



IOCHPE-MAXION

3Q20 and 9M20 earnings release – November 4th, 2020

3Q20 Highlights

Cash positions

R\$ 1.6 billion in cash
(Increase of R\$ 249.1 million vs 2Q20)

Net Revenue

Reduction of 1.1% in 3Q20
(-56.1% in 2Q20 vs 2Q19)

Adjusted EBITDA¹

R\$ 241.0 million with 9,6% EBITDA margin

Reduction in operating expenses

Reduction of 21.8%² in 3Q20

Investments

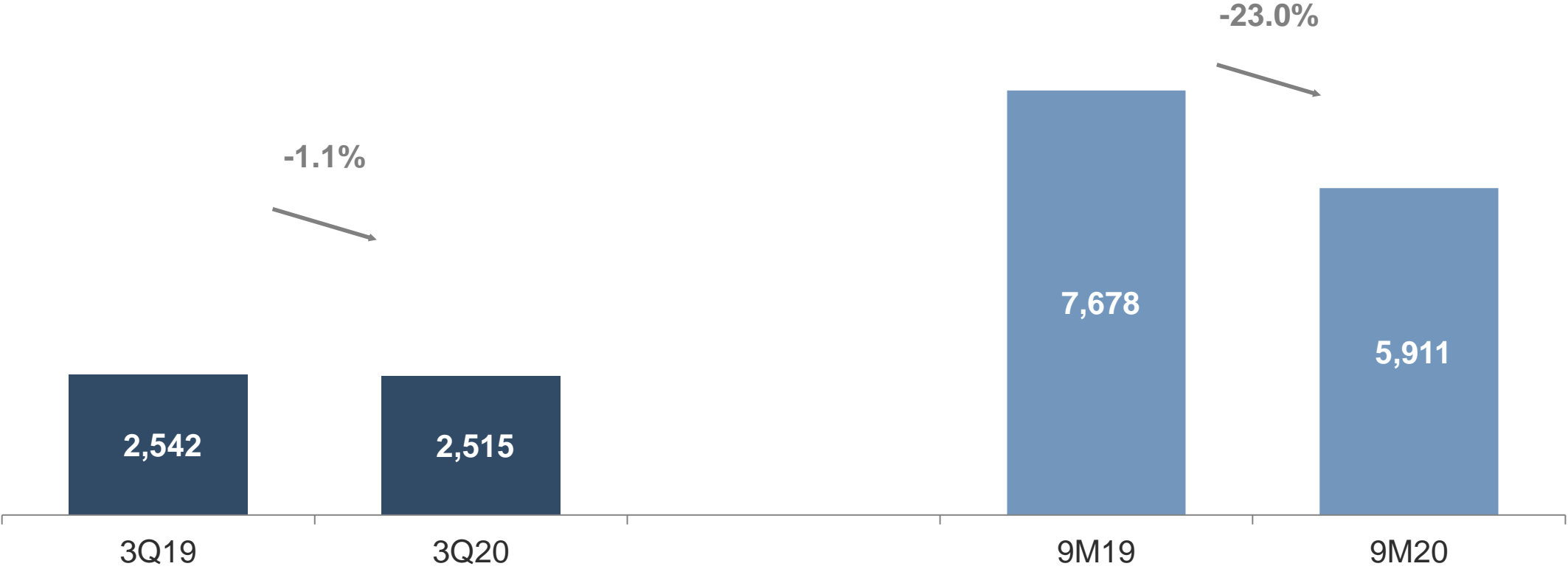
Reduction of 64.0%² in 3Q20

- ✓ Net debt of R\$ 3,738.6 million in 3Q20 (R\$ 2,688.1 million in 3Q19). Financial leverage (net debt/adjusted EBITDA² of the last 12 months) represented 7.0x at the end of 3Q20

¹ Excludes expenses with restructuring and impairments.

² Excludes exchange rate variation in the period

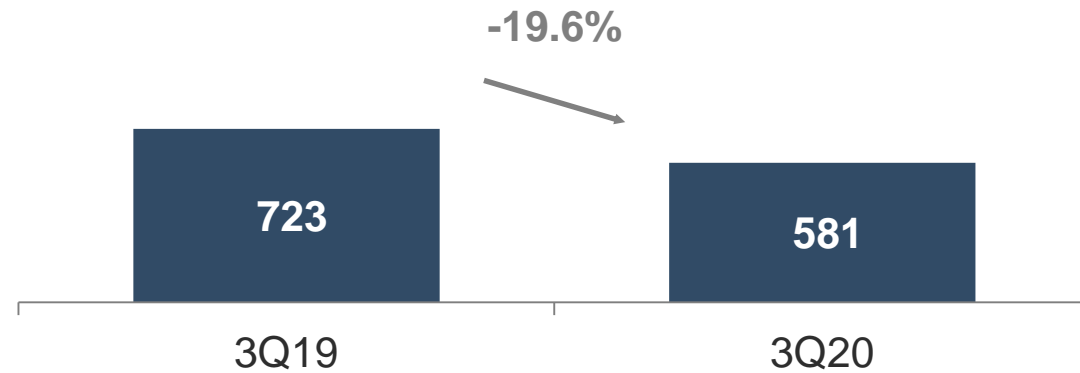
Consolidated Net Operating Revenue - R\$ million



