



# 2Q22 EARNINGS PRESENTATION

August 16, 2022



Companhia Siderúrgica Nacional

CSNA  
B3 LISTED

SID  
LISTED  
NYSE



FTSE4Good

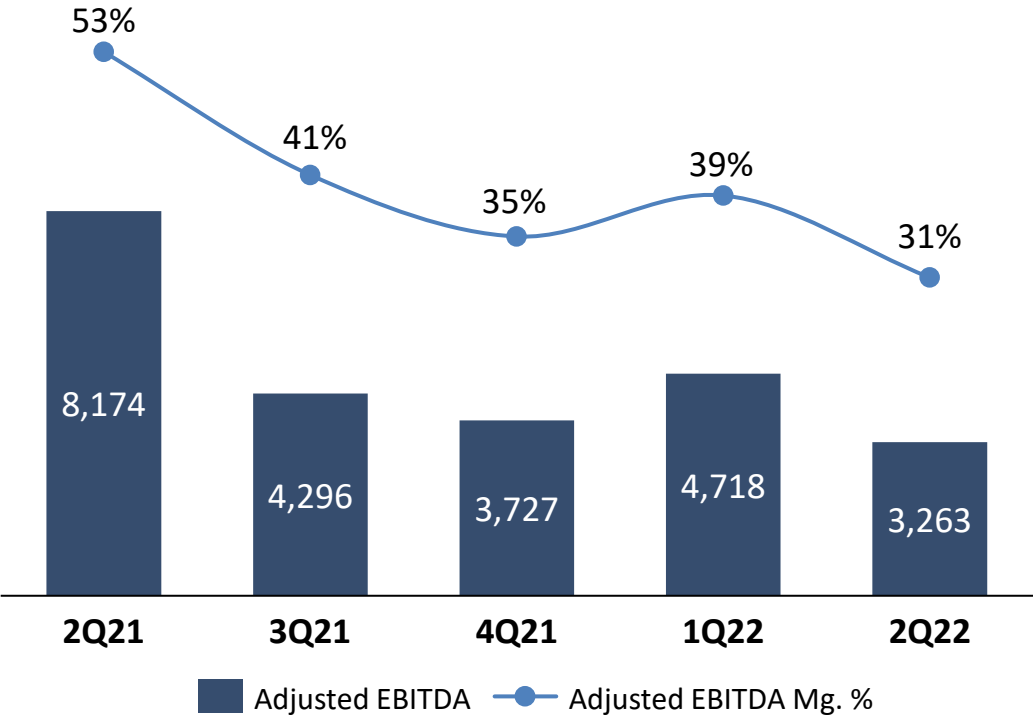
# QUARTER HIGHLIGHTS

- 1** Diversification of the businesses operated by CSN helped to mitigate the instability increase on international markets. However, the quarter was marked by **lower realized prices** in mining, impacting CSN's performance in the quarter.
- 2** Spotlight on the cement segment, which presented **record results in Revenue and EBITDA**, with a strong quarterly recovery.
- 3** **Transformation in the energy segment:** acquisition of the **Quebra-Queixo** plant and victory in the **CEEE-G** auction will allow the Company to become **self-sufficient** in energy.

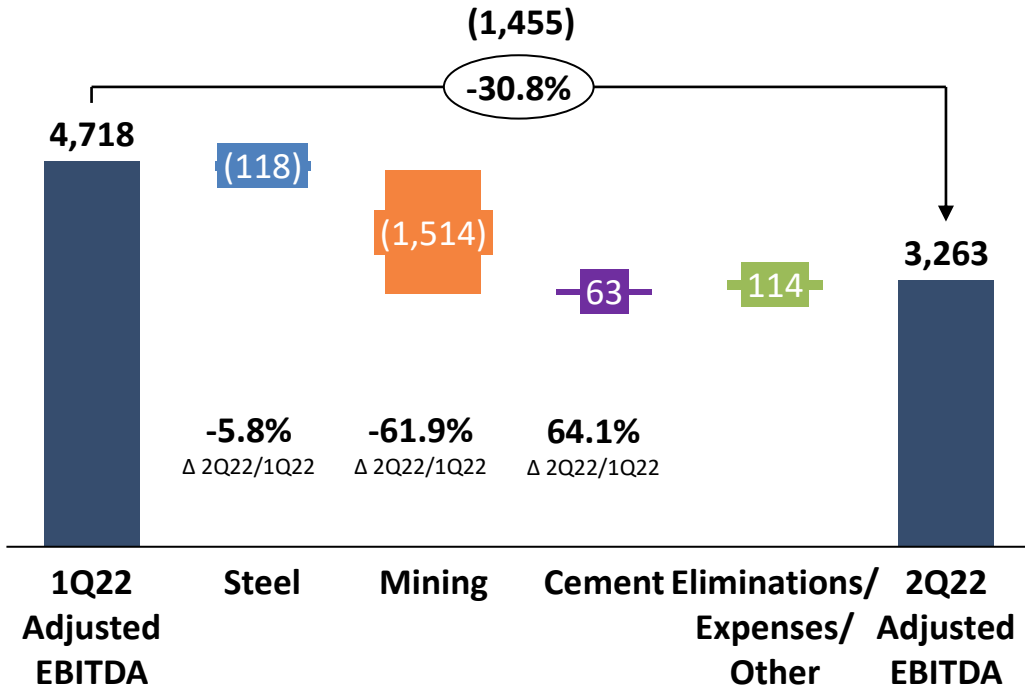


# CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (BRL mm and %)



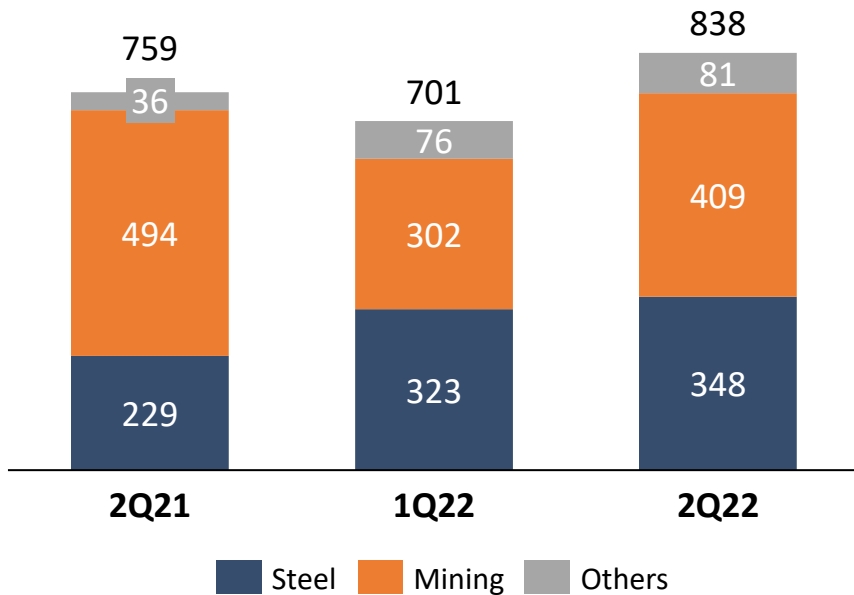
ADJUSTED EBITDA EVOLUTION (BRL mm)



