

Plascar Participações Industriais S.A.

**2Q22 EARNINGS
RELEASE
JUNE/2022**

Plascar

Jundiaí, state of São Paulo, august 05th, 2022.

Plascar has more than BRL 196 million in revenue in the second quarter of 2022 and BRL 389 million in the first half of 2022.

Plascar Participações Industriais S.A. (Bovespa: PLAS3), a manufacturer of parts for interior and exterior finishing of light and heavy motor vehicles, announced consolidated **net revenue of R\$ 196.9 million** in the second quarter of 2022. The value represents an increase of **35.4% if compared to the same period in 2021**.

The company's **gross result** showed an advance of **10 percentage points** compared to the first quarter of last year and reached the mark of **R\$ 30.4 million**, which represents a **gross margin of 15.5%**.

The Company also increased its **EBITDA by R\$ 11.9 million** compared to the same quarter of 2021, **reaching a total of R\$ 16.5 million, or an EBITDA margin of 8.4% in the quarter**.

PERFORMANCE IN THE PERIOD

R\$ thousand	2Q 2022	2Q 2021	Var %	1st half 2022	1st Half 2021	Var %
Gross Sales	240,833	179,350	34.3%	478,875	352,732	35.8%
Net Revenue	196,940	145,486	35.4%	389,702	287,831	35.4%
Gross Result	30,439	7,989	281.0%	56,156	23,227	141.8%
Gross Margin %	15.5%	5.5%	10.0p.p.	14.4%	8.1%	6.3p.p.
EBITDA	16,467	4,600	258.0%	28,215	13,779	104.8%
EBITDA Margin %	8.4%	3.2%	5.2p.p.	7.2%	4.8%	2.4p.p.
Net Loss	(16,736)	(22,305)	(25.0%)	(36,847)	(36,513)	0.9%

DESEM

Plascar

General Informations



SHARE PRICE (06/30/22)

PLAS3 – R\$ 7.58

MARKET VALUE IN 06/30/22

R\$ 94.2 million

NUMBER OF SHARES

Common Shares: 12,425 M

ADMINISTRATIVE COUNCIL

Paulo Silvestri

Andrew C. de Araújo

Antonio Farina

Rui Chammas

Paulo Zimath

FISCAL COUNCIL

Marcelo Ferreira do Nascimento

Edson Luiz da Silva

Charles Dimetrius Popoff

IR CONTACT

Rodrigo Cartagena do Amaral

CFO and Director of Investor Relations

rodrigo.amaral@plascargroup.com

Phone: (11) 2152.5300

Rua Wihelm Winter, nº 300 Distrito Industrial - Jundiaí – SP

CEP 13213-000

The Company's operating and financial information, unless otherwise indicated, is consolidated and the monetary values are expressed in thousands of Reais.

Plascar

Management Comment

The second quarter of 2022 continued to present an extremely challenging scenario for Plascar due to the constant stoppages of its customers due to logistical problems. Despite this scenario of uncertainty and constant changes in the automakers' planning, Plascar managed to increase its production volume and, consequently, its net revenue, mainly driven by the entry of new projects.

The automotive sector, in turn, continued to suffer from the impacts arising from the lack of components, mainly semiconductors, causing production stoppages, demanding from Plascar a great effort to adapt production capacity and production planning.

Increases in raw material prices and the inflationary environment continued to impact the operation and were closely monitored by management, with a view to maintaining margins for Plascar.

In terms of profitability, the increase is mainly explained by actions to improve performance and operational efficiency, in addition to the effect of absorbing fixed costs due to the increase in the Company's revenue.

The Company's net income, in turn, remains below Plascar's potential and added up to a loss of R\$ 36,847. Management remains engaged in the development of actions for its reversal in future periods.

Plascar's recovery with the continued maintenance of production volume, new projects, recomposition of margins and strengthening of cash generation continue to be the focus of management in 2022. The Company ended June 30, 2022 with a staff of 2,011 employees (1,725 on June 30, 2021).

