

4Q22 AND 2022 EARNINGS PRESENTATION

March 09, 2023



HIGHLIGHTS



- 1** CSN presented a **15% Adjusted EBITDA growth** in 4Q22, with an increase of 3.2 p.p. in the EBITDA Margin. The strong performance achieved in the mining segment by combining better operational performance with an increase in the realized prices, ended up more than offsetting the period seasonality.
- 2** The acquisition of CEEE-G opened a **new avenue of opportunities** for CSN's Energy segment, and the benefits of self-production and the sale of energy surplus will be even more relevant throughout 2023.
- 3** **ESG:** According to Sustainalytics, **CSN has the 4th best score (26.0)** among the 155 steel and mining companies evaluated globally. CSN was also the only Brazilian company in the sector to be named in the S&P Global Sustainability Yearbook 2023, ranked as the one in the sector that made the **most progress in ESG practices in the world.**

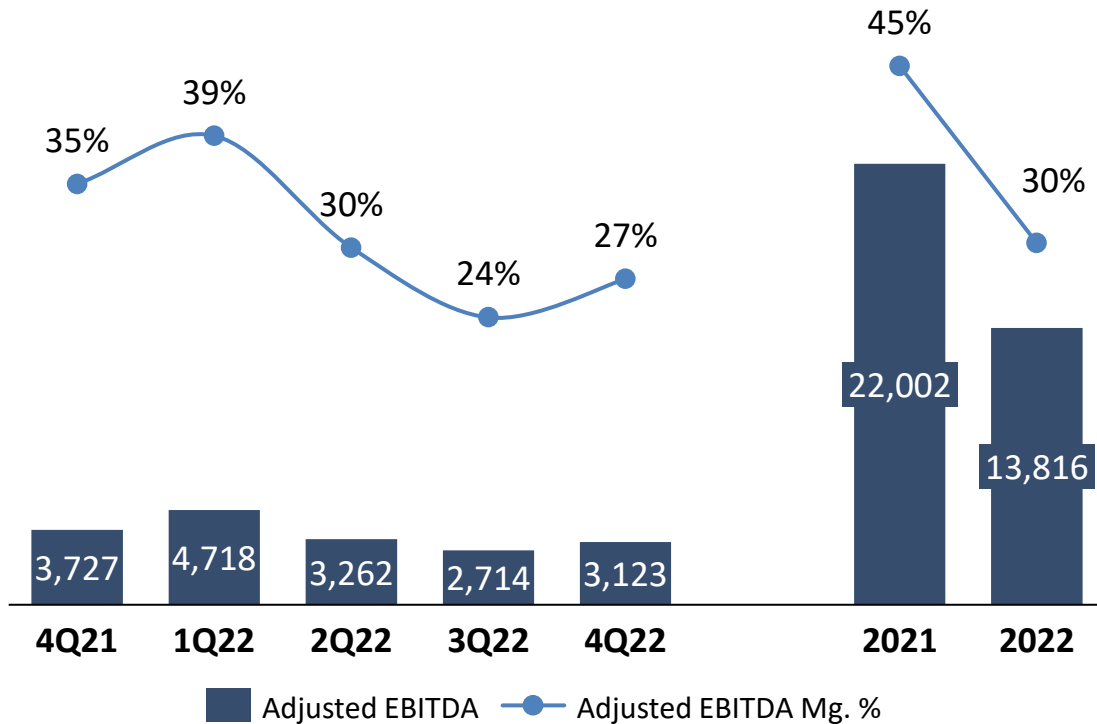


FINANCIAL PERFORMANCE

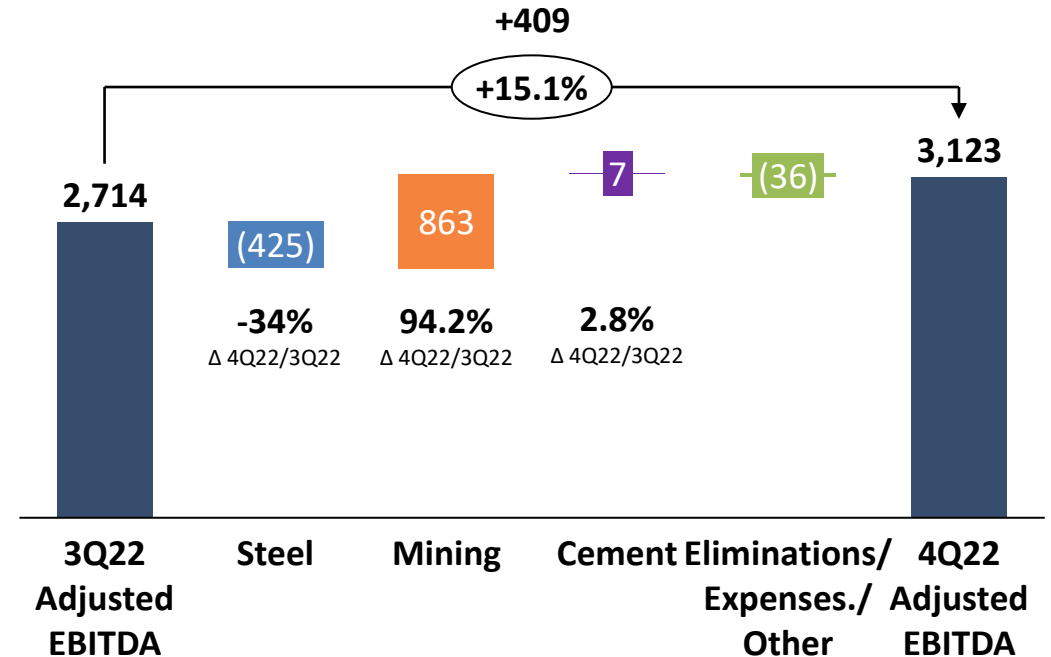


CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED EBITDA AND ADJUSTED MARGIN
(BRL mm and %)



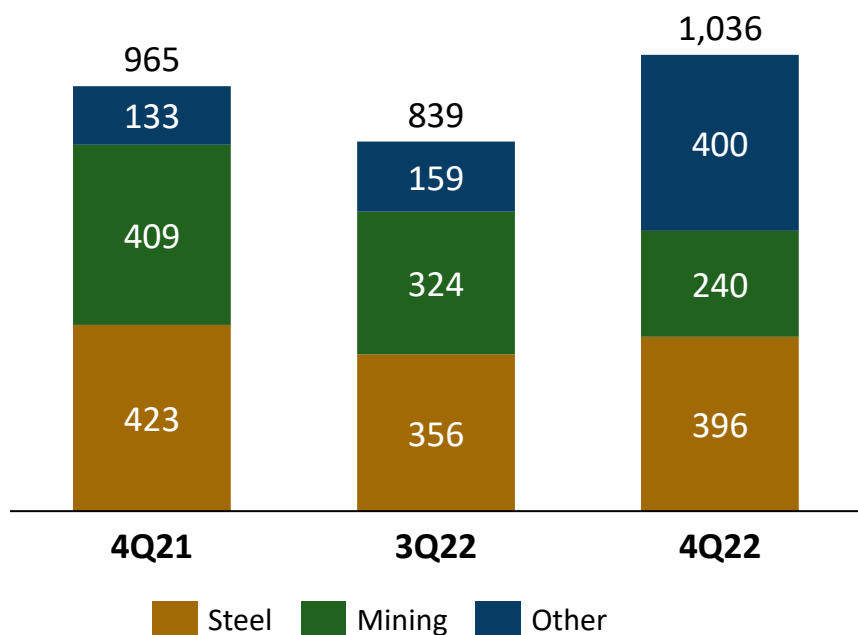
ADJUSTED EBITDA EVOLUTION
(BRL mm)