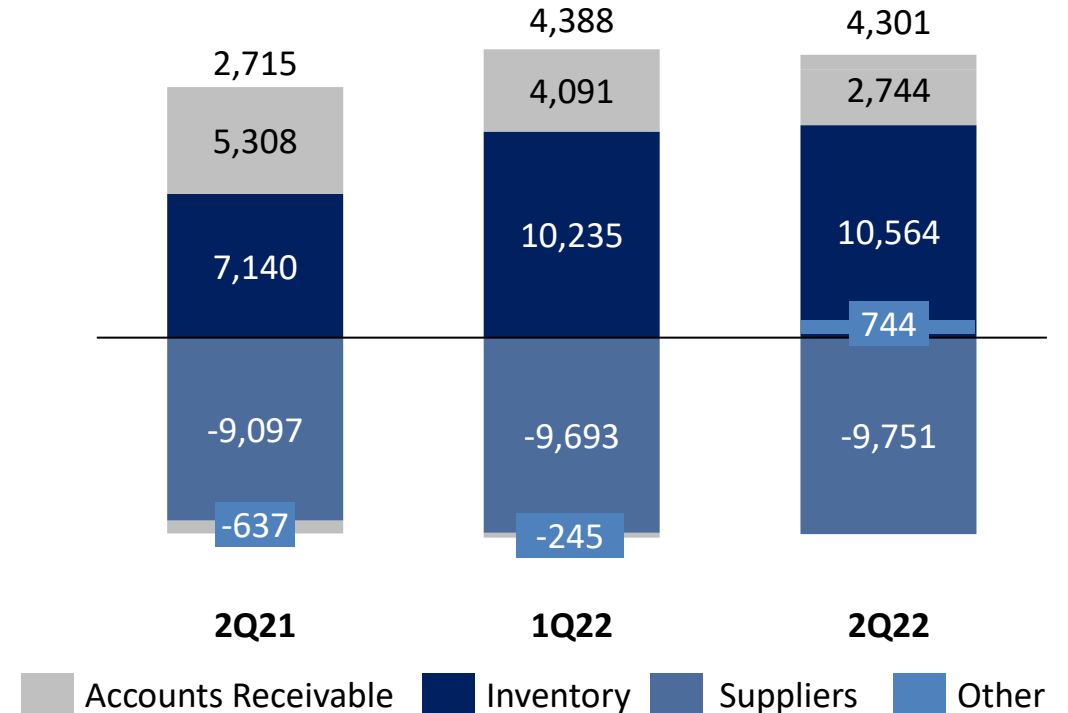
⚙️ This quarter was led by the strong price adjustment in iron ore, which had a negative impact on the segment's results, and by margins still above the historical average for steel and cement.

# CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

**CAPEX  
(BRL mm)**



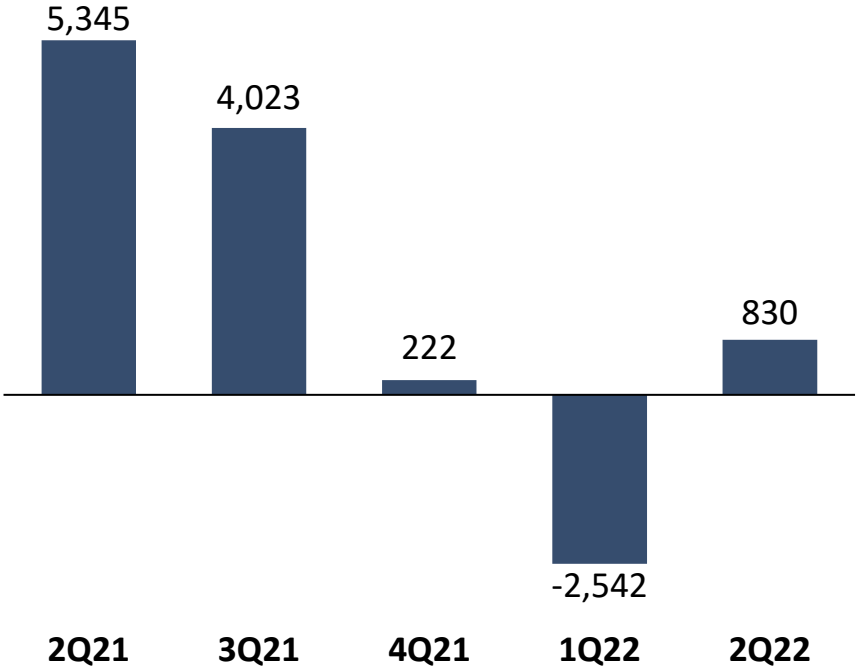
**NET WORKING CAPITAL  
(BRL mm)**



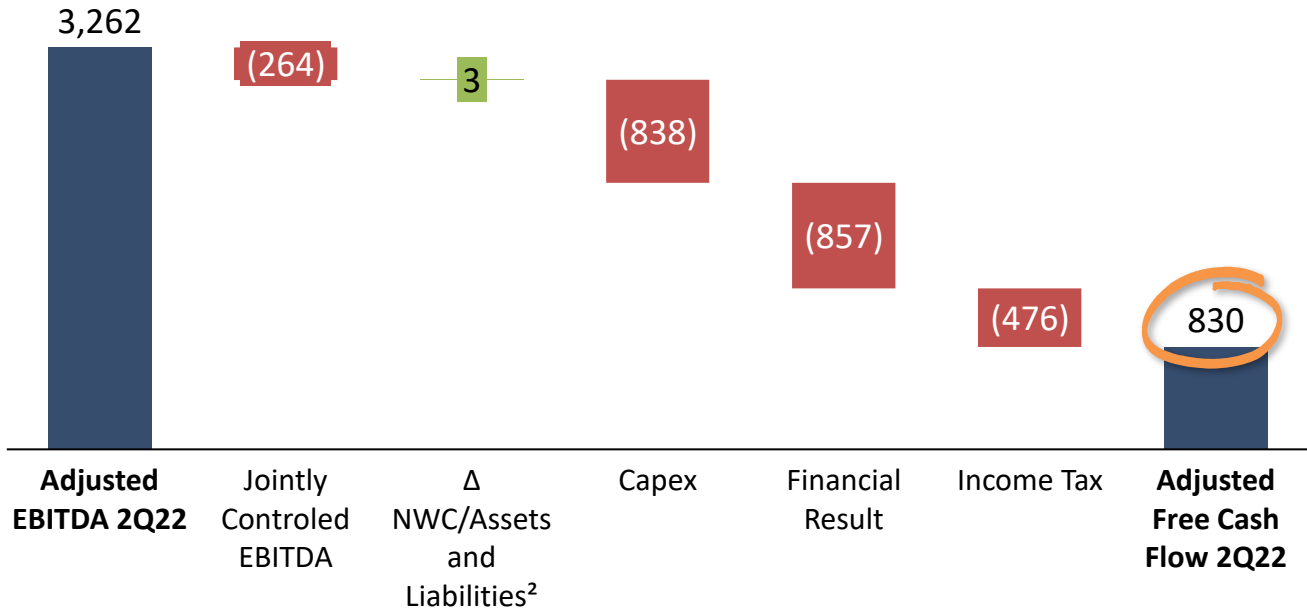
- Investments totaled BRL 838 million in 2Q22, highlighting the progress made in the expansion projects of the mining, mainly the P-15 and expansion of the port terminal, in addition to repairs in steel operations and UPV coke batteries.
- Stable Working Capital given the high levels of inventories, to be gradually normalized in the coming quarters.

# CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

**ADJUSTED CASH FLOW  
(BRL mm)**



**ADJUSTED FREE CASH FLOW<sup>1</sup> - 2Q22  
(BRL mm)**

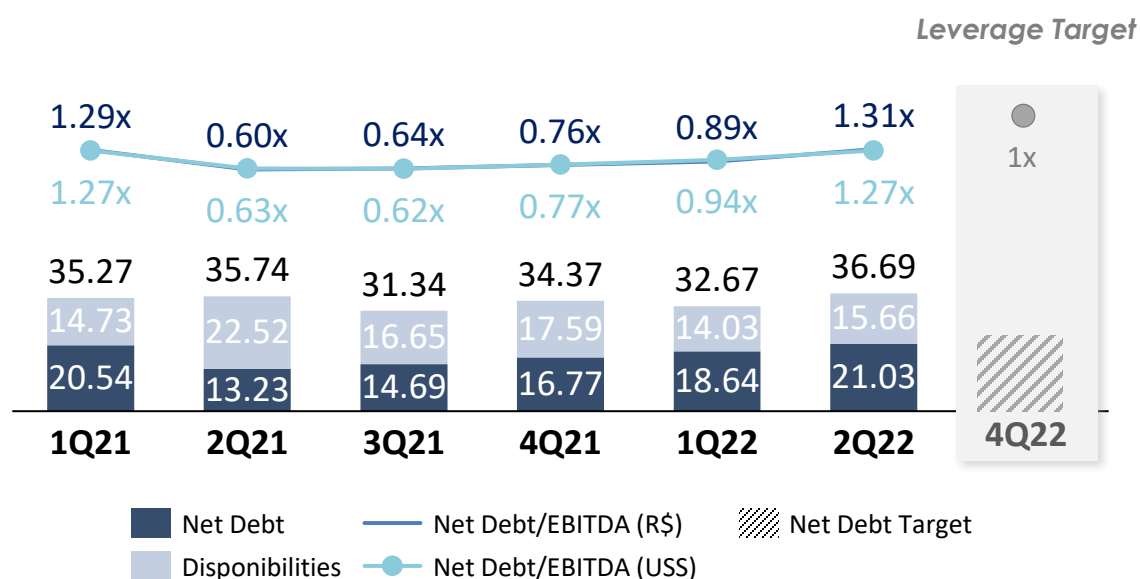


🔗 Free Cash Flow reached BRL 830 million, reversing the negative impact observed in the previous quarter, when there was an increase in inventory levels and tax seasonality.

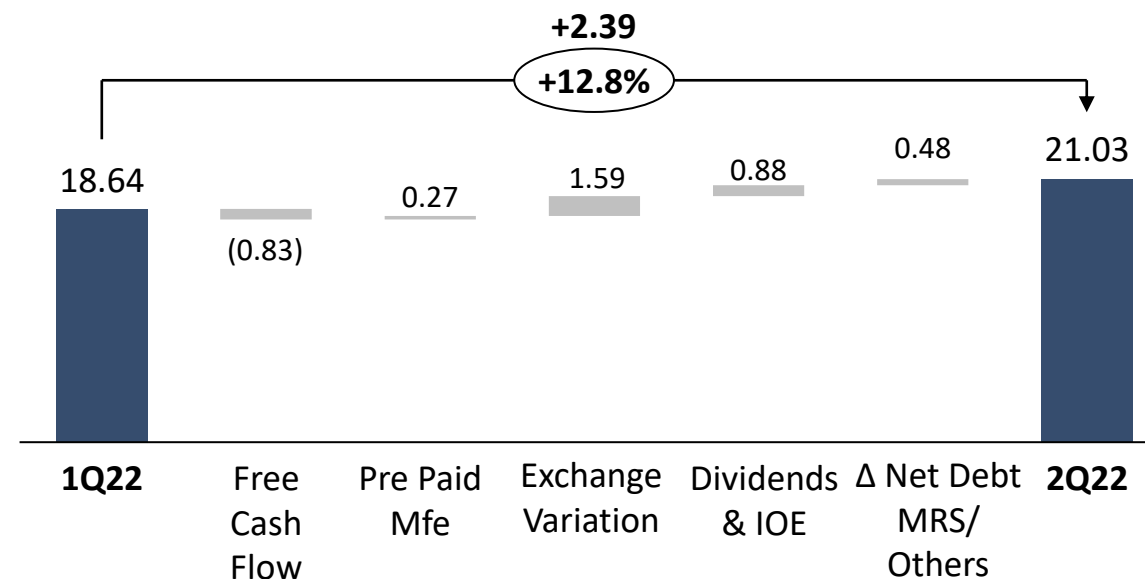
Source: CSN / Note 1: The concept of free cash flow is calculated from adjusted Ebitda, subtracting Ebitda from Jointly Controlled Companies, CAPEX, IR, Financial Results and changes in Net Working Capital<sup>1</sup>, excluding the effect of the Glencore advance. Note 2: The Adjusted Working Capital for the quarter consists of the change in Net Working Capital, plus the change in long-term asset and liability accounts and disregarding non-cash items.

# CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

## LEVERAGE, LIQUIDITY AND NET DEBT (BRL Billion; Net Debt / EBITDA (x))



## NET DEBT BUILD-UP (BRL Billion)

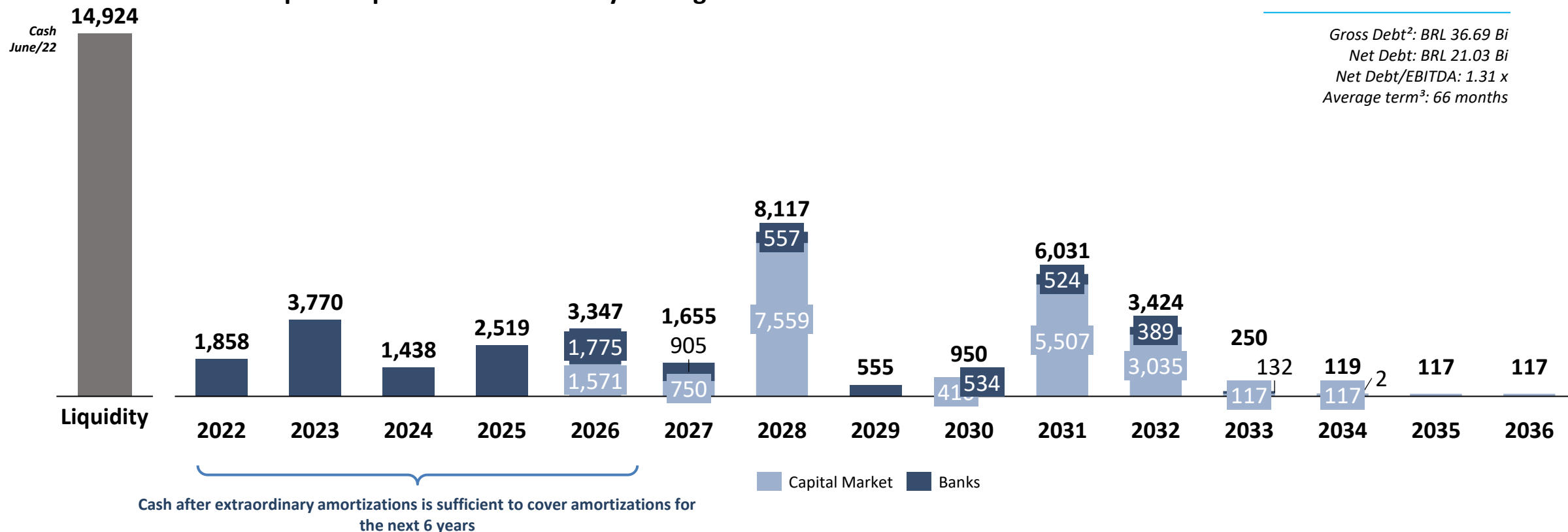


🔗 Increase in Net Debt was mainly a result of the exchange rate variation and payment of Dividends and Interest on Equity.

# DEBT AMORTIZATION SCHEDULE

## Post-completion profile of the Liability Management Plan

## Position on 06.30.2022



Gross Debt<sup>2</sup>: BRL 36.69 Bi  
 Net Debt: BRL 21.03 Bi  
 Net Debt/EBITDA: 1.31 x  
 Average term<sup>3</sup>: 66 months

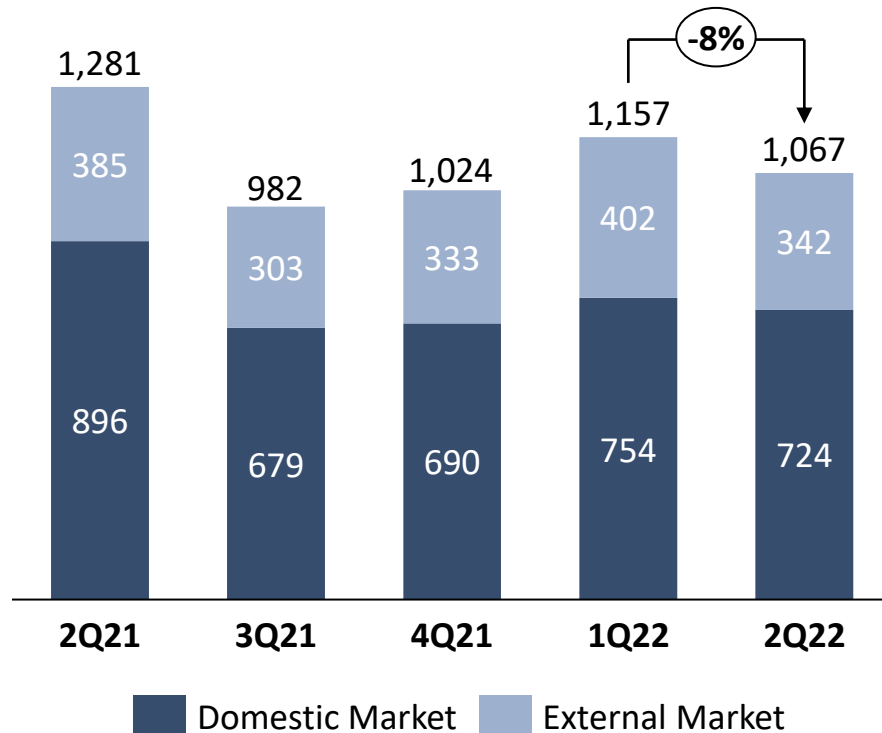
🔗 The Company remains very active in its objective of extending the Debt: throughout 2Q22, CSN, through its subsidiary CMIN, concluded a long-term transaction with SACE in the amount of USD 375 MM and issued its 2<sup>nd</sup> infrastructure debentures of BRL 1.4 billion. These resources will be used in capacity expansion projects in the mining segment.



