VALE

1Q26 Review: Street forgot to model the bill

LatAm Metals & Mining

(i) Net revenue of **US$9.3bn** (-1.3% vs. Est.; -16.3% q/q; +14.0% y/y), with Fines at US$5.7bn (flat vs. Est.; -18.9% q/q), Pellets at US$1.0bn (flat vs. Est.; -13.4% q/q), Copper at US$1.4bn (-0.4% vs. Est.; +57.1% y/y) — despite a - provisional pricing adjustment (US$38mn) — and Nickel at US$1.2bn (-6.7% vs. Est.), weighed by a provisional pricing adjustment on copper and PGM forward prices (-US$104mn); **(ii) C1/t ex-third** parties at **US$23.6/t** (-0.8% vs. Est.; +10.8% q/q; +12.4% y/y), trending toward the upper end of 26E guidance, reflecting USD/BRL appreciation (-10% y/y), 4Q25 CPP carryover and Aliança Energia deconsolidation drag; **(iii) Proforma EBITDA** of **US$3.9bn** (-4.4% vs. Est.; -19.4% q/q; +21.3% y/y), below estimate on higher distribution expenses and third-party purchases, with Fines at US$2.4bn (-2.6% vs. Est.; -28.5% q/q), Pellets at US$479mn (-0.7% vs. Est.; -9.1% q/q), Copper at US$949mn (+1.3% vs. Est.; +73.8% y/y) supported by gold at US$4,975/oz (+16.0% q/q; +69.0% y/y), and Nickel at US$277mn (-0.6% vs. Est.; +5.8x y/y); combined **VBM EBITDA** at **US$1.2bn** (+1% vs. Est.; -14.0% q/q; +1.1x y/y), reaching **31%** of total (+13p.p. y/y); **(iv) Net income** of **US$1.9bn** (-32.5% vs. Est.; reversing -US$3.8bn in 4Q25; +39.0% y/y), below forecast on a weaker financial result at +US$34mn (-85.4% vs. Est.), dragged by participative debentures (-US$236mn) and monetary variation (-US$260mn), partially offset by derivative gains; **(v)** The pricing dynamics support an **upgrade to our 62% Fe curve** assumption to **US$100/t 26E** (vs. US$95/t previously), but this should be partially offset by the **26E C1/t ex-third-party lift**. Even so, our valuation points to an **increase** in the **12M Target Price** to **US$18.00 ADR**-**NYSE** (vs. US$17.00 previously), implying an **upside** of just **+6.4%**

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Company

VALE US Equity
Neutral

Price: US$ 16.91 (28-Apr-2026)
Target Price 12M: US$ 18.00 (NYSE)

VALE3 BZ Equity
Target Price 12M: R$ 90.00 (B3)

Vale released its **1Q26** results yesterday**, Apr. 28,** after the market closed**. Proforma EBITDA** reached **US$3.9bn**, declining **-19.4% q/q** but rising **+21.3% y/y**, coming in below our forecast (-4.4% vs. Est.) and the street (-4.1% vs. BBG consensus) as **higher-than-modeled costs in iron ore fines** (mainly distribution expenses and third-party purchases) added to the already expected seasonal step-down in shipments (59.4Mt; -19.2% q/q) more than neutralized a **solid VBM contribution**. In term of costs, **C1/t ex-third-party** reached **US$23.6/t** (-0.8% vs. Est.; +10.8% q/q; +12.4% y/y), landing above the 26E guidance range (US$20–21.5/t), with the **company flagging** full-year costs **trending toward the upper-band**, assuming Focus Bulletin USD/BRL of R$5.25 and Brent average at US$90/bbl (-19% below spot).

Table 1. Income Statement Summary (1Q26 vs. Genial Est.)

(US$ millions)	Reported	Genial Est.		Reported	Reported		Reported	
Income Statement	**1Q26**	**1Q26E**	**% Diff.**	**1Q26**	**4Q25**	**% q/q**	**1Q25**	**% y/y**
Net Revenue	9,258	9,378	**-1.3%**	9,258	11,061	**-16.3%**	8,119	**14.0%**
Proforma EBITDA	3,895	4,073	**-4.4%**	3,895	4,835	**-19.4%**	3,212	**21.3%**
Net Income	1,940	2,873	**-32.5%**	1,940	(4,243)	-	1,396	**39.0%**

Source: Genial Investimentos, Vale

As said, what ultimately drove the miss was the cost side, although we are already expecting an **(i)** increase in the TRFM (royalty rate) and **(ii)** distribution costs (+40% q/q) due to higher volumes at Chinese ports, nevertheless, expenses ended up being higher than we had anticipated. On the other hand, we don't deny that the quarter showed signs of improvement. Iron ore fines **shipments** are up by **+3% y/y** (even during a very rainy quarter), and realized prices helped, reaching **US$95.8/t** (+0.5% q/q; +5.5% y/y).

