

EARNINGS RELEASE

Q1 2020

 **m'booi
mirim**
HOSPITAL MUNICIPAL
DR. MOYSÉS DEUTSCH
ORGANIZAÇÃO SOCIAL

ambev

 **GERDAU**
O futuro se molda


ALBERT EINSTEIN
SOCIEDADE BENEFICENTE ISRAELITA BRASILEIRA

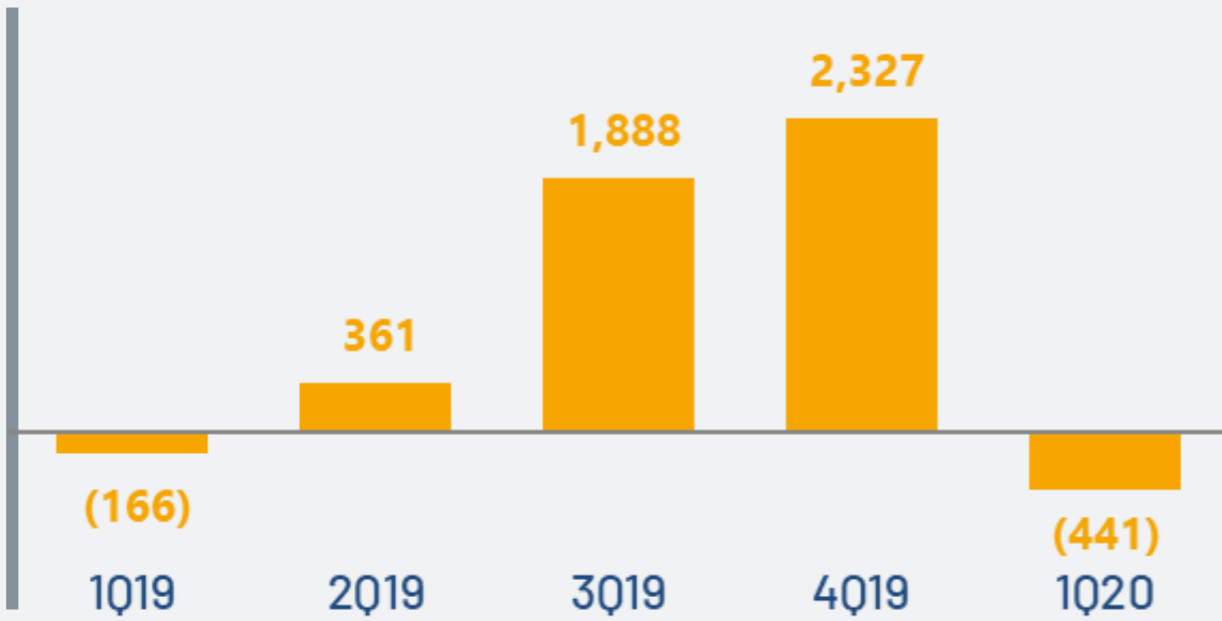

BRASIL
AO CUBO


CIDADE DE
SÃO PAULO
SAÚDE


CEJAM

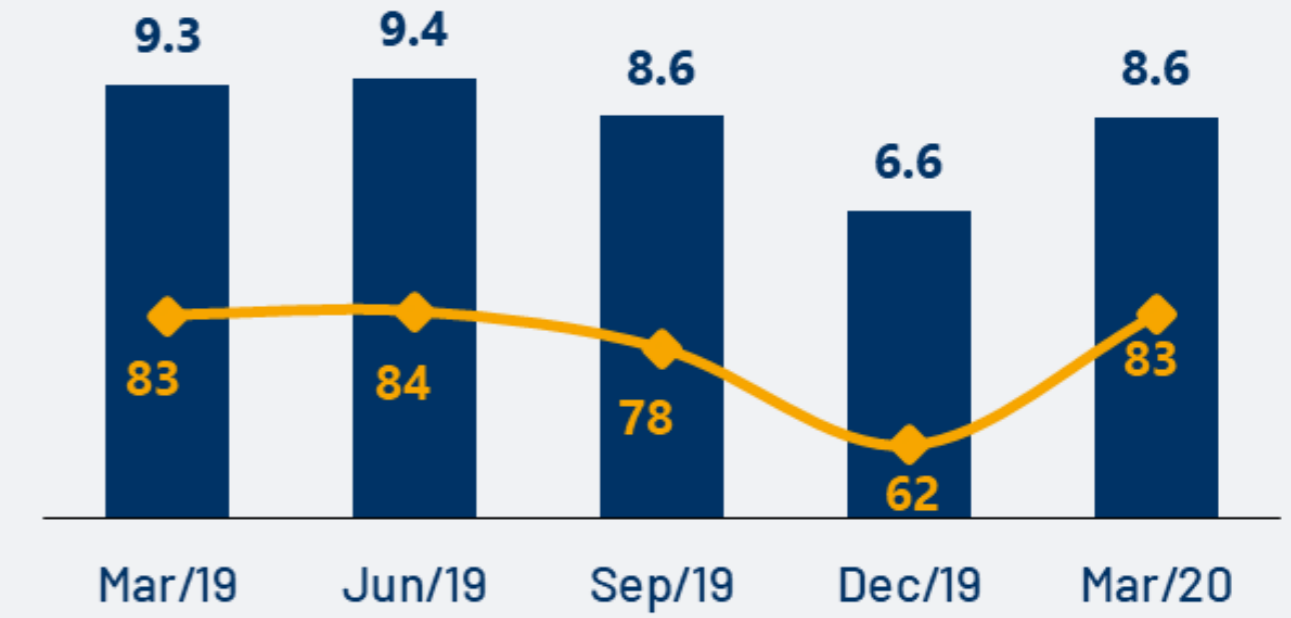
Covid-19 treatment centre in São Paulo

Free Cash Flow



FCF

Working Capital and Cash Conversion Cycle



Working Capital (R\$ billion) Cash Conversion Cycle (days)

