



Public Information - Belo Horizonte, October 29, 2020. Usinas Siderúrgicas de Minas Gerais SA - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; Latibex: XUSIO and XUSI) today releases its third quarter 2020 results (3Q20). The Company's operating and financial information, except where otherwise stated, is presented based on consolidated figures in Brazilian Real, according to IFRS (*International Financial Reporting Standards*). The comparisons made in this release take into account the second quarter of 2020 (2Q20), unless stated otherwise.

RELEASE OF THE 3Q20 RESULTS

Highlights

- » Steel sales volume of 934 thousand tons (+54% vs. 2Q20);
- » Iron ore sales volume of 2.3 million tons (+21% vs. 2Q20);
- » Net revenue of R\$4.4 billion (+81% vs. 2Q20);
- » Adjusted EBITDA of R\$826 million (+331% vs. 2Q20);
- » Cash of R\$3.7 billion (+49% vs. 2Q20);
- » Net Income of R\$198 million (+R\$593 million vs. 2Q20).

Operational and economic-financial performance

R\$ million - Consolidated	3Q20	2Q20	3Q19	Change		9M20	9M19	Change
				3Q20/2Q20	3Q20/3Q19			9M20/9M19
Steel Sales Volume (000 t)	934	608	1,033	54%	-10%	2,590	3,095	-16%
Iron Ore Sales Volume (000 t)	2,293	1,902	2,453	21%	-7%	6,408	6,121	5%
Net Revenue	4,381	2,425	3,850	81%	14%	10,614	11,076	-4%
COGS	(3,489)	(2,146)	(3,374)	63%	3%	(8,930)	(9,498)	-6%
Gross Profit (Loss)	892	279	476	220%	87%	1,684	1,578	7%
Net Income (Loss)	198	(395)	(139)	-	-	(621)	109	-
EBITDA (Instruction CVM 527)	820	208	453	294%	81%	1,567	1,497	5%
EBITDA Margin (Instruction CVM 527)	19%	9%	12%	+ 10 p.p.	+ 7 p.p.	15%	14%	+ 1 p.p.
Adjusted EBITDA	826	192	441	331%	87%	1,587	1,505	5%
Adjusted EBITDA Margin	19%	8%	11%	+ 11 p.p.	+ 7 p.p.	15%	14%	+ 1 p.p.
Investments (CAPEX)	179	193	140	-7%	28%	554	334	66%
Cash and Cash Equivalents	3,734	2,506	1,822	49%	105%	3,734	1,822	105%

MARKET DATA | 09/30/20

B3:	USIM5	R\$10.03/share
	USIM3	R\$10.24/share
EUA/OTC:	USNZY	US\$1.73/ADR
LATIBEX:	XUSI	€1.67/share
	XUSIO	€1.75/share

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OPERATIONAL CONTEXT

Dissemination of the novel coronavirus (COVID-19)

Since 1st quarter 2020, Brazil and the world have been undergoing a serious health crisis with the pandemic triggered by the spread of the novel coronavirus (COVID-19), which has impacted economic activity and society in general. The Company, together with the São Francisco Xavier Foundation (FSFX), its social arm in the areas of health and education, has been implementing actions that primarily aim to protect its employees and business partners, as well as the communities where the Company operates, some actions of which are being implemented in partnership with public authorities.

During the nine-month period ended on 09/30/20, Management has adopted certain measures for Usiminas Companies, with the objective of minimizing the economic effects of the crisis. Among these measures, we highlight the concession of collective vacations, the adoption of teleworking (home-office) for employees in administrative departments, temporary suspension of employment contracts and reduction of working hours (the latter two measures in accordance with Provisional Measure No. 936/2020).

In 2nd quarter 2020, the Company's Board of Directors approved the temporary shutdown of Blast Furnaces 1 and 2 at the Ipatinga plant, starting on April 22 and 4, respectively, with the consequent interruption of Steel Shop 1 operations of this same plant, it also approved the temporary shutdown of the Cubatão plant's activities. These measures were aimed at adapting production to market demand, which had declined due to the retraction of national economic activity caused by the spread of COVID-19.

However, due to the expected recovery in demand levels in the consumer markets for flat steel, on 08/26/20 the Company restarted Blast Furnace 1 and resumed production at Steel Shop 1, both at the Ipatinga plant, as well as resuming rolling activities at the Cubatão plant.

The Company will continue to dedicate efforts to face this serious crisis.

Economic Outlook

In Brazil, the second half of the year started with indicators recovering in several sectors. In August, according to the Brazilian Institute of Geography and Statistics (IBGE), industrial activity grew for the 4th consecutive month, reversing part of the decline registered in March and April. Between January and August, the 8.6% contraction compared to the same period in 2019 was driven by the Durable Consumer Goods and Capital Goods segments, where production shrank 30% and 20%, respectively, compared to previous year. Among the main activities, vehicle production exerted the greatest negative influence on the formation of the industry average.

The Association of Auto Manufacturers (ANFAVEA) announced that 1.3 million units were produced by September 2020 and 601.4 thousand units in the third quarter, variations of -41% and -20%, respectively, compared to the same period in the previous year. The entity's expectation is that vehicle production this year will be 35% lower than in 2019. With the positive reaction of consumers and the supply chain adapting to the new health protocols, the scenario is promising for the production of vehicles, but the recovery will take place gradually.

The Industrial Business Confidence Index (ICEI) of the National Confederation of Industry (CNI) reached the historic low in April, at the height of the crisis. Since then the index has shown consecutive increases to the level of 61.8 points reached in October. The latest surveys showed an improvement in the assessment of current conditions and entrepreneurs expectations. The Steel Industry Confidence Indicator (ICIA) published by the Brazilian Steel Institute in September also captured a better perception of the current business environment and the next six months.

Although the dynamism of economic activity is still far from the pre-crisis level, the good recent results are encouraging for the industrial segment. However, the risk of a second wave of infection persists, which could lead to new measures to control the spread of COVID-19. Another focal point, no less importantly, is linked to the country's fiscal framework, which may limit government support measures to more vulnerable families and companies and contain investments, making it more difficult to resume activity more consistently in the short term.

OPERATING AND ECONOMIC-FINANCIAL PERFORMANCE

CONSOLIDATED RESULTS

Net Revenue

Net revenue in the 3Q20 was R\$4.4 billion, 80.7% higher than in the 2Q20 (R\$2.4 billion). This increase is mainly due to better results in the Steel, Mining and Steel Processing Units.

Net Revenue Breakdown					
	3Q20	2Q20	3Q19	9M20	9M19
Domestic Market	70%	63%	84%	71%	83%
Exports	30%	37%	16%	29%	17%
Total	100%	100%	100%	100%	100%

For detailed information, see the Business Unit sections of this release.

Cost of Goods Sold - COGS

The cost of goods sold (COGS) in the 3Q20 totaled R\$3.5 billion, an increase of 62.6% compared to the 2Q20 (R\$2.1 billion) mainly associated with the higher sales volume in the period in the Steel, Mining and Steel Processing Units.

For detailed information, see the Business Unit sections of this release.

Gross profit

Gross profit was R\$892 million in the 3Q20, 219.7% higher than in the 2Q20 (R\$279 million).

The gross margin is shown below:

Gross Margin					
3Q20	2Q20	3Q19	9M20	9M19	
20.4%	11.5%	12.4%	15.9%	14.2%	

Operating Income (Expenses)

Selling expenses in the 3Q20 were R\$96 million, 9.2% lower than in the previous quarter (2Q20: R\$106 million). This variation results mainly from the recording of a provision for doubtful accounts of R\$19 million in the 2Q20. This event did not recur in the 3Q20.

In the 3Q20, **General and administrative expenses** totaled R\$98 million, stable compared to the previous quarter (2Q20: R\$97 million).

