



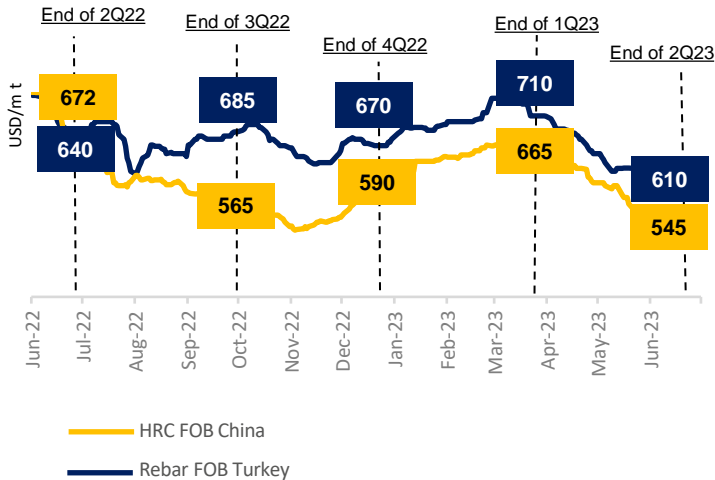
EARNINGS RELEASE

2nd quarter | 2023

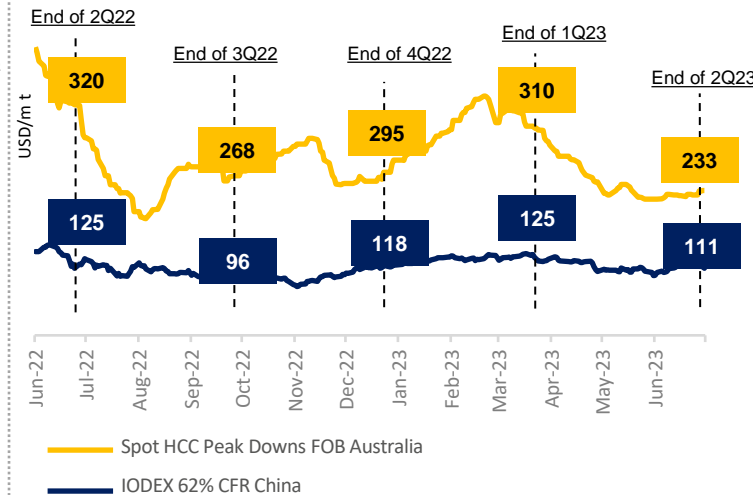
Miguel Burnier Mine
Dry stacking of iron ore tailings

- GLOBAL ENVIRONMENT:** restrictive monetary policy in most economies begins to show an effect, leading to a reduction in inflation and economic activity
- BRAZIL:** high interest rates (current SELIC 13.25%) and the elevated level of household debt remain factors of concern. Expectation of interest rate cuts, the progress of tax reforms and new stimulus programs for the economy should have a positive impact for the coming months
- UNITED STATES:** good levels of economic activity since the beginning of the year have postponed the expectation of a short-term recession (decrease in inflation, unemployment, GDP 2023E of 1.6% per year)
- CHINA:** despite the slow recovery of domestic demand for steel, the continuous decline in inventories combined with new government stimuli for the economy could lead to a recovery in consumption in the sector
- SOUTH AMERICAN COUNTRIES:** decline in commodity prices, currency appreciation against the dollar and high interest rates create a challenging economic growth scenario for the region

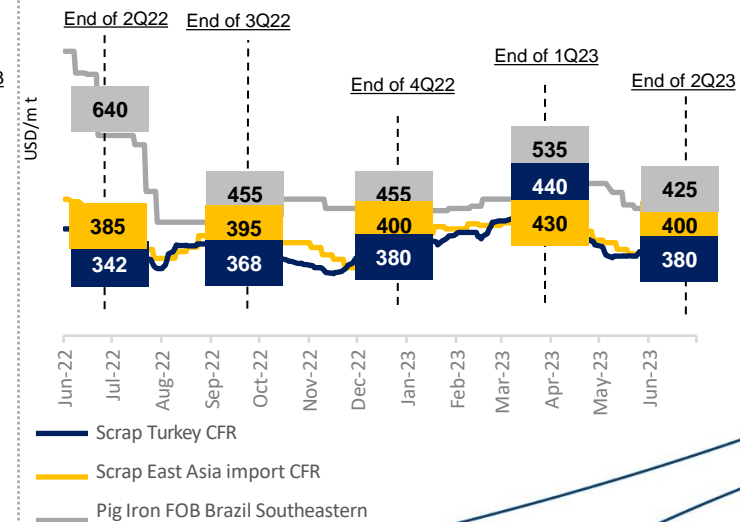
TURKISH REBAR & HRC



COAL & IRON ORE



SCRAP & PIG IRON



Source: S&P Global Commodity Insights

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

SAFETY IS A NON-NEGOTIABLE VALUE FOR GERDAU AND PLAYS A MAJOR ROLE IN THE COMPANY'S ORGANIZATIONAL CULTURE



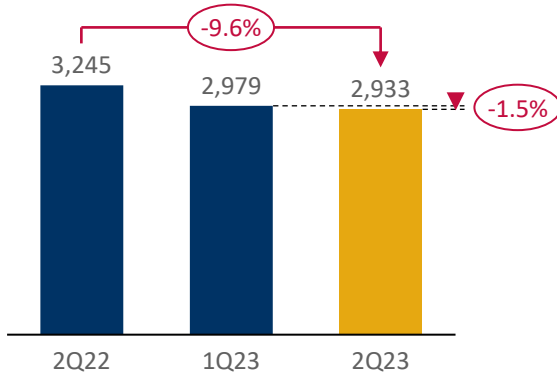
MANOEL BENEDITO DA SILVA SANTOS – Araçariçuama Plant
VALDIELLEN BANDEIRA – Cearense Plant

