



GERDAU

Shape the future

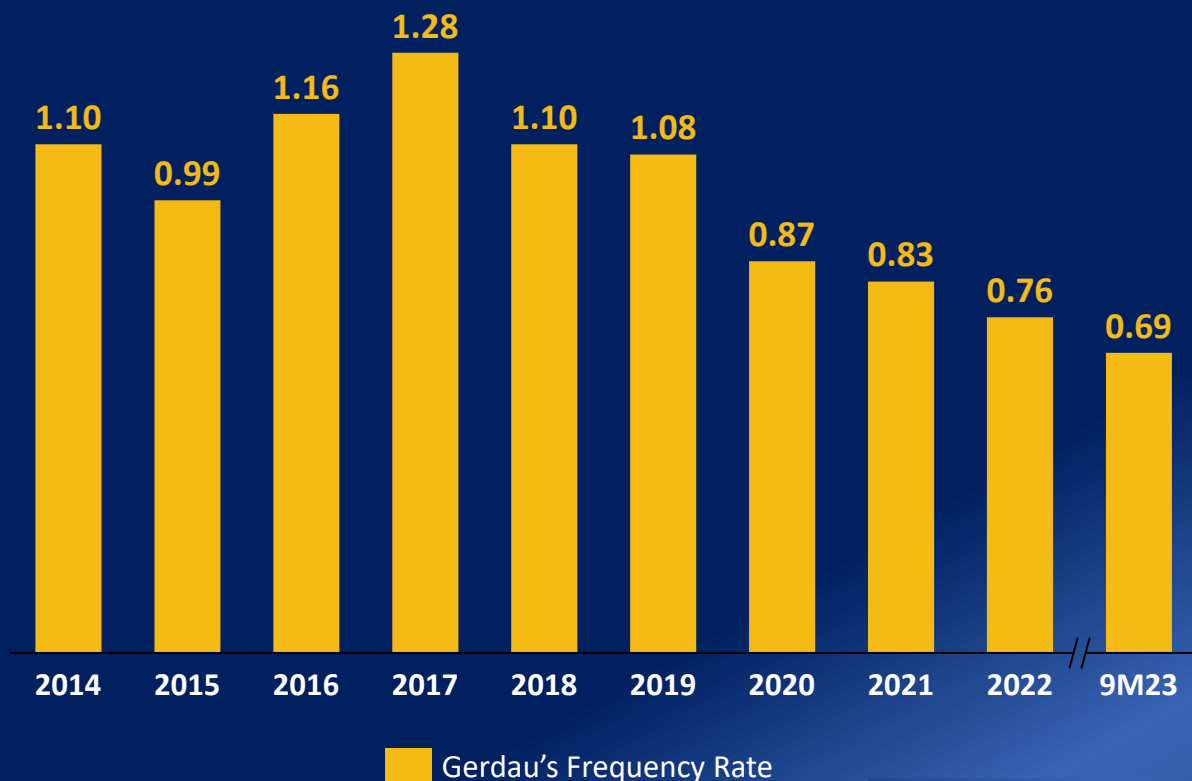
EARNINGS RELEASE

Third quarter | 2023

Hot Roll Coil Capacity Expansion
Ouro Branco Plant (MG)

OCCUPATIONAL SAFETY

SAFETY IS AN INTEGRATED PRIORITY IN OUR DAILY ACTIVITIES, WHICH ENABLES US TO MOVE TOWARD THE GOAL OF BEING ONE OF THE SAFEST COMPANIES IN THE GLOBAL STEEL CHAIN.



MANOEL BENEDITO DA SILVA SANTOS – Araçariçuama Plant
VALDIELLEN BANDEIRA – Cearense Plant

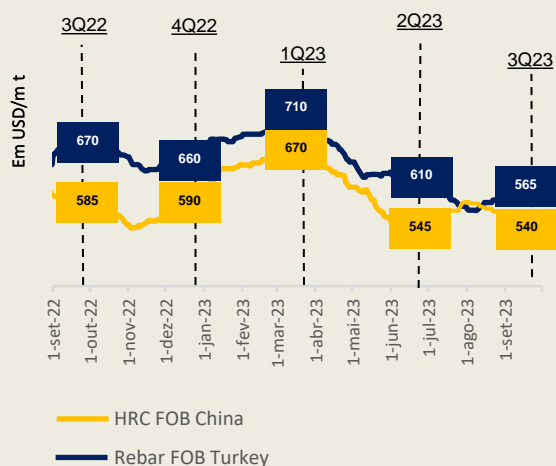
BRAZIL: Interest rates remain in high level (12.75% in October 2023), impacting the main economic sectors. An outlook of lower interest rates, the implementation of reforms, and new economic stimulus programs may have a positive impact in the upcoming quarters.

UNITED STATES: The economic activity is beginning to exhibits signs of slowing down in the coming quarters, impacted by current levels of interest rates, greater difficulty in accessing credit and lower levels of consumer confidence. Persistent public deficits and inflation appear as obstacles to reducing interest rates.

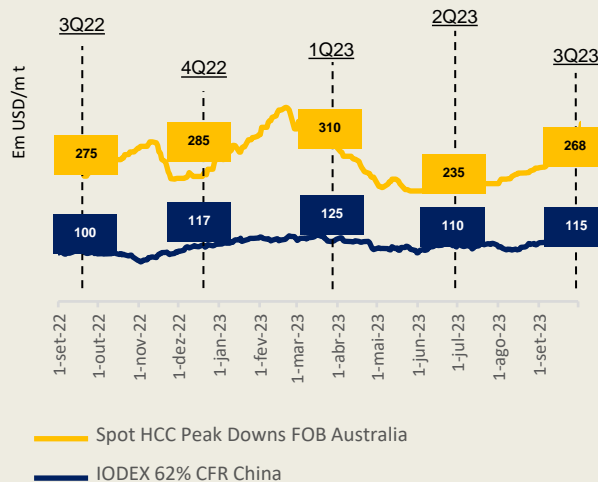
SOUTH AMERICAN COUNTRIES: Lower commodity prices, weather phenomena, and high interest rates pose economic challenges to the region. Political tensions in some countries lead to greater uncertainty and volatility.

