

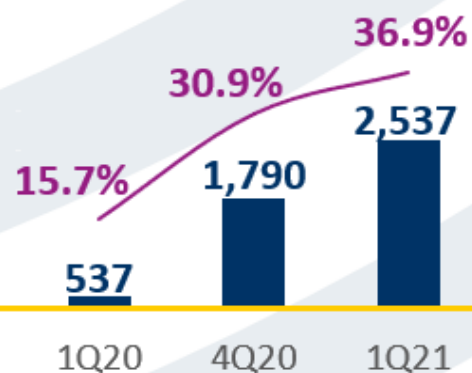
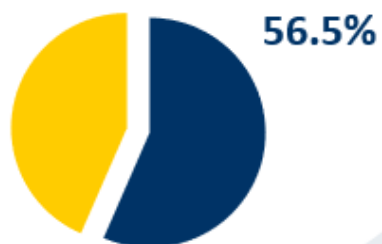
Institutional

Presentation

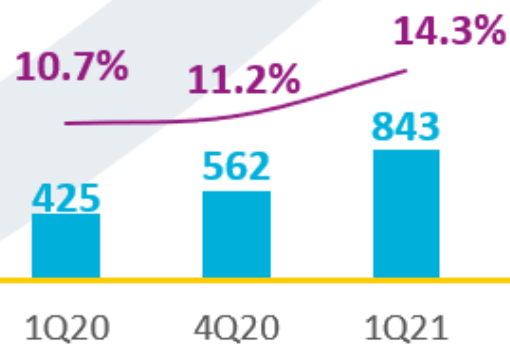
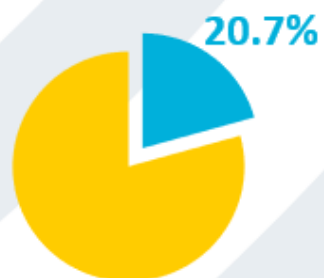
May 2021

EBITDA

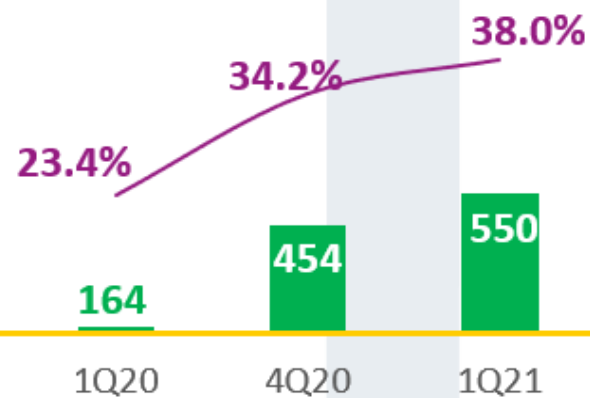
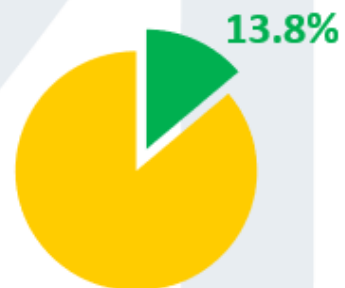
Brazil BD



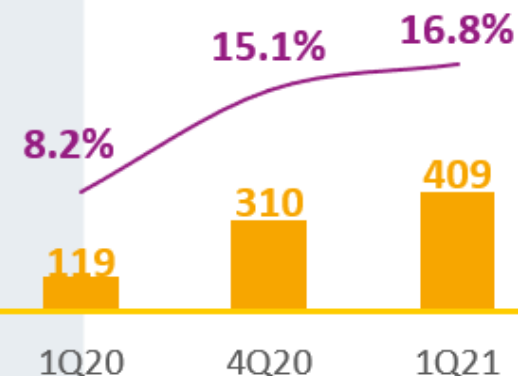
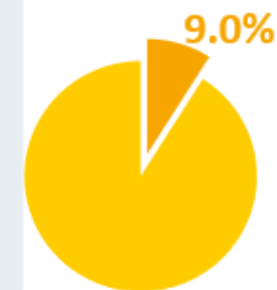
North America BD



South America BD



Special Steel BD



EBITDA
(R\$ million)

EBITDA Margin (%)

Adjusted EBITDA share by Business Division (last 12 months)

BRAZIL BD

CONSTRUCTION

- Strong activity in civil construction, with advances in real state launches and sales.
- Retail volumes are still on a good level.

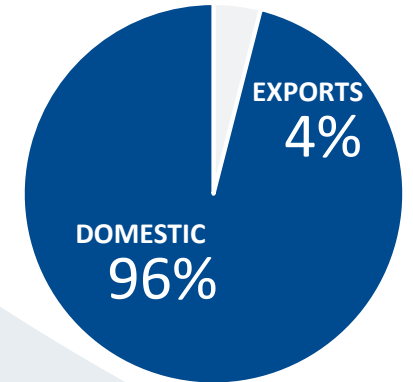
INDUSTRY

- Strong recovery in all sectors.
- Highlight for the agricultural, energy and road equipment sectors.

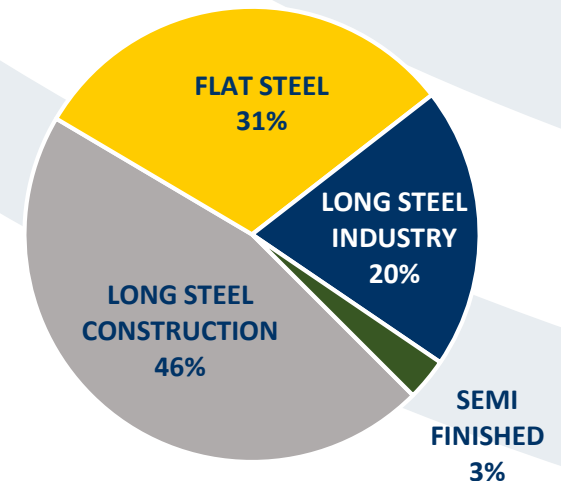
INFRASTRUCTURE

- Sectors related to energy with high and good prospects demand.
- The privatization and sanitation agenda bring a positive outlook.

