



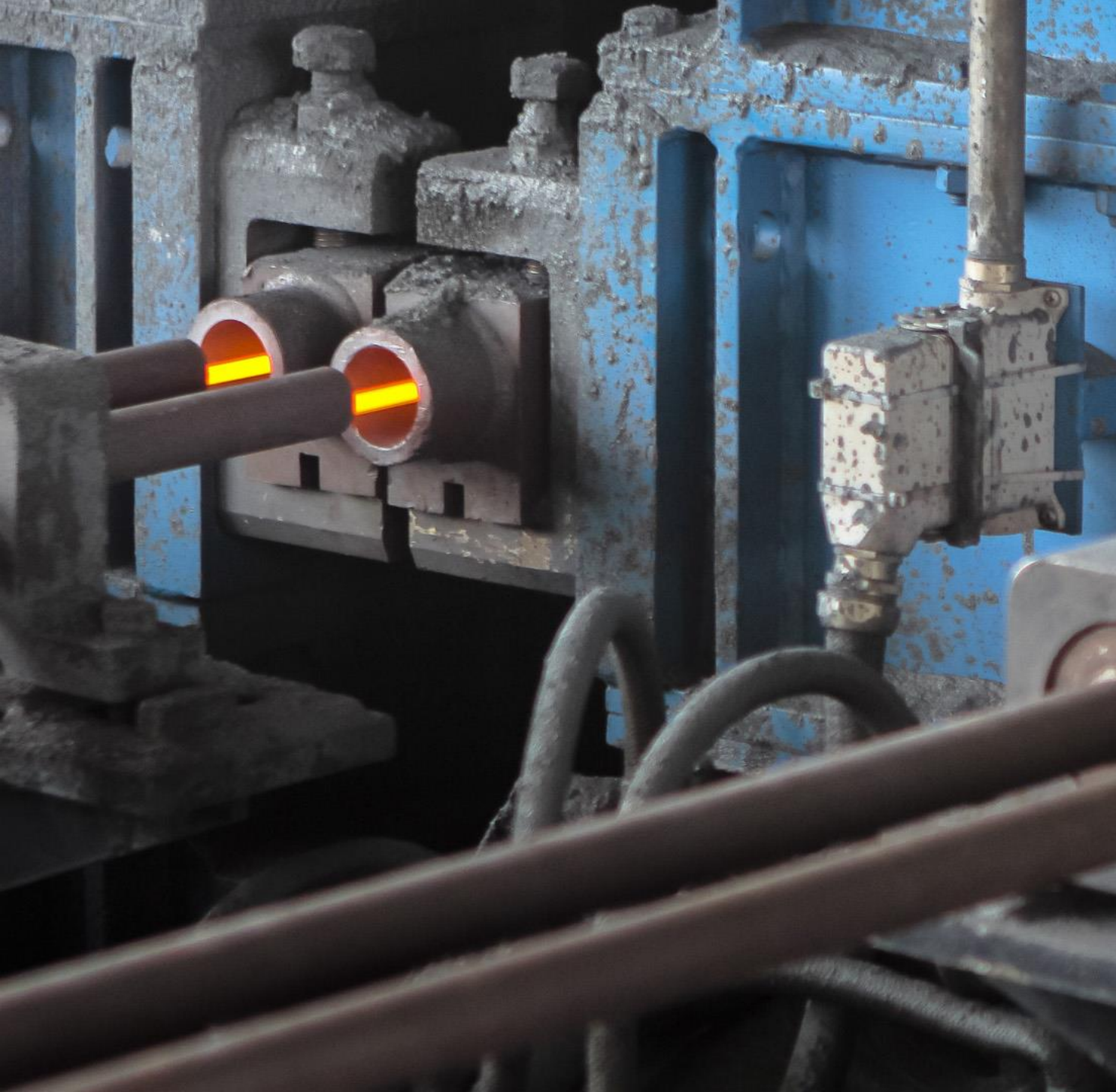
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**Sustainability Yearbook
Member 2021**

S&P Global

1Q 2021

EARNINGS PRESENTATION



AGENDA

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Relevant events

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1Q 2021 Results snapshot

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Guidance

RELEVANT EVENTS

In January, **Aceros Arequipa** started the liquidation process of **Comasa S.A.**, completing its integration process



