



4Q 2023

EARNINGS PRESENTATION

Member of
**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 [spglobal.com/esg/yearbook](https://www.spglobal.com/esg/yearbook).
S&P Global  Sustainable1



AGENDA

1

Relevant events

2

Results snapshot

3

Operational & financial results

4

Guidance

RELEVANT EVENTS

Cash dividends

The Board approved a cash dividend of US\$2.2 million which was paid on November 2023.

Aceros Arequipa among the firms with best reputation in Peru

Aceros Arequipa moved up 14 spots last year compared to 2022 and is positioned as the best steel company in Peru, among the top 33 companies in Peru by MERCO Empresas 2023.

Aceros Arequipa consolidates its leadership position in sustainability

The Company was included for a 4th consecutive year as a member of the DJSI – MILA. Within this index, Aceros Arequipa is ranked among the top 5 steel companies worldwide.

Aceros Arequipa obtiene financiamientos con Interbank y BCP para la ejecución de proyectos de inversión por hasta US\$ 163 millones.



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RESULTS SNAPSHOT

S/ million

4Q
FY

REVENUE

1,122.9

▼ 205.7 (-15.5%)
YoY

▼ 664.5 (-12.4%)
YoY



OPER. WORKING CAPITAL BALANCE

1,386.7

▼ 725.4 (-34.3%)
YTD



EBITDA (Margin)

120.9 (11%)

▲ 19.1 (+18.8%)
YoY

▼ 230.0 (-34.6%)
YoY



CAPEX

140.6

▲ 1.5 (+1.1%)
YoY

▼ 16.7 (-3.4%)
YoY

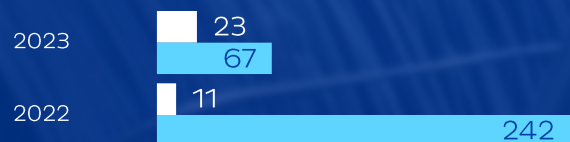


NET INCOME (Margin)

23.4 (2%)

▲ 12.2 (+109.1%)
YoY

▼ 175.1 (-72.2%)
YoY



NET DEBT

2,001.6

▼ 406.0 (-16.9%)
YTD

4.6x EBITDA



REVENUE

S/ million

Revenue decreased by S/ 206 million or 15.5% YoY

By destination:

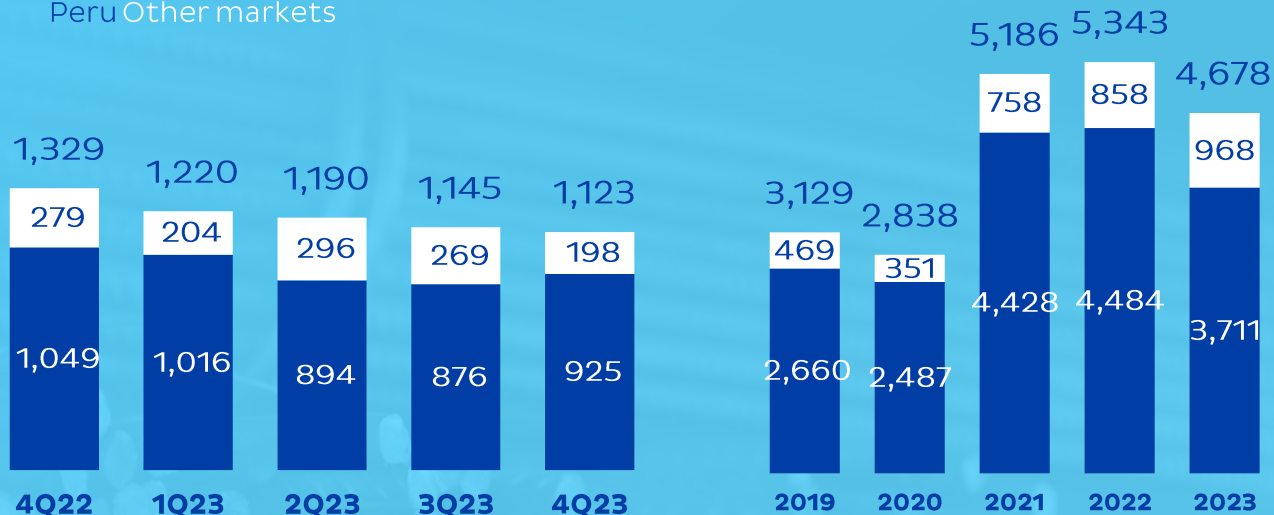
- **Peru:** reduced S/ 124 millions (-12%), mainly due to lower prices
- **Other markets:** a S/81 millions reduction (-29%) due to lower sales in Bolivia (price and volume) and Brazil (volume) partially offset by higher sales to Colombia and Ecuador

