



Companhia Siderúrgica Nacional

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Energy

Earnings Presentation– 2Q20

July 29th, 2020

HIGHLIGHTS – 2Q20

1

**Resilient financial
result face the
challenge
scenario.**

1

The Adjusted EBITDA achieved R\$1,875 MM in 2Q20, even in face of the global and domestic scenario due to the pandemic.

2

**Reprofiling
Financial
Liabilities**

2

Stretching with BB and CEF, in the amount of R\$ 1.7 billion, as well as advances with private banks, generating an improvement in liquidity and debt profile

3

**Acceleration of
Deleveraging**

3

One-off increase in leverage due to currency devaluation, to be offset by growth in export revenues and new prepayment



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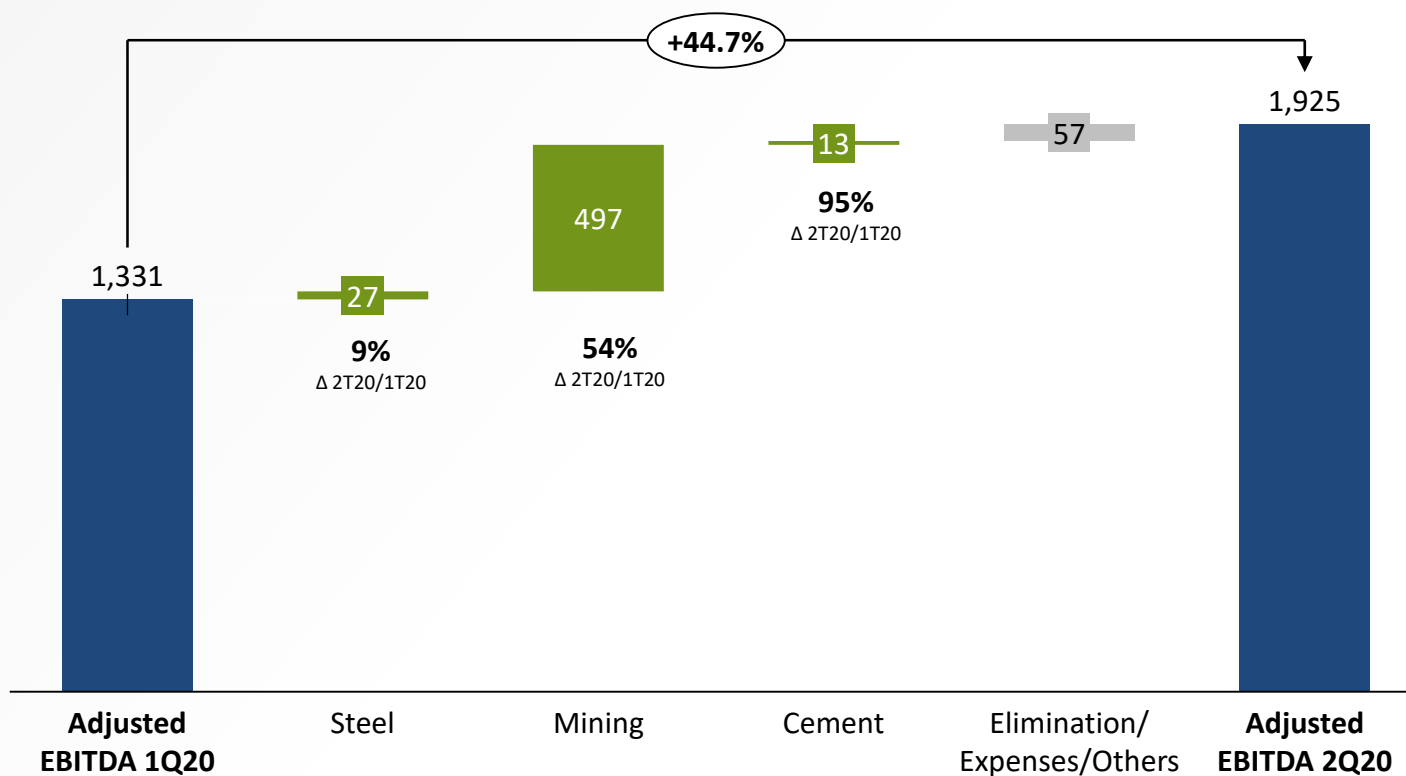
Energy

