

PERU CORPORATE VIRTUAL
FORUM 2021

Scotiabank.



March 10 -11, 2021



Atocongo Plant, Lima

Welcome to UNACEM's presentation!



1.OVERVIEW

Where we come from? Who we are?



4.UNACEM Peru

Market leadership and solid financial results



2.FUNDAMENTALS

Our country, our industry



5. CONSOLIDATED FINANCIAL HIGHLIGHTS

Results and debt profile



3.RECENT EVENTS

Corporate Governance and M&A



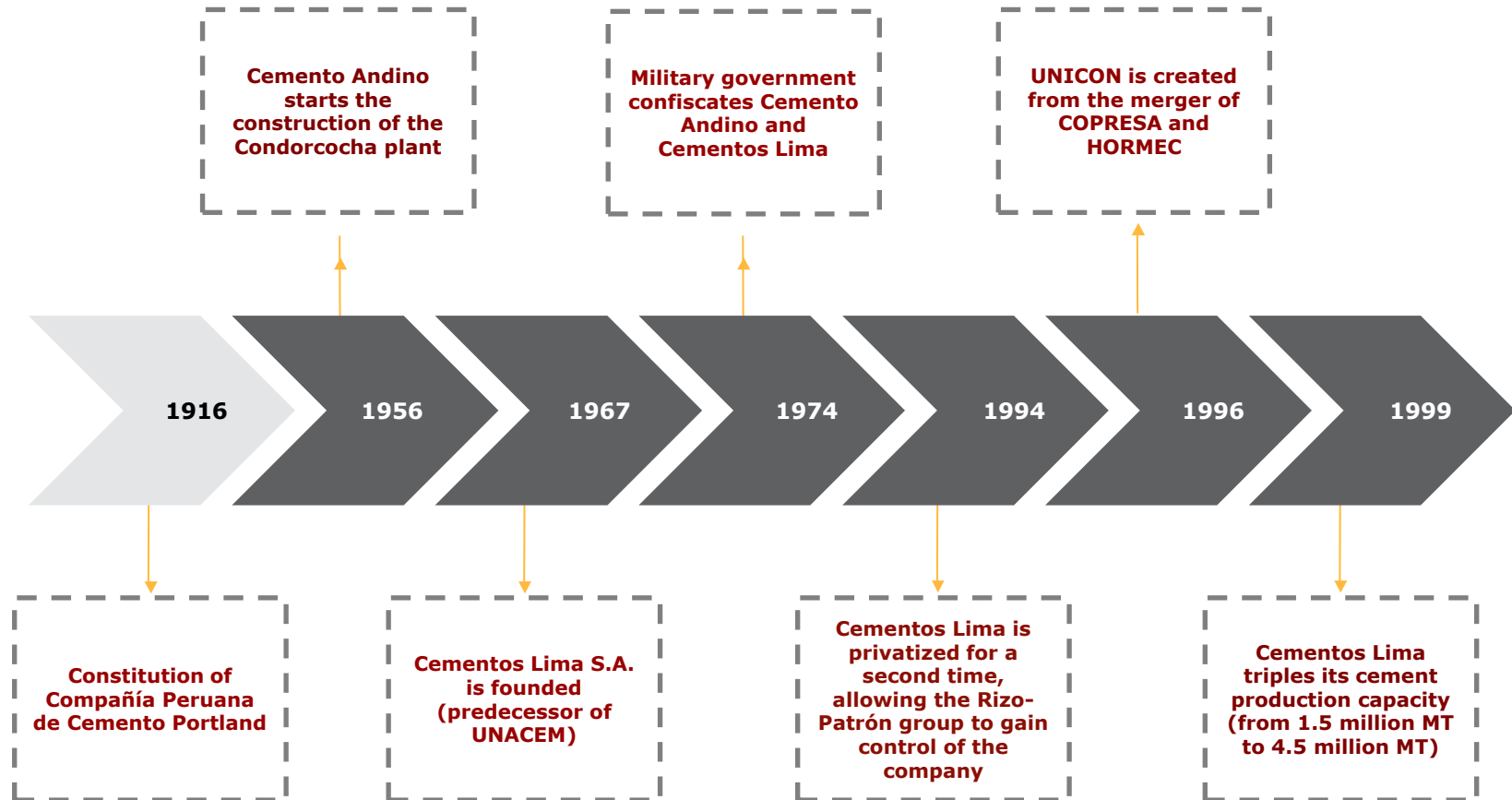
6.APPENDIX

Additional information

1. Overview

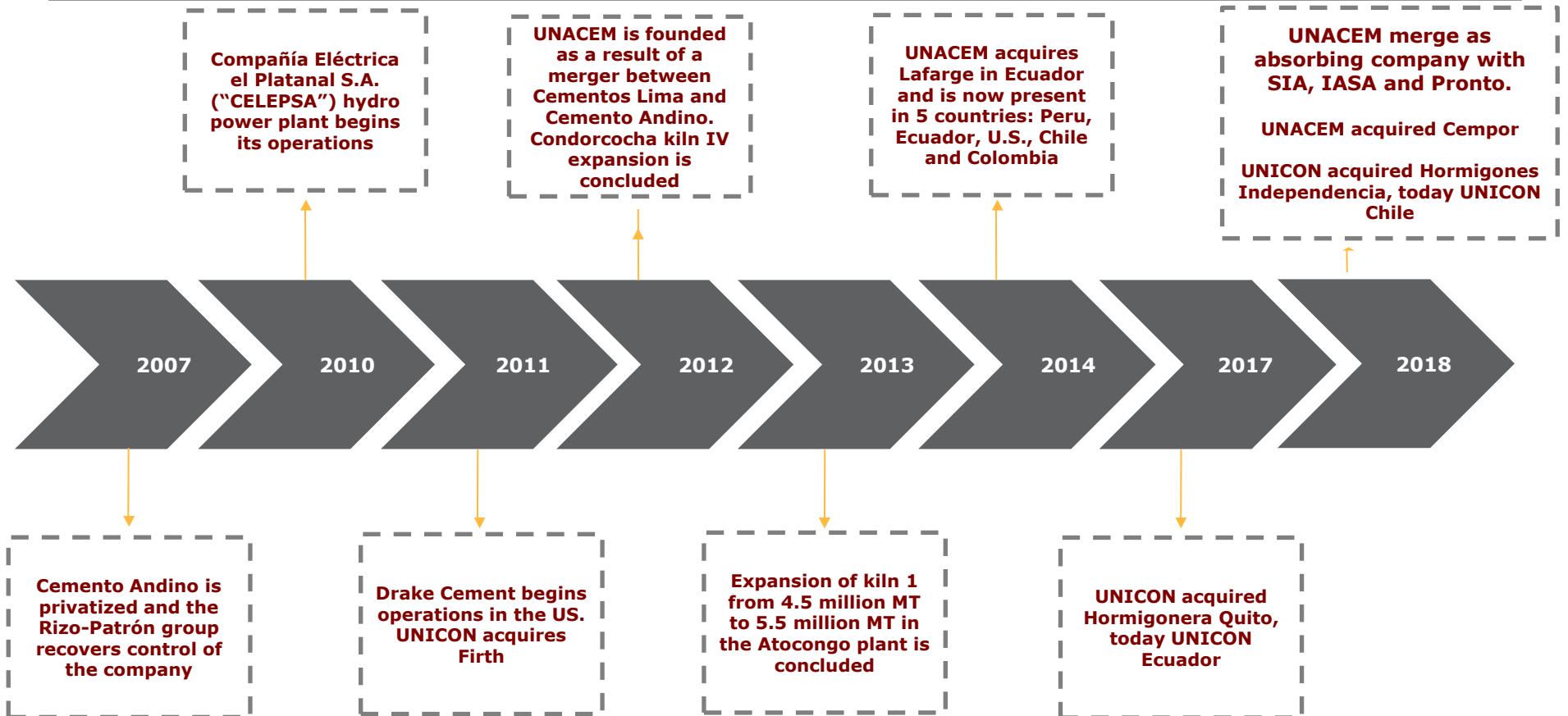


History



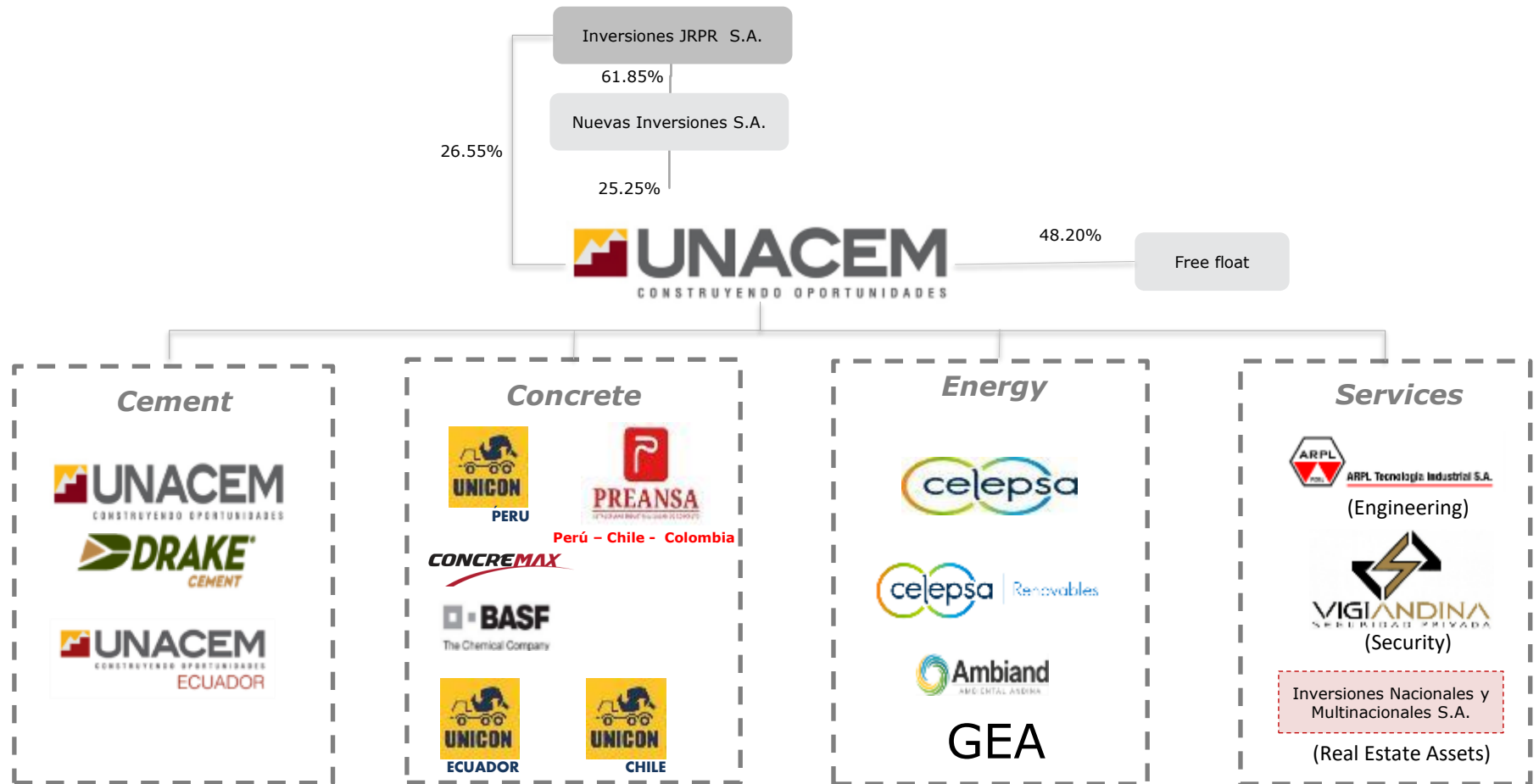
UNACEM has almost 100 years of successful operations in the Peruvian market...

History (cont.)



...developing new business segments and entering new markets in the region