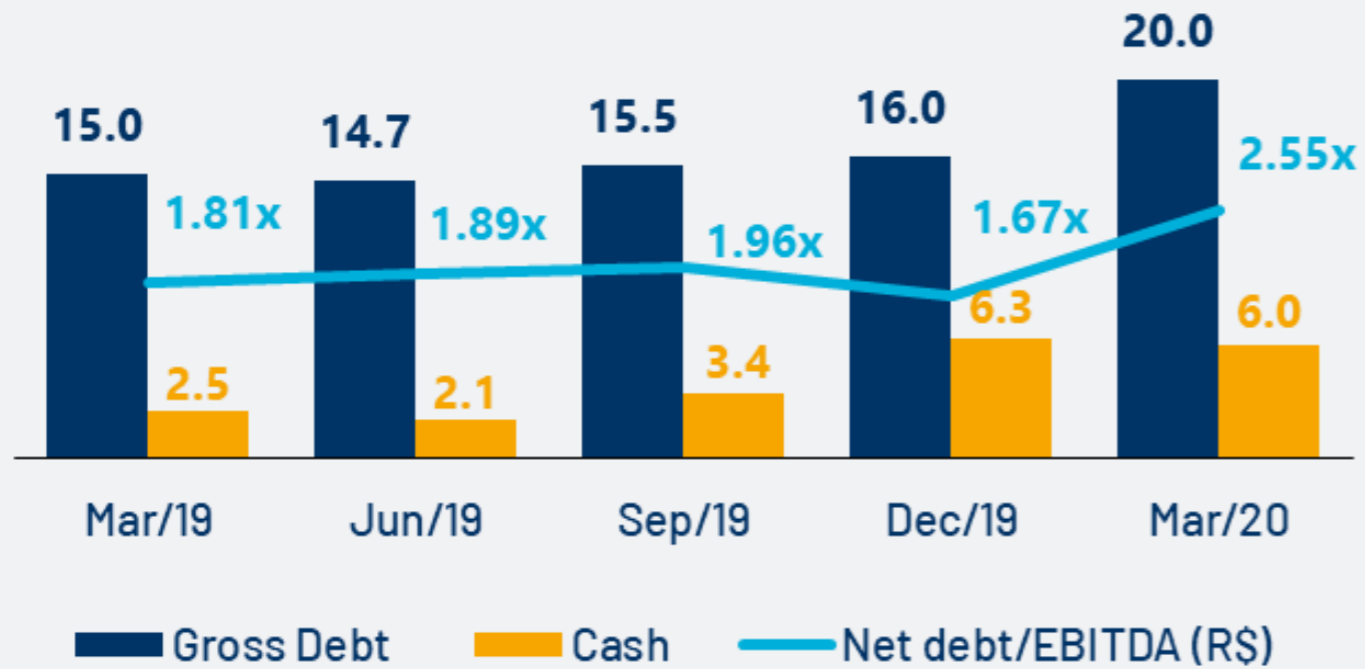
INDEBTEDNESS

Longer debt maturity profile



Debt Leverage and Ratio

R\$ billion



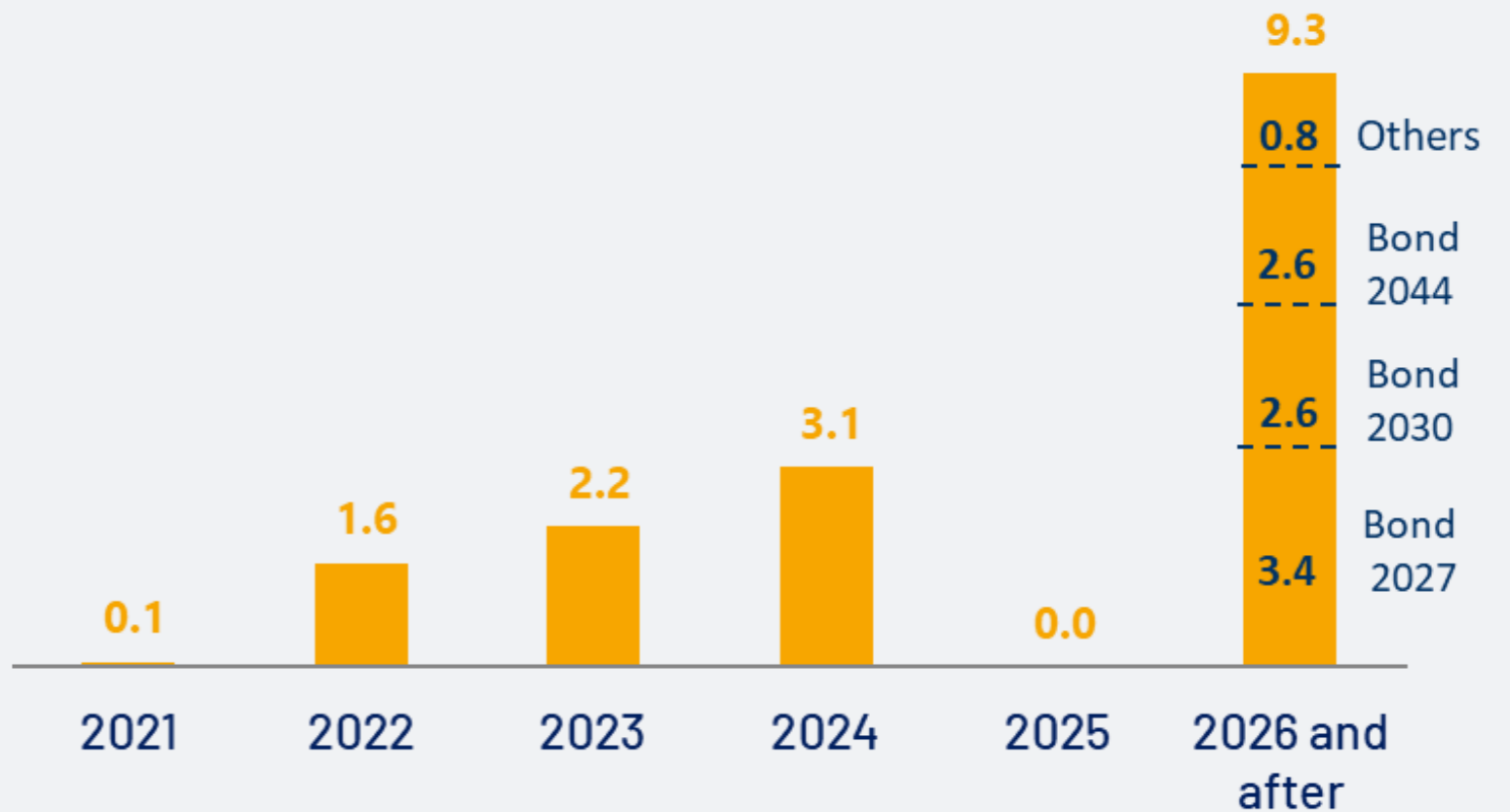
Average debt cost

5.1%

Average debt term

7.4 years

