



Votorantim

**CORPORATE
PRESENTATION
3Q17 RESULTS**

NOVEMBER 2017



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EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is a non-GAAP financial measure not recognized by the International Financial Reporting Standards (IFRS) calculated by Votorantim in accordance with its financial statements and consists of the net profit, adding the expenses of current and deferred income tax and social contribution, the net financial result and the expenses with depreciation and amortization. Adjusted EBITDA consists of non-recurrent items, or items with or without direct impact on the Votorantim’s cash, in a way to best reflect this measure, such as: capitalized financial obligations, merge and acquisition operations and dividends received. Adjusted EBITDA is not a financial measure of performance, according to the applicable accounting rules in Brazil, or by the IFRS, issued by the International Accounting Standard Board (IASB) and should not be considered as an alternative to other financial measures, such as the Votorantim’s operational cash flow, or as a liquidity measure.



Votorantim

JOÃO MIRANDA
CEO Votorantim S.A.



GLOBAL

U.S. GDP **better than expected** in the 3Q17

Strong domestic demand in Eurozone

In China, **supply-side reforms and capacity cuts**

BRAZIL

Lower interest and inflation rates projections by year-end

Confidence levels **improving**

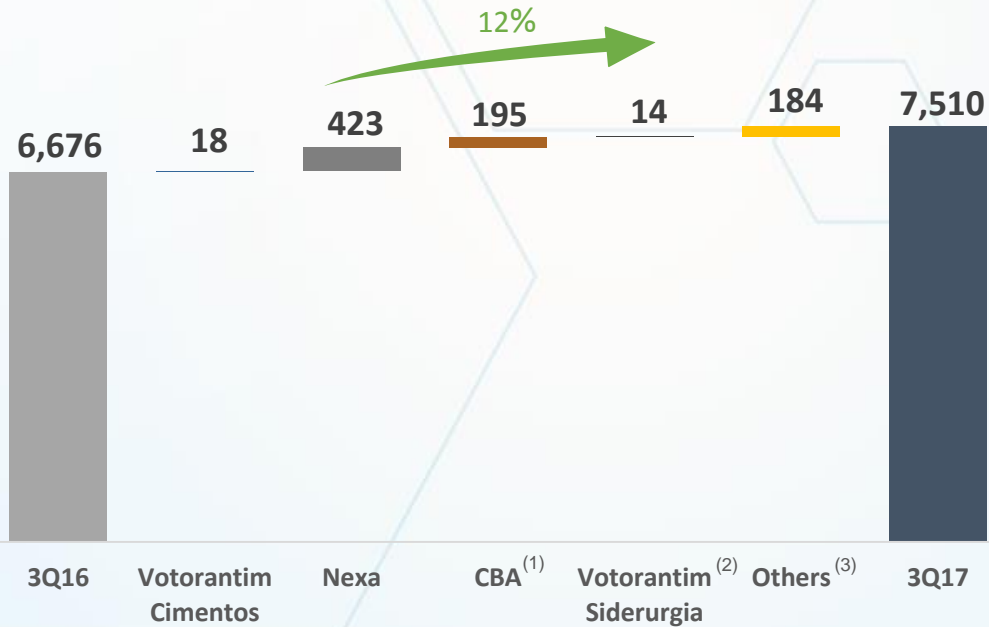
Potential **delay in social security reform**



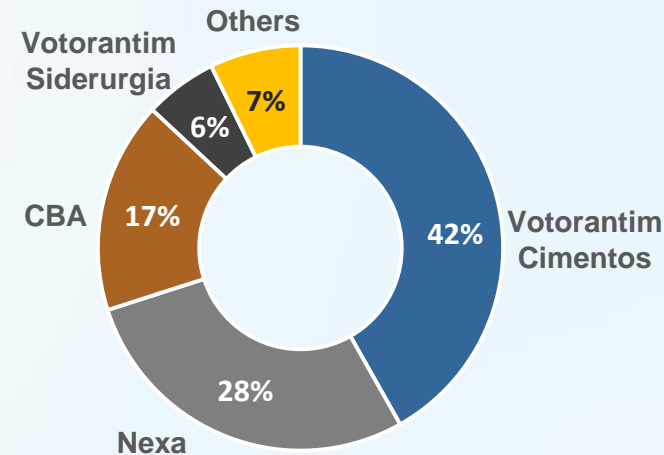
CONSOLIDATED NET REVENUES

(R\$ MILLION)

EVOLUTION BY BUSINESS



BREAKDOWN BY BUSINESS



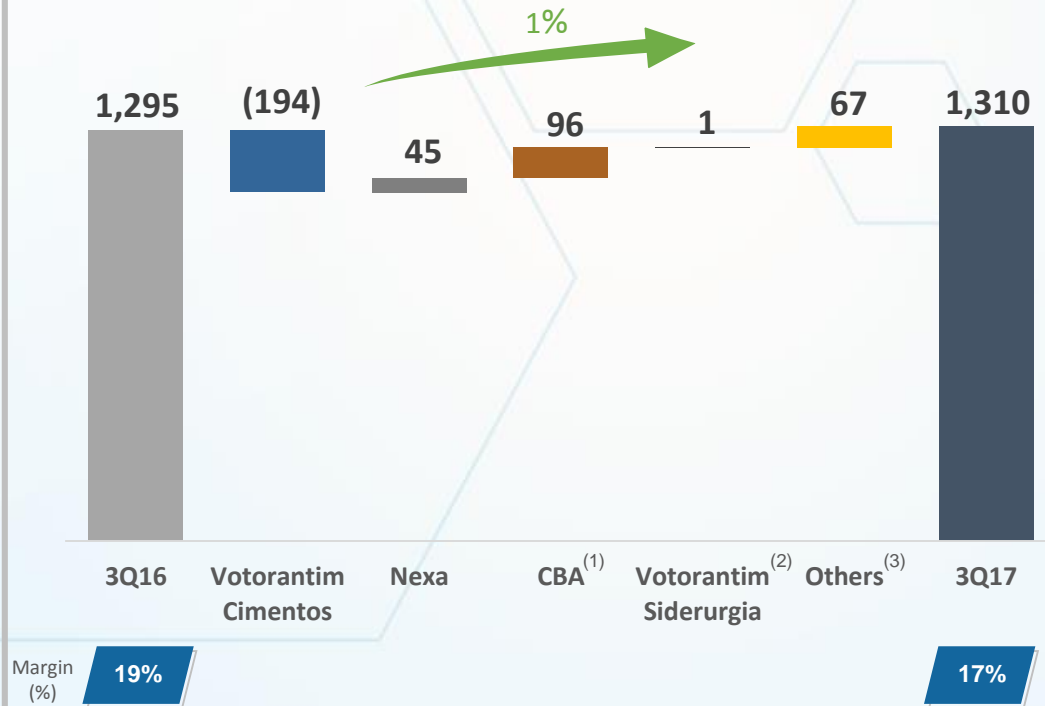
- Higher metals average price, primarily zinc and aluminum.
- Commercial strategy to sell the energy surplus with higher prices.
- Brazilian cement operations: despite lower sales volume and prices in 3Q17, there is a positive price trend.

