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3 May 2024

Update

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RATINGS

Gerdau S.A.

Domicile	Sao Paulo, Brazil
Long Term Rating	Baa3
Type	LT Issuer Rating - Dom Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Gerdau S.A.

Update following affirmation of Baa3 rating, outlook changed to positive

Summary

Gerdau S.A.'s Baa3 rating is supported by the company's historically solid cash generation, which reflects its strong market position in markets where it operates, its good operational and geographic diversity, its cost-driven management, its flexible minimill cost structure, and its conservative financial policies. Despite volatile operating environments, Gerdau has generated positive free cash flow (FCF) since 2013 and was able to significantly reduce debt levels and strengthen credit metrics, partially using proceeds from asset divestitures.

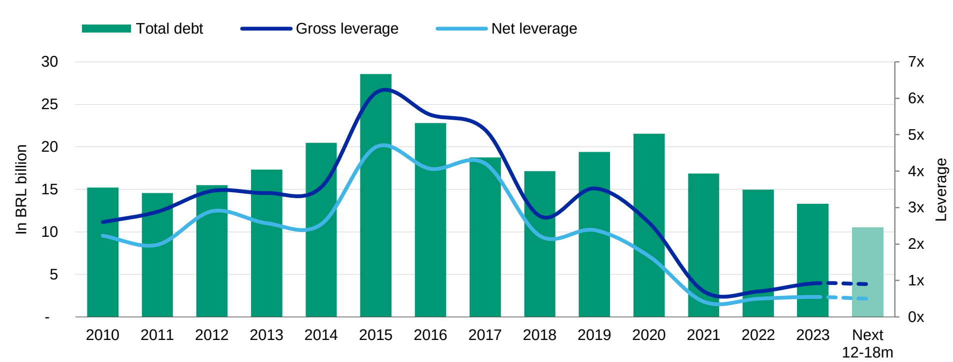
Gerdau's rating is constrained by the company's exposure to the cyclical steel industry, especially in Brazil (Ba2 positive) and the US (Aaa stable); and exposure to exchange rate volatility, as more than half of its cash flow is generated in Brazil and other Latin American countries.

On May 2, we affirmed Gerdau's Baa3 rating and changed the rating outlook to positive following the change in Brazil's sovereign rating outlook to positive.

Exhibit 1

Leverage ratios will remain strong in the next 12-18 months, even if deteriorating from 2021 peak-cycle levels

Moody's-adjusted total debt and leverage



Source: Moody's Ratings

Credit strengths

» Status as a leading producer of long steel in the Americas and one of the largest suppliers of special long steel in the world

» Good geographic diversification and strong market share in the US and Brazil

» Variable cost structure, high integration level and large scale, which provide operating flexibility and limit risks to a certain degree

» History of conservative capital allocation and adequate liquidity even during market downturns

» Financial flexibility to withstand short-term shocks

Credit challenges

» Exposure to the cyclical steel industry

» Exposure to Brazil's economic conditions and exchange rate volatility

» Potential liquidity call from the Administrative Council of Tax Appeals (CARF) ruling in Brazil

Rating outlook

The positive outlook on Gerdau's rating mirrors the positive outlook on Brazil's sovereign rating and reflects our expectation that the company will prudently manage its liquidity and expenses to preserve its metrics and credit quality amid volatility in its key end markets.

Factors that could lead to an upgrade

An upgrade of Gerdau's rating could occur if it is able to:

» sustain profitability, as measured by EBIT margin, at high-single-digit percentages (16.5% in 2023)

» improve liquidity and leverage, with total Moody's-adjusted debt/EBITDA of around 2x (0.9x in 2023) and EBIT/interest expense above 5.5x (12.2x in 2023) on a sustained basis

» maintain conservative financial policies

An upgrade of Gerdau's rating would require an upgrade of Brazil's sovereign rating and long-term visibility into Brazil's economic strength, or reduced exposure to the country's domestic fundamentals.

Factors that could lead to a downgrade

Downward pressure on the rating or outlook could result from a severe deterioration in market conditions leading to weaker liquidity or persistently high leverage, with:

» total debt/EBITDA above 3x on a sustained basis

» interest coverage (EBIT/interest expense) below 4x

A deterioration in volume and margin in Gerdau's main markets (namely Brazil and the US), weakening of its ability to generate positive FCF or limited flexibility for capital spending and dividend reduction could trigger a downgrade. A sharp deterioration in the controlling shareholders' (Metalúrgica Gerdau S.A.) financial position or a downgrade of Brazil's sovereign rating could also precipitate a downgrade of Gerdau's rating.

