



Institutional

Presentation

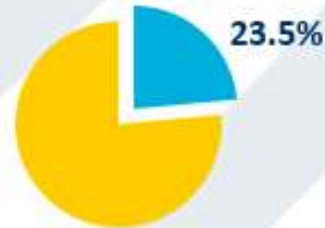
March of 2021

EBITDA

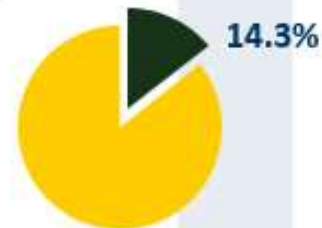
Brazil BD



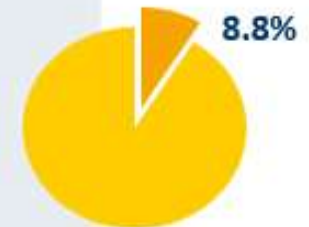
North America BD



South America BD



Special Seel BD



■ EBITDA (R\$ million)

■ EBITDA Margin (%)

● Adjusted EBITDA share by Business Division (last 12 months)

BRAZIL BD

CONSTRUCTION

- Continues to be heated with an increase in sales and launches/retail.
- Inventories are still below the usual level.

INDUSTRY

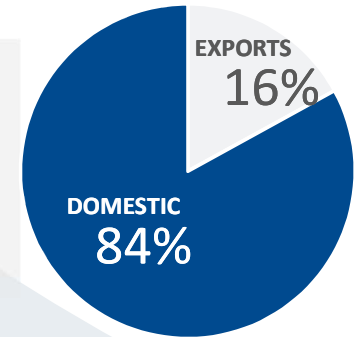
- Gradual resumption in progress, with emphasis on sectors related to agribusiness, transport and energy.
- Indirect exports and localization of imported products.



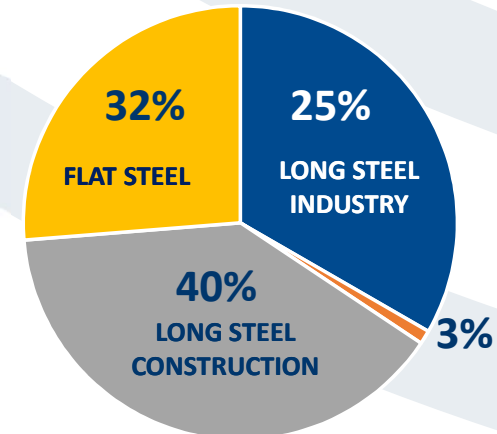
INFRASTRUCTURE

- Sectors related to energy with high and good prospects demand.
- The privatization and sanitation agenda bring a positive outlook.

Shipments 2020



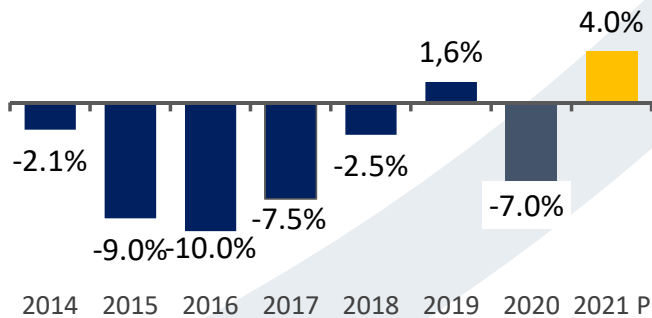
Domestic Shipments



CONSTRUCTION TRACK RECORD

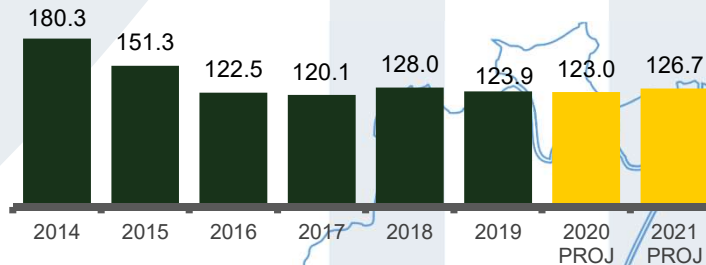
GROWTH SCENARIO

CONSTRUCTION GDP



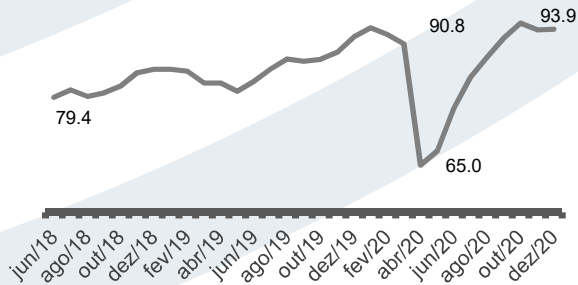
Source: IBGE / P: Tendencias outlook

INFRASTRUCTURE INVESTMENT (R\$ Billion)