HIGHLIGHTS IN THE PERIOD

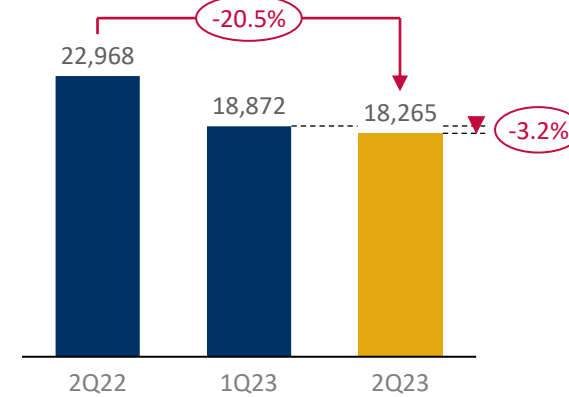
CONSISTENT RESULTS DRIVEN BY GEOGRAPHIC DIVERSIFICATION OF ASSETS IN THE AMERICAS AND FLEXIBLE PRODUCTION ROUTES EVEN AMID A CHALLENGING MACROECONOMIC ENVIRONMENT



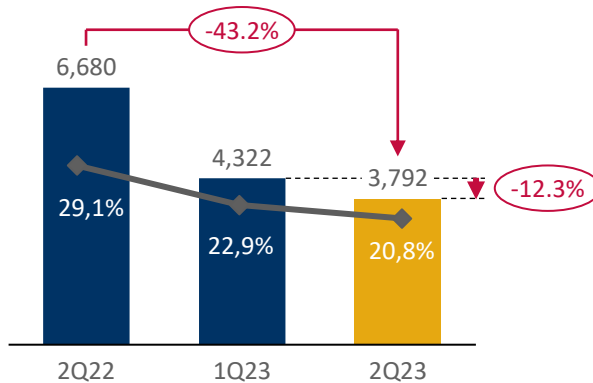
Shipments (1,000 tonnes)



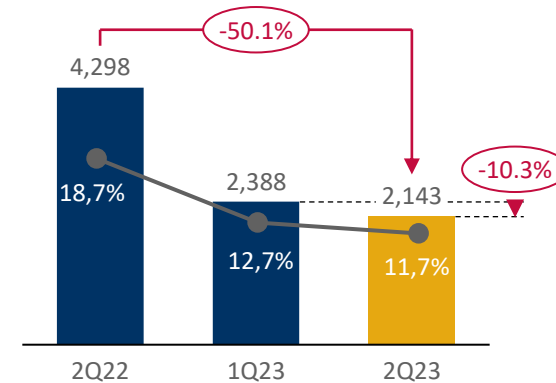
Net Sales¹ (R\$ million)



Adjusted EBITDA and Adjusted EBITDA Margin² (R\$ million)



Adjusted Net Income and Adjusted Net Margin² (R\$ million)



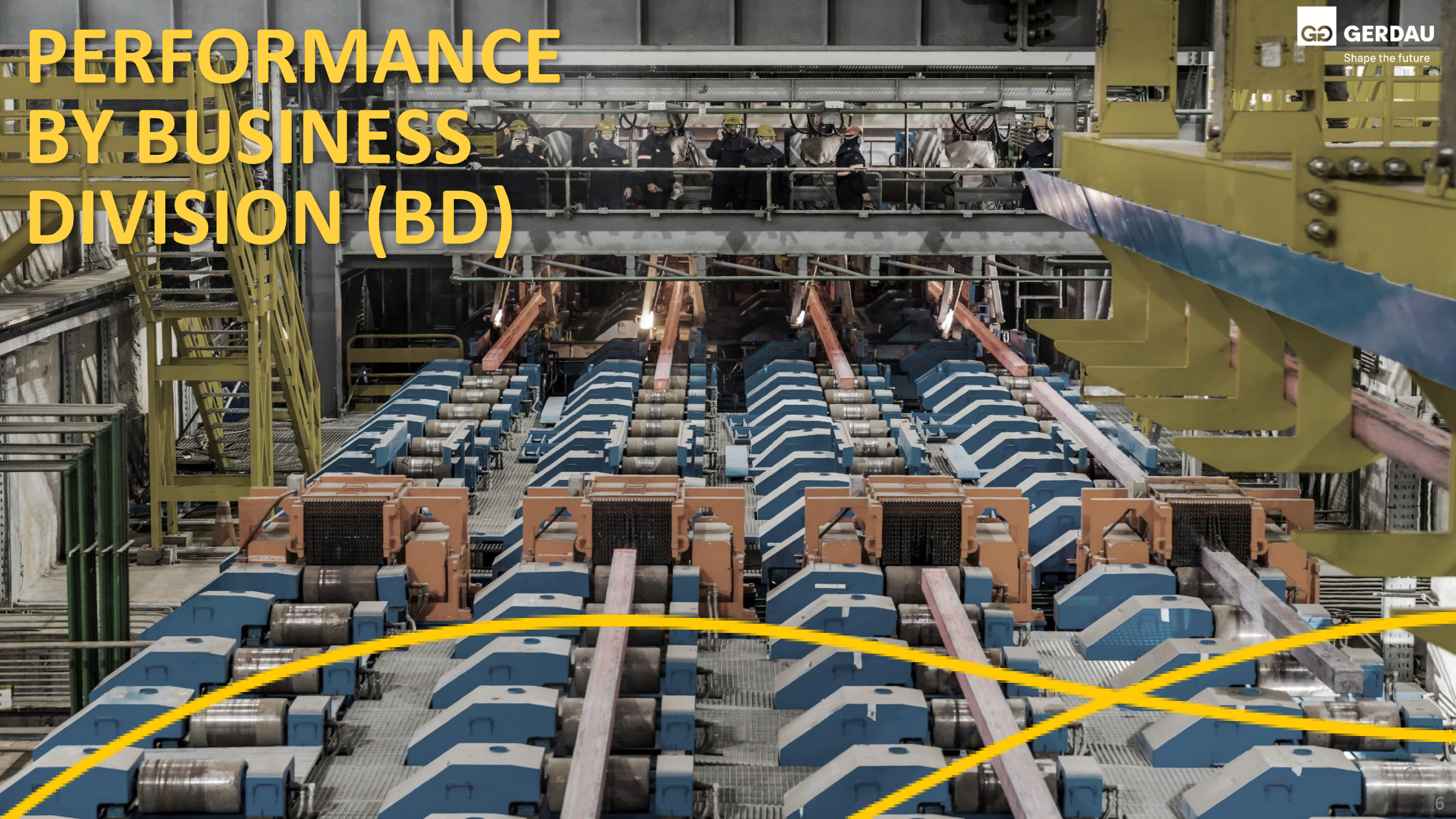
¹ Includes iron ore sales.

