



Companhia Siderúrgica Nacional



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Steel



Mining



Cement



Logistics



Energy

Earnings Presentation– 1Q20

May 15th, 2020

EFFORTS AGAINST COVID-19

CSN is funding part of the costs of the Hospital of Campaign, built by the Volta Redonda Cityl. at the Raulino de Oliveira Soccer Stadium. The Hospital has 114 beds of medium complexity and is considered fundamental by the city to avoid overloading the public health system.

Donation of 500 thousand fabric masks to cities and regions in which CSN has operating units: Volta Redonda, Barra Mansa, Porto Real, Pirai and Itaguaí (RJ), Congonhas, Conselheiro Lafaiete and Arcos (MG), Ariquemes and Itapuã do Oeste (RO), Araucária (PR) and Mogi das Cruzes (SP). Materials are being delivered to the municipal health departments and will contribute to the prevention of Covid-19.

Donation of 50.000 basic food baskets to the CSN community. including employees who need support during the pandemic, as well as needy institutions in the regions where the company operates.

Preventive actions implemented in its units. CSN is adopting several measures to combat Covid-19. Maintaining social distancing and ensuring the safety and health of its employees, through the use of masks, reinforcement of the cleaning crew, availability of hand sanitizing products, suspension of travel and face-to-face meetings, increasing lunch schedule to maintain social distancing, and reducing bus occupancy by 50% in some units, among other actions.



Somos **aço**, somos **minério**, somos **logística**,
somos **energia**, somos **cimento**, somos **CSN**.



1

**Improving
Operational
Results**

1 Strong operating cash flow of R\$506MM, despite the impact of rain on mining operations

2

**Reprofilng
Financial
Liabilities**

2 New US\$1.0 Billion bond issuance due 2028 and coupon of 6.75% providing improved liquidity and debt profile

3

**Acceleration of
Deleveraging**

3 Increase in leverage with currency deval, offset by growth in export earnings



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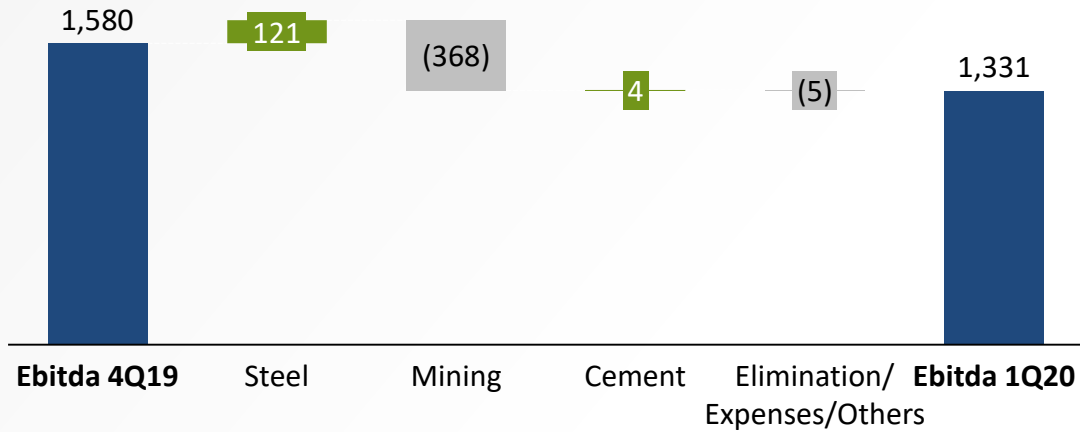