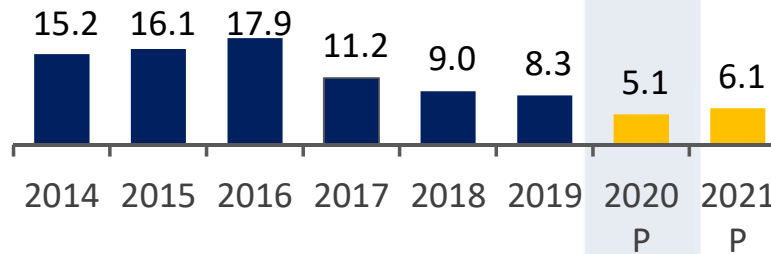
Source: ABDIB

CONFIDENCE INDEX – CONSTRUCTION

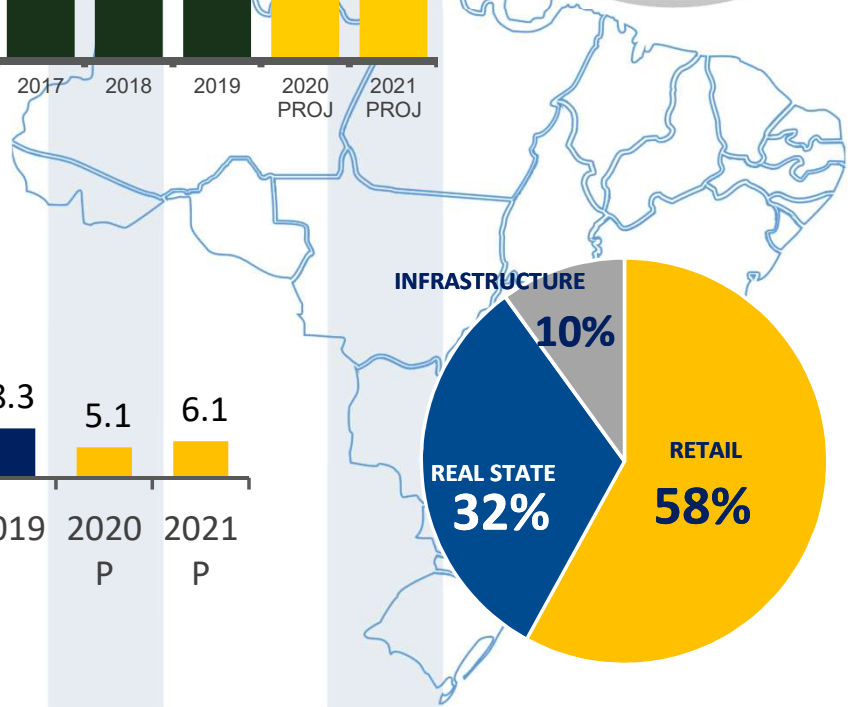


Source: FGV – Oct/20

REAL STATE INVENTORY - SAO PAULO (Months)



Source: Secovi – Oct/20 | P: outlook



NORTH AMERICA BD



- Significant amount of orders coming from the construction sector.

- Metallic spread recovery.

- Potential infrastructure project and Buy American program

- Steel production utilization rate around 80% in USA.

NORTH AMERICA BD



FOCUS ON CLIENTS

- DIGITAL TRANSFORMATION ALLOWING ATTRACT AND RETAIN CLIENTS
- DEVELOPMENT OF NEW PRODUCTS AND IMPROVEMENT OF SERVICES PROVIDED
- ENTRY IN NEW MARKETS TO INCREASE FOOTPRINT

OPERATIONAL EXCELLENCE

- CONTINUOUS FOCUS ON SAFETY.
- TO MODERNIZE AND TO UPDATE OUR MILL NETWORK THROUGH SELECTIVE CAPITAL ALLOCATION, EFFICIENCY IMPROVEMENT AND ASSETS UTILIZATION.
- FOCUS ON COST MANAGEMENT THROUGH ZERO BASIS BUDGET AND EFFECTIVE USE OF WORKING CAPITAL.
- IDLING OF ST. PAUL MELT SHOP AND ROLLING MILL TO SUPPORT COMPETITIVNESS AND SUSTAINABILITY.

SPECIAL STEEL BD

BRAZIL

- INCREASE IN CAR SALES AND INVENTORY REPLENISHMENT.
- ANFAVEA REVIEW ITS PROJECTIONS OF COMMERCIAL TO 2021 AND HEAVY POINTING OUT A INCREASE OF 25% IN VEHICLE PRODUCTION.
- GOOD OUTLOOK FOR WIND ENERGY INDUSTRY IN 2021

USA

- AUTOMOTIVE INDUSTRY WENT BACK TO PRE-PANDEMIC LEVELS, WITH GOOD OUTLOOK FOR 2021.
- THE AGRICULTURE SECTOR REMAINS RESILIENT, WHEREAS THE NORTH AMERICAN OIL & GAS INDUSTRY CONTINUES TO PRESENT A SLOWER RECOVERY



SOUTH AMERICA BD

PERU

- STEEL CONSUMPTION IS EXPERIENCING A STRONG RECOVERY, LEB BY CONSTRUCTION INDUSTRY

ARGENTINA

- POSITIVE LEVEL OF DEMAND FOR LONG STEEL IN ARGENTINA WITH STRONG DEMAND FROM PRIVATE AND PUBLIC CONSTRUCTION.



