

UNACEM Corp 3Q2023 Conference Call

November 20th, 2023



Presenting today



Pedro Lerner

Corporate CEO



Alvaro Morales

Corporate CFO

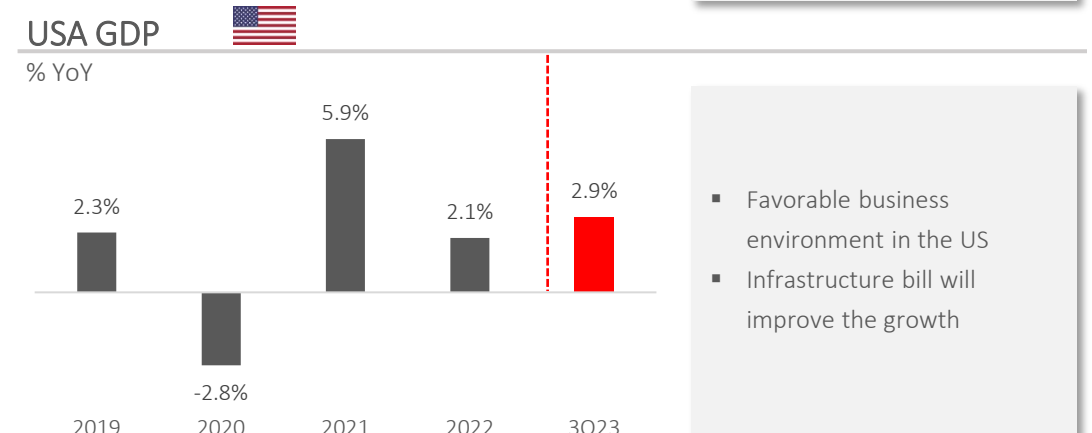
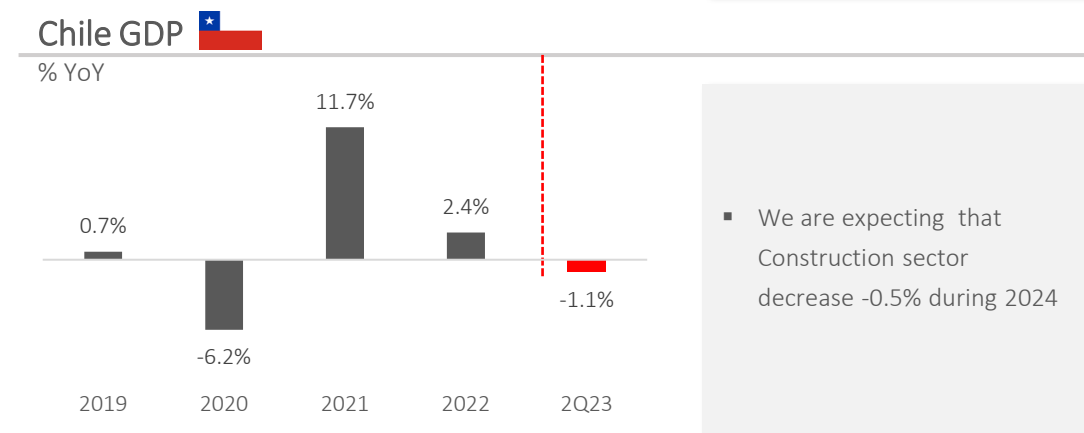
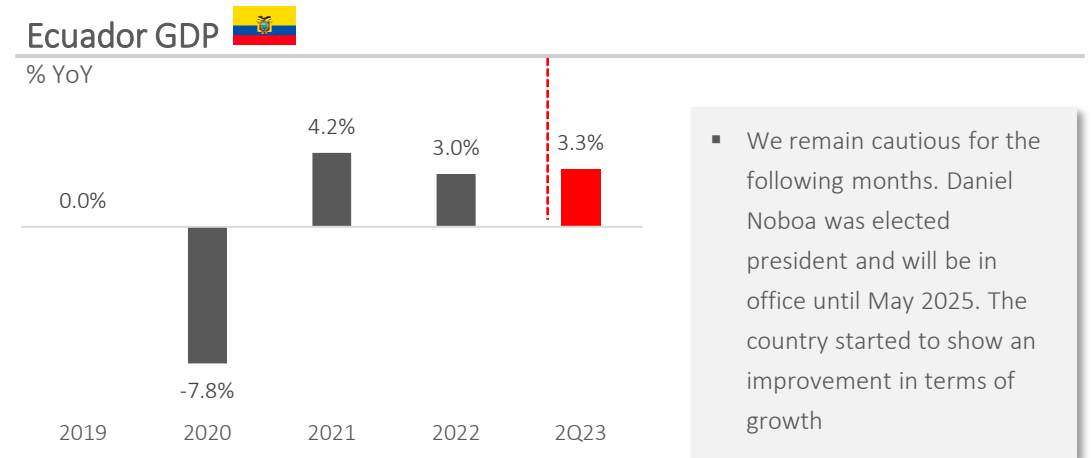
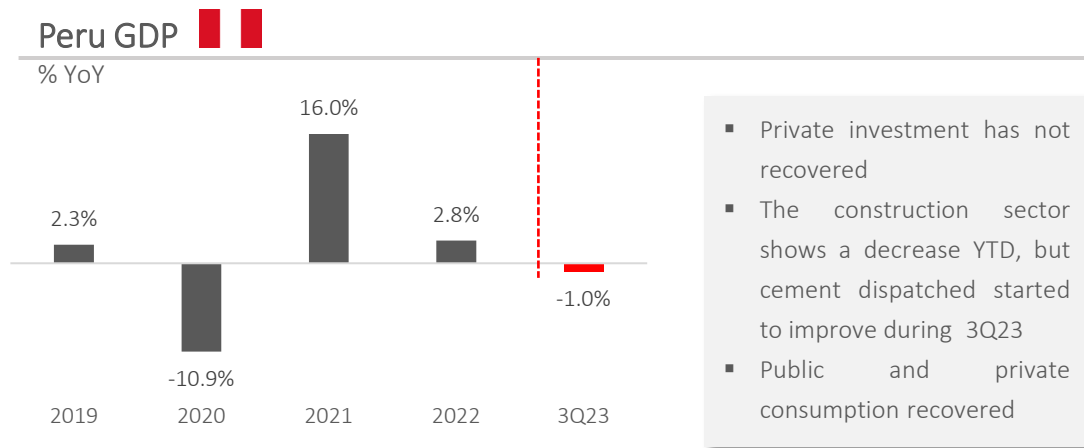


Disclaimer...



