



# EARNINGS

# 1Q23

CONFERENCE  
CALL



# 1Q23 highlights



## OPERATING PERFORMANCE

**Sales volume**  
remained stable  
**vs. 1Q22**

Fall in **aluminum  
cost production**  
(-3.2% vs. 4Q22)

Rebalancing of  
**anodic paste  
quality**



## FINANCIAL MANAGEMENT

**Net income**  
of R\$89 million

New funding  
including **BNDES**

Stable average  
**debt cost and  
maturity**

**Readjustment**  
of the Capex  
schedule



## MAIN STRATEGIC ACHIEVEMENTS

**Sale of**  
**Niquelândia**

**AA** rating in the  
**MSCI ESG Ratings**

2023 **Agile**  
**Trends** Award



# Aluminum Market

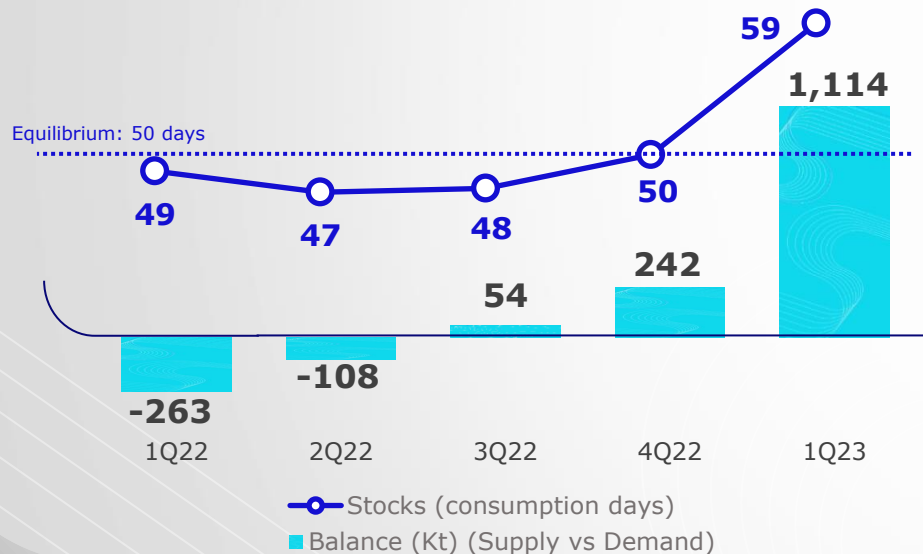
Outlook

## 1Q 23



# Demand recovery could support aluminum higher prices according to CRU

## Global Balance<sup>1</sup> (kt) - Supply vs Demand

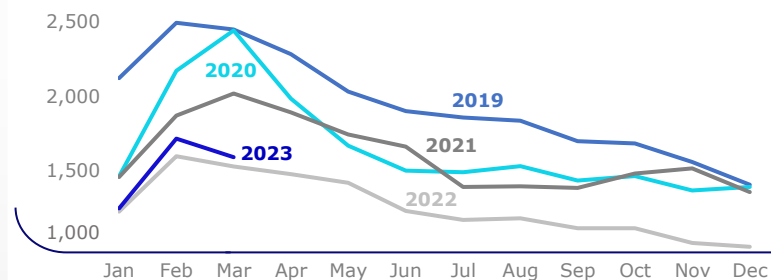


Market surplus in 1Q23, with expected deficits in the coming quarters.

Further cuts announced in 1Q23 in China, Europe and Australia. Small restarts, not relevant in the global balance.

Following China's reopening and recent production cuts in Yunnan, Chinese inventories have fallen again.

## China: SHFE stocks and unregistered warehouse stocks (kt)



<sup>1</sup> Balance adjusted for net primary trade

Source: CRU Aluminum Market Outlook Apr 2023 and Company Analysis.

Note: Historical figures tend to vary depending on the supply & demand model updates made by CRU consulting

# LME Aluminum pressured by macroeconomic factors

Aluminum price mainly sensitive to demand developments in China.



