Solid operational results despite a weak foreign market and advancement on New Businesses

Highest cumulative operating cash flow in history

Earnings Conference Call

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Portuguese/English

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Investor Relations

Fernando Cestari de Rizzo
CEO and IRO

Rodrigo Périco
CFO

Hugo Zierth
IR Manager

Renan Oliveira
IR Specialist

dri@tupy.com.br

- **Net Revenue: R$ 2.8 billion in 3Q24 (-7% vs. 3Q23).** The depreciation of the Real and double-digit revenue growth at MWM mitigated the impact of a 5% to 30% reduction in physical sales volume in important segments, primarily due to lower demand for commercial vehicles in the foreign market and the performance of off-road applications. Revenues reached R$8.2 billion in 9M24 (-7% vs. 9M23).

- **Gross Profit: R$ 496 million (-5% vs. 3Q23)**, with a margin of 17.9% (vs. 17.6% in the same period previous year). Favorable exchange rates and efficiency gains of R$ 40 million in the quarter mitigated the effect of the decline in sales volume. Gross Profit of R$ 1.5 billion in 9M24 (-1%), with a margin of 18.4% (vs 17.4% in 9M23).

- **Adjusted EBITDA: R$ 338 million (-8% vs 3Q23)**, with a margin of 12.2%, like the previous year (vs 12.3%), despite the additional impact of logistical bottlenecks, amounting to R$ 10 million. The Adjusted EBITDA in 9M24 reached R$ 1.0 billion (+3% vs 9M23), with a margin of 12.7% (vs 11.6% in the previous year).

- **Operating cash generation: R$ 227 million (vs R$ 359 million in 3Q23).** The variation is due to lower sales volume and the depreciation of the Real, with impacts on the balance sheet items. In 9M24, operating cash flow reached R$ 762 million, a growth of 97%, all-time high cumulative value.

- **Net income: R$ 50 million** (vs. R$ 150 million in 3Q23). The variation in net driven by operational performance, increased financial expenses, and the impact of the Mexican Peso appreciation on the tax base. Accumulated net income in 2024 reached R$ 180 million, compared to R$ 357 million in 2023.

- **New businesses:** (i) highest revenues in the aftermarket business; (ii) commencement of operations at the Primato Bioplant; and (iii) announcement of a battery recycling demonstration plant.

MESSAGE FROM MANAGEMENT

In recent years, we have undertaken initiatives that have strengthened our position in the traditional segment and in new business fronts, leveraging capabilities and making the Company more robust and diversified.

These initiatives include a broad and gradual reduction in costs, expenses, structures, and processes, aimed at eliminating inefficiencies derived from the combination of acquired assets. The pass-through of deferred costs and transferring production and services to units with lower costs continues, in accordance with the plan announced previously, and is expected to capture a large portion of its benefits by 2026. These actions have already helped to mitigate the impact of lower sales in the traditional segment, when compared to the same period last year and the second quarter of 2024.

In the foreign market, the reduced average age of the fleet and the decline in freight rates have decreased the demand for commercial vehicles. In addition to these factors, uncertainties around the outcome of the US elections and interest rates have also influenced consumer behavior, who have opted to postpone the expansion of their fleets and the replacement of equipment. With the Republican victory and control of both houses of Congress, the US transportation and infrastructure sectors are expected to be positively impacted by deregulation policies and investments, stimulating economic growth and reducing operating costs for transportation companies. In this scenario, our customers tend to benefit.

The domestic market has shown growth in the production of heavy vehicles, driven by the recovery of sales. This movement has been benefited the foundry, machining and engine assembly business for application in the domestic market. The volume of indirect exports from domestic market customers has also fallen due to lower demand in the external market.

In the off-road segment, across all regions, we have observed impacts resulting from the reduction in commodity prices and the slower pace of activity in residential construction, in addition to the stabilization of non-residential construction indicators. As with commercial vehicles, customers and their distributors have been reducing inventories, with a deeper impact on the demand for our products.

These factors have resulted in a double-digit reduction in sales volumes and production compared to the previous year, and also lower than the second quarter of 2024, impacting cost dilution and, consequently, margins. We have also observed a temporary increase in freight expenses due to logistical bottlenecks.

