



SOMOS O BRASIL EM MOVIMENTO

1Q20

Earnings Presentation

May 28, 2020



PROTOCOLS AND CONTINGENCY MEASURES

EMPLOYEES' HEALTH IS PRIORITIZED

Special safety protocols

Support to truck drivers

Masks and hand sanitizer gel



Home office

Shift adjustment

Social distancing

Psychological assistance

Permanent sanitization of environments



SOCIAL RESPONSIBILITY AND GOVERNMENTAL MEASURES

DONATIONS

46 INSTITUTIONS 28 CITIES 7 STATES	- HAND SANITIZER GEL	28,000 liters
	- BED LINEN	2,400 units
	- CLEANING PRODUCTS	84,000 liters
	- FOOD	12,000 tons
	- IPEs	13,000 units
	- HOSPITAL EQUIPMENT	64 units

GOVERNMENTAL ACTIONS

Stakeholders' engagement within
federal, state, municipal scopes

Formal acts (Decrees, Provisional Measure, Ordinances)

BUSINESS PROTECTION

LIQUIDITY

CASH REINFORCEMENT

Funding of
R\$850 mln
in 1T20

+

R\$1.5 bi
in 2T20

Cash position
May/20

~R\$5 billion

Continuity of operations and investments

RONDONÓPOLIS (MT)

EXPANSION WORKS CONTINUE



Aerial view of works



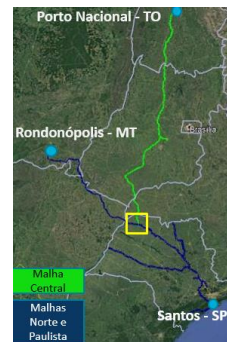
New warehouses



Aerial view of Terminal – highlighting the loop track

CENTRAL NETWORK (GO, TO)

GOVERNMENTAL PROTOCOLS OBSERVED PRESERVATION OF HEALTH & SAFETY



Connection between Paulista and Central Networks



Rio Grande Bridge– SP/MG boundary

Renewal of Paulista Network Concession



Agenda:



