



VOTORANTIM
Corporate Presentation
2Q20 Results



VOTORANTIM

João Schmidt

CEO Votorantim S.A.

COVID-19: Update on Actions

Our response to COVID-19 reinforces our commitments to our people, our businesses and our communities



Employees' health, safety and well-being



Support to our communities through Votorantim Institute
www.votorantim.com.br/todoscontraocoronavirus/



Liquidity



Support to our portfolio companies



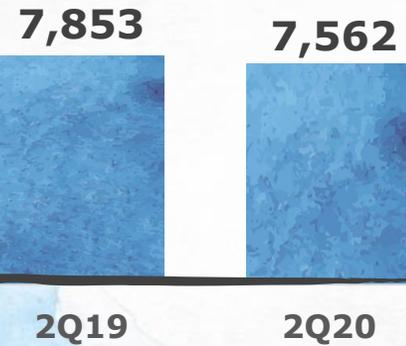
Better perspectives on operations



2Q20 Consolidated Results

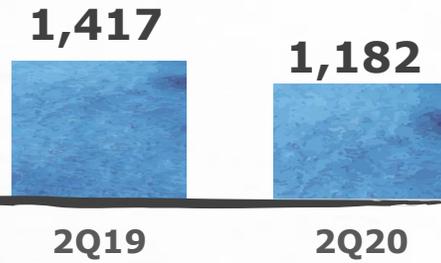
Net Revenues

(R\$ MILLION)



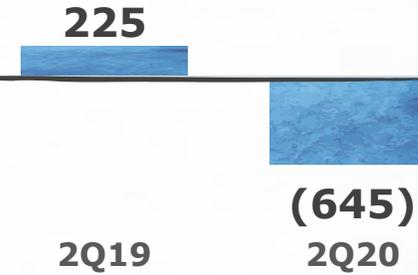
Adjusted EBITDA

(R\$ MILLION)



Net Income

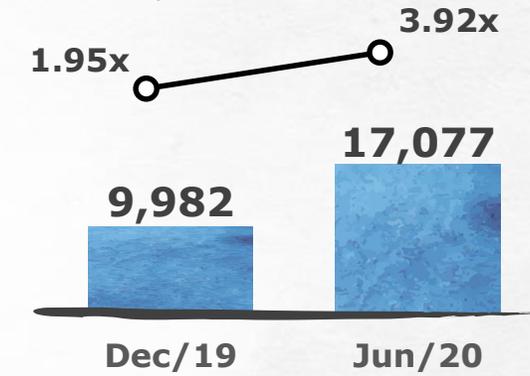
(R\$ MILLION)



Net Debt

(R\$ MILLION)

NET DEBT/ADJ. EBITDA





 **Votorantim**
Cimentos
Life is made to last

Oswaldo Ayres
CFO Votorantim Cimentos

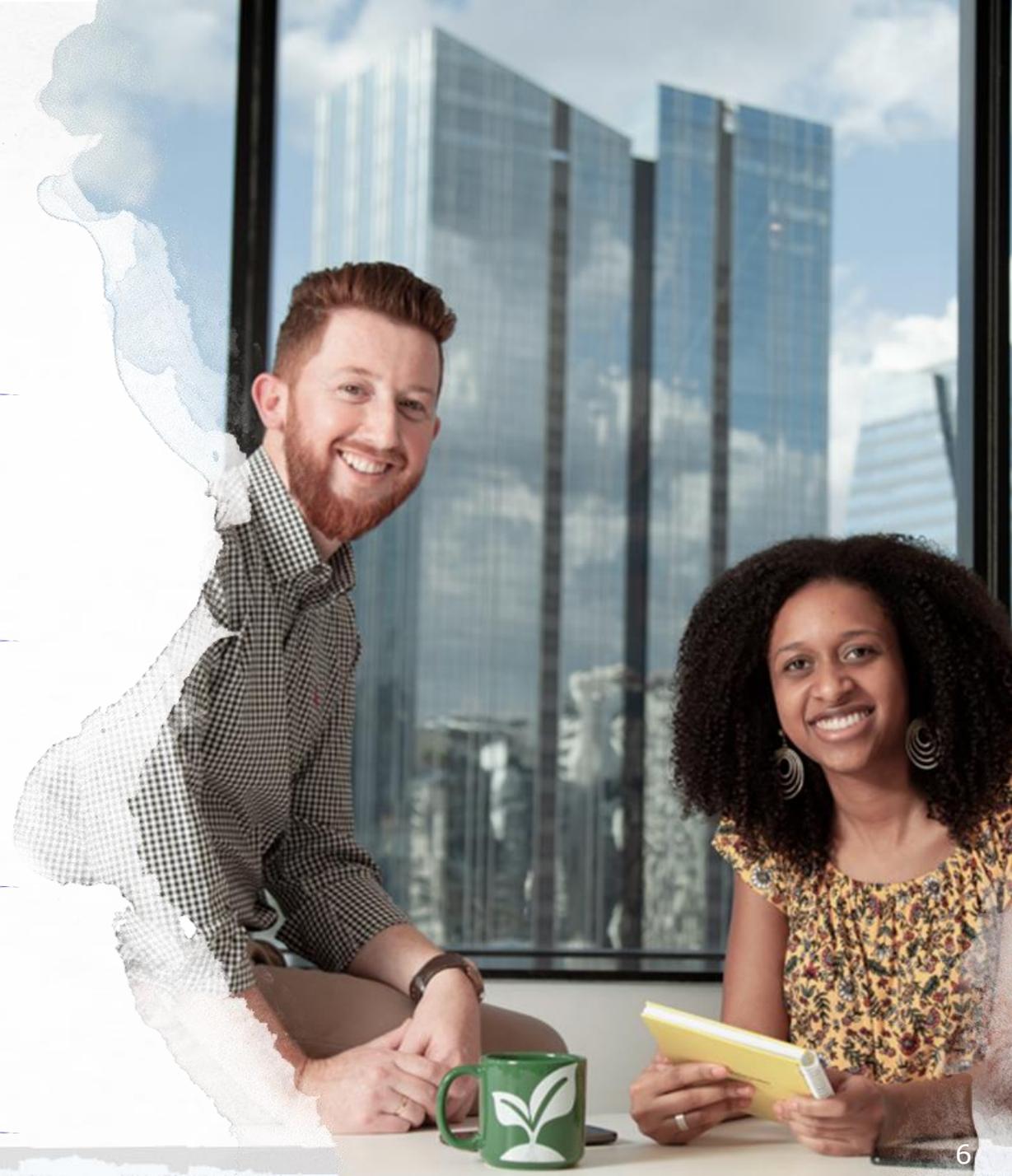
2Q20 Main Highlights

**Contingency plan
execution on track**

**Geographical diversification
mitigated COVID-19 impacts**

**Strong operational results &
free cash flow generation**

**Financial discipline: extended debt
profile & strong liquidity position**



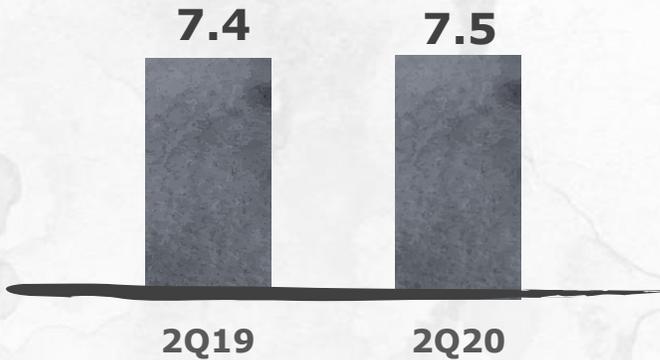
Consolidated Results

Sales Volume

(MTON)



0.3%

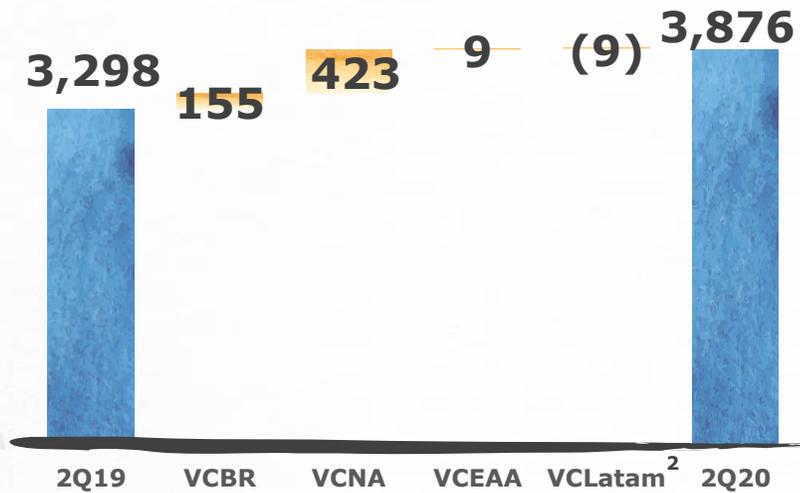


Net Revenues¹

(R\$ MILLION)



18%

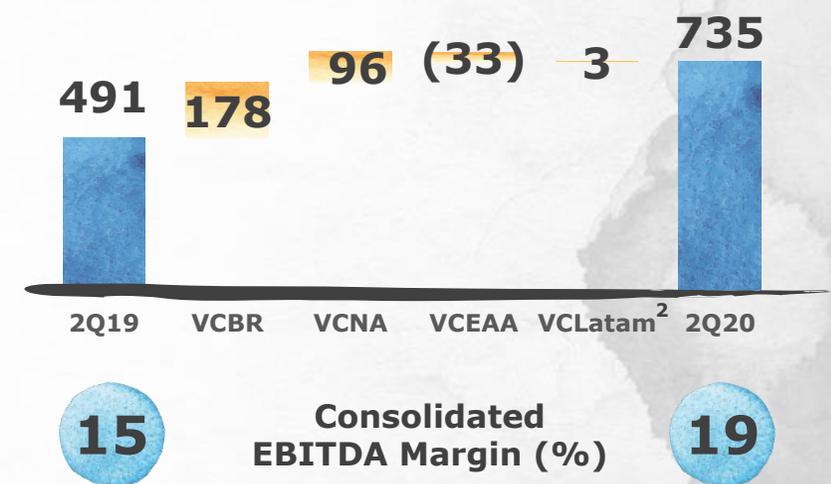


Adjusted EBITDA¹

(R\$ MILLION)



50%

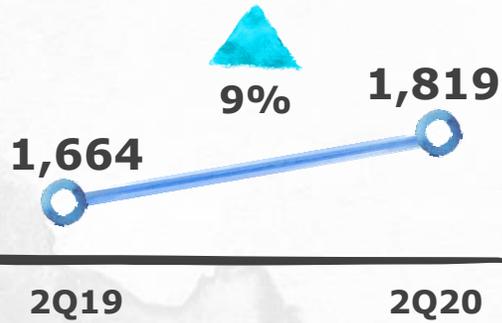


1. BRL|USD average exchange rate used 3.92 (2Q19) and 5.38 (2Q20)

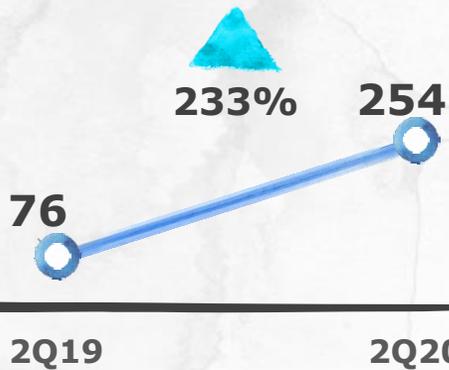
2. VCLatam & Other



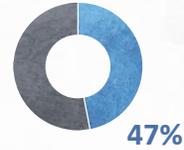
Net Revenues¹



Adj. EBITDA¹

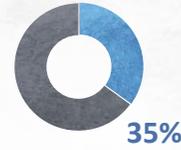


Net Revenues
(% of consolidated)



