2Q24 Votorantim Cimentos Earnings Release

Votorantim Cimentos ended the second quarter of 2024 with a higher net revenue from higher volumes and supported by geographic and product diversification. The Company continued to advance in investments in competitiveness, decarbonization and new businesses, maintaining its financial discipline. The Company also announced investments in the Edealina's plant (Goiás), which will result in doubling the unit's annual production capacity. As a highlight of the subsequent event of the quarter, the Company concluded the total early redemption, make-whole, of the notes due in 2027, a liability management operation focused on extending the debt average maturity.

+2% Cement Volume vs 2Q23

+1% LC[1] Net Revenue vs 2Q23

Stable EBITDA Margin vs 2Q23

-2% LC[1] Adjusted EBITDA vs 2Q23

+ 43% CAPEX vs 2Q23

1.88x Leverage vs 1.64x in 2Q23

Next Event: 3Q24 Earnings Call
11/12/2024
11:00 a.m. (Brasilia time) | 09:00 a.m. (NY time) | 2:00 p.m. (London time)

Investor Relations Channels
E-mail: vc-ri@vcimentos.com
Website: https://ri.votorantimcimentos.com.br/en/

[1] LC: in local currency, excluding exchange variation – considers fixed average exchange rate for 2Q24 in the periods of 2Q23

Highlights

- Balanced results, due to capital allocation made in recent years.
- Capex increased 43% in the quarter, aligned with the strategy of accelerating investments in structural competitiveness.
- In line with the BRL 5 billion investment plan in Brazil, we announced a new griding line estimated to double annual production capacity, with an investment of BRL 200 million in the plant in Edealina (Goiás).
- As a subsequent event in the quarter, we finalized the liability management strategy of the notes due in 2027through the total early redemption with the total amount of USD 239 million, focused on extending the debt maturity in attractive market conditions.
- Announcement of the sale of Tunisia's assets, conclusion subject to the fulfillment of precedent conditions, including approval by regulatory authorities.

Financial Highlights

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	6M24	6M23	6M24 vs. 6M23
Cement Sales Volume (m tons)	**9.6**	**8.1**	**9.5**	**19%**	**2%**	**17.7**	**17.4**	**1%**
Net revenue	**7,010**	**5,451**	**6,901**	**29%**	**2%**	**12,461**	**12,696**	**(2%)**
COGS	**(5,455)**	**(4,654)**	**(5,314)**	**17%**	**3%**	**(10,108)**	**(10,276)**	**(2%)**
SG&A	**(634)**	**(585)**	**(555)**	**8%**	**14%**	**(1,219)**	**(1,139)**	**7%**
Selling expenses	(243)	(242)	(230)	0%	6%	(485)	(482)	1%
General and administrative expenses	(391)	(343)	(325)	14%	20%	(734)	(657)	12%
Other operating results	**82**	**51**	**86**	**61%**	**(5%)**	**133**	**129**	**3%**
Net income	**515**	**17**	**470**	**2,929%**	**10%**	**532**	**548**	**(3%)**
Depreciation	**(580)**	**(468)**	**(464)**	**24%**	**25%**	**(1,048)**	**(932)**	**12%**
Adjusted EBITDA	**1,585**	**766**	**1,588**	**107%**	**0%**	**2,351**	**2,367**	**(1%)**
EBITDA Margin	**23%**	**14%**	**23%**	**8 p.p.**	**0 p.p.**	**19%**	**19%**	**0p.p.**

1 Net Revenue and Adjusted EBITDA

1.1 Consolidated

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	2Q24 vs. 2Q23 LC[2]	6M24	6M23	6M24 vs. 6M23
Net Revenue	**7,010**	**5,451**	**6,901**	**29%**	**2%**	**1%**	**12,461**	**12,696**	**(2%)**
Adjusted EBITDA	**1,585**	**766**	**1,588**	**107%**	**0%**	**(2%)**	**2,351**	**2,367**	**(1%)**
EBITDA Margin (%)	**23%**	**14%**	**23%**	**8 p.p.**	**0p.p.**	**0p.p.**	**19%**	**19%**	**0p.p.**

Consolidated net revenue in 2Q24 was BRL 7.0 billion, an increase of 1%, excluding the exchange variation effect compared to 2Q23. This is mainly due to the positive results in countries in Europe, Asia and Africa (VCEAA) and Brazil (VCBR), offsetting the results in the other regions.

