

# Results 4Q23/2023

**Webcast**

**Institutional Presentation**

# SUMMARY

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<u>INSTITUTIONAL PRESENTATION.....</u>	<u>15</u>



# 2023 and 4Q23 Results Presentation

Note: the annual and quarterly results of the Steel Transformation Business Unit are fully allocated to the results of the Steel Unit.

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# Highlights - 2023



Record annual iron ore sales of 9.1 million tons;



Steel sales of 4 million tons, impacted by high imports;



Adjusted EBITDA of R\$1.8 billion and Net Profit of R\$1.6 billion;



Investment of R\$3.0 billion, the largest since 2010;



Leverage of -0.05x Net debt/ EBITDA;



Dividend Proposal: R\$330 million;



BF#3 – ramp-up;



Included on B3's ISE (Corporate Sustainability Index).



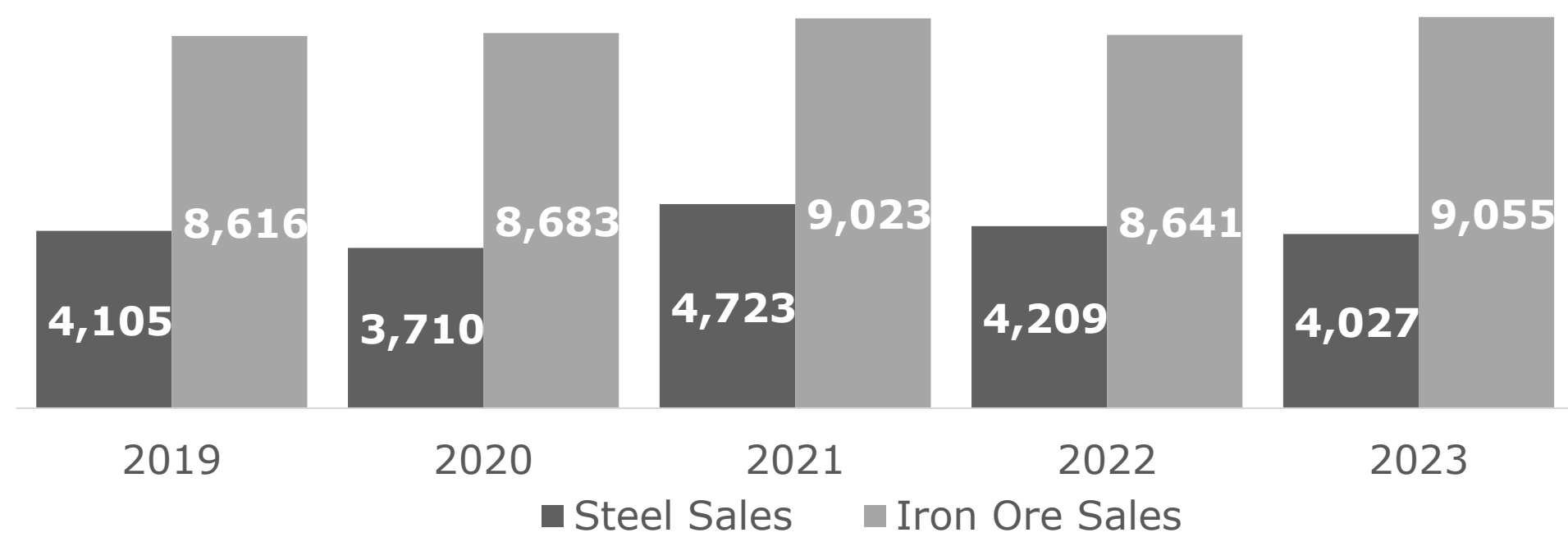


# 2023 Results

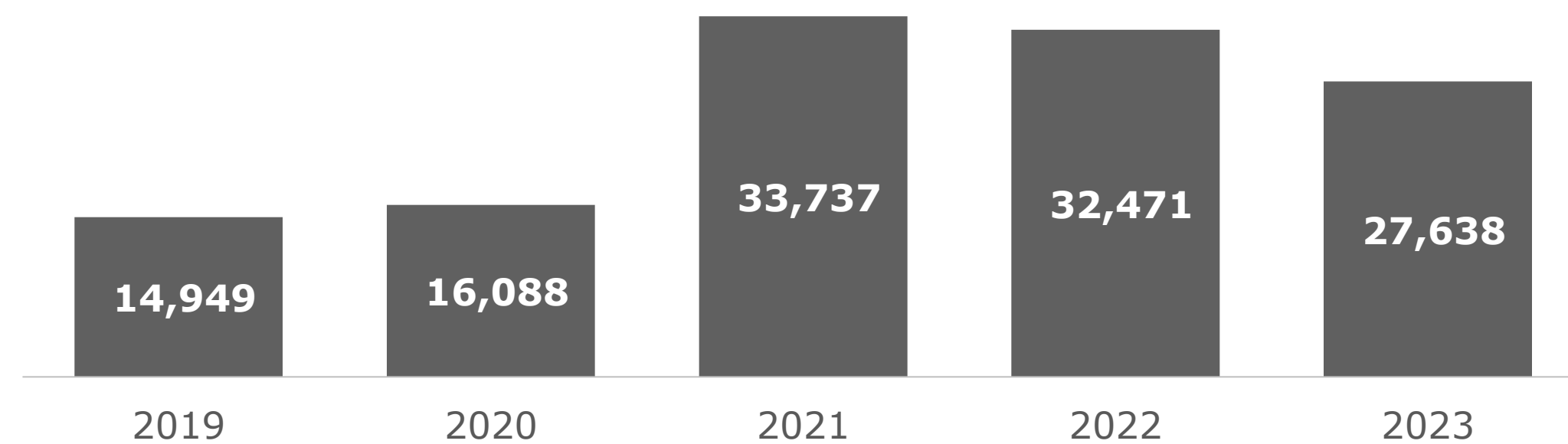
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# 2023 Results - Consolidated

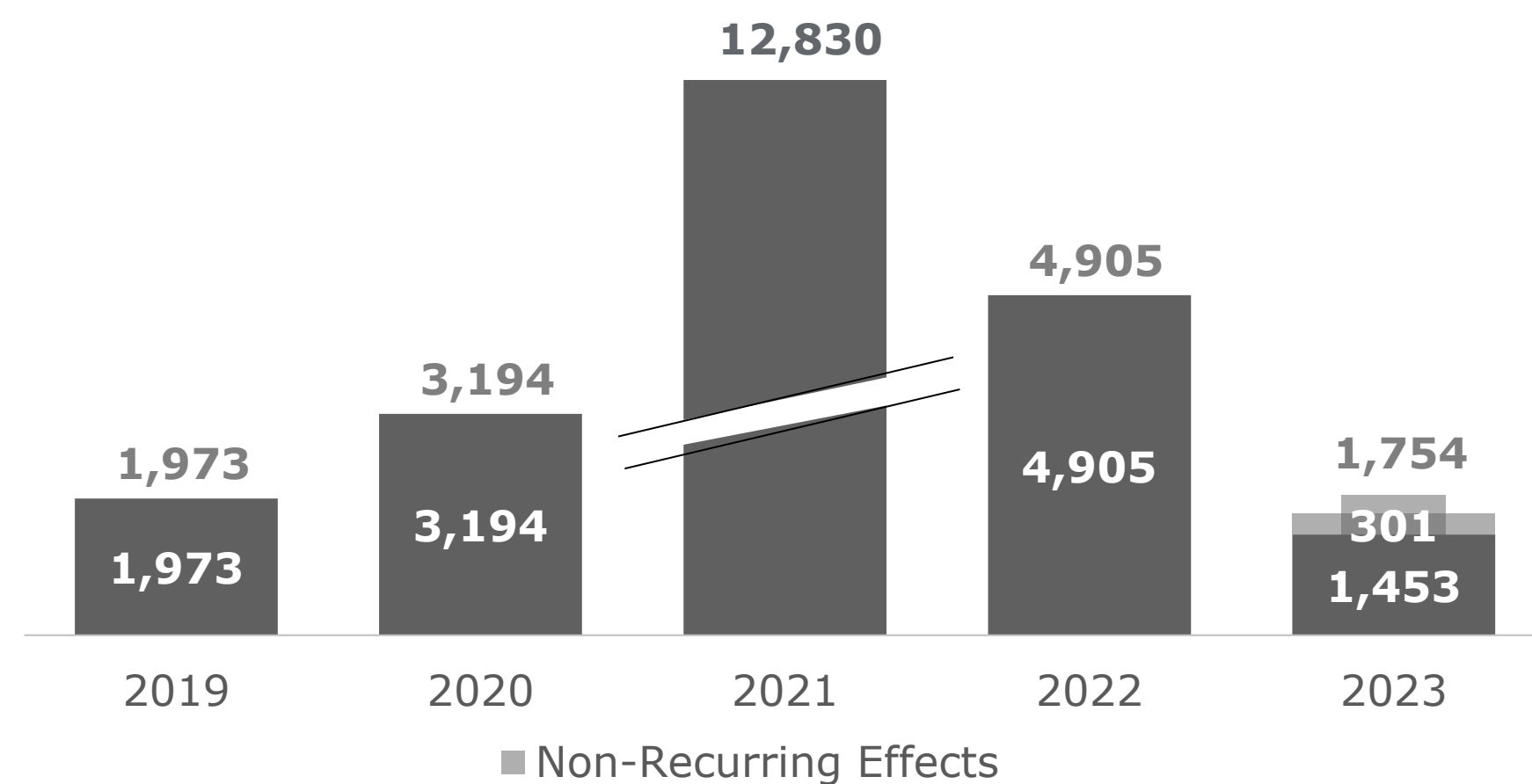
## Steel and Iron Ore Sales – Thousand Tons



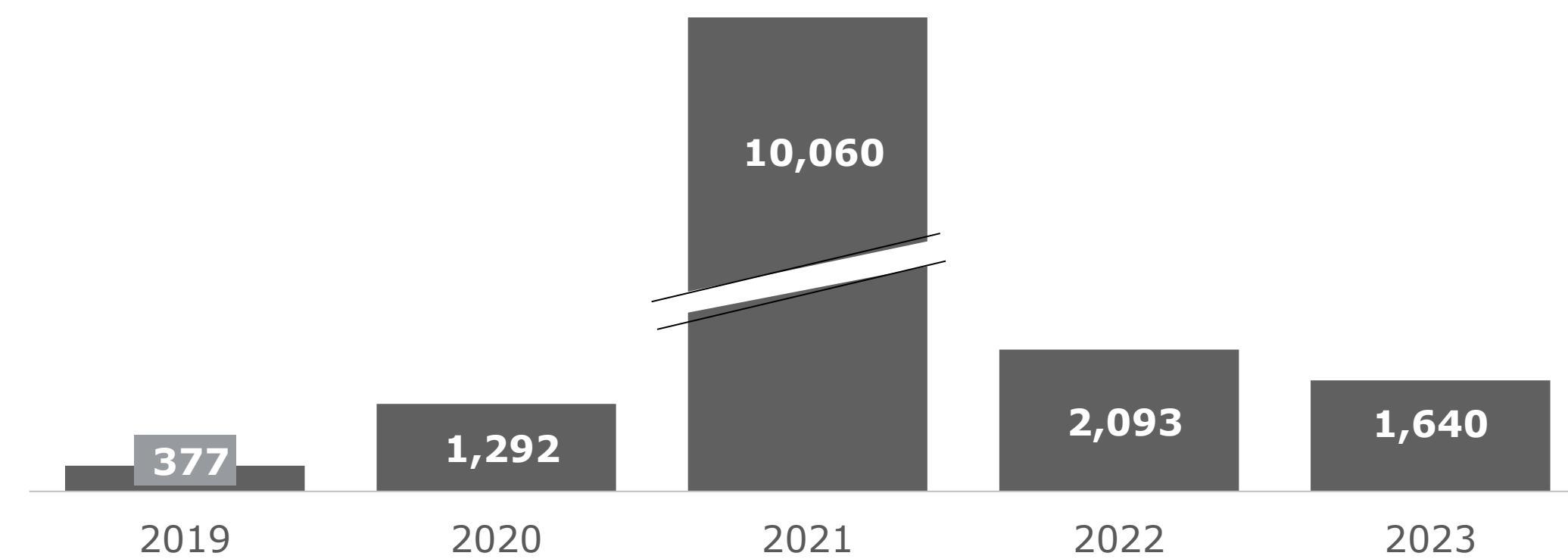
## Net Revenue - R\$ Million



## Consolidated Adjusted EBITDA – R\$ Million



## Consolidated Net Income- R\$ Million



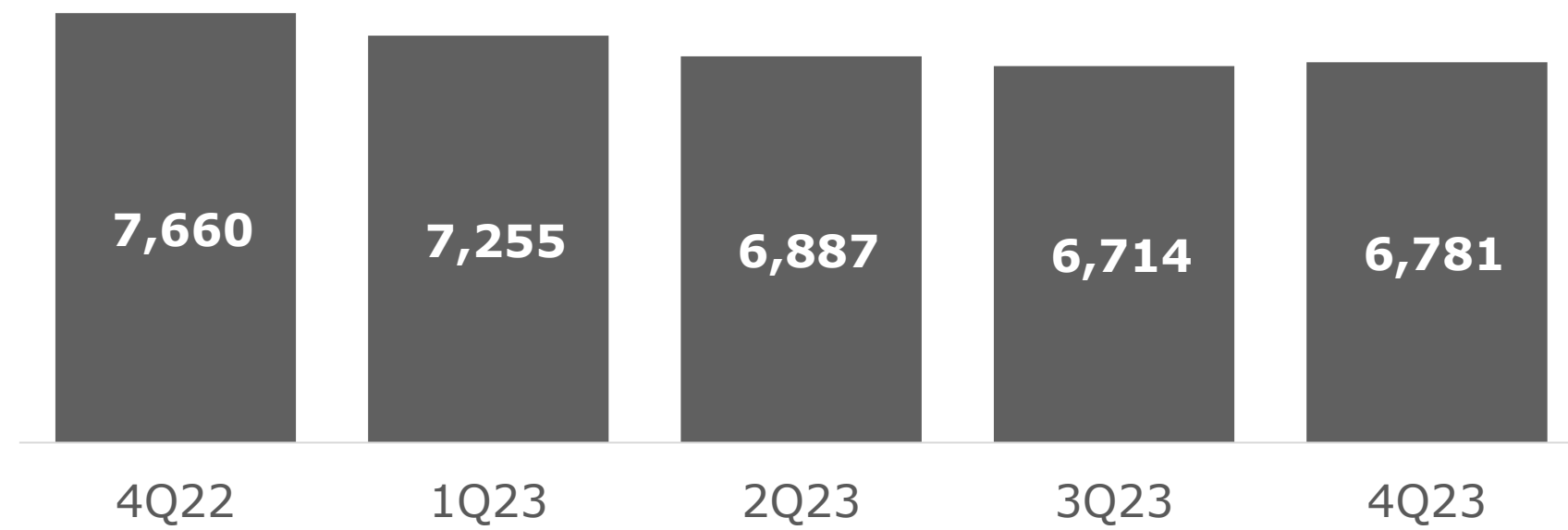


# 4Q23 Results

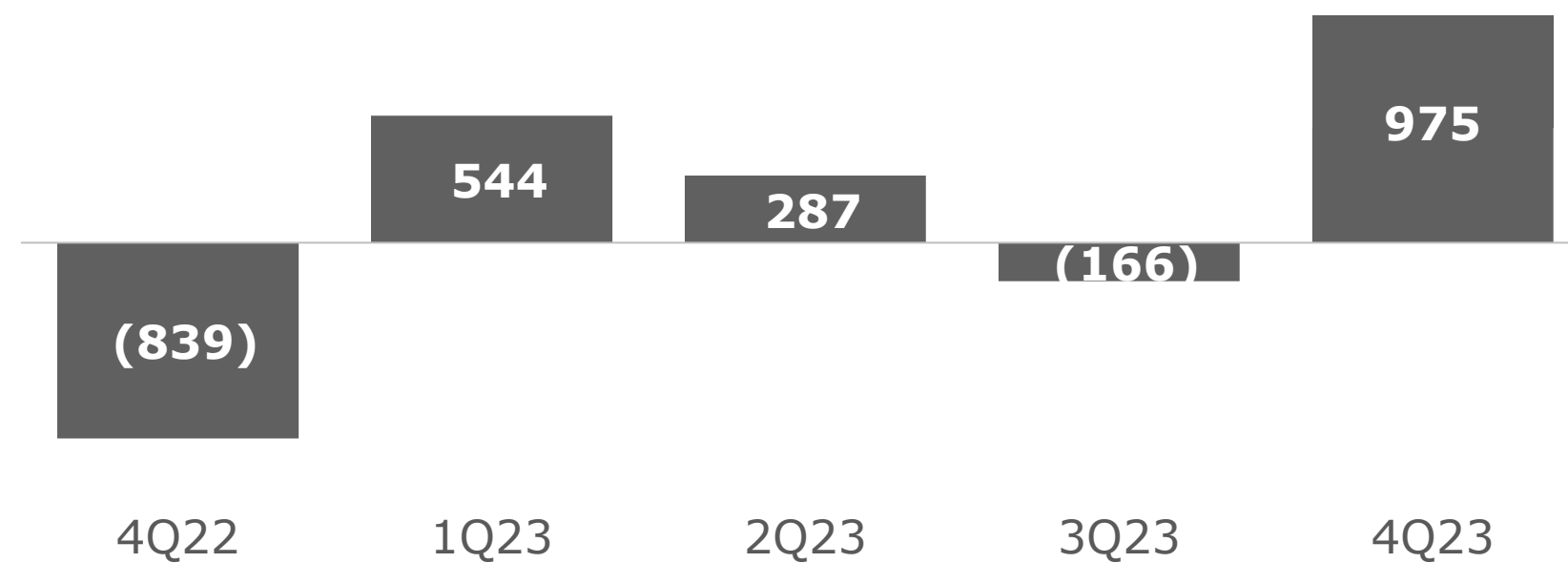
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# 4Q23 Results - Consolidated

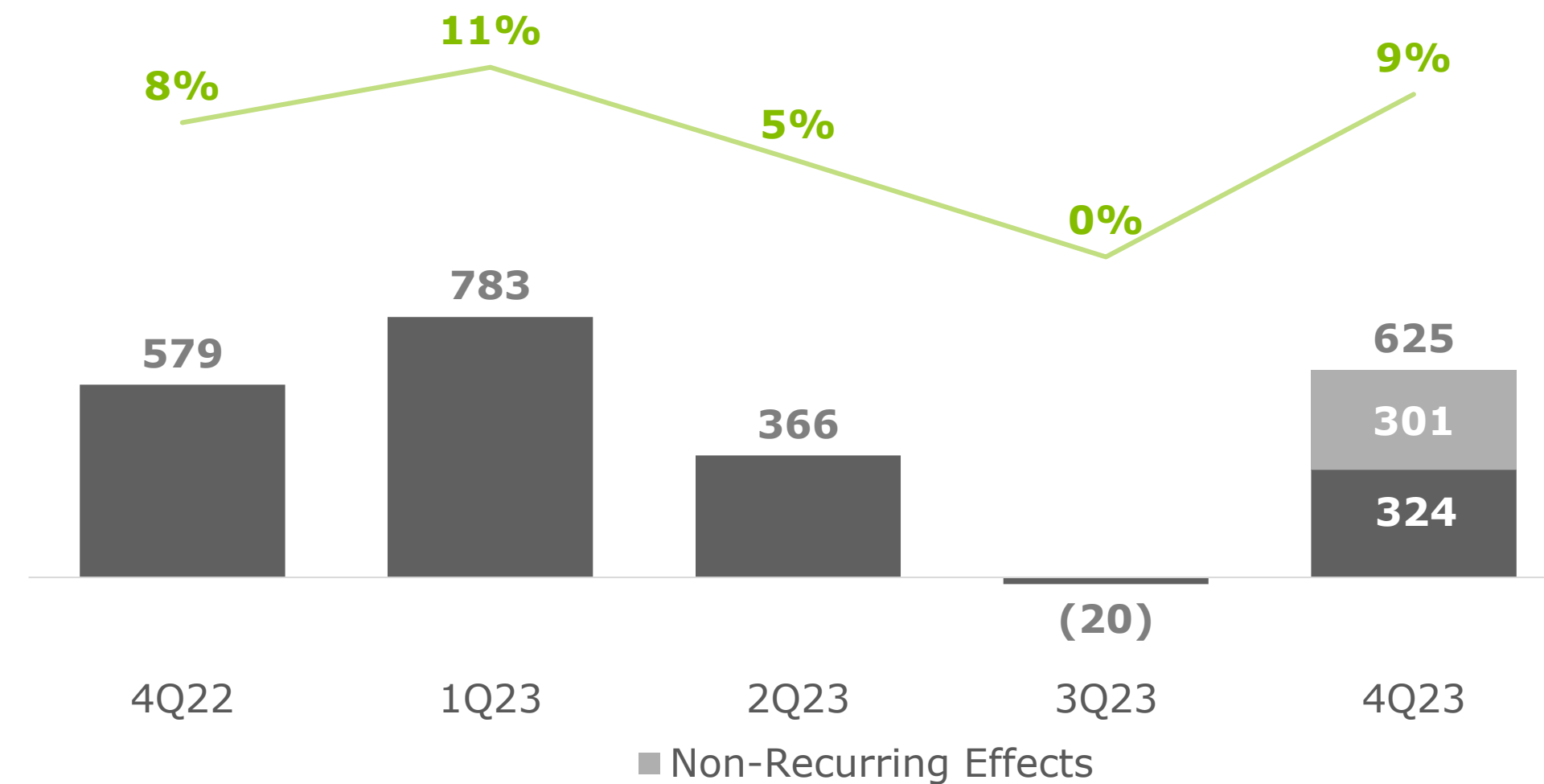
Net Revenue – R\$Million



Net Profit - R\$ Million



Ajusted EBITDA – R\$ Million

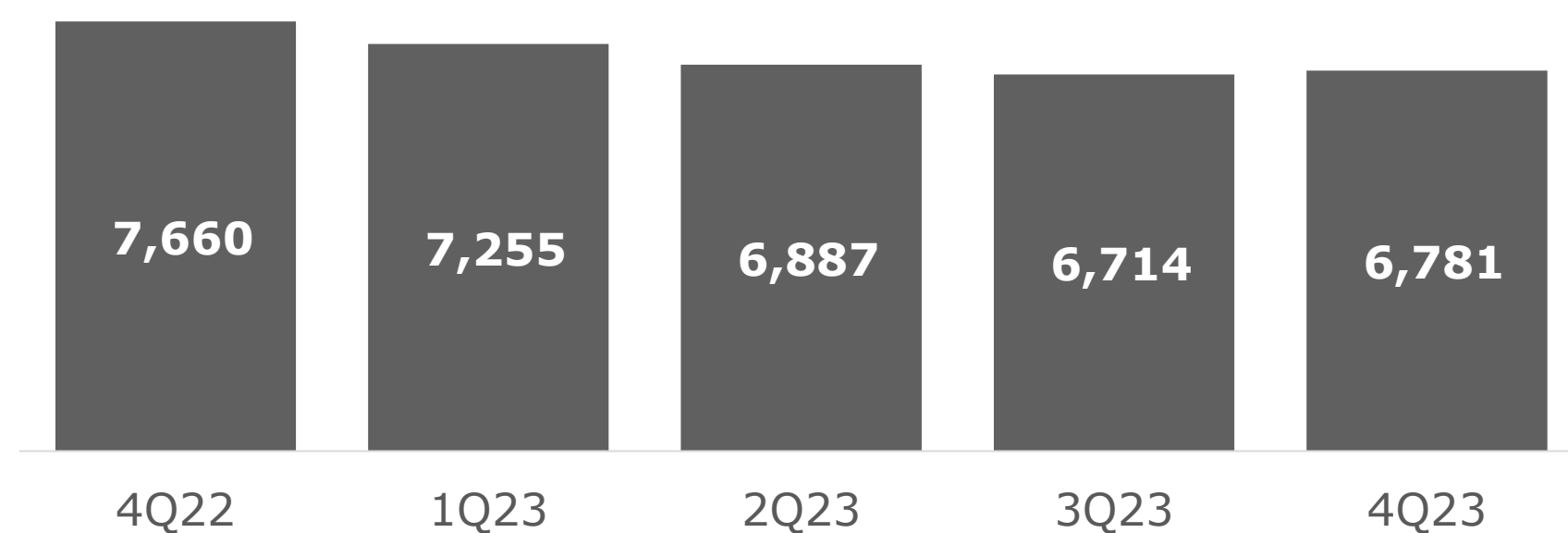


- Stable Net Revenue, with an increase in Mining Unit offset by a reduction in Steel Unit;
- EBITDA grew in both business units, with non-recurring accounting effects;
- Net income impacted by greater recoverability of accumulated tax losses (+R\$ 495 million).