Key indicators

Exhibit 2
Gerdau S.A.[1][2][3]

US Millions	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	LTM (Dec-23)	Moody's forward view Next 12-18 months
Revenue	12,715.2	10,068.5	8,587.0	14,547.9	15,989.5	13,807.9	10,000 - 12,000
EBIT Margin %	9.3%	8.7%	13.3%	27.2%	21.6%	16.5%	16% - 20%
EBIT / Avg. Tangible Assets	10.4%	8.1%	12.4%	38.3%	29.0%	18.2%	10% - 15%
Debt / EBITDA	2.8x	3.5x	2.6x	0.7x	0.7x	0.9x	1.0x - 1.5x
(CFO - Dividends) / Debt	8.3%	22.8%	25.9%	40.1%	36.9%	58.4%	55.0% - 60.0%
EBIT / Interest Expense	2.9x	3.5x	5.4x	19.4x	17.5x	12.2x	10x - 15x
Debt / Book Capitalization	39.7%	41.2%	40.9%	28.2%	24.4%	21.2%	15% - 20%

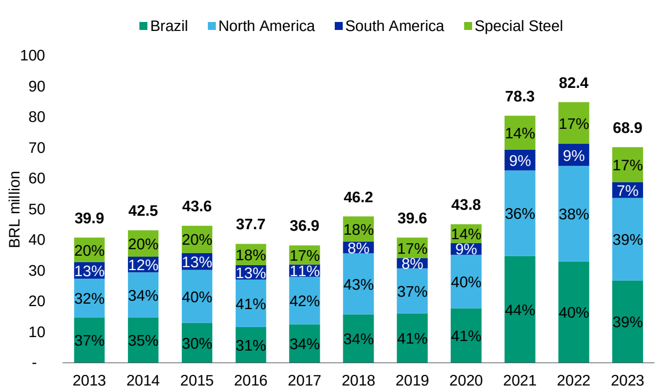
All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are financial year-end unless indicated. LTM = Last 12 months.
Source: Moody's Ratings

Profile

Based in Brazil, Gerdau S.A. is the leading producer of long steel in the Americas and one of the largest suppliers of special long steel in the world, with total capacity in 2023 of 16.7 million tons per year of crude steel and 15.6 million tons per year of rolled products. Its US subsidiary, Gerdau Ameristeel Corporation (Gerdau Ameristeel), is the second-largest long steel producer in North America.

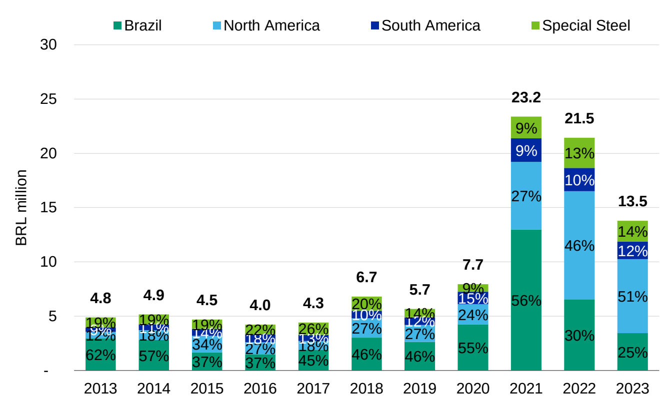
In 2023, Gerdau reported consolidated annual revenue of BRL68.9 billion ($13.8 billion). The group has operations in seven countries, with relevant market shares in Brazil, the US, Canada, Peru, Uruguay, Argentina and Mexico.

Exhibit 3
Gerdau has a globally diversified asset base, with balanced revenue generation
Net revenue by region



Source: Gerdau

Exhibit 4
Gerdau generates roughly 80% of EBITDA in Brazil and the US (including special steel)
EBITDA by region



Source: Gerdau

Detailed credit considerations

Large scale and geographic diversification help offset difficult market conditions

