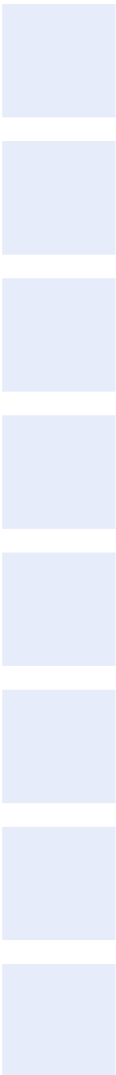


4th Quarter 2018 Results

March / 2019

A vertical bar on the left side of the page, consisting of ten light blue squares stacked vertically.

This presentation contains forward-looking statements, which are subject to risks and uncertainties and reflect the beliefs and expectations of the Company's management based on available information. Forward-looking statements include statements regarding our management's current intentions or expectations with respect to a number of matters, including Brazil's economic, political, and business environment, and especially the geographic markets in which we operate, the level of indebtedness and other financial obligations, and our ability to contract financing, when necessary and on reasonable terms, our ability to implement our investment plans, inflation and devaluation of the Brazilian real, as well as fluctuations in interest rates, existing and future laws and regulations, increased costs, our ability to uninterruptedly obtain materials and services from suppliers, at reasonable prices and with economies of scale, our ability to acquire other companies and integrate them in a satisfactory way, growth expectations of the automotive and hydraulic industries and success in implementing our strategic plans.

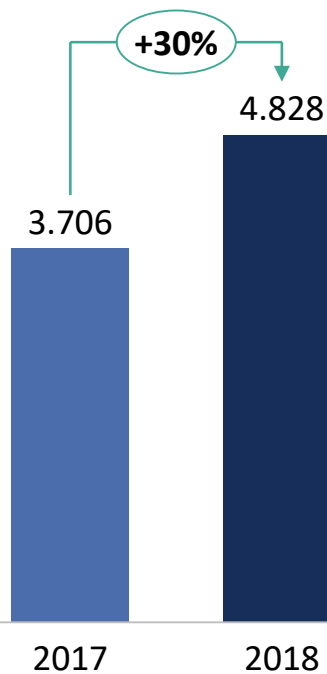
The reader should be aware that the factors mentioned above, in addition to others discussed in this Presentation, may affect our future results which may differ from those expressed in the forward-looking statements we make herein. We do not assume responsibilities for updating such statements.

The words "anticipates," "wishes," "expects," "estimates," "intends," "forecasts," "plans," "predicts," "projects," "targets" and similar words are intended to identify these statements.

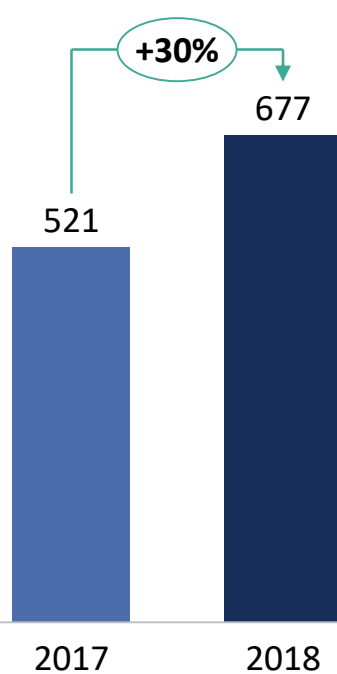
Forward-looking statements involve risks, uncertainties and assumptions as they relate to future events and therefore depend on circumstances that may or may not occur. The future condition of our financial condition and operational results, market share and our competitive market position may materially differ from what is expressed or implied by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. The reader is cautioned not to place undue confidence on these forward-looking statements.

Highest Net Revenues, EBITDA, Net Income and Operational Cash Flow Generation in the Company's history

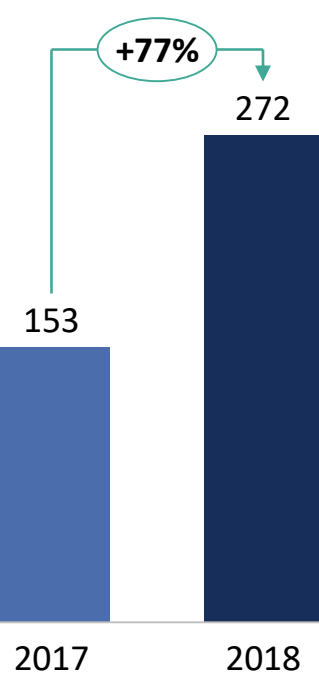
Net Revenues
[B BRL]



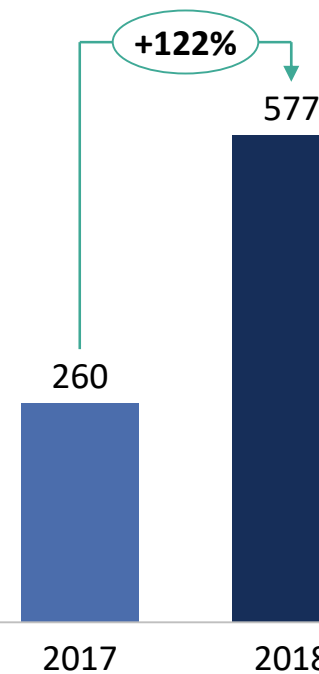
Adjusted EBITDA
[M BRL]



Net Income
[M BRL]

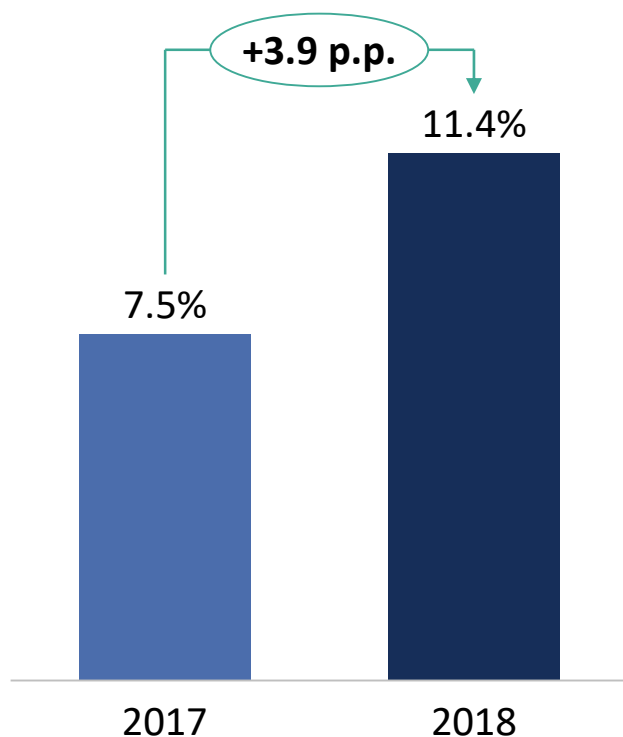


Cash Flow
[M BRL]



Growth accompanied by return on invested capital

ROIC*



▪ NOPAT

- Significant **growth** in **operating profit**, despite inflation on raw materials
- Contracts with high value added products
- Stronger physical volumes, **despite operational suspension of the Mauá plant**

▪ Invested Capital

- **Significant reduction in the cash conversion cycle, with improvement in all lines of working capital**, arising from sales, purchases and inventory efforts
- **Investment discipline** (66% of depreciation)
- **Efficient capital allocation** (divestures) and **credit monetization** fiscal/tax
 - 3Q18: disposal of non-operating assets (land)
 - 3Q17: sale of the steel shots unit

* Adjusted operating income after taxes/PP&E, intangible assets and working capital.

Strong cash flow generation and dividend payment

1

Revenues

- R\$1,235.0 million, up by 27.7% vs. 4Q17, **with growth in all markets**

2

Adjusted
EBITDA

- **R\$151.2 million**, a 14.3% growth vs 4Q17

3

Cash Flow from
Operations

- **R\$209.0 million, increasing by 92.3% compared to 4Q17**, with significant improvements in our cash conversion cycle (9 days)

4

Return on
Invested Capital

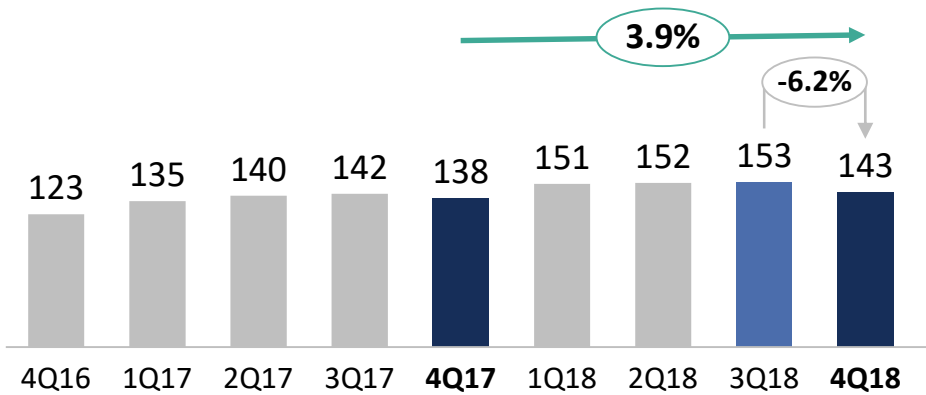
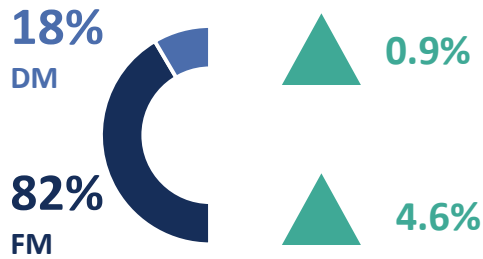
- **11.4%, up by 390 bps** vs the ROIC recorded in 4Q17.