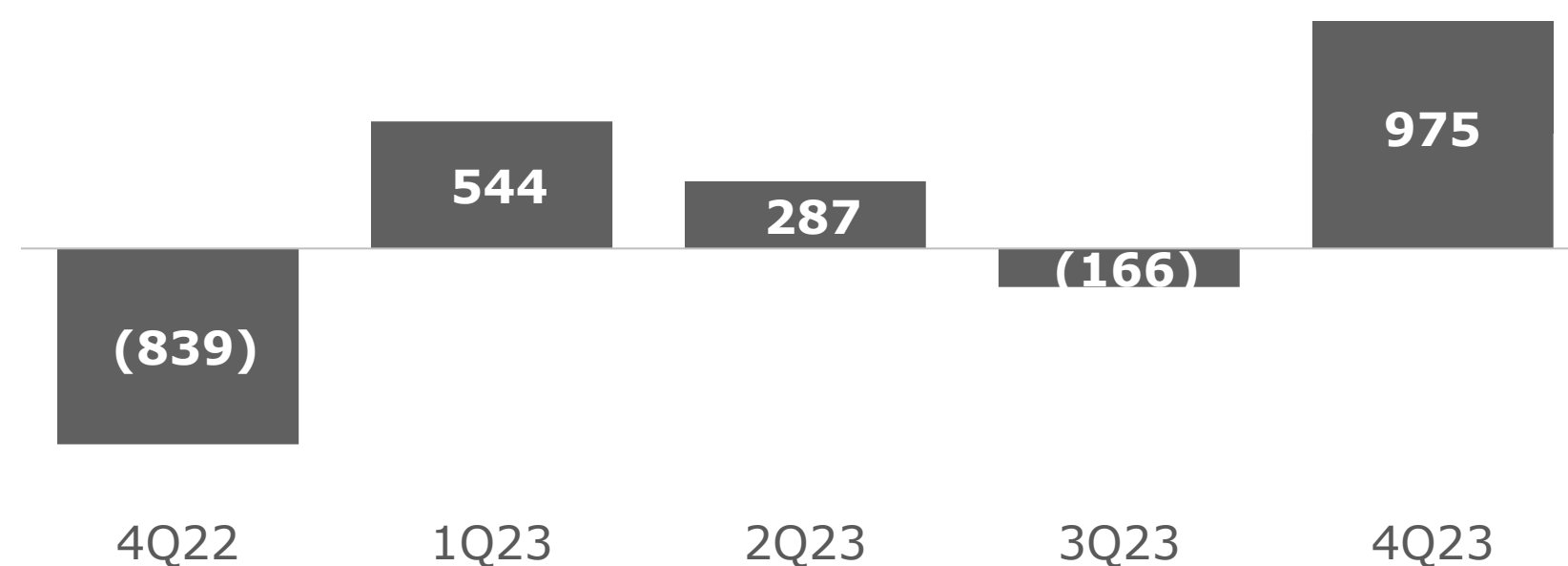


# 4Q23 Results - Consolidated

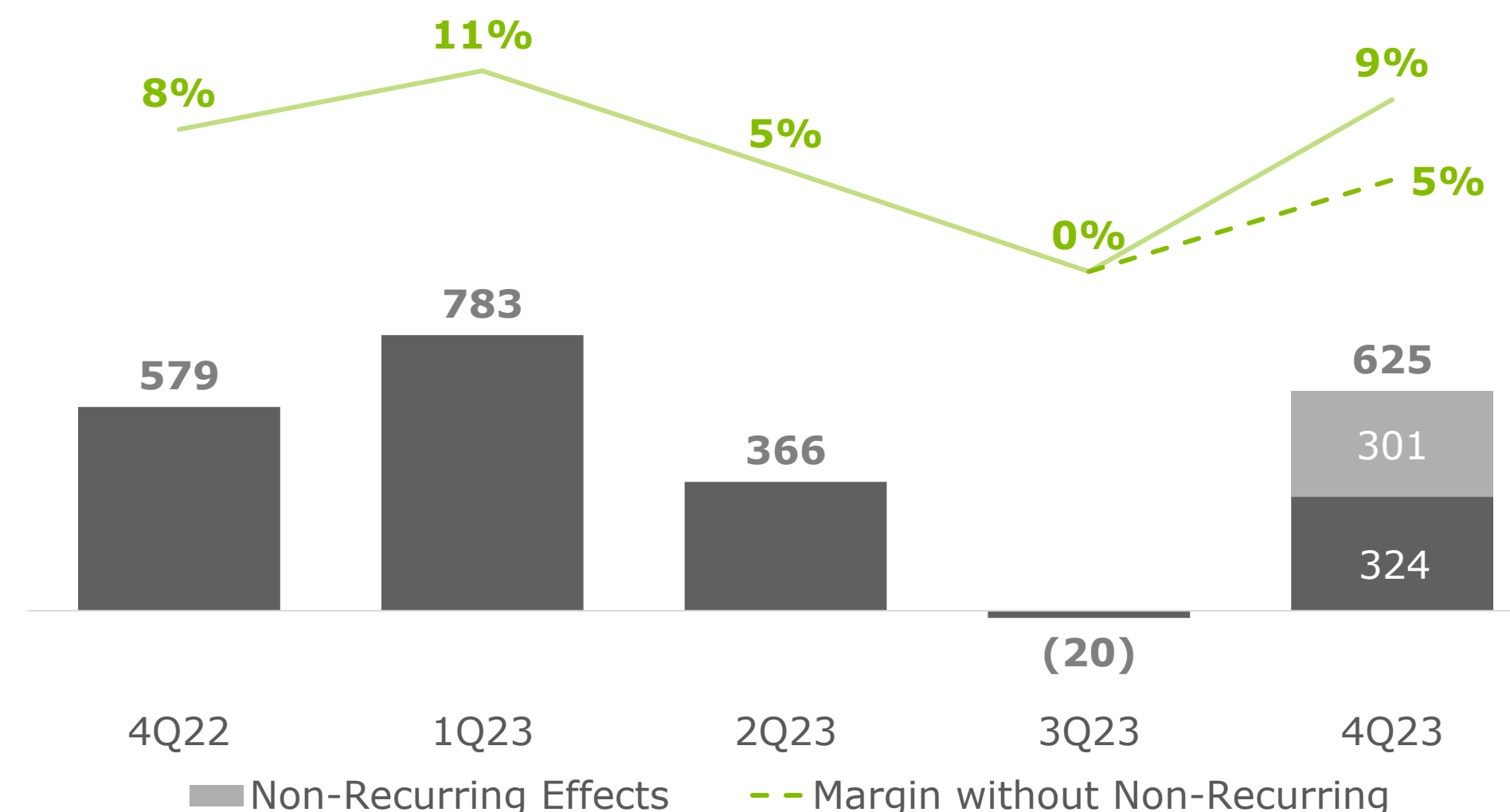
## Net Revenue – R\$Million



## Net Profit - R\$ Million



## Ajusted EBITDA – R\$ Million

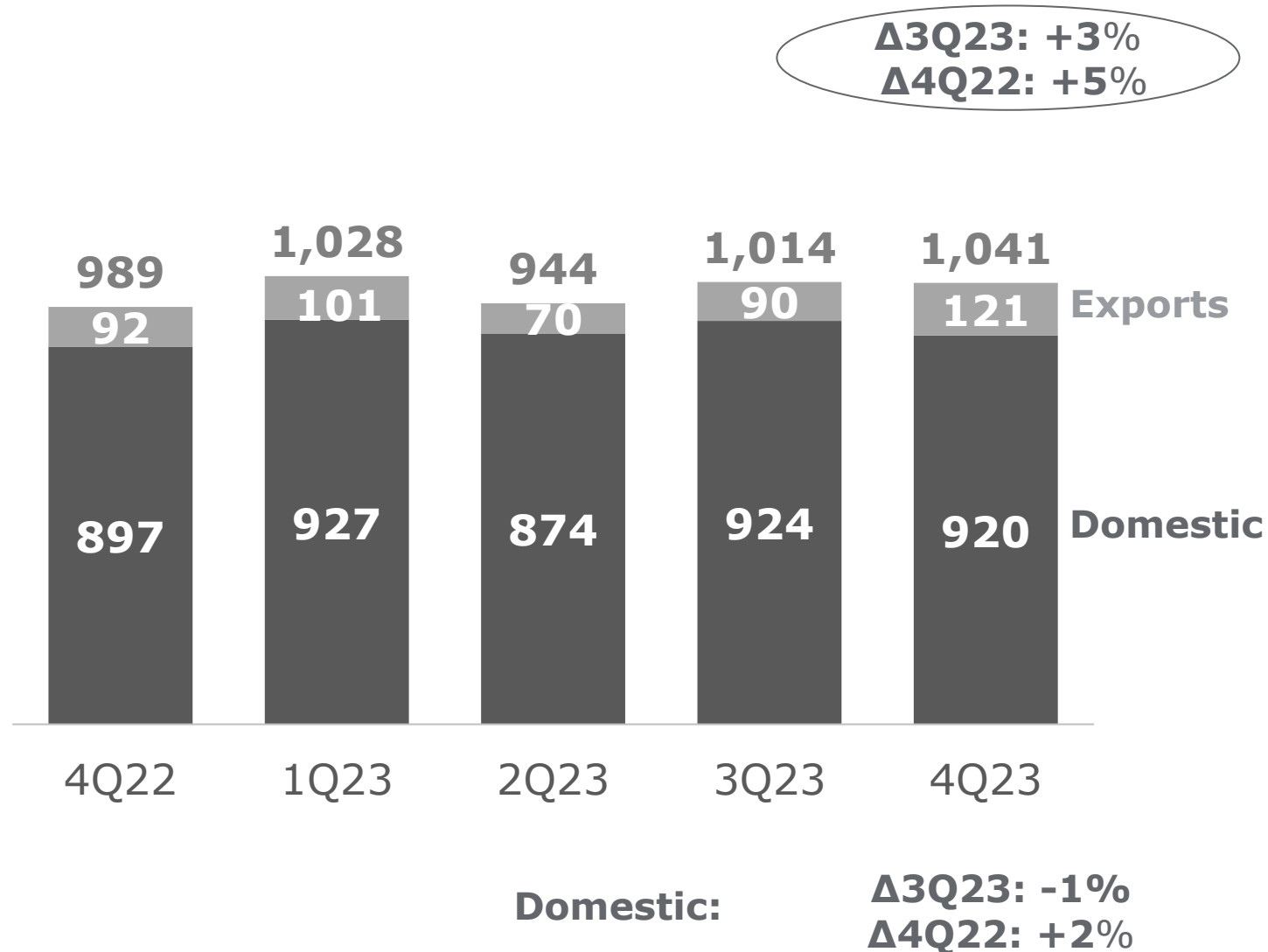


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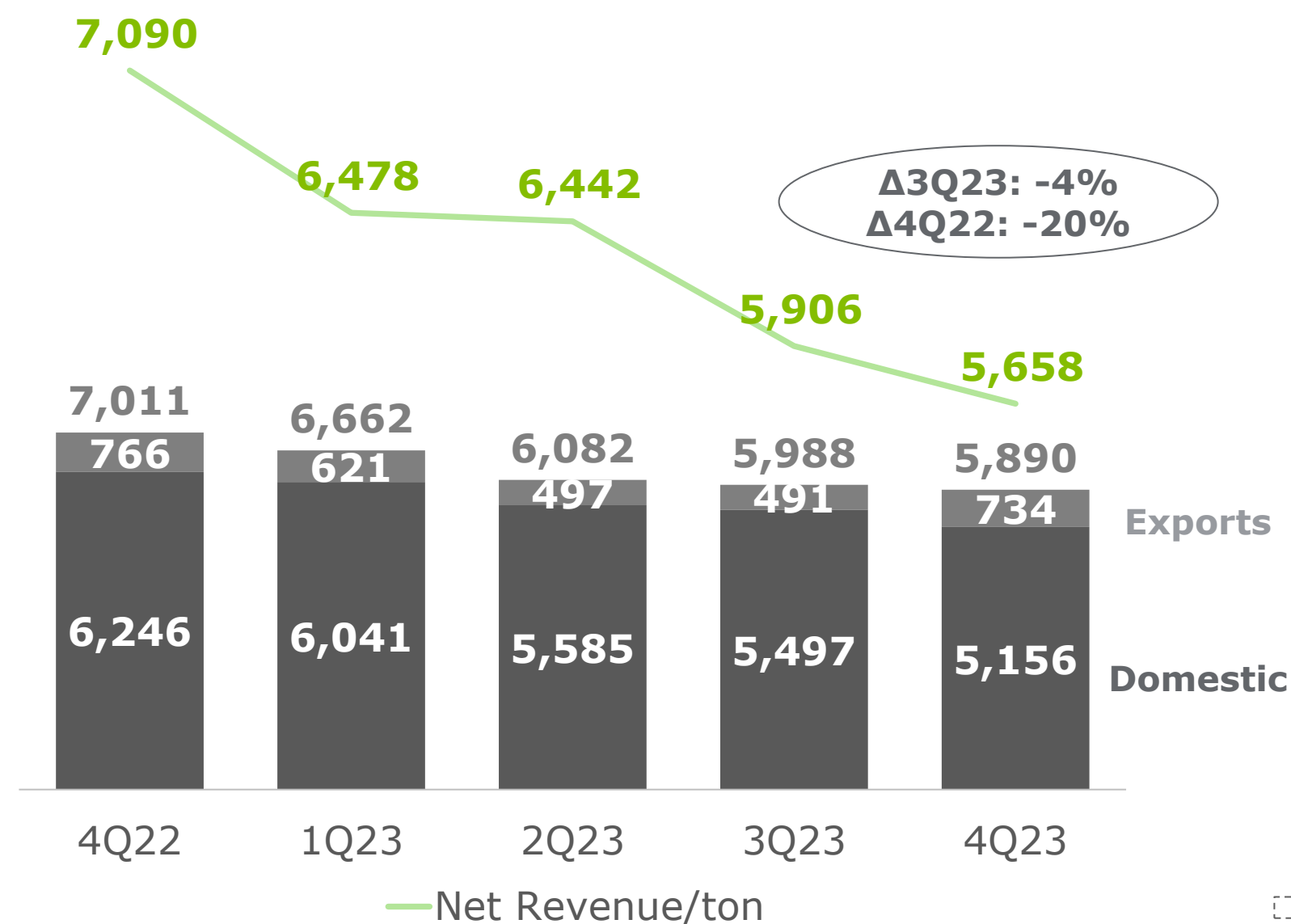
# 4Q23 Results – Steel Unit

- Increase in sales volume, with growth in the exports;
- Drop in Net Revenue/t, with lower prices in domestic market being partially offset by the better mix in exports;
- EBITDA of R\$267 million, including non-recurring effects of R\$309 million.

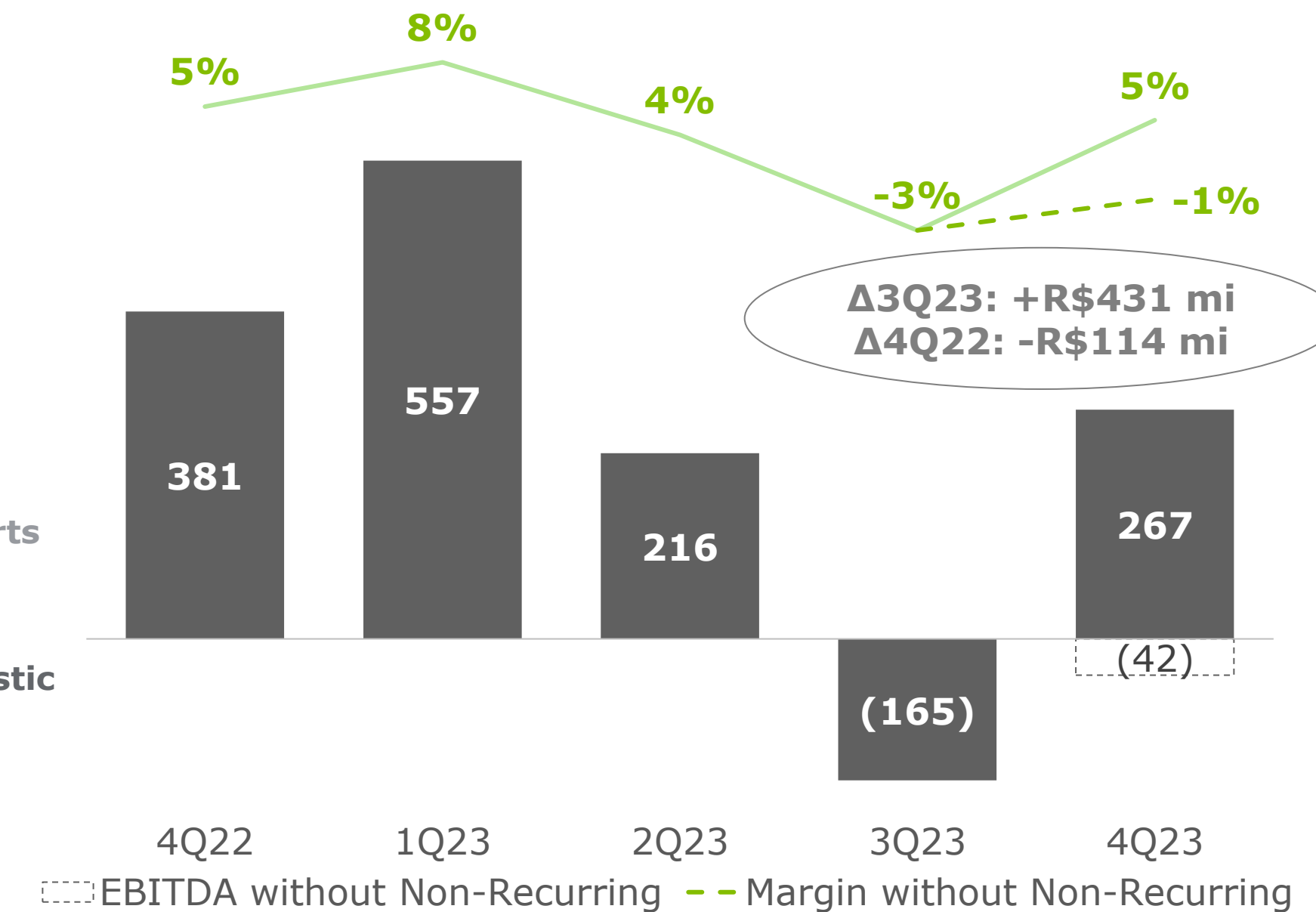
## Steel Sales – Thousand tons



## Net Revenue (R\$ million) and per ton



## Adjusted EBITDA (R\$ million)

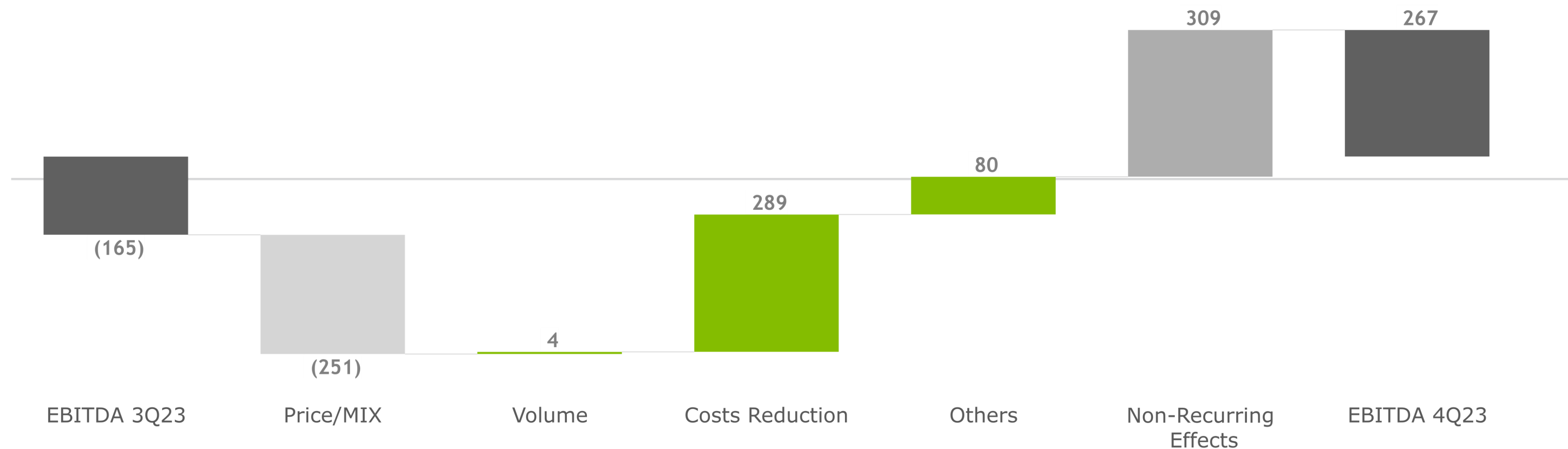


Non-recurring effects in 4Q23: R\$309 million  
 Provision reversal: +R\$532 million  
 Provisions for low inventory turnover: -R\$ 223 mi

# 4Q23 Results – Steel Unit

- The highlight was COGS, with a reduction in costs of R\$289 million, offset by non-recurring effects of R\$223 million and other costs of R\$67 million.

