



Public Disclosure - Belo Horizonte, May 22, 2020. Usinas Siderúrgicas de Minas Gerais S.A. - Usiminas (B3: USIM3, USIM5 and USIM6; OTC: USDMY and USNZY; LATIBEX: XUSIO and XUSI) today releases its first quarter (1Q20) results. Operational and financial information of the Company, except where otherwise stated, are presented based on consolidated figures, in Brazilian Real, according to International Financial Reporting Standards (IFRS). All comparisons made in this release take into consideration the fourth quarter of 2019 (4Q19) unless stated otherwise.

Release of the 1Q20 results

Main operational and financial indicators in the 1Q20

- » Steel sales volume of 1.0 million tons;
- » Iron ore sales volume of 2.2 million tons;
- » Consolidated Adjusted EBITDA of R\$569 million and Adjusted EBITDA margin of 14.9%;
- » Working capital on 03/31/20 of R\$4.4 billion;
- » Cash position on 03/31/20 of R\$2.4 billion;
- » Investments of R\$182 million.

Highlights

R\$ million - Consolidated	1Q20	4Q19	1Q19	Change	
				1Q20/4Q19	1Q20/1Q19
Steel Sales Volume (000 t)	1,048	1,009	1,004	4%	4%
Iron Ore Sales Volume (000 t)	2,213	2,495	1,896	-11%	17%
Net Revenue	3,808	3,873	3,532	-2%	8%
COGS	(3,295)	(3,577)	(3,036)	-8%	9%
Gross Profit (Loss)	513	296	496	73%	3%
Net Income (Loss)	(424)	268	76	-	-
EBITDA (Instruction CVM 527)	539	447	474	21%	14%
EBITDA Margin (Instruction CVM 527)	14%	12%	13%	+ 3 p.p.	+ 1 p.p.
Adjusted EBITDA	569	468	488	21%	17%
Adjusted EBITDA Margin	15%	12%	14%	+ 3 p.p.	+ 1 p.p.
Investments (CAPEX)	182	356	89	-49%	106%
Cash and Cash Equivalents	2,373	1,921	1,773	24%	34%

Market Data - 03/31/20

B3:	USIM5	R\$4.92/share
	USIM3	R\$5.65/share
EUA/OTC:	USNZY	US\$0.94/ADR
LATIBEX:	XUSI	€0.73/share
	XUSIO	€1.84/share

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Economic Outlook

The first quarter of 2020 had already signaled weaker economic activity. The fall in exports to Argentina were added to a lower number of working days in February (two less than last year) and the first effects of the coronavirus (COVID-19) crisis on the Brazilian industry.

Data from IBGE's National Industrial Survey through February 2020 show that industrial production receded 0.6% in comparison to the same period in 2019. Among the steel intensive use industries, the Capital Goods industry presented a slight decrease of 0.6%, while Durable Goods Consumption fell 5.4%, under the influence of the decline in auto production. According to ANFAVEA, 586 thousand vehicles were produced through March, a 16% decrease compared to the same period in the previous year.

According to the National Industrial Confederation (CNI), the Business Confidence Index (ICEI) declined to 60.3 points in March, falling 4.4 points compared to that in February, reflecting the evaluation of the current situation and expectations.

The Brazilian government and its Central Bank have made efforts in the creation of measures to reduce the economic impacts of the coronavirus (COVID-19) pandemic on the Brazilian economy. However, the delay and difficulty of implementing them and the elevated degree of uncertainty around the issues related to the spread and gravity of the epidemic in Brazil have led specialized institutions to project economic recession in 2020.

Focus Projections

Indicators	2019
GDP (IBGE)	-5.10%
Industrial GDP	-3.50%
Industrial Production (IBGE) ¹	-3.70%
Inflation - IPCA	1.60%
Interest - Selic (end of period)	2.25%
Exchange rate R\$/US\$ - (end of period)	5.28

¹Focus Report - 05/15/2019

Economic and Financial Performance

Comments on the Consolidated Results

Net Revenue

Net revenue in the 1Q20 was R\$3.8 billion, 1.7% less than in the 4Q19 (R\$3.9 billion). For further information, see the Business Unit Section of this release.

Net Revenue Breakdown			
	1Q20	4Q19	1Q19
Domestic Market	78%	79%	82%
Exports	22%	21%	18%
Total	100%	100%	100%

Cost of Goods Sold (COGS)

Cost of goods sold (COGS) in the 1Q20 totaled R\$3.3 billion, a 7.9% decrease over that in the 4Q19 (R\$3.6 billion).

For further information, see the Business Unit Section of this release.

Gross Profit

Gross profit was R\$513 million in the 1Q20, 73.1% higher in relation to that in the 4Q19 (R\$296 million).

Gross margin is shown below:

Gross Margin		
1Q20	4Q19	1Q19
13.5%	7.7%	14.0%

Operating Income and Expenses

Sales expenses in the 1Q20 totaled R\$100 million, a 30.7% increase over that in the 4Q19 (R\$76 million), mainly due to reversion of credit for doubtful accounts occurred in the 4Q19. In the 1Q20, this event did not recur.

In the 1Q20, general and administrative expenses were R\$109 million, a 7.7% decrease in relation to those in the 4Q19 (R\$118 million), mainly due to lower third-party services expenses.

Other net operating income and expenses totaled a negative R\$28 million in the 1Q20 (4Q19: positive R\$42 million), mainly due to effects in the Steel Unit and in the Mining Unit, as detailed in their respective sections.

Thus, net operating income (expenses) were a negative R\$238 million in the 1Q20 (4Q19: negative R\$153 million).

In this manner, the Company's EBIT margin showed the following performance:

EBIT Margin

1Q20	4Q19	1Q19
7.2%	3.7%	5.5%

Adjusted EBITDA

Adjusted EBITDA is calculated from net income (loss), reversing: a) income tax and social contribution; b) financial result; c) depreciation, amortization and depletion; d) equity in the results of Associate, Joint Subsidiary and Subsidiary Companies; e) impairment of assets; and including the proportional share of 70% of Unigal and other jointly-controlled subsidiaries.

