

## CSN & CMIN

### 4Q24 Review: Beating expectations in main units

LatAm Metals & Mining

#### Main takeaways for CMIN:

(i) Sales reached **10.7Mt** (-1.5% vs. Genial Est.), down **-9.7% q/q** and **-3.7% y/y**, reflecting more intense rains due to seasonality. The good logistical performance via TECAR helped mitigate part of this impact; (ii) **Strong recovery in realized prices**, which reached **US\$61.71/t** (+2.9% vs. Genial Est.), up +34.5% q/q, driven by the combination of greater exposure to forwards and the advance in the 62% Fe reference curve (+2.8% q/q); (iii) **COGS/t** was **R\$198.1/t** (+3.6% vs. Genial Est.), up **+32.5% q/q**, reflecting less dilution of fixed costs. **C1/t** was **US\$20.4/t** (-2.3% vs. Genial Est.), still down **-9.3% y/y**; (iv) **EBITDA** reached **R\$2.0bn** (+17.9% vs. Genial Est.), a strong rise of **+76.9% q/q**, with a margin of **41.7%** (+3p.p. vs. Genial Est.); (v) With ore prices expected to fall to **US\$90/t** in 2H25 and C1/t stable at **US\$21.5/t**, we maintain our **HOLD** rating, with a **12M Target Price** of **R\$5.75**, reflecting an **upside** of **+8.90%**.

#### Main takeaways for CSN:

(i) Steel sales totaled **1,175kt** (+0.4% vs. Genial Est.; **+0.8% q/q**; **+10.4% y/y**) with the domestic market standing out. The **realized price** was **R\$5,245/t** (-0.6% vs. Genial Est.; **+1.3% q/q**; **-1.3% y/y**) reflecting pressure from imported steel; (ii) **Cement** sales totaled **3,249kt** (-5.8% vs. Genial Est.; **-11.0% q/q**; **+3.9% y/y**), while the realized price rose to **R\$362/t** (+2.0% vs. Genial Est.; **+10.4% q/q**); (iii) Consolidated net revenue of **R\$12.0bn** (+1.7% vs. Genial Est.), up **+8.7% q/q** and **+0.2% y/y**, driven by mining revenue of **R\$3.93bn** (+6.7% vs. Genial Est.), up **+31.6% y/y**; (iv) EBITDA reached **R\$3.3bn** (+19.3% vs. Genial Est.), up **+44.5% q/q**; (v) The company reported a loss of **-R\$85mn**, much better than our estimate, benefiting from CMIN's positive financial result within the Holding; (vi) Demand for steel may be pressured by the SELIC at **15%** in 25E and by competition with imports. The cement segment should stand out, with potential EBITDA of **R\$1.6bn** in 2025, driven by price adjustments and synergies with Tora Transports. We reiterate our **BUY** rating, with a **12M Target Price** of **R\$9.50** and **upside** potential of **+12.16%**.

**CSN** and **CMIN** released their **3Q24 results** yesterday, **March 12**, after the market closed. As expected, the major positive highlight of the quarter was the mining division vis-à-vis its realized price recovery, reaching US\$61.7/t FOB (+2.9% vs. Genial Est.; +34.5% q/q). The holding company's EBITDA reached R\$3.3bn (+19.3% vs. Genial Est.), up +44.5% q/q, despite the -8.5% y/y drop, exceeding our expectations. We thought that the major negative highlight of 4Q24 should have been the **increase in the holding company's leverage ratio** due to (i) the variation in USD debt, resulting from the devaluation of the BRL vs. USD exchange rate, which should have more than offset the (ii) entry of +R\$4.5bn in cash flow from the sale of 10.7% of CMIN to Itochu Corp. (premium of +26%).

