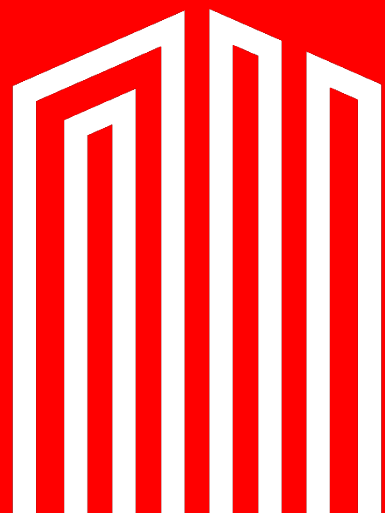




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# NEWSLETTER

# 3Q2023



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

### 1. EXECUTIVE SUMMARY

#### UNACEM CORP S.A.A. and subsidiaries consolidated

(PEN million)

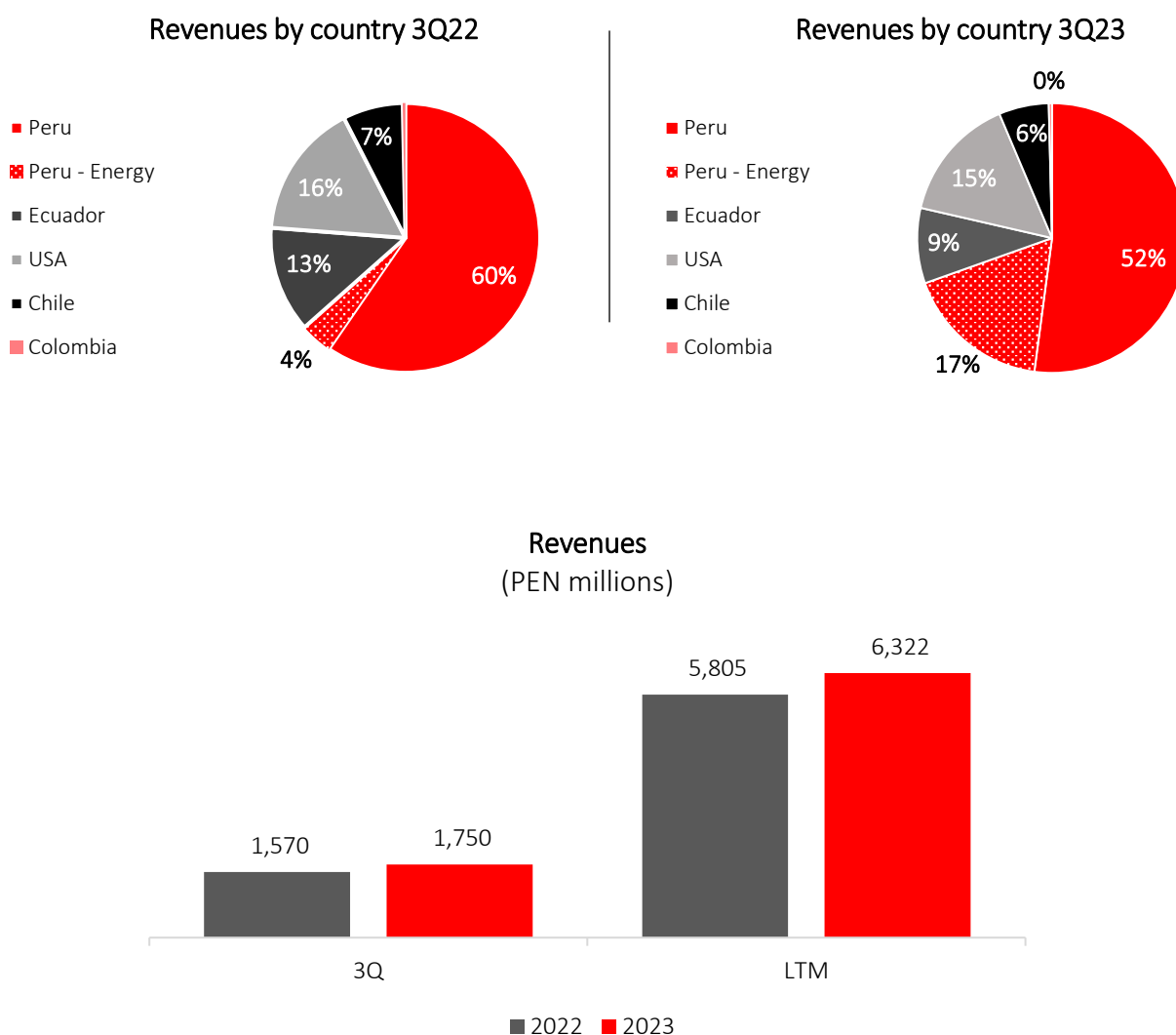
	3Q22	3Q23	Var. %	LTM 3Q22	LTM 3Q23	Var. %
Revenues	1,570	1,750	11.4%	5,805	6,322	8.9%
EBITDA	407	355	-12.7%	1,613	1,497	-7.2%
EBITDA Margin	25.9%	20.3%	---	27.8%	23.7%	---
Net Income	163	79	-51.7%	647	572	-11.5%
Net Margin	10.4%	4.5%	---	11.1%	9.1%	---