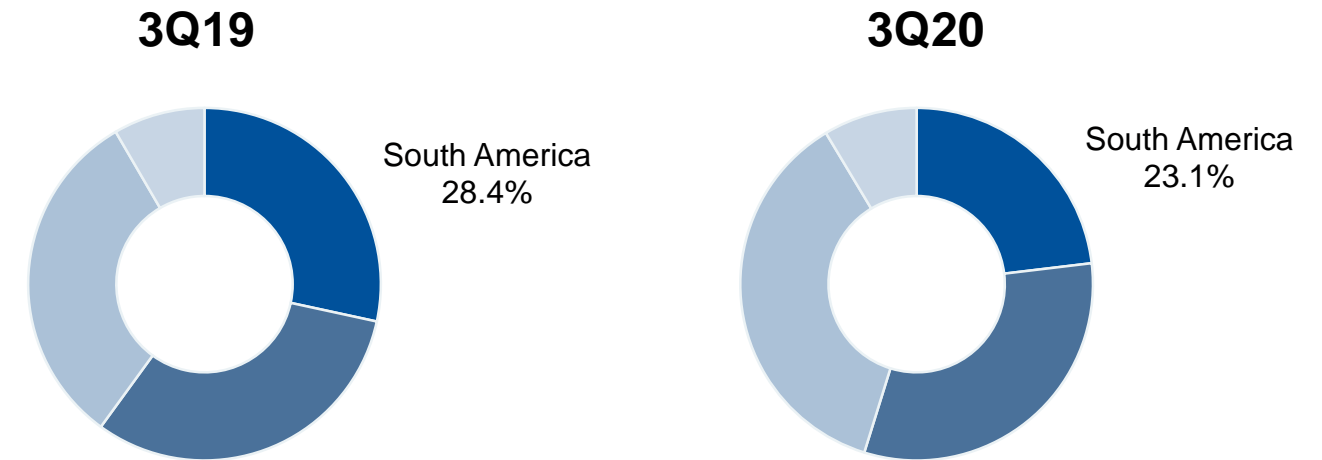
- 3Q20 revenue equivalent to last year due to market recovery and positively impacted by exchange rate variation (R\$ 527.3 million in 3Q20 and R\$ 1,011.2 million in 9M20)

Operational Performance – South America

Net Operating Revenue – R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production

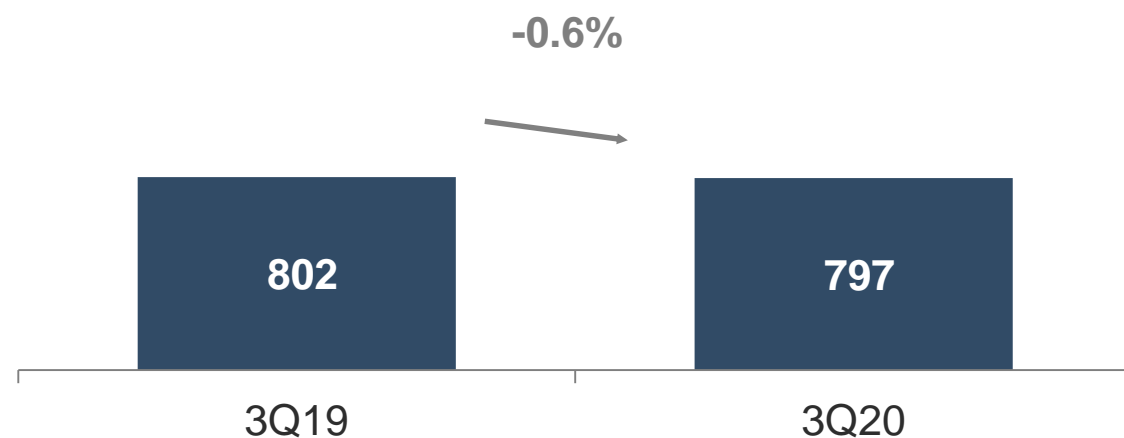
	3Q19	3Q20	Var.
Light vehicles	744,430	572,833	-23.1%
Commercial vehicles	39,775	28,840	-27.5%
Total	784,205	601,673	-23.3%

- Covid-19 cycle started later compared to Europe and North America
- More consistent recovery since August increased its share of total revenue from 15.2% in 2Q20 to 23.1% in 3Q20

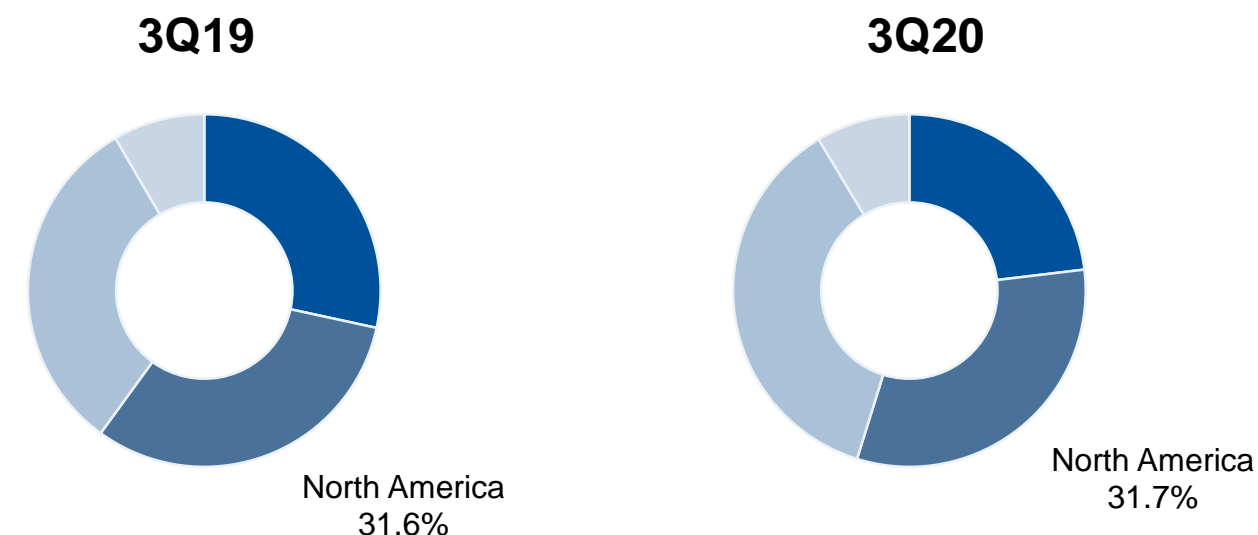
¹ Source: ANFAVEA

Operational Performance – North America

Net Operating Revenue – R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production