Other net operating income (expenses) showed stability in the 3Q20, totaling a negative R\$166 million (2Q20: negative R\$164 million).

Thus, **Net operating income (expenses)** were a negative R\$360 million in the 3Q20 (2Q20: negative R\$367 million).

The Company's operating margin presented the following performance:

EBIT Margin				
3Q20	2Q20	3Q19	9M20	9M19
12.2%	-3.6%	3.8%	6.8%	5.6%

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing: (a) income tax and social contribution; (b) financial result; (c) depreciation, amortization and depletion; (d) equity in the results of Jointly-controlled and Associate Companies; (e) impairment of assets; and including the proportional share of the EBITDA of 70% of Unigal and other Jointly-controlled companies.

Consolidated (R\$ thousand)	EBITDA Breakdown				
	3Q20	2Q20	3Q19	9M20	9M19
Net Income (Loss)	198,082	(395,061)	(138,980)	(620,959)	108,544
Income Tax / Social Contribution	205,597	71,568	(106,514)	134,037	(11,461)
Financial Result	167,817	281,456	444,734	1,306,904	664,272
Depreciation, Amortization and depletion	248,466	250,243	253,663	747,414	735,603
EBITDA - Instruction CVM - 527	819,962	208,206	452,903	1,567,396	1,496,958
Equity in the Results of Associate and Jointly-controlled subsidiaries	(40,031)	(45,494)	(58,258)	(100,872)	(132,628)
Jointly-controlled subsidiaries proportional EBITDA	39,298	28,927	46,524	113,285	140,233
Impairment of Assets	6,751	-	-	6,751	-
Adjusted EBITDA	825,980	191,639	441,169	1,586,560	1,504,563
Adjusted EBITDA Margin	18.9%	7.9%	11.5%	14.9%	13.6%

Adjusted EBITDA reached R\$826 million in the 3Q20, a 331.0% increase compared to the 2Q20 (R\$192 million). This increase is mainly due to the better results in the Steel, Mining and Steel Processing Units in the quarter.

For detailed information, see the Business Unit sections of this release.

Financial result

The financial result in the 3Q20 was a negative R\$168 million, a 40.4% decrease compared to the 2Q20 (negative R\$281 million), mainly due to lower exchange losses of R\$72 million in the period.

Financial Result - Consolidated

R\$ thousand				Change		Change		
	3Q20	2Q20	3Q19	3Q20/2Q20	3Q20/3Q19	9M20	9M19	9M20/9M19
Net Currency Exchange Variation	(102,099)	(174,119)	(286,254)	-41%	-64%	(1,050,876)	(280,588)	275%
Financial Income	57,014	68,329	203,960	-17%	-72%	183,097	361,571	-49%
Interest on Financial Asset and Monetary Effects	12,096	24,413	26,424	-50%	-54%	53,678	70,671	-24%
Monetary Effects on ICMS tax in the base calculation of PIS and COFINS	1,493	3,223	57,053	-54%	-97%	9,111	64,374	-86%
Monetary Effects on assets	2,747	25,520	5,783	-89%	-52%	35,243	17,829	98%
Reversal of interest on contingencies	8,312	4,683	14,542	77%	-43%	22,559	54,007	-58%
Monetary Effects on receivable from Eletrobrás	5,686	-	75,380	-	-92%	5,686	75,380	-92%
Other Financial Income	26,680	10,490	24,778	154%	8%	56,820	79,310	-28%
Financial Expenses	(122,732)	(175,666)	(362,440)	-30%	-66%	(439,125)	(745,255)	-41%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(78,351)	(86,862)	(124,482)	-10%	-37%	(254,911)	(368,831)	-31%
Swap Transactions Market Cap.	(349)	1,443	(4,992)	-	-93%	1,532	(2,191)	-
Monetary Effects on liabilities	(2,609)	(25,947)	(3,106)	-90%	-16%	(32,588)	(8,261)	294%
Financing Commission and Others	(8,389)	(3,424)	(73,515)	145%	-89%	(21,831)	(84,093)	-74%
Monetary Effects on contingencies	(13,212)	(33,430)	(114,365)	-60%	-88%	(62,068)	(160,859)	-61%
Other Financial Expenses	(19,822)	(27,446)	(41,980)	-28%	-53%	(69,259)	(121,020)	-43%
FINANCIAL RESULT	(167,817)	(281,456)	(444,734)	-40%	-62%	(1,306,904)	(664,272)	97%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-3.0%	-5.3%	-8.7%	+ 2.3 p.p.	+ 5.7 p.p.	-39.9%	-7.5%	- 32.5 p.p.

Equity in the Results

Equity in the results of associates and jointly-controlled companies totaled R\$40 million in the 3Q20, compared to R\$45 million in the previous quarter, mainly due to the lower performance presented by Codeme, partially offset by the better result at Unigal.

Net Profit (Loss)

In 3Q20, the Company recorded net income of R\$198 million (2Q20: loss of R\$395 million).

Working capital

In the 3Q20, working capital totaled R\$3.1 billion, 25.9% less compared to the 2Q20 (R\$4.1 billion). The main changes in working capital are related to the economic recovery. They are presented below:

- Increase in the balance of **Suppliers** by R\$555 million, linked to the greater acquisition of slabs and raw materials to supply the resumption of production levels, increase in **Accounts receivable** of R\$572 million and a reduction in **Inventories** by R\$366 million, associated with the resumption of demand for steel products;
- Reduction in **Other assets** due to the receipt of R\$306 million related to the Compulsory Loan from Eletrobras (see [note Eletrobras Compulsory Loan](#)).

Investments (CAPEX)

CAPEX in the 3Q20 totaled R\$179 million, 7.3% lower compared to the 2Q20 (R\$193 million). The investments were mainly applied in sustaining CAPEX, safety and environment, with 70.6% at the Steel Unit, 26.6% at the Mining Unit, 2.1% at the Steel Processing Unit and 0.7% at the Capital Goods Unit.

Financial Indebtedness

On 09/30/20, the **Gross consolidated debt** was R\$6.3 billion, stable compared to the position on 06/30/20 (R\$6.2 billion). In this quarter, devaluation of the Real against the Dollar by 3.0% and the provision for charges was partially offset by the amortization of debt interest in the amount of R\$173 million.

Net consolidated debt on 9/30/20 was R\$2.5 billion, 32.0% lower than on 06/30/20 (R\$3.7 billion). Such variation results mainly from the increase in the Cash and Cash Equivalents position by 49.0% in the period.

As for the debt composition by maturity, on 9/30/20 it was 1% short term and 99% long term, compared to 3% and 97%, respectively, on 6/30/20.

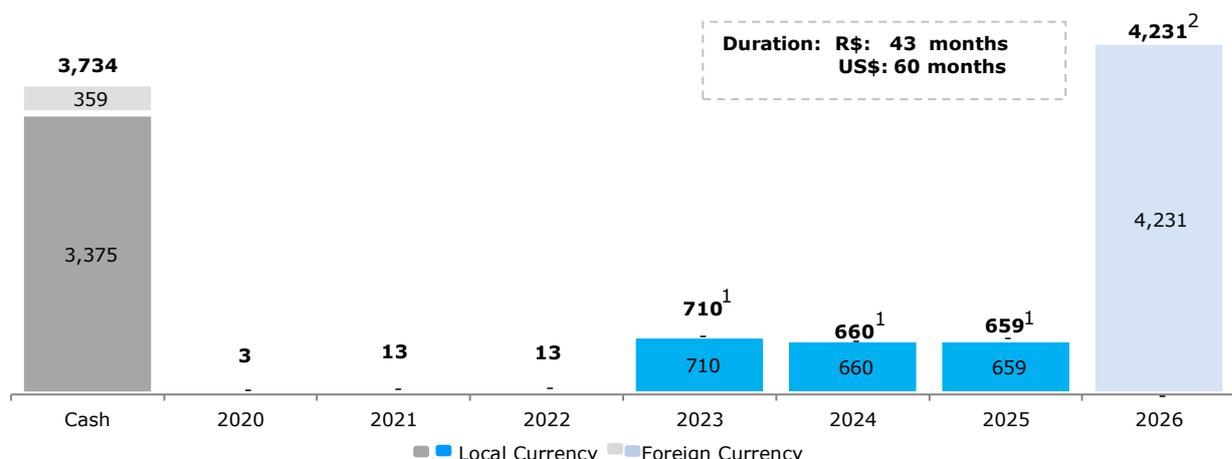
The **Net debt/EBITDA** ratio ended the 3Q20 at 1.2x (2Q20: 2.2x).

