

2Q2024

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Relevant events



Part of the S&P and BVL Sustainability Index

Aceros Arequipa is part of the top 16 Peruvian companies in the S&P and BVL sustainability index.

This achievement positions Aceros Arequipa as the only steel company among the 16 recognized for their leadership in sustainability within the Peruvian stock market.



Dividend payment approval

During the July 23rd session, the board of directors of Aceros Arequipa approved the distribution of dividends totaling US\$ 5.6 million (S/ 21 million), to be duly paid on August 15th.

“Net profit surged by over 180% following a margin recovery in Peru and recurring markets”



2Q24 Results

S/ million

Revenue
1,132.9 (-5% YoY)

EBITDA
167.4 (+84% YoY)

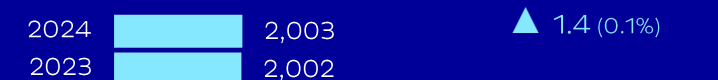
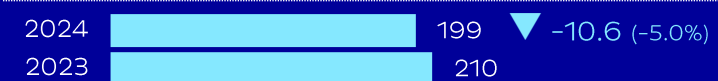
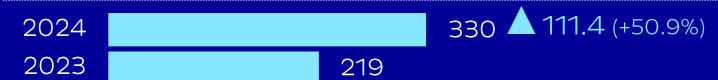
Net profit
51.3 (+180% YoY)

Operating Working Capital
1,391.1

Capex
100.4 (-7% YoY)

Net debt
2,003.1
3.7x LTMEBITDA

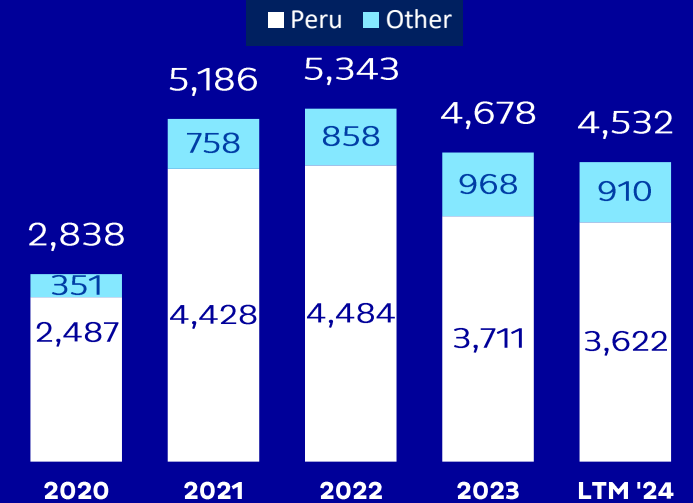
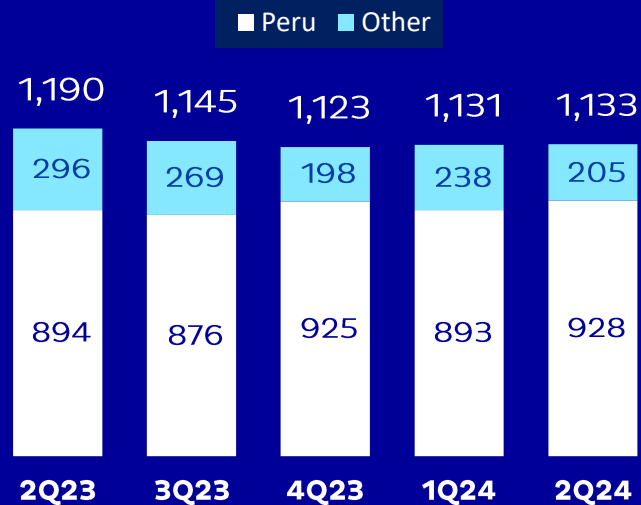
■ 2Q ■ YTD