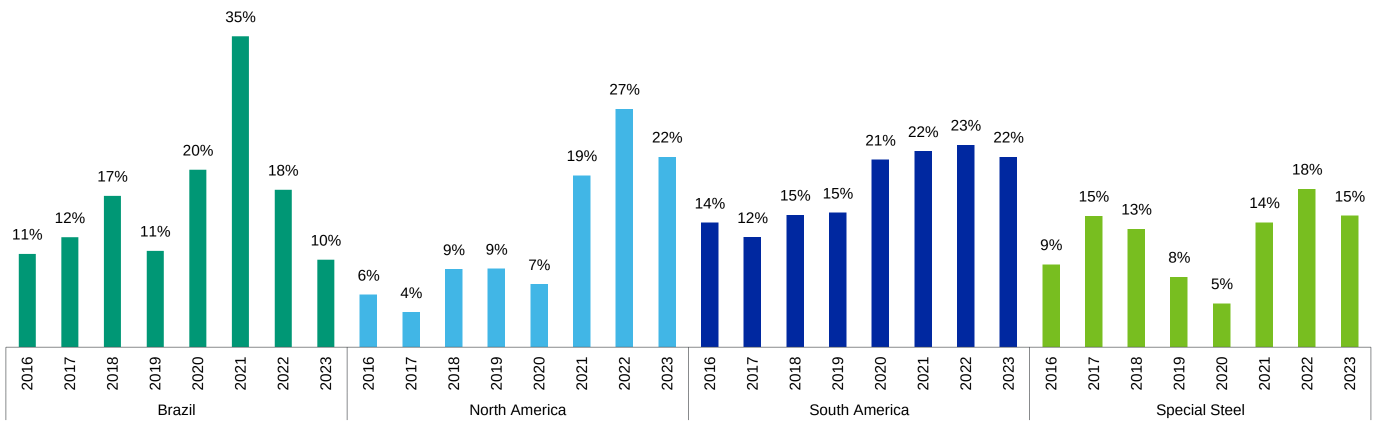
Gerdau operates a total of 29 mills globally that produce a wide range of products: 13 mills in North America, 13 in Brazil and 3 in other countries. In addition, Gerdau also owns several downstream fabrication facilities. The company's Brazilian steel operations (excluding special steel) represented about 39% of its consolidated net revenue and 25% of reported EBITDA for 2023, while the North American steel segment represented 39% and roughly 51%, respectively. The special steel segment, with facilities in Brazil and the US, represented 17% of consolidated net revenue and 14% of EBITDA in 2023.

Geographic diversification generally helps offset the effect of difficult market conditions. In 2020, for example, Gerdau's operating performance was supported by strong construction activity in Brazil and in the US, which helped temper the decline in sales volumes for the special steel segment. Total sales volumes in Brazil and in the US increased 11% and 1.4%, respectively, in 2020 from the 2019 level, while volumes for the special steel segment fell 21.2%. In 2021, the company benefitted from favorable prices and demand across all of its segments, and credit metrics improved further.

Gerdau's operating performance remained strong in 2022, even if weaker than the 2021 peak levels, with operations in Brazil and the US benefiting from solid fundamentals mainly for the construction industry and healthy metal spreads. In 2023, the Brazilian steel industry remained strained by the high volume of steel imports, evidencing the competition imbalance especially because of the imports of steel from China, under predatory competition conditions. According to the Brazil Steel Institute, the steel import penetration rate in Brazil reached 25% in December, more than double the average of the last 10 years, while the import volume in 2023 was 50% higher than in 2022. In the US, the infrastructure bill and inflation reduction act, and more rational competition will support demand and profitability, despite weaker global growth. The special steel segment will continue to benefit from the recovery in automotive production, especially with the US chips act, and from investments in renewable energy.

Steel prices will remain weaker than the high levels seen in 2021, but Gerdau will continue to benefit from rising sales volumes in its main markets, especially in the US, and a depreciated local currency in Brazil to preserve operating margin. The company's Moody's-adjusted consolidated EBITDA margin declined to 20.9% in 2023 from 30.6% in 2021, but remained stronger than pre-2020 levels and will remain strong in the future even with potential volatility in its key end markets. The company's profitability level reflects its streamlined operations after several asset sales and focus on higher value-added products and markets, as well as its significant operating leverage from the minimill production profile.

Exhibit 5
Profitability remained strong in 2023, but below 2021 levels
Gross margin by region



Sources: Gerdau and Moody's Ratings

High level of integration and flexible operations provide higher efficiency and ability to adjust operations during market downturns

Gerdau's rating takes into consideration its low-cost minimill operating structure, which accounts for about 75% of its current crude steel capacity and provides good cost flexibility. Minimills have a significant proportion of variable costs, which can be crucial for cash flow generation in times of volatile demand and input costs. Particularly in Brazil, Gerdau benefits from efficient raw material acquisition, including steel scrap (80% from a captive diversified base of small suppliers) and iron ore for its Açominas integrated facility, which has an annual capacity of 7 million tons.

