

CREDIT OPINION

24 April 2025

Update



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RATINGS

Gerdau S.A.

Domicile	Sao Paulo, Brazil
Long Term Rating	Baa2
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

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 to credit analysis

Summary

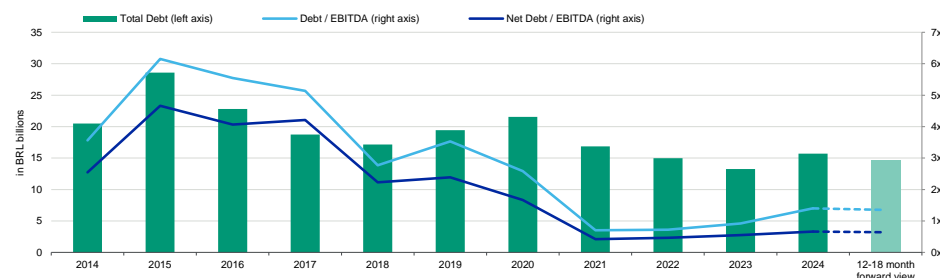
[Gerdau S.A.](#)'s Baa2 rating is supported by its historically solid cash generation, which reflects its strong market position in markets in which it operates, its good operational and geographic diversity, its cost-driven management, its flexible minimill cost structure and its conservative financial 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 its exposure to the cyclical steel industry, especially in [Brazil](#) (Ba1 positive) and the [US](#) (Aaa negative); and exposure to exchange-rate volatility, given the cash flow generated in Brazil and other Latin American countries.

Exhibit 1

Leverage ratios will remain strong over the next 12-18 months despite deterioration from 2021 peak-cycle levels

Moody's-adjusted total debt and leverage



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

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
- » Challenging conditions in the steel industry because of trade war
- » 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 stable outlook on Gerdau's rating 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

We could upgrade Gerdau's rating if it is able to:

- » sustain its profitability, measured by its EBIT margin, in the high single digits in percentage terms (11.8% in 2024)
- » improve its liquidity and leverage, with its total Moody's-adjusted debt/EBITDA below 2x (1.4x in 2024) and its EBIT/interest expense above 5.5x (8.3x in 2024) on a sustained basis
- » maintain conservative financial policies

An upgrade of Gerdau's rating would require a further increase in scale 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 Gerdau's 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), a 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 shareholder's (Metalúrgica Gerdau S.A.) financial position or a downgrade of Brazil's sovereign rating could also trigger a downgrade of Gerdau's rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Gerdau S.A.

(in \$ billions)	2019	2020	2021	2022	2023	2024	Moody's 12-18 months forward view
Revenue	10.1	8.6	14.5	16.0	13.8	12.5	\$9.0 - \$10.5
EBIT Margin	8.7%	13.3%	27.2%	21.6%	16.5%	11.8%	10.0% - 15.0%
EBIT / Avg. Tangible Assets	8.1%	12.4%	38.3%	29.0%	18.2%	11.6%	9.0% - 10.0%
Debt / EBITDA	3.5x	2.6x	0.7x	0.7x	0.9x	1.4x	1.0x - 1.5x
(CFO - Dividends) / Debt	22.8%	25.9%	40.1%	36.9%	58.4%	49.6%	40.0% - 50.0%
EBIT / Interest Expense	3.5x	5.4x	19.4x	17.5x	12.2x	8.3x	7.0x - 7.5x
Debt / Book Capitalization	41.2%	40.9%	28.2%	24.4%	21.2%	21.2%	15.0% - 20.0%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = Last 12 months.

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

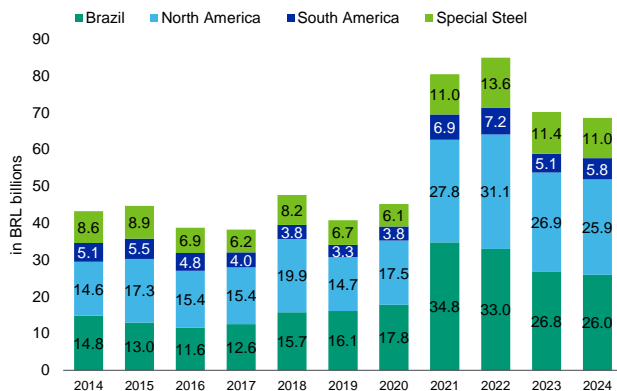
Based in Brazil, Gerdau S.A. is the leading producer of long steel in the Americas and one of the largest suppliers of special long steel in the world, with total capacity of 15.6 million tons per year of crude steel and 15.0 million tons per year of rolled products in 2024. Its US subsidiary, Gerdau Ameristeel Corporation, is the second-largest long steel producer in North America.

