

## EARNINGS RELEASE 1Q20

Curitiba, May 27, 2020 – RUMO S.A. (B3: RAIL3) (“Rumo”) today announces its results for the first quarter of 2020 (1Q20), including January, February, and March. The results are consolidated in accordance with the accounting criteria adopted in Brazil and International Financial Reporting Standards (IFRS). Comparisons in this report consider 1Q20 and 1Q19 unless otherwise indicated.

### Rumo 1Q20 Highlights

- Total transported volume in 1Q20 reached 12.3 billion RTK, 7.6% lower than in 1Q19, due to late start of soybean crop and operational constraints in March.
- This quarter we reported EBITDA and net income/loss **adjusted** to ensure (i) comparison with 1Q19 by excluding Central Network’s costs and expenses in 1Q20; and (ii) excluding expenses related to Paulista Network’s concession renewal process.
- Adjusted EBITDA totaled R\$653 million, down by 19%, with a margin of 45.9%, impacted by (i) lower volume, reflecting the late start of soybean harvest season compared to 1Q19 and operational constraints in March and (ii) yield drop in the quarter.
- Adjusted net loss totaled R\$136 million *versus* a net income of R\$27 million in 1Q19, on the back of lower EBITDA and the non-recurring, non-cash impact of derivatives MtM.
- Adjusted leverage reached 2.1x broad net debt/LTM EBITDA at the end of 1Q20.
- Capex totaled R\$561 million in 1Q20, 3.4% higher than in 1Q19.

Summary of Financials (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
<b>Total transported volume (million RTK)</b>	<b>12,297</b>	<b>13,306</b>	<b>-7.6%</b>
<b>Total volume loaded (TU '000)</b>	<b>2,545</b>	<b>2,820</b>	<b>-9.8%</b>
<b>Net Revenue<sup>1</sup></b>	<b>1,424</b>	<b>1,635</b>	<b>-12.9%</b>
Cost of goods sold	(1,071)	(1,154)	-7.2%
<b>Gross profit</b>	<b>353</b>	<b>481</b>	<b>-26.6%</b>
<i>Gross margin (%)</i>	<i>24.8%</i>	<i>29.4%</i>	<i>-4.6 p.p.</i>
Sales, general, and administrative expenses	(105)	(86)	22.1%
Other op. revenues (expenses) and equity pickup <sup>2</sup>	(90)	(16)	>100%
<b>Operational profit</b>	<b>158</b>	<b>379</b>	<b>-58.6%</b>
Depreciation and amortization	419	422	-0.7%
<b>EBITDA</b>	<b>577</b>	<b>802</b>	<b>-28.1%</b>
<i>EBITDA margin (%)</i>	<i>40.5%</i>	<i>49.1%</i>	<i>-8.5 p.p.</i>
<b>Adjusted EBITDA*</b>	<b>653</b>	<b>802</b>	<b>-18.6%</b>
<i>Adjusted EBITDA margin (%)</i>	<i>45.9%</i>	<i>49.1%</i>	<i>-3.2 p.p.</i>
<b>Net profit (loss)</b>	<b>(274)</b>	<b>27</b>	<b>&gt;100%</b>
<i>Net margin (%)</i>	<i>-19.2%</i>	<i>1.7%</i>	<i>-20.9 p.p.</i>
<b>Adjusted net profit (loss)*</b>	<b>(136)</b>	<b>27</b>	<b>&gt;100%</b>
<i>Adjusted net margin (%)</i>	<i>-9.6%</i>	<i>1.7%</i>	<i>-11.2 p.p.</i>
<b>Capex</b>	<b>561</b>	<b>543</b>	<b>3.4%</b>

Note 1: Includes revenue from the right-of-way of other railways, revenue from sugar transportation using other railways, or road transportation and revenue from volumes contracted, but not executed, according to commercial agreements (take-or-pay).

Note 2: Includes D&A of Central Network, once it is a non-operational business.

Note (\*): Excluding the effects of Central Network and the effects of the Paulista Network renewal process.

### Conference Call

**English\* - 2:00 p.m. (Brasília time)**

*With simultaneous translation into Portuguese*

**May 28, 2020 (Thursday)**

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## 1. Crisis Management | Covid-19

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Reaffirming its commitment to the country's development, Rumo set up a Crisis Committee in response to COVID-19, through which implemented measures to best **protect the health and safety** of its employees, and also to **preserve its liquidity** and financial health, as well as promoted **contributions to public authorities**.

### Protocols, prevention measures, and financial health

On March 20, 2020, the Federal Decree No. 10.282 categorized **general cargo transportation as an essential service**, thus, Rumo promptly adopted measures to ensure the compliance with the **protocols** set forth by public authorities **and to protect the health** of its employees and related persons.

At the 24/7 Operation Control Center (CCO), a special restructuring plan was put in place: during shift changes, information is now conveyed through video or virtual files, and circulation areas have been modified to ensure a safe distance is maintained between professionals.

In our main transshipment terminal, in **Rondonópolis (MT)**, a special 24/7 **structure to assist truck drivers** was set. Nursing technicians take truck drivers' temperatures and provide them masks and health instructions. A special cargo unload line-up was created and permanence is restricted to the minimum necessary in emergency cases. The same measures were implemented at the **Port of Santos**, and, in collaboration with other terminals, Rumo donated hand sanitizer gel and adopted measures to ensure its employees' health and safety.

All these actions and protocols jointly put into effect by public authorities and other entities **allowed Rumo to continue operating without disruption**. Operations at ports continue, and ongoing work at Central Network and Rondonópolis Terminal remain uninterrupted. Rumo, thus, was able to continue delivering services to its clients, what has been particularly important as they have seen an increase in demand for logistics, in a scenario of Brazilian real depreciation.

On the financial side, Rumo adopted a conservative position to preserve its liquidity by means of funding to reinforce its **cash**, reaching a **comfortable position** to overcome the challenges presented by this critical economic scenario.

### Social responsibility

Demands were identified to control the pandemic with the health departments of 27 municipalities in 7 Brazilian states within Rumo's concession areas. Rumo donated **critical equipment to Intensive Care Units (ICUs)**, 28,000 liters of hand sanitizer gel, 2,400 units of bed linen, 84,000 liters of cleaning products, and 12,000 tons of food.

Rumo also entered into partnerships with (i) Comunitas<sup>1</sup> (jointly with MRS and VLI), donating **school meals** to children in the Santos metropolitan region; and (ii) with SEST/SENAT<sup>2</sup> (jointly with the concessionaire Rota do Oeste and Trizy<sup>3</sup>) to provide over 2,000 truck drivers with food and hand sanitizer.

Jointly with Cosan, Rumo made a **public commitment not to dismiss any of its personnel**. Home office was implemented for administrative employees and all facilities and processes were fine-tuned to protect the physical and psychological health of field professionals. Moreover, employees in the risk group were instructed to adopt specific social distancing, care, and monitoring measures.

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<sup>1</sup> Social organization specialized in public-private partnerships, working jointly with state and municipal governments, modeling the social private investment to support public policies. Website: <https://www.comunitas.org/>.

<sup>2</sup> Transport Social Services and National Transport Learning Service. Website: <https://www.sestsenat.org.br/>.

<sup>3</sup> Technology and Services Company, headquartered in Ponta Grossa-PR. Website: <https://www.trizy.com.br/>.

## 2. Adjusted Result

For a better analysis of results, we report the adjustments referring to the Central Network and Paulista Network renewal process as detailed below.