1. Results from Nickel operations were incorporated to CBA.
 2. Includes Argentina and Colombia.
 3. Includes Holding, Energy, eliminations and others.

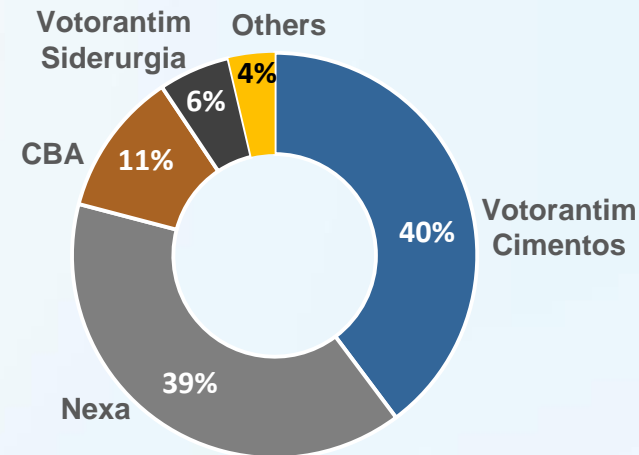
CONSOLIDATED ADJUSTED EBITDA

(R\$ MILLION)

EVOLUTION BY BUSINESS



BREAKDOWN BY BUSINESS



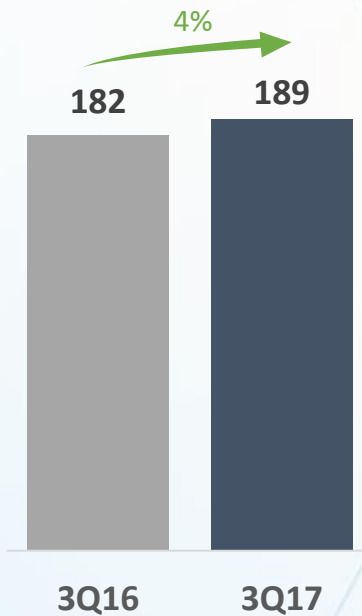
- In Brazil, cement adjusted EBITDA was negatively impacted by the **decrease in prices and sales volume**, and by non-recurring adjustments.
- Higher LME metals and energy prices contributed to offset the negative impacts.

1. Results from Nickel operations were incorporated to CBA.
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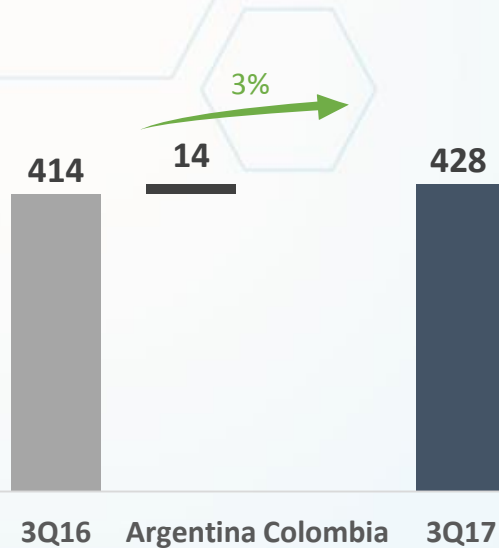
VOTORANTIM SIDERURGIA- ARGENTINA AND COLOMBIA RESULTS

(R\$ MILLION)

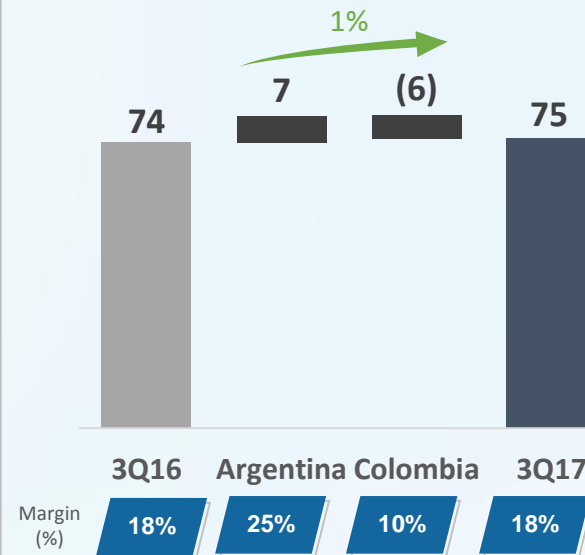
VOLUME (kton)



NET REVENUES



ADJUSTED EBITDA



- **Brazil:** entered into an asset combination with ArcerlorMittal and waiting for CADE's decision.
- **Argentina:** better results due to higher sales volume and prices, driven by a recovery in the country's economy.
- **Colombia:** slightly increase in prices in the domestic market were not sufficient to offset lower sales volume, still reflecting the slowdown in demand.

NEW BRAND FOR THE ZINC AND BY-PRODUCTS BUSINESS

nexa

IPO in numbers

Shares outstanding

133,320,513

Offered shares

35,650,000

New investors acquired 27% of Nexa shares

Net proceeds

Primary tranche

US\$ 311.6 mm

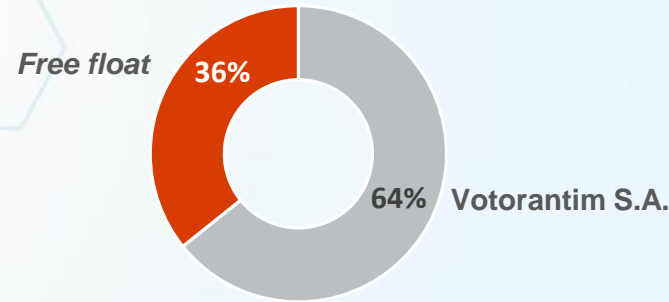
Nexa

Secondary tranche

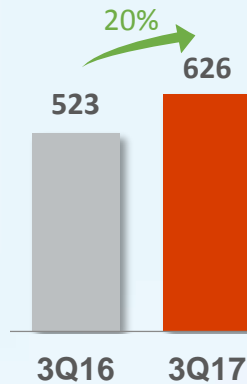
US\$ 230.3 mm

Votorantim S.A.