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#### Companies

**CSNA3 BZ Equity**  
Neutral

**Price:** R\$ 8.47 (12-Mar-2025)  
**Target Price 12M:** R\$ 9.50

**CMIN3 BZ Equity**  
Neutral

**Price:** R\$ 5.21 (12-Mar-2025)  
**Target Price 12M:** R\$ 5.75

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

(Thousand Tonnes - kt)	Reported			Genial Est.		Reported	
Summary (Sales)	4Q24A	4Q24E	% Diff.	3Q24A	% q/q	4Q23A	% y/y
Steel	1.175	1.170	0,4%	1.166	0,7%	1.064	10,4%
Iron Ore	10.731	10.896	-1,5%	11.884	-9,7%	11.144	-3,7%
Cement	3.249	3.449	-5,8%	3.649	-11,0%	3.128	3,9%

Source: CSN & CMIN, Genial Investimentos

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

(R\$ millions)	Reported			Genial Est.		Reported	
Income Statement	4Q24A	4Q24E	% Diff.	3Q24A	% q/q	4Q23A	% y/y
Net Revenue	4.830	4.416	9,4%	3.967	21,8%	5.513	-12,4%
Adjusted EBITDA	2.015	1.709	17,9%	1.139	76,9%	2.759	-27,0%
Net Income	2.016	597	237,5%	446	351,7%	1.359	48,4%

Source: CSN & CMIN, Genial Investimentos

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

(R\$ millions)	Reported			Genial Est.		Reported	
Income Statement	4Q24A	4Q24E	% Diff.	3Q24A	% q/q	4Q23A	% y/y
Net Revenue	12.026	11.825	1,7%	11.067	8,7%	12.005	0,2%
Adjusted EBITDA	3.335	2.796	19,3%	2.308	44,5%	3.644	-8,5%
Net Income	(85)	(1.696)	-95,0%	(751)	-88,7%	851	-

Source: CSN, Genial Investimentos

However, this negative pressure was **basically offset** by **CMIN's strong financial result** due to the company's robust exposure to **financial investments in USD**, converted into BRL, acting as a hedge against the exchange rate effects on the holding company's debt, thus explaining the significant divergence observed between what the company disclosed (**3.49x Net Debt/EBITDA**) and our projection. Even so, leverage rose slightly, to **+0.15x vs. 3Q24**, something we consider **close to stability**, but far from ideal. The leverage target for 2025 is below 3x Net Debt/EBITDA.

Regarding 4Q24, CMIN reported Net Revenues of **R\$4.8bn** (+9.4% vs. Genial Est.), representing a strong rise of **+21.8% q/q**, although with a retraction of **-12.4% y/y** driven by the combination of better price realization. Sales totaled **10.7Mt** (-1.5% vs. Genial Est.), down **-9.7% q/q** and **-3.7% y/y**, reflecting the impact of the rain, which limited the pace of shipments in the quarter. **C1/t** was **US\$20.4/t** (-2.3% vs. Genial Est.), up **+6.3% q/q**, but still down -9.3% y/y, reflecting greater dilution of fixed costs, exchange rate variations and lower port costs. EBITDA totaled **R\$2.0bn** (+17.9% vs. Genial Est.), representing a robust expansion of **+76.9% q/q**, although still below the levels seen last year (**-27.0% y/y**).

At CSN Holding, for the **steel** division, sales reached **1,175kt** (+0.4% vs. Genial Est.), with a slight rise of **+0.7% q/q** and expressive growth of **+10.4% y/y**. The domestic market (DM) accounted for **876kt** (+0.3% vs. Genial Est.), growing **+1.1% q/q** and **+14.9% y/y**, reflecting the resilience of construction and sectors such as automotive and yellow goods.

The foreign market (FM) totaled **299kt** (+0.7% vs. Genial Est.), stable on a quarterly basis and with a slight decline of **-1.0% y/y**. In the cement division, shipments totaled **3,249kt** (-5.8% vs. Genial Est.), down **-11.0% q/q**, but still up **+3.9% y/y**, reflecting the negative seasonality of the period, partially offset by CSN's solid presence in strategic regions.

