

Plascar Participações Industriais S.A.

**3Q22 EARNINGS
RELEASE
SEPTEMBER/2022**

Plascar

Jundiaí, state of São Paulo, November 10th, 2022.

Plascar has more than BRL 233 million in revenue in the third quarter of 2022 and BRL 623 million in the accumulated nine months 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\$ 233.3 million** in the third quarter of 2022. The value represents an increase of **44.9% if compared to the same period in 2021.**

The company's **gross result** showed an advance of **13.3 percentage points** compared to the third quarter of last year and reached the mark of **R\$ 39.5 million**, which represents a **gross margin of 16.9%**.

The Company also increased its **EBITDA by R\$ 21.1 million** compared to the same quarter of 2021, **reaching a total of R\$19.9 million, or an EBITDA margin of 8.5% in the quarter.**

PERFORMANCE IN THE PERIOD

R\$ thousand	3Q 2022	3Q 2021	Var %	9M 2022	9M 2021	Var %
Gross Sales	285,978	198,858	43.8%	764,853	551,590	38.7%
Net Revenue	233,259	160,960	44.9%	622,961	448,791	38.8%
Gross Result	39,461	5,855	574.0%	95,617	29,082	228.8%
Gross Margin %	16.9%	3.6%	13.3p.p.	15.3%	6.5%	8.8p.p.
EBITDA	19,889	(1,248)	-	48,104	12,531	283.9%
EBITDA Margin %	8.5%	(0.8%)	9.3p.p.	7.7%	2.8%	4.9p.p.
Net Loss	(23,516)	(60,671)	61.2%	(60,363)	(97,184)	37.9%

DESEM

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General Informations



SHARE PRICE (09/30/22)

PLAS3 – R\$ 9.09

MARKET VALUE IN 09/30/22

R\$ 112,9 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

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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.

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Management Comment

The third quarter of 2022, despite the still persistent instability of global supply chains, presented greater predictability for Plascar's operations.

Constant customer stoppages, which were widely observed in the first half of 2022, are becoming less frequent and vehicle production in the country has returned to slightly lower levels than those observed in the pre-covid period.

With this scenario, Plascar's results continued their trend of improvement, with an increase in revenues (current volumes and new projects) and maintenance of margins. In this regard, it is also worth mentioning that the increases in raw material prices and the inflationary environment observed in recent quarters continue to impact the operation, having been actively addressed by management, to mitigate their effects and maintain operating margins.

The period ended on September 30, 2022, we could observe that these measures have been effective, as can be seen by the maintenance of the EBITDA margin at levels very close to 2Q22 and in line with Management's projections. It is also worth mentioning that these levels of profitability were only possible due to the actions to improve performance and operational efficiency that have been developed, in addition to the effect of absorbing fixed costs due to the increase in the Company's revenue throughout 2022.

The Company's net income, in turn, remains below Plascar's potential and still adds up to a loss of R\$ 60,363 in 2022. This result represents an improvement of 37.9% compared to the same period in 2021. Management remains committed to developing actions for its reversal in future periods and believes that Plascar's full recovery should occur soon.

The Company ended September 30, 2022 with a workforce of 2,148 employees (1,810 as of September 30, 2021).

New Industrial Unit - Caçapava

In September 2022, an industrial unit was opened in Caçapava/SP, whose operation is already in operation and supplies are growing. This unit is located close to important automotive production hubs in the state of São Paulo, in addition to Rio de Janeiro.

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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.