The following table shows consolidated debt data:

R\$ thousand	Total Indebtedness by Index - Consolidated							
	30-Sep-20			%	30-Jun-20	Change Set20/Jun20	30-Sep-19	Change Set20/Set19
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	18,926	2,029,074	2,048,000	33%	2,071,651	-1%	2,772,978	-26%
CDI	7	1,984,392	1,984,399	-	2,008,142	-1%	2,734,776	-27%
Others	18,919	44,682	63,601	-	63,509	0%	38,202	66%
Foreign Currency*	52,871	4,162,929	4,215,800	67%	4,152,046	2%	3,081,776	37%
Gross Debt	71,797	6,192,003	6,263,800	100%	6,223,697	1%	5,854,754	7%
Cash and Cash Equivalents	-	-	3,734,302	-	2,506,214	49%	1,822,413	105%
Net Debt	-	-	2,529,498	-	3,717,483	-32%	4,032,341	-37%

(*)100% of total foreign currency is US dollars denominated in the 3Q20

The graph below shows the cash position and the debt profile (principal only) in millions of Real on 09/30/20.



1: Debentures
2: Bonds

PERFORMANCE OF BUSINESS UNITS

The transactions between the Company and its subsidiaries are calculated on market prices and conditions and the sales between Business Units are carried out as sales between independent parties.



Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20	3Q20	2Q20
Net Revenue	1,118.1	745.9	3,042.5	1,881.8	1,065.7	498.1	30.8	42.9	(875.9)	(744.0)	4,381.2	2,424.7
Domestic Market	227.7	147.4	2,630.7	1,591.8	1,064.9	497.0	30.8	42.9	(875.9)	(744.0)	3,078.1	1,535.1
Exports	890.5	598.6	411.8	290.0	0.8	1.1	-	-	-	-	1,303.1	889.6
COGS	(424.6)	(326.3)	(2,863.4)	(1,966.8)	(989.0)	(487.8)	(71.8)	(79.4)	859.5	714.5	(3,489.3)	(2,145.7)
Gross Profit (Loss)	693.6	419.7	179.1	(85.0)	76.7	10.3	(41.1)	(36.6)	(16.4)	(29.4)	891.9	279.0
Operating Income (Expenses)	(84.3)	(74.9)	(236.9)	(232.7)	(23.2)	(28.3)	(17.3)	(30.8)	1.3	0.2	(360.4)	(366.5)
Selling	(51.4)	(43.3)	(29.2)	(46.2)	(10.8)	(11.6)	(3.6)	(3.6)	(1.2)	(1.2)	(96.2)	(105.9)
General and Administrative	(6.8)	(6.8)	(77.3)	(76.6)	(12.2)	(11.6)	(6.1)	(5.6)	4.2	3.7	(98.2)	(96.8)
Other Operating Income (expenses), Net	(26.2)	(24.8)	(130.4)	(109.9)	(0.1)	(5.1)	(7.6)	(21.6)	(1.7)	(2.4)	(166.0)	(163.7)
EBIT	609.2	344.8	(57.8)	(317.7)	53.5	(18.0)	(58.4)	(67.4)	(15.1)	(29.3)	531.5	(87.5)
Depreciation and amortization	35.2	35.7	214.4	215.6	7.1	7.1	-	-	(8.3)	(8.2)	248.5	250.2
Equity in the results of investees	19.5	17.7	259.5	92.6	-	-	(0.0)	(0.0)	(239.0)	(64.8)	40.0	45.5
EBITDA (Instruction CVM 527)	664.0	398.1	416.1	(9.4)	60.6	(10.8)	(58.4)	(67.4)	(262.3)	(102.3)	820.0	208.2
EBITDA Margin	59.4%	53.4%	13.7%	-0.5%	5.7%	-2.2%	-189.9%	-157.1%	30.0%	13.8%	18.7%	8.6%
Adjusted EBITDA	644.5	380.5	156.6	(102.1)	60.6	(10.8)	(51.6)	(67.4)	15.9	(8.6)	826.0	191.6
Adj.EBITDA Margin	57.6%	51.0%	5.1%	-5.4%	5.7%	-2.2%	-167.8%	-157.1%	-1.8%	1.2%	18.9%	7.9%

*Consolidated 70% of Unigal

Income Statement per Business Units - Non Audited - Nine Months Ended

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19	9M20	9M19
Net Revenue	2,445.5	1,414.2	8,172.8	9,659.5	2,465.2	2,794.0	188.4	286.2	(2,658.2)	(3,078.0)	10,613.8	11,075.8
Domestic Market	524.7	489.8	7,060.2	8,720.5	2,463.1	2,793.7	188.4	286.2	(2,658.2)	(3,078.0)	7,578.1	9,212.2
Exports	1,920.9	924.3	1,112.6	939.0	2.2	0.3	-	-	-	-	3,035.7	1,863.6
COGS	(1,086.2)	(773.7)	(7,789.1)	(8,749.3)	(2,329.5)	(2,656.0)	(270.3)	(257.6)	2,545.0	2,939.0	(8,930.1)	(9,497.5)
Gross Profit (Loss)	1,359.4	640.4	383.7	910.2	135.7	138.0	(81.9)	28.6	(113.2)	(139.0)	1,683.7	1,578.3
Operating Income (Expenses)	(227.1)	(203.9)	(602.8)	(637.2)	(82.8)	(73.6)	(54.2)	(34.9)	2.2	0.0	(964.6)	(949.6)
Selling	(138.1)	(79.4)	(114.9)	(84.8)	(35.4)	(34.9)	(9.9)	(9.8)	(3.7)	(3.3)	(302.0)	(212.1)
General and Administrative	(19.3)	(18.8)	(241.3)	(237.8)	(37.6)	(43.4)	(17.8)	(19.4)	11.5	11.0	(304.4)	(308.5)
Other Operating Income (expenses), Net	(69.8)	(105.8)	(246.6)	(314.5)	(9.8)	4.7	(26.5)	(5.8)	(5.6)	(7.6)	(358.2)	(429.0)
EBIT	1,132.2	436.5	(219.1)	273.1	53.0	64.4	(136.1)	(6.3)	(110.9)	(138.9)	719.1	628.7
Depreciation and amortization	106.7	94.5	644.0	644.8	21.4	21.9	-	-	(24.7)	(25.7)	747.4	735.6
Equity in the results of investees	28.7	54.5	464.9	251.1	-	-	(0.1)	(0.0)	(392.7)	(172.9)	100.9	132.6
EBITDA (Instruction CVM 527)	1,267.7	585.6	889.9	1,168.9	74.3	86.3	(136.1)	(6.4)	(528.4)	(337.5)	1,567.4	1,497.0
EBITDA Margin	51.8%	41.4%	10.9%	12.1%	3.0%	3.1%	-72.3%	-2.2%	19.9%	11.0%	14.8%	13.5%
Adjusted EBITDA	1,239.0	531.1	425.0	917.9	74.3	86.3	(129.3)	(6.3)	(22.4)	(24.4)	1,586.6	1,504.6
Adj.EBITDA Margin	50.7%	37.6%	5.2%	9.5%	3.0%	3.1%	-68.7%	-2.2%	0.8%	0.8%	14.9%	13.6%

*Consolidated 70% of Unigal

MINING

In the 3Q20, the average reference price for iron ore of 62% Fe was US\$118.21/t, 26.8% higher compared to the previous quarter (2Q20: US\$93.30/t).