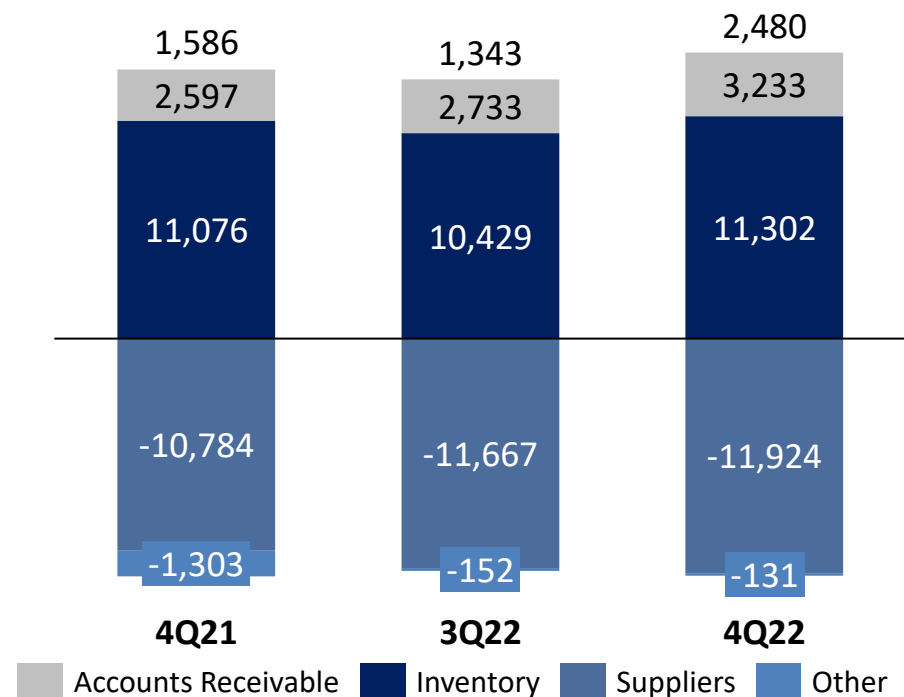
🔗 The increase in EBITDA was directly impacted by the strong sales volume and the increase in Platts prices in the period, which allowed a solid operating result for the Mining segment. In 2022, however, the prices of raw materials for steel production and the average reduction in the iron ore price were the main factors that impacted the result.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

**CAPEX
(BRL mm)**



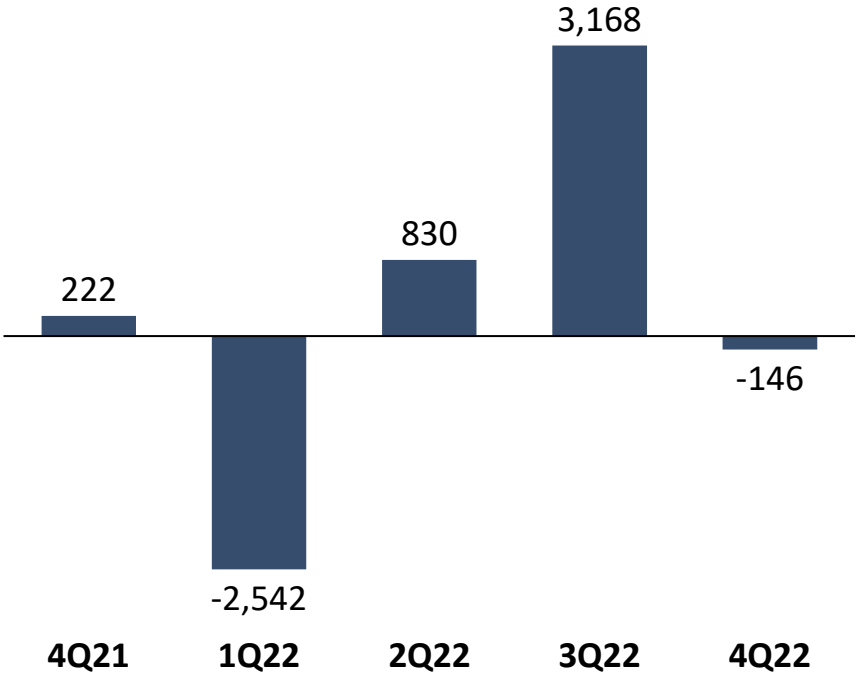
**WORKING CAPITAL
(BRL mm)**



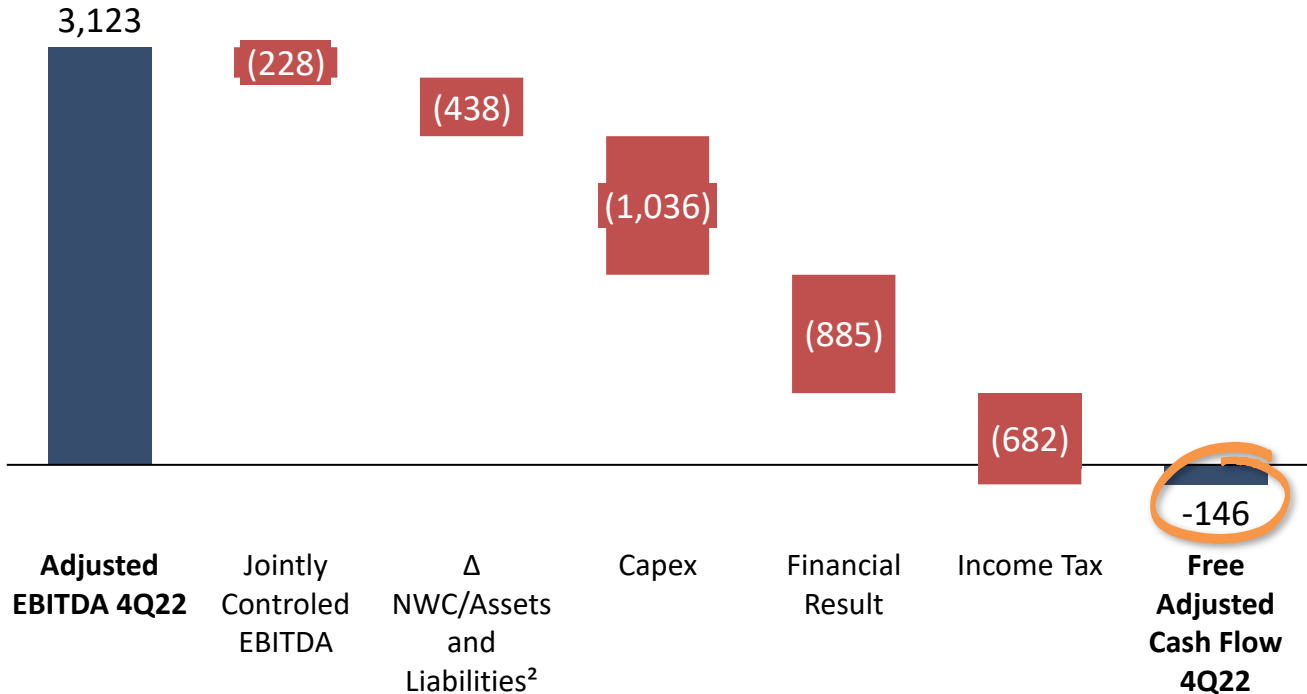
- ⚙️ CAPEX totaled BRL 1,036 million in 4Q22, a better performance compared to the previous quarter, due to investments in the Cement business unit and Cimentos Brasil incorporation. In 2022, CAPEX reached BRL 3,413 million, a 16% increase compared to 2021.
- ⚙️ Working Capital impacted by the punctual increase in the Company's Inventories and Accounts Receivable.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED CASH FLOW
(BRL mm)



ADJUSTED CASH FLOW ¹ - 4Q22
(BRL mm)

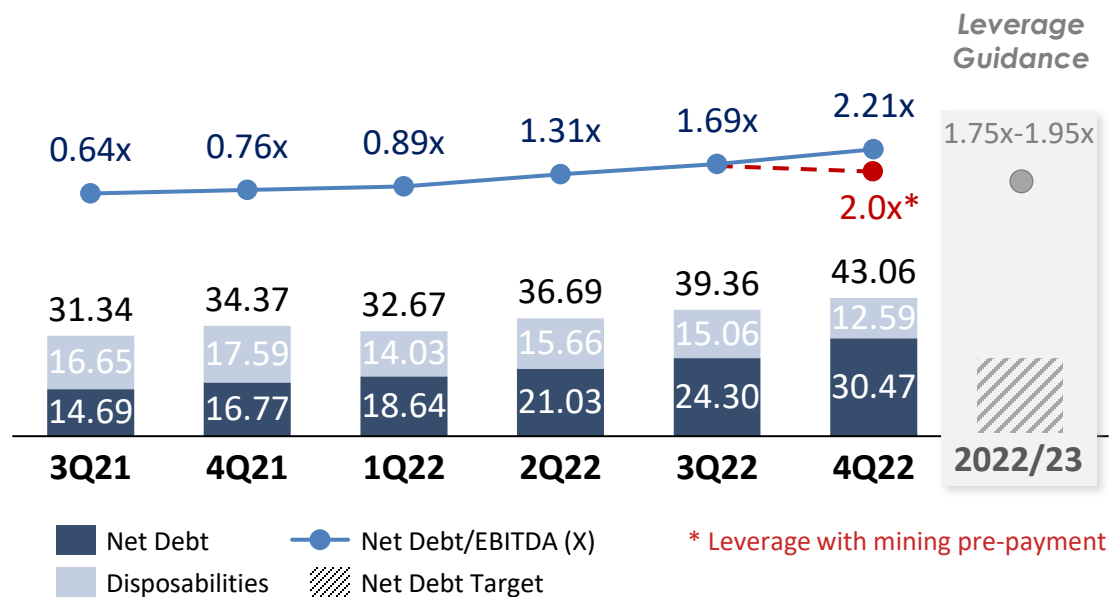


Adjusted Cash Flow in 4Q22 was negative by BRL 146 million, mainly affected by higher CAPEX volumes and financial expenses, in addition to the increase in taxes paid in the period.

