

Metals & Mining | Pulp & Paper

A Better Seasonality; Aura, Klabin and Gerdau as Highlights

2Q25E Preview

We expect mixed 2Q25 results for Metals & Mining and Pulp & Paper stocks (*Klabin, Gerdau and Aura as highlights*).

For (i) Klabin, we expect improving results driven by rising volumes for pulp, corrugated boxes and kraft, with a controlled cost performance, while on (ii) Suzano, we forecast stronger sales volumes and resilient realized prices in 2Q25, leading to better QoQ EBITDA performance (*although current pulp prices imply downside risks for 3Q25E*). For (iii) Gerdau, we anticipate a relatively better quarter, driven by improved performance in North America's BD, although Brazil's BD is likely to face pressure from lower prices and higher costs, with (iv) Usiminas as a lowlight given the challenging condition in the steel market in Brazil. On (v) Vale, lower iron ore prices should limit the EBITDA improvement on a seasonally better quarter for volumes. Finally, we expect better results for (vi) Aura, positively supported by higher gold prices during the quarter.

Metals & Mining: for miners, with weaker iron ore 62% Fe reference prices (down by US\$6/t QoQ), we expect **Vale** and **CMIN** to post lower QoQ profitability, despite seasonally higher sales volumes. For steelmakers, **Gerdau** is expected to deliver a relatively better quarter, driven by improved performance in North America's BD, showing higher realized prices and EBITDA margins, although Brazil's BD is likely to face pressure from lower realized prices and higher cash costs. For **Usiminas**, we anticipate weaker QoQ results due to lower steel prices amid intensified competition from imports, and weaker iron ore 62% Fe reference prices. Finally, **Aura** is expected to benefit from stronger gold prices, potentially doubling its EBITDA YoY.

Pulp & Paper: although pulp prices declined in 2Q25, we expect resilient results from both pulp and packaging-exposed companies (although some downside is expected for 3Q25E given current pulp price levels). For **Suzano**, we forecast stronger pulp sales volumes (unaffected by maintenance stoppages this quarter), slightly higher realized pulp prices, and lower costs, driving a 19% QoQ increase in EBITDA in 2Q25. **Klabin** is expected to show improving EBITDA (+13% QoQ), supported by rising pulp volumes and better paper & packaging performance, mainly due to higher QoQ volumes in corrugated boxes and kraftliner.

What to watch? (i) Potential impacts from "Trump tariffs" on global trade and risks of a U.S. recession; (ii) steel quotas and anti-dumping measures in Brazil; (iii) supply-related factors that could impact pulp prices in the near-term; and (iv) potential impacts of supply-side reforms on Chinese steel output.

[Company details in pages 3 onwards.](#)

