



**GRUPO  
UNACEM**

## Disclaimer...



Please note that this presentation might disclose some forward-looking statements related to UNACEM Corp and its subsidiaries 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 UNACEM Corp and its subsidiaries to be different from those expressed or assumed herein, so this should be considered for reference only

# Investor Conference 2022

## Credicorp Capital

21 & 22 Sep, 2022



# Agenda



1. Overview
2. ESG at our core
3. Consolidated financial results
4. Main business units results

# Overview

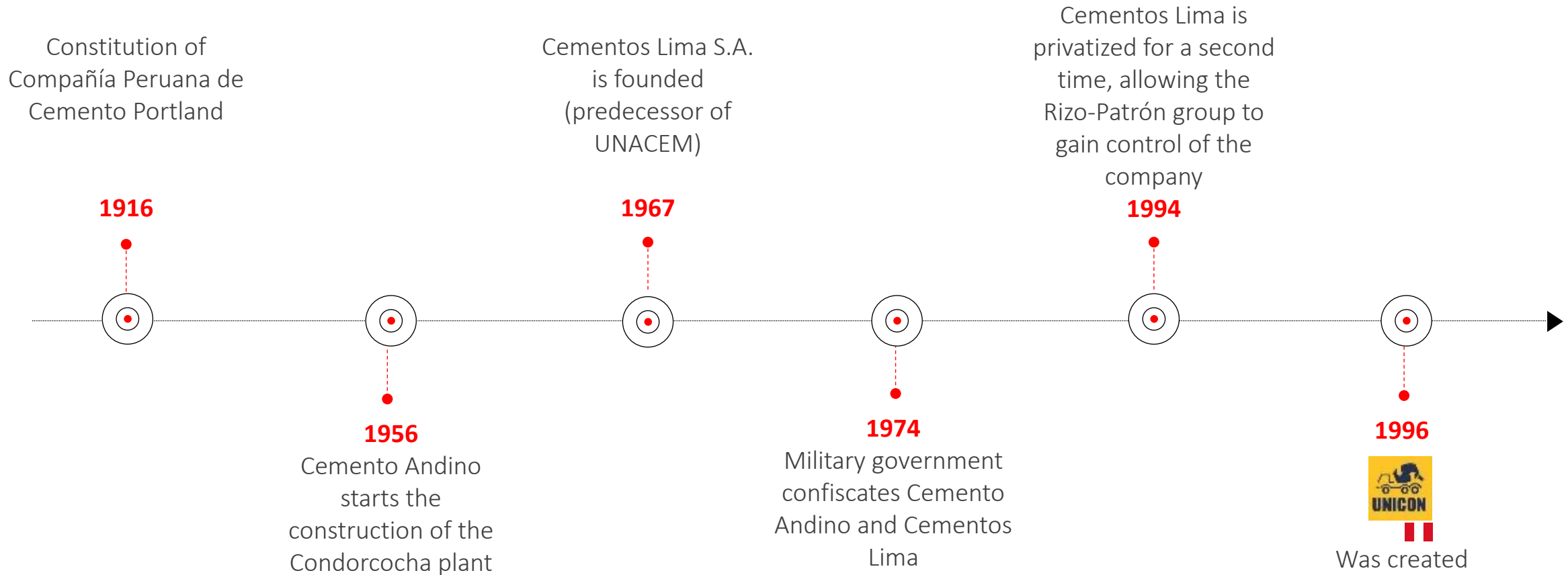


We seek to maximize the profitability of our investment portfolio ...

# ***Growing together to build a more sustainable world***

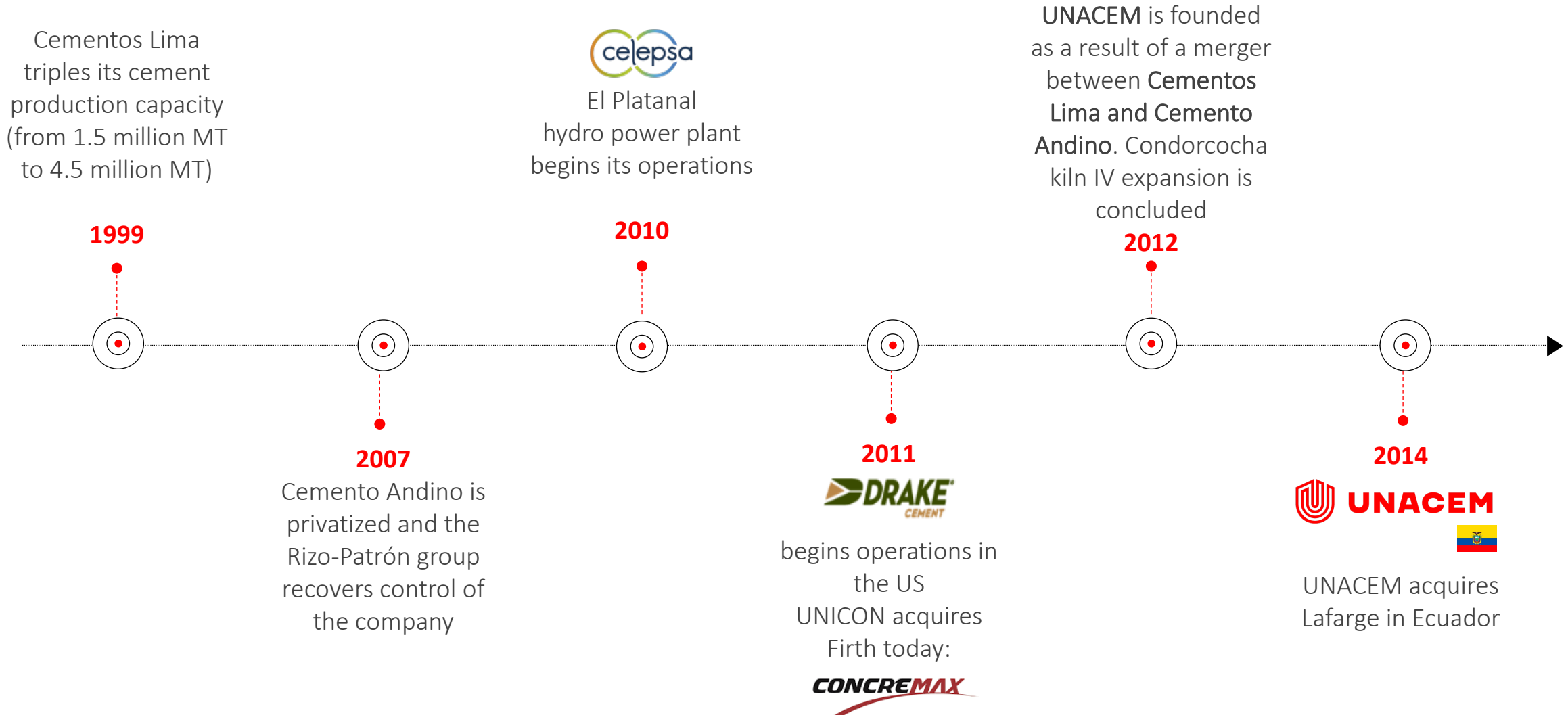


# Sustainable operations: capitalizing on the knowledge gathered over more than 100 years



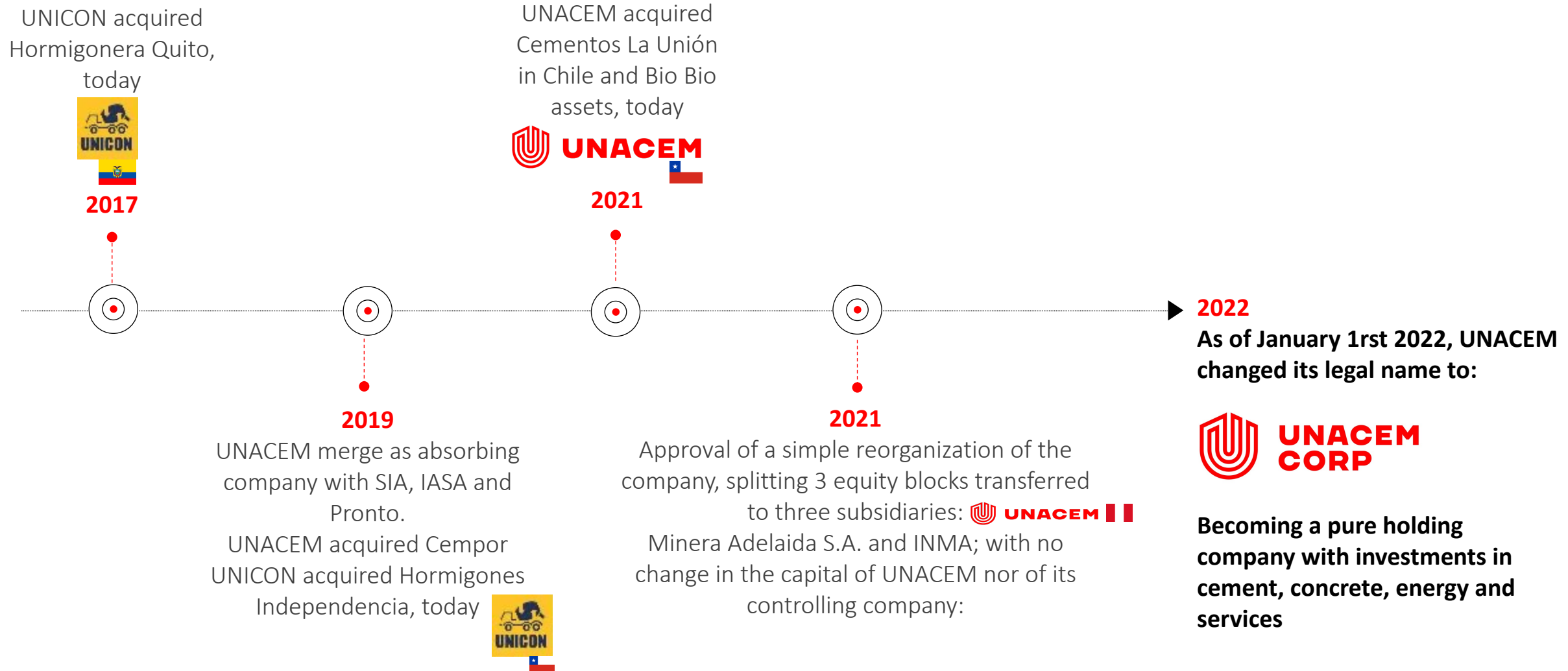


# ...with strategic assets in cement, ready mixed and energy ...





# ...with a clear focus on value creation and a corporate structure to support it



# UNACEM Group today

## 1 Peru

UNACEM  
UNICON  
CONCREMAX  
PREANSA

CELEPSA  
CELEPSA Renovables

ARPL  
Vigiandina



8.3 M mt  
73 %



3.4 M m<sup>3</sup>  
65 %



6.5 M mt  
65 %



271 MW  
80 %



42 MW  
13 %

## 2 Ecuador

UNACEM  
UNICON



1.7 M mt  
15 %



0.2 M m<sup>3</sup>  
4 %



24 MW  
7 %

## 3 EEUU

SKANON Investments Inc.:  
Drake Cement | Drake Materials |  
Desert Ready Mix | Staten Island



0.7 M mt  
6 %



0.8 M m<sup>3</sup>  
15 %



3.2 M mt  
35 %

## 4 Chile

UNACEM  
UNICON  
PREANSA



0.6 M mt  
6 %



0.9 M m<sup>3</sup>  
16 %

## 5 Colombia

PREANSA



## Total group's capacity



11.3 M mt



5.2 M m<sup>3</sup>



9.7 M mt



271 MW



66 MW

# UNACEM CORP portfolio of investments



- **Revenues:** USD 1.43 billion
- **EBITDA:** USD 414 million
- **Market cap:** USD 707 million