Revenue s/ million

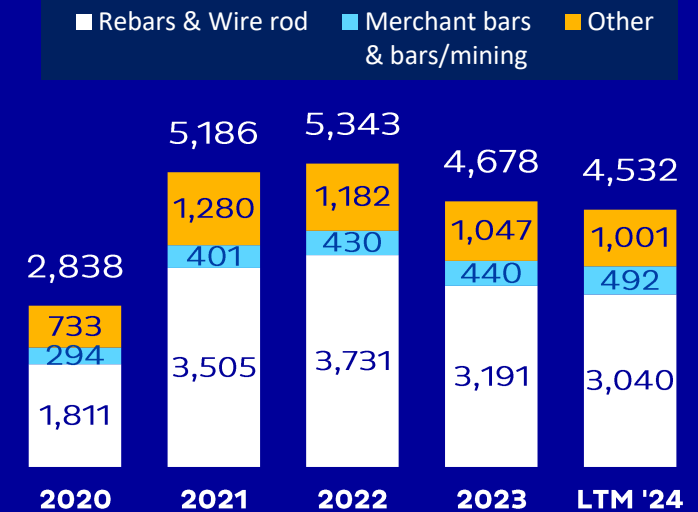
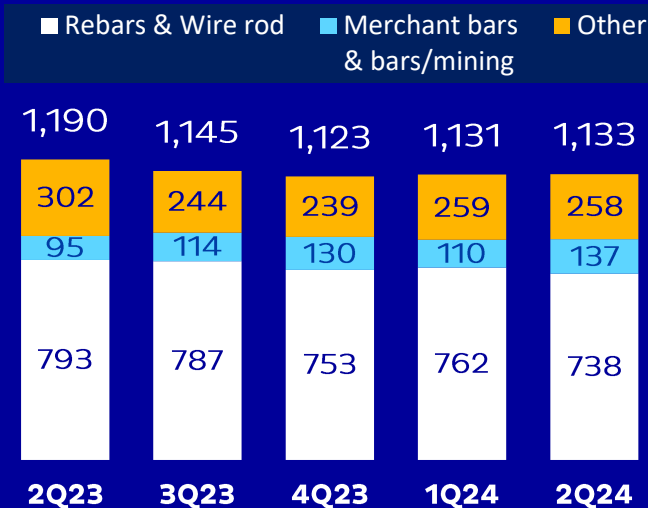
By destination

- **Peru:** Increased volume partially offset by lower prices, with both effects mainly attributed to round bars for grinding mining balls.
- **Other:** Reduced volume of rebar (non-recurring destinations and Bolivia) and billets (not sold during the quarter) partially offset by increased sales to Ecuador and Colombia



By product type

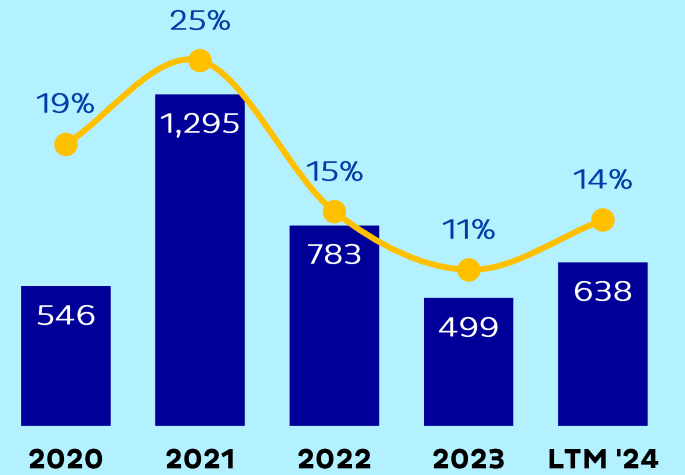
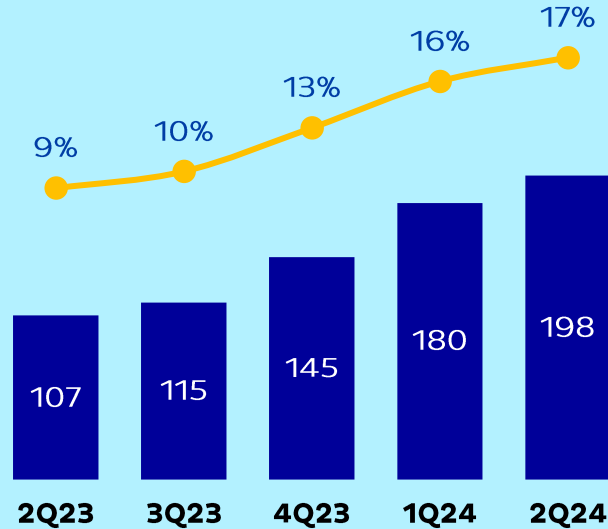
- **Rebar & Wire rod:** Lower volume and price non recurring dest. and Bolivia) partly offset by higher volume to Ecuador
- **Merchant bars & bars for mining balls:** Higher volume for bars for mining balls.
- **Other:** Billets and byproducts not sold (to non-recurring markets), partially offset by sales of non-ferrous and nails & wires.



