



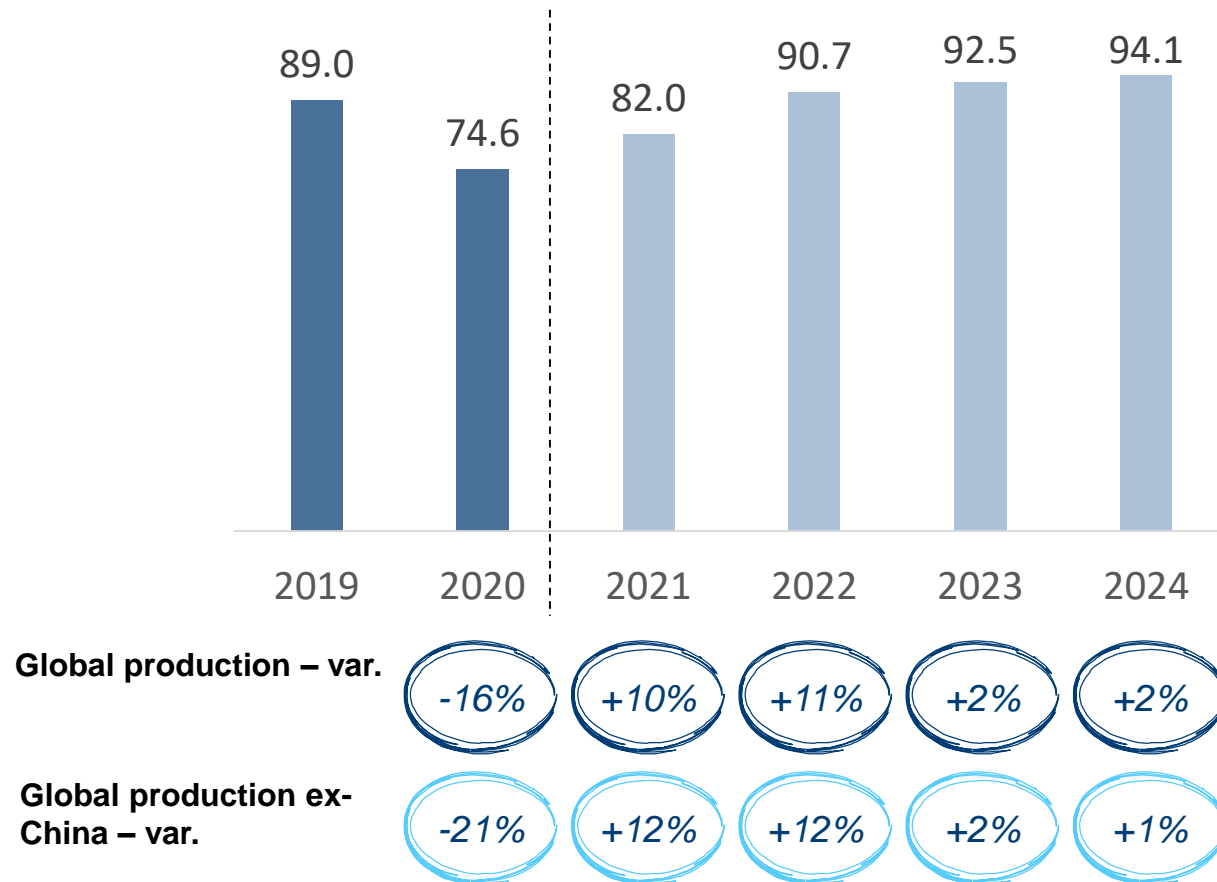
2Q21 EARNINGS RELEASE

AUGUST 12, 2021

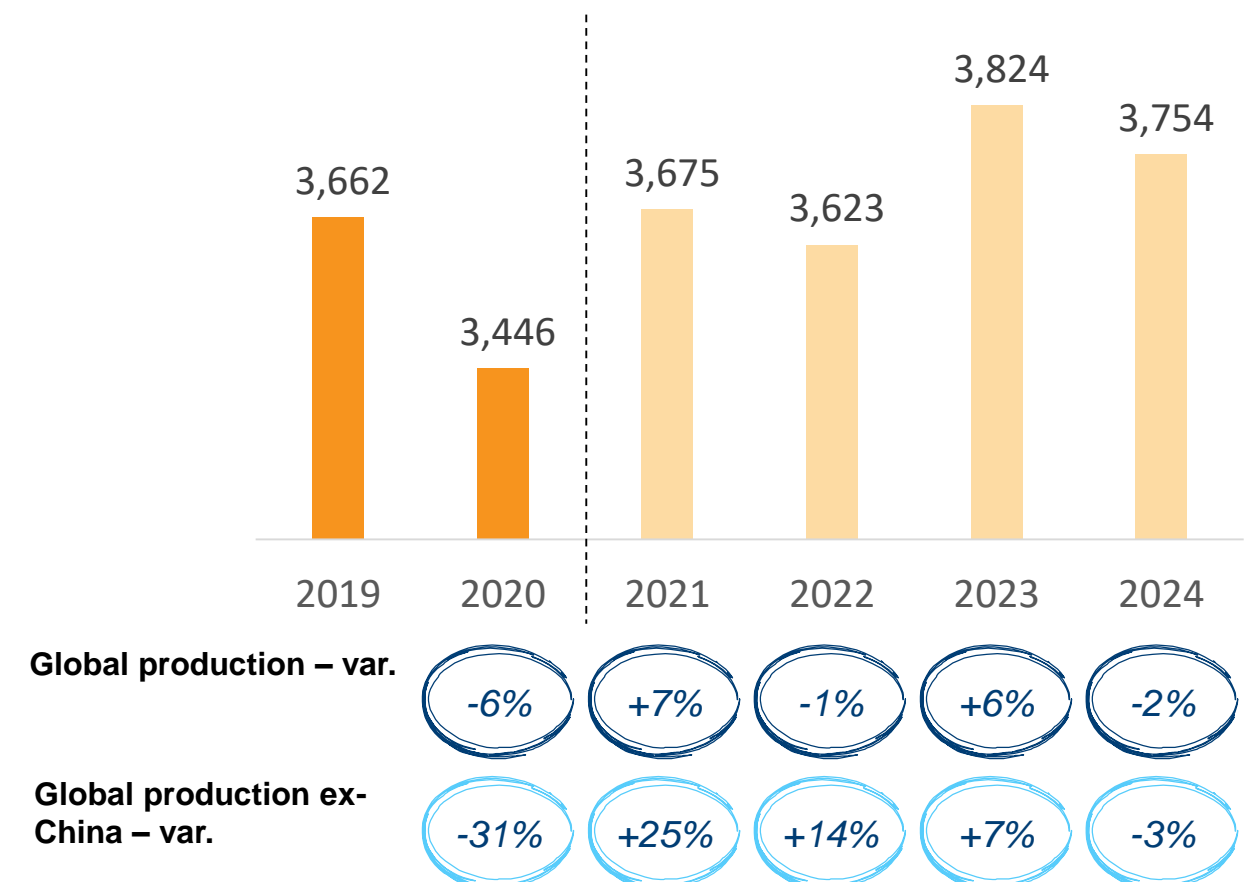


Global market recovery – Light and Commercial vehicles forecast

Light vehicles¹ - Million units



Commercial vehicles² - Thousand units



- Light vehicles expected to grow 12% excluding China despite the negative impact of semiconductor supply
 - Expectation of surpassing 2019 volumes in 2022
- Commercial vehicles expected to grow 25% excluding China in 2021
 - Return to 2019 levels as early as 2021

Source:

¹ IHS Auto – July 2021 and Company estimates

² LMC Auto and Company estimates

2Q21 main highlights

Positive effect of a diversified business model

Net Revenue

R\$ 3.2 billion an increase of 171.7% in 2Q21 vs 2Q20 (+ 1.6% vs 1Q21)

Adjusted EBITDA¹

R\$ 602.0 million with 18.9% margin (R\$ 404.9 million and 12.7% margin excluding the net gain of ICMS)

