Marcopolo

Teleconference
3Q18



IMPORTANT

Our estimates and future statements are largely based on current expectations and forecasts about future events and financial trends that impact or may impact our business. Many important factors may adversely impact our results as they are foreseen in our estimates and future statements. The words “we believe,” “we may,” “we intend,” “we estimate,” and other similar words are used to point out estimates and forecasts. Our considerations about estimates and future statements include information related to results and forecasts, strategies, financing plans, competitive standing, industry environment, potential growth opportunities, impact from future regulations, and impact from the competition. Such estimates and forecasts are related solely to the date on which they were made, and therefore we exempt ourselves from publicly updating or reviewing any such estimates as a result of new information emerging, future events or any other factors, save for the regulations in force to which we are subject.

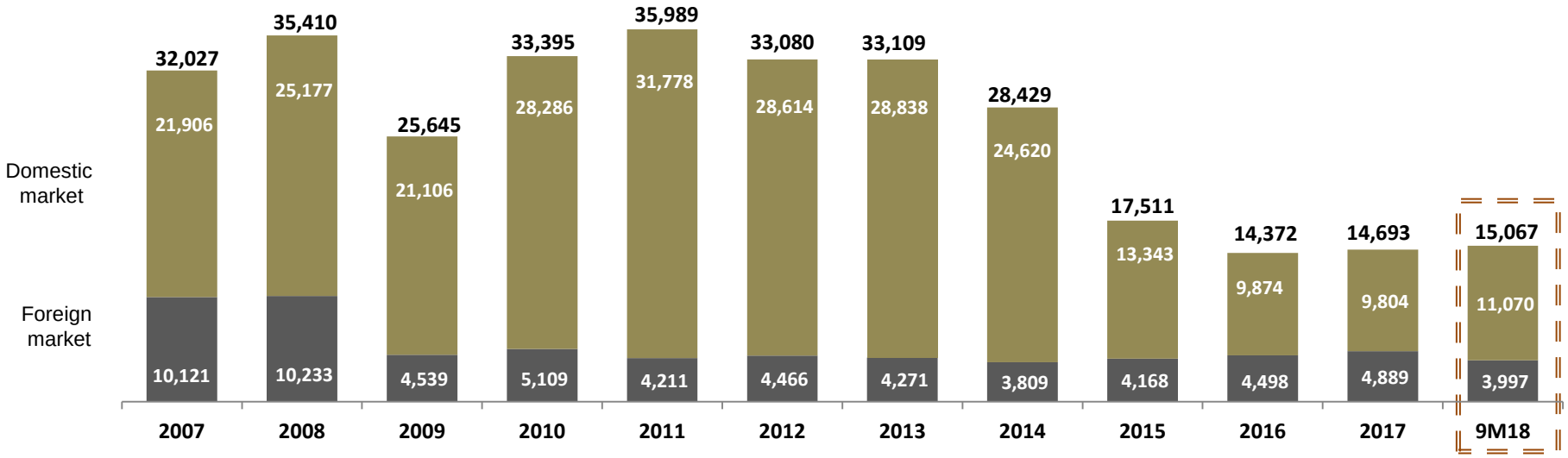
AGENDA

- Results
- Performance & Prospects
- Capital Market
- Operating and Financial Results

RESULTS

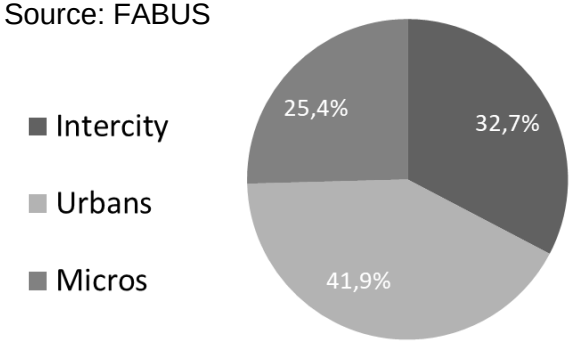
Brazilian Bus Output (un.)

