



# INSTITUTIONAL PRESENTATION

*Laçador statue  
Porto Alegre (Rio Grande do Sul, Brazil)*

**SEPTEMBER | 2024**

**Gerdau S.A.**



# GERDAU

## THE LARGEST BRAZILIAN STEEL PRODUCER

**2** iron ore mines

**71** Comercial Gerdau Stores

**29** units of steel production

Industrial presence in  
**7 countries**

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

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

**+30,000**  
Direct and indirect  
**employees worldwide**

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



### A BROAD PORTFOLIO



# CULTURAL TRANSFORMATION

## OUR PURPOSE

Empowering  
people who  
build the  
future



### **We put safety first**

Business results are never more important than people's lives.



### **We do what's right**

Ethics and respect are central to everything we do.



### **Every customer is unique**

We strive to help our customers thrive, achieving success together.



### **We communicate honestly and respectfully**

We believe that speaking our minds openly is a way of showing respect for our colleagues. We don't know everything, and that's why we believe in the importance of respectful and meaningful discussion with a genuine interest in supporting each other's growth.



### **We foster a diverse and inclusive environment**

We respect and embrace diversity, creating an environment in which everyone is given a voice, is respected and has equal opportunity.



### **Owner mindset**

We are responsible for making decisions in the best interests of the business, with our purpose and our principles as a compass.



### **We are all leaders**

We are engaged around and committed to our own and others' development.



### **We create value for all**

We fulfill our purpose by creating value for all stakeholders, sustainably.



### **Simplicity**

We focus on things that create value; this makes us more agile, efficient and productive.



### **We exceed our own limits each day**

We are constantly looking for ways to do things better and to be the best we can be. We dream big and adapt to the circumstances, and search for new and better ways of doing things.

# CORPORATE GOVERNANCE



## CORPORATE STRUCTURE



## BOARD OF DIRECTORS

Name	Position	Independent	Committees <sup>2</sup>			
			CRS	CGC	CFIN	CES
Guilherme Chagas Gerdau Johannpeter	President	No				
André Bier Gerdau Johannpeter	Vice President	No				
Claudio Johannpeter	Vice President	No				
Gustavo Werneck da Cunha <sup>1</sup>	Member	No				
Claudio Antonio Gonçalves	Member	Yes				
Claudia Sender Ramirez	Member	Yes				
Alberto Fernandes	Member	Yes				

<sup>(1)</sup> Also CEO of the Company

<sup>(2)</sup> CRS: Compensation and Succession Committee; CGC: Governance Committee Corporate; CFIN: Finance Committee; CES: Strategy and Sustainability Committee

## INDEXES GGBR

IBOV B3 ITAG B3 IGCT B3 ICO2 B3 IBRA B3 MLCX B3  
IBXL B3 IBRX B3 IGCM B3 INDX B3 IVBX B3 IMAT B3

## Executive Compensation:

STIP: 70% EBITDA/Earnings + 30% Individual goals  
LTIP (3-5 years):

- 1) 60% Performance Shares:
  - 40% EVA;
  - 10% CO2;
  - 10% Women in Leadership.
- 2) 40% Restricted Shares

- Clawback and Ownership provisions for key executives

## Gerdau's remuneration goals in relation to Management are:

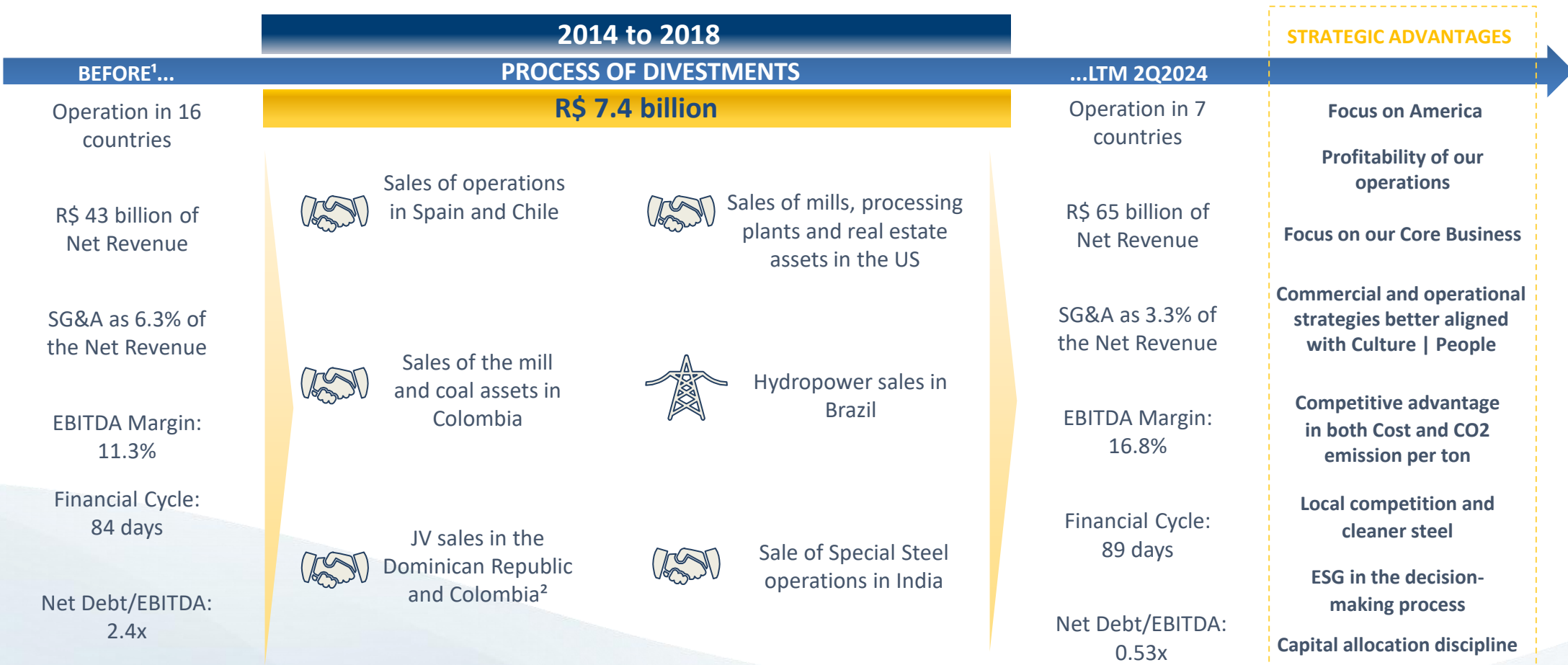
- Nurture a culture of achievement and meeting challenging targets;
- Achieve short- and long-term results consistently and sustainably;
- Attract and engage elite executives via competitive remuneration practices.

## The annual Remuneration Proposal for Gerdau Management:

We have the support of specialist Global Remuneration Consultancy firms value of positions and to ascertain market benchmarks. The benchmark value uses Brazilian or global companies of a similar size to Gerdau, operating in the steel and related industries, or even potential competitors for our professionals.

# GERDAU' SUSTAINABLE GROWTH...

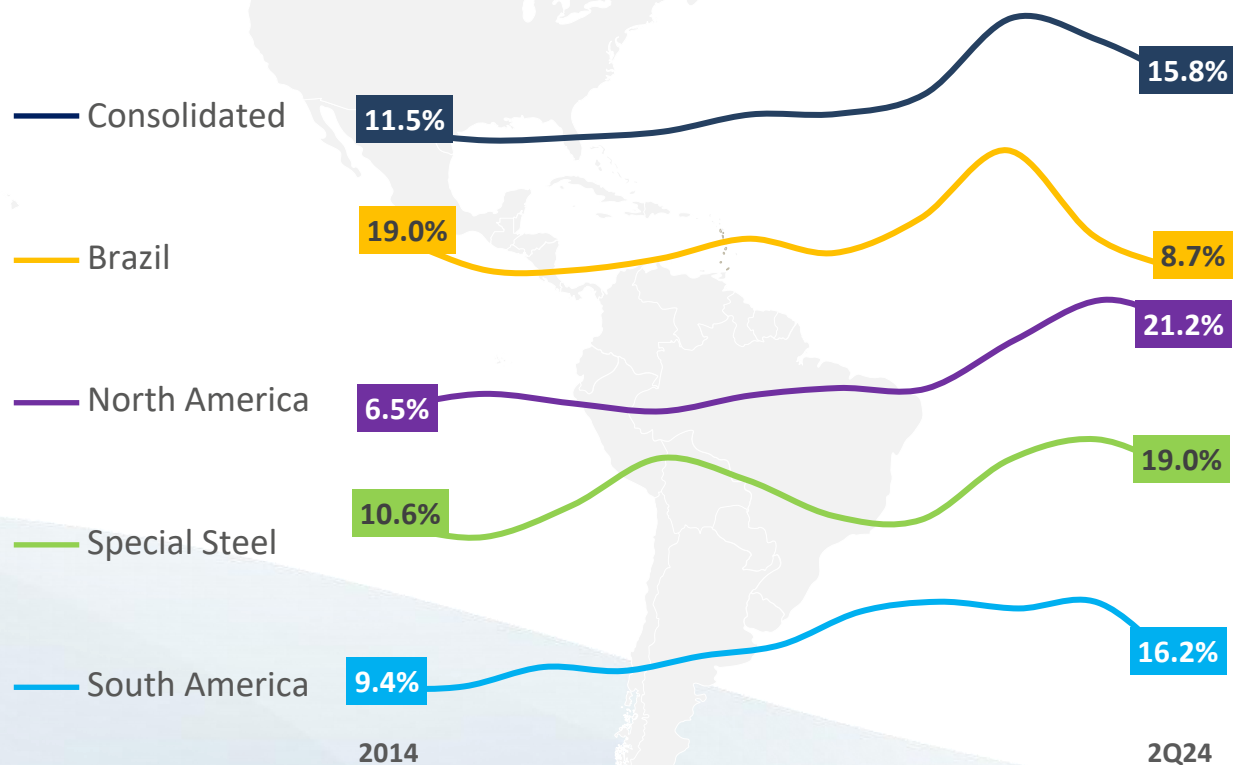
**+120**  
**YEARS OF**  
**HISTORY**



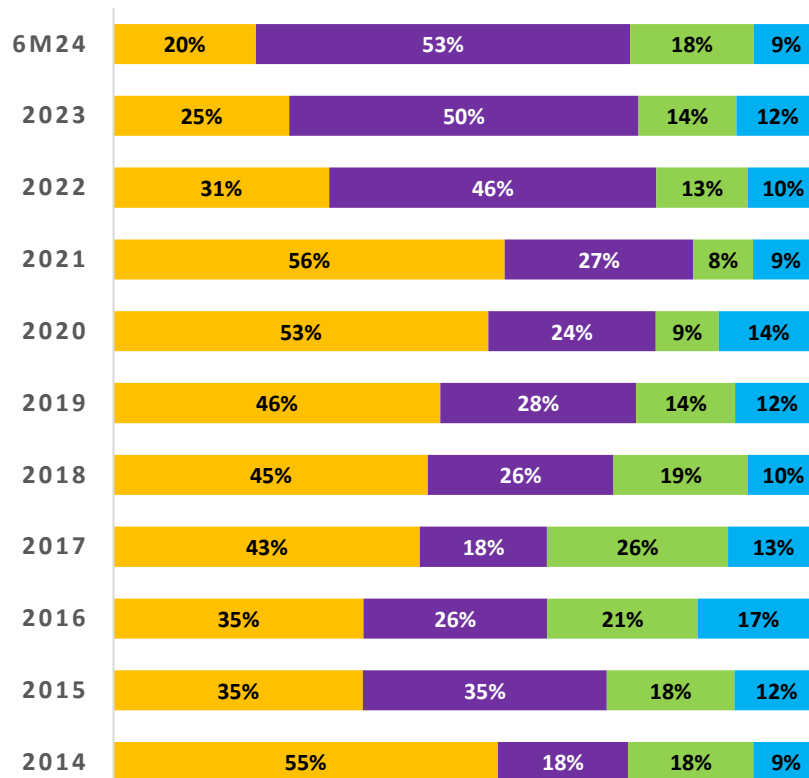
(1) Data referring to the closing of the year 2014  
 (2) Data referring to the closing in 2017 (~50% - US\$165 million for Colombia) and 2024 (~50% US\$ 325 million for Colombia + Dominican Republic)

# ...REACHING STRONGER LEVELS OF PROFITABILITY

EVOLUTION OF THE EBITDA  
MARGIN (BY BD)



BD'S SHARE OF  
CONSOLIDATED EBITDA



# NORTH AMERICA BD

PRODUCTS AND SERVICES TO SHARE GREATER VALUE FOR OUR CUSTOMERS

## STRUCTURE AND COMPETITIVE ADVANTAGES



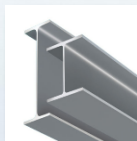
+ than 7 thousand employees

One of the market leaders **with all facilities based on scrap** and excellence in service provision through the **one-stop-shop and B2B concept**

**10 Industrial plants**, operating in the **USA** and **Canada**, and joint ventures in **Mexico**. **Lowest CO<sub>2</sub> emitter in the North American** steel production chain

Markets: **Construction ~25%** (non-residencial), **Distribution ~50%** (civil, metallic, foundations and retaining) and **Industry ~25%** (energy, agriculture, automotive, etc.)