Shipments 1Q21



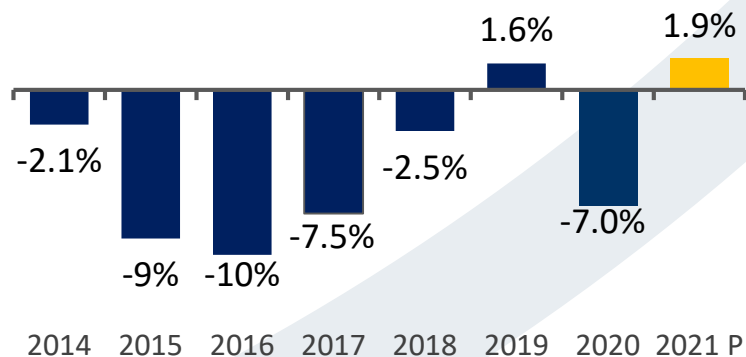
Domestic Shipments



CONSTRUCTION TRACK RECORD

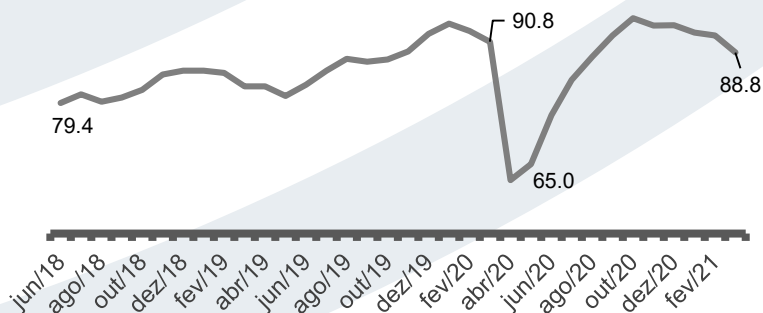
GROWTH SCENARIO

CONSTRUCTION GDP



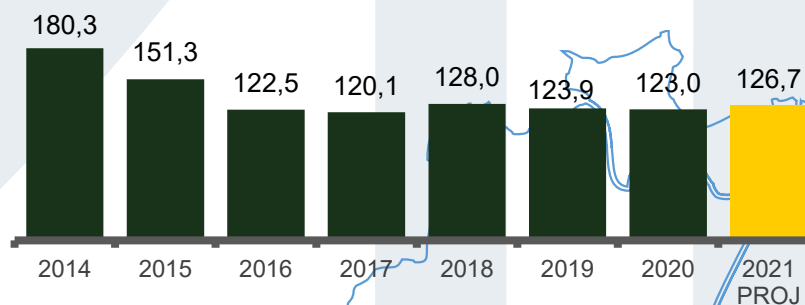
Source: Tendências

CONFIDENCE INDEX – CONSTRUCTION



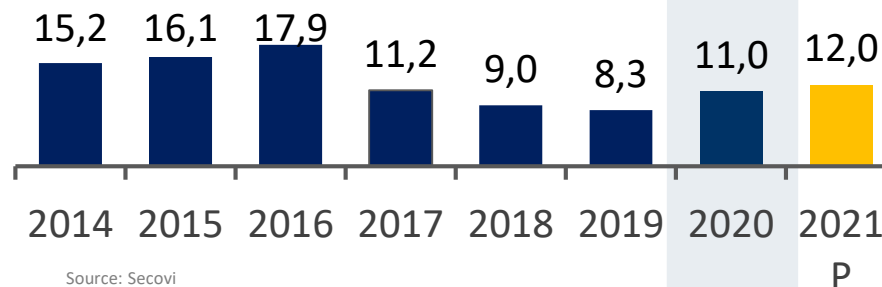
Source: FGV

INFRASTRUCTURE INVESTMENT
(R\$ Billion)



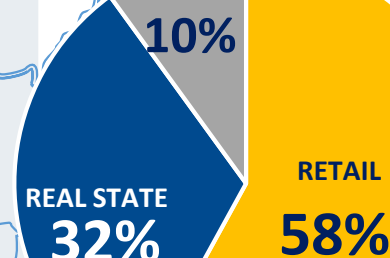
Source: ABDIB

REAL STATE INVENTORY - SÃO PAULO
(Months)

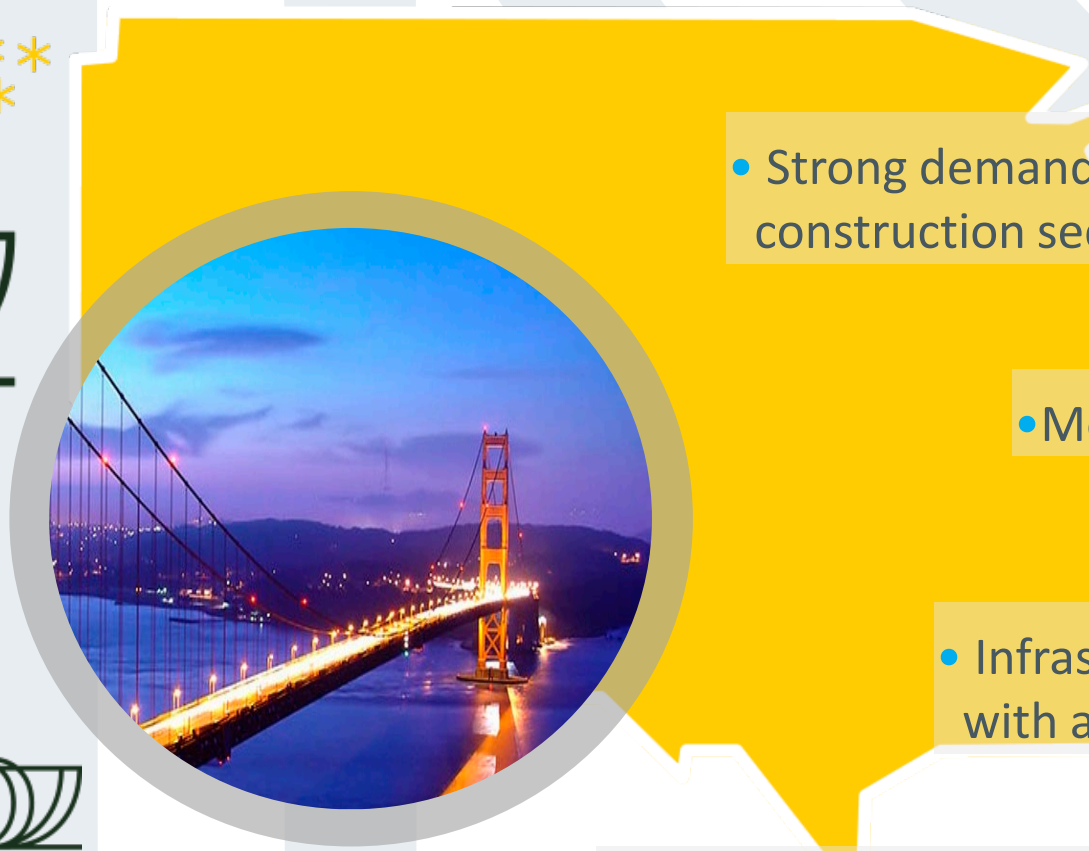


Source: Secovi

INFRASTRUCTURE



NORTH AMERICA BD



- Strong demand from the construction sector.
- Metallic spread recovery.
- Infrastructure investment package with additional steel demand.
- Steel production utilization rate around 90% in USA.

NORTH AMERICA BD



FOCUS ON CLIENTS

- DIGITAL TRANSFORMATION ALLOWING ATTRACT AND RETAIN CLIENTS
- DEVELOPMENT OF NEW PRODUCTS AND IMPROVEMENT OF SERVICES PROVIDED
- ENTRY IN NEW MARKETS TO INCREASE FOOTPRINT

OPERATIONAL EXCELLENCE

- CONTINUOUS FOCUS ON SAFETY.
- TO MODERNIZE AND TO UPDATE OUR MILL NETWORK THROUGH SELECTIVE CAPITAL ALLOCATION, EFFICIENCY IMPROVEMENT AND ASSETS UTILIZATION.
- FOCUS ON COST MANAGEMENT THROUGH ZERO BASIS BUDGET AND EFFECTIVE USE OF WORKING CAPITAL.
- IDLING OF ST. PAUL MELT SHOP AND ROLLING MILL TO SUPPORT COMPETITIVENESS AND SUSTAINABILITY.

