



Votorantim S.A.

Earnings Release |
2Q21

1. A MESSAGE FROM THE EXECUTIVE BOARD

Throughout the second quarter of 2021, our portfolio continued to present a robust performance driven by higher commodity prices and the volumes sold. Compared to the same period in 2020, net revenues increased 68%, totaling R\$12.7 billion, and adjusted EBITDA grew 201%, reaching R\$3.6 billion. Leverage – measured by the net debt/adjusted EBITDA ratio – was 0.92x. Based on our strong financial and operating results, Moody's upgraded Votorantim's credit rating from Ba1 to Baa3, placing Votorantim S.A. in the select group of Brazilian companies with investment grade classification by the three main rating agencies in the world.

R\$ million	2Q21	2Q20 ⁽¹⁾	2Q21 vs. 2Q20	1Q21	2Q21 vs. 1Q21	LTM	2020	LTM vs. 2020
Net revenues	12,711	7,562	68%	10,239	24%	45,226	36,667	23%
Adjusted EBITDA	3,562	1,182	201%	2,536	40%	11,182	6,916	62%
Net income/loss	2,273	(637)	N.M	1,128	102%	4,284	(3,065)	N.M
Net debt/Adj. EBITDA LTM	0.92x	3.92x	-3.00x	1.37x	-0.46x	0.92x	1.63x	-0.71x
CAPEX	1,037	694	49%	834	24%	4,049	3,523	15%

Considers Votorantim Cimentos, Nexa, CBA, Votorantim Energia, Long Steel (Acerbrag and Acerías Paz del Río) and Holding. Citrosuco and banco BV are recognized under the equity method.

(1) Restated value.

We continued to support the growth plans of our investees in order to advance their long-term strategies. Our companies' investments grew 49% in the quarter led by Nexa, which accounted for 92% of the total expansion investment, with its Aripuanã project expected to be completed in 2021.

Since our last Earnings Release, we continued to prospect for new investments in sectors and regions that contribute to our portfolio diversification strategy. In April, our investee Votorantim Cimentos concluded its business combination with McInnis and, in June, announced the acquisition of Cementos Balboa, in Spain, increasing our exposure to developed markets. In July, we concluded CBA's Initial Public Offering process, further consolidating our position as an investment holding company capable of adding value to our investees. We continue to evaluate possibilities for new investments that are in line with our vision for growth and value proposition.

The past few months were marked by significant progress of the vaccination against COVID-19, contributing to the gradual reopening of the global economy. Uncertainties still remain, with great focus on the new virus variants, but the recovery of the global players such as China and the United States is already under way. On the Brazilian front, our efforts through investments announced by the Votorantim Institute contributed to the expansion of vaccine plants in Rio de Janeiro and São Paulo, providing greater flexibility and firepower for public health initiatives. This reinforces our commitment to health, safety and social impact.

Votorantim continues to disclose its consolidated results and earnings release on a quarterly basis, while a greater focus will be placed on our portfolio companies' results through their own Investor Relations and disclosure practices. All information regarding their results will be available on their respective websites.

2. OPERATIONAL AND FINANCIAL PERFORMANCE

Votorantim is a family-owned Brazilian company with portfolio companies operating in 19 countries in the building materials, finance, electric power, metals and mining, orange juice, aluminum, long steel and real estate industries.

On the consolidated level, Votorantim's results consider the operations of Votorantim Cimentos, Votorantim Energia, Nexa, CBA, Acerbrag and Acerías Paz del Río. The results of banco BV and Citrusuco are reported according to the equity method. All tables in this document follow Brazilian accounting practices and IFRS reporting standards unless otherwise stated.

