



2018 Emerging Markets
Corporate Credit Conference

May 30th – June 1st
Fontainebleau Resort | Miami Beach, Florida



Atocongo Plant, Lima

Agenda

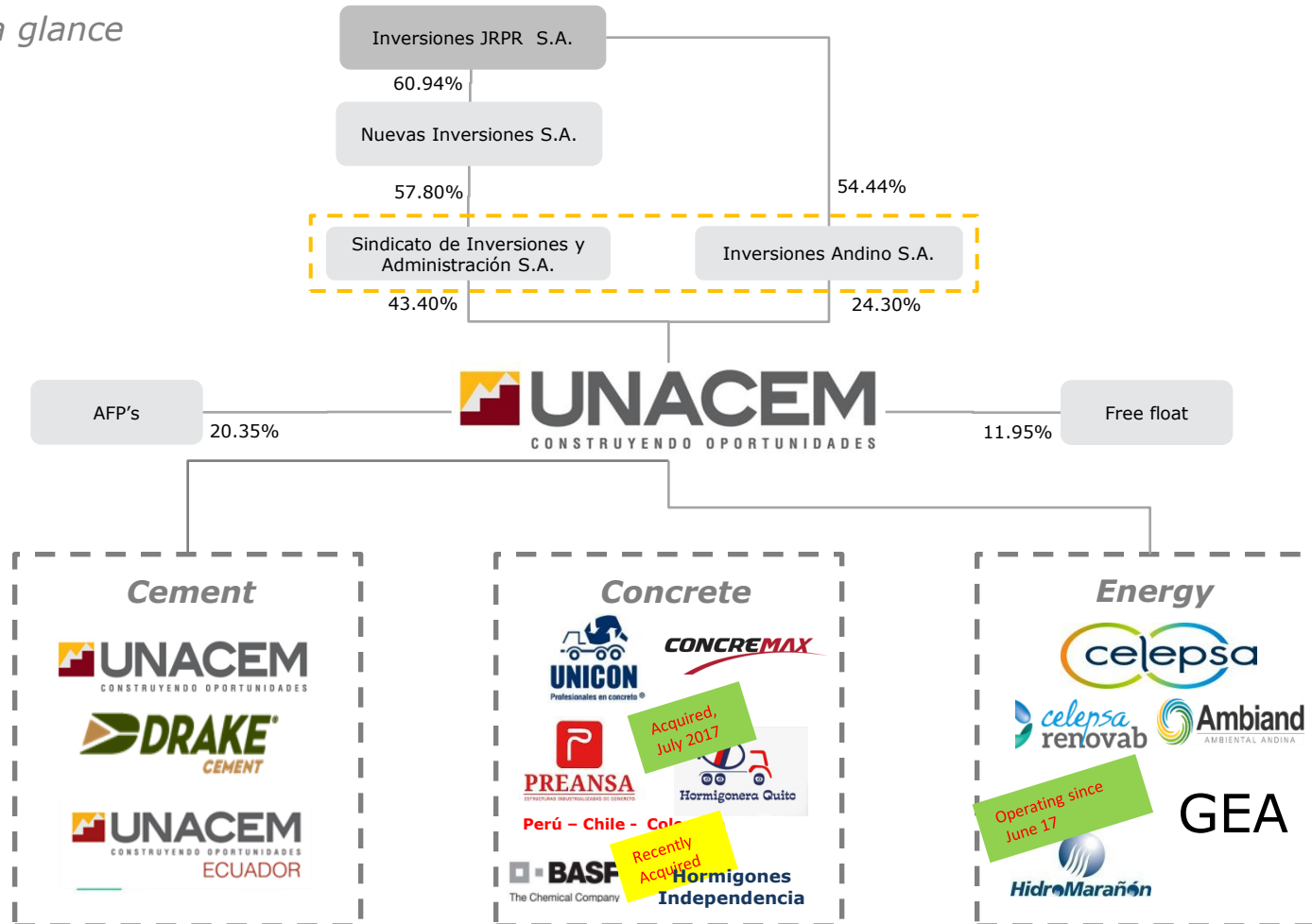
- 1. Overview***
 - 2. UNACEM Peru***
 - 3. Unicon and Concremax***
 - 4. Celepsa***
 - 5. Skanon / Drake***
 - 6. UNACEM Ecuador***
 - 7. Preansa***
 - 8. Consolidated Financial Highlights***
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1. Overview



