



# CORPORATE PRESENTATION **2023**



September 2023



- Company overview

---

Market & business overview

---

Financial highlights

---

Corporate information & ESG\*

---

Why Aceros Arequipa?

(\*) Environmental, Social, and Governance

# #1 player in the Peruvian steel market with a growing regional footprint

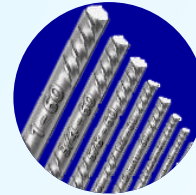


**REVENUE**  
LTM jun 2023  
**1,317** US\$ million

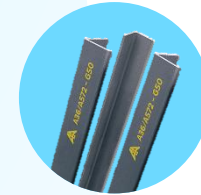
## REVENUE BY DESTINATION



## REVENUE BY PRODUCT



Rebar



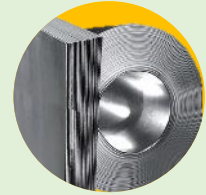
Merchant bars\*\*



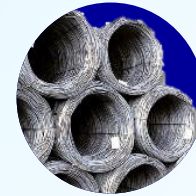
Steel wire



Steel tubes



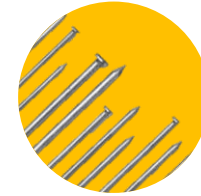
Sheets, plates & coils



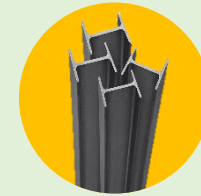
Wire rod



Round bars for grinding balls



Nails



Steel beams



Corrugated Steel sheets

100% imported

\*Exports mainly to Bolivia, Colombia, USA, Brazil, Chile, Panama and Argentina.

