VOTORANTIM

Earnings Release
3Q19
Votorantim S.A.

3Q19 Highlights

R$ million	3Q19	3Q18 [1]	3Q19 vs. 3Q18	2Q19	3Q19 vs. 2Q19	LTM	2018 [1]	LTM vs. 2018
Net revenues	8,268	8,647	-4%	7,853	5%	30,910	30,931	0%
Adjusted EBITDA	1,189	1,662	-28%	1,416	-16%	6,222	6,878	-10%
EBITDA margin	14%	19%	-5 p.p	18%	-4 p.p	20%	22%	-2 p.p
Net income/loss	(458)	112	N.M.	225	-304%	5,703	1,953	192%
Net debt/Adj. EBITDA LTM	1.79x	2.60x	-0.81x	1.56x	0.15x	1.79x	1.92x	-0.13x
CAPEX	799	592	35%	462	73%	2,783	2,576	8%

Considers Votorantim Cimentos, Nexa, CBA, Votorantim Energia, Long Steel and Holding. Citrosuco and Banco Votorantim are recognized under the equity method.

(1) Restated value

Consolidated

- Net revenues totaled R$8.3 billion, a decrease of 4% when compared to 3Q18, explained mainly by the decrease on London Metals Exchange (LME) prices, which was partially offset by Votorantim Cimentos results.
- Adjusted EBITDA amounted to R$1.2 billion, down by 28% when compared to 3Q18.
- Net loss of R$458 million, versus a net income of R$112 million in 3Q18.
- The net debt/adjusted EBITDA ratio decreased to 1.79x from 2.60x in 3Q18.

Votorantim Cimentos (VC)

- Net revenues totaled R$3.8 billion, 2% higher when compared to 3Q18.
- Adjusted EBITDA amounted to R$791 million, a decrease of 5% when compared to 3Q18 and 1% on a like-for-like basis, excluding impacts from non-recurrent items.
- Strong cash generation in the quarter, reaching up to R$793 million, recovering the results in the 1H19 affected by seasonality.
- Creation of Verdera, a new business unit focused on alternative fuels.

Nexa

- Consolidated net revenue reached US$563 million in 3Q19 compared with US$595 million in 3Q18, driven by lower LME prices.
- Adjusted EBITDA was US$58 million in 3Q19 compared with US$120 million in 3Q18.
- As a result of a reduction in mine life, Nexa recognized a non-cash US$142 million impairment loss related to one of its Peruvian mines.

CBA

- Results down on the back of challenging aluminum market.
- Adjusted EBITDA decreased by 54% in 3Q19 against the same period in 2018, mainly driven by lower aluminum sales volume and prices, partially offset by a decrease in raw material costs.

Votorantim Energia (VE)

- CESP's shares price increased by 95% since the privatization auction date.
- Significant reduction in CESP's contingent liabilities, reflecting the new management initiatives implemented by the company.
- Net revenues from the joint venture (JV) between VE and Canada Pension Plan Investment Board (CPPIB) reached R$527 million (+306% YoY) and the adjusted EBITDA totaled R$314 million (+186% YoY).

Long Steel business

- Argentina: net revenues decreased by 9% when compared to 3Q18, mainly due to lower sales volume and the depreciation of the Argentine peso against the Brazilian real.
- Colombia: net revenues decreased by 18%, mainly due to lower sales volume.

1. OPERATING AND FINANCIAL PERFORMANCE

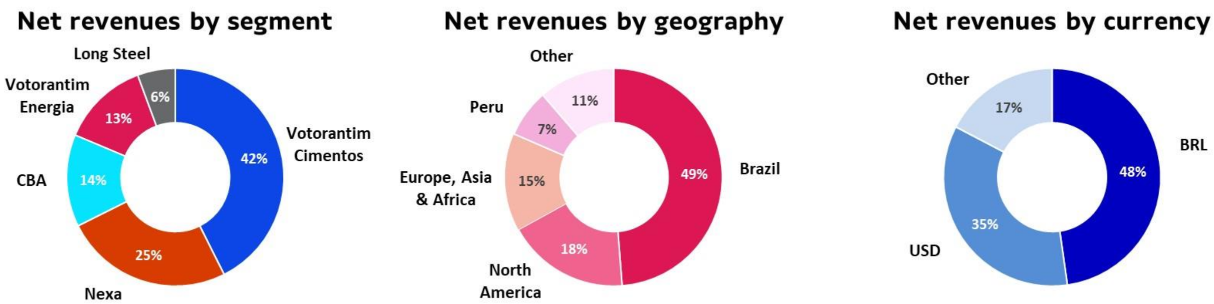
Results analysis

R$ million	3Q19	3Q18 [1]	3Q19 vs. 3Q18	
Net revenues	**8,268**	**8,647**	**(379)**	**-4%**
COGS	**(6,930)**	**(6,941)**	**11**	**0%**
SG&A	**(837)**	**(708)**	**(129)**	**18%**
Selling expenses	(226)	(168)	(58)	35%
General & adm. expenses	(611)	(540)	(71)	13%
Other operating results	**(735)**	**(230)**	**(505)**	**220%**
Depreciation, amortization and depletion	**802**	**643**	**159**	**25%**
Other additions and exceptional items	**621**	**251**	**370**	**147%**
Adjusted EBITDA	**1,189**	**1,662**	**(473)**	**-28%**

Considers Votorantim Cimentos, Nexa, CBA, Long Steel, Votorantim Energia and Holding. Citrosuco and Banco Votorantim are recognized under the equity method

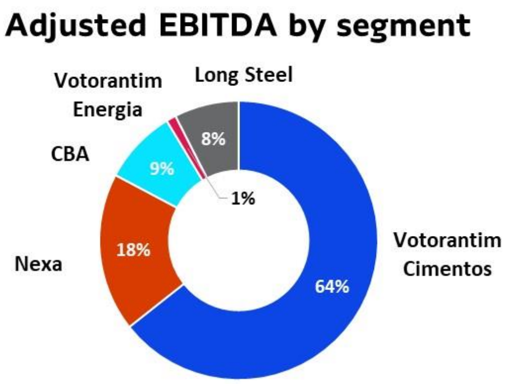
(1) Restated value

Net revenues in 3Q19 totaled R$8.3 billion, a decrease of 4% when compared to 3Q18. This result is mainly due to the impact of the decrease in LME metals prices (zinc, copper, lead and aluminum), lower sales volume in the long steel operations in Argentina and Colombia; and lower sales volume in Votorantim Energia. These factors were partially offset by Votorantim Cimentos results, due to higher sales volume in the Brazilian and North American operations.



The negative variation of R$505 million in Other Operating Results in the 3Q19 vs. 3Q18 comparison is explained mainly by the impairment recognized by Nexa in the gross amount of US$142 million (R$564 million) as a result of a reduction in mineral reserves and resources that led to a decrease in the life of one of its mines in Peru.

Adjusted EBITDA totaled R$1.2 billion, down by 28% against 3Q18, due to the decrease in consolidated net revenues, as explained above. In addition, there was a negative effect of higher costs, mainly in Votorantim Cimentos and Nexa and the depreciation of the Argentine and Colombian pesos against the Brazilian real.