About Plascar

Plascar is a Brazilian industry that has been operating for over five decades in the plastics transformation market and in the development of parts and finishes for vehicles.

A solid company, managed under the best corporate governance practices and responsible for providing high quality products to the majority of automotive manufacturers installed in Brazil.

Today, Plascar has four plants strategically located in the states of São Paulo and Minas Gerais, where it houses a park of injection molding machines with a closing force capacity of 70 to 3,200 tons and lines for painting, chrome plating, extrusion, thermoforming, SMC presses, in addition to its own tooling for the construction of molds.

Always acting with ethics, integrity and reliability, in a safe and healthy work environment and respecting people and the environment.

- 1963** Founded in Jundiaí/SP, the Oscar S.A. Industria de Artefatos de Borracha
- 1973** The company starts to operate in the automotive market
- 1982** Plascar S.A. Industria e Comércio was incorporated
- 1989** The company is listed on the Stock Exchange
- 1991** Start of activities at the new unit in Jundiaí/SP
- 1994** Start of activities in Betim/MG
- 1994** Start of activities in Varginha/MG
- 1997** Creation of Plascar Industria e Comércio Ltda
- 2000** S.W Textron International Holding S.L. takes control of Plascar

Plascar

- 2005** Change of name to Plascar Industria de Componentes Plásticos Ltda
- 2006** Controlling acquired from Collins & Aikman Corporation, by International Automotive Componentes Group Brazil, LLC.
- 2019** Mapa Capital takes control of Plascar

On January 31, 2019, the Company's capital stock was increased with the payment through the use of credits held against Plascar Ltda by private subscription, in the amount of R\$ 449,483, through the issue of 7,455,251 common shares, acquired by the company Pádua IV S.A., thus concluding the Company's restructuring process.

Thus, the shareholding control of Plascar S.A. became the property of Pádua IV S.A., with a 59.99% share of its capital, which is also composed of Permali do Brasil Indústria e Comércio Ltda., with 18.44%, by Postalís Instituto de Seguridade Social dos Correios e Telégrafos with 7.12% and by other individual shareholders who jointly own 14.45%.



Plascar

Automotive Market

Vehicle production in the first quarter of 2022 fell by 5% over the same period in 2021, according to ANFAVEA - National Association of Motor Vehicle Manufacturers.

The Association revised its initial projections for the Brazilian market this year, suggesting a 4.1% growth in vehicle production over 2021. At the beginning of the year, the projection was 9.4%, but in the face of the pandemic scenario, war on Ukraine and logistical crisis, ANFAVEA decided to revise this forecast downwards.

AUTOMOTIVE SCENARIO	SOURCE: ANFÁVEA – BRAZIL		
	1st Half/2021	1st Half/2022	VAR. %
VEHICLE PRODUCTION	1,149	1,092	-5.0%
VEHICLE SALES	1,074	918	-14.5%

The Company's Management believes that the continued shortage of electronic components, unstable economic scenario, high interest rates and risk of aggravation of the conflict and sanctions related to Ukraine, Russia and/or Belarus and its consequences, make this forecast very challenging.

It is worth noting that the production of trucks had a result in the period, with 71,700 trucks produced. In comparison with the same period last year, there was a drop of 3.9%, and the expectation for 2022, revised by ANFAVEA, points to zero growth in this segment.

ANFAVEA Projection 2022

Vehicles: Automobiles, Light Commercial, Trucks and Buses		Accomplished 2021 thousand units	Projections 2022 january position thousand units	PROJECTIONS 2022 july review	
				thousand units	Δ %
Licensing	Total	2,120	2,300	2,140	1.0
	Light vehicles	1,977	1,143	1,994	0.9
	Heavy vehicles	143	157	146	2.3
Exports	Total	376	390	460	22.2
	Light vehicles	349	361	433	23.9
	Heavy vehicles	376	29	460	22.2
Production	Total	2,248	2,460	2,340	4.1
	Light vehicles	2,070	2,268	2,162	4.4
	Heavy vehicles	178	192	178	0