In February, **Aceros Arequipa** became the first Peruvian steelmaking Company to become a member of the **S&P Sustainability Yearbook**, on its 2021 edition

Sustainability Yearbook
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In February, **Aceros Arequipa** acquired a 96% stake on **Comfer S.A.**, leader in the production and sale of steel nails & wires in Perú for US\$ 16.8 million



COMFER S.A. ACQUISITION

Date: February 25, 2021
% Shares: 96%
Price: US\$ 16.8 million



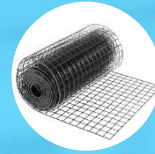
Product portfolio



Annealed wire



Steel nails



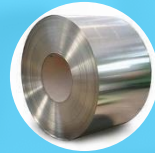
Electrowelded meshes



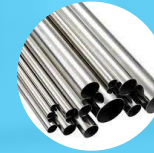
Steel rods

PRODUCED

IMPORTED



Sheets & coils



Tubes

Transaction rationale



Acquisition of a leadership positioning in the steel nails & wires market



Potential integration with **Aceros Arequipa's** wire rod production



Incorporation of new clients and products to the portfolio

RESULTS SNAPSHOT

S/ million

1Q

REVENUE

1,127.1

▲ 489.9 (+76.9%)
YoY



OPER. WORKING CAPITAL BALANCE*

682.3

▲ 271.9 (+66.3%)
YTD



EBITDA (Margin)

297.2 (26%)

▲ 205.8 (+225.0%)
YoY



CAPEX

147.3

▲ 14.4 (+10.9%)
YoY



NET PROFIT (Margin)

195.3 (17%)

▲ 156.0 (+397.0%)
YoY



NET DEBT

715.9

▲ 197.5 (+38.1%)
YTD

1.2x EBITDA



(*) 2020 figures are based on audited financial statements



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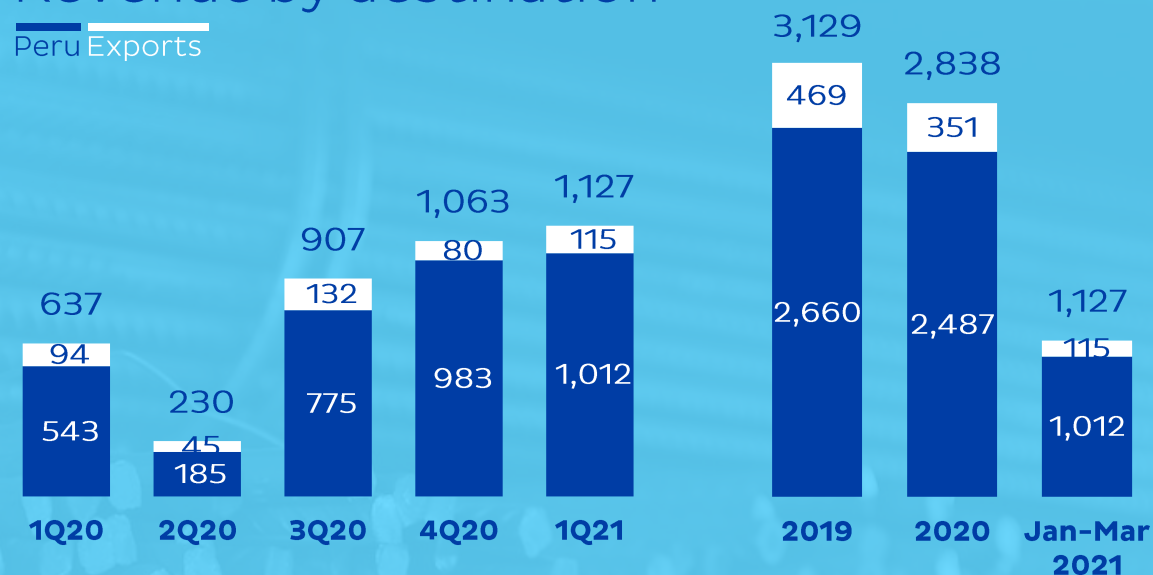
REVENUE

S/ million

Revenue increased by S/ 490 million, or 76.9% YoY, driven by an increased demand and higher average selling prices