Please note that this presentation might disclose some forward-looking statements related to Grupo UNACEM based on currently known facts, expectations and forecasts, circumstances and assumptions regarding future events. Many factors could cause the future results, performance or achievements of Grupo UNACEM to be different from those expressed or assumed herein, so this should be considered for reference only






Latin American political turmoil remains affecting our market dynamics




Tehachapi at a Glance


Business Overview

- The cement plant and a lease of a distribution terminal is a self-standing business that serves Southern California through two locations
- The final asset value amounted to US\$ 315MM which was financed with a US\$ 345 million syndicated loan with a 3 year tenor
- 34 years of permitted reserves at current production levels (114 years of additional resources)
- Assets in Scope:

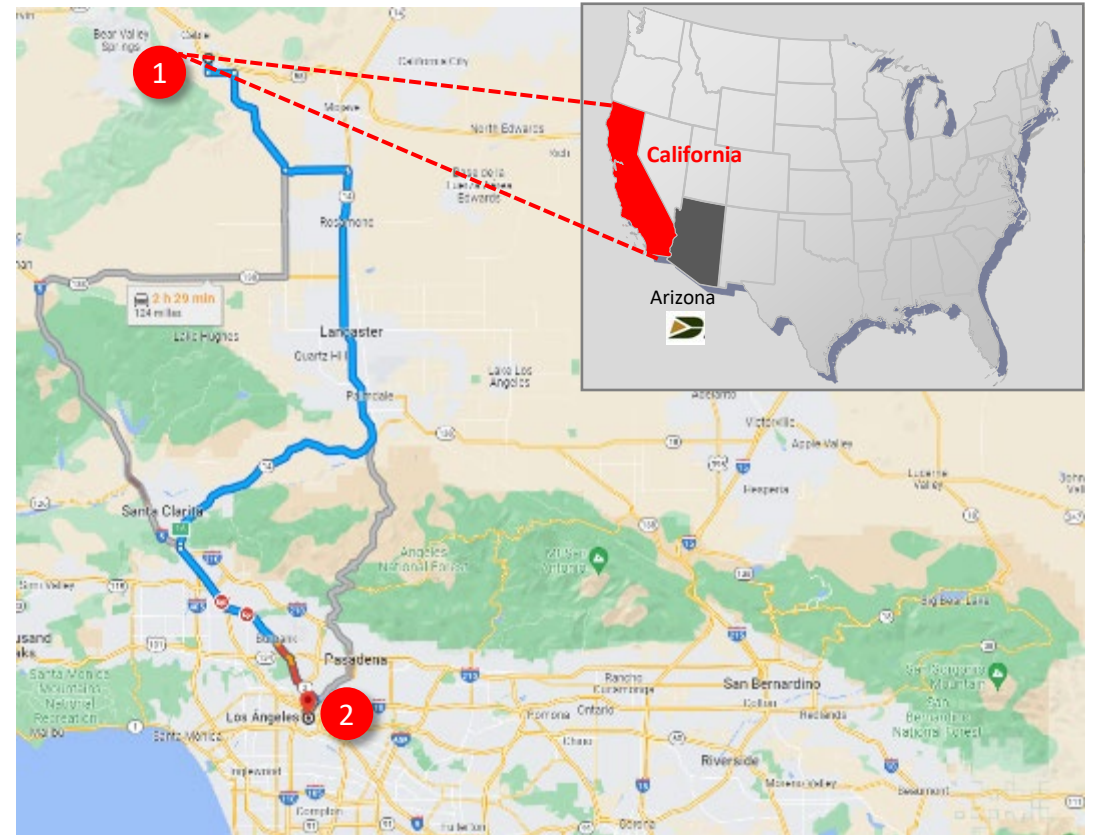
1		Tehachapi Cement Plant			
2		Fontana Distribution Terminal (Lease)			

Key Metrics

Financial		US\$114 MM 2022 Revenue	US\$32 MM 2022 EBITDA	US\$0 MM Debt
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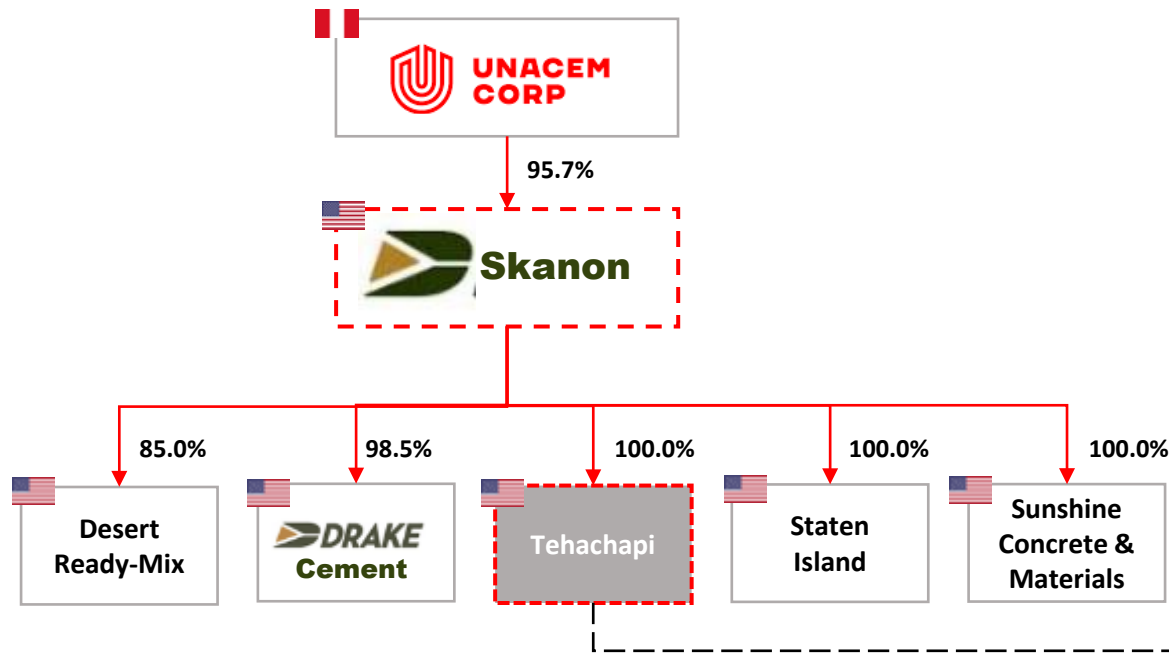
Operational		+1 MM st Cement capacity	940k st Clinker capacity	917k st 2022 Shipments
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Location Summary



