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**Dow Jones
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4Q 2020 EARNINGS PRESENTATION



AGENDA

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RELEVANT EVENTS 2020

In November Aceros Arequipa was included as an index component of the **Dow Jones Sustainability Indices (DJSI)** in the MILA Pacific Alliance category

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In August 2020, Aceros Arequipa realized the first Peruvian Steel **shipment to China with 40 thousand tons of Steel billets**



The Environment Ministry granted **Aceros Arequipa** the first “Carbon Footprint Peru” star, for calculating and reporting its greenhouse effect emissions



RESULTS SNAPSHOT

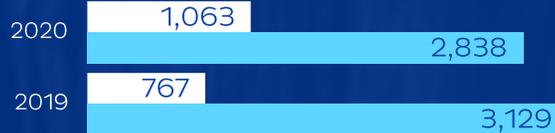
S/ million

4Q
FY

REVENUE

1,063.2 ▲ 295.8 (+38.5%)
YoY

2,837.6 ▼ -291.5 (-9.3%)
YoY



OPER. WORKING CAPITAL BALANCE

416.0 ▼ 417.7 (-50.1%)
YTD



EBITDA (Margin)

184.6 (17%) ▲ 75.7 (+69.5%)
YoY

411.0 (14%) ▲ 17.3 (+4.4%)
YoY



CAPEX

108.4 ▼ 51.0 (-68.0%)
YoY

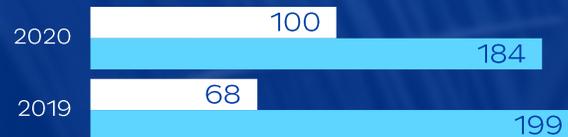
368.7 ▼ 156.2 (-70.2%)
YoY



NET PROFIT (Margin)

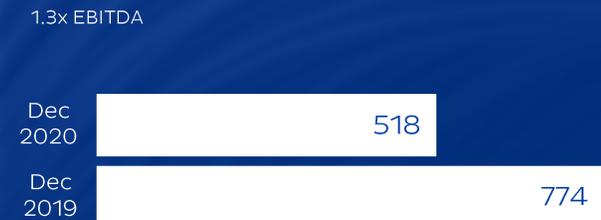
100.2 (9%) ▲ 32.3 (+47.6%)
YoY

184.0 (6%) ▼ -15.0 (-7.5%)
YoY



NET DEBT

518.4 ▼ 255.5 (-33.0%)
YTD





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REVENUE

S/ million

Revenue increased S/ 296 million or 38.5% YoY, boosted by an increased demand in the local market and higher average prices