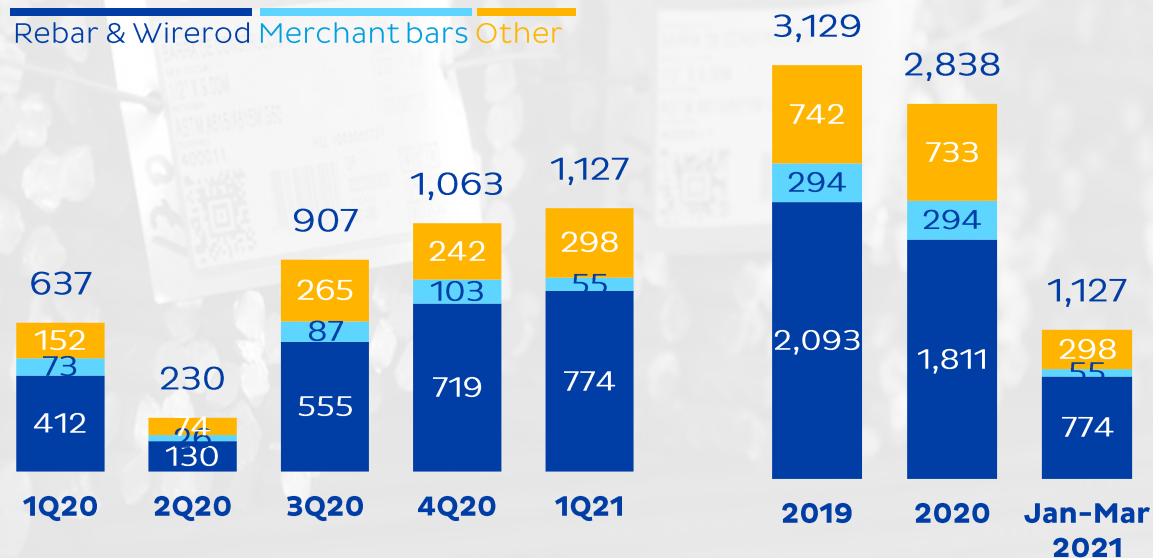
Revenue by destination

Peru Exports



Revenue by product category

Rebar & Wirerod Merchant bars Other

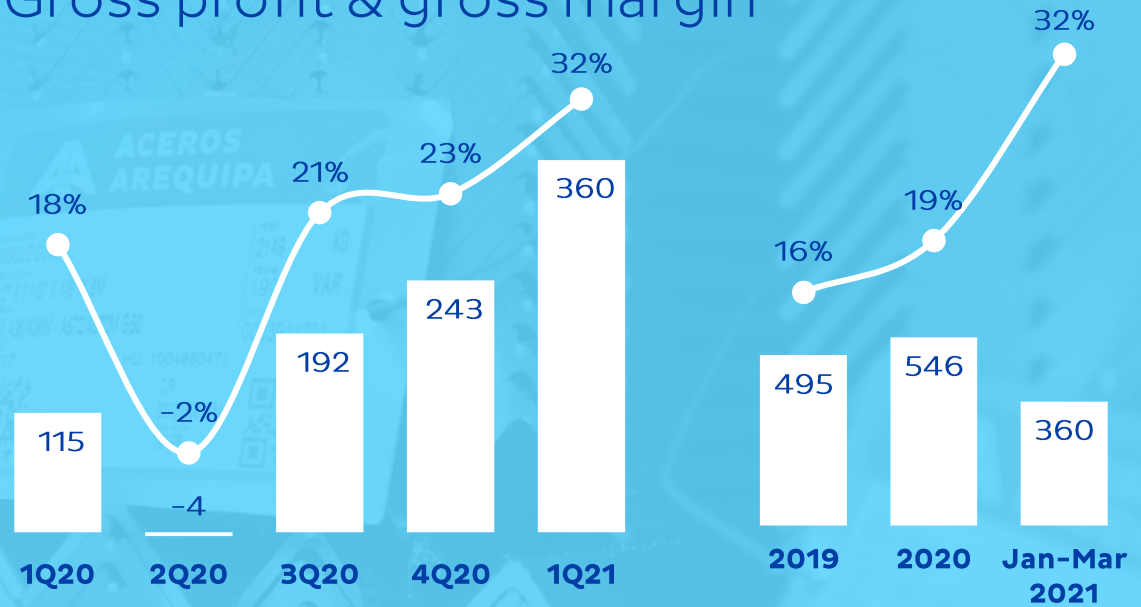


OPERATING PROFITABILITY

S/ million

Gross margin increased driven by higher average selling prices and an increased volumen sold

