

VOTORANTIM
Corporate Presentation
1Q20 Results



VOTORANTIM

João Schmidt

CEO Votorantim S.A.

COVID-19: Our response and commitments

Our response to COVID-19 reinforces our commitments to our people, our businesses and our communities



Employees' health, safety and well-being



Support to our communities through Votorantim Institute



Support to our portfolio companies



Business continuity



Liquidity

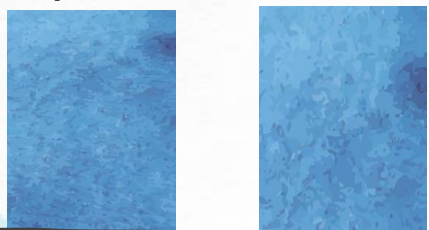


1Q20 Consolidated Results

Net Revenues

(R\$ MILLION)

6,720 6,829



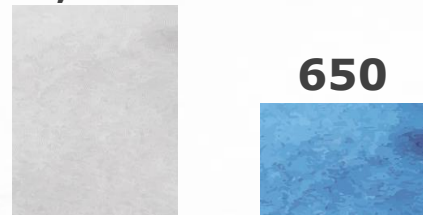
1Q19

1Q20

Adjusted EBITDA

(R\$ MILLION)

1,195 650



1Q19

1Q20

Net Income

(R\$ MILLION)

4,391



1Q19

1Q20

(3,444)

Net Debt

(R\$ MILLION)

NET DEBT/ADJ. EBITDA

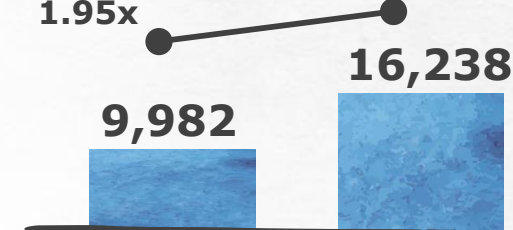
1.95x 3.55x

9,982

16,238

Dec/19

Mar/20





 **Votorantim**
Cimentos
Life is made to last

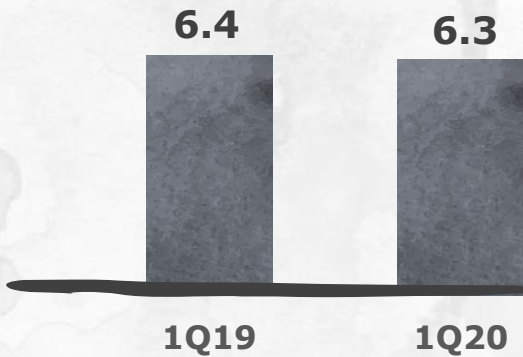
Oswaldo Ayres
CFO Votorantim Cimentos

Consolidated results

Volumes

(MTON)

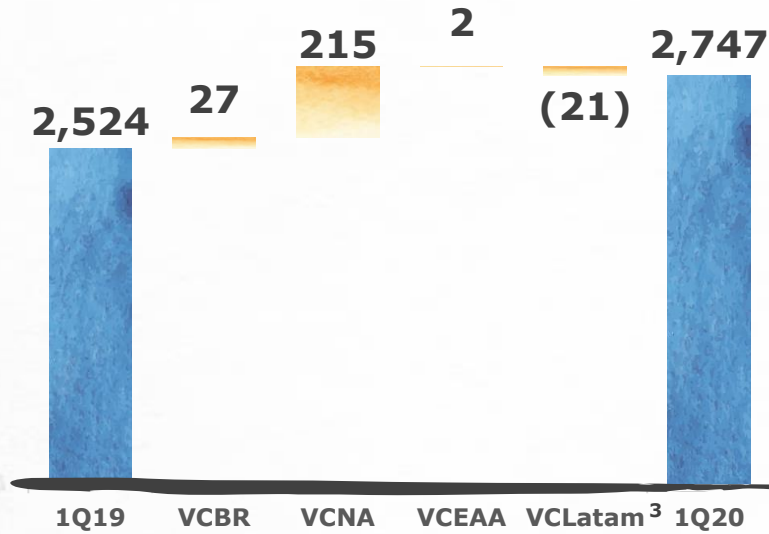
-0.5%



Net Revenues¹

(R\$ MILLION)

9%

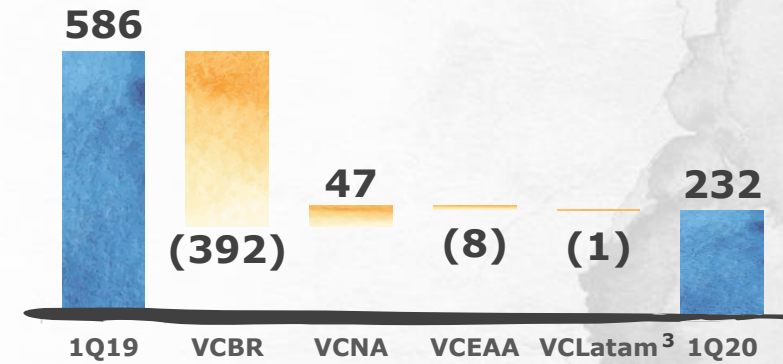


Adjusted EBITDA^{1,2}

(R\$ MILLION)

-60%

5%
in a LfL basis



23

Consolidated EBITDA Margin (%)

8

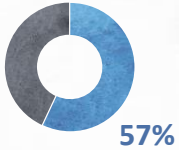
1. BRL|USD Avg. exchange rate used 3.77 (1Q19) | 4.45 (1Q20)

2. Consolidated adjusted EBITDA contain one-off occurrences which positively impacted 1Q19 results. In a like for like basis adjusted EBITDA for 1Q20 would have an increase of 5%

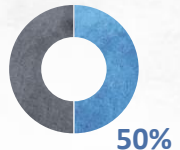
3. VCLatam and other



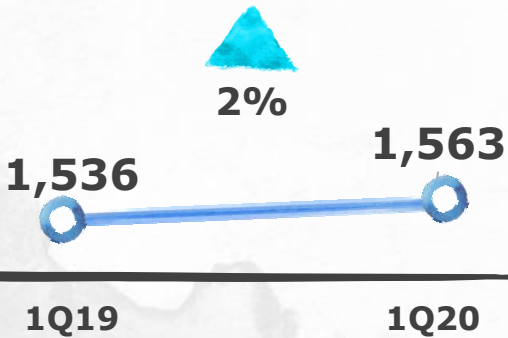
Net Revenues
(% of consolidated)



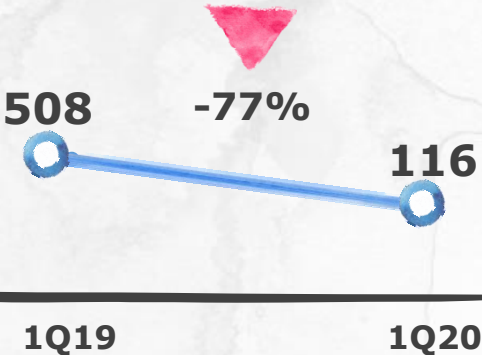
Adjusted EBITDA
(% of consolidated)



Net Revenues¹



Adj. EBITDA¹



Positive market dynamics until COVID-19 impacts in the country from the mid-Mar/20

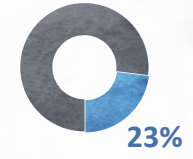
1Q19 adjusted EBITDA positively impacted by one-off



1. BRL|USD Avg. exchange rate used 3.77 (1Q19) | 4.45 (1Q20)



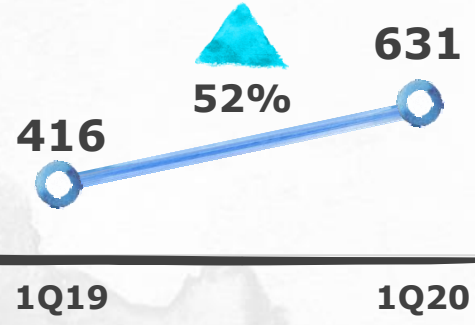
Net Revenues
(% of consolidated)



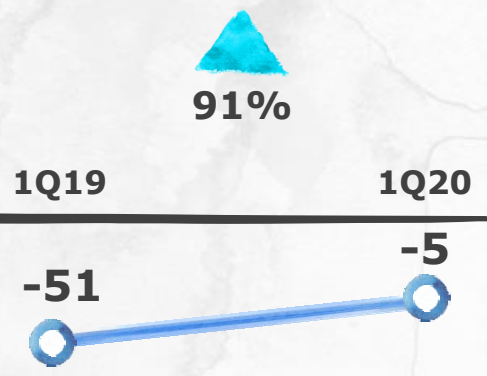
Adjusted EBITDA
(% of consolidated)



Net Revenues¹



Adj. EBITDA¹



Milder weather and **strong market** conditions in 1Q20 positively impacted operational performance

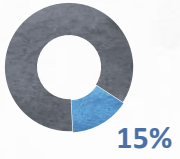
BRL depreciation (+18%) positive contribution



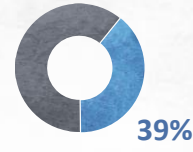
1. BRL|USD Avg. exchange rate used 3.77 (1Q19) | 4.45 (1Q20)



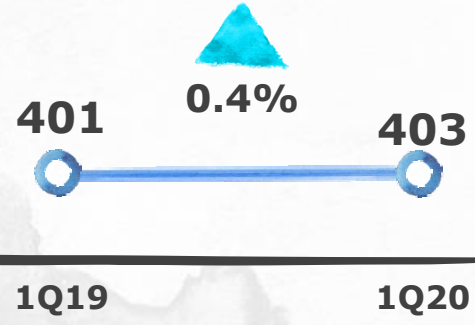
Net Revenues
(% of consolidated)



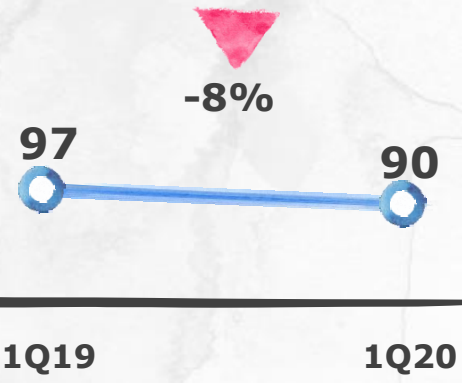
Adjusted EBITDA
(% of consolidated)



Net Revenues¹



Adj. EBITDA¹



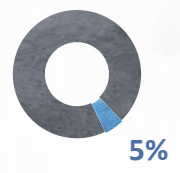
Results aligned with expectations during the first two months of 2020

COVID-19 impacts from Mar/20 mainly in Morocco, Spain and Tunisia

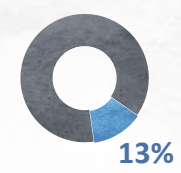


1. BRL|USD Avg. exchange rate used 3.77 (1Q19) | 4.45 (1Q20)

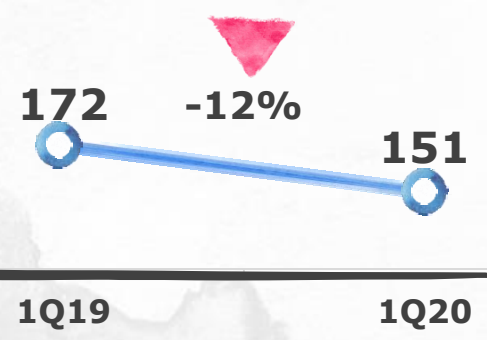
Net Revenues
(% of consolidated)