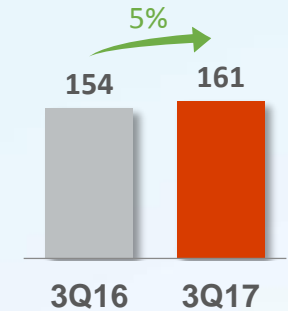
Share Capital post IPO (%)



Net revenues (US\$ million)



Adj. EBITDA (US\$ million)



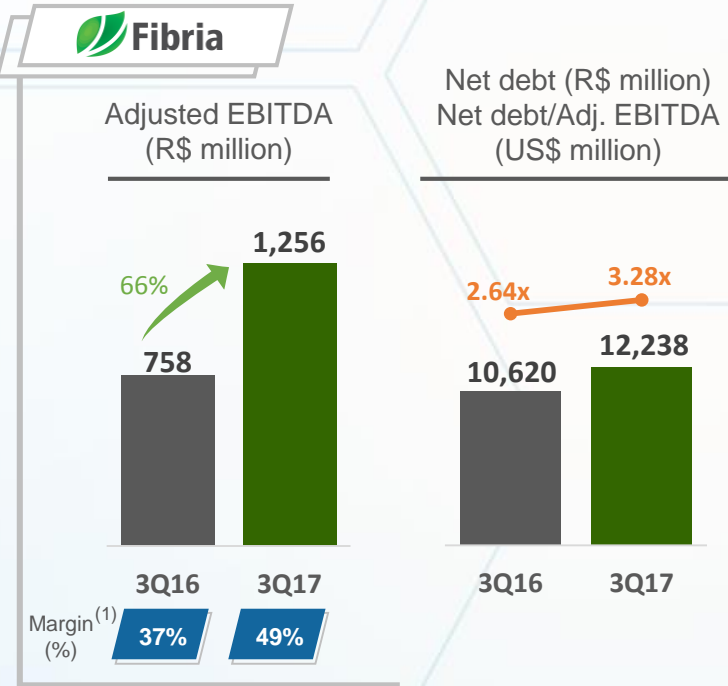
- **Nexa Resources** is listed in the New York Stock Exchange (NYSE) and Toronto Stock Exchange (TSX) under the ticker symbol NEXA.
- The company now holds its results call separately from Votorantim S.A.
- For more details, please go to www.nexaresources.com/investors

- IPO was a major step for Nexa growth plan, allowing the company to accelerate its investments on zinc greenfield and brownfield projects.

- **Higher net revenues**, mostly driven by base metals positive outlook.
- **Stable metallic zinc sales volume**, but lower zinc mining production.
- **Net debt/adjusted EBITDA of 0.77x** as of September 30, 2017.

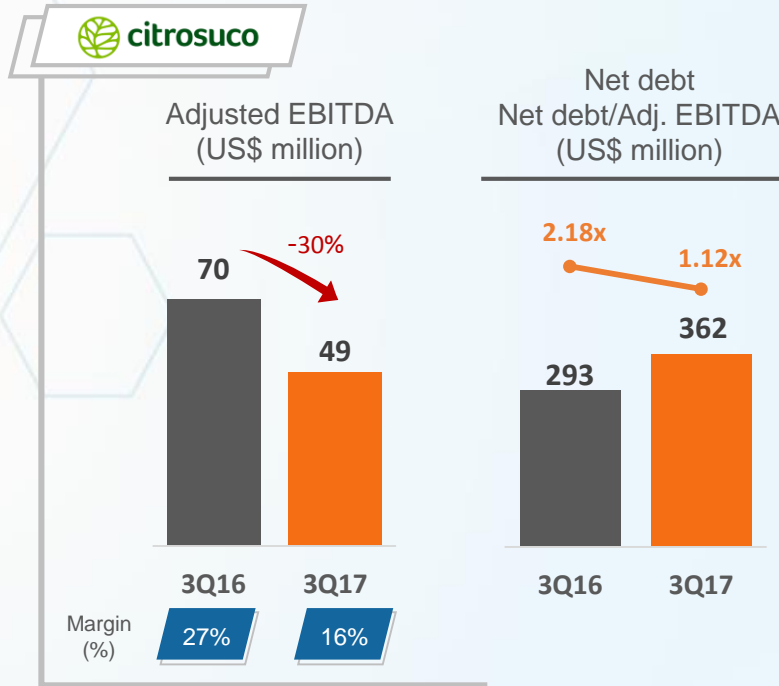
OTHER INVESTEE COMPANIES

RECOGNIZED BY EQUITY METHOD

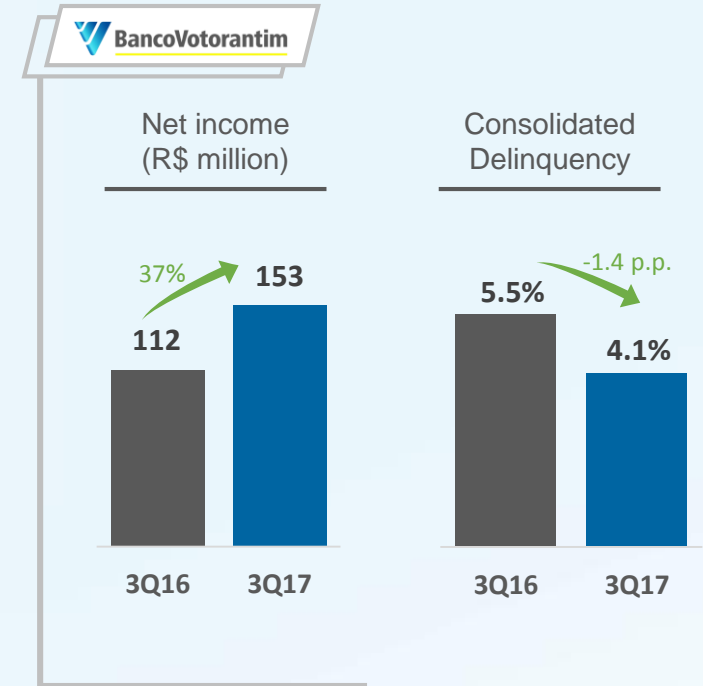


- **24% increase** in the average net price in USD, from US\$ 487 in 3Q16 to US\$ 604 in 3Q17.
- Output of the new **Horizonte 2 line 53% higher** than estimated.
- **Leverage reduction** to 3.28x from 3.75x in 2Q17, in USD, **below financial policy limit**.

1. Calculation excludes pulp sales from agreement with Klabin



- Adjusted EBITDA **negatively impacted** by higher costs of goods sold and by the fair value of the biological asset.
- **Higher prices** and **sales volume**, especially of NFC, positively affected the results.
- FCOJ average price of US\$ 2,334/ton in 3Q17 compared to US\$ 1,970/ton in 3Q16.



- Net income confirmed the **consistent results**, driven mainly by the retail sector.
- **Auto finance loan** origination volume 17.5% higher than 3Q16.
- **Comfortable Basel Ratio:** 14.6%, higher than the minimum capital requirement of 10.5%.

