



**Corporate
Presentation**
2Q18 Results

VOTORANTIM

100
YEARS

João Miranda

CEO Votorantim S.A.



2Q18 Consolidated Results

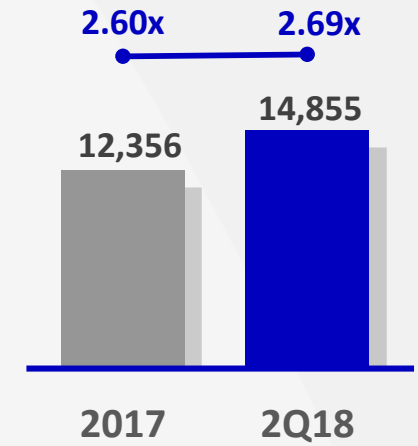
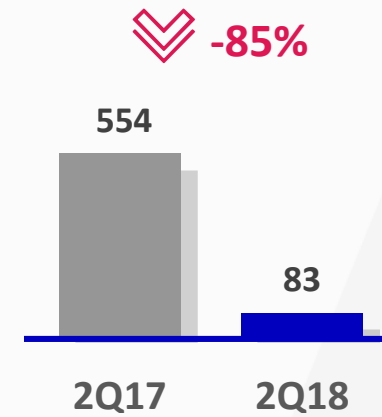
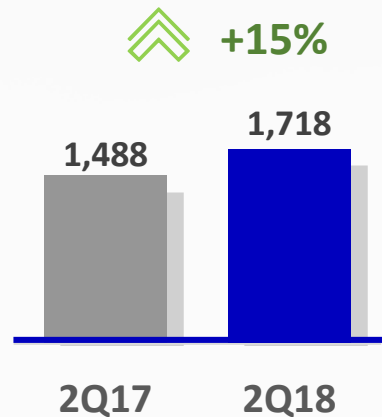
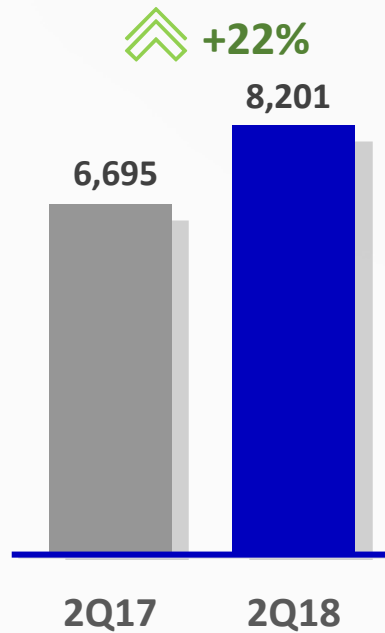
R\$ million