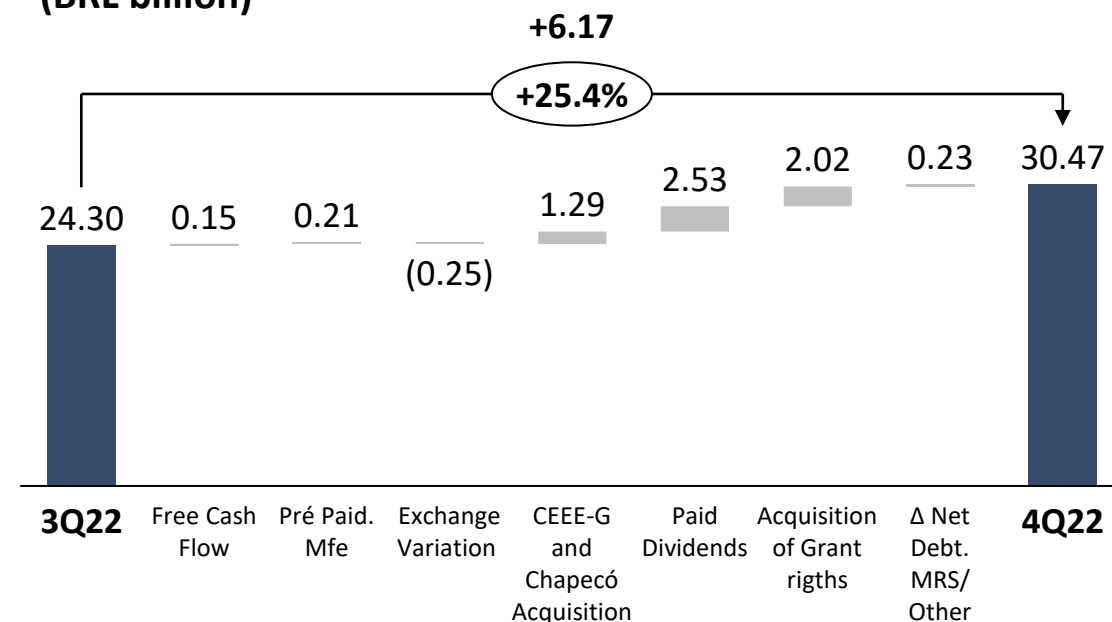
Source: CSN / Note 1: The concept of Free Cash Flow is calculated based on Adjusted EBITDA, subtracting EBITDA from Jointly-Subsidiaries, CAPEX, Income Tax, Financial Result and changes in Net Working Capital¹, excluding the effect of the Glencore advance. Note 2: The Adjusted Working Capital² for the quarter is composed of the change in Net Working Capital, plus the change in long-term Assets and Liabilities, excluding non-cash items.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

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



NET DEBT BUILD-UP (BRL billion)



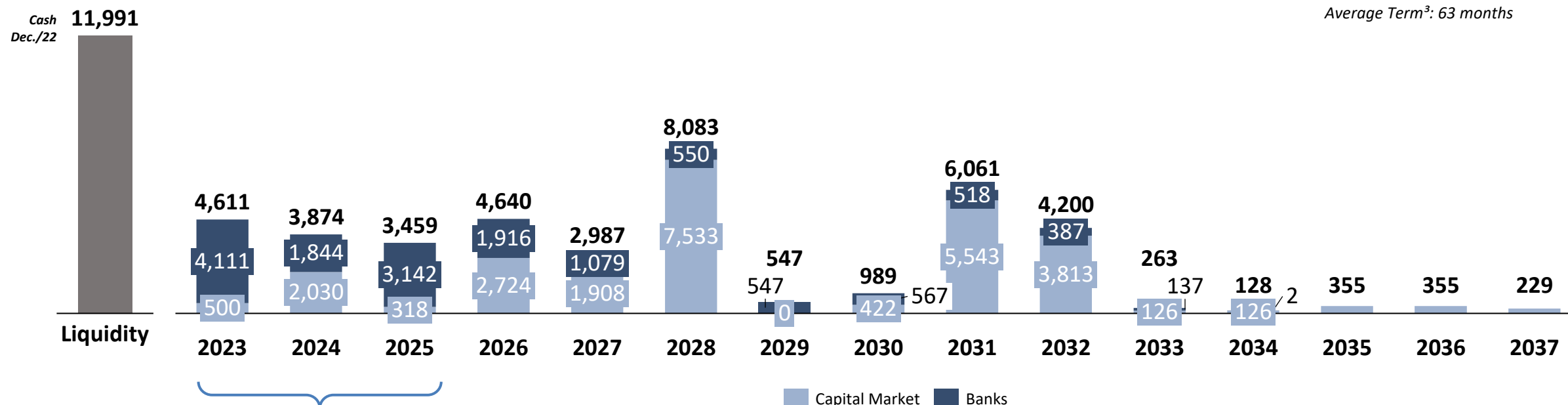
🔗 The leverage increase is a consequence of a series of disbursements made in the period, mainly related to the acquisition of CEEE-G, in addition to the distribution of dividends. When considering the resources with prepayments of iron ore obtained in January in the Debt at the end-of-the-year, leverage would be at 2.0x.