Energy

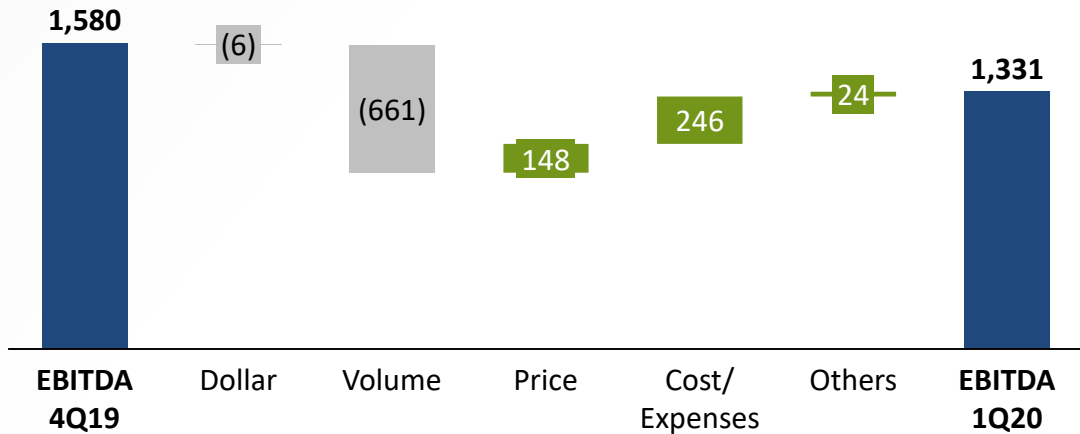
Consolidated Operational & Financial Indicators

ADJUSTED EBITDA EVOLUTION IN 1Q20

EBITDA by Segment (R\$MM)

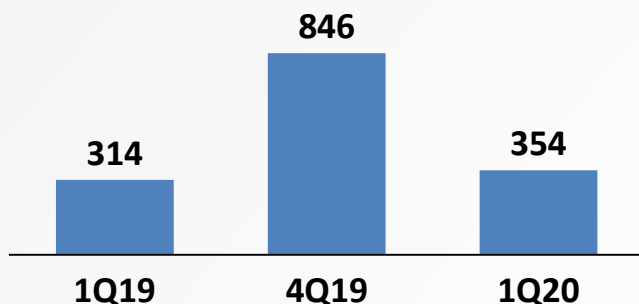


Impact Consolidated EBITDA (R\$MM)

