



INSTITUTIONAL PRESENTATION



BUSINESS MODEL STRENGTHS

STRENGTHS

SECTOR/PRODUCTS

BRAZIL



- Integration of production routes.
- Presence in different segments of construction and industry.

- Civil construction **41%**
- Industry **35% (flat steel)**
- Industry **24% (long steel)**
- Rebar **24%**
- Flat steel **36%**
- Drawn **12%**

NORTH AMERICA



- Higher added value products and profitability.
- On-stop-shop concept.
- Commercial strategy review.

- Distribution **52%**
- Construction **23%**
- Industry **25%**
- Merchant bar **53%**
- Beams **36%**
- Rebar **11%**

SPECIAL STEEL



- Presence in Brazil and US.
- Light and heavy vehicles and O&G segments.

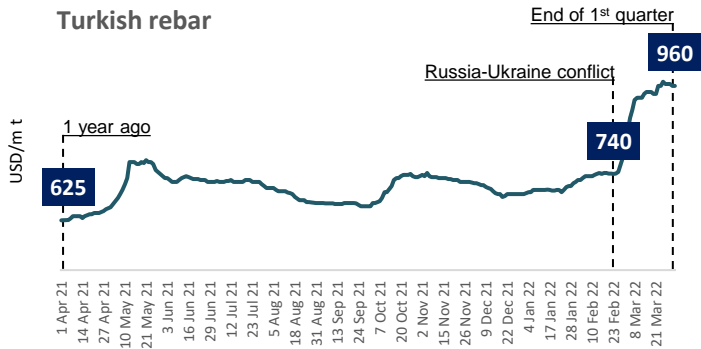
- Brazil:
 - Automotive **80%**
 - Industry (energy) **20%**
- US:
 - Automotive **70%**
 - Industry (energy) **30%**

- Local competition and cleaner steel.
- Proximity to raw-materials and clients.
- Cost competitiveness and CO₂ emission.
- ESG in the decision-making process.
- Focus on Americas with higher added value products.
- Capital allocation discipline.
- Cultural and digital transformation.



MACRO ENVIRONMENT 1Q22

- International scenario: Russia-Ukraine conflict caused disruptions in supply of commodities, pressures on global supply chain and higher spot prices for raw materials in international market;
- COVID uncertainties at start of year (brazilian retail market).



Rebar FOB Turkey



IODEX 62% CFR China
Spot HCC Peak Downs FOB Australia



USA Scrap Turkey CFR
Scrap East Asia import CFR
Pig Iron FOB Brazil Southeastern

Source: S&P Global Commodity Insights



CONSOLIDATED – 1Q22 HIGHLIGHTS



Shipments (1,000 tonnes)

3,055

-1% vs 1Q21

-3% vs 4Q21



Net sales (R\$ million)

R\$ 20,330

+24% vs 1Q21

-6% vs 4Q21



Adjusted EBITDA⁽¹⁾ (R\$ million)

R\$ 5,827

+35% vs 1Q21

-3% vs 4Q21



Adjusted EBITDA Margin⁽¹⁾

28.7%

+2.2 p.p. vs 1Q21

+0.9 p.p. vs 4Q21



Net income (R\$ million)

R\$ 2,940

+19 % vs 1Q21

-16% vs 4Q21



Safety

Frequency Rate⁽²⁾ – 0.57

vs 0.83 in 4Q21

(1) Adjusted by non-recurring items that impacted the result.

(2) Number of lost-time injuries for every 1,000,000 hours worked (the lower, the better)



PERFORMANCE BY BUSINESS DIVISION



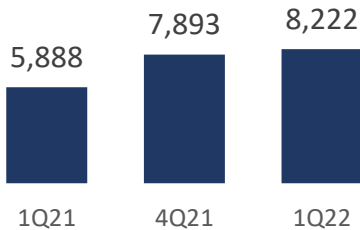
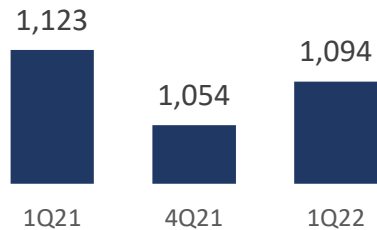
NORTH AMERICA BD

Utilization rate⁽¹⁾

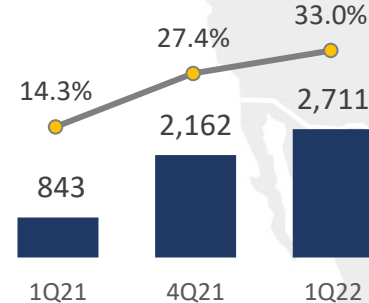
91%

- Best quarter in the history of the Operation (46% of Gerdau's Consolidated EBITDA);
- Demands for non-residential construction and manufacturing remain strong;
- Leading indicators for non-residential construction and manufacturing sectors improving;
- Logistics and labor challenges. Inflation on the rise.

Shipments of steel (1,000 tonnes)



EBITDA (R\$ million)/EBITDA Margin



PMI⁽²⁾
56.1



ABI⁽²⁾
53.5

PROJECT

Technological Updating Whitby Mini-Mill.

Goal is to add 200 kt of steel by modernizing mini-mill in Canada Investment⁽³⁾ ~R\$ 300 million.