As of the 12 months that ended December 2024, Gerdau reported consolidated annual revenue of BRL67.0 billion (\$12.5 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

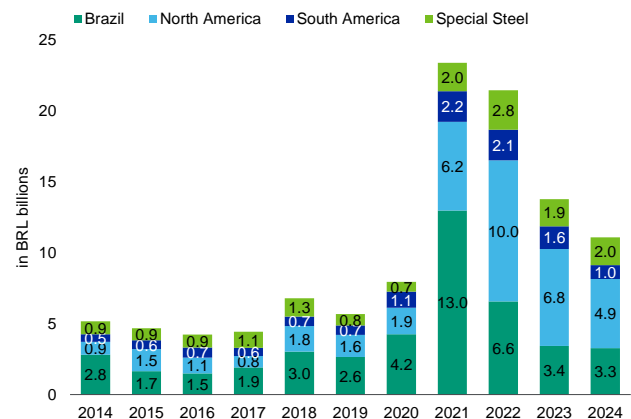


Source: Company filings

Exhibit 4

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

EBITDA by region



Source: Company filings

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 three 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 29% of its reported EBITDA in 2024, while its North American steel segment represented 39% and roughly 44%, respectively. The special steel segment, with facilities in Brazil and the US, represented 16% of its consolidated net revenue and 18% of its EBITDA in 2024.

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 the special steel segment sales volumes. In 2020, total sales volumes in Brazil and in the US increased 11% and 1.4%, respectively, from the 2019 levels, while volumes for the special steel segment fell 21.2%. In 2021, the company benefited from favorable prices and demand across all of its segments, and credit metrics improved further.

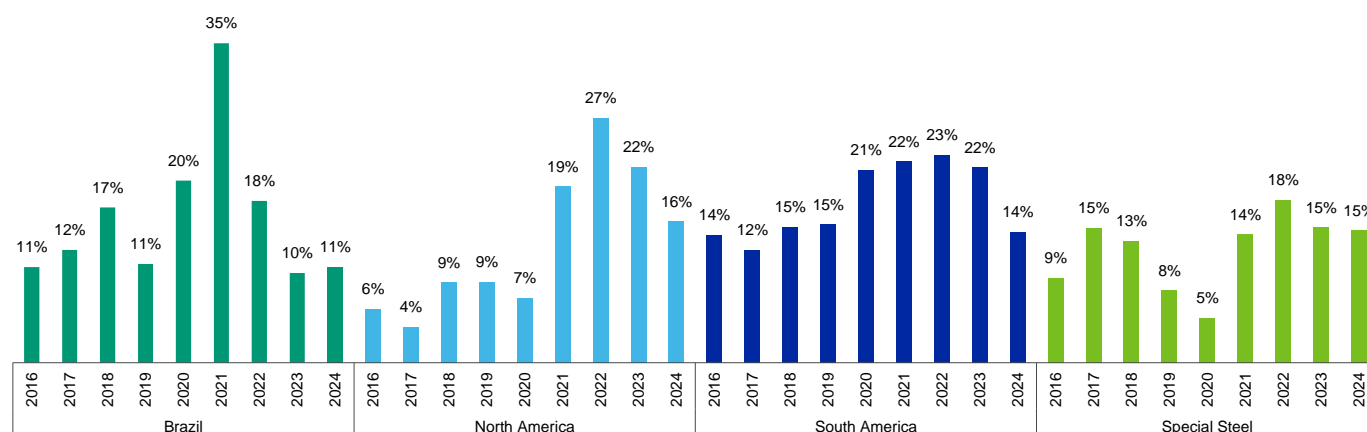
Growth in steel demand in Brazil decelerated in 2022 and 2023 amid rising macroeconomic challenges, after growing about 25% in 2021. Competition from imports and weak demand at home will continue to strain the profitability of Brazil's steel producers, whose integrated iron ore operations will generate weaker results as prices drop. Lower purchasing power amid high inflation and low economic growth reduced apparent steel demand for consumer-related sectors in 2023. However, demand grew 8.3% in 2024 and will grow 1.5% in 2025, according to Instituto Aço Brasil, Brazil's steel institute. Competition from imports, especially from China, has stabilized after the government imposed new import tariffs for June 2024-June 2025; however, risks associated with the new tariffs imposed by the US remain. Our price assumptions for Brazilian hot-rolled coil (HRC) steel were lowered to \$700/ton. Domestic HRC prices fell by 21.3% in 2023 from 2022 levels and continued to decline by 13.3% in 2024 from 2023 levels, reaching \$690/ton-\$710/ton as of December. Rebar prices were \$700/ton-\$800/ton in 2024, down by 8.2% from 2023 levels. In the US, the Infrastructure Bill and Inflation Reduction Act, and more rational competition following the introduction of new tariffs will support demand and profitability, despite weaker global growth. The special steel segment will also be impacted by the potential impact of tariffs in automotive production.

