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**Sustainability Yearbook  
Member 2022**  

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# 2Q 2022

## EARNINGS PRESENTATION



# AGENDA

**1**

Relevant events

**2**

2Q 2022 Results snapshot

**3**

Operational & financial results

**4**

Guidance



# RELEVANT EVENTS



## ESR distinction 2021

For a fifth consecutive year Aceros Arequipa was distinguished as a Socially Responsible Company by the "Perú Sostenible" organization



## Admission into UN Global Compact

Members compromise to respect 10 basic principles based in human rights, labor, environment and anti-corruption practices



**PERÚ  
SOSTENIBLE**

## Green loan

Long-term and working capital loans of US based companies of Aceros Arequipa, received the green loan label



# RESULTS SNAPSHOT

S/ million

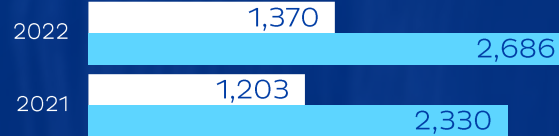
2Q  
6m

## REVENUE

**1,369.9**

▲ 166.6 (+13.8%)  
YoY

▲ 355.3 (+15.2%)  
YoY



## OPER. WORKING CAPITAL BALANCE\*

**2,354.9**

▲ 532.8 (+29.2%)  
YTD



## EBITDA (Margin)

**225.2 (16%)**

▼ 39.9 (-15.0%)  
YoY

▼ 157.4 (-28.0%)  
YoY

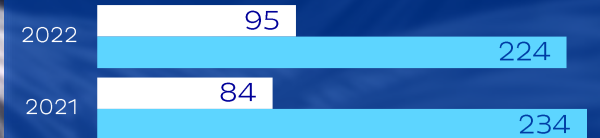


## CAPEX

**94.8**

▲ 11.2 (+13.3%)  
YoY

▼ 9.8 (-4.2%)  
YoY



## NET INCOME (Margin)

**90.4 (7%)**

▼ 79.6 (-46.8%)  
YoY

▼ 178.7 (-48.9%)  
YoY



## NET DEBT

**2,378.5**

▲ 532.1 (+28.8%)  
YTD

2.5x EBITDA



(\*) 2021 figures are based on audited financial statements



# AGENDA

**1** Relevant events

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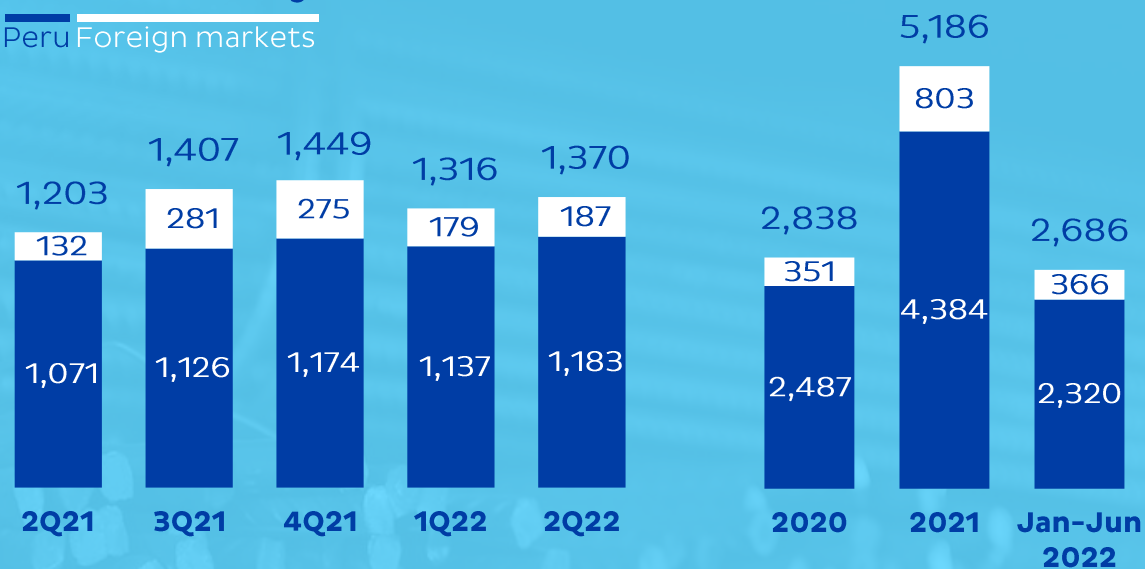
# REVENUE

