

UNACEM Corp 1Q2023 Conference Call

May 18th, 2023



Disclaimer...



Please note that this presentation might disclose some forward-looking statements related to Grupo UNACEM based on currently known facts, expectations and forecasts, circumstances and assumptions regarding future events. Many factors could cause the future results, performance or achievements of Grupo UNACEM to be different from those expressed or assumed herein, so this should be considered for reference only

Presenting today



Pedro Lerner

Corporate CEO



Alvaro Morales

Corporate CFO

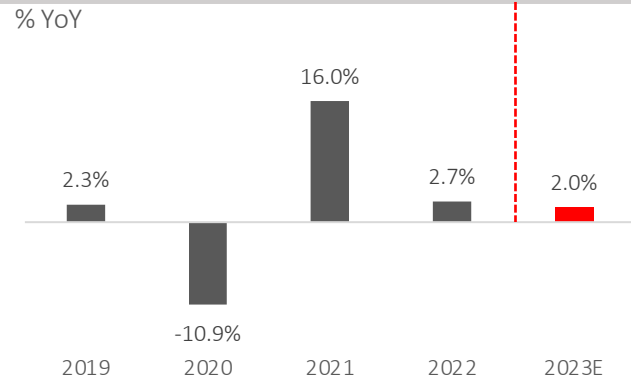
1Q2023 HIGHLIGHTS



- Revenues increased +2.6%
- EBITDA reached PEN 392 million
- Leverage ratio: 2.3x , within our target
- Member of S&P/BVL Peru General ESG Index

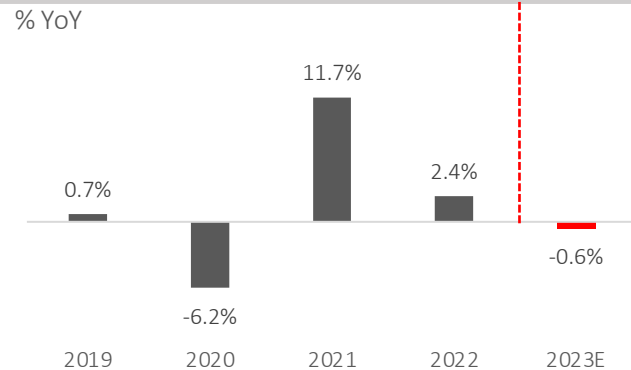
Latin American political turmoil remains affecting our market dynamics

Peru GDP



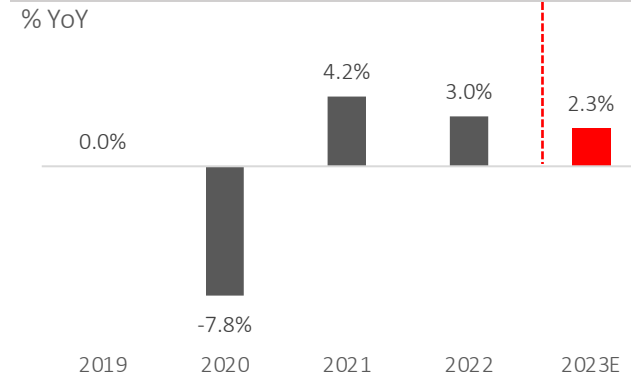
GDP growth has been revised down to 2.0% from an initial 2.2% due to social unrest and heavy rains

Chile GDP



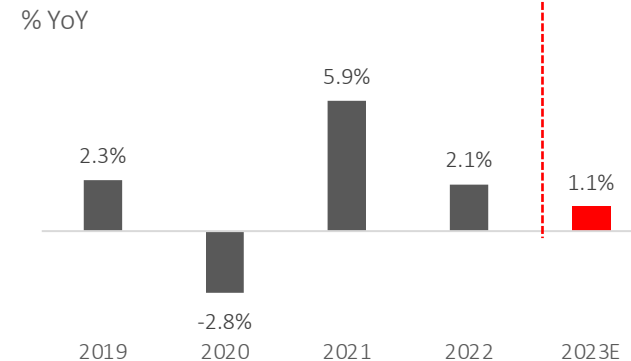
All market estimates place GDP growth still on negative ground mainly due to high inflation and lower private investment

Ecuador GDP



GDP growth expectations are 2.3% on average. Political uncertainty will inevitably affect economic conditions in the country

USA GDP



Consumers have remained resilient but inflation and a decline on investment affected the economy

Peruvian cement market contracted but our operations remain solid given external factors ...

