



INSTITUTIONAL PRESENTATION



Shape the future

May | 2023

THE LARGEST BRAZILIAN STEEL PRODUCER

Industrial presence in **9 countries**

32 units of steel production

74 Comercial Gerdau **Stores**

36,000 direct and indirect employees worldwide

Shares traded on the **São Paulo**, **New York**, and **Madrid** Stock Exchanges

11 million tons of **scrap steel** in its operations in Brazil and abroad

250,000 hectares of **forest base**, including eucalyptus plantations and preservation areas

2 iron ore mines



CORPORATE GOVERNANCE



CORPORATE STRUCTURE

MG

27%

Controlling Shareholders



GOAU3
GOAU4

Outstanding Shares
(Free Float)

73%

GSA

33%

Controlling Shareholders



GGBR3
GGBR4
GGB

Outstanding Shares
(Free Float)

67%

100%

INDEXES GGBR

IBOVESPA B3	ICO2 B3	IBXL B3
INDX B3	ITAG B3	IBRX B3
IGCT B3	IGCX B3	IBRA B3
IVBX B3	MLCX B3	IMAT B3

BOARD OF DIRECTORS

Guilherme Chagas Gerdaui

Chairman

André Bier Gerdaui
Johannpeter

Vice
President

Claudio Johannpeter

Vice
President

Gustavo Werneck ¹

Member

Claudia Sender

Independent
Member

Márcio Hamilton
Ferreira

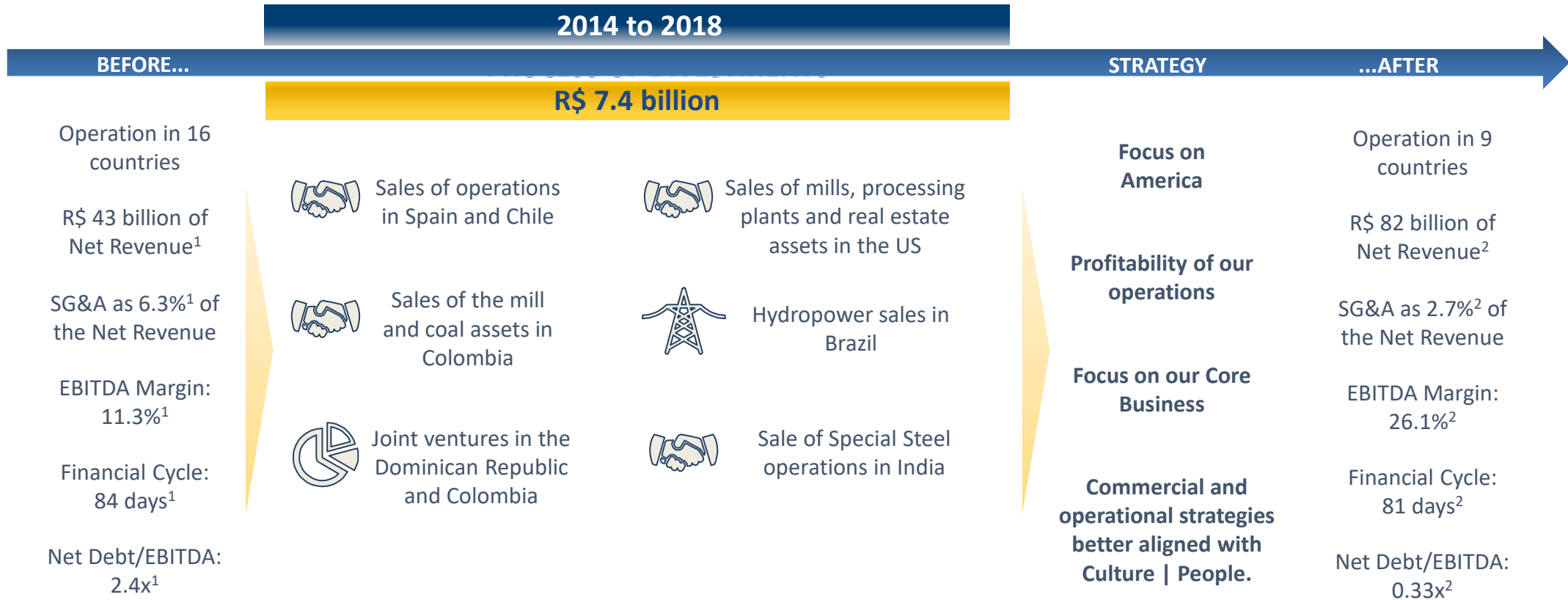
Independent
Member

Alberto Fernandes

Independent
Member

¹ Also CEO of the Company

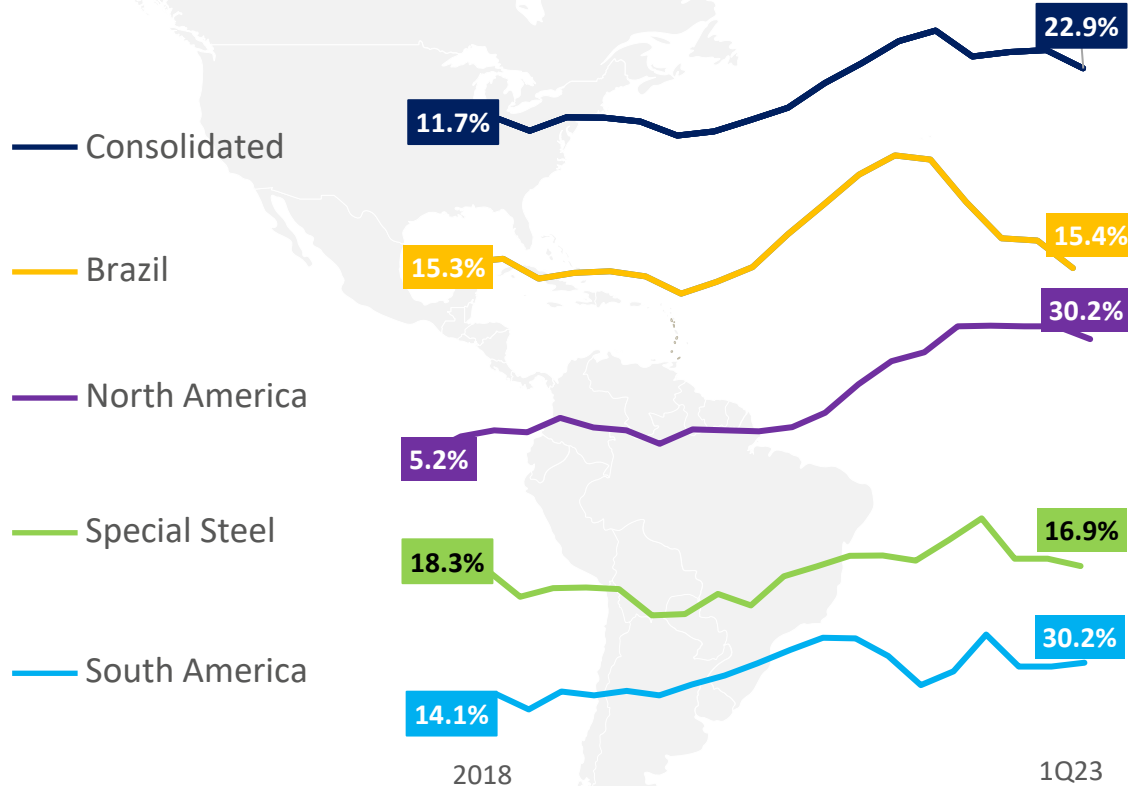
GERDAU'S SUSTAINABLE GROWTH



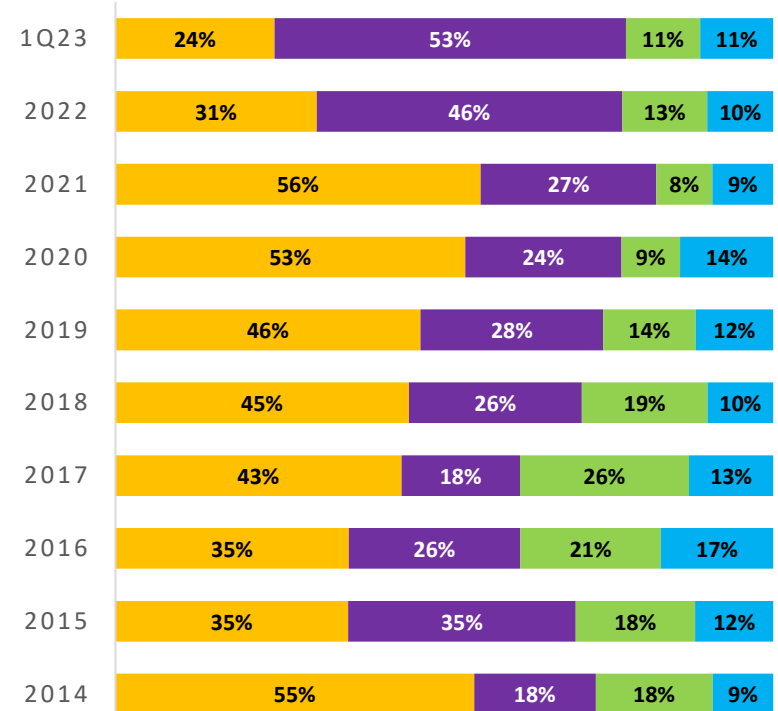
REACHING HIGHER LEVELS OF PROFITABILITY

THROUGH A MORE BALANCED PORTFOLIO

EVOLUTION OF THE EBITDA MARGIN (BY BD)



BD'S SHARE OF CONSOLIDATED EBITDA



BUSINESS MODEL STRENGTHS

BRAZIL



STRENGTHS

- Integration of production routes
- Presence in different segments of construction and industry

SECTOR/PRODUCTS

- Distribution ~ **50%**
- Industry ~ **30%**
- Construction ~ **20%**
- Long steel ~ **55%**
- Flat steel ~ **30%**
- Semi finished ~ **15%**

Local competition and cleaner steel.

