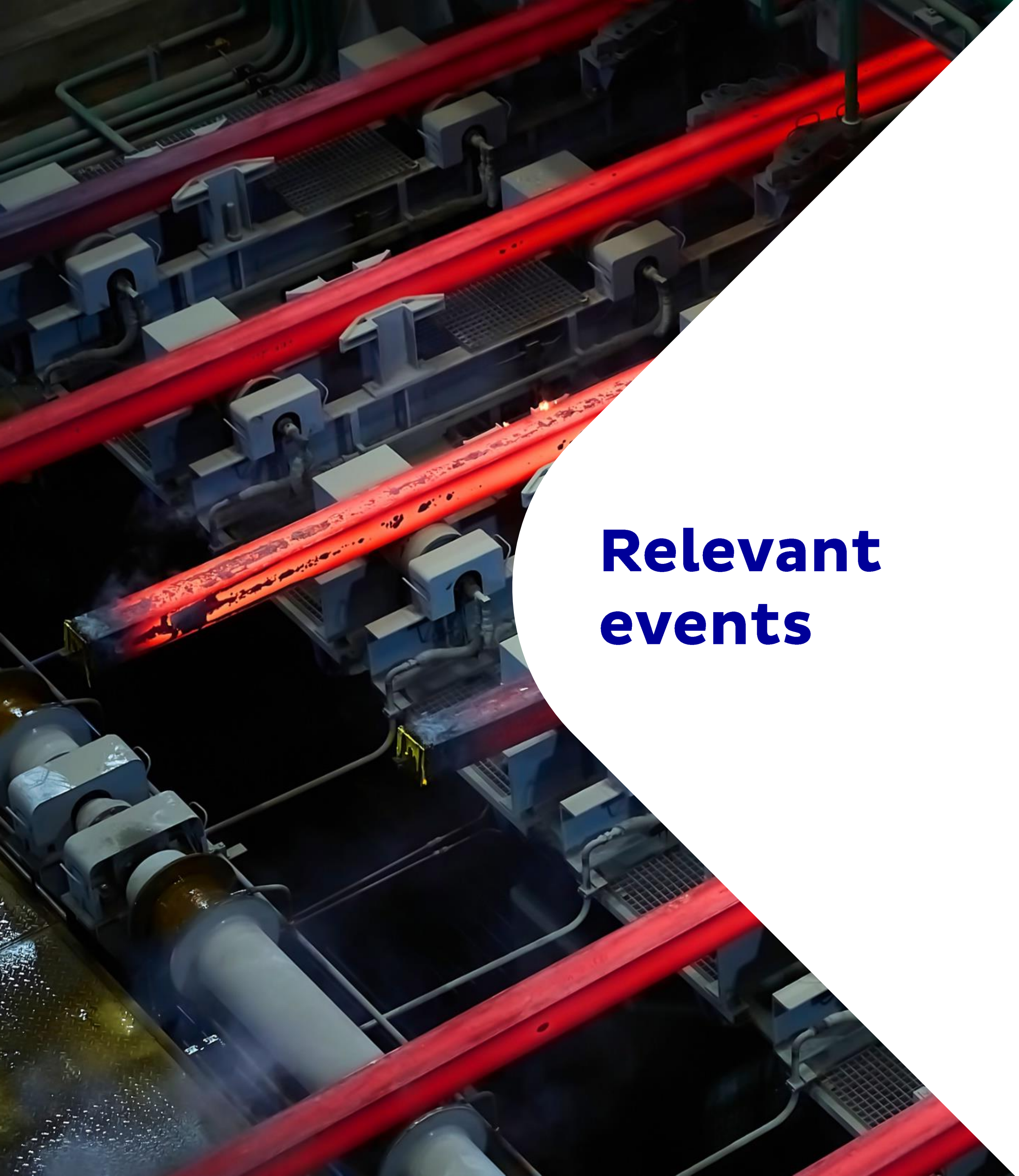
# 3Q2024
# EARNINGS PRESENTATION

ACEROS AREQUIPA

# AGENDA

1. Relevant events
2. Results snapshot
3. Operational & financial results
4. Guidance



# Relevant events

## Third Star in “Carbon Footprint Peru”

For the second consecutive year, Aceros Arequipa has been awarded the third star from the Ministry of Environment through the “Carbon Footprint Peru” program, recognizing its commitment to measuring and reducing emissions between 2022 and 2023.