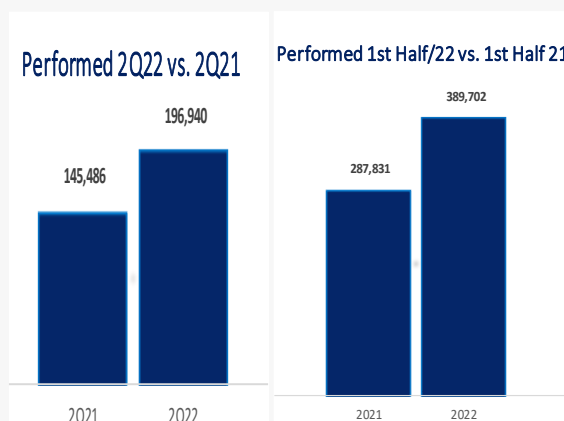
Plascar

Operational and Financial Performance

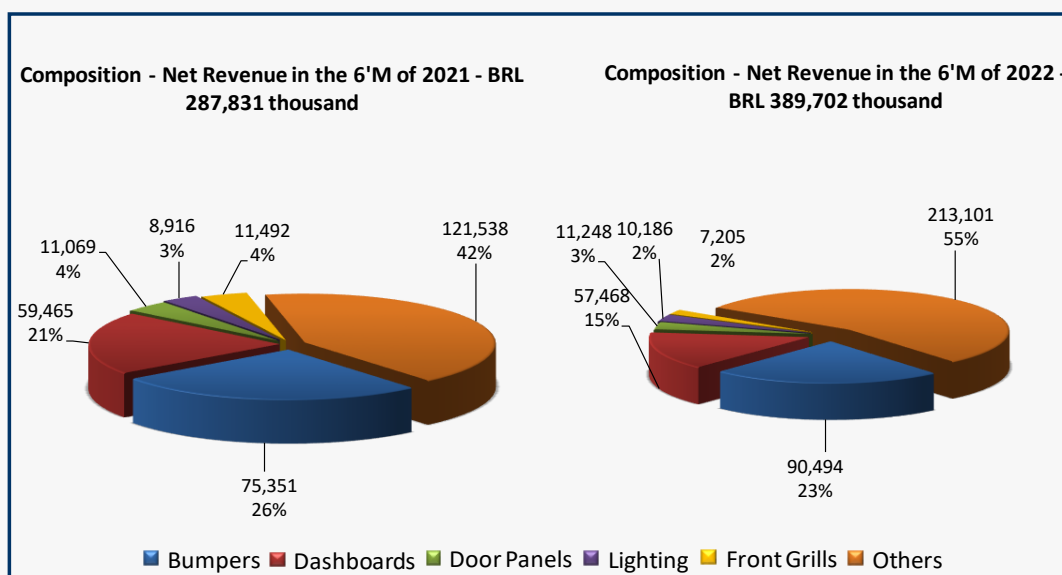
Net Revenue

A Plascar's Net Revenue grew by 35.4% compared to the first half of 2021.

This increase is due to the success of the new projects initiated during the period, in addition to the advance in trucks and new business lines. It is worth mentioning that the Company had a growth in the tooling line, which were billed in this period and should generate recurring revenue from parts in the coming months. The mix of products sold by Plascar (excluding tooling) showed a change in relation to 1H2021, where although bumpers continue to be the main product sold, representing 23% of sales, there is greater variety in the production mix, since the 5 main items sold had their share reduced from 60% to 45% of the total items sold.



The mix of products sold by Plascar (excluding tooling) showed a change in relation to 1H2021, where although bumpers continue to be the main product sold, representing 23% of sales, there is greater variety in the production mix, since the 5 main items sold had their share reduced from 60% to 45% of the total items sold.