The adoption of stimulus packages in China, especially for new investments in infrastructure, generated positive impacts on the Chinese economy in the third quarter. Chinese steelmakers set a new monthly record for crude steel production in August, reaching 94.8 Mt, a volume 8.4% higher than the same period last year. In the year through August, crude steel production in China increased by 3.7% compared to 2019, totaling 688.9 Mt, reaching an annual pace of over 1 billion tons (source: National Bureau of Statistics of China and WSA).

In this scenario of strong recovery in Chinese demand, the drop in Australian iron ore exports - due to scheduled maintenance at the ports after the end of its fiscal year - led to a limited supply of ore in the market and, consequently, higher prices throughout the quarter.

The spread between the price of 65% Fe ore and 62% Fe was traded at \$10.68/t in the 3Q20, a 28.9% drop from the \$15.02/t average in the 2Q20. With the reduction in the supply of 62% Fe ore, there was a strong appreciation of this index, which also caused the spread to fall significantly compared to the previous quarter.

The value of ocean freight, on the other hand, accumulated an increase of 49.8% over the 3Q20 compared to the 2Q20. The average rate for Capesize vessels for the route between Tubarão and Qingdao was negotiated at US\$17.86/t against US\$11.92/t in the 2Q20, driven by the strong resumption of Brazilian export volumes and the impact of congestion in ports and availability of ships.

Operating and Sales Performance - Mining

In the 3Q20, **production volume** was 2.3 million tons, an increase of 15.1% compared to the 2Q20 (2.0 million tons), mainly due to the higher operational performance and the resumption of production levels, after a scheduled stop, occurred in the previous quarter, at one of the beneficiation plants.

Sales volume was 2.3 million tons in the 3Q20, 20.6% higher than in the 2Q20 (1.9 million tons). This increase reflects the higher demand for iron ore in foreign and domestic markets and the higher sales volumes.

The production and sales volumes are shown below:

Thousand tons	Iron Ore			Change		Change		
	3Q20	2Q20	3Q19	3Q20/2Q20	3Q20/3Q19	9M20	9M19	9M20/9M19
Production	2,319	2,015	2,260	15%	3%	6,493	5,345	21%
Total Sales	2,293	1,902	2,453	21%	-7%	6,408	6,121	5%
Exports	1,558	1,346	1,373	16%	13%	4,340	2,924	48%
Domestic Market - Usiminas	538	432	480	24%	12%	1,574	1,641	-4%
Domestic Market - Third Parties	197	124	600	59%	-67%	494	1,556	-68%

In the 3Q20, **distribution by commercial condition** was 89% of exports in the CFR (*Cost and freight*) modality and 11% FOB (*Free On Board*), compared to 79% and 21% in the 2Q20, respectively.

Comments on the Business Unit Results - Mining

Net Revenue reached R\$1.1 billion in the 3Q20, a 49.9% increase compared to the 2Q20 (R\$746 million). This increase is mainly due to the increase in the iron ore price, higher sales volume and the appreciation of the Dollar against the Real in the quarter.

Cash cost of production per ton was R\$66.7/t in the 3Q20 against R\$74.4/t in the 2Q20. Excluding expenses with temporarily inactive beneficiation plants, cash cost was R\$64.7/t in the 3Q20 (R\$72.3/t in the 2Q20). This reduction mainly reflects greater dilution of fixed costs, associated with the higher volume produced, and the lower use of leased areas.

Cost of goods sold - COGS in the 3Q20 was R\$425 million, 30.1% higher than in the previous quarter (2Q20: R\$326 million), due to the sales volume increase in the period and higher international freight prices. In unit terms, COGS/t in the 3Q20 was R\$185.0/t, a 7.9% increase in relation to the 2Q20 (R\$171.4/t), mainly due to the increase in international freight prices, the greater participation of the CFR modality (89%) in export sales and higher costs linked to the dollar.

Adjusted EBITDA reached R\$644 million in the 3Q20, with Mineração Usiminas reaching a new historic high in EBITDA in a quarter, representing a 69.4% increase compared to the 2Q20 (R\$380 million). Adjusted EBITDA margin reached 57.6% in the 3Q20 (2Q20: 51.0%).

Investments (CAPEX)

CAPEX totaled R\$48 million in the 3Q20, compared to R\$50 million recorded in the 2Q20. The main investments were made in safety and sustaining CAPEX (with emphasis on the tailings disposal project "Dry Stacking").

STEEL

According to data from Brazilian Steel Institute, the Brazilian steel market absorbed the strong downturn in economic activity resulting from the implementation of measures to combat the COVID-19 pandemic. The positive result of the 1st quarter of 2020 was followed by a drop of 33% in flat and long steel products apparent consumption the 2nd quarter. In the period between January and August, consumption dropped 7.3% and the Institute projects a 4.7% drop at the year's end.

National consumption of flat rolled products reached 7.4 million tons between January and August, down 10.9% compared to the same period of the previous year. Even after four months of recovery, domestic sales of these products fell 11.0% year over year. Mills exported 1,1 million tons of finished flat products, 16.6% less than last year, while imports, down 9.8%, represented 11.7% of the year's apparent consumption.

According to the National Institute of Steel Distributors (INDA), in August, sales of flat steel in the distribution network increased for the fourth consecutive month. In the comparison of the first eight months of this year with the same period of the previous year, sales decreased by 1%, a result considerably better than that seen at the end of the 1st semester, when the decline was 10%. Inventories were at 763 thousand tons in August, with a turnover equivalent to 2.0 months of sales, based on the volume of the month. The projection for September is that sales of members will maintain the upward trend that started in May.

Production - Ipatinga and Cubatão plants

Crude steel production at the Ipatinga plant was 696 thousand tons in the 3Q20, 30.6% higher than in the 2Q20 (533 thousand tons) due to the return of equipment associated to the recovery of demand for steel products. The production of rolled products at the Ipatinga and Cubatão plants totaled 801 thousand tons in the 3Q20 (2Q20: 676 thousand tons), an 18.5% increase.

In the 3Q20, 240 thousand tons of slabs acquired were processed (2Q20: 116 thousand tons).

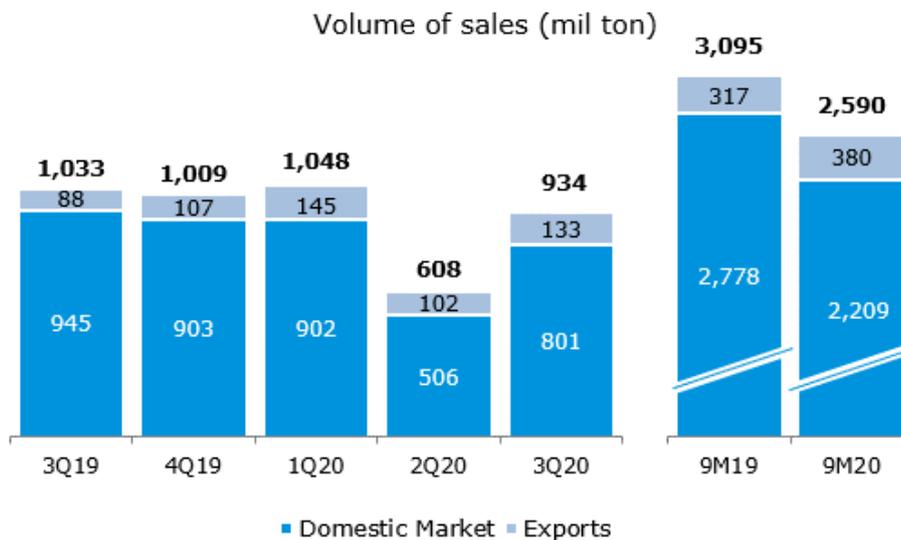
Production of Crude and Rolled Steel

Thousand tons	3Q20	2Q20	3Q19	Change		9M20	9M19	Change
				3Q20/2Q20	3Q20/3Q19			
Total Crude Steel	696	533	834	31%	-17%	2,000	2,467	-19%
Total Rolled Steel	801	676	1,043	18%	-23%	2,552	3,120	-18%