### 2.1 Central Network

As of July 2019, Rumo started reporting consolidated results including the Central Network's figures. During the first six months of 2020, reported results will not be comparable to the previous year, as the Central Network's concession agreement was signed on July 31, 2019. In the second half of 2020, costs and expenses referring to this new operation will be higher than in this quarter since, although pre-operational, a dedicated structure to monitor investments has been set up. This operation's net loss includes R\$46.9 million of impact referring to this network's concession fee amount.

### 2.2 Paulista Network Renewal Process

After the sign-off of the Paulista Network's renewal, as per Material Fact from May 27, 2020, two agreements were settled between Rumo and the National Agency of Land Transportation (ANTT):

(i) the Company's payment of controversial fines to ANTT, resulting in impacts on EBITDA and financial result of R\$64 million and R\$39 million, respectively;

(ii) the accounts offsetting between concession liabilities and credits from labor claims previously paid by Rumo, which will generate result gains of R\$468 million (equally not recurring) in 2Q20. On top of that, other credits are still subject to confirmation.

### 2.3 Adjusted Result

Summary of Financial Information (Amounts in R\$ MM)	1Q20	Adjustment Central Network	Adjustment Paulista Network	Adjusted 1Q20	1Q19	Chg. %
<b>Net operating revenue</b>	1,424	-	-	<b>1,424</b>	<b>1,635</b>	<b>-12.9%</b>
<b>Gross profit</b>	<b>353</b>	-	-	<b>353</b>	<b>481</b>	<b>-26.6%</b>
<i>Gross margin (%)</i>	24.8%	-	-	24.8%	29.5%	-4.6 p.p.
Sales, general and administrative expenses	(105)	12	-	(93)	(86)	8.1%
Other op. revenues (expenses) and equity pickup	(90)	24	64	(2)	(16)	-87.5%
<b>Operational profit</b>	<b>158</b>	<b>36</b>	<b>64</b>	<b>257</b>	<b>379</b>	<b>-32.2%</b>
Depreciation and amortization	(419)	(24)	-	(395)	(422)	>100%
<b>EBITDA</b>	<b>577</b>	<b>12</b>	<b>64</b>	<b>653</b>	<b>802</b>	<b>-18.6%</b>
<i>EBITDA margin (%)</i>	40.5%	-	-	45.9%	49.1%	-3.2 p.p.
<b>Net profit (loss)</b>	<b>(274)</b>	<b>70</b>	<b>68</b>	<b>(136)</b>	<b>27</b>	<b>&gt;100%</b>
<i>Net margin (%)</i>	-19.2%	-	-	-9.6%	1.7%	-11.2 p.p.
<b>Capex</b>	<b>561</b>	<b>14</b>	-	<b>547</b>	<b>543</b>	<b>0.7%</b>

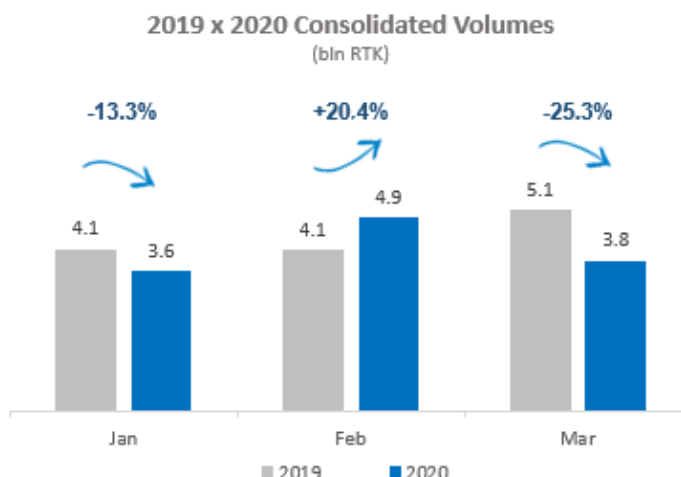
Other sections of this Earnings Release report the consolidated result unless otherwise indicated.

### 3. 1Q20 Executive Summary

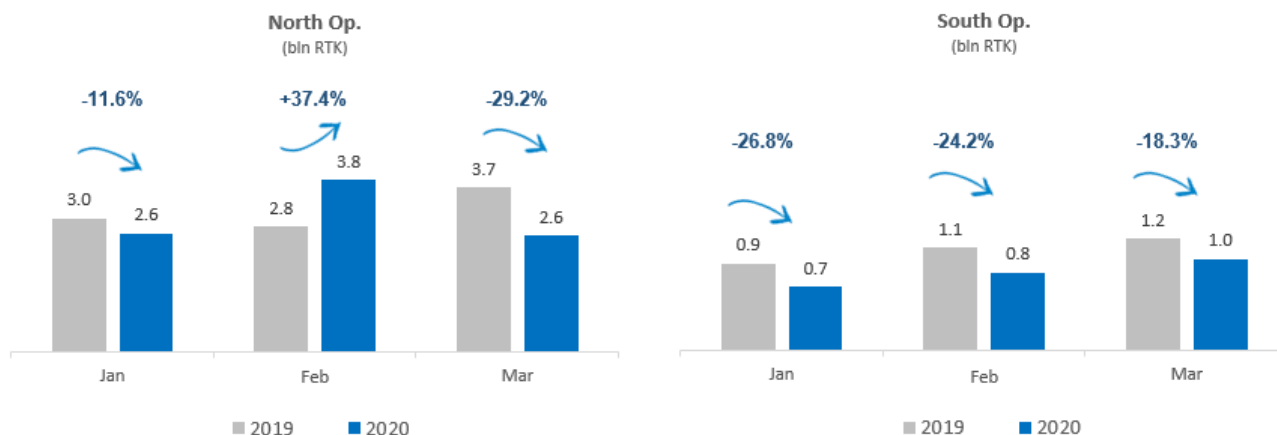
Rumo's transported volume in 1Q20 came in 7.6% lower to 12.3 billion RTK. The result was impacted by:

- (a) North Operation: (i) late start of soybean harvest season compared to 1Q19 (seasonality); (ii) lower corn carryover inventories in January; (iii) rainfall on Santos hills and at the Port of Santos (SP) in March, 73% above the average for the month<sup>4</sup> and; (iv) cyberattack;
- (b) South Operation: (i) late start of soybean harvest season; (ii) decreased industrial volume due to Covid-19 outbreak; (iii) soybean crop failure in the State of Rio Grande do Sul and; (iv) cyberattack.

**January**, as expected, recorded lower volumes, impacted by the late start of the soybean harvest season. **February**, in turn, recorded 20% growth, on the back of a positive operational performance coupled with increased capacity. In **March**, although the market was strong, the Company experienced operational constraints in the first half of the month due to above-average rainfall in Santos (SP), causing loss of volume; and in the second half, a cyberattack<sup>5</sup> hampered the recovery of volume.



Source: Rumo Internal System



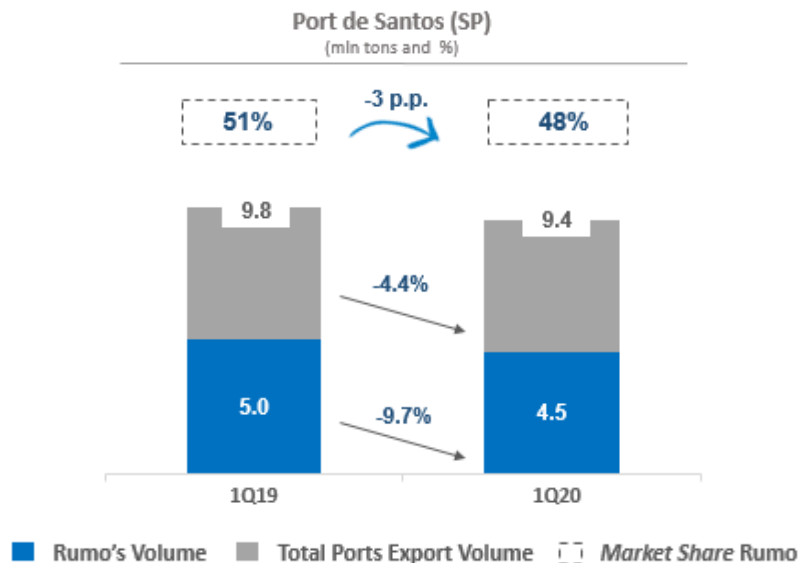
Source: Rumo Internal System

<sup>4</sup> Source: Santos local government. Available at: [https://www.santos.sp.gov.br/?q=pluviometria-tabela&field\\_data\\_medicao=2020-03](https://www.santos.sp.gov.br/?q=pluviometria-tabela&field_data_medicao=2020-03).

