



1Q 2023

EARNINGS PRESENTATION

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**Dow Jones
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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 global.com/esg/yearbook

S&P Global 



AGENDA

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Relevant events

2

Results snapshot

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Operational & financial results

4

Guidance

RELEVANT EVENTS

**Sustainable
financing credit
line of
US\$ 40 million for
raw material
imports**

**“Perú Limpio”
recognition by the
Peruvian Ministry of
Environment**

Cash Dividend payment

The Shareholders' Meeting approved a cash dividend of S/ 98.6 million. The total amount net of advance payments, was USD 6.6 millions.

BBVA



**ACEROS
AREQUIPA**

RESULTS SNAPSHOT

S/ million

1Q

REVENUE

1,220.2 ▼ 95.7 (-7.3%)
YoY



OPER. WORKING CAPITAL BALANCE

1,968.5 ▼ 143.6 (-6.8%)
YTD



EBITDA (Margin)

128.1 (10%) ▼ 51.6 (-28.7%)
YoY



CAPEX

100.9 ▼ 28.2 (-21.8%)
YoY



NET INCOME (Margin)

34.6 (3%) ▼ 61.7 (-64.1%)
YoY



NET DEBT

2,307.1 ▼ 100.5 (-4.2%)
YTD

3.8x EBITDA



(*) 2022 figures are based on audited financial statements

REVENUE

S/ million

Revenue decreased by S/ 96 million or 7% YoY

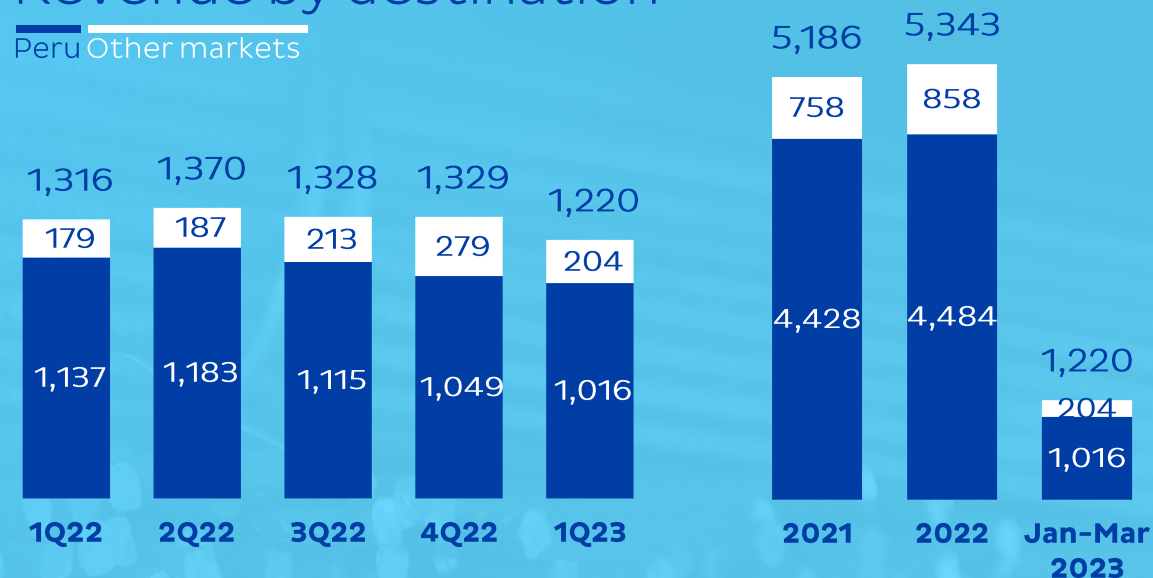
Lower sales in Peru, Bolivia and Colombia were partly offset by higher sales to non-recurrent markets.

By product

- **Others:** lower prices and lower volumen in some categories
- **Rebar & Wirerod:** increased sales to non-recurrent markets.