Within **VBM**, the structural upgrade continued, combined **VBM EBITDA** clocked in at **US$1.2bn** (+1% vs. Est.; -14.0% q/q; +1.1x y/y), now representing **31%** of **total consolidated EBITDA** (+13p.p. y/y), something that really caught our attention, underpinned by copper's favorable gold price environment and nickel's cost efficiencies at Voisey's Bay (NL) and Long Harbour (NL). Unlike the Production and Sales report (released by Vale on April 16) which focuses on volumes and prices, **byproduct dynamics** such as gold (a key driver of copper EBITDA) are **not disclosed** ahead of results, **leaving room for surprise**. In this case, it came, mainly driven by **realized gold prices** (+8.7% vs. Est.), reaching **US$4,975/oz** (+16.0% q/q; +69.0% y/y).

On the bottom line, **Net income** totaled **US$1.9bn** (-32.5% vs. Est.; reversing from -US$3.8bn in 4Q25; +39.0% y/y), coming below our prediction, explained by a weaker-than-expected financial result at +US$34mn (-85.4% vs. Est.; -81.6% y/y), where a drag from participative shareholder debentures (-US$236mn) and monetary variation (-US$260mn) more than offset positive derivative gains. The q/q turnaround from 4Q25's loss reflected the **absence of the US$3.5bn impairment** on VBM's nickel assets in Canada (non-recurring and without cash effect), as we flagged at the time.

Rear-view mirror: Production and Sales

Iron Ore: Rainy season weighs; systems diverge. Iron ore production totaled 69.7Mt (+0.9% vs. Est. at the time), coming in slightly above our projection at the time, despite the expected sharp seasonal step-down of -22.9% q/q, consistent with rainfall constraining mining fronts across all systems in 1Q. On an annual basis, output advanced +3.0% y/y, supported by ongoing ramp-ups at Capanema (MG) and Vargem Grande (MG), partially offset by rainfall-related disruptions and the temporary suspension at Fábrica (MG) and Viga (MG) following the water outflow incident in late Jan. In the Northern System, production totaled 33.2Mt (-1.2Mt y/y), reflecting lower ROM availability at Serra Norte (PA), partly offset by portfolio optimization within the mine plan; S11D (PA) reached a new 1Q production record of 19.9Mt (+0.5Mt y/y), driven by asset reliability initiatives and increased utilization of mobile equipment, reinforcing its flagship status.

The Southeastern System rose to 19.2Mt (+3.1Mt y/y), supported by **(i)** the continued Capanema (MG) ramp-up (on track for full capacity in 2Q26E), lifting the Mariana complex to 9.6Mt (+1.2% vs. Est.; +18.8% y/y); **(ii)** stronger performance at Brucutu (MG), its highest 1Q output since 2018 following increased throughput on the 4th and 5th processing lines; and **(iii)** reduced downtime at the Itabira Complex (MG). The Southern System declined to 10.4Mt (-2.0% y/y), as above-average rainfall weighed on the Paraopeba Complex (MG), particularly at Viga and Fábrica, cushioned by the VGR1 ramp-up at Vargem Grande (MG).

Iron Ore Fines: Inventory drawdown tracks output. Shipments totaled 59.4Mt (+2.4% vs. Est. at the time.), ahead of our estimate despite declining -19.2% q/q (consistent with typical 1Q seasonality) while advancing +4.7% y/y. Unlike the 6.3Mt inventory build seen in 2H25, 1Q26 saw a drawdown, with total shipments (fines + pellets) tracking production more closely than anticipated at 1.4% vs. 2.2% Est., with 5.5Mt of inventory consumption reflecting the release of in-transit stocks accumulated during 2H25. The realized price reached US$95.8/t (-0.3% vs. Genial Est.; +0.5% q/q; +5.5% y/y), in line with our estimate at the time, with the sequential improvement driven by the upshift in the 61% Fe reference curve alongside a meaningful recovery in product premiums. Fines premium (adj. for the 61% Fe index) totaled US$4.1/t (+US$0.5/t vs. Est.; +US$2.6/t q/q).

