



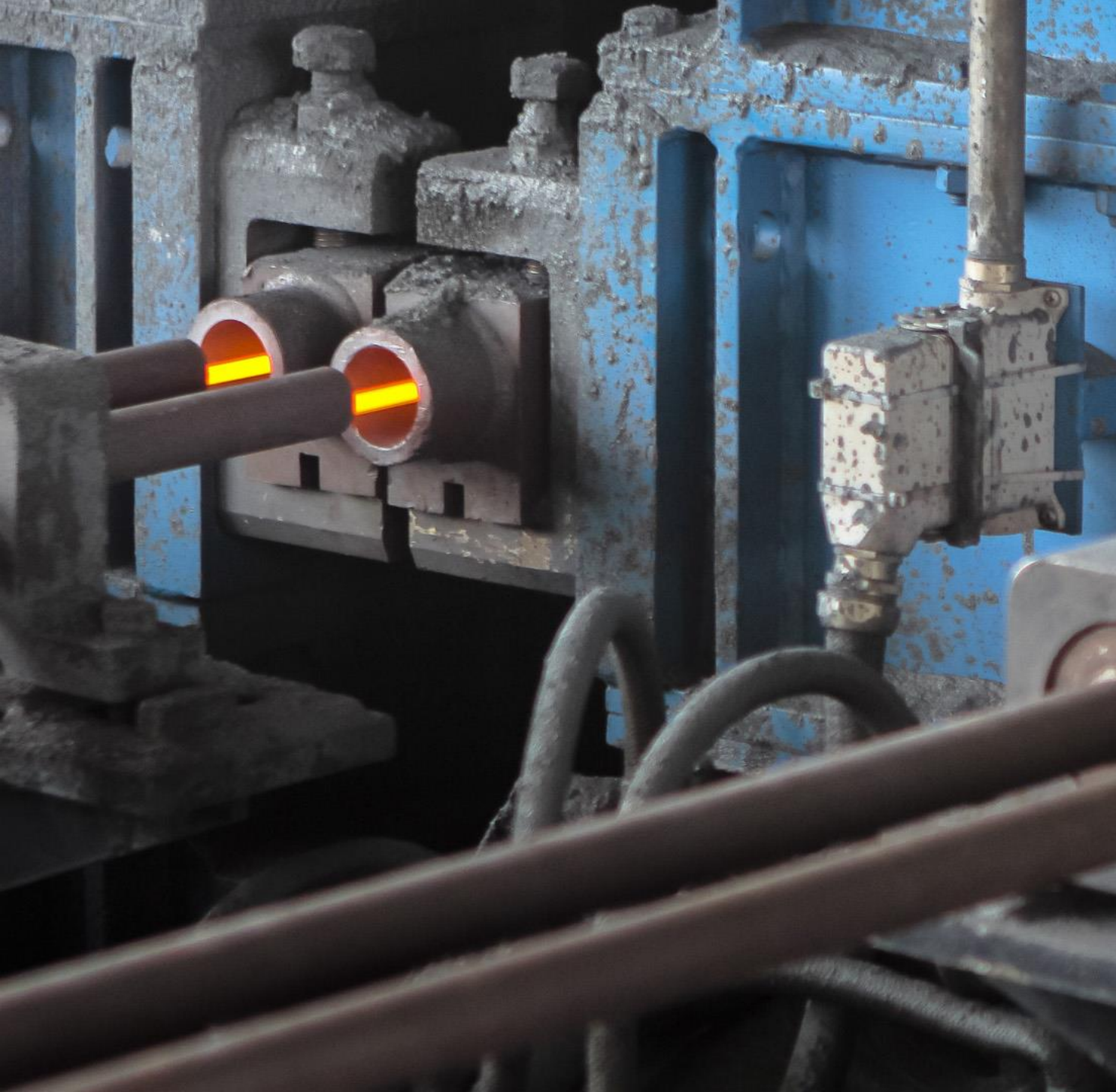
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Sustainability Yearbook
Member 2021

S&P Global

3Q 2021

EARNINGS PRESENTATION



AGENDA

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RELEVANT EVENTS



In July, **Aceros Arequipa** acquired the assets of two scrap collection business units in FL, USA; contributing with the procurement of 100 thousand tons of scrap per year



In August, **Aceros Arequipa** started commercial operations in Colombia through its subsidiary Aceros America S.A.S.