Steel prices will remain weaker than the high levels in 2021, but Gerdau will continue to benefit from stable sales volumes in its main markets over the next 12-18 months and a depreciated local currency in Brazil to preserve operating margin. The company's Moody's-adjusted consolidated EBITDA margin declined to 16.7% in 2024 from 30.6% in 2021, but remained stronger than the levels before 2020 and will remain strong even with potential volatility in its key end markets. The company's profitability level reflects its streamlined operations following several asset sales and focus on higher value-added products and markets, as well as its significant operating leverage from the minimill production.

Exhibit 5

Profitability remained strong in most segments in 2024, but below 2021 levels

Gross margin by region



Source: Company filings

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, the company 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 associated with 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 froze 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 continuing to meet existing demand for its products. The measures the company took to improve its product mix and reduce costs in preceding years helped it maintain relatively stable margins during the 2015-16 economic recession in Brazil. Its Moody's-adjusted EBIT margin remained within 4%-5% during 2015-16, which was an adequate performance despite the contraction in volumes in its operations. We expect the company's flexible structure to facilitate rapid response during downturns, limiting risk to its margin because of operating leverage.

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

Gerdau has recorded better-than-expected operating performance since 2018, which, combined with asset sales and liability management initiatives, has allowed the company to intensify its debt-reduction efforts and consequently improve credit metrics within a very short time. The company has paid \$4.5 billion in debt since its 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 its financial leverage and improvements in its credit metrics, increasing its buffer to withstand future volatility in operations.

Gerdau's Moody's-adjusted leverage increased to 1.8x as of year-end 2024 from 0.9x as of year-end 2023, but remained well below the peak of 6.2x in 2015. Leverage has increased as a result of the sharp depreciation of the Brazilian real as of year-end 2024 and its impact on the company's dollar-denominated debt without the corresponding benefit on EBITDA; and decline in profitability, given fierce competition from imports in the regions where it operates and declining prices mainly in North America. We expect the company's leverage to strengthen again to around 1x-1.5x over the next 12-18 months because it could benefit from the recently enacted import tariffs in its US operations and stable performance in Brazil. We also expect it to maintain robust liquidity and adjusted leverage of 1x-2x over time, which will support its credit quality through commodity cycles.

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 the company to streamline its operations and focus on the more profitable core US and Brazilian markets. This supports its future profitability and provides additional financial flexibility to withstand the cyclicity of the steel industry.

Gerdau has intensified its debt reduction efforts since the fourth quarter of 2017. Following the sale of its special steel operations in Spain in May 2016, the company 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, it 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 Dlaco 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 economic value of BRL9.0 billion (around BRL6.4 billion in cash proceeds) since 2014 (BRL1.1 billion over 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. The company's Moody's-adjusted leverage peaked at 5.5x-6.5x during Brazil's economic recession over 2015-16, mainly as a result of the sharp EBITDA contraction and strong depreciation of the local currency against the US dollar. Currently, 66% of its total debt and around 45% of its 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 excess cash to reduce debt over the next quarters, complying with its target of maintaining reported net leverage below 1.5x, maintaining total reported gross debt around BRL12 billion (BRL12.9 billion as of 2024) and matching foreign-currency exposure in terms of debt and cash flow.