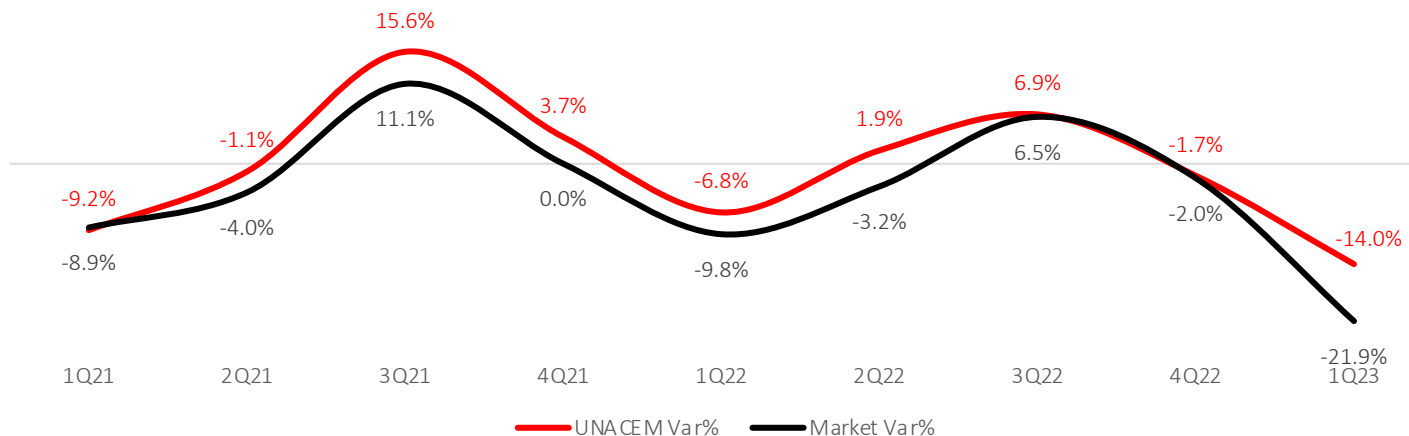
Overall cement market

- The construction sector is expected to be lower this year
- Contraction of the market is explained by:
 - **Self-construction:** lower due to deteriorated labour market and inflation
 - **Public Investment:** lower due to constant changes in public authorities
 - **Mining Investment:** lower given Quellaveco mine work is completed
 - **Infrastructure:** higher due to a boost in energy and transport projects

Self-construction segment

- From January to April 2023, the social conflicts and the weather impacted stronger than expected in the self-construction segment, partially compensated with infrastructure
- Looking forward, we are expecting a better environment mainly due to i) lower inflation and ii) no external factors that can affect self-construction

Total cement dispatched: UNACEM vs Peruvian market (var %)



UNACEM cement operations in Peru outperform the market, even in a complicated environment

... Overcoming challenging conditions in Ecuador and Chile ...

Ecuador operational highlights



Lower fuel cost during the 1Q23



10.7% lower cement dispatched vs 1Q22



11.7% higher ready-mix volumes vs 1Q22



USD 9.8 million EBITDA during the quarter

Chile operational highlights



38.1% cement volumes vs 1Q22 with both grinding plants fully operation



26.3% decrease in ready-mix volume




We are expecting to improve cement market share ~ 10% by the end of 2023



16.1% increase in cement sales

USA strong market demand is backed by important public infrastructure funding

Fixing America Surface Transportation Act: FY2016-FY2020




US\$ 305bn Total Funding	US\$ 225bn Total FHWA ¹ Funding	US\$ 45bn Average Annual FHWA Funding
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- First long-term Federal transportation bill to pass in 10+ years
- US\$ 305mm authorized to fund 5 years included:
 - Rails, highways, motor vehicle safety and public transportation infrastructure



Infrastructure Investment Job Act: FY2022-FY2026



US\$ 550bn Total Funding	US\$ 351bn Total FHWA ¹ Funding	US\$ 70bn Average Annual FHWA ¹ Funding
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- Largest **long-term infrastructure bill in US history**; FHWA to receive over US\$ 110bn of incremental funding, compared to FAST
 - US\$ 55bn via 35% increase in contract authority
 - US\$ 55bn via supplemental appropriations and new programs

