Disclosure of 3Q17 Results



Presentation:

Francisco Gomes Neto
CEO

José Antonio Valiati
CFO & Investor Relations Officer

Eduardo Frederico Willrich
Investor Relations Coordinator

DISCLAIMER

Our forward-looking statements and statements are largely based on current expectations and projections about future events and financial trends that affect or may affect our business. Many important factors may adversely affect our results, such as those anticipated in our forward-looking statements. The words "believes,“ “hopes," “forecast,“ "intends," and other similar words are intended to identify estimates and projections. Forward-looking statements include information relating to results and projections, strategies, financing plans, competitive position, sectoral environment, potential growth opportunities, the effects of future regulations and the effects of competition. Such estimates and projections refer only to the date they were expressed, and we do not undertake to publicly update or revise any of these estimates due to the occurrence of new information, future events or any other factors, subject to the regulations in force at that we submit to.

OUTLINE

- 3Q17 Highlights
- Analysis & Prospects
- Operating and Financial Results
- Capital Market

HIGHLIGHTS - FIRE AT ANA RECH UNIT

Date: Occurred on September 3 at the Plastics plant (unit of Ana Rech), located in Caxias do Sul;

General details: The accident compromised, in addition to the warehouse, inventories, machinery and equipment, all covered by insurance, and motivated the stop until the viability of the making of tools and the production of the parts by alternative sources;

Impacts on Income: The amount reported in other operating expenses was BRL 17.7 million. In addition, the Company is evaluating the impact related to the fixed assets and inventories related to the event, however, based on the coverage contracted with the insurance, no significant losses are expected;

Production: As of September 18, the Ana Rech unit returned to produce 6 urban busses per day, and on the 25th of the same month, added the production of 6 intercity busses per day, then returning on October 9 to the normal volume of production in this unit, which was 18 buses per day before the fire;

Backlog: Despite the fire, order cancellations were minimal, so units that are no longer manufactured must be produced in subsequent months. The Company continued to obtain consistent volumes of orders, both for export and for the domestic market, and its backlog is closed for 4Q17.

HIGHLIGHTS

	3Q17	Δ 3Q17/3Q16
Brazilian Bus Production		
• Domestic Market:	2,857 units	+12.4%
• External Market:	1,134 units	-18.6%
• Total Market:	3,991 units	+1.4%
Marcopolo		
Production / Destination		
• Domestic Market:	1,531 units	+31.8%
• Exports:	620 units	-35.4%
• Overseas:	460 units	-13.4%
• Total:	2,611 units	-1.6%
• Brazilian Market Share in 1Q17:	44.6%*	

* Volare is not counted for purposes of market share in Brazil.

HIGHLIGHTS

	3Q17	Δ 3Q17/3Q16
• **Total Net Revenues:**	**R$ 736.8 million**	**+4.0%**
• Internal Market:	R$ 338.6 million	+89.2%
• Exports:	R$ 195.3 million	-35.4%
• South Africa:	R$ 21.6 million	-5.8%
• Mexico:	R$ 66.1 million	-23.4%
• Australia:	R$ 94.7 million	-5.4%
• China:	R$ 20.1 million	+16.5%
• **Gross Profit:**	**R$ 112.3 million**	**+44.3%**
Gross Margin:	**15.2%**	**+4.2pp**
• **EBITDA:**	**R$ 24.1 million**	**-91.2%**
EBITDA Margin:	**3.3%**	**-38.3pp**

Adjusted EBITDA of BRL **55.8 million** and **EBITDA Margin** of **7.6%**, excluding the non-recurring costs related to the fire and the incident in China.