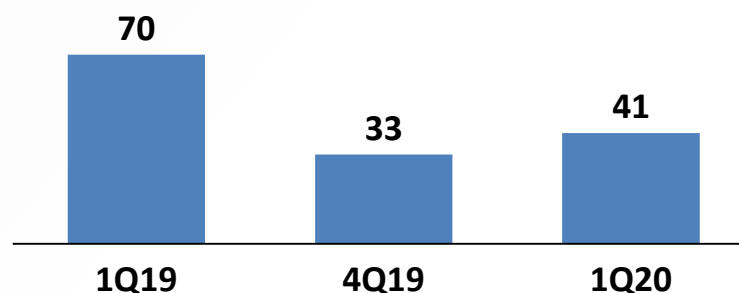


FINANCIAL INDICATORS

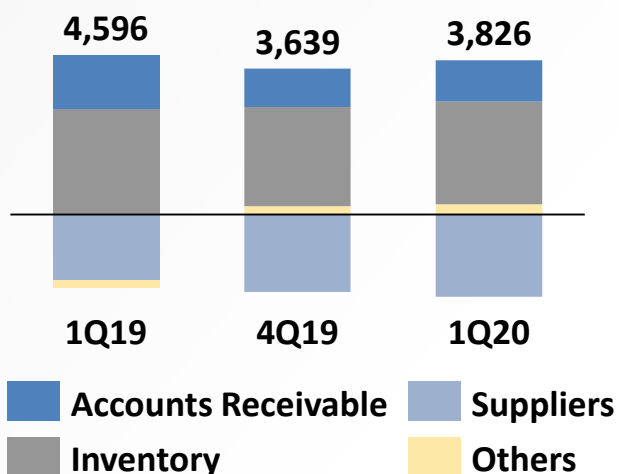
Capex - R\$MM



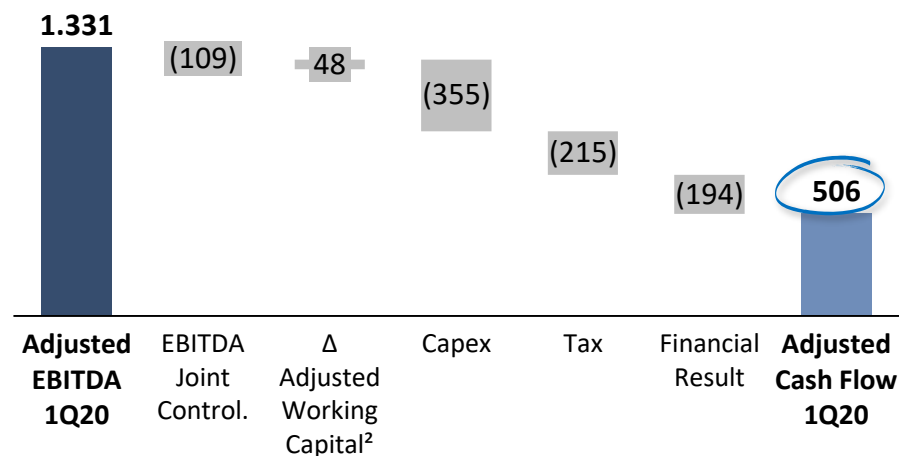
Financial Cycle - days



Net Working Capital – R\$MM



Adjusted Cash Flow¹ – R\$MM



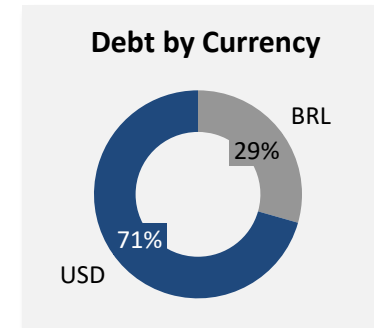
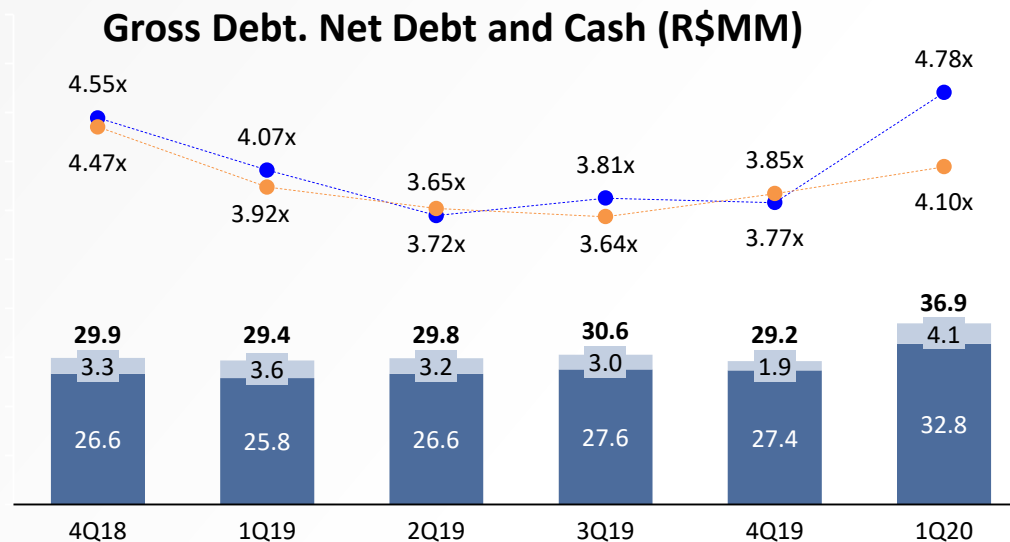
¹ Adjusted free cash flow is calculated from adjusted EBITDA less EBITDA of joint ventures. Capex, Income tax, financial result and variation of working capital¹, excluding the impact of Glencore's prepay.

² Adjusted Working Capital comprises the variation in NWC (-R\$ 187 million), plus variation in long-term asset and liability accounts (+ R\$ 192 million, mainly reclassification of PIS / COFINS credits). and adjusted by following non-cash launches in the period: (i) Receipt of Property in Payment (-R\$ 61 million), and (ii) Recognition of Tax Credits (+ R\$ 104 million).