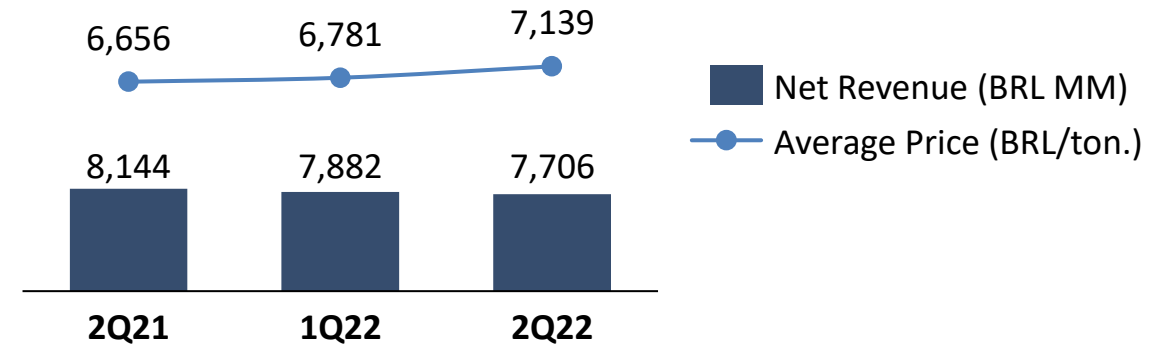
STEEL

# STEEL PERFORMANCE

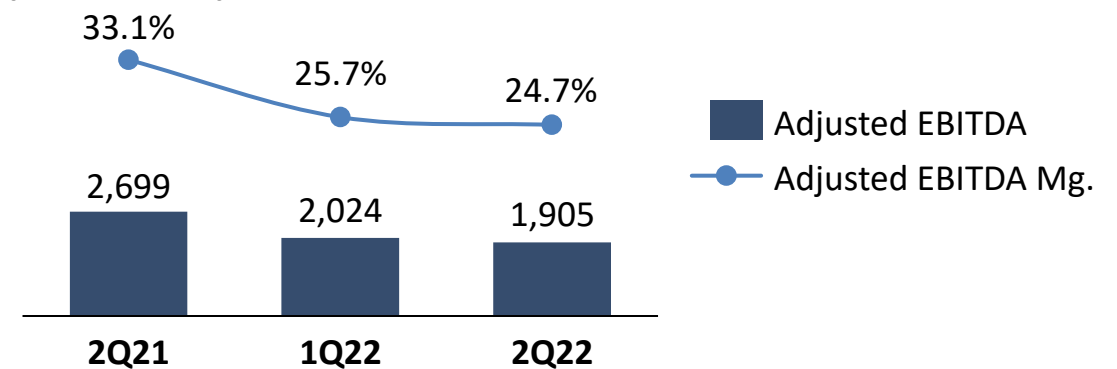
## SALES VOLUME (mil/ton.)



## NET REVENUE AND DM AVERAGE PRICE<sup>1</sup> (BRL mm; BRL/ton.)



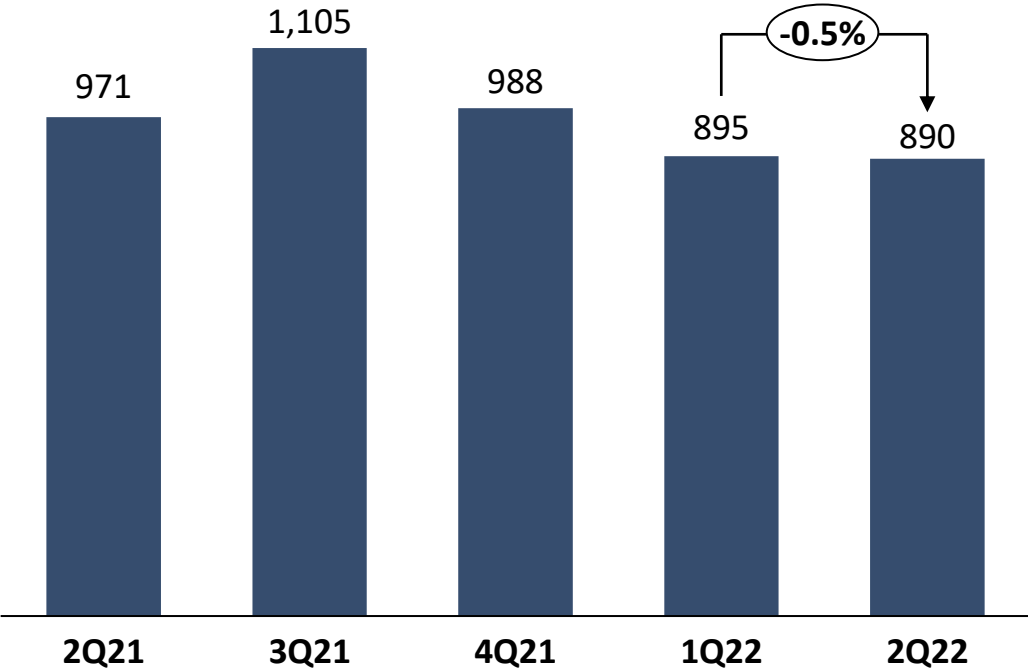
## EBITDA AND EBITDA MARGIN (BRL mm; %)



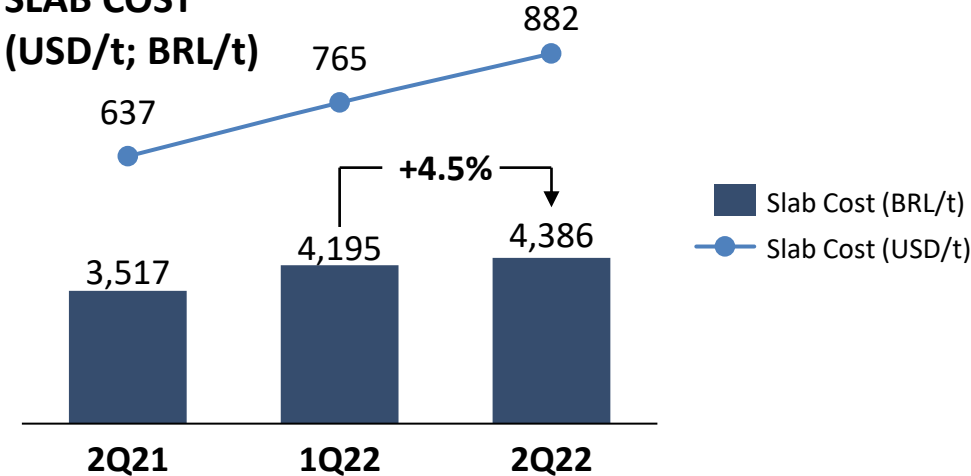
8% drop in total sales volume due to lower steel consumption in the European market as a result of the instability brought by the conflict between Russia and Ukraine, in addition to a more volatile domestic market. On the other hand, this performance was partially offset by the 5% increase in the average price per ton.