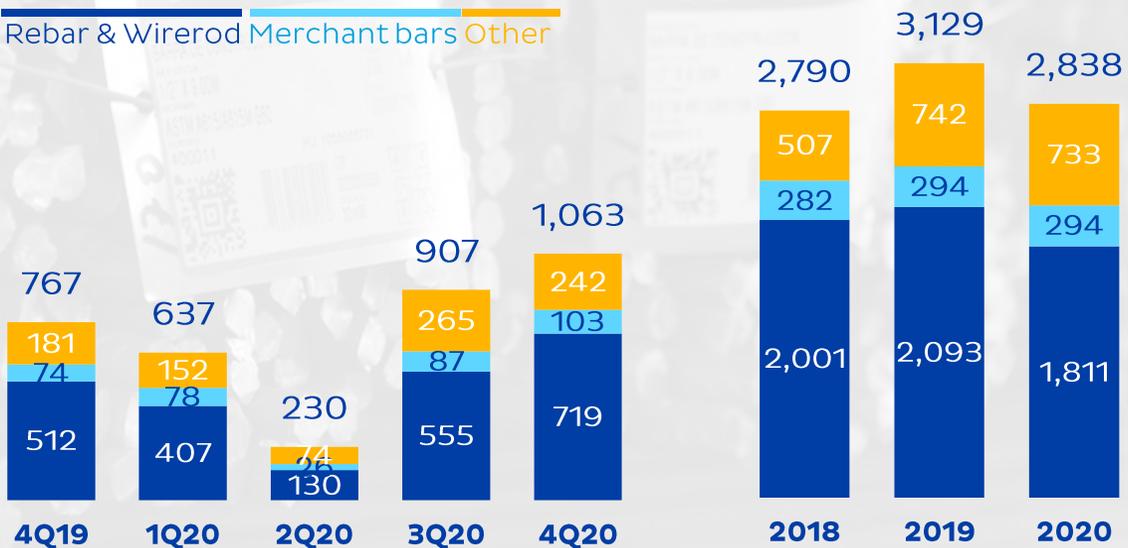
Revenue by destination

Peru Exports



Revenue by product category

Rebar & Wirerod Merchant bars Other

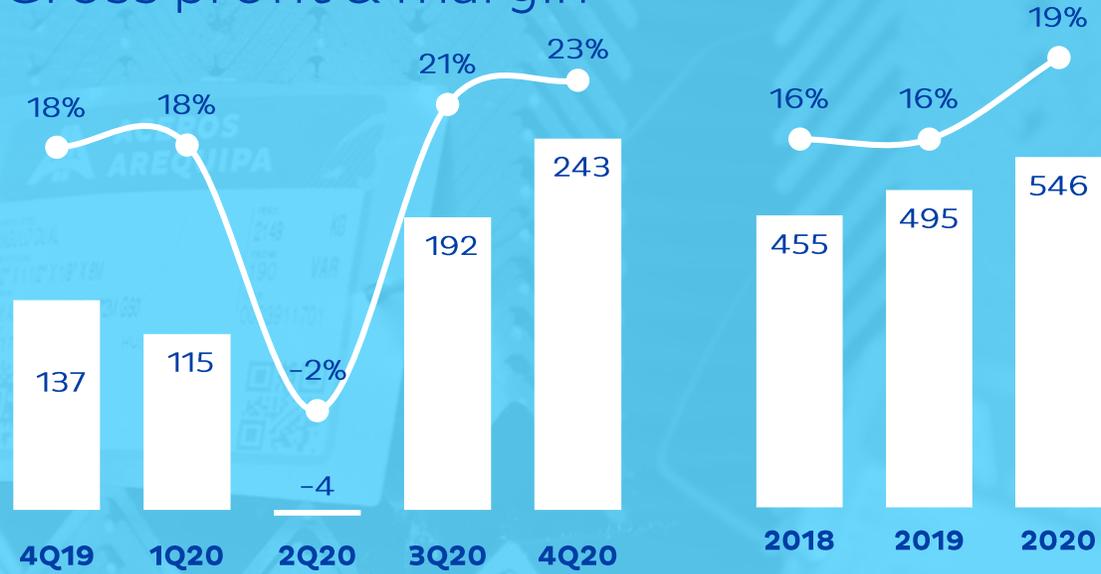


OPERATING PROFITABILITY

S/ million

Gross margin increased driven by higher average prices

Gross profit & margin



EBITDA & margin



EBITDA

S/ million

EBITDA was higher due to a higher gross profit

SG&A represented a higher % of revenue due to higher allowances for doubtful accounts, personnel expenses and COVID-19 related expenses

EBITDA margin drivers



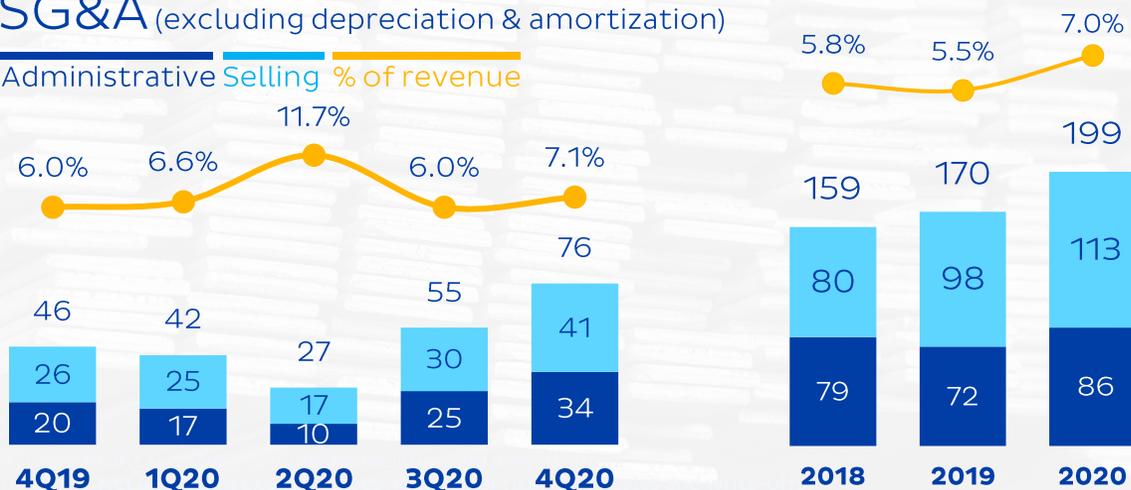
EBITDA drivers



Nota: (*) Gross profit and SG&A does not consider Depreciation & Amortization
(**) Other net operating expenses do not consider asset sales and write-offs

