


EARNINGS PRESENTATION 4Q23 AND 2023

March 7, 2024

HIGHLIGHTS

- 
- A photograph of two workers at a construction or mining site. They are wearing grey hard hats, blue respirator masks, and orange high-visibility safety vests. The worker on the left is pointing upwards with their right index finger. The worker on the right is holding a clipboard and looking at it. The background is a blurred outdoor scene with yellow earth.
- 1** The combination of strong price realization with an excellent sales performance in mining and the beginning of the operational recovery in the steel industry were the main highlights that guaranteed a solid EBITDA growth in 4Q23. As a consequence, Adjusted EBITDA reached R\$3.6 billion, with an EBITDA margin of 29% in 4Q23.
 - 2** The adjusted cash flow in the 4Q23 reached R\$ 387 million, and it was not greater only due to the greater investments made in the period, in line with the capacity expansion and operation modernization projects at UPV.
 - 3** Second consecutive quarter of decline in the leverage ratio reinforces the Company's commitment to reducing its debt level.

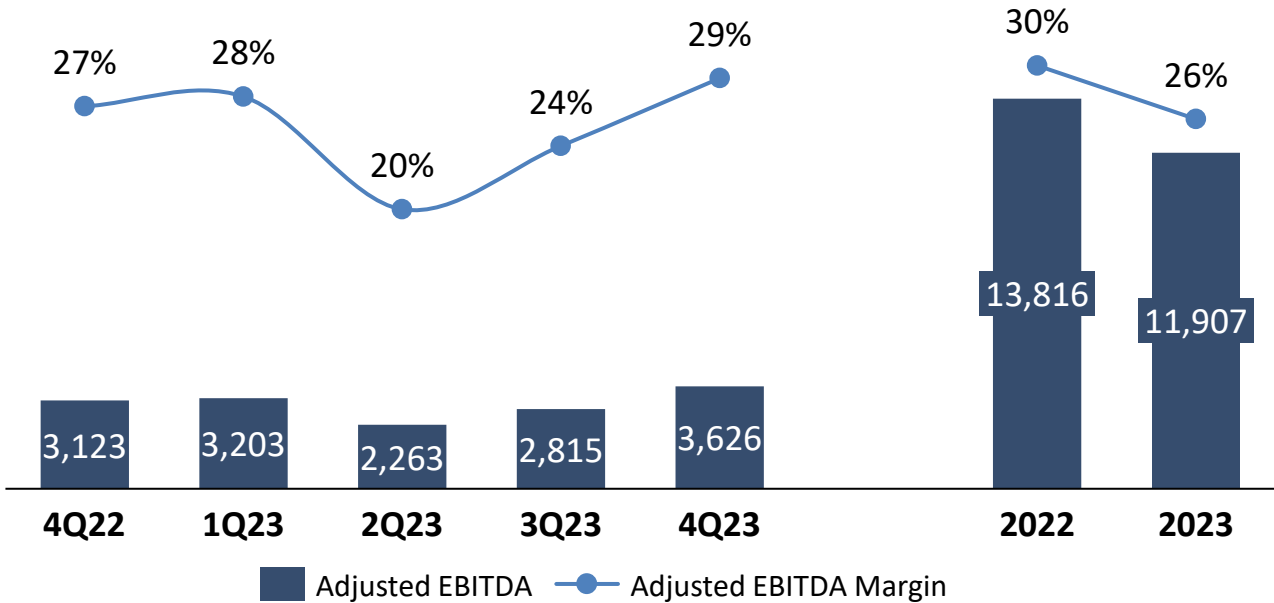


FINANCIAL PERFORMANCE

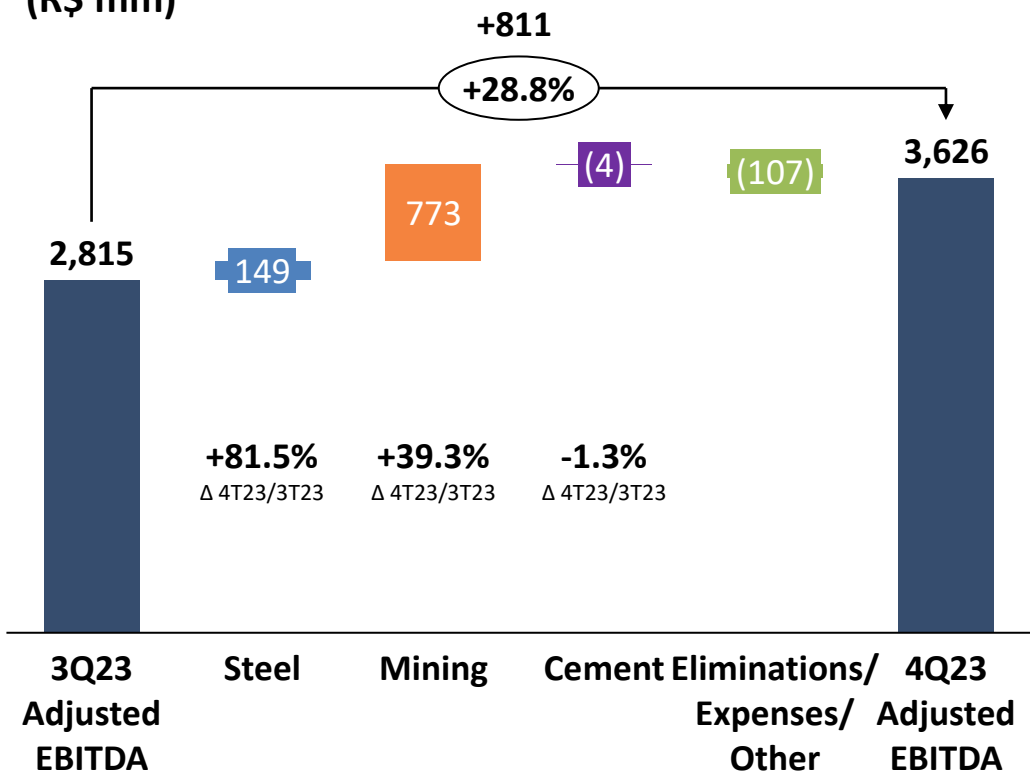


CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED EBITDA AND ADJUSTED MARGIN
(R\$ mm and %)

