



# INVESTOR CONFERENCE **2022**



September 2022



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.





- Company overview

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Market & business overview

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Financial highlights

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Corporate information & ESG\*

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Why Aceros Arequipa?

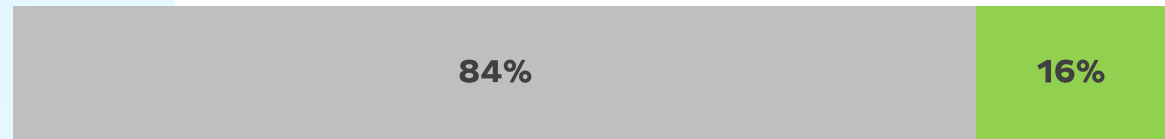
(\*) Environmental, Social, and Governance

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



**REVENUE**  
LTM JUNE 2022  
**1,418** 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 Steelsheets

100% imported

\*Exports mainly to Bolivia, Colombia, USA, Brazil, Chile, Panama and Argentina.  
\*\* Some merchant bars and Steel tubes are imported





Trading at the  
Lima Stock  
Exchange

Common Stock: CORAREC1  
Investment Stock: CORAREI1

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

## SUBSIDIARIES / AFFILIATES

99.99%



Value-added design and  
engineering services for the  
construction industry

Revenue 2021:  
US\$ 3 million



99.92%



Local and regional cargo  
transportation services

Revenue 2021:  
US\$ 8 million



99.99%



ACEROS  
AMERICA  
(Bolivia)

Scrap supplier  
Steel products trader

Revenue 2021:  
US\$ 124 million



100.00%



ACEROS  
AMERICA  
(Colombia)

Steel products  
trader

Revenue 2021:  
US\$ 17 million



100.00%



ACEROS  
AMERICA  
(Chile)

Scrap collection

Revenue 2021:  
US\$ 3 million



100.00%



ACEROS  
AMERICA  
(Ecuador)

Steel product trader

Since 2022



100.00%



ACEROS  
AMERICA  
CORP

Holding of  
O2 Scrap Yard firms

Consolidated Revenue  
2021:  
US\$ 15 million



99.99%



Steel products trader  
Tube manufacturer

Revenue 2021:  
US\$ 40 million



100.00%



Steel products trader  
Nails & wires manufacturer

Revenue 2021:  
US\$ 27 million



33.65%



Real estate Company

Note: Pre-acquisition Real Estate spin-off of  
Comercial del Acero



33.65%



Real estate Company

24,865 m2

Note: Pre-acquisition Real Estate spin-off of  
Comercial del Acero



10.00%



2 hydroelectric power plants

1. El Platanal 227.1 MW
2. Marañón 19.9 MW



100.00%



ACEROS  
AMERICA  
PORT  
MANATEE

Shredded  
scrap and  
HMS  
collection

100.00%



ACEROS  
AMERICA  
ST. PETE

Shredded  
scrap and  
HMS  
collection

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## Corporate information & ESG\*