- ▶ Consolidated revenues as of the 3Q23 were PEN 1,750 million, 11.4% higher than 3Q22, due to the incorporation of Termochilca to the portfolio that represented PEN 130.7 million of the Group's revenues. These results offset the lower volumes of cement in Peru and Ecuador and ready-mix in Perú and Chile during the period.
- ▶ Consolidated EBITDA during 3Q23 was PEN 355 million, 12.7% lower than the PEN 407 million recorded in the same period of 2022. In 3Q23 EBITDA margin reached 20.3%, below the 25.9% of 3Q22. The lower EBITDA margin is explained by higher administrative expenses, the dry season which increased the network's energy cost and affected CELEPSA's margin as the company had to increase its energy purchases to the market. Also, lower dispatches in UNACEM Peru and UNACEM Ecuador that reduced the economies of scale.
- ▶ Net profit in 3Q23 was PEN 79 million, lower than the PEN 163 recorded in 3Q22, due to the lower operating profit during the period and FX losses of PEN 49.4 million in the quarter compared to a FX loss of PEN 14 million in 3Q22.

## 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.

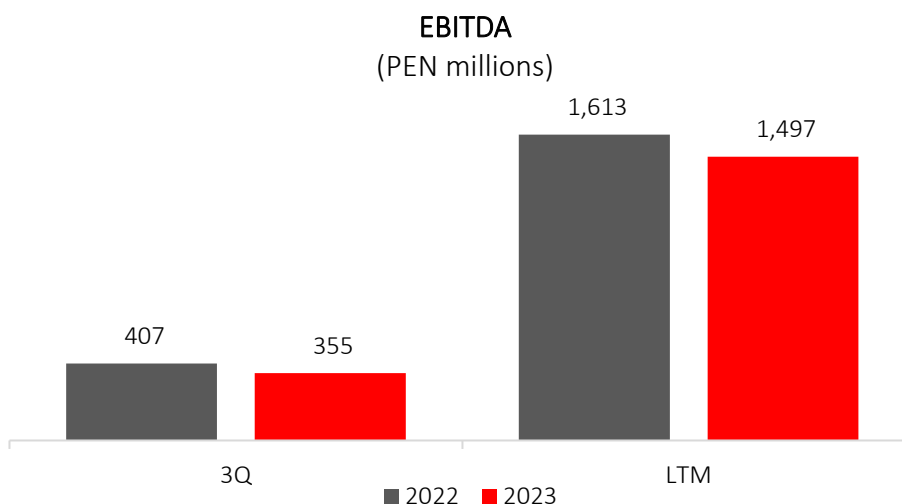
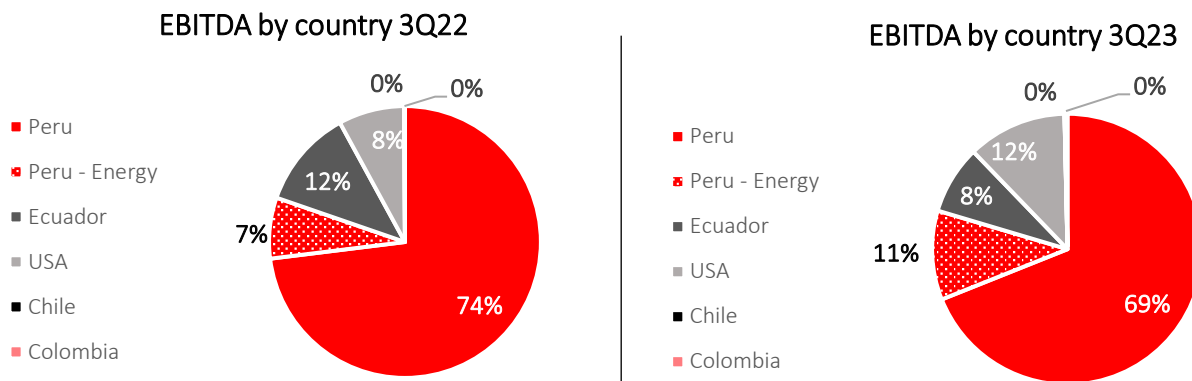
### ► REVENUES