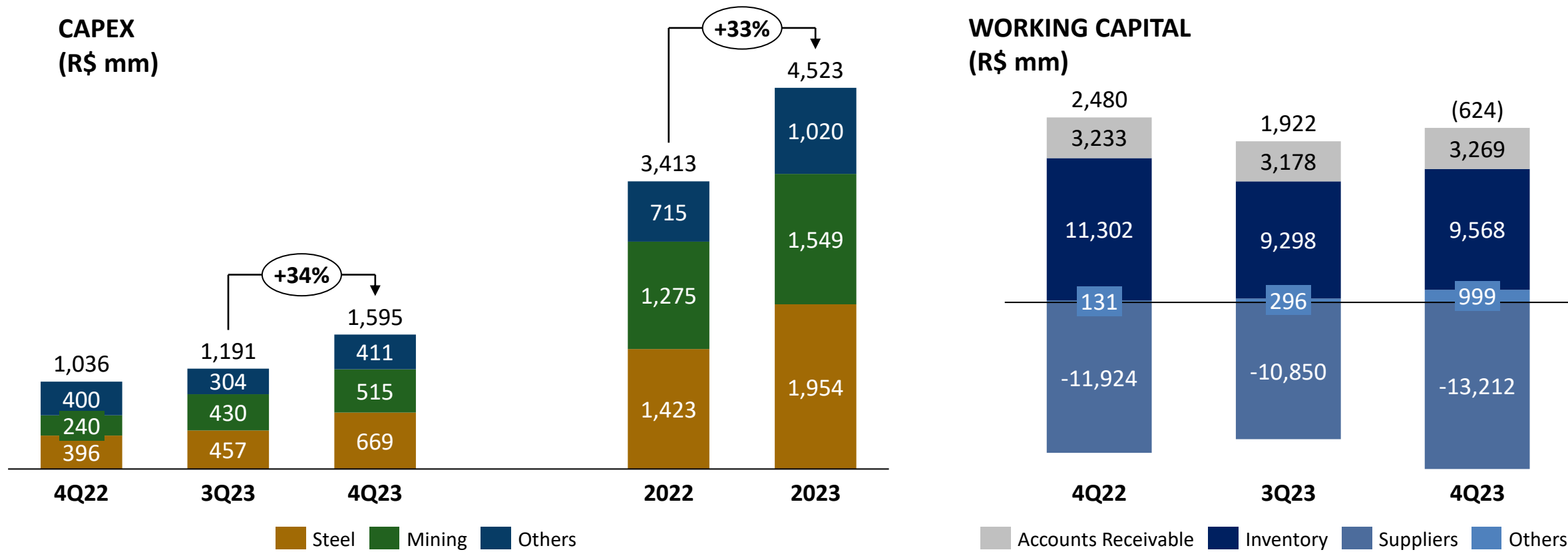


ADJUSTED EBITDA EVOLUTION
(R\$ mm)



🔗 The 28,8% increase in EBITDA in 4Q23 is a direct consequence of price improvement in the mining segment, which added to high sales volume and the recovery of the steel segment, ensured the solid performance of the quarter and compensated for the seasonality at the end of the year.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

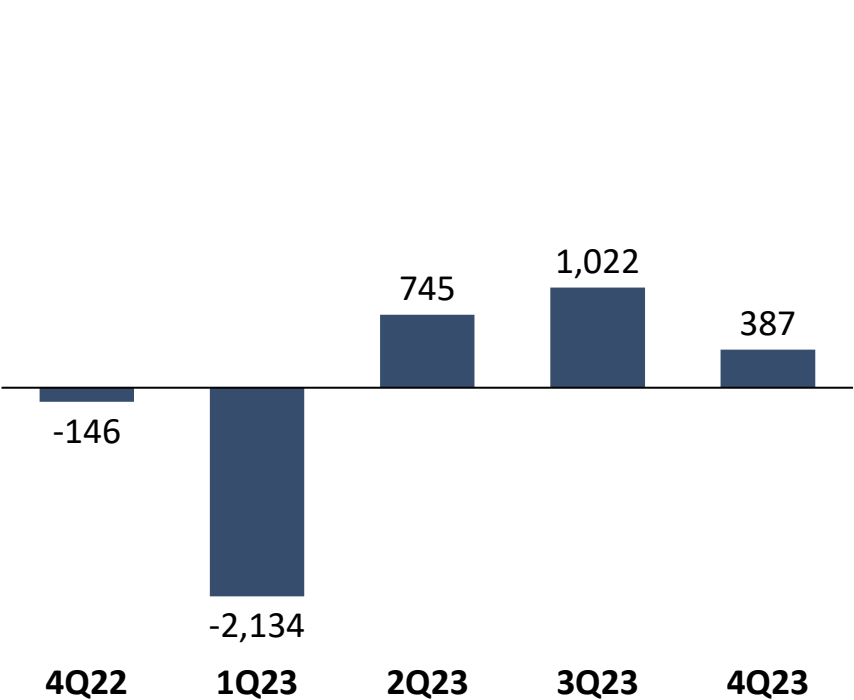


- Capex totaled R\$1,595 million in 4Q23, a performance 33.9% higher than in 3Q23, in line with CSN's history of concentrating its investments at the end of the year, focusing on advances in modernization projects in steel and capacity growth in mining.
- Working capital impacted by the increase in accounts receivable and inventories, in line with the increase in commercial activity seen in the period, but more than offset by the increase in the line of suppliers.

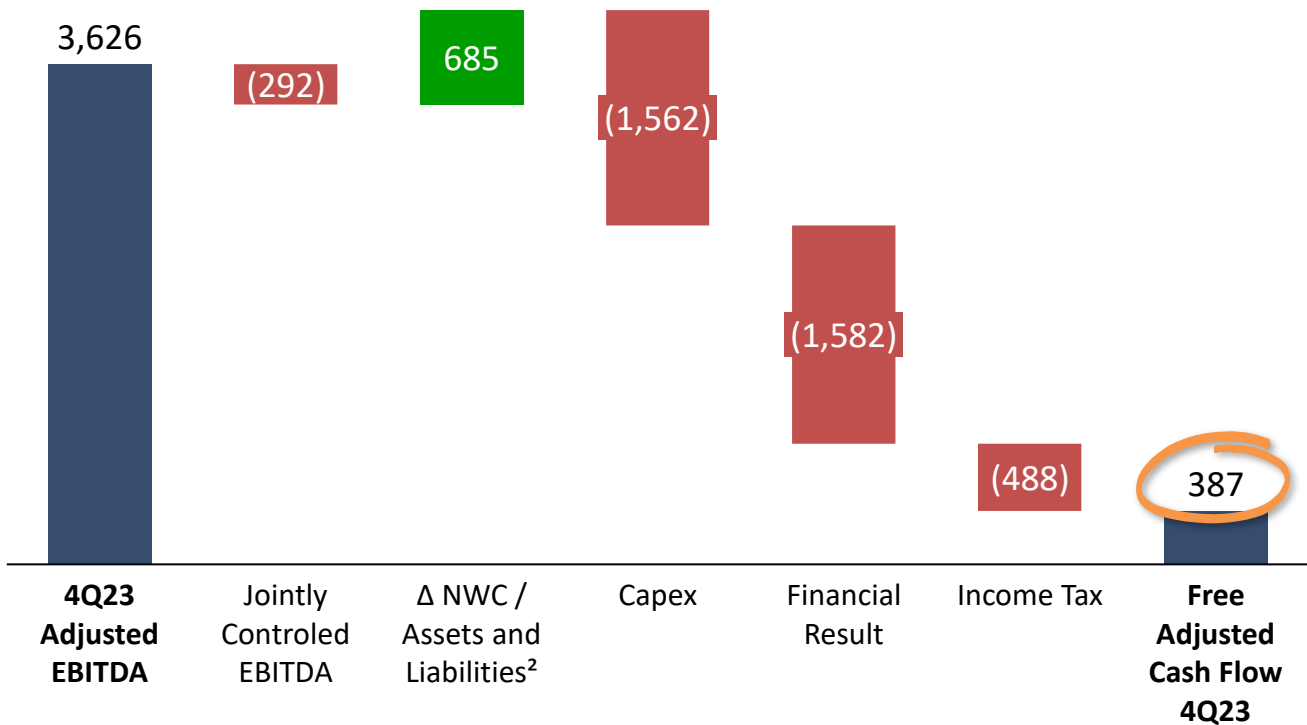


CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

ADJUSTED CASH FLOW
(R\$ mm)