2Q20

Adjusted EBITDA
(% of consolidated)



Solid market dynamics with higher sales volume and favorable prices

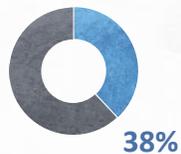
Ebitda Outperformance due to contingency plan, strong top-line and adjacent products results



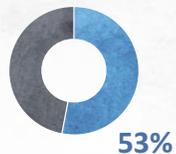
1. BRL|USD average exchange rate used 3.92 (2Q19) and 5.38 (2Q20)



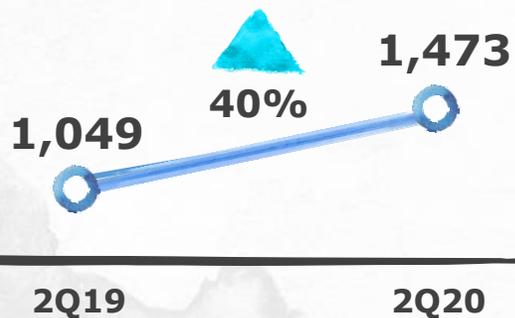
Net Revenues
(% of consolidated)



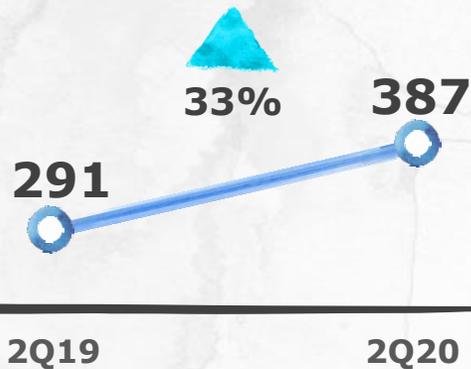
Adjusted EBITDA
(% of consolidated)



Net Revenues¹



Adj. EBITDA¹



Stable demand market and less challenging scenario than expected up to 2Q20

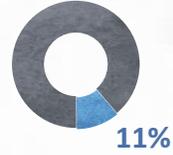
BRL depreciation positive contribution



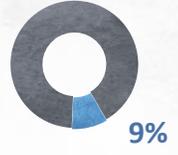
1. BRL|USD average exchange rate used 3.92 (2Q19) and 5.38 (2Q20)



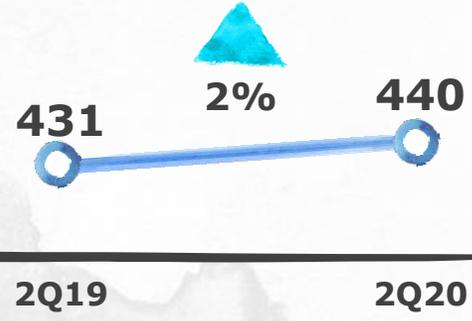
Net Revenues
(% of consolidated)



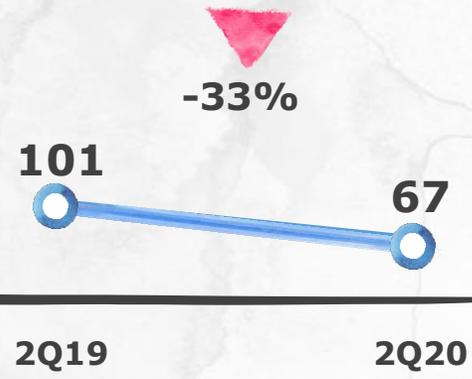
Adjusted EBITDA
(% of consolidated)



Net Revenues¹



Adj. EBITDA¹



Volume demand impacted in all countries by COVID-19

BRL depreciation and contingency plan partially mitigating COVID-19 impact



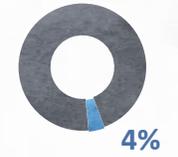
1. BRL|USD average exchange rate used 3.92 (2Q19) and 5.38 (2Q20)

VCLatam¹

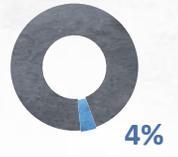
(R\$ MILLION)



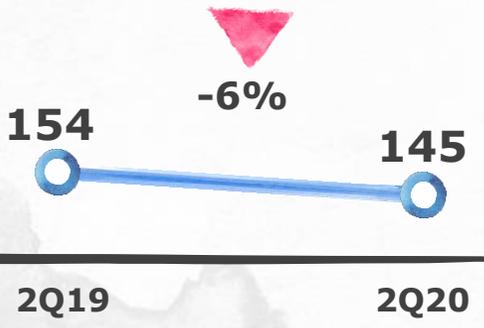
Net Revenues
(% of consolidated)



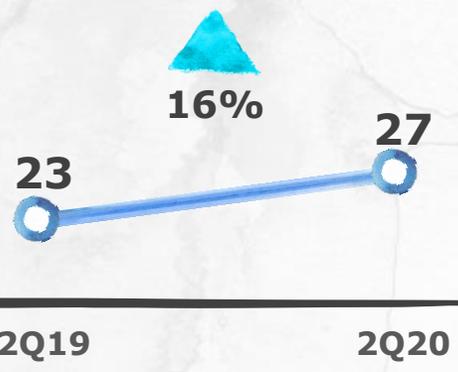
Adjusted EBITDA
(% of consolidated)



Net Revenues²



Adj. EBITDA²



Strong operational results in Uruguay with improved market dynamics

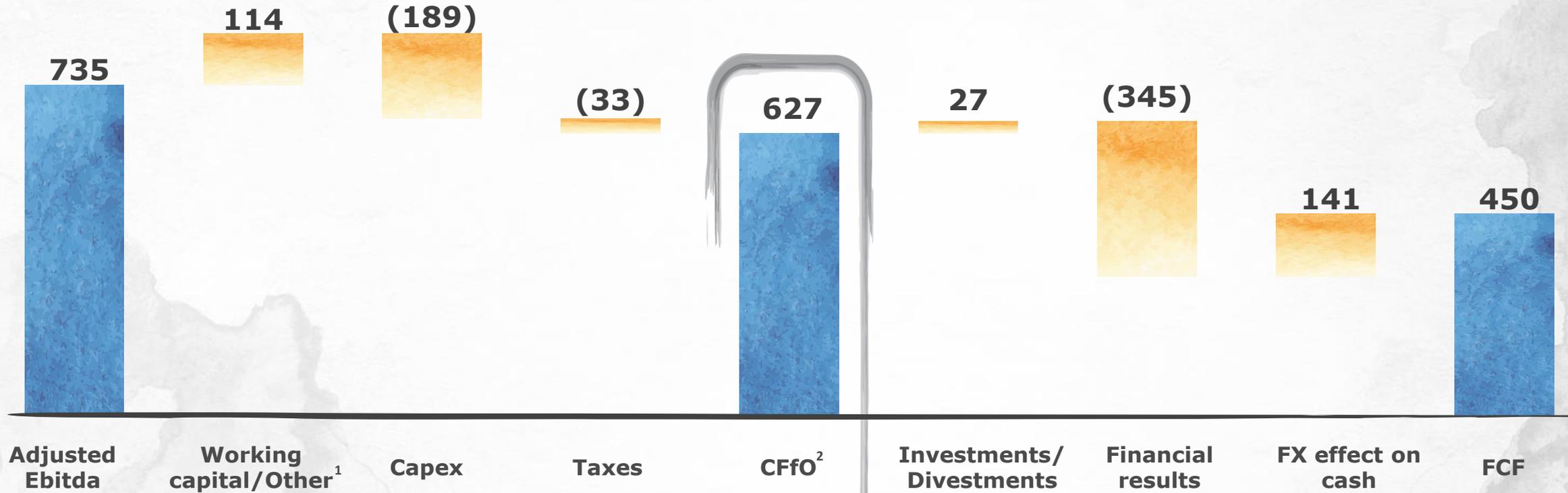
Challenging scenario in Bolivia as a consequence of COVID-19 impacts



1. VCLatam & Other
2. BRL|USD average exchange rate used 3.92 (2Q19) and 5.38 (2Q20)

Cash Generation

(R\$ MILLION)



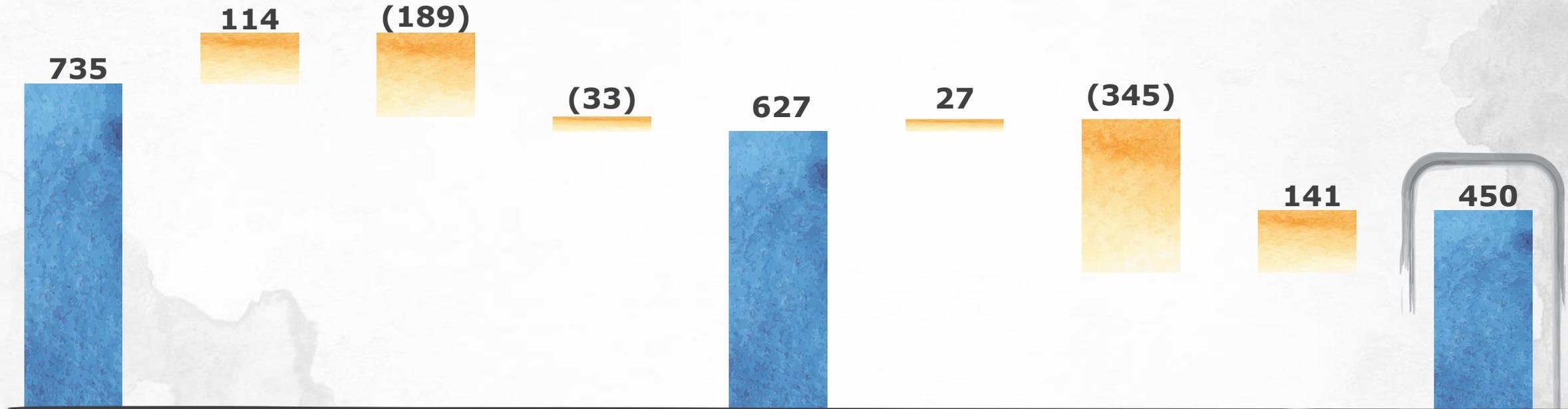
Positive working capital mainly due solid operational results

Capex decreased in 22% YoY as a result of contingency plan

1. Other items that do not impact cash generation
 2. Cash Flow from Operations

Cash Generation

(R\$ MILLION)



Adjusted Ebitda Working capital/Other¹ Capex Taxes CFfo² Investments/Divestments Financial results FX effect on cash FCF