Results Analysis

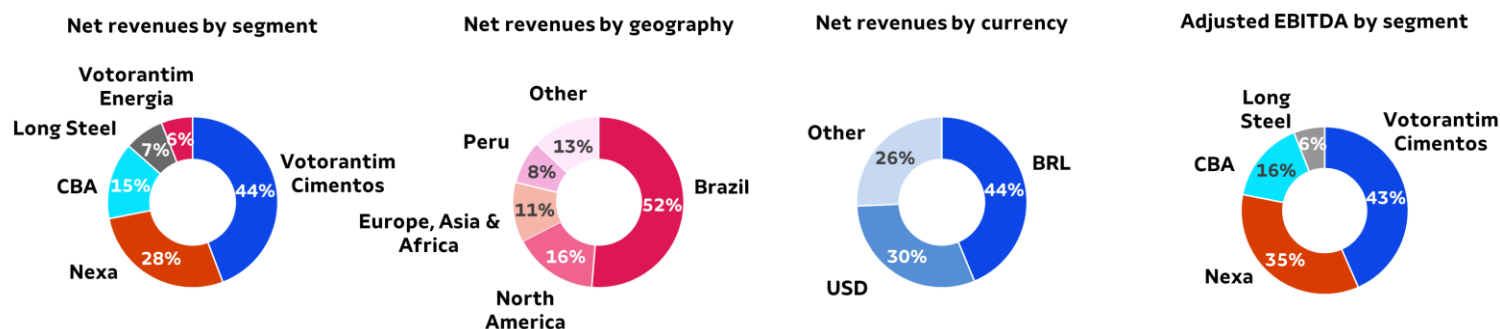
R\$ million	2Q21	2Q20 ⁽¹⁾	2Q21 vs. 2Q20	
			R\$	%
Net revenues	12,711	7,562	5,149	68%
COGS	(9,423)	(6,531)	(2,892)	44%
SG&A	(885)	(772)	(113)	15%
Other operating results	347	(200)	547	N.M
Depreciation, amortization and depletion	906	793	113	14%
Other additions and exceptional items	(94)	331	(425)	N.M
Adjusted EBITDA	3,562	1,182	2,380	201%

Considers Votorantim Cimentos, Nexa, CBA, Votorantim Energia, Long Steel (Acerbrag and Acerías Paz del Río) and Holding. Citrusuco and banco BV are recognized under the equity method.

(1) Restated value.

Net revenues totaled R\$12.7 billion, 68% higher when compared to 2Q20, and Adjusted EBITDA totaled R\$3.6 billion, an increase of 201% compared to the same period last year. This is mainly due to improved operating results in cement and metal businesses, which registered higher sales volume and prices in all regions.

The positive variation of R\$547 million in Other Operating Results was mainly explained by the recognition of the McInnis Cement transaction in 2Q21 in comparison to impairment related to Votorantim Cimentos' Turkish and Bolivian operations in 2Q20.



Net Income/loss

R\$ million	2Q21	2Q20 ⁽²⁾	2Q21 vs. 2Q20	
			R\$	%
Adjusted EBITDA ⁽¹⁾	3,559	1,179	2,380	202%
Depreciation, amortization and depletion	(906)	(793)	(113)	14%
Results from investees	369	(79)	448	N.M
Financial results, net	97	(572)	669	N.M
Income tax and social contribution	(940)	(41)	(899)	2193%
Other	94	(330)	424	N.M
Net income	2,273	(636)	2,909	N.M

(1) Considers Votorantim Finanças along the operations of Votorantim Cimentos, Votorantim Energia, Nexa, CBA, Acerbrag and Acerías Paz del Río. The results of banco BV and Citrosuco are reported according to the equity method.

(2) Restated value

Votorantim reported a net income of R\$2.3 billion in 2Q21, compared to a net loss of R\$636 million in 2Q20, explained by improved operational results combined with the gain in the McInnis Cement transaction. Financial results delivered a positive variation of R\$669 million compared to 2Q20 mainly due to foreign exchange impacts on Nexa's and CBA's gross debt denominated in foreign currency.

Liquidity and Indebtedness

	Unit	Jun/21 ⁽¹⁾	Jun/20 ⁽¹⁾	Jun/21 vs. Jun/20	Dec/20 ⁽¹⁾	Jun/21 vs. Dec/20
Gross debt	R\$ million	24.431	29.458	-17%	25.065	-3%
in BRL ⁽²⁾	R\$ million	6.409	5.751	11%	6.438	0%
in foreign currency ⁽³⁾	R\$ million	18.022	23.707	-24%	18.627	-3%
Average maturity	years	7,0	6,6	0,4	6,9	0,1
Short-term debt	%	6%	13%	-7 p.p.	6%	0 p.p
Lease liabilities	R\$ million	1.374	921	49%	858	60%
Cash, cash equivalent and investments	R\$ million	15.784	14.065	12%	15.420	2%
in BRL	R\$ million	5.605	5.733	-2%	6.217	-10%
in foreign currency	R\$ million	10.179	8.332	22%	9.203	11%
Fair value of derivative instruments	R\$ million	242	763	-68%	758	-68%
Net debt ⁽⁴⁾	R\$ million	10.263	17.077	-40%	11.261	-9%
Net debt/Adj. EBITDA LTM	x	0,92x	3,92x	-3,00x	1,63x	-0,71x
BRL/USD	R\$	5,00	5,48	-9%	5,20	-4%