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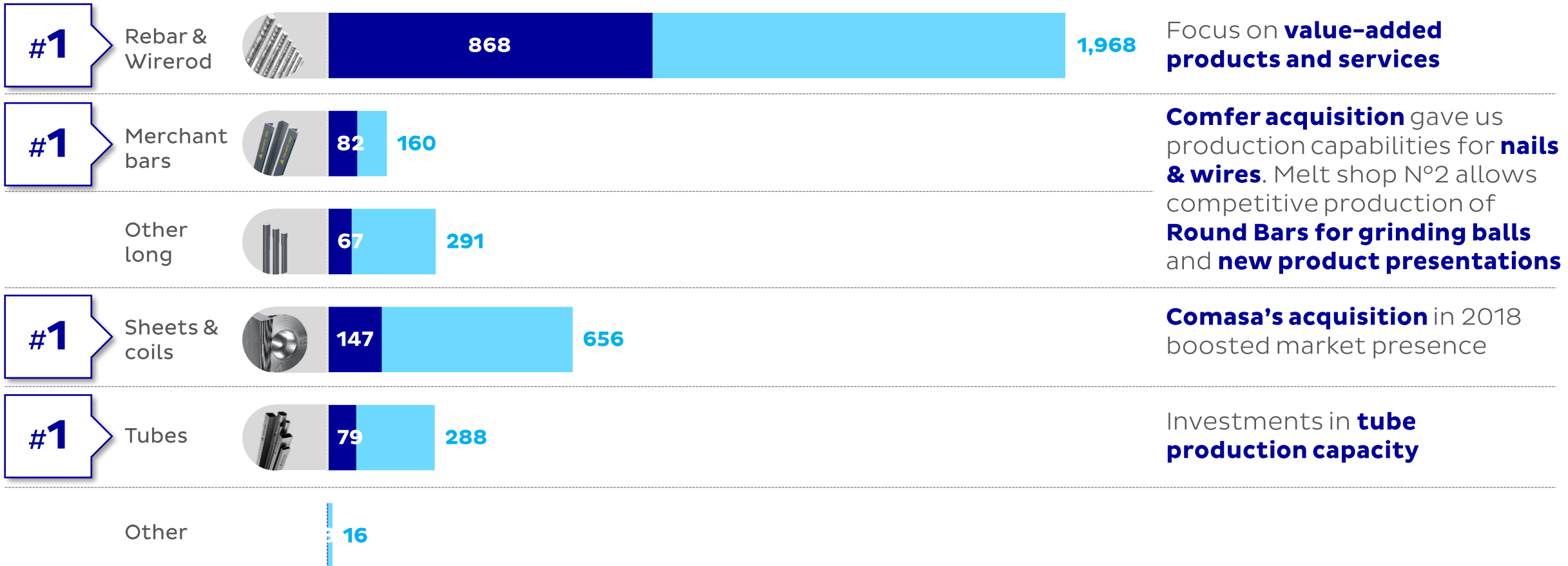
## Why Aceros Arequipa?

# Peruvian steel market 2021

(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



## CONSTRUCTION COMPANIES

Whole-range building



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

TSC innovation.

Design and BIM services for construction companies and industrial clients

ACEDIM

Cut & bend steel products for construction

ACERO INSTALADO

On-site Rebar & Wirerod installation service



## INDUSTRY

Industrial products & equipment



**Comasa acquisition (2018)**

- i) Increased our **market presence** in the industrial segment
- ii) Complemented our portfolio and services with a **steel center and tube plant**