By product category:

- **Rebars & Wirerod:** lower volume and prices in several markets, except in Colombia and Ecuador
- **Merchant bars & Bars for mining balls:** higher volumen sold in both categories but affected by lower prices
- **Others:** lower prices partially offset with higher volumen sold

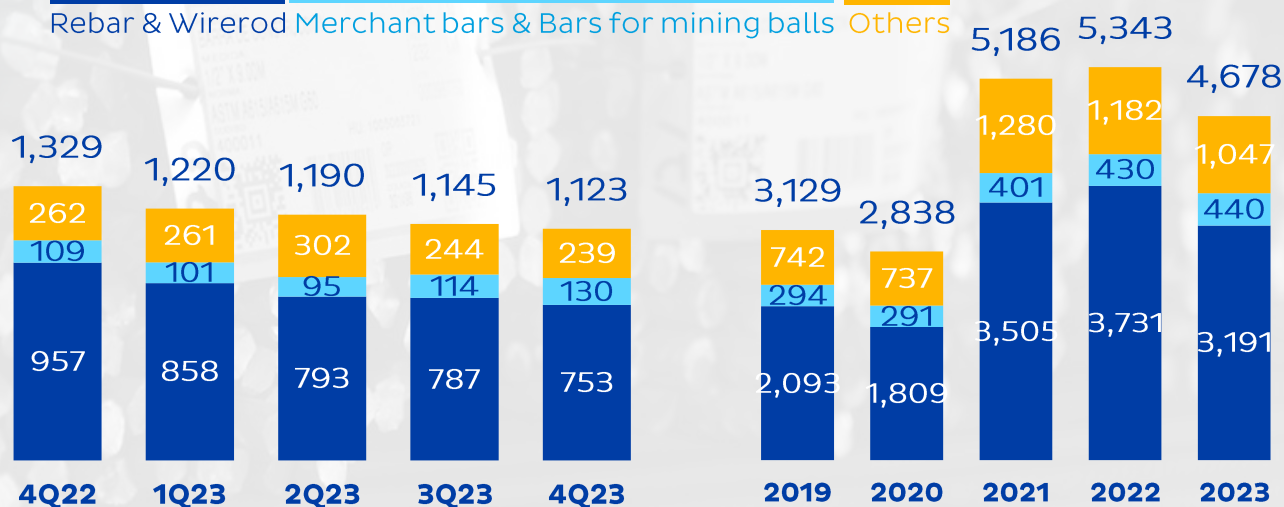
Revenue by destination

Peru Other markets



Revenue by product category

Rebar & Wirerod Merchant bars & Bars for mining balls Others



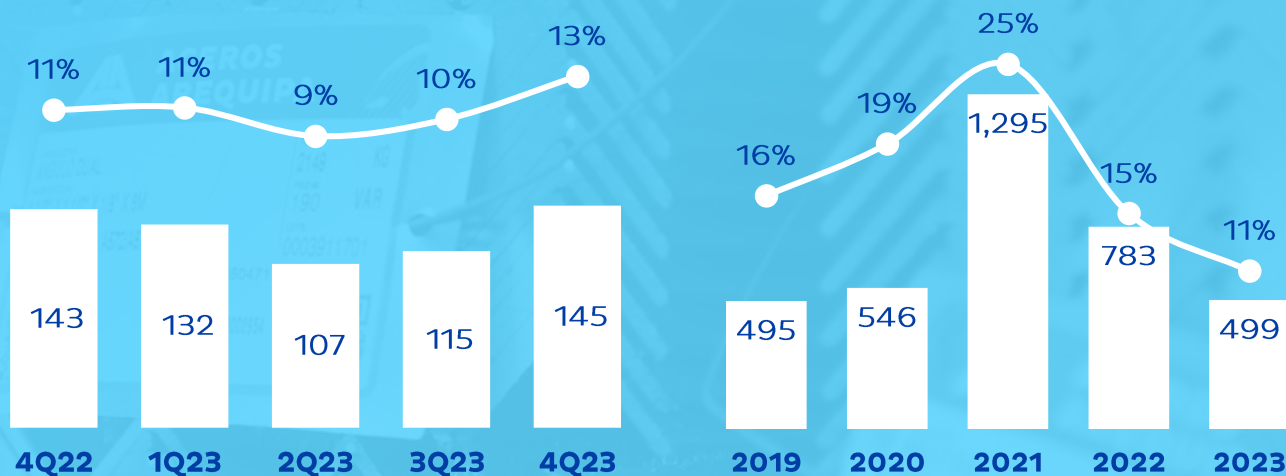
OPERATING PROFITABILITY

S/ million

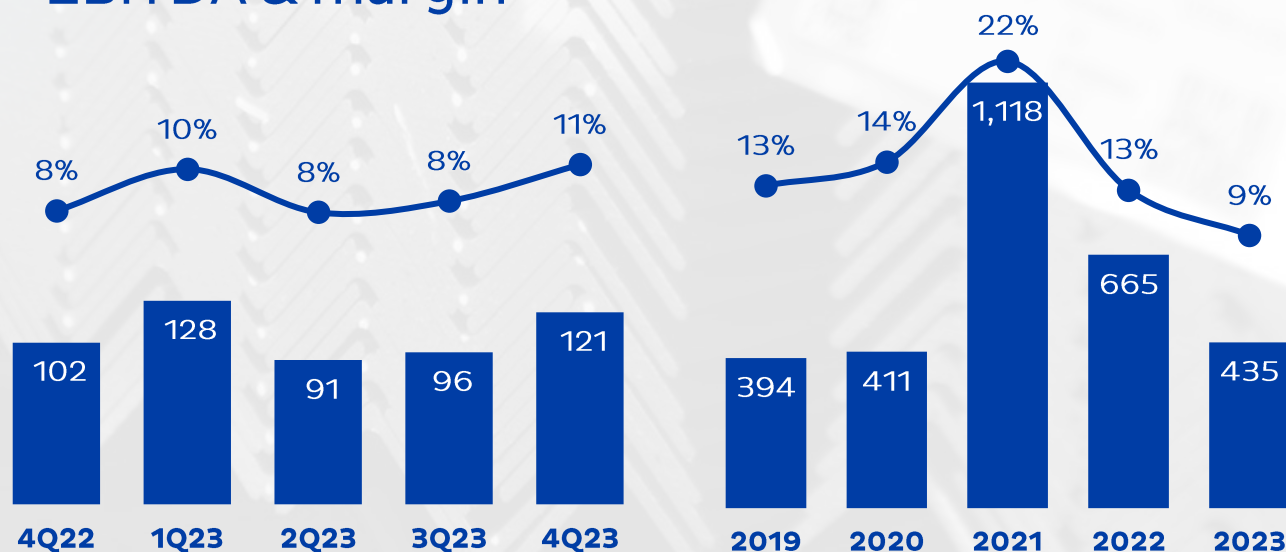
Gross profit grew due to lower costs and a gross profit recovery in other markets, especially Colombia and Bolivia partially offset by lower by-product profit. The local market achieved a gross profit similar to that of 4Q 2022

EBITDA grew due to an increase in gross profit and Other Net Operating Income

Gross Profit & Gross Margin



EBITDA & margin



EBITDA

S/ million

Higher EBITDA mainly explained by an increase in gross profit and Other Net Operating Income

SG&A were higher mainly due to an increase in allowances for doubtful accounts, personnel expenses, and third party expenses

