Metals & Mining

From Macro to Micro: GDP on target, but out of balance

LatAm Metals & Mining

Main takeaways on China:

(i) China's GDP grew **+5.0% y/y** in 2025, meeting the official target, but 4Q25 slowed to **+4.5% y/y**, the weakest pace in 3Y, as consumption and investment underperformed despite resilient exports, reinforcing rising reliance on the external sector; **(ii)** Retail sales rose just **+0.9% y/y** in Dec/25, the weakest since late-2022, missing consensus and confirming sequential deceleration amid a sluggish labor market, weak discretionary spending and continued household precautionary savings; **(iii)** IP grew **+5.2% y/y**, the fastest since Sep, driven by manufacturing (+5.7% y/y), while utilities slowed sharply, suggesting policy-driven stabilization and export support rather than a broad-based demand recovery; **(iv)** FAI ex-rural fell **-3.8% y/y** , led by a sharp collapse in real estate (-17.2% y/y), with infrastructure also declining (-2.2% y/y), confirming that investment remains a structural drag despite pockets of strength in high-tech sectors; **(v)** Surveyed urban unemployment rate held at **5.1%**, in line with targets, yet PMI surveys signal continued hiring reluctance, reinforcing weak income confidence and limiting consumption recovery; **(vi)** Property downturn deepens, weighing on sentiment and steel demand; new home prices fell **-2.7% y/y** and home sales declined **-8.7% y/y**, with property investment down **-17.2% y/y**, reinforcing the view that the real estate sector remains a key structural headwind into 26E; **(vii)** Stocks rose to **138Mt** (+1% w/w), **+14% vs. last 6Y average**, driven by pre-Lunar New Year (17/Feb to 3/Mar) front-loading and resilient seaborne supply from Australia and Brazil, while steel demand remains seasonally weak; **(viii)** DCE prices fell to **US$108.0/t** (-2% w/w), giving back part of the recent rally, as weak steel margins, off-season construction and elevated inventories limit restocking appetite despite supportive sentiment; **(ix)** Mill and distributor inventories rose modestly w/w, breaking the recent drawdown trend, as production recovered after year-end maintenance while winter demand remained subdued, especially for flat products; **(x)** BF utilization rose to **86.0%** (+0.8p.p. w/w) and EAF utilization to **56.9%** (+1.8p.p. w/w, 4M high), reflecting operational normalization and short-term margin relief rather than a structural improvement in steel demand.

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 3 of Jan. 2026**. 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**).

While **China's GDP met the official target in 2025** (+5% y/y), the growth profile weakened meaningfully into year-end, with **4Q25 slowing to +4.5% y/y**, the **lowest pace in 3Y**. The deceleration was driven by persistent weakness in domestic demand, as consumption and investment failed to gain traction, leaving growth increasingly reliant on exports — a dynamic that raises medium-term sustainability concerns.

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Companies

VALE US Equity
Under Review

Price: US$ 15.57 (21-Jan-2026)
Target Price 12M: US$ 15.00 (NYSE)

VALE3 BZ Equity
Target Price 12M: R$ 80.00 (B3)

CMIN3 BZ Equity
Neutral

Price: R$ 5.74 (21-Jan-2026)
Target Price 12M: R$ 6.50

GGBR4 BZ Equity
Under Review

Price: R$ 22.56 (21-Jan-2026)
Target Price 12M: R$ 21.50

CSNA3 BZ Equity
Neutral

Price: R$ 9.37 (21-Jan-2026)
Target Price 12M: R$ 9.50

USIM5 BZ Equity
Under Review

Price: R$ 6.27 (21-Jan-2026)
Target Price 12M: R$ 4.75

On the **demand** side, household consumption remains a key constraint. Retail sales growth slowed sharply in Dec/25 to **+0.9% y/y**, the weakest since late-2022, confirming a sequential loss of momentum despite policy support. Discretionary spending categories deteriorated further, reflecting a cautious consumer amid a sluggish labor market. Although the surveyed urban unemployment rate remained stable at **5.1%**, PMI sentiment surveys continue to signal limited hiring appetite, reinforcing a defensive savings behavior rather than a consumption-led recovery. Investment dynamics also remain unfavorable for steel demand. **FAI ex-rural** contracted **-3.8% y/y** in 2025, marking the first annual decline in decades, with both **real estate** (-17.2% y/y) and **infrastructure** (-2.2% y/y) investment failing to provide support. The residential property sector continues to weigh heavily on activity, with new home prices down **-2.7% y/y** in Dec and full-year home sales by floor area declining **-8.7% y/y**. We believe the prolonged property downturn continues to suppress construction-related steel demand, with only limited offset from manufacturing or infrastructure.

