



**JSL**

*Entender para Atender*

**3Q20 RESULTS**





Dear Investors,

The Q3 2020 was a milestone for us. After completing the corporate reorganization, we are now focused exclusively on logistics services, we concluded two relevant acquisitions to consolidate our leadership and held a public offering of shares. From an operational and financial point of view, we see a return on our volumes and results. Below are the main highlights of the quarter:

- **Logistics' Net Income** reaches **R\$25.4 million** in 3Q20, up by 12.4% YoY, with net margin growing **0.6 p.p.** YoY;
- **Net Revenue** reaches **R\$733.2 million** in 3Q20, up by **26.1% QoQ**;
- **Services Net Revenue** reaches **R\$660.7 million** and **EBITDA** totaled **R\$118.0 million** in 2020 Q3, with **EBITDA Margin on/ Net Revenue from Services** at **17.9%**, up by **+1.0 p.p. YoY**;

JSL Financial Highlights (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
Gross Revenue	870.8	697.9	24.8%	945.9	-7.9%	2,401.0	2,810.0	-14.6%	3,290.5
Net Revenue	733.2	581.6	26.1%	782.7	-6.3%	2,008.7	2,319.1	-13.4%	2,791.5
Net Revenue from Services	660.7	550.2	20.1%	745.3	-11.4%	1,867.2	2,210.3	-15.5%	2,593.2
Net Revenue from Asset Sales	72.6	31.4	131.2%	37.4	94.1%	141.5	108.8	30.1%	198.3
Total Costs	(641.2)	(531.7)	20.6%	(680.6)	-5.8%	(1,798.9)	(2,001.8)	-10.1%	(2,486.4)
EBIT	63.6	26.5	140.0%	66.9	-4.9%	139.5	221.2	-36.9%	202.3
Margin (% NR from Services)	9.6%	4.8%	+4.8 p.p.	9.0%	+0.6 p.p.	7.5%	10.0%	-2.5 p.p.	7.8%
EBITDA	118.0	82.2	43.6%	125.7	-6.1%	310.4	392.4	-20.9%	432.0
Margin (% NR from Services)	17.9%	14.9%	+3.0 p.p.	16.9%	+1.0 p.p.	16.6%	17.8%	-1.2 p.p.	16.7%
Logistics Net Income	25.4	0.5	-	22.6	12.4%	48.1	82.8	-41.9%	79.3
Margin (% Total NR)	3.5%	0.1%	+3.4 p.p.	2.9%	+0.6 p.p.	2.4%	3.6%	-1.2 p.p.	2.8%

<sup>1</sup> Considers just the net income of the Logistics segment. The reconciliation to consolidated net income is presented throughout this document

Financial Information Unaudited (R\$ million)	3Q20	9M20	LTM
EBITDA Fadel	28.5	72.5	80.7
EBITDA Transmoreno	6.4	16.6	35.4
EBITDA JSL	118.0	310.4	432.0
<b>Combined EBITDA</b>	<b>152.9</b>	<b>399.6</b>	<b>548.1</b>
Net Income Fadel	11.1	29.9	31.7
Net Income Transmoreno	3.8	10.1	21.1
Net Income JSL Logistics	25.4	48.1	79.3
<b>Combined Net Income</b>	<b>40.3</b>	<b>88.0</b>	<b>132.2</b>

<sup>1</sup> Considers just the net income of the Logistics segment. The reconciliation to consolidated net income is presented throughout this document

- We also highlight the **lengthening of net debt**, which went from 2.5 years in September 2019 to **4.4 years** in September 2020, and also the **reduction of gross debt's cost by 3.0 p.p.**, reaching **3.9%** at the end of the period;

### Other highlights of the quarter:

- **Approval of JSL's corporate reorganization** by the **unanimity of minority shareholders** demonstrating high governance standards, showing the quality and value of the proposal submitted;
- **Public Offering of Shares, 100% primary, successfully carried out on Novo Mercado**, totaling a **gross funding of R\$694 million**, with the purpose to balance its capital structure and accelerate its growth plan; As of November 11, 2020, including this date, the shares will be traded under the ticker **JSLG3**;
- **JSL** announced in August 2020, two acquisitions under its strategic plan for inorganic growth, seeking companies that **add value to shareholders** and **synergy** for the Company: 75% of Fadel and 100% of Transmoreno.

## Message from the Management

At the ESM held on August 5<sup>th</sup>, the proposal for the corporate reorganization was **unanimously** approved by **minority shareholders**, whereby the Company ceased the role of a holding company and became an independent company focused on providing logistical services with independent management and allowing the development of its own organic and inorganic growth agenda.

Also in August, JSL announced two acquisitions: **Fadel and Transmoreno**, which add new services, new operating areas, new technologies, and trained people, with additional possibilities to expand competitive advantages and generate operational and financial synergies.

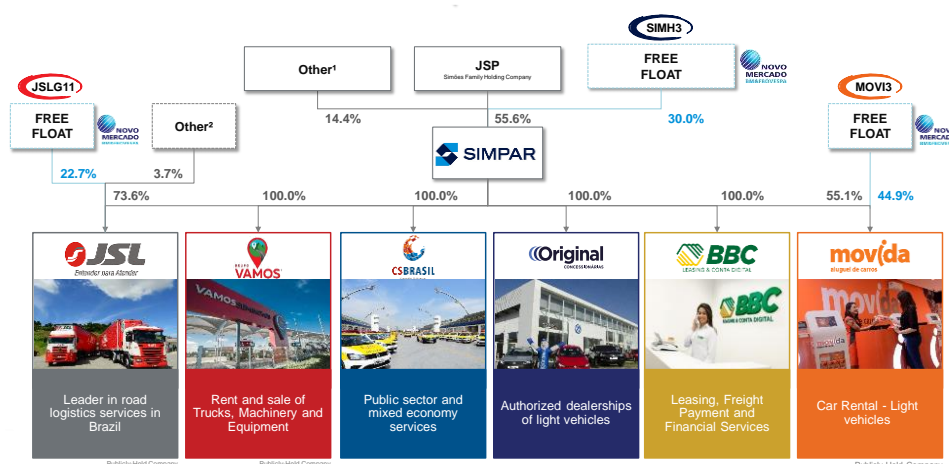


**Acquisition of 75% of the shares issued by Fadel:** Reinforcing JSL's interest in urban distribution in the industry of drinks and food, consumer goods, and e-commerce, and also expanding the portfolio of relevant customers. The acquisition brings expertise from people with recognized management skills and an excellent delivery track record, synergies, and cross-selling.