Lucas Laghi

Capital Goods, Metals & Mining and Pulp & Paper
lucas.laghi@xpi.com.br

Guilherme Nippes

Metals & Mining and Pulp & Paper
guilherme.nippes@xpi.com.br

Fernanda Urbano

Capital Goods
fernanda.urbano@xpi.com.br

Metals & Mining and Pulp & Paper Coverage

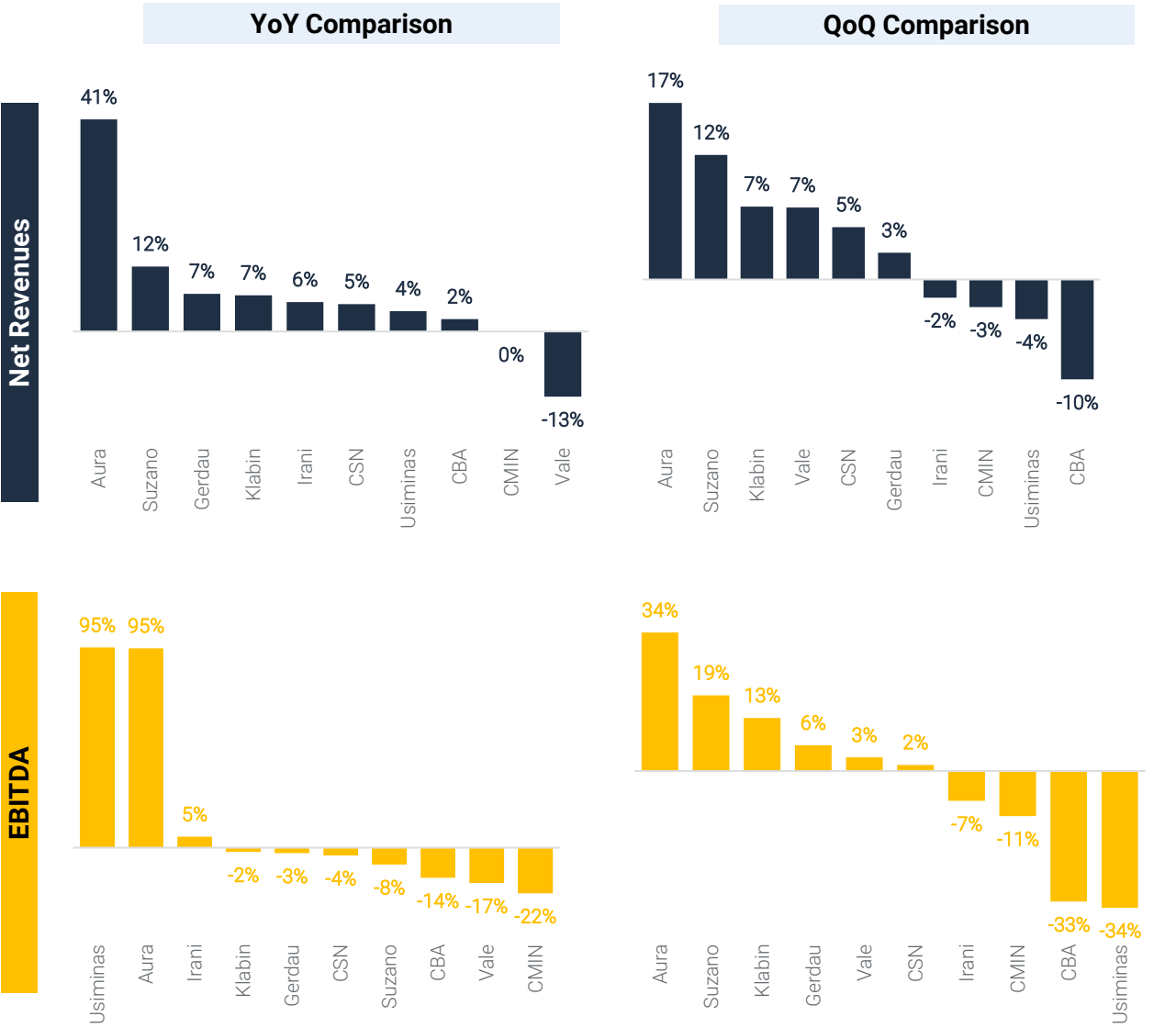
Company	Ticker	Current Price	Target Price	Upside	Rec.	EBITDA (million)		Mkt. Cap (R\$ mn)
						2025E	2026E	
Vale	VALE3	R\$ 55.30	R\$ 66.00	19%	Neutral	US\$14,123	US\$14,126	R\$ 251,007
Bradespar	BRAP4	R\$ 16.48	R\$ 20.80	26%	Neutral	n.a.	n.a.	R\$ 6,299
Gerdau	GGBR4	R\$ 16.50	R\$ 27.00	64%	Buy	R\$ 10,249	R\$ 10,949	R\$ 32,388
Metalurgica Gerdau	GOAU4	R\$ 9.22	R\$ 12.70	38%	Buy	n.a.	n.a.	R\$ 9,180
CSN	CSNA3	R\$ 7.97	R\$ 20.00	151%	Neutral	R\$ 11,693	R\$ 11,543	R\$ 10,569
CSN Mineração	CMIN3	R\$ 5.04	R\$ 6.00	19%	Neutral	R\$ 5,116	R\$ 4,355	R\$ 27,646
Usiminas	USIM5	R\$ 4.32	R\$ 10.00	131%	Neutral	R\$ 3,188	R\$ 3,504	R\$ 5,406
Aura Minerals	AURA33	R\$ 46.39	R\$ 70.00	51%	Buy	US\$480	US\$612	R\$ 10,347
CBA	CBAV3	R\$ 4.87	R\$ 9.00	85%	Buy	R\$ 2,231	R\$ 2,458	R\$ 3,171
Suzano	SUZB3	R\$ 51.71	R\$ 92.00	78%	Buy	R\$ 29,978	R\$ 32,323	R\$ 65,368
Klabin	KLBN11	R\$ 18.99	R\$ 29.00	53%	Buy	R\$ 8,776	R\$ 9,622	R\$ 23,595
Irani	RANI3	R\$ 7.39	R\$ 8.80	19%	Buy	R\$ 573	R\$ 637	R\$ 1,772