EBITDA Breakdown

Consolidated (R\$ thousand)	1Q20	4Q19	1Q19
Net Income (Loss)	(423,980)	268,147	76,278
Income Tax / Social Contribution	(143,128)	77,442	20,956
Financial Result	857,631	(154,433)	135,780
Depreciation, Amortization and depletion	248,705	256,182	241,020
EBITDA - Instruction CVM - 527	539,228	447,338	474,034
Equity in the Results of Associate and Jointly-controlled subsidiaries	(15,347)	(48,107)	(37,493)
Jointly-controlled subsidiaries proportional EBITDA	45,060	52,790	50,971
Impairment of Assets	-	16,426	-
Adjusted EBITDA	568,941	468,447	487,512
Adjusted EBITDA Margin	14.9%	12.1%	13.8%

Adjusted EBITDA was R\$569 million in the 1Q20, a 21.5% increase over that in the 4Q19 (R\$468 million). The increase is mainly due to better results in the Steel Unit and in the Mining Unit.

For further information, see the Business Unit section of this release.

Financial Result

The financial result in the 1Q20 was a negative R\$858 million (4Q19: positive R\$154 million), due to:

- Exchange losses of R\$775 million in the 1Q20 (4Q19: exchange gains of R\$95 million) due to depreciation of the Real against the Dollar in the period of 29.0% (4Q19: appreciation of 3.2%);
- Recognition of monetary correction over Eletrobras credits receivable in the 4Q19 by R\$189 million. In the 1Q20, there was no such correction.

Financial Result - Consolidated

R\$ thousand	1Q20	4Q19	1Q19	1Q20/4Q19	1Q20/1Q19
Net Currency Exchange Variation	(774,658)	95,420	(11,405)	-	6692%
Financial Income	57,754	260,451	67,433	-78%	-14%
Interest on Financial Asset and Monetary Effects	17,169	23,052	23,843	-26%	-28%
Monetary Effects on ICMS tax in the base calculation of PIS and COFINS	4,395	5,328	3,171	-18%	39%
Monetary Effects on receivable from Eletrobrás	-	188,512	-	-	-
Other Financial Income	36,190	43,559	40,419	-17%	-10%
Financial Expenses	(140,727)	(201,438)	(191,808)	-30%	-27%
Interest and Monetary Effects over Financing and Taxes Payable in Installments	(89,698)	(85,583)	(125,152)	5%	-28%
Swap Transactions Market Cap.	438	495	594	-12%	-26%
Charges over actuarial liabilities	-	(12,021)	(13,208)	-	-
Financing Commission and Others	(10,018)	(44,260)	(4,932)	-77%	103%
Monetary Effects on contingencies	(15,426)	(15,775)	(18,990)	-2%	-19%
Other Financial Expenses	(26,023)	(44,294)	(30,120)	-41%	-14%
FINANCIAL RESULT	(857,631)	154,433	(135,780)	-	532%
+ Appreciation / - Depreciation of Exchange Rate (R\$/US\$)	-29.0%	3.2%	-0.6%	- 32.2 p.p.	- 28.4 p.p.

Equity in the Results

Equity in the Results of investees totaled R\$15 million in the 1Q20, a 68.1% decrease in relation to that in the 4Q19 (R\$48 million). The decrease is mainly due to lower performance of Unigal and MRS in the period.

Net Profit (Loss)

In the 1Q20, the Company accounted a net loss of R\$424 million (4Q19: profit of R\$268 million).

Working Capital

In the 1Q20, working capital was R\$4.4 billion (4Q19: \$4.2 billion), an increase of R\$128 million over the previous quarter, mainly due to an increase in Accounts Receivable, partially offset by the increase in the balance of Forfeiting operations and by the decrease in Taxes Recoverable, as detailed below:

- Increase of R\$323 million in Accounts Receivable, mainly due to: higher sales volumes and prices of goods sold in the Steel Unit and higher balance of sales receivables in the export market in the Mining Unit, due to Dollar appreciation against the Real in the period.
- Decrease of R\$91 million in the balance of Taxes Recoverable due to higher credit compensations in the quarter;
- Increase in the balance of Forfeiting Operations by R\$102 million, related to slabs and raw materials supply.

Investments (CAPEX)

CAPEX totaled R\$182 million in the 1Q20, (4Q19: R\$356 million), a 48.8% decrease, due to the concentration of projects in the last quarter of 2019. Investments were applied mainly in sustaining CAPEX, safety and environment, with 79.7% in the Steel Unit, 18.9% in the Mining Unit, 0.9% in the Steel Processing Unit and 0.5% in the Capital Goods Unit.

Indebtedness

On 03/31/20, gross consolidated debt was R\$5.9 billion, a 16.0% higher in relation to that on 12/31/19 (R\$5.1 billion). The increase is mainly due to the depreciation of the Real against the Dollar of 29.0% in the period, which impacted the parcel of foreign currency debt, partially offset by the amortization of charges in the amount of R\$97 million in Bonds in January, 2020 and R\$55 million in Debentures in March, 2020.

Net consolidated debt on 03/31/20 was R\$3.6 billion, an 11.5% increase in relation to that on 12/31/19, (R\$3.2 billion), mainly due to the effects mentioned in the previous paragraph, partially offset by a higher balance in Cash and Cash Equivalents by 23.5% at first quarter's end, mainly due to R\$394 million received from Previdência Usiminas (see note Settlement with Previdência Usiminas).

On 03/31/20, debt composition by maturity was 1% short term and 99% long term, against 2% short term and 98% long term on 12/31/19.

The Net Debt/EBITDA ratio at the end of the 1Q20 was 1.7x (4Q19: 1.6x).