Consolidated Operational & Financial Indicators

ADJUSTED EBITDA EVOLUTION IN 2Q20

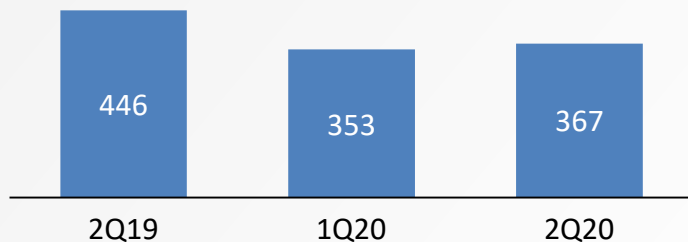
All segments contributed positively to the sharp increase in Adjusted EBITDA in 2Q20

EBITDA Impact by Segment(R\$MM)

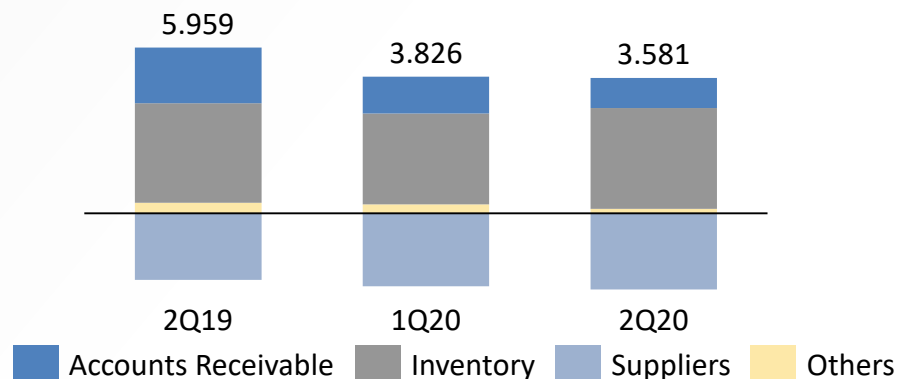


FINANCIAL INDICATORS

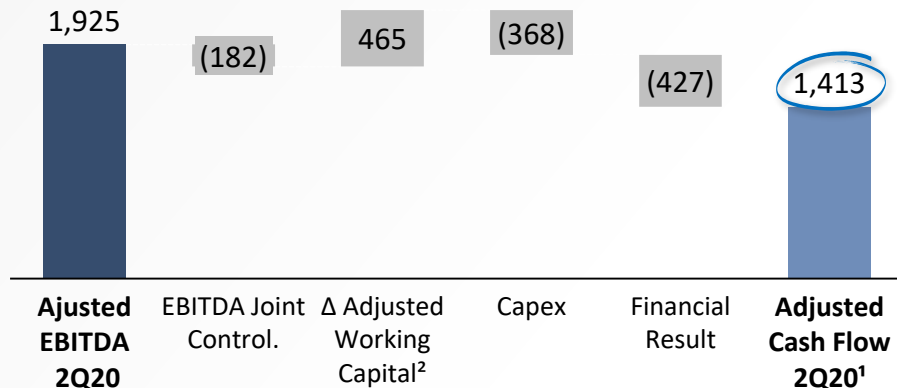
Capex (R\$MM)



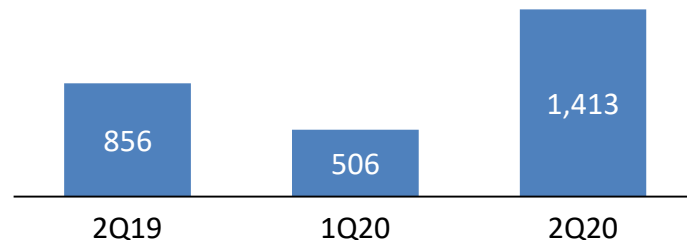
Net Working Capital (R\$MM)