EBITDA margin drivers



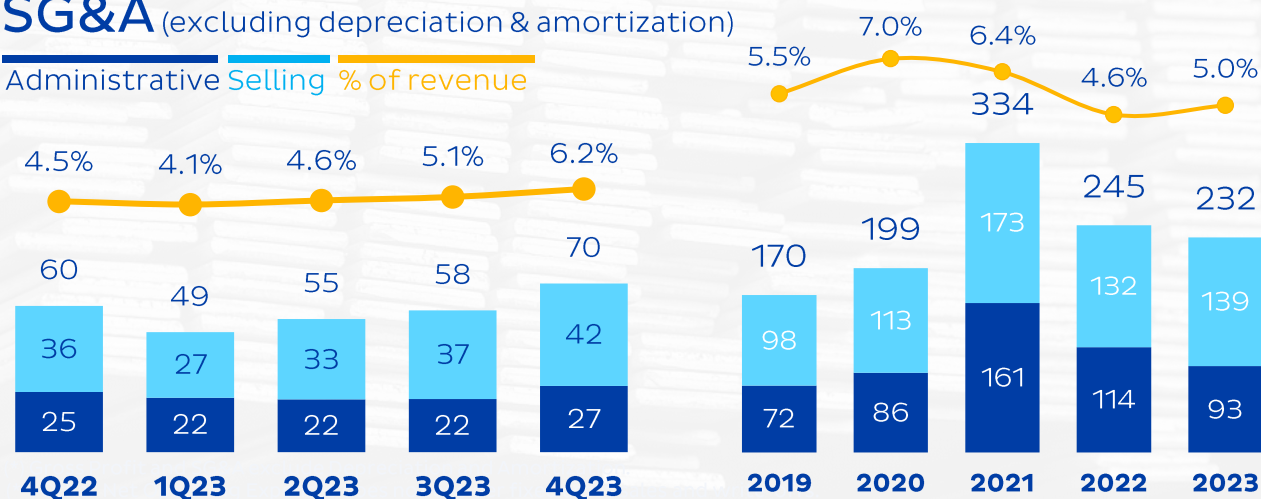
EBITDA drivers



Note: (*) 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 Net Profit by S/ 12 million due to an increase in the operating profit

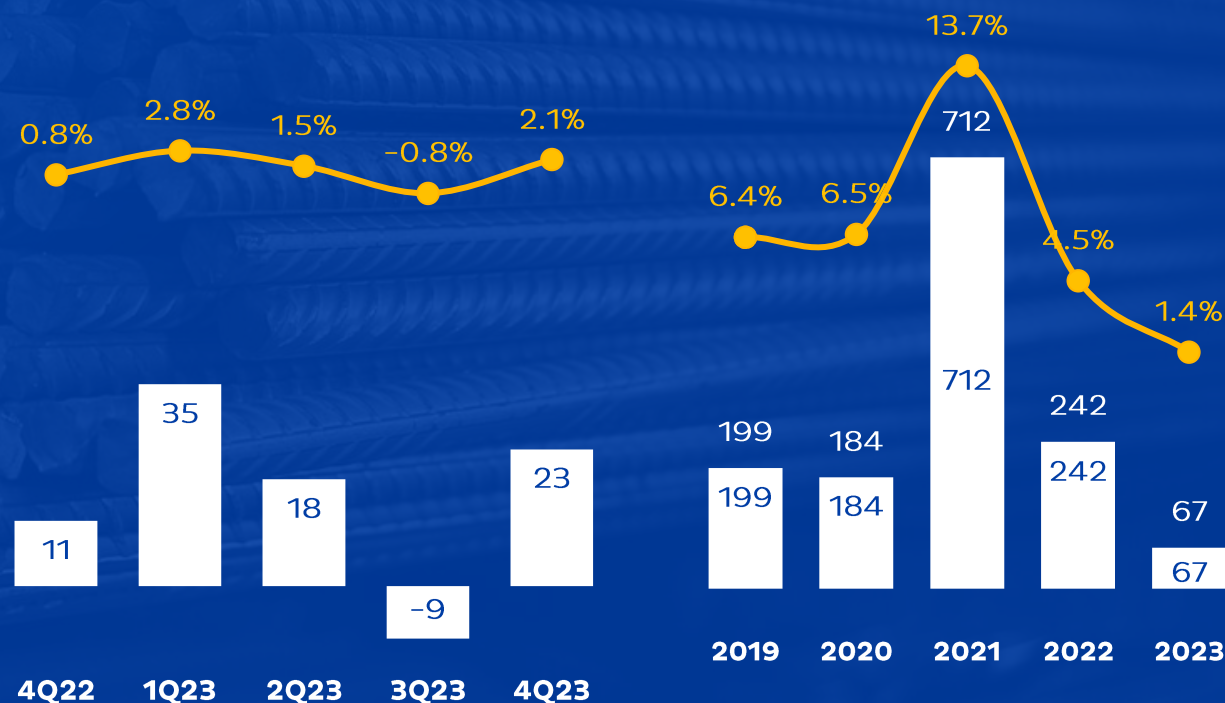
Positive effect of exchange rate difference of S/ 5 million (4Q 2023 compared to the loss in 4Q 2022), and lower financial expenses by S/ 1 million