Overview



Importance of the renewal for Rumo



Main aspects



Mandatory investments

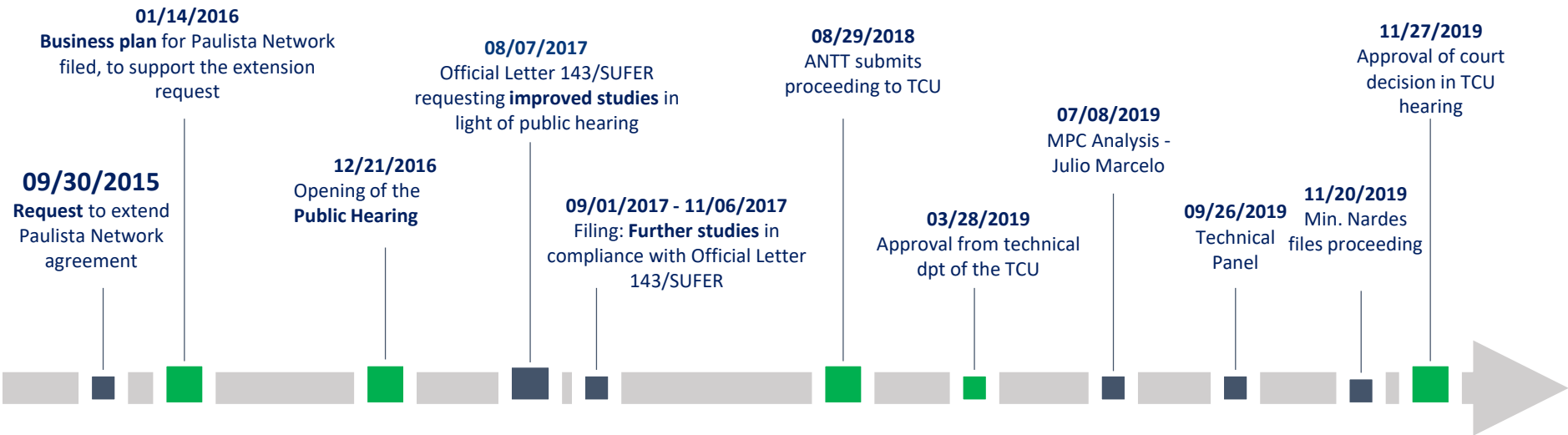


Accounts offset and recovery of liabilities



Impact on 2020 results and cash flow

Overview



Pioneering

Rumo as the first concessionaire to request the renewal of a concession agreement

Regulation

Need to create new regulations in light of the litigation, with a comprehensive and robust process between Rumo, ANTT and TCU.

Milestone for the country

May 27, 2020
Signature of the Contractual Amendment to Rumo's Concession Agreement for Paulista Network
Precedent established with conditions that will support other cases of renewal and contribute to the development of Brazil's infrastructure.



Importance of the Renewal for Rumo



¹ From 37.5 MM ton (2021) to 80.4 MM ton (2058), referring to own cargo + right of way cargo..

Main aspects

Signing of the Contractual Amendment

Secures concession extension for another **30 years**, pursuant to Law no. 13,448/2017
2028 to 2058

Concession Fee

Amount
NPV²

~2.9 bln

To be amortized in 38 year

Concession Fee

Amount
(annual installments)²

327 mln

Paid in quarterly installments (until 2027 paying the “old” and the “new” concession fees)

VARIABLE

Concession Fee

If volumes of strategic plan are exceeded

Own volume above the plan and **right of way** volume with low financial impact

UNUSED STRETCHES

Cajati, Varginha, Panorama and Colombia

Cajati and Varginha: indemnity refund already considered in the concession fee amount;
Panorama and Colombia with cargo potential and provision in the investment plan.

Mandatory investments

~6.1 bln

~50% by 2028, in current capex guidance

² Amounts on [Dec/2017]. In R\$[Dec/2019] amount corresponds to 3.07 bn.

Mandatory investments

~6.1 bln

total

~2.1 bln

ROLLING STOCK

Complete fleet modernization

120-railcar trains with extension of **2,200 m**

AC 44 Locomotives and HPT Railcars

~2.6 bln

TRACKS

120 railcars and 32t/axis

Duplication between **Itirapina** **Campinas**

13 semi-duplication
28 yard expansions
6 new yards
Capacity increase to **32.5 t**
Change in track profile to TR 68.

~1.0 bln

URBAN CONFLICT

Allows for shorter transit-time

Outlines of **São José do Rio Preto** and **Catanduva**

Workshops in **Araraquara** and **Rio Claro**

Sealing, overpass, bridges, etc.

