

# 4Q 2024 EARNINGS REPORT

Lima, Peru, January 17, 2025. Corporación Aceros Arequipa S.A. (“the Company” or “Aceros Arequipa”) (BVL ticker: CORAREC1 and CORAREI1) announced its unaudited consolidated financial results corresponding to the Fourth Quarter (“4Q 2024”) period ended December 31, 2024. Financial figures are reported on a consolidated and individual basis in nominal Peruvian Soles (S/) and are in accordance with International Financial Reporting Standards (“IFRS”). The following report should be read together with the Financial Statements and Notes, published at the Peruvian Securities and Exchange Commission (*Superintendencia del Mercado de Valores - SMV*).

## I. Highlights

- 1 Revenue reached S/ 1,264 million (+13% YoY)** as a result of higher sales in Peru and Bolivia, partially offset by lower sales in Colombia and Ecuador.
- 2 Gross Profit and Gross Margin reached S/ 202 million and 16% (+308 bps vs 4Q23)**, respectively due to higher volume in Peru, better margins in Bolivia, and higher by-product sales.
- 3 EBITDA rose by S/45 million YoY and reached S/166 million, while EBITDA Margin was 13% (+237 bps YoY).**
- 4 Net Profit reached S/ 47 million, while Net Margin reached 3.7% (+164bps vs 4Q23)** mainly due to higher gross profit.
- 5 Operating Working Capital requirements were slightly lower from S/ 1,387 million to S/1,384 million, mainly due to lower inventories.**
- 6 CAPEX was S/ 81 million, mainly explained by the new rolling mill #3, lime furnace enhancement, wire and nails plant, reheating furnace, among others.**
- 7 As of December 31, 2024, the Net Debt / EBITDA ratio decreased to 3.1x, lower than as of Dec 23 (4.6x) due to a lower net debt and higher LTM EBITDA.**



“A higher profitability boosted net profit, doubling last year’s figure”

Revenue  
S/ 1,264.3 million  
(+13% YoY)

EBITDA  
S/ 166.1 million  
(EBITDA margin 13.1%)

Net Profit  
S/ 47.0 million  
(Net margin 3.7%)

Net Debt / EBITDA  
3.1x

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## Financial Summary

(S/ million)	4Q23	4Q24	YoY	FY 23	FY 24	YoY
<b>Financial Figures</b>						
Revenue	1,122.9	<b>1,264.3</b>	12.6%	4,678.2	<b>4,748.9</b>	1.5%
Gross Profit	144.8	<b>202.0</b>	39.4%	499.3	<b>772.4</b>	54.7%
Operating Profit	71.6	<b>109.6</b>	53.1%	236.2	<b>439.9</b>	86.2%
EBITDA	120.9	<b>166.1</b>	37.4%	435.3	<b>654.0</b>	50.2%
Net Profit	23.4	<b>47.0</b>	101.1%	67.3	<b>200.2</b>	197.6%
CAPEX	140.6	<b>80.5</b>	-42.7%	478.6	<b>367.4</b>	-23.2%
<b>Financial Margins &amp; ratio</b>						
Gross Margin	12.9%	<b>16.0%</b>	3.1 p.p.	10.7%	<b>16.3%</b>	5.6 p.p.
Operating Margin	6.4%	<b>8.7%</b>	2.3 p.p.	5.0%	<b>9.3%</b>	4.2 p.p.
EBITDA Margin	10.8%	<b>13.1%</b>	2.4 p.p.	9.3%	<b>13.8%</b>	4.5 p.p.
Net Margin	2.1%	<b>3.7%</b>	1.6 p.p.	1.4%	<b>4.2%</b>	2.8 p.p.
Earnings per share <sup>1</sup>	0.06	<b>0.19</b>	197.6%			
<b>Other Figures, as of</b>						
	<b>Dec, 2023</b>	<b>Dec, 2024</b>	<b>YTD</b>			
Net Debt <sup>2</sup>	2,001.6	<b>1,994.9</b>	-0.3%			
Net Debt <sup>2</sup> / LTM <sup>3</sup> EBITDA	4.60x	<b>3.05x</b>	-1.55x			

1. Earnings per share (EPS) is defined as Net Profit LTM / Total Stock at the end of the quarter. Expressed in S/ per share
2. Net Debt = Total Financial Debt (includes supplier leases) - Cash
3. LTM: last twelve months

### III. Income Statement

## Revenue

During 4Q24, Revenue reached S/ 1,264.3 million (+12.6% YoY).

