

Results Presentation 2022 | 4Q22

03.16.2023



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. Investment**
- 6. Operating Indicators**




1. Highlights



EBITDA stands out as the best in the history of MRS, ending 2022 with R\$ 2.8 billion

2022 Results

Total Volume Transported


178 Mt
+4.9%*

The growth in the total transported volume of +8.3 Mt derives from the **good performance of the General Cargo segment, with emphasis on the transport** of agricultural products, which ended the year with an **increase of 7.1 Mt**



Net Revenue


R\$5.6 BI
+26.3%*

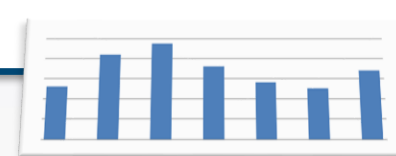
The **favorable performance in Net Revenue** reflects the revenue from the Mining segment, which represents 58.2% of revenue and the average increase in the consolidated tariff



EBITDA


R\$2.8 BI
+15.4 p.p. *

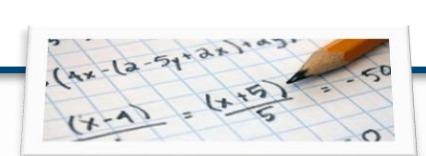
EBITDA was the best in the history of MRS, mainly impacted by the increase in the consolidated tariff



Leverage Indicator


1.2x
+0.2x*

The **financial leverage indicator**, Net Debt/EBITDA, increased compared to the previous year, as a result of the strategy in the leverage profile



*Comparisons refer to the results for the year 2021

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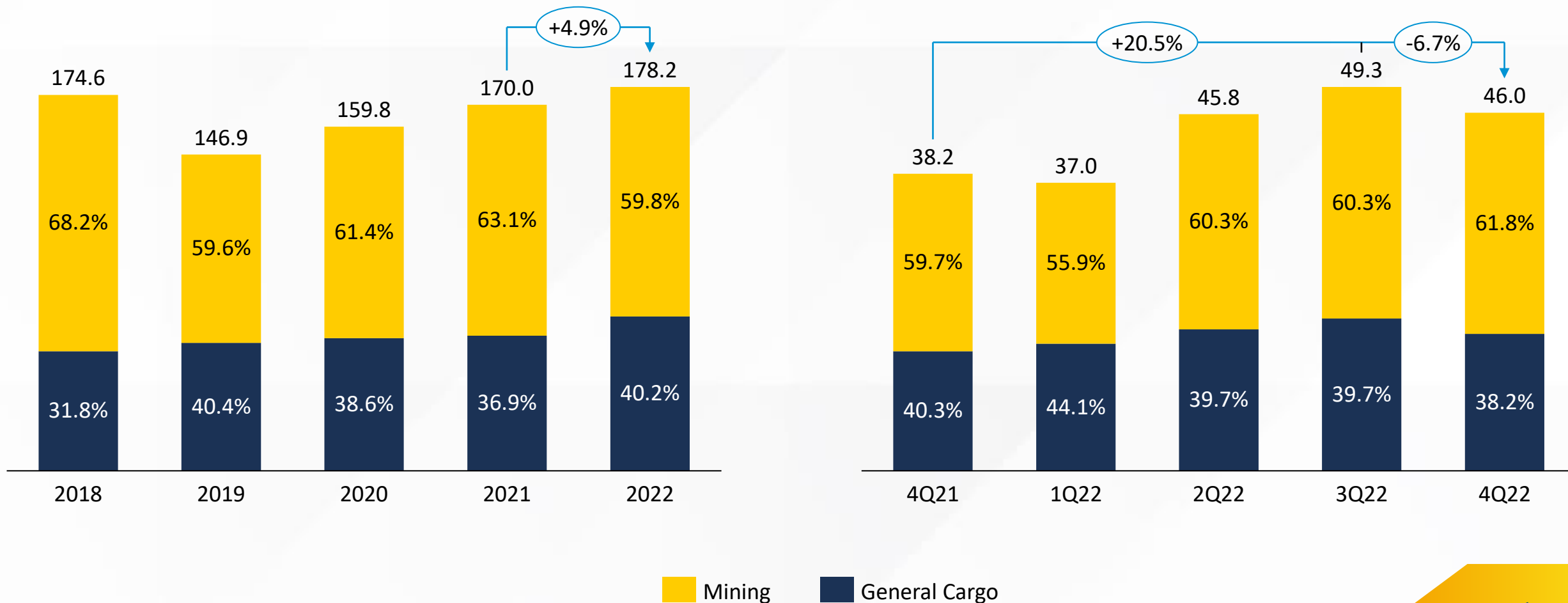
2. Operational Performance