Net Revenues

Adjusted EBITDA

Net Income

Net Debt
Net debt/Adj. EBITDA



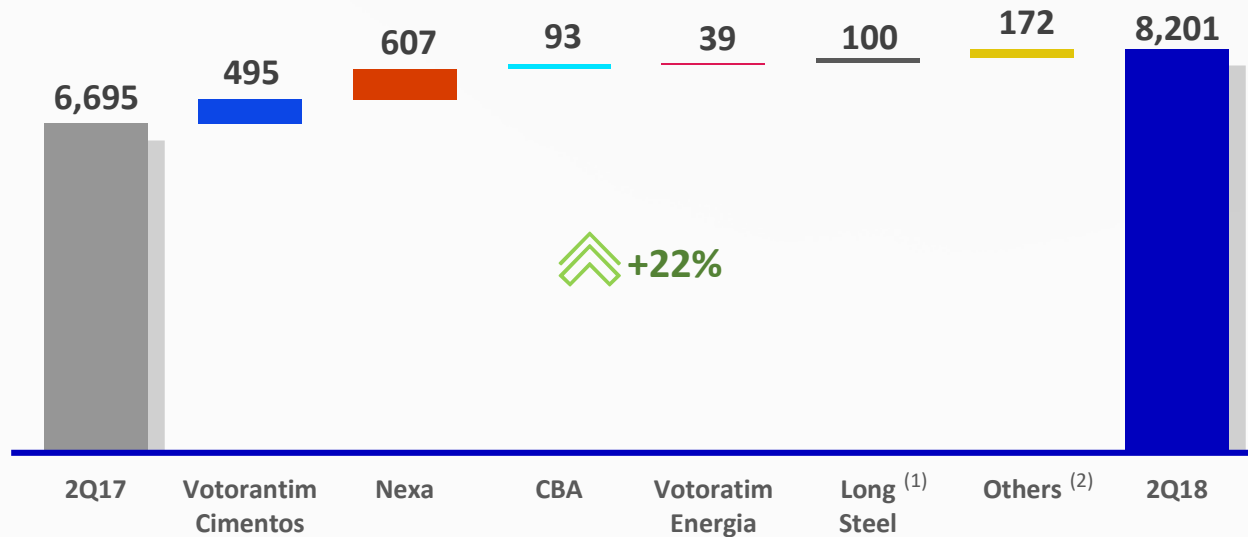
Margin

% 22 | % 21

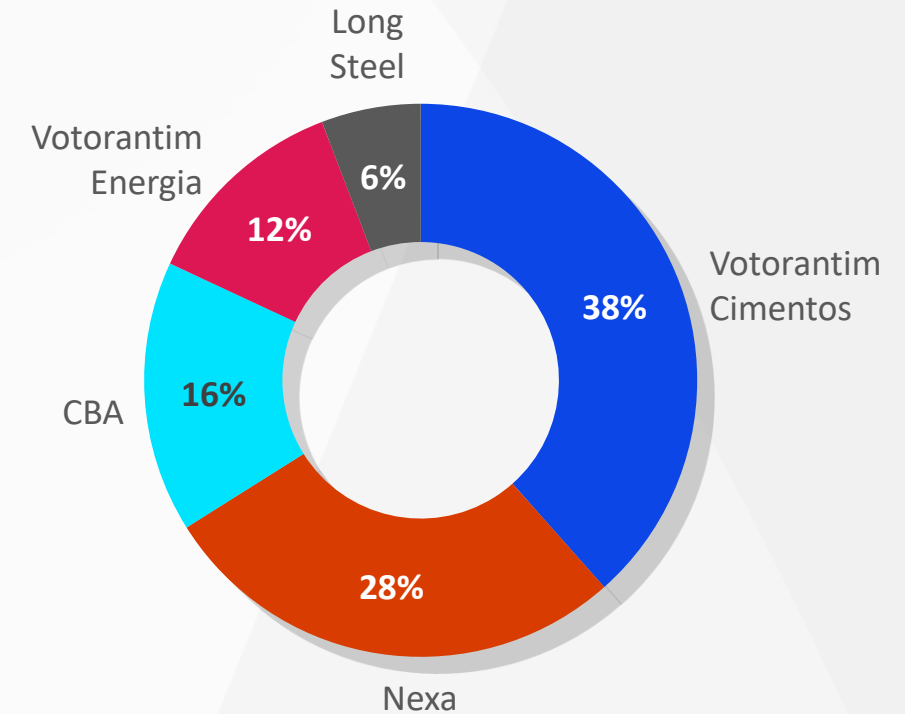
Consolidated Net Revenues

R\$ million

Evolution by Business



Breakdown by Business



Higher metals prices in LME

Higher sales volume of cement operations

US dollar appreciation on the operations abroad

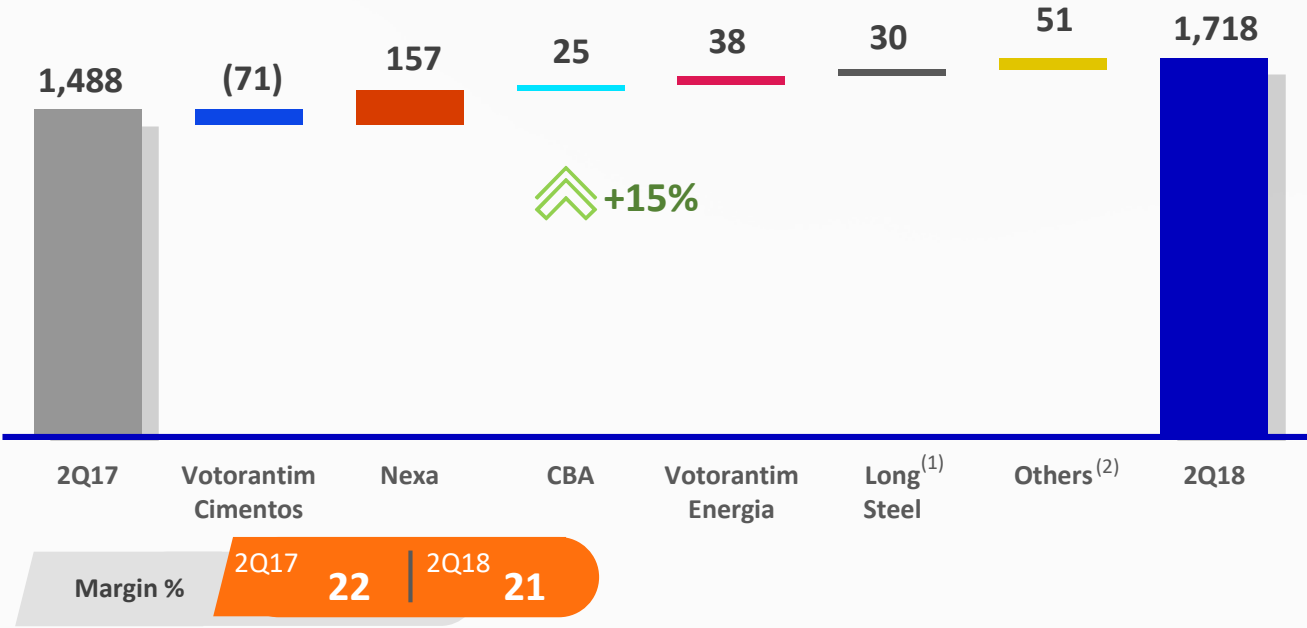
(1) Includes Argentina and Colombia

(2) Holding, eliminations and others

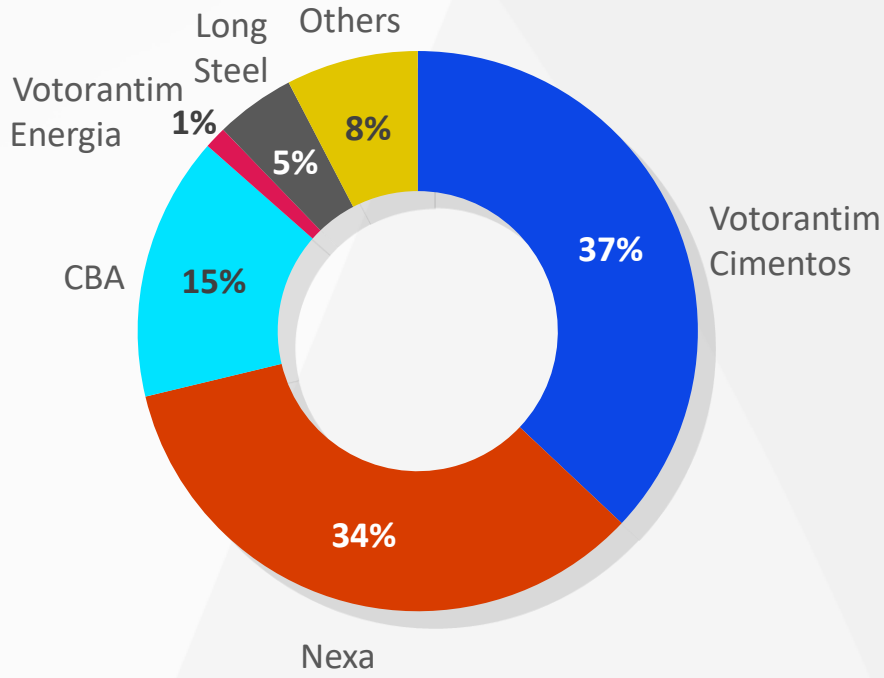
Consolidated Adjusted EBITDA

R\$ million

Evolution by Business



Breakdown by Business



(1) Includes Argentina and Colombia

(2) Holding, eliminations and others

Oswaldo Ayres

CFO Votorantim Cimentos



OPERATIONAL RESULTS



**VCBR NET REVENUES
+15% IN 2Q18
DESPITE TRUCK
DRIVERS STRIKE**

NEW CEMENT TECHNICAL STANDARD IN BRAZIL



**HIGHER LIMESTONE
FILLER CONTENT IN
PRODUCTS**

LIABILITY MANAGEMENT



**EXTENDED MATURITY
AND
LOWER COSTS**

CHARLEVOIX EXPANSION



**START UP IN JUNE/2018
ADDITIONAL 590 THOUSAND
TONS OF CAPACITY**

VCBR FOOTPRINT EXPANDED

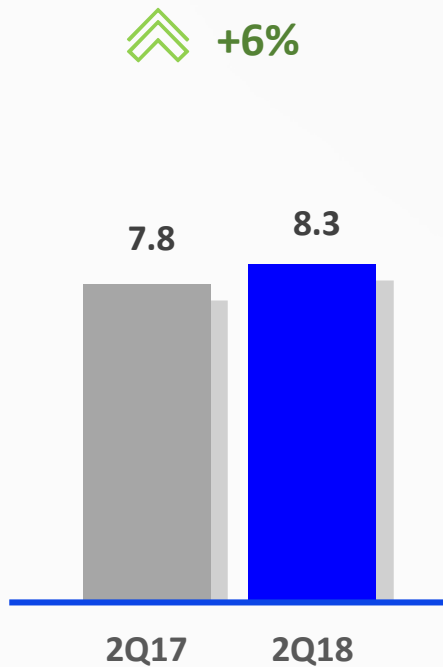


**ACQUISITION OF ASSETS
AND BUSINESS IN
AMAZONAS**

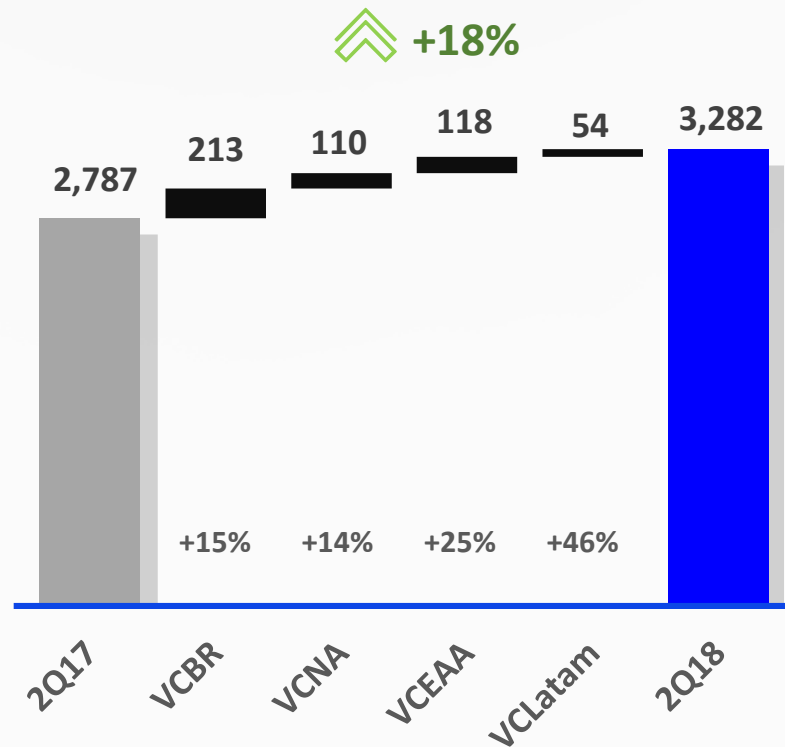
2Q18 Consolidated Result

R\$ million

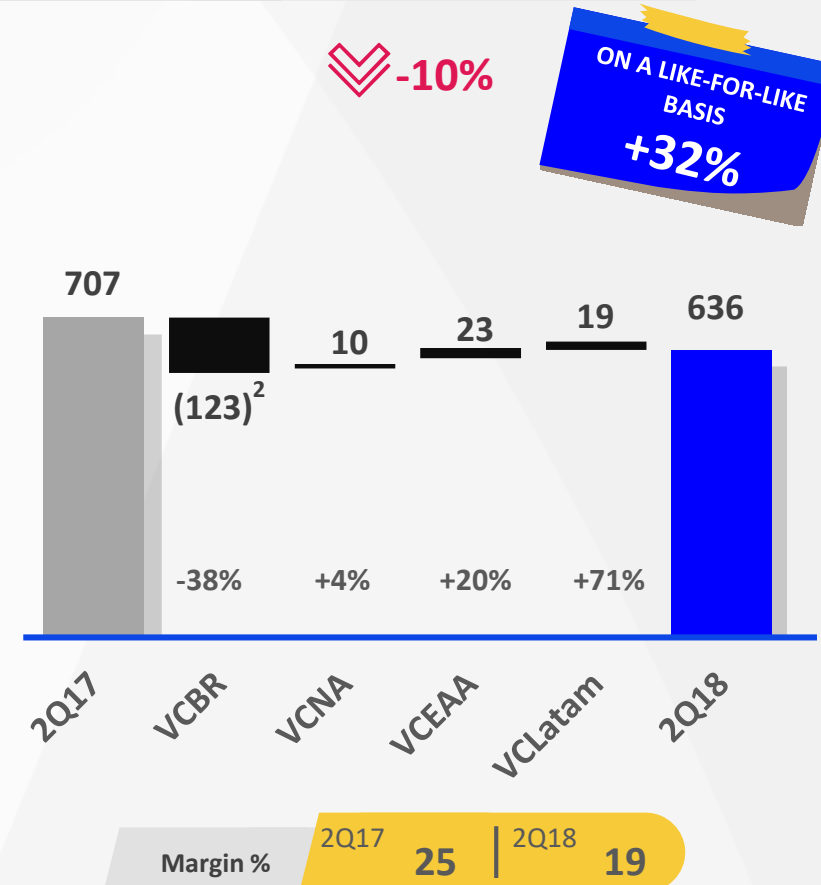
Volume (Mt)



Net Revenues⁽¹⁾



Adjusted EBITDA



(1) VCBR numbers include consolidated eliminations

(2) Considers one-off impacts which amounted to R\$ +54MM in 2Q18 and R\$ +267MM in 2Q17

Results by Region

R\$ million

	VCBR ⁽¹⁾		VCNA		VCEAA		VC Latam ⁽²⁾	
	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA	Net Revenues	Adjusted EBITDA
2Q18	1,611	199	915	255	584	138	171	44
2Q17	1,399	321	806	245	466	116	117	26

Net revenues increased by 15% due to fast rebound after strike and higher prices.
On a like-for-like basis adjusted EBITDA increased R\$ 90 million

Higher sales volume in Ontario and higher prices in US indicating growth catch up after slow start up to April/18

Higher local prices in all countries offsetting higher fuel and power costs, resulting in stable EBITDA margin (24%)

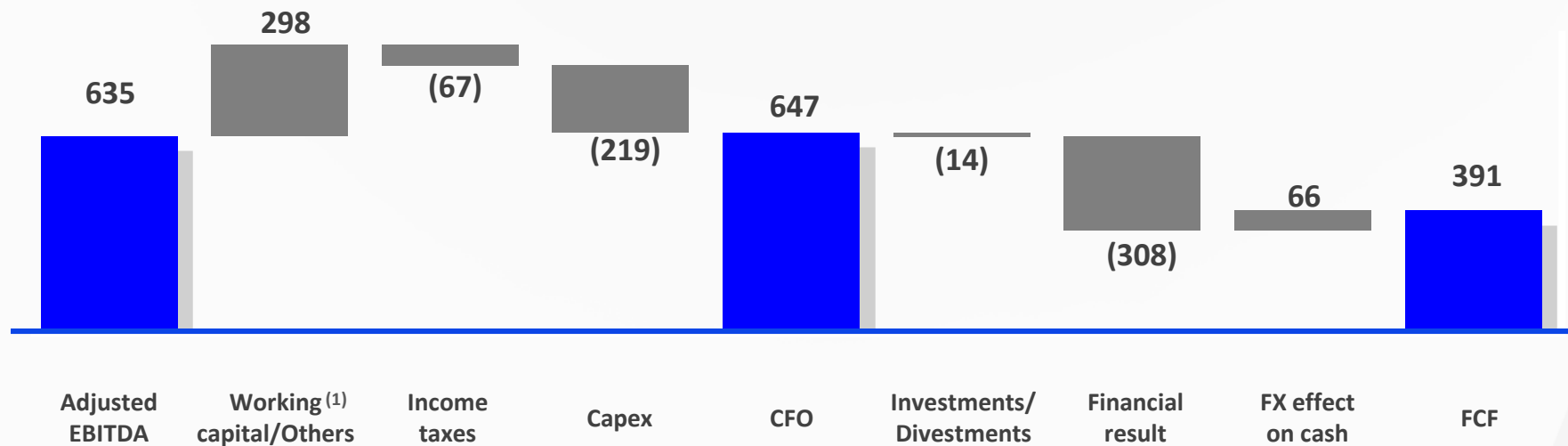
Stronger adjusted EBITDA margin (26%) due to higher sales volume in Uruguay and Bolivia ramp-up