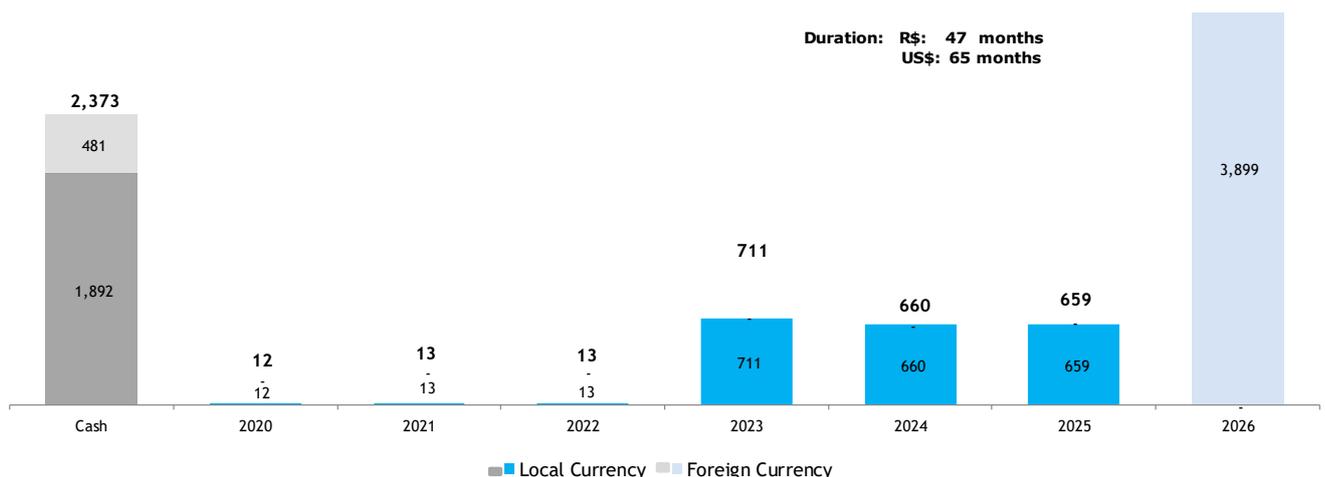
The following chart demonstrates the consolidated debt data:

Total Indebtedness by Index - Consolidated

R\$ thousand	31-Mar-20			%	31-Dec-19	Change Mar20/Dec19	31-Mar-19	Change Mar20/Mar19
	Short Term	Long Term	TOTAL		TOTAL		TOTAL	
Local Currency	21,007	2,035,113	2,056,120	35%	2,081,808	-1%	4,296,809	-52%
TJLP	-	-	-	-	-	-	315,737	-
CDI	445	1,982,386	1,982,831	-	2,006,267	-1%	3,948,650	-50%
Others	20,562	52,727	73,289	-	75,541	-3%	32,422	126%
Foreign Currency*	48,696	3,825,756	3,874,452	65%	3,028,744	28%	1,199,242	223%
Gross Debt	69,703	5,860,869	5,930,572	100%	5,110,552	16%	5,496,051	8%
Cash and Cash Equivalents	-	-	2,373,466	-	1,921,141	24%	1,772,792	34%
Net Debt	-	-	3,557,106	-	3,189,411	12%	3,723,259	-4%

(*)100% of total foreign currency is US dollars denominated in the 1Q20

The following graph demonstrated the cash position and debt profile (principal only) in millions of Real on 03/31/20:



Performance of the Business Units

Intercompany transactions are on arm's-length basis (market prices and conditions) and sales between Business Units are carried out as sales between independent parties.



Income Statement per Business Units - Non Audited - Quarterly

R\$ million	Mining		Steel*		Steel Processing		Capital Goods		Adjustment		Consolidated	
	1Q20	4Q19	1Q20	4Q19	1Q20	4Q19	1Q20	4Q19	1Q20	4Q19	1Q20	4Q19
Net Revenue	581.5	575.0	3,248.6	3,059.7	901.4	936.3	114.7	125.7	(1,038.3)	(823.9)	3,807.9	3,872.9
Domestic Market	149.6	116.9	2,837.7	2,722.5	901.1	936.1	114.7	125.7	(1,038.3)	(823.9)	2,964.9	3,077.5
Exports	431.8	458.1	410.8	337.2	0.3	0.2	-	-	-	-	842.9	795.4
COGS	(335.4)	(370.6)	(2,958.9)	(3,025.0)	(852.7)	(884.1)	(119.0)	(130.9)	971.0	833.9	(3,295.0)	(3,576.6)
Gross Profit (Loss)	246.1	204.4	289.7	34.7	48.7	52.2	(4.3)	(5.1)	(67.3)	10.1	512.9	296.3
Operating Income (Expenses)	(67.9)	(37.0)	(133.2)	(81.0)	(31.3)	(26.6)	(6.0)	(4.5)	0.8	(4.2)	(237.7)	(153.2)
Selling	(43.4)	(36.8)	(39.5)	(24.5)	(13.0)	(10.5)	(2.6)	(3.4)	(1.3)	(1.2)	(99.8)	(76.4)
General and Administrative	(5.7)	(5.6)	(87.4)	(95.2)	(13.8)	(13.9)	(6.2)	(7.5)	3.6	3.8	(109.4)	(118.4)
Other Operating Income (expenses), Net	(18.8)	5.4	(6.4)	38.7	(4.5)	(2.2)	2.8	6.4	(1.5)	(6.9)	(28.5)	41.6
EBIT	178.2	167.4	156.4	(46.3)	17.4	25.6	(10.3)	(9.6)	(66.5)	5.9	275.2	143.0
Depreciation and amortization	35.8	38.9	214.0	217.4	7.1	8.5	-	-	(8.2)	(8.6)	248.7	256.2
Equity in the results of investees	(8.5)	6.0	112.8	22.1	-	-	(0.0)	(0.0)	(89.0)	19.9	15.3	48.1
EBITDA (Instruction CVM 527)	205.5	212.3	483.3	193.2	24.5	34.1	(10.3)	(9.6)	(163.7)	17.2	539.2	447.3
EBITDA Margin	35.3%	36.9%	14.9%	6.3%	2.7%	3.6%	-9.0%	-7.6%	15.8%	-2.1%	14.2%	11.6%
Adjusted EBITDA	214.0	209.4	370.4	184.5	24.5	34.1	(10.3)	(9.6)	(29.7)	50.1	568.9	468.4
Adj.EBITDA Margin	36.8%	36.4%	11.4%	6.0%	2.7%	3.6%	-9.0%	-7.6%	2.9%	-6.1%	14.9%	12.1%

*Consolidated 70% of Unigal

I) MINING

Demand for iron ore remained strong in the Chinese market, with a total crude steel production of 233.7 Mt, according to the World Steel Association, representing an increase of 1.4% when compared to 1Q19. Crude steel production was higher in the first two months of the year, supported by demand from the construction and infrastructure sectors.

This scenario, added to the low stocks of imported ore in China, and the restrictions on Chinese domestic ore supply due to COVID-19, kept demand for ore steady during the quarter.

The average iron ore market reference price for 62% Fe in the 1Q20 was US\$89.00/t, stable in relation to that in the 4Q19 (US\$88.6/t) and 7.6% higher compared to the same period in the previous year (1Q19: US\$82.7/t).