Debt amortization schedule



FINANCIAL

LIQUIDITY

Since 2015, we have no financial covenants and MAC clauses in all financial agreements and committed credit lines



Consolidated Debt Mar/20

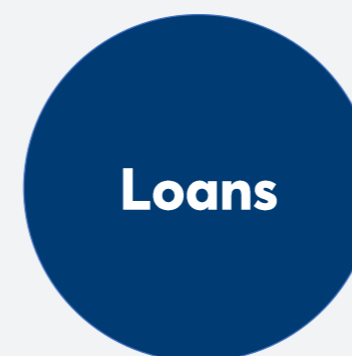
R\$ 15.1 bi



R\$ 2.9 bi

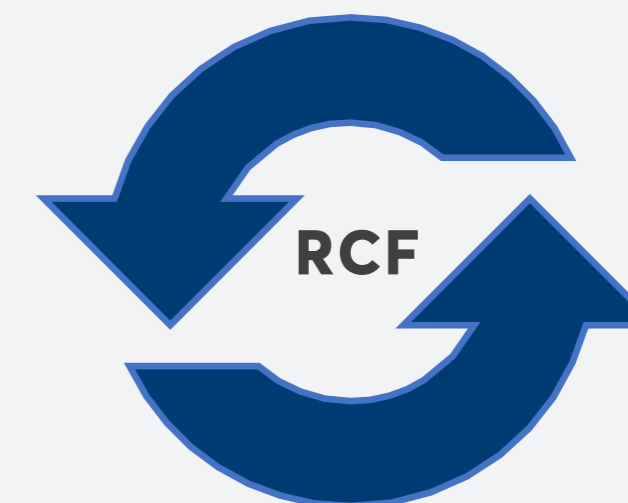


R\$ 2 bi



Committed Credit Lines

R\$ 4.2 bi

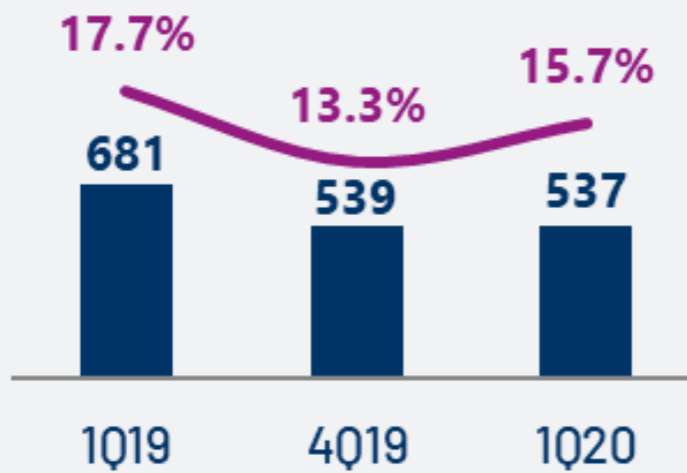
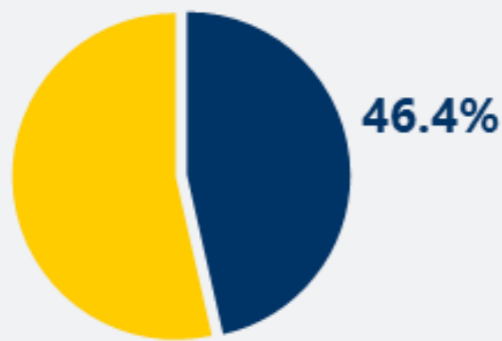


