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Sustainability Yearbook
Member 2021

S&P Global

4Q 2021

EARNINGS PRESENTATION



AGENDA

1

2021 relevant events

2

4Q 2021 Results snapshot

3

Operational & financial results

4

Guidance

2021 RELEVANT EVENTS

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RESULTS SNAPSHOT

S/ million

4Q
FY

REVENUE

1,448.8 ▲ 385.7 (+36.3%)
YoY
▲ 2,348.6 (+82.8%)
YoY



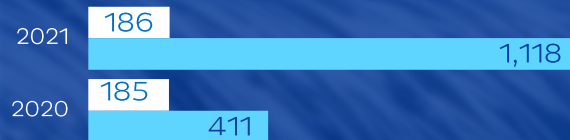
OPER. WORKING CAPITAL BALANCE*

1,818.1 ▲ 1,407.7 (+343.0%)
YTD



EBITDA (Margin)

185.9 (12%) ▲ 1.4 (+0.7%)
YoY
▲ 707.1 (+172.0%)
YoY



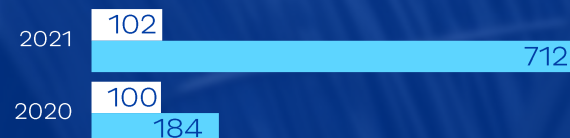
CAPEX

151.5 ▲ 43.7 (+40.6%)
YoY
▲ 265.0 (+72.0%)
YoY



NET PROFIT (Margin)

101.9 (7%) ▲ 1.7 (1.7%)
YoY
▲ 528.4 (287.1%)
YoY



NET DEBT

1,846.5 ▲ 1,328.1 (+256.2%)
YTD

1.7x EBITDA



(*) 2020 figures are based on audited financial statements



AGENDA

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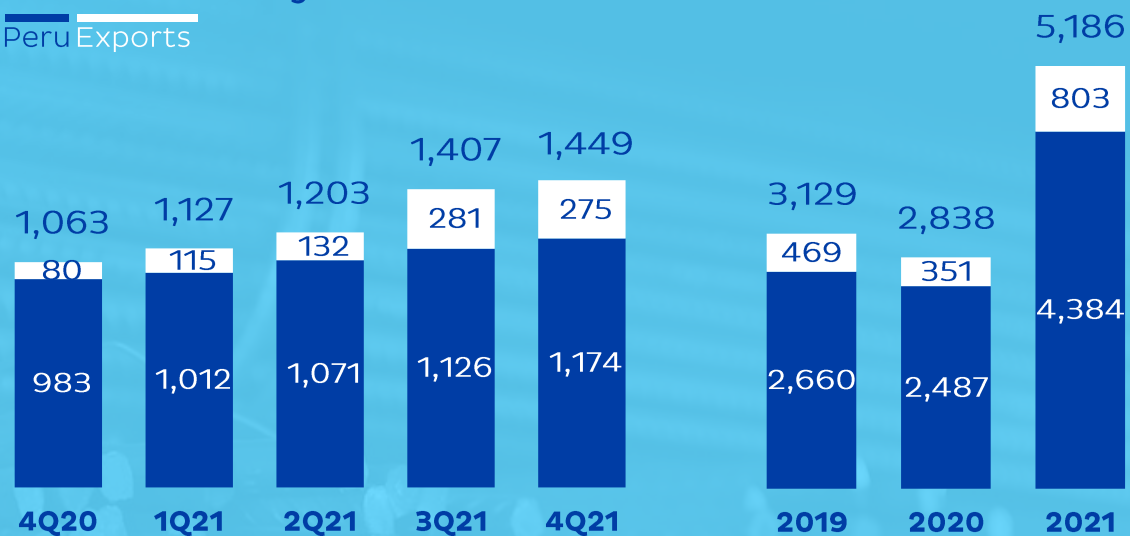
REVENUE