FREE ADJUSTED CASH FLOW ¹ - 4Q23
(R\$ mm)

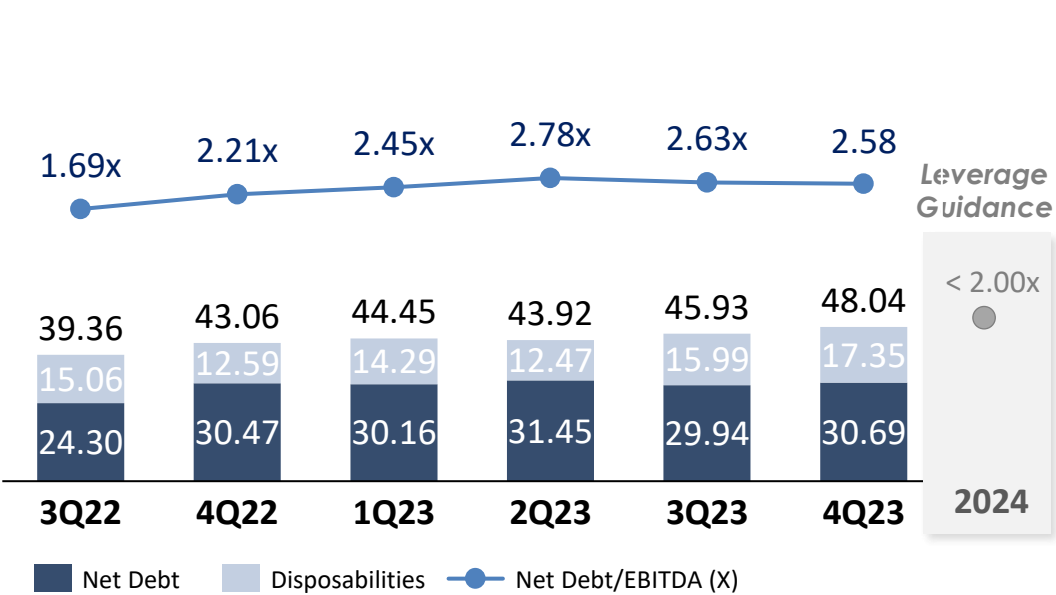


Adjusted Cash Flow in 4Q23 was positive at R\$387 million, as a result of the strong operational performance and efficient working capital management, which ended up offsetting the increase in CAPEX and the higher financial expenses of the period.

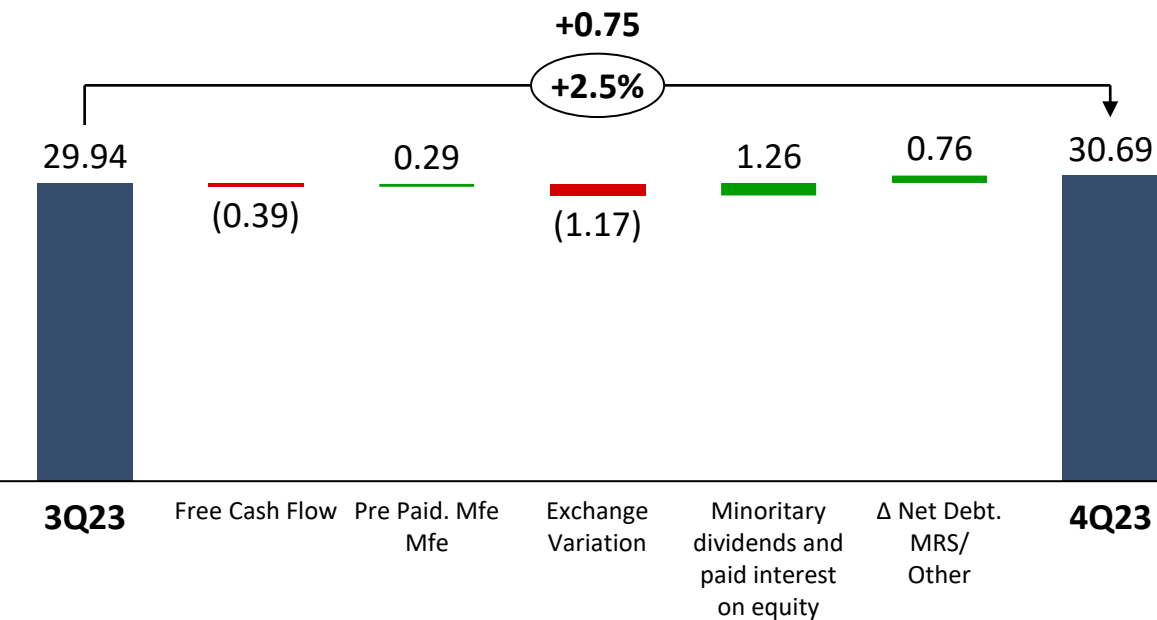
Source: CSN / Note 1: The concept of Free Cash Flow is calculated based on Adjusted EBITDA, subtracting EBITDA from Jointly Subsidiaries, CAPEX, Income Tax, Financial Result and changes in Net Working Capital¹, excluding the effect of the Glencore advance. / Note 2: The Adjusted Working Capital² for the quarter is composed of the change in Net Working Capital, plus the change in long term Assets and Liabilities, excluding noncash items.

CONSOLIDATED OPERATING AND FINANCIAL INDICATORS

LEVERAGE, LIQUIDITY AND NET DEBT
(R\$ bn ; Net Debt / EBITDA (x))



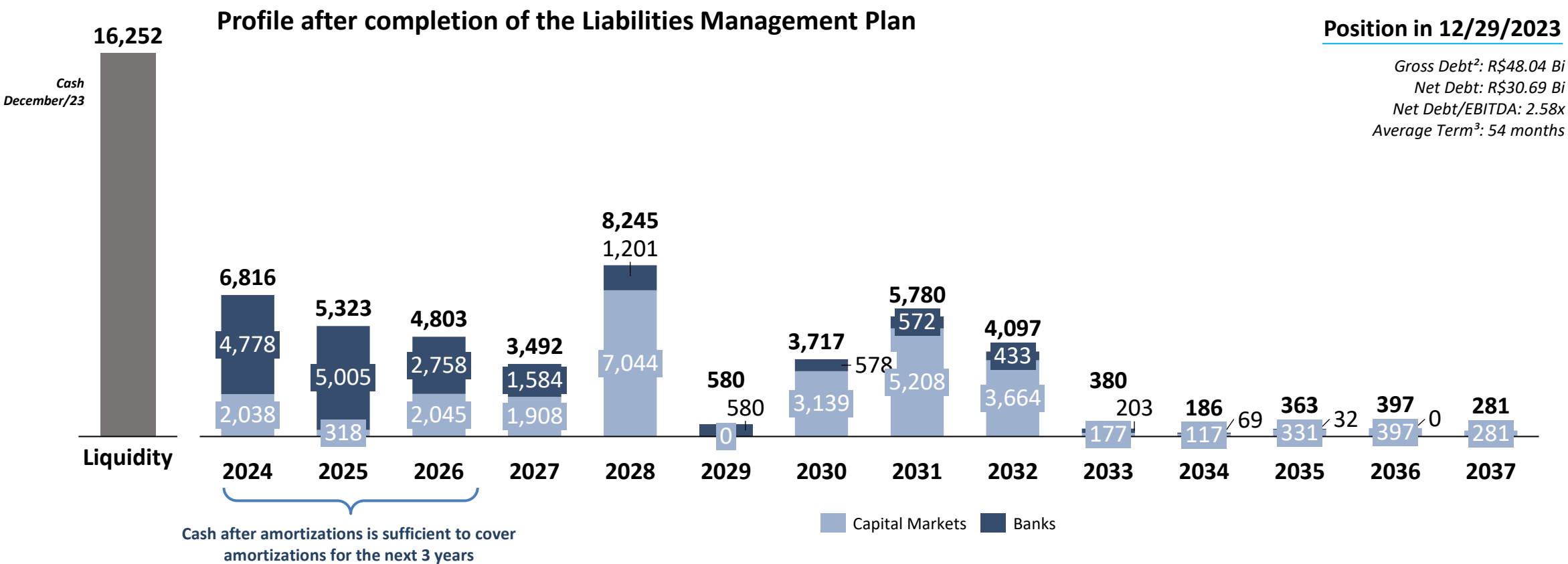
NET DEBT BUILD-UP
(R\$ bn)