Against this macro backdrop, **steel and iron ore fundamentals remain loose**. Steel consumption has entered the seasonal winter off-season, with adverse weather conditions restricting construction activity, while traders' appetite for winter stockpiling remains muted. At the same time, **iron ore port inventories continued to rise**, reaching **138Mt** (+1% w/w) by mid-Jan and standing **+14% vs. last 6Y average**, reflecting resilient cargo arrivals against subdued downstream demand. While the inventory build-up is partly seasonal ahead of the Lunar New Year, we believe the stockpile accumulation pace remains misaligned with current demand conditions. So, on the supply side, although weather-related disruptions may temporarily slow iron ore shipments in the coming months (rainfall season in Brazil and Australia), the overall balance remains loose.

In this context, we continue to view iron ore prices around **US$108–110/t** (DCE) as **supported more by seasonal and sentiment-driven factors than by fundamentals**. **(i)** Elevated inventories; **(ii)** weak steel demand; and **(iii)** ample global supply continue to cap upside. We maintain our view that prices at ~US$110/t are hard to support based solely on fundamental factors and are unlikely to persist. We anticipate that **prices will resume their previous downward trend** by the end of the **1Q26E**, moving towards our average forecast of **US$95/t 26E**. This outlook is more bearish vs. consensus, which generally expects prices to range between US$100-105/t this year.

China

Macroeconomics

GDP remains within target, despite slowdown in 4Q25. The NBS released this week **GDP figures**, with 2025 reaching **US$20.0tn,** and growing **+5.0% y/y** (same vs. last year; +0.1p.p. vs. BBG consensus), meeting the government's official target of ~5% and underscoring resilience amid continued headwinds in domestic demand. On the other hand, **4Q25** clocked in at **+4.5% y/y** (-0.3p.p. q/q; +0.1p.p. vs. BBG consensus), marking the **lowest quarterly expansion rate in 3Y** as consumption and investment remained soft despite ongoing strength in exports.
From what we have gathered, tertiary sector (services) grew faster than the secondary sector (industry) on an annual basis, while consumption and property investment continued to underperform consistently with **(i)** weak retail sales, **(ii)** slowing FAI, and **(iii)** lingering deflationary pressures in parts of the manufacturing economy. We believe that 4Q25 slowdown also aligns with other late-2025 indicators, as structural drags, such as property sector adjustment and cautious private sector demand, weighed on overall momentum. We currently estimate that **GDP target for 26E should again be ~5%**, although we believe that the economy is increasingly dependent on exports, which represents a material risk in a more tense global environment prone to tariffs on Chinese products.

Retail sales slowed further. Also in the last couple of days, we had access to **retail sales** (Dec/25) data reported by the NBS, showing a slight increase of **+0.9% y/y** (-0.4p.p. m/m; -0.3p.p. vs. BBG consensus), marking the **weakest annual expansion since late-2022** and confirming a continued loss of momentum in household consumption toward year-end (which goes against the typical seasonality). Below market expectations, the figures end up underscoring a clear sequential deceleration despite ongoing policy support measures, including consumption subsidies and targeted fiscal initiatives.

We continue to emphasize that, in our view, this slowdown is mainly **caused by the sluggish labor market**, with companies still reluctant to hire, which in turn increases the tendency of households to save money, leading them to cut back on non-essential spending on services (such as food service, leisure and retail purchases). In line with our call, discretionary spending categories continue to degrade the numbers — grains, oil and food products (+3.9% y/y; down -2.2p.p m/m) and clothing, footwear and textiles (+0.6%; down -2.9p.p m/m)**,** while demand for big-ticket items sustained lag bias, offset only partially by relative resilience in essentials and selected online segments. Growth decelerated meaningfully on a full-year basis, with retail sales growing **+3.7% y/y in 2025**, well below pre-pandemic trends and materially underperforming headline GDP, highlighting the limited traction of consumption-led recovery efforts.

Industrial production increases growth rate. Along with the other data released by the NBS, we also witnessed **industrial growth** in Dec/25 of **+5.2% y/y** (+0.4p.p. m/m; +0.2p.p. vs. BBG consensus), marking the strongest pace since Sep. On a sequential basis, industrial output rose **+0.5% m/m**. Although we remain quite skeptical about domestic demand for goods, we believe that Dec acceleration reflects the government's ongoing efforts to stabilize growth toward year-end, using exports as a safety valve.

