

## Metals & Mining

### From Macro to Micro: Green gauges, grey picture

LatAm Metals & Mining

#### Main takeaways on China:

(i) NBS Manufacturing PMI rebounded to **50.4pts** (+1.4pts m/m), the strongest reading in **11M**, as output and new orders accelerated, though employment remained in contraction (48.6pts), limiting the consumption read-through; (ii) Non-Manufacturing PMI edged to **50.1pts** (+0.6p.p. m/m), marginally above the expansion threshold, with the construction sub-index still signaling property stress; (iii) RatingDog PMI decelerated to **50.8pts** (-1.3p.p. m/m; -0.7p.p. vs. consensus), diverging from the NBS reading as input cost inflation hit its highest since Mar, weighing on private-sector margins; (iv) with all three gauges back in expansion, we maintain a cautious stance — employment contraction and weak household sentiment remain the dominant structural overhangs into **2Q26**; (v) iron ore port inventories held at **138.4Mt** (+1% w/w), ~12% above the **6Y** baseline, while mill-held stocks eased to **89.8Mt** (-0.1% w/w), reflecting post-holiday normalization; (vi) global shipments totaled **31.4Mt** (+3% w/w), Australian volumes at **20.0Mt** (+6% w/w), keeping seaborne supply structurally loose through **1H26E**; (vii) DCE prices eased to **US\$107.2/t** (-0.6% w/w) as BF utilization rose to **86%** (+1.1p.p. w/w) and mill profitability improved to **43.3%**, providing a near-term floor but with the setup still skewed to the downside; (viii) mill inventories fell to **5.4Mt** (-3% w/w) and distributor stocks to **23.6Mt** (-1% w/w), resuming broad-based destocking across all five products; (ix) BF utilization rebounded to **85.5%** (+2.6p.p. w/w) and hot metal output to **2.3Mt/day** (+3.1% w/w), reflecting North China restart normalization; (x) EAF utilization rose to **57.0%** (+6.1p.p. w/w) for a third consecutive week, consistent with post-holiday mini-mill restarts.

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 1 of Apr. 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 **PMI data returned** all three gauges to **expansion territory** in **Mar/26**, the recovery remains **fragile** and **difficult to read cleanly**, with post-Lunar New Year normalization distorting the monthly swing and employment contraction and property sector stress persisting as the dominant structural overhangs for domestic demand heading into 2Q26E.

On the **demand** side, the NBS **Manufacturing PMI** returned to expansion at **50.4pts**. (+1.4pts. m/m), the strongest reading in 11M, driven by a sharp rebound in new orders (51.6pts.; +3pts. m/m) and accelerating output (51.4pts.; +1.8pts. m/m). The **Non-Manufacturing PMI** also recovered to **50.1pts**. (+0.6pts. m/m), though only marginally above the expansion threshold, while the construction sub-index continued to signal stress in the property sector.

#### Analysts

**Igor Guedes**  
+55 (11) 3206-8286  
igor.guedes@genial.com.br

**Luca Vello**  
+55 (11) 3206-1457  
luca.vello@genial.com.br

**Vitor Sousa**  
+55 (11) 3206-1455  
vitor.sousa@genial.com.br

#### Companies

**VALE US Equity**  
Neutral

**Price:** US\$ 16.23 (06-Apr-2026)  
**Target Price 12M:** US\$ 17.00 (NYSE)

**VALE3 BZ Equity**  
**Target Price 12M:** R\$ 90.00 (B3)

**CMIN3 BZ Equity**  
Neutral

**Price:** R\$ 4.92 (06-Apr-2026)  
**Target Price 12M:** R\$ 6.00

**GGBR4 BZ Equity**  
Neutral

**Price:** R\$ 19.86 (06-Apr-2026)  
**Target Price 12M:** R\$ 21.50

**CSNA3 BZ Equity**  
Under Review

**Price:** R\$ 6.52 (06-Apr-2026)  
**Target Price 12M:** R\$ 9.00

**USIM5 BZ Equity**  
Neutral

**Price:** R\$ 6.76 (06-Apr-2026)  
**Target Price 12M:** R\$ 7.00

The RatingDog Manufacturing PMI, by contrast, decelerated to **50.8pts.** (-1.3pts. m/m; -0.7pts. vs. BBG consensus), with input price inflation surging to its highest since March. The Manufacturing PMI employment sub-index remained in contraction (48.6pts.; -0.6pts. m/m), a figure we continue to monitor closely given its implications for household income and consumption.