Lower income tax by S/ 1 million

Net profit & net margin

Net profit

Net margin



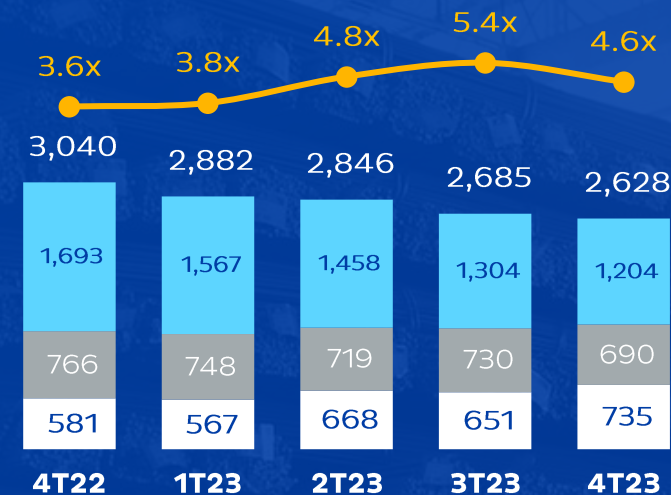
DEBT METRICS

S/ million

Lower short-term debt YTD in line with lower working capital requirements and disbursements of S/ 279 million for financing capex (Peru and Bolivia)

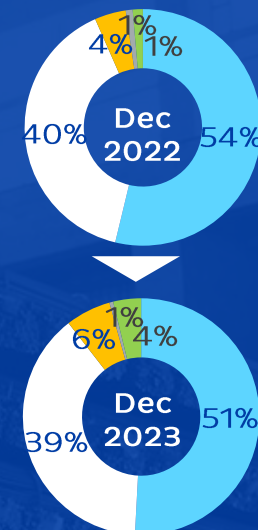
Total debt by type

Other Long-Term Melt shop lease ST Debt Net debt / EBITDA



By currency

S/ US\$ BOL CLP COP



Other ratios as of December 2023

Leverage

(Total Liabilities / Shareholders' equity)

1.31x

Fin. Expen. coverage

(EBITDA LTM / Fin. Expense LTM)

2.43x

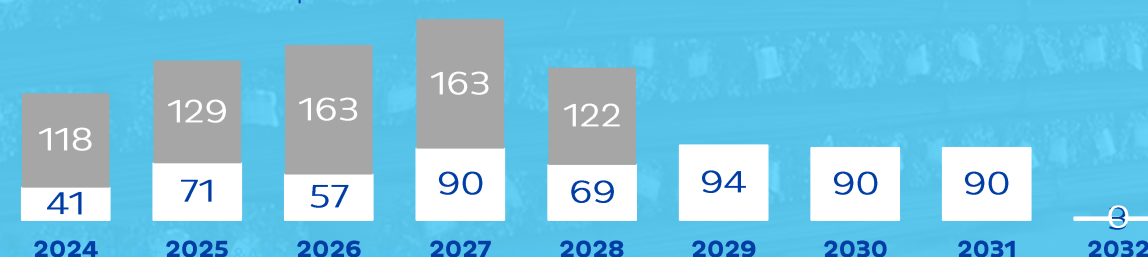
Liquidity

(Current Assets / Current Liabilities)

1.30x

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 = 3.75

(3) The amortization Schedule of BCP and Interbank loans consider the full disbursement of those loans.

