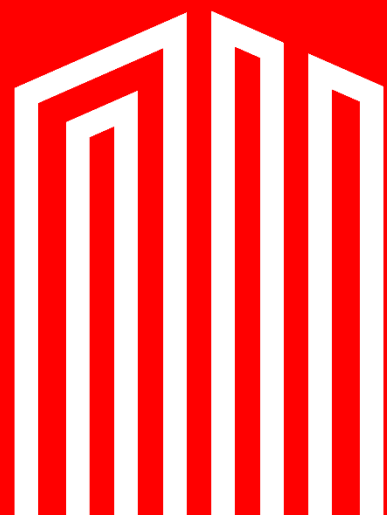




**UNACEM  
CORP**

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# NEWSLETTER 4Q2023



## UNACEM CORP S.A.A. AND SUBSIDIARIES CONSOLIDATED

### 1. EXECUTIVE SUMMARY

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

	4Q22	4Q23	Var. %	2022	2023	Var. %
Revenues	1,604	1,658	3.3%	5,979	6,376	6.6%
EBITDA	386	381	-1.3%	1,572	1,492	-5.1%
EBITDA Margin	24.0%	23.0%	---	26.3%	23.4%	---
Net Income	195	136	-30.1%	660	514	-22.1%
Net Margin	12.1%	8.2%	---	11.0%	8.1%	---

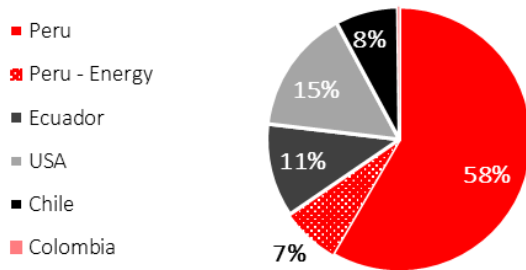
- ▶ Consolidated revenues as of 4Q23 were PEN 1,658 million, 3.3% higher than 4Q22, due to the incorporation of Termochilca and Tehachapi to the portfolio in May and November respectively, and a solid performance from all business units, despite lower volumes of cement in Peru and Ecuador during the period.
- ▶ Consolidated EBITDA during 4Q23 was PEN 381 million, 1.3% lower than the PEN 386 million recorded in the same period of 2022. In 4Q23 the EBITDA margin was slightly lower reaching 23.0%, below the 24.0% of 4Q22. The lower EBITDA margin is explained by higher cost and administrative expenses because of the integration of Termochilca and Tehachapi, higher advisory services and lower dispatches in the cement operations that reduced the economies of scale.
- ▶ Net income in 4Q23 was PEN 136 million, lower than the PEN 195 recorded in 4Q22, due to the lower operating profit of the period and higher financial expenses as new debt for financing Tehachapi and Termochilca acquisition is included.

## 2. CONSOLIDATED FINANCIAL RESULTS

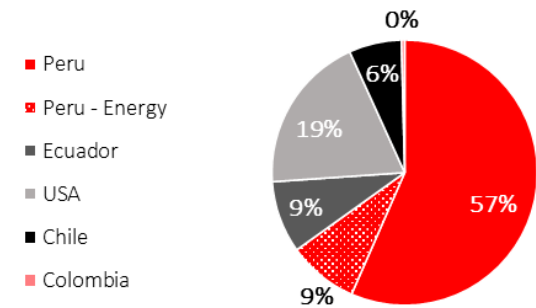
The Simple Reorganization that became effective on January 1, 2022, has no effect on the consolidated financial statements, since it is a distribution of assets and liabilities between UNACEM Corp and its subsidiaries.

