



## Consistent results and strong operating cash generation

Highest Revenue, Adjusted EBITDA, and Net Income in Company's history

### Earnings Conference Call

Date: 08/11/2022

Portuguese/English

11:00 a.m. (Brasília) / 09:00 a.m. (EST)

Dial in Brazil: +55 11 4090-1621

Dial in Brazil: +55 11 3181-8565

Dial in USA: +1 412 717-9627

Toll free USA: +1 844 204-8942

Code: TUPY

Website: [www.tupy.com.br/ir](http://www.tupy.com.br/ir)

### Investor Relations

Thiago Fontoura Struminski  
Chief Financial and  
Investor Relations Officer

Hugo Zierth  
IR Manager

Rafael Felipe Junckes

[dri@tupy.com.br](mailto:dri@tupy.com.br)

+55 (11) 2763-7844

- **Revenues:** R\$2.7 billion (+47% vs 3Q21).
- **Physical sales volume:** 177 thousand tons in 3Q22 (+34% vs 3Q21).
- **Cash Conversion Cycle and Operational Generation:** 18-days decrease in relation to the previous quarter (2Q22), contributing to the generation of R\$230 million cash flow from operating activities.
- **Adjusted EBITDA:** R\$358 million, with a margin of 13.3%, similar to the first half of 2022
- **Net Income:** R\$192 million in 3Q22, vs a net income of R\$125 million in 3Q21.
- **Indebtedness:** Net debt/LTM adjusted EBITDA ratio of 1.3x. Debt issuance in local currency (debenture), in the amount of R\$1 billion, at a CDI rate of +1.5% p.a., in which proceeds will be used to pay for the acquisition of MWM.
- **Approval of MWM acquisition:** The General Superintendence of the Administrative Council for Economic Defense (SG/CADE) approved without restrictions the acquisition of MWM's assets and business. The closing of the deal is expected for the fourth quarter of 2022.

## MESSAGE FROM MANAGEMENT

The results achieved in 3Q22 reflect our advances in operational efficiency and in capturing synergy, mitigating the effects of bottlenecks in our customers' supply chain. We reviewed our corporate structure, improved operational indicators, and reduced our fixed costs and administrative expenses. With this, we are also building an even more flexible production model to increase our level of competitiveness. We continue to advance with the integration process of the Aveiro and Betim plants, which contribute with the Company's entire efficiency, and the process of capturing synergies is going strictly according to plan. In this sense, we are making investments and applying working methods that will increase the efficiency and profitability of these plants as of 2023.

These management initiatives have been contributing with the increase in results. In the quarter, we recorded the highest levels of net revenue and adjusted EBITDA in the Company's history. Net income, in turn, reached R\$192 million, also our highest historical level. These are indicators are significant, especially since we still had stoppages in customer production, and volumes were lower than their potential, and pre-pandemic levels – 3Q19 – due to bottlenecks at production chains, leading to the formation of backlogs. These factors, plus the need to renew fleet, will have a favorable impact on volumes, thus mitigating the adverse impacts from the rise in interest rates and inflation.

Our disciplined investment profile contributed to the rise in ROIC, which reached approximately 14% in 3Q22 (vs 12% in 3Q21), despite the increase in invested capital with the acquisition of new plants. Our debt is at very comfortable levels, with net debt at approximately 1.3x of LTM Adjusted EBITDA.

We significantly reduced the cash conversion cycle in relation to the previous quarter (2Q22), with the first half of the year marked by an increase in this indicator, mainly due to (i) the increase in sales volume and cost pass-through in previous quarters, reflecting the accounts receivable amounts and (ii) increase in inventories, caused by occasional stoppages of our customers. Among the several actions carried out by the Company, we highlight the temporary reduction in the activities of certain operations. Although this had an occasional impact on our margins due to the lower dilution of costs, it contributed to the generation of R\$230 million in operating cash.

Aiming at obtaining funds to pay for the acquisition of MWM, announced in April of this year and subject to approval by the Brazilian antitrust entity (CADE), we issued a local market debt instrument (debentures) in the amount of R\$ 1 billion, at a CDI rate of 1.5% p.a. The strong demand for these debentures demonstrates the capital markets' confidence in the Company's strategy and its ability to generate value.

### **New business**

Tupy's plants are located in countries that have competitive costs and availability of energy. This combination allows us to offer new products and services. We also have a solid pipeline of foundry and machining projects that will help increase the Company's revenue and profitability in the coming years. We continue to advance with the integration process of the Aveiro and Betim plants, which contribute with the efficiency of the entire Company.

In addition to these initiatives, we envision many opportunities arising from the acquisition of MWM. With this move, our Company will be uniquely positioned in the industry, capable of offering complete solutions in casting, machining, assembly, technical validation, and associated engineering activities. The transaction also contributes with Tupy's penetration and new growth opportunities in low carbon

economy sectors adjacent to our current model, such as the generator sets market, low carbon transport, and power generation in farms. In addition, we will advance in revenue diversification and increase our exposure to countercyclical sectors, such as spare parts, reinforcing our resilience to market fluctuations.

Tupy, which is increasingly focused on contributing to viable decarbonization, has invested in other fronts of its sustainability strategy. In recognition of our initiatives in environmental, social and corporate governance aspects, we had an important advancement in our ASG rating issued by Morningstar Sustainalytics: we are now classified as a “low risk” company.

All our actions have been leading us to the construction of a New Tupy: a larger, competitive, diversified and even more efficient company, with a unique positioning in the market and which dedicates its knowledge to meeting its customers’ needs and the challenges of society towards a sustainable development.

## SUMMARIZED RESULTS

SUMMARY	Consolidated (R\$ Thousand)					
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Revenues</b>	<b>2,694,013</b>	<b>1,833,810</b>	<b>46.9%</b>	<b>7,587,326</b>	<b>5,023,518</b>	<b>51.0%</b>
Cost of goods sold	(2,158,931)	(1,489,915)	44.9%	(6,132,683)	(4,204,756)	45.9%
<b>Gross Profit</b>	<b>535,082</b>	<b>343,895</b>	<b>55.6%</b>	<b>1,454,643</b>	<b>818,762</b>	<b>77.7%</b>
<i>% on Revenues</i>	<i>19.9%</i>	<i>18.8%</i>		<i>19.2%</i>	<i>16.3%</i>	
Operating expenses	(258,644)	(126,619)	104.3%	(683,016)	(368,047)	85.6%
Other operating expenses	(57,715)	(26,669)	116.4%	(108,385)	(126,166)	-14.1%
<b>Income before Financial Result</b>	<b>218,723</b>	<b>190,607</b>	<b>14.8%</b>	<b>663,242</b>	<b>324,549</b>	<b>104.4%</b>
<i>% on Revenues</i>	<i>8.1%</i>	<i>10.4%</i>		<i>8.7%</i>	<i>6.5%</i>	
Net financial income (loss)	(9,959)	(1,236)		(101,839)	(116,411)	-12.5%
<b>Income (Loss) before Tax Effects</b>	<b>208,764</b>	<b>189,371</b>	<b>10.2%</b>	<b>561,403</b>	<b>208,138</b>	<b>169.7%</b>
<i>% on Revenues</i>	<i>7.7%</i>	<i>10.3%</i>		<i>7.4%</i>	<i>4.1%</i>	
Income tax and social contribution	(16,515)	(64,221)	-74.3%	(115,582)	(66,404)	74.1%
<b>Net Income</b>	<b>192,249</b>	<b>125,150</b>	<b>53.6%</b>	<b>445,821</b>	<b>141,734</b>	<b>214.5%</b>
<i>% on Revenues</i>	<i>7.1%</i>	<i>6.8%</i>		<i>5.9%</i>	<i>2.8%</i>	
<b>EBITDA (CVM Inst. 527/12)</b>	<b>300,512</b>	<b>276,323</b>	<b>8.8%</b>	<b>927,090</b>	<b>590,470</b>	<b>57.0%</b>
<i>% on Revenues</i>	<i>11.2%</i>	<i>15.1%</i>		<i>12.2%</i>	<i>11.8%</i>	
<b>Adjusted EBITDA</b>	<b>358,142</b>	<b>288,980</b>	<b>23.9%</b>	<b>1,017,361</b>	<b>673,770</b>	<b>51.0%</b>
<i>% on Revenues</i>	<i>13.3%</i>	<i>15.8%</i>		<i>13.4%</i>	<i>13.4%</i>	
Average exchange rate (R\$/US\$)	5.25	5.23	0.3%	5.14	5.33	-3.7%
Average exchange rate (R\$/€)	5.28	6.16	-14.3%	5.46	6.38	-14.4%