Another quarter marked by a drop in the leverage indicator, reinforcing the Company's commitment to reducing the level of debt.

Source: CSN / Note 1: Net Debt EBITDA Debt considers the final R\$/US\$ exchange rate of each period; Net Debt and EBITDA considers the average R\$/US\$ exchange rate of the period.

DEBT AMORTIZATION SCHEDULE



🔗 The Company remains active in its objective of extending the amortization period, focusing on long-term operations and the local capital market. Among the main movements in 4Q23, we highlight the issuance of Bonds in CSN's offshore subsidiary, in the total value of U\$ 500 million, maturing in 2030, with the objective of partially repurchasing the 2026 Bond.

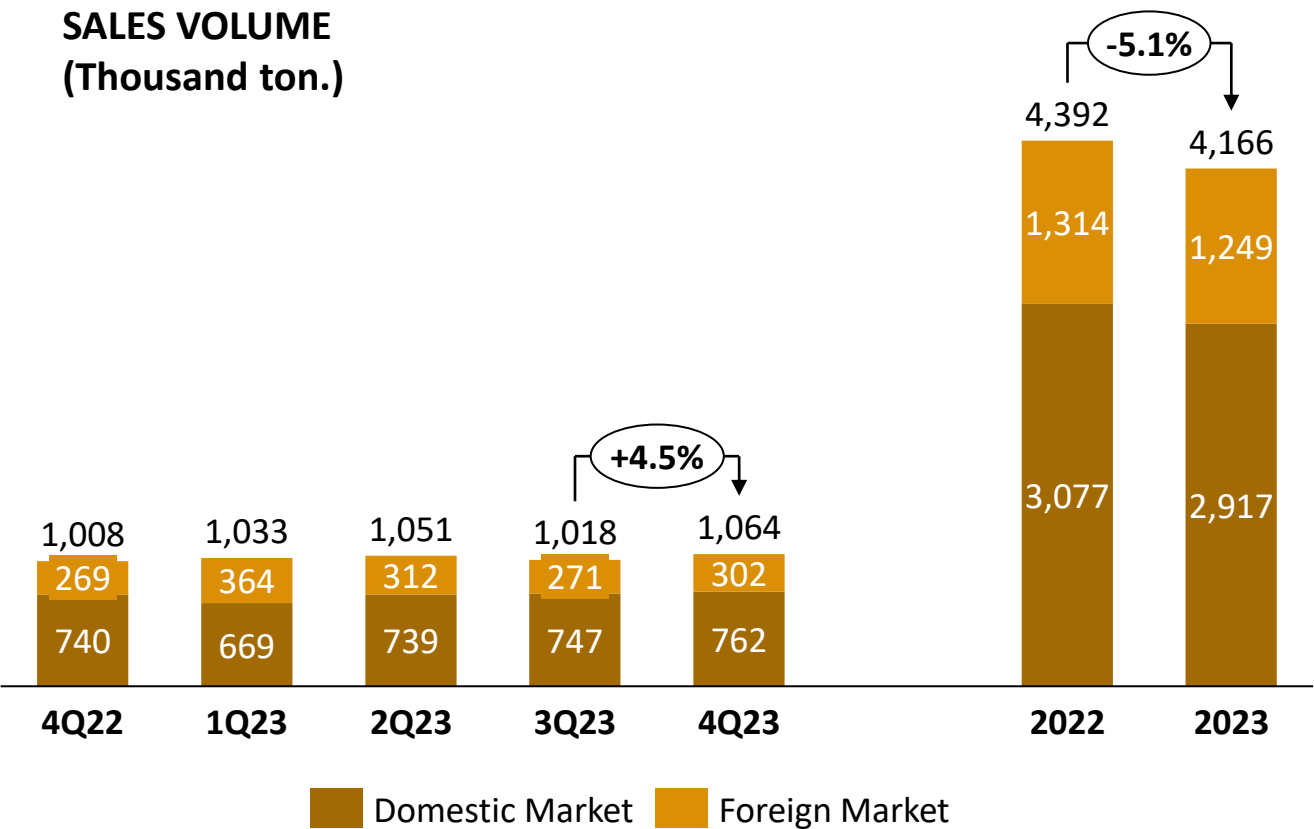


STEEL

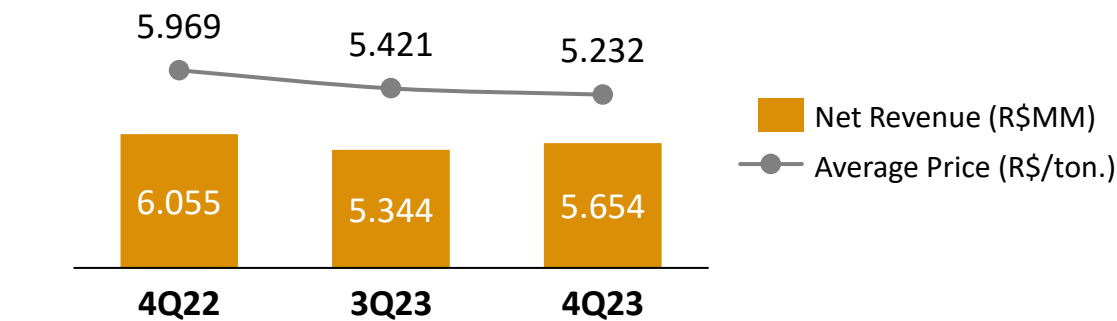


STEEL PERFORMANCE

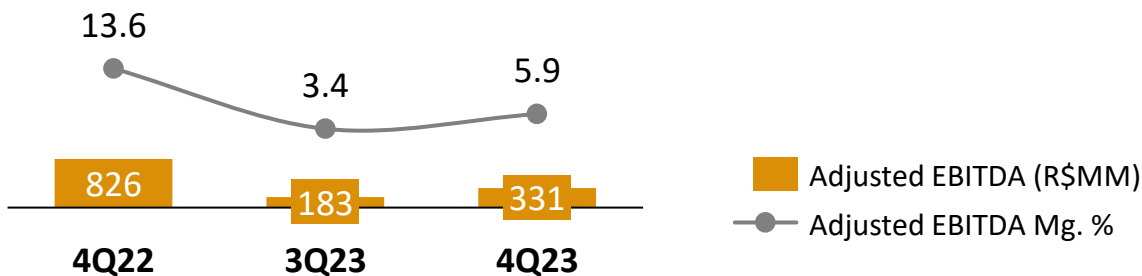
SALES VOLUME
(Thousand ton.)