Financial results impacted by 2021 make-whole and bond interest payments

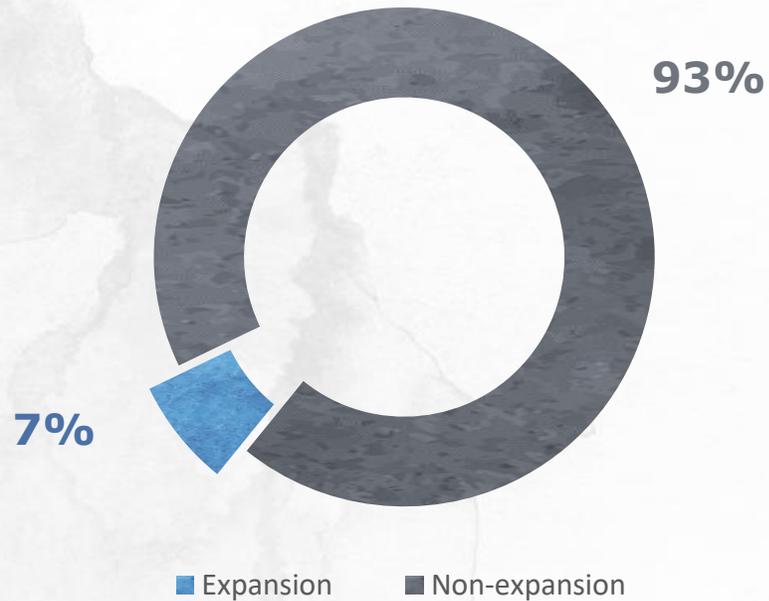
FX positive impact and 50% of cash position in hard currency

1. Other items that do not impact cash generation
 2. Cash Flow from Operations

Capital Expenditures

CAPEX

Total Amount:
R\$189 million



Sustaining

To preserve competitiveness in all regions and to maintain operational excellence

Modernization

Modernization plan gives management **flexibility to postpone expenditures due to COVID-19 impacts**

Expansions

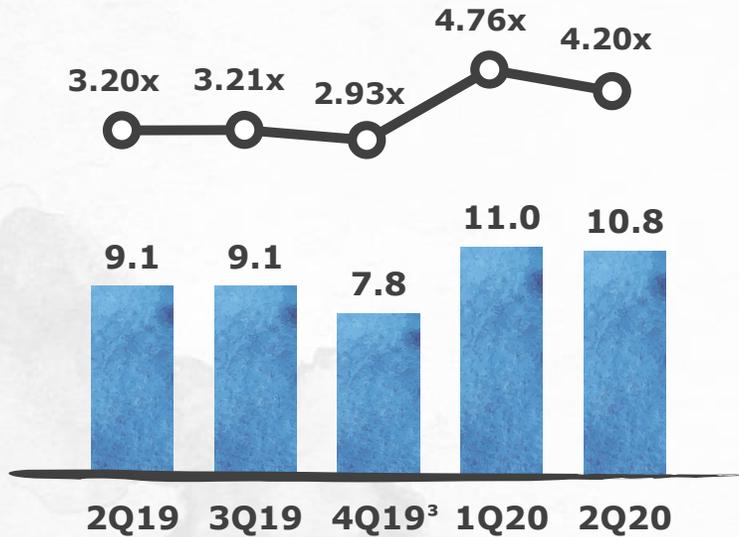


Expansion of Pecém grinding **impacted** by government restriction in the state of Ceará

Leverage, Liquidity and Indebtedness

(R\$ BILLION)

Net Debt / Adjusted EBITDA¹

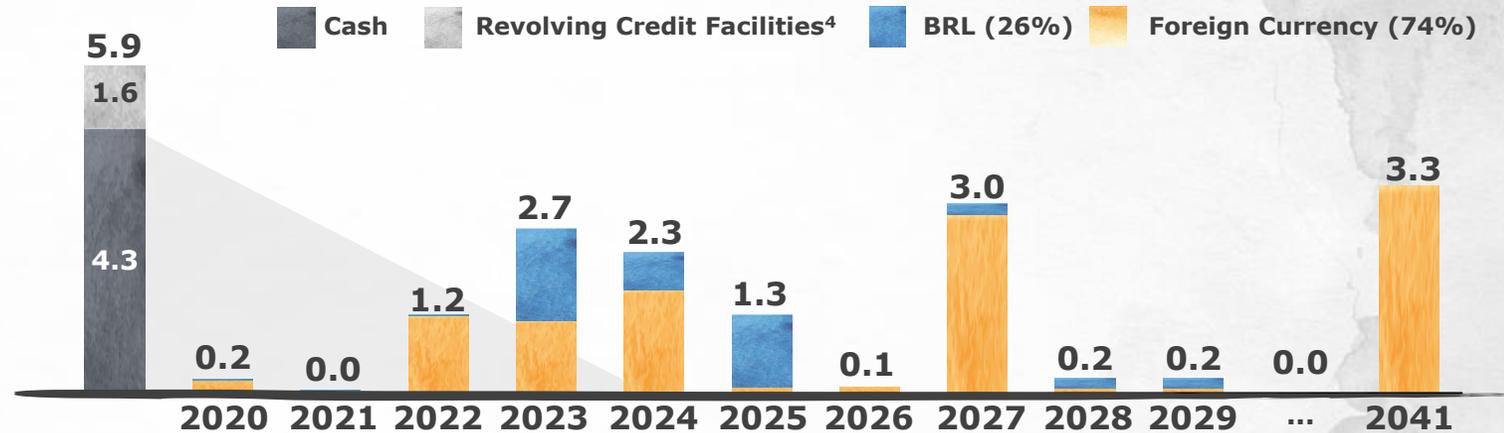


Positive evolution on Leverage ratio

due to solid EBITDA and free cash flow generation which mitigates BRL depreciation

Debt Amortization Profile²

Debt average maturity 8.2 years



LM executed to reduce 2021 concentration

Strong liquidity: cash position enough to cover 3.7 years of debt obligations with 50% of liquidity in hard currency

RCF of US\$300 million available

1. Net debt with MTM effects from 4131 loans
 2. Debt figures do not include leasing
 3. 4Q19 leverage ratio restated
 4. Global revolving credit facility: US\$300 million still available.

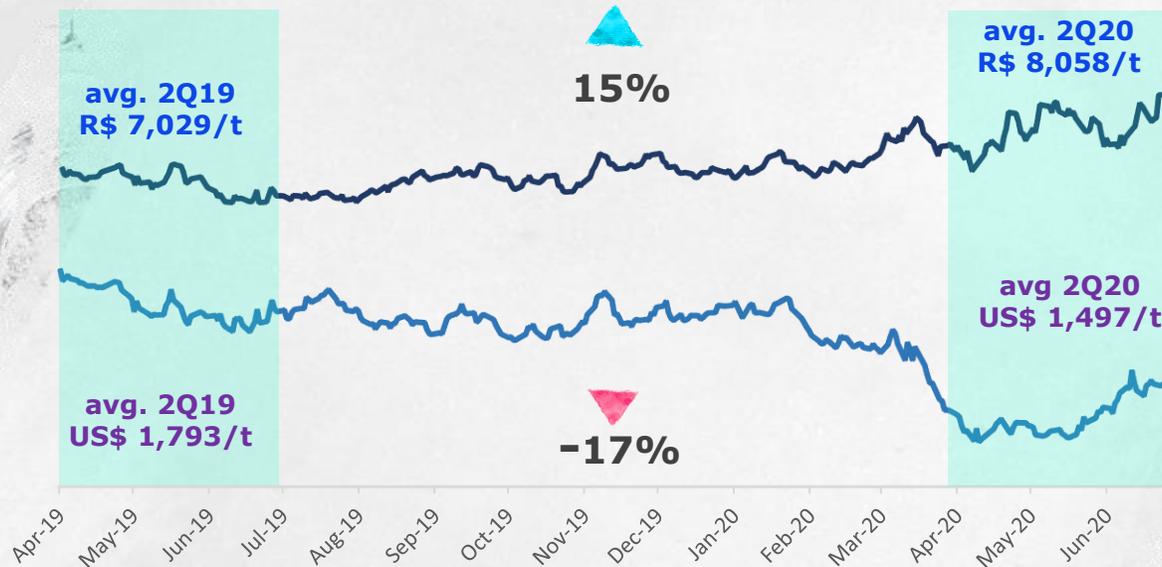


Luciano Alves

CFO CBA

Market Overview

LME Aluminum Prices



Source: Bloomberg Aluminum LME (US\$/t)

LME aluminum price hit historic low in April

Lockdowns contracted demand globally

Significant surplus and lost of cost support (e.g. Alumina)

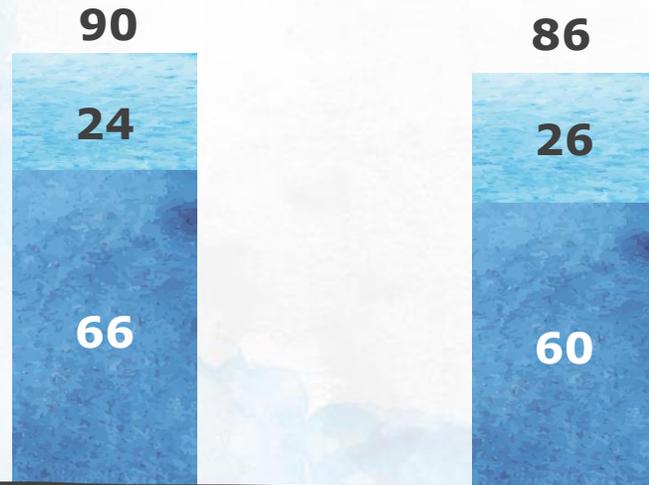
Transportation sector strongly impacted by the pandemic

Operational Results

Aluminum Sales Volume

(KTON)


-5%



2Q19

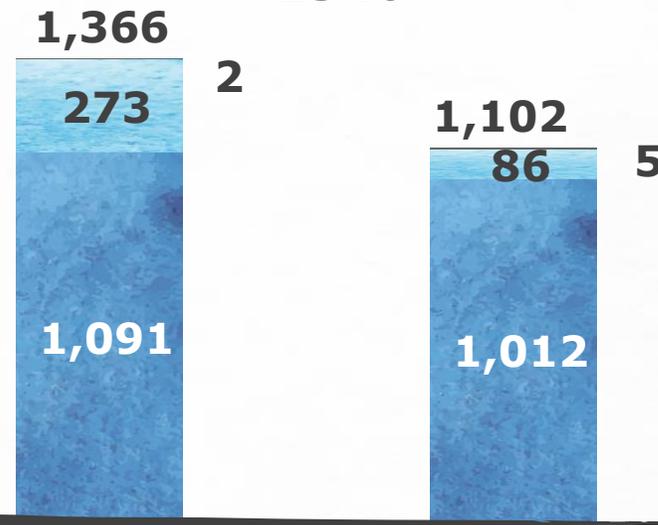
2Q20

■ Upstream ■ Downstream

Net Revenues

(R\$ MILLION)