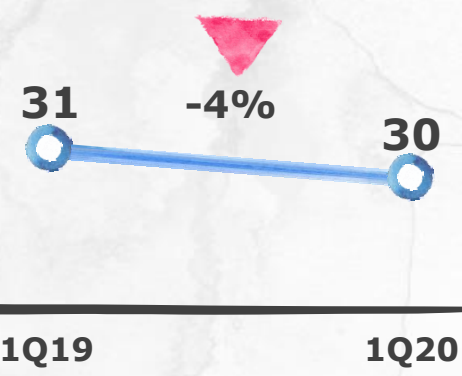
Adjusted EBITDA
(% of consolidated)



Net Revenues



Adj. EBITDA



Positive results in Uruguay with stable volumes and price increase

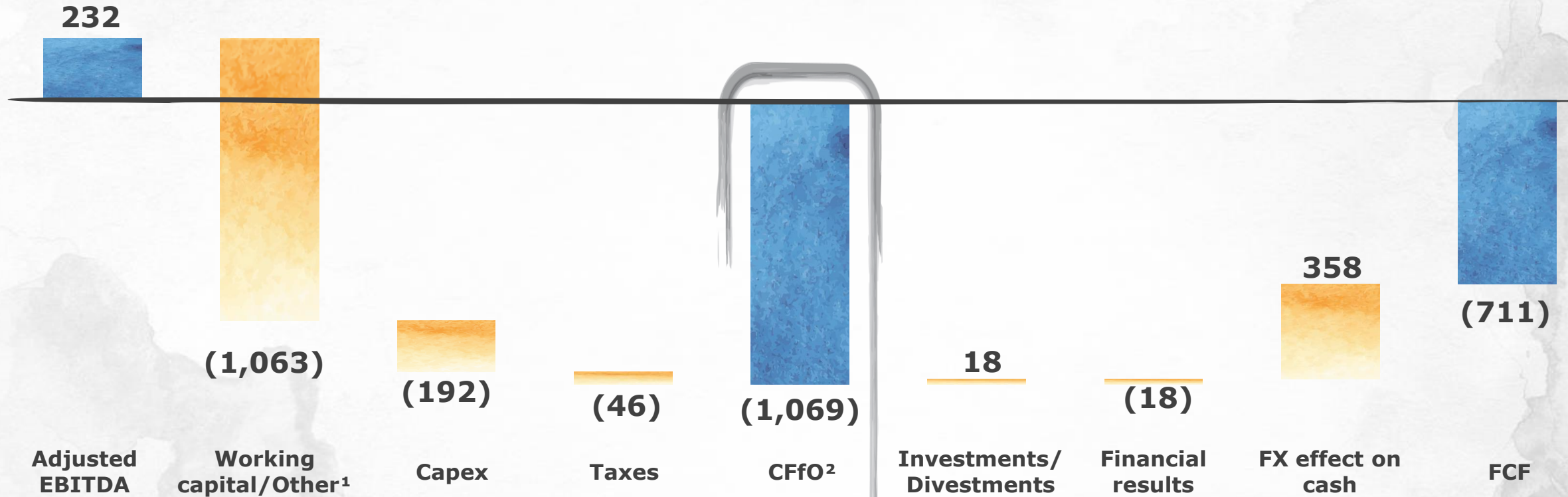
Performance impacted in Bolivia by challenging macroeconomic scenario and COVID-19 lockdown in Mar/20



1. VCLatam and other. BRL|USD Avg. exchange rate used 3.77 (1Q19) | 4.45 (1Q20)

Cash Generation

(R\$ MILLION)



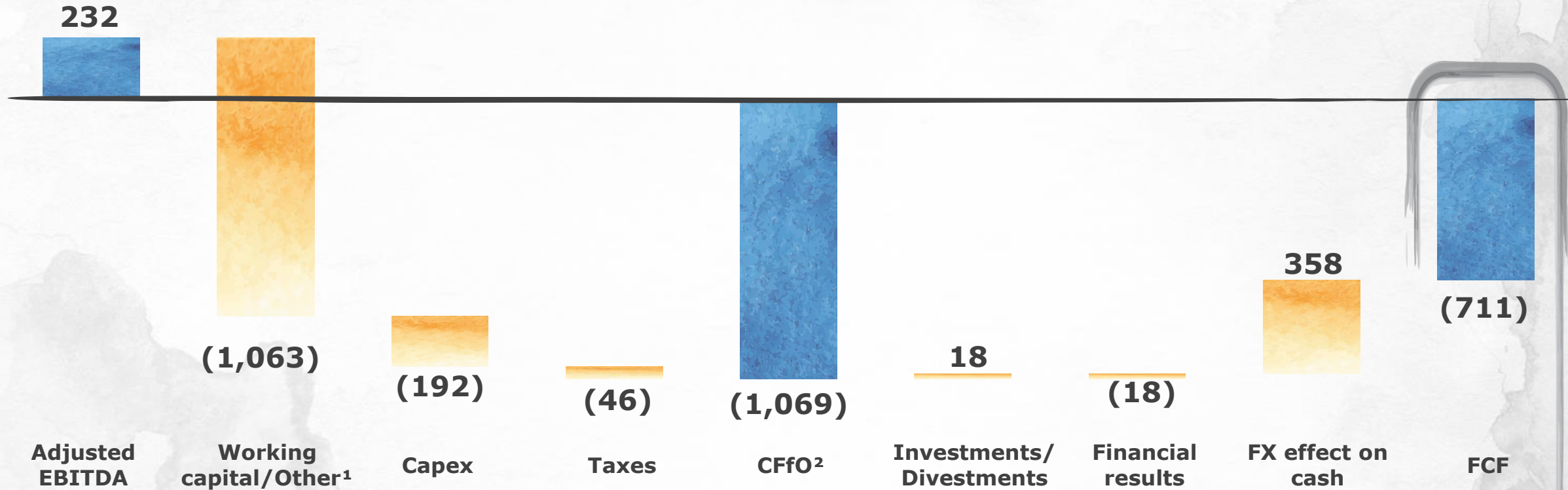
Business seasonality affecting working capital

Capex increase YoY mainly related to Pecém expansion and FX impacts

1. Other items that do not impact cash generation
 2. Cash Flow from Operations

Cash Generation

(R\$ MILLION)



Financial results positively impacted by LM and also due to global interest rates reduction

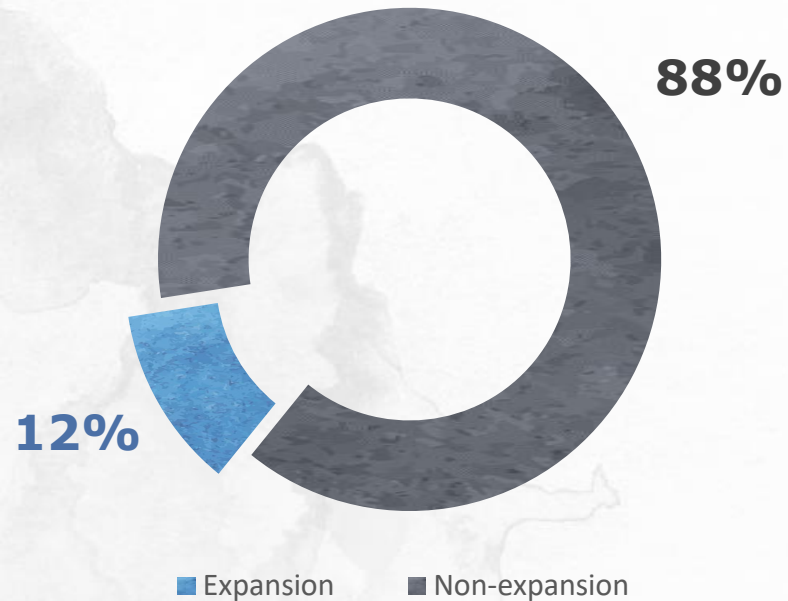
BRL depreciation positive contribution on cash abroad

1. Other items that do not impact cash generation
2. Cash Flow from Operations

Capital Expenditure

Capex

Total Amount
R\$192 million



Sustaining

To **preserve competitiveness** in all regions and to maintain operational excellence

Modernization

Modernization plan gives management **flexibility to postpone expenditures due to COVID-19 impacts**

Expansions



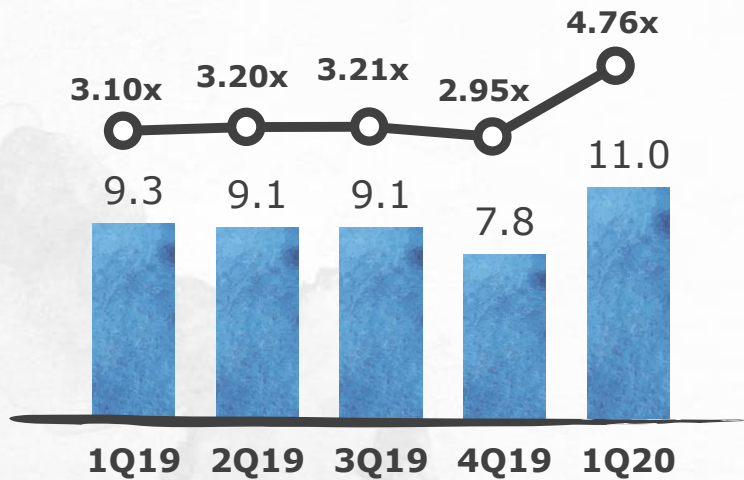
Expansion of Pecém grinding **impacted** by government restriction in the state of Ceará

Leverage, Liquidity and Indebtedness

Net Debt

(R\$ BILLION)

NET DEBT/ADJ. EBITDA¹



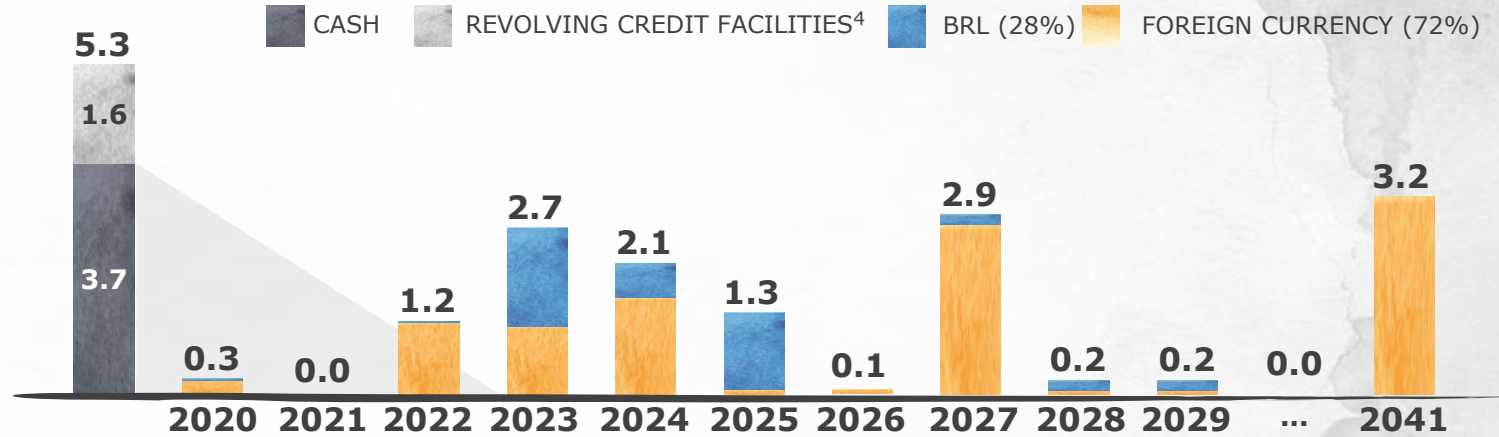
Leverage impacted by BRL depreciation, seasonal negative cash flow generation and **One-off EBITDA** impact in 1Q19