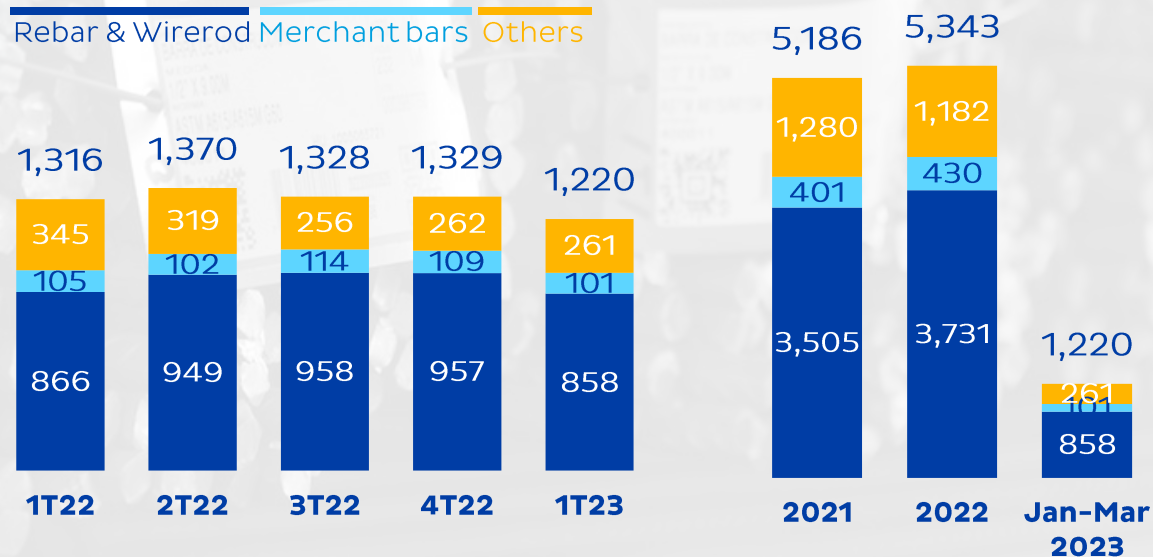
Revenue by destination

Peru Other markets



Revenue by product category

Rebar & Wirerod Merchant bars Others



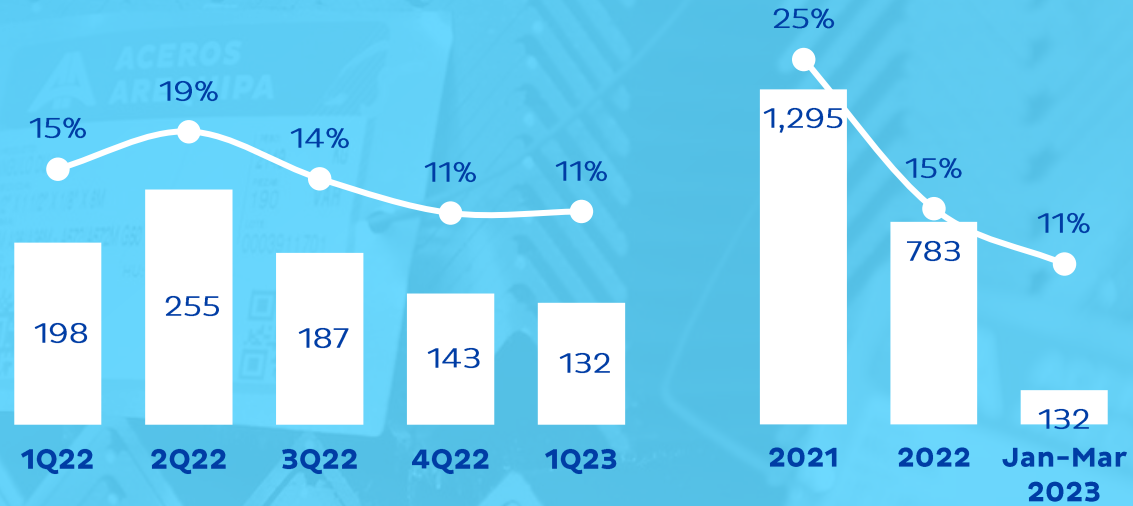
OPERATING PROFITABILITY

S/ million

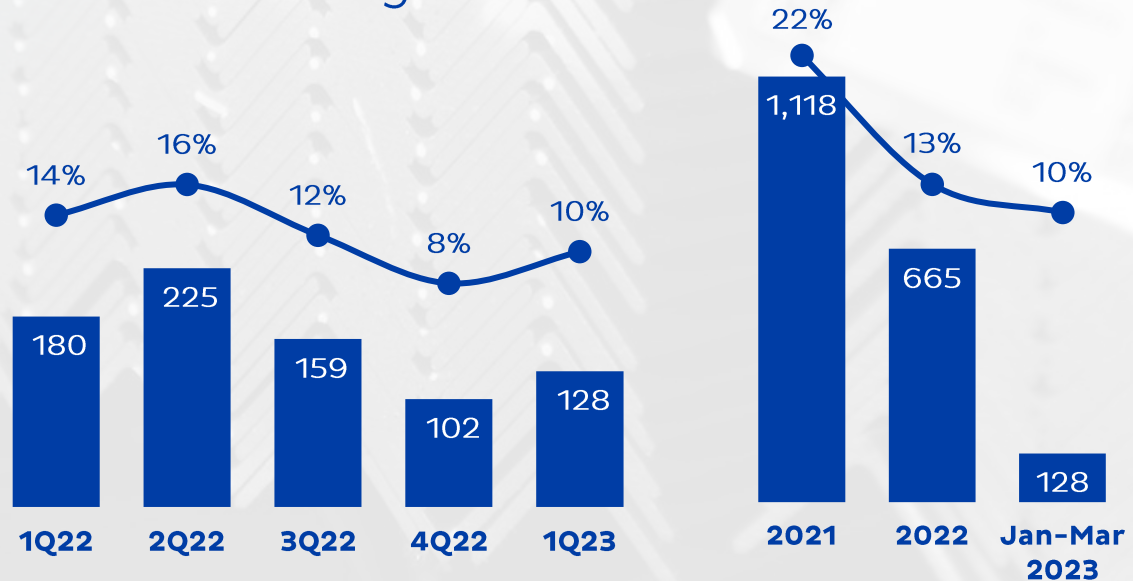
Gross Profit decreased mainly due to lower prices and volume in some categories of “Others” and