



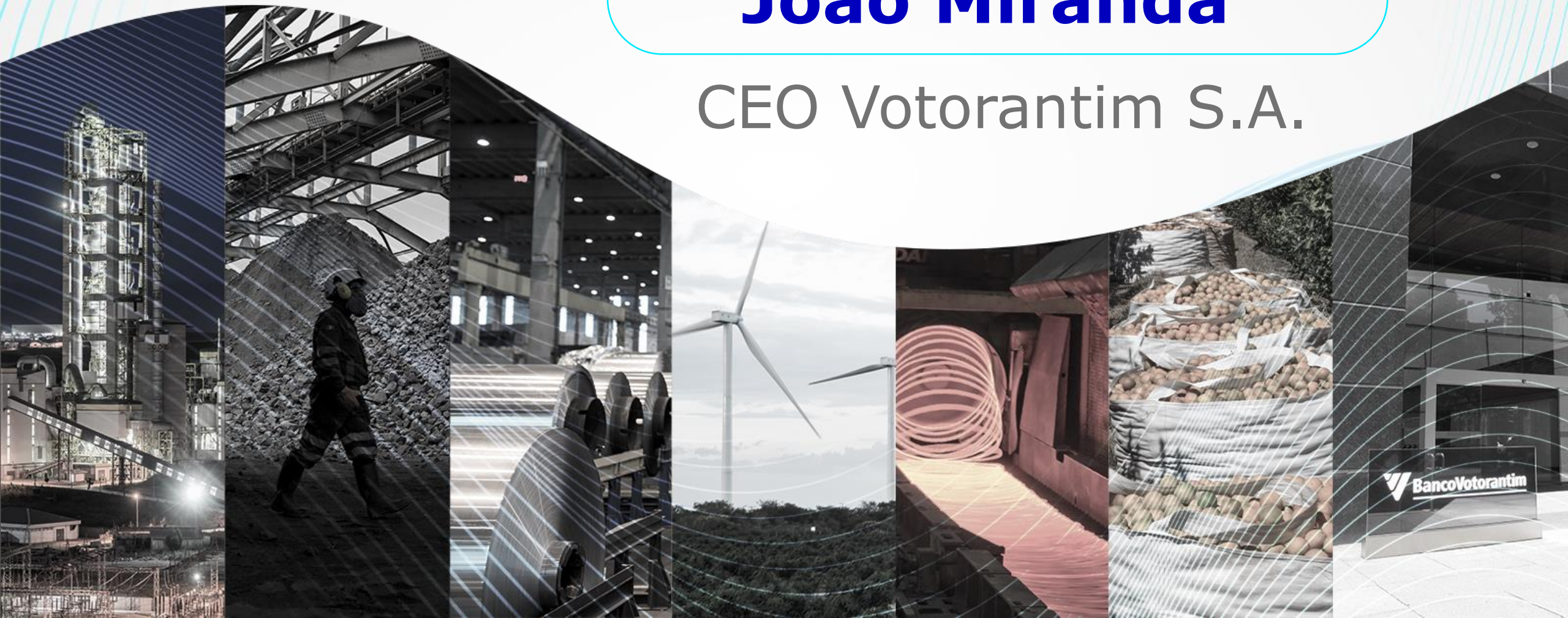
**VOTORANTIM**

**CORPORATE  
PRESENTATION**  
1Q19 RESULTS



# João Miranda

CEO Votorantim S.A.



## **GLOBAL ECONOMY**

moderate growth

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## **REFORMS AGENDA IN BRAZIL**

relevant developments

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## **POSITIVE FEEDBACK**

from investors meetings

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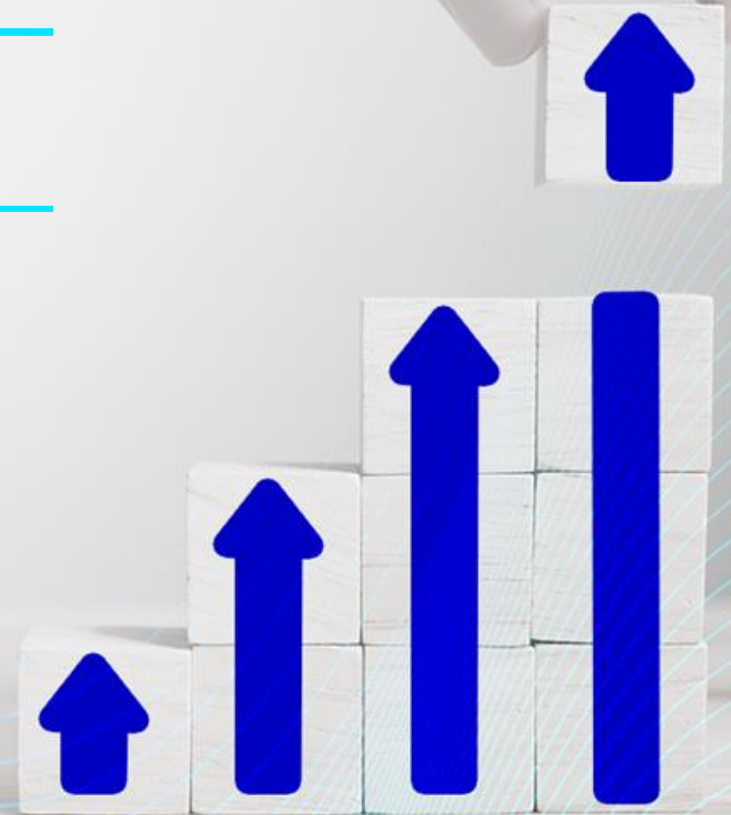
## **PROCEEDS FROM FIBRIA**

considered in the figures

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## **MOODY'S RATING UPGRADE**

from Ba2 to Ba1





# 1Q19 Consolidated Results

(R\$ MILLION)

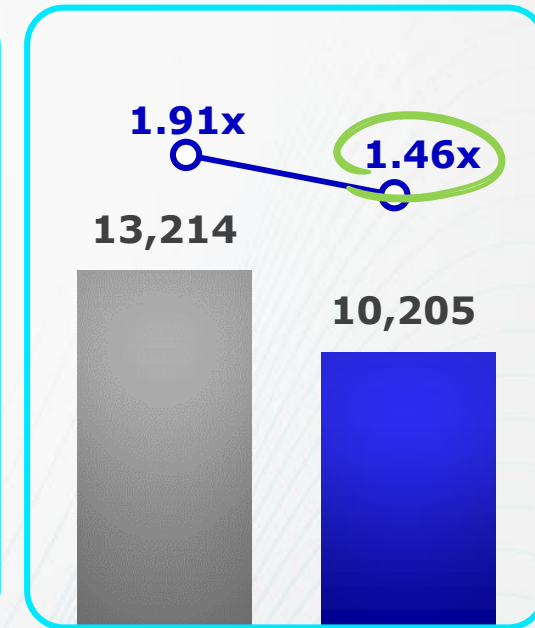
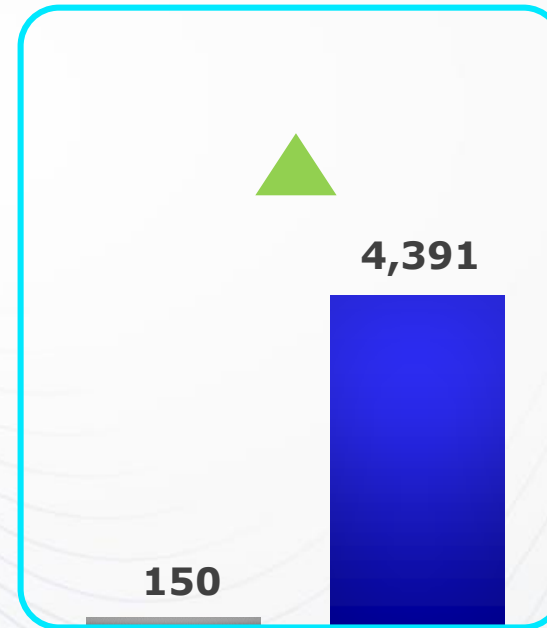
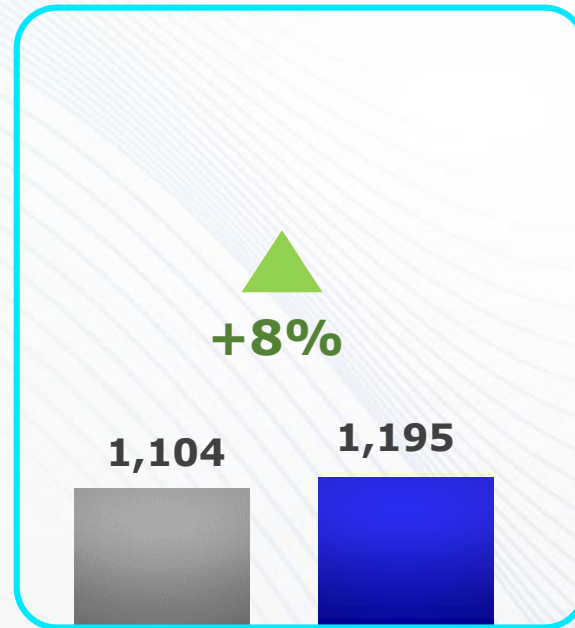
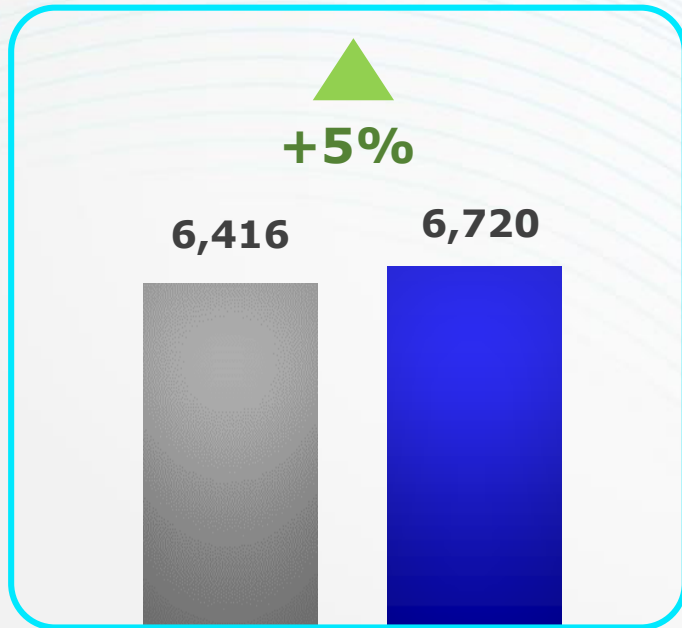
NET REVENUES

ADJUSTED EBITDA

NET INCOME

NET DEBT

NET DEBT/ADJ. EBITDA







# Oswaldo Ayres

CFO Votorantim  
Cimentos





# 1Q19 Highlights

**Consistent operational results**

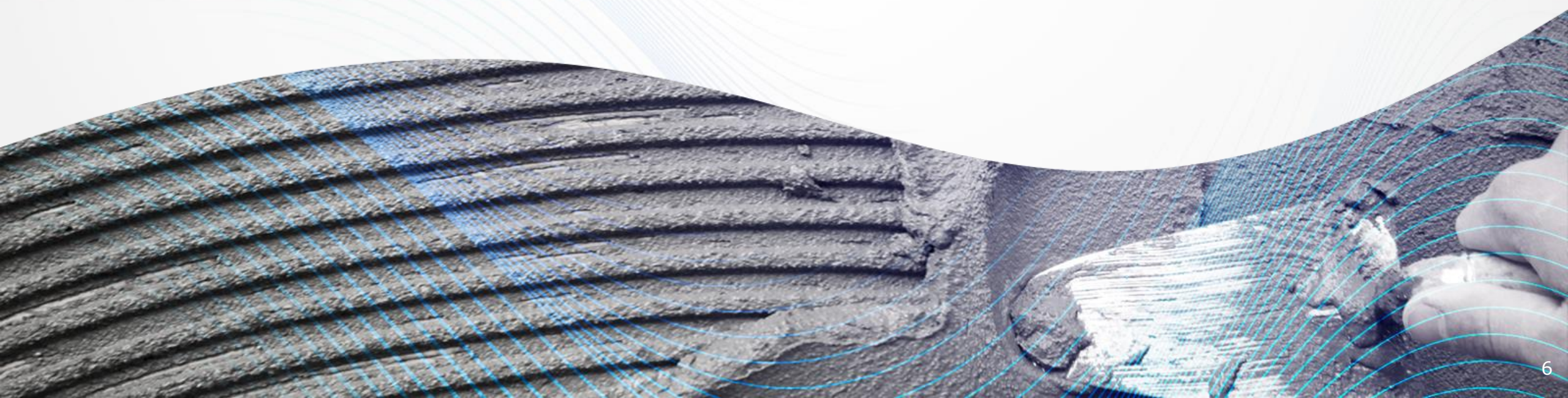
**S&P and Moody's upgrade**

**BRL 3.0 billion debt prepayment**

**Brazil organic growth: cement (Pecém), mortars & ag. lime (center-north)**

**United Materials acquisition**

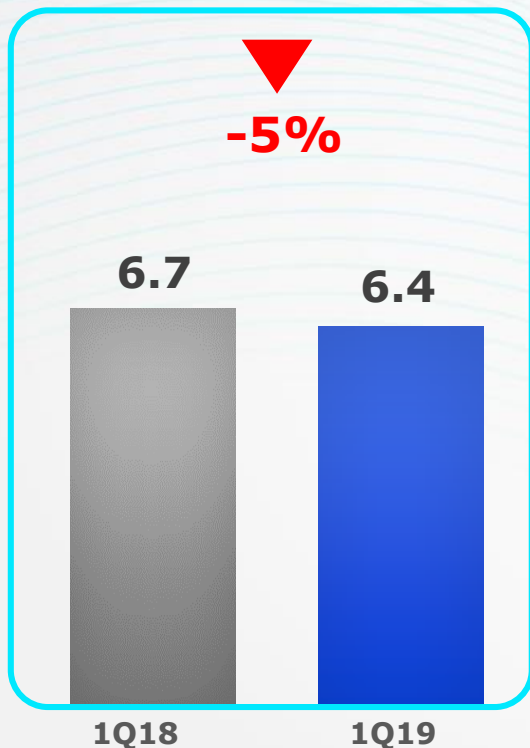
**India divestment closing**



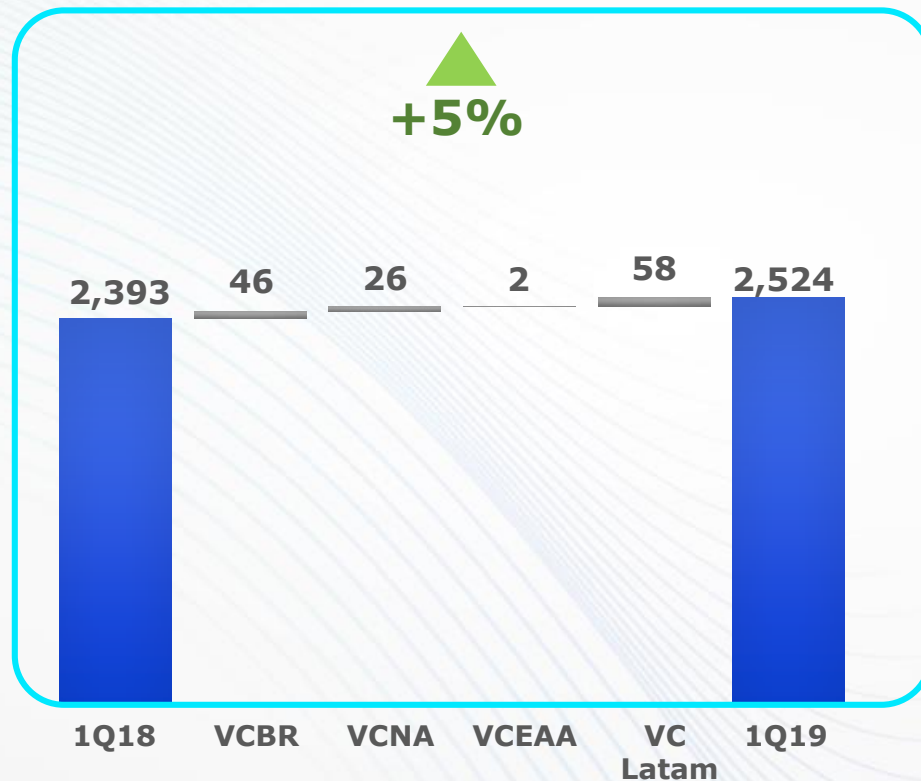
# Consolidated Results

(R\$ MILLION)