## Aceros Arequipa improved its Corporate Sustainability Assessment (CSA) S&P Global score

Aceros Arequipa improved its score to 73/100 and continues reaffirming its commitment to ESG management and its sustainability strategy towards 2030.

"Net income surged by S/ 51 million fueled by strong performance in the local market"


# 3Q24 Results

S/ million

3Q | YTD

## Revenue

**1,220.6** (7% YoY)

| | | | |
|---|---|---|---|
| 3Q | 2024 | 1,221 | ▲ 75.6 (+6.6%) |
| 3Q | 2023 | 1,145 | |
| YTD | 2024 | 3,485 | ▼ -70.7 (-2.0%) |
| YTD | 2023 | 3,555 | |

## EBITDA

**157.7** (+65% YoY)

| | | | |
|---|---|---|---|
| 3Q | 2024 | 158 | ▲ 62.0 (+64.9%) |
| 3Q | 2023 | 96 | |
| YTD | 2024 | 488 | ▲ 173.4 (+55%) |
| YTD | 2023 | 314 | |

## Net profit

**41.7**

| | | | |
|---|---|---|---|
| 3Q | 2024 | 42 | ▲ 50.7 |
| 3Q | 2023 | (9) | |
| YTD | 2024 | 153 | ▲ 109.3 (+249.1%) |
| YTD | 2023 | 44 | |

## Operating Working Capital

**1,356.5**

| | | |
|---|---|---|
| 2024 | 1,356 | ▼ 30.3 (-2.2%) |
| 2023 | 1,387 | |

## Capex

**87.5** (-32% YoY)

| | | | |
|---|---|---|---|
| 3Q | 2024 | 87 | ▼ -40.5(-31.7%) |
| 3Q | 2023 | 128 | |
| YTD | 2024 | 287 | ▼ -191.7 (-40.1%) |
| YTD | 2023 | 479 | |

