

Metals & Mining

From Macro to Micro: Exports disappoint, but IO gains momentum

LatAm Metals & Mining

Main takeaways on China:

(i) **Exports** slowed to **US\$321.8bn** (-1.7% w/w; +4.4% y/y), the lowest rate in 6M, below the BBG consensus (-1.1p.p. vs. BBG); **imports** totaled **US\$219.5bn** (-1.4% w/w; +1.8% y/y), also below expectations (-1.2p.p. vs. BBG). The **surplus** reached **+US\$102.3bn** (+4.1% w/w); (ii) Chinese exports to the US fell to US\$47.3bn (-33% y/y; -6.3% w/w) and imports to US\$13.4bn (-16% y/y; -4.0% w/w), reflecting the impact of Trump's tariffs; exports to the EU rose to US\$46.8bn (+10.4% y/y; +1.2% w/w) and to Southeast Asia to +22.5% y/y, showing diversification of destinations; (iii) **Caixin Services PMI** rose to **53pts** (+0.4pts m/m; +0.5pts vs. BBG), the highest expansion in 17M, driven by new orders (53.4pts; +0.8pts m/m) and business expectations (59.1pts); despite rising costs (inputs at 53.2pts; +0.6pts m/m), pass-through remains limited; (iv) **Caixin Composite PMI** rose to **51.9pts** (+1.1pts m/m), a 9M high, sustained by the strength of services and the recovery in manufacturing (50.5pts; +1.0pts m/m); divergence with the official PMI (49.4pts) shows greater dynamism in private companies focused on domestic consumption; (v) **Iron ore stocks** rose to **126.1Mt** (+0.6% w/w; +12% vs. 5-year average), interrupting 2 weeks of decline; global supply accelerated to 35.6Mt (+7.3% w/w), with Brazil at 10.1Mt (+23.5% w/w) and Australia at 18.9Mt (-2.6% w/w); pig iron production fell to 2.3Mt/day (-4.7% w/w), reducing withdrawals (2.8Mt/day; -5.2% w/w); (vi) **Spot price** for 62% Fe rose to **US\$106/t** (+4.9% w/w), supported by a post-holiday production recovery, MIIT's Work Plan 25–26E, and expectations of an interest rate cut by the Fed; however, support is mostly **speculative**; we maintain a **bearish bias** in the range of **US\$95–105/t**; (vii) **Steel inventories** fell to **4.2Mt** (-0.5% w/w), the second consecutive decline; Rebar fell to 1.7Mt (-2.8% w/w), while flat products rose; (viii) **BF utilization rate** fell to **90.0%** (-0.2p.p. w/w), with pig iron production at 2.3Mt/day (-0.3% w/w); decline linked to environmental restrictions in Tangshan (~40% cuts) and maintenance; despite this, ~60% of mills still operate with positive margins; (ix) **EAF utilization rate**: declined marginally to **56.5%** (-0.1p.p. w/w), still **+26 p.p. y/y**; high costs (HMS 1 scrap at ~US\$230/t) and negative margins (-US\$14/t on rebar, for example) continue to limit structural recovery.

This is another edition of our weekly report on the **Metals & Mining** sector, focused on **China** with chapters on **Macroeconomics**, as well as data on **Iron Ore and Steel**. This week's series is part of the “**From macro to micro**” sequence. This report refers to **week 2 of September 2025**. We believe this series of reports will be essential for monitoring the fundamentals of the sector that impact the investment theses of the companies we cover in the sector (**Vale, CMIN, Gerdau, CSN, and Usiminas**).

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Companies

VALE US Equity

Buy

Price: US\$ 10.46 (08-Sep-2025)

Target Price 12M: US\$ 11.60 (NYSE)

VALE3 BZ Equity

Target Price 12M: R\$ 64.50 (B3)

CMIN3 BZ Equity

Neutral

Price: R\$ 5.17 (08-Sep-2025)

Target Price 12M: R\$ 5.75

GGBR4 BZ Equity

Buy

Price: R\$ 17.37 (08-Sep-2025)

Target Price 12M: R\$ 20.00

CSNA3 BZ Equity

Neutral

Price: R\$ 7.84 (08-Sep-2025)

Target Price 12M: R\$ 9.00

USIM5 BZ Equity

Neutral

Price: R\$ 4.60 (08-Sep-2025)