EBITDA
+R\$ 110
million

OUTLOOK

- Solid steel demand, specially from the Construction industry;
- Order backlog above historical average (~80 days);
- Instruction issued by U.S. government requiring projects in US\$ 1 trillion infrastructure package to use locally produced materials, including steel ("Buy American")

(1) Rolled products. (2) As of May 2022. (3) Approximate CAPEX figures and subject to exchange rate variation



TRANSFORMATION JOURNEY

North America


- Operational excellence
- "Easy of doing business"
- Digital transformation

2019

2018

- Divestment of rebar / wire rod assets
- Commercial Strategy deployment


2020

- St. Paul deactivation – Volumes migrated to existing network 
- Value chain excellence



2021

- Petersburg (VA) expansion 
Invest.: R\$ 190 million
Goal: expand the products mix
- Cartersville (GA) expansion 
Invest.: R\$ 200 million
Goal: add 120 kt
- Mexico corporate reorganization 

2022

- Whitby (ON) expansion 
Invest.: R\$ 330 million
Goal: increase capacity and competitiveness
- Increase sales through digital channels in the USA & CAN
- Investment in scrap collection  

2023

- Jackson (TN) expansion 
Invest.: R\$ 350 million
Goal: increase products mix and competitiveness
- Midlothian (TX) expansion 
Invest.: TBD
Goal: reach 2 Mt of capacity
- Downstream investments

5.6%

>>

+27.4 p.p. in profitability

>>

33.0%

Value Chain

Commercial and operational strategies better aligned with Culture | People.

● EBITDA margin for 1st quarter of respective year



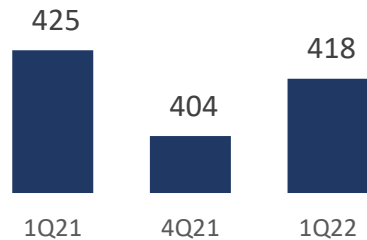
SPECIAL STEEL BD

Utilization rate⁽¹⁾

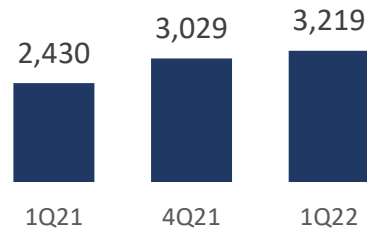
78%

- Strong performance of heavy vehicle sector in Brazil and USA;
- Light vehicle segment still affected by semiconductor supply.

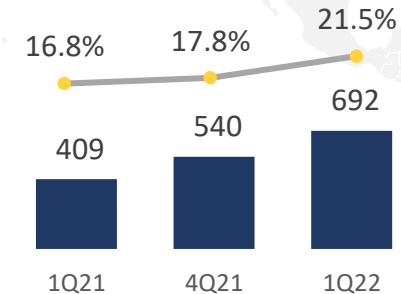
Shipments of steel (1,000 tonnes)



Net sales (R\$ million)



EBITDA (R\$ million)/EBITDA Margin



PROJECT

New continuous casting line in Pindamonhangaba; Goal is to advance in **clean steel** production and **reduce costs** and **emissions**. Investment⁽²⁾ ~R\$ 700 million.

EBITDA
+R\$ 150
million

OUTLOOK

Higher growth (vs. last two years) in Gerdau's key markets: heavy vehicles, distribution and oil & gas;
Gradual improvement in semiconductor issue for light vehicles.

(1) Crude steel. (2) Approximate CAPEX figures and subject to exchange rate variation



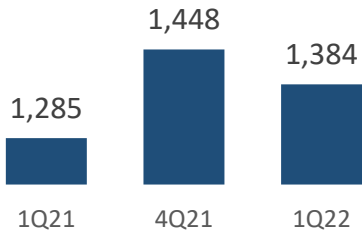
BRAZIL BD

Utilization rate⁽¹⁾

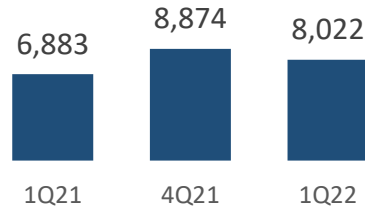
76%

- Quarter reflects period of transition and stabilization of steel demand at healthy levels in various market sectors;
- Retail demand stabilizing at high levels. Digital sales increasing;
- Strong steel demand from industrial sector, driven by agriculture, capital goods, machinery and equipment, road equipment and energy sectors.

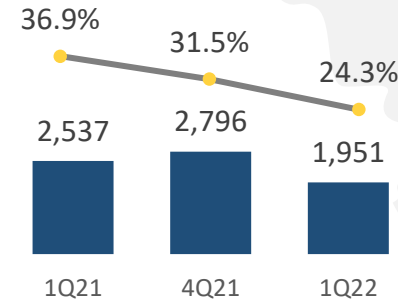
Shipments of steel (1,000 tonnes)



Net sales (R\$ million)



EBITDA (R\$ million)/EBITDA Margin



Construction
GDP 3.8% ⁽²⁾⁽³⁾



+17% Construction sites ⁽²⁾⁽⁴⁾



Inventory
11.5 months ⁽²⁾⁽⁵⁾



Capacity
26.792 MW ⁽²⁾⁽⁶⁾

PROJETO

Expand coil production in Ouro Branco; Goal is to **add 250 kt** of coils and **reduce operating costs**; Investment⁽⁷⁾ ~R\$ 1 billion.

EBITDA
+R\$ 350
million

OUTLOOK

Distribution and retail: higher sales and lower shipments;
Homebuilding: higher number of launches, with sales volume trending lower;
Energy: sector remains strong with expectation of large investments;
Infrastructure: busy calendar of highway projects and auctions.