NET REVENUE AND DOMESTIC MARKET AVERAGE PRICE¹
(R\$ mm; R\$/ton.)



ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN
(R\$ mm; %)



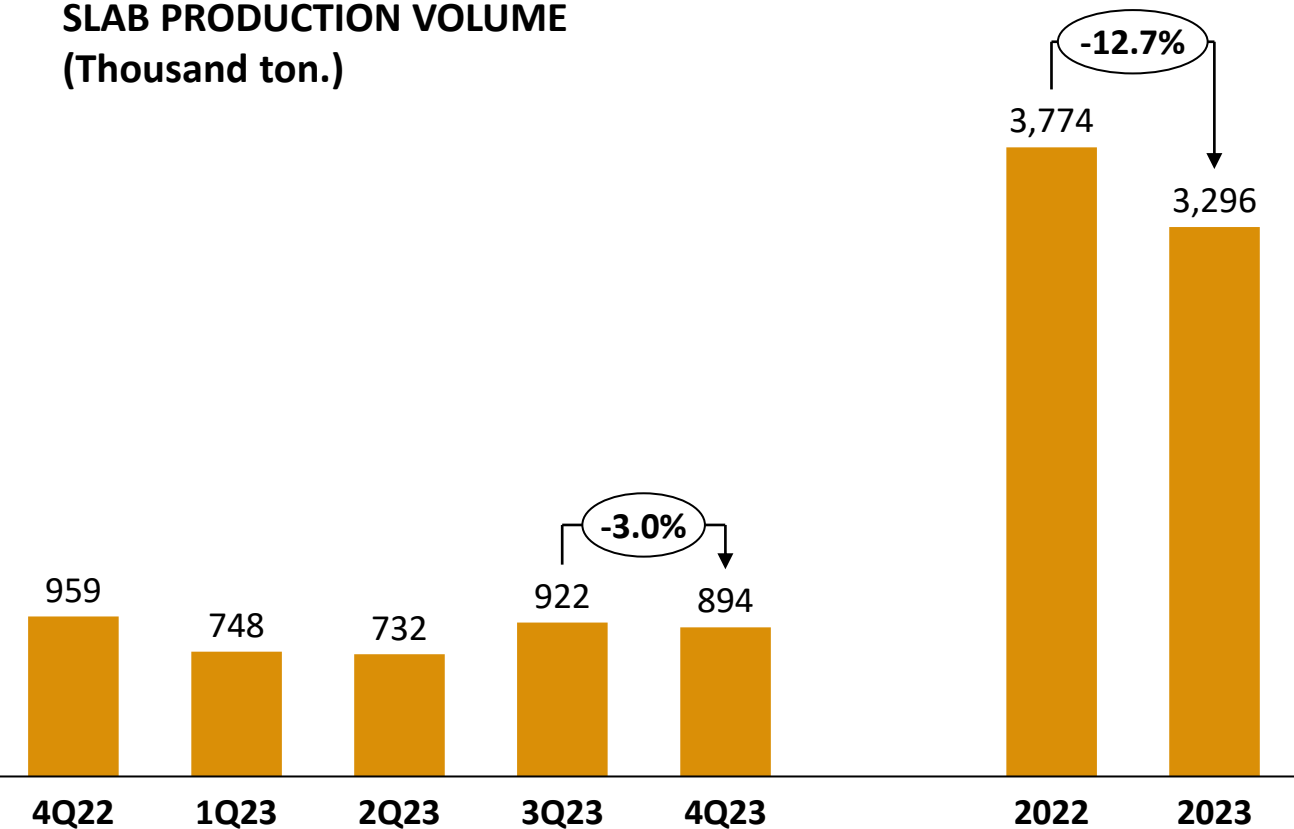
- ✚ The increase in total sales volume this quarter reflects the Company's operational normalization and the greater commercial activity seen in the foreign market. In the year, the 5.1% drop in sales volume is the result of production bottlenecks faced in the first half of the year.
- ✚ In relation to EBITDA, it was already possible to observe a recovery in the segment's profitability in 4Q23, a trend that should become even more accentuated in the coming quarters.



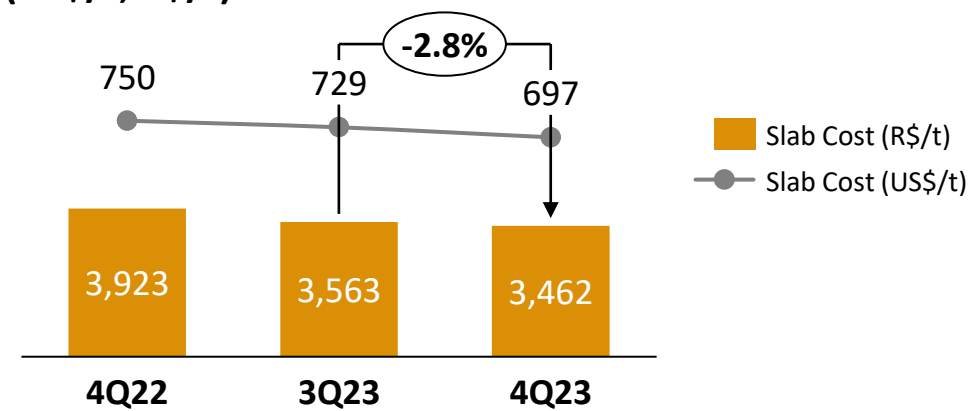
Source: CSN / Note 1: Average price relative to the Domestic Market

STEEL COMPETITIVENESS

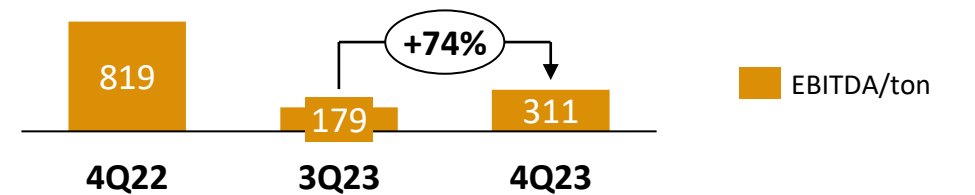
SLAB PRODUCTION VOLUME
(Thousand ton.)



SLAB COST
(US\$/t; R\$/t)



PERFORMANCE PER TON
(R\$/ton)



- ⚙ The slight decrease of 3% in the volume of slabs produced in 4Q23 exclusively reflects the seasonality of the operation. In the year, the sharpest drop is a consequence of the problems faced in the melt shop at the beginning of 2023.
- ⚙ On the other hand, the slab cost fell again in 4Q23 as a result of the operational improvement and consequent optimization of production, allowing a strong increase in performance per ton.

