

Tegma Gestão Logística SA

Earnings Release

2019 second quarter

São Bernardo do Campo, August 7, 2019

Note: The Company ceased to consider Tegma Logística Integrada S.A. since February 2018 as a direct investment, due to the creation of the joint venture "GDL" which has the objective of providing general and bonded warehouse services in Cariacica-ES. From this date on, GDL now holds direct control of Tegma Logística Integrada S.A., therefore, GDL results will be accounted in equity in the Company. Cariacica operation result for January 2018 is shown in the [financial historical serial file in .xls](#) on the Attachments tab and the Earnings release pro-forma tables are shown in the [Earnings Release spreadsheets on .xls](#).

Highlights

- ◆ The 13.1% growth in **net revenue** in 2Q19 vs 2Q18 reflects the improvement in the average distance of trips and in the number of vehicles transported in the vehicle logistics division.
- ◆ Tegma **transported 208.2 thousand vehicles** in 2Q19, 7.4% more than the previous year, reflecting 25.9% of market share or a 1.5 p.p gain vs 2Q18.
- ◆ Tegma's **EBITDA** in 2Q19 was R\$ 59.4 million. For comparative purposes, if we disregard the impacts of IFRS 16, it was R\$ 51.2 million, 13.3% higher vs the previous year.
- ◆ 2Q19 Tegma's **net income** was R\$ 32.5 million, 15.4% higher than 2Q18.
- ◆ 2Q19 **free cash flow** was R\$ 36.6 million, influenced negatively by higher CAPEX and higher cash cycle. For comparative purposes, if we disregard the impact of IFRS16, the 2Q19 free cash flow was R\$ 30.1 million.
- ◆ The company's **net debt** on June 30, 2019 was R\$ 31.9 million, corresponding to 0.1x adjusted EBITDA of the last 12 months.
- ◆ Tegma 2Q19 **ROIC** was 35.5%.

Operational and financial highlights	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Net revenue (R\$ million)	331.6	628.3	13.1%	11.8%	13.1%
Operating income (R\$ million)	45.8	86.4	26.4%	12.7%	47.0%
EBITDA (R\$ million)	59.4	115.5	31.7%	6.1%	54.8%
EBITDA 1Q19 ex-IFRS16 (R\$ million)	51.2	97.5	13.3%	10.5%	30.7%
EBITDA Margin (ex-IFRS16) %	15.4%	15.5%	-	-0.2 p.p.	2.1 p.p.
Net income (R\$ million)	32.5	59.1	15.4%	22.1%	40.2%
Net margin %	9.8%	9.4%	0.2 p.p.	0.8 p.p.	1.8 p.p.
Earnings per share (R\$)	0.5	0.9	15.4%	22.1%	40.2%
Free cash flow (R\$ million)	36.6	82.9	352.2%	-20.8%	58.6%
CAPEX (R\$ million)	14.6	21.2	208.1%	119.4%	194.9%
Vehicles transported (in thousand)	208.2	387.5	7.4%	16.1%	4.4%
Market Share %	25.9%	25.9%	1.5 p.p.	-	1.4 p.p.
Average Km per vehicle transported	1,057.8	1,055.3	7.9%	0.5%	8.3%



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[Click here](#) for our Financial historical and explanatory notes in EXCEL.

[Click here](#) for this report's spreadsheets in EXCEL.

Results conference call

[PORTUGUESE with simultaneous translation to ENGLISH]

Thursday, August 8, 2019

09:30 (Brasília)

08:30 am (US-ET)

Phone: +55 11 3193-1001 +55 11 2820-4001

Phone: +1 646 828-8246 +1 646 291-8936

Port Webcast: [click here](#) English Webcast: [click here](#)

Impacts of IFRS 16 in the results and cash flow

As explained in the [1Q19 earnings release](#), as of January/19, an accounting standard became effective regarding the accounting of rents and leases (IFRS 16 / CPC 06 (R2)).

The impacts in 2Q19 result were: +R\$ 8.3 million in rental expenses; -R\$ 7.1 million in amortization of right of use and -R\$ 1.6 million in lease liabilities [+R\$ 17.9 million; -R\$ 16.1 million and -R\$ 2.9 million, respectively on 1S19].

The impact in 2Q19 cash flow was: +R\$ 7.2 in operating cash flow and -R\$ 6.5 million in cash flow from financing activities [+R\$ 16.6 million and -R\$ 12.1 million, respectively on 1S19].

The impacts of IFRS 16 in the result and cash flow can be found in the [financial historical](#) file, in the Annex tabs and in the Income Statement tabs below the result lines.

Quarter Highlights

- **Acquisition of equipment (trucks) to renew the automotive logistics division's own fleet**

In 2Q19 we acquired 20 trucks for our automotive logistics division own fleet. The renewal of part of the 109 owned truck occurred aiming the fleet modernization which will bring gains in terms of maintenance. In parallel to the purchase, 28 trucks will be sold, resulting in a reduction of 8 trucks of our own fleet.

The total investment was R\$ 5.2 million and we do not expect further investments.

- **Acquisition of silo carriers for industrial logistics operation - chemicals**

In line with the continuous improvement in the productivity of our operations, we acquired 8 silo carriers to replace outsourced equipments that transport sulfate and soda ash for Tegma's chemical operation. The new equipment developed by Tegma provides an increase in load capacity and discharge productivity, reduction of toll costs (one axis less compared to bi-trains), maintenance costs, fuel costs and therefore pollutant emissions.



Photo 1: Chemicals operations silo carrier

These new equipments are added to the 21 that were acquired in 1S17, to the 20 bi-trains and to the 10 trucks already in operation. The main contract for this operation was recently renewed until the end of 2021.

The investment amounted was R\$ 3.1 million.

- **Completion of investment in the yard in Sorocaba-SP and additional investment approved**

In 2Q18 we announced the acquisition of a 40,000 m² piece of land in Sorocaba for Toyota's operation in the same city. In 2Q19 we announce that we had finalized investments in improvements that totaled R\$ 22.3 million. The yard has been in operation since early 2019.

In the minutes of July 25, we announced that the Board of Directors approved the investment of R\$ 10 million in another land of 20,000 m² adjacent to the previously acquired. The extension of the yard is justified by the fact that the shipment of Toyota vehicles manufactured in Sorocaba and Indaiatuba will be carried out directly from this new yard to the dealers, no longer passing through the consolidating centers in São Bernardo do Campo.



Photo 2: Sorocaba vehicle operation yard and additional area approved

- **Awards received by Tegma**

On July 30, the ranking created by Infomoney (Financial magazine in Brazil) in partnership with Ibmecc (Financial College) and Economatica (Financial data company) awarded Tegma as the "Best public company" in the industrial goods category. The ranking considered three aspects: profitability, performance of stocks and corporate governance practices among seven sectors: consumption, industrial goods, public utilities, finance, oil and gas, health and telecom in the period of the last 3 years (2016 to 2018).



To access the article *"Tegma: the lemon turned lemonade and the stock rose more than 660% in 3 years"* (in portuguese) [click here](#).



This quarter we were also ranked in the 36th place [2019 100 Open Startups Ranking](#) in the Top 50 Open Corps Category, which evaluates large companies in relationships with startups. The Award is the result of the activities of the startup accelerator tegUP, which in two years had already completed two cycles with a total of 123 registered companies, 14 proofs of concept, 4 contracted companies and one invested. We currently have the third cycle open to receive new startups.

- **TegUP Update – Frete Rápido**

The first investment in the company Frete Rápido made by tegUP has focused on implantation of new clients that should bring recurring revenue from September 2019 and should starting present good results in this Black Friday.

The startup has been recognized as an excellent digital transformation tool for shippers, also it was awarded at the TOP 10 at the Innovation Show event, held in July 2019.



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Automotive Market

Automotive credit for individual person has shown significant improvements in the last twelve months. The greater availability of credit reflects the increase in concessions and, consequently, the loan balance, as shown in Table 1. The continuous drop in default rates favors this scenario, as well as the interest rates of the segment, which despite having fluctuated in the last 12 months, has been showing a pace of decline vs. June 2018.

Industry inventory levels are higher in 2019 vs 2018. As can be seen in Table 2, the most significant increase

Table 2 - Vehicle inventories (in days)

	Total	Concessionaire	Automakers
jun-18	24.7	16.4	8.3
sep-18	25.7	15.7	10.1
dec-18	26.3	19.8	6.5
mar-19	29.8	19.2	10.6
jun-19	28.8	18.3	10.5

Source: ANFAVEA (Calculation available in financial historical)

can be identified in automakers. Although the domestic scenario is more favorable for sales, **exports** are much lower than the first half of 2018.

Domestic sales grew in 2019 in line with ANFAVEA's expectations for 2019, albeit the significant share of direct sales¹ (45.5% of sales in 1S19).

Exports continue to drop sharply and ANFAVEA revised its 2019 estimates to a 28% reduction against 2018 (vs. a reduction of 6.2%). In

the quarter over quarter we can see a slight recovery of 12.3%. **Production** resumed its growth in 2Q19 due to the domestic sales performance and probably due to the drop in **imports** in 2Q19 and 1S19 in the annual comparison.

