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7 October 2024

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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 following rating upgrade to Baa2, outlook changed to stable

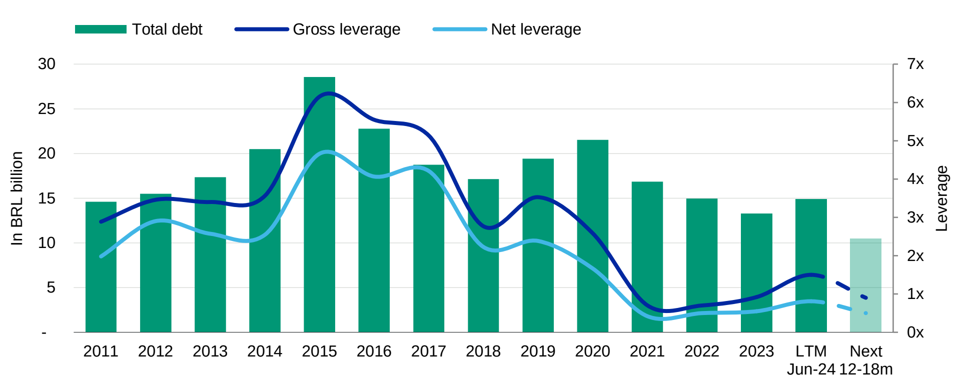
Summary

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 flows generated in Brazil and other Latin American countries.

On 02 October 2024, we upgraded Gerdau's ratings to Baa2 with a stable outlook following the upgrade in Brazil's sovereign rating to Ba1.

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



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 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 (11.0% as of the 12 months that ended June 2024)

» improve its liquidity and leverage, with its total Moody's-adjusted debt/EBITDA below 2x (1.5x as of the 12 months that ended June 2024) and its EBIT/interest expense above 5.5x (7.8 as of the 12 months that ended June 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 shareholders' (Metalúrgica Gerdau S.A.) financial position or a downgrade of Brazil's sovereign rating could also trigger a downgrade of Gerdau's rating.

Key indicators

Exhibit 2

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

Gerdau S.A.

US Millions	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	LTM Jun-24	Moody's forward view Next 12-18 months
Revenue	10,068.5	8,587.0	14,547.9	15,989.5	13,807.9	12,935.0	10,000 - 12,000
EBIT Margin %	8.7%	13.3%	27.2%	21.6%	16.5%	11.0%	16% - 20%
EBIT / Avg. Tangible Assets	8.1%	12.4%	38.3%	29.0%	18.2%	10.8%	10% - 15%
Debt / EBITDA	3.5x	2.6x	0.7x	0.7x	0.9x	1.5x	1.0x - 1.5x
(CFO - Dividends) / Debt	22.8%	25.9%	40.1%	36.9%	58.4%	42.0%	55.0% - 60.0%
EBIT / Interest Expense	3.5x	5.4x	19.4x	17.5x	12.2x	7.8x	10x - 15x
Debt / Book Capitalization	41.2%	40.9%	28.2%	24.4%	21.2%	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

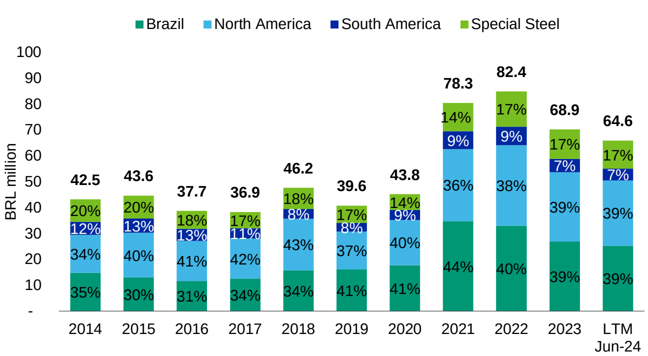
Based in Brazil, Gerdau S.A. is the leading producer of long steel in the Americas and one of the largest suppliers of special long steel in the world, with total capacity of 15.6 million tons per year of crude steel and 15.6 million tons per year of rolled products in 2023. Its US subsidiary, Gerdau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

