

# 3Q20 Results

Results Presentation  
11.11.2020





# Disclaimer

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*This report may include statements that present MRS expectations about future events or results. All statements, when based on future expectations, and not historical facts, involve several risks and uncertainties.*

*MRS cannot guarantee that such statements will materialize.*






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- A yellow locomotive with the number 39261 is pulling a train of brown freight cars through a dark tunnel. The locomotive's headlights are on, and the train is moving towards the viewer. The tunnel is surrounded by green foliage and a utility pole is visible on the right side.
1. Quarterly Highlights
  2. Operational Results
  3. Economic and Financial Results
  4. Indebtedness
  5. Investments



## 3Q20 Results

### Transported Volume

 **15.0%\***

45.2 MM tons

We verified the resumed of transported volume, mainly in the group of **iron ore** and agricultural products, within the group of **General Cargo**



### Ebitda


 **553 MM**

-7.5%\*

The Ebitda presented was a reflection of the increase in the total volume transported, mainly in **iron ore**, with the recovery of **global demand**



### Ore Volume

 **23.6%\***

27.9 MM tons

High performance highlights: (I) consolidation of the operation with the unmanned train, (II) the strong international demand and, (III) the high price of the commodity



### Leverage

 **1.01x**

-0.05x\*

**The financial leverage indicator**, measured by the Net Debt / EBITDA ratio, remained stable compared to the previous year, reflecting the austere cash policy





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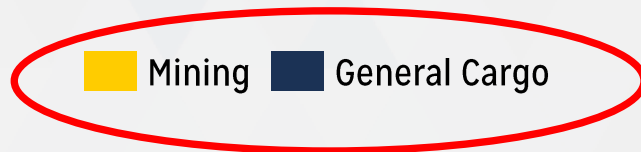
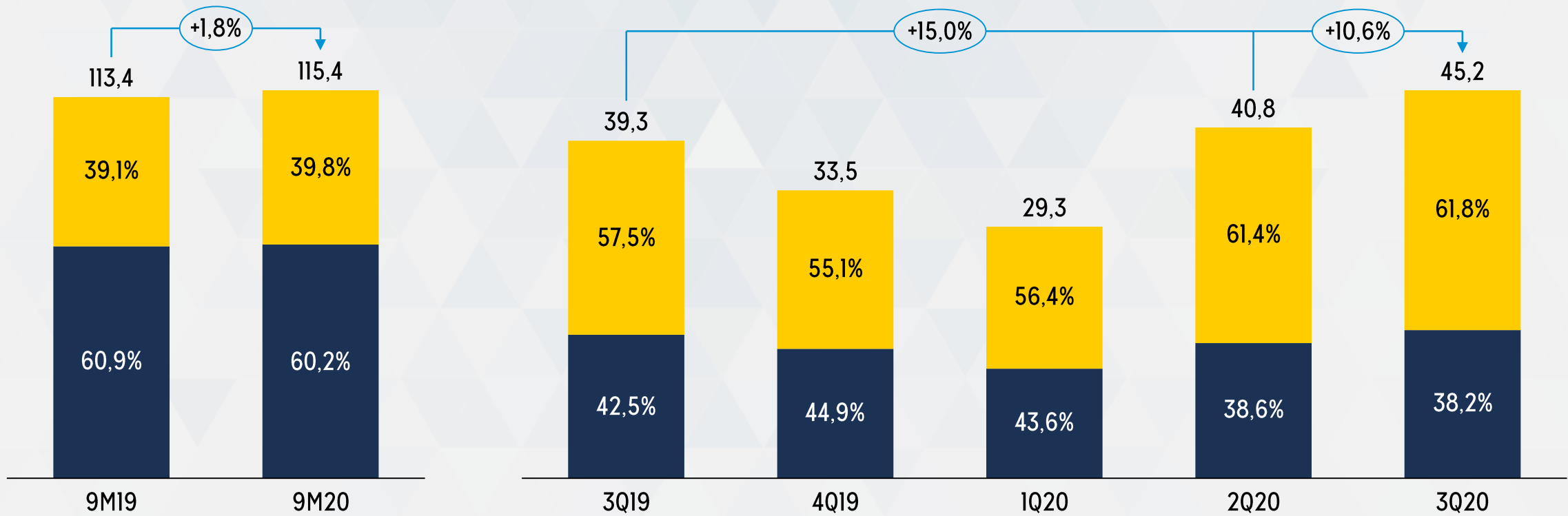
## 2. Operational Results



