



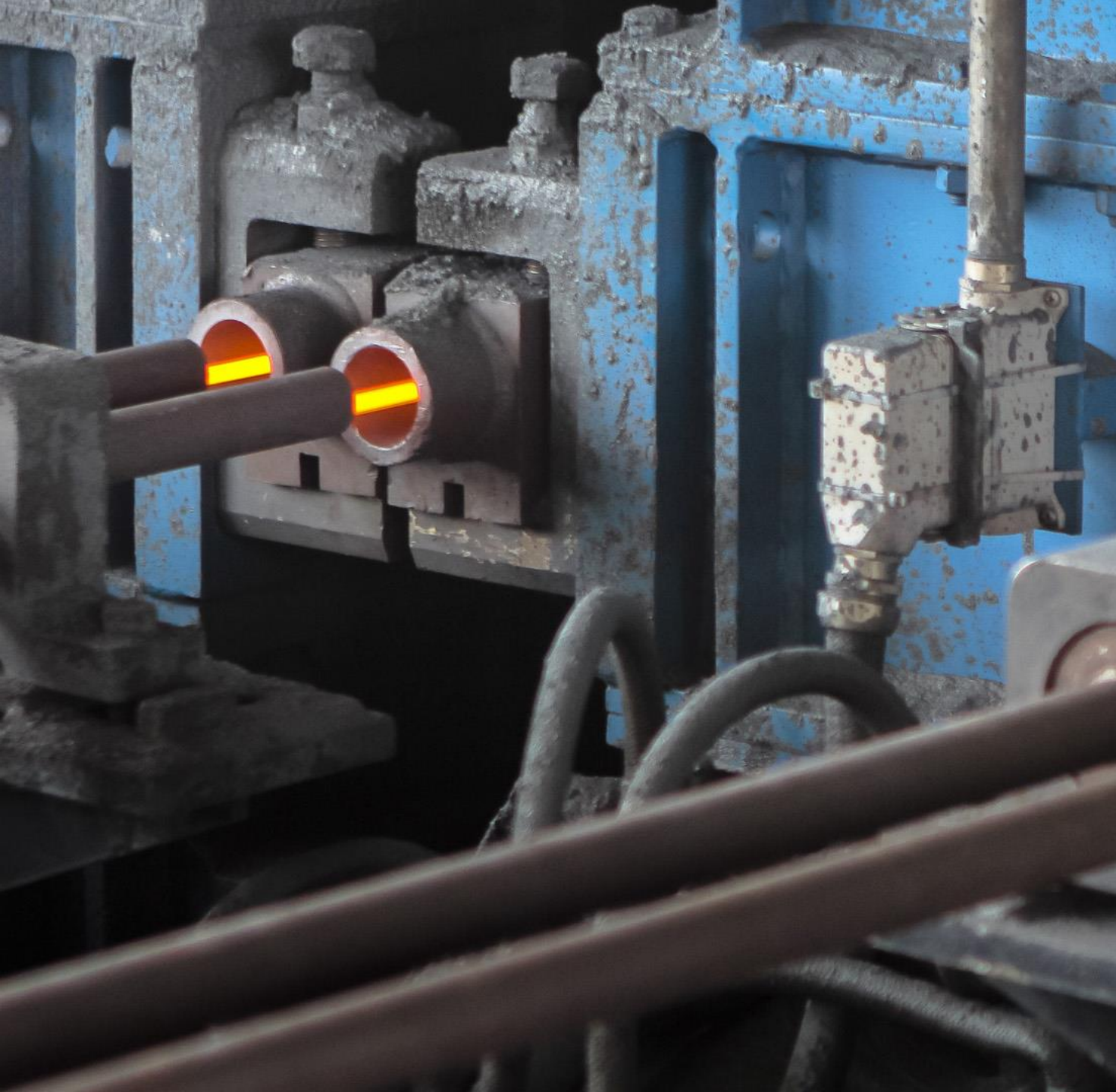
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**Sustainability Yearbook
Member 2021**