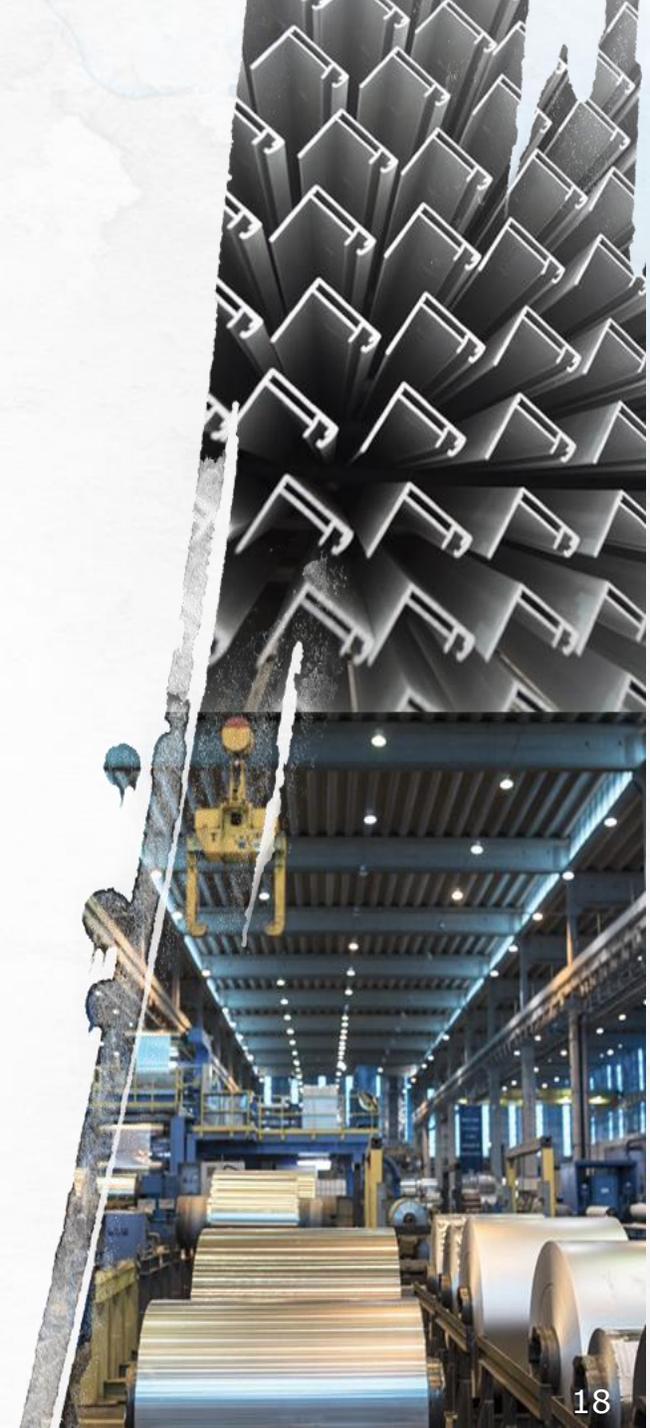

-19%



2Q19

2Q20

■ Aluminum ■ Energy ■ Nickel

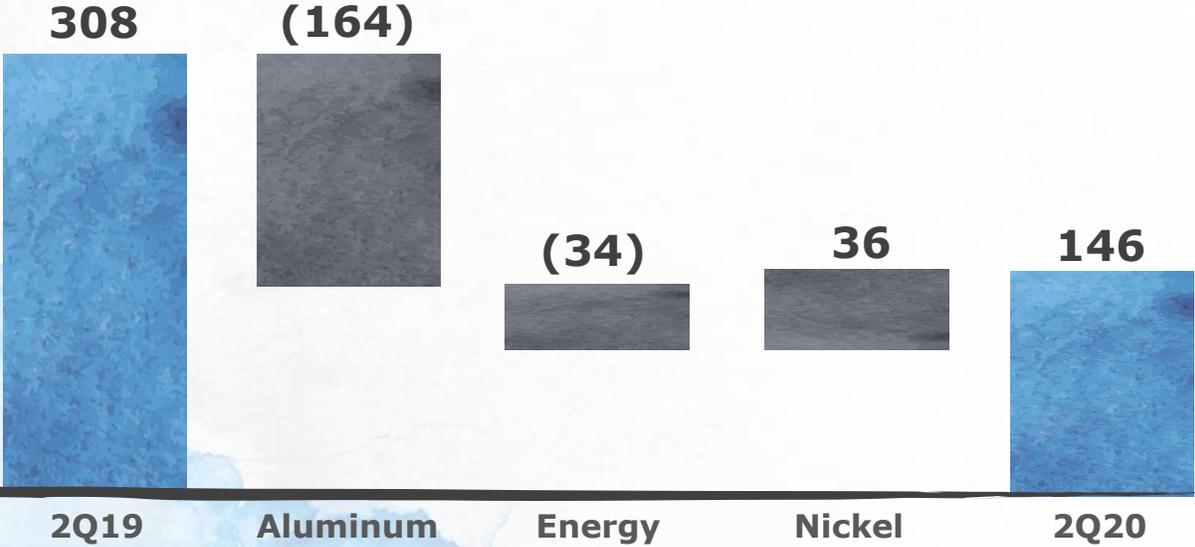


Operational Results

Adjusted EBITDA – CBA Consolidated

(R\$ MILLION)


-53%



EBITDA Margin(%)

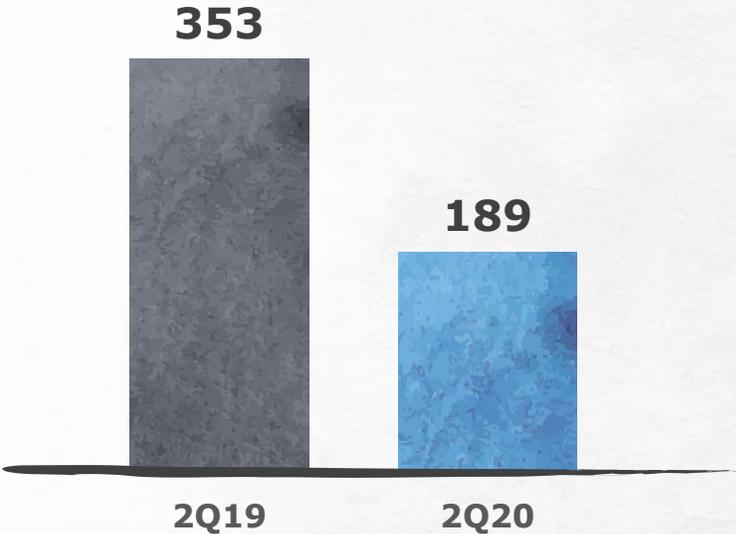
23

13

Adjusted EBITDA - Aluminum

(R\$ MILLION)


-46%



32

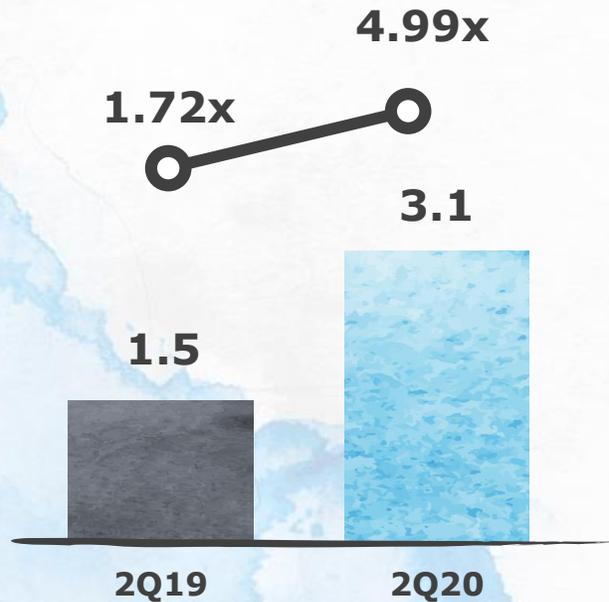
19

Leverage, Liquidity and Indebtedness

(R\$ BILLION)

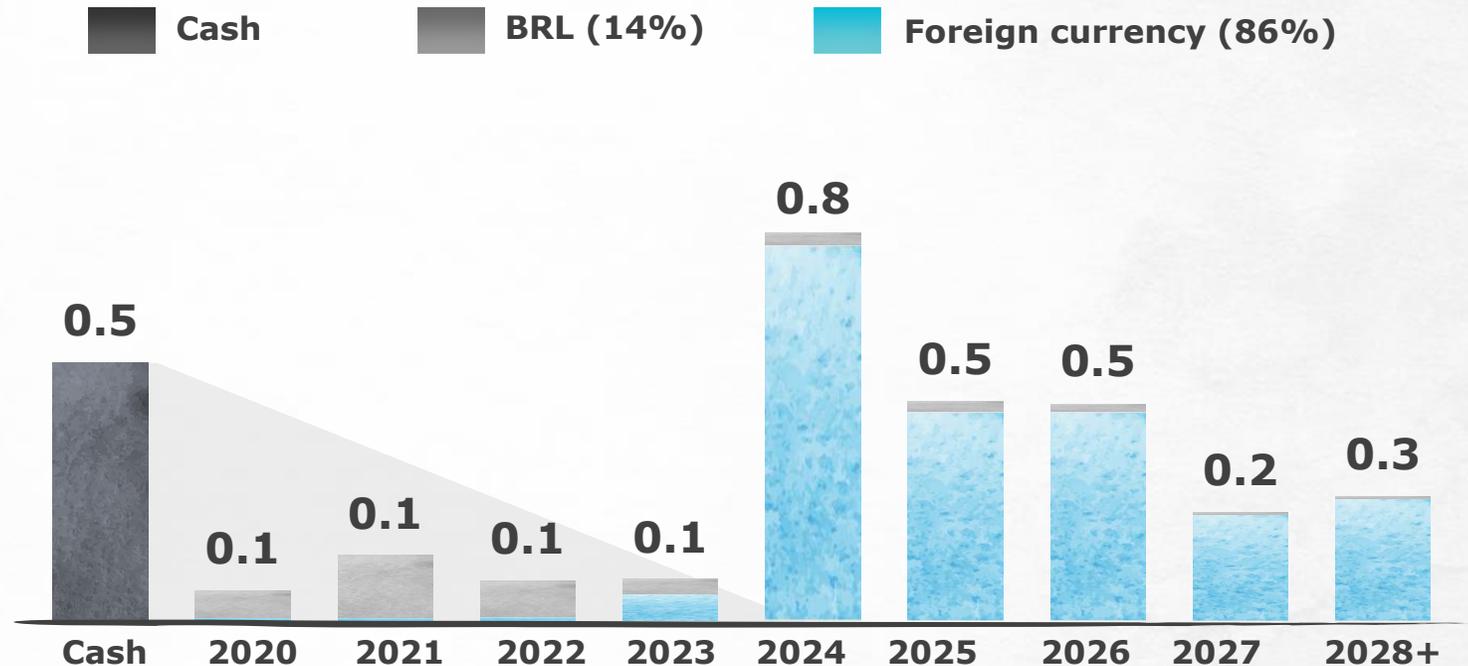
Net Debt

NET DEBT/ADJ. EBITDA



Debt Amortization Profile

Debt average maturity: 4.92 years



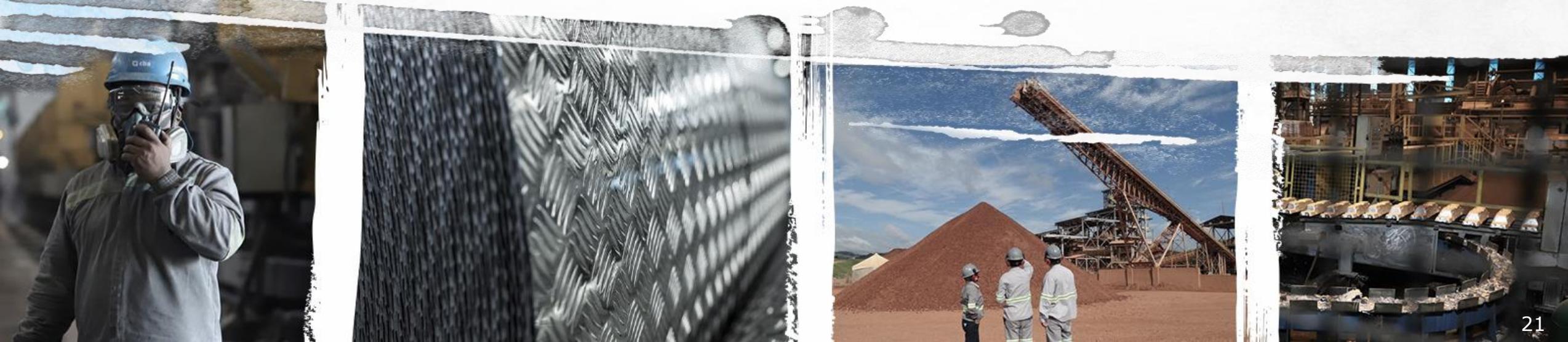
COVID-19

Crisis Committee: **health and safety** of stakeholders and continuity of our operations

Challenging market conditions

Limited impact on sales volumes, but **significant changes in sales mix**

Solid cash position, with additional initiatives to improve results



The background is a watercolor-style illustration. On the left side, there is a dark blue and purple wash. A white pen nib is positioned in the lower-left quadrant, pointing towards the center. From the tip of the pen, a bright, multi-colored light beam (orange, yellow, and white) radiates outwards, illuminating the surrounding watercolor washes. The right side of the image is dominated by a light, airy watercolor wash in shades of pink, white, and pale green.