Capacity of **5,400 MT of crude steel**, **100% scrap based**



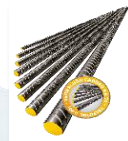
Structural



Merchant bar

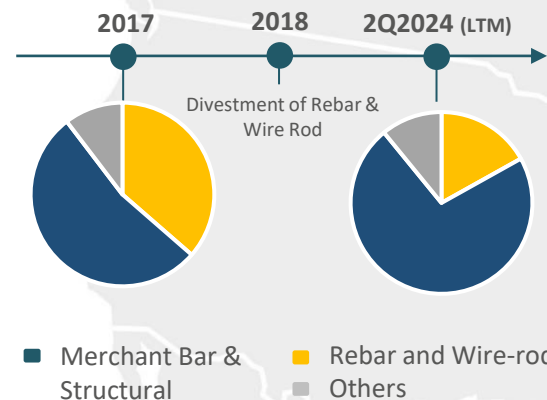


SBQ



Rebar

## NORTH AMERICA BD'S TIMELINE (VOLUME)



## PRODUCTS

**45%** Merchant/Others long products  
**45%** Structural  
**10%** Rebar

**INVESTMENTS IN  
MACHINE LEARNING,**

**BRINGING MORE  
SAVINGS AND BETTER  
SECURITY PRACTICES**

## STRUCTURE AND COMPETITIVE ADVANTAGES



Special steel requires **advanced manufacturing processes** due to their characteristics in **high-demand applications**



### Wire-rod

O diagrama mostra um caminhão com os seguintes componentes rotulados:

- Steering**
  - alças
  - crometalizadas
  - cubos de roda
  - rolamentos
  - valvulas de pressão
  - elementos de partida
  - elementos de fricção
- Transmission**
  - alças e eixos
  - engrenagens
  - lábios
  - rolamentos
  - elementos de fricção
- Brakes**
  - alças
  - mola
- Engine**
  - balde
  - vibração
  - alças
  - eixo de comando de válvula
  - engrenagem
  - elementos de partida
  - elementos de fricção
- Suspension**
  - molas
  - barra estabilizadora
  - amortecedores
  - graxeiros
  - alças
  - elementos de fricção
- Gear box**
  - eixo primário e secundário
  - engrenagens
  - rolamentos
  - elementos de fricção

O diagrama mostra um veículo com os seguintes componentes destacados:

- Suspension**
  - molas
  - amortecedores
  - gruppings
  - pinos
  - elementos de tração
- Gear box**
  - eixo primário e secundário
  - engrenagens
  - involúcras
  - elementos de tração
- Engine**
  - motor
  - ventilador
  - sensores
  - sensores de comando de válvula
  - injeção
  - elementos de partida
  - elementos de tração
- Steering**
  - eixo
  - coluna
  - coluna de roda
  - componentes
  - velocidade de pressão
  - elementos de tração
- Transmission**
  - eixo
  - sensores
  - engrenagens
  - involúcras
  - elementos de tração

**Lifting system**

- hinois hidráulicos
- pinos
- eixo de comando de válvula
- componentes
- elementos de partida
- elementos de fixação

**Rear Axle**

- semieixos
- arborescência
- eixos de transmissão
- ponte de eixo
- rolamentos
- elementos de fixação

**Gear box**

- hinois principais e secundários
- engrenagens
- rolamentos
- elementos de fixação

**Engine**

- hinois
- cravadores
- colchões do motor
- rolamentos
- elementos de pressão
- elementos de partida
- elementos de fixação

**Transmission**

**15kg or special steel**

**Suspension**  
amortecedores  
elementos de flanco

**Engine**  
cilindro  
válvulas  
palme  
eixo de comando de válvulas  
cilindros  
elementos de partida  
elementos de flanco

**Steering**  
elementos  
elementos de flanco

**Gear box**  
eixo primário e secundário  
engrenagens  
elementos de flanco

**Transmission**  
eixo  
pinhão  
flangeamento  
necessito de flanco  
palme

**Brakes**  
eixo  
molas  
pinho  
elementos de flanco

FOCUS ON LONG AND FLAT STEEL GROWTH AND COMPETITIVENESS IN BRAZIL

## STRUCTURE AND COMPETITIVE ADVANTAGES



+ than 20 thousand employees



**13 Industrial plants** in Ceará, Minas Gerais, Paraná, Pernambuco, Rio de Janeiro, Rio Grande do Sul and São Paulo.  
**71 own steel distribution stores**



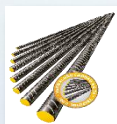
Markets: **Construction** ~20% (civil, metallic, foundations and retaining), **Industry** ~30% (energy, agriculture, etc.) and **Distribution** ~50%



Capacity of **7,700 MT of crude steel**, approximately **50% Integrated Route and 50% Mini Mill**



We are **the largest producer of charcoal in the world** with more than **250 thousand hectares of forest base** in the state of **Minas Gerais**.



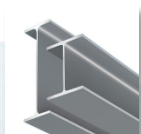
Rebar



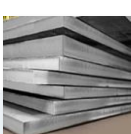
Wire-rod



HRC



Beams



Plate

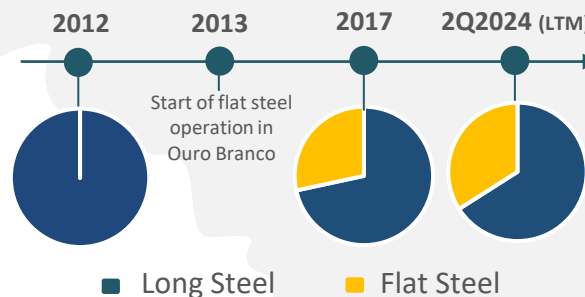


Nails



Wires

## BRAZIL BD'S TIMELINE (VOLUME)



## PRODUCTS

**50%** Long Steel  
**35%** Flat Steel  
**15%** Semi-Finished

SINCE FEBRUARY/23 **WE NO LONGER USE THE TAILINGS DISPOSAL DAM**, ALL PROCESSING HAS BEEN DONE THROUGH **DRY STACKING METHOD**.

# SOUTH AMERICA BD

EACH OPERATION IS FOCUSED ON ITS OWN DOMESTIC MARKET AND MAINTAINS ITS COMPETITIVE POSITIONS DEPENDING ON THE CONDITIONS IN ITS RESPECTIVE MARKETS

## STRUCTURE AND COMPETITIVE ADVANTAGES



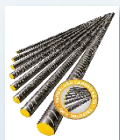
**+ than 1 thousand employees**

Presence in **Argentina, Uruguay** and **Peru**

Markets: **Construction** ~20% (civil, metallic, foundations and retaining), **Distribution** ~70% (semi-finished) e **Industry** ~10% (energy, agriculture, etc.)

Capacity of **890 MT of crude steel**, **100% scrap based**

**Imports rebars, merchant bar and billets** from **Brazil BD**



Rebar



Wires



Merchant bar



Structural

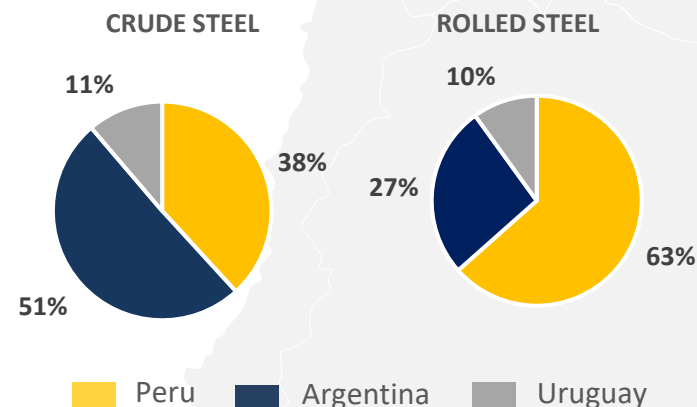


Nails



Wire-rod

## PRODUCTION CAPACITY IN EACH COUNTRY



## PRODUCTS

**100% Long Steel**

**SIDERPERU'S CERTIFICATION,**  
AS A **B COMPANY**, REAFFIRMS  
THE JOURNEY OF  
**SUSTAINABILITY** AND THE  
SEARCH TO BE PART OF THE  
**SOLUTIONS TO SOCIETY'S**  
**CHALLENGES AND DILEMMAS**

# GERDAU NEXT

**NEW RELEVANT AND PROFITABLE BUSINESSES IN STRATEGIC SEGMENTS DIVERSIFYING GERDAU'S BUSINESS PORTFOLIO, WITH PRODUCTS AND SERVICES COMPLEMENTARY TO STEEL**

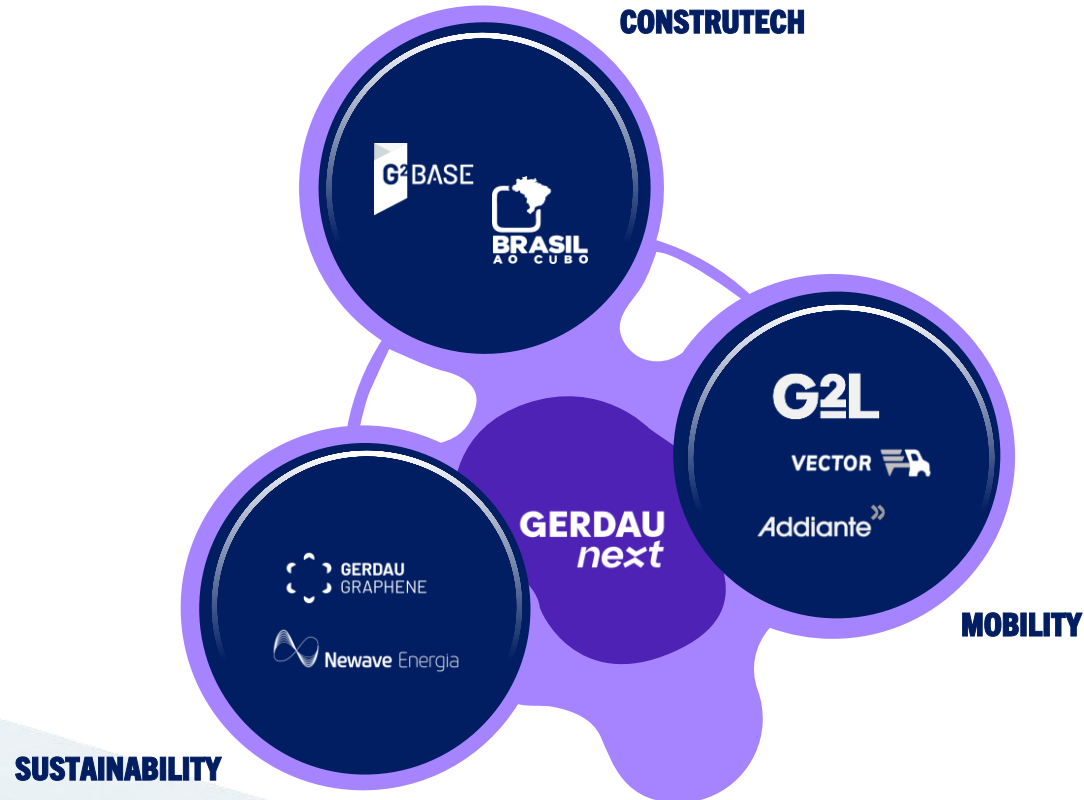
**REINFORCES OUR VISION OF  
LONG-TERM GROWTH**

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

## **GROWTH STRATEGY:**

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

**PORTFOLIO:** 7 companies make up the current portfolio, in addition to companies invested in by the Corporate Venture Capital fund of Gerdau Next Ventures.