CSN Holding reported **Consolidated Net Revenue of R\$12.0bn** (+1.7% vs. Genial Est.), showing growth of **+8.7% q/q** and stability on an annual basis (**+0.2% y/y**) sustained by the recovery in iron ore prices and solid commercial activity in the steel division. Consolidated **EBITDA was R\$3.3bn** (+19.3% vs. Genial Est.), a strong increase of **+44.5% q/q**, although with a retraction of **-8.5% y/y**. Finally, the company reported a **net loss of -R\$85mn**, a result considerably better than our projection of **-R\$1.7bn** sustained by strong net operating and financial results (-54.7% vs. Genial Est.).

#### 4Q24 Review in detail!

##### **CMIN: Shipments impacted by seasonality and lower domestic demand.**

Shipments reached 10.7Mt (-1.5% vs. Genial Est.), down -9.7% q/q and -3.7% y/y, reflecting the impact of the rain on the pace of production and lower demand in the domestic market. Despite this, the company maintained solid operational execution, with the highlight being the record number of tons shipped via TECAR, which reduced dependence on third-party ports and contributed to optimizing logistics costs.

**CMIN: Strong recovery in the price realized, exceeding expectations.** CMIN reported a realized price of US\$61.71/t (+2.9% vs. Genial Est.), reflecting a significant increase of +34.5% q/q. This result was mainly driven by the combination of **(i)** greater exposure to forwards, which reflected positively in pricing; **(ii)** the increase in the 62% Fe reference curve at +US\$3/t (+2.8% q/q); and **(iii)** the lower negative impact of the mix of exported products, which reached 9.7Mt (-10.2% q/q).

**CSN Holding: Steel shipments exceed estimates, with recovery in MD.** For the steel division's shipments, the company scored 1,175kt (+0.4% vs. Genial Est.), representing an increase of +0.8% q/q and +10.4% y/y. We believe that the result was mainly driven by the domestic market (DM), which reached 876kt (+0.3% vs. Genial Est.), up +1.1% q/q and +14.9% y/y, reflecting stronger demand in sectors such as automotive, yellow goods and infrastructure. However, the external market (FM) showed a stable performance, with shipments of 299kt (+0.7% vs. Genial Est.), slightly down on both the previous quarters (-0.3% q/q) and on an annual basis (-1.0% y/y), reflecting a slowdown in steel consumption in Europe and a still challenging external scenario.

**CSN Holding: Realized steel price falls, with greater impact on FM.** For the steel division, we saw a consolidated realized price (MD+ME) of R\$5,245/t (-0.6% vs. Genial Est.), up slightly by +1.3% q/q and down by -1.3% y/y. In the domestic market (DM), the realized price was R\$5,107/t (-2.2% vs. Genial Est.), with a compression of -1.1% q/q and -4.4% y/y. This performance reflects continued strong competition from imported steel, which continues to put pressure on the mix of products sold by the company.

In the foreign market (FC), the realized price reached R\$5,241/t (-3.6% vs. Genial Est.), with a slight increase of +0.3% q/q and stability on an annual basis (+0.1% y/y). This resilience was favored by the more favorable currency conversion in BRL, which partially mitigated the worsening in the international market observed throughout 4Q24.

**CSN Holding: Cement exceeds expectations in realized price, but with lower sales volume.** The Cement division reported shipments of 3,249kt (-5.8% vs. Genial Est.), down -11.0% q/q, although still showing growth of +3.9% y/y. This more prominent sequential drop, although slightly more elastic than we expected, is still in line with the typical seasonality of the period, marked by lower activity in the construction sector due to increased rainfall and fewer working days. Regarding the realized price, the company reported R\$362/t (+2.0% vs. Genial Est.), representing an increase of +3.9% q/q and +4.0% y/y driven by efficient commercial execution and CSN's greater participation in strategic regions, where the company has been expanding its market share.

**CSN Holding: Net revenue was boosted by strong performance in mining and steel.** The company reported consolidated net revenue of R\$12.0bn (+1.7% vs. Genial Est.), up +8.7% q/q and stable on an annual basis (+0.2% y/y). We believe that the main highlight was the mining division (CMIN), which reached R\$3.9bn (+6.7% vs. Genial Est.), representing a strong expansion of +31.6% q/q, reflecting better price realization amid the smooth sequential resumption of the 62% Fe curve and a higher quality mix. Even so, in the year-on-year comparison, revenue fell -21.8% y/y, impacted by the accumulated drop in average iron ore prices throughout 2024.