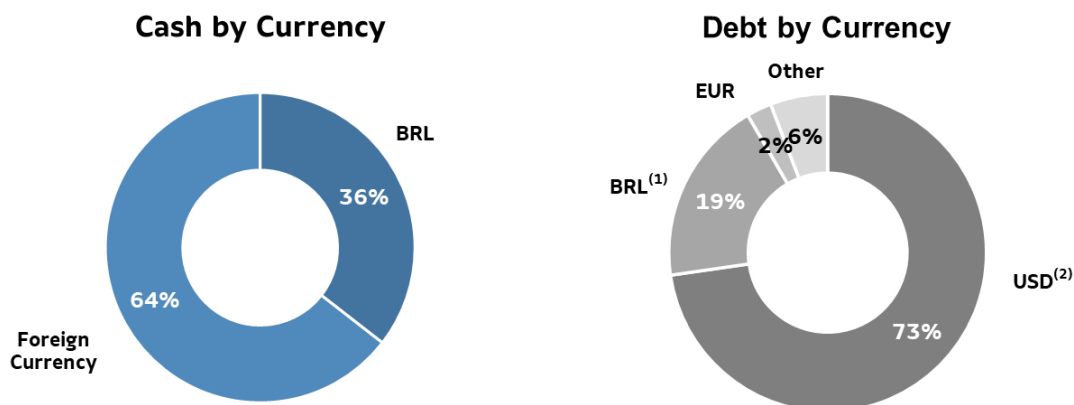
(1) Considers only the Industrial Segment.

(2) 4131 bilateral loan considered as BRL due to the cross-currency swap.

(3) Export Financing Facilities considered as USD due to the cross-currency swap.

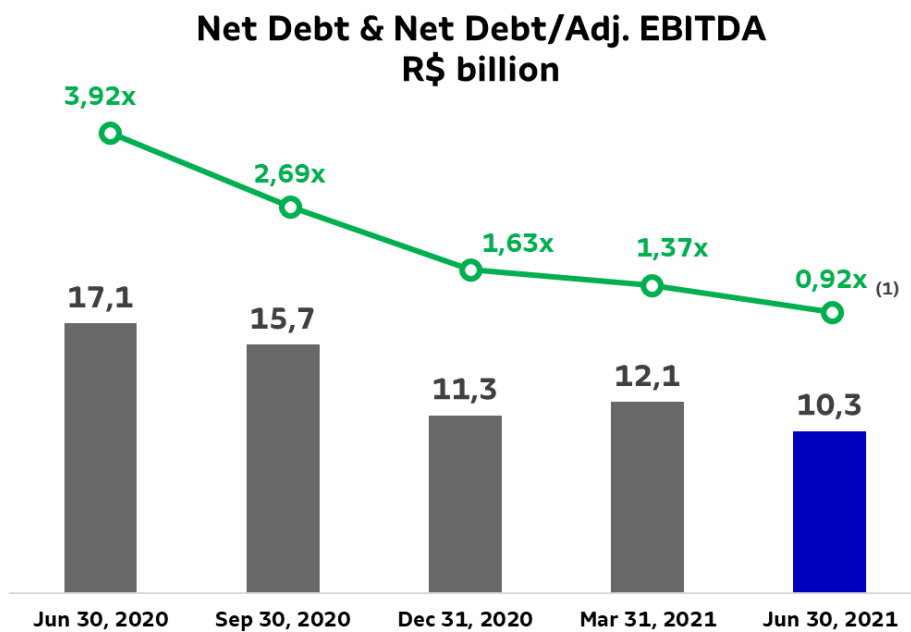
(4) Gross debt + lease liabilities (IFRS16) - cash, cash equivalents and investments + fair value of derivative instruments.