The year 2022 showed an increase (+4.9%) compared to the year 2021, with emphasis on the transport of the General Cargo Group, which reached the mark of 71.7Mt, the best in the history of MRS

Results: 2022 | 4Q22

Volume Transported by Group (TU million)



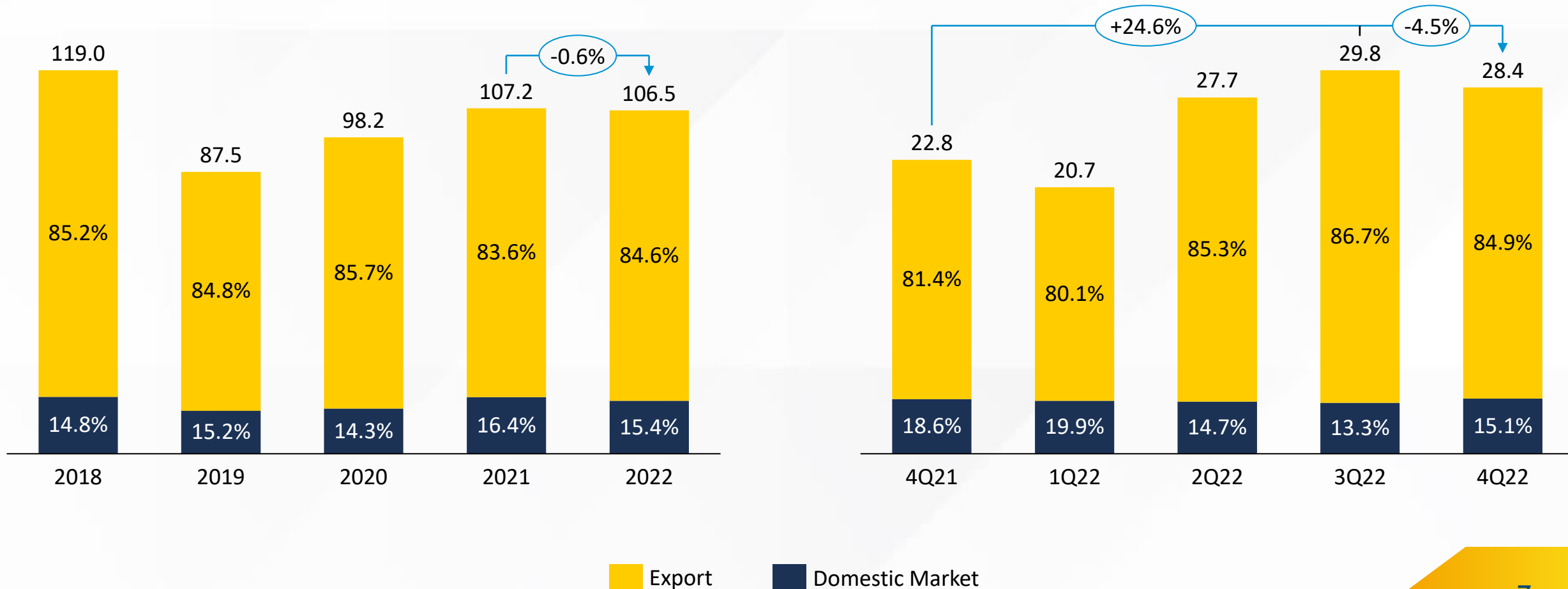
2. Operational Performance



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After a start to the year hampered by the rainy season, there was a recovery and the volume of Mining ended 2022, practically at the same level as in 2021. In 4Q22 there was a growth of 24.6% compared to 4Q21

Mining Transport Volume (TU million)