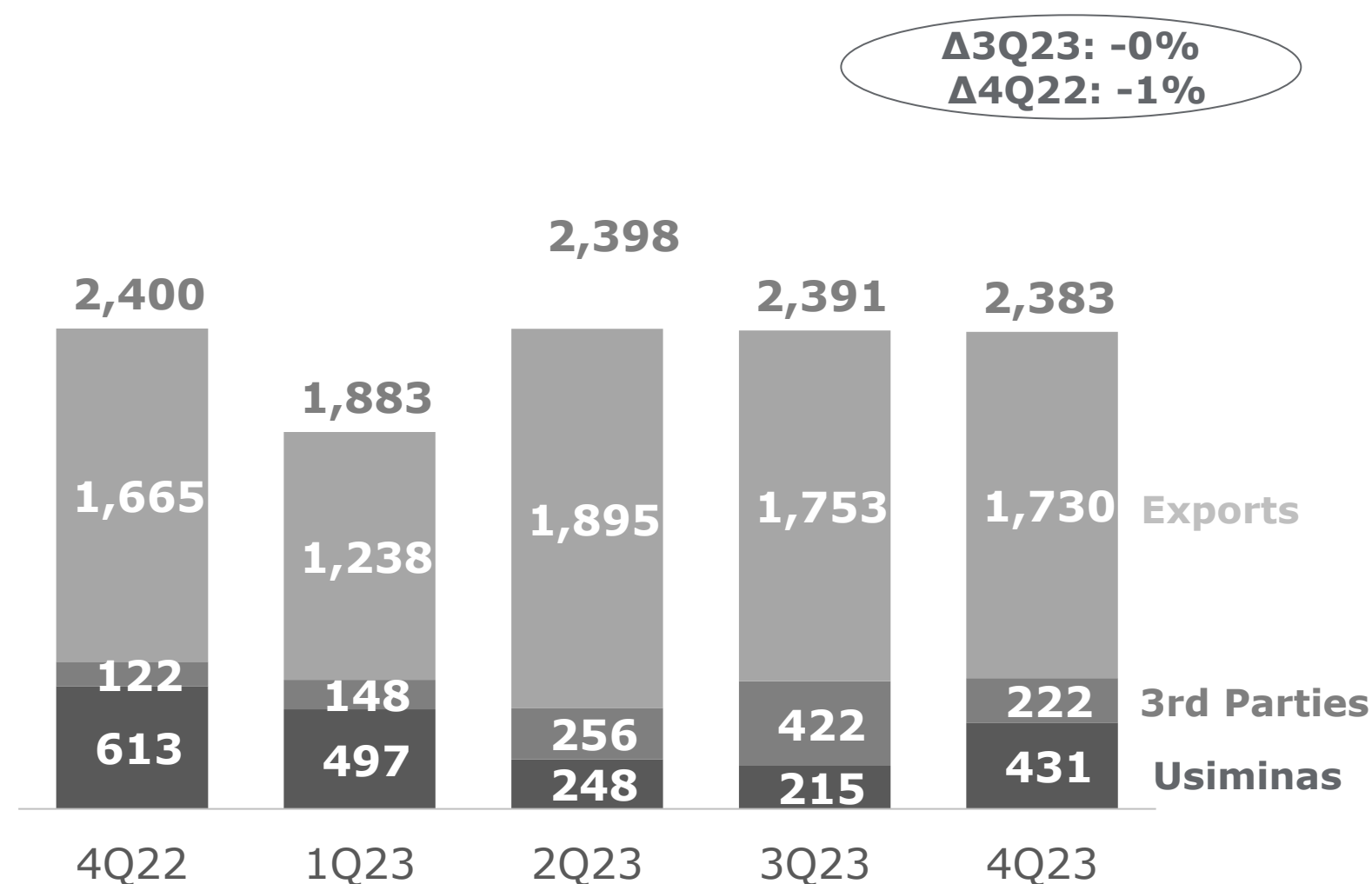
Quarterly variation in EBITDA (R\$ million)



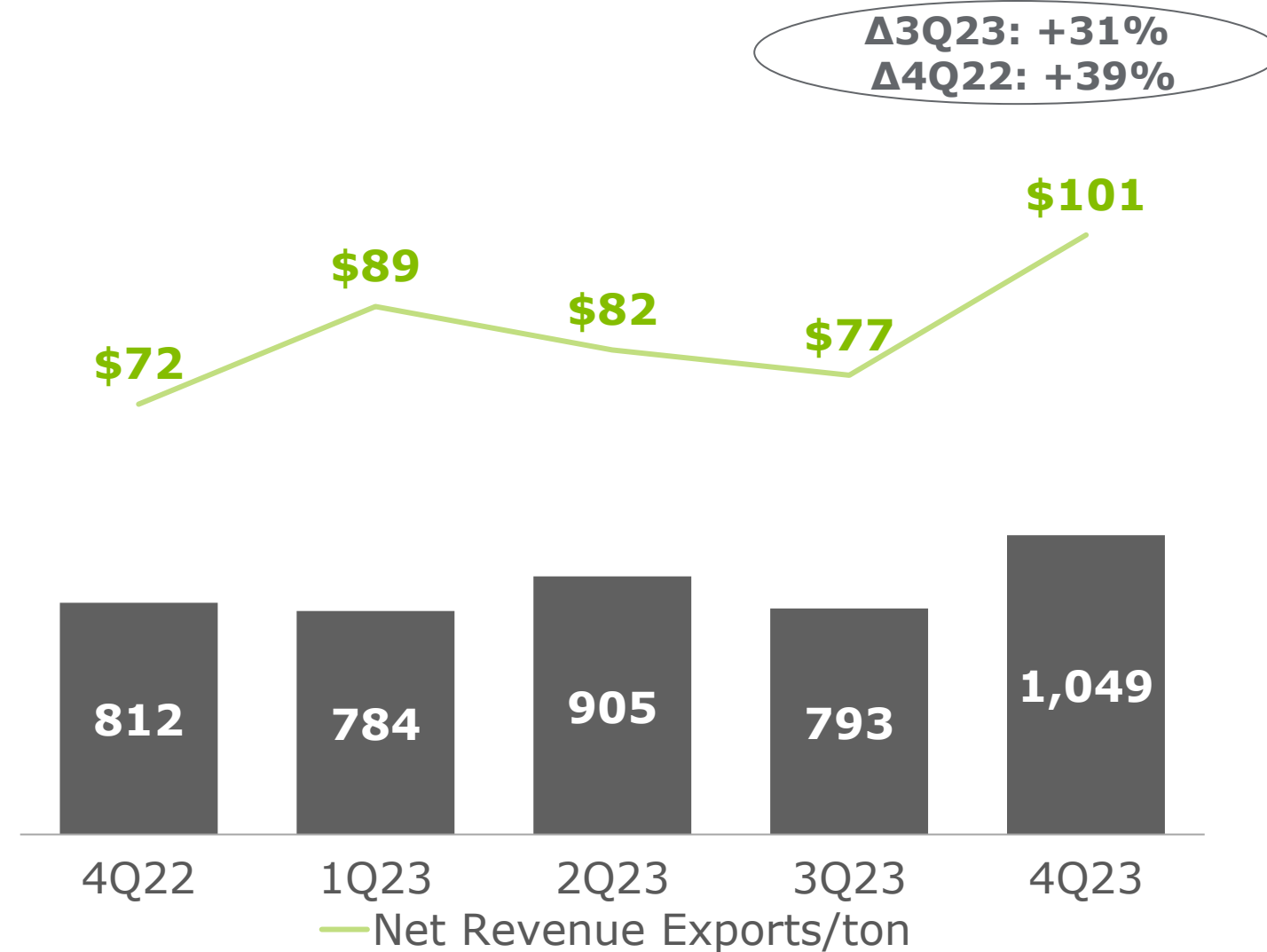
# 4Q23 Results – Mineração Usiminas

- Sales volume stable compared to 3Q23 and 4Q22;
- Growth in Net Revenue/ton mainly due to higher iron ore prices.

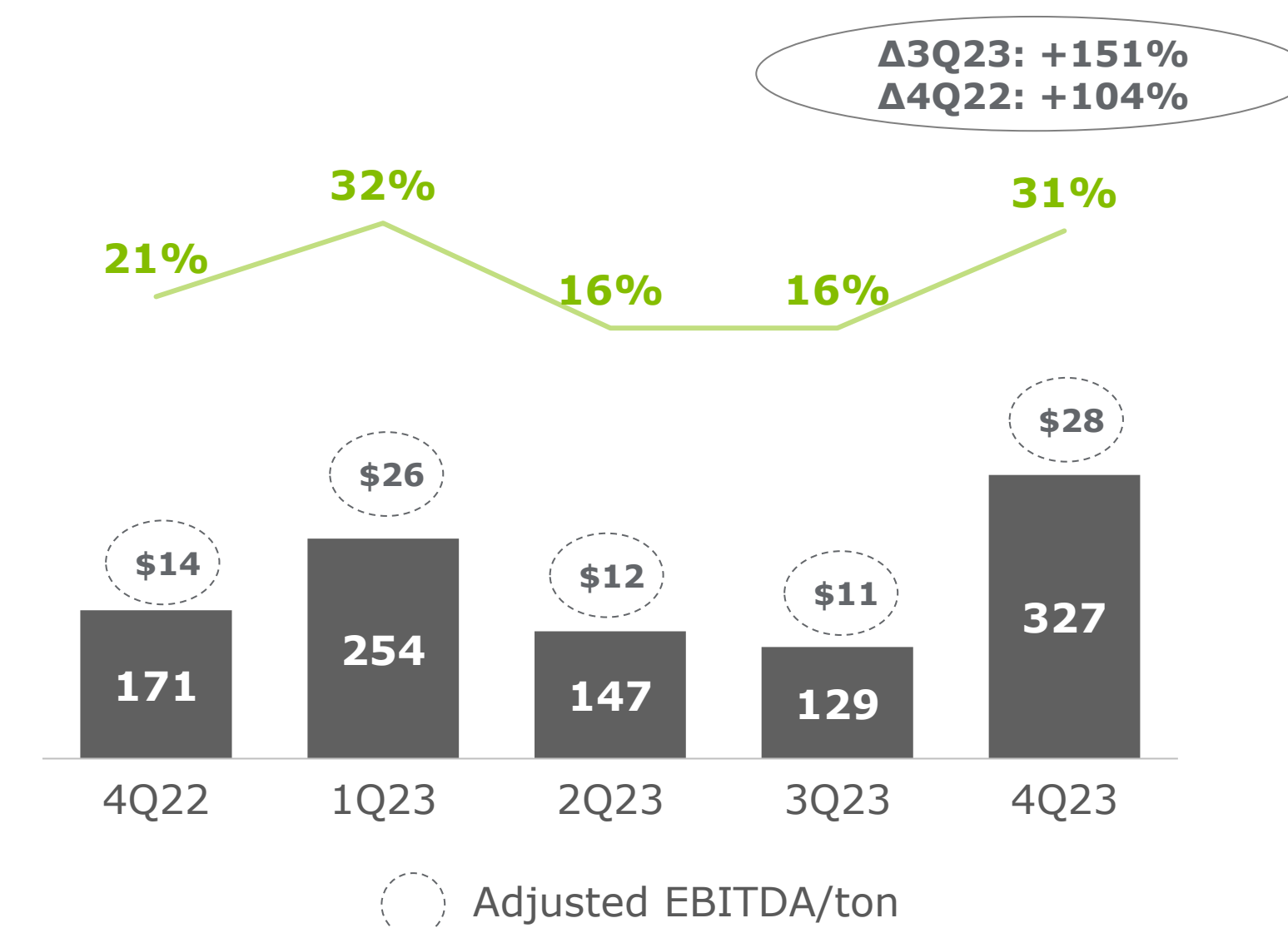
**Iron Ore Sales – Thousand Tons**



**Total Net Revenue (R\$ million) and per ton for Exports (US\$/ton)**



**Adjusted EBITDA (R\$ million and US\$/ton)**





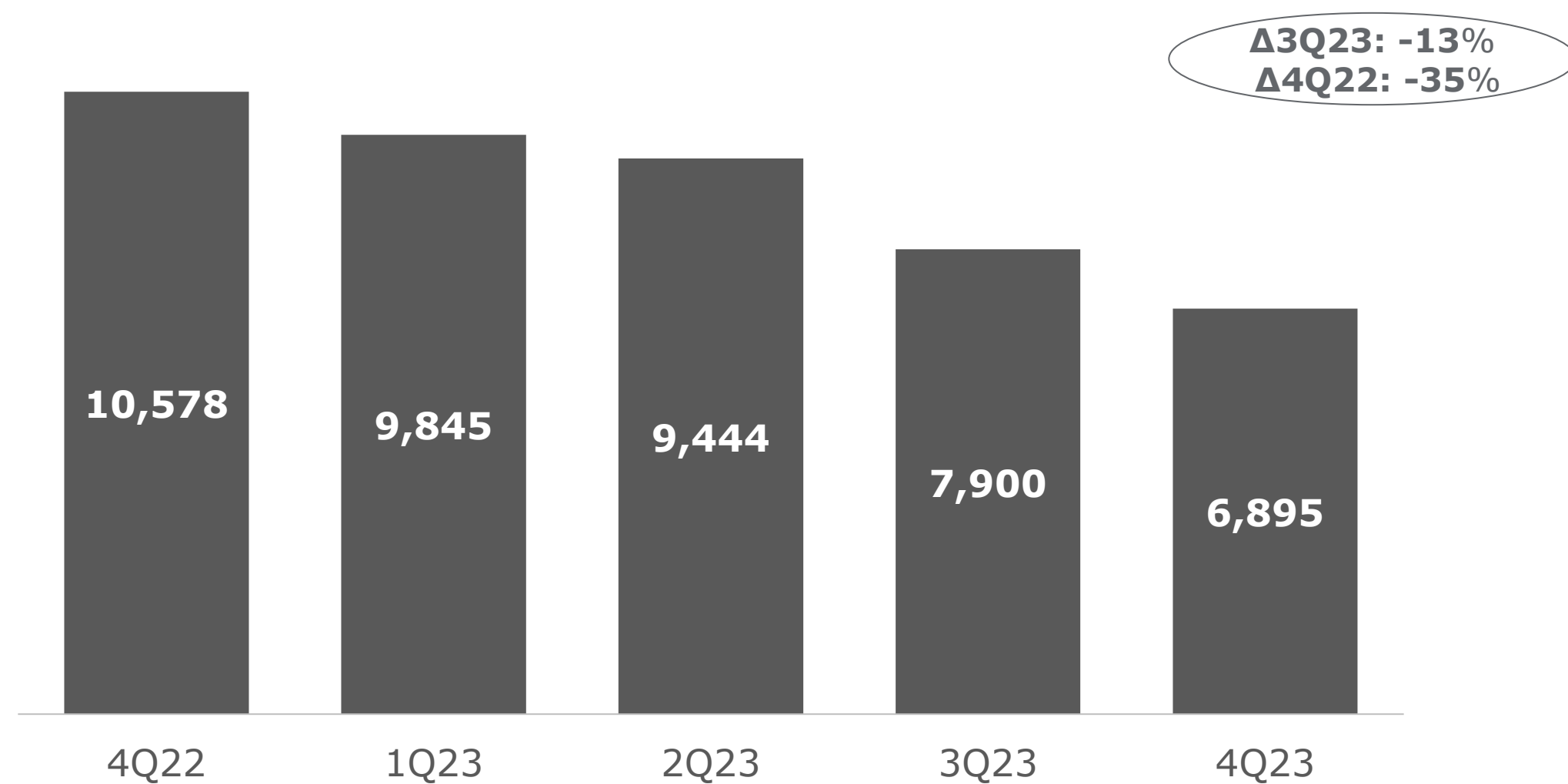
# Financial Indicators

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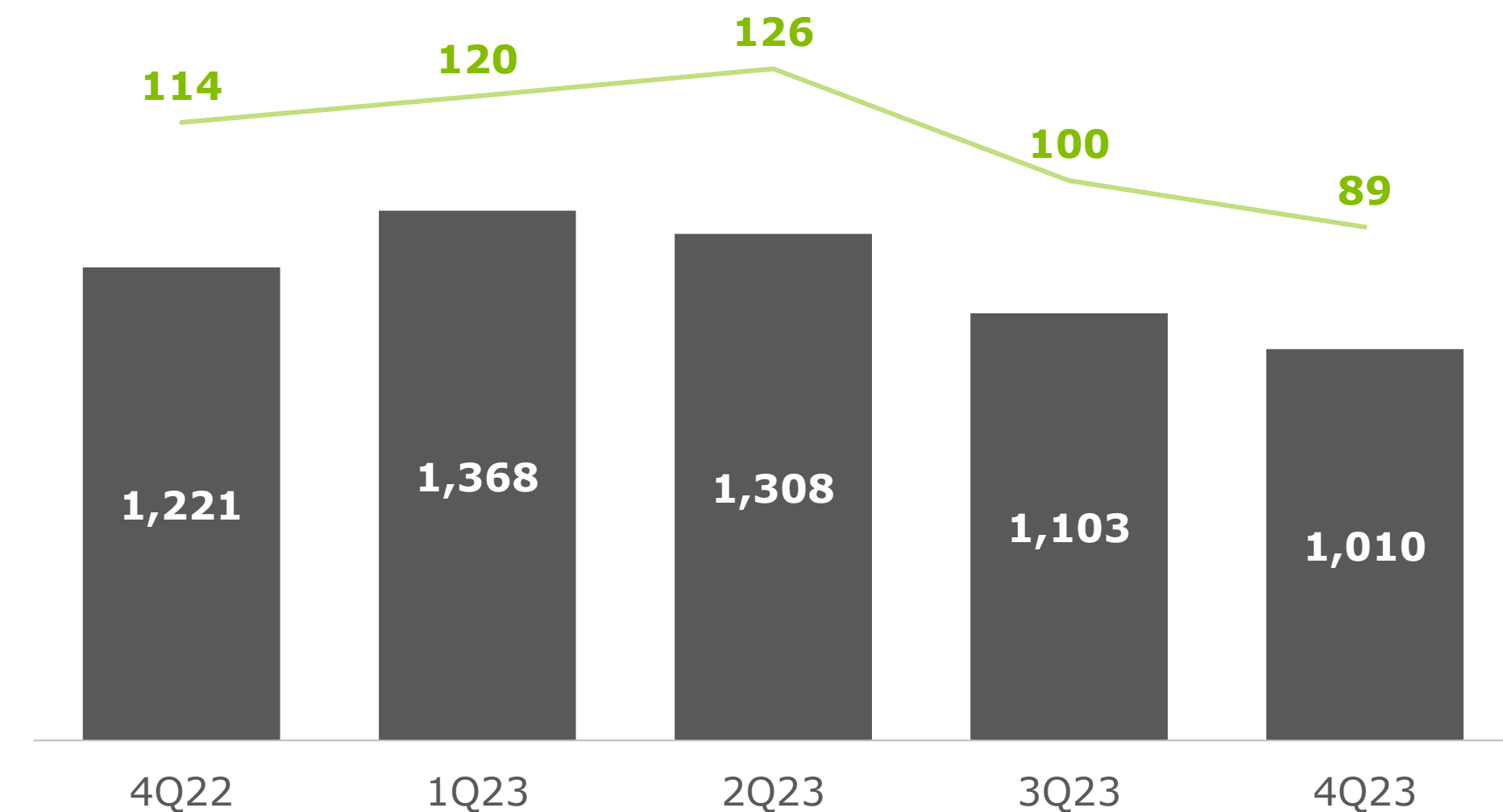
# Working Capital And Inventories

- A R\$1.0 billion drop in working capital in 4Q23, mainly due to R\$443 million in slabs, R\$369 million in other raw materials and R\$298 million due to accounting effects.
- A R\$3.7 billion drop in working capital in 2023, mainly due to a R\$2.5 billion reduction in inventories.
- Normalization of slabs inventories with the return of BF#3.

**Consolidated Working Capital  
(R\$ Million)**

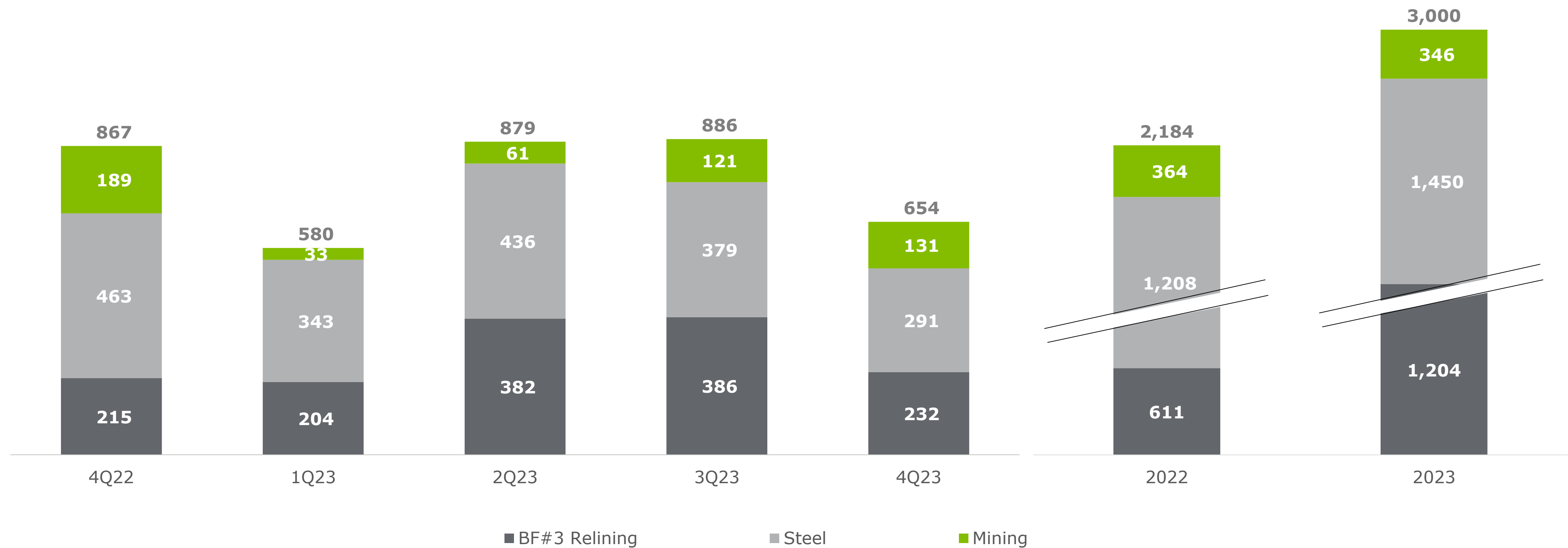


**Steel Inventories - Thousand Tons**



# CAPEX

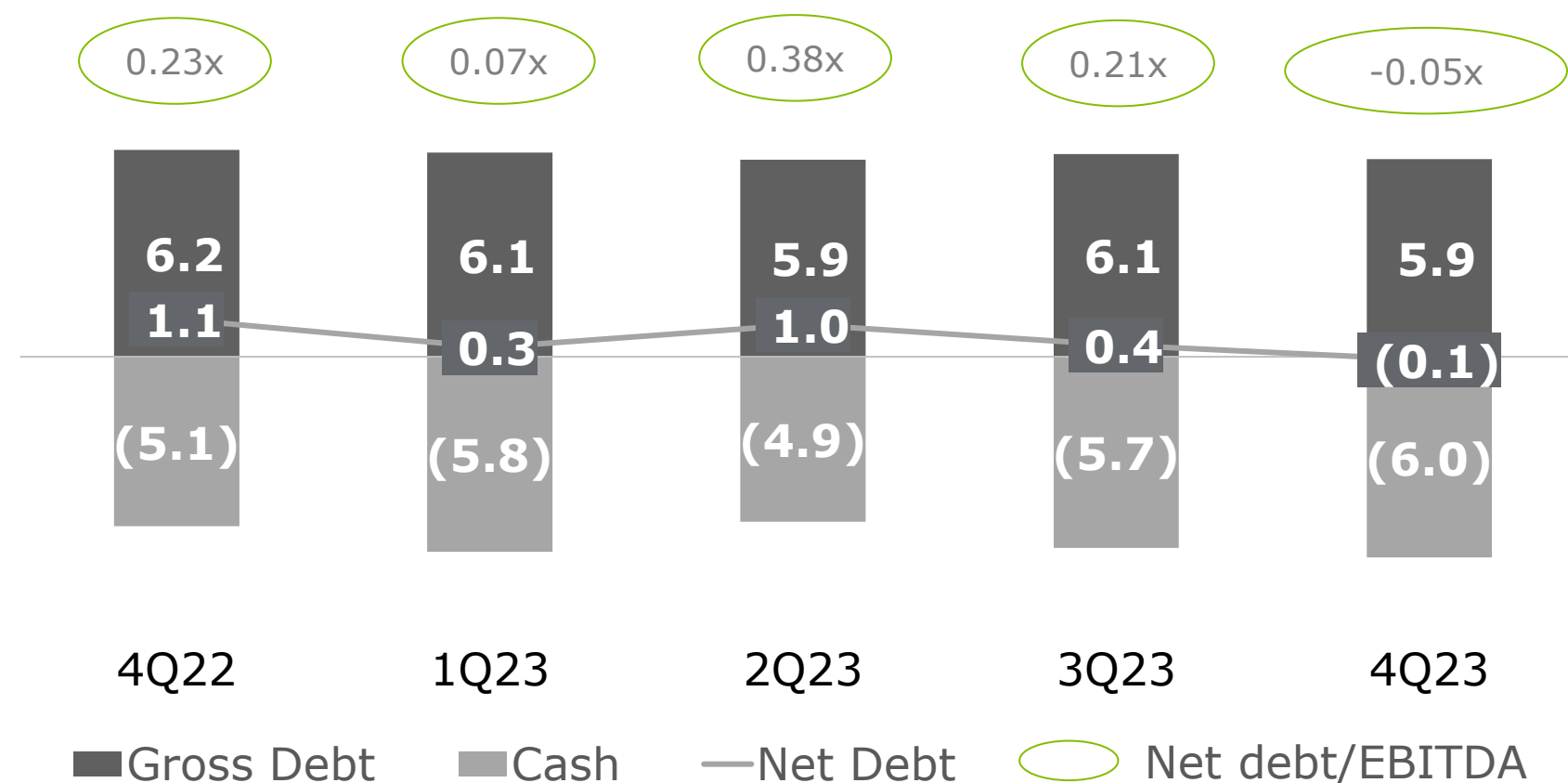
- R\$654 million in 4Q23;
- R\$3.0 billion in 2023, the highest amount since 2010;
- Revamp of BF#3 with investment of R\$232 million in 4Q23, and R\$1.2 billion in 2023.