Operating profitability \$/ million

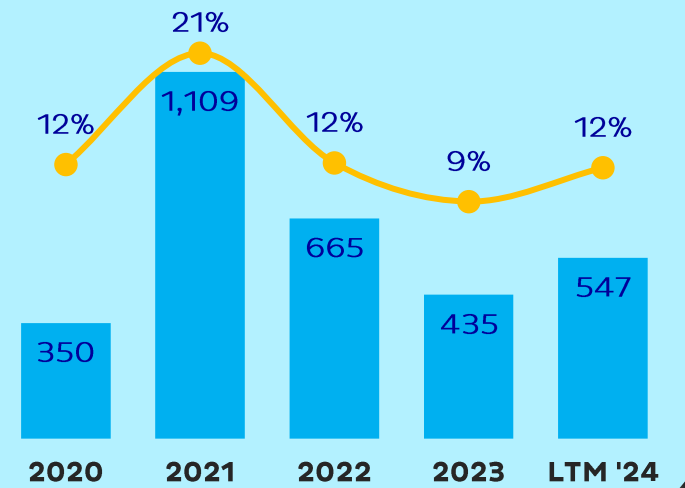
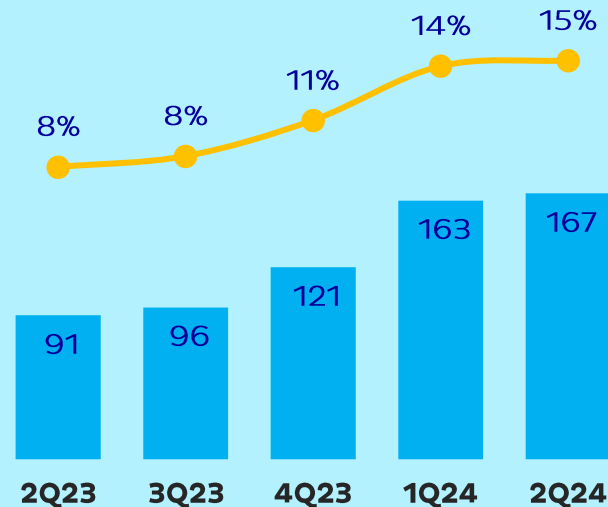
Gross Profit & Margin

- Recovery primarily in Peru, followed by Colombia and Bolivia due to increased volume and lower costs.
- Profitability in Ecuador operations (2Q 2023 inactive).
- Highlights include rebar, non-ferrous, sheets and tubes, merchant bars, and bars for grinding mining balls.



EBITDA & Margin

A higher Gross Profit drove an increase in EBITDA YoY.

