

NEWSLETTER

4Q20

UNACEM S.A.A. AND SUBSIDIARIES CONSOLIDATED

I. EXECUTIVE SUMMARY

- ▶ Consolidated revenues in 4Q20 were PEN 1,203 million, 16.2% higher than consolidated revenues in 4Q19, due to the strong recovery of cement volume sold in Peru, cement and ready-mix volume in Ecuador and solid cement dispatches in the US.
- ▶ Consolidated EBITDA during 4Q20 was PEN 331 million, 6.3% higher than in 4Q19. EBITDA margin in 4Q20 was 27.6%, lower than the 30.1% recorded in 4Q19, due to higher COGS during the period, as a consequence of the lower utilization rate and its impact on fixed costs.
- ▶ Net Profit during the quarter accounted for PEN 106 million, compared to PEN 82 million recorded in 4Q19. This result is explained by the lower SG&A expenses and lower financial costs, despite de FX effect which turned from a PEN 20 million gain in 4Q19 to a PEN 2 million loss in the 4Q20.

The most important figures for the quarter are shown below:

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

	4Q19	4Q20	Var. %	Dec-19	Dec-20	Var. %
Net Revenues	1,035	1,203	16.2%	4,100	3,624	-11.6%
EBITDA	312	331	6.3%	1,222	923	-24.4%
EBITDA Margin	30.1%	27.6%	---	29.8%	25.5%	---
Net Income	82	106	29.5%	353	115	-67.5%
Net Margin	7.9%	8.8%	---	8.6%	3.2%	---

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
2019	I	1,047	1,300	1,274	2,748
	II	1,456	1,322	1,302	2,782
	III	1,645	1,320	1,351	3,087
	IV	1,561	1,397	1,389	3,144
	I-IV	5,708	5,339	5,316	11,762
2020	I	1,150	1,068	1,064	2,307
	II	-	439	444	1,024
	III	685	1,362	1,364	3,086
	IV	1,183	1,606	1,591	3,617
	I-IV	3,017	4,476	4,462	10,034
Variation					
	20-I-IV/19-I-IV	-47.1%	-16.2%	-16.1%	-14.7%
	20-IV/19-IV	-24.2%	14.9%	14.5%	15.0%
	20-IV/20-III	72.7%	17.9%	16.6%	17.2%

Source: UNACEM, ASOCEM, INEI

■ Production

UNACEM Peru’s clinker production during 4Q20 accounted for 1.2 million tons, 24.2% higher than the production recorded in 4Q19. In comparison with 3Q20, clinker production was 72.7% higher, due to the normalization of operations during the quarter. It’s important to mention that during the Pandemic, in order to protect our cash, we privileged the consumption of clinker in stock, rather than producing new inventories. That effect is shown in the table above.

Cement production in UNACEM Peru in 4Q20 was 1.6 million tons, a figure 14.9% higher than in 4Q19, in line with the important recovery of local demand.

Considering the production of both Peruvian plants, the combined utilization rate was 45.0% on clinker and 53.9% on cement as of 4Q20.

■ **Peruvian Domestic Market**

UNACEM's local cement dispatches during 4Q20 totaled 1.6 million tons, figure 14.5% higher than 4Q19. In comparison with 3Q20, cement dispatches were 16.6% higher. It should be noted that dispatches during the quarter of our bagged unit were higher than expected.

During the fourth quarter of 2020, total cement dispatches in the Peruvian market reached 3.6 million tons, according to the National Institute of Statistics – INEI, 15.0% higher than in 4Q19, and 17.2% higher than in 3Q20.

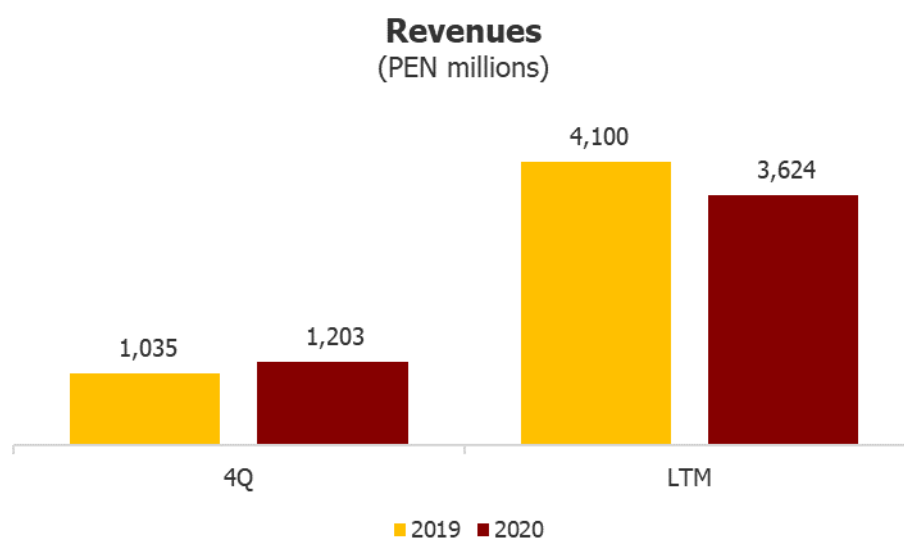
Therefore, in 2020, UNACEM recorded a market share in the Peruvian market of 44.5%, lower than the 45.2% market share recorded in 2019.