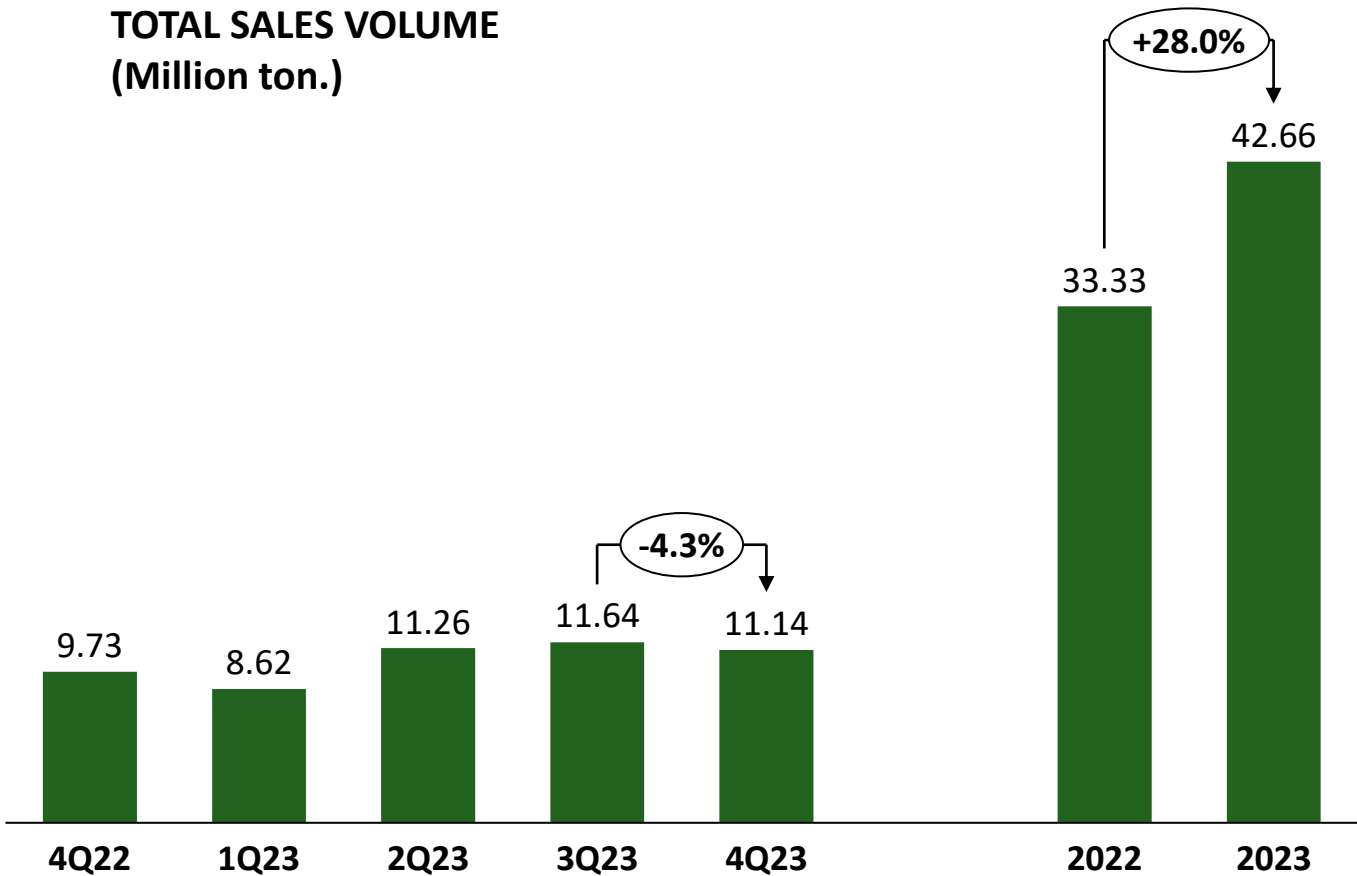


MINING

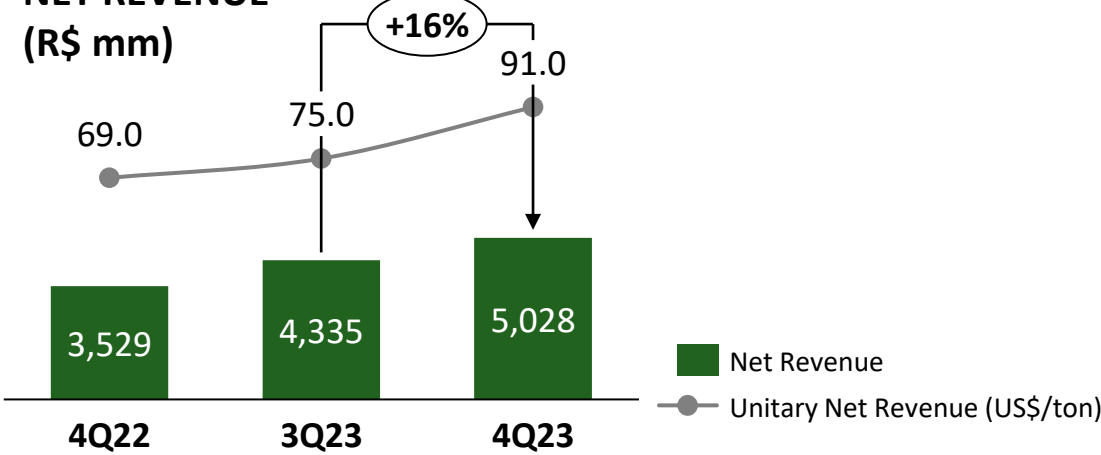


MINING PERFORMANCE

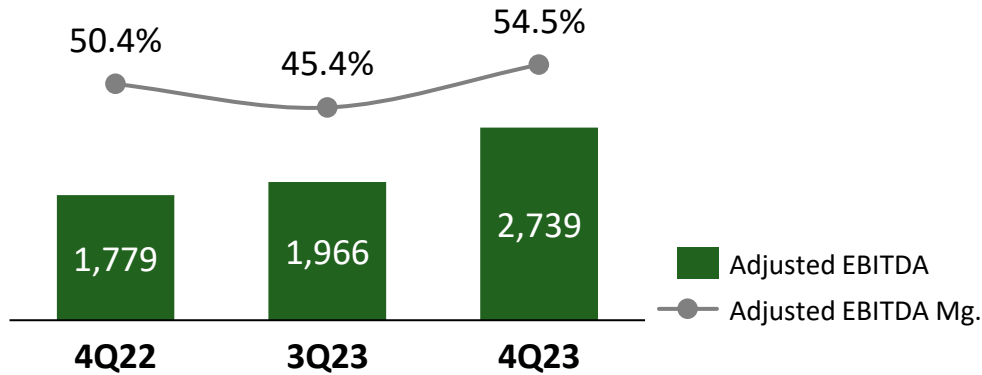
TOTAL SALES VOLUME
(Million ton.)