Adjusted Cash Flow¹ (R\$MM)



Adjusted Cash Flow² (R\$ MM)



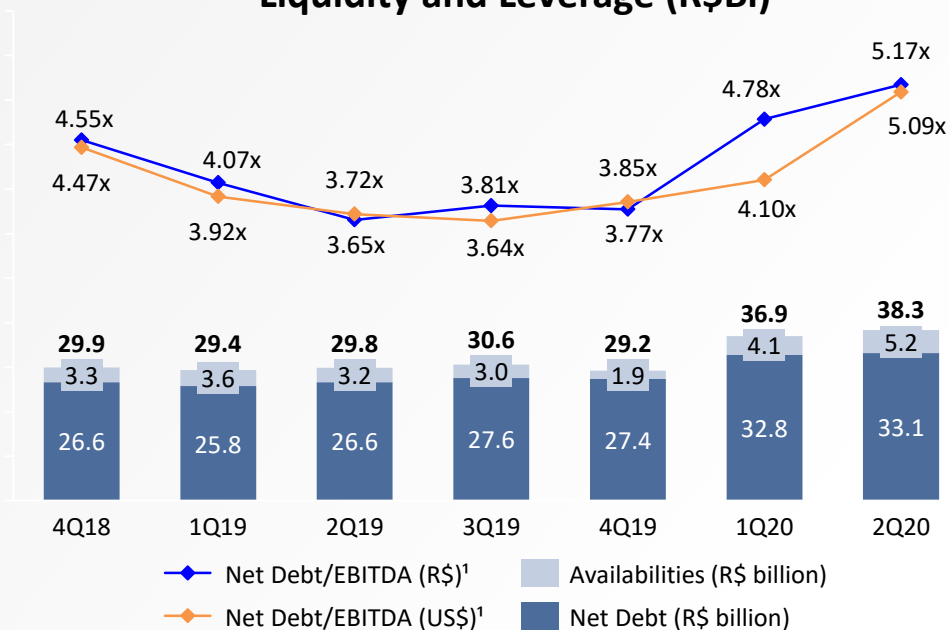
¹ Adjusted free cash flow is calculated from adjusted EBITDA less EBITDA of joint ventures. Capex, Income tax, financial result and variation of working capital ¹, excluding the impact of Glencore's prepay.

² Adjusted Working Capital comprises the variation in NWC (+R\$245 million), plus variation in long-term asset and liability accounts (-R\$360 million) adjusted with favorable legal decision (+R\$508 million) and additional PIS/COFINS credits (+R\$72 million) and disregarding the net variation of Income Tax and Social Contribution.

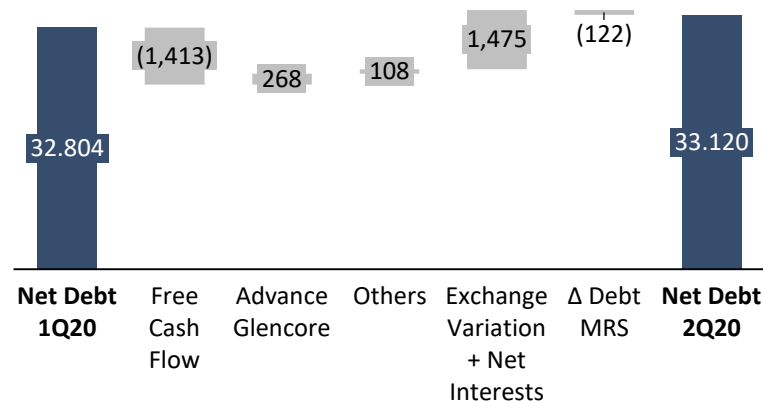
LEVERAGE AND LIQUIDITY

Strong cash generation prevented further increase in debt due to exchange rate variation and brought liquidity to its highest level in 4 years.

Liquidity and Leverage (R\$Bi)



Build-up Net Debt (R\$MM)



Leverage Goals

2020 E



Net Debt/EBITDA: <3,75x

2021 YE



Net Debt: <R\$ 23 billion



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.