\*\* Some merchant bars and Steel tubes are imported

SUBSIDIARIES / AFFILIATES



Not included as part of Aceros Arequipa's Consolidated Financial Statements

## Company overview

---

- Market & business overview
- 

## Financial highlights

---

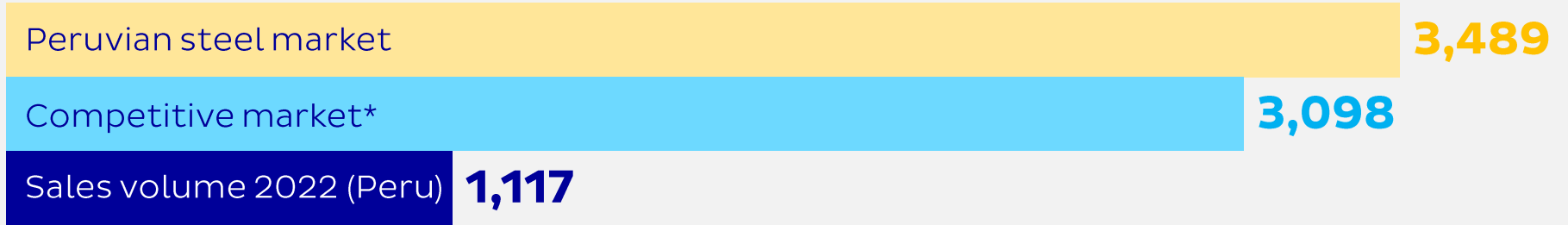
## Corporate information & ESG\*

---

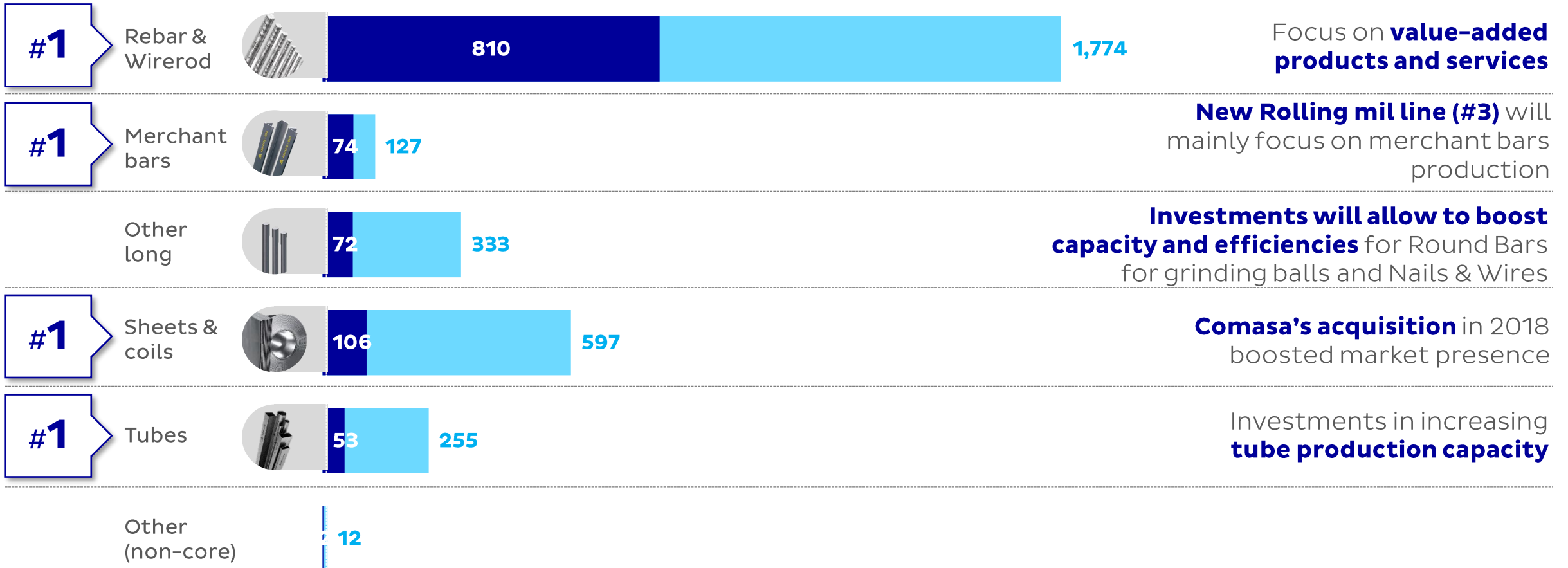
## Why Aceros Arequipa?

# Peruvian steel market 2022

(thousand tons)



Sustained **leadership** in all core categories... ..with initiatives to leverage on **growth potential**



SOURCE: Company estimates based on imports, production and other public information.  
 \*Competitive market is the total Peruvian Steel market excluding products that are not commercialized by Aceros Arequipa

# Go-to-market & distribution capabilities



## SELF-CONSTRUCTION

Homebuilding & domestic metalwork



**Better reach to self-constructors** through nationwide distribution capabilities and strategic partnerships with small retailers



**Comfer acquisition (2021)** complemented our portfolio with a nails and wires plant. Nails & Wires production equipment to be renewed for further efficiencies



## CONSTRUCTION COMPANIES

Whole-range building



**Value-added services** to provide efficiencies and minimize costs for construction companies



Design and BIM services for construction companies and industrial clients



Cut & bend steel products for construction



On-site Rebar & Wirerod installation service



## INDUSTRY

Industrial products & equipment



**Comasa acquisition (2018)**

- Increased our **market presence** in the industrial segment
- Complemented our portfolio and services with a **steel center and tubes plant**



Investments in increasing and modernizing **tubes production capacity** (Peru and Bolivia)



## MINING

Consumables for mineral grinding and mine support



**Round bars for grinding mining balls:**

- **Melt-shop N°2** allows us to produce special billets required for **Round balls for grinding mining balls**
- **New Rolling mill line (#3)** will allow us to boost production capacity for Round Bars for grinding balls.