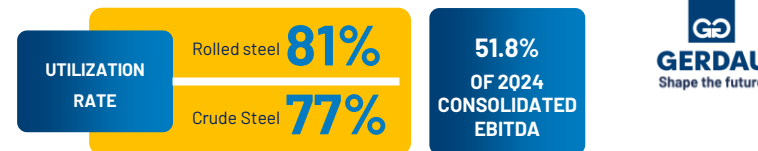
**Fostering  
sustainable and  
efficient growth  
through strategic  
partnerships and  
entrepreneurial  
leadership**

**GERDAU**  
*next*

# PERFORMANCE BY BUSINESS DIVISION

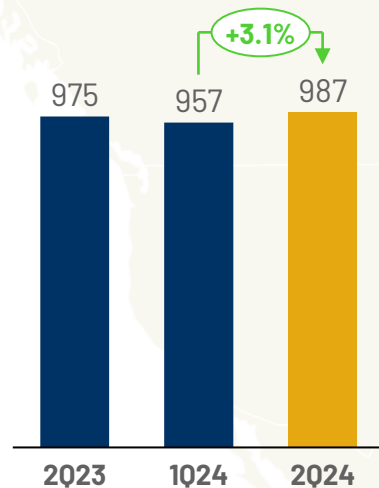


# NORTH AMERICA BD

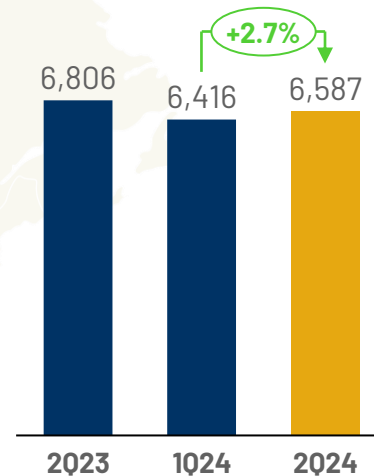


- Construction activities continue to be boosted by industrial plant, health care center, and AI data center projects.
- The order backlog has remained stable since the beginning of the year, reflecting the normalization of the activity level of the sectors we serve.
- The infrastructure sector has started to feel a positive impact from the government programs.
- Commercial strategy and cost control efforts sustain margins above the historical average, despite pressure on prices.

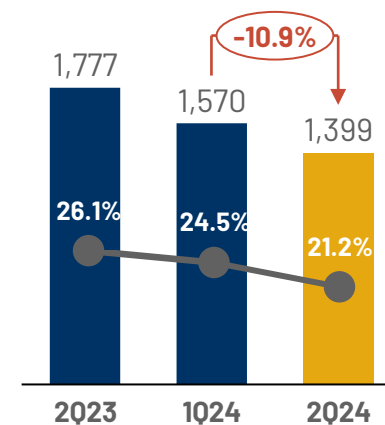
## Shipments (1,000 tonnes)



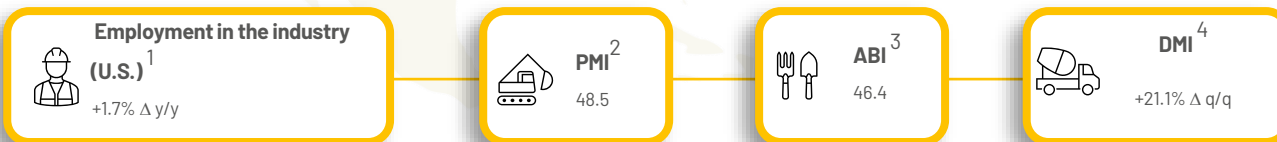
## Net Sales (R\$ million)



## EBITDA (R\$ million) EBITDA Margin



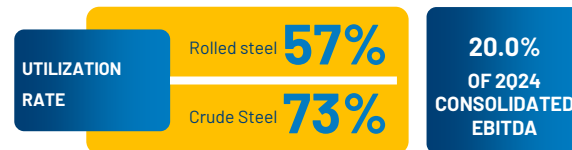
## Indicators



Reference month: June 2024.

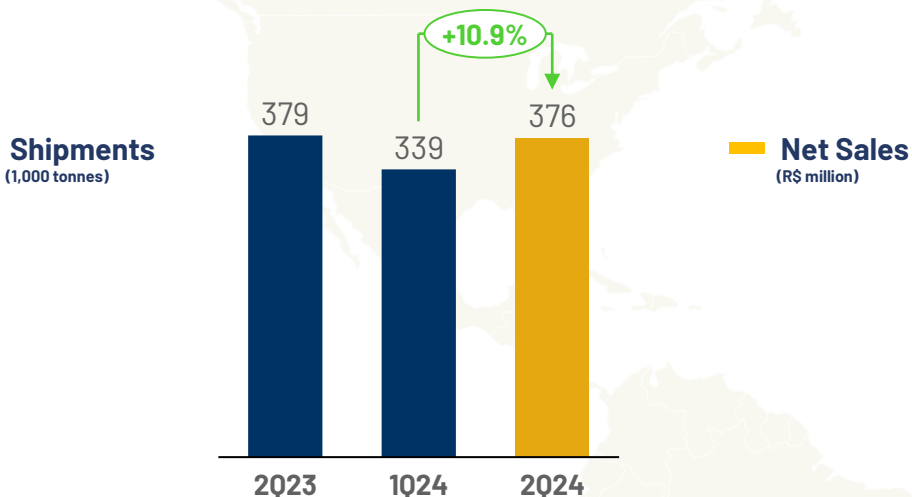
<sup>1</sup> U.S. Bureau of Labor Statistics. <sup>2</sup> Institute for Supply Management's Manufacturing index. <sup>3</sup> Architectural Billings Index. <sup>4</sup> Dodge Construction Network.

# SPECIAL STEEL BD



## BRAZIL

- Light vehicles:** Production slowed down in the quarter, reflecting lower exports and higher imports in the country (+449% vehicles from China in 1H24). ANFAVEA estimates growth of 4.8% in 2024.
- Heavy vehicles:** Production recovery continues at a healthy pace, influenced by the *"Caminho da Escola"* government program and inventory replenishment in the truck line. ANFAVEA estimates growth of 32.1% in 2024.



## Indicators



**Light Vehicle Production in 2024**  
-2.0%  $\Delta$  y/y<sup>1</sup>

**Heavy Vehicle Production in 2024**  
+53.3%  $\Delta$  y/y<sup>1</sup>

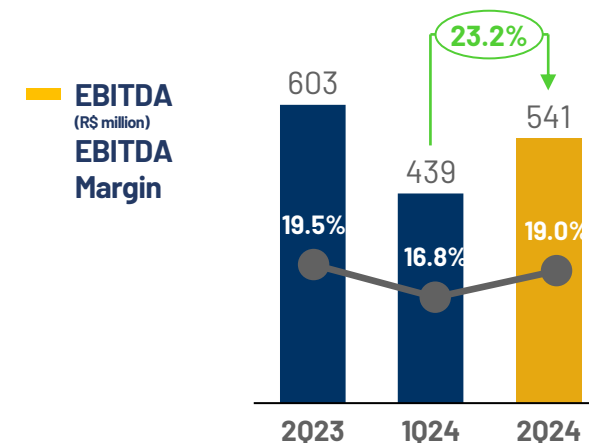


**Light Vehicle Production in 2024**  
Stable  $\Delta$  y/y<sup>2</sup>

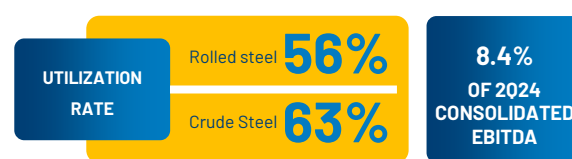
**Class 8 Vehicle Production in 2024**  
-16.5%  $\Delta$  y/y<sup>2</sup>

## NORTH AMERICA

- Light vehicles:** The sector continues to recover, despite challenging interest rates and high prices.
- Class 8 vehicles:** Despite a better outlook for the freight market for the coming quarters, production continues to be impacted by a high comparison base last year.
- Oil & gas:** Rig count closed 2Q24 down ~10% from 1Q24, reflecting the impact of inflation on production costs.
- Mexico:** We continue to carry out feasibility studies for a greenfield Special Steel project in the country. 🇲🇽

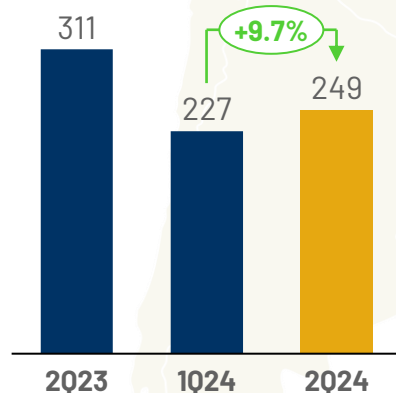


# SOUTH AMERICA BD

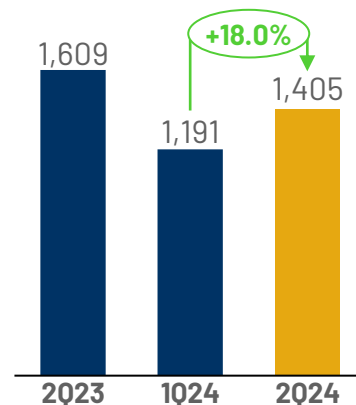


- Argentina:** Economic measures should gradually impact the recovery in the industrial and civil construction sectors.
- Peru:** The result was boosted by the civil construction sector and the recovery in the industrial and mining sectors.
- Uruguay:** Demand was stable due to public and private construction projects. Prices were pressured by higher steel imports.

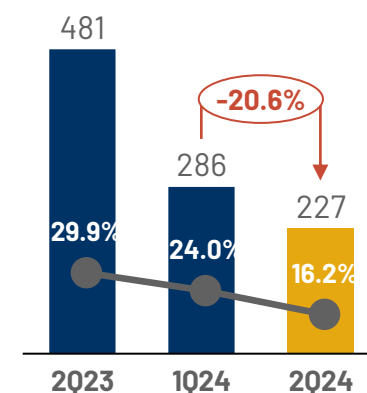
## Shipments (1,000 tonnes)



## Net Sales (R\$ million)



## EBITDA (R\$ million) EBITDA Margin



## Indicators



**Apparent Consumption of Long Steel**  
168 kt (-32.5% Δ q/q)<sup>1</sup>



**Business Confidence Index** – 47.6<sup>2</sup>  
↑ 1.0-point Δ q/q

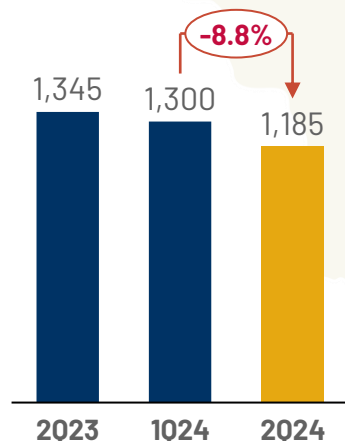


**Apparent Consumption of Long Steel**  
29Kt (+6.9% Δ q/q.)<sup>3</sup>

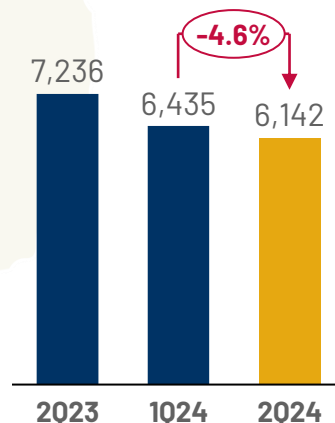
# BRAZIL BD

- Steel import penetration reached 18.4% in 2Q24, up 1.6 p.p. year over year.
- The import quota system should produce results in 2H24.
- Lower export volume enabled a higher value-added product mix.
- Pressure of costs and working capital, associated with the adjustment of production capacity (idling of the Barão de Cocais, Cearense, and Sete Lagoas units).
- In civil construction, the average number of launches between January and May was 32%<sup>5</sup> higher than in 2023.