exports to non-recurrent markets with competitive prices

EBITDA decreased due to a lower Gross Profit, partly offset by lower SG&A

Gross Profit & Gross Margin



EBITDA & margin



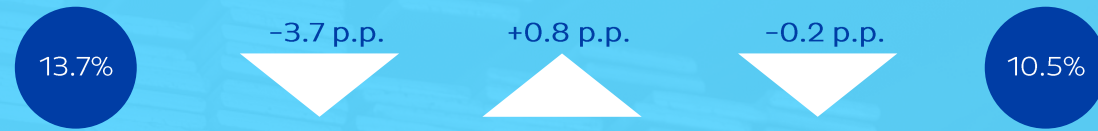
EBITDA

S/ million

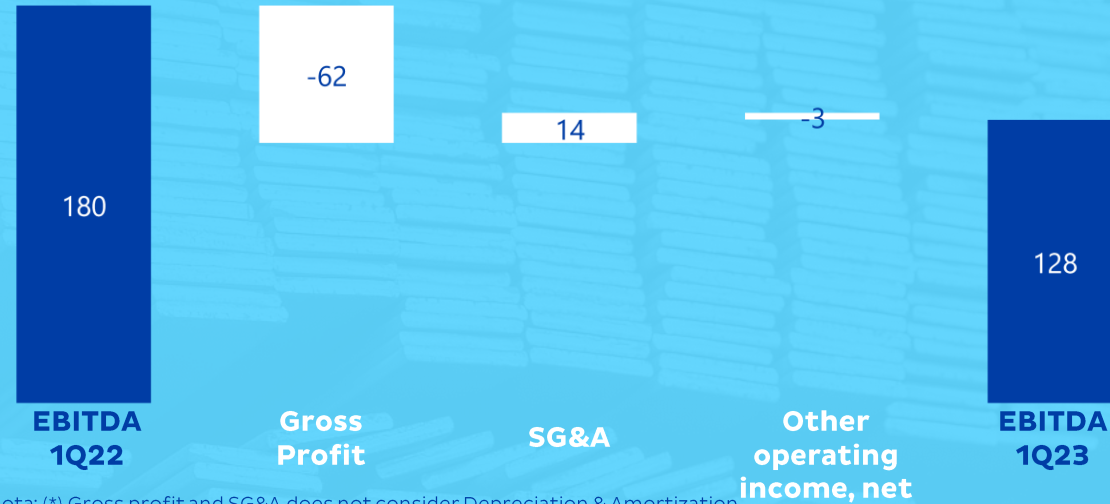
Lower EBITDA mainly explained by lower gross profit, partially compensated by lower SG&A