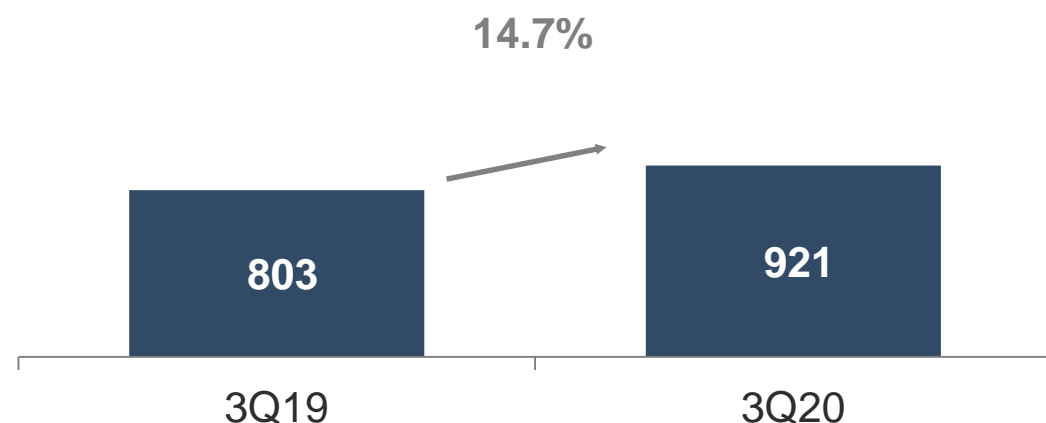
	3Q19	3Q20	Var.
Light vehicles	3,997,810	3,986,329	-0.3%
Commercial vehicles	167,095	113,657	-32.0%
Total	4,164,905	4,099,986	-1.6%

- Consistent and gradual recovery in both segments (light and commercial) during 3Q20
- Revenue positively impacted by the exchange rate variation
- Similar participation in net revenue compared to 2019

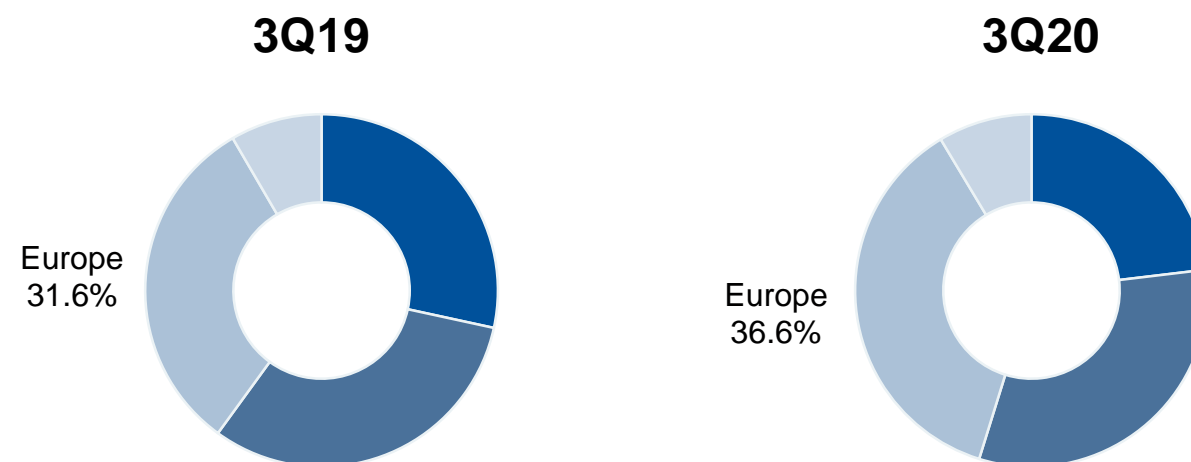
¹ Source: IHS light vehicles and LMC commercial vehicles

Operational Performance – Europe

Net Operating Revenue – R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production

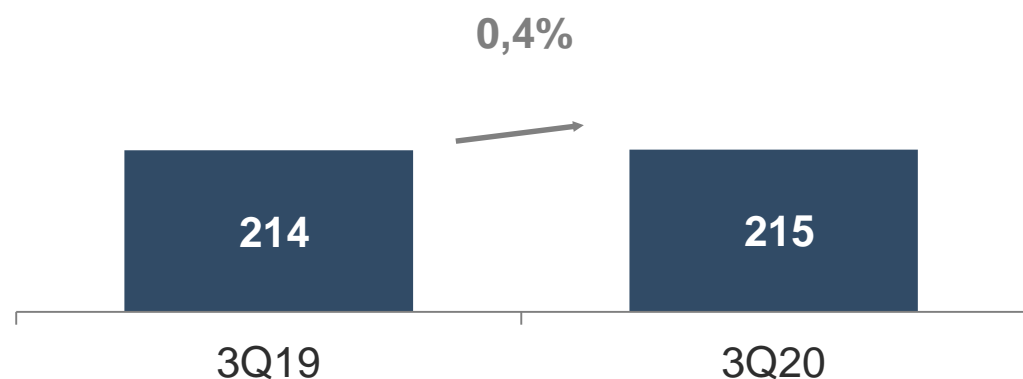
	3Q19	3Q20	Var.
Light vehicles	4,263,455	3,853,424	-9.6%
Commercial vehicles	123,705	88,923	-28.1%
Total	4,387,160	3,942,347	-10.1%

- Consistent and gradual recovery during 3Q20
- Revenue positively impacted by the exchange rate variation
- Increase in participation by 5 p.p. compared to 3Q19

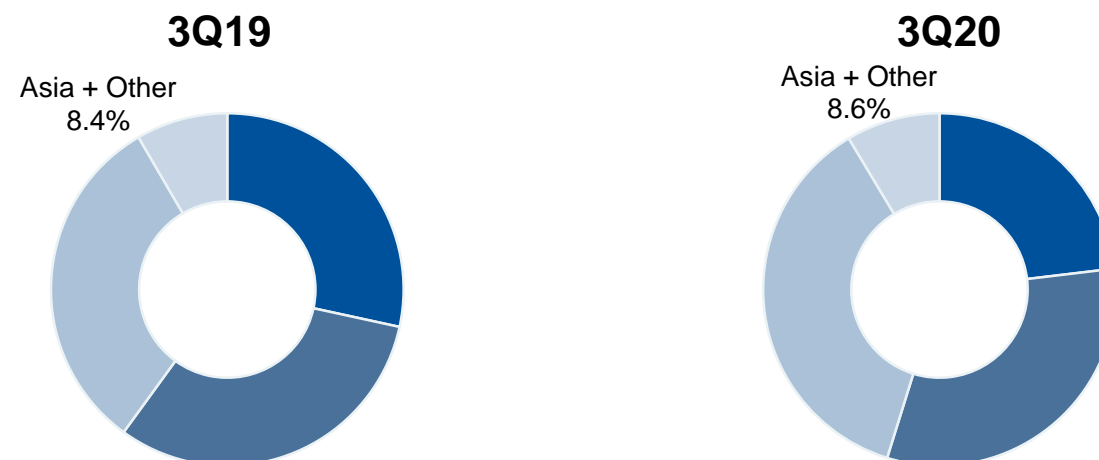
¹ Source: IHS light vehicles and LMC commercial vehicles – considers EU27 + Turkey

