

# 2Q23 EARNINGS PRESENTATION

August 10, 2023





## DISCLAIMER



This report may include statements that present MRS's expectations about future events or results. All statements, when based on future expectations rather than historical facts, involve a number of risks and uncertainties. MRS cannot guarantee that such statements will materialize.





- 1. Highlights**
- 2. Operational Performance**
- 3. Economic-Financial Performance**
- 4. Indebtedness**
- 5. Investments**




# 1. Highlights



2023 stands out with the best quarter in the history of MRS in transported volume, reaching 51.4 Mt

## 2023 Results


### Total Volume Transported

  
**51.4 Mt**  
+12.1%\*

The record performance presented in the quarter refers to the growth in **ore (+14.5%)** as well as in **general cargo (+8.4%)**




### Net Revenue

  
**R\$ 1.6 BI**  
+12.7%\*

The favorable performance in **Net Revenue** reflects the 12.1% growth in volume, with emphasis on the transport of iron ore for export




### EBITDA

  
**R\$ 891.5 MM**  
+15.7%\*

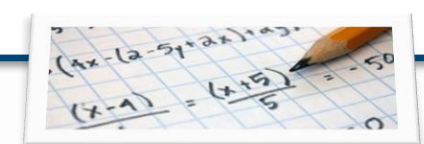
Quarterly EBITDA was the best in the history of **MRS**, reflecting the increase in Net Revenue and austerity in costing management



### Leverage Indicator

  
**1.1x**  
-0.1x\*\*

The financial leverage indicator, **Net Debt/EBITDA**, remains in line with recent history, reflecting the good operating performance and funding strategy



\*Comparisons refer to 2022 results  
\*\*Comparisons refer to 1Q23 results



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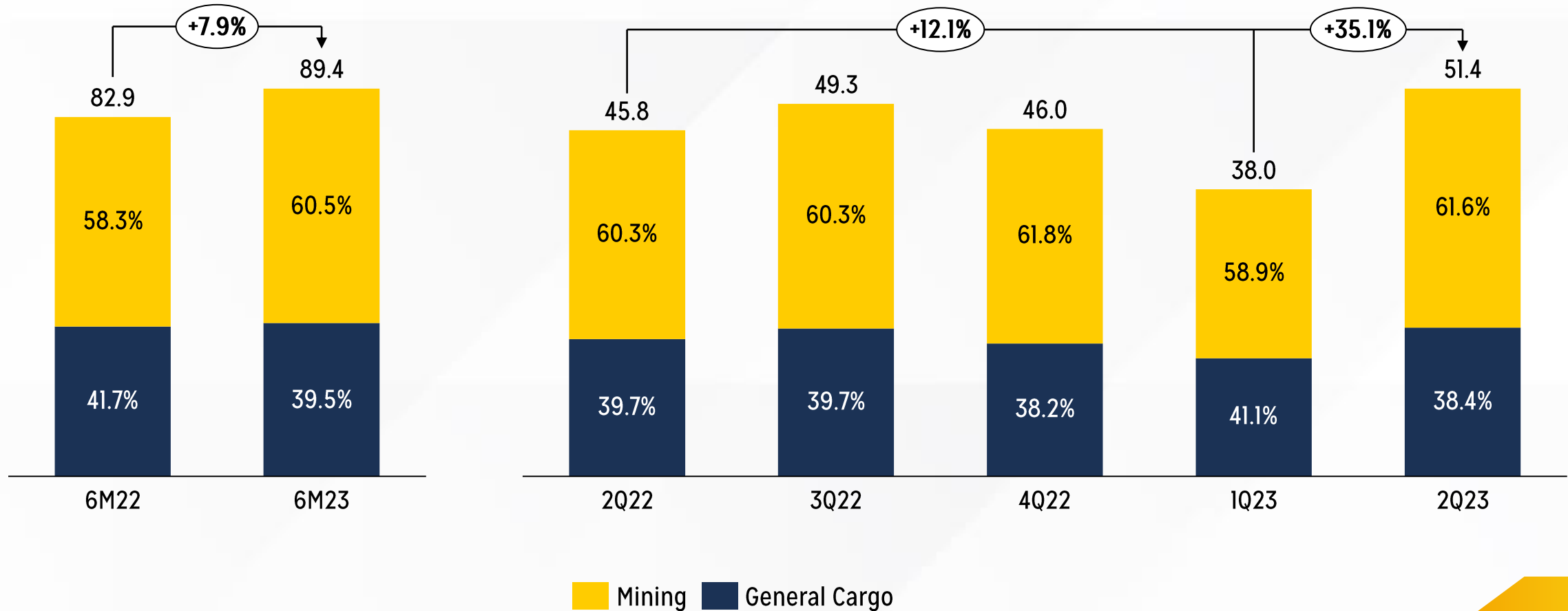
## 2. Operational Performance