- Distance from Tehachapi plant to Los Angeles: 200km | 2.15 hours
- From Drake Cement plant to Tehachapi plant: 658km | 6.0 hours

Tehachapi corporate structure and financing







Fully funded with a Syndicate Bank Loan

- **Borrower:** Skanon Investments, Inc
- **Lender:** BBVA (leading), Scotiabank, BCI, Bank of America, JPM, Banco Occidente
- **Facility Amount:** US\$ 345mm
- **Tenor:** 3 years
- **Amortization:** Bullet


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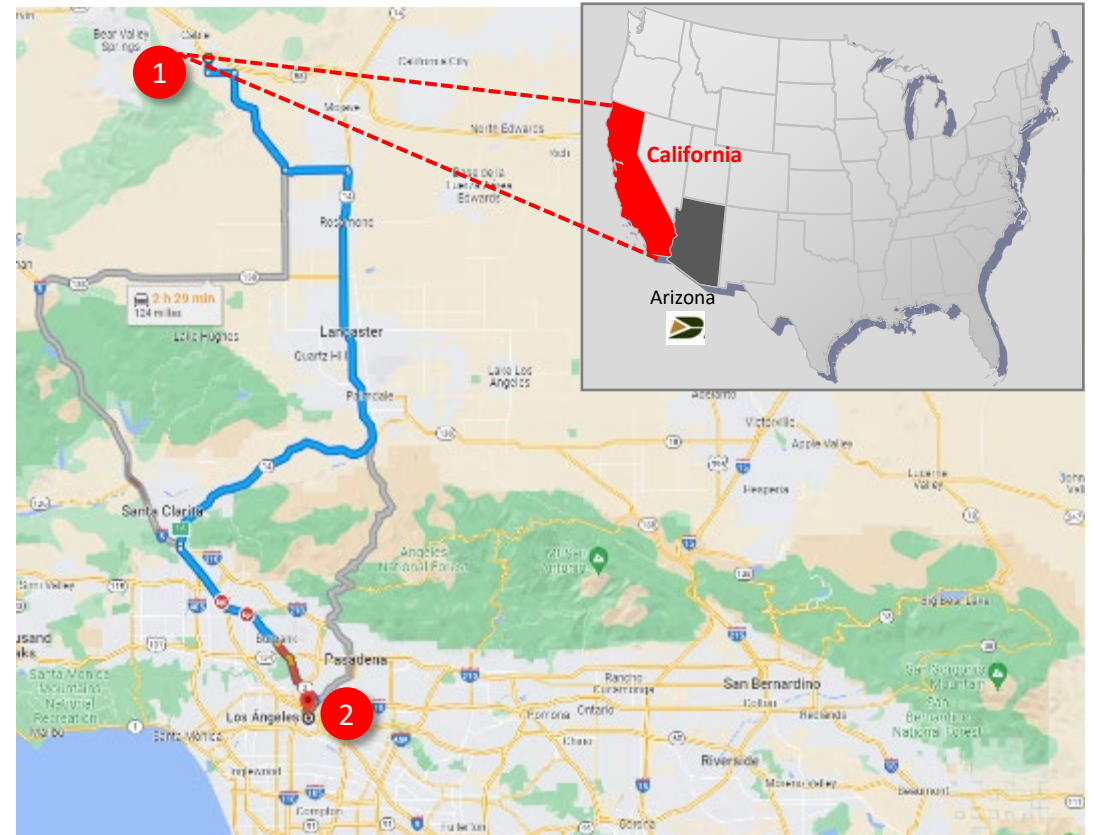
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**Tehachapi plant
California - USA**

Forward looking expectations for 2023...



3Q2023 HIGHLIGHTS

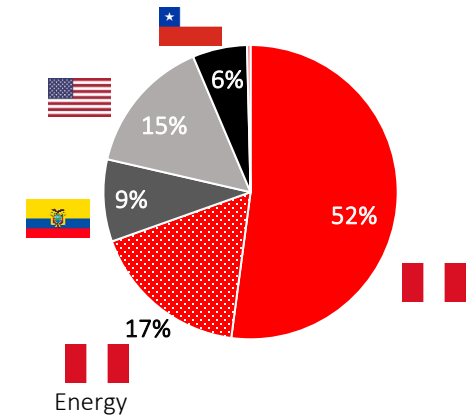
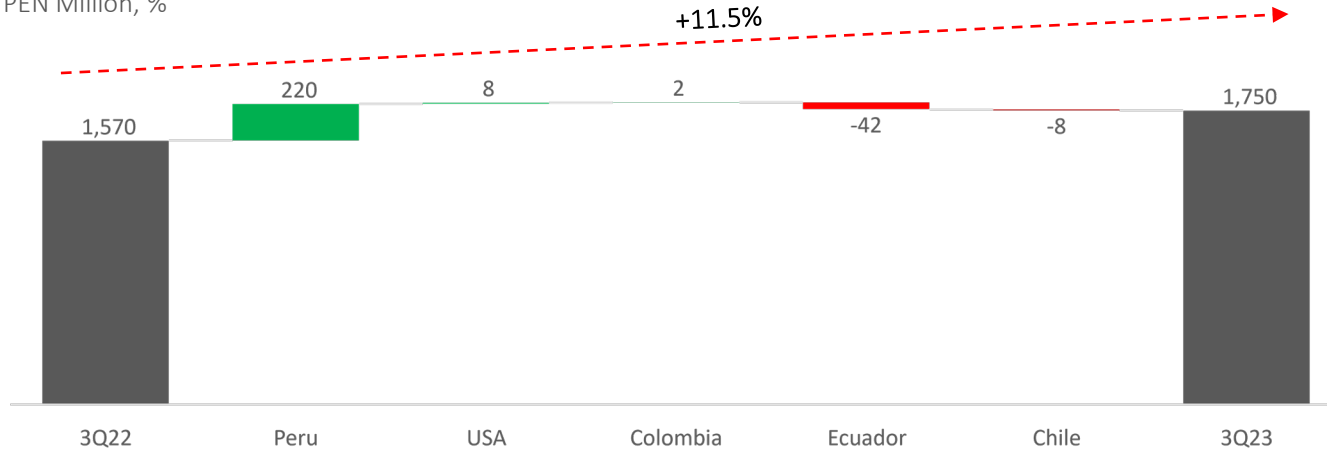


- Revenues increased +11.5%
- EBITDA reached PEN 355 million
- Leverage ratio: 2.6x , within our target
- Skanon closed the acquisition of a the cement plant in California: Tehachapi Cement LLC

The Group recorded an increase in revenues with a full quarter consolidating Termochilca operations...

