



GERDAU SUMMIT

CONTROLE DE QUALIDADE UTT

BITARDO DE INSPEÇÃO - CONTROLE QUALIDADE UTT PE VALOR

PRODUTOS INSPECIONADOS	DATA	2	4	5	5	0	9	0	2
PRODUTOS INSPECIONADOS	DATA	3	4	5	5	0	9	0	2
PRODUTOS INSPECIONADOS	DATA	2	4	5	5	0	9	0	2
PRODUTOS INSPECIONADOS	DATA	2	4	5	5	0	9	0	2

OBSERVAÇÃO

4

Aldo Tapia

Special Steel Brazil

Rodrigo Belloc

Special Steel North America

Special Steel BD

Through research and development, we aim to be a global benchmark in the Special Steel production

Structure and competitive advantages



6K+ employees



7 facilities:
3 in Brazil, **4** in the US



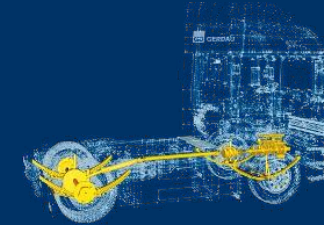
Capacity of **2,490 MT** of crude steel,
100% scrap based



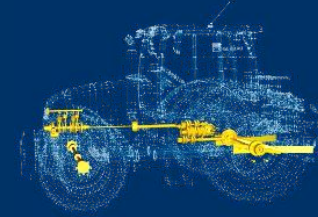
Global commercial operations



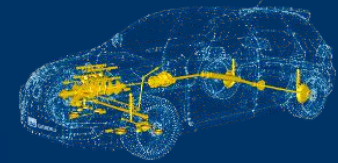
Operating markets:
~**75%** Automotive
~**25%** non-Automotive (energy, agriculture, construction, mining, etc.)



1,500 kg



500 kg



150 kg



15 kg

SBQ
Level



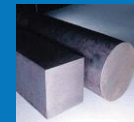
Special steels require **advanced manufacturing processes** given their characteristics and the **highly demanding applications**