Consolidated adjusted EBITDA reached BRL 1.6 billion, a decrease of 2% in local currency and stable in the consolidation in the BRL currency compared to 2Q23. The results' stability is explained by the balanced portfolio, with geographic and product diversification, supported by the operating results at VCEAA and the positive impacts of Brazil's new businesses.

1.2 Brazil (VCBR)

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	6M24	6M23	6M24 vs. 6M23
Net Revenue	**3,203**	**2,999**	**3,165**	**7%**	**1%**	**6,202**	**6,179**	**0%**
Adjusted EBITDA	**566**	**512**	**567**	**10%**	**0%**	**1,078**	**1,113**	**(3%)**

VCBR's net revenue was flat in the second quarter of 2024 compared to the same period in 2023.

Adjusted EBITDA reached BRL 566 million in 2Q24, stable compared to 2Q23, due to a positive trend in new businesses and an improvement in variable costs.

The cement sector in Brazil, according to preliminary data from the local cement association (SNIC), increased 2% in 2Q24 compared to 2Q23, considering calendar days. Considering the first six months of the year, it accumulated an increase of 1.2% in calendar days and 1.1% in business days, both compared to the first half of 2023. The first half of the year positively surprised the market with the drop- in unemployment rates, increases in the population's income and revisions in housing credit.

According to SNIC, there are risks for the rest of the year, such as the interruption of the Selic downward cycle, inflationary expectations and the government's fiscal situation, combined with the more adverse external environment. Added to these facts, extreme weather events in the South led the association to revise the projection for growth from 2.4% to 1.4% in cement consumption for 2024.

[2] LC: in local currency, excluding exchange variation – considers fixed average exchange rate for 2Q24 in the periods of 2Q23

1.3 North America (VCNA)

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	2Q24 vs. 2Q23 LC[3]	6M24	6M23	6M24 vs. 6M23
Net Revenue	2,153	1,123	2,345	92%	(8%)	(13%)	3,276	3,555	(8%)
Adjusted EBITDA	613	(17)	647	N.A.	(5%)	(10%)	597	600	(1%)

In VCNA, net revenue reached R$2.2 billion, a decrease of 13% compared to 2Q23, excluding the exchange variation, mainly impacted by the slowdown in demand, which was partially mitigated by the increase in prices at the beginning of the year.

The adjusted EBITDA result was BRL 613 million, compared to BRL 647 million in the same period of the previous year. The drop in operating results is due to lower volumes, and higher variable costs from raw materials, mitigated, for the most part, by the increase in prices and better operational efficiency.

The Portland Cement Association (PCA) estimates a 1.5% decrease in cement consumption for 2024 due high interest rates, which is having a more adverse impact on residential and commercial construction. According to the association, offsetting these negatives were industrial onshoring activity and the recent strength in public construction activity, which has not translated into significant increases in public cement consumption.

1.4 Europe, Africa and Asia (VCEAA)

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	2Q24 vs. 2Q23 LC	6M24	6M23	6M24 vs. 6M23
Net Revenue	1,250	975	1,074	32%	16%	22%	2,225	2,074	7%
Adjusted EBITDA	362	243	312	49%	16%	19%	605	576	5%

VCEAA's net revenue was BRL 1.3 billion, an increase of 22% in 2Q24 compared to 2Q23, excluding exchange rate variations, due to higher volumes in all cluster's countries and positive price management.

[3] LC: in local currency, excluding exchange variation – considers fixed average exchange rate for 2Q24 in the periods of 2Q23

The region's adjusted EBITDA was BRL 362 million, an increase of 19% compared to 2Q23 in local currency. The positive operating result was due to the aforementioned market dynamics and lower variable costs.

