



3Q 2023

EARNINGS PRESENTATION

Member of
**Dow Jones
Sustainability Indices**
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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 was recognized in the 33 position among the Peruvian firms with best reputation—MERCO Perú 2023



merco
monitor empresarial de
reputación corporativa

National Math Contest Aceros Arequipa

Initiative to assess the mathematical competencies of Regular Basic Education students and to strengthen the development of scientific culture.



Distribución de dividendos

The Board approved a cash dividend of US\$2.2 million which will be paid in November 2023.



**ACEROS
AREQUIPA**

RESULTS SNAPSHOT

S/ million

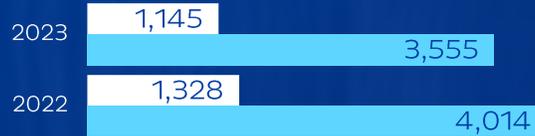
3Q
9m

REVENUE

1,145.0

▼ 183.3 (-13.8%)
YoY

▼ 458.8 (-11.4%)
YoY



OPER. WORKING CAPITAL BALANCE

1,681.3

▼ 430.9 (-20.4%)
YTD



EBITDA (Margin)

95.6 (8%)

▼ 63.0 (-39.7%)
YoY

▼ 249.1 (-44.2%)
YoY

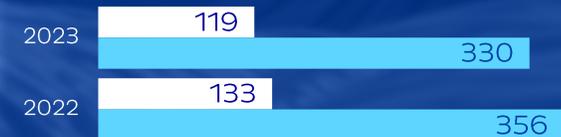


CAPEX

119.5

▼ 13.5 (-10.2%)
YoY

▼ 26.1 (-7.3%)
YoY



NET INCOME (Margin)

-8.9 (-1%)

▼ 53.5 (n.a.)
YoY

▼ 187.3 (-81.0%)
YoY



NET DEBT

2,230.0

▼ 177.7 (-7.4%)
YTD

5.4x EBITDA



REVENUE

S/ million

Revenue decreased by S/ 183 million or 13.8% YoY

Lower sales in Peru, Bolivia and Colombia were partially compensated by higher sales to Brasil, Chile and Ecuador.

By product category:

- **Rebar and Wirerod:** lower volume and prices in the local and recurrent markets, partially offset by higher exports to non-recurrent markets
- **Others:** lower prices partially compensated by higher volumen sold.