Debt Amortization Profile²

(R\$ BILLION)

Pro Forma³

Debt average maturity 8.0 years



Liquidity position to cover over 3y of financial obligations

LM executed to reduce 2023 concentration and new borrowings in Mar/20 to strength cash position

RCF of US\$300 mm still available

1. Net debt with MTM effects from 4131 loans
 2. Debt figures do not include leasing
 3. Considers the Global RCF withdraw by VCEAA (~US\$200 mm) and make-whole of EUR 2021 senior notes
 4. Global revolving credit facility: US\$300 mm still available

COVID-19



**Support to Employees,
Customers & Communities**



**+R\$400 mm
Capex Reduction**



**+R\$600 mm
Costs Reduction & Savings**



**Solid Positioning and
Strong Liquidity**
with 2020 LM plan
executed until March



**Contingency Plan
with ~120 initiatives**



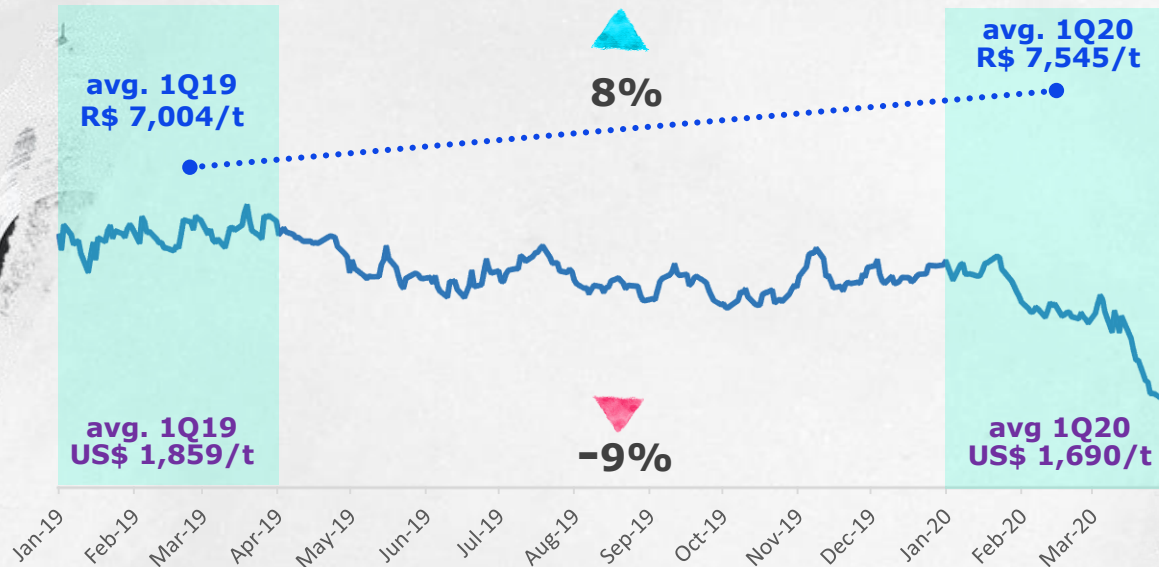


Luciano Alves

CFO CBA

Market Overview

LME Aluminum Prices



Source: Bloomberg Aluminum LME (US\$/t)

Lockdowns led to a reduction in global demand

Oversupplied market pressures LME prices down

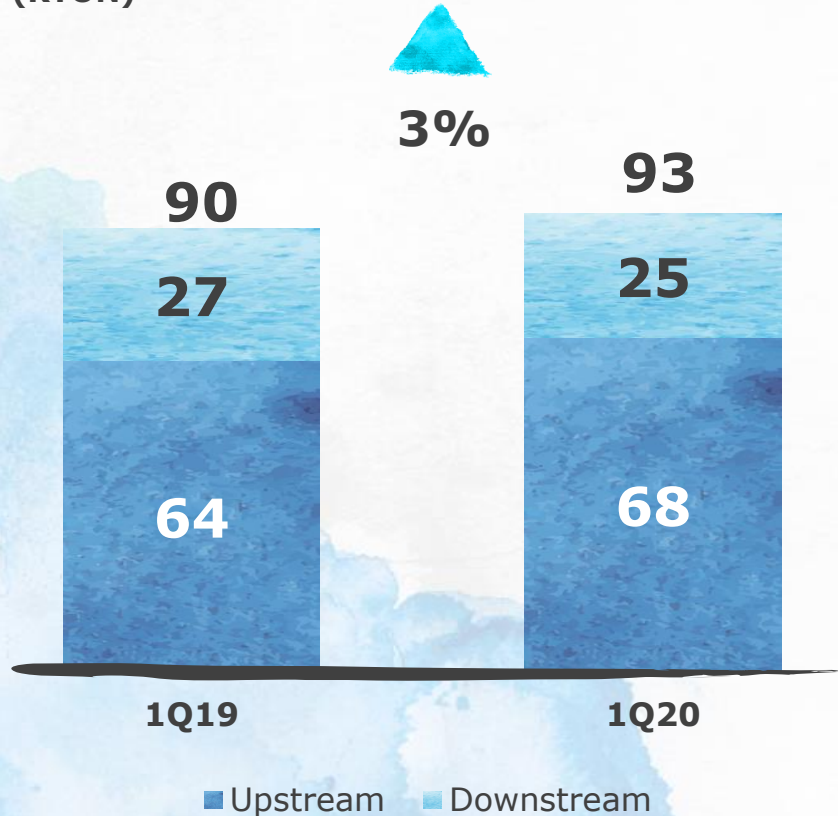
Transportation and construction sectors severely impacted

Costs support deteriorated (e.g. Alumina)

Operational Results

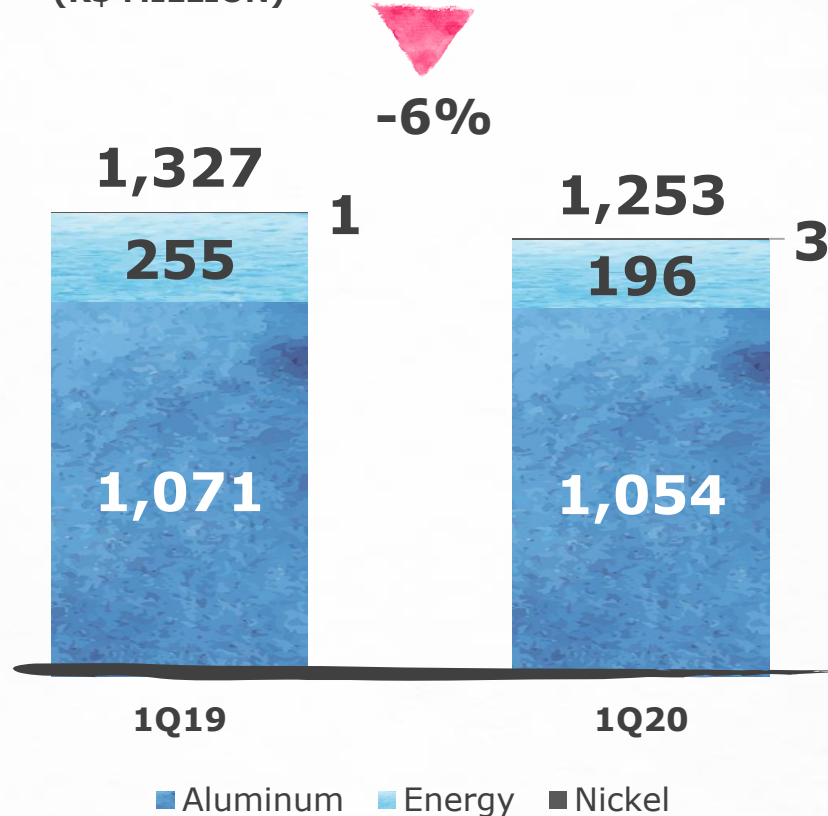
Aluminum Sales Volume

(KTON)



Net Revenues

(R\$ MILLION)

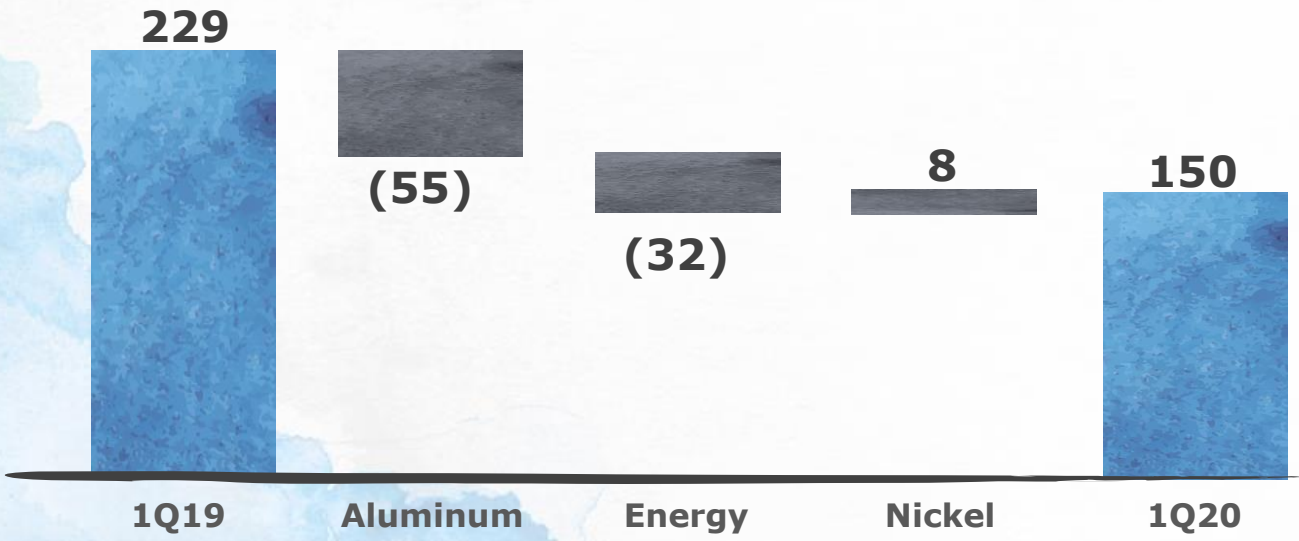


Operational Results

Adjusted EBITDA – CBA Consolidated

(R\$ MILLION)