Broad product portfolio, geographic diversification, proximity to raw materials and clients.

Competitive advantage in both Cost and CO₂ emission per ton.

ESG in the decision-making process.

Focus on Americas, with higher added value products.

Capital allocation discipline.

Cultural and digital transformation.

SOUTH AMERICA



- Presence in different segments of construction, featuring infrastructure, agriculture sectors and industry

- Distribution ~ **60%**
- Industry ~ **30%**
- Construction ~ **10%**
- Long steel **100%**

NORTH AMERICA



- Higher added value products and profitability
- One-stop-shop concept
- Commercial strategy review

- Distribution ~ **50%**
- Construction ~ **25%**
- Manufacturing ~ **25%**
- Structurals ~ **45%**
- Merchants/ Other Long Products ~ **45%**
- Rebar ~ **10%**

SPECIAL STEEL



- Presence in Brazil and US
- Light and heavy vehicles and O&G segments

- | | |
|-------------------------------|-------------------------------|
| Brazil: | US: |
| ▪ Automotive ~ 80% | ▪ Automotive ~ 80% |
| ▪ Non automotive ~ 20% | ▪ Non automotive ~ 20% |



NEW RELEVANT AND PROFITABLE BUSINESSES IN STRATEGIC SEGMENTS diversifying Gerdaul's business portfolio, with products and services complementary to steel

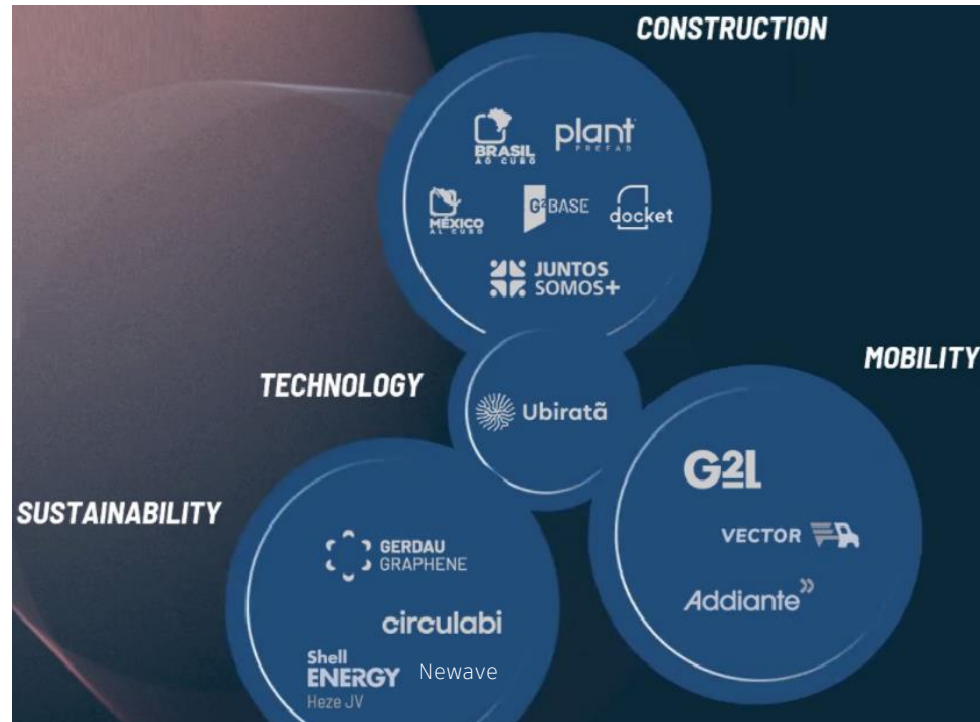
GERDAU NEXT REINFORCES OUR VISION OF LONG-TERM GROWTH

MISSION: new relevant and profitable businesses in strategic segments: Construction, Mobility, Technology and Sustainability.

GROWTH STRATEGY:

New business development through intrapreneurship, open innovation - connections with startups and external partners, and mergers and acquisitions.

PORTFOLIO: 13 companies make up the current portfolio, in addition to companies invested in by the Corporate Venture Capital fund of Gerdaul Next Ventures.



