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**Chia Yuan Wang**  
North America

**GERDAU**  
Stakeholder  
Day 2023



# NORTH AMERICA BD

Products and services to add more value to our customers

## Structure and competitive advantages



+ More than **7,000 employees**



One of the market leaders, **with all facilities scrap-based** and excellence in service through **one-stop-shop and B2B concepts**



**10 industrial plants**, operating in the **US** and **Canada**, and joint ventures in **Mexico**. **Lowest CO<sub>2</sub> emitter** in the North American steel production chain



Operating markets:

- **Construction ~25%** (non-residential)
- **Distribution ~50%** (civil, metal, foundations and retainment)
- **Industry ~25%** (energy, agriculture, automotive, etc.)



Capacity of **5,400 MT** of crude steel, **100% scrap-based**



Structural



Merchant Bar



SBQ



Wire-rod



Rebar



### Products

**45%** Structural

**45%** Merchant/  
Other long products

**10%** Rebar



**Investments in  
Machine  
Learning,**  
bringing more  
savings and better  
security practices

# Transformation Journey

## North America

**2018**

Sale of rebar / wire-rod assets

**2020**

St. Paul deactivation – transferred volume to other plants

**2021**

- Petersburg, VA
- Cartersville, GA

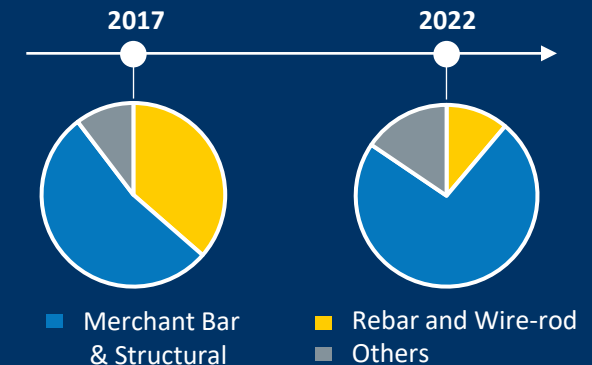
**2023**

- Whitby, ON
- Jackson, TN
- Heat treat processing – downstream investment

**2024**

- Jackson, TN
- Midlothian, TX

### Product Mix Evolution



# Midlothian capacity increase

## Higher competitiveness of our largest asset in North America



2M Ton capacity



Supports growing demand of renewables



Improved efficiency







Supplied by green energy from solar farm

A SLOWER ECONOMIC ENVIRONMENT IN LATE 2023 AND EARLY 2024 IS LIKELY....HOWEVER, STEEL DEMAND IS EXPECTED TO REMAIN STRONG STIMULATED BY THE FISCAL PROGRAMS

EXPECTED IMPACT OF GOVERNMENT INCENTIVES



|   |  |   |  |
|---|--|---|--|
| INITIATIVE  |  Infrastructure   |  Clean energy      |  Reshoring  |
| FEDERAL FUNDING   | Infrastructure Investment and Jobs Act (IIJA)  | Inflation Reduction Act (IRA)   | Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS Act)  |
|  | <p>Structural and Merchants = additional growth of 250 to 500k tons/year.</p> <p>Rebar = demand to grow by 500k to 1M tons/year for 5 years.</p> | <p>Solar market (beams and value added downstream) to grow by 500k to 1M tons/year (through 2032)</p> | <p>We did not estimate an exact tonnage for this program. It should act more like a tool to maintain a high level of non-residential activity but across a different project mix (i.e., more industrial plants, less data centers / warehouses).</p> |

# Gerdau is in a privileged position to boost the growth of these sectors!

## Asset Location

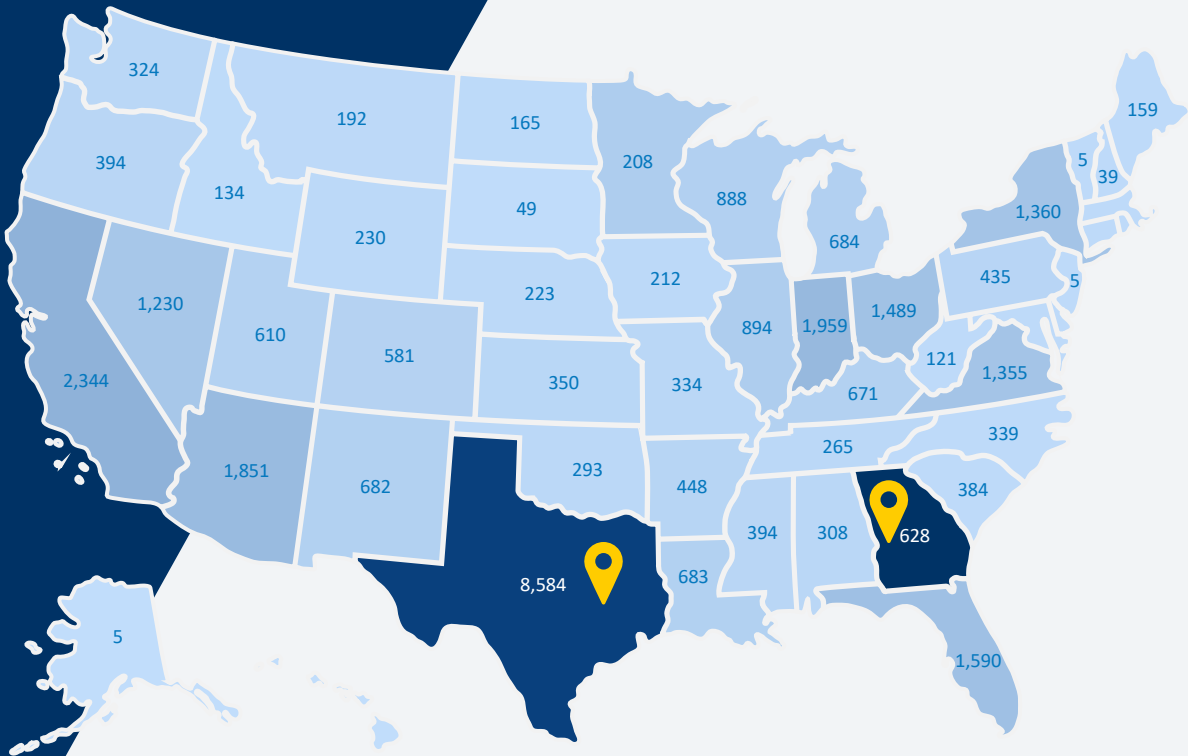


Gerdau’s mills in Midlothian, TX and Cartersville, GA are well-positioned geographically to support the growing demand of renewable energy.



Midlothian mill is undergoing CAPEX expansion that will result in additional capacity to serve those markets:

**Midlothian** - Improving product range and capacity



Expected solar installed capacity by state in 2028 (MWdc)



# Gerda is in a privileged position to boost the growth of these sectors!

## Environmental Position



**No significant changes** to Section 232 expected through election cycle



**US Government promoting** green steel demand through procurement preferences on publicly-funded jobs (Buy Clean program)



**Petersburg, Cartersville, and Midlothian** have the lowest embodied carbon among US structural steel producers...



**... and the greenest are becoming greener!** Renewable energy projects near mills will may further reduce Gerda's emissions. Example: solar farm at Midlothian mill site.



**YELLOW TAGS...  
GREEN STEEL.**

Gerda beams have the lowest embodied carbon in the U.S.  
**No offsets needed.**

 **GERDAU**  
Shape the future

Based on GWP from mill EPDs.  
[Click to learn more.](#)