~0.4 bln

OTHER INVESTMENTS

Increased network coverage

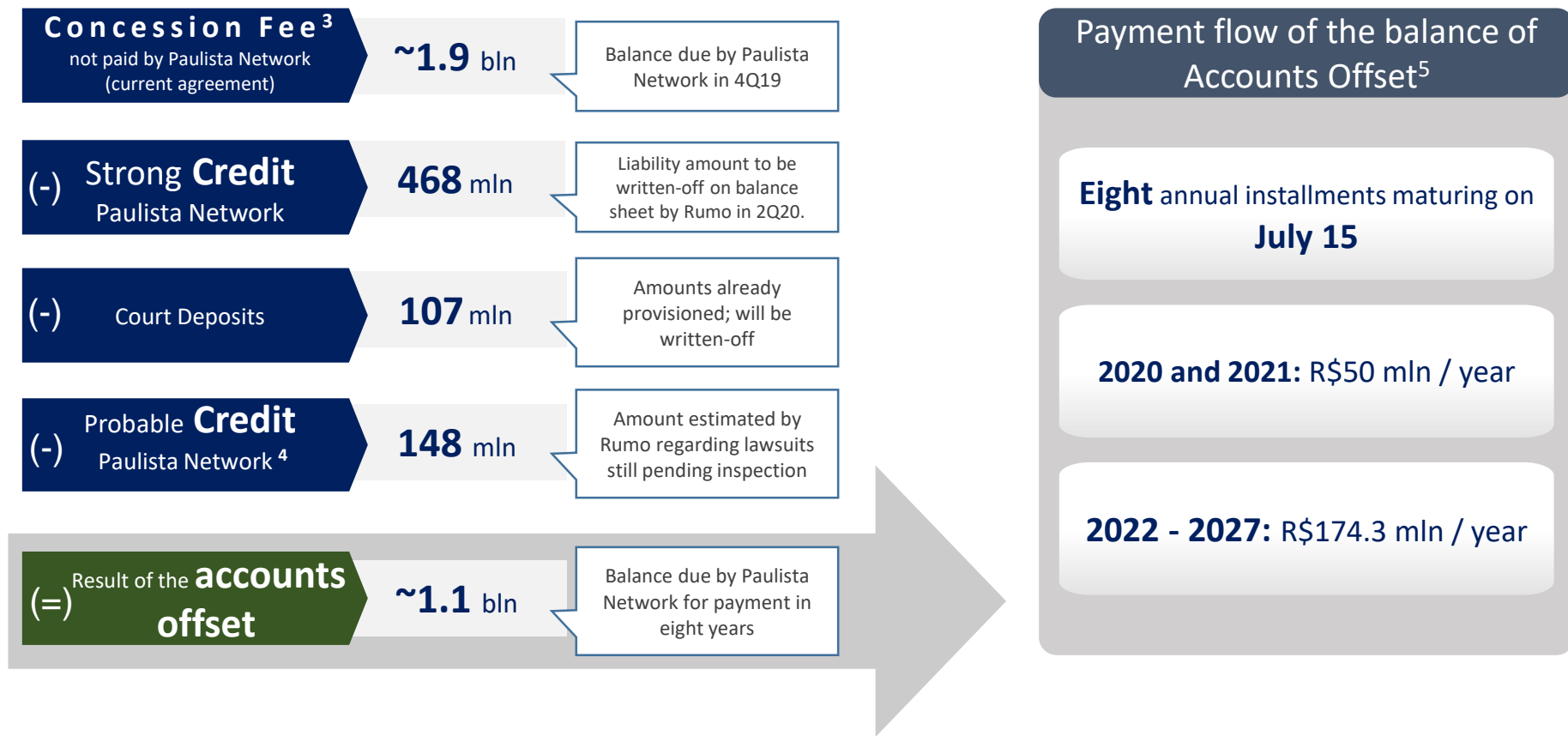
Recovery of **Panorama** and **Colombia** Connections.



Increased CAPACITY

allows for higher railway share of bulk in the **Port of Santos**
From the current 40% to **70%**

Accounts offset | Recovery of liabilities



³ Concession Fee related to the current concession of Paulista Network, maturing in 2028.

⁴ A work group will evaluate this item in the next 2 years. For now, the ANTT recognizes credit in the flow, but the amount can be adjusted and tranches falling due may be subject to future adjustments.