Despite these effects, the favorable exchange rate and internal initiatives to reduce costs and gain efficiency have contributed to the maintenance of operating margins. We prioritized the generation of operating cash flow over margins and reached R$ 227 million in the quarter and R$ 762 million in the first nine months of the year, representing a 97% increase compared to the same period last year. In spite of this good performance, we still see opportunities to reduce working capital.

New Businesses & Innovation

Although our main markets are depressed, we have preserved the activities and investments in the development of new businesses. In the coming months, we will start operations of the new contracts, announced and invested in 2023 and 2024, which will result in greater diversification and value addition, in perennial segments that are fundamental for economic growth. In addition, we also have an extensive pipeline of negotiations for new projects and cost pass-through

We are advancing in new lines of business.

1. **Aftermarket:** The strength of the brand, the MWM distribution network and technical knowledge have been applied to the choice of products with higher value. In this period, we increased the product portfolio and expanded distribution channels. The revenue of this business unit showed 16% growth in 3Q24.

2. **Transformation of vehicles and machines for biomethane, natural gas and ethanol:** Mobility using ethanol and biomethane was a highlight at the last Fenatran (one of the most important transport trade shows in the world). We are advancing in the development of products for the transformation of the existing fleet.

3. **Bioplants:** In September, we started operations of the bioplant in partnership with the Primato cooperative. This first project will contribute to the validation and improvement of the business model, with high scalability potential.

4. **Lithium battery recycling:** We announced the construction of a pilot battery recycling plant at the facilities of the Technological Research Institute of the University of São Paulo.

5. **Gensets:** MWM is the leading brand in the sale of gensets in Brazil. Increased demand in critical applications that require security and network stability.

6. **Ultra Light Iron:** This technology, awarded by the American Foundry Society, is applied in the replacement of structural components in aluminum, presenting the same weight, lower cost and reduced CO_2 emissions in its production. The technology has aroused interest in potential customers due to the growing wave of hybrid vehicles.

7. **Maritime sector:** Increased sales of engines and on-board power systems for workboats.

We will continue to adhere to our growth strategy, both in traditional businesses and in new segments, which have higher market multiples. The addition of value and diversification in high-profitability sectors, together with efficiency gains, qualify us to capture the numerous opportunities that have been presented.