Consolidated revenues as of 3Q23 were PEN 1,750 million, 11.4% higher than those registered in 3Q22. This increase is explained by:

- Peru
  - + Higher energy sales, due to the incorporation of Termochilca. Although Celepsa's volumes were slightly lower compared to 3Q22, consolidated revenues of the energy business were higher net of higher costs during the quarter;
  - + Higher cement average prices, despite;
  - Lower cement dispatched,
  - Lower ready-mix volumes and average prices.
  
- Ecuador
  - Lower volumes and average prices;
  - Lower ready-mix volumes.
  
- USA
  - + Higher cement and ready-mix average prices;
  - + Higher ready-mix volumes;
  - Lower cement volume sold, and;
  - Lower aggregates volumes, with only one operating quarry with better margins.
  
- Chile
  - + Higher cement volume, with both plants operating;
  - Lower ready-mix volume somewhat offset by better average prices;
  - Lower average cement prices.

► EBITDA

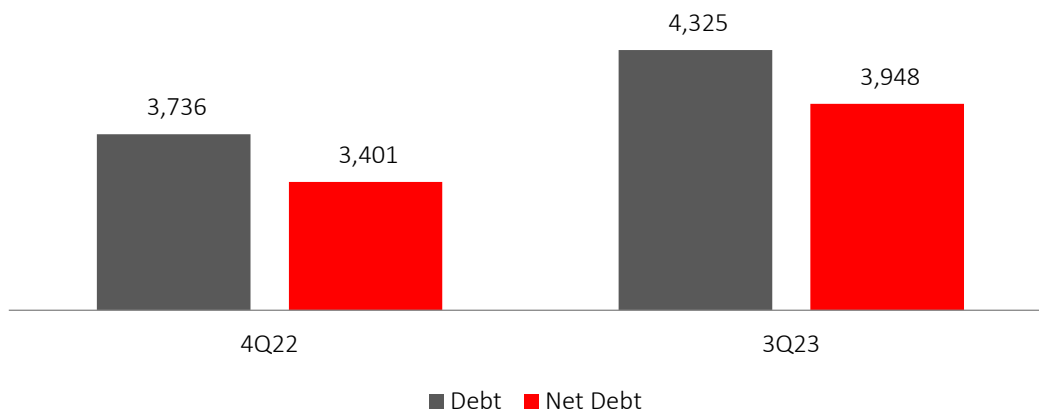


EBITDA in 3Q23 was PEN 355 million, 12.7% lower than the EBITDA of PEN 407 million recorded in 3Q22. EBITDA margin in 3Q23 was 20.3%; the margin was lower in the quarter mainly due to: 1) higher cost of good sold due to the lower production, a consequence of lower demand; which impacted economies of scale 2) higher energy cost and 3) higher administrative expenses due to advisory and consulting services contracted.

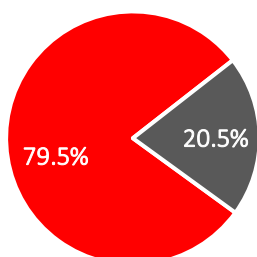
LTM EBITDA was PEN 1,497 million, 7.2% lower than LTM EBITDA 3Q22. LTM EBITDA margin was 23.7%, lower than the 27.8% LTM EBITDA margin of 3Q22, mainly explained by higher costs mainly related to energy, fuel and raw materials, coupled with lower economies of scale given the drop in volumes. Administrative Expenses higher Administrative Expenses across the Group due to advisory and consulting. Sales Expenses were in line with the volume sold.

