genial | Equity Research

GERDAU

2Q25 Preview: There are always two sides to every story

LatAm Metals & Mining

(i) Brazil DB: Shipments of **1,427Kt Genial Est.** (-0.3% q/q; +6.5% y/y), driven by long steel volumes and the resumption of flat steel production with BQ2 start up. The **realized price** should decline marginally to **R$5,185/t Genial Est.** (-1.0% q/q), pressured by the rebar segment, but somewhat offset by a more balanced mix. **COGS/t remains under pressure**, estimated at **R$4,770/t Genial Est.** (+1.9% q/q; -2.3% y/y); **(ii) North America DB:** Shipments should be flat at **1,231Kt Genial Est.** (+0.2% q/q; +3.8% y/y), supported by a robust order book (~80 days) and high utilization (85–87%). The **realized price** should advance to **R$7,451/t Genial Est.** (+4.4% q/q), reflecting the end of discounts and a mix improvement. **COGS/t** should remain at **R$6,306/t Genial Est.** (-0.3% q/q; +8.9% y/y), favored by the decline in scrap prices and the softening of the USD/BRL FX rate; **(iv) EBITDA:** We project **R$2.5bn** (+5.1% q/q; -3.8% y/y), with a margin of 14.2% (-0.4 p.p. q/q; -1.5 p.p. y/y); **(v) Net income:** Our model points to **R$810mn Genial Est.** (+6.9% q/q; -6.5% y/y); **(vi) FCF burn** of **-R$740mn Genial Est.**, still stressed by working capital (WC), CAPEX, and interest payments. We expect **positive generation only in 3Q25**; **(vii)** The **new 50% tariff** on imports from Brazil should have a neutral impact on Gerdau, which already operates locally in the US and does not depend on Brazilian shipments; **(viii)** Announcement of **increases** between +**US$40–60/t by Nucor** probably will open space for Gerdau to pass on adjustments in 3Q25, amid heated demand and a high order book; **(ix)** US with better results and Brazil with margins going down. We maintain our **bullish view**, supported by solid fundamentals and price asymmetry, reiterating our **BUY rating**, with a **12M Target Price** of **R$19.00** and **upside** of **+14.9%.**

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Company

GGBR4 BZ Equity
Buy

Price: R$ 16.53 (16-Jul-2025)
Target Price 12M: R$ 19.00

Table 1. Shipments Summary (2Q25 Genial Est.)

(Thousand Tonnes - kt)	Genial Est.	Reported		Reported	
Summary (Shipments)	**2Q25E**	**1Q25**	**% q/q**	**2Q24**	**% y/y**
Brazil BD	1.427	1.431	**-0,3%**	1.340	**6,5%**
North America BD	1.231	1.229	**0,2%**	1.187	**3,8%**
South America BD	239	237	**1,1%**	249	**-3,8%**

Source: Gerdau, Genial Investimentos

Table 2. Income Statement Summary (2Q25 Genial Est.)

(R$ millions)	Genial Est.	Reported		Reported	
Income Statement	**2Q25E**	**1Q25**	**% q/q**	**2Q24**	**% y/y**
Net Revenue	17.630	17.375	**1,5%**	16.616	**6,1%**
Adjusted EBITDA	2.525	2.402	**5,1%**	2.624	**-3,8%**
Net Income	810	758	**6,9%**	866	**-6,5%**

Source: Gerdau, Genial Investimentos

Gerdau will release its **2Q25 results** on **July 31**, after the market closes. We expect mixed performance across the company's operating units, with **North America BD standing out positively**, supported by higher prices and almost flat costs, in contrast to pressures from Brazil BD and South America BD. We project **Net Revenue** of **R$17.6bn Genial Est.** (+1.5% q/q; +6.1% y/y), driven mainly by the strong performance of the North American operation, which offset the slight decline in other regions.

Adjusted EBITDA should total **R$2.5bn Genial Est.** (+5.1% q/q; -3.8% y/y), reflecting the **combination of an improved sales mix** and **cost control in North America BD** vs. **price pressure** and **higher COGS/t** in **Brazil**. Finally, we estimate **Net Income** of **R$810mn Genial Est.** (+6.9% q/q; -6.5% y/y), with the sequential increase being sustained by operational improvements, despite the significant deterioration in financial results, pressured by interest payments.

