

1Q20 Results

June 29th, 2020



Metalfrío | **Solutions**

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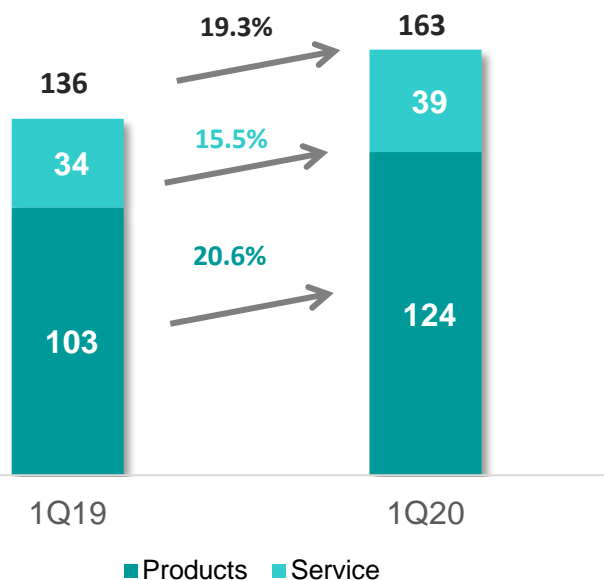
Information on performance that is not directly derived from financial statements, such as, for example, information about the market, quantities produced and sold, production capacity, or calculation of adjustments on our results were not subject of audit by our external auditors.

1Q20 Highlights

R\$ Million	1Q20	1Q19	% var.
Revenues	384.6	369.7	4.0
Gross Profit	74.9	58.0	29.1
Operational Profit	30.9	20.7	49.6
Adjusted EBITDA	44.6	33.3	34.0
Net Profit	(107.3)	17.3	nm

- ❄ Net revenues up 4.0% to R\$384.6 million
- ❄ Services net revenues grew by 37.8% to R\$ 61.9 million, versus prior year period
- ❄ Gross Profit increased 29.1% to R\$74.9 million against the prior year comparable
- ❄ EBITDA of R\$44.6 million in 1Q20 was 34.0% higher vs Adjusted EBITDA 1Q19; margin up 259 bps
- ❄ Net Loss of R\$107.3 million versus a Net Profit of R\$17.3 million in prior year, owing mostly to R\$120 million unrealized non-cash FX losses and mark-to-market of investments during the quarter

1Q20 sales (R\$162.9 million):

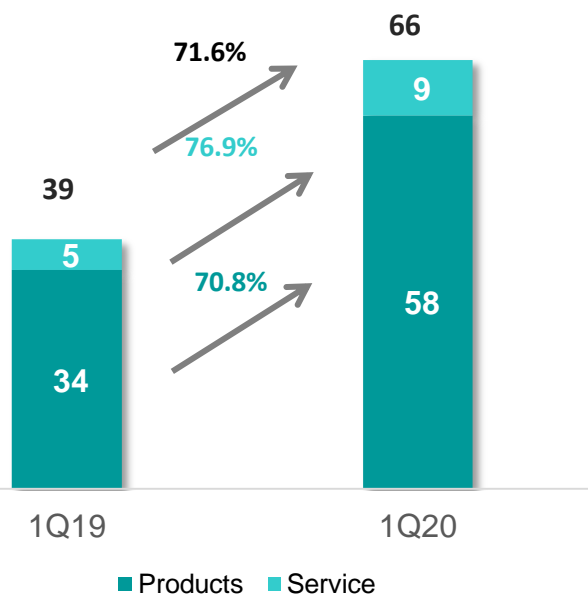


South America highlights:

- ❄ Revenues increased by 19.3% vs. 1Q19, attributable mainly to a strong performance from beer and soft drinks key accounts
- ❄ Lifecycle continued roll-out of an expanded scope of service with a major brewer
 - ❄ Revenue growth reached 15.5% in the quarter for the service segment
 - ❄ New competencies development to serve new channels
- ❄ Contribution of 3L, our all-inclusive rental business, complementing our disruptive business model
- ❄ COVID-19 related issues did not impact this region during the first quarter.

Central & North America

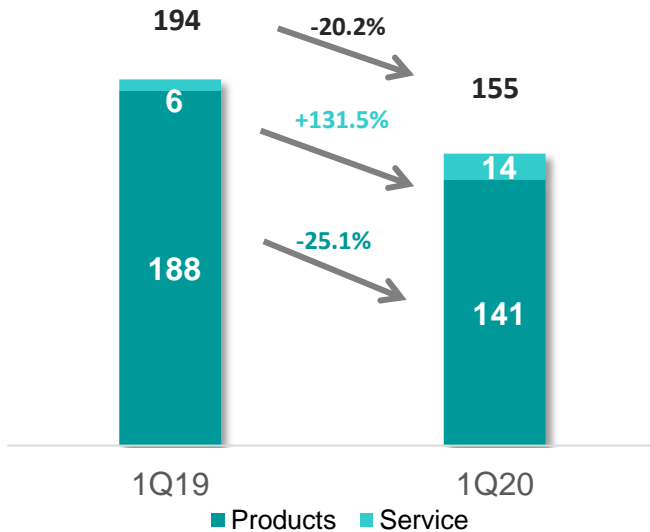
1Q20 sales (R\$66.5 million):