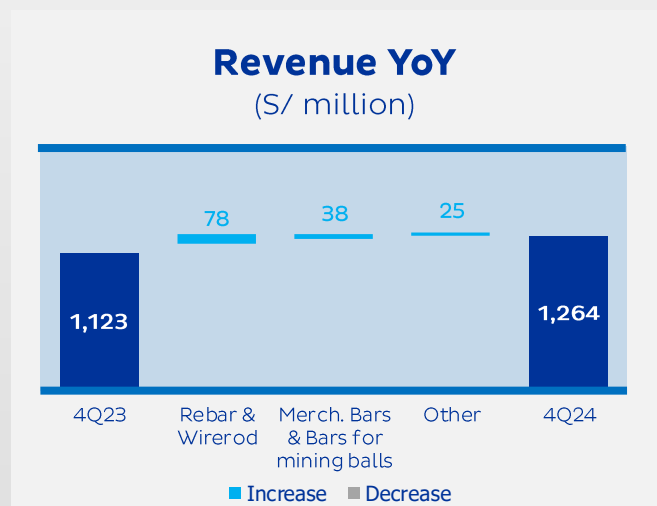
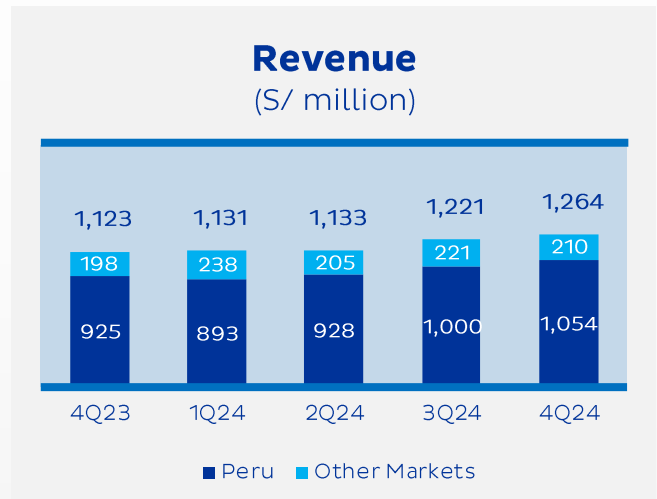
Revenue increased 14.0% YoY in Peru and 6.1% YoY in Other Markets.

Domestic revenue increased due to a higher sales volume of rebars and round bars for mining balls, and higher prices and volume of Nails & Wires. Revenue from Other Markets also increased due to higher Revenue in Bolivia, driven by higher prices; partly offset by lower Revenues in Colombia and Ecuador.

During the quarter, Revenue from Other Markets represented 17% of total Revenue. Bolivia remained the main source of Revenue among “Other Markets” for the Company during the quarter.

On a per-category basis, the “Rebars & Wire Rod” category increased 10.3% YoY mainly due to higher volume in Peru and better prices in Bolivia. Revenue for the “Merchant bars & Bars for mining balls” category rose 29.6% YoY due to an increase in volume for Round Bars for Mining Balls. Higher Revenue from Nails & Wires led to an increase of 10.4% YoY in the “Other” products category.

Revenue for the full year 2024 was S/ 4,748.9 million; S/ 70.7 million or 1.5% higher versus 2023 driven by higher revenues from the domestic market.

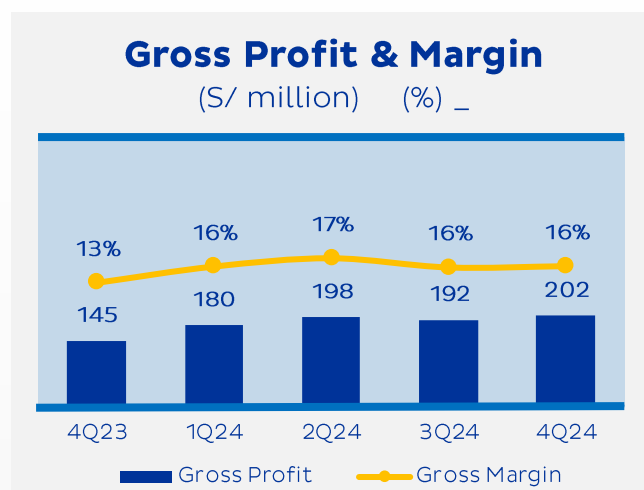


## Gross Profit

Gross Profit reached S/ 202.0 million (+39.4% YoY) with a margin of 16.0%.