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 prices

EBITDA decreased because of a lower Gross Profit

Gross Profit & Gross Margin



EBITDA & margin



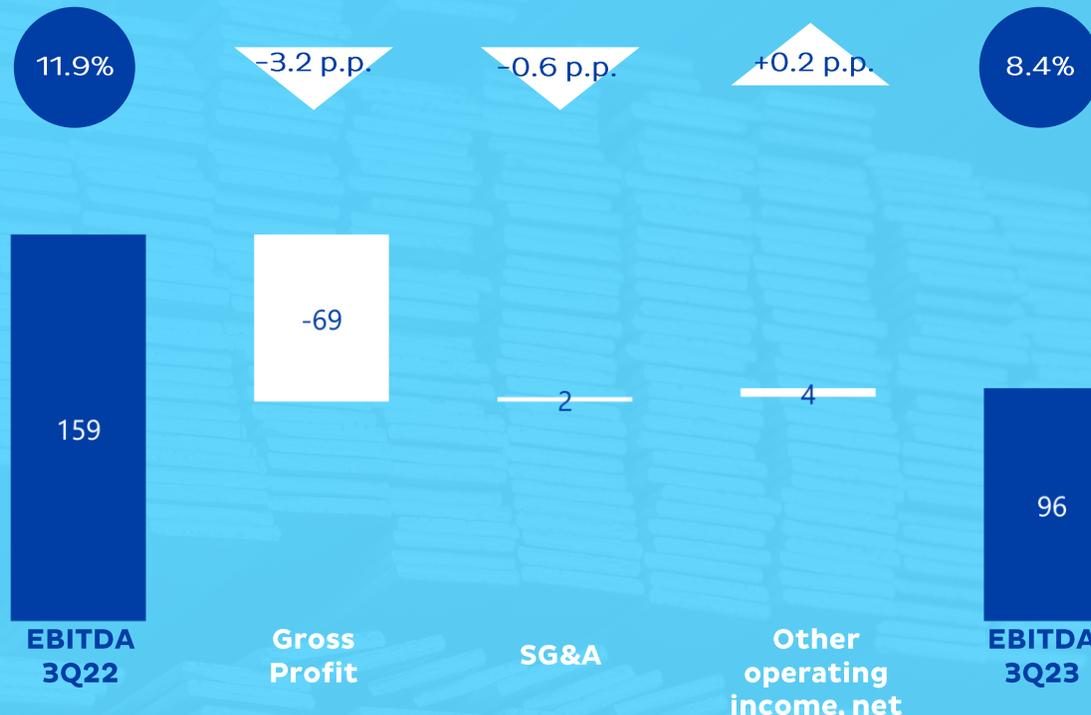
EBITDA

S/ million

Lower EBITDA mainly explained mainly by a reduction in Gross Profit

SG&A were lower mainly due to lower variable personnel expenses

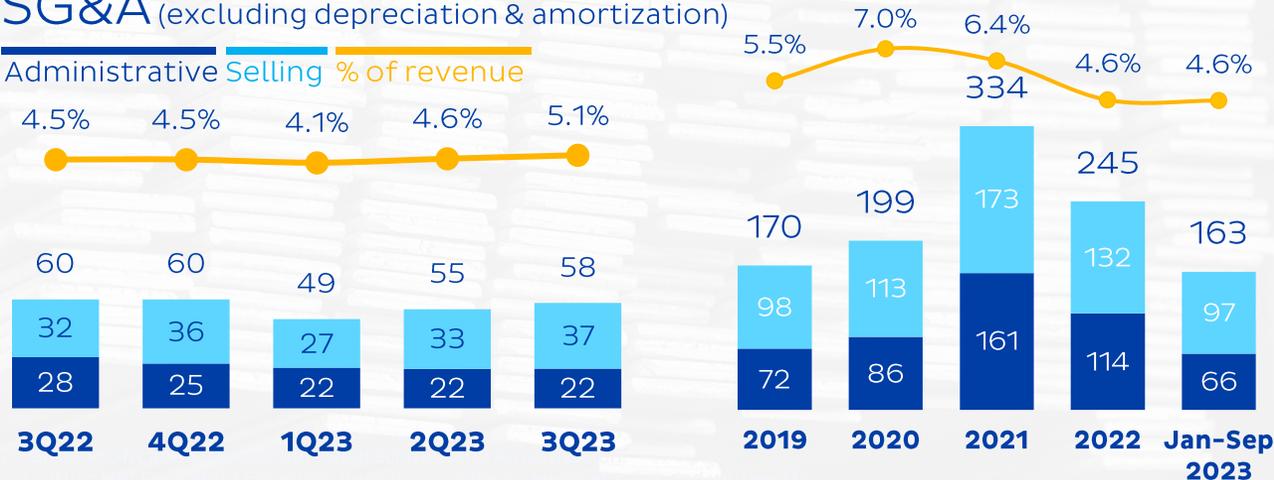
EBITDA margin drivers



Note: (*) 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 net profit by S/ 54 million due to a reduction in the Gross Profit