-35%



EBITDA Margin(%)

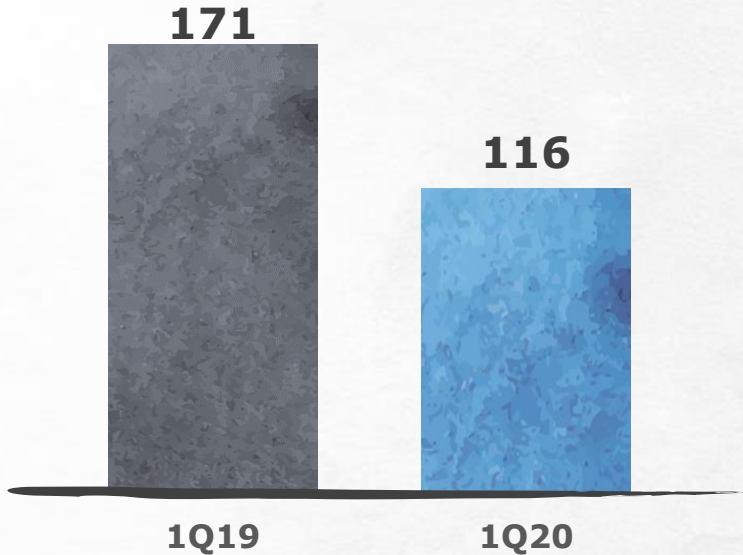
17

12

Adjusted EBITDA - Aluminum

(R\$ MILLION)


-32%



16

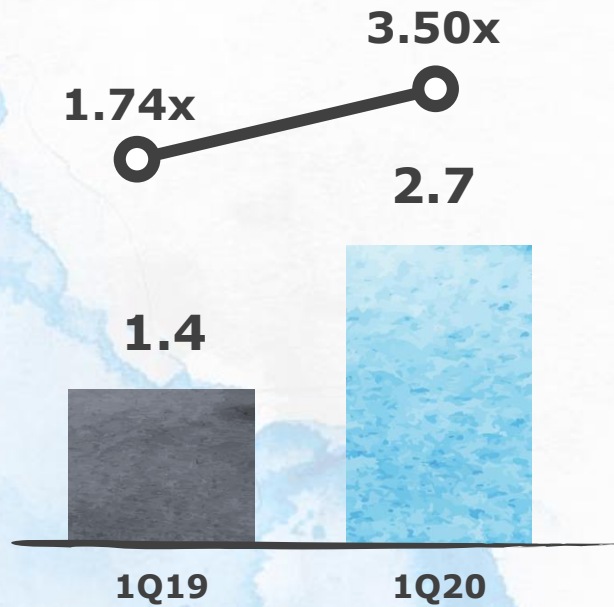
11

Leverage, Liquidity and Indebtedness

Net Debt

(R\$ BILLION)

NET DEBT/ADJ. EBITDA

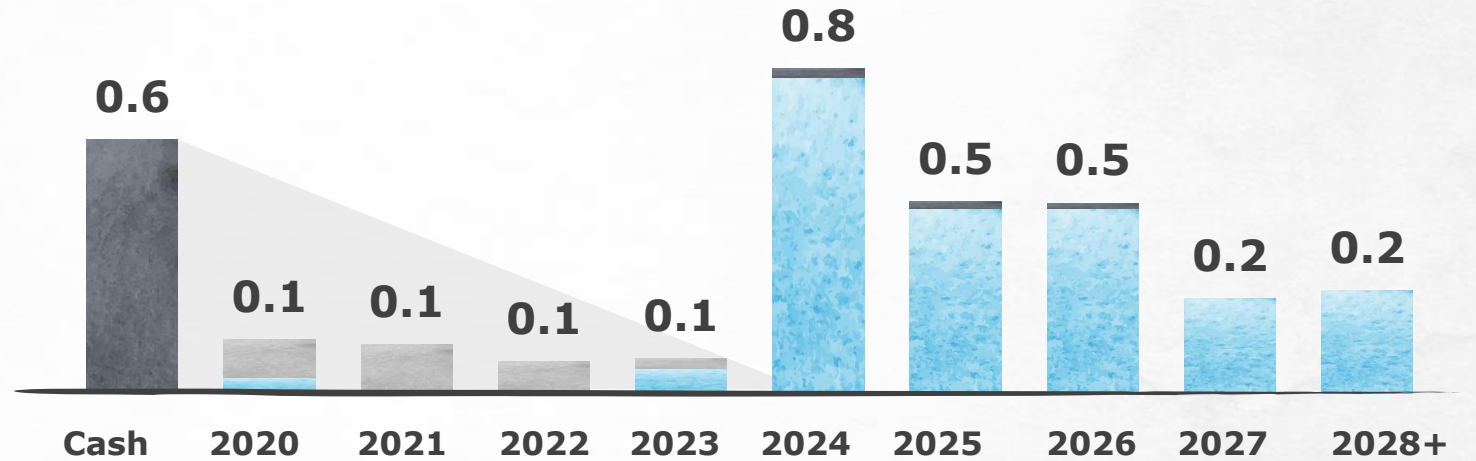


Debt Amortization Profile

(R\$ BILLION)

Debt average maturity: 5.15 years

Cash
 BRL (13%)
 Foreign currency (87%)





COVID-19

Limited impact on 1Q20

Crisis Committee: health and safety of stakeholders and continuity of our operations

Solid cash position, with additional initiatives to improve results

Challenging market conditions



VOTORANTIM
energia

Raul Cadena

CFO Votorantim
Energia

1Q20 Highlights



Strong **cash generation** from JV VE-CPP Investments, with JV's cash conversion ratio of 52%



Strong **EBITDA growth at the JV** as a result of CESP's improved performance

VOTORANTIM
energia



First **trading of carbon credits** from wind farms

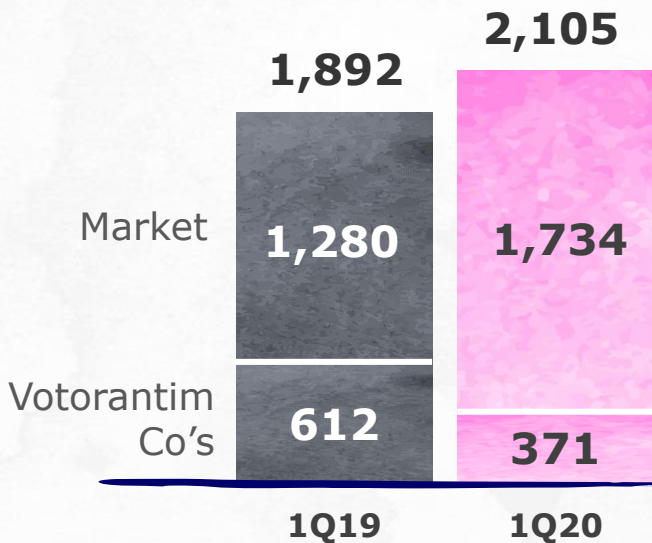


VE Consolidated Results

Energy trading

(MWavg)

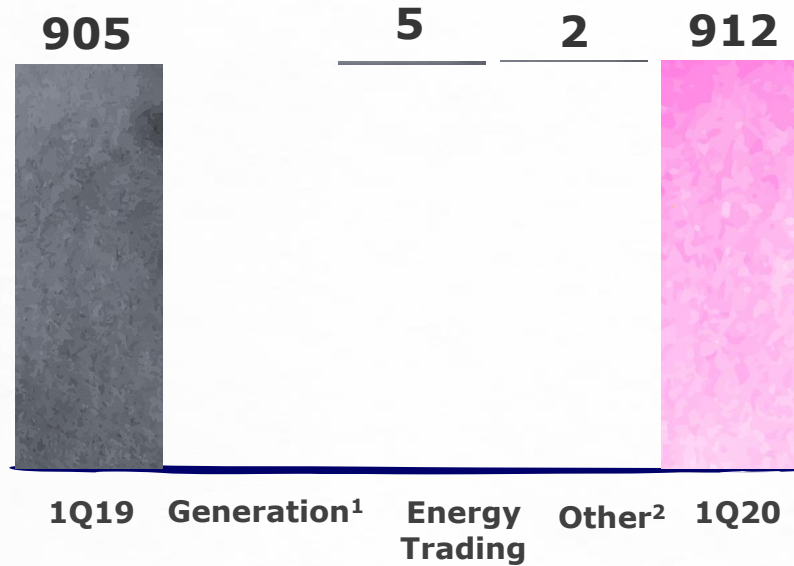
11%



Net Revenues

(R\$ MILLION)

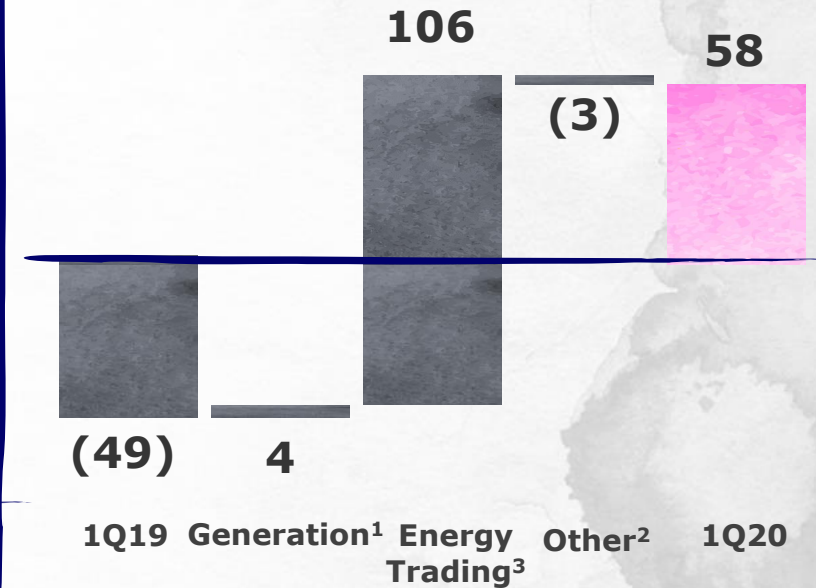
1%



Adjusted EBITDA

(R\$ MILLION)

N.M.