Table 1 - Automotive Credit Data

	Loan Balance (Individual and Legal person) (R\$ bn)	Interest Rate (Individual person)	Default (Individual person)
jun-18	179.8	22.0%	3.6%
sep-18	188.0	22.0%	3.5%
dec-18	199.1	21.7%	3.3%
mar-19	209.0	21.4%	3.3%
jun-19	221.7	21.1%	3.3%

Source: Banco Central, individual person

	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Vehicles and light commercial sales	782.6	1,464.0	-1.0%	14.8%	-1.7%
Domestic	670.3	1,251.8	11.5%	15.3%	10.9%
Exportations	112.3	212.2	-40.8%	12.3%	-41.0%
Estimated wholesale sales	803.5	1,495.4	1.2%	16.1%	-1.1%
(+) Production of vehicles and light commercial	737.9	1,404.8	5.2%	10.6%	2.5%
(+) Importation of vehicles and light commercial*	75.5	143.0	-18.5%	11.9%	-11.4%
(-) OEM's inventories change	9.9	52.4	N/A	N/A	N/A

(in thousand)

* Due to the lack of updating of the [Central Bank file](#) (in Portuguese) about the number of vehicles imported by Brazil since December 2018, we had temporarily replaced this information by the number of licensed imported vehicles. In July this information was updated and is in the financial historical file. Source: ANFAVEA and BACEN

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¹ Direct sales are characterized when they occur directly from the automaker. Examples of direct sales are for fleet owners and/or rental companies, as well as in dealership operations such as sales made to taxi drivers, farmers and people with disabilities.

Operational highlights – Automotive Logistics division

The number of **vehicles transported** by Tegma increased by 7.4% in 2Q19 [+4.4% in 1S19] in the annual comparison. Tegma performance reflects in a gain of market share of 1.5 p.p [+1.4 p.p in 1S19]. This performance is a consequence of two main clients sales increase. It is important to remark that Tegma delivers brand new vehicles purchased by rental companies in the regions under Tegma's responsibility, just as it delivers to the final consumer.

The 1.0% increase of **average distance for domestic trips** in 2Q19 [-0.5% in 1S19] in the annual comparison reflects the dynamics of vehicle sales across the country and Tegma's delivery mix. The **average distance of exports** trips was 6.5% lower [-0.2% in 1S19] than in the annual comparison, due to the drop in deliveries directly to Mercosur by road. The **average consolidated distance** grew 7.9% in 2Q19 [8.3% in 1S19] in the annual comparison, mainly due to the decrease in the share of exports in total vehicles transported.

Total distance in 2Q19 was 15.9% [13.0% in 1S19] higher year-over-year mainly due to the growth in the number of vehicles transported to the domestic market.

Total export distance decreased by 35.3% [-37.1% in 1S19] in the annual comparison and currently corresponds to 2% of the total distance traveled by Tegma.

Chart 1 - Wholesale sales (in thous) and Tegma market share

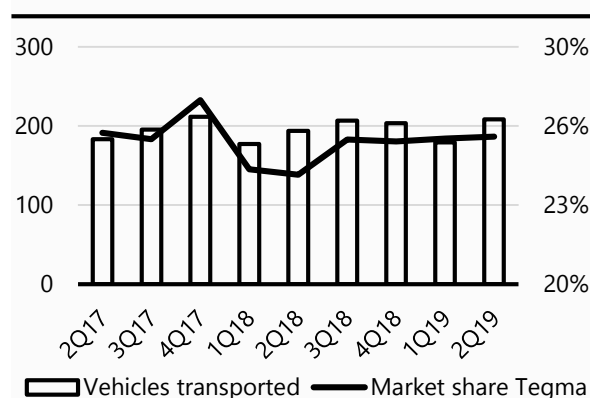
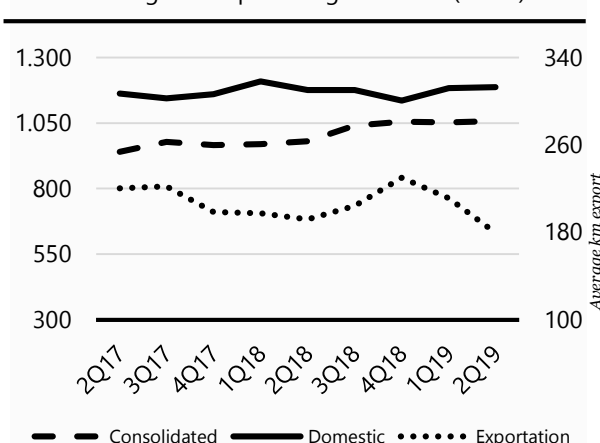


Chart 2 – Tegma's trips average distance (in km)



	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Vehicles transported	208.2	387.5	7.4%	16.1%	4.4%
Domestic	181.6	336.8	16.8%	16.9%	15.9%
Exportations	26.6	50.7	-30.8%	10.8%	-37.0%
Market share %*	25.9%	25.9%	1.5 p.p.	-	1.4 p.p.
Average km per vehicle transported	1,057.8	1,055.3	7.9%	0.5%	8.3%
Domestic	1,186.6	1,184.8	1.0%	0.3%	-0.5%
Exportations	179.5	194.5	-6.5%	-15.0%	-0.2%
Total km	220.2	409.0	15.9%	16.7%	13.0%
Domestic total km	215.4	399.1	18.0%	17.3%	15.3%
Exportations total km	4.8	9.9	-35.3%	-5.8%	-37.1%

Source: ANFAVEA and BACEN

(in thousand, except average km and total km in million)

* Considering the denominator the wholesale sales on the previous page.

* Due to the lack of updating of the [Central Bank file](#) (in Portuguese) about the number of vehicles imported by Brazil since December 2018, we had temporarily replaced this information with number of licensed imported vehicles. In July this information was updated and is in the financial historical file. With this change, the market share of 4Q18 was 0.2 p.p. lower and the 1Q19 did not change.

Results – Automotive Logistics Division

The improvement trend of the Automotive Logistics Division results is a consequence of a better economic scenario in the country, which was reflected in the vehicles sale improvement and in its regional distribution.

The **gross revenues** of automotive logistics division increased 14.5% in 2Q19 [15.6% in 1S19] in the annual comparison, a variation that is explained: i) by the 7.4% increase in 2Q19 [4.4% in 1S19] in the number of transported vehicles, ii) by the 7.9% increase in the average km per vehicle in the 2Q19 [8.3% in 1S19] vs. the previous year, iii) by the price adjustment carried out in May, 2019 and iv) by the significant increase in revenues from other services, such as storage, PDI and mainly from yards management.

The 2Q19 division **gross margin** was 22.1% [22.0% in 1S19]. Disregarding the IFRS 16, as shown on the next page, and on [Annex I](#), the 2Q19 margin would have been 21.8% [21.7% in 1S19], 210 bps and 190 bps higher over the annual comparison, a consequence of the increase of transported vehicles and of the average distance.

The division's 2Q19 and 1S19 **EBITDA margin** as well the fixed cost control were both 16.5%. Disregarding the IFRS 16, they would have been 15.1% in 2Q19 [14.8% in 1S19], stable and 210 bps higher, respectively in the annual comparison, as seen on the following page. The margin stability in 2Q19 vs 2Q18 was mainly due to the increase in expenses related to the settlement of long-term bonuses for part of the Executive Officers and the unexpected expenses associated with the establishment of Joint Venture GDL.

Chart 3 – Gross revenue consolidated (in R\$ mi)

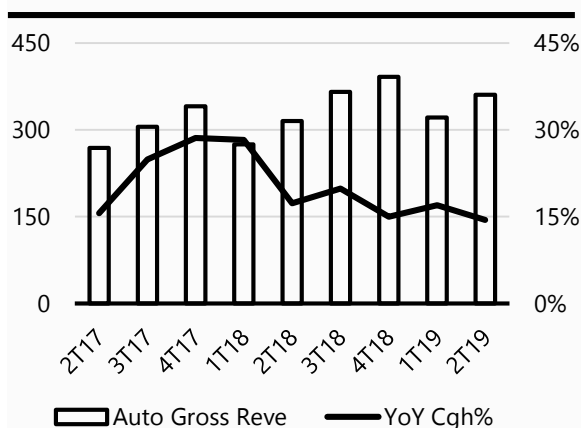
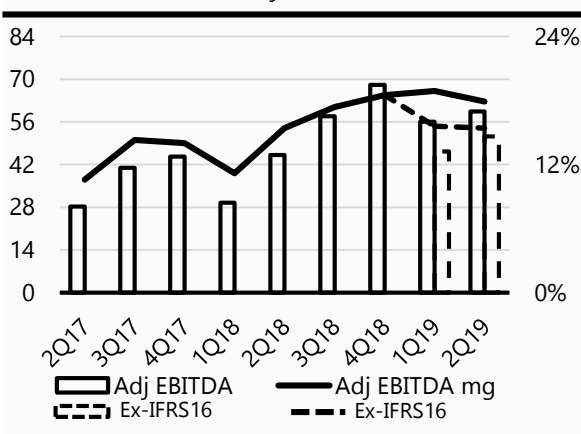