Financial result

R$ million	3Q19	3Q18 (1)	3Q19 vs. 3Q18 R$	%
Financial income from investments	101	91	10	11%
Financial expenses from borrowings	(299)	(356)	58	-16%
Exchange variation	(238)	(245)	7	-3%
Net hedge result	49	45	4	9%
Other financial income (expenses), net	(64)	(158)	93	-59%
Net financial result	**(452)**	**(624)**	**172**	**-28%**

(1) Restated value

Financial income from investments totaled R$101 million in 3Q19, an increase of 11% when compared with 3Q18, mainly due to the higher cash position of financial investments in 3Q19 versus 3Q18 resulting from the cash received from Fibria's transaction.

Financial expenses from borrowings decreased by 16%, mainly due to the reduction in gross debt, resulting from the liability management initiatives, mainly at Votorantim S.A. (VSA) and Votorantim Cimentos.

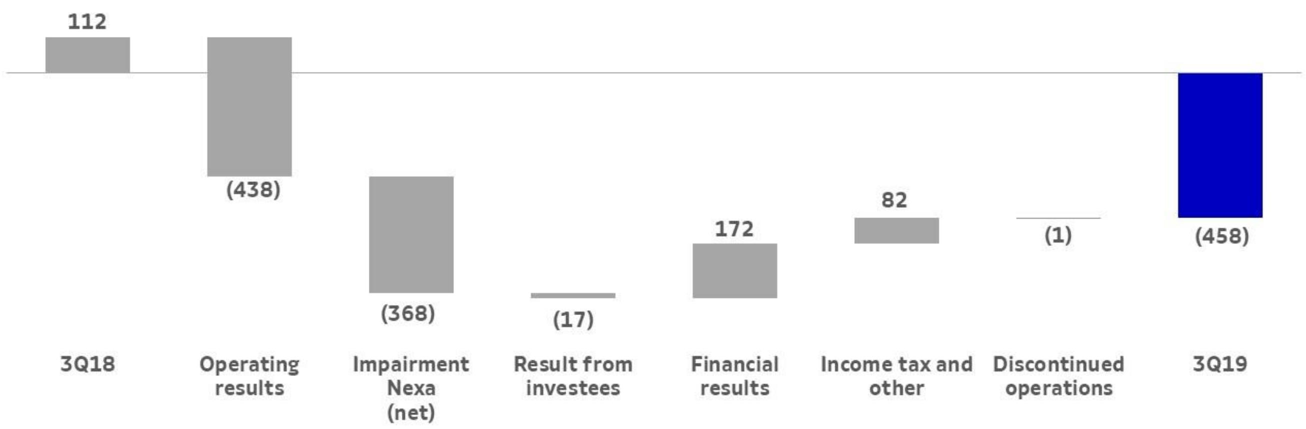
Exchange variation loss came to R$238 million in 3Q19, compared to a loss of R$245 million in 3Q18. The positive impact is mainly due to the reduction in gross debt partially offset by the depreciation of Brazilian real against US dollar.

The net hedge gain totaled R$49 million in 3Q19 due to the fair value of the derivatives instruments linked to convert the 4131 bilateral loans from US dollar to Brazilian real (cross-currency swap), which was impacted by the depreciation of the Brazilian real.

Other net financial expenses totaled R$64 million, a decrease of R$93 million when compared to 3Q18.

Net Income/loss

R$ million



Votorantim S.A. reported a net loss of R$458 million in 3Q19, versus a net income of R$112 million in 3Q18.

The negative variation of R$438 million in Operating results is mainly explained by the decrease in the adjusted EBITDA due to the impact of the decrease in LME metals prices (zinc, copper, lead and aluminum), lower sales volume in the long steel operations in Argentina and Colombia; and lower sales volume in Votorantim Energia.

The impairment recognized by Nexa accounted for a negative net variation of R$368 million, as mentioned before, which is explained by R$564 million recognized under Other Operating Results and a positive impact of R$196 million of income tax and social contribution related to this impairment recognition.

The result from equity investments decreased by R$17 million, mainly due the negative impact of Citrosuco's results, which is recognized by the equity method along with Banco Votorantim, which will be further explained on page 19.

Financial results increased by R$172 million, mainly due to the reduction in gross debt, resulting from the liability management initiatives.

The income tax and other account increased by R$82 million in relation to the 3Q18 and is mainly explained by the recognition of tax credits due to the loss before income tax and social contribution registered in 3Q19.

Liquidity and Indebtedness

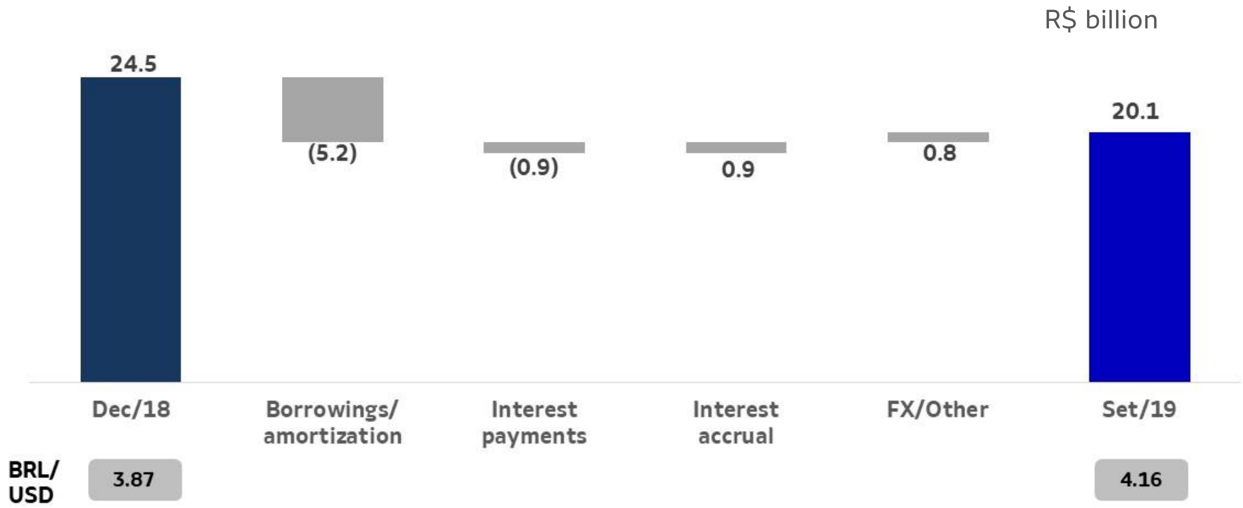
Indicator	Unit	Sep/19[2]	Sep/18[2]	Sep/19 vs Sep/18	Dec/18[2]	Sep/19 vs Dec/18
Gross debt	**R$ million**	**20,104**	**25,353**	**-21%**	**24,451**	**-18%**
in BRL[1]	R$ million	5,225	5,137	2%	5,357	**-2%**
in foreign currency [3]	R$ million	14,879	20,216	-26%	19,094	**-22%**
Average maturity	**years**	**6.8**	**7.9**	**-14%**	**7.8**	**-13%**
Short-term debt	**%**	**3.8%**	**10.2%**	**-6.4 p.p.**	**11.3%**	**-7.5 p.p.**
Lease liabilities	**R$ million**	**911**				
Cash, cash equivalent and investments	**R$ million**	**9,951**	**9,985**	**-0.3%**	**11,009**	**-10%**
in BRL	R$ million	4,386	4,105	6.8%	4,631	-5%
in foreign currency	R$ million	5,565	5,880	-5.4%	6,378	-13%
Fair value of derivative instruments	**R$ million**	**(92)**	**97**	**-194.8%**	**228**	**-140%**
Net debt [4]	**R$ million**	**11,156**	**15,271**	**-26.9%**	**13,214**	**-16%**
Net debt/Adj. EBITDA LTM	**x**	**1.79x**	**2.60x**	**-0.81x**	**1.92x**	**-0.13x**
BRL/USD	**R$**	**4.16**	**4.00**	**4.0%**	**3.87**	**8%**