**Acquisition of 100% of Transmoreno:** Expands JSL's share in the car carrier transportation and provision of automotive logistics services, with two of the three vehicle manufacturers in its customer portfolio;

On September 10<sup>th</sup>, JSL concluded a **100%-primary** offering of shares totaling **R\$694 million**, with the purpose to strengthen its capital structure to accelerate its growth plan and continue to lead the consolidation trend in Brazil's logistics segment. The Company returned to B3's Novo Mercado keeping its good governance practices, issuing only common shares, initially with the temporary ticker JSLG11 which, as of November 11<sup>th</sup>, was replaced by the final ticker **JSLG3**.

Below, the Company presents the corporate structure of the group to which it belongs after the events described:





Following the track record of SIMPAR's subsidiaries, the Company made changes to its Corporate Governance to not just meet Novo Mercado's requirements but also bring additional expertise to implement its business plan. The Company has a new Board of Directors with two new independent members who, in turn, approved the following advisory committees: Audit, Finance, Sustainability, and Technology & Innovation Committees.

JSL, continuing to observe the concepts of sustainability in its business, has developed many actions and programs to turn concepts into actions, as described below: ensuring a good governance on the subject, Sustainability Committee formalized by the Board of Directors with external and independent members for an updated and comprehensive view on the subject and ensuring that actions are related to our business and the Company's operating ecosystem. As an accountability, an Integrated Report will be prepared under international standards and good practices. The Company also undertakes actions to reduce the Environmental impact of greenhouse gas emissions from its operation and also to properly dispose waste. Connected to the Social responsibility agenda, in a challenging year as 2020, health protection measures to minimize COVID-19's impacts were added to actions and programs focused on the health and safety of our people and ecosystem. By October 2020, we had already donated over R\$5.1 million in equipment and services to the population, transporting food and medical equipment throughout Brazil.

JSL creates value for its shareholders, with **people** as its main competitive advantage. Our strategy includes the ongoing growth of our technological platform, mergers and acquisitions that aim to add value and solidify our industry leadership and, above all, the establishment and promotion a fair business relationship with our customers.



## Results Analysis

Financial Highlights (R\$ million)	3Q20	2Q20	▲ Q/Q	3Q19	▲ Y/Y	9M20	9M19	▲ Y/Y	LTM
<b>Gross Revenue</b>	<b>870.8</b>	<b>697.9</b>	<b>24.8%</b>	<b>945.9</b>	<b>-7.9%</b>	<b>2,401.0</b>	<b>2,810.0</b>	<b>-14.6%</b>	<b>3,290.5</b>
<b>Net Revenue</b>	<b>733.2</b>	<b>581.6</b>	<b>26.1%</b>	<b>782.7</b>	<b>-6.3%</b>	<b>2,008.7</b>	<b>2,319.1</b>	<b>-13.4%</b>	<b>2,791.5</b>
Net Revenue from Services	660.7	550.2	20.1%	745.3	-11.4%	1,867.2	2,210.3	-15.5%	2,593.2
Net Revenue from Asset Sales	72.6	31.4	131.2%	37.4	94.1%	141.5	108.8	30.1%	198.3
<b>Total Costs</b>	<b>(641.2)</b>	<b>(531.7)</b>	<b>20.6%</b>	<b>(680.6)</b>	<b>-5.8%</b>	<b>(1,798.9)</b>	<b>(2,001.8)</b>	<b>-10.1%</b>	<b>(2,486.4)</b>
Cost of Services	(569.9)	(501.3)	13.7%	(644.6)	-11.6%	(1,659.2)	(1,892.3)	-12.3%	(2,294.8)
Cost of Asset Sales	(71.3)	(30.4)	134.5%	(36.1)	97.5%	(139.7)	(109.5)	27.6%	(191.6)
<b>Gross Profit</b>	<b>92.0</b>	<b>49.9</b>	<b>84.4%</b>	<b>102.0</b>	<b>-9.8%</b>	<b>209.7</b>	<b>317.3</b>	<b>-33.9%</b>	<b>305.1</b>
Operational Expenses	(28.4)	(23.4)	21.4%	(35.1)	-19.1%	(70.3)	(96.1)	-26.8%	(102.9)
<b>EBIT</b>	<b>63.6</b>	<b>26.5</b>	<b>140.0%</b>	<b>66.9</b>	<b>-4.9%</b>	<b>139.5</b>	<b>221.2</b>	<b>-36.9%</b>	<b>202.3</b>
Margin (% NR from Services)	9.6%	4.8%	+4.8 p.p.	9.0%	+0.6 p.p.	7.5%	10.0%	-2.5 p.p.	7.8%
Financial Result	(41.9)	(53.3)	-21.4%	(64.0)	-34.5%	(139.5)	(214.6)	-35.0%	(193.3)
Taxes	(4.3)	10.4	-141.3%	3.3	-	10.5	6.9	52.2%	16.4
<b>EBITDA</b>	<b>118.0</b>	<b>82.2</b>	<b>43.6%</b>	<b>125.7</b>	<b>-6.1%</b>	<b>310.4</b>	<b>392.4</b>	<b>-20.9%</b>	<b>432.0</b>
Margin (% NR from Services)	17.9%	14.9%	+3.0 p.p.	16.9%	+1.0 p.p.	16.6%	17.8%	-1.2 p.p.	16.7%
<b>Logistics Net Income</b>	<b>25.4</b>	<b>0.5</b>	<b>-</b>	<b>22.6</b>	<b>12.4%</b>	<b>48.1</b>	<b>82.8</b>	<b>-41.9%</b>	<b>79.3</b>
Margin (% Total NR)	3.5%	0.1%	+3.4 p.p.	2.9%	+0.6 p.p.	2.4%	3.6%	-1.2 p.p.	2.8%

### “Asset Right” concept

To better understand both business profiles, as of 2Q20, JSL started to disclose the financial information **split between Asset Light and Asset Heavy businesses**, so that investors can have a better understanding of the results of the company's different operating profiles, separately.