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

HIGHLIGHTS IN THE PERIOD

- 
- Shipments of **2.9 MILLION TONNES OF STEEL** in 2Q23, in line with 1Q23
 - ADJUSTED EBITDA OF R\$3.8 BILLION**, one of our highest-ever levels for a second quarter
 - GROSS DEBT OF R\$10.7 BILLION AND NET DEBT/EBITDA OF 0.37X**, in line with the Company's policy
 - SPECIAL STEEL BD:** EBITDA of R\$603 million, up 21.3% from 1Q23, and the second-best result for the period
 - CAPEX** was R\$1.2 billion in 2Q23
 - 2Q23 SHAREHOLDER REMUNERATION:** Gerdau allocated **R\$752.1 million (R\$0.43 per share)** and Metalúrgica Gerdau allocated **R\$268.5 million (R\$0.26 per share)** for distribution as dividends, to be paid on August 29 and 30, respectively
 - MINING:** R\$3.2 billion to be invested in a **sustainable mining platform** in Minas Gerais, which will enable us to increase competitiveness and will use the **dry-stacking method** to dispose of **100%** of mining **tailings**
 - WHITBY:** conclusion of investment in the plant in Whitby (Canada), increasing steel production capacity by 200 kt per year
 - SOLAR POWER PLANT:** In June, the solar power plant in Midlothian, Texas (United States), started **generating renewable energy**

PERFORMANCE BY BUSINESS DIVISION (BD)



NORTH AMERICA BD

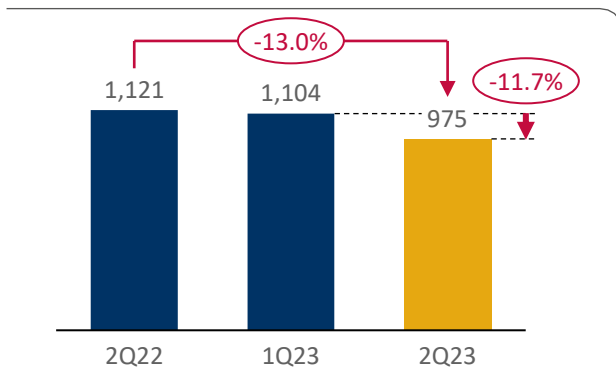
Utilization rate

Rolled steel 89%
Raw steel 76%

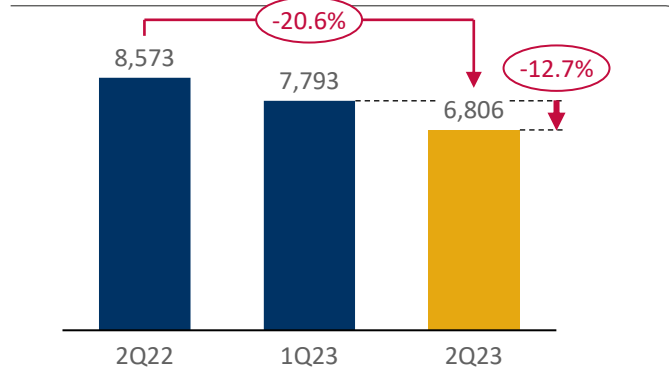
46.1%
Consolidated
EBITDA

- Resilient metal spread and maintenance of the backlog of orders at approximately 60 days of inventory
- Energy sector and non-residential construction remain at high levels
- Shutdowns at the plants in Whitby (Canada), Charlotte (US), and Sahagun (Mexico) are partially responsible for changes in shipments and margins in the period
- Start-up of the new melt shop at the plant in Whitby (Canada) and renewable energy production at the solar power plant in Midlothian (US)