■ **Exports and Port Operations**

During 4Q20 clinker exports through our Conchan pier reached 191 thousand tons, a volume higher than the one exported in the same period of 2019 (119 thousand tons). Additionally, the tonnage of bulk solids operated by the Conchan pier during 4Q20 was 65 thousand tons, a decrease compared to that operated during 4Q19 (107 thousand tons), with imported clinker and grains.

III. UNACEM AND SUBSIDIARIES CONSOLIDATED FINANCIAL RESULTS

■ Consolidated Revenues

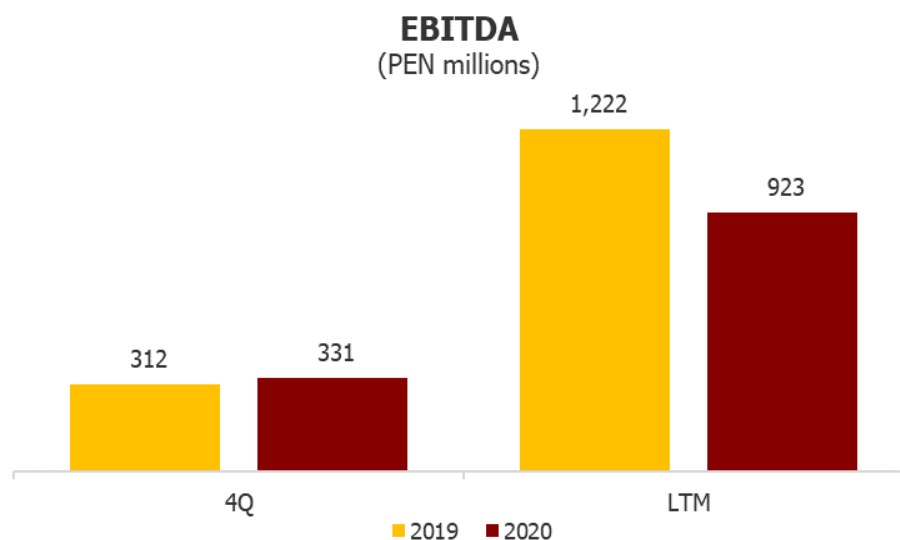


Consolidated revenues in the 4Q20 were PEN 1,203 million, 16.2% higher than those recorded in 4Q19. The increase is explained by:

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

As of the end of 2020, consolidated revenues were PEN 3,624 million, 11.6% lower than in 2019.

■ Consolidated EBITDA



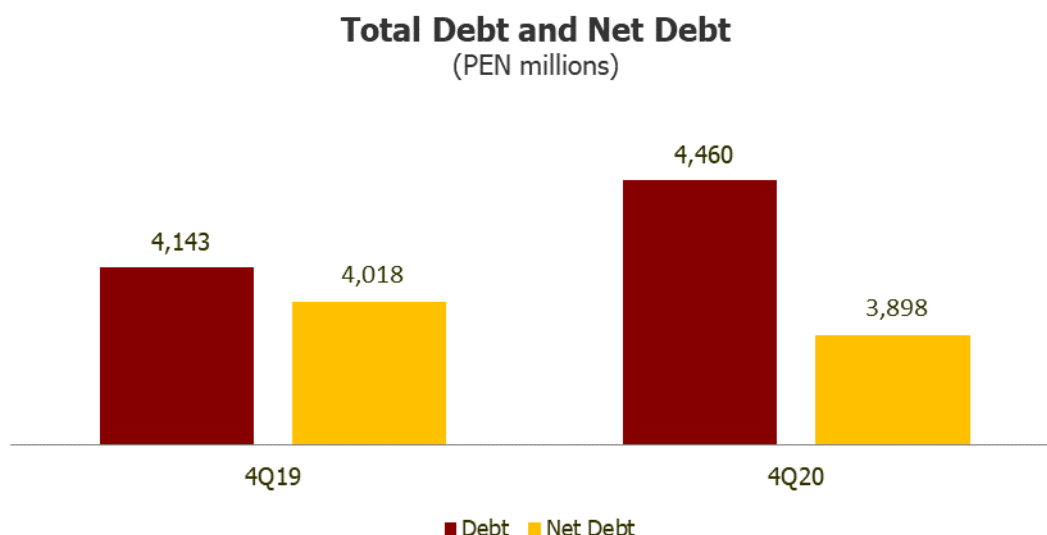
EBITDA in 4Q20 was PEN 331 million, a figure 6.3% higher than the one recorded in 4Q19. EBITDA margin during 4Q20 was 27.6%.