S/ million

Revenue increased by S/ 167 million, or 14% YoY, driven by higher prices

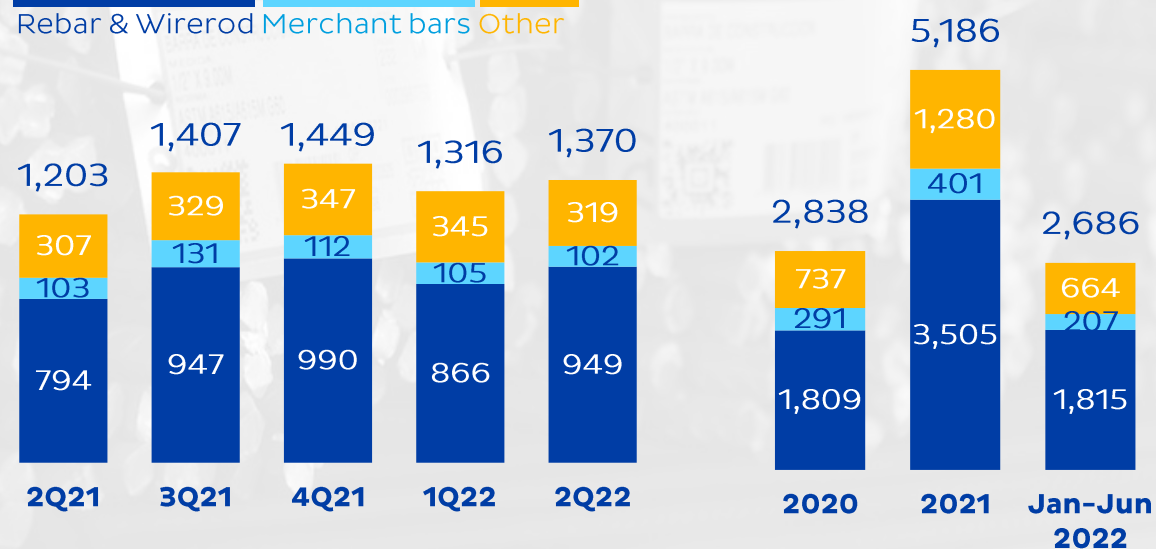
## Revenue by destination

Peru Foreign markets



## Revenue by product category

Rebar & Wirerod Merchant bars Other