(1) Crude steel. (2) Forecast as of May 2022 for end-2022. (3) Source: Tendências. (4) Source: Neoway. (5) Source: Secovi. (6) Source: ANEEL. (7) Approximate CAPEX figures and subject to exchange rate variation



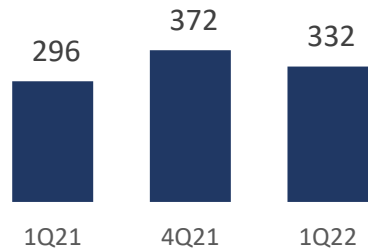
Utilization rate⁽¹⁾

86%

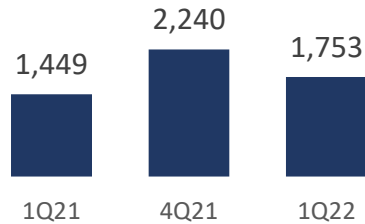
SOUTH AMERICA BD

- **Argentina:** Steel demand from construction and agriculture sectors remains strong;
- **Peru:** Steel demand remains solid, driven by construction industry, despite political and logistical challenges.

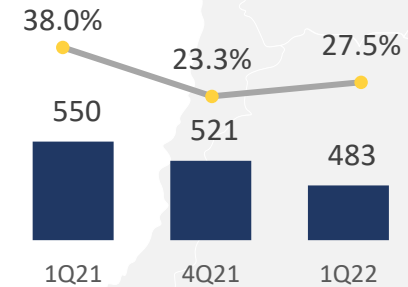
Shipments of steel (1,000 tonnes)



Net sales (R\$ million)



EBITDA (R\$ million)/EBITDA Margin



PROJECT

Expansion of Peru's rolling mill capacity;
 Expand **capacity, reduce costs, improve occupational health and safety**;
 Investment⁽²⁾ ~R\$ 90 million.

EBITDA
 +R\$ 30
 million

OUTLOOK

Argentina: maintenance of good activity levels construction and agribusiness;
Peru: good market performance, with solid demand from construction sector.

(1) Rolled products. (2) Approximate CAPEX figures and subject to exchange rate variation

GERDAU NEXT



GERDAU NEXT REINFORCES OUR VISION OF LONG-TERM GROWTH

STRATEGIC VERTICALS

SUSTAINABILITY



Renewable Energy



Circular Economy



Advanced Materials



Logistics + Logtech

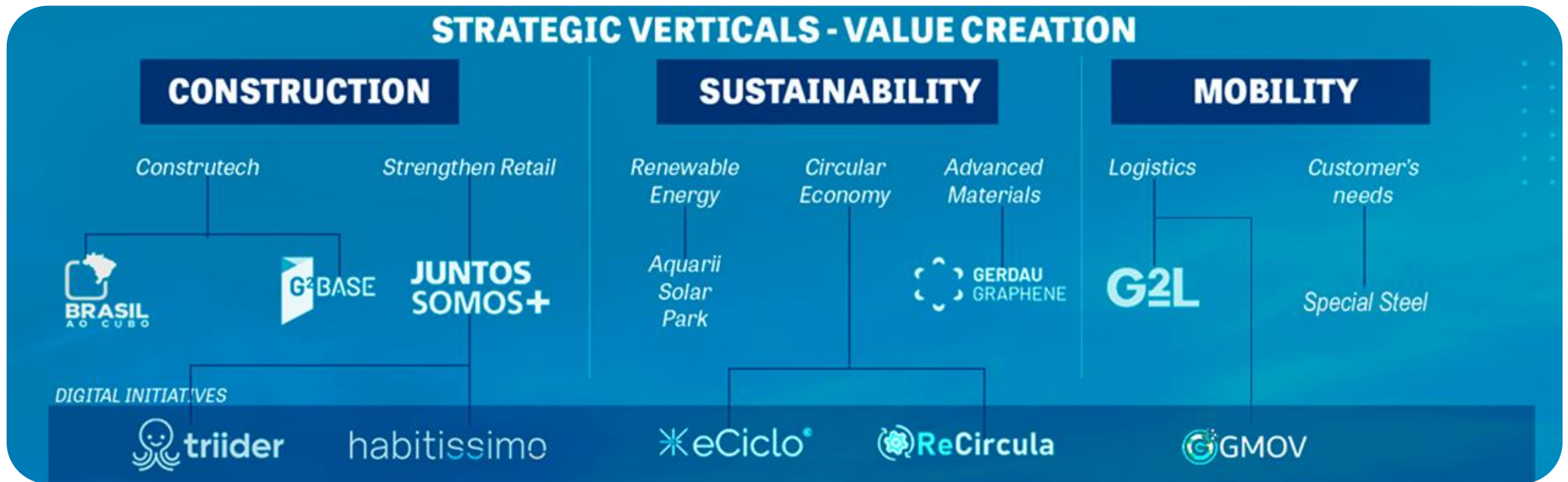


Construtech + Retail

Diversify Gerdau's business portfolio, with products and services **complementary** to steel



NEW RELEVANT AND PROFITABLE BUSINESSES IN STRATEGIC SEGMENTS



All new businesses are born with **digital as an integrated solution**



CONSTRUCTIONS USING A SYNERGISTIC MODEL BETWEEN GERDAU AND GERDAU NEXT COMPANIES



Steel



Construtech



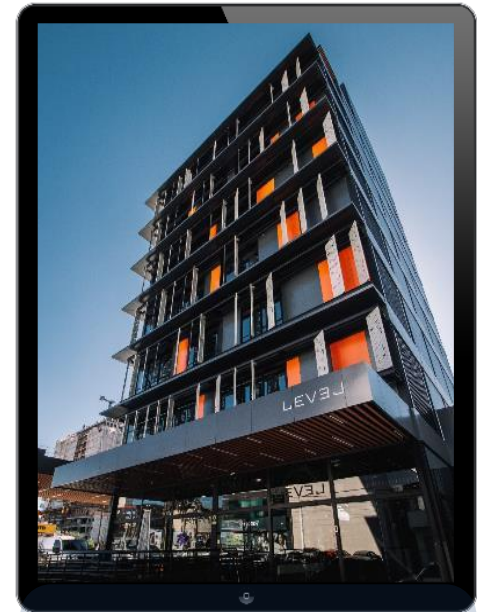
Construction base



Logistics



Pulp warehouse under construction in the north of Brazil.