Profitability

In this period, the Company presented an improvement in its gross margin as a result of the greater absorption of fixed costs due to the increase in

Plascar

revenues in the first six months of 2022, in addition to productivity improvement actions that have been implemented.

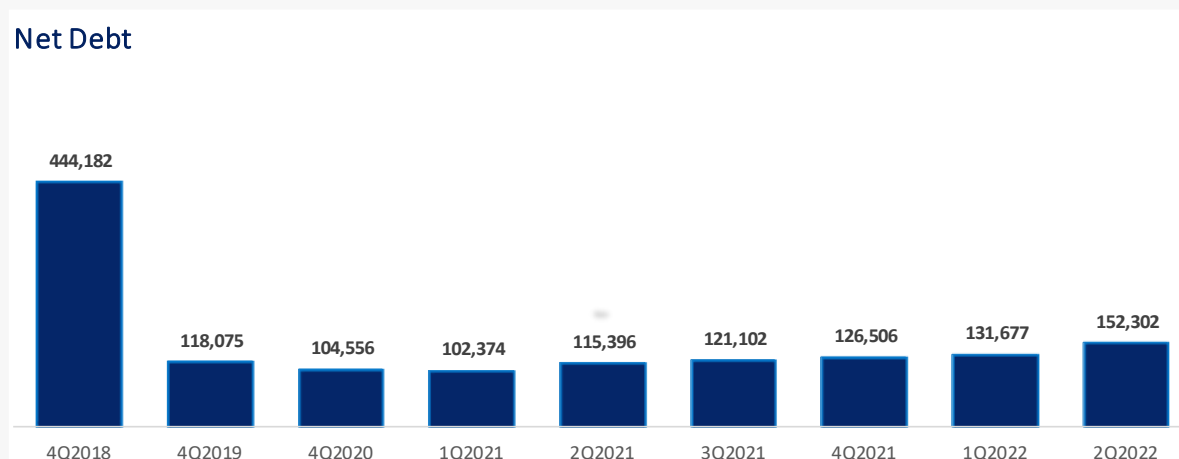
Plascar's gross income improved by R\$ 32,929, from R\$ 23,227 in 1H21 to R\$ 56,156 in 1H22, with a gross margin of 14.4% in 1H22. EBITDA in 1H22 totaled R\$ 28,215 against R\$ 13,779 in 1H21, with margins of 7.2% and 4.8%, respectively.

The Company's net loss in 1H22 totaled R\$ 36,847, against R\$ 36,513 in 2021. Despite the increase in EBITDA, it was still not enough to offset the volumes of depreciation and current financial expenses, which ended up contributing to a result lower than the scheduled for the period.

R\$ thousand	2Q22	2Q21	Δ%	1Q22	Δ%	1H22	1H21	Δ%
Gross Result	30,439	7,989	281.0%	25,717	18.4%	56,156	23,227	141.8%
Gross Margin %	15.5%	5.5%	10.0p.p	13.3%	2.2p.p	14.4%	8.1%	6,3p.p
EBITDA	16,467	4,600	258.0%	11,748	40.2%	28,215	13,779	104.8%
EBITDA Margin %	8.4%	3.2%	5.2p.p	6.1%	2.3p.p	7.2%	4.8%	2.4p.p
Loss of the Period	(16,736)	(22,305)	(25.00%)	(20,111)	(16.8%)	(36,847)	(36,513)	0.9%

Net Debt

Management continues to monitor liabilities in order to adjust them to the Company's cash generation capacity. Over the years following the restructuring, certain liabilities were renegotiated, which have been kept in line with Management's leverage control strategy.