The 3Q20 confirmed the resume of the volume transported by the company, mainly in the Mining Group, which represented 61.8% of the total transported in the quarter. In 9M20, we see an increase of 1.8%

### 3Q20 Results

### Transported Volume by Group (TU millions)





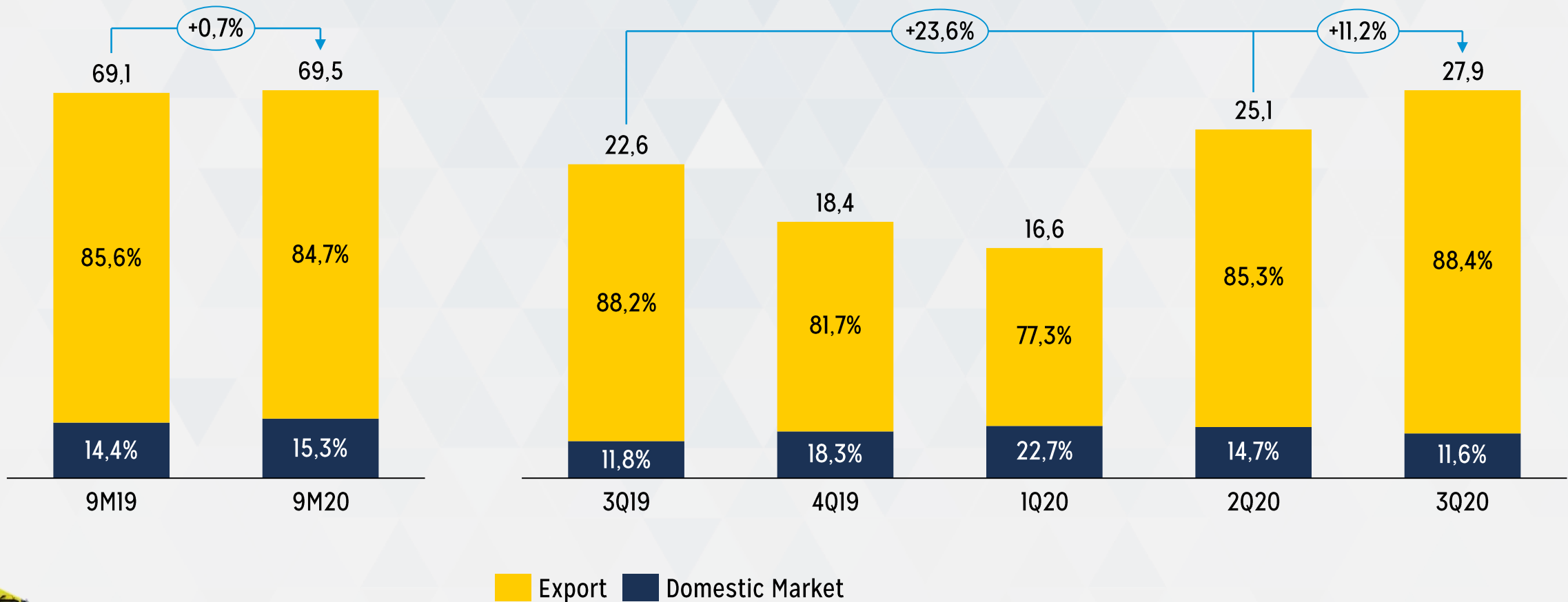
## 2. Operational Results



The resume of transported volume consolidation in 3Q20 was the result of a partnership of efforts with the company's customers, in addition to an innovative solution in terms of servicing the Scaffolding terminal, external demand and commodity price.