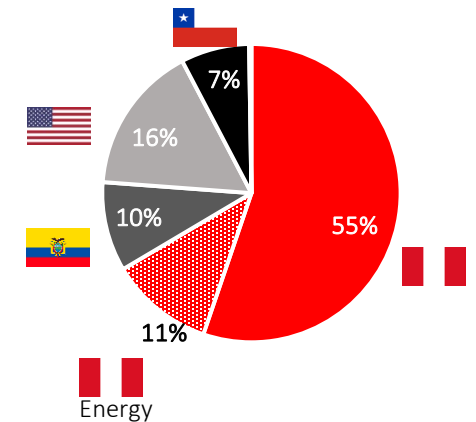
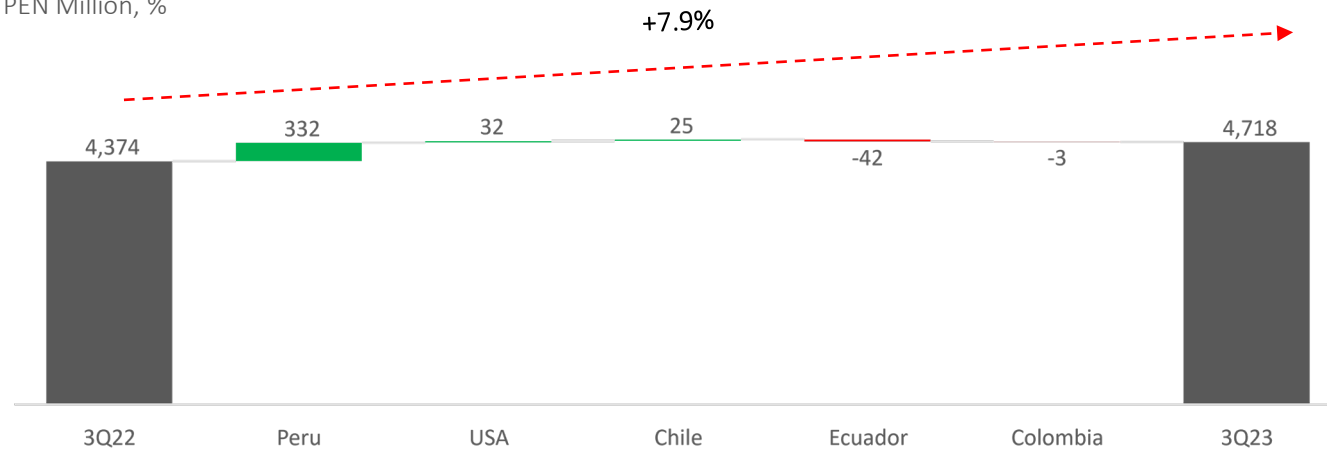
3Q23 Revenue contribution by country

PEN Million, %



























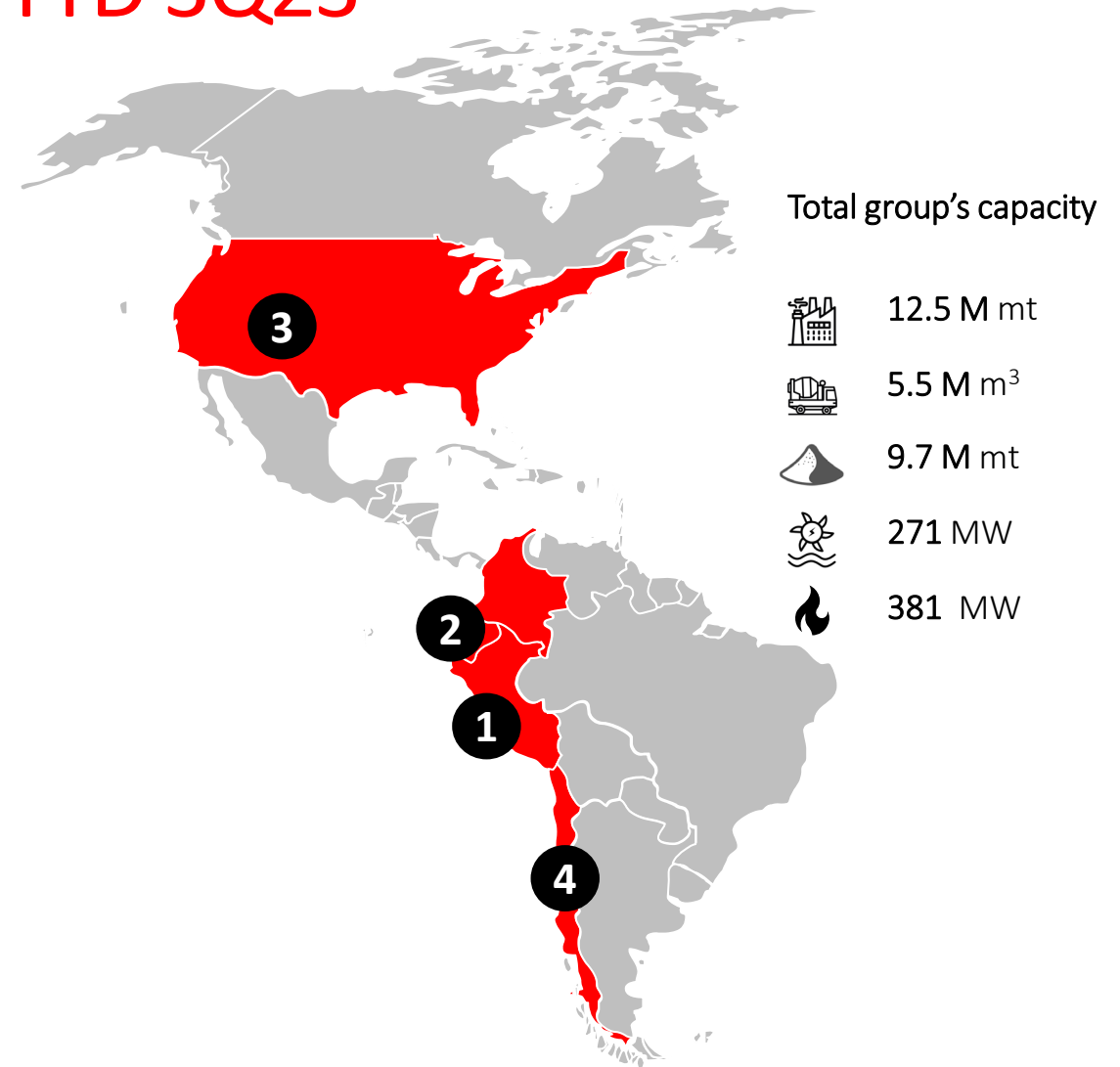
YTD 3Q23 Revenue contribution by country