(1) VCBR numbers include eliminations
(2) Argentina: consolidated through equity method

Cash Generation

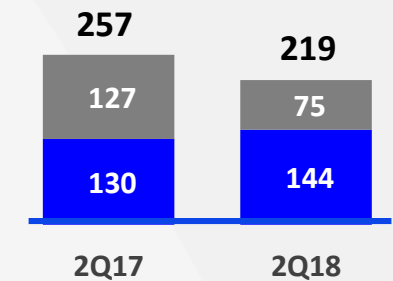
R\$ million

Free Cash Flow 2Q18



Capex

-15%



■ Expansion ■ Non expansion

Working capital

Seasonality impact on 1Q18 partially recovered in 2Q18, mainly at VCBR and VCNA

Financial results

Lower interest expenses (-8% YoY) as a result of Liability Management strategy

CAPEX

BRL 38MM reduction despite FX benefiting FCF

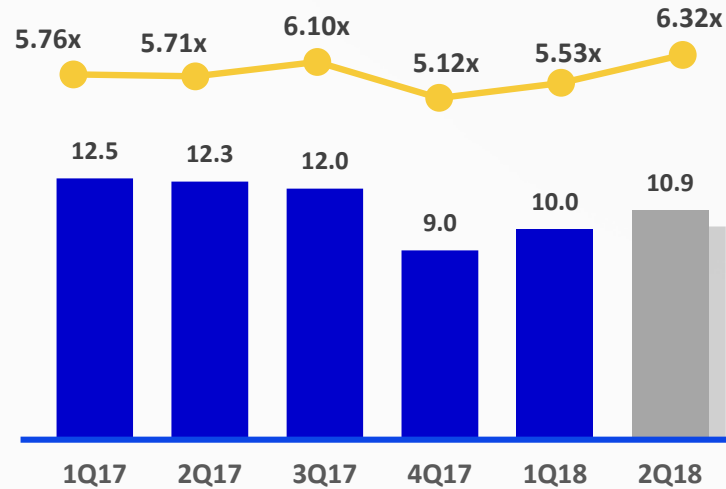
(1) Others: items that do not represent changes in cash

Liquidity Position and Debt Amortization Profile

R\$ billion

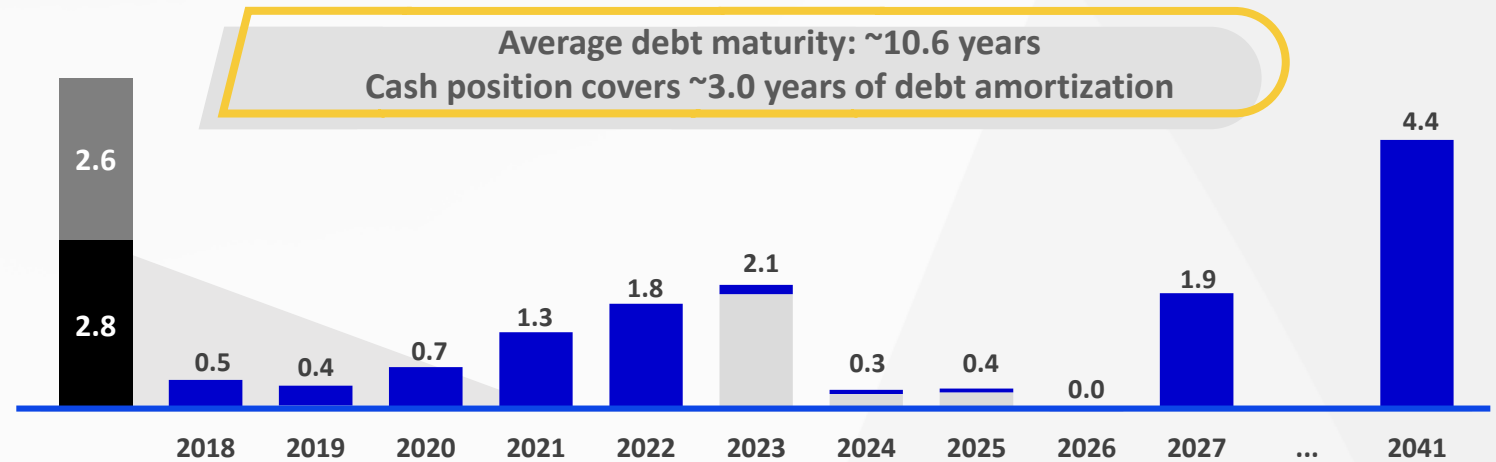
Net Debt⁽¹⁾⁽²⁾

Net Debt / Adjusted EBITDA



Debt Amortization Schedule

Revolving Credit Facilities⁽³⁾ Cash BRL (20%) Foreign Currencies (80%)



Leverage

2Q18 ratio negatively impacted by FX and LTM Adj. EBITDA one-offs

Faster deleverage expected going forward as a result of operational performance and financial discipline

Local Liability Management

R\$1,315 million of gross debt payments up to 2Q18⁽⁴⁾ combined with cost reduction and extended amortization schedule

(1) Net debt includes MTM from 4131 loans

(2) 2017 ratios of 1Q, 2Q and 3Q restated considering assets sales (Florida and China)

(3) VCSA revolving credit facility of US\$700 million due in 2020. In addition, does not consider VCNA revolving facility of US\$230 million due in 2020

(4) Net amount of borrowings and amortizations

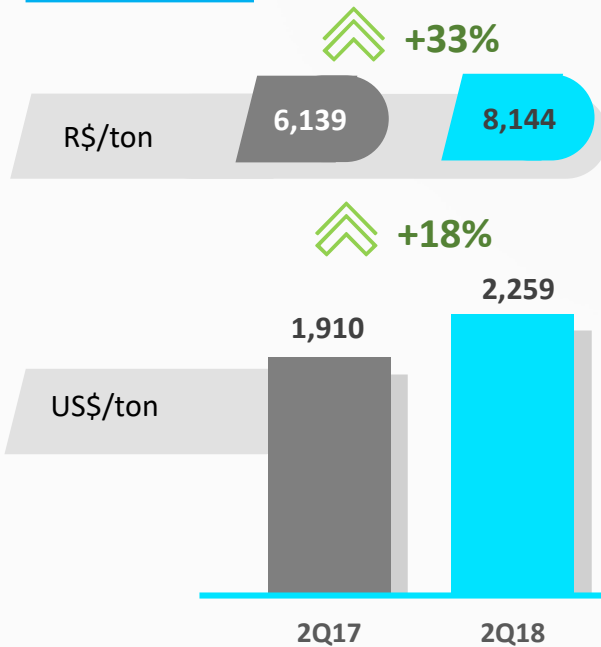


Luciano Alves

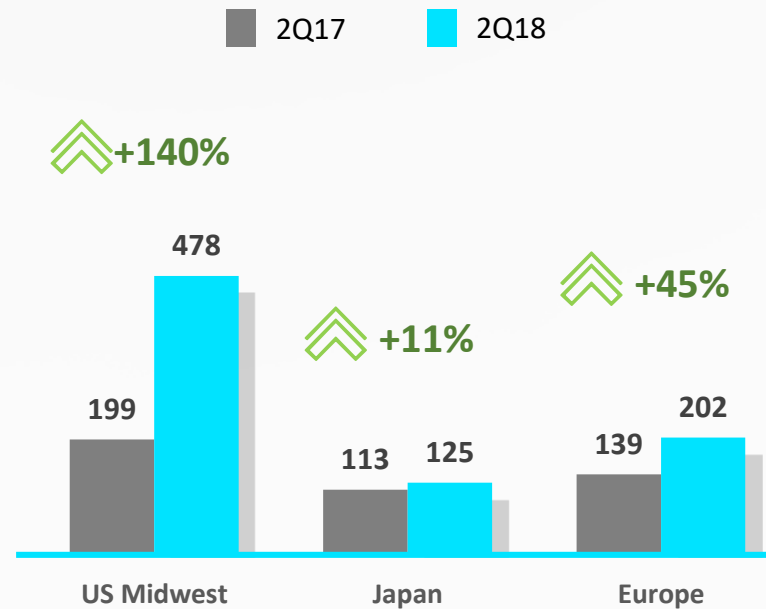
CFO CBA

Market fundamentals

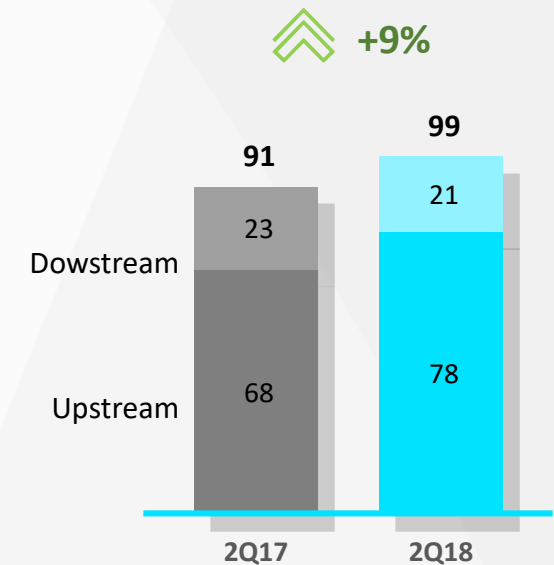
LME Price⁽¹⁾



Regional Ingot Premiums (US\$/ton)⁽²⁾



Aluminum Sales Volume (ktons)



