

NEWSLETTER

1Q21

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- ▶ Consolidated revenues in 1Q21 were PEN 1,087 million, 20.1% higher than consolidated revenues in 1Q20, due to the strong recovery of cement and ready-mix volume sold in Peru and Ecuador, and solid cement and ready-mix dispatches in the US. It should be noted that in mid-March 2020, operations in Peru and Ecuador were interrupted due to the measures taken by governments as result of the COVID-19 pandemic.
- ▶ Consolidated EBITDA during 1Q21 was PEN 374 million, 31.1% higher than in 1Q20. EBITDA margin in 1Q21 was 34.4%, higher than the 31.6% recorded in 1Q20, due to uninterrupted utilization rate with the corresponding impact on fixed costs.
- ▶ Net Profit during the quarter accounted for PEN 214 million, compared to PEN 61 million recorded in 1Q20. This result is explained by the higher operating result across all the Group's companies, with normalized operation levels, and the effect of the "badwill" related to the acquisition of Cementos La Unión in Chile, integrated to the Group at the end of March of this year.

The most important figures for the quarter are shown below:

UNACEM S.A.A and subsidiaries consolidated (PEN million)

	1Q20	1Q21	Var. %	LTM Mar-20	LTM Mar-21	Var. %
Net Revenues	905	1,087	20.1%	4,011	3,757	-6.3%
EBITDA	286	374	31.1%	1,186	1,010	-14.8%
EBITDA Margin	31.6%	34.4%	---	29.6%	26.9%	---
Net Income	61	214	249.3%	294	268	-8.8%
Net Margin	6.8%	19.7%	---	7.3%	7.1%	---

II. OPERATIONS AND MARKETS

Variations in cement and clinker production in Peru, as well as local cement dispatches, are shown in the table below.

Production and Dispatches- Peru
(in thousand tons)

Period		Production		Dispatch	
Year	Qtr.	Clinker	Cement	UNACEM	Peru
2020	I	1,150	1,068	1,064	2,319
	II	-	439	444	1,027
	III	685	1,362	1,364	3,083
	IV	1,183	1,606	1,591	3,649
	I-IV	3,017	4,476	4,462	10,079
2021	I	1,500	1,450	1,444	3,267
	I	1,500	1,450	1,444	3,267
Variation					
	21-I/20-I	30.4%	35.7%	35.7%	40.9%
	21-I/20-IV	26.8%	-9.7%	-9.2%	-10.5%

Source: UNACEM, ASOCEM, INEI

■ Production

UNACEM Peru's clinker production, with normal operation levels during 1Q21, accounted for 1.5 million tons, 30.4% higher than the production recorded in 1Q20. In comparison with 4Q20, clinker production was 26.8% higher, due to the operation of both kilns at the Atocongo plant during 1Q21.

Cement production in UNACEM Peru in 1Q21, with normal operating levels, was 1.5 million tons, a figure 35.7% higher than in 1Q20, in line with the important recovery of local demand.

Considering the production of both Peruvian plants, as of 1Q21, the combined utilization rate was 89.5% for clinker and 69.9% for cement.

■ Peruvian Domestic Market

UNACEM's local cement dispatches during 1Q21 totaled 1.4 million tons, figure 35.7% higher than 1Q20. In comparison with 4Q20, cement dispatches were 9.2% lower. It should be noted that our bagged cement unit experienced solid dispatches during the quarter.

During the 1Q21, total cement dispatches in the Peruvian market reached 3.3 million tons, according to the National Institute of Statistics – INEI, 40.9% higher than in 1Q20, and 10.5% lower than in 4Q20.

