



QUARTERLY RESULTS



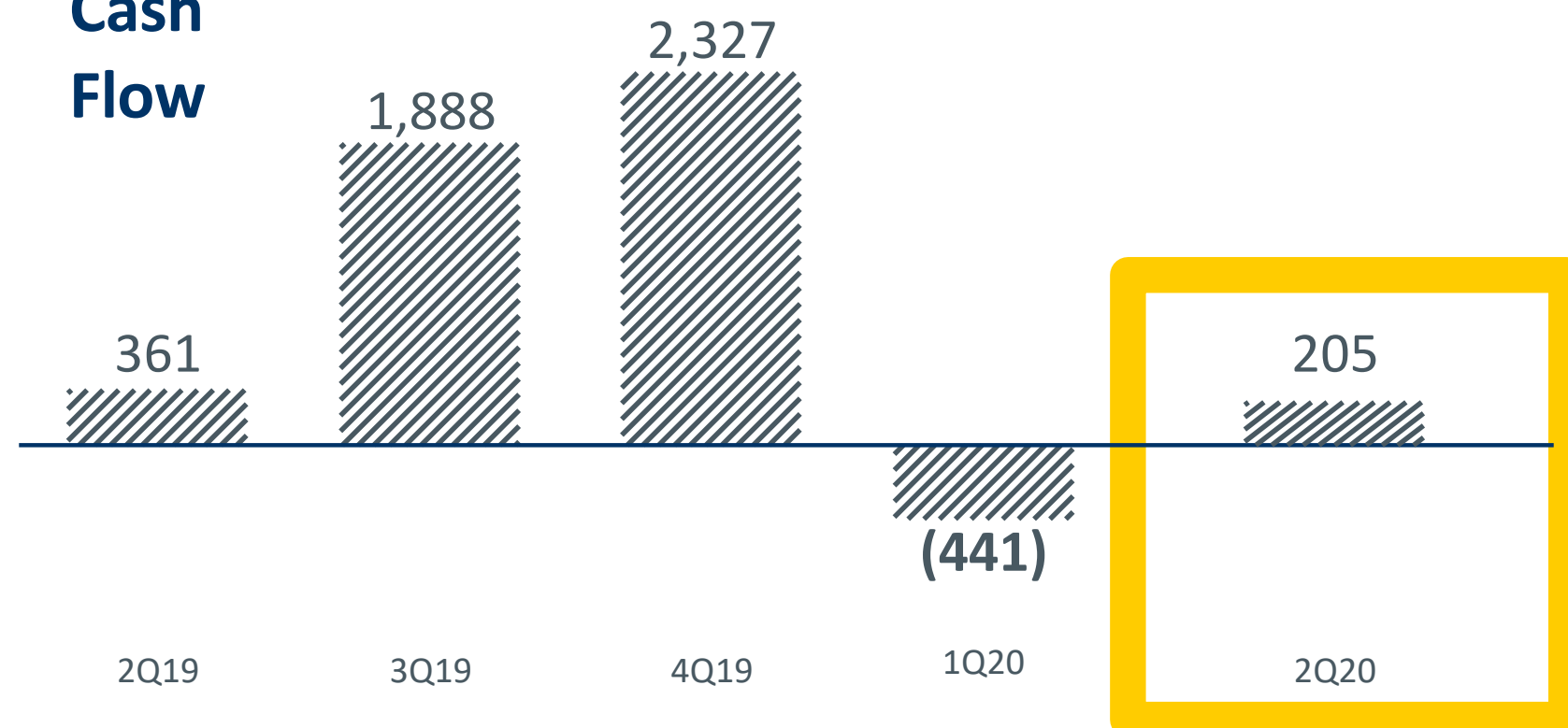
GERDAU
Shape the future

2nd
quarter of
2020

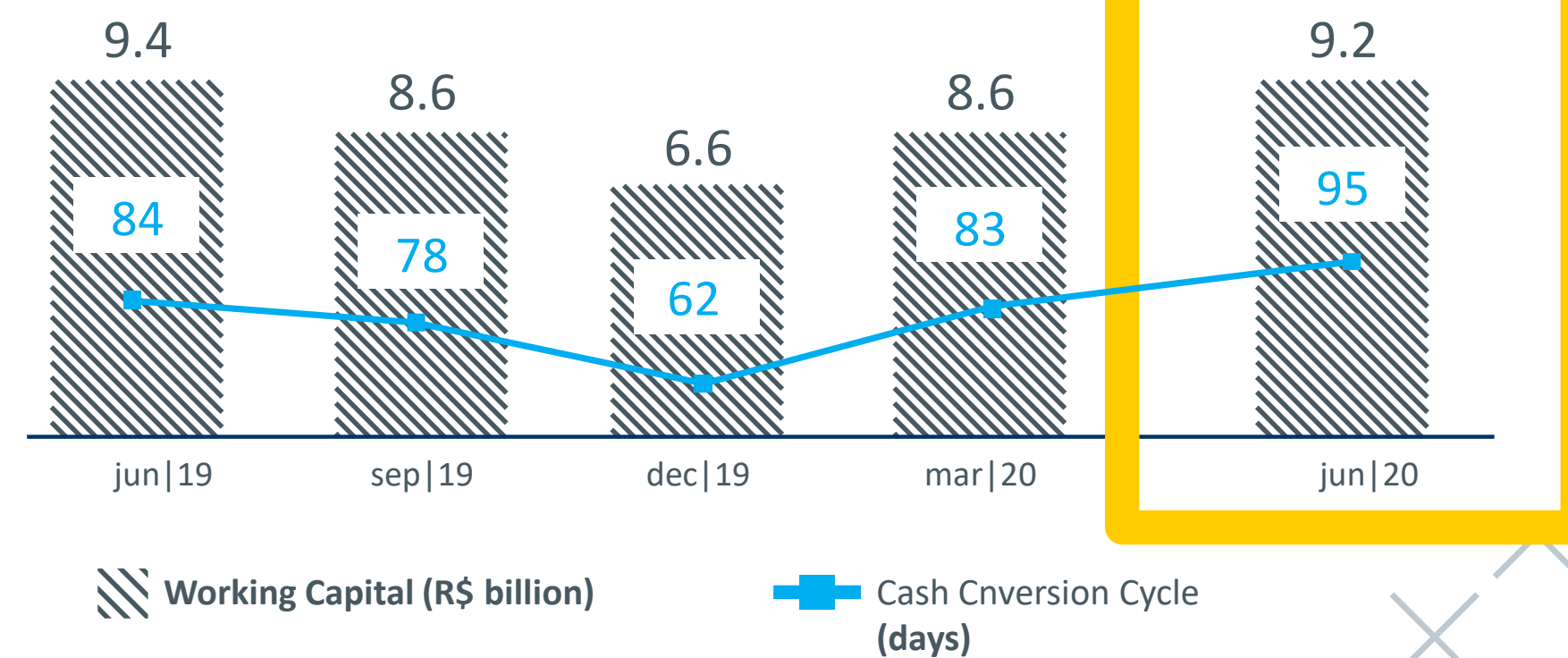
FCF



Free Cash Flow