1) Federal Highway Administration
Source: BNP Paribas

We are working on the integration of Termochilca to our operations

1



CH El Platanal
228 MW



CH Marañon
20 MW




2



CT Sto. Domingo de los Olleros
315 MW




Combined Key Figures



563 MW
Capacity



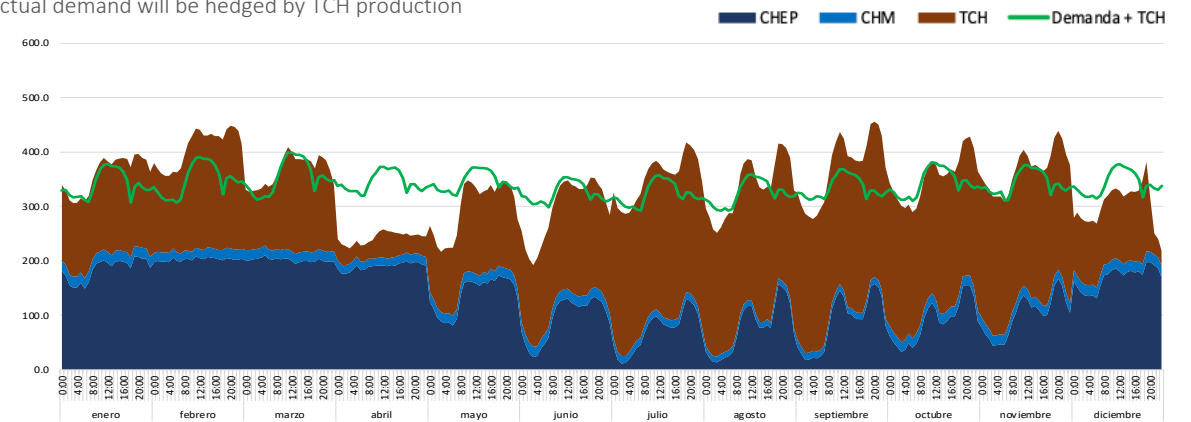
~3,200 GWh
Energy



~5%
Market Share

Aggregated Production vs Demand (MW)

Actual demand will be hedged by TCH production

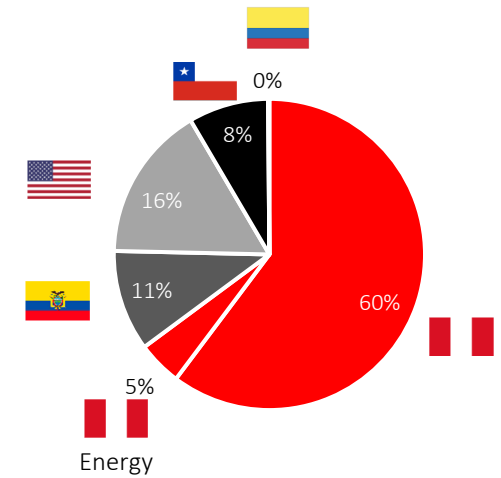
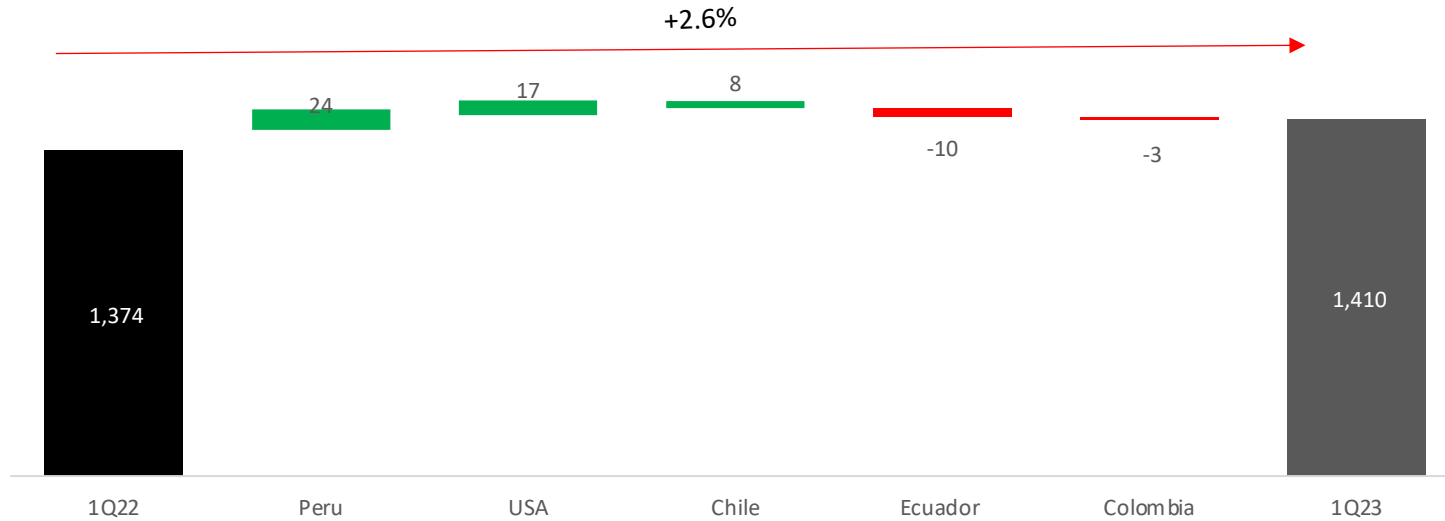