Source: FABUS



Brazilian Bus Output per Segment

Source: FABUS



Segment	3Q18	3Q17	Δ3Q18/3Q17
Intercity	1.973	1.229	61%
Urbans	2.529	2.067	22%
Micros	1.535	695	121%
Total	**6.037**	**3.991**	**51%**

RESULTS

Marcopolo Output (un)

Market	3Q18	3Q17	Δ3Q18/3Q17
Brazil	3.642	1.531	138%
Exports	572	620	-8%
Units Abroad	608	510	19%
South Africa (MASA)	88	98	-10%
Australia (Volgren)	147	121	21%
China (MAC)	54	50	8%
Mexico (Polomex)	319	241	32%
Total Production	**4.822**	**2.661**	**81%**

RESULTS

Financial Results (BRL million)

	3Q18	3Q17	Δ 3Q18/3Q17
Total Revenue	**1.101,4**	**736,8**	**49,5%**
Domestic Revenue	654,2	338,6	93,2%
Export Revenue	183,2	195,3	-6,2%
Abroad Revenue	264,0	202,9	30,1%
Gross Profit	**183,1**	**112,3**	**63,0%**
Gross Margin	16,6%	15,2%	1,4 p.p.
EBITDA	**115,3**	**24,1**	**378,4%**
EBITDA Margin	10,5%	3,3%	7,2 p.p.
Net Profit	**64,7**	**15,7**	**312,1%**
Net Margin	5,9%	2,1%	3,8 p.p.

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PERFORMANCE & PROSPECTS – BRAZIL

- **Intercity:** Showed strong growth of volume and revenue pulled by the domestic market. Outlook is positive for 4Q18, with a good export backlog;

- **Urban:** Expressive growth of volumes, driven by the demand of the Road to School program and by fleet renewal due to the better economy environment;

- **Road to School:** 1,038 units were produced in 3Q18, showing strong growth after four years of decline. Good volumes' outlook for both in 4Q18 and 1H19;

- **Exports:** Still remains a positive trend, with more concentrated sales to Latin America from 2H18;

- **Optimization of Plants:** Continues with the process of factory optimization, with the construction of the Central Manufacturing Plant and the gradual shutdown of the Planalto's unit;

- **Costs:** Marcopolo seeks to equate increases in labor and inputs through increased efficiency, continuing the development of the Lean methodology, including reducing waste and better inventory management.

PERFORMANCE & PROSPECTS – FOREIGN UNITS

- **MAC (China):** Unit is seeking to prospect business in new regions, obtaining an 8% increase in production volume in 3Q18. Inaugurated the new painting.
- **MASA (South Africa):** Due to the economic slowdown in that country, MASA has been showing below-expected results. Outlook is positive for 4Q18;
- **Metalpar / Metalsur (Argentina):** Market continues to suffer the consequences of the Argentine crisis, affecting strongly the production of local plants;
- **New Flyer (Canada / USA):** Remains reporting robust results. Marcopolo and NFI continue to study the introduction of a Volare model in the North American market;
- **Polomex (Mexico):** After a weak 1H18, the unit expand its market share, recovering healthy levels of profitability from relevant orders confirmed in 2Q18;
- **Superpolo (Colombia):** Operation continues as planned for the year, with growth bias for the remainder of the year;
- **TMML (India):** Due to the market seasonality, the unit reported a lower result, but has managed to reduce seasonal instability through product diversification;
- **Volgren (Australia):** Despite showing growth in units, the operation has been suffering from production problems throughout the year. Company has been seeking solutions aimed at resuming the profitability of the operation in 4Q18.