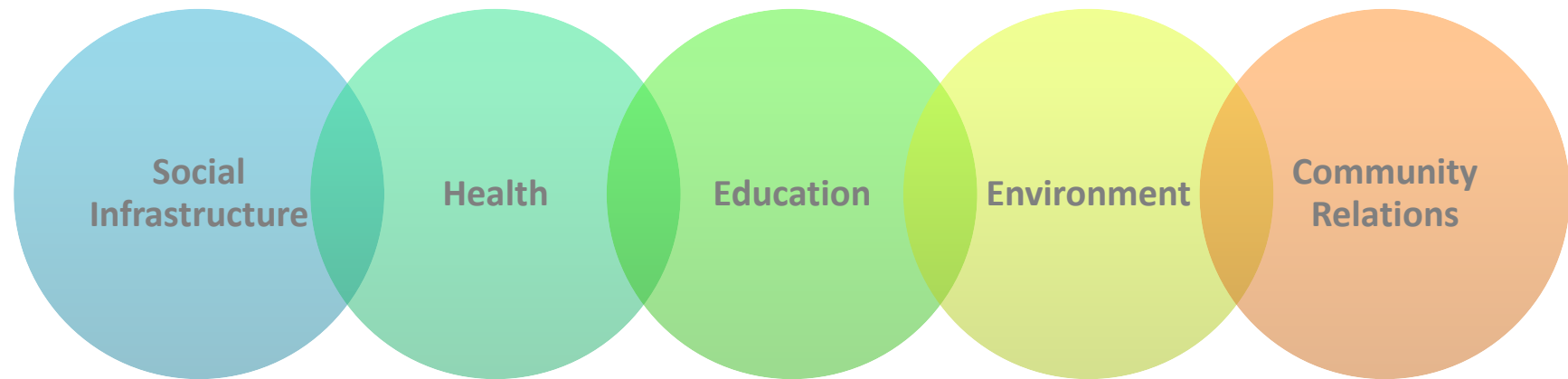
UNACEM structure



UNACEM S.A.A. is listed in the Lima Stock Exchange (BVL) with a Market Cap of USD 883.9 million, as of March 8, 2021.
 FX Rate: PEN 3.7025- 1,818,127,611 Common shares

ESG is at the core of our culture



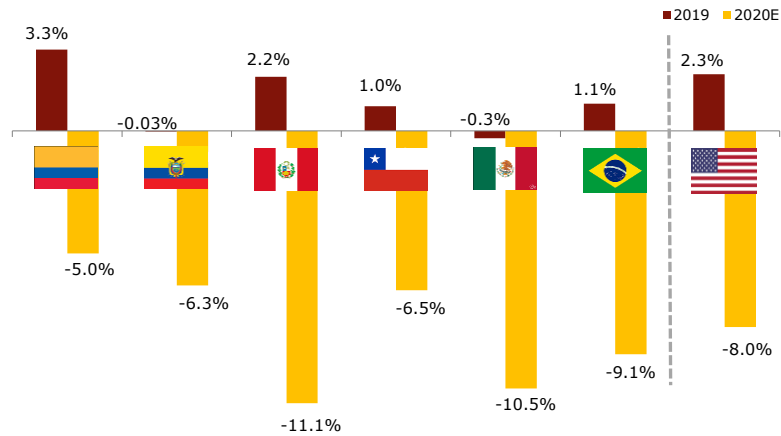


2. *Fundamentals*

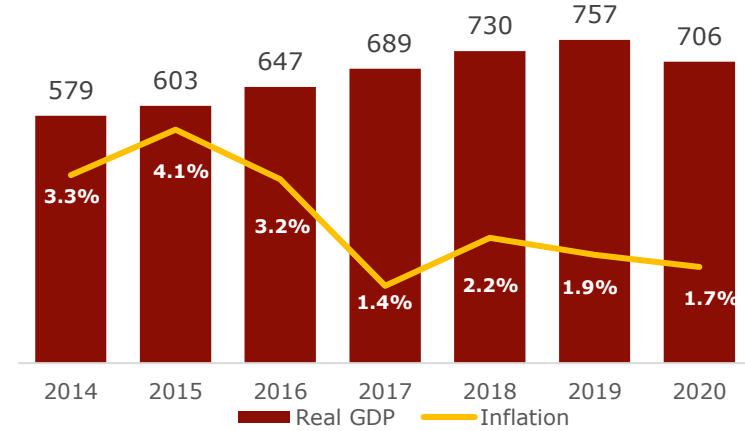


Macroeconomic fundamentals have been affected by COVID-19

Latam GDP Growth
(Annual variation %)

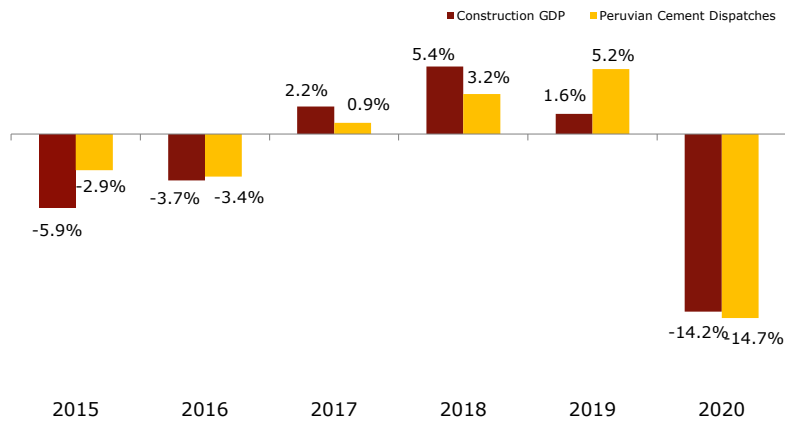


Peru Real GDP and Inflation
(PEN Bn and %)

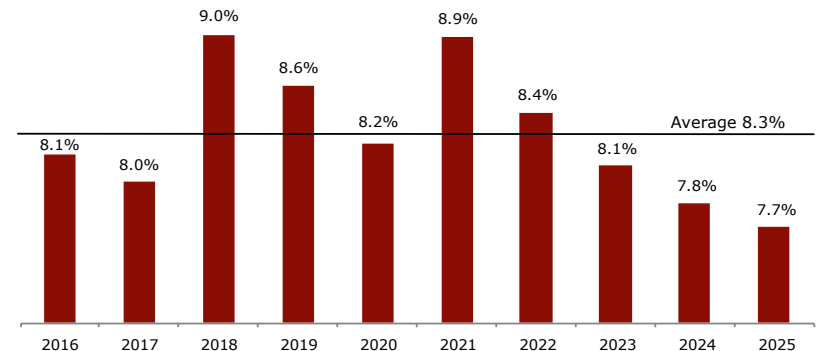


* Peru Real GDP and Inflation (YoY)

Peru Construction GDP vs. Cement Dispatches
(Growth %)