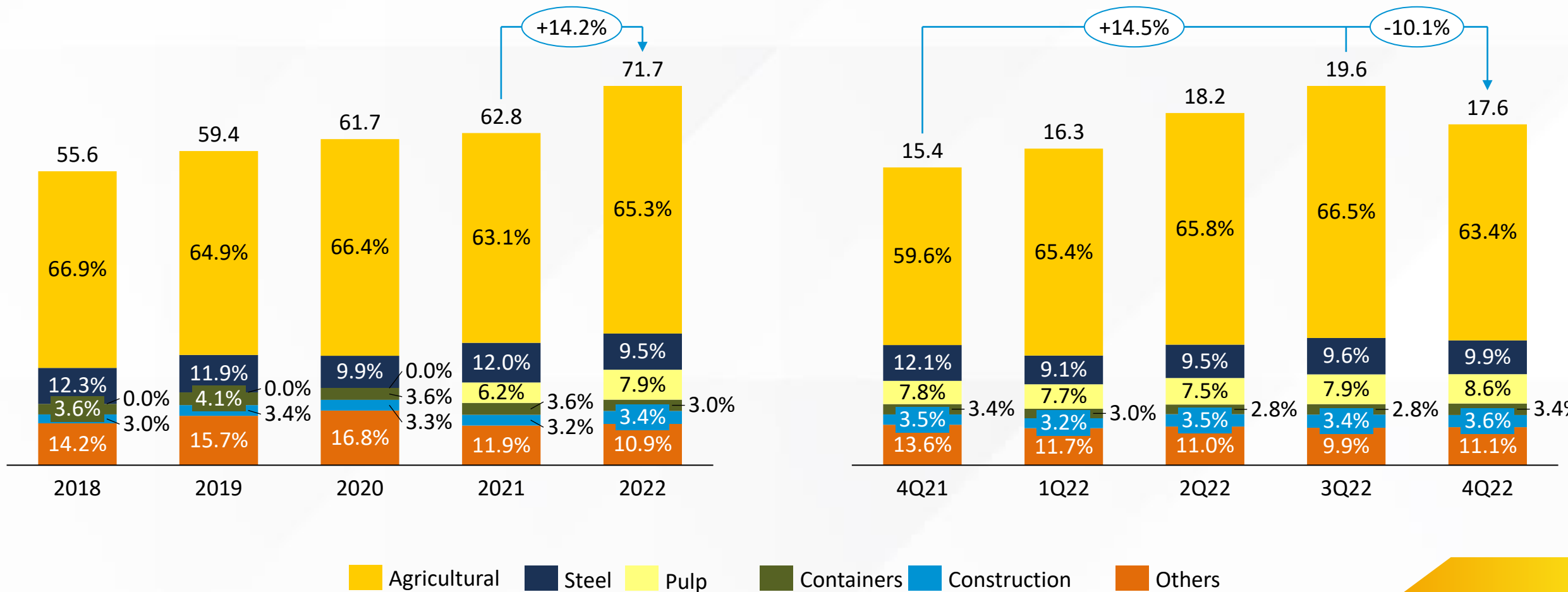
2. Operational Performance



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General Cargo transport performance ended 2022 with significant growth. Highlights for the 7.1Mt increase in transport volume in the agricultural products segment and the consolidation of the pulp segment

General Cargo Transport Volume (TU millions)



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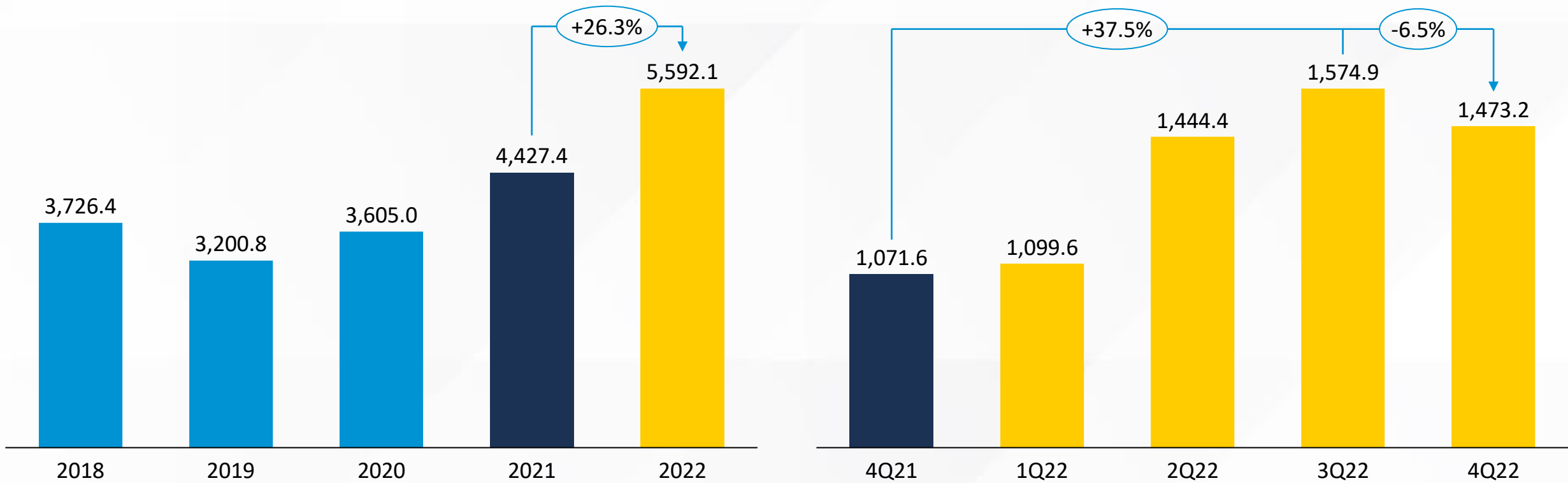
3. Economic-Financial Performance