Operational Performance – Asia + Other²

Net Operating Revenue – R\$ million



Participation in consolidated Net Operating Revenue – (%)



Market performance¹ – vehicle production

	3Q19	3Q20	Var.
India – LV	994,132	876,623	-11.8%
India – CV	61,642	42,111	-31.7%
Thailand - LV	501,375	305,161	-39.1%

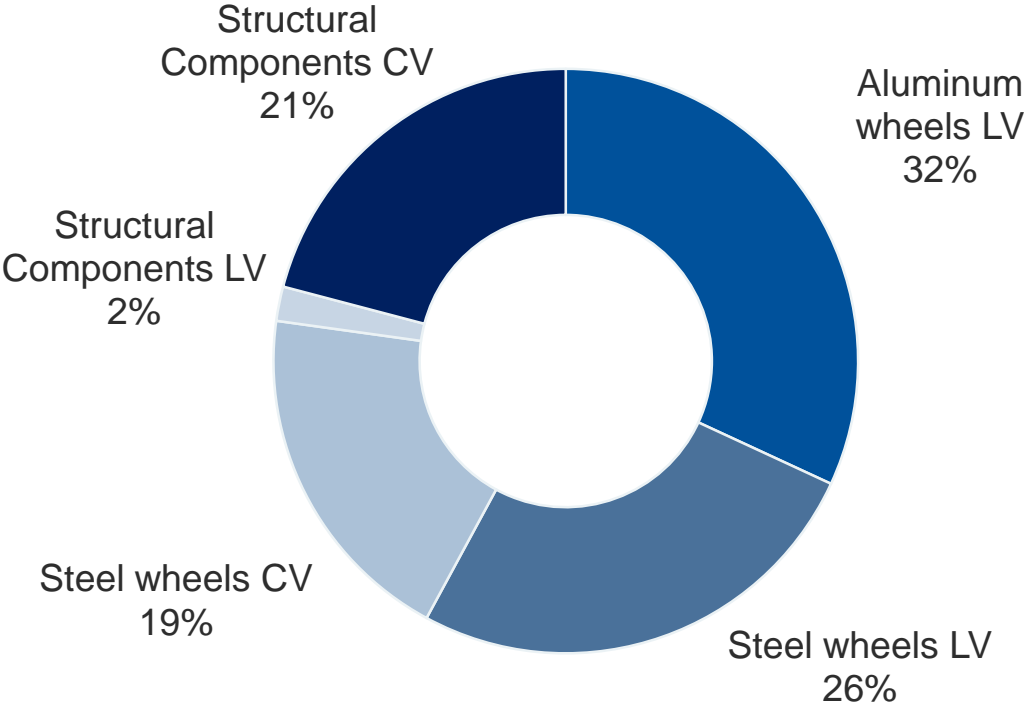
- Recovery of the light vehicles segment
- Ramp up of the aluminum wheel plant in India
- Revenue positively impacted by the exchange rate variation

¹Source: IHS light vehicles and LMC commercial vehicles

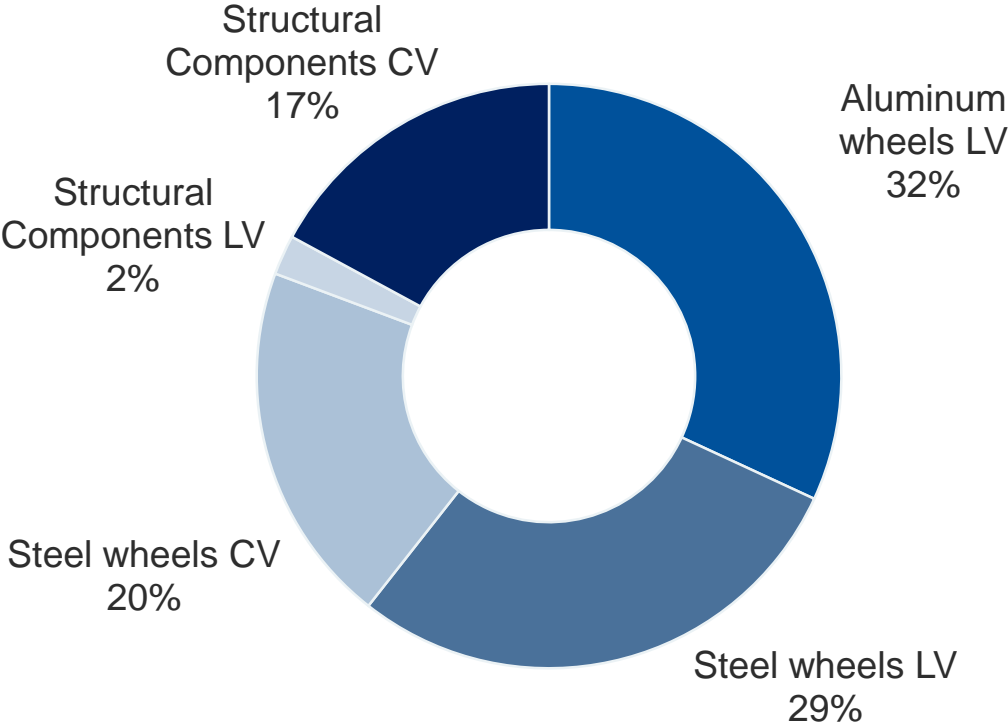
² Considers plants located in Asia + South Africa

Net Operating Revenue by product (%)