VOTORANTIM
energia

Raul Cadena

CFO Votorantim
Energia

2Q20 Highlights



Solid results at VE and at the JV combined with **strong liquidity position**



R\$59 million of cash flow from stake in HPPs



R\$164 million dividends from Cesp



I-REC Certification (International Renewable Energy Certificates)

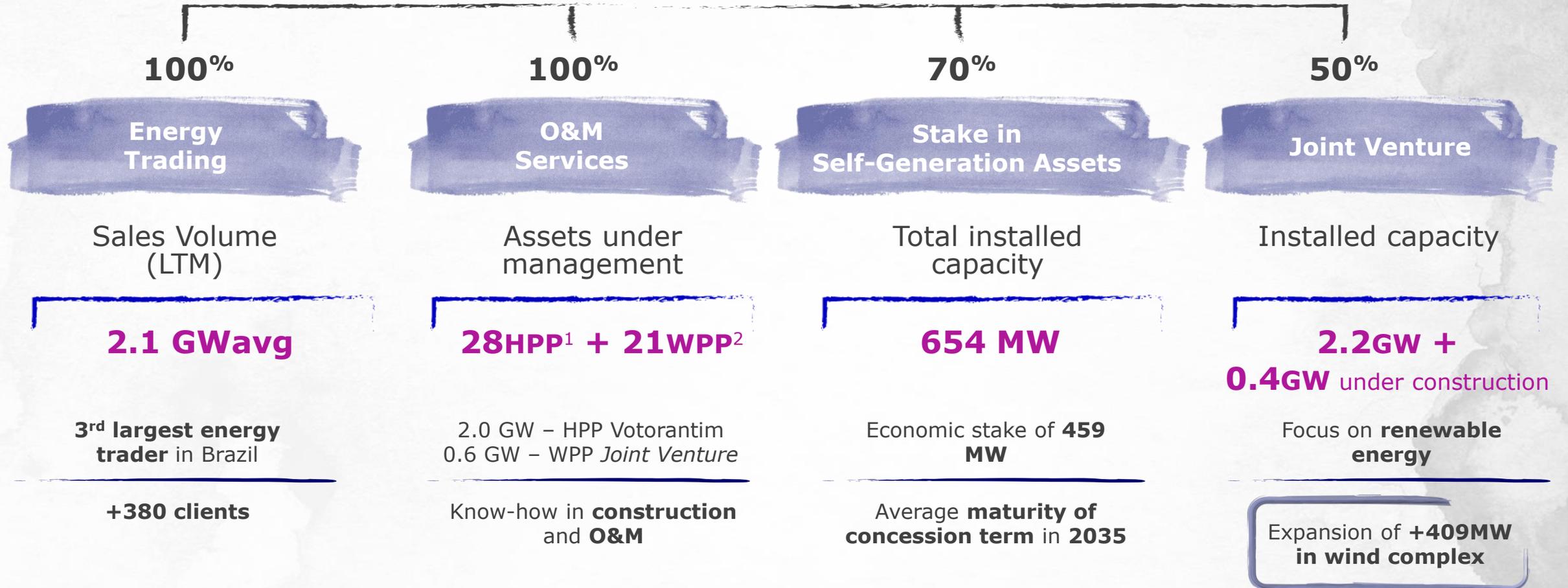


VOTORANTIM
energia



Business Structure

VOTORANTIM energia



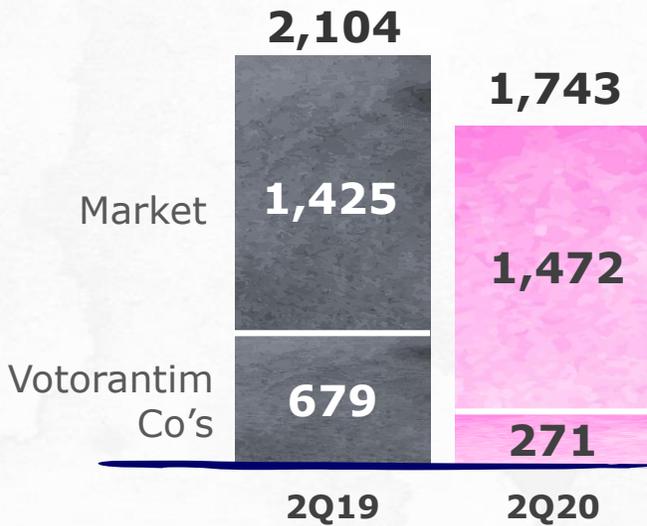
1. Hydroelectric Power Plant.
2. Wind Power Plant.

VE Operational Results

Energy Trading

(MWavg)

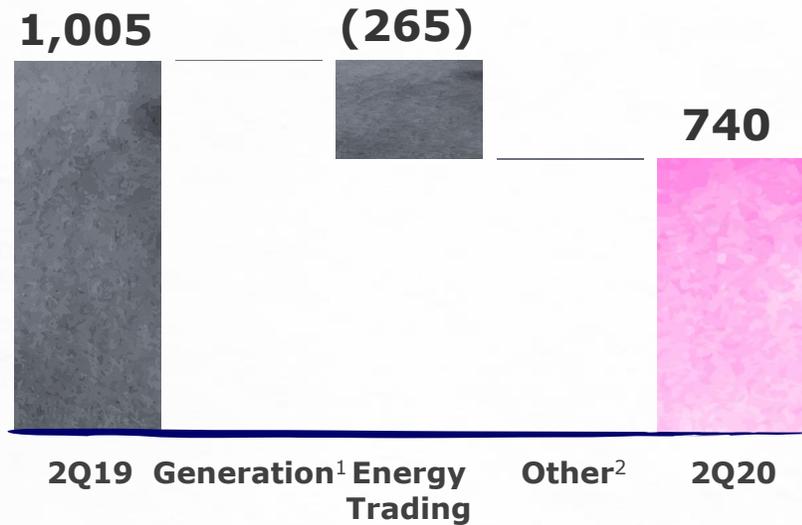
-17%



Net Revenues

(R\$ MILLION)

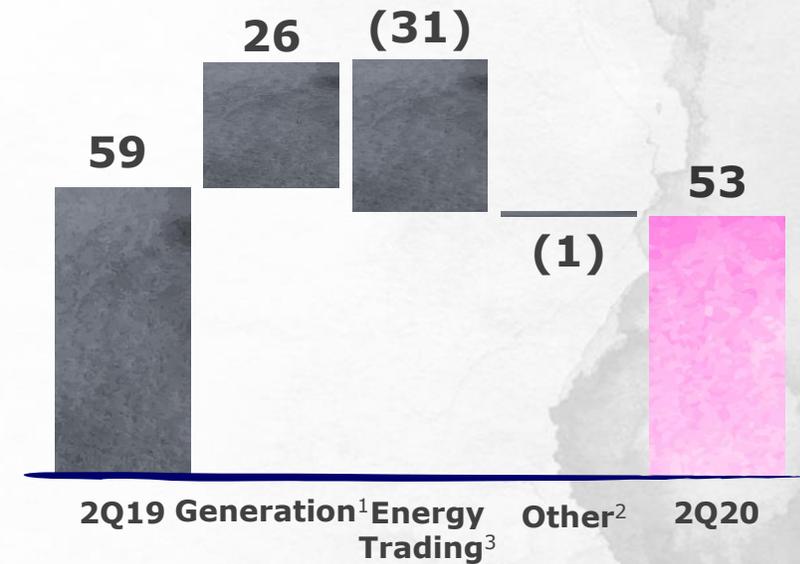
-26%



Adjusted EBITDA

(R\$ MILLION)

-10%



43

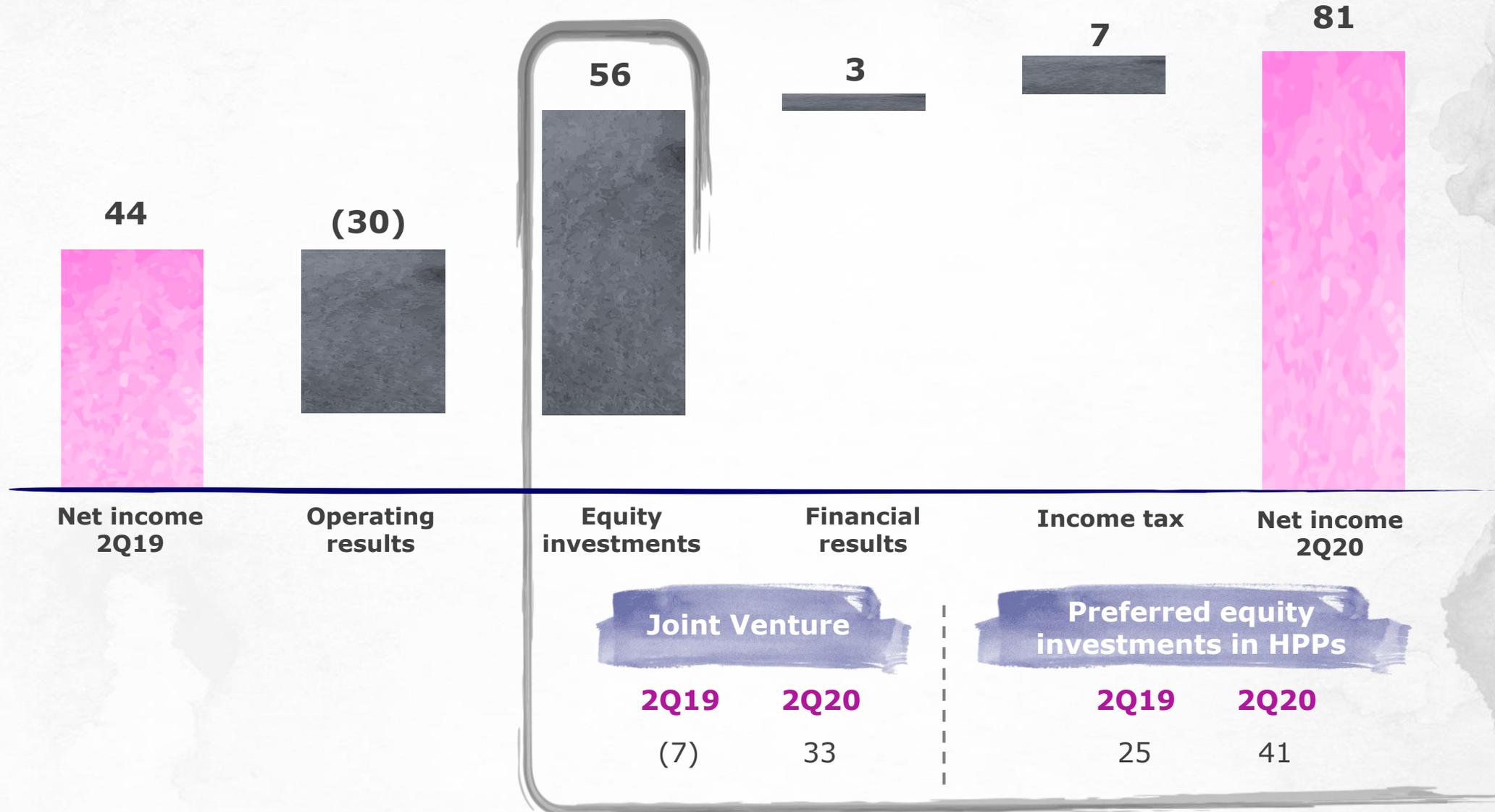
Adjusted EBITDA
ex-MtM

45

1. JV VE-CPP Investments and stake in self-generation assets are recognized by the equity method.
 2. Includes eliminations, holding and services results.
 3. Includes mark-to-market of energy contracts.