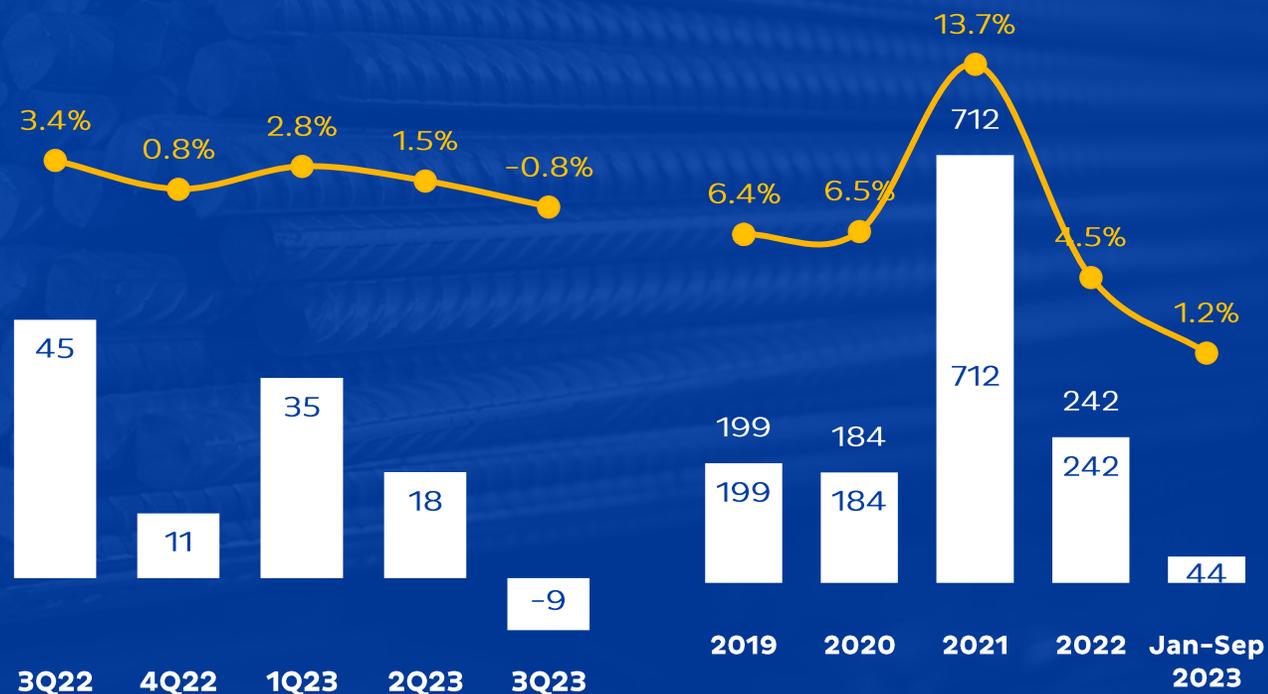
Positive effect in exchange rate differences of S/ 23 million compared with the negative exchange rate of 3Q 2022 (S/31 million)

Lower income tax by S/ 14 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

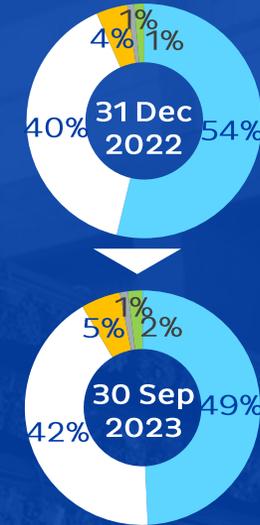
Total debt by type

Other Melt shop Lease ST Debt Net debt / EBITDA



By currency

S/ US\$ BOL CLP COP



Other ratios as of September 2023

Leverage

(Total Liabilities / Shareholders' equity)

1.29x

Fin. Expen. coverage

(EBITDA LTM / Fin. Expense LTM)

2.31x

Liquidity

(Current Assets / Current Liabilities)

1.30x

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



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 = 3,797
- (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