(1) 4131 bilateral loan considered as BRL due to the cross-currency swap
(2) Considers only the Industrial Segment
(3) Export Financing Facilities considered as US dollar due to cross-currency swap
(4) Gross debt + lease liabilities (IFRS16) - cash, cash equivalents and investments - fair value of derivative instruments

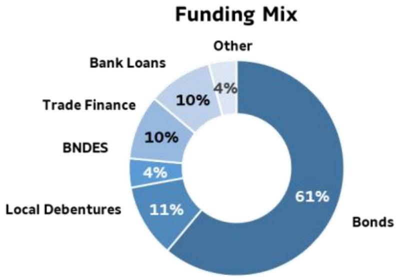
In September 2019, gross debt amounted to R$20.1 billion, 18% lower than December 2018, due to the prepayment of debts by Votorantim Cimentos and VSA during the first half of 2019.

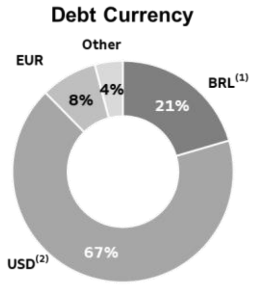
In February 2019, Votorantim Cimentos prepaid a portion of the bonds due in 2041, 2021 and 2022. Additionally, as part of the strategy to reduce gross debt, the bond due in 2019, 4131s bilateral loans and local debentures were prepaid by VSA, in the first half of 2019.

The chart below summarizes the main changes in gross debt figures:



The funding mix and debt currency breakdown are presented below:





(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

Cash, cash equivalents and financial investments ended the quarter at R$10.0 billion, 44% of which was denominated in Brazilian real.

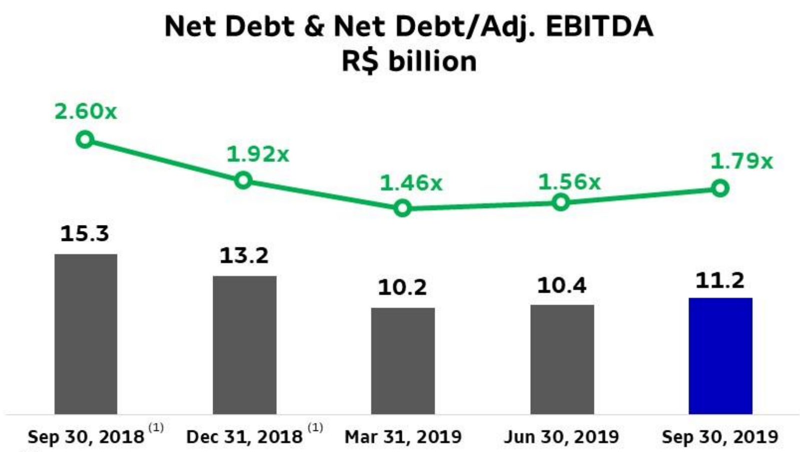
Cash is mainly invested in Brazilian government bonds and fixed-income investments of Brazilian and foreign financial institutions. The majority of these investments are allocated in high quality counterparts, have high liquidity and are diversified in order to mitigate concentration risk.

In addition to the liquidity position, Votorantim S.A. and Votorantim Cimentos have an agreement for revolving credit facilities. Twelve banks are committed to the revolving credit facilities totaling US$200 million for Votorantim S.A. and US$500 million for Votorantim Cimentos.

The two revolving credit facilities, both expiring in 2023, strengthen Votorantim's liquidity position, which totaled R$12.9 billion in 3Q19. These revolving credit facilities have not been disbursed.

Net debt totaled R$11.2 billion, 16% lower than in December 2018. Financial leverage, measured by the net debt/adjusted EBITDA ratio, came to 1.79x, a decrease of 0.13x over December 2018 and 0.81x over September 2018.

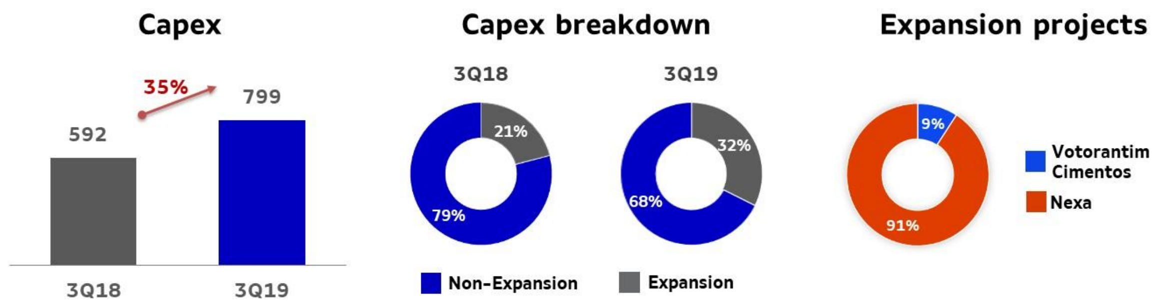
The chart below illustrates the consolidated net debt and the net debt/adjusted EBITDA ratio since September 30, 2018:



(1) Restated value

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

Capex



Capex totaled R$799 million, a 35% increase against 3Q18.

In 3Q19, expansion projects represented 32% of total investments, versus 21% in 3Q18.

Nexa represented 91% of the total expansion investments in Aripuanã's project development and Vazante's mine deepening, which reached 83% of its physical progress.

Cement projects accounted for 9% of total expansion investments, including the expansion of its grinding plant in Pecém, in the Northeast of Brazil. The project is expected to be concluded in 2020 and will add 800 thousand tons in capacity.

Free Cash Flow

R$ million	3Q19	3Q18	3Q19 vs. 3Q18	
Adjusted EBITDA	**1,189**	**1,662**	**(473)**	**-28%**
Working capital / other	540	(360)	900	N.M.
Income tax and other	(89)	(131)	42	-32%
CAPEX	(799)	(592)	(207)	35%
CFfO	**841**	**579**	**262**	**45%**
Investments / Divestments	67	(93)	160	N.M.
Financial result	(195)	(188)	(7)	4%
Dividends	(445)	(268)	(177)	66%
FX effect on cash	476	235	241	103%
FCF	**744**	**265**	**479**	**181%**

In 3Q19, Cash Flow from Operations (CFfO) was positive at R$841 million, an increase of R$262 million versus 3Q18. The positive variation came from a strong working capital reversion, mainly in Votorantim Cimentos, which was impacted by seasonality in the 1H19.

Free Cash Flow (FCF) totaled R$744 million. The positive variation of R$479 million is mostly due to the consolidation, in the Brazilian real, of the cash position denominated in US dollar, which was positively impacted by the 9% depreciation of the Brazilian real against the US dollar in 3Q19 (September 30, 2019: R$/US$ 4.1644 | June 30, 2019: R$/US$ 3.8322).