Chart 4 – Automotive adjusted EBITDA (in R\$ mi)



Automotive logistics division	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Gross revenue	360.9	682.6	14.5%	12.2%	15.6%
Taxes and deductions	(66.7)	(129.5)	12.6%	6.3%	15.8%
Net revenue	294.1	553.0	14.9%	13.6%	15.6%
Cost of services	(229.1)	(431.5)	11.5%	13.2%	12.5%
Gross profit	65.0	121.5	28.8%	15.0%	28.2%
Gross Margin	22.1%	22.0%	2.4 p.p.	0.3 p.p.	2.2 p.p.
Expenses	(23.9)	(46.4)	30.1%	6.5%	5.6%
Operating income	41.1	75.1	28.1%	20.6%	47.7%
Operating Margin%	14.0%	13.6%	1.4 p.p.	0.8 p.p.	3.0 p.p.
(+) Depreciation	7.6	16.0	22.8%	-10.0%	60.5%
EBITDA	48.7	91.1	27.2%	14.5%	49.8%
EBITDA Margin%	16.5%	16.5%	1.6 p.p.	0.1 p.p.	3.8 p.p.

To access this spreadsheets in Excel, [Click here](#).

Automotive logistics division Ex-IFRS16 2019	2Q19'	1S19'	Chg % vs		
			2Q18	1Q19	1S18
Gross revenue	360.9	682.6	14.5%	12.2%	15.6%
Taxes and deductions	(66.7)	(129.5)	12.6%	6.3%	15.8%
Net revenue	294.1	553.0	14.9%	13.6%	15.6%
Cost of services	(230.0)	(433.1)	11.9%	13.3%	12.9%
Gross profit	64.1	119.9	27.0%	14.8%	26.5%
<i>Gross Margin</i>	<i>21.8%</i>	<i>21.7%</i>	<i>2.1 p.p.</i>	<i>0.2 p.p.</i>	<i>1.9 p.p.</i>
Expenses	(23.7)	(46.0)	29.1%	6.7%	4.6%
Operating income	40.3	73.9	25.9%	20.2%	45.3%
<i>Operating Margin%</i>	<i>13.7%</i>	<i>13.4%</i>	<i>1.2 p.p.</i>	<i>0.8 p.p.</i>	<i>2.7 p.p.</i>
(+) Depreciation	3.9	7.9	-36.7%	-1.0%	-21.2%
EBITDA	44.3	81.8	15.7%	18.0%	34.4%
<i>EBITDA Margin%</i>	<i>15.1%</i>	<i>14.8%</i>	<i>0.1 p.p.</i>	<i>0.6 p.p.</i>	<i>2.1 p.p.</i>

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Results – Integrated logistics division

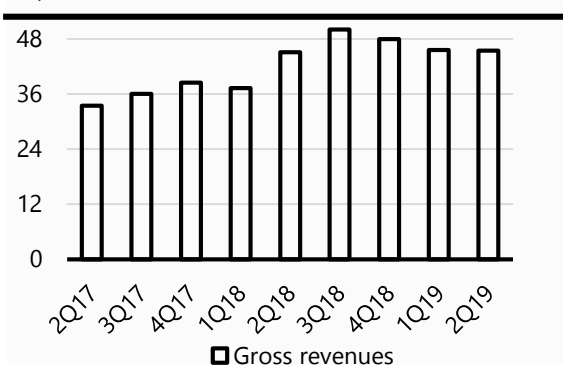
The upward trend in operating results of the integrated logistics division reflects the restructuring of the warehousing operation and the improved revenues from the industrial logistics operation, combined with cost control.

The 2Q19 **gross revenues** of warehouse operations decreased 25.1% [-31.3% in 1S19; -22.9% in 1S19 without GDL] in the annual comparison this variation is explained by the loss of a client in January 2019 in the Rio de Janeiro warehouse. The gross revenue from the industrial logistics operation in the 2Q19 grew 9.7% [+8.8% in 1S19] in the annual comparison due to the increase in the transported and stored volume in chemicals operation and to the increased number of trips of home appliances operation.

The division's 2Q19 **gross margin** was 11.6% [13.8% in 1S19]. Disregarding the IFRS 16 and GDL in Jan/18 the margin would be 10.5% in 2Q19 [12.9% in 1S19], 240 bps and 20 bps lower, respectively in the annual comparison as shown on the next page. The main effects that hindered the evolution of margins in 1S19 were the loss of a warehouse client and higher transportation costs in industrial logistics operation for home appliances.

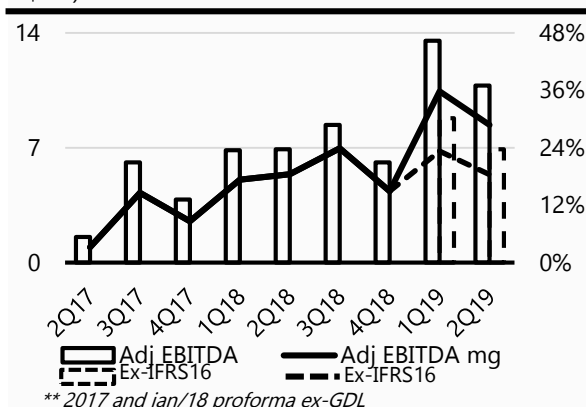
The division's 2Q19 **EBITDA margin** was 28.8% [32.3% in 1S19]. Disregarding the IFRS 16, as shown in [Annex I](#) and on the next page, the margin was 18.4% [20.9% in 1S19], 10 bps lower and 220 bps higher, respectively in the annual comparison.

Chart 5 – Gross Revenue Integrated Logistics (in R\$ mi)



**** 2017 and jan/18 proforma ex-GDL**

Chart 6 – Adjusted EBITDA Integrated Logistics (in R\$ mi)



**** 2017 and jan/18 proforma ex-GDL**

Integrated logistics division	2Q19	1S19	2Q18	Chg % vs	
				1Q19	1S18
Gross revenue	45.5	91.1	0.8%	-0.2%	-2.0%
Warehouse	8.7	17.2	-25.1%	2.3%	-31.3%
Industrial logistics	36.8	73.9	9.7%	-0.8%	8.8%
Gross revenue deductions	(8.0)	(15.8)	2.0%	2.5%	-1.4%
Net revenue	37.5	75.3	0.5%	-0.8%	-2.1%
Cost of services	(33.1)	(64.9)	2.0%	4.3%	-4.0%
Gross profit	4.4	10.4	-9.2%	-27.7%	11.8%
Gross Margin %	11.6%	13.8%	-1.2 p.p.	-4.3 p.p.	1.7 p.p.
Expenses	0.4	0.9	-	-28.1%	-
Operating income	4.8	11.3	13.7%	-27.7%	43.0%
Operating Margin%	12.7%	15.1%	1.5 p.p.	-4.7 p.p.	4.7 p.p.
(+) Depreciation	6.0	13.0	122.1%	-13.1%	123.3%
EBITDA	10.8	24.3	56.4%	-20.2%	77.0%
EBITDA Margin%	28.8%	32.3%	10.3 p.p.	-7.0 p.p.	14.4 p.p.

To access this spreadsheets in Excel, [Click here](#).

Integrated logistics division ex-GDL in Jan/18 and IFRS16 2019	2Q19'	1S19	Chg % vs		
			2Q18	1Q19	1S18
Gross revenue	45.5	91.1	0.8%	-0.2%	1.0%
Warehouse	8.7	17.2	-25.1%	2.3%	-22.9%
Industrial logistics	36.8	73.9	9.7%	-0.8%	8.8%
Gross revenue deductions	(8.0)	(15.8)	2.0%	2.5%	1.1%
Net revenue	37.5	75.3	0.5%	-0.8%	0.9%
Cost of services	(33.6)	(65.6)	3.3%	4.8%	1.2%
Gross profit	3.9	9.7	-18.1%	-31.6%	-0.5%
<i>Gross Margin %</i>	<i>10.5%</i>	<i>12.9%</i>	<i>-2.4 p.p.</i>	<i>-4.7 p.p.</i>	<i>-0.2 p.p.</i>
Expenses	0.4	0.9	-	-28.1%	-
Operating income	4.3	10.6	3.4%	-31.3%	26.4%
<i>Operating Margin%</i>	<i>11.5%</i>	<i>14.1%</i>	<i>0.3 p.p.</i>	<i>-5.1 p.p.</i>	<i>2.8 p.p.</i>
(+) Depreciation	2.6	5.1	-5.3%	2.6%	-7.5%
EBITDA	6.9	15.7	0.0%	-21.6%	13.0%
<i>EBITDA Margin%</i>	<i>18.4%</i>	<i>20.9%</i>	<i>-0.1 p.p.</i>	<i>-4.9 p.p.</i>	<i>2.2 p.p.</i>

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Results - Consolidated

The 2Q19 **gross revenue** 12.7% growth [13.2% in 1S19] in the annual comparison is mainly due to the increase in the number of vehicles transported in the period.