**LME ALUMINUM  
PRICE (US\$/t)**

**3,280**

**1Q22**

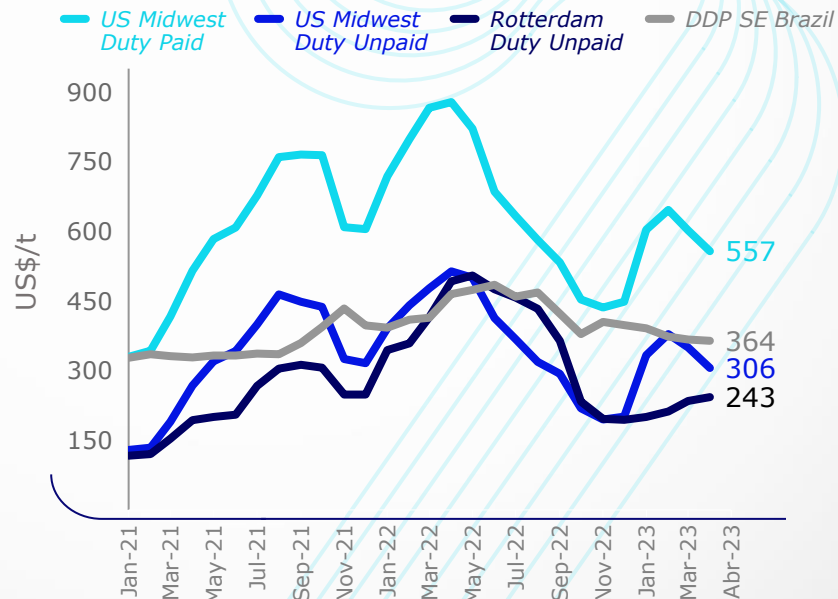
**2,324**

**4Q22**

**2,395**

**1Q23**

Midwest premium decrease due to concerns about possible recession caused by banking crisis. Other premiums remained relatively stable in the quarter





# Aluminum Brazilian Market

Despite short-term uncertainties,  
**Brazilian demand remained resilient**

Good performance of the **automotive wheels and aluminum cables market**, benefiting consumption of aluminum-silicon ingots and rebars, respectively

Significant 30% increase in **imports of rolled products** versus 1Q22, reflecting anticipation of measures against imports from China

Reduced freight and increased inventories in the chain put pressure on **domestic premiums**

Brazil DDP  
SE<sup>1</sup> Premium  
(US\$/t)

405

1Q22

394

4Q22

377

1Q23



<sup>1</sup> Brazil DDP SE Premium: refers to P1020 – standard ingot, sow e T-bars.