In 100 days, Brasil ao Cubo delivered the first 8-story off-site modular building in Latin America.



JV JUNTOS SOMOS MAIS

LARGEST BRAZILIAN CONSTRUCTION MATERIALS MARKETPLACE AND LOYALTY PROGRAM JOINT VENTURE BETWEEN VOTORANTIM CIMENTOS, GERDAU AND TIGRE

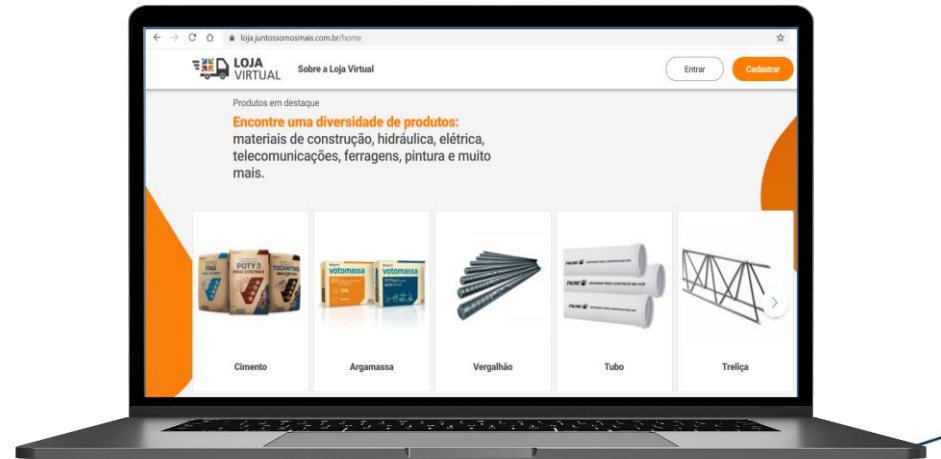
90 k stores and 1 million professionals

30+ participating companies

B2B marketplace GMV of USD 1.4 billion

B2C Digital Triider + Habitissimo BR

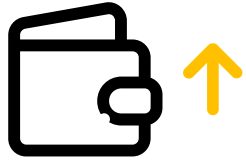
Connection of PROs-End consumers for house renovations





DIGITAL TRANSFORMATION

OF OUR CUSTOMER JOURNEY IN 2021



\$57
MILLION

Revenue added
through sources of
digital
(\$10 million in 2020).



42% US
16% BR

Volume through
Digital Channels



15.5k

New customers
captured through
digital channels
(BR).



82kt

of sales were
captured
through digital
channels (BR).



FINANCIAL PERFORMANCE



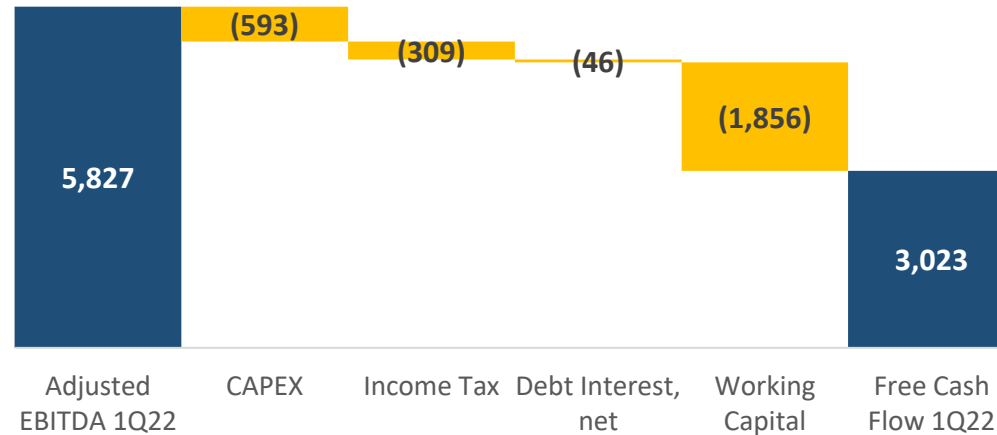
GERDAU

Shape the future



EBITDA & CASH FLOW BRIDGE 1Q22

R\$ million



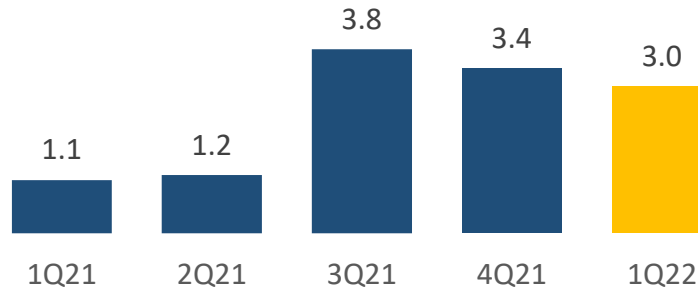
FCF = 52% of the EBITDA or 15% of the Net sales



CASH FLOW & WORKING CAPITAL

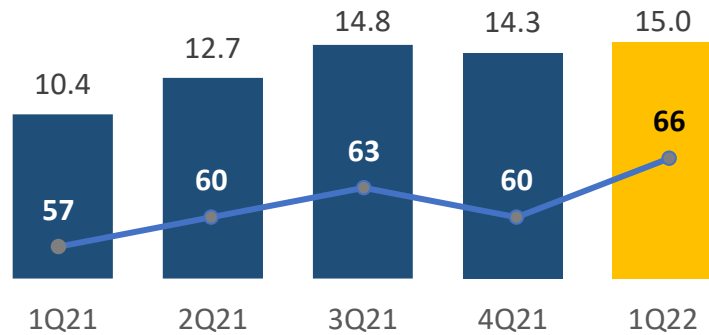
R\$ billion

Free Cash Flow



8th straight quarter of positive FCF

Working Capital & Financial cycle



2nd lower financial cycle for a 1st quarter in the last 10 years.