The 2Q19 **gross margin** was 20.9% [21.0% in 1S19]. Disregarding the IFRS 16 and GDL in Jan/18 it would be 20.5% [20.6% in 1S19], a 170 bps gain in the annual comparison in both periods as shown in [Annex I](#) or on the next page. This reflected the revenue growth and the costs control mainly in the Automotive Logistics Division.

The **expenses** in 2Q19 (without GDL and ex-IFRS16) were 22.8% higher [stable in 1S19] in the annual comparison. The 2Q19 growth mainly due to the increase in expenses related to the settlement of long-term bonuses for part of the Executive Officers and the unexpected expenses associated with the establishment of Joint Venture GDL.

The 2Q19 **EBITDA margin** were 17.9% [18.4% in 1S19]. Disregarding the IFRS 16, as shown in [Annex I](#) and on the next page, the EBITDA margin were 15.4% [15.5% in 1S19], stable vs. 2Q18 and 200 bps higher vs. 1S18. The quarter margin stability was mainly due to higher expenses.

Chart 7 – Gross revenue consolidated (in R\$ mi)

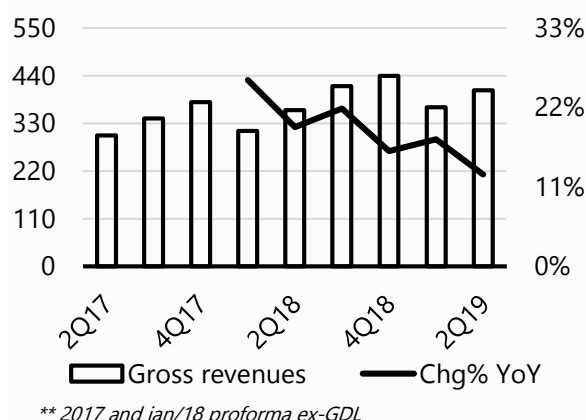
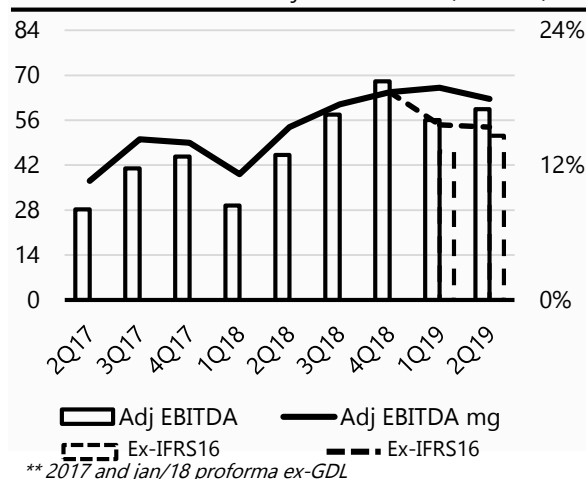


Chart 8 – Consolidated adjusted EBITDA (in R\$ mi)



Consolidated	2Q19	1S19	2Q18	Chg % vs 1Q19	1S18
Gross revenue	406.3	773.6	12.7%	10.6%	13.2%
Automotive Logistics	360.9	682.6	14.5%	12.2%	15.6%
Integrated Logistics	45.5	91.1	0.8%	-0.2%	-2.0%
Gross revenue deductions	(74.7)	(145.3)	11.4%	5.9%	13.6%
Net revenue	331.6	628.3	13.1%	11.8%	13.1%
Cost of services	(262.3)	(496.4)	10.2%	12.0%	10.0%
Personel	(33.0)	(61.1)	14.7%	17.1%	10.2%
Freight	(211.1)	(397.9)	12.2%	13.0%	12.5%
Others	(41.0)	(80.5)	-1.3%	3.9%	-0.1%
PIS and COFINS credit	22.9	43.1	11.4%	12.8%	12.0%
Gross profit	69.3	131.9	25.5%	10.8%	26.7%
Gross Margin %	20.9%	21.0%	2.1 p.p.	-0.2 p.p.	2.2 p.p.
Expenses	(23.5)	(45.4)	23.8%	7.3%	0.3%
Operating income	45.8	86.4	26.4%	12.7%	47.0%
Operating Margin%	13.8%	13.8%	1.5 p.p.	0.1 p.p.	3.2 p.p.
(+) Depreciation	13.6	29.0	53.1%	-11.4%	83.6%
EBITDA	59.4	115.5	31.7%	6.1%	54.8%
EBITDA Margin%	17.9%	18.4%	2.5 p.p.	-1.0 p.p.	4.9 p.p.

To access those spreadsheets in Excel, [Click here](#).

Consolidated ex-GDL in Jan/18 and IFRS16 in 2019	Chg % vs				
	2Q19	1S19	2Q18	1Q19	1S18
Gross revenue	406.3	773.6	12.7%	10.6%	13.7%
Automotive Logistics	360.9	682.6	14.5%	12.2%	15.6%
Integrated Logistics	45.5	91.1	0.8%	-0.2%	1.0%
Gross revenue deductions	(74.7)	(145.3)	11.4%	5.9%	14.0%
Net revenue	331.6	628.3	13.1%	11.8%	13.6%
Cost of services	(263.6)	(498.7)	10.7%	12.1%	11.2%
Personel	(33.0)	(61.1)	14.7%	17.1%	12.4%
Freight	(211.1)	(397.9)	12.2%	13.0%	12.5%
Others	(42.3)	(82.8)	1.9%	4.6%	5.1%
PIS and COFINS credit	22.9	43.1	11.4%	12.8%	12.3%
Gross profit	68.0	129.6	23.1%	10.5%	24.0%
<i>Gross Margin %</i>	20.5%	20.6%	1.7 p.p.	-0.2 p.p.	1.7 p.p.
Expenses	(23.3)	(45.0)	22.8%	7.5%	-0.5%
Operating income	44.7	84.5	23.3%	12.1%	42.6%
<i>Operating Margin%</i>	13.5%	13.5%	1.1 p.p.	-	2.7 p.p.
(+) Depreciation	6.5	13.0	-27.1%	-57.8%	-16.4%
EBITDA	51.2	97.5	13.3%	-7.4%	30.4%
<i>EBITDA Margin%</i>	15.4%	15.5%	-	-3.2 p.p.	2.0 p.p.

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Results – Consolidatedcontinuation

The 24.7% decrease in interest expenses, net of revenue from financial investments for 2Q19 [-17.2% in 1S19] in the annual comparison is mainly due to the reduction of gross debt and its spread over the period.

	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Revenue from financial investments	1.9	3.2	0.5%	34.4%	-25.2%
Interest expenses	(2.7)	(5.2)	-9.0%	5.6%	-22.3%
Interest expenses, net of revenue from financial investments	(0.8)	(2.0)	-24.7%	-28.3%	-17.2%
Interest on leasing	(1.6)	(2.0)	-	-	-
Other financial revenues (expenses)	(0.2)	0.4	-	-	-
Financial result	(2.7)	(4.6)	225.4%	41.6%	68.9%

Equity, which corresponds to the operation of GDL (50% of bonded and general warehousing in Espírito Santo and 49% of Catlog), was positive by R\$ 0.3 million in 2Q19 [-R\$ 0.2 million in 1S19]. In the table beside we can see the 100% GDL result with a 2Q19 revenue growth versus 2Q18 and a significant improvement in operating and net results.

	2Q19	1S19	Chg % vs
GDL (100%)			2Q18
Net Revenue	16.3	32.0	28.5%
EBIT	2.9	1.6	-
<i>EBIT Margin%</i>	<i>17.9%</i>	<i>5.1%</i>	<i>21.2 p.p.</i>
Net income/(loss)	1.0	0.2	-
<i>Net margin %</i>	<i>6.4%</i>	<i>0.6%</i>	<i>6.5 p.p.</i>

The effective **income tax** rate for 2Q19 was -25.1% mainly due to the exclusion of the income from the ICMS tax credit from the tax base and the payment of interest on equity in May 2019 considering 2018 results.

	2Q19	1S19	Chg % vs		
			2Q18	1Q19	1S18
Income before tax	43.4	81.6	23.5%	13.7%	47.3%
<i>Real tax rate</i>	<i>-34.0%</i>	<i>-34.0%</i>	<i>-</i>	<i>-</i>	<i>-</i>
Income tax and social contribution at the nominal rates	(14.8)	(27.8)	23.5%	13.7%	47.3%
Presumed ICMS tax credit	1.5	3.2	23.6%	-10.3%	39.2%
Interest on own capital	2.4	2.4	-38.4%	-	-38.4%
Permanent differences, equity equivalence and others	(0.1)	(0.3)	-60.0%	-75.5%	-43.6%
Income tax	(10.9)	(22.5)	56.1%	-5.6%	70.0%
<i>Effective tax Rate</i>	<i>-25.1%</i>	<i>-27.6%</i>	<i>-5.3 p.p.</i>	<i>5.2 p.p.</i>	<i>-3.7 p.p.</i>

2Q19 **net income** was 15.4% higher [+40.2% in 1S19] in the annual comparison, mainly due to operational improvements, the reduction of net financial expenses and the reduction of the effective income tax rate.