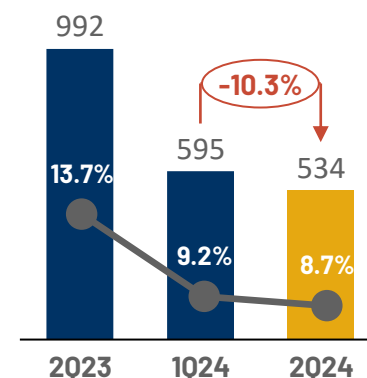
## Shipments (1,000 tonnes)



## Net Sales (R\$ million)



## EBITDA (R\$ million) EBITDA Margin



## Indicators



Real estate inventory  
in São Paulo city  
7.6<sup>1</sup> months



Real Estate Launches  
+8.5%<sup>2</sup>



Manufacturing  
Industry  
+2.2%<sup>3</sup>



Infrastructure Investments  
(Public + Private)  
+11.2%<sup>4</sup>

UTILIZATION  
RATE

Rolled steel **62%**  
Crude Steel **70%**

19.8%  
OF 2024  
CONSOLIDATED  
EBITDA

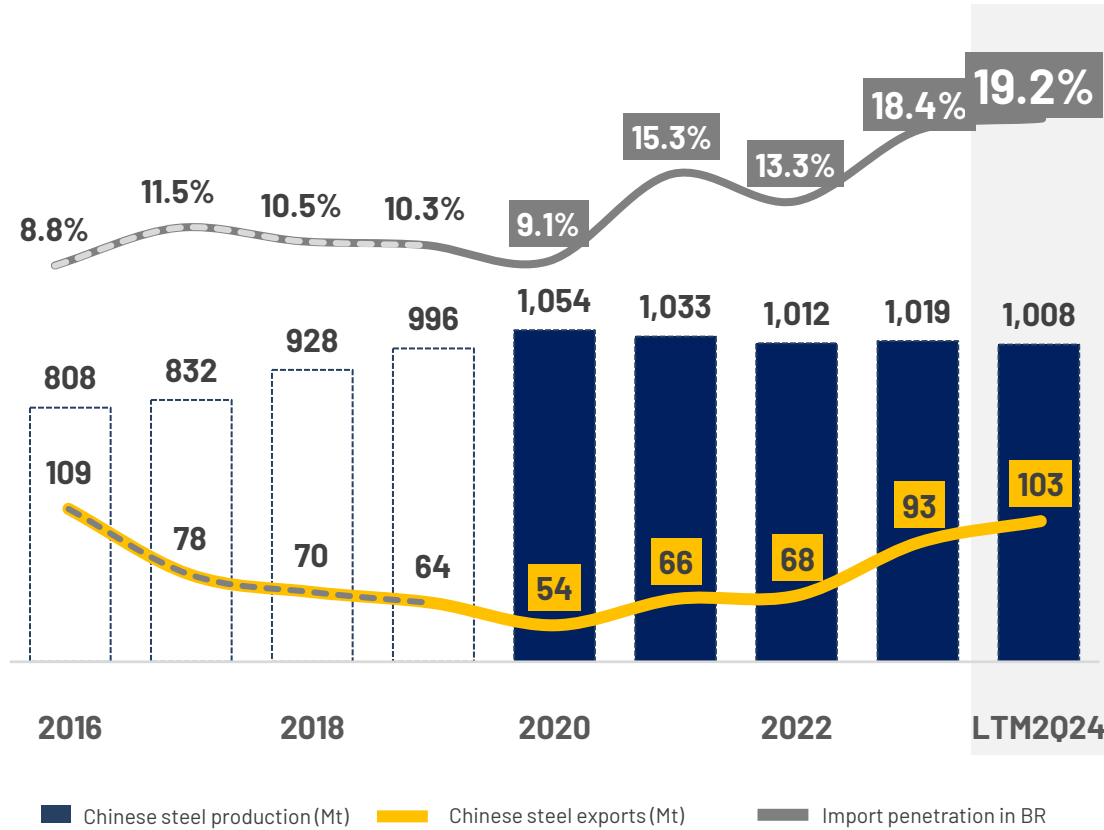
ONE-OFF COSTS ASSOCIATED WITH THE ADJUSTMENT OF PRODUCTION CAPACITY IN THE BRAZIL BD  
(R\$ MILLION)

	Before effects		One-off costs (131)	After effects	
	2Q24	6M24		2024	6M24
EBITDA	665	1,260		534	1,129
EBITDA margin	10.8%	10.0%		8.7%	9.0%

<sup>1</sup> Secovi SP in May 24 (supply in the city in the month/total sales in the last 12 months/12); <sup>2</sup> Growth forecast for the end of 2024 – Tendências - Abrainc-Fipe, June 24; <sup>3</sup> Growth forecast for the end of 2024 – PIM-IBGE - Tendências, June 24;

<sup>4</sup> Growth forecast for the end of 2024, ABDIB Tendências, in June 24. <sup>5</sup> SECOVI-SP July, 2024.

# STEEL IMPORTS IN BRAZIL

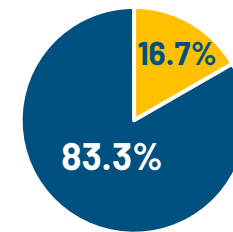


## IN THE LAST TWELVE MONTHS:

- **Penetration rate: 19.2%.**
- **Average monthly imports: 396 kt (~66% higher than the historical average).**
- **Volume of imported material: ~4.8 Mt (~60% higher than the historical average).**

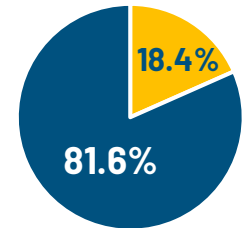
## QUARTERLY APPARENT CONSUMPTION BREAKDOWN:

2023



■ Internal Sales

2024



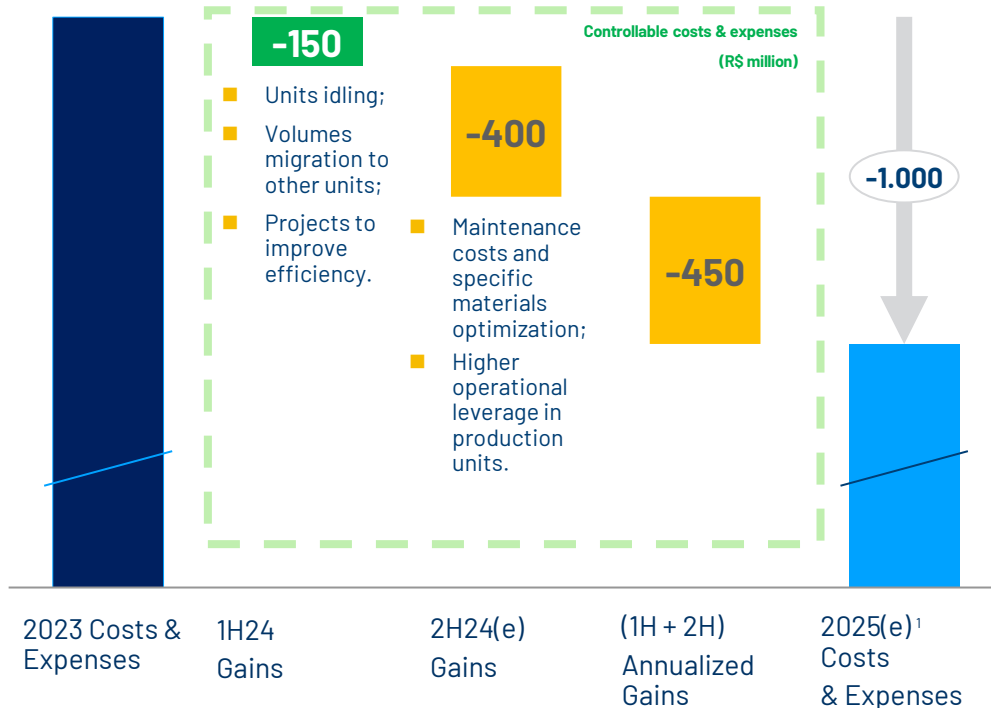
■ Imports

# COST REDUCTION INITIATIVES

**Estimate: Start 2025 with a ~R\$ 1.5 billion cost and expenses base lower vs FY23.**

**Brazil BD:  
~R\$ 1.0 billion/year**

**Other BDs:  
~R\$ 0.5 billion/year**



## 1H24 Initiatives

### North America BD

- Initiatives to control and optimize personnel, maintenance and third-party hiring;
- Whitby collective agreement concluded.

### Special Steel BD

- BR: Initiatives to control and optimize Personnel;
- US: Monroe collective agreement concluded.

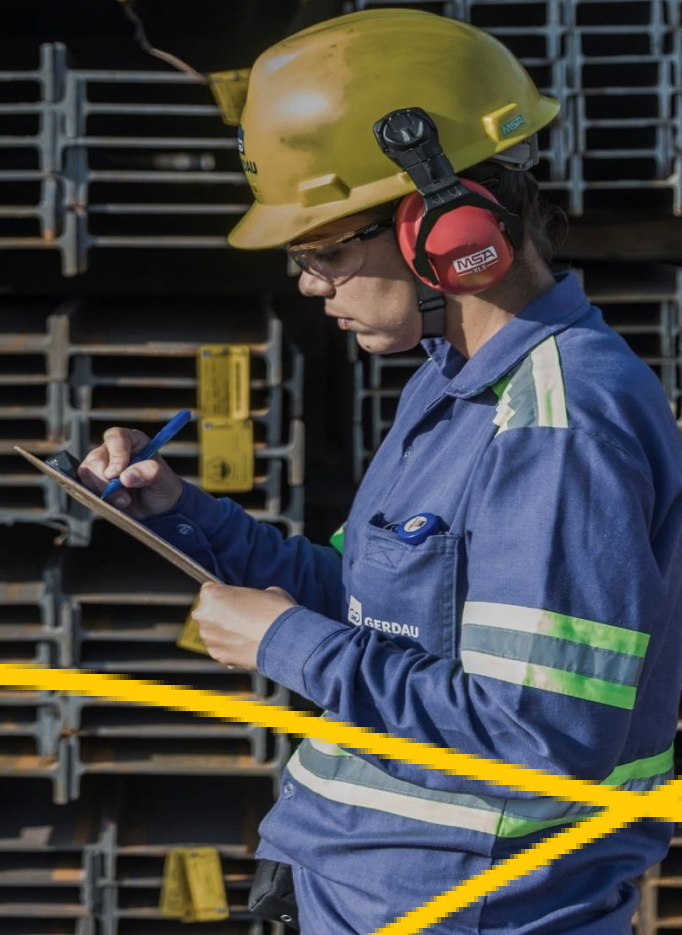
## 2H24 Initiatives

### Special Steel BD

- BR: gains consolidation & annualization;
- US: Monroe rolling mill productivity improvement.

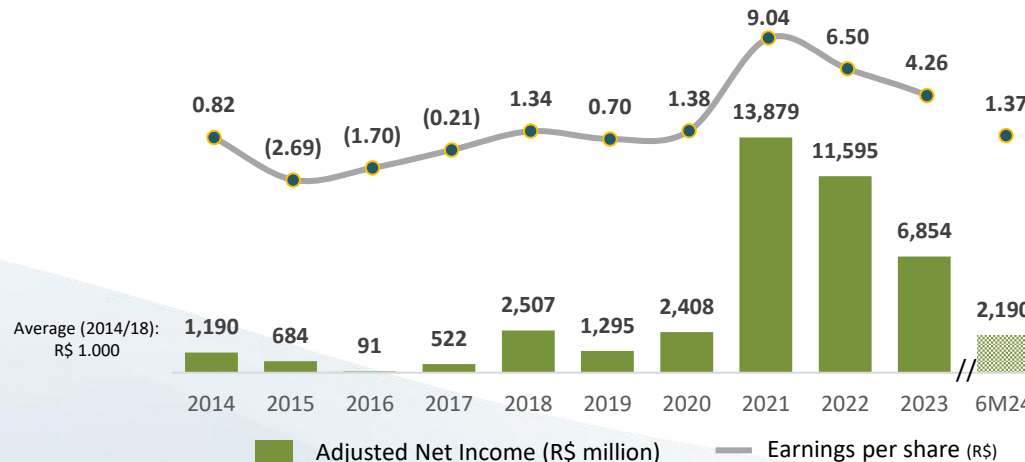
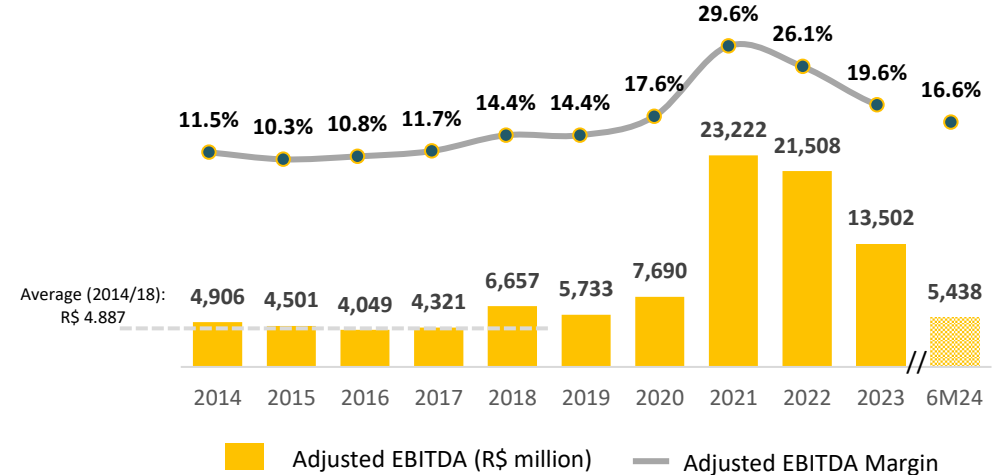
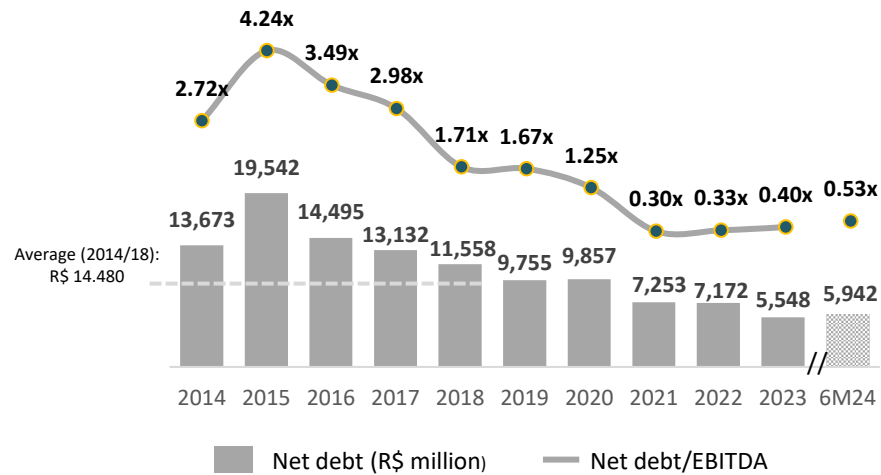
<sup>1</sup> Does not consider possible impacts of volume, inflation, exchange rate variation and fluctuations in raw material prices.