Risks from Brazilian tax ruling

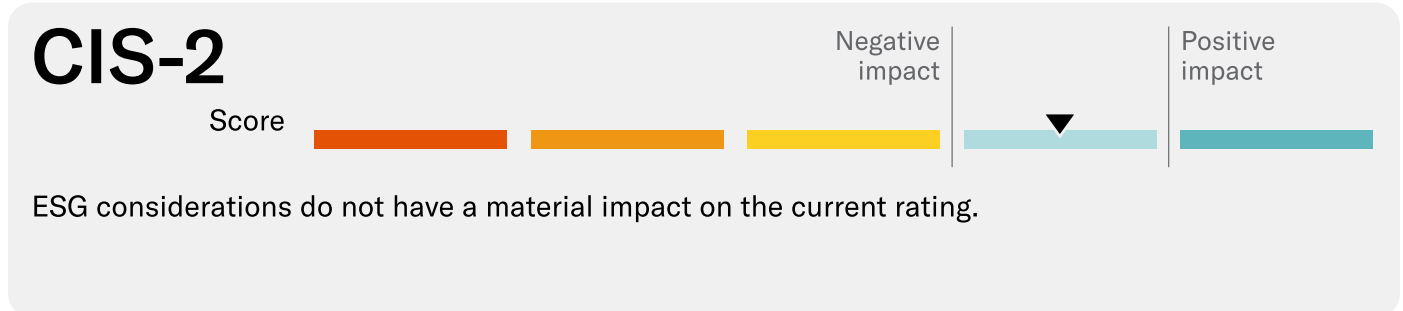
In addition to being exposed to the cyclicity of the steel industry, Gerdau faces a BRL8.0 billion Brazilian tax ruling. A July 2016 ruling by the CARF found Gerdau guilty in administrative proceedings that questioned its deduction of amortized goodwill from the calculation of corporate income tax and social contributions, following 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, it would owe nearly BRL8.0 billion in penalties. An eventual tax payment of about BRL8.0 billion could damage its liquidity, but the effect would be subject to the payment schedule. The payment schedule is likely to be divided into several installments, mitigating immediate liquidity risks. The company 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

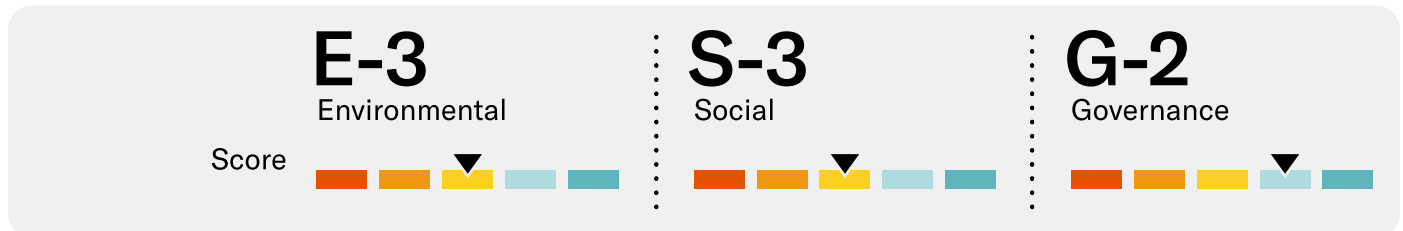


Source: Moody's Ratings

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, Balcão (B3), 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.