Net Revenue ended 2022 with growth of 26.3% (+R\$ 1.2 billion). Reflection of the higher transport volume and increase in the average tariff

Results: 2022 | 4Q22

Net Revenue (R\$ millions)



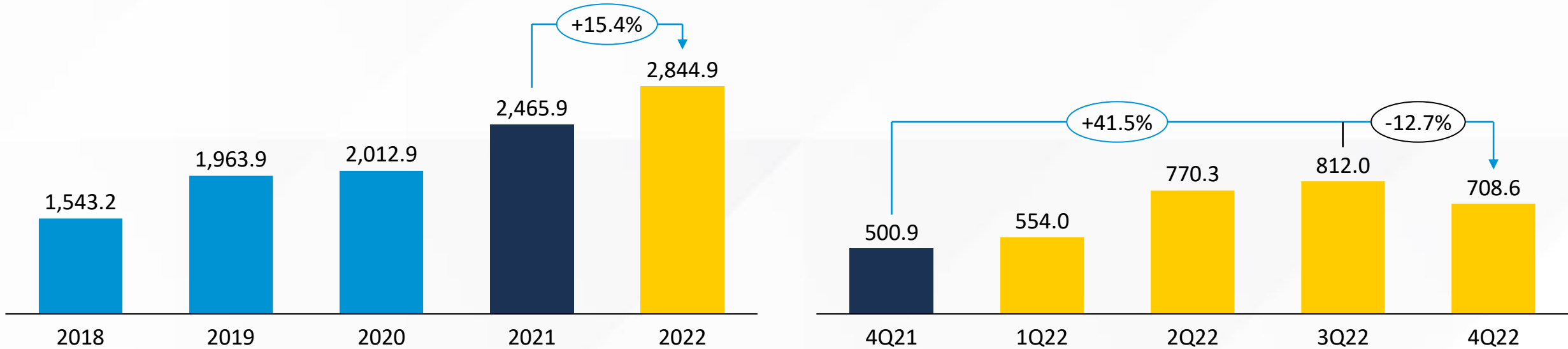
3. Economic-Financial Performance



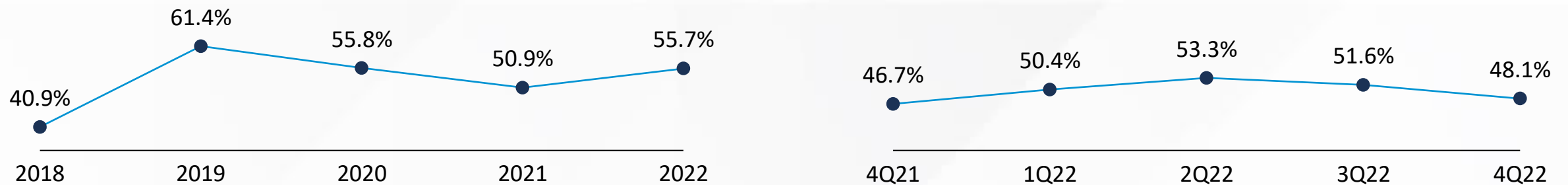
EBITDA follows an annual growth trajectory, reaching the highest value in the historical series: R\$ 2.8 billion. Last year's growth was 15.4%

Results: 2022 | 4Q22

EBITDA (R\$ millions)



EBITDA Margin (% EBITDA / Net Revenue)