Metals & Mining and Pulp & Paper 2Q'25E Preview

Figure 1: Metals & Mining and Pulp & Paper 2Q25E - Net Revenues and EBITDA

2Q'25 Preview	Net Revenues			EBITDA		
	XPe	YoY	QoQ	XPe	YoY	QoQ
Vale (US\$ mn)	8,678	-13%	7%	3,321	-17%	3%
Gerdau (R\$ mn)	17,818	7%	3%	2,556	-3%	6%
CSN (R\$ mn)	11,455	5%	5%	2,548	-4%	2%
CSN Mineração (R\$ mn)	3,322	0%	-3%	1,267	-22%	-11%
Usiminas (R\$ mn)	6,597	4%	-4%	483	95%	-34%
CBA (R\$ mn)	2,114	2%	-10%	290	-14%	-33%
Aura (US\$ mn)	189	41%	17%	110	95%	34%
Suzano (R\$ mn)	12,931	12%	12%	5,784	-8%	19%
Klabin (R\$ mn)	5,292	7%	7%	2,010	-2%	13%
Irani (R\$ mn)	416	6%	-2%	124	5%	-7%

Figures 2-5: Metals & Mining and Pulp & Paper 2Q25E - YoY and QoQ Changes for Net Revenues and EBITDA



Metals & Mining



VALE3, Neutral, TP R\$66.00

Release Date: 31-Jul (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	8,678	9,920	-13%	8,119	7%
EBITDA	3,282	3,997	-18%	3,212	2%
EBITDA mg	37.8%	40.3%	-2 p.p.	39.6%	-2 p.p.
Net Income	1,470	2,769	-47%	1,394	5%

We expect Vale to post decent 2Q25 results, with top-line of US\$ 8.7 billion -13% YoY and +7% QoQ, reflecting a combination of: (i) weaker iron ore realized prices QoQ (-US\$ 8/t), driven by lower iron ore 62% Fe reference prices; and (ii) higher YoY iron ore fines volumes at ~72Mt (+1Mt YoY, +12Mt QoQ), reflecting the improving seasonality in 2Q (*reflected in higher QoQ sales volumes*). On the EBITDA-line, we forecast US\$ 2.9 billion for iron ore solutions (flat QoQ, -26% YoY), with C1 costs up to US\$22.5/t (when compared to US\$25.5/t in 2Q24) along with flattish QoQ freight expenses. We expect EBITDA for Base Metals to reach US\$ 0.6 billion (+55% YoY), reflecting higher YoY copper and nickel sales volumes, along with improving QoQ copper realized prices.