NET REVENUE
(R\$ mm)

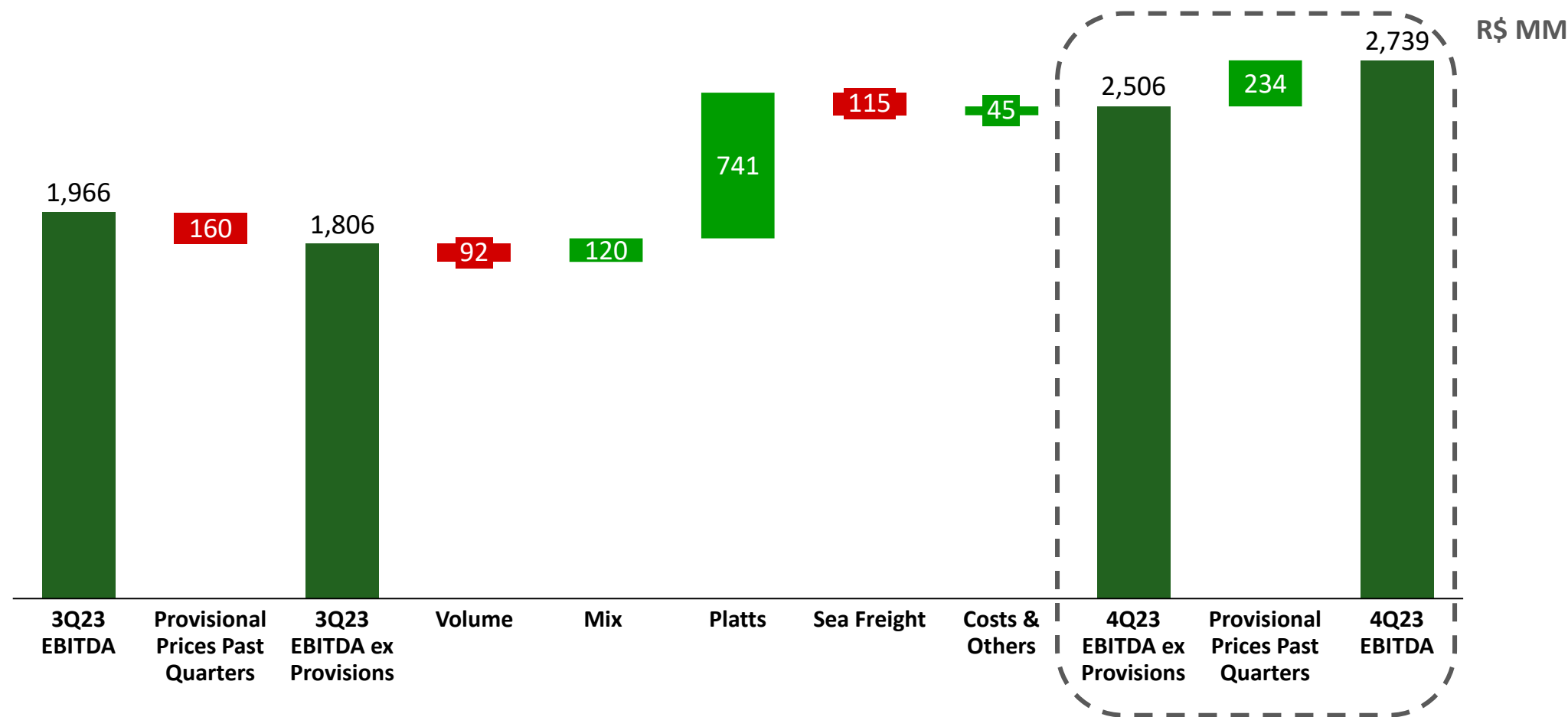


ADJUSTED EBITDA AND ADJUSTED MARGIN
(R\$ mm; %)



2023 was marked by production records and operational excellence in the mining segment which, combined with the best ore prices and efficient cost management, resulted in the strong performance achieved in the period. In 4Q23, the Company managed to maintain a solid sales volume, taking advantage of the drier period and benefiting from strong prices to deliver a margin above 54%.

ADJUSTED EBITDA



⚙ The excellent EBITDA achieved in 4Q23 is a direct result of (i) improvement in ore prices; (ii) positive adjustment of provisional prices and (iii) a better mix.