Forward looking expectations for 2023...

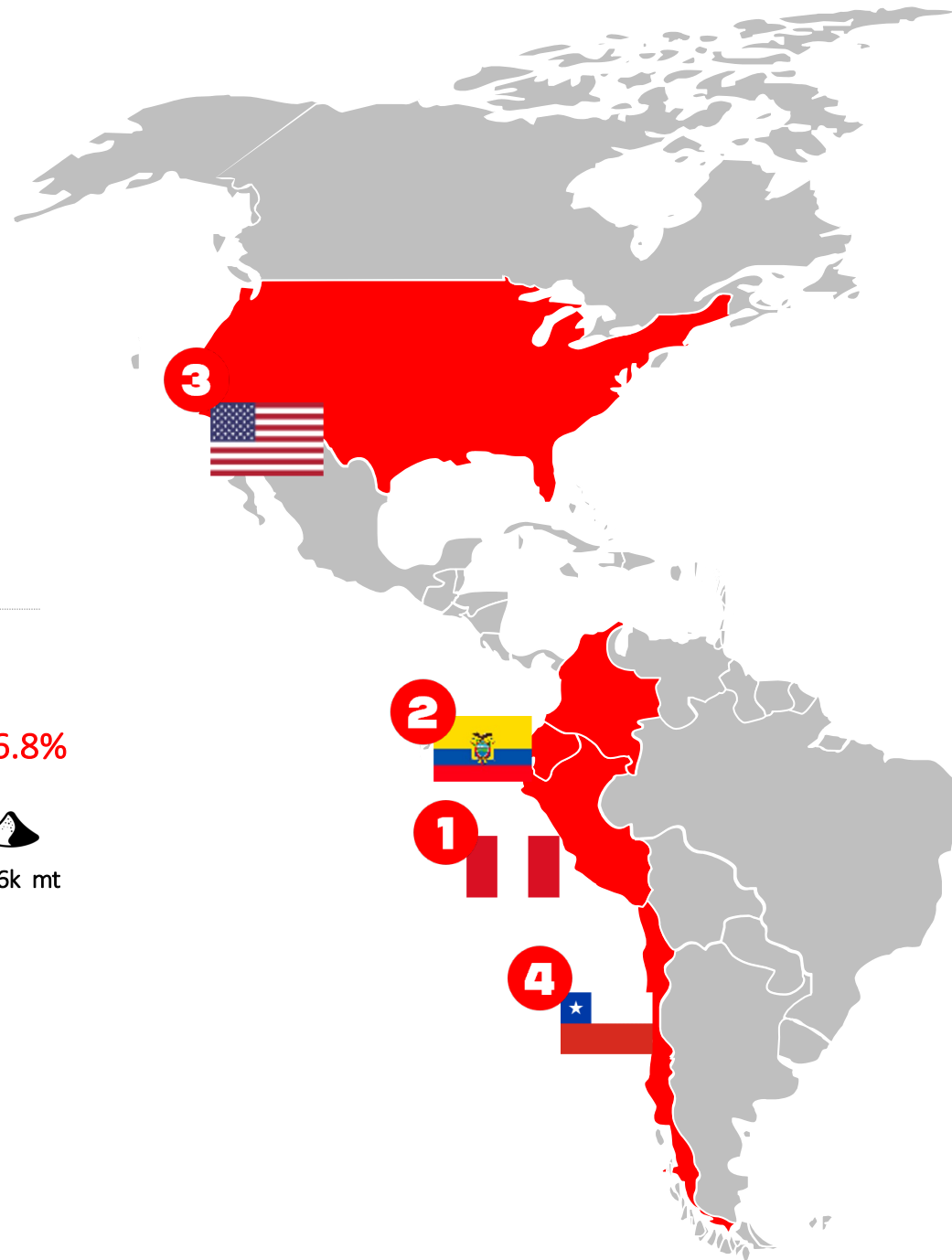


The Group recorded an increase in revenues

1Q23 Revenue contribution by country
PEN Million, %



With important volumes in 1Q23



1 Peru

-8.0%



1.5 M mt

+14.8%



629k m³

+7.2%



535 GW

2 Ecuador

-10.7%



284k mt

+11.7%



29k m³

3 USA

-13.8%



146k mt

+0.7%



226k m³

-36.8%



416k mt

4 Chile

+38.1%



118k mt

-26.3%



191k m³

Total group's capacity



11.3 M mt



5.2 M m³



9.7 M mt



271 MW

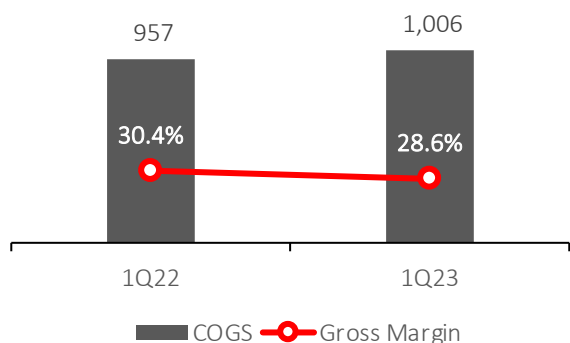


366 MW