S/ million

Revenue increased by S/ 386 million, or 36% YoY, driven by higher average prices

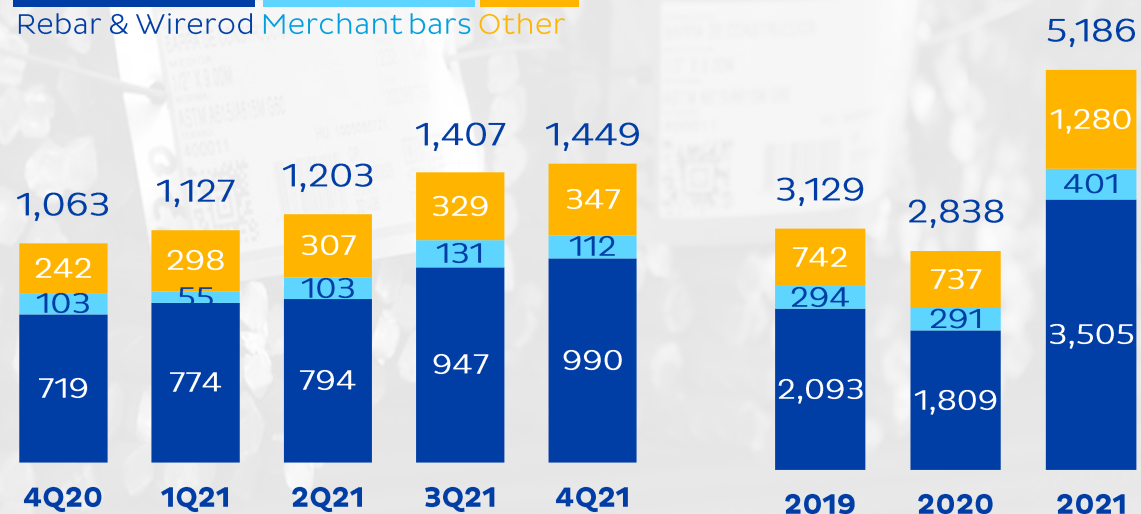
Revenue by destination

Peru Exports



Revenue by product category

Rebar & Wirerod Merchant bars Other

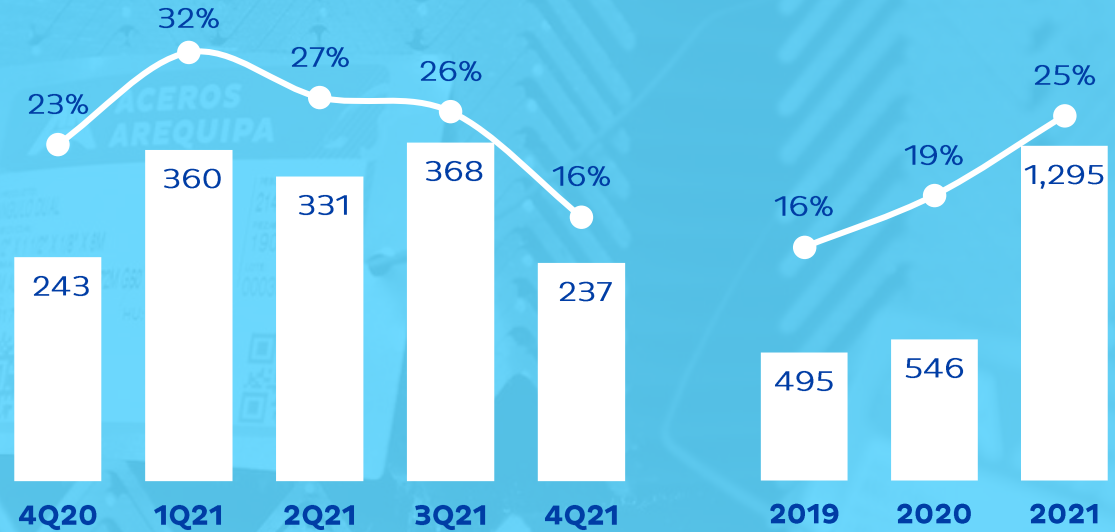


OPERATING PROFITABILITY

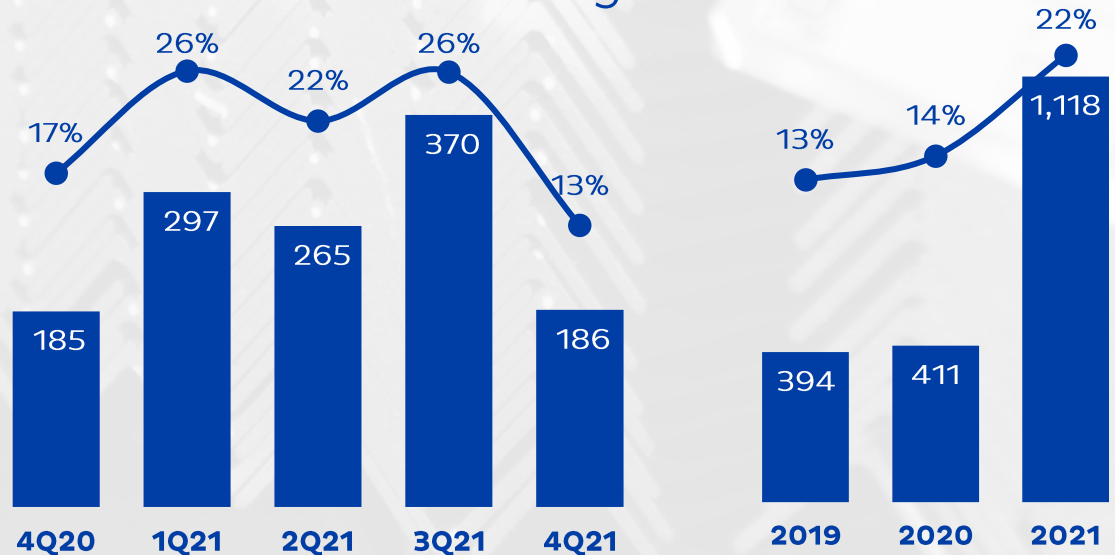
S/ million

Gross Margin was lower as a result of higher costs of raw materials and finished products as well as provisions for S/39 million related to, the startup cost of the new melt shop, programmed plant interruption and other expenses