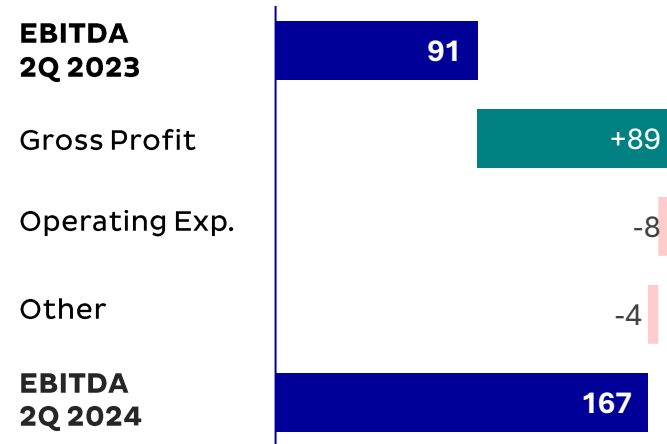


EBITDA S/ million

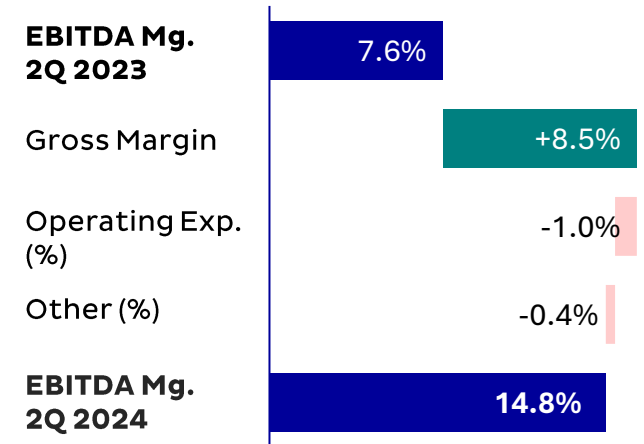
EBITDA improved by S/ 77 million YoY

- **Gross Profit** recovery in Peru, Colombia and Bolivia.
- **Operating expenses** mainly due to higher variable personnel expenses.

EBITDA S/ million



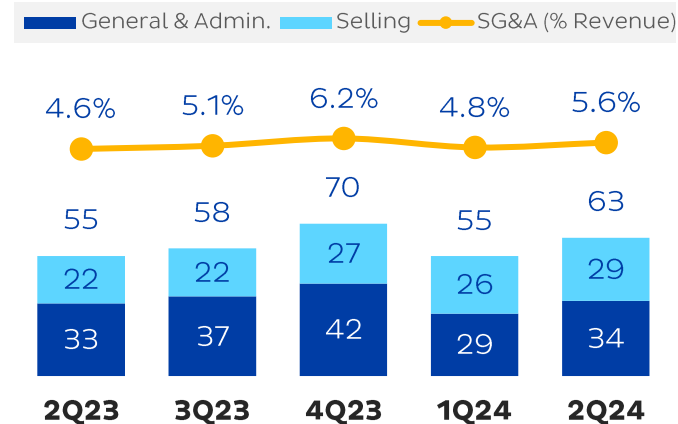
EBITDA margin (%)



Note: does not consider depreciation, amortization and other adjustments to EBITDA.

Operating expenses

- **Selling Expenses:** attributed to increased variable personnel expenses.
- **General & Administrative:** driven by higher variable personnel expenses.



Note: does not consider depreciation, amortization and other adjustments to EBITDA.