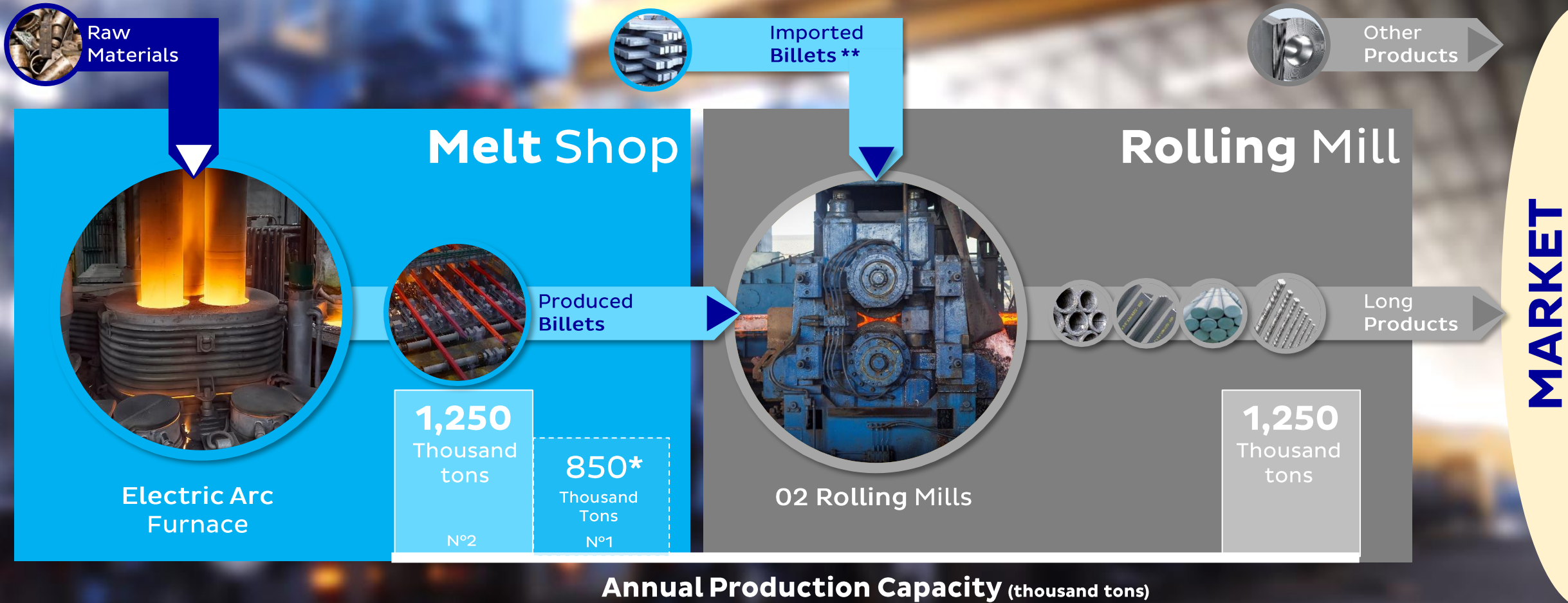
## MINING

Consumables for mineral grinding and mine support



**Melt-shop N°2** opens a new market: **Round balls for grinding mining balls**





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



**Track Record of strategic investments**



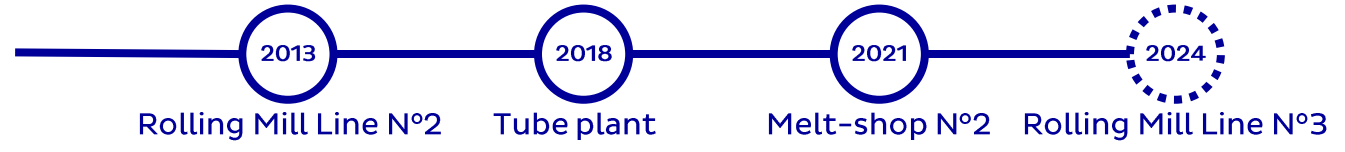
**Largest long-steel products producer** in Peru



**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 acquisition of **regional and international scrap yards** ✓
- Self-supply of raw minerals through **iron mining claims** ✓
- Investment in **Pig Iron production capacity** ✓