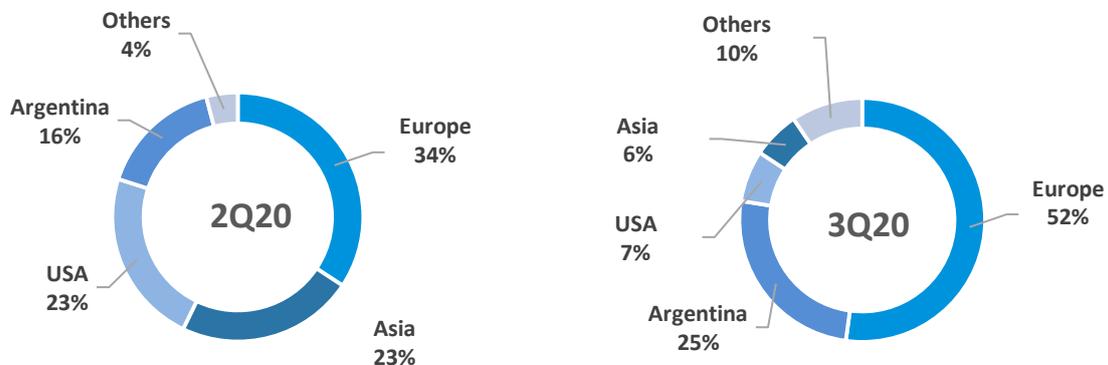
Sales

In the 3Q20, total sales reached 934 thousand tons of steel, a 53.6% increase in relation to the 2Q20 (608 thousand tons), due to the resumption of demand for steel products, reflecting the recovery of the economy. In the domestic market, sales were 801 thousand tons in the 3Q20, a 58.2% increase compared to the 2Q20 (506 thousand tons). Sales to the foreign market in the 3Q20 were 133 thousand tons, 30.8% higher than in the 2Q20 (102 thousand tons). Sales volume was 86% for the domestic market and 14% for exports.

The evolution of sales is shown in the graph below:



The main export destinations:



Comments on the Results of the Business Unit - Steelmaking

In the 3Q20, **Net revenue** of the Steel Unit was R\$3.0 billion, increasing 61.7% in relation to 2Q20 (R\$1.9 billion) mainly due to the higher sales volume, mix of products sold and higher prices.

Cash cost per ton was R\$2,445/t in the 3Q20, 5.7% lower than in the 2Q20 (R\$2,594/t). Among the main variations in cost per ton in the period, we highlight: (a) lower costs with coal, coke and energy, (b) greater dilution of fixed costs, partially offset by (c) higher cost with purchased slabs, due to the greater participation of this input in the production mix due to the resumption of activities at the Cubatão Plant and (d) higher iron ore cost in the period.

Cost of products sold - COGS was R\$2.9 billion in the 3Q20, 45.6% higher than in the 2Q20 (R\$2.0 billion), given the higher volume of steel sold in the period. COGS per ton was R\$3,066/t in the 3Q20, a 5.2% decrease compared to the 2Q20 (R\$3,235/t), mainly due to the lower unit production cost in the period.

Selling expenses totaled R\$29 million in the 3Q20, down 36.9% compared to the 2Q20 (R\$46 million). This variation results mainly from the recording of a provision for doubtful accounts in the 2Q20 in the amount of R\$19 million. This event was non-recurrent in the 3Q20.

In the 3Q20, **General and administrative expenses** totaled R\$77 million, in line with the result presented in the 2Q20 (R\$77 million).

Other net operating income (expenses) were a negative R\$130 million in the 3Q20, an 18.7% increase compared to the 2Q20 (negative R\$110 million), mainly due to:

- Increase of R\$27 million with **Idle capacity**, mainly due to the shutdown of equipment occurred in the 2Q20 (Stoppage of the Blast Furnaces 1 and 2 and the Steel Shop 1 of Ipatinga Plant, and stoppage of the Cubatão plant's activities). It is worth mentioning that these were events of temporary nature, and that in August 2020, the activities of the Blast Furnace 1, the Steel Shop 1 and the Cubatão plant were resumed. In the 3Q20, these expenses totaled R\$111 million, compared to R\$84 million in the 2Q20.

Thus, **Adjusted EBITDA** reached a positive R\$157 million in the 3Q20, compared to a negative R\$102 million in the previous quarter. The Adjusted EBITDA margin was positive by 5.1% in the 3Q20, compared to the negative margin of 5.4% in the 2Q20.

Investments (CAPEX)

CAPEX totaled R\$126 million in 3Q20, a 9.5% decrease compared to the 2Q20 (R\$139 million). Investments were mainly applied in sustaining CAPEX, safety and environment.

STEEL PROCESSING

Usiminas Solutions - SU

Soluções em Aço Usiminas operates in the distribution market, steel transformation services and integrated logistics, offering its customers high value-added products. It currently has a processing capacity of around 1.7 million tons of steel per year in its own industrial units in operation, in addition to serving customers throughout the national territory.

Sales of the Distribution, Services/JIT and Tubes business units accounted for 34.9%, 58.1% and 7.0%, respectively, of the volume sold in the 3Q20.

Comments on Business Unit Results - Steel Transformation

Net revenue in the 3Q20 totaled R\$1.1 billion, a 113.9% increase compared to the 2Q20 (R\$498 million), due to higher sales volume by 90.3% and recovery of margins, caused by the resumption of demand in the period.

In the 3Q20, the **Cost of goods sold** was R\$989 million, a 102.8% increase over the 2Q20 (R\$488 million), mainly due to higher sales volume in the period. COGS/t was R\$3,387/t in the 3Q20, a 7.8% increase compared to the 2Q20 (R\$3,179/t), due to higher raw material costs in the period.

Net operating income (expenses) were a negative R\$23 million in the 3Q20, a decrease of R\$5 million compared to the 2Q20 (negative R\$28 million).

Adjusted EBITDA in the 3Q20 was a positive R\$61 million (2Q20: negative R\$11 million), with *Soluções Usiminas* reaching its historic maximum EBITDA in one quarter. Adjusted EBITDA margin was 5.7% positive in the 3Q20 (2Q20: 2.2% negative).

CAPITAL GOODS

Usiminas Mecânica SA

Usiminas Mecânica operates in the segment of Metal Structures, Naval and Offshore, Oil and Gas, Industrial Equipment, Industrial Assemblies, Foundry and Railway Wagons.

Currently, the Company is going through a process of restructuring its activities, directing its efforts towards providing services to Usiminas companies and focusing on the Industrial Assembly sector.

The Company maintains its commitment to all clients that have projects in progress, which will be completed and delivered as agreed.

Comments on the Business Unit Results - Capital Goods

In the 3Q20, **Net revenue** was R\$31 million, 28.3% lower than in the 2Q20 (R\$43 million), reflecting the Company's strategy of restructuring the activities developed by the subsidiary Usiminas Mecânica SA. With the implementation of the restructuring, *Usiminas Mecânica* will maintain only activities related to the provision of services to Usiminas and its subsidiaries, except for the completion of external projects underway at the time.

The Capital Goods unit presented **Gross loss** of R\$41 million in the 3Q20 (2Q20: gross loss of R\$37 million).

Adjusted EBITDA 3Q20 was negative by R\$52 million (2Q20: negative R\$67 million).

