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CSN & CMIN

4Q24 Preview: Mining goes to the rescue

LatAm Metals & Mining

Main takeaways for CMIN:

(i) Stable **production** of **11.47Mt Genial Est.** (+0.3% q/q; +5.0% y/y), reflecting good execution even with the rainy season. **Shipments**, however, should fall to **10.78Mt Genial Est.** (-9.3% q/q; -3.3% y/y); **(ii)** We estimate a **realized price** of **US$60/t FOB Genial Est.** (+30.7% q/q), benefiting from an improved mix, a reversal of the impact of the provisional price and a slight drop in freight costs; **(iii)** We estimate a **COGS/t** of **R$191.3/t Genial Est.** (+27.9% q/q; -1.5% y/y), impacted by excessive rainfall and the FX rate effect. C1/t should reach US$20.9/t Genial Est. (+9.4% q/q; -7.2% y/y); **(iv) EBITDA boosted by higher realized price**, clocking in at **R$1.7bn Genial Est.** (+50.1% q/q; -38.0% y/y); **(v) Attractive valuation, but no relevant triggers:** Despite trading at **4.8x EV/EBITDA 25E** (vs. 5.5x historical), We project C1/t at **US$21.5/t 25E** (flat vs. 2024) and maintain our **NEUTRAL rating**, with a **12M Target Price** of **R$5.75**, with an **upside** of **+9.01%.**

Main takeaways for CSN:

(i) Steel division with a slight increase in **shipments,** clocking in at **1,170kt Genial Est.** (+0.3% q/q; +10% y/y). The realized price should reach **R$5,275/t Genial Est.** (+1.8% q/q), reflecting an improvement in the product mix; **(ii) Cement with a seasonal downturn:** We project sales of 3,449kt Genial Est. (-5.5% q/q; +10.3% y/y), impacted by the slower pace of civil construction by year-end. The price should reach R$355/t Genial Est. (+1.9% q/q); **(iii) Net revenue** projected at **R$11.8bn Genial Est.** (+6.9% q/q; -1.5% y/y), with mining revenue standing out at (+23.4% q/q), driven by higher prices; **(iv)** Marginal reduction in **COGS/t steel**, clocking in at **R$4,542/t Genial Est.** (-0.6% q/q); **(v) EBITDA** with strong sequential recovery, reaching **R$2.8bn Genial Est.** (+21.1% q/q; -23.3% y/y); **(vi) Loss widened by financial expenses** of **-R$1.7bn Genial Est.**, **(vii)** Leverage should rise to **4.5x Net Debt/EBITDA** (vs. 3,3x in 3Q24), pressured by FX rate on debt and EBITDA y/y compression in the LTM base. We reiterate our **NEUTRAL rating**, with a **12M Target Price** cut to **R$9.50** (vs. R$13.35 previously), indicating an **upside** of **12.50%.**

CSN and **CMIN** will release their **4Q24 results** on **March 12**, after the market closes. We expect a combination of resilience and challenges. The major highlight expected for 4Q24 is mining vis-vis its price recovery. The holding company's EBITDA is expected to rise by **+21.1% q/q**, although it is still down by **-23.3% y/y**. The **major negative highlight** of 4Q24 should be **the increase in the leverage ratio** due to **(i)** the variation in debt issued in USD, because of the devaluation of the BRL vs. USD exchange rate, which should more than offset the **(ii)** +R$4.5bn inflow in cash from the sale of 10.7% stake of CMIN to Itochu Corp. (+26% premium). While 24E Net Debt/EBITDA was expected to fall to ~3.0x before, we **now estimate a rise to 4.5x in 4Q24** (vs. 3.3x in 3Q24). Thus, we believe that the events of 4Q24 **put the guidance of 3.0x Net Debt/EBITDA 25E in check**, since the company will start 2025 already with very high leverage to be able to redirect to the target throughout the year.

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Companies

CSNA3 BZ Equity
Neutral

Price: R$ 8.44 (11-Mar-2025)
Target Price 12M: R$ 9.50

CMIN3 BZ Equity
Neutral

Price: R$ 5.27 (11-Mar-2025)
Target Price 12M: R$ 5.75

Table 1. Shipments Summary (4Q24 Genial Est.)

