

Third Quarter 2017 Results

November 10th, 2017



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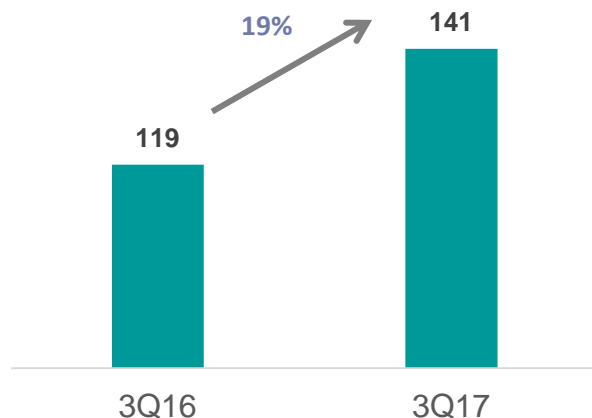
3Q17 Highlights

Reais million	3Q17	3Q16	% var.	2017	2016	% var.
Revenues	223.8	183.2	22.2%	727.3	793.3	-8.3%
Gross Profit	31.3	24.5	28.1%	112.6	123.2	-8.6%
Operational Profit	8.5	4.7	80.5%	43.1	50.9	-15.3%
Adjusted EBITDA	15.3	13.3	14.7%	66.0	76.9	-14.2%
Net Profit	20.2	(6.7)	n/a	1.1	35.5	-96.9%

- ❄ 3Q17 net revenues up 22.2% to R\$223.8 million compared to the corresponding prior year period; 9 month revenues down 8.3% to R\$727.3 million
- ❄ Gross Profit up 28.1% in 3Q17 to R\$31.3 million, and down 8.6% to R\$112.6 million for the 9 month period
- ❄ Adjusted EBITDA for the quarter up 14.7% at R\$15.3 million (3Q16: R\$13.3 million) and at R\$66.0 for the 9 month period (9M16: R\$76.9 million)
- ❄ Net Profit of R\$20.2 million in 3Q17 (3Q16: Net Loss of R\$6.7 million) and R\$1.1 million for the 9 month period (9M16: R\$35.5 million)
- ❄ Net debt of R\$417.6 million, versus R\$330.1 million at 3Q16 and R\$315.9 million at year end 2016.

Americas Operations

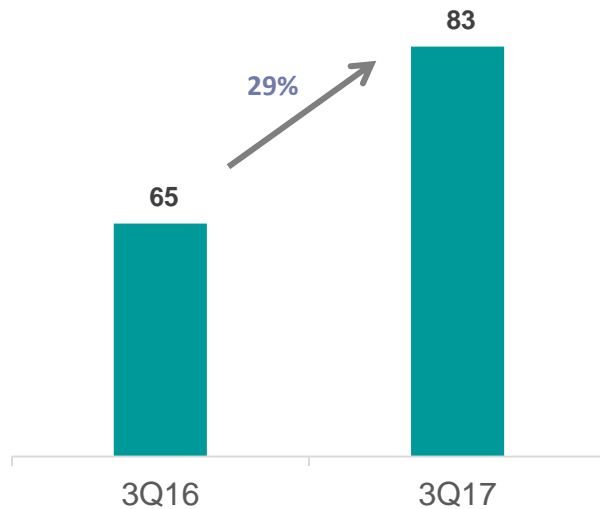
3Q17 sales (R\$140.6 million):



Americas highlights:

- ❄ Revenues increased by 18.5% vs. 3Q16 driven by the stronger demand in the second half of the year
- ❄ **Revenues in Brazil increased 24.7%** vs. 3Q16
 - ❄ Market conditions started a timid rebound
 - ❄ Progress in the Distributors channel, new contracts in LifeCycle and regional business development
- ❄ **Revenues in Mexico increased 11.1% in Mexican pesos**, marking further market share gains in the region also with notable Lifecycle contracts

3Q17 sales (R\$83.2 million):



Europe highlights:

- ❄ **Revenues up 28.9% to R\$83.2 million**, Turkey continued the growth seen in the last quarter.
- ❄ Turkey Revenues increased 53.8% in local currency, although affected by the 17.8% devaluation of the Turkish Lira.
- ❄ **Russia** increased its Revenues in 98.3% during the 3Q17, as some sales shifted to the third quarter of the year.