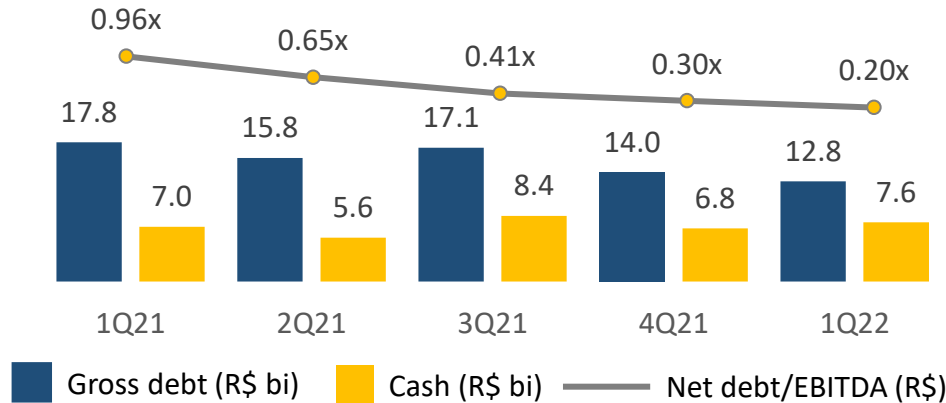
■ Working capital (R\$ billion) — Financial cycle (days)



LIQUIDITY & INDEBTEDNESS

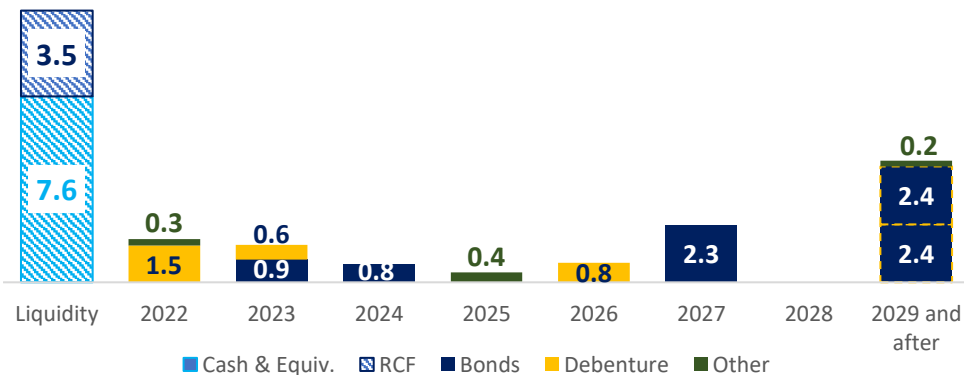
R\$ billion

Debt and leverage



Financial Policy:
Gross debt lower than R\$ 12 billion

Debt amortization schedule



Long debt profile
(only 16% in the short term)
Average term: 7.7 years
Average cost: 7.2% p.a.

(1) Global Revolving Credit Facility

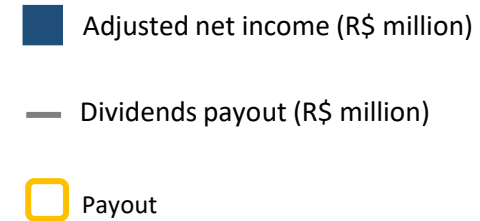
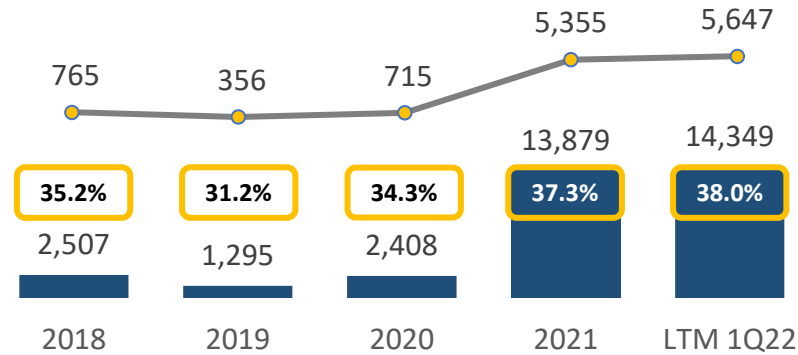


RETURN TO SHAREHOLDERS

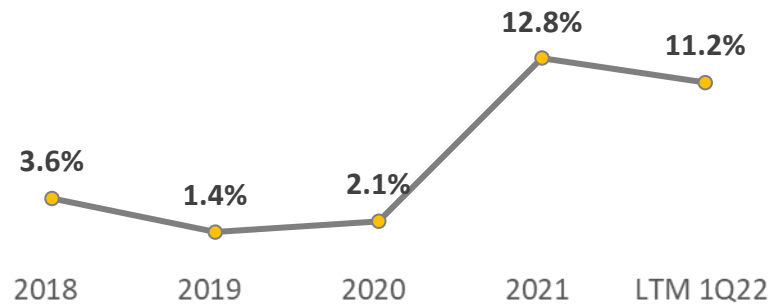
Dividends 1Q22

GGBR: R\$ 0.57 per share
GOAU: R\$ 0.29 per share

Net income & dividends payout



Dividend Yield GGBR4⁽²⁾



Share buyback program

18 months

Gerdau S.A: up to 55 million preferred shares (~5% of preferred shares in free-float⁽¹⁾).