SG&A (excluding depreciation & amortization)

Administrative Selling % of revenue



NET PROFIT

S/ million

Higher operating profit by S/ 72 million, despite higher SG&A by S/ 27 million and higher other net operating expenses by S/ 7 million

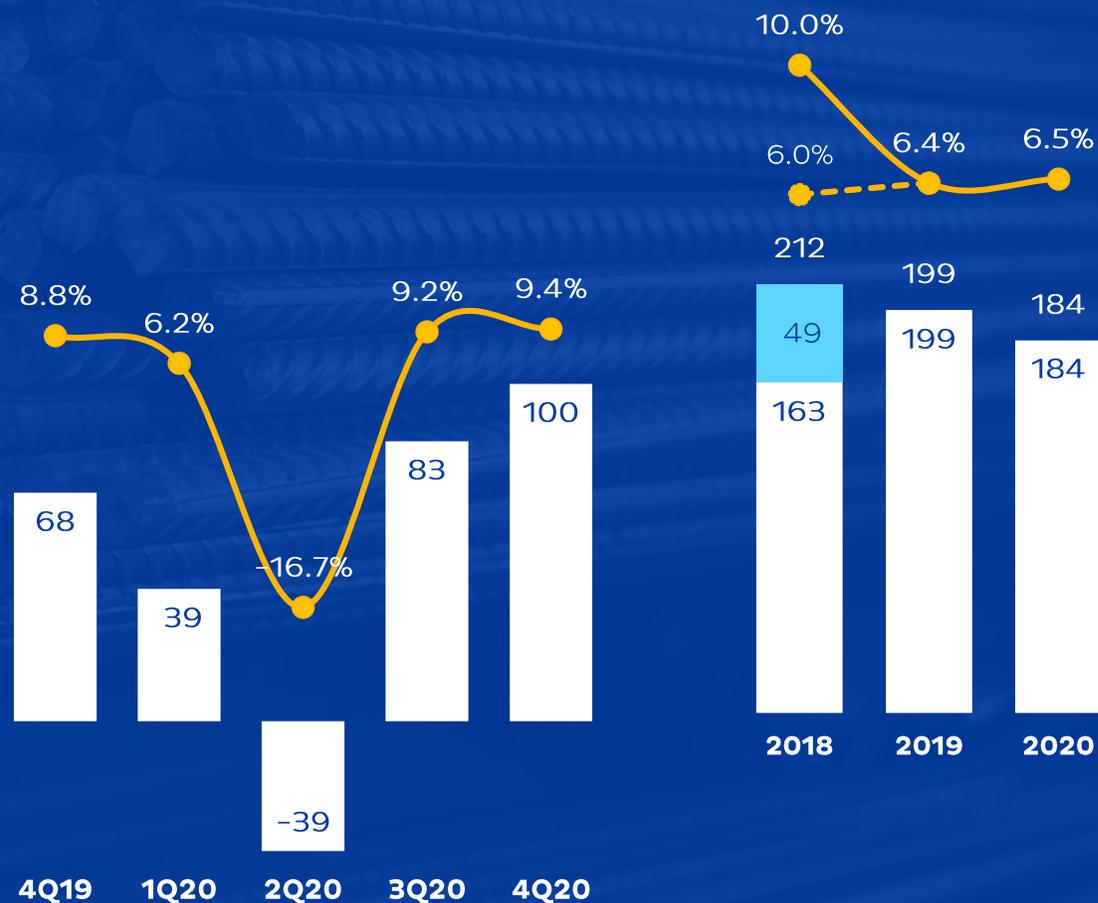
Net financial expenses were S/ 0.9 million lower

Exchange rate differences had a negative S/ 0.6 million effect

Higher Income Tax by S/ 40 million

Net profit & margin

Net profit Badwill Net margin (normalized)



Nota: (*) 2018 badwill originated after the Comasa takeover, net deferred of taxes. To be amortized in the following periods.
 (**) Net margin excluding Badwill.