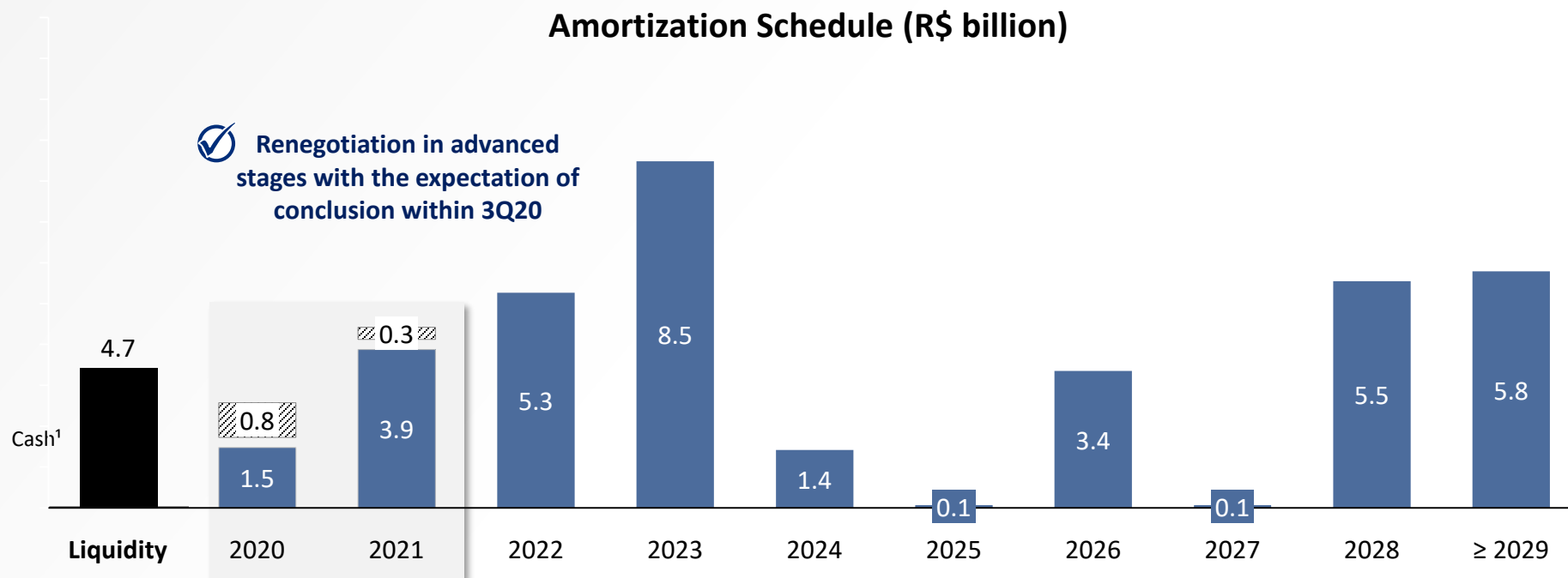
²Considers Glencore prepayment of US\$115MM

CSN continues to carry out initiatives to extend the average debt term and increase liquidity

Initiatives 2Q20:

Debt Renegotiation

- Renegotiation with BB (may-20) about R\$ 1,4 billion.
- Renegotiation with CEF (jun-20) about R\$300 million.



¹IFRS: Not considering MRS participation (37,27%)