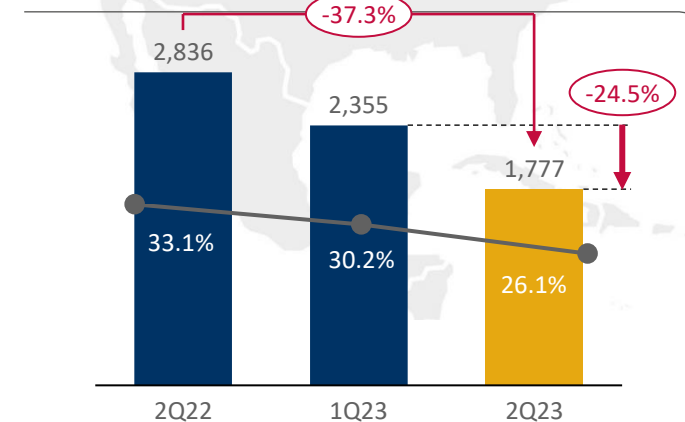
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million)/ EBITDA Margin



Employment in
Industry (U.S.)¹
+2.5% y/y



PMI²
46.3



ABI³
50.1



DMI⁴
+25% y/y

SPECIAL STEEL BD

Utilization rate

Rolled steel 59%

Raw steel 66%

15.7%
Consolidated
EBITDA

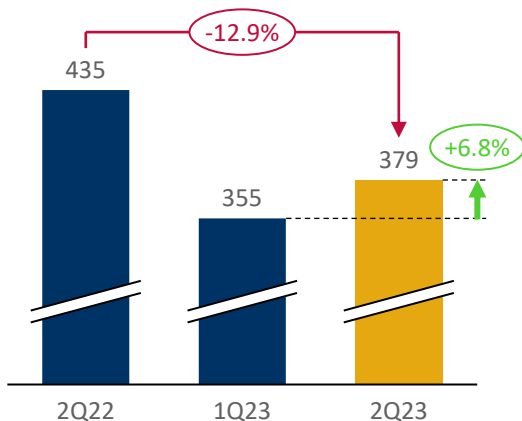
BRAZIL

- A tax reduction program targeted at economy cars and the gradual reopening of some automotive factories led a slight rebound in shipments in Brazil
- The 23/24 Harvest Plan (*Plano Safra 23/24*), an agricultural financing program in the amount of R\$364 billion announced in June, could boost the acquisition of agricultural machinery and equipment

NORTH AMERICA

- The light vehicle sector continues to be boosted by supply chain and inventory improvements
- The heavy vehicle segment remains resilient, mainly due to the production of large commercial vehicles
- Better quarterly financial result stemming from profitability and productivity initiatives

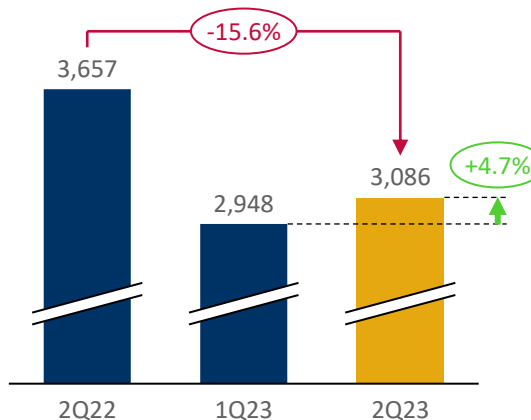
Shipments (1,000 tonnes)



Light Vehicles Shipments
+14%¹

Auto Parts Export (SBO)
+9.3% y/y²

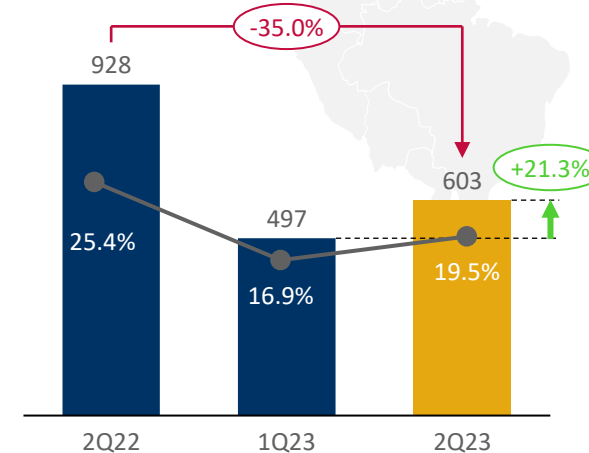
Net Sales (R\$ million)