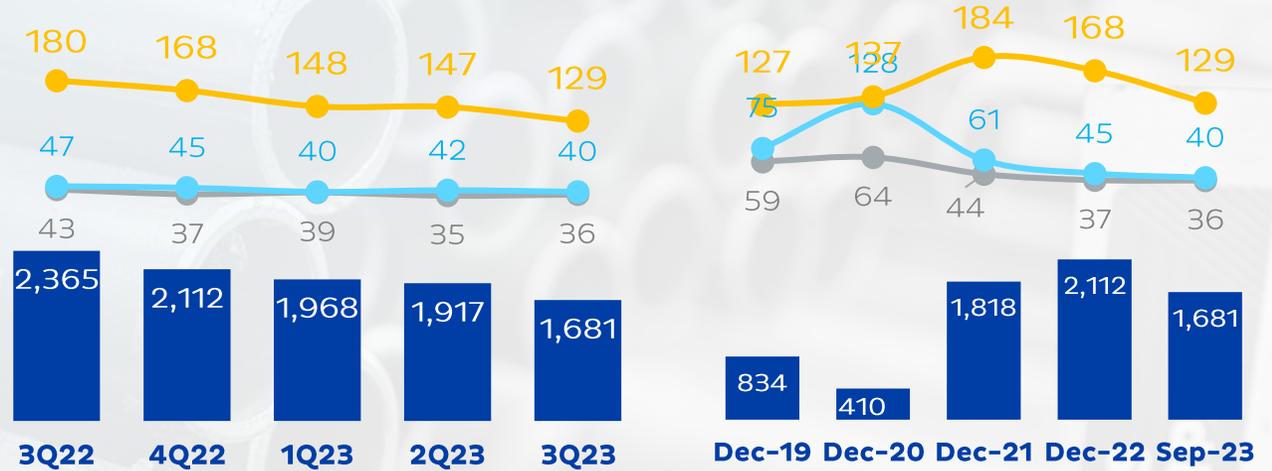
Lower working capital requirements vs December 2022, mainly due to lower inventories

3Q 2023 “Other” capex category includes:

- Lime furnace enhancement (S/ 12 million)
- Bolivia Tube Plant (S/1.9 million)
- Tube plant N°2 (S/2.7 million)
- Non-ferrous recovery (S/ 1.7 million) among others

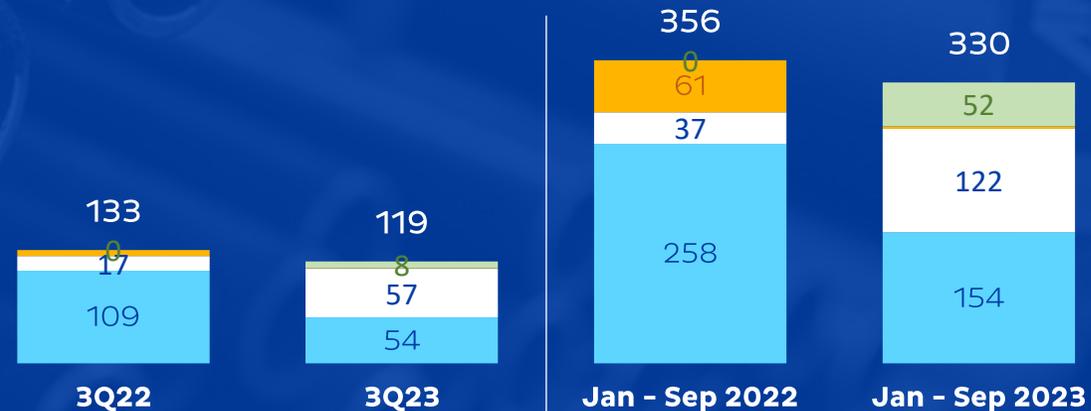
Operating Working Capital (end of period)

