



Results presentation
2018 first quarter

May 9th, 2018

Agenda

- ▶ Market performance and operational indicators
- ▶ Results
- ▶ Cash flow
- ▶ Investments
- ▶ Indebtedness

Gennaro Oddone

Gennaro Oddone

Ramón Pérez

Ramón Pérez

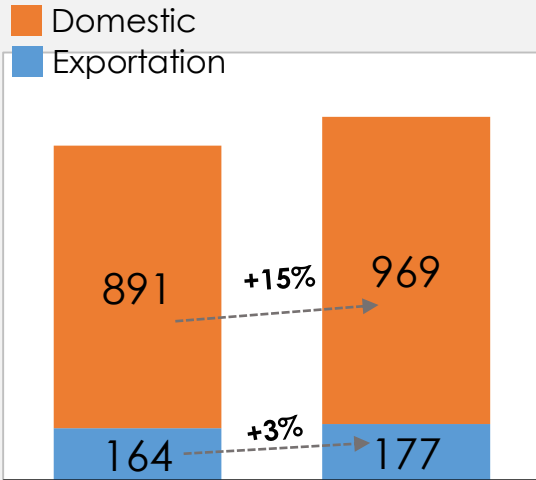
Ramón Pérez





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

Vehicle sales

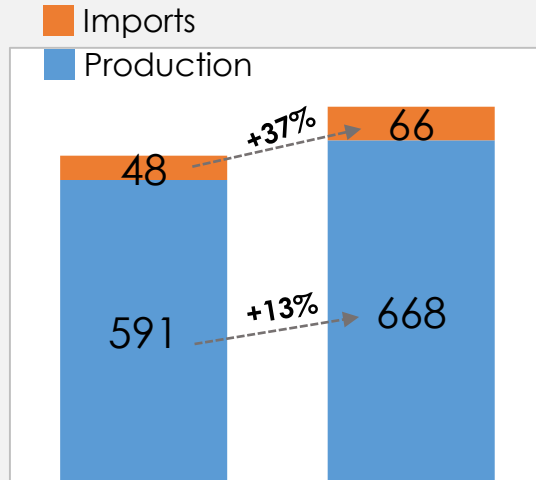


1Q17 1Q18

- ▶ The 15% growth in domestic sales reflects the improvement of the economic scenario in Brazil, with credit growth and consumer confidence.
- ▶ The export of vehicles grew 3%, lower than the growth of 2017

Source: ANFAVEA

Imports and production

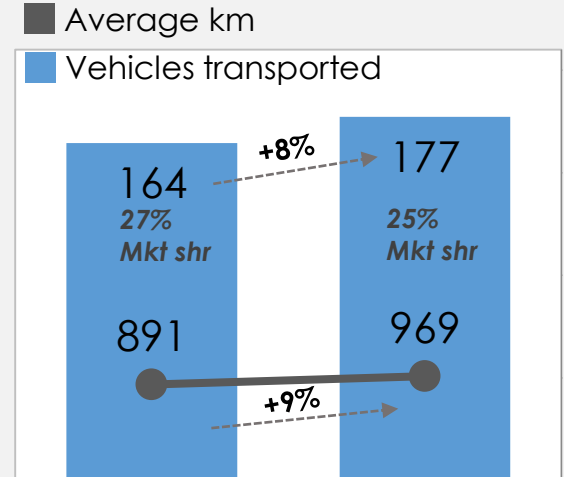


1Q17 1Q18

- ▶ The growth of production and importation occurred to supply the increase in domestic sales and because of the end of the benefits / surcharges of the Auto Inovar Program.