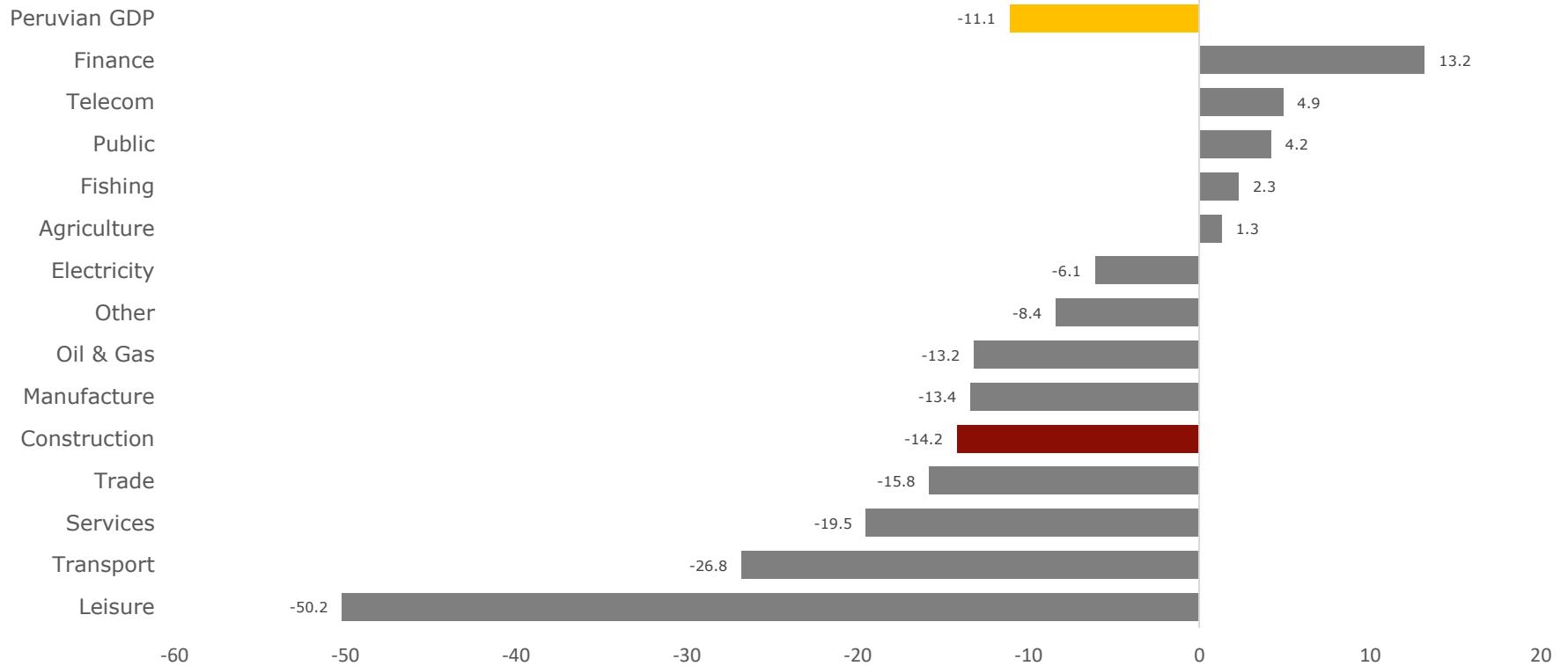


Peruvian Infrastructure Gap
(as % GDP)



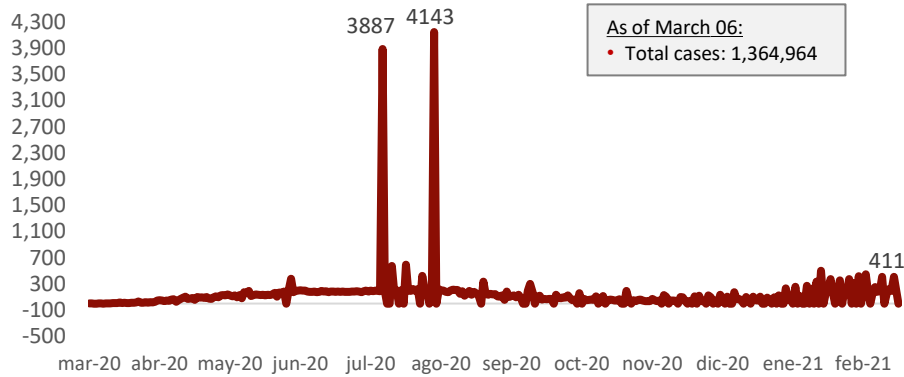
The construction sector recovered in the last quarter of 2020

Peru GDP (YTD Dec 2020, % Growth)

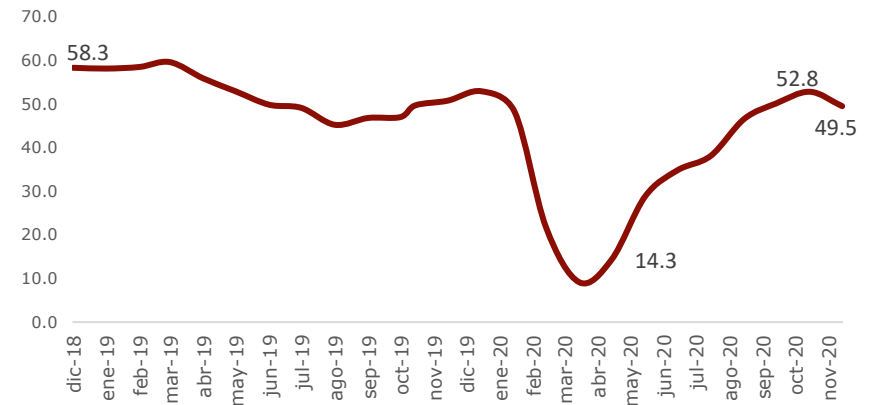


... the worst seems to be over (v-shaped recovery) ...

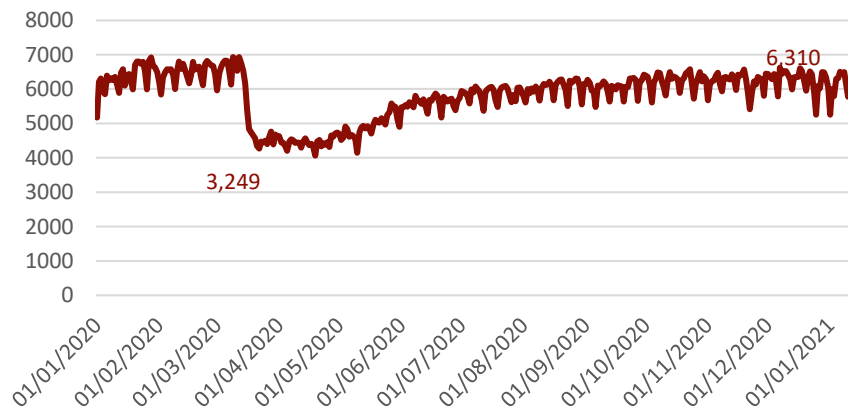
COVID-19: New Deaths
(Daily #)



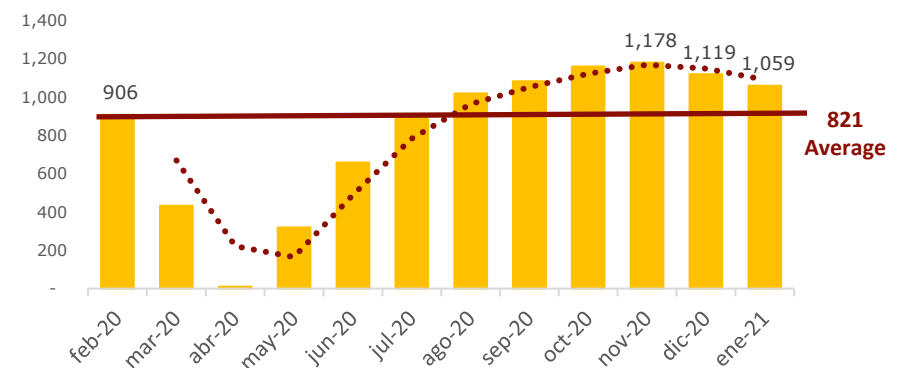
Business Expectations
(Index)



Electricity Demand
(Daily at 18:00, MW)



Cement Dispatches
(Monthly TM, thousands)



... with G2G agreements to lead the execution of public works ...

Reconstruction Agreement

- Government of the United Kingdom of Great Britain and Northern Ireland
- Budget: PEN 7,000 million
- Term: 2 years



Works to be executed



17 rivers and 5 river creeks



7 drains

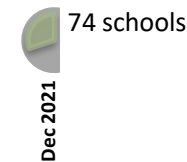


15 health centers



74 schools

Timeline



... and we can focus on the pipeline of granted projects ...