Gross profit & gross margin



EBITDA & 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 transactional taxes in Bolivia

EBITDA margin drivers



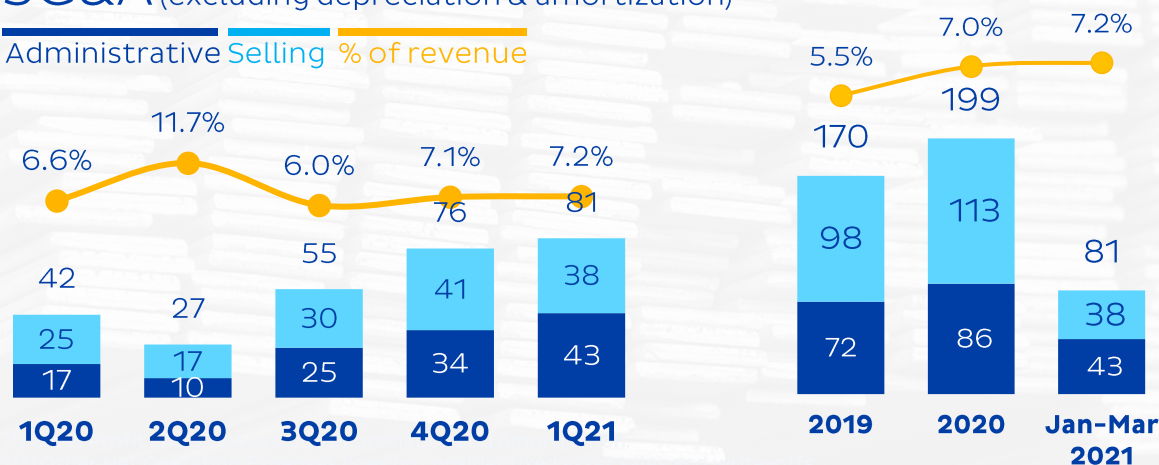
EBITDA drivers



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/ 213 million, despite higher SG&A by S/ 37 million

Net financial expenses were S/ 2 million lower

Exchange rate differences had a positive S/ 3 million effect

Higher Income Tax by S/ 63 million

Net profit & net margin

Net profit **Net margin**



DEBT METRICS

S/ million

YTD higher Short-Term debt in line with higher working capital requirements

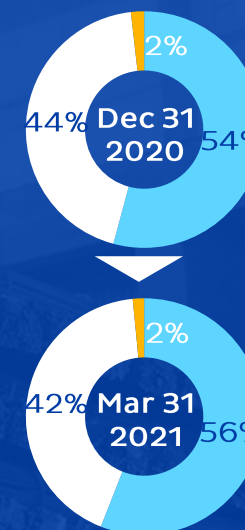
Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



By currency

US\$ S/ BOL



Other ratios as of March 2021

Leverage

(Total Liabilities / Shareholders' equity)

1.17x

Fin. Expenses coverage

(LTM EBITDA / LT. Fin. Expenses)

21.13x

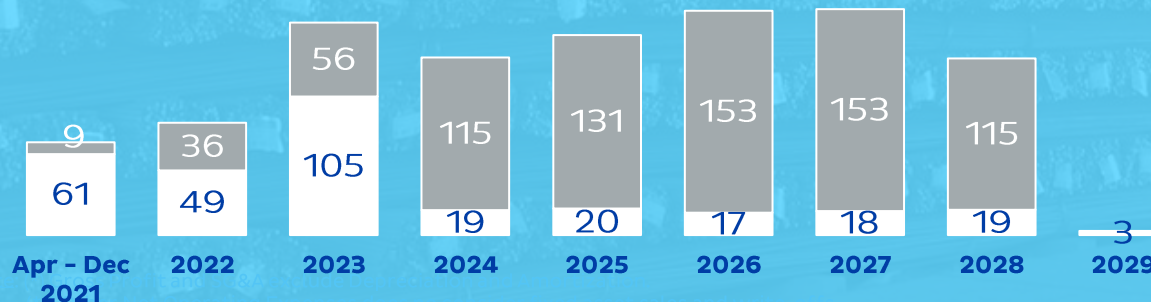
Liquidity

(Current Assets / Current Liabilities)