In this year, VSA paid R$1.4 billion in dividends to its shareholders, R$700 million refers to the catch up of dividends it did not pay in 2017 and R$700 million refers to the regular dividend of the year.

BUSINESSES

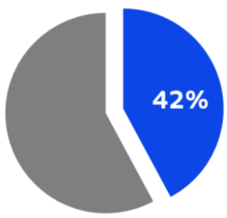
R$ million	Votorantim Cimentos	Nexa	CBA	Votorantim Energia	Long Steel	Other[1]	Consolidated[2]
Net revenues	3,800	2,236	1,313	1,163	502	21	8,268
COGS	(2,951)	(2,003)	(1,172)	(1,172)	(390)	(9)	(6,930)
SG&A	(421)	(227)	(58)	(23)	(31)	(77)	(837)
Other operating results	16	(713)	(65)	33	(12)	6	(735)
Depreciation, amortization and depletion	311	369	89	3	23	7	802
Other additions and exceptional items	36	564	(1)	10	0	22	621
Adjusted EBITDA	791	226	106	14	92	(30)	1,189
EBITDA margin	21%	10%	8%	1%	18%	-143%	14%

(1) Includes holding, eliminations and other

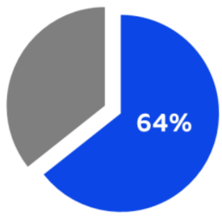
(2) Considers Votorantim Cimentos, Nexa, CBA, Votorantim Energia, Long Steel and Holding. Citrosuco and Banco Votorantim are recognized under the equity method

VOTORANTIM CIMENTOS

Net Revenues



Adjusted EBITDA



R$ million	3Q19	3Q18	3Q19 vs. 3Q18
Net revenues	**3,800**	**3,734**	**2%**
COGS	**(2,951)**	**(2,877)**	**3%**
SG&A	**(421)**	**(359)**	**17%**
Selling expenses	(184)	(137)	34%
General & adm. expenses	(237)	(222)	7%
Other operating results	**16**	**69**	**-77%**
Depreciation, amortization and depletion	**311**	**271**	**15%**
Other additions and exceptions items	**36**	**(6)**	**N.M**
Adjusted EBITDA	**791**	**832**	**-5%**
EBITDA margin	**21%**	**22%**	**-1 p.p**

Consolidated net revenues totaled R$3.8 billion in 3Q19, a 2% increase when compared to 3Q18, mainly explained by higher sales volume and prices in its Brazilian operations (VCBR) and strong results in the North American operations (VCNA), which offsets the results in Turkey and Votorantim Cimentos Latam (VC Latam).

VCBR's net revenues increased by 5%, from R$1.8 billion in 3Q18 to R$1.9 billion in 3Q19, mainly due to higher sales volume and prices and the improved performance of the cement market in the quarter. In VCNA, net revenues reached R$1.3 billion, a 6% YoY increase, as a result of higher sales volume and prices, mainly in the United States. In the Europe and Africa cluster (VCEAA), net revenues decreased by 13% when compared to

3Q18 reaching R$450 million, negatively impacted by the continuous decrease in sales volume in Turkey and the depreciation of local currencies, which was partially offset by good sales performances in Tunisia and Morocco. VC Latam's net revenues decreased by 20% when compared to 3Q18, going from R$186 million to R$148 million, as result of FX and lower sales volume in Uruguay, mainly due to a more positive local market dynamic in 2018. This impact was partially offset by improved results in Bolivia due to exports.

Consolidated COGS increased by 3% versus 3Q18, reaching R$3.0 billion, as a result of higher variable costs in Brazil, such as freight and energy, and higher sales volume in VCNA, which were partially mitigated by lower sales volume in Turkey and Uruguay.

Consolidated SG&A totaled R$421 million, 17% higher than in 3Q18, driven by higher personnel costs, mainly due to inflation and increases in consulting and selling expenses in Brazil, also impacted by timing impacts on marketing expenses.

Consolidated adjusted EBITDA reached R$791 million in 3Q19, a 5% decrease YoY, with margin reaching 21%. VCBR recorded an adjusted EBITDA of R$169 million against R$241 million in 3Q18. Nevertheless, the results in 3Q18 were positively impacted by R$30 million one-offs due to tax credits and asset sales. Excluding this impact, consolidated adjusted EBITDA would have reduced by 1%.

VCNA's adjusted EBITDA reached R$497 million in 3Q19 versus R$441 million in 3Q18, a 13% increase explained by a strong performance in comparison with the results in 1H19, which were affected by weather seasonality, and resulted in improved figures, mainly in the USA.

VCEAA's adjusted EBITDA decreased 10% YoY, amounting to R$97 million, and was negatively affected by the continuous challenging scenario in Turkey with a significant decrease in sales volume and margins as the high inflation rate impacted operating costs. Improved results in Tunisia and Morocco and a stable scenario in Spain helped to partially offset VCEAA´s decrease in adjusted EBITDA.

VC Latam's adjusted EBITDA decreased by 36%, from R$41 million to R$27 million in 3Q19. This decrease is mainly caused by Uruguay, highly impacted in sales volume due to a more positive local market dynamic in 2018 and lower results in ready-mix products as Itacamba operations continue to record solid results.

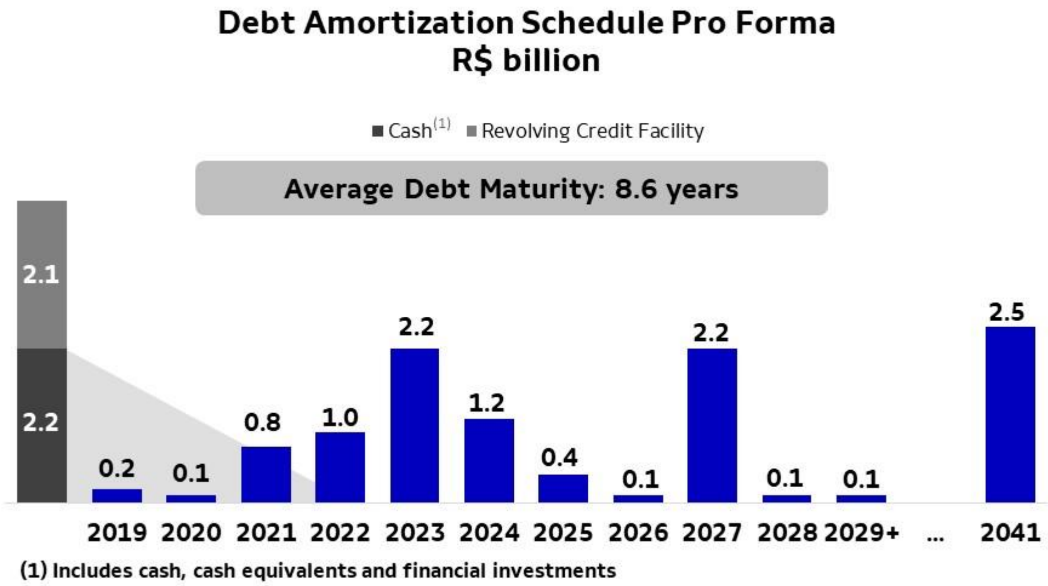
Liquidity and Indebtedness

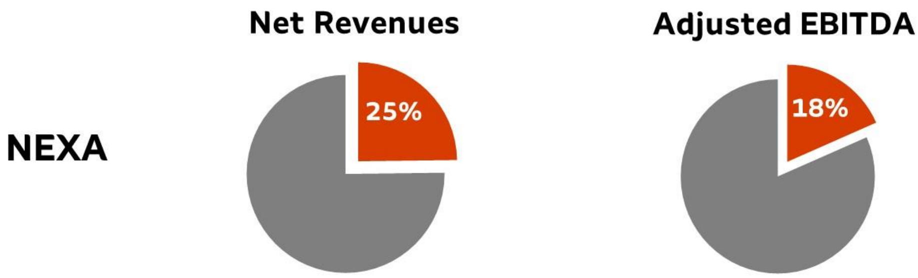
At the end of 3Q19, gross debt amounted to R$10.8 billion, an R$0.6 billion increase when compared to the second quarter of 2019 driven by the depreciation of the Brazilian real at the end of quarter versus 2Q19.