Light Vehicles Shipments
+17% y/y³

AG Tractor Shipments
+1.5% y/y⁴

EBITDA (R\$ million)/ EBITDA Margin



BRAZIL BD

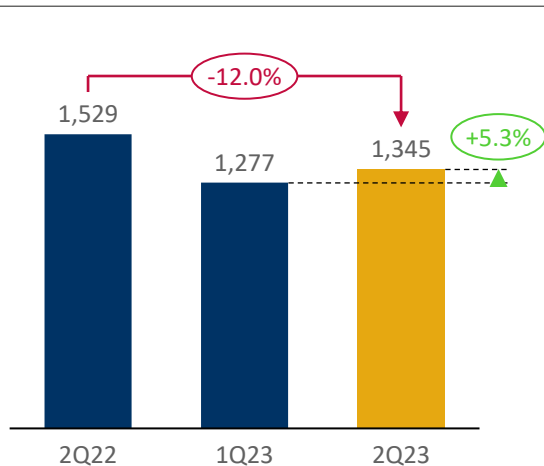
Utilization rate

Rolled steel 63%
Raw steel 72%

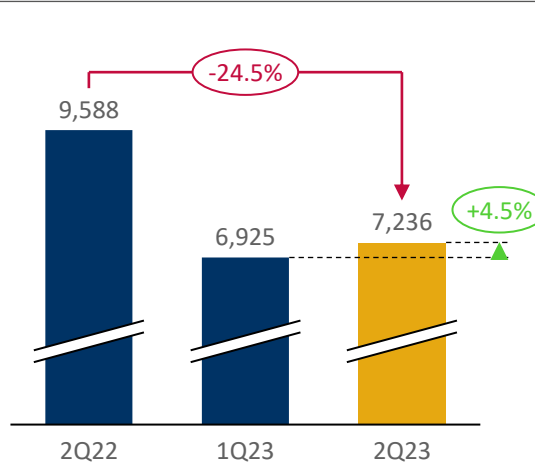
25.7%
Consolidated
EBITDA

- High interest rates and a slowdown in sectors such as industry and retail continue to affect domestic demand for steel
- Concerns related to greater penetration of imported steel in Brazil (including import of machinery and equipment)
- Appreciation of the real and lower international steel prices putting pressure on the competitiveness of exports
- A slight resumption of real estate launches, injection of funds from governmental programs (*Minha Casa Minha Vida*) and the announcement of the Harvest Plan offer good prospects for the sector

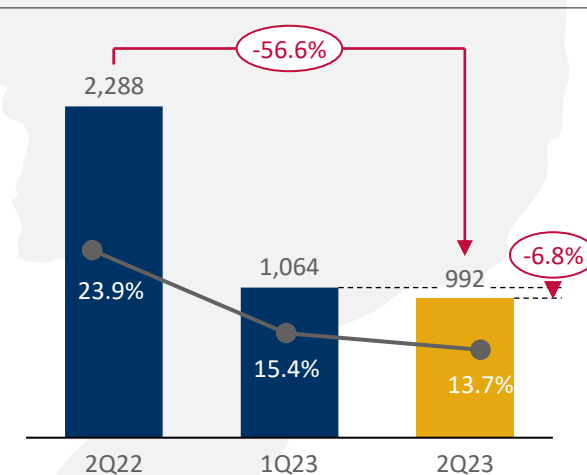
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million) / **EBITDA Margin**



Steel Industry Confidence Index – ICIA, in Portuguese +11.4 points¹



Construction Confidence Index – ICST, in Portuguese 93.9 points²



Real Estate Launches +30.5%³



Industrial Sector Investments R\$ 106 billion in 4 years⁴

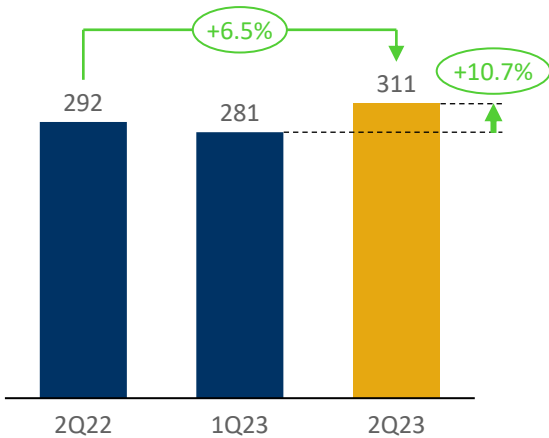
SOUTH AMERICA BD

Utilization rate
 Rolled steel 94%
 Raw steel 86%

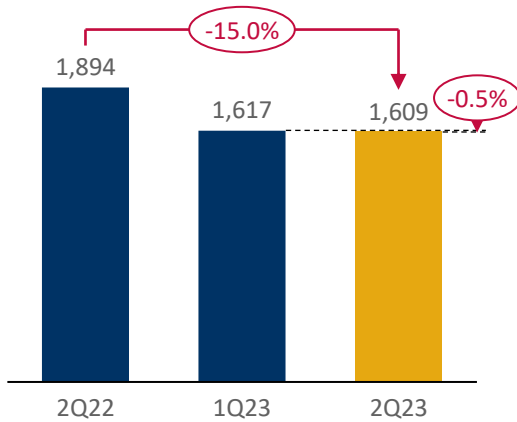
12.5%
 Consolidated
 EBITDA

- ARGENTINA:** The construction, energy and mining sectors remain resilient. However, inflation, drought effects, and the presidential election demand attention
- Uruguay:** Demand remains stable, and the announcement of new infrastructure projects, especially related to renewable energy, could be a good driver for the sector
- PERU:** attenuated political, social, and climate issues led to a slight rebound in shipments

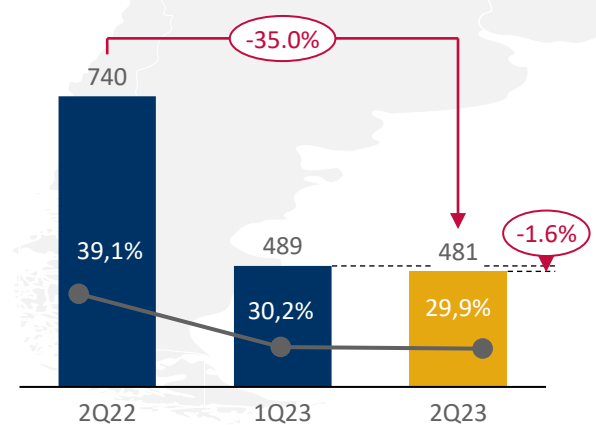
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million)/ EBITDA Margin