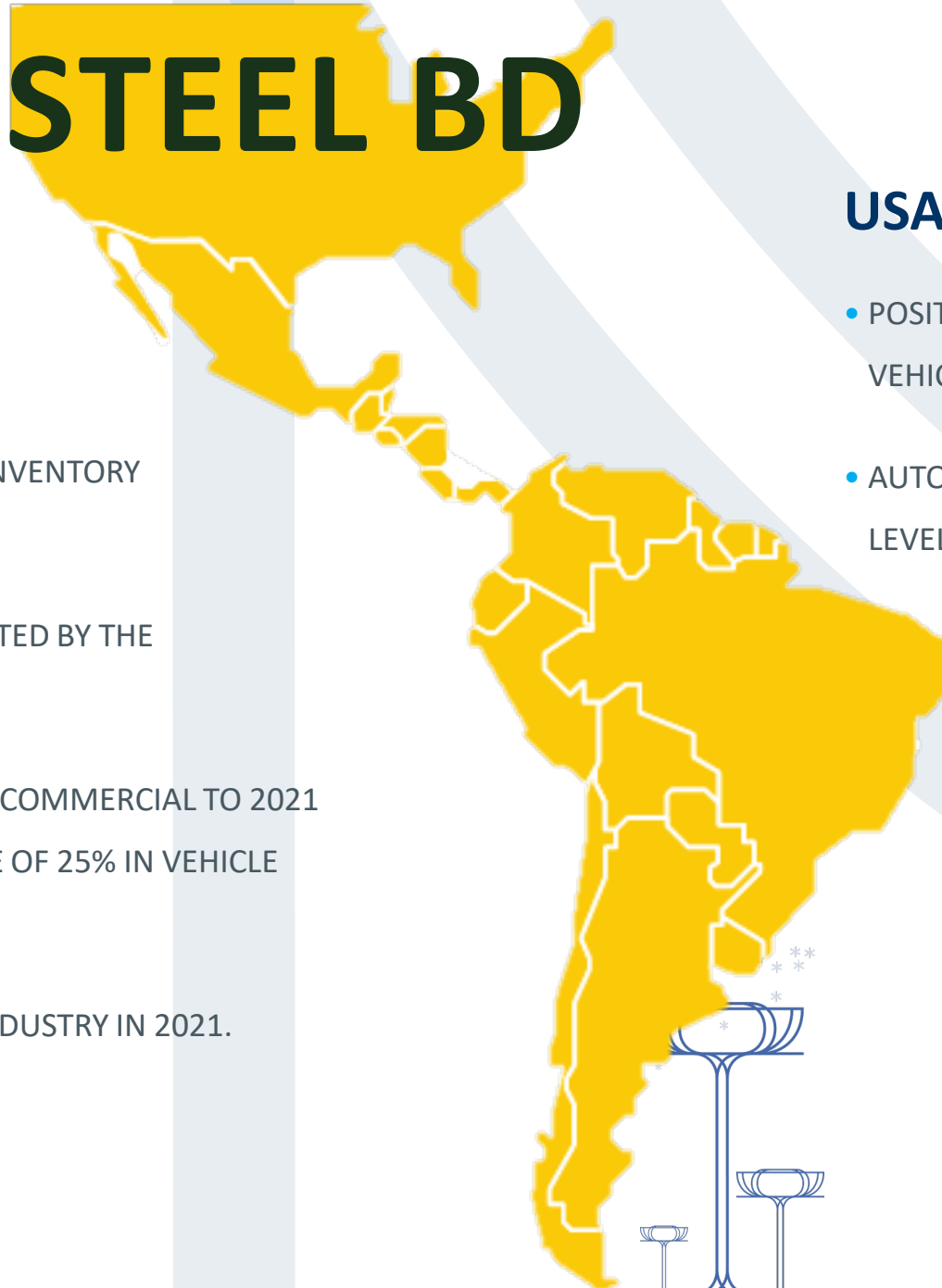
SPECIAL STEEL BD

BRAZIL

- STRONG DEMAND, IN LINE WITH THE INVENTORY REPLENISHMENT IN THE AUTO SECTOR.
- HEAVY VEHICLES PRODUCTION STIMULATED BY THE AGROBUSINESS PERFORMANCE.
- ANFAVEA REVIEW ITS PROJECTIONS OF COMMERCIAL TO 2021 AND HEAVY POINTING OUT A INCREASE OF 25% IN VEHICLE PRODUCTION.
- GOOD OUTLOOK FOR WIND ENERGY INDUSTRY IN 2021.

USA

- POSITIVE PERFORMANCE OF THE AUTO INDUSTRY, HEAVY VEHICLES, DISTRIBUTION AND OIL & GAS SECTORS.
- AUTOMOTIVE INDUSTRY WENT BACK TO PRE-PANDEMIC LEVELS, WITH GOOD OUTLOOK FOR 2021.



SOUTH AMERICA BD

PERU

- CONTINUITY OF THE GOOD MARKET SCENARIO, WITH STRONG DEMAND FROM THE CONSTRUCTION SECTOR.

ARGENTINA

- MAINTENANCE OF GOOD ACTIVITY LEVELS FOR THE CONSTRUCTION INDUSTRY.

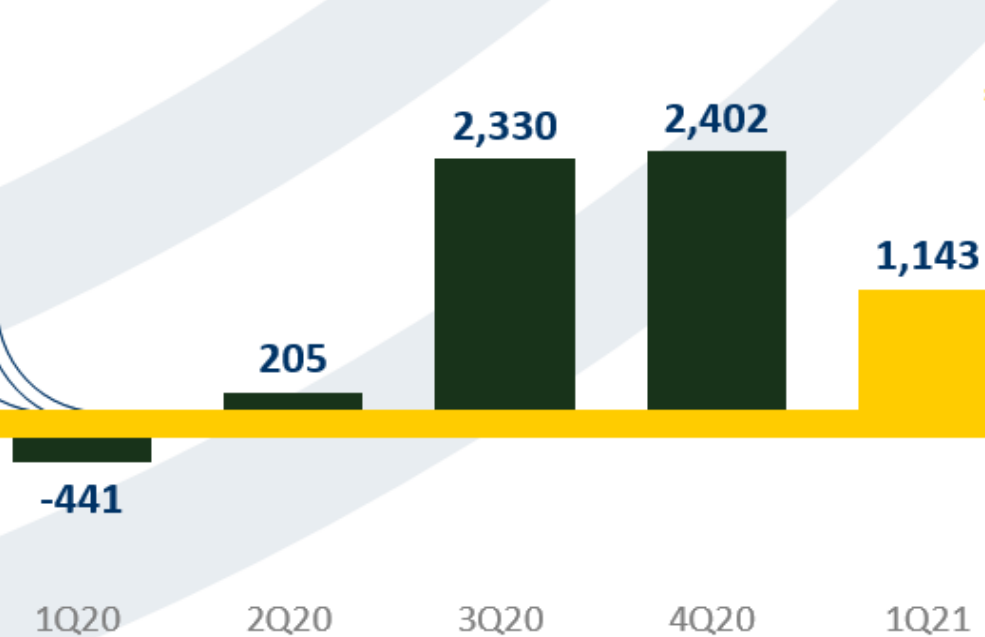


Financial Results

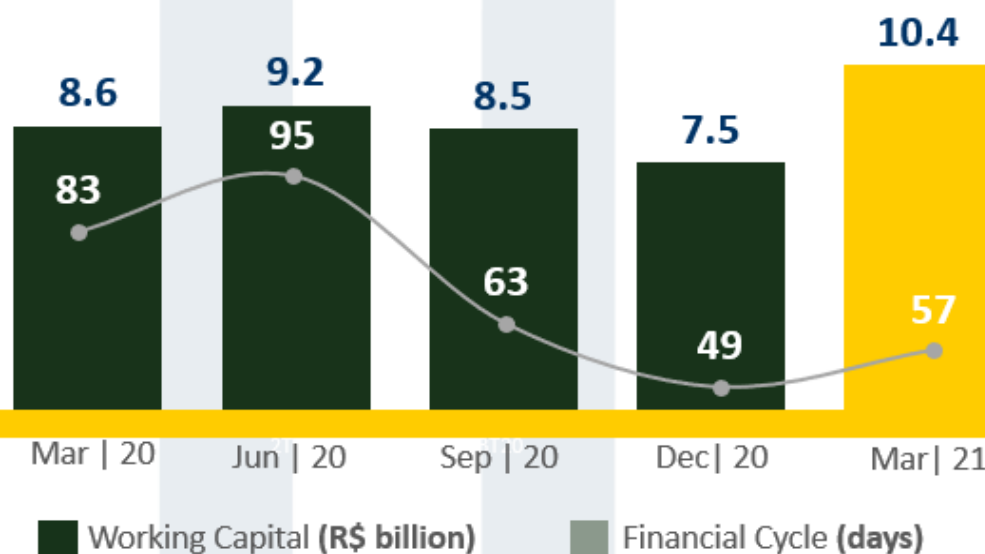
FCF

Free Cash Flow

R\$ million



Working Capital and Financial Cycle



Working Capital (R\$ billion)