PERFORMANCE BY BUSINESS DIVISION

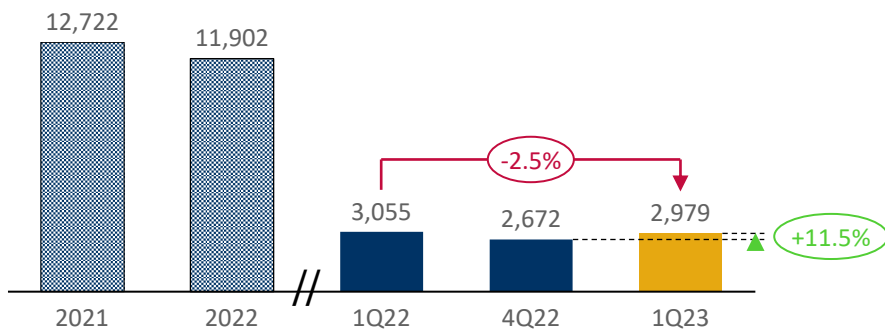


Shape the future

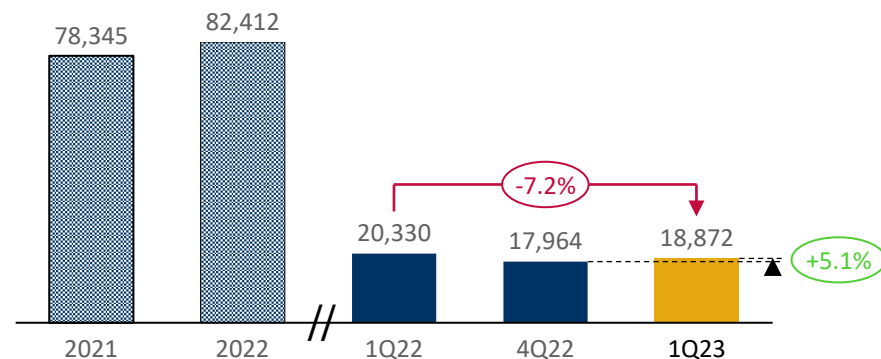
HIGHLIGHTS IN THE PERIOD

Better shipments and lower costs, despite a more challenging scenario

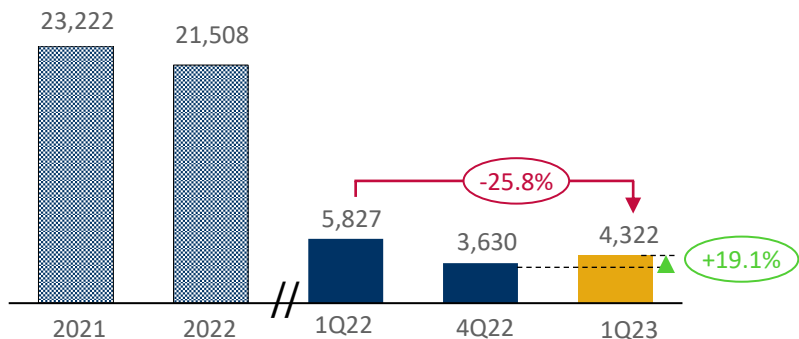
Shipments (1,000 tonnes)



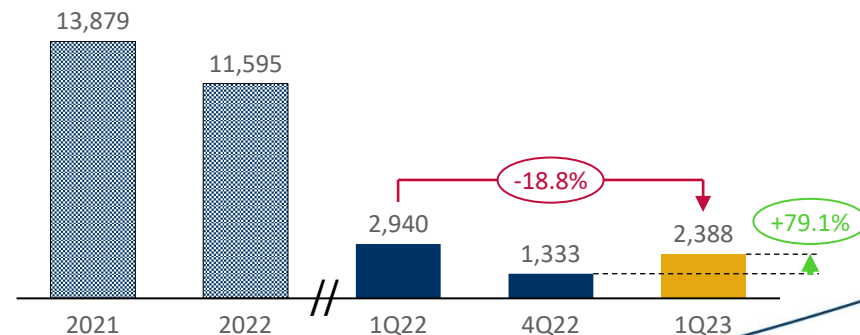
Net Sales¹ (R\$ million)



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.



GERDAU
Shape the future

NORTH AMERICA BD

- **Continuity of strong results** coming mainly of resilient demand from the construction, industrial and distribution sectors, encouraged by US government programs
- **Positive outlook** of combining demand (reshoring, nearshoring and infrastructure), consolidated supply and low penetration of imported steel
- Scenario of attention regarding the US macroeconomic outlook

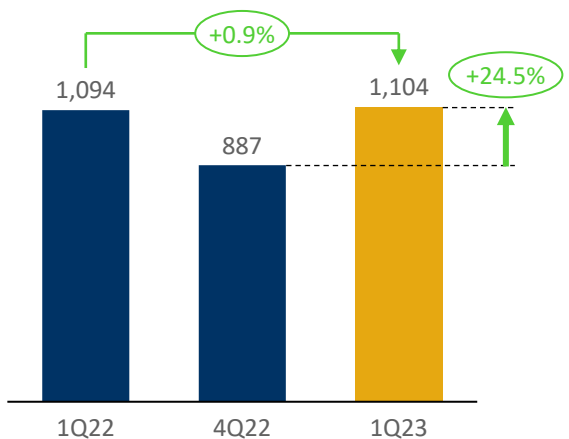
Utilization rate

Rolled steel 93%

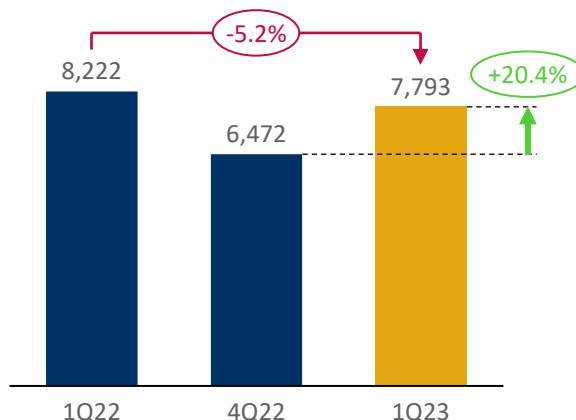
Raw steel 88%

53.5%
Consolidated
EBITDA

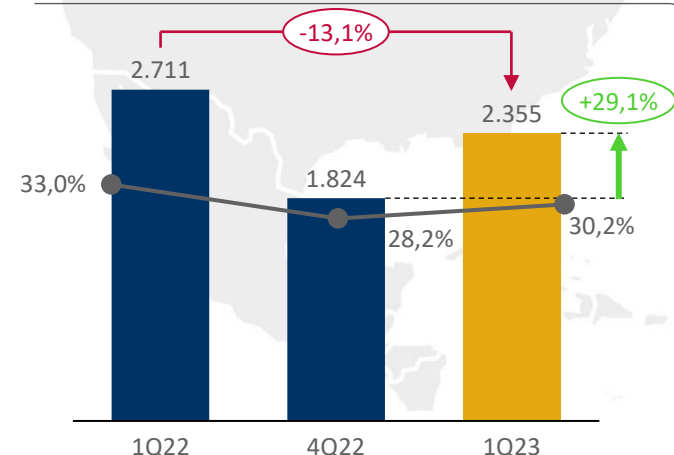
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million)/ EBITDA Margin



PMI^{1 2}
46.3



ABI^{1 3}
50.3



SPECIAL STEEL BD

Utilization rate

Rolled steel 54%

Raw steel 64%

11.3%
Consolidated
EBITDA

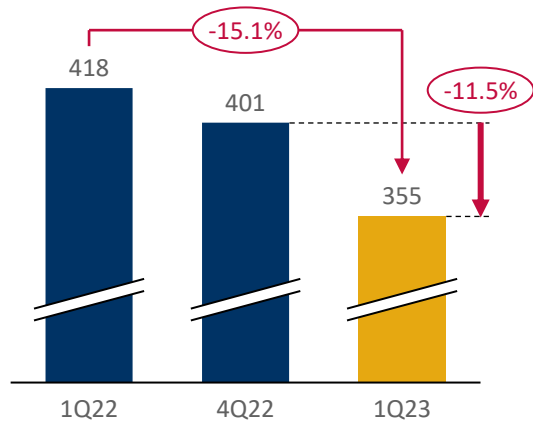
BRAZIL

- The outage of the main auto assemblers in Brazil due to weakened demand as the increase in credit and consumer's lower purchasing power, in addition to the lack of inputs
- According to external estimates¹, forecasts for **4% growth for the agricultural machinery sector in Brazil in 2023** (expectation of record harvest and sector fleet modernization)

