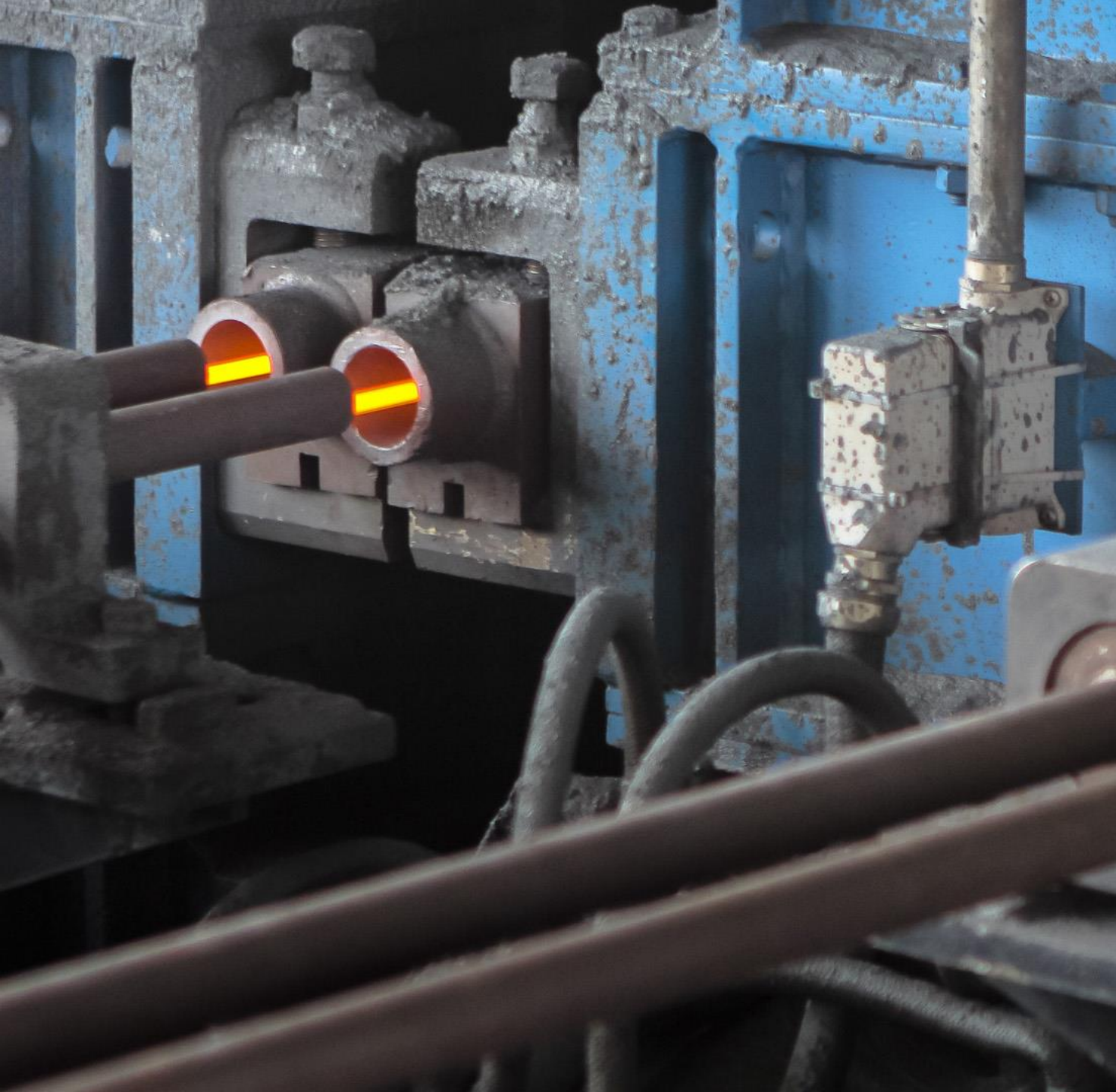




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COVID-19 IMPACT & RESPONSE



Employees

Health & Safety

- No positive cases to date
- Home-office, when possible
- Purchase of 2,400 rapid tests for employees
- Melt shop, Rolling mills and Tube plants shut down in compliance with government regulations
- Implementation of safety protocols