During the quarter, the new Melt Shop in Pisco partially started operations. It is expected to be fully implemented during 4Q 2021

RESULTS SNAPSHOT

S/ million

3Q
9m

REVENUE

1,407.0 ▲ 500.0 (+55.1%)
YoY
▲ 1,963.0 (+110.6%)
YoY



OPER. WORKING CAPITAL BALANCE*

1,732.4 ▲ 1,322.1 (+322.2%)
YTD



EBITDA (Margin)

369.9 (26%) ▲ 220.4 (+147.5%)
YoY
▲ 705.7 (+311.6%)
YoY



CAPEX

248.0 ▲ 185.6 (+297.7%)
YoY
▲ 221.3 (+85.0%)
YoY



NET PROFIT (Margin)

245.1 (17%) ▲ 162.1 (%195.1)
YoY
▲ 526.6 (%628.3.)
YoY



NET DEBT

1,752.7 ▲ 1,234.3 (+238.1%)
YTD

1.6x EBITDA



(*) 2020 figures are based on audited financial statements



AGENDA

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REVENUE

S/ million

Revenue increased by S/ 500 million, or 55.1% YoY, driven by higher average prices and volume

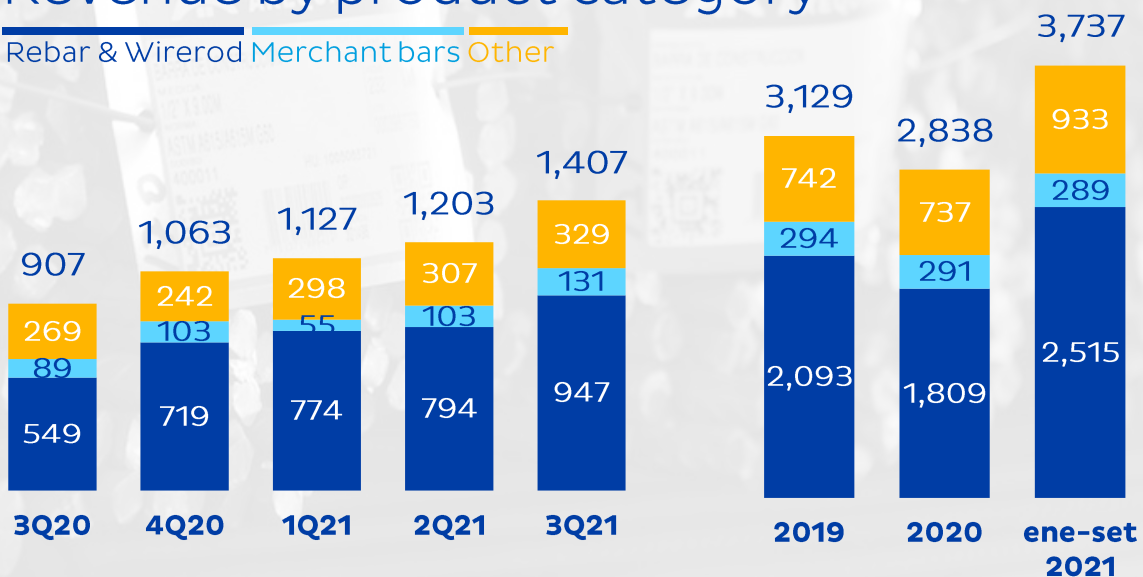
Revenue by destination

Peru Exports



Revenue by product category

Rebar & Wirerod Merchant bars Other

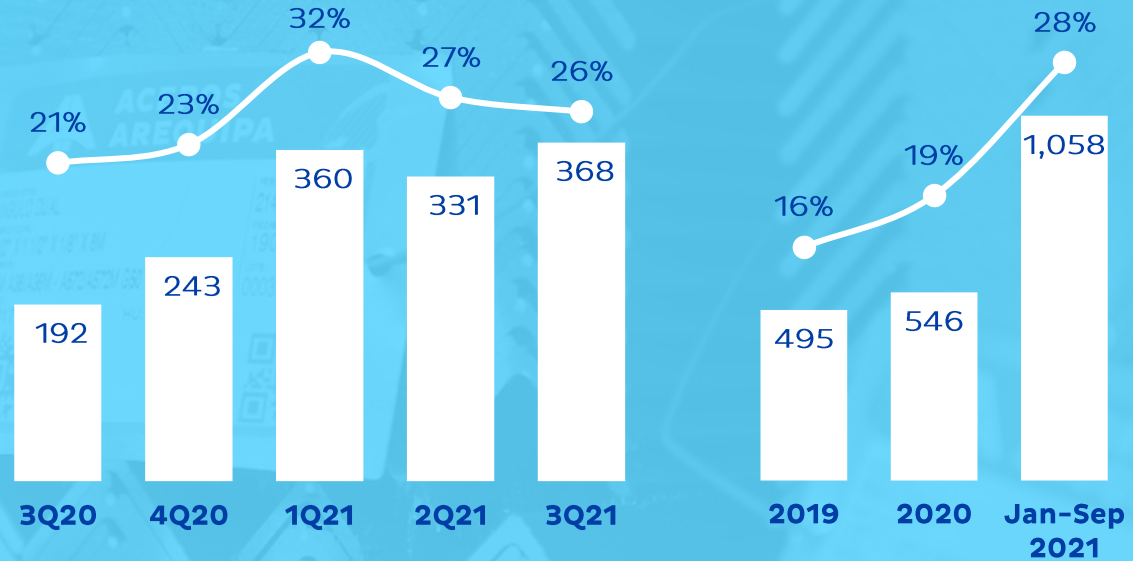


OPERATING PROFITABILITY

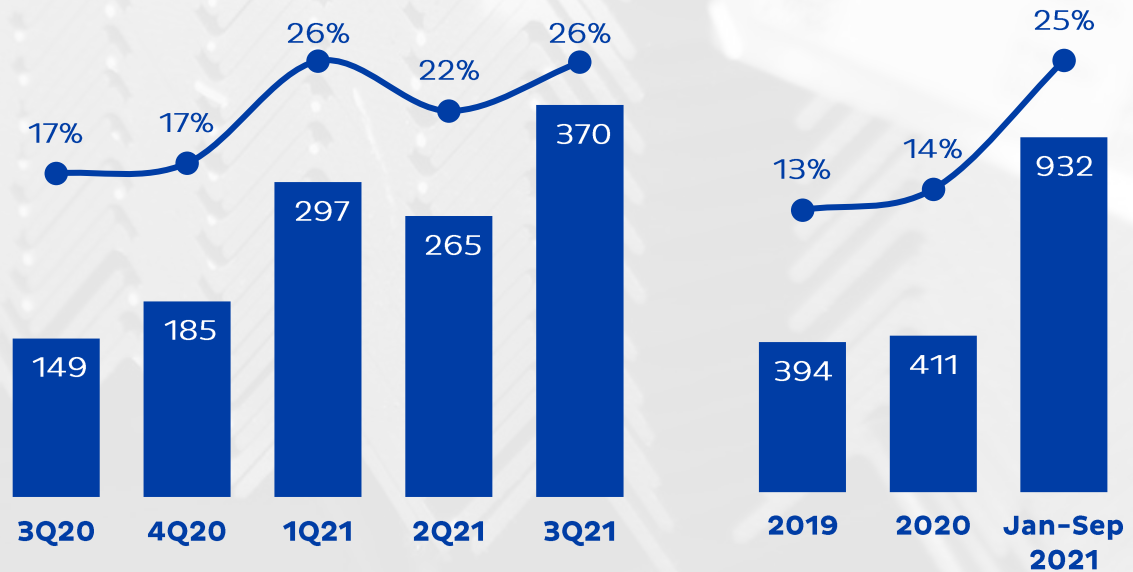
S/ million

Gross Margin was higher driven by higher average selling prices and higher volumen sold

Gross profit & gross margin



EBITDA & EBITDA margin



EBITDA

S/ million

EBITDA was higher mainly due to a higher gross profit

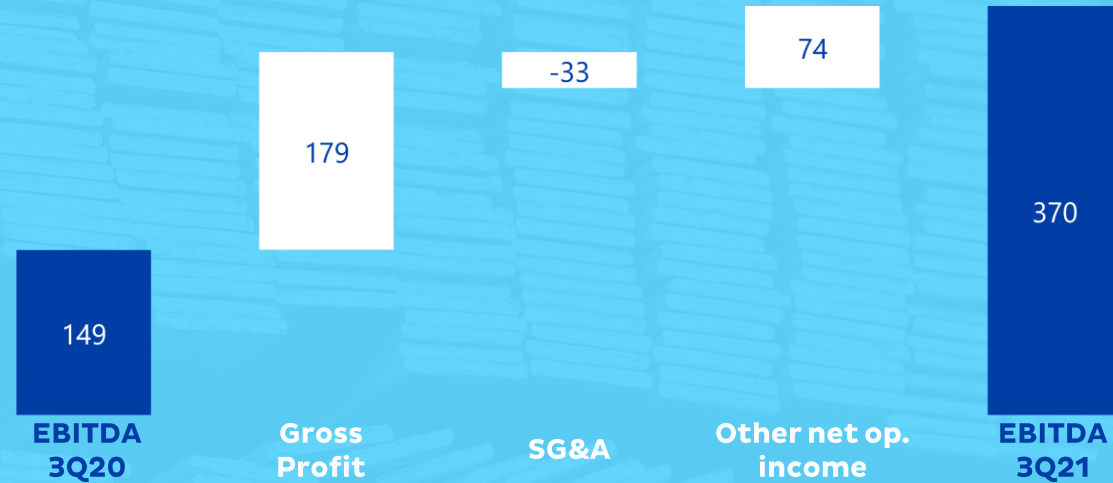
The settlement with gas supplier Contugas had a positive impact in other net operating expenses

SG&A increased due to higher personnel expenses, third party services, and allowances for doubtful accounts