GGBR4, Buy, TP R\$27.00

Release Date: 31-Jul (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	17,818	16,616	7%	17,375	3%
EBITDA	2,556	2,624	-3%	2,402	6%
EBITDA mg	14.3%	15.8%	-1 p.p.	13.8%	1 p.p.
Net Income	919	945	-3%	758	21%

We expect Gerdau to report better 2Q25 results, with a top-line of R\$ 17.8 billion +3% QoQ (+7% YoY) and EBITDA of ~R\$ 2.6 billion +6% QoQ (-3% YoY). We expect: (i) stronger sales volumes (+4% QoQ), with lower contribution from exports and lower realized prices (-1% QoQ) in Brazil's BD, with costs impacted by the start up of the new HRC line in Ouro Branco (cash costs/ton +3% QoQ), implying on a EBITDA margin of ~11%; (ii) an improving performance in North America's division, reflecting improving prices (+US\$45/ton), flattish QoQ costs (in USD), with EBITDA margins back to ~17%, due to the price increases announced during the quarter; and (iii) a decent quarter for South America's BD, reflecting the better seasonality.



CSNA3, Neutral, TP R\$20.00

Release Date: 31-Jul (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	11,455	10,882	5%	10,908	5%
EBITDA	2,548	2,645	-4%	2,509	2%
EBITDA mg	22.2%	24.3%	-2 p.p.	23.0%	-1 p.p.
Net Income	-343	-529	-35%	-619	-45%

We expect CSN to post resilient 2Q25 results, with top-line of R\$ 11.5 billion +5% QoQ and +5% YoY and EBITDA of R\$2.55 billion -4% YoY and +2% QoQ. We note: (i) CSN's mining operations to negatively impact CSN's results, driven by weaker iron ore realized prices ([see more details in CSN Mineração's section in the next page](#)); (ii) better performance in CSN's steel division, driven by resilient realized prices, flattish QoQ sales volumes and lower cash cost per ton (EBITDA margin of 9.2% in 2Q25 vs. 7.9% in 1Q25). In addition, we expect CSN's other divisions to post improving results, with total EBITDA (ex-Mining and Steel) of R\$ 756 million.


CMIN3, Neutral, TP R\$6.00

Release Date: 31-Jul (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	3,322	3,324	0%	3,412	-3%
EBITDA	1,267	1,618	-22%	1,427	-11%
EBITDA mg	38.1%	48.7%	-11 p.p.	41.8%	-4 p.p.
Net Income	483	1,507	-68%	-357	-235%

We expect CSN Mineração to report weaker 2Q25 results, with EBITDA of R\$1.3 billion -11% QoQ (-22% YoY). We forecast lower iron ore realized prices (at US\$52/t), due to weaker iron ore 62% Fe reference prices (-US\$6/t QoQ), with a negative impact from provisional prices. Moreover, we forecast higher YoY iron ore sales volumes, at 11.1Mt (+0.4 Mt YoY) when including 3rd party purchases. Moreover, we expect C1 cash costs to slightly increase QoQ to US\$21.5/t, although below 2Q24 figures of US\$21.8/t, along with slightly higher freight expenses.


USIM5, Neutral, TP R\$10.00

Release Date: 25-Jul (Before Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	6,597	6,350	4%	6,858	-4%
EBITDA	483	247	95%	733	-34%
EBITDA mg	7.3%	3.9%	3 p.p.	10.7%	-3 p.p.
Net Income	44	-140	-131%	301	-85%

We expect Usiminas to post weaker 2Q25 results, with EBITDA of R\$483 million -34% QoQ (+95% YoY). For steel, we expect: (i) slightly lower steel volumes at 1.1Mt (+4% YoY, -1% QoQ); (ii) lower steel realized prices (-2% QoQ); (iii) higher cash cost per ton (+1% QoQ), with EBITDA reaching R\$365 million in 2Q25. We also expect weaker figures for its mining operations, reflecting lower iron ore realized prices (-US\$8/t QoQ), although with higher iron ore sales volumes (+0.2Mt YoY), with EBITDA reaching ~R\$120 million.