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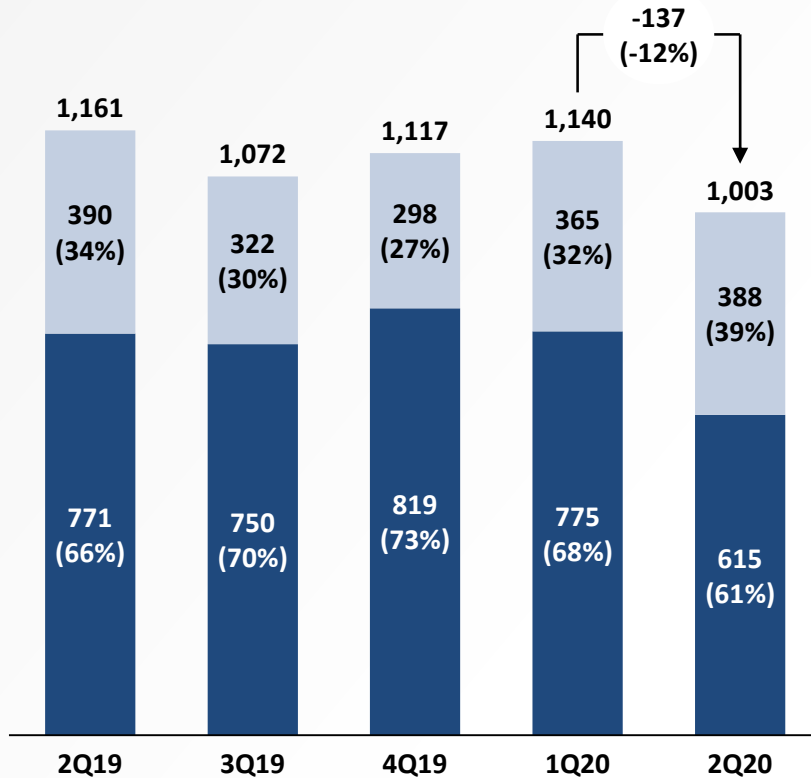
Energy

Business Highlights

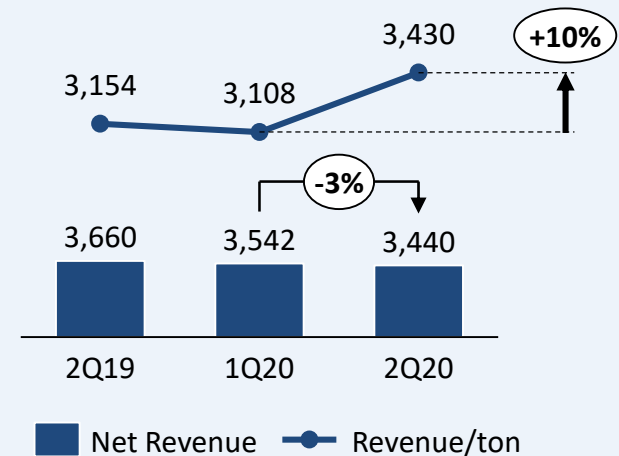
STEEL PERFORMANCE

2Q20 performance impacted by the drop in domestic sales due to the pandemic in April and May, but with a strong recovery in June.

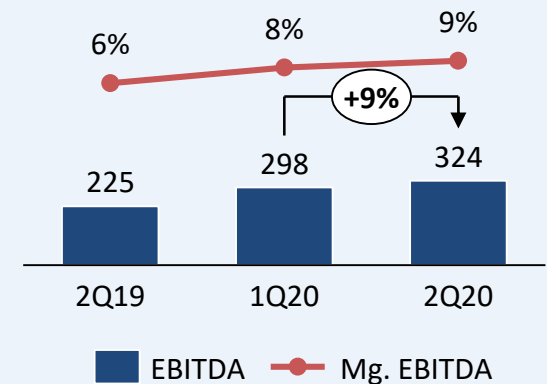
Sales Volume (thousand tons)