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



Capex

Other Melt Shop Lurin Distribution Center Rolling Mill #3



CASH FLOW

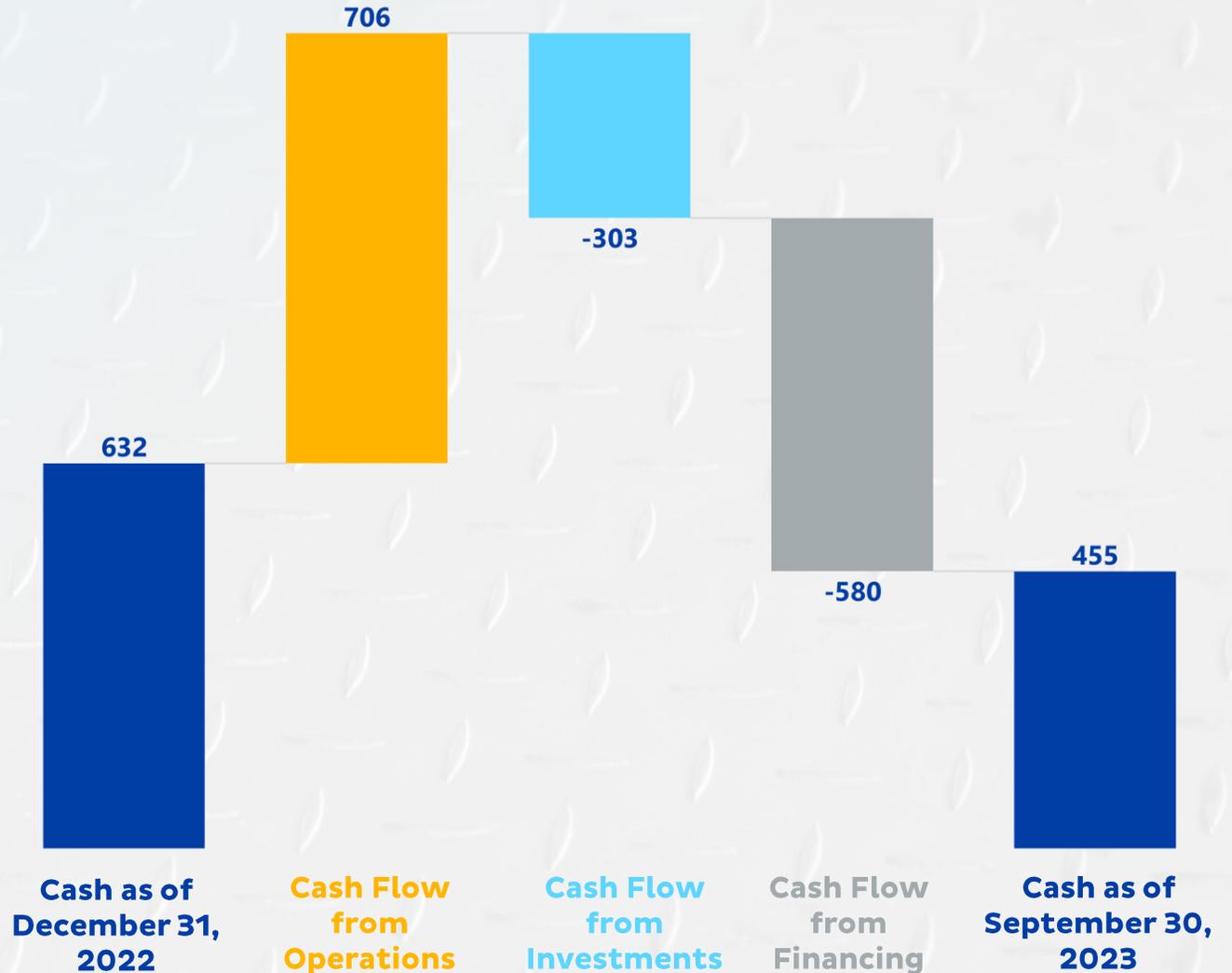
S/ million

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

Investments in PPE and intangibles were S/ 330 million, partially compensated by interests received of S/ 23.6 millions and dividends received by S/2.7 million.