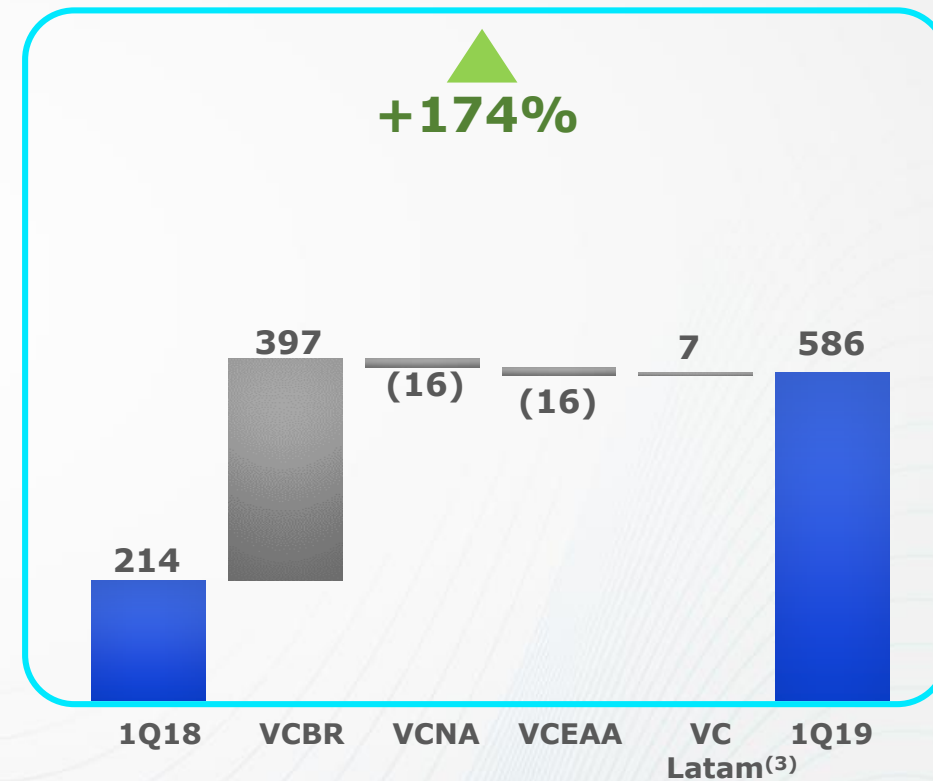
## VOLUME (Mt)



## NET REVENUES (1)



## ADJUSTED EBITDA (2)



**CONSOLIDATED EBITDA MARGIN (%)**

**9**

**23**

(1) VCBR figures include eliminations

(2) Includes impacts from non-recurring items in both years. Excluding those impacts, consolidated adjusted EBITDA growth would be of 3%

(3) VCLatam figure includes other



# Consolidated Results

(R\$ MILLION)

VCBR

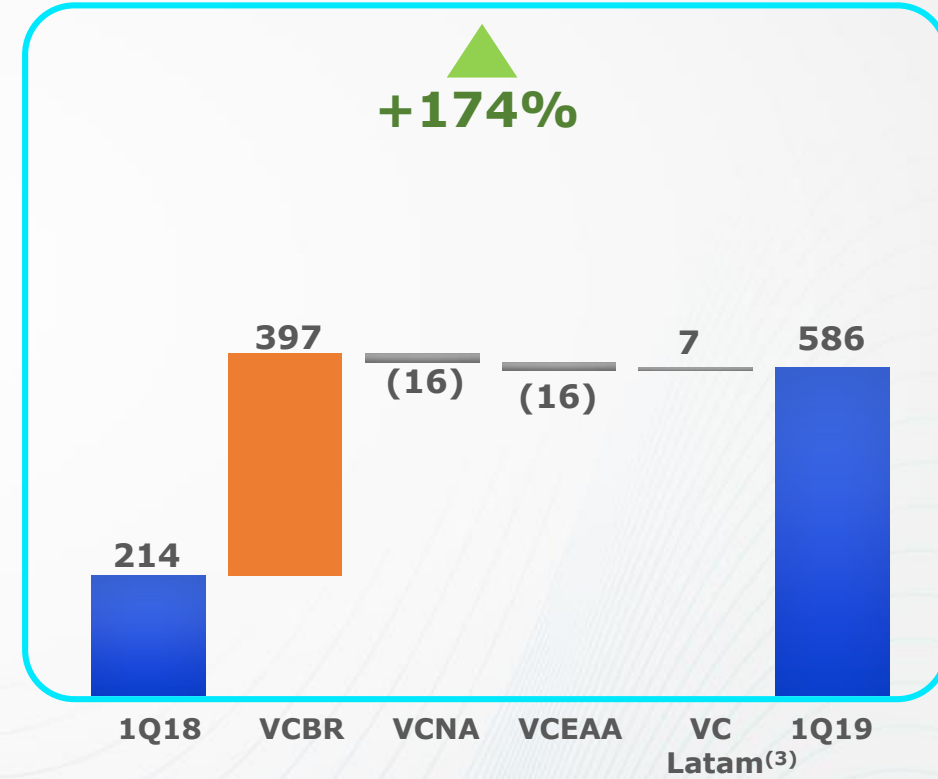
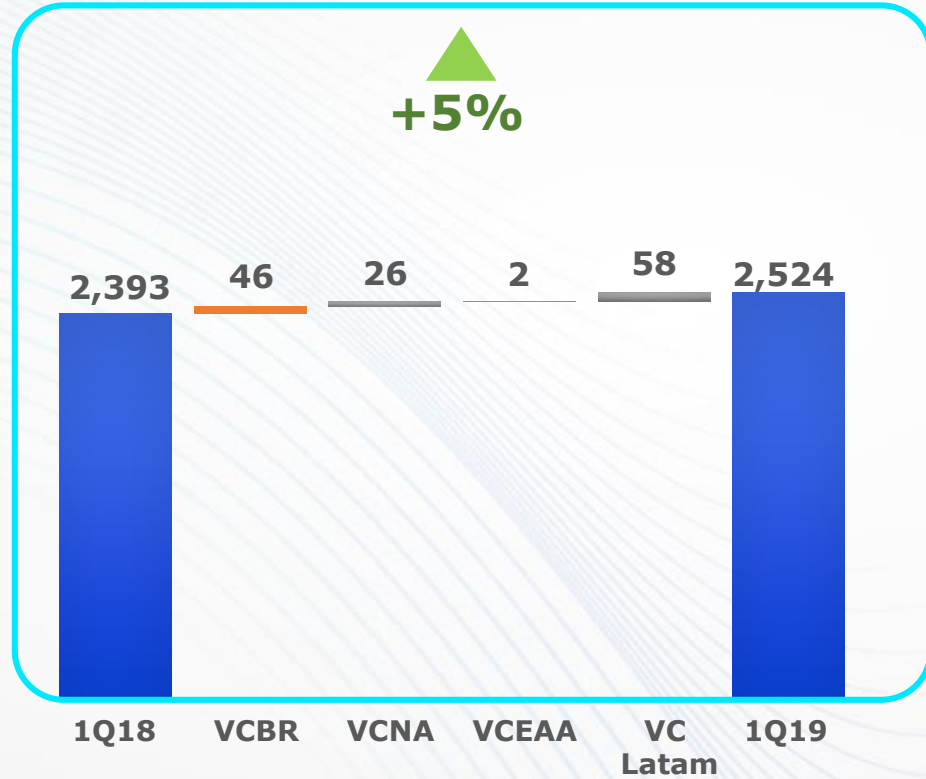
## NET REVENUES (1)

## ADJUSTED EBITDA (2)

Increased revenues on the back of **higher prices**

Improved **operational results** and profitability

**Economic rebound** dependent upon political scenario



**CONSOLIDATED EBITDA MARGIN (%)**

**9**

**23**

(1) VCBR figures include eliminations

(2) Includes impacts from non-recurring items in both years. Excluding those impacts, consolidated adjusted EBITDA growth would be of 3%

(3) VCLatam figure includes other



# Consolidated Results

(R\$ MILLION)

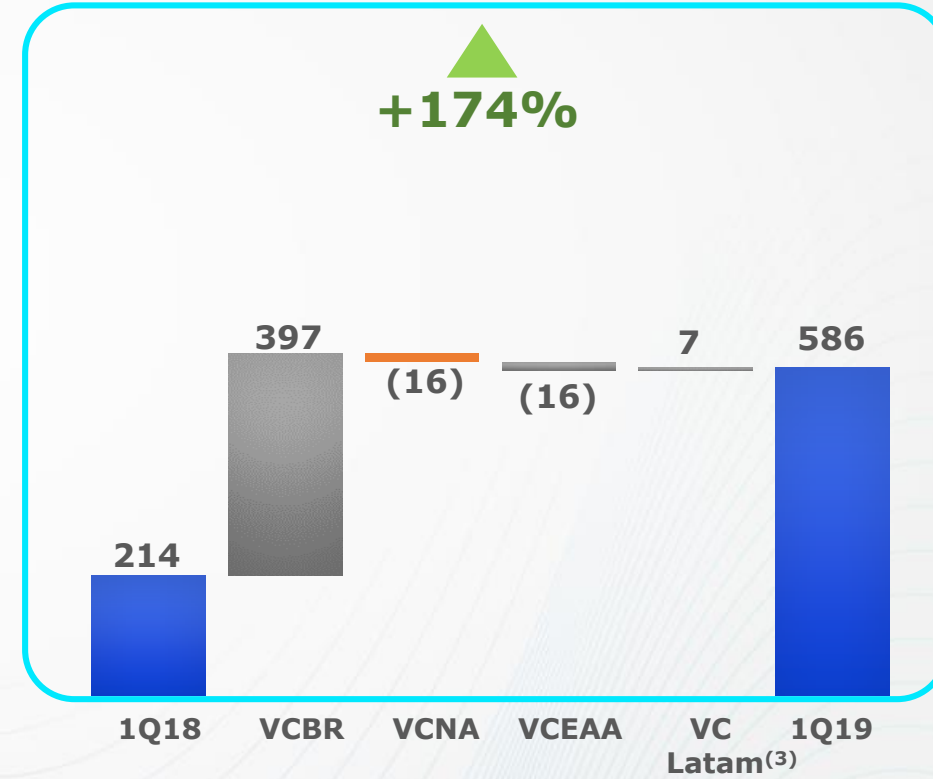
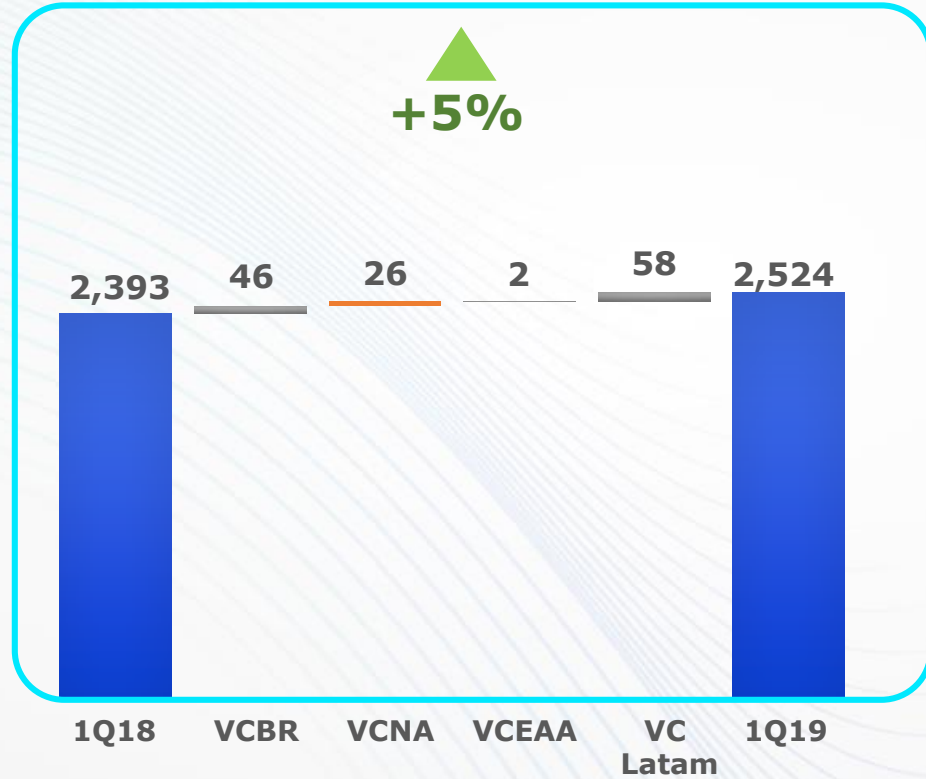
**VCNA**

## NET REVENUES (1)

## ADJUSTED EBITDA (2)

**Weather conditions**  
impact on 1Q19 results

**BRL depreciation**  
positive contribution



**CONSOLIDATED EBITDA MARGIN (%)**

**9**

**23**

(1) VCBR figures include eliminations  
 (2) Includes impacts from non-recurring items in both years. Excluding those impacts, consolidated adjusted EBITDA growth would be of 3%  
 (3) VCLatam figure includes other

# Consolidated Results

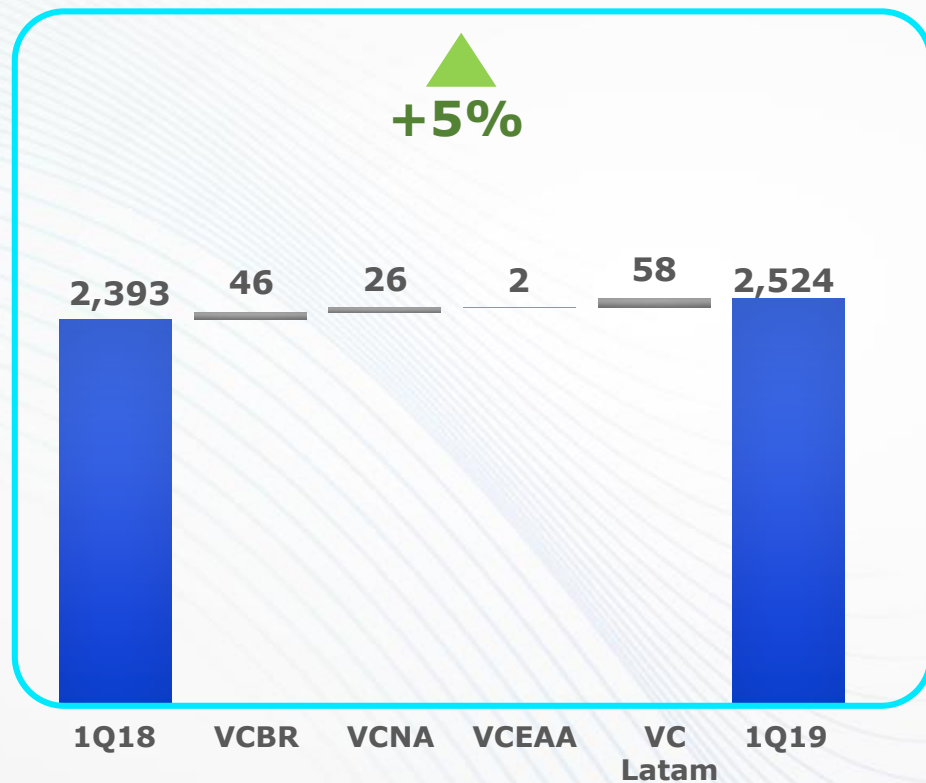
(R\$ MILLION)