In **North America BD**, we expect volumes to remain sequentially flat, totaling **1.2Mt Genial Est.** (+0.2% q/q; +3.8% y/y), with the orderbook keeping the pace — reaching up to 80 days (vs. 70 days last quarter) — and plant utilization rates reaching 85-87% (vs. ~70% in the pre-tariff scenario). In terms of **prices**, we estimate an increase in realization to **R$7,451/t Genial Est.** (+4.4% q/q; +7.5% y/y), reflecting the end of discounts applied in 2024 and a mix improvement, with a lower weight of rebar and a more prominent share of value-added products. In terms of costs, **COGS/t** should be almost flat, with a slight sequential decline to **R$6,306/t Genial Est.** (-0.3% q/q; +8.9% y/y), favored by a lower USD/BRL FX rate and the decline in scrap prices, even though 40% of exposure remains linked to captive sources. As a result, we project **EBITDA** of **R$1.8bn Genial Est.** (+48.8% q/q; +10.3% y/y).

At **Brazil BD**, results should show sequential stability in volumes (MD+FM), with mixed effects across markets (MD up, FM down). The gradual resumption of the **BQ2 line in Ouro Branco** (MG) contributed to the recovery in flat steel volumes, while long products should be lifted by the commercial strategy focused on market share. We estimate that shipments will reach **1,427kt Genial Est.** (-0.3% q/q; +6.5% y/y), while the **realized price** should decline just a bit to **R$5,185/t Genial Est**. (-1.0% q/q; -3.5% y/y), pressured by rebar, whose excess supply and increased imports limited price pass-through. The **COGS/t** will remain under pressure at **R$4,770/t Genial Est.** (+1.9% q/q, -2.3% y/y). As a result, the unit's **EBITDA** is expected to decline to **R$682mn Genial Est**. (-35.3% q/q; -19.1% y/y), reflecting the challenge of restoring margins in a still adverse competitive environment.

2Q25 Preview: In detail!

Brazil BD: Shipments stable sequentially. Total shipments (DM+FM) are expected to reach 1,427Kt Genial Est. (-0.3% q/q and +6.5% y/y), remaining virtually stable on a sequential basis. For the domestic market (DM), we project 1,204Kt (+11.6% q/q; +2.5% y/y), with widespread volume improvement in the three main product categories — long, flat, and special steels. Among these, we highlight the progress of long steel sales, a direct reflection of the commercial repositioning strategy adopted by the company since the beginning of the year, aimed at preserving and possibly expanding market share, with a more aggressive pricing stance to retain volume in a market with more steel supply from several players.

In flat steel, volumes should gradually recover as the Ouro Branco (MG) mill resumed production after a shutdown last quarter to start up the BQ2 (MG) project production line. Despite the natural ramp-up curve of BQ2, available capacity is already close to that seen in 2Q24, allowing the company to reduce its dependence on HRC purchased from third parties. In addition, the new rolling mill for the BQ2 project should increase the delivery capacity of products with higher technical specifications, strengthening the service level vs. imported competition. In the foreign market (FM), we project a decline in shipments to 223Kt (-36.6%; +35.1% y/y), given the return of supply allocation to the DM, a strategy adopted in line with the decay in the USD/BRL FX rate (-3.1% q/q).

Brazil BD: Realized price slightly compressed. We project a consolidated realized price (DM+FM) of R$5,185/t Genial Est. (-1.0% q/q; -3.5% y/y), reflecting a slight cooling trend. The expected decline is mainly due to competitive pressure in the rebar segment, which accounts for ~30% of the company's product portfolio. As we have already mentioned in other reports, the rebar market continues to be affected by **(i)** excess supply, which we estimate at ~620Kt, with players putting more capacity than the level of absorption; and **(ii)** clients, such as homebuilders, putting up some resistance to price adjustments.

Despite this, the negative impact of rebar should be mitigated by greater price stability in other lines — such as HRC, merchant bars, beams, and special steel (higher value-added) — which showed resilience throughout the quarter. We believe that the mix balance has been crucial to preventing a more pronounced deterioration in prices, in an environment marked by aggressive commercial practices and inventory liquidations by smaller competitors. The company's strategy continues to be guided by a regionalized logic of defending share in key markets, such as the Southeast and South regions, even if this implies a partial sacrifice of profitability in the short term.