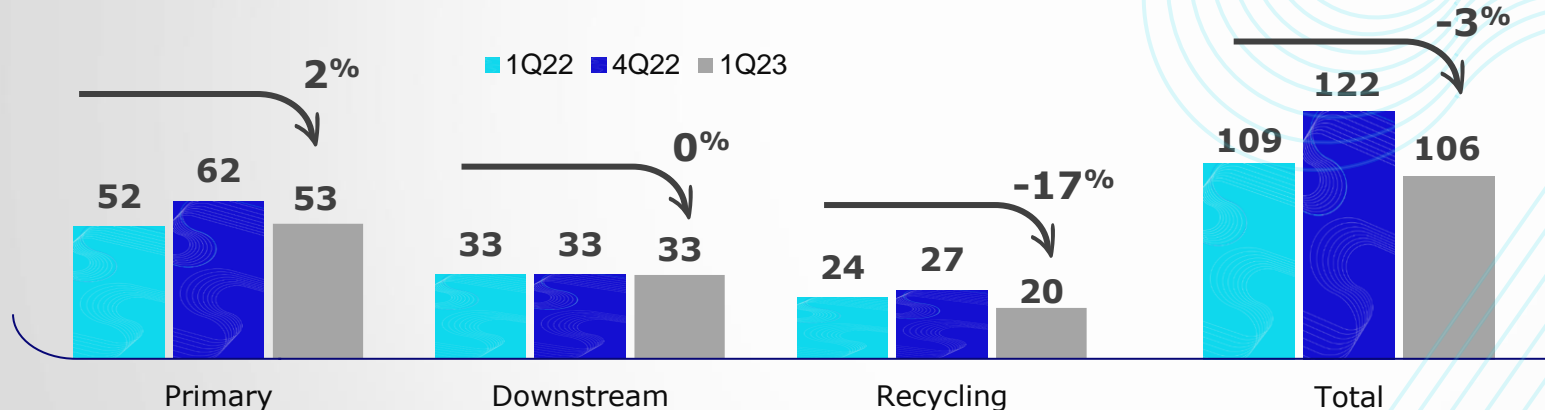


# Operating and Financial Performance

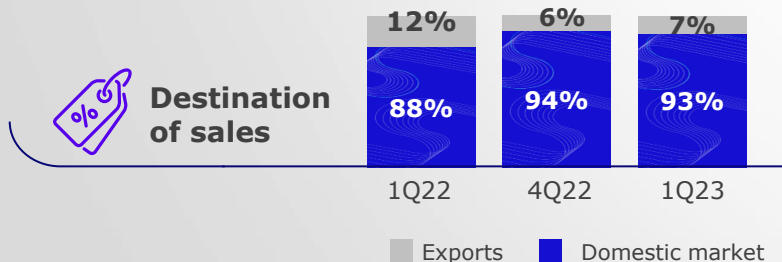


# Sales volume in 1Q23 with slight variation vs 1Q22, mainly reflecting lower home improvement sector consumption

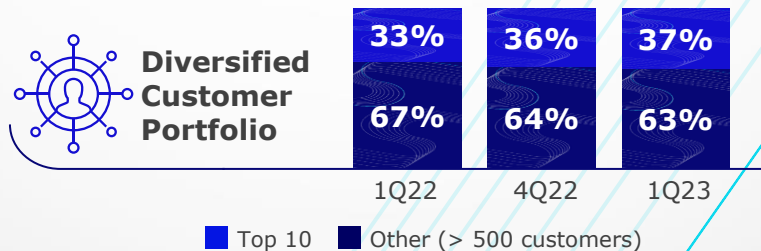
Volumes in Kt



% ALUMINUM SALES

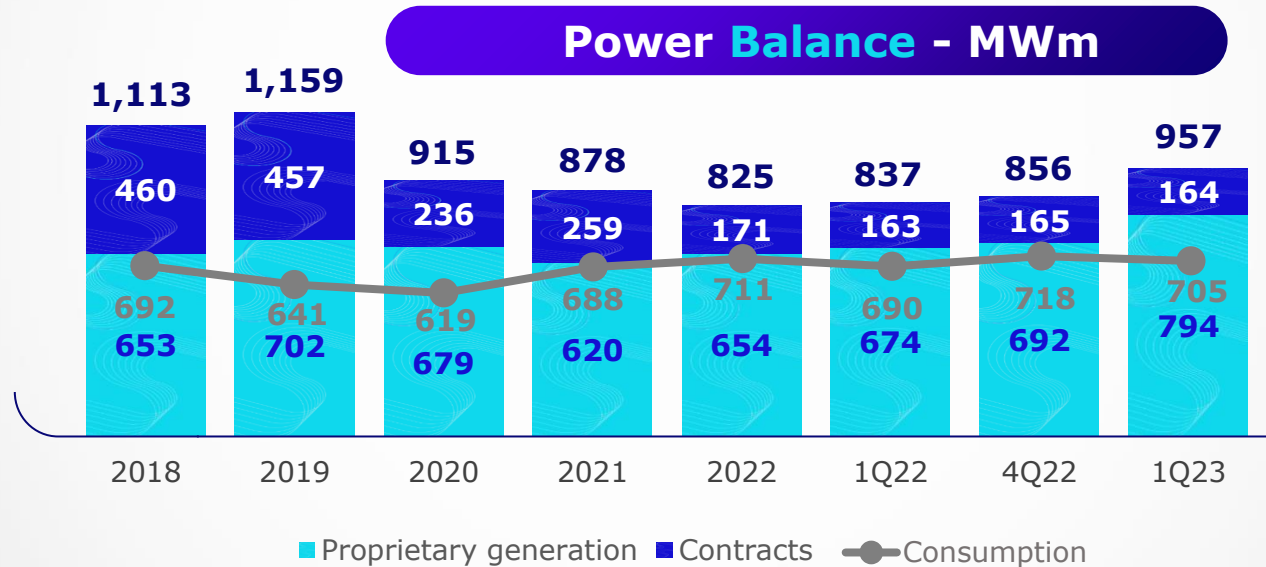


% REVENUES





# Strong water generation in the quarter and entry of wind farms increase surplus volume

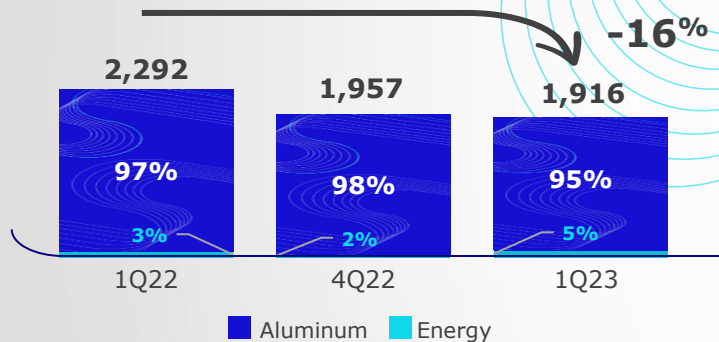


## Average cost (R\$ / MWh):

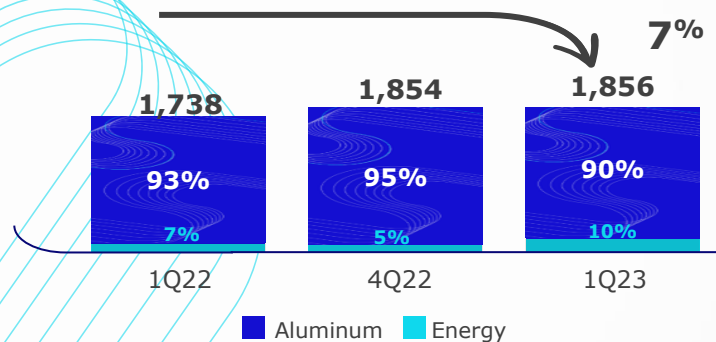