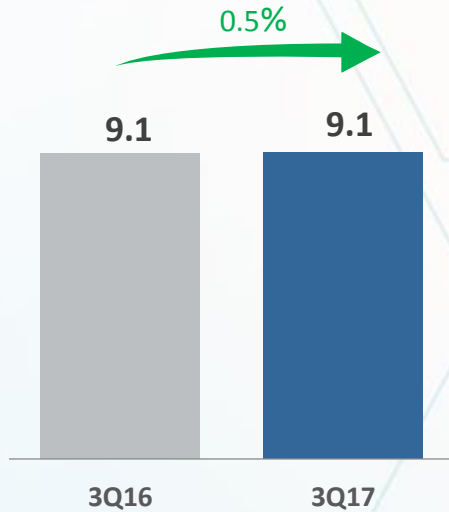


Votorantim

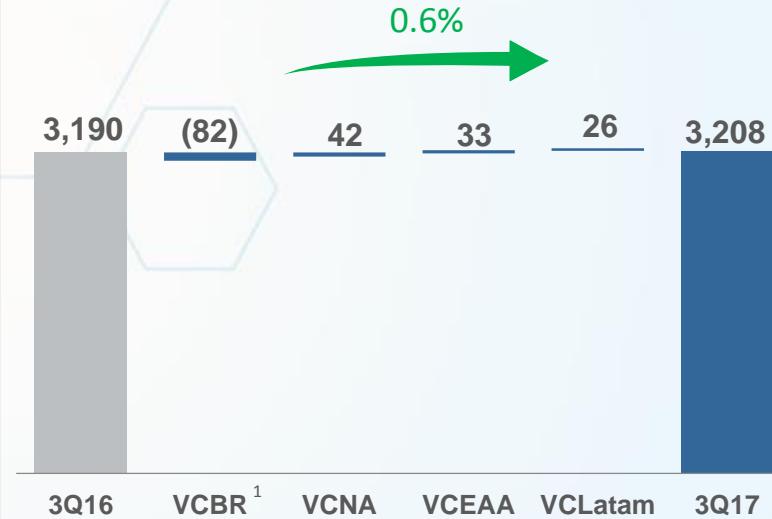
OSVALDO AYRES
CFO Votorantim Cimentos

CEMENT RESULTS

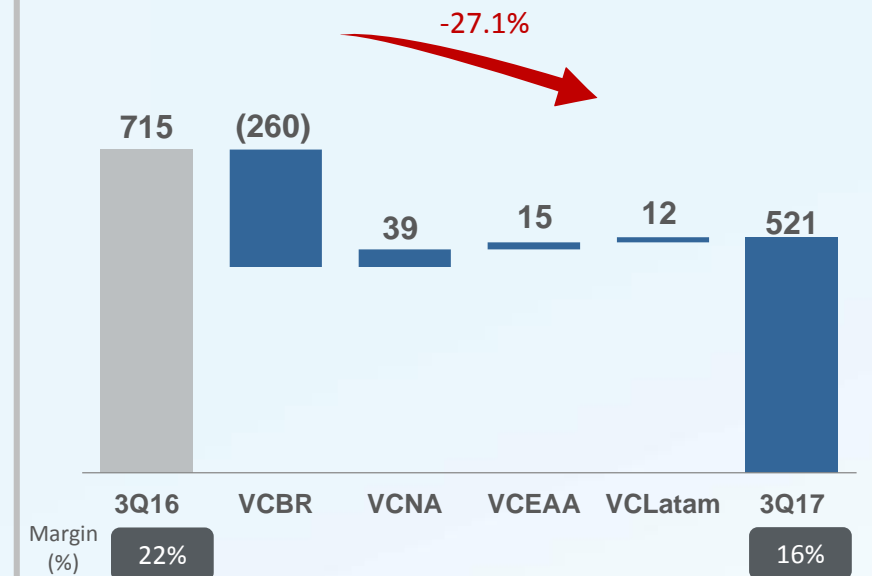
VOLUMES (mton)



NET REVENUES



ADJUSTED EBITDA



- Flat sales volume, reflecting different dynamics among the regions.

- Net revenues increased, reflecting improved market conditions in all regions outside Brazil.

- On a like-for-like basis, excluding one-offs, adj. EBITDA drop 8.4%, with an adj. EBITDA Margin of 20.4%.
- Margins remained strong in VCNA and VCEAA.

1. Includes eliminations in Brazil

VCBR



- Cement market reduced its contraction pace, 4.7% drop in 3Q17 YoY as per SNIC.
- R\$ 134 mm one-offs negatively impacted results, on a like-for-like basis adj. EBITDA drop 45.4%.
- Strict cost control.

Net revenues ¹	Adj. EBITDA	Capex
1,587	18	60
1,669	278	148

VCNA



Charlevoix

Estimated start-up on 2Q18 (increased capacity of 0.6 Mtpy)

- High single-digit price growth in the US more than offsetting some volume softness in the US Great Lakes markets.
- Ontario market experienced strong demand with increased investments in infrastructure and higher residential spending.
- 3Q17 adj. EBITDA increased by 15.6% in USD YoY, reaching margin of 36.9%.

Net revenues	Adj. EBITDA	Capex
940	347	122
898	308	126

VCEAA



- Adj. EBITDA increased by 10.8% in EUR due to robust operational performance, strong results in Morocco, higher volumes and prices in India and recovered Chinese cement market.
- Record volumes in Turkey due to Sivas recent expansion.

Net revenues	Adj. EBITDA	Capex
539	126	39
506	111	99

VCLatam



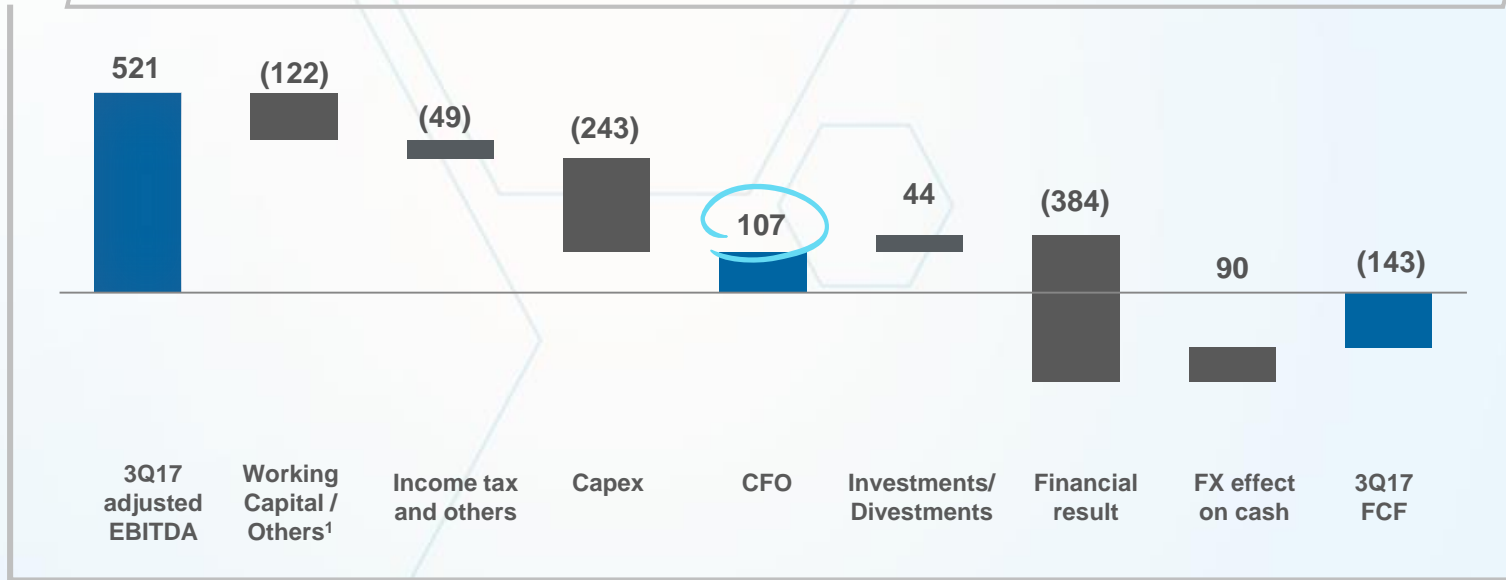
- Bolivia's results benefited from recent capacity added and exports to border countries.
- Uruguay posted increased results on the back of higher exports to Argentina.