Target Price 12M: R\$ 4.75

Foreign trade statistics for Aug., released by the NBS today (Sep 8), reinforced signs of a momentum loss in Chinese **exports**, which totaled **US\$321.8bn** (-1.7% m/m; +4.4% y/y). Although it is still growing vs. 2024, **the pace is slowing down**, reaching the lowest rate of expansion in 6M, while imports reached US\$219.5bn (-1.4% m/m; +1.8% y/y). Both indicators were **below the street**. As a result, the trade surplus reached US\$102.3bn (+4.1% m/m), remaining under both the June peak and the BBG consensus. Additionally, we are witnessing a considerable reduction in bilateral trade between China-US (exports -33% y/y; imports -16% y/y), a direct reflection of the tariffs imposed by the Trump administration. On the other hand, we believe that China has been diversifying its partners, with exports rising to the EU (+10.4% y/y) and ASEAN (+22.5% y/y). On the import side, the highlight is the increase in energy commodities and soybeans, offset by a decline in semiconductors and industrial metals, reflecting the structural fragility of domestic demand for consumer goods.

In terms of economic activity, last week S&P Global released the **Caixin Services PMI**, which rose to **53pts** (+0.4pts m/m), the **largest expansion in 17M**, driven by new orders (53.4pts; +0.8pts m/m) and business sentiment (59.1pts). The **Caixin Composite PMI** advanced to **51.9pts** (+1.1pts m/m), a 9M high, reflecting both the strength of services and the recovery of private manufacturing to 50.5pts (+1.0pts m/m). For us, the data once again reinforces the asymmetric recovery of the Chinese economy, with **(i)** resilience in the services sector and higher value-added segments, but still limited by **(ii)** structural weakness in the real estate and industrial production, which in turn are suffering not only from the transition from a manufacturing-focused economy to a service-centered one, but also from pressure from bilateral trade with the US, given a more complex tariff environment. Despite a trade truce in a +90-day extended negotiation period agreed in Aug. between the two economies, the prospect of deterioration remained quite elevated.

Looking at the weekly data we collected related to **iron ore, inventory** in the 45 main Chinese ports **rose to 126.1Mt** (+0.6% w/w), reversing two weeks of decline and remaining **+12% above the 5Y average**. On the **supply** side, the movement was sustained by accelerating global shipments (35.6Mt; +7.3% w/w), with a more intense flow coming from Brazil (+23.5% w/w) and a higher number of ships docked (104 vs. 98 in the previous week). On the **demand** side, **pig iron** production fell to **2.3Mt/day** (-4.7% w/w), reflecting mainly the environmental restrictions in Tangshan (Sep 3 military parade related). The **spot price** ended the week at **US\$106/t** (+4.9% w/w), supported by inventory rebuilding (to get a faster pace after the restrictions are lifted), and also expectations of industrial policies played a role on the price upward movement (more on that further down). Nevertheless, we believe that speculative environment is still predominant, as structural bias remains limited by excess supply and sluggish demand.

In **steel, inventories** at monitored mills fell to **4.2Mt** (-0.5% w/w), the second consecutive week of decline, driven by rebar (1.7Mt; -2.8% w/w), while flat steel (HRC, CRC, slabs) showed a partial increase. Rebar production rose to 2.2Mt (+2.8% w/w), while HRC fell slightly to 3.3Mt (-0.2% w/w), reflecting regional adjustments. The **utilization rate of BF's** fell to **90.0%** (-0.2p.p. w/w), amid cuts of up to ~40% in Tangshan linked to air pollution reduction for the Sep. 3 military parade, as we had anticipated in previous reports. Even with the cut, the level remains close to the 17M highs, sustained by positive margins in ~60% of integrated mills, mainly linked to the contraction in metallurgical coal prices (-4.8% YTD).

EAFs, on the other hand, fell marginally to 56.5% (-0.1p.p. w/w), pressured by scrap prices of ~US\$230/t — still considered a high level for the Chinese market — in addition to energy costs. Additionally, we see greater exposure to EAFs related to long steel production, leading to greater interference from the housing market crisis, resulting in lower demand.

China

Macroeconomics

Trade balance: Exports slow down y/y and decline m/m. China's foreign trade statistics released by the NBS earlier this week (Sep 8) for August data reinforced the perception of a short-term loss of momentum in exports. **Exports** totaled **US\$321.8bn** (-1.7% m/m; -0.6p.p. vs. BBG consensus), and not only did they decline vs. Jul, but even though they grew +4.4% y/y, the pace is slowing down (-2.8p.p. m/m), representing the lowest rate of expansion in 6M. On the **imports** side, the reading was **US\$219.5bn** (-1.4% m/m), with even more modest growth of **+1.8% y/y** (-2.3p.p. m/m) and below market expectations (-1.2 p.p. vs. BBG Consensus). As a result, the trade surplus reached US\$102.3bn (+4.1% m/m; +3.1% vs. BBG Consensus), slightly above the level observed in Jul. (US\$98.2bn), but below the Jun. (US\$114.8bn). It is also worth noting that, in the Jan-Aug/25 period, the positive balance reached +US\$785.3bn in goods (+6.4% y/y).