We found that 33 of 41 major categories recorded expansion, with notable strength in some sectors. From a sectoral perspective, the rebound was driven primarily by a sharp pickup in manufacturing output, which expanded +5.7% y/y (+1.1p.p m/m). By contrast, growth in mining output moderates, clocking in at +5.4% y/y (down -0.9p.p. m/m), while electricity, heat, gas and water production slowed sharply to +0.8% y/y (down -3.5p.p m/m), reflecting weaker utilities demand.

Full-year FAI ex rural contracted. Within data basket released by the NBS during the week, **FAI ex-rural** declined **-3.8% y/y** in **2025** (vs. -2.6% y/y in Jan–Nov; -0.7p.p. vs. BBG consensus), marking the **first annual contraction since at least the 1990s**. According to our view, the full-year investment underscores the extent of the slowdown in investment activity amid ongoing property sector stress and softer domestic demand. **FAI ex-rural** declined **-1.1% m/m** (Dec), extending the pattern of slowing investment as project rollouts and new starts remained subdued late in the year. We assess that annual contraction was driven heavily by the broader weakness in property development, with real-estate investment down sharply, while key segments such as infrastructure. As we have already mentioned in previous publications, we do not see the infrastructure sector as compensating for the declines in the housing segment, since the **projects are not very encouraging**. We know that some other sell-side firms believe that the infrastructure segment can help address this imbalance, but for us, the data shows the opposite. Real estate development collapsed **-17.2% y/y**, but infrastructure investment also declined by **-2.2% y/y**. On other sub-sectors, emerging and high-tech industries displayed pockets of relative strength, with investment in information services up +28.4% y/y and aerospace vehicle/equipment manufacturing up +16.9% y/y in 2025.

The urban unemployment rate held. We note that the surveyed **urban unemployment rate** stayed at **5.1% in Dec** (flat m/m; -0.1p.p. vs. BBG consensus), on data pile that the NBS disclosed during the week, underscoring a broadly stable labor market at the year-end. The national rate has remained at this level for the prior 2M, indicating limited deterioration in overall employment conditions despite ongoing structural headwinds and a soft consumption backdrop. In terms of labor force composition, the jobless rate for locally registered urban workers was 5.3% (flat m/m), while the rate for migrant workers stood at 4.7% (flat m/m), consistent with relative patterns observed over recent months. The surveyed unemployment rate in China’s 31 major cities also held at 5.1% (flat m/m). On a full-year basis, the urban surveyed **unemployment rate** averaged **5.2% in 2025**, in line with the government’s target of ~5.5%. Although the data remained broadly stable, sentiment surveys within the PMIs indicate that both the manufacturing and service sectors are reluctant to increase their workforce. Therefore, we believe that **flat data does not mean a positive bias**, since culturally households tend to save when there is no expansion in the labor market.

Residential property market continued to weaken. New home prices in China fell **-2.7% y/y** in Dec/25 (-0.4% m/m; fastest annual decline in 5M), according to NBS, with prices down across most of the 70 major cities surveyed. Only 6 of the 70 cities reported price increases, reflecting continued stress in the housing market despite government efforts to stabilize the sector. Separate official statistics show that **home sales by floor area** declined **-8.7% y/y in 2025**, with property investment down **-17.2% y/y** for the full year, underscoring subdued sales volumes and weakening buyer demand as household confidence and residential buying intent remain low.

We assess that extended slump in sales and prices has contributed to broader softness in household wealth perception and consumer sentiment, which in turn continues to weigh on consumption. As we have already mentioned in other publications, we believe that this year will mark the bottom for the real estate crisis, with an **-11% y/y 26E** decline in sales of houses by floor area. In our view, **sales will only plateau in 2027E**, leading to 6Y of consecutive compression.

M2 rises, but new loans continue to shrink. China's latest monetary data for Dec/25, released in mid-Jan by the PBoC, show that **M2 expanded +8.5% y/y** (+0.5p.p. m/m; +0.5p.p. vs. BBG consensus). In level terms, the M2 stock rose to 340.3tn (+1% m/m), confirming continued liquidity expansion in the financial system. Despite the faster headline growth, we assess a familiar divergence between ample liquidity conditions vs. weak credit transmission, a point that we have been mentioning for some time now.

For us, the acceleration in M2 contrasts with **still-soft credit grant for households** (new loans at ¥910bn in Dec; -8% y/y), indicating that **excess liquidity continues to accumulate** within the banking system rather than translating into stronger real-economy borrowing. Taken together with **(i)** subdued CPI, **(ii)** persistent PPI deflation, and **(iii)** weak domestic demand indicators, the M2 print suggests that monetary policy remains accommodative but increasingly constrained by demand-side weakness.