DEBT AMORTIZATION SCHEDULE

Profile after completion of the Liabilities Management Plan

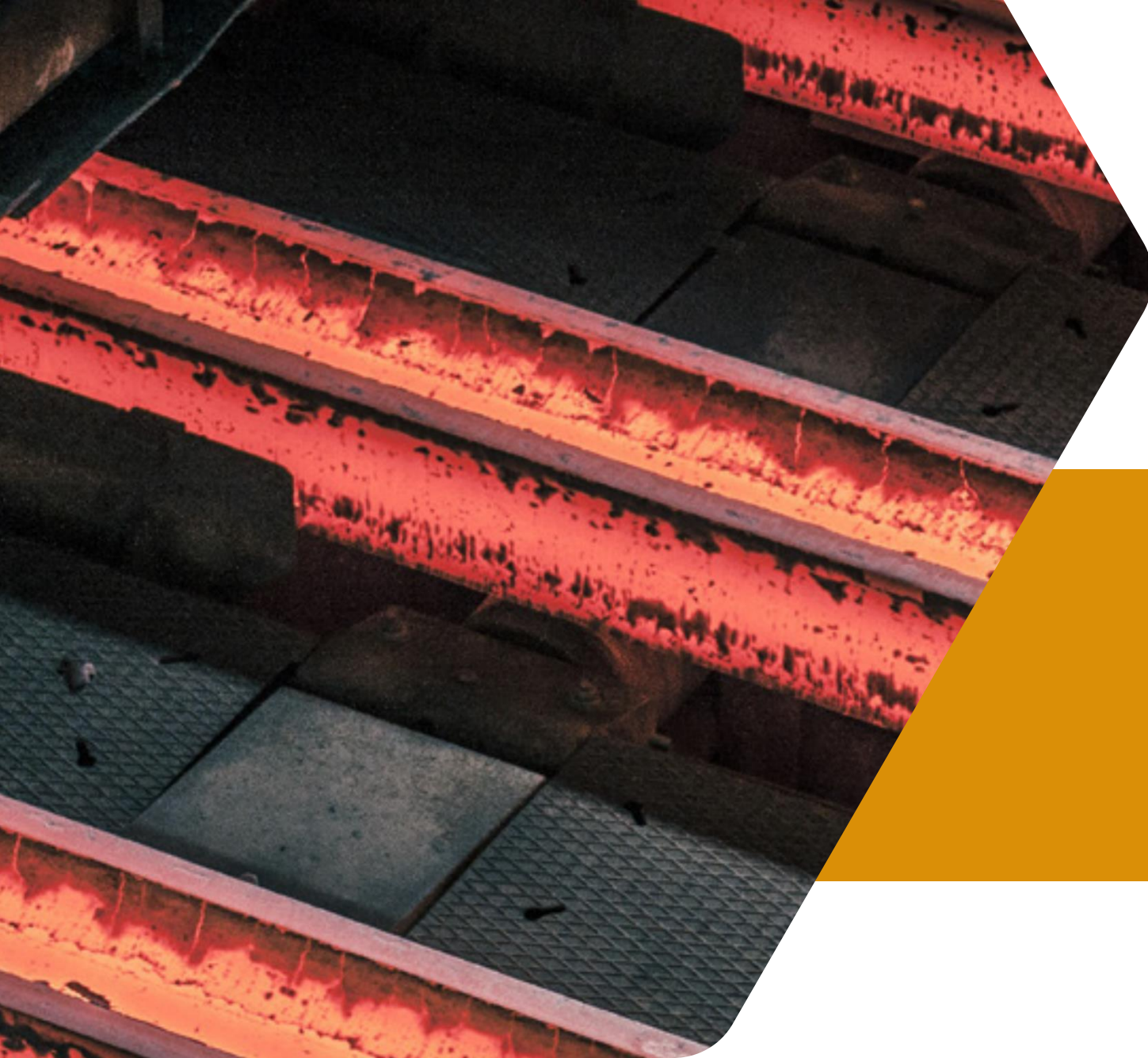
Position 12/31/2022

Gross Debt²: BRL 43.06 Bi
 Net Debt: BRL 30.47 Bi
 Net Debt/EBITDA: 2.21x
 Average Term³: 63 months



Cash after extraordinary amortizations is sufficient to cover amortizations for the next 3 years

- 🔗 The Company remains very active in its objective of extending the Average Term, focusing on long-term operations and the local capital market. Among the main movements in 4Q22, the 12th and 13th issuances of debentures stand out, in the amount of BRL 1.9 billion, with maturities in 2027, in addition to the 1st issuance of debentures by Prada in the amount of BRL 130 million with maturity in 2024, and also the 1st issuance of debentures by CEEE-G, in the amount of BRL 1.9 billion, with a single maturity in 2024.

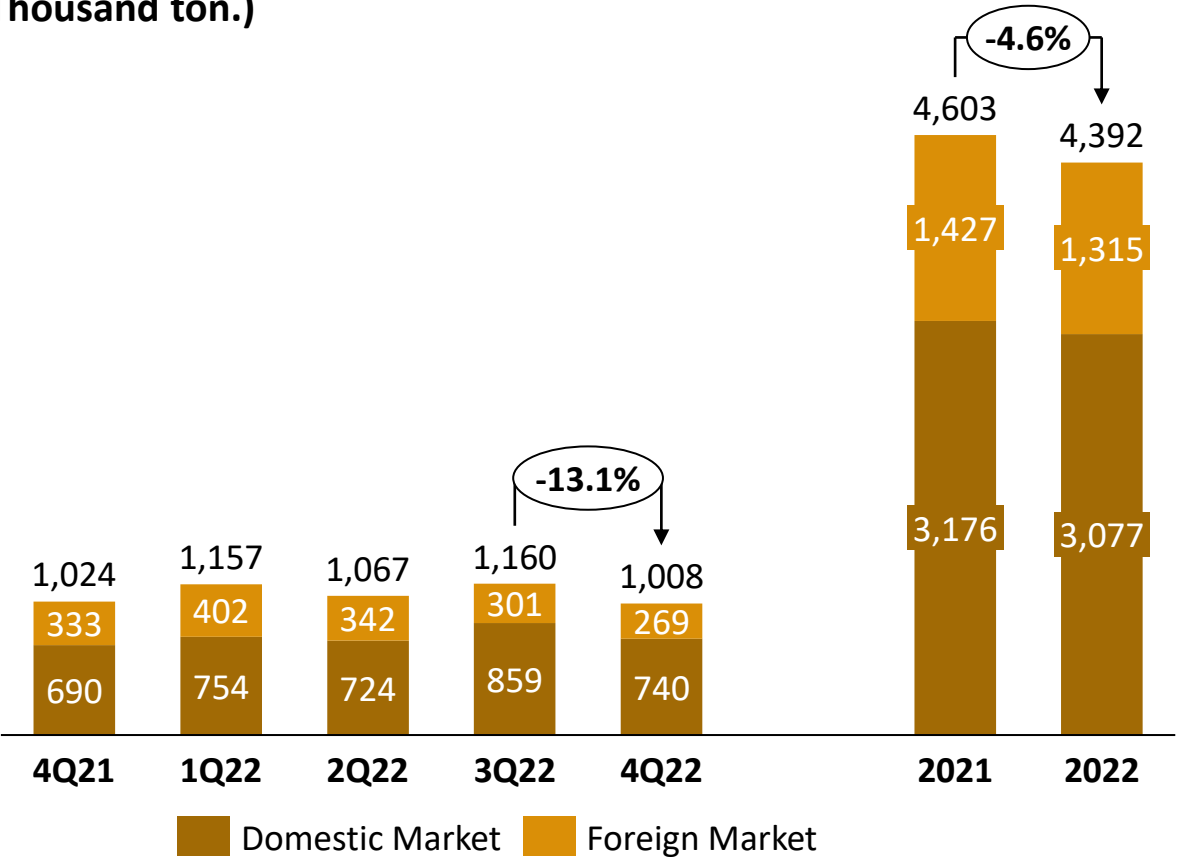


STEEL

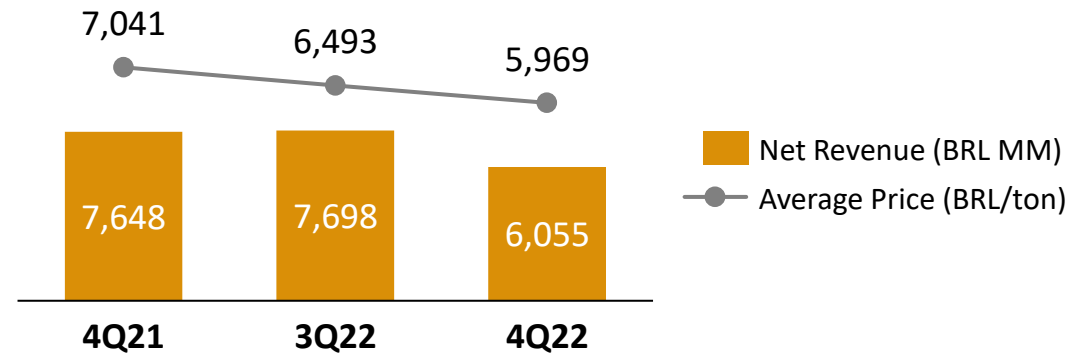


STEEL PERFORMANCE

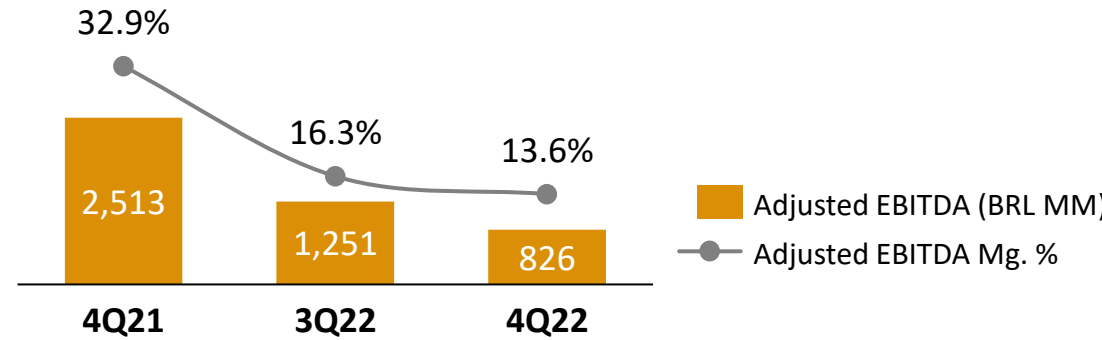
SALES VOLUME (Thousand ton.)