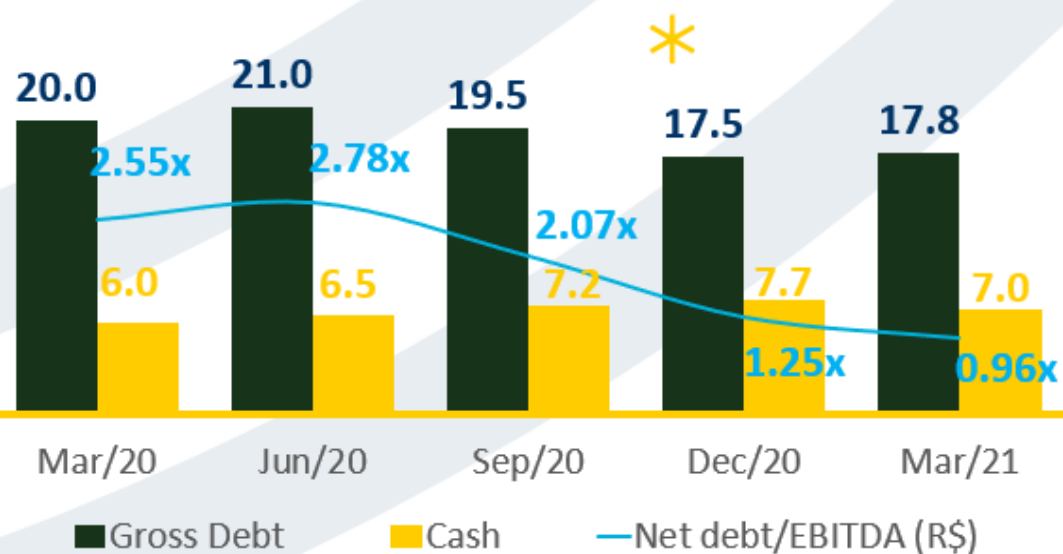
Financial Cycle (days)

LIQUIDITY AND INDEBTEDNESS

Debt long profile

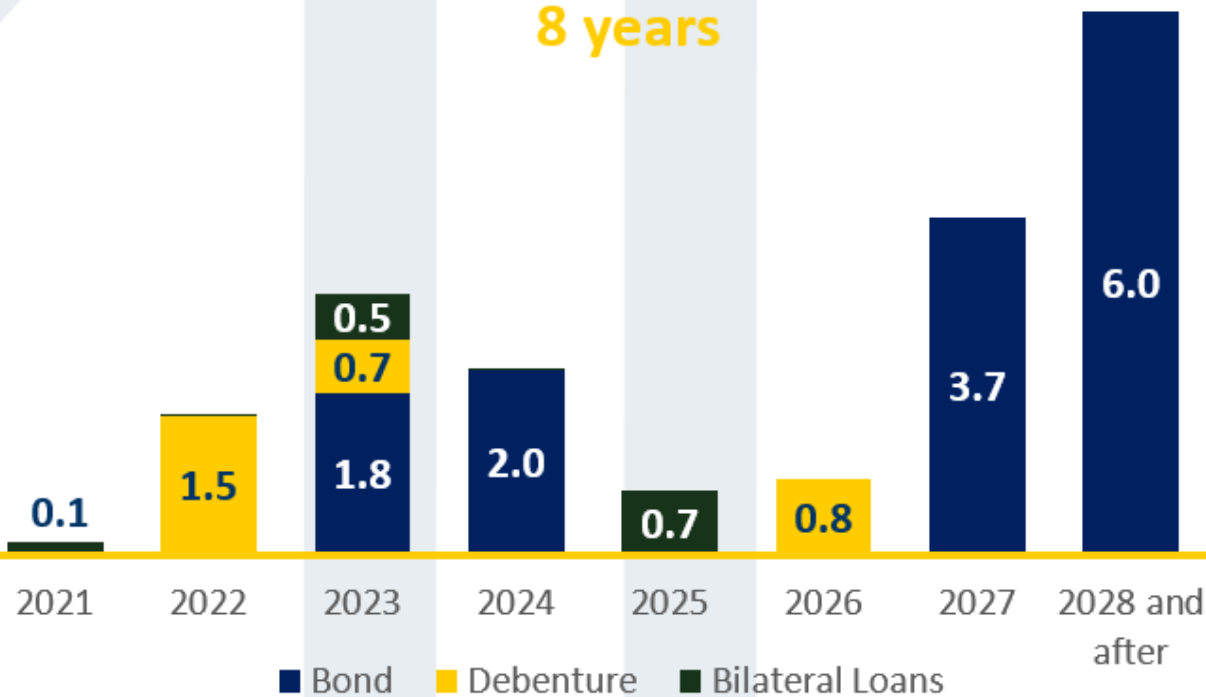
Debt and Leverage

R\$ billion



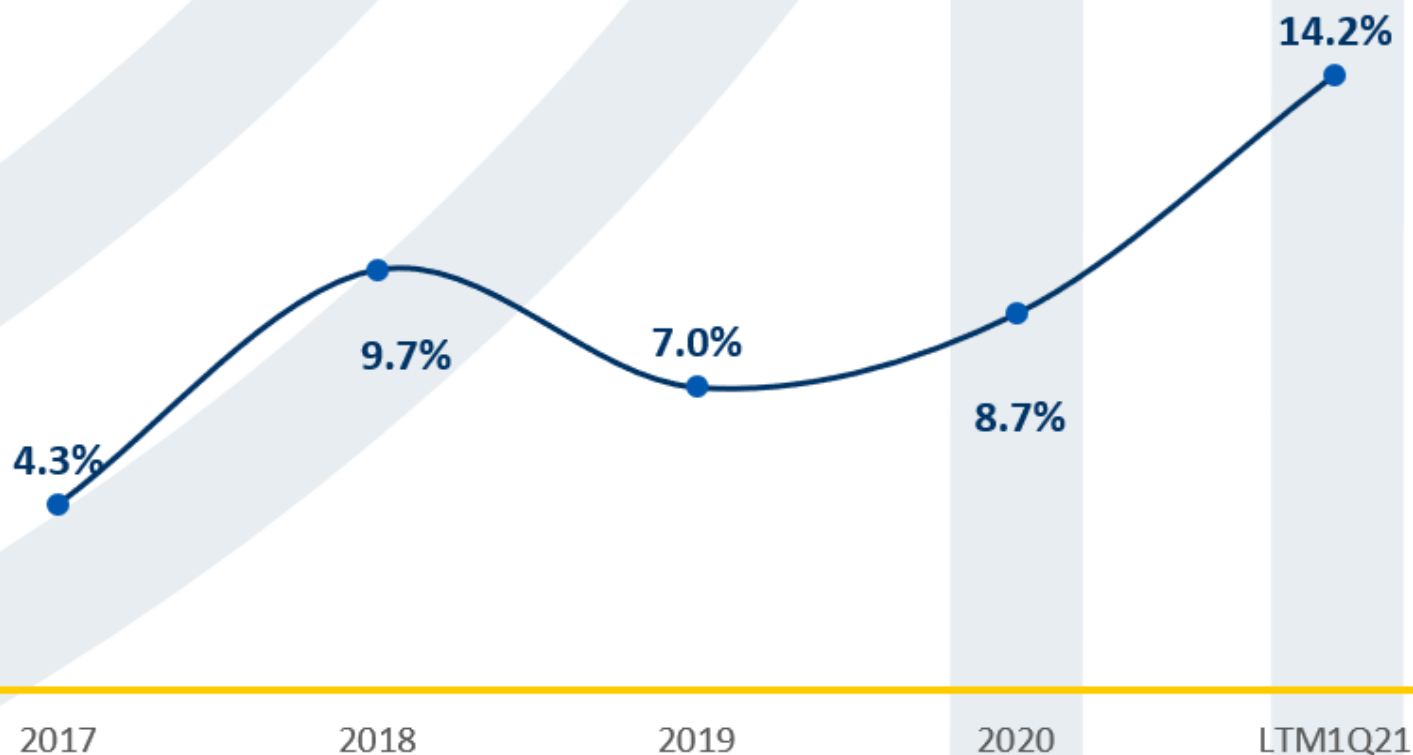
Average
Cost of Debt
4.8% p.a

Debt
Maturity
8 years



RETURN ON INVESTMENT

ROCE ⁽¹⁾ (Return on Capital Employed)



(1) ROCE = NOPAT/(LTM capital employed)