## PHYSICAL SALES VOLUME

	Consolidated (metric tons)					
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Domestic Market</b>	<b>54,759</b>	<b>30,420</b>	<b>80.0%</b>	<b>156,731</b>	<b>85,382</b>	<b>83.6%</b>
Transportation, Infrastructure & Agriculture	51,838	27,033	91.8%	147,398	75,175	96.1%
Hydraulics	2,921	3,386	-13.7%	9,333	10,207	-8.6%
<b>Foreign Market</b>	<b>122,163</b>	<b>101,348</b>	<b>20.5%</b>	<b>367,191</b>	<b>302,496</b>	<b>21.4%</b>
Transportation, Infrastructure & Agriculture	118,483	98,180	20.7%	356,453	292,520	21.9%
Hydraulics	3,680	3,168	16.2%	10,738	9,974	7.7%
<b>Total Physical Sales</b>	<b>176,922</b>	<b>131,767</b>	<b>34.3%</b>	<b>523,922</b>	<b>387,876</b>	<b>35.1%</b>

Volumes have been recovering and increasing over the previous quarter (2Q22) and also in relation to the same period of the previous year (3Q21).

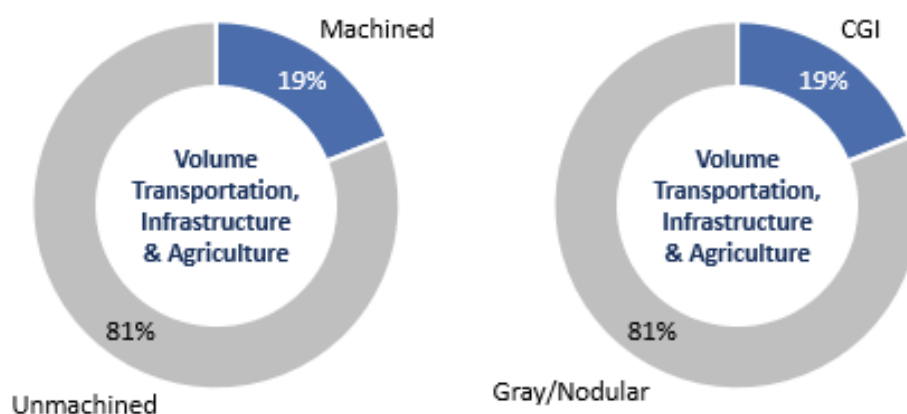
- Sales in the Transportation, Infrastructure & Agriculture segment increased by 92% in the domestic market, reflecting a greater share of products from the Betim plant aimed at this segment;
- The 21% growth in the foreign market was due to volumes from the Transportation, Infrastructure & Agriculture segment, arising from the demand for commercial vehicles and off-road equipment, in addition to volumes from the new plants;
- A 16% growth in foreign market volume in the Hydraulics segment due to higher demand in North America.

Despite the positive indicators and strong end-user demand, our customers were affected by supply chain restrictions, especially with the reduced supply of semiconductors. This phenomenon continues to cause operational interruptions at automakers, consequently reducing the volume of engine production, and impacting the Company's results, mainly for light commercial vehicles and trucks.

If, on one hand, these bottlenecks did not allow the production of capital goods to fully reflect the performance of the economy, on the other hand, pent-up demand and the need to replenish inventories will contribute with the rise in volumes as global chains normalize.

## Share of CGI (Compacted Graphite Iron) and machined goods:

Partially or fully machined goods accounted for 19% of the portfolio of the Transportation, Infrastructure & Agriculture segment (25% excluding volumes from the Betim and Aveiro plants). In terms of product distribution, by type of material, CGI accounted for 19% of volume (25% excluding the new plants).



## REVENUES

Compared to the same period of the previous year, revenues increased by 47%, with **revenue/kilo rising 9% over 3Q21**.

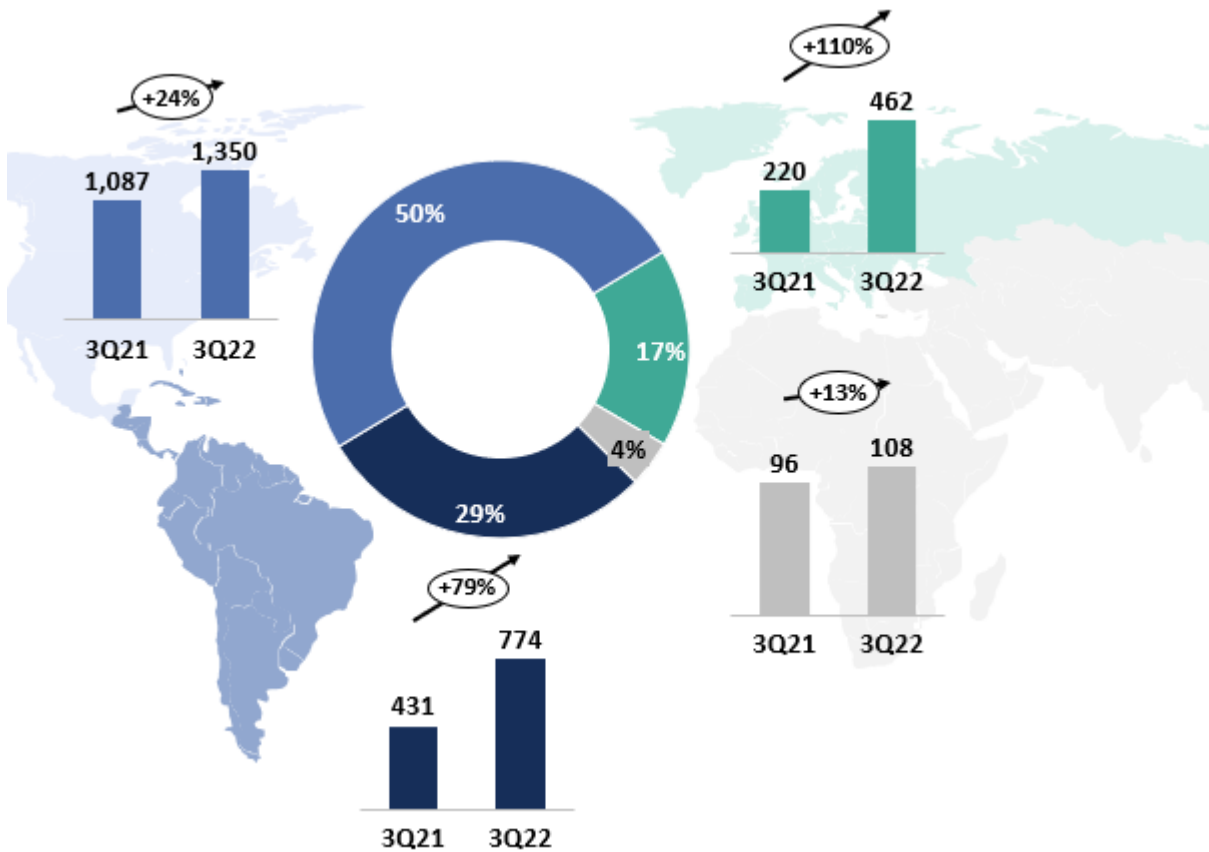
### Consolidated (R\$ thousand)

	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Revenues</b>	<b>2,694,013</b>	<b>1,833,810</b>	<b>46.9%</b>	<b>7,587,326</b>	<b>5,023,518</b>	<b>51.0%</b>
Domestic market	751,988	413,443	81.9%	2,024,476	1,043,046	94.1%
Share (%)	27.9%	22.5%		26.7%	20.8%	
Foreign market	1,942,025	1,420,367	36.7%	5,562,850	3,980,472	39.8%
Share (%)	72.1%	77.5%		73.3%	79.2%	
<b>Revenues by segment</b>	<b>2,694,013</b>	<b>1,833,810</b>	<b>46.9%</b>	<b>7,587,326</b>	<b>5,023,518</b>	<b>51.0%</b>
Transportation, Infrastructure & Agriculture	2,596,365	1,741,386	49.1%	7,308,017	4,781,228	52.8%
Share (%)	96.4%	95.0%		96.3%	95.2%	
Hydraulics	97,648	92,424	5.7%	279,309	242,290	15.3%
Share (%)	3.6%	5.0%		3.7%	4.8%	

## Revenues by market and performance in the period

In 3Q22, 50% of revenues originated in North America. The South and Central Americas accounted for 29%, and Europe for 17% of the total. The remaining 4% 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 multiple clients in the North America export their goods to other countries. Therefore, a substantial portion of sales to that region meets the global demand for engines, commercial vehicles, machinery, and off-road equipment.