Working Capital and Cash Conversion cycle

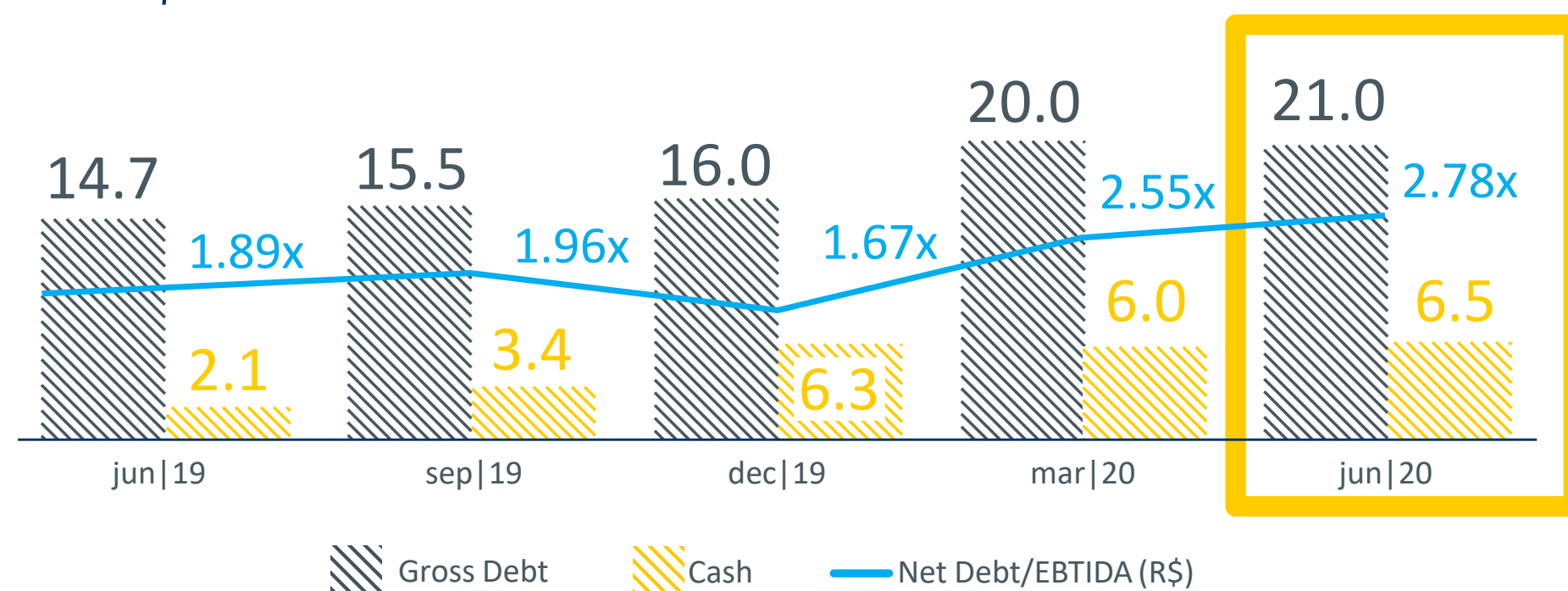


LIQUIDITY AND INDEBTEDNESS

Longer debt maturity profile

Debt Leverage and Ratio

R\$ billion



Debt amortization schedule

