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UN GLOBAL COMPACT

ACEROS AREQUIPA

4Q 2022 EARNINGS PRESENTATION

AGENDA

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

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RELEVANT EVENTS

New long term financing

Aceros Arequipa entered into two loan agreements with Interbank and BCP that totaled US$ 163 million to finance capex

Interbank

BCP

US$ 163 million
9-year loans

EMA
MACRORREGIÓN SUR

Tekla Global BIM Awards 2022

TSC innovation, a subsidiary of Aceros Arequipa, won the Tekla Global BIM Awards 2022.
The "Ovalo Monitor" project was recognized as the best infrastructure project in the world

Recognized as one of the top 5 most admired firms

Aceros Arequipa was recognized by the San Pablo Catholic University, PwC Peru and "G de Gestión" magazine as part of the top 5 most admired companies in the southern macroregion of Peru, and the winner within the manufacture sector

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RESULTS SNAPSHOT

S/ million

4Q
FY

REVENUE

1,328.6

▼ 120.2 (-8.3%) YoY

▲ 156.4 (+3.0%) YoY

	4Q	FY
2022	1,329	5,343
2021	1,449	5,186

OPER. WORKING CAPITAL BALANCE*

2,112.1

▲ 290.1 (+15.9%) YTD

Dec 2022	2,112
Dec 2021	1,822

EBITDA (Margin)

101.7 (8%)

▼ 84.2 (-45.3%)

▼ 452.9 (-40.5%)

2022	102	665
2021	186	1,118

CAPEX

139.0

▼ 12.4 (-8.2%) YoY

▼ 137.7 (-21.8%) YoY

2022	139	495
2021	151	632

NET INCOME (Margin)

11.2 (1%)

▼ 90.7 (-90.6%) YoY

▼ 470.0 (-66.0%) YoY

2022	11	242
2021	102	712

NET DEBT

2,407.6

▲ 561.2 (+30.4%) YTD

3.6x EBITDA

Dec 2022	2,408
Dec 2021	1,846

(*) 2021 figures are based on audited financial statements

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REVENUE

S/ million

Revenue decreased by S/ 120 million or 8% YoY

By destination:

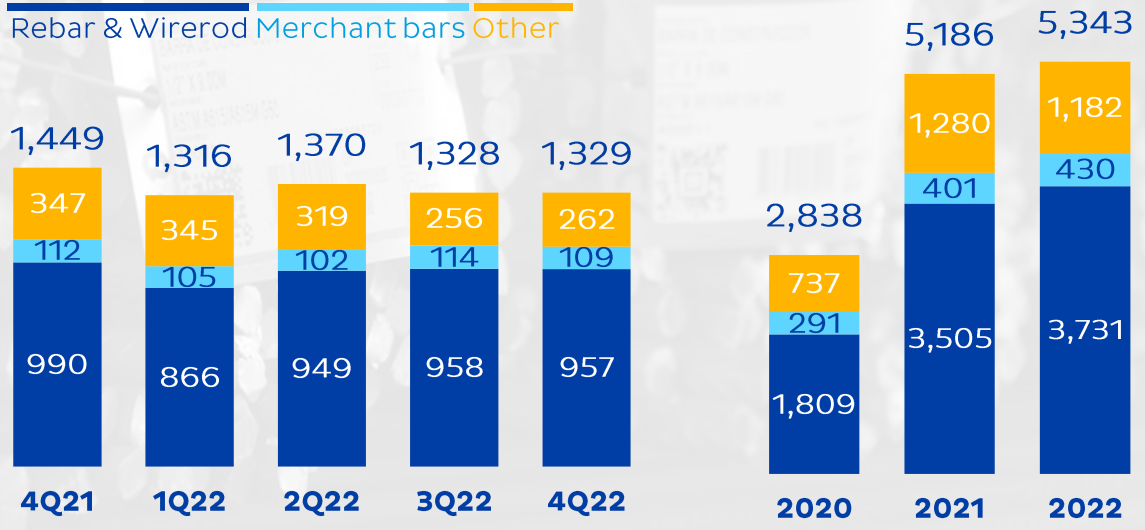
- Peru: Lower volumen sold, mainly in December
- Reduction in Exchange rate effect

By product:

- Mainly lower sales of rebars and "Others" (sheets and tubes,)

Revenue by destination

Revenue by product category



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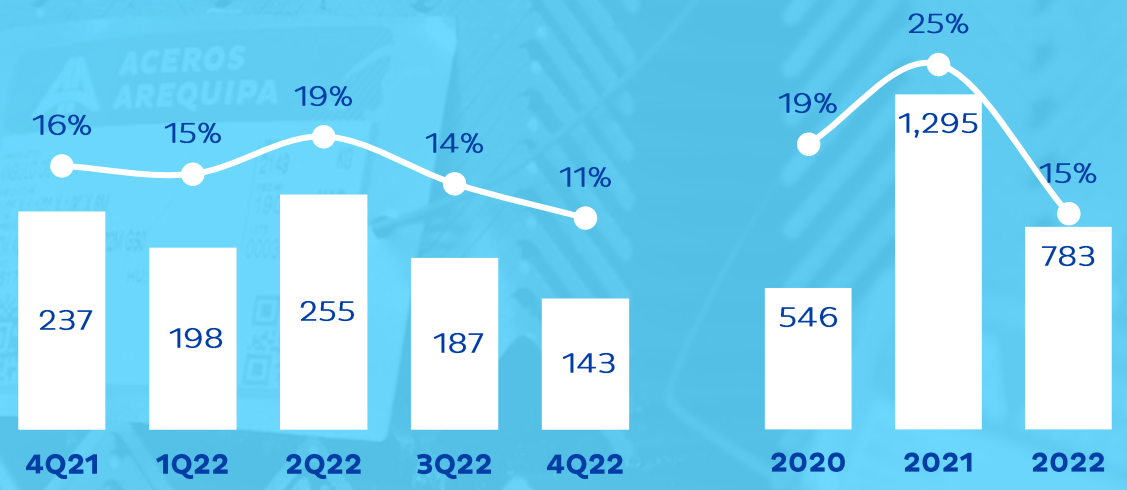
OPERATING PROFITABILITY

S/ million

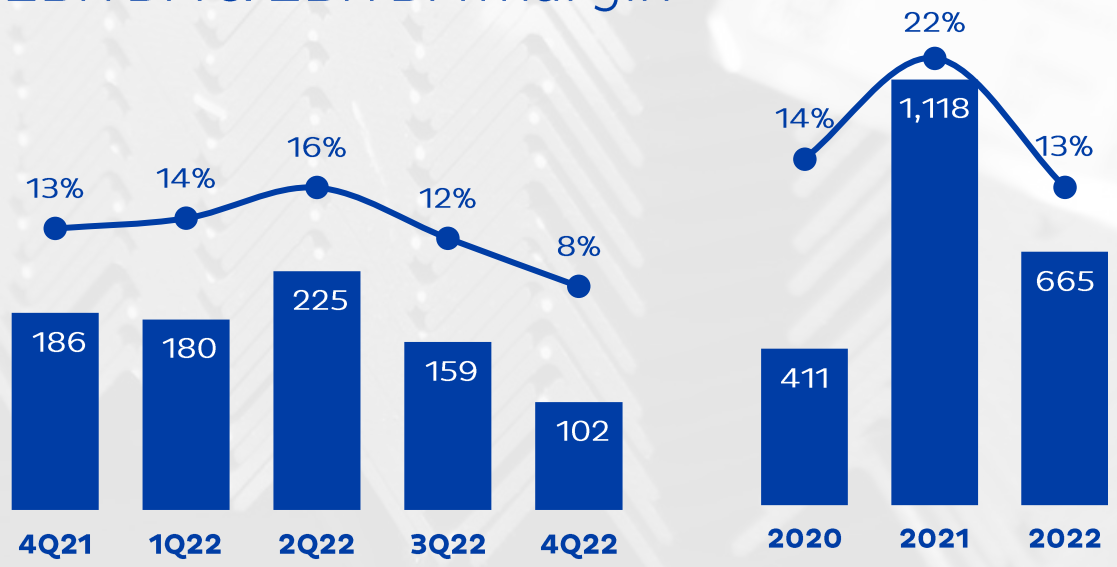
Gross margin decreased due to:

- Higher costs of raw materials and imported products,
- Lower volumen sold

Gross profit & gross margin



EBITDA & EBITDA margin



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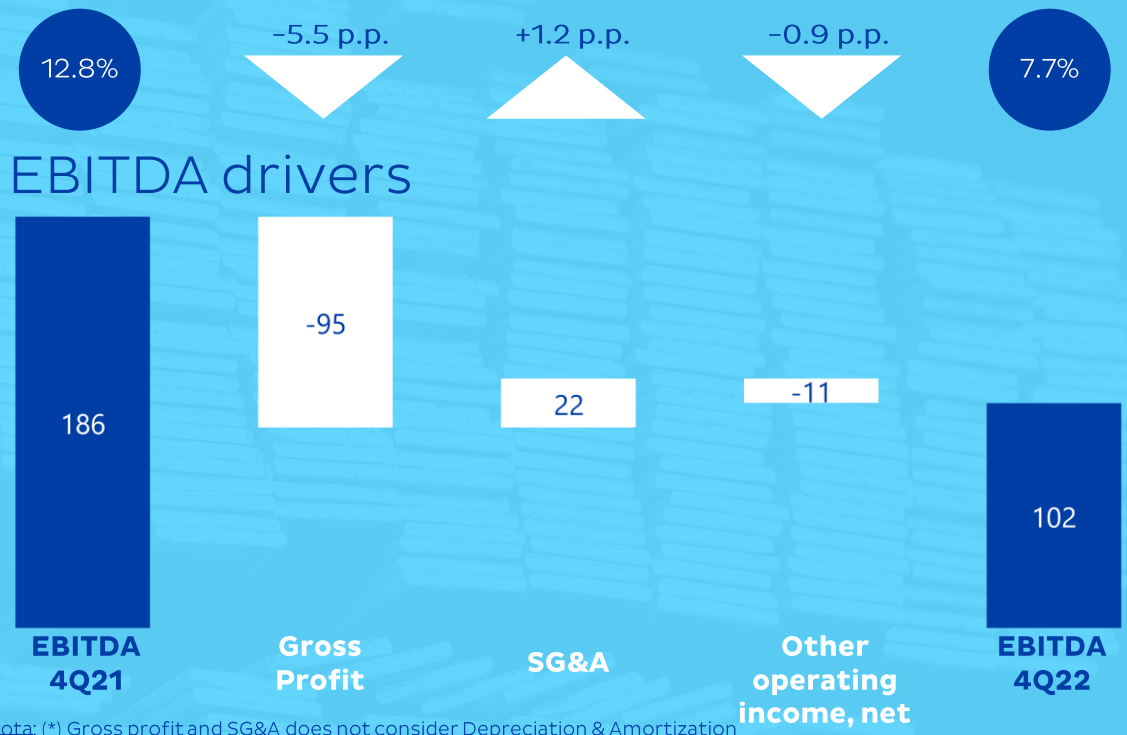
EBITDA

S/ million

The lower Gross Profit and Other Operating Income explained the EBITDA reduction (partially mitigated by lower SG&A)

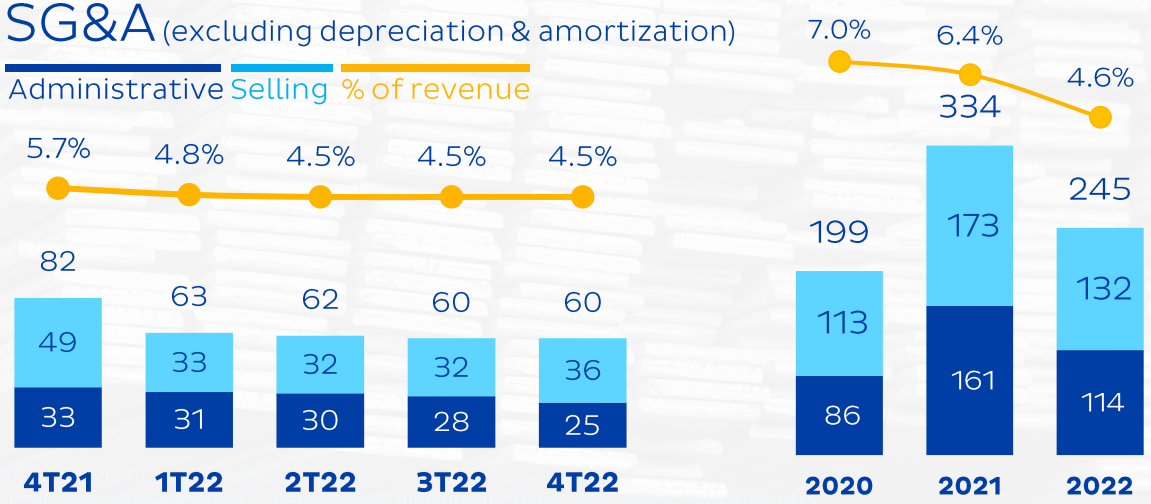
SG&A were lower mainly due to lower personnel expenses, and lower allowances for doubtful accounts