Furthermore, we note that **Chinese exports** to the **US** fell to **US\$47.3bn** (-33% y/y; -6.3% m/m), and following the same path, imports from the US downsized to US\$13.4bn (-16% y/y; -4.0% m/m). So, existing tensions are damaging bilateral trade. Our perception is that this performance directly reflected the impact of the surcharges implemented by the Trump administration. Despite a trade truce in a +90-day extended negotiation period agreed in Aug. between the two economies, the prospect of deterioration remained elevated. In contrast, exports to the EU advanced to US\$46.8bn (+10.4% y/y; +1.2% m/m), although imports from the bloc fell slightly to US\$22.8bn (-0.4% m/m). As for **Southeast Asia**, there was a significant expansion of **+22.5% y/y**, demonstrating the effectiveness of the **destination diversification** strategy implemented by the Chinese central government in the face of volatility in bilateral trade with the US.

Imports composition shows fragility of DM. According to our findings, the breakdown of imports by product showed an increase in purchases of energy commodities and soybeans, in a move to rebuild strategic inventories. However, this advance was offset by the contraction in semiconductors and industrial metals, consistent with the slowdown in manufacturing and civil construction activity in China. We believe that the prolonged adjustment in the real estate sector continues to weigh on household consumption and the absorption of basic materials, limiting the capacity to stimulate the domestic market (DM).

In addition, trade in rare earth commodities has regained attention: exports reached US\$55mn (+34.1% m/m; -25.6% y/y). Despite growth in the month, the level remains below what we witnessed in 2024.

It is important to note that the issue has been a sensitive point in trade negotiations in the context of tariff discussions and strategic partnerships, as China dominates the global market and even temporarily restricted export licenses in Apr., creating the risk of industrial stoppages in the US and Europe, which need the inputs for the production of high-tech devices such as smartphones, electric vehicles, wind turbines, and defense equipment. Overall, the data suggest that, although the external sector continues to contribute significantly to Chinese growth, the trend is toward greater volatility, due to the tariff escalation promoted by the Trump administration and the risk of new developments in the geopolitical arena. The resilience of exports to the EU and ASEAN (Southeast Asia) gives China some breathing room as it seeks to achieve its ~5% 25E growth target without resorting to immediate fiscal stimulus.

Caixin Services PMI: Acceleration sustained by new orders. The Services PMI measured by Caixin, released on Sep. 2 by S&P Global, rose to **53pts** (+0.4pts m/m), exceeding street expectations (+0.5pts vs. BBG consensus), signaling the strongest expansion since May 2023 (17M). The improvement was driven by the **new orders** sub-index, which reached **53.4pts** (+0.8pts m/m), reflecting a domestic demand recovery and a marginal improvement in service exports, although it has less weight than the same sub-index in manufacturing PMI. The **business expectations** sub-index **rose** to **59.1pts**, reinforcing the more robust confidence of companies linked to the service sector for the next 12M.

Likewise we commented on industry market sentiment improvement last week, the services indicator also rose, showing that businesses in general believe in a more gradual recovery of the Chinese economy, mainly through **(i)** expectations of a trade agreement between the US and China — with the negotiation period extended by 90 days (on Aug. 11) — as well as **(ii)** the drafting of the five-year plan by the National Development and Reform Commission (NDRC), to be released at the next Politburo meeting, which may contain announcements of new stimulus measures for the economy, both are gradually cooling the negative sentiment we were seeing previously. Despite cost pressures, with inputs at 53.2pts (+0.6pts m/m), the service sector's ability to pass on costs remained limited, with the cap price sub-index at 50.1pts, virtually flat. For us, the reading indicates that services remain the most resilient pillar of Chinese activity, cushioning the structural weakness of the real estate sector and traditional industry focused on goods.

Caixin Composite PMI: 9M high driven by services and manufacturing. The Composite PMI measured by Caixin rose to **51.9pts** (+1.1pts m/m), the highest level since Nov. 24. The result was driven by the services sector performance, as mentioned above, but also by the return of manufacturing to the expansion zone — last week we quoted that the **Caixin Manufacturing PMI** advanced to **50.5pts** (+1.0pts m/m), after five consecutive months below 50pts, located within the contraction zone. This improvement indicates marginal relief in the private industrial cycle, mainly via new domestic orders, although export orders continue to fall for the fifth month in a row.