CHINA: economic growth in the third quarter (+4.9% YoY) may be an indication of future recovery. The real estate sector continues to contract, delaying the recovery in domestic demand for steel. Production remains at a high level, consumer spending remains low, and global demand for manufactured goods remains below expectations.

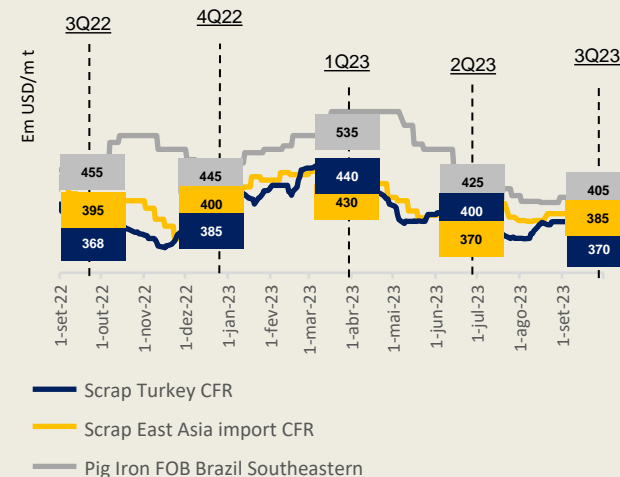
TURKISH REBAR & HRC



COAL AND IRON ORE



SCRAP AND PIG IRON



3Q23 HIGHLIGHTS

CHALLENGING
GLOBAL
SCENARIO

2.8 Mt

STEEL SHIPMENTS IN 3Q23

RESILIENT
RESULTS

R\$3.3 b

ADJUSTED EBITDA IN 3Q23

COMFORTABLE
FINANCIAL
LEVERAGE

Net Debt/EBITDA 0.34x

Gross Debt R\$11.4 b

R\$500 M WK
UNLOCKED

R\$2.2 b

FREE CASH FLOW IN 3Q23

INVESTMENT
PLAN FOR THE
YEAR ALREADY
AT 72%

R\$1.5 b

CAPEX IN 3Q23

DIVIDENDS

R\$822 M

R\$0.47 per share

PAYMENTS AS FROM
DECEMBER 13, 2023

NEWAVE
ENERGIA

ARINOS SOLAR PARK

Solar power generation
development and
operation in the state of
Minas Gerais — Brazil

PERFORMANCE BY BUSINESS DIVISION



NORTH AMERICA BD

UTILIZATION
RATE

ROLLED STEEL 82%

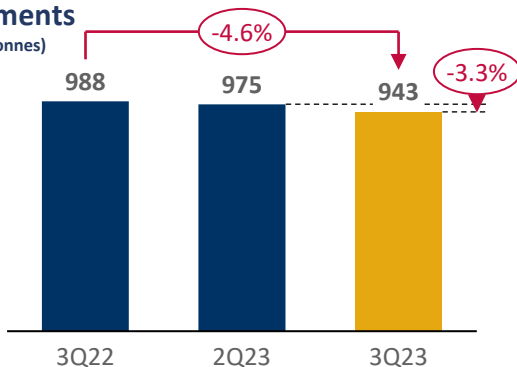
CRUDE STEEL 76%

45.7% of
Consolidated
EBITDA

- Resilient **metal spread**, above pre-pandemic levels.
- Orders backlog between 60 and 70 days** of coverage, combined with cost control efforts, enabled us to maintain the profitability in the quarter.
- Investment in Jackson (TN) plant**, expanding the range of the commercial bar line and increasing competitiveness (one-stop shop concept).
- Midlothian Solar plant**: renewable energy generation already operating close to its capacity (~80 MW), which will contribute to a ~60,000 tCO₂e reduction every year.

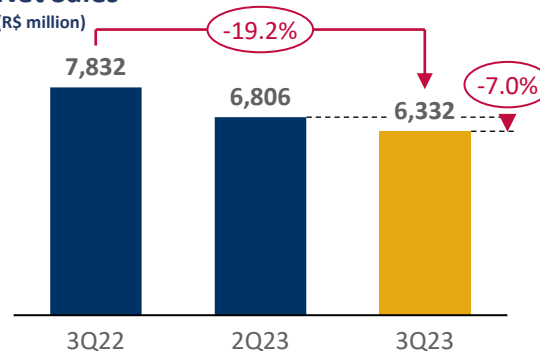
Shipments

(1,000 tonnes)



Net Sales

(R\$ million)

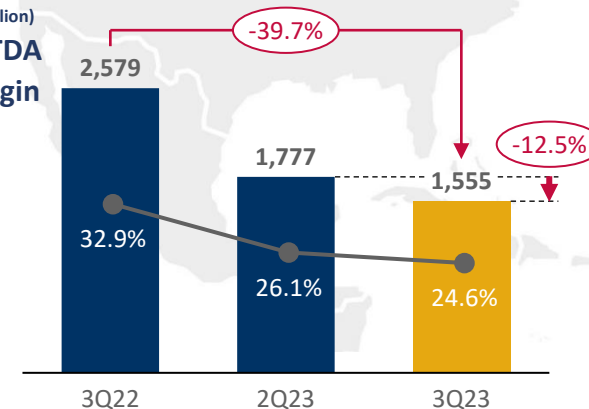


EBITDA

(R\$ million)