**VCEAA**

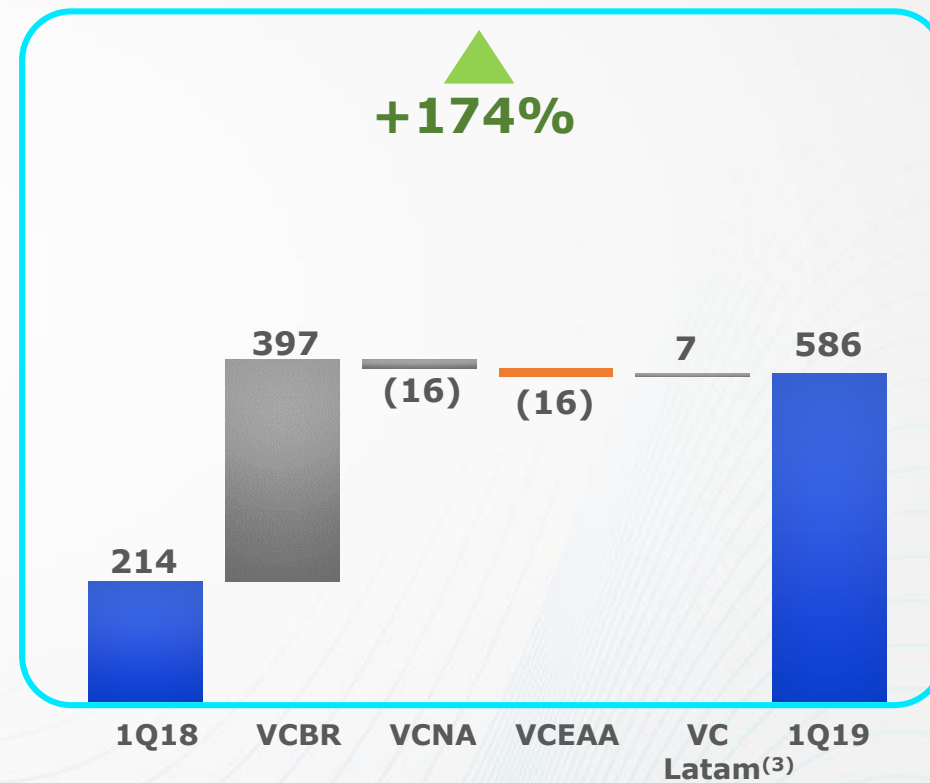
**Solid results** in Morocco, Spain and Tunisia

Results in **Turkey** pressured by **challenging scenario**

## NET REVENUES (1)



## ADJUSTED EBITDA (2)



**CONSOLIDATED EBITDA MARGIN (%)**

**9**

**23**

(1) VCBR figures include eliminations

(2) Includes impacts from non-recurring items in both years. Excluding those impacts, consolidated adjusted EBITDA growth would be of 3%

(3) VCLatam figure includes other



# Consolidated Results

(R\$ MILLION)

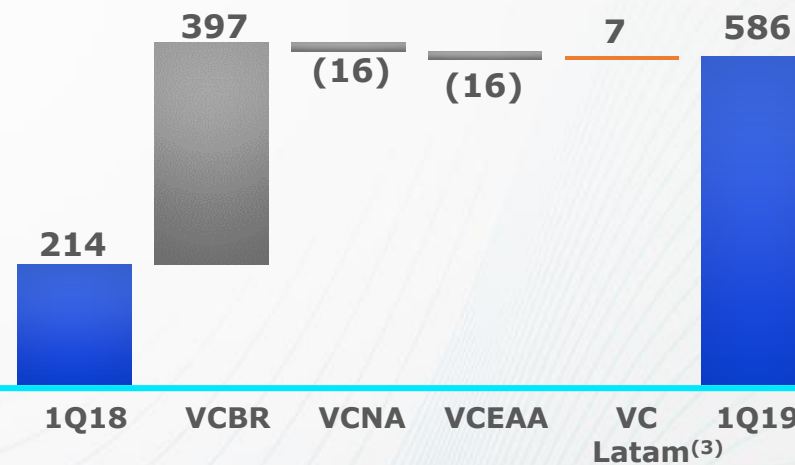
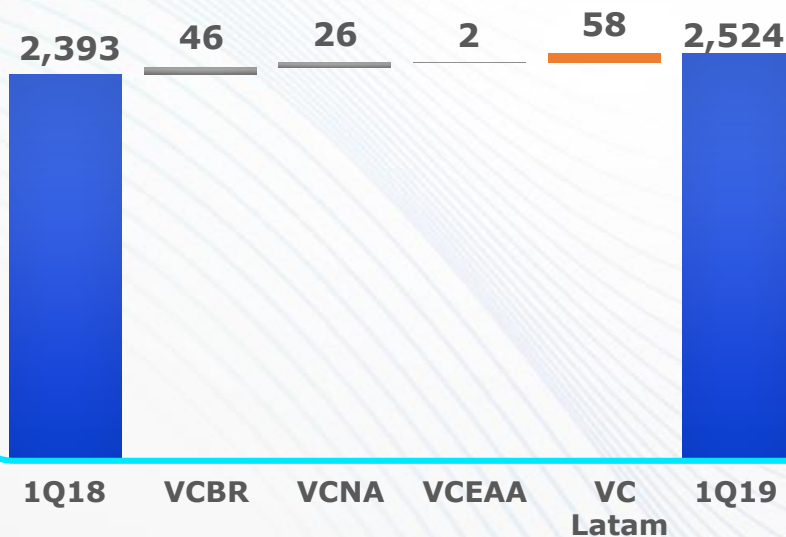
**VCLATAM**

## NET REVENUES (1)

## ADJUSTED EBITDA (2)

+5%

+174%



**CONSOLIDATED EBITDA MARGIN (%)**

**9**

**23**

Increased **geographical presence and efficiency** in Bolivia

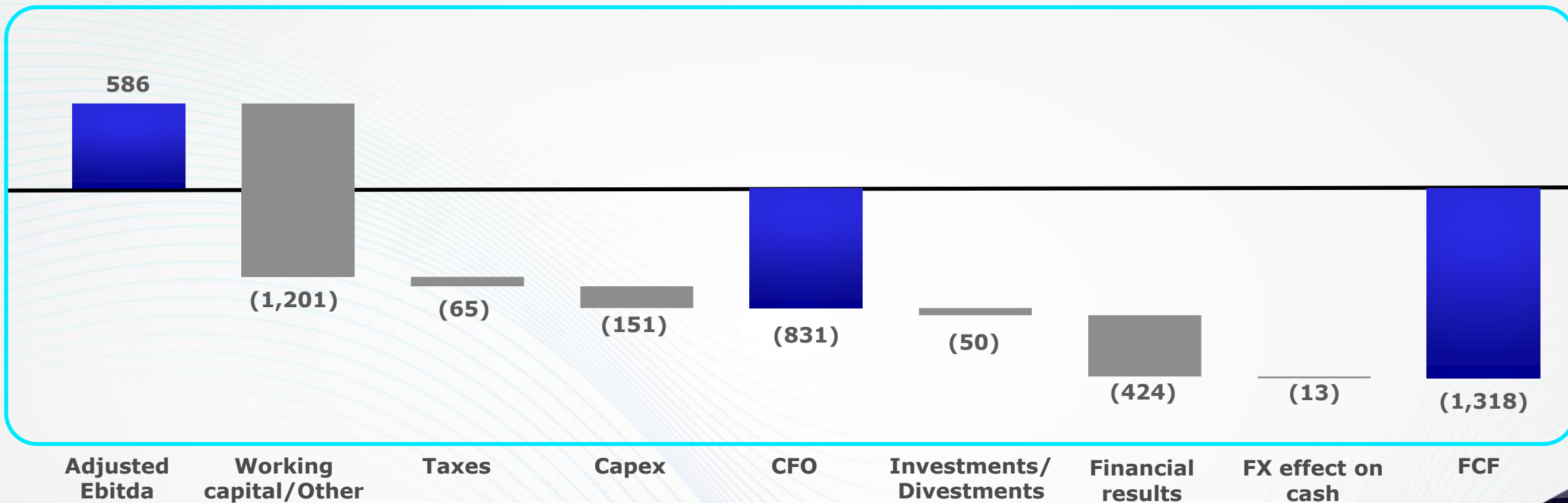
Higher domestic **volumes and prices** in Uruguay

(1) VCBR figures include eliminations

(2) Includes impacts from non-recurring items in both years. Excluding those impacts, consolidated adjusted EBITDA growth would be of 3%

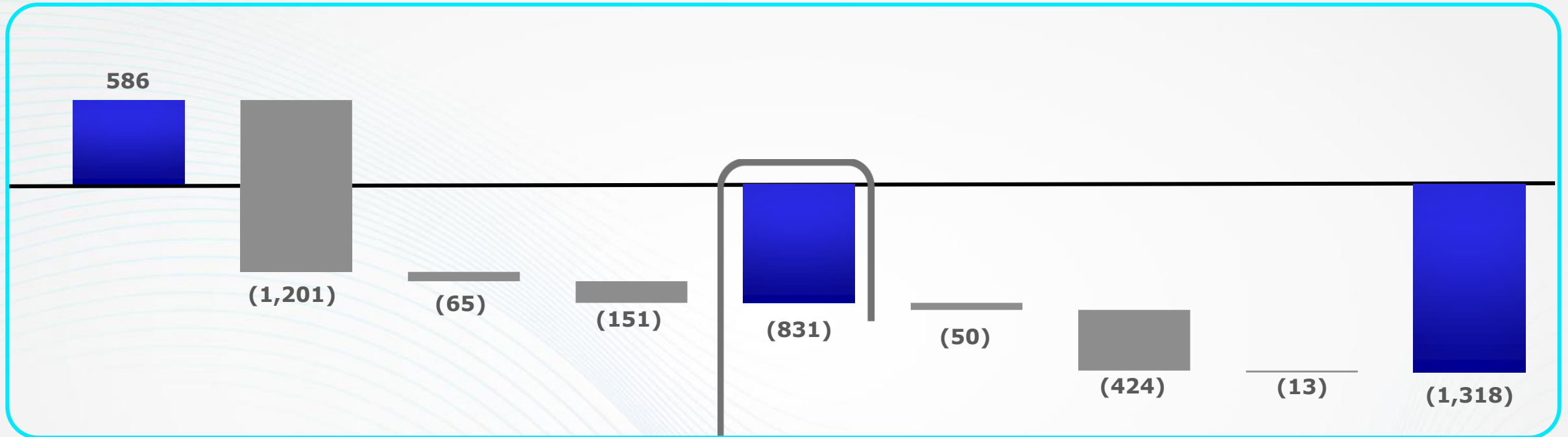
(3) VCLatam figure includes other

1Q19 (R\$ MILLION)





1Q19 (R\$ MILLION)



Adjusted Ebitda

Working capital/Other <sup>(1)</sup>

Taxes

Capex

CFO

Investments/Divestments

Financial results

FX effect on cash

FCF

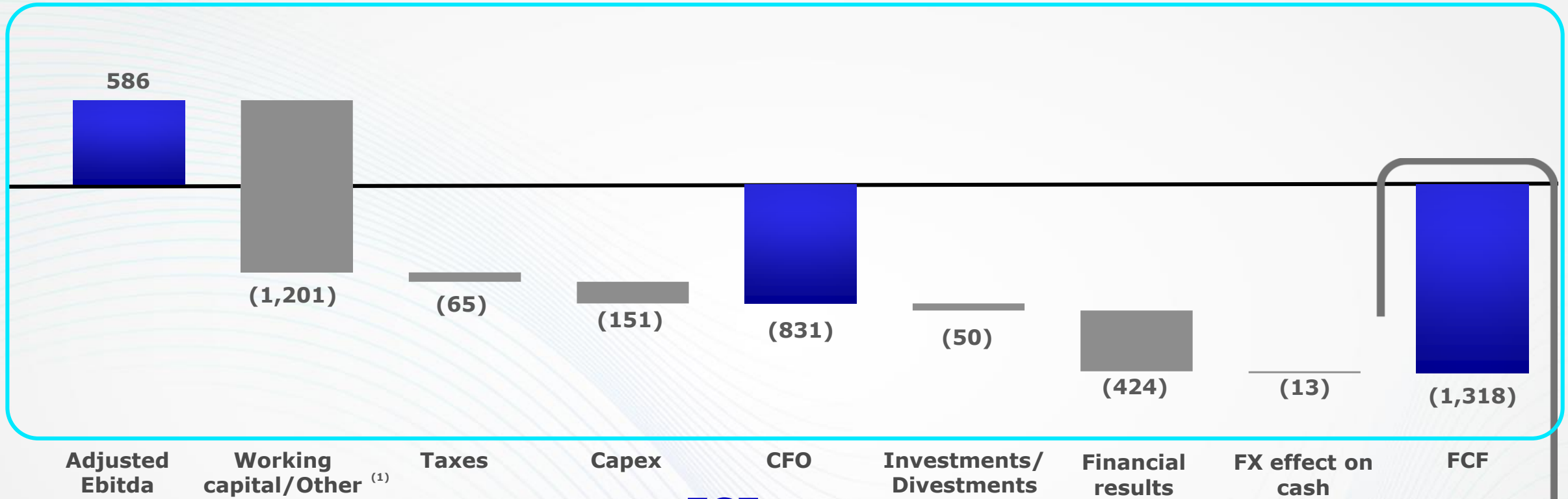
## CFO

Business seasonality affecting WK

Focus on modernization to improve competitiveness

(1) Other items that do not impact cash generation

1Q19 (R\$ MILLION)



## FCF

United Materials acquisition in mar/19

LM impacting Financial results (one off). Annual Interest savings of ~R\$ 180 million in the following years

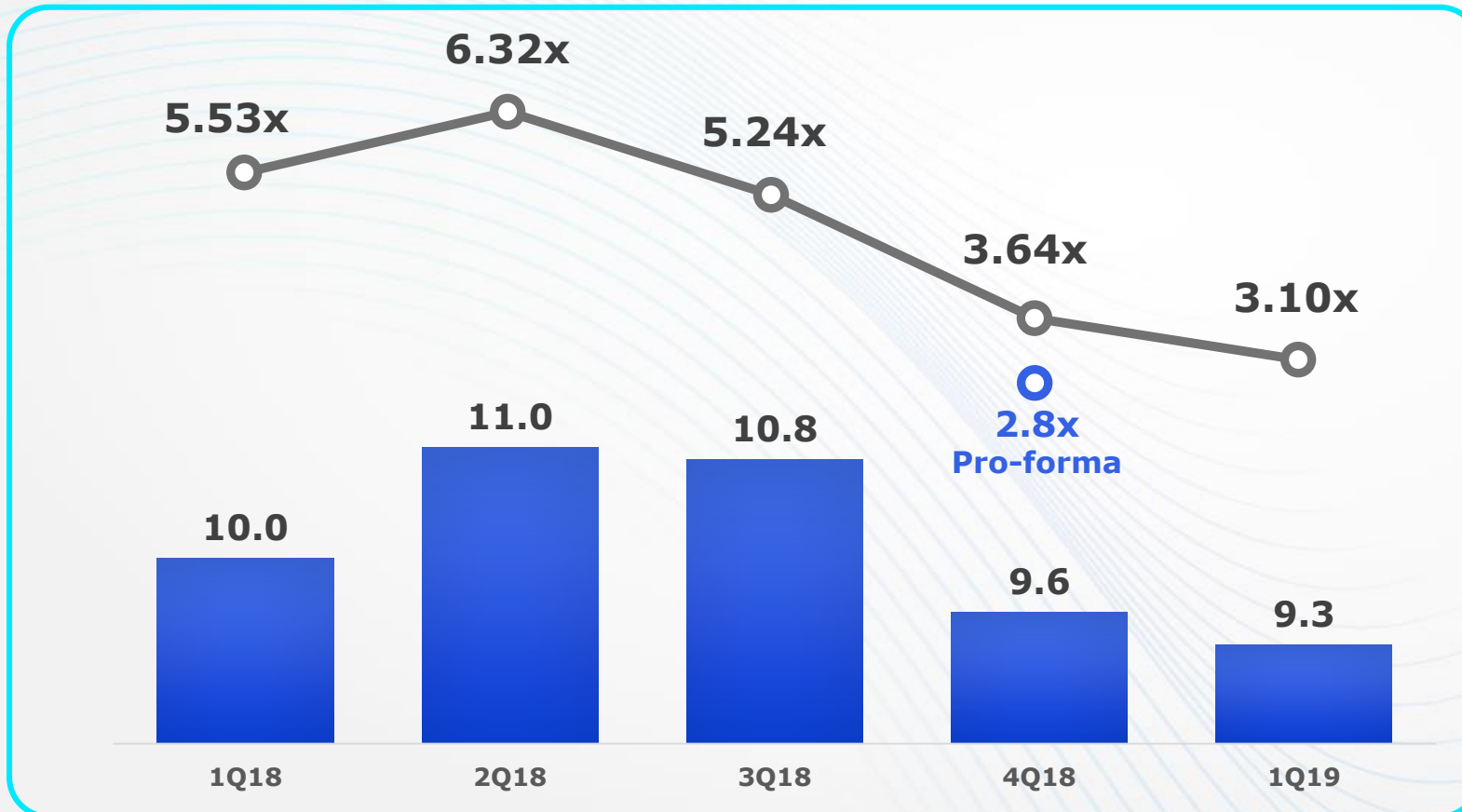
(1) Other items that do not impact cash generation



(R\$ BILLION)

## NET DEBT (1)

NET DEBT / ADJUSTED EBITDA



**Leverage reduction** due to higher adjusted EBITDA and VSA capital increase

**S&P upgrade to BBB-** with stable outlook and **Moody's upgrade to Ba1** with positive outlook

Further LM to be focused on **debt costs reduction** and geographic allocation

(1) Net debt included MTM from 4131 loans and leasing amounts of R\$548 million due to IFRS 16 adoption

# Liquidity and Debt Amortization

(R\$ BILLION)

## DEBT AMORTIZATION PROFILE <sup>(1)</sup>



(1) Considers US\$9.9 million revolving prepayment and Itacamba LM  
 (2) Considers VCSA US\$500 million RCF due in 2023. Does not consider US\$230 million VCNA RCF maturing in 2020.