In North America, Gerdau's scrap-recycling facilities supply most of its main raw materials, thereby reducing the volatility related to scrap pricing. In addition, Gerdau North America's downstream operations allow it to capture value-added margins on the steel produced at its minimills. Many of these businesses have different supply-demand dynamics compared with the mill products and, thus, enhance diversity.

This flexible operational structure has some advantages in times of market downturns. For example, Gerdau shut down or paralyzed production in some plants in Brazil during the 2015-16 downturn in the country and improved capacity utilization in other facilities, without jeopardizing its total output and still meeting the existing demand for its products. The measures Gerdau took to improve its product mix and reduce costs in the past years helped it maintain relatively stable margins during the economic recession in Brazil. Gerdau's Moody's-adjusted EBIT margin remained within 4%-5% during 2015-16, which was an adequate performance despite the contraction in volumes in Gerdau's operations. We expect Gerdau's flexible structure to facilitate rapid response during downturns, limiting risk to its margin due to operating leverage.

Credit metrics will remain strong through 2024, supporting stable leverage levels and strong balance sheet

Gerdau has posted better-than-expected operating performance since 2018, which, combined with asset sales and liability management initiatives, allowed the company to intensify its debt-reduction efforts and consequently improve credit metrics within a very short time. Gerdau has paid $4.5 billion in debt since 2015 peak; streamlined operations through asset sales and optimization of its operating capacity; and maintained a disciplined approach to liquidity, investments and dividend distributions. All these contributed to sequential reductions in financial leverage and improvements in credit metrics, increasing the company's buffer to withstand future volatility in operations.

Gerdau's Moody's-adjusted leverage declined to 0.9x in 2023 from the peak of 6.2x in 2015, and will remain stronger than the historical levels through 2024 on the back of positive industry dynamics in Brazil and in the US. However, profitability will deteriorate from the 2021 peak levels because of competition from imports in Brazil and cost-related pressures, such as coking coal, iron ore, scrap and labor. Brazil announced on April 23 that it will increase import tariffs for 11 types of steel products that include flat steel, wires and tubes to ease the fierce competition that Brazilian steelmakers faced from Chinese steel imports that dampened their margins. We expect Gerdau to maintain robust liquidity and adjusted leverage within 1x-2x over time.

Since the beginning of 2014, Gerdau has raised BRL9.0 billion from asset sales, which were directed toward reducing debt and contributed to a significant improvement in credit metrics. In addition, the asset divestiture program also allowed Gerdau to streamline its operations and focus on the more profitable, core US and Brazilian markets. This supports the company's future profitability and provides additional financial flexibility to withstand the cyclicality of the steel industry.

Gerdau has intensified its debt-reduction efforts since Q4 2017. The company sold its special steel operations in Spain in May 2016; created a joint venture in Colombia and the Dominican Republic; sold coke units and coking coal reserves in Colombia; and divested its operations in Guatemala, its downstream operations in the US and its 50% share in Gallatin Steel Company. In October 2017, Gerdau sold 100% of its operations in Chile for $154 million. In January 2024, the company announced the conclusion of the sale of the joint-ventures DIaco and Gerdau Metaldom, which operated mainly in Dominican Republic and Colombia, for $325 million. All these transactions, including the deal with Commercial Metals Company (Ba1 stable) in the US and the sale of the special steel operations in India, have generated BRL9.0 billion in economic value (around BRL6.4 billion in cash proceeds) since 2014 (BRL1.1 billion in 2014-15, BRL1.3 billion in 2016, BRL800 million in 2017, BRL4.2 billion in 2018 and about BRL1.3 billion in 2024), and the proceeds were mostly used for debt reduction and more recently to cover investments planned for 2024.

Historically, Gerdau has demonstrated prudent financial management, reflected in its solid liquidity, moderate dividend payout, and strong commitment to reduce total debt and maintain net leverage below 1.5x. Gerdau's Moody's-adjusted leverage peaked at 5.5x-6.5x during Brazil's economic recession in 2015-16, mainly as a result of the sharp EBITDA contraction and strong depreciation of the local currency against the US dollar. Currently, 65% of total debt and around 51% of EBITDA is denominated in US dollars.

Even with volatility in its end markets, we expect Gerdau to maintain its financial discipline, and to quickly adjust its operating and financial profiles during downturns to preserve its credit quality. We expect the company to continue to use the excess cash to reduce debt in the next quarters, complying with its target of maintaining reported net leverage below 1.5x, maintaining total reported gross debt around BRL12 billion (BRL10.9 billion as of year-end 2023) and reduce foreign-currency exposure.