In 2023, the total volume transported reached a historic record with 51.4Mt, an increase of 12.1% compared to 2022

### 2023 Results

### Volume Transported by Group (TU million)



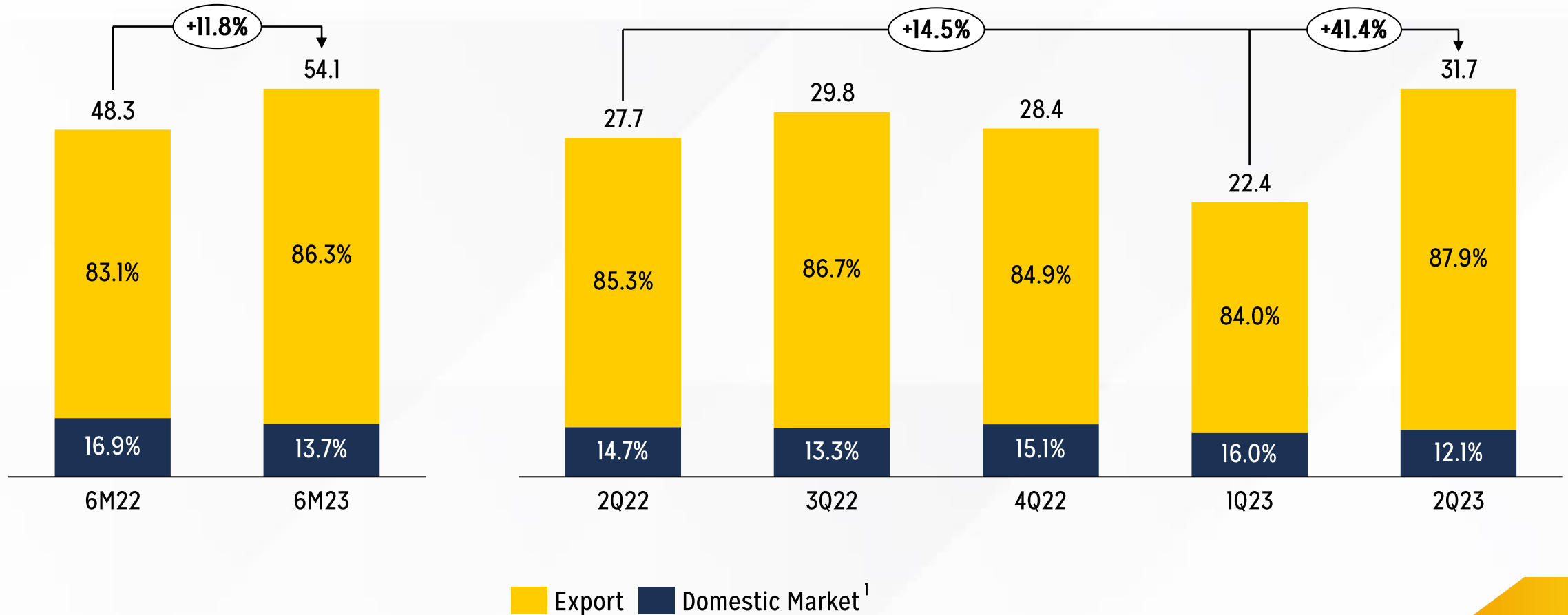
# 2. Operational Performance



Transport in the mining segment ends 2023 with 31.7 Mt, influenced by more favorable weather conditions than in 2022 and increased demand for ore for export