OTHER

Compulsory loan - Eletrobras

The Company is an active party in the process with a view to receiving the full amount collected by Usiminas, in its Cubatão and Ipatinga operations to Eletrobras as a compulsory loan, in accordance with the criteria of the prevailing law at the time of payment of the loan.

The lawsuit related to the Cubatão subsidiary, in which the Company seeks the amount of R\$877 million, was declared final. On 09/01/20, the Company received from Eletrobras the undisputed monetary restatement amounting to R\$312 million. The Company continues to plead in court the amount of R\$574 million still not recognized, which it believes is due by Eletrobras.

The lawsuit related to the Ipatinga branch, in which the Company requested the amount of R\$1.4 billion, was declared final. On 10/16/19, the Company received from Eletrobras the undisputed monetary restatement amounting to R\$751 million. The Company continues to plead in court the amount of R\$772 million, not recognized, which it believes is due by Eletrobras.

EGS - ENVIRONMENT, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

Environmental monitoring

Usiminas is the first steelmaker and one of the first Brazilian companies to install an innovative system for monitoring atmospheric emissions.

The equipment is part of the new model of environmental monitoring at the Ipatinga Plant, which started to be integrated through the creation of the Environmental Monitoring Center, on 09/15/20.

Thus, the Company starts to inspect atmospheric emissions and to monitor air quality and sedimentable particles in the same room.

ODS



Diversity and Inclusion

The Usiminas Diversity and Inclusion Program was recognized by the World Steel Association as one of the 5 highlights in the Excellence in Sustainability category.

The Steelie Awards is the World Steel Association award that recognizes steelmakers worldwide for their contribution to the steel industry during the year, in several categories.

ODS



Innovation

Usiminas was recognized, by the 100 Open Startups, as one of the companies that most promote open innovation in Brazil. The company is also in the ranking of the most innovative companies in the use of IT, an award offered by It Mídia in partnership with PWC.

ODS



Safety

To make the work of off-road truck operators even safer, *Mineração Usiminas* has implemented a Fatigue Detection System. Through a device installed in safety glasses, the stages of operator fatigue are checked.

Visual and audible alerts are emitted from the measurement results inside the truck and at the Monitoring Center.

ODS



Integrity Program

In September, a team of 34 employees was selected to disseminate the culture of integrity at Usiminas. They will be a reference in their areas and will contribute to training, actions and engagement campaigns, meeting quarterly with the Integrity team. In addition, the Company held the Integrity Week, which included trainings, virtual live sessions and actions to promote Usiminas policies and codes, strengthening the culture that "doing the right thing always works."

ODS



For more details on Usiminas' sustainability actions, visit our [Annual Sustainability Report](#).

Health and safety actions to face COVID-19

Since the beginning of the COVID-19 pandemic, in March 2020, Usiminas has been adjusting its operations to combat the spread effects of the novel coronavirus.

To face the pandemic and its consequences, the Company, through the São Francisco Xavier Foundation (FSFX), its social arm in the areas of health and education, has adopted several actions focused on our people, combined with the sustainability and continuity of its business. Below are some of the measures adopted:

- Following the recommendations of public authorities, employees, with compatible activities, as well as pregnant women, people with chronic diseases or those over 60 years of age are working from home office. For the teams that continue to work in the plants, a series of specific measures were adopted, such as temperature measurement at the entrance of the facilities, intensification of hygiene measures, adaptation of transport and restaurants at the workplace, for example.
- Donation of more than 170 thousand protective masks to employees, family members and communities and provision of disinfection services in public spaces with high circulation of people in Ipatinga and Cubatão.
- As a control measure, the Company implemented "Fala aí Saúde", a form aimed at the physical and emotional health of its employees and family members.
- Acquisition, through FSFX, of new ventilators, installation of an entire floor dedicated to COVID-19 patients at *Márcio Cunha de Ipatinga Hospital*, acquisition of new ICU beds and diverse equipment.
- Donation of 40 tons of food to socially vulnerable communities.
- Donation in cash and supplies to the *Manoel Gonçalves de Sousa Moreira Casa de Caridade*, through *Mineração Usiminas*.
- Usiminas has partnered with Senai to carry out the maintenance and repair of ventilators and 3D printers, which will be used by several hospitals in the country in the treatment of COVID-19 patients.

Usiminas, through FSFX, has already invested approximately R\$27 million in initiatives to defeat COVID-19.

CAPITAL MARKETS

Usiminas Performance Summary - B3 (USIM5)

	3Q20	2Q20	3Q19	3Q20/2Q20	3Q20/3Q19
Number of Deals	1,281,569	1,311,492	805,392	-2%	59%
Daily Average	19,716	21,153	12,990	-7%	52%
Traded - thousand shares	1,377,760	1,254,902	699,247	10%	97%
Daily Average	21,196	20,240	11,278	5%	88%
Financial Volume - R\$ million	12,725	10,573	6,156	20%	107%
Daily Average	196	171	99	15%	97%
Maximum	11.64	11.53	10.41	1%	12%
Minimum	7.41	3.78	7.70	96%	-4%
Closing	10.03	4.92	8.94	104%	12%
Market Capitalization - R\$ million	12,568	6,165	11,203	104%	12%

Performance on the B3

Usiminas' common shares (USIM3) and preferred shares (USIM5) closed the 3Q20 quoted at R\$10.24 and R\$10.03, respectively. In the 3Q20, USIM3 and USIM5 appreciated 26.6% and 38.0%, respectively. In the same period, the Ibovespa depreciated 0.5%.

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY, by preferred shares. On 09/30/20, USNZY ADRs, which have higher liquidity, were quoted at US\$1.73, presenting an appreciation of 32.1% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Exchange: XUSI as preferred shares and XUSIO as common shares. On 09/30/20, XUSI closed quoted at €1.67, appreciating 40,3% in the quarter. XUSIO shares closed quoted at €1.75, presenting appreciation of 40.0% in the quarter.

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3Q20 Conference Call Results - Date 10/29/2020	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m.	New York time: at 10:00 a.m.
Dial-in Numbers: Brazil: (+55 11) 3181-8565 / 4210 1803	Dial-in Numbers: USA: +1 844 204 8942
Audio replay available at +55 (11) 3193 1012	
Pincode for replay: 4462273# - Portuguese	Pincode for replay: 4726229# - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

Statements contained in this release regarding business prospects, projections of operating and financial results and references to the Company's growth potential are mere forecasts, based on Management's expectations regarding its future performance. These expectations are highly dependent on market behavior, the economic situation in Brazil, the industry and international markets, therefore subject to change.

APPENDIX

Balance Sheet - Assets - Consolidated | IFRS - R\$ thousand

Assets	30-Sep-20	30-Jun-20	30-Sep-19
Current Assets	10,391,300	9,437,248	9,752,525
Cash and Cash Equivalents	3,734,302	2,506,214	1,822,413
Trade Accounts Receivable	2,420,397	1,848,288	1,828,747
Taxes Recoverable	518,548	684,922	928,499
Inventories	3,580,494	3,945,562	4,240,414
Advances to suppliers	2,863	1,777	7,136
Financial Instruments	1,396	1,386	742
Accounts Receiv - Eletrobras	0	305,848	751,404
Other Securities Receivables	133,300	143,251	173,170
Non-Current Assets	17,476,067	17,415,642	17,261,207
Long-Term Receivable	4,290,262	4,195,841	3,939,233
Deferred Taxes	3,064,609	3,038,934	2,923,766
Deposits at Law	548,298	562,216	535,375
Accounts Receiv. Affiliated Companies	-	-	1,574
Taxes Recoverable	173,788	154,997	124,199
Financial Instruments	7,069	7,429	6,475
Accounts Receiv - Gasometer	223,640	193,886	81,560
Others	272,858	238,379	266,284
Equity Investments	1,133,876	1,096,651	1,222,453
Investment Property	100,827	100,827	-
Property, Plant and Equipment	11,224,774	11,298,978	11,403,455
Intangible	726,328	723,345	696,066
Total Assets	27,867,367	26,852,890	27,013,732