EBITDA

Margin



Indicators



Employment in the industry (US)¹ +2.0% y/y



PMI^{2,3}
49.0



ABI^{2,4}
44.8



DMI^{2,5}
+2.5% q/q

SPECIAL STEEL BD

UTILIZATION
RATE

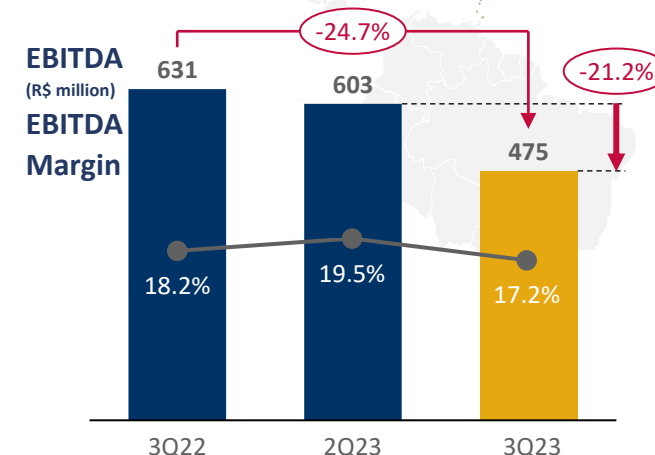
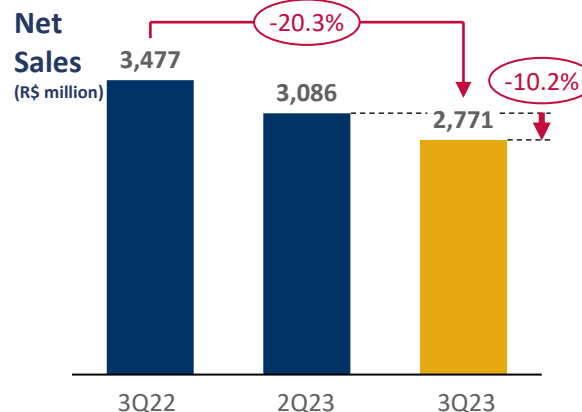
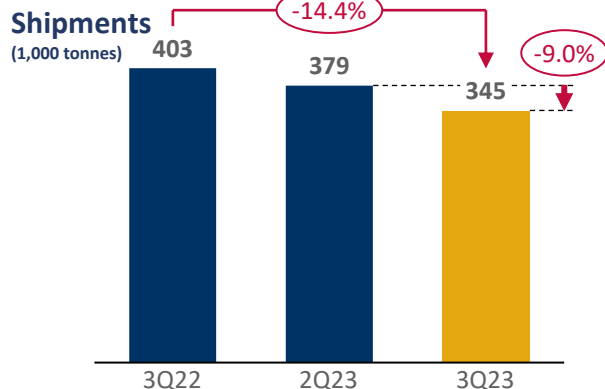
ROLLED STEEL 47%

CRUDE STEEL 49%

14.8% of
Consolidated
EBITDA

Brazil

- According to ANFAVEA, daily sales recorded its second-best average in the year, with **9,600 light vehicles sold**, which indicates a **slight rebound of the sector** and an expected increase in production of 3% for the year.
- In the heavy vehicle segment, the **migration to Euro 6 technology and the high cost of credit continue to have a negative impact** on the Brazilian industry. ANFAVEA forecasts a 34% decline in production for the segment in 2023.



Indicators



Light Vehicle Shipments
+10% y/y¹

Auto Parts Exports (SBQ)
+1.1% 9M23/9M22²



Light Vehicle Shipments
+5.5% y/y³

US & Canada Rig Count
+0.7% y/y⁴

BRAZIL BD

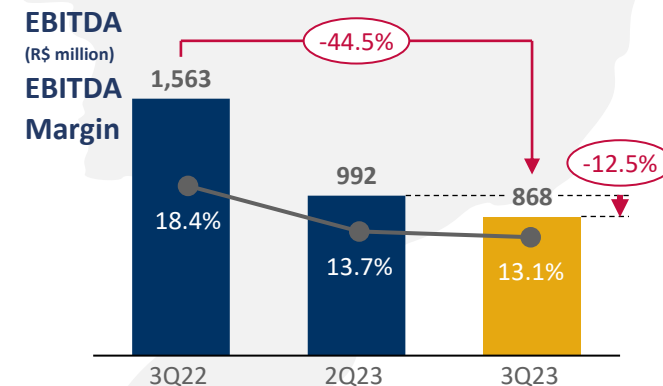
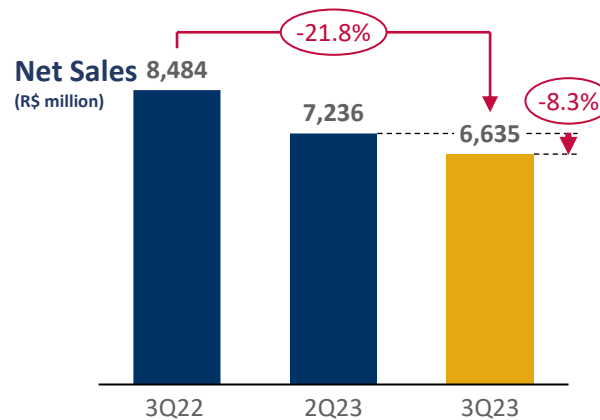
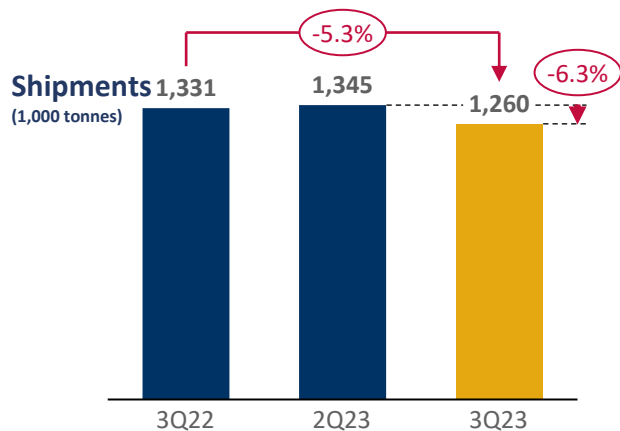
UTILIZATION
RATE

ROLLED STEEL **58%**

CRUDE STEEL **65%**

25.5% of
Consolidated
EBITDA

- Steel imports reached penetration of 23%, up 57.9% YoY between January and September.
- Challenging external scenario, impacting Brazil's export margins.
- Limited consumer credit hinders the revitalization of capital-intensive industries, such as automotive, vehicles, and construction.
- Continued good levels of cutting and bending contracts result in the highest YTD volume since 2015.