LINE 2 – METRO OF LIMA

Metro de Lima - Línea 2 USD 5,658 MM



TRANSPORTATION INFRASTRUCTURE

Jorge Chavez Airport Expansion USD 1,500 MM

Chancay Port USD 1,100 MM

Muelle Norte - Etapas 1 y 2 - Callao Port USD 370 MM

Mineral Terminal - Callao Port USD 150 MM

Pisco Airport Expansion USD 107 MM

TOTAL USD 3,227 MM



ROADS

Red Vial 4 USD 380 MM

Rutas Nuevas de Lima USD 590 MM

Amp. Red Vial 5 USD 100 MM

Amp. Red Vial 6 USD 300 MM

Ambo- Oyon - I USD 140 MM

TOTAL USD 1,510 MM



WATER AND SANITATION

Water and Sanitation in Lima (Sedapal) USD 166 MM

Pichanaki Hospital up-grade (Junin) USD 79 MM

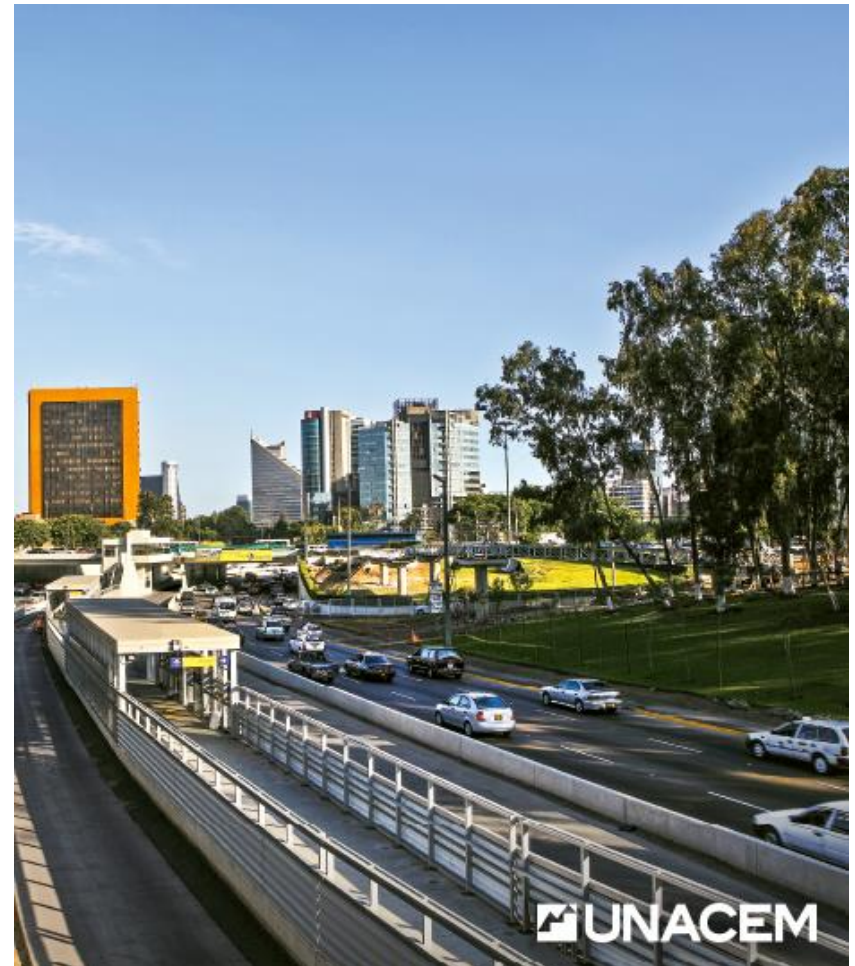
TOTAL USD 245 MM



... and restarting works with our private clients



More than **USD 3,200 million** of mining projects announced in UNACEM's area of influence



3. Recent Events



Atocongo Plant - Lima

Board of Directors



11 members
3 independent
1 woman

On July 3rd, 2020, our shareholders elected a new Board for 2020-2022:

1. Ricardo Rizo Patrón – President
2. Alfredo Gastañeta – Vicepresident
3. Marcelo Rizo Patrón
4. Jaime Sotomayor
5. Carlos Ugás
6. Diego de la Piedra
7. Maria Elena Rizo Patrón
8. Martin Ramos
9. Jorge Ramirez del Villar – Independent
10. Jose Antonio Payet – Independent
11. Elmer Cuba – Independent

CEO



On July 1st, 2020, Pedro Lerner Rizo Patrón took office as CEO

Three newly appointed Corporate VPs

**Marlene
Negreiros**



Culture and
Talent

**Eduardo
Sánchez**



Industrial
Operations

Álvaro Morales



Finance



On December 2020, UNACEM purchased 100% of the shares of Cementos La Unión S.A. (CLU CHILE) and 100% of the social rights of Inversiones Mel 20 Limitada (MEL20), subject to the approval of the Chilean National Economic Prosecutor (FNE). On February 23, 2021 the approval was obtained.

Main assets acquired	
Grinding Capacity	300,000 tons/year
Ready-mix capacity	336,000 m ³ /year
Location – Cement	Near port of San Antonio
Location – Ready-mix	Santiago and surrounding areas
Other assets	Tax credits

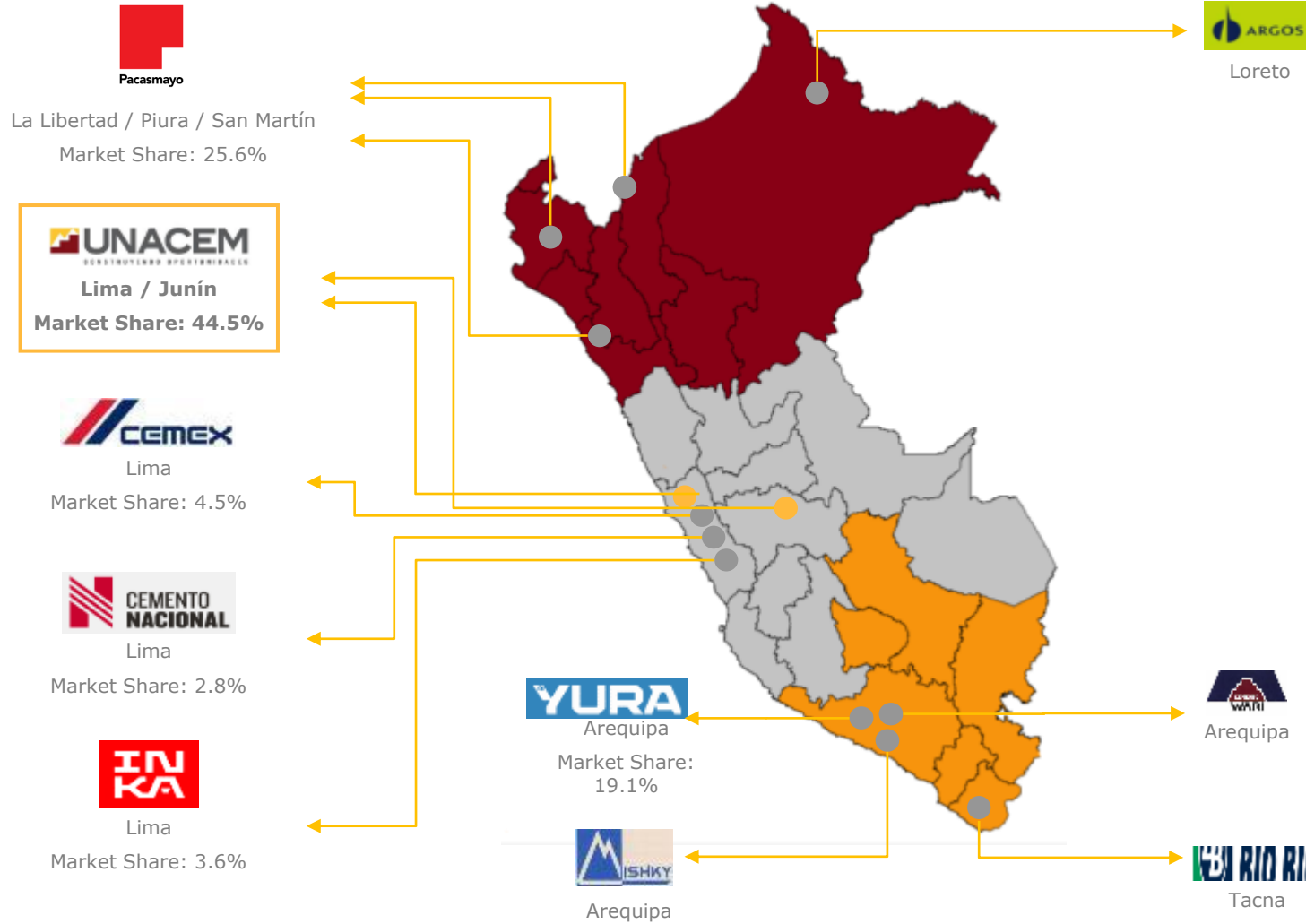


4. UNACEM Peru



Condorcocha Plant, Tarma (3,950 m.a.s.l)

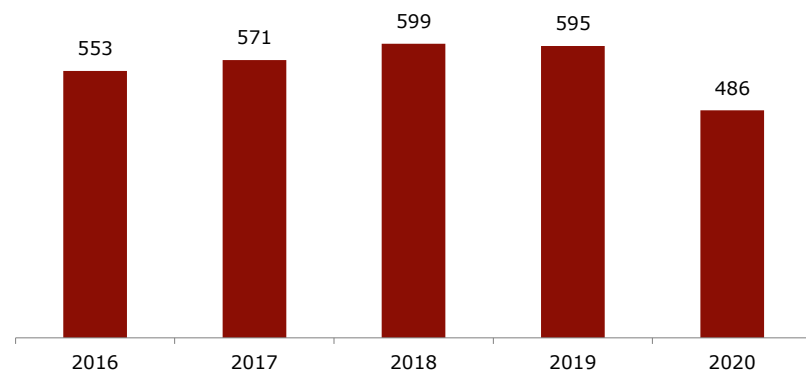
UNACEM is the cement market leader in Peru