Financial Results



FCF

Free Cash Flow
R\$ Million

2,398

1,545

2,595

4,431

4,496

2016

2017

2018

2019

2020

Working Capital and Financial Cycle

7.1

6.3

8.0

6.6

7.5

75

70

72

62

49

2016

2017

2018

2019

2020

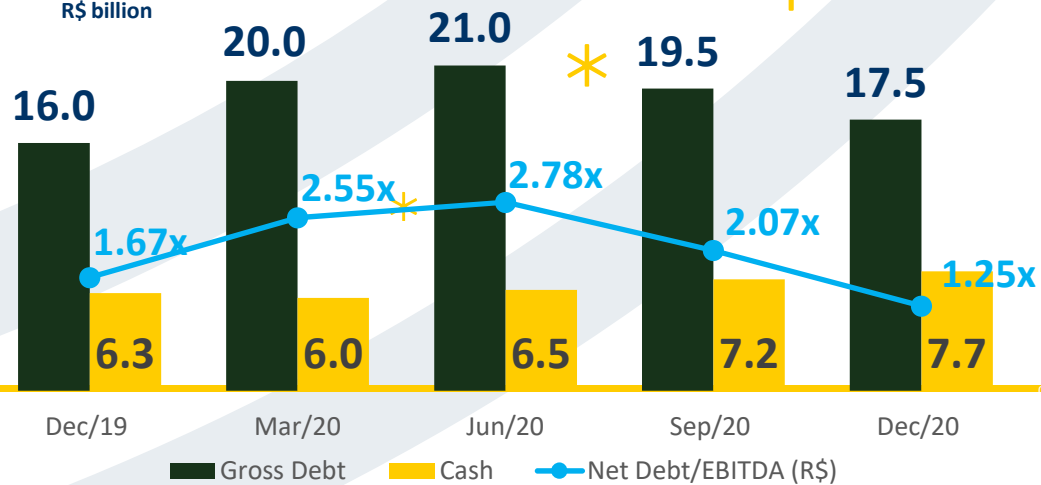
Working Capital (R\$ billion)

Financial Cycle (days)