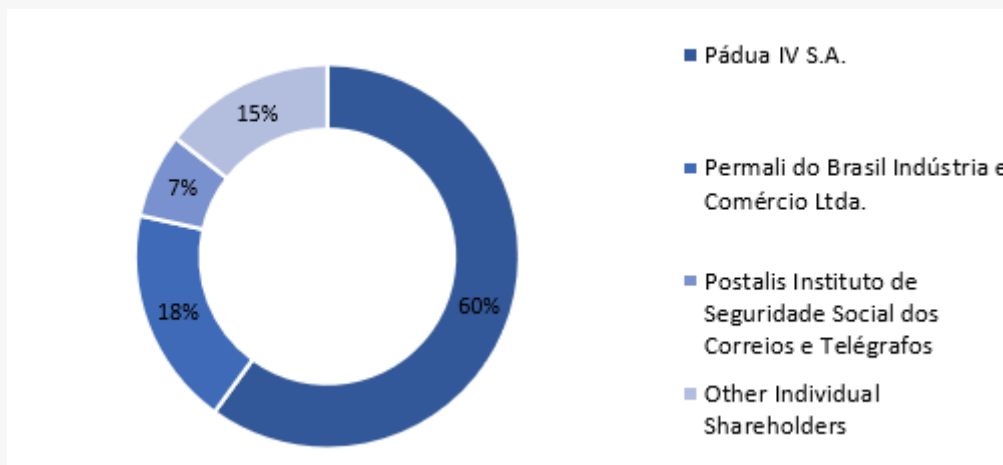
Always acting with ethics, integrity and reliability, in a safe and healthy work environment and respecting people and the environment.

- 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
- 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

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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.

After the restructuring operation, the shareholding control of Plascar S.A. was divided as follows:



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Automotive Market

Vehicle production in 9M2022 raised by 6.3% 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		
	9M/2021	9M/2022	VAR. %
VEHICLE PRODUCTION	1,653	1,756	6.3%
VEHICLE SALES	1,578	1,503	-4.7%

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 116.6 trucks produced. In comparison with the same period last year, there was a drop of 1.4%, 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

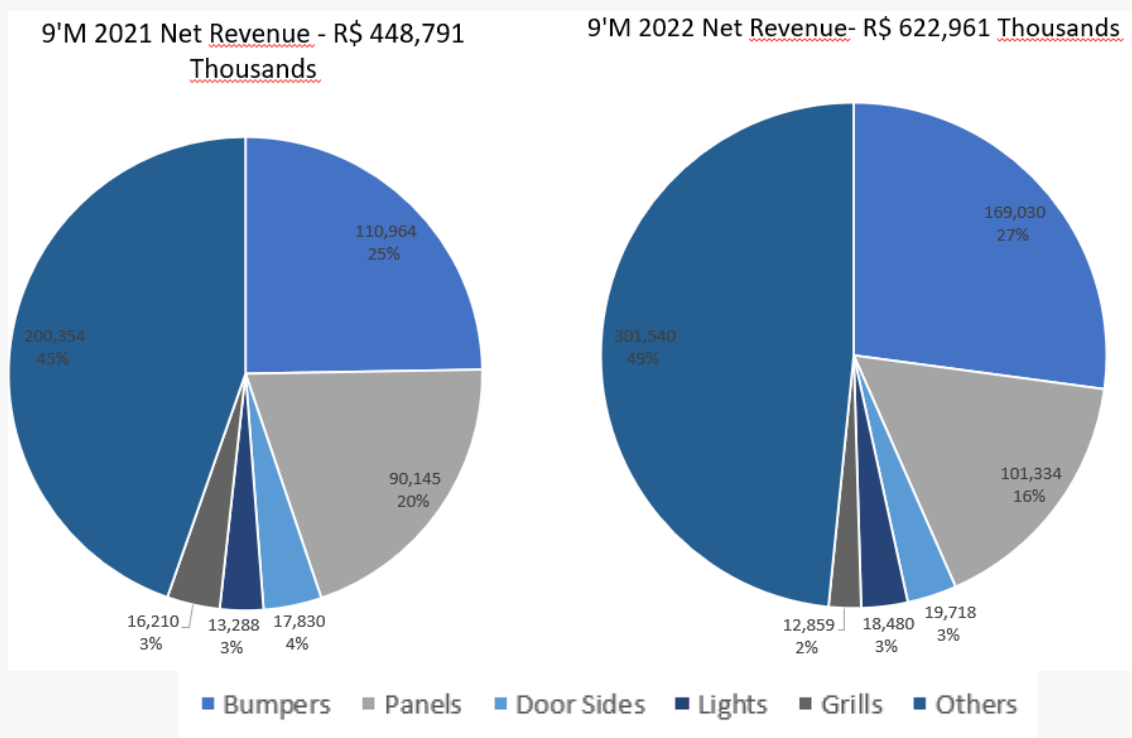
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Operational and Financial Performance

Net Revenue

A Plascar's Net Revenue grew by 38.7% compared to the first third quarters of 2021.