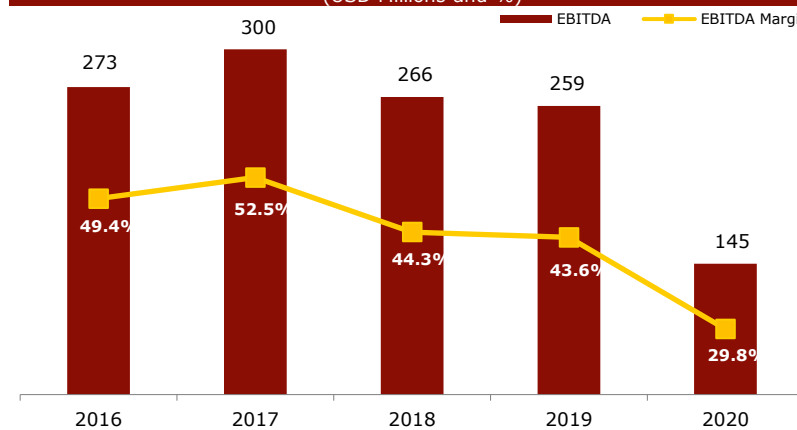
4. Consistently delivering strong financial results

Separate financial performance

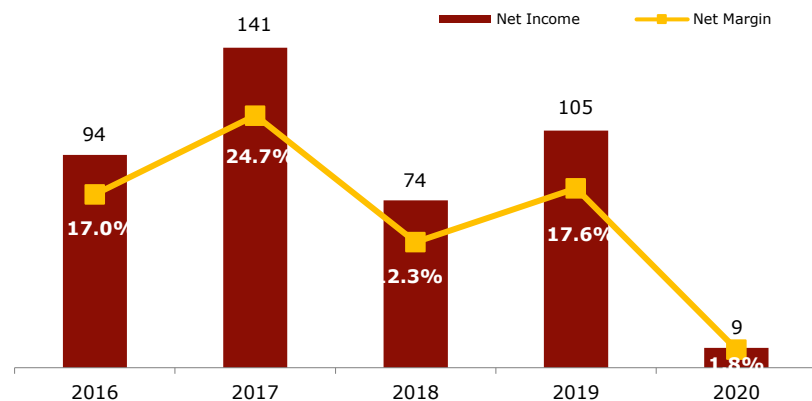
Revenues
(USD Millions)



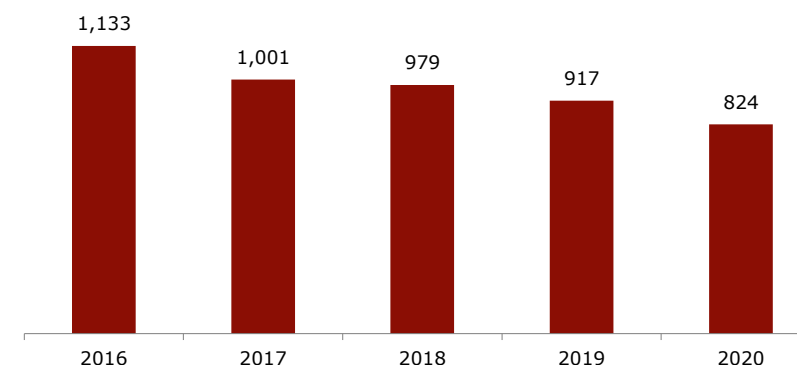
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)

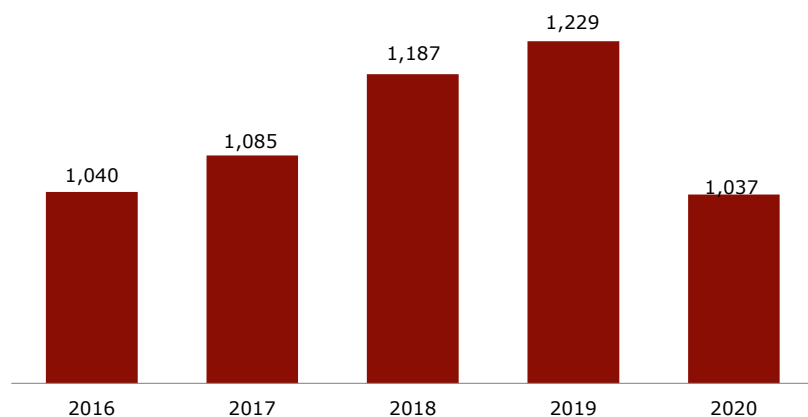


5. Consolidated Financial Highlights

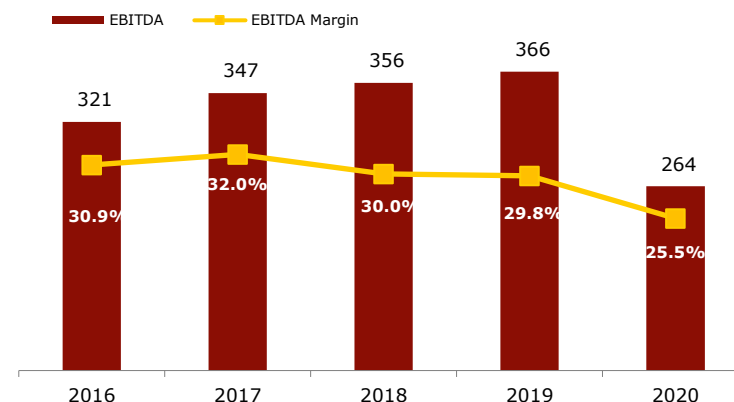


Good results despite tough environment ...

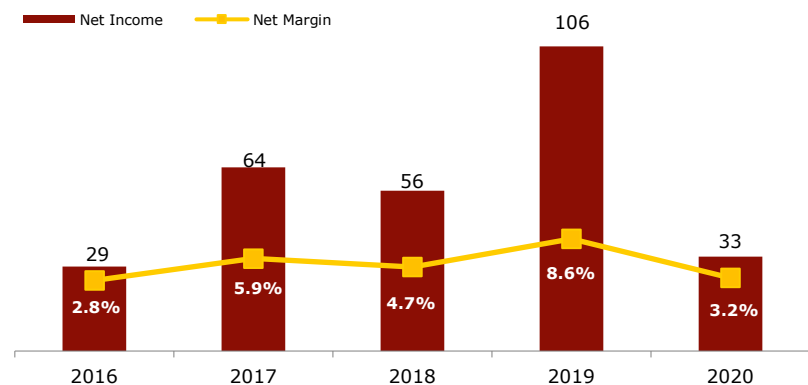
Revenues
(USD Millions)



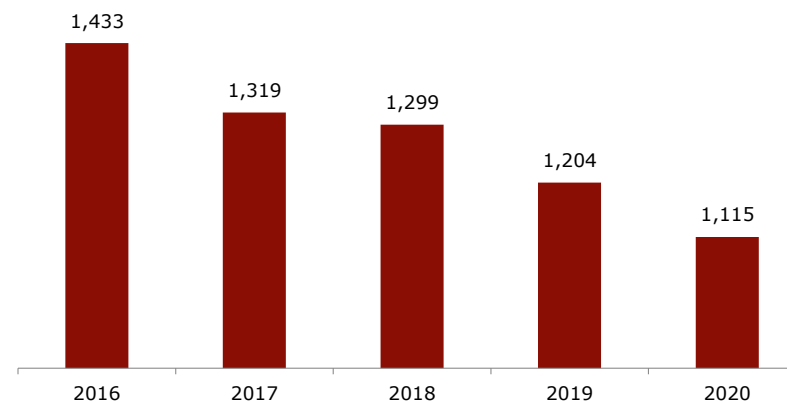
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



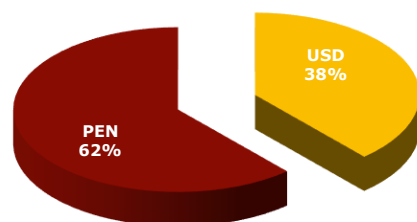
Net Debt
(USD Millions)



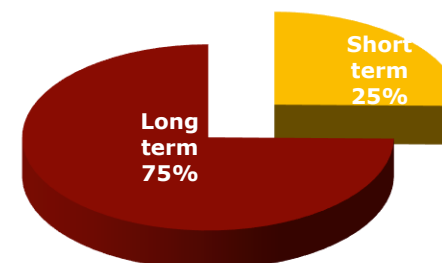
... with a lean consolidated debt structure

Total Debt as December 2020 USD 1,231 million

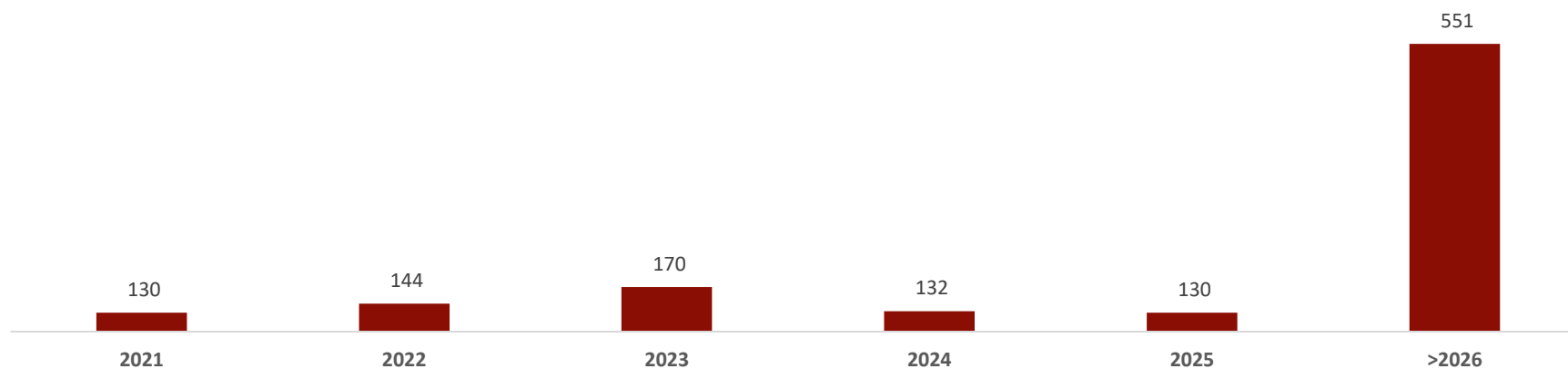
FX Distribution (USD Millions)