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R\$ thousand

Liabilities and Shareholders' Equity	30-Sep-20	30-Jun-20	30-Sep-19
Current Liabilities	3,690,047	3,002,048	3,385,283
Loans and Financing and Taxes Payable in Installments	71,797	158,156	280,089
Suppliers, Subcontractors and Freight	1,633,137	1,078,259	1,493,648
Wages and Social Charges	262,164	256,837	249,717
Taxes and Taxes Payables	392,854	199,386	112,297
Accounts Payable Forfeiting	927,184	939,679	915,783
Dividends Payable	8,630	8,630	395
Customers Advances	115,692	59,533	100,251
Financial Instruments	26,950	49,860	-
Others	251,639	251,708	233,103
Long-Term Liabilities	8,760,686	8,631,718	7,867,171
Loans and Financing and Taxes Payable in Installments	6,192,003	6,065,541	5,574,665
Actuarial Liability	1,287,642	1,266,115	1,018,698
Provision for Legal Liabilities	729,813	746,427	785,616
Environmental Protection Provision	241,442	237,968	223,359
Others	309,786	315,667	264,833
Shareholders' Equity	15,416,634	15,219,124	15,761,278
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	428,937	371,954	1,036,005
Non-controlling shareholders participation	1,787,402	1,646,875	1,524,978
Total Liabilities and Shareholders' Equity	27,867,367	26,852,890	27,013,732

APPENDIX

Income Statement - Consolidated | IFRS

R\$ thousand	3Q20	2Q20	3Q19	3Q20/2Q20	3Q20/3Q19
Net Revenues	4,381,212	2,424,715	3,849,794	81%	14%
Domestic Market	3,078,104	1,535,098	3,216,047	101%	-4%
Exports	1,303,108	889,617	633,747	46%	106%
COGS	(3,489,321)	(2,145,734)	(3,373,955)	63%	3%
Gross Profit	891,891	278,981	475,839	220%	87%
Gross Margin	20.4%	11.5%	12.4%	+ 8.9 p.p.	+ 8.0 p.p.
Operating Income (Expenses)	(360,426)	(366,513)	(334,857)	-2%	8%
Selling Expenses	(96,196)	(105,947)	(73,789)	-9%	30%
Provision for Doubtful Accounts	(4,656)	(21,461)	9,328	-78%	-
Other Selling Expenses	(91,540)	(84,486)	(83,117)	8%	10%
General and Administrative	(98,233)	(96,837)	(97,924)	1%	0%
Other Operating Income (expenses)	(165,997)	(163,729)	(163,144)	1%	2%
Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS	2,392	3,064	78,335	-22%	-97%
Idleness expenses (includes depreciation)	(116,679)	(91,518)	(80,651)	27%	45%
Legal charges	(6,556)	(5,603)	(2,873)	17%	128%
Program Reintegra	13,128	262	239	4911%	5393%
Provision for tax credit (ICMS)	(11,978)	(12,850)	(5,697)	-7%	110%
Provision for onerous contracts	4,506	(16,306)	-	-	-
Provision for contingencies	(2,776)	(24,378)	(131,709)	-89%	-98%
Recovery of insurance claims expenses	29,596	44,737	15,011	-34%	97%
Result of the non-operating asset sale/write-off	2,519	6,233	(4)	-60%	-
Result of the sale of the surplus electric energy	(3,154)	(7,501)	22,134	-58%	-
Other Operating Income (Expenses), Net	(76,995)	(59,869)	(57,929)	29%	33%
EBIT	531,465	(87,531)	140,982	-	277%
EBIT Margin	12.1%	-3.6%	3.7%	+ 15.7 p.p.	+ 8.5 p.p.
Financial Result	(167,817)	(281,456)	(444,734)	-40%	-62%
Financial Income	57,014	68,329	203,960	-17%	-72%
Financial Expenses	(122,732)	(175,666)	(362,440)	-30%	-66%
Net foreign exchange gain and losses	(102,099)	(174,119)	(286,254)	-41%	-64%
Equity in the results of investees	40,031	45,494	58,258	-12%	-31%
Operating Profit (Loss)	403,679	(323,493)	(245,494)	-	-
Income Tax / Social Contribution	(205,597)	(71,568)	106,514	187%	-
Net Income (Loss)	198,082	(395,061)	(138,980)	-	-
Net Margin	4.5%	-16.3%	-3.5%	+ 20.8 p.p.	+ 8.0 p.p.
Attributable:					
Shareholders	57,118	(466,882)	(183,909)	-	-
Minority Shareholders	140,964	71,821	44,929	96%	214%
EBITDA (Instruction CVM 527)	819,962	208,206	452,903	294%	81%
EBITDA Margin (Instruction CVM 527)	18.7%	8.6%	11.8%	+ 10.1 p.p.	+ 6.9 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	825,980	191,639	441,169	331%	87%
Adjusted EBITDA Margin	18.9%	7.9%	11.5%	+ 10.9 p.p.	+ 7.4 p.p.
Depreciation and Amortization	248,466	250,243	253,663	-1%	-2%

APPENDIX

Income Statement - Consolidated | IFRS

R\$ thousand	9M20	9M19	9M20/9M19
Net Revenues	10,613,782	11,075,828	-4%
Domestic Market	7,578,111	9,212,198	-18%
Exports	3,035,671	1,863,630	63%
COGS	(8,930,057)	(9,497,534)	-6%
Gross Profit	1,683,725	1,578,294	7%
Gross Margin	15.9%	14.2%	+ 1.6 p.p.
Operating Income (Expenses)	(964,615)	(949,567)	2%
Selling Expenses	(301,950)	(212,149)	42%
Provision for Doubtful Accounts	(27,943)	6,521	-
Other Selling Expenses	(274,007)	(218,670)	25%
General and Administrative	(304,447)	(308,464)	-1%
Other Operating Income (Expenses)	(358,218)	(428,954)	-16%
Credit of tax - Inclusion of ICMS in the base calculation of PIS and COFINS	9,569	78,335	6%
Idleness expenses (includes depreciation)	(266,762)	(250,749)	-88%
Legal charges	(16,091)	(10,013)	61%
Program Reintegra	13,703	883	89%
Provision of tax credits (ICSM)	(33,868)	(15,146)	0%
Provision for onerous contracts	(11,800)	-	124%
Provision for contingencies	25,237	(192,266)	-
Recovery of insurance claims expenses	98,432	51,962	-
Result of the non operating asset sale/write-off	9,620	6,100	58%
Result of the sale of the surplus electric energy	(10,468)	31,651	-
Other Operating Income (Expenses), Net	(175,790)	(129,711)	36%
EBIT	719,110	628,727	14%
EBIT Margin	6.8%	5.7%	+ 1.1 p.p.
Financial Result	(1,306,904)	(664,272)	97%
Financial Income	183,097	361,571	-49%
Financial Expenses	(439,125)	(745,255)	-41%
Net foreign exchange gain and losses	(1,050,876)	(280,588)	275%
Equity in the results of investees	100,872	132,628	-24%
Operating Profit (Loss)	(486,922)	97,083	-
Income Tax / Social Contribution	(134,037)	11,461	-
Net Income (Loss)	(620,959)	108,544	-
Net Margin	-5.9%	1.0%	- 6.8 p.p.
Attributable:			
Shareholders	(886,331)	(5,801)	15179%
Minority Shareholders	265,372	114,345	132%
EBITDA (Instruction CVM 527)	1,567,396	1,496,958	5%
EBITDA Margin (Instruction CVM 527)	14.8%	13.5%	+ 1.3 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	1,586,560	1,504,563	5%
Adjusted EBITDA Margin	14.9%	13.6%	+ 1.4 p.p.
Depreciation and Amortization	747,414	735,603	2%