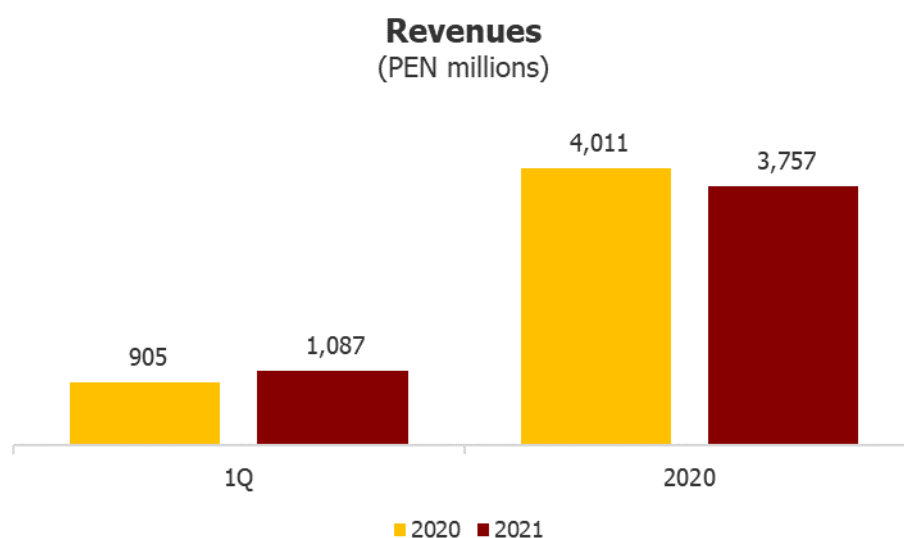
Therefore, in 1Q21, UNACEM recorded a market share in the Peruvian market of 44.2%, lower than the 45.9% market share recorded in 1Q20.

■ Exports and Port Operations

During 1Q21, clinker exports through our pier in Conchan reached 107 thousand tons, slightly higher than the volume exported during 1Q20 (103 thousand tons). Additionally, the tonnage of bulk solids operated in Conchan during the quarter was 254 thousand tons, lower than the same period of the previous year (276 thousand tons), with operations of gypsum, coal, slag, imported clinker and grains for third parties.

UNACEM AND SUBSIDIARIES CONSOLIDATED FINANCIAL RESULTS

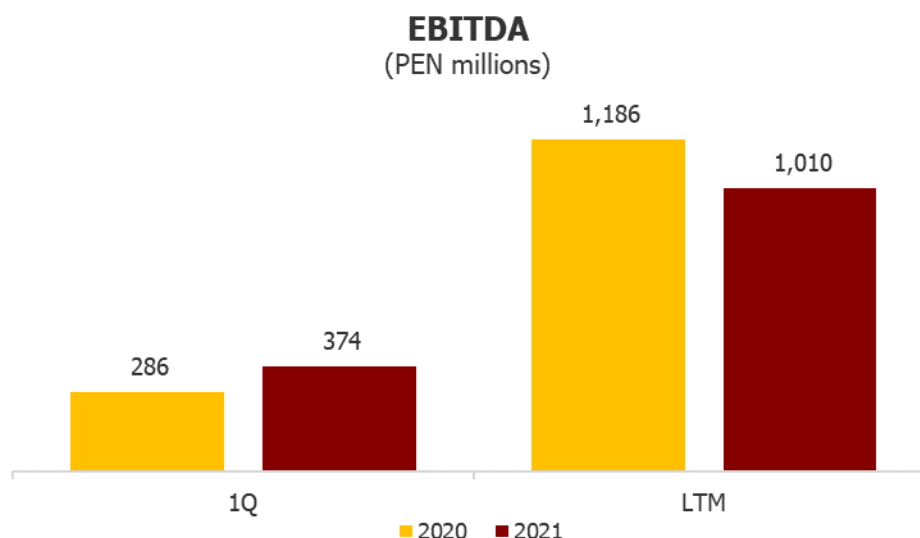
■ Consolidated Revenues



Consolidated revenues in the 1Q21 were PEN 1,087 million, 20.1% higher than those recorded in 1Q20. This increase is explained by:

- + Higher cement dispatches in Peru and higher average prices;
- + Higher ready-mix volume in Peru;
- + Higher cement and ready-mix volume in Ecuador;
- + Higher ready-mix and aggregates volume in the US;
- + Higher energy sold in Peru; and net from,
- Lower volume sold in Preansa Chile.