VE Net Income

(R\$ MILLION)



JV VE-CPP Investments Operational Performance

Ventos do Piauí I

Technical availability

98.2%

97.2%

Generation (MWavg)

2%



2Q19

2Q20

CAPACITY FACTOR %

47

48

Ventos do Araripe III

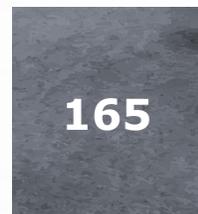
Technical availability

98.8%

97.8%

Generation (MWavg)

-1%



2Q19

2Q20

CAPACITY FACTOR %

46

45

CESP

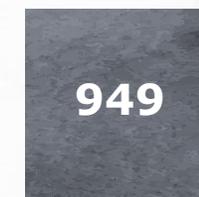
Availability index¹

93.9%

94.5%

Generation (MWavg)

2%



2Q19

2Q20

CAPACITY FACTOR %

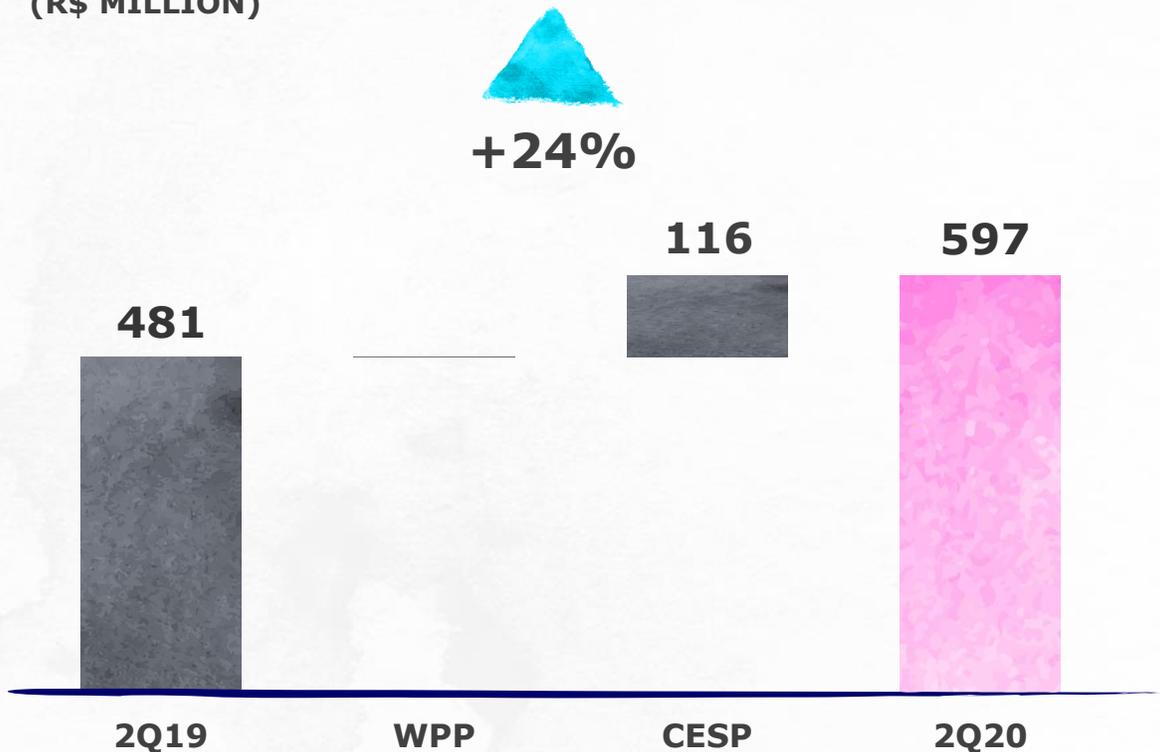
57

58

JV VE-CPP Investments Results

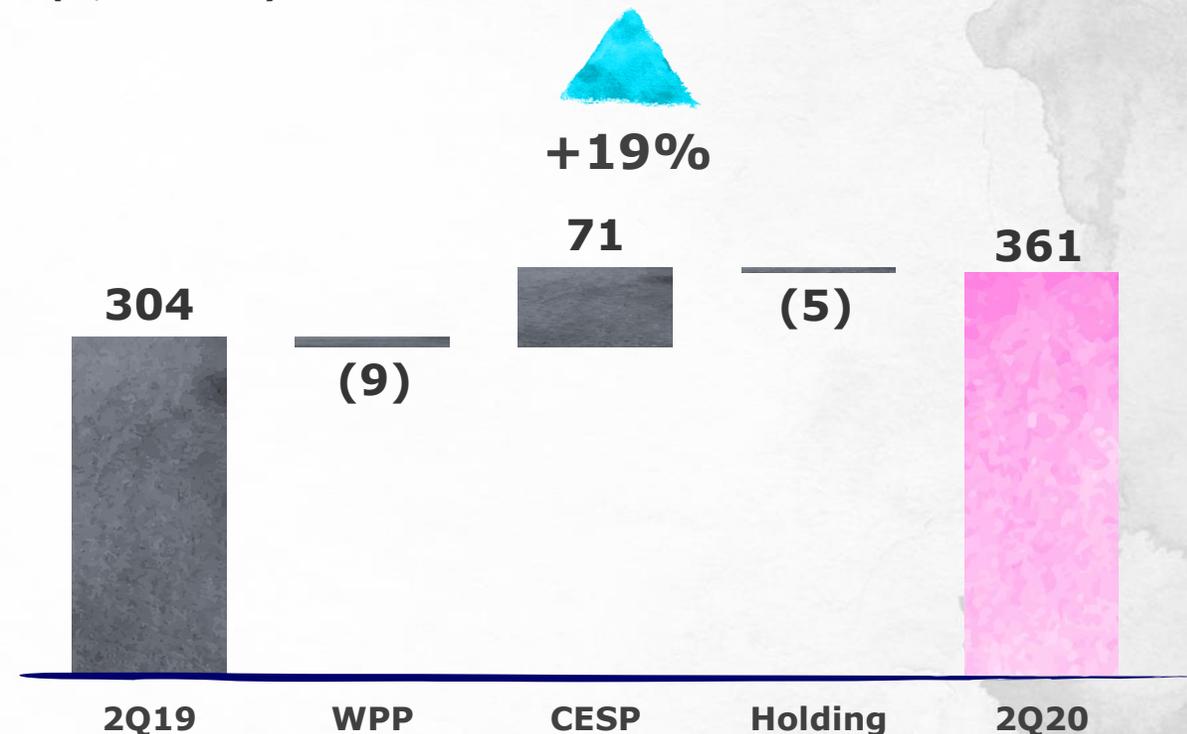
Net Revenues

(R\$ MILLION)



Adjusted EBITDA

(R\$ MILLION)



EBITDA Margin %

64

EBITDA Margin %

60

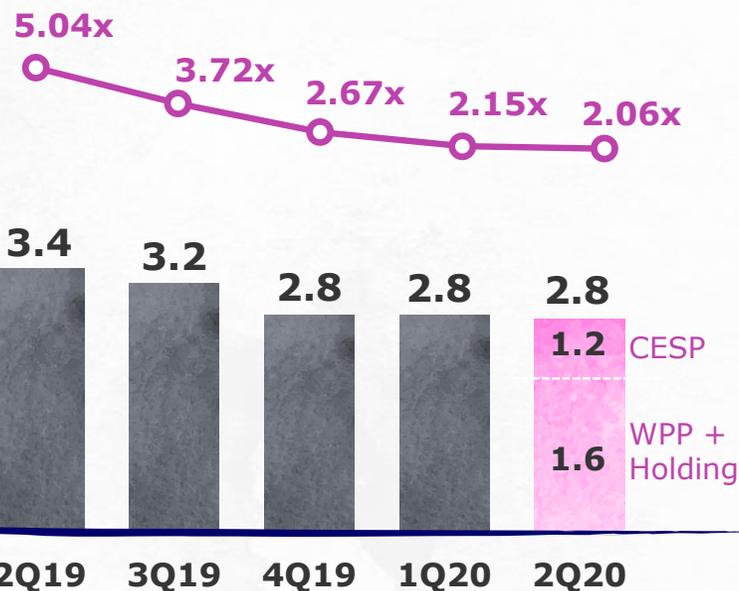
JV VE-CPP Investments

Leverage, Liquidity and Indebtedness

(R\$ BILLION)

Net Debt

NET DEBT/ADJ. EBITDA



Debt Amortization Profile

Debt average maturity: 5.8 years





VOTORANTIM

Sergio Malacrida

CFO Votorantim S.A.

Consolidated Results

Net Revenues

(R\$ MILLION)

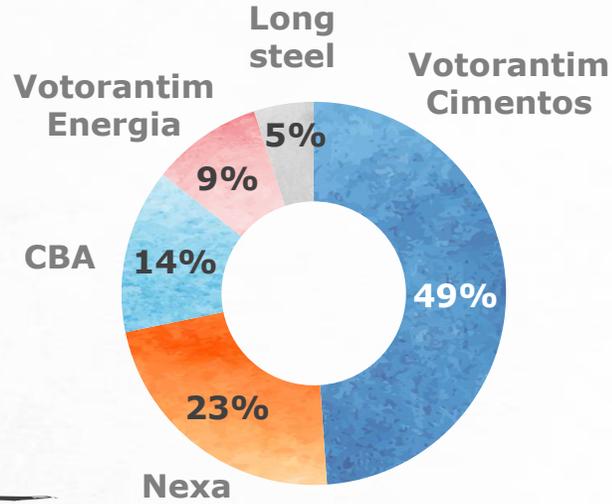
-4%

7,853

7,562

2Q19

2Q20



Lower operational results from the metals business

Adjusted EBITDA

(R\$ MILLION)

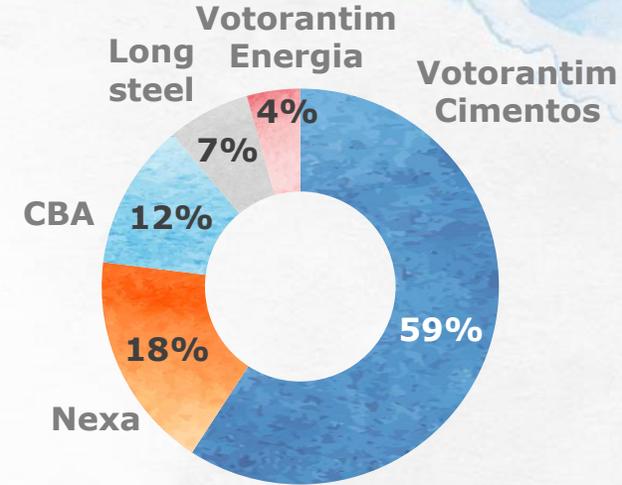
-17%

1,417

1,182

2Q19

2Q20



Better results in the cement operations, mainly in Brazil and North America

Consolidation of operations abroad: positive impact of the depreciation of the Brazilian real against the US dollar