Gross profit increased led by an improvement in profitability in Bolivia - driven by better prices-, Peru -driven mainly by a higher volume- and sales of by-products.

During the full year 2024, Gross Profit was S/ 772.4 million, an increase of 55% compared to the previous year.

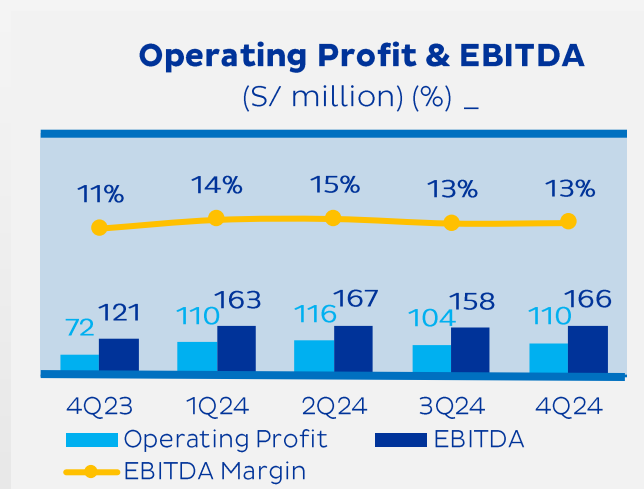


## Operating Profit & EBITDA

Operating Profit reached S/ 109.6 million (+53.1% YoY), while the operating margin was 8.7% (+229 bps vs 4Q23).

The Operating Profit increase was largely explained by a better Gross Profit, partially offset by higher SG&A and Other Operating expenses.

EBITDA reached S/ 166.1 million (+37.4% YoY), while EBITDA Margin reached 13.1% (+237 bps vs 4Q23).



EBITDA for the full year 2024 reached S/ 654.0 million; a S/ 218.7 million or 50.2% increase versus 2023.

## Net Financial Expenses

Net Financial Expenses reached S/ 27.4 million, a 25.1% decrease YoY mainly due to lower interest rates.

Net Exchange Rate Difference was -S/ 17.4 million, compared to S/ 0.0 million Exchange Rate difference in 4Q23.

## Net Profit

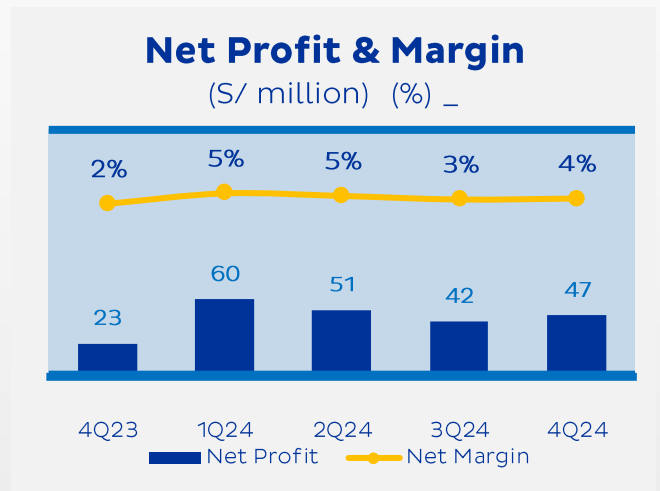
Net Profit doubled last year's figure and was S/ 47.0 million while Net Margin reached 3.7%.

Net Profit increased because of higher Operating Profit and lower Net Financial Expenses, partially offset by higher Exchange-rate differences and higher income taxes.

Earnings per Share, based on Net Profit

for the last twelve months (LTM), reached S/ 0.19 at the end of 2024, higher compared to S/ 0.06 reported at the end of 2023.

For the full year 2024, Net Profit was S/ 200.2 million, tripling the figure of 2023.



## IV. Balance Sheet

### Assets

As of December 31, 2024, Total Assets reached S/ 6,262 million, a S/ 57 million or 1% reduction YTD.

The decrease in assets was driven by a S/ 196 million reduction in current assets, partially offset by an increase in non-current assets by S/ 139 million.