■ Consolidated EBITDA



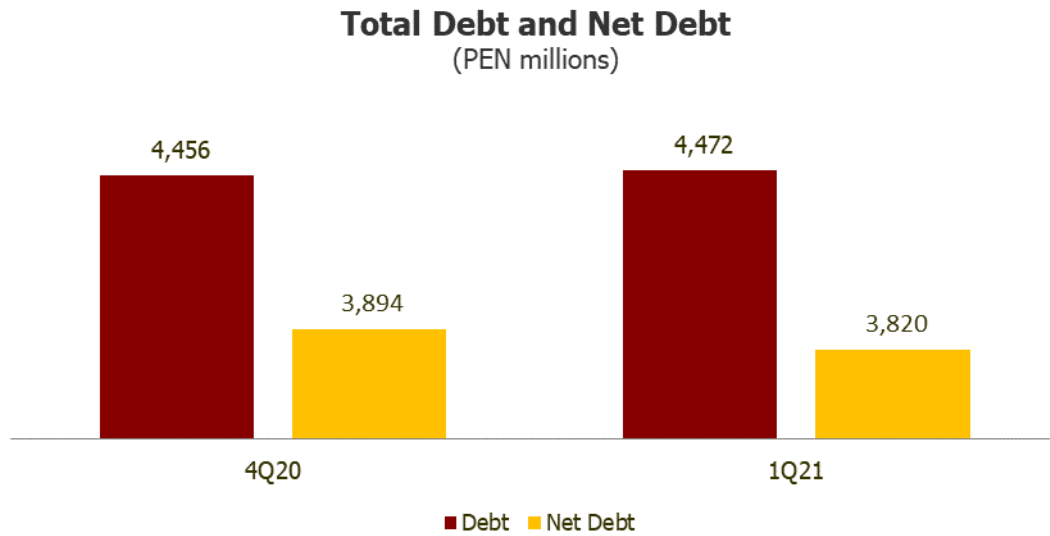
EBITDA in 1Q21 was PEN 374 million, a figure 31.1% higher than the one recorded in 1Q20. EBITDA margin during 1Q21 was 34.4%.

LTM EBITDA, which incorporates the months of April and May 2020 when operations were interrupted, was 14.8% lower than the LTM registered as of 1Q20, mainly due to:

- Lower cement volume and exports, net from higher average prices in Peru;
- Lower ready-mix volume in Peru, Ecuador and Chile;
- Lower energy sold in Peru;
- Lower volume sold in Ecuador; net from,
- + Higher cement, ready-mix and aggregates volume sold in the United States.

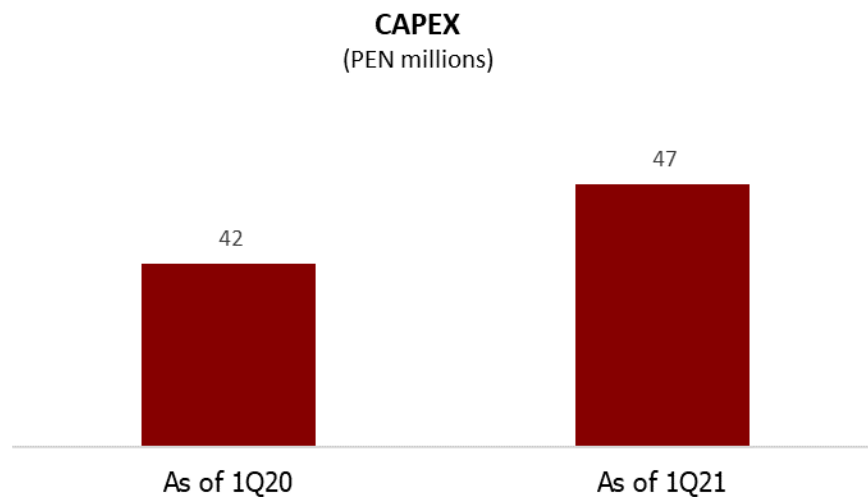
EBITDA margin was lower due to higher COGS, mostly higher fixed costs, as a result of the stoppage of operations. SG&A expenses were lower, as a result of the preventive and extraordinary actions taken by all the Group's companies.

■ Consolidated Debt



As of March, 31st, 2021, Net Debt/EBITDA ratio was 3.8x, a lower figure than the 4.2x reported at the end of 2020. Gross debt in PEN increased slightly due to the FX conversion impact of the USD denominated debt. During 1Q21, we continued servicing our long-term debt as scheduled.