Against this macro backdrop, steel and iron ore fundamentals remain loose. Iron ore port inventories held steady at **138.4Mt** (+1% w/w), standing **~12% above the last 6Y** seasonal average of **123.5Mt**, reflecting resilient cargo arrivals against subdued downstream demand. Mill-side dynamics were more constructive, with steel mill iron ore inventories declining post-Spring Festival, reflecting operational normalization rather than a genuine tightening of availability. On the **supply** side, **global shipments** totaled **31.4Mt** (+3% w/w), with combined **Australian + Brazilian** volumes at **25.6Mt** (+4% w/w); a cyclone in Western Australia caused short-term disruptions but did not materially alter the supply trajectory.

In this context, **iron ore prices (DCE)** ended the week at **US\$107.2/t** (-0.6% w/w), consolidating after trading above **US\$110/t** earlier in the month, consistent with our read that recent price strength has been supported more by sentiment and seasonal factors than by fundamentals. **(i)** Elevated port 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. In our view, we anticipate that **prices should resume** their **previous downward** trend through **2Q26E**.

## China

### Macroeconomics

**Manufacturing PMI: Strongest reading in 11M.** The NBS released this week the **Manufacturing PMI** (official), which came in at **50.4pts** (+1.4pts. m/m; +0.3pts. vs. BBG consensus), entering in the expansion zone (above 50pts.) after two consecutive months of contraction, and marking the strongest reading in 11M. At the sub-index level, output growth accelerated (51.4pts.; +1.8pts. m/m), while new orders rebounded sharply (51.6pts.; +3pts. m/m), signaling improved demand conditions, especially after the **Lunar New Year holiday in Feb**, which also made for a **weaker monthly comparison**. External demand showed some recovery as well, with new export orders rising (49.1pts.; 3.9pts. m/m), and buying activity increased (50.9pts.; +2.7pts. m/m). In our view, the improvement is linked to expansion in both production and demand, a rebound across large, medium and small-sized enterprises, and fast expansion in high-tech manufacturing, equipment manufacturing and consumer goods industries.

On the cost side, higher shipping fees and costs for imported commodities, including crude oil and chemicals triggered by the ongoing Middle East conflict, weighed on surveyed companies, with **input price indexes rising sharply**. Employment, however, remained in contraction (48.6pts.; -0.6pts m/m), a sub-index we continue to monitor closely given its implications for household income and domestic consumption. Although we view the print constructively, we are reluctant to read a durable recovery into a single data point, as the post-holiday production normalization accounts for a meaningful share of the monthly swing, and next month data will be the key test of whether march uptick reflects genuine momentum or a transitory bounce.

**Non-Manufacturing PMI: Back to expansion zone.** Also released by the NBS this week, the **Non-Manufacturing PMI** (official) printed at **50.1pts.** (+0.6p.p. m/m; +0.2p.p. vs. BBG consensus), pointing to **slight recovery** in the **services sector** following two consecutive months of contraction. It is important to highlight that, while technically back in expansion territory, the index remains only marginally above the 50pts. threshold, which we believe limits the extent to which it can be interpreted as a broad-based services recovery. Although services activity ended up strengthening, the construction sub-index continued to signal ongoing stress in the property sector.

In our view, the rebound is partly seasonal, services activity typically normalizes in March following the Lunar New Year-related disruptions observed in Jan-Feb, and the construction sub-index continuing to signal stress is consistent with our longstanding call that the property sector adjustment remains unresolved (home sales to first buyers are expected to continue falling this year, albeit at a slower pace). With all three gauges — **(i)** Manufacturing, **(ii)** Non-Manufacturing and **(iii)** Composite — returning to expansion territory simultaneously, the NBS framed the overall activity level as improving, though **we maintain a cautious stance** and see the persistence of employment contraction and weak household sentiment as the dominant structural overhangs for domestic demand heading into 2Q26.