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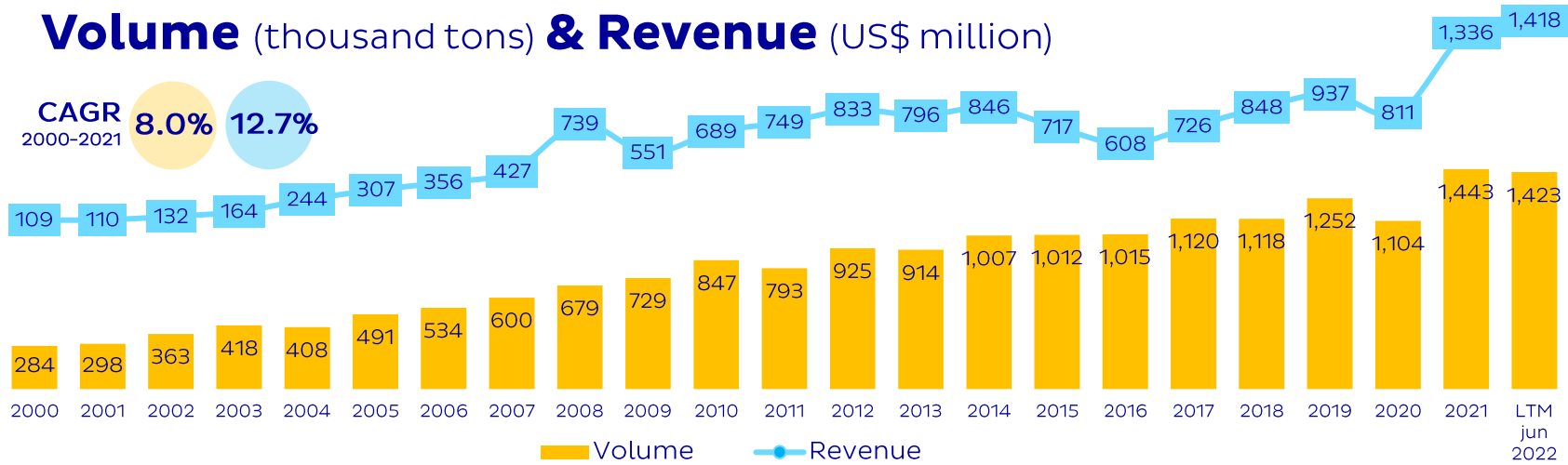
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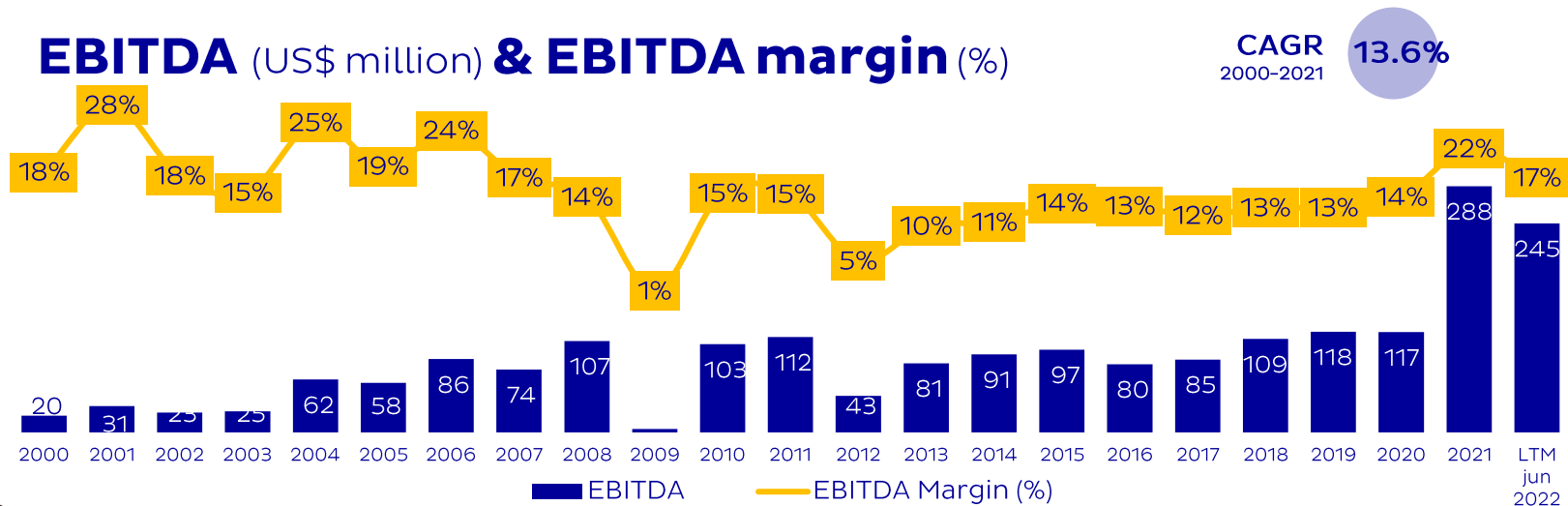
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## Volume (thousand tons) & Revenue (US\$ million)