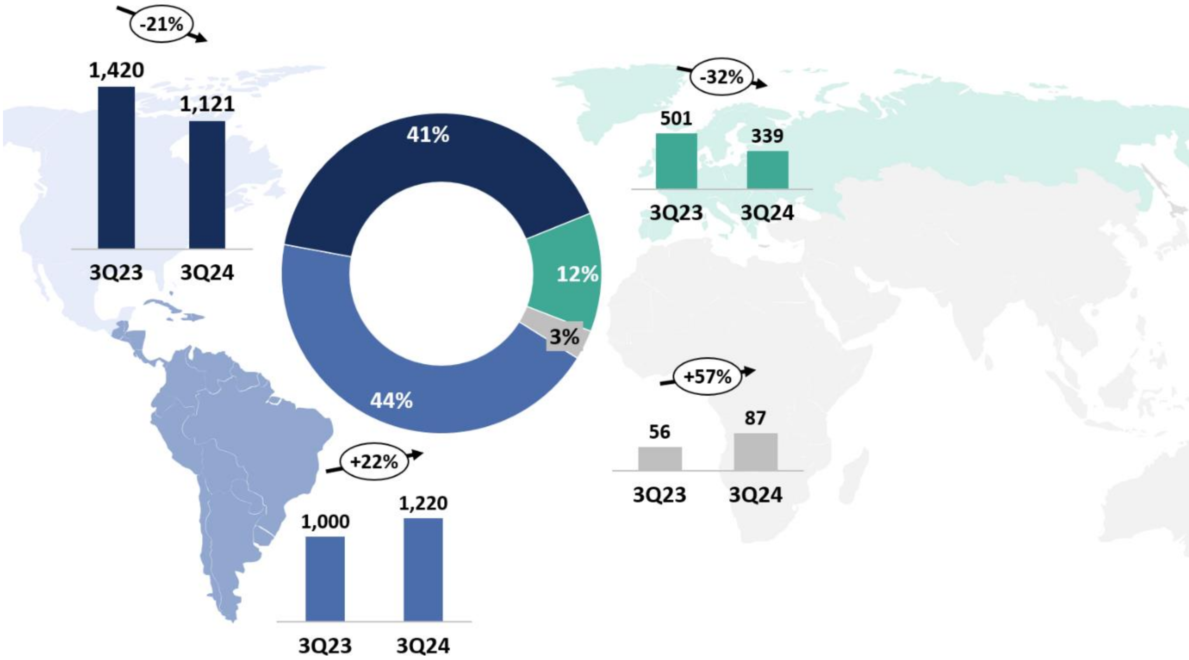
SUMMARIZED RESULTS

			Consolidated (R$ thousand)			
SUMMARY	**3Q24**	**3Q23**	**Var. [%]**	**9M24**	**9M23**	**Var. [%]**
Revenues	**2,768,319**	**2,975,942**	**-7.0%**	**8,171,684**	**8,746,212**	**-6.6%**
Cost of goods sold	(2,272,685)	(2,453,403)	-7.4%	(6,668,534)	(7,225,543)	-7.7%
Gross Profit	**495,634**	**522,539**	**-5.1%**	**1,503,150**	**1,520,669**	**-1.2%**
% on Revenues	*17.9%*	*17.6%*		*18.4%*	*17.4%*	
Operating expenses	(252,607)	(241,570)	4.6%	(735,973)	(769,846)	-4.4%
Other operating expenses	(37,730)	(19,112)	97.4%	(121,663)	(92,290)	31.8%
Income before Financial Result	**205,297**	**261,857**	**-21.6%**	**645,514**	**658,533**	**-2.0%**
% on Revenues	*7.4%*	*8.8%*		*7.9%*	*7.5%*	
Net financial result	(82,821)	(47,010)	76.2%	(311,301)	(208,149)	49.6%
Income (Loss) before Tax Effects	**122,476**	**214,847**	**-43.0%**	**334,213**	**450,384**	**-25.8%**
% on Revenues	*4.4%*	*7.2%*		*4.1%*	*5.1%*	
Income tax and social contribution	(72,111)	(64,768)	11.3%	(154,107)	(93,159)	65.4%
Net Income	**50,365**	**150,079**	**-66.4%**	**180,106**	**357,225**	**-49.6%**
% on Revenues	*1.8%*	*5.0%*		*2.2%*	*4.1%*	
EBITDA (CVM Inst. 527/12)	**302,826**	**350,060**	**-13.5%**	**926,172**	**928,795**	**-0.3%**
% on Revenues	*10.9%*	*11.8%*		*11.3%*	*10.6%*	
Adjusted EBITDA	**338,443**	**367,027**	**-7.8%**	**1,041,477**	**1,014,630**	**2.6%**
% on Revenues	*12.2%*	*12.3%*		*12.7%*	*11.6%*	
Average exchange rate (BRL/USD)	**5.55**	**4.88**	**13.6%**	**5.24**	**5.01**	**4.7%**
Average exchange rate (BRL/EUR)	6.09	5.31	14.7%	5.70	5.43	5.1%

REVENUES

In 3Q24, 41% of revenues originated in North America. The South and Central Americas accounted for 44%, and Europe for 12% of the total. The remaining 3% came from Asia, Africa and Oceania, and the acquired plants contributed to a higher exposure to the Brazilian and European markets.

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



Consolidated (R$ thousand)

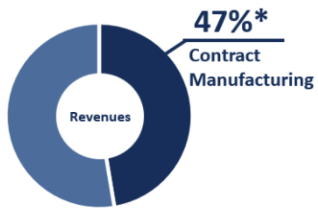
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Revenues	**2,768,319**	**2,975,942**	**-7.0%**	**8,171,684**	**8,746,212**	**-6.6%**
Domestic Market	**1,148,533**	**958,659**	**19.8%**	**3,145,972**	**2,798,242**	**12.4%**
Structural Components and Manufacturing Contracts	**864,558**	**687,208**	**25.8%**	**2,309,258**	**1,989,424**	**16.1%**
Commercial vehicles (and passenger cars)	781,794	602,812	29.7%	2,082,865	1,740,602	19.7%
Off-road	82,764	84,396	-1.9%	226,393	248,822	-9.0%
Energy and Decarbonization	**121,196**	**119,312**	**1.6%**	**391,341**	**374,340**	**4.5%**
Distribution	**162,779**	**152,139**	**7.0%**	**445,373**	**434,478**	**2.5%**
Export Market	**1,619,786**	**2,017,283**	**-19.7%**	**5,025,712**	**5,947,970**	**-15.5%**
Structural Components and Manufacturing Contracts	**1,533,160**	**1,904,684**	**-19.5%**	**4,768,855**	**5,618,056**	**-15.1%**
Commercial vehicles (and passenger cars)	1,135,003	1,396,397	-18.7%	3,624,995	3,954,618	-8.3%
Off-road	398,157	508,287	-21.7%	1,143,860	1,663,438	-31.2%
Energy and Decarbonization	**24,914**	**54,497**	**-54.3%**	**104,865**	**154,573**	**-32.2%**
Distribution	**61,712**	**58,102**	**6.2%**	**151,992**	**175,341**	**-13.3%**