• **Net Profit:**	**R$ 15.7 million**	**-91.2%**
Net Margin:	**2.1%**	**-23.1pp**

OUTLINE

- 3Q17 Highlights
- Analysis & Prospects
- Operating and Financial Results
- Capital Market

ANALYSIS & PROSPECTS - BRAZIL

- ✓ Demand: more consistent backlog, with heated demand in the intercity segment. Visibility until January 2018;
- ✓ Urban market remains under pressure, but indication of greater economic growth in 2018 has contributed to the beginning of the process of renewal of fleets;
- ✓ Intercity market is still heated, especially the interstate and charter segments, due to the need to reduce the average age in according with ANTT rules in the case of interstate and the more positive outlook regarding economic activity in the country and signs of improvement in the market in the case of charter segment;
- ✓ Exports: even with a appreciation in the exchange rate, sales from Brazil continue to show a good perform; For 4Q17 and 2018, the outlook continues positive with important deals already closed;
- ✓ Company continues to experience the benefits brought by the revitalization of the Marcopolo Solidarity Production System, with application of the LEAN concepts, which will be strengthened to the extent of volumes recovery;
- ✓ Neobus: ongoing actions to optimize product portfolio and fixed costs;
- ✓ Plant optimization: South Hub - Defined tactical plane. Ongoing transfer of activities from the Planalto plant to the Neobus plant; North Hub - advanced studies to define production strategy.

ANALYSIS & PROSPECTS – OVERSEAS

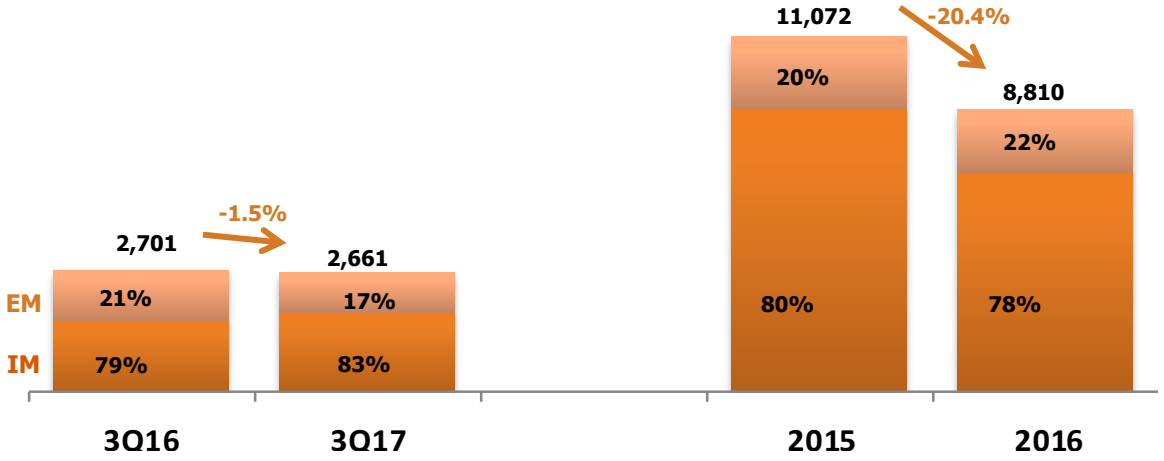
- ✓ **MAC**: The unit is showing good margins on parts; Backlog is closed for 4Q17;
- ✓ **MASA:** After the implementation of LEAN, the unit already shows evolution in its operational efficiency;
- ✓ **Metalpar/Metalsur:** Metalpar maintains an optimistic outlook and must deliver above budget. Positive outlook for the beginning of the year. Metalsur began selling the new intercity model;
- ✓ **New Flyer:** The excellent operational performance stands out. Advancing cooperation project to introduce Marcopolo products in that market;
- ✓ **Polomex:** Even with internal market uncertainties, Polomex increased its market share;
- ✓ **Superpolo:** It should be a year with a stable result, delivering what was budgeted;
- ✓ **TMML:** The unit has been reporting good sales volumes and is managing to reduce the impact of seasonality in periods of lower demand. Ongoing introduction of new products with higher added value;
- ✓ **Volgren:** Despite the lower volume produced and the less favorable market conditions, the unit has increased its market share.