<sup>5</sup> According to Notice to the Market released by the Company on March 15, 2020.

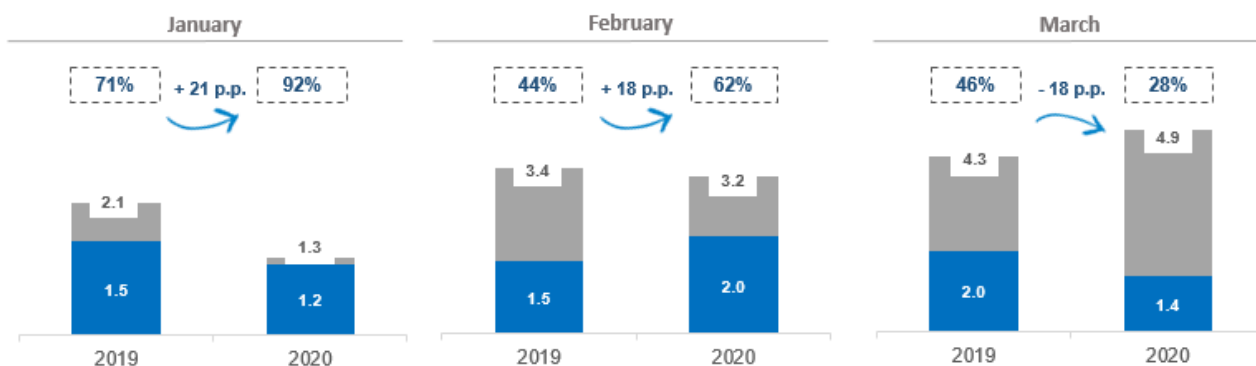
Rumo decreased its volume of grains transported to the Port of Santos (SP) by 9.7% in 1Q20, while total exports by this Port fell 4.4%, resulting in a market share loss of 3 p.p. This result reflected the 18 p.p. loss of market share in March on the back of operational constraints, since in January and February, Rumo significantly increased its market share in this port.

## Rumo's Quarterly Volume and Market Share Evolution in Transportation at the Port of Santos



Source: Marine Agency

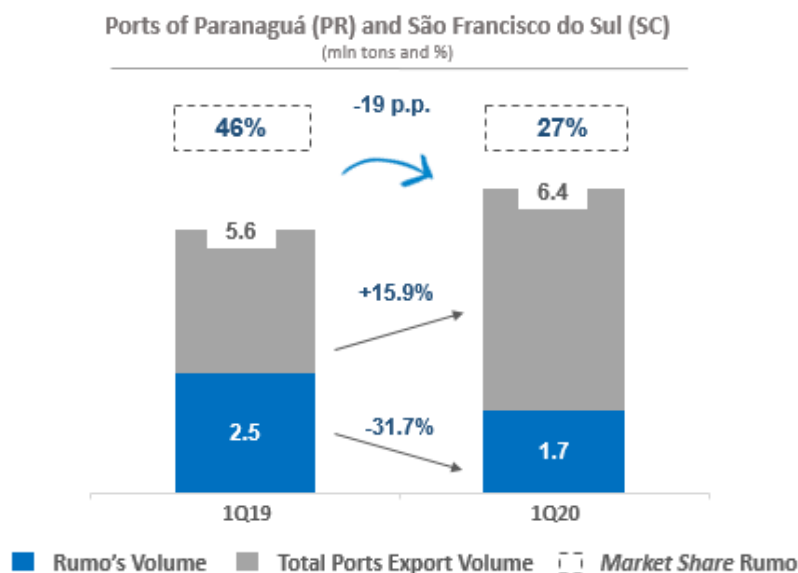
## Rumo's Monthly Volume and Market Share Evolution in Transportation at the Port of Santos



Source: Marine Agency

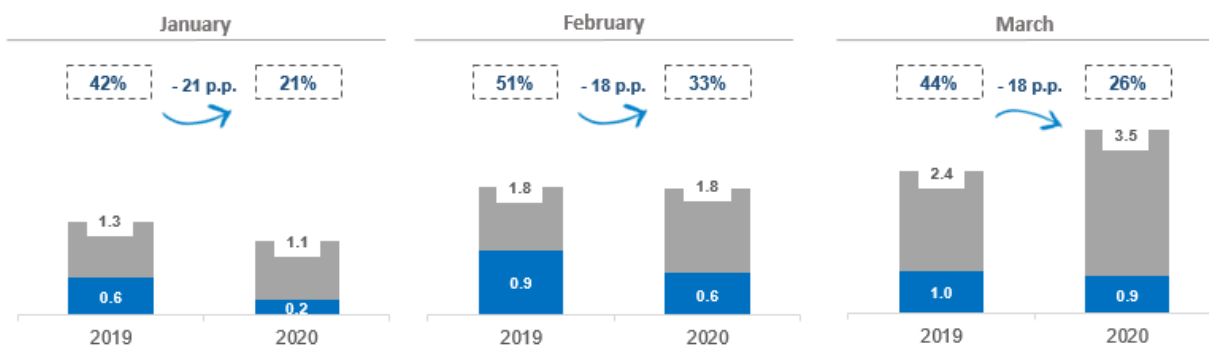
South Operation's market share of grain transportation to the Ports of Paranaguá (PR) and São Francisco do Sul (SC) fell 19 p.p. January and February results were due to the late start of the soybean harvest season that restricted exports to the volumes available in inventories, which came below in Rumo's area of activity. In March, when market volumes were up, a cyberattack prevented the Company from meeting additional volumes.

Quarterly evolution of volume and transport market share at the Ports of Paranaguá (PR) and São Francisco do Sul (SC)



Source: Marine Agency and Rumo System

Monthly evolution of volume and transport market share at the Ports of Paranaguá (PR) and São Francisco do Sul (SC)