### Asset-Light

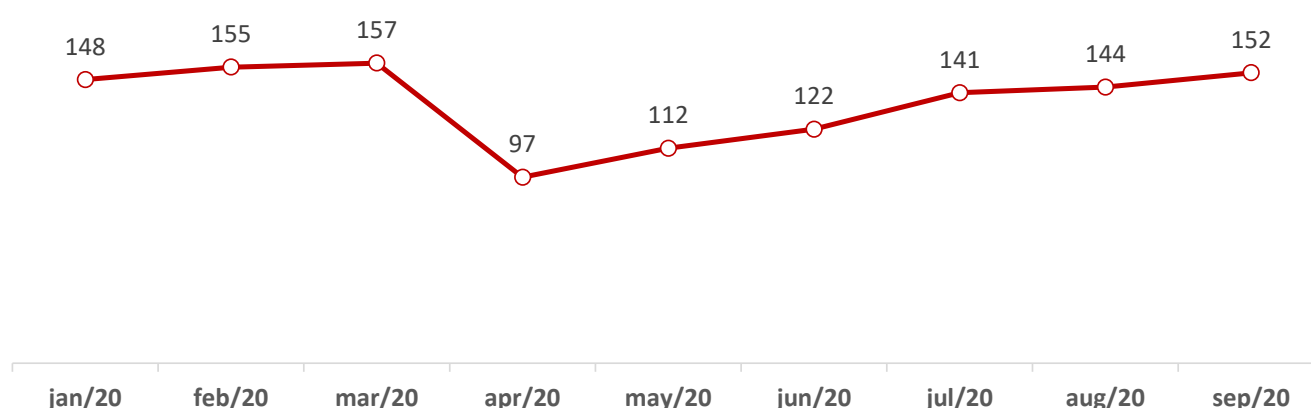
The Asset Light operating profile provides services through a asset-light model, based on subcontracting third parties and independent contractors to meet the customers' demands, with in an average contract terms of up to 2 years. JSL has a robust base with over 43,000 truck drivers loyal to the Company and an Operations Center to support the entire business. This operational profile already has a fixed structure with over 200 branch offices and is ready for Brazil's economic recovery. We actually operate with the Asset Light profile in the following business lines: Dedicated road cargo logistics, internal logistics, urban distribution, storage services, new vehicle transportation and others.

Asset Light (R\$ million)	3Q20	2Q20	▲ Q/Q	3Q19	▲ Y/Y	9M20	9M19	▲ Y/Y	LTM
<b>Gross Revenue</b>	<b>539.5</b>	<b>414.1</b>	<b>30.3%</b>	<b>603.4</b>	<b>-10.6%</b>	<b>1,520.5</b>	<b>1,792.5</b>	<b>-15.2%</b>	<b>2,068.6</b>
Deductions	(101.7)	(82.1)	23.9%	(121.4)	-16.2%	(290.5)	(365.1)	-20.4%	(363.4)
<b>Net Revenue</b>	<b>437.8</b>	<b>332.1</b>	<b>31.8%</b>	<b>481.9</b>	<b>-9.2%</b>	<b>1,230.0</b>	<b>1,427.5</b>	<b>-13.8%</b>	<b>1,705.3</b>
Net Revenue from Services	437.8	332.1	31.8%	481.9	-9.2%	1,230.0	1,427.5	-13.8%	1,705.3
Net Revenue from Asset Sales	-	-	-	-	-	-	-	-	-
<b>Total Costs</b>	<b>(382.3)</b>	<b>(322.0)</b>	<b>18.7%</b>	<b>(429.0)</b>	<b>-10.9%</b>	<b>(1,116.4)</b>	<b>(1,263.4)</b>	<b>-11.6%</b>	<b>(1,545.0)</b>
Cost of Services	(382.3)	(322.0)	18.7%	(429.0)	-10.9%	(1,116.4)	(1,263.4)	-11.6%	(1,545.0)
Cost of Asset Sales	-	-	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>55.5</b>	<b>10.1</b>	<b>-</b>	<b>53.0</b>	<b>4.7%</b>	<b>113.6</b>	<b>164.1</b>	<b>-30.8%</b>	<b>160.3</b>
Operational Expenses	(20.7)	(18.5)	11.9%	(19.5)	6.2%	(63.5)	(59.9)	6.0%	(80.1)
<b>EBIT</b>	<b>34.8</b>	<b>(8.4)</b>	<b>-</b>	<b>33.5</b>	<b>3.9%</b>	<b>50.1</b>	<b>104.1</b>	<b>-51.9%</b>	<b>80.2</b>
Margin (% NR from Services)	8.0%	-2.5%	+10.5 p.p.	7.0%	+1.0 p.p.	4.1%	7.3%	-3.2 p.p.	4.7%
<b>EBITDA</b>	<b>68.8</b>	<b>27.2</b>	<b>152.9%</b>	<b>69.4</b>	<b>-0.9%</b>	<b>160.7</b>	<b>206.9</b>	<b>-22.3%</b>	<b>229.3</b>
Margin (% NR from Services)	15.7%	8.2%	+7.5 p.p.	14.4%	+1.3 p.p.	13.1%	14.5%	-1.4 p.p.	13.4%

## Net Revenues from Services

Net Revenue from Services fell by 9.2% YoY and grew 31.8% QoQ, totaling R\$437.8 million in 3Q20, mainly due to the drop in volume caused by the Coronavirus pandemic. The improvement over 2Q20 is mainly due to the resumption of the automotive industry, which was one of the most affected by the pandemic, since the plants of the country's main automakers were closed in April 2020, gradually resuming activities as of the second half of May. Despite 3Q's challenging scenario, we highlight that the monthly evolution of Asset Light's Net Revenue from Services had a positive recovery trend as of May 2020, as shown in the chart below.

**Growth of the Net Revenue from Services - Asset Light**



## Costs

Costs (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Cost of Services</b>	<b>(382.3)</b>	<b>(322.0)</b>	<b>18.7%</b>	<b>(429.0)</b>	<b>-10.9%</b>	<b>(1,116.4)</b>	<b>(1,263.4)</b>	<b>-11.6%</b>	<b>(1,545.0)</b>
Personnel	(83.8)	(86.3)	-2.9%	(91.7)	-8.6%	(264.2)	(279.1)	-5.3%	(356.5)
Third parties truck drivers	(207.6)	(144.8)	43.4%	(240.8)	-13.8%	(577.1)	(703.2)	-17.9%	(813.2)
Fuel and lubricants	(11.7)	(9.3)	25.8%	(11.9)	-1.7%	(34.0)	(38.6)	-11.9%	(49.0)
Parts / tires / maintenance	(23.6)	(20.2)	16.8%	(27.7)	-14.8%	(68.6)	(82.0)	-16.3%	(93.6)
Depreciation / amortization	(30.3)	(31.3)	-3.2%	(31.8)	-4.7%	(98.1)	(87.6)	12.0%	(132.6)
Others	(25.3)	(30.1)	-15.9%	(25.0)	1.2%	(74.4)	(73.0)	1.9%	(100.2)

In 3Q20, Service Costs totaled R\$382.3 million, down by -10.9% YoY, i.e., up by 1.7 p.p. higher when compared to the drop seen in Net Revenue from Services, which was -9.2% YoY. We highlight that Costs with Independent Contractors and Third Parties -- the most representative -- fell by 13.8% YoY, mainly due to the drop in freight costs with third parties, linked to the drop in diesel price. Personnel Costs fell by 8.6% YoY.

