



Results presentation

2018 Q4

March 20th, 2019



Agenda

▶ Quarter's Highlights

Gennaro Oddone

▶ Market performance and operational indicators

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▶ Results

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▶ Return, cash flow and indebtedness

Ramón Pérez

▶ Capital Market and expectations

Gennaro Oddone
Ramón Pérez





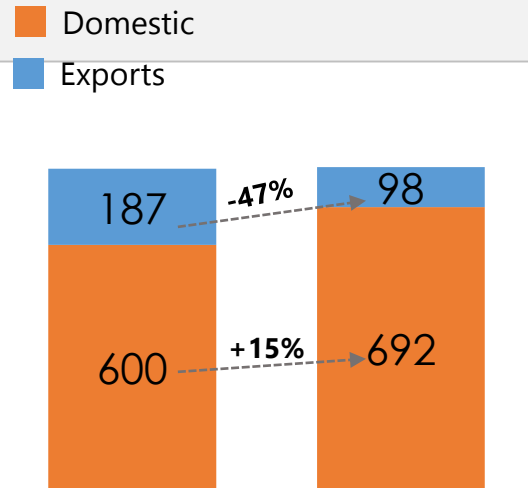
Quarter's Highlights

- ▶ **Results for 2018 reached record levels (R\$ 200 million in EBITDA and R\$ 108 million in Earnings) despite revenues still 21% lower than 2013**
- ▶ **New operation in Itirapina-SP for the Honda factory**
- ▶ **Proposal for additional dividends and interest on capital for 4Q18 / 2018**



Market performance and Tegma indicators (in thousand, except average distance)

Vehicle sales

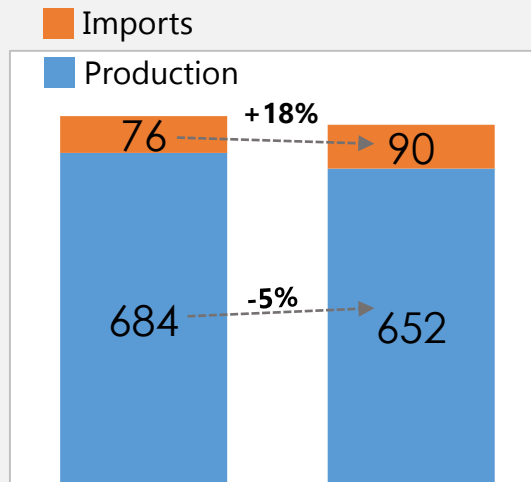


4Q17 4Q18

- ▶ The 15% growth of domestic sales reinforces the growth trend of the year which reflects the improvement of the economic scenario in Brazil, with growth of credit and consumer confidence.
- ▶ The exports of vehicles declined 47% were mainly affected by the crisis in Argentina.

Source: ANFAVEA

Imports and production

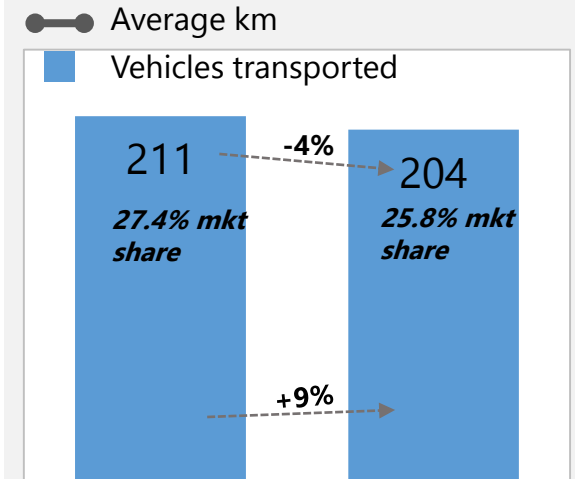


4Q17 4Q18

- ▶ The production decline reflects the exports performance. The importation growth due to domestic sales and the end of Inovar Auto Program, which made imports less competitive.

Source: ANFAVEA/Banco Central

Vehicles Tegma and distance



4Q17 4Q18

- ▶ The 4% decline of quantity transported by Tegma in 4Q18 reflects mainly the decrease of exports.
- ▶ The increase in the average distance reflects the reduction of the share of exports via port.

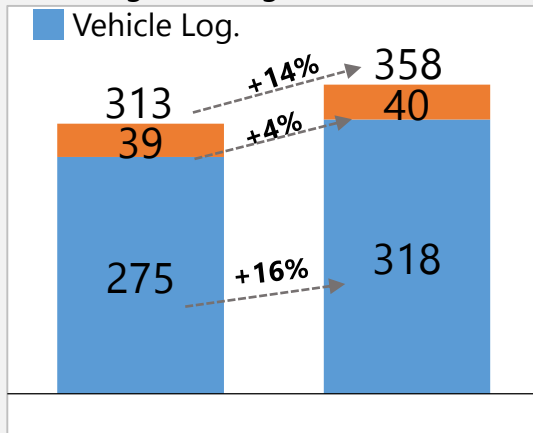


Tegma results

(in R\$ million |pro-forma disregarding Cariacica-ES operation and spontaneous denunciation)

Net Revenue per operation

Integrated Log.
Vehicle Log.