Source: Marine Agency and Rumo System

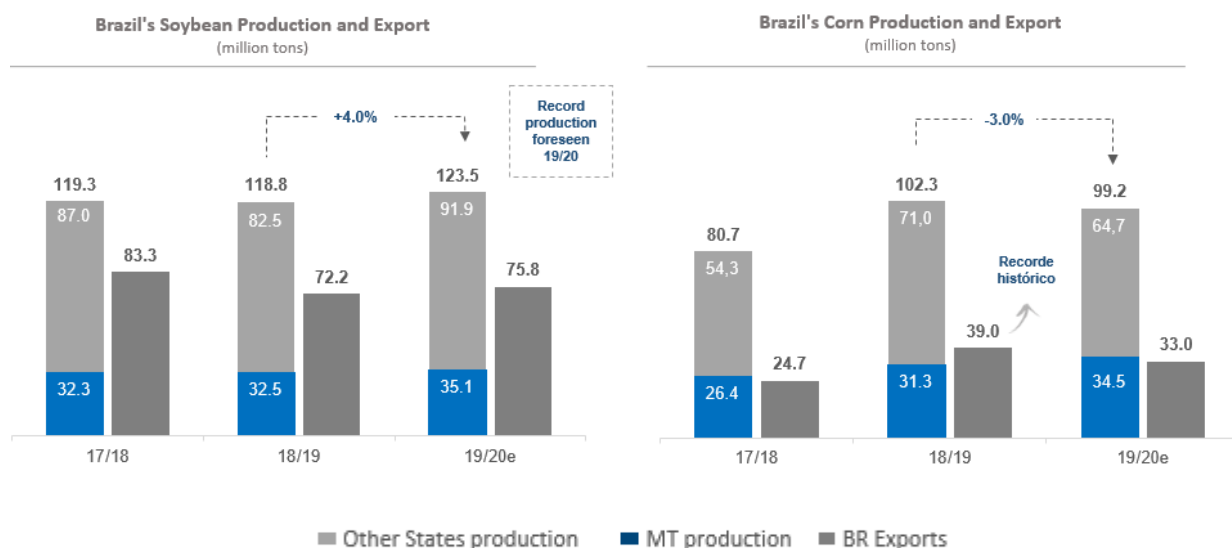
**Rumo's net income** dropped 13% to **R\$1,424 million**, impacted by a 7.6% volume decrease and a 4.6% yield decrease. **North Operation** saw a 7.0% yield drop due to (i) lower freight demand in the market in January and February; (ii) lower volume in March, a month which usually records higher yields; and (iii) closure of take-or-pay agreements during a period of lower truck freight prices. **South Operation's** yield rose 3.4%, while the **Container Operation**, yield dropped 3.8%.

**Adjusted EBITDA** fell 18.6% to R\$653 million in 1Q20, impacted by lower volume and yield drop in the quarter. Fixed costs and general and administrative expenses only increased 1%, excluding the Central Network, and variable costs decreased 12%, evidencing efficiency gains since volume dropped 7%. Despite a favorable cost performance, lower operating leverage decreased the margin by 3.2 p.p. to 45.9%.

Rumo recorded an adjusted net loss of R\$136 million versus a net income of R\$27 million in 1Q19 due to lower EBITDA and the non-recurring, non-cash impact of derivatives MtM. Rumo ended the quarter with leverage at 2.1x broad net debt/EBITDA.

Concerning the grains market, in early 2020, the soybean scenario raised uncertainties concerning exports, leading the Company to estimate Brazilian exports in a range between 72 and 75 million tons. Since then, significant changes were seen. According to Agroconsult<sup>6</sup>: (i) **soybean global trade**, despite the coronavirus, is likely to grow to 160 million tons versus 153 million in 2019; (ii) China should increase its soybean inventory by 6 million tons and; (iii) the Brazilian real depreciation accelerated this commodity commercialization in the State of Mato Grosso (89% for 2020 and 36% for 2021)<sup>7</sup>. Thus **exports** are expected to reach approximately 76 million tons, a more positive scenario than initially projected for the second quarter.

Regarding **corn** projections, we foresee **good availability** in the second half, as the State of Mato Grosso should record a greater performance than Brazil's average, and considering that most of **exports** shrinkage, from 39 to 33 million tons, should take place in the first half (roughly 5 million tons). An expected decline in corn **global trade**, from 175 to 167 million tons, will drive down exports from Brazil<sup>8</sup>. Concerning **supply**, the USA should see greater corn availability due to lower demand for corn ethanol, while Brazil should see a decrease in availability as the planting window was shorter and climate did not contribute to productivity in the Southern states. On regards to **competitiveness**, Brazil has a great **advantage**, as the strong depreciation of the real prompted the producer of Mato Grosso to anticipate the corn commercialization, which had already reached 80% in May 2020.



Source: USDA, CONAB, and Agroconsult

Note: (e) - Estimate

<sup>6</sup> Source: USDA and Agroconsult projection

<sup>7</sup> Source: Agroconsult, in May 2020.

<sup>8</sup> Source: IMEA and Agroconsult.

## 4. Consolidated Operating and Financial Indicators

Summary of Financial Information (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
<b>Total transported volume (million RTK)</b>	<b>12,297</b>	<b>13,306</b>	<b>-7.6%</b>
Agricultural products	9,868	10,820	-8.8%
Industrial products	2,429	2,485	-2.3%
Average transportation yield (R\$/000 RTK <sup>3</sup> )	99.1	103.9	-4.6%
<b>Total volume loaded (TU '000)</b>	<b>2,545</b>	<b>2,820</b>	<b>-9.8%</b>
Average loading yield (R\$/TU)	24.2	25.7	-5.8%
<b>Net operating revenue</b>	<b>1,424</b>	<b>1,635</b>	<b>-12.9%</b>
Transportation	1,219	1,383	-11.9%
Port loading	62	73	-15.0%
Other <sup>4</sup>	143	179	-20.1%
<b>EBITDA</b>	<b>577</b>	<b>802</b>	<b>-28.0%</b>
EBITDA margin (%)	40.5%	49.1%	-8.5 p.p.
<b>Adjusted EBITDA</b>	<b>653</b>	<b>802</b>	<b>-18.6%</b>
Adjusted EBITDA margin (%)	45.9%	49.1%	-3.2 p.p.

Note 3: Average transportation yield including the final amount charged from customer (container), excluding take-or-pay and right-of-way.

Note 4: Includes revenue from the right-of-way of other railways, revenue from sugar transportation using other railways, or road transportation and revenue from volumes contracted, but not executed, according to commercial agreements (take-or-pay).

## Rumo's Transported Volume and Yield by Operation

Operational Figures (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
<b>Total transported volume (million RTK)</b>	<b>12,297</b>	<b>13,306</b>	<b>-7.6%</b>
<b>Agricultural products</b>	<b>9,868</b>	<b>10,820</b>	<b>-8.8%</b>
Soybean	6,810	7,743	-12.0%
Soybean meal	1,523	1,530	-0.4%
Corn	149	504	-70.6%
Sugar	561	383	46.5%
Fertilizers	800	626	27.7%
Other	25	34	-25.1%
<b>Industrial products</b>	<b>2,429</b>	<b>2,485</b>	<b>-2.3%</b>
Fuels	992	1,117	-11.2%
Wood, pulp, and paper	560	572	-2.2%
Containers	687	591	16.2%
Other	190	205	-7.0%

Yield by Operation	1Q20	1Q19	Chg.%
<b>North Operation</b>			
Yield (R\$/000 RTK)	98.9	106.4	-7.0%
% Volume	73.8%	70.9%	2.9p.p.
<b>South Operation</b>			
Yield (R\$/000 RTK)	100.9	97.6	3.4%
% Volume	20.6%	24.6%	-4p.p.
<b>Container Operation</b>			
Yield (R\$/000 RTK)	95.2	99.0	-3.8%
% Volume	5.6%	4.4%	1.1p.p.
<b>Consolidated</b>			
Yield (R\$/000 RTK)	99.1	103.9	-4.6%



## Results by Business Unit

### Business Units

The business units (reporting segments) are organized as follows:

- **North Operation** North Network, Paulista Network, and Port Operation in Santos
- **South Operation** West Network and South Network
- **Container Operation** Container operations, including Brado Logística
- **Central Operation<sup>9</sup>** Central Operation, under the pre-operating phase

Results by Business Unit 1Q20	North Operation	South Operation	Container Operations	Subtotal	Central Operation	Consolidated
Transported volume (million RTK)	9,080	2,530	687	12,297	-	12,297
Net revenue	1,085	268	71	1,424	-	1,424
Cost of services	(695)	(303)	(73)	(1,071)	(0)	(1,071)
Gross profit (loss)	390	(36)	(2)	352	(0)	352
Gross margin (%)	36.0%	-13.3%	-3.1%	24.8%	n.a.	24.8%
Sales. general and administrative expenses	(65)	(18)	(11)	(93)	(12)	(105)
Other operating revenues (expenses) <sup>5</sup>	(57)	(8)	(1)	(65)	(24)	(90)
Depreciation and amortization <sup>6</sup>	257	120	18	395	24	419
EBITDA	526	59	4	589	(12)	577
EBITDA margin (%)	48.5%	22.0%	6.2%	41.4%	n.a.	40.5%
Adjustment EBITDA	64	-	-	64	-	64
Adjusted EBITDA	590	59	4	653	-	653
Adjusted EBITDA margin (%)	54.4%	22.0%	6.2%	45.9%	n.a.	45.1%

Note 5: Includes D&A of Central Network, once it is a non-operational business.