Service Costs grew 18.7% QoQ, lower than the 31.8% increase QoQ in Net Revenue from Services, mainly due to the increase in the volume of operations.

## EBITDA

In 3Q20, EBITDA totaled R\$68.8 million (-0.9% YoY), while the EBITDA Margin over Net Revenues from Services reached 15.7%, up by +1.3 p.p. YoY. EBITDA grew by 152.9% over 2Q20 and EBITDA Margin over Net Revenues from Services grew by 7.5 p.p. QoQ given the higher volume transported in the quarter and, therefore, a greater dilution of fixed expenses.

We highlight that the entire structure remained active in our branch offices and are ready to meet the demand's growth, which will come naturally with the economy's recovery.

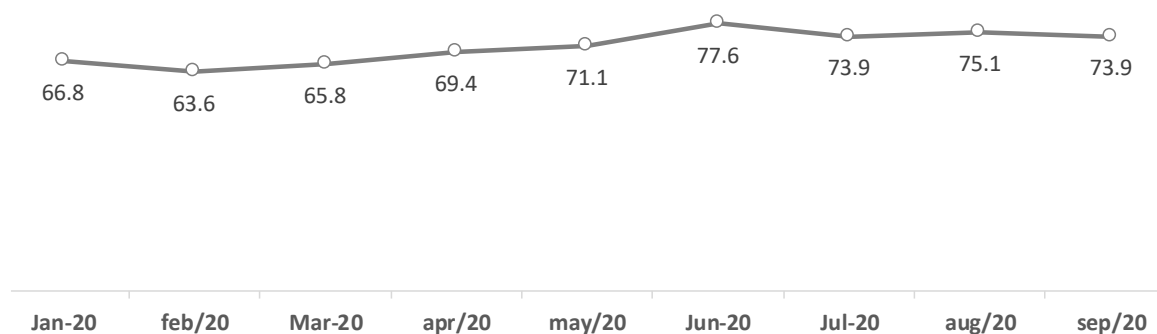
### Asset-Heavy

The Asset Heavy operational profile corresponds to operations with intense leverage on assets and labor force, with an average contract terms of 3 to 5 years, enabling more resiliency when facing different economic cycles. In this profile, we acquired assets to allocate to the customers' operations and, after the contractual cycle, we demobilized these assets. We have a sales team with experience and skills to properly develop projects and pricing structure that require investments in assets and also bring strong negotiating power to purchase these assets and inputs. We actually operate with the Asset Heavy profile in the following business lines: Commodity logistics and Bus charter and rental vehicles with a driver.

Asset Heavy (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross Revenue</b>	<b>331.2</b>	<b>283.8</b>	<b>16.7%</b>	<b>342.5</b>	<b>-3.3%</b>	<b>880.5</b>	<b>1,017.5</b>	<b>-13.5%</b>	<b>1,221.9</b>
Deductions	(35.8)	(34.2)	4.7%	(41.8)	-14.4%	(101.9)	(125.8)	-19.0%	(135.7)
<b>Net Revenue</b>	<b>295.4</b>	<b>249.6</b>	<b>18.3%</b>	<b>300.7</b>	<b>-1.8%</b>	<b>778.7</b>	<b>891.7</b>	<b>-12.7%</b>	<b>1,086.2</b>
Net Revenue from Services	222.9	218.2	2.2%	263.4	-15.4%	637.2	782.9	-18.6%	887.9
Net Revenue from Asset Sales	72.6	31.4	131.2%	37.4	94.1%	141.5	108.8	30.1%	198.3
<b>Total Costs</b>	<b>(258.9)</b>	<b>(209.7)</b>	<b>23.5%</b>	<b>(251.7)</b>	<b>2.9%</b>	<b>(682.5)</b>	<b>(738.4)</b>	<b>-7.6%</b>	<b>(941.4)</b>
Cost of Services	(187.6)	(179.3)	4.6%	(215.6)	-13.0%	(542.8)	(628.9)	-13.7%	(749.9)
Cost of Asset Sales	(71.3)	(30.4)	134.5%	(36.1)	97.5%	(139.7)	(109.5)	27.6%	(191.6)
<b>Gross Profit</b>	<b>36.5</b>	<b>39.9</b>	<b>-8.5%</b>	<b>49.0</b>	<b>-25.5%</b>	<b>96.1</b>	<b>153.2</b>	<b>-37.3%</b>	<b>144.8</b>
Operational Expenses	(7.5)	(4.9)	53.1%	(15.7)	-52.2%	(6.5)	(36.2)	-82.0%	(22.5)
<b>EBIT</b>	<b>29.0</b>	<b>35.0</b>	<b>-17.1%</b>	<b>33.4</b>	<b>-13.2%</b>	<b>89.6</b>	<b>117.1</b>	<b>-23.5%</b>	<b>122.2</b>
Margin (% NR from Services)	13.0%	16.0%	-3.0 p.p.	12.7%	+0.3 p.p.	14.1%	15.0%	-0.9 p.p.	13.8%
<b>EBITDA</b>	<b>49.4</b>	<b>55.0</b>	<b>-10.2%</b>	<b>56.2</b>	<b>-12.1%</b>	<b>150.0</b>	<b>185.5</b>	<b>-19.1%</b>	<b>202.9</b>
Margin (% NR from Services)	22.2%	25.2%	-3.0 p.p.	21.3%	+0.9 p.p.	23.5%	23.7%	-0.2 p.p.	22.8%

### Net Revenues from Services

Net Revenue from Services decreased by 15.4% YoY, totaling R\$222.9 million in 3Q20. The drop YoY was mainly due to the one-off demobilization of agreements in pulp and paper due to a change in the operational scope. The 2.2% increase QoQ is due to the growth in bus charter and rental with driver.