Consolidated (R\$ thousand)

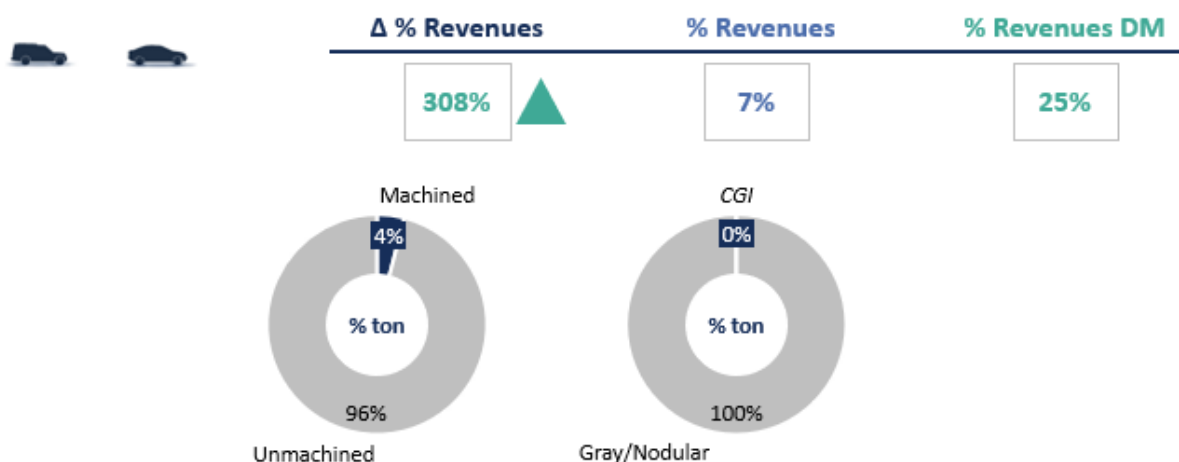
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Revenues</b>	<b>2,694,013</b>	<b>1,833,810</b>	<b>46.9%</b>	<b>7,587,326</b>	<b>5,023,518</b>	<b>51.0%</b>
<b>Domestic Market</b>	<b>751,988</b>	<b>413,443</b>	<b>81.9%</b>	<b>2,024,476</b>	<b>1,043,046</b>	<b>94.1%</b>
<b>Transportation, Infrastructure &amp; Agriculture</b>	<b>698,789</b>	<b>362,611</b>	<b>92.7%</b>	<b>1,865,338</b>	<b>908,878</b>	<b>105.2%</b>
Passenger cars	191,516	46,994	307.5%	552,089	119,668	361.4%
Commercial vehicles	397,598	254,853	56.0%	1,001,864	621,647	61.2%
Off-road	109,676	60,764	80.5%	311,385	167,563	85.8%
<b>Hydraulics</b>	<b>53,198</b>	<b>50,832</b>	<b>4.7%</b>	<b>159,138</b>	<b>134,168</b>	<b>18.6%</b>
<b>Foreign Market</b>	<b>1,942,025</b>	<b>1,420,367</b>	<b>36.7%</b>	<b>5,562,850</b>	<b>3,980,472</b>	<b>39.8%</b>
<b>Transportation, Infrastructure &amp; Agriculture</b>	<b>1,897,576</b>	<b>1,378,775</b>	<b>37.6%</b>	<b>5,442,679</b>	<b>3,872,349</b>	<b>40.6%</b>
Passenger cars	109,535	61,248	78.8%	350,368	185,200	89.2%
Light commercial vehicles	697,018	544,444	28.0%	1,979,172	1,580,649	25.2%
Medium and heavy commercial vehicles	461,783	334,084	38.2%	1,375,784	956,380	43.9%
Off-road	629,240	438,999	43.3%	1,737,355	1,150,120	51.1%
<b>Hydraulics</b>	<b>44,449</b>	<b>41,592</b>	<b>6.9%</b>	<b>120,171</b>	<b>108,123</b>	<b>11.1%</b>

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

Revenues for the period were impacted by the factors mentioned in the sections below.

## DOMESTIC MARKET (DM)

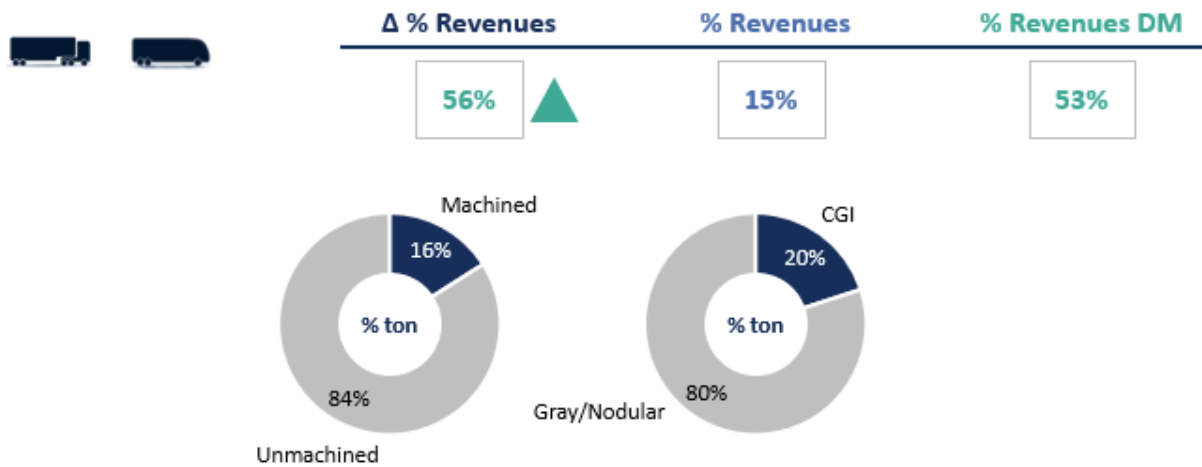
### Passenger cars



Revenues from the Light Vehicle segment were impacted with the rise in production in the Brazilian market and higher representativeness of the Betim operation in the segment.