## 2023 Results

### Mining Transport Volume (TU million)



Note<sup>1</sup> Includes Iron Ore, Coal and Coke

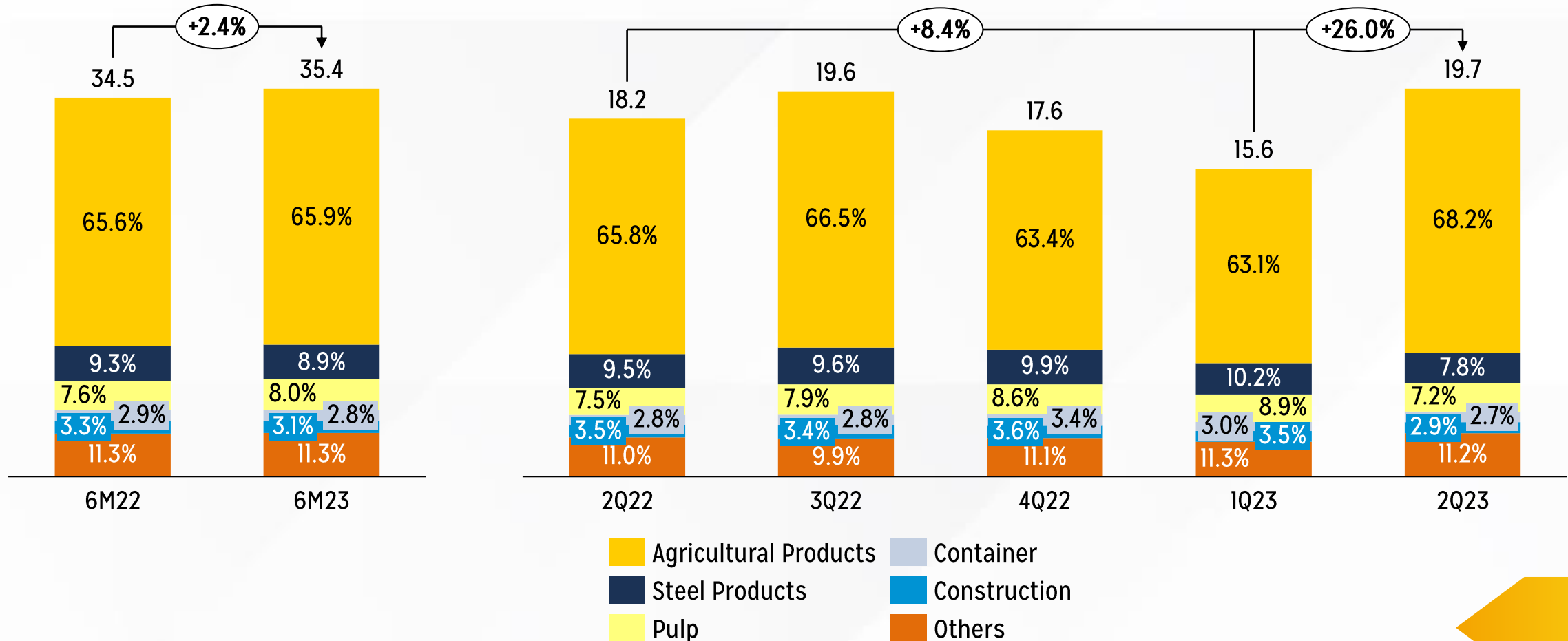
# 2. Operational Performance



2023 ends with a quarterly record in the General Cargo segment, reaching the mark of 19.7 Mt, mainly due to the demand for soybean transport (+1.5 Mt compared to 2022)

## 2023 Results

### General Cargo Transport Volume<sup>1</sup> (TU millions)



Note 1: Includes transport by other railroads (paid through the right of way)