# Luciano Alves

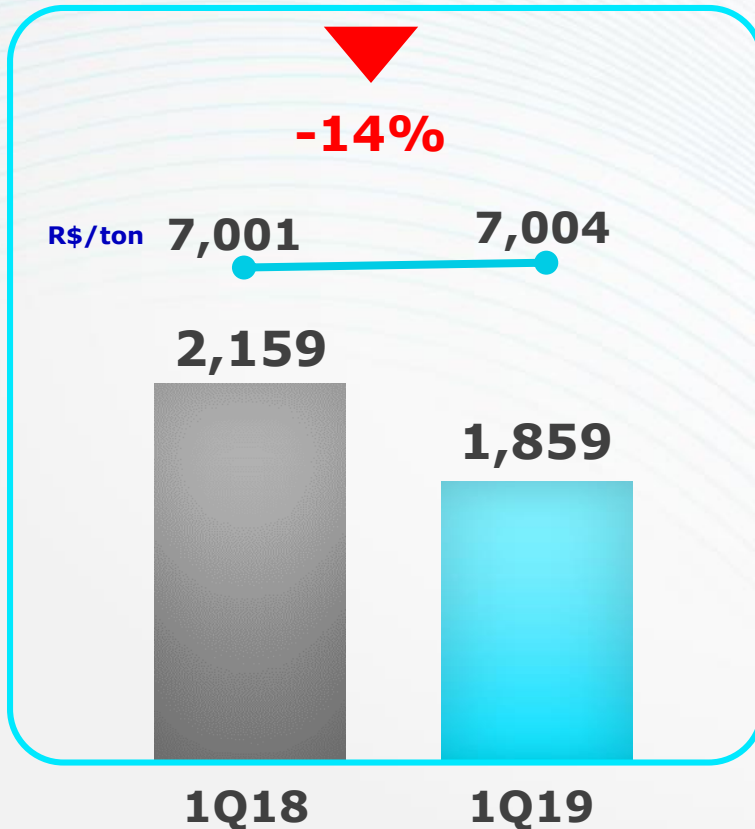
CFO CBA





(US\$/ton)

## LME ALUMINUM PRICE



Tight market fundamentals and **deficit on aluminum market**

**Weaker economic perspective** in key regions

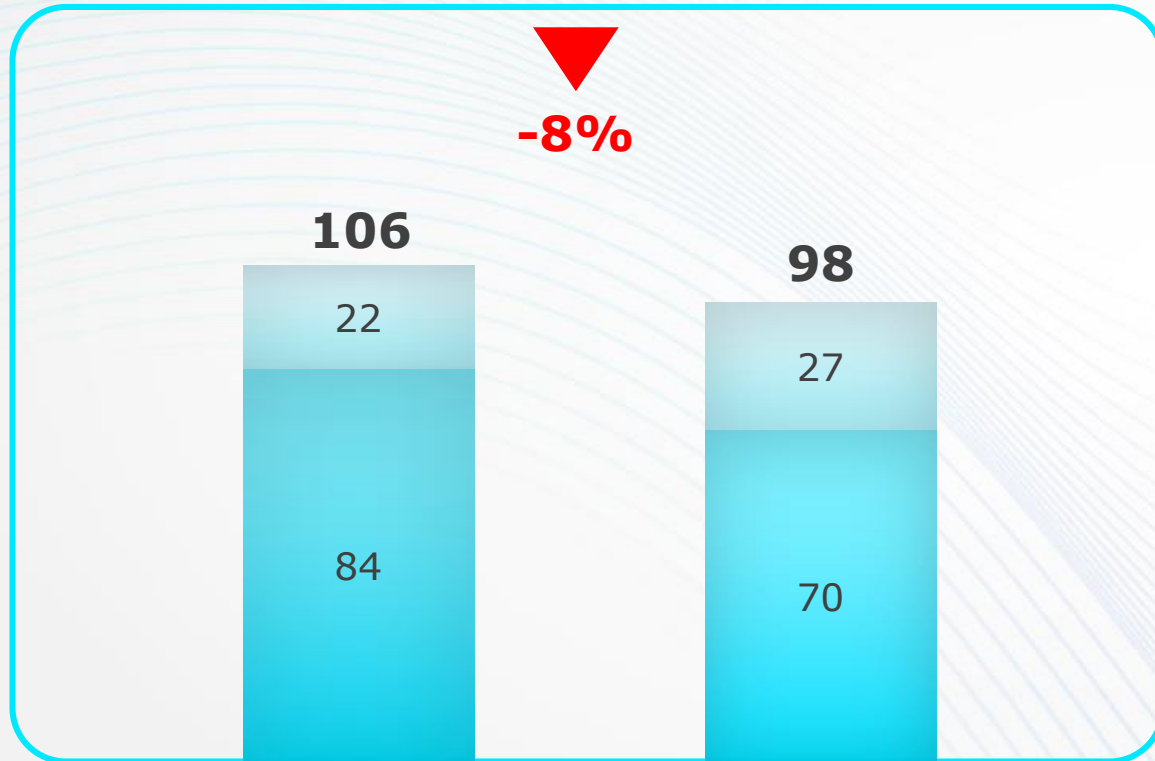
**Increasing exports** from China

**Trade war** between the U.S.A. and China



(KTON)

## ALUMINUM SALES VOLUME



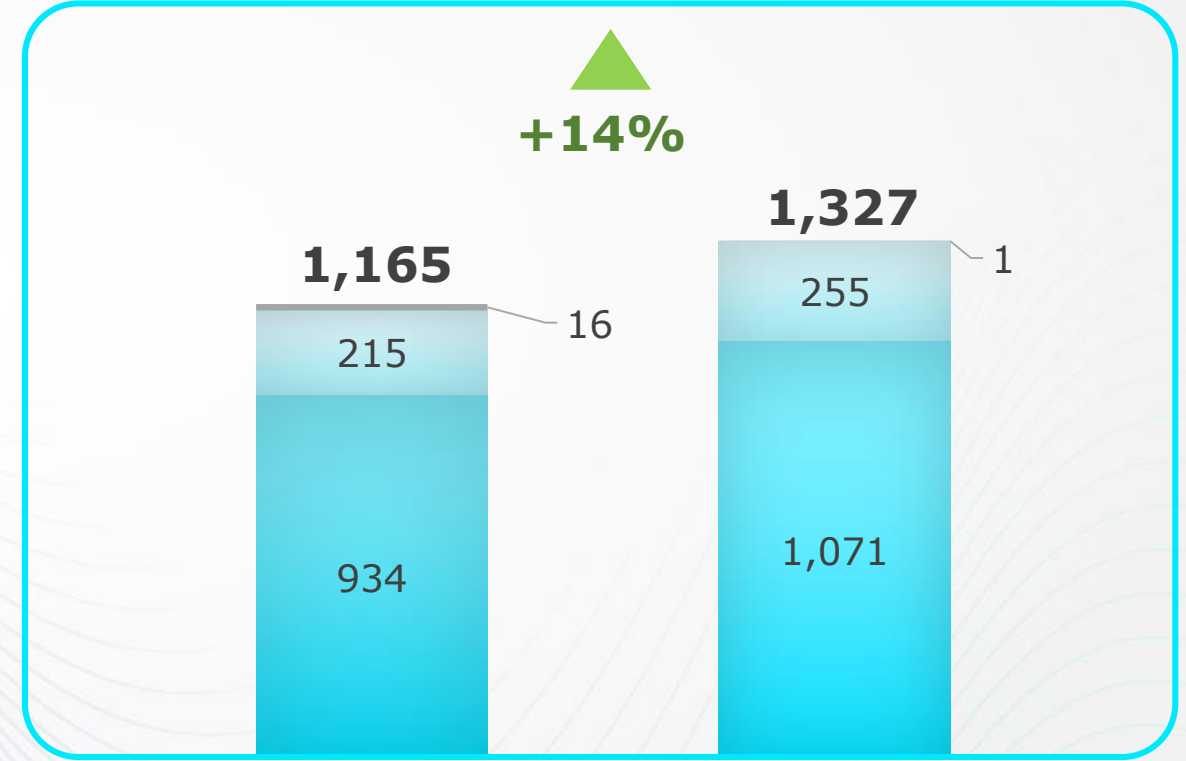
**1Q18**

**1Q19**

Upstream Downstream

(R\$ MILLION)

## NET REVENUES



**1Q18**

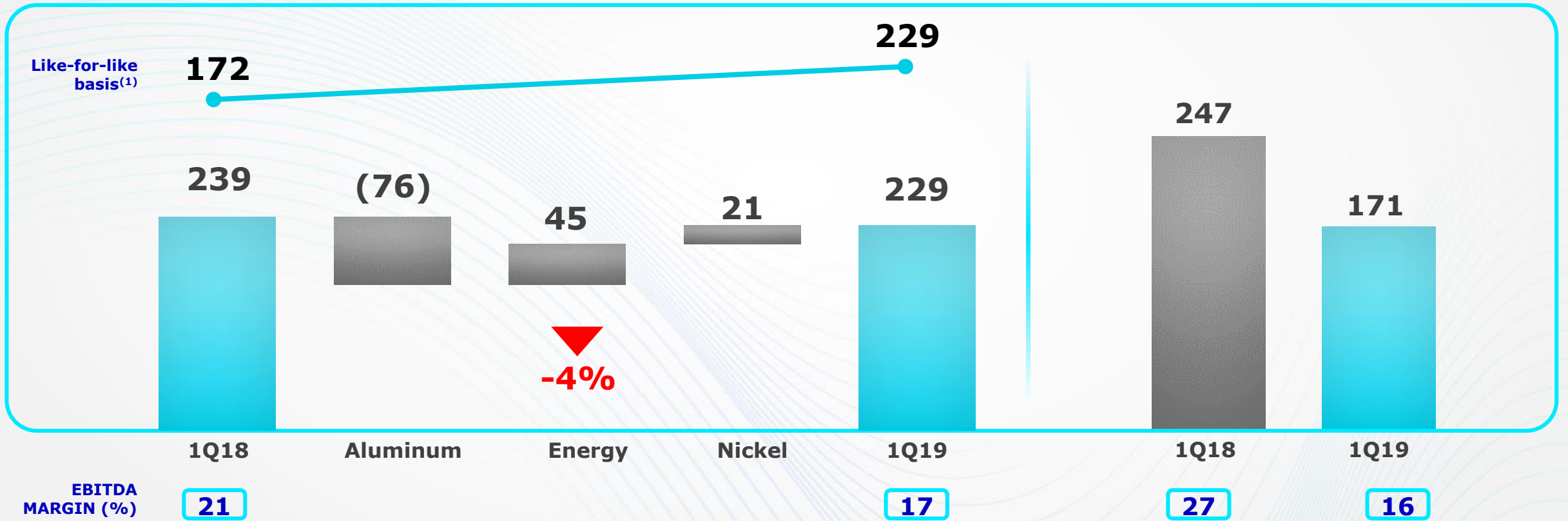
**1Q19**

Aluminum Energy Nickel

(R\$ MILLION)

## ADJUSTED EBITDA - CBA CONSOLIDATED

## ADJUSTED EBITDA - ALUMINUM



(1) Excludes the non cash one-off impact of provisions reversal due to favorable ruling in appeal courts regarding an energy contractual agreement occurred on 1Q18 (R\$67 million).

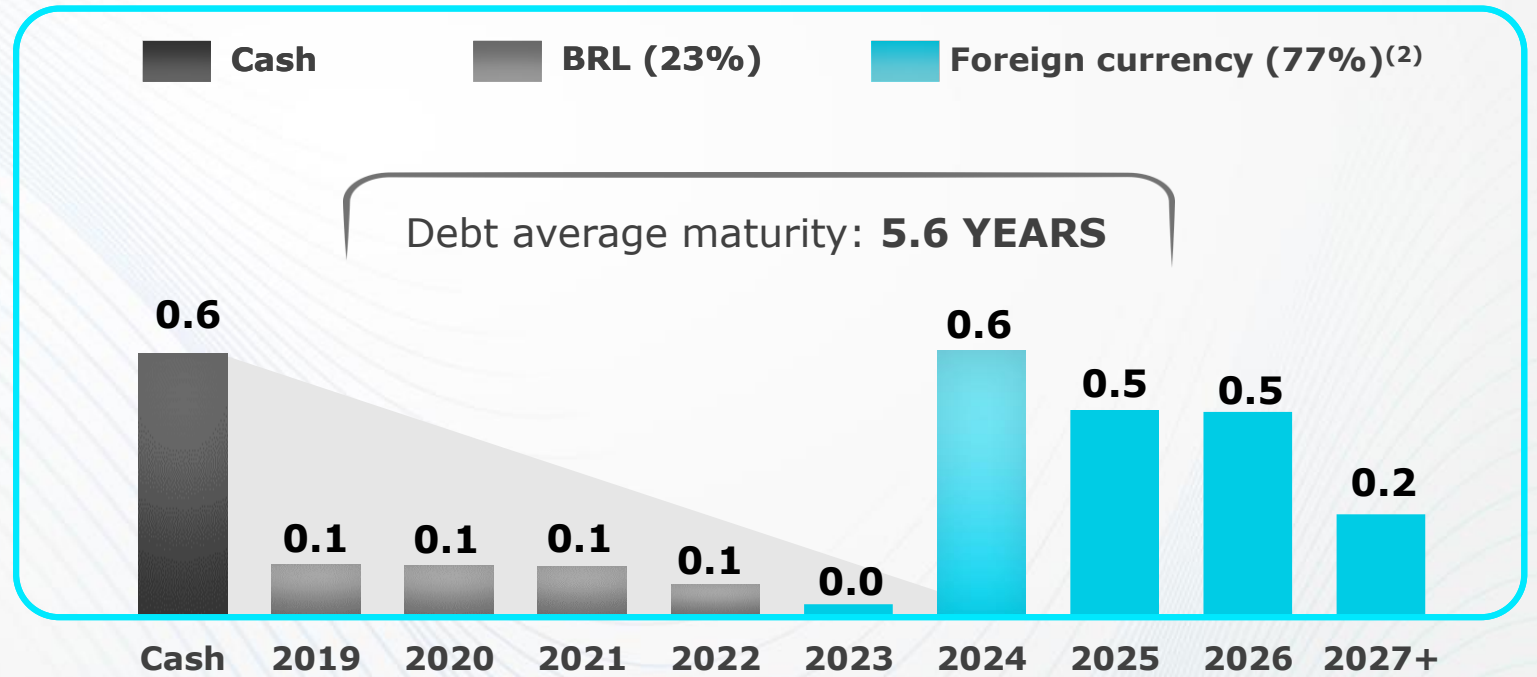
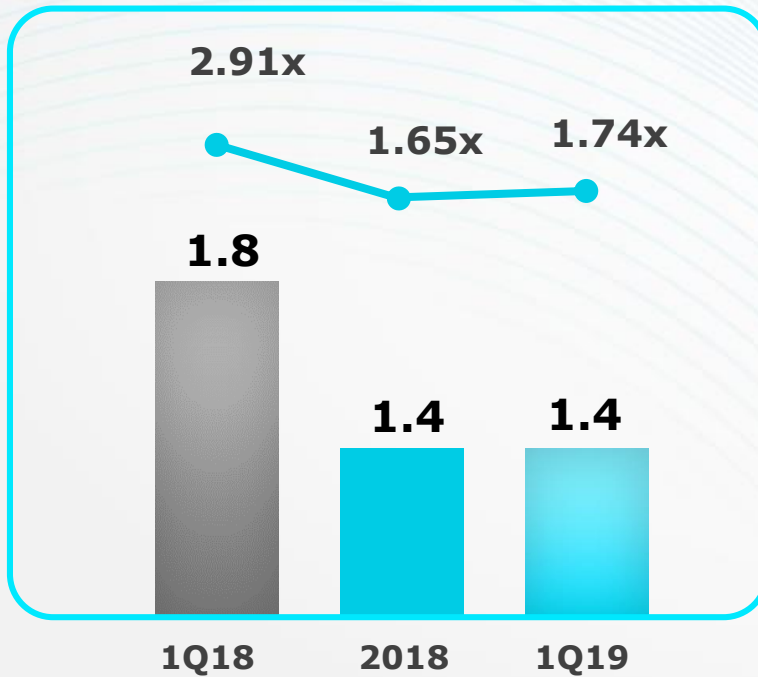