In June 2021, gross debt amounted to R\$24.4 billion, 3% lower than in December 2020, mainly due to the appreciation of the Brazilian Real.



- (1) 4131 bilateral loan considered as BRL due to the cross-currency swap.
- (2) Export Financing Facilities considered as US dollar due to cross-currency swap.

In addition to the cash position, Votorantim S.A. and Votorantim Cimentos each hold Revolving Credit Facilities (RCF) totaling US\$200 and US\$500 million, respectively.



(1) Gross debt + lease liabilities (IFRS16) – cash, cash equivalents and financial investments – fair value of derivative instruments.

3. ADDITIONAL REMARKS

a. Loan settlement – Nexa

On July 9, 2021, indirect subsidiary Nexa Peru prepaid the outstanding principal amount of a bank loan of R\$477 (approximately USD 91 million) and accrued interest of R\$13 (approximately USD 2 million). The cross-currency swap contracted associated with this debt was also closed at USD 12 million. Thus, the total value of this transaction was USD 105 million.

As this debt is being accounted for using the fair value option, all market-to-market effects and related credit risk will be reversed, with no impact on income.

b. Public offering of shares – Companhia Brasileira de Alumínio (“CBA”)

On July 16, 2021, subsidiary CBA announced the price of its initial public offering and began trading on the São Paulo Stock Exchange, under the ticker name "CBAV3" after the conclusion of its initial public offering, with the issuance of 62,500,000 of the subsidiary's common shares at a price of R\$ 11.20 per share, resulting in a net funding of R\$ 663.

On the same date, the Company sold 62,500,000 shares held in CBA for the net amount of R\$663, at the cost of R\$402, generating an accounting gain net of taxes and fees in the amount of R\$192.

c. Capital increase in the investee Janssen Capital B.V. – Janssen

On July 19, 2021, the Company carried out a capital increase in its subsidiary Janssen Capital B.V., in the amount of R\$ 591, in order to allocate the Company's investments in international strategies.

4. INVESTOR RELATIONS CONTACTS

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EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT ⁽¹⁾

Consolidated Income Statement	2Q21	2Q20
R\$ million		
Continuing operations		
Net revenues from products sold and services rendered	12,711	7,562
Cost of products sold and services rendered	(9,423)	(6,531)
Gross profit	<u>3,288</u>	<u>1,031</u>
Operating income (expenses)		
Selling	(229)	(207)
General and administrative	(659)	(568)
Other operating income (expenses), net	347	(200)
	<u>(541)</u>	<u>(975)</u>
Operating profit (loss) before equity results and finance results	<u>2,747</u>	<u>56</u>
Result from equity investments		
Equity in the results of investees	369	(79)
Realization of other comprehensive income on disposal of investments		
	<u>369</u>	<u>(79)</u>
Finance results, net		
Finance income	112	242
Finance costs	(731)	(683)
Derivative financial instruments	211	26
Foreign exchange losses, net	505	(157)
	<u>97</u>	<u>(572)</u>
Profit (loss) before income tax and social contribution	<u>3,213</u>	<u>(595)</u>
Income tax and social contribution		
Current	(482)	(91)
Deferred	(458)	50
Profit (loss) for the year from continuing operations	<u>2,273</u>	<u>(636)</u>
Discontinued operations		
Loss for the year from discontinued operations		
Profit (loss) for the year attributable to the owners	<u>2,273</u>	<u>(636)</u>
Profit (loss) attributable to the owners of the Company	1,941	(413)
Profit (loss) attributable to non-controlling interests	332	(223)
Profit (loss) for the year	<u>2,273</u>	<u>(636)</u>

(1) Considers Votorantim Cimentos, Nexa, CBA, Votorantim Energia, Long Steel and Holding. Citrusuco and banco BV are recognized under the equity method.