Indicators



Steel Industry Confidence Index – ICIA
+0.8 points¹



Construction Confidence Index – ICST
98.1 points¹



Transmission line expansion
+ 3.6%³



Infrastructure Investments (Public + Private)
+8.1%⁴

¹IABr quarterly average change; ²FGV — Sept 23; ³ Growth outlook for the end of 2023, ANEEL trends in Aug 23; ⁴ Growth outlook for the end of 2023, ABDIB trends in Aug 23.

SOUTH AMERICA BD

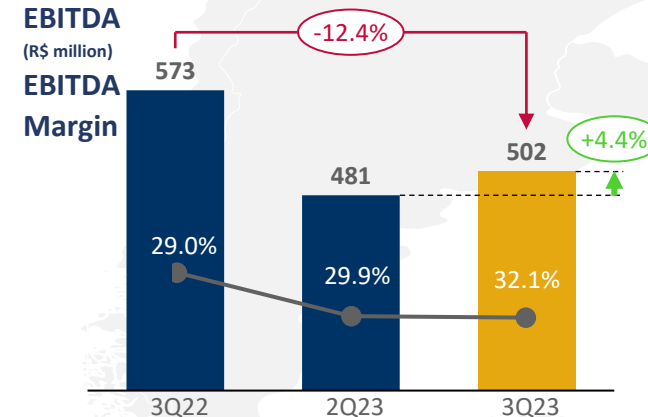
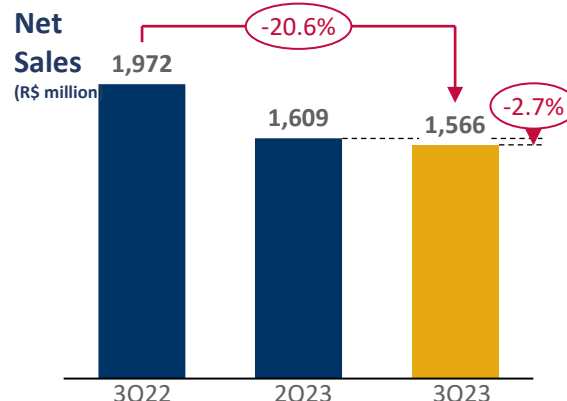
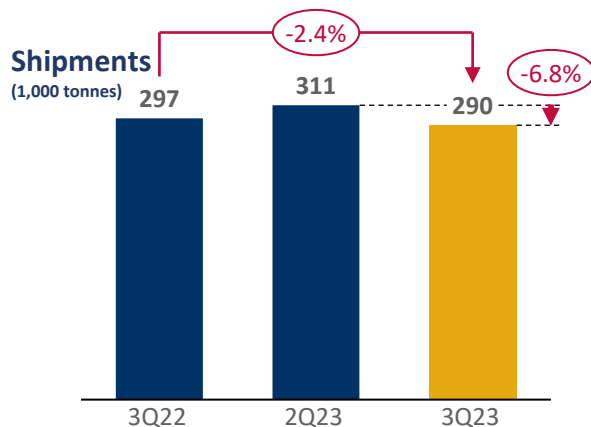
UTILIZATION
RATE

ROLLED STEEL **84%**


CRUDE STEEL **82%**


14.0% of
Consolidated
EBITDA

- ARGENTINA:** import restraints, inflationary economy, and presidential election may bring uncertainties in the short to medium term. Domestic steel demand continues to be sustained by the construction, mining, and energy sectors.
- URUGUAY:** stable level, driven by current public and private construction works.
- PERU:** the ongoing El Niño weather phenomenon imposes challenges to the construction and manufacturing sectors.



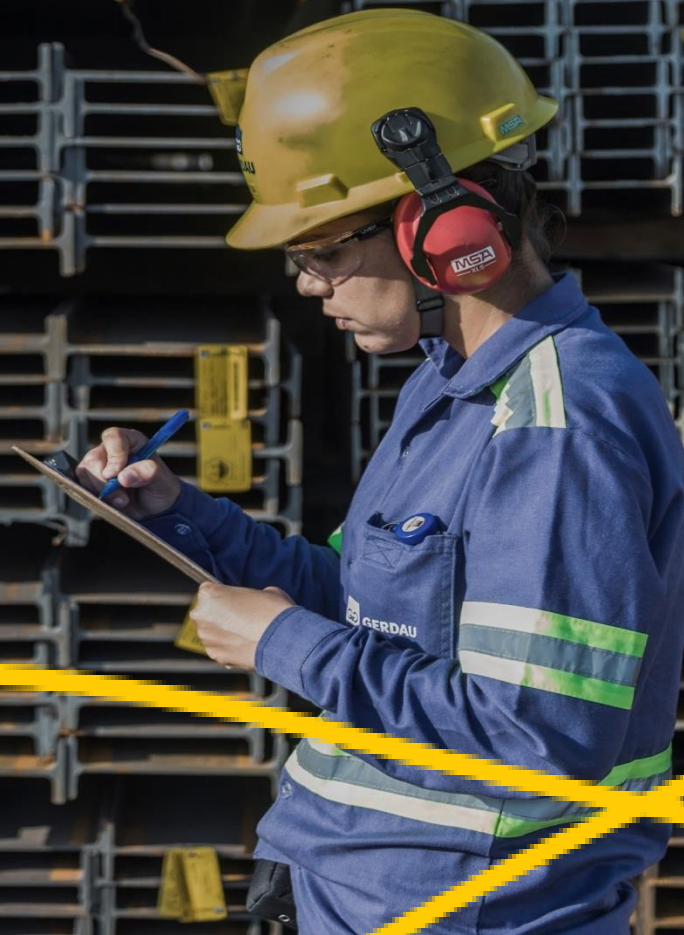
Indicators

 **Apparent Consumption of Long Steel**
483 kt (stable q/q) ¹

 **Business Confidence Index**
— 44.3 ²
↓ 0.9 points q/q

¹ Cámara Argentina del Acero — Sept/23; ²Banco Central de Reserva Del Perú — Sep/23.