The divergence with official NBS data remains while the official manufacturing PMI closed Aug. at 49.4pts (+0.1pts m/m), still in the contraction zone below 50pts, the reading made by Caixin points to greater dynamism in private companies focused on domestic consumption and export niches. For us, the advance of the **Composite PMI** reinforces the thesis of **asymmetric recovery**, sustained by services and segments with higher added value, but still vulnerable to the structural weakness of external demand and the slowdown in the real estate market.

Table 1. China PMIs

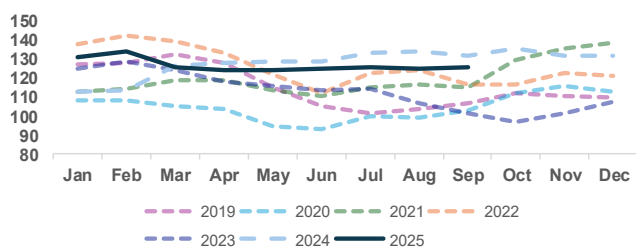
August, 2025	Actual	Consensus	diff	Prior	diff
Manufacturing	49,4pts	49,5pts	-0,1pt	49,3pts	+0,1pt
Non-Manufacturing	50,3pts	50,2pts	+0,1pt	50,1pts	+0,2pt
Caixin Manufacturing	50,5pts	49,8pts	+0,7pt	49,5pts	+1,0pt
Caixin Services	53,0pts	52,5pts	+0,5pt	52,6pts	+0,4pt

Iron Ore and Steel

Iron Ore: Port inventory moves up again w/w. We note that iron ore inventory at the 45 main Chinese ports rose to **126.1Mt** (+0.6% w/w), interrupting two weeks of decline and returning to levels close to those seen at the beginning of Aug. Despite the weekly gain, the reding still points to a decline of **-4.4% YTD**, only partially offsetting the excess supply we saw last year. As a result, inventories remain **+12% above the 5Y average**. Still, as we have already conjectured in other reports, it is important to mention that the historical figures may end up hiding the changes that the mining sector has been undergoing. It is noteworthy that the majors (Vale, Rio Tinto, BHP) are increasingly adopting storage strategies in China rather than at ports of origin, which facilitates subsequent on demand i.o. concentration or blending.

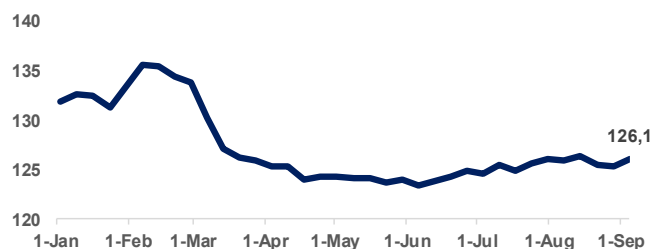
On the supply side, global shipments accelerated again, reaching 35.6Mt (+7.3% w/w), with 81% of them coming from Australia and Brazil (+5.1% w/w). We found that Australia slightly reduced its shipments to 18.9Mt (-2.6% w/w), with a decline destined for China (15.3Mt; -10.9% w/w), while Brazil accelerated to 10.1Mt (+23.5% w/w), bringing a net increase to the supply calculation. The increased arrivals flow sustained the expansion of ships docked at Chinese ports (104 vs. 98 in the previous week). On the **demand** side, we observed a marginal deterioration: **average pig iron production** declined to **2.3Mt/day** (-4.7% w/w), reflecting narrower margins and coordinated production cuts by mills in the face of environmental restrictions for the Sep. 3 military parade (discussed throughout the report). As a result, the pace of iron ore withdrawals from port stockpiles fell to 2.8Mt/day (-5.2% w/w). In our view, these factors contributed to the accumulation the inventory ports, even though internal stocks at mills recorded a weekly decline (89.4Mt; -0.7% w/w), signaling a cautious stance and just-in-time operations. It seems to us that the recent price spike observed at the end of Aug. was more associated with sentiment factors (statements on US-China negotiations) than with more material changes in the supply-demand balance.