SG&A were lower mainly due to lower personnel expenses, and lower allowances for doubtful accounts

EBITDA margin drivers



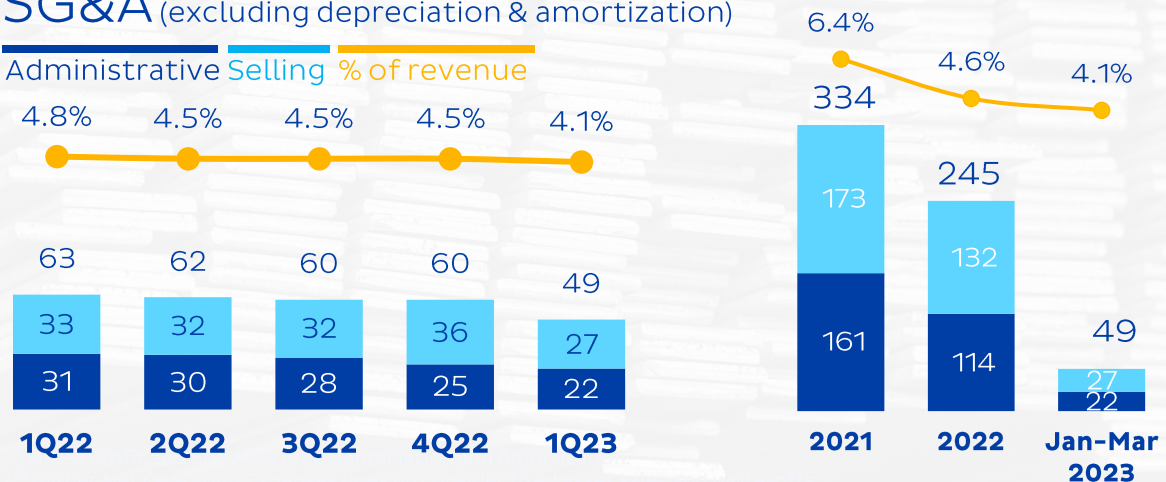
EBITDA drivers



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

Lower Operating Profit by S/ 63 million mainly due to lower Gross Profit and “Other operating income, net”

Net Financial Expenses were higher by S/ 23 million due to new melt shop financial lease and higher working capital financing with higher interest rates

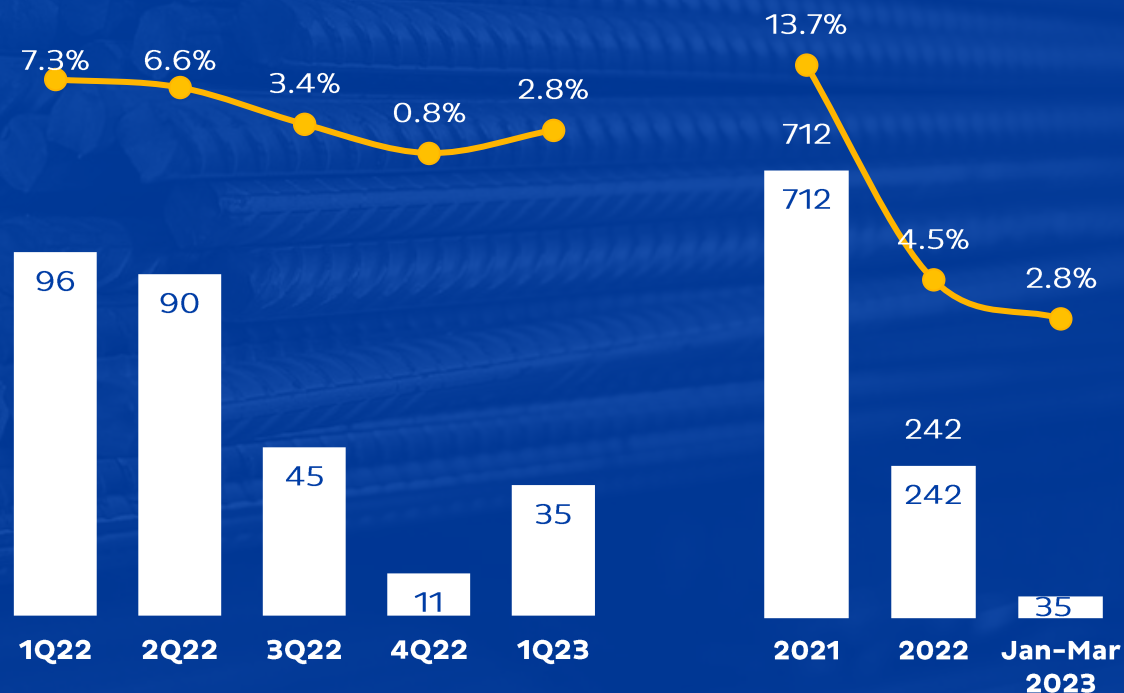
Lower exchange rate differences income by S/ 19 million, partially compensated by positive income from subsidiaries compared with a negative result in 1T 2022