Initiatives

❄️ Active engagement with our customer base



❄️ Manufacturing Throughput and Productivity gains through Lean Management



❄️ Driving Lifecycle differentiator (Asset Management Services)

Life|Cycle

❄️ Innovation



neo1300



Cash Flow

R\$ Million	9M17	9M16	% var.
EBITDA	66.0	76.9	(14.2)
Working Capital	164.5	103.7	58.6
Op. Cash Flow	(25.0)	10.3	nm
Capex	24.3	25.3	(3.9)

- ❄ The higher working capital requirements by R\$60.8 million to R\$164.5 million led operational cash flow to consume R\$25.0 million due to the shift in order patterns in Europe.
- ❄ Capex was broadly flat with 3.9% decrease compared with last year comparable period
- ❄ Although the higher working capital demand in the third quarter, the increased sales level led cash cycle days almost flat compared to the 3Q16

Cash cycle days	3Q17	3Q16	Var.
Days of receivables	67	58	9
Days of inventory	85	92	-7
Days of suppliers	92	88	3
Cash cycle	60	61	-1
Current Liquidity	1.0x	1.4x	n/a

Liquidity/ Net debt

LIQUIDITY INDICATORS (R\$ mn)	3Q16	4Q16	1Q17	2Q17	3Q17	Chg. 3Q17/ 3Q16	Chg. 3Q17/ 4Q16
Cash and equivalents, bonds and securities	329.1	409.0	379.8	447.2	385.3	56.1	-23.8
Short term debt (ST)	246.1	283.7	551.0	657.3	520.5	274.3	236.7
Long term debt (LT)	413.1	441.2	197.7	222.5	282.4	-130.7	-158.8
USD denominated debt	451.1	454.6	483.9	547.0	499.4	48.3	44.8
BRL denominated debt	11.4	10.5	9.6	29.8	27.8	16.4	17.3
Euro denominated debt	196.8	259.8	254.3	303.0	275.6	78.9	15.8
Other Currencies	0	0	1.0	0.0	0.0	0	0.0
Gross debt	659.2	725.0	748.8	879.8	802.8	143.6	77.9
Net cash / (Net debt)	-330.1	-315.9	-369.0	-432.5	-417.6	-87.5	-101.6
Shareholders' equity (Equity)	150.4	121.8	139.8	116.0	126.1	-24.3	4.3
Cash and equiv. / ST debt	1.3x	1.4x	0.7x	0.7x	0.7x	n/a	n/a
ST debt / (ST + LT)	37.3%	39.1%	73.6%	74.7%	64.8%	n/a	n/a
Net cash (Net debt) / Equity	-2,2x	-2.6x	-2.6x	-3.7x	-3.3x	n/a	n/a
Net debt / (Net debt + Equity)	68.7%	72.2%	72.5%	78.9%	76.8%	n/a	n/a

Outlook

❄️ 2017 outlook

❄️ Vigilant and prepared for the uncertain macro economic environment and mindful of the impact of Turkish lira and Mexican peso devaluation. Nevertheless, confident in ability to further improve its underlying profitability and capital structure

❄️ Prioritise 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

❄️ Subsequent event: On October 2nd, 2017 Metalfrío received a letter from its Controlling Shareholder announcing his intention to, directly or through controlled companies, acquire the shares of Metalfrío's non-controlling shareholders, through a unified public tender offer for the cancellation of Metalfrío's publicly-traded company registration and withdrawal from B3 S.A - BRASIL, BOLSA, BALCÃO's Novo Mercado segment ("Novo Mercado").

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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