NET REVENUE AND DOMESTIC MARKET AVERAGE PRICE ¹ (BRL mm; BRL/ton.)



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

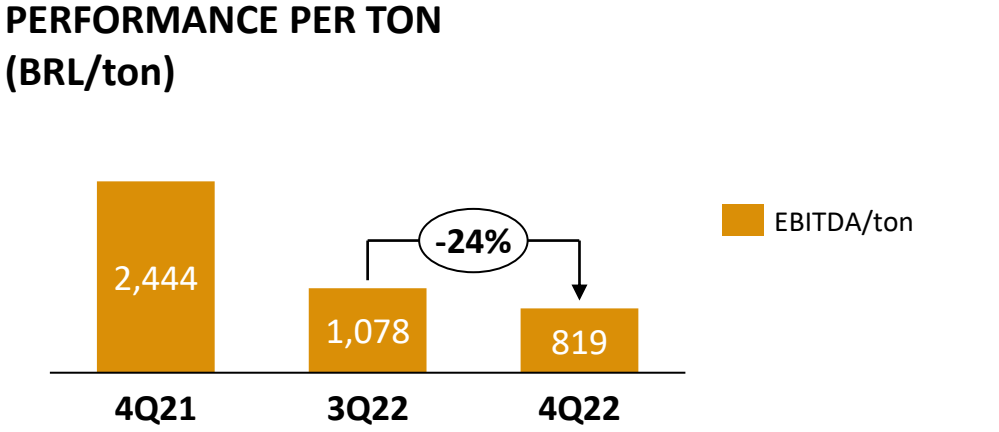
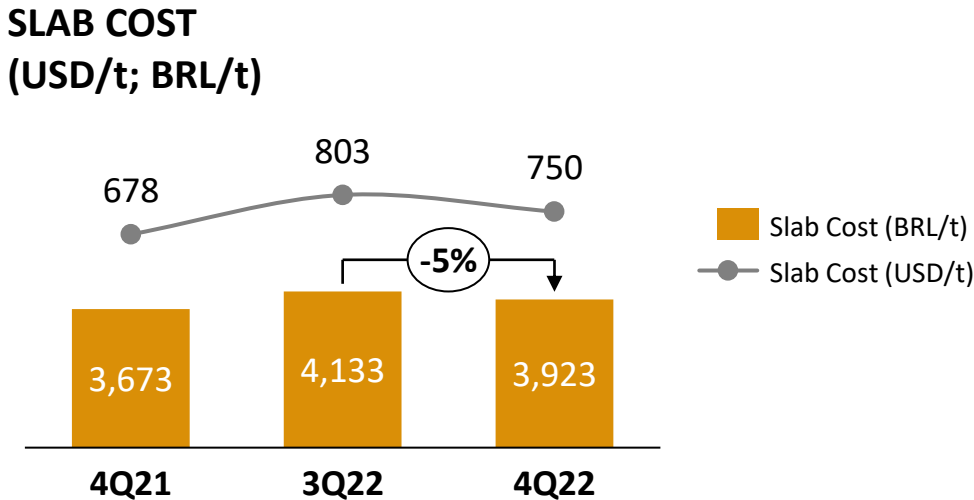
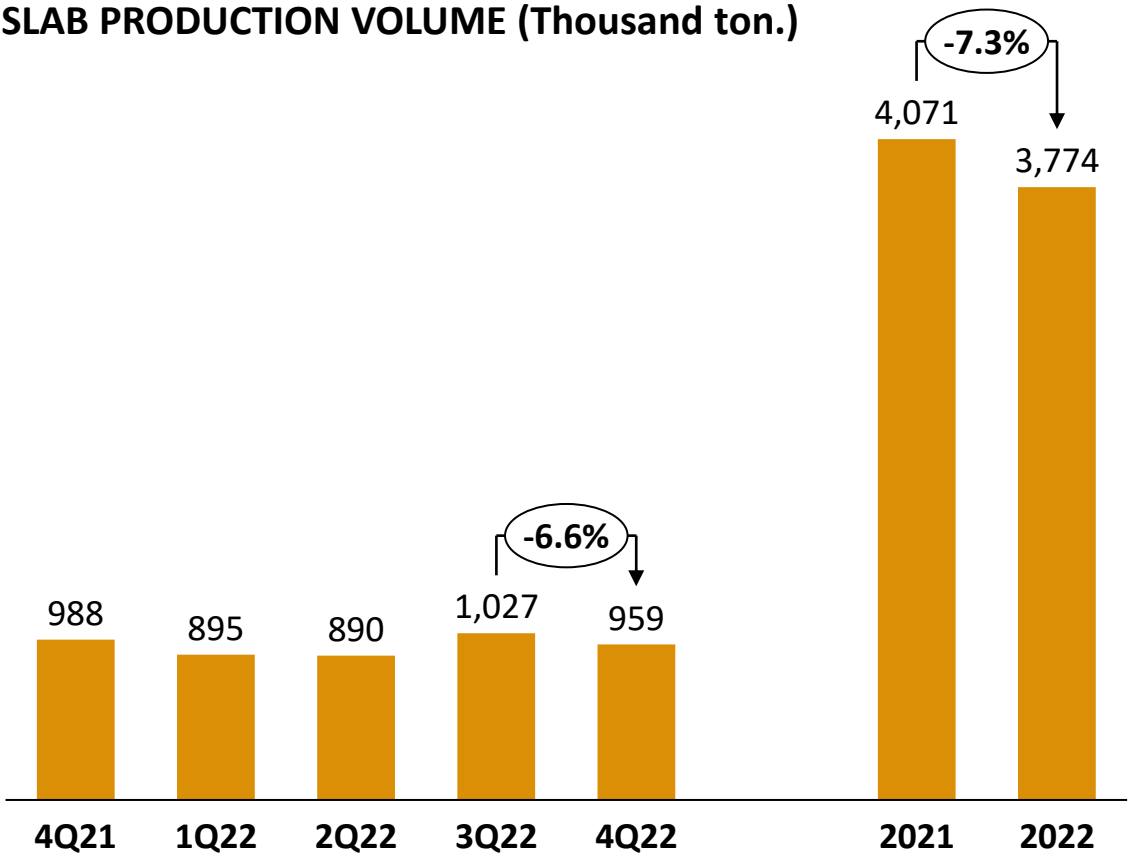


CSN presented a reduction of sales volume in the quarter, mainly impacted by the domestic market, as a result of an even higher seasonality in the period, with the Soccer World Cup and the Brazilian Elections. In addition, there was a reduction in the prices charged, which more than offset the lower production cost.



Source: CSN / Note 1: Average price relative to the Domestic Market.

STEEL COMPETITIVENESS



🔗 In the quarter, the decrease in production was in line with seasonality while the cost of the slab was, once again, benefited by cheaper raw materials. Performance per ton dropped by 24% due to the combination of lower prices and weaker commercial activity.