PEN Million, %



With resilient volumes in 3Q23 and YTD 3Q23

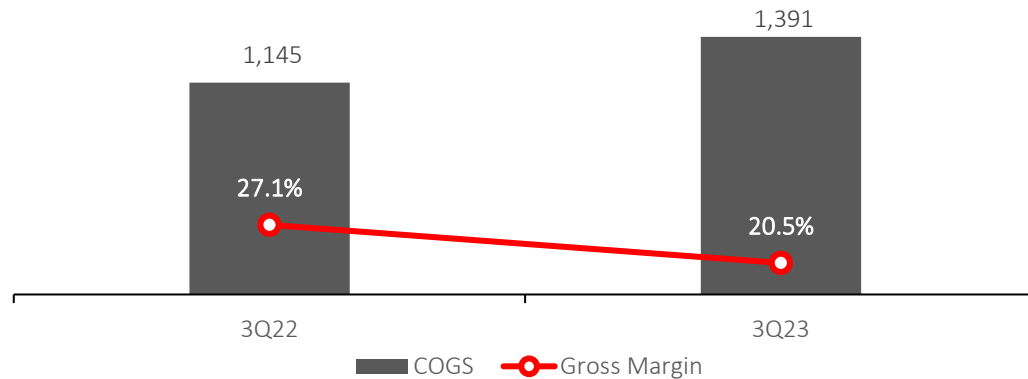
	Volume 3Q23			Volume YTD 3Q23		
1 	-13.8%	-6.8%	+142.0%	-11.7%	+1.3%	+79.4%
	 1.5 M mt	 597k m ³	 1,201 GWh	 4.4 M mt	 1.8 M m ³	 2,685 GWh
2 	-15.7%	-15.7%		-6.7%	-2.6%	
	 321k mt	 33k m ³		 908 mt	 97k m ³	
3 	-7.6%	9.7%	-40.1%	-9.5%	1.6%	-45.0%
	 156k mt	 252k m ³	 481k mt	 467k mt	 746k m ³	 1,307k mt
4 	+3.7%	-30.2%		+19.0%	-28.1%	
	 123k mt	 161k m ³		 369k mt	 521k m ³	



COGS increased due to lower economies scale and higher energy, fuel raw materials cost ...

3Q23 COGS & gross margin

PEN Million, %

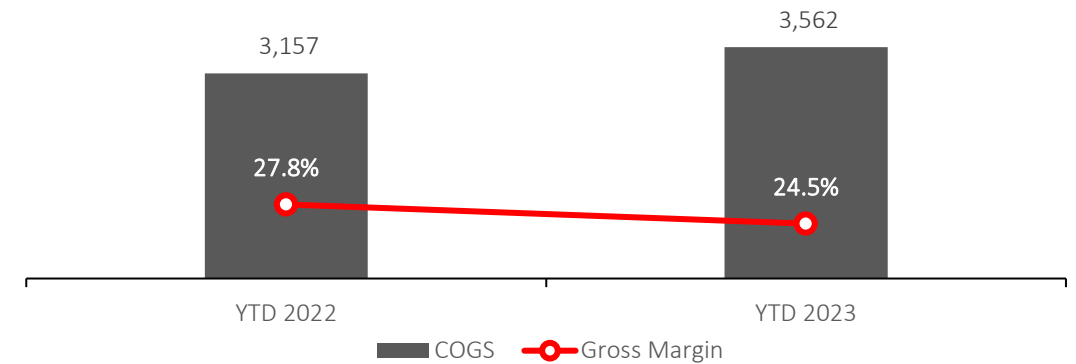


21.5% COGS increase & lower gross margin:

- Higher energy cost from the grid
- Lower economies of scale in the cement operations
- Higher raw material and fuel costs

YTD 3Q23 COGS & gross margin

PEN Million, %



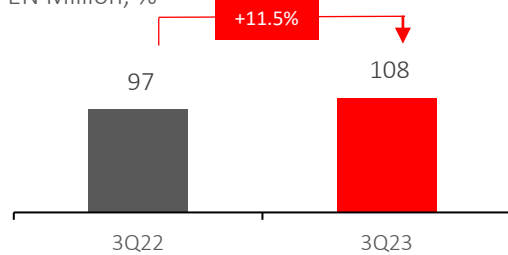
12.8% COGS increase & lower gross margin:

- Higher fuel and raw material costs
- Higher energy cost
- Higher maintenance cost
- Loss in economies of scales due to lower volumes mainly in cement operations

SG&A maintained stable with respect of total revenues...

3Q23 Administrative expenses

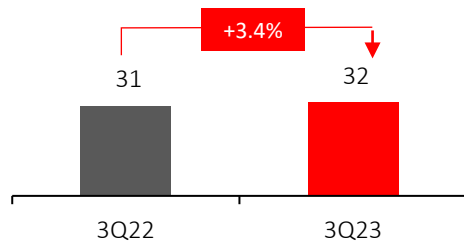
PEN Million, %



- 11.5% Administrative expenses increase:**
- Higher personnel expenses
 - Consultancies

3Q23 Selling expenses

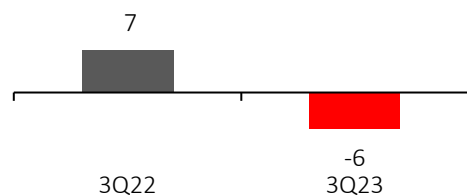
PEN Million, %



- 3.4% Selling expenses increase:**
- Selling Expense/Revenue ratio in line with revenues