OUTLINE

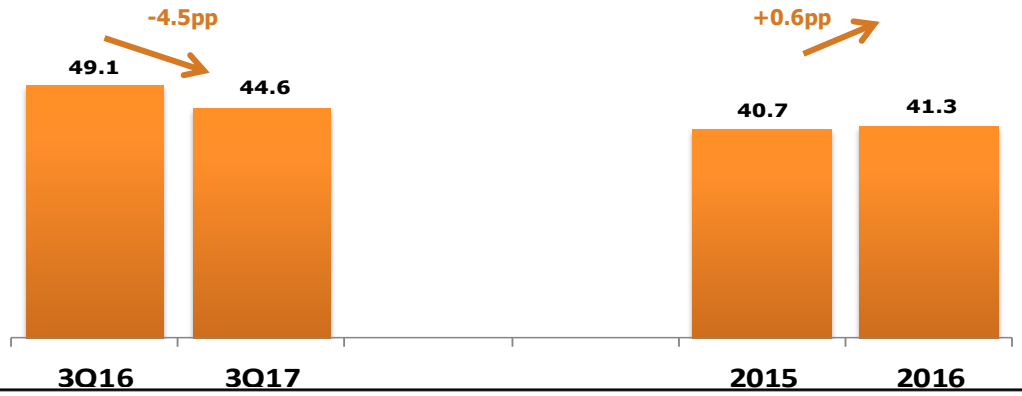
- 3Q17 Highlights
- Analysis & Prospects
- Operating and Financial Results
- Capital Market

TOTAL PRODUCTION (units) & MARKET SHARE (%)

Marcopolo's Total Production

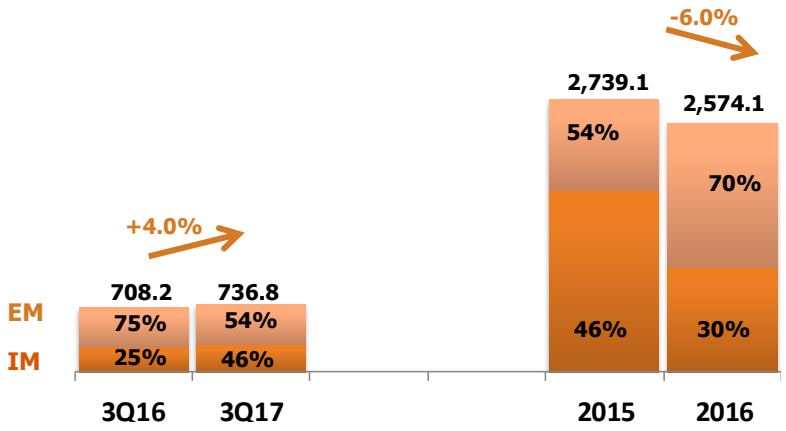


Marcopolo's Market Share in Brazil

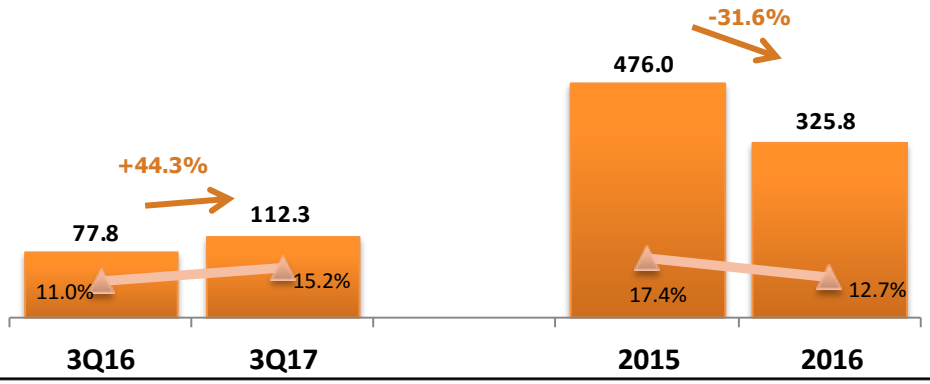


FINANCIAL HIGHLIGHTS (R$ Million)