Joint-Ventures: Gerdau Summit, our JV in partnership with Sumitomo and JSW, has one financial agreement with BNDES in the total amount of R\$ 35.8 MM that contains annual tests for the net leverage ratios of Gerdau S.A., but with characteristics distinct from those contained in contracts with commercial banks. In the event of a failure to satisfy the annual tests, Gerdau S.A. would have a grace period and a subsequent renegotiation of the security for the financing, and an event of default would not occur.

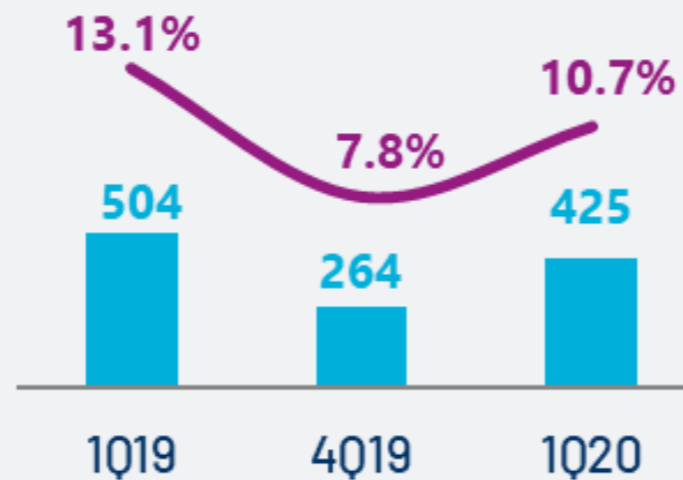
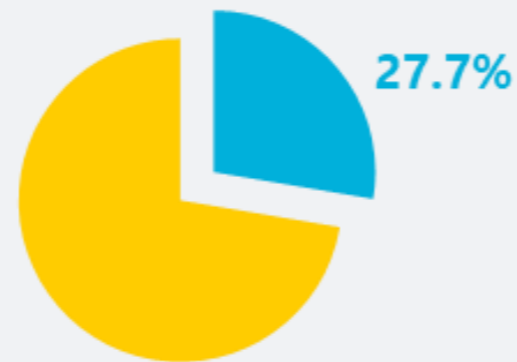
EBITDA



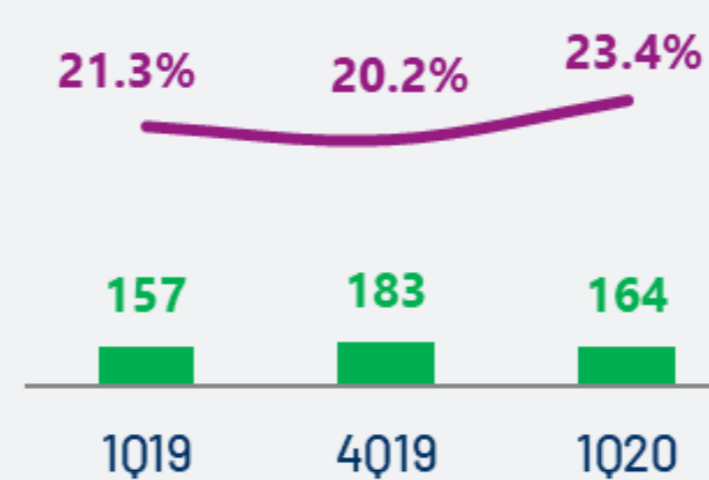
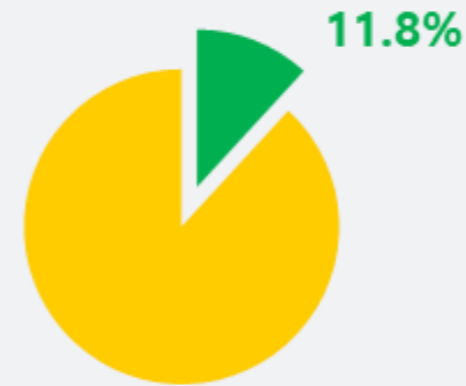
Brazil BD