Gross profit

R\$ 420.7 million (+ 2.7% compared to 1Q21) and 13.2% of gross margin

Leverage

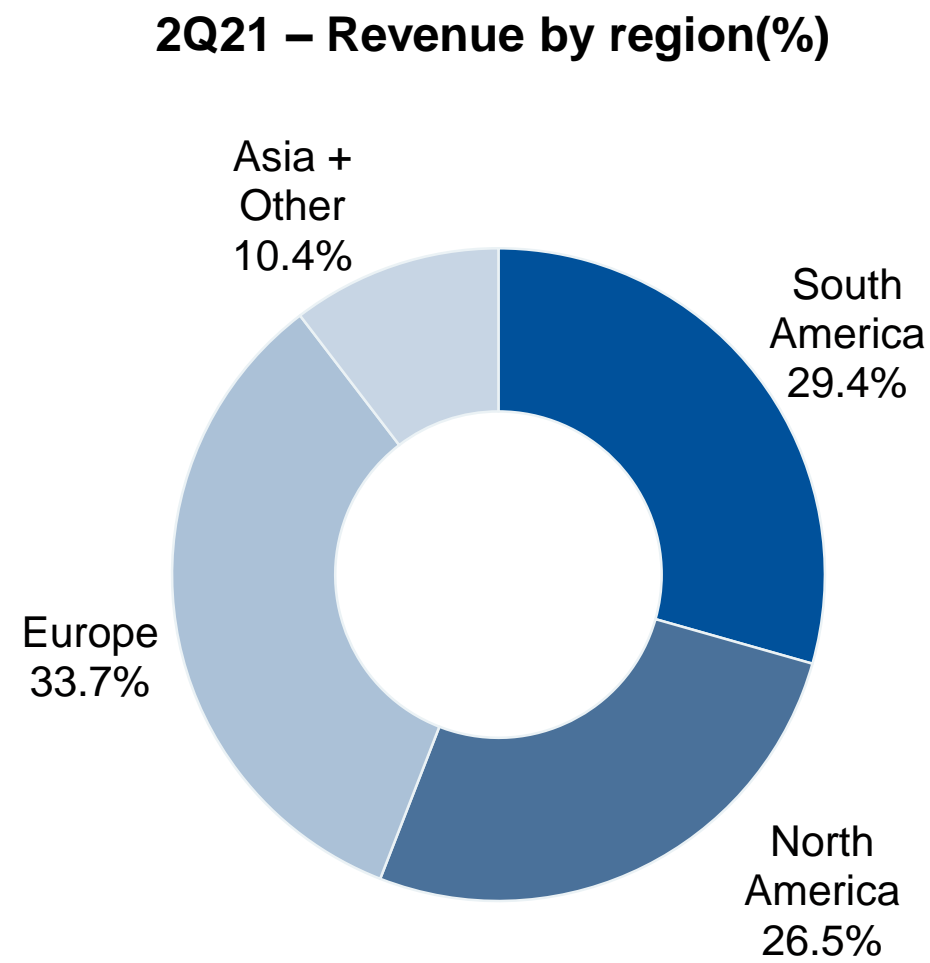
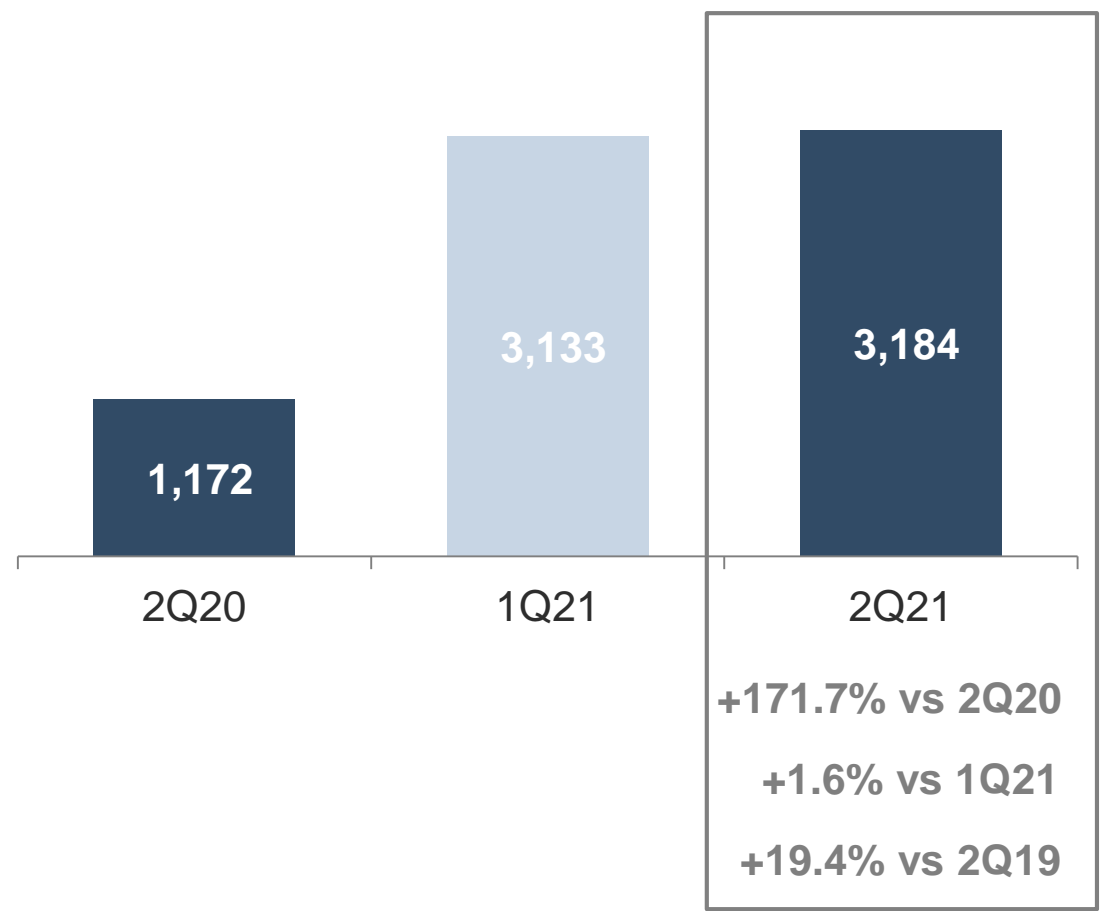
Net debt/Adjusted EBITDA of 2.74x, reduction compared to 1Q21 (5.74x)