**Annual Production Capacity** (thousand tons)



**State-of-the-art** equipment makes ours one of the most efficient plants in the region



**Track Record of strategic investments**



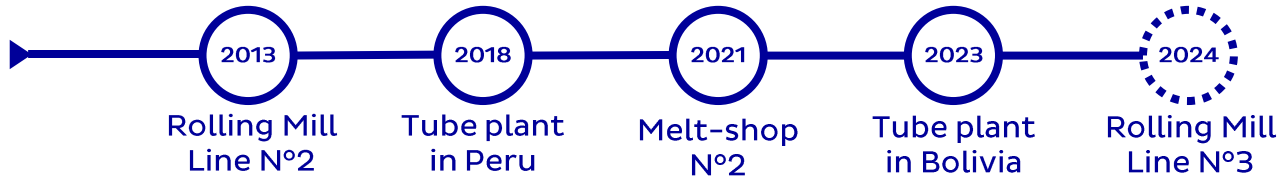
**Largest long-steel products producer** in Peru



**Product availability** vs importers



**Competitive energy costs**



(\*) The Melt Shop Nº1 is currently in standby mode.  
 (\*\*) The company imported billets only up to 2021.



# RAW MATERIALS FLEXIBILITY



## Further initiatives & developments

- Investment in restarting the **Melt-Shop N°1** to supply billets for further growth ✓
- Further growth (organic / inorganic) in **regional and international scrap yards** ✓
- Non-Ferrous recovery and scrap cleaning process** ✓