## Net Revenue from Assets Sold

Net Revenue from the Sale of Assets totaled R\$72.6 million in 3Q20, higher than the Cost of Sale of Assets, which reached R\$71.3 million in the period. The sale of assets was occasionally higher over 2Q20 and 3Q19, when it reached R\$31.4 million and R\$37.4 million, respectively, due to strong demand for our assets, given the scarcity of the market due to the paralysis of automakers due to COVID19.

## Costs

Costs (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Cost of Services</b>	<b>(187.6)</b>	<b>(179.3)</b>	<b>4.6%</b>	<b>(215.6)</b>	<b>-13.0%</b>	<b>(542.8)</b>	<b>(628.9)</b>	<b>-13.7%</b>	<b>(749.9)</b>
Personnel	(95.0)	(94.1)	1.0%	(114.2)	-16.8%	(280.1)	(334.4)	-16.2%	(392.2)
Third parties truck drivers	(3.7)	(3.5)	5.7%	(2.9)	27.6%	(10.4)	(8.2)	26.8%	(13.3)
Fuel and lubricants	(22.6)	(19.3)	17.1%	(23.8)	-5.0%	(65.2)	(67.7)	-3.7%	(90.6)
Parts / tires / maintenance	(40.7)	(36.7)	10.9%	(44.8)	-9.2%	(111.3)	(130.4)	-14.6%	(150.3)
Depreciation / amortization	(19.1)	(18.9)	1.1%	(21.3)	-10.3%	(57.0)	(63.7)	-10.5%	(76.8)
Others	(6.6)	(6.8)	-2.9%	(8.5)	-22.4%	(19.0)	(24.5)	-22.4%	(26.6)
<b>Costs of Sales of Assets</b>	<b>(71.3)</b>	<b>(30.4)</b>	<b>134.5%</b>	<b>(36.1)</b>	<b>97.5%</b>	<b>(139.7)</b>	<b>(109.5)</b>	<b>27.6%</b>	<b>(191.6)</b>
<b>Total Costs</b>	<b>(258.9)</b>	<b>(209.7)</b>	<b>23.5%</b>	<b>(251.7)</b>	<b>2.9%</b>	<b>(682.5)</b>	<b>(738.4)</b>	<b>-7.6%</b>	<b>(941.4)</b>

In 3Q20, Service Costs totaled R\$187.6 million (-13.0% YoY), a drop similar to that seen in Net Revenue from Services, at -15.4% YoY. We highlight that Personnel Costs -- the most representative -- fell by 16.8%.

Service Costs grew 4.6% QoQ, lower than the 2.2% increase QoQ in Net Revenue from Services.

## EBITDA

In 3Q20, the EBITDA Margin reached 22.2%, up by +0.9 p.p. YoY, while EBITDA totaled R\$49.4 million (-12.1% YoY). Compared to 2Q20, EBITDA fell by 10.2%, while the EBITDA margin fell by 3.0 p.p. QoQ, due to non-recurring costs in the pulp and paper operation.

## Investments

Capex (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Gross capex by nature</b>	<b>53.9</b>	<b>55.4</b>	<b>-2.7%</b>	<b>83.0</b>	<b>-35.1%</b>	<b>270.0</b>	<b>259.4</b>	<b>4.1%</b>	<b>378.3</b>
Expansion	49.9	53.2	-6.2%	67.6	-26.2%	255.3	197.8	29.1%	352.7
Maintenance	4.0	2.2	81.8%	15.5	-74.2%	14.7	61.6	-76.1%	25.6
<b>Gross capex by type</b>	<b>53.9</b>	<b>55.4</b>	<b>-2.7%</b>	<b>83.0</b>	<b>-35.1%</b>	<b>270.0</b>	<b>259.4</b>	<b>4.1%</b>	<b>378.3</b>
Trucks	11.8	34.9	-66.2%	41.3	-71.4%	155.0	127.4	21.7%	216.4
Machinery and Equipment	11.9	8.6	38.4%	6.0	98.3%	38.3	21.9	74.9%	54.6
Light Vehicles	13.5	1.7	-	13.4	0.7%	31.7	44.0	-28.0%	49.9
Bus	9.9	2.4	-	13.4	-26.1%	18.6	41.7	-55.4%	18.6
Others	6.8	7.9	-13.9%	9.0	-24.4%	26.5	24.3	9.1%	38.9
<b>Usual sale of assets</b>	<b>73.6</b>	<b>31.7</b>	<b>132.2%</b>	<b>38.2</b>	<b>92.7%</b>	<b>143.8</b>	<b>111.2</b>	<b>29.3%</b>	<b>201.9</b>
<b>Total net capex</b>	<b>(19.7)</b>	<b>23.8</b>	<b>-182.8%</b>	<b>44.9</b>	<b>-143.9%</b>	<b>126.2</b>	<b>148.2</b>	<b>-14.8%</b>	<b>176.4</b>

Gross Capex totaled R\$53.9 million in 3Q20 (-35.1% YoY and -2.7% QoQ), mainly directed to expansion, especially to meet new agreements in Pulp and Paper, Chemicals, and Steel and Mining.

We emphasize that 66% of current revenue comes from operations based on the asset-light model, which means that the growth in volume and revenue for the Logistics activity does not imply proportional growth in net investment.

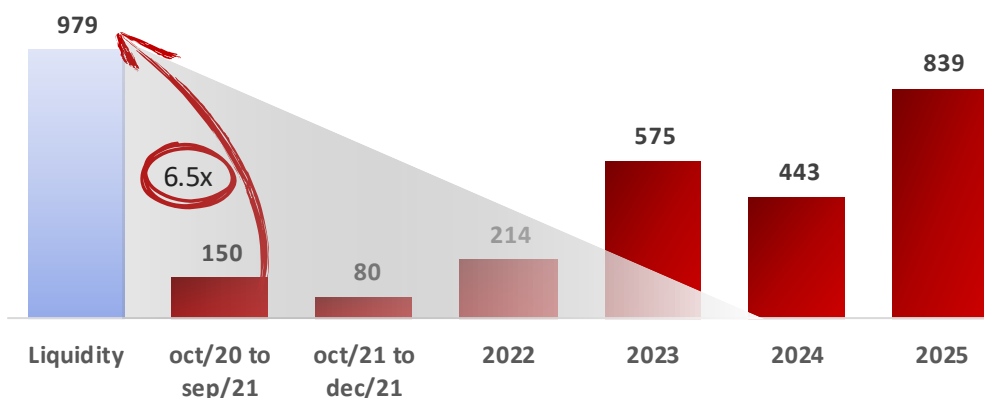


## Capital Structure

The quarter was marked by a R\$ 694 million primary share offering and even after the pre-payment of R\$812 million in the period, JSL ended the quarter with R\$979 million in cash, **enough to cover the amortization of short-term debt in 6.5x** and practically all debt by 2023.

