



**VOTORANTIM**  
**Corporate Presentation**  
3Q20 Results



**VOTORANTIM**

**João Schmidt**

CEO Votorantim S.A.

# Initial remarks

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



**COVID-19: further support to our communities, and active participation in structural initiatives such as donations to enhance vaccine production capacity in Brazil**

[www.votorantim.com.br/todoscontraocoronavirus](http://www.votorantim.com.br/todoscontraocoronavirus)



**Votorantim "Citizenship Program" and our continued commitment to democracy**

[bit.ly/votorantimcidadaniaemcena](http://bit.ly/votorantimcidadaniaemcena) (Portuguese only)



**Macro factors: ongoing monetary and fiscal stimulus, and pace of economic recovery across our key markets**



**Operational stability under current conditions and operating leverage to the recovery boosting short term results**



**Strong liquidity**



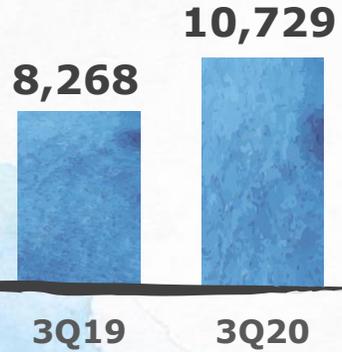
# 3Q20 Consolidated Results

## Net Revenues

(R\$ MILLION)



30%

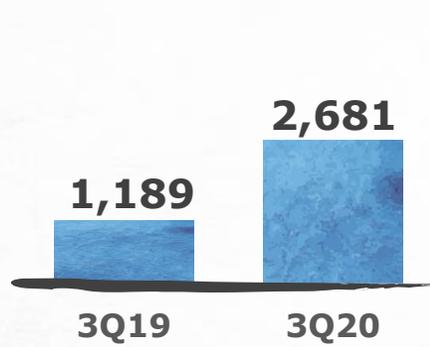


## Adjusted EBITDA

(R\$ MILLION)

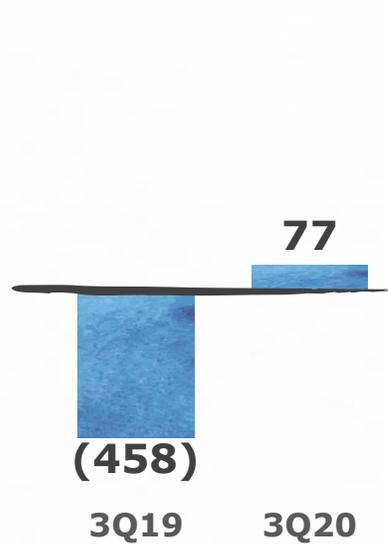


125%



## Net Income

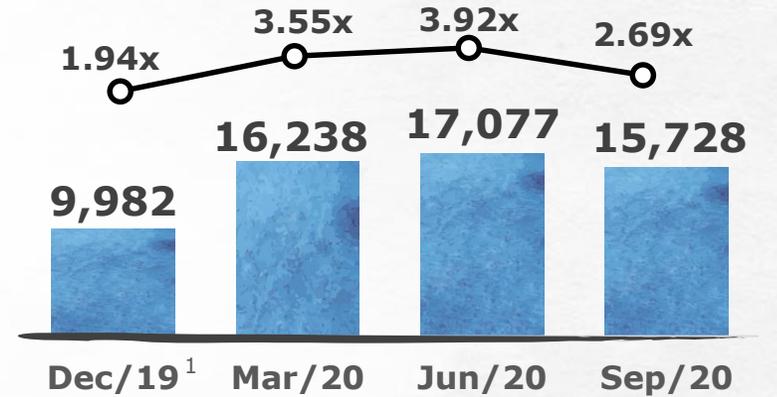
(R\$ MILLION)



## Net Debt

(R\$ MILLION)

NET DEBT/ADJ. EBITDA



1. Restated value.



 **Votorantim**  
Cimentos  
Life is made to last

**Oswaldo Ayres**  
CFO Votorantim Cimentos

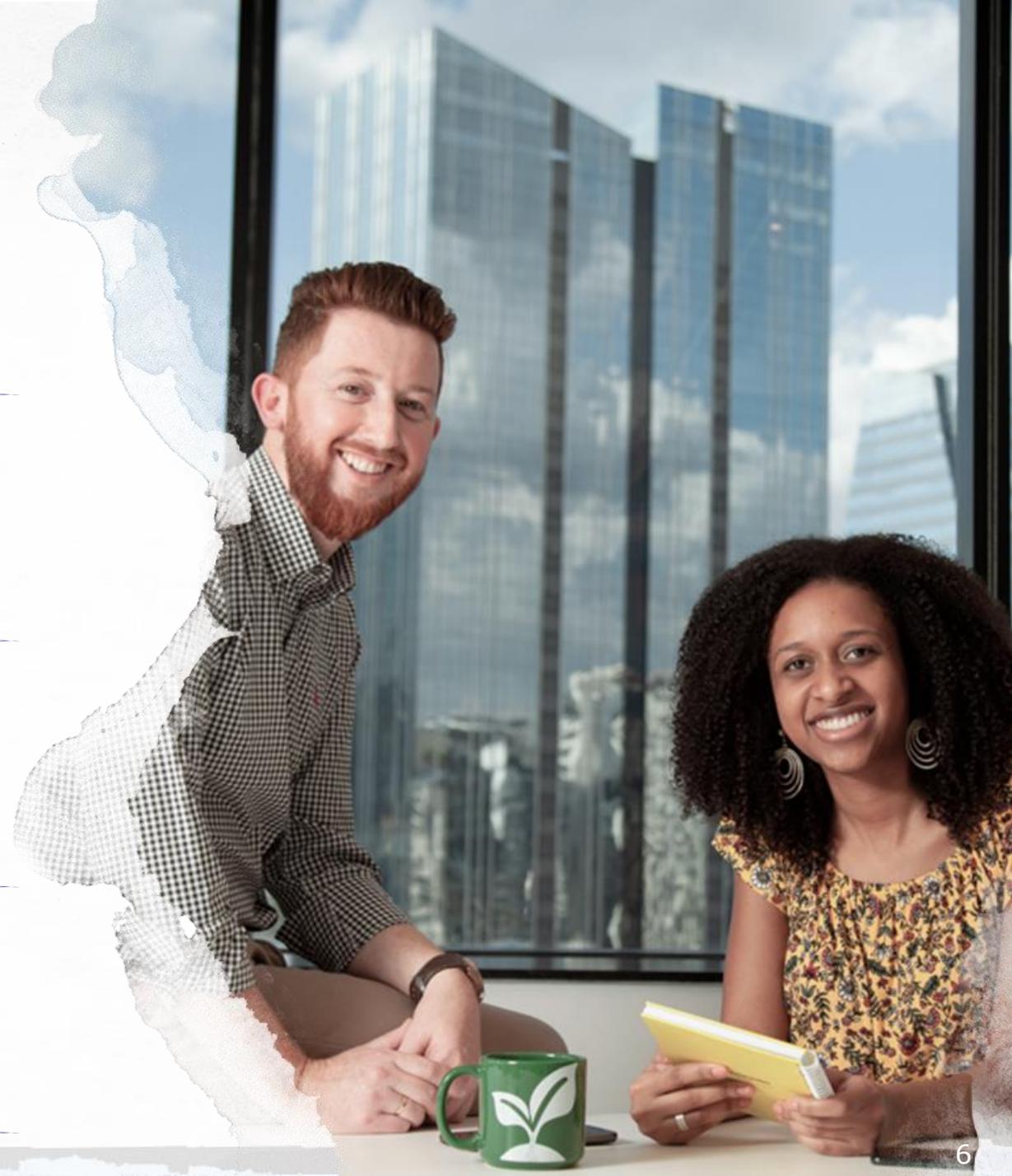
# 3Q20 Main Highlights

**COVID-19: Contingency Plan execution on track and positive market dynamic**

**Solid operational results & R\$1.8bn of free cash flow generation**

**Financial Discipline: Leverage below 3.0x and strong liquidity position**

**2030 Sustainability Commitments**



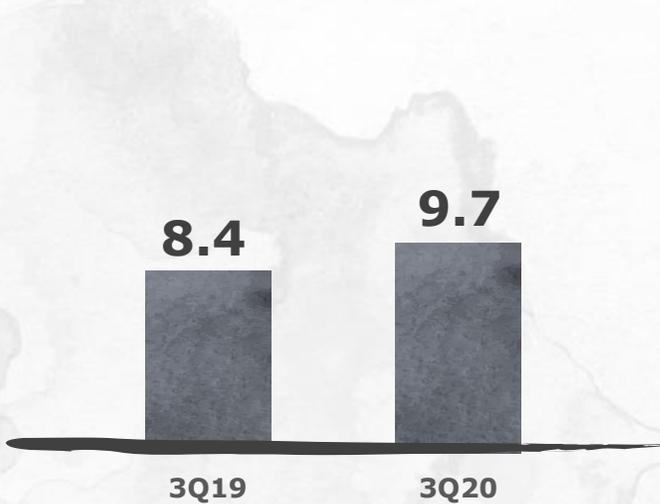
# Consolidated results

## Sales Volume

(MTON)



15%

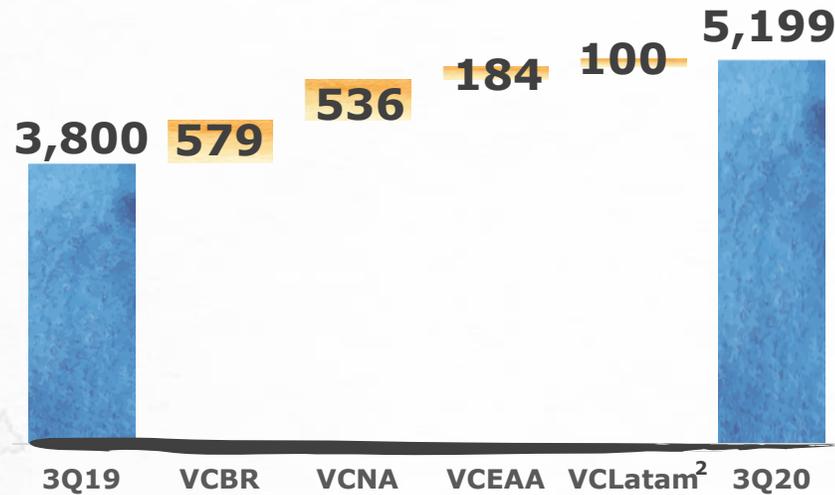


## Net Revenues<sup>1</sup>

(R\$ MILLION)



37%

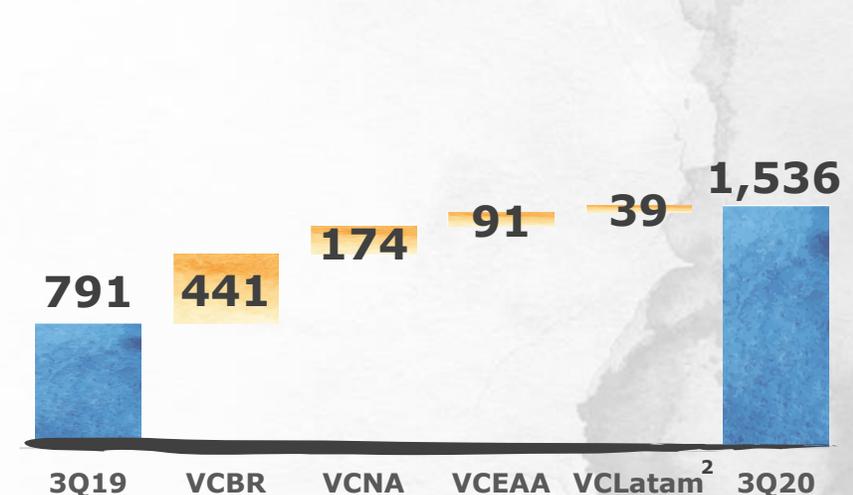


## Adjusted EBITDA<sup>1</sup>

(R\$ MILLION)



94%



21

Consolidated EBITDA Margin (%)

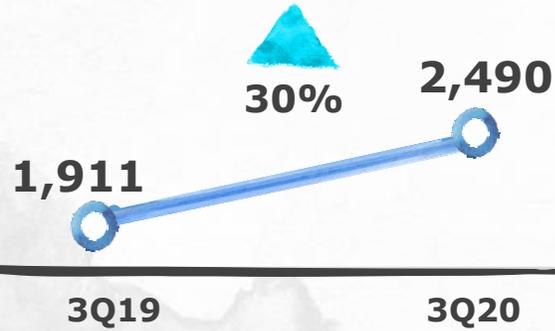
30

1. BRL|USD average exchange rate used 3.97 (3Q19) | 5.37 (3Q20).

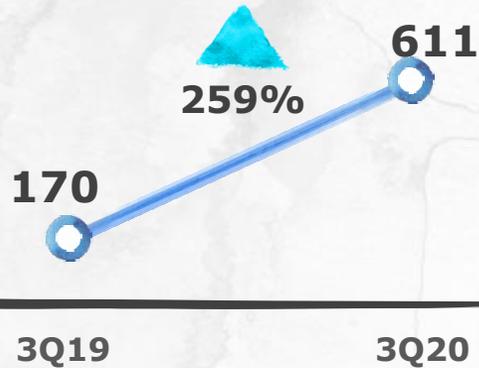
2. VCLatam & Others.