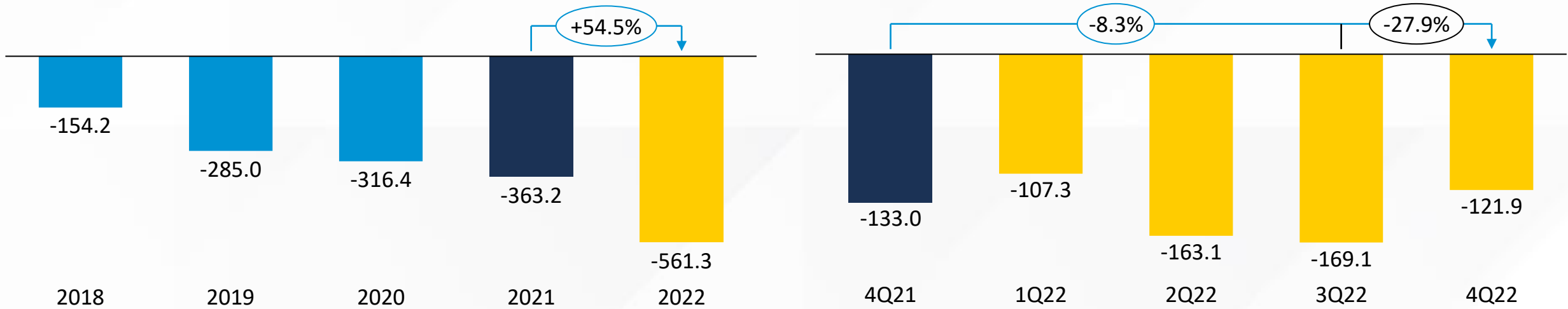
3. Economic-Financial Performance



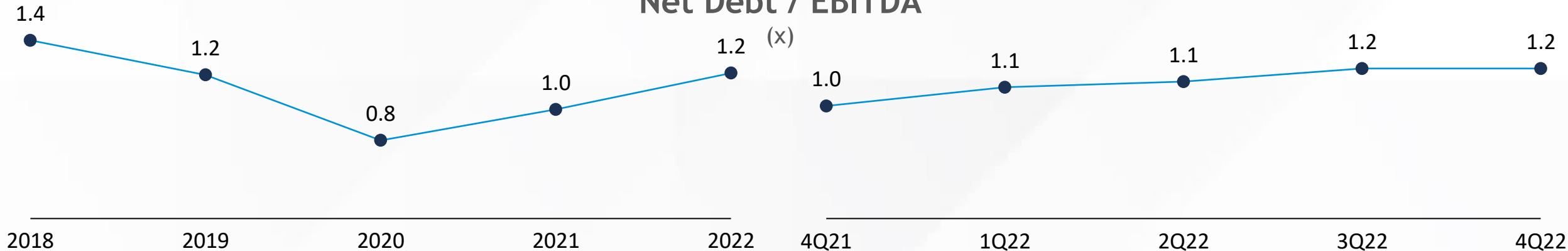
Results: 2022 | 4Q22

The deterioration of the main macroeconomic indicators, throughout 2022, was reflected in the company's financial result. We highlight the optimization of the use of cash, together with the constant operating gains, in the construction of the leverage indicator

Financial Result (R\$ millions)



Net Debt / EBITDA



O resultado do 2021 foi impactado positivamente pelo reconhecimento de créditos fiscais, decorrentes de decisão favorável, relativos à exclusão do ICMS da base de cálculo do PIS e da COFINS

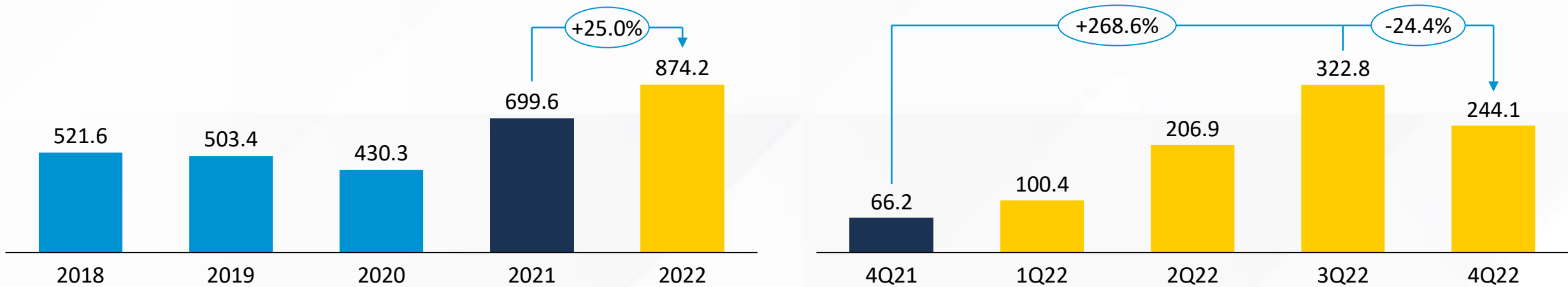
3. Economic-Financial Performance



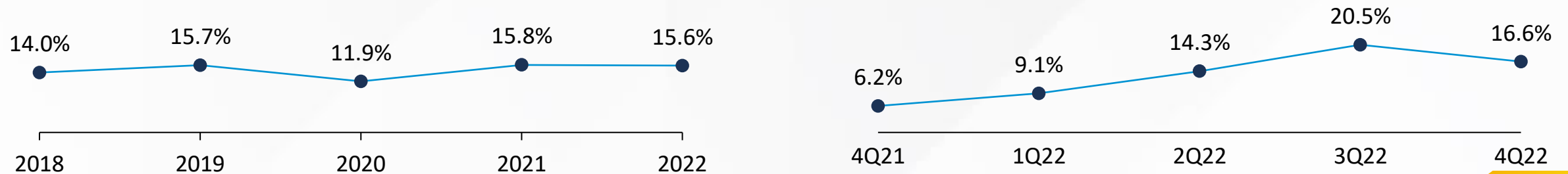
Results: 2022 | 4Q22

Net Income for 2022 increased by 25.0% (+R\$ 174.6 MM), when compared to 2021, due to the volume transported in conjunction with the consolidated increase in the tariff, partially offset by the recognition in 2021 of tax credits*