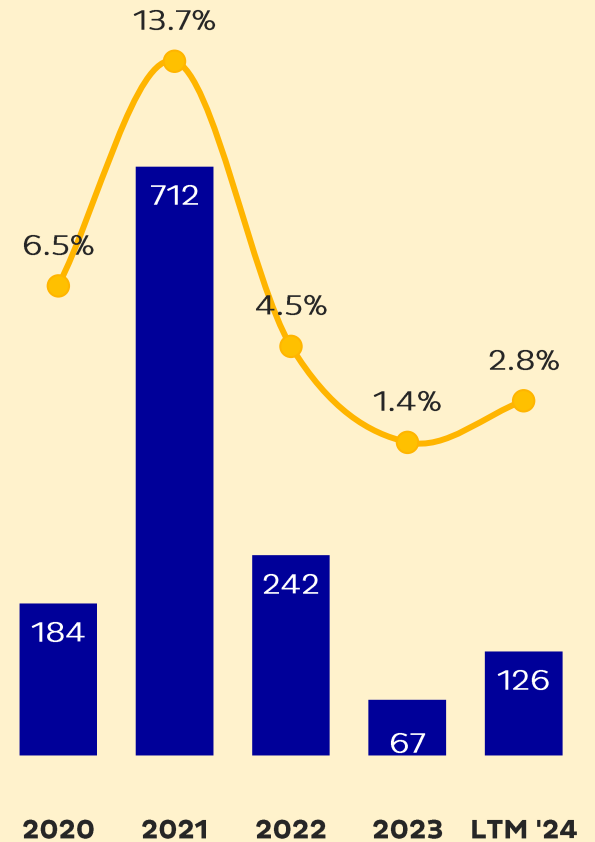
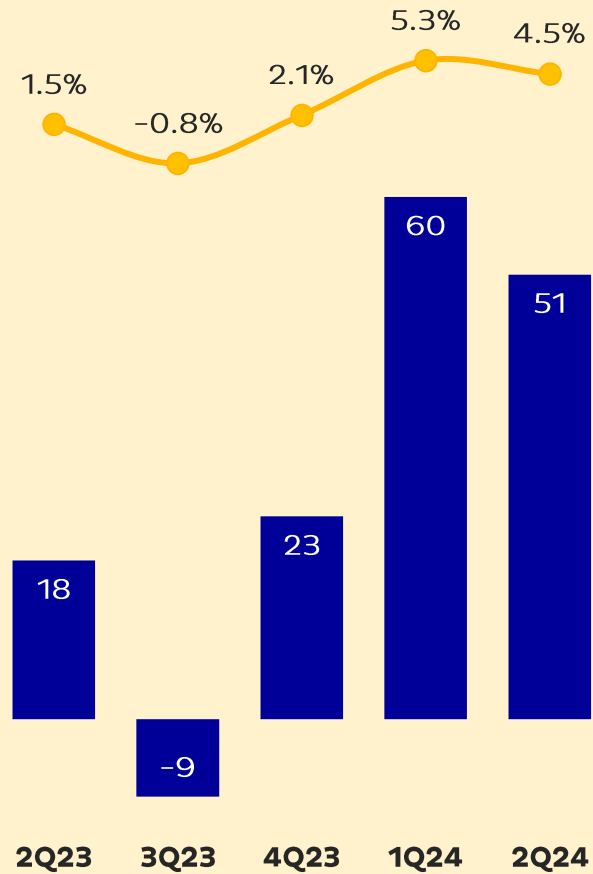


Net profit S/ million

Net profit & margin

Net profit was S/ 33 million higher

- An improvement in operating profit was the primary driver.
- Lower financial expenses.
- Negative net exchange rate difference compared to positive in 2Q 2023.
- Higher income tax due to improved results.