We also highlight the **extension of the net debt**, which went from 2.5 years in September 2019 to **4.4 years in September 2020**, in addition to the **decrease in the average cost of debt by 3.0p.p.**, which totaled 3.9% in 3Q20 compared to 6.9% in 3Q19 (with the cost after taxes equal to 4.6% and 2.6%, respectively). Compared to 2Q20, we highlight the drop in CDI spread, from 2.15 in 2Q20 to 2.00 in 3Q20.

### Gross Debt Amortization Schedule (R\$ million)



### Cash and Debt Evolution (R\$ million)

<b>Debt</b> <b>(R\$ million)</b>	<b>3Q19</b>	<b>2Q20</b>	<b>3Q20</b>
<b>Cash and Investments</b>	<b>380.3</b>	<b>1,284.9</b>	<b>979.3</b>
<b>Gross debt</b>	<b>3,274.8</b>	<b>3,274.9</b>	<b>2,301.0</b>
Confirming payable	-	2.1	2.2
Loans and financing	1,627.8	1,759.2	1,014.7
Debentures	1,593.7	1,486.2	1,248.9
Leasing payable	105.8	93.3	81.2
Financial instruments and derivatives	(52.6)	(66.0)	(46.0)
<b>Net Debt</b>	<b>2,894.5</b>	<b>1,990.0</b>	<b>1,321.7</b>
<b>Short-term gross debt</b>	<b>742.7</b>	<b>443.3</b>	<b>149.7</b>
<b>Long-term gross debt</b>	<b>2,532.1</b>	<b>2,831.5</b>	<b>2,151.3</b>
Average Cost of Net Debt (p.a.)	7.1%	5.7%	5.4%
Average Cost of Gross Debt (p.a.)	6.9%	4.3%	3.9%
Average term of net debt (years)	2.5	4.1	4.4
Average term of gross debt (years)	2.3	3.0	3.5

## Financial Result

Financial Result (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Net financial interest</b>	<b>(69.1)</b>	<b>(48.1)</b>	<b>43.7%</b>	<b>(47.7)</b>	<b>44.9%</b>	<b>(156.5)</b>	<b>(200.6)</b>	<b>-22.0%</b>	<b>(225.2)</b>
Financial Revenues	14.0	(0.2)	-	5.4	159.3%	28.0	47.6	-41.2%	53.0
Financial Expenses	(83.0)	(48.0)	72.9%	(53.1)	56.3%	(184.4)	(248.2)	-25.7%	(278.1)
Derivatives Result	37.6	0.4	-	(9.0)	-	38.0	(3.9)	-	52.9
Net Exchange Variation	-	-	-	-	-	-	-	-	-
Interest on right of use (IFRS 16)	(10.5)	(5.5)	90.9%	(7.2)	45.8%	(21.0)	(10.2)	105.9%	(21.0)
<b>Total</b>	<b>(41.9)</b>	<b>(53.3)</b>	<b>-21.4%</b>	<b>(64.0)</b>	<b>-34.5%</b>	<b>(139.5)</b>	<b>(214.6)</b>	<b>-35.0%</b>	<b>(193.3)</b>

**Net Financial Result** totaled -R\$41.9 million in 3Q20, compared to -R\$64.0 million in 3Q19, that is, down by 34.5%, as a result of the drop in interest rates (average CDI) and the management of liabilities carried out by the Company. In relation to 2Q20, we had a reduction of 21.4%, which includes the reduction in the spread for the CDI, which went from 2.15% to 2.00%. We highlight that the Treasury segment, which corresponds to debentures issued for the growth of other group companies, when JSL operated as a holding company, and that, during the restructuring process, was not possible to remove from JSL, had a net financial result of -R\$11.8 million, down by 55% over 3Q19.

## Leverage Indicators

Lavergae (R\$ million)	3Q19	2Q20	3Q20 <sup>1</sup>
Net Debt / EBITDA-A	4.3x	3.3x	1.9x
Net Debt / EBITDA	5.6x	4.5x	2.6x
EBITDA-A/ Financial Result	2.8x	2.8x	4.0x

<sup>1</sup> Including unaudited information from Fadel and Transmoreno for 3Q20

leverage indicator JSL's Net Debt / EBITDA in 3Q20, if we consider unaudited net debt and EBITDA UDM, with base date of Sep/2020 of Fadel and Transmoreno, would be **2.6x**. If we exclude the effects of Fadel and Transmoreno, the indicator would be 3.1x. This leverage position creates an opportunity for inorganic growth while respecting the adequate levels of leverage considered by management.

## Free Cash Flow and EBITDA

Free Cash Flow Generation - R\$ million		3Q20 LTM	3Q19 LTM
Operation	EBITDA	432.0	513.7
	Net Revenue from Sale of Light/Heavy Vehicles, Machinery and Equipment	(198.3)	(151.3)
	Depreciated Cost of Light/Heavy Vehicles, Machinery and Equipment Sold	191.6	154.5
	Taxes + Working Capital	16.2	(159.0)
	Free Cash flow Generated by Rental Activities and Services Rendered	441.5	357.8
Maintenance Capex	Net Revenue Sale of Light/Heavy Vehicles, Machinery and Equipment	198.3	151.3
	Capex for Light/Heavy Vehicles, Machinery and Equipment	(25.6)	(78.7)
	Net Capex for Fleet Maintenance	172.7	72.6
<b>Operational Free Cashflow before Growth</b>		<b>614.2</b>	<b>430.4</b>
Growth Capex	Capex for Light/Heavy Vehicles, Machinery and Equipment	(352.7)	(308.9)
<b>Free Cashflow Generated (Consumed) after Growth and before Interest</b>		<b>261.5</b>	<b>121.6</b>

The free cash generated after growth and before interest of JSL was **R\$261.5 million** in the last 12 months up to September 2020, **more than double compared to 3Q19 UDM**, even after investments for fleet growth, which totaled R\$352.7 million, mainly due to the purchase of trucks in the period.