# FINANCIAL PERFORMANCE



# PROGRESS IN PERFORMANCE

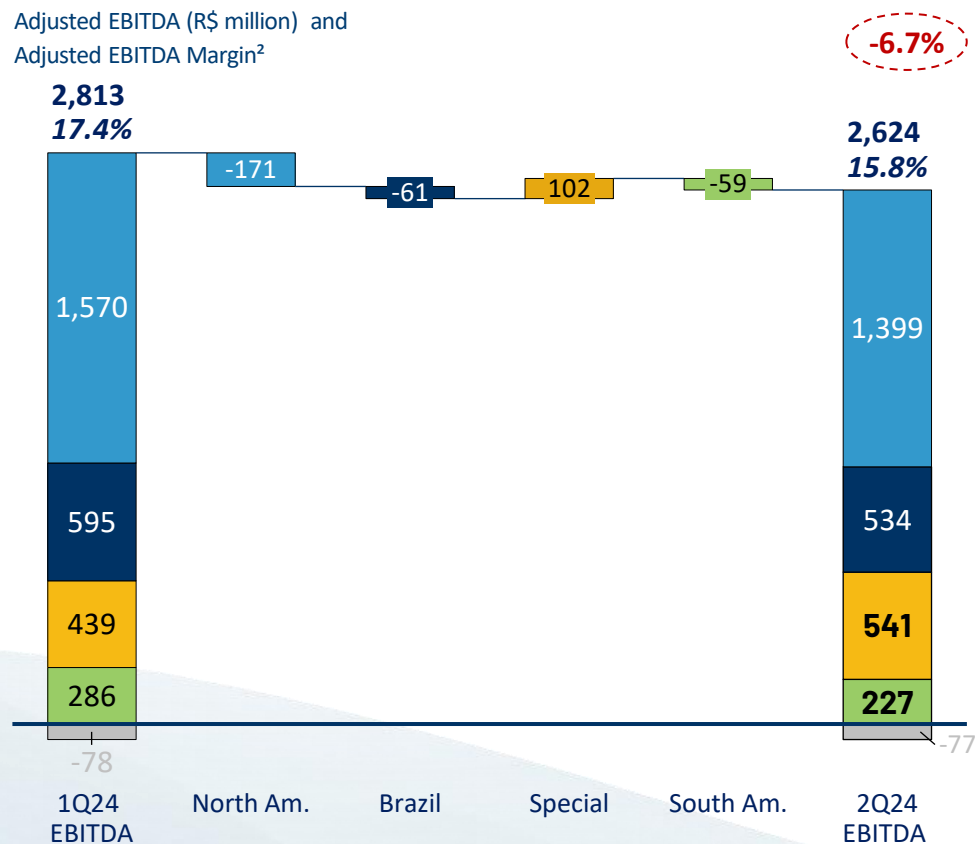
... 2014-6M24



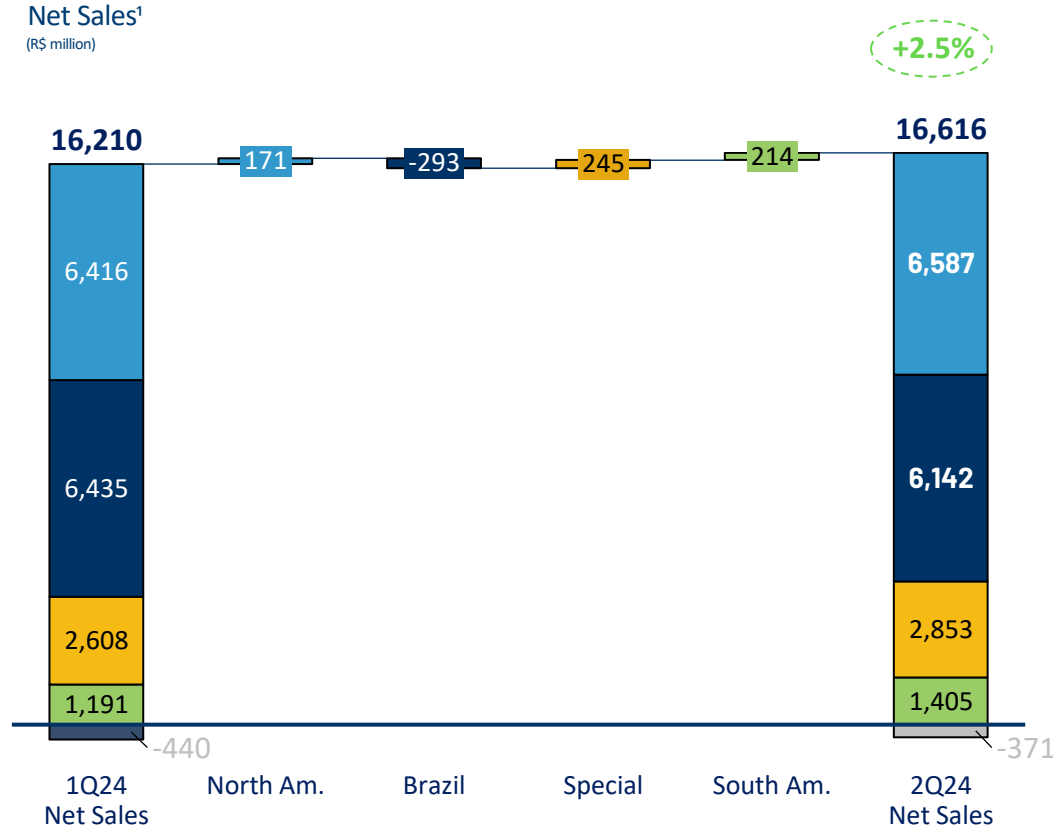
# 2Q24 HIGHLIGHTS

## FOCUS ON COMPETITIVENESS THROUGH THE OPTIMIZATION OF ASSETS IN BRAZIL

Adjusted EBITDA (R\$ million) and  
Adjusted EBITDA Margin<sup>2</sup>



Net Sales<sup>1</sup>  
(R\$ million)

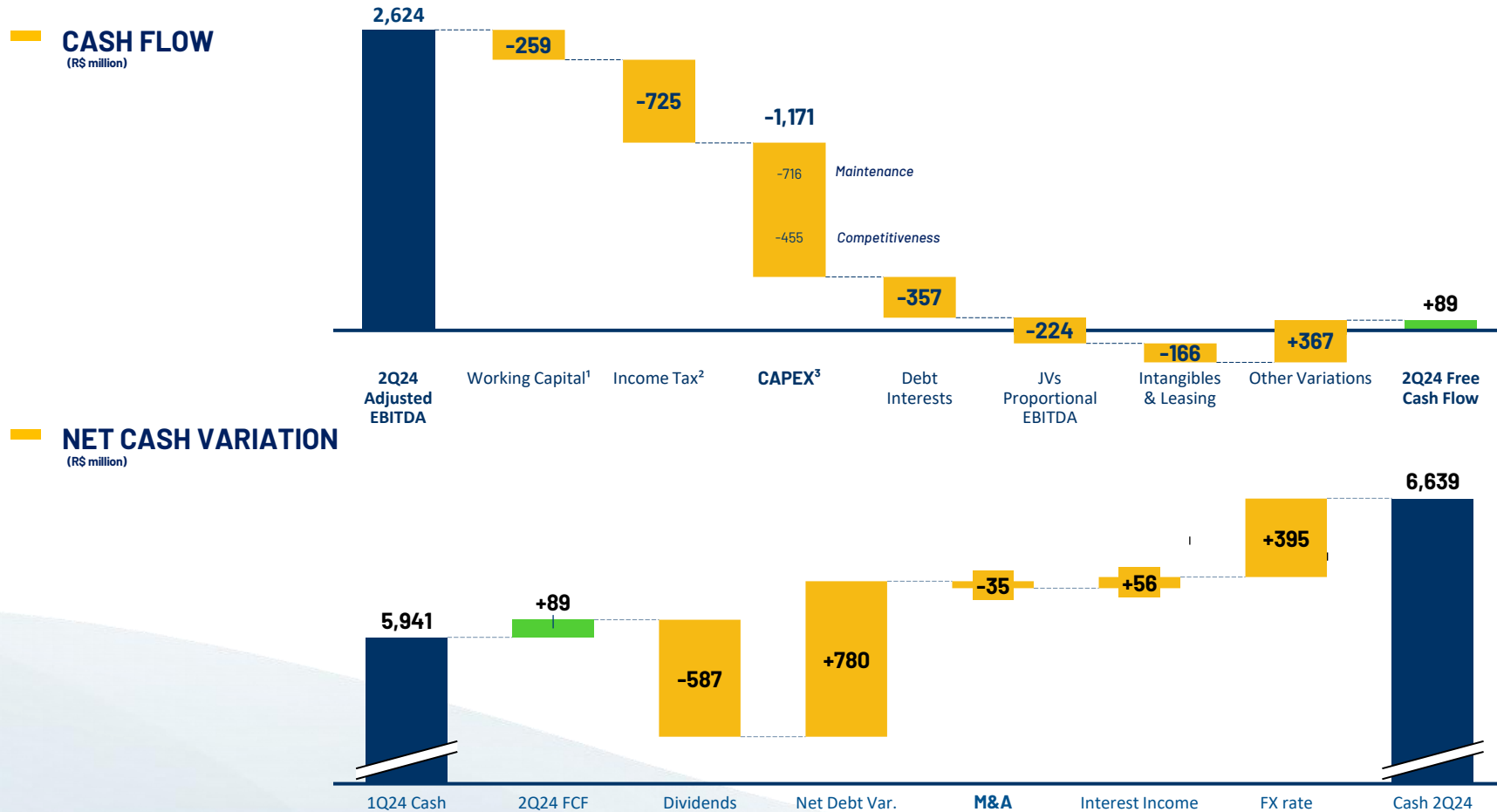


North Am. Brazil Special South Am. Eliminations

<sup>1</sup> Includes iron ore sales.

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

# CASH FLOW & NET CASH VARIATION



<sup>1</sup> Includes the cash effect of the clients, inventories, and suppliers accounts.