5

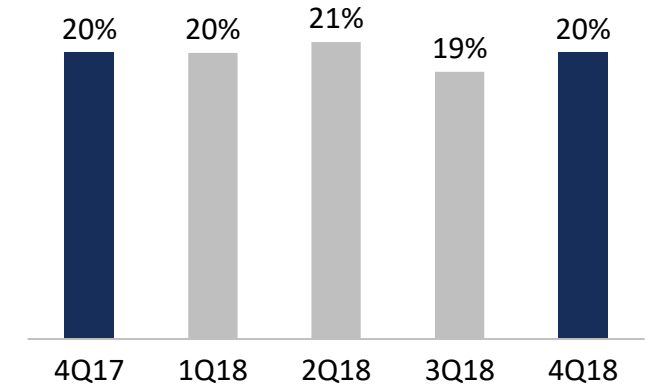
Dividends and
Interest on
Equity

- **Payment of R\$137.5 million**, (R\$100.0 anticipation of 2019 results).

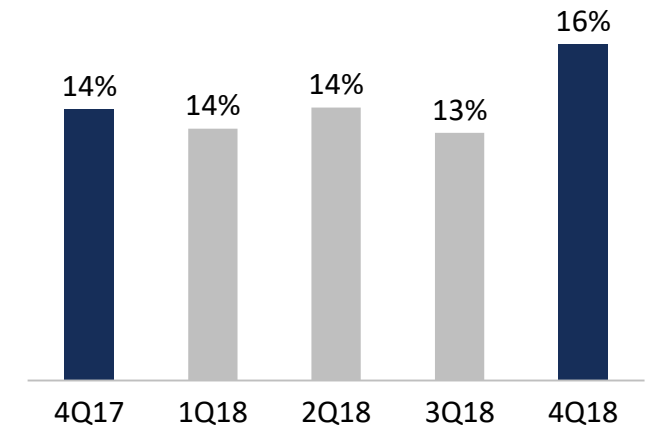
Volume [kton]



Machining [% automotive volume]

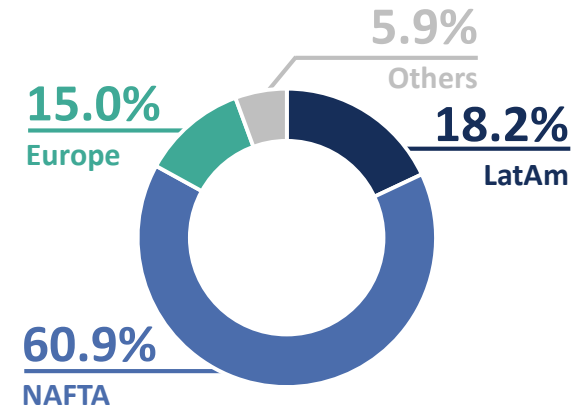
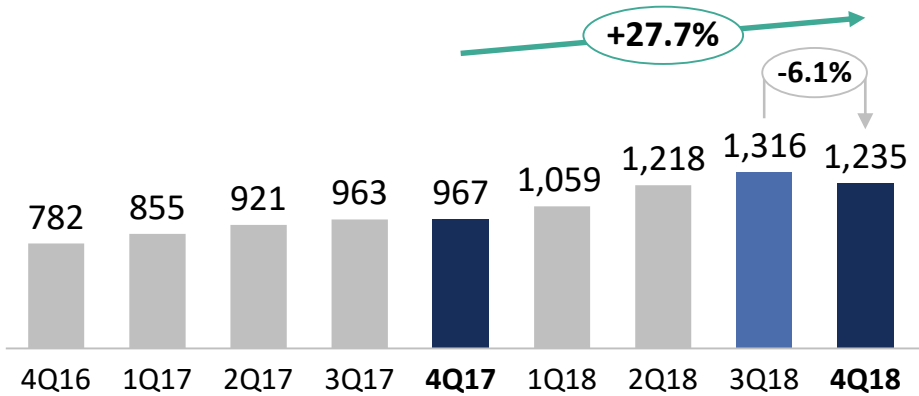
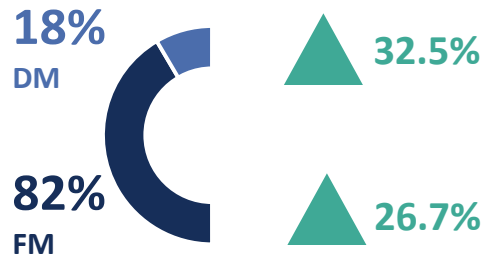


CGI [% automotive volume]

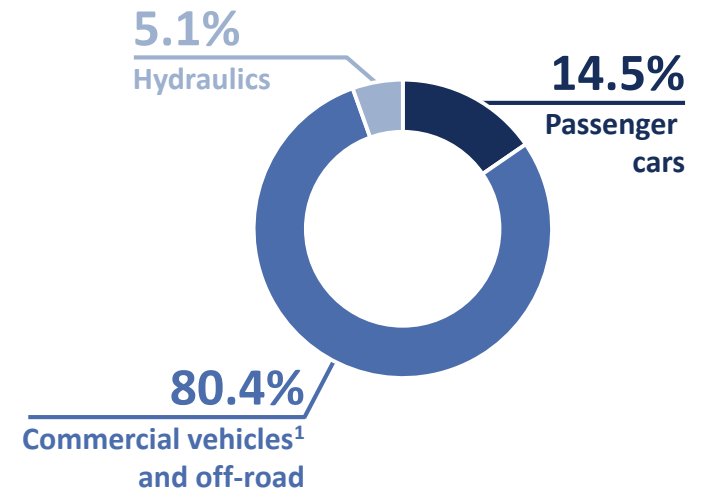


Revenue [M BRL]

Origin [% revenue]



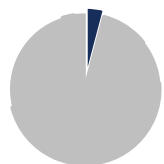
Application [% revenue]



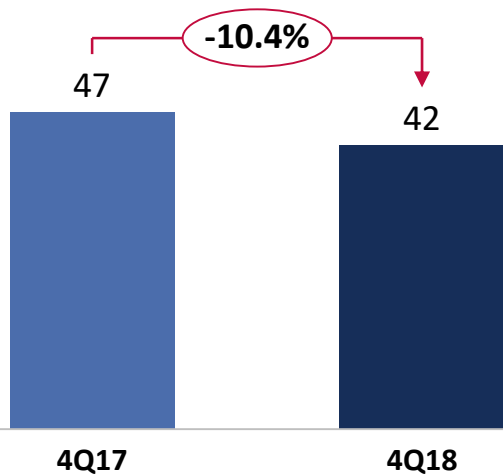
1) Includes light, medium and heavy commercial vehicles

Domestic Market

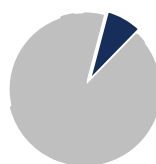
Passenger cars [M BRL]



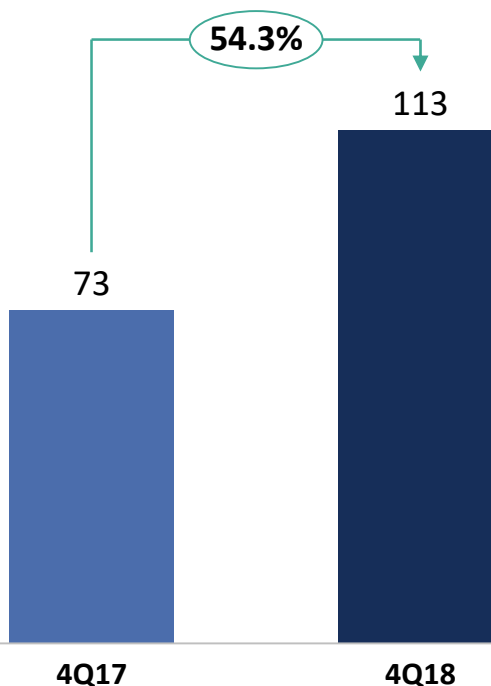
3.4%
of revenue



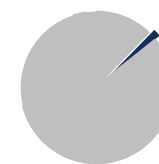
Commercial vehicles [M BRL]