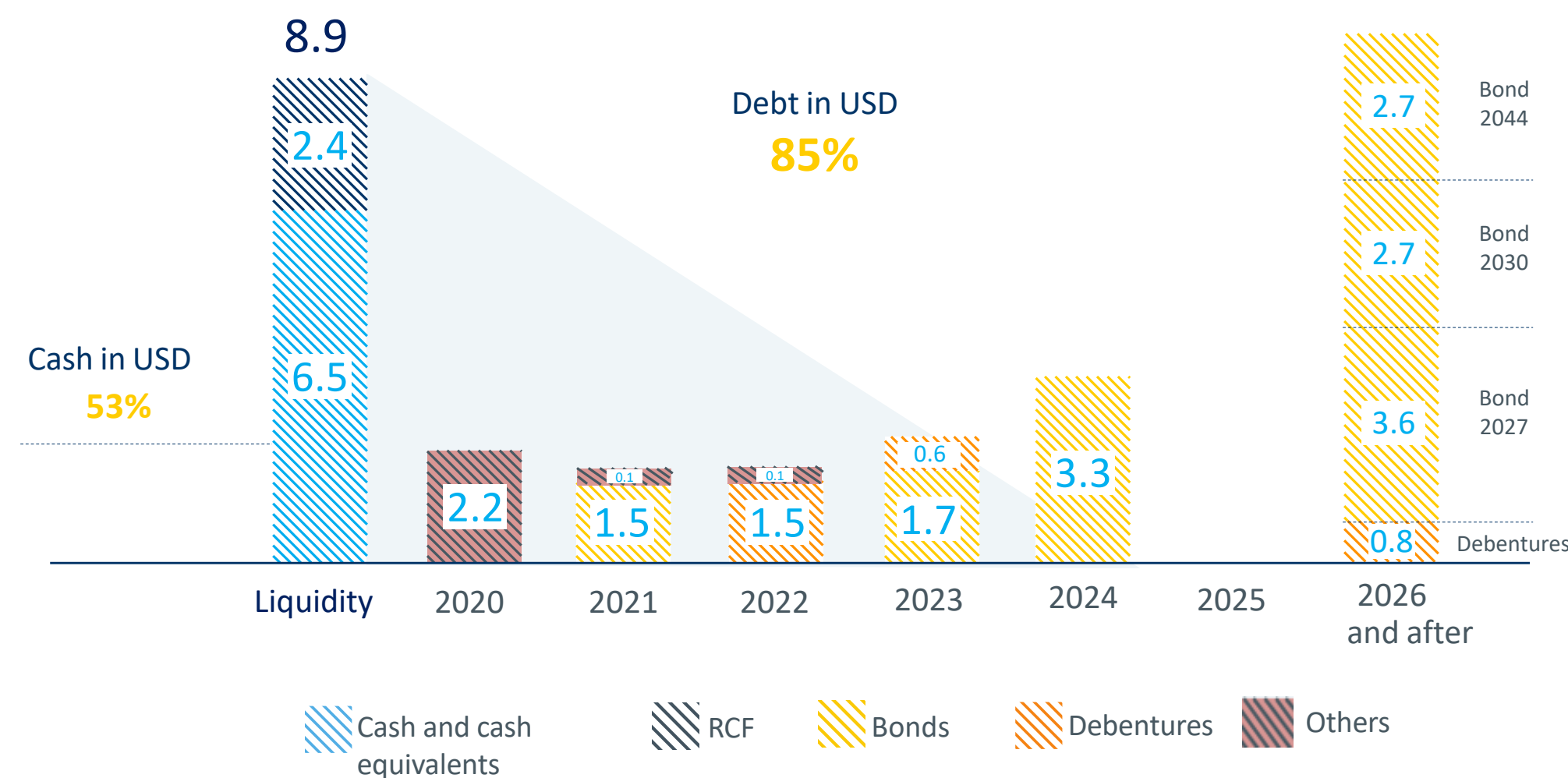
R\$ billion

Average Debt Cost

4.7%a.a.

Average Debt Term

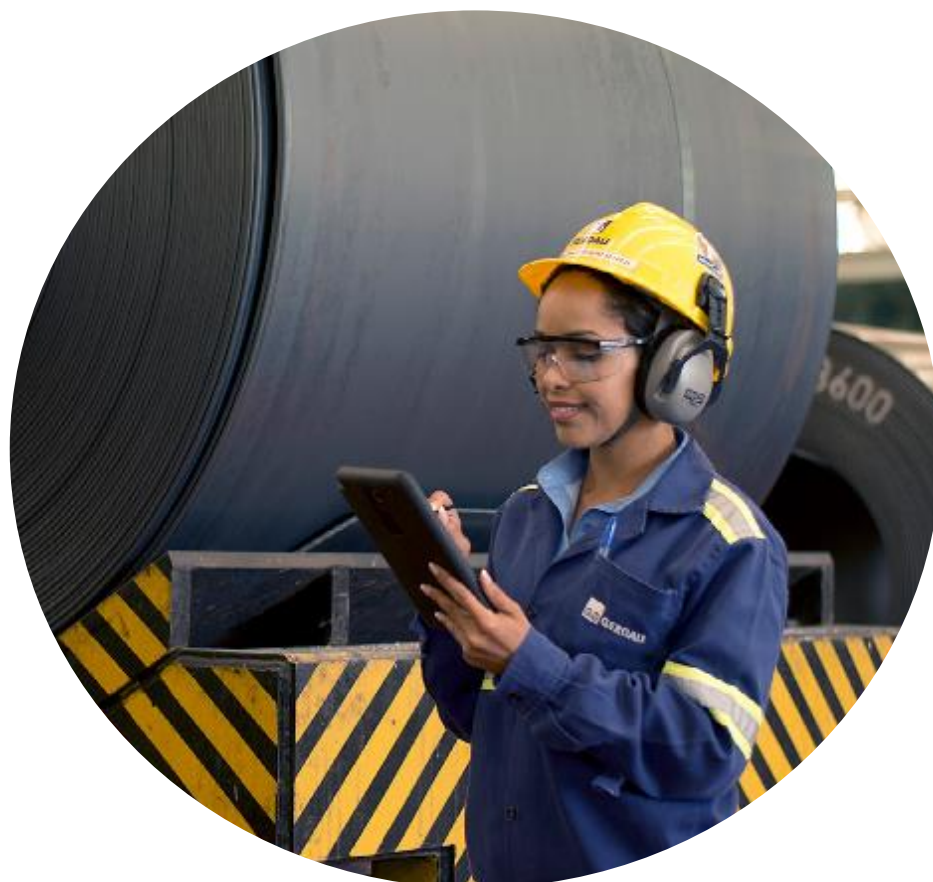
7.2 years



FINANCIAL LIQUIDITY

Since 2015 we have no financial covenants¹
and MAC clauses in all financial agreements
and committed credit lines

Revolving Credit Facility



Structured by Gerdau and
available until October 2024

Cost

Libor +1.15% a.a.