Net income

R\$ 214.8 million

¹ Excludes restructuring and *impairments* expenses

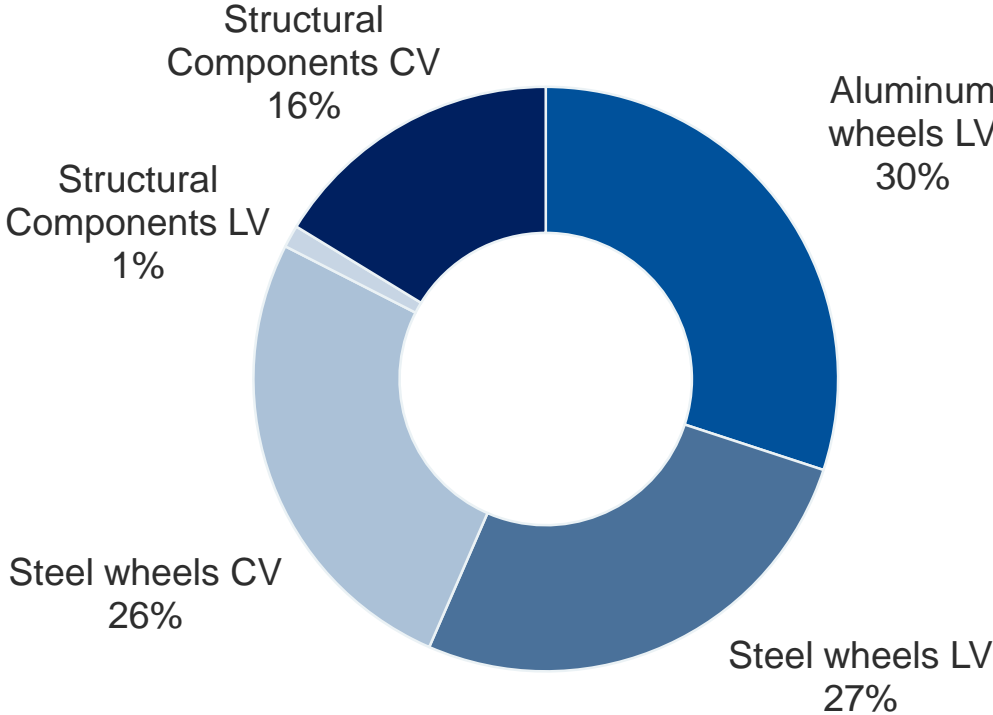
Net Operating Revenue– R\$ million



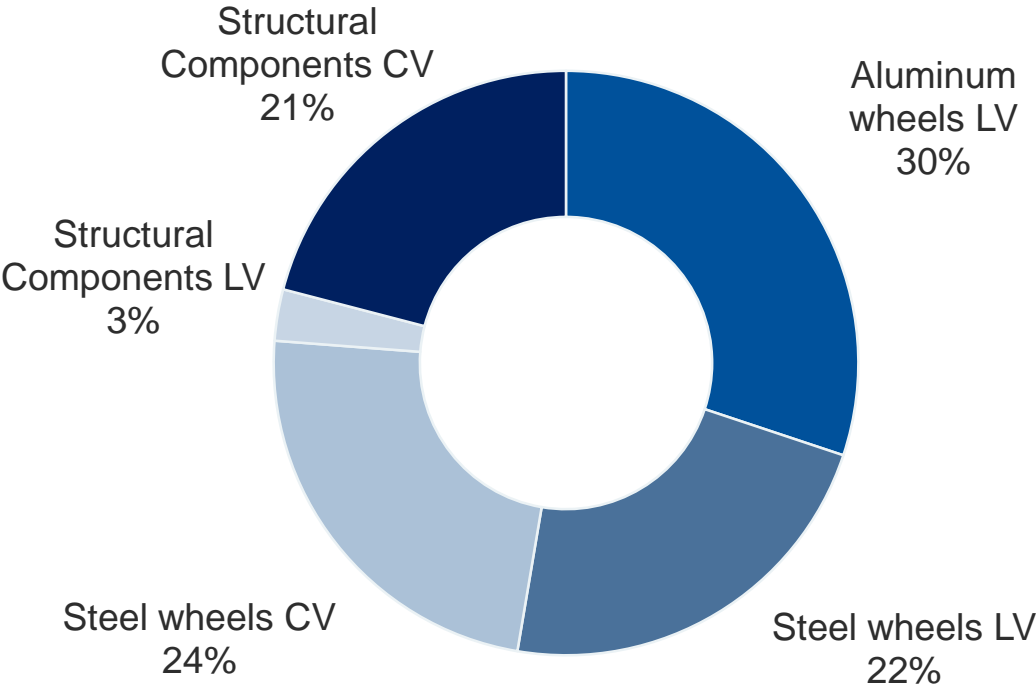
- Increase in revenue in 2Q21 due to higher sales in all markets compared to 2Q20

Net Operating Revenue by Product - (%)

2Q20



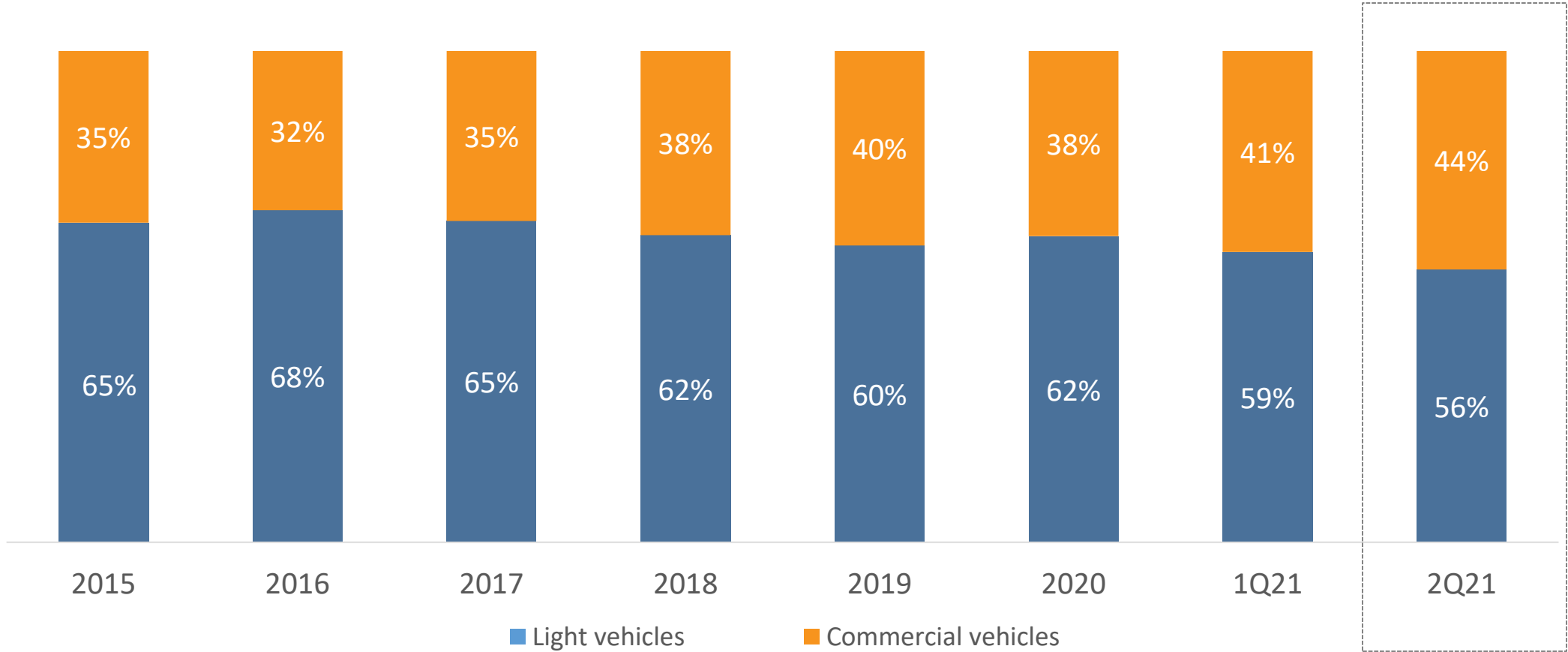
2Q21



LV: light vehicles
CV: commercial vehicles

Revenue Evolution by Segment

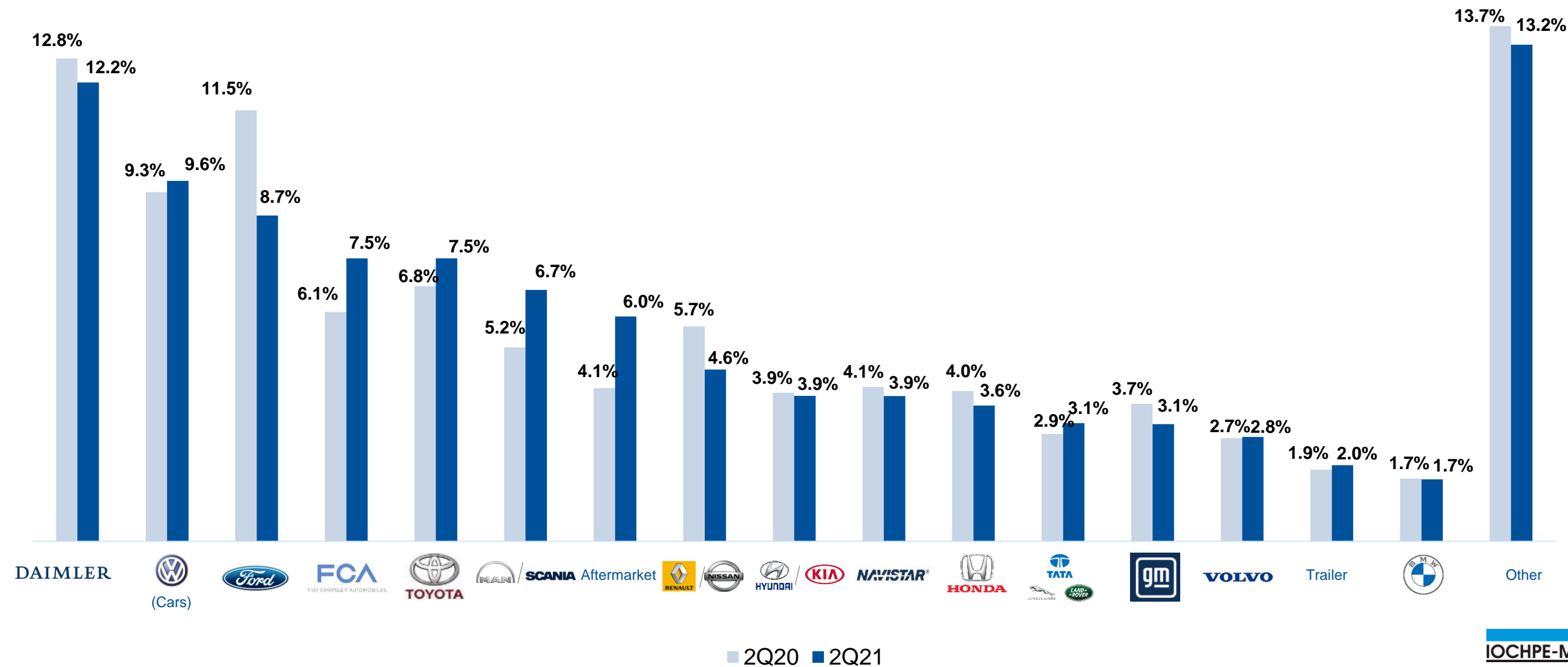
Growth of commercial vehicles share in the global automotive scenario



- Impact of semiconductor supply with less relevance in the commercial vehicle segment