Metalúrgica Gerdau S.A: up to 69 million preferred shares (~10% of preferred shares in free-float⁽¹⁾).

(1) In March 2022: GGBR4 1.102 million shares | GOAU4: 699 million shares.

(2) Dividends paid/share price in the beginning of the period - Share price (R\$/share): 2018: 12.38; 2019: 14.82; 2020: 20.00; 2021: 24.45; LTM1T22: 29.46



CAPITAL ALLOCATION

EBITDA

WORKING CAPITAL

R\$ 1.9 billion
in 1Q22

INVESTMENTS

R\$ 593 million
invested in 1Q22

R\$ 4.5 billion
Capex plan

DIVIDENDS

R\$ 973.5 million
paid in 1Q22

R\$ 0.57
per share

Distribution of at
least **30%** of the
adjusted net income

GROSS DEBT

Reduction of
R\$ 1.2 billion in 1Q22

March 2022
R\$ 12.8 billion



Financial policy goal
R\$ 12 billion



CORPORATE GOVERNANCE



CULTURAL TRANSFORMATION



Safety first – No result is more important than people's lives.



Autonomy – We take responsibility for making the best decisions for the business.



Doing what's right – Ethics and respect are essential in everything we do.



We are all leaders – We are engaged and committed to our development and the development of those around us.



Every customer is unique – We work to make each customer's business thrive, driving mutual success.



Creating value for everyone – We accomplish our purpose by sustainably creating value for all our stakeholders.



Openness – We don't know everything, and we believe that a team will always achieve better results than an individual.



Simplicity – We focus on what adds value. As a result, we become more agile and improve productivity.



Diverse and inclusive environment – We have created a diverse and inclusive environment where everyone can be heard, respected, and have opportunities.



Learning, unlearning, relearning – We believe that in order to continue evolving, it is essential to adapt to new scenarios, innovate, and find better ways of working.