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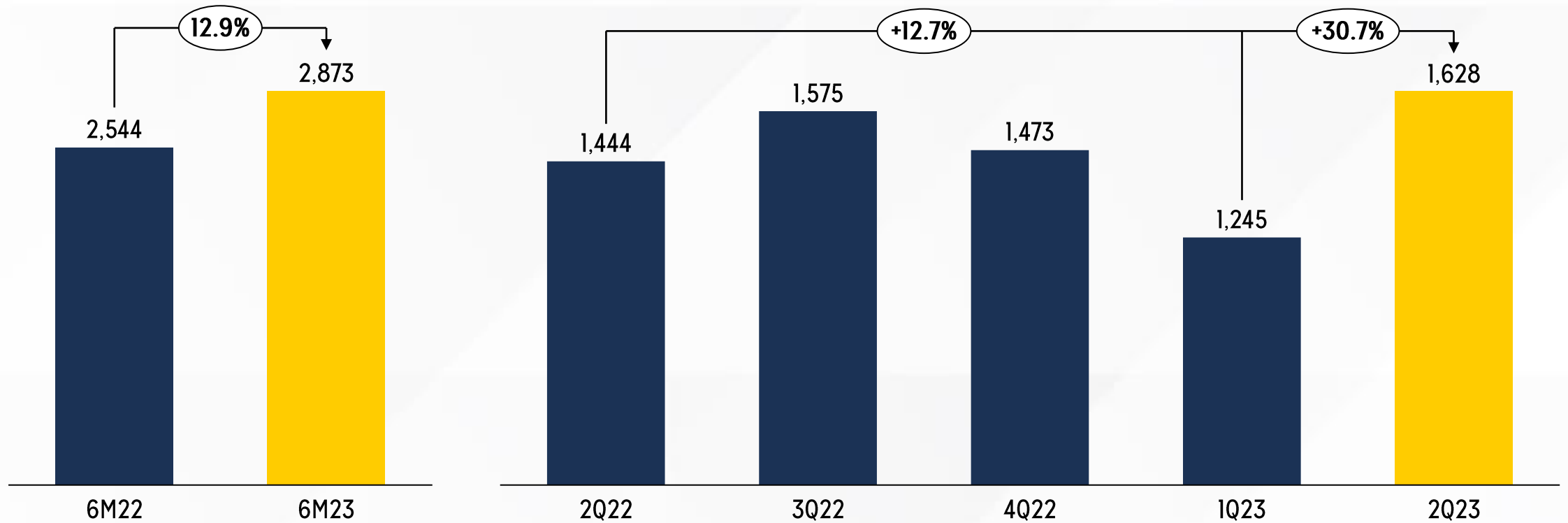
### 3. Economic-Financial Performance



Net Revenue ends 2Q23 with growth of 12.7%. Reflection of the greater volume of transport, with emphasis on iron ore destined for export

#### 2Q23 Results

Net Revenue  
(R\$ millions)