The Spanish market ended the first half with a 3.3% drop in the cement sector compared to 1H23, according to the local association. External factors impacted the results for the first six months of the year, such as fewer business days in the current year and higher rainfall volumes in the first quarter. Even with cement demand falling in the first half, a recovery is expected for the second half, considering the growing housing needs, according to the local association.
Turkey is going through last year's post-earthquake reconstruction, and experienced a milder winter, favoring domestic cement sales with a resilient economy despite hyperinflation; in the first four months of the year, we had a 30% increase in cement consumption *versus* the same period in 2023, according to the local cement association. In Morocco, despite a good start to the year, the second quarter was impacted by religious festivities, the accumulated demand in the first six months registered 1% growth *versus* 2023, according to the local cement association. In Tunisia, cement demand was stable in the 1H24 period compared to 1H23 due to persistent political and economic challenges in the country, which brings high volatility to the market, according to the local association, *Chambre Nationale des Producteurs de Ciment* (CNPC).

1.5 Latin America (VCLATAM)

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	2Q24 vs. 2Q23 LC[4]	6M24	6M23	6M24 vs. 6M23
Net Revenue	**209**	**195**	**200**	**7%**	**4%**	**2%**	**404**	**394**	**2%**
Adjusted EBITDA	**29**	**30**	**37**	**(4%)**	**(21%)**	**(25%)**	**59**	**65**	**(8%)**

VCLatam's net revenue grew 2% in the second quarter of 2024 compared to the same period in 2023 in local currency, due to better volumes in Bolivia.

The region ended 2Q24 with BRL 29 million in adjusted EBITDA, 25% lower than 2Q23, excluding the exchange rate variation effect, mainly due to the challenging market dynamics in Uruguay and maintenance timing.

The cement market in Uruguay was negatively impacted by the heavy rains and floods that occurred in the beginning of the year, in addition to construction delays in the second quarter and local economic effects. In Bolivia, the scenario was positive, with cement demand growing 30% from January/24 to May/24 compared to the same period in 2023, according to INE (National Institute for Statistics).
Both countries have economic growth projections for 2024, according to the April/24 IMF report, considering the stable macroeconomics and controlled inflation.

[4] LC: in local currency, excluding exchange variation – considers fixed average exchange rate for 2Q24 in the periods of 2Q23

2 Cost of Goods Sold, Sales and Administrative

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	6M24	6M23	6M24 vs. 6M23
COGS	**(5,455)**	**(4,654)**	**(5,314)**	**11%**	**3%**	**(10,108)**	**(10,276)**	**(2%)**
SG&A	**(634)**	**(585)**	**(555)**	**10%**	**14%**	**(1,219)**	**(1,139)**	**7%**
Selling expenses	(243)	(242)	(230)	5%	6%	(485)	(482)	1%
General and administrative expenses	(391)	(343)	(325)	17%	20%	(734)	(657)	12%

Consolidated cost of product sold and services provided (COGS) grew 3% compared to 2Q23. However, in the consolidated period of the year, it dropped 2% when compared to the same period in 2023. The improvement in operating costs in the regions was mitigated by the increase in volume, as well as the impact of the exchange rate variation for the period.

Consolidated selling expenses were BRL 243 million in 2Q24, an increase of 6% compared to 2Q23. General and administrative expenses had a 20% increase when comparing 2Q24 and 2Q23, adding up to BRL 391 million, due to IT services, seasonality of costs between periods, inflationary adjustments and exchange rate variations for the period due to the depreciation of the Brazilian real against the U.S. dollar and the euro.

3 Net income

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	6M24	6M23	6M24 vs. 6M23
Adjusted EBITDA	1,585	766	1,588	107%	(0%)	2,351	2,367	(1%)
Depreciation	(580)	(468)	(464)	24%	25%	(1,048)	(932)	12%
Equity method	42	26	(4)	59%	N.A.	68	25	175%
Net financial results	(361)	(350)	(318)	3%	14%	(711)	(499)	42%
Income tax and social contribution	(169)	77	(326)	N.A.	(48%)	(93)	(388)	(76%)
Others	(2)	(34)	(6)	(94%)	(237%)	(36)	(25)	(32%)
Net income	**515**	**17**	**470**	**2,929%**	**10%**	**532**	**548**	**(3%)**

Net income was BRL 515 million in 2Q24 compared to BRL 470 million in 2Q23.