S&P Global

2Q 2021

EARNINGS PRESENTATION



AGENDA

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Relevant events

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Operational & financial results

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Guidance

RELEVANT EVENTS

In April, **Aceros Arequipa** approved an additional investment of US\$ 23 million for the construction of its new Melt Shop plant in Pisco



In July, for a 4th consecutive year, **Aceros Arequipa** received the “Empresa Socialmente Responsable” distinctive 2020 and a recognition for its circular economy



In July, **Aceros Arequipa** acquired the assets of two scrap yards in FL, USA to strengthen its procurement of raw materials in Pisco



RESULTS SNAPSHOT

S/ million

2Q
6m

REVENUE

1,203.4 ▲ 973.1 (+422.5%)
YoY

▲ 1,463.0 (+168.6%)
YoY



OPER. WORKING CAPITAL BALANCE*

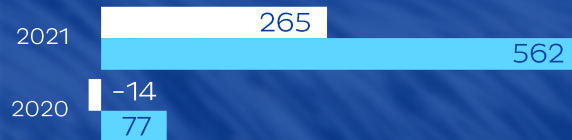
1,177.1 ▲ 766.7 (+186.8%)
YTD



EBITDA (Margin)

265.1 (22%) ▲ 279.5 (%n.d.)
YoY

▲ 485.3 (+630.0%)
YoY



CAPEX

83.7 ▲ 17.0 (+58.8%)
YoY

▲ 90.3 (+127.2%)
YoY



NET PROFIT (Margin)

170.0 (14%) ▲ 208.6 (%n.d.)
YoY

▲ 364.6 (%n.d.)
YoY



NET DEBT

1,329.6 ▲ 811.3 (+156.5%)
YTD

1.5x EBITDA



(*) 2020 figures are based on audited financial statements



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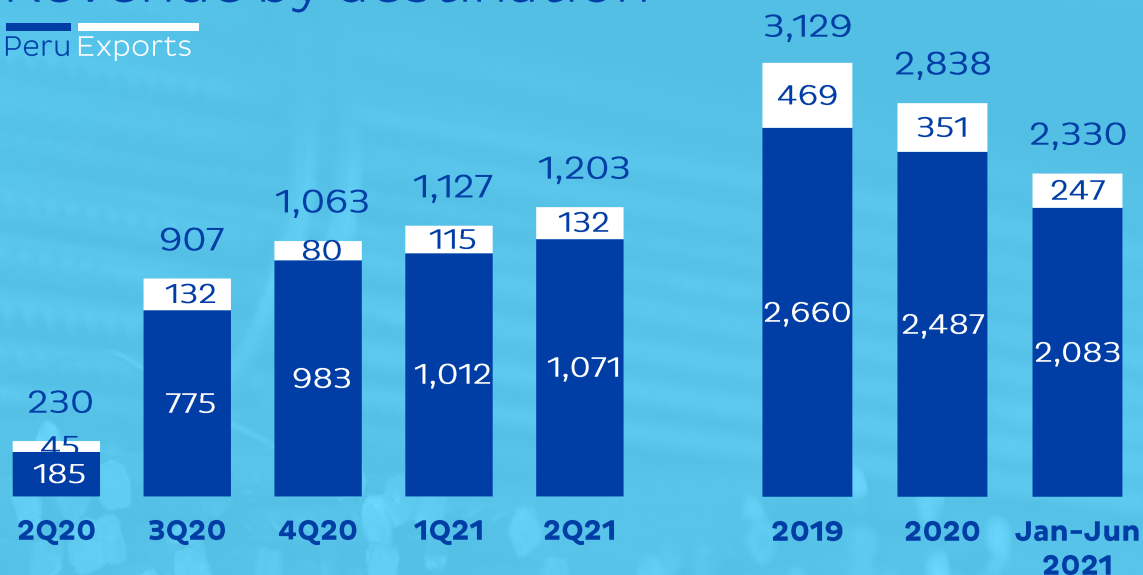
REVENUE