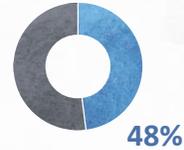
## Net Revenues<sup>1</sup>



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

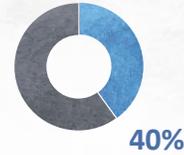


Net Revenues  
(% of consolidated)



3Q20

Adjusted EBITDA  
(% of consolidated)



**Strong market performance** higher cement volumes combined with better prices in all businesses

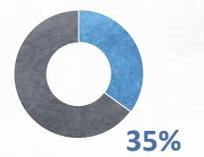
**EBITDA increase** due to better market conditions coupled with contingency plan execution



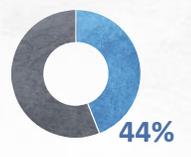
1. BRL|USD average exchange rate used 3.97 (3Q19) | 5.37 (3Q20).



Net Revenues  
(% of consolidated)

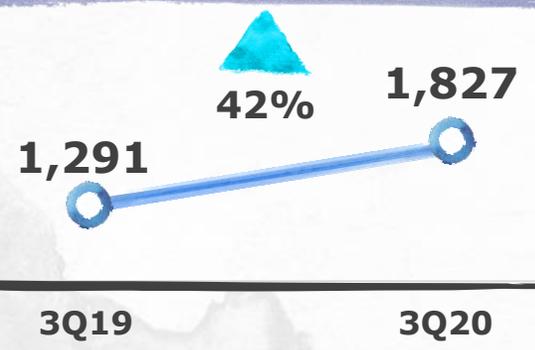


Adjusted EBITDA  
(% of consolidated)

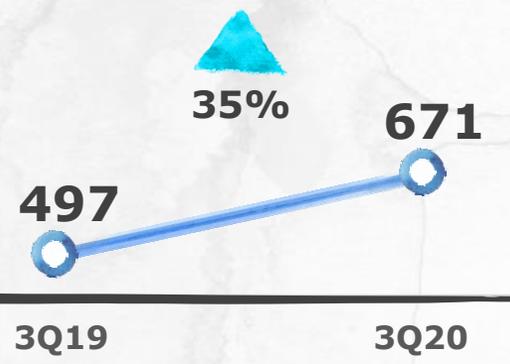


3Q20

### Net Revenues<sup>1</sup>



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



**Positive market dynamic**  
with a less challenging  
scenario than expected

**BRL depreciation**  
positive impact



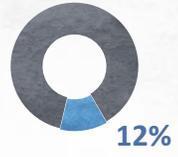
1. BRL|USD average exchange rate used 3.97 (3Q19) | 5.37 (3Q20).



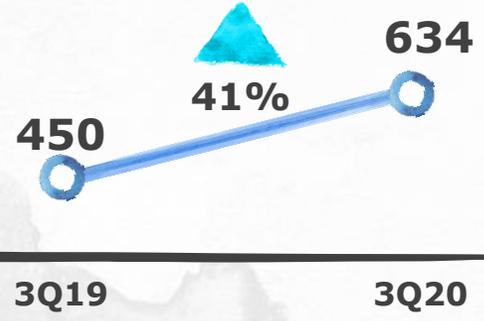
Net Revenues  
(% of consolidated)



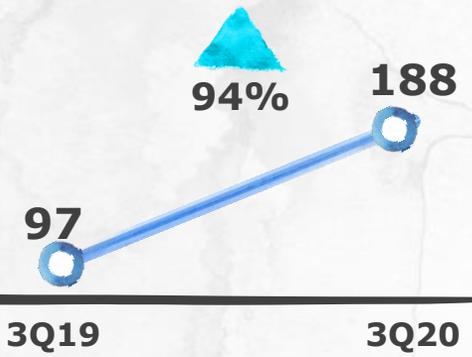
Adjusted EBITDA  
(% of consolidated)



**Net Revenues<sup>1</sup>**



**Adjusted EBITDA<sup>1</sup>**



**Overall recovery** in volume demand in all countries

**BRL depreciation and contingency plan** execution on track

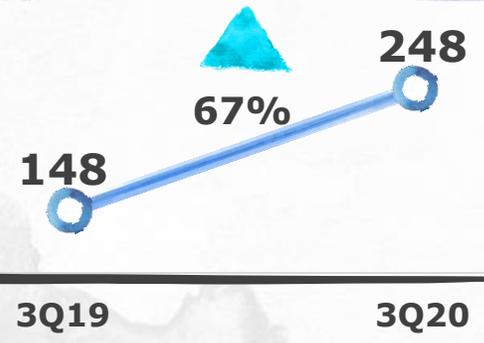
1. BRL|USD average exchange rate used 3.97 (3Q19) | 5.37 (3Q20).

# VCLatam<sup>1</sup>

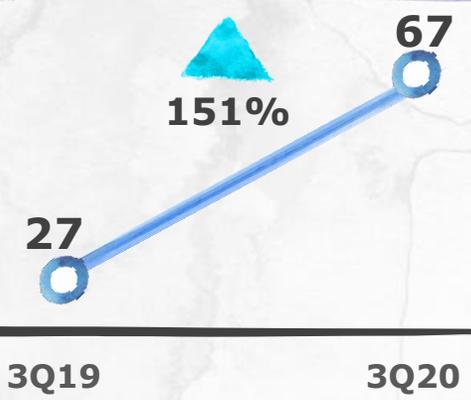
(R\$ MILLION)



## Net Revenues<sup>1</sup>



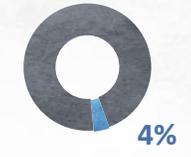
## Adjusted EBITDA<sup>2</sup>



Net Revenues  
(% of consolidated)



Adjusted EBITDA  
(% of consolidated)



**Strong operational results in Uruguay** with improved market dynamics

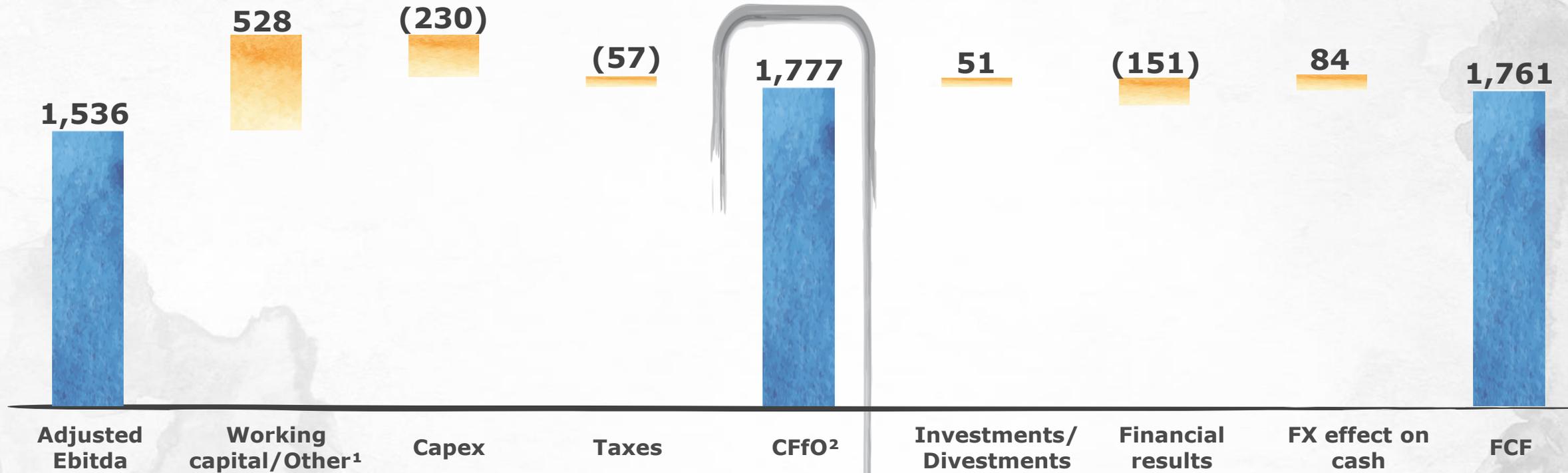
**Challenging scenario in Bolivia** as a consequence of COVID-19 impacts but gradually recovering



1. VCLatam & Others.  
2. BRL|USD average exchange rate used 3.97 (3Q19) | 5.37 (3Q20).

# Cash Generation

(R\$ MILLION )



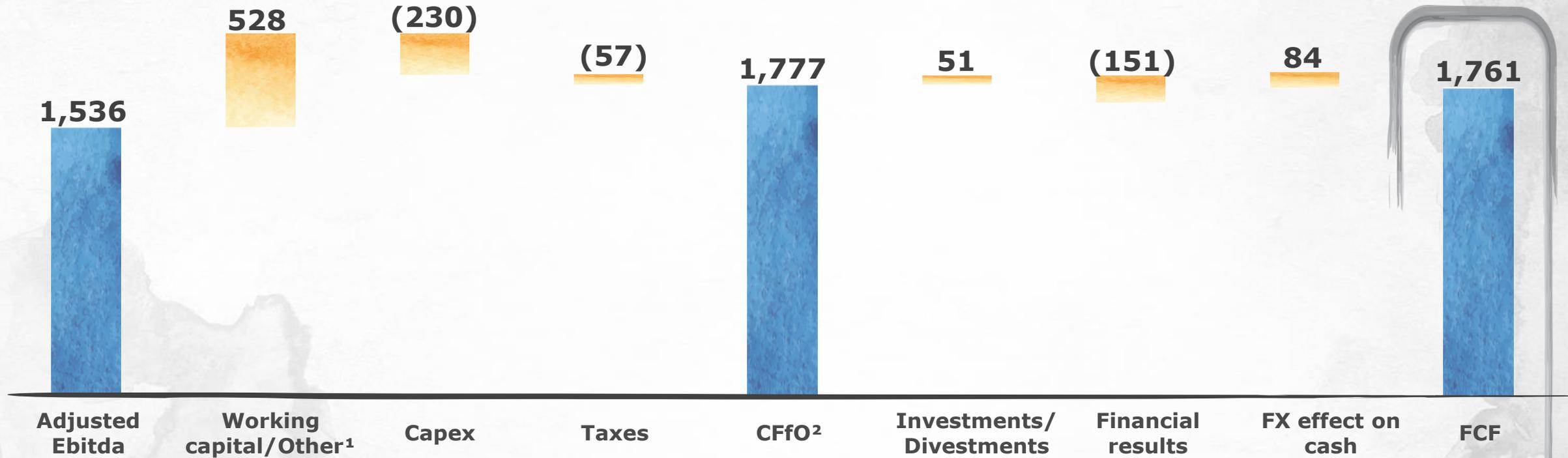
Positive working capital due to operational performance and seasonality