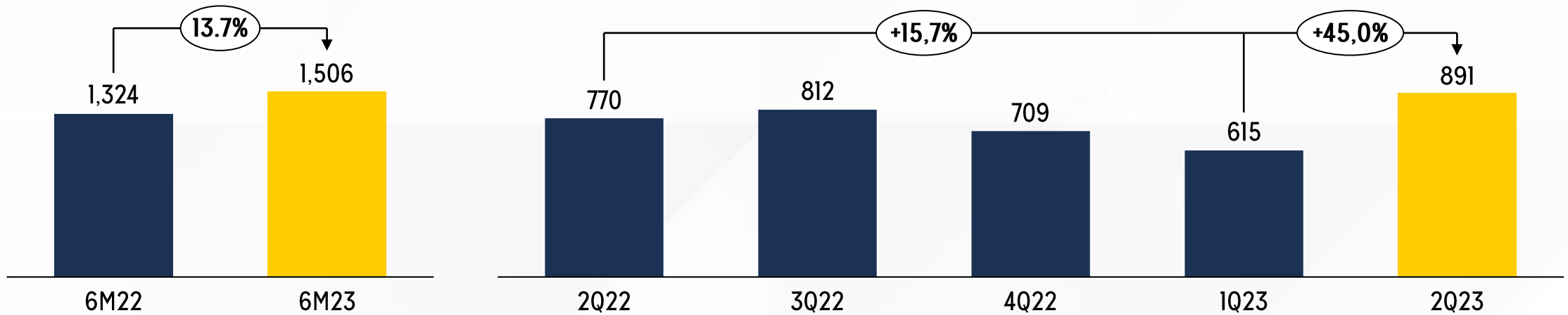
# 3. Economic-Financial Performance



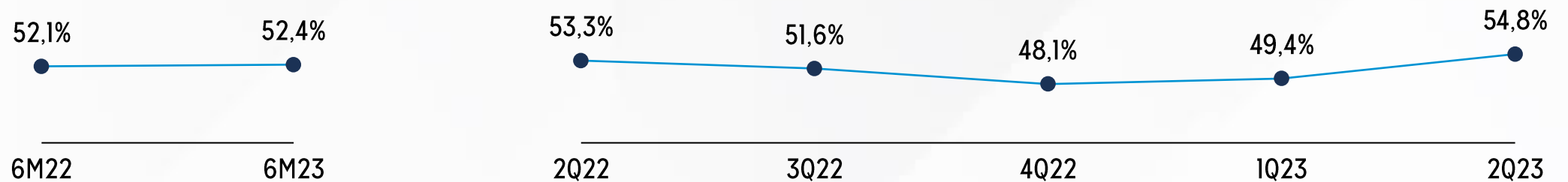
The EBITDA result in 2Q23 was the best quarter for MRS, due to the operating performance and good cost management. The EBITDA margin reached 54.8% in the quarter

