



2Q 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 global.com/esg/yearbook

S&P Global 



AGENDA

1

Relevant events

2

Results snapshot

3

Operational & financial results

4

Guidance

RELEVANT EVENTS

Aceros Arequipa remains as a component of the S&P/BVL Peru General ESG index after the last reassessment of this index

Aceros Arequipa received for its 6 consecutive year the Peru Sostenible recognition and was awarded in the supply chain category

Cash dividends

The Board approved a cash dividend of S/ 10.6 million (US\$ 3 million), which will be paid in US\$.

Índice S&P/BVL Peru General ESG
Environmental, Social & Governance



**ACEROS
AREQUIPA**

RESULTS SNAPSHOT

S/ million

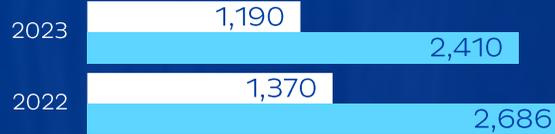
2Q
6m

REVENUE

1,190.1

▼ 179.8 (-13.1%)
YoY

▼ 275.5 (-10.3%)
YoY



OPER. WORKING CAPITAL BALANCE

1,917.1

▼ 195.1 (-9.2%)
YTD



EBITDA (Margin)

90.7 (8%)

▼ 134.5 (-59.7%)
YoY

▼ 186.1 (-46.0%)
YoY

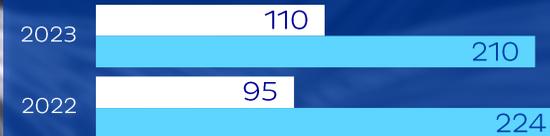


CAPEX

109.6

▲ 14.8 (+15.6%)
YoY

▼ 13.4 (-6.0%)
YoY



NET INCOME (Margin)

18.3 (2%)

▼ 72.1 (-79.8%)
YoY

▼ 133.7 (-71.7%)
YoY



NET DEBT

2,303.5

▼ 104.1 (-4.3%)
YTD

4.8x EBITDA



REVENUE

S/ million

Revenue decreased by S/ 180 million or 13% YoY

Lower sales to Peru, Bolivia and Colombia were partially compensated by higher sales to Ecuador and Canada, billet sales to Rep. Dominicana and by-products sales to Sweden (non-recurring markets).

By product category

- **Rebar and wirerod:** increased composition in non-recurring markets such as Canada, which have lower prices.
- **Others:** lower prices and volume sold in some categories partially compensated by billet and by-product sales
- **Merchant bars:** lower prices