DISCLOSURE EFFORTS

POLICIES

BYLAWS

MEETING DOCUMENTS

INTEGRATED REPORT

QUARTERLY RESULTS



DECISION-MAKING PROCESS

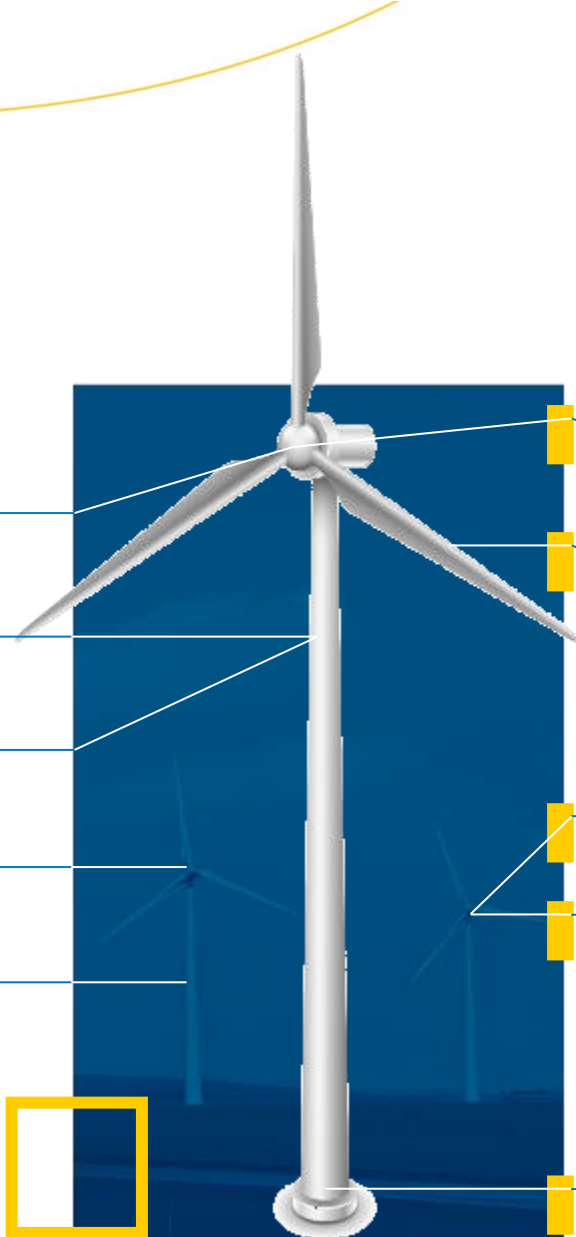
BOARD OF DIRECTORS

STRATEGY & SUSTAINABILITY COMMITTEE

RISK COMMITTEE

















DISCLOSURE COMMITTEE

ESG SQUAD





SCORECARD ESG

DIMENSION	INDICATORS	2018	2019	2020	ASSOCIATED MATERIAL TOPICS	ASSOCIATED SDG
 Environmental	Greenhouse Gases per volume of steel (tCO ₂ /t steel)	-	0,96	0,93	Climate Change Mitigation and Adaptation and Energy Management	 
	Water Consumption (m3/t steel)	3,21	4,09	3,91	Water and Wastewater Management and Stakeholder relations	 
	% of reuse of co-products	75	78	78	Circular economy, energy management, and innovation and digital transformation	
 Social	% active volunteers	21	23	5,7	Stakeholder relations	
	Number of people benefited	20.491	58.730	665.866	Stakeholder relations	
	% of social investments made in relation to gross profit	0,20	0,31	0,56	Stakeholder relations	
 People	% of women in leadership positions (Brazil BO)	17	17	22	Diversity and inclusion	 
	% of women in the company (Brazil BO)	11	12	13	Diversity and inclusion	
	% of Blacks in leadership positions (Brazil BO)	12	16	25	Diversity and inclusion	
	% of PwD in the company (Brazil BO)	2,60	2,80	2,90	Diversity and inclusion	
	Health and safety index (severity rate)	463	160	244	Occupational Health and Safety	 
 Governance	ICVM 586 - Brazilian Corporate Governance Code	56%	57%	67%	Ethics and Corporate Governance	
	EVA - Economic value added(manager/(managerial information)	-1,80%	-3,97%	0,00%	Ethics and Corporate Governance	
	Personnel (R\$ millions)	5.043.856	4.517.403	5.216.144	Ethics and Corporate Governance	
	Taxes, fees and contributions (R\$ millions)	1.853.641	2.679.237	3.720.556	Ethics and Corporate Governance	
	Remuneration of third-party capital (R\$ millions)	2.117.794	1.757.103	1.917.421	Ethics and Corporate Governance	
	Return on equity (R\$ millions)	2.326.382	1.216.887	2.388.054	Ethics and Corporate Governance	



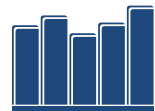
ESG ON LONG-TERM INCENTIVE PLAN



Reduction of Greenhouse Gases emissions (t CO2/t steel)



Increase women in leadership positions to 30% by 2025



Value creation (EVA)



ENVIRONMENTAL



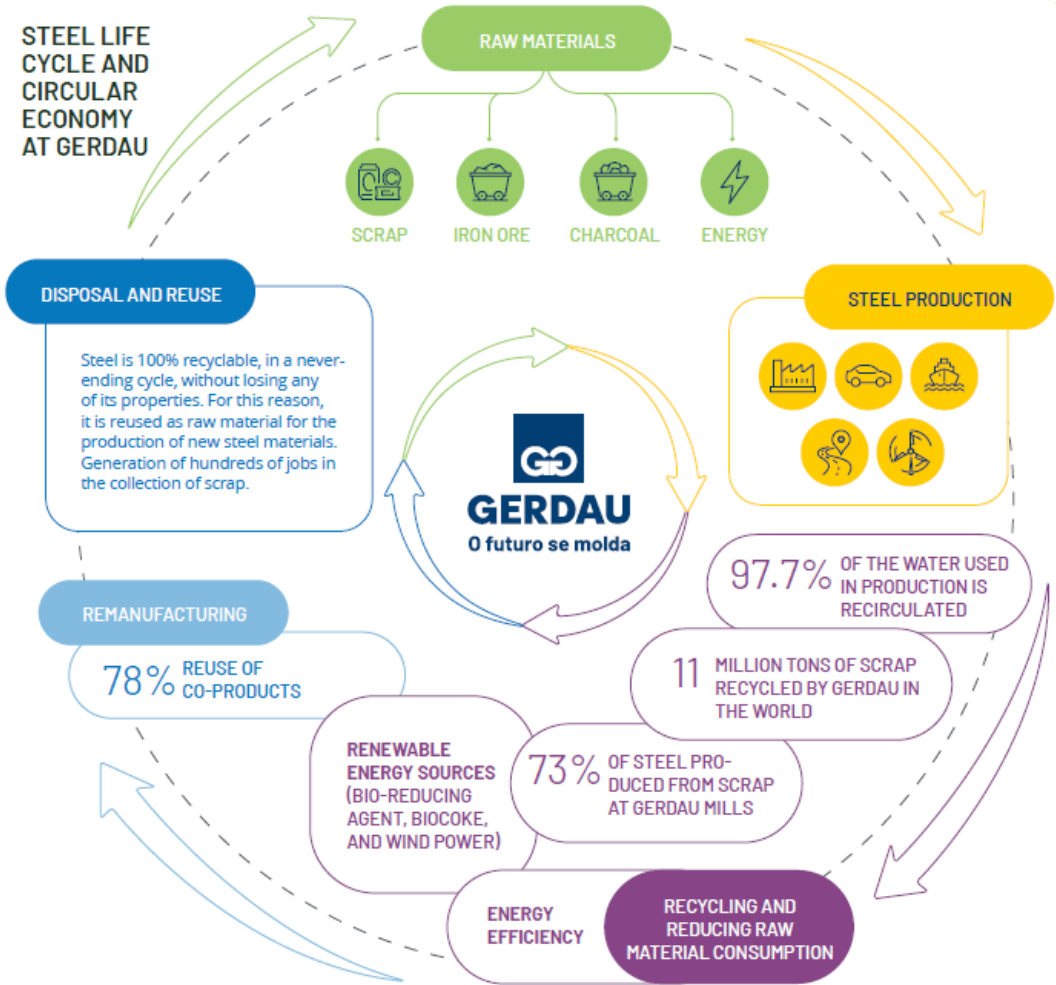
GERDAU

Shape the future



CIRCULAR ECONOMY

Gerdau 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.

254.000 hectares at Gerdau Florestal

91.0 thousand hectares of biodiversity conservation area, with **74.8** thousand hectares of Legal Reserve and APP









CARBON EMISSIONS TRANSPARENCY

Gerdaу's
commitment to
climate change → **0.83 t/CO₂e per
tonne of steel by 2031**

AND HOW WILL GERDAU DO THIS?

-  **1** Greater energy and operational efficiency
-  **2** Higher use of scrap in the production matrix
-  **3** Expansion of the forestry base and investments in the renewable energy business
-  **4** Investments in new technologies and open innovation



SOLAR FARM Midlothian, Texas

GREENHOUSE GAS EMISSIONS (CO₂e) GERDAU AVERAGE IN 2021:

0.90t CO₂/t steel

Reduction of **3%** when compared to 2020
(0.93 tCO₂/t steel)



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.