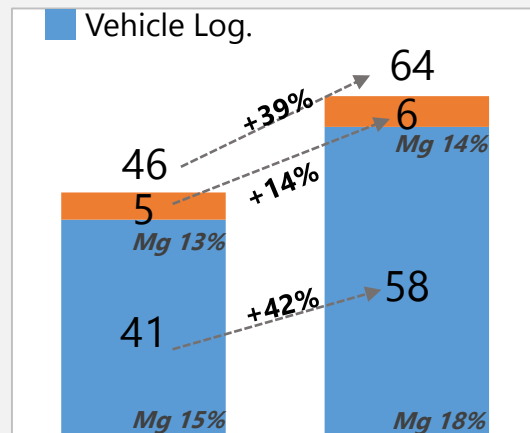


4Q17 4Q18

- ▶ The 16% growth of vehicle logistics revenue was due to the growth of average distance and price adjustments.
- ▶ The integrated logistics grew driven by performance of warehouse operation that conquered new clients.

Adj EBITDA per operation

Integrated Log.
Vehicle Log.

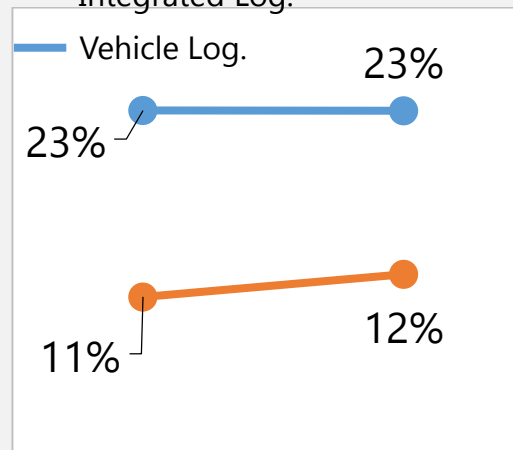


4Q17 4Q18

- ▶ The increment in the Adj EBITDA margin of vehicle logistics reflected the increase in revenues combined with cost and expense control.
- ▶ The adj EBITDA margins of integrated grew driven by revenue growth and cost control.

Mg EBIT adjusted

Integrated Log.
Vehicle Log.

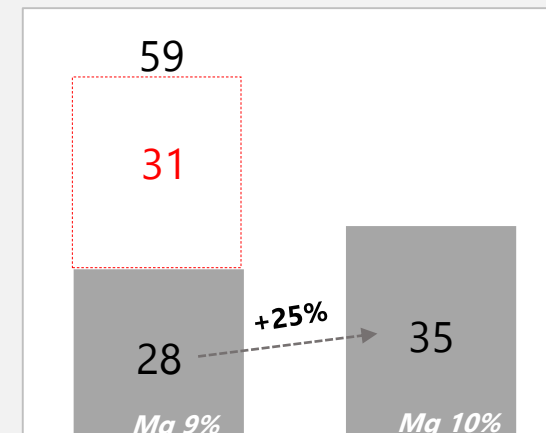


4Q17 4Q18

- ▶ Adjusted EBIT margin expanded 350 bps driven by revenue growth and cost and expenses control
- ▶ Integrated Logistics adjusted EBIT margin grew mainly driven by revenue growth and cost control.

Net Profit

Consolidated -N Recurri



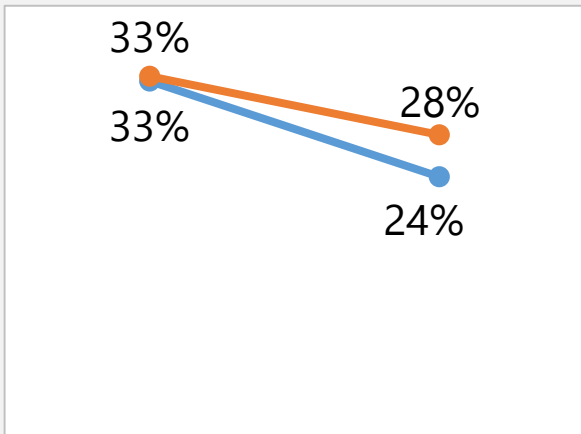
4Q17 4Q18

- ▶ The 25% growth of Earnings in 4Q18 (not considering the expressive positive non recurring event in 4Q17) YoY came from the operational improvement in the period and reduction in financial expenses.