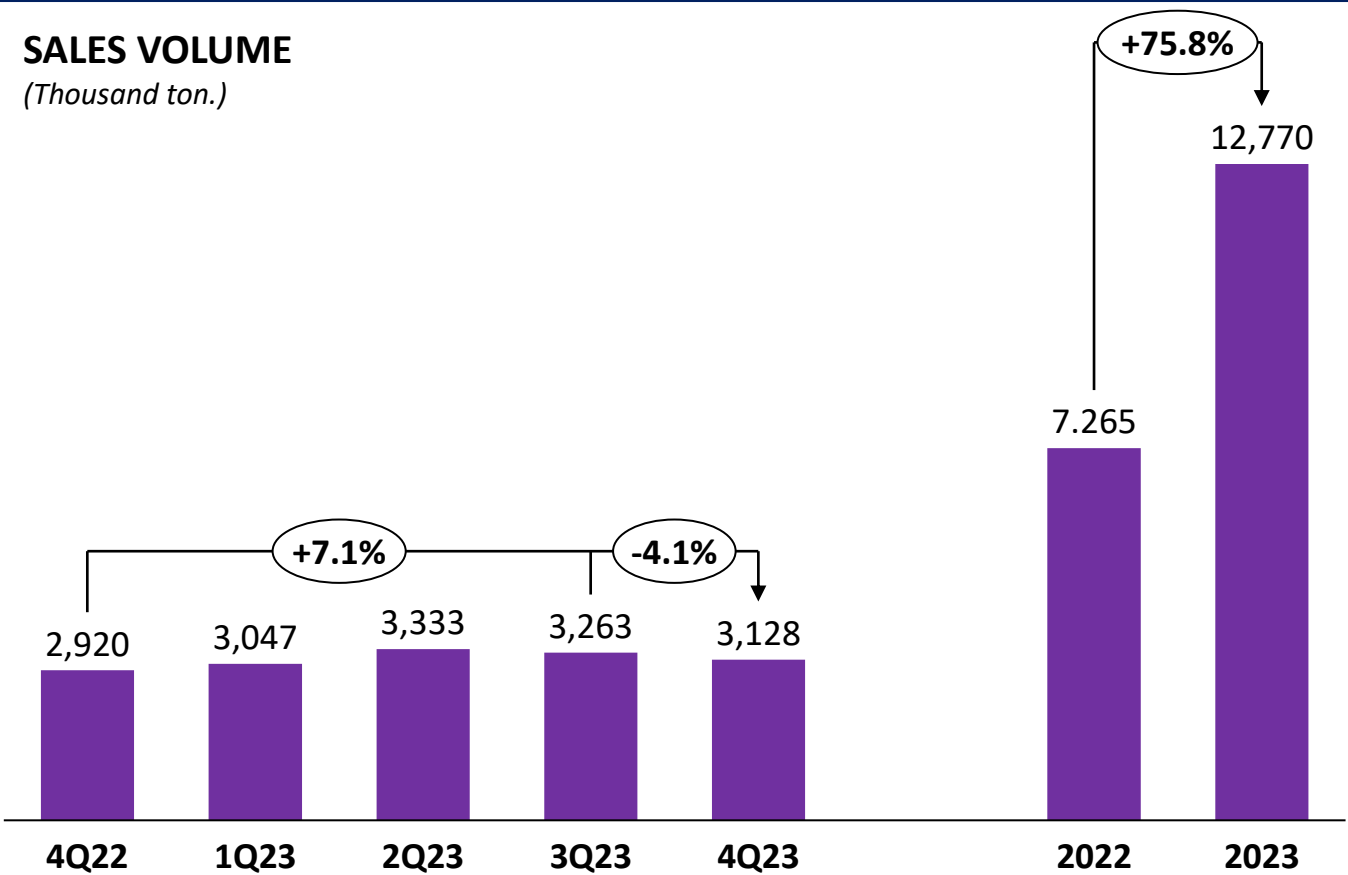
CEMENT



CEMENT PERFORMANCE

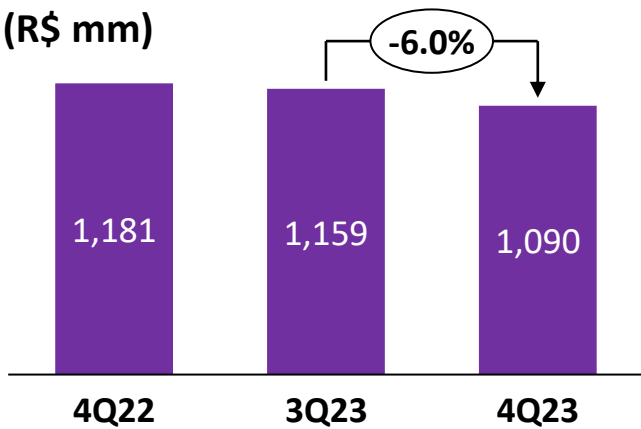
SALES VOLUME

(Thousand ton.)

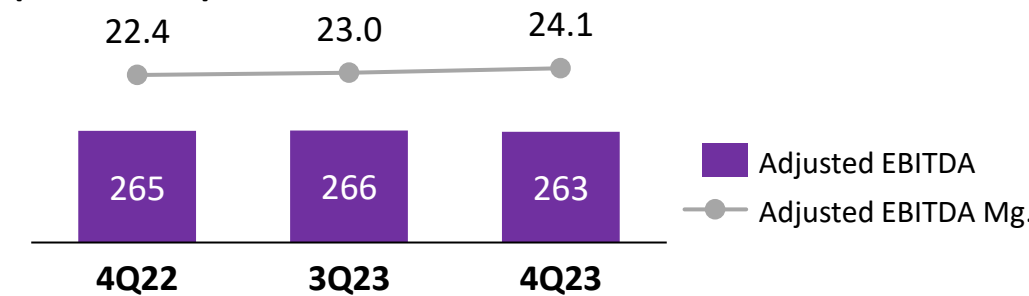


NET REVENUE

(R\$ mm)



ADJUSTED EBITDA AND ADJUSTED MARGIN

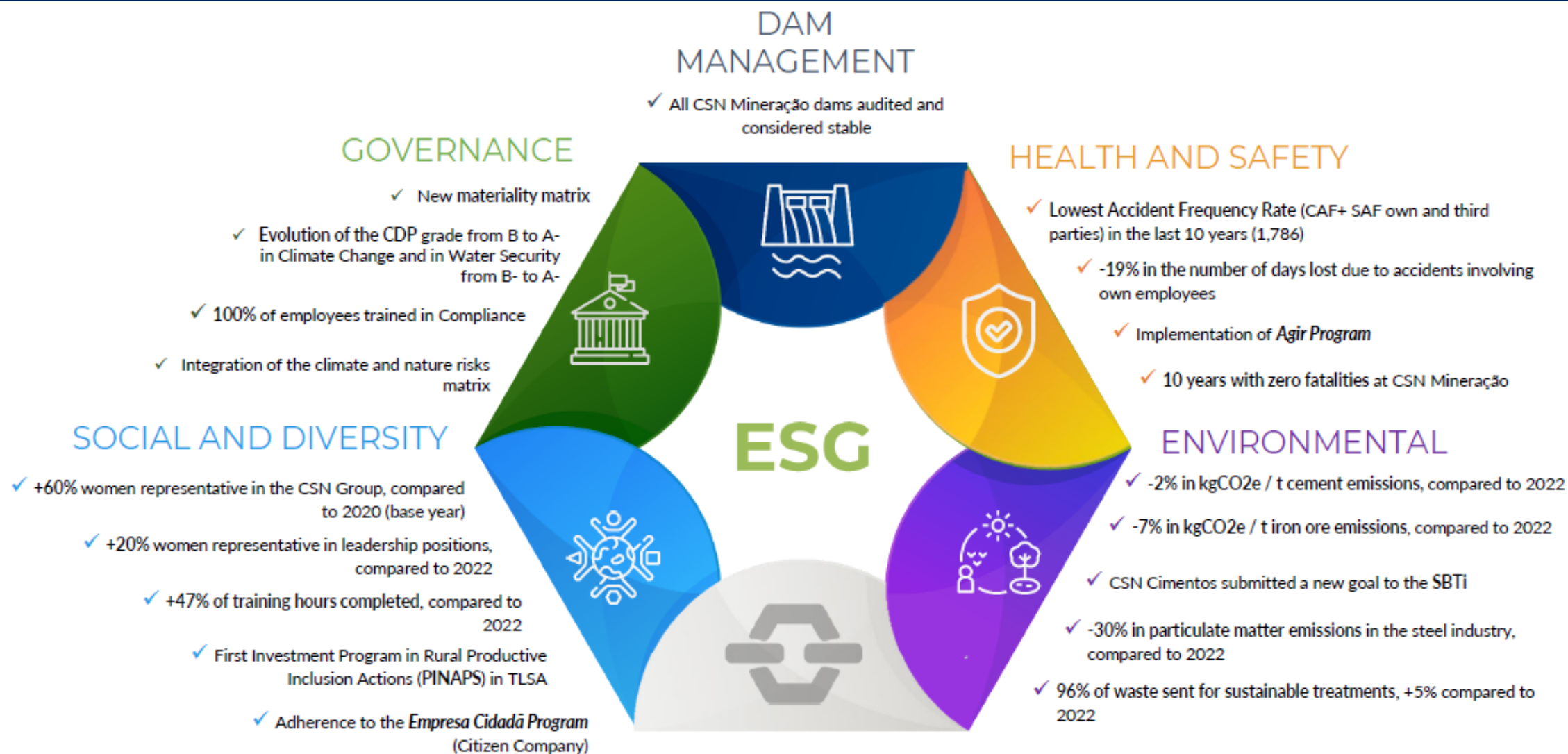


- ⚙ The decrease in sales volume observed in 4Q23 is a direct consequence of seasonality, although in the annual comparison it is possible to observe a strong increase of 7% in sales for the period.
- ⚙ Despite the lower commercial activity in the quarter, the Company continued to make progress in capturing synergies and managed to deliver an increase in profitability in 4Q23.

ESG



ESG PERFORMANCE





Marcelo Ribeiro

CFO and IRO

Pedro Gomes de Souza

IR Manager

Rafael Costa Byrro

IR Analyst

Contato:

<https://ri.csn.com.br>
invrel@csn.com.br



Companhia Siderúrgica Nacional

Q&A