EBITDA Reconciliation (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
Total Net Income	17.4	(16.3)	-	6.3	176.2%	10.5	13.4	-21.6%	25.3
Financial Result	41.9	53.3	-21.4%	64.0	-34.5%	139.5	214.6	-35.0%	193.3
Taxes	4.3	(10.4)	-141.3%	(3.3)	-	(10.5)	(6.9)	52.2%	(16.4)
Depreciation and Amortization	52.3	54.4	-3.9%	57.7	-9.4%	165.9	166.2	-0.2%	220.4
Amortization (IFRS 16)	2.0	1.2	66.7%	1.1	81.8%	5.1	5.1	0.0%	9.3
<b>EBITDA</b>	<b>118.0</b>	<b>82.2</b>	<b>43.6%</b>	<b>125.7</b>	<b>-6.1%</b>	<b>310.4</b>	<b>392.4</b>	<b>-20.9%</b>	<b>432.0</b>
Cost of Asset Sales	71.3	30.4	134.5%	36.1	97.5%	139.7	109.5	27.6%	191.6
<b>EBITDA-A</b>	<b>189.3</b>	<b>112.6</b>	<b>68.1%</b>	<b>161.7</b>	<b>17.1%</b>	<b>450.2</b>	<b>502.0</b>	<b>-10.3%</b>	<b>623.5</b>

## Reconciliation of Net Income

Reconciliation of Net Income (R\$ million)	3Q20	2Q20	▲ Q / Q	3Q19	▲ Y / Y	9M20	9M19	▲ Y / Y	LTM
<b>Logistics Net Income</b>	<b>25.4</b>	<b>0.5</b>	-	<b>22.6</b>	<b>12.4%</b>	<b>48.1</b>	<b>82.8</b>	<b>-41.9%</b>	<b>79.3</b>
(+) Treasury Net Income	(8.0)	(16.8)	-52.4%	(16.4)	-51.2%	(37.6)	(69.4)	-45.8%	(54.0)
(=) Total Net Income	17.4	(16.3)	-	6.3	176.2%	10.5	13.4	-21.6%	25.3

The Net Income of the Logistics segment in 3Q20 reached R\$25.4 million, 12.4% higher than 3Q19. Net margin also increased, reaching 3.5% in 3Q20, an increase of 0.6 pp. compared to 3Q19. This improvement was mainly due to the optimization of the capital structure and improvement of the operating margin, as explained above.

In relation to the previous quarter, growth was even greater, given that 2Q20 was extremely impacted by the effects of COVID-19.

Total net income was R\$17.4 million (+ 176% y / y), which corresponds to the sum of the net profit of the Logistics segment and the Treasury segment. It is worth mentioning that we kept the focus on profit in the Logistics segment, since, due to the IPO, we will have a neutralization of the Treasury segment's indebtedness, which reflects the investment made in other companies of the group when JSL played the role holding company.

## Profitability

ROIC LTM and ROIC quarter annualized	ROIC 3Q20 LTM	ROIC 3Q20 annualized
EBIT	202.3	254.6
Effective rate of the Logistics segment	-14%	-25%
<b>NOPLAT</b>	<b>173.6</b>	<b>191.3</b>
Current Period Net Debt	1,321.7	1,321.7
Previous period Net Debt	1,350.9	1,990.0
Average Net Debt	1,336.3	1,655.8
Current Period Equity	1,069.8	1,069.8
Previous period Equity	996.8	383.8
Average Equity	1,033.3	726.8
Invested Capital Current Period	2,391.5	2,391.5
Capital Invested Previous Period	2,347.7	2,373.8
<b>Average Invested Capital</b>	<b>2,369.6</b>	<b>2,382.6</b>
<b>ROIC</b>	<b>7.3%</b>	<b>8.0%</b>

JSL's annualized quarterly ROIC was 8.0%, that is, 0.7 pp. greater than the ROIC UDM, mainly due to the positive impact on the operating result given the beginning of the resumption of our volumes in 3Q20.



## Exhibits

Assets (R\$ million)	3Q20	2Q20	3Q19	Liabilities (R\$ million)	3Q20	2Q20	3Q19
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	82.4	309.5	100.4	Loans and financing	38.2	119.1	192.5
Securities	896.9	975.4	279.9	Debentures	78.3	314.1	534.8
Financial instruments and derivatives	13.2	30.9	29.5	Leasing payable	31.0	38.9	44.8
Accounts receivables	711.0	639.5	622.3	Lease for right use	34.9	35.2	33.6
Inventory	46.5	43.8	26.8	Suppliers	114.7	99.1	75.1
Recoverable taxes	51.1	42.4	62.1	Confirming payable	2.2	2.1	-
Income tax and social contribution	250.8	269.1	19.4	Floor Plan	-	-	-
Other credits	22.0	16.8	58.2	Labor obligations	157.9	151.7	158.8
Advance to third parties	29.2	36.0	26.5	Tax liabilities	33.2	29.9	39.1
Prepaid Expenses	18.0	20.4	19.5	Accounts payable and advances from customers	85.8	54.1	52.0
Assets available for sales (fleet renewal)	-	-	-	Related parties	-	-	-
Deferred Tax Credits	55.5	111.3	96.4	Dividends and interest on capital payable	10.3	22.6	6.7
Related Parties	-	-	-	Financial instruments and derivatives	-	-	-
Dividends receivable	-	-	-	Income tax and Social Contribution payable	0.2	0.1	0.5
				Advances from customers	-	-	-
<b>Total current assets</b>	<b>2,176.6</b>	<b>2,495.1</b>	<b>1,340.9</b>	Credit rights assignment	-	-	-
				<b>Total Current liabilities</b>	<b>586.7</b>	<b>866.9</b>	<b>1,137.9</b>
<b>Non-current assets</b>							
<b>Non-current</b>				<b>Não circulante</b>			
Securities	-	-	-	Loans and financing	976.5	1,640.2	1,435.3
Financial instruments and derivatives	32.8	35.1	23.1	Debentures	1,170.6	1,172.1	1,058.9
Accounts receivables	12.8	7.3	89.2	Leasing payable	50.2	54.3	61.0
Recoverable taxes	54.3	54.3	73.0	Lease for right use	194.8	195.0	193.7
Income tax and social contribution	45.4	50.4	54.5	Floor Plan	-	-	0.0
Deposit in court	17.4	16.9	90.5	Related parties	-	-	-
Related parties	0.0	0.2	26.0	Assignment of credit rights	-	-	-
Other credits	3.4	2.8	37.4	Financial instruments and derivatives	0.8	0.8	0.8
Prepaid Expenses	20.5	20.5	20.5	Taxes payable	38.0	46.0	53.9
Deferred Tax Credits	-	-	-	Provision for losses on investments in continuity	14.3	71.8	27.2
Capitalization funds - vehicle	-	-	-	Provision for litigation and administrative demands	78.6	-	-
				Deferred income tax and Social Contribution	6.5	82.3	94.1
<b>Total</b>	<b>186.7</b>	<b>187.5</b>	<b>414.2</b>	Accounts payable and advances from customers	-	-	-
				<b>Total Non-current liabilities</b>	<b>2,530.3</b>	<b>3,262.5</b>	<b>2,925.0</b>
Investments	-	-	19.3				
Property, plant and equipment	1,563.6	1,570.5	1,497.5	<b>Total Equity</b>	<b>1,069.8</b>	<b>383.8</b>	<b>(546.8)</b>
Intangible	259.8	260.1	244.3				
<b>Total</b>	<b>1,823.5</b>	<b>1,830.6</b>	<b>1,761.1</b>	<b>Total Liabilities</b>	<b>4,186.7</b>	<b>4,513.2</b>	<b>3,516.1</b>
<b>Total Non-current assets</b>	<b>2,010.1</b>	<b>2,018.1</b>	<b>2,175.3</b>				
<b>Total Assets</b>	<b>4,186.7</b>	<b>4,513.2</b>	<b>3,516.1</b>				