As of the 12 months that ended June 2024, Gerdau reported consolidated annual revenue of BRL64.6 billion ($12.9 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

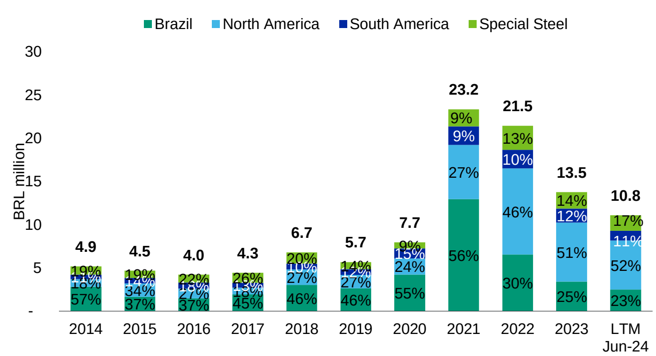


Source: Gerdau

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

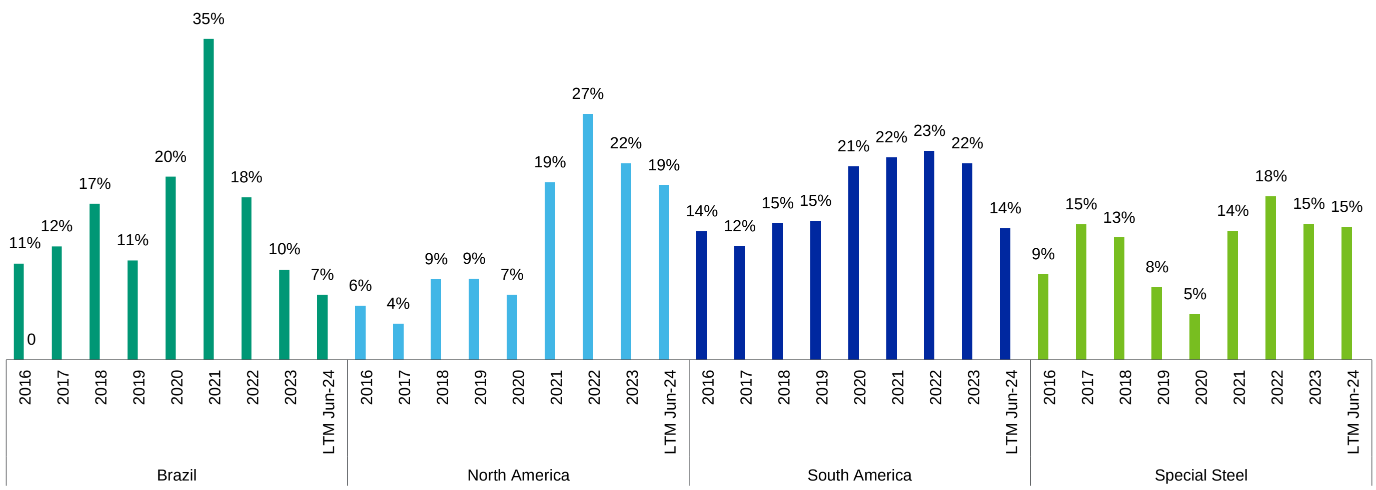
Gerdau operates a total of 29 mills globally that produce a wide range of products: 13 mills in North America, 13 in Brazil, and 3 in other countries. In addition, Gerdau also owns several downstream fabrication facilities. The company's Brazilian steel operations (excluding special steel) represented about 39% of its consolidated net revenue and 23% of its reported EBITDA for the 12-month period ended June 2024, while the North American steel segment represented 39% and roughly 52%, respectively. The special steel segment, with facilities in Brazil and the US, represented 17% of its consolidated net revenue and 17% of its EBITDA as of the 12 months that ended June 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.