⁵ Amounts in [Feb/2020]: will be restated by Selic + 1% in the payment month

Impact on 2020 Results and Cash Flow

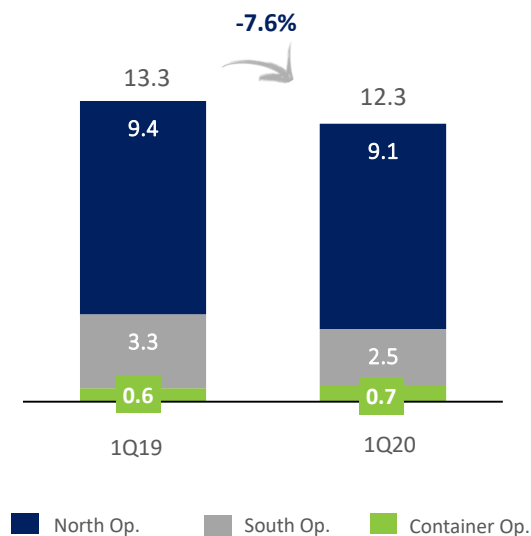
	(R\$ MM)	Cash Flow	EBITDA	Financial Result
1Q20	Payment of fines	(109)	(64)	(39)
2Q20	Liabilities write-off of R\$468 mm		~200 to 370	~100 to 270
6M20	1H 2020 results	(109)	~140 to 300	~60 to 230

Central Network and Paulista Network renewal Process

Financial Figures	1Q20	Adjustments Central Network	Adjustments Paulista Network	Adjusted 1Q20	1Q19	Chg.%
Net Operating Revenue	1,424	-	-	1,424	1,635	-12.9%
Gross Profit	353	-	-	353	482	-27.0%
SG&A	(105)	12	-	(93)	(85)	9.4%
Other Expenses	(90)	24	64	(2)	(17)	-87.1%
Operational Profit	158	36	64	257	380	-32.4%
Depreciation	419	(24)	-	395	422	-6.4%
EBITDA	577	12	64	653	802	-18.6%
Net Profit	(274)	70	68	(136)	27	>100%

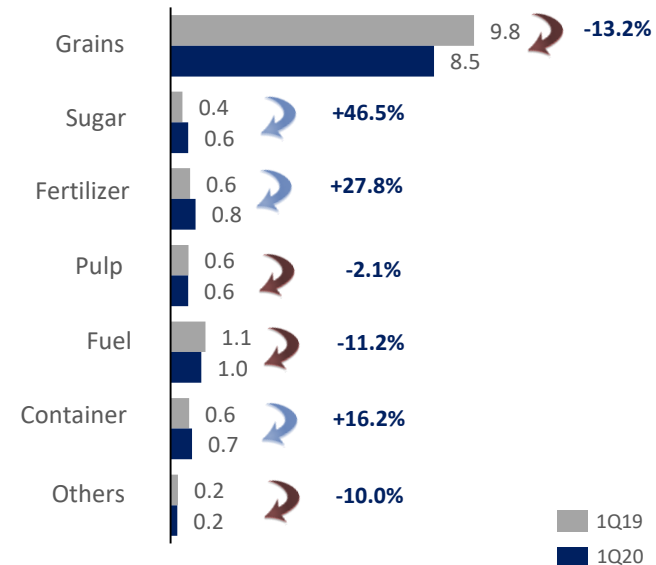
TRANSPORTED VOLUME

(bln RTK)

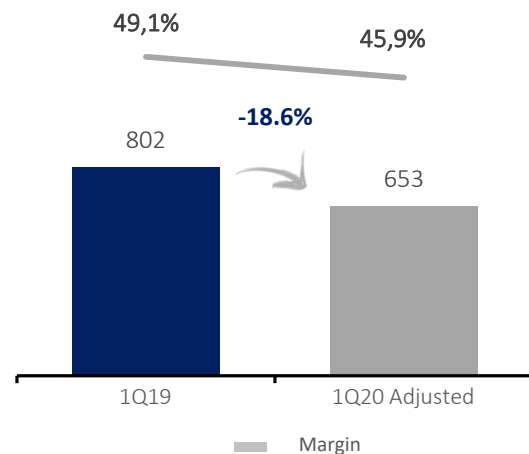


TRANSPORTATION PERFORMANCE BY SEGMENT

(bln RTK)



ADJUSTED EBITDA (BRL mln)



