



**Results presentation**  
**2018 second quarter and first semester**

August 8<sup>th</sup>, 2018



# Agenda

▶ Quarter's Highlights

Gennaro Oddone

▶ Market performance and operational indicators

Gennaro Oddone

▶ Results

Gennaro Oddone

▶ Return, cash flow and indebtedness

Ramón Pérez

▶ Capital market and expectations

Gennaro and Ramón



## Quarter's highlights

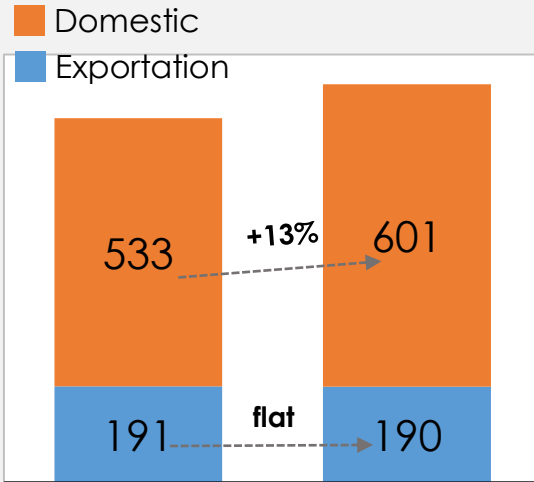
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- ▶ **Trucker's strike in May affected our operation for 11 days**
- ▶ **Dividend and IOC distribution related to 1S18 profit**  
(R\$ 0.31 per share and 5.0% div yield in the last 12 months).
- ▶ **Acquisition of a piece of land in Sorocaba for Toyota operation**  
(Support yard which investment amount R\$ 21 million).
- ▶ **R\$ 50 million in new financing loan**  
(Payment due to two years, cost of CDI + 0.89% p.y, for debt rollover of a previous debt that expired in June 2019 and that cost CDI + 2% p.y)
- ▶ **New GDL storage client**  
(New distribution center of Drogarias Pacheco and Drogaria São Paulo in Serra-ES, with 7 thousand sqm of area).



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

## Vehicle sales

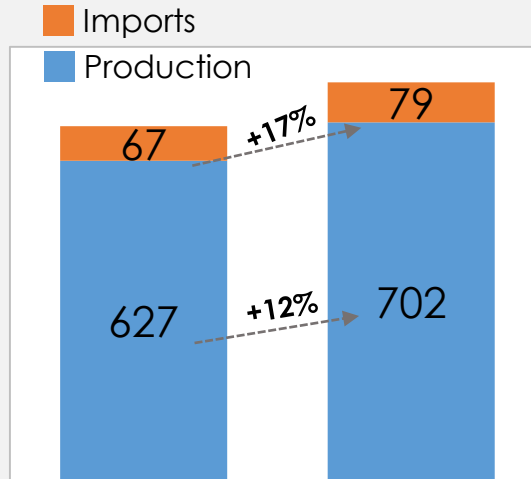


2Q17      2Q18

- ▶ The 13% growth in domestic sales - even after the trucker's strike in May - reflects the improvement of the economic scenario in Brazil, alongside the credit growth and consumer confidence improvement.
- ▶ The vehicles' export were affected by the strike in May, and also by the crisis in Argentina.

Source: ANFAVEA

## Imports and production

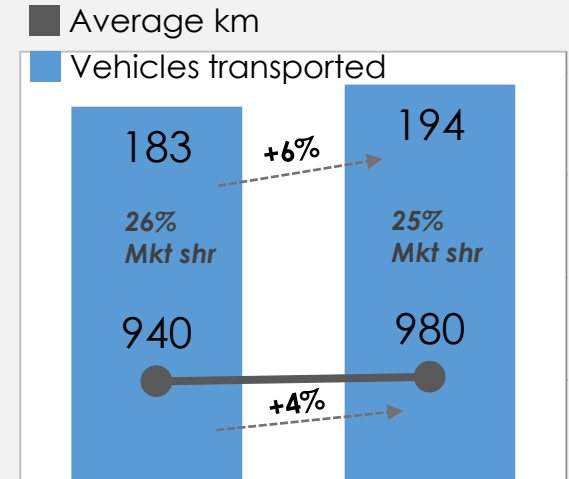


2Q17      2Q18

- ▶ The growth of production and importation were driven by domestic sales increase and because of the end Auto Inovar Program, that surcharged imported vehicles.