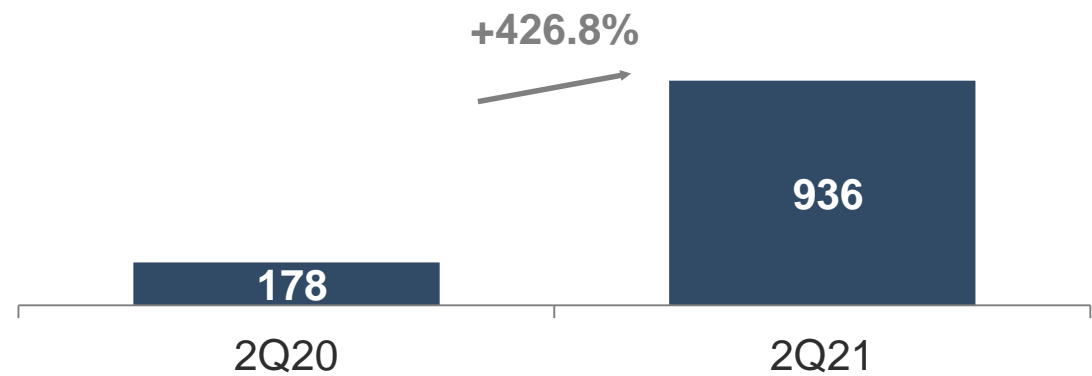
Net Operating Revenue by Client – (%)

Customers	2Q20	2Q21
Top 1	13%	12%
Top 5	46%	46%
Top 10	69%	70%

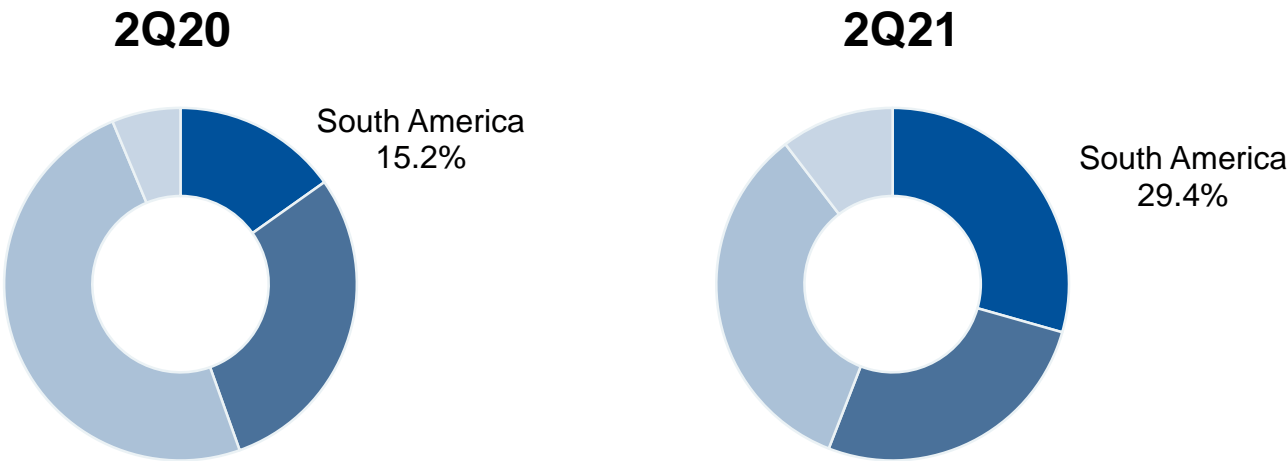


Operational Performance – South America

Net Operating Revenue– R\$ million



Participation in consolidated Net Operating Revenue – (%)



Brazilian market performance¹ – vehicle production (thousand)

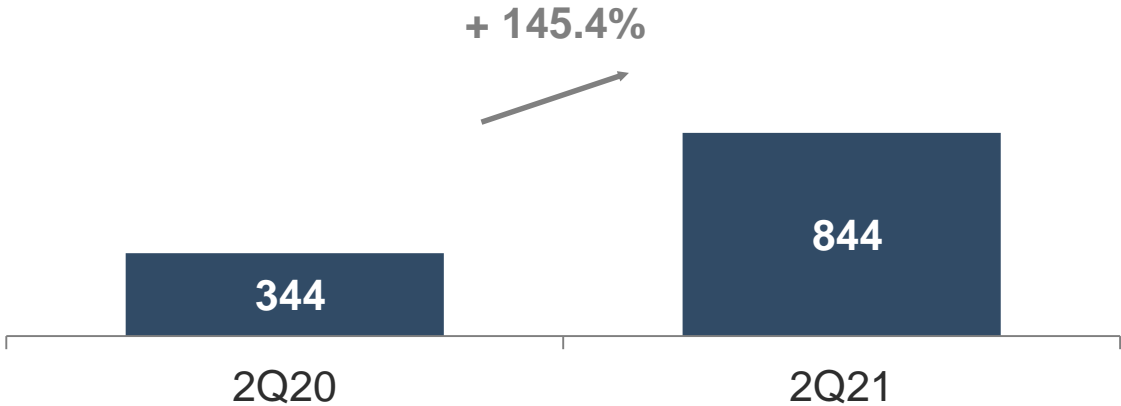
	2Q20	2Q21	Var.
Light vehicles	130	504	286.6%
Commercial vehicles	13	47	259.0%
Total	143	551	284.1%

- Sales increase in the commercial vehicle segment
- New business on wheels and components

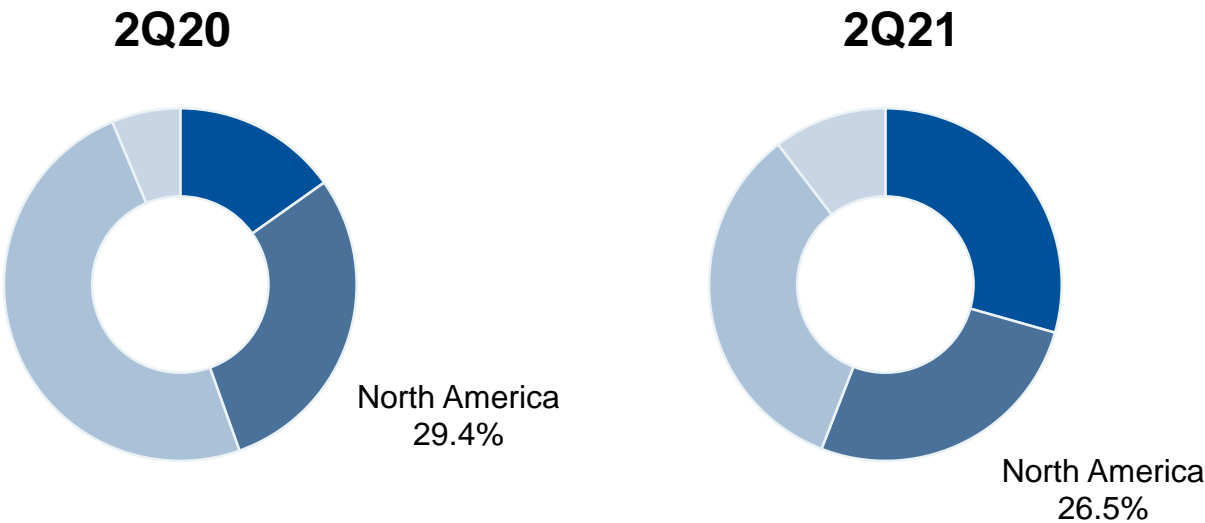
¹ Source: ANFAVEA and Company estimates.

Operational Performance – North America

Net Operating Revenue– R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production (thousand)

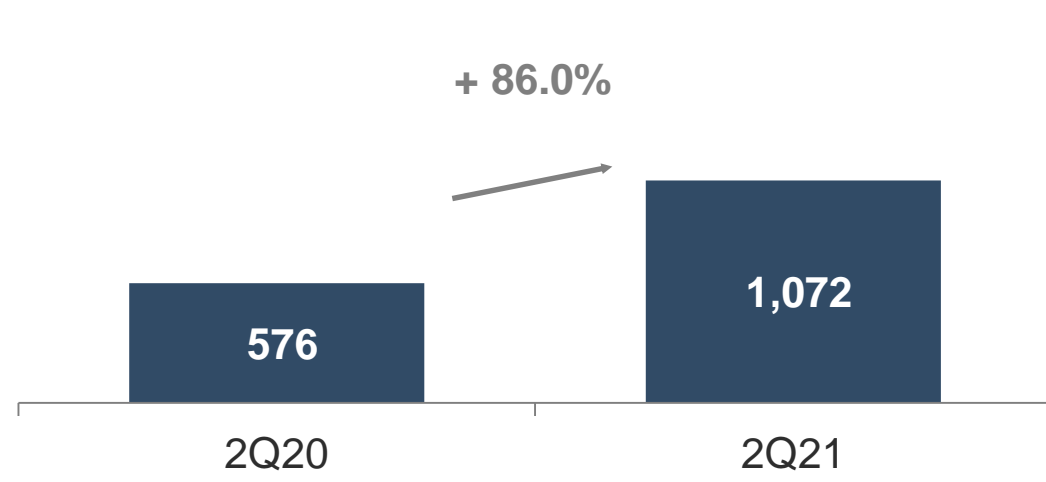
	2Q20	2Q21	Var.
Light vehicles	1,376	3,195	132.2%
Commercial vehicles	69	133	94.1%
Total	1,444	3,328	130.4%