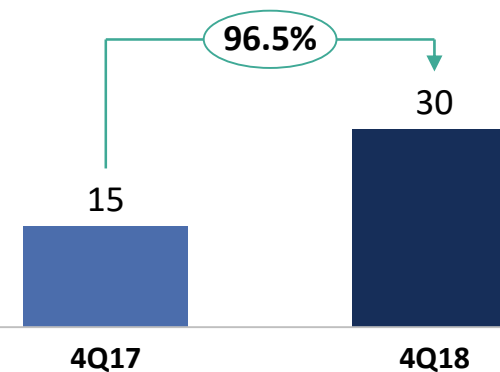
9.2%
of revenue



Off-road [M BRL]



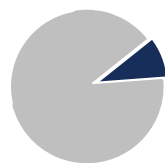
2.4%
of revenue



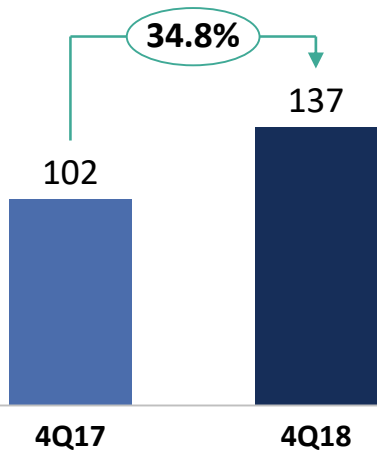


Foreign Markets

Passenger cars [M BRL]



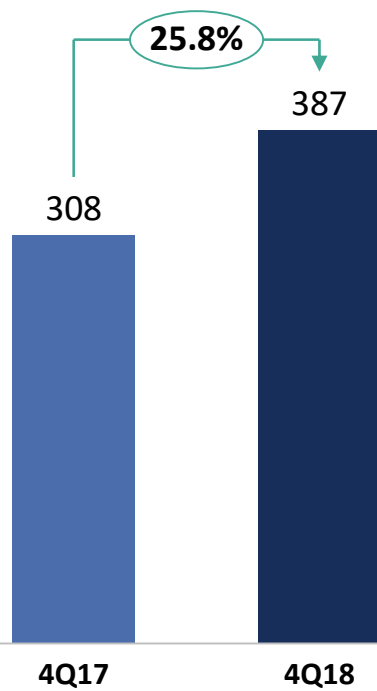
11.1%
of revenue



Light commercial [M BRL]



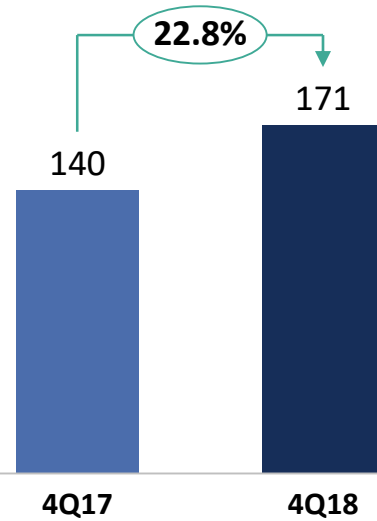
31.4%
of revenue



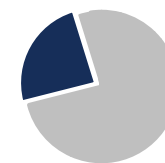
Med. & heavy commercial [M BRL]



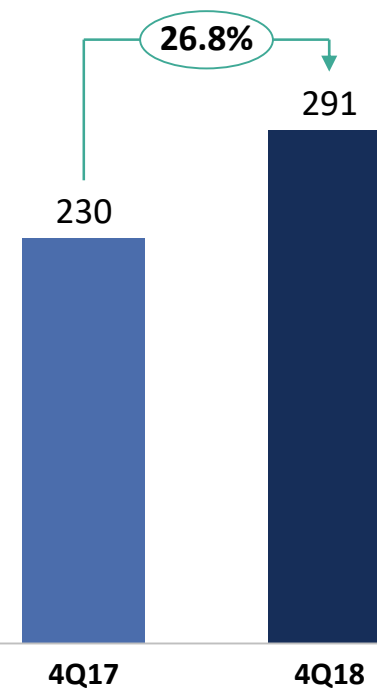
13.9%
of revenue



Off-road [M BRL]

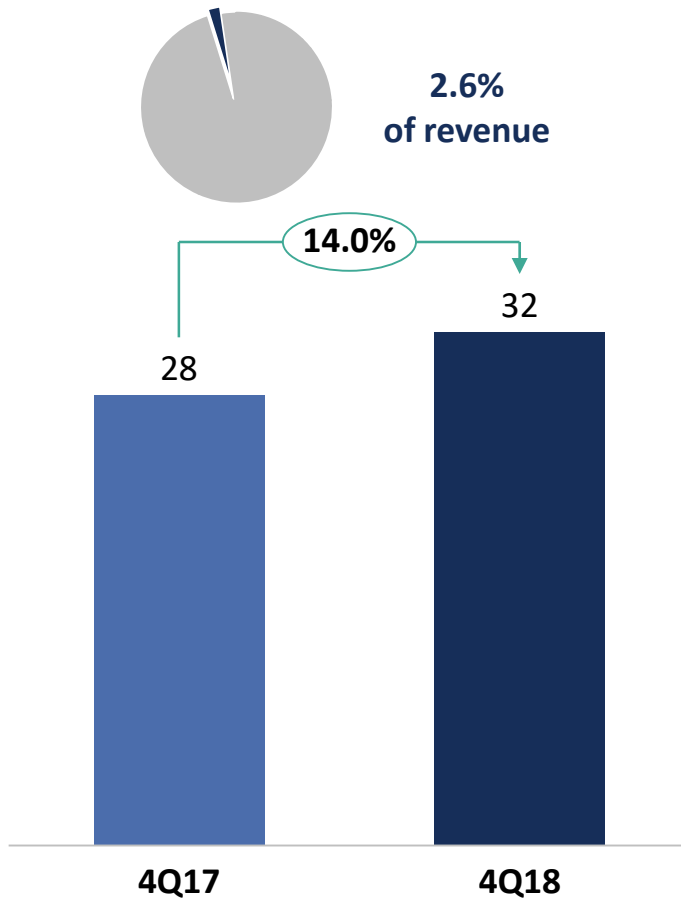


23.6%
of revenue

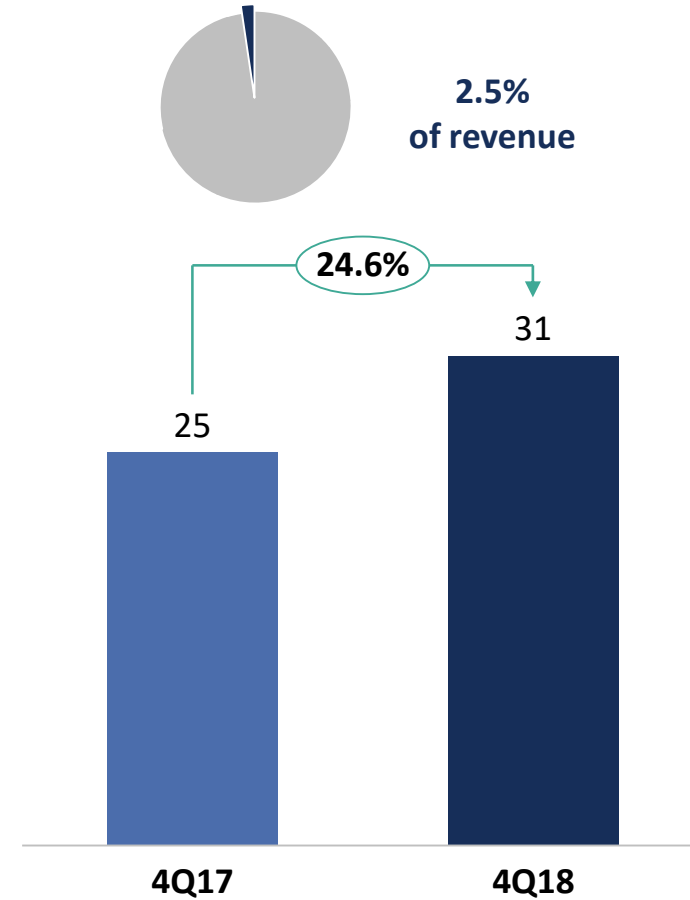


Domestic & Foreign Markets [M BRL]