LIQUIDITY AND INDEBTNESS

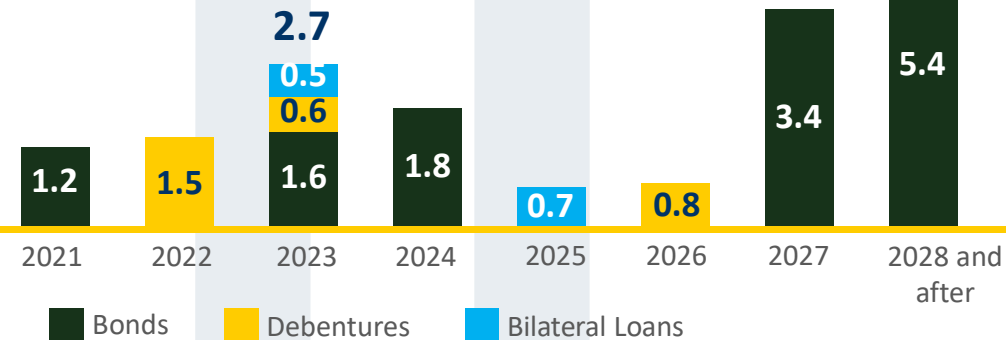
Debt and Leverage

R\$ billion



Gross Debt Amortization Schedule

R\$ billion

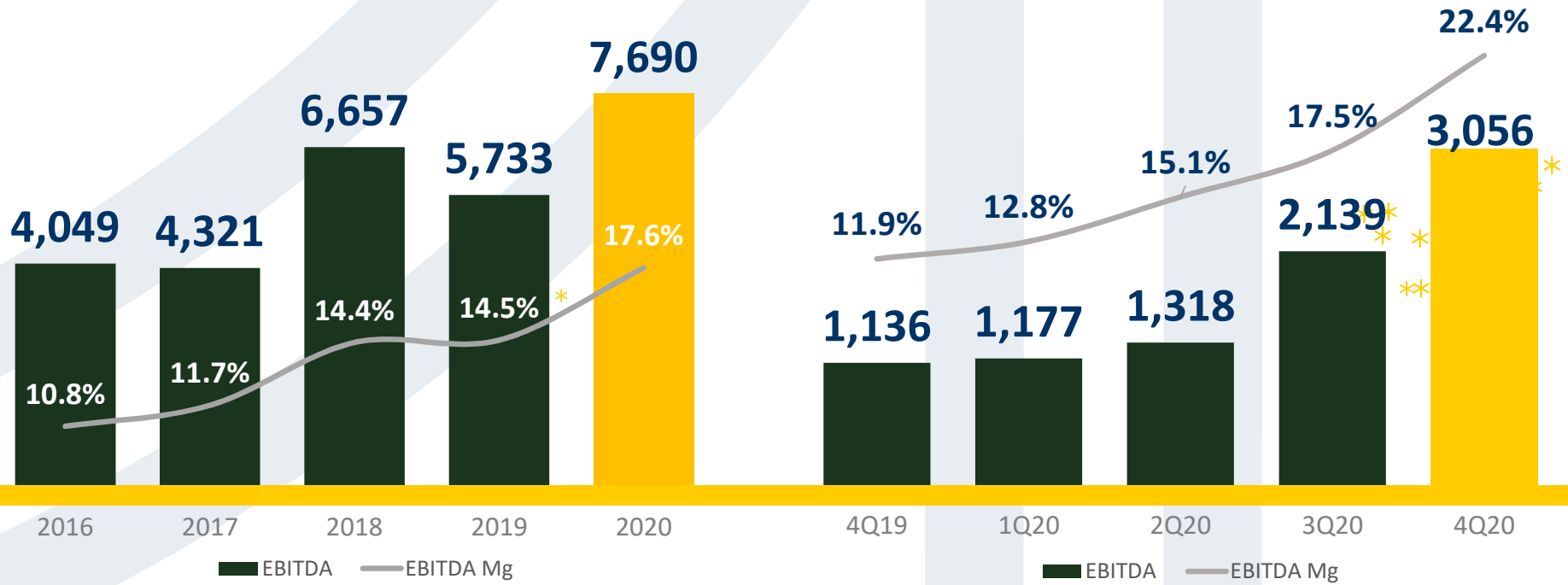


Average Cost of Debt
4.7% p.a

Debt Maturity
7.7 years

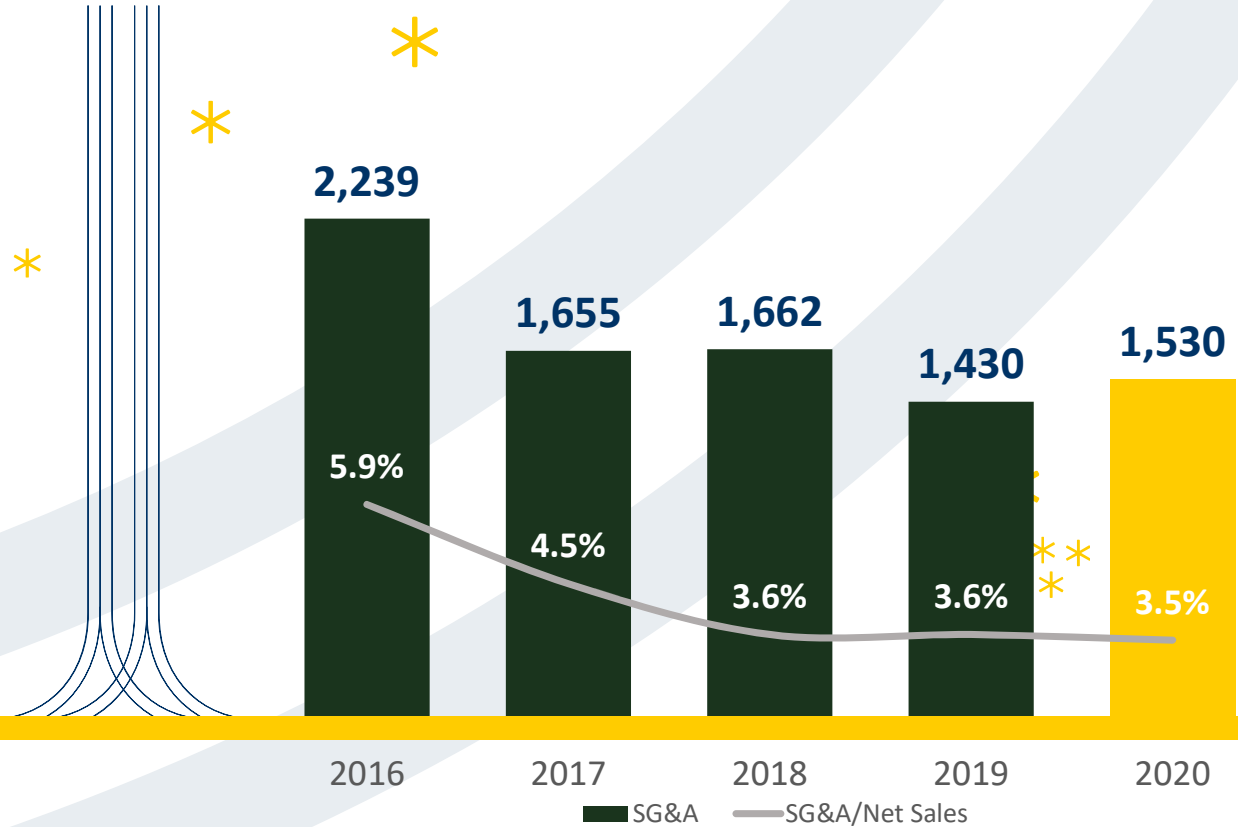
EBITDA

R\$ Million



SG&A

R\$ Million



2020 SG&A/Net Sales reached 3.5%.

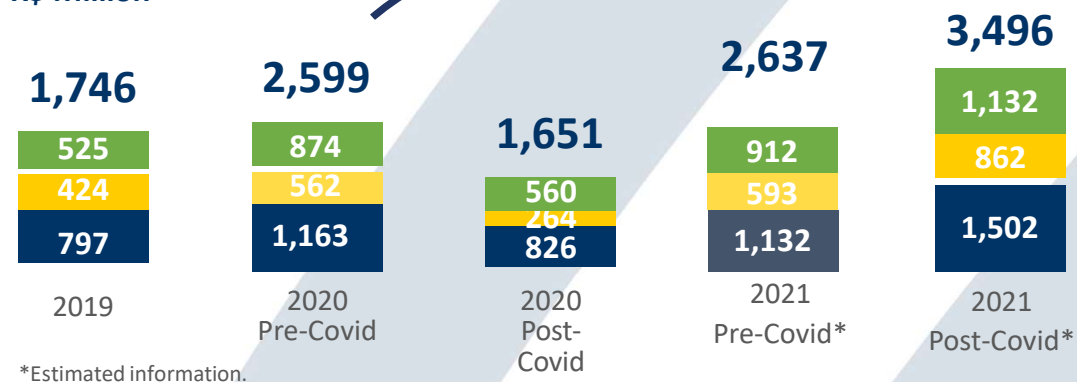
This is the historical lowest level recorded by Gerdau.