**RatingDog Manufacturing PMI: Decelerating due to costs.** The **RatingDog** (former Caixin-S&P Global) **Manufacturing PMI** clocked in at **50.8pts** (-1.3p.p. m/m; -0.7p.p. vs. BBG consensus), **down on a sequential basis**, signaling a deceleration in factory expansion relative to Feb's reading of 52.1, and coming in below the expected. The deceleration is notable given that the NBS reading moved in the opposite direction over the same period, a divergence that we attribute in part to the differing sample compositions of the two surveys (official vs. RatingDog). As we already quoted before, the RatingDog survey skews more toward private-sector and export-oriented manufacturers, which may be capturing a more cautious tone amid elevated geopolitical uncertainty and rising input costs.

At the sub-index level, output and new orders continued to rise, though at a slower pace, with production expanding for the fourth consecutive month. Backlogs increased as demand outpaced production, while employment rose for the third consecutive month, **marking the longest stretch of job creation since mid-2021** (a figure that differs from the one reported by the NBS). Buying activity continued to expand, lifting input stocks slightly, though finished goods inventories contracted marginally. On costs, **input price inflation surged** to its highest since Mar, while **output price inflation hit a four-year peak**, driven by rising energy costs amid Middle East tensions.

We view the cost pressure dynamic as a key risk to monitor: sustained input inflation without a commensurate pickup in end demand risks compressing margins for manufacturers and could dampen CAPEX intentions heading into 2Q26E. Despite these pressures, manufacturers remained optimistic for production over the next 12M, supported by stronger demand, capacity investment, and government policies. We remain cautious on reading too much into the sequential deceleration in isolation, but the miss vs. consensus and the divergence from the NBS series warrant close attention in the next release.

**Table 1. China PMI**

March, 2026	Actual	Consensus	diff	Prior	diff
<b>NBS Manufacturing</b>	50.4	50.1	<b>+0.3</b>	49.0	<b>+1.4</b>
<b>NBS Non-Manufacturing</b>	50.1	49.9	<b>+0.2</b>	49.5	<b>+0.6</b>
<b>RatingDog Manufacturing</b>	50.8	51.5	<b>-0.7</b>	52.1	<b>-1.3</b>

Source: Bloomberg, Genial Investimentos

## Iron Ore and Steel

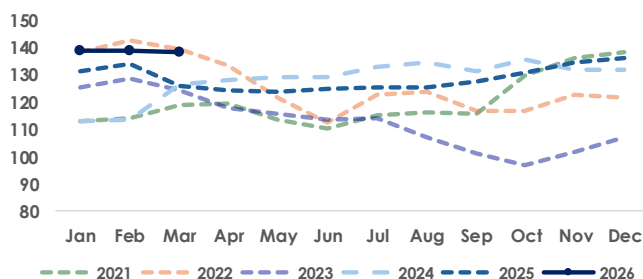
**Iron ore: Port inventories stabilize as destocking resumes at mill level.** Iron ore inventories at the main Chinese ports held steady at **138.4Mt** (+1% w/w) last week, with the accumulation standing at +1.2% YTD — a modest build relative to the last 6Y average of **123.5Mt**, implying current stockpiles remain roughly **12% above the historical** seasonal baseline.

In our view, the flatness in the w/w reading masks a more constructive dynamic at the mill level: according to our data collection, **steel mill-held iron ore inventories** declined to **89.8Mt** (-0.1% w/w), consistent with the improvement in hot metal output and BF utilization after Chinese new-year holiday. Daily average port clearance volumes came in at **3.1Mt/day** (-0.2% w/w), easing slightly though the vessel queue at port expanded to 113 vessels (+10 w/w), suggesting near-term arrival pressure has not dissipated. Taken together, the data point to a **supply picture that remains structurally loose**: port inventories are not destocking at the headline level, while mill-side drawdowns reflect operational normalization after the holidays rather than any tightening of availability related to non-seasonal demand.

On the supply side, **global iron ore shipments** for the week totaled **31.4Mt** (+3% w/w), with combined **Australian + Brazilian** volumes reaching **25.6Mt** (+4% w/w). Australian shipments led the move higher at 20.0Mt (+6% w/w), of which 16.3Mt was directed to China (+3% w/w). **Brazilian shipments softened** modestly to **5.6Mt** (-4% w/w). A **cyclone in Western Australia** caused short-term scheduling disruptions but did **not materially alter the supply** trajectory.