Graph 1. Iron ore port inventory vs. 5Y (Mt)



Source: Bloomberg, Genial Investimentos

Graph 2. Iron ore port inventory 2025 (Mt)

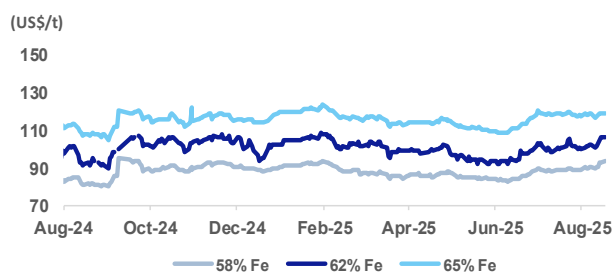


Source: Bloomberg, Genial Investimentos

Iron Ore: Prices regain momentum and end the week on a high note. Looking at prices, the **62% Fe** benchmark on the spot market advanced to **US\$106/t** (+4.9% w/w), consolidating a recovery after starting the week at lower levels (~US\$101/t), reflecting greater speculative appetite and expectations of inventory replenishment after the Chinese holiday on Sep. 3 (national military parade). The sustained rise was due to multiple factors: **(i)** softening discounts on medium grade fines and pellet feed, with emphasis on BHP cargoes that continued to trade at a firm premium; **(ii)** rumors of new “anti-involution” policies in nine sectors and the release of the **Work Plan 25–26E** by the Ministry of Industry and Information Technology (MIIT), reinforcing support for the steel sector; **(iii)** expectations of US-interest rate cuts by the FED, which strengthened risk appetite for metal commodities; and **(iv)** a temporary environmental restrictions in Tangshan (Aug 31–Sep 3), which limited local supply and temporarily increased demand for higher quality iron ore, aiming lower emissions without dropping to much the production levels.

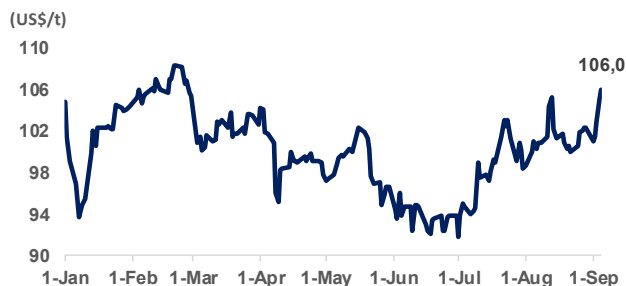
Despite this momentum, we emphasize that the nature of the increase was mostly speculative. We believe that physical demand remains quite heterogeneous, with the spot market fluctuating daily — Sep 1 marked by a greater scarcity of negotiable resources; Sep 2 by a one-off recovery, reaching Sep 3–4 with narrowing discounts on pellet feed and divergences in PBF. On Sep 5, we witnessed more acceptable pricing in the most common grades (62–63% Fe), sustained by expectations for the post-holiday period, when the mills that suffered reductions will resume production. Overall, we believe that the prices resilience reflects short-term sentiment rather than a change in fundamentals. The resumption of seasonal i.o. supply in the Australia-Brazil axis, coupled with the persistent weakness of Chinese domestic demand, should maintain a predominantly bearish bias. We reinforce our view of prices fluctuating in the range of **US\$95–105/t** until year-end.

Graph 3. Iron ore price (Spot - S&P Platts)



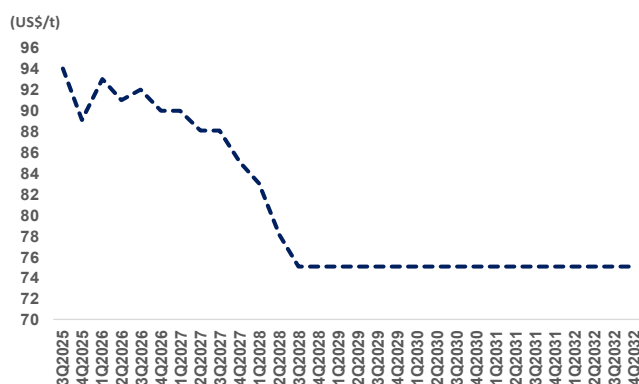
Source: S&P Platts, Genial Investimentos

Graph 4. 30 Days Iron ore prices (Spot - S&P Platts)



Source: S&P Platts, Genial Investimentos

Graph 5. Iron ore price (Genial Est. 25-32E)