### ► REVENUES

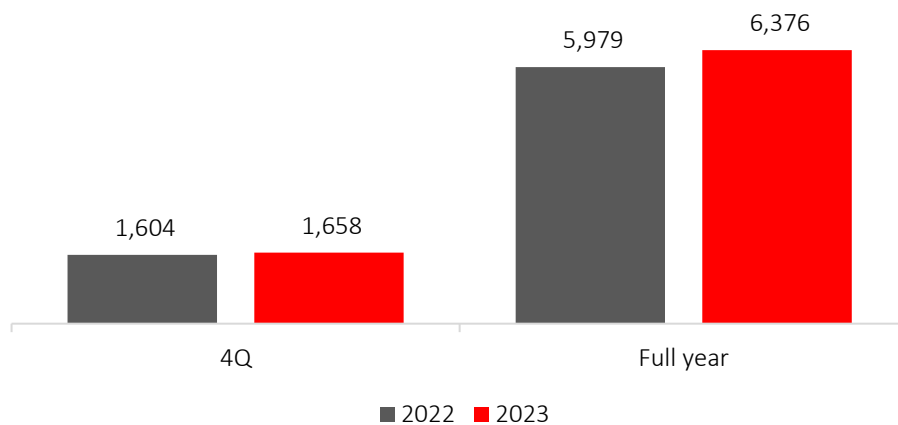
Revenues by country 4Q22



Revenues by country 4Q23



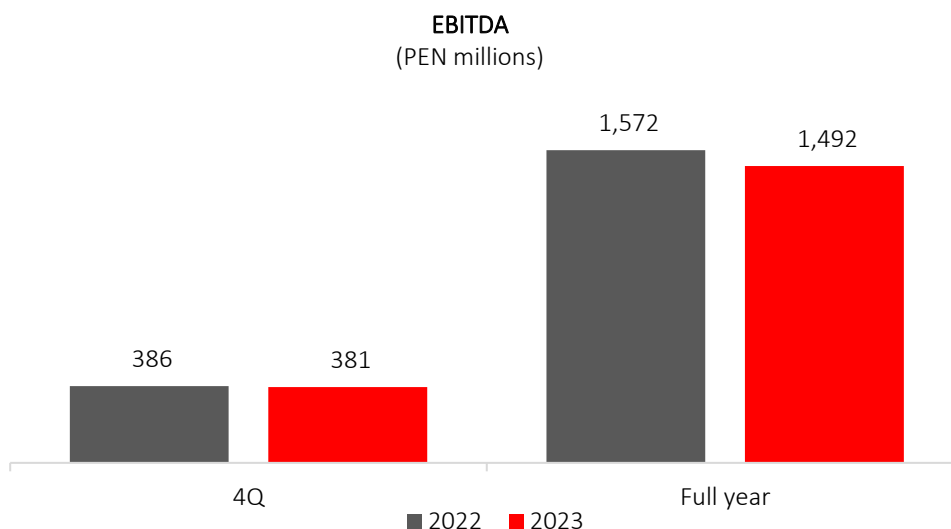
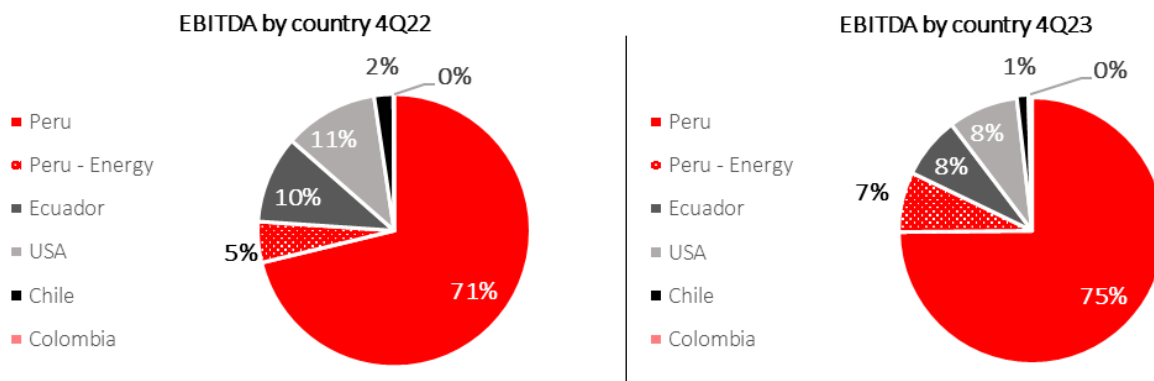
Revenues  
(PEN millions)



Consolidated revenues as of 4Q23 were PEN 1,658 million, 3.3% higher than those registered in 4Q22. This increase is explained by:

- Peru
  - + Higher energy sales, although Celepsa's volumes were 2.2% lower compared to the same quarter of 2022, Termochilca's volumes allowed the consolidated business to achieve sales that were 68.8% higher,
  - + Higher cement average prices,
  - + Higher ready-mix volumes and average prices;
  - Lower cement volume dispatched.
  
- Ecuador
  - Lower volumes and average prices,
  - Lower ready-mix volumes.
  
- USA
  - + Higher cement and ready-mix average prices,
  - + Higher cement volumes;
  - Lower ready-mix volumes sold, and,
  - Lower aggregates volumes, with only one operating quarry with better margins.
  
- Chile
  - + Higher cement volume, with both plants operating,
  - + Higher average price in ready-mix;
  - Lower ready-mix volume,
  - Lower average cement prices.