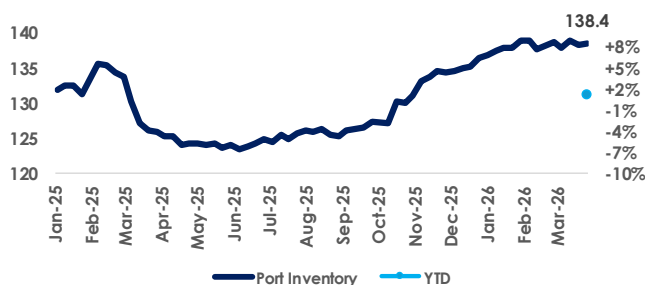
The broader seaborne picture remains comfortable, with miners maintaining active shipping programmed. With iron ore prices having moved higher in recent weeks, export incentives remain strong, and we expect shipments to increase in the coming week. We continue to see the supply side as a structural headwind for prices: the combination of **(i)** resilient major-miner volumes, **(ii)** incremental non-mainstream supply (Onslow, Simandou early ramp-up), and **(iii)** recoverable Brazilian momentum (after some heavy rains) leaves the seaborne market well-supplied through 1H26E. The key variable from here remains the pace of mill-level restocking. Given only a gradual recovery in steel demand, we see **limited scope** for any **sustained inventory draw at the port level** in the near term.

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



Source: Bloomberg, Genial Investimentos

**Graph 2. Iron ore port inventory 2025 (Mt)**

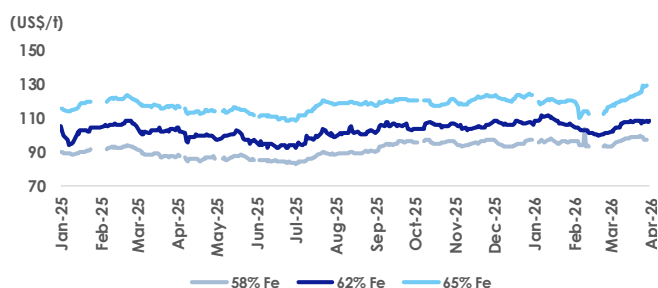


Source: Bloomberg, Genial Investimentos

**Iron ore: Prices ease; fundamentals remain soft.** Iron ore prices (DCE) ended the week at **US\$107.2/t** (-0.6% w/w), consolidating at a slightly lower level after trading >US\$110/t earlier in the month. **The modest pullback** is consistent with our read that recent **price strength** has been supported more by **sentiment and seasonal factors** than by any material improvement in underlying fundamentals. On the demand side, conditions have progressed at the margin: **(i)** BF utilization rose to 86% (+1.1p.p. w/w) and the operating rate reached 81.0% (+1.3p.p. w/w), while **daily hot metal output** edged up to **2.31Mt/day** (+0.1% w/w). Steel mill profitability also improved, with the profit rate rising to 43.3% (+0.9p.p. w/w), a potential constructive development that has begun to **unlock restocking appetite**, with daily iron ore consumption among sampled mills reaching **2.85Mt/day** (+0.2% w/w). These are not trivial moves, and they provide a near-term demand floor for iron ore.

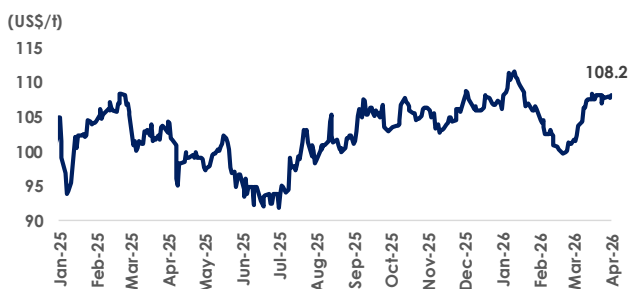
That said, we would caution against reading too much into the weekly improvement. **Mill operations have been recovering from a low base** following the Spring Festival period, and the utilization gains documented above reflect normalization rather than a structural acceleration in steel demand. Scrap market dynamics reinforce this caution: while scrap prices firmed in March alongside iron ore, upward momentum has been capped by weak finished steel demand, and the broader scrap market is expected to operate in a tight supply-demand equilibrium through April, with any price recovery likely gradual and range-bound. Combined with still **(i)** elevated port inventories and **(ii)** a globally loose seaborne supply backdrop, we continue to see the **fundamental setup as skewed to the downside** for prices once seasonal and sentiment support fades.