The steel division reported revenues of R\$6.2bn (-0.2% vs. Genial Est.), with growth of +2.0% q/q and +9.0% y/y, sustained by solid commercial activity and the +14.9% y/y increase in sales volume in the domestic market. The cement unit reported revenues of R\$1.18bn (-3.9% vs. Genial Est.), down -7.5% q/q, although still up +8.0% y/y, reflecting the resilience of the civil construction sector and the maintenance of CSN's strong presence in strategic regions.

**Table 4. Net Revenue CSN (4Q24 vs. Genial Est.)**

CSN (R\$ Millions)	4Q24A			3Q24A		4Q23A	
	Reported	Genial Est.	% R/E	Reported	% q/q	Reported	% y/y
<b>Net Revenue</b>	<b>12.026</b>	<b>11.825</b>	<b>1,7%</b>	<b>11.067</b>	<b>8,7%</b>	<b>12.005</b>	<b>0,2%</b>
Steel	6.163	6.172	-0,2%	6.041	2,0%	5.654	9,0%
Mining	3.933	3.687	6,7%	2.989	31,6%	5.028	-21,8%
Porto	90	94	-4,2%	99	-9,0%	67	33,8%
Railway	668	862	-22,5%	793	-15,8%	728	-8,2%
Energy	163	133	22,3%	151	7,7%	125	30,0%
Cement	1.177	1.225	-3,9%	1.272	-7,5%	1.090	8,0%
Eliminations	(167)	(348)	-52,0%	(279)	-40,2%	(687)	-75,7%

Source: CSN, Genial Investimentos

**CMIN: COGS/t accelerates with lower dilution of fixed costs and exchange rate impact.** The company reported COGS/t of R\$198.1/t (+3.6% vs. Genial Est.), up +32.5% q/q and +0.6% y/y, mainly reflecting the lower dilution effect of fixed costs due to the decrease in volume produced in the quarter, in line with expectations of greater seasonal pressure on costs during the rainy season and the devaluation of the BRL vs. USD. C1/t was US\$20.40/t (-2.3% vs. Genial Est.), slightly lower than we expected, but up +6.8% q/q and down -9.3% y/y.

We believe that this sequential increase is also explained by the lower dilution of fixed costs, while the drop on an annual basis reflects gains in operating efficiency over 2024, mainly with the migration to a mix of higher penetration of own production vs. third-party purchases. Specifically in the quarter, we believe that third-party purchases rose slightly, which was also responsible for the sequential rise in costs.

**CSN Holding: COGS/t of steel above expectations, pressured by operating costs and foreign exchange.** For the steel division, we calculated a COGS/t of R\$4,740/t (+4.4% vs. Genial Est.), representing an increase of +3.7% q/q and +0.8% y/y. We believe that this expansion compared to expectations was mainly influenced by the rise in operating costs, coupled with the strong BRL/USD exchange rate devaluation recorded in the period, which put pressure on the cost of imported raw materials. In addition, the cost of slabs reached R\$3,510/t, an increase of +4.3% q/q, reflecting the impact of this adverse exchange rate scenario. Even with the attempt at partial dilution through the purchase of slabs from third parties, the impact of the appreciation of the USD/BRL limited the efficiency gains expected in the period.

**CMIN: EBITDA and Net Profit surprise positively with strong margin expansion.** The company reported an Adjusted EBITDA of R\$2.0bn (+17.9% vs. Genial Est.), representing a significant growth of +76.9% q/q, although still with a retraction of -27.0% y/y. We believe that this strong recovery on a sequential basis was driven mainly by the increase in the realized price. The Adjusted EBITDA margin advanced significantly to 41.7%, exceeding our forecast of 38.7% (+3.0 p.p. vs. Genial Est.), with a robust increase of +13.0 p.p. q/q. Net income reached R\$2.0bn (+2.0x vs. Genial Est.; +3.0x q/q; +48.4% y/y), reflecting the effect of the exchange rate variation on cash, which is highly exposed to the dollar, on the net financial result, which reached +R\$815mn - reversing the net financial loss of 3Q24 of -R\$425mn.