► EBITDA

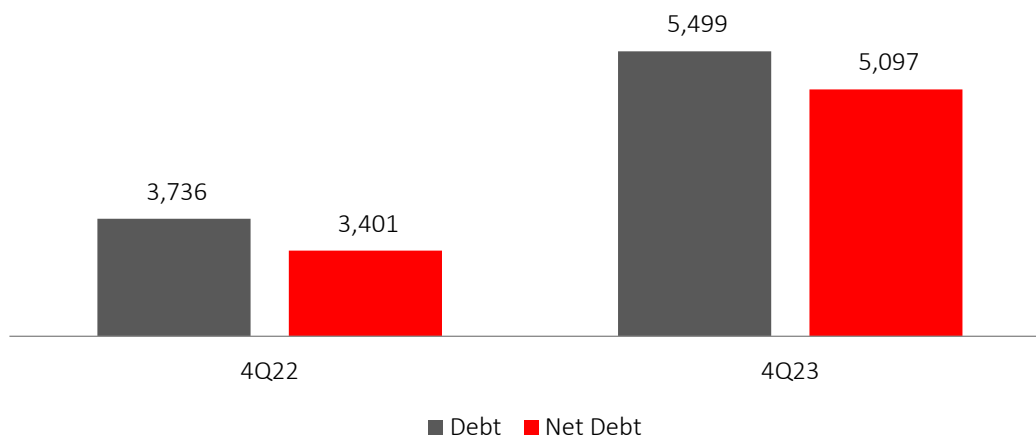


EBITDA in 4Q23 was PEN 381 million, 1.3% lower than the EBITDA of PEN 386 million recorded in 4Q22. EBITDA margin in 4Q23 was 23.0%; the margin was slightly lower in the quarter mainly due to: 1) higher unit production cost in the cement business due to the lower production, which generated a loss of economies of scale and higher cement and ready-mix raw materials costs, 2) higher administrative expenses associated with the acquisition of Tehachapi, 3) higher expenses due to advisory and consulting services contracted.

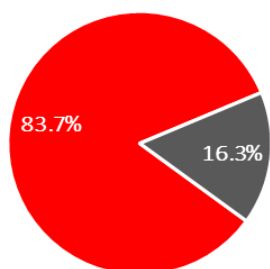
2023 EBITDA was PEN 1,492 million, 5.1% lower than 2022 EBITDA. 2023 margin was 23.4%, lower than the 26.3% margin 2022, the reduction in margin is explained by higher energy, fuel, raw material costs and lower economies of scale due to contraction in the volume sold. Administrative Expenses were higher due to non-recurring expenses for acquisitions during the year, an increase in consulting services throughout the Group as part of a deployment of projects across all business of the group. Sales Expenses were in line with the volume sold.

► DEBT

Total Debt and Net Debt  
(PEN millions)