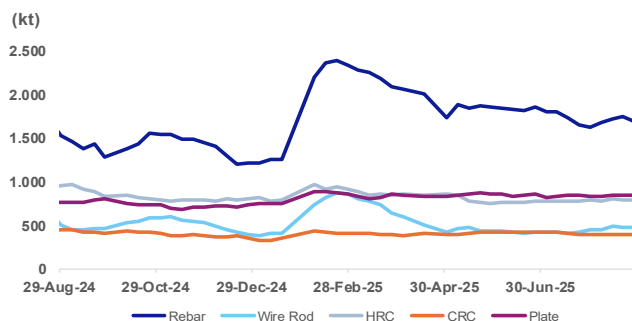


Source: Genial Investimentos

Steel: Mills inventories decline; mixed signals lay ahead. Last week, combined inventories of the five main products monitored in Chinese mills fell to **4.2Mt** (-0.5% w/w), marking the second consecutive week of adjustment after the peak observed on Aug. 15. The movement was mainly driven by the **decline in rebar** (1.7Mt; -2.8% w/w), while the other products recorded a partial recovery: **(i)** wire rod (481Kt; +0.7% w/w), **(ii)** HRC (797Kt; +1.0% w/w), **(iii)** CRC (395Kt; +2.0% w/w) and **(iv)** slabs (846Kt; +0.8% w/w). The reading seems to reinforce the heterogeneity between the flat and long steel segments: while the resumption of rebar production translated into greater absorption in final consumption, flat steel continued to be pressured by weak domestic demand and adjustments in Tangshan linked to environmental restrictions prior to the military parade (Aug. 31-Sep. 3), as we had already commented in recent reports.

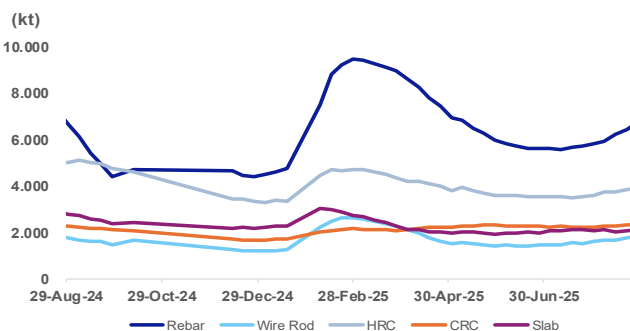
On the **supply** side, data indicated that **rebar production** at the 137 mills monitored **rose to 2.2Mt** (+2.8% w/w), reflecting higher capacity utilization at **48.4%** (+1.3p.p. w/w). In the case of **HRC**, **production** fell slightly to **3.3Mt** (-0.2% w/w), due to the anticipation of mandatory cuts in rolling mills in producing regions in northern China.

Graph 6. Steel mills inventory (130 major cities)



Source: My Steel, Genial Investimentos

Graph 6. Traders Steel inventory (130 major cities)



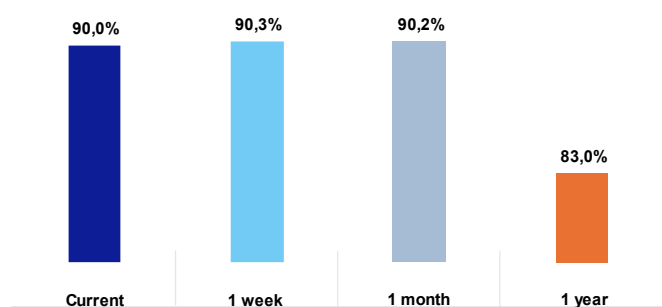
Source: My Steel, Genial Investimentos

We believe that the divergence between inventories and production indicates that part of the recovery in flat steel occurred due to weaker sales adjustments, while the decline in rebar inventories was sustained by better absorption by the construction market, especially the infrastructure sector. In summary, although the aggregate decline in inventories signals some marginal traction in demand, the structural picture remains challenging: Blast furnaces (BFs) are still operating at ~90% utilization rates, sustaining robust supply, while the real estate market remains depressed. This imbalance continues to put pressure on distributors' margins and reinforces the downward bias for spot prices in the short term, unless additional capacity cuts are implemented more broadly – with **expectations of cuts of 30-90Mt over the next 12M.**

Steel: BF utilization rate declines amid environmental restrictions. We note that the average **utilization rate** of blast furnaces (BFs) at the 247 monitored mills fell to **90.0%** (-0.2p.p. w/w), while **pig iron production** down trended to **2.3Mt/day** (-0.3% w/w). The modest variation mainly reflects **(i)** environmental restrictions in Tangshan, where local authorities, in line with the central government, determined temporary cuts of up to ~40% of capacity to reduce emissions before the Sep. 3 military parade, in order to decrease air pollution during the event. From what we have observed, the production restriction had an effect in the previous couple of weeks, with mills accelerating production to build up more inventories in one week and beginning to shut down blast furnaces in the other. In addition, the reduction in the utilization rate also appears to be linked to **(ii)** the prevalence of some mills performing maintenance after two consecutive weeks of increased volumes.