EBITDA margin drivers



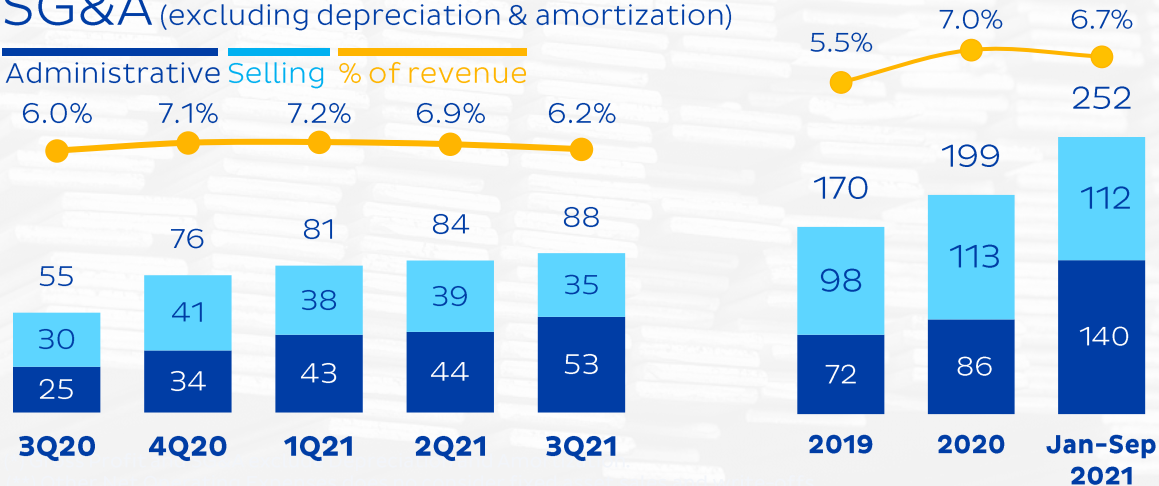
EBITDA drivers



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/
236 million

Net Financial Expenses were
S/ 2 million lower

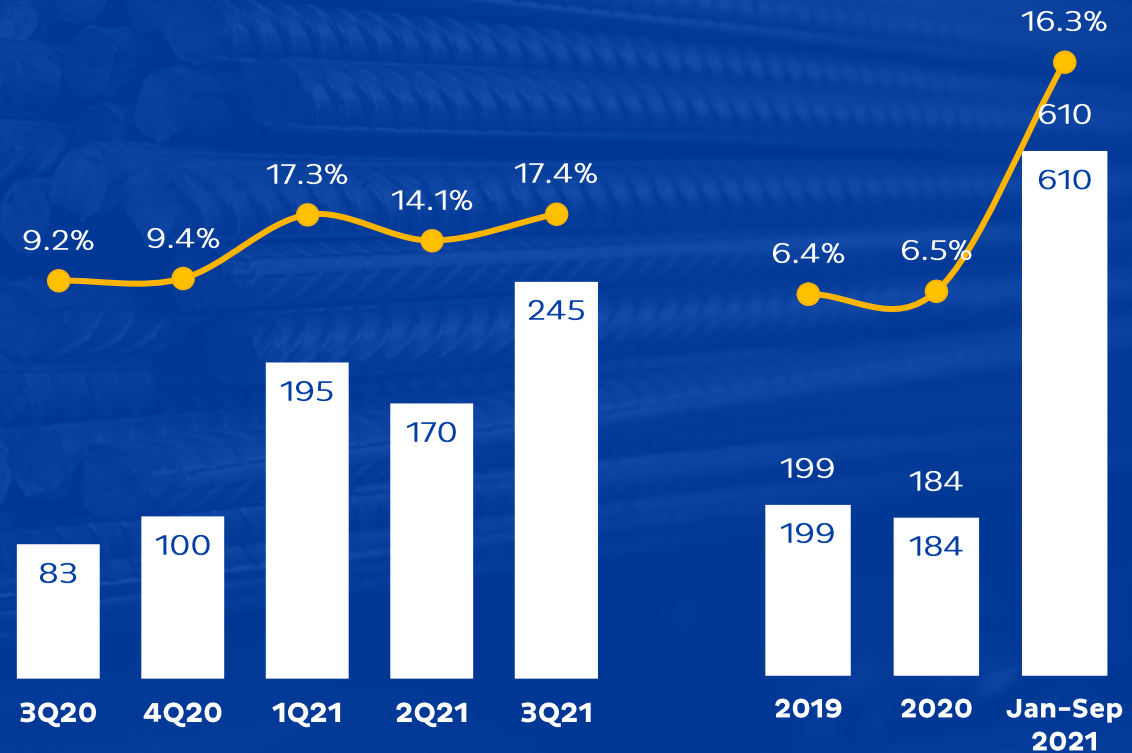
Higher results of subsidiaries
and affiliate by S/ 0.6 million