Capex decreased in 20% YoY from Contingency Plan execution on track

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

# Cash Generation

(R\$ MILLION )



Positive FX impact and more than 40% of cash position in hard currency

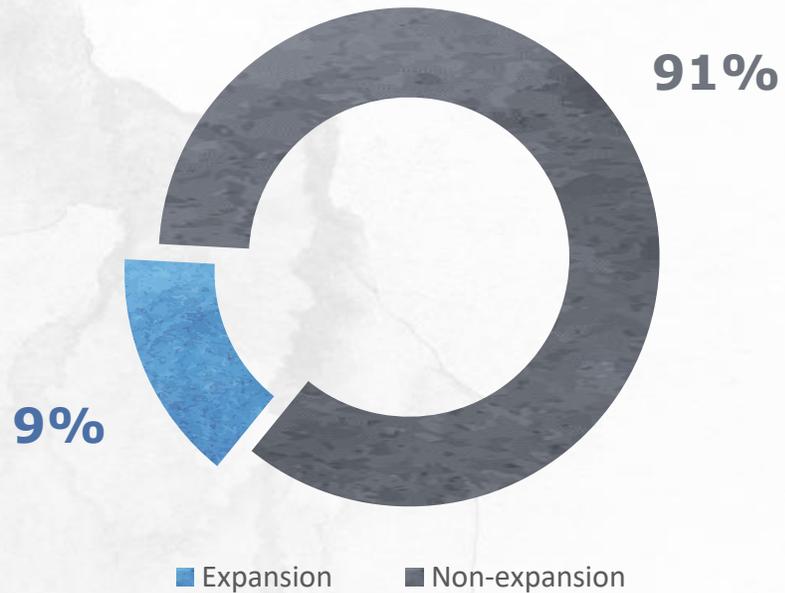
R\$1.5 billion cash generation YTD

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

# 3Q20 Capital Expenditure

## CAPEX

**Total Amount:**  
R\$ 230 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



After the government restrictions the project was resumed with start up expected in 2021

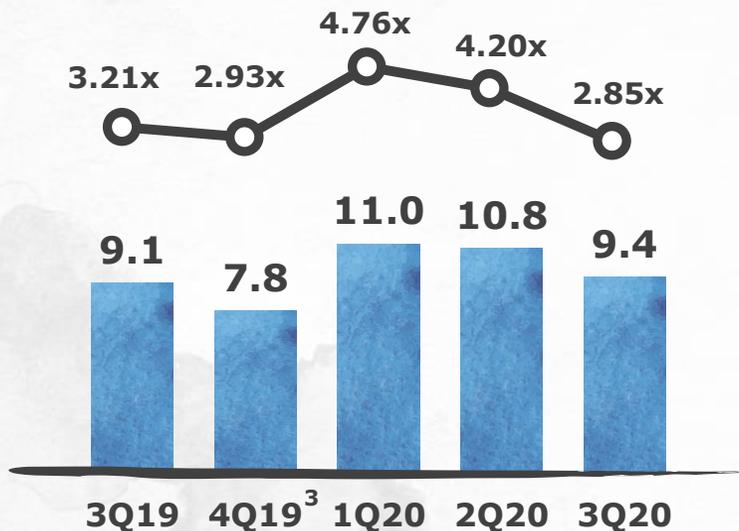


Footprint optimization in Uruguay to strengthen competitiveness position

# Leverage, Liquidity and Indebtedness

(R\$ BILLION)

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



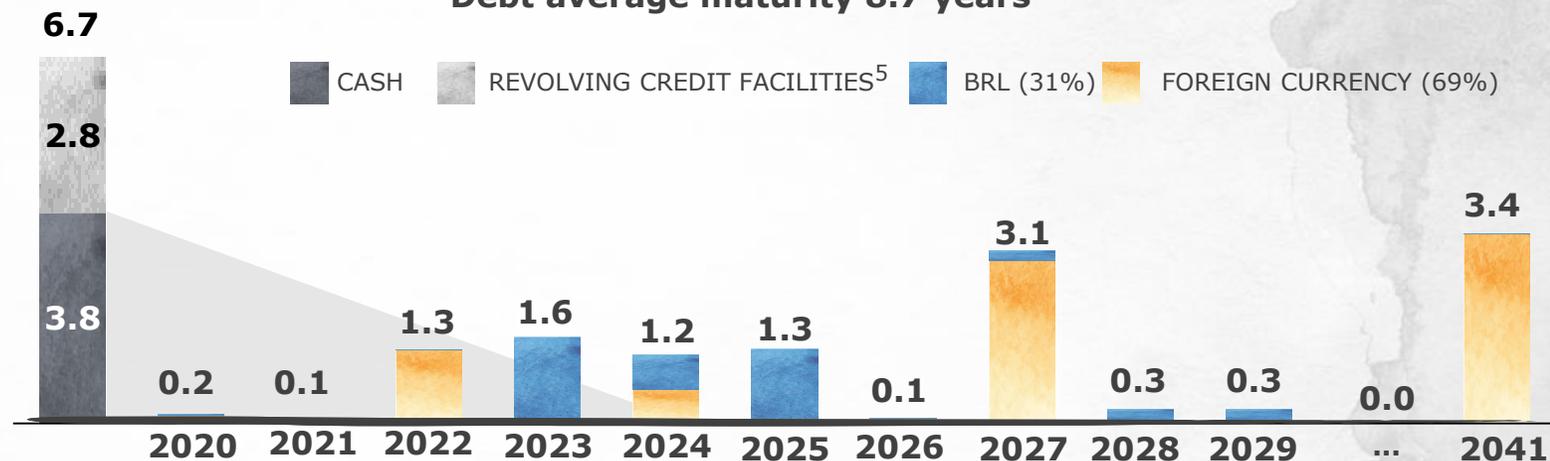
### Leverage below 3.0x aligned with financial

**policy:** a positive evolution on leverage ratio with solid Ebitda and free cash flow generation partially mitigating BRL depreciation

## Debt Amortization Profile<sup>2</sup>

Pro forma<sup>4</sup>

Debt average maturity 8.7 years



**LM executed** to reduce short and medium term concentration

**Strong liquidity:** Cash position enough to cover 3.8 years of debt obligations with more than 40% of liquidity in hard currency

**RCF of US\$500 million fully available**, after repayment of US\$200 million that was withdrew in the first semester

1. Net debt with MTM effects from 4131 loans.  
 2. Debt figures do not include leasing.  
 3. 4Q19 leverage ratio restated.  
 4. Considers VCNA's operational RCF prepayment of US\$70 million.  
 5. Global Revolving Credit Facility: US\$500 million available.

# Our 2030 Commitments

Building a Sustainable Future

CONTRIBUTING TO  
THE 2030 AGENDA:



SUSTAINABLE  
DEVELOPMENT  
GOALS



1. We operate with Integrity and Transparency



2. Wellbeing, Health & Safety - non-negotiable values



3. Innovation - we co-create sustainable solutions



4. A diverse and inclusive environment



5. We reduce our environmental footprint



6. We promote a more circular business environment



7. We generate shared value with our communities



For more information, access:





**Luciano Alves**

CFO CBA

# 3Q20 Highlights

**Limited impact on results** despite the challenges brought by COVID-19

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**Robust operational results,** as economic activity starts to recover

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**Solid cash position** on the back of initiatives to improve results and secure liquidity

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Issuance of a **Green Export Financing** facility to develop sustainable projects

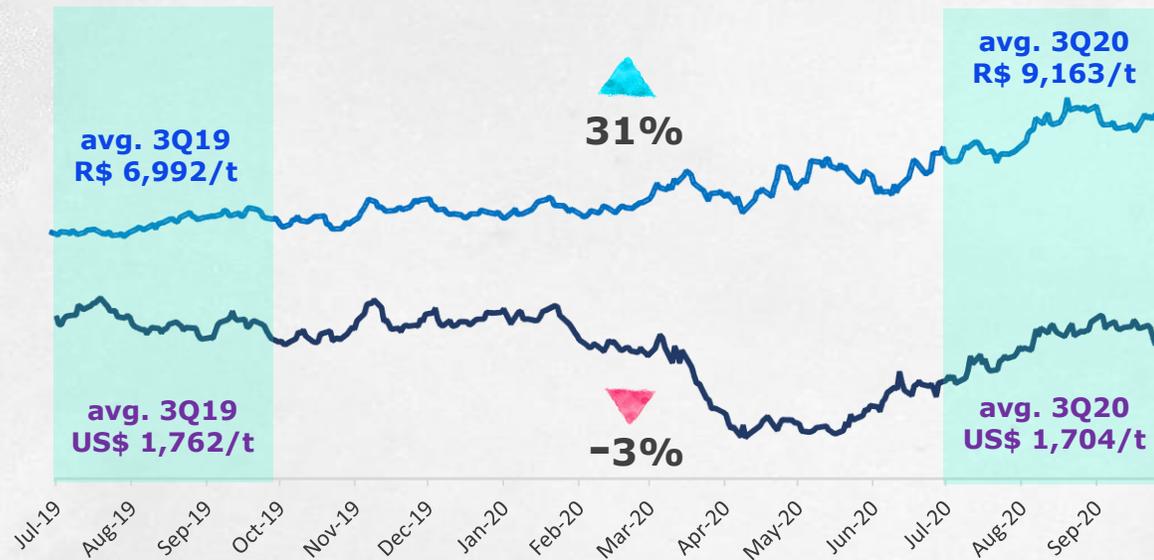
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Commitment to the **Science-Based Targets initiative** to reduce our greenhouse gas emissions



# Market Overview

## LME Aluminum Prices



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

LME Aluminum price returning to pre pandemic levels

China's shift to net importer relieved surplus pressure on the ROW

Aluminum key-end use sectors showing signs of recovery

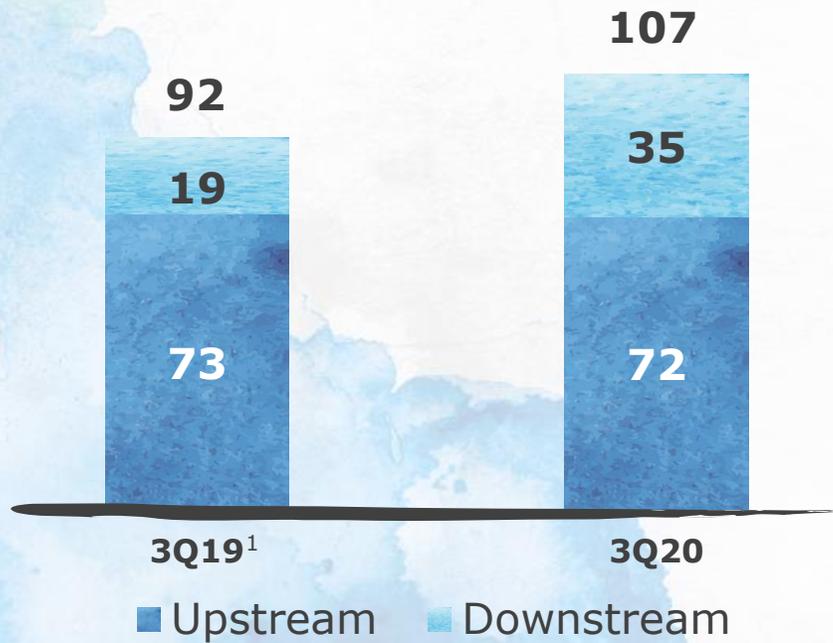
US Dollar Index weaker performance and higher raw material costs supported aluminum prices