Fonte: ANFAVEA/Banco Central

Vehicles Tegma and distance



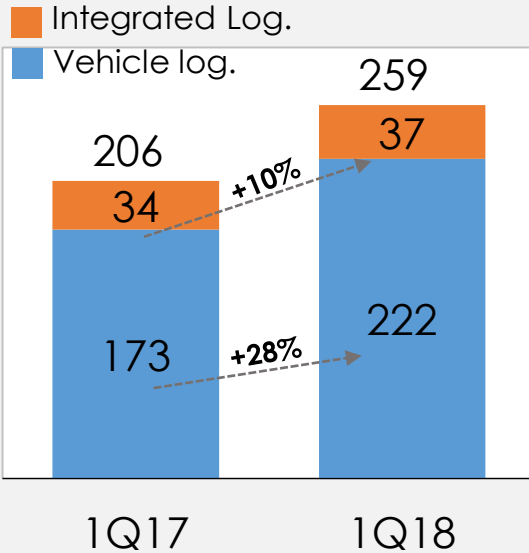
1Q17 1Q18

- ▶ The lower growth of the quantity transported by Tegma and the loss of mkt share was due to the stoppage of the factories of a major customer for five weeks for the expansion and modernization of the production line.
- ▶ The increasing average distance of travel reflects the growth of domestic and export travel mileage.



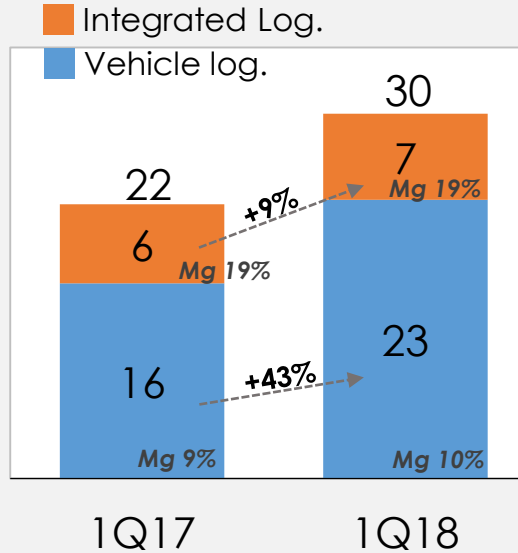
Tegma results (in R\$ million | pro-forma disregarding Cariacica-ES operation)

Net revenue per operation



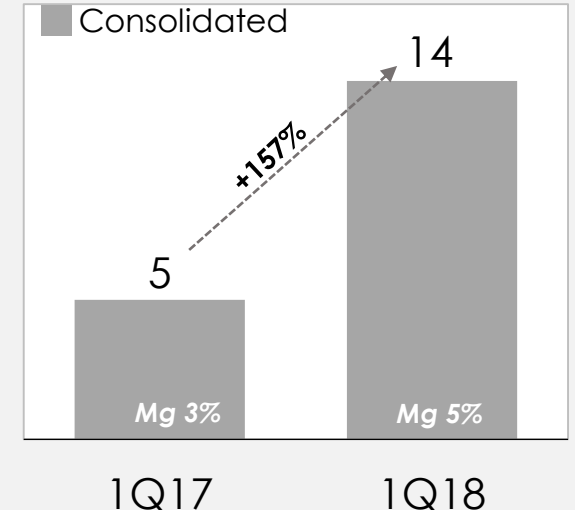
- ▶ The 28% growth in revenue from vehicle logistics was due to the growth of # of vehicles transported, of average distance and of other services
- ▶ Integrated logistics growth was driven by the warehouse operation

EBITDA per operation



- ▶ The vehicle logistics EBITDA margin increase reflects higher revenue, but was negatively impacted by non-recurring expenses.
- ▶ Despite the integrated logistics division revenue growth, the margins remained stable.

Net profit

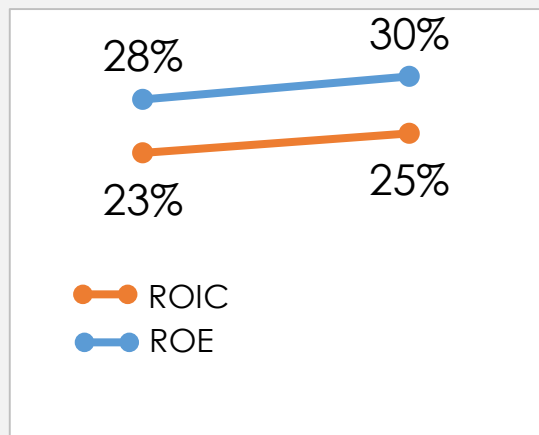


- ▶ The net profit growth was due to the operational improvement in the period and the reduction of the financial result, given the drop in leverage and in interest rates.