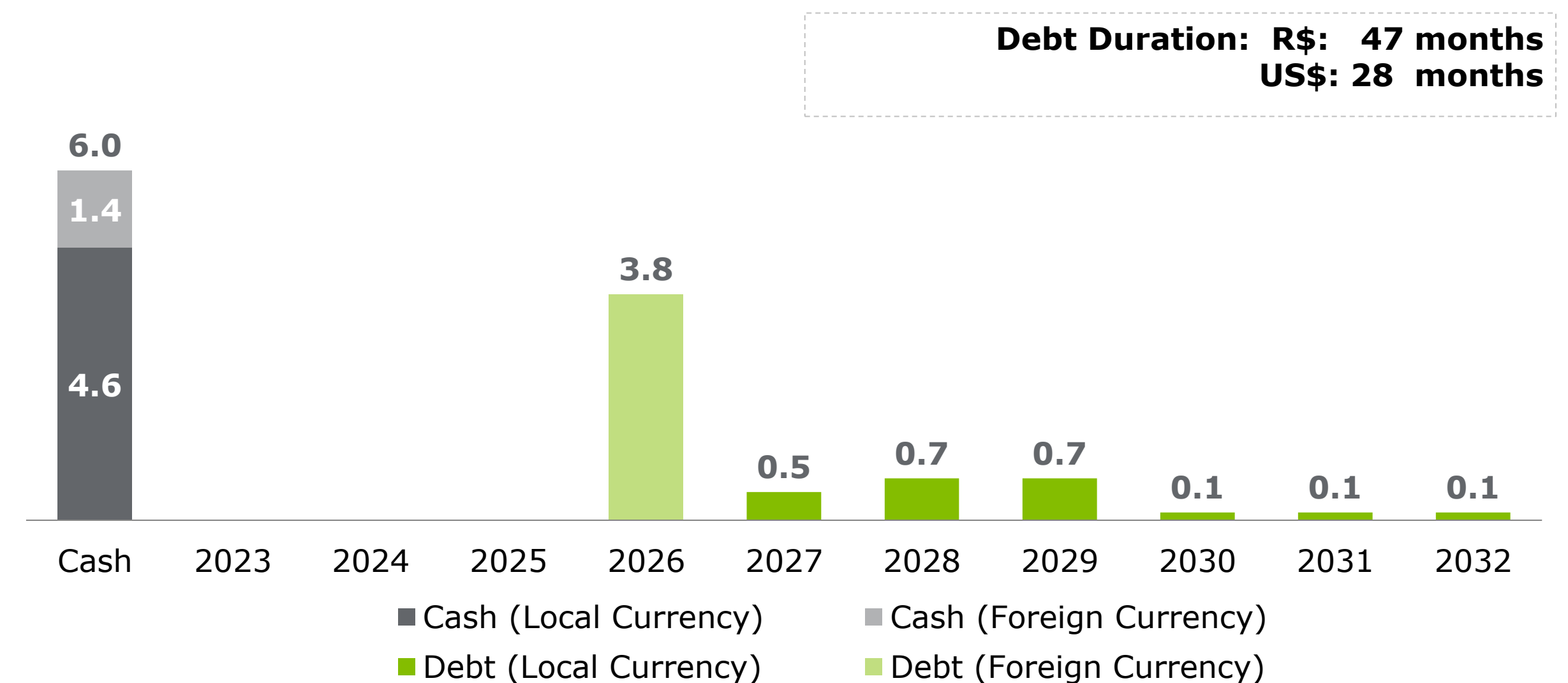
# Cash, Net Debt And Amortization Profile

- Cash of R\$6.0 billion, higher than gross debt by R\$89 million in 4Q23;
- Reduction in Net Debt of R\$442 million in the quarter and R\$1.2 billion in the year.

**Cash, Gross Debt, Net Debt (R\$ billion) and Net Leverage**



**Gross Debt Amortization Profile – Principal Only (R\$ billion)**







# 4Q23 Institutional Presentation

USIMINAS

# OUR AGENDA

**1** The Usiminas

**2** Usiminas Management Pillars

People

Customers

Results

**3** Governance and Highlights

**4** Appendix

**USIMINAS**

# The Usiminas

## Overview

- ✓ One of the biggest producers of flat steel in Brazil.
- ✓ Present in six states, covering the entire steel chain
- ✓ Mining and logistics, capital goods, service and distribution centers and customized solutions.
- ✓ Two steel mills strategically located along Brazil's main industrial axis.
- ✓ Sales units present in the main regions of the country.
  - ✓ Founder of the longest-running environmental education project in the private sector since 1984.
- ✓ First Brazilian steel company certified by ISO 9001.

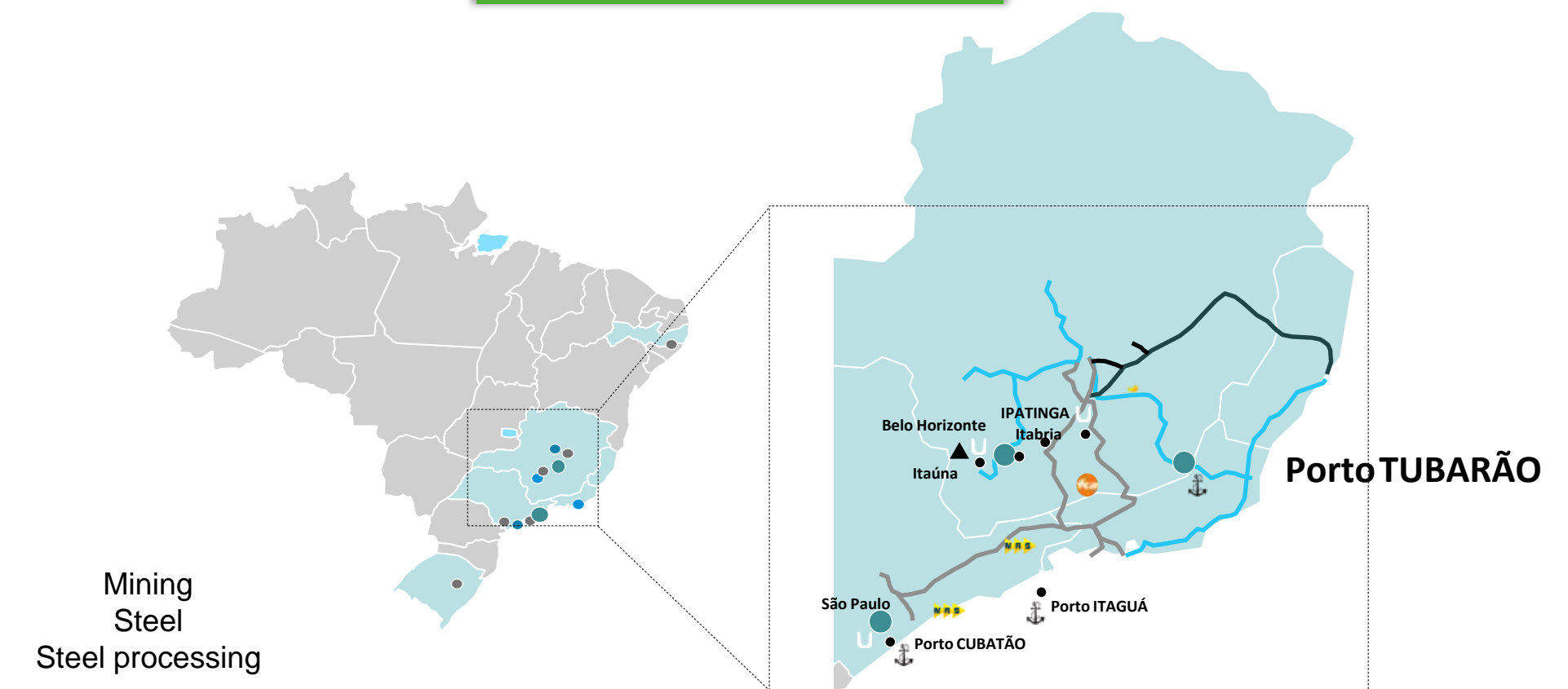


# The Usiminas

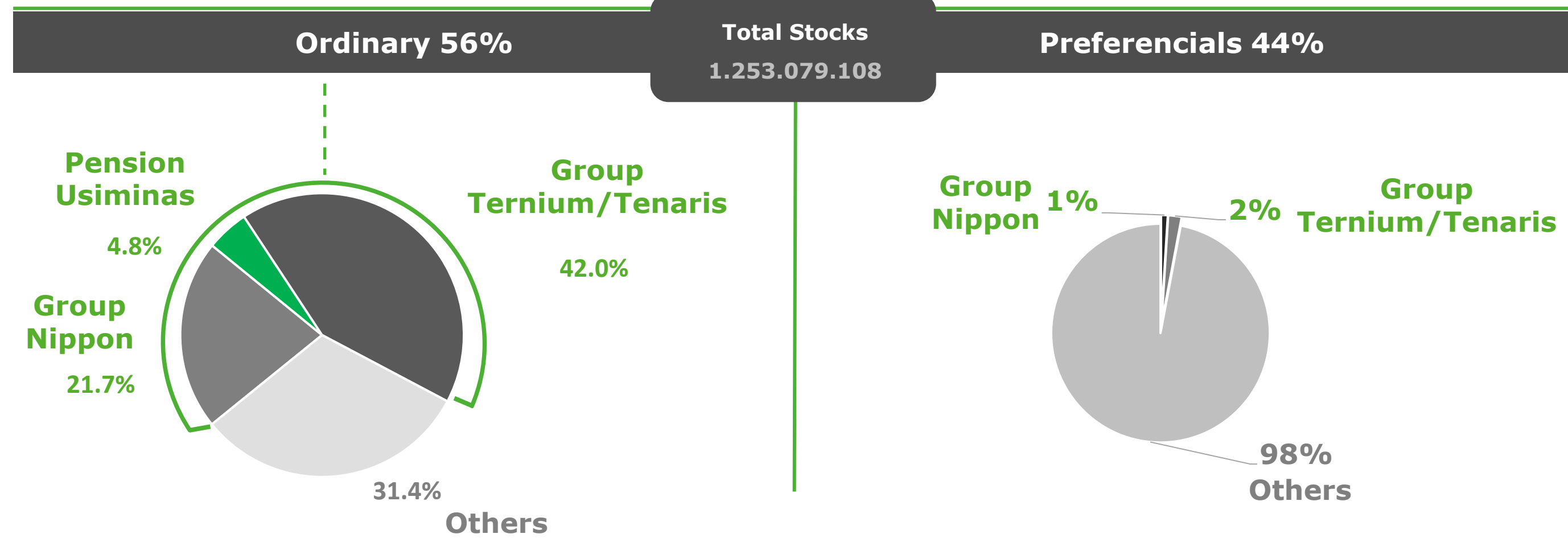
## Financial Highlights

	2017	2018	2019	2020	2021	2022	2023
<b>Net Revenue (R\$ mi)</b>	<b>10.734</b>	<b>13.737</b>	<b>14.949</b>	<b>16.088</b>	<b>33.737</b>	<b>32.471</b>	<b>27.638</b>
<i>annual growth</i>	27%	28%	9%	8%	110%	-4%	-15%
<b>Ajusted EBITDA (R\$ mi)</b>	<b>2.186</b>	<b>2.693</b>	<b>1.973</b>	<b>3.194</b>	<b>12.830</b>	<b>4.905</b>	<b>1.753</b>
<i>Margin</i>	20%	20%	13%	24%	38%	15%	-64%
<b>Net Profit (loss)(R\$ mi)</b>	<b>315</b>	<b>829</b>	<b>377</b>	<b>1.292</b>	<b>10.060</b>	<b>2.093</b>	<b>975</b>
<i>Net Margin</i>	3%	6%	3%	8%	30%	6%	6%
<b>Gross Debt</b>	<b>6.656</b>	<b>5.854</b>	<b>5.111</b>	<b>5.793</b>	<b>6.304</b>	<b>6.202</b>	<b>5.921</b>
<b>Cash And Cash Equivalent</b>	<b>2.314</b>	<b>1.693</b>	<b>1.921</b>	<b>4.868</b>	<b>7.023</b>	<b>5.072</b>	<b>6.009</b>
<b>Net Debt</b>	<b>4.342</b>	<b>4.161</b>	<b>3.189</b>	<b>1.105</b>	<b>(720)</b>	<b>1.130</b>	<b>89</b>
<i>Debt / EBITDA</i>	2,0 x	1,6 x	1,6 x	0,3 x	-0,06x	0,23x	-0,05x

## Geographic Location



## Shareholding composition



# Complete Solutions in Products and Services

## Mining

### Mineração Usiminas



- JV formed in 2010 through a partnership with Sumitomo Corporation
- Responsible for the mining operations, in addition to rail and port transportation
- Three iron ore plants at Serra Azul - MG

## Steel Unit

### Ipatinga | Cubatão | Unigal | Soluções Usiminas



- One of the largest producers of flat rolled steel in Brazil
- Two industrial plants in Ipatinga (MG) and Cubatão (SP)
- Also holds Unigal Usiminas, a JV with Nippon Steel responsible for steel hot-dip galvanizing activities, enhancing the technology content within Usiminas' steel.

- A Soluções Usiminas foi incorporada na unidade de Siderurgia a partir do 4T23. Criada em 2009, possui amplo portfólio de produtos e serviços de transformação e distribuição de aços planos e atende 3 principais setores: distribuição, tubos e JIT (just in time).



Upstream

Downstream

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# Mining

## Overview

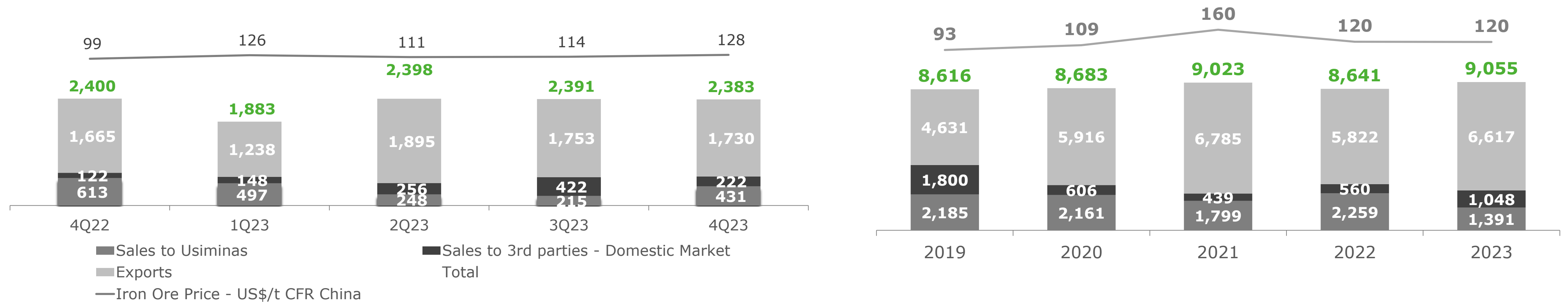
- JV formada em 2010 por meio de uma parceria com a Sumitomo Corporation (participação de 30%) responsável pelas operações de mineração, além do transporte ferroviário e portuário
- Três sítios de mineração na região de Serra Azul (MG), com recursos de 2,4 bilhões de toneladas de minério de ferro
  - Plantas de processamento de pellet e sinter feed
    - Capacidade atual de 12 milhões ton/ano
- Possui 20% de ações com direito a voto da MRS Logística e um terreno estratégico na Baía de Sepetiba (RJ)

# Mining

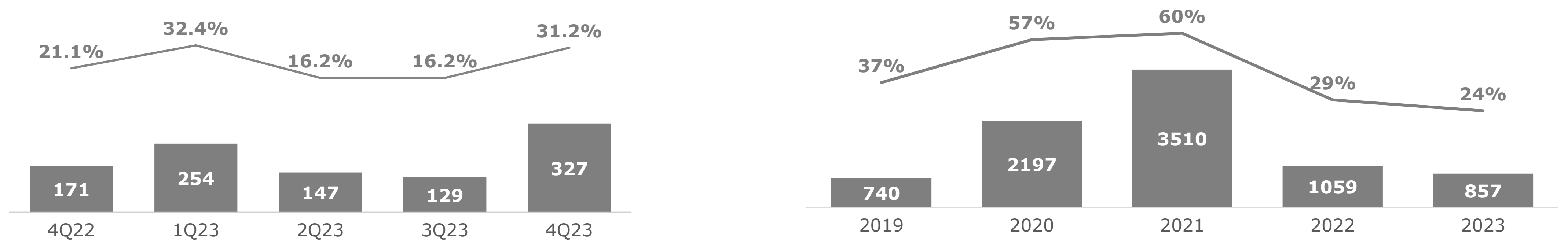
Destques Financeiros

## Iron Ore Sales and Price PLATTS (62% FE CFR China)

**Mining Business Unit - Thousand tons - Prices in US\$/ton**



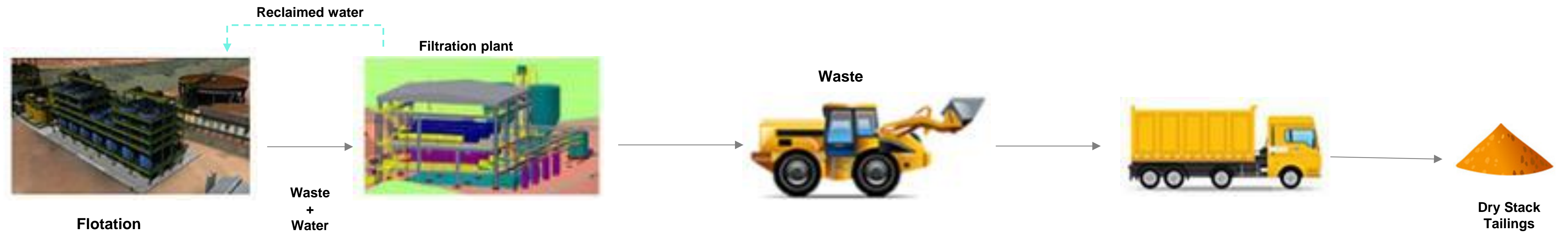
## EBITDA (R\$ mm) and EBITDA Margin (%)



# Mining

## Dry Stacking

- ✓ Disposal of tailings by the dry stacking process, replacing dams
- ✓ Started operation in December 2021
- ✓ R\$235 million invested