## Net debt

**1,964.5**

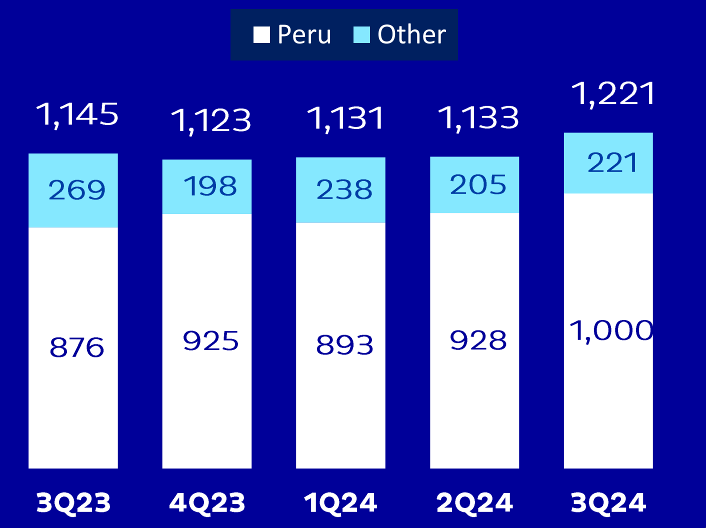
3.2x EBITDA LTM

| | | |
|---|---|---|
| 2024 | 1,965 | ▼ -37.1 (-1.9%) |
| 2023 | 2,002 | |

# Revenue S/ million

## By destination

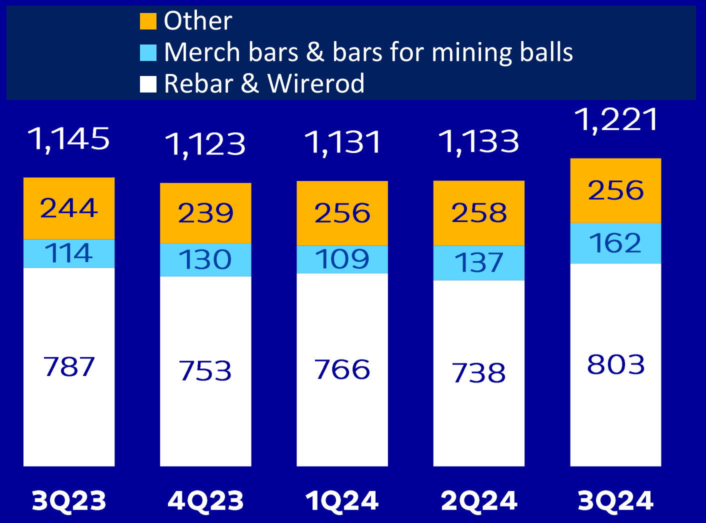
- **Peru**: Higher sales, primarily of rebar, due to increased prices and volume, followed by bars for mining balls with higher volumes sold
- **Other**: Lower volume of rebar to non-recurring destinations vs Q3 2023, partially offset by increased sales in Bolivia and Ecuador

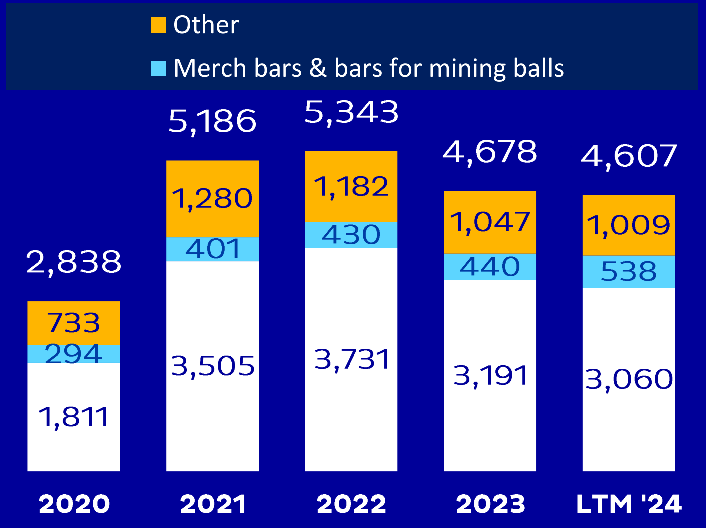




## By product type

- **Rebar & Wirerod**: Increased local sales (in both volume and price) despite lower volume sold to other non-recurring destinations
- **Merchant bars & bars for mining balls**: Higher volume of bars for mining balls
- **Other**: Increased sales of Sheets & Coils, by-products and nails & wires



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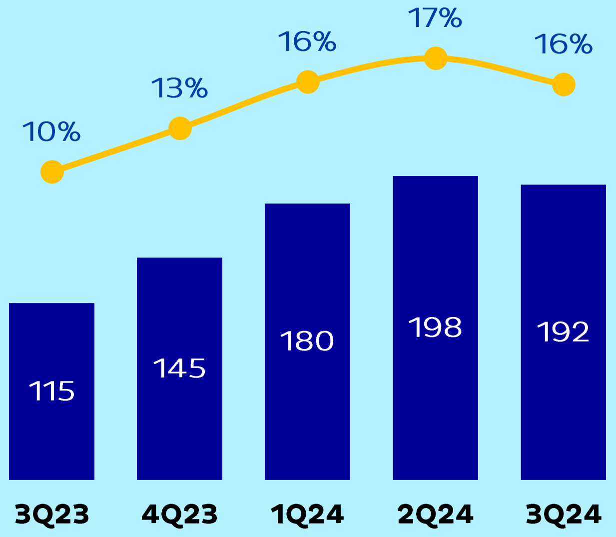
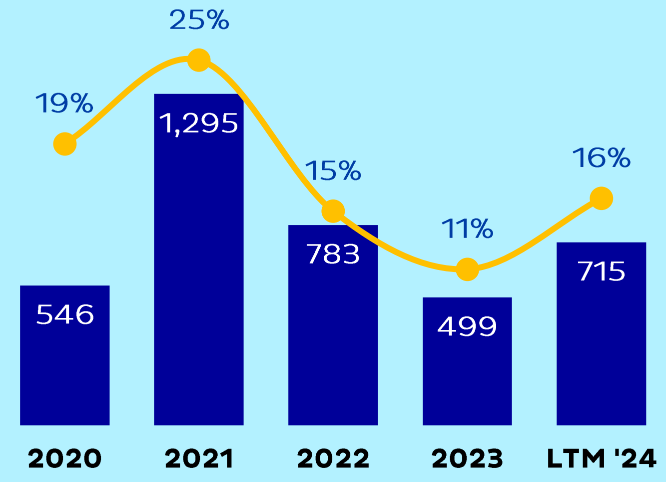
# Operating profitability S/ million