Gross profit & gross margin



EBITDA & EBITDA margin



EBITDA

S/ million

EBITDA was higher mainly due to a higher gross profit

SG&A increased due to higher third party services and allowances for doubtful accounts

EBITDA margin drivers



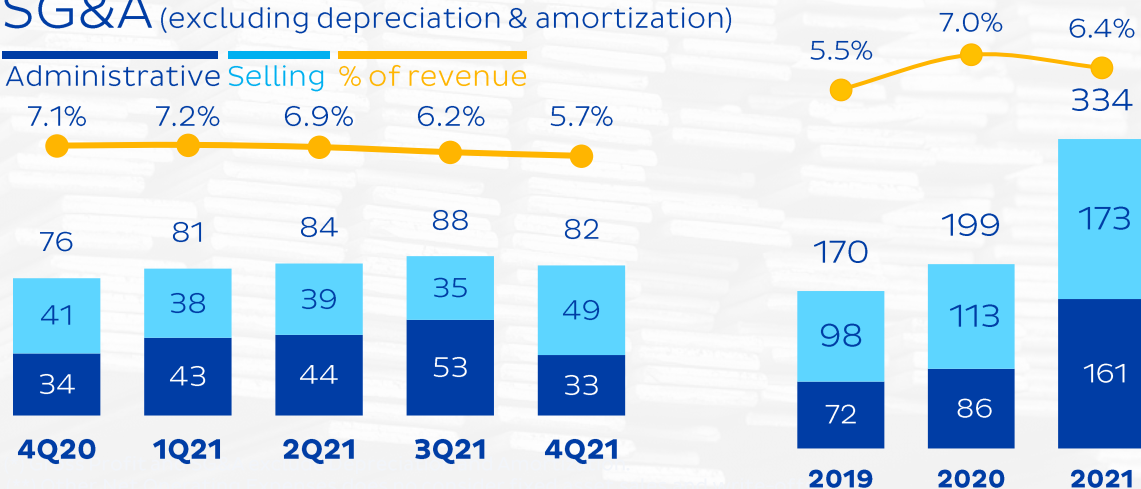
EBITDA drivers



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

Higher Operating Profit by S/ 10 million explained by Comfer's badwill adjustment partially reduced by Comasa's PPA actualization