Long Steel Apparent Consumption
 485Kt (+10% m/m)¹



Business Confidence Index
 45.2²
 ↓ 2.6 points y/y

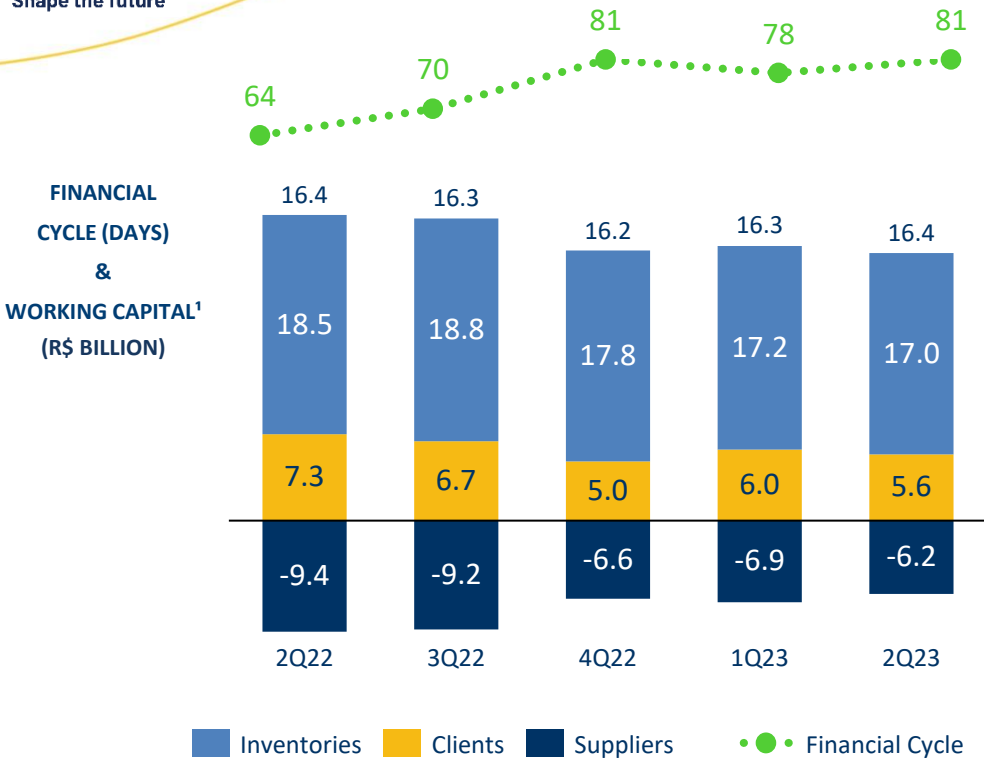
¹ Cámara Argentina del Acero - June 23;

² Banco Central de Reserva del Perú - June 23;

FINANCIAL PERFORMANCE



FREE CASH FLOW & WORKING CAPITAL

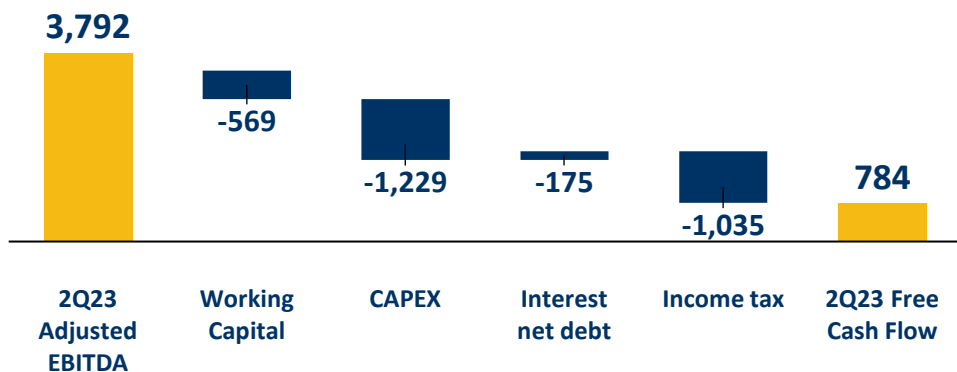


3rd consecutive quarter of reduction in inventory

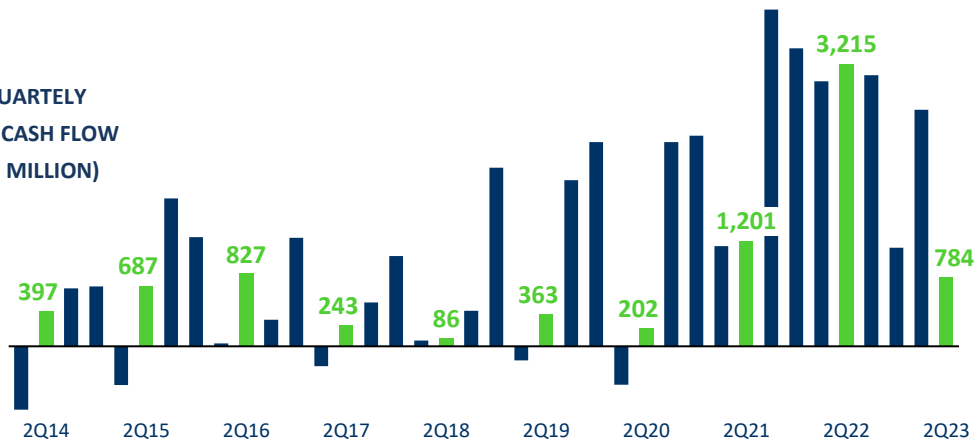
Perspective of working capital scaling down in the coming quarters