Net Income (R\$ millions)



Net Marging (% Net Profit/ Net Revenue)



The 2021 result was positively impacted by the recognition of tax credits, resulting from a favorable decision, related to the exclusion of ICMS from the PIS and COFINS calculation base

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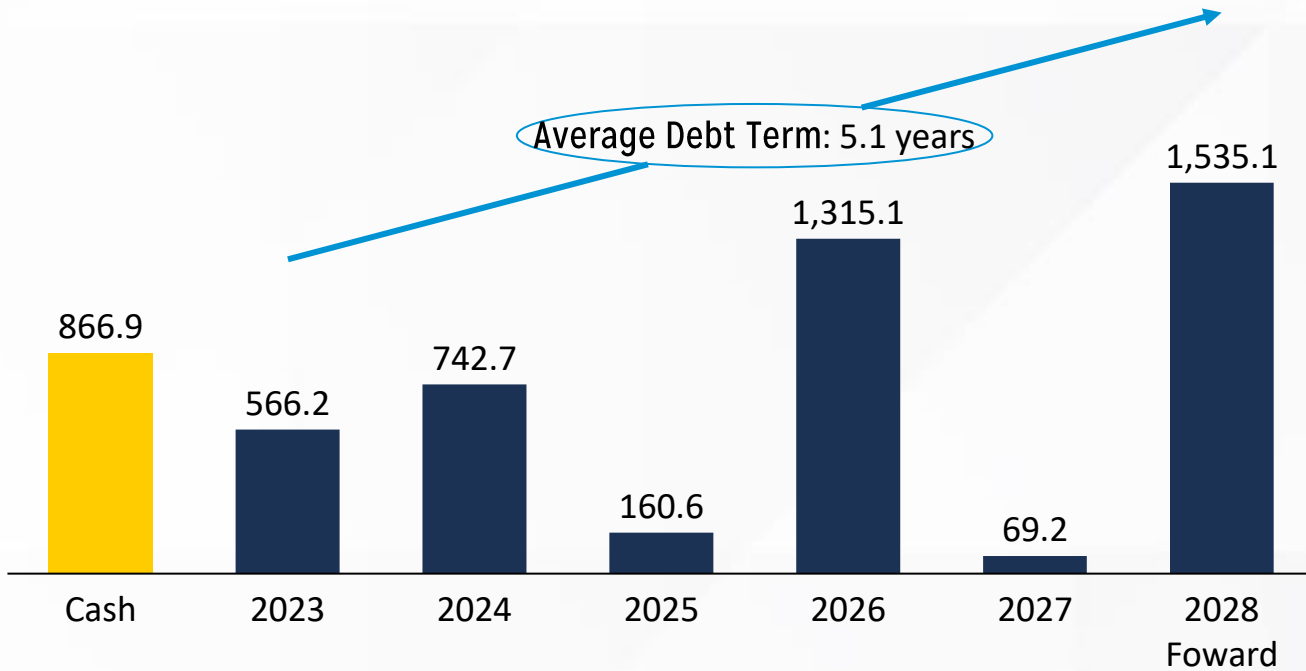
4. Indebtedness