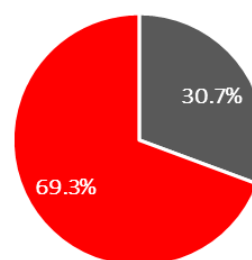


Total Debt  
FX Exposure 4Q23



■ Local Currency ■ Foreign Currency

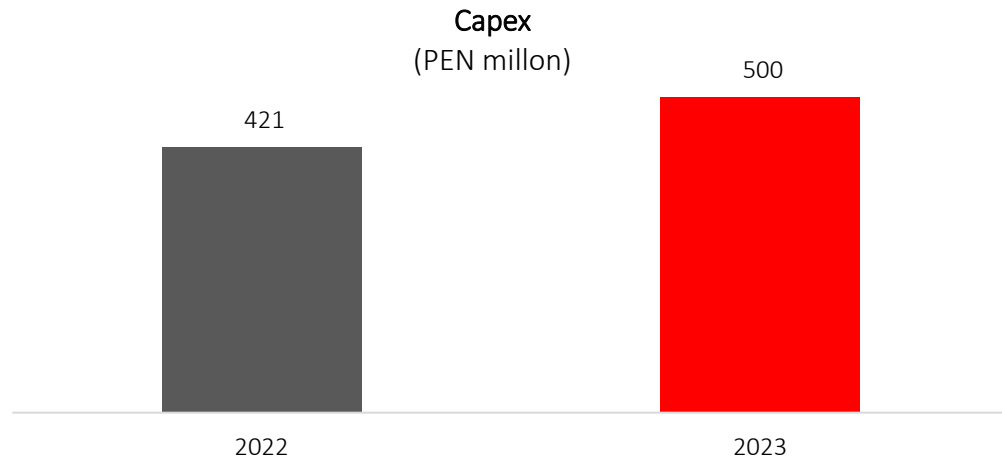
Total Debt  
Maturity composition 4Q23



■ Short term ■ Long term

As of December 31, 2023, the Net Debt / EBITDA ratio was 3.4x, above of our target leverage of 3.0x. Gross debt increased due to the acquisition finance of Termochilca and Tehachapi, as well as new short-term debt in some business units. It is important to note that 2023 EBITDA does not include full year EBITDA of our inorganic growth. Foreign exchange risk exposure in total debt as of the end of 2023 was 16.3%. Short term debt maturities represent of 30.7% of total debt, which should migrate to a Long-Term structure in the coming months.

## ▶ CAPEX



In 2023, consolidated CAPEX amounted to PEN 500 million, 18.8% higher than 2022. The main investments are related to new packaging machines, kiln 3 dedusting system and improvements in kiln 1 in UNACEM Peru; the integral mill project in Drake Cement and the increase in fixed assets for the aggregate division in the U.S.; mixer trucks and pumps in UNICON Peru and the kiln 1 optimization to increase production and the hydrogen injection project, both in UNACEM Ecuador.

## OPERATING RESULTS OF THE MAIN BUSINESS UNITS

	4Q22	4Q23	Var. 2023/2022
			%
<b>PERU</b>			
Cement (t)	1,708	1,456	-14.8%
Ready mixed (m <sup>3</sup> )	685	679	-0.8%
Energy (MWh)	521	879	68.8%
Revenues (S/)	1,050,285	1,079,455	2.8%
EBITDA (S/)	293,749	312,724	6.5%
<b>ECUADOR</b>			
Cement (t)	351	290	-17.3%
Ready mixed (m <sup>3</sup> )	37	31	-16.8%
Revenues (S/)	183,248	145,578	-20.6%
EBITDA (S/)	40,111	28,622	-28.6%
<b>USA</b>			
Cement (t)	151	235	55.7%
Ready mixed (m <sup>3</sup> )	228	225	-1.3%
Aggregates (t)	676	463	-31.4%
Revenues (S/)	244,761	319,785	30.7%
EBITDA (S/)	43,112	32,351	-25.0%
<b>CHILE</b>			
Cement (t)	120	121	0.5%
Ready mixed (m <sup>3</sup> )	216	191	-11.3%
Revenues (S/)	123,119	106,136	-13.8%
EBITDA (S/)	8,880	5,410	-39.1%
<b>COLOMBIA</b>			
Revenues (S/)	3,070	6,617	115.5%
EBITDA (S/)	-314	1,603	---
Total Revenues	1,604,483	1,657,571	3.3%
Total EBITDA	385,538	380,710	-1.3%



## PERU

- ▶ UNACEM Peru: The volume of cement dispatches during the quarter reached 1,456 thousand tons (14.8% lower than 4Q22) with revenues of S/ 708.7 million (2.9% lower than 4Q22). This decrease is explained by lower volume dispatched, partially offset by a higher average price. This resulted in an EBITDA of S/ 222.0 million (11.8% higher than 4Q22) due to operating efficiencies.
- ▶ UNICON Peru and Concremax: The volumes of ready-mix dispatched reached 679 thousand m<sup>3</sup> (0.8% lower than 4Q22) with revenues of S/ 395.1 million (28.5% higher than 4Q22) and an EBITDA of S/ 27.8 million (19.3% higher than 4Q22). The solid performance of the quarter is explained by higher ready-mix dispatches to large infrastructure projects with stronger margins, namely Linea 2 del Metro, the Chancay Port, and the new terminal of the Jorge Chavez airport, among others.
- ▶ Celepsa: The energy sold during 4Q23 reached 510 GWh (2.2% lower than 4Q22), totaling revenues of USD 25.8 million (34.1% lower than 4Q22) and an EBITDA of USD 7.4 million (60.9% higher than 4Q22).
- ▶ Termochilca: Sales volume during 4Q23 reached 369 GWh, with revenues of USD 18.3 million and EBITDA of USD 0.6 million. It is worth to note that this operation was incorporated to the group in May 2023.

In line with our investment objective and strategic goals, Celepsa's results were compensated by Termochilca, our energy business unit recorded a consolidated EBITDA of USD 8.0 million, 73.6% higher than 4Q22.