The net financial results reached an expense of BRL 361 million, a variation resulting from costs arising from the liability management for the quarter, and an increase in the inflation index for contracts related to public assets.

Income tax and social contribution reached BRL 169 million compared BRL 326 million in 2Q23. The expense in 2024 came mainly from the results in the period, as well as the hyperinflation in Turkey.

4. Free Cash Flow

BRL million	2Q24	1Q24	2Q23	2Q24 vs. 1Q24	2Q24 vs. 2Q23	6M24	6M23	6M24 vs. 6M23
Adjusted EBITDA	1,585	766	1,588	107%	(0%)	2,351	2,367	(1%)
Working Capital/Others	15	(1,930)	(571)	100%	N.A.	(1,914)	(2,152)	(11%)
Taxes	(94)	(63)	(71)	52%	33%	(157)	(107)	47%
CAPEX	(679)	(413)	(475)	69%	43%	(1,092)	(811)	35%
Operating Cash Flow	**827**	**(1,640)**	**472**	**N.A.**	**75%**	**(812)**	**(702)**	**16%**
Investment/Divestment	(13)	(15)	(28)	0%	(54%)	(28)	(60)	54%
Financial results	(360)	(172)	(261)	112%	38%	532	(441)	21%
Exchange effect on cash	250	60	(85)	324%	N.A.	309	(115)	N.A.
Free Cash Flow to Shareholder	**704**	**(1,767)**	**98**	**N.A.**	**618%**	**(1,063)**	**(1,318)**	**19%**
Dividends to minority shareholders	(70)	-	(101)	N.A.	(54%)	(70)	(101)	(31%)
Dividends for majority shareholder	-	(488)	1	N.A.	N.A.	(488)	(477)	2%
Free Cash Flow	**634**	**(2,255)**	**(4)**	**N.A.**	**N.A.**	**1,621**	**(1,897)**	**15%**

In 2Q24, the Operating Cash Flow was BRL 827 million, an increase of 75% compared to the same period in 2023. The positive result is mainly due to the positive management in working capital, despite the greater investment in Capex.

The working capital in 2Q24 was positive by BRL 15 million, reversing the negative result in the first quarter, as a result from higher accounts receivable in VCBR and VCEAA, due to the exchange variation consequence from the devaluation of the real against the U.S. dollar, and the decrease in inventories.

The financial result in 2Q24 was impacted by the liability management strategy during the period. Thus, the Free Cash Flow for the period was BRL 634 million, mainly due to the improvement in working capital in the period and the positive effect of the exchange variation in cash.

5. Investment

At the end of 2Q24, Votorantim Cimentos' investments (Capex) added up to BRL 679 million, 43% higher than in 2Q23. This increase is related to the global strategy for investments in modernization and structural competitiveness, in addition to projects linked to our decarbonization commitments.

During the period we concluded the investment in our cement kiln at the St. Marys plant which aims to expand the co-processing capacity of alternative fuels with plastic waste and biomass. With this initiative, we expect that the plant will be able to increase its thermal substitution rate, contributing to the decarbonization journey and sustainability commitments set by the Company.

In addition, the first phase of the modernization project of the Salto de Pirapora plant, São Paulo, started-up and also seeks to increase thermal replacement and reduce CO2 emissions.

The sustaining and modernization projects represent 87% of the total CAPEX. Expansion projects account for 13% of the total capital invested in 2Q24. During the quarter we concluded the investment in the St. Marys' plant, which aims to debottleneck and marginally increase production capacity.

We announced an expansion in Edealina (GO), with an investment of BRL 200 million for the construction of a new cement grindding line that will double the plant's production capacity, reaching 2 million tons of cement per year. The conclusion is expected for the second half of 2025.

This amount is aligned to our BRL 5 billion investment plan that has already been announced, which should further strengthen our operations throughout the country, in a comprehensive program of growth and structural competitiveness for our operations in Brazil.