Company overview

---

Market & business overview

---

● Financial highlights

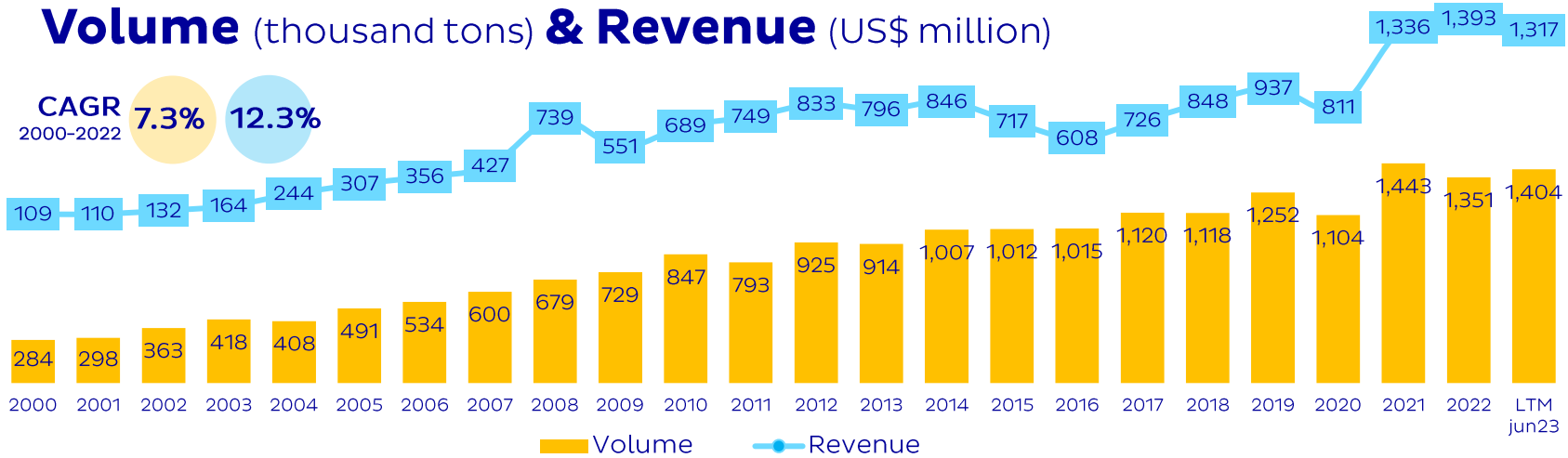
---

Corporate information & ESG\*

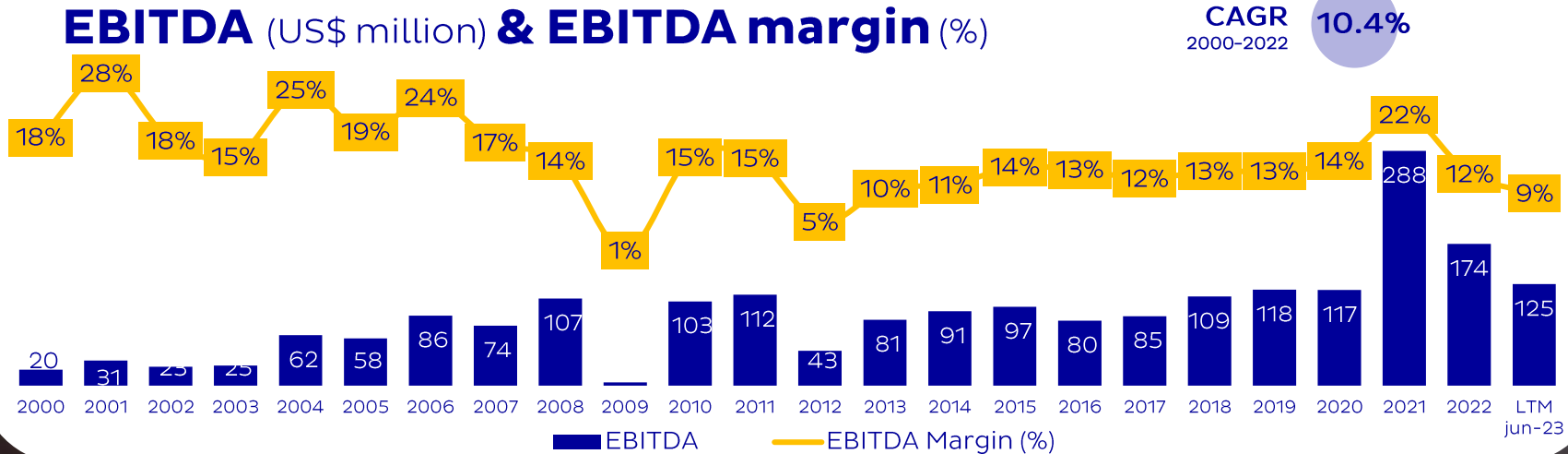
---

Why Aceros Arequipa?

## Volume (thousand tons) & Revenue (US\$ million)



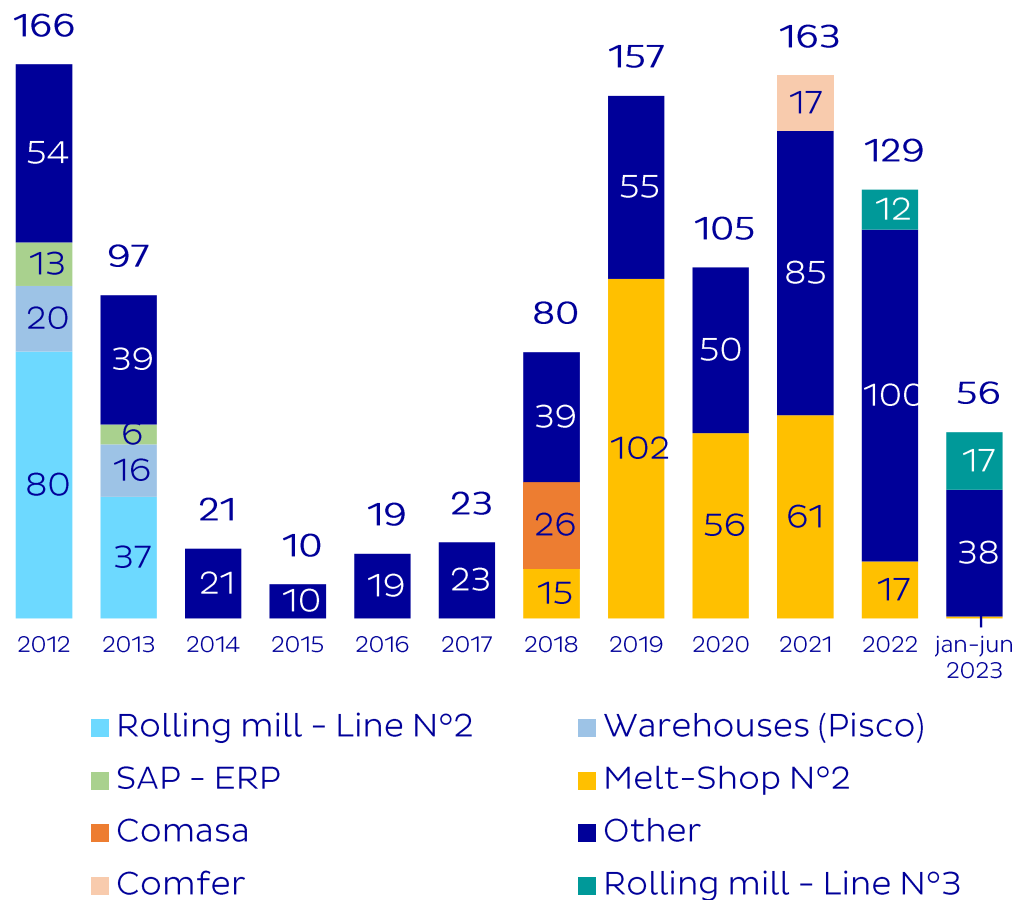
## EBITDA (US\$ million) & EBITDA margin (%)