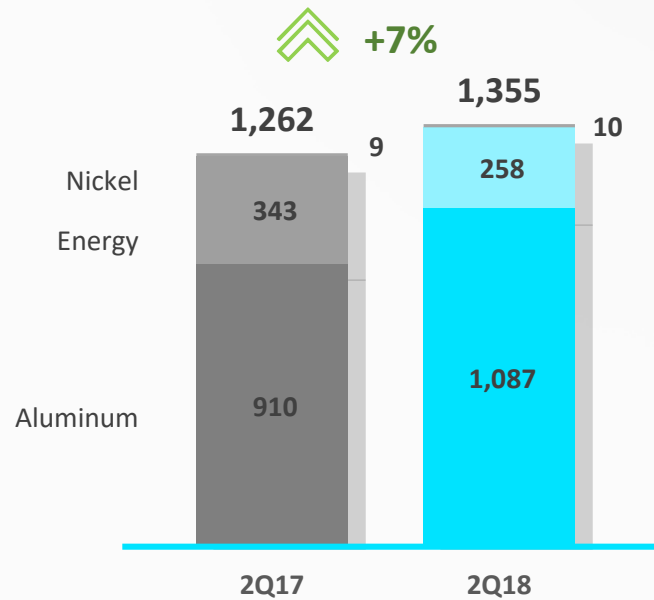
Rusal sanctions, US tariffs, declines on global inventories and higher deficit in primary aluminum balance **increased market uncertainty**

Focus on **strategic markets** guaranteed **sales volume increase**

Operational Results

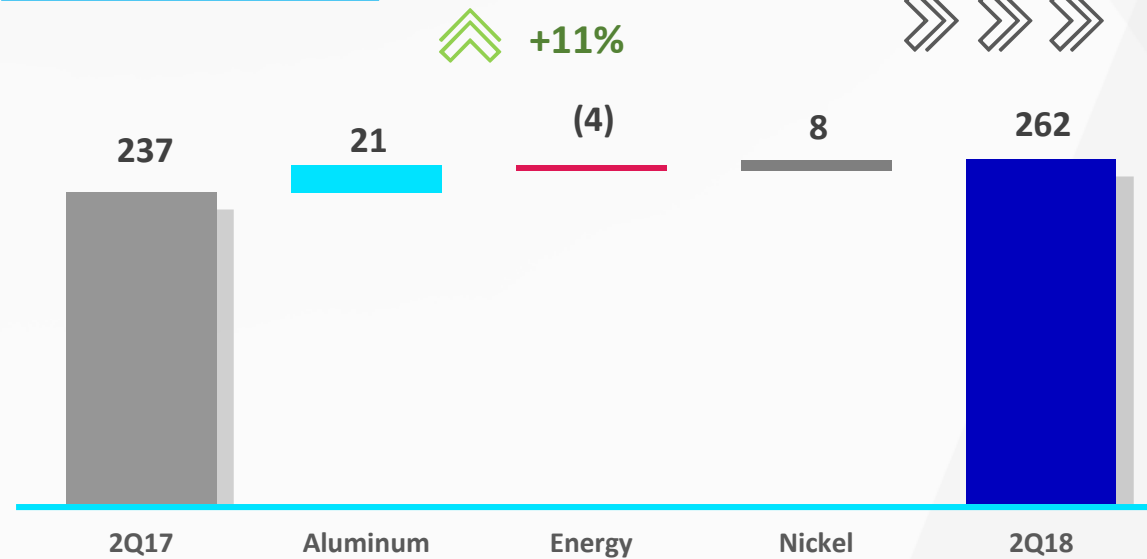
R\$ million

Net revenues⁽¹⁾

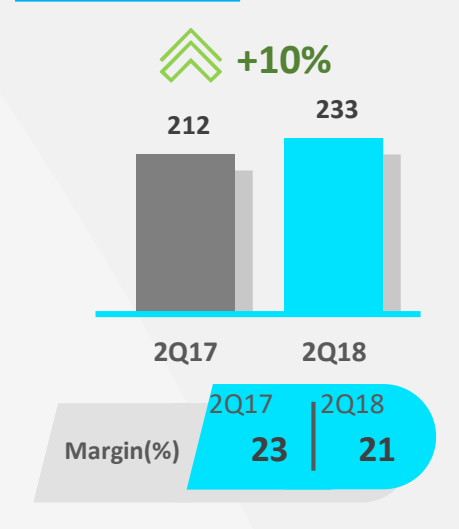


Adjusted EBITDA

CBA Consolidated⁽¹⁾



Aluminum

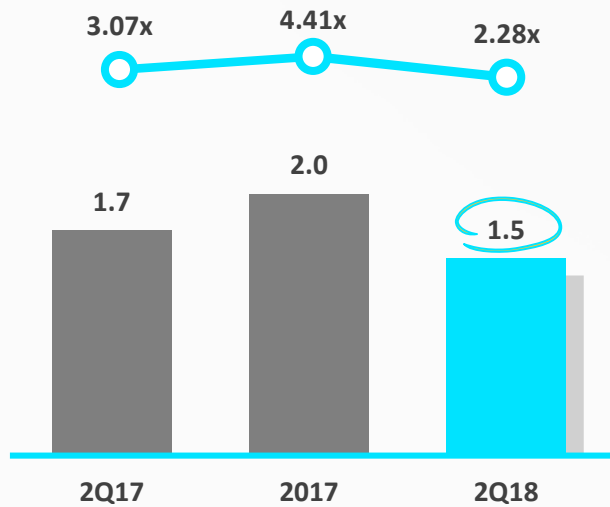


Focus on **cost reduction** and **operational efficiency**, along with **favorable market conditions**, positively affected results, despite **increased raw material costs** and **national truck drivers' strike** negative impacts.

Liquidity Position and Debt Amortization Profile

R\$ billion

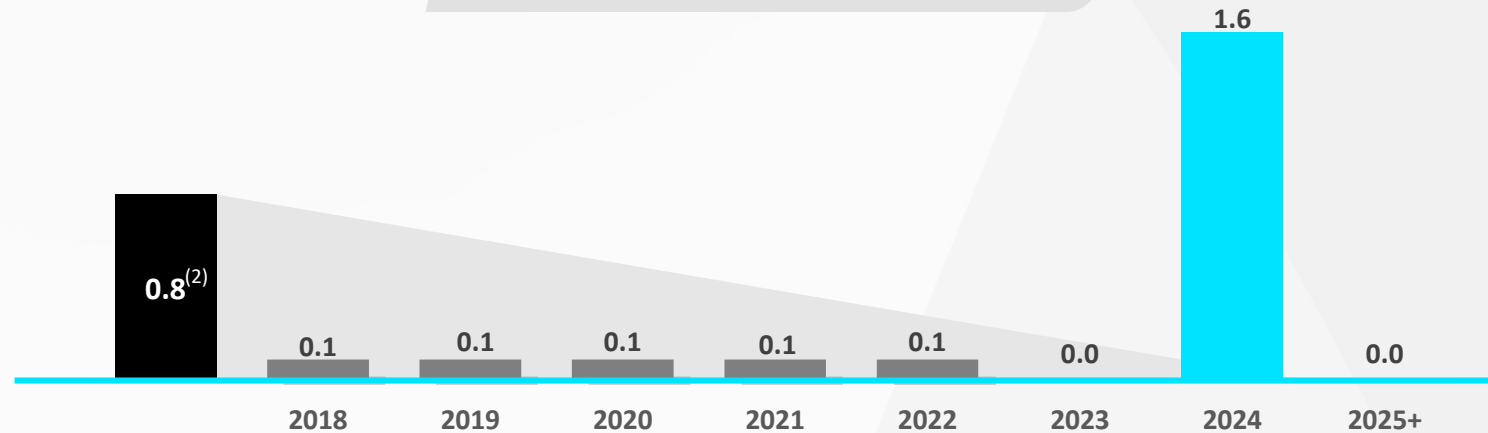
Net Debt / Adjusted EBITDA Net Debt



Debt Amortization Schedule

■ Cash ■ BRL (28%) ■ Foreign Currency (72%)

Average debt maturity: 4.9 years



Improved operational performance and capital reduction⁽¹⁾ led to deleverage

Strong liquidity and comfortable debt maturity profile

(1) R\$ 687 mm capital reduction occurred on April/18, which included (i) transfer of related party assets and liabilities, (ii) cash transfer of R\$ 206 mm, and (iii) transfer of 2021 bonds of R\$ 836 mm
 (2) CBA is able to borrow under VSA's US\$ 500 million revolving credit facility which matures on 2020

Raul Cadena

CFO Votorantim Energia



Joint Venture between VE and CPPIB

JV structure



50%

50%

Joint Venture

⚡ Ventos do Piauí I

Capacity	206MW
Assured energy	106MWavg
Wind farms	7
Local	PI

⚡ Ventos do Araripe III

Capacity	358MW
Assured energy	179MWavg
Wind farms	14
Local	PI/CE

Highlights

Renewable energy platform with **564MW** of installed capacity in **two operational wind complexes**

Strong partnership, with focus on **long term investments**, enabling VE to **expand its investment capacity** and **accelerate its growth plan** on power generation

After the closing (May 2018), **50% participation** in JV **recognized by equity method**

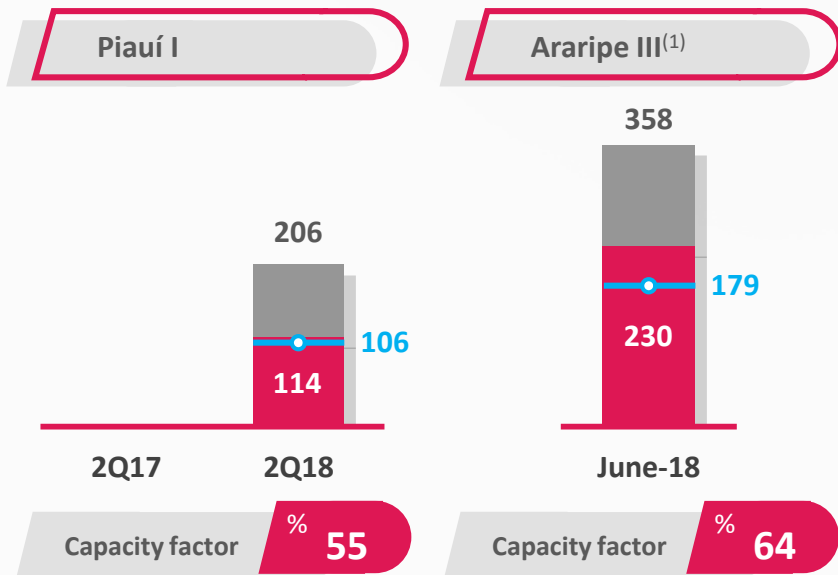
Operational performance and sales



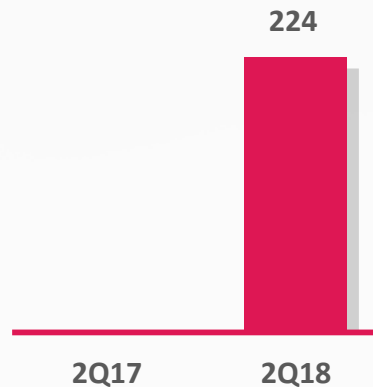
Power Generation (JV)