Availability in
USD

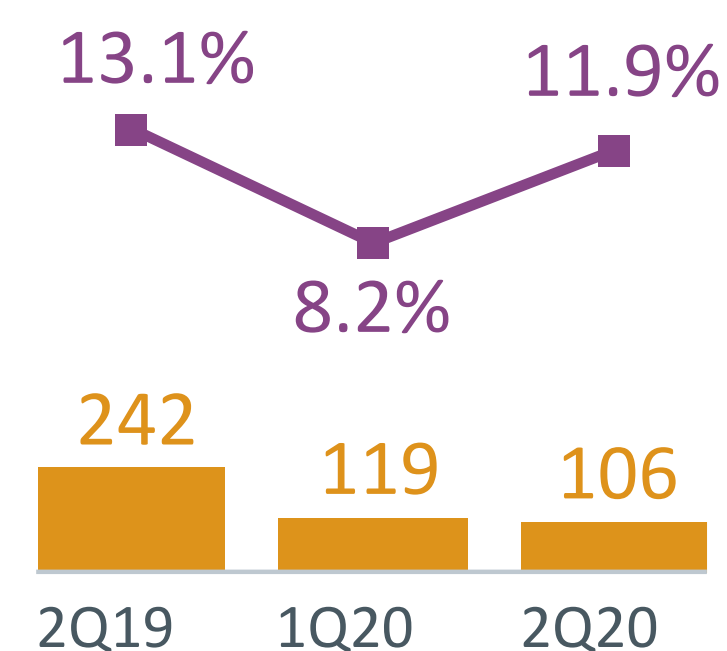
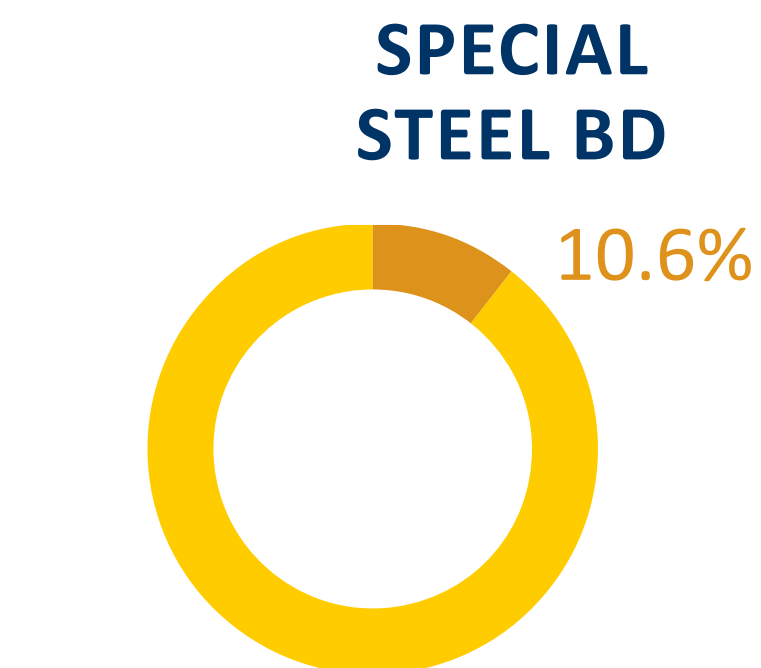