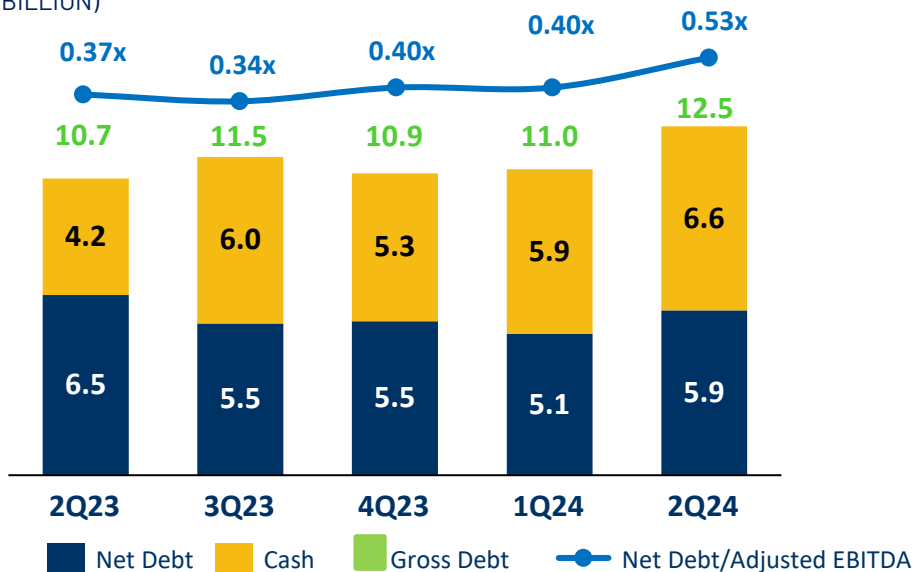
<sup>2</sup> Includes the cash effect of income tax on the Company's several subsidiaries, including the portion accrued in previous periods and due in the current period.

<sup>3</sup> Includes the addition of R\$1.420 million in CAPEX investments in 2Q24, adjusted for the cash effect of the change in accounts payable to property, plant, and equipment suppliers in the amount of R\$249 million, related to acquisitions which will be paid in future period.

# LIQUIDITY & INDEBTEDNESS

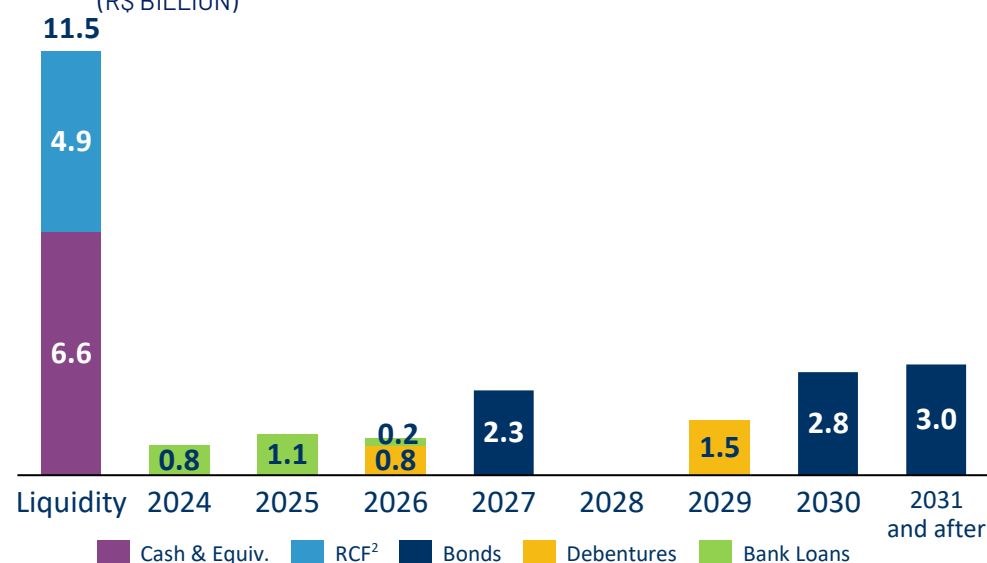
## CASH, DEBT, AND LEVERAGE

(R\$ BILLION)



## LIQUIDITY POSITION AND DEBT AMORTIZATION<sup>1</sup>

(R\$ BILLION)



## FINANCIAL POLICY

GROSS DEBT < R\$12 BILLION ✓

AVERAGE TERM > 6 YEARS ✓

NET DEBT/EBITDA ≤ 1.5X ✓

AVERAGE TERM  
7.2 YEARS

AVERAGE COST  
BRL: 106.7% OF THE  
CDI RATE P.A.  
USD: 5.5% P.A.

## RATING

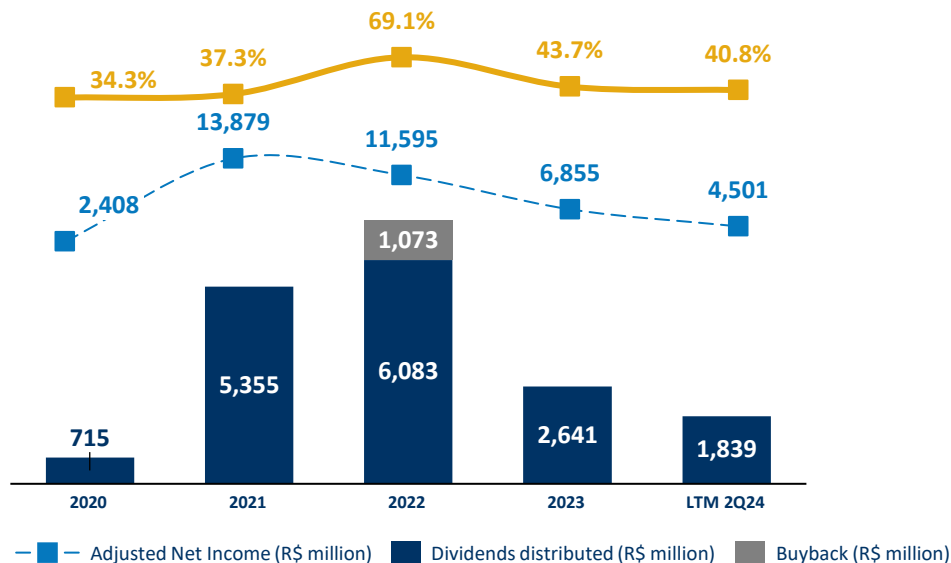
AGENCY	RATING
FITCH	BBB STABLE
STANDARD & POOR'S	BBB- POSITIVE
MOODY'S	BAA3 POSITIVE

<sup>1</sup> With no deferred expenses <sup>2</sup> Global Revolving Credit Facility

# SHAREHOLDER RETURNS

## PAYOUT ABOVE THE MINIMUM MANDATORY DIVIDEND PAYMENT

### DIVIDENDS



### SHARE BUYBACK PROGRAM

#### GGBR

- Up to 69.8 million of shares, of which:
- Up to 68 million GGBR4 shares (~5% of the free float<sup>2</sup>);
- Up to 1.8 million GGBR3 shares (~10% of the free float<sup>2</sup>);

#### GOAU

- Up to 33 million GOAU4 shares (~5% of the free float<sup>2</sup>);



Up to 12 months

### 2Q24 DIVIDEND DISTRIBUTION

GERDAU S.A.	AMOUNT	R\$252 M
	PER SHARE	R\$0.12

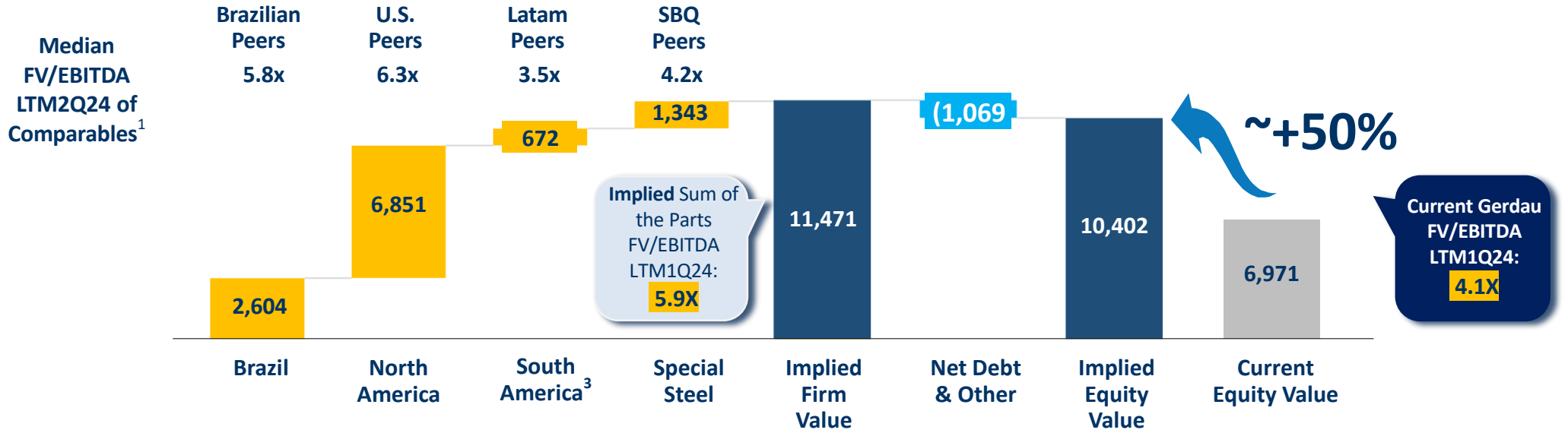
METALÚRGICA GERDAU S.A.	AMOUNT	R\$83 M
	PER SHARE	R\$0.08

<sup>1</sup> Shareholder payments / Parent Company's net income after booking the reserves set forth in the Bylaws.

<sup>2</sup> By class of share, with reference date: June 30, 2024.

# RE-RATING POTENTIAL: SUM OF THE PARTS VS. PEERS

BASED ON LTM2Q24 EBITDA (US\$M)



EBITDA LTM2Q24	451	1,018	207	323	1,947 <sup>2</sup>
EBITDA Margin	9.9%	22.4%	25.6%	16.6%	16.8%
% of total EBITDA	22.6%	50.9%	10.3%	16.2%	100.0%

At 6.7x FV/EBITDA LTM1Q24 for the North America Division, **the market seems to assign minimal value to other business divisions at the current firm value**

U.S. FV/EBITDA LTM1Q24	6.7
Gerdau North America EBITDA LTM1Q24	1,018
Gerdau North America Implied FV	6,851
(-) Current Gerdau FV (@3.7x FV/EBITDA LTM1Q24)	8,040
(=) Remain Co.	1,189

1. Brazil peers: Ternium, CSN & Usiminas | US Peers: CMC, Steel Dynamics & Nucor | Latam Peers: Ternium | SBQ Peers: Metallus.

2. Consider US\$ 52 mm of elimination and adjustments.

3. Includes Uruguay, Argentina and Peru.

Note: FX BRL/USD: R\$ 5.56. GGBR4 price on June 30, 2024: R\$ 18.38.



**GERDAU**

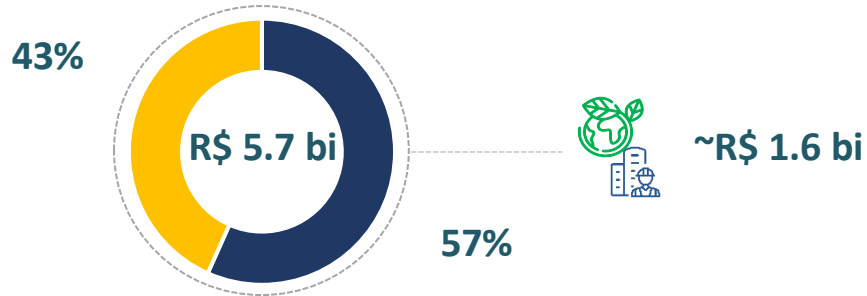
Shape the future

**CAPEX**

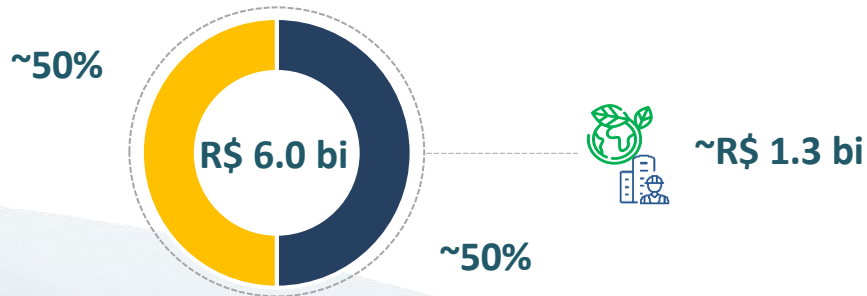
# CAPEX INVESTMENT

## BALANCE BETWEEN ECONOMIC AND SUSTAINABLE DEVELOPMENT

### CAPEX 2023<sup>1</sup>



### CAPEX 2024E<sup>1</sup>



■ Maintenance

■ Competitiveness



Environmental and  
Safety Returns  
of our Employees<sup>2</sup>

<sup>1</sup> Does not include contributions made by Gerdau Next.