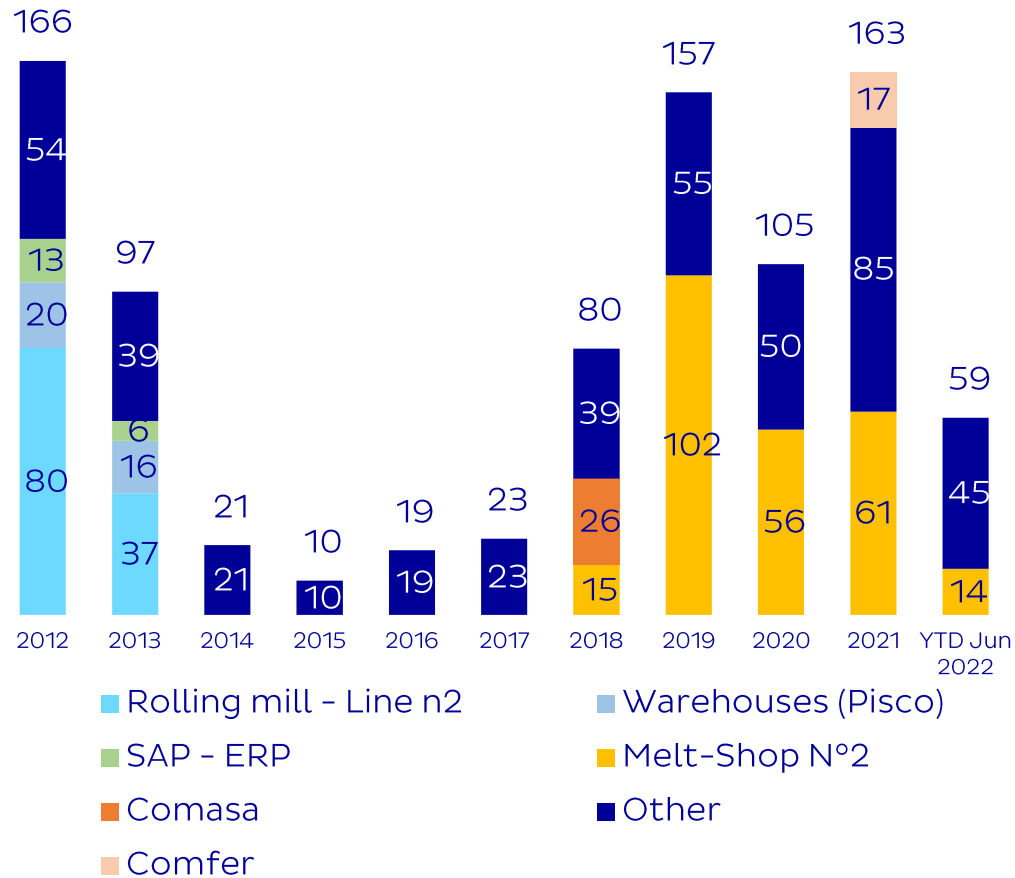


## EBITDA (US\$ million) & EBITDA margin (%)

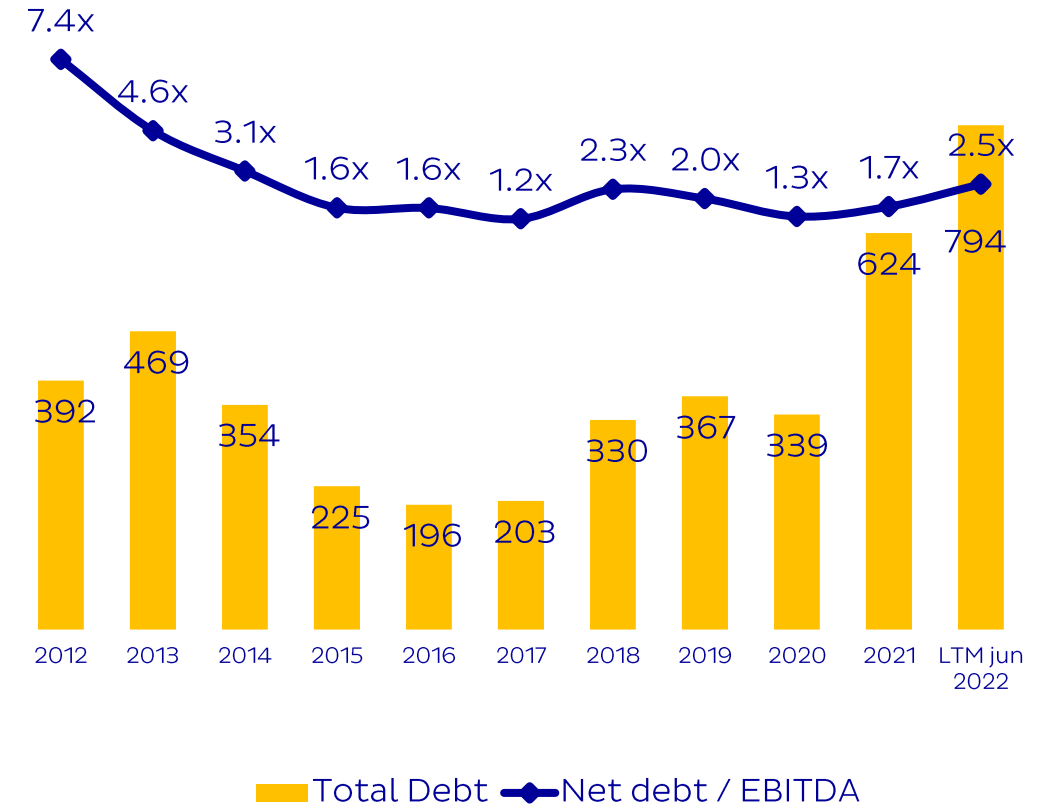


\*Since 2011, the Company reports under IFRS, previously it reported under Peru GAAP