**Table 5. Income Statement CMIN (4Q24 vs. Genial Est.)**

CMIN (R\$ millions)	4Q24A			3Q24A		4Q23A	
	Reported	Genial Est.	% R/E	Reported	% q/q	Reported	% y/y
<b>Net Revenue</b>	<b>4.830</b>	<b>4.416</b>	<b>9,4%</b>	<b>3.967</b>	<b>21,8%</b>	<b>5.513</b>	<b>-12,4%</b>
COGS	(2.125)	(2.346)	-9,4%	(2.063)	3,0%	(2.466)	-13,8%
<b>Adjusted EBITDA</b>	<b>2.015</b>	<b>1.709</b>	<b>17,9%</b>	<b>1.139</b>	<b>76,9%</b>	<b>2.759</b>	<b>-27,0%</b>
EBITDA Margin (%)	41,7%	38,7%	3,02p.p	28,7%	13,01p.p	50,0%	-8,33p.p
<b>EBIT</b>	<b>1.571</b>	<b>1.357</b>	<b>15,7%</b>	<b>840</b>	<b>86,9%</b>	<b>2.032</b>	<b>-22,7%</b>
EBIT Margin (%)	32,5%	30,7%	1,78p.p	21,2%	11,33p.p	36,9%	-4,34p.p
D&A	(282)	(284)	-0,8%	(288)	-2,1%	(273)	3,3%
Financial Result	815	(516)	-	(425)	-	(345)	-
<b>Net Income</b>	<b>2.016</b>	<b>597</b>	<b>237,5%</b>	<b>446</b>	<b>351,7%</b>	<b>1.359</b>	<b>48,4%</b>
Net Margin (%)	41,7%	13,5%	28,22p.p	11,3%	30,49p.p	24,6%	17,09p.p

Source: CMIN, Genial Investimentos

**CSN Holding: Adjusted EBITDA exceeds expectations with strong recovery in mining and steel.** Consolidated Adjusted EBITDA reached R\$3.3bn (+19.3% vs. Genial Est.), representing a significant increase of +44.5% q/q, albeit with a slight retraction of -8.5% y/y. As expected, the positive highlight was the mining division, which reported an EBITDA of R\$2.0bn (+15.4% vs. Genial Est.), resulting in growth of +75.6% q/q, although still down -28.0% y/y. The steel division also surprised positively, achieving an EBITDA of R\$656mn (+18.3% vs. Genial Est.), with an expressive advance of +68.8% q/q and almost 2x vs. the same period last year (+97.9% y/y). The cement unit continued to show resilience, with EBITDA of R\$386mn (+9.7% vs. Genial Est.), growing +10.3% q/q and +46.9% y/y.

**Table 6. Adjusted EBITDA CSN (4Q24 vs. Genial Est.)**

CSN (R\$ Millions)	4Q24A	4Q24E	% R/E	3Q24A	% q/q	4Q23A	% y/y
	Reported	Genial Est.		Reported		Reported	
<b>Adjusted EBITDA</b>	<b>3.335</b>	<b>2.796</b>	<b>19,3%</b>	<b>2.308</b>	<b>44,5%</b>	<b>3.644</b>	<b>-8,5%</b>
Steel	656	554	18,3%	389	68,8%	331	97,9%
Mining	1.972	1.709	15,4%	1.123	75,6%	2.739	-28,0%
Porto	32	38	-15,7%	45	-29,0%	14	128,6%
Railway	273	373	-26,8%	384	-28,9%	336	-18,8%
Energy	39	54	-28,4%	61	-35,7%	22	79,8%
Cement	386	352	9,7%	350	10,3%	263	46,9%
Eliminations	(23)	(25)	-8,0%	(42)	-45,9%	(62)	-62,7%

Source: CSN, Genial Investimentos

**CSN Holding: Loss reduced with robust operations and CMIN's financial investment.** The company reported a loss of -R\$85mn (much cooler than we expected) and represented a strong improvement of +88.7% q/q. However, in the year-on-year comparison, there was a reversal compared to the net profit of R\$851mn recorded in 4Q23. This significant improvement on a quarterly basis was underpinned by solid operational performance, with an adjusted EBITDA of R\$3.3bn (+19.3% vs. Genial Est.), which partially offset the negative impact of the financial result, which came in at -R\$1.3bn. This financial result was in fact influenced by higher interest and tax expenses.