■ Consolidated CAPEX



As of March, 31st, 2021, CAPEX totaled PEN 47 million, 12.1% higher than in March, 31st, 2020, when it recorded PEN 42 million. Disbursements correspond to minor projects across all companies including works in the control system of Kiln 2 at Condorcocha, structural reinforcement in the chamber 3 in Atocongo’s multisilo, the new grinding project in Skanon, and overhaul of equipment, among others.

III. MAJOR SUBSIDIARIES AND AFFILIATES

Below is a summary of the results of our main subsidiaries:

- UNICON Consolidated

UNICON Consolidated

		1Q20	1Q21	Var. %
Volume of ready mix	(thousands of m3)	707	747	5.7%
Revenues	(PEN million)	244	281	15.3%

Include all business units of UNICON in Peru, Ecuador and Chile

UNICON’s consolidated revenues in the 1Q21, considering our operations in Peru, Chile and Ecuador, increased by 15.3% compared to 1Q20. The increase of 5.7% in dispatched ready-mix volume was explained mainly by the operations in Peru.

- Celepsa

Celepsa

		1Q20	1Q21	Var. %
Sales of energy	(GWh)	368	404	9.7%
Revenues	(PEN million)	61	69	14.1%

Includes only Celepsa Separated

Celepsa’s energy sales recorded a 14.1% increase in the 1Q21 compared to the same period of 2020. Volume sold was 9.7% higher, due to strong demand from its contracted clients, including UNACEM stand-alone.

■ UNACEM Ecuador

UNACEM Ecuador

		1Q20	1Q21	Var. %
Sales of cement	(in thousands tons)	220	281	28.1%
Sales	(PEN million)	94	129	37.6%

UNACEM Ecuador’s volume sold during the quarter increased by 28.1% with respect to 1Q20. Revenues in PEN increased by 37.6% vis-à-vis 1Q20 due to higher volume sold, and the impact of a higher FX rate. In USD revenues were 27.8% higher.

■ Skanon

Skanon

		1Q20	1Q21	Var. %
Sales of cement	(in thousands of short tons)	167	146	-13.1%
Volume of ready mix	(thousands of m3)	238	239	0.5%
Sales	(PEN million)	133	151	13.2%

Skanon’s cement volume sold was 13.1% lower than in 1Q20, and ready-mix volume was slightly higher by 0.5%. Revenues in PEN were 13.2% higher with better average prices in USD and the impact of higher FX rate.

IV. SHARES

UNACEMC1		
Shares	Number	1,818,127,611
Market capitalization	PEN million	3,036
Current quote	PEN per share	1.670
Minimum quote	LTM / PEN	1.140
Maximum quote	LTM / PEN	1.890
Return LTM*	1Q21	26.5%

Source: Bloomberg as of 03.31.2021

(*) Does not include dividends.

V. SIGNIFICANT EVENTS

- ▶ On February 23rd, 2021 the approval of the Chilean antitrust authority (Fiscalia Nacional Economica) approved the purchase of 100% of Cementos La Unión S.A. (CLU CHILE) shares and 100% of Inversiones Mel 20 Limitada (MEL20) social rights. Chile is UNACEM's main clinker export destination, where we own and operate ready-mix (Unicon Chile) and precast (Preansa Chile) facilities. On March 19th, UNACEM took control of these companies.
- ▶ The Board Meeting held on February 24th, 2021, agreed to pay a cash dividend of PEN 0.013 per ordinary share, paid on March 30th, 2021. This dividend totaled PEN 23,635,659 and was charged to Retained Earnings FY 2012.
- ▶ The mandatory virtual Annual Shareholders Meeting of March 16th, 2021, approved the Integrated Management Report, the Separate Financial Statements 2020, the Sustainability Strategy 2021-2050 and delegated on the Board of Directors the appointment of the external auditors for fiscal year 2021. You can access these documents by clicking on <https://www.unacem.com.pe/?p=13979>.
- ▶ The Board Meeting held on April 23rd, 2021, agreed to pay a cash dividend of PEN 0.013 per ordinary share, payable on May 26th, 2021. This dividend will total PEN 23,635,659 and will be charged to Retained Earnings FY 2012.

UNACEM and subsidiaries
consolidated Financial
Statements and their
respective notes are
available in accordance
with the scheduled dates
of publish in our website:
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If you wish to contact the
Investor Relations team of
UNACEM or you have any
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