1.51x

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

LT Debt Melt shop lease⁽³⁾



Note:

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

leasing with suppliers with a balance of S/ 29 million

(2) For illustration purposes USD / PEN = 3.70

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

WORKING CAPITAL & CAPEX

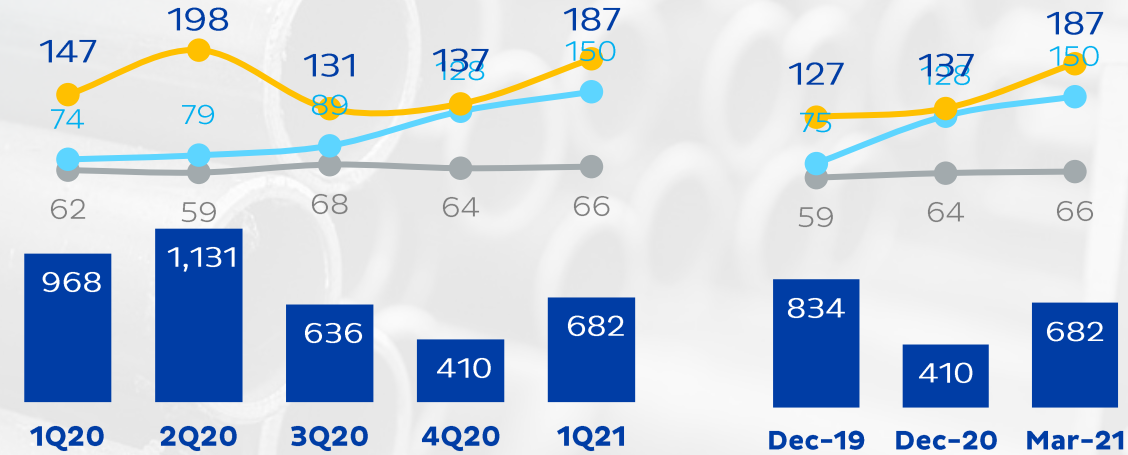
S/ million

Higher Working Capital requirements vs December 2020, mainly due to higher inventory levels

CAPEX mainly included the acquisition of Comfer S.A., investments in the new melt shop, upgrades on the rolling mill, and ACEDIM (Customized rebar) expansion

