

Second Quarter 2019 Results

August 14th, 2019



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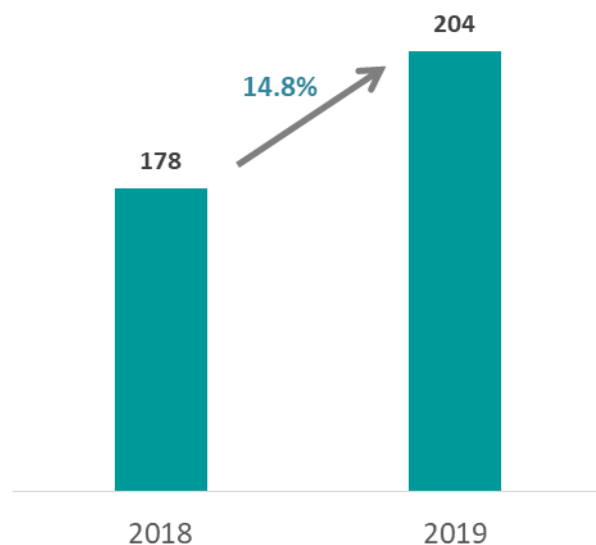
2Q19 Highlights

Million Reais	2Q19	2Q18	% var.	1H19	1H18	% var.
Revenues	426.5	359.6	18.6	796.2	652.8	22.0
Gross Profit	79.0	64.5	22.4	137.0	108.0	26.8
Operational Profit	39.2	37.8	3.6	59.9	49.1	21.8
Adjusted EBITDA	50.4	47.1	7.0	83.7	67.1	24.7
Net Profit	16.7	(18.5)	nm	34.0	(32.2)	nm

- ❄️ 2Q19 Net Revenues up 18.6% to R\$426.5 million compared to the corresponding prior year period and 6 months revenues up 22.0% to R\$796.2 million; both periods at historical high levels
- ❄️ 2Q19 Gross Profit increased by 22.4% to R\$79.0 million compared to R\$64.5 million in 2Q18 and by 26.8% to R\$137.0 million in 1H19 (R\$108.0 million in 1H18)
- ❄️ EBITDA for the quarter at R\$50.4 million up 7.0% vs 2Q18 R\$47.1 million; and R\$83.7 million for the first half of 2019 up 24.7% vs R\$67.1 million in 1H18
- ❄️ Net Profit of R\$16.7 million in 2Q19 vs a Net Loss of R\$18.5 million in 2Q18. Net Profit of R\$34.0 million for the first 6 months of 2019 vs Net Loss of R\$ 32.2 million in 2018

Americas Operations

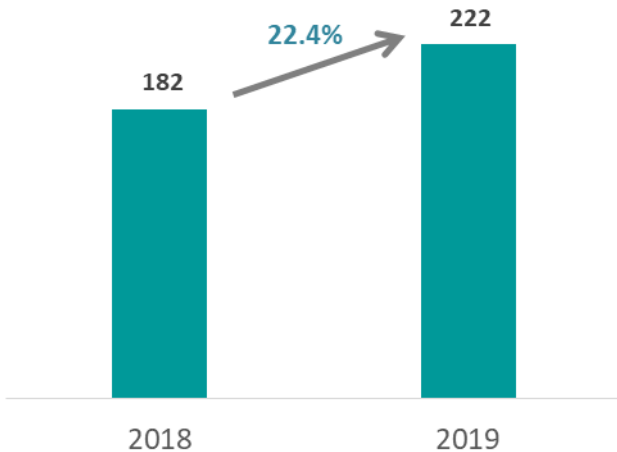
2Q19 sales (R\$204.3 million):



Americas highlights:

- ❄ Revenues increased by 14.8% vs. 2Q18 keeping the good momentum seen in last quarters
- ❄ **Revenues in Brazil stood flat vs. 2Q18**
 - ❄ Further development of LifeCycle
 - ❄ Better mix of products considering higher share of premium products with higher average realization per unit
- ❄ **Revenues in Mexico increased 59.5% vs. 2Q18**
 - ❄ Market-share gain in existing accounts while establishing new customers
 - ❄ Innovative solutions through R&D investments.