The premium for higher quality ores registered an increase as consequence of lower supply of the domestic concentrate and the declining trend in ocean freight, due to lower demand for cargo on the Tubarão-Qingdao route and the decrease in oil prices.

Operational and Sales Performance - Mining

In the 1Q20, production volume was 2.2 million tons, a 5.6% increase over that in the 4Q19 (2.0 million tons), mainly due to the negative impact of programmed preventive maintenance at the Samambaia Plant in the 4Q19. Sales volume was 2.2 million tons in the 1Q20, an 11.3% decrease in relation to the 4Q19 (2.5 million tons), due to the conclusion of inventories adjustment.

Production and sales volumes are shown below:

Iron Ore

Thousand tons	1Q20	4Q19	1Q19	Change	
				1Q20/4Q19	1Q20/1Q19
Production	2,159	2,044	1,337	5.6%	61.5%
Sales to Usiminas	604	544	612	11.0%	-1.3%
Sales - Third Parties - Domestic Market	173	244	416	-29.1%	-58.4%
Sales - Exports	1,436	1,707	868	-15.9%	65.4%
Total Sales	2,213	2,495	1,896	-11.3%	16.7%

In the 1Q20, distribution by commercial condition was 72% of exports in CFR (Cost and freight) and 28% FOB (Free on Board), against 59% and 41% in 4Q19, respectively.

Comments on the Business Unit Results - Mining

Net revenue reached R\$581 million in the 1Q20, stable in relation to the 4Q19 (R\$575 million), mainly due to the growing average depreciation of the Real against the Dollar, partially compensated by lower sales volume in the quarter.

Total cash cost per ton was R\$62.8/t in the 1Q20 against R\$47,0/t in the 4Q19, variation mainly explained by the punctual event occurred in the 4Q19 of renegotiation of a third-party area leasing contract, which enabled the reversion of costs from previous quarters in the last quarter of 2019. Excluding expenses with temporarily idle plants and the above-mentioned effect of leasing renegotiation, cash cost of production was R\$61.0/t in the 1Q20 (R\$63.2/t in the 4Q19), a 3.5% decrease between periods, mainly due to lower spending with maintenance materials and electrical energy.

Cost of goods sold (COGS) in the 1Q20 was R\$335 million, 9.5% lower than in the 4Q19 (R\$371 million), mainly due to lower sales volume in the period. In unitary terms, COGS/t in the 1Q20 was R\$151.4/t, 2.1% higher over that in the 4Q19 (R\$148.3/t).

In the 1Q20, net operating income (expenses) presented a negative result of R\$68 million when compared to that in the 4Q19, in the amount of a negative R\$37 million, mainly due to the event occurred in the 4Q19 (renegotiation of a third-party area leasing contract).

Adjusted EBITDA reached R\$214 million in the 1Q20, stable in relation to that in the 4Q19 (R\$209 million). Adjusted EBITDA margin was 36.8% in the 1Q20 (4Q19: 36.4%).

Investments (CAPEX)

CAPEX totaled R\$34 million in the 1Q20 (4Q19 of R\$65 million). Investments were mainly applied to safety, environment and sustaining CAPEX.

II) S T E E L

According to the Brazilian Steel Institute, apparent flat steel consumption was 12.3 million tons in 2019, which represents a decline of 3.3% over 2018. Domestic flat steel sales were equivalent to 10.8 million tons, a 2.0% decrease over 2018; imports registered a total 1.3 million tons, a 9.8% decline over 2018. Flat rolled steel exports totaled 2.2 million tons, a 13.3% fall in relation to exported volume in 2018.

Preliminary data indicate that apparent flat steel consumption in first two months of 2020 grew 6.8% over the same period in the previous year. In the same base of comparison, domestic sales grew 7.7%, while imports were stable, with growth of 0.3%. Flat steel exports, nevertheless, fell 52% in the first two months of the year.

According to the National Steel Distributors Institute (INDA), flat steel sales in the distribution network registered growth of 8.2% in the twelve months ended in February 2020. When comparing the first two months of this year with the same period last year, sales decreased 1.9%. Inventories began the year on the rise, with turnover equivalent to 3.0 months, based on February's volume.

Production - Ipatinga and Cubatão Plants

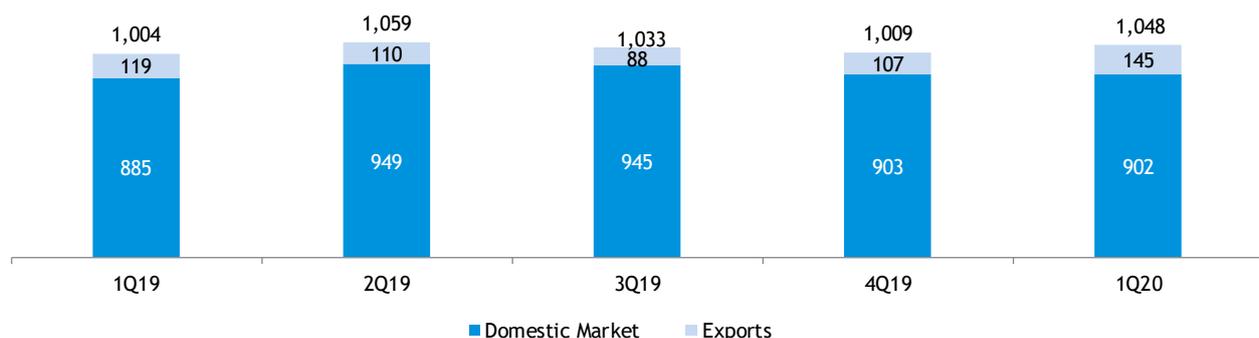
Crude steel production in the Ipatinga plant was 771 thousand tons in the 1Q20, 3.3% lower in relation to the 4Q19 (797 thousand tons). Flat steel production in the Ipatinga and Cubatão plants totaled 1.1 million tons in the 1Q20 (4Q19: 0.9 million tons), a 13.9% increase. In the 1Q20, 368 thousand tons of purchased slabs were processed (4Q19: 223 thousand tons).