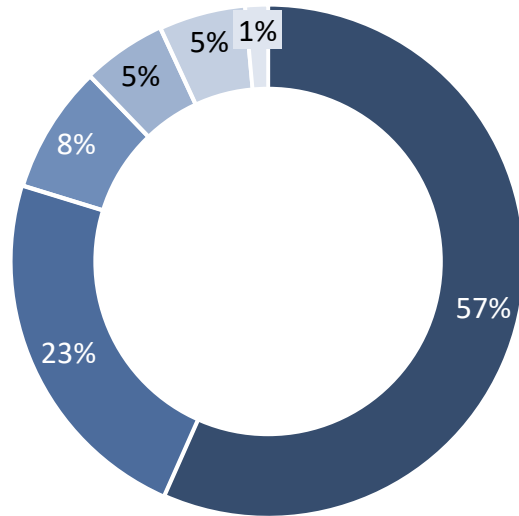
Domestic Market



Foreign Market



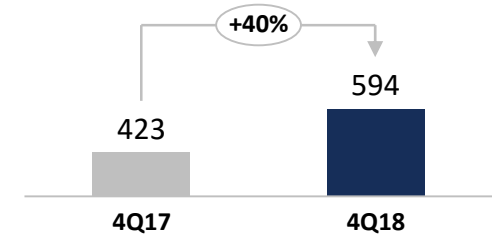
COGS Breakdown 4Q18 [%]



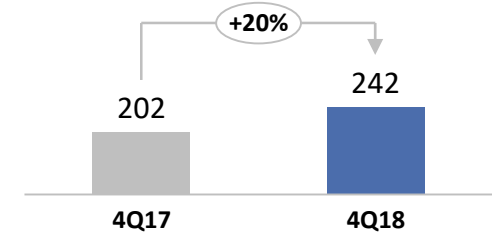
- Raw Material
- Labor & Profit Sharing
- Maintenance Materials
- Energy
- Depreciation
- Others

Variation of main cost inputs by nature [%]

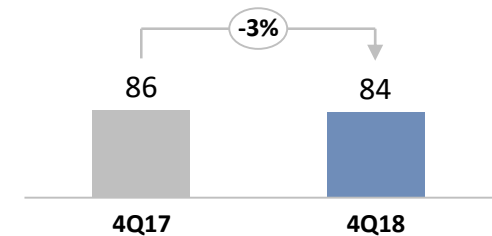
Materials



Labor

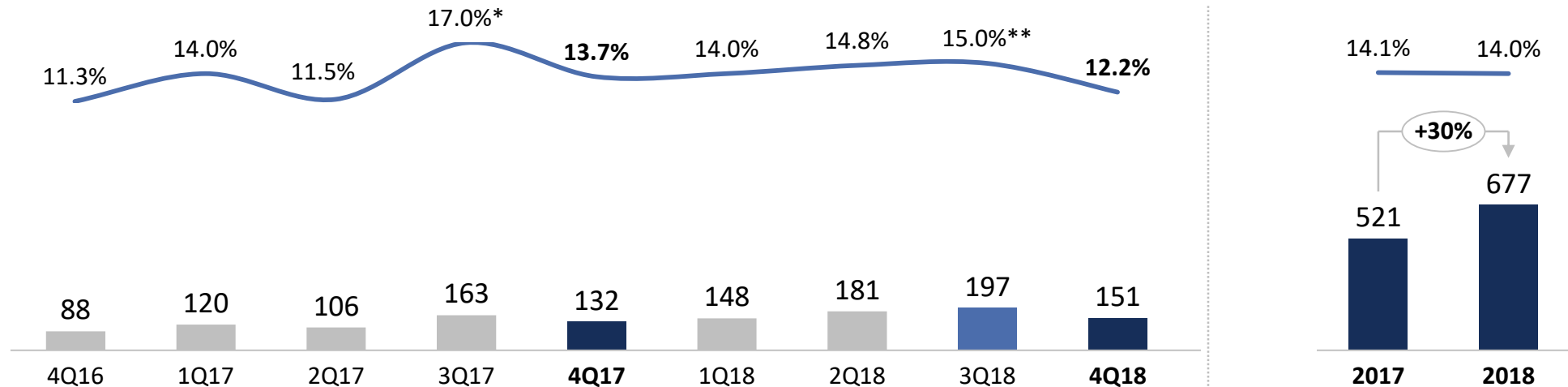


Maintenance materials & third-parties

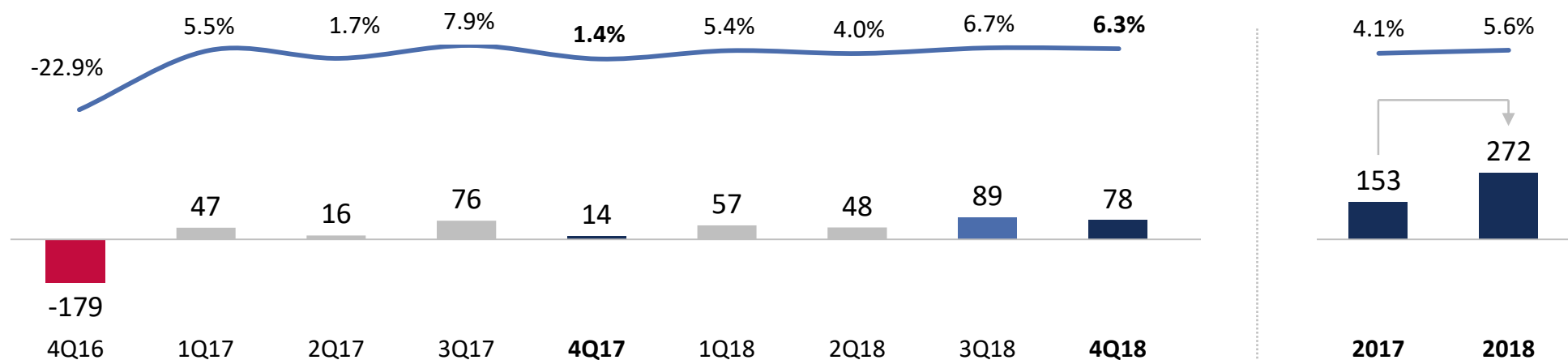


	4Q17		4Q18
COGS	812.7 M BRL	+29.0%	1,048.7 M BRL
Gross Margin	16.0 %	-0.9pp	15.1 %
SG&A	75.8 M BRL	+26.0%	95.4 M BRL

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



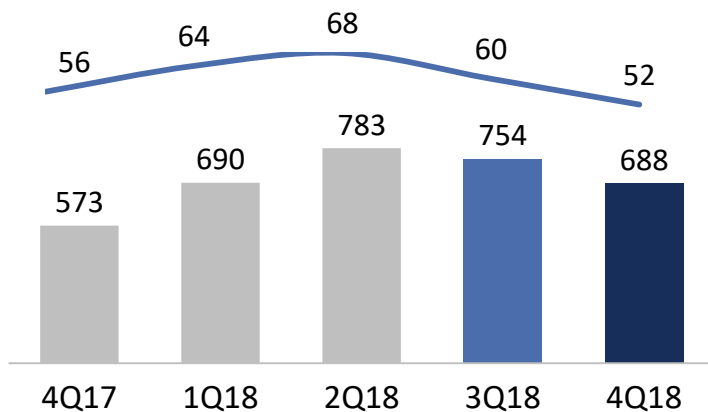
Net Income [M BRL] and Net Margin [%]



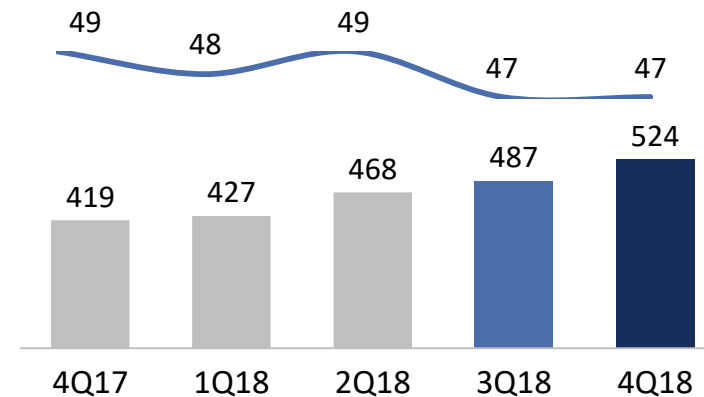
• Adjusted EBITDA was positively affected by non-recurring revenues amounting to R\$11.0 million.