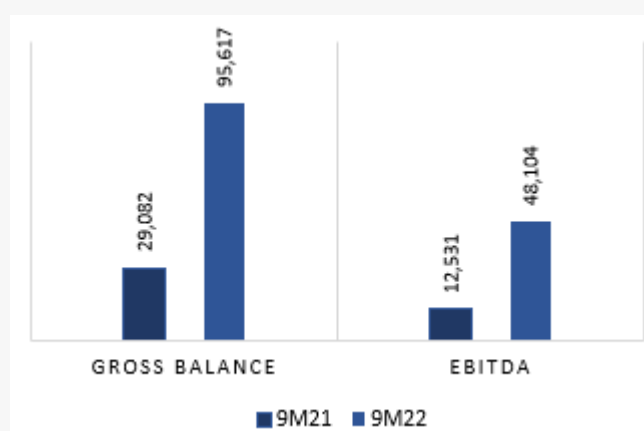
This increase is due to the success of the new projects initiated during the period, in addition to the advance in trucks and new business lines. It is worth mentioning that the Company had a growth in the tooling line, which were billed in this period and should generate recurring revenue from parts in the coming months. The mix of products sold by Plascar (excluding tooling) showed a change in relation to 9M2021, where although bumpers continue to be the main product sold, representing 27% of sales, there is greater variety in the production mix, since the 5 main items sold had their share reduced from 55% to 51% 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 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\$ 66,535, when compared to 9M21, with a gross margin of 15.3% in the same period. EBITDA in 9M22 totaled R\$ 48,104 against R\$12,531 in 9M21, with margins of 7.7% and 2.8%, respectively.



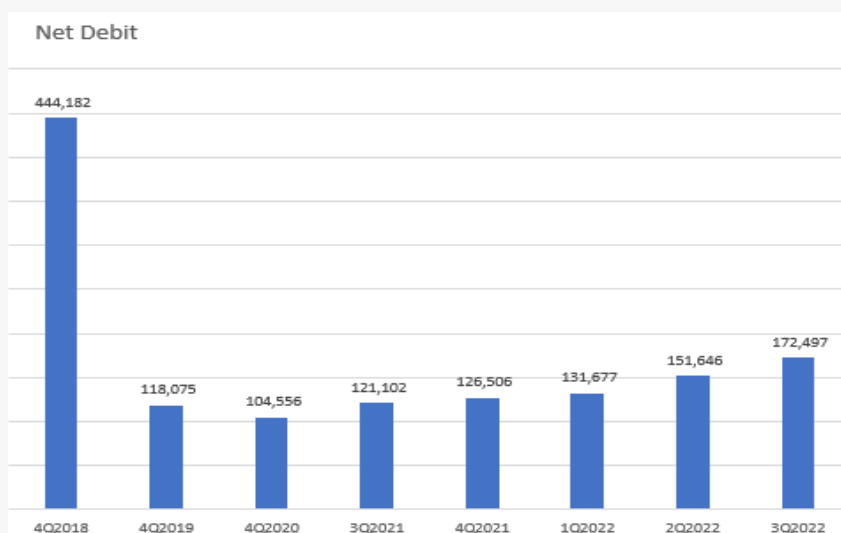
The Company's net loss in 9M22 totaled R\$ 60.363, against R\$ 97,184 in 2021. Despite the increase in EBITDA, it was still not enough to offset the volumes of depreciation and current financial expenses, which ended up contributing to a result lower than the scheduled for the period.

R\$ thousand	3Q22	3Q21	Δ%	2Q22	Δ%	9M22	9M21	Δ%
Gross Result	39,461	5,855	574.0%	30,439	29.6%	95,617	29,082	228.8%
Gross Margin %	16.9%	3.6%	13.3p.p	15.5%	1.4p.p	15.3%	6.5%	8.8p.p
EBITDA	19,889	(1,248)	1,693.7%	16,467	20.8%	48,104	12,531	283.9%
EBITDA Margin %	8.5%	(0.8%)	9.3p.p	8.4%	0.1p.p	7.7%	2.8%	4.9p.p
Loss of the Period	(23,516)	(60,671)	61.2%	(16,736)	(40.5%)	(60,363)	(97,184)	37.9%

Net Debt

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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.