COGS and SG&A increased due to higher fuel and raw material costs and a loss in economies of scales due to lower volumes...

1Q23 COGS & gross margin

PEN Million, %

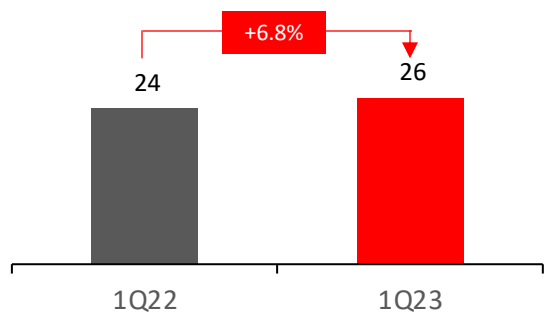


5.1% COGS increase & lower gross:

- Higher fuel costs
- Higher raw material costs
- Loss in economies of scale due to lower cement volume

1Q23 Selling expenses

PEN Million, %

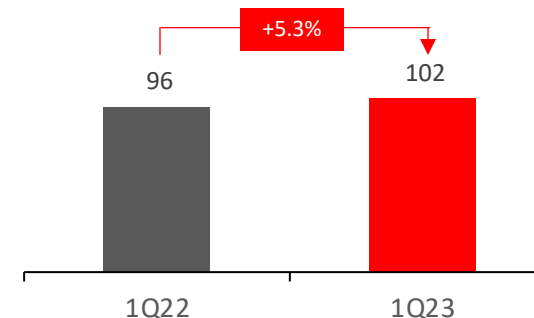


6.8% Selling expenses increase:

- Higher volumes sold
- Increase in advertising and branding expenses

1Q23 Administrative expenses

PEN Million, %

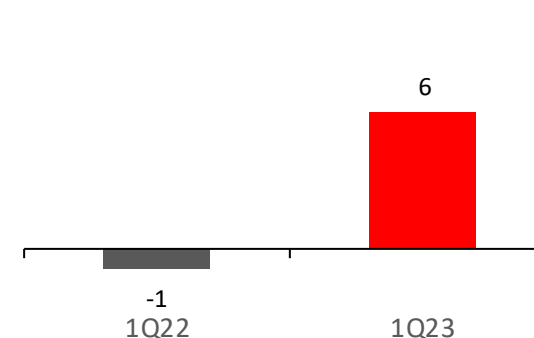


5.3% Administrative expenses increase:

- Higher personnel expenses: one off payments

1Q23 (Other income) and expenses, net

PEN Million, %



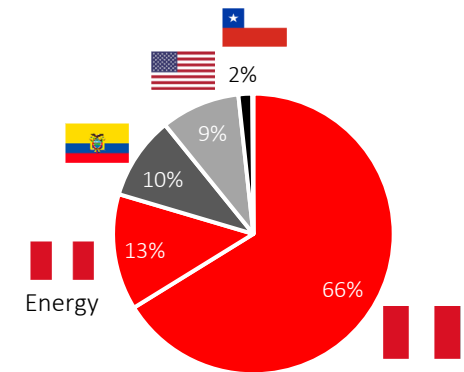
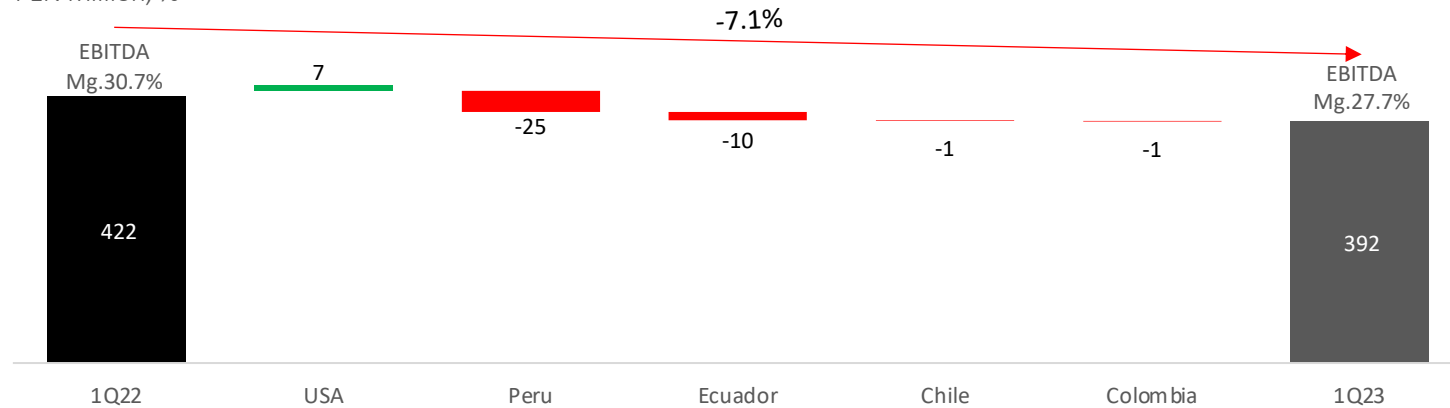
Other income / expenses net increase:

- Voluntary retirement program in UNACEM Peru that finished 1Q23

Costs impacted our margin and the Group recorded a slightly lower EBITDA

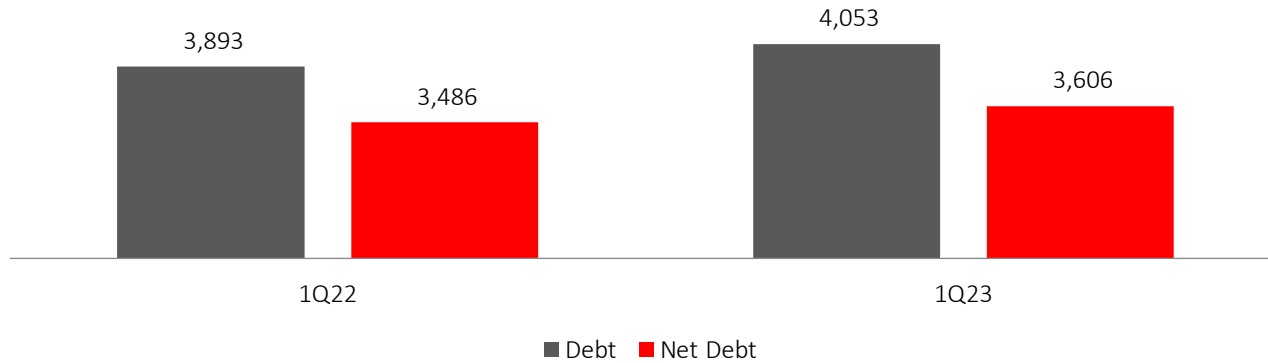
1Q23 EBITDA contribution by country

PEN Million, %

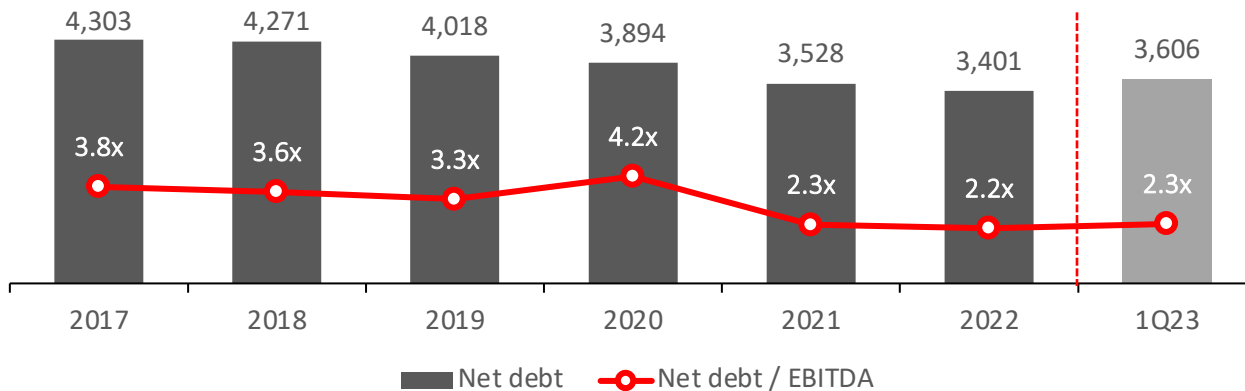


Our leverage ratio falls within our target ...

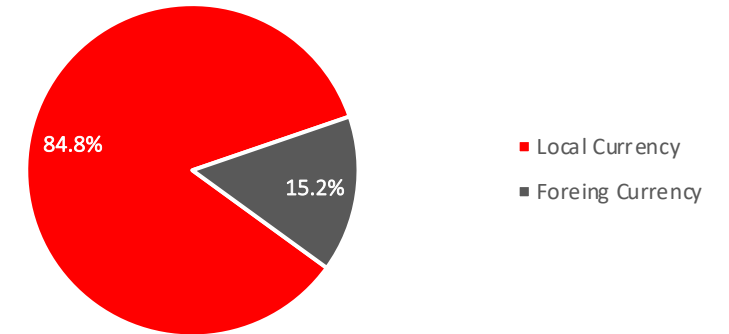
Total debt and net debt
PEN Million



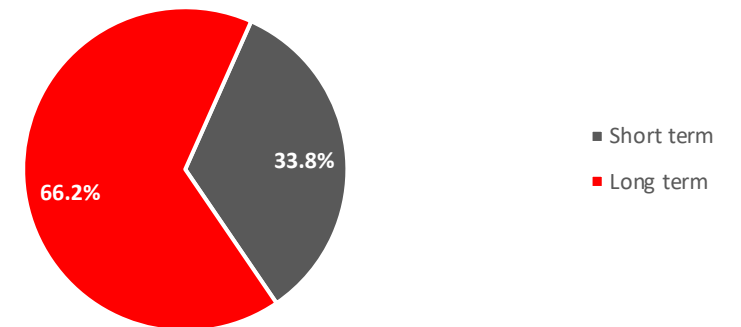
Net debt and leverage ratio
PEN Million, times