In addition, we believed that the exchange rate variation of the USD debt would create very negative pressure on the bottom line. We analyzed that this pressure was almost entirely mitigated in the holding company via CMIN's strong financial result, supported by a robust exposure to financial investments in USD, converted into BRL, basically creating a hedge against the opposite effect of the exchange rate variation on the holding company's debt. This dynamic basically explains the high divergence we found in the financial result compared to what we expected.

**Table 7. Income Statement CSN (4Q24 vs. Genial Est.)**

CSN (R\$ Millions)	4Q24A		4Q24E		3Q24A		4Q23A	
	Reported	Genial Est.	% R/E	Reported	% q/q	Reported	% y/y	
<b>Net Revenue</b>	<b>12.026</b>	<b>11.825</b>	<b>8,7%</b>	<b>11.067</b>	<b>8,7%</b>	<b>12.005</b>	<b>0,2%</b>	
COGS	(8.243)	(7.856)	-1,1%	(8.333)	-1,1%	(7.439)	10,8%	
<b>Adjusted EBITDA</b>	<b>3.335</b>	<b>2.796</b>	<b>44,5%</b>	<b>2.308</b>	<b>44,5%</b>	<b>3.644</b>	<b>-8,5%</b>	
EBITDA Margin (%)	27,7%	23,6%	6,87p.p	20,9%	6,87p.p	30,4%	-2,62p.p	
<b>EBIT</b>	<b>1.292</b>	<b>1.089</b>	<b>65,3%</b>	<b>781</b>	<b>65,3%</b>	<b>1.818</b>	<b>-28,9%</b>	
EBIT Margin (%)	10,7%	9,2%	3,68p.p	7,1%	3,68p.p	15,1%	-4,4p.p	
D&A	(963)	(989)	0,0%	(963)	0,0%	(897)	7,3%	
Financial Result	(1.262)	(2.785)	-34,7%	(1.932)	-34,7%	(552)	128,5%	
<b>Net Income</b>	<b>(85)</b>	<b>(1.696)</b>	<b>-88,7%</b>	<b>(751)</b>	<b>-88,7%</b>	<b>851</b>	<b>-</b>	
Net Margin (%)	-0,7%	-14,3%	6,08p.p	-6,8%	6,08p.p	7,1%	-7,8p.p	

Source: CSN, Genial Investimentos

**CSN Holding: Loss reduced with robust operations and CMIN's financial investment.** The company reported a loss of -R\$85mn (much cooler than we expected) and represented a strong improvement of +88.7% q/q. However, in the year-on-year comparison, there was a reversal compared to the net profit of R\$851mn recorded in 4Q23. This significant improvement on a quarterly basis was underpinned by solid operational performance, with an adjusted EBITDA of R\$3.3bn (+19.3% vs. Genial Est.), which partially offset the negative impact of the financial result, which came in at -R\$1.3bn. This financial result was in fact influenced by higher interest and tax expenses.

In addition, we believed that the exchange rate variation of the USD debt would create very negative pressure on the bottom line. We analyzed that this pressure was almost entirely mitigated in the holding company via CMIN's strong financial result, supported by a robust exposure to financial investments in USD, converted into BRL, basically creating a hedge against the opposite effect of the exchange rate variation on the holding company's debt. This dynamic basically explains the high divergence we found in the financial result compared to what we expected.