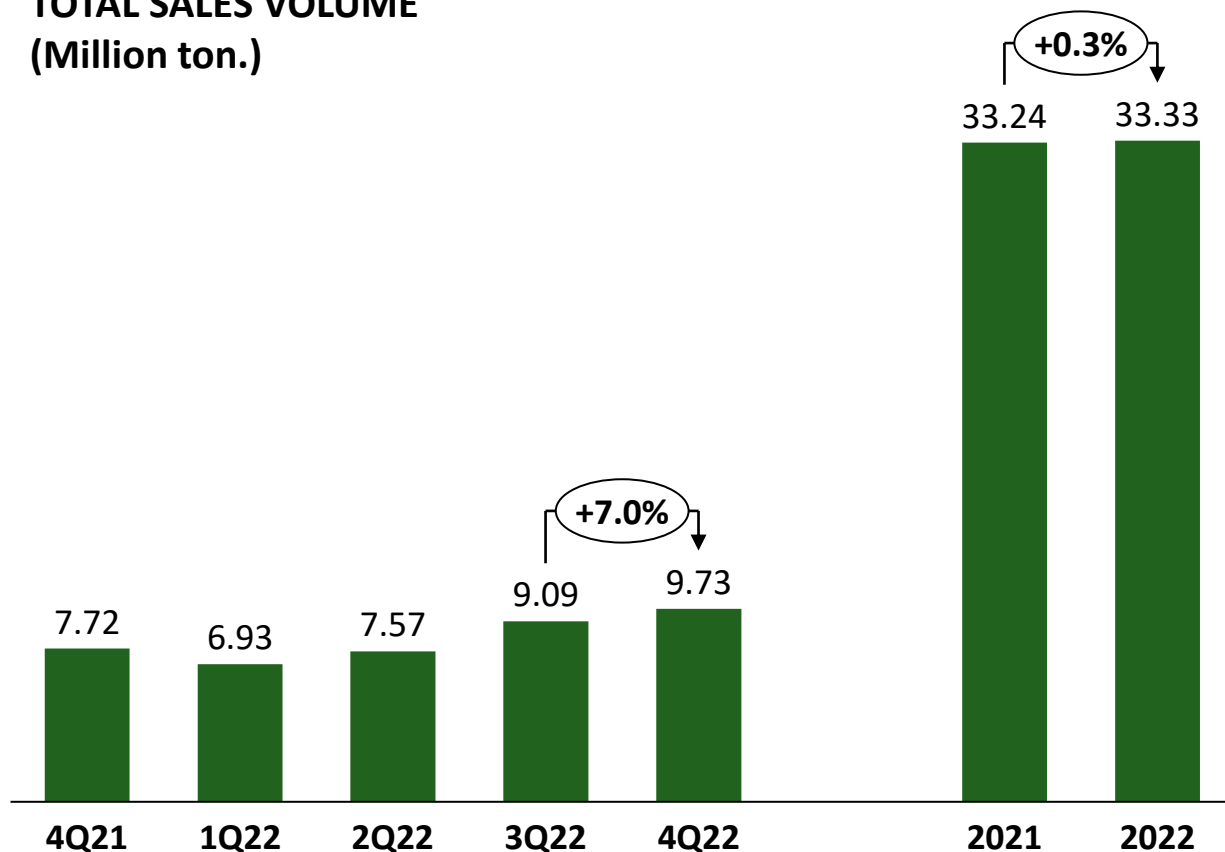


MINING

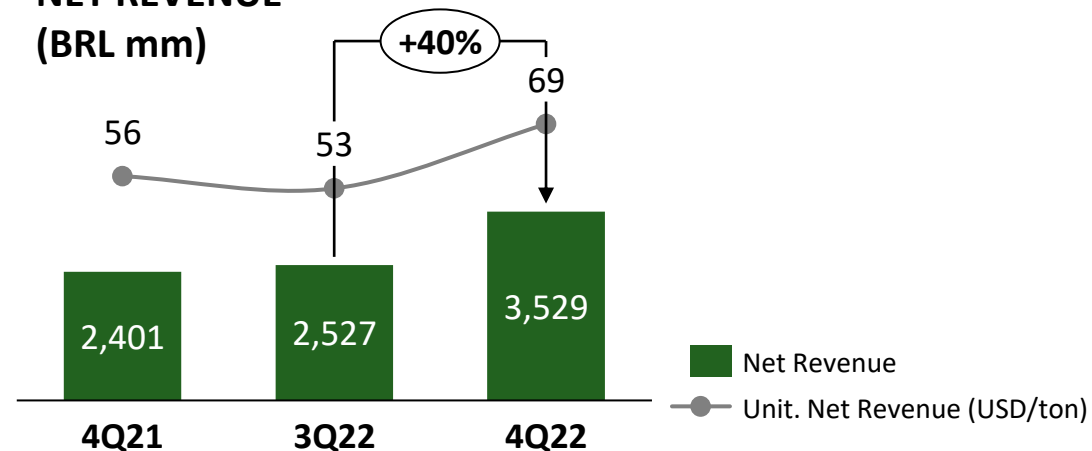


MINING PERFORMANCE

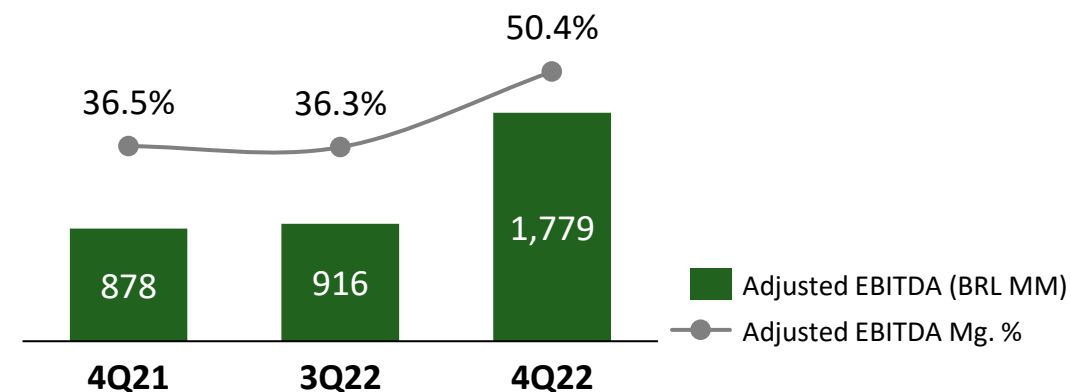
**TOTAL SALES VOLUME
(Million ton.)**



**NET REVENUE
(BRL mm)**

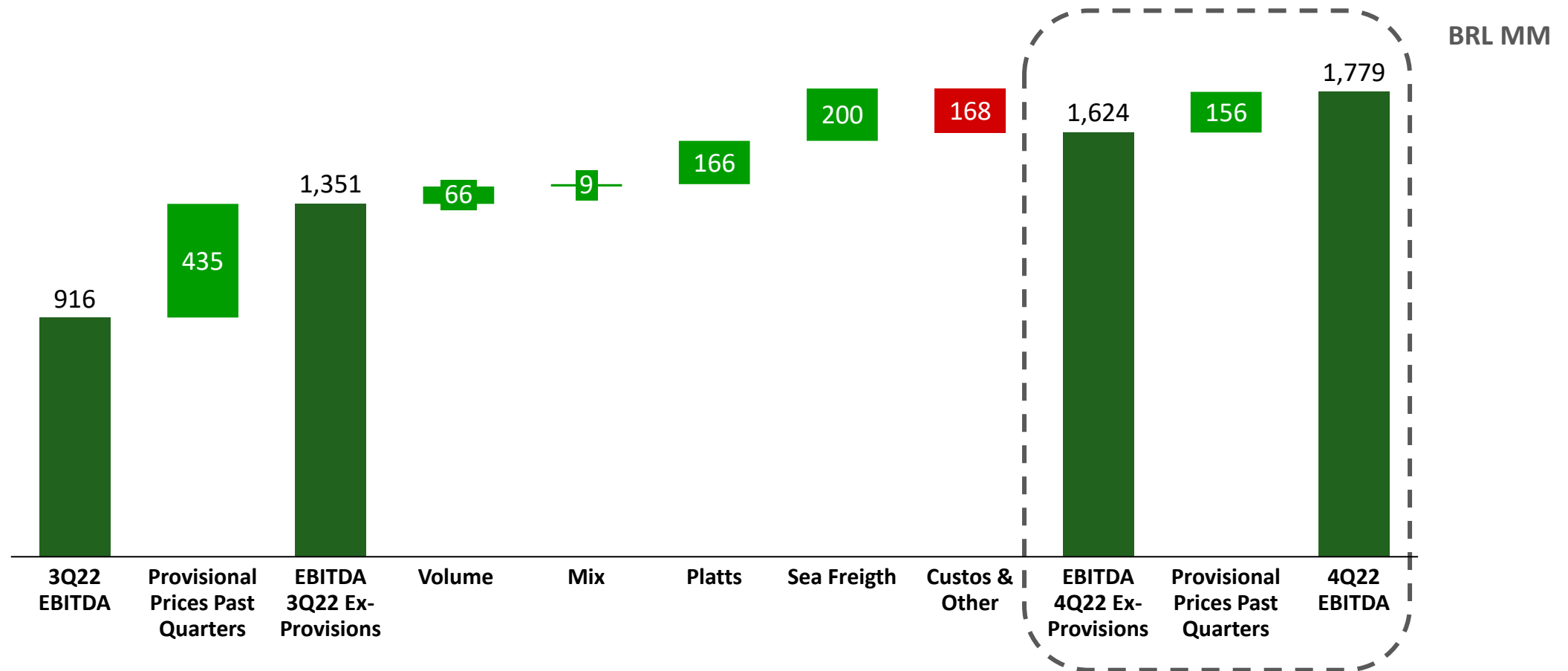


**ADJUSTED EBITDA AND ADJUSTED MARGIN
(BRL mm; %)**



🔗 4Q22 showed the best sales performance of the year, benefiting from the resumption of commercial activity in China and better iron ore prices. As a consequence, the EBITDA for the quarter reached BRL 1.8 billion, with a margin of 50.4%.