EBITDA margin 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)



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NET PROFIT

S/ million

Lower Operating Profit by S/ 94 million:

- lower Gross Profit
- Reduction of Other Operating Income, net

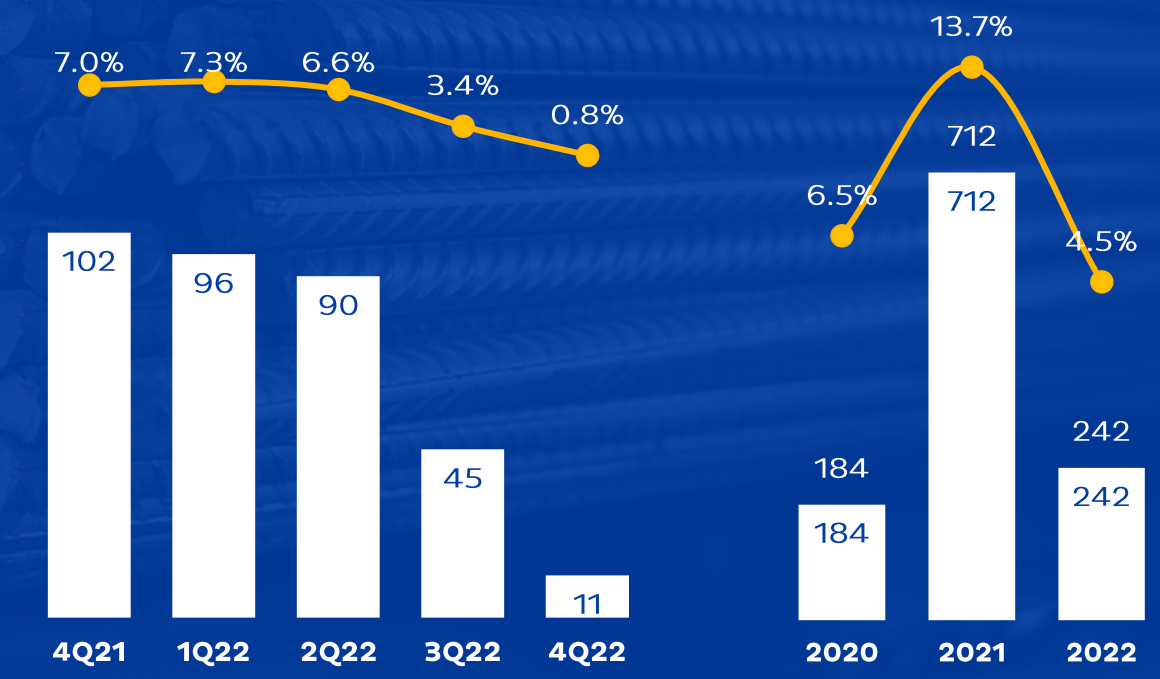
Net Financial Expenses were S/ 30 million higher:

- New melt shop's financial leasing
- Higher Working Capital requirements
- Higher interest rates

Effect of the Exchange Rate of -S/ 5 million (4Q 2022) compared to -S/17million (4Q 2021)