Generation (MWavg)

■ Generation ■ Installed capacity (MW) — Assured energy

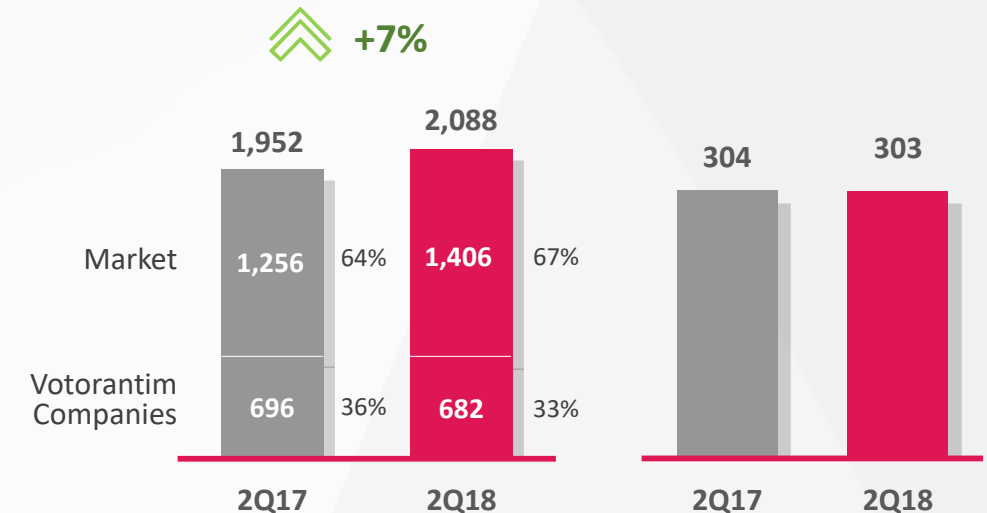


Price⁽²⁾ (R\$/MWh)

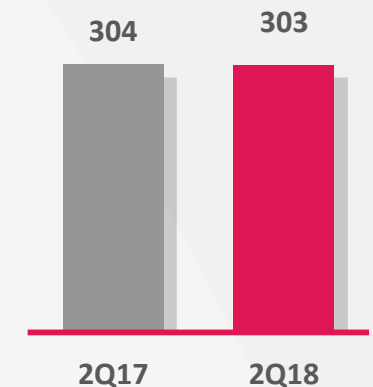


Energy trading

Sales volume (MWavg)



Spot Price⁽³⁾ (R\$/MWh)



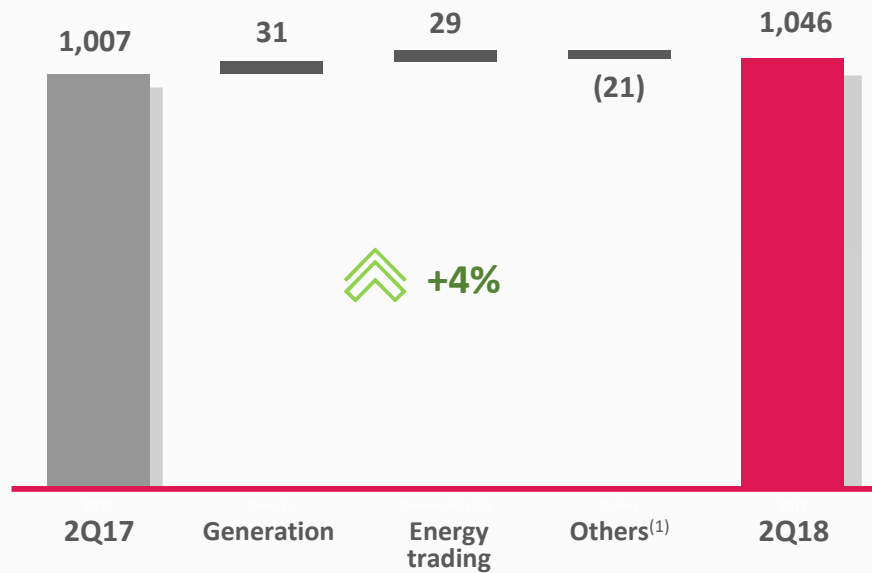
Generation – **acquisition of Araripe III** at end of May and **energy generation increasing** in 2Q18 with the end of low wind season

Energy trading – increase in sales volume mainly due to **external customers sales growth**

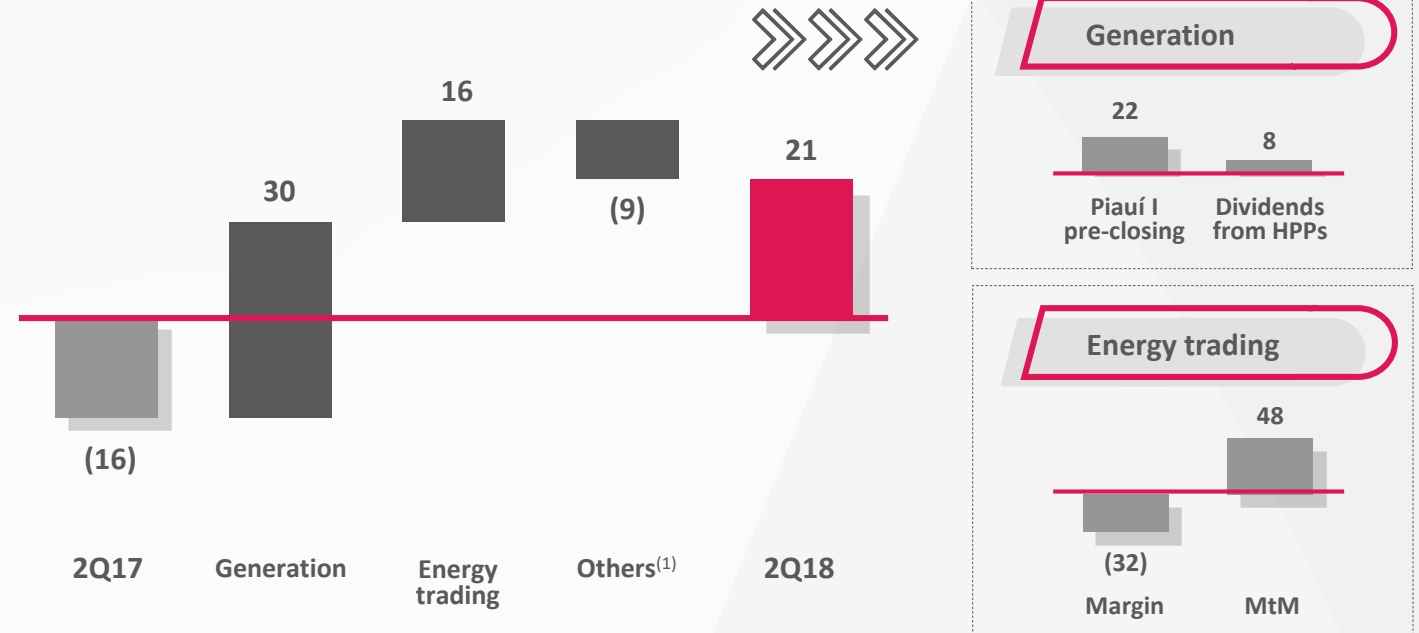
Votorantim Energia consolidated results

R\$ million

Net revenues



Adjusted EBITDA



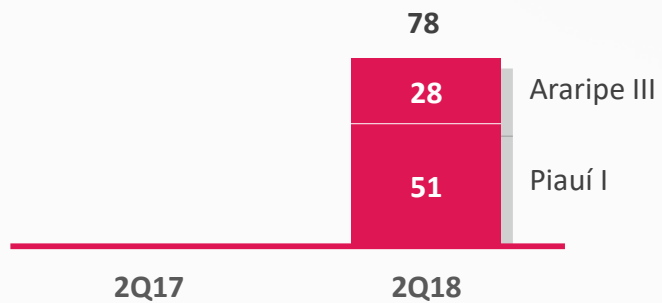
Generation – **partial results from Ventos do Piauí I** (before the closing) and **dividends received from stake in HPPs**

Energy trading – **non-cash effect of mark-to-market** positively impacted adjusted EBITDA

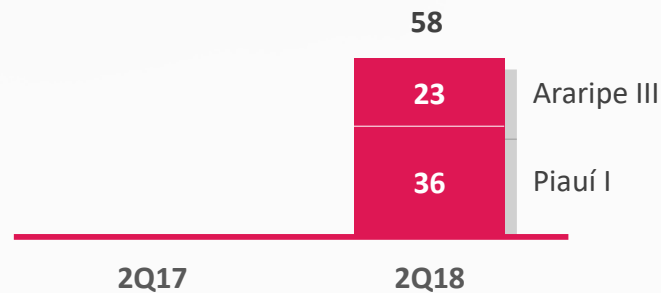
JV VE-CPPIB – Investee Company

R\$ million

Net revenues



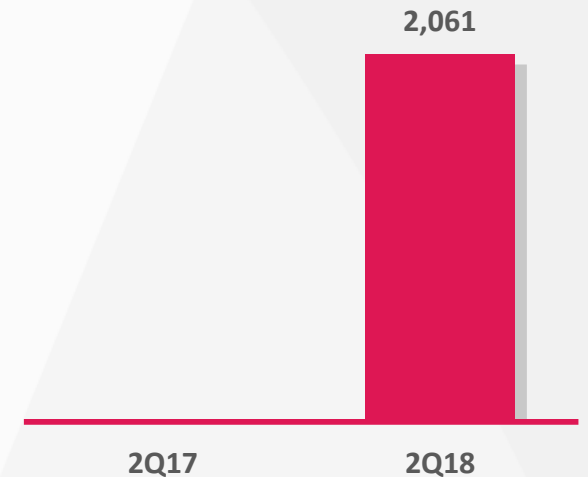
Adjusted EBITDA



Margin

% — | % 74

Net Debt



Conclusion of the **joint venture with CPPIB** and **acquisition of Ventos do Araripe III** at the end of May 2018