# Operational Results

## Aluminum Sales Volume

(KTON)

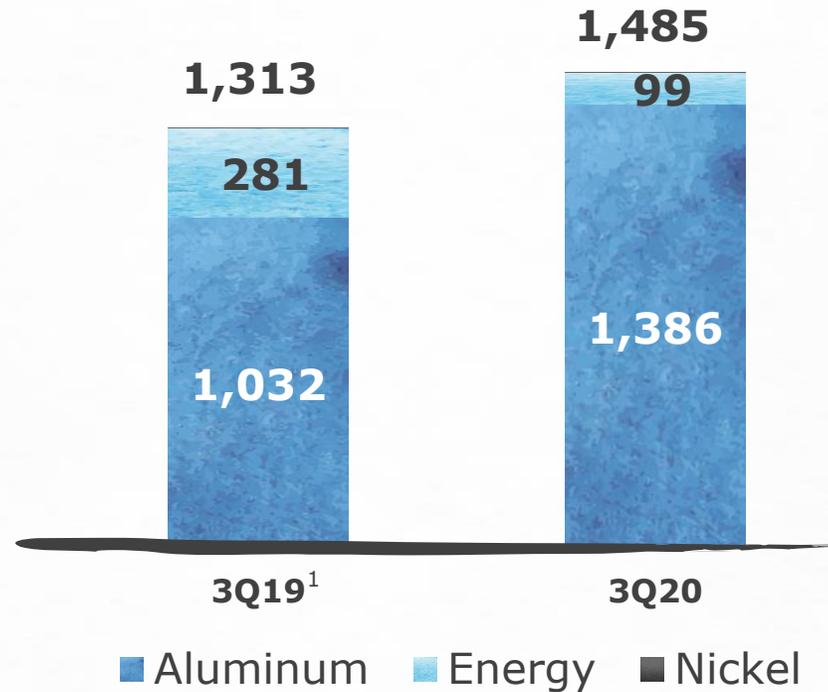
  
**17%**



## Net Revenues

(R\$ MILLION)

  
**13%**



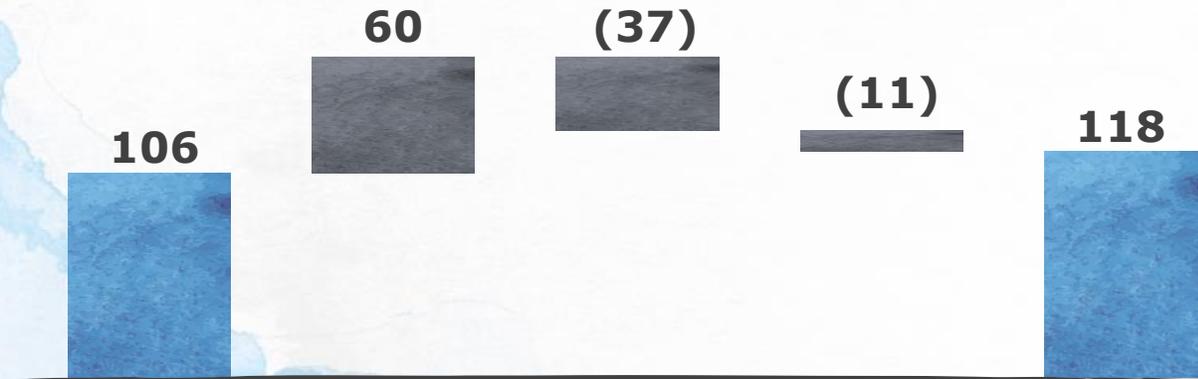
1. Does not include CBA Itapissuma's figures in 3Q19.

# Operational Results

## Adjusted EBITDA – CBA Consolidated

(R\$ MILLION)

  
**11%**



EBITDA  
Margin(%)

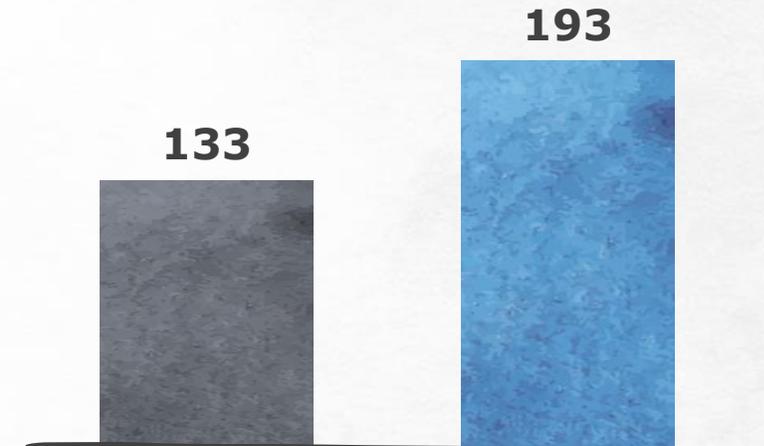
**8**

**8**

## Adjusted EBITDA - Aluminum

(R\$ MILLION)

  
**45%**



**13**

**14**

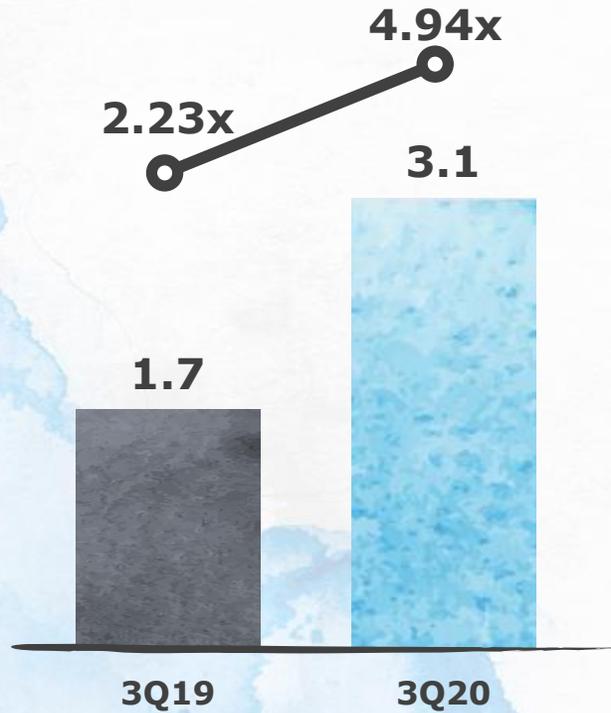
1. Does not include CBA Itapissuma's figures in 3Q19.

# Leverage, Liquidity and Indebtedness

(R\$ BILLION)