Production of Crude and Rolled Steel

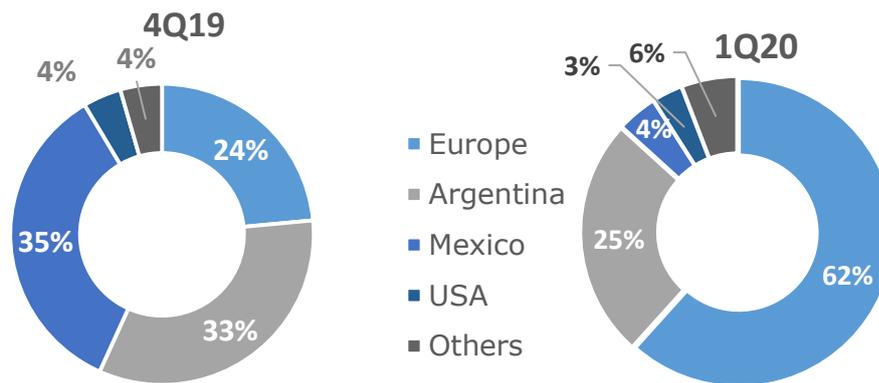
Thousand tons	1Q20	4Q19	1Q19	Change	
				1Q20/4Q19	1Q20/1Q19
Total Crude Steel	771	797	800	-3.3%	-3.6%
Total Rolled Steel	1,075	944	977	13.9%	10.0%

Sales

In the 1Q20, total steel sales came to 1.0 million tons, a 3.8% increase in relation to the 4Q19. In the domestic market, sales reached 902 thousand tons in the 1Q20, stable in relation to the 4Q19 (903 thousand tons). Sales to the export market were 145 thousand tons in the 1Q20, 35.9% higher in relation to the 4Q19 (107 thousand tons). Sales volume was 86% destined to the domestic market and 14% to exports in the 1Q20. Sales evolution is shown in the graph below:



The main export destinations are shown below:



Comments on the Business Unit Results - Steel

In the 1Q20, net revenue in the Steel Unit was R\$3.2 billion, 6.2% higher than that in the 4Q19 (R\$3.1 billion), due to higher sales volume and average price in the period.

In the 1Q20, cash cost per ton was R\$2,279/t, a 1.7% decrease in relation to the 4Q19 (R\$2,318/t). Among the main variations in cost-per-ton in the period, the following are noteworthy: (i) lower coal, coke and ore costs, mainly due to lower input cost in the period and lower share of crude steel in the production mix compared to the previous quarter; (ii) lower labor cost per ton, mainly due to higher production volume in the quarter; (iii) lower energy cost, mainly due to lower new contract rates; these were partially compensated by: (iv) higher cost of purchased slab, due to greater share of this input in the production mix and higher slab price, mainly impacted by superior exchange rate in the period.

Cost of Goods Sold (COGS) was R\$3.0 billion in the 1Q20, stable in relation to the 4Q19, despite higher steel volume in the period. COGS per ton was R\$2,821/t in the 1Q20, a 5.8% decrease in relation to the 4Q19 (R\$2,997/t), mainly due to lower cost of inventory sold.

Sales expenses totaled R\$39 million in the 1Q20, 61.4% higher in relation to those in the 4Q19 (R\$24 million), mainly due to reversion of provision for doubtful accounts occurred in the 4Q19. In the 1Q20, such event did not occur.

In the 1Q20, general and administrative expenses totaled R\$87 million, an 8.2% decrease in relation to the 4Q19 (R\$95 million), mainly due to lower expenses with third-party services.

Other net operating income (expenses) were a negative R\$6 million in the 1Q20 (4Q19: positive R\$39 million), mainly due to:

- Recognition of the principal amount of R\$117 million receivable relative to the judgment of Eletrobras compulsory loan in the Steel Unit. In the 1Q20, there was no recognition of principal amounts from Eletrobras;
- Lower revenue from recovery of insurance claim (gasometer) by R\$20 million. In the 1Q20, this revenue totaled R\$24 million (4Q19: R\$44 million);
- Lower result from the sale of surplus electrical energy by R\$15 million. This revenue totaled R\$0.2 million in the 1Q20 (4Q19: R\$15 million).

Partially compensated by:

- Reversion of provisions for labor and civil liabilities. In the 1Q20, such reversions resulted in a balance of a positive R\$55 million in the account (4Q19: negative R\$17 million);
- Lower expenses with judicial charges by R\$23 million. In the 1Q20, these expenses were R\$2 million (4Q19: R\$25 million);
- Impairment effects in the amount of negative R\$13 million accounted in the 4Q19. In the 1Q20, there was no event of this nature.

In this manner, net operating income (expenses) totaled a negative R\$133 million in the 1Q20 (4Q19: negative R\$81 million).

Thus, Adjusted EBITDA reached R\$370 million in the 1Q20, 100.8% greater in relation to the 4Q19 (R\$184 million). Adjusted EBITDA margin in the 1Q20 was 11.4%, a 5.4 percentage point increase (4Q19: 6.0%).

Investments (CAPEX)

CAPEX totaled R\$145 million in the 1Q20, a 49.1% decrease over that in the 4Q19 (R\$286 million), due to concentration of projects in the last quarter of the year. Investments were applied mainly to sustaining CAPEX, safety and environment.

III) STEEL PROCESSING

Soluções Usiminas – SU

Soluções Usiminas operates in the distribution, steel processing and services and small-diameter tubes fabrication markets nationwide, offering its customers high-value added products. Present processing capacity is around 1.7 million tons of steel annually in its industrial facilities in the states of Rio Grande do Sul, São Paulo, Minas Gerais and Pernambuco to serve several economic segments, such as automotive, auto parts, civil construction, distribution, electro-electronics, machinery and equipment and household appliances, among others.

Comments on the Business Unit Results – Steel Processing

Net revenue in the 1Q20 totaled R\$901 million, a 3.7% decrease over that in the 4Q19 (R\$936 million), mainly due to lower sales volume by 5.4% in the period.

In the 1Q20, cost of goods sold was R\$853 million, a 3.5% decrease over that in the 4Q19 (R\$884 million), mainly due to lower sales volume in the period. COGS per ton was R\$3,253/t in the 1Q20, a 1.8% increase in relation to the 4Q19 (R\$3,195/t).

Net operating income (expenses) were a negative R\$31 million in the 1Q20, a R\$5 million increase compared to the 4Q19 (negative R\$27 million).