North America BD: Flattish volume q/q, but still at a high level. We estimate that shipments totaled 1,231Kt Genial Est. (+0.2% q/q; +3.8% y/y), basically flat in sequential movement. It is important to mention that the last quarter already showed a strong recovery in sales. The sustained performance is explained by order book acceleration, reinforcing the diagnosis of a structural change in demand in favor of domestically produced steel in the US. We believe that the increase in the order book no longer seems to be due to simple anticipation of shipments in view of the tariff's application, but rather to an effective reallocation of the supply matrix, with clients opting more frequently for local steel over imported one.

This movement has been more evident in the commercial bars segment, which has already seen a reduction in imports. In beams, the level of imports remains steady, but any additional adjustment tends to generate volume gains for local producers, given the more consolidated structure of these markets. It is also worth noting that the company's asset utilization rate has remained between 85–87%, which already represents a considerable acceleration vs. ~70% in the pre-tariff scenario. For 2H25, we believe that the company should maintain this shipments level, with lower sequential variation.

North America BD: Price uplifted by better mix and end of discount policy. Our model points to a realized price of R$7,451/t Genial Est. (+4.4% q/q; +7.5% y/y), reflecting the gradual elimination of discounts applied until the end of 2024, in addition to a significant improvement in the sales mix, with lower exposure to rebar — a product with lower added value — and a higher share of beams and merchant bars. Over the past quarter, the company announced a series of price adjustments in its main product lines, including: **(i)** +US$70/t in rebar, **(ii)** +US$100/t in merchant bars, **(iii)** +US$35/t in beams, with part of these increases effectively incorporated into the price realized in 2Q25 given the delay in passing them on to the clients, mainly in fixed-term contracts. The withdrawal of discounts and the increase in the base price list should therefore be reflected more clearly in this quarter.

In addition, the greater penetration of higher value-added products — reinforced by the good performance of downstream and distribution segments — contributes to the increase in realized prices. On the other hand, the decline in the price of ferrous scrap (-3.0% q/q) should mitigate the urge to pass on prices in full, due to the increased bargaining power of clients justified by the upsurge in the company's metal spread. We must consider that ~40% of the company's need for scrap metal is captive.

South America: Volume will rise marginally; prices should go down. We project that shipments from the business unit will total 239Kt Genial Est. (+1.1% q/q; -3.8% y/y), reflecting a slight sequential recovery. It is important to note that the previous quarter was a weak basis for comparison, as buyer orders were brought forward in the Peru unit during 4Q24, leading to lower volumes in 1Q25. Therefore, we believe that the unit should partially normalize shipments this quarter. The realized price, on the other hand, should decline to R$5,479/t Genial Est. (-4.9% q/q; -2.9% y/y), driven by weaker domestic demand in Argentina and pressure from competition with imported products.

Net Revenue: Slight increase driven by North American BD. We project that consolidated net revenue will total R$17.6bn Genial Est. (+1.5% q/q; +6.1% y/y), with performance sustained by North America BD, which should more than offset the sequential decline in revenue in other operations. For the unit, our expectation is R$9.2bn (+4.7% q/q; +11.6% y/y), reflecting an improved sales mix — with lower exposure to rebar and a higher share of higher value-added products — in addition to the partial pass-through of price increases announced throughout 1Q25, the effects of which were more fully absorbed in this quarter.

In Brazil BD, we estimate revenue of R$7.4bn (-1.3% q/q; +2.8% y/y), with a slight decline in the sequential base, in line with stable shipments and a marginal cooling in realized prices. Despite competitive pressure in long steel, the mix continues to be partially offset by the resilience of other lines, such as HRC, merchant bars, and beams. In South America, we project revenue of R$1.3bn (-3.9% q/q; -6.6% y/y), with a decline in realized prices, given a more conservative commercial stance due to the still challenging macroeconomic environment in the region's main markets.

Table 3. Net Revenue Gerdau (2Q25 Genial Est.)

