

Third Quarter 2019 Results

November 12th, 2019



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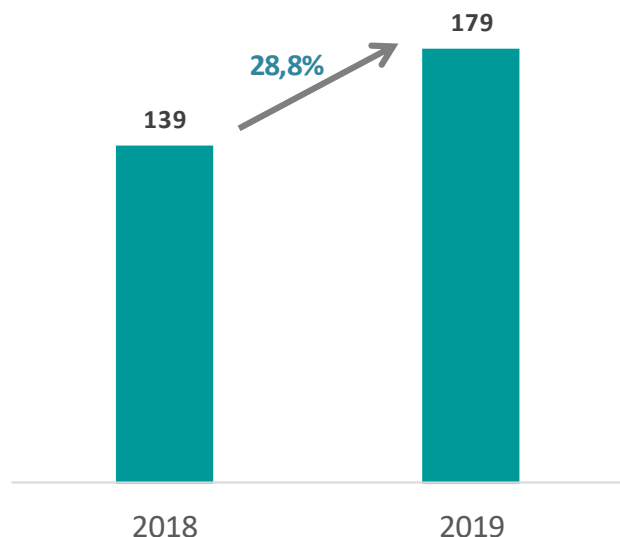
3Q19 Highlights

Million Reais	3Q19	3Q18	% var.	9M19	9M18	% var.
Revenues	309.7	220.8	40.3	1,105.9	873.7	26.6
Gross Profit	45.1	37.8	19.2	182.1	145.8	24.9
Operational Profit	12.6	10.6	18.6	72.4	59.7	21.3
Adjusted EBITDA	22.7	19.5	16.6	106.4	86.6	22.9
Net Profit	(10.3)	10.2	nm	23.7	(22.0)	nm

- ❄ 3Q19 Net Revenues up 40.3% to R\$309.7 million compared to the corresponding prior year period and 9 months revenues up 26.6% to R\$1,105.9 million; both periods at historical high levels
- ❄ Adjusted EBITDA for the quarter at R\$22.7 million up 16.6% vs 3Q18; and R\$106.4 million for the nine months of 2019 up 22.9% vs R\$86.6 million in 9M18
- ❄ Net Loss of R\$10.3 million in 3Q19 vs a Net Profit of R\$10.2 million in 3Q18. Net Profit of R\$23.7 million for the first 9 months of 2019 vs Net Loss of R\$ 22.0 million in 2018

Americas Operations

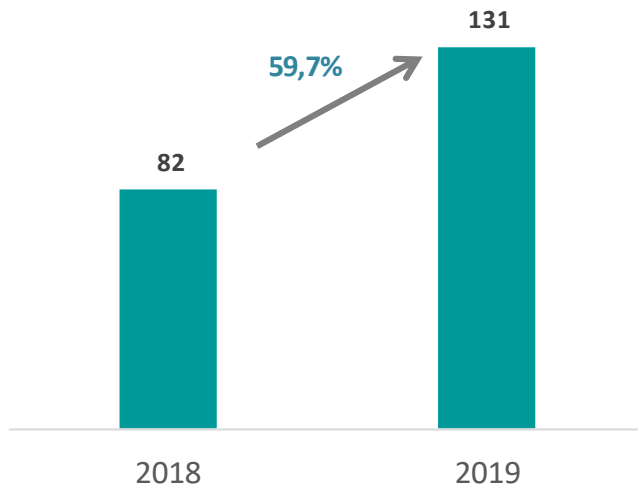
3Q19 sales (R\$179.0 million):



Americas highlights:

- ❄ Revenues increased by 28.8% vs. 3Q18 keeping the good momentum seen in last quarters
- ❄ **Revenues in Brazil grew 2.9% vs. 3Q18**
 - ❄ Further development of LifeCycle
 - ❄ Soft market conditions during the quarter
- ❄ **Revenues in Mexico increased 180.9% vs. 3Q18**
 - ❄ Market-share gain in existing accounts while establishing new customers
 - ❄ Innovative solutions through R&D investments.

3Q19 sales (R\$130.7 million):



Europe highlights:

- ❄ **Revenues up 59.7% to R\$130.7 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



Million reais	3Q19	3Q18	% var.
Adjusted EBITDA	22,7	19,5	16,6
Working Capital	268,9	193,3	39,1
Op. Cash Flow (YTD)	-90,9	70,1	nm
Capex (YTD)	54,9	31,8	72,6

- ❄ Adjusted EBITDA increased 16.6% vs 3Q18, driven by our growth in sales in both regions
- ❄ Due to the growth in Revenues, working capital requirements increased and resulted in a negative operational cash flow
- ❄ Capex increased around 73% due to the acquisition of an adjacent land plot during the 3Q19

Cash cycle days	3Q19	3Q18	Var.
Days of receivables	66	72	-6
Days of inventory	102	120	-18
Days of suppliers	105	104	1
Cash cycle	63	88	-25
Current Liquidity	1,1x	1.3x	n/a

Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ mn)	3Q18	4Q18	1Q19	2Q19	3Q19	Chg. 3Q19/ 3Q18	Chg. 3Q19/ 4Q18
Cash and equivalents, bonds and securities	411,2	544,7	468,3	466,6	387,0	-24,2	-157,7
Short term debt (ST)	388,5	496,1	464,2	529,8	594,1	205,7	98,0
Long term debt (LT)	536,9	382,8	417,5	393,2	382,0	-154,9	-0,8
USD denominated debt	164,9	132,2	51,2	19,2	21,2	-143,6	-111,0
BRL denominated debt	369,1	354,4	434,7	525,6	531,9	162,8	177,5
Euro denominated debt	391,3	392,3	395,8	376,6	421,3	30,0	29,0
Other Currencies	0,0	0,0	0,0	1,6	1,6	1,6	1,6
Gross debt	925,3	878,9	881,8	922,9	976,1	50,8	97,2
Net cash / (Net debt)	-514,1	-334,2	-413,4	-456,4	-589,1	-75,0	-254,9
Shareholders' equity (Equity)	64,5	87,4	98,3	108,2	122,9	58,4	35,5
Cash and equiv. / ST debt	1.1x	1.1x	1x	0,9x	0,7x	n/a	n/a
ST debt / (ST + LT)	42,0%	56,4%	52,6%	57,4%	60,9%	n/a	n/a
Net cash (Net debt) / Equity	-8x	-3,8x	-4,2x	-4,2x	-4,8x	n/a	n/a
Net debt / (Net debt + Equity)	88,9%	79,3%	80,8%	80,8%	82,7%	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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