Adjusted EBITDA in the 1Q20 was R\$25 million, a 28.2% decrease over that in the 4Q19 (R\$34 million). Adjusted EBITDA margin was 2.7% in the 1Q20 (4Q19: 3.6%).

IV) CAPITAL GOODS

Usiminas Mecânica S.A.

Usiminas Mecânica is one of Brazil's largest custom capital goods companies. The company is dedicated to the fabrication and assembly of metallic structures, shipbuilding and offshore platforms, oil and gas, industrial assembly and equipment fabrication, foundry and railcar manufacture.

Main Contracts: In the 1Q20, the main contracts were pertained to steel industry projects.

Comments on the Business Unit Results – Capital Goods

In the 1Q20, net revenue was R\$115 million, 8.7% lower than that in the 4Q19 (R\$126 million), reflecting the stagnation in the capital goods market in the country.

The Capital Goods Unit accounted a gross loss of R\$4 million in the 1Q20 (4Q19: gross loss of R\$5 million).

Net operating income (expenses) were a negative R\$6 million in the 1Q20 (4Q19: negative R\$4 million).

Adjusted EBITDA in the 1Q20 was a negative R\$10 million (4Q19: negative R\$10 million).

Others

Settlement with Previdência Usiminas

On 03/24/20, Justice ratified an agreement between the Company and Previdência Usiminas executed in order to allow the dismissal of the lawsuit nº 5092301-05.2019.8.13.0024, filed on 06/27/19 by the Company against Previdência Usiminas, with the purpose, among others, of obtaining (a) relief to exempt Usiminas from continuing to promote the payment of monthly installments of the deficit amortization program of the PB1 Supplementary Pension Plan ("PB1 Plan"), under the terms of a private instrument executed by the Company and by Previdência Usiminas on 06/12/01 ("2001 Agreement"); as well as (b) judgment ordering the return, by Previdência Usiminas, of the amount overpaid by Usiminas under such instrument.

The Settlement provides, among other obligations, that the current actuarial profits of the PB1 Plan determined in the 2016, 2017 and 2018 fiscal years, in the amount of R\$717 million, shall be used as follows: (i) full payment of the remaining balance of the 2001 Agreement, in the amount of R\$323 million, based on the position of 06.30.2019; and (ii) return to Usiminas of the remaining amount of R\$394 million. The amount was returned to Usiminas in full on 03/26/20.

Maintenance of Usiminas' credit ratings by S&P and Moody's

On 4/22/20 and 4/27/20, respectively, Standard & Poor's Risk Rating Agencies - S&P and Moody's reaffirmed Usiminas 'Rating (' B +' and 'brAA' by S&P and 'Ba3' and 'A2.br' by Moody's) and revised the company's outlook from stable to negative, due to the effects of the Covid-19 pandemic on steel demand in the country. For the maintenance of the ratings, they highlighted the company's solid cash position, the debt profile without pressure in the short term and the financial discipline of the Company.

Highlighted, excerpt from Moody's report: "In our opinion, Usiminas' rapid response to the current crisis shows its commitment to a certain degree of financial discipline and provides us with comfort that the company will continue to take initiatives to avoid burning cash, thus reducing the risks of liquidity and breach of covenants ", says the agency.

Post-closing events

Temporary equipment shutdown

According to the Material Fact dated 04/02/20, Usiminas has temporarily: (i) shut down the Blast Furnace 1 and 2 of Ipatinga Plant, from 04/22/20 and 04/04/20, respectively; (ii) interrupted the activities of the Steelworks 1 of Ipatinga Plant, from 04/04/20; and (iii) interrupted the activities of the Cubatão Plant.

Such measures, of temporary manner, aim to adjust the production to the market demand, which is dropping due to the national economic downturn arising from the spread of the new

coronavirus (COVID-19). The Company clarifies that, after the implementation of the above measures, Ipatinga Plant will continue to operate with its other production lines, such as Blast Furnace 3, Steelworks 2, and rolling mills and galvanizing lines.

Highlights in the Quarter

Patent for extra clean steel: Usiminas has obtained a new patent certificate from the National Institute of Industrial Property (INPI). The invention arose from the demands perceived in the market for high value-added materials, mainly in the white line and the automotive industry. These segments also demonstrate the need to receive materials with low residue. With that in mind, Usiminas called this material 'Extra Clean' and developed the process. To produce this type of material, traditionally in the steel industry, most installations use an electrolytic cleaning line, which generates waste and increases production costs. In the case of Usiminas, the process recognized as innovative eliminates the need to install a specific line, reducing the cost of manufacture and decreasing the amount of waste generated, without changing the quality of the final product.

Expansion of "Caminhos do Vale": The success of the actions of Usiminas' Program "Mobiliza pelos Caminhos do Vale" has attracted more and more interested municipalities. For 2020, the fifth year of operation, Usiminas will take the initiative to 30 new cities in the Eastern region of Minas Gerais, totaling 84 benefited cities. Since its creation, "Mobiliza pela Caminhos do Vale" has been responsible for the recovery of more than 2.3 thousand kilometers of rural roads and, along with "Mobiliza Todos pela Água", for the revitalization of more than 4 thousand springs. There are already about 2.8 million tons of applied steel aggregate, avoiding the deposit of the material in landfills, and 1.3 million people benefited.

Capital Markets

Usiminas Performance Summary - B3 (USIM5)

	1Q20	4Q19	1Q19	1Q20/4Q19	1Q20/1Q19
Number of Deals	1,311,492	788,803	1,034,109	66%	27%
Daily Average	21,153	12,931	17,235	64%	23%
Traded - thousand shares	1,254,902	824,352	970,766	52%	29%
Daily Average	20,240	13,514	16,179	50%	25%
Financial Volume - R\$ million	10,573	6,720	9,628	57%	10%
Daily Average	171	110	160	55%	6%
Maximum	11.53	9.65	11.22	19%	3%
Minimum	3.78	7.12	9.12	-47%	-59%
Closing	4.92	9.51	10.04	-48%	-51%
Market Capitalization - R\$ million	6,165	11,917	12,581	-48%	-51%

Performance on the B3

Usiminas' common shares (USIM3) closed the 1Q20 quoted at R\$5.65 and its preferred shares (USIM5) at R\$4.92. In the 1Q20, USIM3 and USIM5 depreciated 42.8% and 48.3%, respectively. In the same period, Ibovespa depreciated 36.9%.