- Growth of the commercial vehicle segment
- Irregular supply of raw materials (light vehicles)
- Ramp-up of the stamping parts plant in Mexico

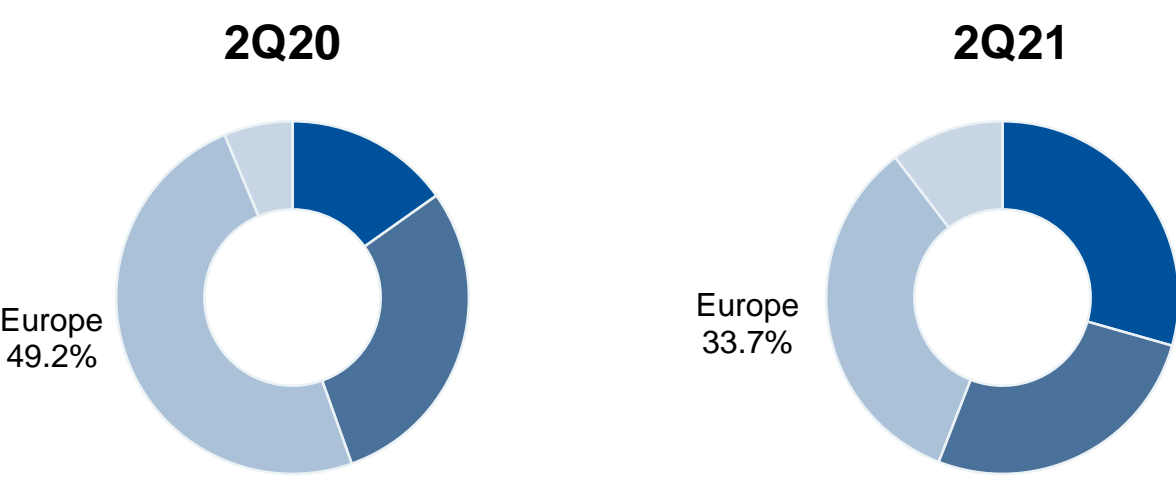
¹ Source: IHS light vehicles, LMC commercial vehicles; Company’s estimates.

Operational Performance – Europe

Net Operating Revenue– R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production (thousand)

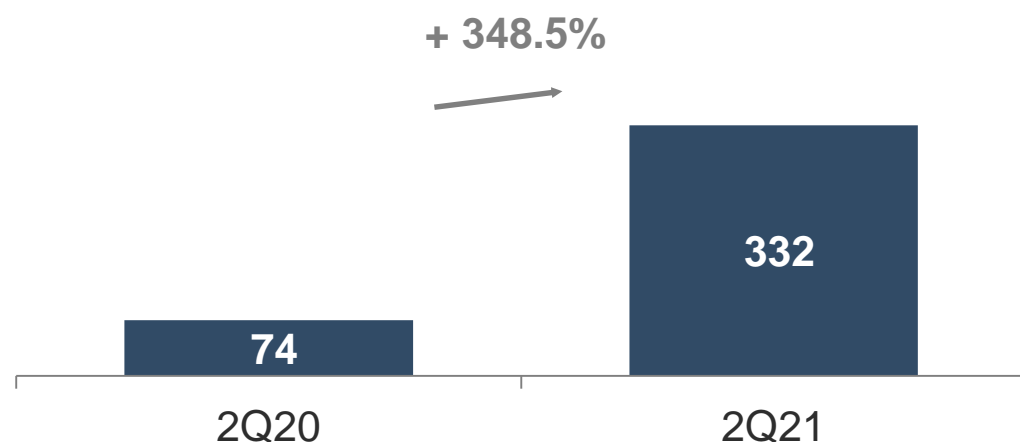
	2Q20	2Q21	Var.
Light vehicles	1,962	3,698	88.5%
Commercial vehicles	63	112	75.7%
Total	2,026	3,810	88.1%

- Positive performance in the aftermarket
- Irregular supply of raw materials

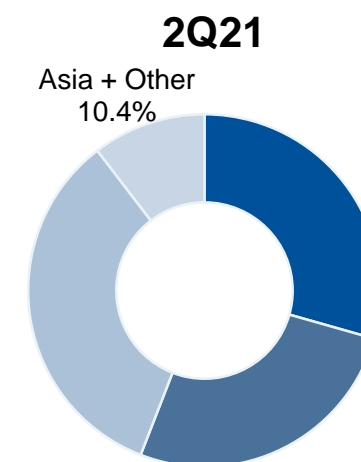
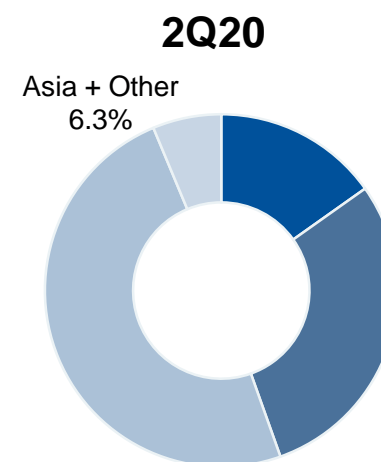
¹ Source: IHS light vehicles, LMC commercial vehicles; Company’s estimates – considers EU27 + UK + Turkey

Operational Performance – Asia + Other²

Net Operating Revenue– R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production (thousand)

	2Q20	2Q21	Var.
India – LV	167	847	408.2%
India – CV	8	35	341.3%
Thailand – LV	149	391	161.9%

- Growth in region constrained by outbreak of COVID-19 cases in India and slower automotive recovery in Thailand
- Increased sales in the commercial segment in China
- Ramp-up of aluminum plant in India in progress (239.0% of volume growth in the first half of 2021)

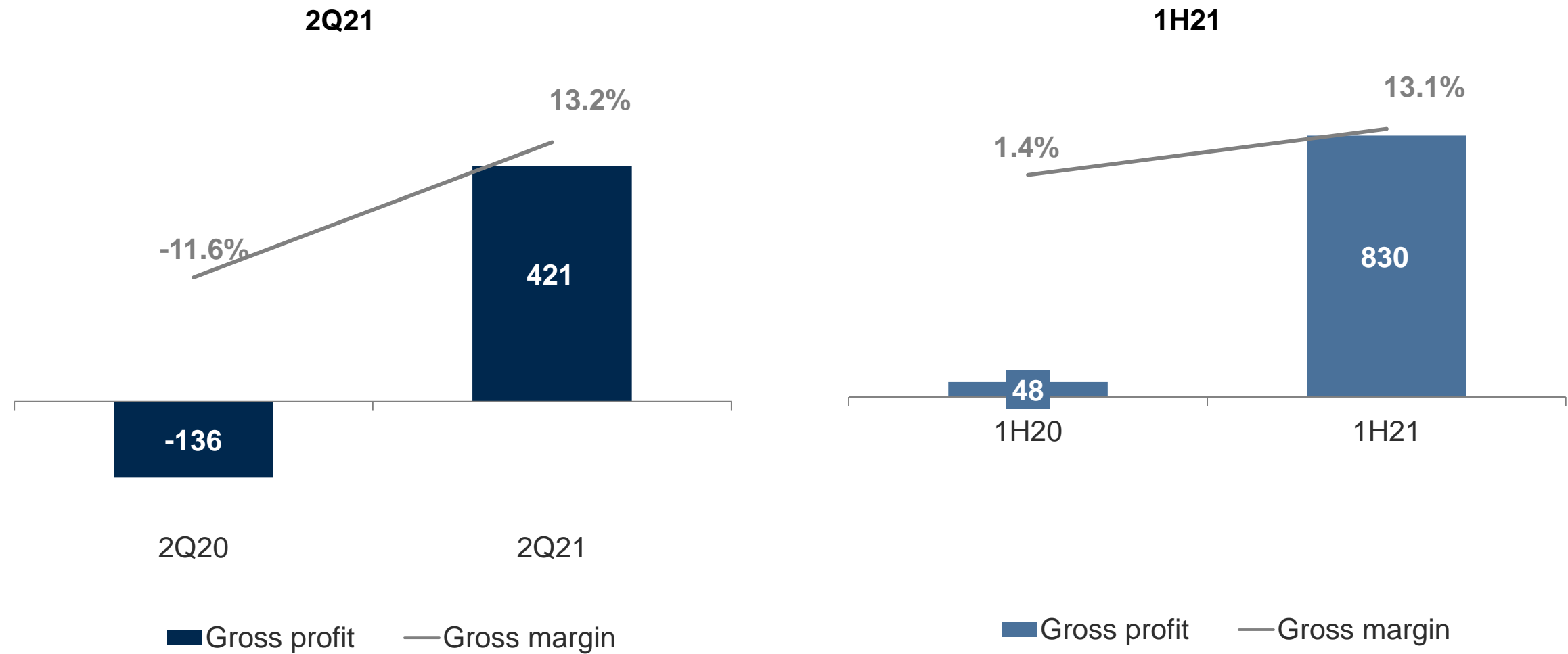
¹ Source: IHS light vehicles and LMC commercial vehicles