Total Net Revenues

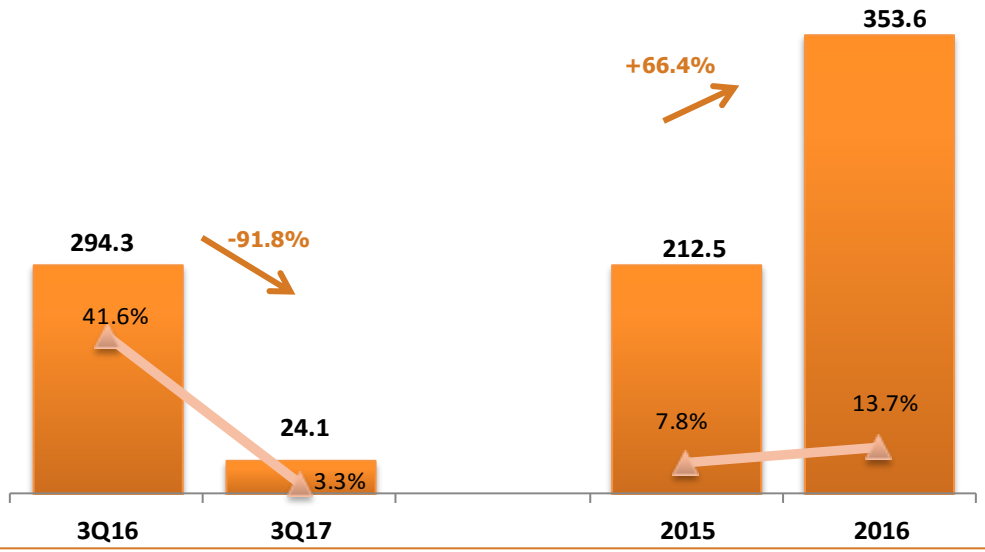


Gross Profit and Margin

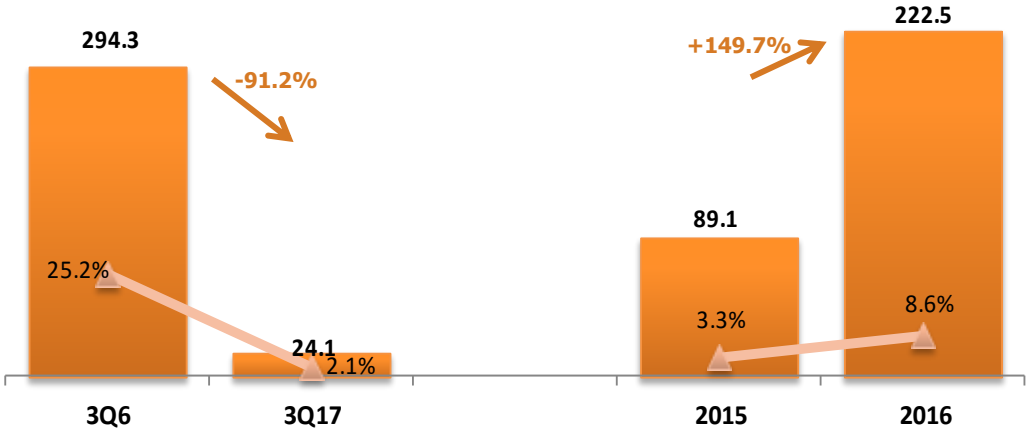


FINANCIAL HIGHLIGHTS (R$ Million)