(R\$ BILLION)

## NET DEBT

## DEBT PROFILE - Pro forma<sup>(1)</sup>

### NET DEBT/ADJ. EBITDA



(1) Pro forma debt profile considers R\$1.1 billion export financing facilities executed in April and May 2019 and R\$256 million 2024 bonds repurchased on May 2019

(2) Considers the export financing facilities denominated in BRL as foreign currency indebtedness, since it was swapped to USD



# Raul Cadena

CFO Votorantim Energia



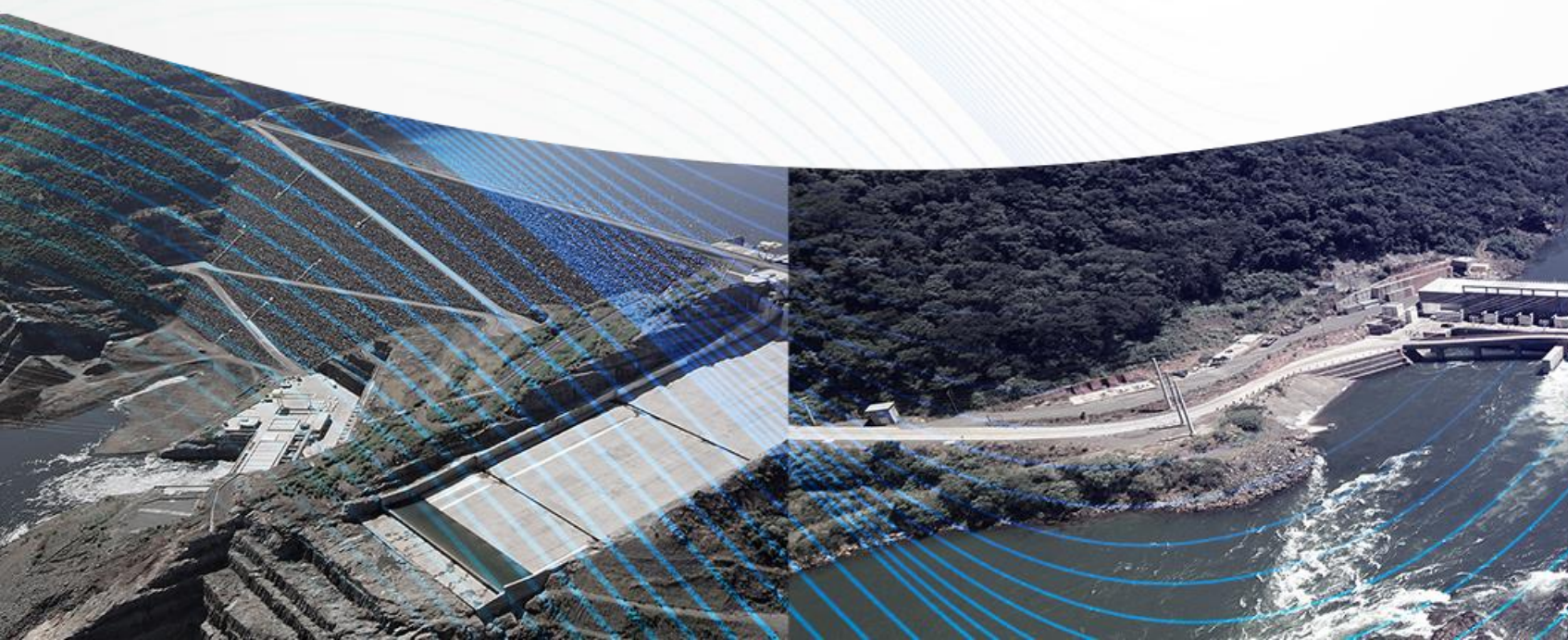


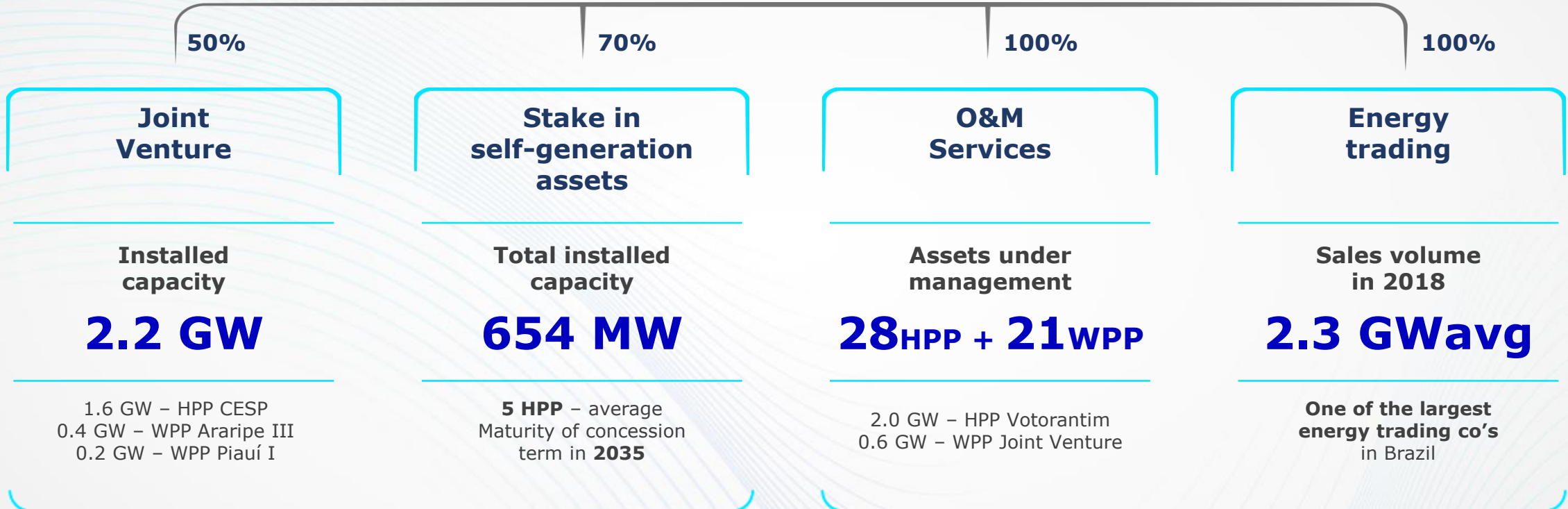
# 1Q19 Highlights

**Wind plants starting their second year of operations**

**JV continues to grow through consolidation of CESP**

**CESP on track on its transformation plan**





**Businesses recognized under equity method**

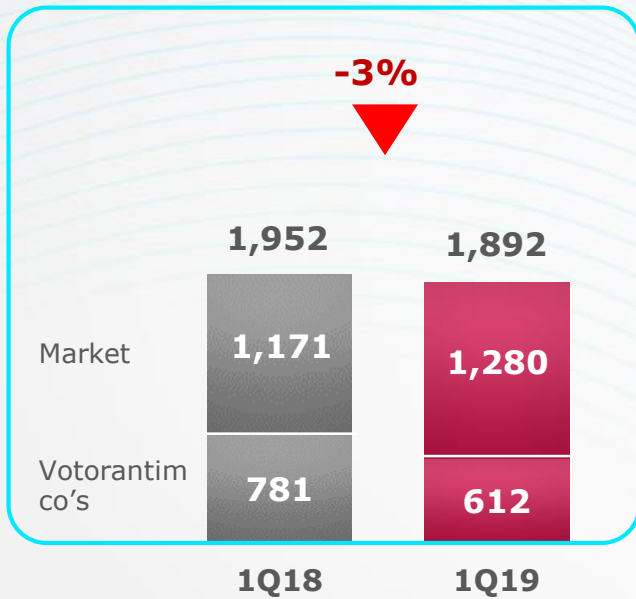
**Businesses consolidated in VE results**



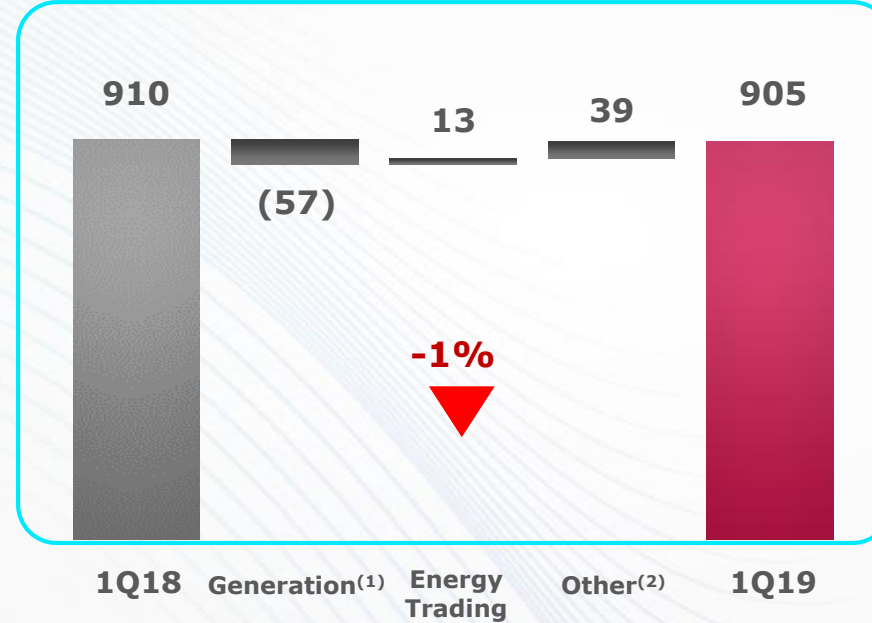
(R\$ MILLION)

## VOLUME (MWavg)

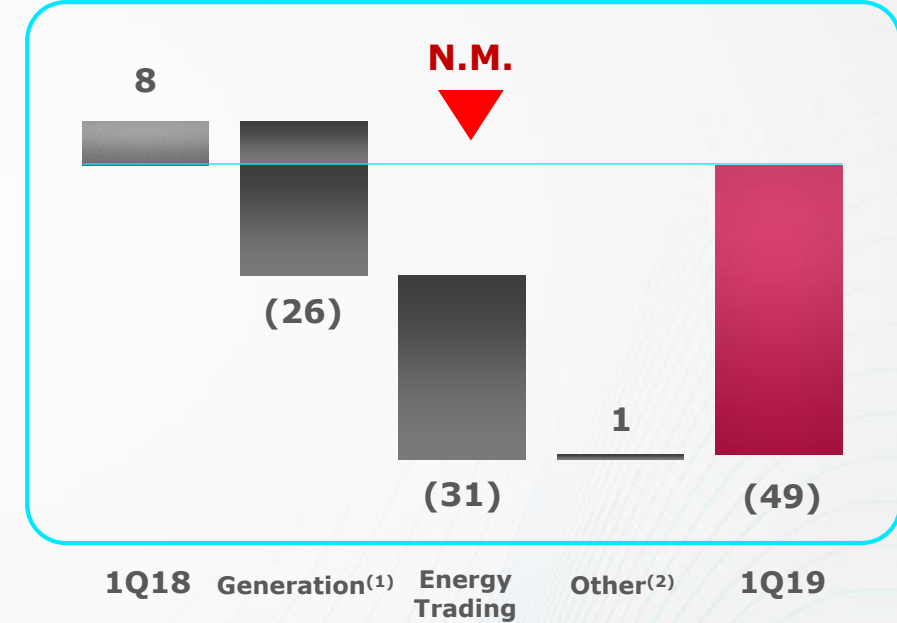
### ENERGY TRADING



## NET REVENUES



## ADJUSTED EBITDA



**49**

**Adjusted EBITDA ex-MtM**

**19**

**Generation** – negative impact as a result of **deconsolidation of Ventos do Piauí I**

**Energy trading** – adjusted EBITDA reflects the **non-cash effect of mark-to-market**

(1) JV VE-CPPIB and stake in self-generation assets are recognized by the equity method.  
(2) Includes eliminations, holding and services results.

# JV VE-CPPIB Operational Performance

## Ventos do Piauí I



Technical availability

94.8%      98.5%



Generation (Mwavg)



1Q18

1Q19

**24**

**30**

**CAPACITY  
FACTOR %**

## Ventos do Araripe III



Technical availability

97.2%      97.4%



Generation (Mwavg)



1Q18<sup>(1)</sup>

1Q19

**23**

**28**

**CAPACITY  
FACTOR %**

## CESP

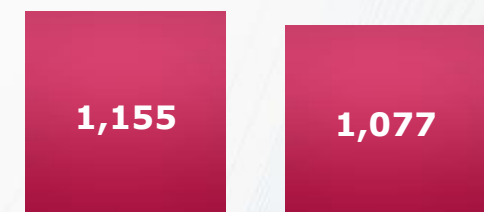


Availability index<sup>(2)</sup>

93.7%      93.8%



Generation (Mwavg)



1Q18<sup>(1)</sup>

1Q19

**70**

**65**

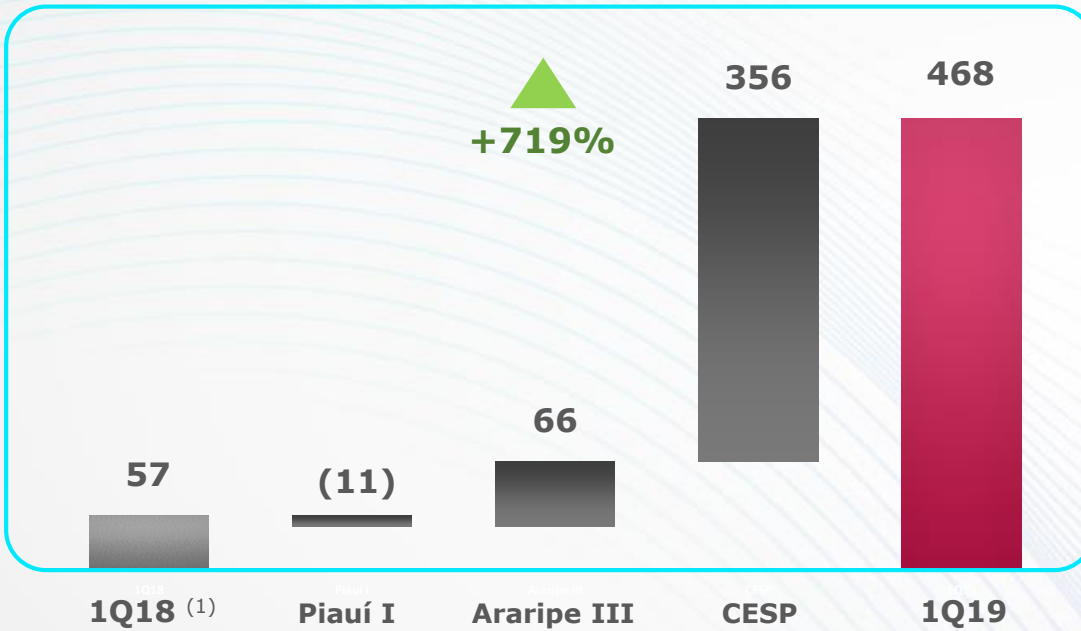
**CAPACITY  
FACTOR %**

(1) Not consolidated in the JV's results.  
(2) Moving average 60 months.