► DEBT

Total Debt and Net Debt  
(PEN millions)

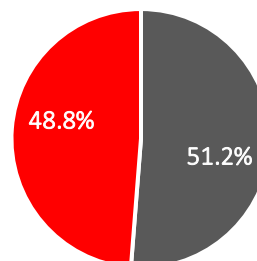


Total Debt  
FX Exposure 3Q23



■ Local Currency ■ Foreign Currency

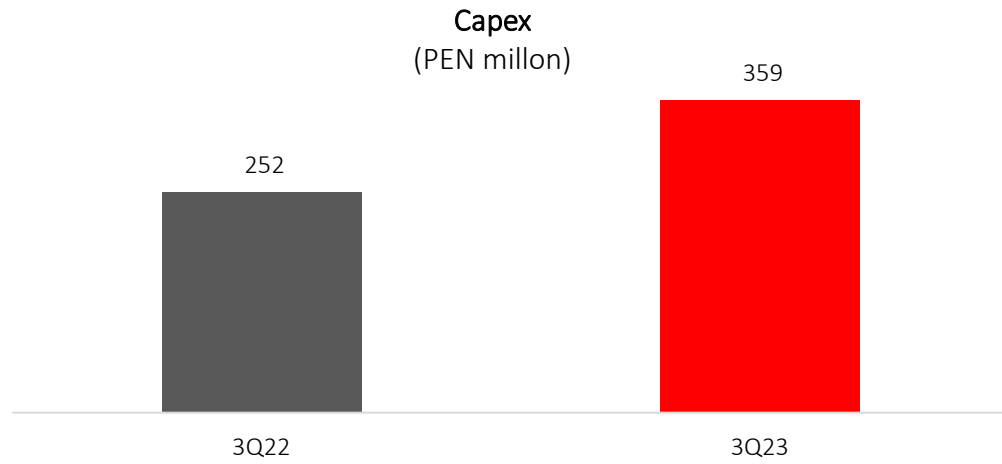
Total Debt  
Maturity composition 3Q23



■ Short term ■ Long term

As of September 30, 2023, the Net Debt / EBITDA ratio was 2.6x, within our target leverage below 3.0x. Gross debt increased due to the acquisition finance of Termochilca and new short-term in some business units. Foreign exchange risk exposure in total debt as of the end of 3Q23 was 20.5%. Short term debt maturities represent of 51.2% of total debt, which should migrate to a Long-Term structure in the up-coming months.

## ▶ CAPEX



As of September 2023, consolidated CAPEX amounted to PEN 359 million, 42.1% higher YoY. The main investments are related to the project of new packaging machines, kiln 3 dedusting system and improvements in kiln 1 in UNACEM Peru; the mill project in Drake Cement and the increase in fixed assets for the aggregate division in the U.S.; mixer trucks in UNICON Peru and kiln 1 optimization project for increase production at UNACEM Ecuador.

## OPERATING RESULTS OF THE MAIN BUSINESS UNITS

	3Q22	2Q23	Var. 2023/2022
	in thousands	in thousands	%
<b>PERU</b>			
Cement (t)	1,737	1,498	-13.8%
Ready mixed (m <sup>3</sup> )	640	597	-6.8%
Energy (MWh)	496	1,201	142.0%
Revenues (S/)	996,661	1,217,271	22.1%
EBITDA (S/)	329,812	282,559	-14.3%
<b>ECUADOR</b>			
Cement (t)	381	321	-15.7%
Ready mixed (m <sup>3</sup> )	39	33	-15.7%
Revenues (S/)	200,130	158,027	-21.0%
EBITDA (S/)	48,334	29,056	-39.9%
<b>USA</b>			
Cement (t)	168	156	-7.6%
Ready mixed (m <sup>3</sup> )	230	252	9.7%
Aggregates (t)	802	481	-40.1%
Revenues (S/)	255,302	262,880	3.0%
EBITDA (S/)	32,189	42,106	30.8%
<b>CHILE</b>			
Cement (t)	118	123	3.7%
Ready mixed (m <sup>3</sup> )	231	161	-30.2%
Revenues (S/)	113,408	104,885	-7.5%
EBITDA (S/)	-4,240	-35	-99.2%
<b>COLOMBIA</b>			
Revenues (S/)	4,993	6,757	35.3%
EBITDA (S/)	459	1,233	168.6%
Total Revenues	1,570,494	1,749,820	11.4%
Total EBITDA	406,554	354,919	-12.7%