Net revenues	Adj. EBITDA	Capex
142	30	23
116	18	62

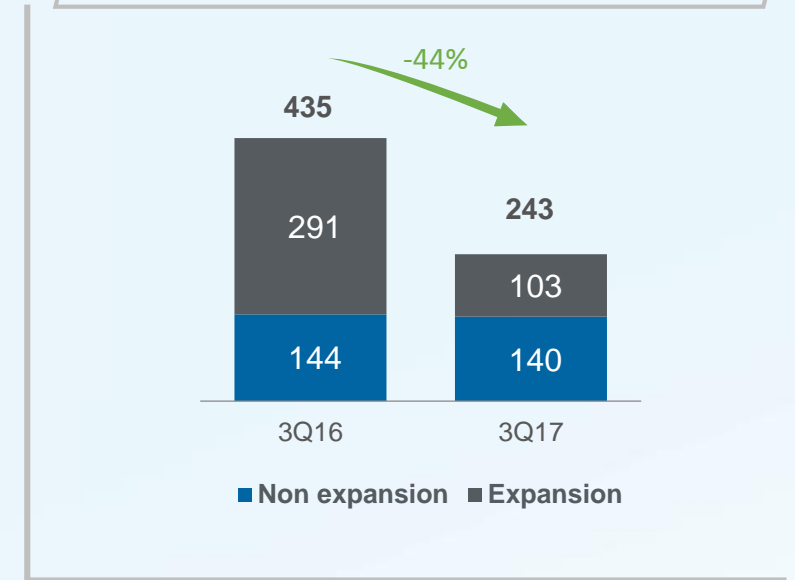
1. Includes eliminations in Brazil

CASH FLOW GENERATION

3Q17 FREE CASH FLOW GENERATION



CAPEX



- Despite the negative impact of non-cash items, working capital improved due to inventory level advances in all clusters, aligned with better DPO in VCEAA and VCBR and lower DSO in VCNA mainly through its Securitization facility.
- Divestment of Florida and Chinese assets to further benefit cash flow.

- Moving towards the end of the current investment cycle.

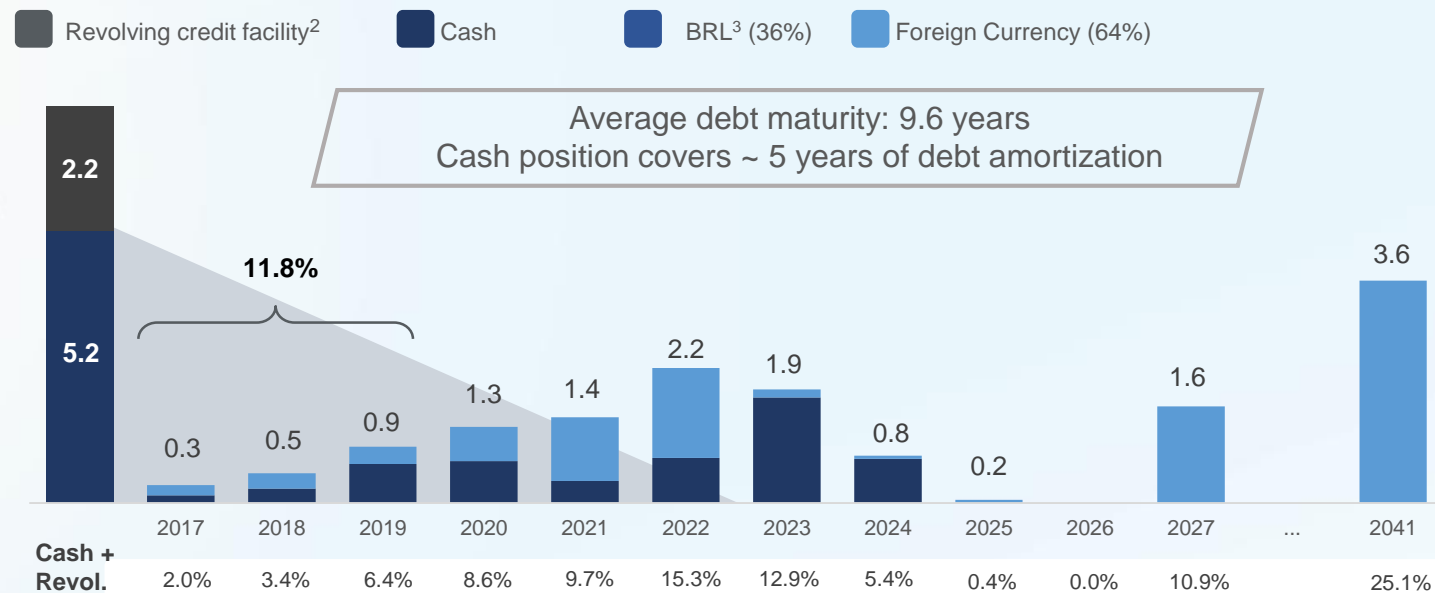
1. Includes non cash items

(R\$ BILLION)

NET DEBT¹ & NET DEBT/ADJ. EBITDA LTM



DEBT AMORTIZATION PROFILE PRO FORMA



Divestments and VSA capital increase proceeds to drive gross debt reduction.

R\$ 654 mm of short and medium term debt already repaid in November 2017.

