p>	<p>Non-residential construction on the rise, especially the industrial segment</p> <p>The residential construction segment shows signs of rebound.</p> <p>Increased demand for large-sized agricultural machinery.</p>	<p>Sales 2Q23: up 17% vs 2Q22</p> <p>Solid demand for light commercial vehicles</p>
BRAZIL	<p>Impact of technology (Proconve P8 / Euro 6) and credit conditions</p> <p>Gradual recovery over the coming quarters (macroeconomic scenario and government incentives)</p> <p>Carmakers are planning to reactivate work shifts in 3Q</p>	<p>Agribusiness GDP expected to increase with record highs in the 22/23 crop year.</p> <p>Interest rate and exports</p> <p>Prospects for new investments in infrastructure</p>	<p>Significant increase in sales in 1H23 vs. 1H22, backed by government incentive programs. Uncertainties over demand robustness remain.</p>
EUROPE	<p>Order portfolio of carmakers filled until the end of the year.</p>	<p>Production volumes expected to grow modestly in 2023.</p>	<p>Lower incidence of production interruptions as a result of component shortages, leading to a rise in production and sales volumes in 2023.</p>

NEW TUPY: SOLID PIPELINE OF NEW CONTRACTS

Manufacturing Contracts



- Nationalization of engine production
- Machining in Brazil: logistical efficiency
- Mexico: nearshoring & USMCA

Energy & Decarbonization



- Urban and agribusiness waste
- Ramp-up vehicle transformation initiatives
- Partnership for marine engines
- Launch of motorized pumps

Distribution



- Manufactured parts (short blocks) for replacement in foreign market
- New products and channels
- Tupy Products

PROGRESS IN SYNERGIES AND COST REDUCTION



Allocation and prioritization of products:
Competitiveness and Vocation of each plant

■ Operations

- Best practices and efficiency in production process
- Product allocation
- Flexibility & adaptation to demand fluctuations

■ Procurement

- Substitution of raw materials
- Price equalization and global negotiations
- Inventory Management

Anticipation of synergies and cost reduction initiatives have impacted all operations

RECOGNITIONS | ESG & INNOVATION



- Two consecutive years in Top Three ESGs
- Capital Goods and Electronic category
- More than 200 companies applied in this edition

- Tupy is **one of the 150 most innovative companies in Brazil**, according to the ranking promoted by **Valor Econômico**
- **4th place** in the **Capital Goods** category
- **Advanced 98 positions** in the last two years





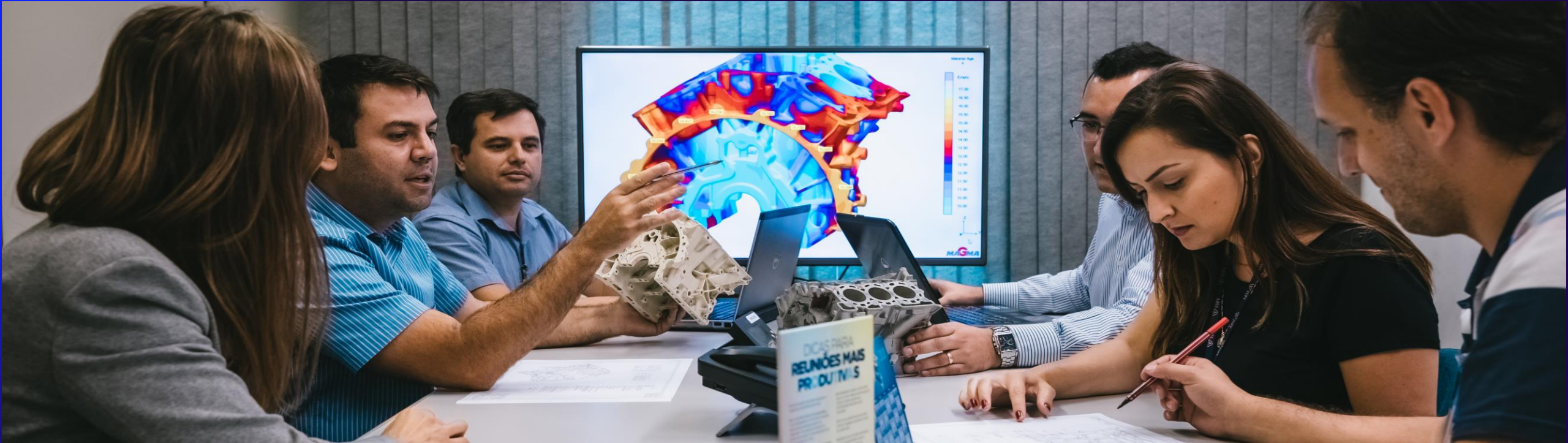
Learn about our sustainability Journey

2022 Sustainability Report



Scan using your cell phone's camera to access





Thank you



Tupy



Tupy SA