Exchange rate differences
had a positive S/ 12 million
effect

Higher Income Tax by S/ 89
million

Net profit & net margin

Net profit Net margin



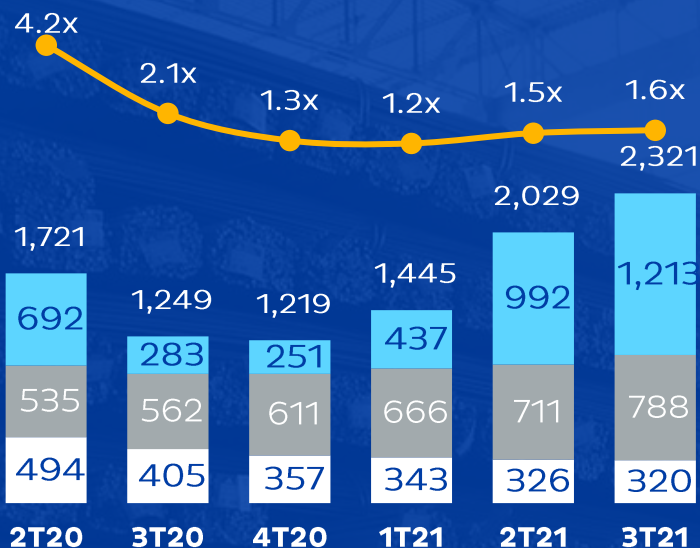
DEBT METRICS

S/ million

YTD higher short-term debt in line with higher Working Capital requirements

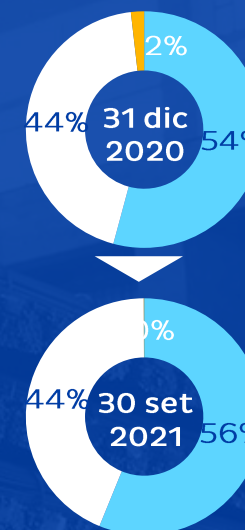
Total debt by type

LT Debt Melt shop lease ST Debt Net debt /EBITDA



By currency

US\$ S/ BOL



Other ratios as of September 2021

Leverage

(Total Liabilities / Shareholders' equity)

1.35x

Fin. Expenses coverage

(LTM EBITDA / LT. Fin. Expenses)

48.68x

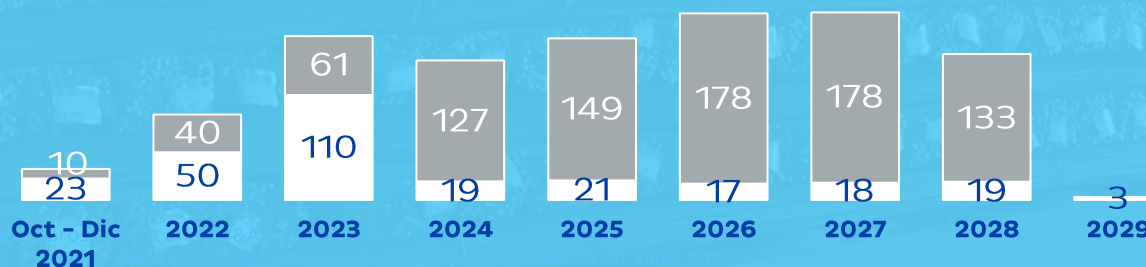
Liquidity

(Current Assets / Current Liabilities)

1.47x

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

LT Debt Melt shop lease⁽³⁾



Note:

(1) Planned amortization schedule with financial institutions.