## Gross Profit & Margin

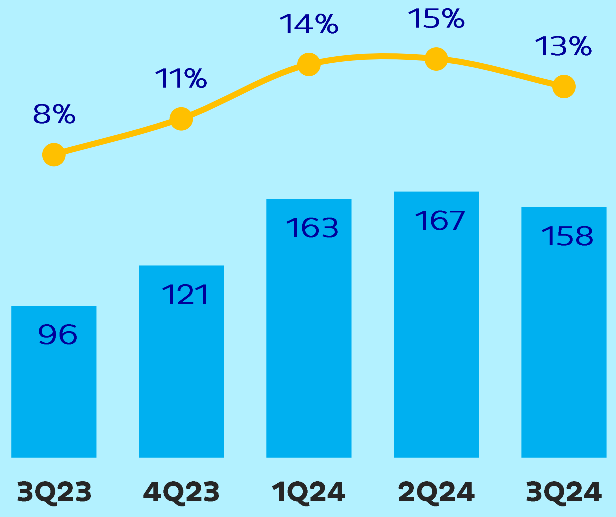
- Improved profitability in Peru, primarily driven by rebar (higher prices and volume), bars for mining balls (higher volume), and sheets & coils and tubes (higher volume and lower costs).
- Higher profitability in Bolivia, sale of by-products (Peru and U.S.), and greater profitability in Colombia
- Lower profitability in Ecuador.




## EBITDA & Margin

The higher gross profit contributed to an increased EBITDA year-over-year, despite higher commissions in Bolivia to secure US dollars.

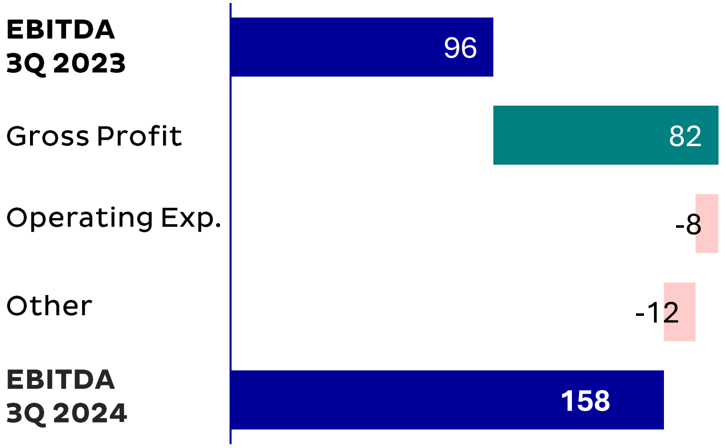



# EBITDA S/ million

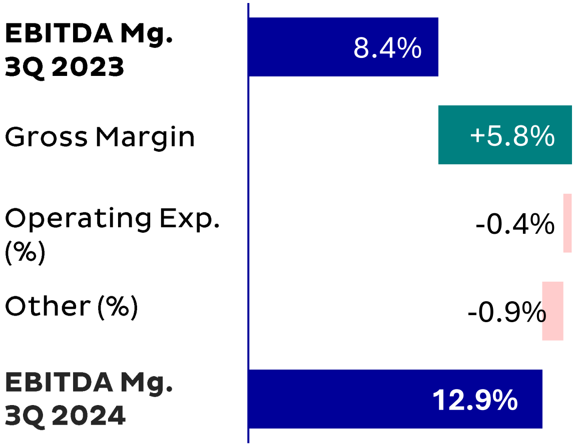
## EBITDA improved by S/ 62 million YoY

- **Gross Profit** increased in Peru, Bolivia, the U.S. and Colombia
- **Operating expenses** rose primarily due to higher variable personnel costs
- **Operating** along with additional expenses and bank commisions