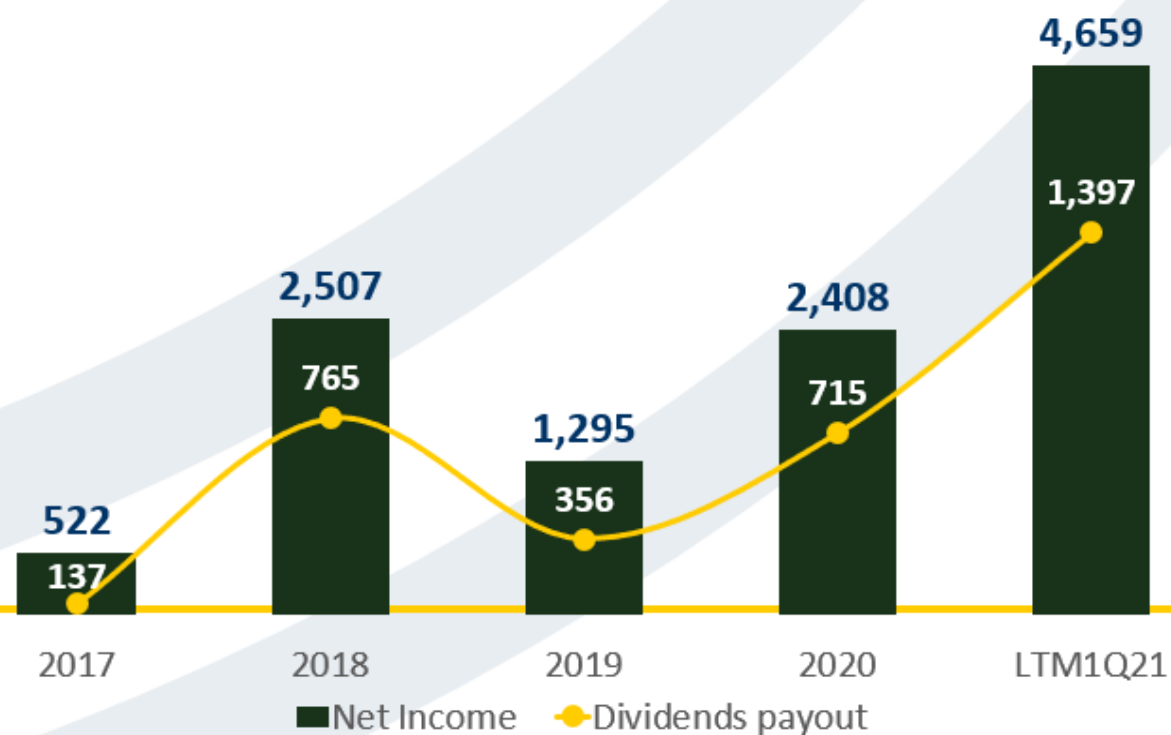
NOPAT = Net Operating Profit After Tax

Capital Employed = Working Capital + PPE + Goodwill + Other operational assets and liabilities