ADJUSTED EBITDA



- Increase in Platts prices at the end of the quarter, decrease in freight costs, higher volumes sold and positive adjustment of provisioned prices ended up offsetting the higher cost of goods sold in the period.



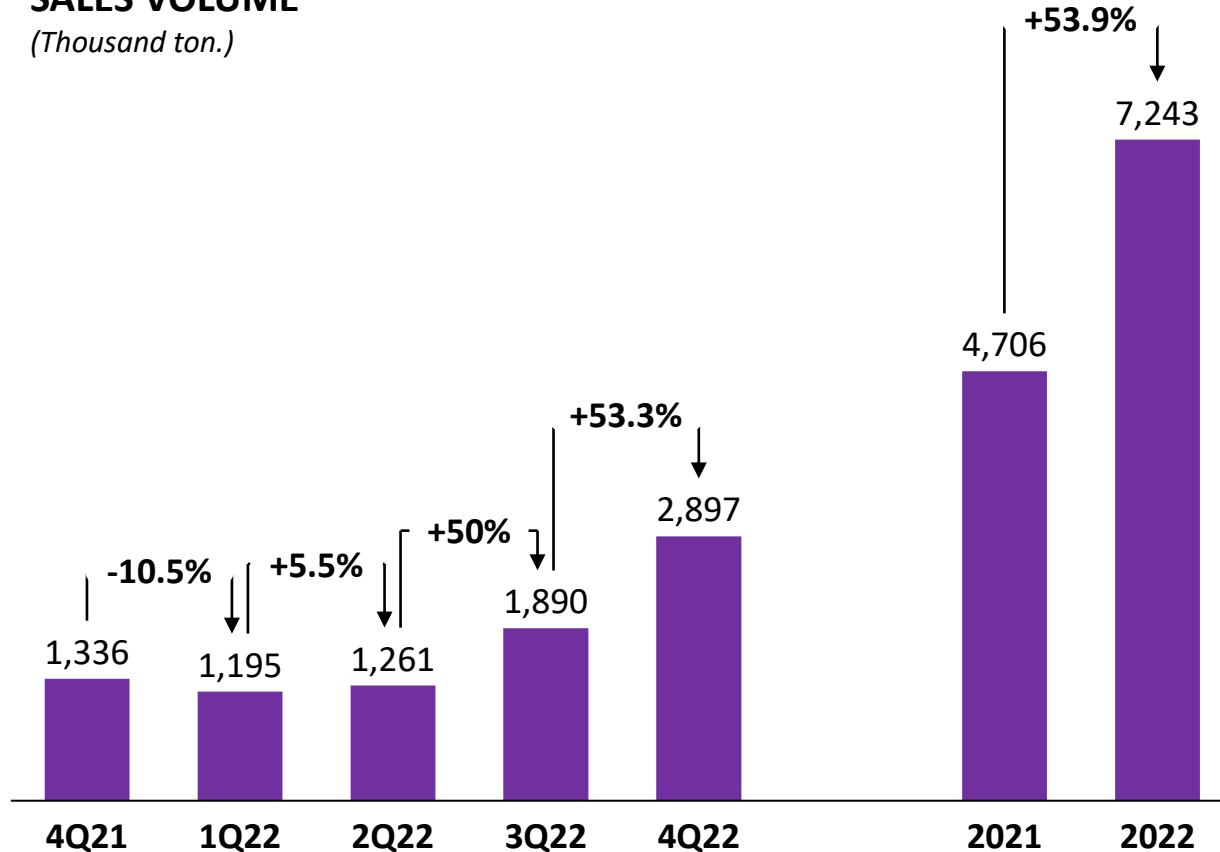
CEMENT



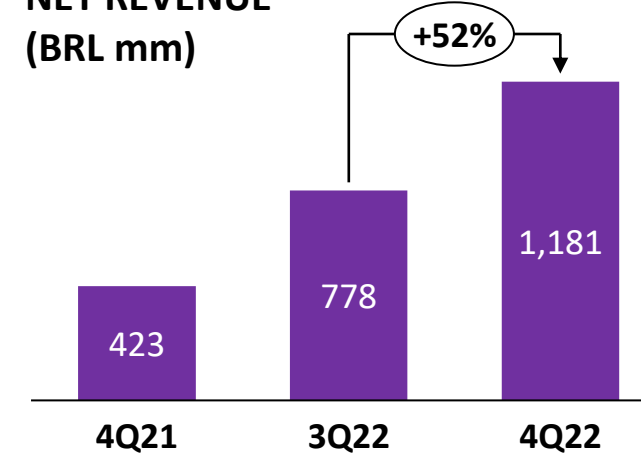
CEMENT PERFORMANCE

SALES VOLUME

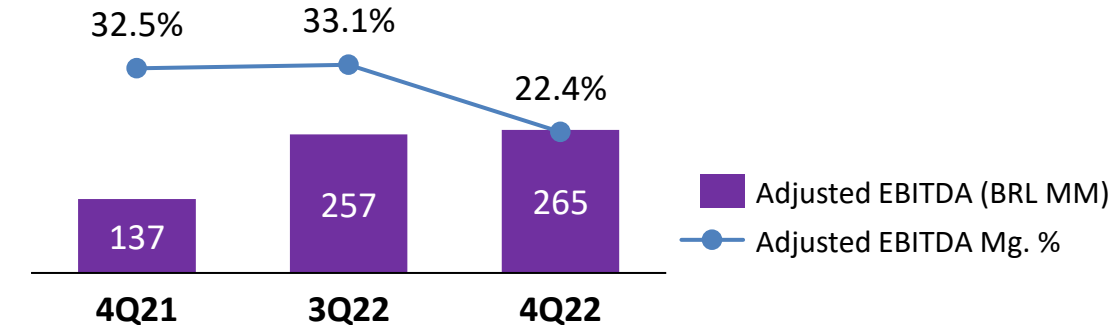
(Thousand ton.)



NET REVENUE (BRL mm)



ADJUSTED EBITDA AND ADJUSTED MARGIN (BRL mm; %)



