

2017 Results

March 6th, 2018



Metalfrío | **Solutions**

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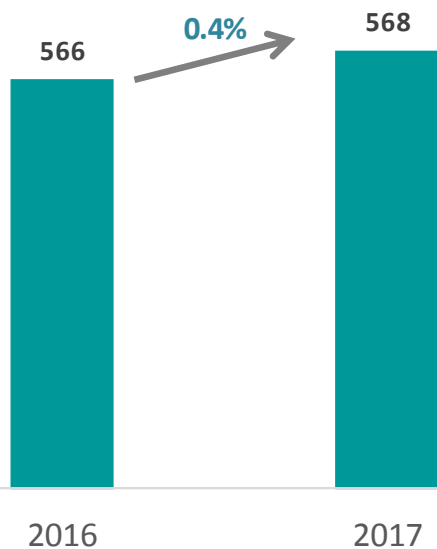
4Q17 Highlights

Reais million	4Q17	4Q16	% var.	2017	2016	% var.
Revenues	258.5	220.4	17.3%	985.7	1,013.7	-2.8%
Gross Profit	50.4	29.0	73.5%	163.0	152.3	7.0%
Operational Profit	30.1	6.2	385.7%	73.2	57.1	28.2%
Adjusted EBITDA	38.5	13.7	180.4%	104.5	90.6	15.3%

- ❄ 4Q17 net revenues up 17.3% to R\$258.5 million compared to the corresponding prior year period; full year revenues slightly down, by 2.8% to R\$985.7 million
- ❄ Operating Profit up almost five-fold in 4Q17 to R\$30.1 million, and up 28.2% to R\$73.2 million for the full year
- ❄ Adjusted EBITDA for the fourth quarter, up 180,4% to R\$38.5 million (4Q16: R\$13.7 million); full year up 15.3% to a historical high of R\$104.5 million (full year 2016: R\$90.6 million)
- ❄ Net debt of R\$321.4 million at year end, versus R\$315.9 prior year, with Net Debt to Adjusted EBITDA ratio of 3.08x

Americas Operations

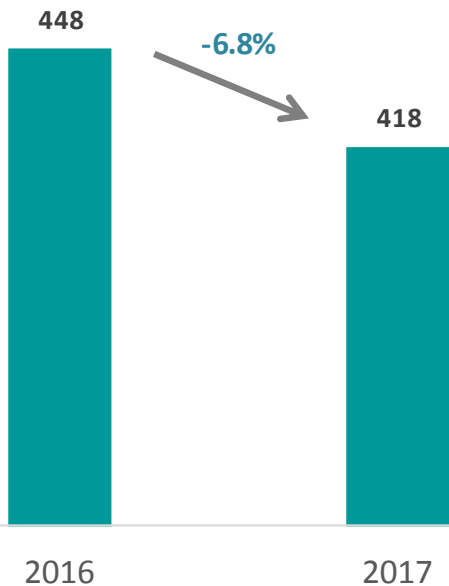
2017 sales (R\$568.2 million):



Americas highlights:

- ❄ Revenues increased by 0.4% vs. 2016 driven by the stronger demand in the second half of the year
- ❄ **Revenues in Brazil increased 2.2%** vs. 2016
 - ❄ Market conditions had an accelerated rebound, which contributed for 2017 to maintain almost flat sales.
 - ❄ Progress in the Distributors channel and regional business development
- ❄ **Revenues in Mexico decreased 7.0% vs 2016**, marking a challenging year for the region, following a good one (in local currency Revenues remained broadly flat)

2017 sales (R\$417.6 million):



Europe highlights:

- ❄ **Revenues down 6.8% to R\$417.6 million**, though on a currency neutral basis, sales would've been up 19.2%.
- ❄ Turkey Revenues increased 24.7% in local currency vs 2016, remarking the top line improvements seen in the last years.
- ❄ **Russia** increased its Revenues in 4.4% during the 2017 vs 2016.

Initiatives

❄️ Active engagement with our customer base



❄️ Manufacturing Throughput and Productivity gains through Lean Management



❄️ Driving Lifecycle differentiator (Asset Management Services)

Life|Cycle

❄️ Innovation



Cash Flow

R\$ Million	2017	2016	% var.
Adjusted EBITDA	104.5	90.6	15.3
Working Capital	30.0	61.6	(51.3)
Op. Cash Flow	151.2	95.2	58.8
Capex	45.8	45.5	0.7

- ❄ Adjusted EBITDA increase through efficiency gains
- ❄ Continuous control of the Working Capital
- ❄ Capex was broadly flat with 0.7% increase compared with last year.

Cash cycle days	4Q17	4Q16	Var.
Days of receivables	33	49	-16
Days of inventory	89	63	26
Days of suppliers	115	75	40
Cash cycle	7	37	-30
Current Liquidity	1.0x	1.4x	n/a

Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ mn)	4Q16	1Q17	2Q17	3Q17	4Q17	Chg. 4Q17/ 4Q16
Cash and equivalents, bonds and securities	409.0	379.8	447.2	385.3	507.4	98.3
Short term debt (ST)	283.7	551.0	657.3	520.5	511.2	227.5
Long term debt (LT)	441.2	197.7	222.5	282.4	317.6	-123.6
USD denominated debt	454.6	483.9	547.0	499.4	507.8	53.2
BRL denominated debt	10.5	9.6	29.8	27.8	28.2	17.7
Euro denominated debt	259.8	254.3	303.0	275.6	292.8	33.0
Other Currencies	0	1.0	0.0	0.0	0.0	0.0
Gross debt	725.0	748.8	879.8	802.8	828.8	103.8
Net cash / (Net debt)	-315.9	-369.0	-432.5	-417.6	-321.4	-5.5
Shareholders' equity (Equity)	121.8	139.8	116.0	126.1	97.9	-23.9
Cash and equiv. / ST debt	1.4x	0.7x	0.7x	0.7x	1x	n/a
ST debt / (ST + LT)	39.1%	73.6%	74.7%	64.8%	61.7%	n/a
Net cash (Net debt) / Equity	-2.6x	-2.6x	-3.7x	-3.3x	-3.3x	n/a
Net debt / (Net debt + Equity)	72.2%	72.5%	78.9%	76.8%	76.7%	n/a

❄️ 2018 outlook

❄️ Global macro-economic conditions appear to be broadly supportive of continued growth. Therefore, we expect to continue making progress during 2018 in our financial performance and strategic targets. Of course, we remain vigilant with regard to ongoing uncertainties in some of our markets, as well as conscious of continued volatile foreign exchange rates.

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

❄️ Further developing Lifecycle

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

❄️ Continue improving the Net Debt to Adjusted EBITDA aiming a ratio of 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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