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

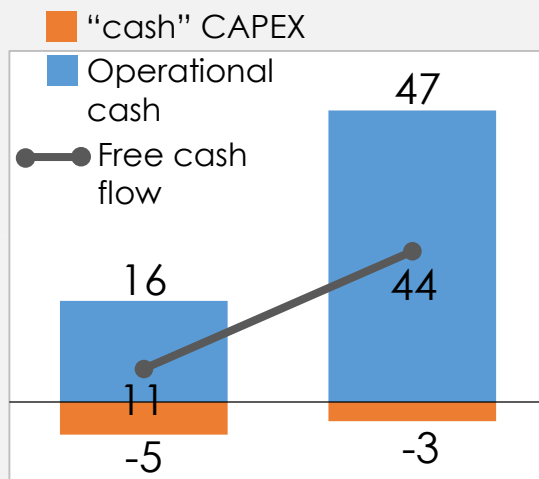
ROE and ROIC



4Q17 1Q18

▶ The increase in ROE and of ROIC reflects the operational improvement in the period and the reduction of the financial result, besides the reduction of the financial leverage of the company.

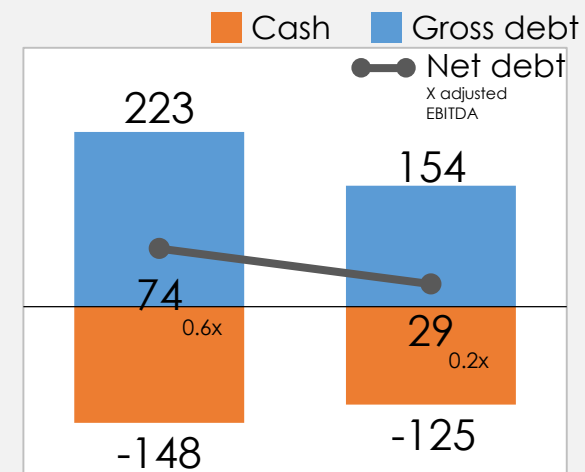
Free cash flow



1Q17 1Q18

▶ The operational cash flow growth in 1Q18 was driven by the use of R\$ 27 million PIS/COFINS tax credit.
▶ The cash CAPEX for 1Q18 was of R\$ 3 million, lower vs 1Q17 due to the fact that there were no investments in contract renewals

Indebtness



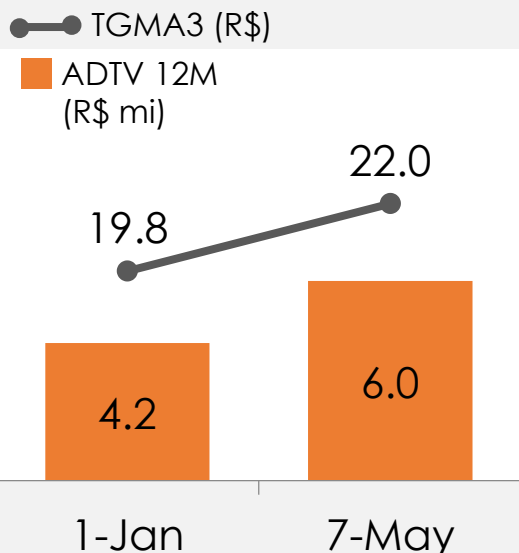
4Q17 1Q18

▶ In February we payed R\$ 71million of debt.
▶ The cash was impacted by the debt payment but also by the positive free cash flow.
▶ In March, we hadn't paid the R\$ 38 million dividends



Capital markets and expectation

TGMA3



- ▶ A valorização das ações ao longo de 2018 reflete a melhora da economia brasileira e das vendas de veículos e os resultados positivos do 4T17
- ▶ O volume diário médio dos últimos 12 meses apresentou uma melhora de 50%

TGMA3 analysis

Rating Moody's

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

Coberturas Sell side

- ▶ Itaú, Safra, BTG Pactual, Empiricus, BAML and Santander
- ▶ Average target price YE 18:
R\$ 25.2

Administration focus

- ▶ Rota 2030 discussions.
- ▶ Consumer confidence expectations.
- ▶ Decrease of basic interest rates and increase of automotive credit

Q&A section



Gennaro Oddone - CEO and IRO
Ramón Pérez- CFO