S/ million

Revenue increased by S/ 973 million, or 422% YoY, driven by the market reopening after operations shutdown during 2020 and higher average selling prices

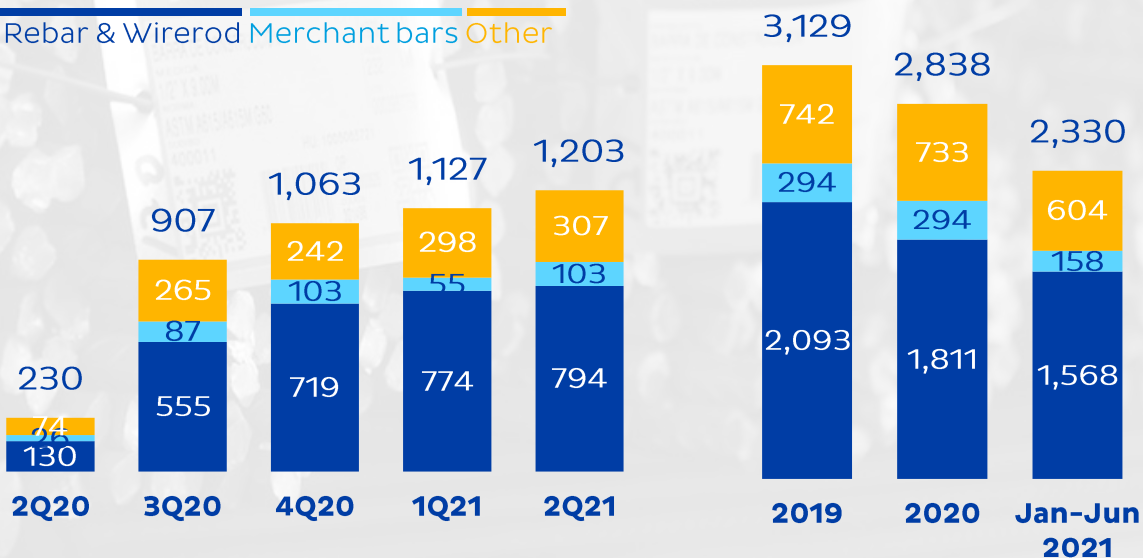
Revenue by destination

Peru Exports



Revenue by product category

Rebar & Wirerod Merchant bars Other

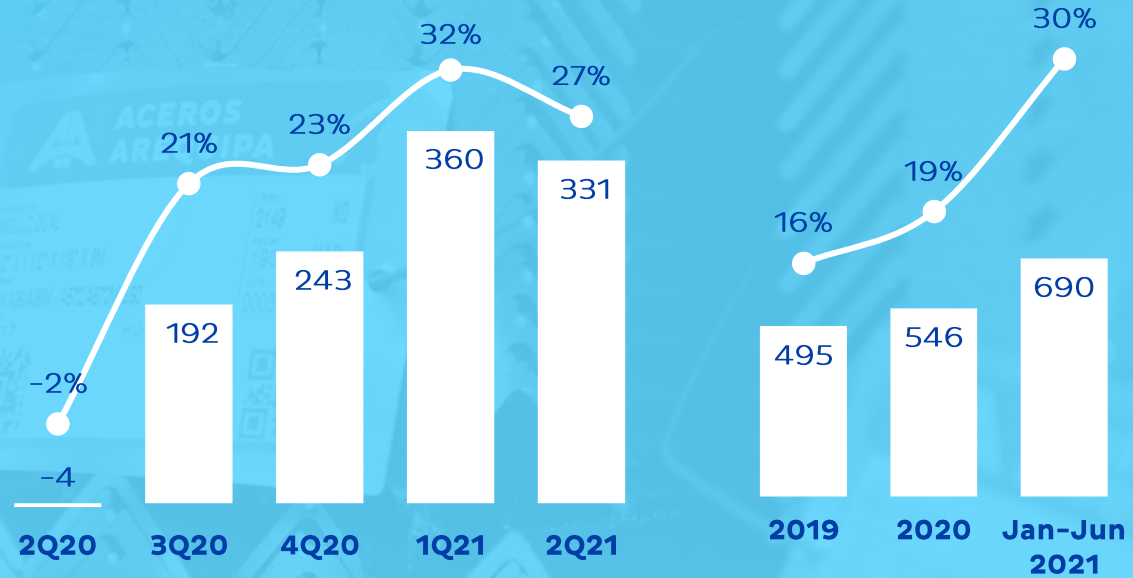


OPERATING PROFITABILITY

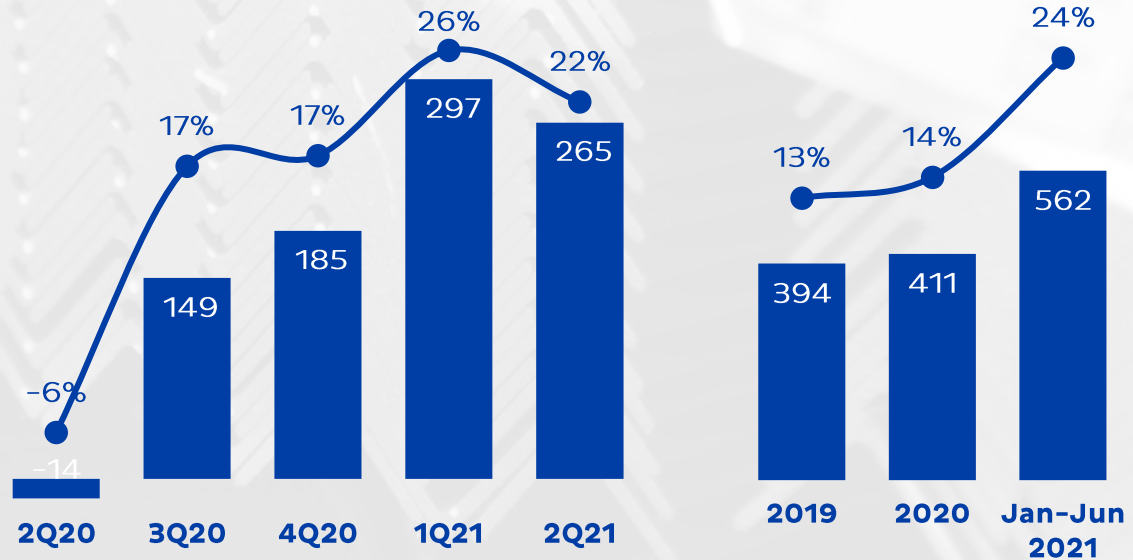
S/ million

Gross margin increased driven by higher average selling prices and an increased volumen sold

Gross profit & gross margin



EBITDA & EBITDA margin



EBITDA

S/ million

EBITDA was higher due to a higher gross profit

SG&A increased due to higher personal expenses, third party services expenses and allowances for doubtful accounts; Nonetheless, they were lower as a percentage of Revenue