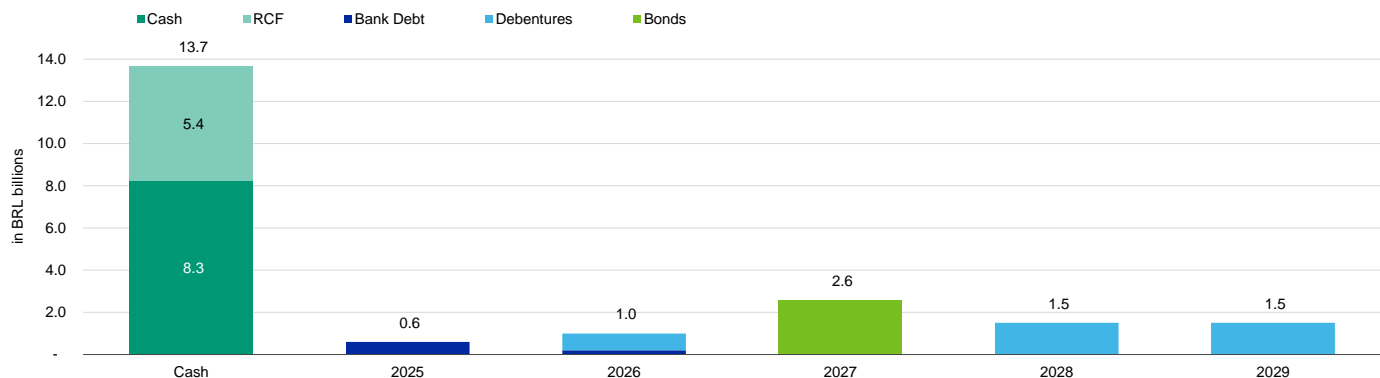
Liquidity analysis

Gerdau has excellent liquidity, supported by BRL8.3 billion in cash (\$1.3 billion) as of year-end 2024; BRL5.4 billion (\$875 million) availability under its revolving credit facility, renewed in September 2022 and due in September 2027; and BRL0.6 billion in debt maturing by year-end 2025. 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. As of year-end 2024, Gerdau generated BRL1.5 billion in FCF, in line with our previous expectation that the company would be able to maintain positive FCF even with higher investments of about BRL6.2 billion over the period. We expect the company to continue to be able to generate positive FCF, even with the planned BRL6 billion in investments for 2025. It 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, the company has generated positive FCF even during market downturns because of its financial discipline and working capital management. It 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, the company has maintained a dividend payout of about 30%-35%. As of December 2024, dividend payout was about 36%, and combined with the execution of the buyback program, it distributed BRL2.9 billion in 2024, resulting in a total payout of 65.9%.

Exhibit 8

Comfortable debt amortization schedule reduces refinancing risk As of December 2024



Source: Company filings

Methodology and scorecard

Gerda's scorecard-indicated outcome under our Steel Industry rating methodology maps to Baa1, one notch above the assigned Baa2 rating. Our 12-18-month forward-looking scorecard-indicated outcome maps to Baa1, reflecting our expectation of the company's still-strong operating performance.

Exhibit 9

Rating factors

Gerda S.A.

Steel Industry Scorecard			Current FY Dec-24		Moody's Forward View Next 12-18 months (as of Apr-25)	
Factor 1 : Scale (20%)	Measure	Score			Measure	Score
a) Revenue (\$ billions)	12.5	Baa			\$9.0 - \$10.5	Ba
Factor 2 : Business Profile (20%)						
a) Business Profile	Baa	Baa			Baa	Baa
Factor 3 : Profitability (15%)						
a) EBIT Margin	11.8%	Baa			10.0% - 15.0%	Baa
b) Return on Tangible Assets (EBIT / Tangible Assets)	11.6%	A			9.0% - 10.0%	Baa
Factor 4 : Leverage and Coverage (35%)						
a) Debt / EBITDA	1.4x	A			1.0x - 1.5x	A
b) Debt / Book Capitalisation	21.2%	Aa			15.0% - 20.0%	Aaa
c) (CFO - Dividends) / Debt	49.6%	A			40.0% - 50.0%	Aaa
d) EBIT / Interest Expense	8.3x	A			7.0x - 7.5x	A
Factor 5 : Financial Policy (10%)						
a) Financial Policy	Baa	Baa			Baa	Baa
Rating:						
a) Scorecard-Indicated Outcome		Baa1				Baa1
b) Actual Rating Assigned						Baa2

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 10

Peer comparison

Gerdau S.A.