NORTH AMERICA

- Despite positive evidence from the automotive sector, the market continues to be impacted by inventory movements, after strong demand in the 2021/22 cycle and **cautious about the macroeconomic scenario**
- Oil and gas** sector continues with strong demand, demonstrated by the monthly score of approximately 1,000 rig counts

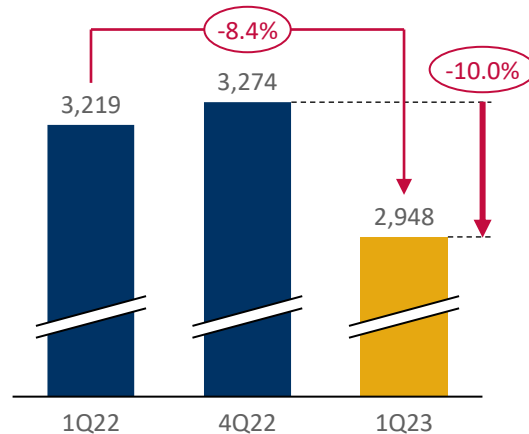
Shipments (1,000 tonnes)



BRAZIL: Sales of Light Vehicles

+16%²

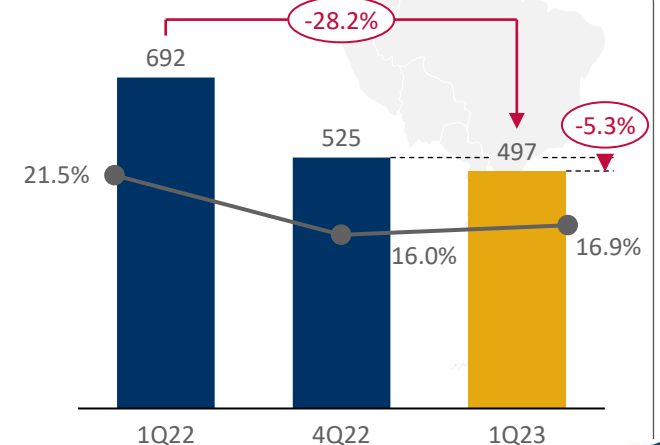
Net Sales (R\$ million)



USA: Light Vehicle Sales

15.2 million³ - Highest volume in 22 months

EBITDA (R\$ million)/EBITDA Margin



¹Source: Ministry of Economy, ² ANFAVEA – Variation between 2022 and 2023; ³IHS Markit – Rate SAAR YoY

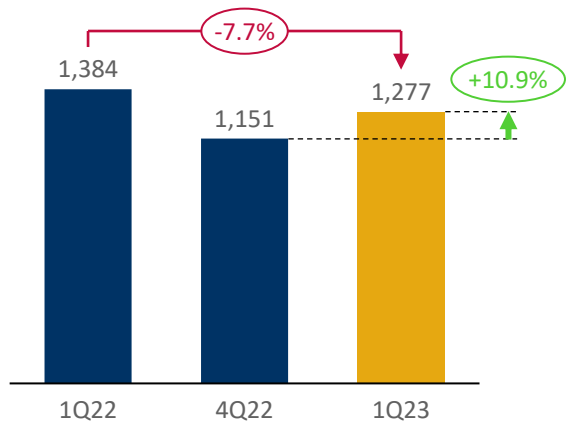
BRAZIL BD

Utilization rate
Rolled steel 63%
Raw steel 63%

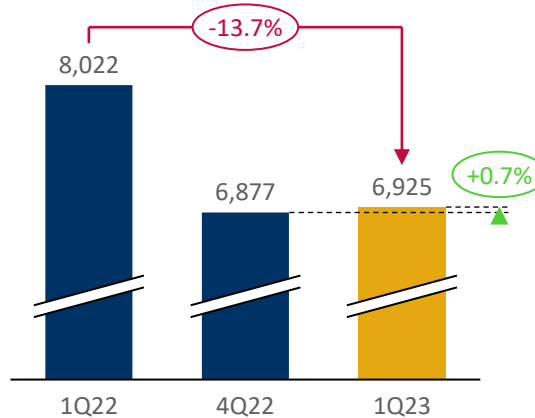
24.2%
Consolidated
EBITDA

- Gradual recovery of sales volume in the domestic market, despite a beginning year in a challenging macroeconomic scenario
- Stability in retail, cutting and bending contracts, indicating resilience in the construction sector
- Good levels of activity for the energy sector, mainly solar, wind energy, oil and gas

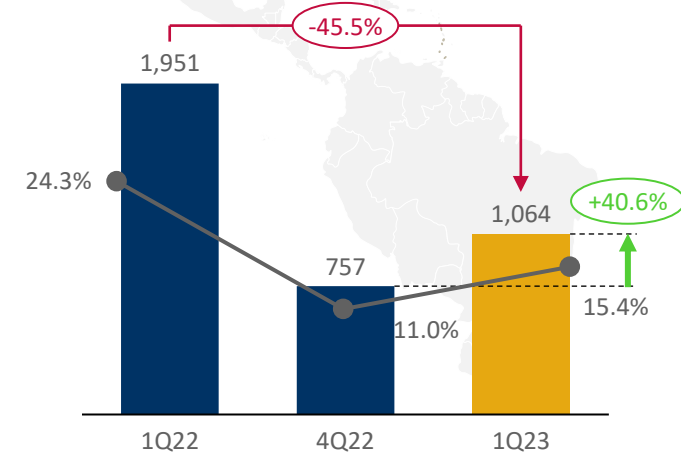
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million)/ EBITDA Margin



ICST – Construction Confidence Index
94.4 points ¹



+3%^{2,5}
Construction sites
Recorded



Real Estate Inventories
15.2 months ³



GDP Agribusiness 2023
8% ^{4,5}



Invest. Infra - Public and Private
R\$ 173 billion 2023 ⁶

¹ FGV - Mar/23; ² Neoway - Abr/23; ³ Secovi - Fev/23; ⁴ FGV-Ibre; ⁵ Variation between 2022 and 2023; ⁶ Tendências - ABDIB - Mar/23



SOUTH AMERICA BD

Utilization rate

Rolled steel 85%

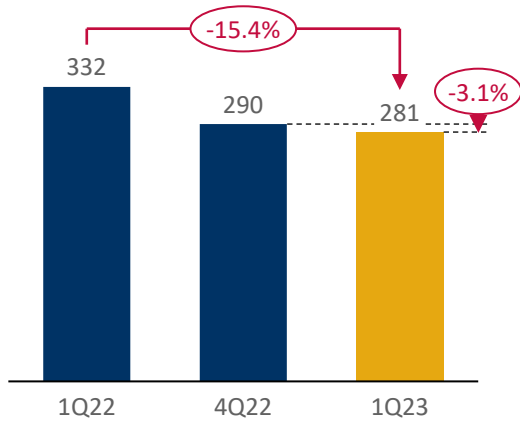
Raw steel 67%

11.1%

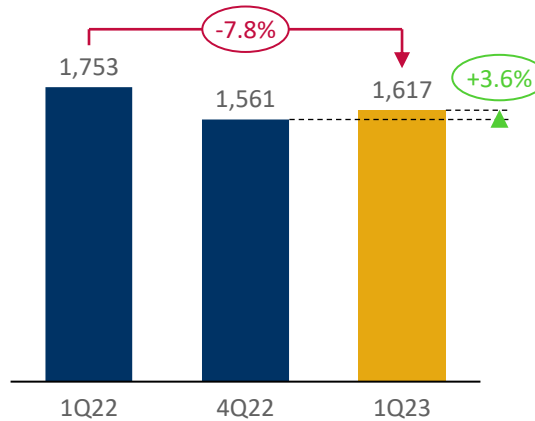
Consolidated
EBITDA

- **PERU:** local political and economic uncertainties, added to climate issues (Cyclone Yaku) reflected in drop volumes in the quarter
- **URUGUAY:** volumes going towards historic levels after a period of major infrastructure works in the country
- **ARGENTINA:** construction, energy and agribusiness sectors have been driving sales in the local market
- **JOINT-VENTURES:** better performance and contribution from Dominican Republic and Colombia in South America BD result