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
- 7% ▼	75%	95%



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

A favorable exchange rate mitigated the impact of reduced sales volume, resulting from decreased demand for commercial vehicles in the United States and Europe, high-interest rates, and falling agricultural commodity prices, as well as customers' inventory reduction strategies.

In the domestic market, the performance of truck production in Brazil positively affected structural component operations and manufacturing contracts, with a highlight on the growth of third-party engine assembly operations. On the other hand, there was a reduction in volumes destined for indirect exports, which includes the shipment of engines, blocks, and machined heads from our customers' local units to the external market.

The foreign market experienced a decline in commercial vehicle sales volume, caused by the low average age of the fleet and depreciated freight rates. Additionally, potential buyers postponed vehicle purchases, observing the macroeconomic and microeconomic implications of the US elections and the movement of interest rates.

Demand from off-road applications was affected, mainly by the significant drop in global agricultural commodity prices and high-interest rates, which have impacted the non-residential construction market, affecting also the light commercial vehicle segment.

We have advanced in the strategy of adding value to our products. Approximately 47% of revenue comes from products that include machining or engine assembly services for third parties (Manufacturing Contracts), a percentage that was 39% in 3Q23.

Energy & Decarbonization

Δ % Revenues	% Revenues DM	% Revenues FM
- 16% ▼	11%	2%

Revenues from the Energy and Decarbonization segment dropped by 16% from 3Q23, impacted by the lower sales volume for own engines, mainly utilized by agricultural equipment manufacturers. The price of agricultural commodities, adverse credit conditions and climate events negatively impacted demand for these applications.

The segment accounted for 11% of the Company's net revenue in the domestic market and 5% of total revenue.

Distribution

Δ % Revenues	% Revenues DM	% Revenues FM
7% ▲	14%	4%

Revenues from the Distribution segment increased by 7%, due to the growth in sales of the aftermarket unit, which delivered a performance 16% higher than the same period a year ago, reporting the best quarterly result ever.

The indicator reflects the strategy to launch new products, and the expansion of distribution channels focused on the commercial vehicles and the agribusiness segments.

The hydraulic product business, which includes continuous casting iron bars and pipe fittings, in turn, was affected by the reduced economic activity, especially in the export market.

The segment was responsible for 14% of the Company's net revenue in the domestic market and 4% of total revenue.

COST OF GOODS SOLD AND OPERATING EXPENSES

Cost of goods sold (COGS) totaled R$2.3 billion in 3Q24, down by 7% in the annual comparison.

Production volume fell in the quarter compared to 3Q23, due to the reduced demand for some applications in the Brazilian and export markets, resulting in the lower dilution of fixed costs.

These effects were partially mitigated by several initiatives to reduce costs and expenses, in addition to productivity gains and synergies captured over the past few quarters, with positive impact of R$ 40 million this quarter. Therefore, gross margin reached 17.9%, increasing by 30 basis points over 3Q23.