	2Q19	1S19	Chg % vs		
Consolidated			2Q18	1Q19	1S18
Operating income	45.8	86.4	26.4%	12.7%	47.0%
Financial result	(2.7)	(4.6)	225.7%	41.6%	68.9%
Equity	0.3	(0.2)	-	-	-68.3%
Income before tax	43.4	81.6	23.5%	13.7%	47.3%
Income tax	(10.9)	(22.5)	56.1%	-5.6%	70.0%
Net income	32.5	59.1	15.4%	22.1%	40.2%

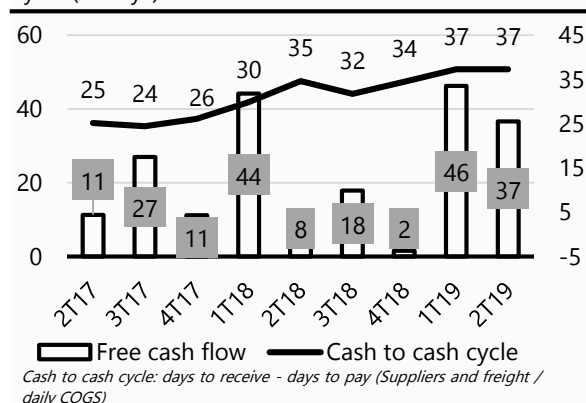
Cash flow

2Q19 **free cash flow** was R\$ 36.6 million [R\$ 82.9 million in 1S19]. If we disregard the effect of IFRS 16, it would have been R\$ 30.1 million in 2Q19 [+R\$ 70.8 million in 1S19]. In 2Q19, we received R\$ 12.3 million from the lawsuit which Tegma requested to be exempted from contributing to FUNDAF regarding a tax on revenue from customs bonded services at its operation in Cariacica-ES.

The company's **cash to cash cycle** has been at a higher level, as shown in Chart 9, due to the negotiation of payments terms of important clients alongside with new services rendered and with postponements of contracts. The 2Q19 maintenance of the cash to cash cycle vs. 1Q19 was due to a two-day drop in both "days receivable" and "days payable".

CAPEX for 2Q19 was R\$ 14.6 million [R\$ 21.2 million in 1S19], according to the segregation shown in the following table. The most relevant investment in the quarter was the acquisition of transportation equipment for i) the operation of vehicles logistics for the trucks own fleet renewal aiming modernization in the amount of R\$ 5.2 million and ii) the chemicals operation due to contract renewal with the main client that demanded more silo carriers, in the amount of R\$ 3.1 million.

Chart 9 – Free cash flow (in R\$ mi) and cash to cash cycle (in days) consolidated



CAPEX	2Q19	2Q18	1S19	1S18
Land improvements	1.6	0.2	5.0	0.2
New operations	0.1	1.4	0.3	1.4
Maintenance	3.0	1.6	3.5	3.1
General improvements	0.7	0.5	1.3	0.5
Transport equipment	5.2	-	5.4	-
IT	0.8	1.1	2.6	2.1
Contract renewal	3.1	-	3.2	-
Total	14.6	4.7	21.2	7.2

(consolidated)

Net cash generated by investing activities for 2Q19 was negative by R\$ 38.2 million due to: i) payment of dividends and IOC of 2018 in the amount of 28.3 million, ii) debt principal settlement payment of R\$ 3.3 million and iii) IFRS 16 lease payment in the amount of R\$ 6.5 million. In 1S19 the line was negative in R\$60.4 million due to debt settlement, net of funding of R\$ 20.0 million, lease payment (IFRS 16) of R\$ 12.1 million and dividends/IOC.

	2Q19	2Q18	1S19	1S18
A - Cash at beginning of period	108.0	125.5	83.5	148.7
Operating cash flow (1)	51.4	11.9	107.0	59.2
(-) Capital expenditures "cash" (2)	(14.8)	(3.8)	(24.1)	(6.9)
B - Free cash flow (1 + 2)	36.6	8.1	82.9	52.3
C - Net cash generated by investing activities (ex CAPEX)	0.3	0.6	0.7	(0.1)
D - Net cash from financing activities	(38.2)	(43.5)	(60.4)	(110.3)
(=) Cash at end of period (A + B + C + D)	106.8	90.7	106.8	90.7

(consolidated)

Debt and Cash

The company's leverage has been in a downward trend for a few years due to the cash flow generated as a result of the increase in revenue combined with cost and expense control.

The **net debt** on June 30, 2019 was R\$ 31.9 million vs R\$ 34.7 million on March 31, 2019.

2Q19 **net debt / LTM adjusted EBITDA index** was 0.1x vs 0.2x in 1Q19. The calculation of the coverage ratio (which is equivalent to **adjusted EBITDA / financial result of the last 12 months**) was 22.0x. The company's *covenants* are <2.5x and >1.5x, respectively.

The gross **debt average cost** on June 30, 2019 was CDI + 1.47% a.a, the same as March, 2019.

On February 15, 2019, the Company paid the principal and interest of bonds (1st emission) in the amount of R\$ 48.4 million

In 1Q19, the Company raised debt in the NCE (Export Credit Notes) modal in the amount of R\$ 30 million maturing in 2022, 2023 and 2024 at a cost of the CDI + 1.14% in order to reinforce the cash with the payment previously mentioned.

Chart 10 – Debt and cash consolidated (in R\$ mi)

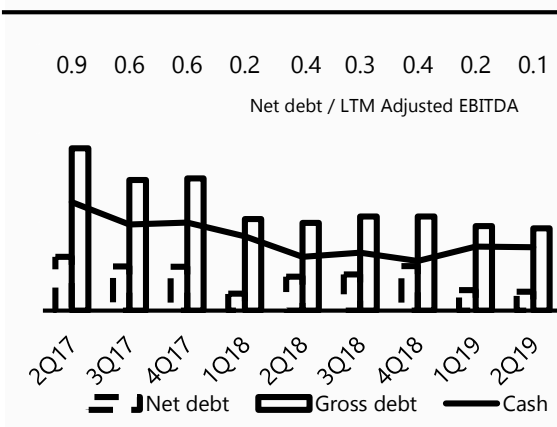
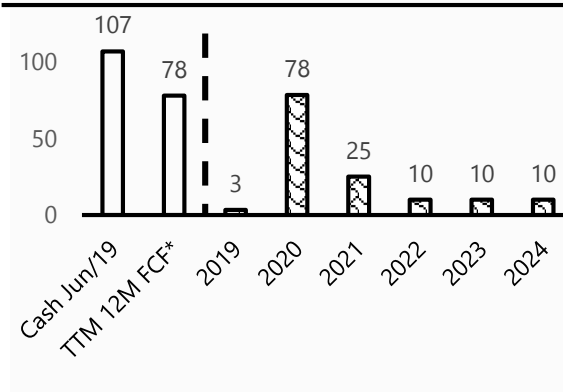


Chart 11 – Cash, FCF and Principal debt schedule amortization (R\$ mi)



	3Q18	4Q18	1Q19	2Q19
Current debt	52.3	54.8	8.7	8.6
Non-current debt	106.6	103.8	134.0	130.0
Gross debt	158.9	158.6	142.7	138.6
(-) Cash	1.2	1.3	1.0	1.3
(-) Banking investments	96.7	82.2	107.0	105.4
Net debt	60.9	75.0	34.7	31.9
Adjusted EBITDA TTM	177.0	200.5	227.0	241.3
<i>Net debt / Adjusted EBITDA TTM</i>	<i>0.3x</i>	<i>0.4x</i>	<i>0.2x</i>	<i>0.1x</i>
Financial result TTM	4.9	(9.1)	(9.1)	(11.0)
<i>Adjusted EBITDA TTM / Financial result TTM</i>	-	<i>22.0x</i>	<i>24.9x</i>	<i>22.0x</i>

* Gross debt does not consider swap instrument fair value gain (R\$ 0.5 million)

(consolidated)

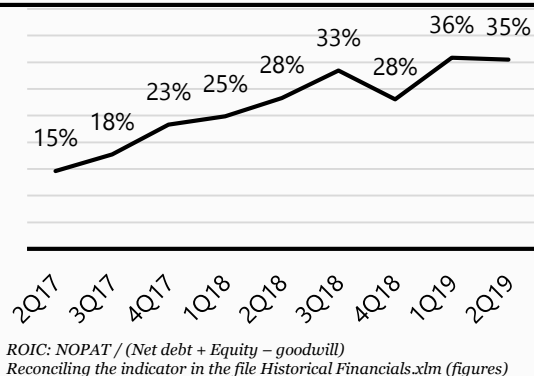
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Return on invested capital

The company consider that **return on invested capital** (ROIC) is significant for investors, since it reflects the company's value creation. ROIC is not a substitute for other accounting measures in accordance with IFRS and may not be comparable to similar measures used by other companies. The Company defines ROIC as operating profit (after-tax of 34%), divided by the capital invested (shareholders' equity plus net debt minus merger and acquisition goodwill) of the previous 12 months.