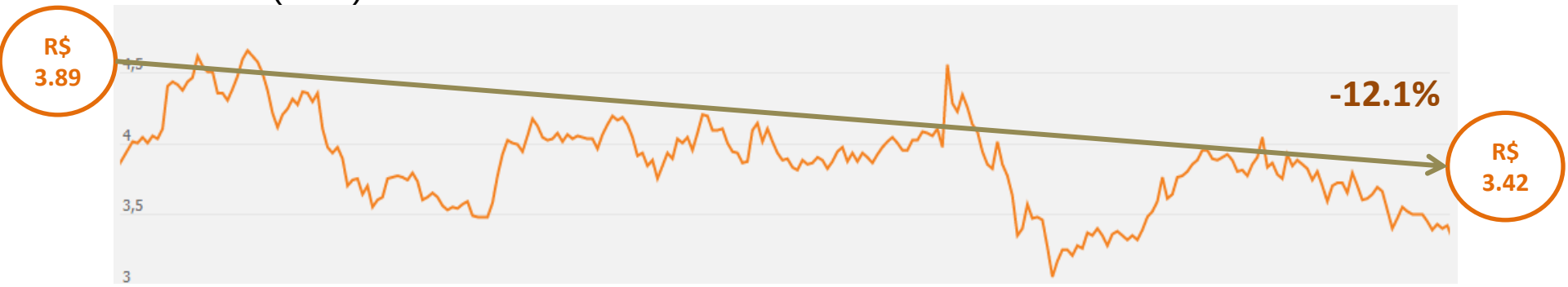
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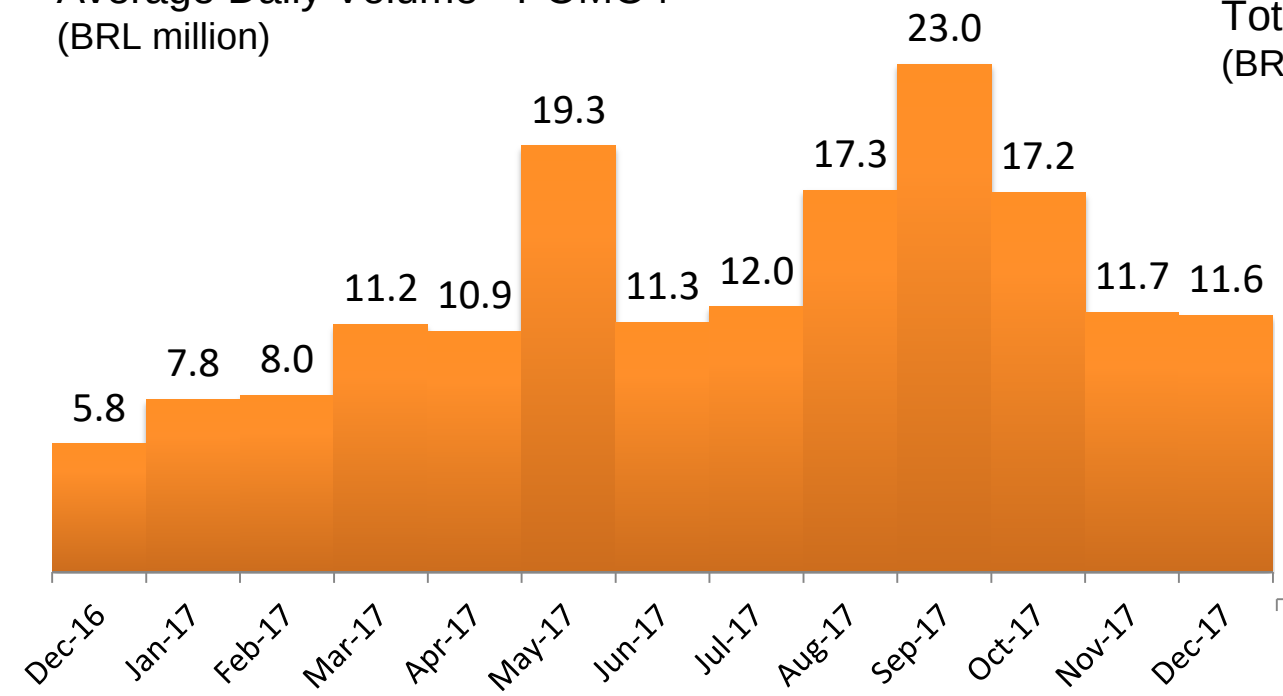
- Operating and Financial Results