Hot rolled bars



Square section bars



Forged bars

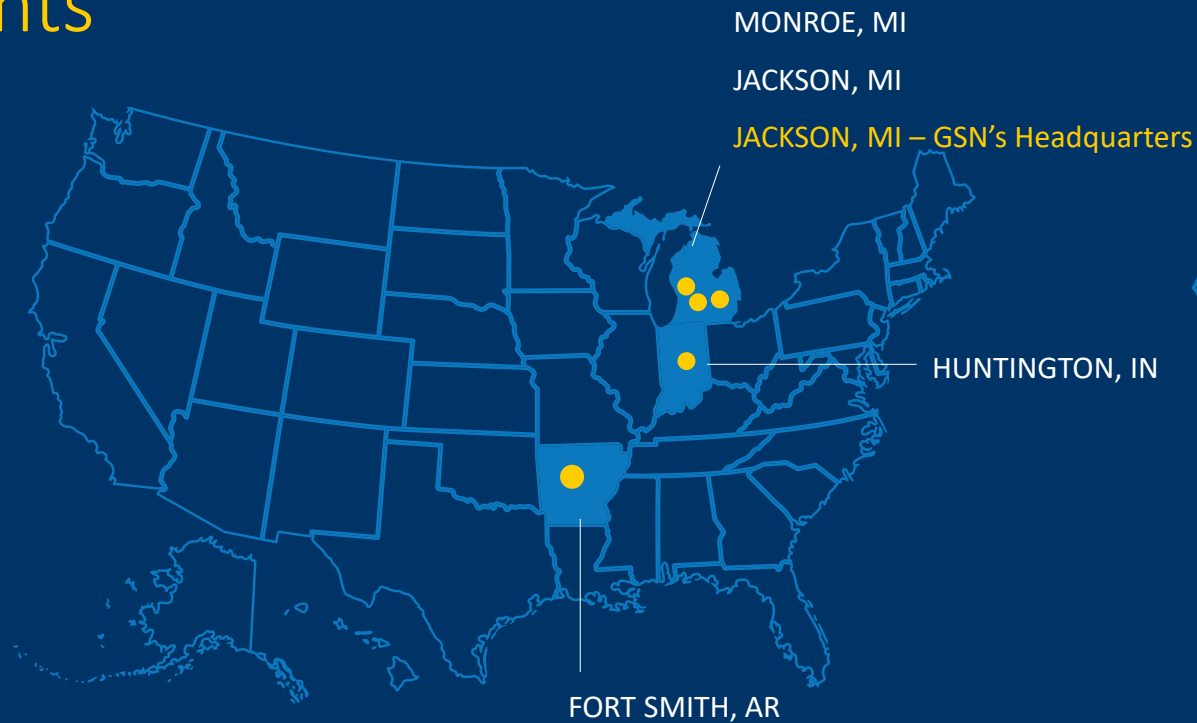


Wires

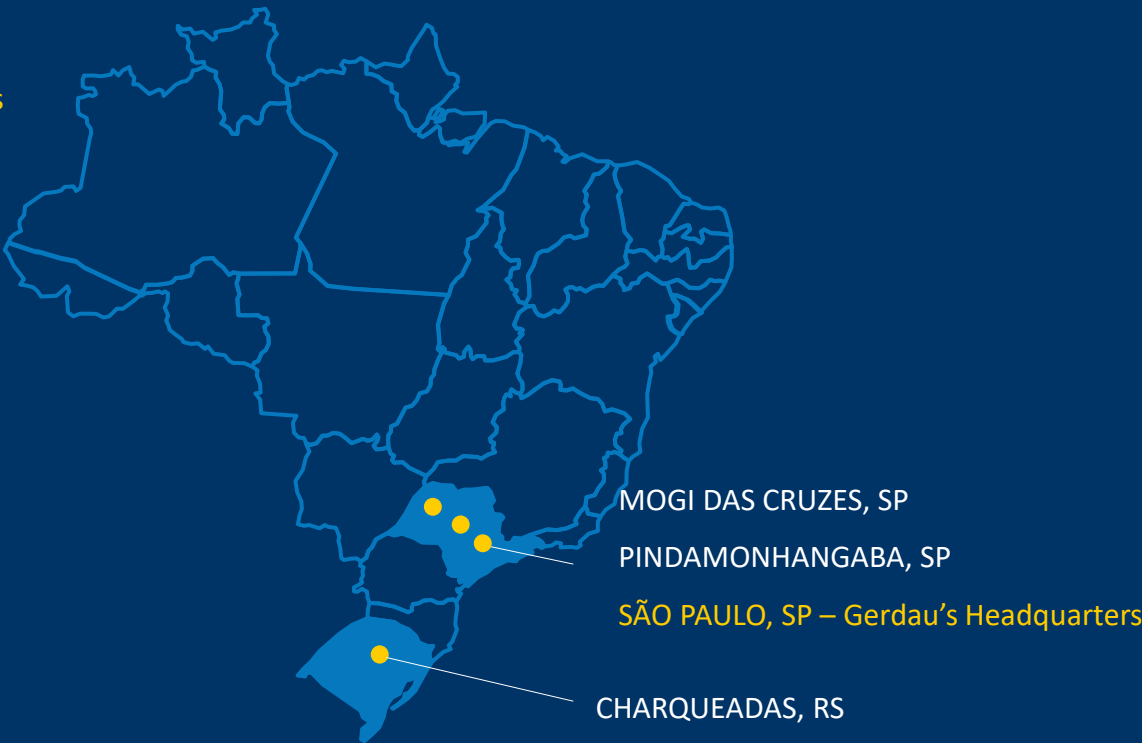


Wire rod

Plants



United States
1.2 MT of Crude Steel Capacity



Brazil
1.2 MT of Crude Steel Capacity

Gerdau Special Steel Brazil

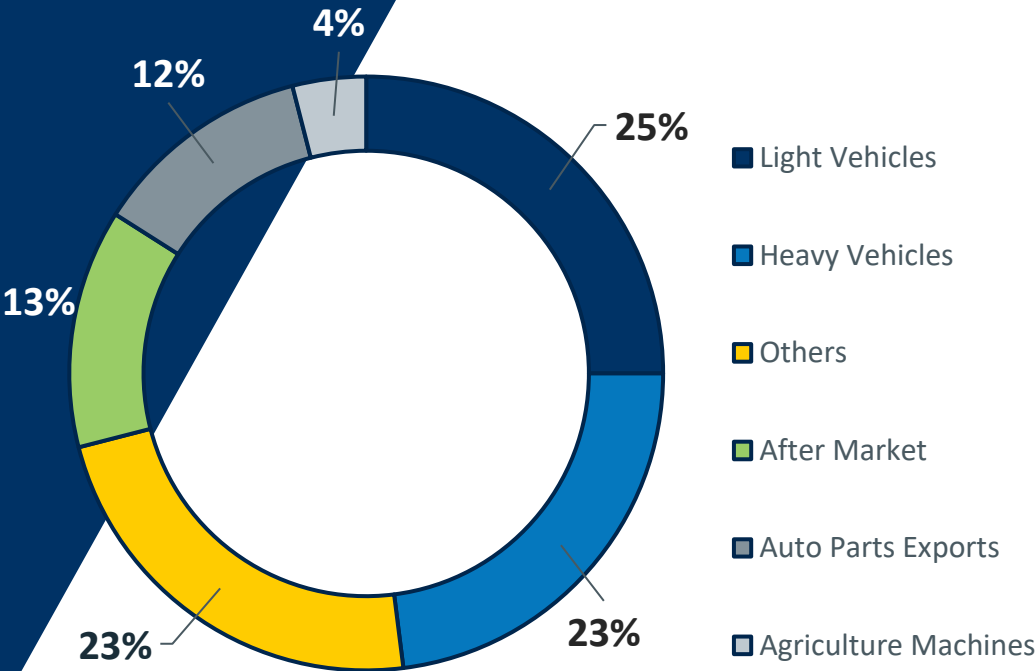
Market Positioning



The SBQ market leader in Brazil			
		2023	2030
Automotive Production	Units	2.3M	3.2M
Battery Electric Vehicles	%	0.1%	3.1%
Hybrids	%	2.8%	8.6%
Total SBQ Demand	Tons	0.9M	1.3M

Source: S&P Global, GSB Marketing

SBQ Stake per Category | Brazil 2022



Gerdau Special Steel Brazil

Capex 2021 - 2026



Over US\$250MM

Invested to serve growing SBQ demand with more resistant and light-weight parts, decreased CO₂ emissions and improved competitiveness in a global market.