# STEEL INDUSTRY COMPETITIVENESS

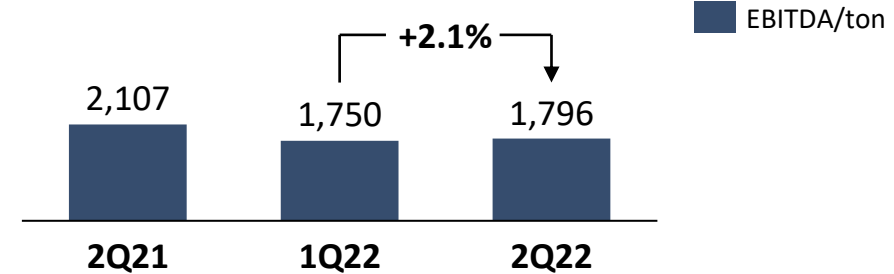
**SLAB PRODUCTION VOLUME AT PRESIDENT VARGAS PLANT (mil/ton.)**



**SLAB COST (USD/t; BRL/t)**



**PERFORMANCE PER TON (BRL/ton.)**



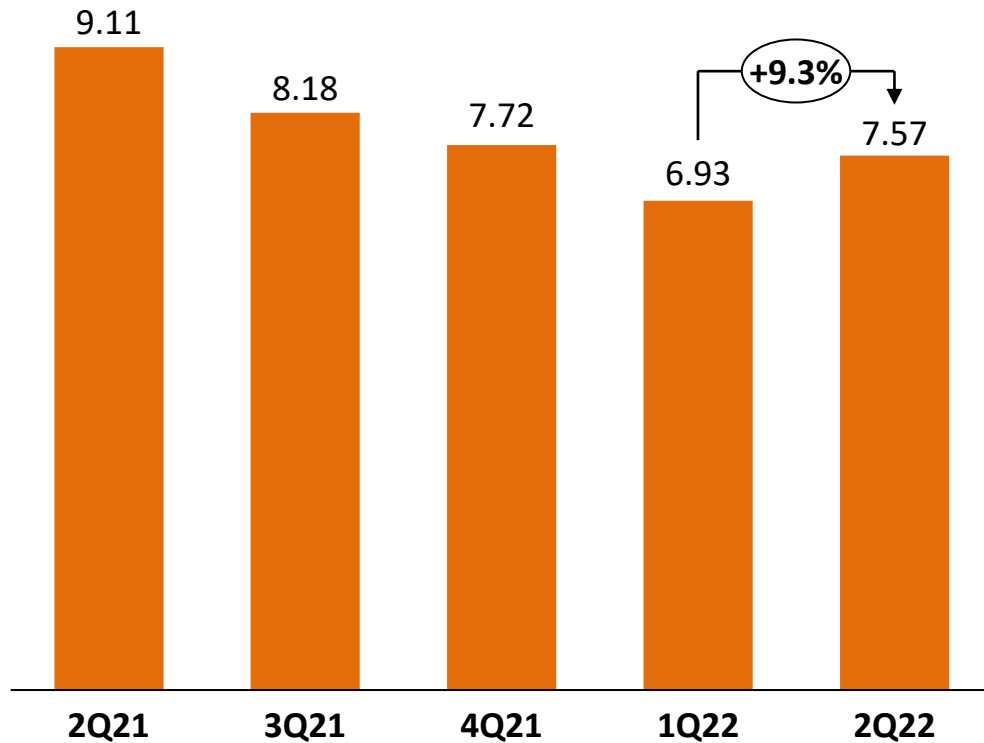
Planned maintenance impacted the slab production in 2Q22. The cost of the plate was pressured by higher coal and coke costs. Despite this, EBITDA per ton was 2.1% higher on the quarterly comparison.