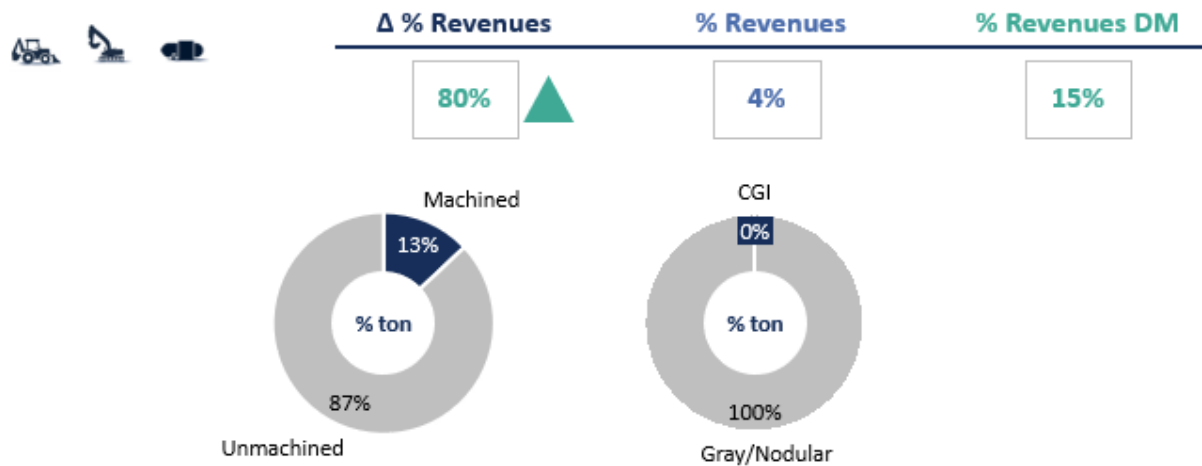


## Commercial vehicles



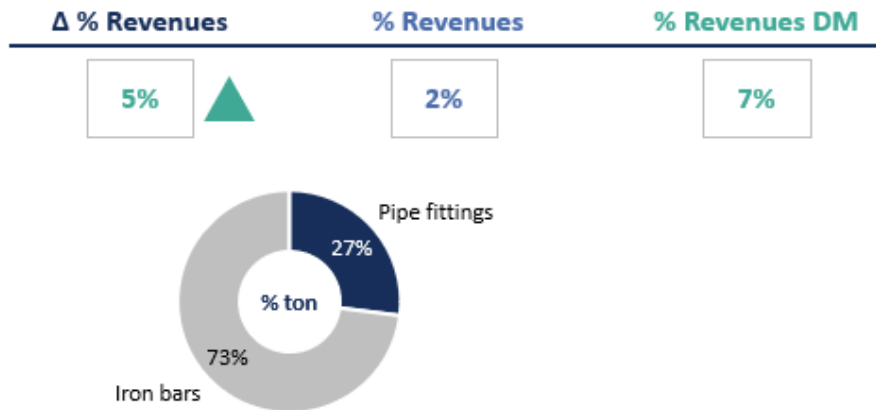
Revenues from the Commercial Vehicles segment increased versus the same period of the previous year, mainly impacted with volumes from the Betim plant, despite the stoppage of vehicle manufacturers due to the lack of semiconductors and other components.

## Off-road



Tupy's revenues from machinery and off-highway vehicles were impacted by increased demand in the domestic market for these applications, in addition to the contribution from the Betim plant in this segment.

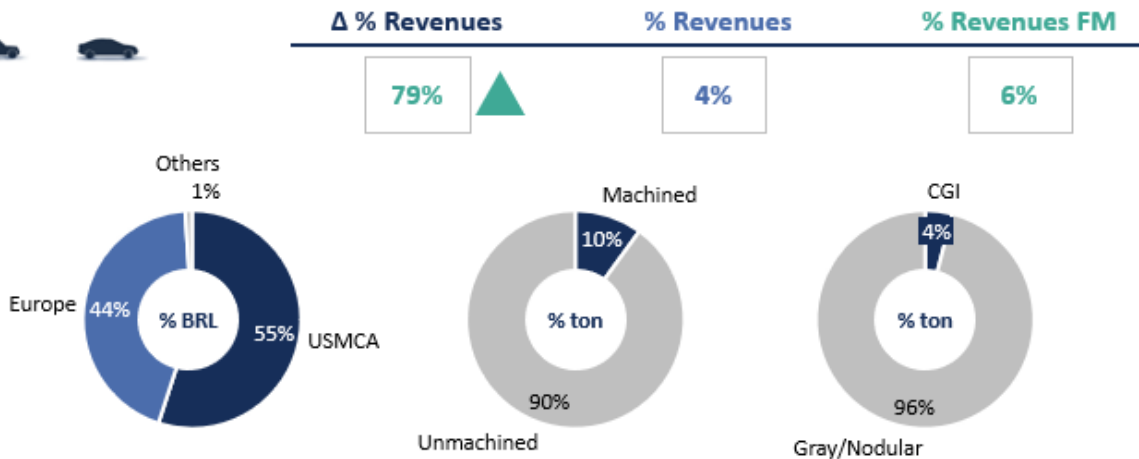
## Hydraulics



Revenues from sales in the Hydraulics segment rose by 5% over the third quarter of 2021, and drops in volumes were offset by price readjustments.

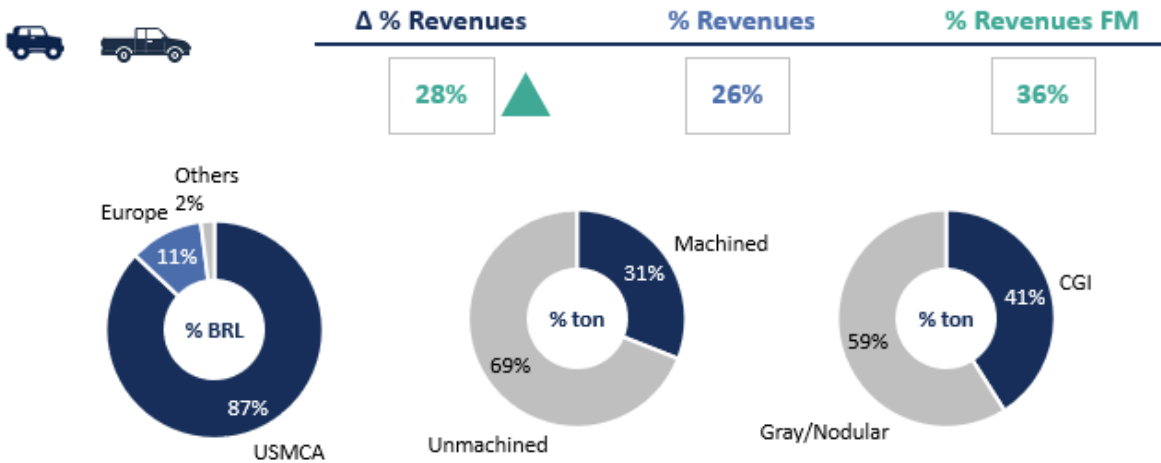
## FOREIGN MARKET (EM)

### Passenger cars



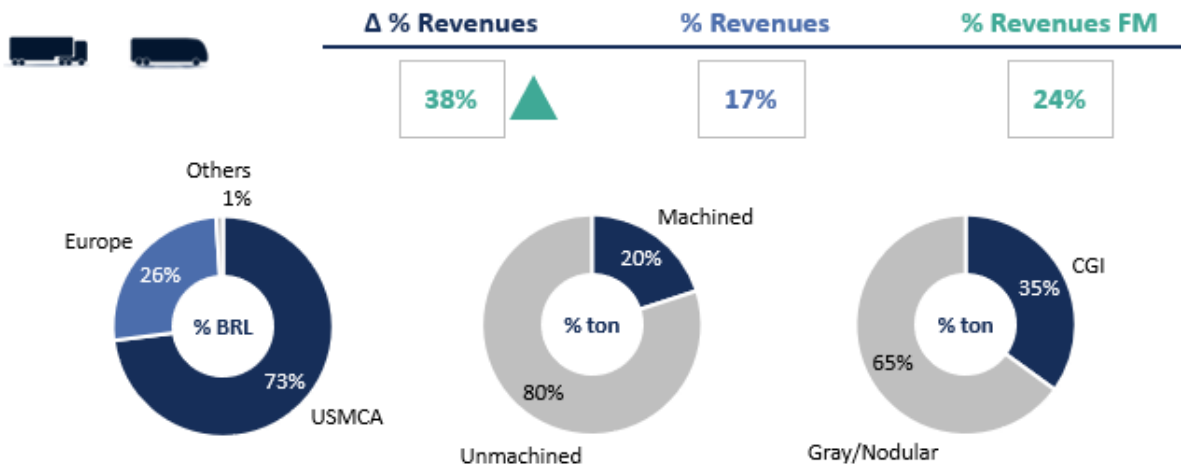
Despite stoppages at our customers' plants due to lack of semiconductors and maintenance, which impacted volumes, this segment's revenues grew with the additional volumes from the Portugal operation, in addition to ramp-up of products.