On the product mix, BRBF remained dominant at 30.2Mt (-17.0% q/q; -15.7% y/y), accounting for ~51% of fines sales, while Pellet Feed China (PFC) accelerated sharply to 9.1Mt (+11.2% q/q; +130.9% y/y) and Mid-Grade Carajás reached 7.7Mt (-27.1% q/q; +140.3% y/y); IOCJ continued to be deprioritized at 3.8Mt (-24.0% q/q; -16.6% y/y), and high-silica products were nearly eliminated at 0.7Mt (-83.8% q/q; -65.2% y/y), accounting for just 1.2% of the sales mix (-2.0p.p. vs. Est.; -2.3p.p. y/y).

Pellets: Oman disruption contained; prices recover. Pellet production totaled 8.2Mt (+13.1% vs. Est. at the time; -1.5% q/q; +13.7% y/y), coming in meaningfully above our estimate, driven by higher output at the Tubarão (ES) pelletizing plants on the back of greater pellet feed availability from Itabira (MG). The outperformance reflects a less severe-than-anticipated impact from the Oman plant disruption (restart at end-3Q26E). It it's important to note that pellet feed originally allocated to Oman was successfully redirected to Tubarão (ES), containing the overall production impact. Company guidance of 30–34Mt 26E remains unchanged.

Shipments reached 7.7Mt (+2.6% vs. Est. at the time.; -15.0% q/q; +2.7% y/y), while the realized price averaged US$133.8/t (-1.5% vs. Est. at the time.; +1.8% q/q; -5.0% y/y), supported by higher quarterly pellet premiums and the 61% Fe curve upshift, though still trailing the US$141/t reported in 1Q25 as the demand backdrop in Europe and Japan remains challenged amid Chinese export competition and Samarco's gradual volume recovery.

VBM: Nickel recovers. Nickel production totaled 49Kt (+2.1% vs. Est. at the time; +6.5% q/q; +12.3% y/y), reflecting operational improvement all across the portfolio. At Voisey's Bay (NL), own-sourced finished nickel reached 10.5Kt (+4.0Kt y/y), underpinned by strong underground ore output and a record 1Q performance at Long Harbour. Onça Puma (PA) delivered 8.9Kt, its highest-ever 1Q output (+3.5Kt y/y), on solid second-furnace performance. Partially offsetting these gains, Thompson (ON) declined to 1.2Kt (-2.4Kt y/y) due to a pipeline blockage aggravated by weather conditions, since resolved; we note that in Feb VBM signed an agreement to create a new consortium for the Thompson Nickel Belt, retaining an 18.9% stake.

Shipments totaled 45Kt (+4.7% vs. Est. at the time; -9.7% q/q; +15.2% y/y), falling below production by 4.5Kt as the company deliberately built inventory ahead of planned refinery maintenance in 2Q26E — the inverse of 4Q25's planned drawdown. The realized price averaged US$17,015/t (-2.3% vs. Genial Est.; +13.3% q/q; +5.6% y/y), tracking the LME nickel curve higher over the period though falling slightly short of our estimate.

VMB: Copper pre-loads ahead of maintenance. Copper production totaled 102Kt (+8.7% vs. Est. at the time; -5.5% q/q; +12.5% y/y), above our estimate despite the expected seasonal step-down from 4Q25. In Brazil, Sossego (PA) was the standout, reaching 29.0Kt (+13.0Kt y/y), its second-highest 1Q output ever, as the operation maximized throughput ahead of a planned 110-day SAG mill maintenance in 2H26. Salobo (PA) contributed steadily at 52.8Kt (+0.5Kt y/y) on stable mine-mill operations.

In Canada, production declined to 20.4Kt (-2.2Kt y/y), impacted by unusual snowstorms at Sudbury and unplanned maintenance at the Clarabelle mill (both since resolved) with the disruption isolated to copper concentrate as nickel output was buffered by sufficient inventory. Shipments totaled 91Kt (+6.7% vs. Est. at the time; -14.7% q/q; +11.4% y/y), closely tracking production with no material inventory distortion. The realized price reached US$13,143/t (+3.8% vs. Est. at the time; +19.4% q/q; +47.8% y/y), clearly following the LME copper curve higher, driven by **(i)** uptrend benchmark prices, **(ii)** favorable final settlements, and **(iii)** lower TC/RC discounts.

Review 1Q26: In detail!