Jobs protection

- Compensate quarantine hours with vacation time
- Consensual salary reduction
- Temporary labor suspension (under evaluation)



Operations

Business Continuity

- Inventory management to reduce volume by December 2020
- Prioritize rolling-mill and melt shop investments, postpone other projects
- New melt shop works to finish 1Q 2021
- Overall budget reductions
- State-of-the-art web order system

Social Responsibility

- Support vulnerable families in our influence area
- Donations: 3,200 PPE to local low-income public hospital and respirators to the Peruvian authorities
- Purchase fumigation tractor to disinfect streets of low-income communities in the plant's vicinity



What to expect?

Revenue

- Lower domestic demand
- Increased price competition
- Drive through telesales and web orders
- Lower collection levels

Industry

- Changes in domestic construction regulation (i.e. number of workers per site)



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RESULTS SNAPSHOT

S/ million

1Q

REVENUE

637.2

▼ -125.7 (-16.5%)
YoY

2020 637

2019 763

OPER. WORKING CAPITAL

968.4

▲ 134.6 (+16.1%)
YTD

2020 968

2019⁽¹⁾ 834

EBITDA (Margin)

91.5 (14%)

▼ -0.6 (-0.7%)
YoY

2020 91

2019 92

CAPEX

132.8

▲ 43.7 (+49.0%)
YoY

2020 133

2019 89

NET PROFIT (Margin)

39.3 (6%)

▼ -3.9 (-9.1%)
YoY

2020 39

2019 43

NET DEBT

973.1

▲ 199.2 (+25.7%)
YTD

2.48x EBITDA

2020 973

2019⁽¹⁾ 774

Note:
(1) December, 2019



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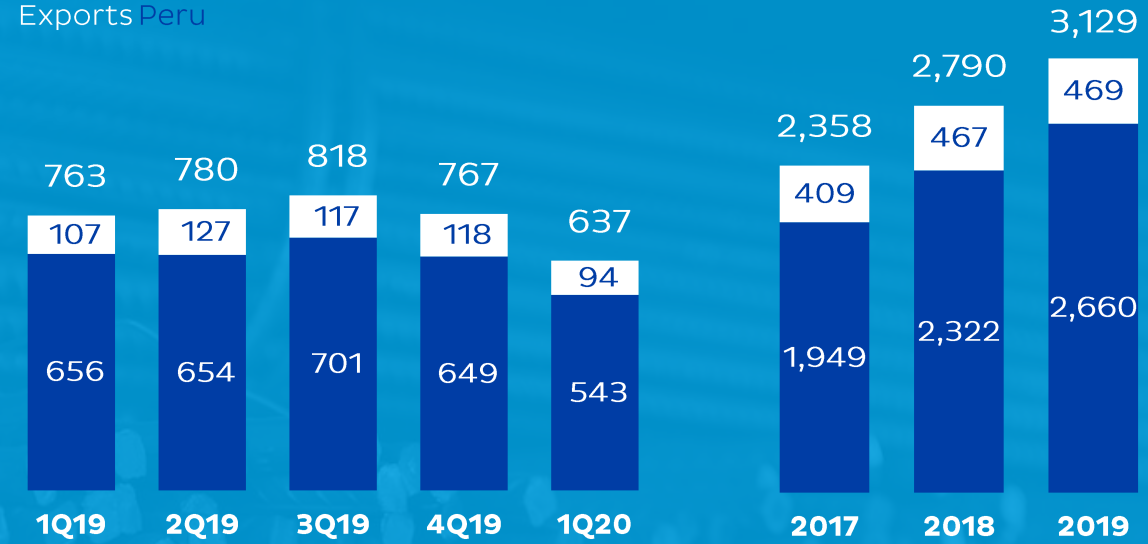
REVENUE