1. Net debt includes MTM from 4131 loans
 2. Includes revolving credit facility of US\$ 700 MM due in 2020 and does not include US\$ 230 mm VCNA revolving line maturing in 2020
 3. Includes 4131 as BRL due to cross currency swap



Votorantim



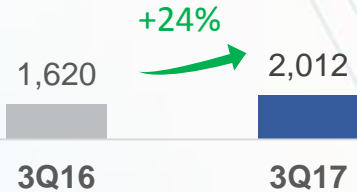
LUCIANO ALVES

CFO Companhia Brasileira de Alumínio

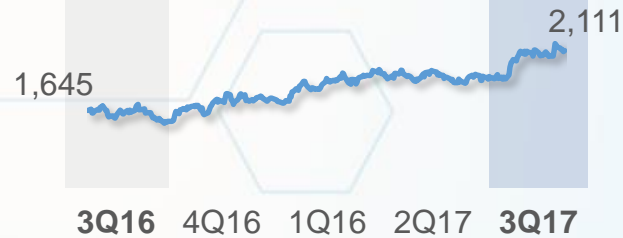
Higher aluminum prices in BRL and increased sales of value-added products

MARKET FUNDAMENTALS

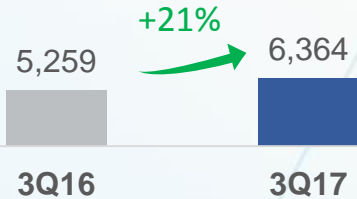
LME price (US\$/ton)



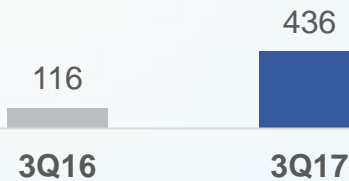
LME price evolution (US\$/ton)



LME price (R\$/ton)



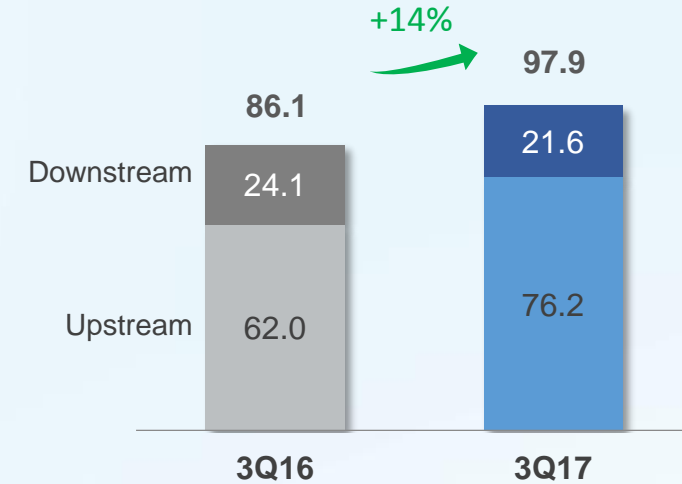
Energy price (R\$/MWh)¹



Higher aluminum prices in USD and BRL, driven by ongoing supply reforms in China and deficit ex-China. Higher energy prices, driven by a dry season in Brazil.

SALES VOLUME

Aluminum sales volume (kton)



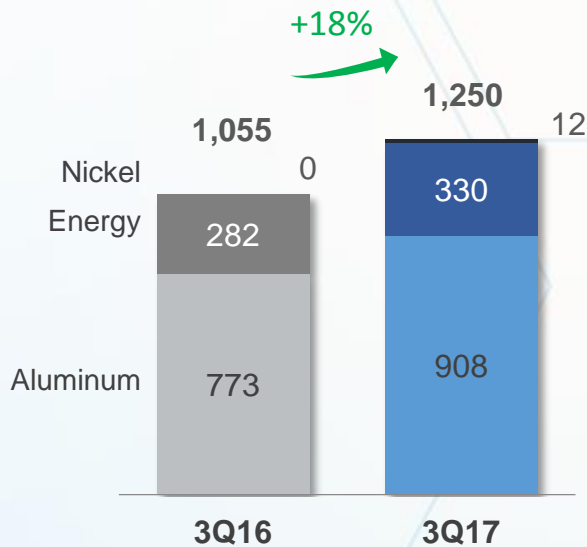
Higher sales volume, with increased participation of value-added products in both upstream and downstream segments.

1. Energy prices in the Southeast and Midwest regions in Brazil, according to CCEE

Favorable scenario and results from cost competitiveness measures

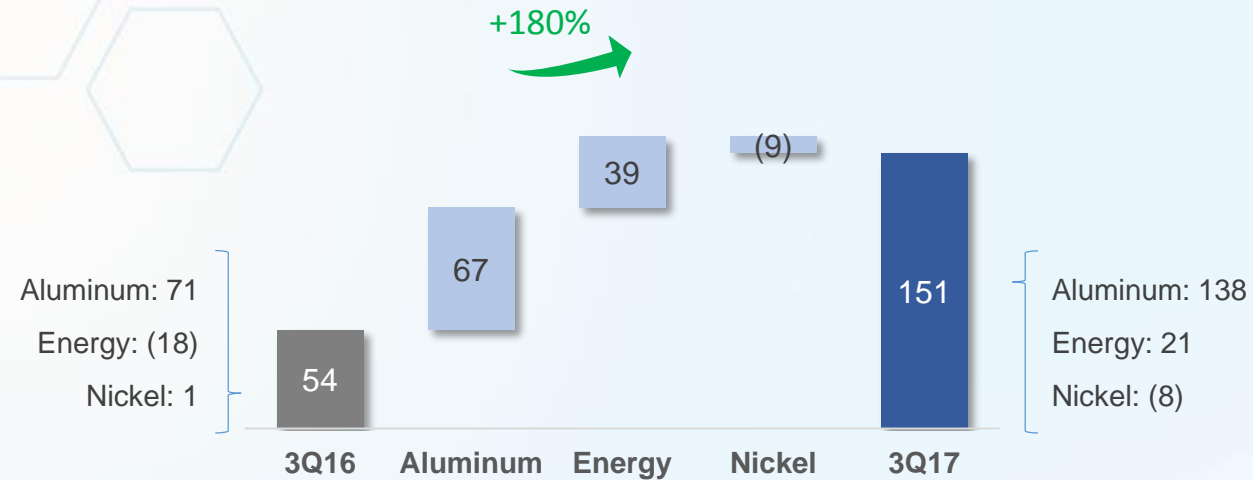
(R\$ million)

NET REVENUES



ADJUSTED EBITDA

CBA Adjusted EBITDA



Aluminum Adj. EBITDA



Margin

9%

15%

Adjusted EBITDA up by 180% favored by higher energy sales and positive results from aluminum business, driven by higher LME prices, higher sales of value added products and operational performance improvements. Cost saving initiatives and project innovation have also enhanced 3Q17 results.



Votorantim

SERGIO MALACRIDA
CFO Votorantim S.A



CONSOLIDATED NET INCOME

(R\$ MILLION)

3Q16
Net income

149

Operating results

(161)

Result from
equity
investments

472

Financial
results

(166)

Income tax
and others

157

Discontinued
operations

68

3Q17
Net income

519

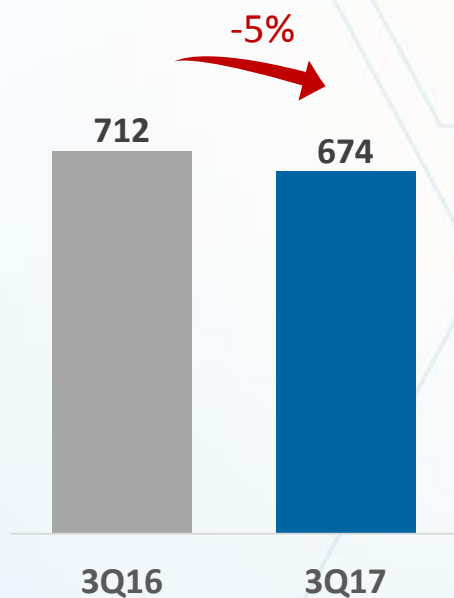
	3Q17	3Q16
Fibria	219	8
Citrosuco	63	(95)
Banco Votorantim	108	12
Others	55	48

- Operating results negatively impacted by non-recurring adjustments in the cement operations, partially offset by **higher LME metals and energy prices**.