Maturity Profile (%)






Amortization Schedule (USD Millions)



UNACEM stand-alone's liability management process for PEN 1.2 billion

Improved debt profile:

- ✓ Extended duration
- ✓ Lower average cost

Total amount		PEN 1.168 million	
Banks :		PEN	533 million
		PEN	407 million
		PEN	228 million
Term:	6 years		
Disbursement:	January 21, 2021		
Use of proceeds:	Refinance existing liabilities		

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Atocongo Plant, Lima

We immediately formed a corporate crisis committee (3 board members + 4 executives) that designed a plan of action

1

Guaranteed liquidity for UNACEM and subsidiaries

- Called credit lines from local financial institutions
- Cost reduction and accelerated efficiency search
- Reduced CAPEX
- Consumed existing inventories
- Temporary suspension of quarterly dividends
- Supported our distribution network and most vulnerable suppliers

2

Established strict sanitary protocols to safeguard all of our employees' health

- Comply with all regulatory requirements
- Social distancing
- Homeworking

3

Continued support for the most vulnerable population in the areas surrounding the Atocongo and Condorcocha plants through Asociacion UNACEM

- Donation of an oxygen plant in Tarma
- Donation of PPE and masks
- Attention to people's needs

4. UNACEM Peru

Overview

- On October 1st, 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


Financial Snapshot 2019 and 2020

	2019	2020
Total Assets	2,622	2,507
Revenues	590	486
EBITDA	259	145
EBITDA Margin	44%	30%
Local Ratings	Class: AAA APOYO: AA	

Cement Plants

Atocongo	Condorcocha
Location: Lima Clinker Capacity: 4.8 million MT Cement Capacity: 5.5 million MT Clinker Production(2020): 2.2 million MT Cement Production(2020): 3.0 million MT Limestone Reserves: 33 years	Location: Junín Clinker Capacity: 1.9 million MT Cement Capacity: 2.8 million MT Clinker Production(2020): 0.8 million MT Cement Production(2020): 1.4 million MT Limestone Reserves: 155 years
	

Distribution and Services

Progre-Sol <i>Commercialization</i> <ul style="list-style-type: none"> Hardware store with over 1,000 points of sale 	
Hatun-Sol <i>Financing and Advising</i> <ul style="list-style-type: none"> Product financing and advising families on building techniques 	
Duravía <ul style="list-style-type: none"> Solutions for road paving 	

**4. Unicon
Peru,
Ecuador,
Chile &
Concremax**



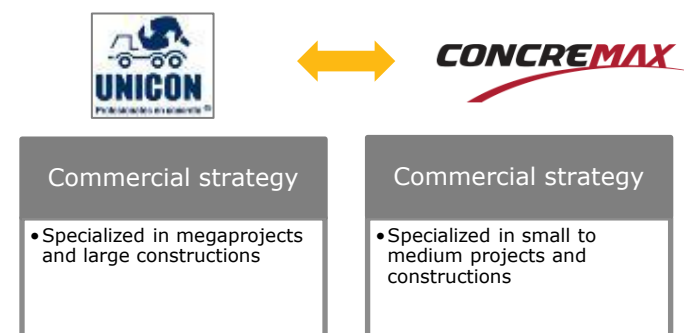
4. UNICON Peru, Ecuador, Chile & CONCREMAX

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

Market Positioning

- UNICON and CONCREMAX are the leaders in the market



Financial Snapshot – 2020 (USD MM)

Total Assets	277
Revenue	231
EBITDA	16
EBITDA Margin	7%

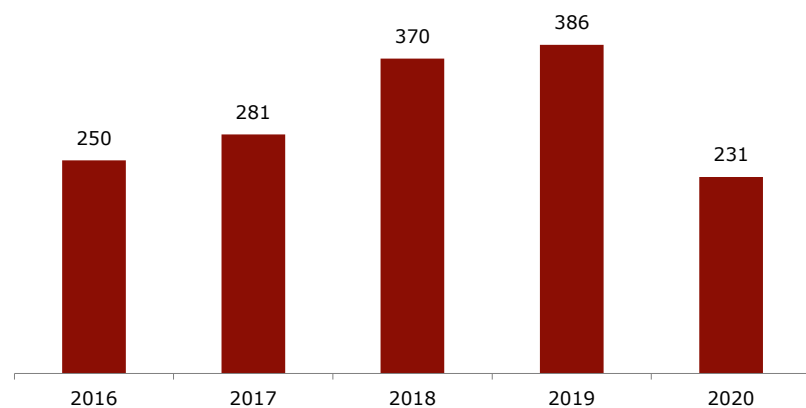
Includes Unicon and subsidiaries

Assets and Capacity in Peru

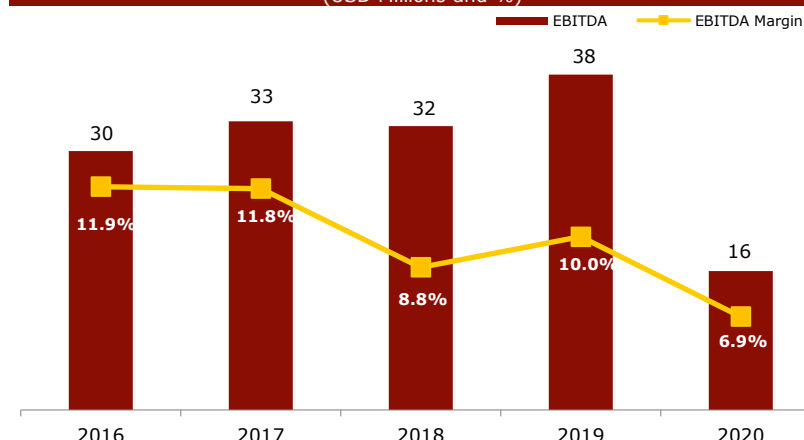
Installed Capacity	9.2 (million m³ per year)
Concrete Plants	58
Facilities in Lima	13
Facilities in the rest of Peru	22
Mixer Trucks	519

4. Positioned to deliver strong cash flows...

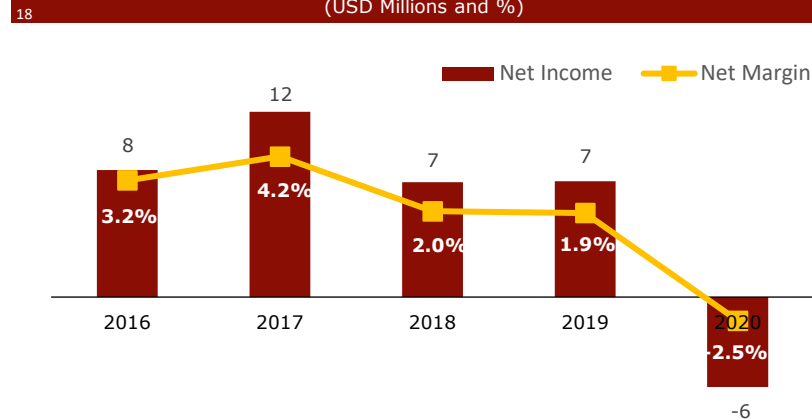
Revenues
(USD Millions)



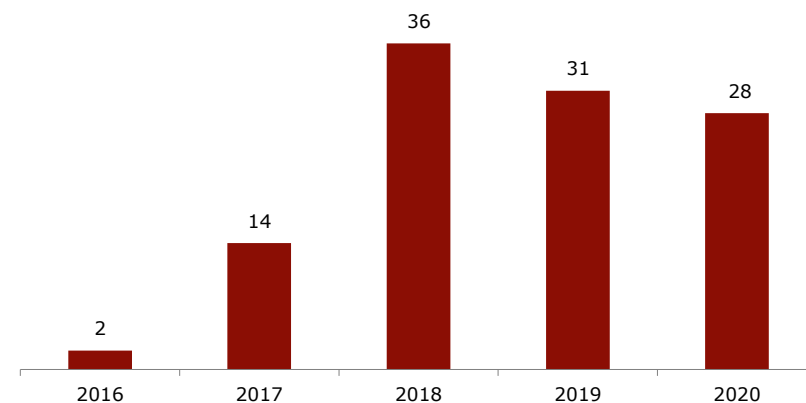
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



5. Celepsa



5. Celepsa

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 Marañon (18 MW)
- In November 2014, Celepsa acquired Hidro Eléctrica Marañon S.R.L., 18 MW Hydroelectric power plant with an 88 MW PPA, Hidromarañon 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

Financial Snapshot – 2020 (USD MM)