Plascar

Other Relevant Informations

Credit Exclusion of ICMS from the PIS/COFINS calculation basis

In September 2017, the Company obtained a favorable decision in the lower court and, in October 2019, obtained a new favorable decision in the appeal level (STF). In the same act, the process became res judicata. In view of this, the Company initiated a procedure to collect amounts unduly paid as of 2005 and claim their respective reimbursement. The Company calculated and measured the respective amounts reliably. On August 19, 2019, the Company obtained a favorable decision for the use of ICMS highlighted in the invoices to calculate the credit. In the fourth quarter of 2019, based on the opinion and report prepared by its advisors, the Company recorded the amount of R\$ 179,069 in the item of recoverable taxes in the balance sheet to offset current taxes administered by the Brazilian Federal Revenue Service in future periods. The principal amount of the credits, net of attorneys' fees, was recognized as other operating income and the amount of monetary restatement was recognized in the financial income item in the income statement for the year.

The approval and authorization of R\$ 123,396 related to the part of said credit with the Federal Revenue Service of Brazil for future tax compensation, took place on January 3, 2020, and the remaining amount of the credit in the amount of R\$ 55,673 will be subject to analysis by the Federal Revenue Service of Brazil for refund or future compensation of taxes previously paid in installments.

In the 3rd quarter of 2021, the Company revisited its financial projections for the years 2022 to 2024 and, considering the opening balance of R\$ 179,069, minus the offsets made until the 3rd quarter of 2021 of R\$ 63,469 and adding the monthly monetary restatement of the credit accumulated amount of R\$ 27,694, the Company concluded that it will not be possible to offset 100% of the current balance during the 5-year statute of limitations, starting in October 2019 and ending in October 2024. Therefore, a provision (impairment) was recorded in the amount of R\$ 20,629 in the income for the year. The Company offset until June 30, 2022 the amount of R\$ 86,786 and expects to offset all the credits within the statute of limitations. Management reviewed the projections for the second quarter of 2022 and there was no need to supplement the provision.

Results Report

Income statements for the period ended June 30, 2022 and 2021
(In thousands of Reais)

	Controller		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net operating revenue	-	-	389,702	287,831
Cost of sales	-	-	(333,546)	(264,604)
Gross Margin	-	-	56,156	23,227
Operating income (expenses)				
Selling expenses	-	-	(16,227)	(13,892)
Administrative and general expenses	(920)	(915)	(37,785)	(27,925)
Equity in the results of investees	(35,941)	(35,649)	-	-
Other operating income (expenses), net	-	-	246	45
Operating result	(36,861)	(36,564)	(53,766)	(41,772)
Profit (loss) before financial result	(36,861)	(36,564)	2,390	(18,545)
Financial result				
Financial expenses	(9)	(11)	(45,878)	(30,339)
Financial income	23	62	7,031	12,367
	14	51	(38,847)	(17,972)
Loss before income tax and social contribution	(36,847)	(36,513)	(36,457)	(36,517)
Deferred income tax and social contribution				
Deferred	-	-	(390)	4
	-	-	(390)	4
Loss for the year	(36,847)	(36,513)	(36,847)	(36,513)
Loss attributable to:				
Controlling shareholders	-	-	(36,847)	(36,513)
	-	-	(36,847)	(36,513)

Plascar

Balance Sheet

Assets

Balance Sheet

(In thousands of Reais)

Current Assets

	Controller		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and cash equivalents	5,350	7,384	11,728	12,487
Trade receivables	-	-	47,731	31,509
Inventory	-	-	109,155	118,357
Taxes to recover	-	-	41,950	34,746
Other Assets	17	17	1,920	2,836
Total Current	5,367	7,401	212,484	199,935

Non Current Assets

	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Taxes to recover	-	-	66,861	88,959
Judicial deposits	-	-	2,308	2,317
Other Assets	-	-	130	150
Investment property	-	-	8,317	8,362
Fixed assets	7	7	324,639	303,338
Assets use rights	-	-	88,562	15,604
Total Non Current	7	7	490,817	418,730

Total Assets

	5,374	7,408	703,301	618,665
--	--------------	--------------	----------------	----------------

Plascar

Balance Sheet

Liabilities

Balance Sheet

(In thousands of Reais)