(R$ millions)	2Q25E Genial Est.	1Q25 Reported	% q/q	2Q24 Reported	% y/y
Net Revenue	**17.630**	**17.375**	**1,5%**	**16.616**	**6,1%**
Brazil BD	7.398	7.494	-1,3%	7.196	2,8%
North America BD	9.176	8.768	4,7%	8.221	11,6%
South America BD	1.312	1.366	-3,9%	1.405	-6,6%
Eliminations	(256)	(253)	1,2%	(206)	24,2%

Source: Gerdau, Genial Investimentos

Brazil BD: COGS/t remains under pressure, BQ2 related. We estimate that COGS/t will reach R$4,770/t Genial Est. (+1.9% q/q; -2.3% y/y), indicating a slight sequential increase, still influenced by the effects of the gradual resumption of the BQ2 rolling mill in Ouro Branco (MG), whose ramp-up began during 2Q25. Although the line has not yet operated at full capacity, the impact on cost per ton was more moderate compared to the previous quarter. We believe that the full resumption of the line during 3Q25 should contribute to further dilution of fixed costs and favor a reduction in COGS/t in the coming quarters.

North America BD: COGS/t steady. We estimate that COGS/t will reach R$6,306/t Genial Est. (-0.3% q/q; +8.9% y/y), reflecting a slight sequential decline, explained by a combination of offsetting factors. The vertical integration of the operation continues to be an important differential, with ~40% of ferrous scrap being captive, the unit's exposure to price fluctuations in the spot market is greatly mitigated, which contributes to cost stability. In addition, the decline in scrap prices observed between 1Q25 and 2Q25, combined with the appreciation of the BRL vs. USD (+3% q/q), should also favor the cost structure in BRL in the period. At the same time, the high level of processed volumes helps to dilute fixed costs, preserving the unit's operational efficiency.

EBITDA: Sequential growth driven by North American BD. Adjusted EBITDA should total R$2.5bn Genial Est. (+5.1% q/q; -3.8% y/y), with slight growth on a sequential basis, driven by the performance of North American BD, which should more than offset the declines observed in other regions. For the unit, we estimate EBITDA of R$1.8bn (+48.8% q/q; +10.3% y/y), reflecting the mix improvement and stability of COGS/t. In Brazil BD, we project EBITDA of R$682mn (-35.3% q/q; -19.1% y/y), pressured by lower prices, especially for long steel, in an environment still marked by strong domestic competition, coupled with higher COGS/t, in line with the operational resumption of the BQ2 line (MG). In South America, we estimate EBITDA of R$122mn (-35.5% q/q; -46.5% y/y), with a negative impact, given the company's more cautious strategy in the face of the adverse macroeconomic environment.

Table 4. EBITDA Gerdau (2Q25 Genial Est.)

(R$ millions)	2Q25E Genial Est.	1Q25 Reported	% q/q	2Q24 Reported	% y/y
Adjusted EBITDA	**2.525**	**2.402**	**5,1%**	**2.624**	**-3,8%**
Brazil BD	682	1.054	-35,3%	842	-19,1%
North America BD	1.782	1.198	48,8%	1.615	10,3%
South America BD	122	188	-35,5%	227	-46,5%
Eliminations	(60)	(38)	57,3%	(60)	0,0%

Source: Gerdau, Genial Investimentos

Net income: Despite some financial pressure, it should accelerate. We project Net Income of R$810mn Genial Est. (+6.9% q/q; -6.5% y/y), with quarterly growth sustained exclusively by the increase in consolidated EBITDA (+5.1% q/q), which should more than offset the sharp deterioration in financial results, estimated at R$600mn (+94.8% q/q), pressured by debt interest payments—seasonally concentrated in the 2Qs and 4Qs due to semi-annual coupon payments. The net margin should reach 4.4% (+0.2p.p. q/q; -0.6p.p. y/y). In the annual comparison, the decline reflects the combination of tighter margins and higher financial expenses, even with the operational support provided by North America BD.

Table 5. Income Statement Gerdau (2Q25 Genial Est.)