Aligned with the company's liability management strategy, in 3Q19, VC issued a new 4131 bilateral loan of US$75 million. This amount was used to prepay more expensive debt and to extend VC's already comfortable average debt maturity.

VC recorded a net debt/adjusted EBITDA ratio of 3.21x, representing a stable scenario versus 2Q19 mainly due to the Brazilian real depreciation which offset the strong cash generation of the quarter.

The chart below summarizes the debt amortization schedule as of September 2019 including subsequent events:





After the IPO, Votorantim S.A. continues to consolidate Nexa's results as the controlling shareholder, holding 64% of its shares. Nexa's functional currency is the US dollar.

In 3Q19, Nexa reported net revenues of US$563 million and adjusted EBITDA of US$58 million, 5% and 52% lower, respectively, when compared to the same period a year ago. The result is mainly explained by lower LME metal prices, higher operating costs and temporary increase in G&A expenses of US$16 million related to operational efficiency initiatives.

The average LME price for zinc in 3Q19 was US$2,348/ton, 7% lower than the average price in 3Q18. This price trend was also registered for copper (US$5,802/ton, down 5% vs. 3Q18) and lead (US$2,028/ton; down 4% vs. 3Q18).

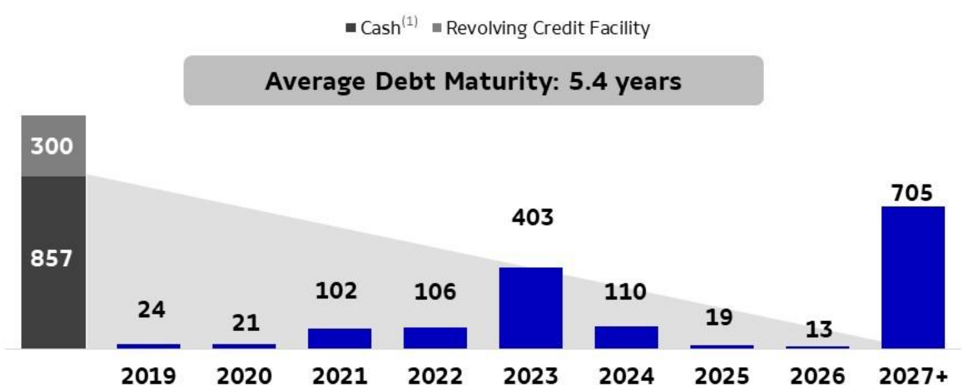
(1) Source: Bloomberg; First day of serie =100

Nexa's share prices decreased by 41% from the IPO on October 27, 2017, until September 30, 2019, going from US$16.00 to US$9.41 per share. The average price in this period was US$12.74.

Liquidity and Indebtedness

As of September 30, 2019, total gross debt was US$1,420 million, mainly composed of unsecured bonds, issued by Nexa and its subsidiary Nexa Peru, totaling US$700 million due in 2027 and US$343 million due in 2023.

Debt Amortization Schedule Pro Forma
US$ million

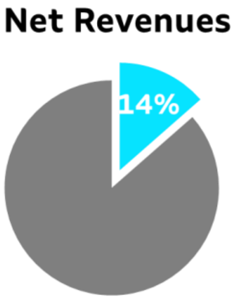


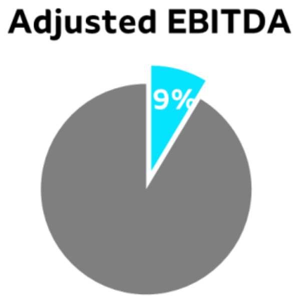
(1) Includes cash, cash equivalents and financial investments

Nexa reported a cash balance of US$857 million and net debt of US$592 million, resulting in a 1.43x net debt/adjusted EBITDA ratio.

Please refer to Nexa's IR website (www.nexaresources.com/investors) for additional information.

CBA





R$ million	3Q19	3Q18	3Q19 vs. 3Q18
Net revenues	**1,313**	**1,439**	**-9%**
COGS	**(1,172)**	**(1,174)**	**0%**
SG&A	**(58)**	**(59)**	**-2%**
Selling expenses	(6)	(9)	-33%
General & adm. expenses	(52)	(50)	4%
Other operating results	**(65)**	**(51)**	**27%**
Depreciation, amortization and depletion	**89**	**75**	**19%**
Other additions and exceptions items	**(1)**	**(1)**	**0%**
Adjusted EBITDA	**106**	**229**	**-54%**
EBITDA margin	**8%**	**16%**	**-8 p.p**

The Brazilian economy directly affects the aluminum demand in both upstream and downstream segments, leading to a 9% reduction in sales volume, totaling 105 thousand tons in 3Q19.

Net revenues decreased by 9% in 3Q19 versus 3Q18, amounting to R$1.3 billion. In the 3Q19, aluminum LME prices fell by 14%, reflecting the on-going US-China Trade War and a cyclical slowdown in world economies. Global GDP, industrial production and global trade have all declined in relation to 3Q18, lowering primary aluminum demand in key end-use sectors such as transportation and construction. At the same time, elevated semis exports from China and the abundance of scrap units are suppressing primary aluminum demand, while LME lost its cost support mainly due to falling alumina prices. Within this context, despite the positive factors, such as declining inventories, and temporary supply restrictions and deficit in China, the average LME price has dropped from US$2.057/t (3Q18) to US$1.762/t (3Q19). In Brazilian Real, LME prices have also decreased by 14%, due to flat currency impact in the period. The higher sales of energy surplus and the implemented hedge program partially compensated the lower sales volume and LME prices. Regarding the aluminum business, net revenues decreased by 13% in the period, totaling R$1.0 billion.

COGS were flat in 3Q19 when compared to 3Q18, totaling R$1.2 billion. The increase in sales from energy surplus, offset the reduction in aluminum sales. Likewise, SG&A remained flat at R$58 million during the same period.