Lower Income Taxes by S/32 million

Net profit & net margin

Net profit

Net margin



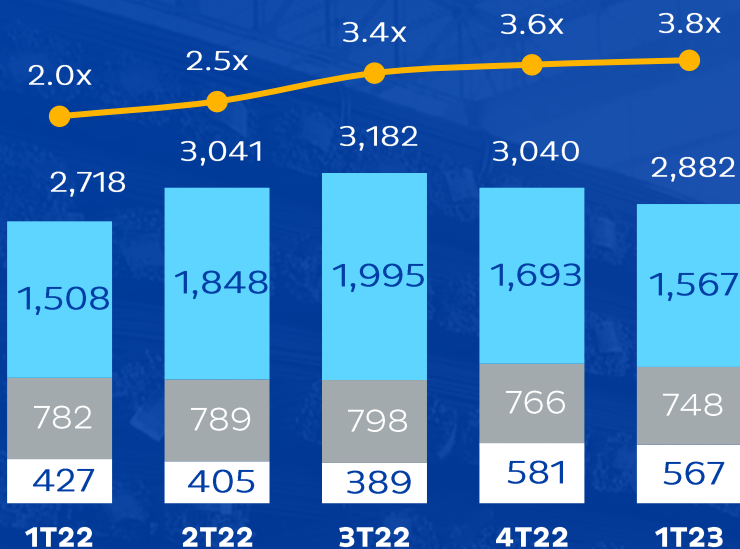
DEBT METRICS

S/ million

Lower YTD Short-Term Debt in line with lower Working Capital requirements

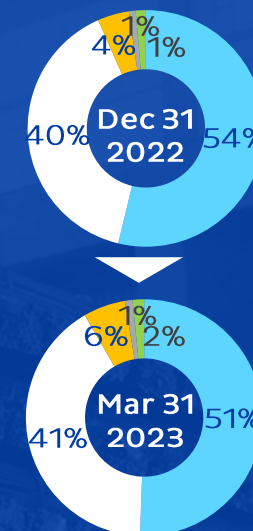
Total debt by type

LT Debt Melt shop lease ST Debt Net debt / EBITDA



By currency

S/ US\$ BOL CLP COP



Other ratios as of March 2023

Leverage

(Total Liabilities / Shareholders' equity)

1.39x

Fin. Expen. coverage

(LTM EBITDA / LT. Fin. Expenses)

3.56x

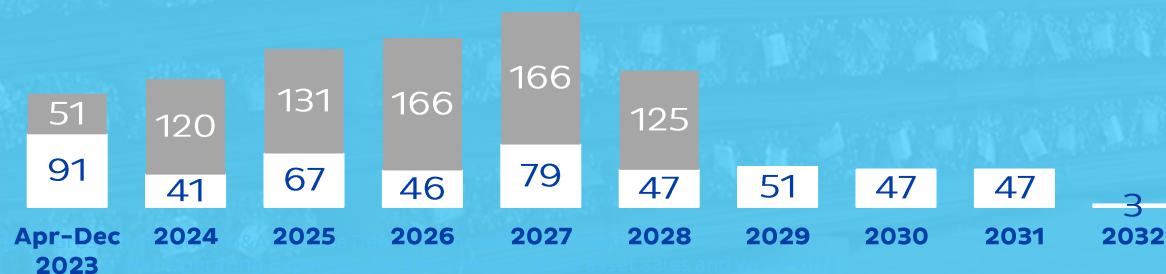
Liquidity

(Current Assets / Current Liabilities)

