

NEWS RELEASE
FOR IMMEDIATE RELEASE

Gerdau Special Steel N.A. to idle its Jackson mill hot side in April

Jackson mill will continue to operate processing and finishing facilities

JACKSON, Michigan – January 24, 2020 – Gerdau Special Steel North America announced to employees yesterday that the company will be idling the melting and rolling operations at its Jackson, Mich. steel mill in the middle of April. Approximately 140 employees will be impacted. Gerdau will continue to operate processing and finishing facilities in Jackson. The decision was made in order to improve Gerdau's long-term sustainability and customer satisfaction by strategically allocating product mix to specific plants, which will rationalize company costs.

"This was a difficult decision to make, however, this is an action we must take in order to ensure the overall sustainability of the business", said Rodrigo Belloc, president of Gerdau Special Steel North America. The impact to employees will not happen until the middle of April, when the idling occurs.

The company will work closely with customers while transitioning orders from Jackson to its mills in Monroe, Mich. and Fort Smith, Ark. to ensure minimal impact and is committed to maintaining the high-quality products and services customers expect. "Our special steel operations in Monroe and Fort Smith are prepared to handle the increased tons coming off of Jackson," said Belloc.

In addition to extensive SBQ capabilities at Gerdau's Fort Smith special steel mill, the company has strategically invested nearly \$300 million in its Monroe facility to position the company for success in the long-term. Enhancements have been made to the melt shop, rolling mill and finishing areas.

Gerdau Special Steel North America produces special bar quality steel for the automotive, commercial vehicle, agricultural, construction, distribution and energy markets. The division is headquartered in Jackson, Mich., and operates steel manufacturing plants in Jackson and Monroe, Mich. and Fort Smith, Ark. with an additional heat treating facility in Huntington, Ind. Gerdau Special Steel is a wholly owned subsidiary of Gerdau.

###

About Gerdau

With 119 years of history, Gerdau is the largest steel producer in Brazil, where the company is headquartered, and is also one of the largest suppliers of special steel in the world. In Brazil, it also produces flat steel and iron ore, activities that are expanding its product mix and boosting its competitiveness. It is also the largest recycler in Latin America and transforms millions of tons of scrap every year around the world it into steel, reinforcing its commitment to sustainable development in the regions where it operates. Gerdau's shares are listed on the São Paulo, New York and Madrid stock exchanges.