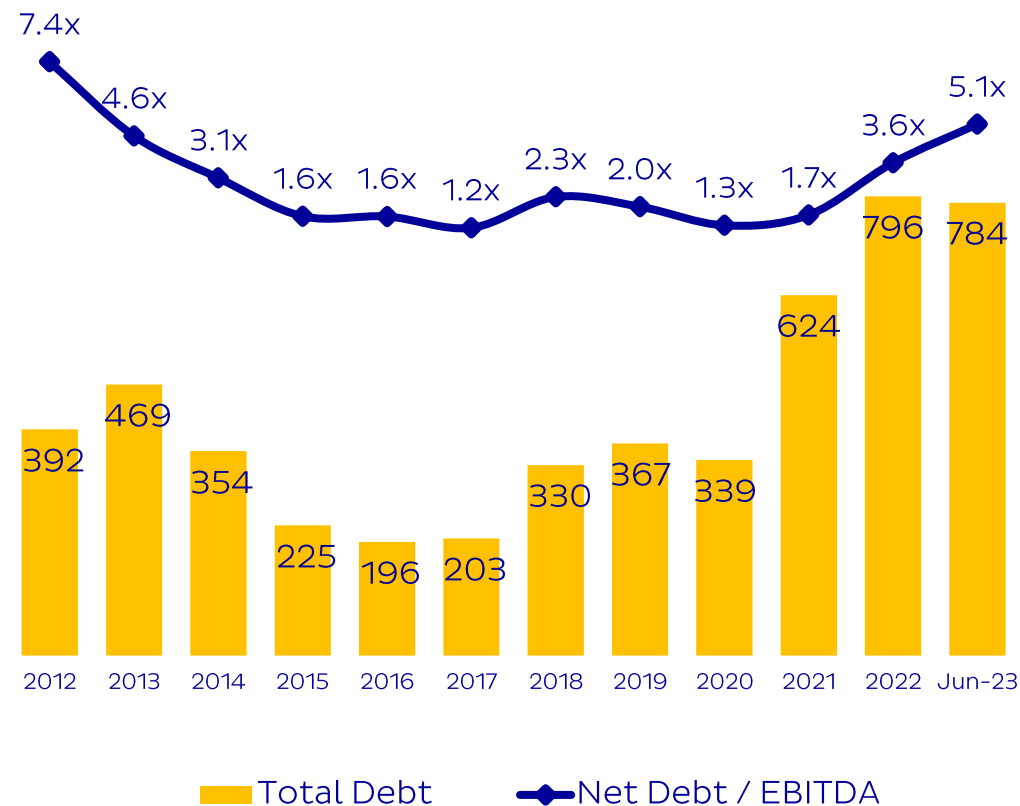
\*Since 2011, the Company reports under IFRS, previously it reported under Peru GAAP