Current Assets were lower mainly due to:

- i Cash (-S/ 126 million, or -20% YTD)
- ii Inventories (-S/ 82 million, or -6% YTD)
- iii Income tax assets (-S/ 58 million, or -56% YTD).

Days of Sales Outstanding reached 38 days as of Dec 24 (vs 33 days as of Dec 23).

Days in Inventory reached 122 days as of Dec 24 (vs 124 days as of Dec 23).

Days Payable Outstanding reached 48 days as of Dec 24 (vs 53 days as of Dec 23).

Non-Current Assets' increase was mainly a result of CAPEX.

## Liabilities

As of December 31, 2024, Total Liabilities reached S/ 3,397 million, a S/ 184 million or 5% reduction YTD, driven by a S/ 157 million reduction in Non-Current Liabilities, and a S/ 26 million reduction in Current Liabilities.

Current Liabilities decreased mainly due to lower accounts payable.

Total Financial Debt (including supplier leases) reached S/ 2,495 million (-5.1% YTD vs Dec 23).

Current Financial Debt reached S/ 1,424 million, of which S/1,200 million represented working capital financing. Total current financial debt was S/ 39 million lower than that as of December 2023.

Non-Current Financial Debt amounted to S/ 1,071 million, S/ 173 million lower than that as of December 2023.

As of December 2024, 46% of Total Financial Debt was denominated in Peruvian Soles, while 44% was denominated in U.S. Dollars, 6% in Bolivianos, and the remaining 4% in Colombian and Chilean Pesos.

Net Debt to EBITDA ratio reached 3.1x as of Dec 24, a 1.5x reduction compared to December 2023 mainly due to lower Net Debt and a higher LTM EBITDA.

## Shareholders' Equity

At the close of December 2024, Shareholders' Equity reached S/ 2,865 million, an increase of S/ 127 million compared to December 2023, mainly explained by 2024 accrued results after deducting cash dividends.

## V. Cash Flow Statement

### Cash Flow from Operations

As of December 2024, Cash Flow from Operations amounted to S/ 506 million, mainly explained by EBITDA generation partially offset by a higher working capital requirement.

### Cash Flow from Investing

As of December 2024, Cash Flow from Investing amounted to -S/ 310 million which included S/ 353 million in capital expenditures and intangibles partially offset by S/ 30 million in interest received, S/ 7 million in assets sale and S/ 6 million in dividends received. Investments were mainly explained by the new rolling mill, wires and nails plant, lime furnace enhancement, reheating furnace, and new scrap cleaning machines, among others. These figures do not consider capital lease agreements.

### Cash Flow from Financing

As of December 2024, Cash Flow from Financing amounted to -S/ 323 million, which included net financing of -S/ 115 million, interest payments of S/ 144 million, and dividend payments of S/ 64 million.



## VI. Relevant Events

1. Aceros Arequipa is the first steelmaker to earn the fourth star from Peru's Ministry of Environment through the "Carbon Footprint Peru" program. This is the highest recognition and highlights the company's proactive commitment to tracking, managing, and significantly reducing its carbon emissions across its operations during 2022 and 2023.
2. Aceros Arequipa celebrated its 60<sup>th</sup> anniversary. Celebrating a solid growth trajectory driving innovation and excellence and reaffirming its commitment to sustainable development.

## Conference Call Information

Corporacion Aceros Arequipa S.A. cordially invites you to participate in its Fourth Quarter 2024 Earnings Conference Call.

Date: Tuesday, January 21, 2025

Time: 12:00 pm ET / 12:00 pm PET (UTC-5)

To access the live presentation via Zoom, visit the following URL:

[https://us02web.zoom.us/meeting/register/fUuZBcxORPeUF1ELId0\\_PA](https://us02web.zoom.us/meeting/register/fUuZBcxORPeUF1ELId0_PA)

## About CORPORACIÓN ACEROS AREQUIPA S.A.

**CORPORACIÓN ACEROS AREQUIPA S.A.**, founded in 1964, is the leading Peruvian company in the production and commercialization of steel products, with exports to Bolivia, Colombia, Ecuador, among other countries in the region. Its core products are rebars and wire rods, and other products for the construction industry as well as merchant bars and flat steel products. The Company has an industrial facility located in Pisco, Peru with an average per-year capacity of 1,250 thousand tons for its new melt shop, 850 thousand tons for its old melt shop (which will stay on stand-by), and 1,250 thousand tons in its steel rolling mills. Aceros Arequipa employs over 1,100 people across its operations in Peru and its subsidiaries. The Company's common and investment (non-voting) shares are listed on the Lima Stock Exchange under the ticker symbols CORAREC1 and CORAREI1, respectively. Currently, Aceros Arequipa has a stake in the following companies:

• Corporación Aceros Arequipa S.R.L. (Bolivia):	99.00%
• Aceros America S.A.S. (Colombia):	100.00%
• Aceros America Corporation:	100.00%
• Corporación Aceros Arequipa S.P.A. (Chile):	100.00%
• Corporación Aceros Arequipa AA S.A.S. (Ecuador):	100.00%
• Corporación Aceros Arequipa Iquitos S.A.C.:	99.90%
• Acero Instalado:	99.90%
• Transportes Barcino:	99.99%
• Tecnología y Soluciones Constructivas:	99.99%
• Comfer S.A. (in liquidation process):	100.00%
• Comercial del Acero (in liquidation process):	99.99%
• Inmobiliaria Comercial del Acero Cajamarquilla:	33.65%
• Inmobiliaria Comercial del Acero Argentina:	33.65%
• Celepsa:	10.00%

### Disclaimer

This Earnings Report 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, their financial and business impact, and 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 does not undertake any obligation to update the forward-looking statements included in this Earnings Report to reflect subsequent events or circumstances.

### III. Unaudited Financial Statements

Corporación Aceros Arequipa S.A.		Consolidated Financial Statement of Financial Position (in thousands of Peruvian Soles)	
	Notes	December 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	500,114	626,550
Accounts Receivable	6	471,108	424,590
Accounts Receivable from related parties	7	28,533	780
Other Accounts Receivable	8	113,381	119,620
Inventories	9	1,352,005	1,433,910
Deferred Income tax Assets	20	48,446	102,675
Other Assets	10	10,109	11,310
Assets classified as held for sale		-	-
<b>Total Current Assets</b>		<b>2,523,696</b>	<b>2,719,435</b>
<b>Non-Current Assets</b>			
Other financial assets	13	31,802	49,850
Investments in subsidiaries, affiliates, or joint ventures	11	93,446	94,240
Accounts Receivable from related parties	7	-	-
Other Accounts Receivable	8	10,508	11,803
Investment Property	14	80,231	81,015
Property, Plant and Equipment, Net	12	3,386,814	3,233,431
Intangible Assets, Net	15	74,039	74,003
Deferred Assets	20	26,963	19,928
Other non-financial assets	16	34,239	34,576
<b>Total Non-Current Assets</b>		<b>3,738,042</b>	<b>3,598,846</b>
<b>TOTAL ASSETS</b>		<b>6,261,738</b>	<b>6,318,281</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Other Financial Liabilities	17	1,424,078	1,384,612
Accounts Payable	18	499,695	599,040
Accounts Payable to related parties	7	25,132	12,322
Other Accounts Payable	19	115,250	94,785
Current Income Tax		-	-
<b>Total Current Liabilities</b>		<b>2,064,155</b>	<b>2,090,759</b>
<b>Non-Current Liabilities</b>			
Other Financial Liabilities	17	1,070,958	1,243,578
Other Accounts Payable	19	9,285	9,074
Deferred Income Tax Liabilities	20	252,606	237,399
<b>Total Non-Current Liabilities</b>		<b>1,332,849</b>	<b>1,490,051</b>
<b>Total Liabilities</b>		<b>3,397,004</b>	<b>3,580,810</b>
<b>Shareholders' Equity</b>			
Share Capital	21	890,858	890,858
Investment Shares	21	182,408	182,408
Treasury Shares		-	-
Other Capital Reserves	21	178,927	178,742
Retained Earnings	21	1,423,956	1,286,468
Other Shareholders' Equity Reserves	21	188,585	198,995
Non-controlling interest		-	-
<b>Total Shareholders' Equity</b>		<b>2,864,734</b>	<b>2,737,471</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6,261,738</b>	<b>6,318,281</b>