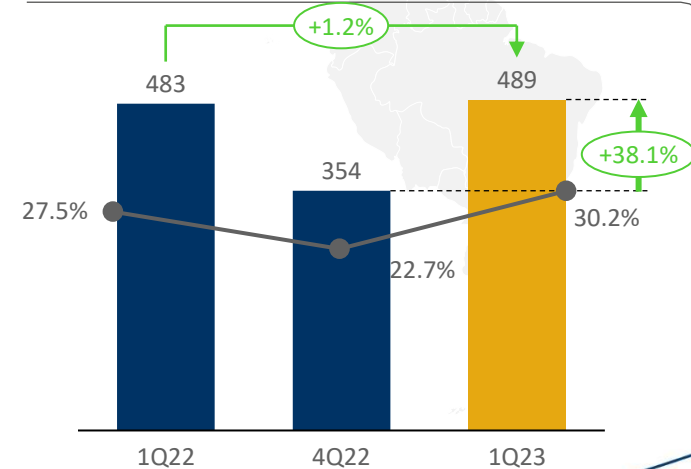
Shipments (1,000 tonnes)



Net Sales (R\$ million)



EBITDA (R\$ million)/ EBITDA Margin





CONTROLE DE QUALIDADE UTT

PLANO DE INSPEÇÃO - CONTROLE QUALIDADE UTT PRODUÇÃO

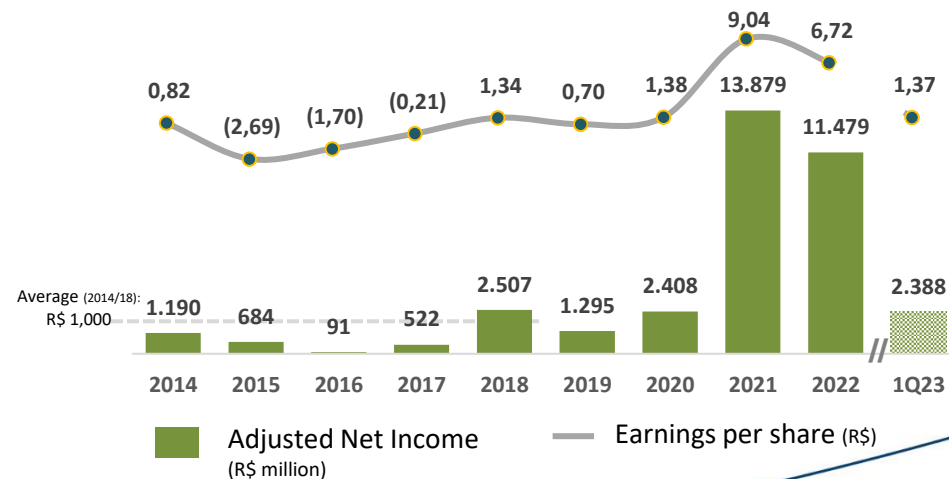
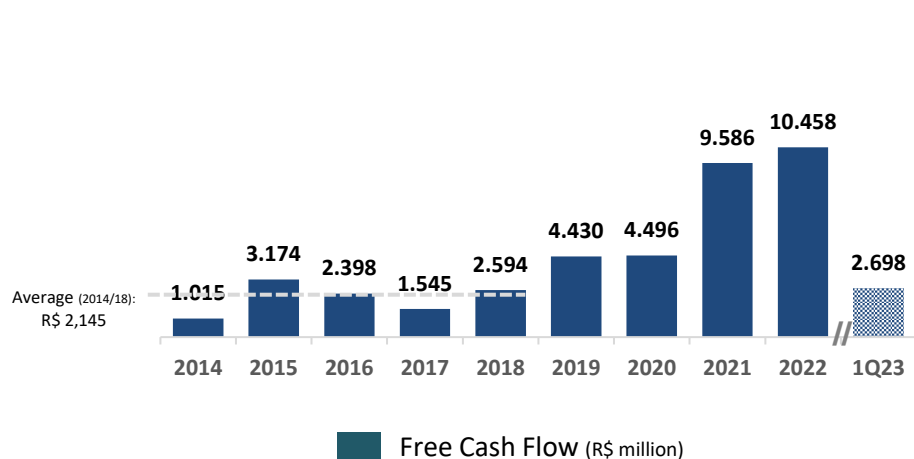
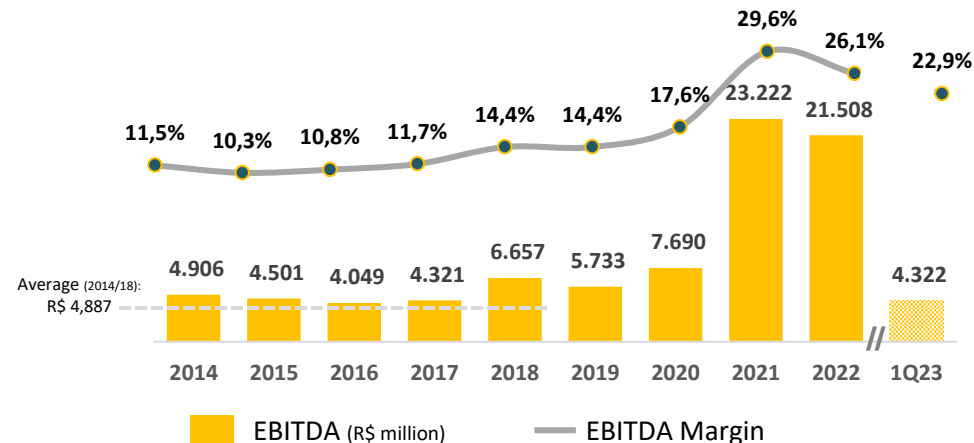
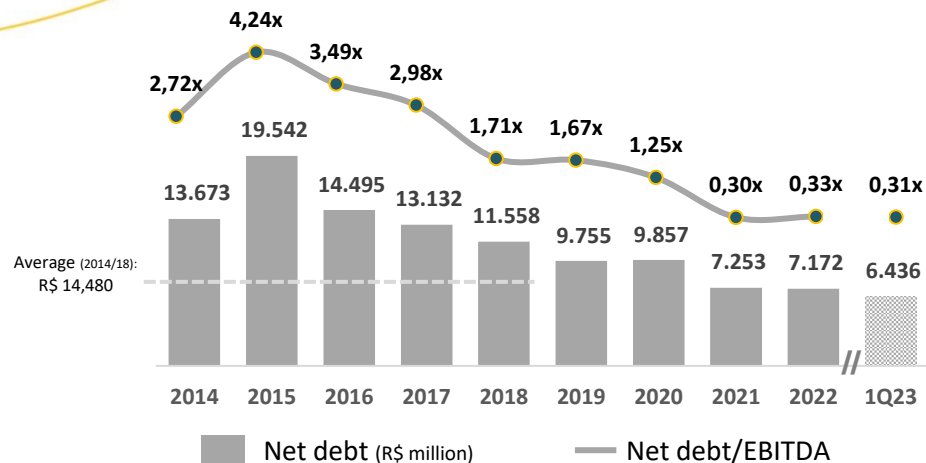
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OBSERVAÇÃO