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 September 30, 2022 the amount of R\$ 94,091 and expects to offset all the credits within the statute of limitations. Management reviewed the projections for the third quarter of 2022 and there was no need to supplement the provision.

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Results Report

Income Statements for the period ended of September 30, 2022 and 2021
(In thousands of reais)

Income Statements for the periods ended of September 30, 2022 and 2021

In thousands of reais)	Individual			
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021
Net operating revenue	-	-	-	-
Cost of goods sold	-	-	-	-
Gross profit / (loss)	-	-	-	-
Operating (expenses) and income				
Selling expenses	-	-	-	-
General and administrative expenses	(439)	(1,360)	(456)	(1,371)
Equity pick-up	(23,204)	(59,145)	(60,224)	(95,873)
Other operating income/(expenses), net	-	-	-	-
	(23,643)	(60,505)	(60,680)	(97,244)
Operating income before finance income (expenses)	(23,643)	(60,505)	(60,680)	(97,244)
Finance income (expenses)				
Finance income	153	176	15	77
Finance costs	(26)	(34)	(6)	(17)
	127	142	9	60
Loss before income and social contribution taxes	(23,516)	(60,363)	(60,671)	(97,184)
Income and social contribution taxes				
Deferred	-	-	-	-
Net loss for the period	(23,516)	(60,363)	(60,671)	(97,184)

Plascar

Results Report

Income Statements for the periods ended of September 30, 2022 and 2021

(In thousands of reais)

	Consolidated			
	07/01/2022 to 09/30/2022	01/01/2022 to 09/30/2022	07/01/2022 to 09/30/2021	01/01/2022 to 09/30/2021
Net operating revenue	233,259	622,961	160,960	448,791
Cost of goods sold	(193,798)	(527,344)	(155,105)	(419,709)
Gross profit / (loss)	39,461	95,617	5,855	29,802
Operating (expenses) and income				
Selling expenses	(9,781)	(26,008)	(7,755)	(21,647)
General and administrative expenses	(22,593)	(60,378)	(12,749)	(40,674)
Equity pick-up	-	-	-	-
Other operating income/(expenses), net	(405)	(159)	(2,486)	(2,441)
	(32,779)	(86,545)	(22,990)	(64,762)
Operating income before finance income (expenses)	6,682	9,072	(17,135)	(35,680)
Finance income (expenses)				
Finance income	3,437	10,468	795	13,162
Finance costs	(33,246)	(79,124)	(44,301)	(74,640)
	(29,809)	(68,656)	(43,506)	(61,478)
Loss before income and social contribution taxes	(23,127)	(59,584)	(60,641)	(97,158)
Income and social contribution taxes	(389)	(779)	(30)	(26)
Deferred	(389)	(779)	(30)	(26)
Net loss for the period	(23,516)	(60,363)	(60,671)	(97,184)
Non-controlling shareholders	-	-	-	-
Controlling shareholders	(23,516)	(60,363)	(60,671)	(97,184)
	(23,516)	(60,363)	(60,671)	(97,184)

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Balance Sheet

Balance Sheets
 Period ended September 30, 2022 and Year ended December 31, 2021
 (In thousands of reais)

Assets

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current Assets				
Cash and cash equivalents	8,333	7,384	18,294	12,487
Trade accounts receivable	-	-	60,682	31,509
Inventories	-	-	116,207	118,357
Taxes recoverable	30	-	38,223	34,746
Other assets	17	17	2,778	2,836
Total current assets	8,380	7,401	236,184	199,935
Noncurrent assets				
Taxes recoverable	-	-	66,811	88,959
Judicial deposits	-	-	1,968	2,317
Other assets	-	-	120	150
Investment property	-	-	8,295	8,362
Property, plant and equipment in operation	7	7	327,499	303,338
Right-of-use assets	-	-	83,916	15,604
Total noncurrent assets	7	7	488,609	418,730
Total assets	8,387	7,408	724,793	618,665