## Light commercial vehicles



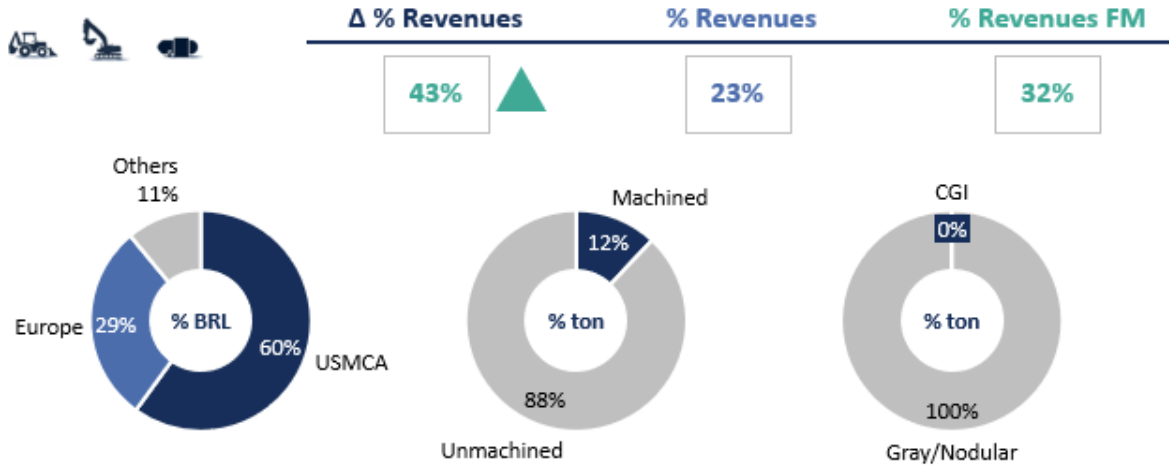
Production for the Light Commercial Vehicles segment was positively impacted by the growth in demand for this type of application, representing more than 79% of sales in the light commercial vehicles segment in the North American market (vs 76% in the same period of the previous year). However, customers continue to be affected by disruptions in supply chains for semiconductors and other inputs.

## Medium and heavy commercial vehicles



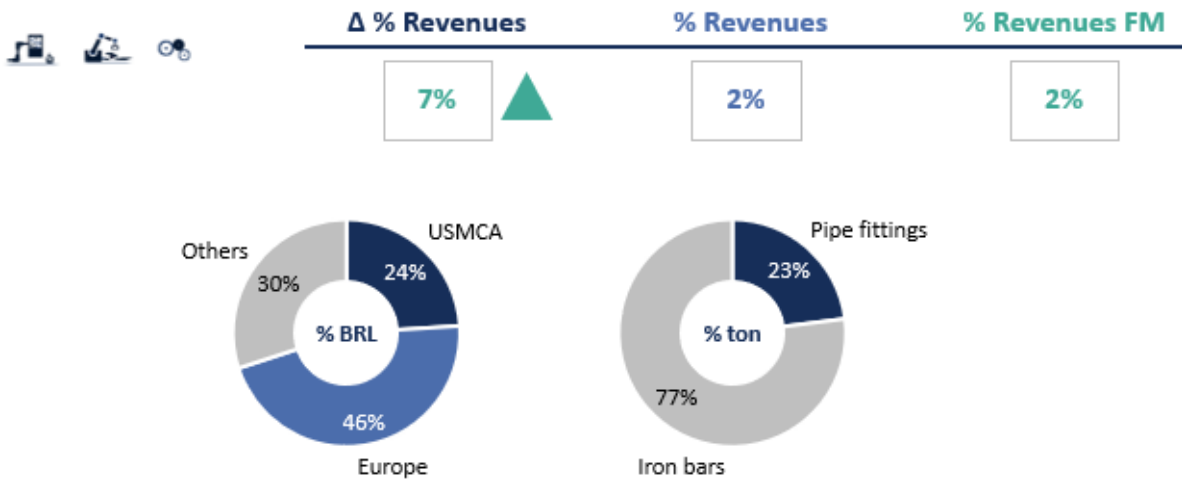
Despite the shortage of semiconductors, revenues from medium and heavy commercial vehicles increased due to the growth in demand in several markets and ramp up of products, in addition to volumes from the acquired plants.

## Off-road



In 3Q22, sales for off-road applications were impacted by the ramp-up of products and the increase in demand for machinery and equipment, in addition to the recomposition of inventories.

## Hydraulics



During the third quarter of 2022, net revenues from the Hydraulics segment increased by 7%, due to a higher demand in the North American market and price readjustments.

## COST OF GOODS SOLD AND OPERATING EXPENSES

The cost of goods sold (COGS) totaled R\$2,159 million in 3Q22.

Raw material costs and freight expenses remained at elevated levels, due to supply chain disruptions. These effects were mitigated by several management initiatives we implemented since last year, in addition to gains from productivity and synergies captured from the new operations.

During the quarter, we carried out occasional and scheduled stoppages in our operations to reduce inventories, resulting in a positive effect on working capital and operating cash generation. These stoppages also caused a drop in produced volumes, leading to lower dilution of costs and impacting several COGS lines.

	Consolidated (R\$ thousand)					
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Revenues</b>	<b>2,694,013</b>	<b>1,833,810</b>	<b>46.9%</b>	<b>7,587,326</b>	<b>5,023,518</b>	<b>51.0%</b>
<b>Cost of goods sold</b>	<b>(2,158,931)</b>	<b>(1,489,915)</b>	<b>44.9%</b>	<b>(6,132,683)</b>	<b>(4,204,756)</b>	<b>45.9%</b>
Raw material	(1,315,586)	(911,585)	44.3%	(3,702,201)	(2,504,572)	47.8%
Labor, profit sharing, and social benefits	(456,825)	(312,132)	46.4%	(1,316,161)	(902,366)	45.9%
Maintenance supplies	(142,680)	(98,916)	44.2%	(416,308)	(282,237)	47.5%
Energy	(136,062)	(80,422)	69.2%	(385,154)	(233,557)	64.9%
Depreciation	(77,752)	(68,557)	13.4%	(234,069)	(213,527)	9.6%
Other	(30,026)	(18,303)	64.1%	(78,791)	(68,497)	15.0%
<b>Gross profit</b>	<b>535,082</b>	<b>343,895</b>	<b>55.6%</b>	<b>1,454,643</b>	<b>818,762</b>	<b>77.7%</b>
<i>% on Revenues</i>	<i>19.9%</i>	<i>18.8%</i>		<i>19.2%</i>	<i>16.3%</i>	
<b>Operating expenses</b>	<b>(258,644)</b>	<b>(126,619)</b>	<b>104.3%</b>	<b>(683,016)</b>	<b>(368,047)</b>	<b>85.6%</b>
<i>% on Revenues</i>	<i>9.6%</i>	<i>6.9%</i>		<i>9.0%</i>	<i>-7.3%</i>	

Besides the impact in the **annual comparison with the addition of the Betim and Aveiro plants**, costs for the period were affected by the following factors:

- Increases in raw material cost, mainly due to inflation for these materials in the last 12 months. The substantial increase in costs, reflects the global economic recovery and bottlenecks in the production chain, impacting prices and availability of materials. These effects were partially offset by synergies among the operations, as well as several initiatives aimed at optimizing and substituting the use of materials, and the renegotiation of contracts with suppliers;
- Labor costs were impacted mainly by the annual pay rise negotiation, as well as overtime;
- Increase in the maintenance and third-party services account due to the impact of inflation and higher production volume in the period;

- Increase in energy expenses, mainly due to higher production volumes and the rise in distribution tariffs compared to 3Q21;
- The increase of 13% in depreciation costs was mainly due to the addition of assets originated from the acquisitions of the Aveiro and Betim plants;
- The R\$12 million increase in other operational costs includes product and material handling, rents, health and safety, among other items.

