

Results Presentation 2019 Q4

April 1st, 2020

Quarter Highlights

Marcos Medeiros

- Succession of the CEO Gennaro Oddone Marcos Medeiros
- Impacts of the COVID-19 pandemic on Tegma
- Enabling the use of PIS and COFINS tax credits from January/2020
- Updates on Operation Pact
- Change of independent auditor
- Certification Great Place To Work





Results (4Q19 vs 4Q18 ex-non recurring events / IFRS 16)

Marcos Medeiros

- Increase of 4.8% domestic sales
- 2.7% increase in whosale sales
- Imports fell 3.5% and production increased 0.4%
- Decrease of exports (-13.3%)
- Increase of 4% in inventories (in days)

Auto Market

Source: ANFAVEA Fenabrave e Brazil Central Bank

- Yard Management servisse revenue increased
- Transport fare readjustment in May/19
- Drop in transfer between yards revenues (...)
- 3.4% growth of net revenue

Revenues Auto

Operational Auto Division

- Quantity os vehicles transportaded was +12.6% above, 2.2 pp mkt share gain (29.0%)
- Increase of +1.7% average consolidated distance (+2.2% doméstica) (...)
- Increase of +14.5% in total distance

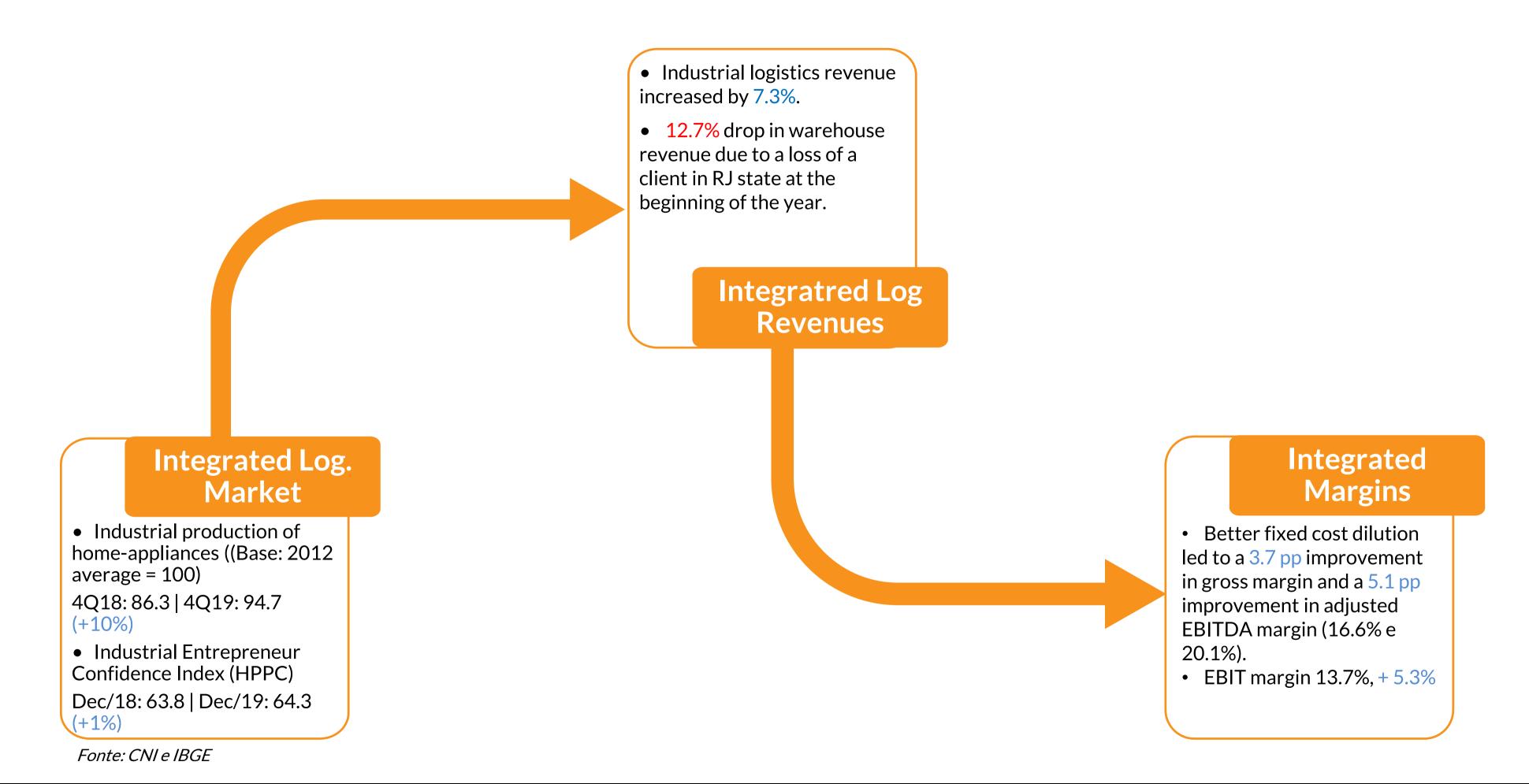
Auto Margins

- Gross margin stability in 4Q19
- Adjusted EBITDA Margin decreased 2.6pp (15.6%) in 4Q19 due to increase of the provision for legal claims and of legal fees

Adjusting 4Q18 Gross revenues deductions temporal differences

Results (4Q19 vs 4Q18 ex-non recurring events / IFRS 16)

Marcos Medeiros



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Highlights and Indicators (4Q19 vs 4Q18 ex-non recurring events / IFRS 16)

Ramón Pérez

- Financial result declining due to reduction basic interest rates, in gross debt and in its spread
- Equity income were 213% up due to GDL results improvements
- Recurring net income was R\$ 43.4 million, 24.3% higher than 4010

Net Profit

Cashflow

- CAPEX cash of R\$ 11.3 million vs R\$ 11.2 million in 4Q18
- Increase of free cash flow R\$ 3.4 million in 4Q19 (ex IFRS 16) vs R\$ 1.5 million in 4Q18
- Payment of R\$ 45 million of dividends and interest on own capital as of 3Q19

- Cash reduction compared to 3Q19 due to dividends / interest on own capital
- Debt 2020: R \$ 78 M
- Net debt / EBITDA adjusted by 0.3x (...)
- Average cost of debt in CDI
 1 419/ n a C Pating Fitch
- + 1.41% p.a. & Rating Fitch Nacional A (bra) stable (...)

Cash and Indebtness

Returns

- Return on invested capital (ROIC) in 4Q19 was 32.6%, vs 34.9% in 3Q19
- ROE recorded in 4Q19 was 28.6% vs 29.9% in 3Q19.

*Excluding PIS COFINS credit in 3Q19

Proceeds 4Q19

- Dividends and interest on own capital 2019 was 43% of net income, which resulted in a payment of R\$ 1.14 in earnings per share
- Amount corresponds 3.7% of dividend yield

- TGMA3 suffered from the impacts of COVID-19, decreasing 49% vs 41% of Ibovespa in 2019. Market cap of R\$ 1.3 billion (3/25)
- Last three months ADTV R\$ 13 million, with a constant tradability index.

TGMA3

Source: Sell side analysts

Q&A Section

Marcos Medeiros – CEO Ramón Pérez – CFO e DRI

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