## 2Q23 Results

### EBITDA (R\$ millions)



### Margem EBITDA (%)



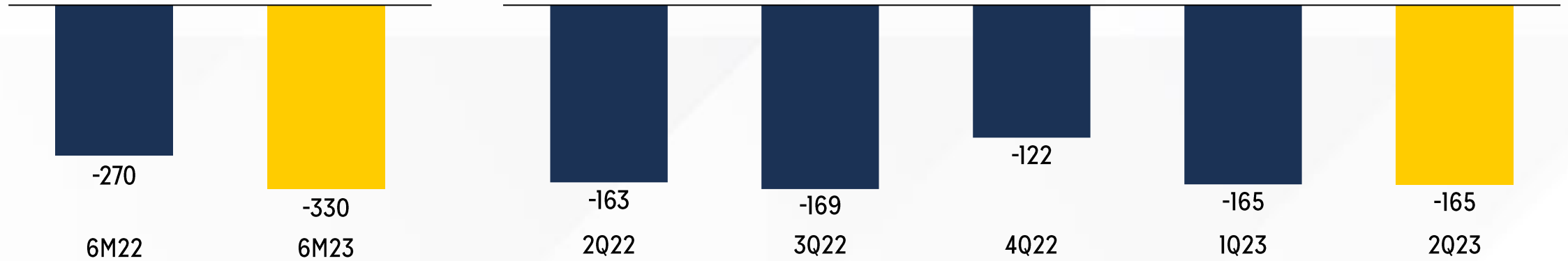
# 3. Economic-Financial Performance



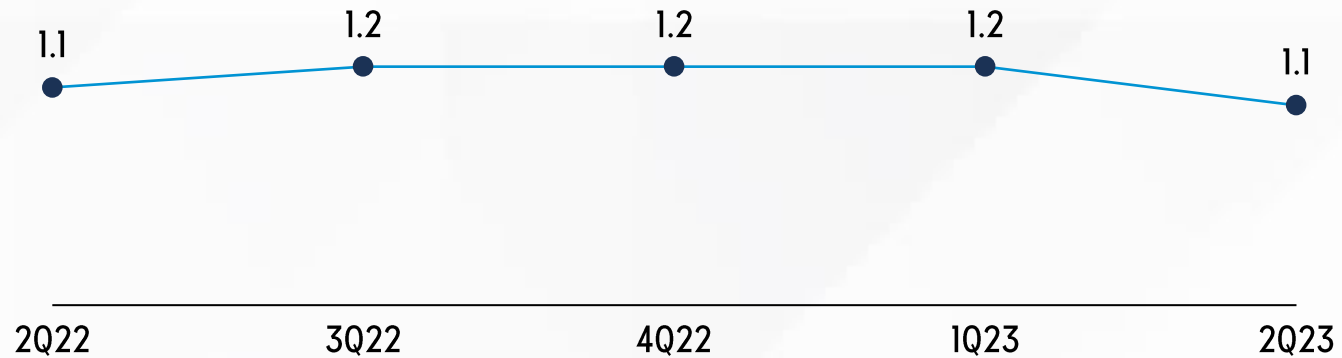
Even with new funding, the leverage indicator, measured by the Net Debt / EBITDA ratio, remains at a comfortable level due to the operating performance

## 2Q23 Results

### Financial Result (R\$ millions)



### Net Debt / EBITDA (x)





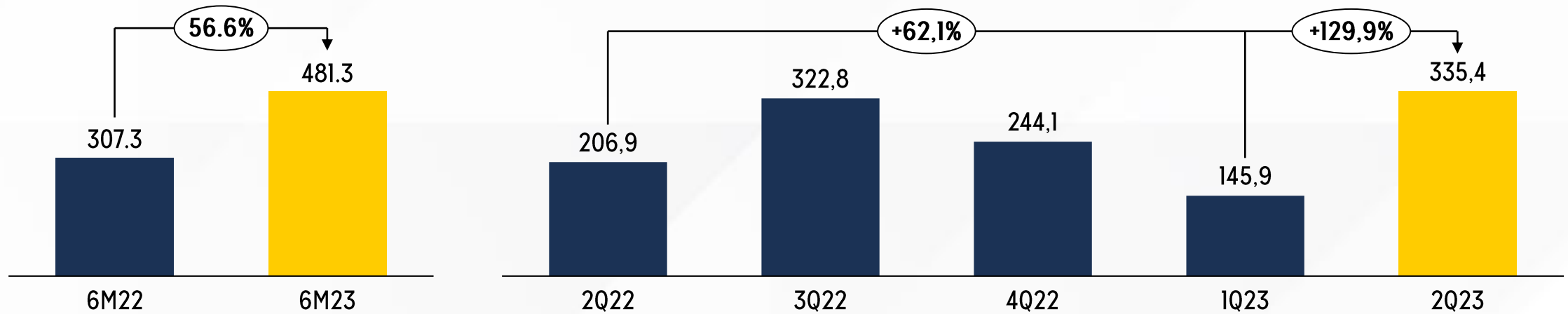
# 3. Economic-Financial Performance



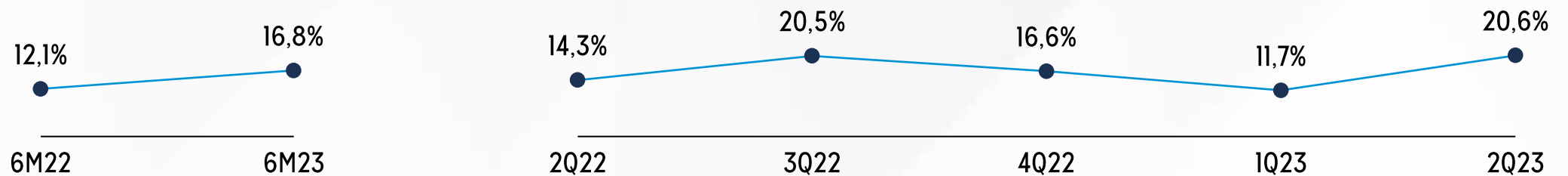
The 62.1% increase in Net Income compared to 2022 reflects, mainly, the strong demand for transportation and cost management. In the half-year view, profit growth is 56.6%