DEBT METRICS

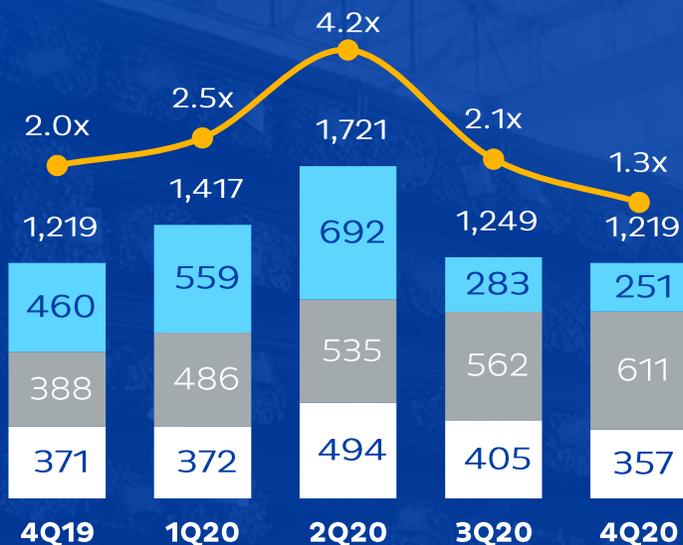
S/ million

Significant reduction of short term debt

Similar total debt YoY due to melt shop lease

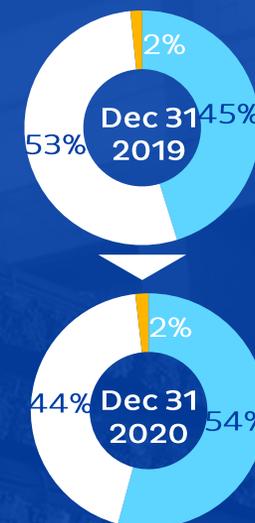
Total debt by type

LT Debt Melt shop lease ST Debt Net debt / EBITDA



By currency

US\$ S/ BOL



Other ratios as of december 2020

Leverage

(Total Liabilities / Shareholders' equity)

1.03x

Fin. Expenses coverage

(LTM EBITDA / LT. Fin. Expenses)

12.69x

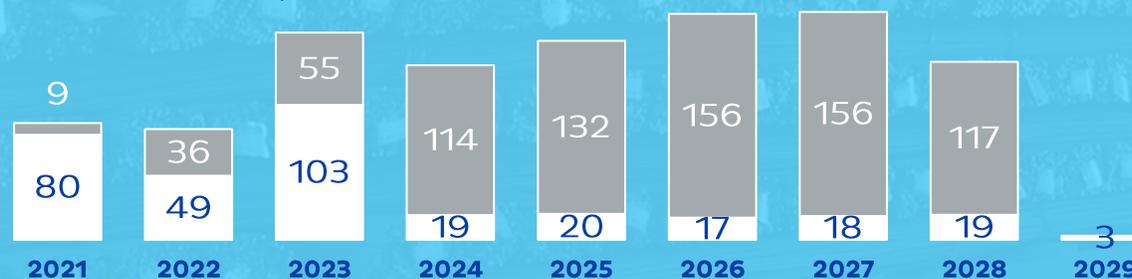
Liquidity

(Current Assets / Current Liabilities)

1.62x

LT debt amortization schedule ⁽¹⁾ (planned ⁽²⁾)

LT Debt Melt shop lease⁽³⁾



Nota:

(1) Planned amortization schedule with financial institutions. Does not consider

leasing with suppliers with a balance of S/ 26 million

(2) For illustration purposes USD / PEN = 3.60

(3) The amortization Schedule of the new melt shop consider the full disbursement of the financial lease.