EBITDA margin drivers



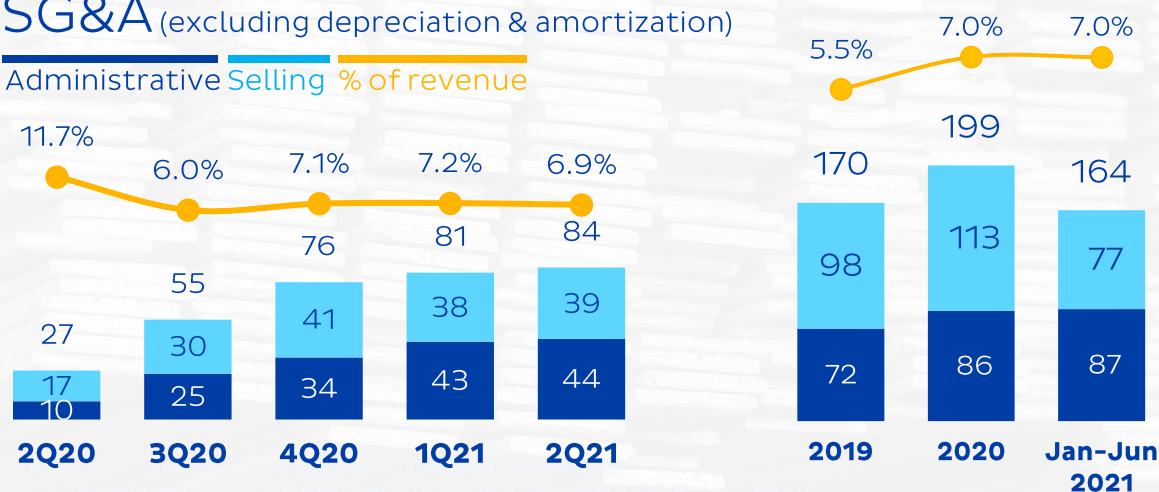
EBITDA drivers



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/ 278 million, despite higher SG&A by S/ 59 million

Net financial expenses were S/ 5 million lower

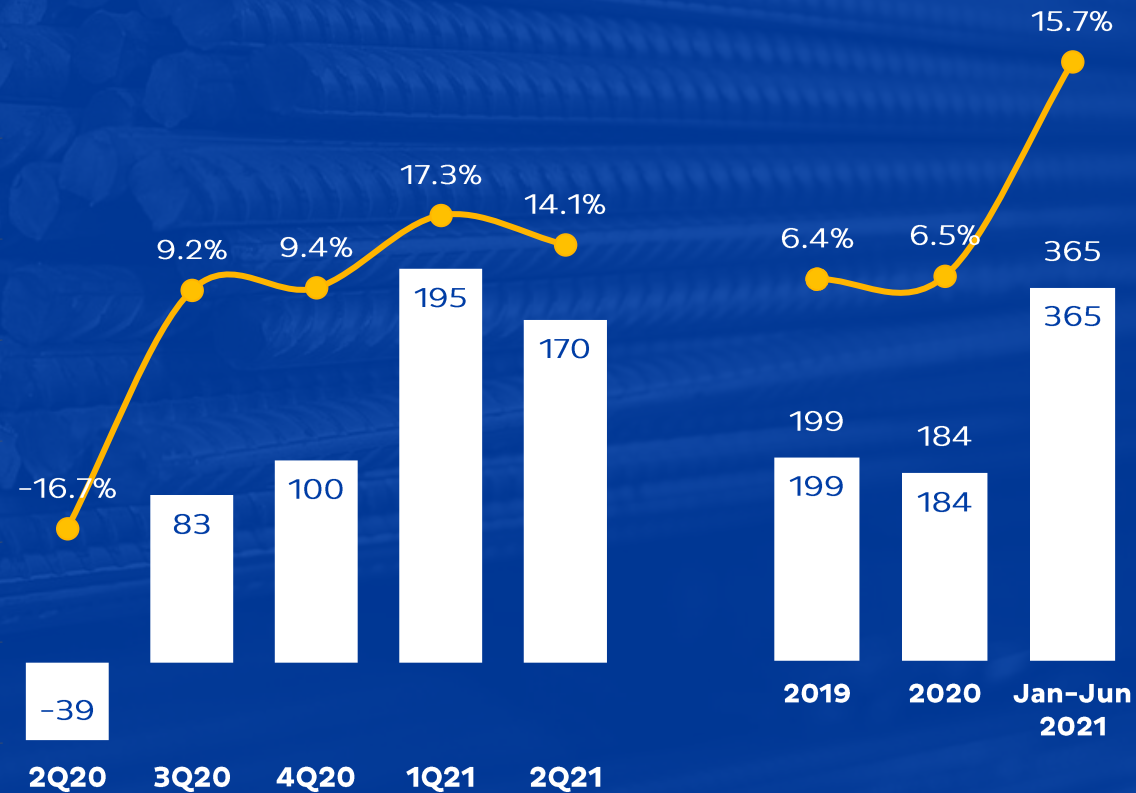
Higher results of subsidiaries and affiliates by S/ 1 million