Sep/22 - New Cast Continuous LC2
US\$138MM



Sep/22 - New Heat treatment furnace
US\$17MM



May/23 - Vacuum degassing
pumps US\$5MM



Dec/24 - New Peeling line
US\$25MM



Apr/25 - 100% 240mm at Rolling mill 2
(induction furnace) US\$15MM



Jul/26 - Scrap Shredder
US\$77MM

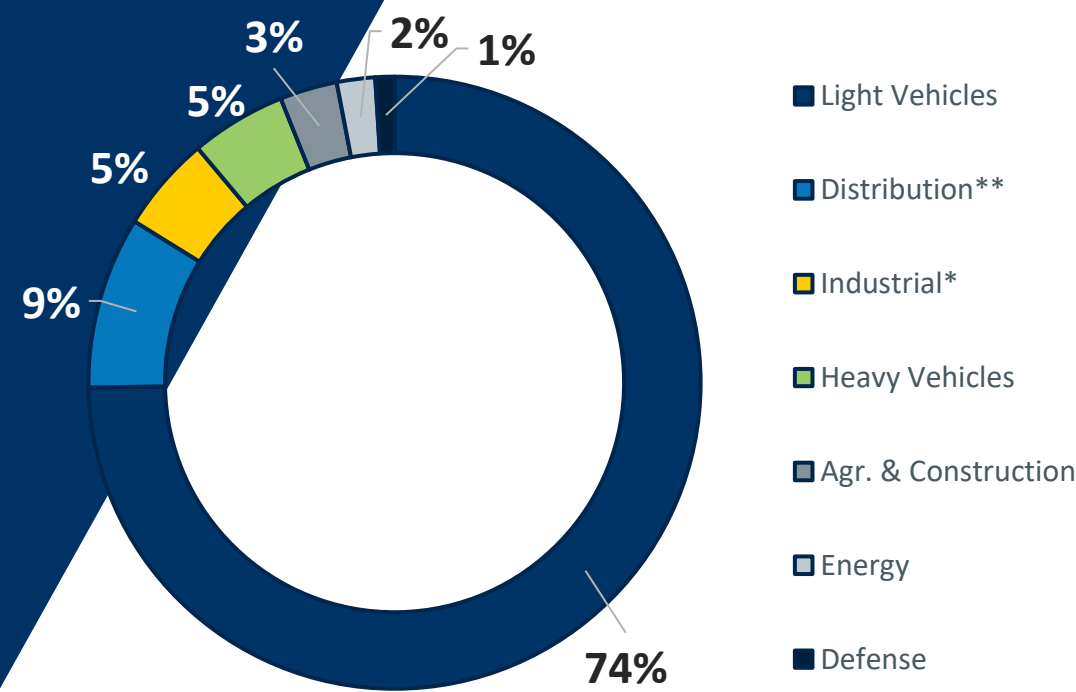
Gerda Special Steel North America

Market Positioning



SBQ Stake per Category | North America 2022

The SBQ market leader in North America			
In a strong and growing automotive industry		2023	2030
Automotive Production	Units	15.5M	16.5M
Battery Electric Vehicles	%	8%	49%
Hybrids	%	16%	23%
Total SBQ Demand ¹		Tons	4.5M
			4.4M



(1) Demand considering Gerda Special Steel North America’s portfolio: round bars
Source: S&P Global, GSN Marketing

*Industrial includes tubulars, converters, mining, aircraft, railroad, marine, and other industrial markets
** Distribution supplies to all segments shown in graph

Gerdau Special Steel North America

Capex 2012 - 2024



Over
US\$350
MM

Invested to position Monroe as
the SBQ powerhouse of
North America



Dec/2012 - New
continuous caster
US\$70MM



Sep/2014 - New twin-tank
vacuum degasser
US\$ 20 MM



Jan/2015 - New Rolling Mill
(WBRF, Breakdown mill &
Finishing) US\$99MM



Feb/2015 - New #3
straightener and NDT
inspection line US\$22MM



Jul/2017 - New immersion
ultrasonic inspection labs -
US\$ 1,2 milhão



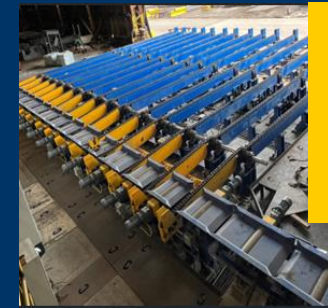
Aug/2018 - Upgrade to
240mm bloom casting
US\$7MM



Jul/2020 - New twin ladle
furnace. New material
handling system US\$40MM



Jul/2021 - EAF upgrades, new
rolling mill colling beg & bar
gauges
US\$80MM



Coming soon...