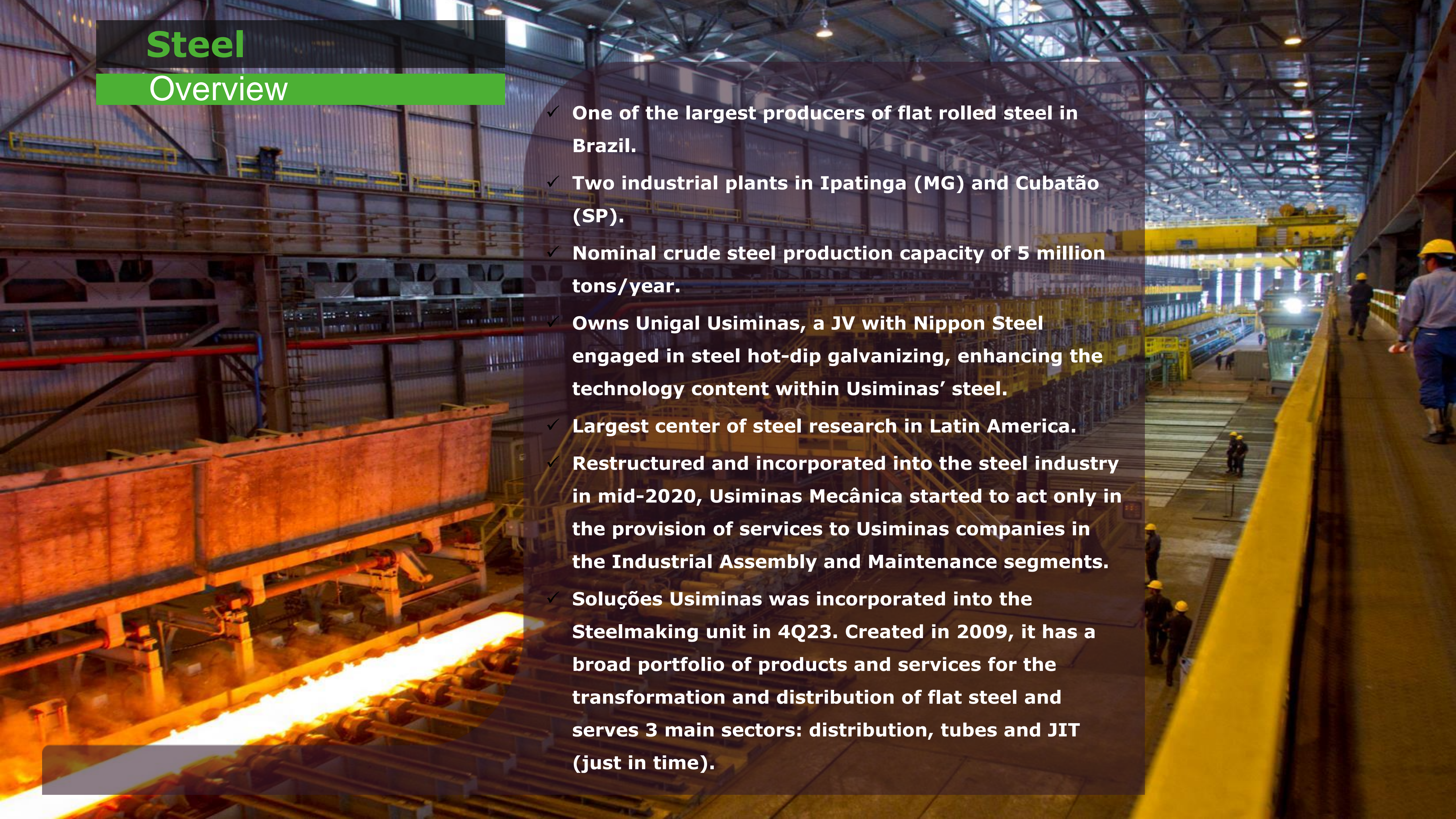




# Steel

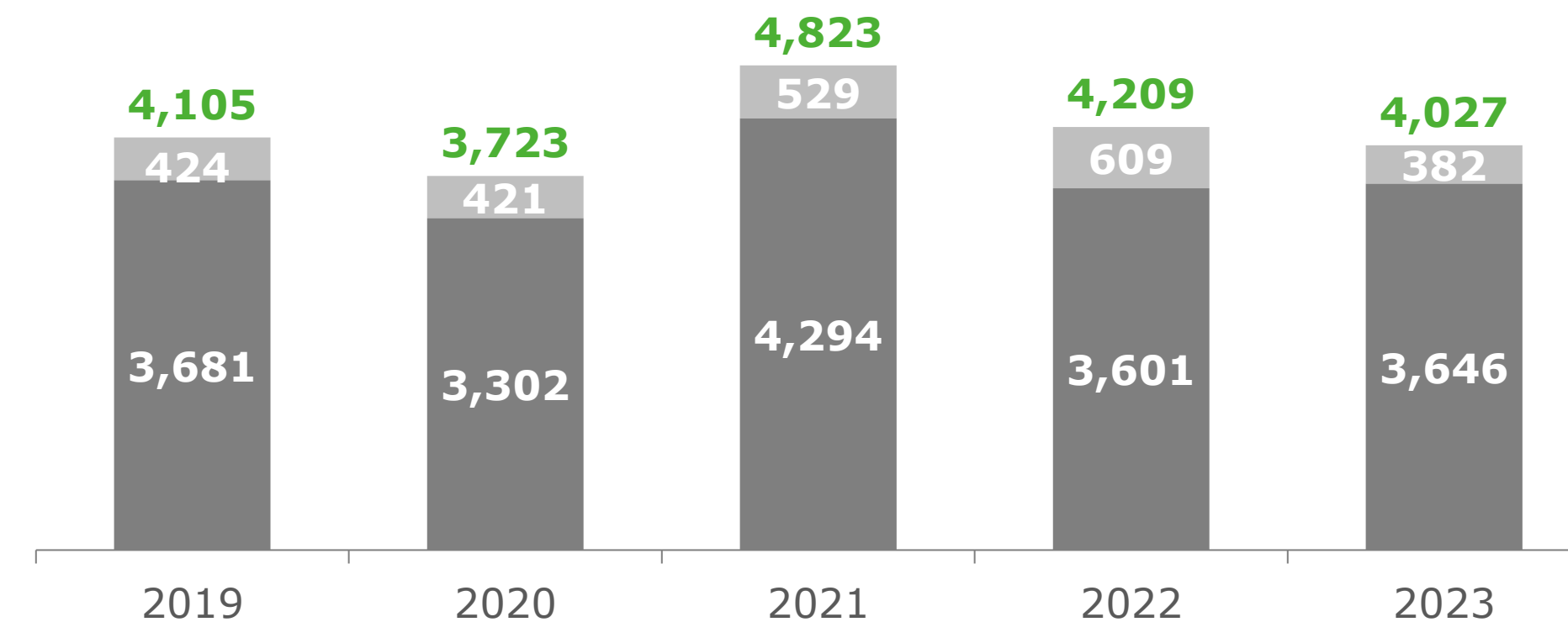
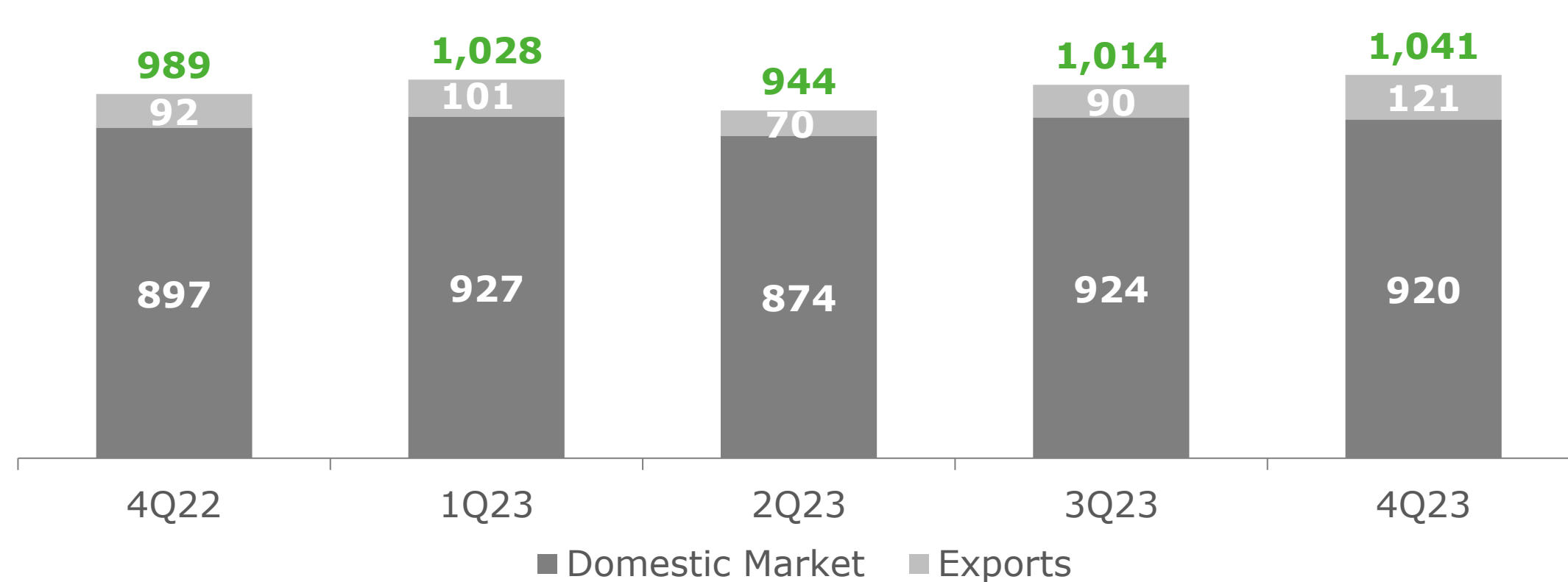
## Overview

- ✓ One of the largest producers of flat rolled steel in Brazil.
- ✓ Two industrial plants in Ipatinga (MG) and Cubatão (SP).
- ✓ Nominal crude steel production capacity of 5 million tons/year.
- ✓ Owns Unigal Usiminas, a JV with Nippon Steel engaged in steel hot-dip galvanizing, enhancing the technology content within Usiminas' steel.
- ✓ Largest center of steel research in Latin America.
- ✓ Restructured and incorporated into the steel industry in mid-2020, Usiminas Mecânica started to act only in the provision of services to Usiminas companies in the Industrial Assembly and Maintenance segments.
- ✓ Soluções Usiminas was incorporated into the Steelmaking unit in 4Q23. Created in 2009, it has a broad portfolio of products and services for the transformation and distribution of flat steel and serves 3 main sectors: distribution, tubes and JIT (just in time).

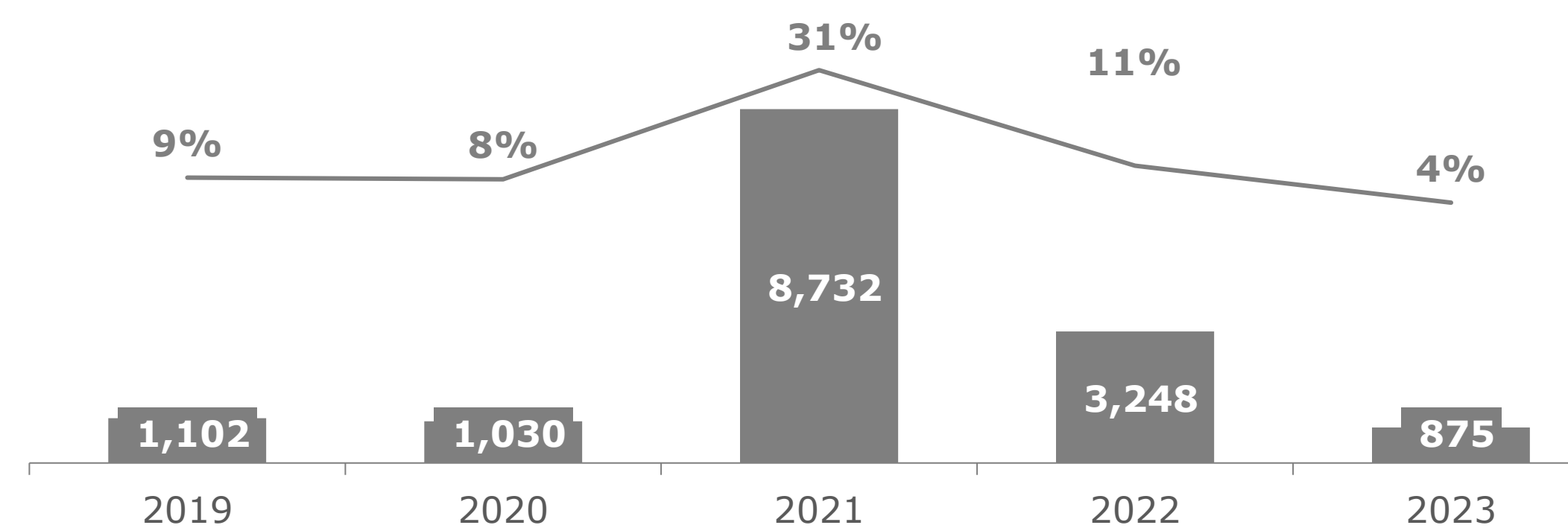
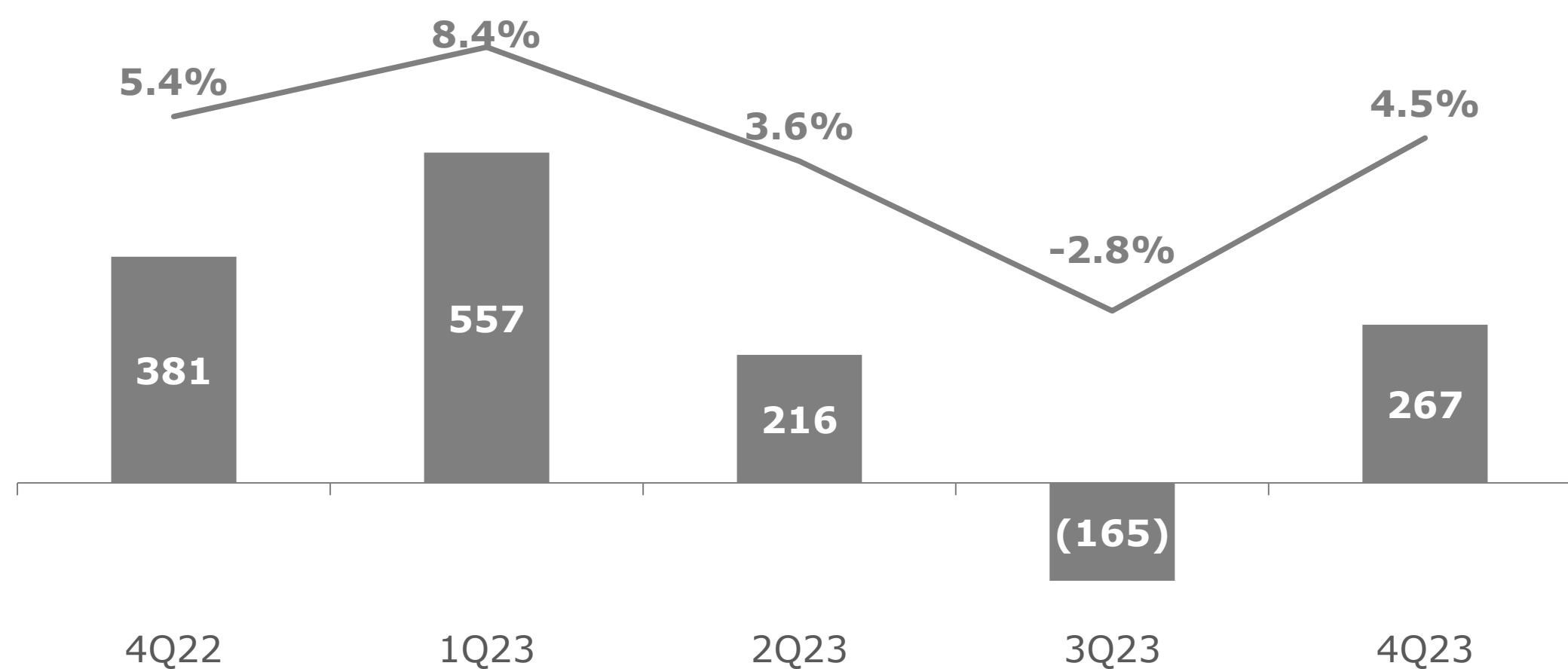


# Steel

## Steel Sales Evolution (Thousand tons)



## EBITDA (R\$ mm) and EBITDA Margin (%)



# Steel



Civil  
Construction



Machinery  
and  
Equipment



Pipelines



Capital Goods



Wind Energy



Oil and Gas



Civil  
Construction



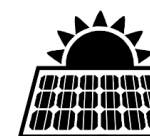
Machinery  
and  
Equipment



Pipelines



Auto Industry



Solar Energy



Oil and Gas



Civil  
Construction



White Line



Auto Industry



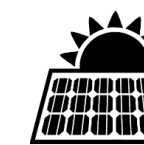
Civil  
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White Line



Auto Industry



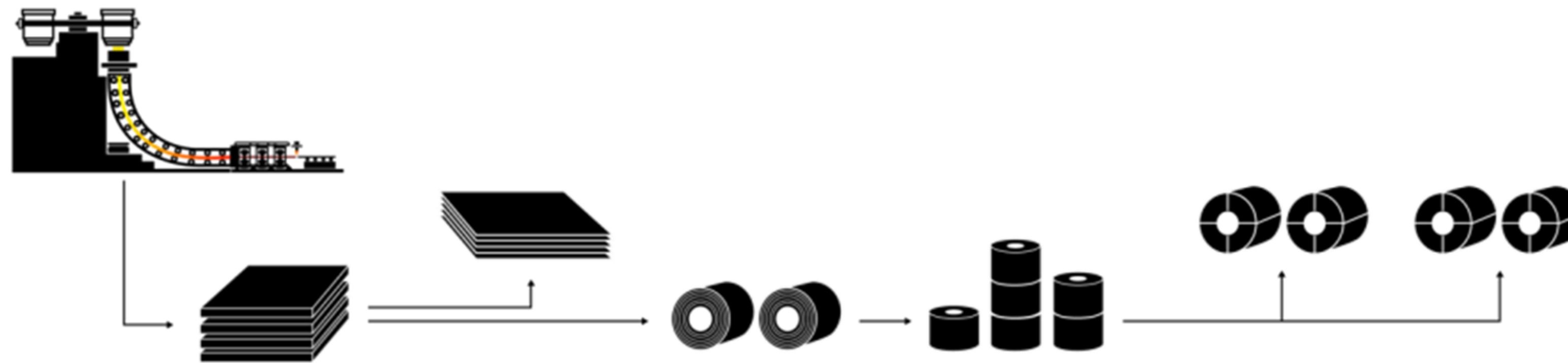
Solar Energy

# Steel

## Flat steel consumption markets

The total crude steel generation capacity is 5 million tons and is located in Ipatinga.

Current capacity for generating finished products, considering the galvanizing lines (EG and HDG) and heavy plates at their maximum capacities.



Total Production Capacity of Products for Sale	Heavy Plates	Hot Rolled	Cold Rolled	Galvanized		Total
				Electrogalvanized	HDG	
	1,000	1,800	2,710	360	1,030	6,900

# Steel

Investments in progress



## Revamp of the Blast Furnace #3

- ✓ Total Investment of R\$2.7 bilion
- ✓ Disbursement of R\$1.2 billion by 2022 and R\$1.2 billion in 2023
- ✓ ~9,000 additional workers on site

# Strategic investments in the Ipatinga plant

## Steelworks 2



- **R\$535 million** in investments by 2023
- Replacement and repair of main metal structures
- Recovery of main foundations and scale channels
- Recovery and modernization of slab cutting machines

## Expected benefits



Costs reduction



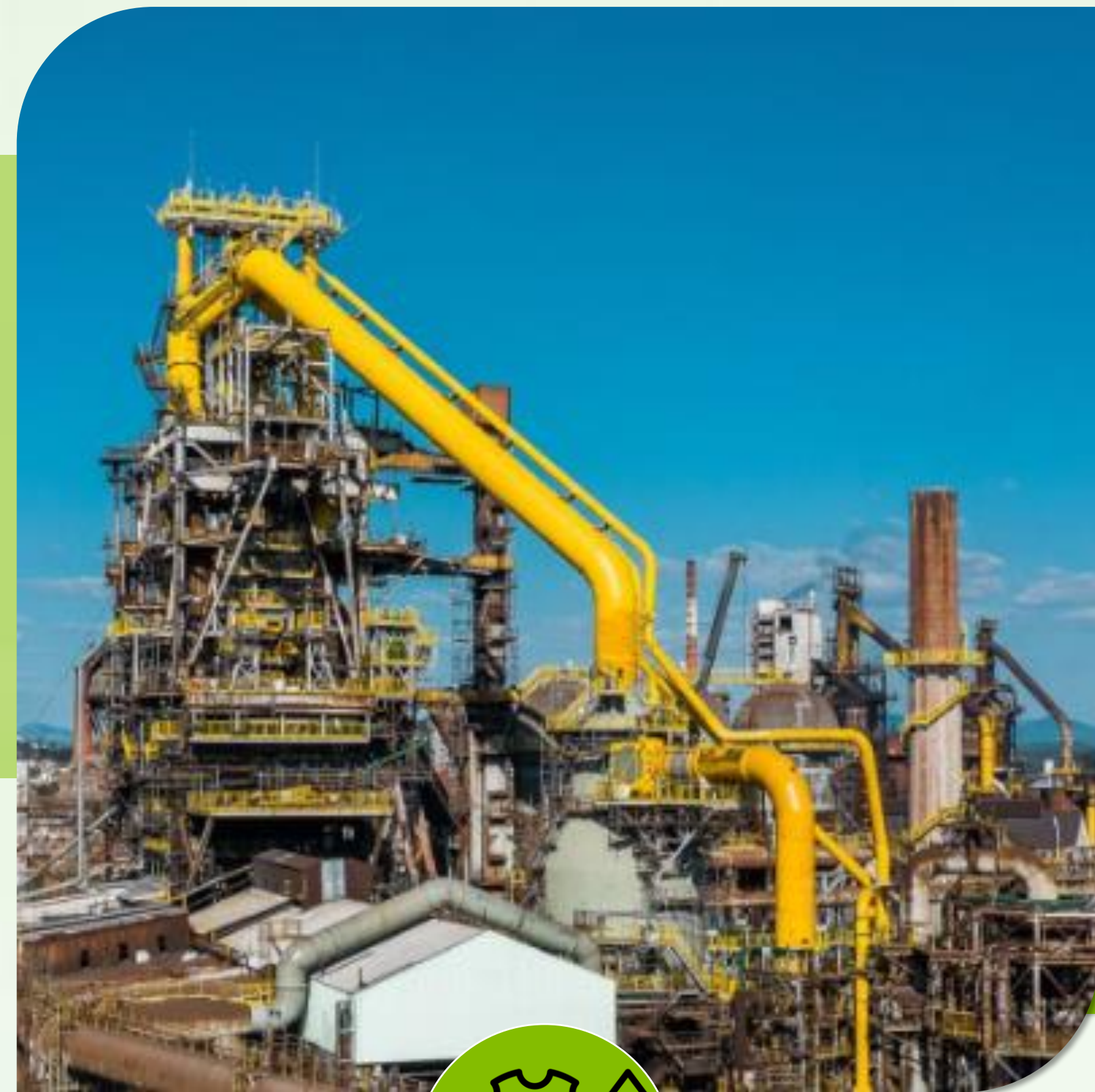
Higher productivity



Greater efficiency and process control

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# Strategic investments in the Ipatinga plant



## Blast Furnace 3

- **R\$2.7 billion in investments**
- **Ramp-up** continues above **plan**

### Expected benefits

Compared to the pre-revamp period



Productivity gains > 30%



Fuel efficiency gains: 9%  
Gains in specific coke consumption: 20%



GHG reduction with the incorporation of sophisticated control models

➤ **Expect stable production and costs in the first half of 2024**

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# Steel

## Research and Development

**Largest steel research center in Latin America**

- ✓ **More than 50 years of experience**
- ✓ **17 laboratories**
- ✓ **Largest number of steel patents in Latin America (101 letters patent)**
- ✓ **Focus on developing new steels and improving production processes**



# OUR AGENDA

**1** The Usiminas

**2** Usiminas Management Pillars

People

Customers

Results

**3** Governance and Highlights

**4** Appendix

**USIMINAS**

# People

Social and Environmental Highlights

## Highlights



### VOU – Usiminas Volunteers

**1.384** employees registered on the platform, **52** actions carried out in ten cities. **1,642** thousand hours dedicated in 2022.



### Program for the Recovery and Preservation of Green Areas

12,500 seedlings were produced, of which 1,000 were planted were donated to employees and the community.



### 18 Thousand

received the quadrivalent vaccine in 2022, among employees and dependents.



### 336

### Scholarships

to the São Francisco Xavier Educational Foundation in 2022.



### Márcio Cunha Hospital

recognized by Newsweek magazine as as one of the best Brazilian hospitals for the 3rd consecutive year.

## “Mobiliza Caminhos do Vale” Project

Promotes the recovery of rural roads based on steel aggregates, having as a counterpart the realization of socio-environmental projects and the recovery of springs by the municipalities

- ✓ **3.7 Million** tons of applied Siderbrita
- ✓ **1.3 Million** beneficiaries
- ✓ **4,600 km** of rural roads recovered
- ✓ **60 municipalities** already benefited



# People

## “Mobiliza Todos pela Água” Project

In partnership with the municipalities, uses metallurgical co-products in the recovery of springs



**36,000**  
Seedlings  
donated to  
municipalities



**1,600**  
Springs  
protected



**5,500**  
Springs  
identified and  
mapped

# People

## “Mobiliza Caminhos do Vale” Project

**Socio-environmental projects as counterpart in Marliéria**



**Socio-environmental considerations in Paraíso and Iapú**



**Increase in tourism and handicraft, and helping the local products flow**



**Construction of the free flight ramp in the community of Achado, 2nd largest in the State of Minas Gerais**

# People

## Education and Culture

### São Francisco Xavier School

First educational institution in Brazil to obtain ISO 9001



### Usiminas Institute

Usiminas invested over R\$260 million, encouraging around 2,000 social projects since 1993



## Projects and Programs

### Xerimbabo Usiminas Project

Promotes protection and environmental education free of charge for more than 2 million young people



### “Plante uma vida” Project

The initiative promotes the planting of native tree by employees who had a children in the year



# People

Social and Environmental Highlights

## São Francisco Xavier Foundation

**Márcio Cunha Hospital – Unit I**

**Reference center in the area of health in Brazil**



**Márcio Cunha Hospital – Unit II**

**Internação, Atendimento Ambulatorial, Centro de Diagnóstico por Imagem e Usifamília**



**Carlos Chagas Municipal Hospital**

**Reference for the municipalities of the Itabira microregion to SUS patients**



# People

Social and Environmental Highlights

**Libertas Hospital**

**New hospital in installation by FSFX, occupying the **old headquarters building** in Belo Horizonte**

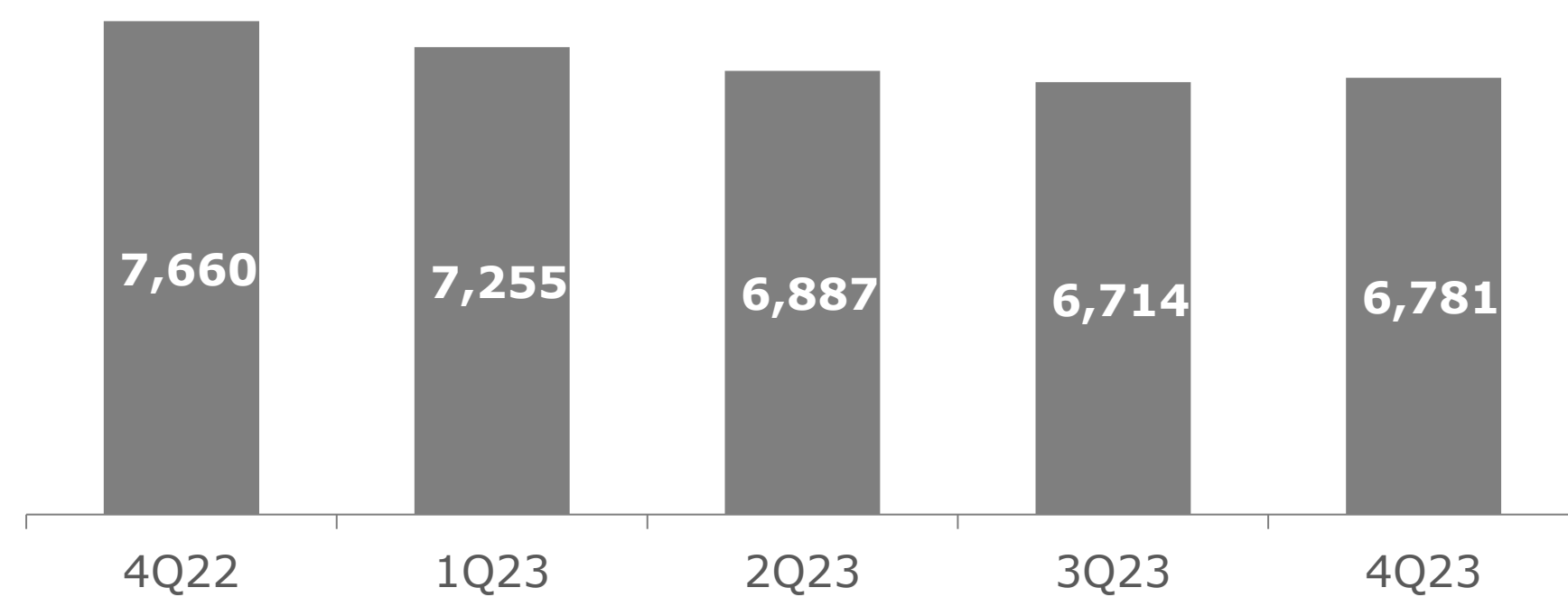
**Inicial opening of **140 beds** (380 in total)**