Sergio Malacrida

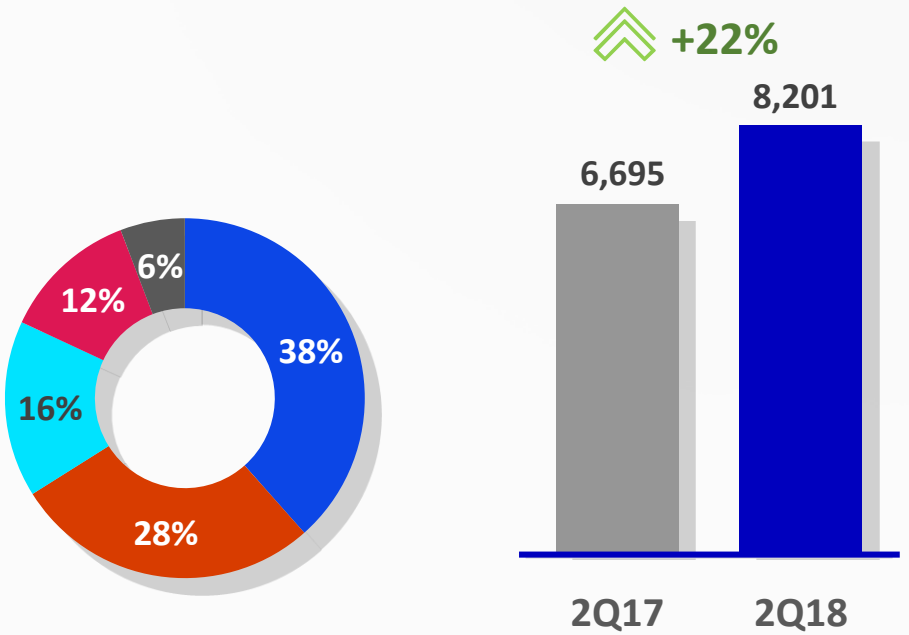
CFO Votorantim S.A.



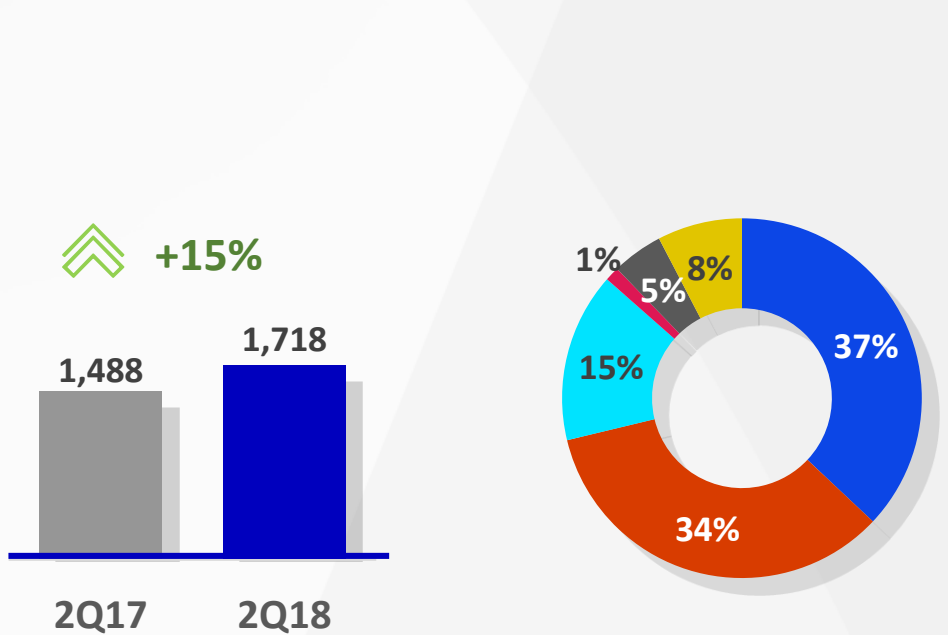
2Q18 Results by Business

R\$ million

Net Revenues



Adjusted EBITDA



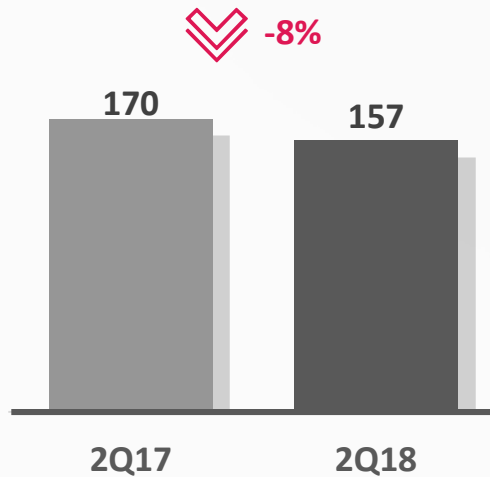
- Votorantim Cimentos
- Nexa
- CBA
- Votorantim Energia
- Long Steel⁽¹⁾
- Others⁽²⁾

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

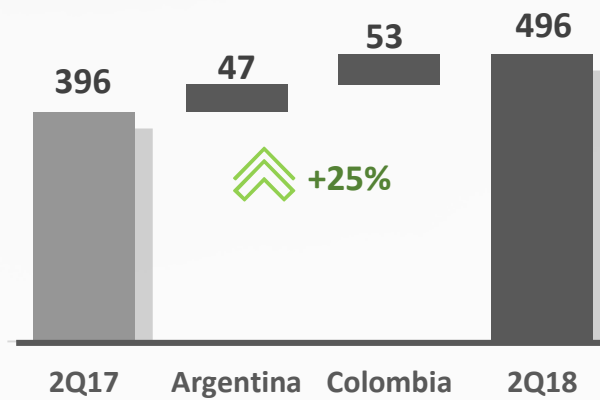
Long Steel – Argentina and Colombia

R\$ million

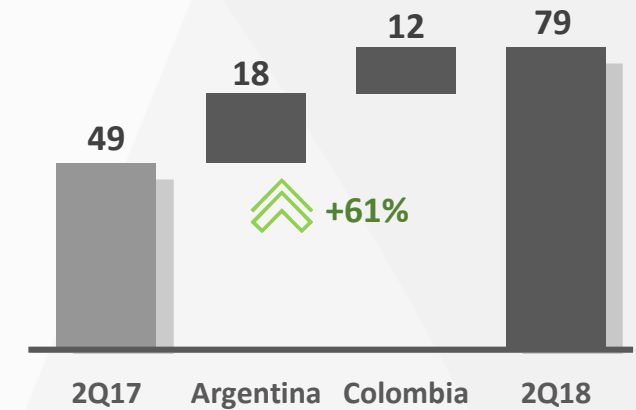
Volume (kton)



Net Revenues



Adjusted EBITDA



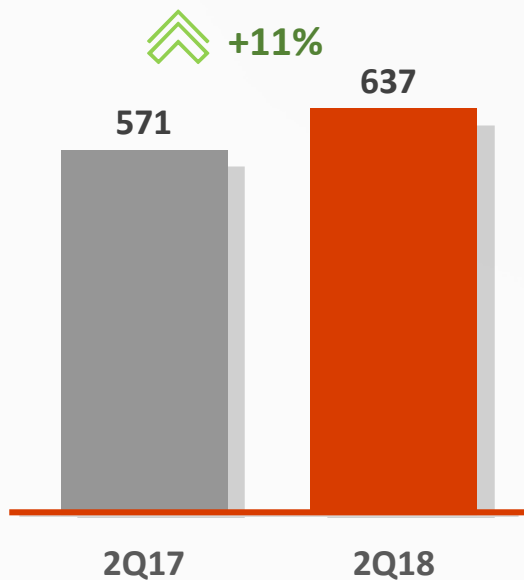
Margin % 2Q17 12 | 2Q18 16

Argentina: higher sales volume and prices, following the exchange rate fluctuation of the US dollar

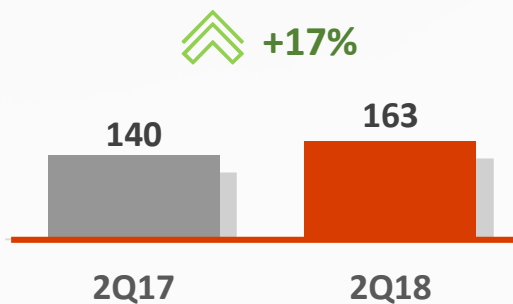
Colombia: higher prices and sale of mining certificates

US\$ million

Net Revenues



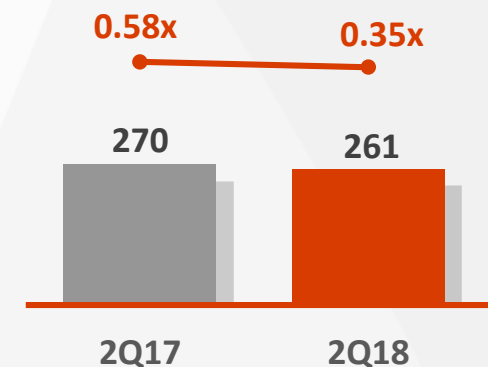
Adjusted EBITDA



Margin %

Period	Margin %
2Q17	24
2Q18	26

Net Debt Net debt/adjusted EBITDA



Higher metals prices in LME: zinc +20%, copper +21% and lead +11%

Solid cash generation

Other Investee Companies



Adjusted EBITDA
(R\$ million)