3Q23 (Other income) and expenses, net

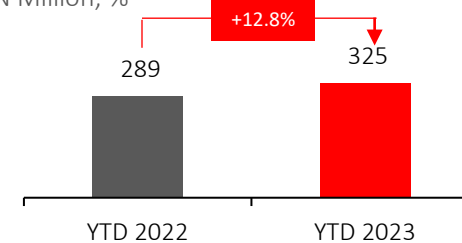
PEN Million,



- Other income / expenses net decrease:**
- Equipment sale
 - Non recurrent income from natural gas and closing quarries

YTD 3Q23 Administrative expenses

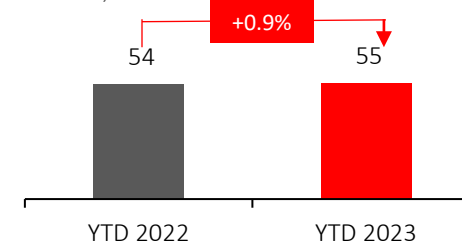
PEN Million, %



- 12.8% Administrative expenses increase:**
- Higher personnel expenses
 - New software and IT
 - TCH incorporation
 - Third-party services

YTD 3Q23 Selling expenses

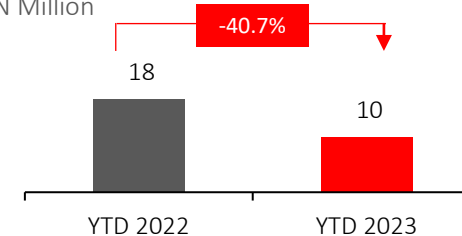
PEN Million, %



- 0.9% Selling expenses increase:**
- Incorporation of TCH
 - Selling Expense/Revenue ratio in line with revenues

YTD 3Q23 (Other income) and expenses, net

PEN Million

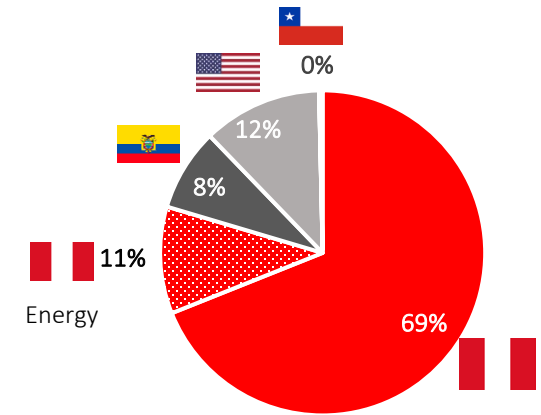
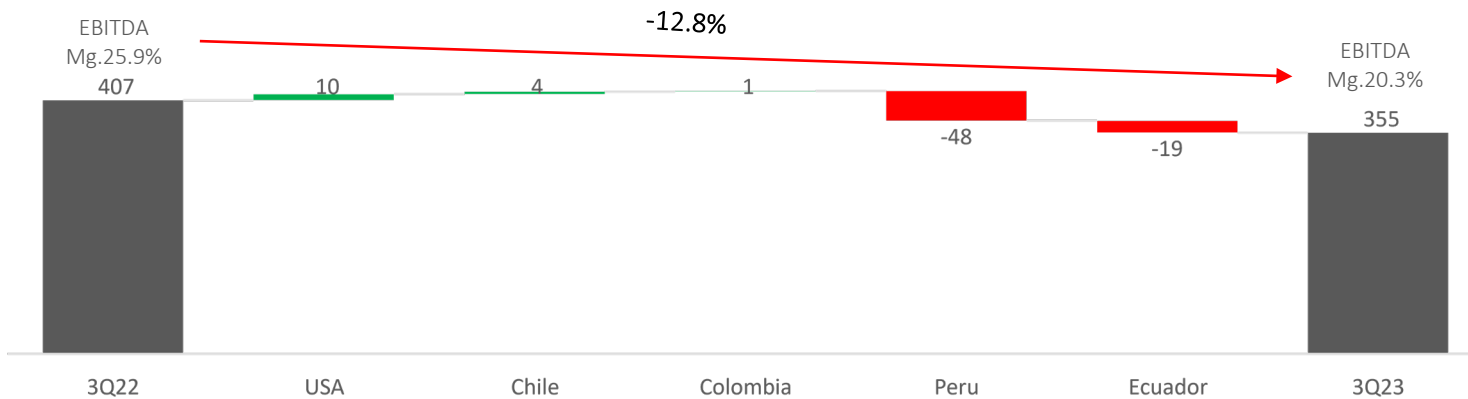


- Other income / expenses net decrease:**
- Voluntary retirement program that finished 1Q23
 - Non recurrent consultancy fee
 - Equipment sale

Costs impacted our margin recording a lower EBITDA in the quarter

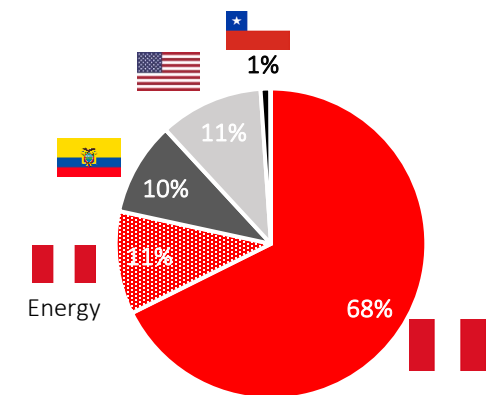
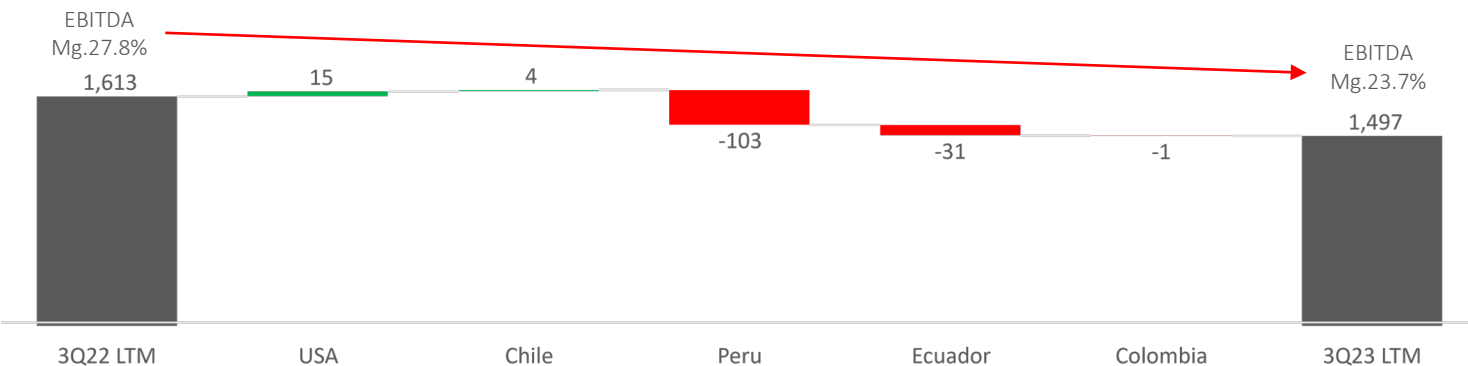
3Q23 EBITDA contribution by country