Leverage Reconciliation	3Q20
EBITDA LTM JSL	432.0
Cost of assets sales LTM JSL	191.6
EBITDA-A LTM JSL	623.5
Financial Result LTM JSL	- 193.3
Net Debt sep/2020 JSL	1,321.7
<b>Net Debt / EBITDA JSL</b>	<b>3.1x</b>
<b>Net Debt / EBITDA-A JSL</b>	<b>2.1x</b>
<b>EBITDA-A/ Financial Result JSL</b>	<b>3.2x</b>
EBITDA LTM Fadel	80.7
Cost of assets sales LTM Fadel	3.0
EBITDA-A LTM Fadel	83.7
Financial Result LTM Fadel	7.6
Net Debt sep/2020 Fadel	104.3
EBITDA LTM Trasmoreno	35.4
Cost of assets sales LTM Trasmoreno	-
EBITDA-A LTM Trasmoreno	35.4
Financial Result LTM Trasmoreno	-
Cash sep/2020 Trasmoreno	- 11.2
<b>Net Debt / EBITDA JSL + acquisitions</b>	<b>2.6x</b>
<b>Net Debt / EBITDA-A JSL + acquisitions</b>	<b>1.9x</b>
<b>EBITDA-A/ Financial Results JSL + acquisitions</b>	<b>4.0x</b>

## Glossary

**EBITDA-A or EBITDA Added** – Represents EBITDA plus the residual costs associated with the sale of fixed assets, which does not represent operational cash disbursements, as they are merely an accounting representation of the write-off of assets at the time of sale. Thus, the Company's management believes that EBITDA-A is a better measure of operating cash flow than traditional EBITDA, representing the Company's capacity to meet its financial obligations

**IFRS16** - The International Accounting Standards Board (IASB) issued standard CPC 06 (R2)/IFRS 16, which requires tenants to recognize most of the leases in the balance sheet, being registered as liability for future payments and an asset for the right of use. The standard came into force on January 1, 2019.

**RSC or Revenue from Same Contracts** – Revenue from existing contracts in a comparison period.

**Dedicated Services or Services Dedicated to the Supply Chain** – Services provided in an integrated and customized way for each client, which include managing the flow of inputs/raw materials and information from the supplier through entry of the materials into the clients' facilities (Inbound operations), the outflow of products from the clients' facilities to the point of consumption (Outbound operations), and product handling and inventory management, Reverse Logistics and Warehousing

## Additional Information

This Earnings Release's purpose is to detail JSL S.A.'s financial and operating results for the third quarter of 2020, now SIMPAR S.A., considering the effects of the merger of shares under the corporate reorganization approved at the Extraordinary Shareholders' Meeting (ESM) held on August 5, 2020. SIMPAR S.A. presents its 2Q20 results, which includes JSL, Vamos, Movida, Original Concessionárias and BBC, which together make up the consolidated results. The financial information is presented in millions of Reais, unless otherwise indicated. The Company's interim financial information is prepared in accordance with the Brazilian corporate law and is presented on a consolidated basis in accordance with CPC-21 (R1) Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the IASB. The comparisons refer to the revised data for 2Q20, 2Q19 and 1Q20, except where indicated.

As of January 1, 2019, JSL Group adopted CPC 06 (R2)/IFRS 16 in its accounting financial statements corresponding to the 1Q19. None of the changes leads to the restatement of the financial statements already published.



## Disclaimer

We make forward-looking statements that are subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of our Management and information to which the Company currently has access. Statements about future events include information about our intentions, beliefs or current expectations, as well as those of the members of the Company's Board of Directors and Officers.

Disclaimers with respect to forward-looking information and statements also include information on possible or presumed operating results, as well as statements that are preceded, followed or that include the words "believes", "may," "will," "continues", "expects", "predicts", "intends", "plans", "estimates", or similar expressions.

Forward-looking statements and information are not guarantees of performance. They involve risks, uncertainties and assumptions as they relate to future events, depending, therefore, on circumstances that may or may not occur. Future results and the creation of shareholder value may differ materially from those expressed or implied by the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

## Conference Call and Webcast

**Date:** November 12, 2020, thursday.

**Time:** 11:00 a.m. (Brasília)

9:00 a.m. (New York) – with simultaneous interpretation into English

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**Access Code:** JSL

**Webcast:** [www.jsl.com.br/ri](http://www.jsl.com.br/ri)

Webcast Access: The presentation slides will be available for viewing and downloading at the Investor Relations section of our website [www.jsl.com.br/ri](http://www.jsl.com.br/ri). The audio for the conference call will be broadcast live on the platform and will be available after the event.

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