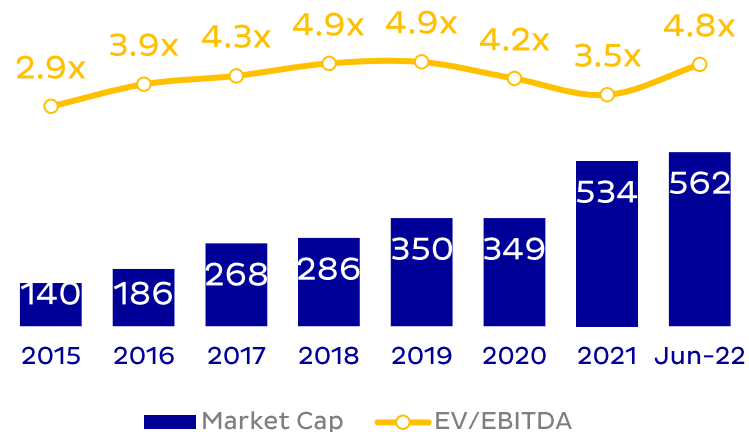
## CAPEX (US\$ million)



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



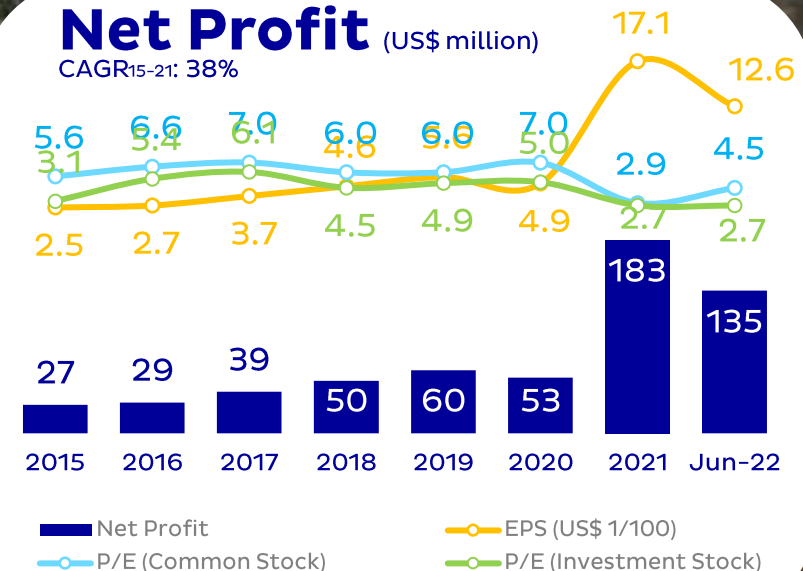
## Market Valuation (US\$ million)