	Consolidated (R$ thousand)					
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Revenues	**2,768,319**	**2,975,942**	**-7.0%**	**8,171,684**	**8,746,212**	**-6.6%**
Cost of goods sold	**(2,272,685)**	**(2,453,403)**	**-7.4%**	**(6,668,534)**	**(7,225,543)**	**-7.7%**
Raw material	(1,381,986)	(1,538,073)	-10.1%	(4,039,718)	(4,481,564)	-9.9%
Labor, profit sharing, and social benefits	(485,502)	(475,756)	2.0%	(1,422,982)	(1,433,193)	-0.7%
Maintenance materials and third parties	(170,583)	(179,523)	-5.0%	(512,116)	(533,435)	-4.0%
Energy	(109,203)	(122,408)	-10.8%	(335,919)	(353,417)	-5.0%
Depreciation	(85,955)	(80,280)	7.1%	(248,897)	(247,040)	0.8%
Others	(39,456)	(57,363)	-31.2%	(108,902)	(176,894)	-38.4%
Gross profit	**495,634**	**522,539**	**-5.1%**	**1,503,150**	**1,520,665**	**-1.2%**
% on Revenues	*17.9%*	*17.6%*		*18.4%*	*17.4%*	
Operating expenses	**(252,607)**	**(241,570)**	**4.6%**	**(735,973)**	**(769,846)**	**-4.4%**
% on Revenues	*9.1%*	*8.1%*		*9.0%*	*8.8%*	

Costs for 3Q24 were also mainly affected by:

- Raw materials: impact of the drop in volumes, the depreciation of the Mexican peso, negotiations with suppliers, and the execution of projects to gain efficiency;
- Labor: increased due to annual salary increase and employment contract termination costs, offset by the reduction in headcount and the depreciation of the Mexican Peso;
- Maintenance and outsourced services: volume reductions, management initiatives, efficiency gains, and the depreciation of the Mexican peso, mitigating the effect of inflation on services;
- Energy: reduced mainly due to the lower production volume in the period;
- Depreciation: increased by 7%, due to the depreciation of the Real against the Dollar (9% in the closing FX rate YoY in 3Q24), impacting foreign-currency assets.
- Decrease of R$18 million in other operating costs. The line includes costs with the handling of products and materials, engine engineering projects, leases, and health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R$ 253 million, up by 5% vs. 3Q23, impacted by freight expenses caused by logistics bottlenecks.

OTHER OPERATING INCOME (EXPENSES)

Other Net Operating Income/Expenses came in as an expense of R$ 38 million in 3Q24, compared to an expense of R$ 19 million in the previous year.

	Consolidated (R$ thousand)					
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Depreciation of non-operating assets	(2,113)	(2,145)	-1.5%	(6,358)	(6,455)	-1.5%
Others	(35,617)	(16,967)	109.9%	(115,305)	(85,835)	34.3%
Other operating expenses	**(37,730)**	**(19,112)**	**97.4%**	**(121,663)**	**(92,290)**	**31.8%**

The "Others" line consists of net expenses of R$ 36 million, resulting from: (i) the creation/update of provisions, totaling R$ 23 million (R$ 21 million in 3Q23); (ii) expenses of R$ 8 million with the write-off of PP&E items, sale of unserviceable assets and others (vs. revenues of R$ 4 million in 3Q23); (iii) and expenses of R$ 5 million related to restructurings costs.

NET FINANCIAL RESULT

Net Financial Result came in as an expense of R$ 83 million in 3Q24, against R$ 47 million in the previous year.

	Consolidated (R$ thousand)					
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Financial expenses	(109,908)	(86,775)	26.7%	(284,207)	(246,704)	15.2%
Financial income	42,461	27,227	56.0%	108,369	78,454	38.1%
Net monetary and currency variations	(15,374)	12,538	-	(135,463)	(39,899)	239.5%
Net Financial Result	**(82,821)**	**(47,010)**	76.2%	**(311,301)**	**(208,149)**	49.6%

The increase in financial expenses in 3Q24 vs. 3Q23, was mainly due to: (i) new funding and the consequent higher expenses related to interest payments; (ii) depreciation of the Brazilian real against the U.S. dollar, impacting the provision of interest on debts in foreign currency; and (iii) expenses of R$ 17 million referring to the early settlement of the 4th debenture issue.

The financial income for the period reached R$ 42 million, due to the increase in cash position from fundraising and operating cash generation, offsetting the decline in interest income from financial investments.

Net monetary and currency variations came in as an expense of R$ 15 million, consisting of: (i) R$ 35 million in expenses with foreign exchange variation on foreign currency balance sheet accounts, resulting from the depreciation of the Dollar over the previous quarter (quarter's closing price); and (ii) R$ 20 million in income from hedge operations, being R$ 109 million from mark-to-market of these instruments, offset by R$ 89 million in expenses from the settlement of derivative instrument contracts (cash effect).