FINANCIAL PERFORMANCE

PROGRESS IN PERFORMANCE

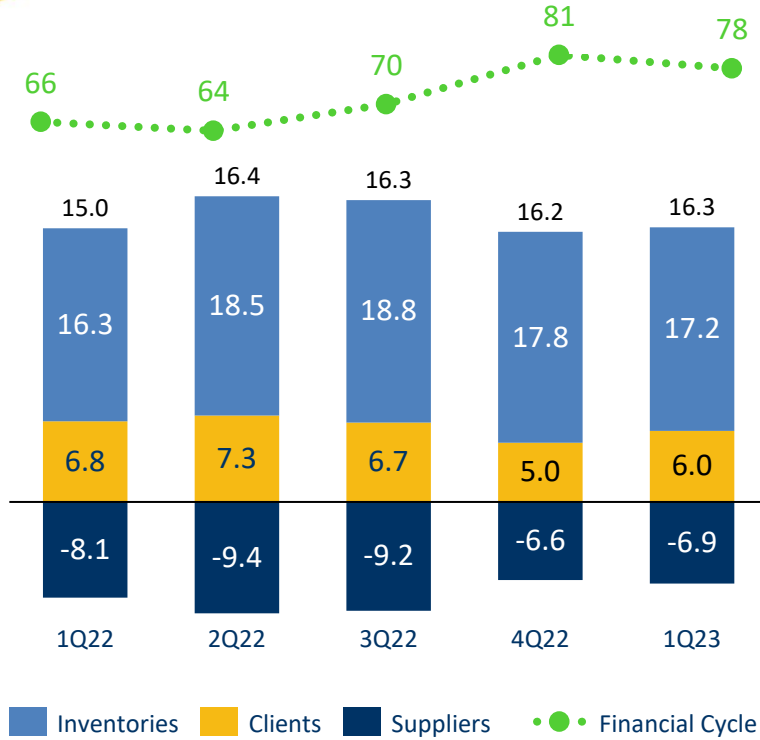
...2014-1Q23





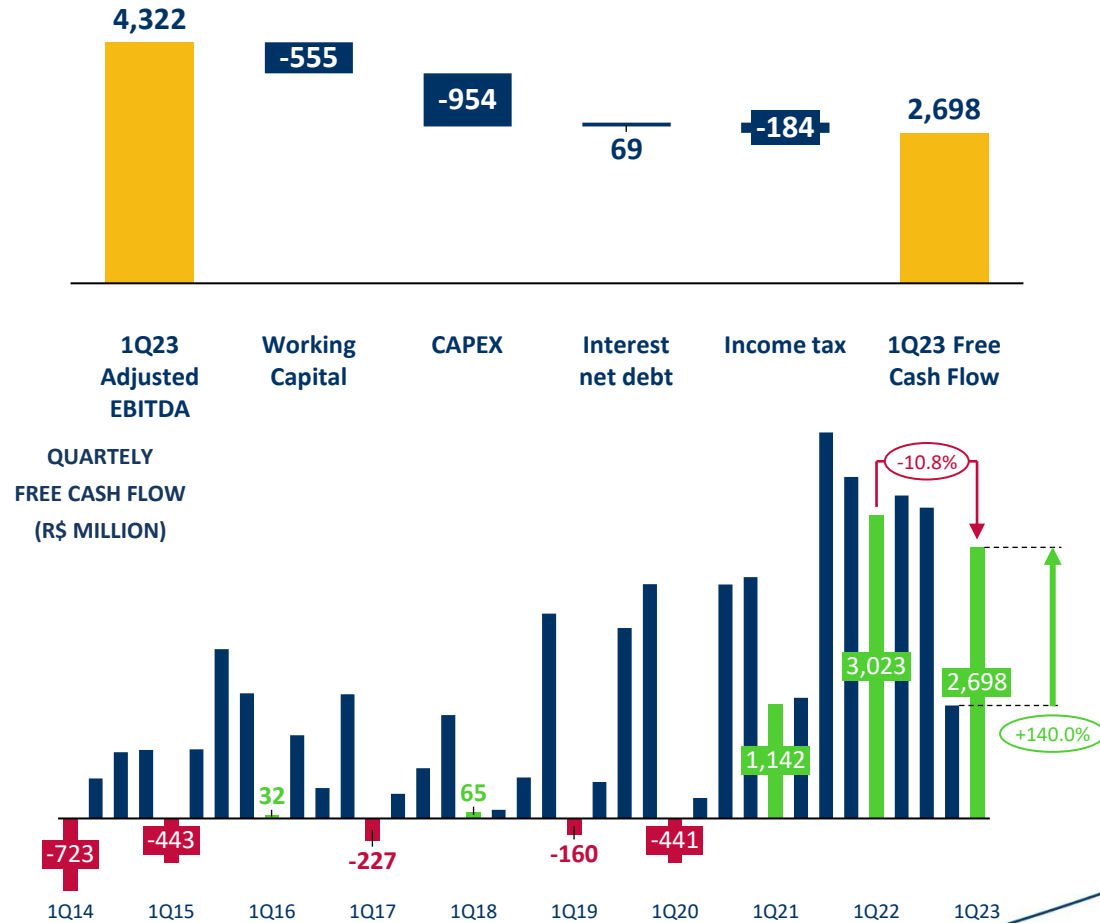
GERDAU
Shape the future

WORKING CAPITAL¹
(R\$ BILLION)
&
CASH CONVERSION
CYCLE (DAYS)



Financial Cycle of 78 days due to the recovery of demand and lower inventories in the period

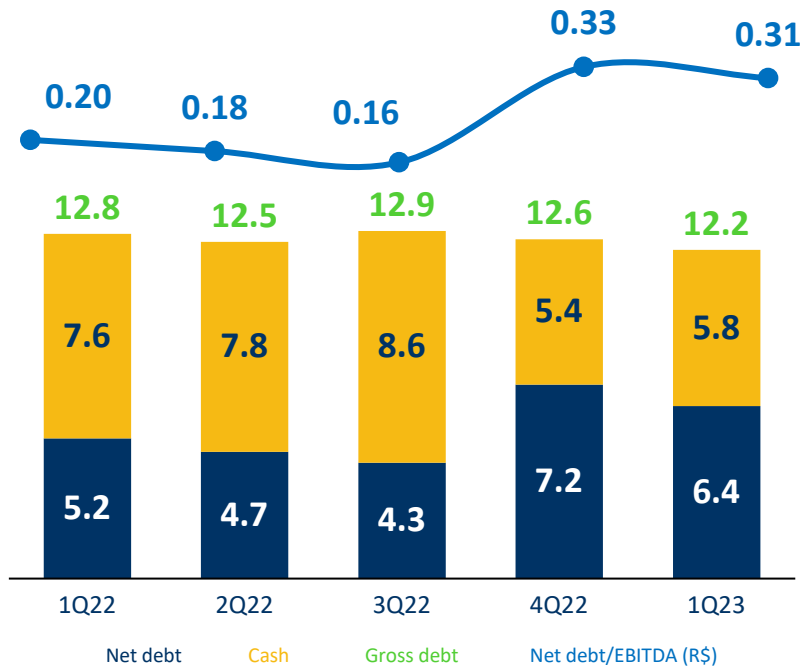
CASH FLOW & WORKING CAPITAL



¹ Considering the exchange variation of inventories, clients and suppliers

LIQUIDITY POSITION AND DEBT AMORTIZATION (R\$ BILLION)