EBITDA and Margin

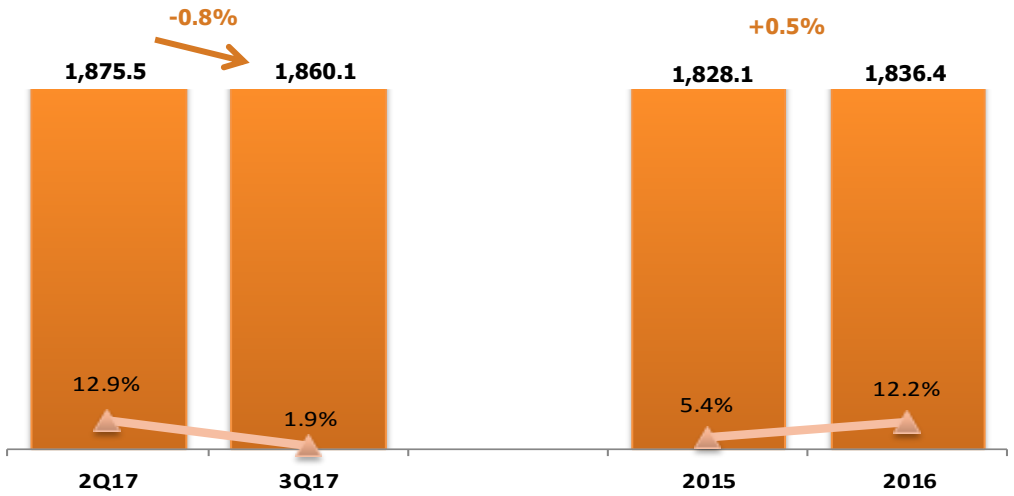


Net Profit and Margin

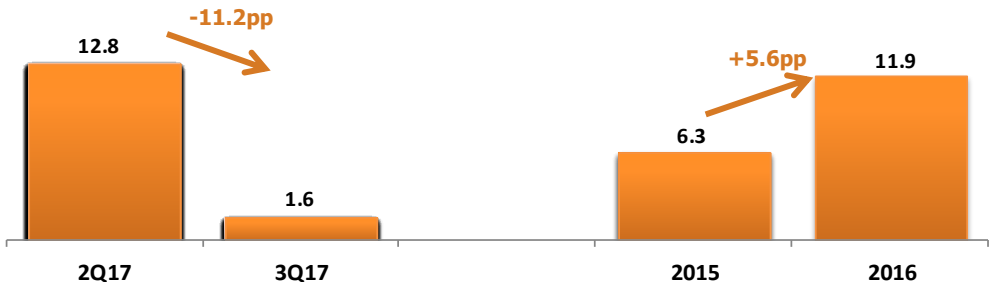


FINANCIAL HIGHLIGHTS (R$ Million)