Net revenue: Nickel negative adjustments affected top line. Net Revenue totaled US$9.3bn (-1.3% vs. Est.; -16.3% q/q; +14.0% y/y), coming in marginally below our estimate, with the gap explained primarily by Nickel falling short, clocking at US$1.2bn (-6.7% vs. Est.; -10.8% q/q; +22.2% y/y), as a -US$104mn provisional pricing adjustment on copper and PGM forward prices at quarter-end weighed on the divisional revenue line. The remaining segments tracked our projections closely. Iron Ore Fines revenue compressed to US$5.7bn (flat vs. Est.; -18.9% q/q; +10.4% y/y), reflecting **(i)** lower seasonal shipments (-19.2% q/q) and **(ii)** a realized price reaching US$95.8/t (+0.5% q/q; +5.5% y/y). Pellets contributed with US$1.0bn (flat vs. Est.; -13.4% q/q; -2.4% y/y), weighed down by lower volumes despite a modest realized price recovery to US$133.8/t (+1.8% q/q), supported by higher contractual pellet premiums.

Copper was the clear highlight, reaching US$1.4bn (-0.4% vs. Est.; -9.7% q/q; +57.1% y/y), although the sequential softening was predicted by lower seasonal shipments and a -US$38mn provisional pricing adjustment on open copper invoices, both of which masked the strength of the underlying price environment. Realized copper price climbed to US$13,143/t (+19.4% q/q; +47.8% y/y), driven by favorable final price settlements and lower TC/RC discounts. On an annual basis, revenue growth was broad-based, with copper, nickel and iron ore fines leading the expansion as higher realized prices across VBM and firmer iron ore fines pricing more than offset the structural softness in pellets.

Table 2. Net Revenue Vale (1Q26 vs. Genial Est.)

(US$ millions)	1Q26 Reported	1Q26E Genial Est.	% R/E	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Net Revenue	**9,258**	**9,378**	**-1.3%**	**11,061**	**-16.3%**	**8,119**	**14.0%**
Iron Ore Fines	5,692	5,694	0.0%	7,016	-18.9%	5,154	10.4%
Pellets	1,030	1,030	0.0%	1,190	-13.4%	1,055	-2.4%
Others	(62)	(35)	78.6%	(38)	63.2%	41	-
Nickel Operations	1,184	1,269	-6.7%	1,328	-10.8%	969	22.2%
Copper Operations	1,414	1,420	-0.4%	1,565	-9.7%	900	57.1%

Source: Genial Investimentos, Vale

C1/t: FX appreciation and inventory turnover push costs. The C1/t ex-third-party purchases reached US$23.6/t (-0.8% vs. Genial Est.; +10.8% q/q; +12.4% y/y), which was basically in line with our estimate, but landing above the US$20.0–21.5/t 26E guidance range, with company flagging that full-year costs are trending toward the upper end this target assuming Focus Bulletin USD/ BRL FX rate of R$5.25 (vs. R$5.40 previously) and Brent at US$90/bbl (vs. US$70/bbl previously).

On y/y basis, the sharp uptick primarily reflected what we have said in our preview, as **(i)** the USD/BRL FX rate appreciation (-10.0% y/y), inflating USD-reported costs; **(ii)** the carryover of higher 4Q25 production costs via inventory turnover; and **(iii)** the Aliança Energia deconsolidation structural drag, partially offset by improved fixed-cost absorption from higher production volumes at Capanema (MG) and S11D (PA).

EBITDA: Slightly step-down in ferrous masks a stronger VBM. Proforma EBITDA totaled US$3.9bn (-4.4% vs. Genial Est.; -19.4% q/q; +21.3% y/y), coming in below our prediction, affected by higher-than-modeled costs (mainly distribution expenses and third-party purchases). The double-digit sequential decline was led by Iron Ore Fines, which compressed to US$2.4bn (-2.6% vs. Est.; -28.5% q/q; +4.6% y/y), affected by lower seasonal shipments and a higher C1/t base. Freight was reported slightly lower than we had assumed, at US$18.1/t (-3.2% vs. Est.; +1% q/q; -3% y/y), though insufficient to close the gap. Pellets reached US$479mn (-0.7% vs. Est.; -9.1% q/q; -10.6% y/y), with profitability remaining constrained by still-depressed premium economics relative to historical levels (albeit slightly higher q/q).

Copper delivered US$949mn (+1.3% vs. Est.; -10.4% q/q; +73.8% y/y), benefiting from the strong LME-driven price realization and a favorable gold price environment. Realized gold prices reached US$4,975/oz (+16.0% q/q; +69.0% y/y) and gold volumes in copper concentrates remained elevated. We believe this partially offset the -US$107mn provisional pricing adjustment on open copper invoices at quarter-end.