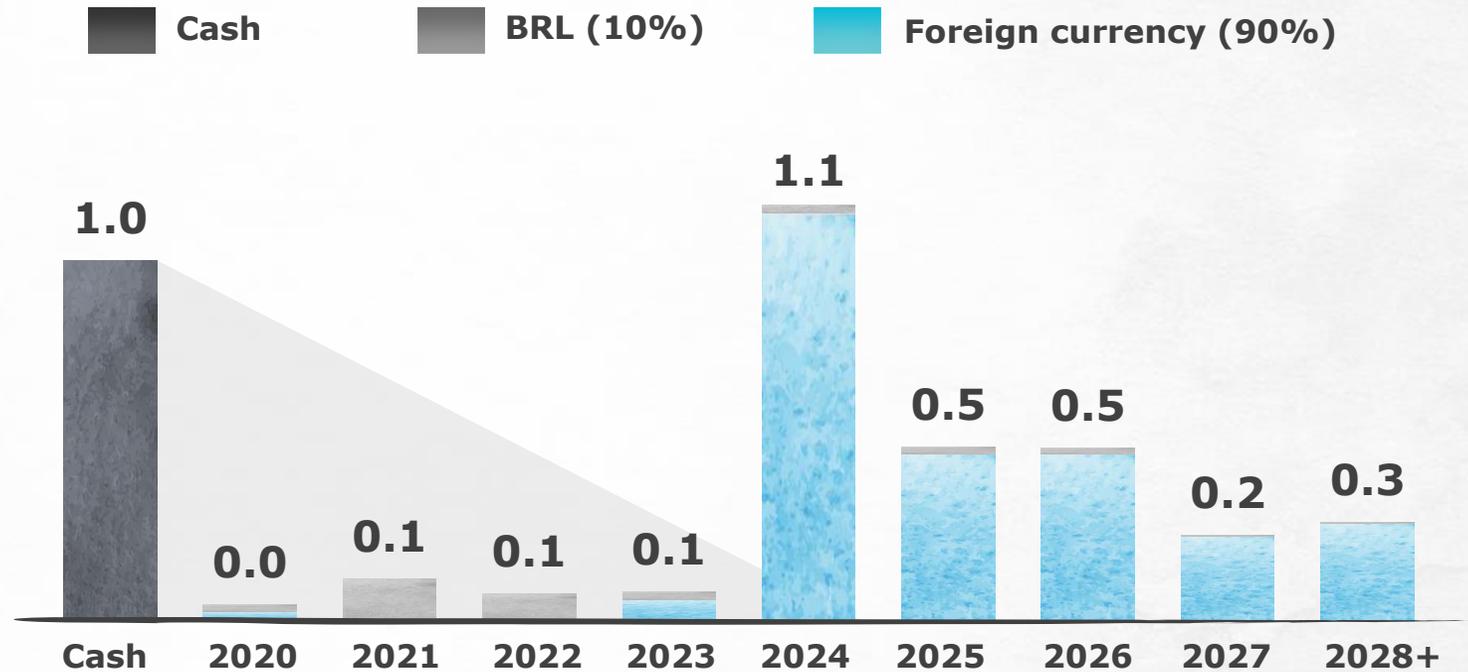
## Net Debt

NET DEBT/ADJ. EBITDA



## Debt Amortization Profile

Debt average maturity: 4.7 years





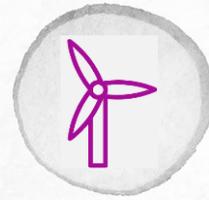
**VOTORANTIM**  
energia

**Raul Cadena**  
CFO Votorantim Energia

# 3Q20 Highlights



**Continuous improvement** in our corporate governance



Ventos do Piauí I reached **record generation levels**



JV's financial leverage **below 2.0x**



**Extended debt profile** and **strong liquidity position** in the JV

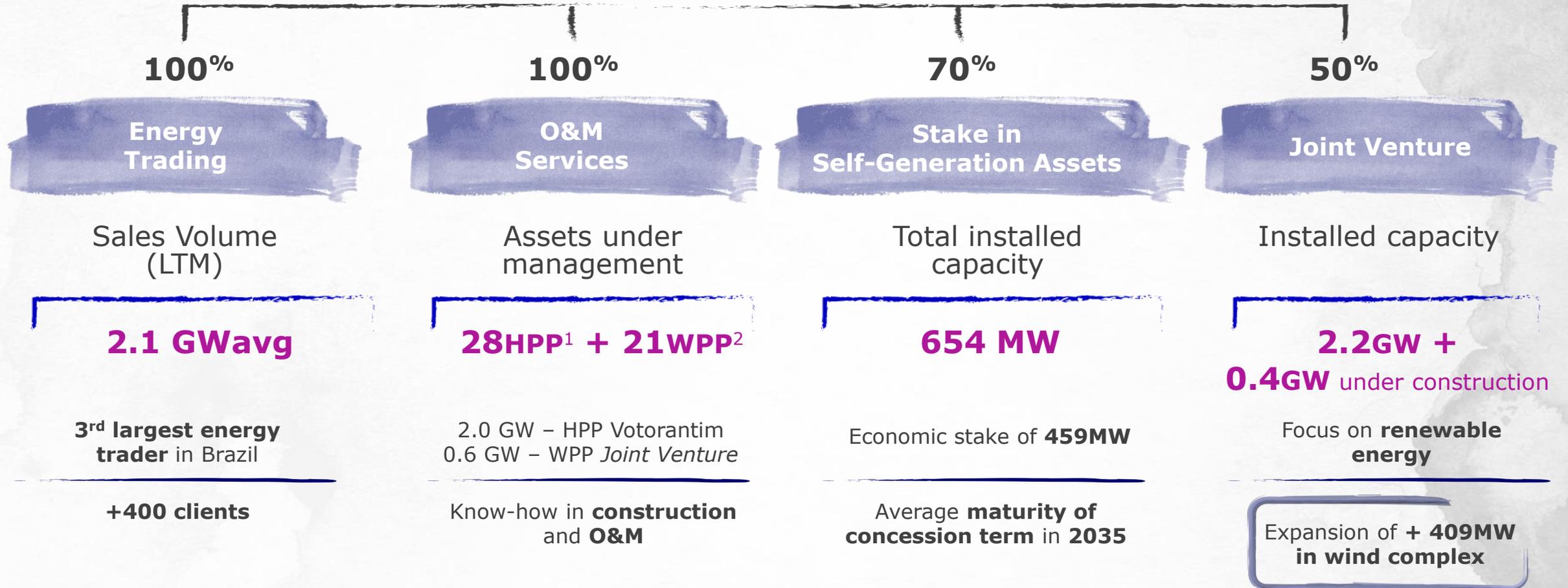


**VOTORANTIM**  
energia



# Business Structure

## VOTORANTIM energia



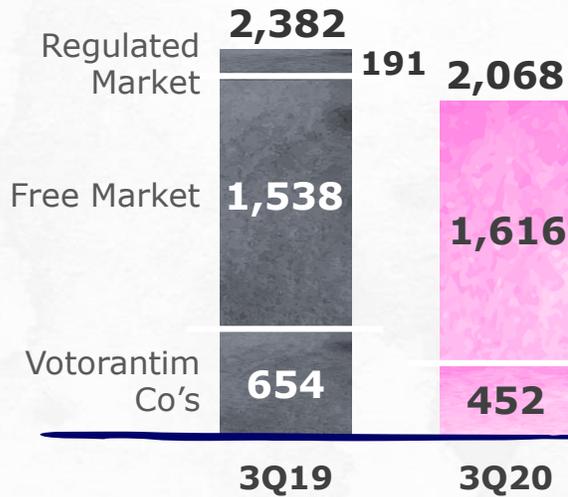
1. Hydroelectric Power Plant.  
2. Wind Power Plant.

# VE Operational Results

## Energy Trading

(MWavg)

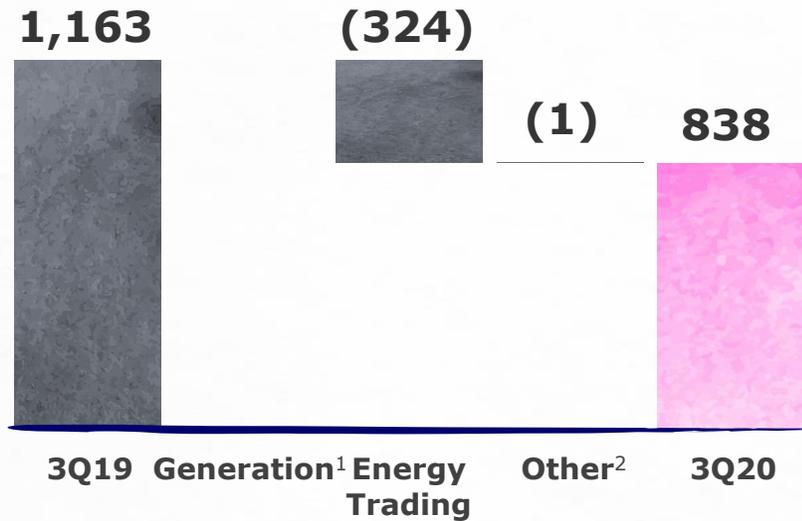
**-13%**



## Net Revenues

(R\$ MILLION)

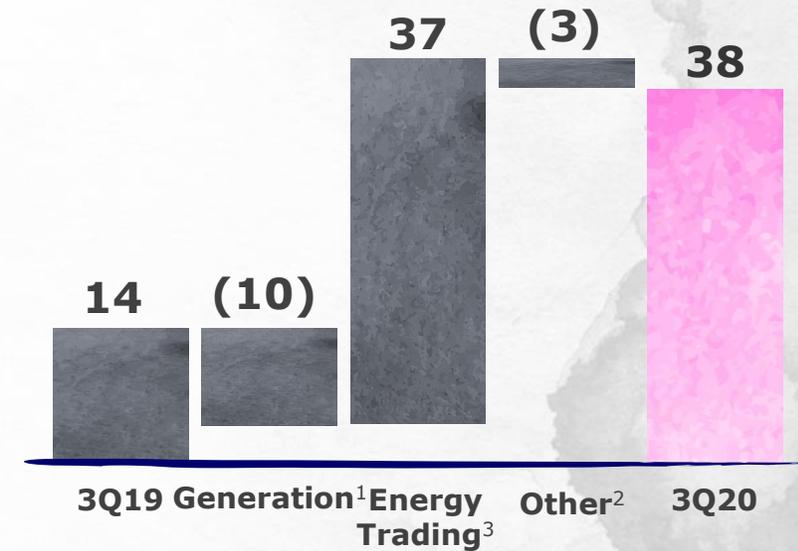
**-28%**



## Adjusted EBITDA

(R\$ MILLION)

**171%**



**(10)**

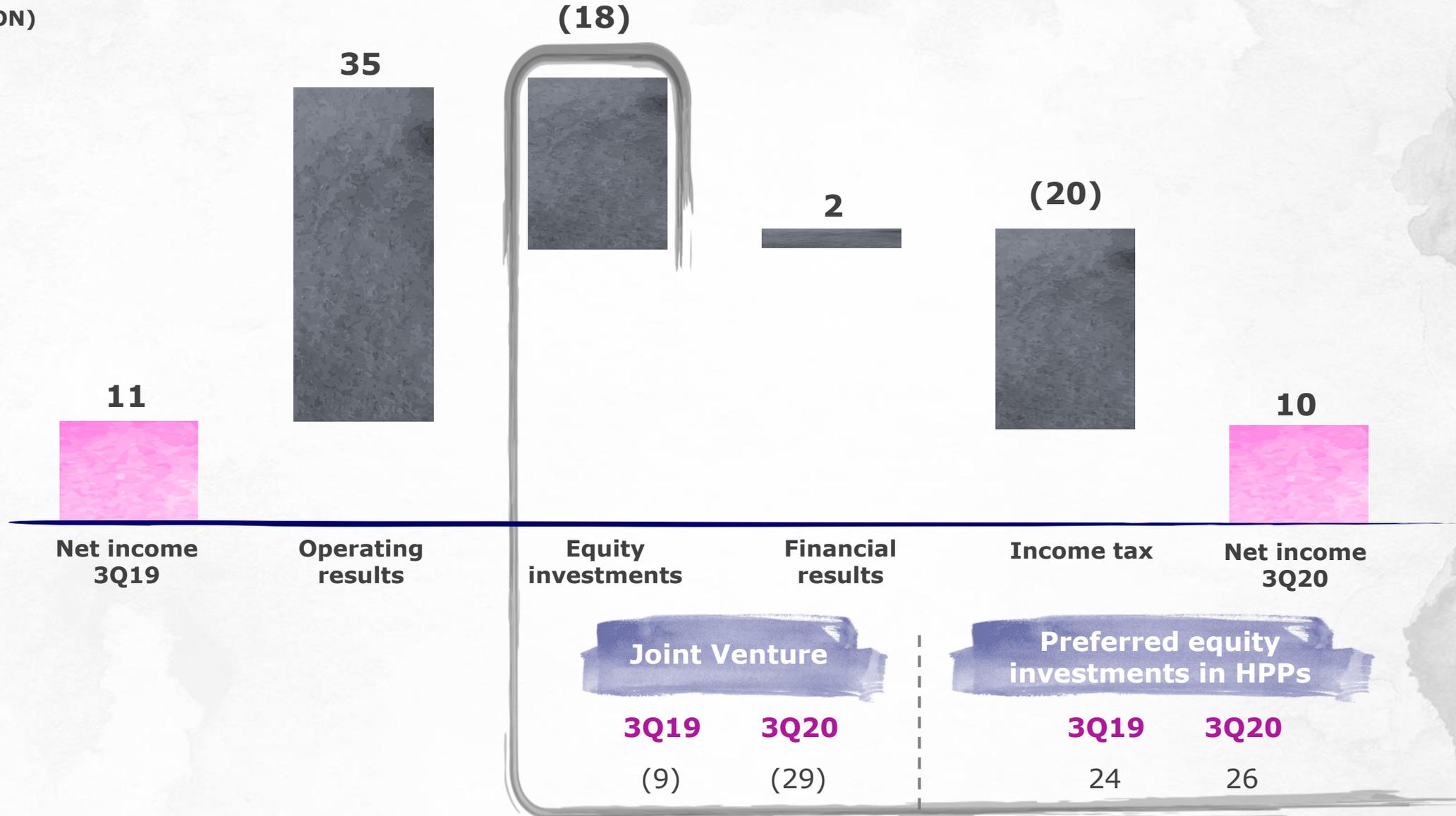
**Adjusted EBITDA ex-MtM**

**(39)**

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



Generation (MWavg)

11%



3Q19

3Q20

CAPACITY FACTOR %

68

75

## Ventos do Araripe III

Technical availability



Generation (MWavg)

-32%

249 Pro forma<sup>3</sup>



3Q19

3Q20

CAPACITY FACTOR %

67

46

70

Pro forma<sup>3</sup>

## CESP

Availability index<sup>1</sup>



Generation (MWavg)

3%



3Q19

3Q20

CAPACITY FACTOR %

61

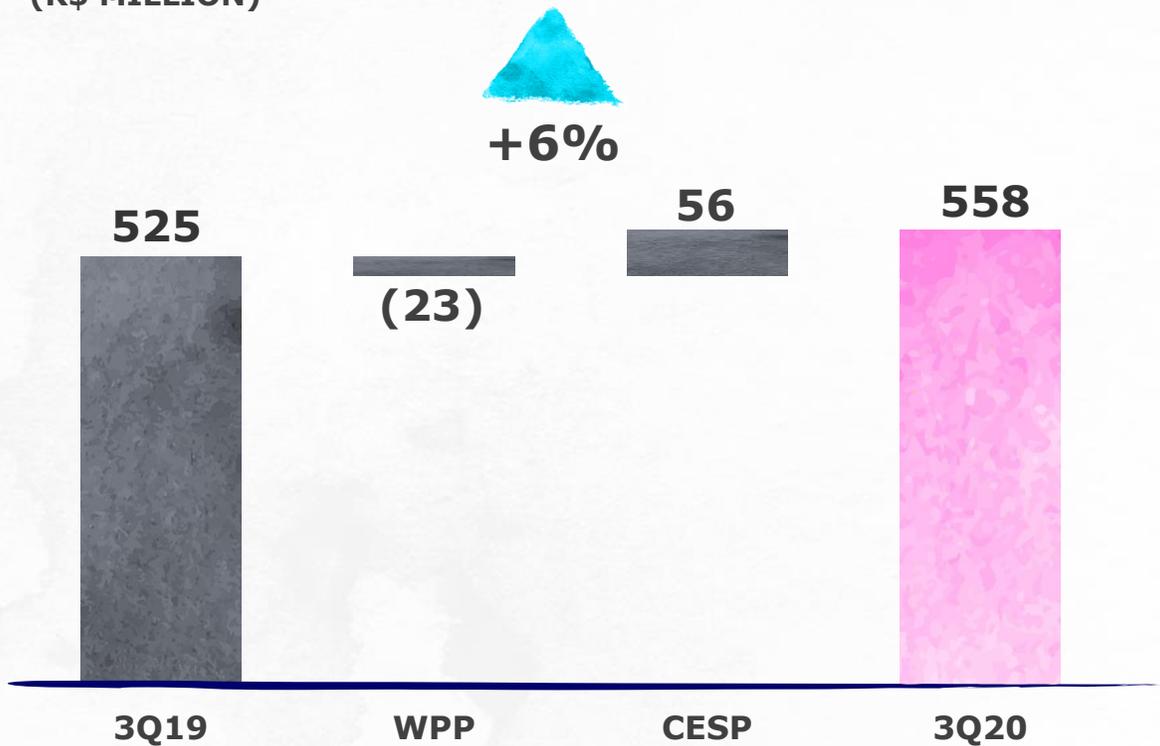
63

1. Moving average 60 months.  
 2. Considers wind turbine availability.  
 3. Generation pro forma does not consider the curtailment due to power transformer issue.