PEN Million, %



LTM 3Q23 EBITDA contribution by country

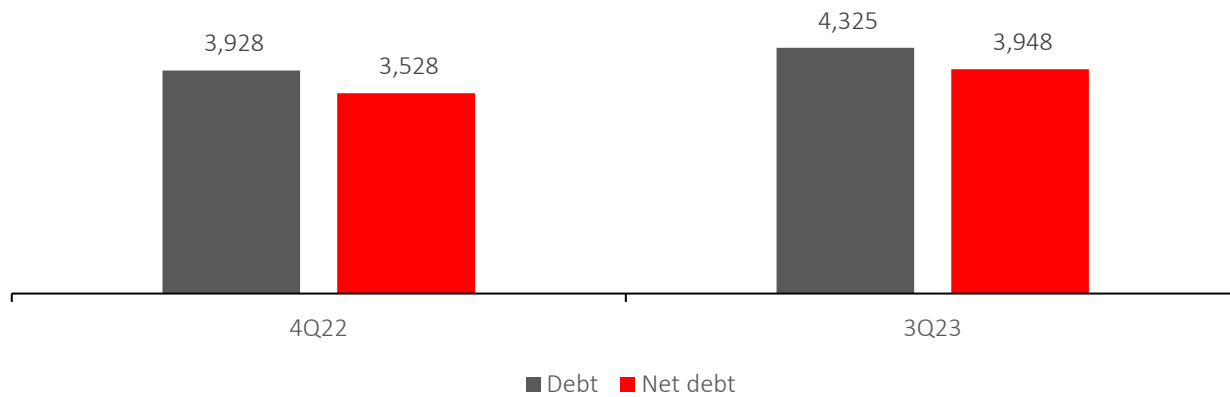
PEN Million, %



Our leverage ratio falls within our target ...