	Gerdau S.A.			Nucor Corporation			Steel Dynamics, Inc.			ArcelorMittal			Usinas Siderurgicas de Minas Gerais S.A.		
	Baa2 Stable			Baa1 Positive			Baa2 Stable			Baa3 Positive			Ba2 Stable		
(in \$ millions)	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-22	FY Dec-23	FY Dec-24	FY Dec-22	FY Dec-23	FY Dec-24
Revenue	15,989	13,808	12,492	41,512	34,714	30,734	22,261	18,795	17,540	79,844	68,275	62,441	6,300	5,538	4,821
Operating Profit	3,226	1,935	1,282	10,510	6,234	2,984	5,096	3,157	1,948	11,329	4,932	3,338	756	118	50
EBITDA	4,007	2,892	2,091	11,552	7,718	4,515	5,514	3,754	2,538	15,503	8,917	6,424	1,364	528	368
Total Debt	2,834	2,731	2,541	6,796	6,949	7,067	3,181	3,199	3,345	24,566	22,582	24,448	1,271	1,393	1,210
Cash & Cash Equivalents	1,029	1,100	1,340	4,281	6,383	3,558	1,628	1,401	589	9,300	7,686	6,400	961	1,237	964
EBIT / Interest Expense	17.5x	12.2x	8.3x	47.1x	26.1x	13.4x	45.8x	28.7x	15.9x	18.5x	5.8x	3.3x	5.8x	1.9x	0.9x
Debt / EBITDA	0.7x	0.9x	1.4x	0.6x	0.9x	1.6x	0.6x	0.9x	1.3x	1.6x	2.5x	3.8x	1.0x	2.6x	3.8x
RCF / Net Debt	104.8%	100.6%	97.6%	339.4%	941.6%	84.7%	265.6%	150.9%	62.2%	72.5%	38.1%	23.4%	211.1%	162.5%	97.1%
FCF / Debt	4.9%	15.6%	9.6%	106.6%	56.6%	-1.2%	104.2%	49.7%	-9.2%	23.6%	14.4%	-1.1%	-32.7%	15.4%	-2.8%
EBIT Margin	21.6%	16.5%	11.8%	25.2%	18.8%	10.2%	23.0%	17.6%	11.7%	16.2%	9.1%	5.9%	14.6%	5.7%	2.9%
EBIT / Avg. Tangible Assets	29.0%	18.2%	11.6%	44.4%	24.4%	11.4%	40.8%	24.0%	14.4%	13.9%	6.6%	4.0%	12.5%	4.1%	2.0%
(CFO - Dividends) / Debt	36.9%	58.4%	49.6%	135.8%	89.0%	44.3%	132.9%	101.2%	45.4%	38.4%	36.0%	17.9%	-2.0%	60.2%	11.1%
Debt / Book Capitalization	24.4%	21.2%	21.2%	25.8%	23.9%	24.8%	26.2%	24.7%	25.5%	32.0%	30.0%	34.6%	20.6%	20.3%	21.9%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Source: Moody's Financial Metrics™

Exhibit 11

Moody's-adjusted debt reconciliation

Gerdau S.A.

(in BRL millions)	2019	2020	2021	2022	2023	2024
As reported debt	16,854.1	18,371.8	14,958.1	13,638.0	12,170.9	14,917.2
Pensions	1,171.5	1,498.5	1,097.0	669.7	510.5	320.7
Non-Standard Adjustments	1,394.6	1,670.6	807.9	653.1	584.3	459.9
Moody's-adjusted debt	19,420.2	21,540.9	16,863.0	14,960.8	13,265.8	15,697.8

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Source: Moody's Financial Metrics™

Exhibit 12

Moody's-adjusted EBITDA reconciliation

Gerdau S.A.

(in BRL millions)	2019	2020	2021	2022	2023	2024
As reported EBITDA	4,687.1	7,017.2	23,991.0	19,690.3	13,233.9	9,586.5
Pensions	40.2	34.6	44.6	29.3	31.0	4.3
Unusual Items	779.2	1,281.5	(60.4)	935.6	1,169.1	1,626.1
Moody's-adjusted EBITDA	5,506.6	8,333.4	23,975.2	20,655.2	14,434.0	11,216.9

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.

Source: Moody's Financial Metrics™

Exhibit 13

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

in BRL millions	FYE Dec-2020	FYE Dec-2021	FYE Dec-2022	FYE Dec-2023	FYE Dec-2024
As Reported Debt	18,371.8	14,958.1	13,638.0	12,170.9	14,917.2
Non-Standard Public Adjustments	1,670.6	807.9	653.1	584.3	459.9
Pensions	1,498.5	1,097.0	669.7	510.5	320.7
Moody's-Adjusted Debt	21,540.9	16,863.0	14,960.8	13,265.8	15,697.8

^[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

Ratings

Exhibit 14

Category	Moody's Rating
GERDAU S.A.	
Outlook	Stable
Issuer Rating -Dom Curr	Baa2
GTL TRADE FINANCE INC.	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	Baa2
GERDAU AMERISTEEL US INC.	
Outlook	
Bkd LT IRB/PC	Baa2

Source: Moody's Ratings

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