3Q19



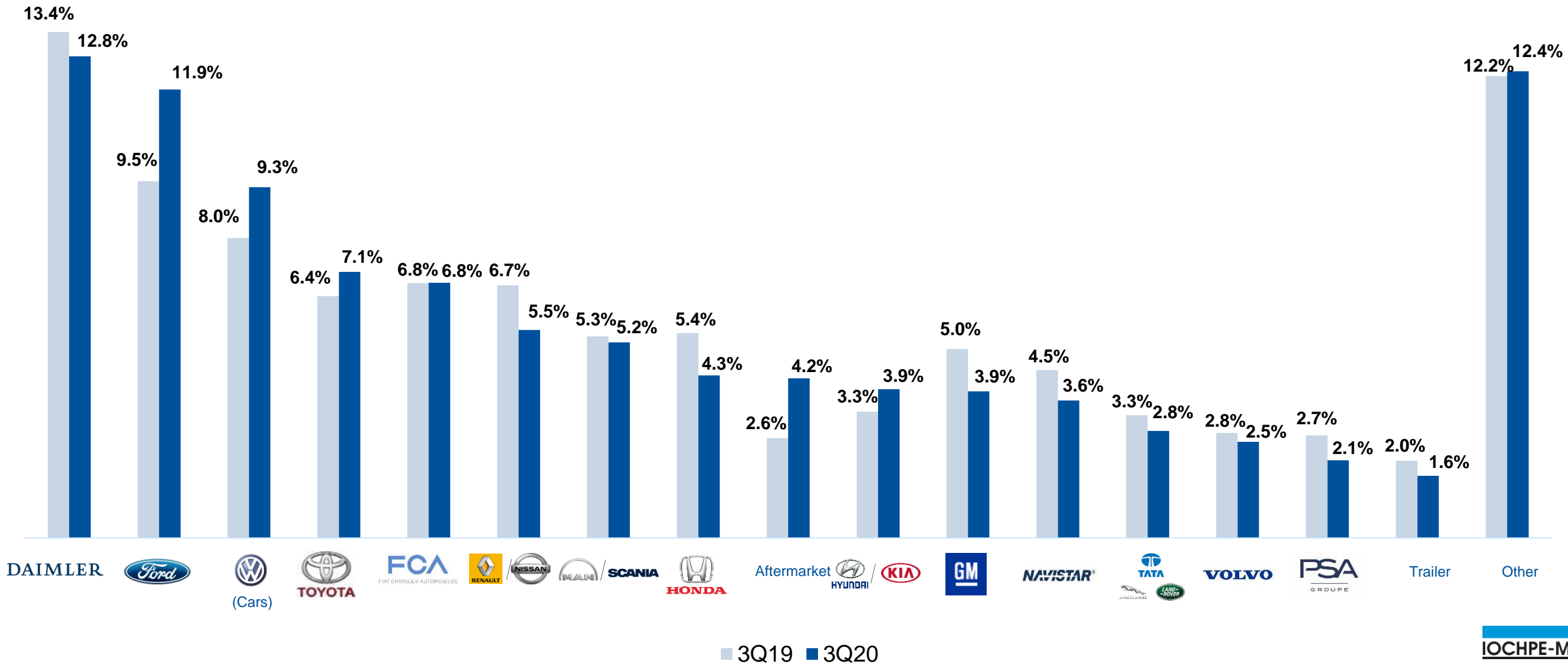
3Q20



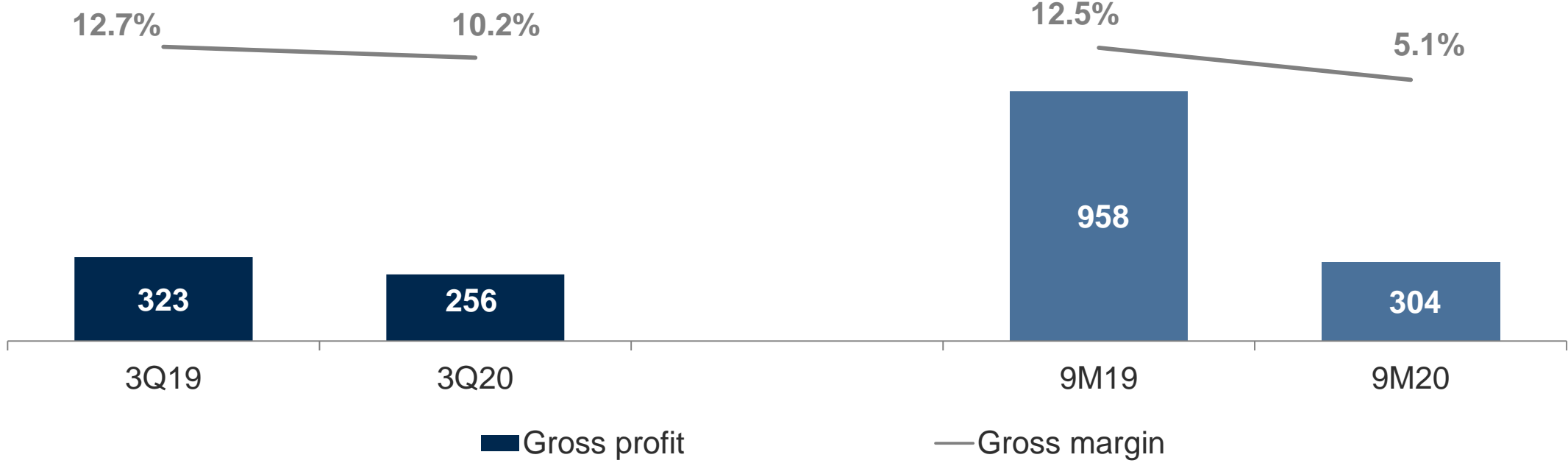
LV: light vehicles
CV: commercial vehicles

Net Operating Revenue by customer– (%)