The consolidated **ROIC** of the company, as shown in chart 12 and in table below, presented a significant recovery in the last two years.

Chart 12 – Return on invested capital (ROIC) consolidated



The recovery since 2017 has occurred because of the improved revenues and operating result of both divisions and the discipline in the operational assets management. Additionally, the positive free cash flow in recent years resulted in the reduction of the net debt of the company and, consequently, the reduction of the employed capital.

The recovery of the ROIC in 1Q19 compared to 4Q18 occurs mainly due to the operational results improvement (12% growth in the NOPAT vs. 4Q18). Between 2Q19 and 1Q19 there was no significant change in ROIC.

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
ROIC (A / B)	14.6%	17.7%	23.3%	24.9%	28.3%	33.5%	28.0%	35.9%	35.5%
NOPAT (Oper inc *(1-34%) (A)	47.0	53.5	72.3	77.7	92.9	104.6	101.0	112.9	119.3
Operating income (TTM)	71.2	81.0	109.5	117.7	140.8	158.5	153.0	171.1	180.7
Capital employed (B) (previous 12 months)	321.5	301.8	309.9	312.0	328.3	312.7	360.4	314.8	336.0
(+) Net debt	123.4	99.8	98.7	95.4	90.8	74.7	74.1	28.7	57.4
(+) Equity	362.1	365.9	375.1	380.5	400.1	400.6	448.8	462.8	455.3
(-) Aquisitions goodwill	163.9	163.9	163.9	163.9	162.6	162.6	162.6	176.7	176.7

(consolidated)

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Annex I – Income statement ex-GDL in Jan/18 and ex-IFRS

Automotive logistics	2Q18	2Q19	IFRS16	2Q19'	2Q19' Vs 2Q18
Gross revenue'	315.3	360.9	-	360.9	14.5%
Deductions from gross revenue'	(59.3)	(66.7)	-	(66.7)	12.6%
Net Revenue'	256.0	294.1	-	294.1	14.9%
(-) Cost of services provided'	(205.6)	(229.1)	(0.9)	(230.0)	11.9%
Gross profit'	50.4	65.0	(0.9)	64.1	27.0%
Gross mg %'	19.7%	22.1%	(0.3)	21.8%	2.1 p.p
Expenses'	(18.4)	(23.9)	0.2	(23.7)	29.1%
Operating profit'	32.1	41.1	(0.7)	40.3	25.9%
Operating mg %'	12.5%	14.0%	(0.2)	13.7%	1.2 p.p
(+) Depreciation'	(6.2)	(7.6)	3.7	(3.9)	-36.7%
EBITDA'	38.2	48.7	(4.4)	44.3	15.7%
EBITDA mg%'	14.9%	16.5%	(1.5)	15.1%	0.1 p.p

Integrated logistics	2Q18	2Q19	IFRS16	2Q19'	2Q19' Vs 2Q18
Gross revenue'	45.1	45.5	-	45.5	0.8%
Warehouses'	11.6	8.7	-	8.7	-25.1%
Industrial logistics'	33.5	36.8	-	36.8	9.7%
Deductions from gross revenue'	(7.8)	(8.0)	-	(8.0)	2.0%
Net Revenue'	37.3	37.5	-	37.5	0.5%
(-) Cost of services provided'	(32.5)	(33.1)	(0.4)	(33.6)	3.3%
Gross profit'	4.8	4.4	(0.4)	3.9	-18.1%
Gross mg %'	12.9%	11.6%	(1.1)	10.5%	-2.4 p.p
Expenses'	(0.6)	0.4	-	0.4	-
Operating profit'	4.2	4.8	(0.4)	4.3	3.4%
Operating mg %'	11.2%	12.7%	(1.1)	11.5%	0.3 p.p
(+) Depreciation'	(2.7)	(6.0)	3.5	(2.6)	-5.3%
EBITDA'	6.9	10.8	(3.9)	6.9	0.0%
EBITDA mg%'	18.5%	28.8%	(10.4)	18.4%	-0.1 p.p

Consolidated	2Q18	2Q19	IFRS16	2Q19'	2Q19' Vs 2Q18
Gross revenue'	360.4	406.3	-	406.3	12.7%
Deductions from gross revenue'	(67.1)	(74.7)	-	(74.7)	11.4%
Net Revenue'	293.3	331.6	-	331.6	13.1%
(-) Cost of services provided'	(238.0)	(262.3)	(1.3)	(263.6)	10.7%
Gross profit'	55.2	69.3	(1.3)	68.0	23.1%
Gross mg %'	18.8%	20.9%	(0.4)	20.5%	1.7 p.p
Expenses'	(19.0)	(23.5)	0.2	(23.3)	22.8%
Operating profit'	36.2	45.8	(1.1)	44.7	23.3%
Operating mg %'	12.4%	13.8%	(0.3)	13.5%	1.1 p.p
(+) Depreciation'	(8.9)	(13.6)	7.1	(6.5)	-27.1%
EBITDA'	45.1	59.4	(8.3)	51.2	13.3%
EBITDA mg%'	15.4%	17.9%	(2.5)	15.4%	-
Operating profit'	36.2	45.8	(1.1)	44.7	23.3%
Financial result'	(0.8)	(2.7)	1.6	(1.1)	29.8%
Equity'	(0.2)	0.3	-	0.3	-
Profit before IR and CS'	35.2	43.4	0.5	43.9	24.8%
Income tax and social contribution'	(7.0)	(10.9)	-	(10.9)	56.1%
Net profit/loss'	28.2	32.5	0.5	33.0	17.1%

* To access this spreadsheets in Excel, [Click here](#).

Automotive logistics	1S18	1S19	IFRS16	1S19'	1S19' Vs 1S18
Gross revenue'	590.3	682.6	-	682.6	15.6%
Deductions from gross revenue'	(111.9)	(129.5)	-	(129.5)	15.8%
Net Revenue'	478.5	553.0	-	553.0	15.6%
(-) Cost of services provided'	(383.7)	(431.5)	(1.6)	(433.1)	12.9%
Gross profit'	94.8	121.5	(1.6)	119.9	26.5%
Gross mg %'	19.8%	22.0%	(0.3)	21.7%	1.9 p.p
Expenses'	(43.9)	(46.4)	0.4	(46.0)	4.6%
Operating profit'	50.9	75.1	(1.2)	73.9	45.3%
Operating mg %'	10.6%	13.6%	(0.2)	13.4%	2.7 p.p
(+) Depreciation'	(10.0)	(16.0)	8.2	(7.9)	-21.2%
EBITDA'	60.9	91.1	(9.4)	81.8	34.4%
EBITDA mg%'	12.7%	16.5%	(1.7)	14.8%	2.1 p.p

Integrated logistics ex GDL	1S18	1S19	IFRS16	1S19'	1S19' Vs 1S18
Gross revenue'	90.2	91.1	-	91.1	1.0%
Warehouses'	22.3	17.2	-	17.2	-22.9%
Industrial logistics'	67.9	73.9	-	73.9	8.8%
Deductions from gross revenue'	(15.6)	(15.8)	-	(15.8)	1.1%
Net Revenue'	74.6	75.3	-	75.3	0.9%
(-) Cost of services provided'	(64.8)	(64.9)	(0.7)	(65.6)	1.2%
Gross profit'	9.7	10.4	(0.7)	9.7	-0.5%
Gross mg %'	13.1%	13.8%	(0.9)	12.9%	-0.2 p.p
Expenses'	(1.3)	0.9	-	0.9	-
Operating profit'	8.4	11.3	(0.7)	10.6	26.4%
Operating mg %'	11.3%	15.1%	(0.9)	14.1%	2.8 p.p
(+) Depreciation'	(5.5)	(13.0)	7.9	(5.1)	-7.5%
EBITDA'	13.9	24.3	(8.6)	15.7	13.0%
EBITDA mg%'	18.7%	32.3%	(11.4)	20.9%	2.2 p.p

Consolidated ex GDL	1S18	1S19	IFRS16	1S19'	1S19' Vs 1S18
Gross revenue'	680.5	773.6	-	773.6	13.7%
Deductions from gross revenue'	(127.5)	(145.3)	-	(145.3)	14.0%
Net Revenue'	553.0	628.3	-	628.3	13.6%
(-) Cost of services provided'	(448.5)	(496.4)	(2.3)	(498.7)	11.2%
Gross profit'	104.5	131.9	(2.3)	129.6	24.0%
Gross mg %'	18.9%	21.0%	(0.4)	20.6%	1.7 p.p
Expenses'	(45.3)	(45.4)	0.4	(45.0)	-0.5%
Operating profit'	59.3	86.4	(1.9)	84.5	42.6%
Operating mg %'	10.7%	13.8%	(0.3)	13.5%	2.7 p.p
(+) Depreciation'	(15.5)	(29.0)	16.1	(13.0)	-16.4%
EBITDA'	74.8	115.5	(18.0)	97.5	30.4%
EBITDA mg%'	13.5%	18.4%	(2.9)	15.5%	2.0 p.p
Operating profit'	58.8	86.4	(1.9)	84.5	43.8%
Financial result'	(2.7)	(4.6)	2.9	(1.7)	-38.7%
Equity'	(0.7)	(0.2)	-	(0.2)	-68.3%
Profit before IR and CS'	55.4	81.6	1.0	82.7	49.2%
Income tax and social contribution'	(13.2)	(22.5)	-	(22.5)	70.0%
Net profit/loss'	42.2	59.1	1.0	60.2	42.6%

To access this spreadsheets in Excel, [Click here](#).