(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

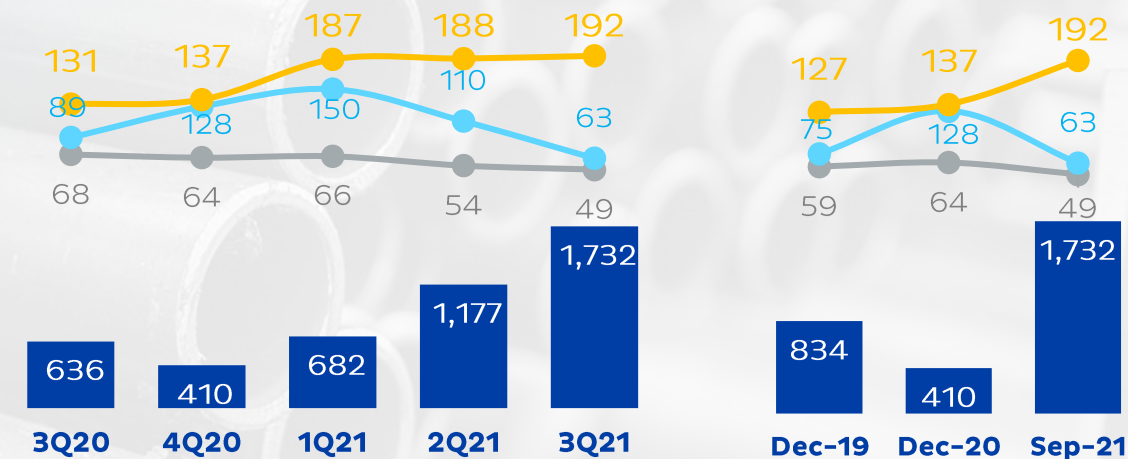
\$/ million

Higher Working Capital requirements vs December 2020, mainly due to higher inventory levels and lower accounts payables