WORKING CAPITAL & CAPEX

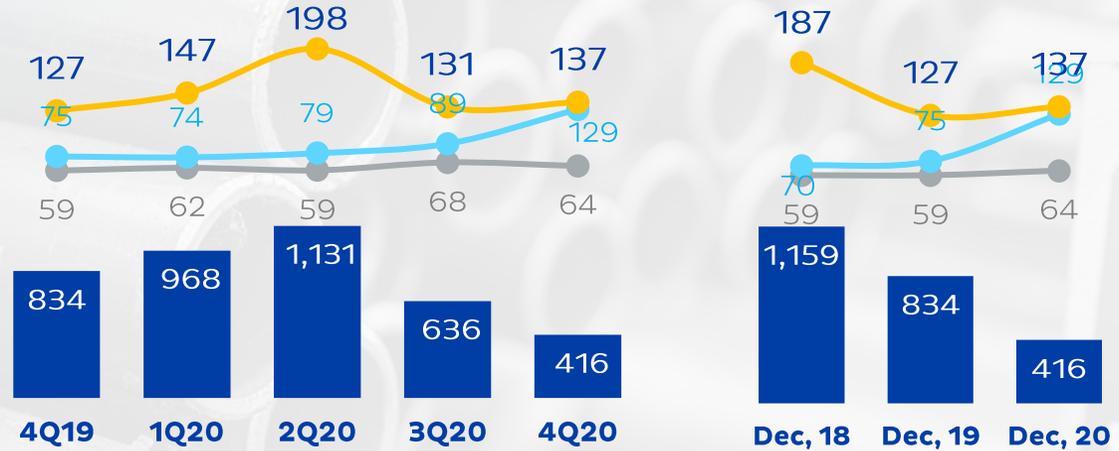
\$/ million

Lower working capital requirements vs december 2019, mainly due to higher accounts payables

CAPEX included investments in the new melt shop and upgrades on the rolling mill, among other

Operating Working Capital

Working Capital Acc. Payables(days) Acc. Receivables(days) Inventory(days)