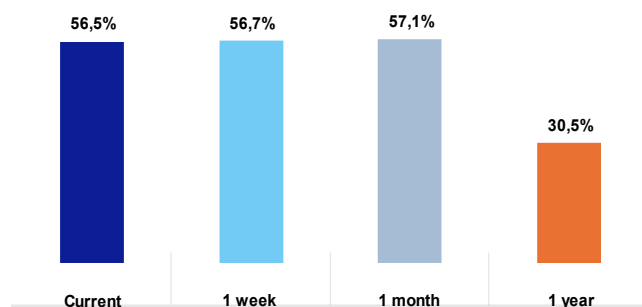
Despite the slight decline, the current level remains close to the **17M highs**, demonstrating operational resilience vis-à-vis the fact that ~60% of most integrated mills still operate with positive margins (mainly pulled up by contraction of metallurgical coal prices YTD). However, we emphasize that pressures remain on the radar: industry overcapacity and the need for **30-90Mt cuts of crude steel production over the next 12M** to meet environmental targets should limit the scope for maintaining this utilization rate in the medium term.

Graph 8. BF capacity utilization % (weighted average)



Source: My Steel, Genial Investimentos

Graph 9. EAF capacity utilization % (weighted average)



Source: My Steel, Genial Investimentos

Steel: EAF utilization rate declines, reflecting costs and limited demand. The average utilization rate of electric arc furnaces (EAFs) fell to **56.5%** (-0.1p.p. w/w), remaining close to the range observed since July (55–57%). In the annual comparison, the indicator still shows a significant recovery of +26p.p. y/y vs. 30.5% recorded in Aug. 2024, reflecting the rebalancing after aggressive cuts made last year. The slight weekly decline is explained by **(i)** average losses of -US\$14/t in steel sales – rebar price at ~US\$465/t; **(ii)** still high cost of HMS 1 scrap at ~US\$230/t, quite elevated vs. negative margin environment via EAF route.

In addition, we are witnessing **(iii)** weak demand, while daily pig iron production in BFs fell only slightly to 2.3Mt/day, limiting space for EAFs in a market saturated with a lot of steel volume. Structurally, we reiterate that EAFs represent 10–12% of the national mix, below the 15% 25E target and far from the global average of 30%. While BFs continue to operate at ~90% utilization and positive margins, EAFs remain under pressure from energy and scrap costs. In this scenario, the current lateralization of utilization rate should be read as a fragile balance between economic viability and unrestricted supply to purge excess steel and improve margins, which remain dependent on input prices to gain some elasticity, which does not indicate a consistent recovery for us, at least not for now.

Appendix: Vale

Figure 1. Vale – Income Statement in US\$ Millions (Genial Est. 2025-2029)

Income Statement	2025E	2026E	2027E	2028E	2029E
Net Revenue	26.082	38.348	38.821	39.690	40.484
(-) COGS	(17.302)	(24.348)	(25.679)	(26.997)	(28.370)
Gross Profit	8.780	14.001	13.142	12.693	12.114
(-) Expenses	(1.542)	(1.798)	(2.427)	(2.099)	(1.675)
Adjusted EBITDA	13.764	15.904	15.075	14.665	14.121
(-) D&A	(2.165)	(2.965)	(3.019)	(3.084)	(3.149)
EBIT	11.600	12.939	12.055	11.581	10.972
(+/-) Financial Result		(661)	(249)		
(-) Taxes	(2.231)	(2.425)	(2.237)	(2.327)	(2.424)
Net income	10.624	9.853	9.569	9.410	9.237
Profitability					
Net margin (%)	40,7%	25,7%	24,6%	23,7%	22,8%

Figure 2. Vale– Cash Flow in US\$ Millions (Genial Est. 2025-2029)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E	2029E
Net Revenue	26.082	38.348	38.821	39.690	40.484
(-) COGS	(17.302)	(24.348)	(25.679)	(26.997)	(28.370)
Adjusted EBITDA	13.764	15.904	15.075	14.665	14.121
Adjusted EBIT	11.600	12.939	12.055	11.581	10.972
(-) Taxes	(2.231)	(2.425)	(2.237)	(2.327)	(2.424)
(+) D&A	2.165	2.965	3.019	3.084	3.149
(+/-) Brumadinho and Samarco	(531)	(989)	(661)	(831)	(199)
(+/-) Δ WK	424	1.139	(506)	372	(220)
(-) Capex	(4.162)	(3.910)	(4.223)	(4.382)	(4.382)
FCFF	7.265	9.718	7.448	7.497	6.896