Foreign Stock Markets

OTC – New York

Usiminas has American Depositary Receipts (ADRs) traded on the over-the-counter market: USDMY is backed by common shares and USNZY, by Class A preferred shares. On 03/31/20, USNZY ADRs, which have higher liquidity, were quoted at US\$0.94, presenting a devaluation of 59.5% in the quarter.

Latibex – Madrid

Usiminas' shares are traded on the LATIBEX – the Madrid Stock Exchange: XUSI as preferred shares and XUSIO as common shares. On 03/31/20, XUSI closed quoted at €0.73, presenting a devaluation of 62.8% in the quarter. XUSIO shares closed quoted at €1.84, presenting a depreciation of 13.2% in the quarter.

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or access on your mobile phone: m.usiminas.com/ri**

1Q20 Conference Call Results - Date 05/22/2020	
In Portuguese - Simultaneous Translation into English	
Brasília time: at 11:00 a.m. Dial-in Numbers: Brazil: (+55 11) 3181-8565 / 4210 1803	New York time: at 10:00 a.m. Dial-in Numbers: USA: +1 844 204 8942
Audio replay available at +55 (11) 3193 1012	
Pincode for replay: 4462273# - Portuguese	Pincode for replay: 4726229# - English
Audio of the conference call will be transmitted live via Internet	
See the slide presentation on our website: www.usiminas.com/ri	

Statements contained in this release, relative to the business outlook of the Company, forecasts of operating and financial income and references to growth prospects are mere forecasts and were based on the expectations of Management in relation to future performance. These expectations are highly dependent on market conduct, the economic situation in Brazil, its industry and international markets and, therefore, are subject to change.

Balance Sheet - Assets - Consolidated | IFRS - R\$ thousand

Assets	31-Mar-20	31-Dec-19	31-Mar-19
Current Assets	9,564,924	8,861,282	8,221,070
Cash and Cash Equivalents	2,373,466	1,921,141	1,772,792
Trade Accounts Receivable	2,257,697	1,938,440	1,718,305
Taxes Recoverable	689,185	779,545	709,486
Inventories	3,742,507	3,795,832	3,872,200
Advances to suppliers	2,423	1,225	4,276
Financial Instruments	18,687	762	970
Accounts Receiv - Eletrobras	305,848	305,848	-
Other Securities Receivables	175,111	118,489	143,041
Non-Current Assets	17,410,956	17,475,750	18,030,869
Long-Term Receivable	4,170,808	4,180,797	4,646,750
Deferred Taxes	2,998,281	3,037,626	2,781,358
Deposits at Law	562,290	543,658	513,026
Accounts Receiv. Affiliated Companies	-	1,651	2,117
Taxes Recoverable	151,375	152,336	379,673
Financial Instruments	7,373	6,950	3,524
Accounts Receiv - Eletrobras	-	-	676,023
Accounts Receiv - Gasometes	125,050	125,050	49,264
Others	326,439	313,526	241,765
Equity Investments	1,053,056	1,053,138	1,122,471
Investment Property	100,828	90,202	-
Property, Plant and Equipment	11,359,924	11,424,691	11,571,751
Intangible	726,340	726,922	689,897
Total Assets	26,975,880	26,337,032	26,251,939

Balance Sheet - Liabilities and Shareholders' Equity - Consolidated | IFRS - R\$ thousand

Liabilities and Shareholders' Equity	31-Mar-20	31-Dec-19	31-Mar-19
Current Liabilities	2,936,522	2,889,738	3,112,311
Loans and Financing and Taxes Payable in Installments	69,703	125,647	189,508
Suppliers, Subcontractors and Freight	1,510,963	1,518,270	1,149,580
Wages and Social Charges	204,377	198,416	194,354
Taxes and Taxes Payables	116,371	114,693	92,659
Accounts Payable Forfaiting	716,331	613,803	994,268
Dividends Payable	67,809	67,814	202,809
Customers Advances	67,904	57,757	72,179
Others	183,064	193,338	216,954
Long-Term Liabilities	8,419,315	7,881,610	7,372,906
Loans and Financing and Taxes Payable in Installments	5,860,869	4,984,905	5,306,543
Actuarial Liability	1,255,608	1,574,796	1,013,879
Provision for Legal Liabilities	717,198	777,386	617,101
Environmental Protection Provision	234,478	231,591	213,430
Others	351,162	312,932	221,953
Shareholders' Equity	15,620,043	15,565,684	15,766,722
Capital	13,200,295	13,200,295	13,200,295
Reserves & Revenues from Fiscal Year	843,392	843,128	1,105,910
Non-controlling shareholders participation	1,576,356	1,522,261	1,460,517
Total Liabilities and Shareholders' Equity	26,975,880	26,337,032	26,251,939