** Results impacted by trucks' driver strike. Excluding these effects, the margin was 16.6%.

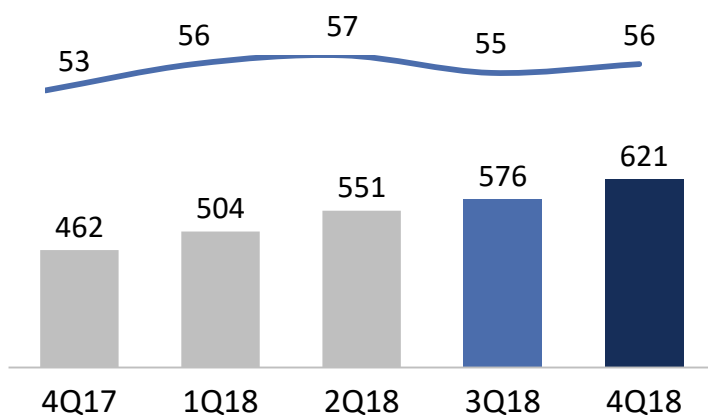
Accounts receivable [M BRL] and DSO [days]



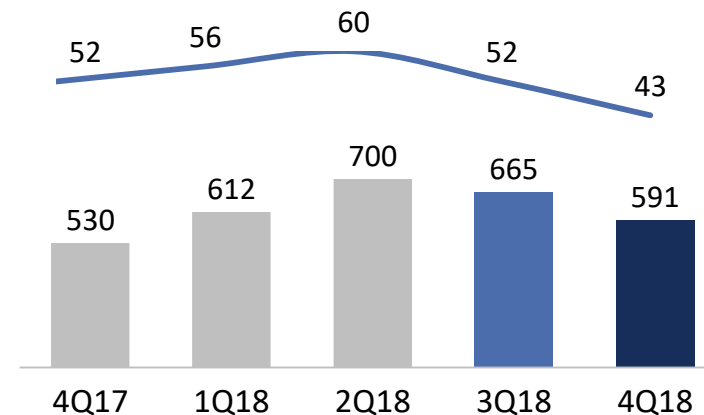
Inventories [M BRL] and DIO [days]



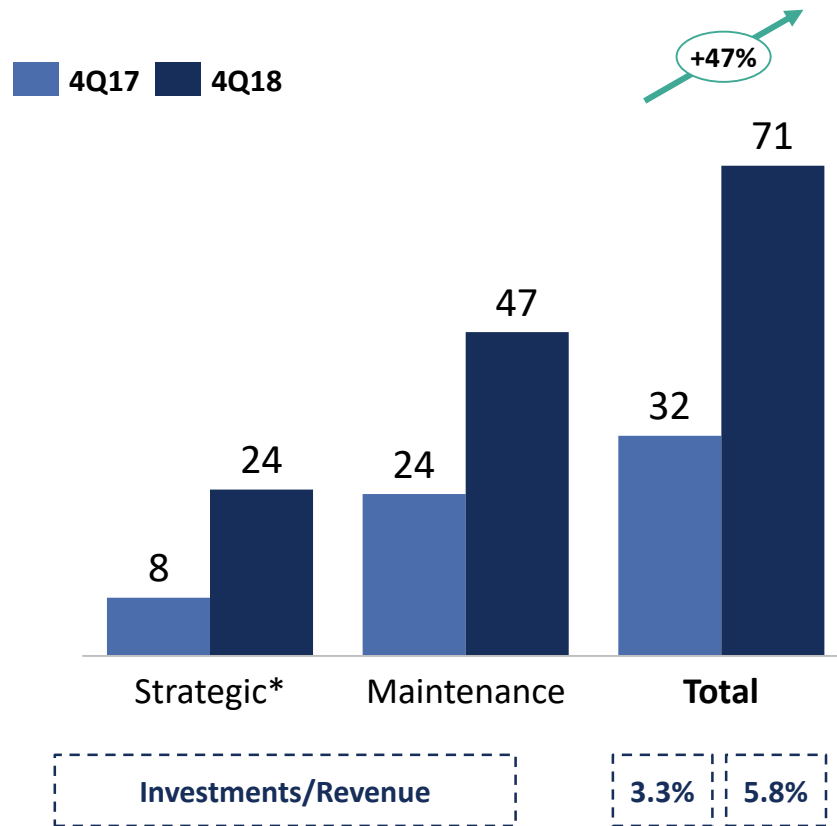
Accounts payable [M BRL] and DPO [days]



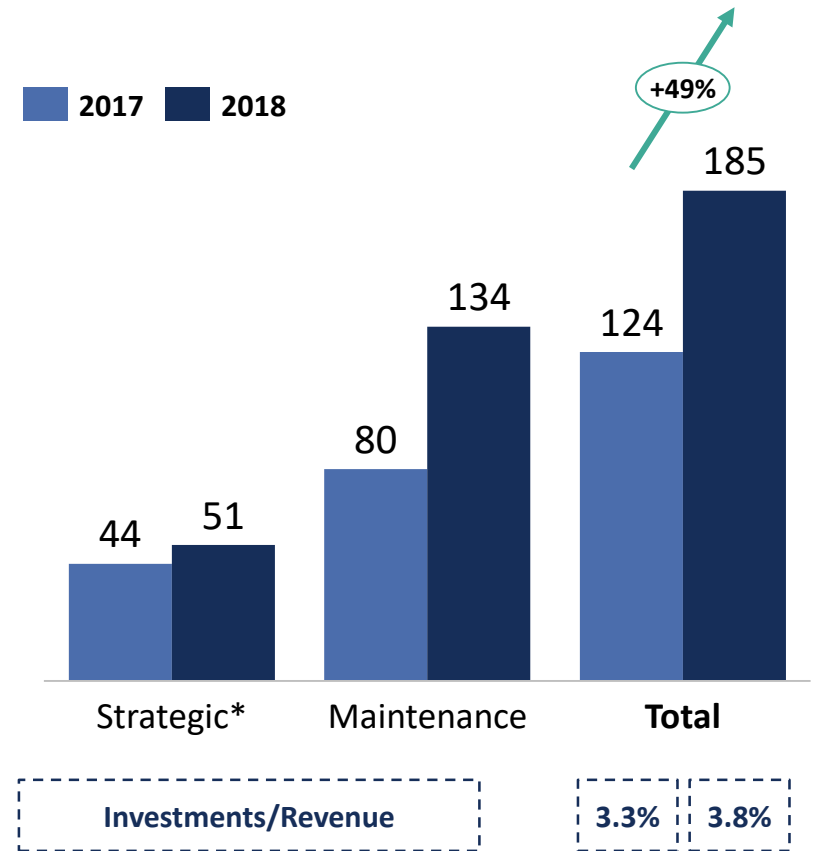
Working capital [M BRL] and CCC [days]



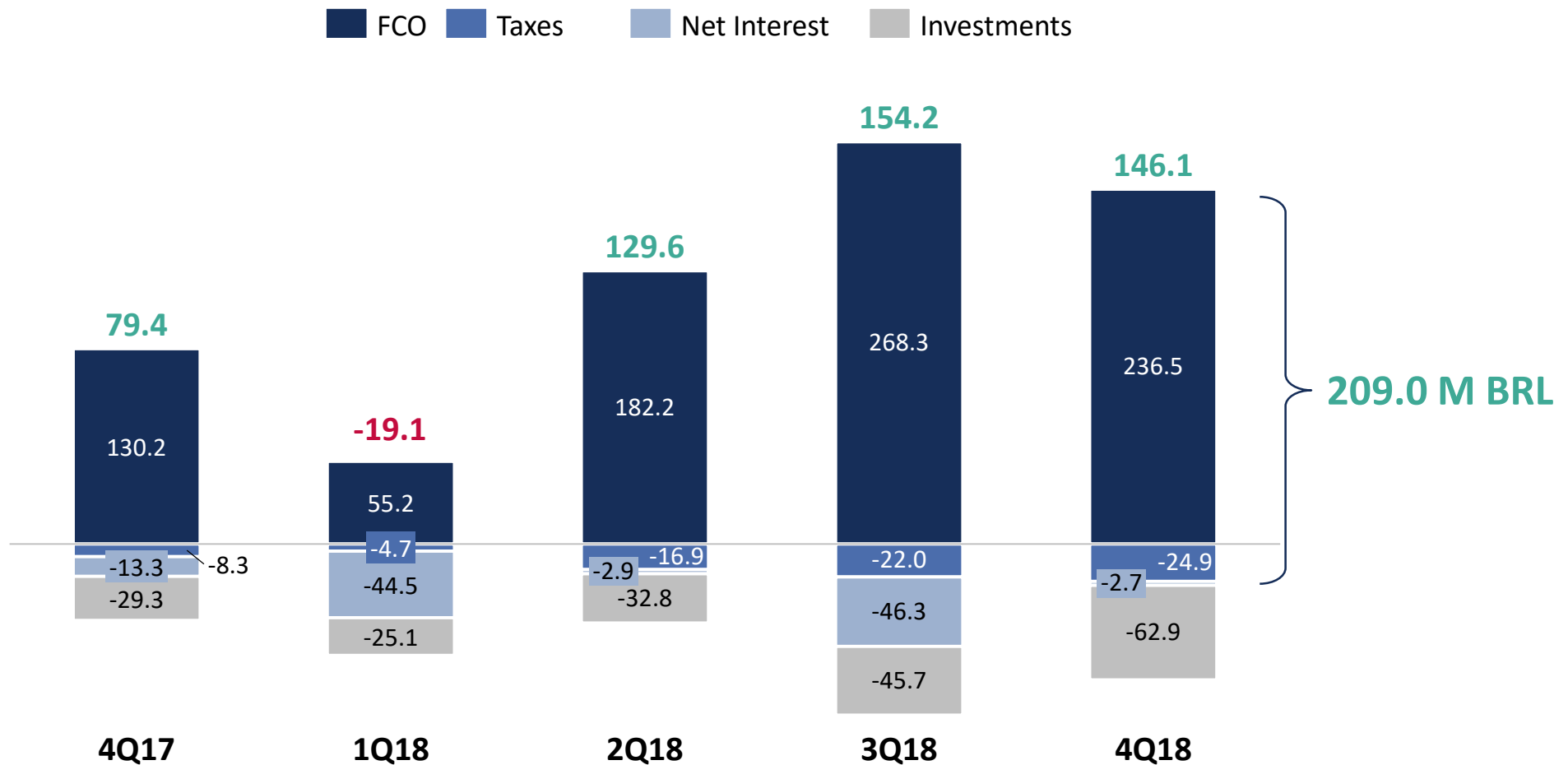
Investments 4Q18 vs 4Q17 [M BRL]