Contracts	209	220	205	288	322	328	351	260
Proprietary generation	62	65	72	88	91	74	98	81

# Price reduction, cost pressure and anodic paste quality impact results

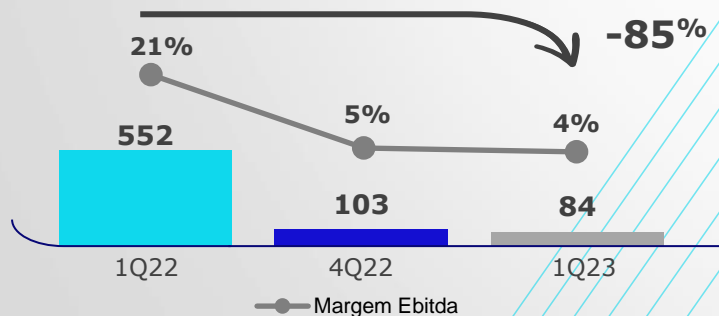
## Net Revenue



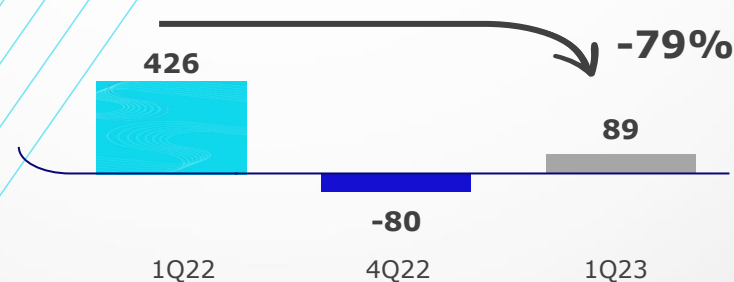
## Cost of Goods Sold



## Adjusted<sup>1</sup> EBITDA



## Net Income/ Loss



<sup>1</sup> Adjustments reflect equity income and dividends received from investees and nonrecurring events in profit and loss, including the Market-to-Market ("MtM") of energy contracts.