### 3Q20 Results

### Transported Volume Mining (TU millions)



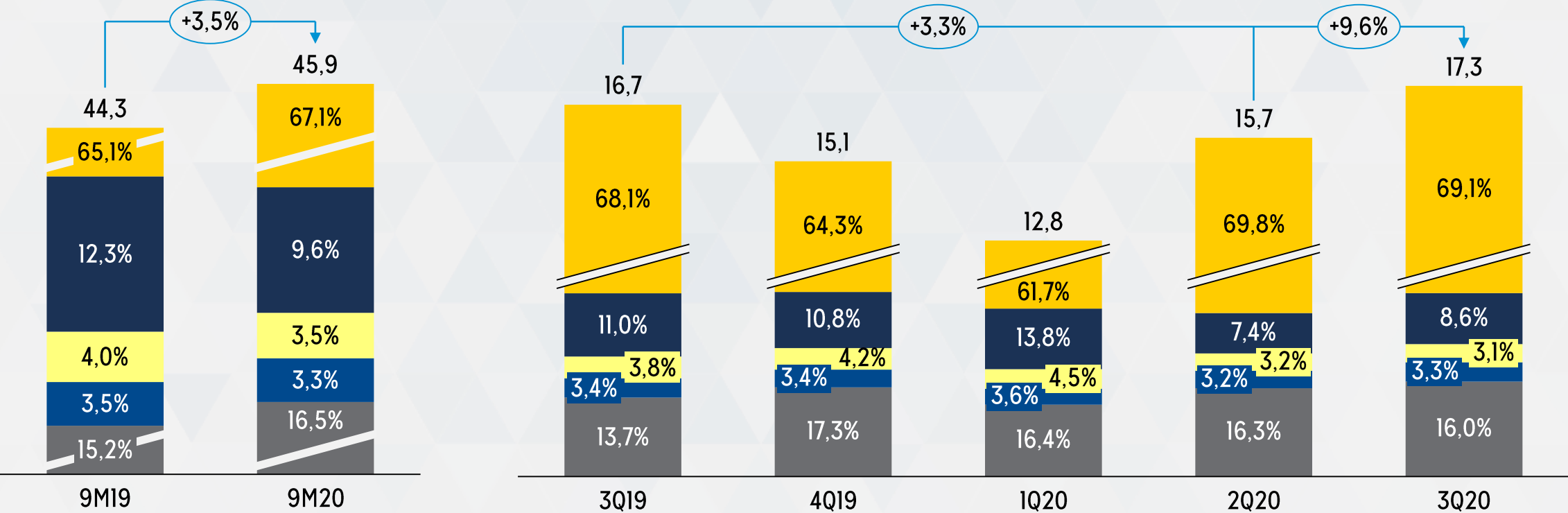
# 2. Operational Results



*n the General Cargo segment, MRS continues to show increasing numbers, reflecting efforts to diversify its customer base, in addition to new logistical opportunities and new cargo characteristics.*

## 3Q20 Results

### Transported Volume General Cargo (TU millions)




■ Agricultural Products 
 ■ Steel Products 
 ■ Container 
 ■ Construction 
 ■ Others

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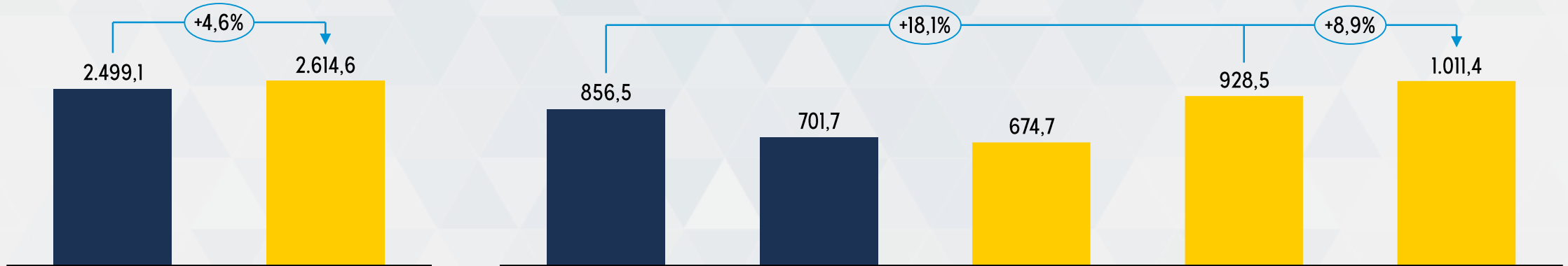
### 3. Economic and Financial Results