Peru	Ecuador	Chile	Colombia	USA
Cement	Cement	Cement		Cement
Ready mixed	Ready mixed	Ready mixed		Ready mixed
Aggregates				Aggregates
Precast		Precast	Precast	
Energy				
Real state				Real state
Services				

\* Financial results as of June 30, 2022 | Market cap as of Sep 19th, 2022 | FX Rate 3.908 PEN/USD

**ESG at our  
core**



# ESG Highlights



## ENVIRONMENT

Peruvian CO<sub>2</sub> Road Map

Lomas de Quebrada Rio Seco  
Private Conservation Area  
project

Drake Cement was awarded  
with the 2021 Energy Star



## SOCIAL

Launch of the corporate  
safety program VIDA Primero

We started the  
implementation of a skills  
model for all the companies  
of the Group

Development of our  
environment with capacity  
programs focused on  
infrastructure together with  
our surrounded communities



## GOVERNANCE

3 independent board  
members

1 woman on the board

5 specialized committees

# With ambitious long-term aspirations with the environment



Backed by actions defined by



... and guidelines from regional and local organizations



**RACE TO ZERO**



# Backed by actions defined by the Global Cement and Concrete Association ...



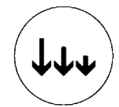
Eliminating our direct energy emissions and maximizing the co-production of waste from other industries



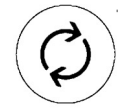
Reducing and eliminating indirect energy emissions through renewable energy sources



Reducing process emissions through new technologies and large-scale implementation of carbon sequestration



Reducing clinker content in cement and concrete, as well as the efficient use of the latter



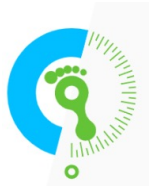
Reprocessing construction waste concrete



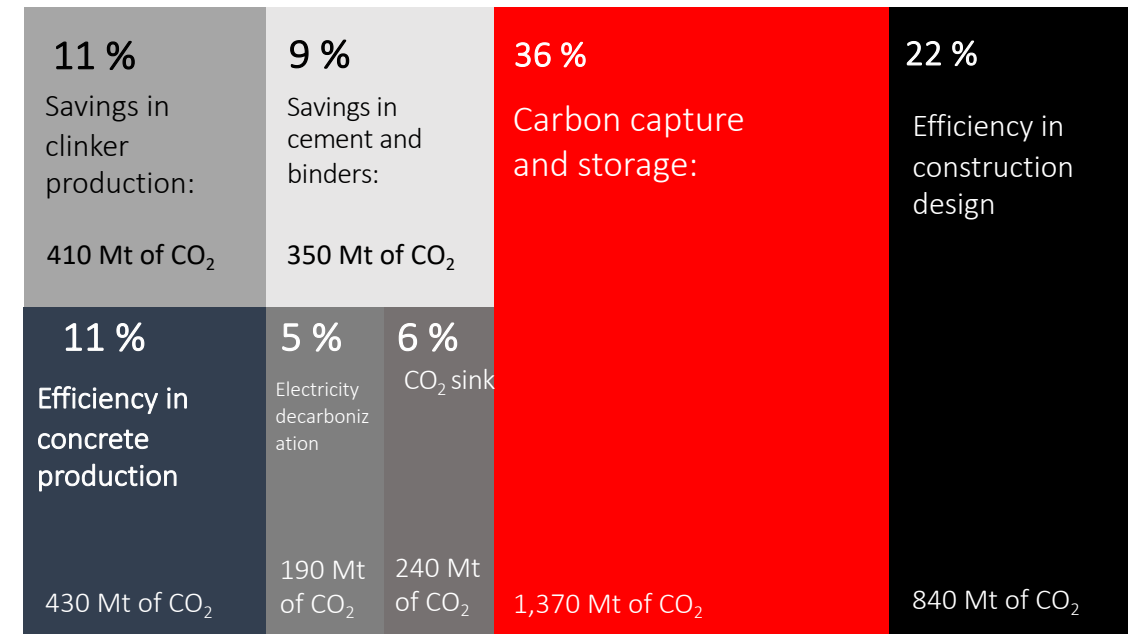
Quantifying and improving the level of CO2 uptake of concrete through re-carbonization in a circular economy



Global Cement and Concrete Association



Percentage contribution to zero emissions and CO<sub>2</sub> in 2050





# On the social front, our human rights policy aligns and legitimizes our commitment to diversity and inclusion ...

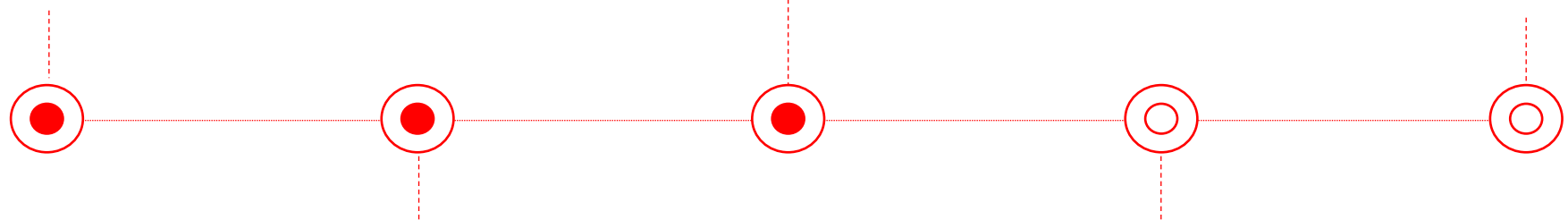


With a clear roadmap to deploy this commitment

**2020**  
A working group was formed to develop the **Corporate Policy on Human Rights (HR)**

**2022 (1)**  
a. Corporate Human Rights Policy and Diversity and Inclusion (D&I) Roadmap are presented to the **Board of Directors**.

**2023-2026**  
a. **Design and monitoring of metrics** related to results based on international standards.  
b. **Extension of committees to other Group companies**.



**2021**  
a. The Human Rights Policy was presented and approved by the Corporate General Management.

**2022 (2)**  
a. **Formation of the committees** of selected companies of the Group.  
b. **Establish operational plans for the Roadmap** (diagnosis, program execution, monitoring and evaluation).

# ... with our more than 4,600 employees, who are our top priority

We seek professionals with strategic skills in order to have the **best talent** in the industry based on a **high performance culture**

The **deployment of our new corporate identity and culture** is a pillar of transformation, contributing to the sustainability of the businesses. Safety and occupational health of all our employees with a “**zero accidents culture**” at the base

Currently we have 2 important corporate programs that will allow us to achieved this goal in the first phase defined:

## Corporate Safety program

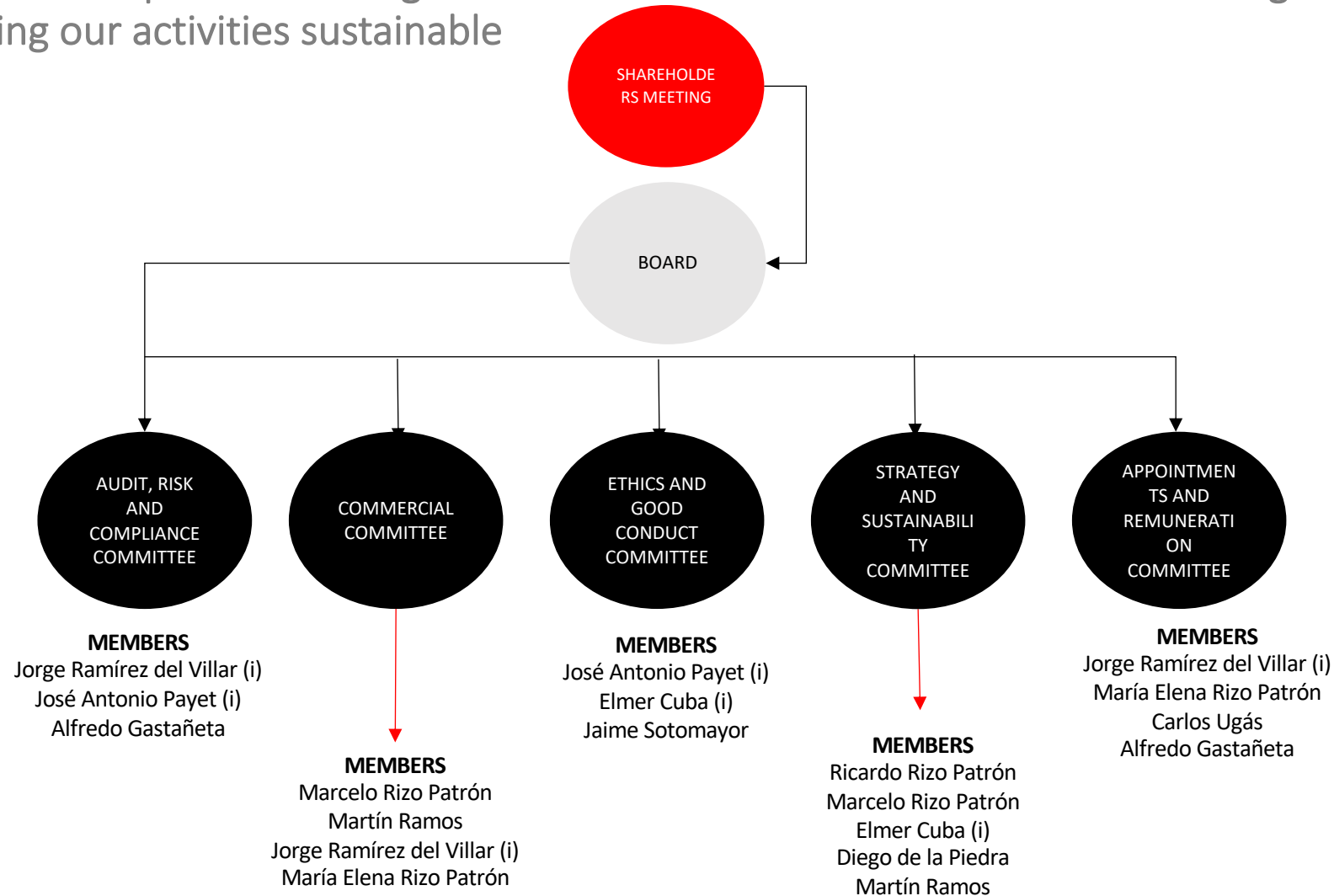


## Corporate Performance program



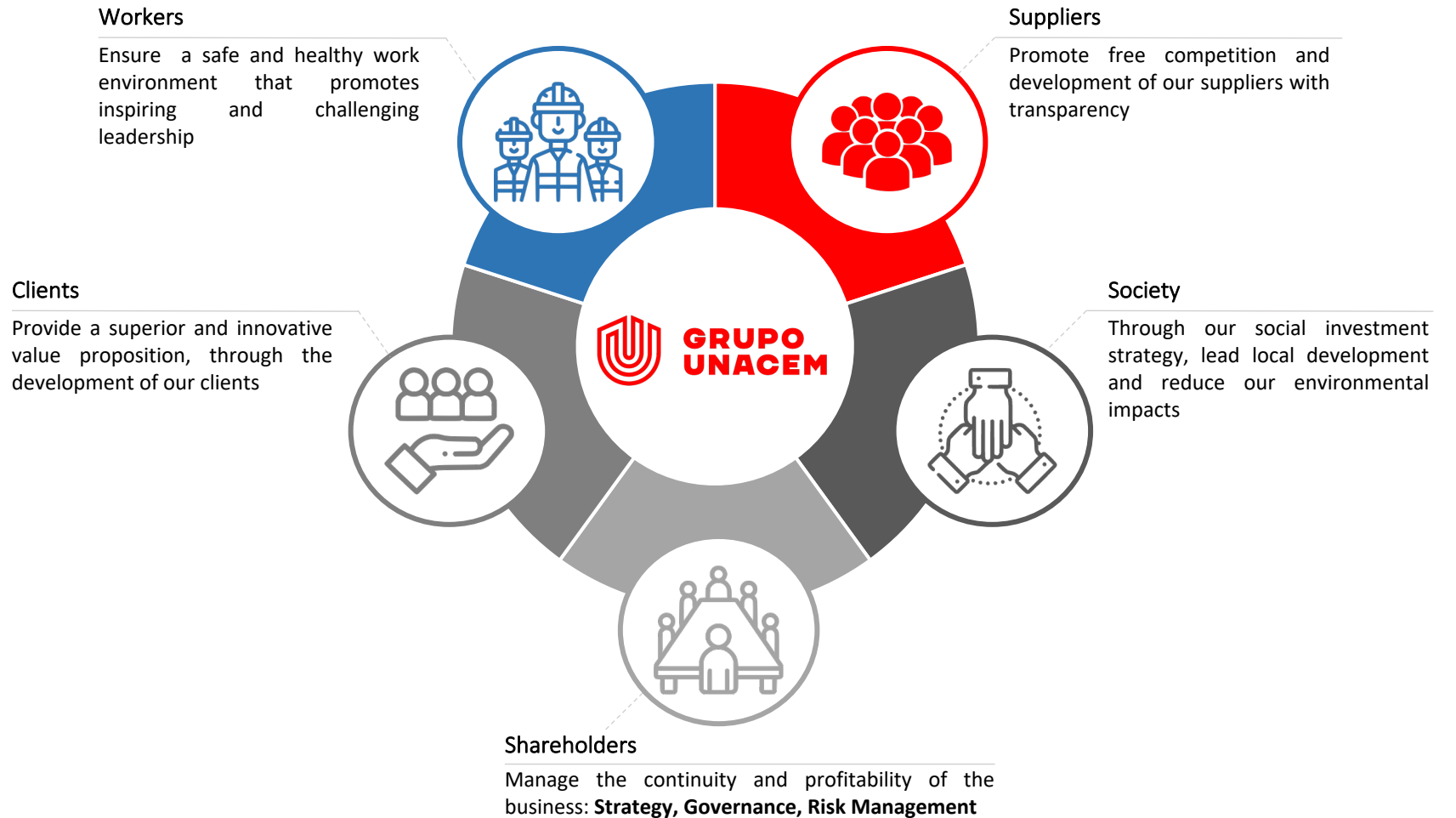
# Corporate governance structure

We incorporate best practices that generate confidence in all our stakeholders and guarantee progress towards making our activities sustainable



# Our purpose translates into our goal of creating long-term value for all our stakeholders ....

STATEMENT	
<p><b>1</b></p> <p>Improve people's live</p>	  
<p><b>2</b></p> <p>Better conditions for living</p>	  
<p><b>3</b></p> <p>Efficient &amp; sustainable process</p>	  



# Consolidated → financial results

# Consolidated results by country

Consolidated operating results by segment: LTM1H22



8.8 million t



4.4 million m<sup>3</sup>



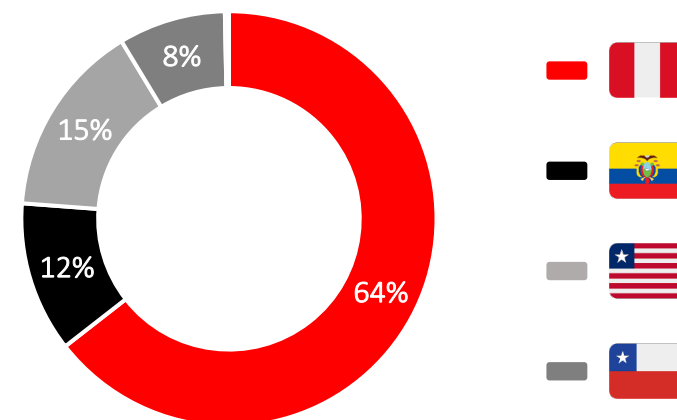
8.1 million m<sup>3</sup>



1,884 GWh

	2020	2021	LTM1H22	Var. LTM 1H22/2020	Var. LTM 1H22/2021
	in thousands	in thousands	in thousands	%	%
<b>PERÚ</b>					
Cement (t)	4,462	6,233	6,583	47.5%	5.6%
Ready mixed (m <sup>3</sup> )	1,609	2,349	2,370	47.3%	0.9%
Energy (MWh)	1,352	1,699	1,884	39.3%	10.9%
Revenues (USD)	662,517	864,240	922,088	39.2%	6.7%
EBITDA (USD)	188,509	312,755	324,541	72.2%	3.8%
<b>ECUADOR</b>					
Cement (t)	948	1,275	1,272	34.1%	-0.3%
Ready mixed (m <sup>3</sup> )	111	111	110	-0.9%	-0.6%
Revenues (USD)	126,005	170,099	167,754	33.1%	-1.4%
EBITDA (USD)	42,898	60,171	49,462	15.3%	-17.8%

LTM1H22 total consolidated revenues  
**USD 1.4 billion**, +7.8% than 2021 y  
 +16.4% than 2019



# Consolidated results by country

Consolidated operating results by segment: LTM1H22



8.8 million t



4.4 million m<sup>3</sup>



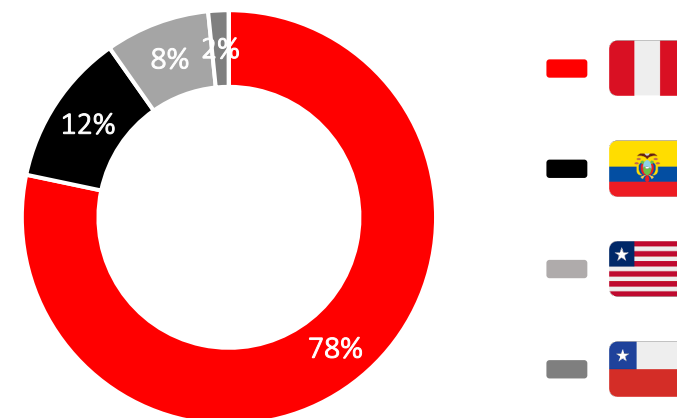
8.1 million m<sup>3</sup>



1,884 GWh

	2020	2021	LTM1H22	Var. LTM 1H22/2020	Var. LTM 1H22/2021
	in thousands	in thousands	in thousands	%	%
<b>EE.UU.</b>					
Cement (t)	663	579	647	-2.4%	11.8%
Ready mixed (m <sup>3</sup> )	783	783	895	14.4%	14.4%
Agregados (t)	2,045	2,446	2,724	33.2%	11.4%
Revenues (USD)	173,391	184,381	216,683	25.0%	17.5%
EBITDA (USD)	27,618	26,708	33,834	22.5%	26.7%
<b>CHILE</b>					
Cement (t)	-	246	341	---	38.9%
Ready mixed (m <sup>3</sup> )	559	890	1,056	88.8%	18.6%
Revenues (USD)	57,798	102,977	119,363	106.5%	15.9%
EBITDA (USD)	3,925	6,598	6,610	68.4%	0.2%
<b>COLOMBIA</b>					
Revenues (USD)	3,052	4,873	4,496	47.3%	-7.7%
EBITDA (USD)	723	-8	51	-93.0%	---

LTM1H22 consolidated EBITDA  
**USD 414.5 million**, +2.0% than in 2021 y  
 +13.2% than 2019