WORKING CAPITAL & CAPEX

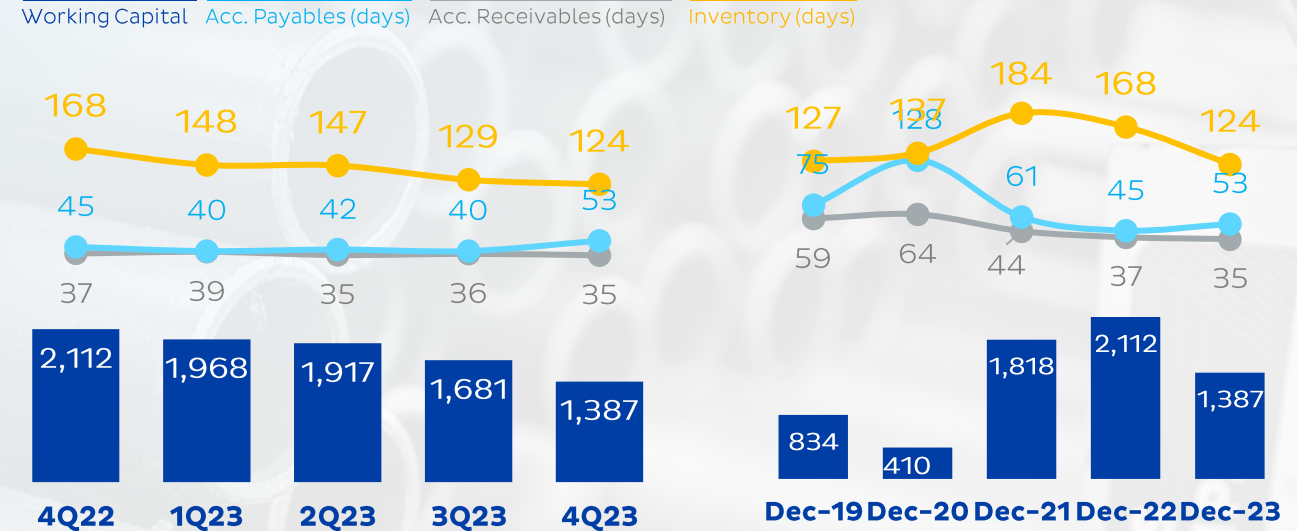
S/ million

Lower working capital requirements vs December 2022, mainly due to lower inventories

“Other” CAPEX category includes:

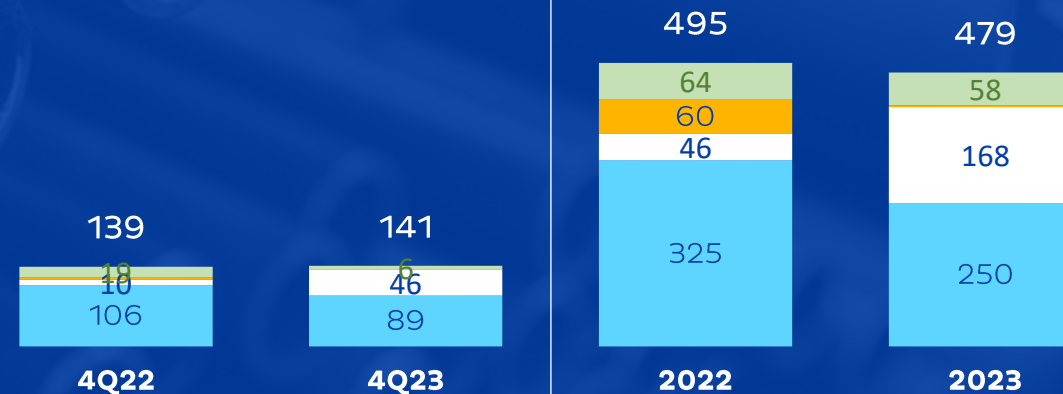
- Nails & wires plant (S/ 23 million)
 - Scrap cleaning machine (S/ 17 million)
 - Lime furnace enhancement (S/ 14 million)
 - Non-ferrous recovery (S/ 4 million)
 - Tube plant (S/ 2 million)
- among others

Operating Working Capital (end of period)