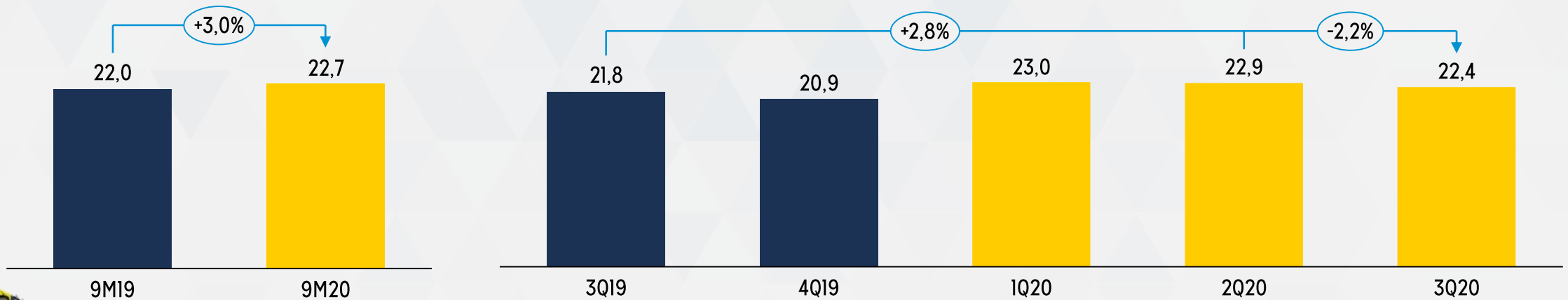
We highlight the recovery in the volume transported by the company in 3Q20, mainly in the ore segment. In 9M20, Net Revenue was 4.6% higher than in 9M19

#### 3Q20 Results

### Net Revenue (R\$ millions)



### Average Tariff (R\$/Ton)





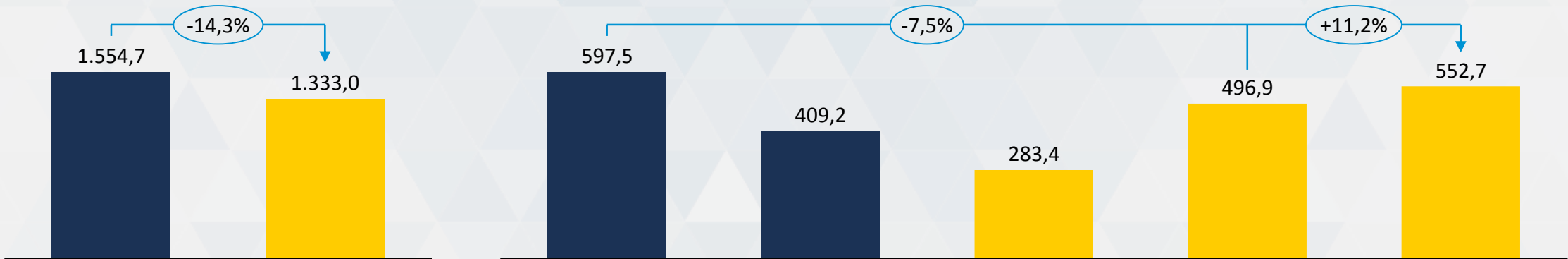
# 3. Economic and Financial Results



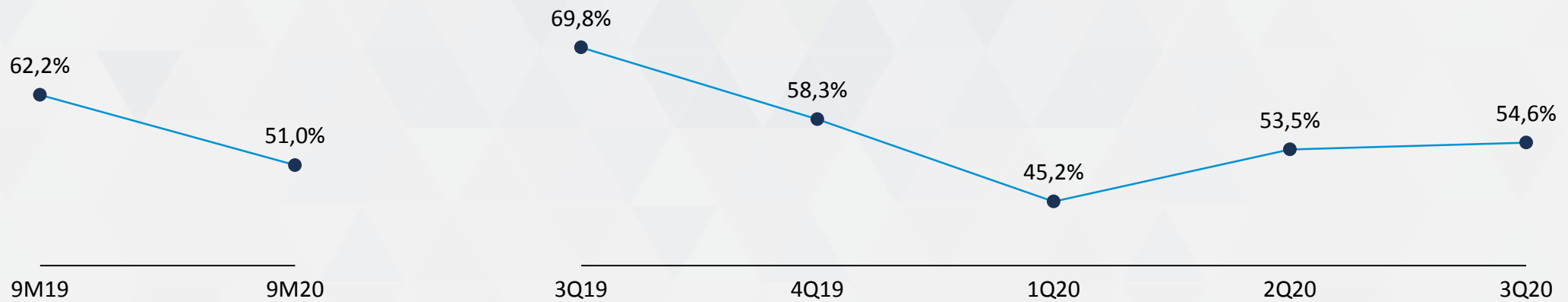
After 1Q20, with records of retraction in Net Revenue and its effects on Ebitda, and on Ebitda Margin, **the recovery in transported volume, consolidated in 3Q20, boosted Ebitda and its margin**