Nickel clocked in at US$277mn (-0.6% vs. Est.; -22.6% q/q; +5.8x y/y), supported by cost efficiencies at Voisey's Bay (NL) and record 1Q performance at Long Harbour (NL) contributing in savings. Combined VBM EBITDA reached US$1.2bn (+1% vs. Est.; -14.0% q/q; +1.1x y/y), reaching 31% of EBITDA (+13p.p. y/y).

Table 3. Proforma EBITDA Vale (1Q26 vs. Genial Est.)

(US$ millions)	1Q26 Reported	1Q26E Genial Est.	% R/E	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Proforma EBITDA	**3,895**	**4,073**	**-4.4%**	**4,835**	**-19.4%**	**3,212**	**21.3%**
Iron Ore Fines	2,441	2,505	-2.6%	3,415	-28.5%	2,333	4.6%
Pellets	479	482	-0.7%	527	-9.1%	536	-10.6%
Nickel Operations	277	279	-0.6%	358	-22.6%	41	575.6%
Copper Operations	949	937	1.3%	1,060	-10.4%	546	73.8%
Others	(251)	(130)	92.5%	(525)	-52.2%	(244)	2.9%

Source: Genial Investimentos, Vale

Net income: Non-recurring absence drives turnaround. Net income totaled US$1.9bn (-32.5% vs. Genial Est.; reversing from -US$3.8bn in 4Q25; +39.0% y/y), coming in below our forecast primarily due to a weaker-than-expected financial result, clocking in at +US$34mn (-85.4% vs. Est.; -81.6% y/y), where a drag from participative shareholder debentures (US$236mn) and in monetary variation (US$260mn) more than offset positive derivative gains.

The EBIT reached US$2.4bn (-3.1% vs. Est.; reversing from -US$697mn in 4Q25; +32.0% y/y), a impairment on non-current assets (US$120mn). On q/q basis, the turnaround from the loss reflects the absence of the impairment on VBM's nickel assets in Canada (US$3.5bn). Non-recurring and without cash effect, as we flagged at the time. On a y/y basis, the expansion was supported by the both the operational and financial sides.

Table 4. Income Statement Vale (1Q26 vs. Genial Est.)

(US$ millions)	1Q26 Reported	1Q26E Genial Est.	% R/E	4Q25 Reported	% q/q	1Q25 Reported	% y/y
Net Revenue	**9,258**	**9,378**	**-1.3%**	**11,061**	**-16.3%**	**8,119**	**14.0%**
COGS	(6,173)	(6,141)	0.5%	(6,780)	-9.0%	(5,451)	13.2%
Proforma EBITDA	**3,895**	**4,073**	**-4.4%**	**4,835**	**-19.4%**	**3,212**	**21.3%**
Margin (%)	42.1%	43.4%	-1.4p.p	43.7%	-1.6p.p	39.6%	2.5p.p
EBIT	**2,375**	**2,451**	**-3.1%**	**(697)**	**-**	**1,799**	**32.0%**
Margin (%)	25.7%	26.1%	-0.5p.p	-6.3%	-	22.2%	3.5p.p
D&A	(845)	(785)	7.7%	(860)	-1.7%	(704)	20.0%
Financial Result	34	233	-85.4%	(1,039)	-	185	-81.6%
Net Income	**1,940**	**2,873**	**-32.5%**	**(4,243)**	**-**	**1,396**	**39.0%**
Margin (%)	21.0%	30.6%	-9.7p.p	-38.4%	-	17.2%	3.8p.p

Source: Genial Investimentos, Vale

Our Take on Vale

Iran War: Bunker fuel as the main residual variable. The company has meaningfully reduced exposure to the spot shipping market, with nearly all freight requirements now covered by medium- and long-term chartering arrangements (above 90%), leaving **bunker fuel/oil** as the **main residual variable** rather than freight-rate volatility itself. The sensitivity we came across is roughly **+US$1/t in total freight cost** for each **+US$10/bbl** move **in Brent oil**, which we assess to be a modest cost effect. In practical terms, this means that near-term freight risk relating to the conflict seems less about freight spot cost dislocation and more about oil-linked bunker expenses, with ~75% of the company's freight cost exposure tied to fuel.