Fonte: ANFAVEA/Banco Central

## Vehicles Tegma and distance



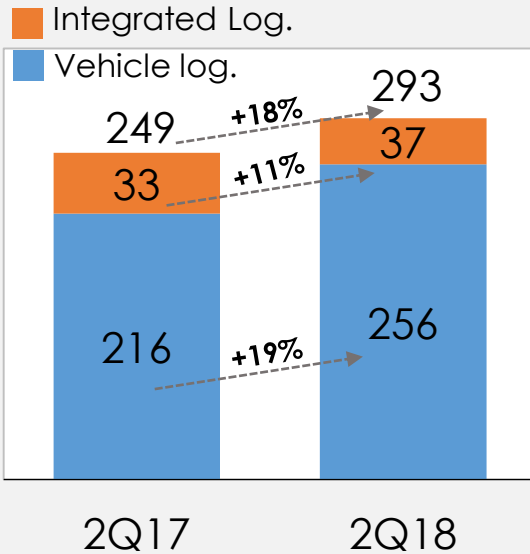
2Q17      2Q18

- ▶ The lower growth of quantity transported by Tegma and the loss of mkt share was driven by lower performance of two major clients in 2Q.
- ▶ The increasing average distance of travel reflects the growth of domestic deliveries distance and export volumes decrease.



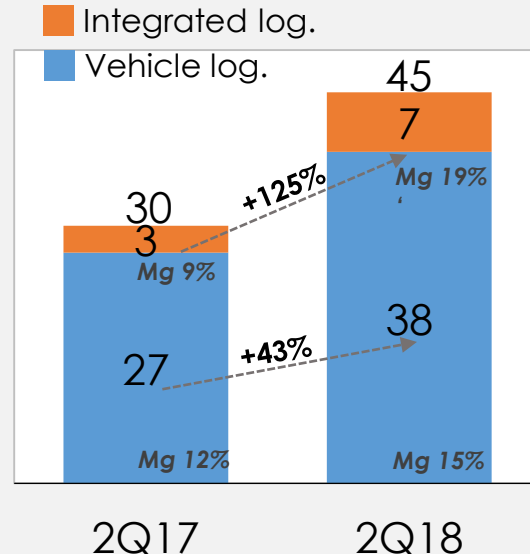
# Tegma results (in R\$ million | pro-forma disregarding Cariacica-ES operation)

## Net revenue per operation



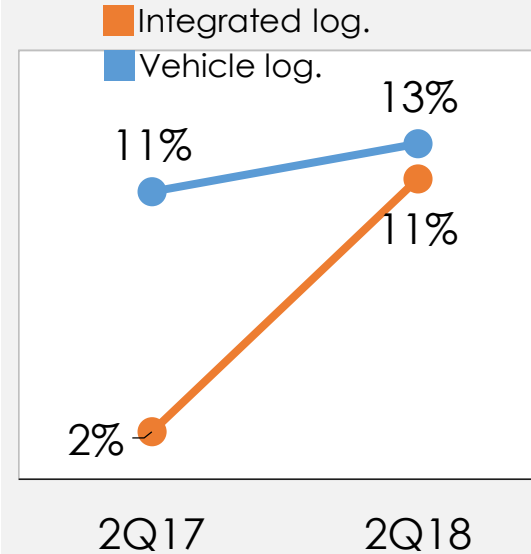
- ▶ The 19% growth in revenue from vehicle logistics was due to the growth of # of vehicles transported, of average distance and of price readjustment.
- ▶ Integrated logistics growth was driven by warehouse operation.

## EBITDA per operation



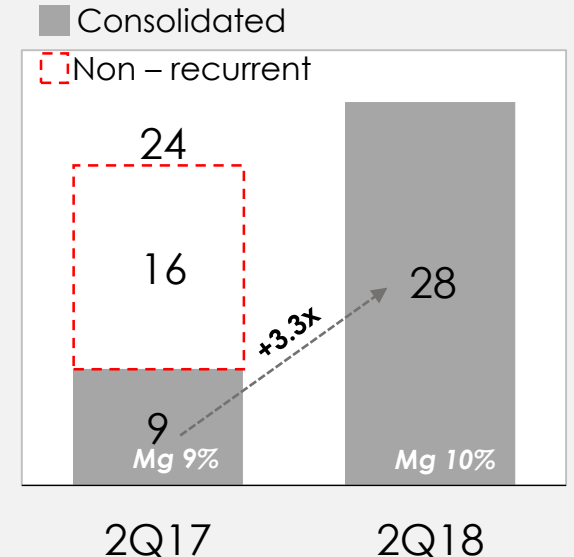
- ▶ The vehicle logistics EBITDA margin increase reflected the increase in revenues coupled with the control of costs and expenses.
- ▶ The increase in the Integrated logistics margins is explained by revenue growth and by lower judicial provisions expenses.

## Mg EBIT ajustado



- ▶ The EBIT margin of vehicle logistics has shown a lower evolution compared to the EBITDA margin due to depreciation adjustments.
- ▶ The growth of integrated logistics adjusted EBIT margin reflects operational improvements and lower expenses of judicial provisions expenses.