S/ million

Lower Revenue by S/ 126 million (-16.5%) YoY due to government lockdown in mid-March

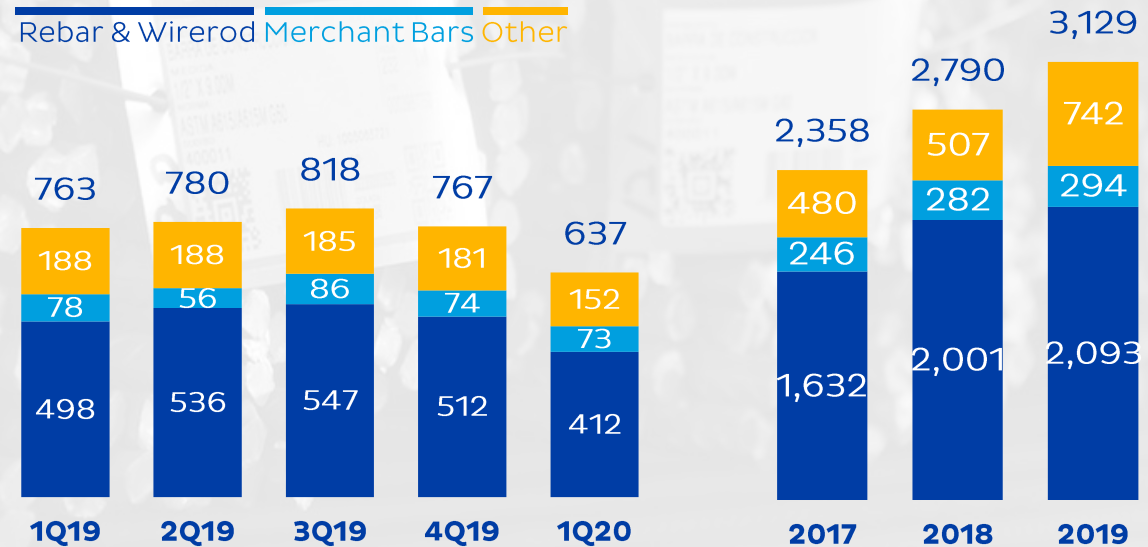
Revenue by destination

Exports Peru



Revenue by product category

Rebar & Wirerod Merchant Bars Other

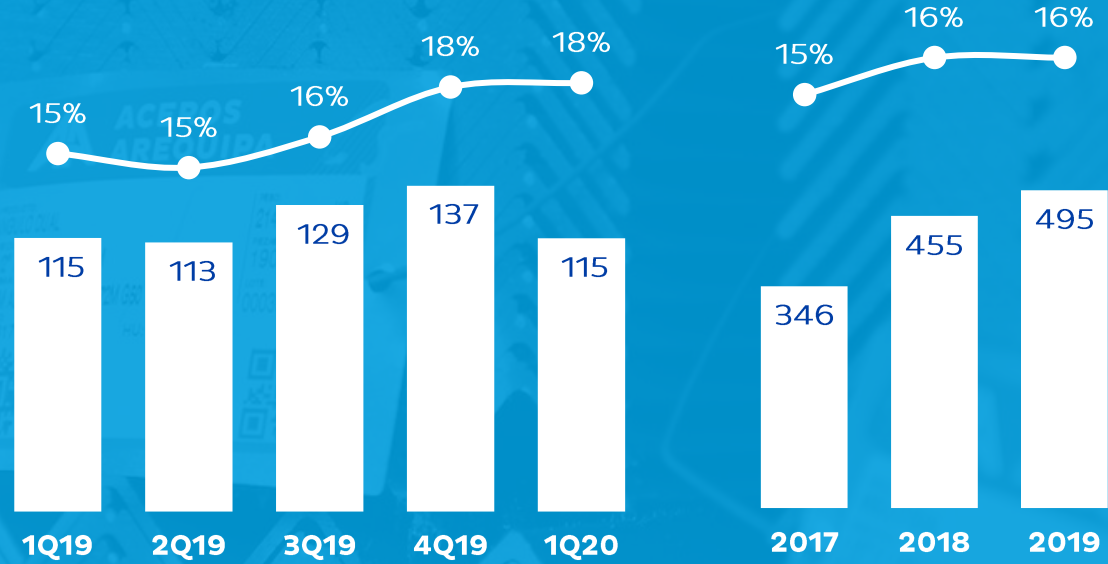


OPERATING PROFITABILITY

S/ million

EBITDA margin remains at high levels in 1Q20 (+3% vs 1Q19)

Gross profit & margin



EBITDA & margin



EBITDA

S/ million

Gross profit at the same level of 1Q19, despite COVID-19 context

SG&A costs represented a higher % of revenues in 1Q20, due to a decrease in sales

Margin drivers



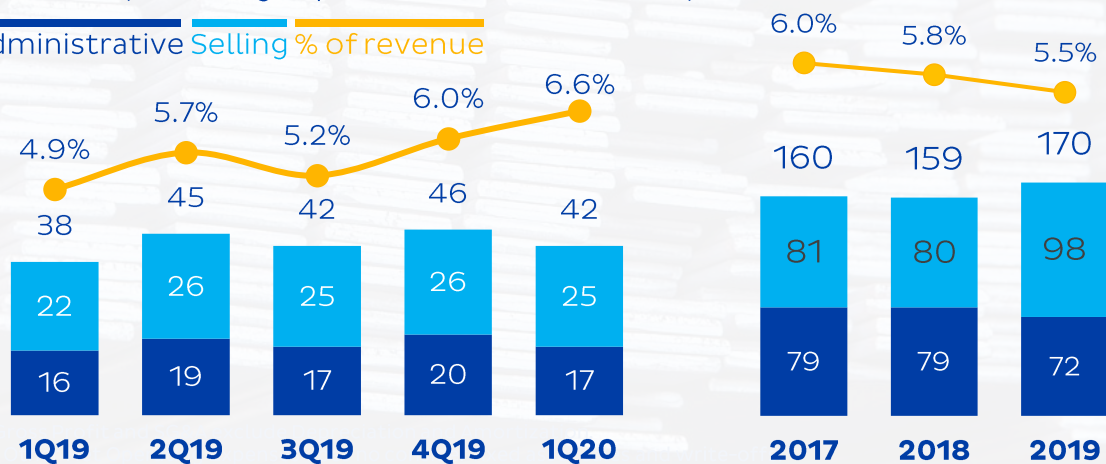
EBITDA drivers



Note: (*) Gross Profit and SG&A exclude Depreciation and Amortization.
(**) Other Net Operating Expenses does no consider fixed asset sales and write-offs.

SG&A (excluding depreciation & amortization)

Administrative Selling % of revenue



NET PROFIT

S/ million

Higher SG&A and other net operating expenses of S/ 4 million and S/ 6 million, respectively

Net Financial Expenses were S/ 5 million lower

Exchange Rate Differences were S/ 5 million lower

Reduction in taxes of S/ 6 million

Net profit & margin

Net Profit **Badwill** % of revenue (normalized)



Note: (*) 2018 badwill originated after the Comasa takeover, net of deferred taxes. To be amortized in the following periods.
 (**) Net Margin excluding Badwill.