Exchange rate differences had a positive S/ 3 million effect

Higher Income Tax by S/ 73 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

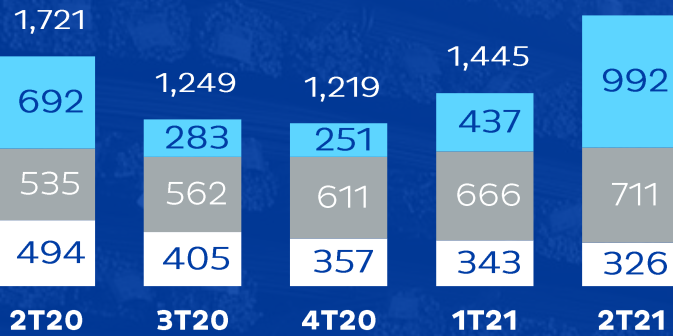
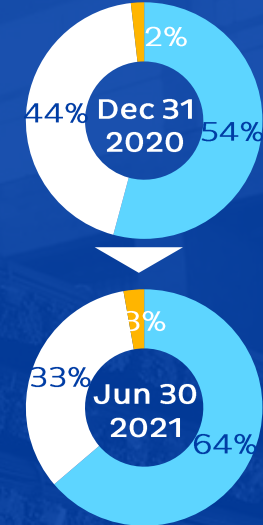
Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



By currency

US\$ S/ BOL



Other ratios as of June 2021

Leverage

(Total Liabilities / Shareholders' equity)

1.39x

Fin. Expenses coverage

(LTM EBITDA / LT. Fin. Expenses)

37.71x

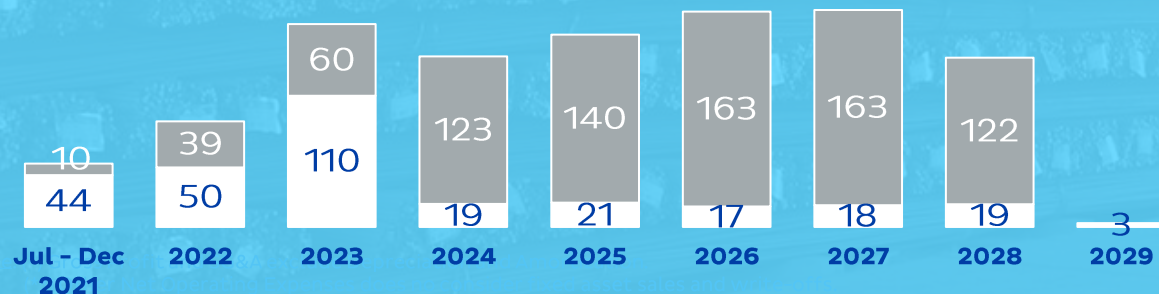
Liquidity

(Current Assets / Current Liabilities)

1.36x

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

LT Debt Melt shop lease⁽³⁾



Note:

(1) Planned amortization schedule with financial institutions. Does not consider leasing with suppliers with a balance of S/ 27 million