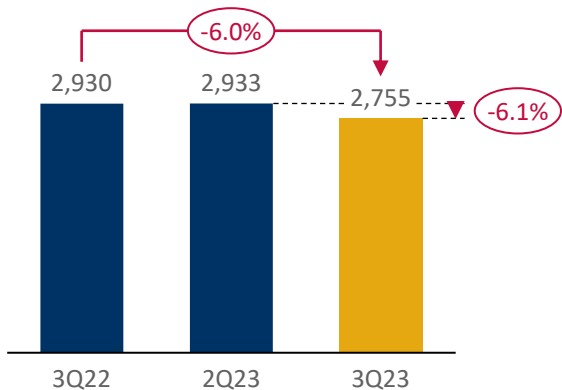
FINANCIAL PERFORMANCE



IN A CONTEXT OF GLOBAL DEMAND DECLINE AND EXCESSIVE PENETRATION OF IMPORTED STEEL IN BRAZIL, GERDAU MAINTAINS ITS COST MANAGEMENT DISCIPLINE AND FOCUS ON PROFITABILITY

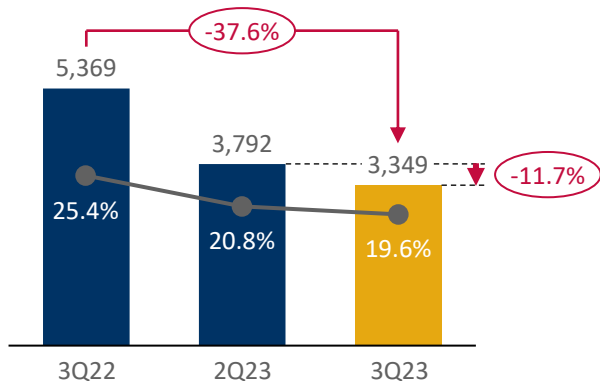
Shipments

(1,000 tonnes)



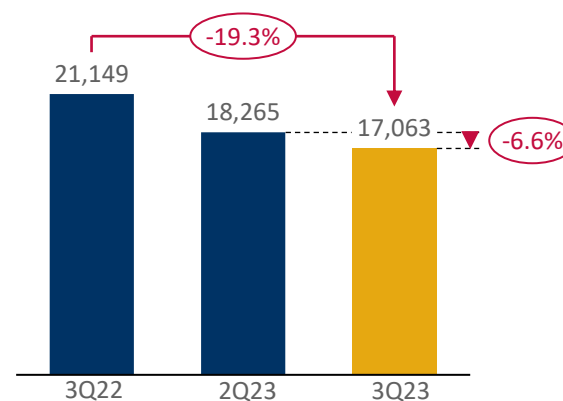
Adjusted EBITDA and Adjusted EBITDA Margin²

(R\$ million)



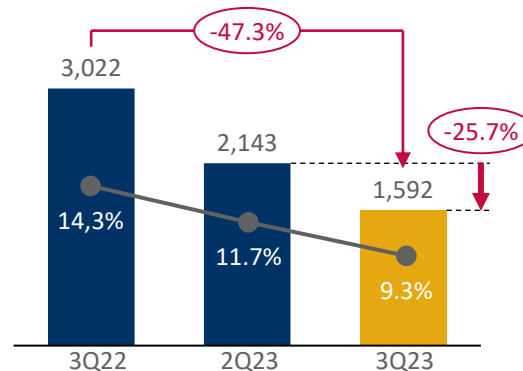
Net Sales¹

(R\$ million)



Adjusted Net Income and Adjusted Net Margin²

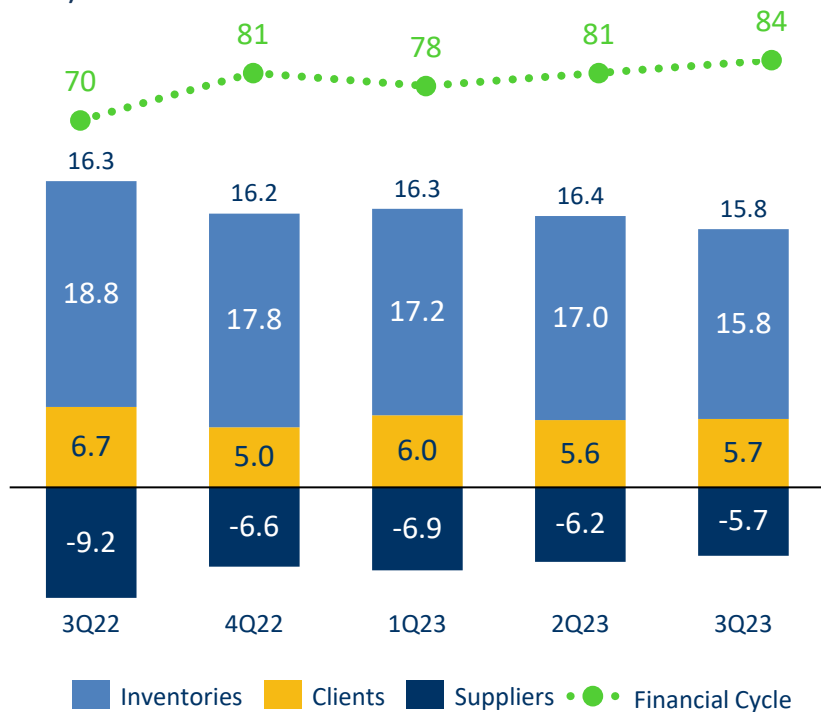
(R\$ million)



¹ Includes iron ore sales.