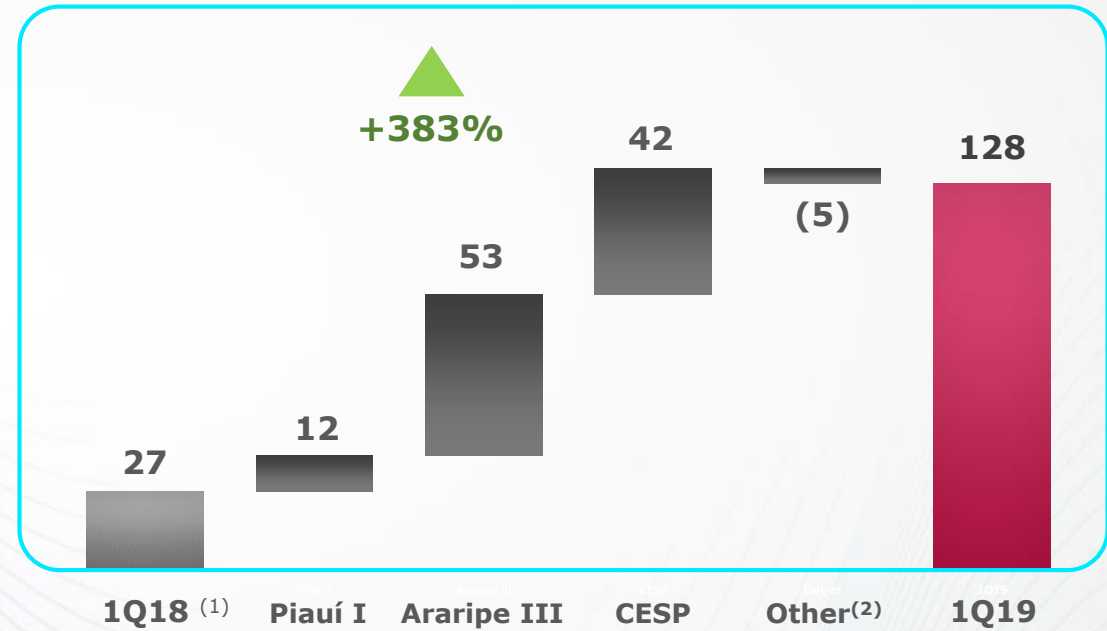


(R\$ MILLION)

## NET REVENUES



## ADJUSTED EBITDA



**46** EBITDA MARGIN (%) **27**

**WPP – consolidation of Araripe III** and ~90% of assured energy sold in **regulated market**

**CESP – consolidation of results** in the JV from 1Q19

(1) Considers accounting result of JV (only Piauí I).  
(2) Includes holding results.

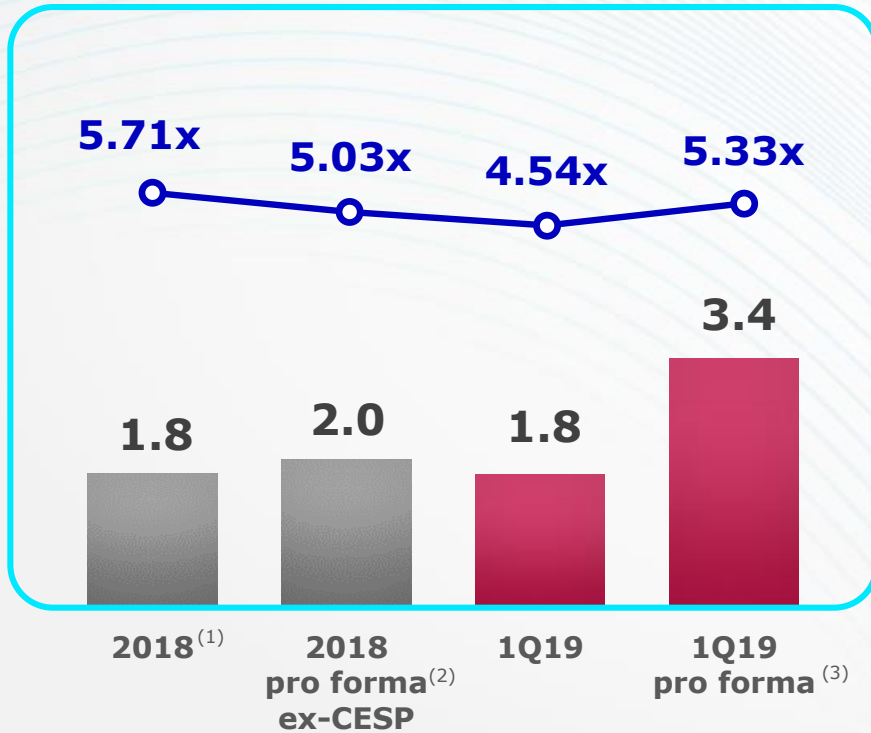
# JV VE-CPPIB

## Liquidity and Indebtedness

(R\$ BILLION)

### NET DEBT

#### NET DEBT/ADJ. EBITDA



### DEBT AMORTIZATION PROFILE



(1) Considers accounting result of JV (12 months of Piauí I and 7 months of Araripe III).

(2) Considers full results of Piauí I and Araripe III in the year.

(3) Considers last 12 months results of Piauí I, Araripe III and CESP. Additionally, excludes Porto Primavera HPP grant payment (R\$1.4 billion) and CESP dividend payment for non-controlling shareholders (R\$181 million) from cash balance.

(4) Exclude Porto Primavera HPP grant payment (R\$1.4 billion) and CESP dividends (R\$181 million) of cash position.



# Sergio Malacrida

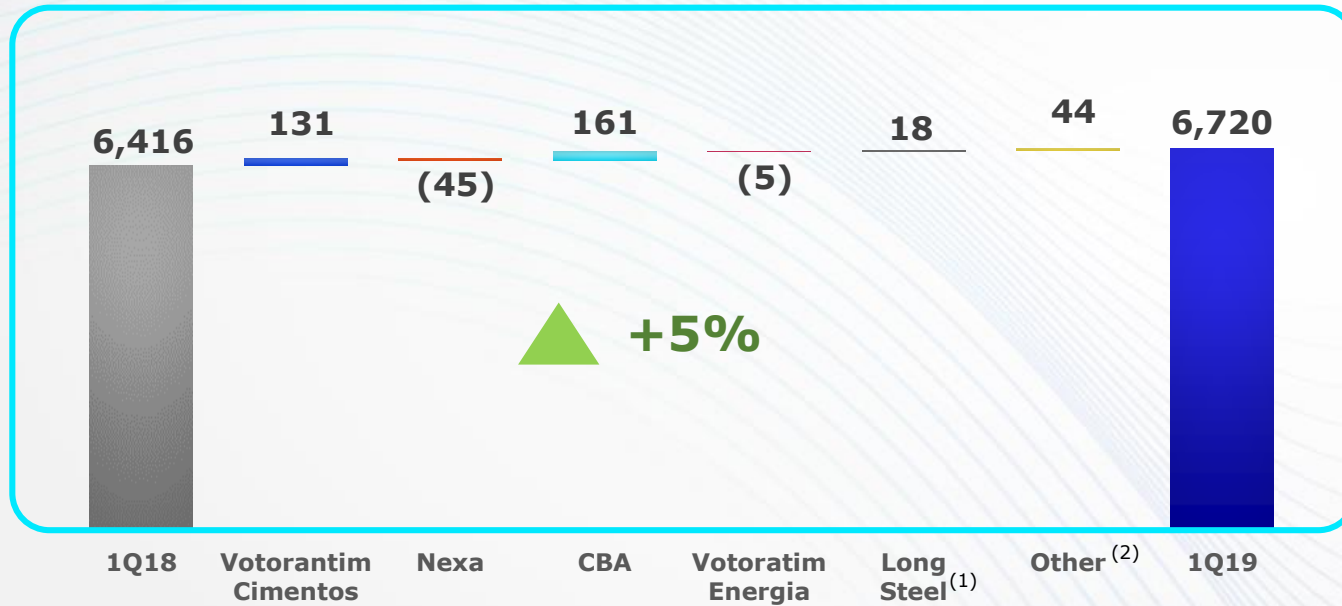
CFO Votorantim SA



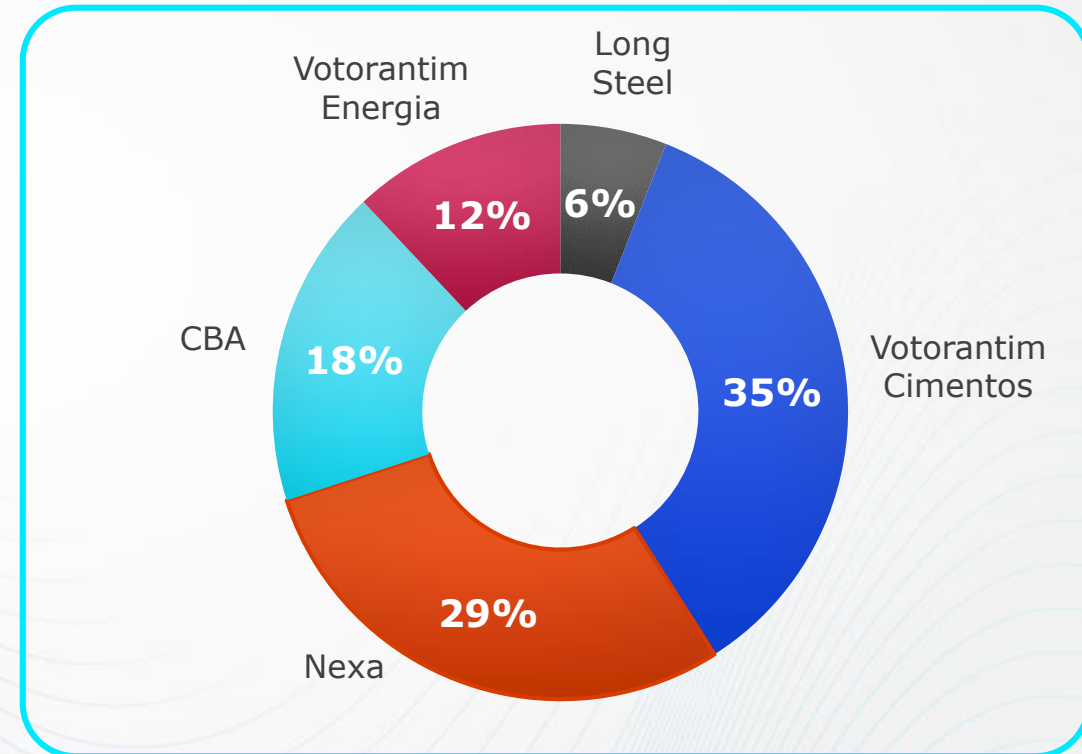
# Consolidated Net Revenues

## EVOLUTION BY BUSINESS

(R\$ MILLION)



## BREAKDOWN BY BUSINESS



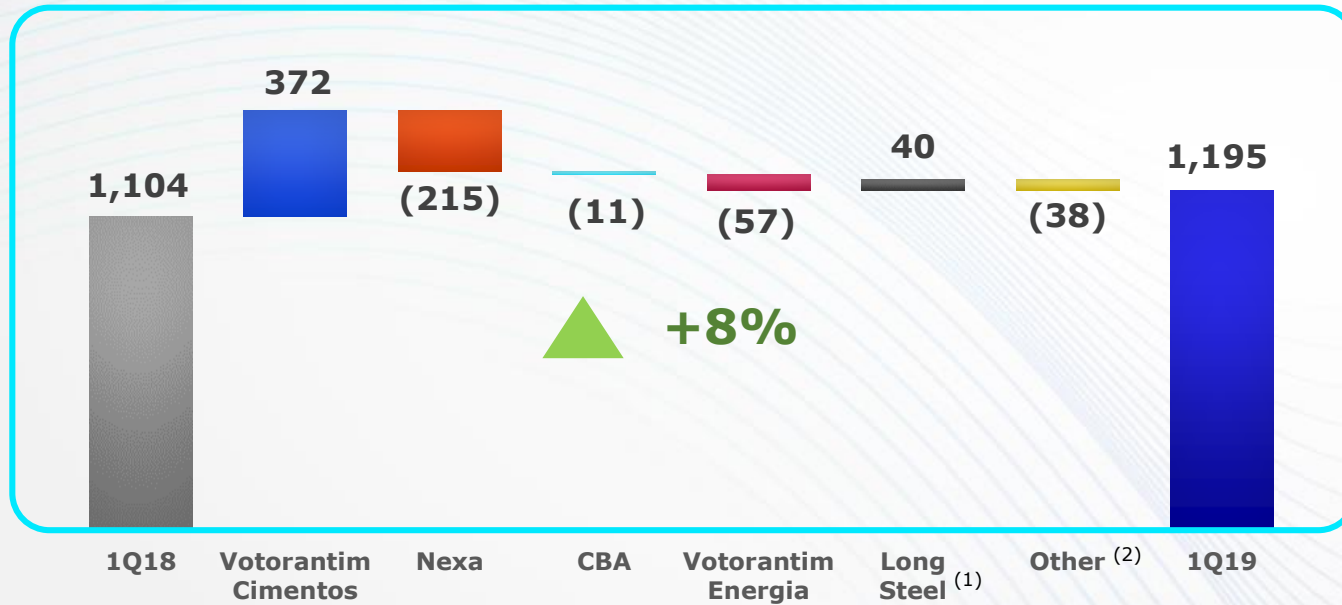
(1) Includes Argentina and Colombia  
 (2) Holding, eliminations and other



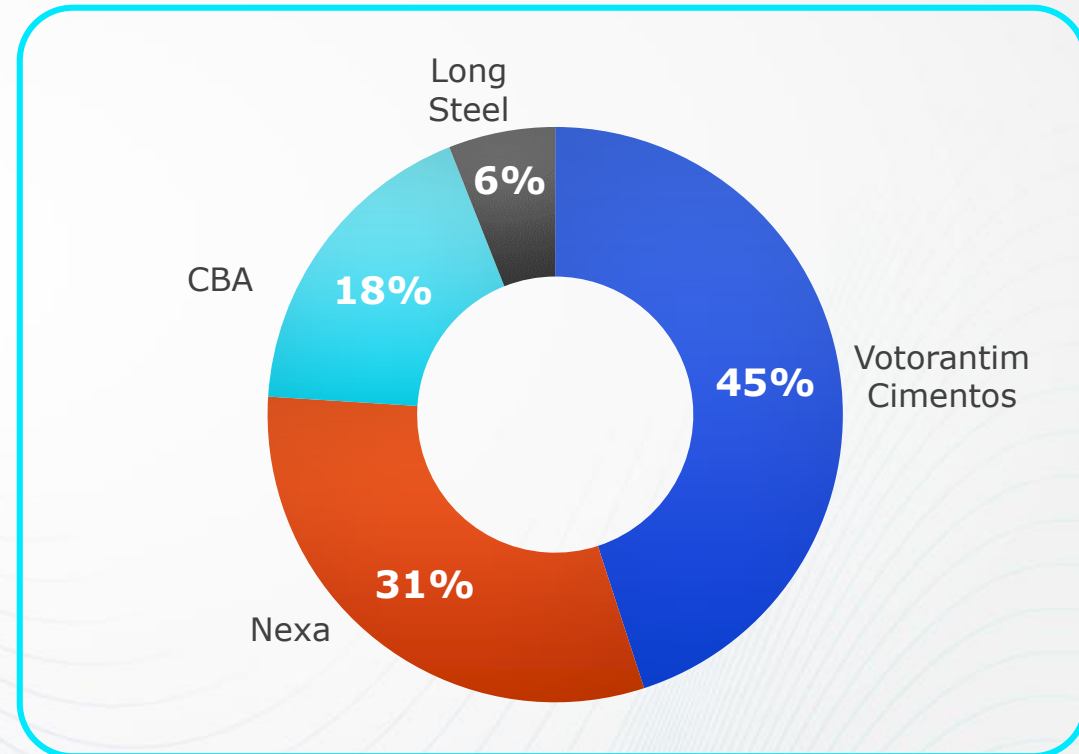
# Consolidated Adjusted EBITDA

## EVOLUTION BY BUSINESS

(R\$ MILLION)



## BREAKDOWN BY BUSINESS

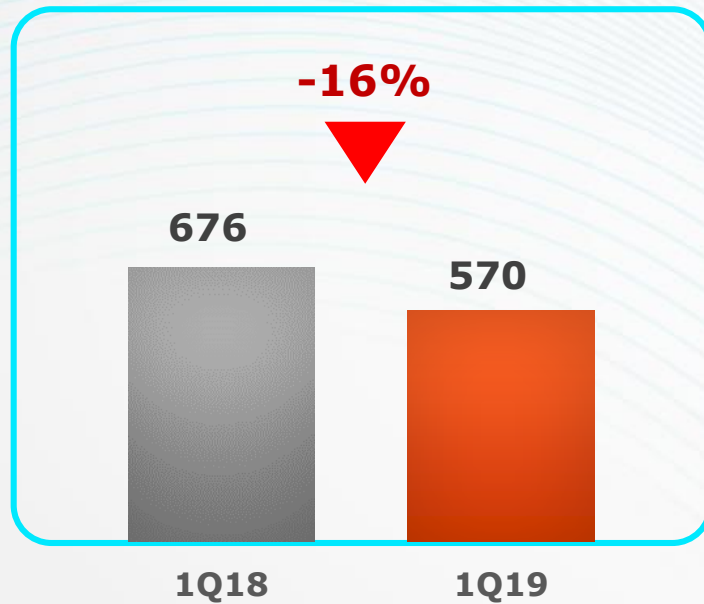


(1) Includes Argentina and Colombia

(2) Holding, eliminations and other

## NET REVENUES

(US\$ MILLION)