CAPITAL MARKET

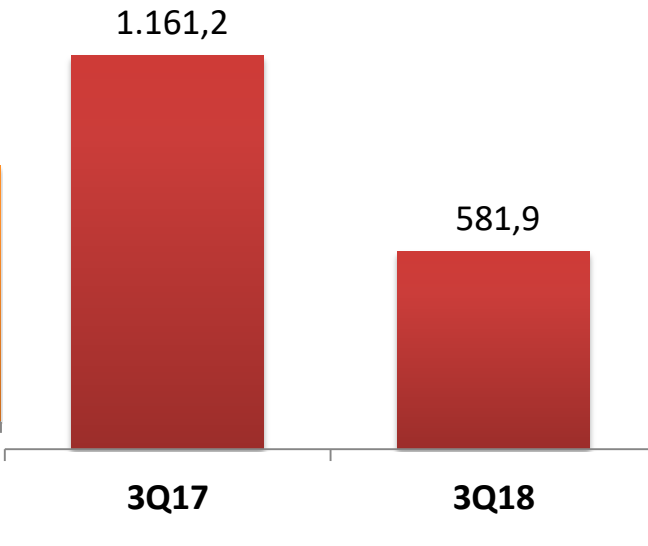
POMO4 chart (LTM)



Average Daily Volume - POMO4
(BRL million)



Total Volume - POMO3 | POMO4
(BRL million)