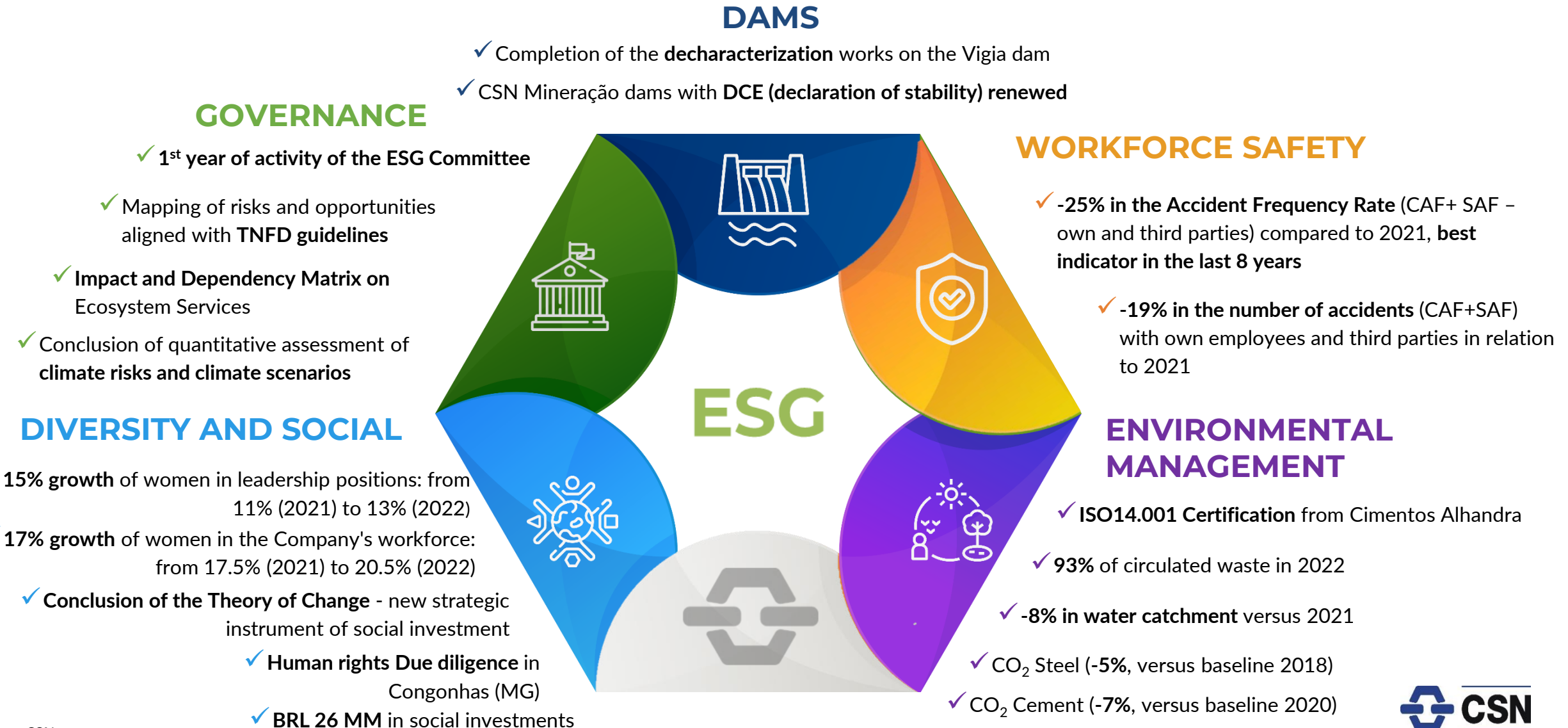
🔄 Quarter highlighted by the full incorporation of the Cimentos Brasil results, with considerable increases in revenue and volumes sold. On the other hand, there were also increases in production costs and in the acquisition of raw materials, which occasionally dropped the operating margins.



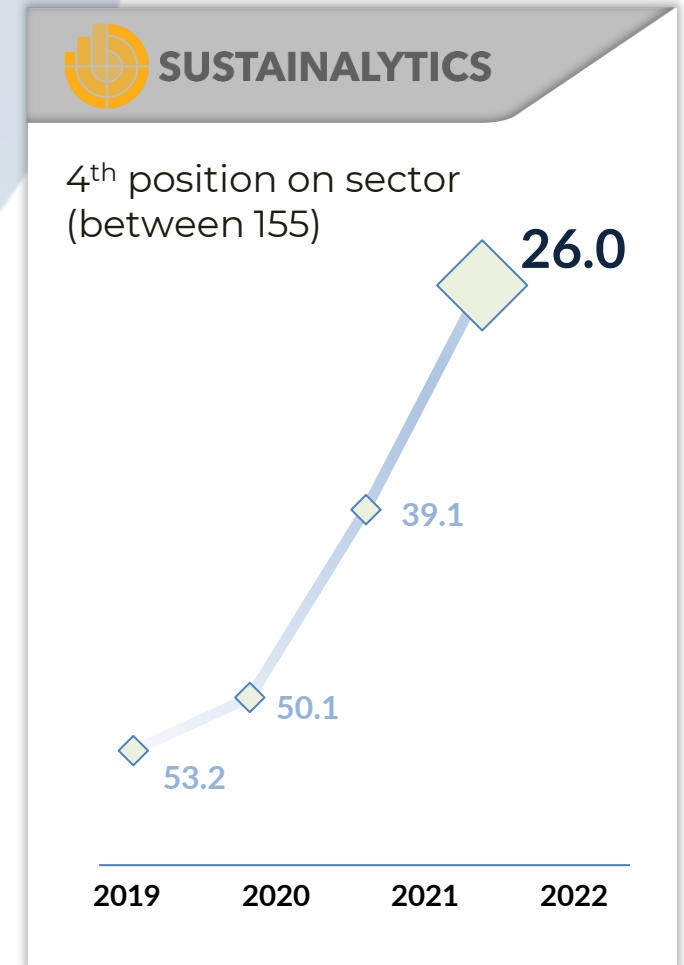
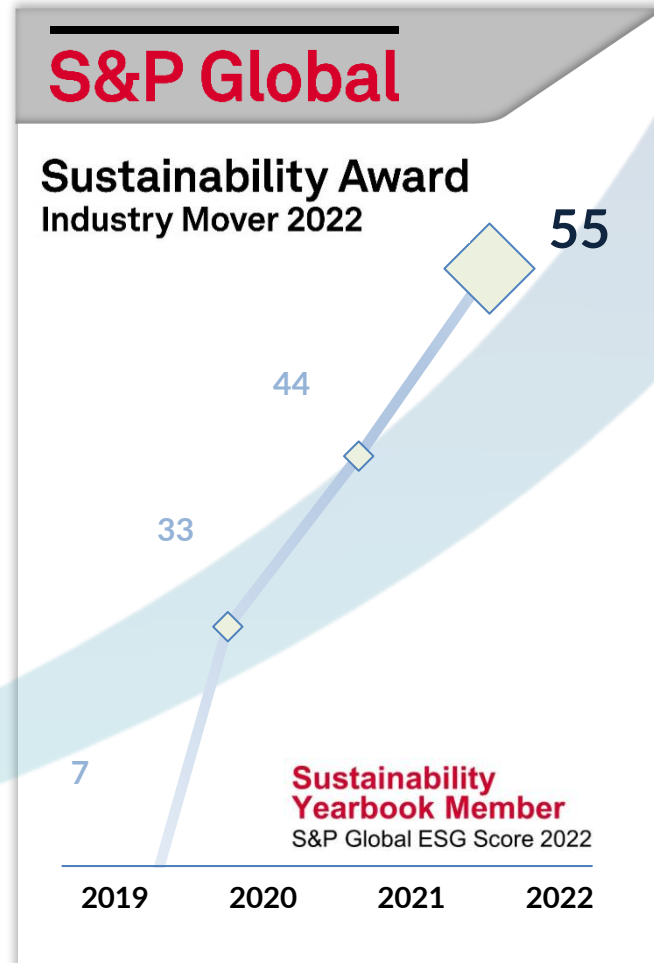
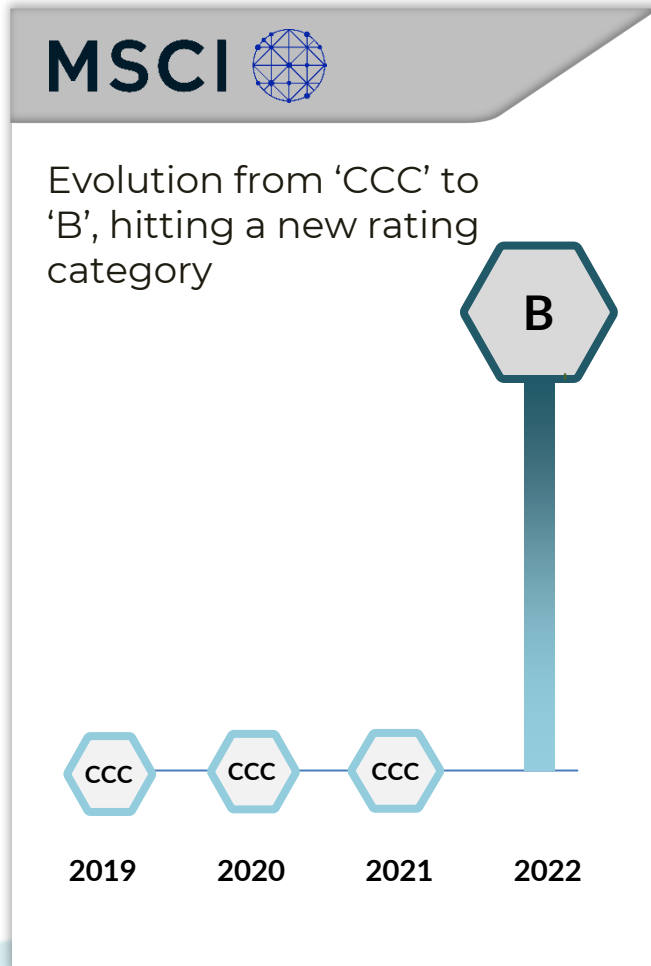
ESG



ESG DEVELOPMENT



RATINGS ESG CSN





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