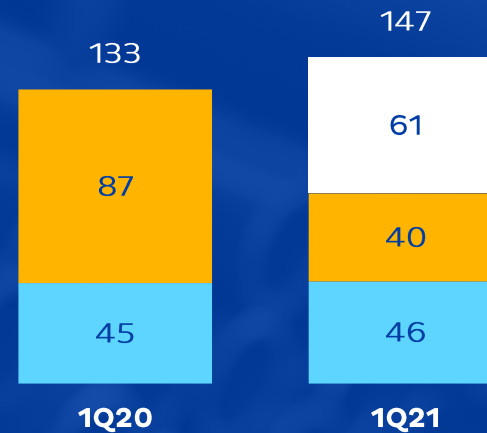
Operating Working Capital

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



Capex

Capex Melt shop lease Comfer S.A. acquisition



CASH FLOW

S/ million

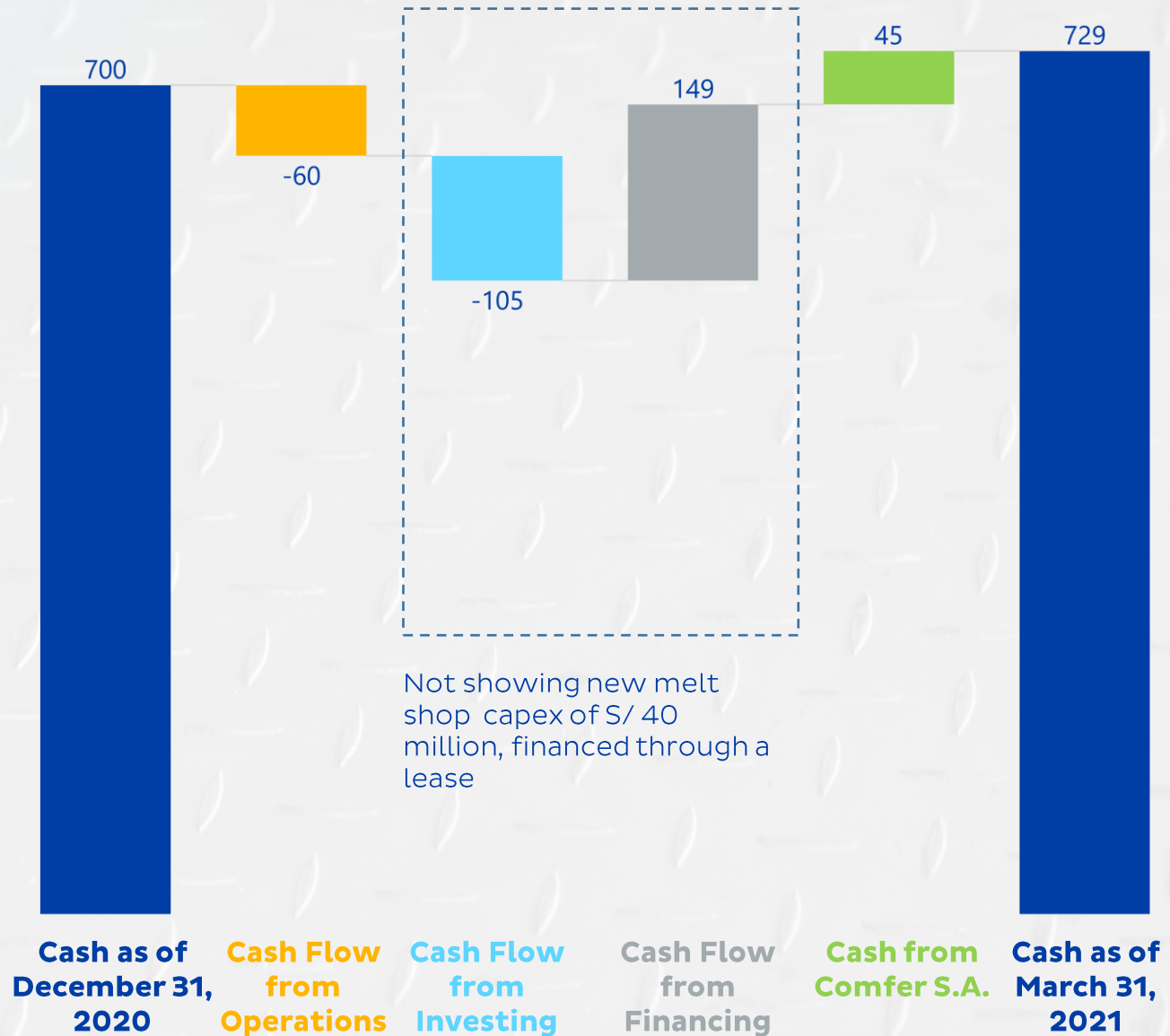
Higher inventories and Accounts Receivable

Comfer acquisition for S/ 61 million, Investments in fixed assets of S/ 46 million; partly offset by interests received of S/ 2 million

Higher financing during the period. interest payments of S/ 5 million

Cash obtained after Comfer S.A. acquisition

Cash Flow as of March 2021



GUIDANCE 2021

\$/ million

2020 GUIDANCE
2021

Revenue growth

-9.3% >40%

EBITDA

411 >680

CAPEX

369 450
540

Dividends paid

74.9 >110

EPS

0.17 >0.30

Disclaimer:

We remain cautious due to current global prices volatility and local political uncertainty. Hence, this guidance may be updated after our second quarter results are reported



Q&A

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



Mr. Tulio
Silgado
CEO



Mr. Ricardo
Guzmán
CFO, IRO

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PRESENTATION



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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.