

London, August 2, 2019

Gerdau signs strategic partnership with Primetals Technologies for their digitalization journey at METEC

- **Two pioneers in steel industry seal strategic cooperation at METEC**
- **The objective: development and continuous implementation of a digitalization roadmap**
- **Focus on joint digitalization and development projects**
- **Implementation of new business models planned**
- **Steering committee will start working in July 2019**

During the trade fair METEC in Dusseldorf, the steel producer Gerdau and the full-line supplier of metallurgical plant solutions Primetals Technologies signed a strategic partnership for their digitalization journey. The main goal of this cooperation is the development and realization of a digitalization roadmap for Gerdau, who intends to be the pioneer in the implementation of digital innovation among all steel producers in the world. The focus of the cooperation lies on the execution of digitalization projects, joint development projects and the creation of new business models. The steering committee existing of both experts from Gerdau and Primetals Technologies will start working in July 2019.

Strategic cooperation of two pioneers in steel industry

Gerdau as a leading steel manufacturer has put digitalization on top of its agenda. Marcos Eduardo Faraco Wahrhaftig, Executive Director at Gerdau, defines the main target for this strategic partnership: “For more than 100 years Gerdau has been a pioneer in the manufacturing of steel products. Now we also want to become the pioneer in the implementation of digital innovation in steel industry. Therefore we have selected Primetals Technologies as the leading technology company in this sector.” Primetals Technologies will support Gerdau in the development and implementation of their digitalization roadmap and showcase the benefits of digitalization technologies. Kurt Herzog, Head of Industry 4.0 at Primetals Technologies, states: “We are looking forward supporting Gerdau to drive their digital transformation in order to commonly create new innovative digital services on the edge of industry 4.0.” The signing of the strategic partnership between Gerdau and Primetals Technologies at METEC marks a new milestone in the more than 40 years lasting partnership between the two companies.

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Digital innovation and new business models

Primetals Technologies is one of the leading plant builders and drivers of digitalization in the metals industry. Based on a long history in the automation, digitalization and optimization of steelworks, Primetals Technologies has defined its strategic target to transform to a digital, know-how based company and assist customers in the metals industry on their digitalization journey. The unique combination of metallurgical know-how and the bold expertise in automation and digitalization is the basis for the strategic cooperation with Gerdau in order to provide the necessary know-how to implement digitalization projects on Gerdau sites in Brazil according to a defined digitalization roadmap, drive joint development projects and create new business models. The joint projects shall include digital innovations for smart sensors, process automation, quality control, production management, intralogistics, condition monitoring, data analytics and more.

Steering committee ready to innovate

A steering committee is already nominated consisting of experts from Gerdau and Primetals Technologies. Due to its strong presence in Brazil, Primetals Technologies can provide local support to Gerdau. Regular meetings of the steering committee as well as innovation workshops shall make sure that the defined targets are reached in an agile manner.



The teams of Gerdau and Primetals Technologies signed a strategic partnership for their digitalization journey at the trade fair METEC in Dusseldorf.

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This press release and a press photo are available at www.primetals.com/press/

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Primetals Technologies, Limited headquartered in London, United Kingdom is a worldwide leading engineering, plant-building and lifecycle services partner for the metals industry. The company offers a complete technology, product and service portfolio that includes integrated electrics, automation and environmental solutions. This covers every step of the iron and steel production chain, extending from the raw materials to the finished product – in addition to the latest rolling solutions for the nonferrous metals sector. Primetals Technologies is a joint venture of Mitsubishi Heavy Industries (MHI) and Siemens. Mitsubishi-Hitachi Metals Machinery (MHMM) - an MHI consolidated group company with equity participation by Hitachi, Ltd. and the IHI Corporation - holds a 51% stake and Siemens a 49% stake in the joint venture. The company employs around 7,000 employees worldwide. Further information is available on the Internet at www.primetals.com.

Gerdau is the largest Brazilian producer of steel and a leading provider of long steel in the Americas and specialty steel in the world. In Brazil, also produces flat steel and iron ore, activities that extend the product mix offered to the market and the competitiveness of operations. Moreover, with more than 30,000 employees Gerdau is the largest recycler in Latin America and in the world transforms every year, millions of tons of scrap into steel, reinforcing its commitment to sustainable development of the regions where it operates. Present in 10 countries, the company describes itself as pioneer in the steel sector in the implementation of digital innovation initiatives. The Gerdau shares are listed on the São Paulo stock exchanges (B3), New York (NYSE) and Madrid (Latibex). Further information is available on the Internet at www.gerdau.com.