Exports surprised sharply and capped a record year. The GACC (China Customs) released trade balance data last week, showing that **exports increased +6.6% y/y** (+0.7p.p. m/m; +3.5p.p. vs. BBG consensus), marking the **fastest pace since Sep/25,** and beating expectations. The upside surprise was driven by a **strong surge in shipments** to **non-U.S. markets**, reflecting a continued strategic reallocation of trade flows away from the U.S. amid tariff pressure and geopolitical frictions. We note that exports to ASEAN, the EU, Africa, and LatAm remained particularly strong, underscoring China's success in scaling alternative markets as part of a broader export-diversification strategy. **Imports rose +5.7% y/y** (+3.8p.p. m/m; +4.8p.p. vs. BBG consensus), marking the **highest growth in 6M**.

As a result, the **trade balance** posted a surplus of **+US$114.3bn** (+2% m/m; flat vs. BBG consensus), marking the 7th month in 2025 with a surplus >US$100bn. Bilaterally, **surplus to the US** continued to **decline to US$23.3bn** (-2% m/m). On a **full-year basis**, China recorded a record trade surplus of **US$1.2tn** (+21% y/y), with exports rising **+5.5% y/y** while imports were broadly flat, highlighting the increasing asymmetry between a highly competitive external sector and persistently weak domestic demand.

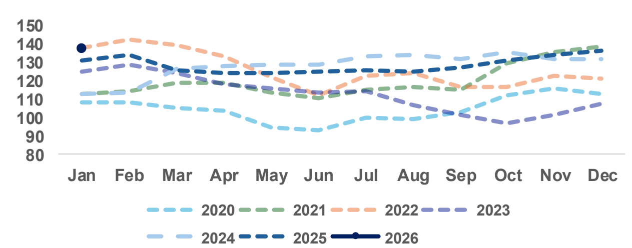
Although part of the market was more enthusiastic about the export data exceeding consensus, we still believe that a persistence surplus on that scale also raises structural **concerns around overcapacity**, excess supply, and rising trade tensions with global partners. We still defend the thesis that in the coming years China will accumulate tensions with regions that are not commodity exporters and, in turn, have a trade balance that tends more toward imports of Chinese finished goods. According to our view, industries in these regions will **pressure governments to up guard tariff policies**, and this will be a constant theme as China increasingly relies on exports for growth.

Iron Ore and Steel

Iron Ore: Port inventories extend seasonal build-up. Last week, **iron ore inventories** at the main Chinese ports **rose to 138Mt** (+1% w/w), extending the accumulation trend and reinforcing a still-loose supply–demand balance. We emphasize that stockpiles remain elevated through mid-Jan, standing **+14% vs. last 6Y average**, reflecting resilient arrivals against subdued downstream demand. We assess that current build-up is largely seasonal, driven by cargo front-loading ahead of the **Lunar New Year holiday** (17/Feb-3/Mar), as mills and traders increase inventories to mitigate port disruptions. However, this pace of arrival remains misaligned with current demand conditions, as steel consumption continues to soften, limiting effective destocking further ahead.

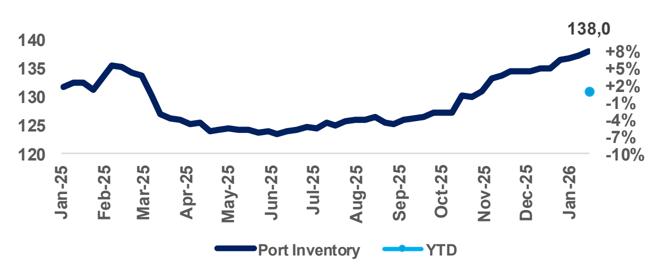
On the supply side, major miners had good year-end. Australian output remains near record territory, Brazil's shipments accelerated through 2H25, as Vale has guided for a **+2% y/y 26E** production (guidance of 335-345Mt 26E). In parallel, **new and incremental volumes** are entering the system, including Rio Tinto's West Slope project, non-mainstream expansions (Onslow, Tonkolili, Liberia Phase II) and the initial ramp-up of **Simandou**, which is expected to contribute **5-10Mt 26E**. While some seasonal slowdown in shipments is likely in the coming months due to weather on the Brazil–Australia axis, the overall supply picture remains comfortable. Looking ahead, we believe the key variable will be the extent to which mills are able to draw down inventories during the Lunar New Year period, when arrivals are temporarily interrupted. Given weak steel demand and only a gradual recovery expected even during the typical construction upturn in Mar–May, **inventories are likely to remain elevated**. As a result, we continue to see ample iron ore availability through 1H26E, reinforcing a downside-skewed fundamental setup for prices once seasonal support fades.