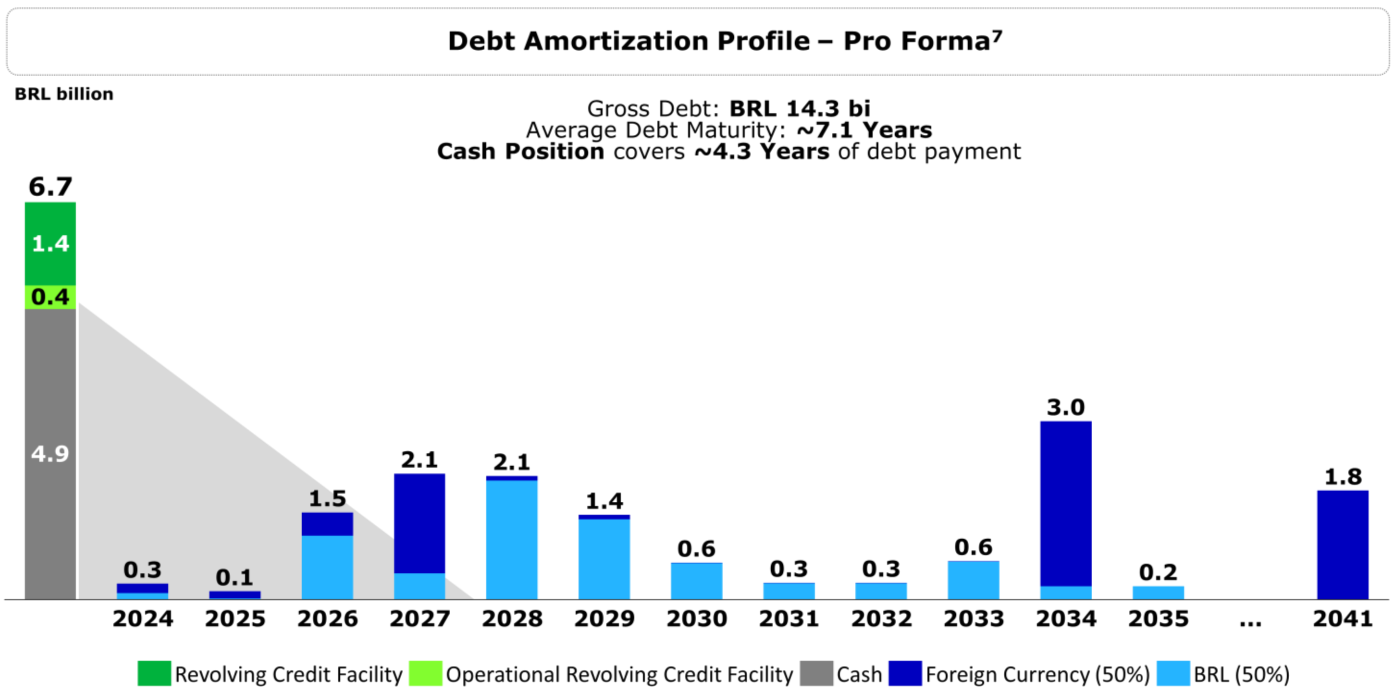
6. Leverage and Liquidity

At the end of 2Q24, the gross debt[5] reached BRL 14.3 billion, considering subsequent events of the period, higher compared to the first quarter and the end of 2023, mainly due to new funding and the exchange rate variation in the period. As of June 30, 2024, the average maturity of the debt was approximately 7 years, with 89% of the gross debt considered as long-term (non-current).

In June 2024, the Company had a net debt to adjusted EBITDA (leverage) ratio of 1.88x, an increase of 0.24x compared to the leverage ratio in 2Q23. The increase in the metric compared to the same period in the previous year was due to exchange variation, partially mitigated by the improvement in operating results.