# JV VE-CPP Investments Results

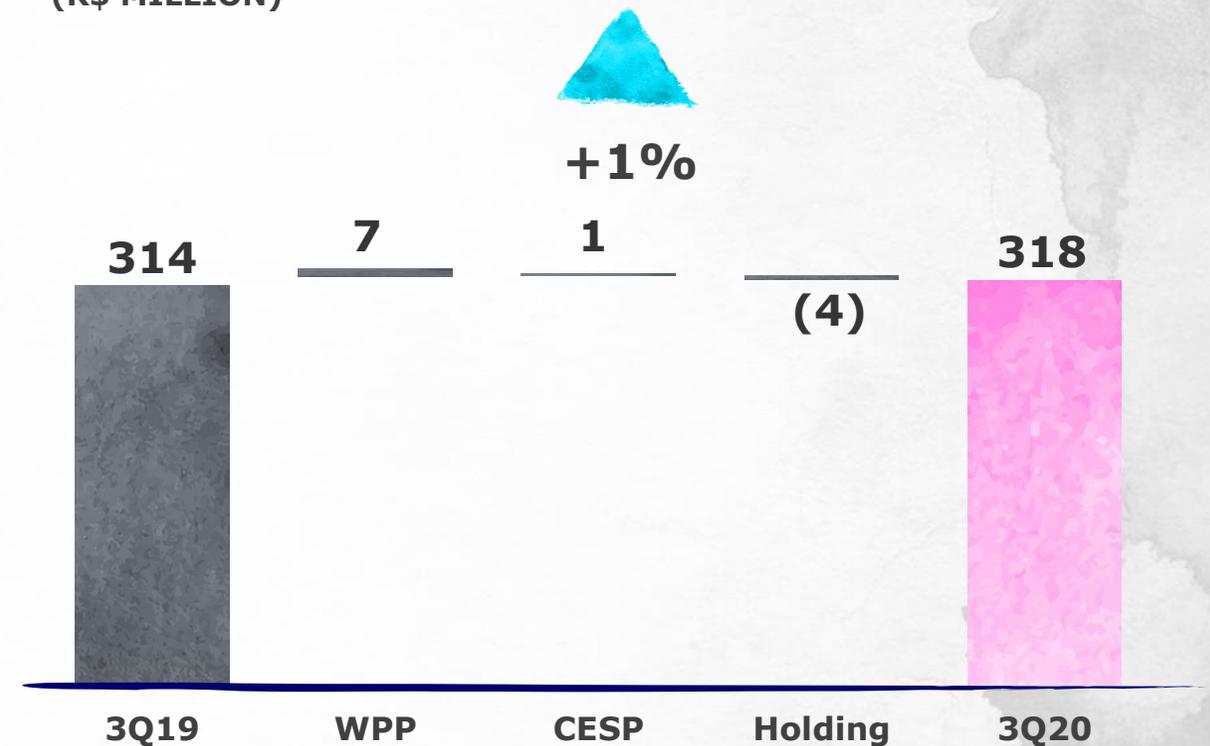
## Net Revenues

(R\$ MILLION)



## Adjusted EBITDA

(R\$ MILLION)



EBITDA  
Margin %

60

EBITDA  
Margin %

57

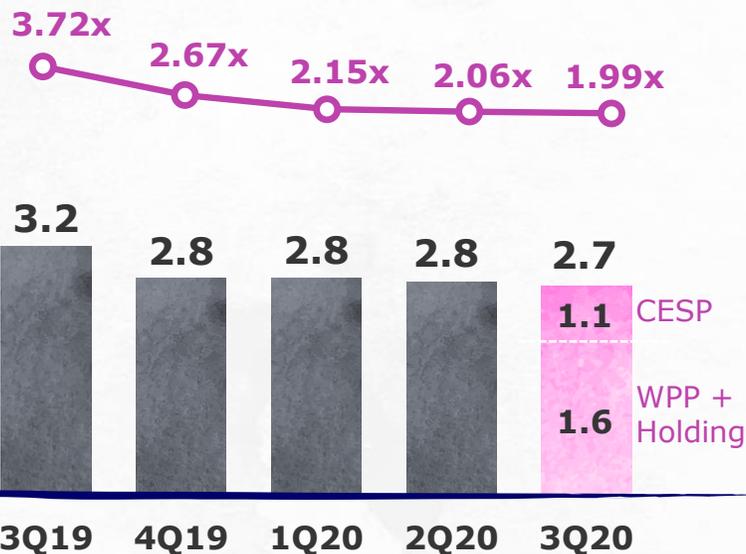
# JV VE-CPP Investments

## Leverage, Liquidity and Indebtedness

(R\$ BILLION)

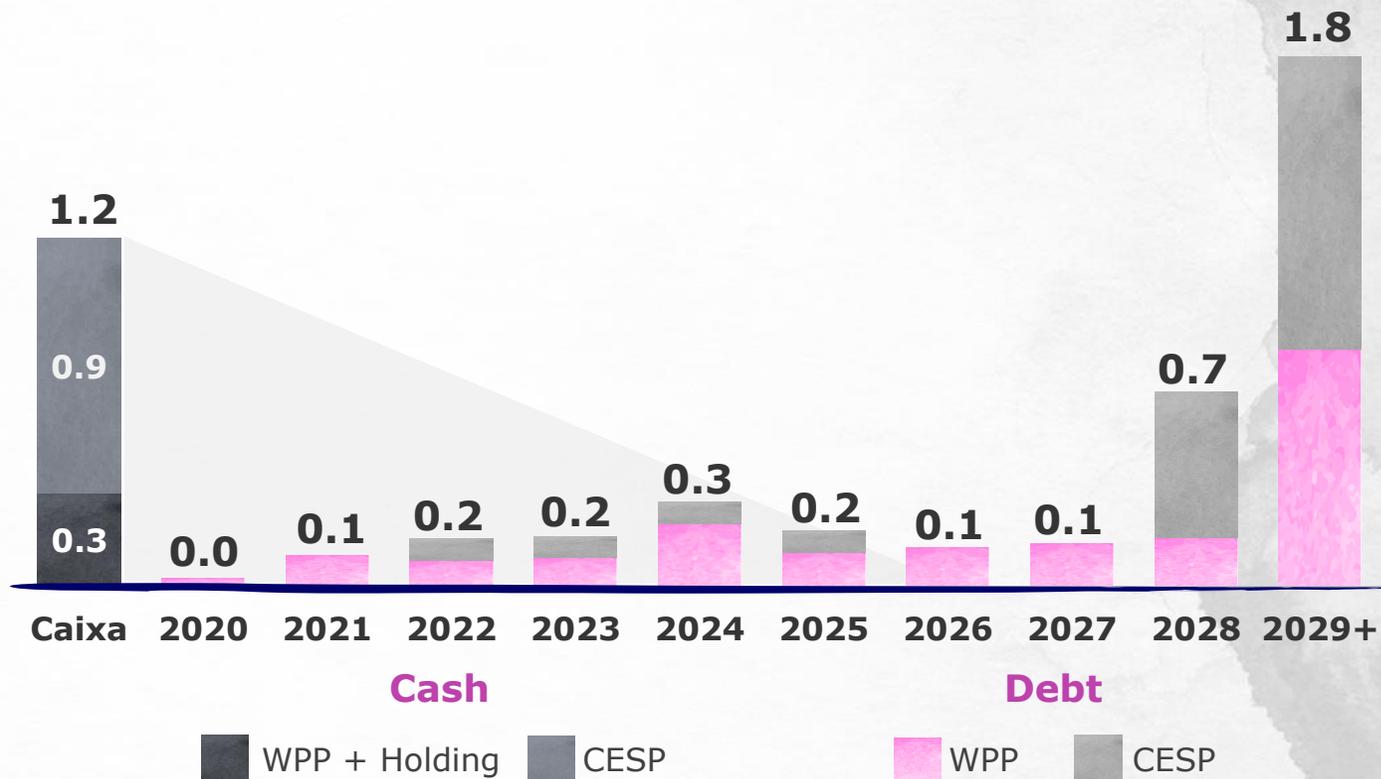
### Net Debt

NET DEBT/ADJ. EBITDA



### Debt Amortization Profile

Debt average maturity: 7.6 years





**VOTORANTIM**

**Sergio Malacrida**

CFO Votorantim S.A.

# Consolidated Results

## Net Revenues

(R\$ MILLION)

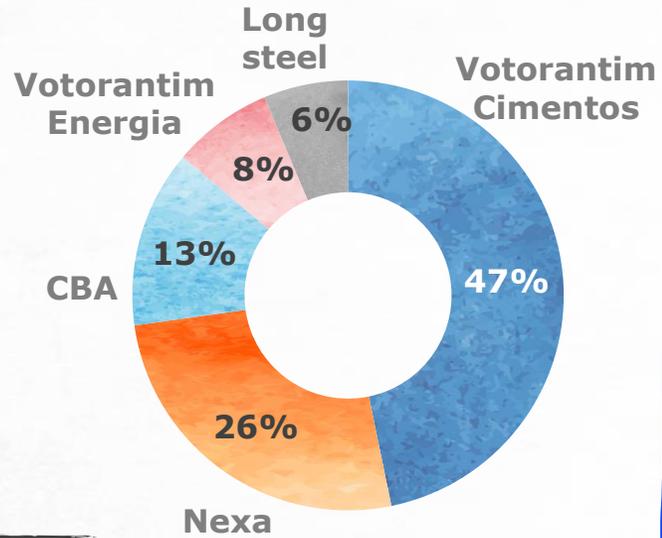
▲  
30%

8,268

10,729

3Q19

3Q20



Higher sales volumes and prices in the **cement operations**

## Adjusted EBITDA

(R\$ MILLION)

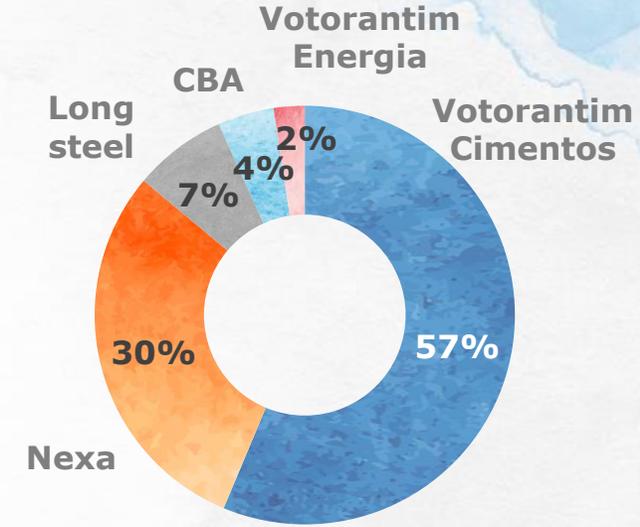
▲  
125%

1,189

2,681

3Q19

3Q20



Better results in the **metal businesses**

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

# Nexa results

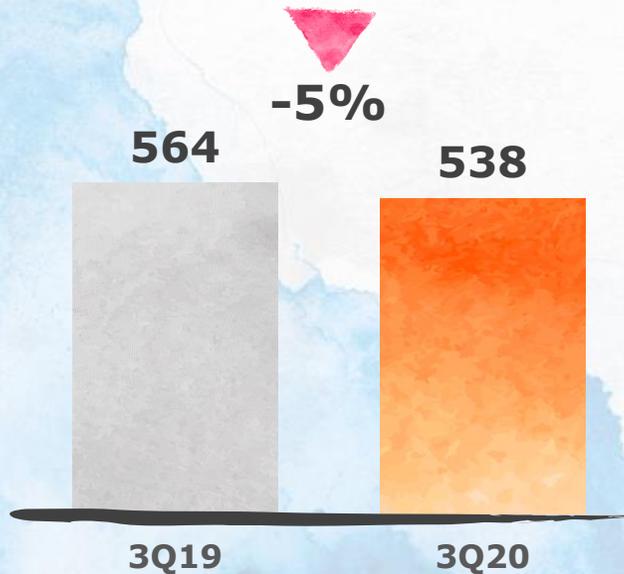
**COVID-19 impact:**  
Lower average LME prices and lower sales volume