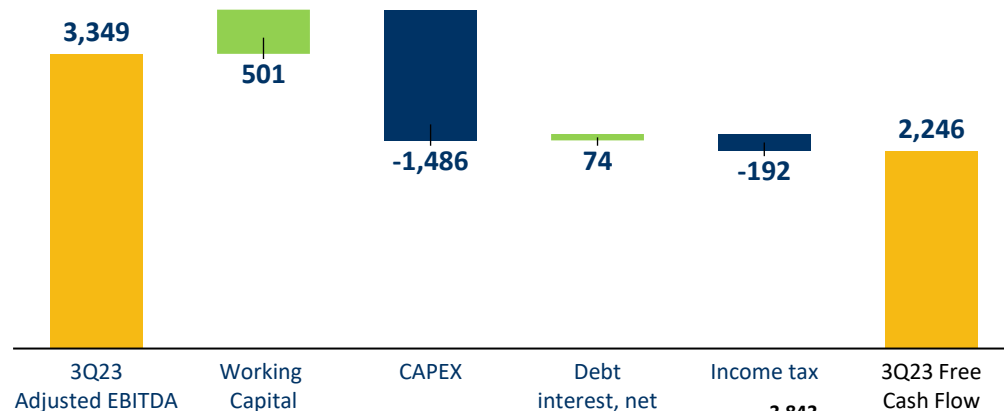
² Non-accounting measure calculated by the Company. The Company presents Adjusted EBITDA to provide additional information on cash generation in the period.

**FINANCIAL CYCLE
(IN DAYS)
&
WORKING CAPITAL¹
(R\$ BILLION)**

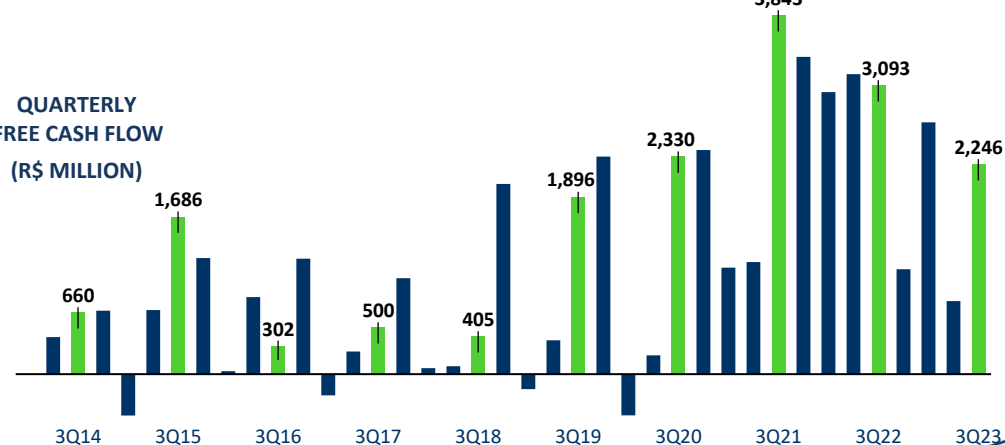


CASH FLOW & WORKING CAPITAL

**FREE CASH FLOW
(R\$ MILLION)**



**QUARTERLY
FREE CASH FLOW
(R\$ MILLION)**

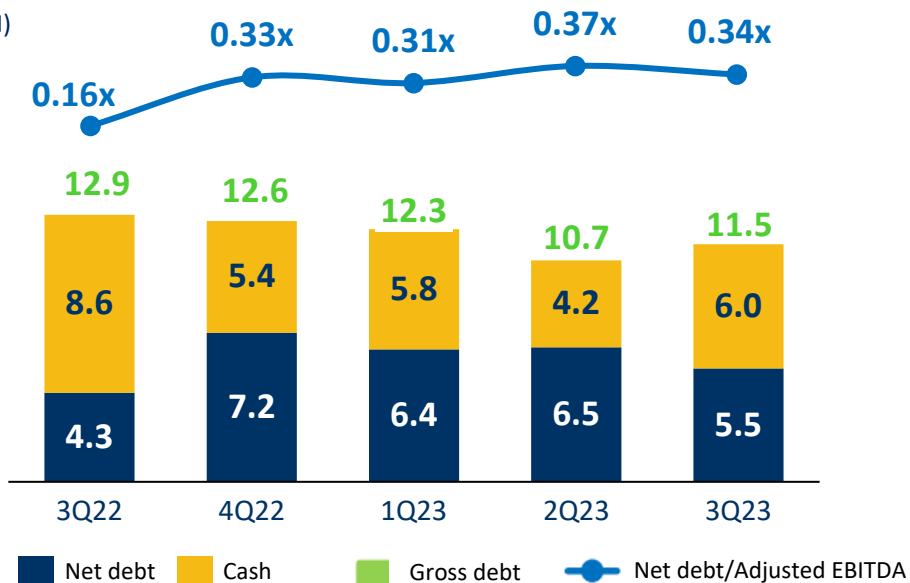


¹ Considers exchange variation on inventories, clients, and suppliers

LIQUIDITY & INDEBTEDNESS

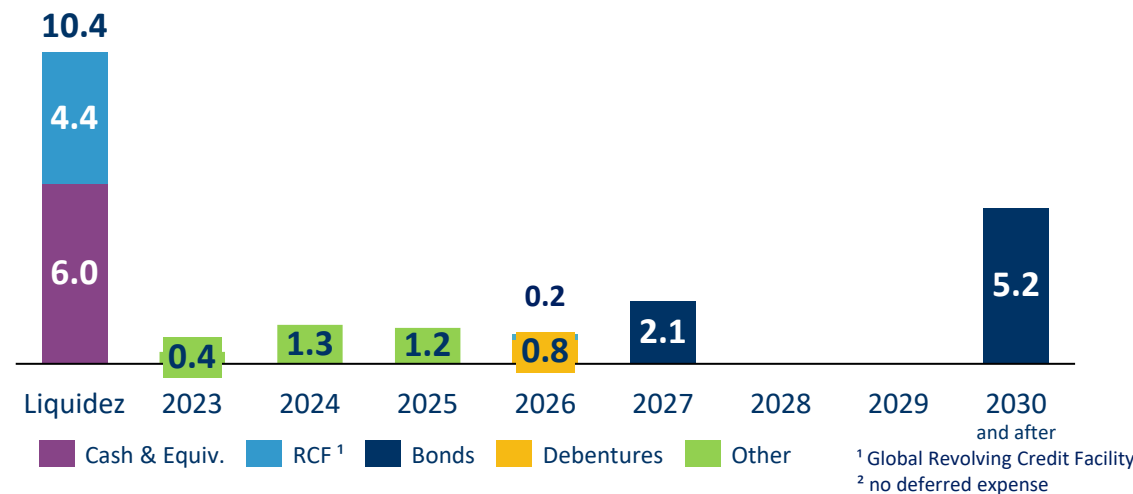
CASH, DEBT, AND LEVERAGE

(R\$ BILLION)