EARNINGS BEFORE TAXES AND NET INCOME

The Company's net income was R$ 50 million, down by 66% from the previous year. The result was mainly due to lower operating results and higher financial expenses, as well as the impact of currency effects on the tax base.

	Consolidated (R$ thousand)					
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Income (Loss) before Tax Effects	**122,476**	**214,847**	**-43.0%**	**334,213**	**450,384**	**-25.8%**
Tax effects before currency impacts	(32,669)	(46,928)	-30.4%	(76,660)	(138,561)	-44.7%
Earnings before currency effects on the tax base	**89,807**	**167,919**	**-46.5%**	**257,553**	**311,823**	**-17.4%**
Currency effects on the tax base	(39,442)	(17,840)	121.1%	(77,447)	45,402	-
Net Income	**50,365**	**150,079**	**-66.4%**	**180,106**	**357,225**	**-49.6%**

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 3Q24, the Company recorded an expense of R$ 39 million, with no cash effect (compared to an expense of R$ 18 million in 3Q23).

EBITDA

The combination of the aforementioned factors resulted in EBITDA (CVM) of R$ 303 million, with a margin of 10.9% (vs. 11.8% in 3Q23). EBITDA reached R$ 926 million in the year, with a margin of 11.3% (vs. 10.6% in the same period in 2023).

EBITDA adjusted for other operating expenses and income (creation/update of provisions, result of PP&E sales, and other expenses) reached R$ 338 million, with a margin of 12.2% in 3Q24 (vs. 12.3% in 3Q23). In the 9 months period, Adjusted EBITDA totaled R$ 1.0 billion, 3% growth, with margin of 12.7% (vs 11.6% in 9M23).

	Consolidated (R$ thousand)					
RECONCILIATION OF NET INCOME WITH EBITDA	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
Net Income for the Period	**50,365**	**150,079**	**-66.4%**	**180,106**	**357,225**	**-49.6%**
(+) Net Financial Result	82,821	47,010	76.2%	311,301	208,149	49.6%
(+) Income Tax and Social Contribution	72,111	64,768	11.3%	154,107	93,159	65.4%
(+) Depreciation and Amortization	97,529	88,203	10.6%	280,658	270,262	3.8%
EBITDA (according to CVM 156/22)	**302,826**	**350,060**	**-13.5%**	**926,172**	**928,795**	**-0.3%**
% on revenues	*10.9%*	*11.8%*		*11.3%*	*10.6%*	
(+) Other Operating Expenses, Net	35,617	16,967	109.9%	115,305	85,835	34.3%
Adjusted EBITDA	**338,443**	**367,027**	**-7.8%**	**1,041,477**	**1,014,630**	**2.6%**
% on revenues	*12.2%*	*12.3%*		*12.7%*	*11.6%*	

Management initiatives implemented over the past few quarters, including actions to reduce costs and increase operational efficiency, contractual negotiations conducted with customers and suppliers, and favorable exchange rates mitigated the effect of falling volumes.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant and equipment and intangible assets totaled R$ 93 million in 3Q24, compared to R$ 151 million in 3Q23.

	Consolidated (R$ thousand)					
	3Q24	3Q23	Var. [%]	9M24	9M23	Var. [%]
PP&E						
Strategic investments	48,254	66,063	-27.0%	128,476	150,419	-14.6%
Maintenance and modernization of operating capacity	28,941	67,851	-57.3%	119,387	166,967	-28.5%
Environment	6,048	6,589	-8.2%	20,493	21,608	-5.2%
Interest and financial charges	5,873	3,726	57.6%	13,822	9,294	48.7%
Intangible assets						
Software	2,787	5,481	-49.2%	8,287	8,690	-4.6%
Projects under development	1,067	1,268	-15.9%	3,398	4,744	-28.4%
Total	**92,970**	**150,978**	**-38.4%**	**293,863**	**361,722**	**-18.8%**
% on Revenues	*3.4%*	*5.1%*		*3.6%*	*4.1%*	

The figures mainly refer to new foundry and machining programs, higher operational efficiency, and synergies between operations, in addition to investments in health, safety and the environment.