## 3Q20 Results

### Ebitda (R\$ millions)



### Ebitda Margin (%)



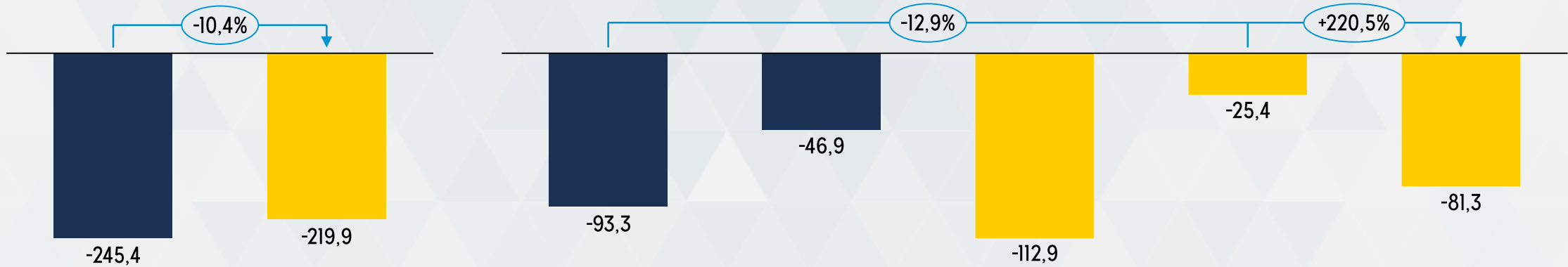
# 3. Economic and Financial Results



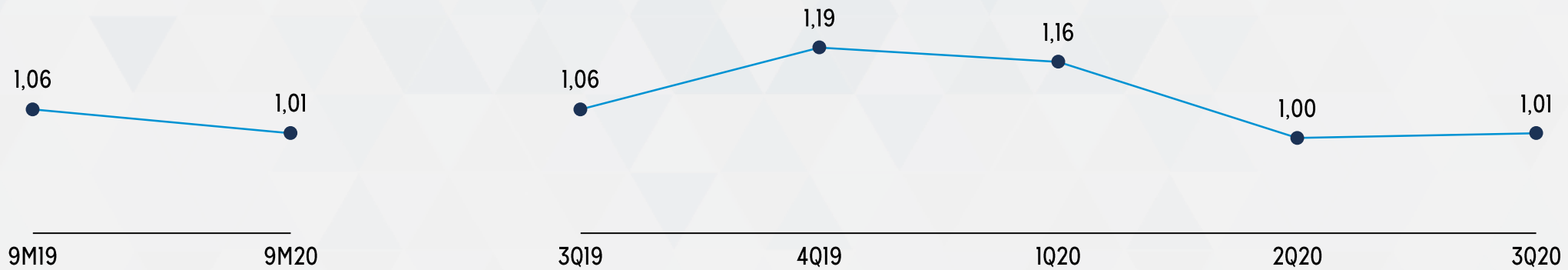
The operational performance of 3Q20, mainly efficiency in the cash management, favored the leverage, as measured by the **Net Debt / EBITDA indicator**, which reached **1.01x**