Total Assets	329
Revenue	66
EBITDA	25
EBITDA Margin	38%

Hydroelectric Power Plant

El Platanal

Location: Lima
 Generation Capacity: 220 MW



Hidro Marañon

Location : Huánuco
 Generation Capacity: 18 MW



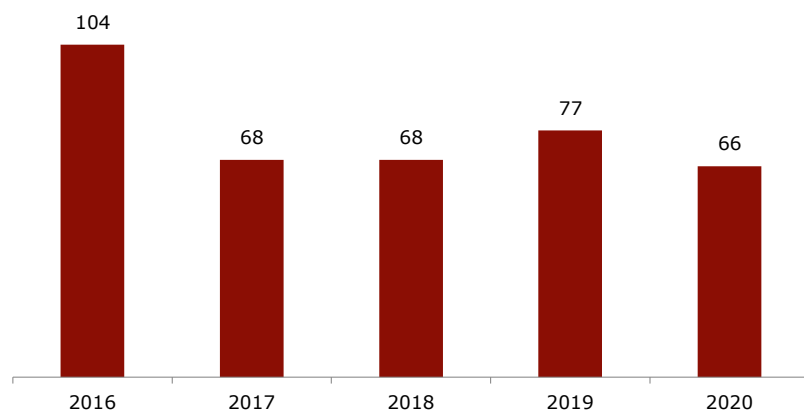
Company structure



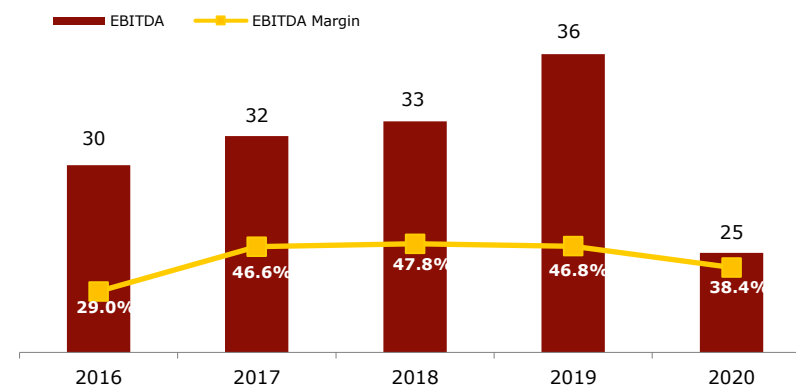
On March, 2018, Hidromarañon SRL changed its legal name to Celepsa Renovables SRL

5. Keeping its competitiveness in the energy sector ...

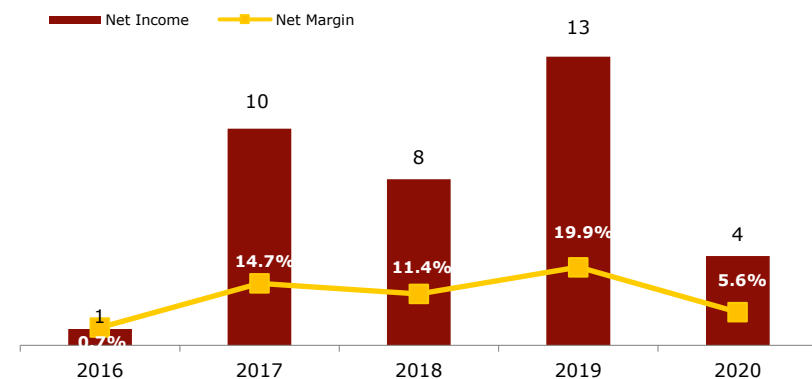
Revenues
(USD Millions)



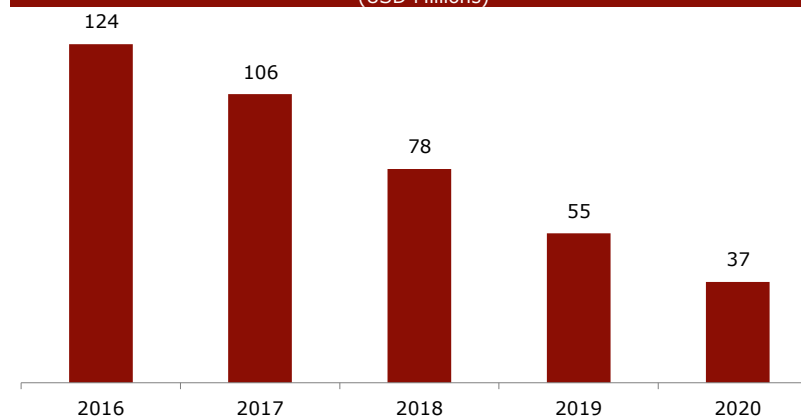
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



6. Skanon / Drake



6. Skanon / Drake

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
- As of 3Q2020 Skanon revenues were 30.7% higher than as of 3Q2019

Financial Overview – 2020 (USD MM)

Total Assets	408
Revenue	186
EBITDA	22
EBITDA Margin	12%

Products and Brands

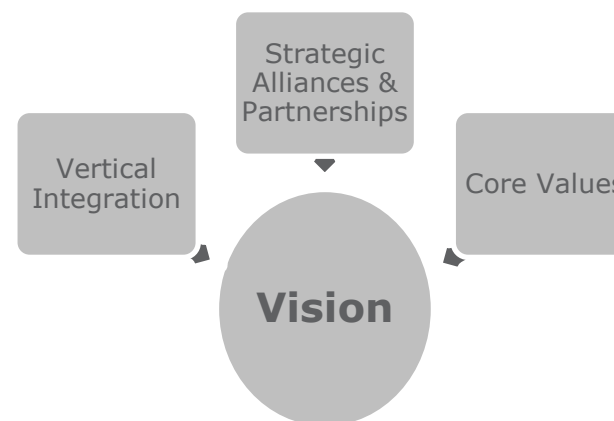


- ASTM C 150 Type II/V (LA)
- Clinker Type II/V
- Special cement



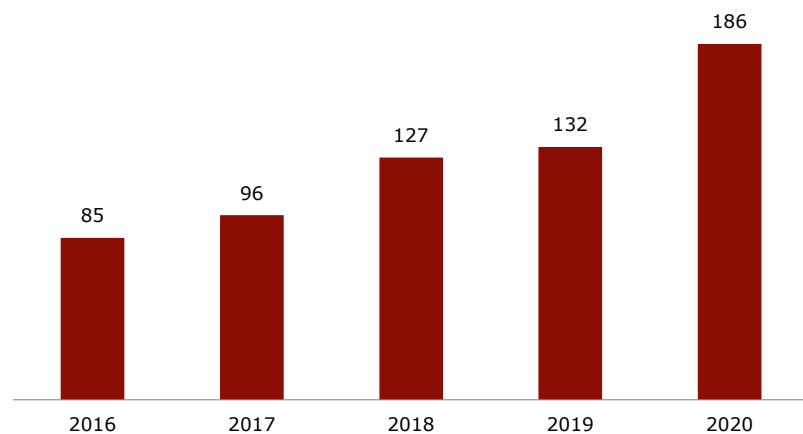
- ABC (Aggregate Base Course)
- Crushed rock
- Concrete and mortar sand
- Recycled concrete and asphalt

Business Strategic Plan

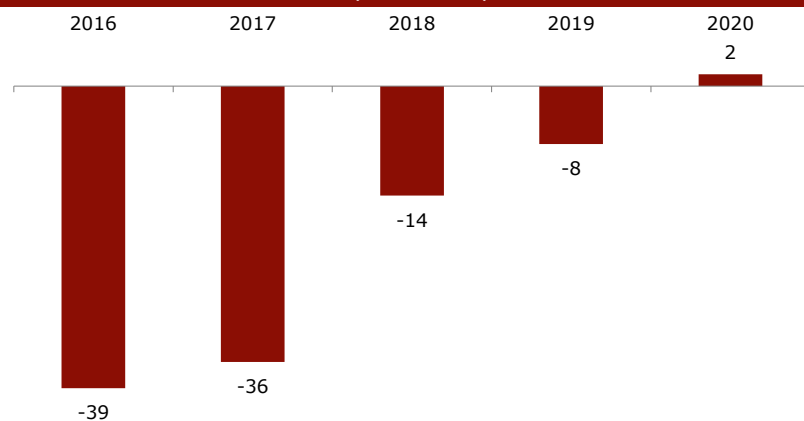


6. Successful turnaround story ...

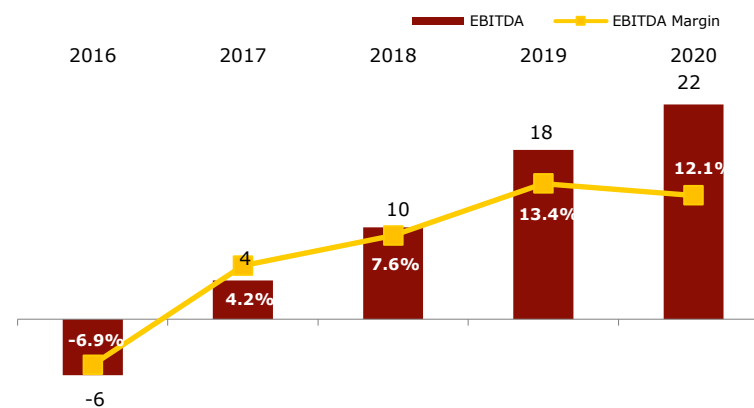
Revenues
(USD Millions)



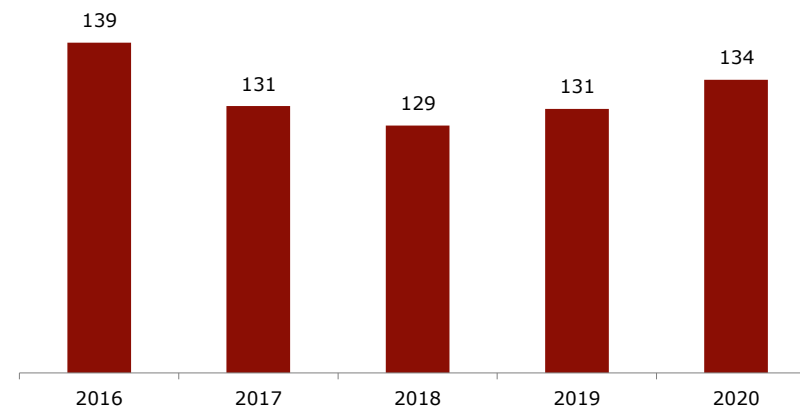
Income before taxes
(USD Millions)