Return, cash flow e indebttness (in R\$ million)

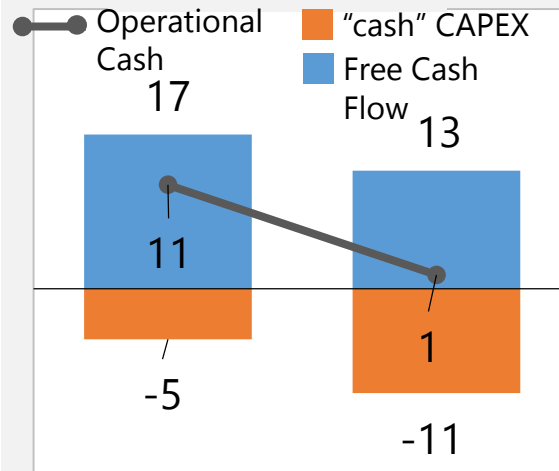
ROE and ROIC



3Q18 4Q18

▶ The reduction of returns is due to positive non recurring events from 4Q17 that are not anymore in TTM base, despite the operational leverage.

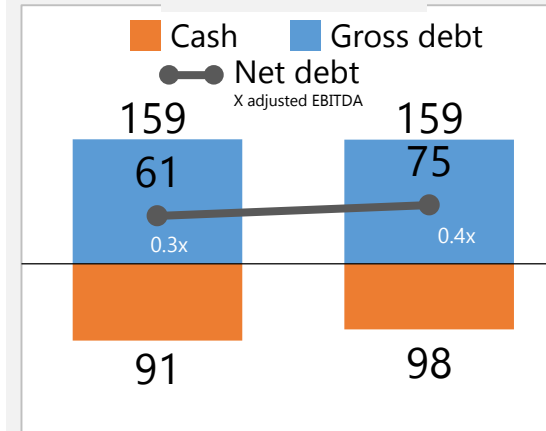
Free Cash Flow



4Q17 4Q18

▶ Operational cash was impaired by a higher cash to cash cycle and a higher CAPEX
 ▶ The 4Q18 CAPEX was higher vs 4Q17 due to improvements in a piece of land in Sorocaba to Support Toyota operation

Indebtness



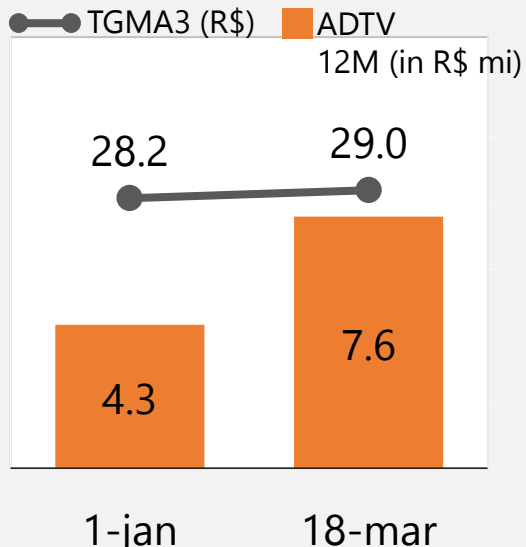
3Q18 4Q18

▶ Our leverage increased in 4Q18 vs 3T18 due to a lower free cash flow and the payment of 3Q dividends in 4Q



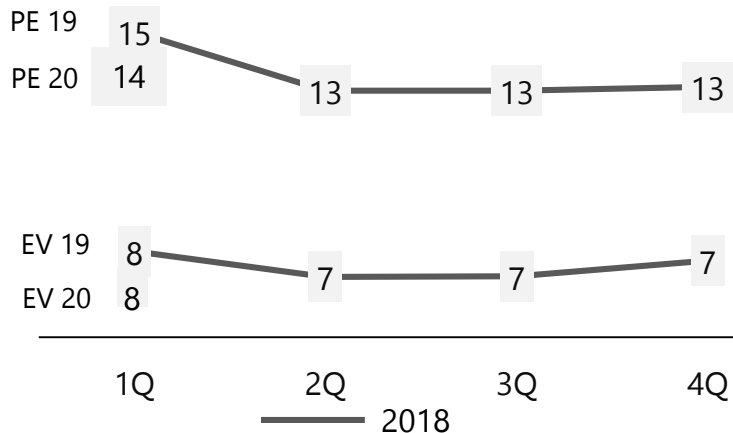
Capital markets and expectation

TGMA3



- ▶ Tegma's shares were up 3% YTD vs 13% of IBOV.
- ▶ TGMA3 ADTV of last 12 months were almost almost 75% vs the beginning of the year.

Multiples TGMA3



- ▶ The chart above reflects the evolution of quarter of Tegma's multiples over 2018 (referring to the expected results for 2019) and the same for 2019 (referring to the expected results for 2020).
- ▶ Over the 1Q19 TGMA was traded in similar levels of multiples vs 2018.

TGMA3 analysis

Rating Moody's

- ▶ Global B1
- Persp.: Stable
- ▶ National Baa2.br

Sell side Coverage:

- ▶ Safra, Itaú, BTG Pactual, Empiricus, BAML and Santander

Average target price:

- ▶ YE 19: R\$ 29.9

Q&A section



Gennaro Oddone – CEO and IRO
Ramón Pérez - CFO