## 3Q20 Results

### Financial Results (R\$ millions)



### Net Debt / Ebitda (x)





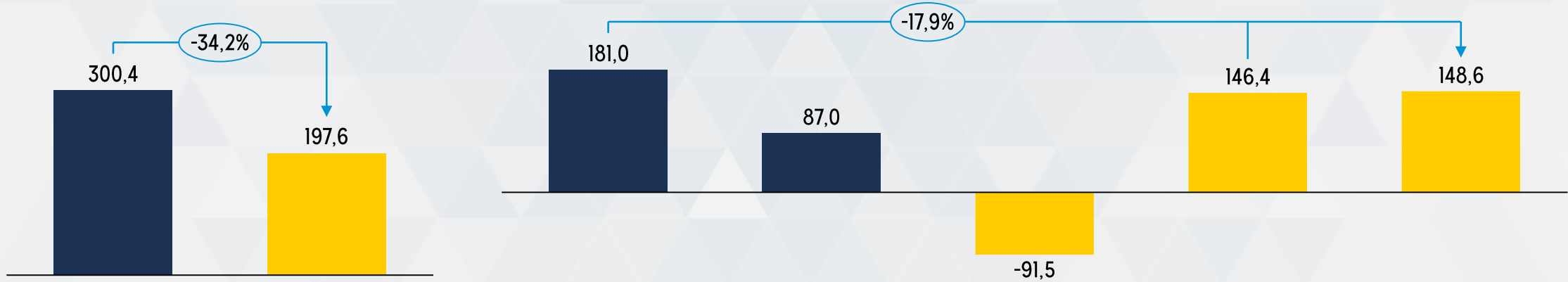
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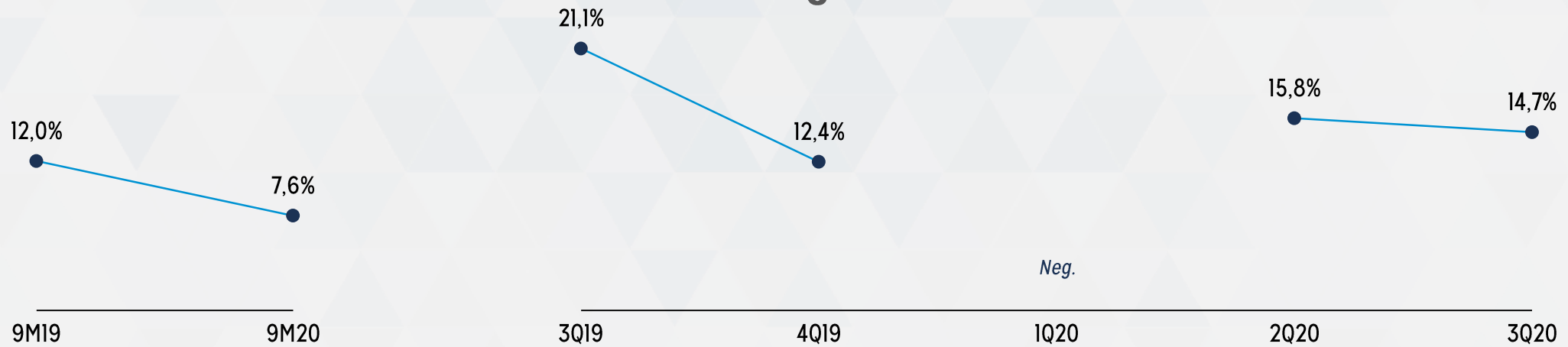
As a result of the operational recovery, mainly in the volume of iron ore, MRS reversed the net loss in 1Q20, and has been recording very consistent net margins