**EBITDA** S/ million



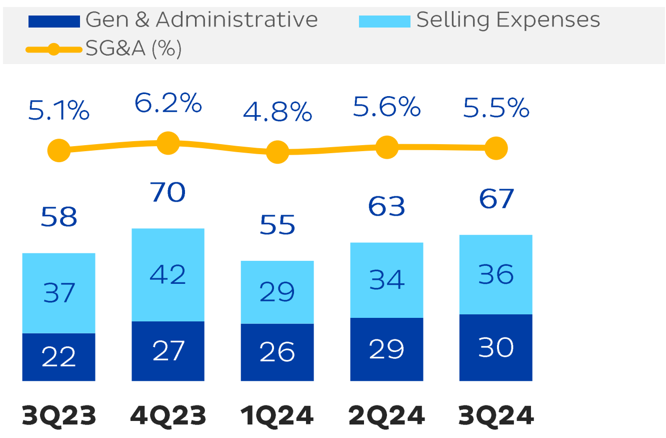

**EBITDA margin** (%)




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

## Operating expenses

- **Selling Expenses:** driven by lower expenses on services provided by third parties
- **General & Administrative:** Higher variable personnel costs

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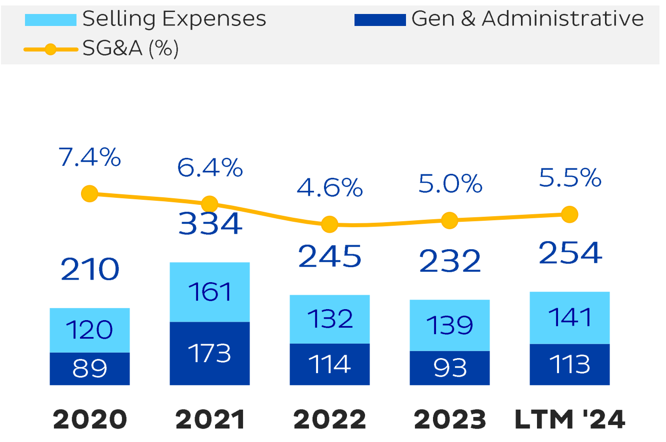




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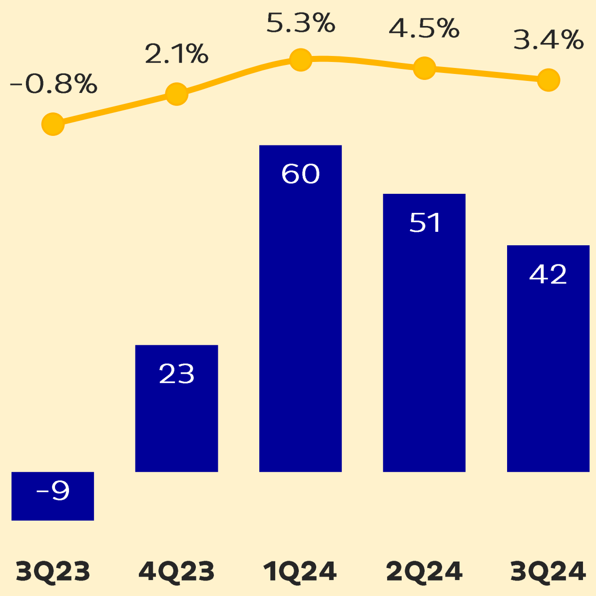
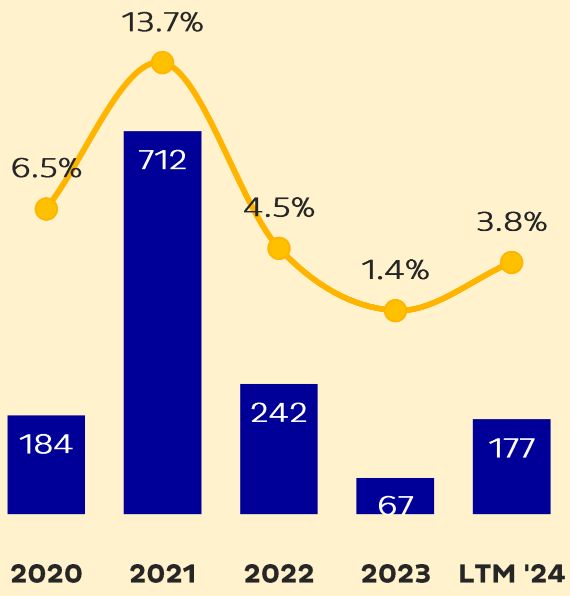
# Net profit S/ million