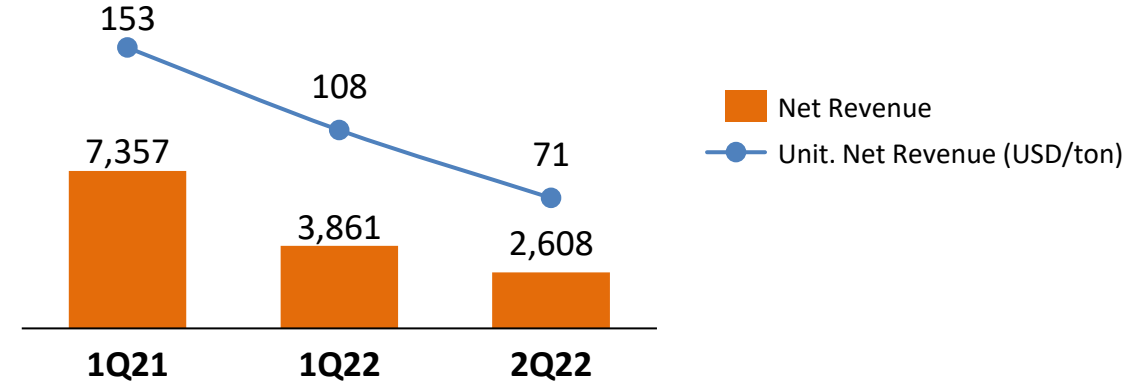
MINING

# MINING PERFORMANCE

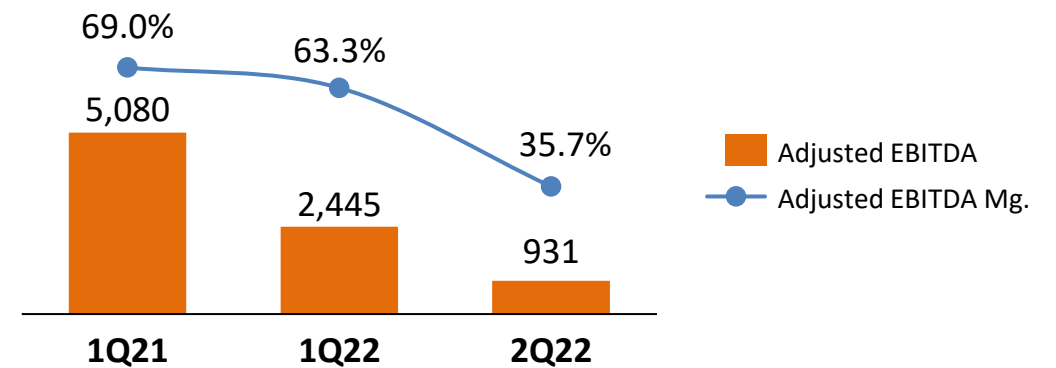
**TOTAL SALES VOLUME**  
(mil/ton.)



**NET REVENUE**  
(BRL mm)



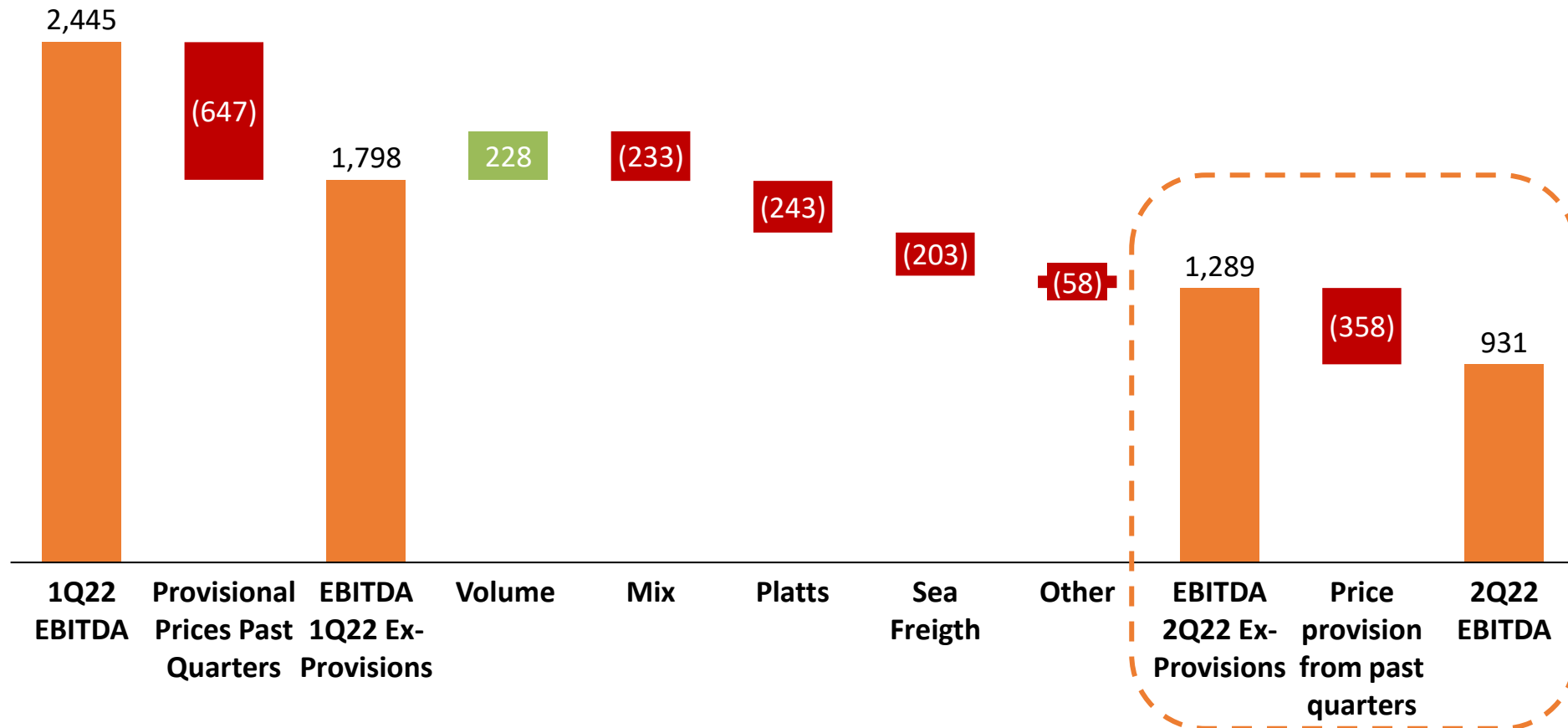
**ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN**  
(BRL mm; %)



⚙️ Weaker price realization on this quarter ended up offsetting the increase in production. Additionally, there was also a greater pressure on costs with the rise in diesel prices.

# EBITDA ADJUSTED BY PROVISIONS

BRL MM



🔗 Decline in Platts prices over the quarter, increase in freight, higher proportion of opportunity products at favorable market conditions and negative adjustment of provisioned prices resulted in lower EBITDA than the previous quarter.