Net Financial Expenses were S/ 3 million higher

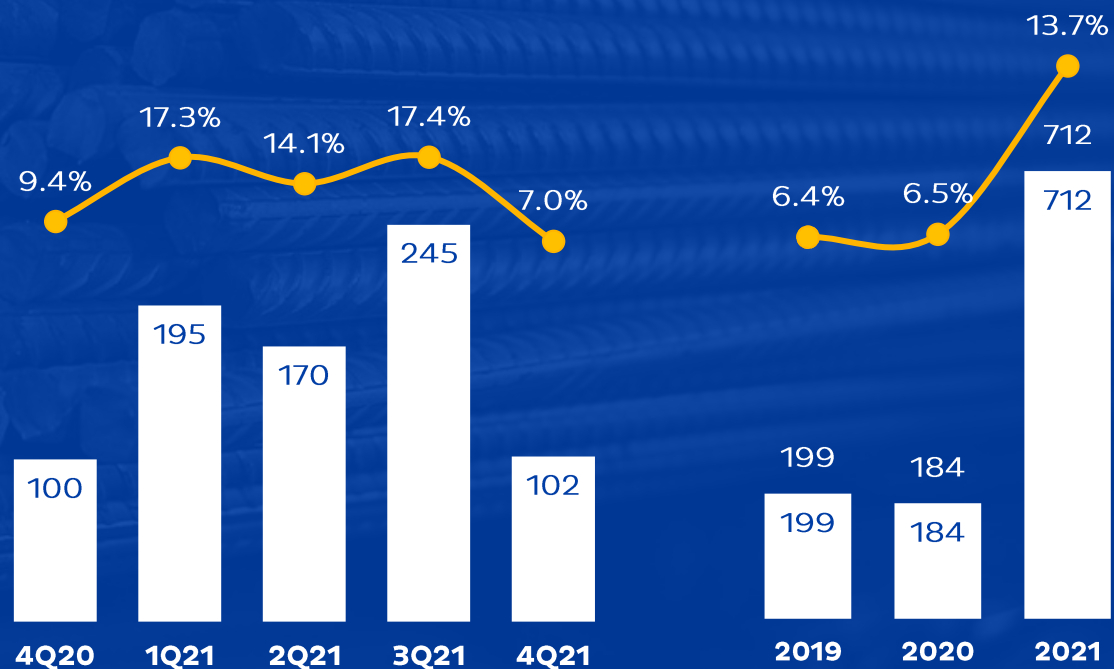
Higher results of subsidiaries and affiliate by S/ 2 million

Exchange rate differences had a negative S/ 15 million effect

Lower Income Tax by S/ 8 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

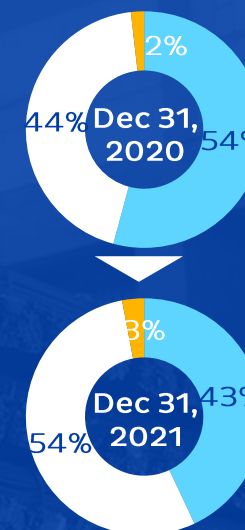
Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



By currency

US\$ S/ BOL



Other ratios as of December 2021

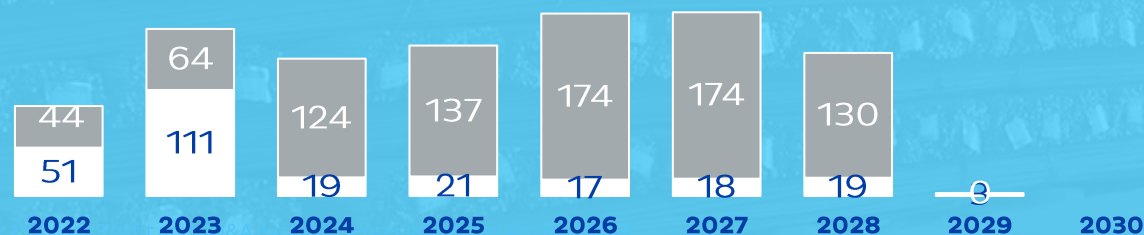
Leverage
(Total Liabilities / Shareholders' equity)
1.40x

Fin. Expenses coverage
(LTM EBITDA / LT. Fin. Expenses)
41.24x

Liquidity
(Current Assets / Current Liabilities)
1.47x

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

LT Debt Melt shop lease⁽³⁾



Note:

(1) Planned amortization schedule with financial institutions.