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



Source: Bloomberg, Genial Investimentos

Graph 2. Iron ore port inventory 2025 (Mt)



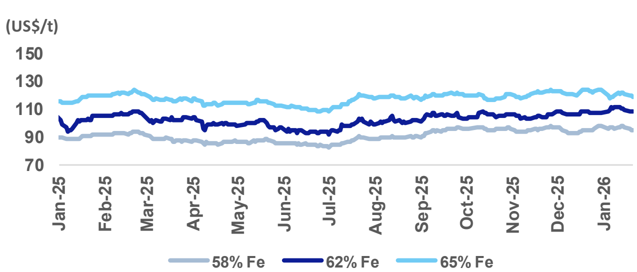
Source: Bloomberg, Genial Investimentos

Iron Ore: Prices pull back; fundamentals remain soft. The **price of iron ore** (DCE) ended last week at **US$108.0/t** (-2% w/w), giving some space back after the recent rally (trading >US$110/t earlier in the month). Despite the still elevated level, our view is that price action continues to reflect a market supported more by **sentiment and seasonal factors than by a material improvement in underlying fundamentals**. On the demand side, conditions remain skewed to the downside. We note that blast furnace (BFs) utilization and operating rates, while improving on a weekly basis, remain constrained by weak steel margins, limiting the scope for a sustained recovery in hot metal output.

In parallel, low profitability continues to curb steel mills' appetite for raw material restocking, keeping iron ore consumption subdued and reinforcing a cautious inventory strategy.

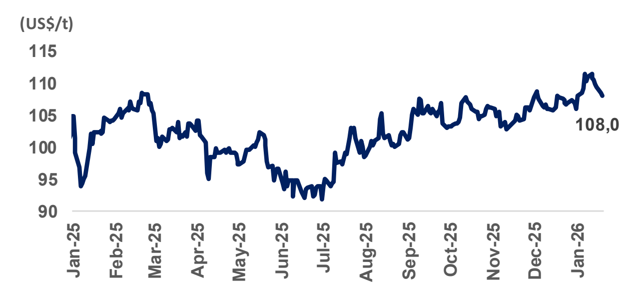
Overall, our reading points to a market characterized by opposing forces. On the one hand, **(i)** supportive sentiment in broader commodity markets and expectations around winter restocking provide a short-term price floor. On the other hand, **(ii)** the steel sector has entered the traditional off-season for consumption, with winter weather sharply restricting construction activity, particularly in northern regions, while traders' enthusiasm for winter stockpiling remains muted despite attractive mill policies. Combined with elevated port inventories and a globally loose supply backdrop, these factors limit the scope for a sustained upside. Looking at the fundamentals highlighted throughout the report — spanning steel demand, margins, inventories and supply growth — we continue to believe that prices **~US$110/t are difficult to justify on fundamentals alone** and unlikely to be sustained. We expect prices to **enlarge the back trend by the end of 1Q26**, which should point towards our average of US$95/t 26E (more bearish vs. consensus, which is between US$100-105/t).

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



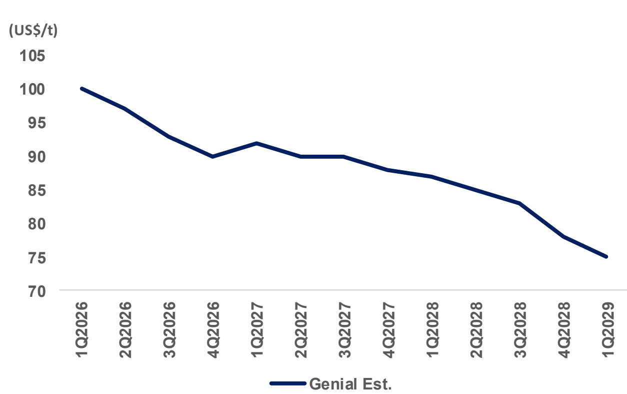
Source: S&P Platts, Genial Investimentos

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



Source: S&P Platts, Genial Investimentos

Graph 5. Iron ore price (Genial Est. 26-29E)