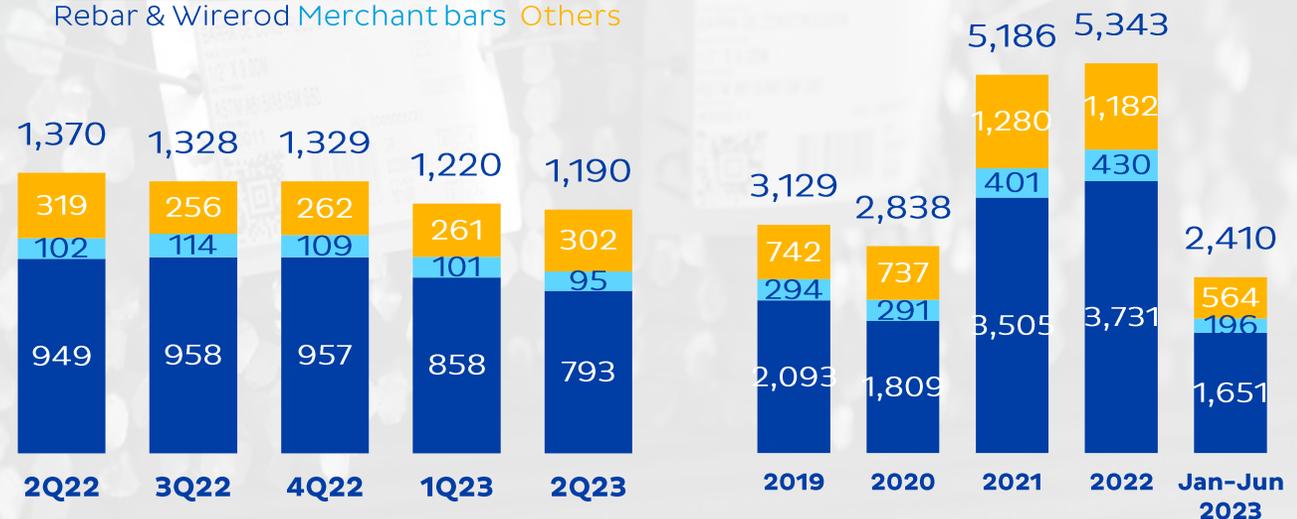
Revenue by destination

Peru Other markets



Revenue by product category

Rebar & Wirerod Merchant bars Others



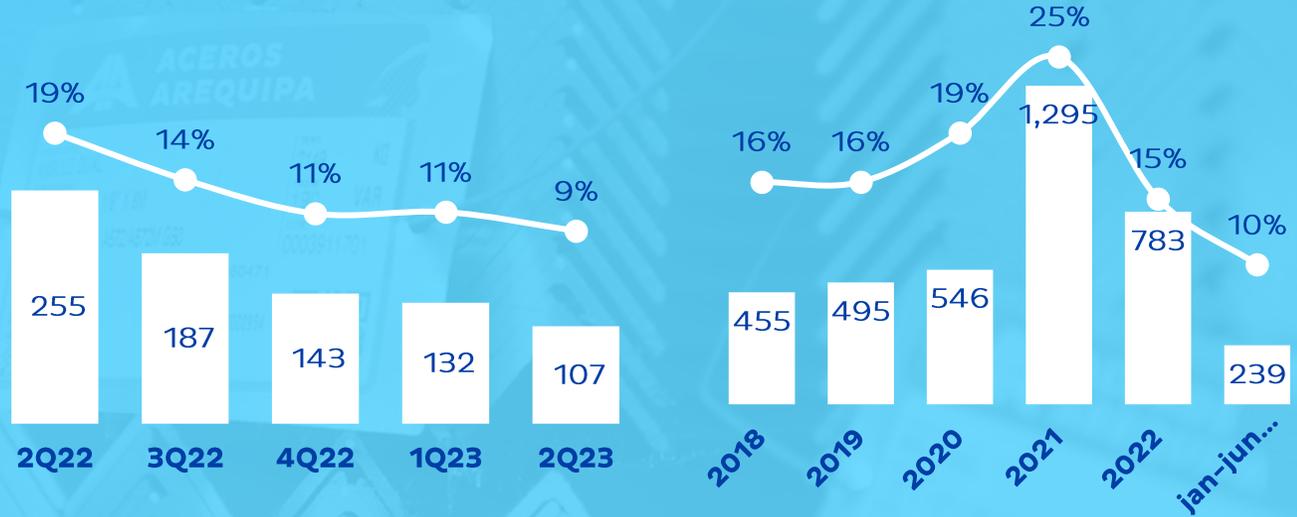
OPERATING PROFITABILITY

S/ million

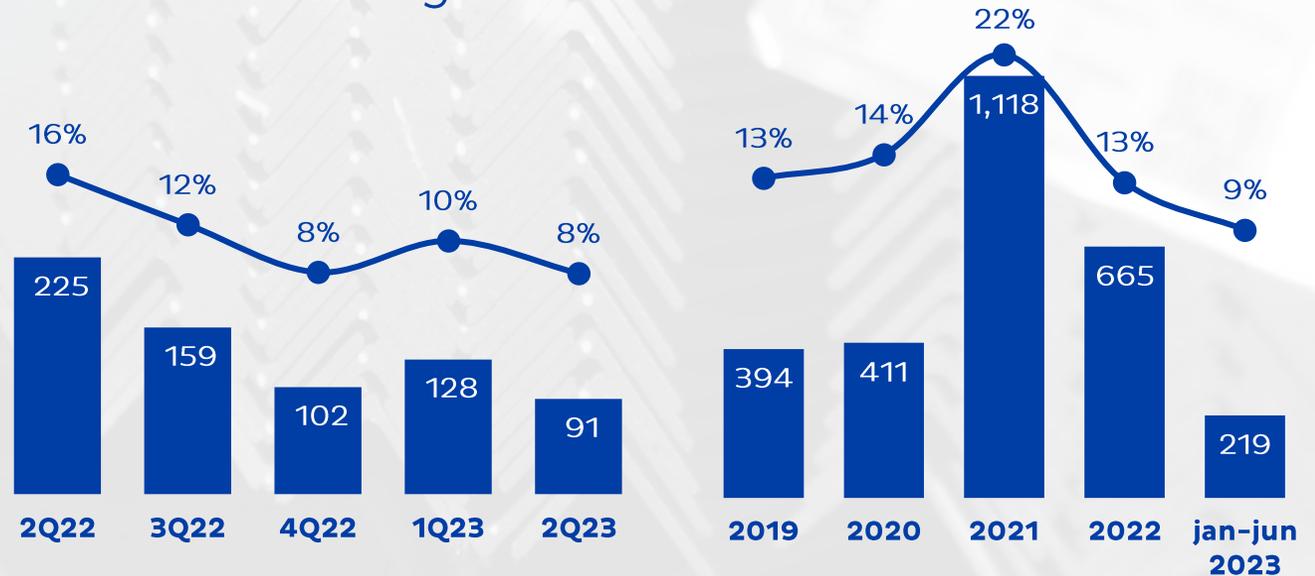
Gross margin decreased mainly due to lower volume and a higher reduction in prices than costs