Capital Markets TGM A3

- At the beginning of 2019, Tegma shares had a lower performance than the market due to uncertainties related to the transportation sector, freight prices table and the economy recovery, despite the good results in the period. Recently, with the approval of the pension reform, the share was equal to the market. The company's market cap today stands at around R\$ 2.1 billion (R\$ 33 per share).

- The daily liquidity of Tegma shares in 1S19 was R\$ 6.7 million traded daily (USD 1.7 million). TGM A3's tradability index vs IBX-100 has been slightly lower in 2019 compared to 2018. One reason for the drop in the index would be the concentration of Tegma shares in some of our investors.

- The dividends and interest on capital of the last two years corresponded to 60% of payout and a dividend yield between 4-5%.

- Tegma stocks has been traded at multiples PE and EV/EBITDA 2019 of 14.0x and 8.2x in 3Q19

Chart 13 – TGM A3 and IBOV Base zero (Jan/02/2019)

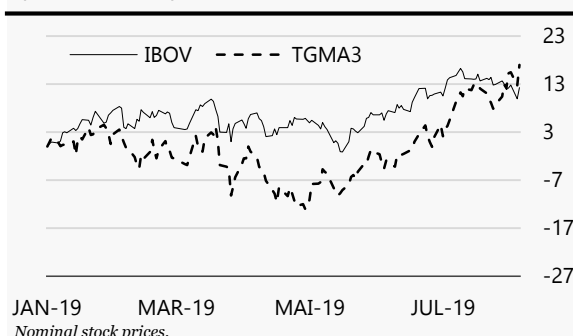


Chart 14 –TGM A3 ADTV

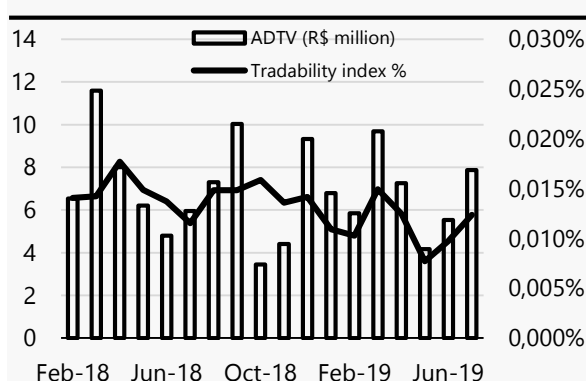
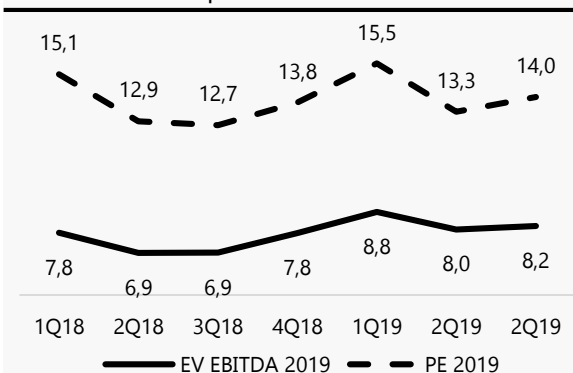


Table 3 – Dividends and Payout

	Payout %	Div Yld % LTM	Dividend per share (R\$)
2018	60%	4.3%	1.0
2017	60%	4.9%	0.9
2016	61%	1.0%	0.1
2015	53%	1.4%	0.1
2014	-	-	0.0
2013	100%	3.4%	0.7
2012	81%	3.2%	1.0
2011	71%	4.2%	1.0

Chart 15 – Multiples TGM A3



Average sell side estimates (2019)

Shareholder composition

Shareholder	# stocks TGM3 ON	% Total
Mopia Participações e Empreendimentos Ltda.	15,396,481	23.3%
Cabana Empreendimentos e Participações Ltda.	4,817,704	7.3%
Coimex Empreendimentos e Participações Ltda.	13,207,034	20.0%
Other controlling shareholders (non institutional)	509,473	0.8%
Directors and administration board	201	0.0%
Treasury	65,143	0.1%
Controllers, administrators e treasury	33,996,036	51.5%
Free float	32,006,879	48.5%
Total stocks	66,002,915	100.0%

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Tegma Gestão Logística SA and subsidiaries
Income statement
(in R\$ million)

Income statement	2Q19	2Q18	Chg % vs 2Q18	1S19	1S18	Chg % vs 1S18
Gross revenue	406.3	360.4	12.7%	773.6	683.2	13.2%
Taxes and deductions	(74.7)	(67.1)	11.4%	(145.3)	(127.9)	13.6%
Net revenue	331.6	293.3	13.1%	628.3	555.3	13.1%
(-) Cost of services	(262.3)	(238.0)	10.2%	(496.4)	(451.3)	10.0%
Personnel	(33.0)	(28.8)	14.7%	(61.1)	(55.5)	10.2%
Freight	(211.1)	(188.2)	12.2%	(397.9)	(353.7)	12.5%
Others	(41.0)	(41.6)	-1.3%	(80.5)	(80.6)	-0.1%
Taxes credit (PIS and COFINS)	22.9	20.5	11.4%	43.1	38.5	12.0%
Gross profit	69.3	55.2	25.5%	131.9	104.1	26.7%
General and administrative expenses	(20.3)	(16.2)	25.4%	(39.1)	(36.8)	6.3%
Other expenses and revenues	(3.2)	(2.8)	14.8%	(6.3)	(8.5)	-25.7%
Operating income	45.8	36.2	26.4%	86.4	58.8	47.0%
(+) Depreciation	13.6	8.9	53.1%	29.0	15.8	83.6%
= EBITDA	59.4	45.1	31.7%	115.5	74.6	54.8%
<i>Mg% EBITDA</i>	<i>17.9%</i>	<i>15.4%</i>	<i>2.5 p.p.</i>	<i>18.4%</i>	<i>13.4%</i>	<i>4.9 p.p.</i>
Financial result	(2.7)	(0.8)	-69.3%	(4.6)	(2.7)	68.9%
Equity	0.3	(0.2)	-	(0.2)	(0.7)	-68.3%
Income before tax	43.4	35.2	23.5%	81.6	55.4	47.3%
Income tax	(10.9)	(7.0)	56.1%	(22.5)	(13.2)	70.0%
Net income	32.5	28.2	15.4%	59.1	42.2	40.2%
<i>Net margin %</i>	<i>9.8%</i>	<i>9.6%</i>	<i>0.2 p.p.</i>	<i>9.4%</i>	<i>7.6%</i>	<i>1.8 p.p.</i>

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Tegma Gestão Logística SA and subsidiaries
Balance sheet
(in R\$ million)

	Dec-18	Mar-19	Jun-19
Current assets	337.5	338.4	350.7
Cash	1.3	1.0	1.3
Banking investments	82.2	107.0	105.4
Accounts receivable	226.2	202.6	215.9
Related parties	4.1	2.6	3.0
Inventories	0.2	0.2	0.2
Income tax and social contribution	3.3	3.5	3.3
Taxes to recover	12.0	12.3	12.6
Other receivables	6.8	6.2	5.5
Dividends receivable	-	0.1	-
Prepaid expenses	1.3	2.9	3.4
Non-current assets	471.9	537.6	549.2
Taxes to recover	9.4	9.5	9.6
Other receivables	6.7	6.7	7.2
Deferred taxes	16.1	15.7	15.7
Related parties	15.6	16.0	3.4
Judicial deposits	11.9	11.6	1.9
Derivative financial instruments	1.6	2.7	12.0
Investments	19.3	18.6	18.8
Property, plant and equipment	202.2	201.7	210.3
Intangible assets	189.1	189.3	188.7
Right of use assets	-	65.8	81.6
Total assets	809.4	876.0	899.9
	Dec-18	Mar-19	Jun-19
Current liabilities	170.6	134.7	143.6
Loans and financing	6.7	7.6	8.5
Bonds	48.1	1.2	0.1
Lease liabilities	-	27.2	29.1
Suppliers and freights payable	36.9	32.1	30.7
Taxes payable	15.1	15.9	14.8
Refinanced taxes	24.3	20.6	24.3
Salaries and social charges	30.9	22.6	25.3
Other accounts payable	2.3	0.1	1.0
Related parties	6.4	7.4	9.9
Non-current liabilities	154.4	230.3	240.4
Loans and financing	55.4	86.7	81.9
Related parties	2.0	2.1	2.4
Bonds	50.0	50.0	50.0
Lease liabilities	-	42.6	57.1
Deferred taxes	2.6	5.8	6.1
Provision for contingencies and other liabilities	44.4	43.2	42.8
Shareholders equity	484.4	511.0	515.8
Capital stock	144.5	144.5	144.5
Capital reserve	174.1	174.1	174.1
Profit reserve	138.2	138.2	138.2
Retained earnings	-	26.6	59.1
Treasury shares	(0.3)	(0.3)	(0.3)
Assets valuation adjustment	(0.3)	(0.3)	0.3
Additional proposed dividend	28.3	28.3	-
Total liabilities and shareholders' equity	809.4	876.0	899.9