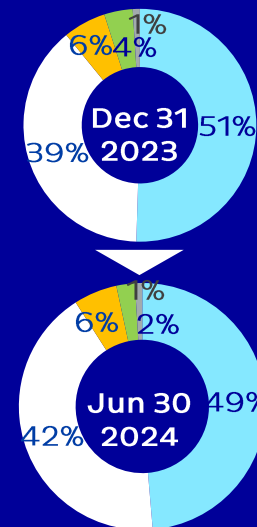
Financial debt s/ million

Debt by type

- Short term debt: lower YTD driven by lower inventory levels
- LT debt / Melt Shop lease: debt amortization in line with amortization schedule



Debt by currency



Other ratios

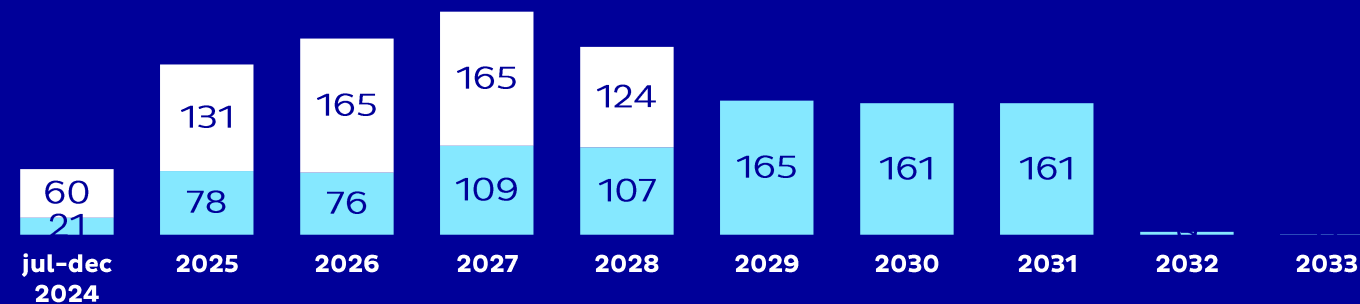
Leverage
Total Liabilities / Equity **1.20x**

Fin. Exp. Coverage
LTM EBITDA / LTM Financial expenses **3.30x**

Liquidity
Current Assets / Current Liabilities **1.30x**

Amortization schedule

Other Long Term (light blue) | Leasing (white)



Note:

(1) Planned amortization schedule with financial institutions. Does not consider operating leases with suppliers. Operating leases with suppliers appear in the Total Debt by Type graph.

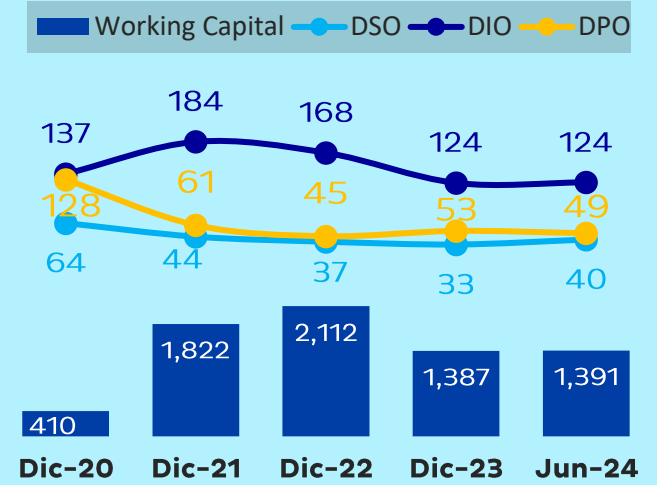
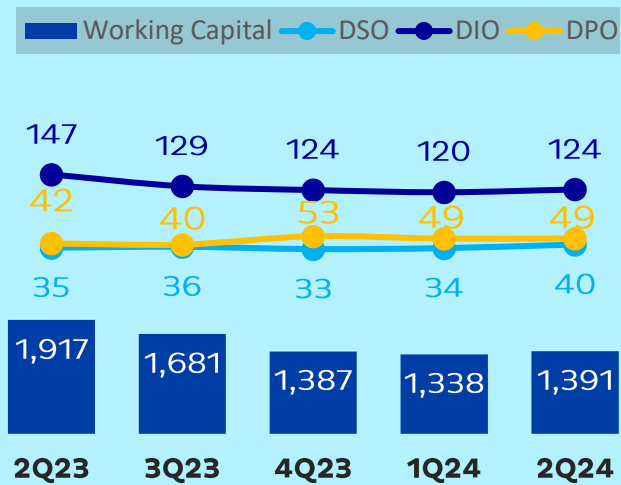
(2) For illustration purposes USD / PEN = 3.80

(3) The amortization Schedule of BCP and Interbank loans consider the full disbursement of those loans.