Operating expenses, including selling and administrative expenses, reached R\$259 million. In addition to the growth in volume, the result was mainly impacted by the significant rise in freight expenses, which are passed-through according to contractual clauses, as well as the annual pay rise negotiation.

## OTHER OPERATING INCOME (EXPENSES)

Other net operational expenses came in as an expense of R\$58 million in 3Q22, compared to an expense of R\$27 million in 2Q21.

	Consolidated (R\$ thousand)					
	3T22	3T21	Var. [%]	9M22	9M21	Var. [%]
Depreciation of non-operating assets	(85)	(154)	-44.8%	(330)	(469)	-29.6%
Amortization of intangible assets	-	(13,858)	-	(17,784)	(42,397)	-58.1%
Other	(57,630)	(12,657)	355.3%	(90,271)	(83,300)	8.4%
<b>Other operating expenses</b>	<b>(57,715)</b>	<b>(26,669)</b>	<b>116.4%</b>	<b>(108,385)</b>	<b>(126,166)</b>	<b>-14.1%</b>

In May 2022, the amortization ended for intangible assets originating from the acquisition of the Mexican subsidiaries, in 2012.

The "Others" account is comprised by (i) expenses referring to the write-off of tax credits related to the Reintegra benefit, in the amount of R\$53 million; (ii) expenses in the constitution and updating of provisions, in the amount of R\$11 million, and (iii) revenue from the sale of unusable assets, in the amount of R\$6 million.

The Company recognized credits arising from the benefit to exporting companies (Reintegra), applied to non-exempt tax residue in the production chain under current legislation. Considering reports from external audit firm that prove their existence, the Company recognized credits in 2019 (for the periods of 2015 to 2018) and in 2020, a non-cash effect.

Considering the recent unfavorable decisions by the Federal Supreme Court (STF) in similar cases, it is understood that the registered asset becomes contingent, written-off against Other Operating Income (Expenses).

## NET FINANCIAL INCOME (LOSS)

Net Financial Result came in as an expense of R\$10 million, against an expense of R\$1 million in 3Q21.

	Consolidated (R\$ thousand)					
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
Financial expenses	(52,499)	(35,093)	49.6%	(139,813)	(159,498)	-12.3%
Financial income	22,741	7,692	195.6%	52,902	37,679	40.4%
Net monetary and exchange rate variations	19,799	26,165	-24.3%	(14,928)	5,408	-
<b>Net Financial Result</b>	<b>(9,959)</b>	<b>(1,236)</b>	<b>705.7%</b>	<b>(101,839)</b>	<b>(116,411)</b>	<b>-12.5%</b>

The increase in financial expenses in 3Q22 vs 3Q21 was mainly due to the rise in gross debt, referring to the liabilities assumed with the acquisition of the Betim and Aveiro operations, the debentures issue of R\$ 1 billion, which will be used to pay for the acquisition of MWM, and the rise in the SELIC rate, which directly impacts the interests on loans in Brazilian reais.

Financial income reached R\$23 million in the period. The increase was due to higher cash balance in Brazilian reais and the interest rates that remunerate financial investments vs 3Q21.

Income from net monetary and exchange variations totaled R\$20 million and was comprised by (i) a positive variation in the balance sheet accounts in foreign currency, in the amount of R\$18 million, resulting from the depreciation of the Brazilian real during the quarter, a non-cash effect, and (ii) the result of mark-to-market of hedge operations, corresponding to an income of R\$2 million in the period, with a positive cash effect of R\$1 million in the settled operations.

## EARNINGS BEFORE TAXES AND NET INCOME

The Company's Net Income was R\$192 million, due to the growth in operating income, the reduction in depreciation of intangible assets, and the tax benefit on payment of Interest on Equity (IOE).

	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Income (Loss) before Tax Effects</b>	<b>208,764</b>	<b>189,371</b>	<b>10.2%</b>	<b>561,403</b>	<b>208,138</b>	<b>169.7%</b>
Tax effects before currency impacts	(16,965)	(51,938)	-67.3%	(133,759)	(61,796)	116.5%
<b>Income (loss) before exchange rate effects on the tax base</b>	<b>191,799</b>	<b>137,433</b>	<b>39.6%</b>	<b>427,644</b>	<b>146,342</b>	<b>192.2%</b>
Currency effects on the tax base	450	(12,283)	-	18,177	(4,608)	-
<b>Net Income</b>	<b>192,249</b>	<b>125,150</b>	<b>53.6%</b>	<b>445,821</b>	<b>141,734</b>	<b>214.5%</b>

The tax bases of the assets and liabilities of 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 3Q22, a revenue of R\$0.5 million was recorded, with non-cash effect (vs an expense of R\$12 million in 3Q21).

## EBITDA

The combination of the aforementioned factors resulted in CVM EBITDA of R\$301 million. EBITDA adjusted for tax credits, the constitution/update of provisions and sale of property, plant and equipment reached R\$358 million, with a margin of 13.3%.

Consolidated (R\$ thousand)						
RECONCILIATION OF NET INCOME WITH EBITDA	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Net Income for the Period</b>	<b>192,249</b>	<b>125,150</b>	<b>53.6%</b>	<b>445,821</b>	<b>141,734</b>	<b>214.5%</b>
(+) Net Financial Result	9,959	1,236	705.7%	101,839	116,411	-12.5%
(+) Income Tax and Social Contribution	16,515	64,221	-74.3%	115,582	66,404	74.1%
(+) Depreciation and Amortization	81,789	85,716	-4.6%	263,848	265,921	-0.8%
<b>EBITDA (according to CVM Instruction 527/12)</b>	<b>300,512</b>	<b>276,323</b>	<b>8.8%</b>	<b>927,090</b>	<b>590,470</b>	<b>57.0%</b>
% of revenues	11.2%	15.1%		12.2%	11.8%	
(+) Other net operating expenses, net*	57,630	12,657	355.3%	90,271	83,300	8.4%
<b>Adjusted EBITDA</b>	<b>358,142</b>	<b>288,980</b>	<b>23.9%</b>	<b>1,017,361</b>	<b>673,770</b>	<b>51.0%</b>
% of revenues	13.3%	15.8%		13.4%	13.4%	

The adjustments made to EBITDA are to offset the effects from items less related to the business, that are non-recurring, or that have a non-cash effect. These expenses totaled R\$58 million in 3Q22 and refer to (i) expenses due to the write-off of tax credits, related to the Reintegra benefit, in the amount of R\$53 million; (ii) expenses for the constitution/updating of provisions, in the amount of R\$11 million, and (iii) revenue from the sale of unusable assets, in the amount of R\$6 million.

The Company recognized credits arising from the benefit to exporting companies (Reintegra), applied to non-exempt tax residue in the production chain under current legislation. Considering reports from an external audit firm that prove its existence, the Company recognized credits in 2019 (for the periods of 2015 to 2018) and in 2020, a non-cash effect.

Considering the recent unfavorable decisions by the Federal Supreme Court (STF) in similar cases, it is understood that the registered asset becomes contingent, written-off against Other Operating Income (Expenses). **Excluding this effect, the CVM EBITDA totaled R\$353.3 million, with a margin of 13.1%.**

During the quarter, we carried out occasional and scheduled stoppages in our operations to reduce inventories, resulting in a positive effect on working capital and operating cash generation. **Despite the positive impact on working capital and operating cash generation, the reduction in volumes resulting from these adjustments impacted the EBITDA margin in the period, due to lower cost dilution.**

In addition to the new plants, which still operate with lower margins, the comparison against 3Q21 was also affected by the pass-through of relevant costs in that period, related to the strong increase in costs in the first half of 2021, as well as contractual negotiations. Despite these factors, the Company recorded its highest historical Adjusted EBITDA, demonstrating the resilience of our business model and the gains in operating efficiency. **In turn, the synergies captured with the new operations, acquired in October 2021, are absolutely in line with our business plan.**



In this sense, we are making investments and applying working methods that will increase the efficiency and profitability of these plants as of 2023.

## INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Investments in property, plant, and equipment and intangible assets totaled R\$106 million in 3Q22, compared to R\$62 million in 3Q21, with the comparison base affected by the entry of the Aveiro and Betim operations.

	Consolidated (R\$ thousand)					
	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Property, Plant, and Equipment</b>						
Strategic investments	47,617	24,291	96.0%	82,390	60,229	36.8%
Maintenance and renovation of operating capacity	40,901	30,623	33.6%	112,410	59,575	88.7%
Environment	7,183	1,859	286.3%	15,336	8,645	77.4%
Interest and financial charges	1,643	739	122.3%	4,350	1,542	182.1%
<b>Intangible assets</b>						
Software	6,877	3,328	106.6%	15,397	7,958	93.5%
Projects under development	1,399	996	40.5%	2,443	2,810	-13.1%
<b>Total</b>	<b>105,620</b>	<b>61,836</b>	<b>70.8%</b>	<b>232,326</b>	<b>140,759</b>	<b>65.1%</b>
<i>% on Revenues</i>	3.9%	3.4%		3.1%	2.8%	

The amounts refer mainly to new foundry and machining programs, increase in operating efficiency, the capturing of synergies, and the implementation of a new ERP (Enterprise Resource Planning) system in Mexico, in addition to initiatives related to safety and the environment.

## WORKING CAPITAL

	Consolidated (R\$ thousand)				
	3T22	2Q22	1Q22	4Q21	3Q21
<b>Balance sheet</b>					
Accounts receivable	1,994,902	2,046,607	1,511,386	1,251,097	1,203,582
Inventories	1,589,339	1,706,324	1,347,450	1,487,934	997,192
Accounts payable	1,266,979	1,523,747	1,086,964	1,239,828	838,137
Sales outstanding [days]	63	82	65	58	70
Inventories [days]	62	83	68	81	69
Payables outstanding [days]	50	72	55	63	57
<b>Cash conversion cycle [days]</b>	<b>75</b>	<b>93</b>	<b>78</b>	<b>76</b>	<b>82</b>

There was a 18-days reduction in the cash conversion cycle compared to 2Q22, impacted by many initiatives carried out by the Company. The main lines presented the following variations:

- Average receivable period reduced by 19 days of sales. This reduction was mainly due to the receipt, according to contractual terms, of amounts recognized in previous quarters,

and the correction of delays in customer communication and billing with the implementation of a new ERP in Mexico;

- Inventories decreased by R\$117 million, representing 21 days in relation to Cost of Goods Sold. The reduction is due to, among other actions implemented by the Company, the scheduled production stoppages to adjust inventories of products being produced and raw materials;
- Reduction of R\$257 million in the Accounts Payable line, due to, among other factors, the settlements linked to the implementation of the ERP in Mexico and lower purchase volume of materials, aimed at reducing inventories.

## CASH FLOW

Consolidated (R\$ thousand)

CASH FLOW SUMMARY	3Q22	3Q21	Var. [%]	9M22	9M21	Var. [%]
<b>Cash and cash equivalents at the beginning of the period</b>	<b>838,441</b>	<b>1,265,877</b>	<b>-33.8%</b>	<b>1,272,445</b>	<b>1,425,113</b>	<b>-10.7%</b>
Cash from operating activities	229,601	(29,316)	-	(24,518)	23,631	-
Cash used in investing activities	(103,917)	(61,375)	69.3%	(227,061)	(146,614)	54.9%
Cash provided by (used in) financing activities	995,041	(144,180)	-	962,494	(270,768)	-
Currency effect on the cash for the year	8,875	60,717	-85.4%	(15,319)	60,361	-
<b>Decrease in cash and cash equivalents</b>	<b>1,129,600</b>	<b>(174,154)</b>	<b>-</b>	<b>695,596</b>	<b>(333,390)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,968,041</b>	<b>1,091,723</b>	<b>80.3%</b>	<b>1,968,041</b>	<b>1,091,723</b>	<b>80.3%</b>

The Company registered an operating cash generation of R\$230 million, compared to a cash consumption of R\$29 million in 3Q21. This result was due to the positive variation in working capital compared to the previous quarter (2Q22).

In terms of investment activities, we consumed R\$104 million in 3Q22, 69% higher than in the same period of the previous year, due to additions to property, plant, and equipment and intangible assets related to programs and projects for new products, information technology systems, machining, safety, and the environment.

In terms of financing activities, we generated R\$995 million in 3Q22, resulting from the conclusion of the 4th debentures issue, in the amount of R\$1 billion, and net amortization of other financing, in the amount of R\$13 million. The comparison was affected by the amortization of debts in local currency, in the amount of R\$120 million in 3Q21, arising from loans made in 1Q20 (start of the COVID-19 pandemic).

The combination of these factors, and the exchange rate variation on cash, which had a positive effect of R\$9 million, increased our cash and cash equivalent balance by R\$1,130 million in the period. Therefore, we ended the third quarter of 2022 with a cash balance of R\$1,968 million.

## INDEBTEDNESS

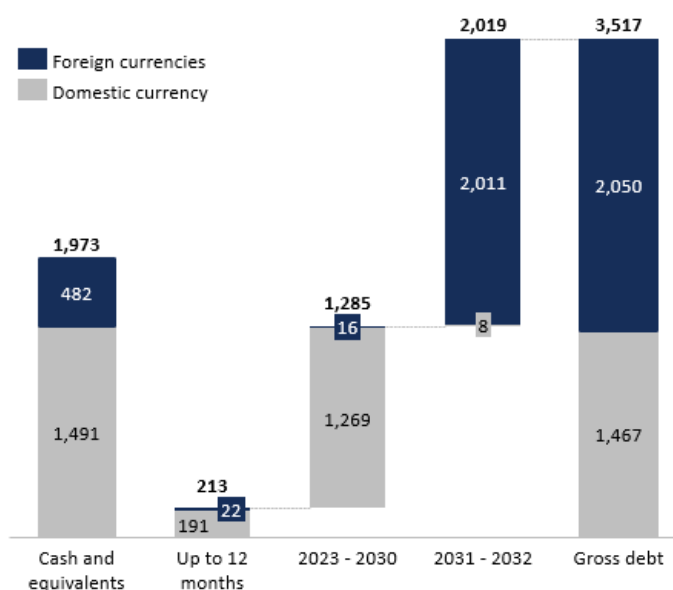
The Company ended 3Q22 with net debt of R\$1.5 billion, corresponding to a **net debt/LTM Adjusted EBITDA ratio of 1.27x**.

On September 2022, we issued a debt instrument in local currency (debenture), in the amount of R\$1 billion (net amount of R\$994 million after fees), which will be used to pay for the acquisition of MWM. The cost of debt is CDI +1.5% p.a., with semi-annual interest payments and amortization in two installments (September 2026 and 2027).

Liabilities in foreign currency accounted for 58% of the total amount (1% short-term and 99% long-term debt), while 42% of total debt was denominated in Brazilian reais (13% short-term and 87% long-term debt). As for the Company's cash balance, 76% of the total amount is denominated in Brazilian reais and 24% in foreign currency.

INDEBTEDNESS	Consolidated (R\$ thousand)				
	3Q22	2Q22	1Q22	4Q21	3Q21
Short term	213,008	188,354	241,374	508,889	39,370
Financing and loans	209,723	184,673	241,374	507,486	35,204
Derivative financial instruments	3,285	3,681	-	1,403	4,166
Long term	3,304,338	2,292,076	2,107,347	2,103,738	2,042,549
<b>Gross debt</b>	<b>3,517,346</b>	<b>2,480,430</b>	<b>2,348,721</b>	<b>2,612,627</b>	<b>2,081,919</b>
Cash and cash equivalents	1,968,041	838,441	952,897	1,272,445	1,091,723
Derivative financial instruments	5,350	4,639	27,129	678	241
<b>Net debt</b>	<b>1,543,955</b>	<b>1,637,350</b>	<b>1,368,695</b>	<b>1,339,504</b>	<b>989,955</b>
Gross debt/Adjusted EBITDA	2.88x	2.15x	2.37x	2.98x	2.42x
<b>Net debt/Adjusted EBITDA</b>	<b>1.27x</b>	<b>1.42x</b>	<b>1.38x</b>	<b>1.53x</b>	<b>1.15x</b>

The Company's debt profile is as follows:



Cash and cash equivalents includes derivatives instruments. All amounts in R\$ million.