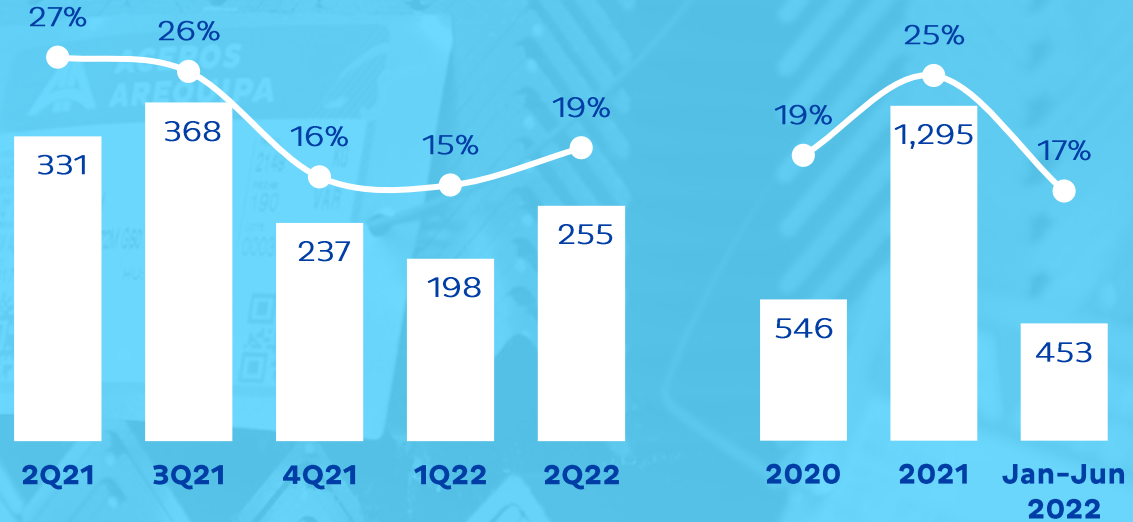
# OPERATING PROFITABILITY

S/ million

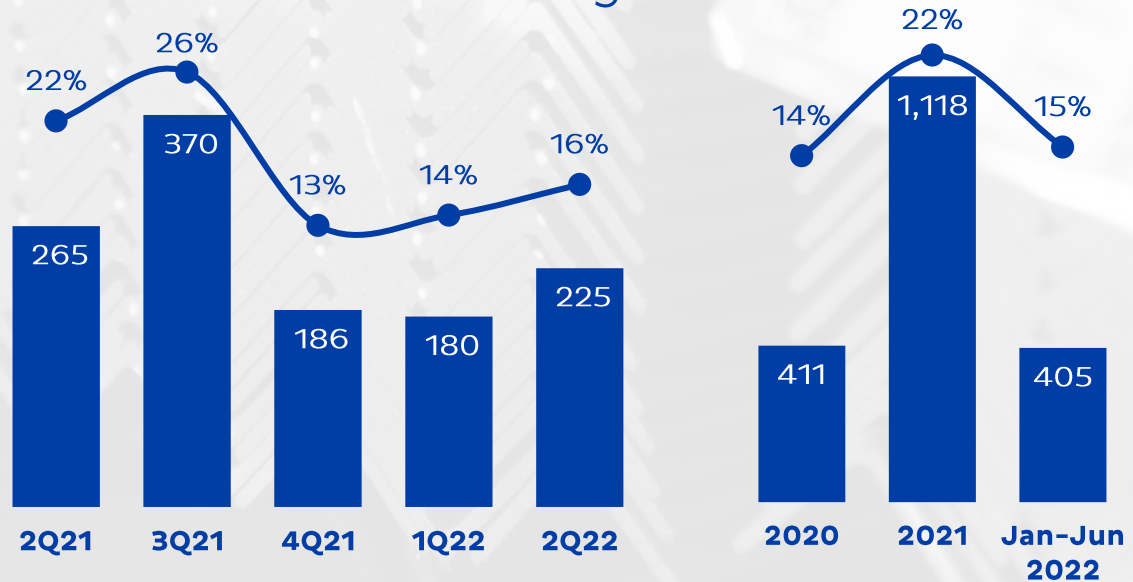
Gross margin decreased due to higher costs of raw materials and imported products.