LEVERAGE AND LIQUIDITY

The accelerated devaluation of the Real at the end of the quarter increased the one-off impact on leverage

Gross Debt, Net Debt and Cash (R\$MM)



● Net Debt/EBITDA (R\$)¹
● Net Debt/EBITDA (US\$)¹
 Cash equivalents (R\$ Bi)
 Net Debt (R\$ Bi)

Dollar Sensitivity

For 2020E, each \uparrow R\$/US\$0.20² results in \downarrow **0.15x** in Net Debt/EBITDA.

Medium-Term Leverage Targets (2021 YE) :

- ✓ Absolute Net Debt: <R\$23 Bn
- ✓ Net Debt/EBITDA: <3.0x

¹Net Debt / EBITDA: For debt it considers the final dollar of each period and for net debt and EBITDA the average of the dollar.

²Consider the average dollar equal to the final dollar of Apr-Dec/20

CSN continues to carry initiatives to extend its average debt duration and increase liquidity

Initiatives 2020

2020 BOND Issue

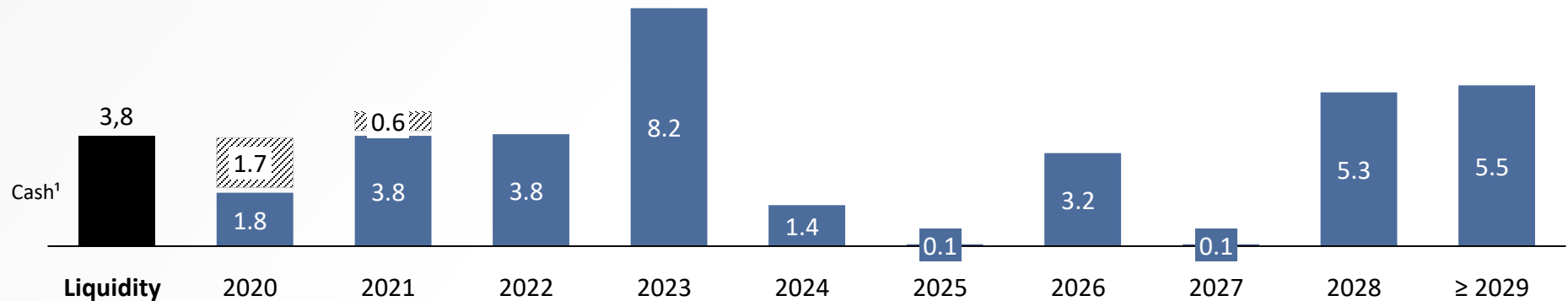
- Tender offer BOND 2020 (Jan-20)
- BOND 2028 issue US \$ 1.0 Bi at 6.75% Coupon (Jan-20)

Duration increased 10 months

| Average debt term | 4Q19 | 1Q20 |
|-------------------|------|------|
| Total (months) | 35 | 45 |
| USD | 34 | 50 |
| BRL | 36 | 35 |

Amortization Schedule (R\$Bi)

 Advanced renegotiation of the maturities of 2020 and 2021 with public and private banks



¹IFRS: does not consider participation in MRS (37.27%)