19

Adjusted EBITDA ex-MtM

(6)

1. JV VE-CPP Investments and stake in self-generation assets are recognized by the equity method
 2. Includes eliminations, holding and services results
 3. Includes mark-to-market of energy contracts

JV VE-CPP Investments Operational Performance

Ventos do Piauí I

Technical availability

98.5% 97.0%



Generation (MWavg)

-35%



1Q19

1Q20

CAPACITY FACTOR %

30

19

266

517

Rainfall Index (mm)

Ventos do Araripe III

Technical availability

97.4% 97.6%



Generation (MWavg)

-34%



1Q19

1Q20

CAPACITY FACTOR %

28

18

266

517

CESP

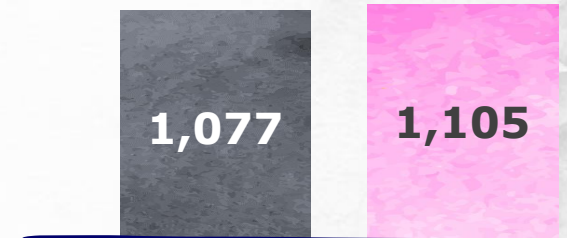
Availability index¹

93.8% 94.1%



Generation (MWavg)

3%



1Q19

1Q20

CAPACITY FACTOR %

65

67

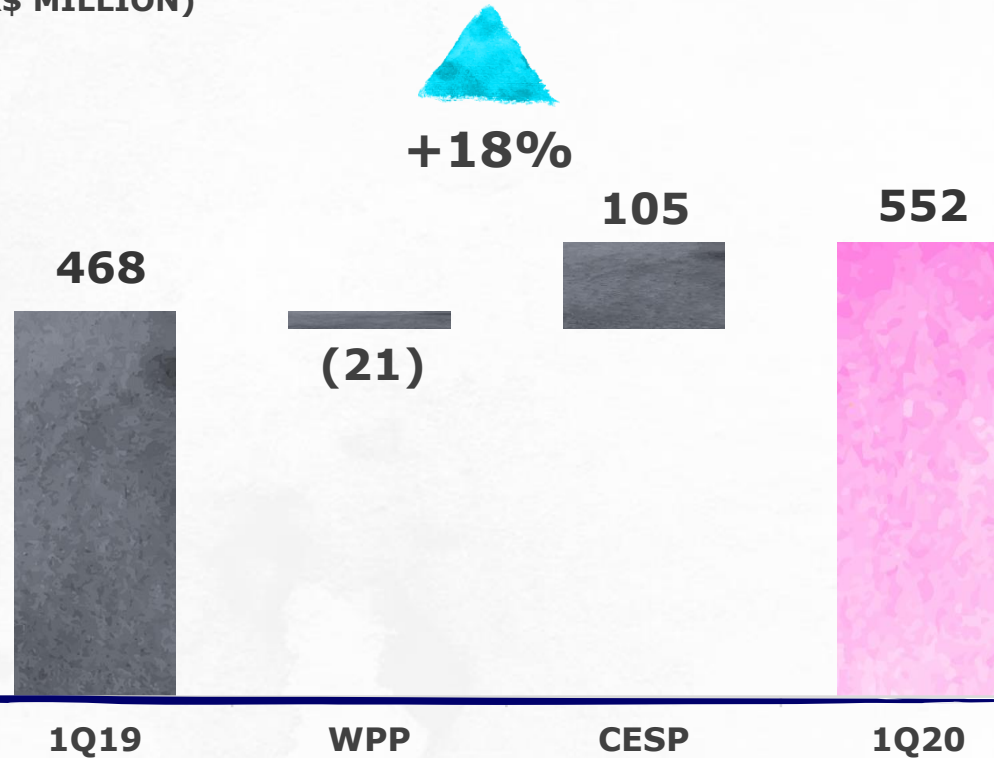
266

517

JV VE-CPP Investments Results

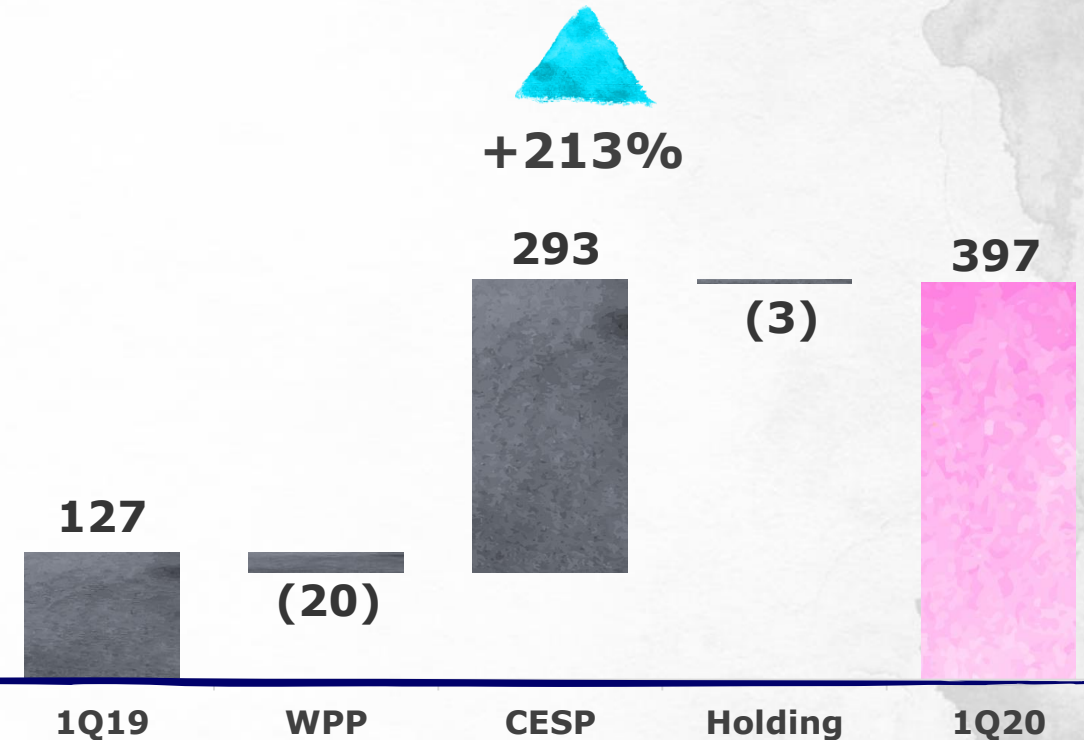
Net Revenues

(R\$ MILLION)



Adjusted EBITDA

(R\$ MILLION)



EBITDA Margin %

27

EBITDA Margin %

72

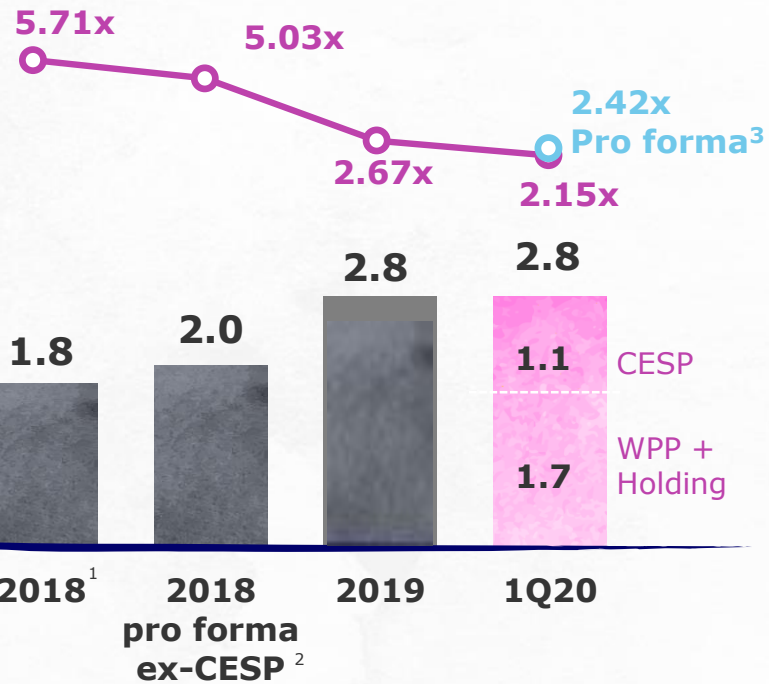
JV VE-CPP Investments

Leverage, Liquidity and Indebtedness

Net Debt

(R\$ BILLION)

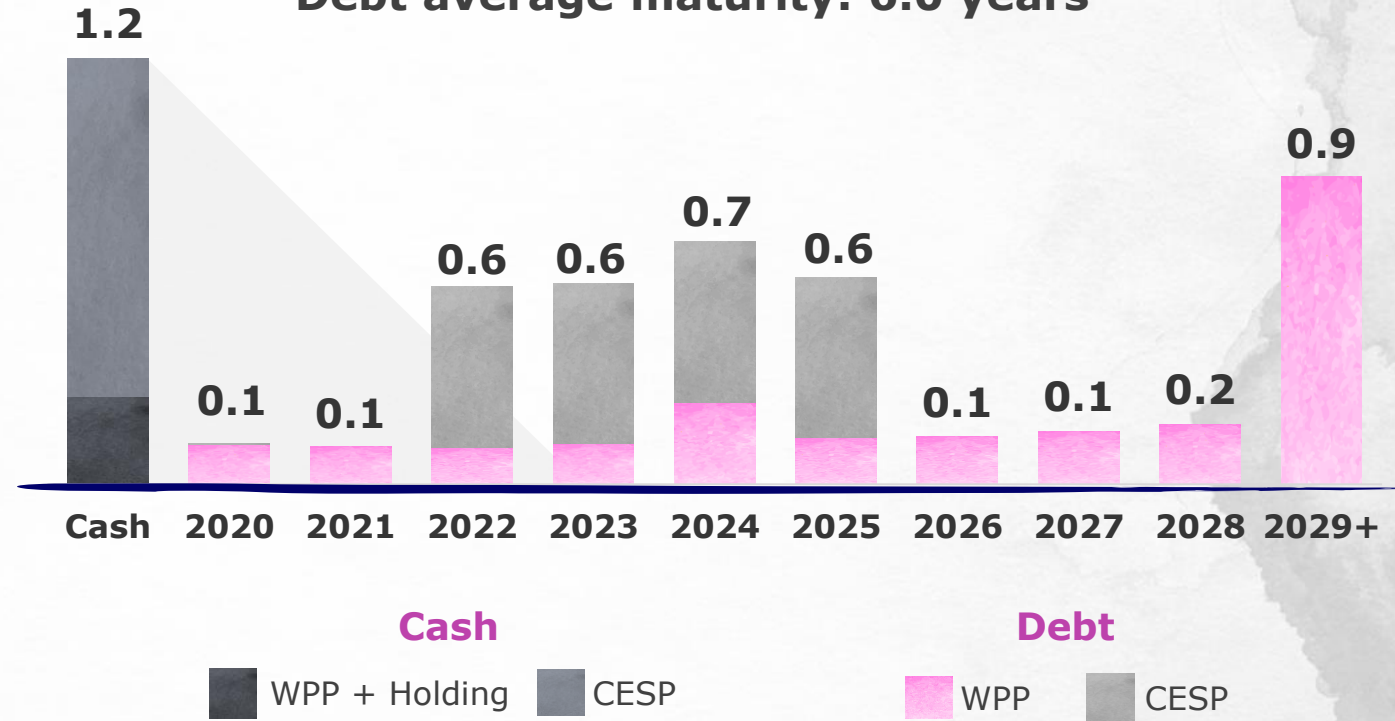
NET DEBT/ADJ. EBITDA



Debt Amortization Profile

(R\$ BILLION)