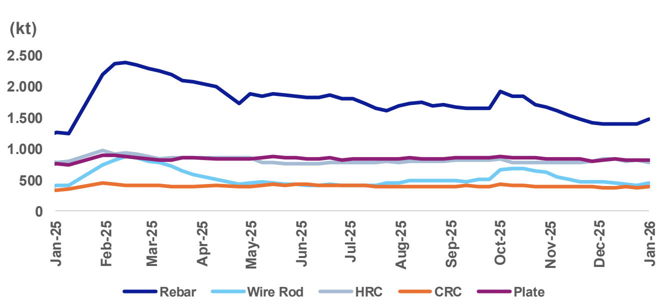


Source: Genial Investimentos

Steel: Mill inventories edge lower again. Considering the five main products monitored**, inventories at mills' yard** declined to **3.9Mt** (+2% w/w), interrupting the destocking trend observed over the prior three weeks. This week increase was driven by selective accumulation across most categories, with **rebar** rising to **1.5Mt** (+6% w/w), **wire rod** going up to **441Kt** (+9% w/w), **CRC** clocking in at **381Kt** (flat w/w) and **thick plates** marked at **813Kt** (flat w/w), more than offsetting the sharp decline in HRC inventories, which fell to **773Kt** (-6% w/w). The divergence across products reflects differentiated operating dynamics following the conclusion of year-end maintenance: **rebar output** continued to recover, reaching **1.9Mt** (+1.5% w/w) as more mills resumed rolling operations, while **HRC** production edged higher to **3.1Mt** (+0.3% w/w), supported by the gradual normalization of integrated mill activity.

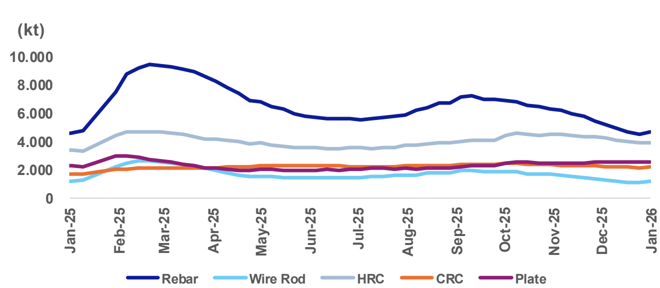
At the **distribution** level, **inventories rose modestly**, marking a break in the prolonged destocking cycle. Stocks held by traders and distribution centers across the 132 cities monitored increased to **14.5Mt** (+2% w/w), ending an eleven-week contraction. The build was broad-based, with rebar rising to 4.7Mt (+2% w/w), wire rod to 1.2Mt (+5% w/w), HRC to 4.0Mt (+3% w/w) and CRC to 2.2Mt (+1% w/w), while thick plate inventories increased to 2.6Mt (+2% w/w). Overall, we believe that simultaneous rebound in mill and distributors inventories suggest that the **recent clearing phase is losing momentum**, as **production outpaces seasonal demand absorption**. While long products continue to benefit from improving operating rates, the winter demand lull and the gradual return of supply point to a more balanced — and potentially fragile — inventory dynamic in the near term, particularly for flat steel.

Graph 6. Steel mills inventory (130 major cities)



Source: My Steel, Genial Investimentos

Graph 7. Traders Steel inventory (130 major cities)

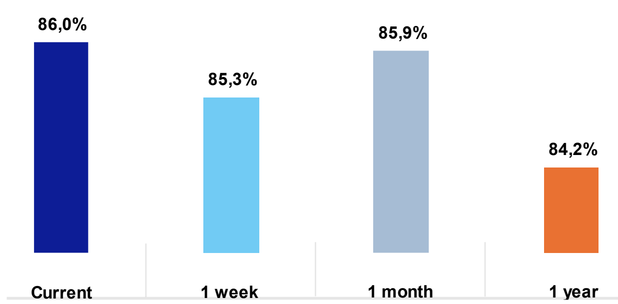


Source: My Steel, Genial Investimentos

Steel: BF utilization rebounds as mills resume operations. Last week, the average blast furnace (BF) **utilization rate** across the 247 mills we monitor rose to **86.0%** (+0.8p.p. w/w), extending the rebound for a second consecutive week and breaking the downtrend observed through late Dec. In our view, the improvement was primarily driven by a **broader resumption of work at BF mills**, following reduced activity toward year-end. As seasonal downtime, maintenance schedules and temporary operating restrictions were gradually lifted at the start of Jan, several mills moved to normalize operations, particularly in regions previously affected by environmental or logistical constraints.

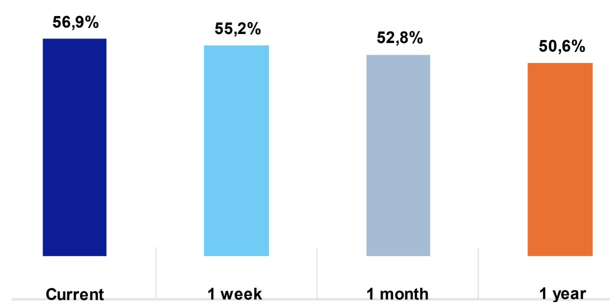
In parallel, **hot metal output** increased to **2.3Mt/day** (+0.9% w/w), consistent with a recovery in operating intensity rather than an aggressive supply expansion. From an analytical standpoint, we continue to read the move as operational standardization rather than a structural shift. Mills remain cautious amid **still-compressed margins** and **limited demand visibility**, using the early-Jan window to restore baseline utilization after prior curtailments. Operating in the mid-to-high-80% utilization range, as said earlier, allows producers to stabilize production while preserving flexibility, suggesting the latest uptick reflects a **controlled restart following end-of-year downtime**, not a coordinated push to materially lift steel supply.