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

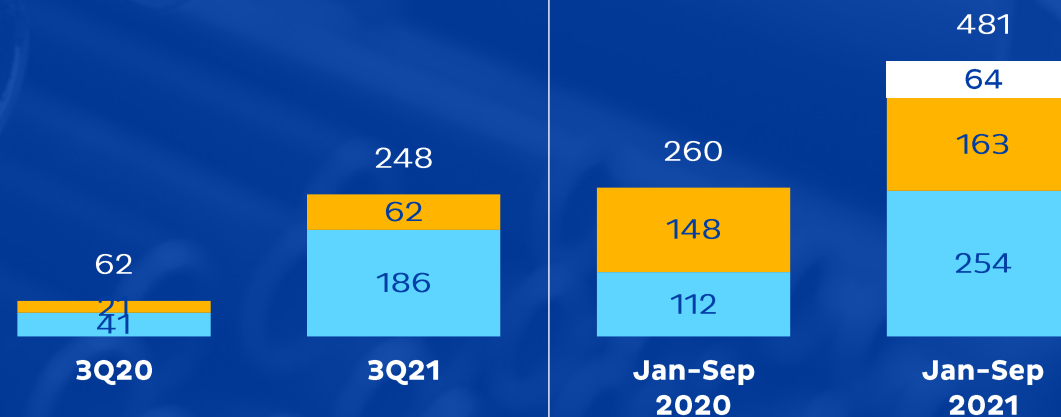
Operating Working Capital

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



Capex

Capex Melt shop Comfer S.A. acquisition



CASH FLOW

S/ million

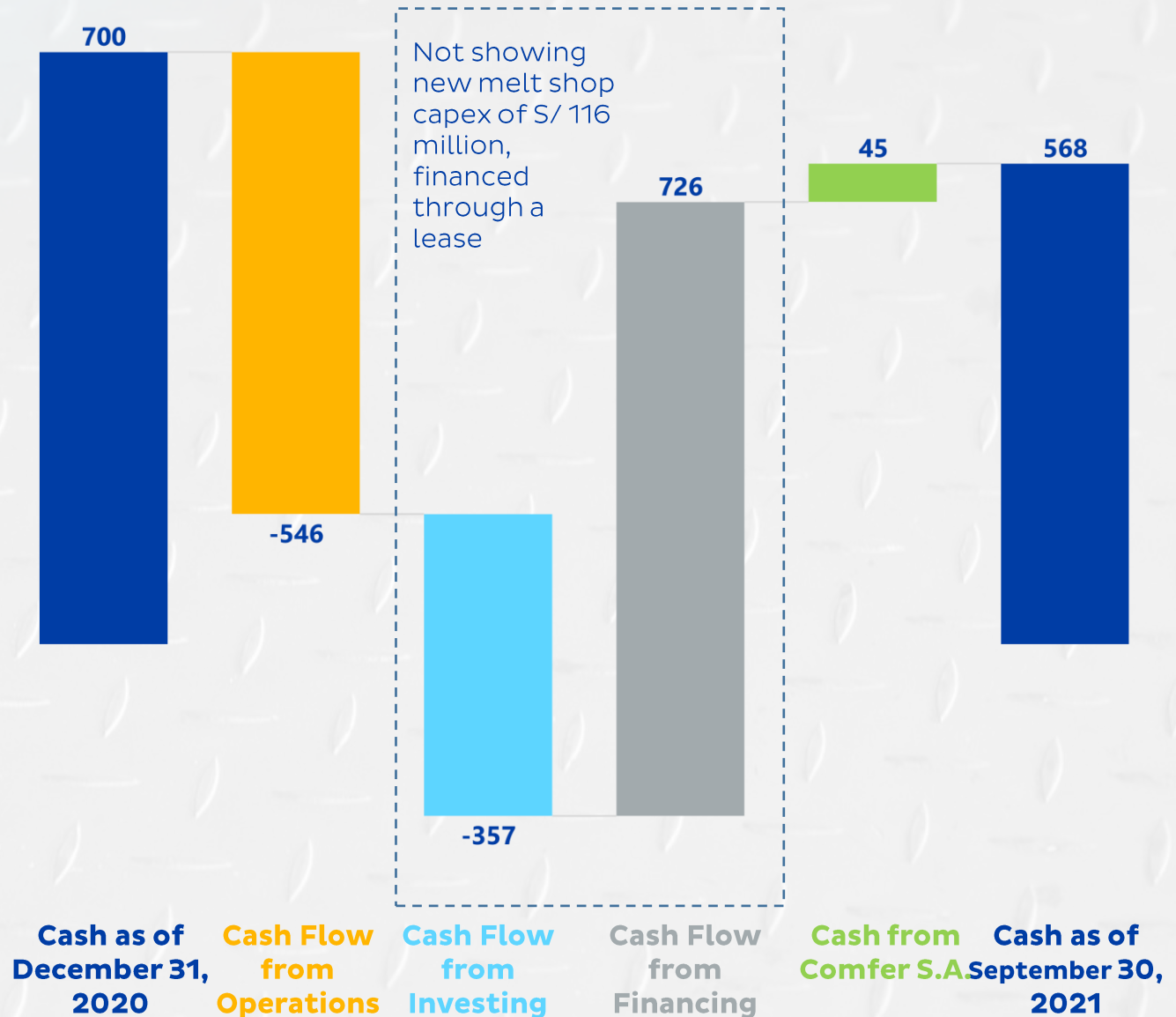
Higher inventory levels and payments to suppliers during the period

Purchase of 02 scrap yards in FL, USA, the acquisition of Comfer, and Investments in fixed assets reached S/ 365 million, partially offset by interest and dividends received of S/ 6 million of S/1.7 million, respectively

Higher financing of S/ 967 million: S/107 million financing from Gas supplier, net of interest paid of S/ 17 million and dividends paid of S/330 million

Cash obtained after Comfer S.A. acquisition

Cash Flow as of September 2021



GUIDANCE 2021

S/ million

2020 GUIDANCE
2021

Revenue growth

-9.3%

>70%

EBITDA

411

>1,100

CAPEX

369

600
650

Dividends paid

74.9

330

EPS

0.17

>0.65



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

3Q 2021

EARNINGS
PRESENTATION



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EARNINGS PRESENTATION



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This information corresponds to consolidated financial statements.