## 3Q20 Results

### Net Income (R\$ million)



### Net Margin (%)



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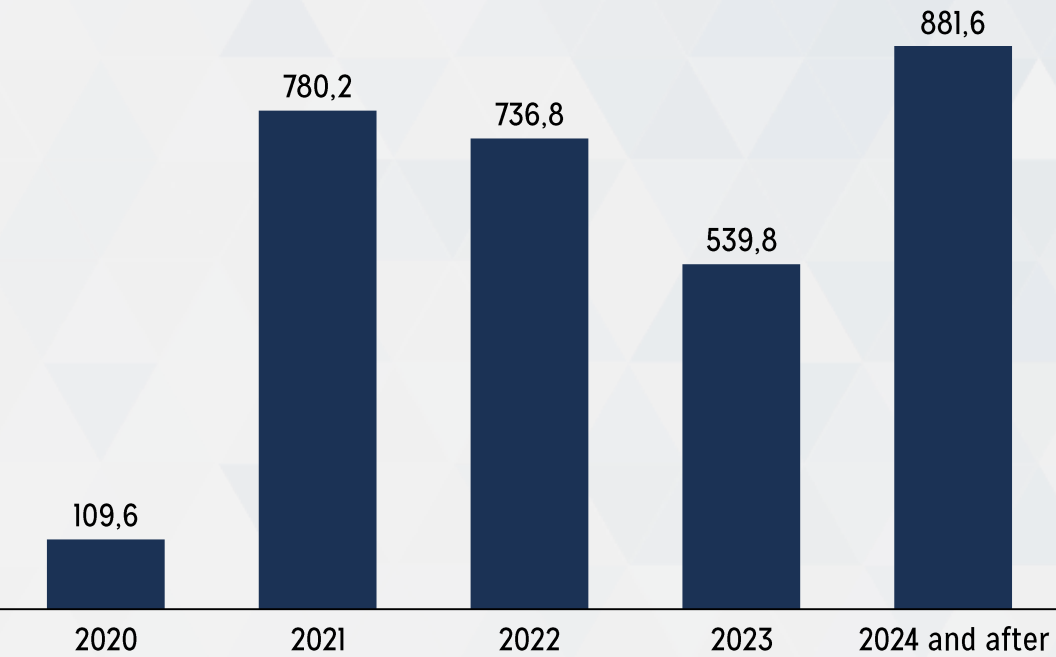
# 4. Indebtness



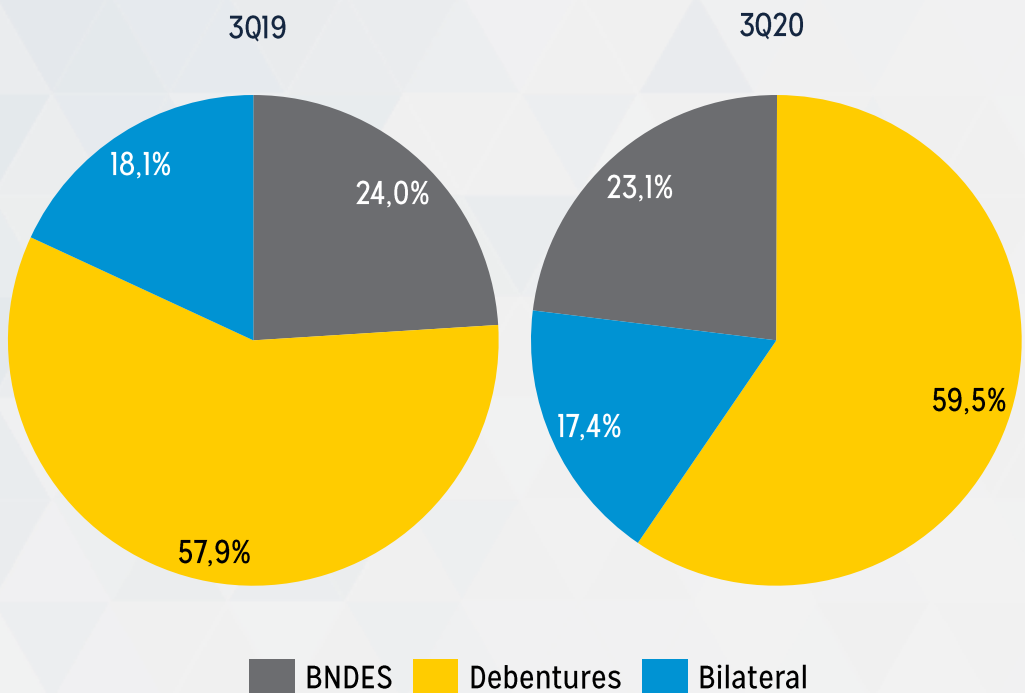
At the end of 3Q20, MRS recorded gross debt, in the order of **R\$ 3.0 billion**, stable compared to that presented in 2Q20, with an **average term of 2.3 years**. Over the past few periods, MRS has been seeking a better profile for its indebtedness