Note 6: Depreciation and amortization are allocated in costs of services rendered, general and administrative expenses, besides Central Network, which is allocated in other revenues and expenses.

<sup>9</sup> The section of Central Operation will not be reported, as this unit is under pre-operating phase. Currently, we only have information on costs.

## North Operation

Operational figures	1Q20	1Q19	Chg. %
<b>Total transported volume (million RTK)</b>	<b>9,080</b>	<b>9,439</b>	<b>-3.8%</b>
<b>Agricultural products</b>	<b>8,091</b>	<b>8,522</b>	<b>-5.1%</b>
Soybean	5,674	6,050	-6.2%
Soybean meal	1,377	1,404	-1.9%
Corn	2	311	-99.3%
Sugar	370	291	27.0%
Fertilizers	669	466	43.6%
<b>Industrial products</b>	<b>989</b>	<b>918</b>	<b>7.8%</b>
Fuels	584	592	-1.3%
Other	405	326	24.2%
<i>Average transportation yield</i>	<i>98.9</i>	<i>106.4</i>	<i>-7.0%</i>
<b>Total volume loaded (TU '000)</b>	<b>2,545</b>	<b>2,820</b>	<b>-9.8%</b>
<i>Average loading yield (R\$/TU)</i>	<i>24.2</i>	<i>25.7</i>	<i>-5.8%</i>

In 1Q20, total volume transported by North Operation came in 3.8% lower, totaling 9.1 billion RTK. Soybean transportation fell 6.2%, impacted by the late start of harvest season, and operational constraints in March due to heavy rainfall in São Paulo. **Corn** volumes were down due to lower inventories in January. **Fertilizers** volume rose 43.6% and **sugar** volume came in 27% higher than in 1Q19. **Industrial products** grew by 7.8%, mainly due to **pulp and paper** transportation. **Port loading** fell 9.8%, reflecting the late start of the soybean harvest season and lower inventories in January.

Financial Data (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
<b>Net operating revenue</b>	<b>1,085</b>	<b>1,240</b>	<b>-12.5%</b>
Transportation	898	1,005	-10.6%
Agricultural products	803	917	-12.4%
Industrial products	95	88	7.5%
Port loading	63	72	-13.9%
Other revenues <sup>7</sup>	123	163	-23.3%
<b>Cost of services</b>	<b>(695)</b>	<b>(714)</b>	<b>-2.7%</b>
Variable costs	(267)	(304)	-12.1%
Fixed costs	(172)	(161)	6.5%
Depreciation and amortization	(256)	(249)	2.8%
<b>Gross profit</b>	<b>390</b>	<b>526</b>	<b>-25.8%</b>
<i>Gross margin (%)</i>	<i>36.0%</i>	<i>42.4%</i>	<i>-6.5 p.p.</i>
Sales, general and administrative expenses	(65)	(59)	9.9%
Other op. revenues (expenses) and equity pickup <sup>8</sup>	(57)	(17)	>100%
Depreciation and amortization	257	251	2.7%
<b>EBITDA</b>	<b>526</b>	<b>700</b>	<b>-24.8%</b>
<i>EBITDA margin (%)</i>	<i>48.5%</i>	<i>56.4%</i>	<i>-8 p.p.</i>
<b>Adjusted EBITDA</b>	<b>590</b>	<b>700</b>	<b>-15.7%</b>
<i>Adjusted EBITDA margin (%)</i>	<i>54.4%</i>	<i>56.4%</i>	<i>-2 p.p.</i>

Note 7: Includes revenue for unrealized volumes under take-or-pay agreements.

Note 8: Includes non-recurring expenses relating to the Paulista Network renewal process.

**Adjusted EBITDA totaled R\$590 million in 1Q20, down 15.7%**, impacted by lower volumes that undermined **fixed cost dilution**, which increased 6.5%. **Variable costs** fell 12%, on the back of lower take-or-pay expenses (R\$20 million). The adjusted EBITDA margin reached 54.4%, down 2 p.p. **Fuel consumption** dropped 3.2% (Liters/GTK), reflecting improved locomotives efficiency.

## South Operation

Operational Figures	1Q20	1Q19	Chg. %
<b>Transported volume (million RTK)</b>	<b>2,530</b>	<b>3,275</b>	<b>-22.8%</b>
<b>Agricultural products</b>	<b>1,777</b>	<b>2,299</b>	<b>-22.7%</b>
Soybean	1,137	1,694	-32.9%
Soybean meal	147	126	16.6%
Corn	146	193	-24.2%
Sugar	191	91	>100%
Fertilizers	131	147	-11.0%
Other	25	47	-46.4%
<b>Industrial products</b>	<b>753</b>	<b>977</b>	<b>-22.9%</b>
Fuel	408	526	-22.4%
Wood, pulp, and paper	155	246	-37.1%
Other	190	205	-7.0%
<b>Average transportation yield</b>	<b>100.9</b>	<b>97.6</b>	<b>3.4%</b>

South Operation's transported volume fell 22.8%, reaching 2.5 billion RTK. The result reflects a 22.7% drop in agricultural products, especially soybean, due to the late start of the harvest season in the State of Paraná, and the crop failure in the State of Rio Grande do Sul (RS). Industrial products were down 22.9%, impacted by lower pulp and paper volume, due to an accident, a decreased transportation of fuel and other industrial cargoes, reflecting lower domestic consumption, in light of the coronavirus pandemic.

Dados financeiros (Valores em R\$ MM)	1Q20	1Q19	Chg. %
<b>Net operating revenue</b>	<b>268</b>	<b>328</b>	<b>-18.3%</b>
Transportation	255	320	-20.3%
Agricultural products	164	215	-23.7%
Industrial products	91	105	-13.3%
Other revenues <sup>9</sup>	13	9	44.4%
<b>Cost of services</b>	<b>(303)</b>	<b>(358)</b>	<b>-15.4%</b>
Variable costs	(68)	(82)	-17.1%
Fixed costs	(115)	(126)	-8.7%
Depreciation and amortization	(120)	(149)	-19.5%
<b>Gross profit (loss)</b>	<b>(36)</b>	<b>(29)</b>	<b>24.1%</b>
<i>Gross margin (%)</i>	<i>-13.4%</i>	<i>-8.8%</i>	<i>-4.6 p.p.</i>
Sales, general and administrative expenses	(18)	(17)	5.9%
Other op. revenues (expenses) and equity pickup	(8)	(0)	>100%
Depreciation and amortization	120	149	-19.5%
<b>EBITDA</b>	<b>59</b>	<b>103</b>	<b>-42.7%</b>
<i>EBITDA margin (%)</i>	<i>22.0%</i>	<i>31.4%</i>	<i>-9.4 p.p.</i>

Note 9: Includes revenue from volumes contracted, but not executed according to commercial agreements (take-or-pay).