1.32x

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

LT Debt Melt shop lease⁽³⁾



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 = 3.763

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

WORKING CAPITAL & CAPEX

S/ million

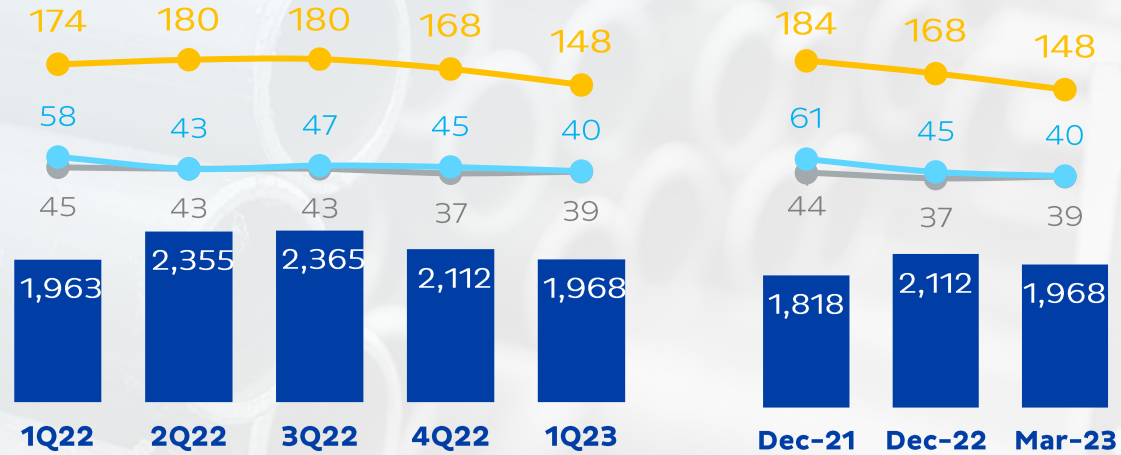
Lower working capital requirements vs December 2022 due to lower inventories

1Q 2022 CAPEX within the “other” category include:

- Non Ferrous recovery (S/ 7 million)
- Land and Tubes plant in Bolivia (S/5 million), among others

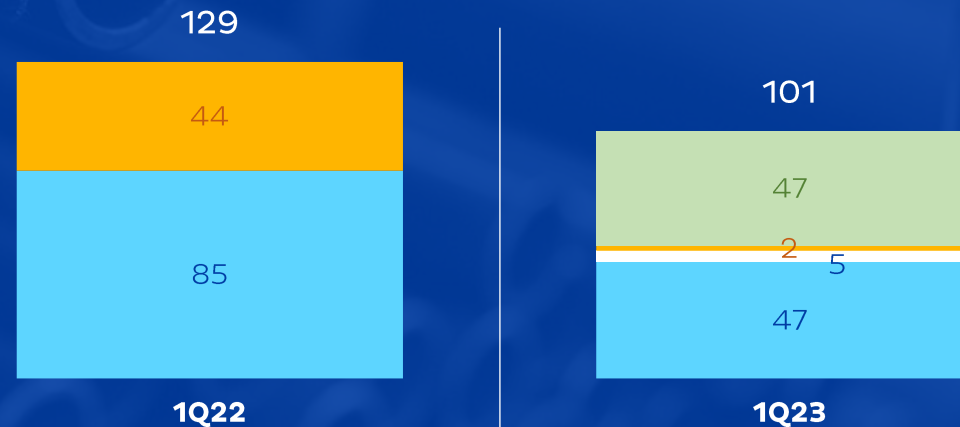
Operating Working Capital (end of period)