(R$ millions)	2Q25E Genial Est.	1Q25 Reported	% q/q	2Q24 Reported	% y/y
Net Revenue	**17.630**	**17.375**	**1,5%**	**16.616**	**6,1%**
COGS	(15.806)	(15.429)	2,4%	(14.429)	9,5%
Adjusted EBITDA	**2.525**	**2.402**	**5,1%**	**2.624**	**-3,8%**
EBITDA Margin (%)	14,3%	13,8%	0,5p.p	15,8%	-1,5p.p
EBIT	**1.420**	**1.386**	**2,5%**	**1.620**	**-12,3%**
EBIT Margin (%)	8,1%	8,0%	0,1p.p	9,8%	-1,7p.p
D&A	(902)	(874)	3,2%	(771)	16,9%
Financial Result	(600)	(308)	94,8%	(598)	0,3%
Net Income	**810**	**758**	**6,9%**	**866**	**-6,5%**
Net Margin (%)	4,6%	4,4%	0,2p.p	5,2%	-0,6p.p

Source: Gerdau, Genial Investimentos

Our Take on Gerdau

FCF burn, only expected to reverse in 3Q25. Despite our expectation of sequential EBITDA expansion (+5.1% q/q), we still assume **FCF burn** for this quarter of **-R$740mn Genial Est.** (vs. burn of -R$1.2bn in 1Q25). Three factors should explain this movement: **(i)** although with a cooled negative effect, we shouldn't notice the release of **working capital** (WC) resources, which will remain under pressure at **-R$543mn Genial Est.** (vs. -R$767mn in 1Q25) — mainly due to the heating up of the order book in North America BD, which causes the need to stretch the inventory account —, **(ii)** significant tax payments with a cash effect, and **(iii)** debt interest payments, typically concentrated in both 2Qs and 4Qs, due to the payment of semi-annual coupons.

In addition, **(iv)** the execution schedule for **CAPEX,** reaching **R$1.6bn Genial Est.** as a cash effect (-11.1% q/q) and **R$1.5bn Genial Est.** on an accrual basis (+7.1% q/q), following a more linear trend throughout the year (vs. historical gross up in 2H), including contributions to the mining project in Miguel Burnier (MG), which has disbursements concentrated in 1H25. It is worth noting, however, that given this new allocation profile, we believe that the **weight of financial discipline in 2H25** will be even more relevant, with **less room for slippage** in the execution schedule. We deem that **3Q25** probably will get a smoothing of CAPEX cash effect, combined with a WC release (vs. consumption in 1H), as well as sequential improvement in EBITDA. So, only then will the company perform a pace of **FCF generation**, returning to positive territory.

US tariffs: Measures further boost the North American market. On July 9, the Trump administration announced a **50% tariff** on all **Brazilian products** imported into the **US**, scheduled to take effect **on August 1**. The sector was already burdened by tariffs of +50% on crude steel exports to the US (25% from the withdrawal of Section 232 exemptions + 25% tariffs announced in June). We believe that the recently proclaimed measure will not lead to additional increases, thus keeping the current outlook unchanged. In 2024, Brazilian steel exports to the US totaled ~US$6bn (~5Mt or ~15% of domestic production). The largest share of these sales corresponds to slabs, predominantly shipped by Brazilian division of ArcelorMittal, in addition to unlisted medium-sized mills.

We believe that this environment of **tougher tariffs** tends to **reduce the penetration of foreign products within the US** — especially in segments that are more sensitive to the company, such as **rebar** and **beams** — strengthening the competitiveness of local mills. Therefore, Gerdau remains victorious vs. its Brazilian peers, with **more than 50% of its EBITDA** coming from **operations within the US**. North America's BD steel sales represent ~6Mtpy (or ~42% of Gerdau's total shipments) + 300Ktpy exported from Canada to the US. As a result, the company does not need to ship steel from Brazil BD to the US for further rolling, as other mills — including ArcelorMittal — do.

More price adjustments ahead: 2H25 outlook is promising. Nucor — Gerdau's competitor in the US — announced a new **price increase**, effective **July 14**. The adjustments range from **+US$40-60/t**, covering **(i)** wide flange, **(ii)** angles, **(iii)** U-shapes, and **(iv)** sheet piles, in addition to **(v)** an increase of **+US$40/t** for merchant bars and **(vi)** other types of beams.

The pricing policy includes protection clauses for orders placed by July 11, provided that shipments occur at the end of the month or early August, depending on the specific product. We believe that **Nucor's price adjustment letter is positive news for Gerdau**. This is because Gerdau is not a price maker in the US market and needs to wait for its competitors' moves. Therefore, it is logical to assume that the company will follow suit. Therefore, we believe that the combination of greater pricing power and sustained strong demand supports a constructive scenario for 3Q25. The US operation has led to a **sharp increase in asset utilization rates**, which are already in the **85–87% range**, representing a considerable acceleration vs. ~70% in the pre-tariff scenario, supporting an **order book of close to 80 days** (vs. below 60 days in 4Q24).