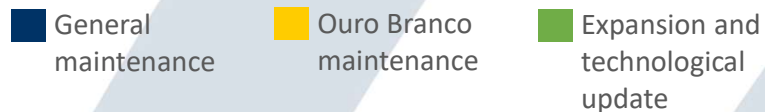
CAPEX

Part of the Capex estimated before Covid-19 impacts was transferred to 2021.

R\$ Million



*Estimated information.





GERDAUNEXT

2022



GERDAU NEXT

Feel like owner, think like innovator, act like entrepreneur.

MISSION

Diversify Gerdau's business portfolio, globally, through new relevant and profitable businesses in strategic segments. Build Gerdau of the Future.

ASPIRATION

Allocate resources to achieve, in the next 10 years, 20% of Gerdau's total revenue, not coming from the traditional steel value chain.

STRATEGY

Dynamic new business portfolio. Business development through three different sources: intra-entrepreneurship, connections with startups / external partners, and M&A.

PEOPLE

Pipeline of internal and external talents, of accountable leaders who believe in collaboration work to turn innovation into material businesses. Entrepreneurial culture.

GERDAU NEXT major focus areas - 2021



Construction sector productivity

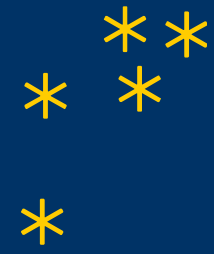
Developments on Logistic and infrastructure

Fortress in Scrap and metal brings opportunities

Profitable Renewable energy projects

Advanced materials and new technologies

Disruptive digital solutions



ESG

Environmental, social and governance





Corporate Governance

CULTURAL TRANSFORMATION

Safety first

No result is more important than people's lives.

Do the right thing

Ethics and respect are essential in everything we do.

Every customer is unique

We work to make our client's business thrive, driving joint success.

Autonomy

We take responsibility in making the best decisions for the business.

We are all leaders

We are engaged and committed to our development and that of the people around us.

Creating value for all

We fulfill our purpose by sustainably creating value for all our audiences.

Openness

We don't know everything and we believe that a team always achieves better results than individuals.

Diverse and inclusive environment

We create a diverse and inclusive environment where everyone is heard, respected and has opportunities.

Simplicity

We focus on what adds value. As a result, we are more agile and gain productivity.

Learn, unlearn, relearn

We believe that in order to continue evolving, it is essential to adapt to new scenarios, innovating and finding better ways of working.