## Our take on CSN and CMIN

### CMIN

#### **CMIN: We expect iron ore prices to fluctuate and could fall to US\$90/t in 2H25.**

The more favorable weather conditions in 2H25, both in Brazil and Australia, should coincide with the shutdown of part of the Chinese blast furnaces, due to the capacity **cut of the older plants**, scheduled to start in April, more than offsetting the mitigating factors of lower dispatch volumes (Vale) and the cyclone in Australia. Investors should watch these **imminent changes in China**, where the government has already decided to **readjust capacity**, focusing cuts on less efficient plants with older blast furnaces. According to our calculations, this could **reduce seaborne demand** for iron ore by **-45Mt** over the next 12M. Importantly, we maintain our projection for the average ore 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 without compensating cost reductions. NEUTRAL!**

We believe that C1/t will stand at US\$21.5/t Genial Est. for 25E vs. US\$21.3/t in 2024, which represents a barrier to a rating change for the company. From a macro perspective, we have not identified any relevant triggers coming from China. On the micro side, we believe that: **(i)** production + third-party purchases will stand at 43Mt in 25E (only +2.1% vs. 2024), and **(ii)** C1/t will remain unreduced throughout 2025.

Even though **FCFE** reached **+R\$212mn**, reversing the previous quarter's negative result of -R\$276m, mainly explained by the **strong EBITDA**, due to the recovery of the realized price (+34.5% q/q), which ended up offsetting CAPEX of R\$659mn (+38.7% q/q) and an additional pressure on working capital of -R\$821mn (+3.0x q/q). Even so, we maintain our expectation that the **company's performance** in **2025** will be like that of 2024, **without major advances**. Although CMIN is trading at **4.8x EV/EBITDA 25E** (vs. 5.5x historical), reflecting a discount, we keep our assumptions unchanged. We therefore reiterate our **NEUTRAL** rating, with the same **12M Target Price** of **R\$5.75**, indicating an **upside** of **+8.90%**.

### CSN Holding

#### **CSN Holding: Steel demand tends to slow down in 2025, cement may improve.**

Despite robust consumption in 4Q24 enabling good shipments, **(i)** the projected increase in the **SELIC rate** to **15%** by the end of 25E and **(ii)** competition from imported products, aggravated by trade disputes, could **jeopardize** the stability of **steel prices** and **demand**. On the other hand, our understanding is that the **cement segment is promising**, with the potential to reach an EBITDA of ~1.6bn in 25E and, in some quarters, surpass the operating profitability of steel. The company plans gradual price increases throughout 1H25 and a healthier competitive dynamic with Votorantim. In addition, the increase in the stake in Estrela Comércio to 70% and the control of Tora Transportes should generate logistical synergies and reduce COGS/t in the cement segment.



**CSN Holding: Better than expected in the main units.** Considering the typical seasonality of the 4Qs, we believe that the 4Q24 operating result was very positive, exceeding our expectations in EBITDA in the three main units (Steel, Mining and Cement). On the other hand, FCFE was negative at -R\$1.7bn (down 26% vs. Genial Est.), contracting -77.3% q/q because of higher financial expenses (+8.7% q/q) due to the exchange rate variation and the higher level of CAPEX, which reached R\$2bn (+12% vs. Genial Est.), up +57.2% q/q.

For 2025, we expect a drop in demand and, consequently, in steel shipments in 2H25, impacted by **(i)** the increase in the SELIC rate and **(ii)** expectations of fragile economic responses in China. In addition, the competitive risks arising from the increase in US tariffs on Chinese steel may increase imports to Brazil via redirection. In the iron ore segment, we believe that **(iii)** excess inventories at Chinese ports should remain at high levels, although gradually shrinking, which should support our projection of an average price of US\$99/t (62% Fe) for 25E. As for cement, we remain optimistic, highlighting **(iv)** the potential 25E EBITDA of R\$1.5-1.6bn and **(v)** the logistical synergies arising from the recent acquisition of Tora Transports.

However, the cement segment alone does not change the outlook for the holding company, which still has no catalysts for 2025. Trading at **4x EV/EBITDA 25E**, we reiterate our NEUTRAL rating, with the **12M Target Price** of **R\$9.50**, indicating an **upside** of **+12.16%**.