## 2023 Results

### Net Income (R\$ millions)



### Net Margin (%)



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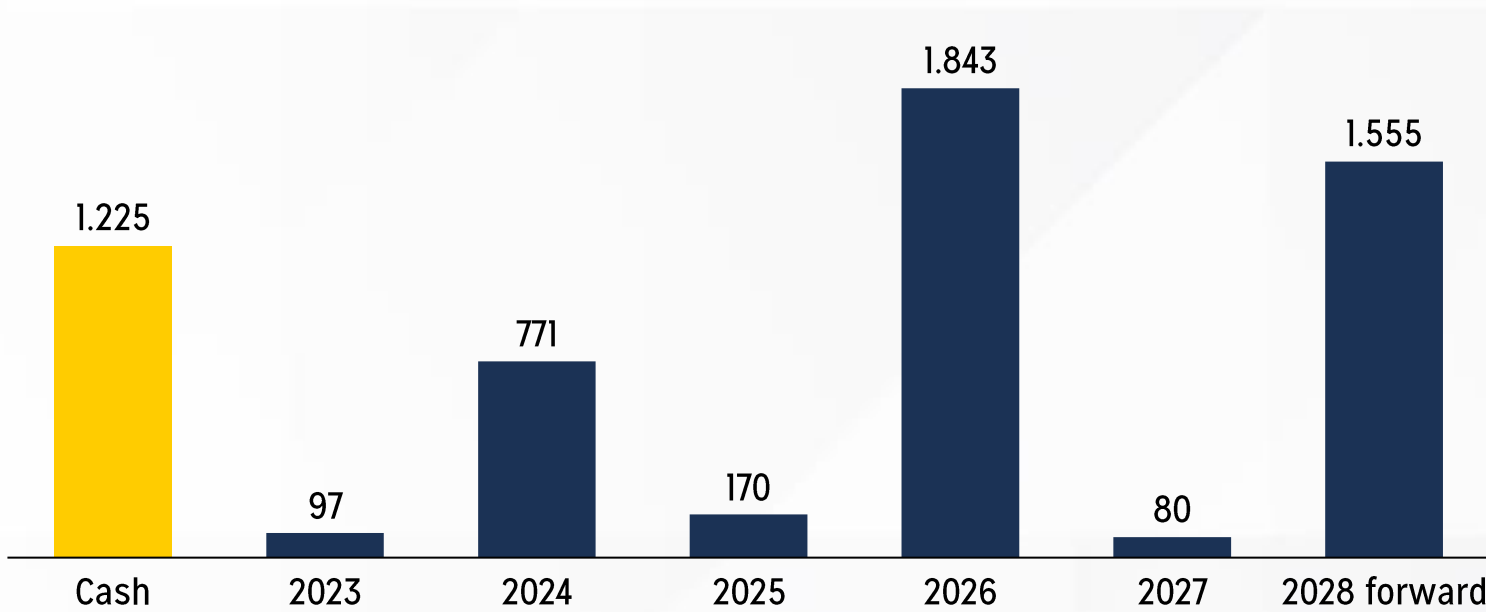
# 4. Indebtedness



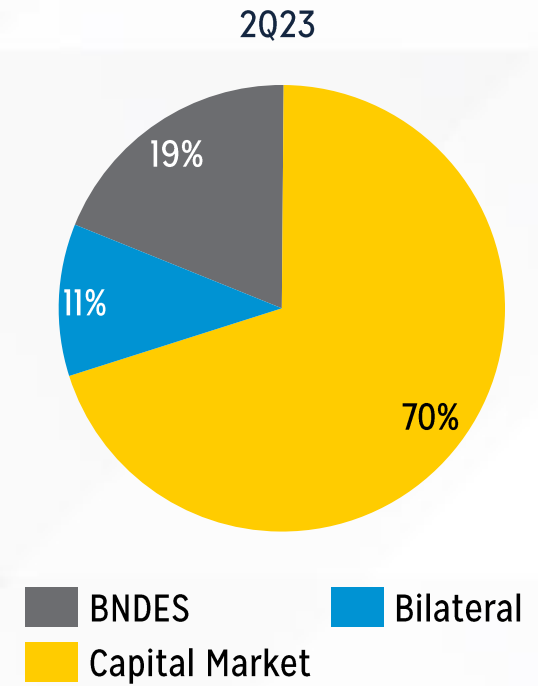
In 2023, MRS carried out bilateral funding to reinforce liquidity. The cash balance closed the quarter above R\$1.2 billion