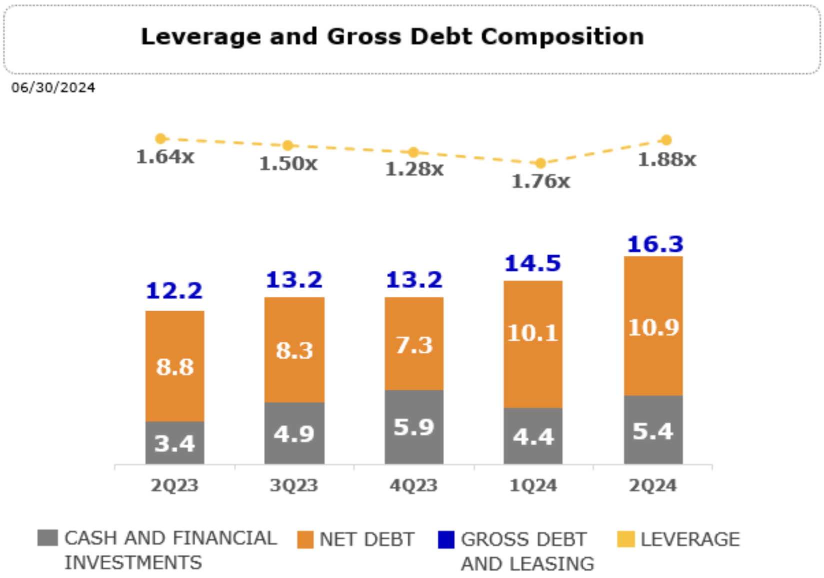
The cash and financial investments amount of Votorantim Cimentos, considering the subsequent events of the period[6], maintained a solid liquidity in a total of BRL 4.9 billion, which allowed the Company to comply with its financial obligations for a bit more of four years.

In the chart below, there is the proforma[7] debt profile at the end of June 2024 with the subsequent events for the period and then, the leverage evolution chart:



[5] Does not include effects of IFRS 16 - *Leasing*

[6] Includes subsequent events: 1. Make Whole of Voto 2027 adding up to USD 229 million of principal; 2. CCF withdrawn adding up to USD 220 million, maturing in 2027.



6.1 Operations during 2Q24 (Liability Management)

Votorantim Cimentos has two revolving credit facilities available. The first one, which add up to USD 300 million, reaching maturity in June 2027, supports the Company´s need for short-term cash liquidity during seasonal periods in the Northern Hemisphere. Thus, the operating credit facility was drawn at USD 70 million at the end of June 2024. The second revolving credit facility aims to provide liquidity for the Company and its subsidiaries in scenarios with greater uncertainty and volatility. This revolving credit facility adds up to USD 250 million, maturing in 2026, and was 100% available at the closing of 2Q23.

As a continuation of the liability management for notes due in 2027 that began in the first quarter of 2024, the Company performed the total early redemption of the notes totaling USD 239 million, including the premium and interest. The settlement occurred on July 11, a subsequent event in 2Q24 earnings. We reiterate that this operation is in line with the Company's strategy for liability management to extend the average debt maturity, in addition to the attractive market conditions when the strategy was deployed.

7. Environmental, Social, and Governance

We started the Carbon Capture pilot project at our Alconera plant, Spain, the system is operating part-time and capturing 1 ton of CO_2 per day. This initiative is one of the industry's first carbon capture experiments in Spain and aims to improve our knowledge of these technologies, representing a significant step towards the decarbonization journey.

In July, in line with the 2030 commitments, St. Marys Cement, a VCSA subsidiary in Ontario, Canada, received CAD 2.2 million through a government subsidy from the Decarbonization Incentive Program (DIP). This subsidy will contribute to the increased use of alternative fuels at St. Marys, with the potential to replace the fossil fuels needed for kiln operations, thereby reducing global CO_2 emissions.

8. Business highlight

Rating Update

The Moody's rating agency reaffirmed the Company's global credit rating in May 2024, as "Baa3" with a stable outlook, keeping the Company as an Investment Grade.

9. Subsequent Events

Sale of Tunisia Assets

In July 2024, the Board of Directors approved the conditions for the full sale of assets located in Tunisia, which include a fully integrated cement plant and certain aggregates facilities, presented in VCEAA's operating segment. On July 26, 2024, the Company signed a contract for the total sale of this business to Sinoma Cement Co. Ltd., with conclusion subject to compliance with usual precedent conditions for this type of transaction, including the approval by regulatory authorities.

The divestment is aligned with the Company's portfolio management strategy, which seeks to maximize value for its shareholders and balance its geographic position between mature and emerging markets, optimizing the risk management of the Company's consolidated portfolio.

For more information, access the 2Q24 Financial Statements.

CONTACT INFO - Investor Relations
Email**: ri@vcimentos.com**
Website: **https://ri.votorantimcimentos.com.br/**