# CEMENT

CSN CP III-40 RS  
CIMENTO PORTLAND DE ALTO FORNO

CIMENTO

CSN

CSN CP III-40 RS

SN CP III-40 RS  
CIMENTO PORTLAND DE ALTO FORNO

CIMENTO

CSN

CSN CP III-40 RS

CP III-40 RS  
CIMENTO PORTLAND DE ALTO FORNO

CIMENTO

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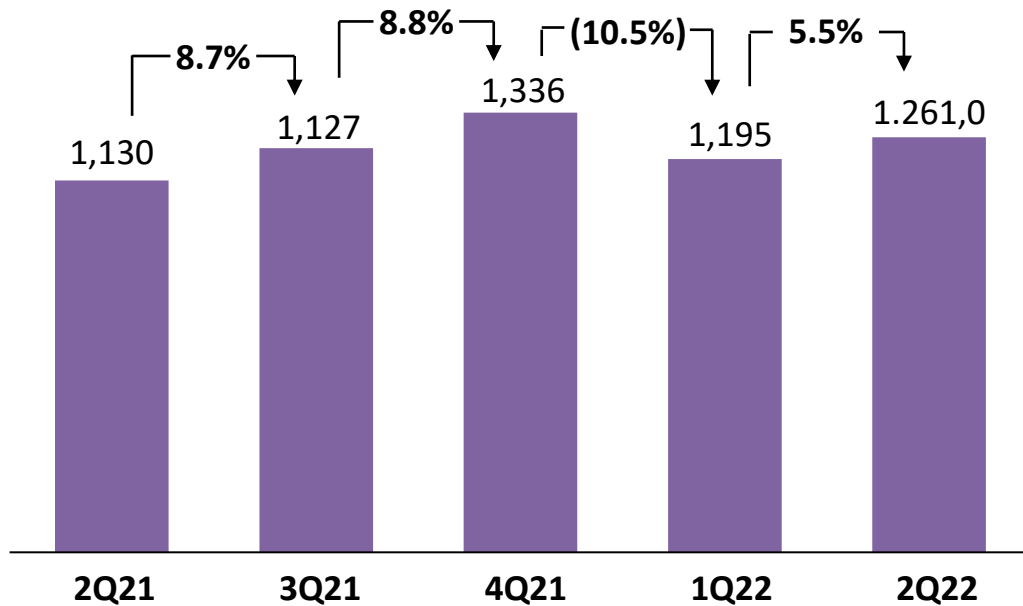
CSN

CSN CP III-40 RS

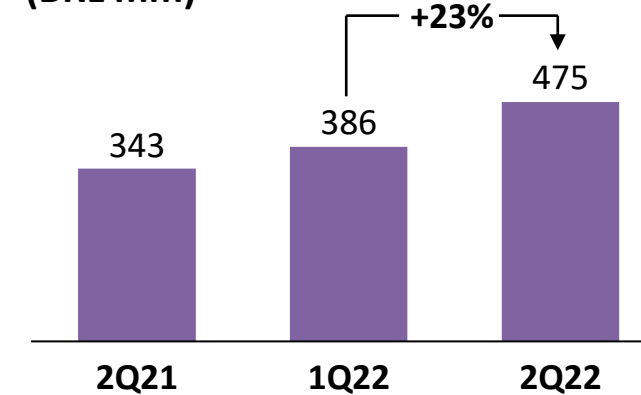
# CEMENT PERFORMANCE

## SALES VOLUME - CEMENT

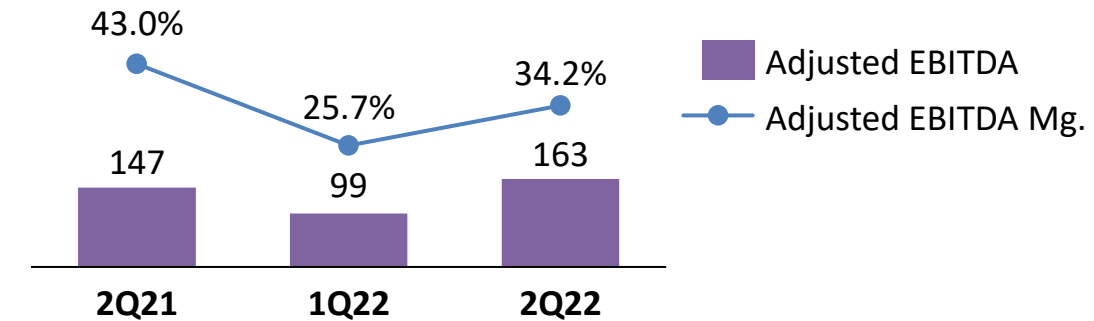
(Thousand tones)



## NET REVENUE (BRL mm)



## EBITDA AND EBITDA MARGIN (BRL mm; %)



After a weaker start in 2022, the cement segment showed a strong recovery in 2Q22, recording records on revenue and EBITDA.

An aerial photograph of a large dam and hydroelectric power plant. The dam features several spillways with water cascading down. To the right of the dam is a large industrial building with a corrugated metal roof, housing the power plant's machinery. The surrounding landscape is a mix of green grass and reddish-brown soil. A road and some smaller structures are visible on the right side of the dam. The word "ENERGY" is overlaid in white, bold, sans-serif capital letters on a dark grey rectangular background that covers the left and center portions of the image.

ENERGY

# STRATEGIC RATIONALE OF THE LAST ACQUISITIONS



**Consolidation of the strategy for the pursuit of self-sufficiency and competitiveness through the acquisition of renewable energy generation projects: support the growth of CSN's operations and energy pillar**



# ENVIRONMENTAL AND SOCIAL MANAGEMENT

## TRANSPARENCY

- ✓ Publication of the **2021 Integrated Report, with external certification** and structured disclosure based on the **TCFD** reporting format.
- ✓ Continuous **evolution** in **ESG ratings** (MSCI, VE and TPI).
- ✓ Launching of the Company's new ESG website. <https://esg.csn.com.br/en>.
- ✓ **MOU signed with Itochu and Shell** to work together on decarbonization and operational efficiency initiatives.

## DAM MANAGEMENT

- ✓ Vigia's Auxiliary dam **was definitively disregarded and unregistered as a dam** by FEAM and ANM, which removed it from the SIGBM registers.
- ✓ Continuity of works to **de-characterize** the Vigia dam, with completion scheduled for the next quarter.



## SAFETY

- ✓ Reduction of **27%** in the **Accident Frequency Rate** (CAF + SAF – own and third parties) in the CSN Group compared to 2Q21.
- ✓ **26%** reduction in the **number of accidents** (CAF + SAF) with own and outsourced employees compared to 2Q21.

## ENVIRONMENTAL MANAGEMENT

- ✓ **Co-processing operation kickoff** at CSN Cimentos Arcos unit.
- ✓ **Quarterly reduction of 8% in CO<sub>2</sub> emissions** in Cement operations after the start of co-processing in Arcos.
- ✓ **2% reduction in water capturing** compared to 2Q21.
- ✓ Partnership with Sany to **test electric trucks** for CSN Cimentos and CSN Mineração.

## SOCIAL AND DIVERSITY

- ✓ **6%** increase in female participation in the Company's leadership positions when compared to 2Q21.
- ✓ **17%** increase in female participation in the Company when compared to 2Q21.
- ✓ **18%** increase in the representation of PwD at CSN Group compared to 2Q21.
- ✓ Fundação CSN participates in the **“Walk for Peace”**, with approximately 4,000 people.



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