Investments 2018 vs 2017 [M BRL]

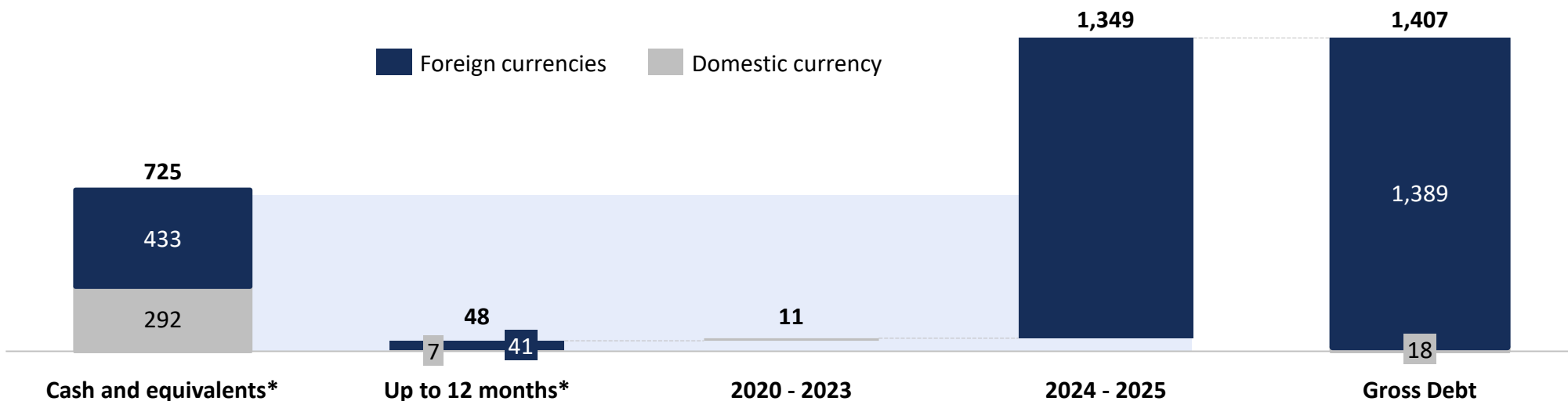


› Investments related to new contracts and projects for efficiency gains.

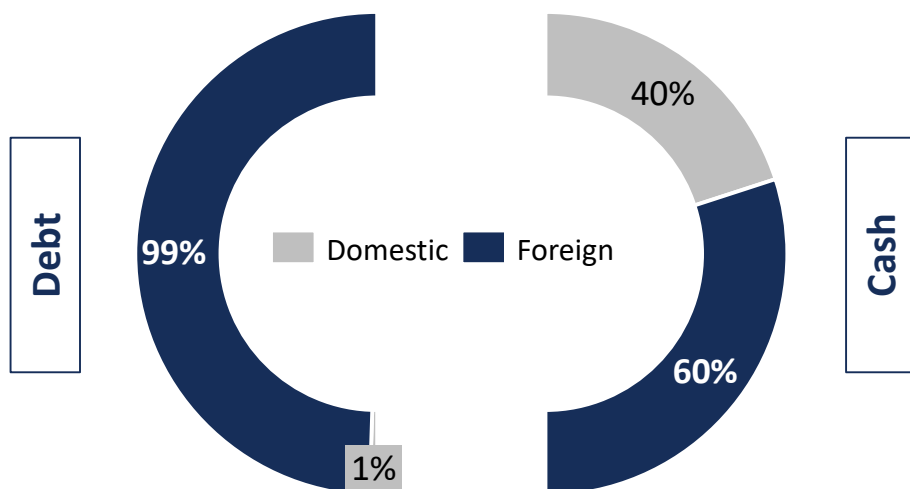


› In 2018, strong operational results and significant improvement in working capital contributed for the Company to record the largest free cash flow in its history

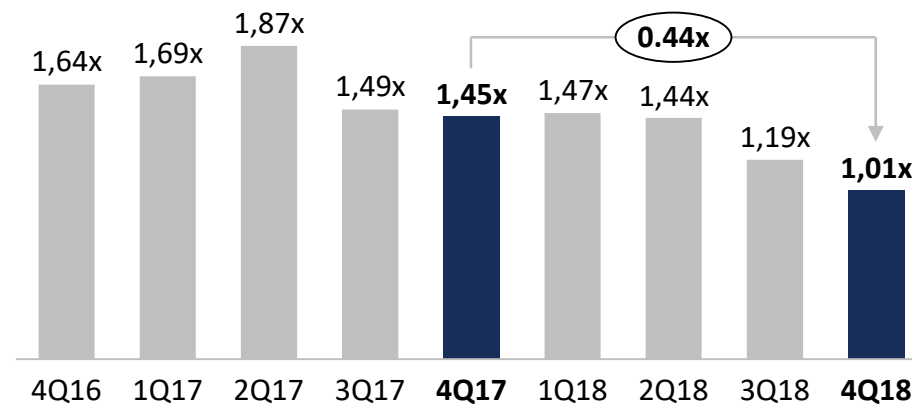
Debt [M BRL]



Currency breakdown [% total]