## 3Q20 Results

### Amortization Schedule (R\$ millions)



### Opening of Gross Debt



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- A yellow locomotive with the number 39261 is pulling a train of brown freight cars through a large, arched tunnel. The scene is dimly lit, with the locomotive's headlights illuminating the tracks ahead. The tunnel is surrounded by lush green foliage and trees.
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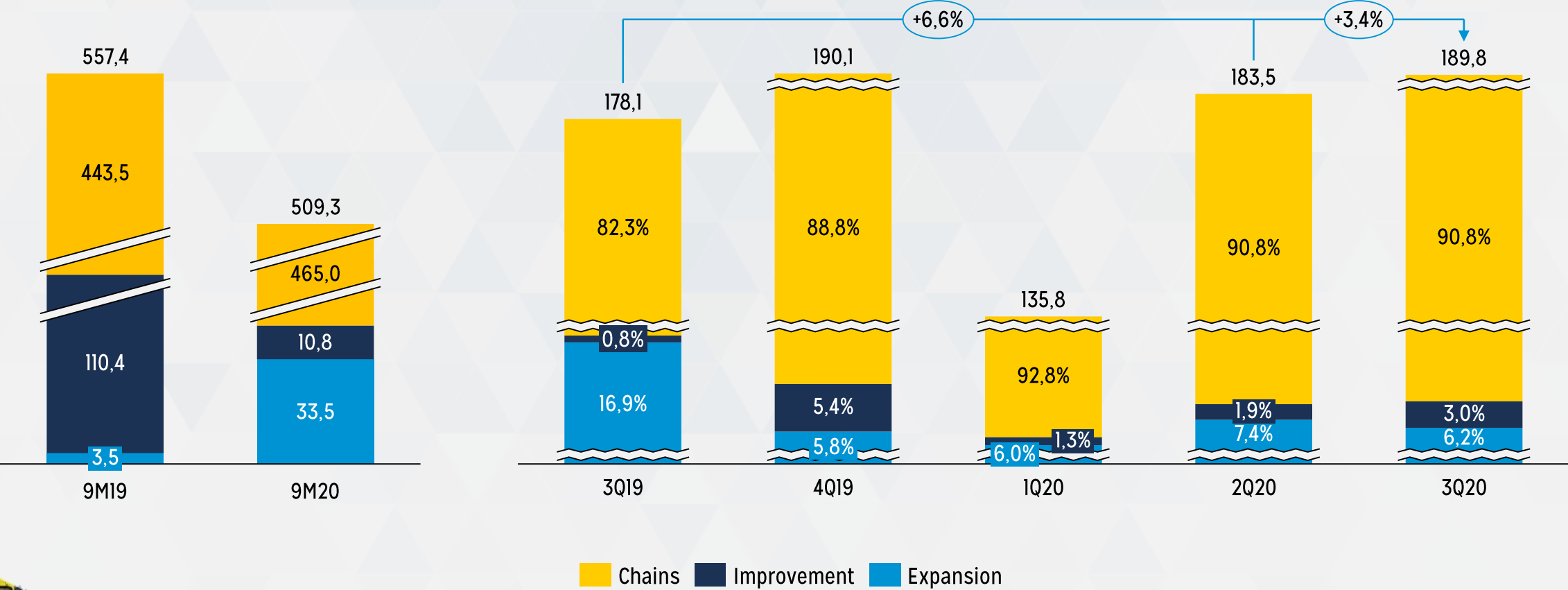
# 5. Investments



Over the quarters, MRS constantly seeks for operational efficiency, prioritizing the **allocation of essential initiatives** for maintaining production and **business sustainability**. We highlight the resume of investments after a lower volume 1Q20

## 3Q20 Results

### Investments Opening (R\$ millions)



## COVID-19



### Essentials Activities

The Federal Government defined, through Decree No. 10,282, of March 20, 2020, the essential and indispensable activities for Brazilian society. Cargo transportation services by the railroad are part of this group, as are support activities and supply of inputs or raw materials for the proper functioning of the railroad. In general, MRS 'turnover suffered a very limited impact due to the pandemic, a small retraction in specific loads.

### Combat Actions

- about R\$ 3 million in actions investments to support vulnerable populations
- purchase of equipment's
- development of fast tests for disease diagnosis



### Social Function

Supporting not only those vulnerable people but also initiatives to purchase essential medical equipment to assist critically ill patients. The Covid-19 pandemic is a major challenge and will be overcome with the participation of all

### Home Office and precautions with its internal employees

Since March 17, for its administrative areas and rotation of presence for employees unable to develop their activities remotely, for these we also offer other transport alternatives. Essential suspension of traveling abroad and not attending face-to-face meetings; travel to seminars; fairs and events







**Logística S.A.**

# **3Q20 Results**

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