EBITDA and EBITDA Margin
(USD Millions and %)



Net Debt
(USD Millions)



7. UNACEM Ecuador



7. UNACEM Ecuador

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 – 2020 (USD MM)

Total Assets	210
Revenue	119
EBITDA	42
EBITDA Margin	36%

Operations

Otavaló

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 (2020): 0.95 million MT

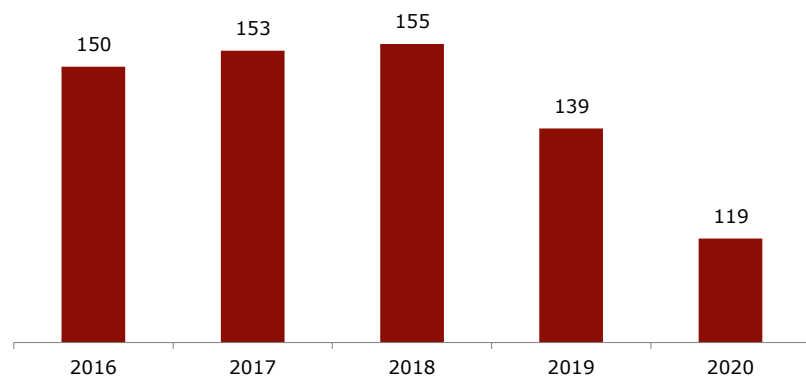


Ownership structure

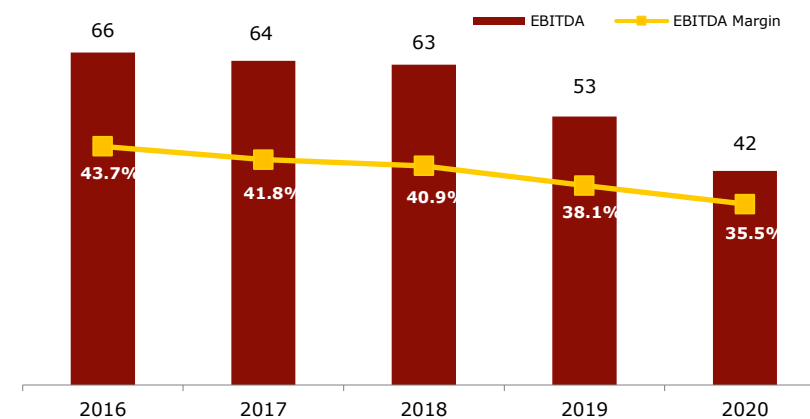


7. Delivering solid margins ...

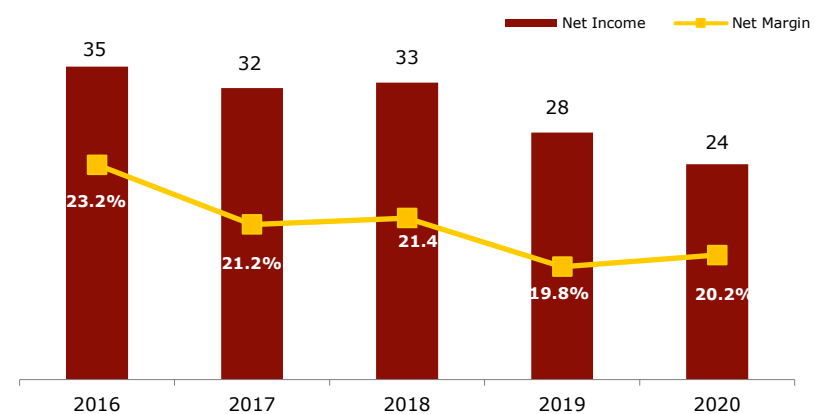
Revenues
(USD Millions)



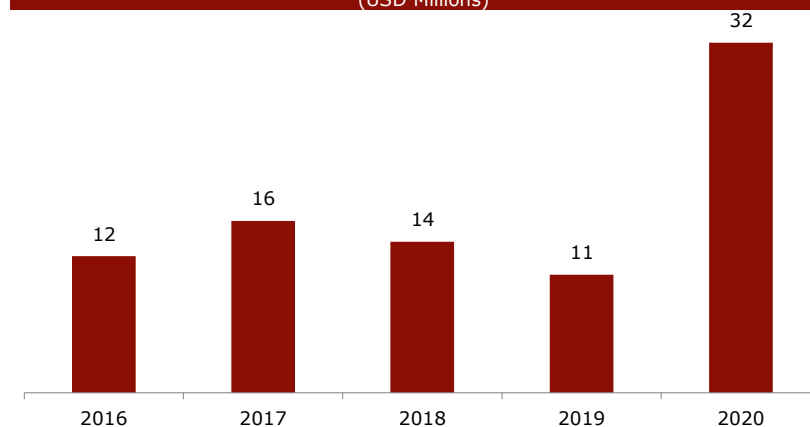
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



8. Preansa



8. PREANSA Peru & Chile

Company Description

- Prefabricados Andinos Perú S.A.C. (PREANSA Perú) is a subsidiary of UNACEM which mainly produces prestressed industrialized concrete structures
- The business has a strong growth potential and already has tripled sales in the past 3 years
- PREANSA Peru was founded in 2007 with UNACEM holding 50% of ownership
- In January 2014, UNACEM acquired 51% of ownership of Preansa Chile.
- PREANSA Colombia started operations in July 2016.
- PREANSA has presence in Peru, Chile and Colombia

Production Capacity

	Peru		Chile
Pillars	90 m/day	Pillars	60 m/day
Industrial Belts	400 m/day	Industrial Belts	300 m/day
Prestressed light beams	100 m/day	Prestressed light beams	120 m/day
Prestressed heavy beams	220 m/day	Prestressed heavy beams	60 m/day
Mezzanine Elements	140 m/day	Mezzanine Elements	300 m/day
		Wall panel	80 m/day

Financial Overview – 2020 (USD MM)

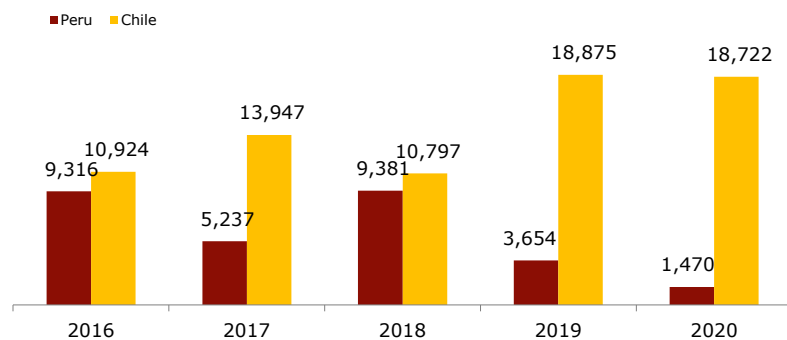
	Peru		Chile
Total Assets	18	Total Assets	23
Revenue	1	Revenue	18
EBITDA	-1	EBITDA	3
EBITDA Margin	-47%	EBITDA Margin	18%

Ownership structure

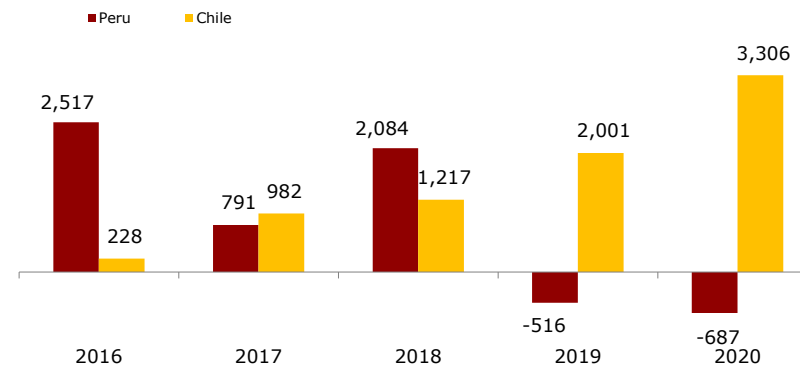


8. Building a high potential operation in the region ...

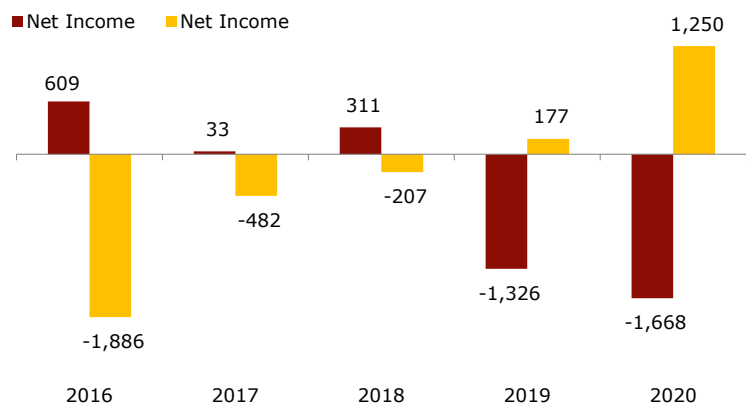
Revenues
(USD Thousands)



EBITDA
(USD Thousands)



Net Income
(USD Thousands)



Net Debt
(USD Thousands)