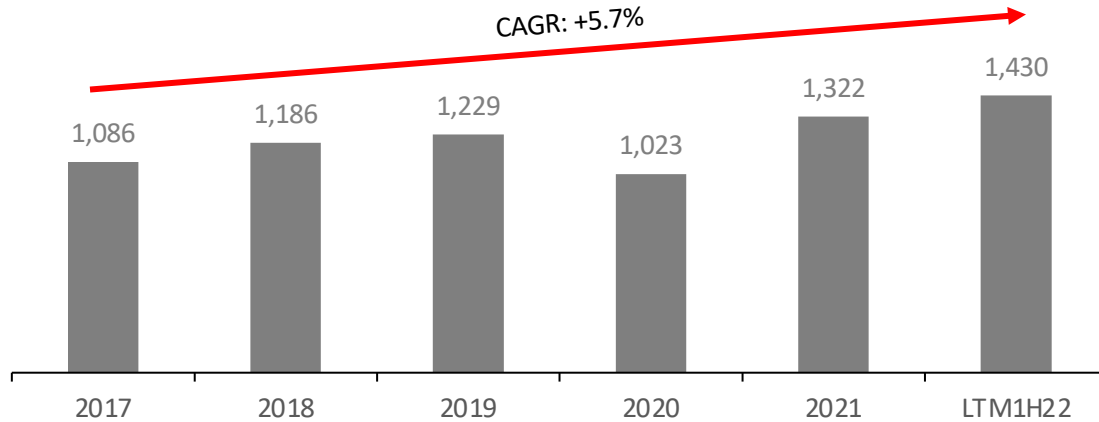




# We continue to reached record consolidated results ...

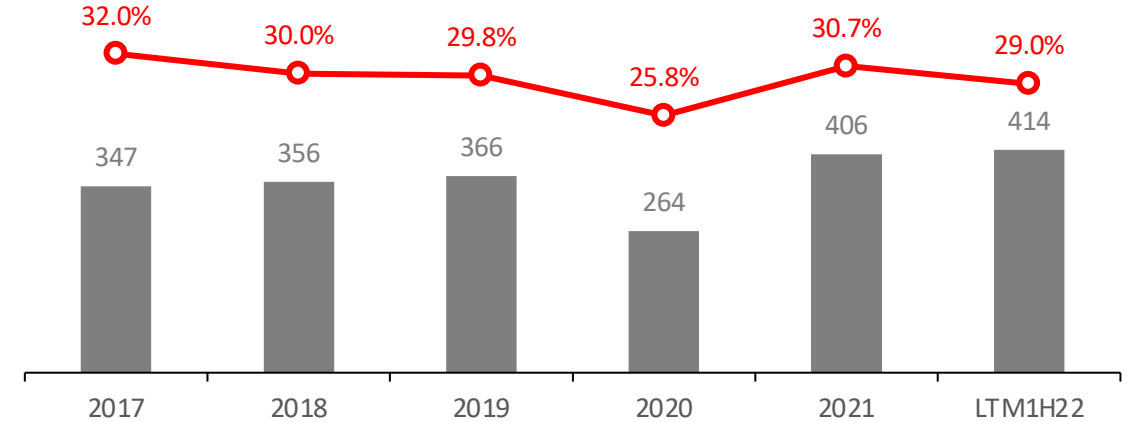
## Consolidated Revenues

USD Million



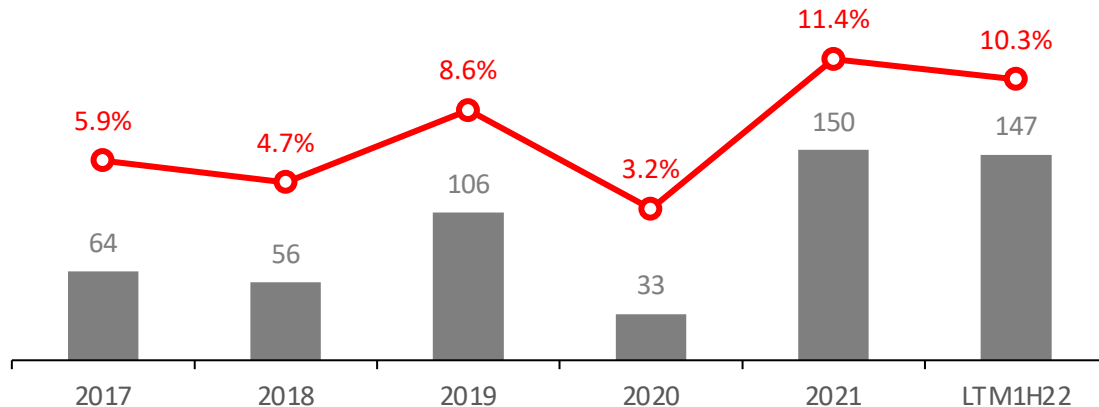
## EBITDA and EBITDA margin

USD Million, %



## Net income and net margin

USD Million, %

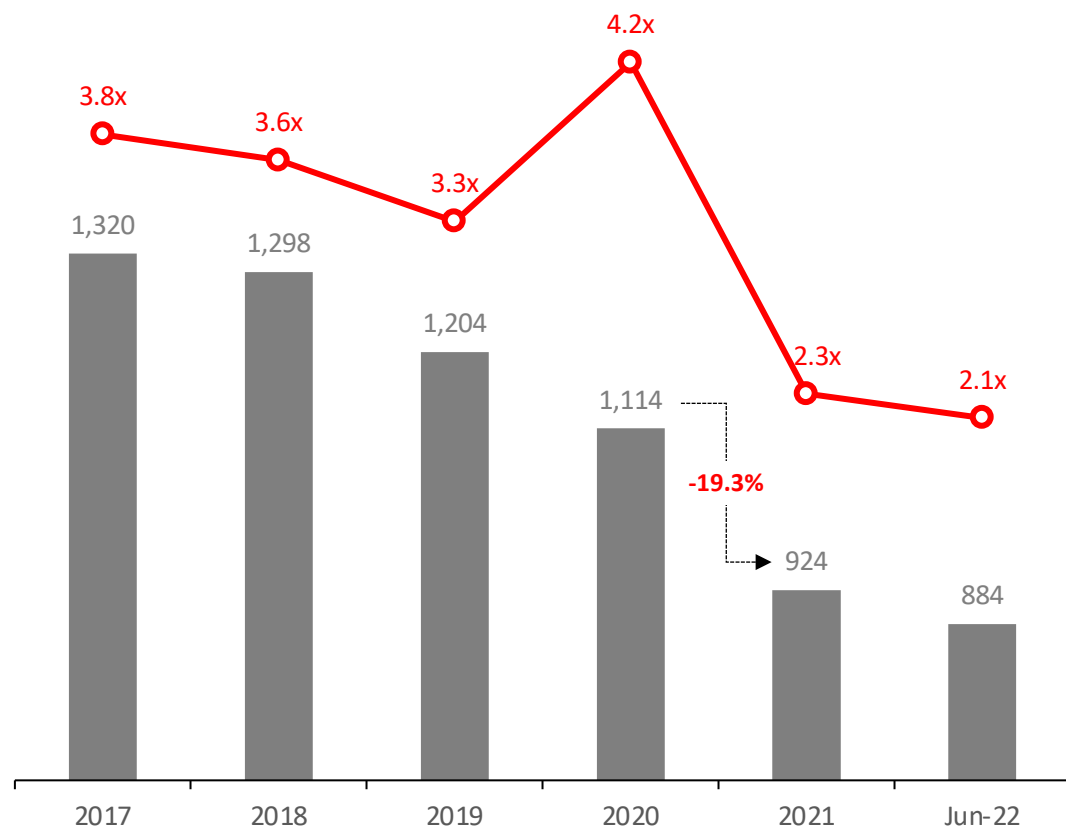


- Solid growth of revenues in PEN: +16.4% versus 2019 and +8.2% versus 2021
- Continued growth of EBITDA compared to 2021 and 2020 mainly due to the continued sustained growth and resilience of self-construction

# Moreover, we have significantly lowered the Group's debt to 2.1x EBITDA

## Net debt and leverage ratio

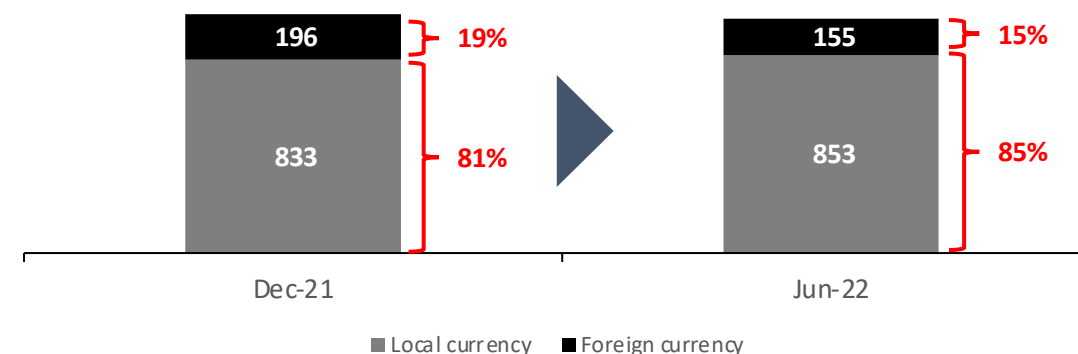
USD Million, times



FX Rate PEN/USD 2017: 3.260 | 2018: 3.290 | 2019:3.337 | 2020:3.496 | 2021: 3.819 | LTM1H22: 3.908

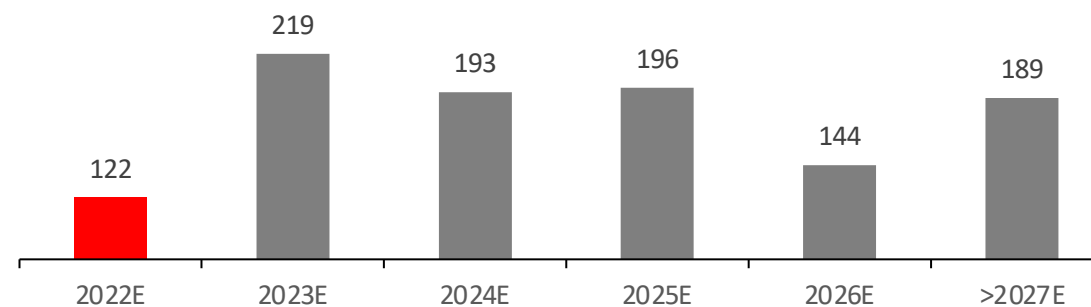
## Foreign currency exposure on financial debt

USD Million



## Financial debt amortization schedule

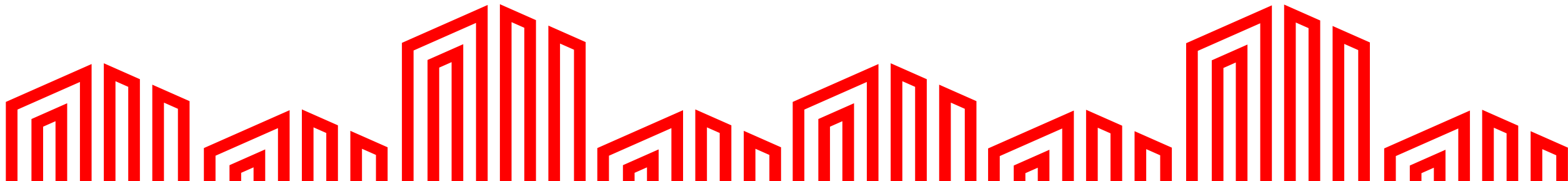
USD Million



# Main business units results

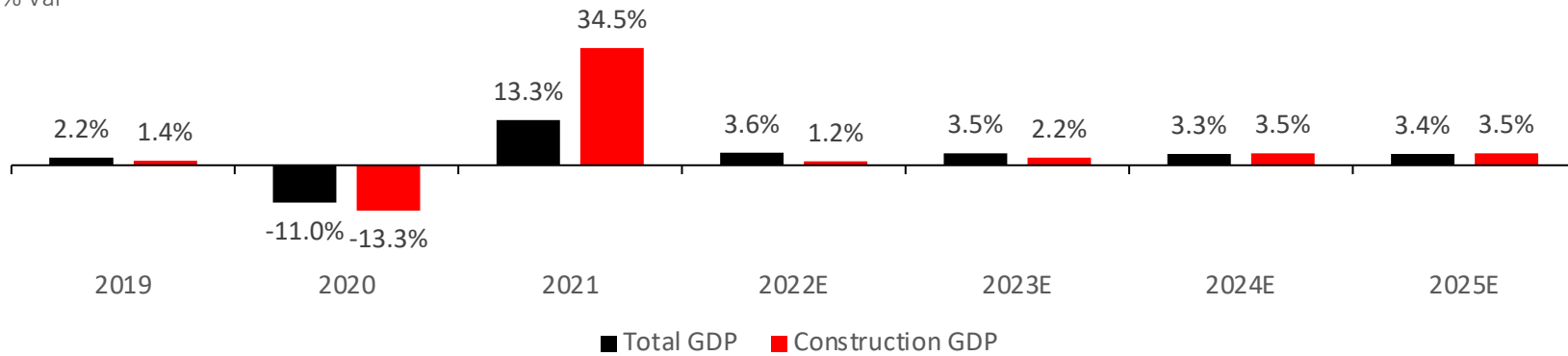


PERU



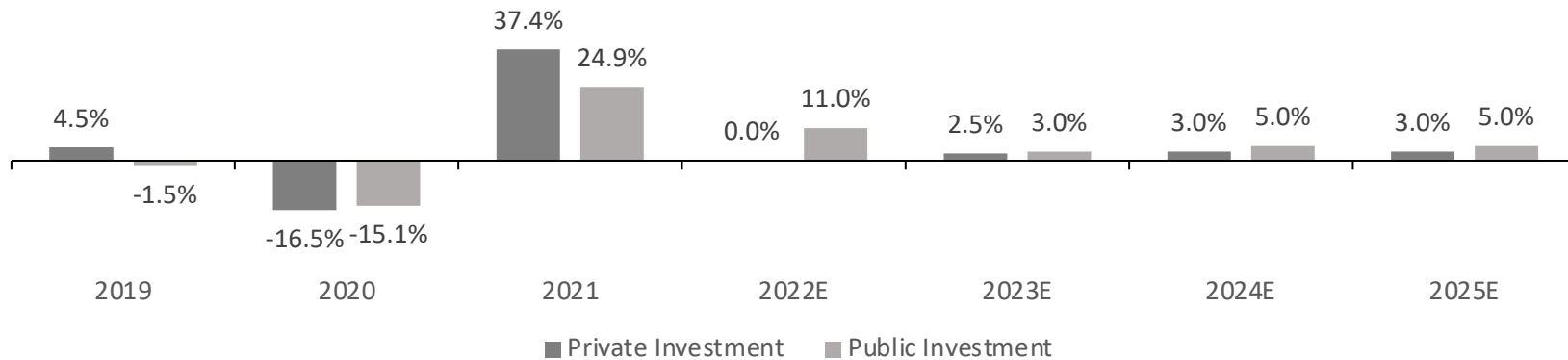
# Peruvian macroeconomic outlook shows a challenging couple of years ahead

Peru GDP  
% Var



Self-construction  
resilience

Private and public investment  
% Var



Good pipeline of  
projects

# Which in our area of influence should be partly offset by self-construction and current investments projects

## Self-construction

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Self-construction is the main driver of the sector. It is expected to continue growing with the help of windfall profits.



## Private investment

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No growth in private investment is expected. Only continuity of operations, maintenance and optimization projects are expected.



## Public investment

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Public investment will have low growth due to the paralyzation of projects and the delay in the negotiation of contracts by the government.