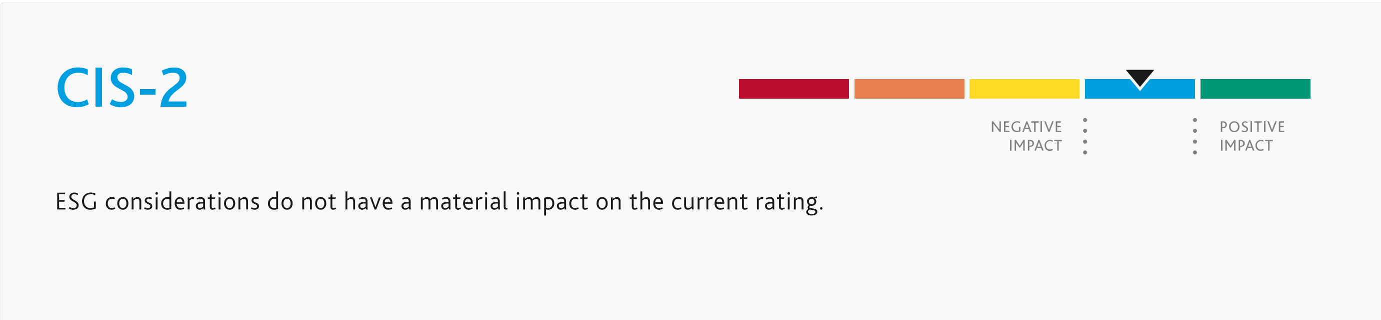
Risks from Brazilian tax ruling

In addition to being exposed to the cyclicality of the steel industry, Gerdau faces an BRL8.7 billion Brazilian tax ruling. A July 2016 ruling by the CARF found Gerdau guilty in the administrative proceedings that questioned its deduction of amortized goodwill from its calculation of corporate income tax and social contributions as a result of corporate restructuring in 2004-05. The case has moved from the administrative branch to the judicial branch; the timeline for any ruling on this is uncertain and could take many years. Preliminary estimates suggest that if Gerdau fails to reverse the CARF decision, the company would owe nearly BRL8.7 billion in penalties. An eventual tax payment of about BRL8.7 billion could damage Gerdau's liquidity, but the effect would be subject to the payment schedule. The payment schedule would likely be divided in several installments, mitigating immediate liquidity risks. Gerdau has not made provisions for this ruling.

ESG considerations

Gerdau S.A.'s ESG credit impact score is CIS-2

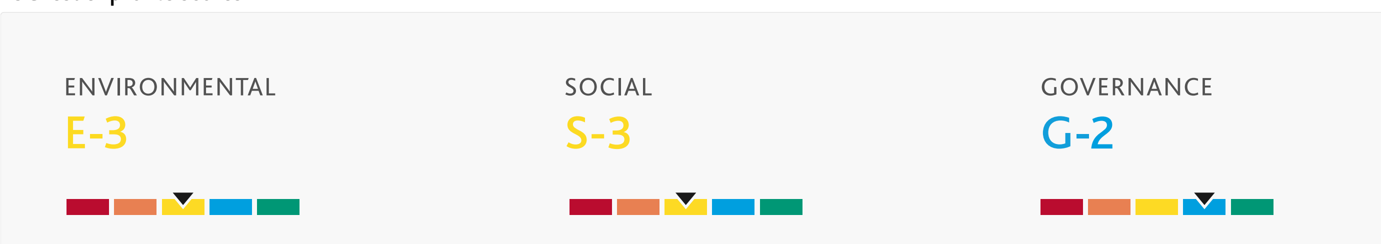
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

Gerdau's **CIS-2** indicates that ESG considerations are not material to the rating. Gerdau faces environmental and social risks due to its predominantly EAF steel production process, which is less exposed to carbon transition and health and safety risks than blast furnace operations. Governance aspects are incorporated in the rating and include a track record of conservative financial management that led to a material deleverage over the last few years, balanced by a concentrated ownership.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Gerdau faces environmental risks due to its predominantly EAF steel production process, which is less exposed to carbon transition risks than blast furnace operations. Gerdau's predominantly minimill operating structure and scrap-recycling facilities give it an edge compared with producers focused on blast furnaces. Gerdau owns 254,000 hectares of forest, of which 91,000 are areas for biodiversity conservation within the Cerrado and Atlantic Rainforest biomes. The company is the world's largest producer of charcoal and uses it as a bio-reducing agent in the production of pig iron and steel in part of its integrated mills. Gerdau operates two iron ore mines and has one upstream tailings dam in Ouro Preto, but it completed the deposition of dry tailings and the process of decharacterization of the dam in 2021.