Customers	3Q19	3Q20
Top 1	13%	13%
Top 5	44%	48%
Top 10	67%	71%

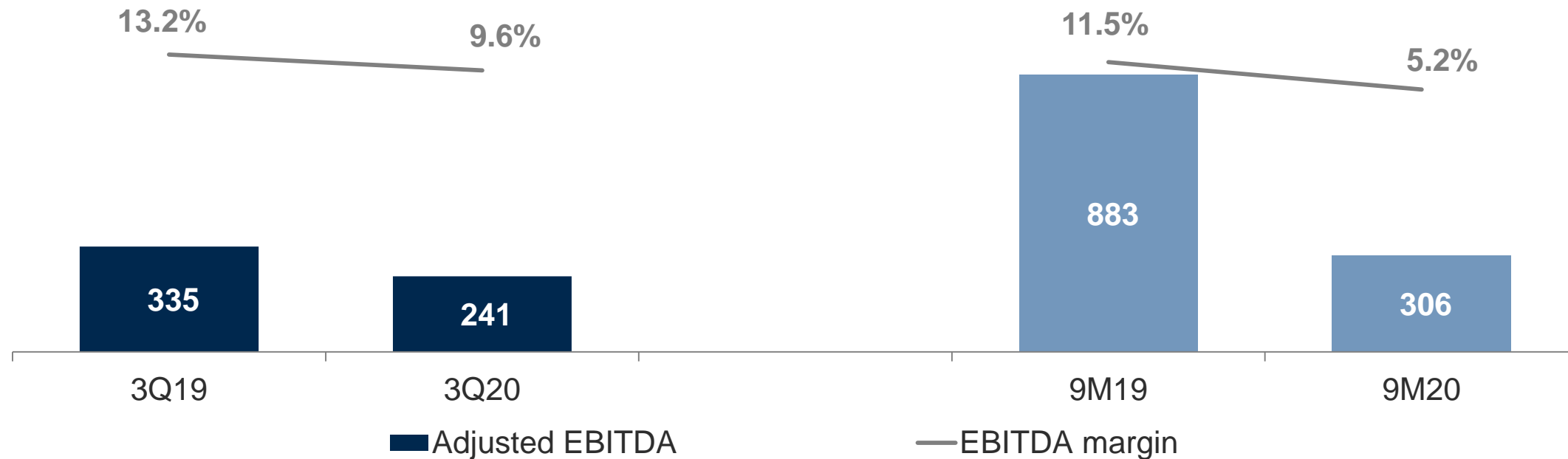


Gross Profit (R\$ million) and gross margin (%)



- Gross margin in 3Q20 impacted by: (i) lower operational leverage; (ii) difference in the mix of products sold (in 3Q19 with a larger share of commercial vehicles)

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



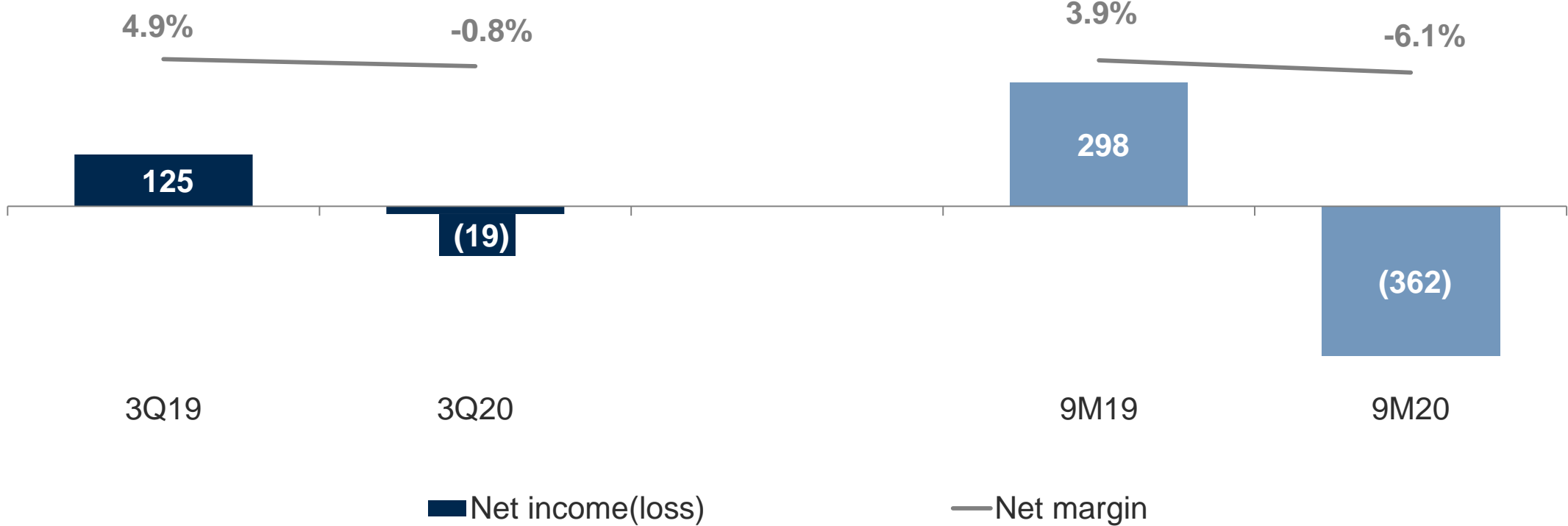
Restructuring Effects and Impairments ¹ - R\$ million	
3Q20	33.3
3Q19	1.6
9M20	93.4
9M19	2.5

In addition to the effects of restructuring and impairments:

- 3Q20 was negatively impacted by expenses related to the incidence of social security contributions on 1/3 of vacations in Brazil (R\$ 10.0 million)
- 3Q19 benefited from the gain from the judicial process of the exclusion of ICMS on the basis of PIS COFINS calculation (R\$ 59.0 million)

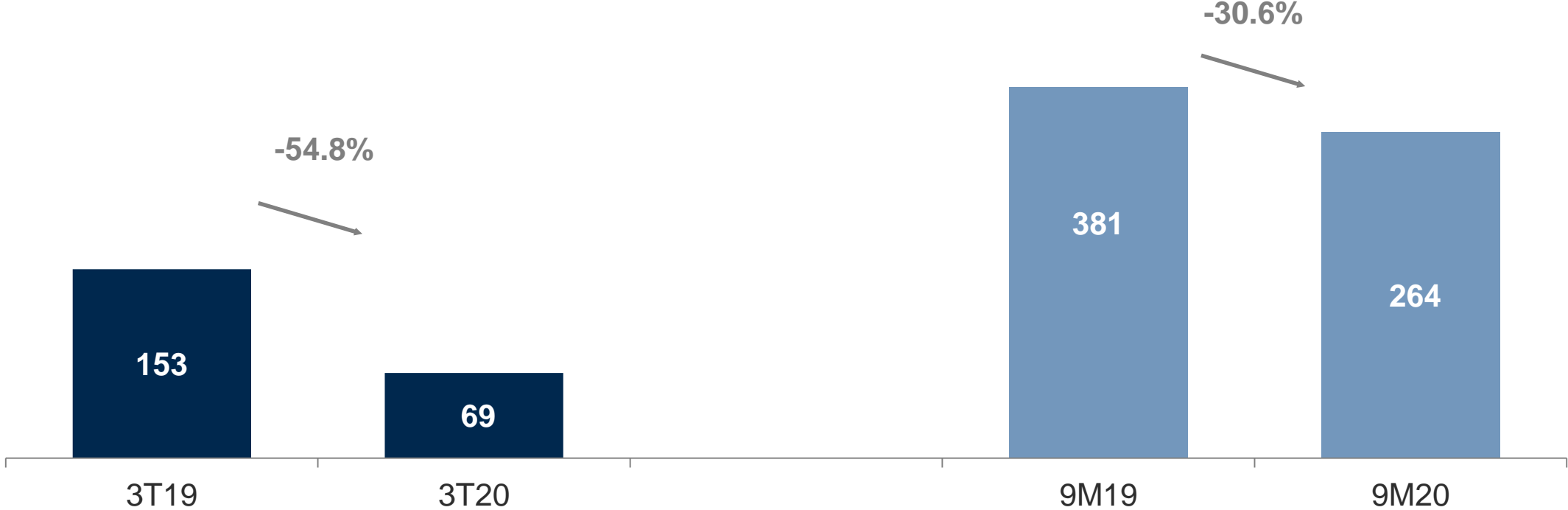
¹ Excludes the effects of restructuring and impairments.