**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)**



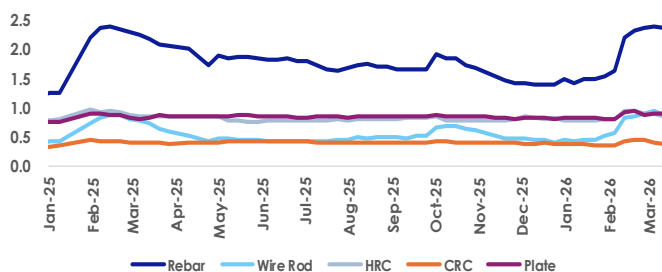
Source: S&P Platts, Genial Investimentos

**Steel: Mill inventories edge lower again.** Considering the five main products monitored, **total inventories at mills' yards** declined to **5.4Mt** (-3% w/w), resuming the destocking trend after the brief uptick observed the prior week. This week's decline was broad-based across all categories: **(i)** rebar fell to 2.4Mt (-1% w/w), **(ii)** wire rod dropped to 869Kt (-7% w/w), **(iii)** HRC slipped to 850Kt (-5% w/w), **(iv)** CRC retreated to 378Kt (-7% w/w), and **(v)** thick plates edged down to 893Kt (-1% w/w). At the distribution level, inventories also declined. **Inventories held by traders and distribution centers** across the 132 cities monitored decreased to **23.6Mt** (-1% w/w), with the pullback broad-based: rebar fell to 10.0Mt (-1% w/w), wire rod to 2.8Mt (-1% w/w), HRC to 5.1Mt (-1% w/w), CRC to 2.6Mt (-2% w/w), and thick plate to 3.1Mt (-3% w/w).

On the production side, we noticed that both long and flat segments showed a recovery this week. **Rebar output rose** for a third consecutive week, climbing to **2.0Mt** (+4% w/w), topping 2Mt for the first time since late Nov, as mills resumed rolling operations in response to improving demand, with the **operational rate** averaging **39%**. Among mills under our monitoring, **HRC production** also increased, rising to **3.0Mt** (+2% w/w), supported by the resumption of integrated mill activity following the conclusion of China's Two Sessions on 12/Mar and the subsequent easing of production controls; the **HRC capacity utilization rate** rose to **77%** (+1p.p. w/w), while the operational rate held steady at **78%** for a third consecutive week.

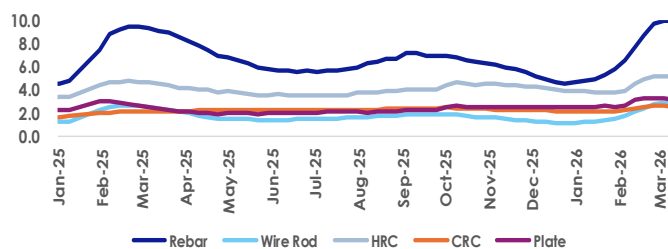
Overall, we believe the simultaneous decline in both mill and distributor inventories alongside rising output in rebar and HRC suggests that incremental production is being absorbed downstream rather than accumulating at either level, consistent with a **gradual pickup in spring demand** (Mar-May). Our analysis suggests that the destocking cycle appears to be reasserting itself after a brief pause, pointing to a more constructive near-term supply-demand dynamic. However, sustained demand visibility into the spring construction season will be key to determining whether this trend can be maintained across both long and flat steel categories. **We remain skeptical on this point** and continue to expect a **y/y slowdown** in demand.