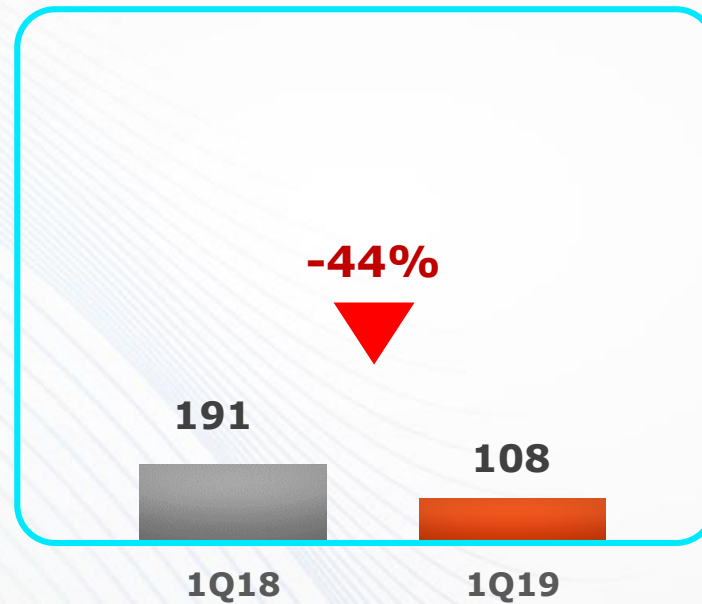


## ADJUSTED EBITDA

EBITDA  
MARGIN (%)

28

19



## NET DEBT

NET DEBT/ADJ. EBITDA

0.50x

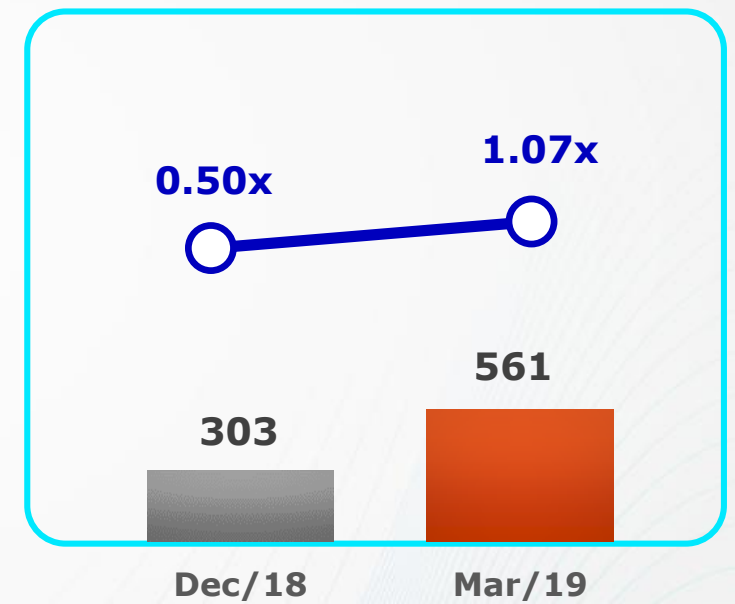
1.07x

303

561

Dec/18

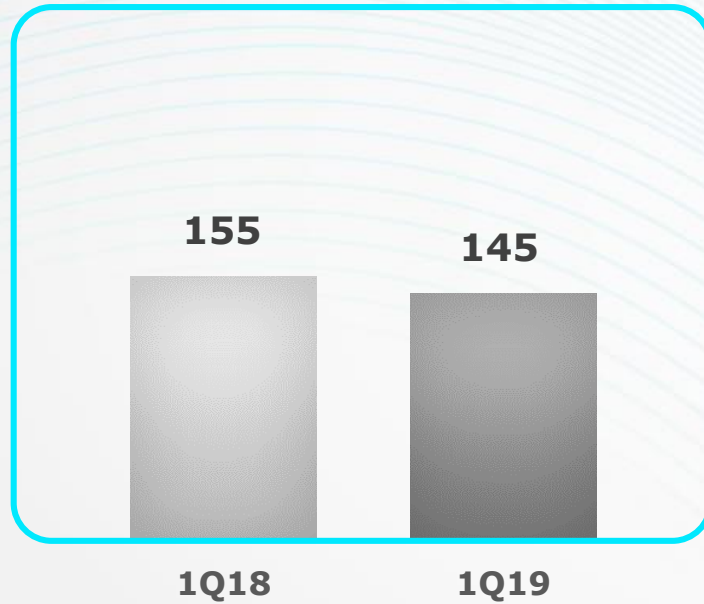
Mar/19





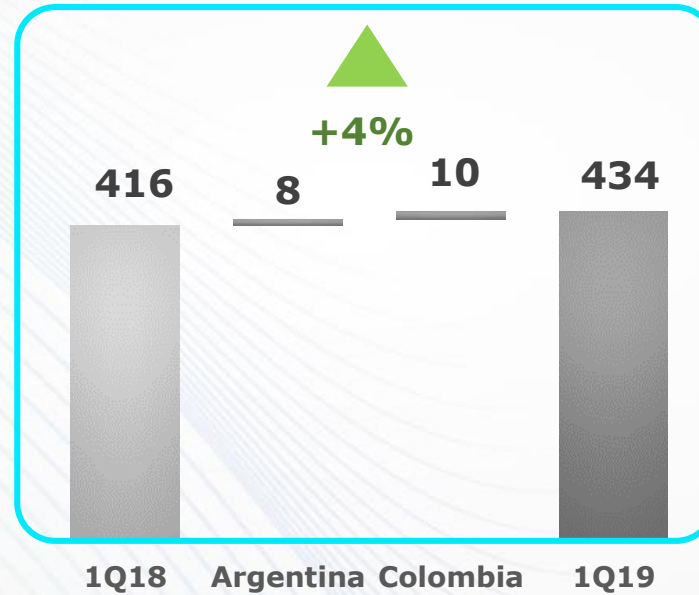
# Long Steel Results

## VOLUME (KTON)

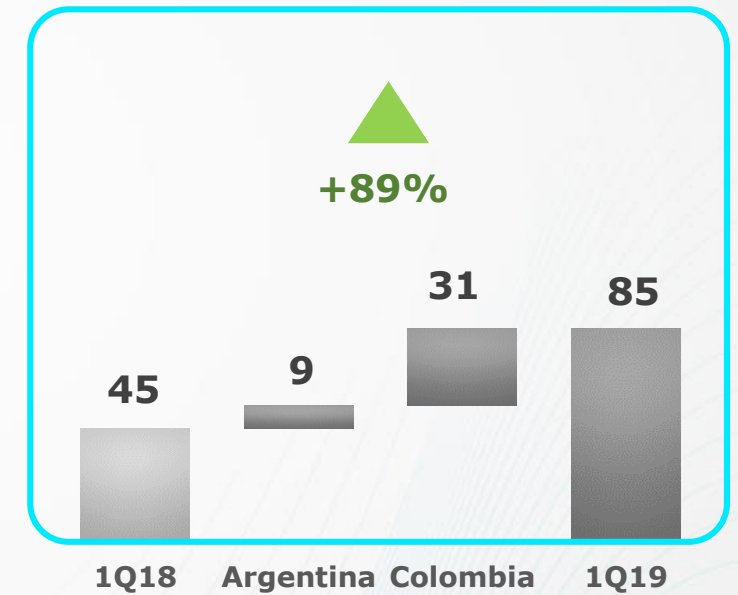


## NET REVENUES

(R\$ MILLION)



## ADJUSTED EBITDA



EBITDA MARGIN (%)

**11**

**20**

# Other Investee Companies

COMPANIES RECOGNIZED BY THE EQUITY METHOD:

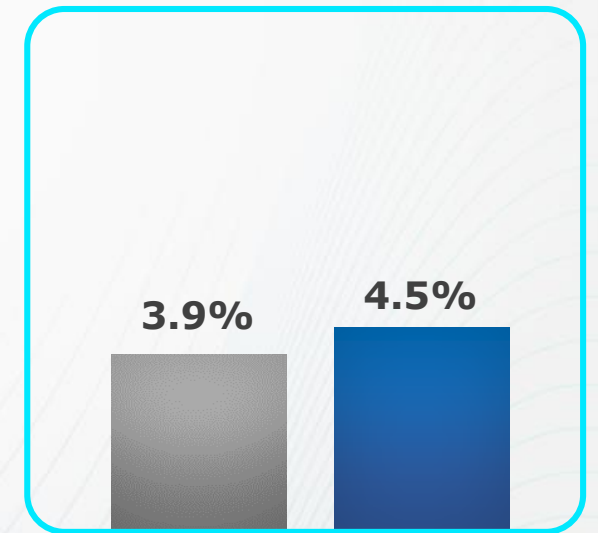
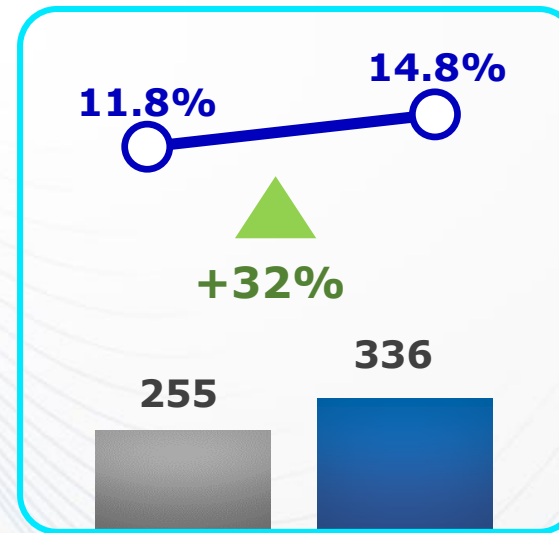
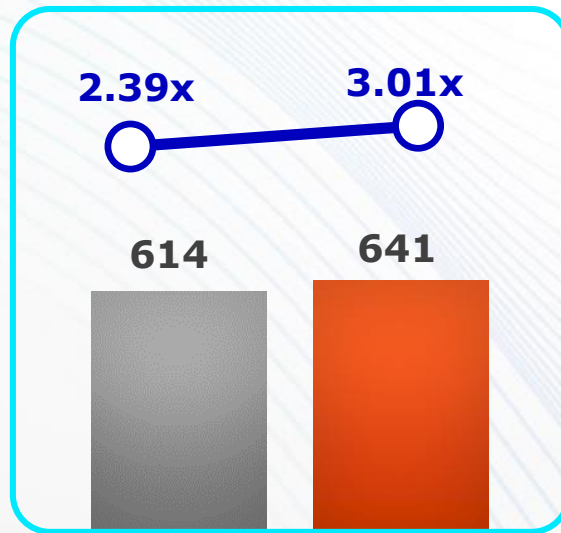
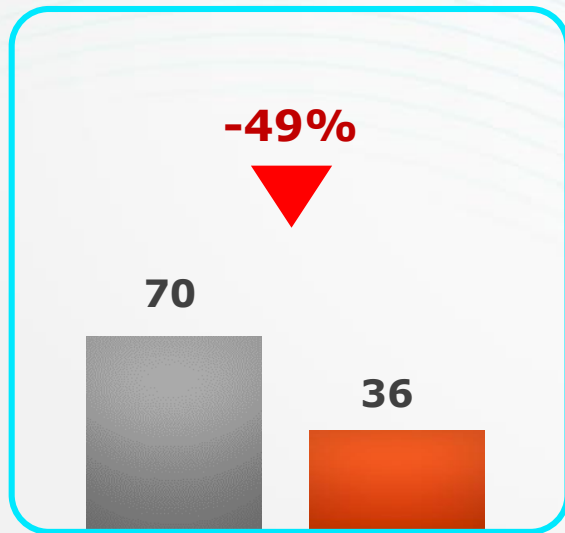


EBITDA  
(US\$ MILLION)

NET DEBT (US\$ MILLION)  
NET DEBT/ADJ. EBITDA

NET INCOME (R\$ MILLION)  
RoE (%)

CONSOLIDATED  
DELIQUENCY

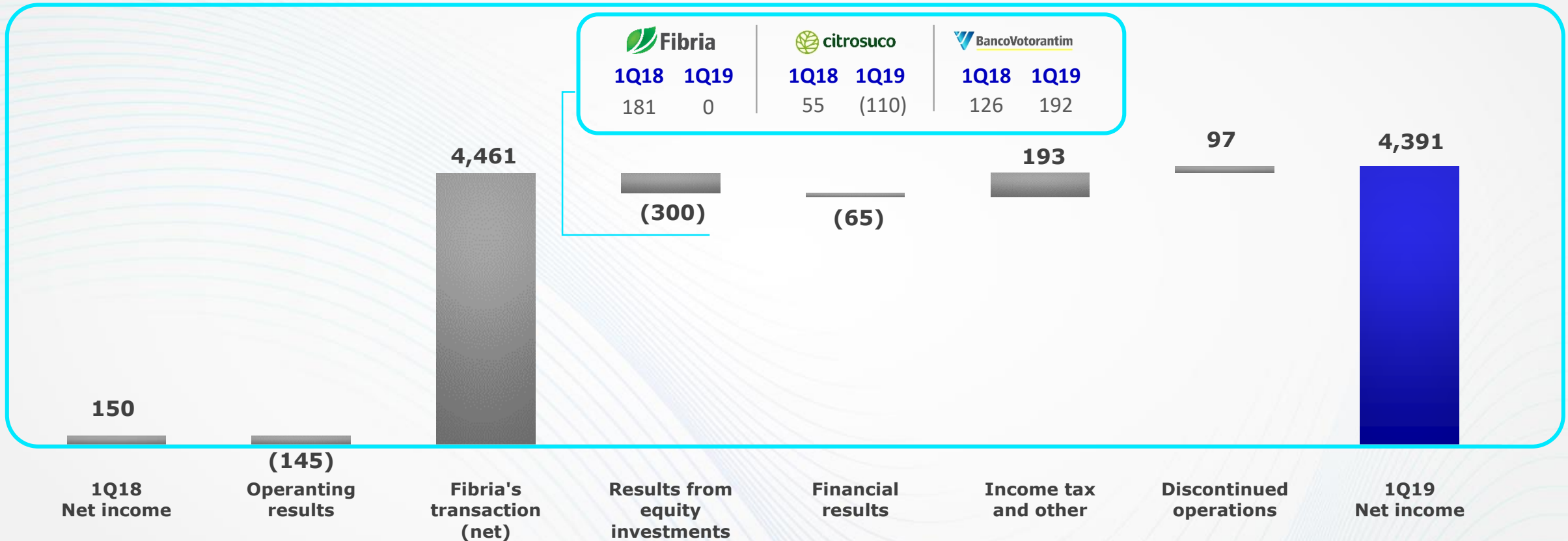


EBITDA MARGIN (%) **19** **11**



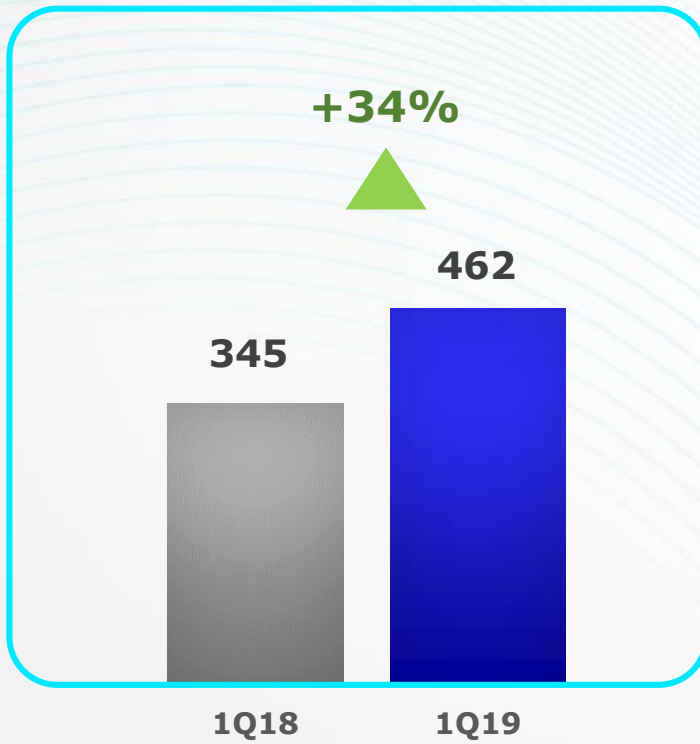
# Consolidated Net Income

(R\$ MILLION)