# Expected progress of CAPEX in the quarter

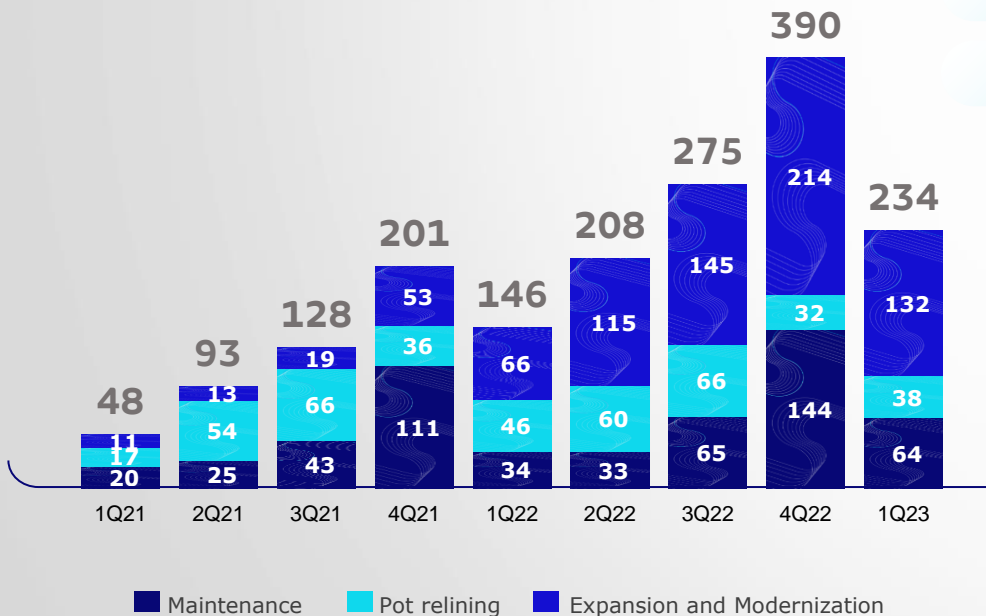
Readjustment of the schedule to reduce disbursements in 2023,  
following the operational cash flow generation