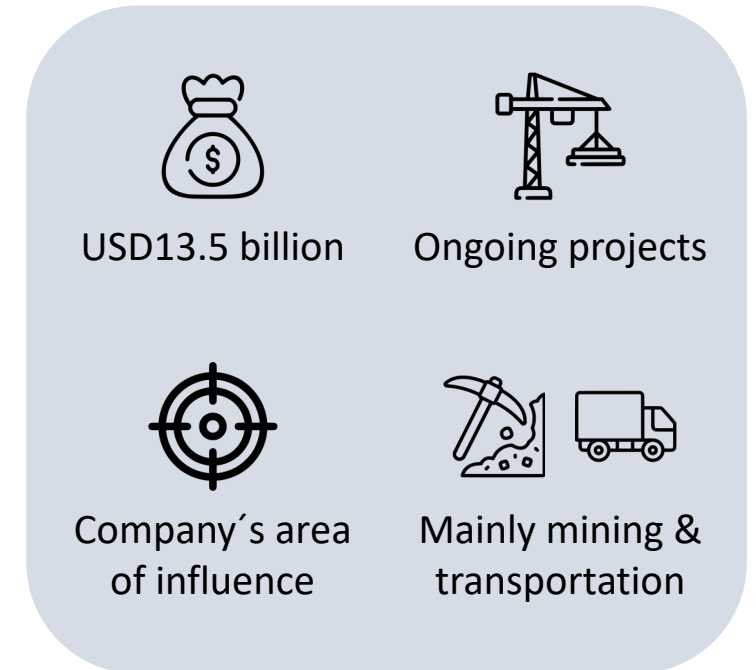


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**The sector is expected to remain at current levels due to the positive outlook for self-construction and due to the public and private projects already in operation**

# With important construction projects amounting to USD 13.5 billion in the central region

Project	Sector	Total investment USD MM	Investment period end date
Toromocho Expansion	Mining	1,355	2023
Shouxin (Shougang) Expansion	Mining	140	2023
Opt. Inmaculada	Mining	136	2023
<hr/>			
Line 2 of Lima Metro	Transport	5,500	2026
Jorge Chavez Airport Expansion	Transport	1,600	2025
Chancay Port – Stage 1	Transport	1,300	2024
Muelle Sur – Stage 2	Transport	350	2023
Santa Rosa Expressway	Transport	215	2023 – 2026
<hr/>			
Bicentennial Schools	Education	740	2023 – 2025
RCC hospitals and schools	Health & Education	545	2022
COAR center	Education	57	2023
<hr/>			
CE Wayra I Expansion	Electricity	130	2023
Water and sanitation in SJM, VMT and VES - Stage 2	Sanitation	331	2025
Integral Solutions - First Block	RCC	1,140	2024
		<b>13,539</b>	







# UNACEM: Cement operations in Peru

## Overview

- On October 1<sup>st</sup>, 2012, UNACEM absorbed Cemento Andino to consolidate the largest cement company in Peru
- UNACEM has subsidiaries that provide power supply, raw materials supply, distribution channels and warehouse storage of UNACEM's products
- The Company has two cement plants, Atocongo and Condorcocha, which operate in the central region of the country where most of the population lives
- The Atocongo plant has an underground conveyor belt which leads directly to the Conchan Pier (port) in the Pacific Ocean, facilitating cement exports and raw material imports
- Both plants have their own power generation through three hydro power plants and one thermo power plant that provide a significant source of energy

## Cement Plants

Atocongo	Condorcocha
<b>Location:</b> Lima <b>Clinker Capacity:</b> 4.8 million MT <b>Cement Capacity:</b> 5.5 million MT <b>Clinker Production(2021):</b> 4.7 million MT <b>Cement Production(2021):</b> 4.3 million MT <b>Limestone Reserves:</b> 33 years	<b>Location:</b> Junín <b>Clinker Capacity:</b> 1.9 million MT <b>Cement Capacity:</b> 2.8 million MT <b>Clinker Production(2021):</b> 1.5 million MT <b>Cement Production(2021):</b> 1.9 million MT <b>Limestone Reserves:</b> 155 years
	

## Financial Snapshot 2021 and LTM1H22

	2021	LTM1H22
<b>Total Assets</b>	<b>2,250</b>	<b>1,170</b>
<b>Revenues</b>	<b>636</b>	<b>688</b>
<b>EBITDA</b>	<b>261</b>	<b>246</b>
<b>EBITDA Margin</b>	<b>41%</b>	<b>36%</b>

### Progre-Sol

- Commercialization*
- Hardware store with over **1,100** points of sale

Supplies more than 7,200 independent hardware stores in the country

### Hatun-Sol

- Financing and Advising*
- Product financing and advising families on building techniques

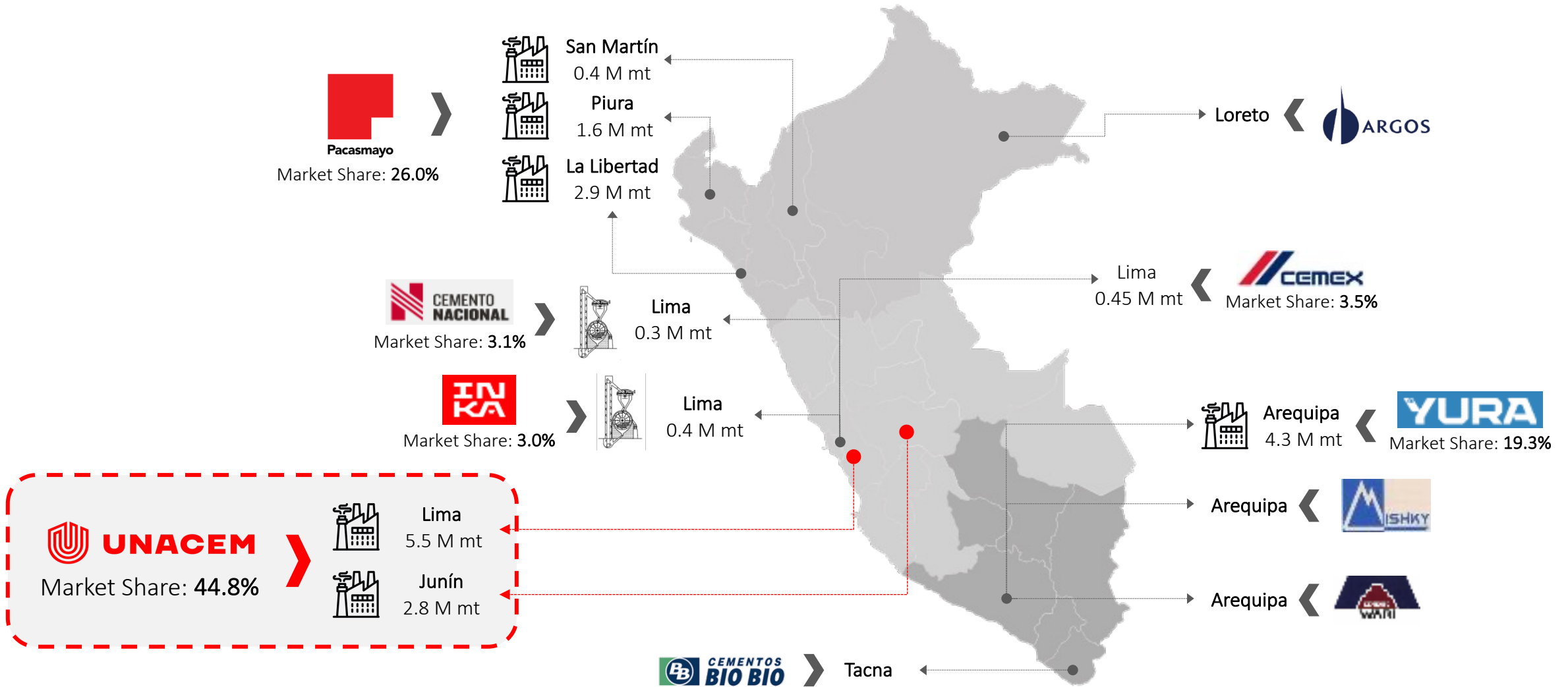
Advices and provides financing to families and independent builders to finance cement and other construction products