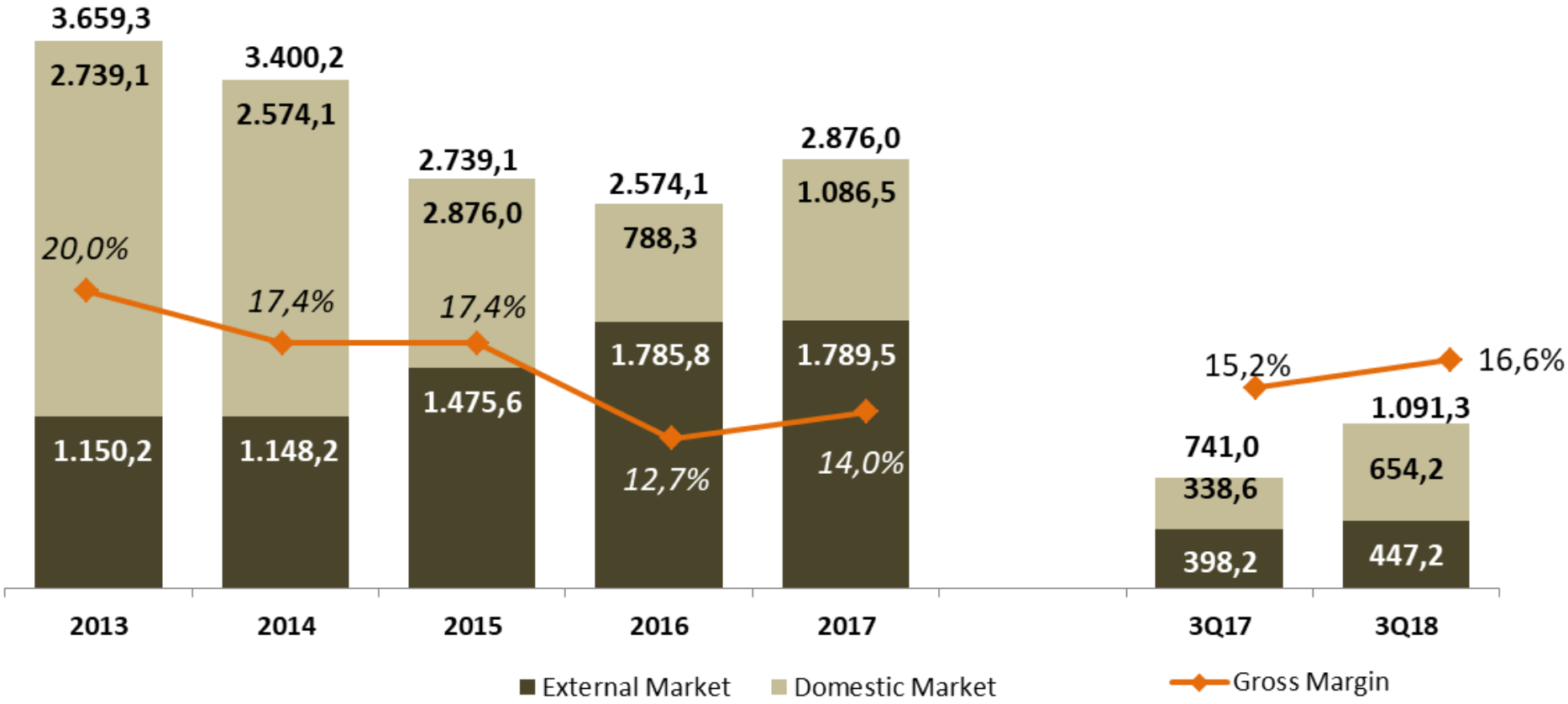


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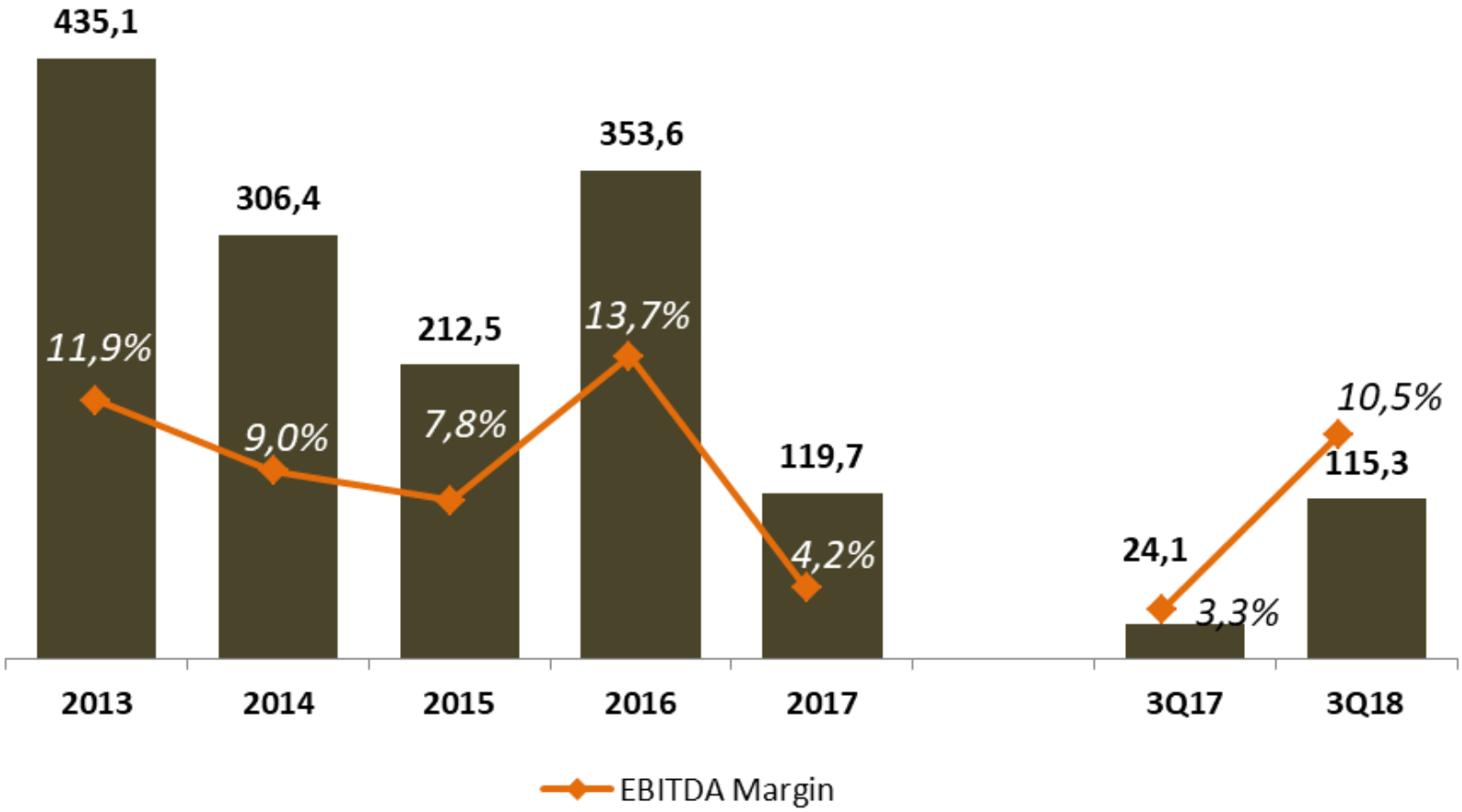
OPERATING AND FINANCIAL RESULTS