CASH, DEBT AND LEVERAGE (R\$ BILLION)



FINANCIAL POLICY:

- Gross debt below R\$ 12 billion
- Average term > 6 anos
- Leverage below 1.5x

Average term: 7.2 years

Average cost: 7.4%



¹ Global Revolving Credit Facility

CONSISTENT PERFORMANCE THROUGH DIFFERENT METRICS

EARNINGS 1Q23

Interest on Equity
and/or Dividends
per share:

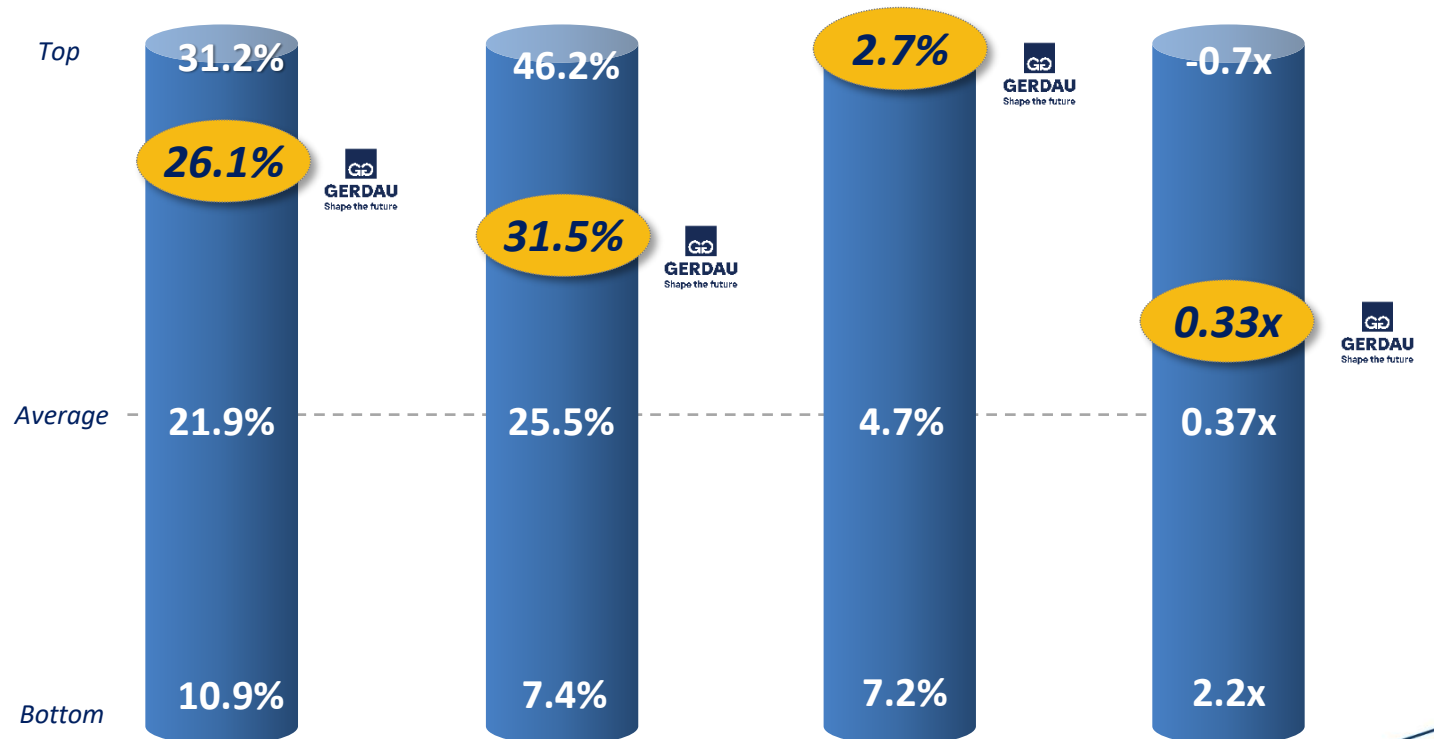
<u>GGBR</u>	<u>GOAU</u>
R\$ 0.51	R\$ 0.30

**2022
EBITDA Margin (%)**

**2022
ROCE¹ (%)**

**2022
SG&A/ Net Sales (%)**

**2022
Net Debt²/EBITDA (x)**



Peers: Gerdau, Arcelor Mittal, Commercial Metals, CSN, Nucor, Steel Dynamics, Ternium and Usiminas
Source: Bloomberg, Gerdau

¹ ROCE: Return on capital employed calculated by Bloomberg



ENVIRONMENTAL
SOCIAL
GOVERNANCE

TIMELINE ESG GERDAU

2019

- GRI
- UN Global Compact
- GHG emissions inventory
- Sustainability Policy
- 1st woman in the board

2020

- Goals ESG - ILP
- Gerdau Next
- Human Rights Policy
- Abrasca Award - Best Integrated Reporting

2021

- SASB
- Annual Report verification

2022

- B Corp - Gerdau Summit & Siderperu
- "Exame ESG" Award
- ESG workshop
- Material topics review

2020

- Materiality
- CDP Climate Change
- Helda Gerdau Program
- 1º Diversity Census
- B Movement Builders

2021

- MAC Curve
- "Reforma que Transforma" Project

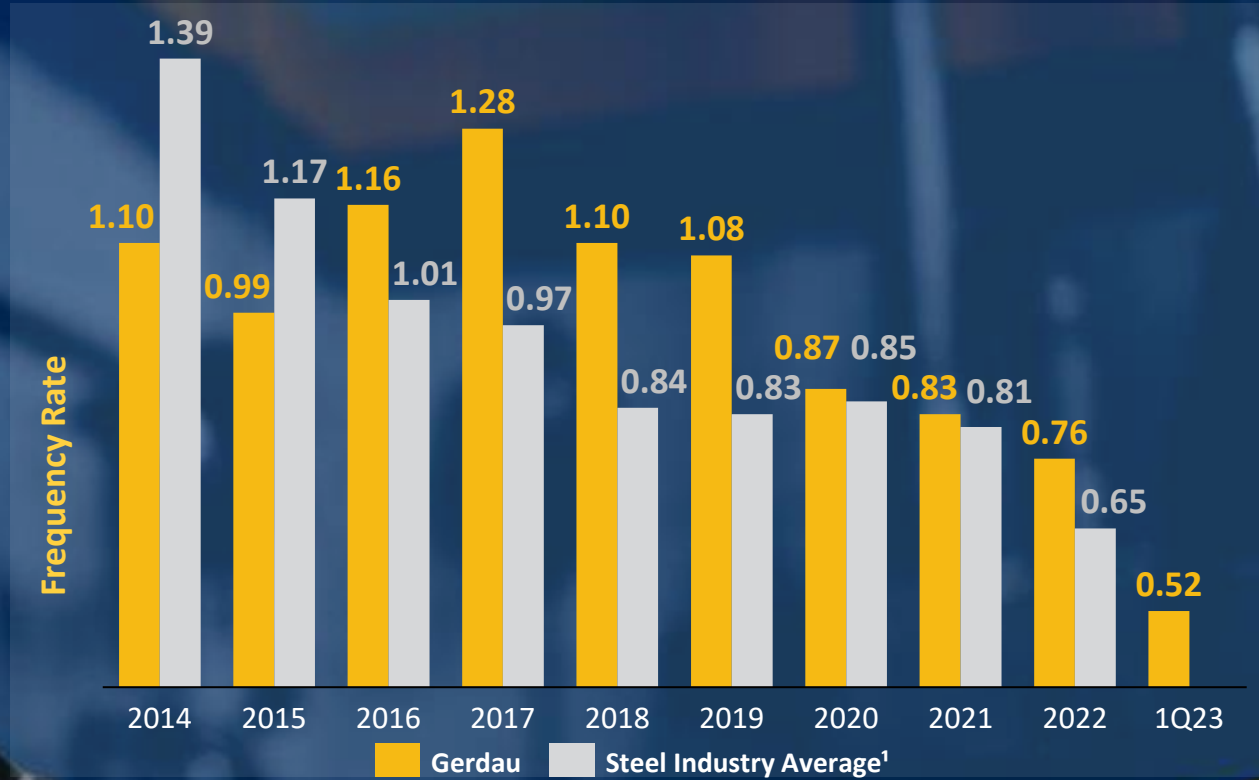
2022

- Goal of 0.83 tCO₂e/t steel by 2031
- Carbon calculator
- CDP Water Security

2023

- Since February 2023, we have been using only the DRY STACKING METHOD TO DISPOSE OF 100% OF TAILINGS in the state of Minas Gerais