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

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

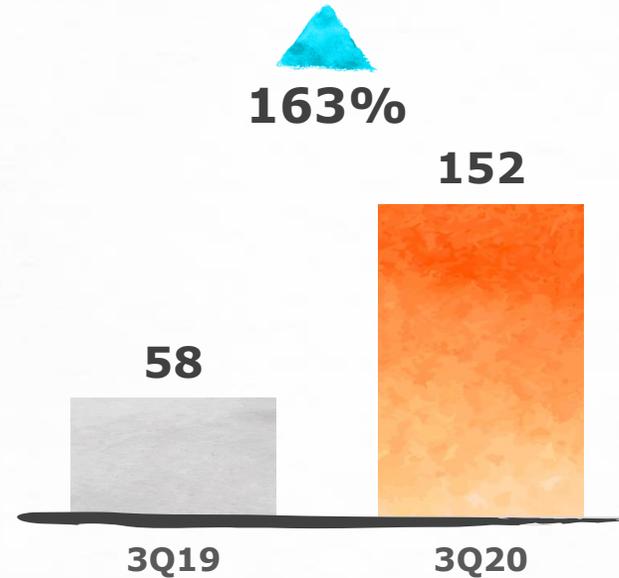
## Net Revenues

(US\$ MILLION)



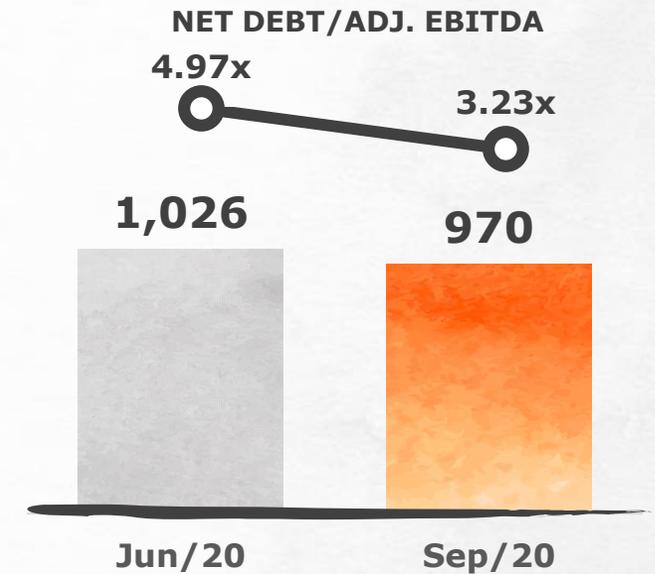
## Adjusted EBITDA

(US\$ MILLION)



## Net Debt

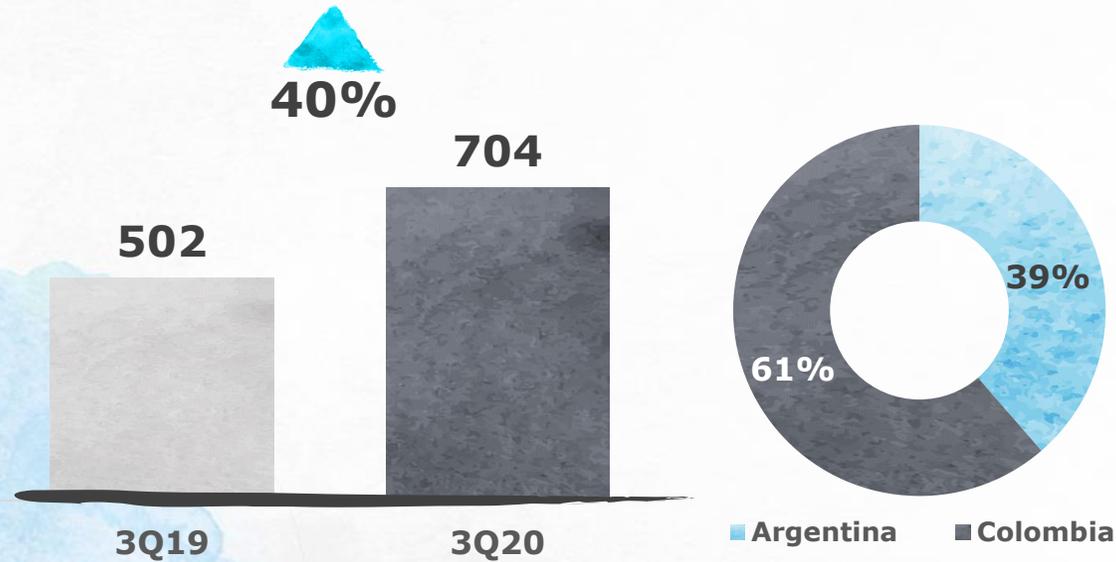
(US\$ MILLION)



# Long steel results

## Net Revenues

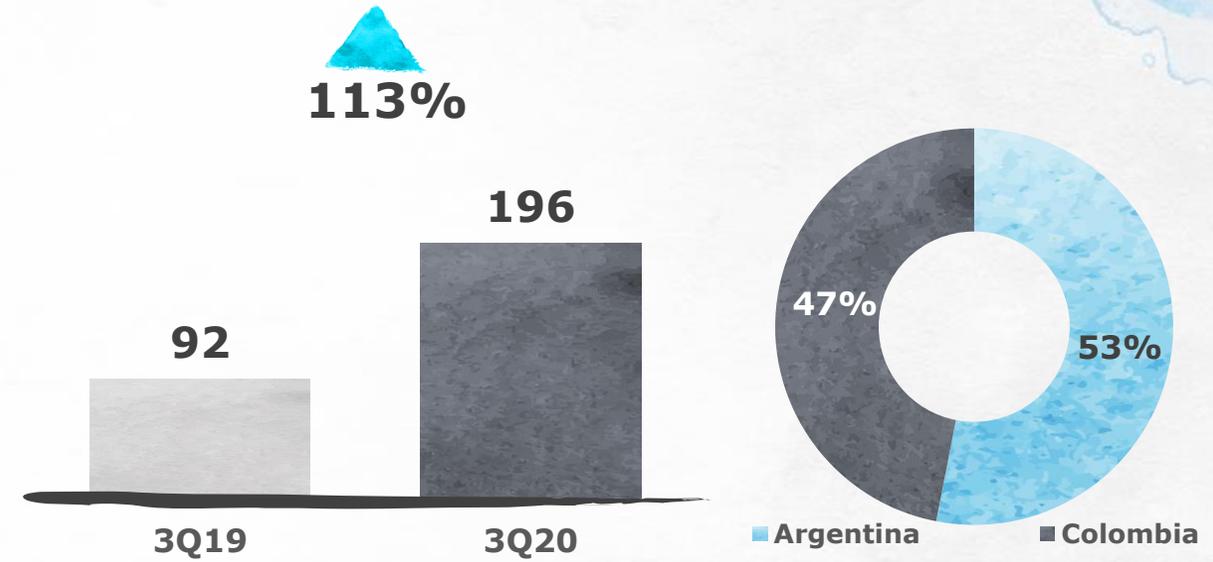
(R\$ MILLION)



Better prices in both regions and higher sales volume in Colombia

## Adjusted EBITDA

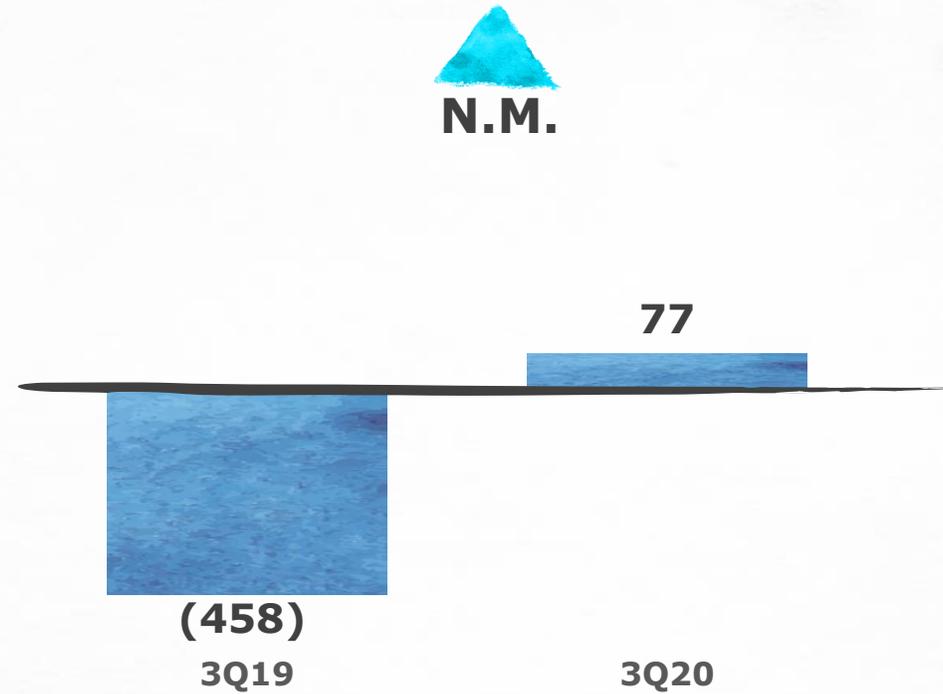
(R\$ MILLION)



Better operational results combined with **one-off** impact regarding the sale of non-strategic assets in Colombia

# Net Income

(R\$ MILLION)



**Better operational results** and improved results from companies under equity method

Positive effects partially offset by **a non-recurring tax impact at CBA** and **negative FX impact on Financial Result**

