

# MOODY'S

## RATINGS

### **Rating Action: Moody's Ratings downgrades CSN's ratings to Caa1, negative outlook**

---

18 May 2026

New York, May 18, 2026 -- Moody's Ratings (Moody's) has today downgraded Companhia Siderurgica Nacional (CSN)'s Corporate Family Rating (CFR) to Caa1 from B2. At the same time, we downgraded to Caa1 from B2 the ratings of CSN Resources S.A.'s Backed Senior Unsecured Notes and the rating of the Backed Senior Unsecured Notes of CSN Inova Ventures. The outlook for all ratings remains negative.

#### RATINGS RATIONALE

The downgrade of CSN's ratings to Caa1 reflects our expectations that credit metrics will remain weak and liquidity and distressed exchanges risks are elevated. Despite the raising of a \$1.2 billion bridge loan in April 2026, we still look at the company's ongoing cash burn, the uncertain timing of asset sales and the company's high refinancing risks. The company has a highly leveraged capital structure and needs to pursue deleveraging initiatives to reduce debt levels, interest burden and increase free cash flow generation to be able to refinance upcoming debt and bond maturities. However, given the current high yields of its bonds, market access at lower yields may be limited while the company may need to pursue refinancing initiatives that we could interpret as distressed exchanges to avoid refinancing risks until the completion of asset sales.

On 15 January 2026, CSN announced plans to sell a minority stake in its infrastructure assets and a majority stake in its cement assets and raise BRL15-18 billion. The company intends to use the proceeds to reduce total debt at the holding level, which will improve leverage, reduce the interest burden, ease liquidity risks related to upcoming debt maturities and improve capital allocation within the group, balancing debt at the holding and subsidiaries levels. In April 2026, the company raised \$1.2 billion in proceeds from a bridge loan to increase its liquidity position until the asset sale is concluded. However, until CSN is able to execute on the plan, credit metrics will remain weak and liquidity risks elevated, particularly during periods of market volatility and increased risk aversion.

CSN's adjusted EBITDA slightly decreased to around BRL8.8 billion in the 12 months that ended in March 2026 from BRL8.9 billion in 2025, while the company's Moody's adjusted leverage decreased to 5.8x from 6.1x during the same period. We expect CSN's adjusted leverage ratio to remain within 5.5x-6.5x over the next 12-18 months based on lower steel and iron ore prices, but to strengthen to 4.0x-5.0x over time based on the price scenario of \$80-\$100 per ton for iron ore (61% Fe) and normalized profitability on steel operations. However, unless CSN is able to accelerate deleveraging through asset sales, capex reduction or proactive debt reduction, the company's credit metrics and free cash flow generation will be more commensurate with a lower rating category.

The company's liquidity risk has increased with continued cash burn and upcoming refinancing needs. CSN had BRL13.4 billion in consolidated cash at the end of March 2026, of which BRL8.8 billion is at the mining subsidiary. In April 2026, the company raised \$1.2 billion (BRL 6.2 billion) in proceeds from a bridge loan, which increases available liquidity to BRL18.6 billion. However, the company has BRL28.6 billion in debt maturing until 2028, and we expect free cash flow to remain negative based on the company's current expansion plans and dividends distributions, which creates liquidity risks.

Capital allocation within the group is also a concern. Most of CSN's debt sits at the holding level, while most of cash generation comes from mining subsidiary. CSN needs to address this situation to balance the risk

among the group.

## RATING OUTLOOK

The negative outlook reflects our expectations that CSN's credit metrics will remain weak and liquidity risks high until the company is able to pursue deleveraging initiatives.

## FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Positive pressure on CSN's rating could emerge if the company is able to improve credit metrics, with leverage below 6x, interest coverage above 1x and adequate liquidity.

The rating could be further downgraded if the company enter transactions that entails losses to creditors higher than those associated with the Caa1 rating category.

## COMPANY PROFILE

With an annual capacity of 5.6 million tons of crude steel, Companhia Siderurgica Nacional (CSN) is a vertically integrated, low-cost producer of flat-rolled steel, including slabs, hot and cold rolled steel, and a wide range of value-added steel products, such as galvanized sheets and tin plates. In addition, the company has downstream operations to produce customized products, pre-painted steel and steel packaging. CSN sells its products to a broad array of sectors and industries, including automotive, capital goods, packaging, construction and home appliances. CSN owns and operates cold rolling and galvanizing facilities in Portugal, along with long steel assets in Germany, through its subsidiary Stahlwerk Thüringen GmbH. The company also has a long steel line (500,000 tons capacity) at the Volta Redonda plant. CSN is a major producer of iron ore (the second-largest exporter in Brazil), with a sales volume of 45.8 million tons in the 12 months that ended March 2026. The company has operations in other segments, such as cement, logistics, port terminals and power generation. CSN reported revenue of BRL 44.5 billion (or around \$ 8.6 billion) in the 12 months that ended March 2026, with an adjusted EBITDA margin of 19.8%.

The principal methodology used in these ratings was Steel published in September 2025 and available at <https://ratings.moodys.com/rmc-documents/450336>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

CSN's scorecard-indicated outcome under our Steel rating methodology maps to B1, three notches above the assigned rating, reflecting the company's credit metrics under the current difficult industry environment while the assigned rating captures our expectations that credit metrics will remain weak and liquidity and distressed exchanges risks are elevated. CSN has a poor track record of prudent capital allocation, which increases financial strategy risks. Our 12-18-month forward-looking view maps to B1, reflecting the company's still-strained credit metrics.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation

to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moody.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [https://ratings.moody.com/documents/PBC\\_1462204](https://ratings.moody.com/documents/PBC_1462204).

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see <https://ratings.moody.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on <https://ratings.moody.com> for additional regulatory disclosures for each credit rating.

Carolina Chimenti  
Vice President - Senior Analyst

Marcos Schmidt  
Associate Managing Director

Releasing Office:  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A.  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

---

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT

RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.ir.moody.com](http://www.ir.moody.com) under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A.(collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia,

you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.