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

	2Q21	2Q20
Cash flow from operating activities		
Profit (loss) before income tax and social contribution	3,214	(594)
Loss on discontinued operations		(1)
Adjustments of items that do not represent changes in cash and cash equivalents		
Depreciation, amortization and depletion	920	793
Equity in the results of investees	(369)	79
Allowance for doubtful accounts		
Interest, indexation and foreign exchange variations	(1,212)	334
Constitution (reversal) for impairment of fixed, intangible assets and investments	13	273
Loss (gain) on sale of fixed and intangible assets, net	(43)	6
Gain on sale of investments, net		
Gain in sale of Fibria, net		
Realization of other comprehensive income on sale of investments		
Adjustment to fair value of loans and financing	18	(59)
Constitution (reversal) of provision	233	(18)
Derivative financial instruments	1,001	5
Future energy contracts	(225)	37
Fair value adjustment due to VTRM operation		
Loss (gain) on financial instrument - put option	(215)	82
Gain in debt renegotiation	2	
Gain on advantageous purchase in acquisition of investment	(236)	
PIS and COFINS credit recognition on the ICMS calculation basis		(156)
Tax recovery		
	3,101	781
Decrease (increase) in assets		
Financial investments	(249)	40
Derivative financial instruments	(211)	(17)
Trade accounts receivable	(1,004)	(71)
Inventory	(504)	230
Taxes recoverable	171	37
Related parties	33	(8)
Judicial deposits	(5)	94
Other accounts receivable and other assets	3	(33)
Increase (decrease) in liabilities		
Trade payables	556	(191)
Salaries and social charges	179	186
Use of public assets	(20)	(16)
Taxes payable	(4)	79
Advances from clients	50	171
Other obligations and other liabilities	308	(191)
	2,404	1,091
Cash provided by (used in) operating activities		
Interest paid on borrowing and use of public assets	(391)	(456)
Income tax and social contribution paid	(146)	(73)
	1,867	562
Net cash provided by (used in) operating activities		
Cash flow from investment activities		
Proceeds from disposals of fixed and intangible assets	47	25
Proceeds from sales of investments		
Dividends received	87	18
Acquisitions of property, plant and equipment	(1,111)	(686)
Acquisitions of investments	191	
Increase in biological assets	(4)	(8)
Increase in intangible assets	(61)	(1)
Income tax and social contribution paid - Fibria Operation		
	(851)	(652)
Net cash used in investment activities		
Cash flow from financing activities		
New borrowing	1,355	5,782
Repayment of borrowing	(2,239)	(3,506)
Repayment of leasing	(135)	(47)
Derivative financial instruments	(2)	(35)
Dividends paid	(16)	(70)
	(1,037)	2,124
Net cash provided by (used in) financing activities		
Decrease in cash and cash equivalents	(21)	2,034
Effect in cash and cash equivalent of companies included (excluded) in consolidation	31	
Effect of fluctuations in exchange rates	(984)	299
Other high liquid short term investments		
Cash and cash equivalents at the beginning of the year	11,686	6,779
Cash and cash equivalents at the end of the year	10,712	9,112

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Income Statement	Jun 30,	Dec 31,		Jun 30,	Dec 31,
R\$ million	2021	2020		2021	2020
Assets			Liabilities and equity		
Current assets			Current liabilities		
Cash and cash equivalents	10,712	9,783	Borrowing	1,004	1,407
Financial investments	5,125	5,678	Derivative financial instruments	636	511
Derivative financial instruments	221	221	Lease liabilities	305	235
Trade receivables	3,924	3,209	Confirming payables	2,518	2,380
Inventory	6,071	4,724	Trade payables	5,269	5,404
Taxes recoverable	2,107	2,033	Salaries and payroll charges	999	1,174
Dividends receivable		176	Taxes payable	1,379	760
Financial instruments - firm commitment		49	Advances from clients	251	182
Other assets	595	538	Dividends payable	25	44
	<u>28,755</u>	<u>26,411</u>	Use of public assets	117	97
Assets classified as held-for-sale	3	25	Financial instruments - firm commitment	6	75
			Deferred revenue - silver streaming	110	141
			Other liabilities	<u>1,317</u>	<u>924</u>
				13,936	13,334
Non-current assets			Liabilities related to assets as held-for-sale	<u>1</u>	<u>2</u>
Long-term receivables			Non-current liabilities		
Financial investments	10	20	Borrowing	23,427	23,658
Financial instruments - stocks	1,658	2,590	Derivative financial instruments	602	2,412
Derivative financial instruments	775	1,945	Lease liabilities	1,070	623
Financial instruments - put option	810	252	Deferred income tax and social contribution	2,327	2,373
Taxes recoverable	3,191	2,966	Related parties	18	11
Related parties	179	196	Provision	3,857	3,586
Deferred income tax and social contribution	3,000	2,731	Use of public assets	1,519	1,400
Judicial deposits	197	193	Pension plan	478	524
Financial instruments - firm commitment	21	9	Financial instruments - firm commitment	43	210
Securitization of receivables	251	149	Deferred revenue - silver streaming	610	722
Other assets	549	701	Other liabilities	<u>734</u>	<u>827</u>
	<u>10,641</u>	<u>11,752</u>		34,685	36,346
Investments			Total liabilities	<u>48,622</u>	<u>49,682</u>
Property, plant and equipment	13,211	12,698	Equity		
Intangible assets	31,674	30,105	Share capital	28,656	28,656
Right-of-use assets	14,413	14,594	Revenues reserves	8,806	8,806
Biological assets	1,279	797	Cumulated earnings	2,461	
	98	96	Carrying value adjustments	<u>5,711</u>	<u>4,879</u>
	<u>71,316</u>	<u>70,042</u>	Total equity attributable to owners of the Company	45,634	42,341
Total assets	<u>100,074</u>	<u>96,478</u>	Non controlling interests	<u>5,818</u>	<u>4,455</u>
			Total liabilities and equity	<u>100,074</u>	<u>96,478</u>