EBITDA decreased because of a lower Gross Profit, partially compensated by lower SG&A

Gross Profit & Gross Margin



EBITDA & margin



EBITDA

S/ million

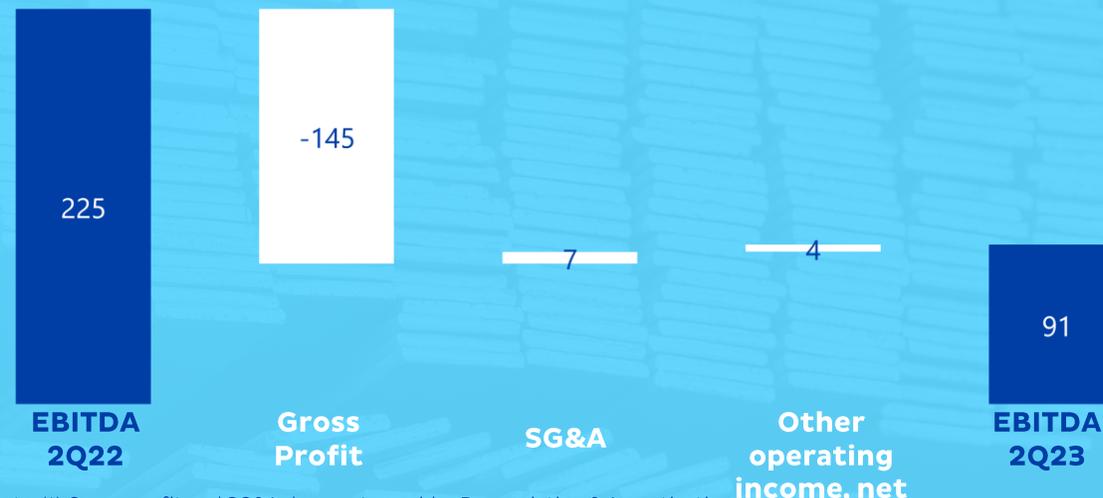
Lower EBITDA mainly explained by a reduction in Gross Profit partially mitigated by lower SG&A and others operating income, net