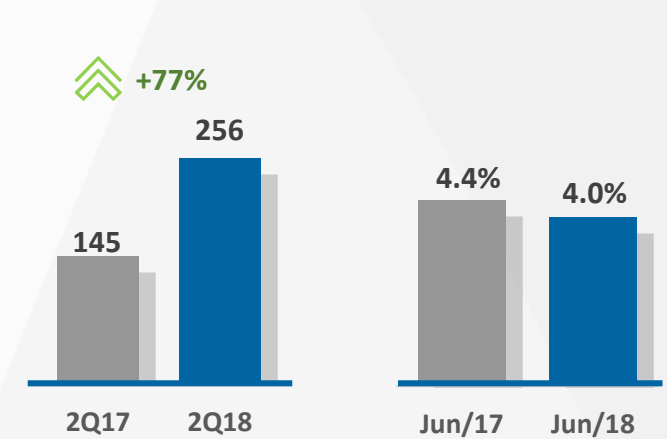
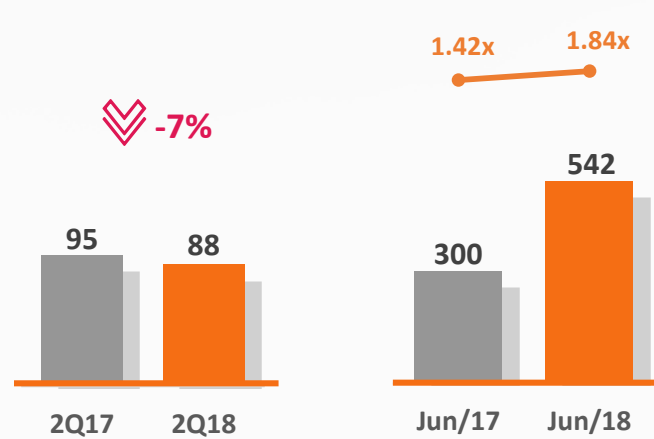
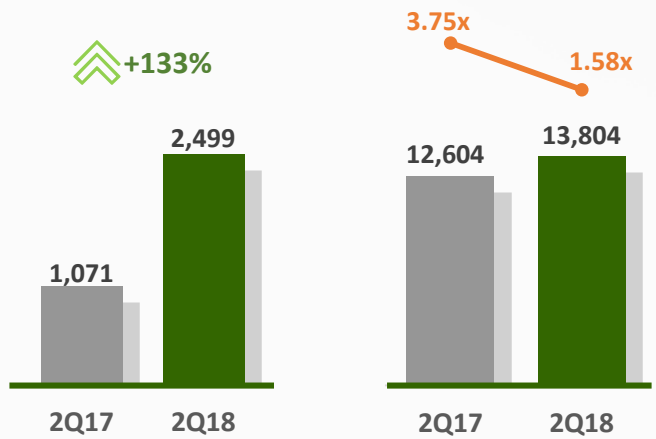
Net Debt (R\$ million)
Net Debt/Adj. EBITDA
(US\$)

Adjusted EBITDA
(US\$ million)

Net Debt
Net Debt/Adj. EBITDA
(US\$ million)

Net Income
(R\$ million)

Consolidated
Delinquency



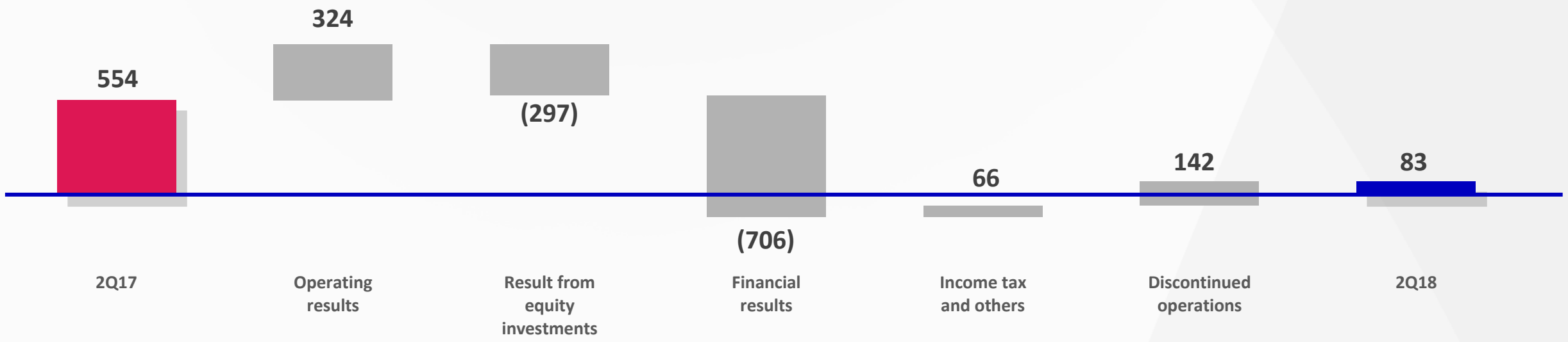
Margin ⁽¹⁾ % 45 | % 58

Margin % 26 | % 25

(1) Calculation excludes pulp sales from agreement with Klabin

Consolidated Net Income

R\$ million



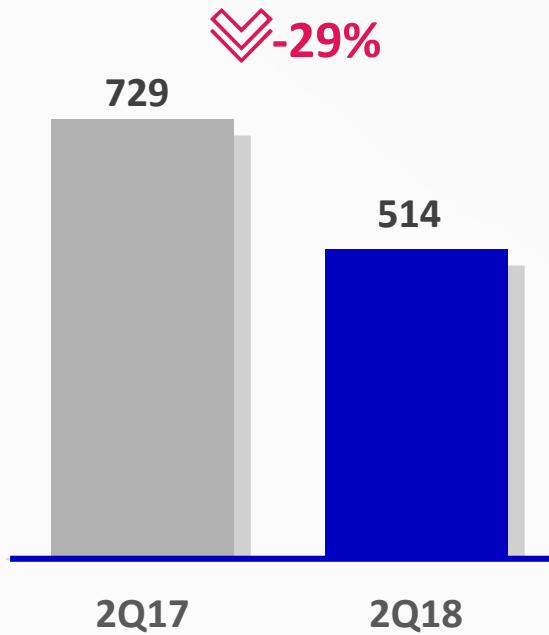
Operating results positively impacted mainly by improved metals prices and higher sales volume and prices in cement operations

Financial results negatively impacted by the depreciation of the Brazilian real

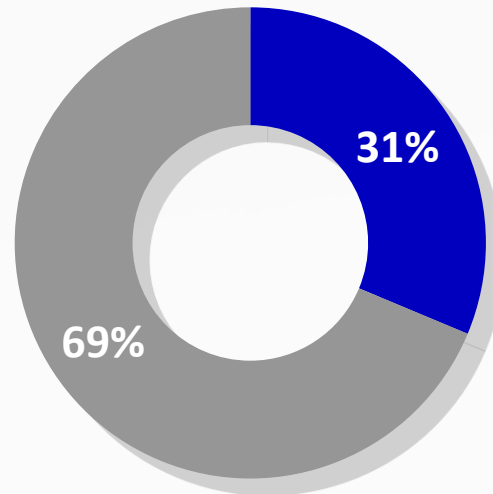
2Q18 Investments

R\$ million

Capex

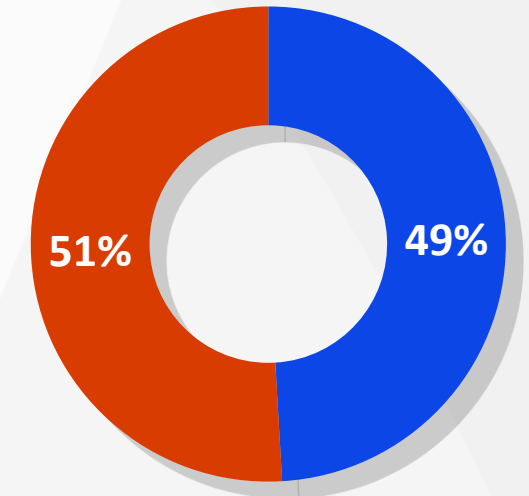


Breakdown



Expansion Non Expansion

Expansion Capex



Votorantim Cimentos Nexa

Cash Generation

R\$ million

Operational | Free

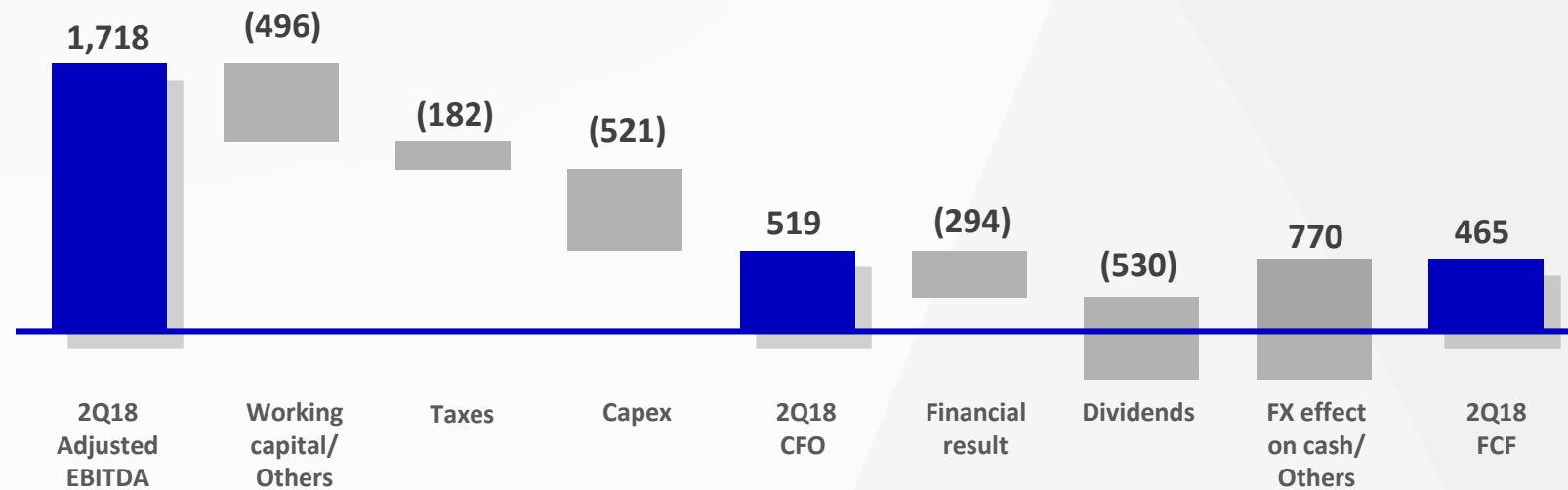
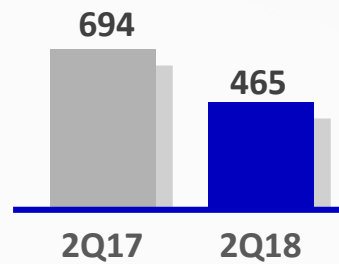
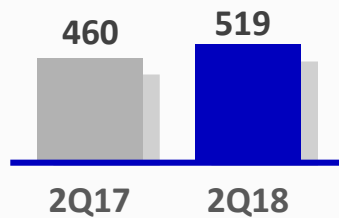
Free Cash Flow Generation