## 2023 Results

### Amortization Schedule (R\$ millions)



### Debt per Funding



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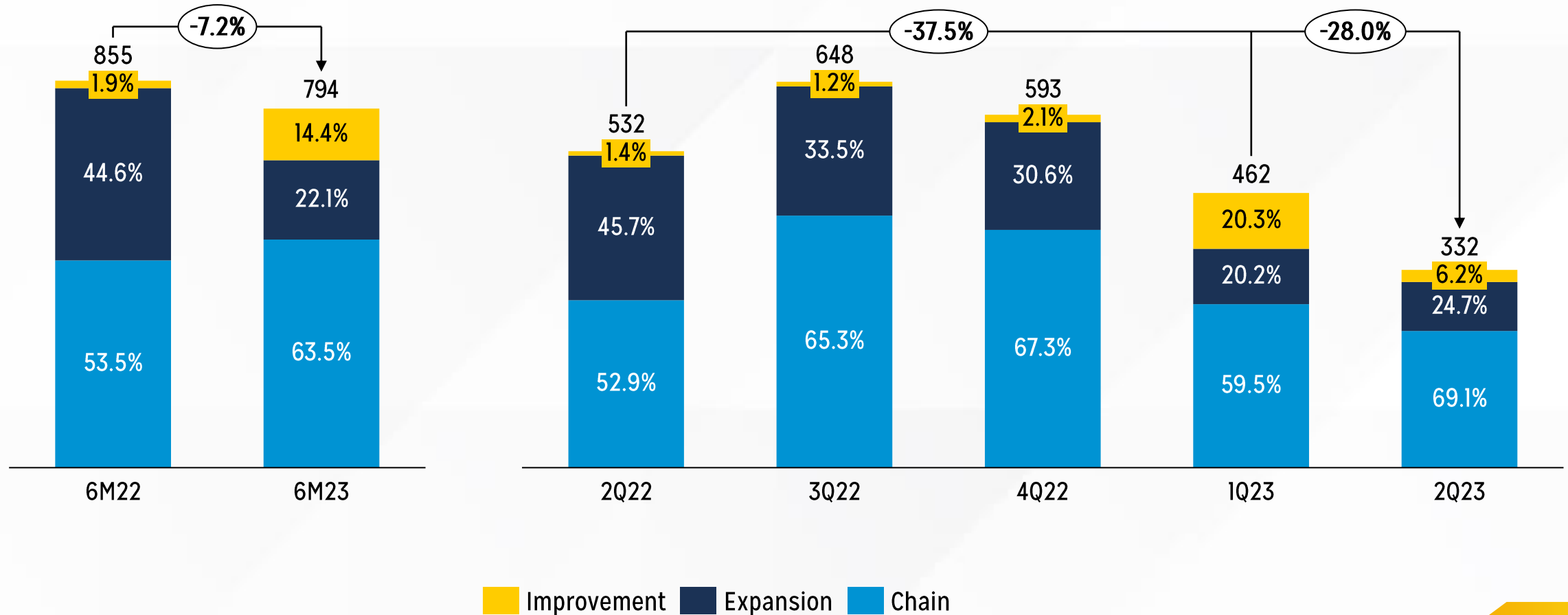
# 5. Investments



The reduction in investments in 2023 is due to the seasonal nature of the delivery schedule for locomotives, wagons and track equipment

## 2023 Results

Investments  
(R\$ millions)



Note: "Current" Capex includes expenses with the GIV project - Major Interventions on the Road

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