Capex

Other Melt Shop Lurin Distribution Center Rolling Mill #3



CASH FLOW

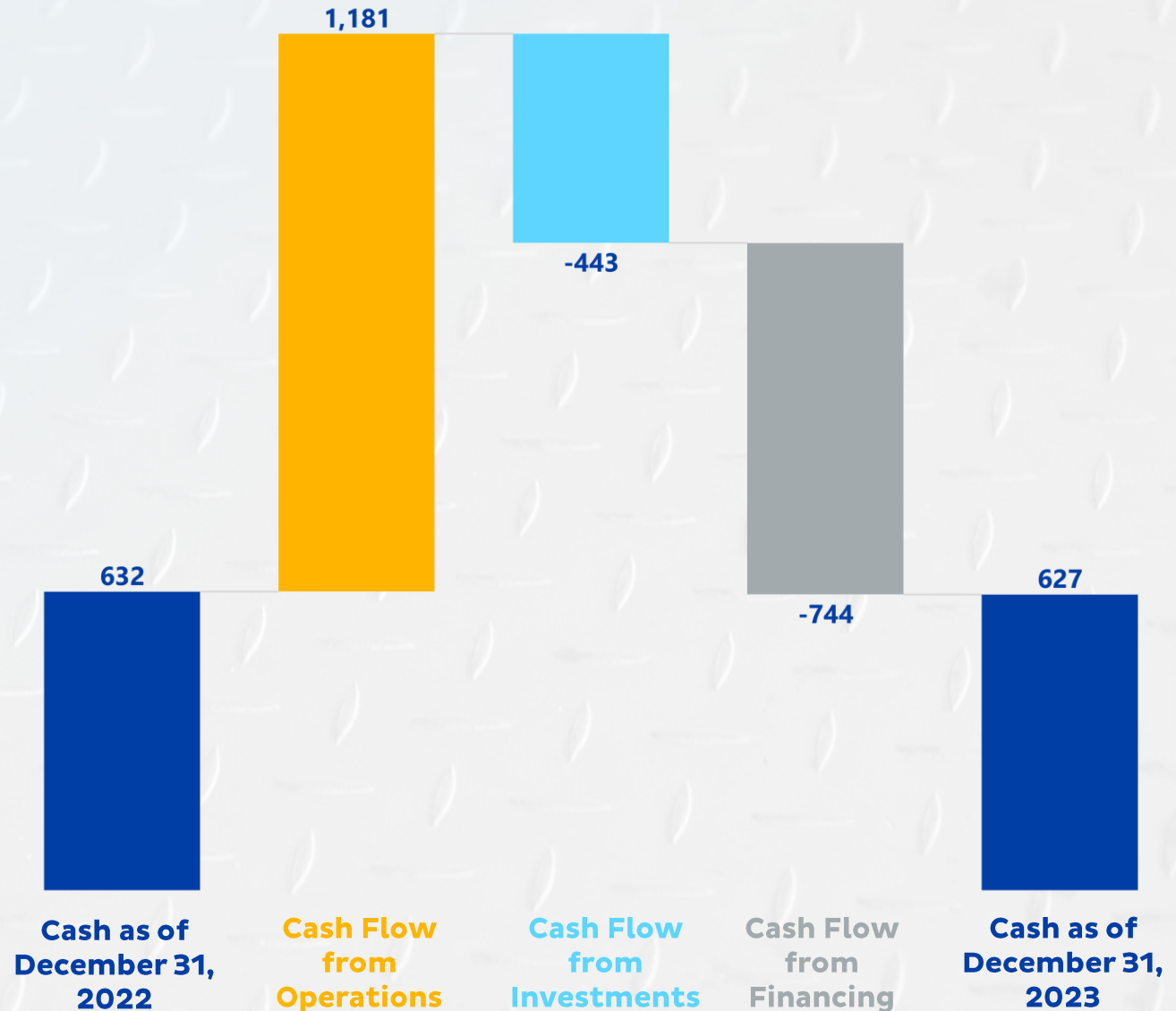
S/ million

Operating cash Flow mainly explained by a reduction in inventories and EBITDA

Investments in PPE and intangibles were S/ 478.1 million, partially compensated by interests received of S/31.6 millones, dividends received by S/2.7 million and asset sales by S/1.1 million.

Net financing of S/ 522.0 million, interest paid of S/ 179.0 million and cash dividends paid of S/44 million

Cash Flow as of December 2023



GUIDANCE

	2023	GUIDANCE 2024
Revenue growth	-12%	>2%
EBITDA S/ million	435	>630
CAPEX S/ million	479	180 230
Dividends paid S/ million	44	>60
EPS S/	0.06	>0.20



Mr. Tulio
Silgado
CEO



Mr. Ricardo
Guzmán
CFO, IRO

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