<sup>2</sup> Investments that provide environmental and safety returns are included in the CAPEX guidance.

### MAIN INVESTMENTS



**Midlothian capacity increase: +250 kt/year**  
with improved efficiency and supplied by solar power



**Monroe capacity increase: approx. +90kt/year**  
positioning the plant as the main SBQ player in North America



**New Sustainable Mining Platform: 5.5 Mt/year**  
100% dry stacking



**Expansion in HRC: +250 kt/year**  
with cost reduction and better market service



**Renovation of Blast Furnace 1 of the Ouro Branco Plant**  
(in 2027) to extend its useful life by around 10 years

# STRATEGIC CAPEX (2021 – 2026)

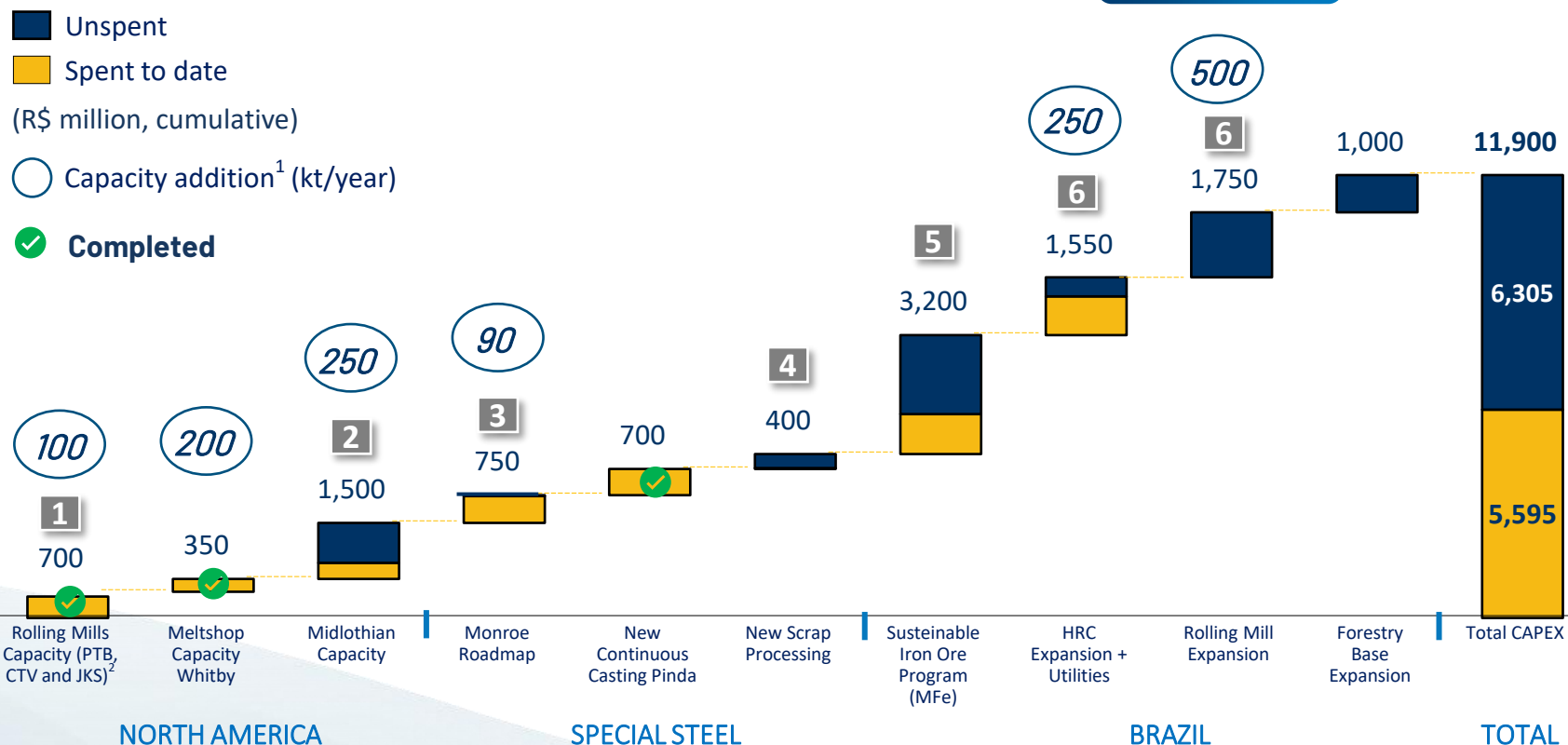
INVESTMENTS IN THE GROWTH AND COMPETITIVENESS OF OUR BUSINESS

ADDITIONAL  
PRODUCTION  
CAPACITY:

**+700 kt** crude steel and  
**+1,400 kt** rolling steel

2Q24  
STRATEGIC CAPEX:

**~R\$ 685** million



1. After the investment matures

2. PTB: Petersburg | CVT: Cartersville | JKS: Jackson.

# JACKSON UNIT MODERNIZATION

INCREASE THE SHARE OF HIGHER ADDED VALUE PRODUCTS



Startup in **1Q24**



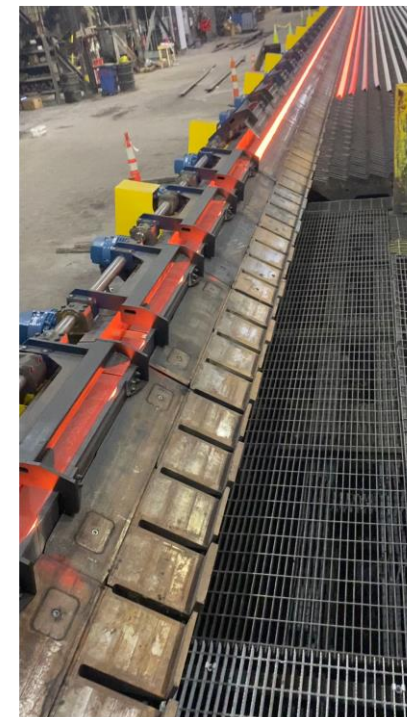
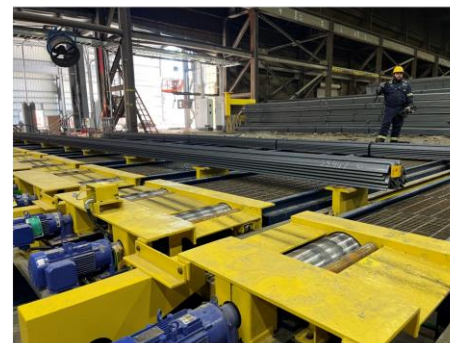
**Higher competitiveness**, driven by  
an expanded product mix (one-stop shop)



Rolling and storage process updates, leading to  
greater **operational flexibility**



~**R\$335 million** in CAPEX



# MIDLOTHIAN CAPACITY INCREASE

HIGHER COMPETITIVENESS OF OUR LARGEST ASSET IN NORTH AMERICA



~R\$ 1.5 billion<sup>2</sup> **Investment**



**Potential increase in EBITDA<sup>1</sup>:**  
R\$ 500<sup>12</sup> million/year



**2Mt capacity<sup>3</sup>**



**Supports** growing demand for renewable energy



**Improved** efficiency



**Supplied** by green energy from solar park

1. After investment maturity. 2. The numbers and information presented are included in the guidance provided by the Company, in a Material Fact published on October 4, 2023. 3. Total expected capacity of the unit, after the investment matures.

# MONROE CAPACITY INCREASE

POSITIONING THE PLANT AS THE MAIN SBQ PLAYER IN NORTH AMERICA



Over US\$ 350 MM<sup>2</sup>  
**Investment**

**Potential increase in EBITDA:**  
R\$ 450<sup>12</sup> million/year

~+90<sup>1</sup> kt/year  
**capacity increase**



**Dec/2012** - New continuous caster  
**US\$70MM**



**Sep/2014** - New twin-tank vacuum degasser  
**US\$ 20 MM**



**Jan/2015** - New Rolling Mill (WBRF, Breakdown mill & Finishing) **US\$99MM**



**Feb/2015** - New #3 straightener and NDT inspection line **US\$22MM**



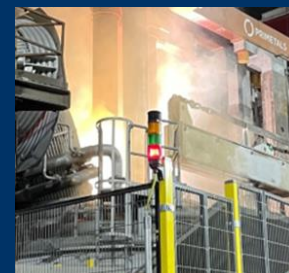
**Jul/2017** - New immersion ultrasonic inspection labs - **US\$ 1,2 MM**



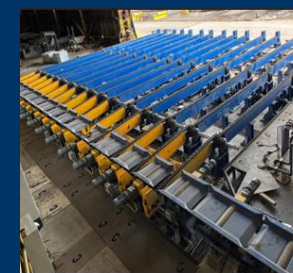
**Aug/2018** - Upgrade to 240mm bloom casting  
**US\$7MM**



**Jul/2020** - New twin ladle furnace. New material handling system **US\$40MM**



**Jul/2021** - EAF upgrades, new rolling mill colling beg & bar gauges **US\$80MM**



**4Q23** – Start of the Cold end upgrade operation (phase 1)

# NEW SCRAP PROCESSING FACILITY

GREATER COMPETITIVENESS IN SCRAP AND LOWER CO2 EMISSIONS



~R\$ 400 million<sup>2</sup>  
**Investment**



**Potential increase in EBITDA<sup>1</sup>:**  
R\$ 200<sup>12</sup> million/year



**Cost reduction and  
improvement of the  
meltshop performance**

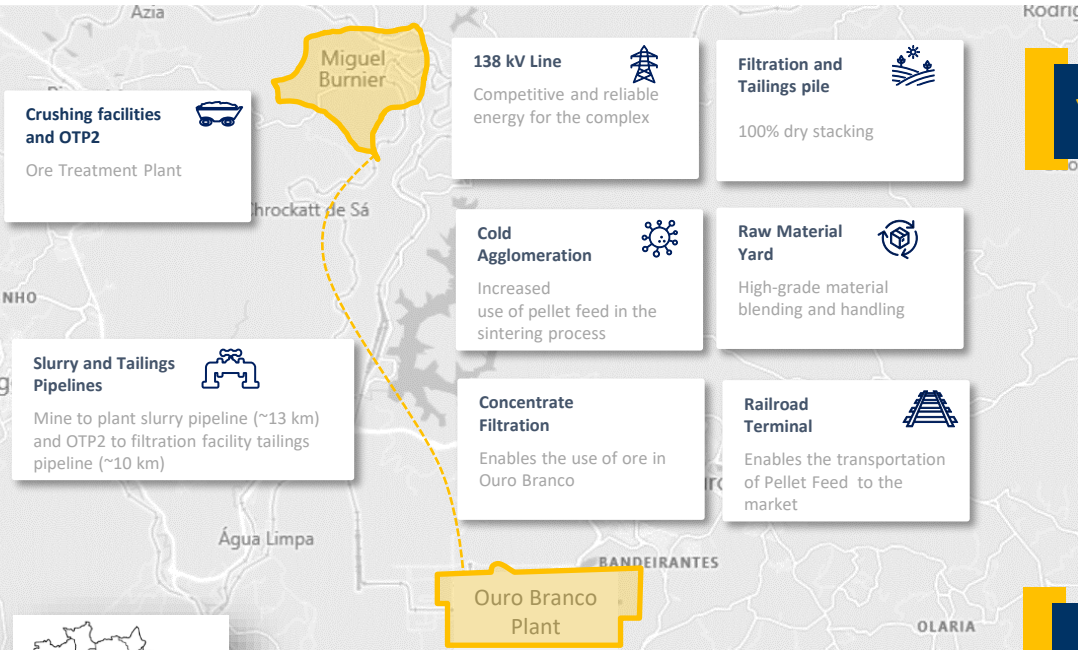


**+700 jobs created  
(direct & indirect)**

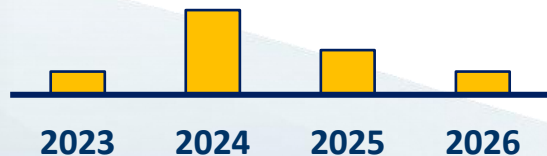
1. After investment maturity. 2. The numbers and information presented are included in the guidance provided by the Company, in a Material Fact published on October 4, 2023.