### Duravía

- Solutions for road paving

New service that offers efficient road paving techniques

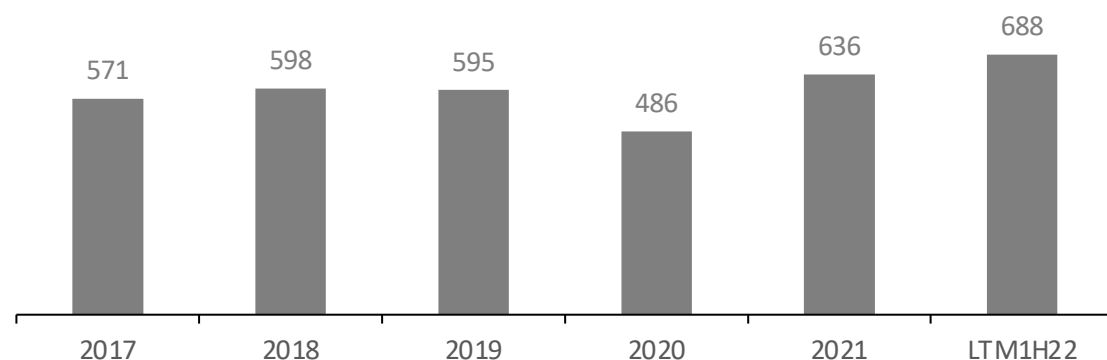
# UNACEM cement market leader in Peru



# Consistently delivering strong financial results

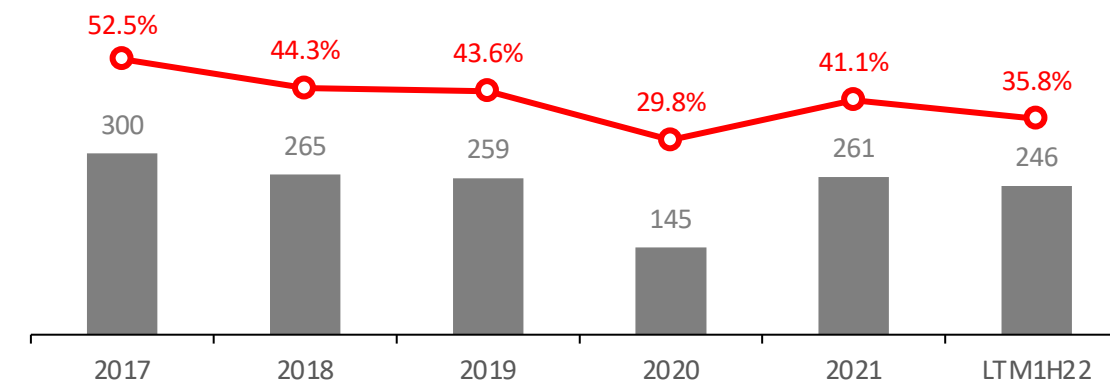
## Revenue

USD Million



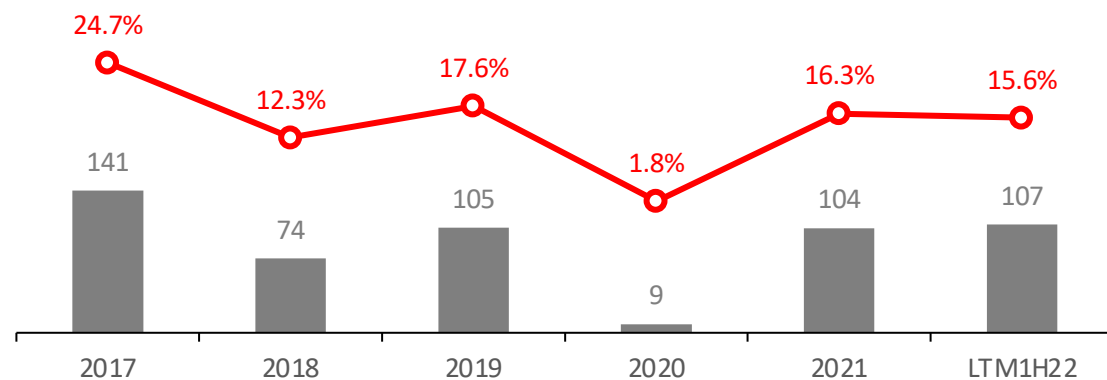
## EBITDA and EBITDA Margin

USD Million, %



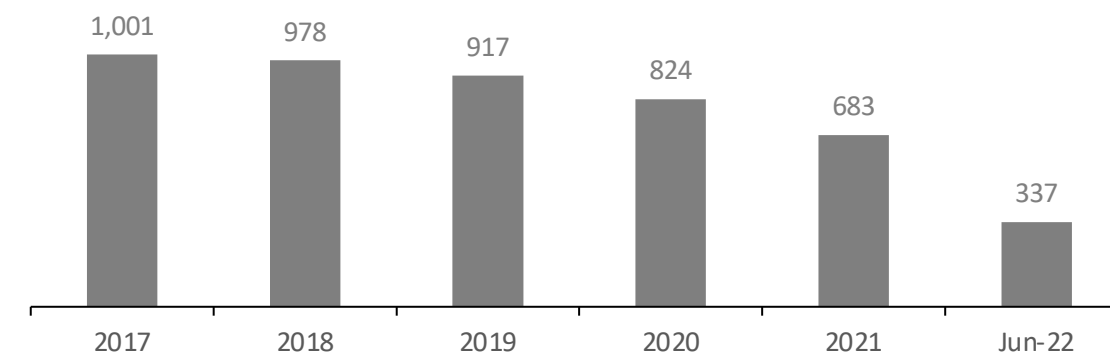
## Net Income and Net Margin

USD Million, %



## Net Debt

USD Million



# UNICON & Concremax: Ready mixed in Peru

## Concrete Segment Overview

- UNACEM’s concrete segment consists of two companies Unión de Concreteras S.A. (UNICON) and CONCREMAX S.A.(former Firth), forming the largest concrete group in Peru
- UNICON was founded in May 1996
- In 2011, UNICON acquired 100% of Firth shares. On November 2015, Firth changed its legal name and brand to CONCREMAX.
- On July 2017, UNICON acquired 100% of stake in Hormigonera Quito, today UNICON Ecuador, for USD 13 million
- On May 2018, UNICON acquired 100% stake in Hormigones Independencia, today UNICON Chile, for USD 22.2 million

## Financial Snapshot – LTM1H22 (USD MM)

<b>Total Assets</b>	<b>222</b>
<b>Revenue</b>	<b>279</b>
<b>EBITDA</b>	<b>27</b>
<b>EBITDA Margin</b>	<b>10%</b>

## Market Positioning

- UNICON and CONCREMAX are the leaders in the market

### Commercial strategy

- Specialized in megaprojects and large constructions



### Commercial strategy

- Specialized in small to medium projects and constructions

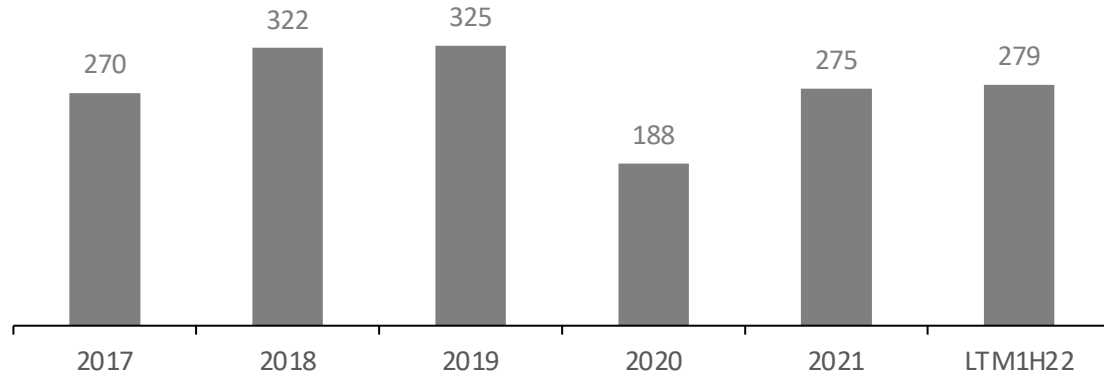


## Assets and Capacity in Peru

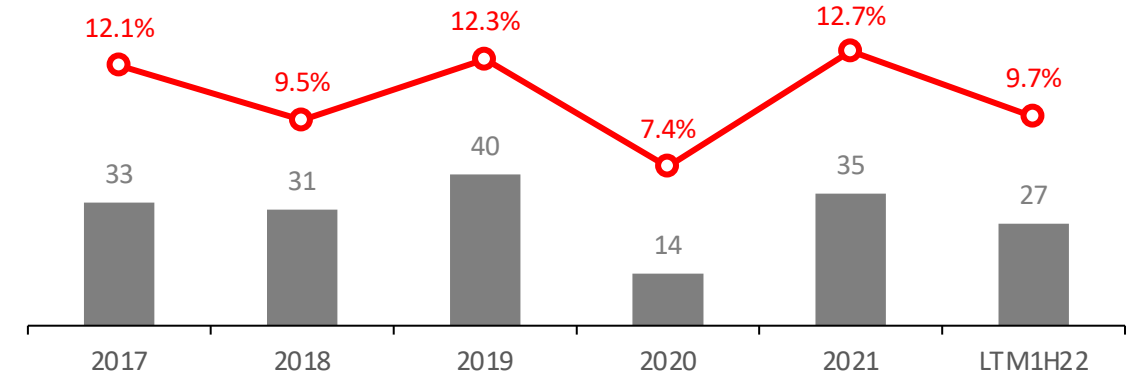
<b>Concrete Plants</b>	<b>58</b>
<b>Facilities in Lima</b>	<b>13</b>
<b>Facilities in the rest of Peru</b>	<b>22</b>
<b>Mixer Trucks</b>	<b>519</b>

# Positioned to deliver strong cash flows...

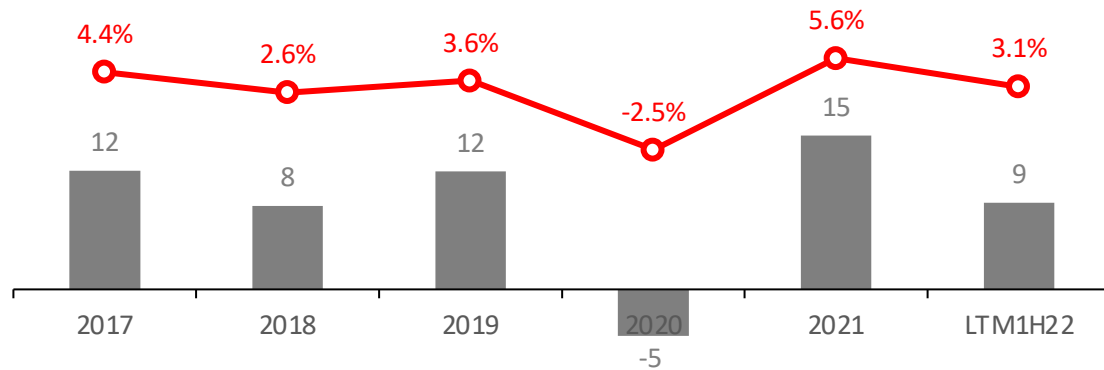
**Revenue**  
USD Million



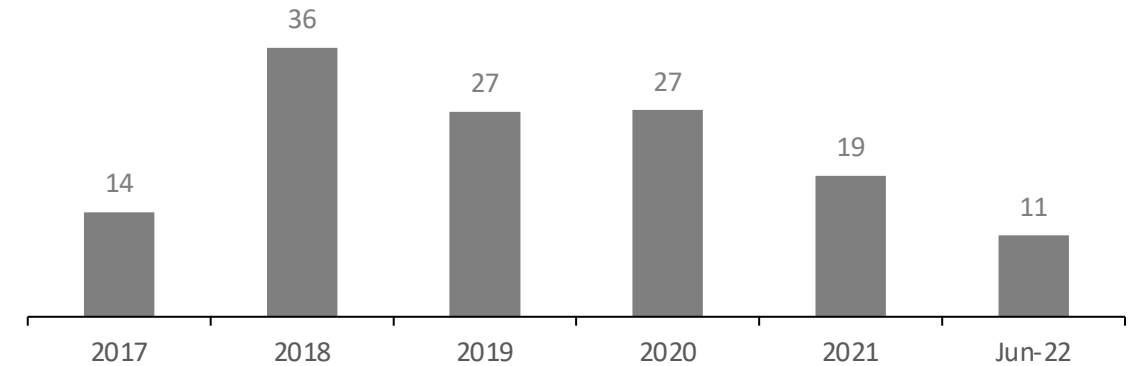
**EBITDA and EBITDA Margin**  
USD Million, %



**Net Income and Net Margin**  
USD Million, %



**Net Debt**  
USD Million



# Celepsa: Energy in Peru



## Company description

- UNACEM stand-alone is one of the company's main customers, Celepsa has a portfolio of 13 additional customers
- The company's assets are the hydroelectric plant "El Platanal" which generates 220 MW and Hidro Marañón (18 MW)
- In November 2014, Celepsa acquired Hidro Eléctrica Marañón S.R.L., 18 MW Hydroelectric power plant with an 88 MW PPA, Hidromarañón started operations in 1S17
- CELEPSA's strategy is to develop a renewable, efficient and competitive portfolio of electricity generation
- 100% of its production is sold through PPAs, only 29% supply to UNACEM Peru

## Financial Snapshot – LTM1H22 (USD MM)

Total Assets	300
Revenue	93
EBITDA	43
EBITDA Margin	47%

## Hydroelectric Power Plant

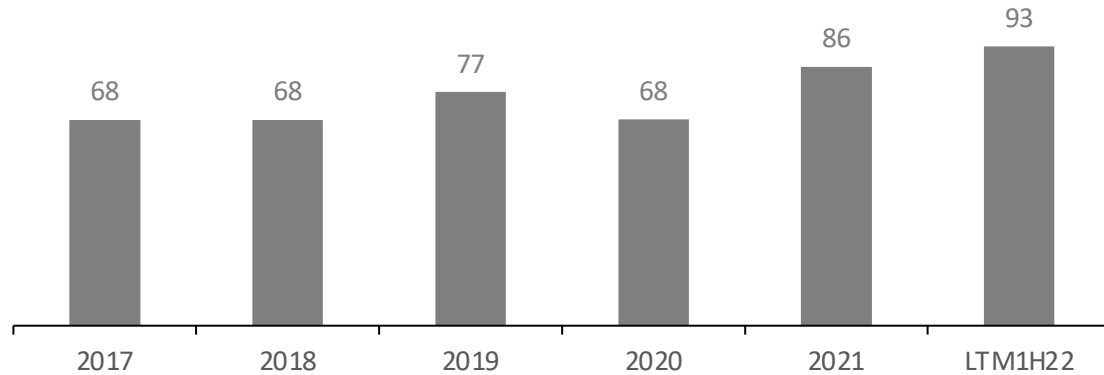
El Platanal	Hidro Marañón
Location: Lima	Location : Huánuco
Generation Capacity: 220 MW	Generation Capacity: 18 MW
	