SG&A were lower mainly because of a reduction in personnel expenses

EBITDA margin drivers



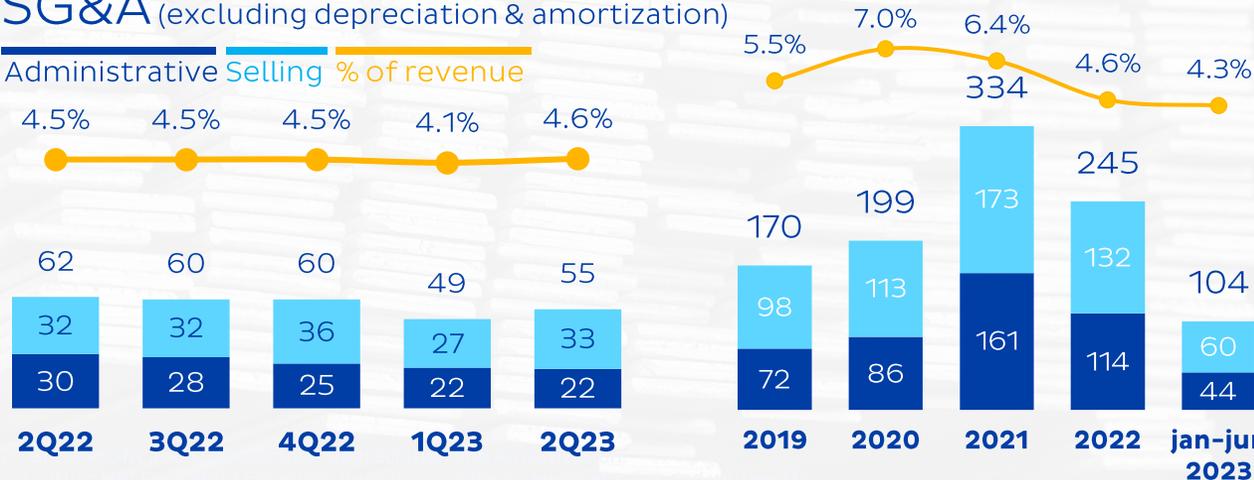
EBITDA drivers



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

Lower Operating Profit by S/132 million mainly due to a reduction in the Gross Profit

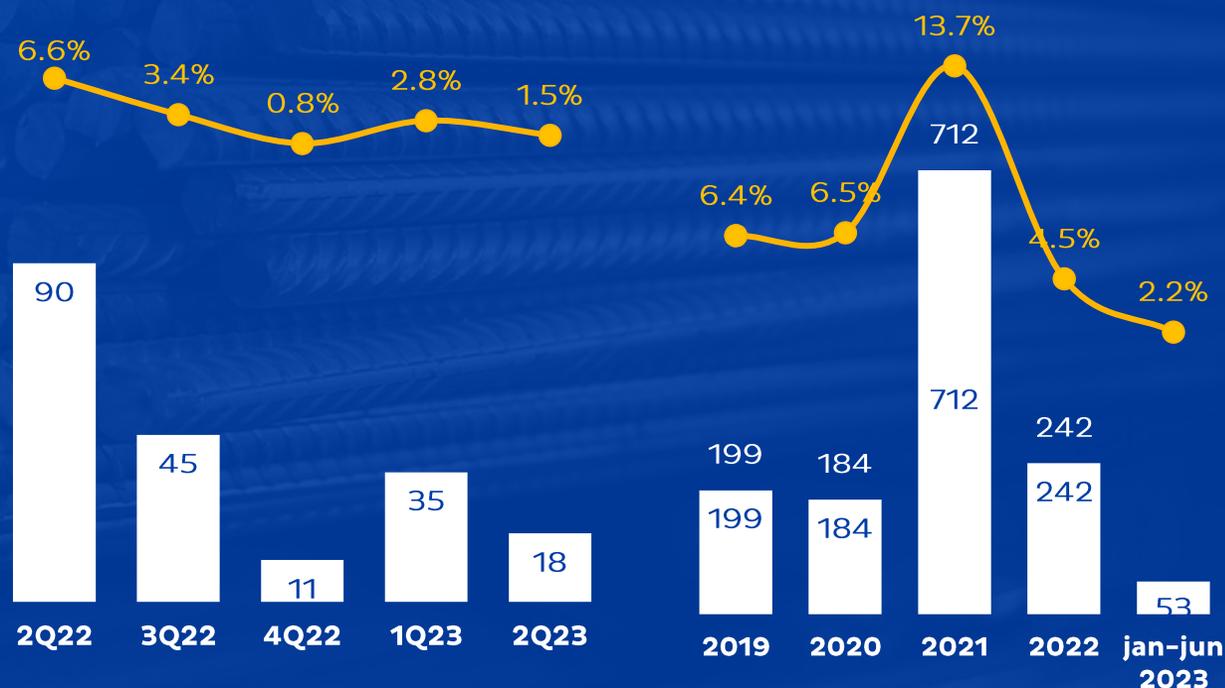
Positive effect in the exchange rate differences of S/9 million compared with the negative exchange rate difference of 2Q 2022 (S/20 million)