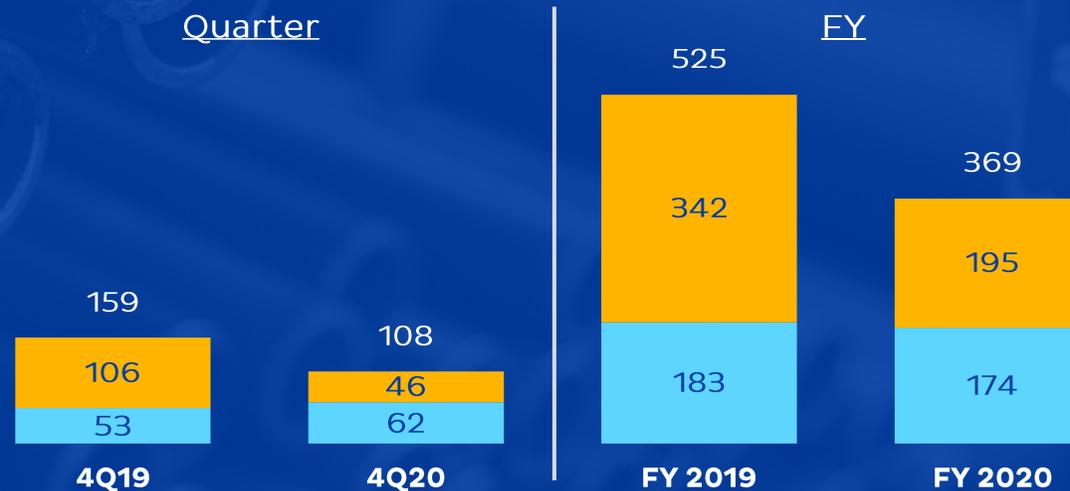


Capex

Capex New melt shop

Quarter

FY



CASH FLOW

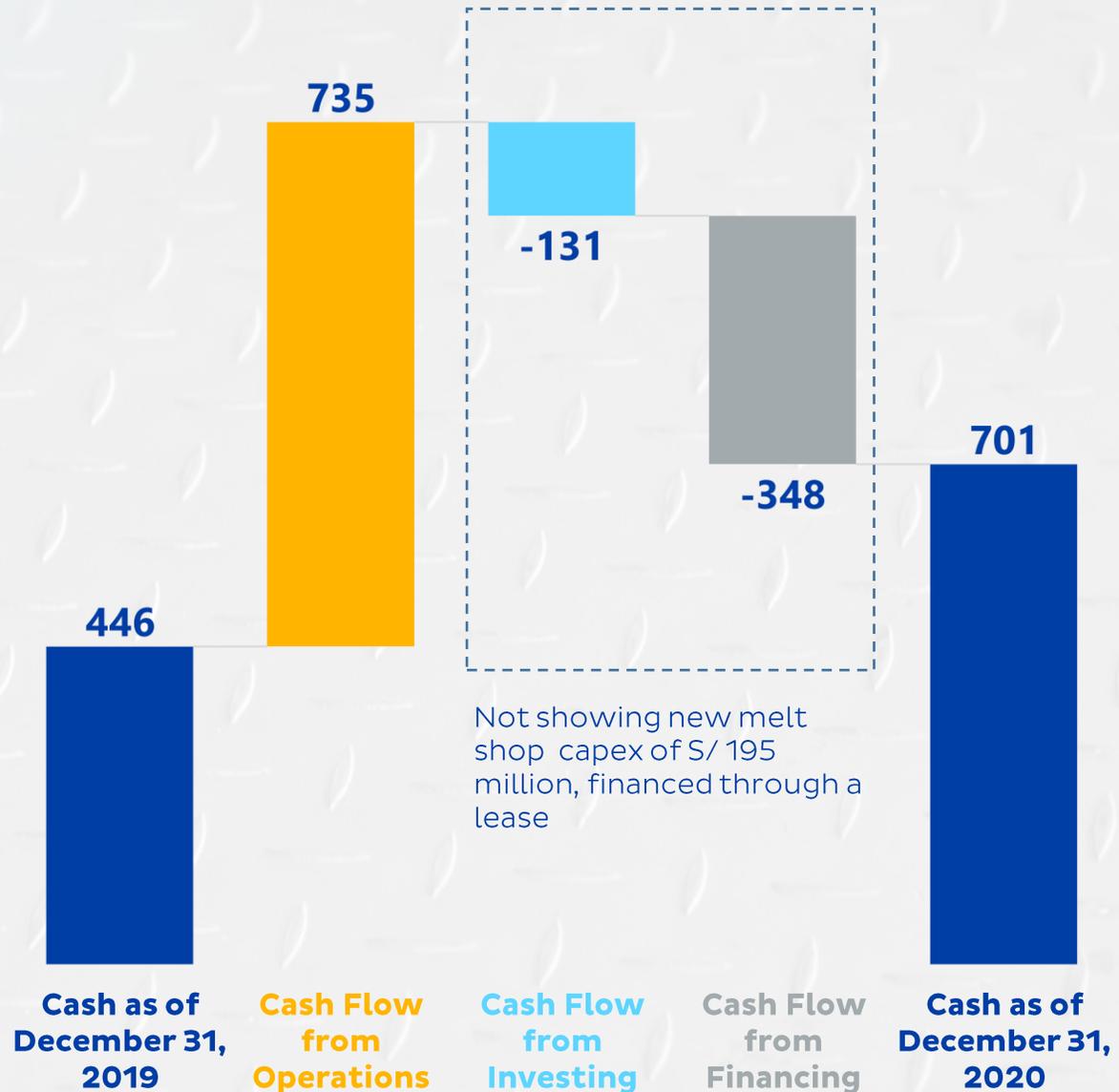
S/ million

Lower inventories and higher accounts payables

Investment in fixed assets of S/ 174 million, partly offset by asset sales of S/ 34 million and interest received of S/ 8 million

Debt amortization during the period and interest and dividends paid of S/ 32 million and S/ 75 million, respectively