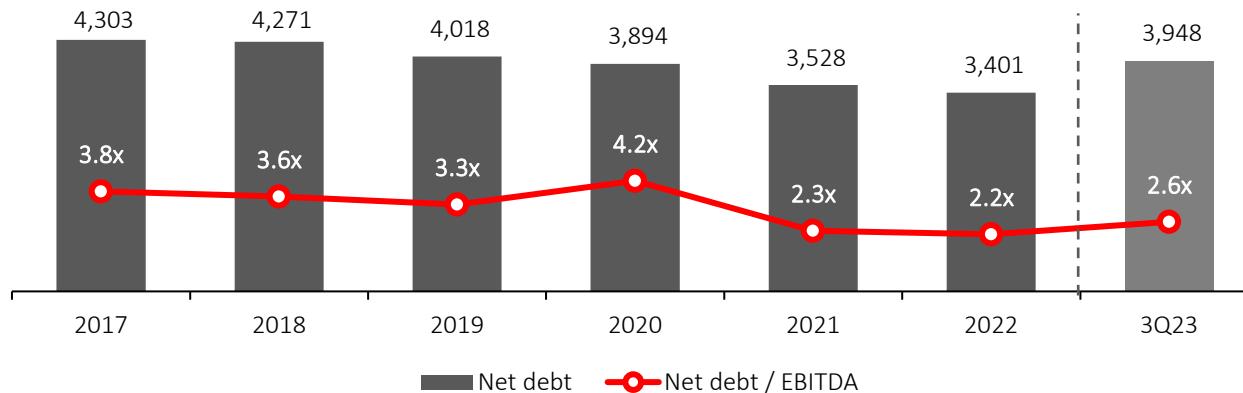
Total debt and net debt

PEN Million



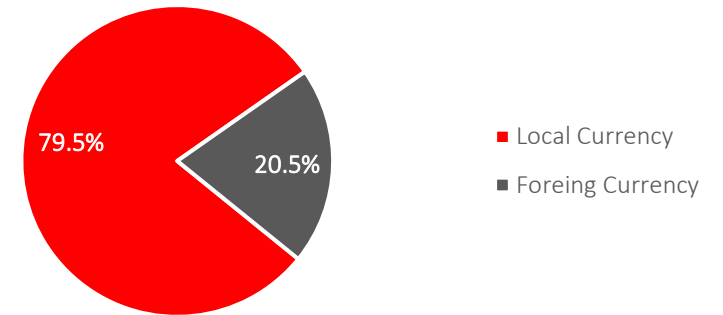
Net debt and leverage ratio

PEN Million, times



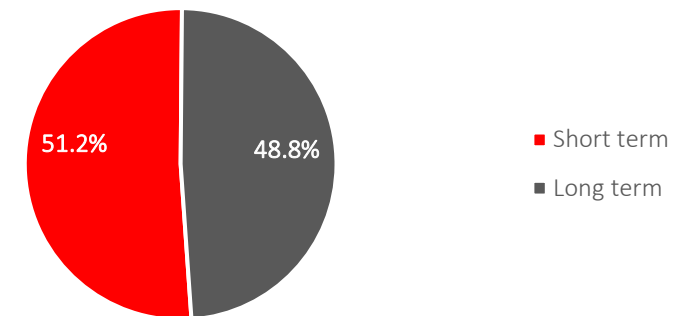
Total debt FX exposure 3Q23

%



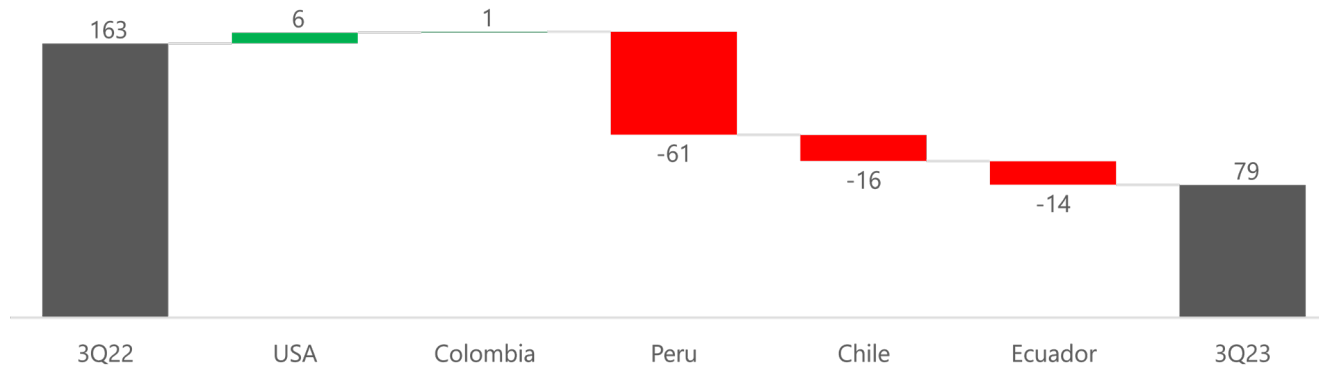
Total debt maturity composition 3Q23

%



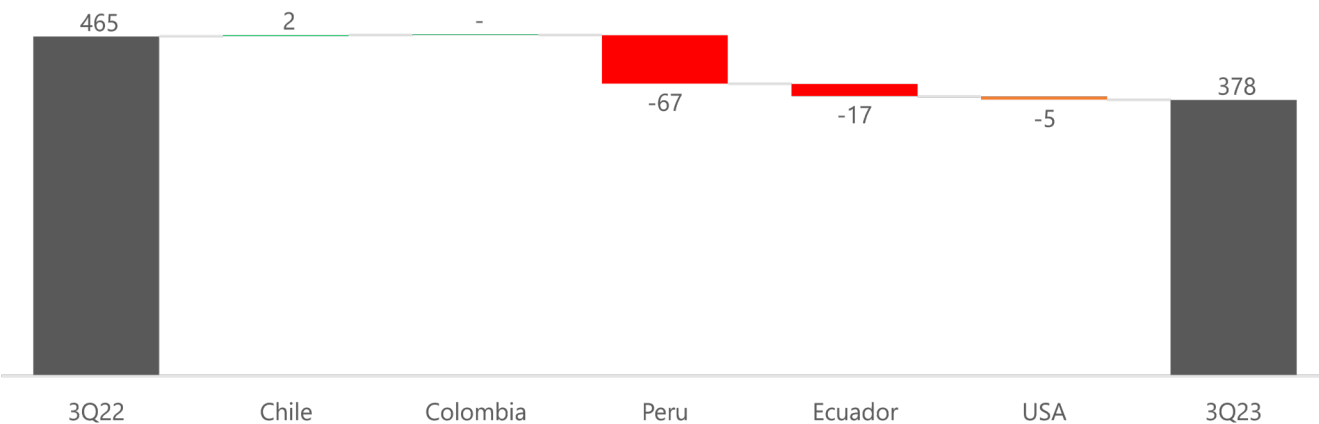
Net profit in the quarter was impacted by the operational result and higher financial expenses and FX losses ...

3Q23 Net profit
PEN Million



- 51.7% decreased compared to 3Q22
- Higher financial expenses (+34.5%)
- Higher FX losses during the period

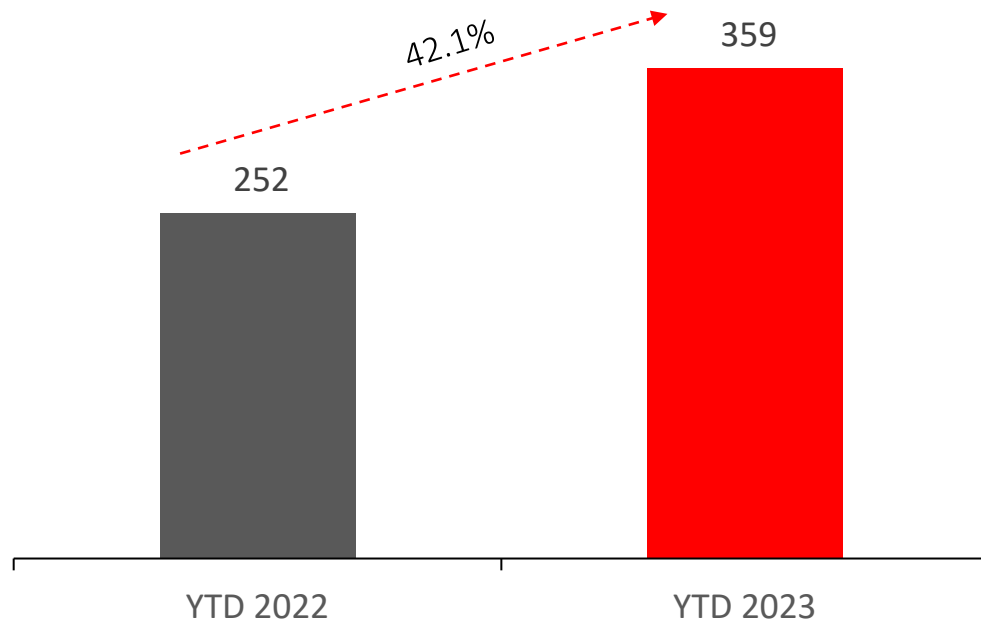
YTD 3Q23 Net profit
PEN Million





- 18.7% decreased compared to YTD 3Q22
- Higher financial expenses (+35.9%)
- FX losses against FX gain during 2022

Executing investment projects that guarantee sustainable operations

3Q23 CAPEX
PEN Million



- | | |
|---|--|
| 1
 | <ul style="list-style-type: none"> ○ Expansion of packaging and dispatch capacity ○ Kiln 3 cooler dedusting system ○ Improvements in Kiln 1 |
| 2
 | <ul style="list-style-type: none"> ○ Comprehensive mill project ○ Equipment and fixed assets for aggregates production |
| 3
 | <ul style="list-style-type: none"> ○ Kiln 1 debottlenecking ○ Hydrogen injection project |
| 4
 | <ul style="list-style-type: none"> ○ New ready mix site ○ Mixer trucks overhaul |

Q&A



Growing together to build a more sustainable world