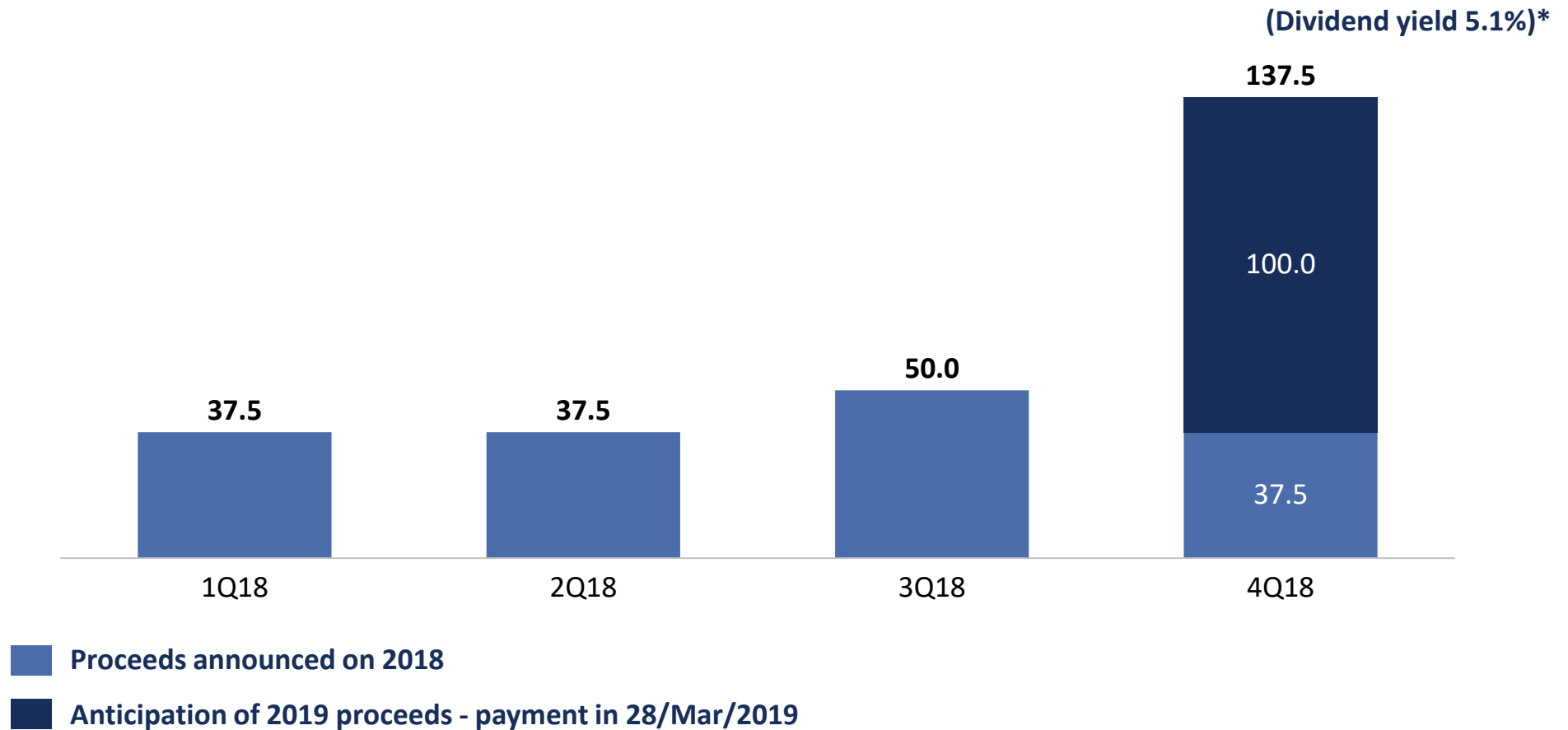
Net debt/Adjusted EBITDA LTM



*Includes derivative instruments

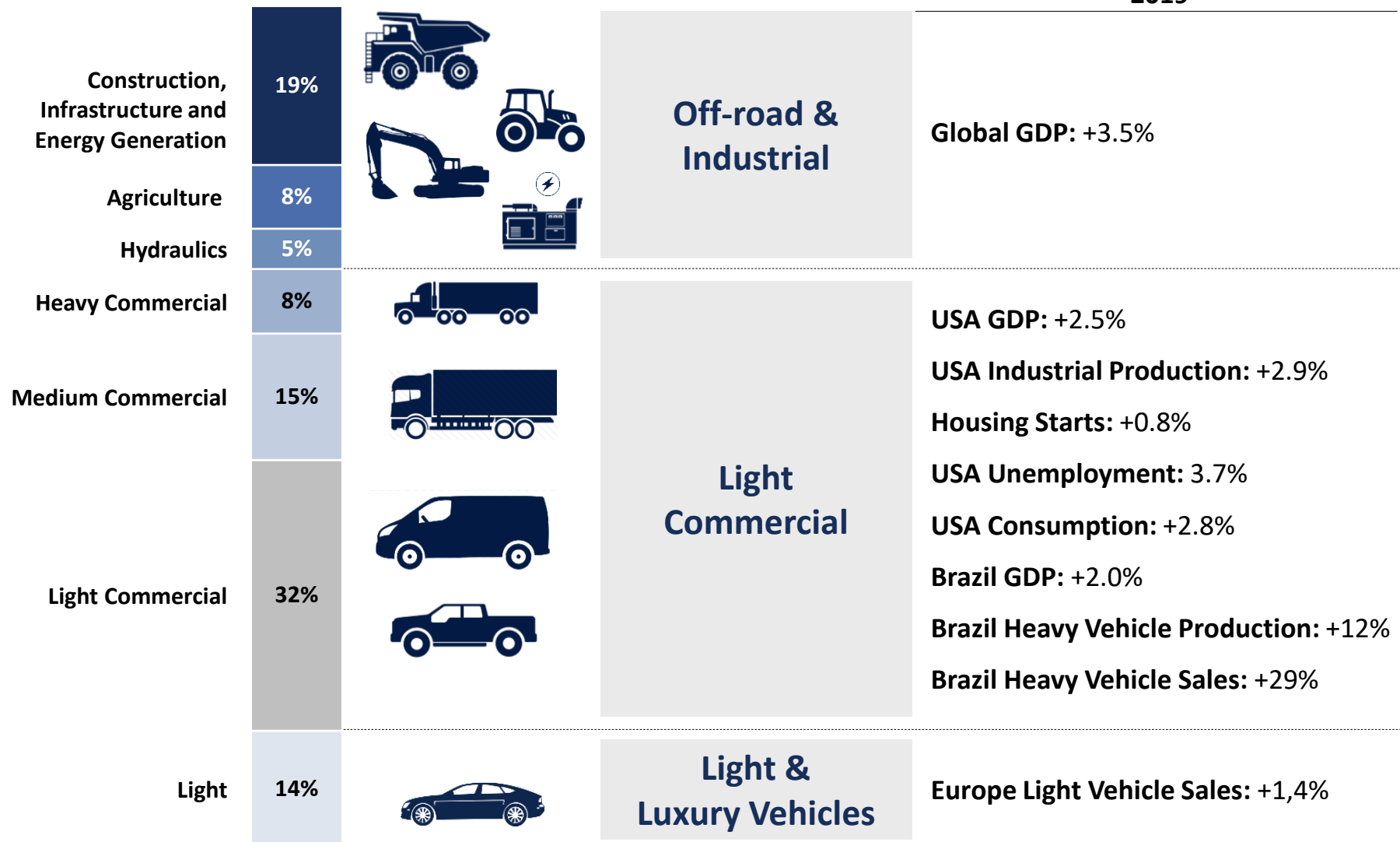
[MBRL]