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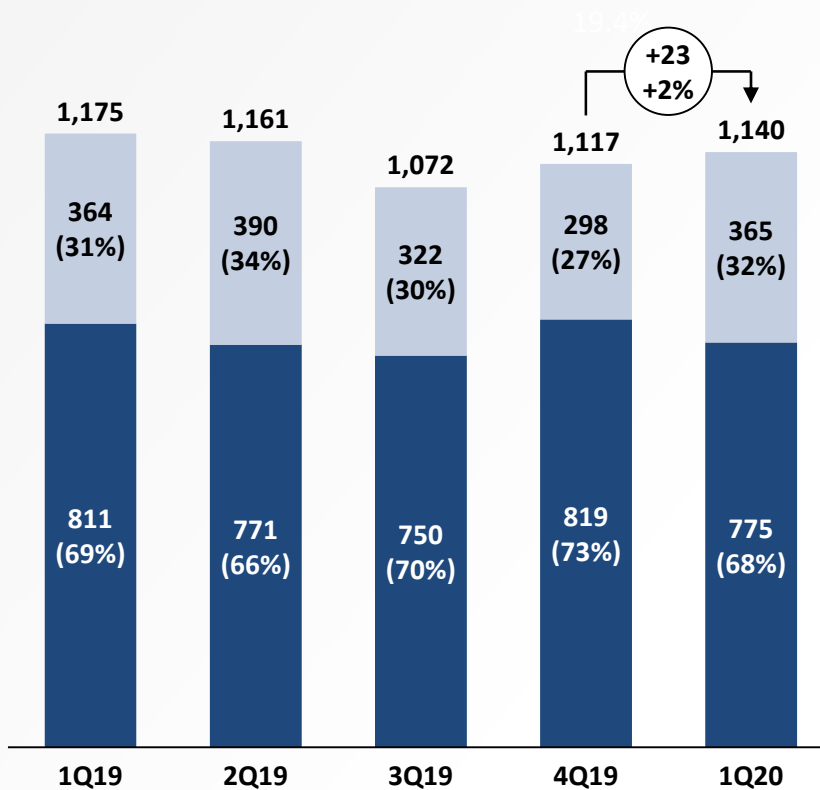
Energy

Business Highlights

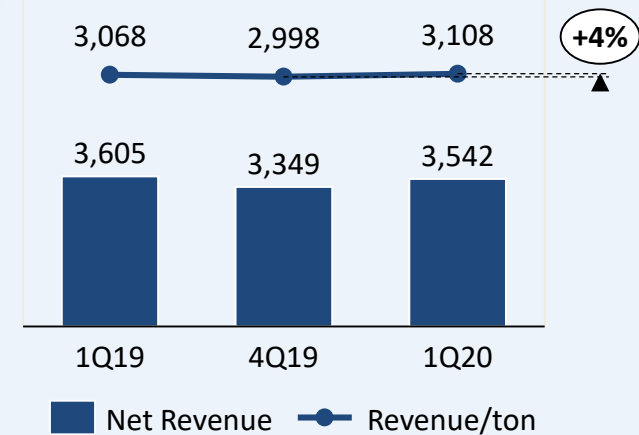
STEEL PERFORMANCE

1Q20 performance impacted by drop in domestic sales due to COVID-19 pandemic which slowed sales in the last two weeks of March/20

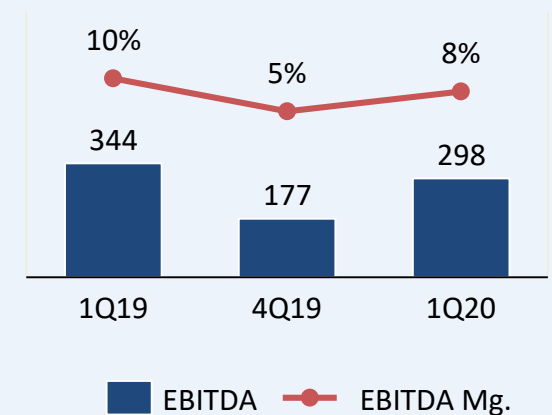
Sales Volume (Thousand tons)



Net Revenue (R\$MM) and Average price (R\$/ton)