# Following a roadmap of timely investments

## CAPEX (US\$ million)



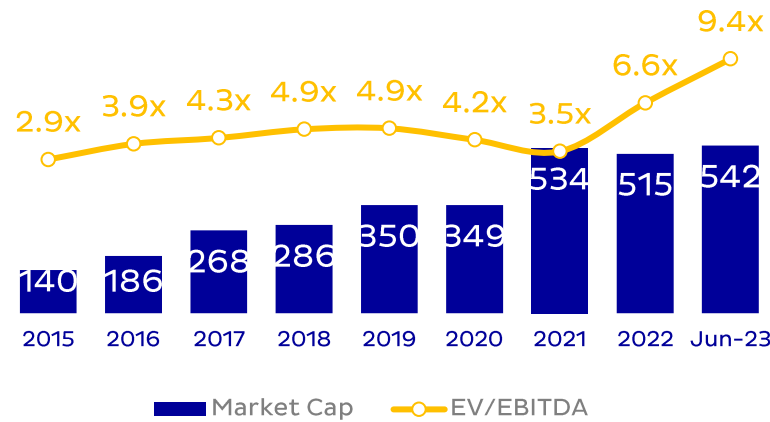
## Total Debt (US\$ million) Net debt / EBITDA



**Important note:** Ratios in this chart are based in US\$ figures. Ratios reported in PEN, the Company's reporting currency, may differ.



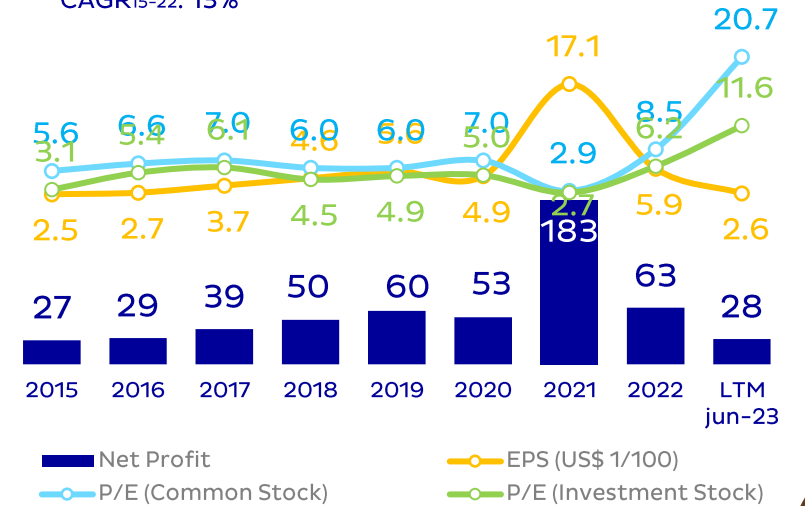
## Market Valuation (US\$ million)