- Better **results of investees**, which are the companies **recognized by equity method**, especially Fibria, Citrosuco and Banco Votorantim.

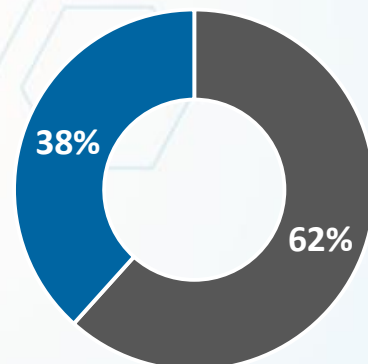
(R\$ MILLION)



CAPEX



BREAKDOWN

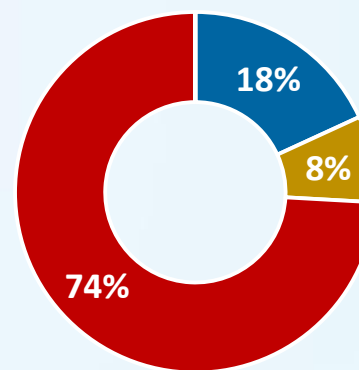
3Q17



Expansion 
Non Expansion 

EXPANSION CAPEX

3Q17



Votorantim Cimentos  Votorantim Energia 
Nexa 

EXPANSION CAPEX:

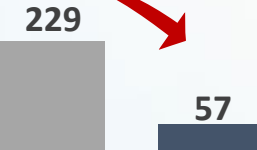
- **Votorantim Cimentos:** start-up of **Charlevoix plant expansion** estimated for 1S18.
- **Votorantim Energia's** wind power generation project (**Ventos do Piauí**) is on schedule and all the wind turbines should be installed in Dec/17.
- **Nexa:** extension of Vazante's life of mine.

(R\$ MILLION)