Total debt FX exposure 1Q23
%

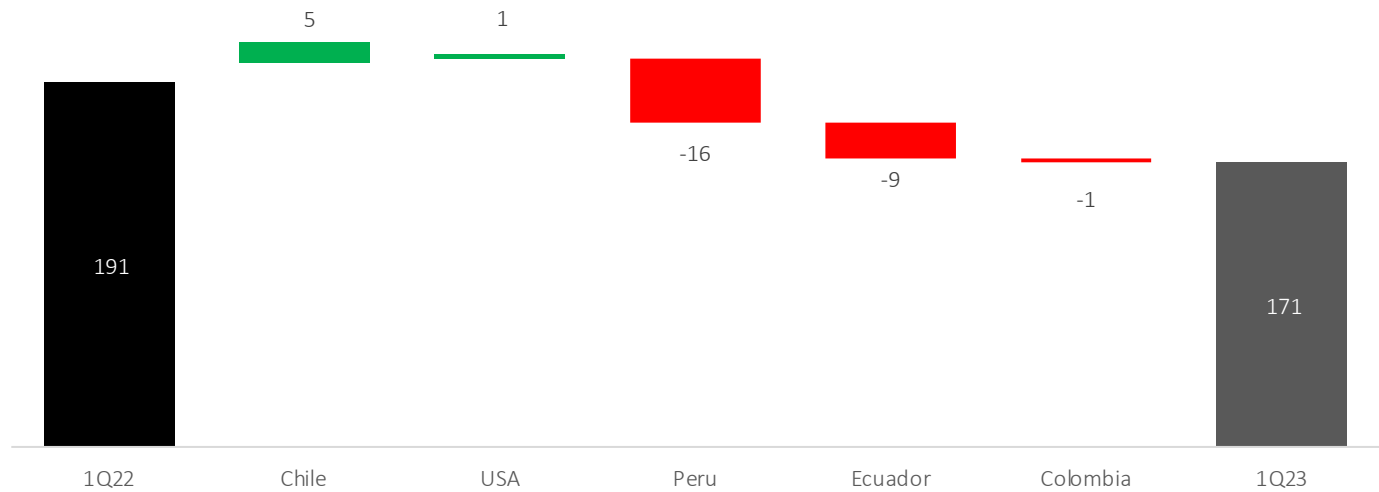


Total debt maturity composition 1Q23
%



Delivering solid net profit results in the quarter

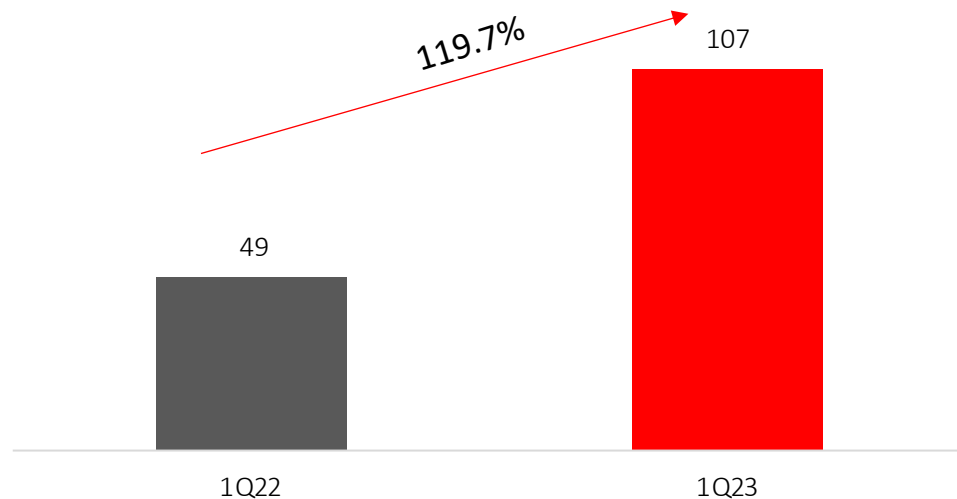
1Q23 Net profit
PEN Million




- **10.9%** decreased compared to 1Q22
- Higher financial expenses (+16.3%)
- Lower FX gain during the period

Executing investment projects that guarantee sustainable operations


1Q23 CAPEX
PEN Million




- 1**


 - Expansion of packaging and dispatch capacity
 - Kiln 3 cooler dedusting system


- 2**


 - Comprehensive mill project
 - Equipment's for aggregates production

- 3**


 - Kiln 1 debottlenecking
 - Hydrogen injection project

- 4**


 - New ready mix site
 - Mixer trucks overhaul

Q&A



Growing together to build a more sustainable world