(Thousand Tonnes - kt)	Genial Est.	Reported		Reported	
Summary (Sales)	**4Q24E**	**3Q24A**	**% q/q**	**4Q23A**	**% y/y**
Steel	1.170	1.166	**0,3%**	1.064	**10,0%**
Iron Ore	10.896	11.884	**-8,3%**	11.144	**-2,2%**
Cement	3.449	3.649	**-5,5%**	3.128	**10,3%**

Source: CSN & CMIN, Genial Investimentos

Table 2. Income Statement Summary CMIN (4Q24 Genial Est.)

(R$ millions)	Genial Est.				
Income Statement	**4Q24E**	**3Q24A**	**% q/q**	**4Q23A**	**% y/y**
Net Revenue	4.416	3.967	**11,3%**	5.513	**-19,9%**
Adjusted EBITDA	1.709	1.139	**50,1%**	2.759	**-38,0%**
Net Income	597	446	**33,8%**	1.359	**-56,0%**

Source: CMIN, Genial Investimentos

Table 3. Income Statement Summary CSN (4Q24 Genial Est.)

(R$ millions)	Genial Est.				
Income Statement	**4Q24E**	**3Q24A**	**% q/q**	**4Q23A**	**% y/y**
Net Revenue	11.825	11.067	**6,9%**	12.005	**-1,5%**
Adjusted EBITDA	2.796	2.308	**21,1%**	3.644	**-23,3%**
Net Income	(1.696)	(751)	**125,8%**	851	**-**

Source: CSN, Genial Investimentos

Returning to the dynamics of **4Q24**, **CMIN** should maintain solid production, with shipments projected at **10.8Mt Genial Est.** (-9.3% q/q; -3.3% y/y), impacted by seasonal issues. **Net revenue** is expected to reach **R$4.4bn Genial Est.** (+11.3% q/q; -19.9% y/y), supported by the significant recovery in the realized price **(US$60/t FOB Genial Est.; +30.7% q/q)**, benefiting from **(i)** a slight quality gain in the product mix and **(ii)** a reversal of the provisional price which is no longer a detractor. As a result, **EBITDA** should grow robustly to **R$1.7bn Genial Est.** (+50.1% q/q; -38.0% y/y), demonstrating that the increase in realized prices should more than offset the rise in **C1/t in USD**, which should reach **US$20.9/t** (+9.4% q/q).

At **CSN Holding**, we expect a gradual recovery in steel demand in the domestic market, with consolidated sales reaching **1.17Mt Genial Est.** (+0.3% q/q; +10% y/y), counteracting the typical detracting seasonality in the 4Qs. For the **Cement** segment, our expectation is for shipments to reach **3.4Mt Genial Est.** (-5.5% q/q; +10.3% y/y), impacted by the rains and the slowdown in construction sites at the end of the year, but supported by the strategy of gaining market share and a slight improvement in prices. Consolidated **Net revenue** is projected at **R$11.8bn Genial Est.** (+6.9% q/q; -1.5% y/y), with the recovery in iron ore prices being the main positive highlight. **Steel COGS/t** should show a slight improvement, projected at **R$4,542/t Genial Est.** (-0.6% q/q; -3.4% y/y). **Consolidated EBITDA** should be **R$1.7bn Genial Est.** (+50.1% q/q; -38% y/y). Finally, we project **a Loss of -R$1.7bn Genial Est.** mainly reflecting the negative impact of financial expenses and FX rate variation on USD-denominated debt.

4Q24 Preview in detail!

CMIN: Shipments down due to seasonal issues. We expect production to remain satisfactory at 11.47Mt Genial Est. (+0.3% q/q; +5.0% y/y). We believe that this sequential stability in production reflects efficient execution even in the face of the onset of the rainy season with rising temperatures in November and December, which traditionally has a negative impact on mining. However, we project shipments to stand at 10.78Mt Genial Est., representing a drop of -9.3% q/q and -3.3% y/y, given this seasonality.

Table 4. Production and Shipments CMIN (4Q24 Genial Est.)