Share buyback continues... We have been informed that the **current share buyback plan** is **~65% complete**, meaning that, from January to date, a total of **~42mn shares** (GGBR3 + GGBR4) have been repurchased. As such, we continue to reiterate that the company remains fully committed to its strategy of reaching 2026 with the program 100% completed. This, in turn, corroborates our view that there will be less cash flow available for dividend payments. We have maintained our **25E Dividend Yield** forecast at **4%** (vs. 5% in 2024).

There are always two sides to every story. We believe that **2Q25** will show that the backdrop remains unchanged, but the **contrast between geographies should become more pronounced**. North America BD should consolidate its position as the main pillar of results, driven by a benign price and cost environment, while operations in Brazil should continue to limit consolidated expansion. Therefore, according to our projection, **North America BD** should reach **69%** of **consolidated EBITDA** (vs. 50% in 1Q25). **Brazil**, on the other hand, should **lose share** to **27%** (vs. 44% in 1Q25), due to weaker rebar prices in the domestic market and cost efficiency levels that have not yet recovered after the start-up of the BQ2 line in Ouro Branco (MG). Therefore, **Brazil and the US** are on **different sides of the same storyline**.

Although the profitability of the Brazilian division is weakening, with an expected margin of 9.2% (-4.8p.p. q/q), the North American operation is expanding, with a projected margin of 19.4% (+5.8p.p. q/q). So, **consolidated figures should continue to grow**, as US operations will continue to support expansion even if there is a partial deterioration in operations in Brazil. This alone would **not justify** the -**8% YTD share prices decline**.

With the **(i)** adjustments to be implemented after Nucor's price letter, we believe that 2H25 will be even stronger for North American operations, as well as **(ii)** COGS/t in Brazil should cool down again after ideal thermal balance in the restart of the Ouro Branco (MG) blast furnace and migrate back to a more sustainable margin level. Therefore, **we remain bullish going forward** and maintain our **BUY rating**, with a **12M Target Price** of **R$19.00**, implying an **upside** of **+14.9%.**

Appendix: Gerdau

Figure 1. Gerdau – Income Statement in R$ Millions (Genial Est. 2025-2028)

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**73.095**	**77.049**	**74.109**	**72.940**
(-) COGS	(63.232)	(65.221)	(63.430)	(62.197)
Gross Profit	**9.863**	**11.827**	**10.679**	**10.744**
(-) Expenses	(2.343)	(2.414)	(2.335)	(2.300)
Adjusted EBITDA	**12.377**	**14.688**	**13.609**	**13.735**
(-) D&A	(3.720)	(3.981)	(4.220)	(4.441)
EBIT	**7.991**	**10.184**	**9.085**	**9.173**
(+/-) Financial Result	(1.630)	(1.170)	(643)	-809
(-) Taxes	(1.465)	(1.469)	(1.636)	(1.564)
Net income	**4.896**	**7.545**	**6.806**	**6.800**
Profitability				
Net margin (%)	6,7%	9,8%	9,2%	9,3%

Figure 2. Gerdau– Cash Flow in R$ Millions (Genial Est. 2025-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**73.095**	**77.049**	**74.109**	**72.940**
(-) COGS	(63.232)	(65.221)	(63.430)	(62.197)
Adjusted EBITDA	**12.377**	**14.688**	**13.609**	**13.735**
EBIT	**7.991**	**10.184**	**9.085**	**9.173**
(-) Taxes	(1.465)	(1.469)	(1.636)	(1.564)
(+) D&A	3.720	3.981	4.220	4.441
(+/-) Δ WK	-1.396	568	289	491
(-) Capex	(5.927)	(6.001)	(6.075)	(6.151)
FCFF	**2.924**	**7.263**	**5.883**	**6.391**

Disclosure Section

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Genial Rating

	Definition	Coverage
Buy	Expected return above +10% in relation to the Company's sector average	**49%**
Neutral	Expected return between +10% and -10% relative to the Company's industry average	**41%**
Sell	Expected return below -10% in relation to the Company's sector average	**5%**
under Review	Under review	**5%**

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