OPERATIONAL | FREE

CFO

3Q16⁽¹⁾ 3Q17

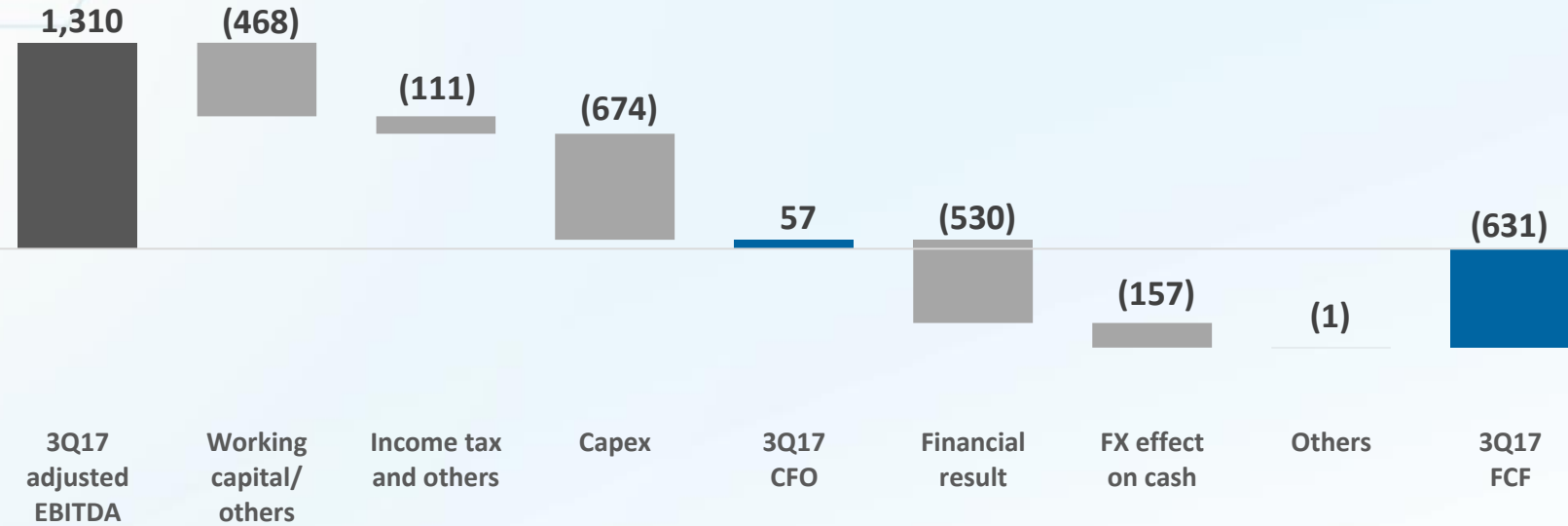


FCF

3Q16⁽¹⁾ 3Q17



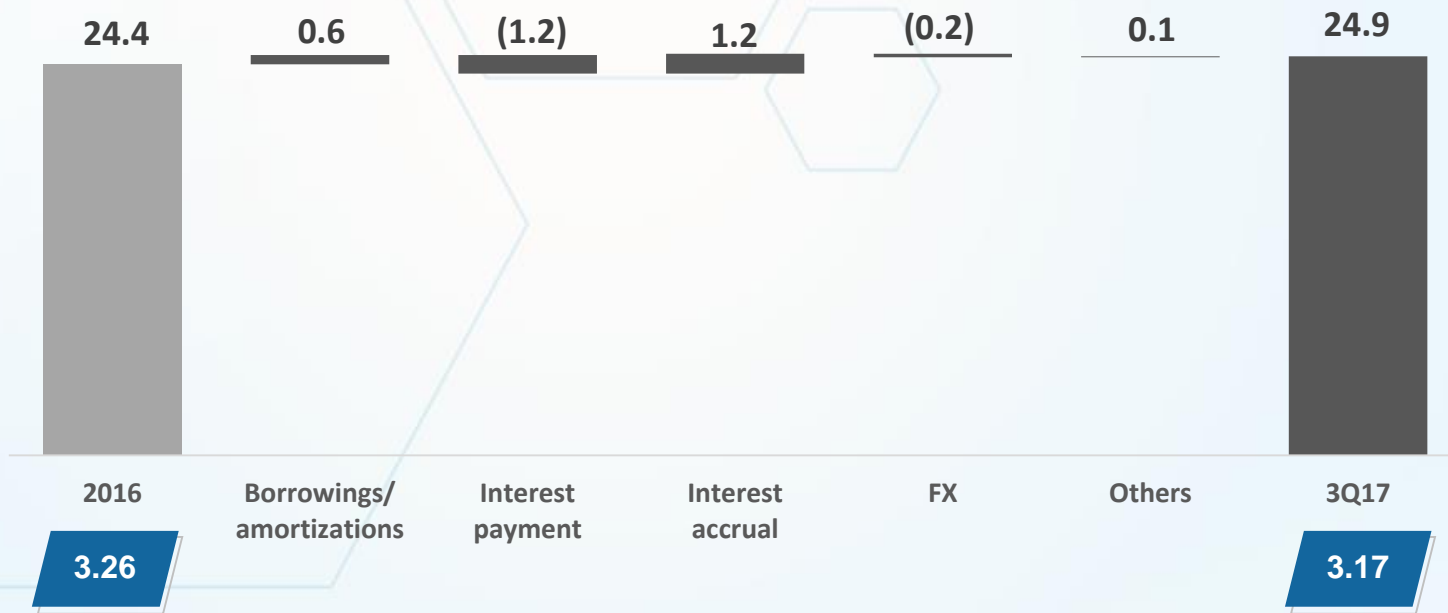
FREE CASH FLOW GENERATION



1. Includes Brazilian Long Steel operations results

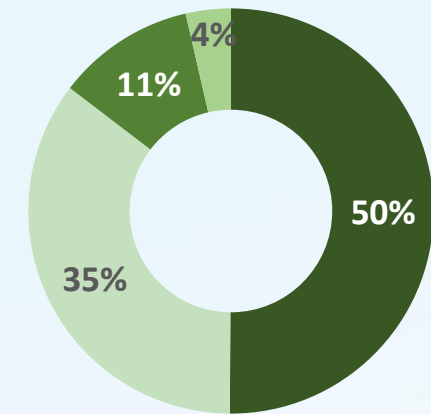
(R\$ BILLION)

GROSS DEBT



FX

DEBT BY CURRENCY



USD  BRL¹ 
 EUR  OTHERS 

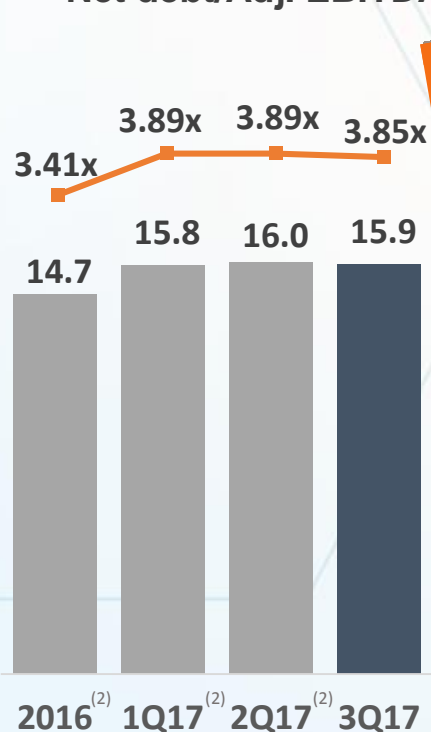
1. 4131 bilateral loan considered as BRL due to the cross-currency swap

LIQUIDITY POSITION AND EXTENDED DEBT PROFILE

(R\$ BILLION)

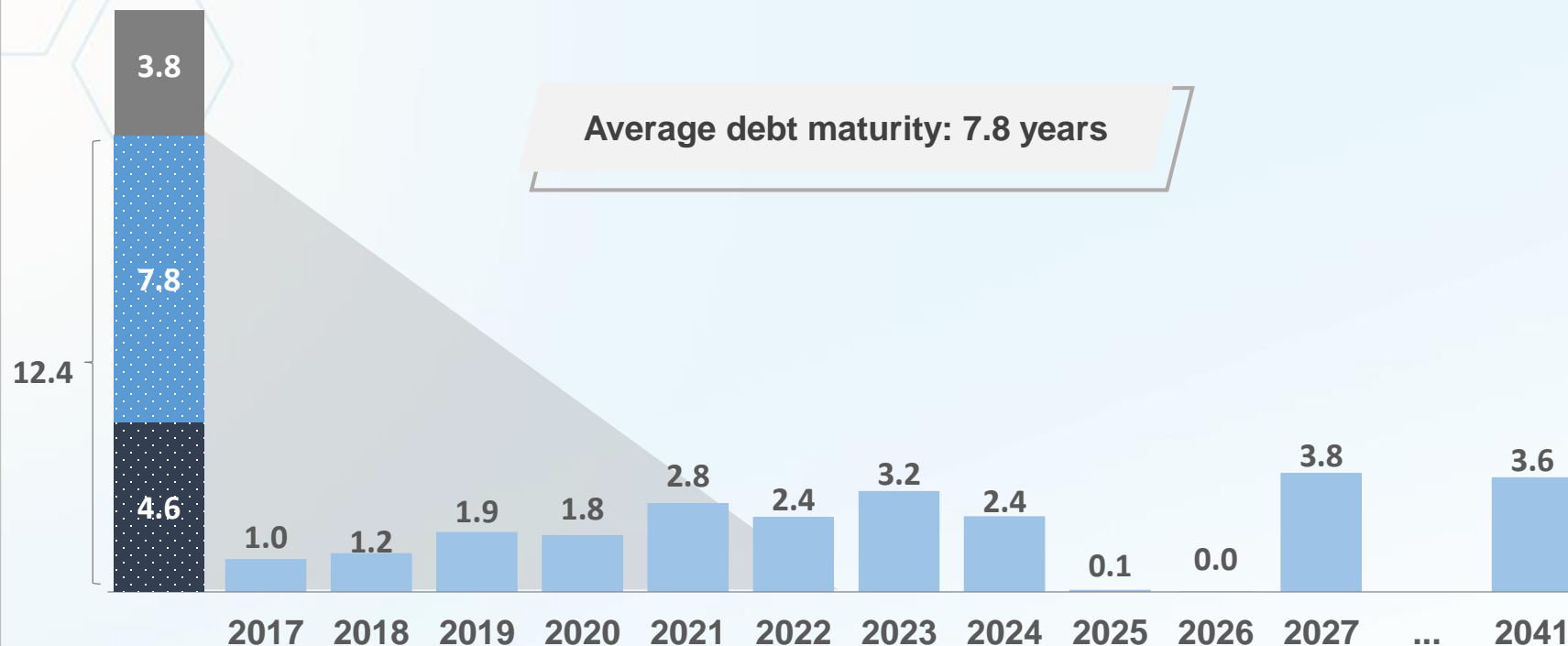
NET DEBT

Net debt/Adj. EBITDA LTM



DEBT AMORTIZATION PROFILE (pro forma)⁽¹⁾

■ Revolving Credit Facilities
 ▨ Cash (12.4bn)
 ■ BRL (37%)
 ■ Foreign Currency (63%)



1. Pro forma includes early repayment on November, 2017 of debenture maturing in 2021 and 4131 loan maturing in 2020. Also considers cash reduction to prepay debt, proceeds from divestments and Nexa's IPO.
 2. Restated value.



Votorantim

JOÃO MIRANDA
CEO Votorantim S.A.



Nexa IPO.

Continued **VSA support for Votorantim Cimentos.**

Pro-forma **leverage presenting a downward trend.**

Better economic environment in Brazil.

Brazilian presidential **election in 2018.**