CMIN (Million tonnes)	4Q24E **Genial Est.**	3Q24A **Reported**	**% q/q**	4Q23A **Reported**	**% y/y**
Production + Purchases	**11,47**	**11,44**	**0,3%**	**10,92**	**5,0%**
Total Shipments	**10,78**	**11,88**	**-9,3%**	**11,14**	**-3,3%**
Internal Market	1,33	1,11	20,2%	1,56	-14,7%
External Market	9,45	10,78	-12,3%	9,59	-1,4%

Source: CMIN, Genial Investimentos

CMIN: Realized prices should see a strong sequential improvement. We are assuming that the realized price will be US$60/t FOB Genial Est. (+30.7% q/q), reflecting a significant recovery in the period. We believe that this improvement is mainly due to three factors: **(i)** a slight gain in quality in the product mix; **(ii)** the reversal of the negative impact of the provisional price, which went from being a detractor to a sustaining factor in the final price; **(iii)** a slight reduction in freight costs, although the most significant impact of this drop should only occur in 1Q25; and **(iv)** a marginal increase of +US$3/t q/q in the 62% Fe reference curve.

CSN Holding: Steel division expected to overcome worse seasonality. We expect consolidated steel shipments (DM+FM) totaling 1,170kt Genial Est. (+0.3% q/q; +10% y/y). In the domestic market (DM), we project sales of 873kt Genial Est. (+0.8% q/q; +14.6% y/y). We believe that this expansion is underpinned by demand that is still resilient, especially in the automotive, heavy machinery and infrastructure segments, which have maintained a solid pace throughout 2024. Probably there will be slight volume growth on a sequential basis, which could already be considered a satisfactory figure. Normally there is a drop in sales between 3Qs and 4Qs due to seasonality. In the foreign market (FM), we project shipments of 297kt Genial Est. (-1.0% q/q; -1.7% y/y), reflecting a slowdown in steel consumption in Europe.

CSN Holding: Steel division with realized price with marginal sequential recovery. For the steel segment, we project a consolidated realized price (DM + FM) of R$5,275/t Genial Est. (+1.8% q/q; -0.7% y/y). We believe that this slight recovery in the sequential comparison mainly reflects **(i)** an improvement in the product mix, which was very weak last quarter and **(ii)** the one-off effects of adjustments applied to some categories in the portfolio. In the domestic market (DM), we expect a realized price of R$5,220/t Genial Est. (+1.1% q/q; -2.3% y/y), driven by the still heated demand environment, which more than offset the competition with imported steel, especially in products with higher added value.

In the foreign market (FM), we project a realized price of R$5,436/t Genial Est. (+4.0% q/q; +3.8% y/y), driven by the appreciation of the USD/BRL FX rate, mitigating the cooling effect that we will probably see in the European market (Lusosider and SWT).

CSN Holding: Sales in the cement division are expected to fall, with prices improving slightly. We project shipments to reach 3,449kt Genial Est. (-5.5% q/q; +10.3% y/y). We believe that the quarterly downturn mainly reflects the typical seasonality of the period, which is marked by lower activity in the construction sector due to the proximity of the end-of-year festivities and increased rainfall, which negatively impacts the pace of construction work. Despite this adverse scenario, annual performance remains robust, driven by **(i)** continued high-capacity utilization rates at the assets acquired from Lafarge Holcim and **(ii)** CSN's strong presence in strategic regions such as the Southeast, where the company has been expanding its market share. As for the realized price, we project it to reach R$355/t Genial Est. (+1.9% q/q; +1.9% y/y), contrary to the typical seasonal trend of price retraction during 4Qs and the commercial policy linked to competition with Votorantim. Therefore, we believe that the slight increase stems from a more efficient commercial strategy and a slight improvement in the product mix.

CSN Holding: Mining will once again be the highlight of the quarter. We expect consolidated Net revenue of R$11.8bn Genial Est. (+6.9% q/q; -1.5% y/y). The main positive highlight should be the Mining division, whose net revenue we project at R$3.7bn Genial Est. (+23.4% q/q; -26.7% y/y) reflecting the positive impact of higher prices, which should more than offset the drop in shipments (-1Mt q/q). In the steel division, we estimate revenues of R$6.2bn Genial Est. (+2.2% q/q; +9.2% y/y), sustained by the slight improvement in sales in the domestic market, going against the seasonality that deters demand, as well as a resumption of a better mix and the partial effect of the price adjustment given last quarter. The Cement division is expected to post revenues of R$1.2bn Genial Est. (-3.7% q/q; +12.4% y/y), impacted by the typical seasonal drop in shipments due to the weather conditions at the start of the rainy season and the reduction in construction sites at the end of the year, which should more than offset the slight increase expected in realized prices.