Note: Market Cap does not factor in treasury stock

## Net Profit (US\$ million)

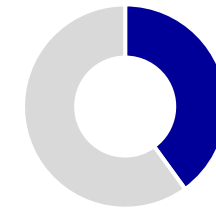
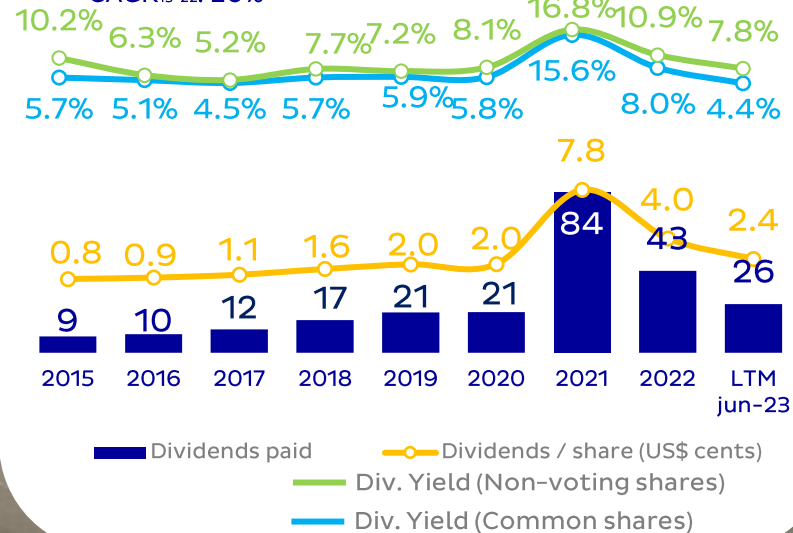
CAGR<sub>15-22</sub>: 13%



Note: Net Profit of 2018 not considering badwill

## Dividends paid (US\$ million)

CAGR<sub>15-22</sub>: 26%



**Dividend payout policy of 40%** of annual net profit

The approved dividend amount is disbursed in full following two advance payments of 10% and 24% during the period

Common Shares:  
**CORAREC1**

Investment Shares:  
**CORAREI1**

Note: Investment shareholders do not hold voting rights

Member of  
**S&P/BVL Peru General Index**

Member of  
**S&P/BVL Peru General ESG Index**

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA



Company overview

---

Market & business overview

---

Financial highlights

---

● Corporate information & ESG\*

---

Why Aceros Arequipa?

# Corporate Governance

# Management Team

## Board (12 Members)

Ricardo  
**Cillóniz C.** (P)

Fernando  
**Carbajal** (VP)

Jordan  
**Ponce**

Pedro  
**Blay**

Ricardo  
**Bustamante**

Renee  
**Cillóniz**

Giselle  
**Ferrand\***

Manuel  
**Montori\***

Enrique  
**Olazabal**

Pablo  
**Peschiera**

Jorge  
**von Wedemeyer**

Andreas  
**von Wedemeyer**

\*Independent

**Ricardo Cillóniz C.**  
Chairman  
MBA - Michigan  
State University



**Tulio Silgado**  
CEO  
Kellogg School of  
Management



**Gonzalo Arróspide**  
Commercial



**Augusto Cornejo**  
Production



**Diego Arróspide**  
Strategic Sourcing



**Mariana Talavera**  
Supply Chain



**Fernando Bustamante**  
Strategy, Environment  
& Risks



**Ricardo Cillóniz R.**  
Projects & Mining & CSR



**Juan Manuel Otoya**  
Human Resources



**Ricardo Guzmán**  
CFO, IRO



**Rafael Cáceres**  
IT



**Mariana Olivares**  
Legal Affairs



**Humberto Barragán**  
Internal Audit

# Corporate Governance



Shareholder Rights

Fair treatment

Dividend Policy



40% of Net Profit

After advancements of 10% & 24%

Transparency

Corporate Information Policy

Shareholder Meeting

Shareholder Meeting Regulations

Compliance & Risk Management

Risk Management Policy

Big 4 audit Firms

To be renewed every **3 years**

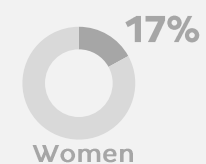
Board of Directors

2 Special Committees

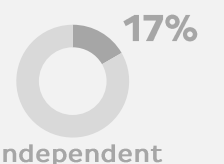
AUDIT & RISK MANAGEMENT

HUMAN RESOURCES

12 members



Women



Independent



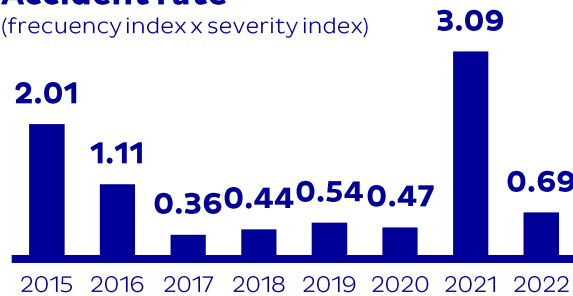
# Safety is our priority



Our goal is to always reach **zero accidents** in our operations

## Accident rate

(frequency index x severity index)