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



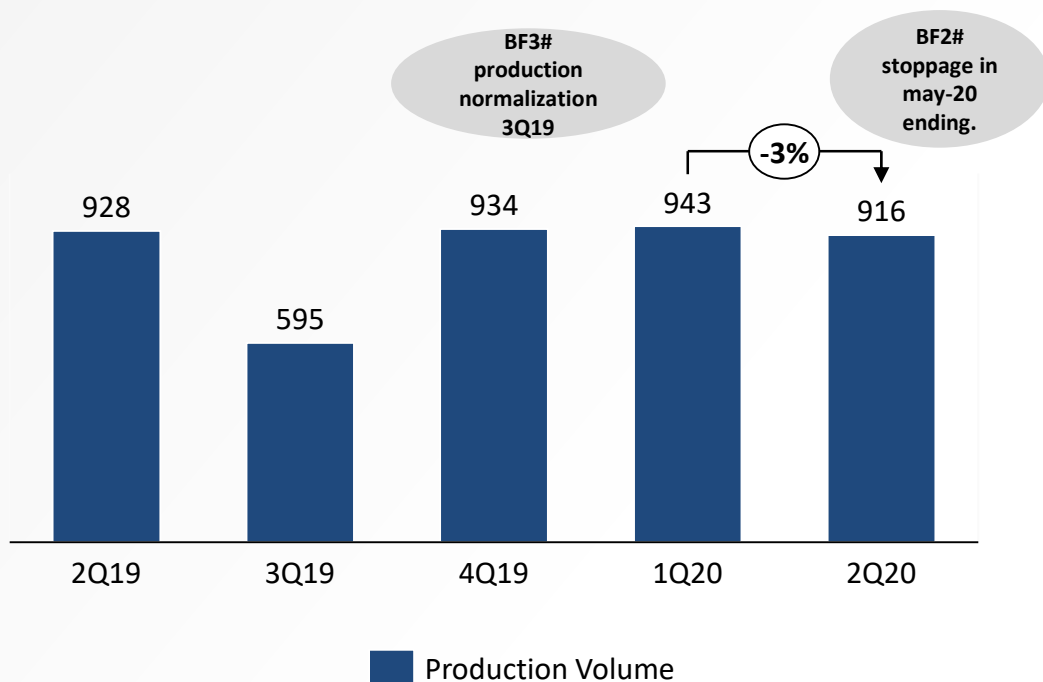
EBITDA (R\$MM) e Mg. EBITDA (%)



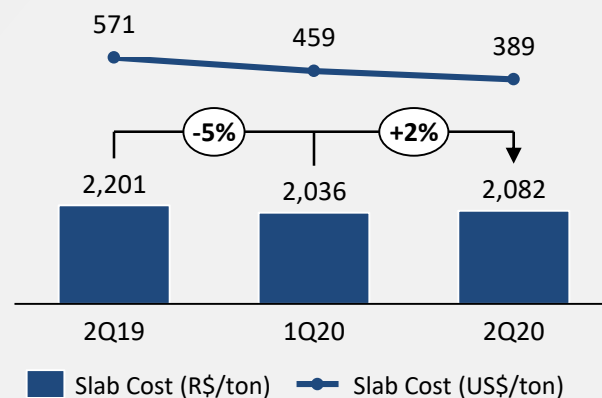
STEEL COMPETITIVENESS

EBITDA per ton showed a strong evolution in 2Q20 due to the price readjustment, despite the drop in volume and the marginal increase in the cost of the slab in Brazilian reais.

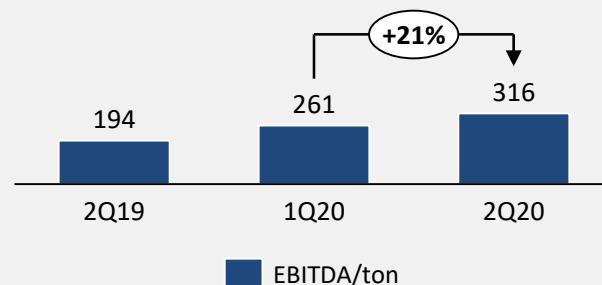
**Slab Production Volume at UPV
(thousand tons)**