## Appendix: CMIN

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

Income Statement	2024E	2025E	2026E	2027E	2028E
<b>Net Revenue</b>	<b>15.088</b>	<b>15.022</b>	<b>16.009</b>	<b>21.694</b>	<b>23.006</b>
(-) COGS	(8.307)	(8.321)	(8.623)	(11.531)	(13.118)
<b>Gross Profit</b>	<b>6.781</b>	<b>6.702</b>	<b>7.386</b>	<b>10.164</b>	<b>9.888</b>
(-) SG&A and others	(2.240)	(1.951)	(2.071)	(2.807)	(2.979)
<b>EBITDA</b>	<b>4.977</b>	<b>6.099</b>	<b>7.068</b>	<b>9.499</b>	<b>9.436</b>
(+/-) Financial Result	(648)	(124)	(275)	(394)	(548)
<b>EBT</b>	<b>4.329</b>	<b>5.975</b>	<b>6.793</b>	<b>9.105</b>	<b>8.888</b>
(-) Taxes	(974)	(1.326)	(1.474)	(2.105)	(1.907)
<b>Net Income</b>	<b>2.257</b>	<b>3.299</b>	<b>3.563</b>	<b>4.856</b>	<b>4.451</b>
<b>Profitability</b>					
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
<b>Net Revenue</b>	<b>15.088</b>	<b>15.022</b>	<b>16.009</b>	<b>21.694</b>	<b>23.006</b>
(-) COGS	(8.307)	(8.321)	(8.623)	(11.531)	(13.118)
<b>Adjusted EBITDA</b>	<b>4.977</b>	<b>6.099</b>	<b>7.068</b>	<b>9.499</b>	<b>9.436</b>
<b>EBIT</b>	<b>3.879</b>	<b>4.749</b>	<b>5.312</b>	<b>7.355</b>	<b>6.906</b>
(-) 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)
<b>FCFF</b>	<b>2.052</b>	<b>(1)</b>	<b>578</b>	<b>2.307</b>	<b>1.968</b>

## Appendix: CSN

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

Income Statement	2024E	2025E	2026E	2027E	2028E
<b>Net Revenue</b>	<b>42.907</b>	<b>47.035</b>	<b>51.041</b>	<b>58.920</b>	<b>63.289</b>
(-) COGS	(27.633)	(28.885)	(29.402)	(33.161)	(35.222)
<b>Gross Profit</b>	<b>15.274</b>	<b>18.150</b>	<b>21.639</b>	<b>25.759</b>	<b>28.067</b>
(-) SG&A and others	(7.089)	(8.124)	(8.207)	(8.678)	(8.627)
<b>EBITDA</b>	<b>8.184</b>	<b>10.026</b>	<b>13.432</b>	<b>17.081</b>	<b>19.440</b>
(+/-) Financial Result	(4.400)	(3.873)	(4.362)	(4.874)	(5.230)
<b>EBT</b>	<b>172</b>	<b>1.991</b>	<b>4.342</b>	<b>6.941</b>	<b>8.369</b>
(-) Taxes	(469)	(681)	(1.389)	(2.221)	(2.678)
<b>Net Income</b>	<b>(297)</b>	<b>1.310</b>	<b>2.952</b>	<b>4.720</b>	<b>5.691</b>
<b>Profitability</b>					
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
<b>Net Revenue</b>	<b>42.907</b>	<b>47.035</b>	<b>51.041</b>	<b>58.920</b>	<b>63.289</b>
(-) COGS	(27.633)	(28.885)	(29.402)	(33.161)	(35.222)
<b>Adjusted EBITDA</b>	<b>8.184</b>	<b>10.026</b>	<b>13.432</b>	<b>17.081</b>	<b>19.440</b>
<b>EBIT</b>	<b>4.590</b>	<b>5.864</b>	<b>8.703</b>	<b>11.814</b>	<b>13.599</b>
(-) 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)
<b>FCFF</b>	<b>2.151</b>	<b>2.831</b>	<b>5.926</b>	<b>8.408</b>	<b>10.571</b>

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