# Focus on Quality Management



**ISO 9001**  
certified since 1997

- ✓ Integrated management system
- ✓ Our products have Peruvian, Brazilian and Bolivian quality certificates



Peru



Brazil



Colombia

- ✓ Our metallurgical testing laboratory (ISO/IEC 17025 accreditation), allows us to issue quality certificates in a timely manner

# Reduced environmental impact



**ISO 14001**  
certified since 2010



**Awarded a 2° star in Carbon Footprint Perú** by MINAM for its inventory greenhouse effect verification

Recognized in the environmental category at the ESR 2021 event for its **circular economy strategy**

**Ongoing investments** in new technologies and developments to reduce environmental impact

**Secured financing** through green loans for working capital and an additional line of working capital certified for importing sustainable scrap

# Sustainability



**Empresa con Gestión Sostenible**

Received the **“Empresa con Gestión Sostenible”** (Sustainable Management Company) award, for actively promoting sustainable development through its business practices in 2022, with a special recognition in the “Value Chain” category



Previously: **“Empresa Socialmente Responsable”** Distinctive (2017 / 2018 / 2019 / 2020 / 2021)



**“Empresa Socialmente Responsable”**, acknowledges the management’s commitment to social, environmental and economic sustainability

Member of **S&P/BVL Peru General ESG Index**

Member of **Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

**#3** Industry world ranking

Corporación Aceros Arequipa Steel  
**Top 5%**  
S&P Global ESG Score 2022

**75** /100

As of February 7, 2023. Position and Score are industry specific and reflect exclusion screening criteria. Learn more at [appglobal.com/esg/yearbook](http://appglobal.com/esg/yearbook)  
S&P Global Sustainable 1

Corporación Aceros Arequipa Steel  
**Sustainability Yearbook Member**  
S&P Global ESG Score 2022

**75** /100

As of February 7, 2023. Position and Score are industry specific and reflect exclusion screening criteria. Learn more at [appglobal.com/esg/yearbook](http://appglobal.com/esg/yearbook)  
S&P Global Sustainable 1



Company overview

---

Market & business overview

---

Financial highlights

---

Corporate information & ESG\*

---

● Why Aceros Arequipa?

# Why Aceros Arequipa?

**1** **Market leader** in Peru, with local & regional upside



## Market Growth

- Infrastructure gap in Peru is still high
- Mining sector: round bars for grinding mining balls
- Potential growth in international markets



## Market Share Gain

- New products
- Potential acquisitions
- Value-added services

**2** **Efficient** Operational Model



**Nationwide distribution** with an expanding footprint over the region



## State of the art-equipment

- Melt-Shop N°2 (2021)
- Tube plants (2018 and 2023)
- Rolling mill N°2 (2013)



**#1 Scrap buyer in Peru**, an atomized market with low volatility



## Further investments

- Rolling mill N°3 (2024)
- Scrap yards
- Non-ferrous recovery
- New distribution center
- Nails & Wires plant renewal

**3** **Track record** of growth and value creation



**Sustained growth** CAGR '00-'22  
Revenue: 12%  
EBITDA: 10%



**Expected margin rebound** In 2024

**4** **Sustainable** platform



**Solid and motivated professional team** in a lean corporate structure



Recognized **top-notch ESG performance**



For an updated version of this presentation access the following **link:**  
<https://tinyurl.com/2p86p9x8>

Or scan the following **QR code:**



# CORPORATE PRESENTATION **2023**



September 2023



This 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 Presentation to reflect subsequent events or circumstances.