CFO

FCF

+13%

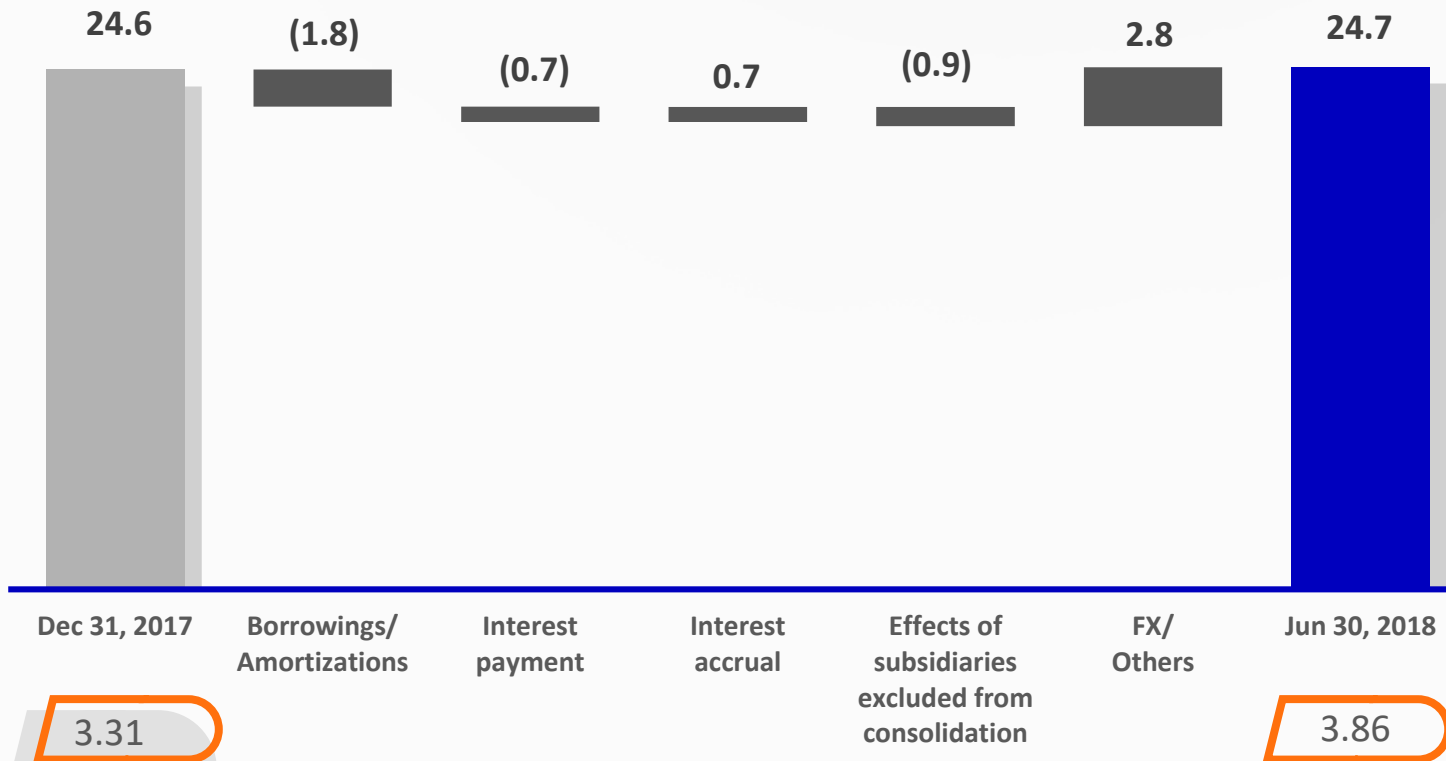
-33%



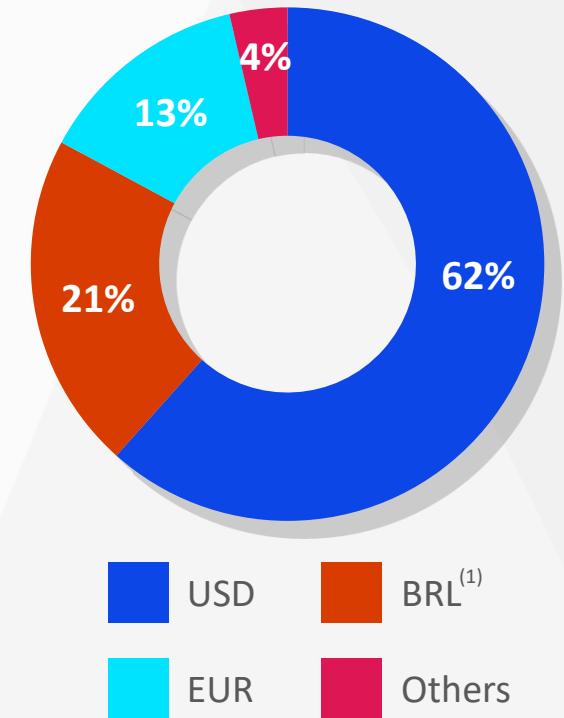
Consolidated Gross Debt

R\$ billion

Gross Debt



Debt by Currency



3.31

FX

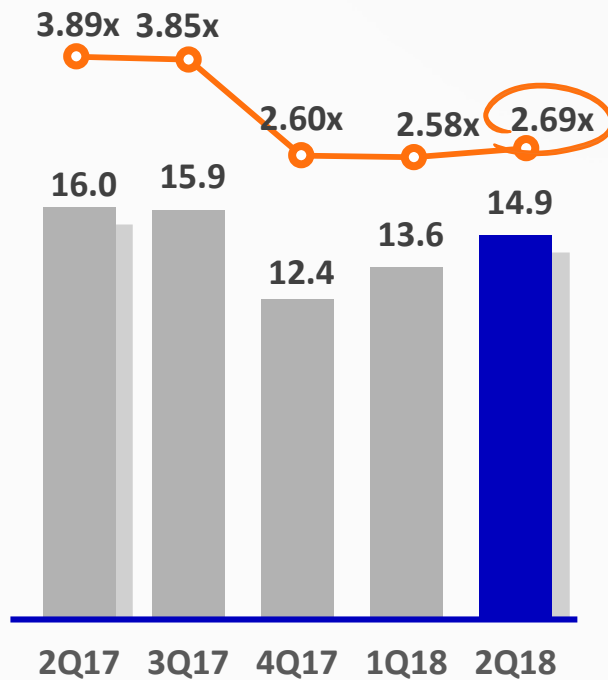
3.86

Liquidity Position and Debt Amortization Profile

R\$ billion

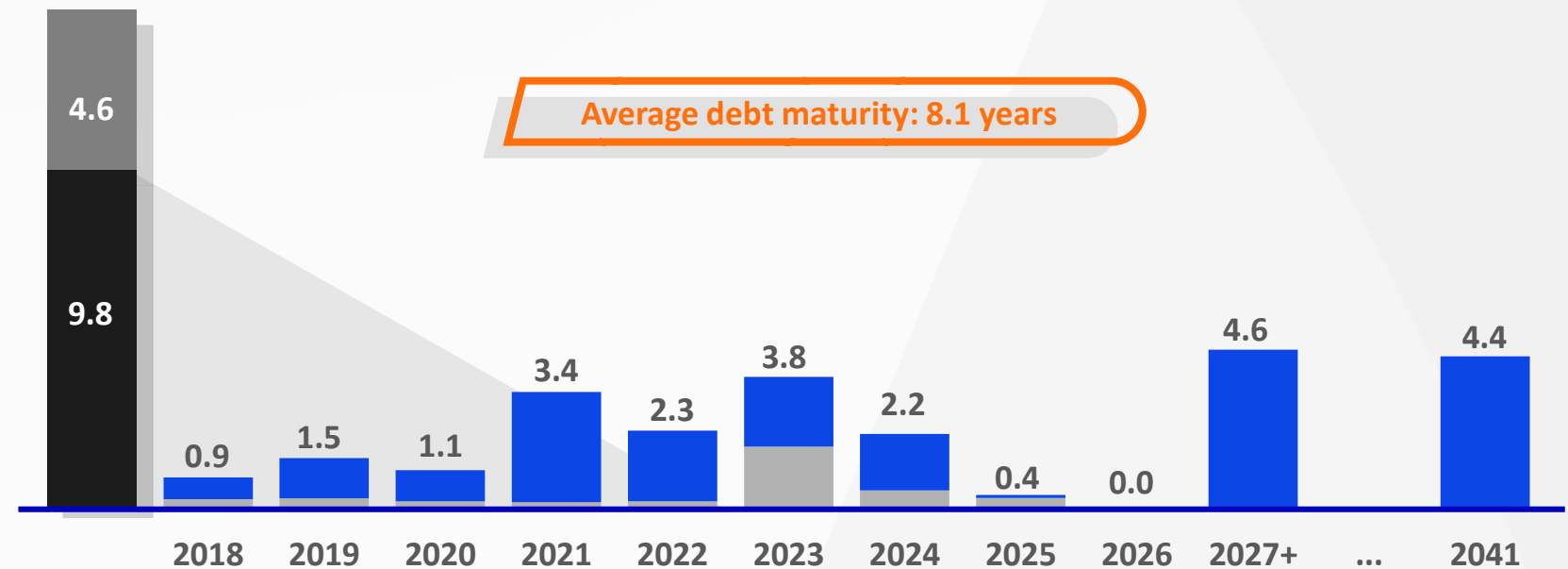
Net Debt

Net Debt / Adjusted EBITDA



Debt Amortization Schedule

■ Revolving Credit Facilities ■ Cash ■ BRL (21%) ■ Foreign currencies (79%)



João Miranda

CEO Votorantim S.A.



Closing Remarks

Prepared to go through the Brazilian political and economic instability

Prudence and discipline in conducting businesses to achieve solid results

Leverage on target by year end

Strong liquidity position

Patient capital allocation