(2) For illustration purposes USD / PEN = 3.95

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

WORKING CAPITAL & CAPEX

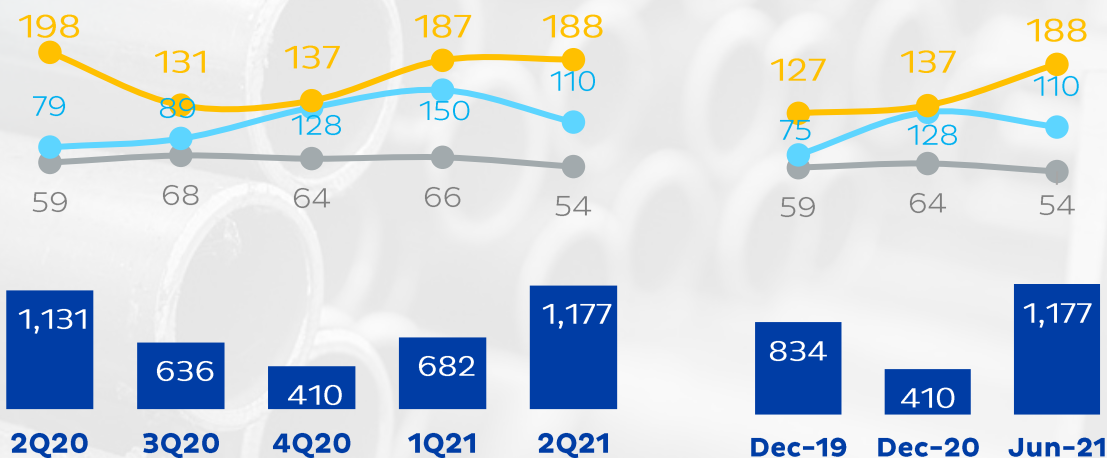
S/ million

Higher Working Capital requirements vs December 2020, mainly due to higher inventory levels

CAPEX mainly included the acquisition of Comfer S.A., investments in the new melt shop, among other

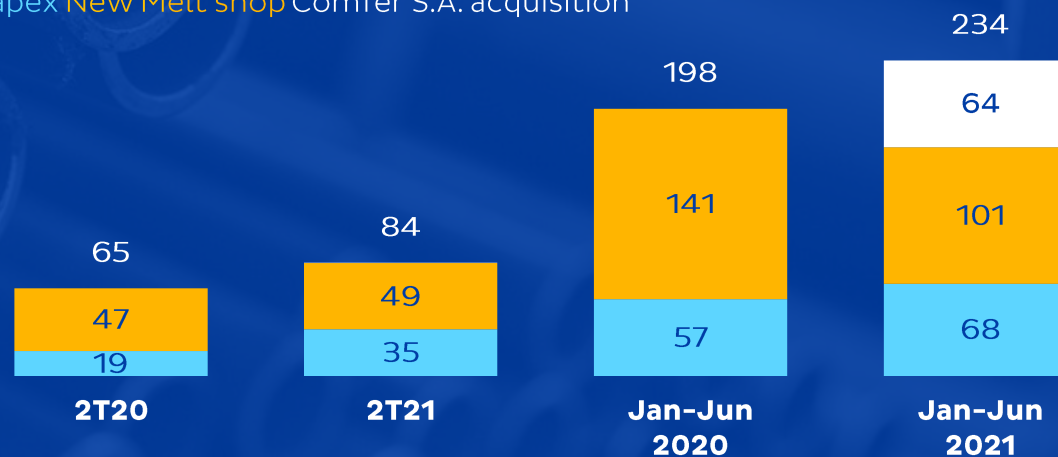
Operating Working Capital

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



Capex

Capex New Melt shop Comfer S.A. acquisition



Nota: During 2Q21 S/ 32.5 million of the New Melt Shop were financed through a financial leasing (S/ 72 million from January to June 2021)