² Considers plants located in Asia + South Africa

LV: light vehicles

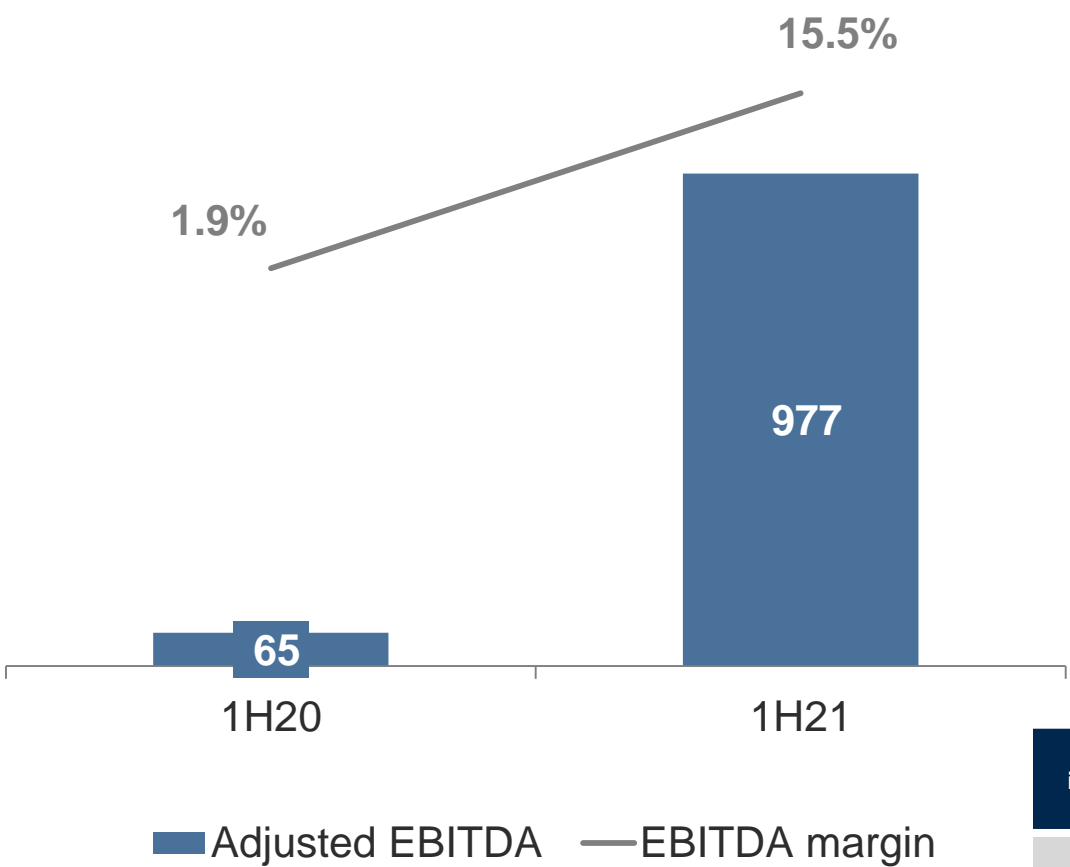
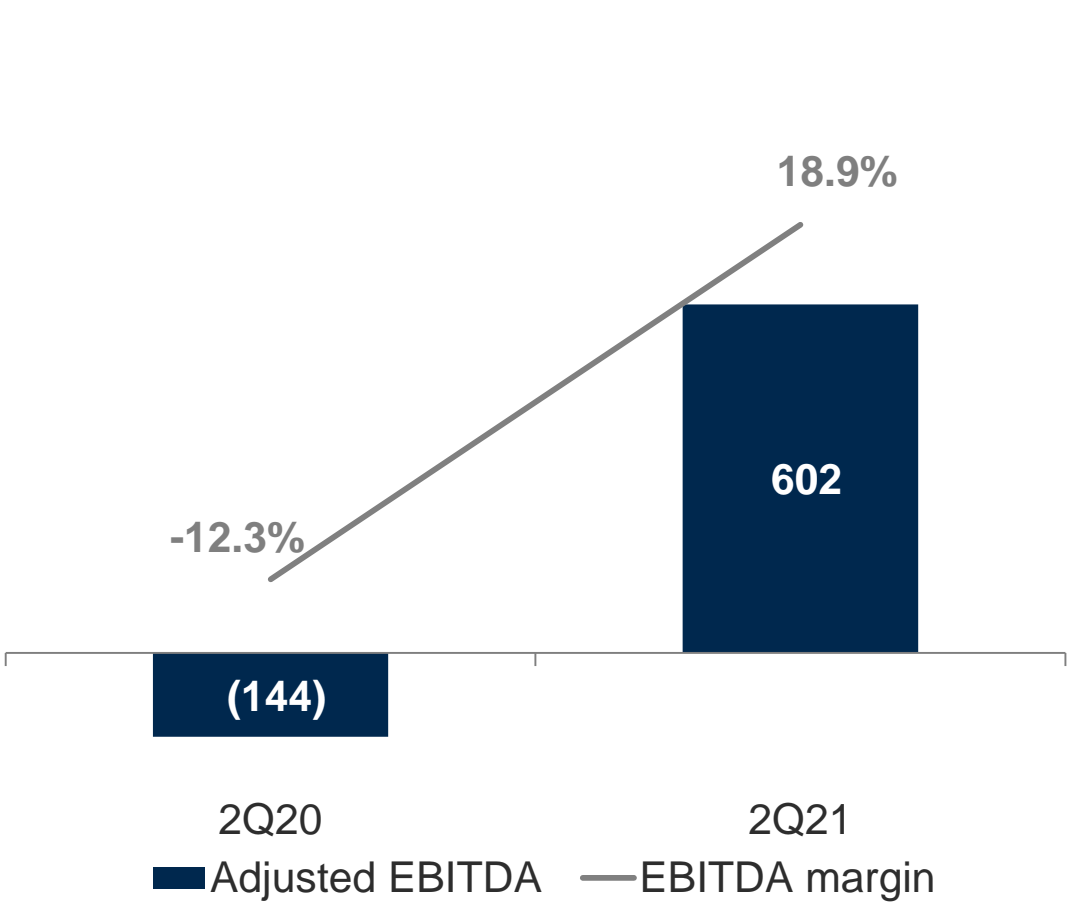
CV: commercial vehicles

Gross Profit (R\$ million) and gross margin (%)



- Increase of gross profit in 2Q21 due to revenue growth and greater operating leverage

Adjusted EBITDA¹ (R\$ million) and EBITDA margin (%)