Last payment of 2018 and anticipation of 2019 proceeds



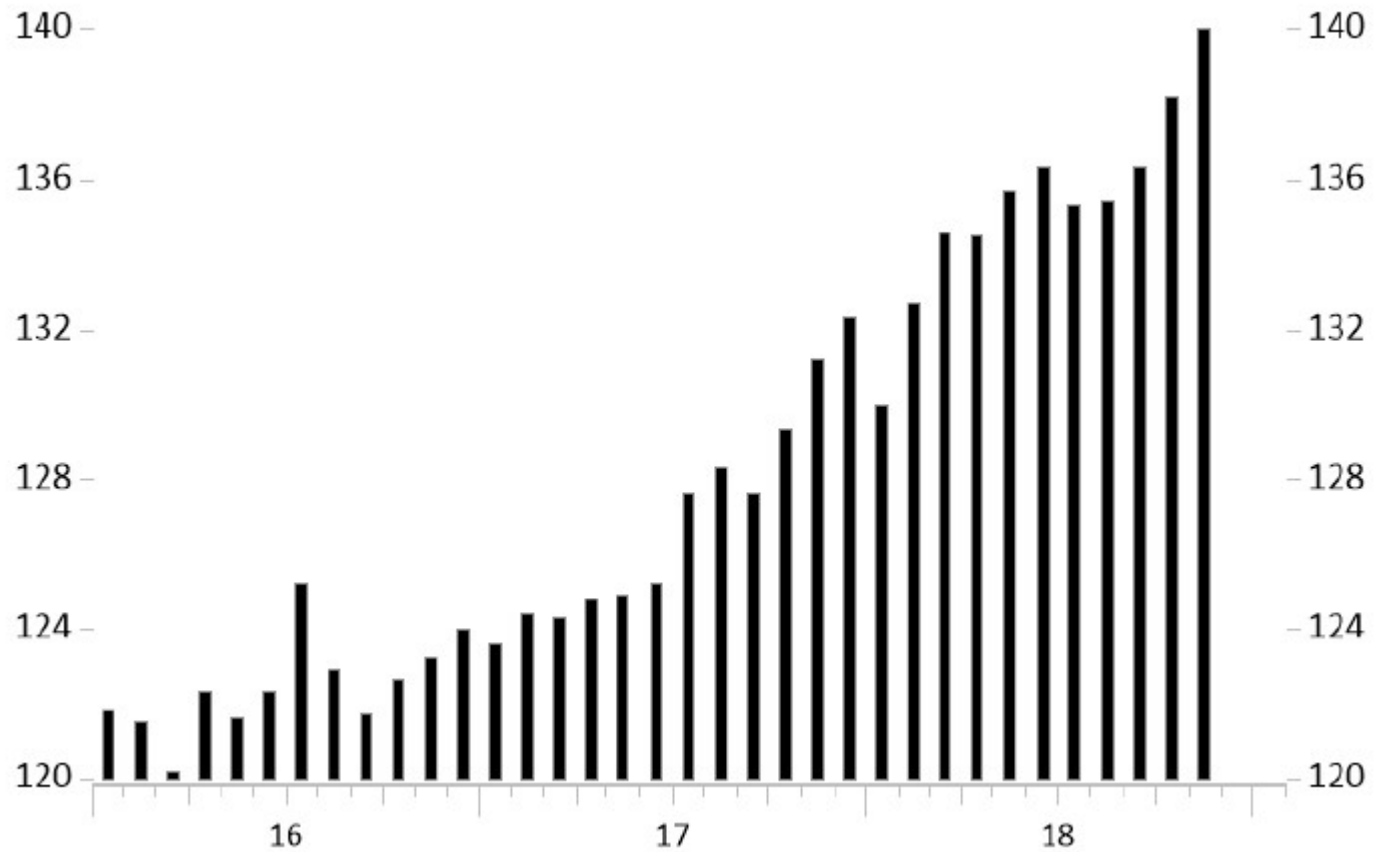
*Based on stock price in 14/Mar/2019

2019



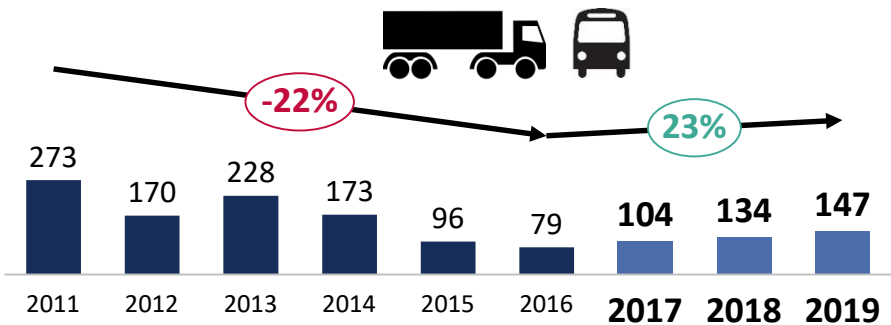
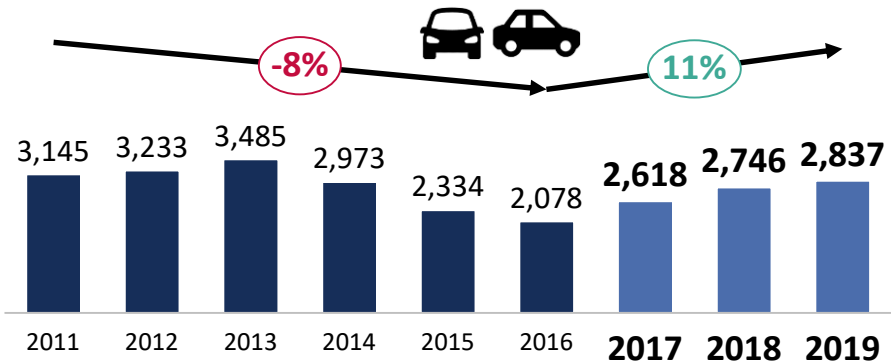
➤ Diversification promotes less exposure to cyclicity

Transportation Service Index: Freight





Vehicle production - thousand



- Domestic market records significant volume of machining products and other automotive parts

Source: Tendências Consultoria

Outlook

- Higher growth than the foreign market, with increased demand for blocks & cylinder heads and other automotive parts, which have idle capacity

- Indirect exports through our clients



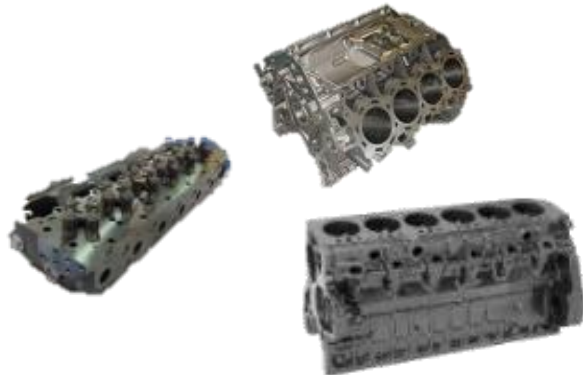
- New businesses – engineering parts



➤ Tupy is directly benefited from the recovery of the domestic market

Sales management

- New contracts and **complex products (CGI and Machining)**.

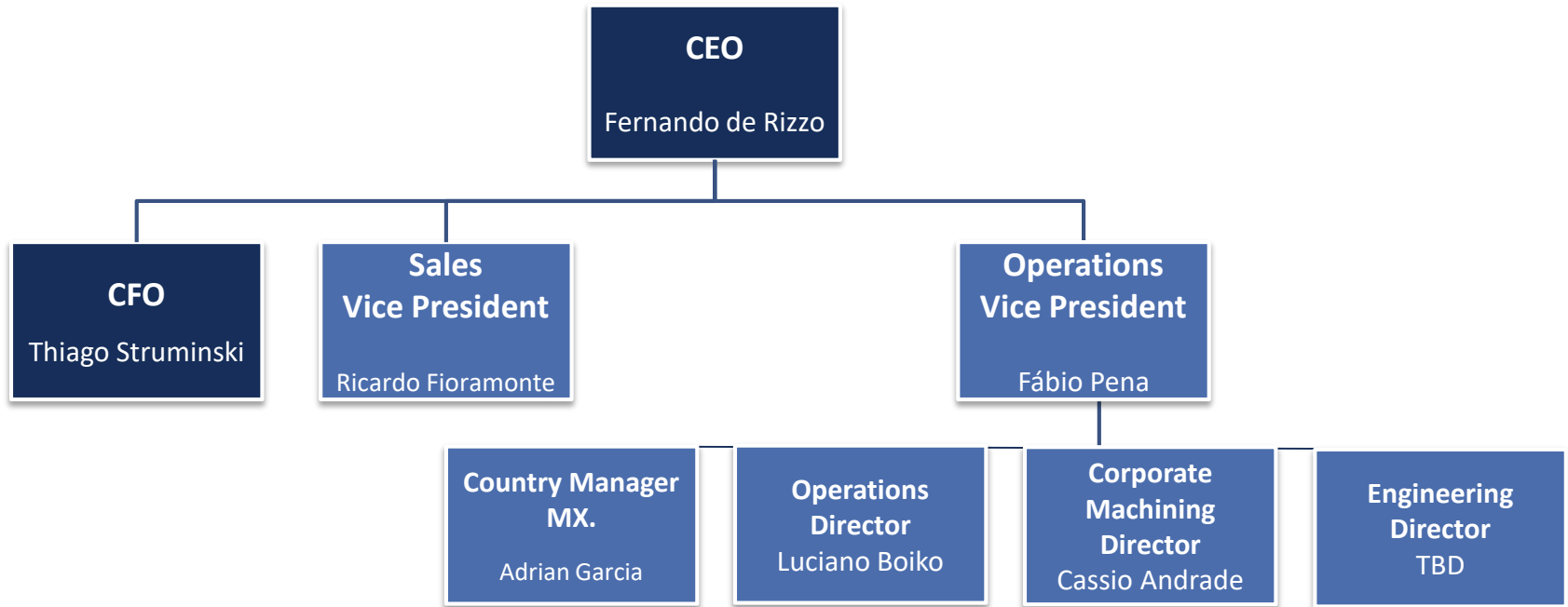


Operational Efficiency & Main Projects


- New corporate **structure**
 - Review **purchase** process
 - Broad **Automation** - BR/MX
 - Changes in **working hours** - BR
 - **PMO** – Project Management
 - **New sand regenerator** unit
- **Expand machining** MX / BR
 - **New engine blocks** for **pick-ups and SUVs**
 - New **structural componentes** – BR


Long term view / R&D / Education and development

Executives with international experience and know-how in our business' key processes



 **Ricardo Fioramonte:** Professional Experience: Royal Dutch Shell, ZF , Gerdau and Voestalpine (Brazil and USA). Mechanical Engineer with MBA from Georgia State University.

 **Fabio Pena:** Professional Experience: Tupy, Blackhawk and Teksid, both in México. Metallurgical Engineer from UFMG.

 **Adrian Garcia:** Professional Experience: Caterpillar EUA and México, responsible for implementing the Lean principles and Ongoing Improvement system in several units globally. Industrial Engineer with an IT MBA from ITESM (Mexico).

New Cycle

1. **Strategic Growth**
2. **Operational Excellence** – recovery of **margins and ROIC**
3. **Shareholder Return**
4. **Corporate Restructuring, Culture and Sustainability**

› A new cycle, but maintaining the same strategy essence