Social

Gerdau faces social risks due to its predominantly EAF steel production process, which is less exposed to health and safety risks than blast furnace operations.

Governance

Gerdau's governance aspects are incorporated in the rating and include a track record of conservative financial management that led to a material deleverage over the last few years, balanced by a concentrated ownership. Gerdau is a public company that is indirectly controlled by the Gerdau family through Metalurgica Gerdau S.A., which owns 32.7% of the company. Its shares are listed on the NYSE; Latibex; and B3 S.A. - Brasil, Bolsa, Balcao (Ba1 stable), where it has been listed under Level 1 Regulation for Corporate Governance

Standards since 2001. The Level 1 regulation requires a high level of disclosure and transparency, and the maintenance of a minimum free float of 25%. Gerdau is in compliance with the Sarbanes-Oxley corporate governance standard. Since 2001, it has a permanent and independent board of auditors comprising three effective members and three substitutes, of which two are appointed by the controlling shareholders and one is elected by the minority shareholders. Three out of the seven members of the board of directors are independent, and the remaining four are appointed by the controlling shareholders, of which three are Gerdau family members. Several committees, such as the corporate governance committee, the strategy and sustainability committee, finance committee, and the compensation and succession committee, support the board of directors.

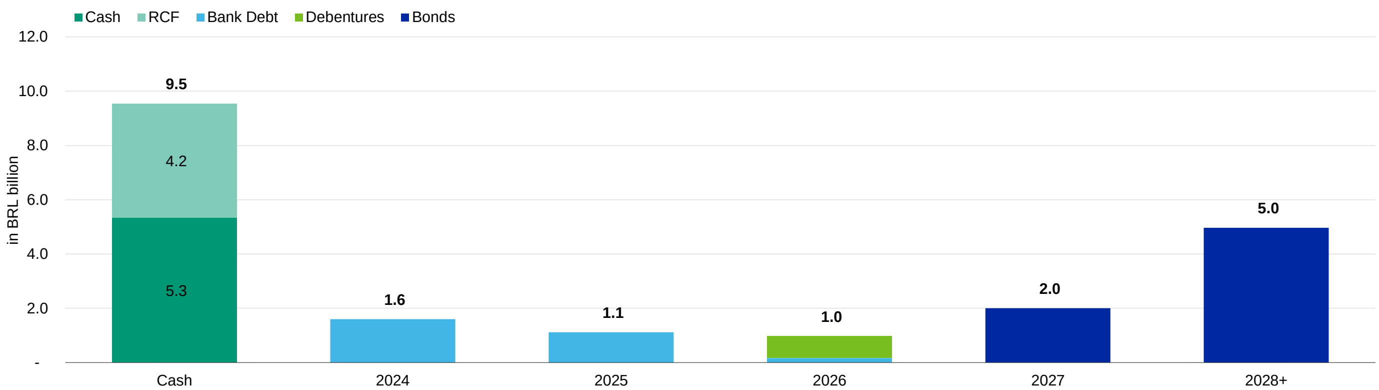
ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Gerdau has excellent liquidity, supported by BRL5.3 billion in cash ($1 billion) as of year-end 2023; BRL4.2 billion ($875 million) availability under its revolving credit facility, renewed in September 2022 and due in September 2027; and BRL1.6 billion in debt maturing by year-end 2024. Thus, it has the flexibility to withstand short-term shocks.

Gerdau has maintained robust liquidity over time, in particular during periods of weakening market fundamentals, and it has generated positive FCF since 2013. In 2023, Gerdau generated BRL2.1 billion of FCF, in line with our previous expectation that the company would be able to maintain positive FCF even with higher investments of about BRL5.7 billion in 2023. We expect the company to continue to be able to generate positive FCF, even with the planned BRL6 billion in investments for 2024. The company was also able to reduce debt, partially using proceeds from asset divestitures. It has historically pursued liability management initiatives proactively to reduce its debt cost and increase its debt tenor. Historically, Gerdau has generated positive FCF even during market downturns because of its financial discipline and working capital management. The company also has flexibility to reduce capital spending and dividend payments to the minimum required by law to adjust its cash outflow in times of lower demand. Historically, Gerdau has maintained a dividend payout of about 30%-35%, and in 2023, the company's payout was in line with historical trend at around 35.8%.