EBITDA totaled R\$59 million in 1Q20, down 42.7%. Net operating revenue decreased less than volume, reflecting a 3% yield gain. Variable costs declined 17.1%, due to lower volume and improved energy efficiency of 5.5% (Liters/GTK). Fixed costs came in 8.7% lower. EBITDA margin reached 22% in 1Q20, 9.4 p.p. below 1Q19, due to lower operating leverage.

## Container Operation

Operational figures	1Q20	1Q19	Chg. %
<b>Total volume (containers)</b>	<b>19,691</b>	<b>17,963</b>	<b>9.6%</b>
<i>Intermodal average yield (R\$/000 RTK)</i>	<i>95.2</i>	<i>99.0</i>	<i>-3.8%</i>
<b>Total volume (million RTK)</b>	<b>687</b>	<b>591</b>	<b>16.2%</b>

In 1Q20, Container Operation rose 16.2% to 687 million RTK. The implementation of the double-stack system, coupled with the business strategy of taking advantage of return freights to increase transportation volumes in the domestic market and import cargoes has been supporting higher diversification of cargo transportation and contributing to ramp up volume.

Financial Data (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
<b>Net operating revenue<sup>10</sup></b>	<b>71</b>	<b>67</b>	<b>4.9%</b>
Transportation	65	59	10.2%
Other revenues	6	8	-25.0%
<b>Cost of services</b>	<b>(73)</b>	<b>(82)</b>	<b>-10.7%</b>
Variable costs	(33)	(32)	1.0%
Fixed costs	(23)	(27)	-14.6%
Depreciation and amortization	(17)	(22)	-23.2%
<b>Gross income (loss)</b>	<b>(2)</b>	<b>(15)</b>	<b>-85.3%</b>
<i>Gross margin (%)</i>	<i>-3.1%</i>	<i>-22.2%</i>	<i>19.1 p.p</i>
Sales, general and administrative expenses	(11)	(9)	12.5%
Other op. revenues (expenses) and equity pickup	(1)	1	>100%
Depreciation and amortization	18	23	-21.6%
<b>EBITDA</b>	<b>4</b>	<b>(1)</b>	<b>&gt;100%</b>
<i>EBITDA margin (%)</i>	<i>6.2%</i>	<i>-1.5%</i>	<i>7.7 p.p</i>

Note 10: Includes revenue from service units.

EBITDA totaled R\$4 million in 1Q20, reversing a negative EBITDA in 1Q19. Although yield decreased 3.8%, due to a mix effect, as higher cargo volume was seen in the Paraná corridor, which has lower yield, a 16.2% higher volume contributed to 13.6% higher net revenue from transportation.

The phase out of Cubatão (SP), an unprofitable business unit, decreased Other revenues, with a greater reduction in fixed costs. A better negotiation with partners regarding truck freight and handling services also contributed to the good performance of variable cost. Thus, EBITDA margin reached 6.2% in 1Q20, up 7.7 p.p..

## 5. Other Results

### Breakdown of Costs and Services Rendered and General and Administrative Expenses

Consolidated Costs (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
<b>Consolidated costs and General and Administrative Expenses</b>	<b>(1,174)</b>	<b>(1,238)</b>	<b>-5.1%</b>
<b>Variable costs</b>	<b>(368)</b>	<b>(418)</b>	<b>-12.0%</b>
Fuel and lubricants	(210)	(228)	-8.0%
Own logistics costs <sup>11</sup>	(67)	(67)	-0.5%
Third-party freight costs <sup>12</sup>	(73)	(93)	-21.5%
Other variable costs <sup>13</sup>	(18)	(30)	-39.0%
<b>Fixed costs and General and Administrative Expenses</b>	<b>(413)</b>	<b>(399)</b>	<b>3.6%</b>
Maintenance	(32)	(34)	-5.2%
Payroll expenses	(188)	(184)	2.1%
Third-party services	(17)	(20)	-14.3%
Security and facilities	(43)	(40)	
Other operational costs	(29)	(37)	9.0%
General and Administrative Expenses	(103)	(84)	23.1%
<b>Depreciation and amortization</b>	<b>(393)</b>	<b>(422)</b>	<b>-6.7%</b>

Note 11: Own logistics costs include sand, right-of-way, terminals, and other variable costs.

Note 12: Third-party freight costs include road and railroad carriers contracted from other concessionaires.

Note 13: Especially take-or-pay expenses.

**Variable costs were down 12% to R\$368 million in 1Q20, evidencing a good performance,** on the back of (i) reduced other variable costs, due to lower take-or-pay expenses and (ii) less freight costs with third parties, due to higher sugar volumes transported through railway. Fuel expenses fell 8.0%, in line with volume, recording efficiency gains in fuel consumption (Liters/GTK: -5.3%) which offset higher fuel prices year-over-year.

**Fixed costs, general and administrative expenses totaled R\$413 million.** Excluding R\$12 million of Central Network's costs and expenses, the increase was 0.7%. Selling, general and administrative expenses rose 8.3%, excluding additional expenses from Central Network. **Depreciation and amortization** costs dropped 6.7%.

## Financial Results

Financial results (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
Cost of bank debt <sup>14</sup>	(325)	(224)	44.7%
Charges over leasing	(12)	(15)	-22.1%
Financial income from investments	28	33	-16.2%
<b>(=) Cost of broad net debt</b>	<b>(309)</b>	<b>(206)</b>	<b>49.5%</b>
Monetary variation on liabilities of concessions	(35)	(49)	-28.4%
Concession Fee and operating lease <sup>15</sup>	(122)	(32)	>100%
Rates on contingencies and contracts	(11)	(27)	-60.5%
Other financial expenses	(53)	(11)	>100%
<b>(=) Financial result</b>	<b>(531)</b>	<b>(325)</b>	<b>63.4%</b>

Note 14: Includes interest, monetary variation, net derivative income, and other debt charges.

Note 15: Considers IFRS 16 adjustments.

The financial result in 1Q20 was impacted by a non-recurring non-cash amount of R\$160 million, due to a review of estimate on measuring the fair value of financial instruments. This change results in lower volatility in MTM. Also, the following factors contributed to the financial result: (i) the addition of Central Network's financial expenses (R\$70 million), (ii) CDI reduction (positive effect of R\$42 million), and (iii) lower bank guarantee expenses (R\$13 million).

Lease charges increased due to interest rates over concession installments of Central Network. Financial investments yield fell 15.2% on the back of reduced CDI interest rates quarter-over-quarter. The monetary variation on leasing and concession agreements reflects the SELIC interest rate adjustment to the unpaid concession amounts of the West and Paulista Networks, which are under litigation. Other financial expenses include costs related to Paulista Network renewal process and costs relating to bank guarantees and other financial operations.

## Income Tax and Social Contribution

Income Tax and Social Contribution (Amounts in R\$ MM)	1Q20	1Q19	Chg. %
<b>Income (loss) before IT / SC</b>	<b>(373)</b>	<b>55</b>	<b>&gt;100%</b>
<i>Theoretical rate IR / SC</i>	<i>34.0%</i>	<i>34.0%</i>	<i>0 p.p.</i>
<b>Theoretical income (expense) with IT / SC</b>	<b>127</b>	<b>(19)</b>	<b>&gt;100%</b>
<b>Adjustments to calculate the effective rate</b>			
Tax losses and temporary differences not recognized <sup>16</sup>	(34)	(37)	-8.0%
Tax incentives arising from the North network <sup>17</sup>	-	28	-100.0%
Equity pickup	1	2	-49.1%
Other effects	5	(2)	>100%
<b>Income (expense) with IT / SC</b>	<b>99</b>	<b>(28)</b>	<b>&gt;100%</b>
<i>Effective rate (%)</i>	<i>-26.5%</i>	<i>-50.8%</i>	<i>24.3 p.p.</i>
IT/SC current	(36)	(20)	80.5%
IT/SC deferred	134	(8)	>100%

Note 16: We did not record deferred income tax and social contribution on tax losses in certain companies due to the lack of prospects for future taxable income.