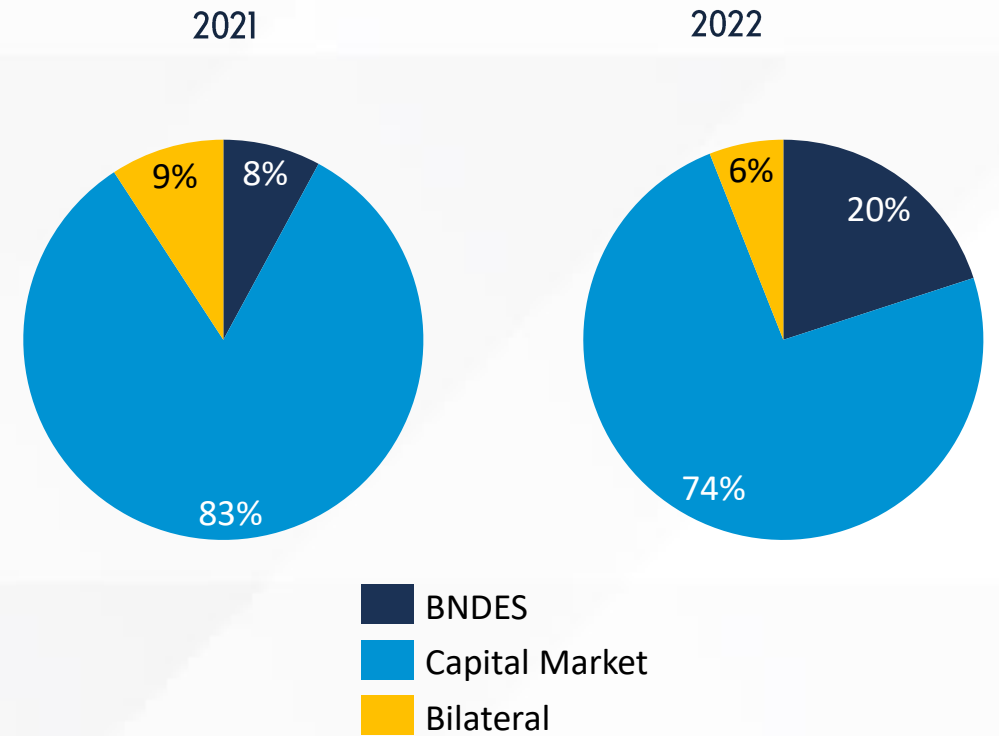
Results: 2022 | 4Q22

In 2022, there were amortizations of the 1st series of the 7th issue of debentures, the entirety of the 8th issue of debentures and the loan from the Bank of Tokyo, MRS raised R\$ 600 million with BNDES

Amortization Schedule (R\$ millions)



Debt per Funding



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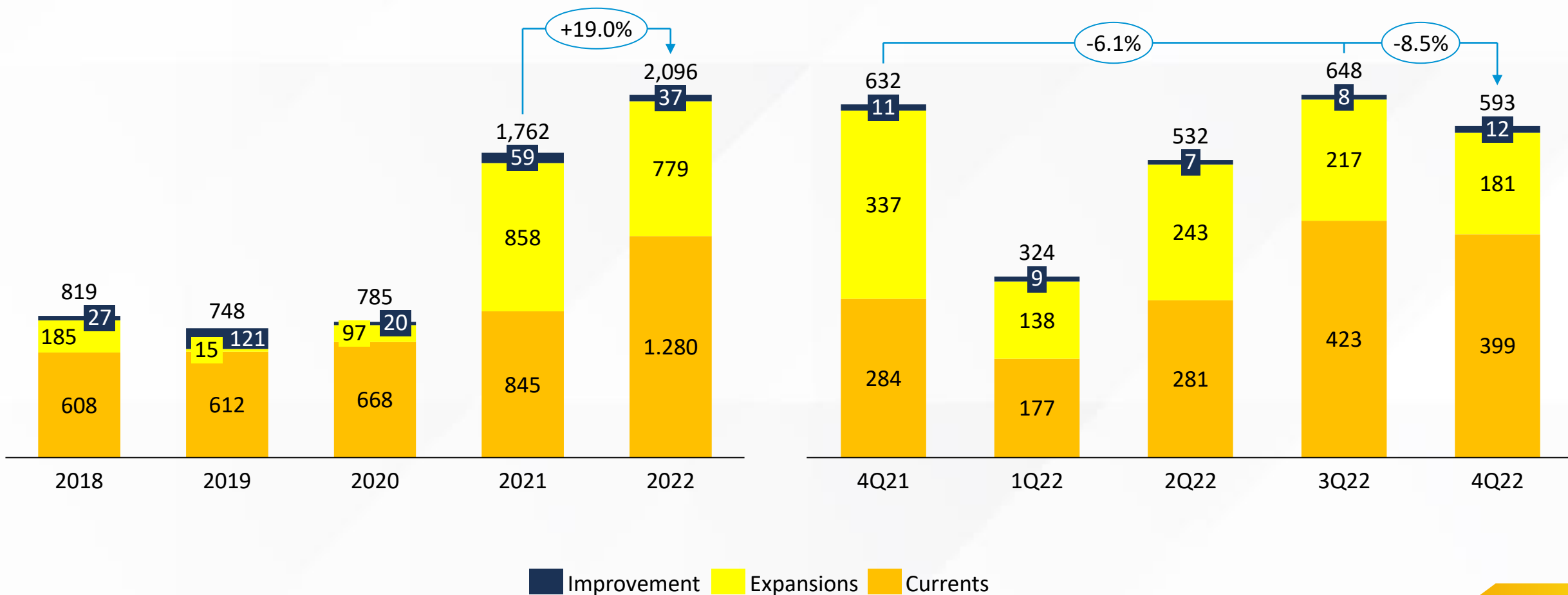
5. Investment



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Once again, important investments were made in Expansion (with the purchase of wagons and locomotives). There were also expenses with engineering projects and works aimed at meeting regulatory requirements