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



Capex

Other Melt Shop Lurin Distribution Center Rolling Mill #3



CASH FLOW

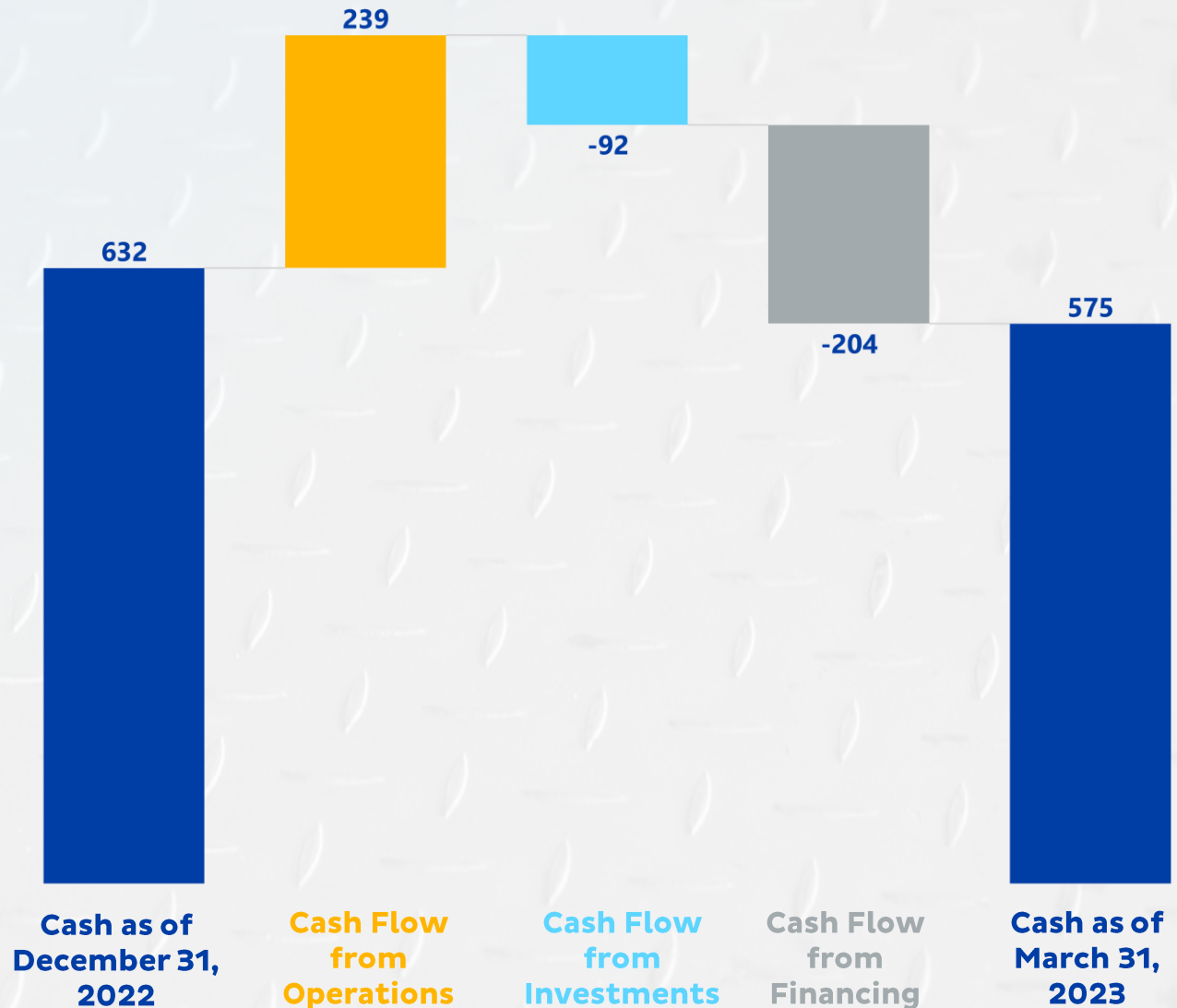
S/ million

Operating Cash Flow, explained by EBITDA and a reduction in inventories, partially mitigated by supplier payments and higher accounts receivables

Investments in PPE and intangibles were S/ 101 million, partly offset by interests received of S/ 8 million.