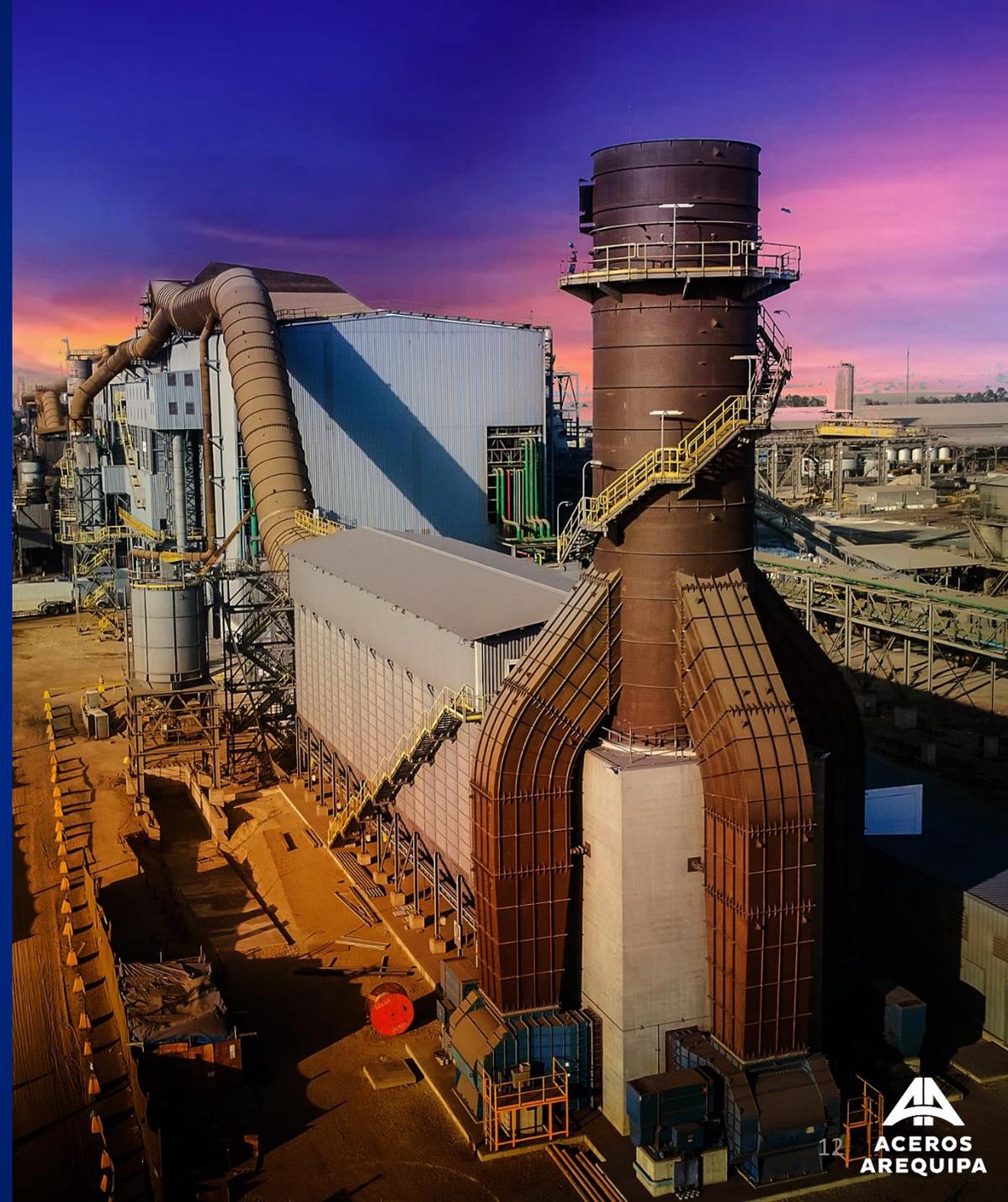
Net financing of S/ 410 million, interest paid of S/ 135 million and cash dividends paid of S/35 million

Cash Flow as of September 2023



GUIDANCE

	2022	GUIDANCE 2023
Revenue growth	3.0%	-12%
EBITDA S/ million	665	~435
CAPEX S/ million	495	450 500
Dividends paid S/ million	165	44
EPS S/	0.23	~0.06



Q&A

If you want to ask a question, please contact the moderator through the chat window during the presentation



Mr. Ricardo
Guzmán
CFO, IRO

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