Income Statement - Consolidated | IFRS

R\$ thousand	1Q20	4Q19	1Q19	1Q20/4Q19	1Q20/1Q19
Net Revenues	3,807,855	3,872,891	3,531,985	-2%	8%
Domestic Market	2,964,909	3,077,462	2,887,309	-4%	3%
Exports	842,946	795,429	644,676	6%	31%
COGS	(3,295,002)	(3,576,595)	(3,035,995)	-8%	9%
Gross Profit	512,853	296,296	495,990	73%	3%
Gross Margin	13.5%	7.7%	14.0%	+ 5.8 p.p.	- 0.6 p.p.
Operating Income (Expenses)	(237,677)	(153,247)	(300,469)	55%	-21%
Selling Expenses	(99,807)	(76,366)	(67,358)	31%	48%
Provision for Doubtful Accounts	(1,826)	11,599	(795)	-	130%
Other Selling Expenses	(97,981)	(87,965)	(66,563)	11%	47%
General and Administrative	(109,377)	(118,441)	(100,758)	-8%	9%
Other Operating Income (expenses)	(28,493)	41,560	(132,353)	-	-78%
Impairment of Assets	-	(16,426)	-	-	-
Inclusion of ICMS tax in the base calculation of PIS and COFINS taxes	4,113	8,525	-	-52%	-
Credits receivable from Eletrobrás	-	117,337	-	-	-
Reintegra Program	313	314	343	0%	-9%
Provision for Contingencies	52,391	(9,655)	(29,010)	-	-
Legal charges	(3,932)	(29,545)	(3,235)	-87%	22%
Result of the Non Operating Asset Sale/Write-Off	868	(413)	1,159	-	-25%
Result of the Sale of the Surplus Electric Energy	187	16,102	(5,735)	-99%	-
Idleness expenses (includes depreciation)	(58,565)	(26,113)	(83,805)	124%	-30%
Tax credit PIS/COFINS	(9,040)	(14,131)	(4,048)	-36%	123%
Expenses with Recovery of Insurance Claims	24,099	43,647	19,824	-45%	22%
Other Income (Expenses)	(38,927)	(48,082)	(27,846)	-19%	40%
EBIT	275,176	143,049	195,521	92%	41%
EBIT Margin	7.2%	3.7%	5.5%	+ 3.5 p.p.	+ 1.7 p.p.
Financial Result	(857,631)	154,433	(135,780)	-	532%
Financial Income	57,754	260,451	67,433	-78%	-14%
Financial Expenses	(140,727)	(201,438)	(191,808)	-30%	-27%
Net foreign exchange gain and losses	(774,658)	95,420	(11,405)	-	6692%
Equity in the results of investees	15,347	48,107	37,493	-68%	-59%
Operating Profit (Loss)	(567,108)	345,589	97,234	-	-
Income Tax / Social Contribution	143,128	(77,442)	(20,956)	-	-
Net Income (Loss)	(423,980)	268,147	76,278	-	-
Net Margin	-11.1%	6.9%	2.2%	- 18.1 p.p.	- 13.3 p.p.
Attributable:					
Shareholders	(476,567)	219,066	46,857	-	-
Minority Shareholders	52,587	49,081	29,421	7%	79%
EBITDA (Instruction CVM 527)	539,228	447,338	474,034	21%	14%
EBITDA Margin (Instruction CVM 527)	14.2%	11.6%	13.4%	+ 2.6 p.p.	+ 0.8 p.p.
Adjusted EBITDA - Jointly-controlled subsidiaries proportional EBITDA	568,941	468,447	487,512	21%	17%
Adjusted EBITDA Margin	14.9%	12.1%	13.8%	+ 2.8 p.p.	+ 1.1 p.p.
Depreciation and Amortization	248,705	256,182	241,020	-3%	3%

Cash Flow - Consolidated | IFRS

Cash Flow - Consolidated IFRS	1Q20	4Q19	1Q19
Operating Activities Cash Flow			
Net Income (Loss) in the Period	(423,980)	268,147	76,278
Financial Expenses and Monetary Var. / Net Exchge Var.	873,489	(270,746)	48,263
Interest Expenses	82,217	78,940	95,000
Depreciation and Amortization	248,705	256,182	241,020
Losses/(gains) on Sale of Property, Plant and Equipment	(868)	413	(1,159)
Equity in the Results of Investees	(15,347)	(48,107)	(37,493)
Impairment of Assets	-	16,426	-
Deferred Taxes	(208,786)	73,190	(11,785)
Constitution (reversal) of Provisions	10,038	(171,368)	58,806
Actuarial Gains and losses	21,520	21,387	21,451
Total	586,988	224,464	490,381
(Increase)/Decrease of Assets			
Accounts Receivables Customer	(321,324)	(105,903)	175,413
Inventories	61,773	405,797	11,309
Recovery of Taxes	(38,981)	(42,330)	2,968
Judicial Deposits	(18,392)	(13,578)	(9,867)
Accounts Receiv. Eletrobras	-	751,404	-
Accounts Receiv. Affiliated Companies	1,651	(77)	225
Others	(93,632)	74,318	(70,588)
Total	(408,905)	1,069,631	109,460
Increase / (Decrease) of Liabilities			
Suppliers	(7,307)	24,622	15,817
Amounts Owed to Affiliated Companies	(14,184)	-	(12,416)
Customers Advances	10,147	(42,494)	8,695
Tax Payable	125,002	201,724	60,598
Securities Payable Forfeiting	102,528	(301,980)	28,341
Actuarial Liability Payments	(5,742)	(15,800)	(54,201)
Actuarial Liability Received - PB1 Plan	393,933	-	-
Others	29,277	(114,245)	16,783
Total	633,654	(248,173)	63,617
Cash Generated from Operating Activities	811,737	1,045,922	663,458
Interest Paid	(152,559)	(24,269)	(121,257)
Income Tax and Social Contribution Paid	(41,860)	(28,720)	(11,291)
Net Cash Generated from Operating Activities	617,318	992,933	530,910
Investments activities cash flow			
Marketable Securities	97,235	247,385	(24,188)
Capital increase in subsidiary	-	(17)	(9)
Fixed Asset Acquisition	(175,821)	(330,346)	(81,487)
Fixed Asset Sale Receipt	881	(97)	1,300
Dividends Received	2,093	220,678	1,544
Purchase of Software	(6,645)	(22,071)	(2,154)
Net Cash Employed on Investments Activities	(82,257)	115,532	(104,994)
Financial Activities Cash Flow			
Inflow of Loans, Financing and Debentures	-	2,000,000	-
Payment of Loans, Financ. & Debent.	(3,391)	(2,729,374)	(369,534)
Dividends and Interest on Capital	(5)	(32,582)	-
Net Cash Generated from (Employed on) Financial Activities	(3,396)	(761,956)	(369,534)
Exchange Variation on Cash and Cash Equivalents	17,895	(396)	(1,127)
Net Increase (Decrease) of Cash and Cash Equivalents	549,560	346,113	55,255
Cash and Cash Equivalents at the Beginning of the Period	1,252,966	906,853	1,106,790
Cash and Cash Equivalents at the End of The Period	1,802,526	1,252,966	1,162,045
RECONCILIATION WITH BALANCE SHEET			
Cash and Cash Equivalents at the Beginning of the Period	1,252,966	906,853	1,106,790
Marketable Securities at the Beginning of the Period	668,175	915,560	586,559
Cash and Cash Equivalents at the Beginning of the Period	1,921,141	1,822,413	1,693,349
Net Increase (Decrease) of Cash and Cash Equivalents	549,560	346,113	55,255
Net Increase (Decrease) of Marketable Securities	(97,235)	(247,385)	24,188
Cash and Cash Equivalents at the End of the Period	1,802,526	1,252,966	1,162,045
Marketable Securities at the End of the Period	570,940	668,175	610,747
Cash and Cash Equivalents at the End of the Period	2,373,466	1,921,141	1,772,792