WORKING CAPITAL

	Consolidated (R$ thousand)				
	3Q24	2Q24	1Q24	4Q23	3Q23
Balance Sheet					
Accounts receivable	2,110,455	2,091,348	1,947,770	1,831,735	2,220,125
Inventories	2,069,851	2,046,123	1,990,018	1,961,262	1,977,233
Accounts payable	1,411,298	1,406,553	1,407,774	1,375,774	1,397,277
Advances from Customers	*76,497*	*103,869*	*103,039*	*99,702*	*126,040*
Sales outstanding [days]	71	69	64	59	69
Inventories [days]	85	82	78	76	74
Payables outstanding [days]	61	60	59	57	58
Cash conversion cycle [days]	**95**	**91**	**83**	**78**	**85**

The cash conversion cycle increased by 4 days over the previous quarter (2Q24). The indicator is affected, among others, by the difference between the closing exchange rate for the quarter (R$ 5.45, applied to the balance sheet lines), and the average exchange rate for the last 12 months (R$ 5.17, impacting the revenues and the cost lines).

The main lines presented the following variations:

- Increase of R$ 19 million in Accounts Receivable, impacting the average receipt period by 2 days of sales, mainly due to actions to recompose prices and the higher sales volume at the end of the quarter compared to 2Q24, which will positively impact cash in the coming quarters, according to contractual conditions. Foreign currency accounts receivable represented 72% of the total and were also impacted by the appreciation of the Real over 2Q24 (closing rate of US$/R$ 5.45 in September 2024 vs. US$/R$ 5.56 in June 2024).

- Inventories rose by R$ 24 million, up by 3 days in relation to the Cost of Goods Sold in the last 12 months. The reduction in volumes, due to the performance of the markets, contributed to the increase in inventories of finished and unfinished products, partly mitigated by management initiatives, with emphasis on the 9% drop in raw materials compared to 2Q24.

- The 1-day increase in accounts payable was due to various management initiatives with suppliers, offset by the lower purchase volume owing to the drop in production volume and the effect of currency variation on accounts payable in foreign currency, which accounted for 39% of the total.

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

CASH FLOW

Consolidated (R$ thousand)

CASH FLOW SUMMARY	3Q24	3Q23	Var.	9M24	9M23	Var.
Cash and cash equivalents at the beginning of the period	**2,427,739**	**1,148,946**	**111.3%**	**1,593,098**	**1,509,829**	**5.5%**
Cash from operating activities	227,374	358,570	-36.6%	761,875	385,810	97.5%
Cash used in investing activities	(105,116)	(294,315)	-64.3%	(450,945)	(501,332)	-10.1%
Cash provided by (used in) financing activities	(285,730)	(79,725)	258.4%	177,697	(211,560)	-
Currency effect on the cash for the year	(96,353)	9,299	-	86,190	(39,972)	-
Increase (decrease) in cash and cash equivalents	**(259,824)**	**(6,171)**	**4110%**	**574,817**	**(367,054)**	**-**
Cash and cash equivalents at the end of the period	**2,167,915**	**1,142,775**	**89.7%**	**2,167,915**	**1,142,775**	**89.7%**

The Company recorded an operating cash generation of R$ 227 million, compared to the R$ 359 million reported in 3Q23, due to the lower sales volume, impacting revenues and working capital, and the payment of settlement adjustments for derivative contracts, with a disbursement of R$ 26 million (vs. revenue of R$ 13 million in 3Q23). These factors were offset by the positive effect related to the appreciation of the Dollar (average exchange rate of R$ 5.55 in 3Q24 vs. R$ 4.88 in 3Q23), the higher cash generation from MWM operations, receipts arising from contractual negotiations, and initiatives to manage working capital.

Investment activities consumed R$ 105 million in 3Q24, compared to R$ 294 million in the same period from the previous year, mainly due to the cash return of R$ 170 million in 3Q23 to MWM's former controlling shareholder, as per contractual conditions, and lower investments in the period.

In 3Q24, financing activities increased by R$ 206 million, mainly owing to refinancing and the settlement of financial operations, as well as the distribution of R$ 37 million in interest on equity.