RETURN TO SHAREHOLDERS

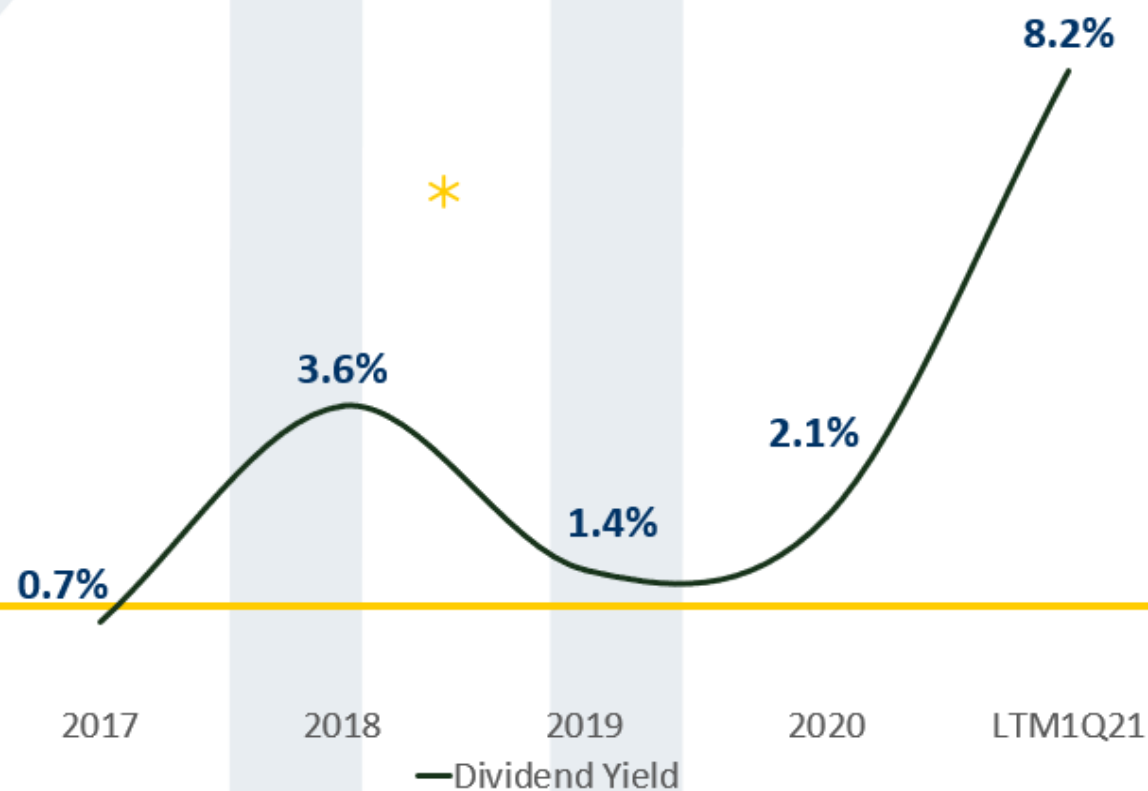
NET INCOME AND DIVIDENDS PAYOUT

R\$ million



DIVIDEND YIELD GGBR4 ⁽¹⁾

%

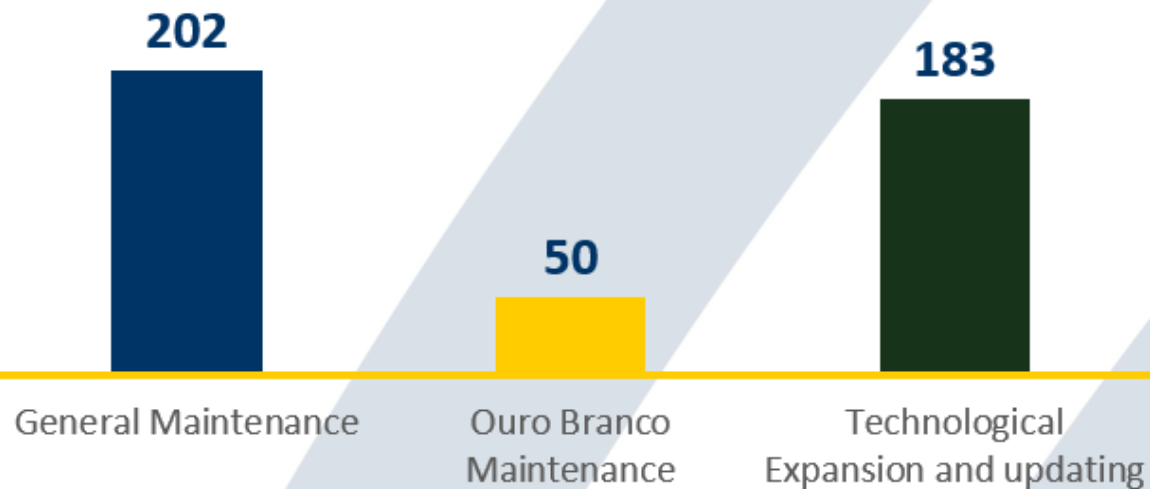


(1) Dividends paid/share price in the beginning of the period

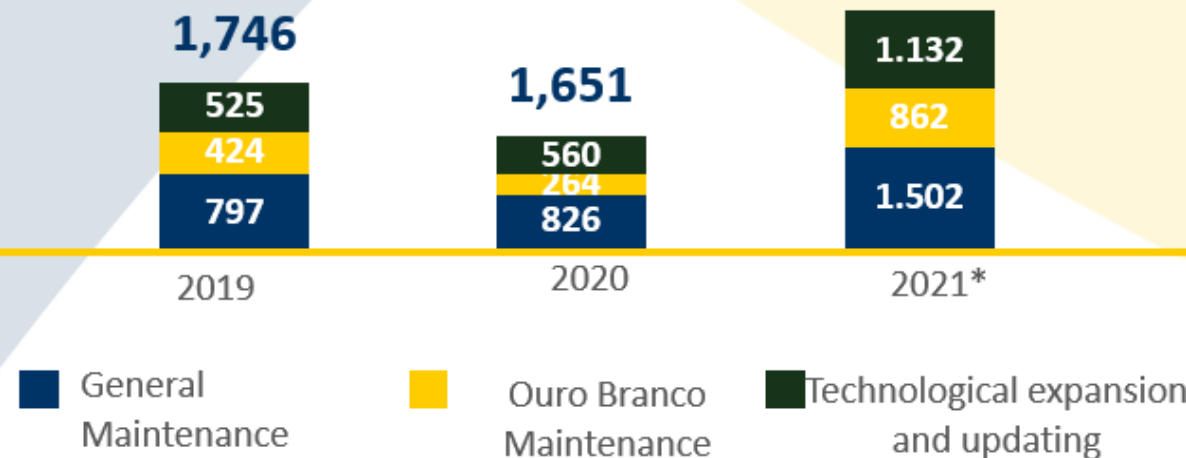
Share price (R\$/share):
2017: 10.80; 2018: 12.38; 2019: 14.82; 2020: 20.00; LTM1Q21: 10.05

CAPEX

Capex 1Q21 R\$ million



Capex Outlook R\$ million



*Outlook



GERDAU NEXT

2022

1



GERDAU NEXT

Feel like owner, think like innovator, act like entrepreneur.

MISSION

Diversify Gerdau's business portfolio, globally, through new relevant and profitable businesses in strategic segments. Build Gerdau of the Future.

ASPIRATION

Allocate resources to achieve, in the next 10 years, 20% of Gerdau's total revenue, not coming from the traditional steel value chain.

STRATEGY

Dynamic new business portfolio. Business development through three different sources: intra-entrepreneurship, connections with startups / external partners, and M&A.

PEOPLE

Pipeline of internal and external talents, of accountable leaders who believe in collaboration work to turn innovation into material businesses. Entrepreneurial culture.

GERDAU NEXT major focus areas - 2021



*Construction
sector
productivity*

*Developments
on Logistic and
infrastructure*

*Fortress in Scrap
and metal brings
opportunities*

*Profitable
Renewable
energy
projects*

*Advanced
materials and
new
technologies*

*Disruptive
digital
solutions*

ESG

Environmental, social and governance





Corporate Governance

CULTURAL

TRANSFORMATION

Safety first

No result is more important than people's lives.

Do the right thing

Ethics and respect are essential in everything we do.

Every customer is unique

We work to make our client's business thrive, driving joint success.

Autonomy

We take responsibility in making the best decisions for the business.

We are all leaders

We are engaged and committed to our development and that of the people around us.

Creating value for all

We fulfill our purpose by sustainably creating value for all our audiences.

Openness

We don't know everything and we believe that a team always achieves better results than individuals.

Diverse and inclusive environment

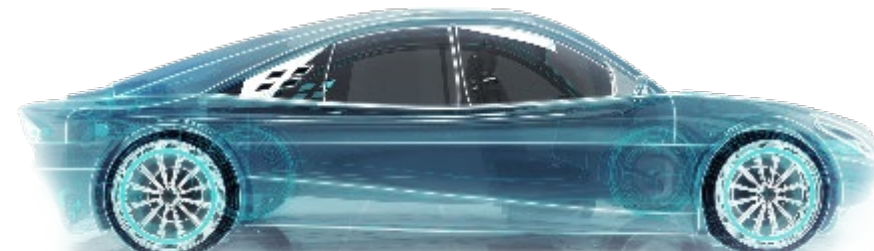
We create a diverse and inclusive environment where everyone is heard, respected and has opportunities.

Simplicity

We focus on what adds value. As a result, we are more agile and gain productivity.

Learn, unlearn, relearn

We believe that in order to continue evolving, it is essential to adapt to new scenarios, innovating and finding better ways of working.

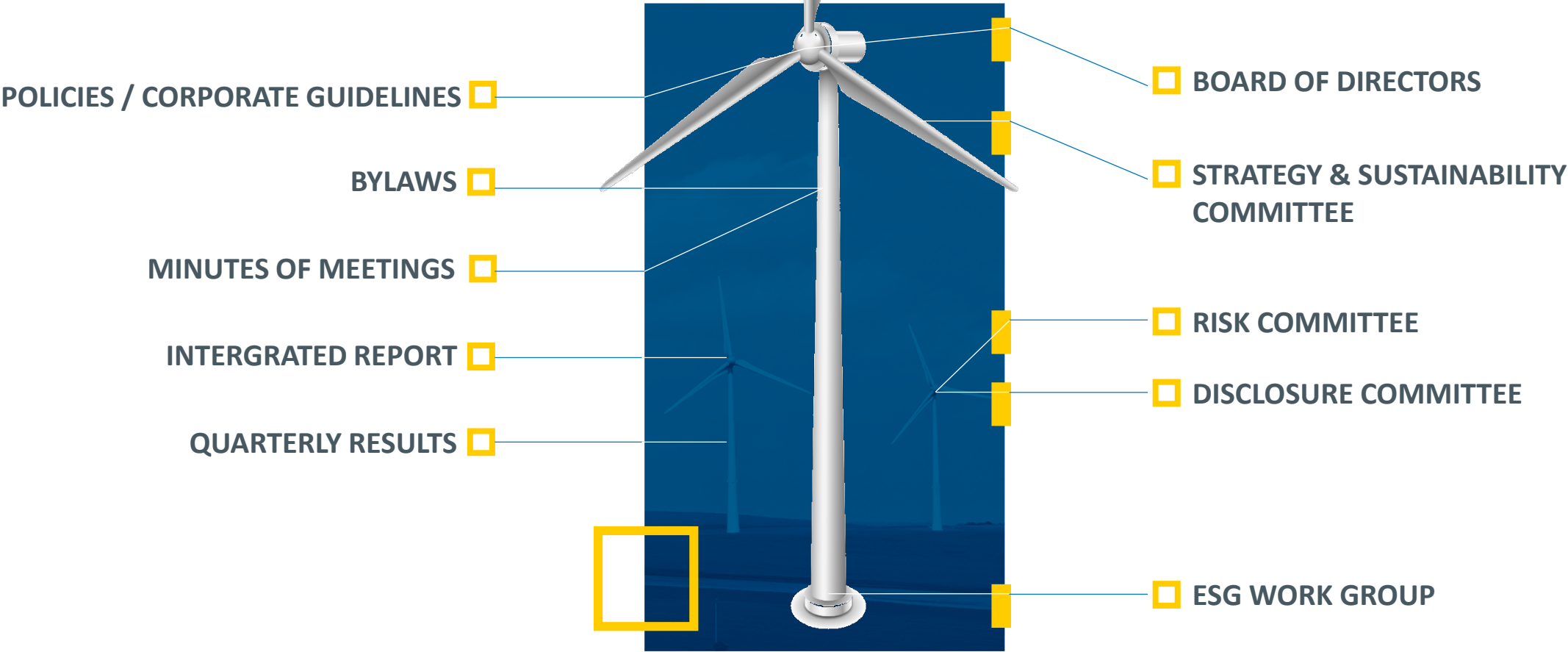


Disclosure

Efforts

Decision-making

Process



Dimension	Indicators
<div>  Environmental </div>	Greenhouses gases by volume of steel (tCO ₂ /t steel)
	Water Consumption (m ³ /t steel)
	% reuse of co-products
<div>  Social </div>	% of active volunteers
	Number of people benefited
	% of social investments made in relation of gross profit
<div>  People </div>	% of women in leadership position
	% of women in the company
	% of black people in leadership positions
	% de PwDs in the Company
	Health and Safety index (severity rate)
<div>  Governance </div>	ICVM 586 – Brazilian Corporate Governance Code
	ISS – Institutional Shareholder Services
	EVA – Economic Value Added (managerial information)
	DVA – Value Added Statement (R\$ million)
	Personnel
	Taxes, fees and contributions (R\$)
	Remuneration of third-party capital (R\$)
	Return on Equity (R\$)