Investments
(R\$ millions)



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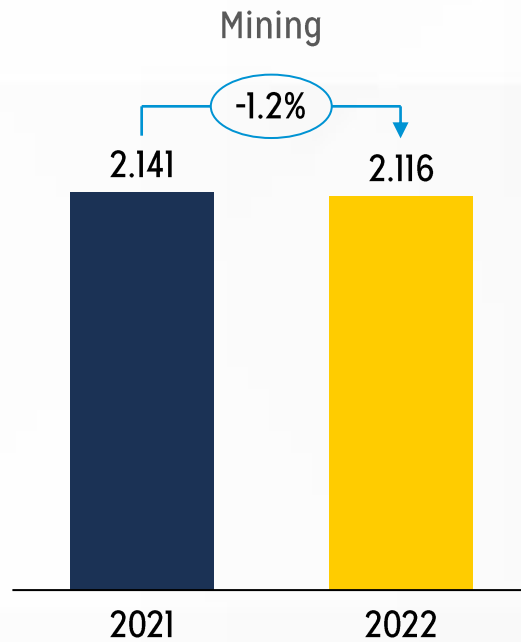
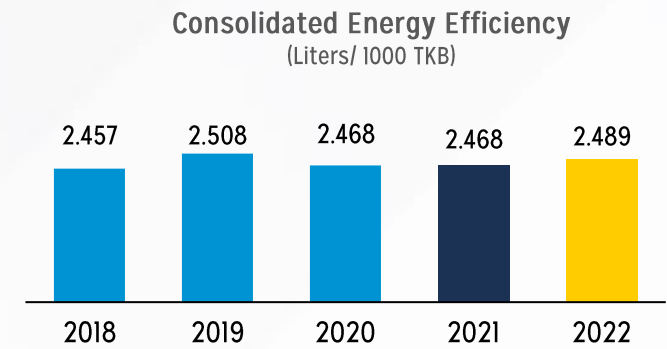


6. Operating Indicators



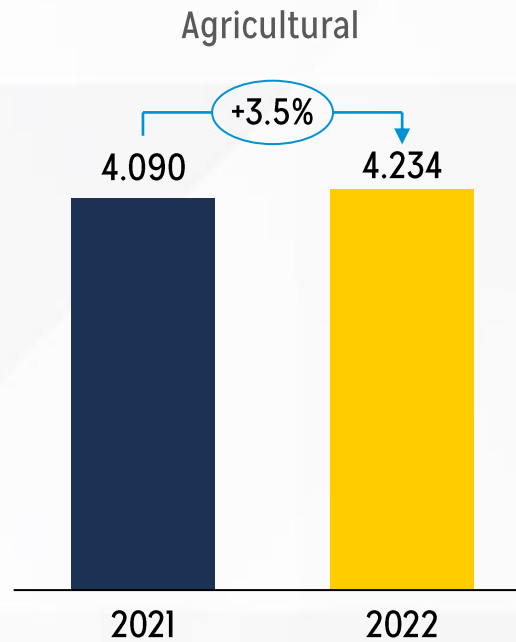
Results: 2022

Energy Efficiency (Liters/ 1000 TKB)

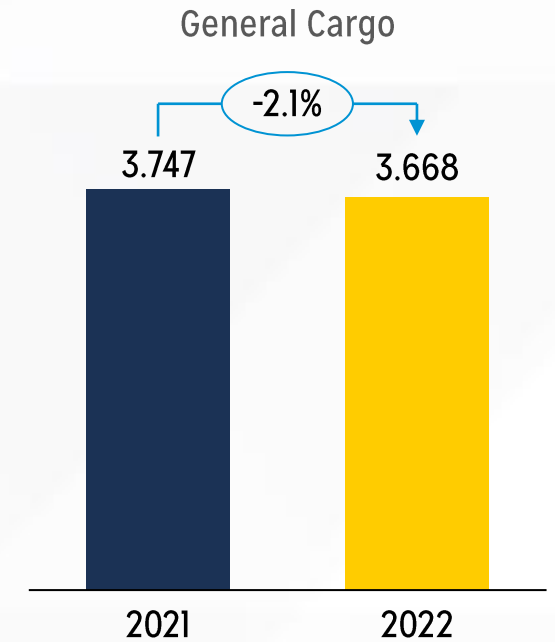


- > Reduction in fuel consumption due to the strategy of switching off locomotives commanded on specific stretches

- > Permanent way maintenance to enable speed increase



- > Use of less efficient locomotives for transport (allocation of machines in other flows)



- > Increase in the nominal capacity of locomotives in the Vale do Paraíba section

- > Creation of a more efficient locomotive allocation methodology

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