# NEW SUSTAINABLE MINING PLATFORM

100% DRY PROCESSING | HIGH-GRADE ORE (65%)



R\$3.2 BILLION DISBURSEMENT PROFILE



## YIELD = SUSTAINABILITY + COMPETITIVENESS

### Competitive Ore<sup>2</sup>:

**US\$ 190 M**  
per year

Rationale: 5.5 Mt with cash cost at US\$ 30/t vs. buying at market prices<sup>3</sup>

### High-Quality Ore<sup>2</sup>:

**US\$ 45 M**  
per year

Rationale: 65% grade, agglomeration, and yards enable us to reduce pellet consumption by 1 Mt per year in the long term<sup>3</sup>

## MAJOR DRIVERS FOR THE FUTURE

- High-quality pellet feed<sup>1</sup> with potential for **DRI** and **pellet** production (alternatives for the decarbonization of Ouro Branco)
- Alternative for **increasing production** at the **charcoal** integrated plants

<sup>1</sup> 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.  
<sup>2</sup> 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.  
<sup>3</sup> 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

# OURO BRANCO CAPACITY INCREASE

INCREASE THE SHARE OF HIGHER ADDED VALUE PRODUCTS



## Flat Steel Capacity<sup>1</sup> Increase:

- ✓ ~R\$ 1.5 billion<sup>2</sup> investment
- ✓ +250 kt/year of HRC capacity increase
- ✓ Potential increase in EBITDA<sup>12</sup>: R\$ 400 M/year
- ✓ Efficiency gains and cost reduction



## Structural Capacity<sup>1</sup> Increase:

- ✓ ~R\$ 1.7 billion<sup>2</sup> investment
- ✓ +500 kt/year of Structural capacity increase
- ✓ Potential increase in EBITDA<sup>12</sup>: R\$ 250 M/year
- ✓ Replaces share of semi-finished capacity

1. After investment maturity. 2. The numbers and information presented are included in the guidance provided by the Company, in a Material Fact published on October 4, 2023.

# BLAST FURNACES AND COKE PLANTS

**2023**

**2035**

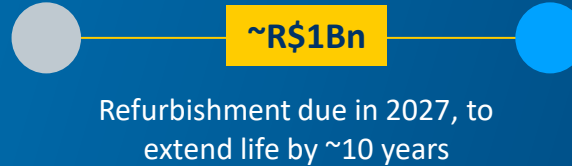
Technology  
Evolution /  
Trade offs

**2040+**

Technology  
Update /  
Transition

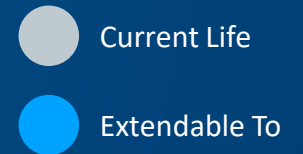
## Blast Furnace 1

**Capacity:** ~3.0 M Tonnes

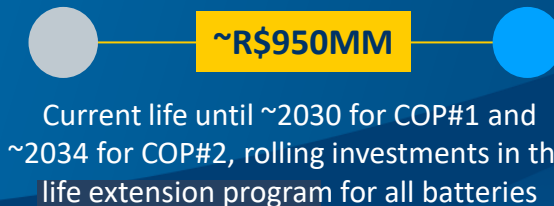


## Blast Furnace 2

**Capacity:** ~1.5 M Tonnes



## Coke Oven Plants





ESG ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# WORKPLACE SAFETY

Continuous focus on people's safety:

Accident Frequency Rate of 0.67 in 2024



Number of Accidents per Million Hours Worked by Each Gerdau Employee



# 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

**GERDAU**next

## 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**



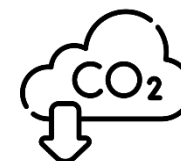
## 2021

- MAC Curve
- **"Reforma que Transforma" Project**



## 2022

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



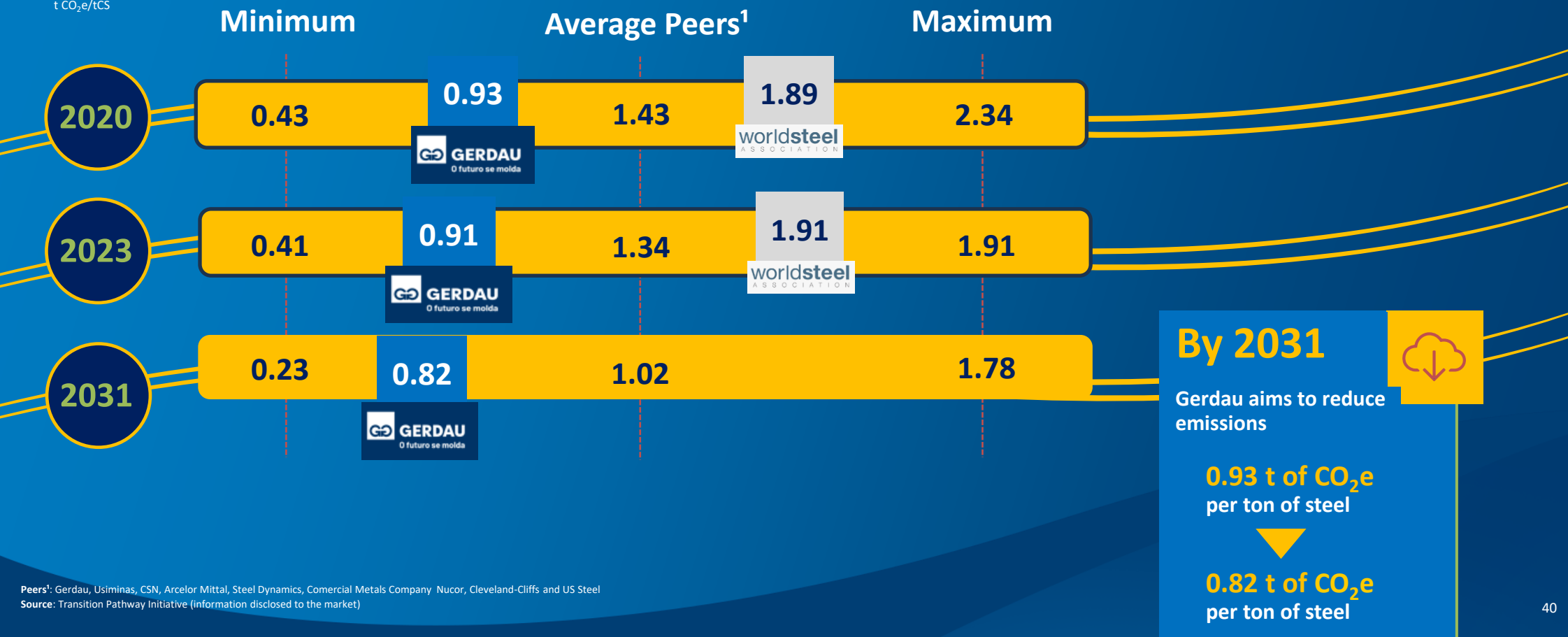
## 2023

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

# GERDAU AND THE LOW-CARBON ECONOMY: A DIFFERENTIATED POSITION

According to the Transition Pathway Initiative (TPI), Gerdau is aligned with the Paris commitments and is better positioned than its peers

t CO<sub>2</sub>e/tCS



# GERDAU'S COMMITMENT FOR 2031

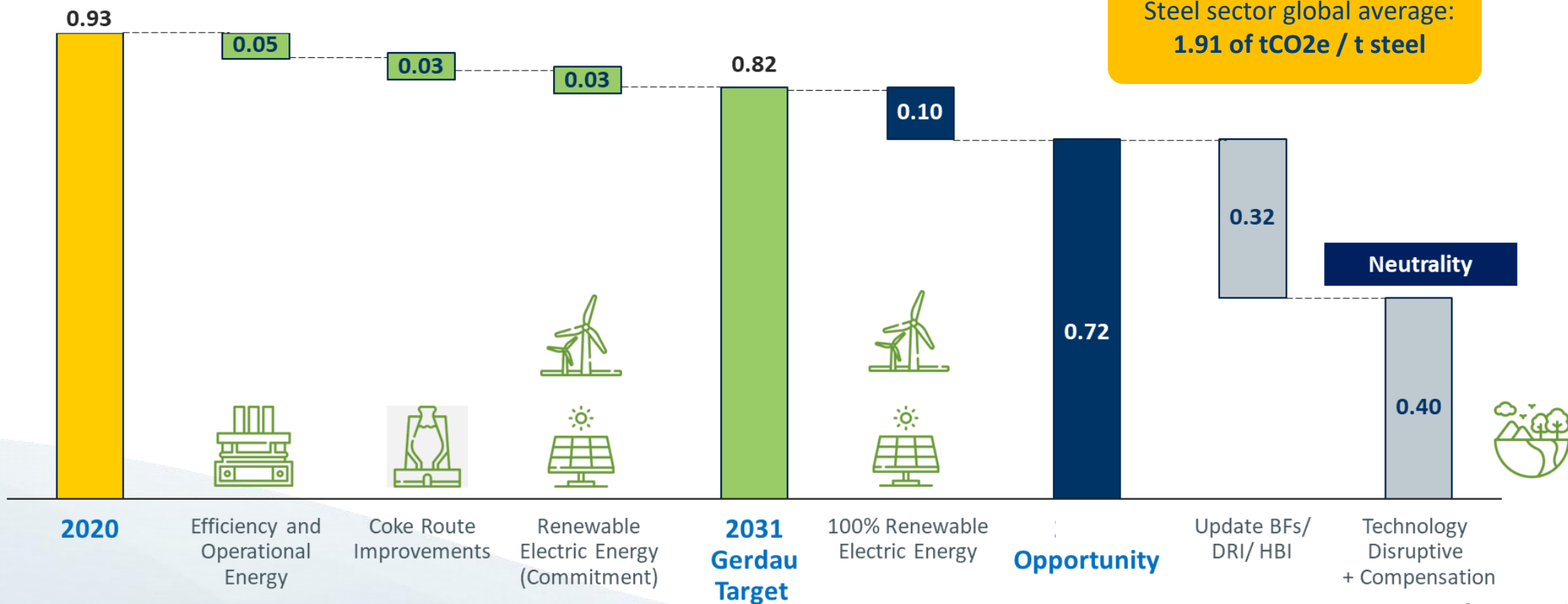
GERDAU CURRENTLY HAS

**0.91**

OF TCO<sub>2</sub>E / T STEEL  
(BASE YEAR 2023)

Steel sector global average:  
1.91 of tCO<sub>2</sub>e / t steel

t CO<sub>2</sub>e/tCS



# CDP SCORE EVOLUTION

## CLIMATE CHANGE



**HIGHLIGHT** IN THE  
**CLIMATE** AGENDA BY CDP,  
A GLOBAL BENCHMARK IN  
**SUSTAINABILITY**



 **CAPITALISMO CONSCIENTE**  
BRASIL

 **UN GLOBAL COMPACT**

**ICO2B3**

# 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 MWh), 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

# NEW SUSTAINABLE MINING PLATFORM

PROMOTING LONG AND FLAT STEEL GROWTH AND COMPETITIVENESS IN BRAZIL

**5.5<sup>1</sup> Mtpa** of high-grade ore (**65%**)

**200,000 tonnes of CO2 reduction per year**

**CAPEX of R\$3.2 billion** between 2023 and 2026

**Integrated logistics** (slurry and tailings pipelines)

**40 years** of certified reserves

**100% dry** processing (without using dams)



**Committed to being part of the solutions to society's challenges and positively impacting the regions in which it is present, mining tailings management is a priority activity within the Company**

<sup>1</sup> Metric tonnes on a wet basis considering an average humidity of 10%



# AID TO RIO GRANDE DO SUL

- Donation of basic necessity items.
- Support in structuring temporary housing with ACNUR/UN.
- Support in the operation of a mobile water treatment unit.
- Renovation of housing for employees impacted by the rains.
- Donations for the Regenera RS fund, an initiative that supports the reconstruction of the state.



Mobile Water Treatment Unit



Structuring Temporary Housing



Basic Necessity Items Donations



Basic Necessity Items Donations

# SOME OF THE AWARDS AND RECOGNITIONS

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**



CARBON DISCLOSURE PROJECT  
**The evolution to grade A-in 2023, above the global  
average and the metals and metallurgy sector**



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



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



B CORPORATION CERTIFICATION  
**For our Operations in Peru, Gerdau  
Summit, Longs and Special Steel in  
North America**



BEST INDUSTRIAL COMPANY,  
ACCORDING TO MERCO  
**2023 Reputation 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**



MARIA PEGORARO –  
Pindamonhangaba Plant (SP)



## INVESTOR RELATIONS

[inform@gerdau.com](mailto:inform@gerdau.com) | [www.ri.gerdau.com](http://www.ri.gerdau.com)



# 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 in 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.