In 2023, the Brazilian steel industry remained strained by the high volume of steel imports, illustrating the competition imbalance especially because of the imports of steel from China. According to the Brazil Steel Institute, the steel import penetration rate in Brazil reached 25% in December, more than double the average for the last 10 years, while the import volume in 2023 was 50% higher than in 2022. 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, but demand will grow 2.5% in 2024 according to Instituto Aço Brasil, Brazil's steel institute. Competition from imports, especially from China, will decline following the new import tariffs imposed by the government for June 2024-June 2025. The new tariff will help balance the domestic supply-demand dynamics for steel, easing lingering price stress from late 2023 and early 2024. 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 CHIPS Act in the US, 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 15.8% in the twelve months ended June 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 profile.

Exhibit 5
Profitability remained strong in most segments in 2024, 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 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 through 2024, 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. Gerdau 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 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 1.5x in June 2024 from the peak of 6.2x in 2015, and will remain stronger than historical levels through 2025 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. We expect Gerdau to maintain robust liquidity and adjusted leverage of 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 the fourth quarter of 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 economic value of BRL9.0 billion (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 its total debt and around 51% 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 (BRL12.5 billion as of June 2024) and reducing foreign-currency exposure.

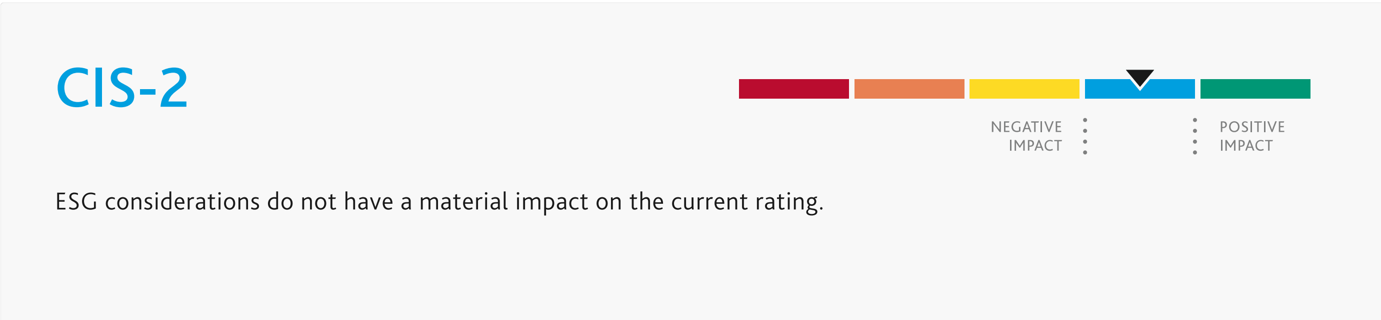
Risks from Brazilian tax ruling

In addition to being exposed to the cyclicality of the steel industry, Gerdau faces a 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 is likely to be divided into 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

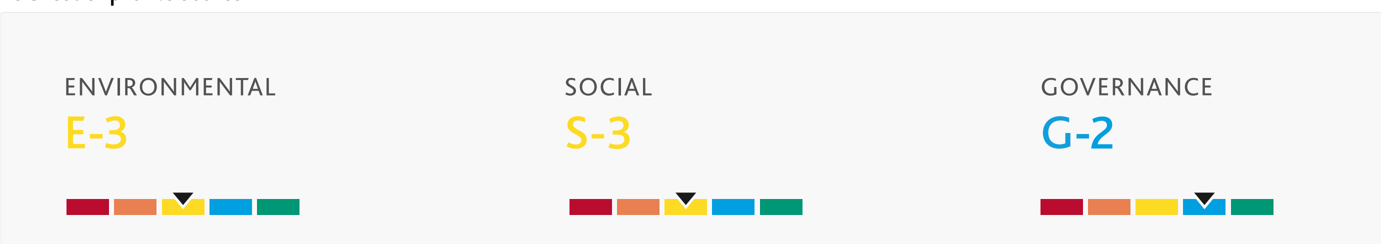
Exhibit 6
ESG credit impact score



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.