Lower income tax by S/ 29 million

Net profit & net margin

Net profit

Net margin



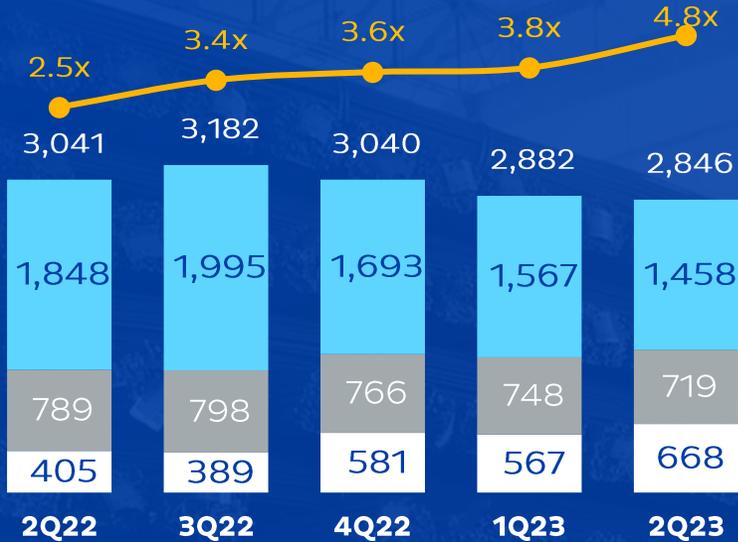
DEBT METRICS

S/ million

Lower short-term debt YTD in line with lower working capital requirements and disbursements of US\$ ~36 million for financing capex

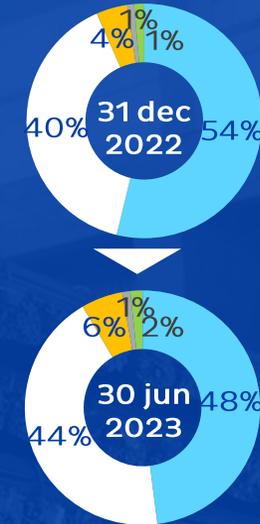
Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



By currency

S/ US\$ BOL CLP COP



Other ratios as of June 2023

Leverage

(Total Liabilities / Shareholders' equity)

1.37x

Fin. Expen. coverage

(LTM EBITDA / LT. Fin. Expenses)

2.75x

Liquidity

(Current Assets / Current Liabilities)

1.35x

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 = 3.6

(3) The amortization Schedule of BCP and Interbank loans consider the full disbursement of those loans. The total approved loan is US\$ ~168 million, of which US\$ ~79 million had already been disbursed.

WORKING CAPITAL & CAPEX

S/ million

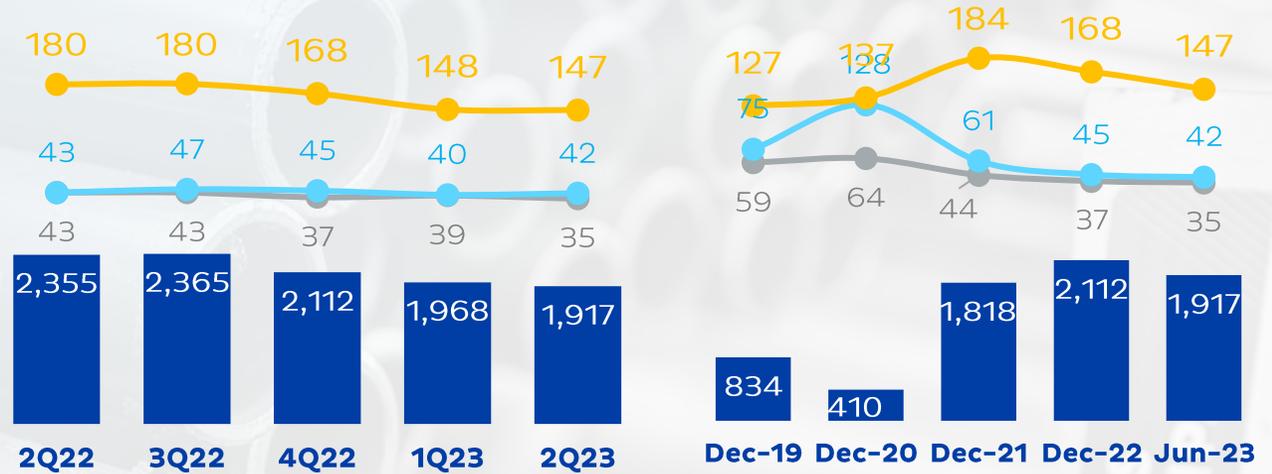
Lower working capital requirements vs December 2022, mainly due to lower inventories

Quarterly “Other” capex category includes:

- Lime furnace enhancement (S/ 10.8 million)
 - Bolivia Tube plant (S/6.4 million)
 - Non-ferrous recovery (S/ 5 million)
- among other

Operating Working Capital (end of period)

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



Capex

Other Melt Shop Lurin Distribution Center Rolling Mill #3



CASH FLOW

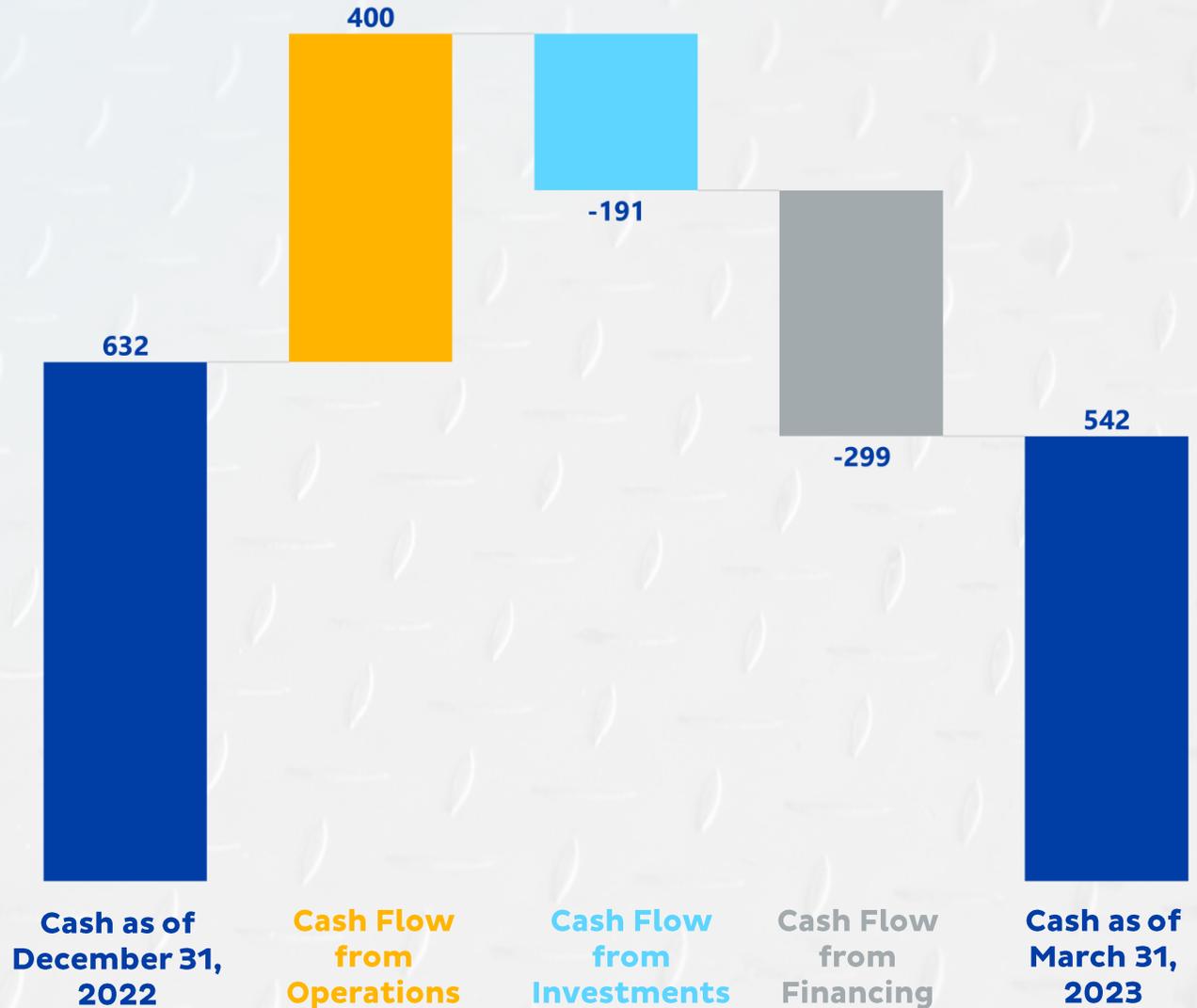
S/ million

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

Investments in PPE and intangibles were S/210 million, partially compensated by interests received of S/19 million.