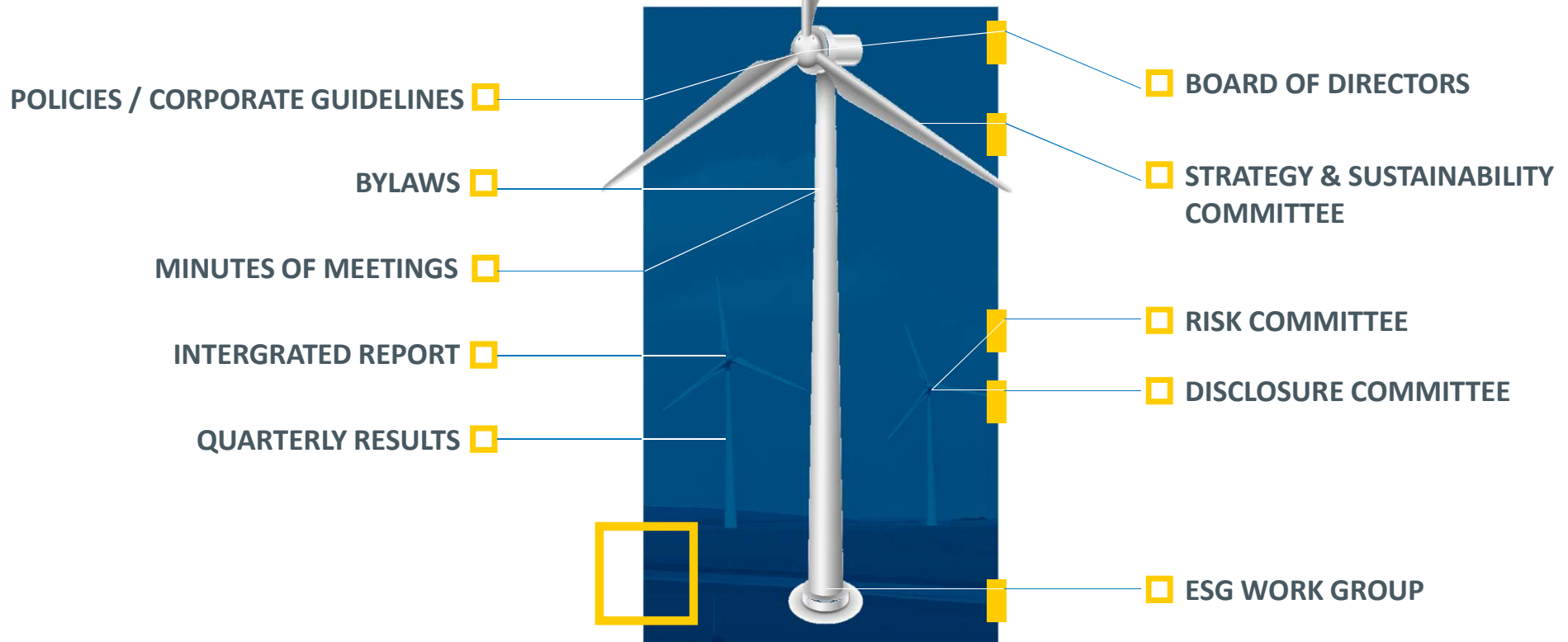


Disclosure

Efforts

Decision-making

Process



Dimension	Indicators
 Environmental	Greenhouses gases by volume of steel (tCO ₂ /t steel)
	Water Consumption (m ³ /t steel)
	% reuse of co-products
 Social	% of active volunteers
	Number of people benefited
	% of social investments made in relation of gross profit
 People	% of women in leadership position
	% of women in the company
	% of black people in leadership positions
	% de PwDs in the Company
	Health and Safety index (severity rate)
 Governance	ICVM 586 – Brazilian Corporate Governance Code
	ISS – Institutional Shareholder Services
	EVA – Economic Value Added (managerial information)
	DVA – Value Added Statement (R\$ million)
	Personnel
	Taxes, fees and contributions (R\$)
	Return on Equity (R\$)



Scorecard

ESG



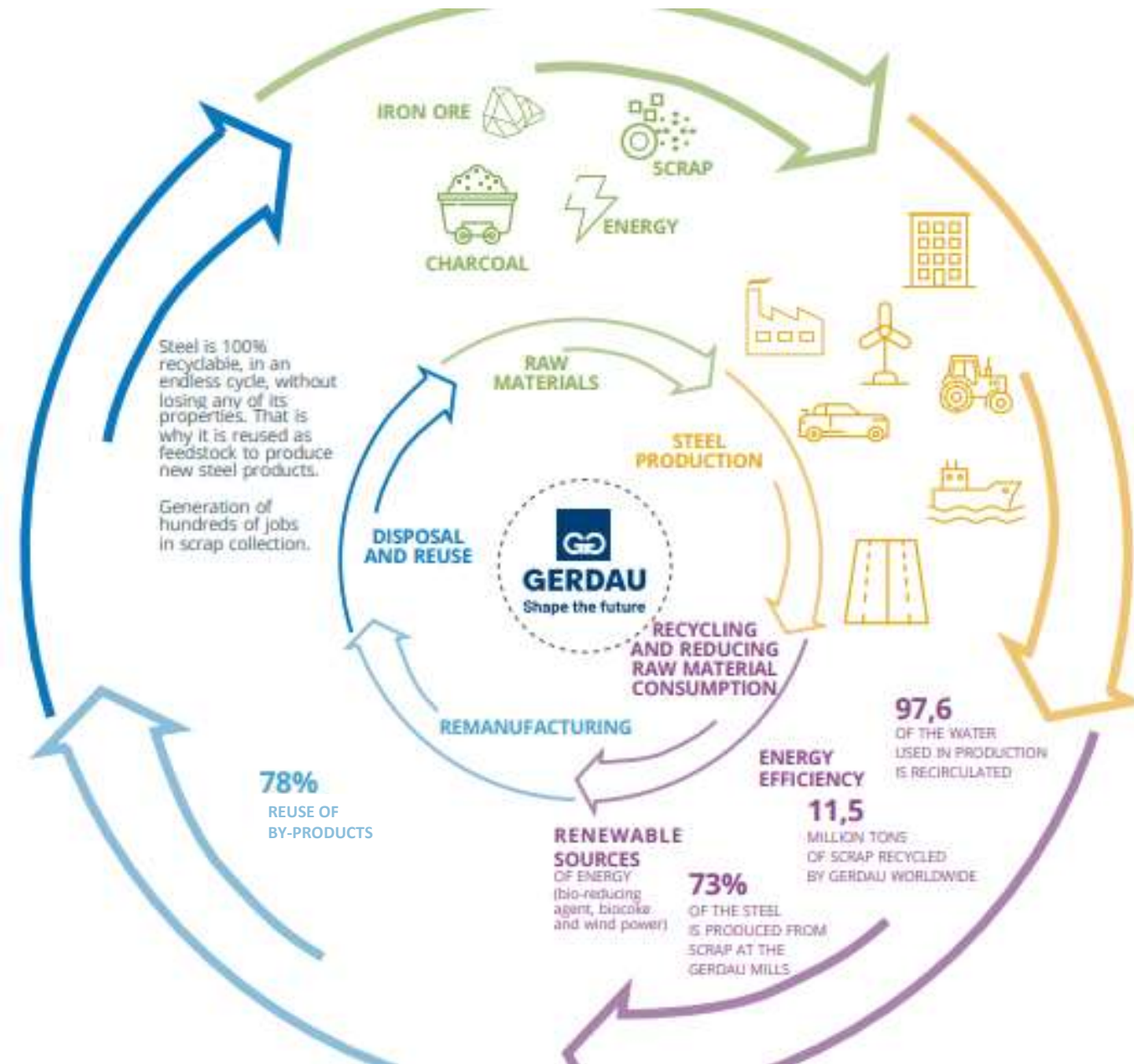
An aerial photograph of a wind farm at dusk or dawn. Two large white wind turbines are prominent in the foreground and middle ground. The landscape is a mix of open fields and dense forests. The sky is a deep blue. The word "Environmental" is written in large white letters across the center of the image. In the bottom right corner, there is a small yellow vertical bar and a white square outline.