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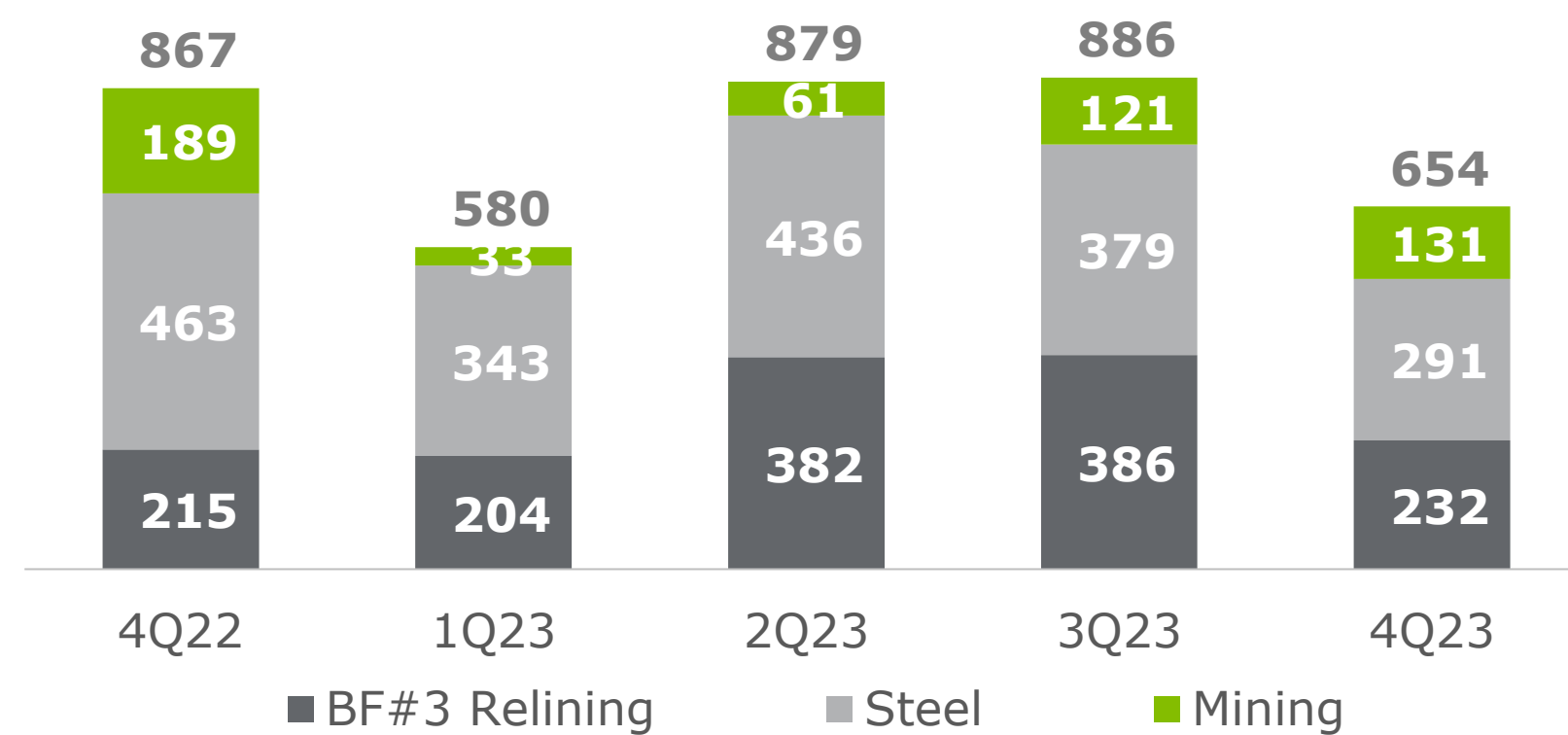
# Results

(R\$ Million, except otherwise indicated)

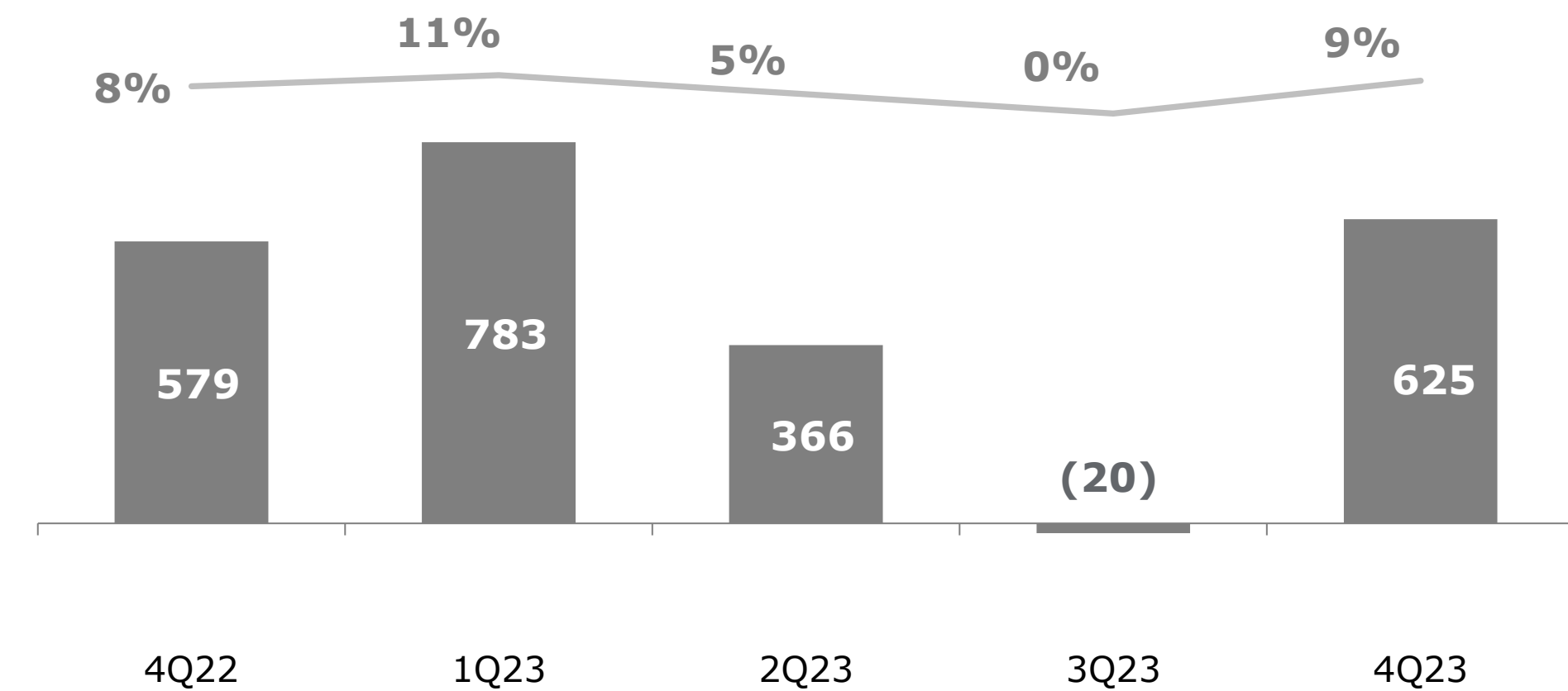
## Net Revenues



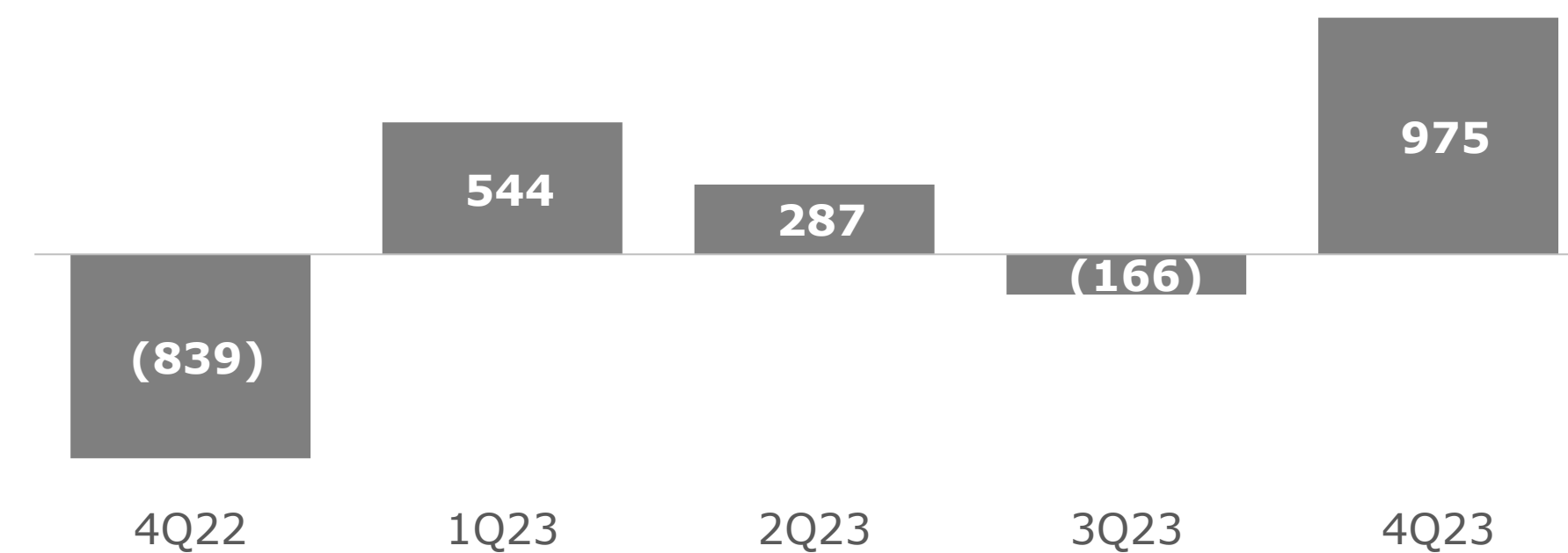
## Capex



## Ajusted EBITDA and adjusted EBITDA margin



## Net income

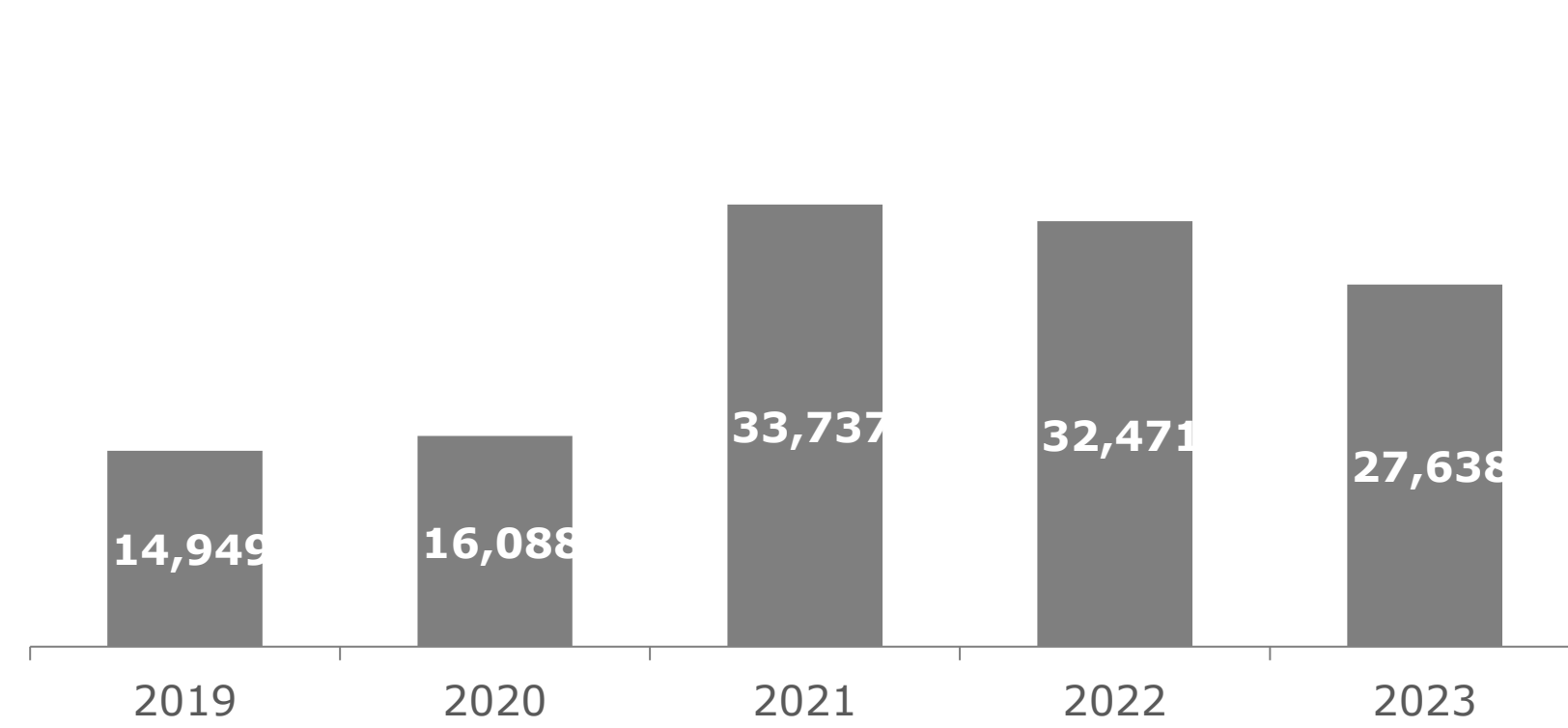




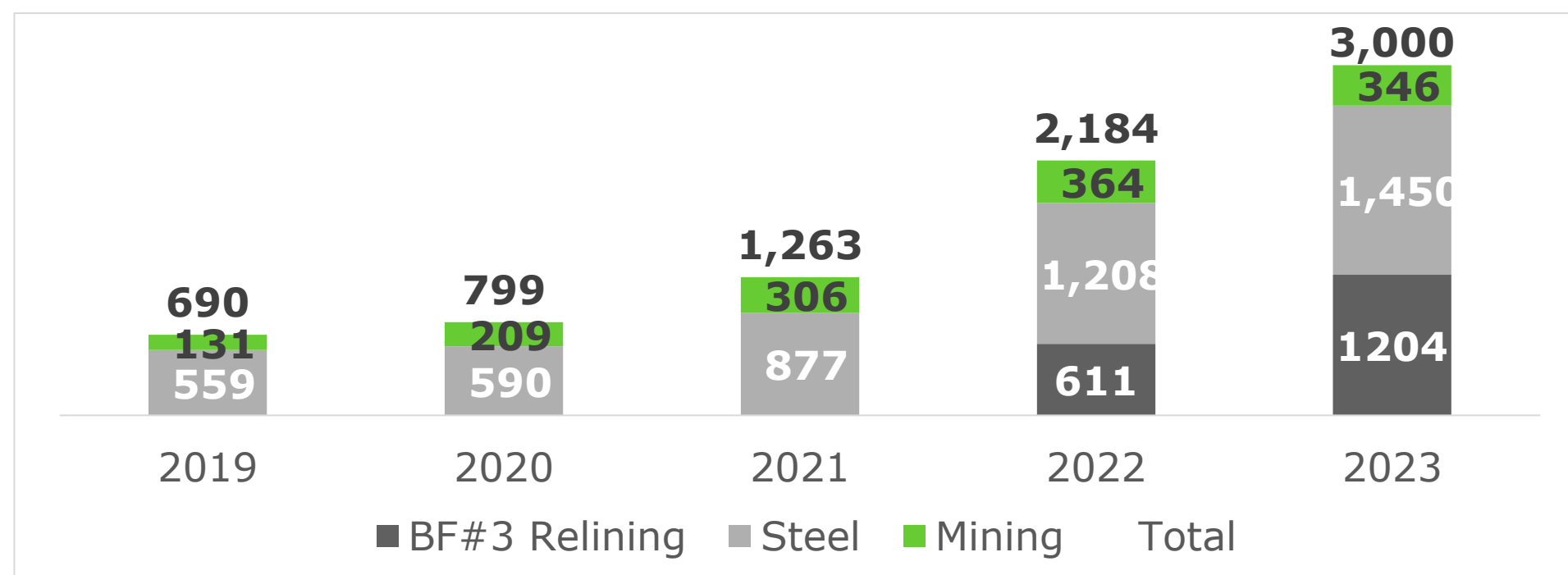
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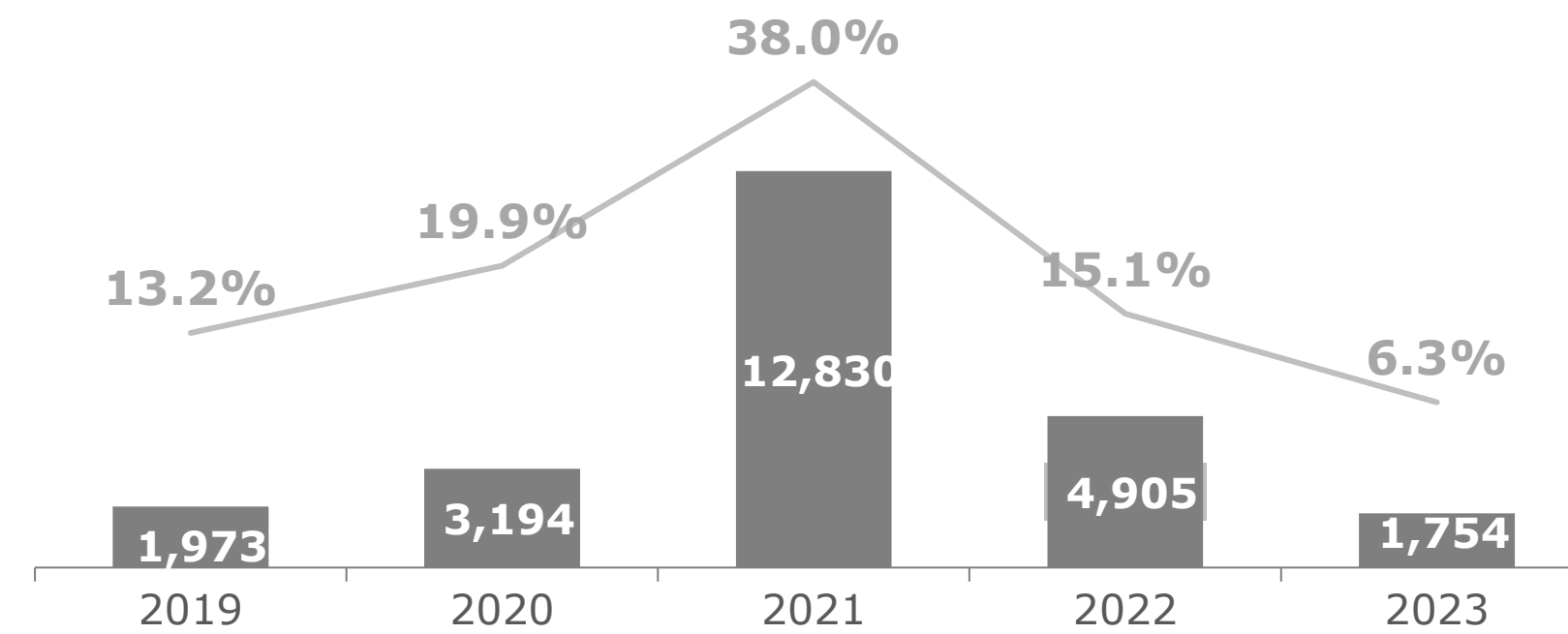
## Net Revenues