Slab Cost



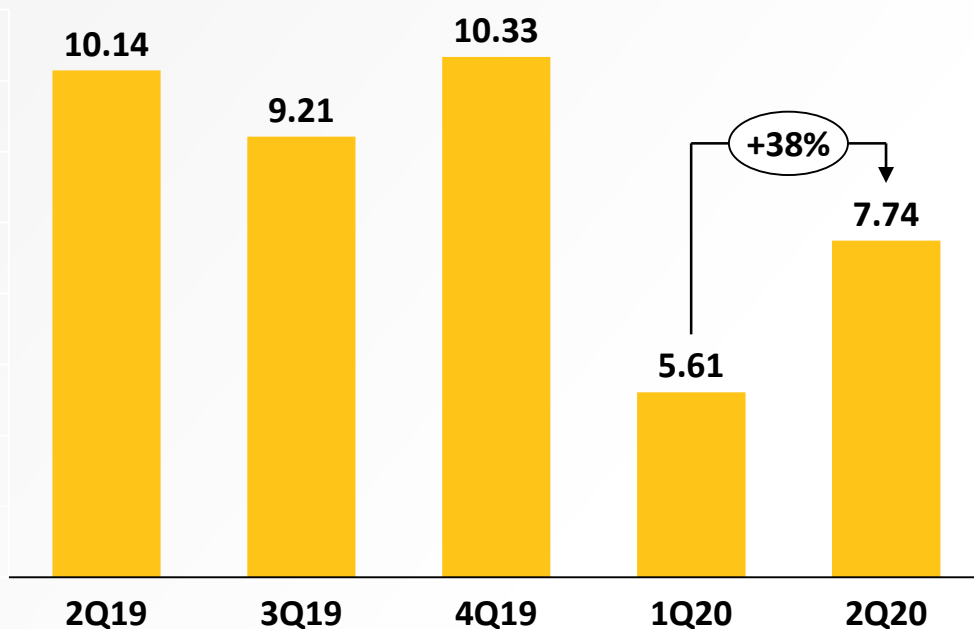
**Performance Indicators
per ton (R\$/t)**



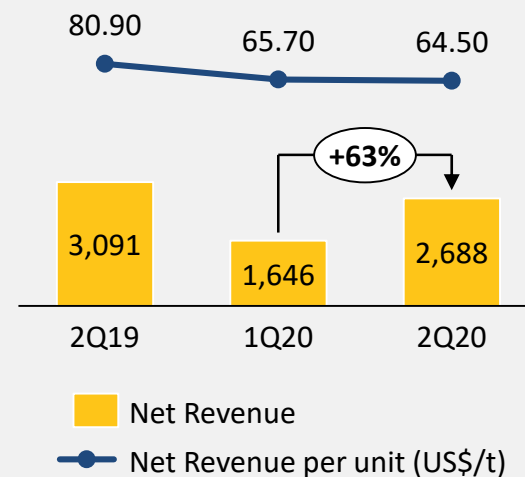
MINING PERFORMANCE

Sales volume resumed a better pace in 2Q20, resulting in a strong evolution of EBITDA in the period.

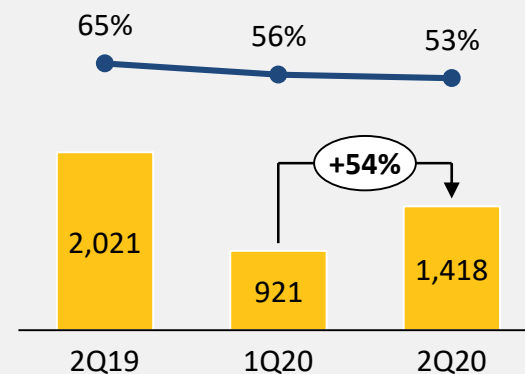
Total Sales Volume (million tons)



Net Revenue (R\$MM)