## Capex - R\$ million in cash basis

### Annual Capex (R\$ MM)

**2022** 1,020

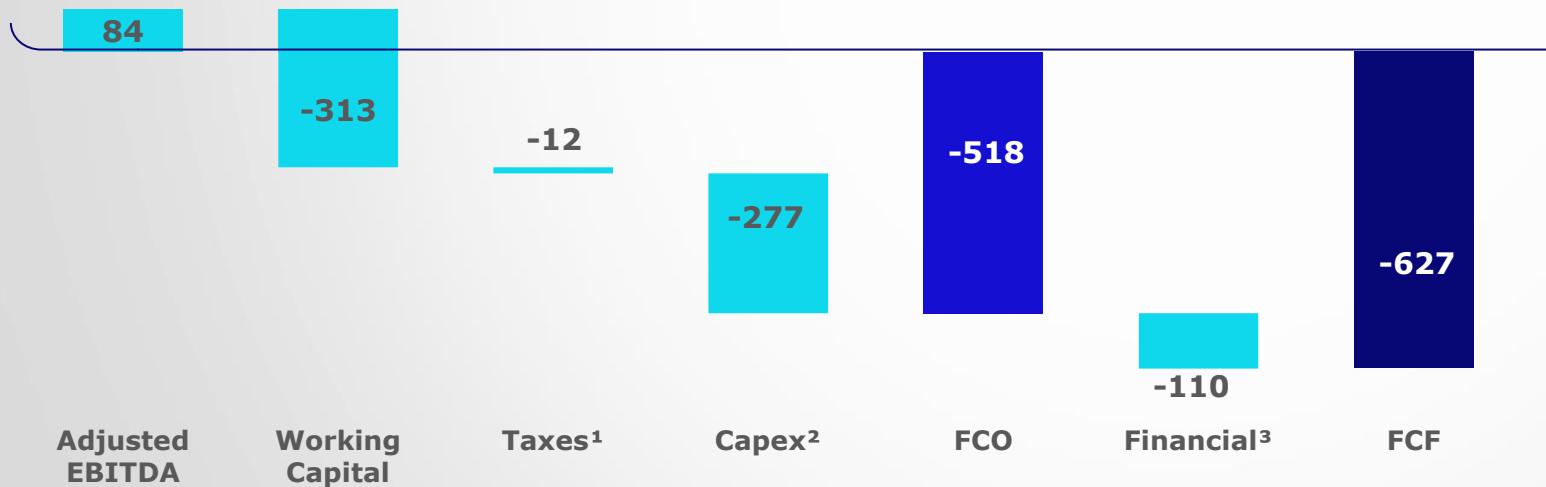
**2021** 470



# Higher investment in working capital due to increased inventory

2nd installment of Alux's acquisition payment, concluding 100% of the purchase

## Free Cash Flow (R\$ million)

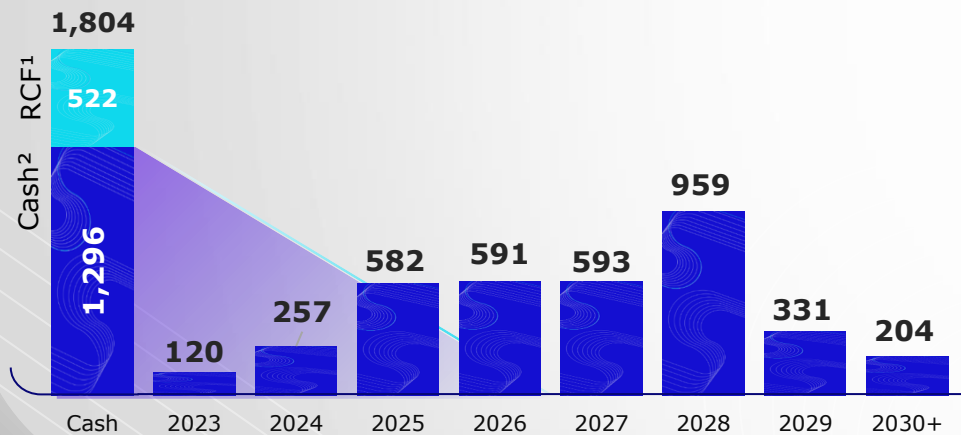


<sup>1</sup> Income and Social Contribution Taxes. <sup>2</sup> Capex accrual basis <sup>3</sup> Acquisition, sale of assets and net interest, including the payment of R\$49 million from Alux.

# New funding include bank debts and BNDES disbursements, maintaining average cost and maturity

## Debt Amortization Schedule

R\$ million



**AVERAGE  
MATURITY**

**4.3 years**

**AVERAGE COST<sup>3</sup>**

**USD 5.1%  
per year**

**USD 90%**

**BRL 10%**

<sup>1</sup> Revolving green credit facility of USD 100mm

<sup>2</sup> Includes cash, cash equivalents and financial investments

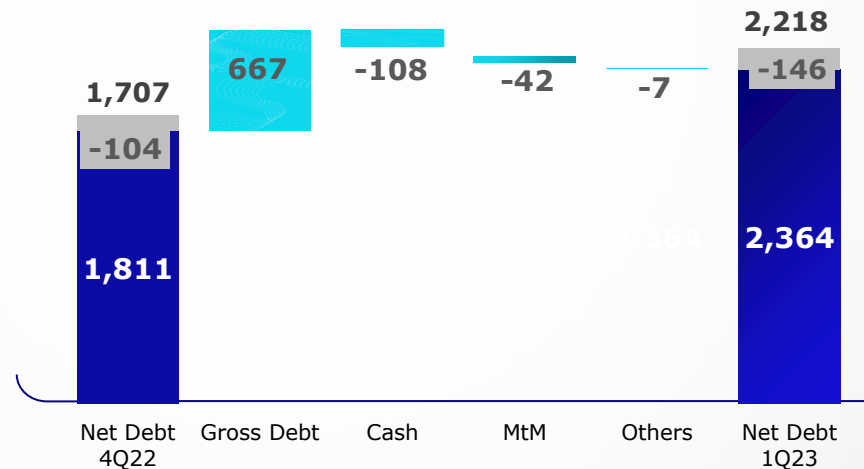
<sup>3</sup> Considers the total cost of the debt, including in BRL, converted into USD in 03/31/2023

## Net Debt

R\$ million

Net Debt/Adjusted EBITDA LTM

MtM



**1.05x**

**1.91x**



# Main achievements and strategic moves

## ESG

Evolution of the **MSCI ESG** rating from A to AA, moving from "average" to "leader"

Disclosure of the **2022 Annual Report**

## FOCUS ON THE ALUMINUM CORE BUSINESS

Sale of Niquelândia to Wave Nickel Brasil

Followig the strategic movements of 2022:

Sale of the **São Miguel Paulista** nickel refinery

Acquisition of **Alux do Brasil**, whose performance and resilience reinforce CBA's recycling growth strategy

1 year of  
**DIGITALL**



**2023 Agile Trends Award**

**2,600 participants, 450 companies and 160 cases of agility** attended the event

# Closing remarks

**CBA remained in the 1st quartile of the global cost curve in the quarter, despite the short-term challenging scenario.**

**Market surplus in 1Q23, with slight global deficit expectation for the year, mainly due to China's resumption, which could support higher prices according to CRU.**

## Management initiatives:

- ✓ **Pot rooms in the process of operational stabilization**
- ✓ **Readjustment of the capex schedule, reducing disbursements in 2023**
- ✓ **Payment of mandatory minimum dividends in the second half of 2023**
- ✓ **Competitiveness Management: tool to support and accelerate the mapping and implementation of initiatives to improve competitiveness, involving all CBA departments.**





# Q&A



## Investor Relations



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