Table 5. Net Revenue CSN (4Q24 Genial Est.)

CSN	4Q24E	3Q24A		4Q23A	
(R$ Millions)	**Genial Est.**	**Reported**	**% q/q**	**Reported**	**% y/y**
Net Revenue	**11.825**	**11.067**	**6,9%**	**12.005**	**-1,5%**
Steel	6.172	6.041	2,2%	5.654	9,2%
Mining	3.687	2.989	23,4%	5.028	-26,7%
Porto	94	99	-5,0%	67	39,8%
Railway	862	793	8,6%	728	18,4%
Energy	133	151	-12,0%	125	6,3%
Cement	1.225	1.272	-3,7%	1.090	12,4%
Eliminations	(348)	(279)	24,5%	(687)	-49,3%

Source: CSN, Genial Investimentos

CSN Holding: We project a slight efficiency gain in COGS/t of steel. We expect a COGS/t of steel of R$4,542/t Genial Est. (-0.6% q/q; -3.4% y/y), reflecting a slight reduction in operating costs. In 1H24, the company carried out stoppages at the Presidente Vargas mill (RJ) to increase efficiency gains in 2H24 and 2025. Another point that justifies the marginal downward bias in costs is the continued purchase of third-party slabs, which today have an average cost lower than production itself. However, the use of this input has been impacted by the rise in the USD/BRL FX rate, limiting the reduction in COGS/t.

CMIN: COGS/t should rise in BRL due to the FX rate and poorer dilution of fixed costs q/q. For mining (CMIN), we project a COGS/t of R$191.3/t Genial Est. (+27.9% q/q; -1.5% y/y). Excessive rainfall during the quarter should contribute to this temporary increase in unit costs, as there will be a reduction in the ability to dilute fixed costs. We expect C1/t to reach US$20.9/t Genial Est. (+9.4% q/q; -7.2% y/y) reflecting this adverse weather impact typical of the 4Qs, added to the currency effect of the acceleration of the USD/BRL, which should more than offset the retraction in freight costs for COGS/t.

CMIN: Significant acceleration in EBITDA due to the increase in the realized price. Our model points to an adjusted EBITDA of R$1.7bn Genial Est. (+50.1% q/q; -38.0% y/y), reflecting a relevant sequential improvement, but still with a strong retraction in the annual comparison. We believe that the quarterly recovery should be driven by higher realized prices. We estimate an EBITDA margin expanding sequentially to 38.7% Genial Est. (+10p.p. q/q; -11.3p.p. y/y).

Table 6. Income Statement CMIN (4Q24 Genial Est.)

CMIN	4Q24E	3Q24A		4Q23A	
(R$ millions)	**Genial Est.**	**Reported**	**% q/q**	**Reported**	**% y/y**
Net Revenue	**4.416**	**3.967**	**11,3%**	**5.513**	**-19,9%**
COGS	(2.346)	(2.063)	13,7%	(2.466)	-4,9%
Adjusted EBITDA	**1.709**	**1.139**	**50,1%**	**2.759**	**-38,0%**
EBITDA Margin (%)	38,7%	28,7%	10p.p	50,0%	-11,34p.p
EBIT	**1.357**	**840**	**61,5%**	**2.032**	**-33,2%**
EBIT Margin (%)	30,7%	21,2%	9,55p.p	36,9%	-6,12p.p
D&A	(284)	(288)	-1,4%	(273)	4,1%
Financial Result	(516)	(425)	21,4%	(345)	49,5%
Net Income	**597**	**446**	**33,8%**	**1.359**	**-56,0%**
Net Margin (%)	13,5%	11,3%	2,28p.p	24,6%	-11,12p.p

Source: CMIN, Genial Investimentos

CSN Holding: Adjusted EBITDA to indicate mining dominance and steel improvement. We estimate a consolidated adjusted EBITDA of R$2.8bn Genial Est. (+21.1% q/q; -23.3% y/y), reflecting a robust sequential recovery, but still pressured year-on-year. In the Steel division, we project an EBITDA of R$554mn Genial Est. (+42.7% q/q; +67.3% y/y), marginally driven by shipments and price. The Mining division tends to be the highlight of the consolidated result, with EBITDA estimated at R$1.7bn Genial Est. (+52.2% q/q; -37.6% y/y) reflecting the favorable realized price environment.