Note 17: North Network enjoys the Amazon Development Office (SUDAM) benefit that entitles it to a 75% reduction in corporate income tax (rate of 25%) until 2023.

## 6. Loans and Financing

Broad gross debt at the end of 1Q20 was R\$15.2 billion. Leverage reached 2.1x (broad net debt/EBITDA), considering adjusted EBITDA of R\$3,681 billion in the last 12 months. The balance of broad net debt came to R\$7.6 billion, up 14.3%.

Total Indebtedness (Amounts in R\$ MM)	1Q20	4Q19	Chg.%
Commercial banks	591	297	99.1%
NCE	1,232	512	>100%
BNDES	2,843	3,057	-7.0%
Debentures	2,328	2,353	-1.0%
Senior notes 2024 and 2025	7,842	5,501	42.6%
<b>Total bank debt</b>	<b>14,836</b>	<b>11,720</b>	<b>26.6%</b>
Leases <sup>18</sup>	404	430	-5.9%
<b>Total broad gross debt</b>	<b>15,240</b>	<b>12,149</b>	<b>25.4%</b>
Cash and cash equivalents and securities <sup>19</sup>	(3,582)	(3,802)	-5.8%
Net derivative instruments	(3,972)	(1,624)	>100%
<b>Total broad net debt</b>	<b>7,686</b>	<b>6,724</b>	<b>14.3%</b>
Adjusted EBITDA LTM <sup>20</sup>	3,681	3,829	-3.8%
<b>Leverage (broad net debt / Adjusted EBITDA LTM)</b>	<b>2.1x</b>	<b>1.8x</b>	<b>16.7%</b>

Note 18: Excludes operating lease IFRS 16.

Note 19: In 1Q20 includes restricted cash linked to bank debts totaling R\$68.6 million. 4Q19 includes restricted cash from bank debts totaling R\$86.7 million.

Note 20: The LTM EBITDA refers to the sum of the last 12 months of EBITDA calculated as follows: sum of the 3-month period ended in March 31, 2020, plus EBITDA of the last nine months of 2019.

The following table gives a breakdown of the items that impacted Rumo's consolidated debt.

Movement in gross debt (Amounts in R\$ MM)	1Q20
<b>Opening balance of broad net debt</b>	<b>6,724</b>
Cash and cash equivalents and marketable securities <sup>21</sup>	(3,802)
Net derivative instruments	(1,624)
<b>Opening balance of broad gross debt</b>	<b>12,149</b>
<b>Items with cash impact</b>	<b>394</b>
New funding	930
Amortization of principal	(247)
Amortization of interest rates	(289)
<b>Items without cash impact</b>	<b>2,697</b>
Provision for interest rates (accrual)	190
Monetary variation, MTM adjustments of debt, and others	2,507
<b>Closing balance of broad gross debt</b>	<b>15,240</b>
Cash and cash equivalents and marketable securities <sup>21</sup>	(3,582)
Net derivative instruments	(3,972)
<b>Closing balance of broad net debt</b>	<b>7,686</b>

Note 21: In 1Q20, it includes restricted cash from bank debts totaling R\$68.6 million. 4Q19 includes restricted cash from bank debts totaling R\$86.7 million.

Rumo is subject to certain restrictive covenants regarding its leverage level and debt service coverage in a few of its contracts. Most restrictive provisions are verified at year-end and refer to broad net debt. Broad net debt includes bank debts, debentures, leases, real estate receivables certificates, and derivatives linked to credit operations, less marketable securities, cash, and cash equivalents. The covenants for December 2020 are maximum leverage of 3.3x (broad net debt/LTM EBITDA), and a minimum interest rate coverage index of 2.0x EBITDA/Financial Result.

## 8. Capex

Investment (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
<b>Total investments<sup>22</sup></b>	<b>561</b>	<b>543</b>	<b>3,4%</b>
Recurring	213	227	-6,5%
Expansion	348	316	10,3%

Note 22: Amounts in cash regime.

**In 1Q20, Capex reached R\$561 million, up 3.4%, already including R\$14 million of Central Network.** This amount, slightly below the pace for the year, is explained by the phasing of investments in Central Network, which should increase over the upcoming quarters.

Recurring Capex totaled R\$213 million in 1Q20, and expansion Capex came in 10.3% higher, reaching R\$348 million. Main investments in the capacity expansion were: (i) acquisition of rolling stock; (ii) expansion of Rondonópolis terminal; (iii) upgrading of permanent way, by replacing tracks and sleepers; (iv) sidings extension to support 120-railcar train and; (v) infrastructure improvements.



## 9. Cash Flow Statement

Below is Rumo's consolidated cash flow statement. Marketable securities were considered cash and cash equivalents in this statement.

Indirect Cash Flow (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
Adjusted EBITDA	577	802	-28.0%
Working capital variations and non-cash effects	(527)	(288)	83.0%
Operating financial result	(17)	30	>100%
<b>(a) (=) Operating cash flow (FCO)</b>	<b>34</b>	<b>544</b>	<b>-93.7%</b>
Capex	(561)	(543)	3.4%
<b>(b) Recurring</b>	<b>(213)</b>	<b>(227)</b>	<b>-6.5%</b>
Expansion	(348)	(316)	10.3%
Dividends received	0	2	-84.6%
<b>(c) (=) Cash flow from investing activities (FCI)</b>	<b>(561)</b>	<b>(541)</b>	<b>3.6%</b>
<b>(d) Funding</b>	<b>930</b>	<b>1,315</b>	<b>-29.3%</b>
<b>(e) Amortization of principal</b>	<b>(273)</b>	<b>(1,413)</b>	<b>-80.7%</b>
Amortization of interest rates	(383)	(297)	29.0%
Paid dividends	-	(0)	-100.0%
Derivative financial instruments	25	(24)	>100%
Restricted cash	25	(11)	>100%
<b>(=) Cash flow from financing activities (FCF)</b>	<b>324</b>	<b>(430)</b>	<b>&gt;100%</b>
<b>(g) Forex variation impact on cash balances</b>	<b>1</b>	<b>0</b>	<b>&gt;100%</b>
<b>(f) (=) Net cash generated (consumed)</b>	<b>(201)</b>	<b>(426)</b>	<b>-52.7%</b>
<b>(+) Total cash (includes cash + marketable securities) opening</b>	<b>3,715</b>	<b>2,985</b>	<b>24.5%</b>
<b>(=) Total cash (includes cash + marketable securities) closing</b>	<b>3,513</b>	<b>2,558</b>	<b>37.3%</b>
Metrics			
<b>(=) Cash generation after recurring capex (a+b)</b>	<b>(179)</b>	<b>317</b>	<b>&gt;100%</b>
<b>(=) Cash generation after cash from investments (a+c)</b>	<b>(527)</b>	<b>3</b>	<b>&gt;100%</b>
<b>(=) Cash generation (consumption) before funding and amortization (f-e-d)</b>	<b>(860)</b>	<b>(329)</b>	<b>&gt;100%</b>

## 10. Operating and Financial Performance Indicators

Below is the historical trend of the main operating and financial performance indicators.