97.7% of the water
used in production is reused





BY-PRODUCTS MANAGEMENT

In 2020, the Gerdau generated reused 78% of these materials internally or in external partnerships.

REUTILIZATION

RECYCLE

RECLAIMING

78%

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.

This content is Public.

RECYCLING OF SCRAP



73% OF THE STEEL PRODUCED BY GERDAU USES
FERROUS SCRAP AS ITS MAIN FEEDSTOCK

SOCIAL



GERDAU

Shape the future



HEALTH & SAFETY

FIRST

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.



In 2020, Gerdau held its global health and safety meeting, adapting it into an online event with the participation of the main company leaders. The main safety highlights in the period are the following:

- 🕒 In 2020, we recorded the lowest historical injury frequency rate, reaching 0.86. This achievement is the result of our efforts to prioritize the training of employees in behavioral actions, which led to a reduction in the number of work-related accidents.
- 🕒 We reinforced training for employees to identify events with a high potential for serious injuries and fatalities, known by the acronym PSIF, to eliminate the risks of these events.
- 🕒 A global contest was held to engage employees on the topic of safety, developing people who are better trained to identify potential risks for events with a high potential for serious injury or death. In this way, we reinforce our culture of safety, recognizing that prioritizing people's safety is a principle that must always be remembered and practiced.
- 🕒 Advances in Safety 4.0 by using technology to control risks.



DIVERSITY PROFILE

GERDAU

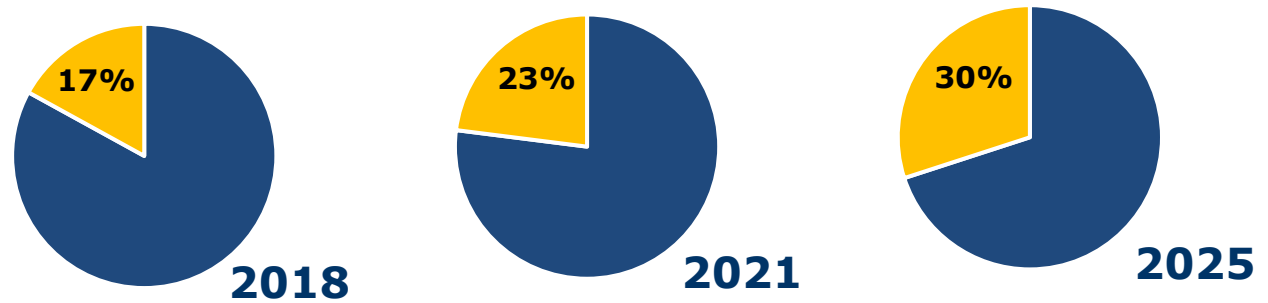
Key Gender

■ Men ■ Women

Governance Bodies:



Women Executive:





GERDAU'S DIVERSITY PROFILE

GRI 405-1
DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES



KEY AGE GROUP:

- Under 30
- 30 to 50
- Over 50

KEY GENDER:

- Men
- Women

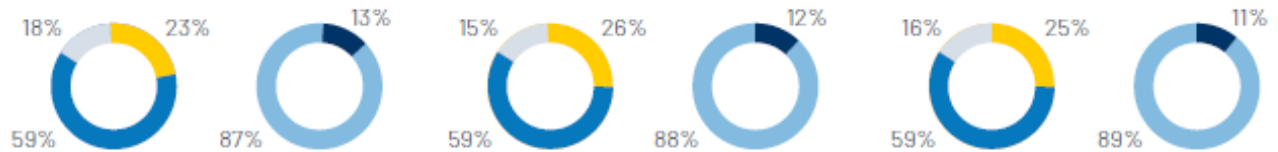
EMPLOYEES BY EMPLOYMENT CATEGORY, AGE GROUP, AND GENDER

EMPLOYEES	2020		2019		2018	
	AGE GROUP (%)	GENDER (%)	AGE GROUP (%)	GENDER (%)	AGE GROUP (%)	GENDER (%)
Apprentices						
Interns						
Operational						
Administrative						
Specialists/Coordinators						
Management						
Executive Board						

MEMBERS OF GOVERNANCE BODIES

Fiscal Council						
Board of Directors						

GRAND TOTAL





SOCIAL RESPONSIBILITY



R\$ 128 million
IN SOCIAL INVESTMENTS

R\$ 31.1 million in
own resources

R\$ 96.9 million in
donated resources



4,221,811
PEOPLE BENEFITED



1,969
VOLUNTEERS



1,318
BUSINESS SUPPORTED



65 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](#)).





B COMPANY CERTIFICATION

JOURNEY TO BECOME A CERTIFIED B COMPANY

Since 2019, Gerdau is committed to becoming a Certified B Corporation in 5 years.

The B Corporation 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.

COMMITMENTS



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 importantly, it also ensures that the purpose of capitalism is to work for everyone and for the long term.

Let's work together to make real change happen.

INVESTOR RELATIONS

CFO & IRO

Rafael Japur

IR Team

Cristiene da Costa

Flavia Alves

Gustavo Alves

Rafael S. Mingone

Sergio Tonidandel Jr.



Shape the future

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Disclaimer

This presentation may contain forward-looking statements. These forward-looking statements rely upon estimates, information or methods that may be incorrect or inaccurate and may not actually occur. These estimates are also subject to risks, uncertainties and assumptions, including, among others: general economic, political and commercial conditions in Brazil and in the markets where we operate and existing and future government regulations. Potential investors are hereby informed that these estimates do not constitute a guarantee of future performance, as they involve risks and uncertainties. The company does not undertake, and specifically denies, any obligation to update any forecasts, which only speaks as of the date they are made.



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