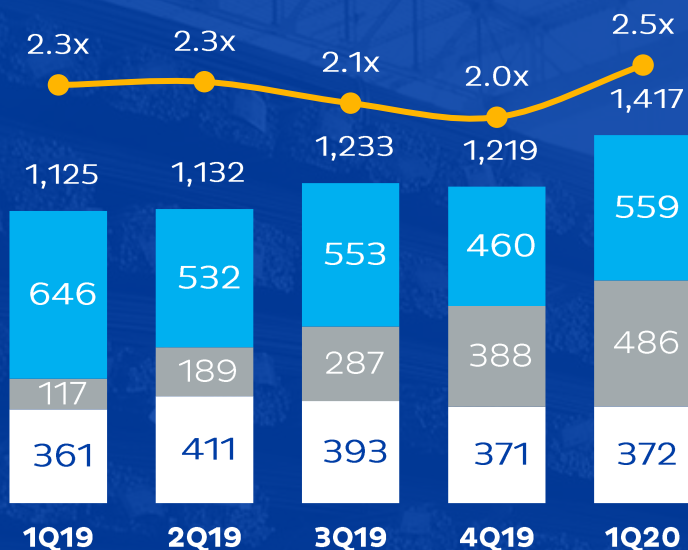
DEBT METRICS

S/ million

Total debt increased due to the new melt shop project and short-term debt financing

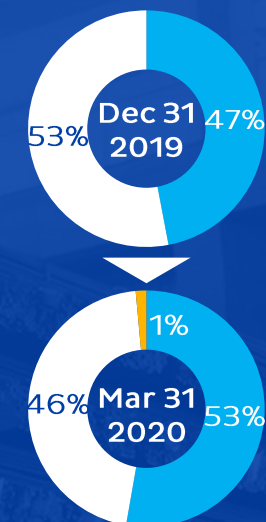
Total Debt by type

LT Debt Meltshop lease ST Debt Net Debt/EBITDA



By currency

US\$ S/ BOL



Other ratios as of March 2020

Leverage

(Total Liabilities / Shareholders' equity)

1.00x

Fin. Expenses Coverage

(LTM EBITDA / LTM Fin. Expenses)

10.72x

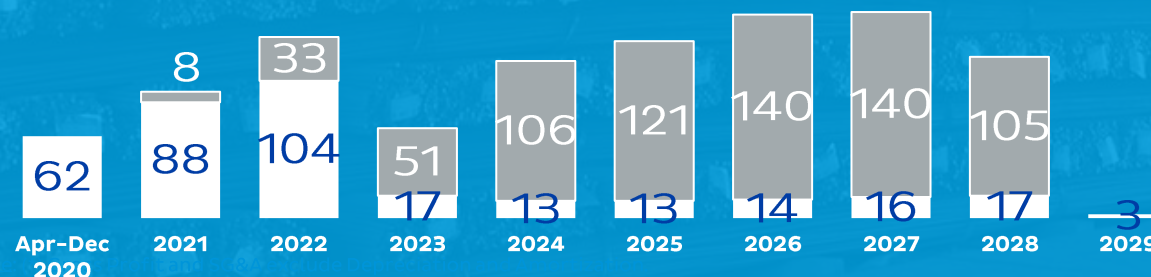
Liquidity

(Current Assets / Current Liabilities)

1.61x

LT Debt ammortization schedule⁽¹⁾ (estimated⁽³⁾)

Long Term Debt Meltshop lease⁽²⁾



Note:

(1) Only showing amortization of debt with financial institutions. Does not consider Leasings with suppliers with a balance of S/ 19 million

(2) The amortization schedule of the new meltshop Financial lease considers the full disbursement of the financial lease.