## Company structure

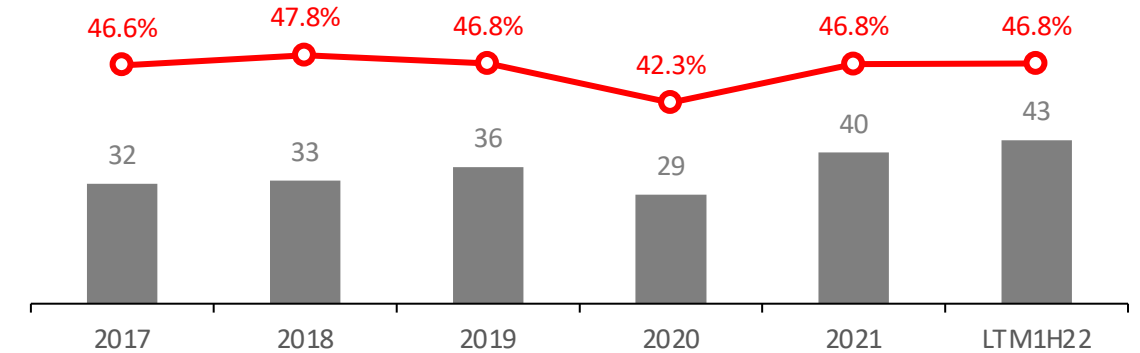


# Keeping its competitiveness in the energy sector ...

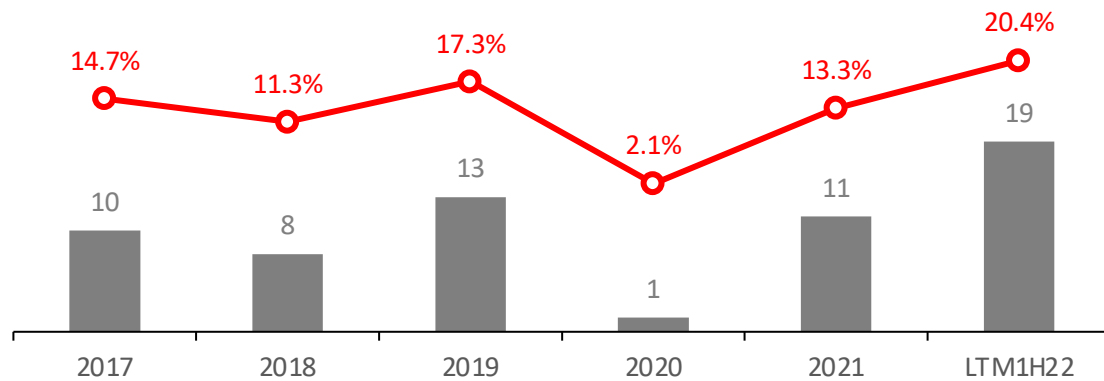
**Revenue**  
USD Million



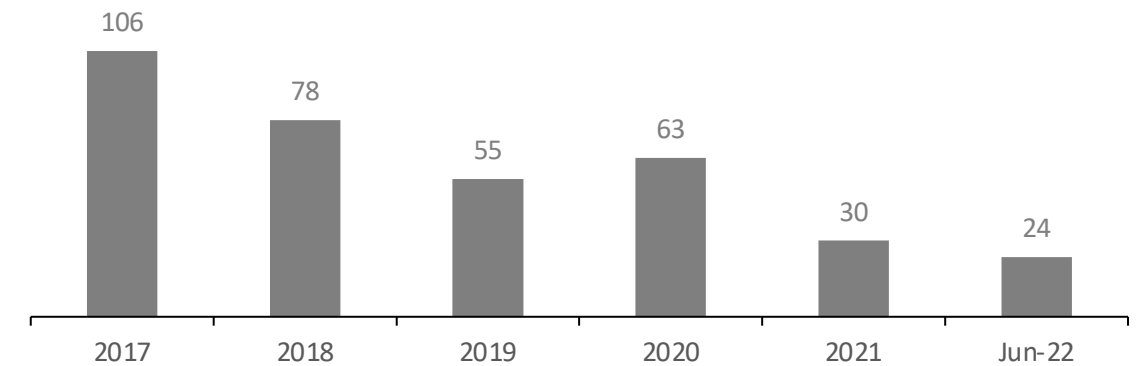
**EBITDA and EBITDA Margin**  
USD Million, %



**Net Income and Net Margin**  
USD Million, %



**Net Debt**  
USD Million





# ECUADOR



# UNACEM Ecuador: Cement

## Company Description

- UNACEM Ecuador was acquired during 2014, consolidating and closing the transaction by mid November 2014 with all regulatory permits
- The Company has the widest product portfolio in the market, tailored for the construction sector
- UNACEM Ecuador is a fully integrated company with high performance assets
- UNACEM Ecuador has a prime logistical operation with 100% bags delivered door-to-door
- Excellence in stakeholder relationship
- The plant is currently operating at 72% capacity

## Financial Overview – LTM1H22 (USD MM)

Total Assets	211
Revenue	168
EBITDA	49
EBITDA Margin	29%

## Operations

### Otavalo

2 Lines: 1 Kiln SPH and 1 Kiln AS precalciner  
 Location: Imbabura (100km North of Quito)  
 Clinker Capacity: 1.0 million MT  
 Cement Capacity: 1.6 million MT  
 Production (2021): 1.3 million MT



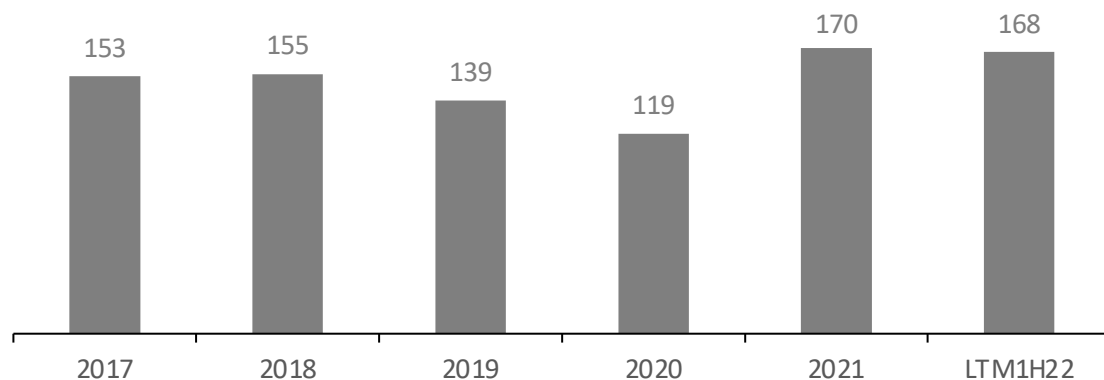
## Ownership structure



# Delivering solid cash flows ...

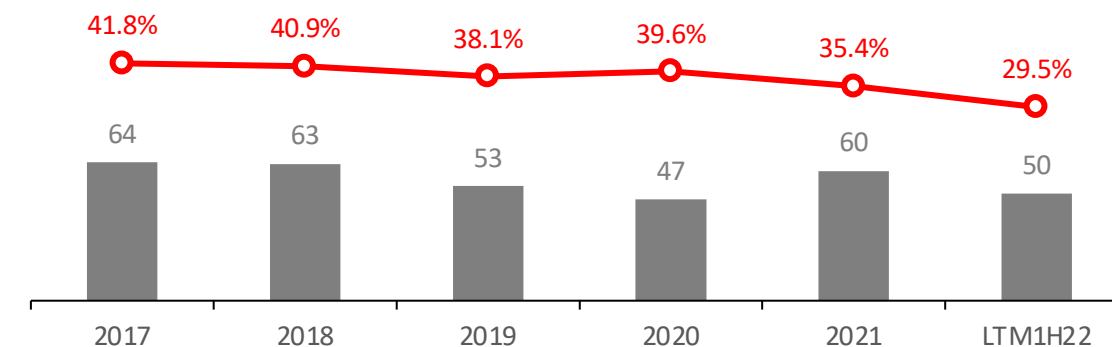
## Revenue

USD Million



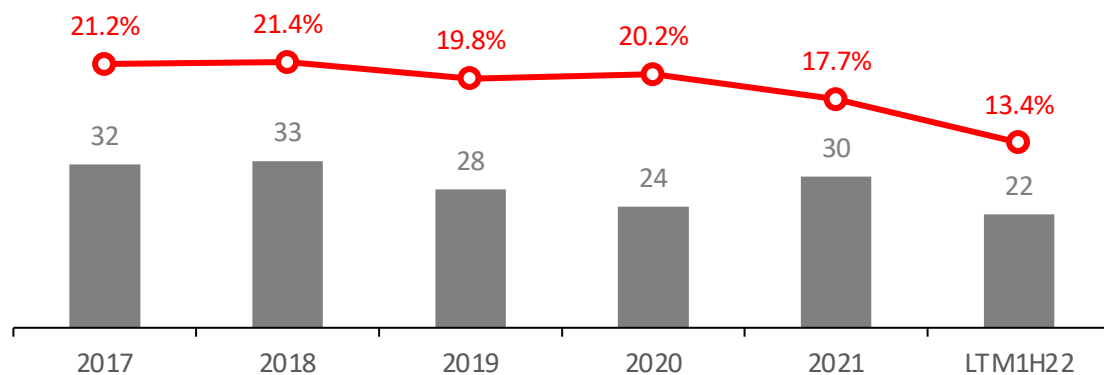
## EBITDA and EBITDA Margin

USD Million, %



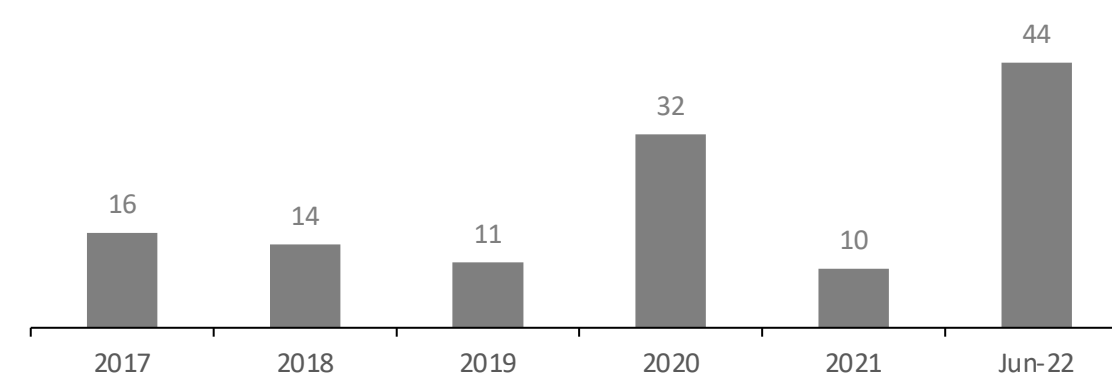
## Net Income and Net Margin

USD Million, %

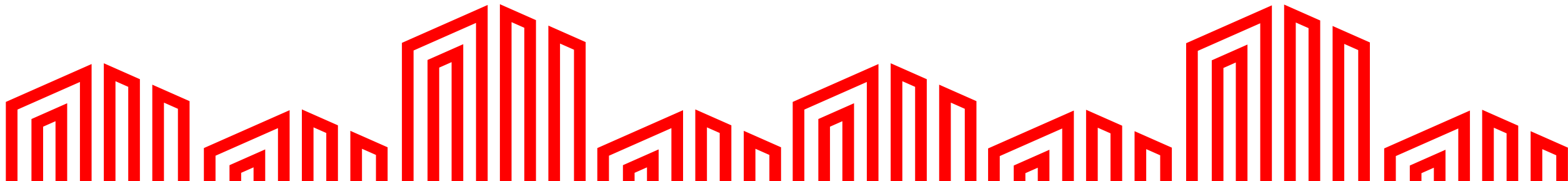


## Net Debt

USD Million



USA



# Skanon: cement, ready mix and aggregates

## Company Description

- Drake UNACEM's start up subsidiary located in Arizona, USA, with state-of-the-art facilities
- There are three main competitors in the market in Arizona.
- Drake has a strong growth potential as the United States recovers from the crisis
- The company's mission is to be recognized as the leading and most respected provider of construction materials