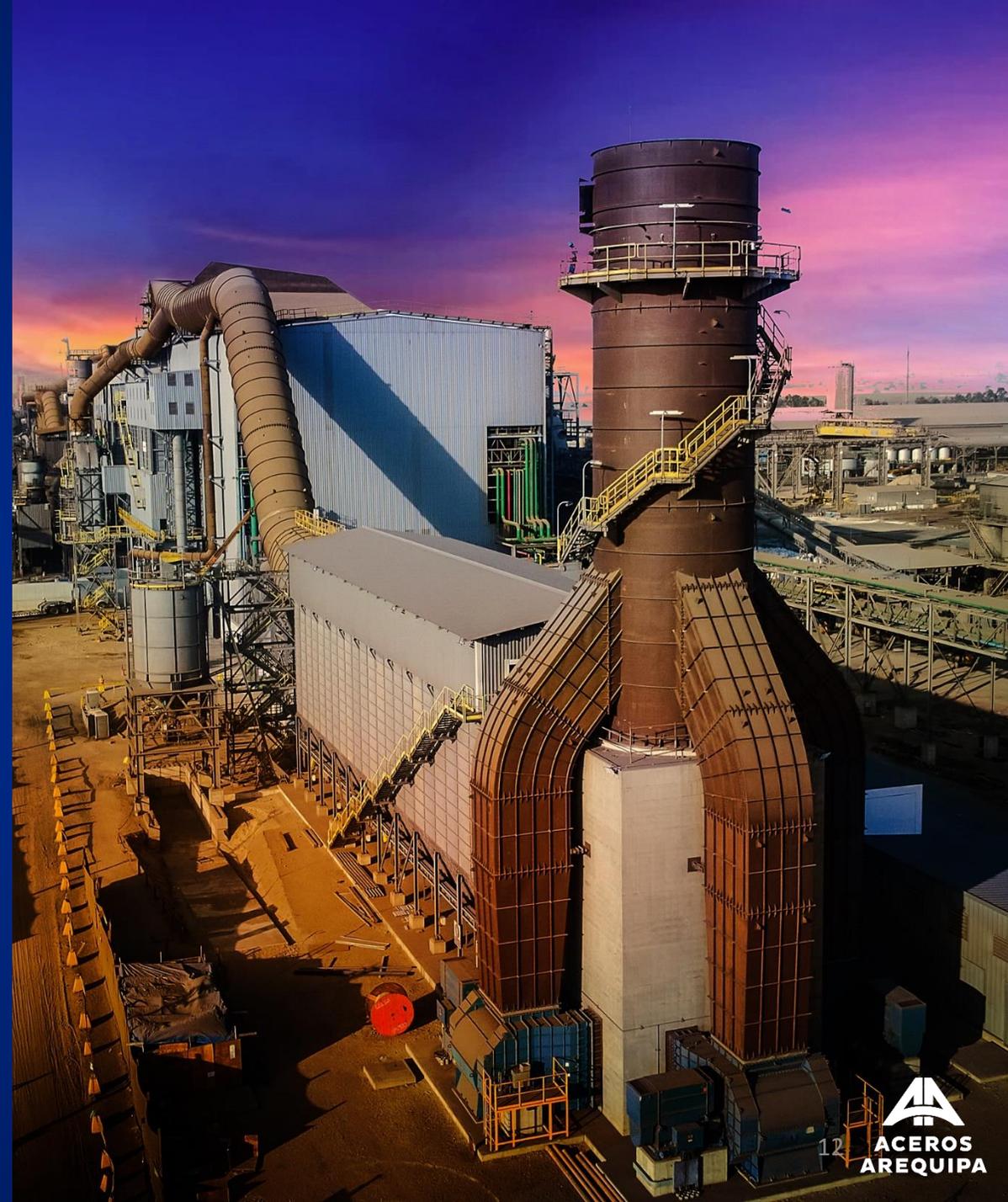
Net financing of -S/188 million, interest paid of S/87 million and cash dividends paid of S/25 million

Cash Flow as of June 2023



GUIDANCE

	2022	GUIDANCE 2023
Revenue growth	3.0%	-10%
EBITDA S/ million	665	~460
CAPEX S/ million	495	510 560
Dividends paid S/ million	165	~60
EPS S/	0.23	0.15



Q&A

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



Mr. Ricardo
Guzmán
CFO, IRO

2Q 2023

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