Net Income (BRL million) – DM and EM



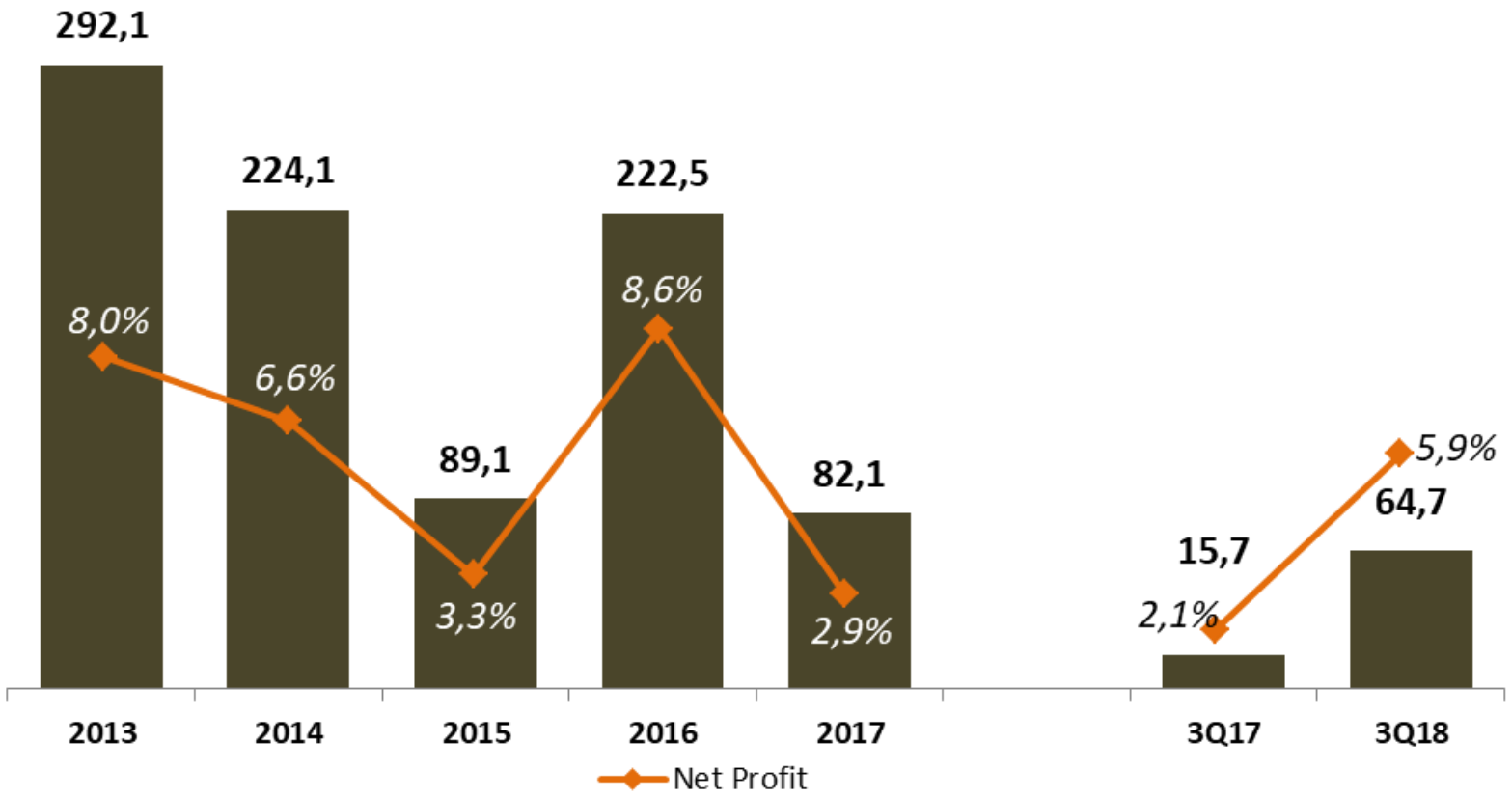
OPERATING AND FINANCIAL RESULTS

EBITDA (BRL million)