Net income (loss) (R\$ million)



- Excluding the effects of restructuring and impairments, the result in 3Q20 would have been a net income of R\$ 14.4 million and a net loss of R\$ 268.7 million in 9M20.

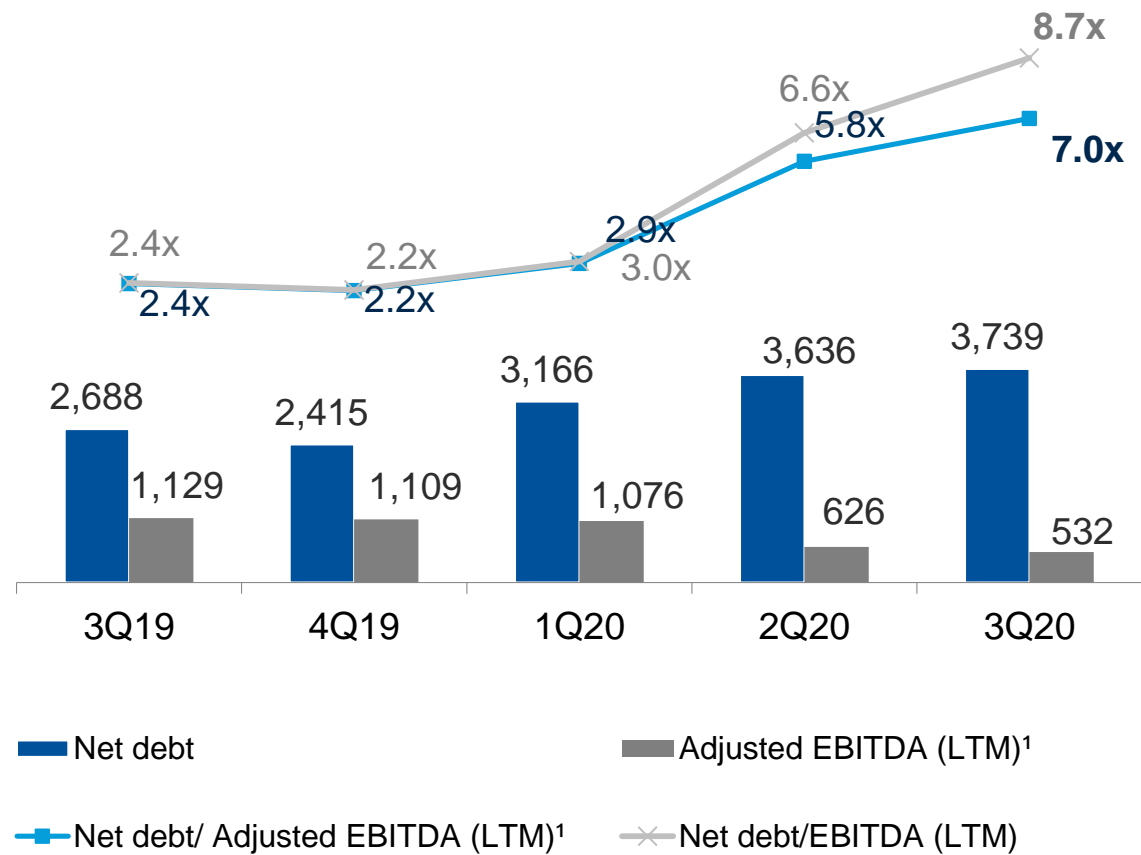
Capital expenditures - (R\$ million)



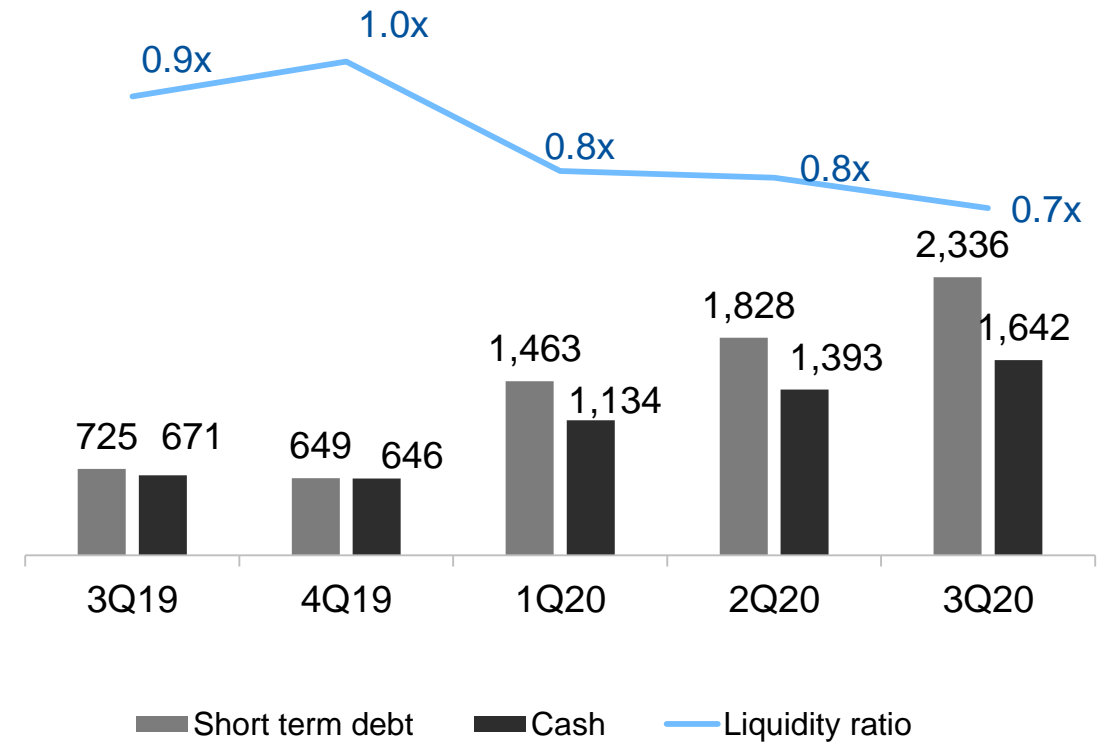
▪ Excluding the effect of exchange variation, the reduction in capital expenditures would have been 64.0% in 3Q20 and 42.3% in 9M20