Net Equity & ROE

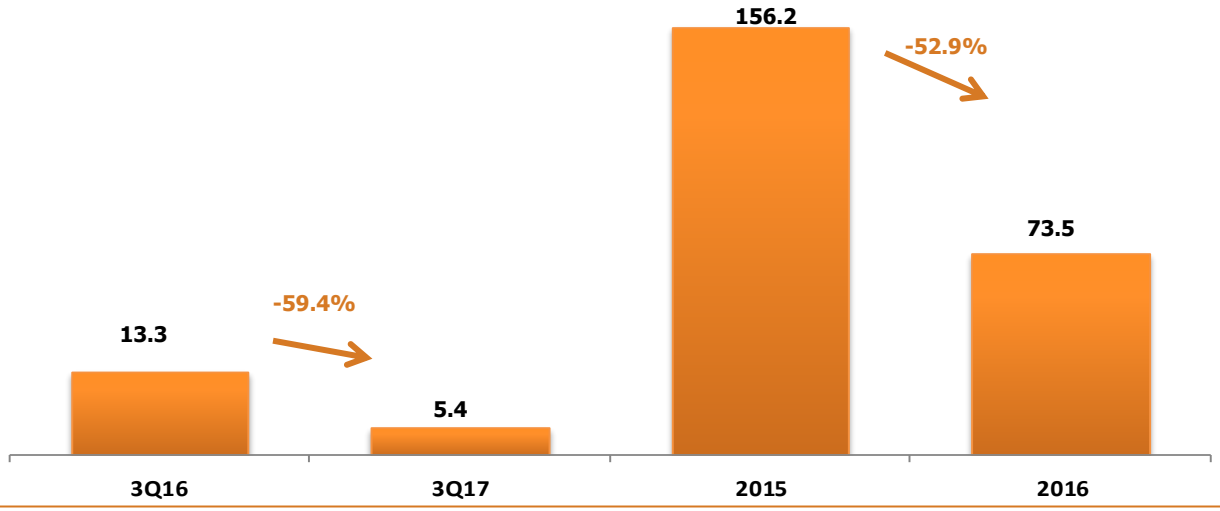


ROIC (%)

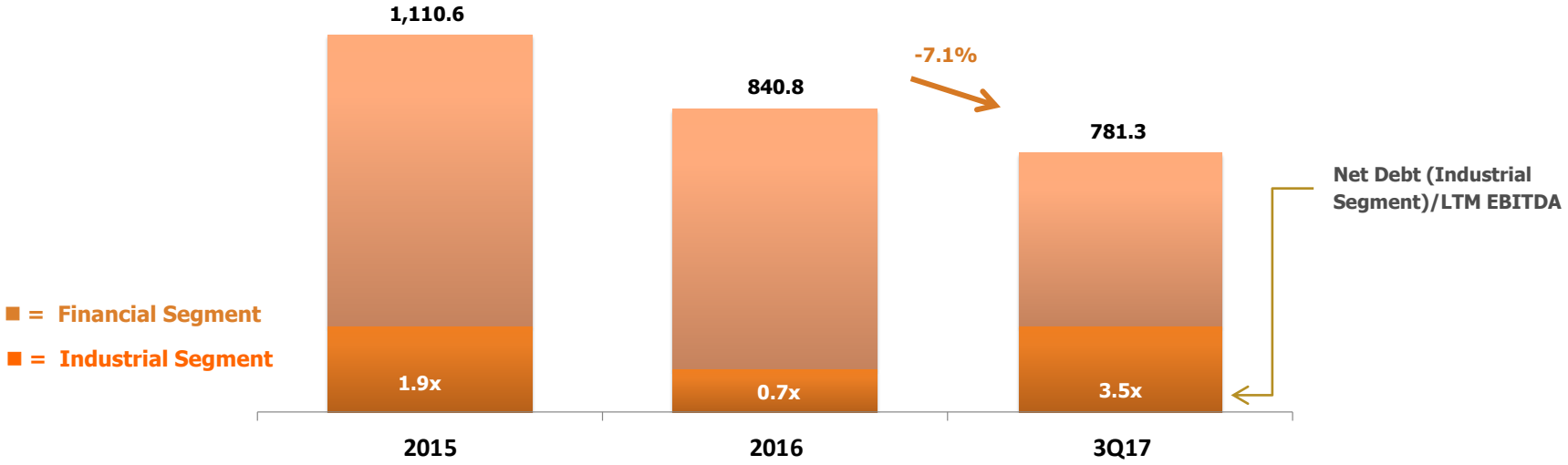


FINANCIAL HIGHLIGHTS (R$ Million)