EBITDA decreased due to a lower Gross Profit; partly offset by lower SG&A

## Gross profit & gross margin



## EBITDA & EBITDA margin





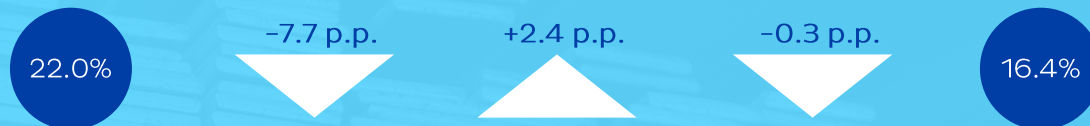
# EBITDA

S/ million

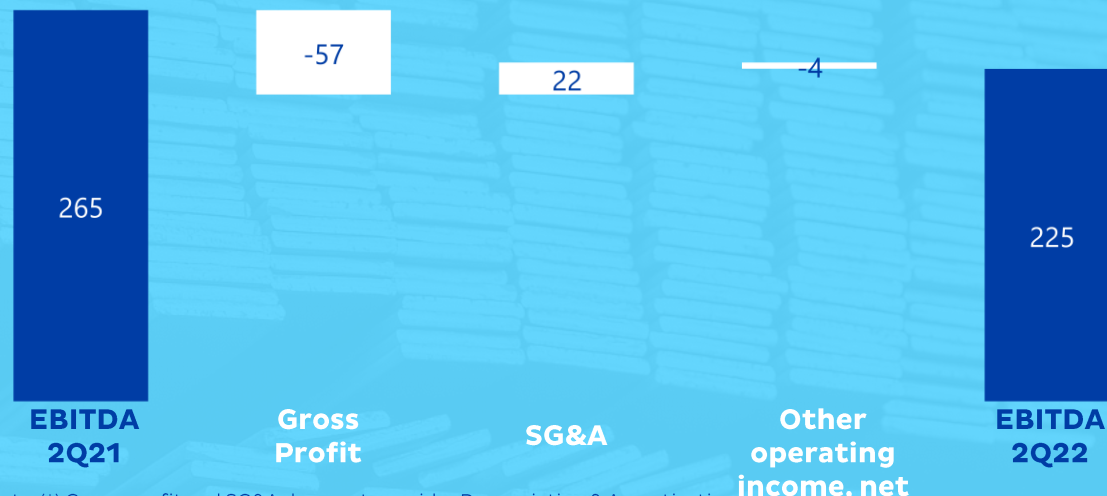
The lower Gross Profit contributed to a lower EBITDA during the period

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

## EBITDA margin drivers

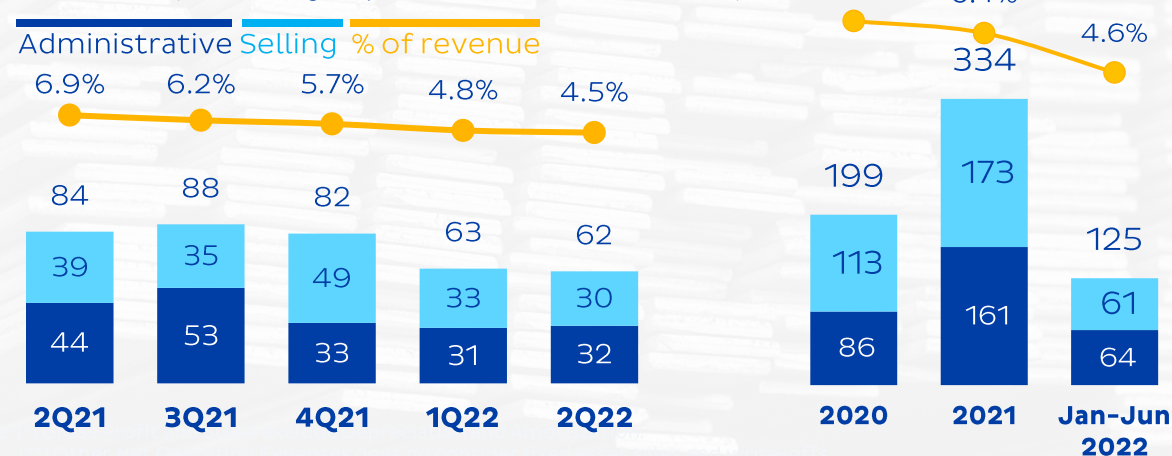


## EBITDA drivers



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)





# NET PROFIT

S/ million

Lower Operating Profit by S/ 54 million mainly explained by a lower Gross Profit

Net Financial Expenses were S/ 36 million higher because the new melt shop's financial leasing, higher Working Capital requirements and higher interest rates