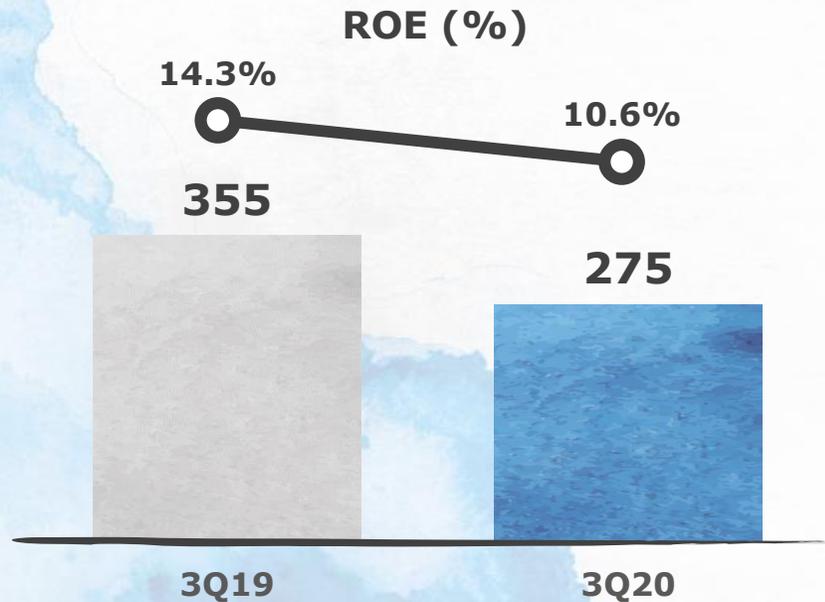
# banco BV results<sup>1</sup>

**Compared to 2Q20, consistent improvement:** resumption in demand for financing and recovery in service revenue

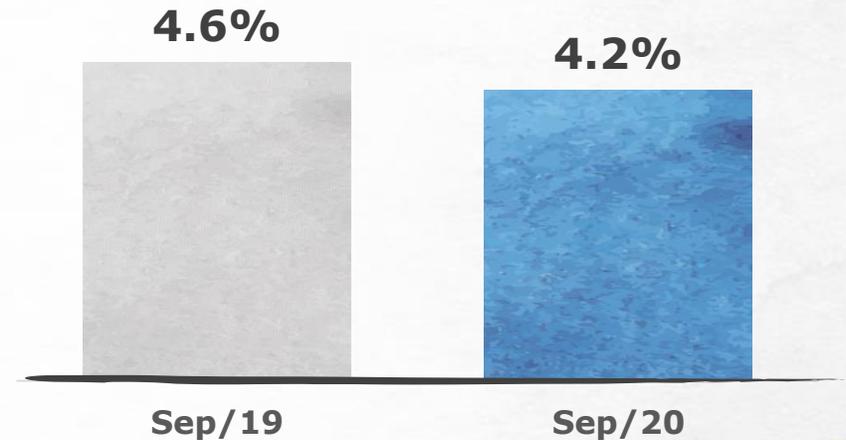
Continuous **improvements in credit models** and **prudence in new credit lines**

## Net Income

(R\$ MILLION)



## Consolidated Delinquency



1. Results are presented in compliance with the BRGAAP accounting standards.

# Citrosuco results

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

## Net Revenues

(US\$ MILLION)

FCOJ PRICE (US\$/Ton)

1,878      1,699

12%

189

211

3Q19

3Q20

## EBITDA

(US\$ MILLION)

139%

9

21

3Q19

3Q20

## Net Debt

(US\$ MILLION)

5%

770

733

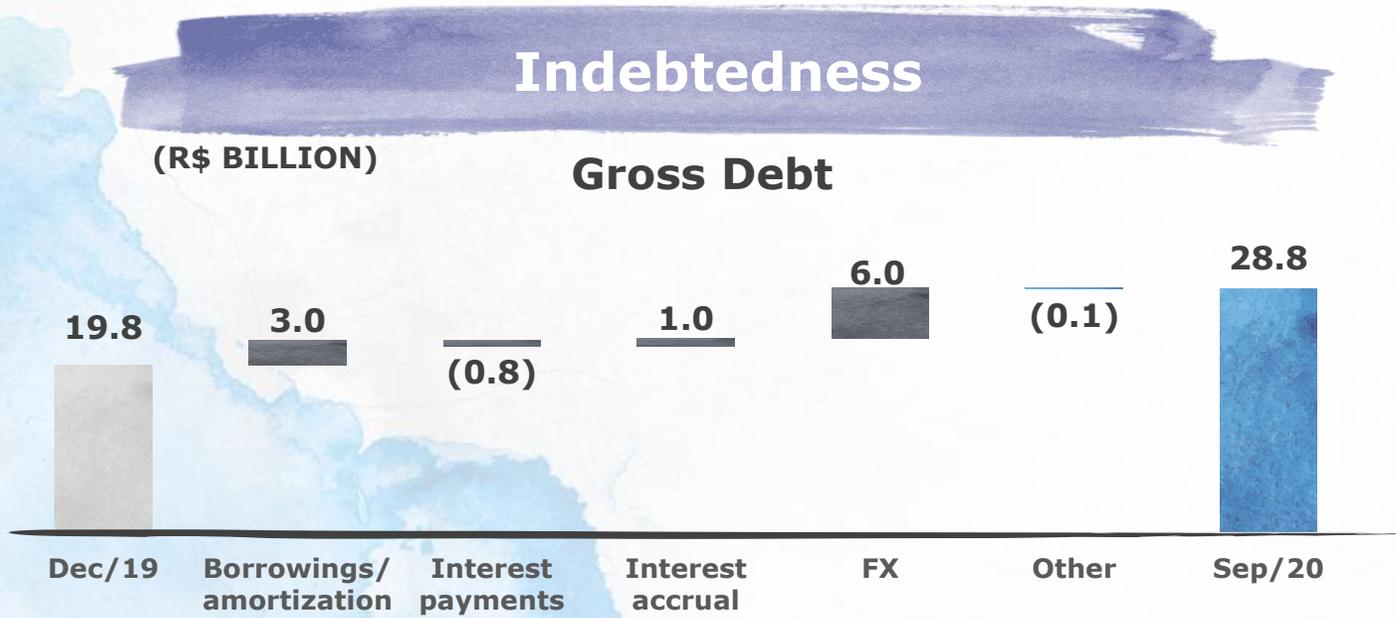
Sep/19

Sep/20

# Gross Debt

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

**Revolving Credit Facilities (RFC):** US\$700 million available – US\$200 million to Votorantim S.A. and US\$500 million to Votorantim Cimentos



Liquidity<sup>1</sup>  
Sep/20  
**R\$18.9bn**

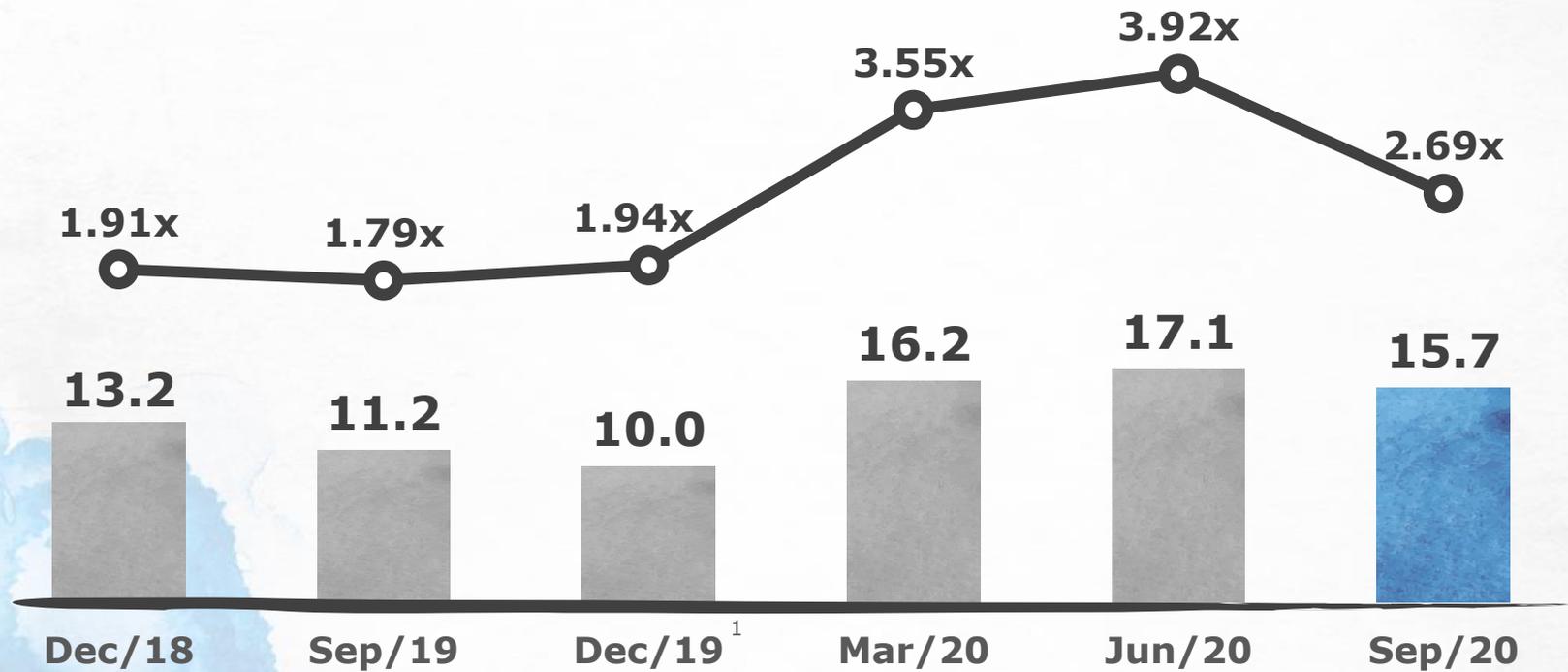
1. Consider cash position and the available RFC.

# Leverage and Indebtedness

## Net Debt

(R\$ BILLION)

### NET DEBT/ADJ. EBITDA



1. Restated value.

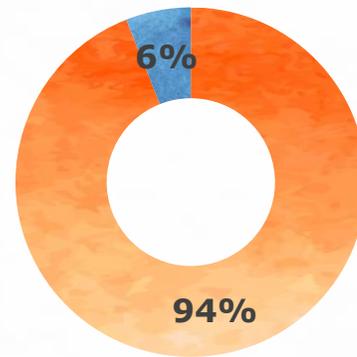
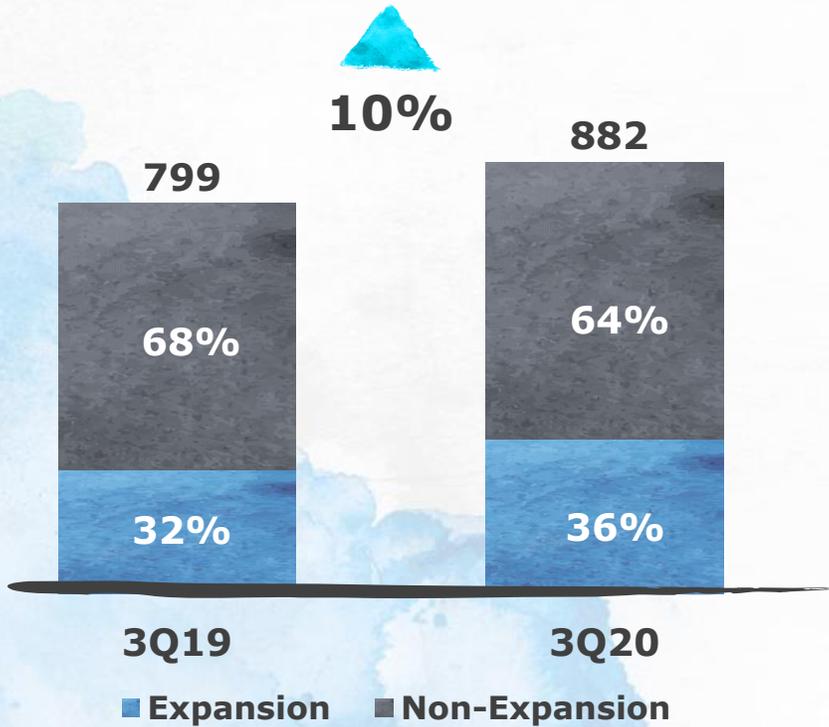
# Capital Expenditures

Expansion projects accounted for **36% of the total Capex**

## Capex

(R\$ MILLION)

### Expansion projects



■ Nexa Resources ■ Votorantim Cimentos

**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

Performance during pandemic has demonstrated **resiliency of our portfolio** and the **ability to adapt** across our businesses

**Robust liquidity and prudence** in capital allocation

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

**Constructive view on the economic recovery** in our key markets

**ESG engagement with our portfolio companies**, reinforcing our role as an **active and responsible investor** focused on the long term