APPENDIX

Cash Flow - Consolidated IFRS			
Cash Flow - Consolidated IFRS	3Q20	2Q20	3Q19
Operating Activities Cash Flow			
Net Income (Loss) in the Period	198,082	(395,061)	(138,980)
Financial Expenses and Monetary Var. / Net Exchge Var.	116,782	234,991	261,365
Interest Expenses	73,321	88,540	120,595
Depreciation and Amortization	248,466	250,243	253,663
Losses/(gains) on Sale of Property, Plant and Equipment	(2,519)	(6,233)	4
Equity in the Results of Subsidiaries/Associated Companies	(40,031)	(45,494)	(58,258)
Impairment of Assets	6,751	-	-
Difered Income Tax and Social Contribution	(24,917)	(45,913)	(160,197)
Constitution (reversal) of Provisions	387,217	183,131	155,630
Actuarial Gains and losses	21,527	21,535	21,452
Total	984,679	285,739	455,274
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(642,386)	508,472	71,221
Inventories	372,292	(199,142)	(79,158)
Recovery of Taxes	(21,754)	(67,996)	(53,526)
Judicial Deposits	9,178	(1,319)	(7,626)
Accounts Receiv. Eletrobras	311,534	-	-
Accounts Receiv. Affiliated Companies	-	-	303
Others	(32,384)	(23,080)	(23,911)
Total	(3,520)	216,935	(92,697)
Increase /(Decrease) of Liabilities			
Suppliers, Contractors and Freight	554,878	(432,704)	327,598
Customers Advances	56,159	(8,371)	43,080
Tax Payable	198,965	93,625	138,141
Securities Payable Forfaiting	(12,495)	223,348	3,518
Actuarial Liability Payments	-	(11,030)	(4,599)
Others	(17,103)	64,598	(63,178)
Total	780,404	(70,534)	444,560
Cash Generated from Operating Activities	1,761,563	432,140	807,137
Interest Paid	(172,893)	(4,694)	(93,484)
Income Tax and Social Contribution	(51,616)	(49,227)	(33,469)
Net Cash Generated from Operating Activities	1,537,054	378,219	680,184
Investments activities cash flow			
Marketable Securities	(482,767)	(256,521)	(170,059)
Fixed Asset Acquisition	(173,407)	(188,135)	(135,534)
Fixed Asset Sale Receipt	4,551	18,916	1,432
Dividends Received	2,819	1,909	1,266
Purchase of Intangible Assets	(5,439)	(4,738)	(4,518)
Net Cash Employed on Investments Activities	(654,243)	(428,569)	(307,413)
Financial Activities Cash Flow			
Inflow of Loans, Financing and Debentures	-	-	2,811,557
Payment of Loans, Financ. & Debent.	(1,074)	(6,651)	(2,744,344)
Swap Operations Liquidations	(143,720)	(9,309)	(5,863)
Dividends and Interest on Capital	-	(59,418)	(31,965)
Net Cash Generated from (Employed on) Financial Activities	(144,794)	(75,378)	29,385
Exchange Variation on Cash and Cash Equivalents	7,304	1,955	5,086
Net Increase (Decrease) of Cash and Cash Equivalents	745,321	(123,773)	407,242
Cash and Cash Equivalents at the Beginning of the Period	1,678,753	1,802,526	499,611
Cash and Cash Equivalents at the End of The Period	2,424,074	1,678,753	906,853
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	1,678,753	1,802,526	499,611
Marketable Securities at the Beginning of the Period	827,461	570,940	745,501
Cash and Cash Equivalents at the Beginning of the Period	2,506,214	2,373,466	1,245,112
Net Increase (Decrease) of Cash and Cash Equivalents	745,321	(123,773)	407,242
Net Increase (Decrease) of Marketable Securities	482,767	256,521	170,059
Cash and Cash Equivalents at the End of the Period	2,424,074	1,678,753	906,853
Marketable Securities at the End of the Period	1,310,228	827,461	915,560
Cash and Cash Equivalents at the End of the Period	3,734,302	2,506,214	1,822,413

APPENDIX

Cash Flow - Consolidated | IFRS

R\$ thousand	9M20	9M19
Operating Activities Cash Flow		
Net Income (Loss) in the Period	(620,959)	108,544
Financial Expenses and Monetary Var. / Net Exchge Var.	1,225,262	318,162
Interest Expenses	244,078	296,539
Depreciation and Amortization	747,414	735,603
Losses/(gains) on sale of property, plant and equipment	(9,620)	(6,100)
Equity in the Results of Subsidiaries/Associated Companies	(100,872)	(132,628)
Impairment of Assets	6,751	-
Difered Income Tax and Social Contribution	(279,616)	(146,169)
Constitution (reversal) of Provisions	580,386	290,601
Actuarial Gains and losses	64,582	64,356
Total	1,857,406	1,528,908
Increase/Decrease of Assets		
Accounts Receivables Customer	(455,238)	12,249
Inventories	234,923	(326,292)
Recovery of Taxes	(128,731)	(159,326)
Judicial Deposits	(10,533)	(48,251)
Accounts Receiv. Eletrobras	311,534	-
Accounts Receiv. Affiliated Companies	1,651	768
Others	(149,096)	(133,803)
Total	(195,490)	(654,655)
Increase / (Decrease) of Liabilities		
Suppliers, contractors and freights	114,867	359,885
Amounts Owed to Affiliated Companies	(14,184)	(12,416)
Customers Advances	57,935	36,767
Tax Payable	417,592	322,285
Securities Payable Forfaiting	313,381	(50,144)
Actuarial Liability payments	(16,772)	(115,942)
Actuarial Liability Received - PB1	393,933	-
Others	76,772	(19,182)
Total	1,343,524	521,253
Cash Generated from Operating Activities	3,005,440	1,395,506
Interest Paid	(330,146)	(340,147)
Income Tax and Social Contribution	(142,703)	(76,468)
Net Cash Generated from Operating Activities	2,532,591	978,891
Investments activities cash flow		
Marketable Securities	(642,053)	(329,001)
Capital increase in subsidiary	-	(9)
Fixed asset acquisition	(537,363)	(315,890)
Fixed asset sale receipt	24,348	9,238
Dividends Received	6,821	4,268
Purchase of Intangible Assets	(16,822)	(13,144)
Net Cash Employed on Investments Activities	(1,165,069)	(644,538)
Financial Activities Cash Flow		
Inflow of Loans, Financing and Debentures	-	2,811,557
Payment of Loans, Financ. & Debent.	(11,116)	(3,121,130)
Swap Operations Liquidations	(153,029)	(5,507)
Dividends and Interest on Capital	(59,423)	(222,882)
Net Cash Generated from (Employed on) Financial Activities	(223,568)	(537,962)
Exchange Variation on Cash and Cash Equivalents	27,154	3,672
Net Increase (Decrease) of Cash and Cash Equivalents	1,171,108	(199,937)
Cash and Cash Equivalents at the Beginning of the Period	1,252,966	1,106,790
Cash and Cash Equivalents at the End of The Period	2,424,074	906,853
RECONCILIATION WITH BALANCE SHEET		
Cash and cash equivalents at the beginning of the period	1,252,966	1,106,790
Marketable securities at the beginning of the period	668,175	586,559
Cash and cash equivalents at the beginning of the period	1,921,141	1,693,349
Net increase (decrease) of cash and cash equivalentes	1,171,108	(199,937)
Net increase (decrease) of marketable securities	642,053	329,001
Cash and cash equivalents at the end of the period	2,424,074	906,853
Marketable securities at the end of the period	1,310,228	915,560
Cash and cash equivalents at the end of the period	3,734,302	1,822,413