Working Capital & Capex S/ million

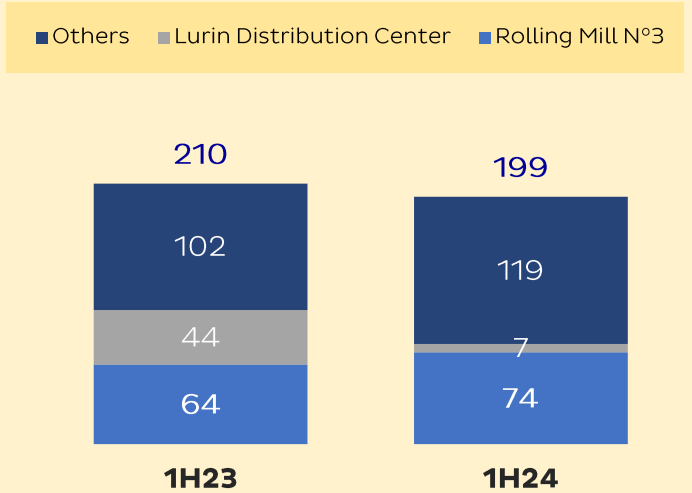
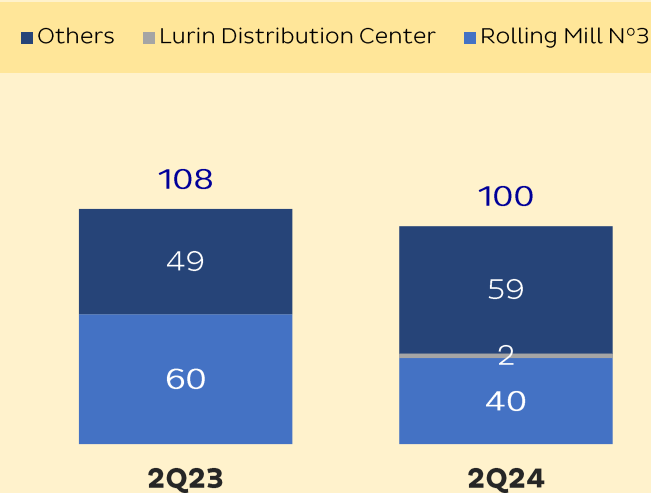
Operating Working Capital

- Inventory reduction in line with lower costs.



Capex

- Other projects (2Q 2024):
 - Nail and wire plant (S/ 22.7 million)
 - Lime furnace (S/ 8.0 million)
 - Scrap cleaning machine (S/ 4.3 million)
 - Repair of reheating furnace (S/ 1.5 million)
 Among other