**Graph 6. Steel mills inventory (130 major cities)**



Source: My Steel, Genial Investimentos

**Graph 7. Traders Steel inventory (130 major cities)**

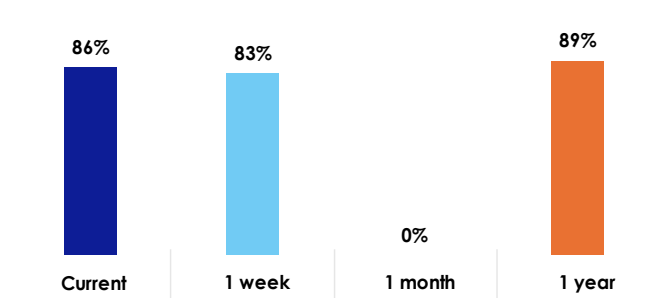


Source: My Steel, Genial Investimentos

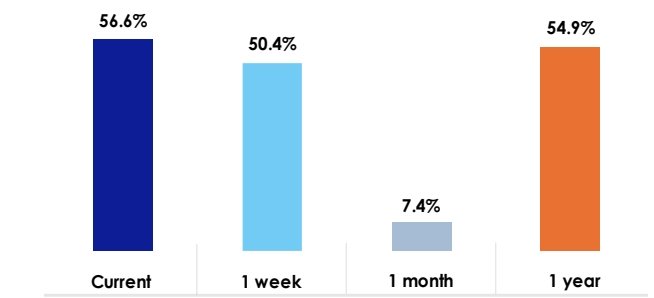
**Steel: BF utilization rebounds; EAF utilization continues to rise.** Last week, the average blast furnace (BF) **utilization rate** across the 247 mills monitored rose to **85.5%** (+2.6p.p. w/w), marking a level of recovery after two consecutive weeks of rapid declines. The improvement was primarily driven by the removal of production restrictions in North China, which prompted many mills in the region to resume operations, and taking advantage of the seasonal spring surge (Mar-May). We note that, as environmental and logistical constraints were lifted, several mills moved to normalize activity, bringing utilization back toward the mid-80% range. In parallel, **hot metal output** increased to **2.3Mt/day** (+3.1% w/w), consistent with a broad-based operational restart rather than an aggressive supply expansion.

In addition, the **utilization rate** of electric arc furnaces (EAFs) increased to **57%** (+6.1p.p. w/w), extending the rebound for a third consecutive week. We believe the uptick was primarily driven by a broader resumption of operations at mini-mills across the country, as more units continued to exit holiday mode (since end of Feb). This multi-week upshift mirrors the typical post-holiday pattern, when EAF producers gradually restore baseline activity after seasonal downtime. The average **operational rate** also rose sharply to **67%** (+9.6p.p. w/w).

**Graph 8. BF capacity utilization % (weighted average)**



**Graph 9. EAF capacity utilization % (weighted average)**



Source: My Steel, Genial Investimentos

Source: My Steel, Genial Investimentos

## Appendix: Vale

**Figure 1. Vale – Income Statement in US\$ Millions (Genial Est. 2026-2029)**

<b>Income Statement</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<b>Net Revenue</b>	<b>39.346</b>	<b>41.667</b>	<b>43.579</b>	<b>44.410</b>
(-) COGS	(26.012)	(27.763)	(29.501)	(30.067)
<b>Gross Profit</b>	<b>13.334</b>	<b>13.904</b>	<b>14.078</b>	<b>14.342</b>
(-) Expenses	(3.813)	(4.033)	(4.229)	(4.325)
<b>Proforma EBITDA</b>	<b>15.600</b>	<b>16.301</b>	<b>16.568</b>	<b>16.862</b>
(-) D&A	(3.126)	(3.311)	(3.463)	(3.529)
<b>EBIT</b>	<b>9.521</b>	<b>9.871</b>	<b>9.849</b>	<b>10.017</b>
(+/-) Financial Result	(793)	(874)	(888)	(890)
(-) Taxes	(490)	(479)	(478)	(488)
<b>Net income</b>	<b>8.903</b>	<b>9.225</b>	<b>9.226</b>	<b>9.412</b>
<b>Profitability</b>				
Net margin (%)	22,6%	22,1%	21,2%	21,2%

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

<b>Cash Flow (FCFF)</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<b>Net Revenue</b>	<b>39.346</b>	<b>41.667</b>	<b>43.579</b>	<b>44.410</b>
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<b>EBIT</b>	<b>9.521</b>	<b>9.871</b>	<b>9.849</b>	<b>10.017</b>
(-) Taxes	(490)	(479)	(478)	(488)
(+) D&A	3.126	3.311	3.463	3.529
(+/-) Δ WK	(77)	714	495	246
(-) Capex	(5.475)	(5.463)	(5.367)	(5.112)
<b>FCFF</b>	<b>6.606</b>	<b>7.955</b>	<b>7.963</b>	<b>8.193</b>