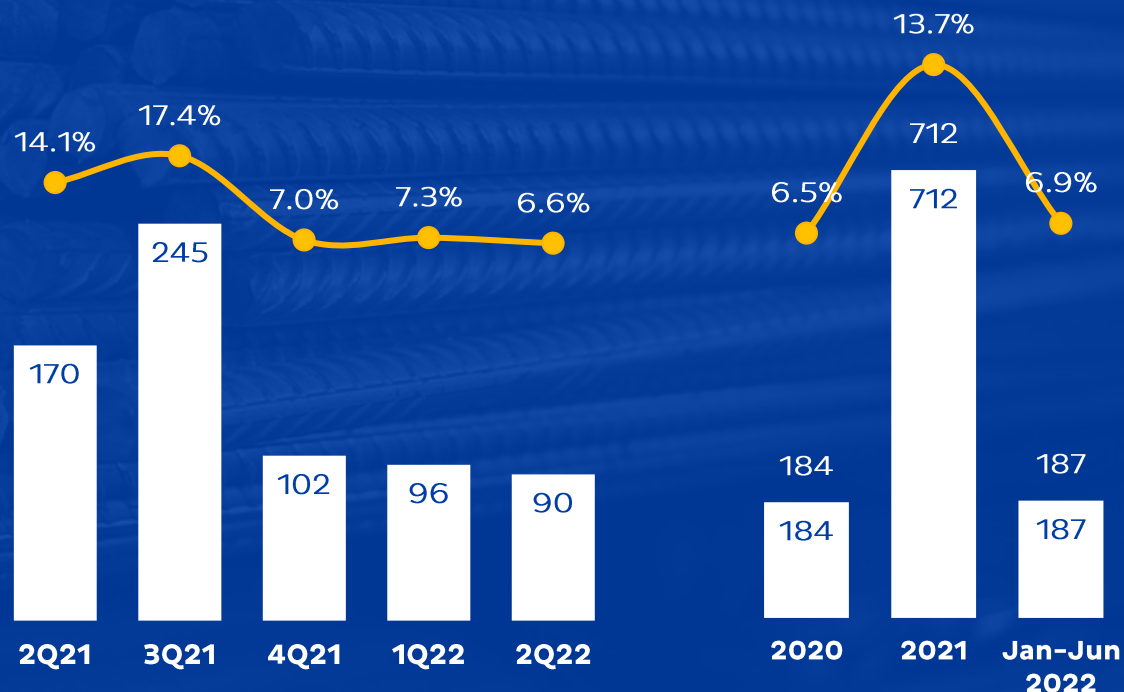
Higher results of subsidiaries and affiliates by S/ 2 million

A negative effect of the Exchange Rate of S/ 15 million

Lower Income Taxes by S/ 24 million

## Net profit & net margin

Net profit Net margin





# DEBT METRICS

S/ million

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

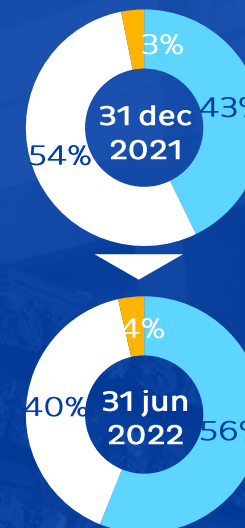
## Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



## By currency

US\$ S/ BOL



Other ratios as of June 2022

Leverage

(Total Liabilities / Shareholders' equity)

**1.48x**

Fin. Expen. coverage

(LTM EBITDA / LT. Fin. Expenses)

**13.18x**

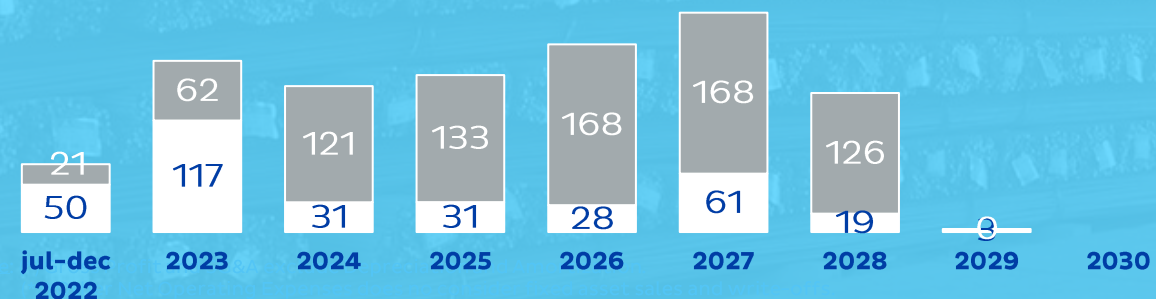
Liquidity

(Current Assets / Current Liabilities)

**1.37x**

## LT debt amortization schedule <sup>(1)</sup> (planned <sup>(2)</sup>)

LT Debt Melt shop lease<sup>(3)</sup>



**Note:**

(1) Planned amortization schedule with financial institutions.