## Net profit & margin

**Net profit improved by S/ 51 million**

- Improvement in operating income
- Lower financial expenses
- Income from investments in subsidiaries, compared to a loss in Q3 2023
- Increased loss from net Exchange differences compared to Q3
- Higher income tax due to better results



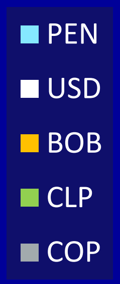



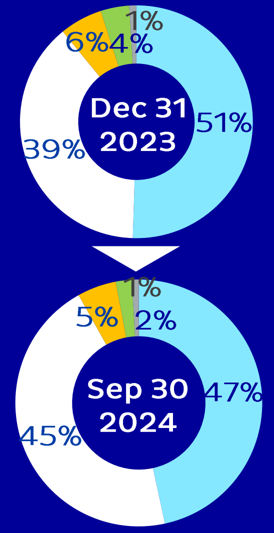
# Financial debt S/ million

## Debt by type

- **Short-term debt:** lower YTD, driven by reduced Working Capital requirements
- **Long-term debt / Meltshop lease:** debt in line with amortization schedule


## Debt by currency




## Other ratios

| | |
|---|---|
| **Leverage** Total Liabilities / Equity | 1.17x |
| **Fin. Exp. Coverage** LTM EBITDA / LTM Financial expenses | 3.96x |
| **Liquidity** Current Assets / Current Liabilities | 1.28x |

## Amortization schedule


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 = 3.75
(3) The amortization Schedule of BCP and Interbank loans consider the full disbursement of those loans.



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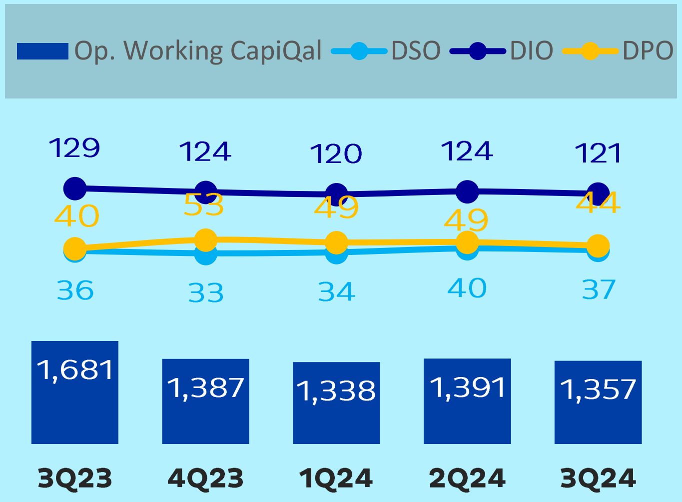
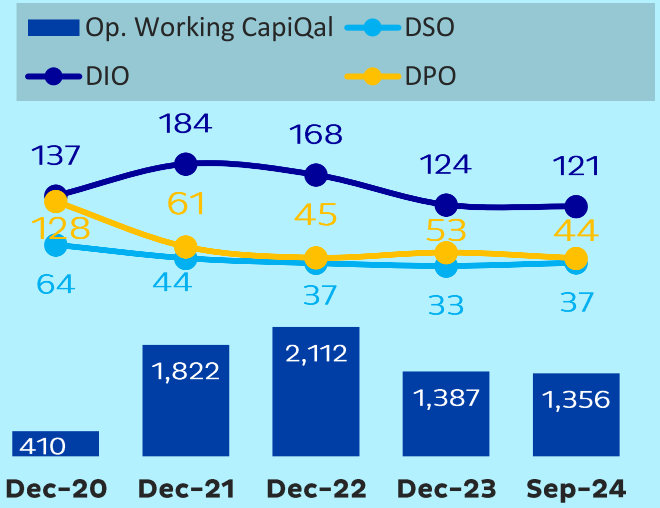
# Working Capital & Capex S/ million