Nexa results

COVID-19 impact:

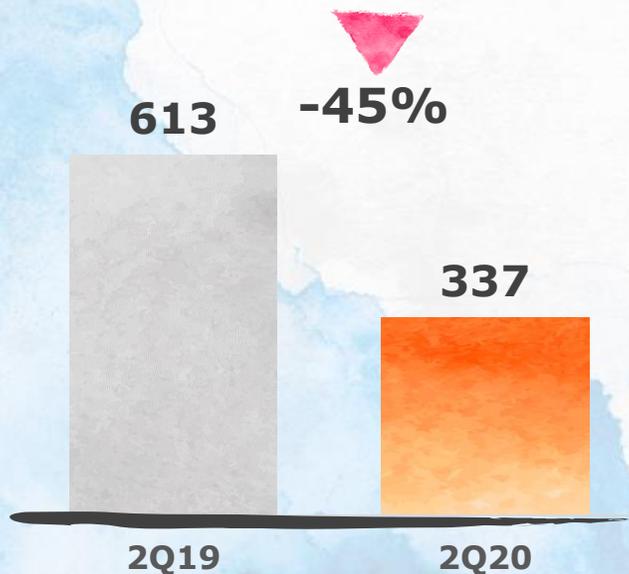
Lower average LME prices and lower sales volume

Decrease in net revenues, **partially offset by lower costs and expenses**

In June, **issuance of US\$500 million bond**

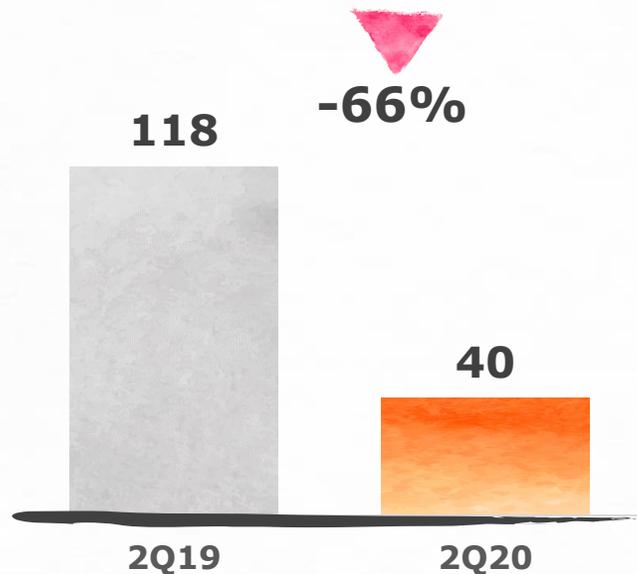
Net Revenues

(US\$ MILLION)



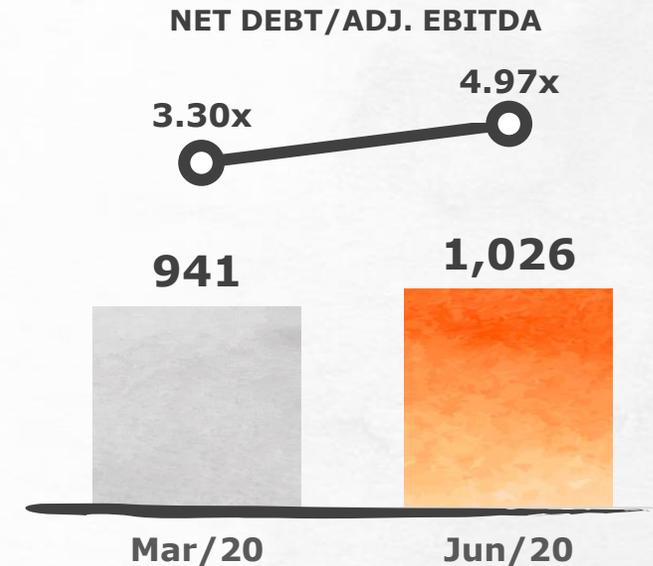
Adjusted EBITDA

(US\$ MILLION)



Net Debt

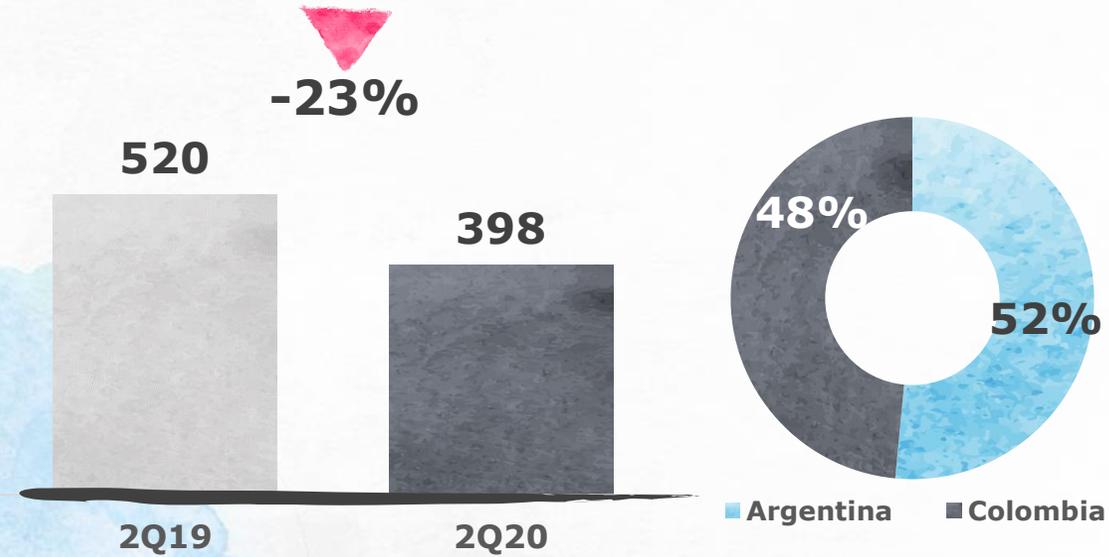
(US\$ MILLION)



Long steel results

Net Revenues

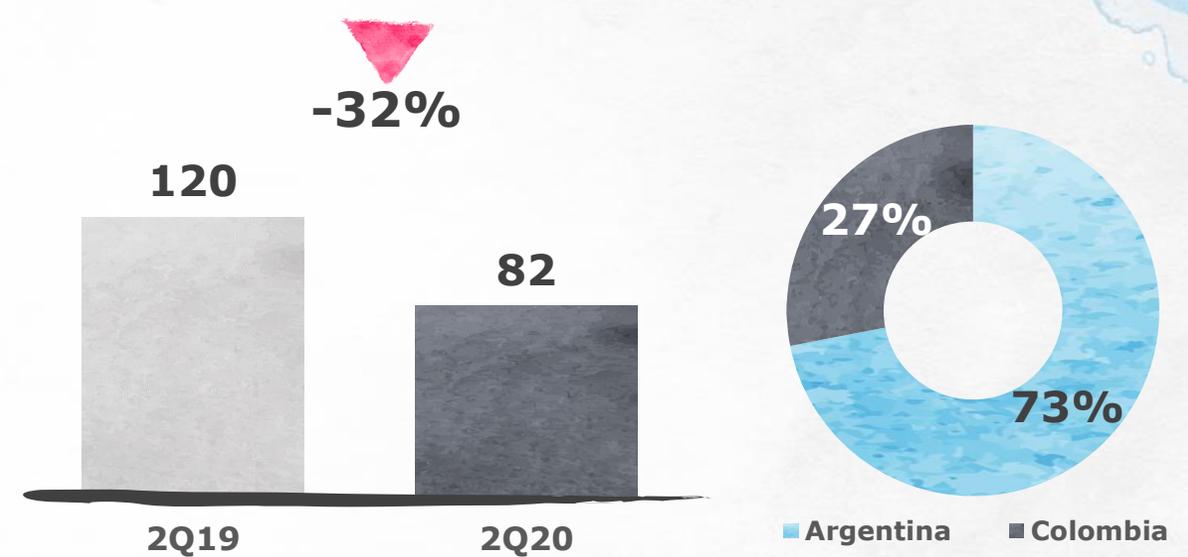
(R\$ MILLION)



Decrease mainly due to the **drop in sales volume**, partially offset by the **increase in steel prices** in operations in Argentina and Colombia

Adjusted EBITDA

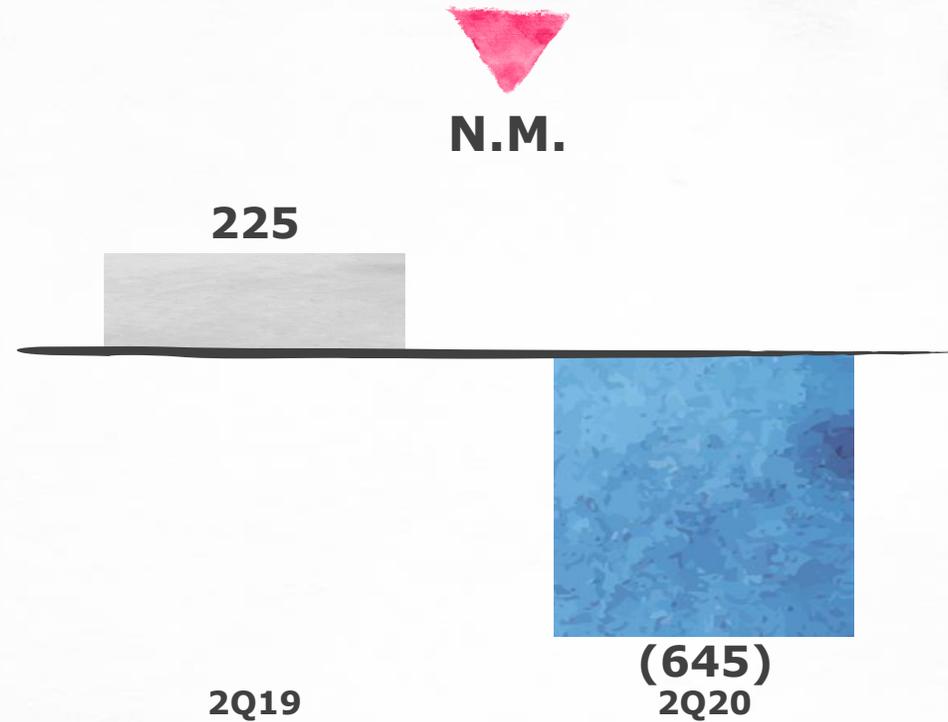
(R\$ MILLION)



Decrease explained by **lower net revenues** and the **one-off sales of mining rights** in 2019

Net Income

(R\$ MILLION)



Results from companies under the equity method: net loss from Citrosuco and lower results from banco BV

Impairment in Votorantim Cimentos operations in Turkey and Bolivia

FX negative impact on Financial Result

banco BV results

Results are mainly explained by **the increase in provision expenses due to the impacts of COVID-19 pandemic**

Continuous **improvements in credit models** and **prudence in new credit lines**

Net Income

(R\$ MILLION)