2Q19 sales (R\$222.3 million):



Europe highlights:

- ❄ **Revenues up 22.4% to R\$222.3 million**, improving the flexibility and efficiency in the manufacturing process
- ❄ Turkish plant reached even higher production output levels
- ❄ Launch of innovative brand-specific products in the domestic beer and soft drink segments
- ❄ Growth in exports driven by shipments to new geographies and specifically designed products.

Initiatives

❄️ Active engagement with our customer base



❄️ Manufacturing Throughput and Productivity gains through Lean Management



❄️ Driving Lifecycle differentiator (Asset Management Services)



❄️ Innovation



RB680 FGD



Cash Flow

Million reais	2Q19	2Q18	% var.
Adjusted EBITDA	50.4	47.1	7.0
Working Capital	162.9	197.9	(17.7)
Op. Cash Flow (YTD)	10.1	-68.2	nm
Capex (YTD)	22.1	21.6	2.3

- ❄ Adjusted EBITDA increased 7.0% vs 2Q18, driven by our growth in sales and efficiency gains
- ❄ Despite the growth in Revenues, working capital requirements decreased and resulted in a positive operational cash flow
- ❄ Capex stood broadly flat compared with 2Q18

Cash cycle days	2Q19	2Q18	Var.
Days of receivables	53	68	-15
Days of inventory	71	72	-1
Days of suppliers	100	93	7
Cash cycle	24	47	-23
Current Liquidity	1,1x	1x	n/a

Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ mn)	2Q18	3Q18	4Q18	1Q19	2Q19	Chg. 2Q19/ 2Q18	Chg. 2Q19/ 4Q18
Cash and equivalents, bonds and securities	362.3	411.2	544.7	468.3	466.6	104.2	-78.1
Short term debt (ST)	390.3	388.5	496.1	464.2	529.8	139.4	33.7
Long term debt (LT)	493.1	536.9	382.8	417.5	393.2	-100.0	10.4
USD denominated debt	223.2	164.9	132.2	51.2	19.2	-204.0	-113.0
BRL denominated debt	279.0	369.1	354.4	434.7	525.6	246.6	171.2
Euro denominated debt	381.3	391.3	392.3	395.8	376.6	-4.7	-15.7
Other Currencies	0.0	0.0	0.0	0.0	1.6	1.6	1.6
Gross debt	883.5	925.3	878.9	881.8	922.9	39.5	44.0
Net cash / (Net debt)	-521.1	-514.1	-334.2	-413.4	-456.4	64.8	-122.2
Shareholders' equity (Equity)	70.6	64.5	87.4	98.3	108.2	37.6	20.8
Cash and equiv. / ST debt	0.9x	1.1x	1.1x	1x	0.9x	n/a	n/a
ST debt / (ST + LT)	44.2%	42.0%	56.4%	52.6%	57.4%	n/a	n/a
Net cash (Net debt) / Equity	-7.4x	-8x	-3.8x	-4.2x	-4.2x	n/a	n/a
Net debt / (Net debt + Equity)	88.1%	88.9%	79.3%	80.8%	80.8%	n/a	n/a

❄️ 2019 outlook

❄️ We remain vigilant of external challenges such as the currency volatility and inflationary pressures particularly in Turkey which are likely to continue in the near term, as well as ongoing global trade tensions and mixed macroeconomic developments causing market uncertainty.

❄️ Prioritisation of Customer Value-Creation, ensuring to provide Innovative, market-leading solutions

❄️ Further growth in Lifecycle

❄️ Strong financial discipline to drive continued cash flow improvement and further improve liquidity and balance sheet

❄️ Continue improving the Net Debt to EBITDA ratio aiming at 2.5x in the near future.

Strategic Priorities

Metalfrío is committed to delivering long-term shareholder value through its key strategic priorities:

- ❄ Sustainable and profitable sales growth
 - ❄ Actively engaging customers and delivering incremental value
- ❄ Innovative Product range and Lifecycle advantage
- ❄ Deleverage
 - ❄ Financial discipline – working capital and capital allocation
 - ❄ Improvement in operational performance
- ❄ Margin Expansion
 - ❄ Cost Optimization
 - ❄ Higher value added products and services
 - ❄ Operating leverage
- ❄ New Platforms for Future Growth
 - ❄ Geographic expansion
 - ❄ New Technologies

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