Financial leverage and liquidity ratio

Leverage - net debt/ Adjusted EBITDA



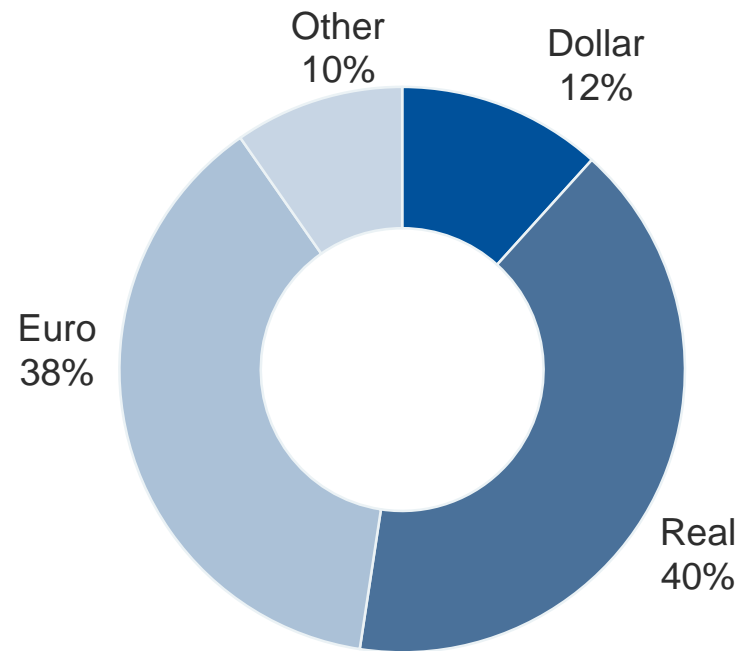
Liquidity ratio – cash/ short-term debt



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

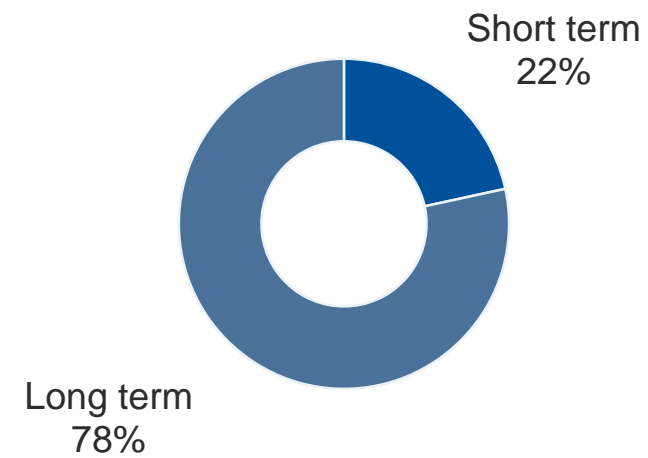
Indebtedness (R\$ million)

Gross debt breakdown



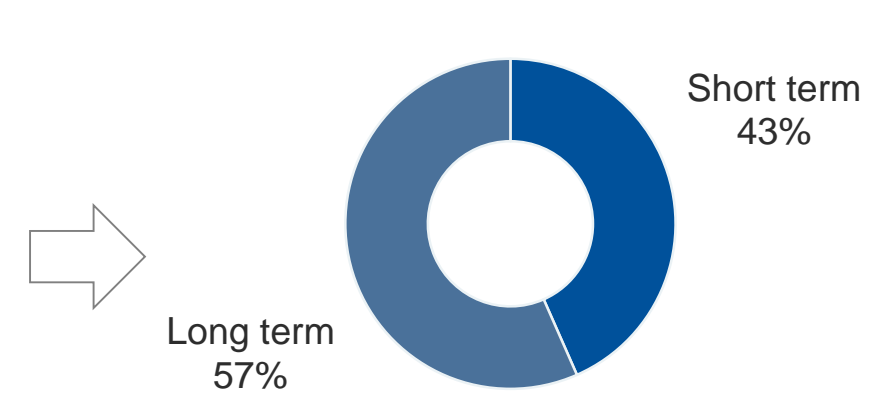
	3Q19	3Q20	Var.
Gross debt	3,359	5,380	60.2%
Cash	671.4	1,641.6	144.5%
Net debt	2,688.1	3,738.6	39.1%

3Q19



Average cost: 5.3% p.a.

3Q20



Average cost: 3.6% p.a.



November 24, 2020

Agenda

- 09:30 am - Opening remarks
- 09:35 am - Iochpe-Maxion presentation
- 10:05 am - Wheels division presentation
- 10:35 am - Structural Components presentation
- 11:05 am - Q&A

Participants

- Marcos Oliveira (Iochpe-Maxion CEO)
- Elcio Mitsuhiro Ito (Iochpe-Maxion CFO)
- Luis Fernando Abreu (Iochpe-Maxion IR and Strategic Planning Director)
- Pieter Klinkers (Maxion Wheels CEO)
- Augusto Ribeiro (Maxion Structural Components CEO)



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