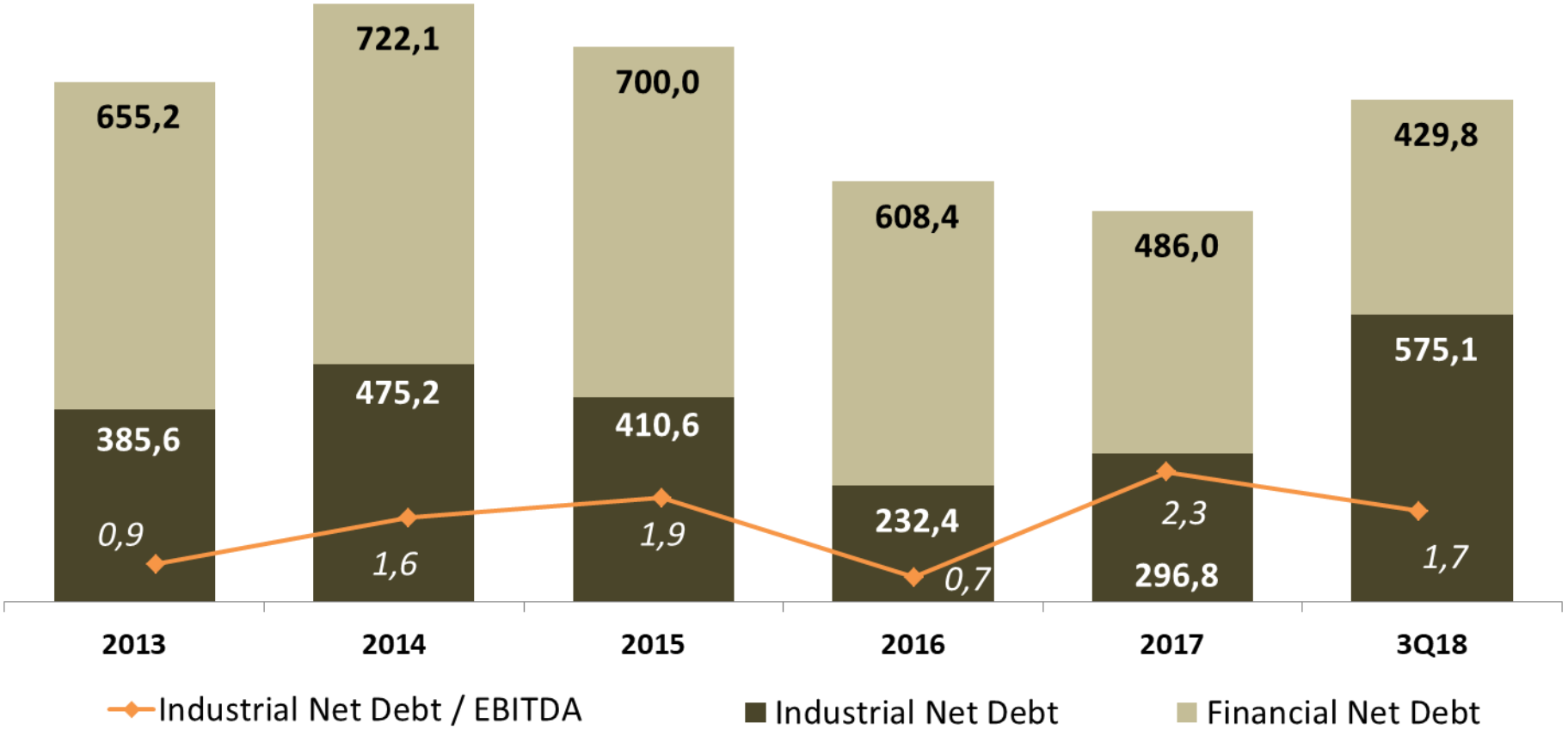
OPERATING AND FINANCIAL RESULTS

Net Profit (BRL million)



OPERATING AND FINANCIAL RESULTS

Indebtedness (BRL million)
Industrial Net Debt / EBITDA (in multiples)



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