Occupational health and safety management





SUMMIT & SIDERPERU

CERTIFICATIONS AS B COMPANY

SIDERPERU (our largest industrial operation in South America after Brazil) and **GERDAU SUMMIT** (a joint venture focused on supplying parts for generating wind energy) become the first two steel producers in the world to be **B CORPS**.⁽¹⁾



B CERTIFICATION IS AN
INTERNATIONAL
RECOGNITION OF AN
ORGANIZATION'S HIGH
ESG STANDARDS.



COMMITMENTS



⁽¹⁾ The new certification reflects the Company's commitment to the 'B Movement Builders' program and our ambition to certify all our operations by 2025.



ESG

Environmental
Social
Governance

Aligned with Gerdau’s commitment to be **part of solutions to society’s challenges** and to positively impact the regions where it is present, the **mining tailings management is a priority** within the Company

DRY STACKING



Use of the **MOST MODERN TECHNOLOGIES AND BEST MINING PRACTICES**



Since February 2023, we have been using only the **DRY STACKING METHOD TO DISPOSE OF 100% OF TAILINGS** resulting from the iron ore production process in the state of Minas Gerais



GERDAU
Shape the future

ESG Environmental
Social
Governance

Gerdau was once again recognized, by the Women in Leadership 2023, in the “Metallurgy, Steel and Mining” category, promoted by the NGO Women in Leadership in Latin America (WILL).



WOMEN IN LEADERSHIP

The Company was highlighted for its actions and projects aimed at qualifying and encouraging female leadership

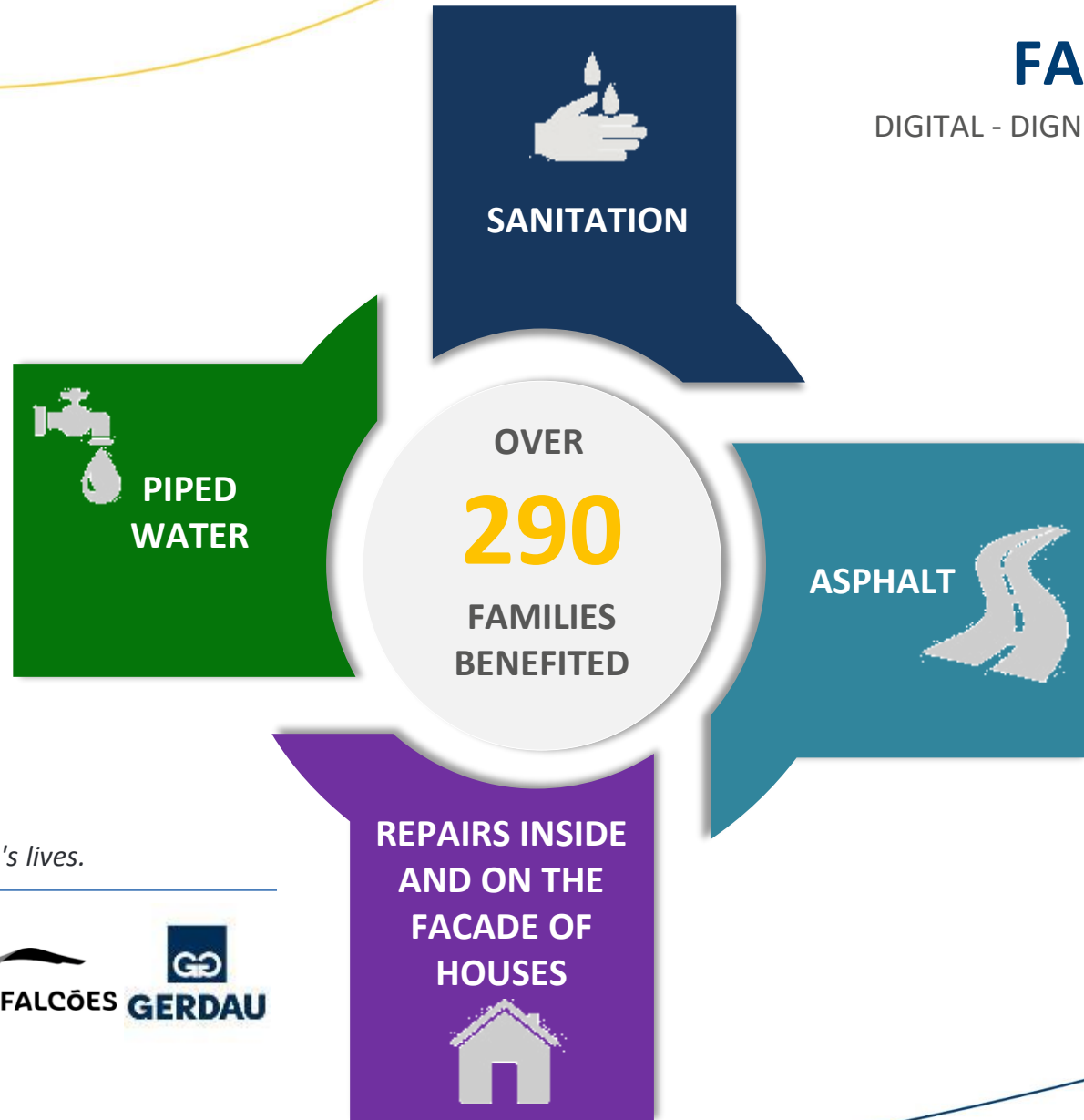


Today, women occupy 27% of the leadership positions

We aim to raise this number to 30% until 2025

THE TOWN, the new music, culture and art festival in São Paulo, organized by the same group that organizes Rock in Rio, presents Favela 3D, a pioneering partnership that will transform lives.

Joining forces can make a huge difference in people's lives.



INVESTOR RELATIONS

CFO & IRO

Rafael Japur

HEAD OF IR

Renata Oliva

IR Team

Ariana Pereira

Cristiene da Costa

Gustavo Alves

Sergio Tonidandel Jr.



GERDAU

Shape the future

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Disclaimer

This presentation may contain forward-looking statements. These forward-looking statements rely upon estimates, information or methods that may be incorrect or inaccurate and may not actually occur. These estimates are also subject to risks, uncertainties and assumptions, including, among others: general economic, political and commercial conditions in Brazil and in the markets where we operate and existing and future government regulations. Potential investors are hereby informed that these estimates do not constitute a guarantee of future performance, as they involve risks and uncertainties. The company does not undertake, and specifically denies, any obligation to update any forecasts, which only speaks as of the date they are made.