ROE (%)
14.4%
8.8%

352

222

2Q19

2Q20

Consolidated Delinquency

4.4%

5.2%

Jun/19

Jun/20

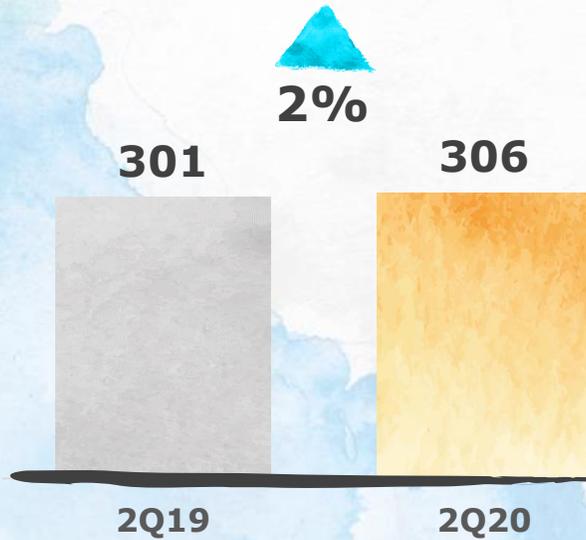
Citrosuco results

Net revenues positively impacted by higher sales volume, partially offset by lower price

Net Revenues

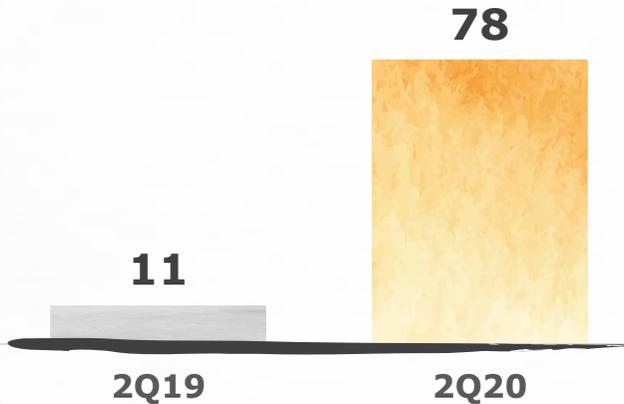
(US\$ MILLION)

FCOJ PRICE (US\$/Ton)



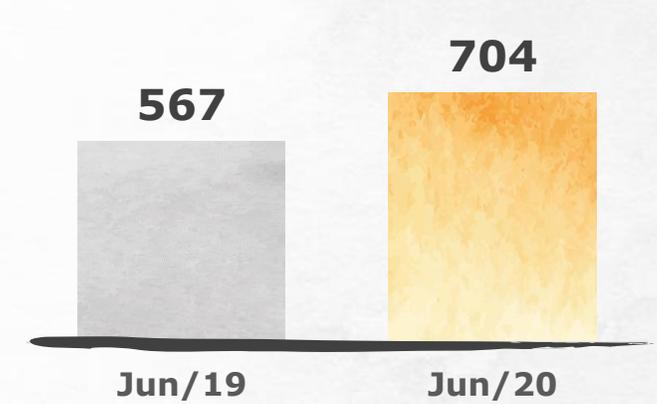
EBITDA

(US\$ MILLION)



Net Debt

(US\$ MILLION)



Gross Debt

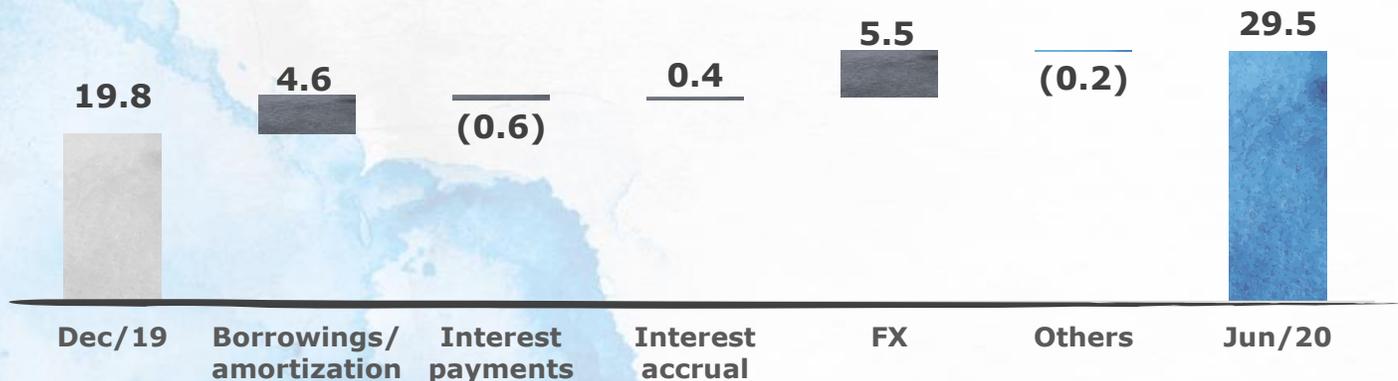
Gross debt impacted by the **depreciation of the Brazilian real against the US dollar**

Revolving Credit Facilities (RFC): US\$500 million available – US\$200 million to Votorantim S.A. and US\$300 million to Votorantim Cimentos

Indebtedness

(R\$ BILLION)

Gross Debt



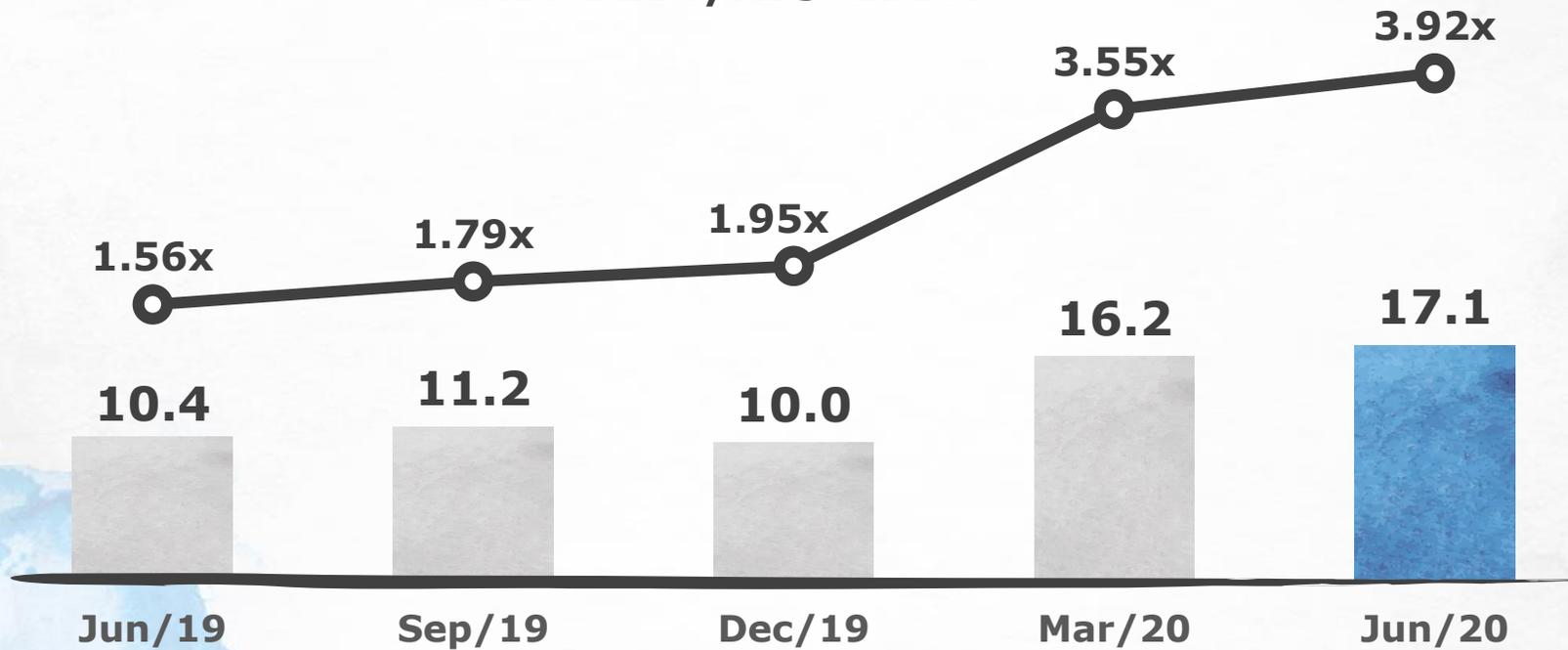
1. Consider cash position and the available RFC

Leverage and Indebtedness

Net Debt

(R\$ BILLION)

NET DEBT/ADJ. EBITDA

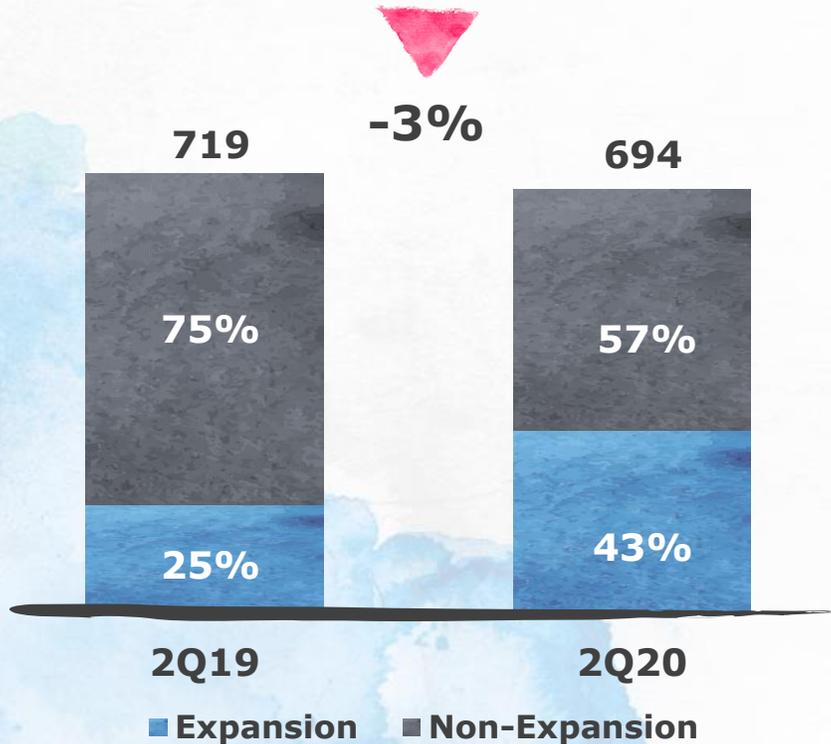


Capital Expenditures

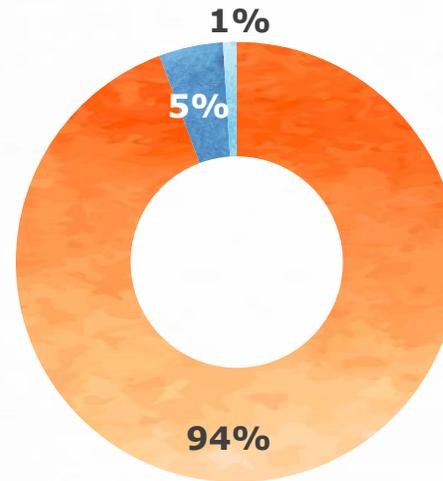
Expansion projects accounted for **43% of the total Capex**

Capex

(R\$ MILLION)



Expansion projects



Nexa: Aripuanã's project development - expected to be concluded by 2021

Votorantim Cimentos: expansion of its grinding plant in Pecém



VOTORANTIM

João Schmidt

CEO Votorantim S.A.

Looking forward

Improved scenario amid massive policy response globally and in Brazil

In Brazil, approval of **new sanitation bill**, and expectations that the **reform agenda** will move forward

Robust liquidity and prudence in capital allocation

Strength of the Votorantim **portfolio** and our **people's ability to overcome challenges**