# Corporación Aceros Arequipa S.A.

## Consolidated Financial Statement of Comprehensive Income (in thousands of Peruvian Soles)

	Notes	4Q 2024	4Q 2023	January to December 2024	January to December 2023
Revenue	22	1,264,285	1,122,909	4,748,851	4,678,180
Cost of Goods Sold	23	-1,062,323	-978,068	-3,976,496	-4,178,872
Gross Profit (Loss)		201,962	144,841	772,355	499,308
Selling and Distribution Expenses	24	-43,447	-49,626	-161,731	-163,317
Administrative Expenses	25	-32,824	-28,641	-122,219	-98,679
Other Operating Income	27	9,822	21,225	27,557	36,881
Other Operating Expenses	27	-25,915	-16,221	-76,092	-38,004
Other Income (Expenses)		-	-	-	-
Operating Profit (Loss)		109,598	71,578	439,870	236,189
Financial Income	28	7,373	7,601	29,906	31,796
Financial Expenses	28	-34,759	-44,153	-144,224	-178,980
Other income (Expenses) from subsidiaries, affiliates, and joint ventures	11	1,071	971	5,993	1,203
Exchange Rate Differences, Net	32	-17,436	49	-49,926	12,705
Profit (Loss) before taxes		65,847	36,046	281,619	102,913
Income Tax Expense	20	-18,822	-12,657	-81,385	-35,635
Profit (Loss) from Discontinued Operations		-	-	-	-
Net Profit (Loss)		47,025	23,389	200,234	67,278
Earnings Per Share					
Basic in Continued Operations of Common Stock		0.044	0.022	0.186	0.062
Basic in Discontinued Operations of Common Stock					
<b>Total Earnings Per Share of Common Stock</b>		<b>0.044</b>	<b>0.022</b>	<b>0.186</b>	<b>0.062</b>
Basic in Continued Operations of Investment Stock (Non-voting)		0.044	0.022	0.186	0.062
Basic in Discontinued Operations of Investment Stock (Non-voting)					
<b>Total Earnings Per Share of Investment Stock (Non-Voting)</b>		<b>0.044</b>	<b>0.022</b>	<b>0.186</b>	<b>0.062</b>

# Corporación Aceros Arequipa S.A.

## Consolidated Financial Statement of Cash Flow - Direct Method (in thousands of Peruvian Soles)

	Notes	January to December 2024	January to December 2023
<b>Cash Flow from Operating Activities</b>			
<b>Collections due to Operating Activities</b>			
Sales of Goods and Services Offered		4,674,580	4,757,793
Other Operating Collections		33,620	27,697
<b>Payments due to Operating Activities</b>			
Suppliers of Goods and Services		-3,814,468	-3,285,647
Payments and payments on account to employees		-259,205	-247,655
Income Tax		-54,229	-40,862
Other Payments		-74,124	-30,179
<b>Net Cash Generated by Operating Activities</b>		<b>506,174</b>	<b>1,181,147</b>
<b>Cash Flow from Investing Activities</b>			
<b>Collections due to Investing Activities</b>			
Sale of Property, Plant and Equipment	27	6,988	1,087
Interests Received	28	29,906	31,796
Dividends Received	11	6,049	2,679
<b>Payments due to Investing Activities</b>			
Acquire control of subsidiaries and other firms	1	-	-
Purchase of Subsidiaries, Net of Cash Acquired	1	-	-
Purchase of Property, Plant and Equipment	12	-351,939	-475,000
Purchase of Intangible Assets	15	-720	-3,139
Purchase of Other Long-Term Assets		-46	0
<b>Net Cash Generated by Investing Activities</b>		<b>-309,762</b>	<b>-442,577</b>
<b>Cash Flow from Financing Activities</b>			
<b>Collections due to Financing Activities</b>			
Short-term and long-term loans		5,094,698	4,018,110
<b>Payments due to Financing Activities</b>			
Short-term and long-term loans amortization		-5,209,820	-4,539,615
Interests paid	28	-144,224	-178,980
Dividends paid	21	-63,502	-43,957
Other collections (payments) of cash related to financial activities		-	-
<b>Net Cash Generated by Financing Activities</b>		<b>-322,848</b>	<b>-744,442</b>
Net Increase (Reduction) of Cash and Equivalents before Exchange Rate Changes		-126,436	-5,872
Effects of Exchange Rate Changes on the balance of Cash Held in Foreign Currencies		-	-
Net Increase (Reduction) of Cash and Equivalents		-126,436	-5,872
Cash and Cash Equivalents at the beginning of the year		626,550	632,422
<b>Cash and Cash Equivalents at the end of the period</b>		<b>500,114</b>	<b>626,550</b>