(2) For illustration purposes USD / PEN = 3.83

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



# WORKING CAPITAL & CAPEX

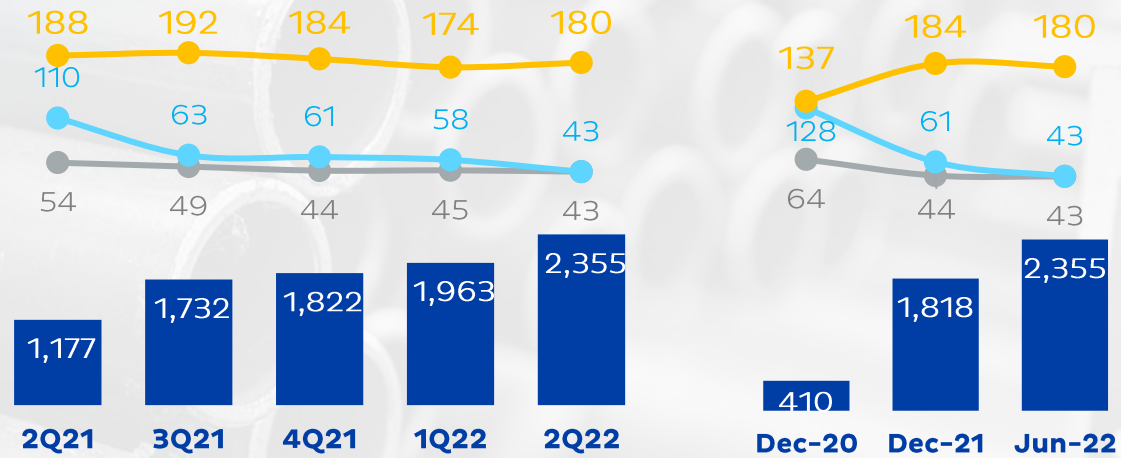
S/ million

Higher Working Capital requirements vs December 2021, mainly due to higher inventory levels, sales tax credit and supplier payments

CAPEX for the quarter mainly included investments in Pisco, complementary projects for the new melt shop and the new Lurin distribution center

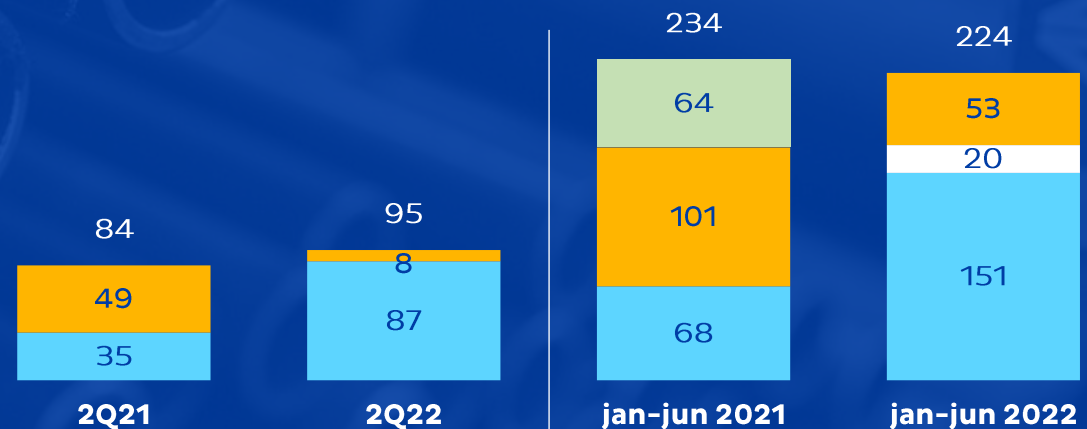
## Operating Working Capital (end of period)