LTM EBITDA was 24.4% lower than the LTM registered as of the end of 2019, 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 volume of energy sold in Peru;
- Lower volume sold in Ecuador; net from,
- + Higher cement, ready-mix and aggregates volume sold in the United States.

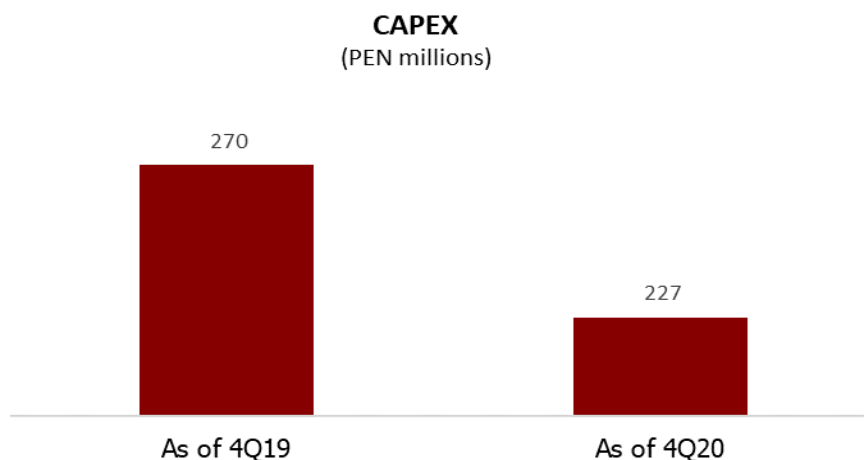
EBITDA margin was lower due to higher COGS, mostly higher fixed costs, as a result of the stoppage of operations, with atypical operating levels due to the measures taken by the governments in the countries where we operate to face the COVID-19 pandemic. SG&A expenses were lower, as a result of the preventive and extraordinary actions taken by all the Group companies.

■ Consolidated Debt



As of December, 31st, 2020, Net Debt/EBITDA ratio was 4.2x, a higher figure than the reported at the end of 2019. Gross debt in PEN increased as a result of short-term loans acquired to guarantee liquidity and working capital, however net debt was 3% lower than in 2019. During 2020 we continued servicing our of long-term debt as scheduled.

■ Consolidated CAPEX



As of December, 31st, 2020, CAPEX totaled PEN 272 million, 15.7% lower than in December, 31st, 2019, when it recorded PEN 270 million, prioritizing only those projects in execution and those required to guarantee smooth operations. These 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 of the multisilo in Atocongo, the acquisition of new mixer trucks and the new grinding project in Skanon, and overhaul of several equipment, among others.

IV. MAJOR SUBSIDIARIES AND AFFILIATES

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

- UNICON Consolidated

UNICON Consolidated

		4Q19	4Q20	Var. %
Volume of ready mix	(thousands of m3)	891	785	-12.0%
Revenues	(PEN million)	310	287	-7.5%

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

UNICON 's consolidated revenues in the 4Q20 decreased by 7.5% compared to 4Q19. The decrease of 12.0% the volumes dispatched was explained mainly by the operations in Peru.

- Celepsa

Celepsa

		4Q19	4Q20	Var. %
Sales of energy	(GWh)	421	413	-1.8%
Revenues	(PEN million)	68	70	3.1%

Includes only Celepsa Separated

Celepsa’s energy sales recorded a 3.1% increase in the 4Q20 compared to the same period of 2019, volume was 1.8% lower, due to slower demand from its contracted clients.

■ UNACEM Ecuador

UNACEM Ecuador

		4Q19	4Q20	Var. %
Sales of cement	(in thousand tons)	265	310	16.9%
Sales	(PEN million)	112	139	23.7%

UNACEM Ecuador’s volume sold during the quarter increased by 16.9% with respect to 4Q19. Revenues in PEN increased by 23.7% vis-à-vis 4Q19 due to higher volume sold, and the impact of a higher FX rate. In USD revenues were 15.9% higher.

V. SHARES

UNACEMC1

Shares	Number	1,818,127,611
Market capitalization	PEN million	3,400
Current quote	PEN per share	1.870
Minimum quote	LTM / PEN	1.130
Maximum quote	LTM / PEN	2.020
Return LTM*	4Q20	-22.5%

Source: Bloomberg as of 12.31.2020

(*) Does not include dividends.

VI. SIGNIFICANT EVENTS

- ▶ 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.
- ▶ The Board meeting held on February 24, 2021, summoned a general shareholders meeting, which will take place on March 16th, 2021.
- ▶ The Board meeting held on February 24, 2021, agreed to pay a cash dividend of PEN 0.013 per ordinary share, payable on March 30th, 2021. This dividend totaled 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:
www.unacem.com/ir

If you wish to contact the
Investor Relations team of
UNACEM or you have any
request, please send us an
email at ir@unacem.com