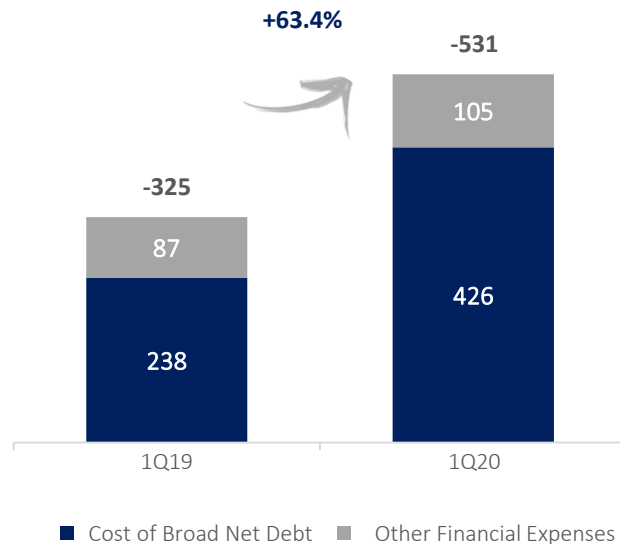
RESULTS BY BUSINESS UNIT (Chg. % 2020 x 2019)

	North Operation		South Operation		Container Operations		Consolidated		Adjusted Consolidated
Volume (million RTK)	▼	-3.8%	▼	-22.8%	▲	16.2%	▼	-7.6%	-7.6%
Yield	▼	-7.0%	▲	3.4%	▼	-3.8%	▼	-4.6%	-4.6%
Net Operating Revenue	▼	-12.5%	▼	-18.3%	▲	6.4%	▼	-12.9%	-12.9%
Variable Costs	▲	-12.1%	▲	-17.1%	▲	1.0%	▲	-12.0%	-12.0%
Fixed Costs + SG&A	▲	6.5%	▲	-8.7%	▲	-14.6%	▲	3.6%	0.7%
EBITDA	▼	-24.8%	▼	-42.7%	▲	>100%	▼	-28.1%	-18.6%
Δ EBITDA Margin	▼	-8.1 p.p.	▼	-9.4 p.p.	▲	7.7 p.p.	▼	-8.5 p.p.	-3.2 p.p.

Financial Result and Net Profit (Loss)

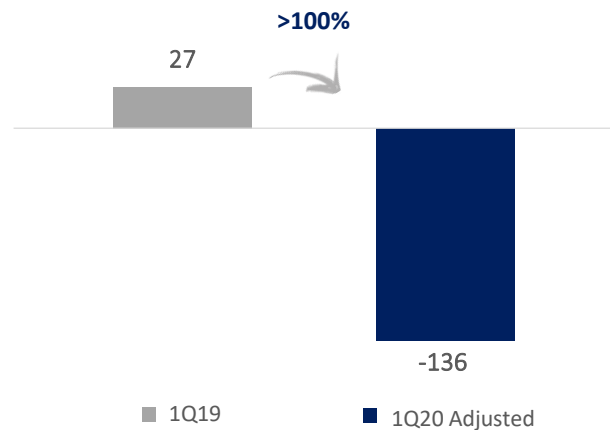
FINANCIAL RESULT

(BRL mln)



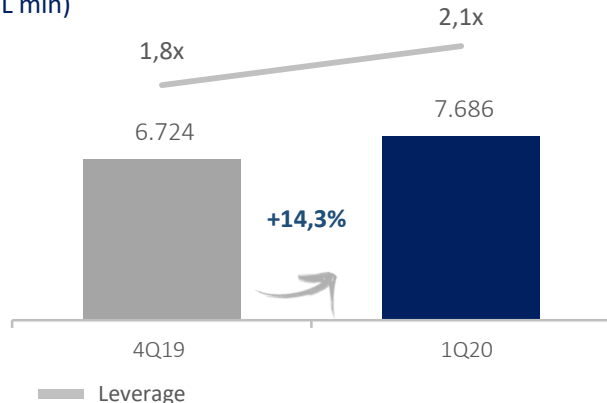
NET PROFIT

(BRL mln)