The combination of these factors and the exchange rate variation on cash, with negative impact of R$ 96 million, resulted in a R$ 260 million decrease in cash and cash equivalents in the period. Accordingly, we ended the period with a balance of R$2,168 million.

INDEBTEDNESS

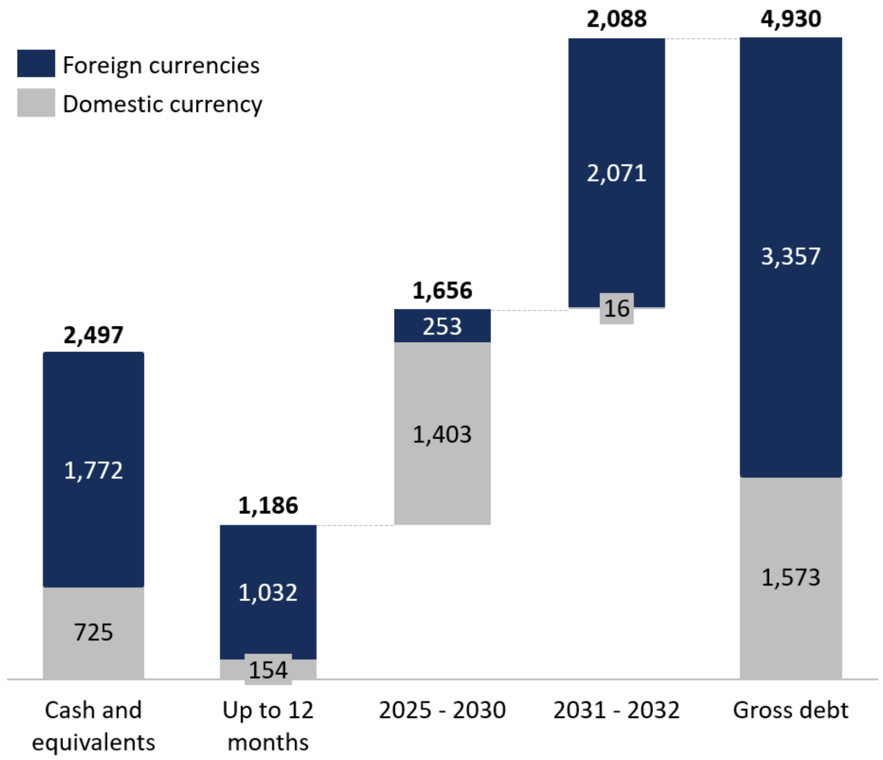
The Company ended 3Q24 with a net debt of R$2.3 billion, corresponding to a net debt/LTM Adjusted EBITDA ratio of 1.81x.

In 3Q24, we concluded the 5th issue of simple debentures in the amount of R$1.5 billion, with its proceeds being utilized to early redeem the 4th debenture issue and settle other debts (Advance on Foreign Exchange Contracts and Export Credit Notes).

Foreign currency liabilities accounted for 64% of the total (22% in the short term and 78% in the long term), while 36% of debt is denominated in R$ (3% in the short term and 97% in the long term). As for the cash and cash equivalents, 60% of the total amount is denominated in Brazilian reais and 40% in foreign currency.

	Consolidated (R$ thousand)				
INDEBTEDNESS	**3Q24**	**2Q24**	**1Q24**	**4Q23**	**3Q23**
Short term	683,329	1,186,934	723,435	676,277	226,040
Financing and loans	654,575	1,045,676	715,909	662,933	219,161
Financial instruments and derivatives	28,754	141,258	7,526	13,344	6,879
Long term	3,855,658	3,743,358	3,518,745	3,127,748	3,170,678
Gross debt	**4,538,987**	**4,930,292**	**4,242,180**	**3,804,025**	**3,396,718**
Cash and cash equivalents	2,167,915	2,427,739	1,876,456	1,593,098	1,142,775
Financial instruments and derivatives	32,392	69,630	8,410	10,874	8,058
Net debt	**2,338,680**	**2,432,923**	**2,357,314**	**2,200,053**	**2,245,885**
Gross debt/Adjusted EBITDA	3.51x	3.73x	3.37x	3.01x	2.69x
Net debt/Adjusted EBITDA	**1.81x**	**1.84x**	**1.87x**	**1.74x**	**1.78x**

The Company's debt profile is as follows:



All amounts are reported in R$ million.