Lower Income Taxes by S/ 25 million

Net profit & net margin



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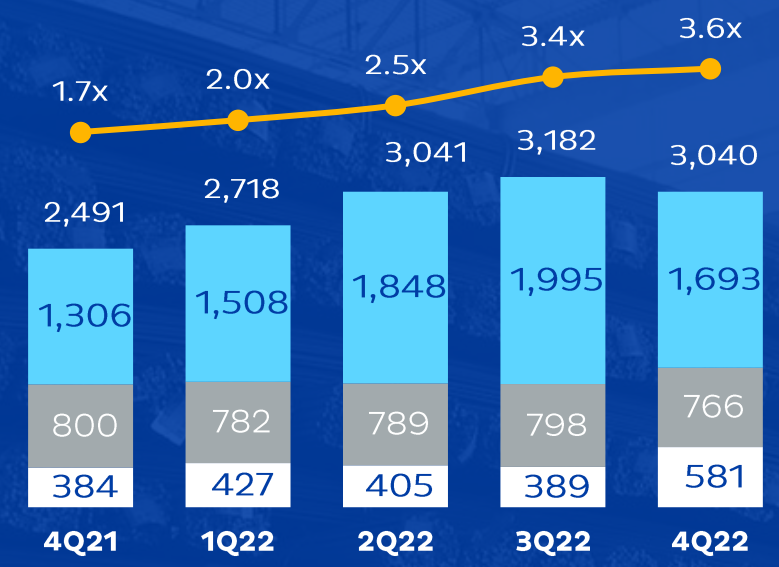
DEBT METRICS

S/ million

Higher YTD Short-Term Debt in line with higher Working Capital requirements

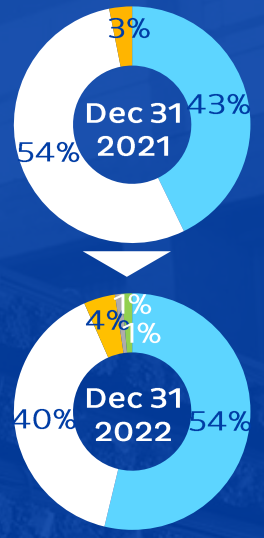
Total debt by type

LT Debt | Melt shop lease | ST Debt | Net debt /EBITDA



By currency

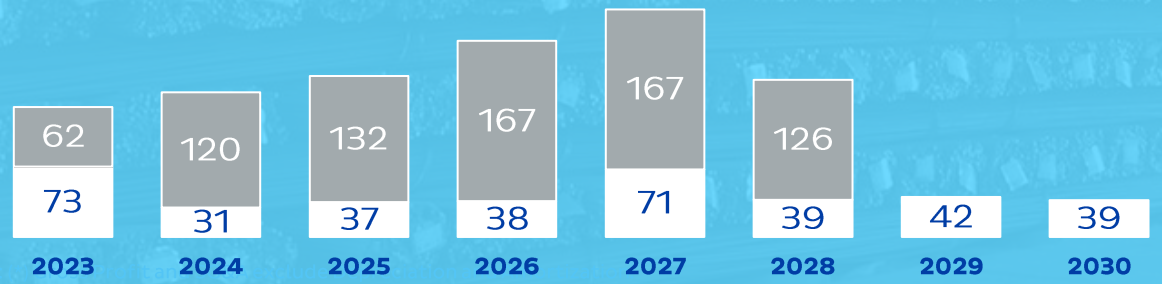
S/ | US$ | BOL | CLP | COP



Other ratios as of December 2022	Leverage (Total Liabilities / Shareholders´equity)	Fin. Expen. coverage (LTM EBITDA / LT. Fin. Expenses)	Liquidity (Current Assets/ Current Liabilities)
	1.49x	**4.65x**	**1.33x**

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 = 3.8
(3) The amortization Schedule of the new melt shop consider the full disbursement of the financial lease.