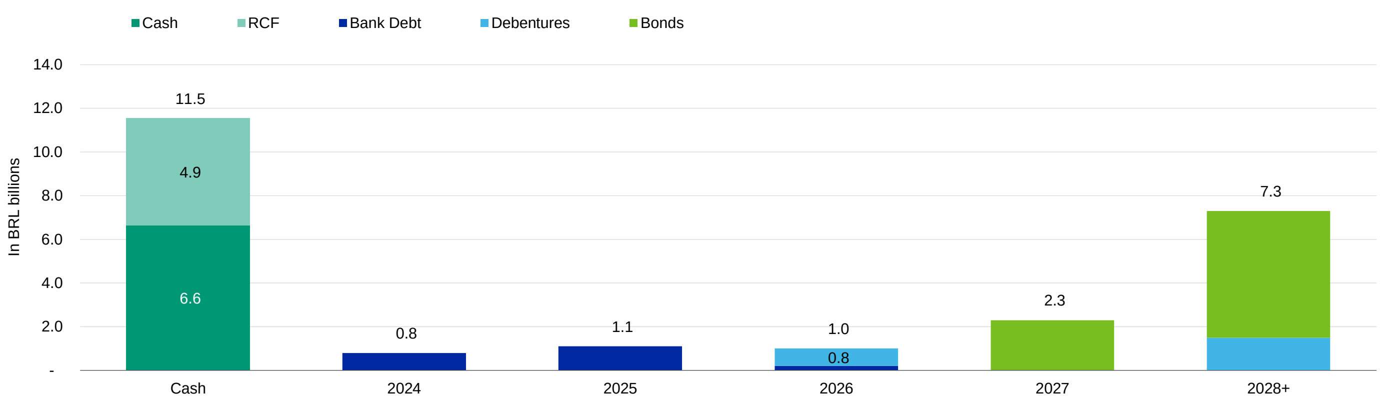
Liquidity analysis

Gerdau has excellent liquidity, supported by BRL6.6 billion in cash ($1.2 billion) as of June 2024; BRL4.9 billion ($875 million) availability under its revolving credit facility, renewed in September 2022 and due in September 2027; and BRL0.9 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. As of the 12 months that ended June 2024, Gerdau generated BRL0.5 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 BRL5.8 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 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%. As of the 12 months that ended June 2024, dividend payout was slightly above this line at around 40%.

Exhibit 8

Comfortable debt amortization schedule reduces refinancing risk
As of June 2024



Sources: Gerdau and Moody's Ratings

Methodology and scorecard

Gerdau'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 A3, reflecting our expectation of the company's still strong operating performance.

Exhibit 9
Rating factors
Gerdau S.A.

Methodology: Steel published on 12 Nov 2021	Current LTM (Jun-24)		Moody's Forward View Next 12-18 months (as of Sep-24)	
Factor 1: SCALE (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$12.9	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	11.1%	Baa	16% - 20%	A
b) Return on Tangible Assets (EBIT / Tangible Assets)	10.8%	A	10% - 15%	A
Factor 4: LEVERAGE AND COVERAGE (35%)				
a) Debt / EBITDA	1.5x	A	0.9x - 1.5x	A
b) Debt / Book Capitalisation	21.3%	Aa	15.0% - 20.0%	Aaa
c) (CFO - Dividends) / Debt	42.0%	A	55.0% - 60.0%	Aa
d) EBIT / Interest Expense	7.8x	A	10.0x - 15.0x	A
Factor 5: FINANCIAL POLICY (10%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating Outcome:				
a) Scorecard-Indicated Outcome		Baa1		A3
a) Actual Rating Assigned		Baa2		