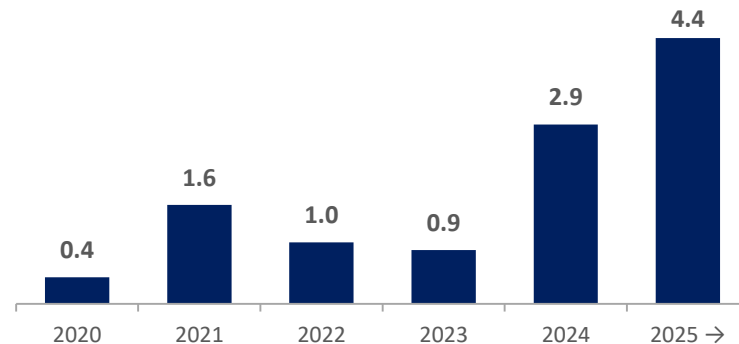
BROAD NET DEBT / EBITDA

(BRL mln)



DEBT AMORTIZATION SCHEDULE

(BRL mln)

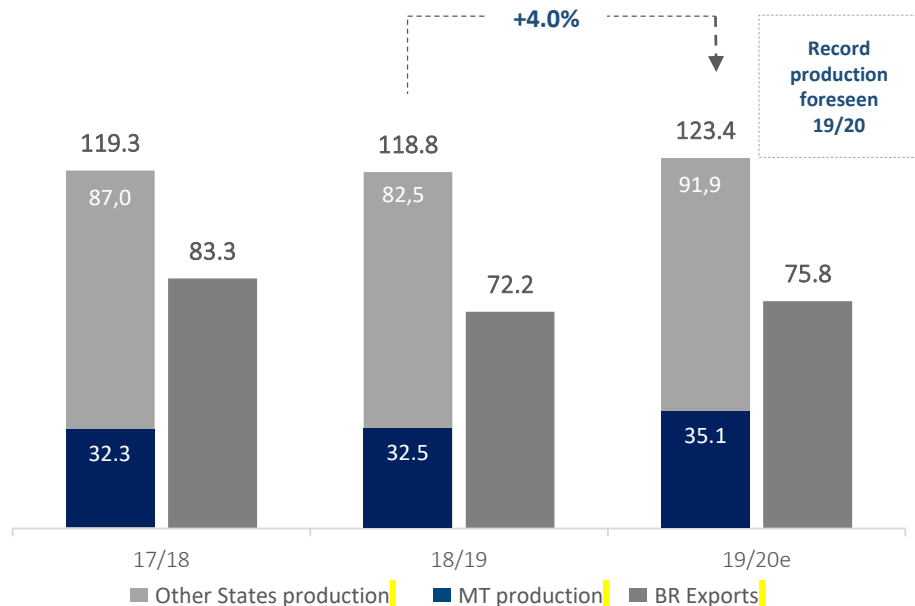


FUNDING (BRL mln)

Company	Issue month	Value	Debt	Term
Rumo Malha Sul	March	200	NCE	1 year
Rumo S.A.	March	202	Law No. 4131	2 years
Rumo Malha Norte	March	450	NCE	1 year
Rumo Malha Central	April	200	Law No. 4131	2 years
Rumo Malha Norte	April	459	FINEM BNDES	9.5 years
Rumo S.A.	May	800	Debentures	10 years

BRAZIL'S SOYBEAN PRODUCTION AND EXPORTS

(mln tons)



Source: USDA and Agroconsult (May/20)

CHINA SOYBEAN SCENARIO

(mln tons)



	Consumption	Imports	Inventories
18/19	103.0	83.0	18.5
19/20e	104.0	91.0	24.4
20/21e	111.0	97.0	30.8

Source: USDA and Agroconsult (May/20)

US SOYBEAN SCENARIO

(mln tons)