Exhibit 8
Debt amortization schedule is adequate
As of December 2023



Sources: Gerdau and Moody's Ratings

Methodology and scorecard

Gerdau's scorecard-indicated outcome under our Steel Industry rating methodology (November 2021) maps to A3, three notches above the assigned rating. Our 12-18-month forward-looking scorecard-indicated outcome maps to A3, reflecting our expectation of the company's declining but still-strong operating performance.

Exhibit 9

Rating factors

Gerdau S.A.

Methodology: Steel published on 12 Nov 2021	Current LTM (Dec-23)		Moody's Forward View Next 12-18 months (as of Mar-24)	
Factor 1: SCALE (20%)	Measure	Score	Measure	Score
a) Revenue (USD Billion)	$13.8	Baa	$10.0- $12.0	Baa
Factor 2: BUSINESS PROFILE (20%)				
a) Business Profile	Baa	Baa	Baa	Baa
Factor 3: PROFITABILITY (15%)				
a) EBIT Margin	16.5%	A	16% - 20%	A
b) Return on Tangible Assets (EBIT / Tangible Assets)	18.2%	Aa	10% - 15%	A
Factor 4: LEVERAGE AND COVERAGE (35%)				
a) Debt / EBITDA	0.9x	Aa	0.9x - 1.5x	Aa
b) Debt / Book Capitalisation	21.2%	Aa	15.0% - 20.0%	Aaa
c) (CFO - Dividends) / Debt	58.4%	Aa	55.0% - 60.0%	Aa
d) EBIT / Interest Expense	12.2x	Aa	10.0x - 15.0x	A
Factor 5: FINANCIAL POLICY (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating Outcome:				
a) Scorecard-Indicated Outcome		A3		A3
a) Actual Rating Assigned		Baa3		

All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics™

Ratings

Exhibit 10

Category	Moody's Rating
GERDAU S.A.	
Outlook	Positive
Issuer Rating -Dom Curr	Baa3
GTL TRADE FINANCE INC.	
Outlook	Positive
Bkd Senior Unsecured -Dom Curr	Baa3
GERDAU AMERISTEEL US INC.	
Outlook	
Bkd LT IRB/PC	Baa3

Source: Moody's Ratings

Appendix

Exhibit 11

Moody's-Adjusted Debt Reconciliation for Gerdau S.A.[1][2]

in BRL millions	FYE Dec-2019	FYE Dec-2020	FYE Dec-2021	FYE Dec-2022	FYE Dec-2023
As Reported Debt	**16,854.1**	**18,371.8**	**14,958.1**	**13,638.0**	**12,170.9**
Non-Standard Public Adjustments	1,394.6	1,670.6	807.9	653.1	584.3
Pensions	1,171.5	1,498.5	1,097.0	669.7	510.5
Moody's-Adjusted Debt	**19,420.2**	**21,540.9**	**16,863.0**	**14,960.8**	**13,265.8**

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics TM

Exhibit 12

Moody's-Adjusted EBITDA Reconciliation for Gerdau S.A.[1][2]

in BRL millions	FYE Dec-2019	FYE Dec-2020	FYE Dec-2021	FYE Dec-2022	FYE Dec-2023
As Reported EBITDA	**4,687.1**	**7,017.2**	**23,991.0**	**19,690.3**	**13,233.9**
Unusual Items - Income Stmt	779.2	1,281.5	-60.4	935.6	1,169.1
Pensions	40.2	34.6	44.6	29.3	31.0
Moody's-Adjusted EBITDA	**5,506.6**	**8,333.4**	**23,975.2**	**20,655.2**	**14,434.0**

[1] All figures are calculated using Moody's estimates and standard adjustments.
[2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics TM

Exhibit 13

Peer Comparison[1][2]