(3) For illustration purposes USD / PEN = 3.40

WORKING CAPITAL & CAPEX

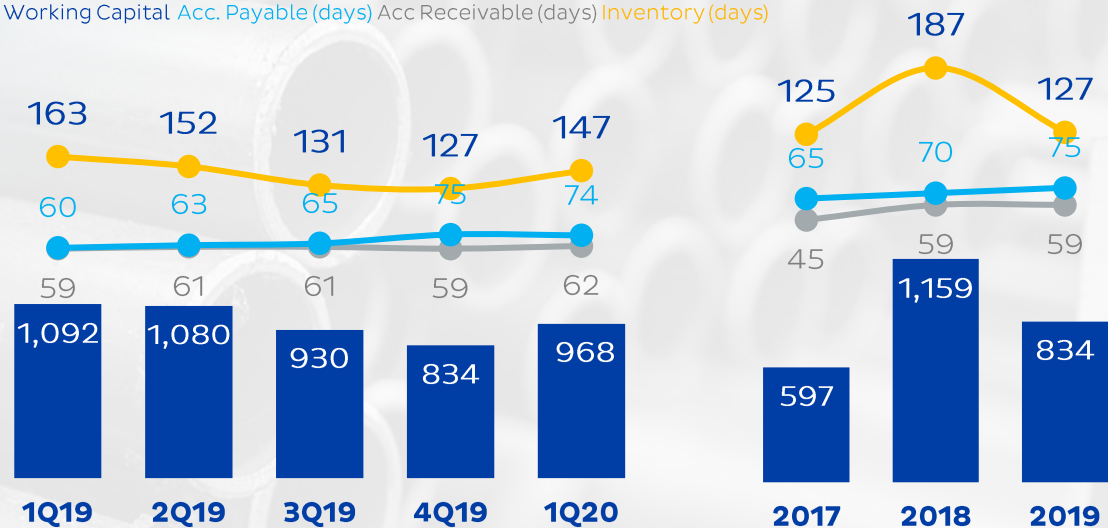
S/ million

Higher operating working capital requirements vs December 2019 mainly due to higher inventories

FY CAPEX mainly included investments in the new meltshop, upgrades to rolling mil, among others

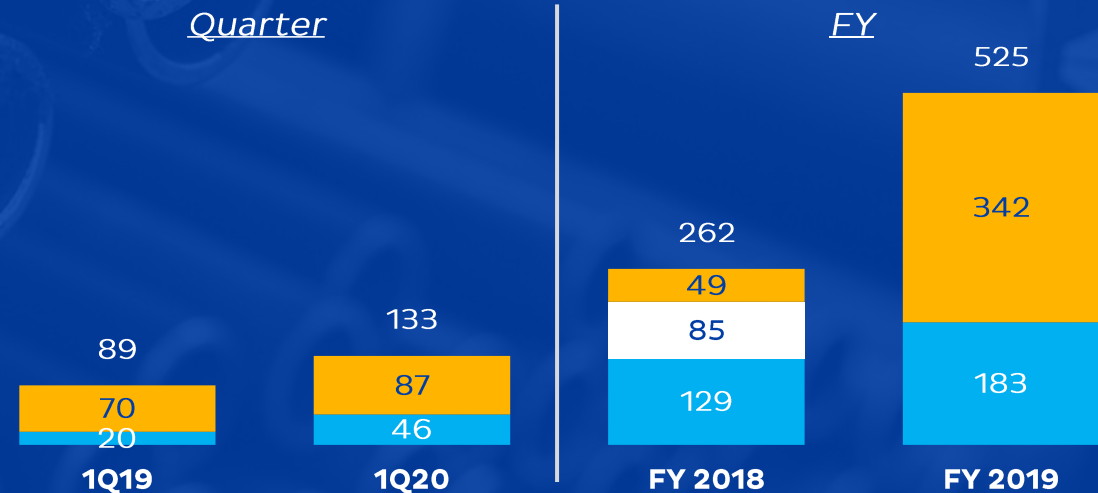
Operating Working Capital

Working Capital Acc. Payable (days) Acc Receivable (days) Inventory (days)



CAPEX

CAPEX Comasa Acquisition New Meltshop





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Q&A

**Mr. Tulio
Silgado**
CEO



**Mr. Ricardo
Guzmán**
CFO, IRO



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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.



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