## Operating Working Capital

- Reduction in inventory and income tax assets
- Decrease in accounts payable
- Increase in accounts receivable

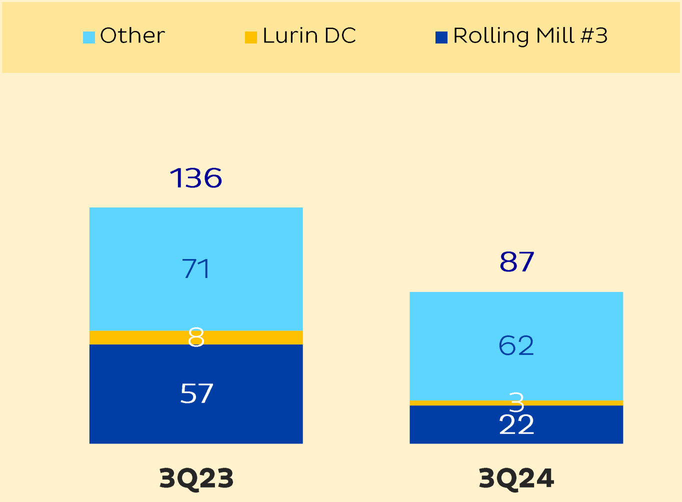


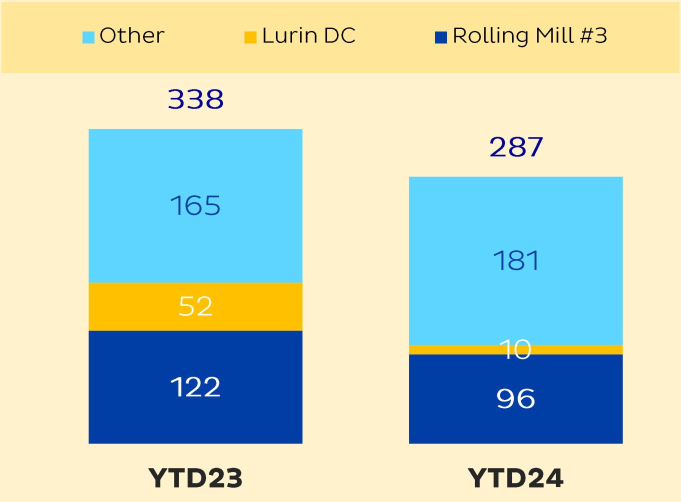




## Capex

- **Other projects (3Q 2024):**
  - Nail and wire plant (S/ 7.1 million)
  - Lime furnace (S/ 6.7 million)
  - Repair of reheating furnace (S/ 6.1 million)
  - Scrap cleaning machine (S/ 2.9 million)