CBAV3, Buy, TP R\$9.00

Release Date: 06-Aug (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	2,114	2,065	2%	2,338	-10%
EBITDA	290	339	-14%	430	-33%
EBITDA mg	13.7%	16.4%	-3 p.p.	18.4%	-5 p.p.
Net Income	3	-101	-103%	305	-99%

We expect CBA to report weaker 2Q25 results, with EBITDA of R\$290 million -33% QoQ, -14% YoY. For aluminum, we expect: (i) flattish QoQ sales volumes with a better sales mix; (ii) lower LME prices (considering the 1-month lag effect), with prices down by 6% QoQ in BRL, resulting on an EBITDA of R\$ 320 million (-38% QoQ). Additionally, we expect a weaker performance for CBA's energy, with a negative EBITDA of R\$20 million, while for nickel we anticipate a negative EBITDA of R\$10 million.


AURA33, Buy, TP R\$70.00

Release Date: 05-Aug (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	189	134	41%	162	17%
EBITDA	110	56	95%	81	34%
EBITDA mg	57.9%	41.8%	16 p.p.	50.4%	8 p.p.
Net Income	-65	-26	152%	-73	-11%

We expect Aura to post strong 2Q25 results, with EBITDA of US\$ 110 million +34% QoQ (+95% YoY), mostly explained by higher gold prices (up ~US\$430/oz QoQ), and an [already reported solid production performance](#) (+6% above our estimates, with Borborema's first gold production). We note: (i) improving YoY sales volumes for Almas to drive another strong quarter performance, with EBITDA reaching US\$28 million (up by US\$17 million YoY); and (ii) another resilient quarter at San Andres' operations (EBITDA up by US\$9 million QoQ), driven by a stabilized production performance.

Pulp & Paper



SUZB3, Buy, TP R\$92.00

Release Date: 06-Aug (Aft Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	12,931	11,494	12%	11,553	12%
EBITDA	5,784	6,288	-8%	4,866	19%
EBITDA mg	44.7%	54.7%	-10 p.p.	42.1%	3 p.p.
Net Income	5,193	-3,766	-238%	6,348	-18%

We expect Suzano to post improving 2Q25 results, with EBITDA of R\$ 5.8 billion up 19% QoQ (-8% YoY). We note: (i) decent pulp sales volumes (+480kt YoY), with no impacts from maintenance stoppages this quarter ([see our comments on 1Q25 results](#)); (ii) slightly higher pulp realized prices, which we expect at ~USD 565/t (up by ~US\$10/t QoQ), despite a stronger BRL (USD/BRL -3% QoQ); (iii) lower pulp cash costs (ex-downtime), reflecting the higher dilution of fixed costs; and (iv) better results in the Paper segment reflecting seasonally higher volumes, although prices and costs were relatively flat QoQ. For: (i) pulp, we forecast EBITDA of R\$ 5.0 billion (+18% QoQ), with margins at 51.8% (up by 2 p.p. QoQ); and (ii) for paper, we expect EBITDA of R\$ 0.8 billion (+26% QoQ), with margins at 23.7%.



KLBN11, Buy, TP R\$29.00

Release Date: 05-Aug (Before Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	5,292	4,949	7%	4,946	7%
EBITDA	2,010	2,052	-2%	1,775	13%
EBITDA mg	38.0%	41.5%	-3 p.p.	35.9%	2 p.p.
Net Income	111	289	-62%	276	-60%

We expect Klabin to post improving 2Q25 results, with EBITDA reaching ~R\$2.0 billion (+13% QoQ, -2% YoY), and margins improving to 38.0% (vs. 35.9% in 1Q25). We note that 2Q25 figures should be supported by: (i) rising pulp volumes (+40kt QoQ), mostly given by higher hardwood exports; (ii) pulp prices were flat QoQ in USD (although with a negative impact from the BRL appreciation); while (iii) costs were slightly lower QoQ. For paper & packaging, we expect: (i) weaker cardboard volumes, although with resilient prices; (ii) higher corrugated boxes volumes (+15kt QoQ), with flattish QoQ prices; (iii) higher kraftliner sales volumes, with flattish prices; and (iv) flattish QoQ costs.