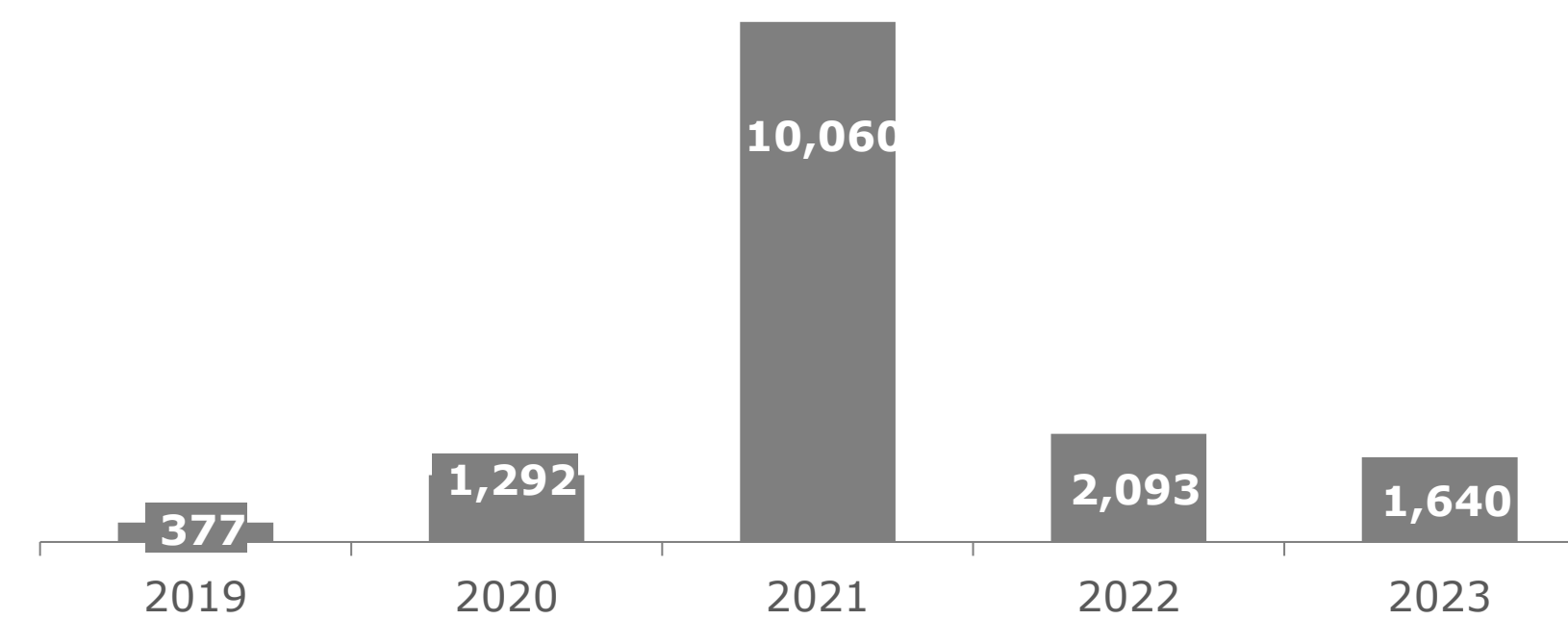
## Capex



## Ajusted EBITDA and Ajusted EBITDA Margin



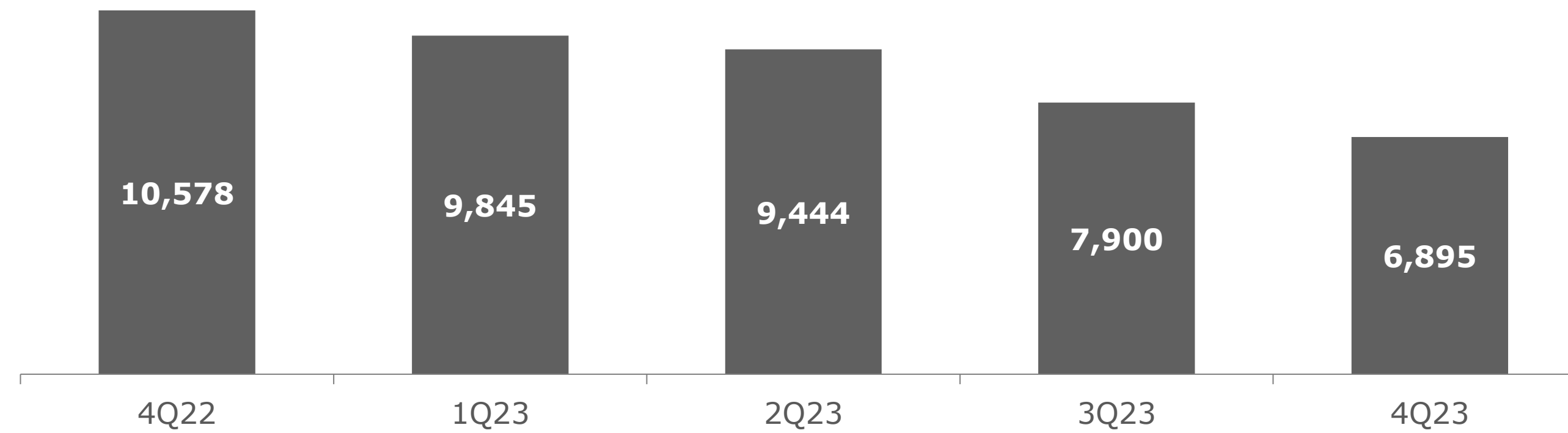
## Net Income and Net Margin



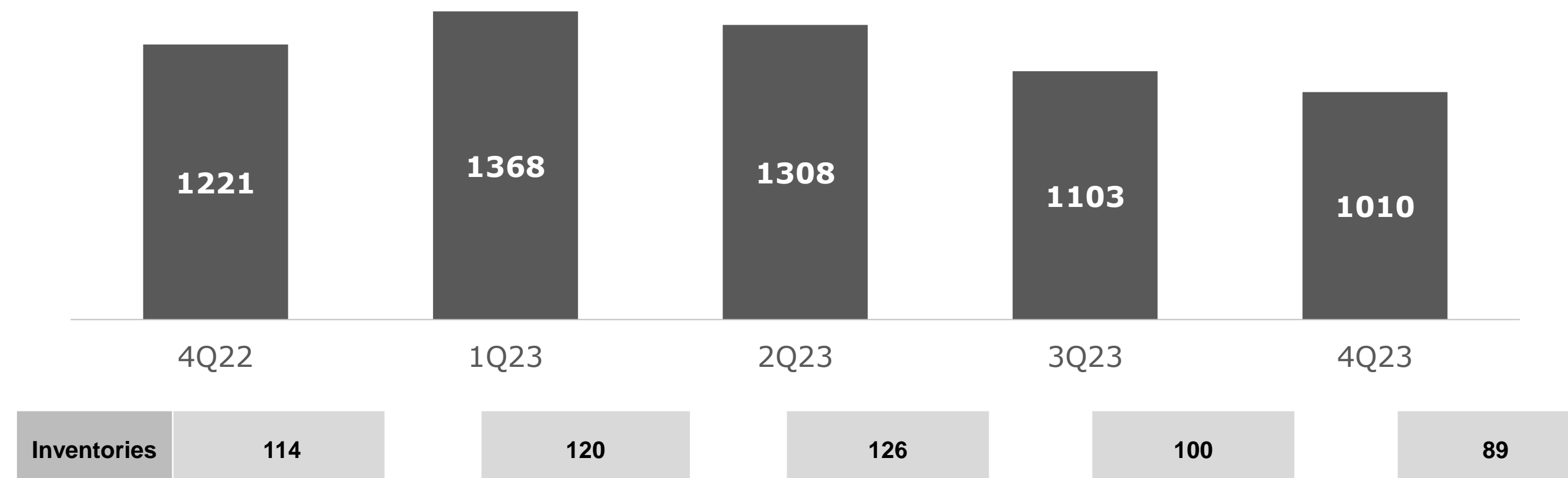
# Results

## Financial Results

### Working Capital (R\$ million)



### Working Capital – Steel inventories (Thousand tons)



Inventories

114

120

126

100

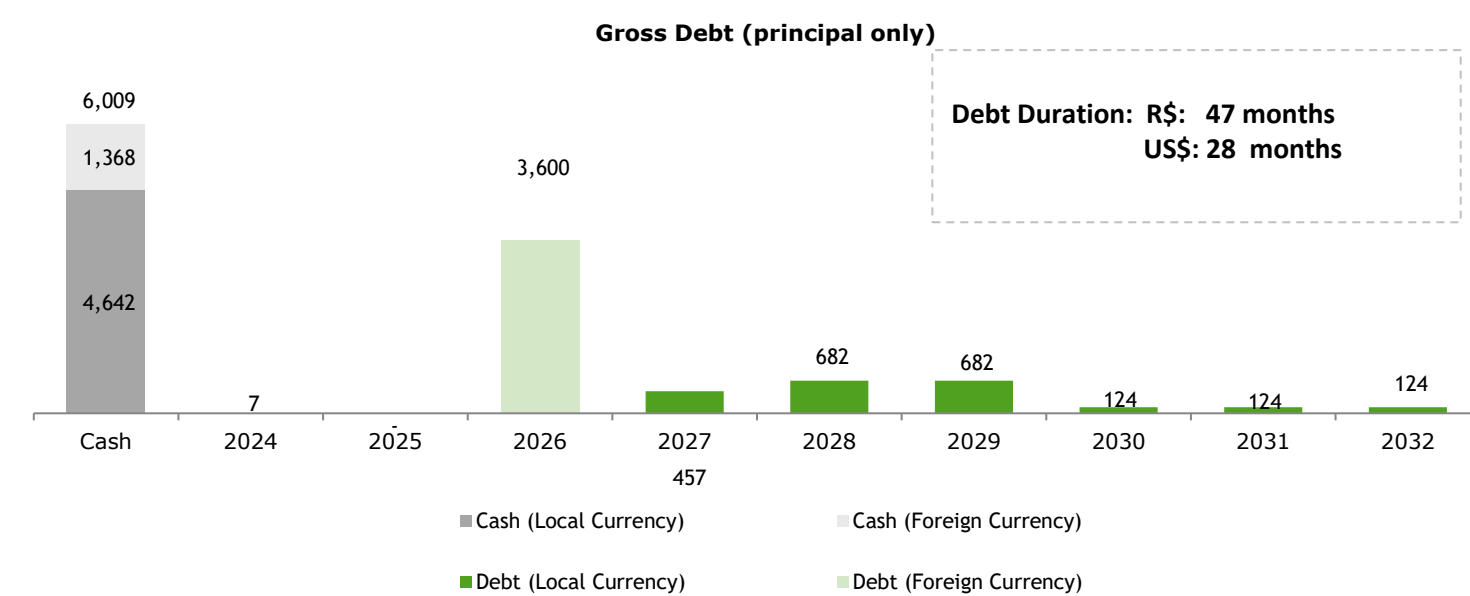
89

# Liquidity and Indebtedness

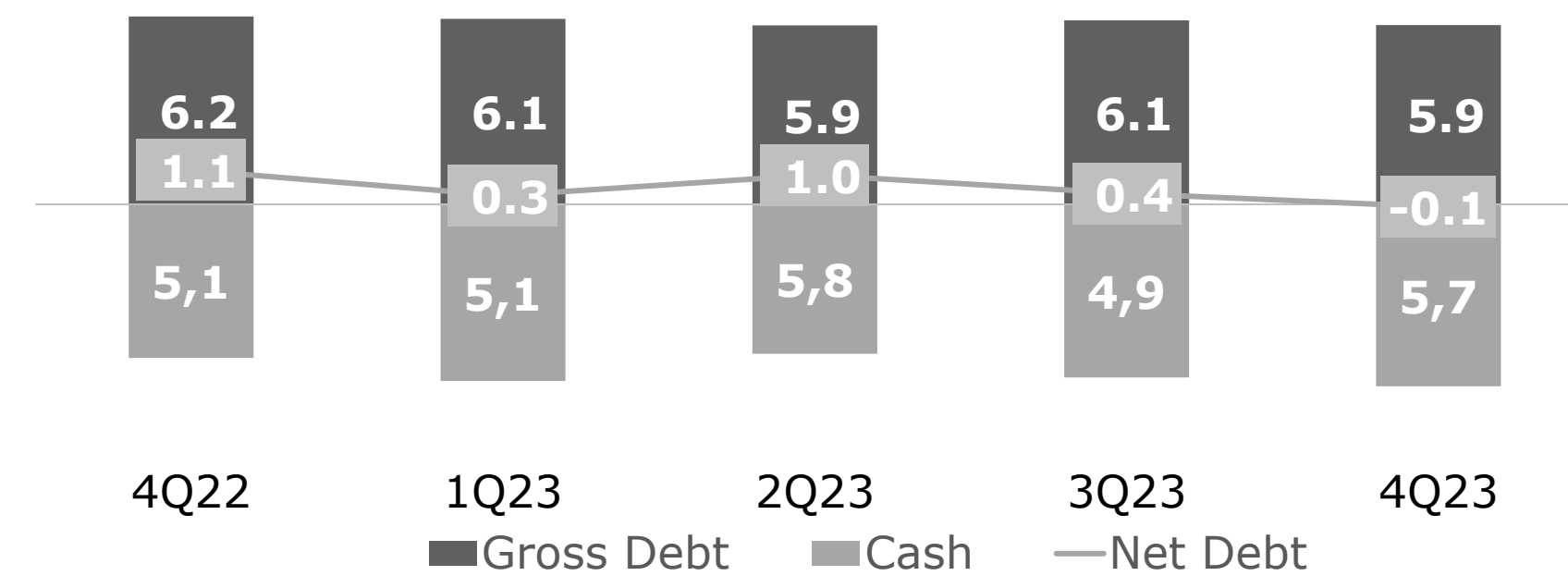
(R\$ billion)

## Debt Repayment Schedule

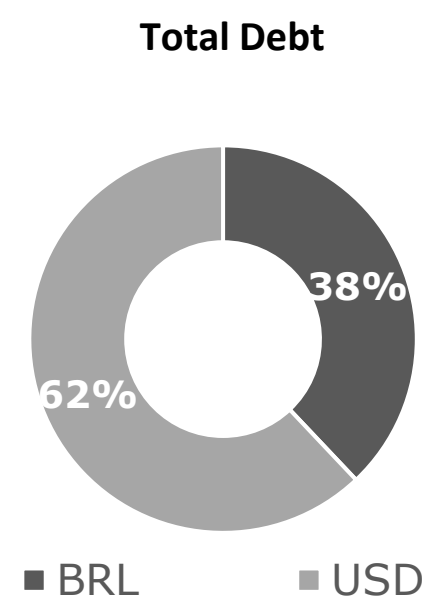
Current cash position covers all debt until 2029



## Cash Position and Indebtedness



## Debt Profile by Category



### Cost Of Debt

Category	Cost
Local Currency	CDI + 1.50%
	CDI + 1.70%
	CDI + 1.45%
	CDI + 1.65%
Foreign Currency	5.875%

## Agências de rating

	Global	National	Outlook
MOODY'S	Ba2	AA+.br	Stable
S&P Global	BB	brAAA	Stable
FitchRatings	BB	AA+(bra)	Stable

# OUR AGENDA

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**USIMINAS**

# Usiminas' Corporate Governance

Usiminas' model of corporate governance meets government and market requirements for listed companies, preserving and encouraging transparency

## New Shareholders Agreement

✓ On July, 2023, the Company's amended and restated the Usiminas Shareholders Agreement - valid until November, 2031

### Corporate Governance Model

✓ The Board of Directors is responsible for general strategic policies

- ✓ 8 current members and their respective alternates, besides the Chairman
- ✓ Election for unified terms of 2 years

#### 2 committees supporting the BoD:

- ✓ Human Resources Committee
- ✓ Audit Committee

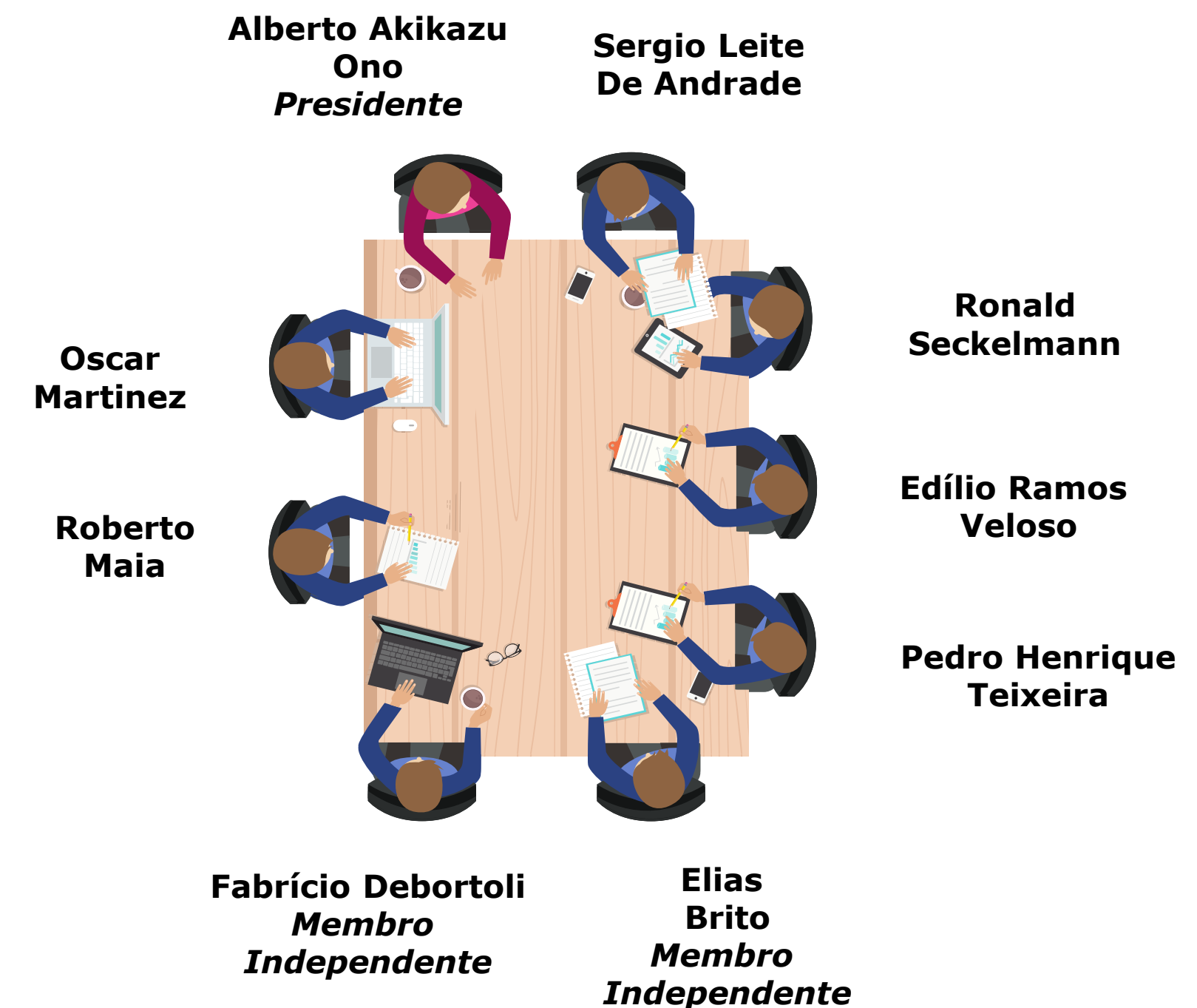
#### Permanent Fiscal Council

- ✓ Review of the financial statements, investment plans, budgets, opinion on dividend distribution, etc
- ✓ Five members elected in General Meeting

✓ Listing on B3 Level 1, ADR on OTC Market (New York) and Latibex exchange (Madrid)

- ✓ Improvement in quarterly reports, including the disclosure of consolidated financial statements and special audit revision
- ✓ Disclosure of an annual calendar of corporate events
- ✓ Minimum Free Float of 25%
- ✓ Evaluation of Board of Directors, Management, and Committees
- ✓ Minimum dividend payout of 25% of the net profit (after legal reserves and contingencies – in compliance with Law No 6,404)

### Board of Directors (Current Members)



# Usiminas' Corporate Governance (Cont'd)

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

## Integrity Program

- ✓ Code of Ethics and Conduct
- ✓ Anticorruption Policy
- ✓ Competition Policy
- ✓ Policy of Conflict of Interests and Transactions with Related Parties
- ✓ Policy of Rewards, Gifts and Hospitalities
- ✓ Policy of Sponsorship and Donations
- ✓ Policy of Relationship with Third Intermediary Parties

## Policies of the Brazilian Corporate Governance Code

- ✓ Policy of Destination of Results
- ✓ Policy of on the Remuneration of the Members of the Board of Officers
- ✓ Policy of Contracting of Extra-audit Services
- ✓ Policy of Disclosure of Information and Negotiation with Securities

*Aprovado pelo Conselho de  
Administração em Outubro de 2018*

# OUR AGENDA

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**USIMINAS**

# Over Half a Century of Leadership





# Main Highlights

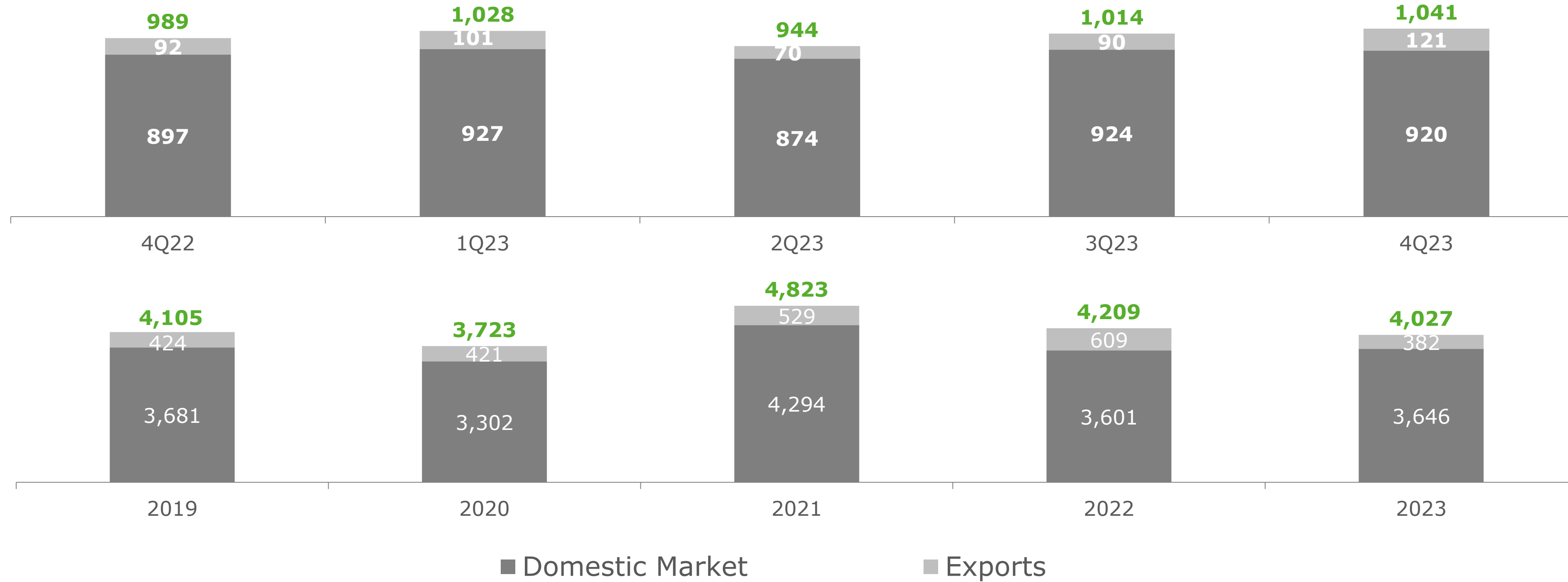


- 1 Leadership position in the Brazilian steel market, with presence in strategic international markets
- 2 Diversification of products and markets
- 3 Assets strategically located on the main industrial and logistics axis
- 4 Experienced and specialized administration
- 5 Solid corporate governance
- 6 Cultural and socio-environmental responsibility

# Leading Position in the Brazilian Steel Market, with Presence in Strategic International Markets

Usiminas' leading position is underpinned by the superior quality of its products and the long-term relationship with key clients

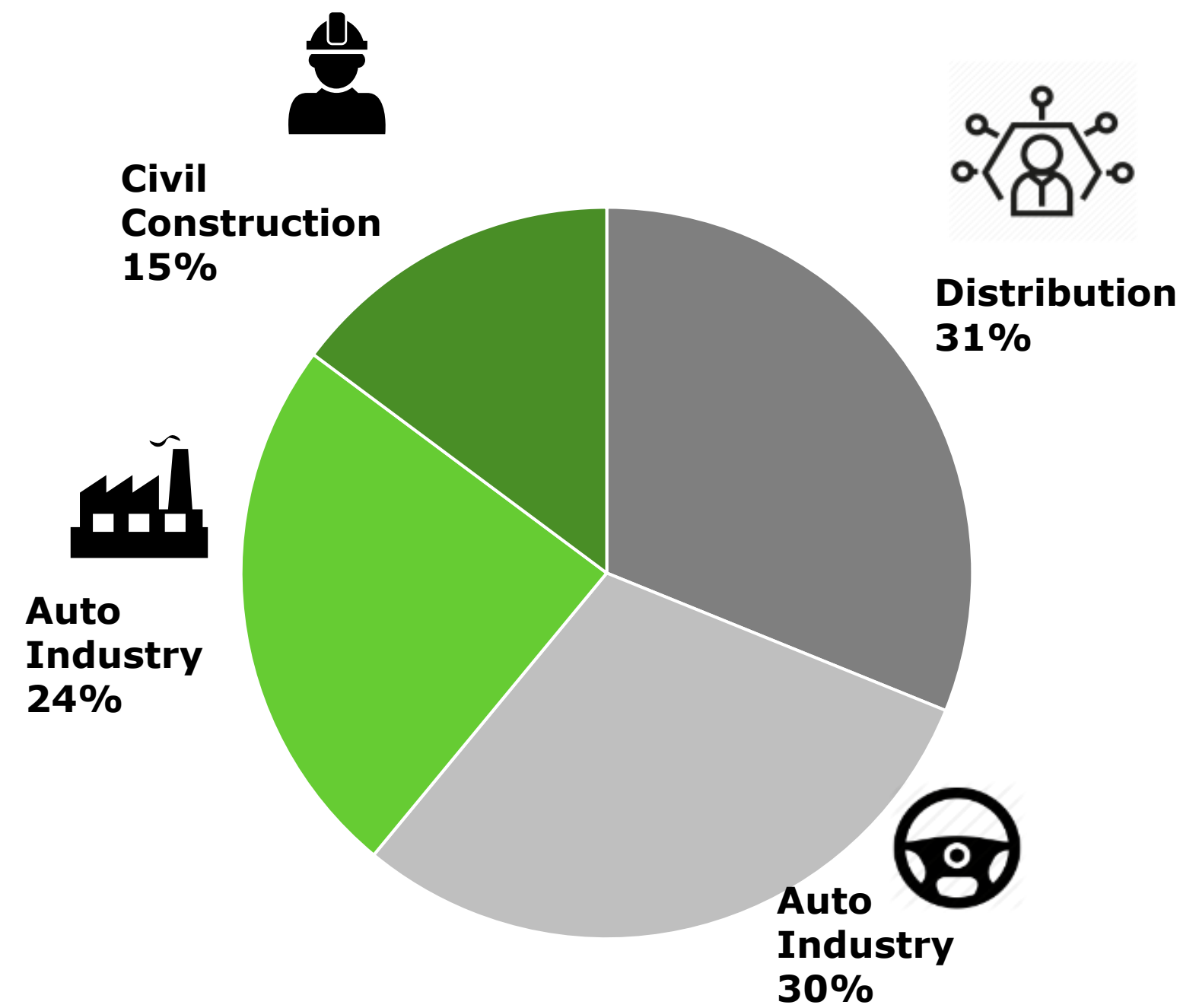
## Sales Volumes – Steel – (Thousand Tons – Quarterly)