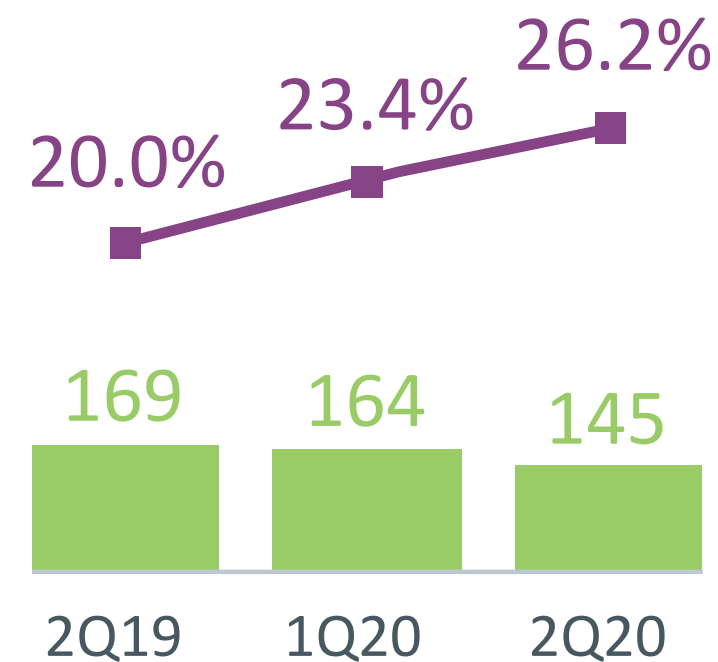
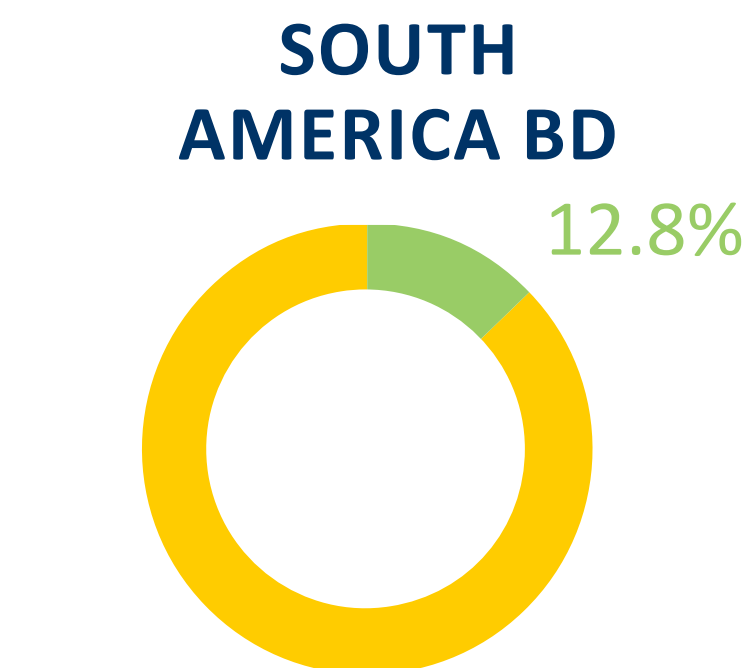
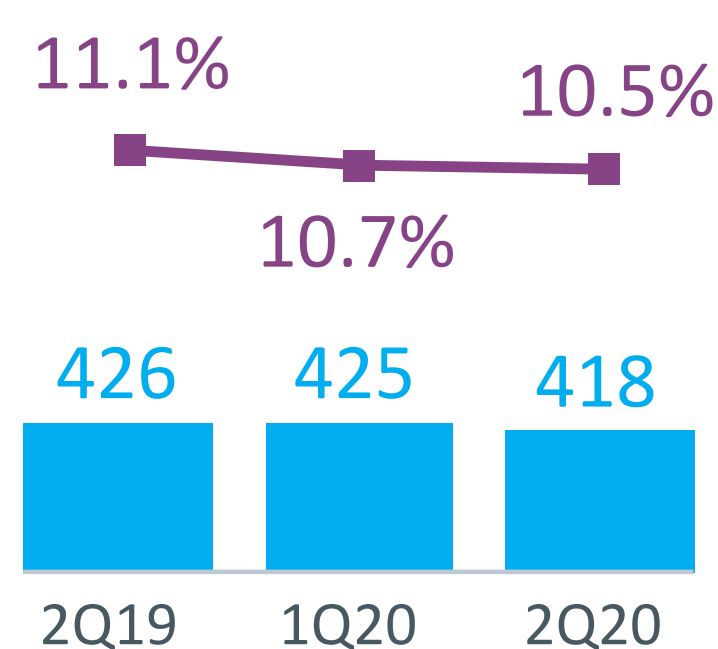