## PERU

- ▶ UNACEM Peru: The volume of cement dispatches during the quarter reached 1,498 thousand tons (13.8% lower than 3Q22) with revenues of S/ 704.0 million (5.1% lower than 3Q22). This decrease is explained by lower volume dispatched, partially offset by a higher average price. This resulted in an EBITDA of S/ 207.0 million (15.2% lower than 3Q22).
- ▶ UNICON Peru and Concremax: The volumes of ready-mix dispatched reached 597 thousand m<sup>3</sup> (6.8% lower than 3Q22) with revenues of S/ 280.1 million (5.1% lower than 3Q22) and an EBITDA of S/ 18.2 million (41.5% lower than 3Q22).
- ▶ Celepsa: The energy sold during 3Q23 reached 485 GWh (2.4% lower than 3Q22), totaling revenues of USD 60.1 million (144.9% higher than 3Q22) and a negative EBITDA of USD 1.4 million (lower than 3Q22) explained by the lack of rains during the period.
- ▶ Termochilca: Sales volume during 3Q23 reached 693 GWh, with revenues of USD 34.9 million and EBITDA of USD 11.0 million. It is worth to note that this operation was incorporated to the group in May 2023.
- ▶ The results in Termochilca offset Celepsa's, our energy business unit recorded an EBITDA of USD 9.6 million on a consolidated basis, 32.9% higher than 3Q22

## ECUADOR

- ▶ UNACEM Ecuador: In 3Q23, revenues were USD 43.2 million including the ready-mix operation (12.3% lower than 3Q22). The cement business unit reached 321 thousand tons (15.7% lower than 3Q22). EBITDA for the period was USD 7.9 million (34.7% lower than 3Q22).

## USA

- ▶ Skanon dispatched 156 thousand tons of cement in the quarter (7.6% lower than 3Q22). Ready mix dispatches recorded 252 thousand m<sup>3</sup> (9.7% higher than 3Q22) and aggregates dispatches were 481 thousand tons (40.1% lower than 3Q22 and only operating one quarry). The higher average prices allowed reaching revenues of USD 71.1 million (8.7% higher than 3Q22) and an EBITDA of USD 8.9 million in the quarter (10.9% higher than 3Q22).

## CHILE

- ▶ UNACEM Chile dispatched 112 thousand tons of cement in 3Q23 (5.7% lower than 3Q22). Revenues reached CLP 10,225.3 million (3.7% lower compared to 3Q22) and negative EBITDA of CLP 119.3 million lower than 3Q22.
- ▶ UNICON Chile, in 3Q23, recorded dispatches for 161 thousand m<sup>3</sup> of ready-mix (30.2% less than 3Q22) explained by a general contraction of the construction sector. Ready mix revenues reached CLP 12,805 million (24.3% less than 3Q22), with a negative EBITDA of CLP 147 million (lower than 3Q22).

### 3. SHARES

<b>UNACEMC1</b>		
Shares	Number	1,780,000,000
Market capitalization	PEN million	2,812
Current quote	PEN per share	1.580
Minimum quote	LTM / PEN	1.500
Maximum quote	LTM / PEN	1.810
<b>Return LTM*</b>	<b>3Q23</b>	<b>-6.0%</b>

Source: BVL

### 4. IMPORTANT EVENTS

- ▶ The Board Meeting held on July 26th, 2023, approved a cash dividend payment of PEN 0.02 per ordinary share, paid on August 31st, 2023. This dividend totaled PEN 36,098,634.2 and was charged to Retained Earnings FY 2015. The dividend excluded the 13,195,903, shares held in Treasury to date.
- ▶ At the Board Meeting held on August 24, 2023, the purchase agreement to acquire from the North American companies Martin Marietta Materials, Inc and Martin Marietta Pacific District Cement, LLC (the sellers), 100% of the interest of Martin Marietta Southern California Cement, LLC., a company domiciled in Delaware, USA, and owner of the Tehachapi plant was approved. This facility has a production capacity of one million short tons of cement and 940 thousand short tons of clinker.

The acquisition was subject to certain contractual adjustments prior to the closing date. Additionally, the transaction is subject to approval of the Hart Scott Rodino Act Premerger Notification and will be submitted to the Federal Trade Commission of the United States (FTC) and the Antitrust Division of the US Department of Justice.

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 loan granted by a syndicate bank loan led and arranged by BBVA Securities Inc. in the amount of USD 345 million, 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 General Shareholders' Meeting held on August 31 approved the amortization of 38'127'611 treasury shares generated from the Buyback Program and the consequent capital reduction of UNACEM Corp from PEN 1,818'127,611 to 1,780'000,000. The excess paid over the nominal value of the 38'127'611 shares amortized, that amounted S/ 26,807,977, was charged to retained earning account.
  
- ▶ 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.