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WORKING CAPITAL & CAPEX

S/ million

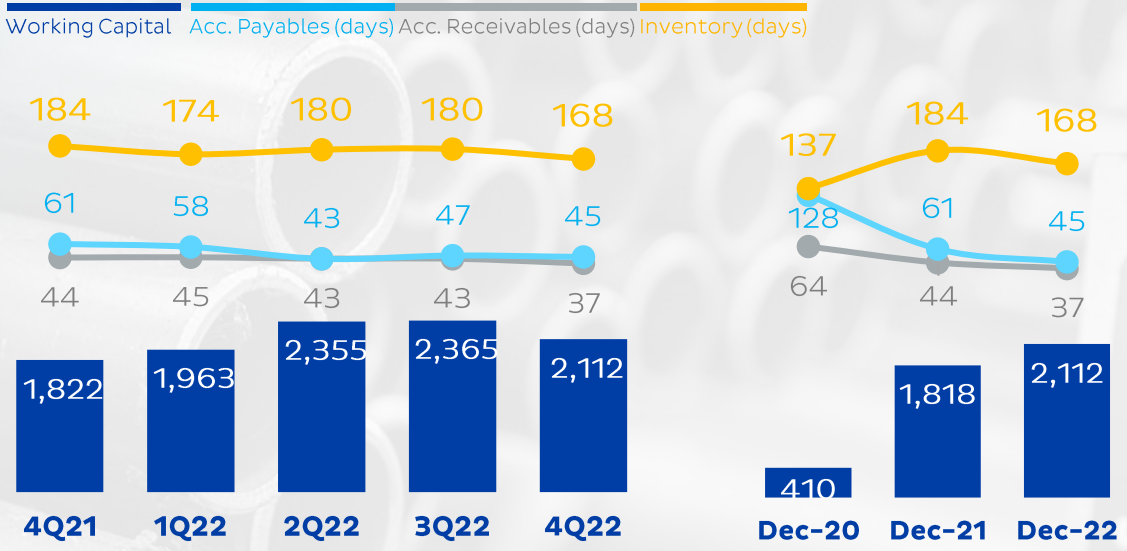
Higher Working Capital requirements vs December 2021:

- Higher inventories,
- Higher payments to suppliers

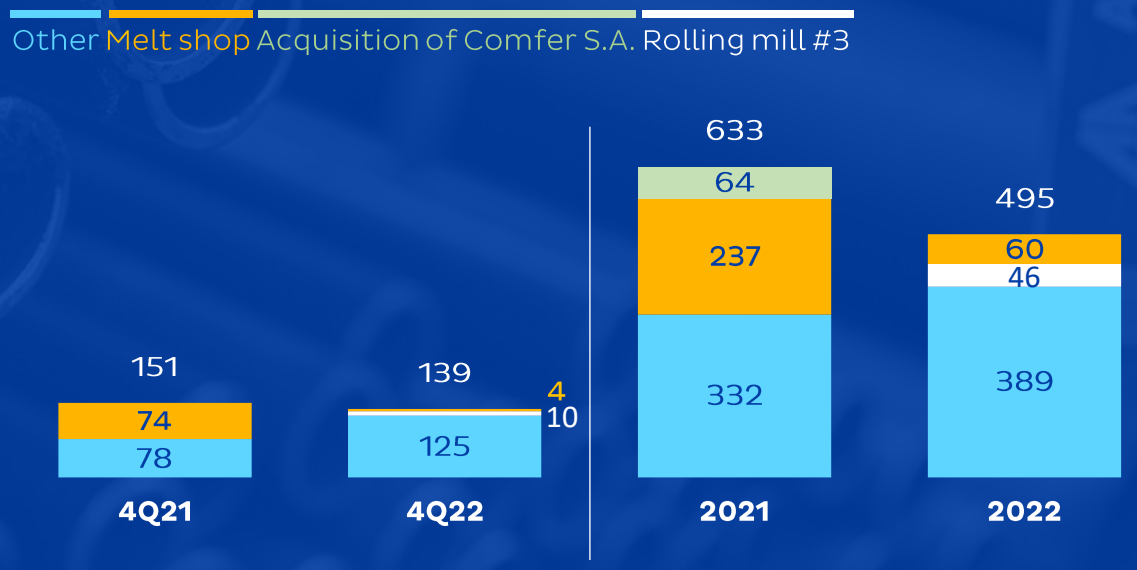
4Q 2022 CAPEX mainly included:

- Lurin distribution center (S/ 19 million)
- Bolivia tube plant (S/8 million)
- Colombia real estate (S/23 million)
- Transportes Barcino new truck fleet (S/ 28 million)

Operating Working Capital (end of period)