Investments



Net Indebtedness

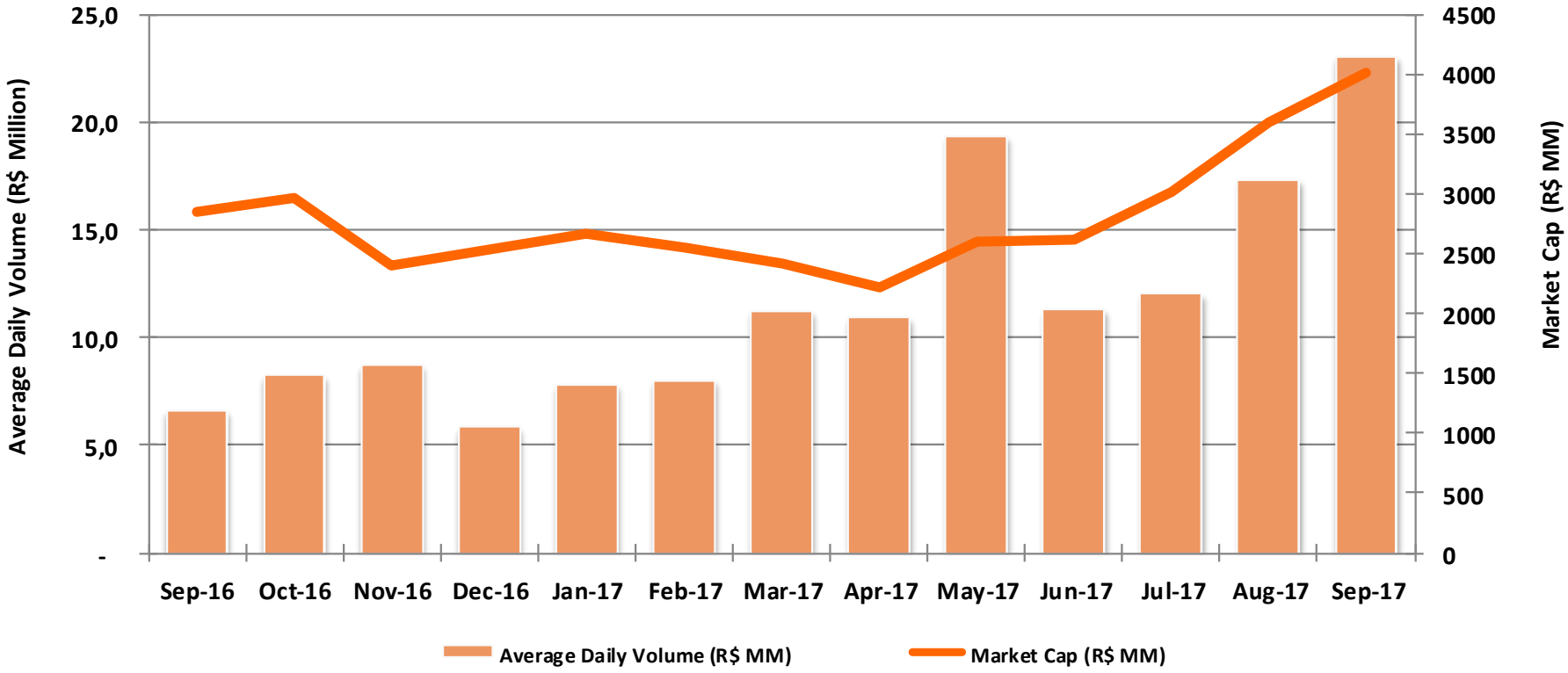


OUTLINE

- 3Q17 Highlights
- Analysis & Prospects
- Operating and Financial Results
- Capital Market

SHARE LIQUIDITY & VALUATION

Marcopolo PN - POMO4



INVESTOR RELATIONS CONTACTS

José A. Valiati
CFO & Investor Relations Director
jose.valiati@marcopolo.com.br
Tel: + 55 (54) 2101.4600

Eduardo F. Willrich
Investor Relations Coordinator
eduardo.willrich@marcopolo.com.br
Tel: + 55 (54) 2101.4660

Rafael L. Ritter
Investor Relations Analyst
rafael.ritter@marcopolo.com.br
Tel: +55 (54) 2101.4950

Varleida C. P. Perin
Investor Relations Analyst
varleida.perin@marcopolo.com.br
Tel: +55 (54) 2101.4663

ir.marcopolo.com.br
ri@marcopolo.com.br