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



## Capex

Capex Melt shop Acquisition of Comfer S.A. Rolling mill #3







# GUIDANCE 2022

\$/ million

2021

GUIDANCE  
2022

Revenue growth

82.8%

>7%

EBITDA

1,118

>760

CAPEX

633

480  
550

Dividends paid

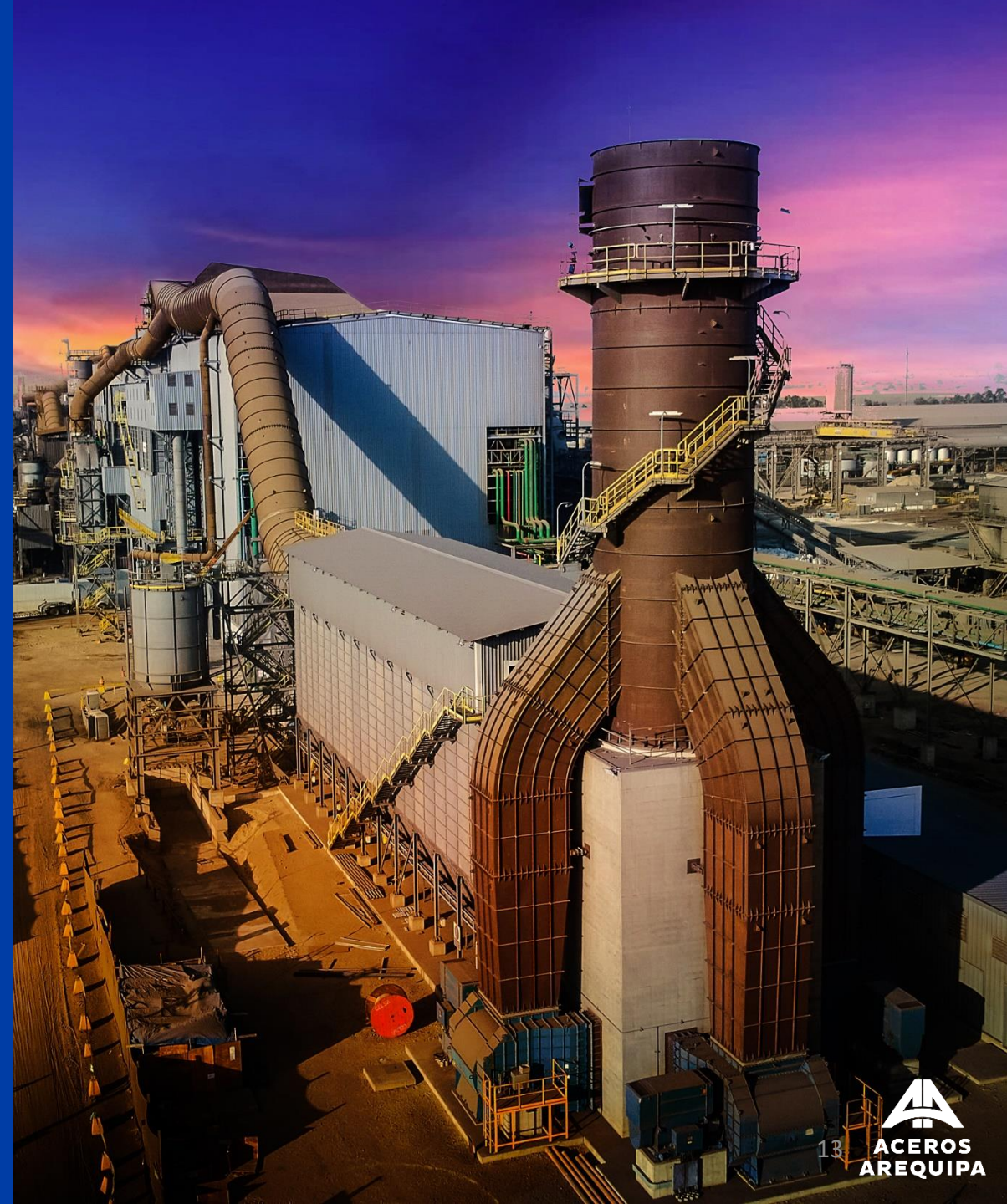
330

>170

EPS

0.66

>0.30



**Q&A**

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



Mr. Ricardo  
**Guzmán**  
CFO, IRO

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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.