## Appendix: CMIN

**Figure 1. CMIN – Income Statement in R\$ Millions (Genial Est. 2026-2029)**

Income Statement	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>17,365</b>	<b>18,752</b>	<b>19,572</b>	<b>21,017</b>
(-) COGS	(9,734)	(10,716)	(11,497)	(12,488)
<b>Gross Profit</b>	<b>7,631</b>	<b>8,037</b>	<b>8,074</b>	<b>8,529</b>
(-) Expenses	(3,291)	(3,186)	(3,464)	(3,819)
<b>Adjusted EBITDA</b>	<b>5,720</b>	<b>6,373</b>	<b>6,239</b>	<b>6,477</b>
(-) D&A	(1,227)	(1,352)	(1,451)	(1,575)
<b>EBIT</b>	<b>4,340</b>	<b>4,851</b>	<b>4,610</b>	<b>4,710</b>
(+/-) Financial Result	(951)	(787)	(691)	(598)
(-) Taxes	(1,152)	(1,382)	(1,333)	(1,398)
<b>Net Income</b>	<b>2,236</b>	<b>2,682</b>	<b>2,587</b>	<b>2,714</b>
<b>Profitability</b>				
Net Margin (%)	12.9%	14.3%	13.2%	12.9%

**Figure 2. CMIN – Cash Flow in R\$ Millions (Genial Est. 2026-2029)**

Cash Flow (FCFF)	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>17,365</b>	<b>18,752</b>	<b>19,572</b>	<b>21,017</b>
(-) COGS	(9,734)	(10,716)	(11,497)	(12,488)
<b>Adjusted EBITDA</b>	<b>5,720</b>	<b>6,373</b>	<b>6,239</b>	<b>6,477</b>
<b>EBIT</b>	<b>4,340</b>	<b>4,851</b>	<b>4,610</b>	<b>4,710</b>
(-) Taxes	(1,152)	(1,382)	(1,333)	(1,398)
(+) D&A	1,227	1,352	1,451	1,575
(+/-) Δ WK	695	750	783	841
(-) Capex	(2,400)	(2,300)	(2,200)	(2,100)
<b>FCFF</b>	<b>2,710</b>	<b>3,271</b>	<b>3,311</b>	<b>3,628</b>

## Appendix: Gerdau

**Figure 1. Gerdau - Income Statement in R\$ Millions (Genial Est. 2026-2029)**

Income Statement	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>70.380</b>	<b>71.513</b>	<b>72.116</b>	<b>72.852</b>
(-) COGS	(60.869)	(61.322)	(61.706)	(62.084)
<b>Gross Profit</b>	<b>9.511</b>	<b>10.191</b>	<b>10.409</b>	<b>10.767</b>
(-) Expenses	(2.151)	(2.188)	(2.211)	(2.239)
<b>Adjusted EBITDA</b>	<b>11.502</b>	<b>12.170</b>	<b>12.422</b>	<b>12.784</b>
(-) D&A	(3.552)	(3.560)	(3.588)	(3.618)
<b>EBIT</b>	<b>7.360</b>	<b>8.003</b>	<b>8.198</b>	<b>8.528</b>
(+/-) Financial Result	(1.477)	(1.357)	(1.243)	(1.130)
(-) Taxes	(1.375)	(1.329)	(1.252)	(1.110)
<b>Net income</b>	<b>4.509</b>	<b>5.317</b>	<b>5.703</b>	<b>6.288</b>
<b>Profitability</b>				
Net margin (%)	6,4%	7,4%	7,9%	8,6%

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

Cash Flow (FCFF)	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>70.380</b>	<b>71.513</b>	<b>72.116</b>	<b>72.852</b>
(-) COGS	(60.869)	(61.322)	(61.706)	(62.084)
<b>Adjusted EBITDA</b>	<b>11.502</b>	<b>12.170</b>	<b>12.422</b>	<b>12.784</b>
<b>EBIT</b>	<b>7.360</b>	<b>8.003</b>	<b>8.198</b>	<b>8.528</b>
(-) Taxes	(1.375)	(1.329)	(1.252)	(1.110)
(+) D&A	3.552	3.560	3.588	3.618
(+/-) Δ WK	(100)	(358)	(361)	(364)
(-) Capex	(4.700)	(5.000)	(5.000)	(5.000)
<b>FCFF</b>	<b>4.737</b>	<b>4.876</b>	<b>5.174</b>	<b>5.672</b>