Environmental

Circular

Economy

Gerdau has adopted the principles of circular economy as part of its sustainability strategy. In this way, the company works to optimize the use of natural resources, encourages the use of recyclable raw materials — in particular ferrous scrap — and reuses waste in the form of co-products.



Environmental Actions

Gerdau has a **Sustainability Policy** and an **Environmental Management System** in place that reaffirm the company's commitment to creating value for its stakeholders and is in line with regulatory guidelines.



- 254.867 hectares at Gerdau Florestal
- 91.4 thousand hectares of biodiversity conservation area, with 74.8 thousand hectares of Legal Reserve and APP

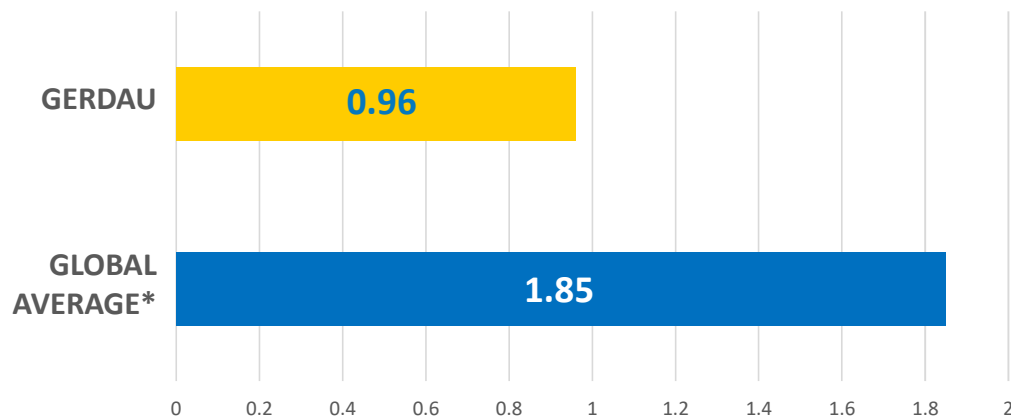


Own renewable eucalyptus forests in Minas Gerais (Brazil).

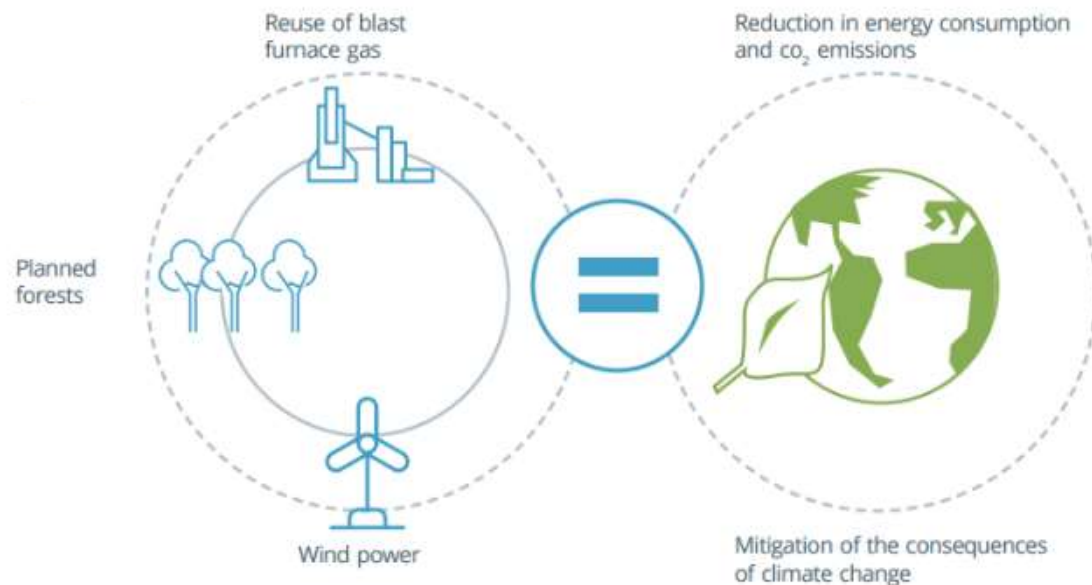
Transparency in Carbon Emissions

Gerdau's greenhouse gas emissions totaled 11,947,505 tons of CO₂e in 2019. Emissions from electricity consumed (scope 2) accounted for 24% of the total.

□ CARBON INTENSITY (tCO₂e / t steel)



* Source: World Steel Association.



□ HIGHLIGHTS

- Use of bio-reducing agents as the main input in the integrated steelmaking units.
- Reuses of the gases generated.
- Production is from scrap.

COMMITMENT



Water Reuse

Water management is part of Gerdau's **strategy**

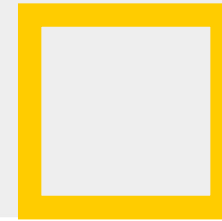
The company continually invests in efficient water recirculation programs, contributing to reducing withdrawal of new water, the volume of effluents, and the environmental impact of discharging these effluents by the operations.

▣ **97.6% of the water used in production is reused**



Gerdau Germinar Biocenter — Ouro Branco (MG).