Tegma Gestão Logística SA and subsidiaries
Cash flow statement
(in R\$ million)

	2Q19	2Q18	1S19	1S18
Income before income and social contribution taxes	43.4	35.2	81.6	55.4
Depreciation and amortization	6.5	8.9	13.0	15.8
Right of use assets amortization	7.1	-	16.1	-
Interest and exchange variation on unpaid loans and debentures	1.0	3.0	4.6	6.7
(Reversal of) provision for contingencies	4.6	2.1	9.0	12.4
Interest on leasing	1.6	-	2.9	-
Loss in goodwill withdraw	-	-	-	2.5
Fair value in investment transfer	-	-	-	(1.8)
Swap result	1.7	-	0.6	-
Equity	(0.3)	0.2	0.2	0.7
Loss (gains) on disposal of assets	(0.0)	0.0	0.0	0.4
Allowance for (reversal of) doubtful accounts	(1.5)	(1.0)	(1.4)	(0.9)
Expenses (revenues) not affecting cash flows	20.7	13.3	45.0	35.8
Accounts receivable	(11.8)	(25.4)	11.8	(7.0)
Taxes recoverable	(0.9)	5.0	(1.6)	18.5
Judicial deposits	(0.7)	(0.7)	(1.2)	(1.1)
Other assets	(0.3)	(0.7)	(1.4)	(7.6)
Suppliers and freight payable	(1.2)	(5.0)	(3.3)	(7.5)
Salaries and related charges	3.7	1.6	0.0	(1.1)
Increase (decrease) in related parties	13.5	0.1	12.6	(0.5)
Other liabilities	1.6	0.6	(6.2)	(2.8)
Changes in assets and liabilities	3.9	(24.6)	10.7	(9.1)
Interest on loans, financing and swap	(0.4)	(1.3)	(0.4)	(2.2)
Interest on debentures	(2.1)	(3.1)	(3.8)	(7.8)
Interest on leasing	(1.6)	-	(2.4)	-
Lawsuits paid	(4.7)	(2.9)	(9.3)	(7.5)
Income and social contribution taxes paid	(7.8)	(4.6)	(14.5)	(5.3)
(A) Net cash generated by (used in) operating activities	51.4	11.9	107.0	59.2
Dividends received	0.3	0.2	0.3	0.2
Acquisition of intangible assets	(0.8)	(0.6)	(2.5)	(1.8)
Acquisition of property and equipment and intangible assets	(13.9)	(3.2)	(21.6)	(5.2)
Proceeds from sale of assets	0.0	0.4	0.4	0.4
Cash from Tegma Logística Integrada S.A.	-	-	-	(0.7)
(B) Net cash generated by (used in) investing activities	(14.5)	(3.2)	(23.4)	(7.0)
Dividend paid	(28.3)	(38.9)	(28.3)	(38.9)
New loans	-	-	30.0	-
Payment of debentures	(3.3)	(4.6)	(50.0)	(71.4)
Payment of leasing	(6.5)	-	(12.1)	-
(C) Net cash generated by (used in) financial activities	(38.2)	(43.5)	(60.4)	(110.3)
Changes in cash (A + B + C)	(1.2)	(34.8)	23.2	(58.0)
Cash at beginning of period	108.0	125.5	83.5	148.7
Cash at end of year	106.8	90.7	106.8	90.7

Tegma Gestão Logística SA and subsidiaries
Statements of change in equity
(in R\$ million)

	Capital	Capital reserve	Legal reserve	Retained profit	Additional dividend proposed	Treasury stock	Equity adjustment	Retained earnings (accumulated losses)	Total equity
Balance on January 1, 2018	144.5	174.1	28.9	66.0	35.7	(0.3)	-	-	448.8
Net income for the period	-	-	-	-	-	-	-	42.2	42.2
Dividends and interest on capital	-	-	-	-	(35.7)	-	-	-	(35.7)
Balance on June 30, 2018	144.5	174.1	28.9	66.0	-	(0.3)	-	42.2	455.3
Balance on April 1, 2018	144.5	174.1	28.9	66.0	35.7	(0.3)	-	14.0	462.8
Net income for the period	-	-	-	-	-	-	-	28.2	28.2
Dividends and interest on capital	-	-	-	-	(35.7)	-	-	-	(35.7)
Balance on June 30, 2018	144.5	174.1	28.9	66.0	-	(0.3)	-	42.2	455.3
Balance on January 1, 2019	144.5	174.1	28.9	109.3	28.3	(0.3)	(0.3)	-	484.4
Net income for the period	-	-	-	-	-	-	-	59.1	59.1
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	0.639	-	0.639
Dividends and interest on capital	-	-	-	-	(28.3)	-	-	-	(28.3)
Balance on June 30, 2019	144.5	174.1	28.9	109.3	-	(0.3)	0.3	59.1	515.8
Balance on April 1, 2019	144.5	174.1	28.9	109.3	28.3	(0.3)	(0.3)	26.6	511.0
Net income for the period	-	-	-	-	-	-	-	32.5	32.5
Net result with financial instruments designated as Hedge Accounting	-	-	-	-	-	-	0.627	-	0.627
Dividends and interest on capital	-	-	-	-	(28.3)	-	-	-	(28.3)
Balance on June 30, 2019	144.5	174.1	28.9	109.3	-	(0.3)	0.3	59.1	515.8

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Tegma Gestão Logística SA and subsidiaries

Statements of value added

(in R\$ million)

	2Q19	2Q18	Chg % vs 2Q18	1S19	1S18	Chg % vs 1S18
Gross sale of services	386.0	341.7	13.0%	734.7	647.1	13.5%
Other income	0.7	0.7	3.7%	2.1	8.3	-74.5%
(Reversal of) allowance for doubtful accounts	1.5	1.0	49.1%	1.4	0.9	51.0%
Income	388.2	343.3	13.1%	738.2	656.3	12.5%
Cost of services provided	(211.1)	(188.3)	12.2%	(397.9)	(353.7)	12.5%
Materials, energy, third-party services and other operating expenses	(37.4)	(34.9)	7.0%	(72.0)	(79.8)	-9.9%
Input products acquired from third parties	(248.5)	(223.2)	11.3%	(469.9)	(433.6)	8.4%
Net value added produced by the Company	139.7	120.1	16.3%	268.4	222.8	20.5%
Depreciation and amortization	(6.5)	(8.9)	-27.0%	(13.0)	(15.8)	-18.0%
Right of use assets amortization	(7.1)	-	-	(16.1)	-	-
Gross value added	126.0	111.2	13.3%	239.3	206.9	15.7%
Equity pickup	0.3	(0.2)	-	(0.2)	(0.7)	-68.2%
Financial income	(3.0)	3.0	-	5.2	5.7	-9.2%
Total value added to be distributed	123.3	114.0	8.2%	244.3	212.0	15.3%
				-	-	-
Personnel and related charges	40.3	32.7	23.0%	73.9	65.6	12.6%
Direct compensation	31.0	26.8	15.7%	56.1	52.2	7.5%
Benefits	7.2	6.1	17.1%	13.8	12.0	14.8%
FGTS	2.1	(0.2)	-	3.9	1.4	179.8%
Taxes, charges and contributions	48.2	40.2	20.1%	97.0	77.2	25.7%
Federal	28.0	23.4	19.8%	55.0	45.0	22.3%
State	18.9	15.4	22.7%	39.4	29.5	33.7%
Local	1.4	1.4	-2.0%	2.7	2.8	-3.8%
Financing agents	34.8	41.1	-15.4%	73.4	69.2	6.1%
Interest and exchange variations	(0.4)	3.8	-	9.7	8.4	16.1%
Rent	2.6	9.1	-70.9%	4.5	18.6	-75.7%
Retained profits (losses)	32.5	28.2	15.4%	59.1	42.2	40.2%
Value added distributed	123.3	114.0	8.2%	244.3	212.0	15.3%

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