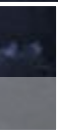


Scorecard

ESG

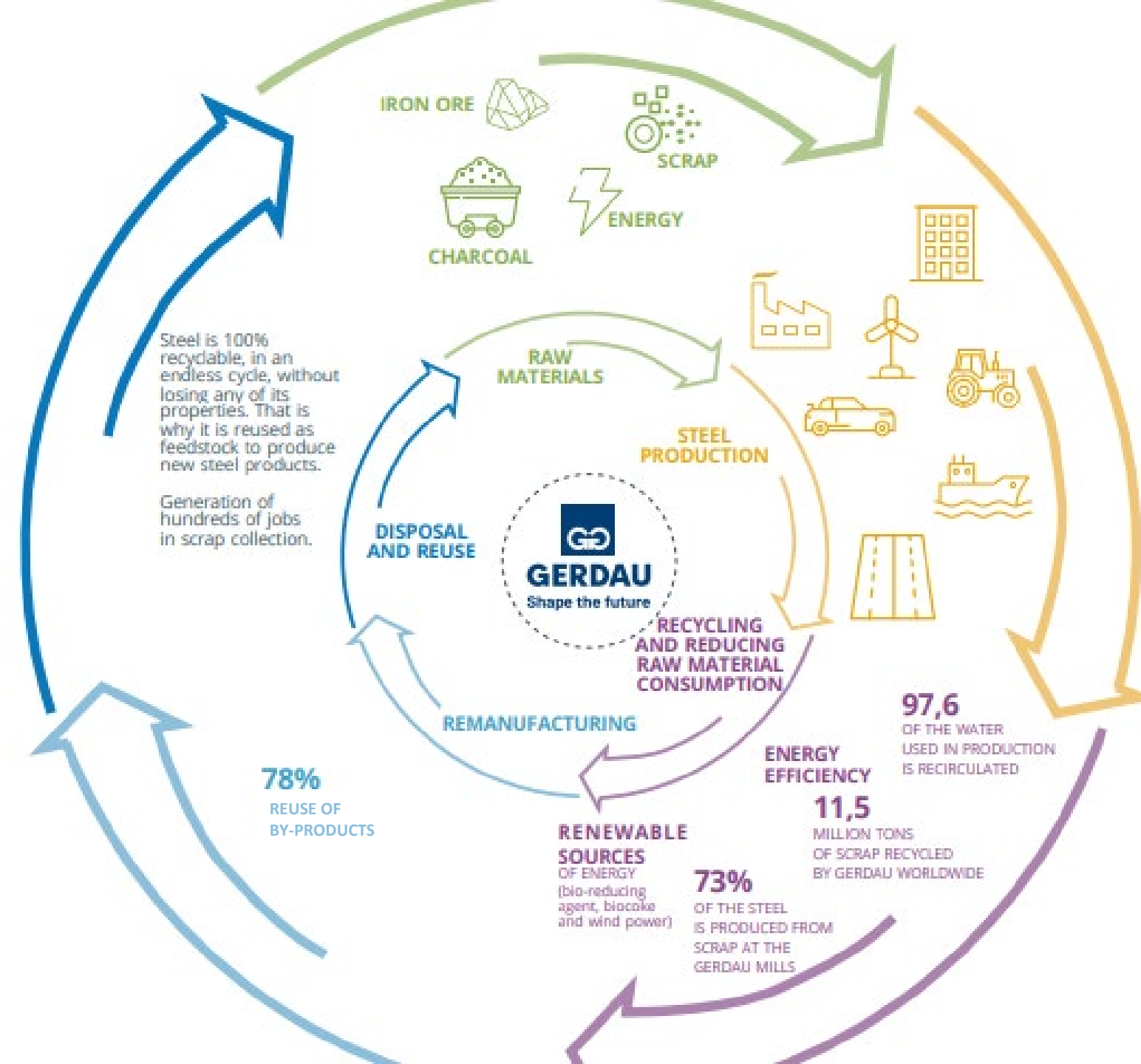


Environmental



Circular Economy

Gerda has adopted the principles of circular economy as part of its sustainability strategy. In this way, the company works to optimize the use of natural resources, encourages the use of recyclable raw materials — in particular ferrous scrap — and reuses waste in the form of co-products.



Environmental Actions

Gerdau has a **Sustainability Policy** and an **Environmental Management System** in place that reaffirm the company's commitment to creating value for its stakeholders and is in line with regulatory guidelines.



- **254.867 hectares at Gerdau Florestal**
- **91.4 thousand hectares of biodiversity conservation area, with 74.8 thousand hectares of Legal Reserve and APP**

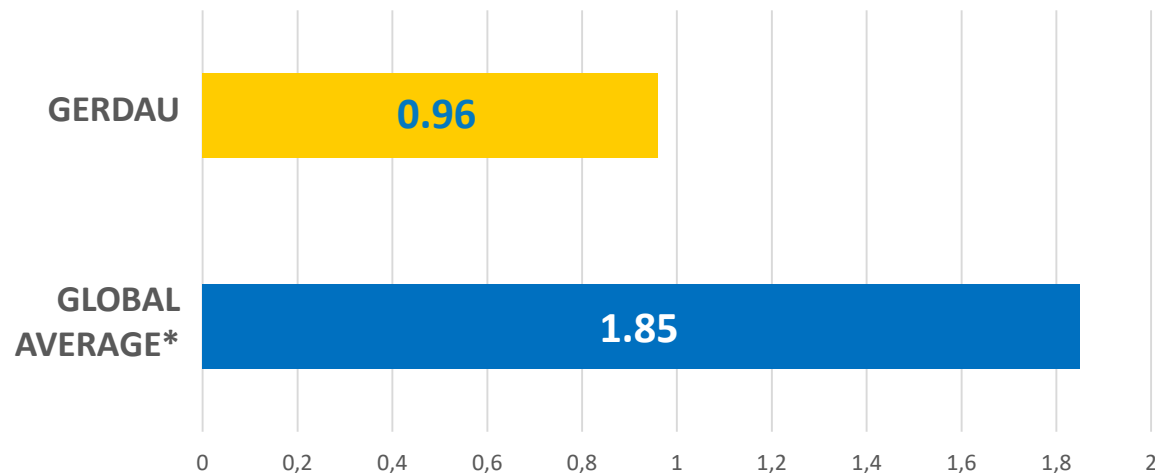


Own renewable eucalyptus forests in Minas Gerais (Brazil).