The Cement division is expected to record EBITDA of R$352mn Genial Est. (+0.6% q/q; +34.0% y/y), positive considering the seasonally detracting effect on results for 4Qs.

Table 7. EBITDA CSN (4Q24 Genial Est.)

CSN	4Q24E	3Q24A		4Q23A	
(R$ Millions)	**Genial Est.**	**Reported**	**% q/q**	**Reported**	**% y/y**
Adjusted EBITDA	**2.796**	**2.308**	**21,1%**	**3.644**	**-23,3%**
Steel	554	389	42,7%	331	67,3%
Mining	1.709	1.123	52,2%	2.739	-37,6%
Porto	38	45	-15,7%	14	171,3%
Railway	373	384	-2,9%	336	10,9%
Energy	54	61	-10,1%	22	151,1%
Cement	352	350	0,6%	263	34,0%
Eliminations	(112)	(67)	67,6%	(80)	40,7%

Source: CSN, Genial Investimentos

CSN Holding: Strong loss, impacted by financial expenses and FX rate. We project a Loss of -R$1.7bn Genial Est., widening the loss reported in 3Q24 (-R$751mn) and reversing the net income recorded in 4Q23 (+R$851mn). We believe that this result mainly reflects the negative impact of the financial result, which we project at -R$2.8bn Genial Est. (+44.2% q/q; +404.1% y/y) as a result of **(i)** the high level of financial expenses, influenced by the company's high debt ratio and **(ii)** the exchange rate variation on dollar-denominated debt (62% of total debt), which should contribute to increasing the negative impact on the bottom line.

Table 8. Income Statement CSN (4Q24 Genial Est.)

CSN	4Q24E	3Q24A		4Q23A	
(R$ Millions)	**Genial Est.**	**Reported**	**% q/q**	**Reported**	**% y/y**
Net Revenue	**11.825**	**11.067**	**6,9%**	**12.005**	**-1,5%**
COGS	(7.856)	(8.333)	-5,7%	(7.439)	5,6%
Adjusted EBITDA	**2.796**	**2.308**	**21,1%**	**3.644**	**-23,3%**
EBITDA Margin (%)	23,6%	20,9%	2,78p.p	30,4%	-6,71p.p
EBIT	**1.089**	**781**	**39,4%**	**1.818**	**-40,1%**
EBIT Margin (%)	9,2%	7,1%	2,15p.p	15,1%	-5,93p.p
D&A	(989)	(963)	2,6%	(897)	10,2%
Financial Result	(2.785)	(1.932)	44,2%	(552)	404,1%
Net Income	**(1.696)**	**(751)**	**125,8%**	**851**	**-**
Net Margin (%)	-14,3%	-6,8%	-7,55p.p	7,1%	-21,43p.p

Source: CSN, Genial Investimentos

Our take on CSN and CMIN

CMIN

Iron ore prices are expected to fluctuate and could reach US$90/t in 2H25. According to our analysis, the volume of iron ore in monitored Chinese ports ended last week at around 134Mt (+17.7% vs. 2024), still indicating a high level, despite the weekly drop (-0.8% w/w). Although the level of inventories remains high in relation to the historical average of the last 5Y (~115Mt), we understand that there are some triggers such as **(i)** seasonality, **(ii)** climatic events in Australia (cyclones), and **(iii)** strategic adjustments by mining companies (e.g. Vale), which should contribute to temporarily reducing the shipments flow, partially mitigating the negative pressure on prices for 25E.