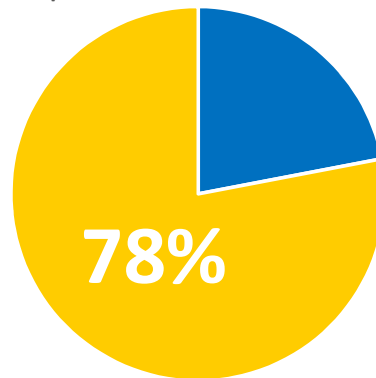
Management of By-products



Recycling of Scrap

In 2019, the Gerdau generated reused **78%** of these materials internally or in external partnerships.

- REUTILIZATION
- RECYCLE
- RECLAIMING



The Gerdau it has a Research & Development area able to analyze the production chain in order to reduce generation of industrial waste, qualifying it as by-product to be recycled and reused internally in Gerdau's processes and mills, and externally in third-party processes through innovative solutions.

Gerdau scrap Yard.



In 2019, Gerdau recycled more than 11 million tons of scrap at its mills in Brazil and the Americas. In other words, 73% of the steel produced by Gerdau uses ferrous scrap as its main feedstock.



Social

Safety

SAFETY DAY

The Company celebrates World Day for Safety and Health at Work, promoted by the UN on April 28, every year. The celebration includes a general stoppage of activities at all plants to reflect on safety and continue with an entire week of activities coordinated around this topic. It is an event that brings employees' families into the units. In 2020, when the 20th anniversary of Gerdau's Safety Policy is also celebrated, a global contest was held, between employees and Family members, to choose a new logo for Gerdau's Safety System.



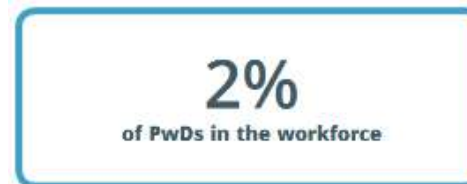
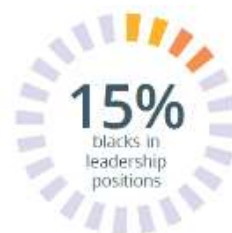
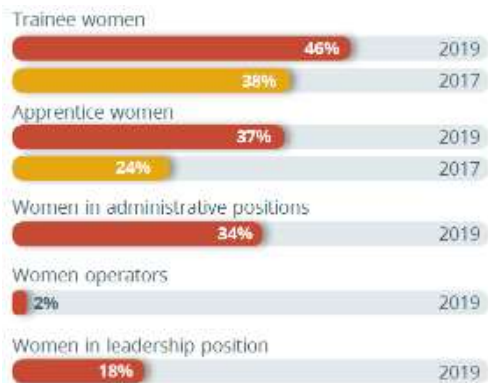
RECOGNIZED WORK

In 2019, Gerdau received the recognition for Excellence in Health and Safety from worldsteel, the main global entity in the steel sector. The award recognized the work done by the Company in reducing the number of highly severe accidents, a result that was reinforced by the attainment of the lowest accident severity rate in the Company's history.

□ An innovative accident risk prediction model – Safety Analytics – was implemented in almost every Gerdau mill in Brazil, which uses Artificial Intelligence and Machine Learning to predict occupational accidents.

Diversity and Inclusion

Our Diversity and Inclusion strategy is defined by acting on 4 aims:



FACTS



Social

Responsibility

2020 numbers:



665,866

PEOPLE BENEFITED



R\$ 59.1 million
SOCIAL INVESTMENTS



1,538

VOLUNTEERS WORKING



1.757

BUSINESS SUPPORTED



66 CITIES
IN 10 COUNTRIES



ENTREPRENEURSHIP AND HOUSING

Gerdau believes that working in network is better and more effective than conducting individual initiatives. This is how Lab Habitação works, managed by Gerdau and which has a partnership with companies and NGOs (learn more on page 70).



ENTREPRENEURSHIP AND RECYCLING

The company supports initiatives aimed at recycling materials while improving the quality of life of the population that works with recycling (learn more on page 71).



ENTREPRENEURSHIP AND EDUCATION

The topic of education has always been present in Gerdau's social projects and is currently responsible for the great voluntary engagement of the company's employees (learn more on page 71).



Certification B Company

Journey to become a Certified B Company

Since 2019, Gerdau is committed to becoming a Certified B Company. Starting with the operation in Brazil that seeks to obtain **certification** throughout 2021.

The Company B is an international recognition for the high ESG standards within the organization.

In addition to the certification journey, Gerdau was invited to be part of the **B Movement Builder**, a group of multinationals that will lead the movement globally.



LET'S GET TO WORK

Dear Business Roundtable CEOs,

We are part of a community of Certified B Corporations who are walking the walk of stakeholder capitalism. We are successful businesses that meet the highest standards of verified positive impact for our workers, customers, suppliers, communities and the environment.

We operate with a better model of corporate governance – benefit corporation governance – which gives us, and could give you, a way to combat short-termism and the freedom to make decisions to balance profit and purpose.

As you know, with continued assistance from investors on this new definition of business, we've got work to do to help them see that stakeholder governance builds trust and builds value.

What to watch for now that CEOs have rewritten the purpose of the corporation



COMMITMENTS





GERDAU
Shape the future



INVESTOR RELATIONS

CFO & IRO: Harley Scardoelli

IR General Manager: Rodrigo Maia

IR Team: Camila Rohr, Kelly Barna, Rafael Mingone and Nicolý Serpa