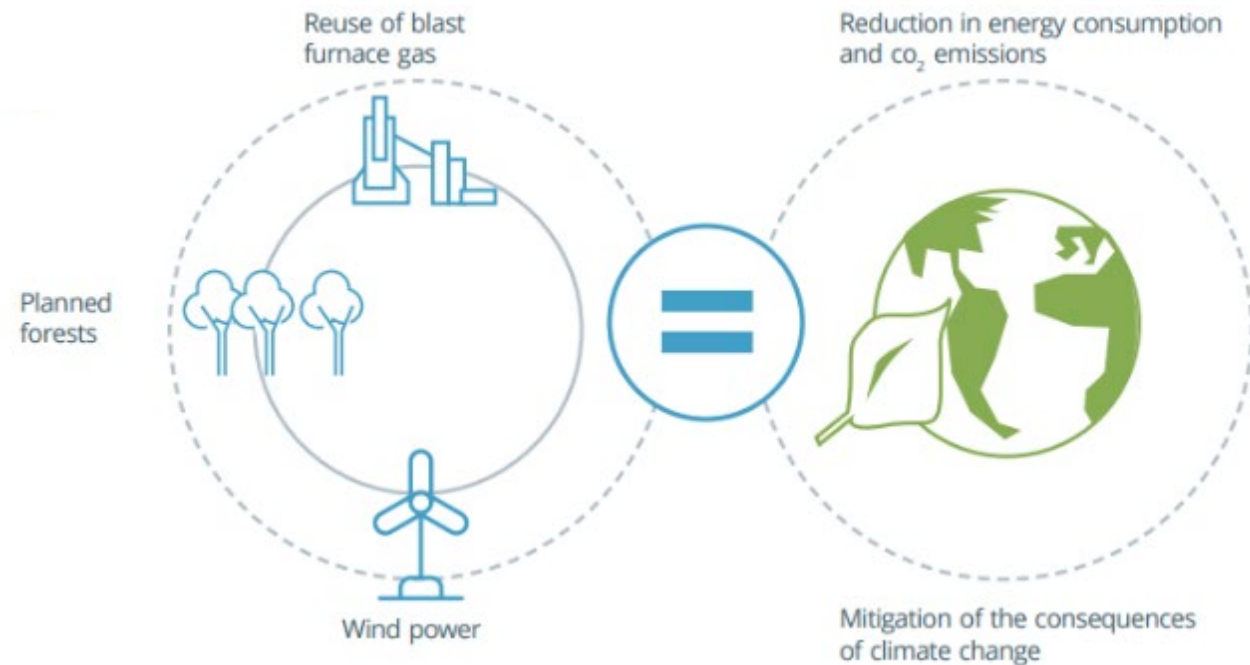
Transparency in Carbon Emissions

Gerda's greenhouse gas emissions totaled 11,947,505 tons of CO₂e in 2019. Emissions from electricity consumed (scope 2) accounted for 24% of the total.

■ CARBON INTENSITY (tCO₂e / t steel)



* Source: World Steel Association.



■ HIGHLIGHTS

- Use of bio-reducing agents as the main input in the integrated steelmaking units.
- Reuses of the gases generated.
- Production is from scrap.

COMMITMENT



Water Reuse

Water management is part of Gerdau's **strategy**

The company continually invests in efficient water recirculation programs, contributing to reducing withdrawal of new water, the volume of effluents, and the environmental impact of discharging these effluents by the operations.

▣ **97.6% of the water used in production is reused**



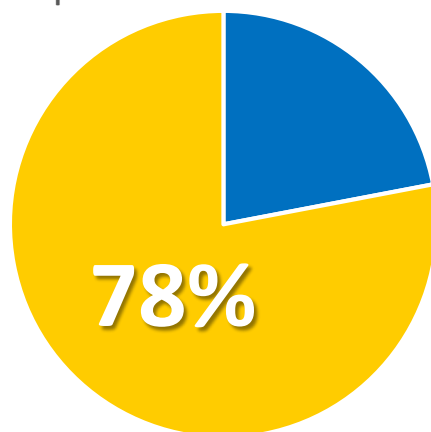
Management of By-products

In 2019, the Gerdau **generated reused** **78%** of these materials internally or in external partnerships.

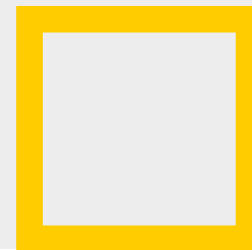
▣ REUTILIZATION

▣ RECYCLE

▣ RECLAIMING



The Gerdau it has a Research & Development area able to analyze the production chain in order to reduce generation of industrial waste, qualifying it as by-product to be recycled and reused internally in Gerdau's processes and mills, and externally in third-party processes through innovative solutions.



Recycling of Scrap

Gerdau scrap Yard.



In 2019, Gerdau recycled more than 11 million tons of scrap at its mills in Brazil and the Americas. In other words, 73% of the steel produced by Gerdau uses ferrous scrap as its main feedstock.



Social

Safety

SAFETY DAY

The Company celebrates World Day for Safety and Health at Work, promoted by the UN on April 28, every year. The celebration includes a general stoppage of activities at all plants to reflect on safety and continue with an entire week of activities coordinated around this topic. It is an event that brings employees' families into the units. In 2020, when the 20th anniversary of Gerdau's Safety Policy is also celebrated, a global contest was held, between employees and Family members, to choose a new logo for Gerdau's Safety System.



RECOGNIZED WORK

In 2019, Gerdau received the recognition for Excellence in Health and Safety from worldsteel, the main global entity in the steel sector. The award recognized the work done by the Company in reducing the number of highly severe accidents, a result that was reinforced by the attainment of the lowest accident severity rate in the Company's history.

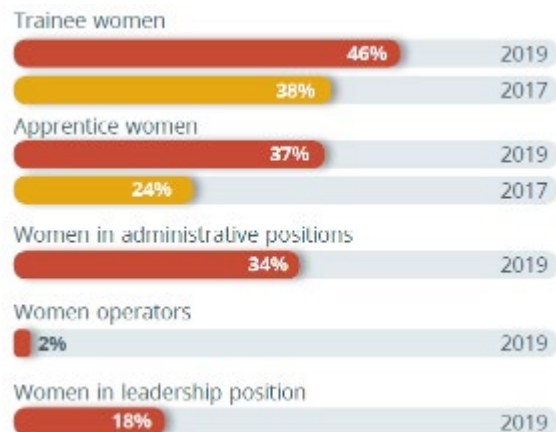
□ An innovative accident risk prediction model – Safety Analytics – was implemented in almost every Gerdau mill in Brazil, which uses Artificial Intelligence and Machine Learning to predict occupational accidents.

Diversity and Inclusion

Our Diversity and Inclusion strategy is defined by acting on 4 aims:



Genre LGBTI+



Race and ethnicity



PwD

Learning Program:
100+ PwD
trained in Gerdau's operations

2%
of PwDs in the workforce



LGBTI+

Social name
systems and processes updated to allow
for the use of their social names in the
company

PACTS



Social Responsibility

2020 numbers:



665,866

PEOPLE BENEFITED



1,538

VOLUNTEERS WORKING



R\$ 59.1 million
SOCIAL INVESTMENTS



1.757

BUSINESS SUPPORTED



66 CITIES
IN 10 COUNTRIES



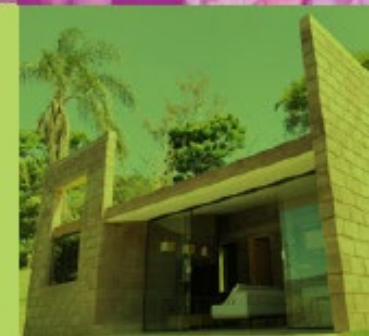
ENTREPRENEURSHIP AND HOUSING

Gerdau believes that working in network is better and more effective than conducting individual initiatives. This is how Lab Habitação works, managed by Gerdau and which has a partnership with companies and NGOs (*learn more on page 70*).



ENTREPRENEURSHIP AND RECYCLING

The company supports initiatives aimed at recycling materials while improving the quality of life of the population that works with recycling (*learn more on page 71*).



ENTREPRENEURSHIP AND EDUCATION

The topic of education has always been present in Gerdau's social projects and is currently responsible for the great voluntary engagement of the company's employees (*learn more on page 71*).



Certification B Company

Journey to become a Certified B Company

Since 2019, Gerdau is committed to becoming a Certified B Company. Starting with the operation in Brazil that seeks to obtain **certification** throughout 2021.

The Company B is an international recognition for the high ESG standards within the organization.

In addition to the certification journey, Gerdau was invited to be part of the **B Movement Builder**, a group of multinationals that will lead the movement globally.



LET'S GET TO WORK

Dear Business Roundtable CEOs,

We are part of a community of Certified B Corporations who are walking the walk of stakeholder capitalism. We are successful businesses that meet the highest standards of verified positive impact for our workers, customers, suppliers, communities and the environment.

We operate with a better model of corporate governance – benefit corporation governance – which gives us, and could give you, a way to combat short-termism and the freedom to make decisions to balance profit and purpose.

As you know, with continued resistance from investors on this new definition of business, we've got work to do to help them see that stakeholder governance builds trust and builds value.

More

CEO Worktable gives

What to watch for now that CEOs have rewritten the purpose of the corporation



COMMITMENTS





INVESTOR RELATIONS

CFO & IRO: Harley Scardoelli

IR General Manager: Rodrigo Maia

IR Team: Kelly Barna, Rafael Mingone and Sergio Tonidandel