Note: Market Cap does not consider Treasury stock

## Net Profit (US\$ million)

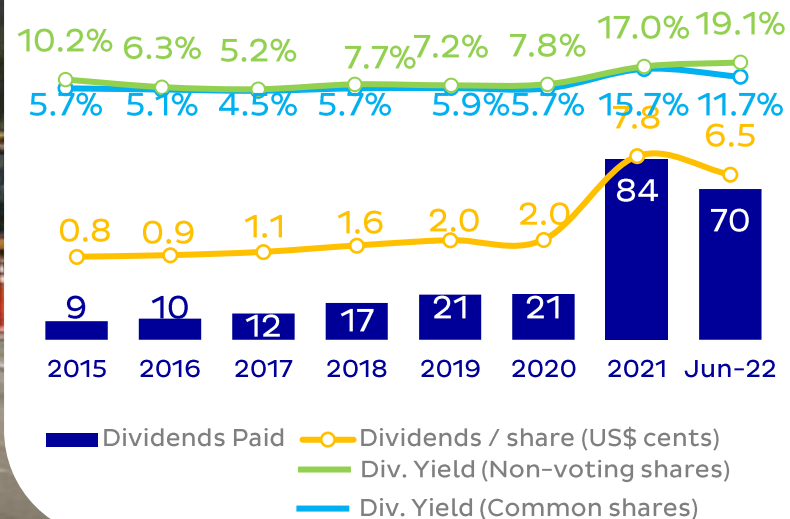
CAGR<sub>15-21</sub>: 38%



Note: Net Profit of 2018 not considering badwill

## Dividends paid (US\$ million)

CAGR<sub>15-21</sub>: 46%



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

The amount is fully paid after two advance payments of 10% and 24% during the period





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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 & Risks



**Ricardo Cillóniz R.**  
Projects & Mining



**Juan Manuel Otoya**  
Human Resources



**Ricardo Guzmán**  
CFO, IRO



**Rafael Cáceres**  
IT



**Gillian Paredes**  
Legal Affairs




**Humberto Barragán**  
Internal Audit



# Corporate Governance



**Fair treatment**

**Dividend Policy**  **40%** of Net Profit After advancements of 10% & 24%



**Corporate Information Policy**

**Shareholder Meeting Regulations**

**Risk Management Policy**

**3 Special Committees**  
ETHICS    AUDIT & RISK MANAGEMENT    HUMAN RESOURCES

**Big 4 Audit Firms** Can be appointed **5 years**

**12 members**  **17%** Women  **17%** Independent

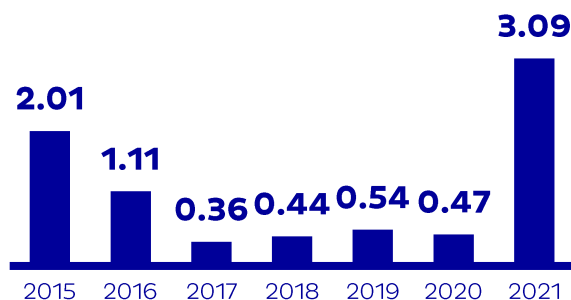


# Safety is our priority



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

**Accident rate**  
(frequency index x severity index)



# Focus on Quality Management



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



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

# Reduced environmental impact



Stood out in the environmental category during the ESR 2021 event due to its **circular economy strategy**

Continuous investments in new technologies and developments to **reduce our environmental impact.**

# Socially responsible



In 2017, 2018, 2019, 2020 and 2021 we received the **“Socially Responsible Company”** award, recognizing our management’s commitment with 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

**Sustainability Yearbook**  
Member 2022  
**S&P Global**

**Sustainability Award**  
Silver Class 2022  
**S&P Global**

**Sustainability Award**  
Industry Mover 2022  
**S&P Global**



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● 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 plant (2018)
- Rolling mill (2013)



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



## Further investments

- Rolling mill N°3
- Scrap yards
- New distribution center

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



**Sustained growth** CAGR '00-'21  
Revenue: 13%  
EBITDA: 14%



## Attractive valuation metrics

**4** **Sustainable** platform



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



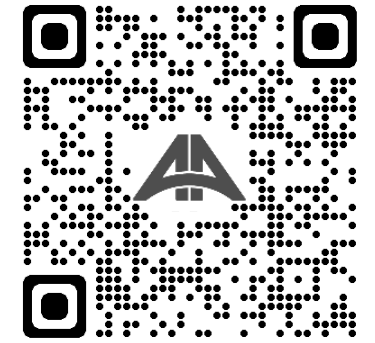
## Top-notch ESG\* performance

(\*) Environmental, Social, and Governance



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<https://tinyurl.com/2p86p9x8>

Or scan the following **QR code:**



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