LIQUIDITY AND DEBT AMORTIZATION²

(R\$ BILLION)



FINANCIAL POLICY

GROSS DEBT < R\$12 BILLION

AVERAGE TERM > 6 YEARS

NET DEBT/EBITDA ≤ 1.5X

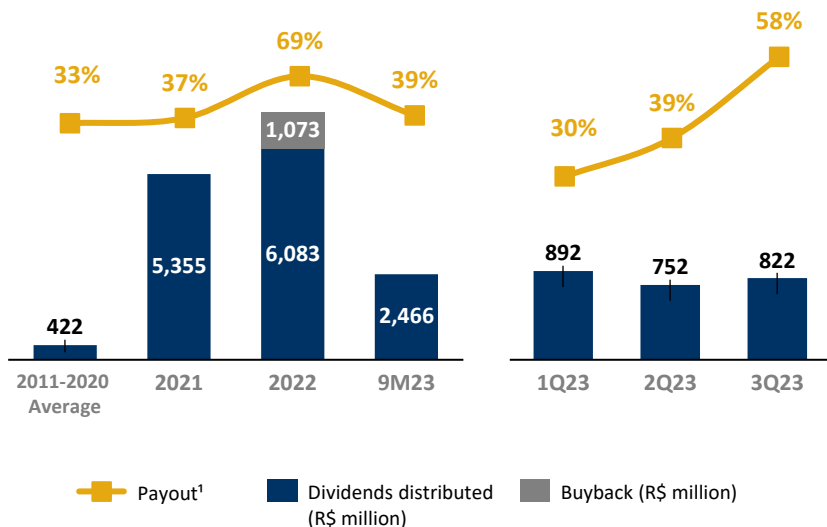
AVERAGE TERM
7.8 YEARS

AVERAGE COST
BRL: 104.5% CDI P.A.
USD: 5.7% P.A.

RATING

AGENCY	RATING	UPDATE
FITCH	BBB STABLE	OCT 2023
STANDARD & POOR'S	BBB- POSITIVE	JUL 2022
MOODY'S	Baa3 STABLE	MAR 2021

DIVIDENDS



DIVIDENDS PAYMENT 3Q23

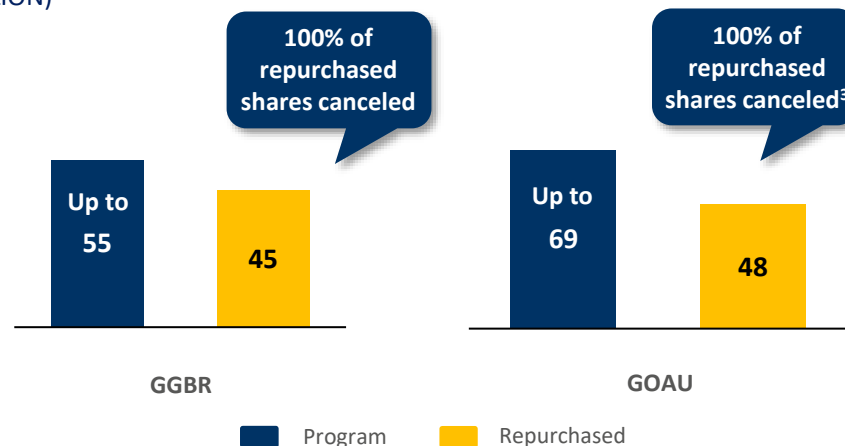
GERDAU S.A.	AMOUNT	R\$ 822 M
	PER SHARE	R\$ 0.47

METALÚRGICA GERDAU S.A.	AMOUNT	R\$ 960 M
	PER SHARE	R\$ 0.93

SHAREHOLDER RETURN

PAYOUT ABOVE THE STIPULATED MINIMUM,
EVEN AMID A CHALLENGING SCENARIO

SHARE BUYBACK PROGRAM^{2 3} (MILLION)



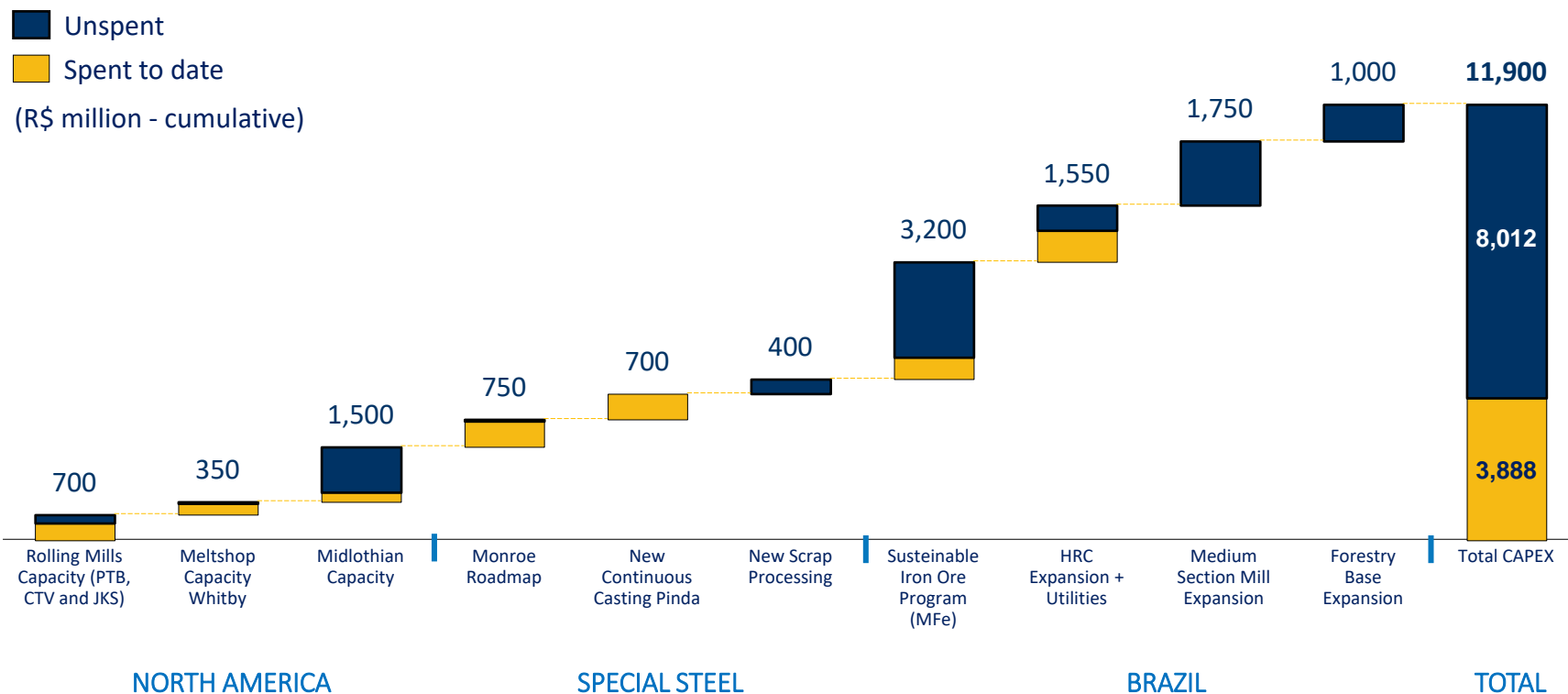
STRATEGIC CAPEX (2021-2026)