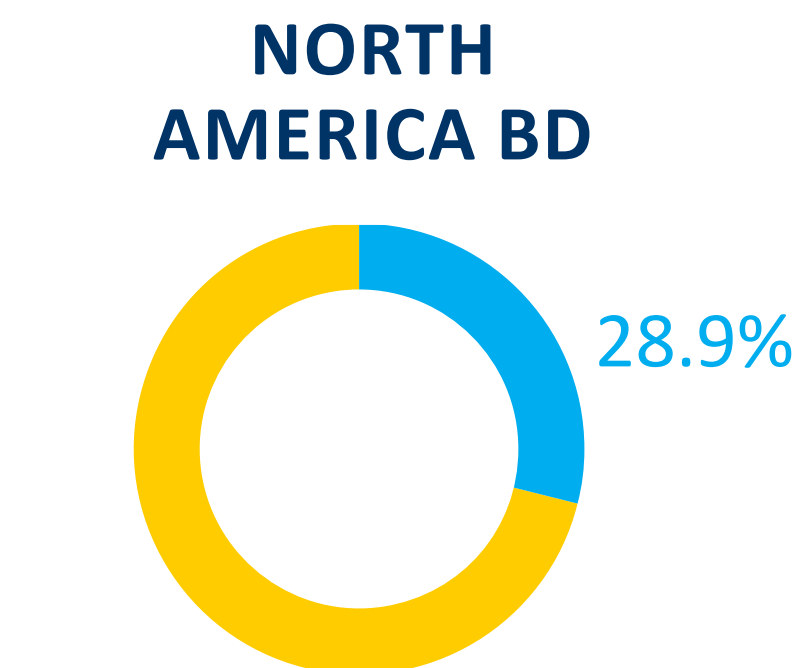
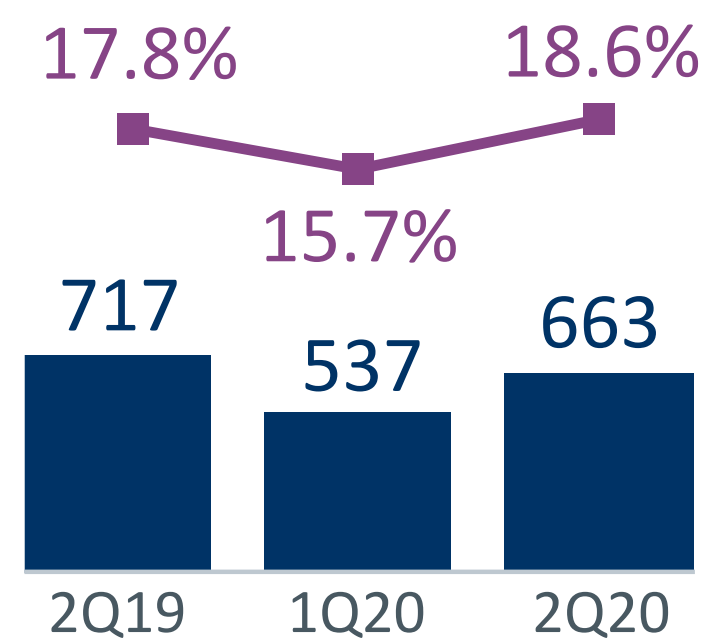
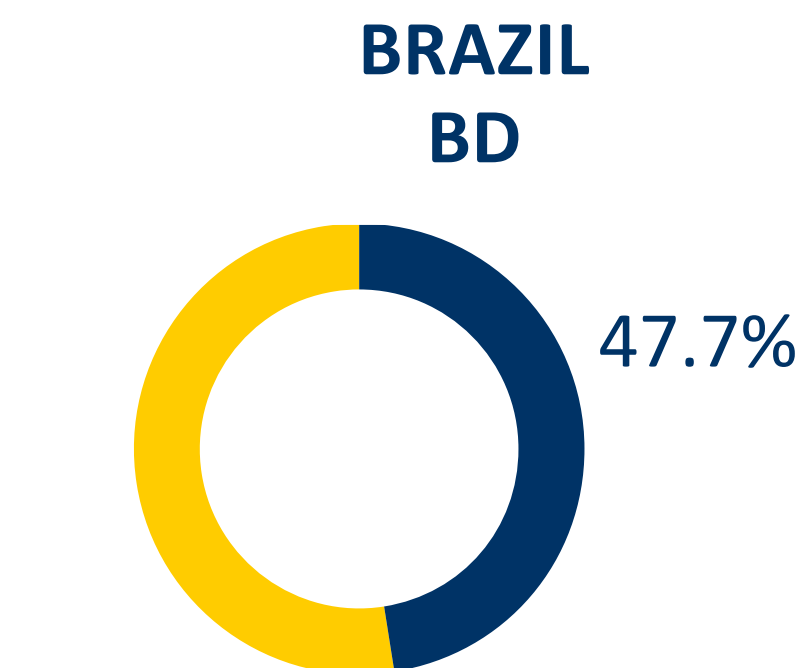
48 hours