## Net profit

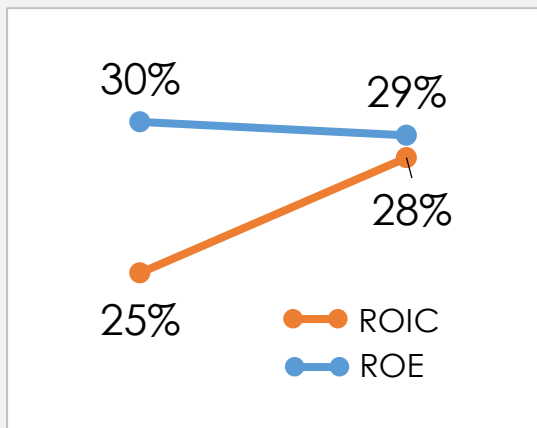


- ▶ The significant increase in profit in 2Q18 without considering non-recurring events was due to the operating improvement in the period and the reduction of the financial result.



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

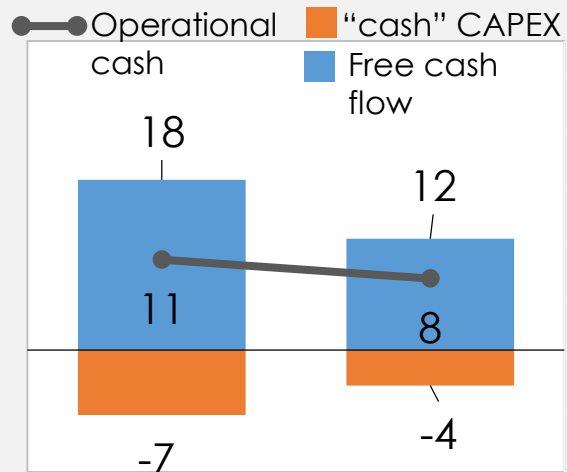
## ROE and ROIC



1Q18      2Q18

▶ The ROE decline reflects the positive non – recurring events in the IR and financial result in 2Q17 that totaled R\$ 24 million in LTM basis. The increase in ROIC reflects mainly the operational improvement in the period.

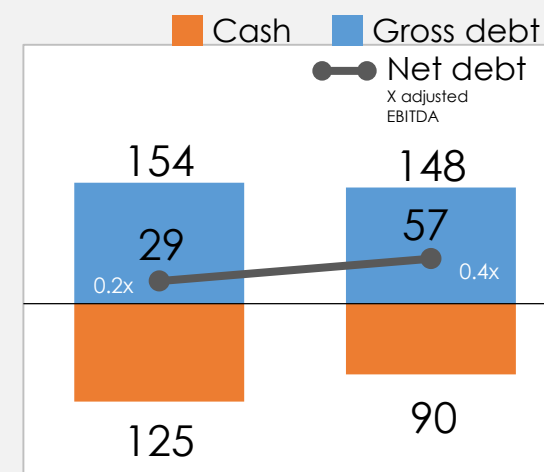
## Free cash flow



2Q17      2Q18

▶ The reduction of operating Cash flow was due to a greater consumption of working capital as a result of timely negotiation of receipt term with a customer in 2Q18.  
 ▶ The cash CAPEX for 2Q18 was R\$ 4 million, resulting lower than 2Q17 due to the fact that there were no investments in contract renewals.

## Indebtness



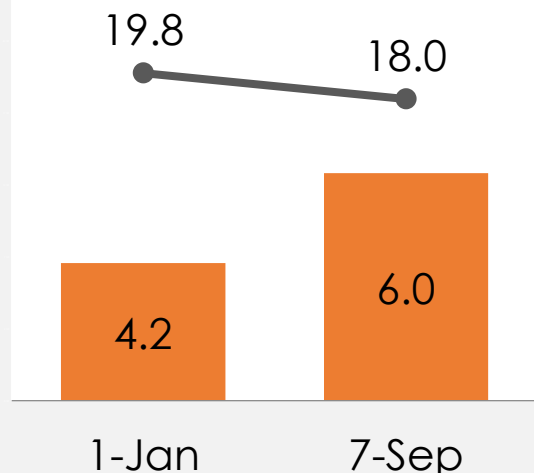
1Q18      2Q18

▶ The increase in net debt and the decrease in cash vs. 1Q18 occurred due to the payment of dividends in the amount of R\$ 38 million, despite the free cash flow of R\$ 8 million.  
 ▶ In the second quarter we Pre-paid R\$ 4 million of FINAME.

# Capital markets and expectation

## TGMA3

● TGMA3 (R\$) ■ ADTV 12M (R\$ mi)



- ▶ The decrease of shares over the course of 2018, even after a strong increase until April, reflects the uncertainties after the trucker's strike and the improvement of the Brazilian economy.
- ▶ The average daily volume of the last 12 months showed an improvement of almost 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

- ▶ Impact of the truckers' strike in the consumer confidence index.
- ▶ Approval of the legislation of the minimum freights prices

**Q&A section**



**Gennaro Oddone - CEO and IRO**  
**Ramón Pérez- CFO**