Appendix: CMIN

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	15.091	15.205	16.609	18.149
(-) COGS	(8.506)	(8.457)	(8.445)	(9.730)
Gross Profit	6.585	6.748	8.163	8.419
(-) Expenses	(1.581)	(2.569)	(2.637)	(2.739)
Adjusted EBITDA	5.003	5.115	6.352	6.429
(-) D&A	(1.196)	(1.244)	(1.320)	(1.421)
Adjusted EBIT	3.807	3.871	5.032	5.008
(+/-) Financial Result	(1.246)	(1.080)	(942)	(773)
(-) Taxes	(563)	(907)	(612)	(436)
Net Income	1.998	1.884	3.478	3.799
Profitability				
Net margin (%)	13,2%	12,4%	20,9%	20,9%

Figure 2. CMIN – Cash Flow in R\$ Millions (Genial Est. 2024-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	15.091	15.205	16.609	18.149
(-) COGS	(8.506)	(8.457)	(8.445)	(9.730)
Adjusted EBITDA	5.003	5.115	6.352	6.429
EBIT	3.807	3.871	5.032	5.008
(-) Taxes	(563)	(907)	(612)	(436)
(+) D&A	1.196	1.244	1.320	1.421
(+/-) Δ WK	20	113	139	646
(-) Capex	(1.584)	(1.807)	(2.078)	(2.409)
FCFF	2.877	2.514	3.800	4.231

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

Appendix: CSN

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	46.933	48.471	53.148	57.772
(-) COGS	(34.837)	(34.665)	(37.687)	(40.543)
Gross Profit	12.096	13.806	15.461	17.230
(-) SG&A and others	(1.585)	(1.475)	(1.346)	(1.233)
Adjusted EBITDA	10.511	12.331	14.115	15.997
(+/-) Financial Result	(5.848)	(4.977)	(4.625)	(5.144)
EBT	473	3.093	4.940	6.008
(-) Taxes	(364)	(1.052)	(1.679)	(2.043)
Net Income	109	2.041	3.260	3.966
Profitability				
Net Margin (%)	0,23%	4,21%	6,13%	6,86%

Figure 2. CSN – Cash Flow in R\$ Millions (Genial Est. 2024-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	46.933	48.471	53.148	57.772
(-) COGS	(34.837)	(34.665)	(37.687)	(40.543)
Adjusted EBITDA	10.511	12.331	14.115	15.997
Adjusted EBIT	6.321	8.070	9.564	11.152
(-) Taxes	(364)	(1.052)	(1.679)	(2.043)
(+) D&A	4.190	4.261	4.551	4.845
(+/-) Δ WK		(11)	(1.039)	(528)
(-) Capex	(4.908)	(5.041)	(5.041)	(5.041)
FCFF	5.299	6.227	6.356	8.384

Appendix: Usiminas

Figure 1. Usiminas – Income Statement in R\$ Millions (Genial Est. 2024-2028)

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	26.562	27.688	28.684	29.807
(-) COGS	(24.449)	(25.617)	(26.274)	(27.732)
Gross Profit	2.113	2.071	2.410	2.075
(-) Expenses	(1.009)	(853)	(885)	(911)
Adjusted EBITDA	2.132	2.097	2.414	2.039
(-) D&A	(1.223)	(1.225)	(1.223)	(1.203)
EBIT	1.116	1.218	1.525	1.163
(+/-) Financial Result	(52)	(290)	(102)	(116)
(-) Taxes	(151)	(247)	(740)	(494)
Net income	816	680	683	553
Profitability				
Net margin (%)	3,1%	2,5%	2,4%	1,9%

Figure 2. Usiminas– Cash Flow in R\$ Millions (Genial Est. 2024-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	26.562	27.688	28.684	29.807
(-) COGS	(24.449)	(25.617)	(26.274)	(27.732)
Adjusted EBITDA	2.132	2.097	2.414	2.039
EBIT	1.116	1.218	1.525	1.163
(-) Taxes	(151)	(247)	(740)	(494)
(+) D&A	1.223	1.225	1.223	1.203
(+/-) Δ WK	(181)	293	(128)	61
(-) Capex	(1.282)	(1.282)	(1.026)	(975)
FCFF	725	1.206	854	959

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