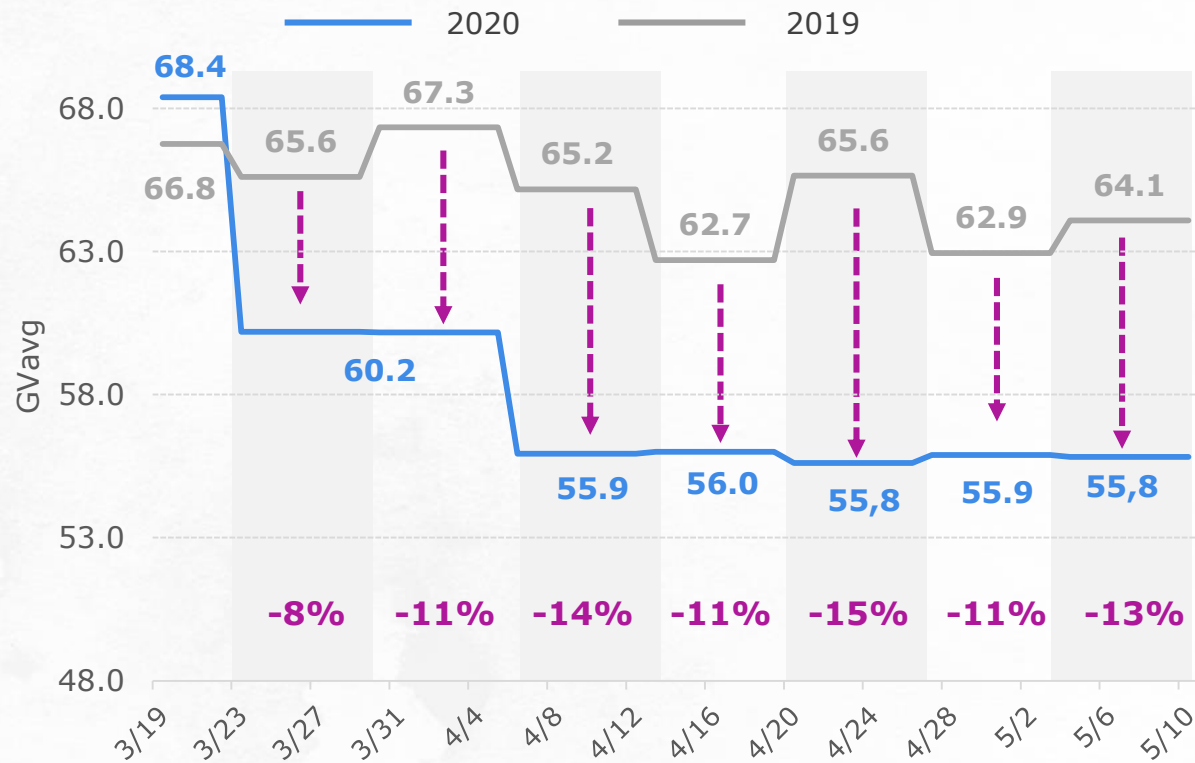
Debt average maturity: 6.0 years



1. Considers accounting result of JV (12 months of Piauí I and 7 months of Araripe III)
 2. Considers full results of Piauí I and Araripe III in the year
 3. Excludes non-controlling shareholders' dividends from the cash position (BRL364 mm)

COVID-19

Brazil Power Charge



Source: ONS

Lower energy consumption than the same period of last year

Favorable hydrology and **reduced energy demand** are **pushing down market prices**

Sector diversification in customer portfolio mitigate potential impacts on trading company

Government measures to reduce judicial disputes and maintain sector's fundamentals



VOTORANTIM

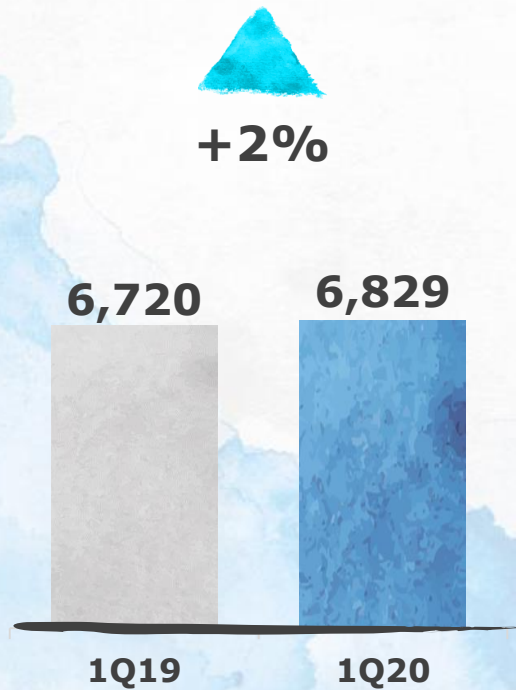
Sergio Malacrida

CFO Votorantim S.A.

Consolidated Net Revenues

Net Revenues

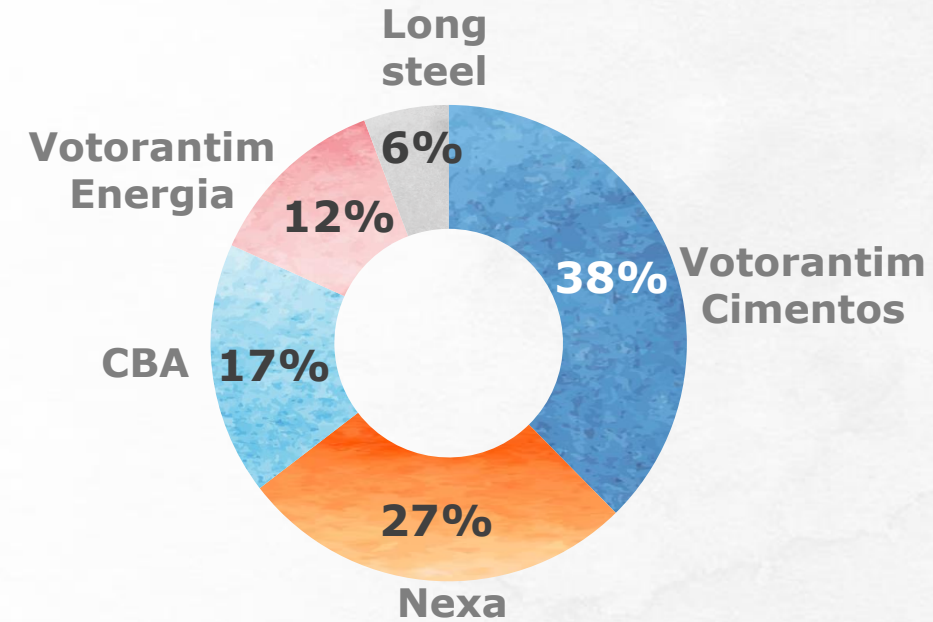
(R\$ MILLION)



Positive results from cement operations mainly due to higher sales volumes and prices in North America

Depreciation of the Brazilian real against the US dollar

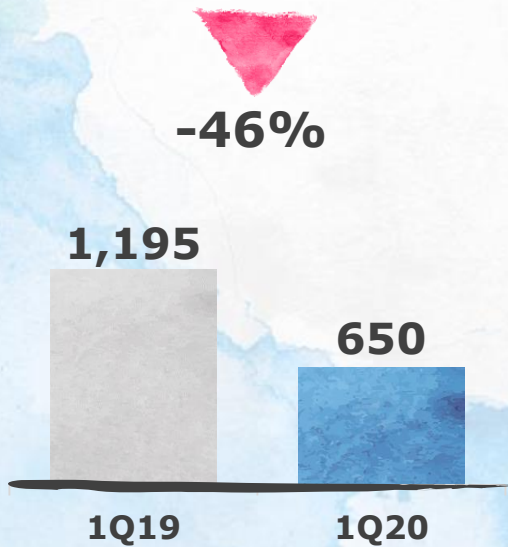
Breakdown by Business



Consolidated Adjusted EBITDA

Adjusted EBITDA

(R\$ MILLION)

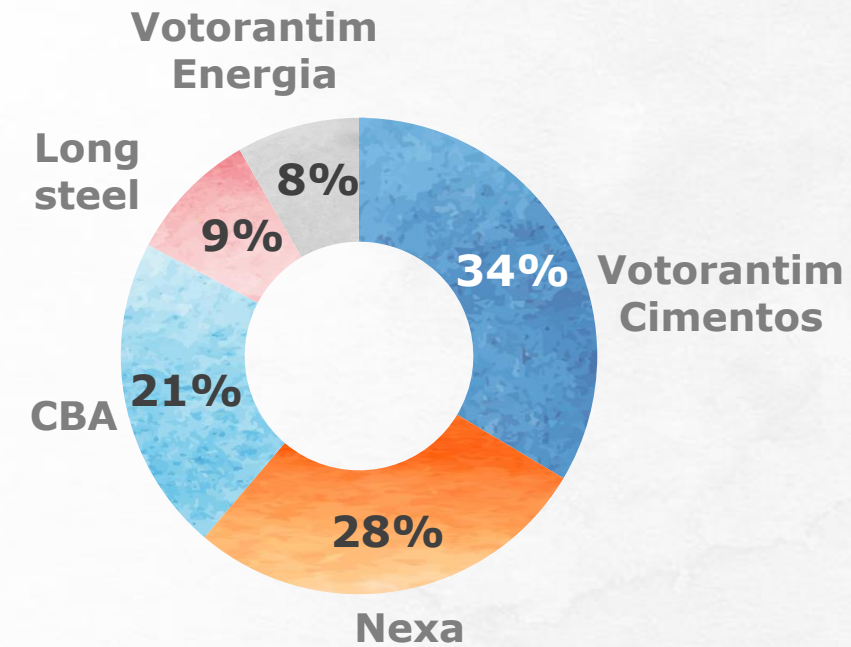


Lower sales volume in Nexa in Peru

Lower LME prices

Votorantim Cimentos tax credits on 1Q19

Breakdown by Business



Nexa results

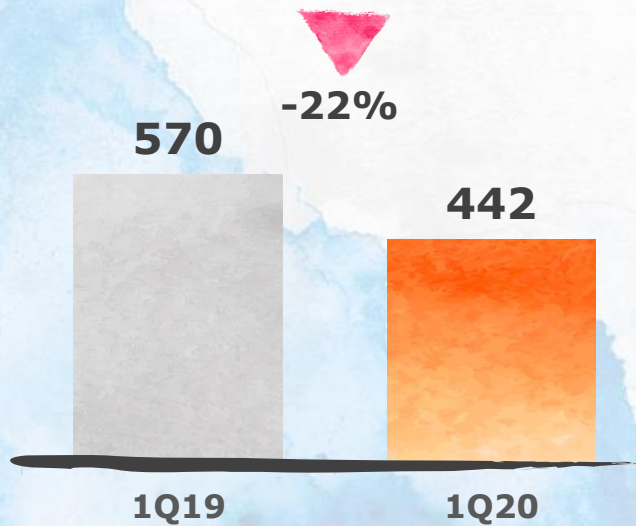
Mine production decreased 14%

Lower LME prices

Lower adjusted EBITDA and increase in net debt

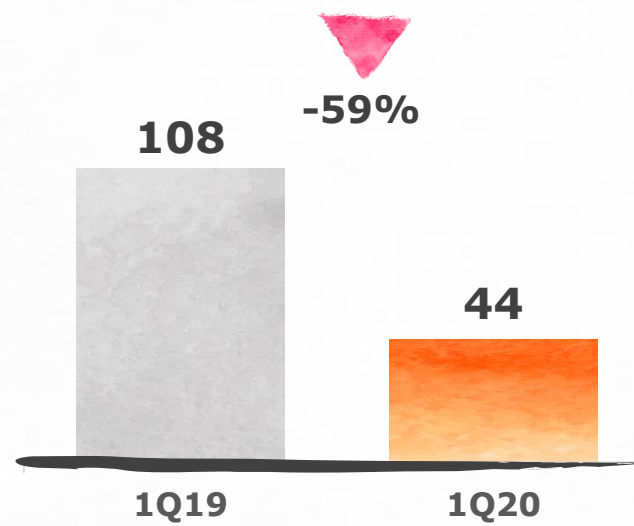
Net Revenues

(US\$ MILLION)