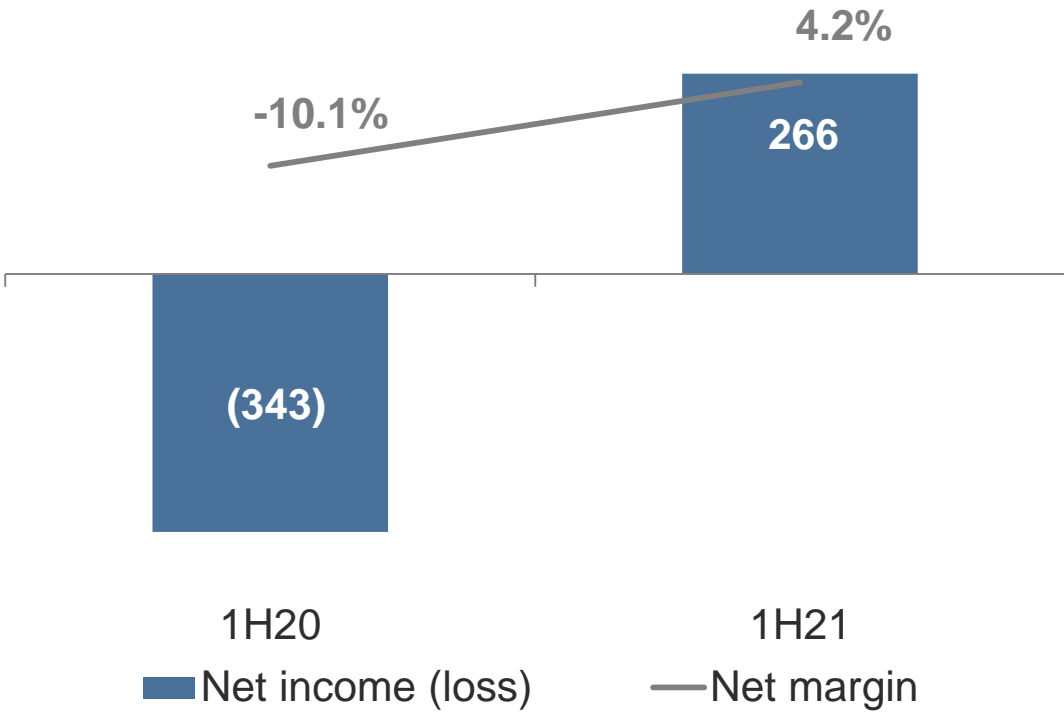
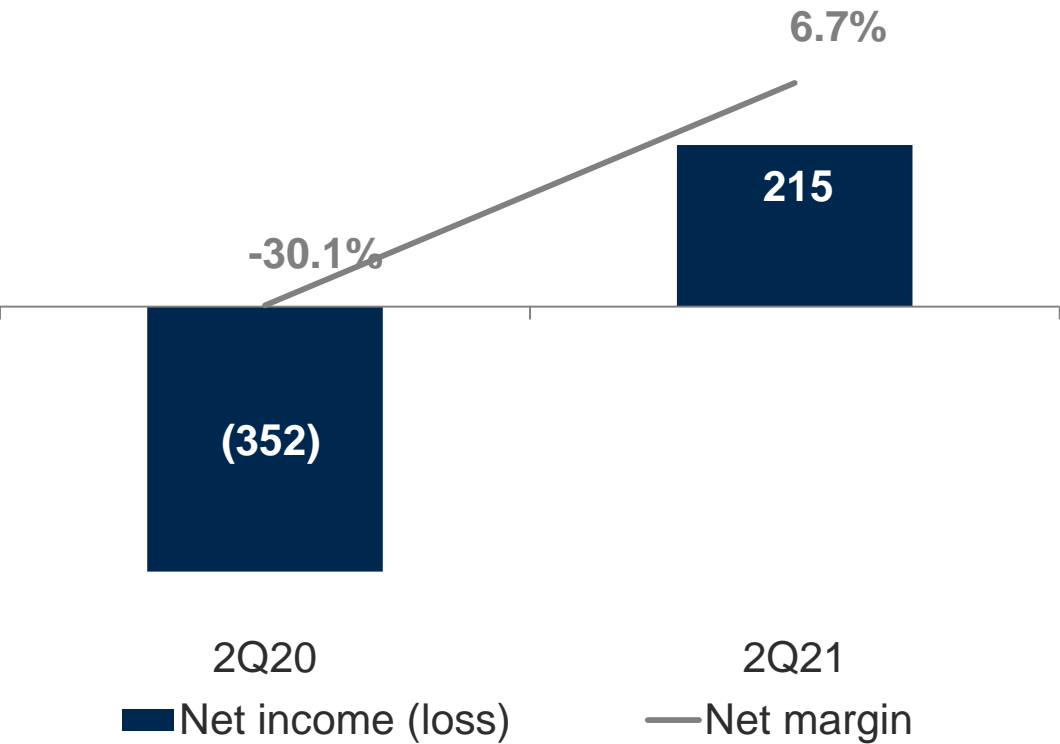
Restructuring and impairments effects - R\$ million	
2Q20	55.1
2Q21	9.3
1H20	60.0
1H21	16.1

In addition to the effects of restructuring and impairments :

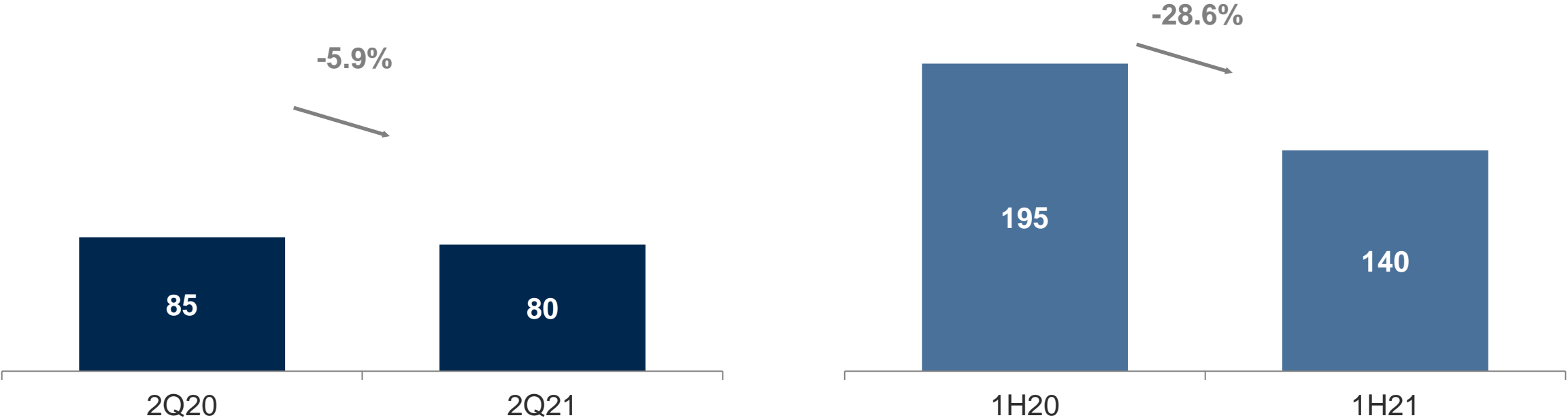
- 2Q21 benefited from the gain related to the devaluation of the option to purchase a subsidiary's shareholding (R\$6.7 million) and the net gain from the final court ruling from the exclusion of ICMS on the PIS/Cofins calculation basis (R\$190.2 million)
- EBITDA of R\$ 404.9 million in 2Q21 with a margin of 12.7%, excluding non-recurring effects

¹ Excludes the effects of restructuring and impairments

Net Income (Loss) (R\$ million)



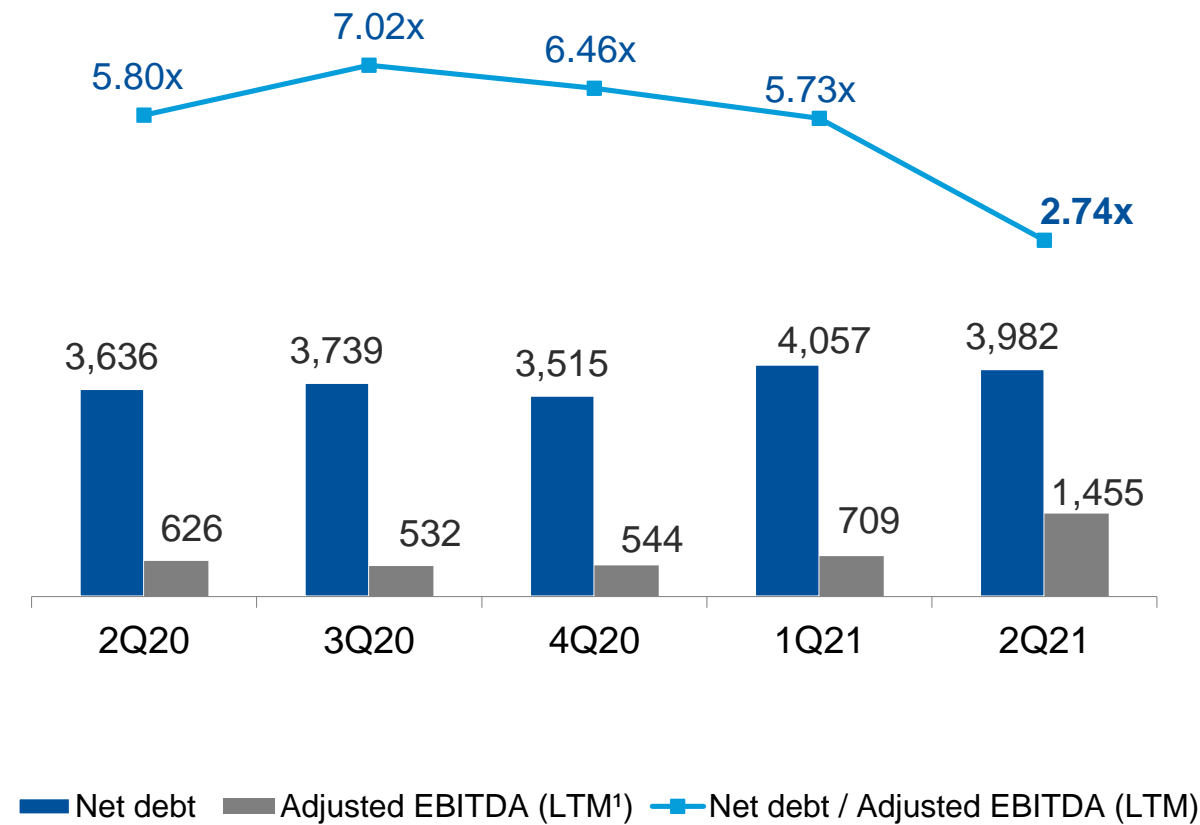
Investments - (R\$ million)