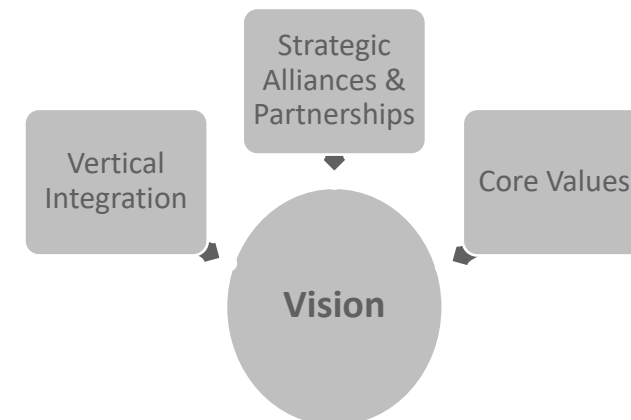
## Financial Overview – LTM1H22 (USD MM)

<b>Total Assets</b>	509
<b>Revenue</b>	217
<b>EBITDA</b>	34
<b>EBITDA Margin</b>	16%

## Companies integrating Skanon



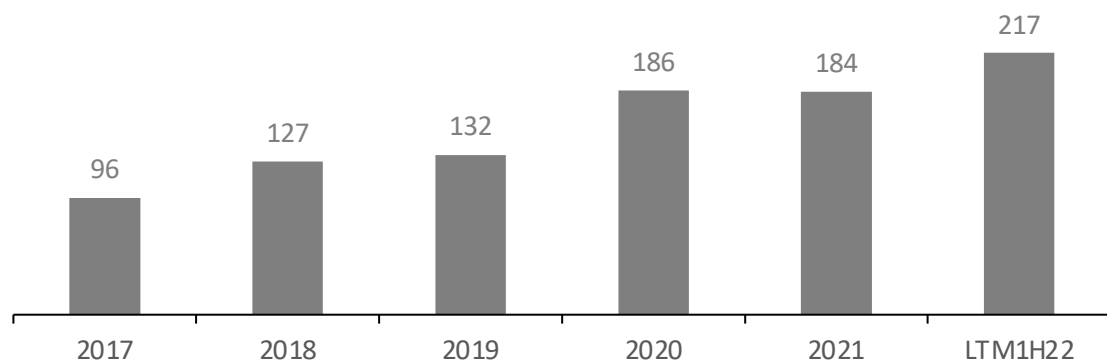
## Business Strategic Plan



# Successful turnaround story ...

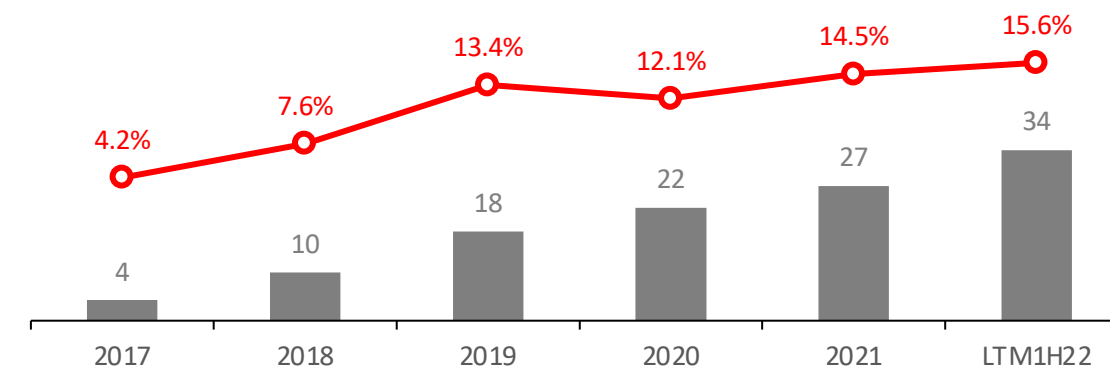
## Revenue

USD Million



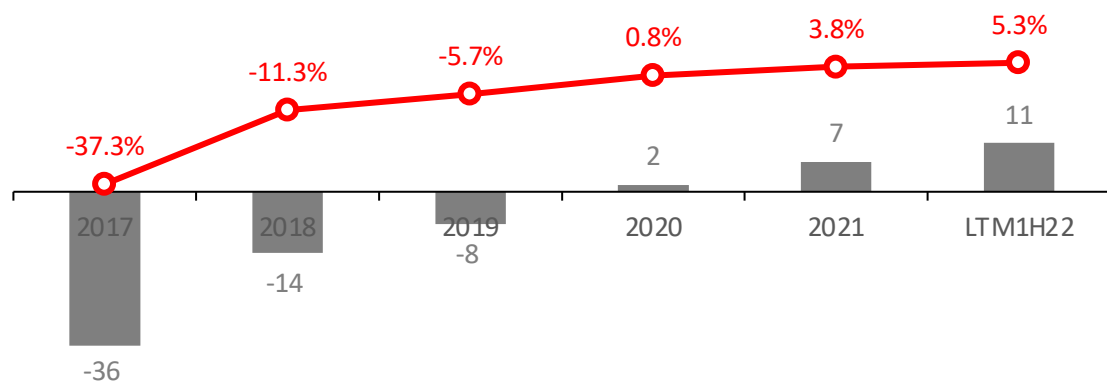
## EBITDA and EBITDA Margin

USD Million, %



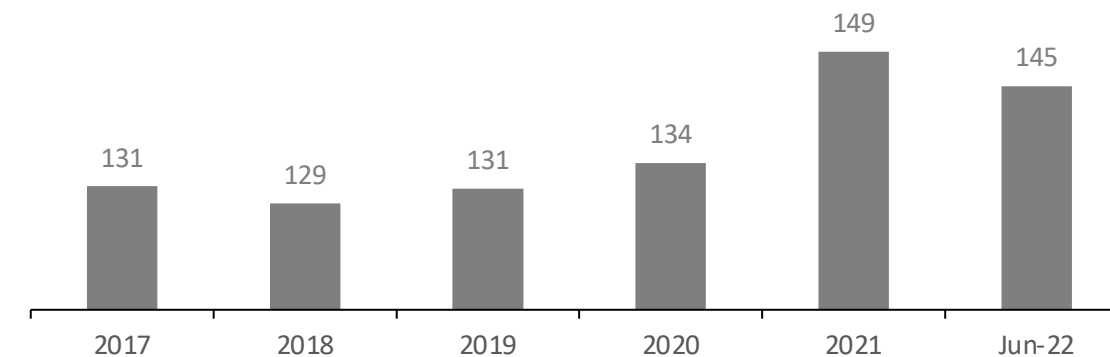
## Net Income and Net Margin

USD Million, %

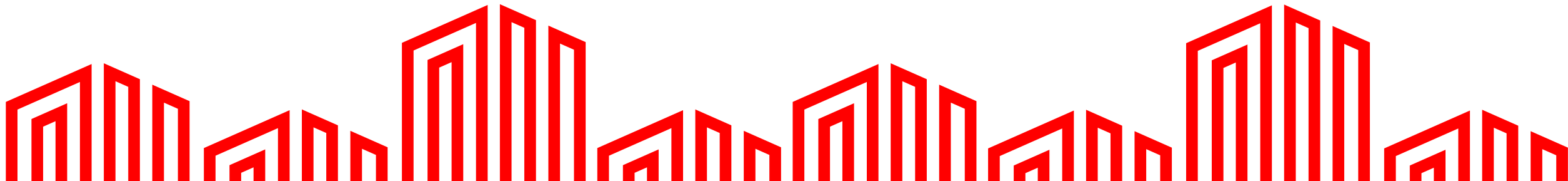


## Net Debt

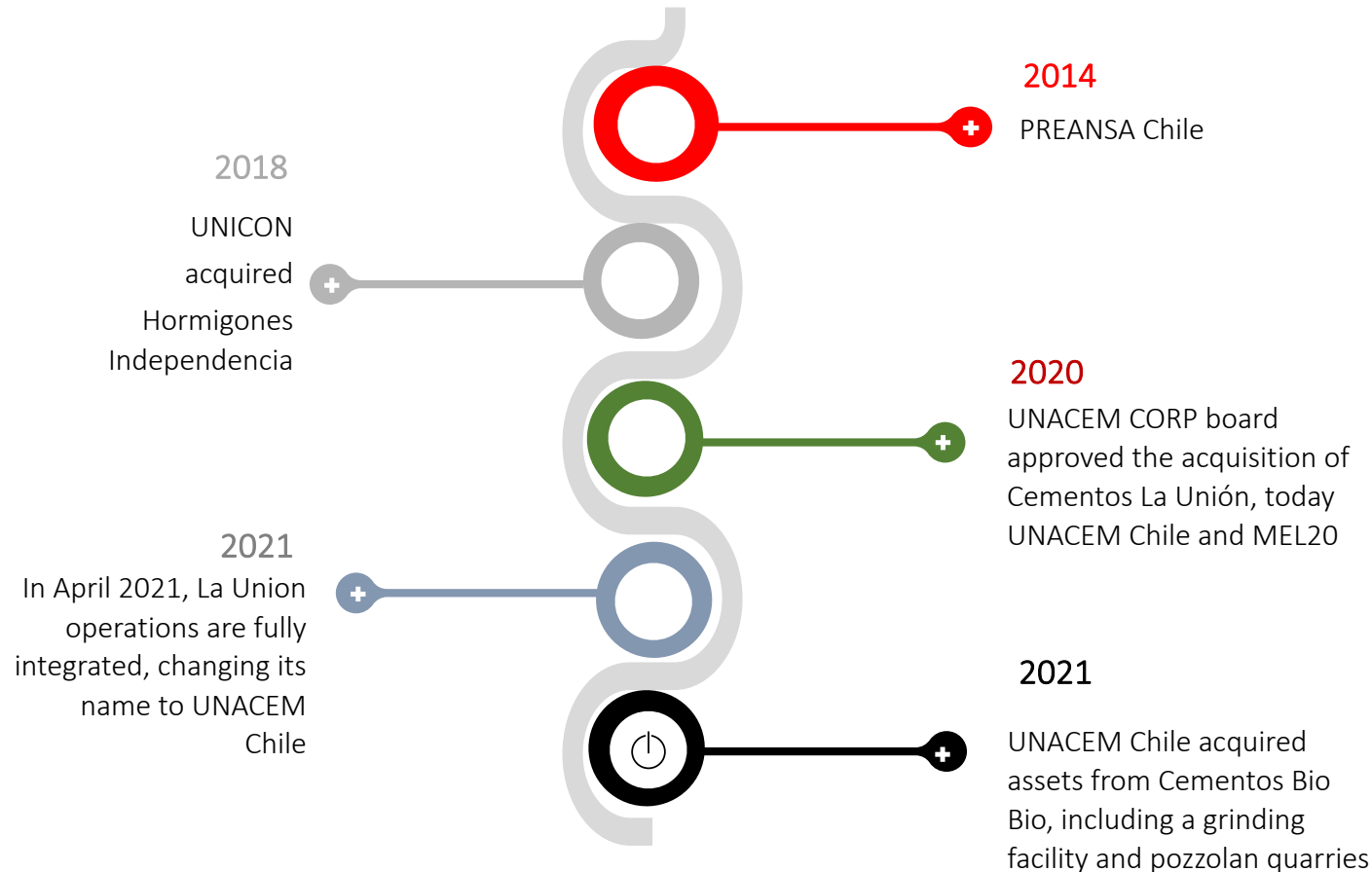
USD Million



**CHILE**



# Recently integrated operation in Chile



UNACEM Group is in Chile in the cement, ready mix and precast business:

Chile operations	
Cement grinding:	2 plants with 600 thousand tons of capacity
Ready mix:	1.2 million m <sup>3</sup>
Precast	3 industrialized concrete structures plants





**GRUPO  
UNACEM**