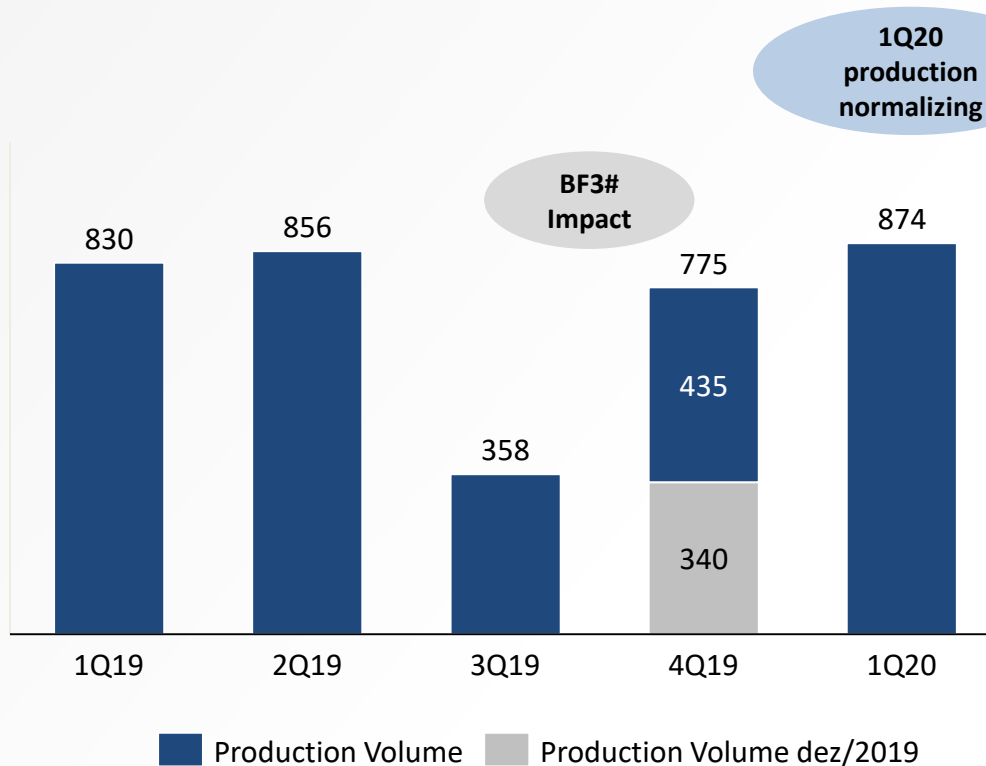
EBITDA (R\$MM) and EBITDA Mg. (%)



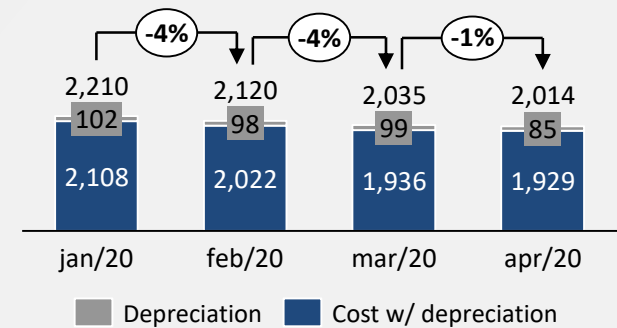
STEEL COMPETITIVENESS

EBITDA per ton recovers in 1Q20, with an increase in the average prices and production

Volume of Slab Production at Usina Presidente Vargas (thousand tons)

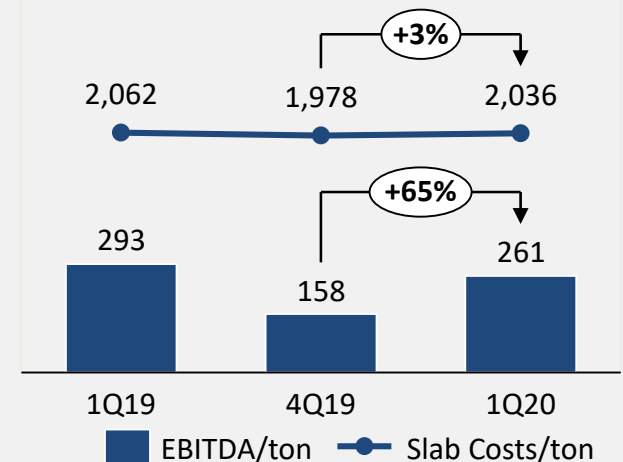


Slab Cost (R\$/t)