Operating and Financial Performance Index	1Q19	1Q20	Chg. %	2018	2019	Chg. %
<b>Consolidated</b>						
Operating ratio <sup>23</sup>	76%	83%	9.2%	73%	71%	-2.7%
Diesel consumption (liters/ '000 GTK)	4.15	3.93	-5.3%	4.16	3.93	-5.5%
Rail accidents (MM Train/Km)	16.1	16.3	0.9%	14.5	16.3	12.4%
Personal accidents (accidents /MM MHW)	0.22	0.11	-50.0%	0.25	0.13	-48.0%
<b>North Operation</b>						
Cycle of railcars (days)	11.1	12.7	14.4%	10.2	9.9	-2.9%
<b>South Operation</b>						
Cycle of railcars (days)	8.1	8.3	2.5%	7.6	7.9	3.9%

Note 23: Only considers the variable costs of railway operations.

**Operating ratio:** This index, which represents the portion of costs and expenses as a percentage of net revenue, improved 9.2% in 1Q20, reflecting lower dilution of costs due to lower transported volume.

**Diesel consumption:** The 5.3% improvement in 1Q20 versus 1Q19 reflects greater efficiency in locomotive diesel unit consumption, especially fleet renewal and investments in the permanent way.

**Rail accidents:** This index, which measures the number of accidents per million kilometers, increased 0.9% from 1Q19, reflecting a marginal increase in the number of accidents involving third parties, despite the Company's investments in improving railway safety.

**Personal accidents:** This index, which measures the number of accidents with leave, significantly improved quarter-on-quarter, by decreasing 50%, reflecting the Company's efforts to reduce personal accidents, with an index in line with international railways' benchmark.

**Cycle time of railcars:** This index worsened on account of lower assets utilization due to lower demand in January and operational constraints in March.

## 11. Guidance

This section contains the guidance ranges for the key parameters that will influence Rumo's consolidated results for 2020. Note that other sections of this earnings release may also contain projections. Such projections and guidance are estimates and indications and should not be taken as a guarantee of future results.

### Short Term

#### Guidance 2020

Guidance (Inc. Central Network)	2020
EBITDA (R\$ MM)	$4,150 \leq \Delta \leq 4,650$
Capex (R\$ MM)	$2,600 \leq \Delta \leq 3,400$
Volume (RTK)	$64.0 \leq \Delta \leq 68.0$

## 12. Attachments

### 12.1 Financial Statements - Rumo

#### 12.1.1 Balance Sheet

Balance sheet (Amounts in R\$ MM)	03/31/20	12/31/19
<b>Current assets</b>	<b>4,846</b>	<b>4,950</b>
Cash and cash equivalents	3,177	1,963
Marketable securities	336	1,752
Trade receivables	503	386
Financial and derivative instruments	264	248
Inventories	17	12
Peer company receivables	35	138
Income tax and social contribution	376	347
Other taxes recoverable	138	104
<b>Non-current assets</b>	<b>30,528</b>	<b>27,883</b>
Trade receivable	12	14
Restricted cash	130	148
Deferred income tax and social contribution	1,260	1,174
Recoverable income tax and social contribution	226	168
Other taxes recoverable	672	664
Judicial deposits	419	415
Financial and derivative instruments	3,972	1,624
Other assets	65	68
Investments in associates	49	52
Property and equipment	12,027	11,769
Intangible	7,340	7,375
Right of use	4,356	4,412
<b>Total assets</b>	<b>35,374</b>	<b>32,833</b>
<b>Current liabilities</b>	<b>3,300</b>	<b>3,037</b>
Loans, financing, and debentures	1,608	1,065
Leases	549	534
Suppliers	453	513
Labor and social security obligations	147	217
Income tax and social contribution taxes	1	8
Other payable taxes	27	34
Dividends payables	7	7
Leases and concessions	10	10
Payable to related parties	125	140
Deferred revenue	6	8
Other financial liabilities	290	411
Other payables	77	91
<b>Non-current liabilities</b>	<b>23,725</b>	<b>21,181</b>
Loans, financing, and debentures	13,228	10,655
Leases	3,960	3,995
Financial and derivative instruments	2	8
Other payables	480	481
Provision for lawsuits	3,508	3,445
Leases and concessions	2,442	2,491
Deferred income tax and social contribution	48	48
Deferred revenues	57	59
<b>Shareholders' equity</b>	<b>8,349</b>	<b>8,614</b>
<b>Total liabilities</b>	<b>35,374</b>	<b>32,833</b>

### 12.1.2 Income Statement

Income Statement (Amounts in R\$ MM)	1Q20	1Q19	Chg.%
<b>Net operating revenue</b>	<b>1,424</b>	<b>1,635</b>	<b>-12.9%</b>
Cost of goods sold	(1,071)	(1,153)	-7.2%
<b>Gross profit (loss)</b>	<b>353</b>	<b>481</b>	<b>-26.7%</b>
Sales, general and administrative expenses	(105)	(86)	21.5%
Other net operating income (expenses)	(92)	(22)	>100%
Net financial result	(531)	(325)	63.6%
Equity pickup	2	5	-57.9%
Income tax and social contribution	99	(28)	>100%
<b>Net profit (loss)</b>	<b>(274)</b>	<b>27</b>	<b>&gt;100%</b>
<i>Net margin (%)</i>	<i>-19.2%</i>	<i>1.6%</i>	<i>-20.9 p.p.</i>

### 12.1.3 Cash Flows

Accounting cash flow (Amounts in R\$ MM)	1Q20	1Q19
<b>Profit before income tax and social contribution</b>	<b>(373)</b>	<b>55</b>
Depreciation and amortization	419	422
Equity pickup	(2)	(5)
Provision for profit sharing and bonuses	23	33
Result of disposals of fixed assets and intangible assets	(1)	1
Provision for lawsuits	19	22
Provision (reversal) for losses on doubtful accounts	1	(1)
Stock option plan	3	2
Leases and concessions	505	332
Interest, monetary and exchange variation, Net	(12)	-
Extemporaneous tax credit	1	5
<b>(=) Adjustments</b>	<b>583</b>	<b>866</b>
Trade receivables	(113)	2
Related parties, Net	(29,0)	6
Taxes	(30)	(26)
Inventories	(16)	(4)
Labor and social security payable	(86)	(101)
Suppliers	(56)	(18)
Lawsuits	(29)	(36)
Other financial liabilities	(152)	(79)
Other assets and liabilities, Net	(47)	(86)
<b>(=) Changes in assets and liabilities</b>	<b>(558)</b>	<b>(342)</b>
<b>(=) Cash Flow from Operating Activities</b>	<b>25</b>	<b>524</b>
Marketable securities	1,424	1,265
Restricted cash	25	(11)
Dividends received from subsidiaries and associated companies	-	2
Additions to property, plant and equipment, software, and other intangibles	(561)	(543)
<b>(=) Cash Flow from Investing Activities</b>	<b>888</b>	<b>713</b>
Funding	930	1,315
Amortization of principal	(273)	(1,413)
Amortization of interest	(383)	(297)
Derivative financial instruments	25	(24)
<b>(=) Cash generated by (used in) financing activities</b>	<b>299</b>	<b>(419)</b>
<b>Impact of exchange variation in cash balance</b>	<b>1</b>	<b>-</b>
<b>(=) Net increase in cash and cash equivalents</b>	<b>1,213</b>	<b>818</b>
<b>Beginning balance of cash and cash equivalents</b>	<b>1,963</b>	<b>142</b>
<b>Final balance of cash and cash equivalents</b>	<b>3,177</b>	<b>958</b>