	Gerdau S.A. N/A Positive		Usinas Siderurgicas de Minas Gerais S.A. N/A Stable		Nucor Corporation N/A Stable		Steel Dynamics, Inc. N/A Stable		ArcelorMittal N/A Positive	
in USD millions	FYE Dec-22	FYE Dec-23	FYE Dec-22	FYE Dec-23	FYE Dec-22	FYE Dec-23	FYE Dec-22	FYE Dec-23	FYE Dec-22	FYE Dec-23
Revenue	$15,989.5	$13,807.9	$6,299.9	$5,537.5	$41,512.5	$34,713.5	$22,260.8	$18,795.3	$79,844.0	$68,275.0
OPERATING PROFITS	$3,226.3	$1,934.7	$756.4	$117.5	$10,509.6	$6,234.6	$5,096.1	$3,156.7	$11,329.0	$4,932.0
EBITDA	$4,007.5	$2,892.0	$1,364.0	$527.6	$11,552.3	$7,716.9	$5,513.5	$3,754.3	$15,502.1	$8,812.8
Total Debt (Gross)	$2,833.6	$2,730.9	$1,271.2	$1,392.6	$6,796.4	$6,949.3	$3,181.2	$3,199.2	$24,047.5	$22,039.0
Cash & Cash Equivalents	$1,029.4	$1,100.1	$960.7	$1,237.2	$4,280.9	$6,383.3	$1,628.4	$1,400.9	$9,300.0	$7,686.0
EBIT / Interest Expense	17.5x	12.2x	5.8x	1.9x	47.1x	26.1x	45.8x	28.7x	18.8x	6.5x
Debt / EBITDA	0.7x	0.9x	1.0x	2.6x	0.6x	0.9x	0.6x	0.9x	1.6x	2.5x
RCF / Net Debt	104.8%	99.0%	211.1%	162.5%	339.4%	941.7%	265.6%	150.9%	75.0%	38.1%
FCF / Debt	4.9%	15.6%	-32.7%	15.4%	106.6%	56.6%	104.2%	49.7%	24.1%	13.9%
EBIT Margin %	21.6%	16.5%	14.6%	5.7%	25.2%	18.8%	23.0%	17.6%	16.2%	9.0%
EBIT / Avg. Tangible Assets	29.0%	18.2%	12.5%	4.1%	44.4%	24.4%	40.8%	24.0%	13.9%	6.5%
(CFO - Dividends) / Debt	36.9%	58.4%	-2.0%	60.2%	135.8%	89.0%	132.9%	101.2%	39.3%	36.0%
Debt / Book Capitalization	24.4%	21.2%	20.6%	20.3%	25.8%	23.9%	26.2%	24.7%	31.3%	29.3%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments.
[2] FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics TM

Exhibit 14
Peer comparison

	Gerdau S.A. Baa3 Stable			Usinas Siderurgicas de Minas Ba2 Stable			Nucor Corporation Baa1 Stable			Steel Dynamics, Inc. Baa3 Stable			ArcelorMittal Baa3 Stable		
(in USD millions)	FYE Dec-21	FYE Dec-22	LTM Dec-22	FYE Dec-21	FYE Dec-22	LTM Dec-22	FYE Dec-20	FYE Dec-21	LTM Oct-22	FYE Dec-21	FYE Dec-22	LTM Dec-22	FYE Dec-20	FYE Dec-21	LTM Sep-22
Revenue	$14,548	$15,989	$15,989	$6,265	$6,300	$6,300	$20,140	$36,484	$43,153	$18,409	$22,261	$22,261	$53,270	$76,571	$83,759
EBITDA	$4,452	$4,007	$4,007	$2,526	$1,417	$1,417	$2,425	$10,315	$13,024	$4,629	$5,514	$5,514	$3,322	$21,458	$18,978
Total Debt	$3,027	$2,834	$2,834	$1,351	$1,377	$1,377	$5,436	$5,780	$6,805	$3,206	$3,181	$3,181	$25,222	$21,127	$22,607
EBIT Margin	27.2%	21.6%	21.6%	36.2%	14.6%	14.6%	8.0%	25.8%	27.8%	23.2%	23.0%	23.0%	0.7%	24.7%	19.5%
EBIT/Avg. Tang. Assets	38.3%	29.0%	29.0%	37.0%	12.5%	12.5%	9.9%	48.2%	52.4%	42.3%	40.8%	40.8%	0.4%	21.9%	18.0%
EBIT / Int. Exp.	19.4x	17.5x	17.5x	21.6x	6.3x	6.3x	9.5x	56.8x	58.3x	38.4x	45.8x	45.8x	0.5x	35.4x	33.8x
DEBT / EBITDA	0.7x	0.7x	0.7x	0.6x	1.0x	1.0x	2.2x	0.6x	0.5x	0.7x	0.6x	0.6x	7.6x	1.0x	1.2x
Total Debt/Capital	28.2%	24.4%	24.4%	23.6%	22.0%	22.0%	32.6%	28.4%	26.6%	31.0%	26.2%	26.2%	40.8%	30.3%	30.7%
(CFO - Dividends) / Debt	40.1%	36.9%	36.9%	48.1%	-2.0%	-2.0%	38.8%	97.2%	136.9%	61.1%	132.9%	132.9%	18.0%	37.5%	37.9%

All figures and ratios are calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

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