On the other hand, when we reach more favorable weather conditions in 2H25, both in Brazil and Australia, we believe that this will coincide with the shutdown of part of the Chinese blast furnaces promoted by the capacity cutback of the older mills, which should begin as early as April. It is important for investors to keep an eye on **these imminent changes in China**, with the government having already decided that it will **readjust capacity**, focusing **the production cut on less efficient plants with older blast furnaces that pollute more**. This, according to our calculations, could **lower Seaborne demand** for iron ore by -**45Mt over the next 12M**. Therefore, the aim is to adapt to the new conditions of steel demand, which is shrinking compared to the cycle we experienced when the infrastructure and construction market was booming in China. It is worth noting that we maintain our projection for the **average price of 62% Fe** at **US$99/t in 25E**, underpinned by **global marginal costs** of ~**US$80-90/t.**

CMIN in a difficult scenario with no offsetting cost reduction. We believe that **C1/t should remain sideways** at **US$21.5/t Genial Est**. for **2025E** (vs. US$21.4/t in 24E). We see this as a barrier to a rating change for the company. From a macro point of view, there doesn't seem to be an interesting trigger coming from China, and from a micro perspective, we believe that **(i)** production + third-party purchases will stand at 43Mt in 2025E, representing a flat figure vs. 24E, with **(ii)** C1/t also not decreasing throughout 2025. The company's performance in 2025 should be close to what it achieved in 2024, **with no major upward changes**. Therefore, **we don't see any interesting catalysts** for the investment thesis in CMIN right now. Although CMIN is trading at **4.8x EV/EBITDA 25E** (vs. 5.5x historical), which still represents a discount, we keep our assumptions intact for the time being. We therefore reiterate our **NEUTRAL rating**, with the same **12M Target Price of R$5.75**, indicating an **upside** of **+9.01%.**

CSN Holding

Steel demand expected to slow in 2025, cement may improve. Although the general level of consumption remains solid enough to produce satisfactory shipment figures in 4Q24, we believe that considering the **SELIC rate hike** projected at 15% by the end of the year, there **are imminent risks** to the **dynamics of domestic steel demand**. We believe that this would no longer sustain the relatively stable pricing that we should see in 4Q24, in addition to the current pressure from competition with imported products, intensified by trade disputes. The **cement segment** remains one of the **most promising for 2025**, with the potential to reach **EBITDA** of **1.6bn** in **25E**. We believe it could even surpass the steel division's operating profitability in some quarters during the year. The company plans to **make gradual price increases throughout 1H25**, with a healthier dynamic of competition for market share with Votorantim. In addition, the company recently increased its stake in Estrela Comércio to 70%, thus controlling the Tora Transport company, which should generate important logistical synergies, lowering the COGS/t for the cement division.

Leverage should rise sharply. About the leverage ratio, the variation in the USD debt due to exchange rate effects and the devaluation of the BRL vs. US dollar should impose an increase in the ratio, more than offsetting the inflow of cash from the sale of 10.7% stake of CMIN to Itochu Corp. for R$4.5bn (with a premium of +26%). If we had previously expected a reduction in the **24E Net Debt/EBITDA** ratio to 3.0x, we **now believe that the ratio should not have this downward bias**, but rather an upward bias **reaching 4.5x in 4Q24**, further catalyzed by the fact that the compression of projected consolidated EBITDA by -38% y/y affects the LTM base. The events of 4Q24 should therefore jeopardize the company's leverage guidance of **3.0x Net Debt/EBITDA 25E**, since the company will start 2025 with a leverage well short of the target, it will be challenging to bring it all down over the course of the year.

Mining goes to the rescue in 4Q24, but the outlook for 2025 remains neutral. Already considering the typical seasonality of the 4Qs, we believe **that the quarter's result will be positive**. For 2025, we expect steel prices and demand to fall in 1H25, hampered by the **rise in the SELIC rate and expectations of fragile resolutions** regarding economic stimulus **in China**. In addition, competitive risks due to increased US tariffs on Chinese steel should potentially increase imports to Brazil. For iron ore, we believe that the oversupply of inventories in Chinese ports is likely to continue at high levels, although it is gradually shrinking at a slow pace, and we therefore maintain our projected average price point of US$99/t (62% Fe) in 25E.