¹ Considers exchange variation on inventories, clients, and suppliers

FREE CASH FLOW (R\$ MILLION)



QUARTELY FREE CASH FLOW (R\$ MILLION)



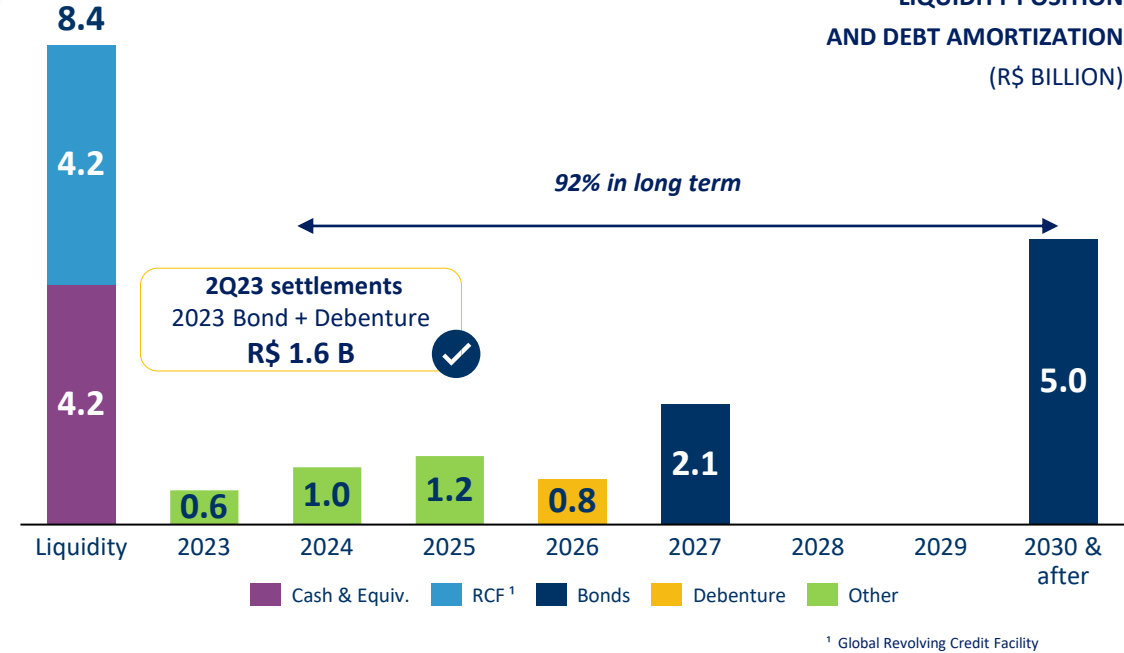
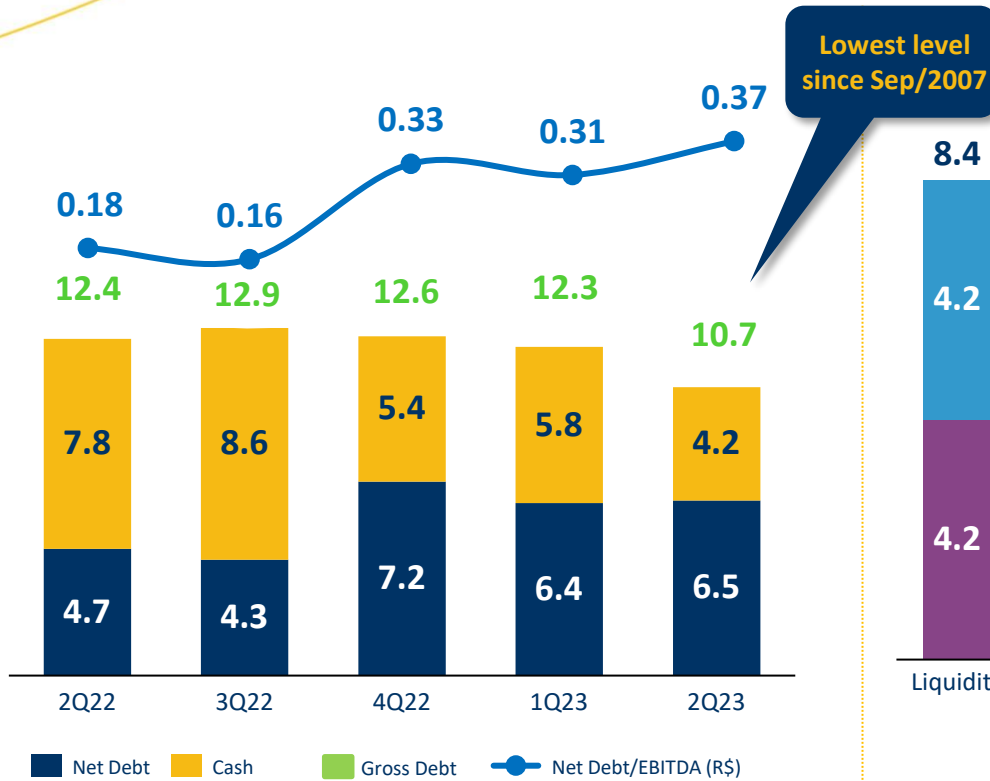