Accessible
to

**16 companies
in 8 countries**

**Ratings:
S&P: BBB-
Fitch: BBB-
Moody's: Ba1**

EBITDA



■ EBITDA (R\$ million)

■ EBITDA margin (%)

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

HIGHLIGHTS



**Decision-making
agility**



**Solid liquidity
and cash flow**



**Digital
transformation**



**Market
diversification**



**Focus on
clients**



Resilience



**Operational
flexibility**

OPERATIONS OUTLOOK

NORTH AMERICA

- Positive performance of the construction industry.
- Potential stimulus for unlocking investment in public infrastructure.

SOUTH AMERICA

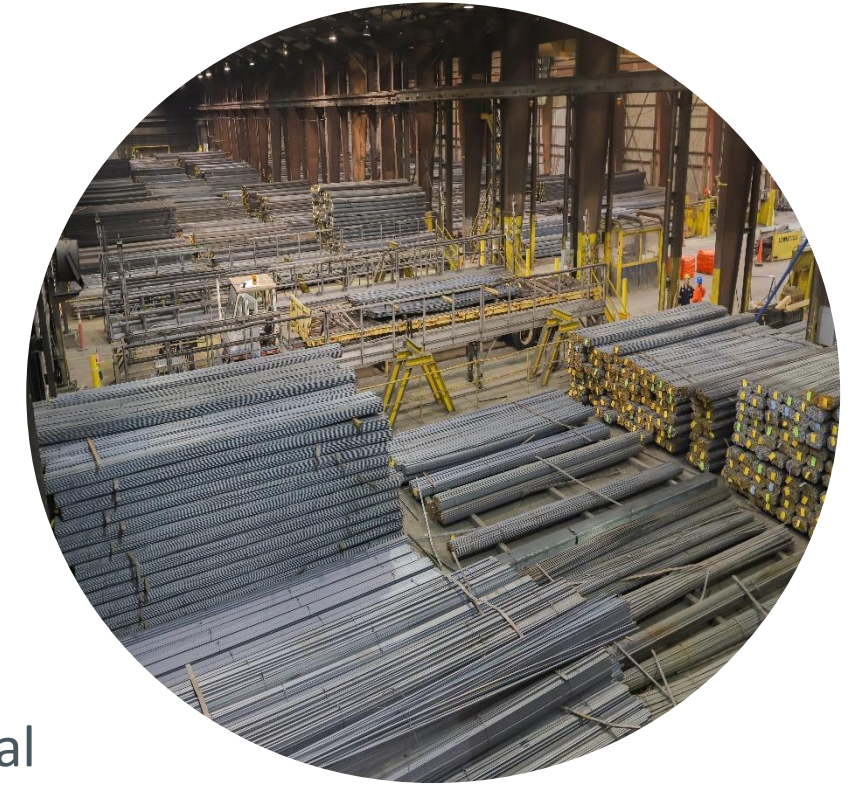
- Argentina and Uruguay: resumption of the industrial and construction markets.
- Peru: restart of operations in May.

SPECIAL STEEL

- Brazil: slow and gradual resumption of the automotive sector; demand from the wind sector remains positive.
- USA: signs of recovery in the automotive industry, with production restarting at automakers.

BRAZIL

- Resilient construction market, with continuity of works, evolution of retail purchases and resumption of infrastructure projects.
- Gradual resumption of the industry, with sectors linked to energy and agriculture with better prospects.



FUTURE



☐ **Healthy and Safety**

☐ **People**

☐ **Gerdau Next**

☐ **ESG**

SAVE THE DATE

OCTOBER 28th

QUARTERLY
RESULTS

3rd quarter of 2020



COVID-19
TREATMENT
CENTRE IN
PORTO ALEGRE



GERDAU

Shape the future

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