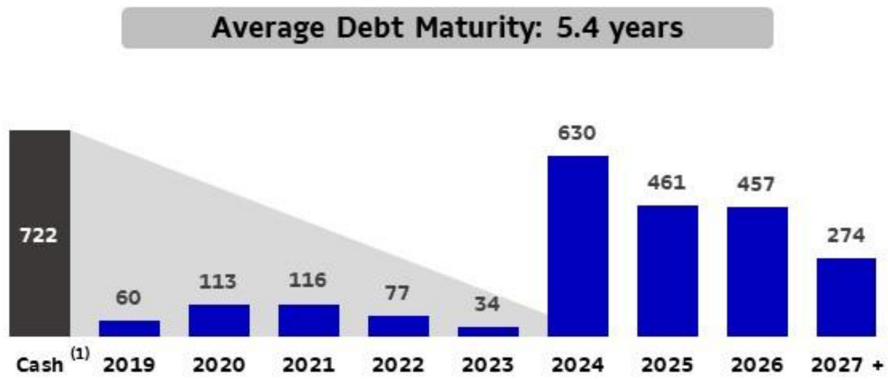
Adjusted EBITDA amounted to R$106 million in 3Q19, 54% drop when compared to 3Q18, resulting from lower all-in aluminum prices, market uncertainties and updates of judicial deposits and contingence accruals mainly in the Nickel business. Considering the aluminum business alone, adjusted EBITDA reduced by 41%, totaling R$133 million.

Liquidity and Indebtedness

In 3Q19, CBA's gross debt amounted to R$2.2 billion, 3% higher when compared to 3Q18, mainly due to negative effects from the end of period currency rate (4% depreciation of the Brazilian real against the US dollar). In 2019, the Company signed an agreement in the amount of R$326 million, with final maturity in 2034, with the Brazilian Economical and Social Development Bank (BNDES) to finance part of its maintenance and modernization projects. In September 2019, R$90 million of this agreement were disbursed to CBA.

The chart below summarizes the debt amortization schedule:

Debt Amortization Schedule
R$ million



(1) Includes cash, cash equivalent and financial investments

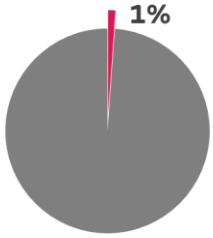
Cash, cash equivalents and financial investments ended the quarter at R$722 million, 88% was denominated in Brazilian real. This cash position is sufficient to cover all obligations due in the next five years. Additionally, CBA is included in Votorantim S.A.'s US$200 million revolving credit facility, which strengthens CBA's liquidity position.

Net debt totaled R$1.7 billion, flat when compared to 3Q18. Financial leverage, measured by the net debt/adjusted EBITDA ratio, remained stable at 2.23x, from 2.28x in September 2018.

VOTORANTIM ENERGIA

Net Revenues

Adjusted EBITDA



R$ million	3Q19	3Q18	3Q19 vs. 3Q18
Net revenues	**1,163**	**1,329**	**-12%**
COGS	**(1,172)**	**(1,275)**	**-8%**
G&A	**(23)**	**(22)**	**5%**
Other operating results	**33**	**38**	**-13%**
Depreciation, amortization and depletion	**3**		
Other additions and exceptions items	**10**		
Adjusted EBITDA	**14**	**70**	**-80%**
EBITDA margin	**1%**	**5%**	**-4 p.p**

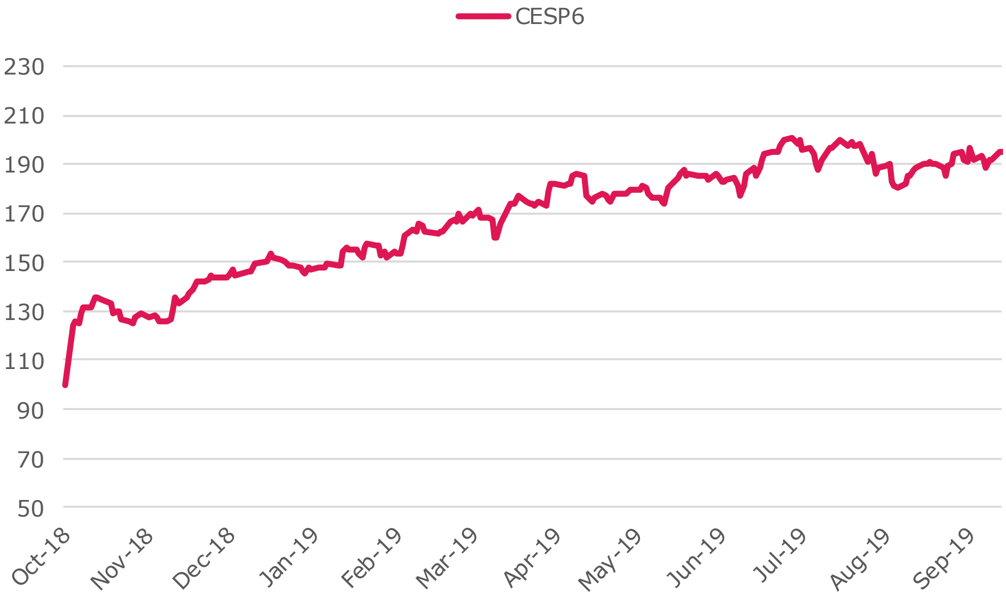
Votorantim Energia only consolidates results from energy trading and operation and maintenance services. The power generation business, including the JV with CPPIB and preferred equity stakes in Votorantim investees' hydro power plants are both recognized under the equity method.

Consolidated net revenues decreased by 12% when compared with 3Q18, totaling R$1.2 billion in 3Q19, on the back of lower sales volume. Adjusted EBITDA also reduced due to the non-cash effect of the mark-to-market of energy contracts and lower sales volume from energy trading, partially offset by dividends received from equity stake in self-generation assets. Adjusted EBITDA in 3Q19 totaled R$14 million, versus R$70 million in 3Q18.

JV VE-CPPIB – RECOGNIZED UNDER THE EQUITY METHOD

JV figures include the results of Ventos do Piauí I, Ventos do Araripe III and CESP, with CESP's minority interest reported separately.

In 3Q19, JV reported net revenues of R$527 million (+306% YoY) and Adjusted EBITDA of R$314 million (+186% YoY), explained by the consolidation of CESP in 2019. The adjusted EBITDA margin in the quarter was 60%.



(1) Source: Bloomberg; (2) First day of serie = 100

CESP's share price had increased by 95% from the privatization auction date until September 30, 2019, going from R$14.60 (acquisition price) to R$28.50 per share.

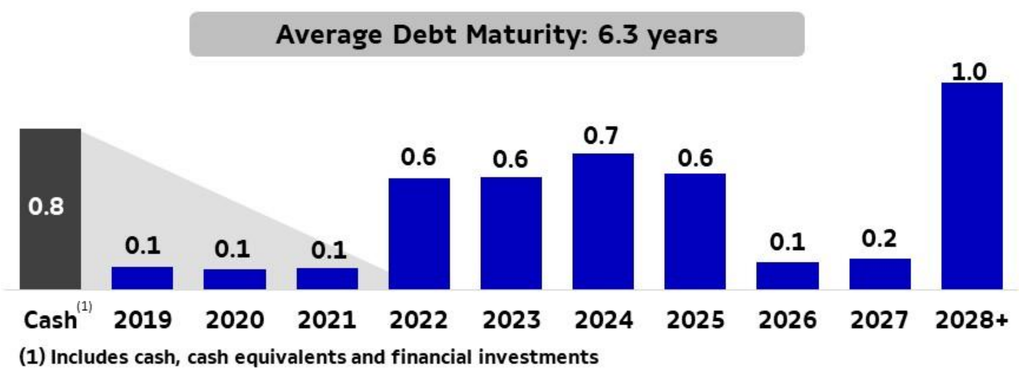
VE holds a 50% stake in the JV and reports its results under the IFRS equity method since June, 2018.