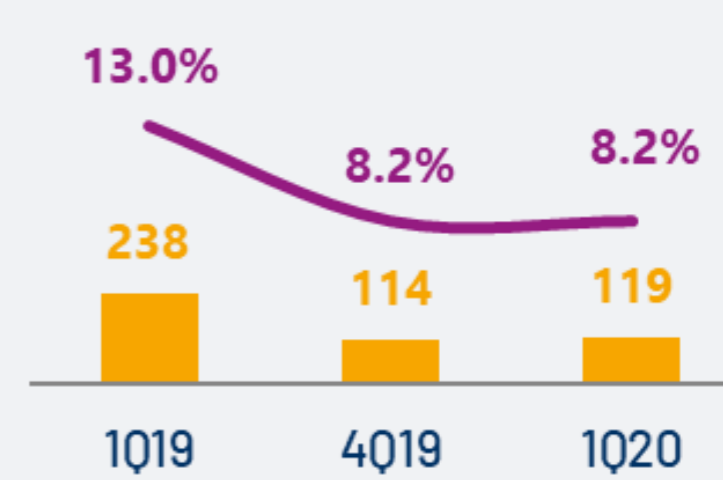
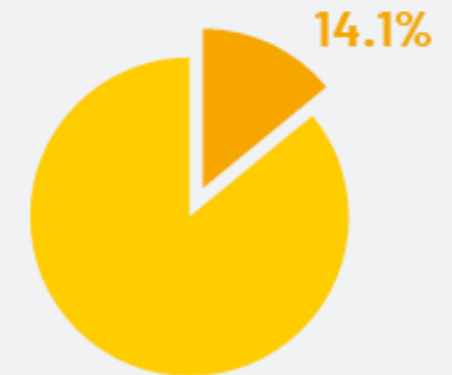
North America BD



South America BD



Special Steel BD



■ EBITDA (R\$ million)

— EBITDA Margin (%)

● Participation of Adjusted EBITDA per BD (last 12 months)

FUTURE

- Solid free cash flow and liquidity

- Culture modernization

- Customer Focus

- Resilience

- Agile

- Geographic diversification

- Operational flexibility

operations **OUTLOOK**

BRAZIL

- More resilient construction market, with improvement linked to the resumption of consumer confidence and increased supply of credit in the medium and long terms.
- Infrastructure projects gain more relevance.
- Gradual resumption of the industry, with sectors linked to energy and agriculture with better outlook.

SPECIAL STEEL

- Brazil: slow and gradual resumption of the automotive industry; demand from the wind sector remains positive.
- USA: carmakers expected to resume activities in May.

NORTH AMERICA

- Construction demand at healthy levels.
- Expectation of incentives to unlock investment in public infrastructure.

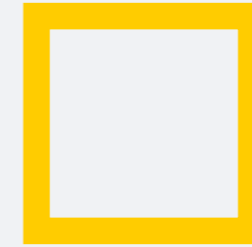
SOUTH AMERICA

- Argentina: gradual resumption of the industry.
- Peru: expected resumption of operations in June.



C o v i d - 1 9

SOCIAL INVESTMENT



- **Realignment of the social responsibility strategy, focusing on the health area.**
- **R\$ 20 million invested in initiatives to combat Covid-19 in Brazil.**
- **Construction of two public hospitals in the states of SP and RS, with the delivery of 160 new beds.**
- **Several initiatives - such as PPE donations - with the communities where we have operations, mainly in Minas Gerais state.**

SAVE THE DATE | AUGUST 5 EARNINGS RELEASE Q2 2020



Covid-19 treatment centre in Porto Alegre