Cash Flow as of December 2020



GUIDANCE 2021

S/ million

2020 GUIDANCE
2021

Revenue growth

-9.3% >40%

EBITDA

411 >570

CAPEX

369 450
540

Dividends paid

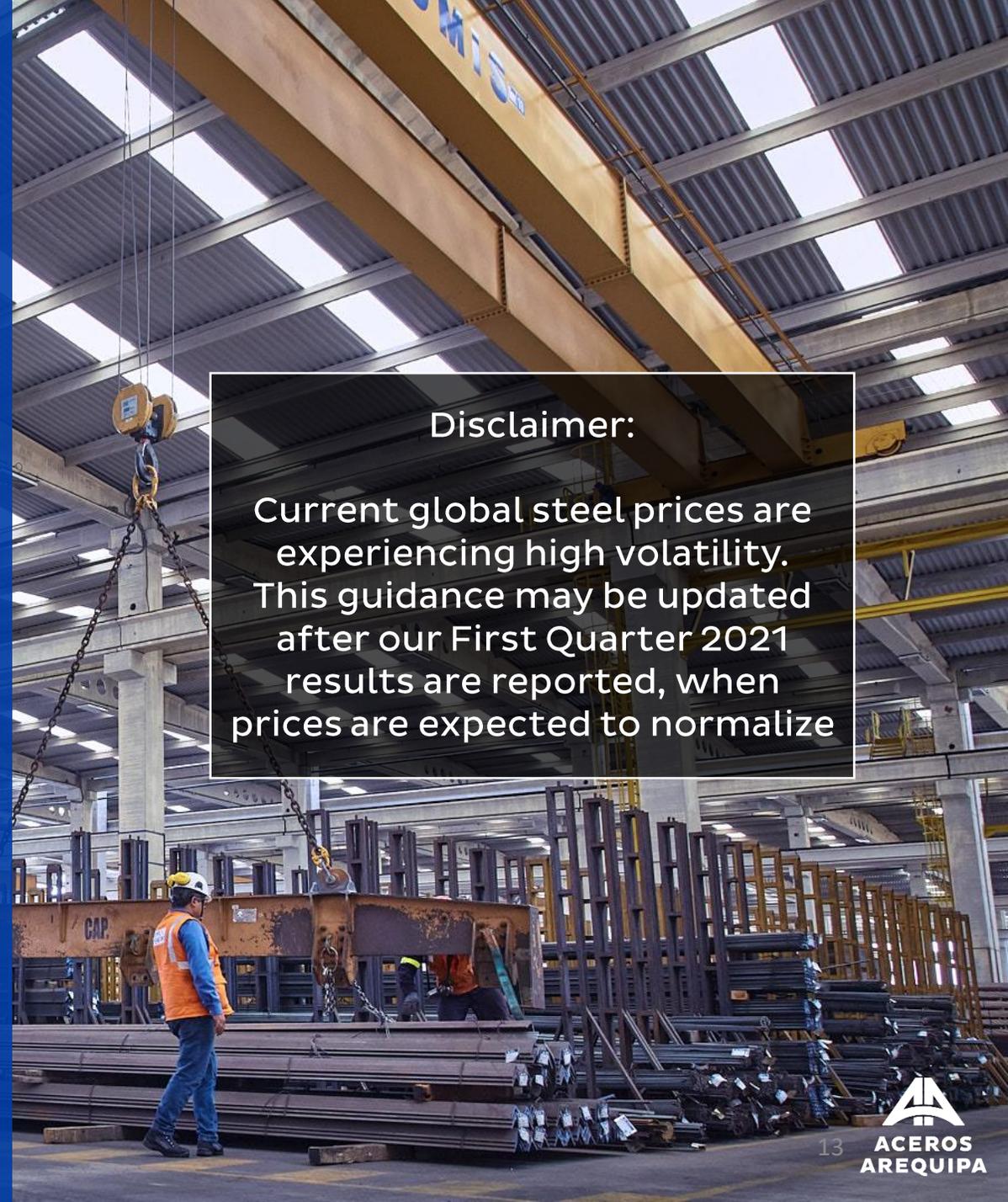
74.9 >100

EPS

0.17 >0.25

Disclaimer:

Current global steel prices are experiencing high volatility. This guidance may be updated after our First Quarter 2021 results are reported, when prices are expected to normalize



Q&A

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

**Mr. Tulio
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CEO



**Mr. Ricardo
Guzmán**
CFO, IRO



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4Q 2020

EARNINGS
PRESENTATION



This Earnings Presentation may contain forward-looking statements concerning management’s current expectations for future operating and financial performance, based on assumptions currently believed to be valid and recent acquisitions, its financial and business impact, management’s beliefs and objectives with respect thereto. Forward-looking statements are all statements other than statements of historical facts. The words “anticipates”, “may”, “can”, “plans”, “believes”, “estimates”, “expects”, “projects”, “intends”, “likely”, “will”, “should”, “to be”, and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Aceros Arequipa whether individually or as a consolidated Company. Aceros Arequipa and its subsidiaries do not undertake any obligation to update the forward-looking statements included in this Earnings Presentation to reflect subsequent events or circumstances.

This information corresponds to consolidated financial statements.