CASH FLOW

S/ million

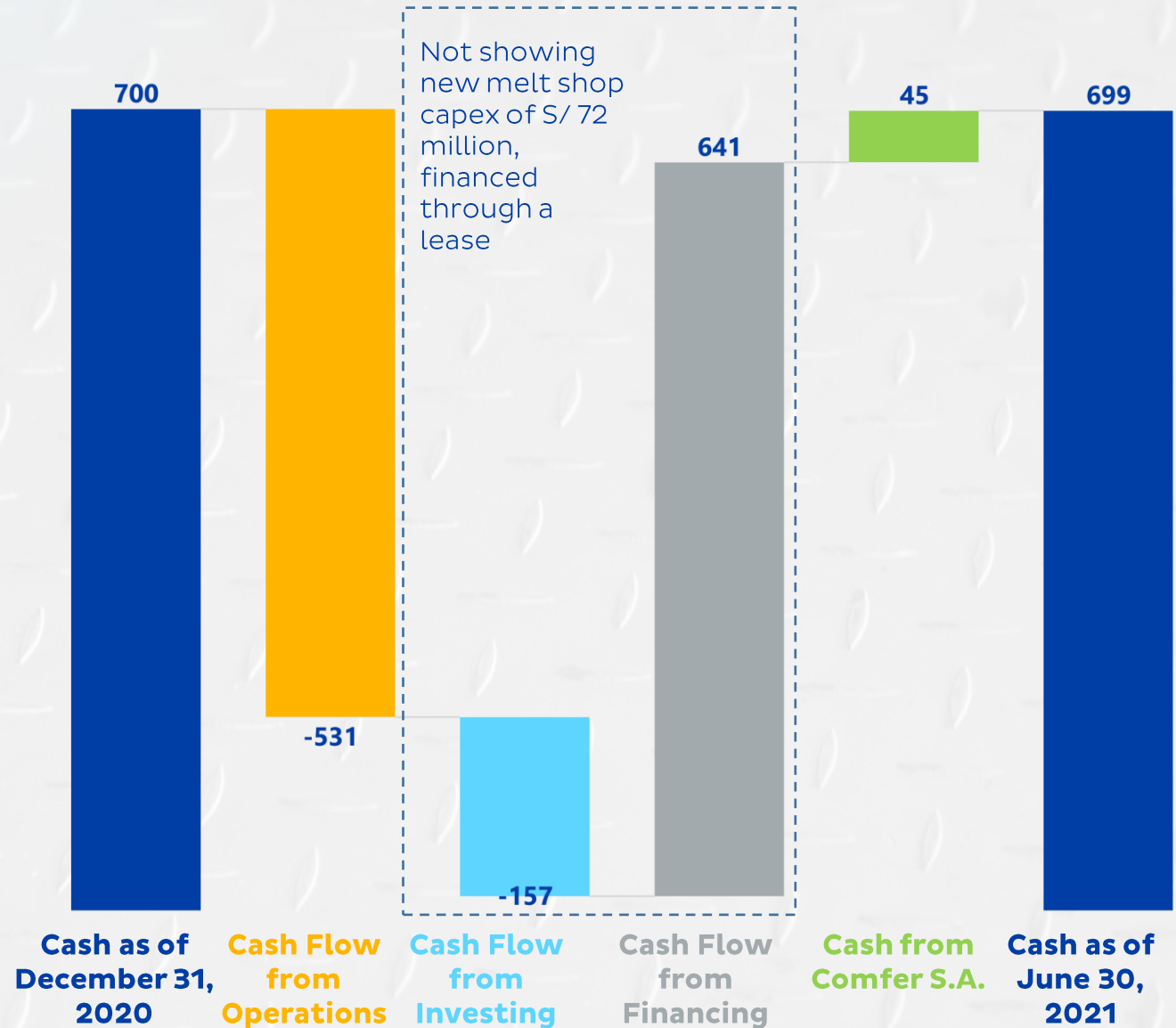
Higher inventories and Accounts Receivable

Comfer acquisition for S/ 64 million, Investments in fixed assets of S/ 97 million; partly offset by interests and dividends received of S/ 3 million and S/ 0.8 million, respectively

Higher financing during the period by S/ 797 million, net of interest payments of S/ 10 million and dividends paid of S/ 146 million

Cash obtained after Comfer S.A. acquisition

Cash Flow as of June 2021



GUIDANCE 2021

S/ million

2020

GUIDANCE
2021

Revenue growth

-9.3%

>60%

EBITDA

411

>800

CAPEX

369

450
540

Dividends paid

74.9

>280

EPS

0.17

>0.50



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

2Q 2021

EARNINGS
PRESENTATION



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EARNINGS PRESENTATION



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This information corresponds to consolidated financial statements.