INVESTMENTS IN THE GROWTH AND PERPETUITY OF THE BUSINESS

Potential to add capacity of:
+700 kt crude steel e
+1,400 kt rolling steel



3Q23 Strategic Capex:
~R\$ 588 million



ESG

Environmental
Social
Governance



ARINOS SOLAR PARK MINAS GERAIS

GERDAU
next

 **Newave** Energia



~**R\$1.4 billion investment***



Installed capacity of **420 MWp**



30% offtake of **renewable** energy (34 MWm), equivalent to:



~**7%** of the Company's annual energy consumption in **Brazil**



Steel plant with capacity of ~**400,000 t/year**



a **22,000 tCO2e** annual reduction for the Company



Arinos Substation

*Disbursement fully supported by Newave Energia, a subsidiary in which Gerdau holds a 33.3% stake

FOCUS ON PROMOTING SUSTAINABILITY AND CIRCULAR ECONOMY



WE ARE THE LARGEST METAL SCRAP RECYCLER IN LATIN AMERICA



Scrap Yard at the Plant in Araçariçuama/SP



- **11 million tonnes** of scrap are recycled in our operations annually
- Recycling of **75,000 vehicles** in the past few years, fostering **Circular Economy**

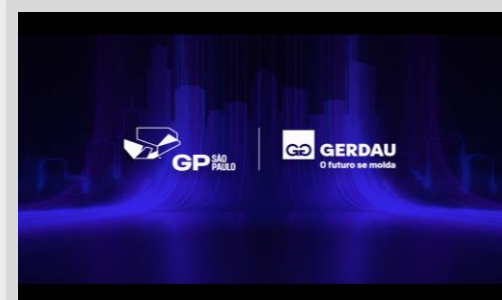
- **1 million+ people** engaged in and impacted by scrap recycling in Brazil
- **11 plants and 13 warehouses*** for collecting and receiving scrap

* Warehouses: scrap storage and treatment

The Town São Paulo – 300 t in steel for entertainment and infrastructure



F1 São Paulo GP — Modernization of the Interlagos Racetrack



Promoting the construction of an **even more sustainable future** in the steel **value chain**

The B2B industrial company **with the best reputation in Brazil**
The only steel producer among the 100 most admired companies in the country



VALOR 1000 AWARD
**Best Valor 1000
Company in Brazil**



VALOR 1000 AWARD
**Best Company in the
Metallurgy and Steel Industry**



ÉPOCA NEGÓCIOS 360
**Best Company for ESG
and Sustainability**



EXAME MAIORES AWARD
**Best Companies in the Mining
and Steel Sector in 2023**



SISTEMA B CERTIFICATION
**For our Operations in Peru
and Gerdau Summit**



BEST INDUSTRIAL COMPANY,
ACCORDING TO MERCO
2022 Reputação award



2023 STEELIE AWARDS
**"Excellence in Communication
Programs" Category**



MELHORES DA DINHEIRO AWARD
**Best company in the "Steel, Mining,
and Metallurgy" category**



GERDAU IS AMONG THE TOP 10
**publicly held companies in
Brazil, for innovation leadership**

Q&A INSTRUCTIONS

- To ask questions, click on the #Q&A# icon, using the button at the bottom of your screen.
- If you want to ask questions live, click on the #Q&A# icon to inform your name, then wait for your name to be announced to ask your question.
- At that time, a request to turn on your microphone will appear on your screen. You can also enable your camera.



SAVE THE DATE
FOURTH QUARTER OF 2023

EARNINGS RELEASE
FEBRUARY 20, 2024
(after market close)

VIDEOCONFERENCE
FEBRUARY 21, 2024



inform@gerdau.com
ri.gerdau.com/en/

THANK YOU!

JOSE PAULO DA SILVA - Açonorte Plant

Disclaimer

This document may contain forward-looking statements. These statements are based on estimates, information, or methods that may be incorrect or inaccurate and that may not occur. These estimates are also subject to risks, uncertainties, and assumptions that include, among other factors, general economic, political, and commercial conditions in Brazil and the markets where we operate, as well as existing and future government regulations. Potential investors are cautioned that these forward-looking statements do not constitute guarantees of future performance, given that they involve risks and uncertainties. Gerdau does not undertake, and expressly waives, any obligation to update any of these forward-looking statements, which speak only as of the date they were made.