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	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

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	LTM Jun-2024
As Reported Debt	**16,854.1**	**18,371.8**	**14,958.1**	**13,638.0**	**12,170.9**	**13,930.3**
Non-Standard Public Adjustments	1,394.6	1,670.6	807.9	653.1	584.3	484.2
Pensions	1,171.5	1,498.5	1,097.0	669.7	510.5	510.5
Moody's-Adjusted Debt	**19,420.2**	**21,540.9**	**16,863.0**	**14,960.8**	**13,265.8**	**14,925.0**

[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 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	LTM Jun-2024
As Reported EBITDA	**4,687.1**	**7,017.2**	**23,991.0**	**19,690.3**	**13,233.9**	**9,802.1**
Unusual Items - Income Stmt	779.2	1,281.5	-60.4	935.6	1,169.1	380.8
Pensions	40.2	34.6	44.6	29.3	31.0	31.9
Moody's-Adjusted EBITDA	**5,506.6**	**8,333.4**	**23,975.2**	**20,655.2**	**14,434.0**	**10,214.8**

[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 13

Peer Comparison[1][2]

	Gerdau S.A. Baa2 Stable		Usinas Siderurgicas de Minas Gerais S.A. Ba2 Stable		Nucor Corporation Baa1 Positive		Steel Dynamics, Inc. Baa2 Stable		ArcelorMittal Baa3 Positive	
in USD millions	FYE Dec-23	LTM Jun-24	FYE Dec-23	LTM Jun-24	FYE Dec-23	LTM Jun-24	FYE Dec-23	LTM Jun-24	FYE Dec-23	LTM Jun-24
Revenue	$13,807.9	$12,935.4	$5,537.5	$5,219.4	$34,713.5	$32,694.5	$18,795.3	$18,147.1	$68,275.0	$63,699.0
OPERATING PROFITS	$1,934.7	$1,294.3	$117.5	$-2.2	$6,234.6	$4,642.6	$3,156.7	$2,567.7	$4,932.0	$3,933.0
EBITDA	$2,892.0	$2,045.2	$527.6	$356.7	$7,716.9	$6,262.2	$3,754.3	$3,158.2	$8,916.5	$7,333.1
Total Debt (Gross)	$2,730.9	$2,687.0	$1,392.6	$1,316.2	$6,949.3	$6,999.3	$3,199.2	$3,156.6	$22,582.0	$23,446.0
Cash & Cash Equivalents	$1,100.1	$1,195.3	$1,237.2	$1,009.1	$6,383.3	$4,639.0	$1,400.9	$830.0	$7,686.0	$5,838.0
EBIT / Interest Expense	12.2x	7.8x	1.9x	0.8x	26.1x	21.0x	28.7x	27.9x	5.8x	4.5x
Debt / EBITDA	0.9x	1.5x	2.6x	4.1x	0.9x	1.1x	0.9x	1.0x	2.5x	3.2x
RCF / Net Debt	99.0%	76.2%	162.5%	64.9%	941.7%	181.1%	150.9%	95.8%	36.7%	25.1%
FCF / Debt	15.6%	3.4%	15.4%	8.2%	56.6%	34.3%	49.7%	18.0%	13.6%	1.0%
EBIT Margin %	16.5%	11.0%	5.7%	2.4%	18.8%	15.3%	17.6%	14.8%	9.1%	7.4%
EBIT / Avg. Tangible Assets	18.2%	10.8%	4.1%	1.7%	24.4%	18.7%	24.0%	19.2%	6.6%	5.1%
(CFO - Dividends) / Debt	58.4%	42.0%	60.2%	36.9%	89.0%	72.5%	101.2%	76.8%	35.1%	22.7%
Debt / Book Capitalization	21.2%	21.2%	20.3%	21.7%	23.9%	24.3%	24.7%	24.0%	30.0%	31.8%

[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 MetricsTM

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