Balance Sheet

Liabilities and equity	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	12/31/2021
Current liabilities				
Loans and financing	-	-	92,909	51,531
Lease liabilities	-	-	25,168	1,546
Trade accounts payable	-	-	78,346	72,830
Taxes payable	183	27	78,175	78,896
Payroll, vacation pay and social charges payable	-	-	220,109	160,757
Advances from customers	-	-	38,551	51,608
Other liabilities	-	-	46,297	40,265
Total current liabilities	183	27	579,555	457,433
Noncurrent liabilities				
Loans and financing	-	-	97,882	87,462
Lease liabilities	-	-	66,671	53,988
Related parties	24,189	22,148	7,408	8,132
Payroll, vacation pay and social charges payable	-	-	11,956	9,265
Taxes payable	-	-	89,057	94,333
Deferred income and social contribution taxes	-	-	20,076	19,297
Contingencies	-	-	7,151	6,502
Provision for capital deficiency	355,824	296,679	-	-
Other accounts payable	-	-	216,846	193,699
Total noncurrent liabilities	380,013	318,827	517,047	472,678
Total liabilities	380,196	318,854	1,096,602	930,111
Equity				
Capital	931,455	931,455	931,455	931,455
Equity adjustments	318	321	318	321
Accumulated losses	(1,303,582)	(1,243,222)	(1,303,582)	(1,243,222)
	(371,809)	(311,446)	(371,809)	(311,446)
Total equity	(371,809)	(311,446)	(371,809)	(311,446)
Total liabilities and equity	8,387	7,408	724,793	618,665

Cash Flow Statement

Cash flow statements for the period ended September 30, 2022 and the year ended December 31, 2021
(In thousands of reais)

	Individual		Consolidated	
	09/30/2022	12/31/2021	09/30/2022	09/30/2021
Cash flows from operating activities				
Net loss for the period before income and social contribution taxes	(60,363)	(97,184)	(59,584)	(97,158)
Adjustments to reconcile net income to cash from (used in) operating activities:				
Depreciation	-	-	25,257	27,368
Amortization	-	-	13,743	20,739
Loss (gain) on disposal of PP&E	-	-	7,527	-
Interest and monetary variation, net	-	-	70,275	68,865
Provision for legal claims	-	-	5,164	4,399
Provision for adjustment of inventories at market value and obsolescence	-	-	1,193	340
Constitution (reduction) of provision for doubtful claims	-	-	(121)	671
Others	-	-	-	132
Equity pick-up	59,145	95,873	-	-
(Increase)/decrease in asset and liability accounts				
Accounts receivable from customers	-	-	(29,052)	20,138
Inventories	-	-	957	(57,524)
Taxes to recover	(30)	-	18,671	9,431
Judicial Deposits	-	-	349	1,267
Other asset accounts, net	-	-	155	(18)
Suppliers	-	-	4,795	12,253
Obligations with staff and social charges	-	-	44,754	37,275
Advance of customers	-	-	(19,777)	19,013
Taxes, contributions and installments to be collected	156	-	(11,583)	(11,062)
Provision for legal claims (payments)	-	-	(4,515)	(8,264)
Other accounts payable	-	-	(9,038)	(9,367)
Interest paid	-	-	(26,352)	(9,741)
Net cash from (applied in) operating activities	(1,218)	(1,311)	32,819	28,757
Cash flows from investment activities				
Acquisitions of fixed assets and intangible assets	-	-	(56,956)	(36,856)
Net cash used in investment activities	-	-	(56,956)	(36,856)
Cash flows from financing activities				
Borrowings	-	-	98,726	9,191
Payment of loans, financing and leasing (principal)	-	-	(68,057)	(21,215)
Net increase in receivables from related parties	(2,041)	(18,880)	(725)	407
Net cash from (used in) financing activities	(2,041)	(18,880)	29,944	(11,617)
(Reduction) in cash and cash equivalents	949	(20,191)	5,807	(19,716)
Cash and cash equivalents at the beginning of the period	7,384	31,444	12,487	33,681
Cash and cash equivalents at the end of the period	8,333	11,253	18,294	13,965
(Reduction) in cash and cash equivalents	949	(20,191)	5,807	(19,716)