In the **cement segment**, we maintain an **optimistic view**, highlighting the potential EBITDA of R$1.5-1.6bn and logistical synergies arising from the recent acquisition of Tora Transport company. Even so, the cement division alone doesn't change the storyline for the entire holding company, which **remains with an equally uncatalyzed outlook for 2025**. Trading at **4x EV/EBITDA 25E**, we reiterate our **NEUTRAL rating**, with a **12M Target Price** cut to **R$9.50** (vs. R$13.35 previously) indicating an **upside** of **12.50%.**

Appendix: CMIN

Figure 1. CMIN – Income Statement in R$ Millions (Genial Est. 2024-2028)

Income Statement	2024E	2025E	2026E	2027E	2028E
Net Revenue	**15.088**	**15.022**	**16.009**	**21.694**	**23.006**
(-) COGS	(8.307)	(8.321)	(8.623)	(11.531)	(13.118)
Gross Profit	**6.781**	**6.702**	**7.386**	**10.164**	**9.888**
(-) SG&A and others	(2.240)	(1.951)	(2.071)	(2.807)	(2.979)
EBITDA	**4.977**	**6.099**	**7.068**	**9.499**	**9.436**
(+/-) Financial Result	(648)	(124)	(275)	(394)	(548)
EBT	**4.329**	**5.975**	**6.793**	**9.105**	**8.888**
(-) Taxes	(974)	(1.326)	(1.474)	(2.105)	(1.907)
Net Income	**2.257**	**3.299**	**3.563**	**4.856**	**4.451**
Profitability					
Net Margin (%)	14,96%	21,96%	22,26%	22,38%	19,35%

Figure 2. CMIN – Cash Flow in R$ Millions (Genial Est. 2024-2028)

Cash Flow	2024E	2025E	2026E	2027E	2028E
Net Revenue	**15.088**	**15.022**	**16.009**	**21.694**	**23.006**
(-) COGS	(8.307)	(8.321)	(8.623)	(11.531)	(13.118)
Adjusted EBITDA	**4.977**	**6.099**	**7.068**	**9.499**	**9.436**
EBIT	**3.879**	**4.749**	**5.312**	**7.355**	**6.906**
(-) Taxes	(974)	(1.326)	(1.474)	(2.105)	(1.907)
(+) D&A	1.098	1.350	1.756	2.144	2.530
(+/-) Δ WK	131	51	15	280	207
(-) Capex	(2.082)	(4.825)	(5.031)	(5.367)	(5.767)
FCFF	**2.052**	**(1)**	**578**	**2.307**	**1.968**

Appendix: CSN

Figure 1. CSN – Income Statement in R$ Millions (Genial Est. 2024-2028)

Income Statement	2024E	2025E	2026E	2027E	2028E
Net Revenue	**42.907**	**47.035**	**51.041**	**58.920**	**63.289**
(-) COGS	(27.633)	(28.885)	(29.402)	(33.161)	(35.222)
Gross Profit	**15.274**	**18.150**	**21.639**	**25.759**	**28.067**
(-) SG&A and others	(7.089)	(8.124)	(8.207)	(8.678)	(8.627)
EBITDA	**8.184**	**10.026**	**13.432**	**17.081**	**19.440**
(+/-) Financial Result	(4.400)	(3.873)	(4.362)	(4.874)	(5.230)
EBT	**172**	**1.991**	**4.342**	**6.941**	**8.369**
(-) Taxes	(469)	(681)	(1.389)	(2.221)	(2.678)
Net Income	**(297)**	**1.310**	**2.952**	**4.720**	**5.691**
Profitability					
Net Margin (%)	-0,69%	2,78%	5,78%	8,01%	8,99%

Figure 2. CSN – Cash Flow in R$ Millions (Genial Est. 2024-2028)

Cash Flow	2024E	2025E	2026E	2027E	2028E
Net Revenue	**42.907**	**47.035**	**51.041**	**58.920**	**63.289**
(-) COGS	(27.633)	(28.885)	(29.402)	(33.161)	(35.222)
Adjusted EBITDA	**8.184**	**10.026**	**13.432**	**17.081**	**19.440**
EBIT	**4.590**	**5.864**	**8.703**	**11.814**	**13.599**
(-) Taxes	(469)	(681)	(1.389)	(2.221)	(2.678)
(+) D&A	3.595	4.163	4.728	5.266	5.841
(+/-) Δ WK	(1.080)	(372)	(4)	(866)	(562)
(-) Capex	(4.485)	(6.142)	(6.113)	(5.586)	(5.629)
FCFF	**2.151**	**2.831**	**5.926**	**8.408**	**10.571**

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