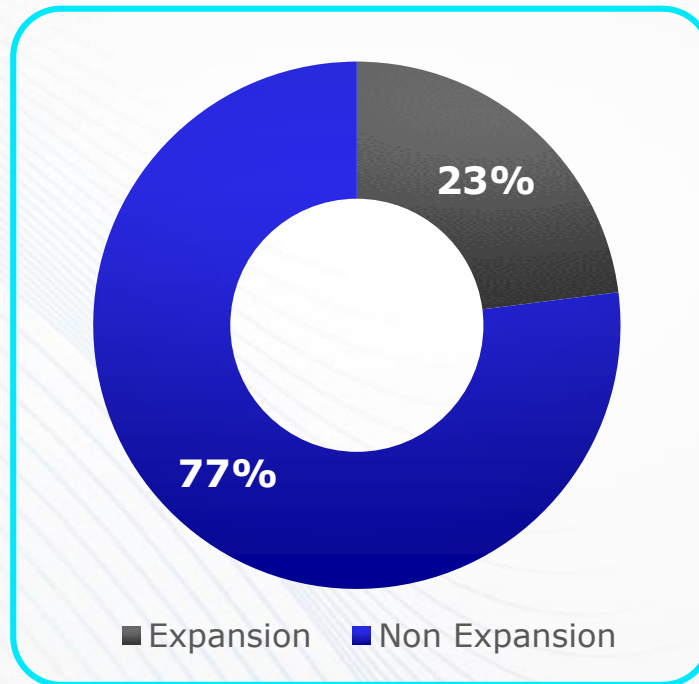


(R\$ MILLION)

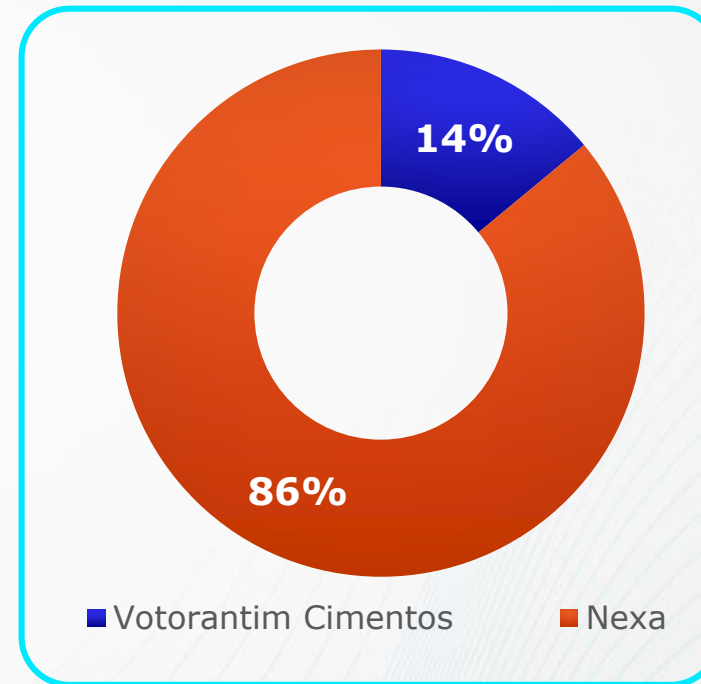
## CAPEX



## BREAKDOWN



## EXPANSION CAPEX





(R\$ MILLION)

OPERATIONAL | FREE

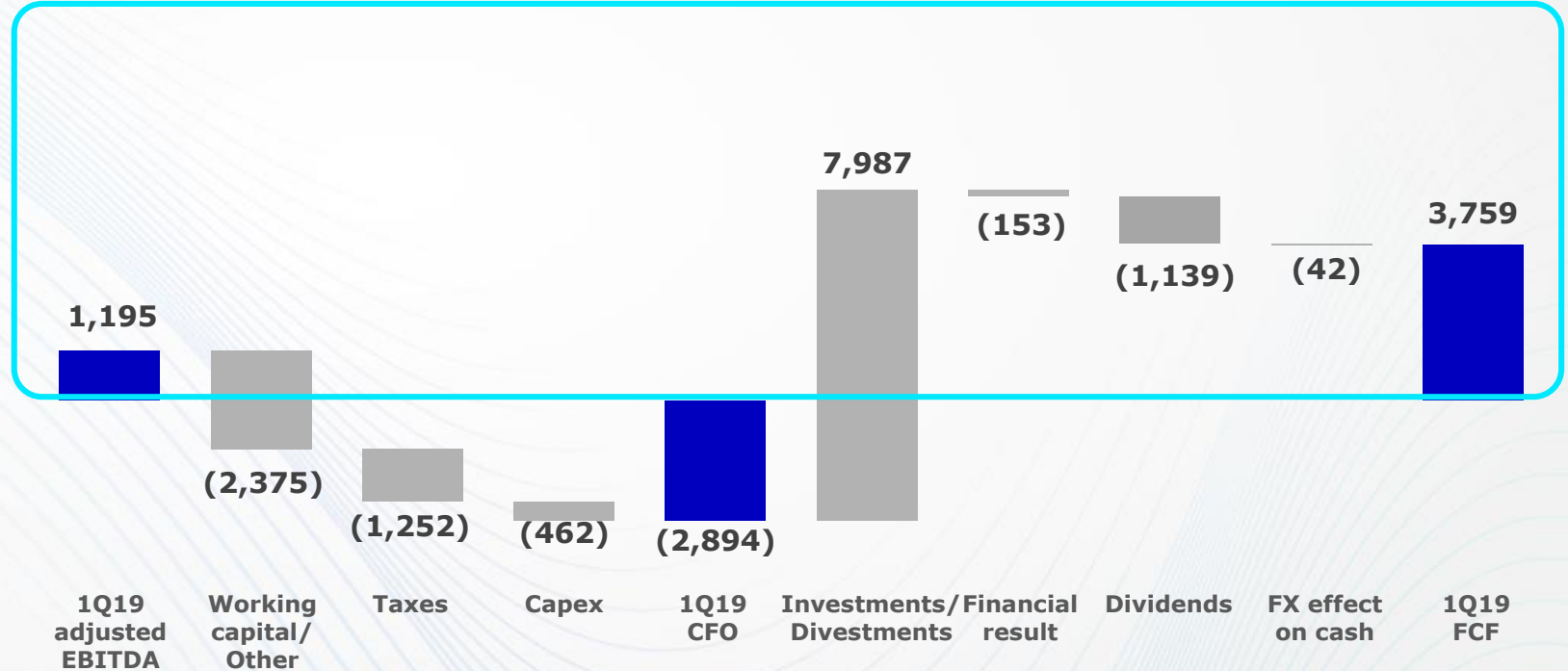
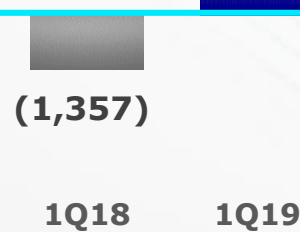
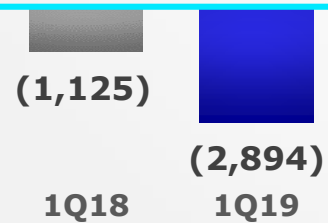
FREE CASH FLOW GENERATION

CFO

FCF

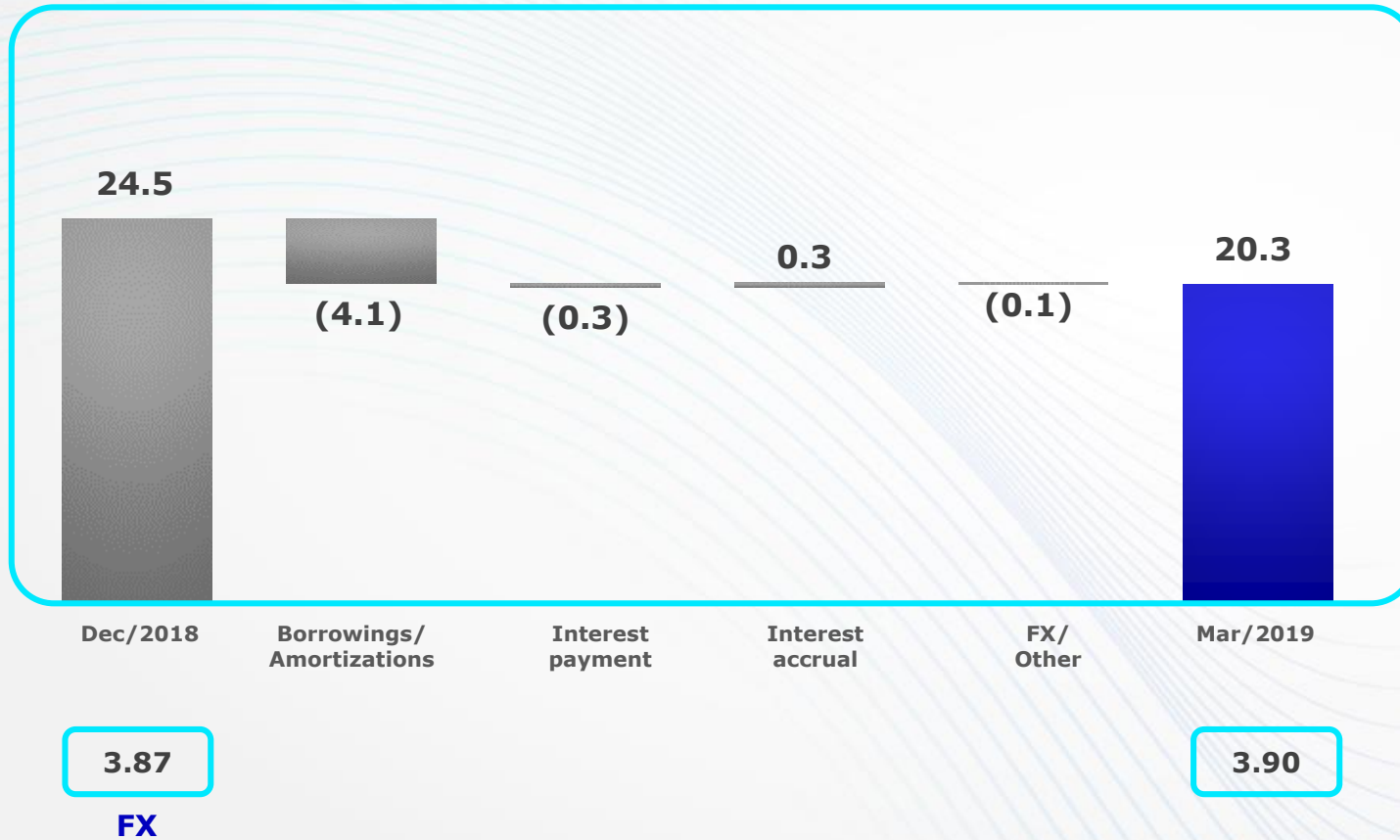
-157%

N.M



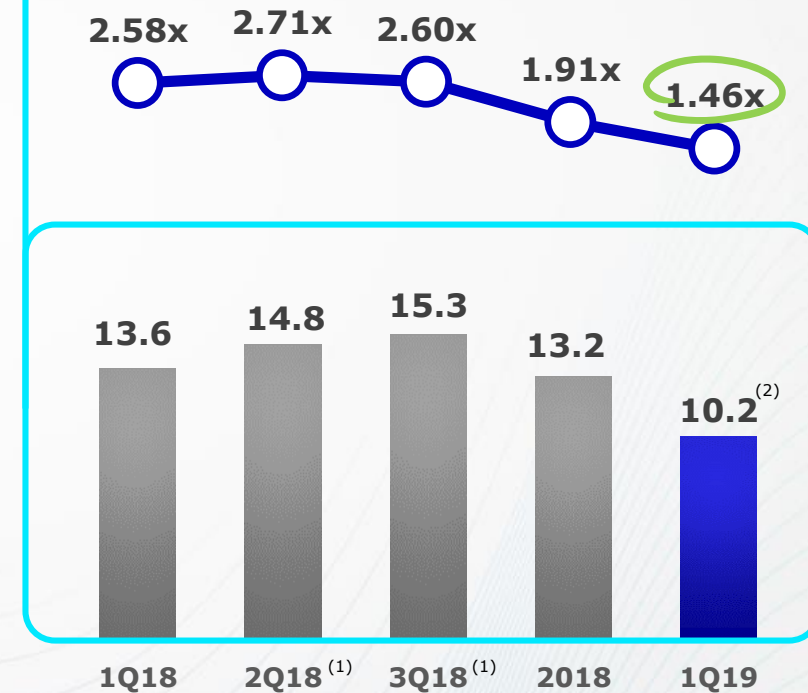
(R\$ BILLION)

## GROSS DEBT



## NET DEBT

### NET DEBT/ ADJUSTED EBITDA

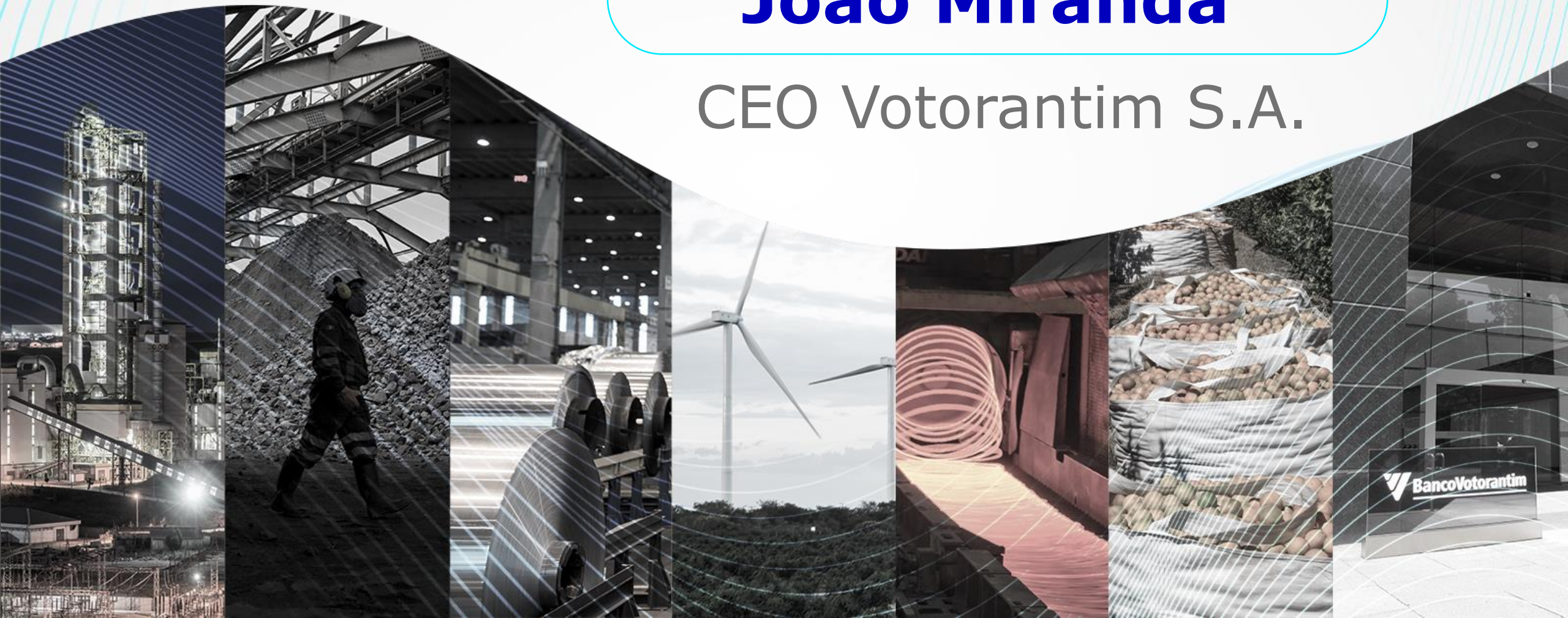


(1) Restated value  
 (2) Gross debt (R\$20.3 billion) plus Lease liabilities - IFRS16 (R\$796 million) minus Cash, cash equivalents and investments (R\$10.7 billion), minus fair value of derivative instruments (R\$167 million)



# João Miranda

CEO Votorantim S.A.



**Uncertainties and challenges** in the global scenario

**Adjusted capital structure** reflecting **investment grade** compatible metrics

Continuous **liability management** exercises

**Prudence in conducting** business and capital allocation

Investments focusing on **competitiveness and innovation**