	Controller		Consolidated	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Current Liabilities				
Borrowings and Financings	-	-	81,649	51,531
Lease Liabilities	-	-	25,168	1,546
Trade and Other Payables	-	-	71,567	72,830
Taxes and contributions to collect	141	27	68,337	78,896
Salaries, vacations and social charges payable	-	-	197,906	160,757
Advance from customers	-	-	43,764	51,608
Other Liabilities	-	-	43,623	40,265
Total Current	141	27	532,014	457,433
Non Current Liabilities	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Borrowings and Financings	-	-	81,724	87,462
Lease liabilities	-	-	70,303	53,988
Related parts	20,906	22,148	7,881	8,132
Salaries, vacations and social charges payable	-	-	13,158	9,265
Taxes and contributions to collect	-	-	93,477	94,333
Deferred income tax and social contribution	-	-	19,687	19,297
Provision for contingencies	-	-	6,200	6,502
Provision for losses on investment in subsidiary	332,620	296,679	-	-
Other Liabilities	-	-	227,150	193,699
Total Non Current	353,526	318,827	519,580	472,678
	353,667	318,854	1,051,594	930,111
Equity				
Share Capital	931,455	931,455	931,455	931,455
Equity valuation adjustment	319	321	319	321
Accumulated losses	(1,280,067)	(1,243,222)	(1,280,067)	(1,243,222)
Attributed to the participation of controllers	(348,293)	(311,446)	(348,293)	(311,446)
Total Equity	(348,293)	(311,446)	(348,293)	(311,446)
Total liabilities and equity	5,374	7,408	703,301	618,665

Plascar

Cash Flow Statement

Statements of cash flows for the period ended June 30, 2022 and 2021

(In thousands of Reais)

	Controller		Consolidated	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flows from operational activities				
Net loss for the year before income tax and social contribution	(36,847)	(36,513)	(36,457)	(36,517)
Adjustments to reconcile net income to cash generated operational activities:				
Depreciation	-	-	16,716	18,685
Amortization	-	-	9,088	13,584
Loss on disposal of property, plant and equipment	-	-	5,487	-
Interest and monetary variation, net	-	-	39,164	25,776
Provision for lawsuits	-	-	3,106	2,796
Equity pickup result	35,941	35,649	-	-
Provision for adjustment of inventories to market value and obsolescence	-	-	511	462
Constitution (reduction) of allowance for doubtful debts	-	-	(185)	(24)
Others	-	-	-	128
(Increase)/decrease in asset and liability accounts				
Trade receivables	-	-	(16,037)	(10,227)
Inventory	-	-	8,691	(40,961)
Taxes to recover	-	-	14,894	4,177
Other asset accounts, net	-	-	981	728
Judicial deposits	-	-	8	1,129
Other liability accounts, net	-	-	807	(5,534)
Suppliers	-	-	(1,525)	9,700
Salaries, vacations and social charges payable	-	-	29,684	19,588
Advances from customers	-	-	(12,215)	14,397
Taxes, contributions and installments payable	114	1	(12,963)	(2,683)
Provision for lawsuits (payments)	-	-	(3,408)	(4,795)
Interest paid	-	-	(15,203)	(5,373)
Net cash from (used in) operating activities	(792)	(863)	31,144	5,036
Cash flows from investing activities				
Fixed Asset Acquisitions	-	-	(43,505)	(9,955)
Net cash used in investing activities	-	-	(43,505)	(9,955)
Cash flows from financing activities				
Borrowings	-	-	53,921	5,150
Payment of loans and financing (main)	-	-	(42,068)	(12,519)
Net increase in loans receivable from related parties	(1,242)	13,679	(251)	64
Net cash used in financing activities	(1,242)	13,679	11,602	(7,433)
Cash and cash equivalents at the beginning of the year	7,384	31,444	12,487	33,682
Cash and cash equivalents at year-end	5,350	16,902	11,728	21,330
(Decrease)/Increase in cash and cash equivalents	(2,034)	(14,542)	(759)	(12,352)

BREPI

Plascar