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 at the highest level in 4M. Last week, the **utilization rate** of electric arc furnaces (EAFs) increased to **56.9%** (+1.8p.p. w/w), reaching the highest level in roughly 4M and extending the rebound for a second consecutive week. In our view, the uptick was primarily driven by a **broader resumption** of operations at mini-mills, as a growing number of units completed routine maintenance shutdowns carried out toward year-end. This early-Jan upshift mirrors the typical post-holiday pattern, when EAF producers gradually **restore baseline activity** after seasonal downtime.

In parallel, the average **operational rate rose sharply**, reinforcing that the increase reflects **wider operational normalization rather than isolated restarts**. While near-term profitability appears to have improved sufficiently to justify incremental output, demand visibility remains limited. We continue to see the rebound as **tactical and margin-driven**, rather than indicating of a structural recovery in the EAF route. Given still-rigid cost structures — particularly energy — and uneven downstream demand, mini-mills remain inclined to operate opportunistically, scaling up only when short-term returns justify it and preserving the ability to scale back quickly. Compared with integrated BF operators, the EAF route therefore continues to exhibit higher sensitivity to price and demand signals, suggesting that sustaining higher utilization will ultimately depend on a clearer improvement in real steel demand rather than on maintenance-related restarts alone.

Appendix: Vale

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**27.686**	**38.667**	**37.748**	**38.652**
(-) COGS	(17.877)	(24.271)	(25.294)	(26.461)
Gross Profit	**9.809**	**14.396**	**12.453**	**12.190**
(-) Expenses	(1.165)	(1.540)	(2.501)	(2.176)
Adjusted EBITDA	**15.215**	**15.783**	**13.923**	**13.685**
(-) D&A	(2.209)	(3.095)	(3.138)	(3.191)
EBIT	**13.006**	**12.688**	**10.785**	**10.494**
(+/-) Financial Result	(1.186)	(2.955)	(2.646)	(2.387)
(-) Taxes	(906)	(757)	(524)	(567)
Net income	**10.914**	**8.976**	**7.615**	**7.541**
Profitability				
Net margin (%)	39,4%	23,2%	20,2%	19,5%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**27.686**	**38.667**	**37.748**	**38.652**
(-) COGS	(17.877)	(24.271)	(25.294)	(26.461)
Adjusted EBITDA	**15.215**	**15.783**	**13.923**	**13.685**
EBIT	**13.006**	**12.688**	**10.785**	**10.494**
(-) Taxes	(906)	(757)	(524)	(567)
(+) D&A	2.209	3.095	3.138	3.191
(+/-) Brumadinho and Samarco	(1.017)	(989)	(661)	(831)
(+/-) Δ WK	798	293	(770)	49
(-) Capex	(4.087)	(4.188)	(4.117)	(4.272)
FCFF	**10.003**	**10.142**	**7.850**	**8.064**

Appendix: CMIN

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**16.954**	**17.450**	**16.171**	**16.546**
(-) COGS	(9.294)	(9.807)	(10.092)	(11.788)
Gross Profit	**7.661**	**7.643**	**6.078**	**4.758**
(-) Expenses	(1.673)	(2.569)	(2.637)	(2.739)
Adjusted EBITDA	**5.988**	**5.872**	**5.960**	**6.050**
(-) D&A	(1.199)	(1.213)	(1.270)	(1.277)
Adjusted EBIT	**4.789**	**4.659**	**4.690**	**4.773**
(+/-) Financial Result	(1.601)	(1.542)	(1.518)	(1.496)
(-) Taxes	(800)	(804)	(808)	(812)
Net Income	**2.388**	**2.314**	**2.364**	**2.465**
Profitability				
Net margin (%)	14,1%	13,3%	14,6%	14,9%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**16.954**	**17.450**	**16.171**	**16.546**
(-) COGS	(9.294)	(9.807)	(10.092)	(11.788)
Adjusted EBITDA	**5.988**	**5.872**	**5.960**	**6.050**
EBIT	**4.789**	**4.659**	**4.690**	**4.773**
(-) Taxes	(800)	(804)	(808)	(812)
(+) D&A	1.199	1.213	1.270	1.277
(+/-) Δ WK	(890)	872	970	1.158
(-) Capex	(2.100)	(2.142)	(2.185)	(2.229)
FCFF	**2.197**	**3.798**	**3.937**	**4.167**