## Appendix: CSN

**Figure 1. CSN – Income Statement in R\$ Millions (Genial Est. 2026-2029)**

<b>Income Statement</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<b>Net Revenue</b>	<b>43,042</b>	<b>45,450</b>	<b>46,737</b>	<b>48,113</b>
(-) COGS	(31,960)	(32,229)	(31,986)	(31,900)
<b>Gross Profit</b>	<b>11,082</b>	<b>13,221</b>	<b>14,751</b>	<b>16,212</b>
(-) Expenses	(6,716)	(7,076)	(7,195)	(7,318)
<b>Adjusted EBITDA</b>	<b>10,655</b>	<b>12,794</b>	<b>14,352</b>	<b>15,848</b>
(-) D&A	(4,049)	(4,168)	(4,237)	(4,328)
<b>EBIT</b>	<b>4,365</b>	<b>6,145</b>	<b>7,555</b>	<b>8,895</b>
(+/-) Financial Result	(4,980)	(4,584)	(4,245)	(3,908)
(-) Taxes	352	(885)	(1,882)	(2,834)
<b>Net Income</b>	<b>(263)</b>	<b>676</b>	<b>1,429</b>	<b>2,152</b>
<b>Profitability</b>				
Net Margin (%)	-0.6%	1.5%	3.1%	4.5%

**Figure 2. CSN – Cash Flow in R\$ Millions (Genial Est. 2026-2029)**

<b>Cash Flow (FCFF)</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>
<b>Net Revenue</b>	<b>43,042</b>	<b>45,450</b>	<b>46,737</b>	<b>48,113</b>
(-) COGS	(31,960)	(32,229)	(31,986)	(31,900)
<b>Adjusted EBITDA</b>	<b>10,655</b>	<b>12,794</b>	<b>14,352</b>	<b>15,848</b>
<b>EBIT</b>	<b>4,365</b>	<b>6,145</b>	<b>7,555</b>	<b>8,895</b>
(-) Taxes	352	(885)	(1,882)	(2,834)
(+) D&A	4,049	4,168	4,237	4,328
(+/-) $\Delta$ WK	430	454	467	481
(-) Capex	(6,000)	(6,000)	(6,000)	(6,000)
<b>FCFF</b>	<b>3,196</b>	<b>3,883</b>	<b>4,377</b>	<b>4,869</b>

## Appendix: Usiminas

**Figure 1. Usiminas – Income Statement in R\$ Millions (Genial Est. 2026-2029)**

Income Statement	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>26.106</b>	<b>26.139</b>	<b>26.294</b>	<b>26.688</b>
(-) COGS	(24.439)	(24.154)	(23.899)	(24.270)
<b>Gross Profit</b>	<b>1.667</b>	<b>1.985</b>	<b>2.394</b>	<b>2.418</b>
(-) Expenses	(1.296)	(1.244)	(1.250)	(1.260)
<b>Adjusted EBITDA</b>	<b>1.613</b>	<b>1.983</b>	<b>2.394</b>	<b>2.417</b>
(-) D&A	(1.263)	(1.257)	(1.261)	(1.274)
<b>EBIT</b>	<b>371</b>	<b>741</b>	<b>1.144</b>	<b>1.158</b>
(+/-) Financial Result	(149)	(145)	(145)	(147)
(-) Taxes	(49)	(112)	(152)	(154)
<b>Net income</b>	<b>172</b>	<b>483</b>	<b>847</b>	<b>863</b>
<b>Profitability</b>				
Net margin (%)	0,7%	1,8%	3,2%	3,2%

**Figure 2. Usiminas– Cash Flow in R\$ Millions (Genial Est. 2026-2029)**

Cash Flow (FCFF)	2026E	2027E	2028E	2029E
<b>Net Revenue</b>	<b>26.106</b>	<b>26.139</b>	<b>26.294</b>	<b>26.688</b>
(-) COGS	(24.439)	(24.154)	(23.899)	(24.270)
<b>Adjusted EBITDA</b>	<b>1.613</b>	<b>1.983</b>	<b>2.394</b>	<b>2.417</b>
<b>EBIT</b>	<b>371</b>	<b>741</b>	<b>1.144</b>	<b>1.158</b>
(-) Taxes	(49)	(112)	(152)	(154)
(+) D&A	1.263	1.257	1.261	1.274
(+/-) Δ WK	771	261	263	267
(-) Capex	(1.600)	(1.300)	(1.300)	(1.300)
<b>FCFF</b>	<b>755</b>	<b>847</b>	<b>1.216</b>	<b>1.246</b>

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