## CADE APPROVAL – ACQUISITION OF MWM

In a Material Fact released on October 26, the Company announced that the General Superintendence of Administrative Council for Economic Defense (SG/CADE) approved, without restrictions, the acquisition comprehending 100% of the assets and businesses of Internacional Indústria Automotiva da América do Sul (“MWM”). The referred decision is still subject to review by the CADE’s Tribunal (within 15 days) by adjudication, and, should no application be ordered by one of Tribunal’s members within such period, the decision shall become final. The Company expects that the transaction will be concluded in the fourth quarter of 2022, provided that: (i) the aforementioned decision becomes final; and (ii) other conditions precedent to the closing foreseen in the respective Share Purchase Agreement are met.

## PAYMENT OF INTEREST ON EQUITY (IOE)

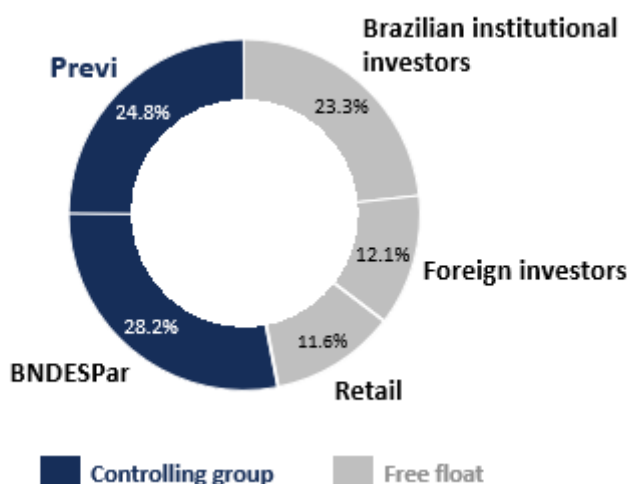
On September 30, the Board of Directors’ Meeting approved the payment of interest on equity, in the amount of R\$32.4 million to its shareholders (gross amount), which was paid on November 10, 2022 to shareholders who were registered in the Company’s shareholder base on October 31, 2022.

## UPGRADE IN ASG RATING

Tupy’s ESG rating (comprising environmental, social and corporate governance aspects) was upgraded from “Medium Risk” to “Low Risk” by the agency Morningstar Sustainalytics. This is an important recognition of the improvements in the practices adopted by the Company.

## OWNERSHIP STRUCTURE

Tupy’s ownership structure as of September 30, 2022, was as follows:



 **STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS**

In compliance with the provisions established under Article 25 of CVM Instruction 480, of December 7, 2009, the Board of Executive Officers of Tupy S.A. declares that it has reviewed, discussed and agreed with the opinion presented in the Independent Auditor's Report on the Interim Financial Information, issued on this date, and with the Interim Financial Information of September 30, 2022.

## Attachment I – Commercial vehicle production and sales in Brazil

	3Q22	3Q21	Var. (%)	2Q22	Var. (%)
<b>Production</b>					
<b>Trucks</b>					
Semi-light	329	567	-42.0%	459	-28.3%
Light	5,103	7,114	-28.3%	4,413	15.6%
Mdium	2,447	2,232	9.6%	1,852	32.1%
Semi-heavy	13,930	12,772	9.1%	12,202	14.2%
Heavy	23,094	20,895	10.5%	18,463	25.1%
<b>Total trucks</b>	<b>44,903</b>	<b>43,580</b>	<b>3.0%</b>	<b>37,389</b>	<b>20.1%</b>
Buses	10,493	4,241	37.5%	7,629	37.5%
<b>Commercial Vehicles</b>	<b>55,396</b>	<b>47,821</b>	<b>18.4%</b>	<b>45,018</b>	<b>23.1%</b>
<b>Sales</b>					
<b>Trucks</b>					
Semi-light	2,377	2,235	6.4%	1,746	36.1%
Light	3,000	3,551	-15.5%	2,682	11.9%
Medium	2,454	3,310	-25.9%	2,847	-13.8%
Semi-heavy	9,118	9,131	-0.1%	8,092	12.7%
Heavy	18,608	18,327	1.5%	15,386	20.9%
<b>Total trucks</b>	<b>35,557</b>	<b>36,554</b>	<b>-2.7%</b>	<b>30,753</b>	<b>15.6%</b>
Buses	4,595	3,400	35.1%	3,987	15.2%
<b>Commercial Vehicles</b>	<b>40,152</b>	<b>39,954</b>	<b>0.5%</b>	<b>34,740</b>	<b>15.6%</b>
<b>Export</b>					
<b>Trucks</b>					
Semi-light	98	247	-60.3%	344	-71.5%
Light	778	872	-10.8%	746	4.3%
Mdium	274	282	-2.8%	198	38.4%
Semi-heavy	1,892	1,503	25.9%	1,432	32.1%
Heavy	3,797	3,024	25.6%	3,733	1.7%
<b>Total trucks</b>	<b>6,839</b>	<b>5,928</b>	<b>15.4%</b>	<b>6,453</b>	<b>6.0%</b>
Buses	1,815	961	88.9%	1,177	54.2%
<b>Commercial Vehicles</b>	<b>8,654</b>	<b>6,889</b>	<b>25.6%</b>	<b>7,630</b>	<b>13.4%</b>

Source: ANFAVEA

## Attachment II – Production and sales of light and commercial vehicles in foreign markets

	3Q22	3Q21	Var. (%)	2Q22	Var. (%)
<b>North America</b>					
<b>Production</b>					
Passenger cars	685,299	584,522	17.2%	699,641	-2.0%
Light commercial vehicles – Class 1-3	2,555,860	2,412,430	5.9%	2,616,405	-2.3%
<b>% Light commercial vehicles</b>	<b>78.9%</b>	<b>80.5 %</b>		<b>78.9%</b>	
Light Duty – Class 4-5	26,884	26,191	2.6%	21,920	22.6%
Medium Duty – Class 6-7	32,295	22,119	46.0%	32,661	-1.1%
Medium Duty – Class 8	85,154	58,712	45.0%	78,632	8.3%
<b>Medium &amp; Heavy Duty</b>	<b>144,333</b>	<b>107,022</b>	<b>34.9%</b>	<b>133,213</b>	<b>8.3%</b>
<b>United States</b>					
<b>Sales</b>					
Passenger cars	721,273	778,871	-7.4%	760,428	-5.1%
Light commercial vehicles – Class 1-3	2,683,377	2,636,013	1.8%	2,753,739	-2.6%
<b>% Light commercial vehicles</b>	<b>78.8%</b>	<b>77.2%</b>		<b>78.4%</b>	
Light Duty – Class 4-5	30,813	33,179	-7.1%	22,402	37.5%
Medium Duty – Class 6-7	27,974	24,839	12.6%	28,307	-1.2%
Medium Duty – Class 8	67,071	52,155	28.6%	62,131	8.0%
<b>Medium &amp; Heavy Duty</b>	<b>125,858</b>	<b>110,173</b>	<b>14.2%</b>	<b>112,840</b>	<b>11.5%</b>
<b>Europe</b>					
<b>Sales</b>					
Passenger cars	2,176,387	2,164,756	0.5%	2,362,562	-7.9%

Source: Automotive News; Bloomberg; ACEA

### Attachment III – Production and sales of agricultural machinery in global markets

	(Unidades)				
	3Q22	3Q21	Var. (%)	2Q22	Var. (%)
<b>Sales</b>					
<b>Americas</b>					
United States and Canada	77,645	89,728	-13.5%	97,795	-20.6%
<b>Europe</b>					
United Kingdom	13,764	13,854	-0.6%	14,582	-5.6%

Source: ANFAVEA; Bloomberg; AEM