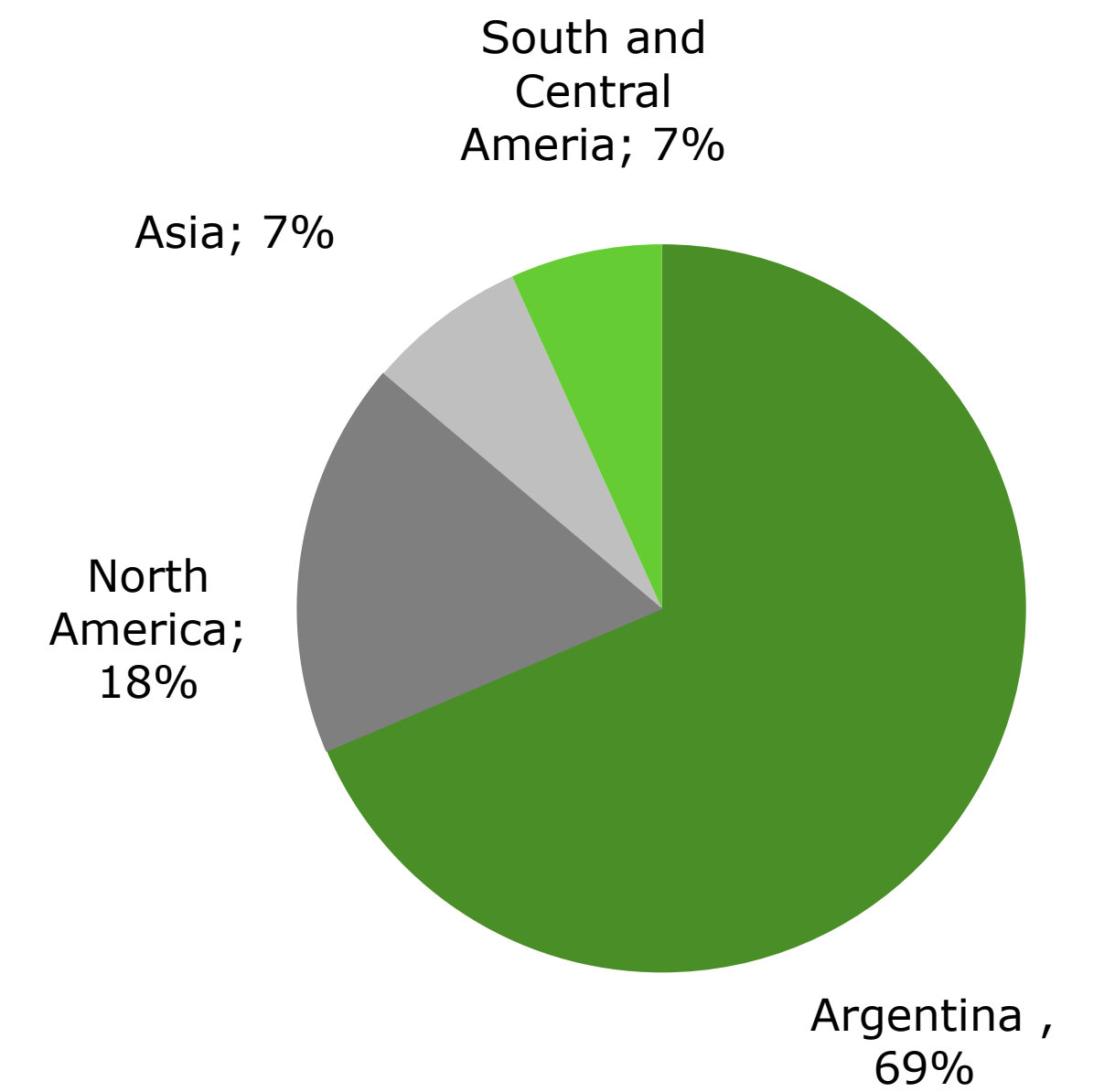
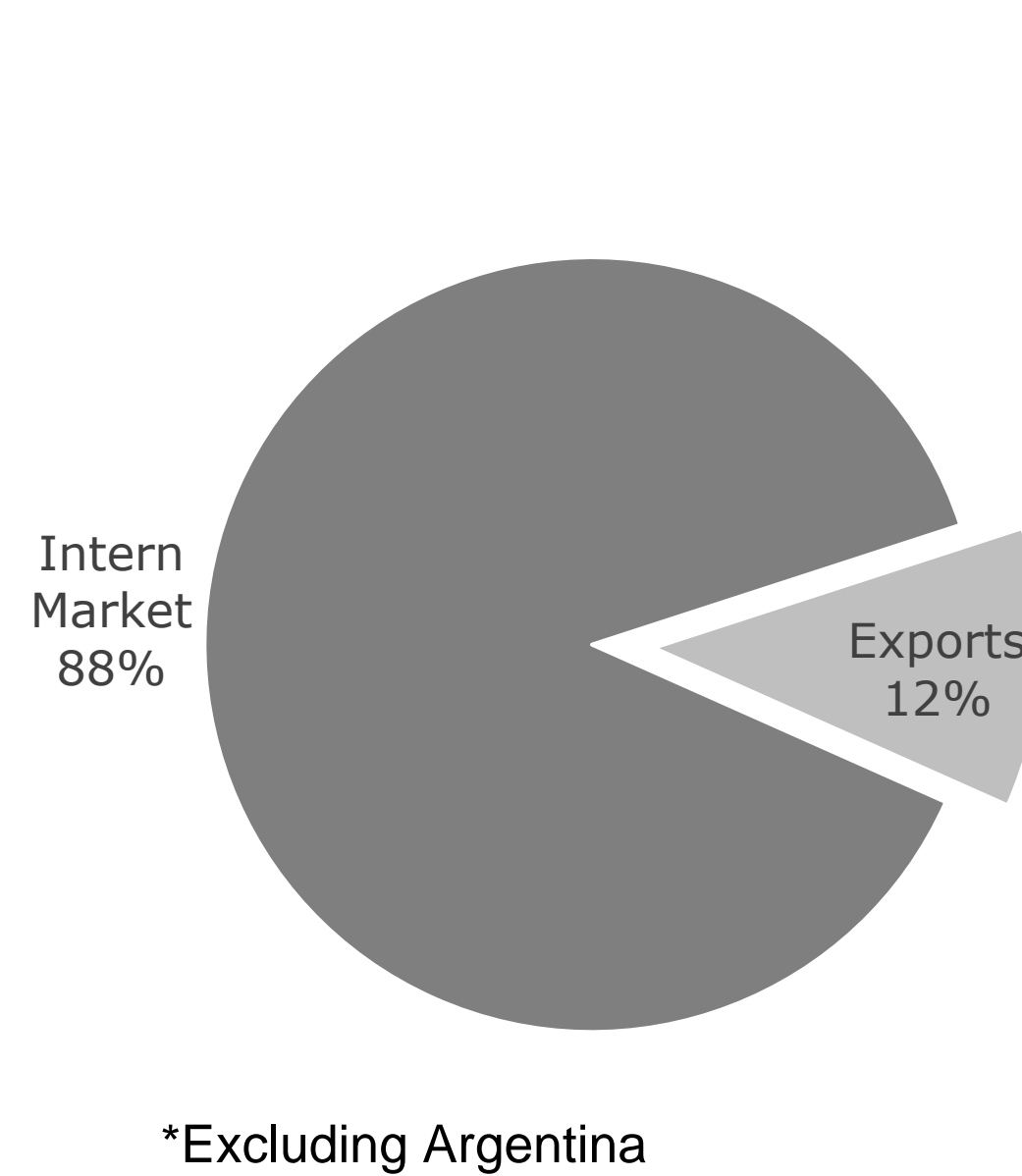
# Diversification Across Products and Markets

Usiminas has capacity to produce a wide variety of steel, allowing for flexibility to adjust its production according to market demands domestically and internationally

End Markets Share of Volume, 2Q23, Domestic Market

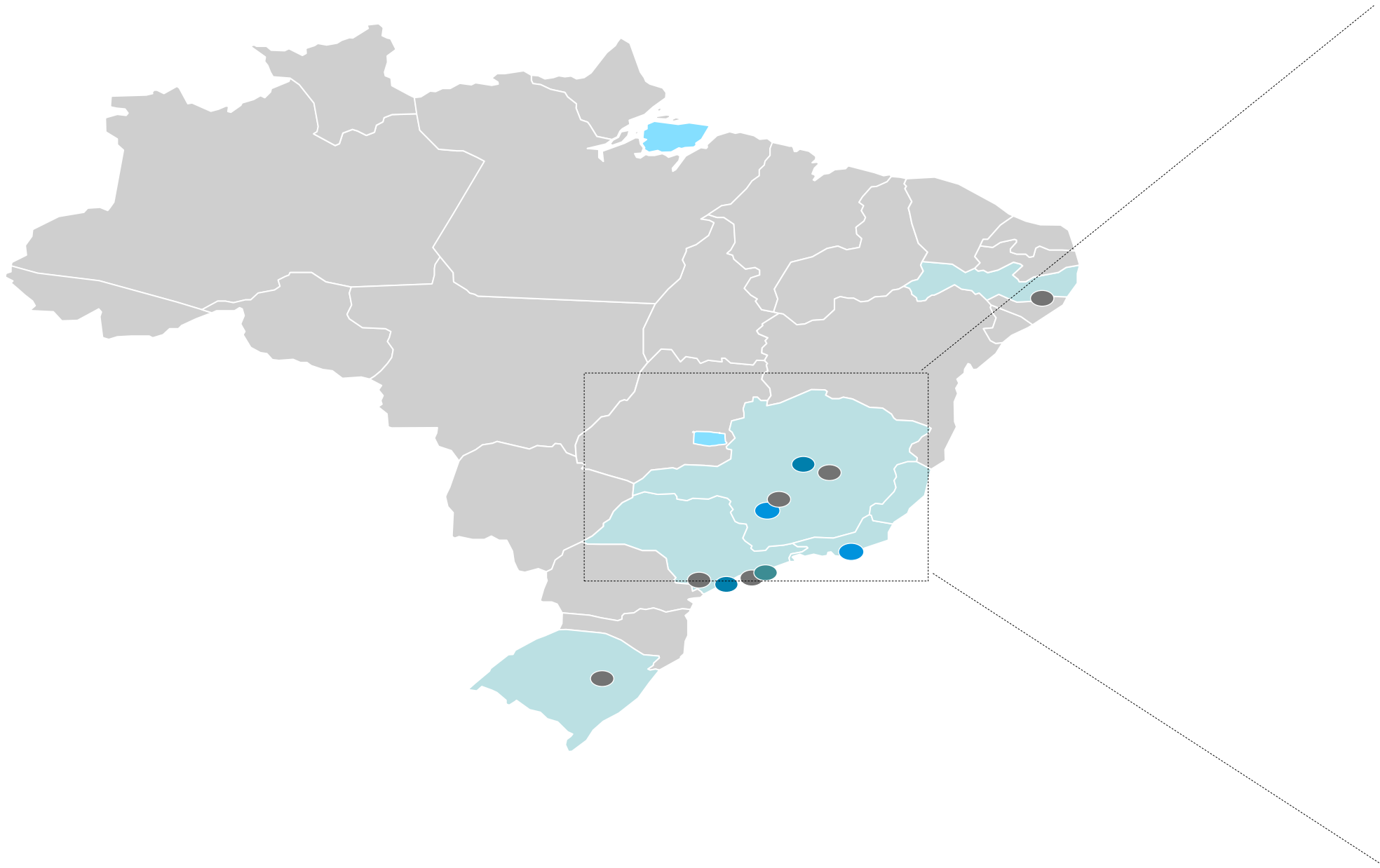


Revenues by Country Share of Net Revenue, 3Q23, Steel



# Assets Strategically Located in the Country's Main Industrial and Logistic Axis in the Country

The location of Usiminas' assets allows for access to raw materials (e.g. iron ore), consumption centers and logistic terminals (railways, ports)



- Mining
- Steel

# Seasoned and Specialized Management Team

Usiminas' Executive Board consists of professionals with deep knowledge in their respective areas



**Marcelo Chara**  
*CEO*

- Over 40 years of experience in the steel industry. He served as Executive President of Ternium Brasil from 2017 to 2023. He also served as Industrial Director at Ternium in Argentina, Industrial Vice President at Usiminas, Director at Sidor (Venezuela), among other executive positions at the Techint Group.
- He was a director at Instituto Aço Brasil, at Alacero and vice-president of the board at ABM.
- Graduated in Metallurgical Engineering from the University of Birmingham (UK). He has been a professor at the Catholic University of Córdoba, the National University of La Plata and the Catholic University of La Plata.



**Toshihiro Miyakoshi**  
*Technology and Quality Vice President Officer*

- The executive returns to Brazil for his second season at the company, after a stint at Unigal in 2014.
- Graduated in metallurgy, he started his career at Nippon Steel, having held several positions directly linked to production and management.



**Thiago da Fonseca Rodrigues**  
*CFO and IR Vice President Officer*

- More than 15 years of experience in the steel industry. Before joining Usiminas, he worked, among other companies, in the Brazilian operation of Ternium and Vale. He was a member of the Audit Committee of Usiminas.
- He was a member of the Tax Affairs Council of Firjan and director of the Brazilian Foreign Trade Association (AEB).
- Graduated in Business Administration from PUC-RJ and post-graduated in Management from IBMEC-RJ.



**Miguel Angel Homes Camejo**  
*Commercial Vice President Officer*

- Has a career spanning more than 20 years dedicated to the steel sector, having held several positions in the Ternium Techint group in countries such as Venezuela, Argentina, Mexico and Colombia.
- Has been the head of the commercial VP at Usiminas for four years.
- Graduated in Economics from Universidad Catolica Andres Bello, in Venezuela, he participated in executive education programs at the universities of Chicago and Stanford, in the USA.



**Américo Ferreira Neto**  
*Industrial Vice President Officer*

- With a career spanning more than 30 years at Usiminas, he worked in the areas of Maintenance, Hot and Cold Rolling and, in 2016, became the executive director of the Cubatão Plant. In 2019, he held the same position at the Ipatinga Plant until reaching Industrial VP in 2020.
- Electrical engineer by Unisantia, with specialization in industrial automation by Unisantos and MBA in project management by FGV, he also has a master's degree in electrical engineering from USP.



**Gino Eugenio Ritagliati**  
*Corporate Planning Vice President Officer*

- Before being appointed VP of Corporate Planning, he was a member of the Audit Committee at Usiminas. He has more than 15 years of experience in positions in the Economic, Commercial and Industrial Engineering areas of the Ternium Techint group in Argentina and Brazil.
- Graduated in Accounting, with specializations in Economics and Finance.

# Usiminas' Corporate Governance (Cont'd)

Recently approved programs that ensure safety for the investor, transparency of actions, management control and clarity in communication

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*Aprovado pelo Conselho de  
Administração em Outubro de 2018*

# Culture of Employee, Social and Environmental Responsibility

Usiminas translates concepts into practice, conciliating the objective of all stakeholders

<p><b>Employee</b> Investments in professional training and safety prove the ongoing commitment to the qualification, development and life of our people</p>	 <p>More than 700 thousand hours of training average of 58.4 hours per employee in 2022</p>	 <p>612 Apprentices and Interns monitoring and training at the company's first entry level</p>	 <p>100% of our employees performed a performance evaluation in 2022</p>	 <p>"Mãos Seguras" 627 hand safety devices created in 2021</p>
<p><b>Social</b> The company's sponsorship policy planned and executed by the Institute favors projects that promote inclusion, training and human development</p>	 <p>Usiminas Memory Center in Ipatinga (MG), with a collection of more than 300 works of art</p>	 <p>More than R\$79 million allocated to 123 social, sports and cultural projects throughout Brazil in 2022</p>	 <p>Construction of the Libertas Hospital in Belo Horizonte (MG)</p>	 <p>VOU – Usiminas volunteers 1.364 registered employees and more than 9,000 items donated in 2022</p>
<p><b>Environmental</b> We believe that innovation and sustainability are essential to ensure that we continue to do business and stay competitive</p>	 <p>1.84 million tons of recycled materials reused</p>	 <p>22,500 tree seedlings produced in the nursery, 1,000 of which are donated to employees and the community</p>	 <p>94,7% of the water in the steel manufacturing process at Usiminas is recirculated</p>	 <p>More than 1.5 thousand springs preserved by the Caminhos do Vale program</p>

# Rating Agencies' Views

Comments from latest available rating reports

**S&P Global**  
Ratings

On September 15, 2021, S&P Global Ratings raised its global issuer credit ratings on Usiminas to 'BB' from 'BB-' and its national issuer credit and issue-level ratings to 'brAAA' from 'brAA+'.

The stable outlook reflects our expectation of good results in the second half of 2021 and in 2022, despite cost pressures, allowing Usiminas to maintain EBITDA margins above 20% and gross debt to EBITDA consistently below 2.0x. We also expect management to maintain its conservative financial policy on dividends, share buybacks and investment decisions, the robust liquidity position and smooth debt amortization profile.

Record high results, solid liquidity and sharp deleveraging underpin the upgrade. EBITDA and free cash flow increased in the last 12 months ended June 2021, due to robust demand for steel, despite considerable price increases.

**MOODY'S**

Usinas Siderúrgicas de Minas Gerais S.A.'s (Usiminas) Ba2 ratings reflect the company's solid position in the Brazilian flat steel market and its track record of quickly adapting operations to market conditions in Brazil. The ratings are also supported by Usiminas' good credit and liquidity metrics during economic and commodity cycles, and its greater financial flexibility to withstand volatility in its main end markets. Usiminas has been able to adapt to avoid cash burn and maintain compliance with covenants in the recent past, which reduces potential liquidity risks in more difficult operating environments.

On November 16, we raised Usiminas' ratings to Ba2 from Ba3 with a stable outlook to reflect the strengthening observed in the company's liquidity position and leverage ratios since the beginning of 2021, which provides further protection for the company to withstand future volatility in operations and mitigates the risks associated with future investments. Although we expect favorable market conditions to gradually moderate over the next 12 to 18 months, the cash Usiminas has generated over the past year creates a lasting buffer for net leverage, covenant compliance and liquidity metrics, which reduces the company's overall credit risk.

**FitchRatings**

On June 18, 2021, Fitch Ratings raised the Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) of Usinas Siderúrgicas de Minas Gerais S.A. (Usiminas) to 'BB', from 'BB-', and its Long-Term National Rating to 'AA+(bra)', from 'A+(bra)'. In addition, Fitch raised the rating of the senior unsecured notes due 2026 issued by Usiminas International S.a.r.l. and guaranteed by Usiminas to 'BB' from 'BB-'.

The outlook on Usiminas' Foreign and Local Currency IDRs and National Long-Term Rating remains Stable.

The ratings upgrade reflects Usiminas' low absolute and relative debt levels, its manageable debt repayment profile and performance, despite the coronavirus pandemic, as well as the maintenance of a solid operating profile, amid a favorable environment for steel in Brazil, after the worst moment of the pandemic

**USIMINAS**



# Income Statement – Per Business Unit

(Quarterly, R\$m, except otherwise indicated)

## Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Adjustment		Consolidated	
	4Q23	3Q23	4Q23	3Q23	4Q23	3Q23	4Q23	3Q23
Net Revenue	1,049	793	5,890	5,988	(158)	(67)	6,781	6,714
Domestic Market	184	131	5,156	5,497	(158)	(67)	5,183	5,562
Exports	865	661	734	491	-	-	1,599	1,153
COGS	(655)	(623)	(6,136)	(5,964)	155	48	(6,636)	(6,539)
Gross Profit or Loss	393	169	(245)	24	(3)	(18)	145	175
Operating Income and Expenses	(114)	(67)	522	(359)	(180)	(77)	228	(420)
Selling	(76)	(70)	(49)	(41)	-	-	(125)	(111)
General and Administrative	(14)	(14)	(171)	(157)	5	4	(180)	(166)
Other Operating Income and expenses, Net	(65)	(37)	520	(188)	(1)	(1)	454	(226)
Participation in the Results of Associate and Jointly-controlled subsidiaries	41	54	222	26	(184)	(81)	80	82
EBIT	280	102	277	(335)	(183)	(96)	373	(245)
Depreciation and amortization	88	81	212	190	(10)	(10)	289	262
EBITDA (Instruction CVM 527)	368	183	488	(144)	(193)	(106)	663	17
EBITDA Margin	35.0%	23.1%	8.3%	-2.4%	122.4%	158.0%	9.8%	0.3%
Adjusted EBITDA	327	129	267	(165)	31	16	625	(20)
Adj. EBITDA Margin	31.2%	16.2%	4.5%	-2.8%	-19.4%	-24.2%	9.2%	-0.3%

\*Consolidated 70% of Unigal and 100% of Usiminas Mecânica

Note: All intercompany transactions are made at arm's length basis.

# Income Statement – Per Business Unit

(Acumulated, R\$m, except otherwise indicated)

R\$ million	Mining		Steel*		Adjustment		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
Net Revenue	3,530	3,618	24,622	29,703	(514)	(850)	27,638	32,471
Domestic Market	668	961	22,279	25,861	(514)	(850)	22,433	25,972
Exports	2,862	2,657	2,343	3,842	-	-	5,205	6,499
COGS	(2,457)	(2,265)	(23,798)	(25,293)	404	767	(25,851)	(26,791)
Gross Profit (Loss)	1,073	1,352	824	4,410	(109)	(83)	1,788	5,680
Operating Income (Expenses)	(383)	(99)	(208)	(2,180)	(398)	(735)	(988)	(3,013)
Selling	(327)	(354)	(174)	(276)	-	-	(500)	(629)
General and Administrative	(52)	(42)	(601)	(566)	18	19	(634)	(589)
Other Operating Income (expenses), Net	(155)	183	37	(2,195)	(5)	(5)	(123)	(2,016)
Participation in the Results of Associate and Jointly-controlled subsidiaries	150	113	530	857	(411)	(749)	269	221
EBIT	690	1,253	617	2,231	(507)	(818)	799	2,666
Depreciation and amortization	314	211	786	726	(38)	(34)	1,062	903
EBITDA (Instruction CVM 527)	1,004	1,464	1,403	2,957	(546)	(852)	1,861	3,569
EBITDA Margin	28.5%	40.5%	5.7%	10.0%	106.2%	100.2%	6.7%	11.0%
Adjusted EBITDA	857	1,059	875	3,797	22	48	1,754	4,905
Adj.EBITDA Margin	24.3%	29.3%	3.6%	12.8%	-4.4%	-5.7%	6.3%	15.1%

\*Consolidated 70% of Unigal and 100% of Usiminas Mecânica

Note: All intercompany transactions are made at arm's length basis.

# Environmental, Social and Governance (ESG)

## Follow-up of Goals:

Material Theme	Goal	SDG		Comments
People management	Objective of Zero Accidents, in compliance with the Strategic Safety Plan, with focus on achieving a Safety Index of 1.0;	3 and 8	●	The accumulated safety index was 2.15 on 12/31/2023, a rate better than the established benchmark. The Company continually maintains its efforts to eliminate accidents in its operations and achieve the goal of Zero Accidents.
People management	Reach 18% of women in leadership positions by 2023;	5	●	On 12/31/2023 the percentage of women in leadership positions reached 17.67%. The Company seeks to become more diverse and inclusive every day, in relation to 2022, the number of women in leadership positions increased by 3.2%.
Climate changes	Conducting a GHG inventory at Soluções Usiminas by 09/30/2023;	13	●	Target achieved. The inventory was completed on 06/30/2023.
Climate changes	Adhesion of Mineração Usiminas to the Brazilian GHG Protocol Program;	13	●	Target achieved. The emissions inventory of <i>Mineração Usiminas</i> was submitted to the Brazilian GHG Protocol Program on 07/25/2023.
Relationship with Stakeholders	Improvement of the General Customer Satisfaction Index;	12	●	In 2023, interviews were carried out with 42 customers, who together represented 54% of Usiminas' revenue in the previous year. The degree of customer satisfaction showed a record performance in relation to history, reaching 107.3% of the target.
Relationship with Stakeholders	Sustainability in the supply chain, strengthening relationships and reducing risks at 75% of strategic suppliers;	12	●	Target achieved. The Company mapped the risks and opportunities of 100% of the strategic suppliers evaluated.
Relationship with Stakeholders	Strengthening relationships with formal and community leaders in Vale do Aço and Baixada Santista	17	●	Target achieved. Engagement with mapped stakeholders exceeded the planned target, reaching 125% in 2023, mainly due to the strong interaction caused by the renovation of Blast Furnace 3.
Management of natural resources and environmental impacts	Donation of 100% of the steel aggregate generated in 2023 to the Caminhos do Vale program	12	●	Target achieved. 100% of the steel aggregate generated in 2023 was donated to the <i>Caminhos do Vale</i> program



Reached



Not reached

**USIMINAS**