## ECUADOR

- ▶ UNACEM Ecuador: 4Q23 revenues were USD 38.9 million including the ready-mix operation (2.1% lower than 4Q22). The cement business unit reached 290 thousand tons (17.3% lower than 4Q22). EBITDA for the period was USD 8.0 million (20.4% lower than 4Q22). Ecuador is facing a difficult market environment due to the political unrest which unfortunately has negatively impacted the construction sector.

## U.S.A.

- ▶ Skanon dispatched 236 thousand tons of cement in the quarter (55.7% higher than 4Q22) an important increase partially explained by the incorporation of Tehachapi since November, which contributed with 80 thousand tons. Ready mix dispatches recorded 225 thousand m<sup>3</sup> (1.3% lower than 4Q22) and aggregates dispatches were 463 thousand tons (31.4% lower than 4Q22 and only operating one quarry). The higher average prices supported revenues of USD 85.2 million (30.7% higher than 4Q22) and an EBITDA of USD 6.3 million in the quarter (42.4% lower than 4Q22). Excluding the impact of Tehachapi, EBITDA would have increased 3.3% year over year.

## CHILE

- ▶ UNACEM Chile dispatched 121 thousand tons of cement in 4Q23 (0.5% higher than 4Q22). Revenues reached CLP 11,853.2 million (7.0% higher compared to 4Q22) and an EBITDA of CLP 1,225.1 million which includes a non-recurring income of CLP 1,200.5 million resulting from the expropriation of a portion of the land at the San Antonio plant for the execution of Ruta de la Fruta. This sale does not impact our normal course of business at the plant.
- ▶ UNICON Chile, in 4Q23, recorded dispatches for 191 thousand m<sup>3</sup> of ready-mix (11.3% lower than 4Q22) explained by a general contraction of the construction sector. Ready mix revenues reached CLP 15,181 million (8.4% less than 4Q22), with a negative EBITDA of CLP 243.4 million. Additionally, our 2022 acquisition of aggregate business Conovia contributed with CLP 1.5 million in EBITDA during the quarter.

## 3. SHARES

### UNACEMC1

Shares	Number	1,780,000,000
Market capitalization	PEN million	2,706
Current quote	PEN per share	1.52
Minimum quote	LTM / PEN	1.429
Maximum quote	LTM / PEN	1.601
<b>Return LTM*</b>	<b>4Q23</b>	<b>-15.6%</b>

Source: BVL

#### 4. IMPORTANT EVENTS

- ▶ The Board Meeting held on October 23, 2023, approved a cash dividend payment of PEN 0.02 per ordinary share, to be paid on November 28<sup>th</sup>, 2023. This dividend total PEN 35,464,010 and was charged to Retained Earnings FY 2016. The dividend excluded the 6,799,500, shares held in Treasury to date.
- ▶ On October 31, 2023, the acquisition of 100% of the outstanding membership interests in Martin Marietta Southern California Cement, LLC, was completed, for an acquisition price of USD 315 million. As a result of the Acquisition, the Business Company, which has been renamed “Tehachapi Cement LLC”, is now integrated as a part of Grupo UNACEM. The acquisition price was financed through a USD 345 million loan granted by a syndicate bank loan led and arranged by BBVA Securities Inc. for a three-year term, whose approval by the Board of Directors of UNACEM Corp was reported as a Significant Event on August 25, 2023.
- ▶ The Company maintains the local ratings of 1.pe category for common shares (UNACEMC1), by Moodys local and Apoyo Asociados. Both credit agencies were update on November 9 and 13, respectively.

Likewise, in November, S&P Global Ratings ratified the international rating of UNACEM Corp S.A.A. and subsidiaries, in BB with an updated outlook, going from Positive to Stable. The rating is supported by the integration of Tehachapi and the Group’s operational and leverage outlook for the next 12 months.

- ▶ On November 16, 2023, the General Shareholders Meeting of Union de Concreteras S.A. (UNICON) and Concremax S.A. unanimously approved the merger project by which UNICON would absorb Concremax. Therefore, Concremax would be extinguished without liquidation, according to the Article 344 of the General Corporations Law. It should be noted that the merge will become effective on January 1, 2024. UNICON owns 100% of the shares of Concremax, this is a simple merger, which will not result in an increase in the equity of UNICON.
- ▶ The Board Meeting held on January 2024, approved a cash dividend payment of PEN 0.02 per ordinary share, to be paid on March 4<sup>th</sup>, 2024. This dividend total PEN 35,303,445 and was charged to Retained Earnings FY 2016. The dividend excluded the 14,827,210, shares held in Treasury to date.