Appendix: Gerdau

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**73.496**	**74.966**	**77.215**	**79.917**
(-) COGS	(58.488)	(58.900)	(60.803)	(63.210)
Gross Profit	**15.008**	**16.066**	**16.412**	**16.708**
(-) Expenses	(2.383)	(2.431)	(2.504)	(2.592)
Adjusted EBITDA	**12.625**	**13.635**	**13.908**	**14.116**
(-) D&A	(3.757)	(3.833)	(3.948)	(4.086)
EBIT	**8.868**	**9.802**	**9.960**	**10.031**
(+/-) Financial Result	(2.219)	(2.263)	(2.331)	(2.412)
(-) Taxes	(1.052)	(941)	(891)	(852)
Net income	**5.597**	**6.599**	**6.738**	**6.767**
Profitability				
Net margin (%)	7,6%	8,8%	8,7%	8,5%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**73.496**	**74.966**	**77.215**	**79.917**
(-) COGS	(58.488)	(58.900)	(60.803)	(63.210)
Adjusted EBITDA	**12.625**	**13.635**	**13.908**	**14.116**
EBIT	**8.868**	**9.802**	**9.960**	**10.031**
(-) Taxes	(1.052)	(941)	(891)	(852)
(+) D&A	3.757	3.833	3.948	4.086
(+/-) Δ WK	(110)	(112)	(115)	(119)
(-) Capex	(6.000)	(4.700)	(6.500)	(6.700)
FCFF	**5.463**	**7.883**	**6.401**	**6.446**

Appendix: CSN

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**44.968**	**47.050**	**49.679**	**52.844**
(-) COGS	(32.737)	(35.278)	(39.334)	(43.584)
Gross Profit	**12.231**	**11.772**	**10.345**	**9.260**
(-) Expenses	(6.016)	(6.249)	(4.968)	(4.584)
Adjusted EBITDA	**11.156**	**13.220**	**13.692**	**15.094**
(-) D&A	(3.996)	(4.200)	(4.596)	(5.099)
EBIT	**6.215**	**5.523**	**5.377**	**4.676**
(+/-) Financial Result	(6.775)	(6.653)	(6.695)	(6.800)
(-) Taxes	25	384	448	722
Net Income	**(535)**	**(746)**	**(869)**	**(1.402)**
Profitability				
Net Margin (%)	-1,2%	-1,6%	-1,8%	-2,7%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**44.968**	**47.050**	**49.679**	**52.844**
(-) COGS	(32.737)	(35.278)	(39.334)	(43.584)
Adjusted EBITDA	**11.156**	**13.220**	**13.692**	**15.094**
EBIT	**6.215**	**5.523**	**5.377**	**4.676**
(-) Taxes	25	384	448	722
(+) D&A	3.996	4.200	4.596	5.099
(+/-) Δ WK	1.349	1.412	1.490	1.585
(-) Capex	(5.153)	(5.041)	(5.041)	(5.041)
FCFF	**6.431**	**6.477**	**6.871**	**7.042**

Appendix: Usiminas

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

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**27.200**	**27.474**	**28.316**	**29.298**
(-) COGS	(24.524)	(22.747)	(23.464)	(25.153)
Gross Profit	**2.676**	**4.727**	**4.853**	**4.145**
(-) Expenses	(3.477)	(961)	(991)	(1.014)
Adjusted EBITDA	**2.164**	**2.261**	**2.296**	**1.468**
(-) D&A	(1.210)	(1.017)	(1.033)	(1.031)
EBIT	**(801)**	**3.766**	**3.861**	**3.131**
(+/-) Financial Result	(174)	(228)	232	412
(-) Taxes	(1.596)	(962)	(2.289)	(1.733)
Net income	**(2.386)**	**2.885**	**2.113**	**2.118**
Profitability				
Net margin (%)	-8,8%	10,5%	7,5%	7,2%

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

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**27.200**	**27.474**	**28.316**	**29.298**
(-) COGS	(24.524)	(22.747)	(23.464)	(25.153)
Adjusted EBITDA	**2.164**	**2.261**	**2.296**	**1.468**
EBIT	**(801)**	**3.766**	**3.861**	**3.131**
(-) Taxes	(1.596)	(962)	(2.289)	(1.733)
(+) D&A	1.210	1.017	1.033	1.031
(+/-) Δ WK	(662)	480	(187)	(71)
(-) Capex	(1.266)	(1.266)	(1.013)	(1.013)
FCFF	**(3.116)**	**3.035**	**1.405**	**1.345**

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