(2) For illustration purposes USD / PEN = 4.00

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

WORKING CAPITAL & CAPEX

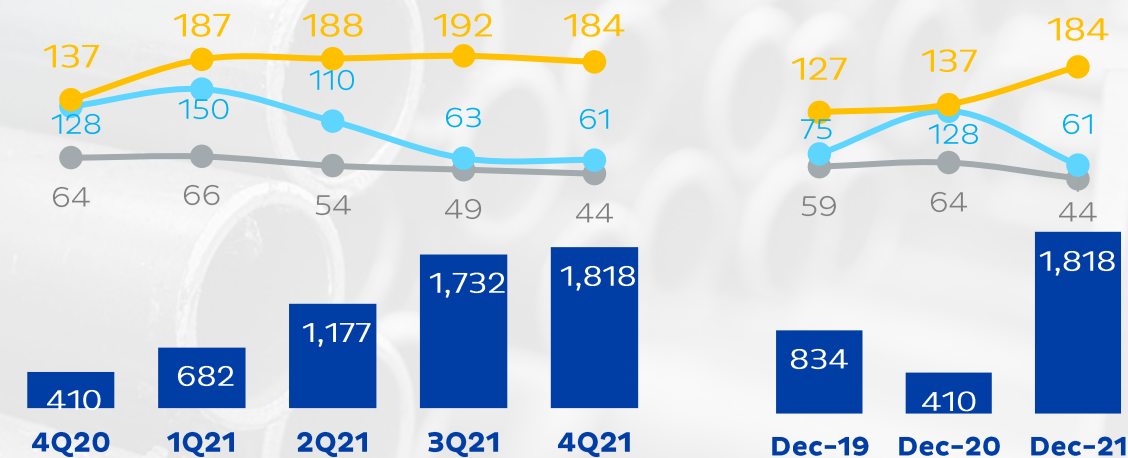
S/ million

Higher Working Capital requirements vs December 2020, mainly due to higher inventory levels and lower accounts payables