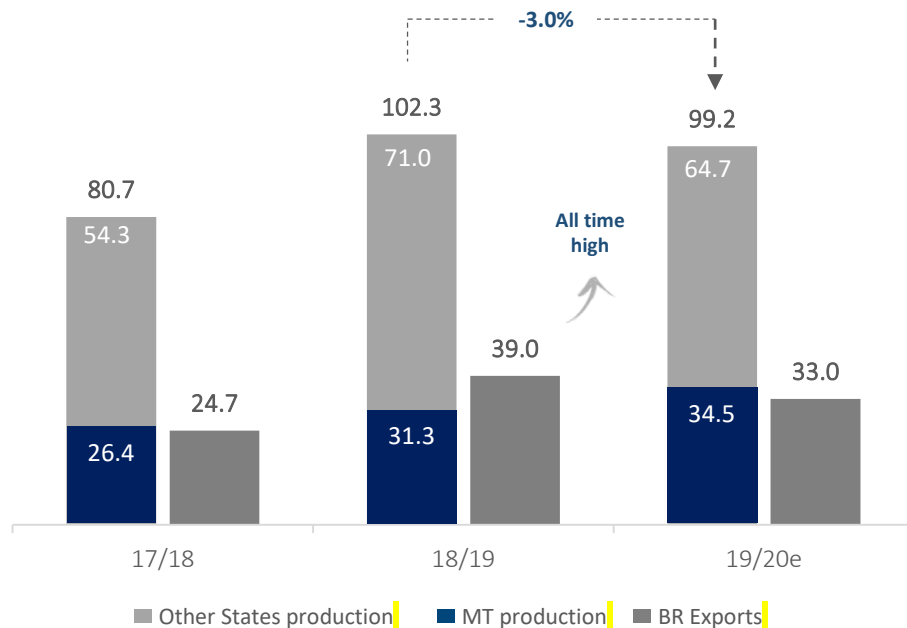


	Production	Exports	Inventories
18/19	121	48	25
19/20e	95	46	12
20/21e	119	51	17

Source: USDA and Agroconsult (May/20)

BRAZIL'S CORN PRODUCTION AND EXPORTS

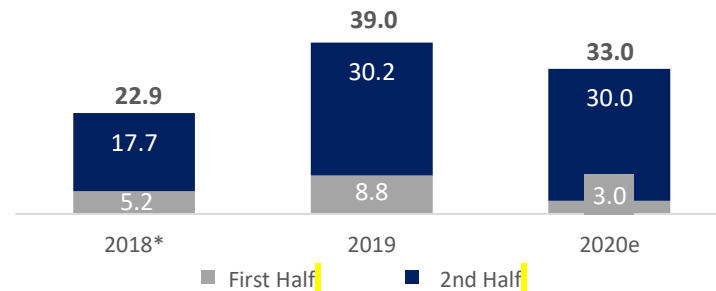
(mln ton)



Source: CONAB/Agroconsult (May/20)

2020 CONCENTRATION OF EXPORTS

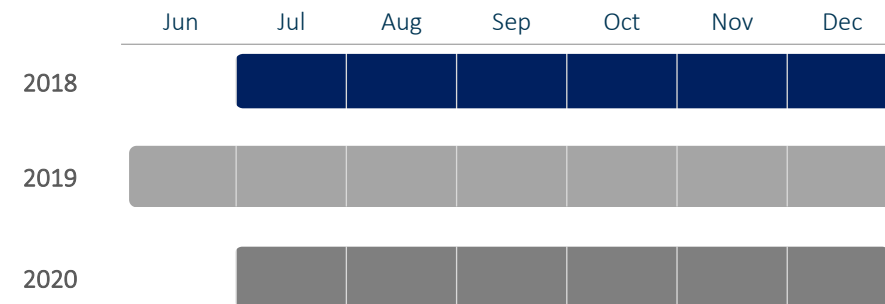
1st half X 2nd half



*May+Jun 2018: 200,000 tons of corn exported

2020: YTD (Apr/20)

Regular export window in 2020:



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