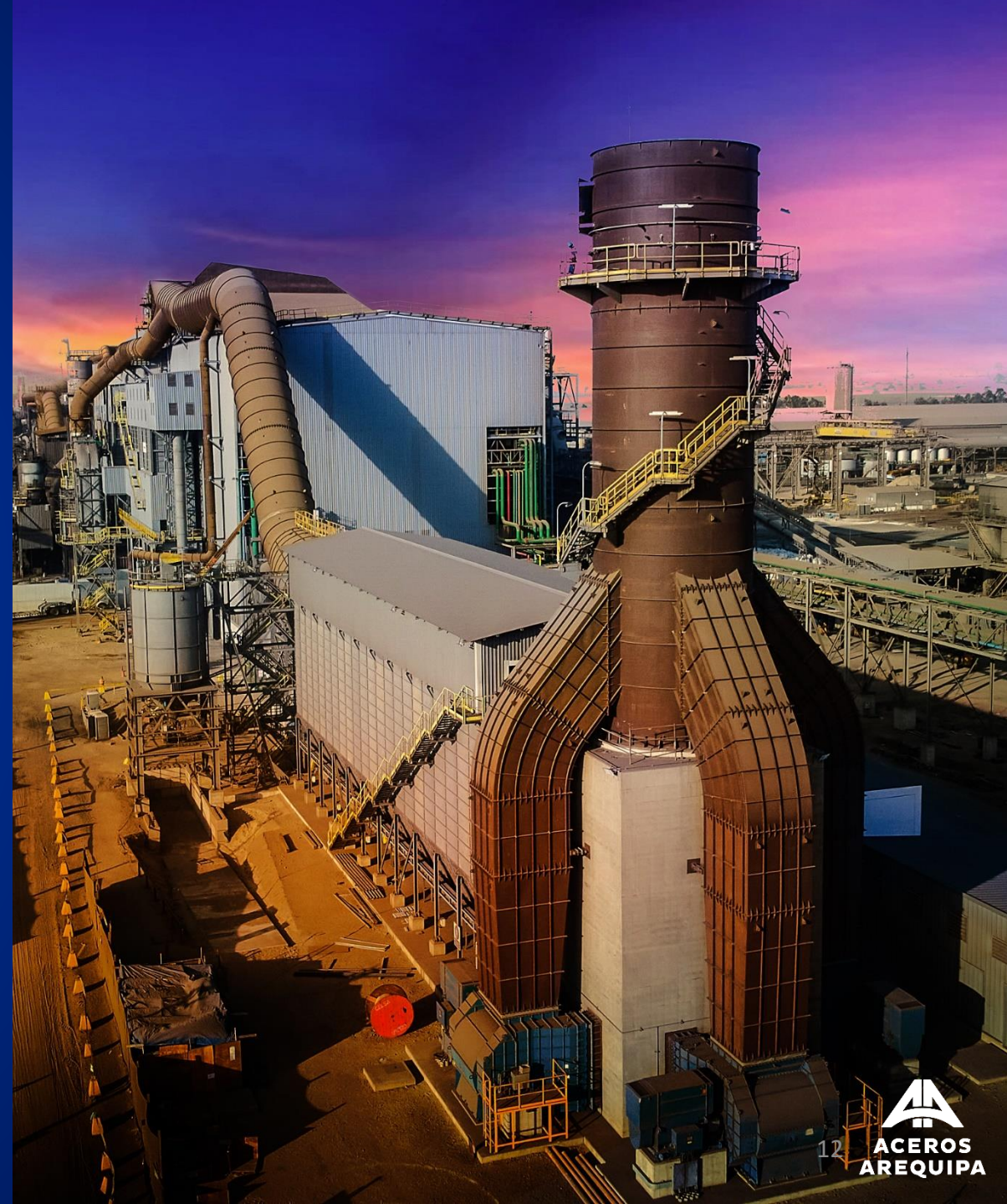
Net financing of - S/ 163 million and interests paid of S/ 42 million

Cash Flow as of March 2023



GUIDANCE

	2022	GUIDANCE 2023
Revenue growth	3.0%	-8%
EBITDA S/ million	665	~650
CAPEX S/ million	495	550 600
Dividends paid S/ million	165	~70
EPS S/	0.23	0.20



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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