  Among others



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# Cash Flow S/ million

### Operating activities

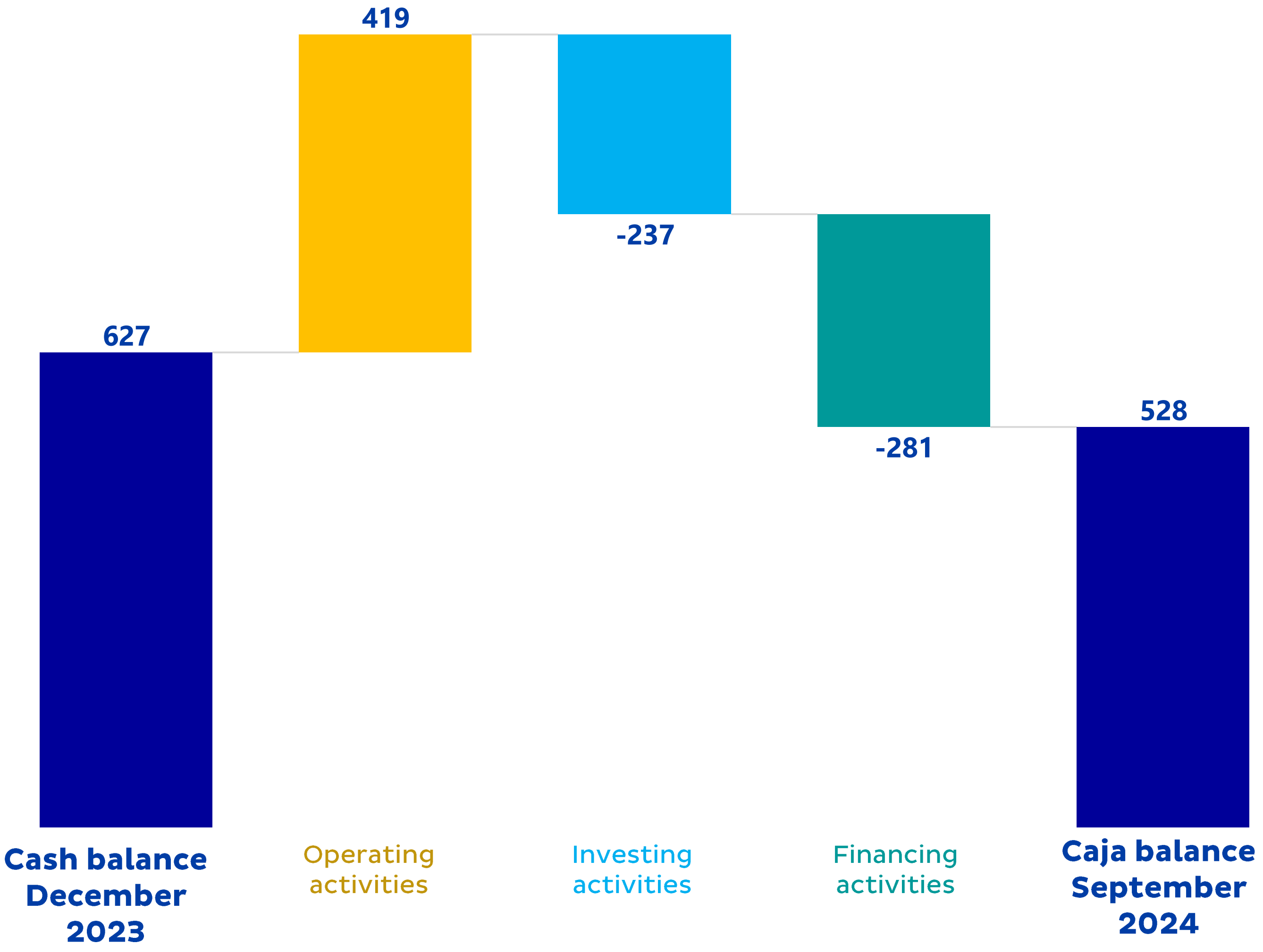
- EBITDA improvement
- Lower inventories

### Investing activities

- Investments in Property, Plant, and Equipment (PP&E) and intangibles for S/ 272 million
- Interest received for S/ 22 million
- Assets sale for S/ 7 million
- Dividends received of S/ 6 million

### Financing activities

- Net financing of -S/ 136 million.
- Interest payments of S/ 109 million.
- Dividend payments of S/ 35 million.




Note: Investing Activities do not consider capex from leasings.

# Guidance

S/ million

| | 2023 | GUIDANCE 2024 |
|---|---|---|
| **Revenue growth** (YoY %) | -12% | **0%** |
| **EBITDA** S/ million | 435 | **>655** |
| **CAPEX** S/ million | 479 | **~300** |
| **Dividends paid** S/ million | 44 | **63.5** |
| **EPS** S/ | 0.06 | **~0.22** |

**Q&A**

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

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CFO, IRO

# 3Q2024

## EARNINGS PRESENTATION

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