To address this residual exposure, the company executed a **zero-cost collar** at year-end (12M period), structured when Brent was trading at **US$70/bbl,** with the upside **protection struck** at **US$79/bbl**. The hedge was **not applied to the full fuel exposure**, as the company deemed a full hedge unnecessary at the execution time. One modelling nuance worth flagging: the collar does not flow through freight cost/tone and therefore does not benefit EBITDA directly, **gains or losses on the instrument are recorded in the financial result line**, creating a bifurcated P&L effect.

Street forgot to model the bill. Our stance remains unchanged, though the **iron ore supply/demand balance** is looking **less bearish** than our previous assumptions implied. On the demand side, **(i)** China's steel complex is showing early signs of inflection, **end-user demand is recovering gradually**, with rebar and HRC output inching higher as steelmakers bring rolling mills back online and hot strip mills at East China-based facilities resume operations, drawing down both mill and retail steel inventories faster than previously anticipated. On the supply side, **(ii)** Simandou's ramp is proving **more back-loaded** than feared, now expected to deliver **~15Mt in 2026** (vs. 20Mt Est. previously), while structural rigidities on the seaborne side, such as environmental constraints, port infrastructure bottlenecks, and capital allocation delays, continue to compress supply elasticity beyond what our bear-case models had assumed.

In contrast, the 1Q26 results not just disclosed a **C1/t ex-third-party** landing above the **26E guidance range** (US$20–21.5/t), but with the company itself saying it expects the **year-end** closer to the **upper band** at US$21.5/t (+3.6% vs. Est. previously). Taken together, the pricing dynamics support an **upgrade to our 62% Fe curve** assumption to **US$100/t 26E** (vs. US$95/t previously), but this should be partially offset by the **26E C1/t ex-third-party lift,** as the street forgot to model the bill considering the major downfall in the USD/BRL FX (-10% y/y) and its current effect on C1/t. Even so, our valuation points to an **increase** in the **12M Target Price** to **US$18.00 ADR-NYSE** (vs. US$17.00 previously), implying an **upside** of just **+6.4%**, while the **R$90.00 VALE3-B3** is maintained, consistent with USD/BRL closing at R$5.00.

Even with the TP adjustment, our **NEUTRAL rating** is upheld, composed by **FCF Yield 26E** at **6%** and **EV/EBITDA 26E** at **5.2x** (above the 5x historical average), and **Dividend Yield 26E** at **4%**. As we mentioned earlier, we believe that the stock continues to be influenced by the **flow of foreign investors** into **emerging market equities**, driven by perceptions of **global risk** in the context of the **war in Iran**. Should there be signs that the war is de-escalating, the company's stock could benefit from buying interest, though this would be driven primarily by passive funds and would **not signal a substantial change** in the company's **fundamentals** or equity story.

Appendix: Vale

Figure 1. Vale – Income Statement in US$ Millions (Genial Est. 2026-2029)

Income Statement	2026E	2027E	2028E	2029E
Net Revenue	**39,871**	**41,728**	**43,264**	**44,205**
(-) COGS	(26,430)	(28,373)	(29,427)	(29,894)
Gross Profit	**13,441**	**13,355**	**13,837**	**14,311**
(-) Expenses	(4,540)	(6,016)	(5,470)	(6,130)
Proforma EBITDA	**16,942**	**17,007**	**17,634**	**18,217**
(-) D&A	(3,126)	(3,272)	(3,392)	(3,466)
EBIT	**8,901**	**7,339**	**8,366**	**8,181**
(+/-) Financial Result	(2,001)	(1,502)	(1,800)	(1,735)
(-) Taxes	149	129	144	142
Net income	**7,621**	**6,567**	**7,346**	**7,251**
Profitability				
Net margin (%)	19.1%	15.7%	17.0%	16.4%

Figure 2. Vale– Cash Flow in US$ Millions (Genial Est. 2026-2029)

Cash Flow (FCFF)	2026E	2027E	2028E	2029E
Net Revenue	**39,871**	**41,728**	**43,264**	**44,205**
(-) COGS	(26,430)	(28,373)	(29,427)	(29,894)
Proforma EBITDA	**16,942**	**17,007**	**17,634**	**18,217**
EBIT	**8,901**	**7,339**	**8,366**	**8,181**
(-) Taxes	(3,454)	(3,434)	(3,560)	(3,688)
(+) D&A	3,126	3,272	3,392	3,466
(+/-) Δ WK	(323)	(583)	(468)	(531)
(-) Capex	(5,550)	(5,606)	(5,662)	(5,718)
FCFF	**7,616**	**7,385**	**7,944**	**8,280**

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