EXHIBIT IV – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT (BY BUSINESS UNIT)

2Q21 Consolidated Income Statement (by Business Units)	Votoratim Cimentos	Nexa Resources	CBA	Long Steel	Votorantim Energia	Holding and others	Elim. Industrial	Total, industrial segments	Financial	Elim. Financial	Total, consolidated
R\$ Million											
Continuing operations											
Net revenues from products sold and services rendered	5,810	3,638	1,913	992	785	14	(441)	12,711			12,711
Cost of products sold and services rendered	(4,364)	(2,464)	(1,527)	(746)	(755)	(8)	441	(9,423)			(9,423)
Gross profit	1,446	1,174	386	246	30	6		3,288			3,288
Operating income (expenses)											
Selling	(176)	(35)	(10)	(7)		(1)		(229)			(229)
General and administrative	(289)	(162)	(82)	(30)	(30)	(63)		(656)	(3)		(659)
Other operating income (expenses), net	289	(73)	135	(30)	(25)	51		347			347
	(176)	(270)	43	(67)	(55)	(13)		(538)	(3)		(541)
Operating profit (loss) before equity results and finance results	1,270	904	429	179	(25)	(7)		2,750	(3)		2,747
Result from equity investments											
Equity in the results of investees	25		16		4	1,874	(1,551)	368	244	(243)	369
Realization of other comprehensive income on disposal of investment	25		16		4	1,874	(1,551)	368	244	(243)	369
Finance results, net											
Finance income	49	16	9	11	2	24		111	1		112
Finance costs	(359)	(197)	(122)	(40)	(5)	(8)		(731)			(731)
Derivative financial instruments	(179)	72	103			215		211			211
Foreign exchange losses, net	178	279	142	27		(121)		505			505
	(311)	170	132	(2)	(3)	110		96	1		97
Profit (loss) before income tax and social contribution	984	1,074	577	177	(24)	1,977	(1,551)	3,214	242	(243)	3,213
Income tax and social contribution											
Current	(170)	(200)	(60)	(61)	(1)	10		(482)			(482)
Deferred	(82)	(199)	(121)	(21)	10	(46)		(459)	1		(458)
Profit (loss) for the year from continuing operations	732	675	396	95	(15)	1,941	(1,551)	2,273	243	(243)	2,273
Discontinued operations											
Loss for the year from discontinued operations											
Profit (loss) for the year attributable to the owners	732	675	396	95	(15)	1,941	(1,551)	2,273	243	(243)	2,273
Profit (loss) attributable to the owners of the Company	620	582	383	61	(15)	1,941	(1,630)	1,942	243	(241)	1,944
Profit (loss) attributable to non-controlling interests	112	93	13	34			79	331		1	332
Profit (loss) for the quarter	732	675	396	95	(15)	1,941	(1,551)	2,273	243	(240)	2,276