RANI3, Buy, TP R\$8.80

Release Date: 31-Jul (Before Mkt)

	2Q25E	2Q24	YoY	1Q25	QoQ
Net Revenues	416	393	6%	423	-2%
EBITDA	124	118	5%	134	-7%
EBITDA mg	29.9%	30.0%	0 p.p.	31.7%	-2 p.p.
Net Income	73	40	82%	59	24%

We expect Irani to post decent 2Q25 results, with EBITDA of R\$ 124 million (-7% QoQ, +5% YoY), and margins at 29.9% (vs. 31.7% in 1Q25). We highlight: (i) weaker corrugated boxes (-4% QoQ, flat YoY) and paper volumes (-3% QoQ, +1% YoY); (ii) higher corrugated boxes prices (+2% QoQ) and flattish paper prices (flat QoQ); and (iii) marginal volumes from the resin segment. We also anticipate higher costs, mostly affected by higher OCC prices in 2Q25.

XP Estimates and Consensus

Figure 6: Metals & Mining and Pulp & Paper 2Q25E Preview (R\$ million, except Vale and Aura [US\$ million])

XP vs. Consensus	Results Release Date	2Q25			YoY		QoQ	
		XPe	Cons.	Diff. (%)	2Q24	Diff. (%)	1Q25	Diff. (%)
Metals & Mining								
Vale	31-jul-25							
Net Revenues		8,678	9,487	-9%	9,920	-13%	8,119	7%
EBITDA		3,321	3,621	-8%	3,997	-17%	3,212	3%
Net Income		2,520	1,755	44%	2,769	-9%	1,394	81%
Gerdau	31-Jul-25							
Net Revenues		17,818	18,479	-4%	16,616	7%	17,375	3%
EBITDA		2,556	2,921	-13%	2,624	-3%	2,402	6%
Net Income		919	1,160	-21%	945	-3%	758	21%
CSN	31-Jul-25							
Net Revenues		11,455	11,331	1%	10,882	5%	10,908	5%
EBITDA		2,548	2,742	-7%	2,645	-4%	2,509	2%
Net Income		-343	-347	-1%	-529	-35%	-619	-45%
CSN Mineração	31-Jul-25							
Net Revenues		3,322	3,592	-8%	3,324	0%	3,412	-3%
EBITDA		1,267	1,387	-9%	1,618	-22%	1,427	-11%
Net Income		483	626	-23%	1,507	-68%	-357	-235%
Usiminas	25-Jul-25							
Net Revenues		6,597	6,740	-2%	6,350	4%	6,858	-4%
EBITDA		483	797	-39%	247	95%	733	-34%
Net Income		44	225	-81%	-140	-131%	301	-85%
CBA	6-Aug-25							
Net Revenues		2,114	2,385	-11%	2,065	2%	2,338	-10%
EBITDA		290	436	-33%	339	-14%	430	-33%
Net Income		3	104	-98%	-101	-103%	305	-99%
Aura Minerals	5-Aug-25							
Net Revenues		189	n.a.	n.a.	134	41%	162	17%
EBITDA		110	n.a.	n.a.	56	95%	81	34%
Net Income		-65	n.a.	n.a.	-26	152%	-73	-11%
Pulp & Paper								
Suzano	6-Aug-25							
Net Revenues		12,931	12,666	2%	11,494	12%	11,553	12%
EBITDA		5,784	6,059	-5%	6,288	-8%	4,866	19%
Net Income		5,193	1,453	257%	-3,766	-238%	6,348	-18%
Klabin	5-Aug-25							
Net Revenues		5,292	5,276	0%	4,949	7%	4,946	7%
EBITDA		2,010	2,011	0%	2,052	-2%	1,775	13%
Net Income		111	499	-78%	289	-62%	276	-60%
Irani	31-Jul-25							
Net Revenues		416	n.a.	n.a.	393	6%	423	-2%
EBITDA		124	n.a.	n.a.	118	5%	134	-7%
Net Income		73	n.a.	n.a.	40	82%	59	24%



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