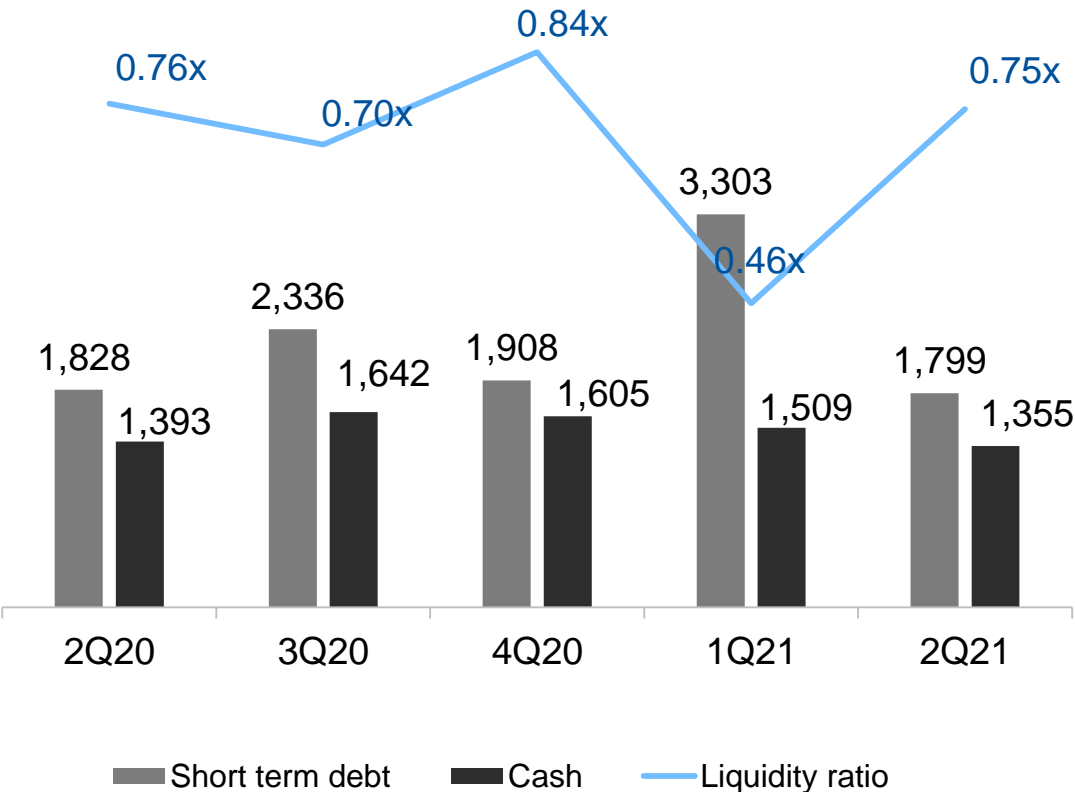
- Main investments related to health and safety, maintenance, new product launches and productivity

Financial leverage and liquidity ratio

Leverage – net debt / Adjusted EBITDA



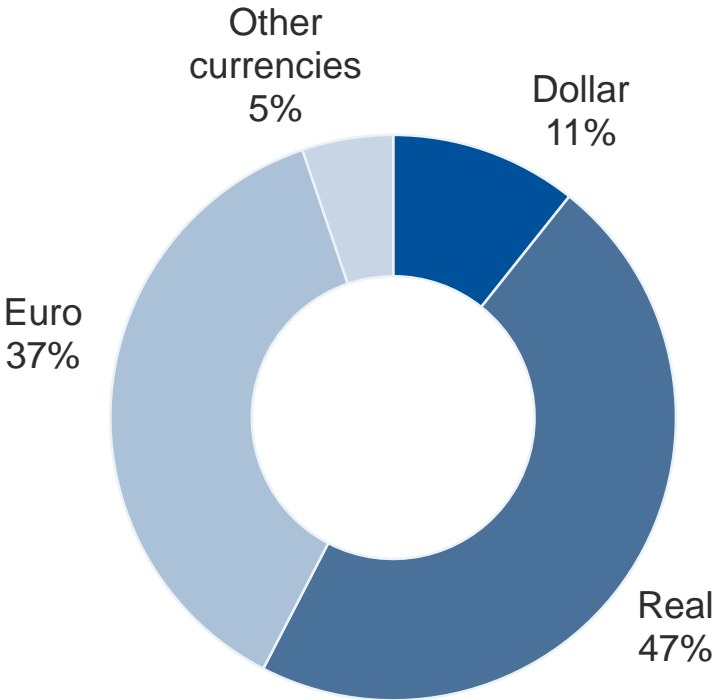
Liquidity ratio – cash/ short-term debt



¹LTM: last twelve months
Adjusted EBITDA: excludes restructuring expenses and impairments

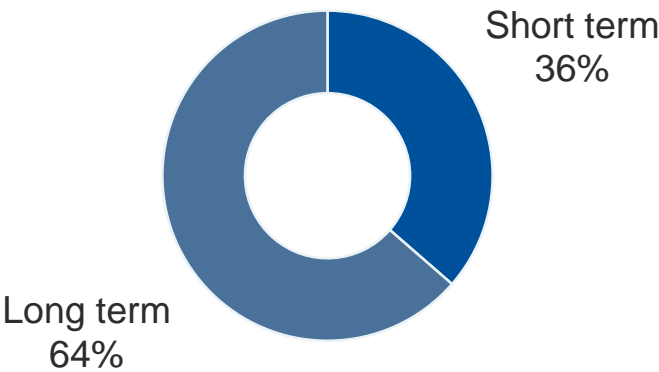
Indebtedness (R\$ million)

Gross debt breakdown



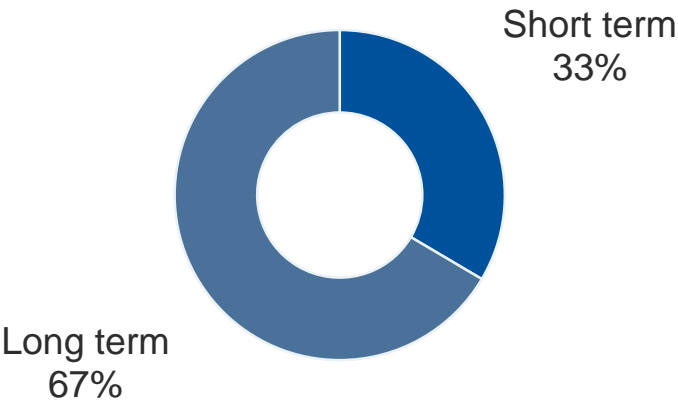
	2Q20	2Q21	Var.
Gross debt	5,029	5,373	6,8%
Cash	1,393	1,355	-2,7%
Net debt	3,636	3,982	9,5%

2Q20



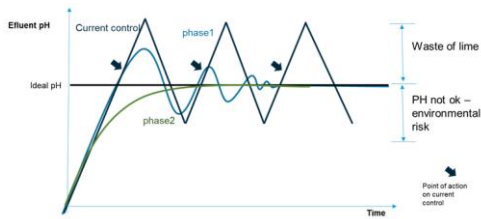
Average cost: 3.8% p.a.
Average term: 2.5 years

2Q21



Average cost: 4.8% p.a.
Average term: 4.6 years

ESG - Highlights



Environment

- “Environmental Responsibility Award” from Mercedes-Benz of Brasil – Autoset PID/MachineLearning system
 - Reduction in the use of chemical products at the Cruzeiro plant's effluent station, with a direct impact on reducing environmental risks
 - Technologies involved: predictive analytics, machine learning, and decision automation

Recognition in 2Q21

- “Supplier Excellence Award” from CNH Industrial in South America
- “*Logistic & Quality – Excellence Performance Award*” from Honda in Brazil
- “Honda Service Award” from Honda in Mexico
- “Certificate of Achievement – Quality and Delivery” from Isuzu in Thailand
- “Supplier Quality Excellence Award” from GM in the USA, Mexico and Brazil
- “Masters of Quality Buses Mexico” from Daimler Buses Mexico

Social

- Global Diversity & Inclusion (D&I) Policy – Unique and United
- Food donation campaign at plants in Brazil collects 15 tons of food for needy families in cities where lochpe-Maxion operates





IOCHPE-MAXION