Capex



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CASH FLOW

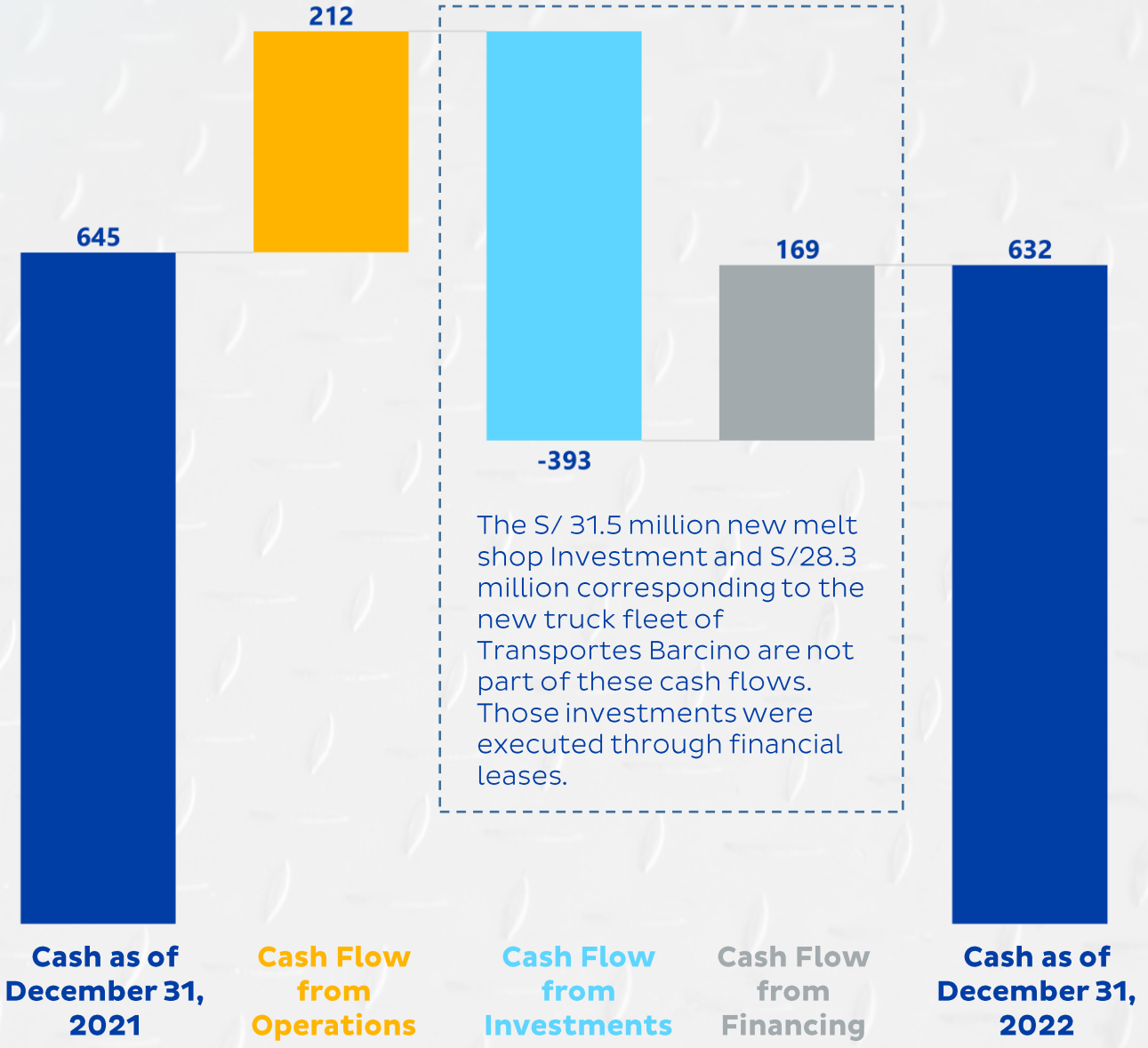
S/ million

Operating cash flow, explained by EBITDA and a reduction in accounts receivables, was partially offset by higher inventories and supplier payments

Fixed Asset investments were S/ 435 million, partly offset by dividends and interests received of S/ 22 and S/ 20 million, respectively

Higher net financing of S/ 476 million, partly offset by dividends and interests paid of S/ 165 and S/ 143 million, respectively

Cash flow as of December 2022



The S/ 31.5 million new melt shop Investment and S/28.3 million corresponding to the new truck fleet of Transportes Barcino are not part of these cash flows. Those investments were executed through financial leases.

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Q&A

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

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4Q 2022 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.

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