* the data in the chart above are pro forma and unaudited

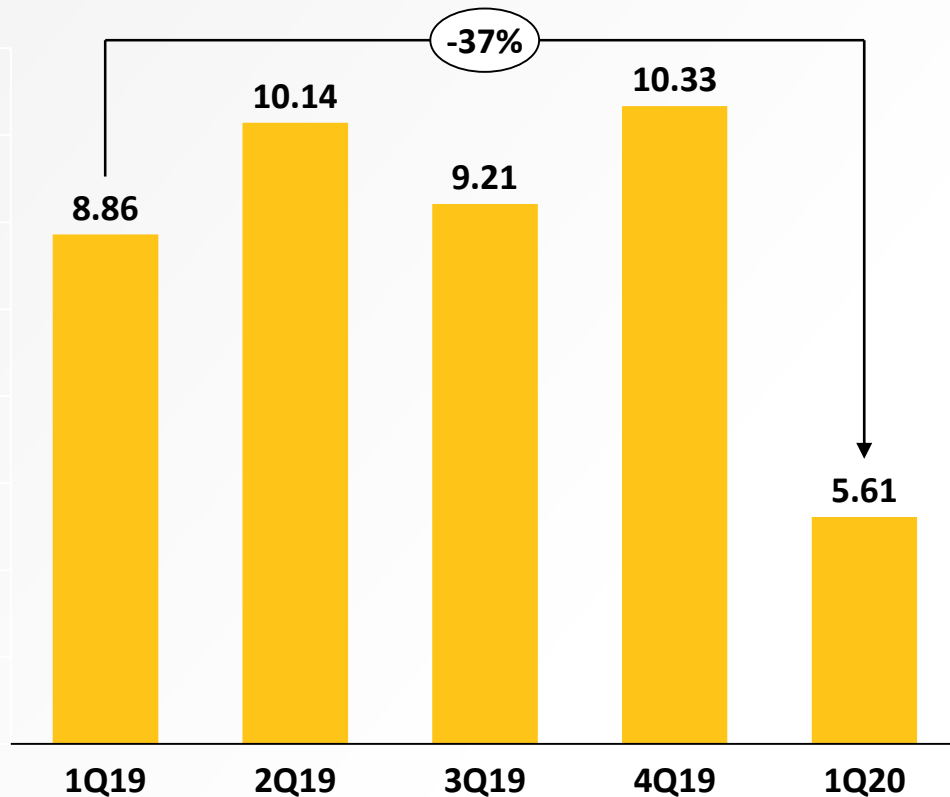
Performance Indicators per ton (R\$/t)



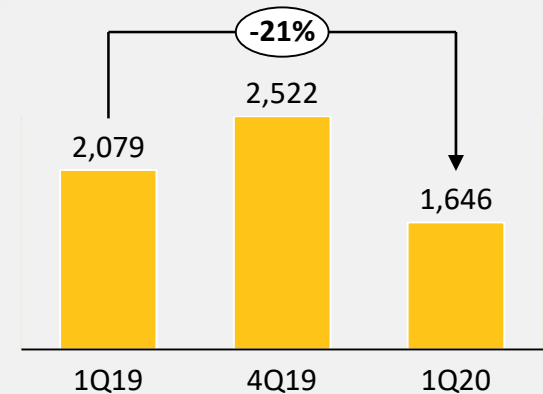
MINING PERFORMANCE

Sales volume was strongly impacted by rains and delays in new mining fronts in 1Q20, resulting in a EBITDA drop

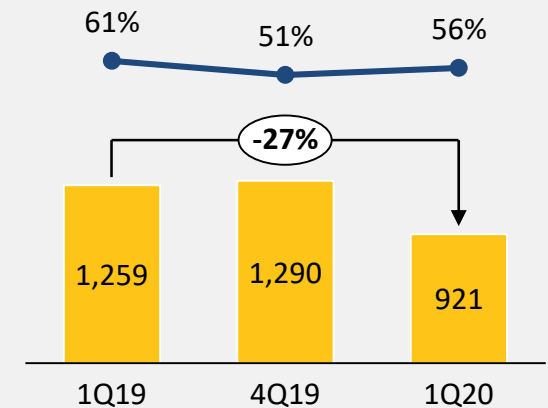
Total Sales Volume (million tons)



Net Revenue (R\$MM)