Cold end upgrade
announced in October/22

Gerda Special Steel

Our Strategy Roadmap



America's SBQ Leadership



Assets and Operational Excellence



Sustainability Leadership



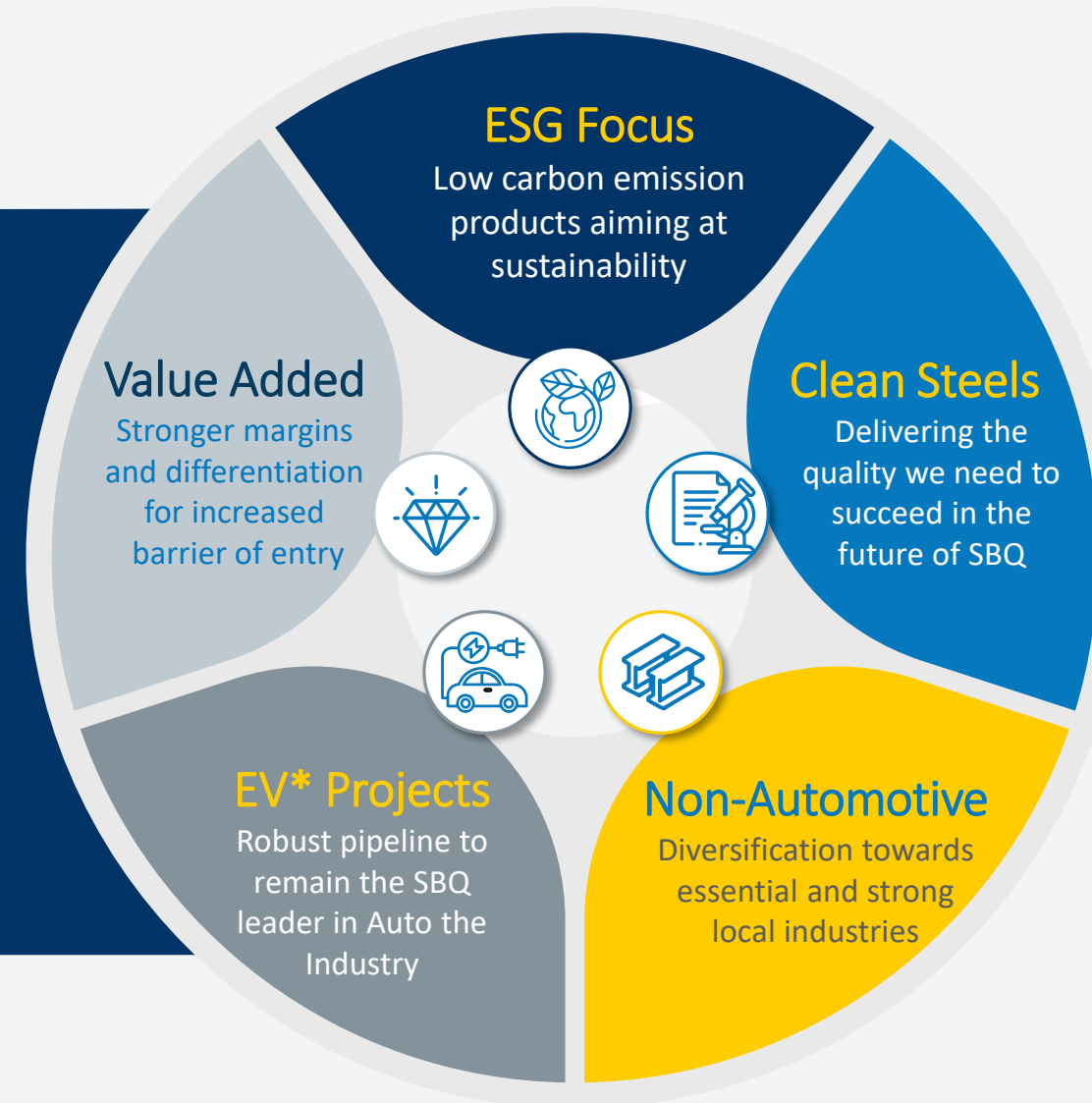
Strong Culture and Engaged Teams



Robust Product Development Pipeline



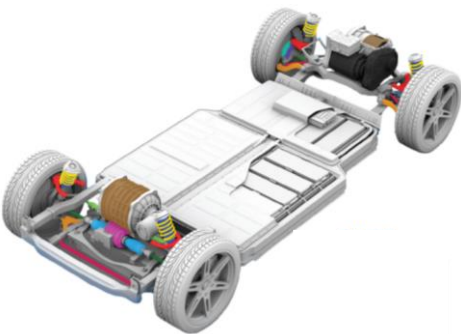
Leading Position in EVs



Gerdau Special Steel ready for the electrified future


SBQ applications continue to be key in critical EV components

Instant high torque and NVH (noise, vibration, and harshness) constraints require **clean steels** with stricter specifications



...and are becoming more robust to support heavy EVs

The addition of batteries changes weight dynamics in vehicles. Driveline SBQ applications are becoming more robust, and OEMs* are now focusing weight-reduction efforts on battery packs – the heaviest system in BEVs



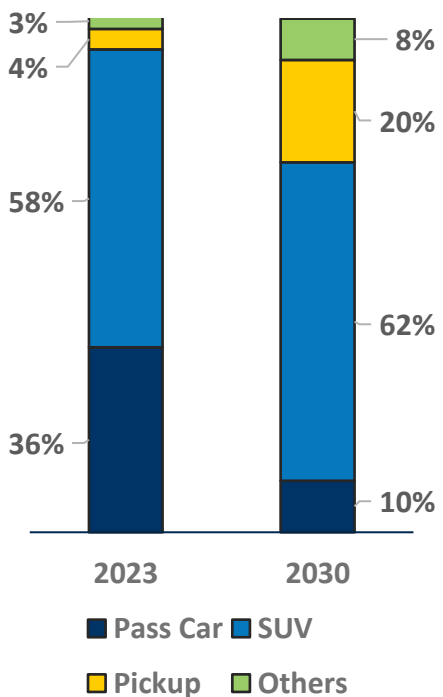
New Hummer BEV
4,000kg total weight
(1,500kg battery pack only)

X

Traditional
F-150s weighing only
2,300kg total

Future BEVs will be even bigger

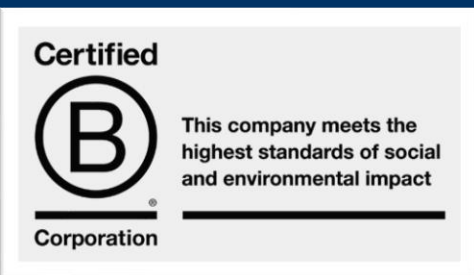
EVs are also getting larger and more **SBQ-content intensive** than previous generation of EVs



And Gerdau is capitalizing on the opportunities

Several new EV projects in the last 12 months for the best-selling battery electric vehicle models in North America for key applications.





Gerdau is the first steel manufacturing company to become B-Corp certified, with Gerdau Summit and Gerdau Siderperu on track to be certified by the end of 2023.

Gerdau Special Steel North America and Gerdau Long Steel North America are on track to be certified by the end of 2023.

Process Summary:



Status: Verification Review with B Lab, Certification expected end of Q4/2023

KEY IMPACT AREAS



Governance

Mission & Engagement;
Ethics & Transparency;
Governance Metrics



Workers

Financial Security; Health,
Wellness, Safety; Career
Development; Engagement;
Human Rights



Community

DEI; Economic Impact;
Civic Engagement;
Supply Chain Mgmt.



Environment

Environmental Mgmt;
Air & Climate; Water;
Earth & Life; Transport,
Distribution, Suppliers



Customer Stewardship

ESG education