GERDAU
Shape the future

LIQUIDEZ & ENDIVIDAMENTO

LIQUIDITY POSITION AND DEBT AMORTIZATION (R\$ BILLION)

CASH, DEBT AND LEVERAGE (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 – 104.8%CDI a.a
USD – 5.6% a.a

Shareholder Remuneration





SUSTAINABLE MINING

Miguel Burnier Mine
Ouro Preto, Minas Gerais

NEW SUSTAINABLE MINING PLATFORM

5.5¹ Mtpa of high-grade ore (65%)

CAPEX of R\$3.2 billion between 2023 and 2026

40 years of certified reserves

200,000 tonnes of CO2 reduction per year

Integrated logistics (slurry and tailings pipelines)

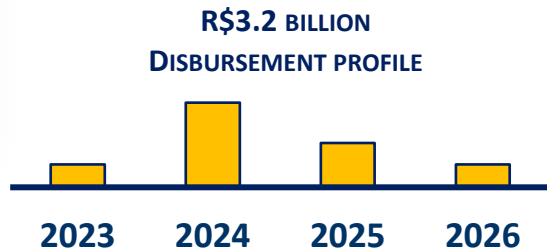
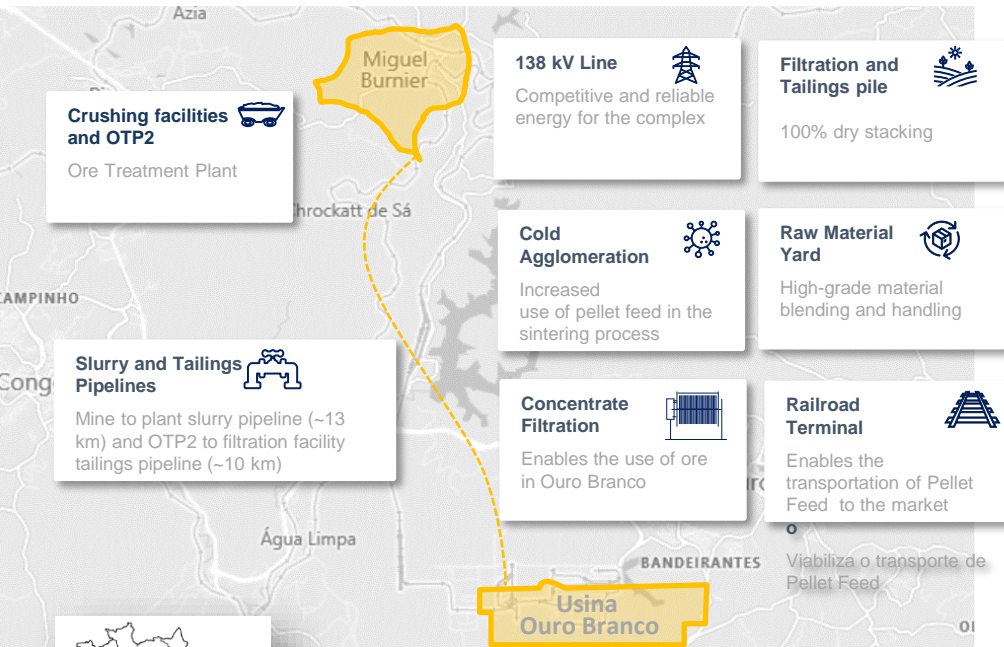
100% dry processing (without using dams)



Focus on promoting long and flat steel **growth and competitiveness** in Brazil

¹ Metric tonnes on a wet basis considering an average humidity of 10%

MAIN INVESTMENTS



YIELD = SUSTAINABILITY + COMPETITIVENESS

- Competitive Ore²:

US\$ 190 M
por ano

Rationale: 5.5 Mt with cash cost at US\$ 30/t vs. buying at market prices³

- High-Quality Ore²:

US\$ 45 M
por ano

Rationale: 65% grade, agglomeration, and yards enable us to reduce pellet consumption by 1 Mt per year in the long term³

MAJOR DRIVERS FOR THE FUTURE

- High-quality pellet feed¹ with potential for **DRI** and **pellet** production (alternatives for the decarbonization of Ouro Branco)
- Alternative for **increasing production** at the **charcoal** integrated plants

¹ Pellet feed: Iron ore crushed to very thin grains (diameter smaller than 1 mm) with high iron content and low impurity levels. It is used in pelletizing for blast-furnace use.

² Yearly yield projection for the sustainable mining program, assuming a typical post ramp-up year and the economic assumptions considered in the reserve certification process.

³ Considers a long-term price of Iron Ore 62% at US\$ 80/t CIF China, adjusted for freight and 65% quality. Long-term pellet premium of US\$45/t



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 a question live, type in your name on the #Q&A# icon and wait for your name to be announced so that you can 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
3rd QUARTER OF 2023

EARNINGS RELEASE
November 06, 2023
(after market close)

VIDEOCONFERENCE
November 07, 2023

STAKEHOLDER DAY
September 28, 2023



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THANK YOU!

Disclaimer

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