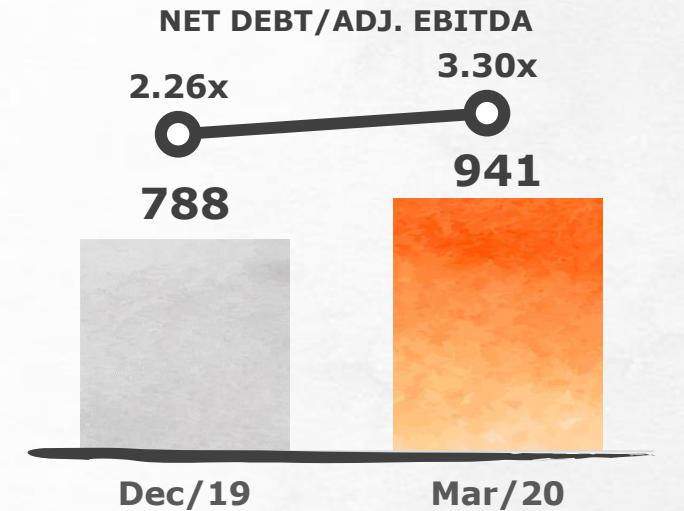
Adjusted EBITDA

(US\$ MILLION)



Net Debt

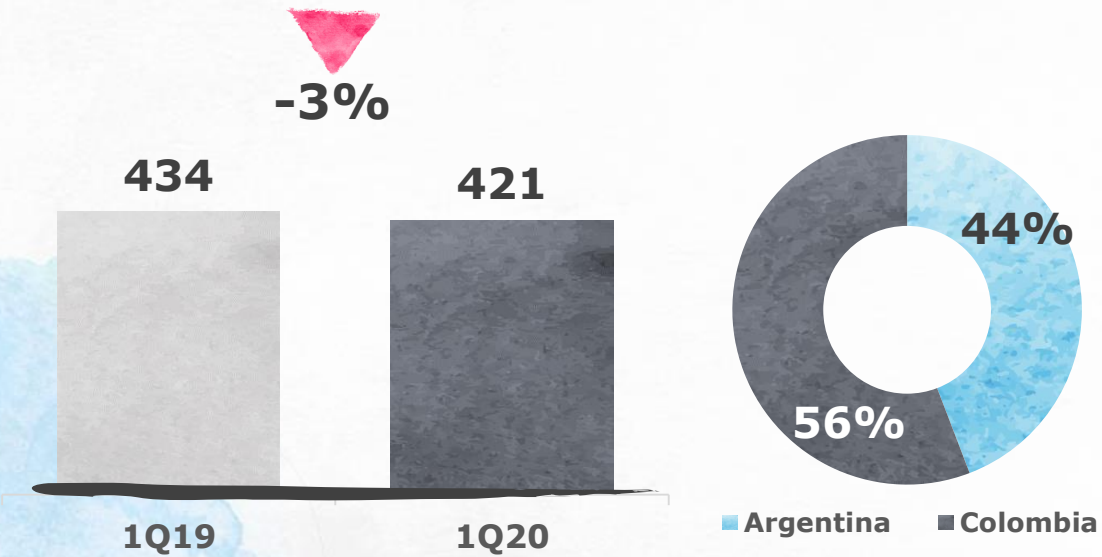
(US\$ MILLION)



Long steel results

Net Revenues

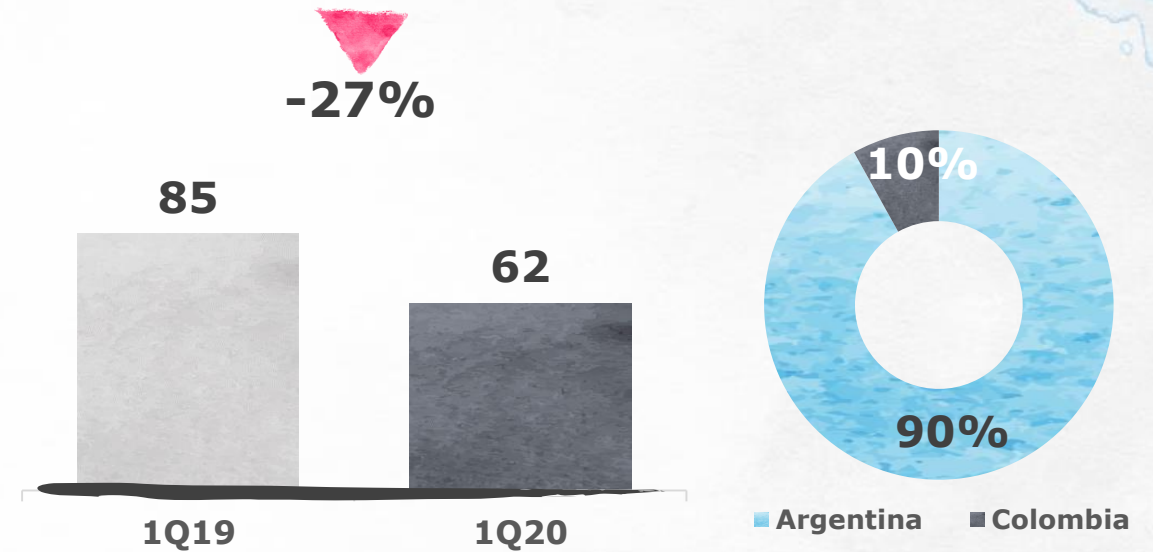
(R\$ MILLION)



Net revenues decreased mainly due to **the depreciation of the Argentine peso against the Brazilian real**

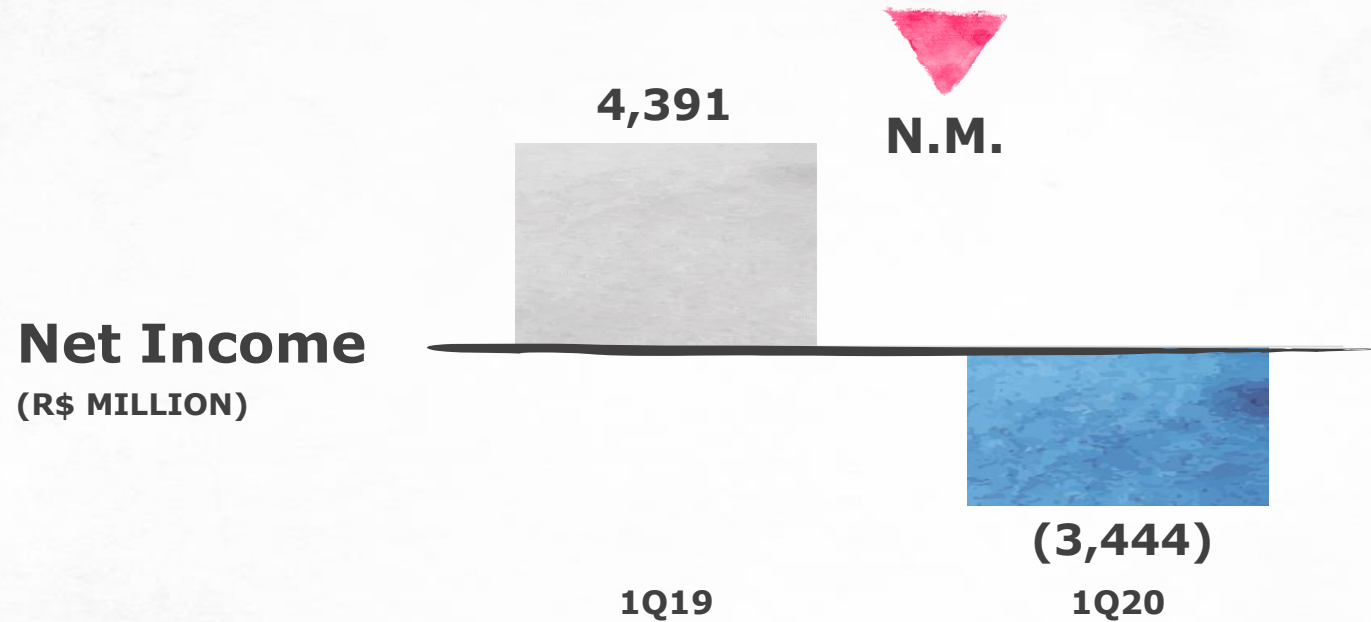
Adjusted EBITDA

(R\$ MILLION)



Adjusted EBITDA decreased explained by lower Other Operating Results due to **lower mining rights**

Net Income



Nexa recognized a non-cash and pre-tax impairment loss in the amount of R\$2.2 billion

Financial results decreased by R\$1.1 billion, **mainly due to the depreciation of the Brazilian real against the US dollar**

banco BV results

Results are mainly explained by **the increase in provision expenses due to the impacts of COVID-19 pandemic**

Continuous **improvements in credit models** and **prudence in the granting of financing**

Net Income

(R\$ MILLION)

ROE (%)
14.0%
8.9%

336

221

1Q19

1Q20

Consolidated Delinquency

4.5%

4.5%

Mar/19

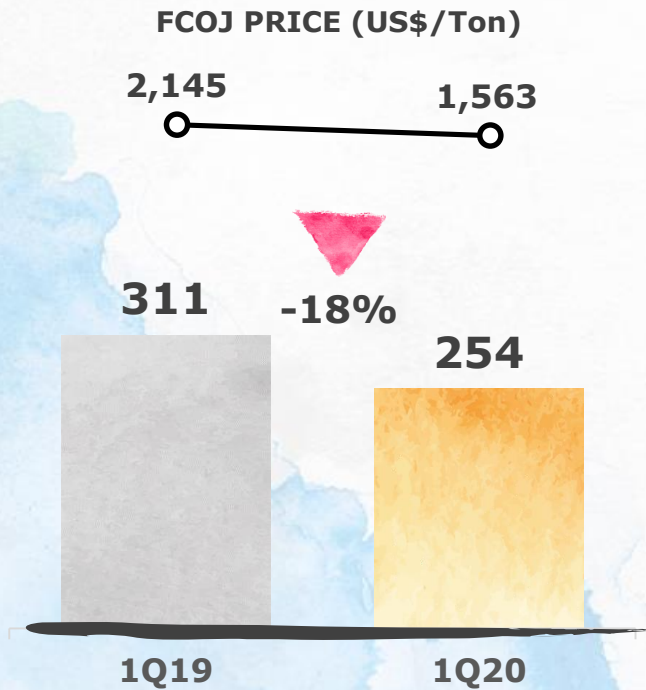
Mar/20

Citrosuco results

Net revenues negatively impacted by **international orange juice price deterioration**