CAPEX mainly included investments in the new melt shop, among other

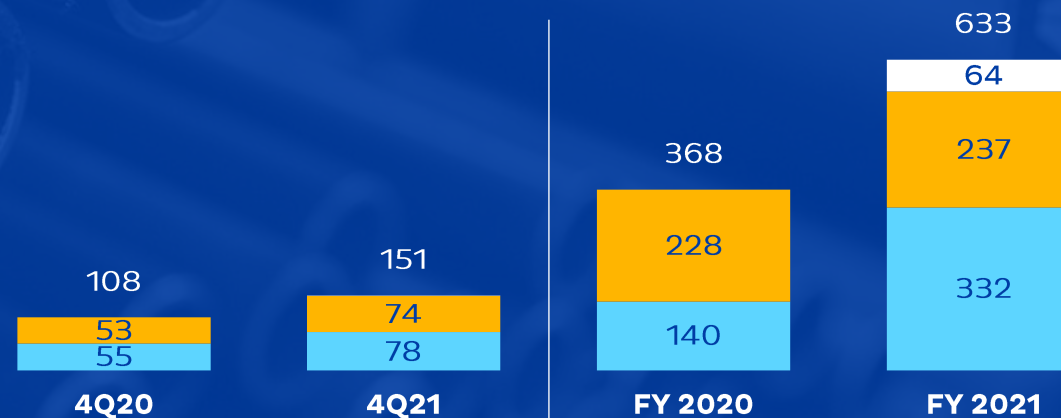
Operating Working Capital

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



Capex

Capex Melt shop Comfer S.A. acquisition



CASH FLOW

S/ million

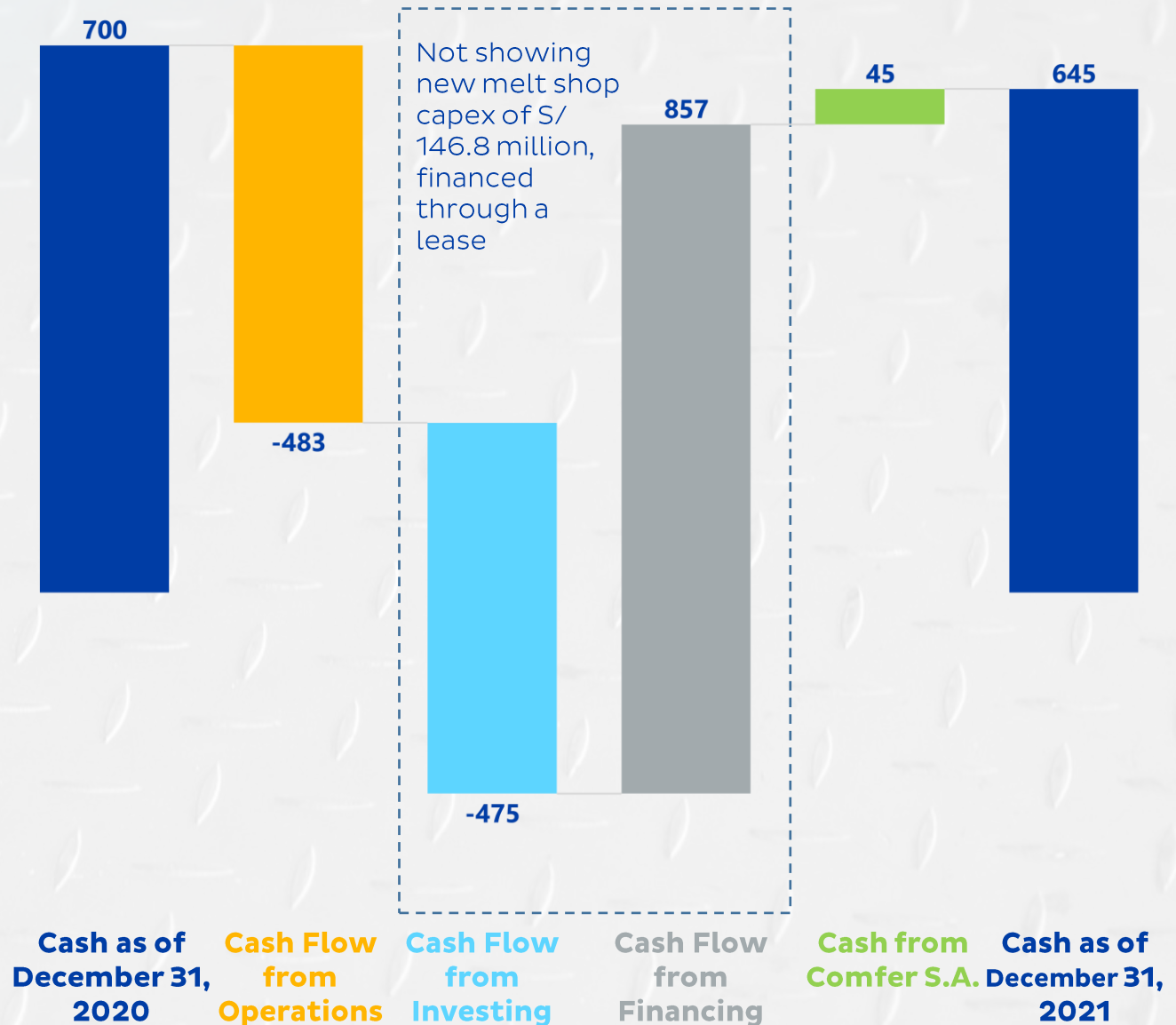
Higher inventory levels and payments to suppliers during the period

The acquisition of Comfer, the purchase of 02 scrap yards in FL, USA, and Investments in fixed assets reached S/ 486 million, partially offset by interest and dividends received of S/ 10 million of S/1.7 million, respectively

Higher financing of S/ 1,214 million, net of interest paid of S/ 27 million and dividends paid of S/330 million

Cash obtained after Comfer S.A. acquisition

Cash Flow as of December 2021



GUIDANCE 2022

\$/ million

2021

GUIDANCE
2022

Revenue growth

82.8%

>12%

EBITDA

1,118

>940

CAPEX

633

500
600

Dividends paid

330

>200

EPS

0.66

>0.40



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

4Q 2021

EARNINGS
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.