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

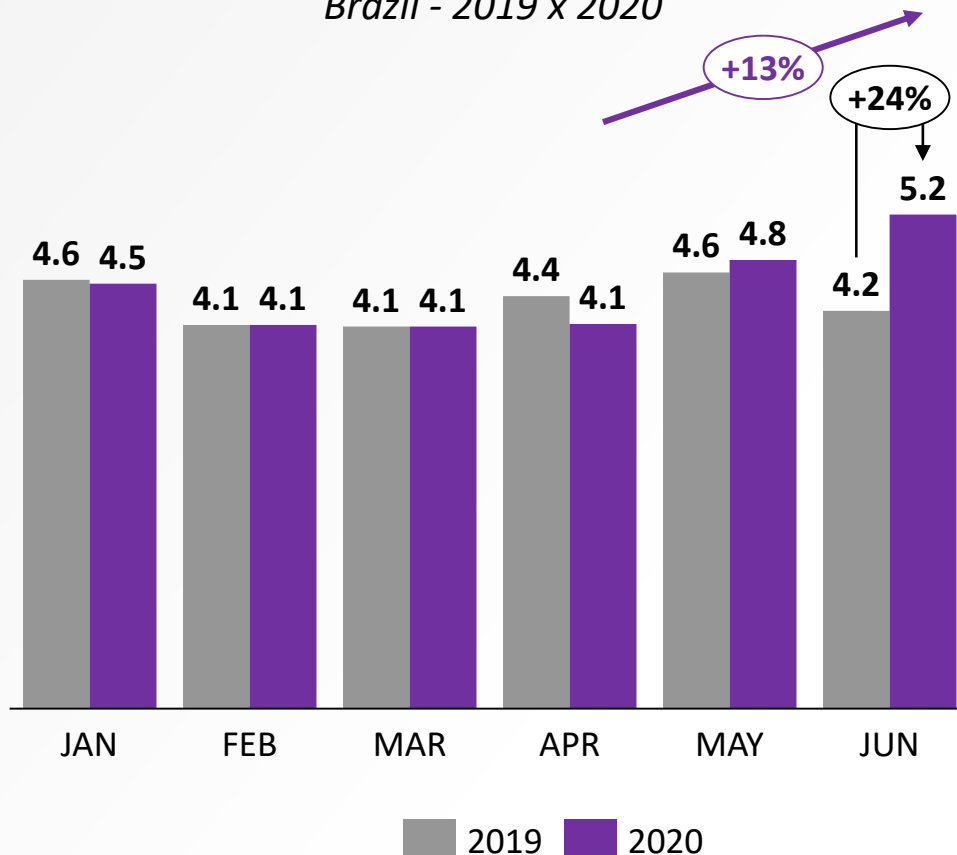


CEMENT PERFORMANCE

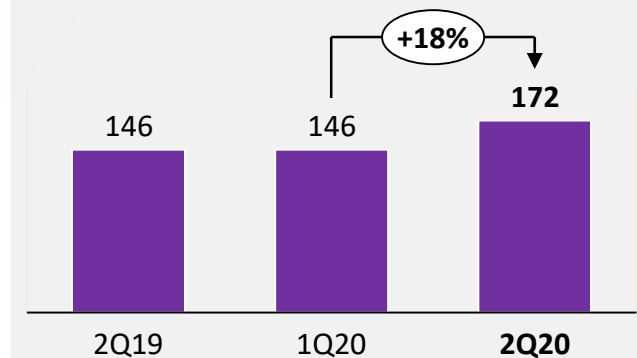
The Brazilian market showed strong growth in the last quarter (13% pm) reaching 24% in June compared to the same month of 2019. Prices also followed with a strong recovery.

Cement Sales Volume – Monthly (Mt)

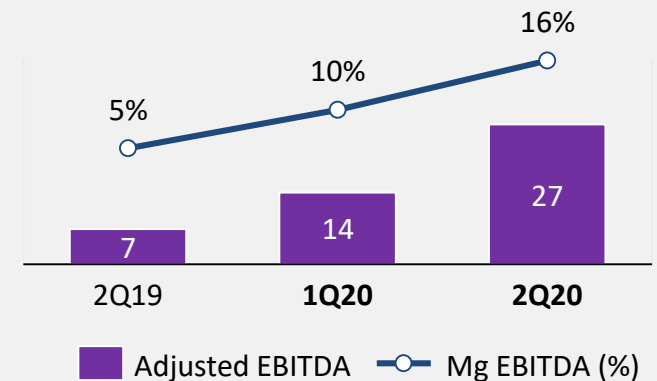
Brazil - 2019 x 2020



Net Revenue (R\$MM)



Adjusted EBITDA (R\$MM) and Adjusted margin EBITDA(%)





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