Liquidity and Indebtedness

Gross debt amounted to R$4.0 billion at the end of 3Q19. Such indebtedness is related to the funding of the construction of the wind power assets and the financing of the Porto Primavera Hydro Power Plant grant.

The chart below summarizes the debt amortization schedule:

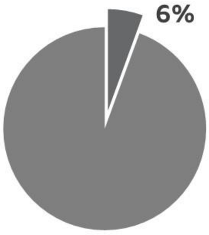
Debt Amortization Schedule
R$ billion



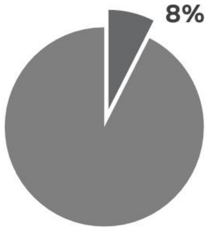
The net debt/adjusted EBITDA ratio as of September 30, 2019 was 3.72x, with net debt of R$3.2 billion. Considering the Adjusted EBITDA LTM of Ventos do Piauí I, Ventos do Araripe III and CESP, pro forma leverage ratio would have been 3.42x.

LONG STEEL
(Argentina and Colombia)

Net Revenues



Adjusted EBITDA



R$ million	3Q19	3Q18	3Q19 vs. 3Q18
Net revenues	**502**	**583**	**-14%**
COGS	**(390)**	**(478)**	**-18%**
SG&A	**(31)**	**(35)**	**-11%**
Selling expenses	(5)	(7)	-29%
General & adm. expenses	(26)	(28)	-7%
Other operating results	**(12)**	**28**	**N.M**
Depreciation, amortization and depletion	**23**	**26**	**-12%**
Adjusted EBITDA	**92**	**124**	**-26%**
EBITDA margin	**18%**	**21%**	**-3 p.p**

Net revenues in Argentina and Colombia totaled R$502 million in 3Q19, 14% lower than in 3Q18, mainly due to the decrease in sales volume in both countries as well as the depreciation of the Argentine and Colombian pesos against the Brazilian real.

COGS and SG&A totaled R$390 million and R$31 million, respectively down by 18% and 11% when compared to 3Q18.

Adjusted EBITDA decreased by 26% over 3Q18, totaling R$92 million and explained by lower sales volume, depreciation of the Argentine and Colombian pesos against the Brazilian real and the reduction in revenues from the sales of mining rights.

- **ArcelorMittal Sul Fluminense**

Votorantim Siderurgia S.A. is a subsidiary of ArcelorMittal Brasil S.A. (AMB) and it has been rebranded as ArcelorMittal Sul Fluminense (AMSF). Votorantim S.A. holds a 15% stake in the long steel business of AMB, and the net gain of R$20 million in 3Q19 was consolidated in Votorantim S.A.'s results as a financial instrument, through the fair value of the put option, which is the option Votorantim S.A. has to sell its shares in AMB to AMB between July 1st, 2019 and December 31st, 2022.

BUSINESSES RECOGNIZED UNDER THE EQUITY METHOD

In 3Q19, Votorantim S.A. recorded a net loss of R$458 million and the businesses that were recognized under the equity method, primarily Citrosuco, contributed with a negative result of R$214 million in this total amount.

R$ million	3Q19	3Q18
Net income/loss without results from investees	**(499)**	**54**
Citrosuco	**(214)**	**(142)**
Banco Votorantim	**204**	**161**
Other	**51**	**39**
Net income	**(458)**	**112**

- **Citrosuco**

Citrosuco's functional currency is the US dollar.

Its results in 3Q19 were negatively impacted by the decrease in the average orange juice price in US dollar as well as lower sales volume of Frozen Concentrated Orange Juice (FCOJ) and Not From Concentrated (NFC).

Net revenues totaled US$189 million and EBITDA totaled US$9 million, a decrease of 29% and 72%, respectively, when compared to the same period in the previous year.

Votorantim S.A. holds a 50% stake in Citrosuco and reports its proportional results using the IFRS equity method.

- **Banco Votorantim**

On 3Q19, Banco Votorantim had advanced on its ongoing strategy of increasing business profitability and operational efficiency, and diversifying sources of income, investing continuously in digital transformation, to improve its clients' experience. Additionally, in order to maintain more stable funding sources, the Bank issued a dual tranche bond abroad totaling US$850 million.

In 3Q19, the Bank posted a net income of R$355 million, up by 32% versus the same period in 2018. This result is mainly due to the growth in gross margin and revenues from services and brokerage. The Return on Equity (ROE) increased to 15.1%, over 11.9% in 3Q18.

The Bank maintains a consistent process of evaluating and monitoring credit risk client transactions. 90-Day NPL closed at 4.6% in September 2019.

The Basel Ratio ended the quarter at 15.7%, higher than the minimum capital requirement of 10.5%.

Votorantim S.A. holds a 50% stake in Banco Votorantim and its financial information is presented in compliance with the BRGAAP accounting standards. However, the consolidated results of Votorantim S.A. are recognized under the IFRS equity method.

Please refer to Banco Votorantim's IR website (www.bancovotorantim.com.br/ir) for additional information.

2. ADDITIONAL REMARKS

a. Nexa's new credit facility

On October 25, 2019, Nexa entered in to a revolving credit facility with a syndicate of lenders, which allows the company to borrow up to US$300 million with maturity of five years. The amounts drawn are subject to an interest rate of 1.0% + LIBOR 3M. The credit facility is to be used for general corporate purposes and provides the company with increased liquidity and additional flexibility.

3. INVESTOR RELATIONS CONTACTS

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EXHIBIT I – VOTORANTIM S.A. CONSOLIDATED INCOME STATEMENT [1]

Consolidated Income Statement R$ million	3Q19	3Q18
Continuing operations		
Net revenues from products sold and services rendered	8,268	8,647
Cost of products sold and services rendered	(6,930)	(6,941)
Gross profit	1,338	1,706
Operating income (expenses)		
Selling	(226)	(168)
General and administrative	(614)	(543)
Other operating income (expenses), net	(735)	(230)
	(1,575)	(941)
Operating profit (loss) before equity results and finance results	(237)	765
Result from equity investments		
Equity in the results of investees	41	58
Realization of other comprehensive income on disposal of investments		
	41	58
Finance results, net		
Finance income	212	236
Finance costs	(475)	(660)
Derivative financial instruments	49	45
Foreign exchange losses, net	(238)	(245)
	(452)	(624)
Profit (loss) before income tax and social contribution	(648)	199
Income tax and social contribution		
Current	(130)	(109)
Deferred	321	22
Profit (loss) for the year from continuing operations	(457)	112
Discontinued operations		
Loss for the year from discontinued operations	(1)	
Profit (loss) for the year attributable to the owners	(458)	112
Profit (loss) attributable to the owners of the Company	(198)	84
Profit (loss) attributable to non-controlling interests	(260)	28
Profit (loss) for the year	(458)	112