Cash Flow S/ million

Operating activities

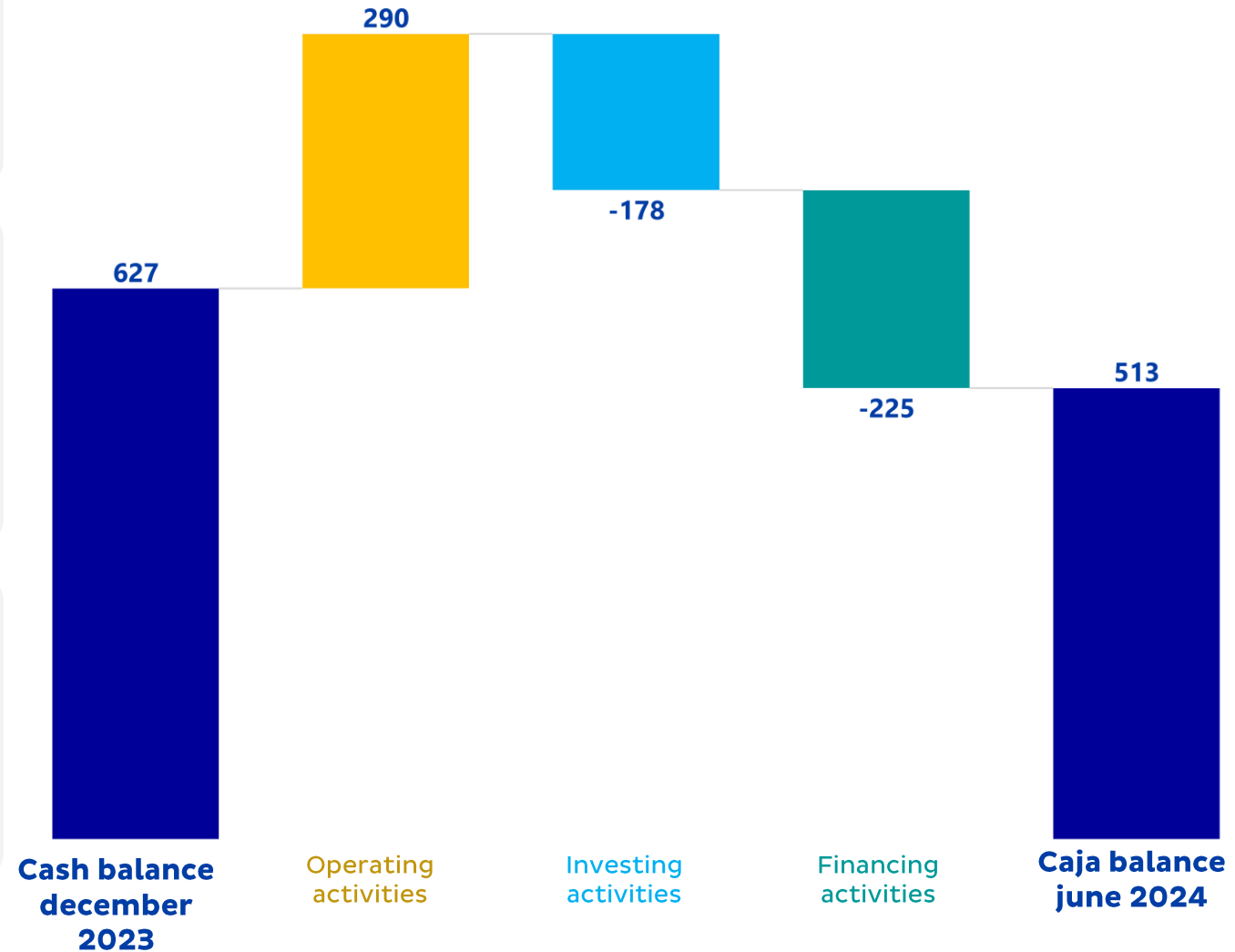
- EBITDA improvement
- Lower inventories

Investing activities

- Investments in Property, Plant, and Equipment (PP&E) and intangibles (S/ 199 million).
- Interest received (S/ 15 million).
- Sale of assets (S/ 5 million).
- Dividends received (S/ 1 million).

Financing activities

- Net financing of -S/ 138 million.
- Interest payments of -S/ 74 million.
- Dividend payments of -S/ 14 million.





Guidance

S/ million

2023

GUIDANCE
2024

Revenue growth

(YoY %)

-12%

0%

EBITDA

S/ million

435

>655

CAPEX

S/ million

479

~260

Dividends paid

S/ million

44

>65

EPS

S/

0.06

>0.22



Mr. Ricardo Guzmán
CFO, IRO

Q&A

If you wish to ask a question contact the moderator through the chat window during the presentation

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PRESENTATION



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