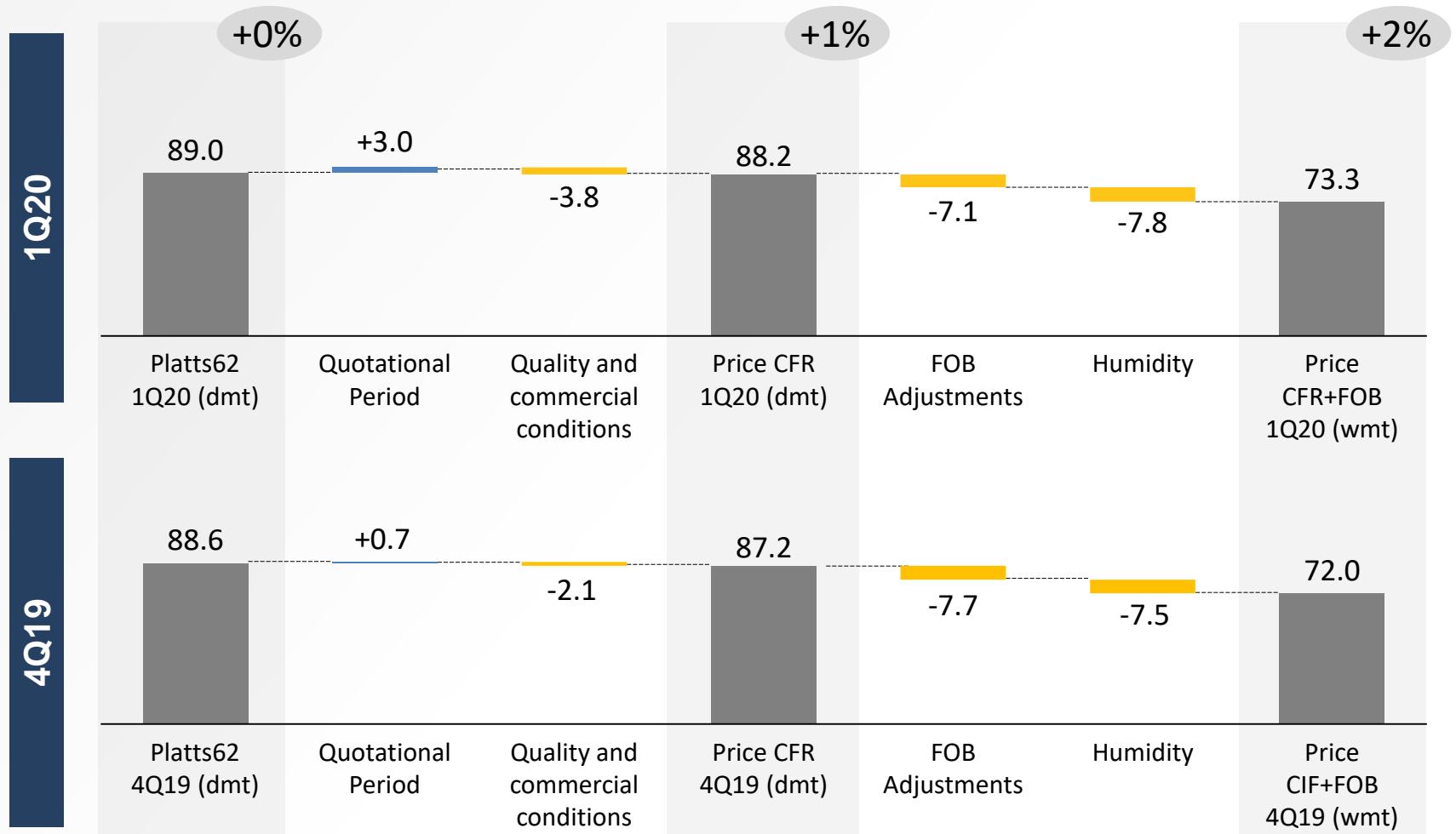


EBITDA (R\$MM) e EBITDA Mg (%)



MINING PERFORMANCE

Despite Platts stability in the quarter, CSN's CIF + FOB price rose 2% with quotation periods higher than the index and less deduction for FOB freight





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