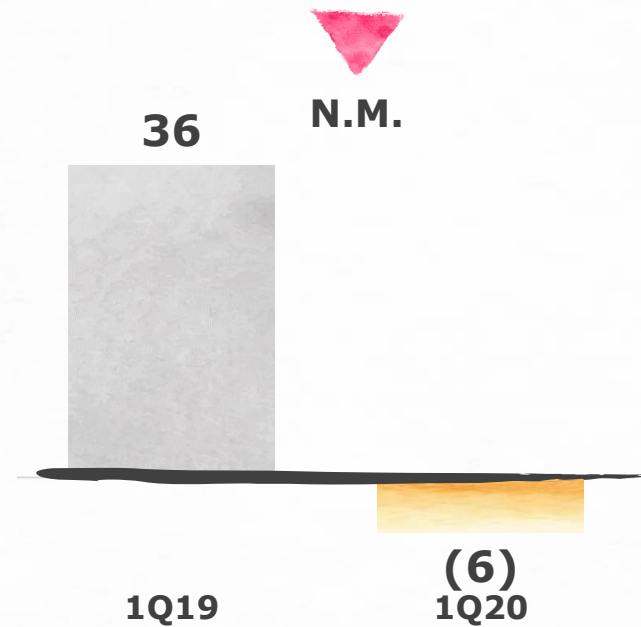
Net Revenues

(US\$ MILLION)



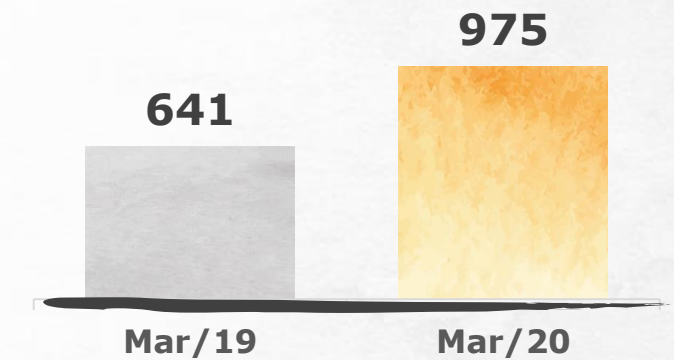
EBITDA

(US\$ MILLION)



Net Debt

(US\$ MILLION)



Gross Debt

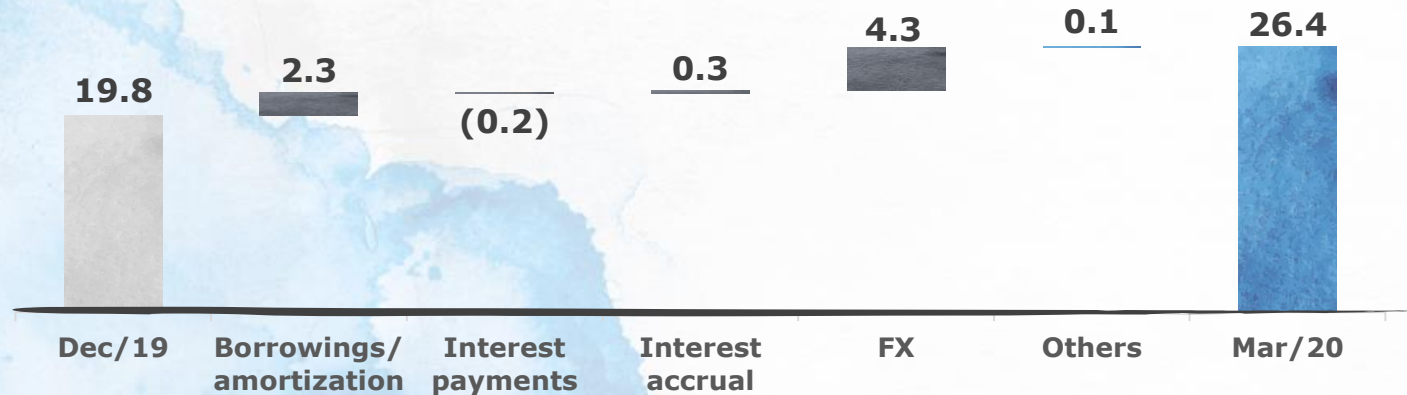
Increase in gross debt mainly due to the **depreciation of the Brazilian real against the US dollar**

Votorantim S.A. and Votorantim Cimentos: **US\$500 million in Revolving Credit Facilities** available

Indebtedness

(R\$ BILLION)

Gross Debt

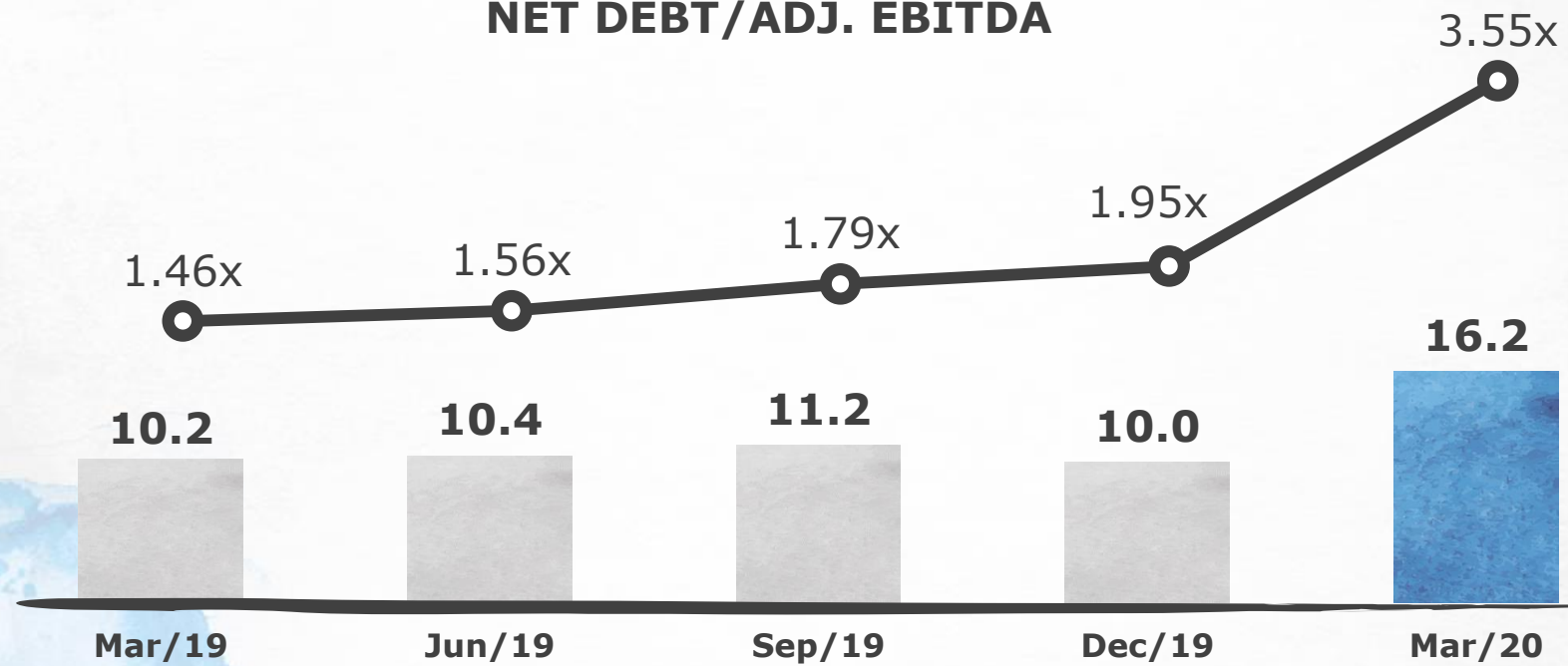


Net Debt

Net Debt

(R\$ BILLION)

NET DEBT/ADJ. EBITDA

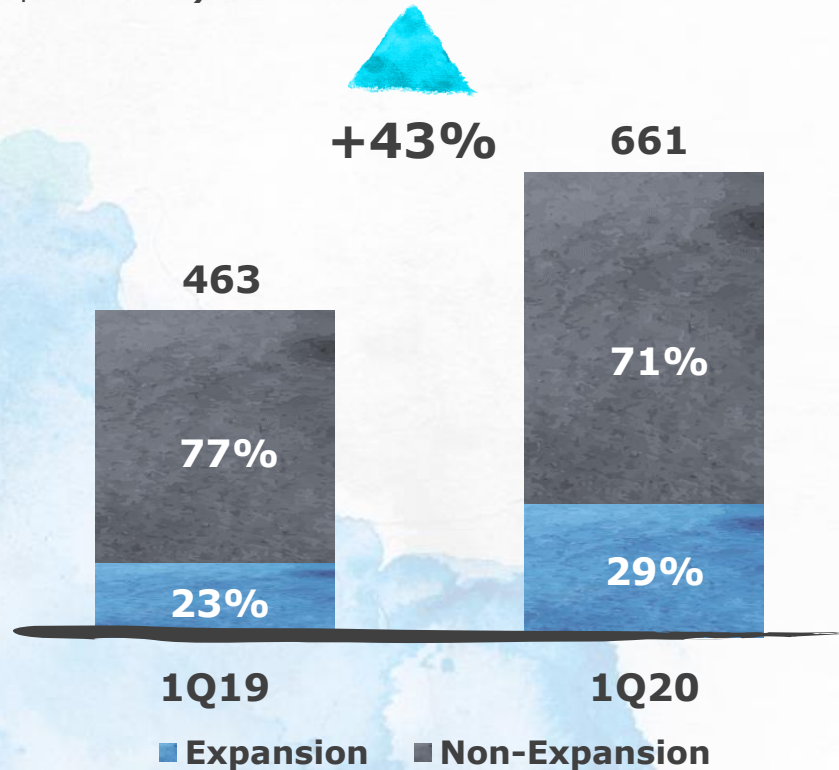


Capital Expenditure

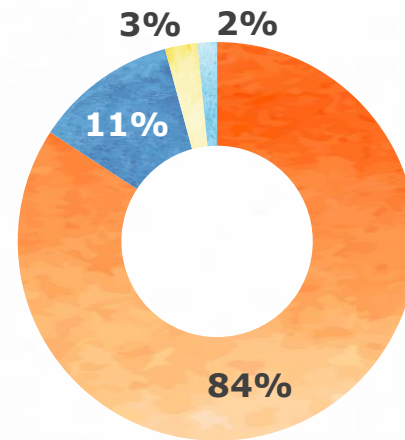
Expansion projects accounted for **29% of the total Capex**

Capex

(R\$ MILLION)



Expansion projects



Nexa: Aripuanã's project development - expected to be concluded by 2021

Votorantim Cimentos: expansion of its grinding plant in Pecém



VOTORANTIM

João Schmidt

CEO Votorantim S.A.

Looking forward

Challenging operating conditions and **uncertainties persist in Brazil and globally**

Strength of the Votorantim **portfolio** and our **people's ability to overcome challenges**

Prudence in **capital allocation and adequate liquidity**

Commitment to **fighting the effects of COVID-19 with courage and collaboration**