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

EXHIBIT II – VOTORANTIM S.A. CONSOLIDATED CASH FLOW

	3Q19	3Q18
Cash flow from operating activities		
Profit (loss) before income tax and social contribution	(648)	199
Loss on discontinued operations	(1)	
Adjustments of items that do not represent changes in cash and cash equivalents		
Depreciation, amortization and depletion	802	659
Equity in the results of investees	(41)	(58)
Deliberation of interim dividends from Fibria		
Interest, indexation and foreign exchange variations	319	179
Reversal for impairment of fixed, intangible assets and investments	561	(5)
Loss (gain) on sale of fixed and intangible assets, net	(14)	(44)
Gain on sale of investments, net		(1)
Discontinued operations - China, California and Florida		
Realization of other comprehensive income - Voto IV		
Fair value adjustment - Resolution 4131		28
Constitution (reversal) of provision	44	(119)
Derivative financial instruments	132	21
Financial instruments - firm commitment	16	(6)
Fair value adjustment due to VTRM operation		
Gain on financial instrument - put option	(20)	6
Gain in debt renegotiation		
Tax recovery	(81)	
Change in fair value of biological assets		(1)
	1,069	**858**
Decrease (increase) in assets		
Financial investments	995	(340)
Derivative financial instruments	(76)	21
Trade accounts receivable	186	(125)
Inventory	(13)	(45)
Taxes recoverable	219	(227)
Related parties	(106)	7
Other accounts receivable and other assets	(153)	(90)
Increase (decrease) in liabilities		
Trade payables	308	193
Salaries and social charges	138	145
Use of public assets	2	66
Taxes payable	9	91
Other obligations and other liabilities	113	479
Cash provided by (used in) operating activities	**2,691**	**1,033**
Interest paid on borrowing and use of public assets	(227)	(277)
Income tax and social contribution paid	(89)	(131)
Net cash provided by (used in) operating activities	**2,375**	**625**
Cash flow from investment activities		
Proceeds from disposals of fixed and intangible assets	81	52
Proceeds from sales of investments		23
Dividends received	26	(8)
Acquisitions of property, plant and equipment	(799)	(592)
Acquisitions of investments		(124)
Increase in biological assets		
Increase in intangible assets	(7)	(107)
Net cash used in investment activities	**(699)**	**(756)**
Cash flow from financing activities		
New borrowing	674	836
Repayment of borrowing	(1,263)	(966)
Repayment of leasing	(55)	
Derivative financial instruments	14	(5)
Payment of share premium Nexa		
Dividends paid	(445)	(268)
Net cash provided by (used in) financing activities	**(1,075)**	**(403)**
Decrease in cash and cash equivalents	**601**	**(534)**
Effect in cash and cash equivalent of companies included (excluded) in consolidation		
Effect of fluctuations in exchange rates	476	235
Cash and cash equivalents at the beginning of the year	**4,944**	**7,053**
Cash and cash equivalents at the end of the year	**6,021**	**6,754**

EXHIBIT III – VOTORANTIM S.A. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet R$ million	Sep 30, 2019	Dec 31, 2018
Assets		
Current assets		
Cash and cash equivalents	6,021	7,667
Financial investments	3,972	3,390
Derivative financial instruments	99	216
Trade receivables	2,767	2,546
Inventory	4,129	3,814
Taxes recoverable	1,821	1,473
Dividends receivable	200	14
Financial instruments - firm commitment	15	202
Other assets	638	564
	19,662	19,886
Assets classified as held-for-sale		4,527
Non-current assets		
Long-term receivables		
Financial investments	23	23
Financial instruments - Suzano	2,530	
Derivative financial instruments	612	256
Financial instruments - put option	764	744
Taxes recoverable	3,210	2,731
Related parties	379	271
Deferred income tax and social contribution	3,181	4,079
Juducial deposits	363	755
Other assets	859	685
	11,921	9,544
Investments	11,347	10,882
Biological assets	75	74
Property, plant and equipment	26,681	26,180
Right-of-use assets	884	
Intangible assets	13,367	13,341
	64,275	60,021
Total assets	83,937	84,434

	Sep 30, 2019	Dec 31, 2018
Liabilities and equity		
Current liabilities		
Borrowing	774	5,291
Lease liabilities	229	
Derivative financial instruments	99	166
Confirming payables	1,397	1,187
Trade payables	3,919	4,262
Salaries and payroll charges	839	845
Taxes payable	559	490
Advances from clients	139	128
Dividends payable	48	482
Use of public assets	83	83
Deferred revenue - performance obligation	89	242
Deferred revenue - silver streaming	108	124
Financial instruments - firm commitment	19	19
Other liabiliites	849	808
	9,151	14,127
Liabilities related to assets as held-for-sale	2	108
Non-current liabilities		
Borrowing	19,330	19,160
Lease liabilities	682	
Derivative financial instruments	703	78
Deferred income tax and social contribution	1,981	2,199
Related parties	22	136
Provision	2,720	2,595
Use of public assets	1,121	1,106
Pension plan	323	319
Financial instruments - firm commitment	88	161
Deferred revenue - performance obligation		29
Deferred revenue - silver streaming	673	650
Other liabilities	803	924
	28,446	27,357
Total liabilities	37,599	41,592
Equity		
Share capital	28,656	28,656
Revenues reserves	6,028	7,093
Retained earnings	4,379	
Carrying value adjustments	1,712	1,470
Total equity attibutable to owners of the Company	40,775	37,219
Non controlling interests	5,563	5,623
Total liabilities and equity	83,937	84,434

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

3Q19 Consolidated Income Statement (by Business Units) R$ Million	Votoratim Cimentos	Nexa Resources	CBA	Long Steel	Votorantim Energia	Holding and others	Total, industral segments	Total, consolidated
Continuing operations								
Net revenues from products sold and services rendered	3,800	2,236	1,313	502	1,163	21	8,268	8,268
Cost of products sold and services rendered	(2,951)	(2,003)	(1,172)	(390)	(1,172)	(9)	(6,930)	(6,930)
Gross profit	849	233	141	112	(9)	12	1,338	1,338
Operating income (expenses)								
Selling	(184)	(28)	(6)	(5)		(3)	(226)	(226)
General and administrative	(237)	(199)	(52)	(26)	(23)	(74)	(611)	(614)
Other operating income (expenses), net	16	(713)	(65)	(12)	33	6	(735)	(735)
	(405)	(940)	(123)	(43)	10	(71)	(1,572)	(1,575)
Operating profit (loss) before equity results and finance results	444	(707)	18	69	1	(59)	(234)	(237)
Result from equity investments								
Equity in the results of investees	58		2		15	(461)	40	41
Realization of other comprehensive income on disposal of investmen								
	58		2		15	(461)	40	41
Finance results, net								
Finance income	110	17	33		26	57	211	212
Finance costs	(227)	(102)	(77)	(37)	(30)	(34)	(475)	(475)
Derivative financial instruments	41	(11)				19	49	49
Foreign exchange losses, net	(56)	(131)	(56)	2		2	(238)	(238)
	(132)	(227)	(100)	(35)	(4)	44	(453)	(452)
Profit (loss) before income tax and social contribution	370	(934)	(80)	34	12	(476)	(647)	(648)
Income tax and social contribution								
Current	(76)	(34)	(9)	(23)	4	7	(130)	(130)
Deferred	(8)	296	41	1	(5)	(4)	320	321
Profit (loss) for the year from continuing operations	286	(672)	(48)	12	11	(473)	(457)	(457)
Discontinued operations								
Loss for the year from discontinued operations	(1)						(1)	(1)
Profit (loss) for the year attributable to the owners	285	(672)	(48)	12	11	(473)	(458)	(458)
Profit (loss) attributable to the owners of the Company	269	(614)	(56)	2	11	(473)	(198)	(198)
Profit (loss) attributable to non-controlling interests	16	(58)	8	10			(260)	(260)
Profit (loss) for the quarter	285	(672)	(48)	12	11	(473)	(458)	(458)