Central and North America highlights:

- ❄ Revenues increased by 71.6% vs. 1Q19
- ❄ Service performance with strong growth
- ❄ Further development of our asset management services
 - ❄ Result of the successful expansion of Refurbishment in this region across both beverage coolers and ice-cream freezers.
- ❄ As with South America, COVID-19 had no impact on performance in the first quarter.

1Q20 sales (R\$155.2 million):



EMEA highlights:

- ❄ Sales declined 20.2% to R\$155.2 million, compared to the same period as last year as a result of:
 - ❄ a ramp-up effect after an extensive automation upgrade of one of the lines in the Turkish plant
 - ❄ commencement of deliveries in Russia at a later time versus the prior year
 - ❄ As the potential impact of COVID-19 began to materialize, several clients began to defer orders as lock-down measures began to be implemented in several countries

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	1Q20	1Q19	% var.
Adjusted EBITDA	44.6	33.3	34.0
Working Capital	349.5	116.2	200.8
Op. Cash Flow (YTD)	-238.2	13.5	nm
Capex (YTD)	14.0	9.0	55.6

- ❄ Adjusted EBITDA increased 34.0% vs. 1Q19, driven by our growth in sales in most of our regions and segments
- ❄ Due to the growth in Revenues, working capital requirements increased and resulted in a lower Operational Cash-flow
- ❄ Capex increased 55.6% due to an extensive automation upgrade of one of the lines in the Turkish plant

Cash cycle days	1Q20	1Q19	Var.
Days of receivables	72	46	26
Days of inventory	111	75	36
Days of suppliers	136	98	38
Cash cycle	47	23	24
Current Liquidity	1x	1.1x	n/a

Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ million)	1Q19	2Q19	3Q19	4Q19	1Q20	Chg. 1Q20/ 1Q19	Chg. 1Q20/ 4Q19
Cash and equivalents, bonds and securities	468.3	466.6	387.0	536.4	406.4	-61.9	-130.0
Short term debt (ST)	464.2	529.8	594.1	653.4	746.8	282.6	93.4
Long term debt (LT)	417.5	393.2	382.0	376.8	402.4	-15.1	25.7
USD denominated debt	51.2	19.2	21.2	29.7	37.1	-14.1	7.4
BRL denominated debt	434.7	525.6	531.9	478.5	467.4	32.7	-11.1
Euro denominated debt	395.8	376.6	421.3	467.7	615.7	219.9	148.0
TRY denominated debt	0.0	1.6	1.6	0.0	0.0	0.0	0.0
MXN denominated debt	0.0	0.0	0.0	54.3	29.1	29.1	-25.2
Gross debt	881.8	922.9	976.1	1030.2	1149.3	267.5	119.1
Net cash / (Net debt)	-413.4	-456.4	-589.1	-493.8	-742.9	-329.4	-249.1
Shareholders' equity (Equity)	98.3	108.2	122.9	127.3	57.3	-41.0	-70.0
Cash and equiv. / ST debt	1x	0.9x	0.7x	0,8x	0.5x	n/a	n/a
ST debt / (ST + LT)	52.6%	57.4%	60.9%	63.4%	65.0%	n/a	n/a
Net cash (Net debt) / Equity	-4.2x	-4.2x	-4.8x	-3,9x	-13x	n/a	n/a
Net debt / (Net debt + Equity)	80.8%	80.8%	82.7%	79.5%	92.8%	n/a	n/a

Outlook

❄️ 2020 outlook

❄️ Today we are well placed to continue our strong momentum across our markets, through our highly focused sales team which continues to work closely with our customers to deliver fully integrated, customized cold solutions in over 80 countries. Best in class manufacturing sites, innovative design teams and a unique asset management service offering, will help the global consumer companies that it serves, to optimize their sales objectives and sustainability goals. Our strong market position and financial discipline will ensure that we are well placed to make further progress in 2020 despite ongoing global macro-economic volatility.

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

❄️ Further growth in Lifecycle, expanding the use of our leadership in IoT

❄️ Growth in our new full-service Rental business

❄️ 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
- ❄ Margin Expansion
 - ❄ Cost Optimization
 - ❄ Higher value added products and services
 - ❄ Operating leverage
- ❄ New Platforms for Future Growth
 - ❄ Services
 - ❄ Geographic expansion
 - ❄ New Technologies
- ❄ Deleverage
 - ❄ Financial discipline – working capital and capital allocation
 - ❄ Improvement in operational performance

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