1. Overview

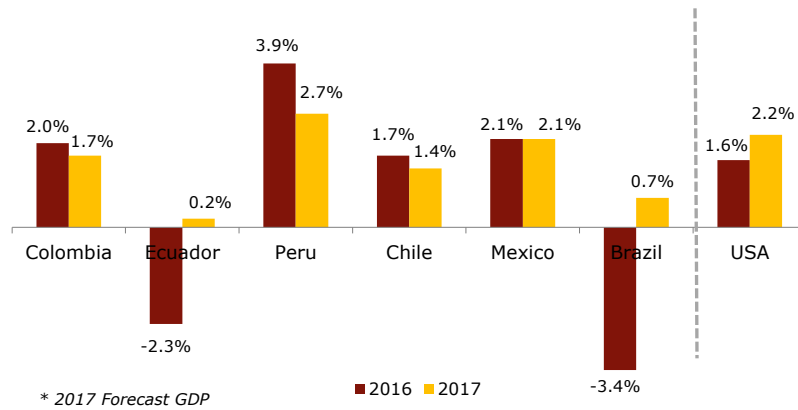
UNACEM at a glance



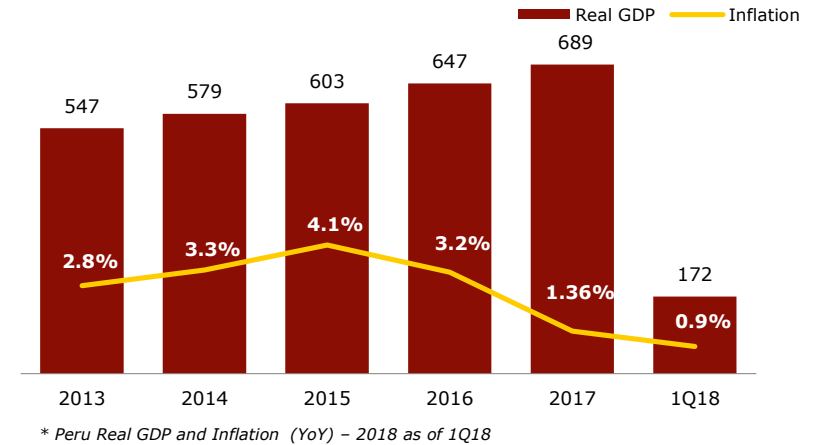
UNACEM S.A.A. is listed in the Lima Stock Exchange (BVL) with a Market Cap of USD 1,460 million, as of May 28th, 2018.
 FX Rate: PEN 3.2699

1. Solid macroeconomic fundamentals

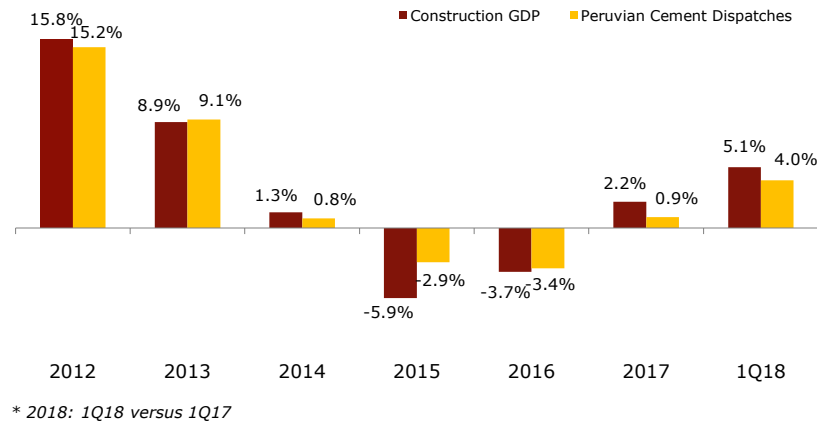
Latam GDP Growth
(Annual variation %)



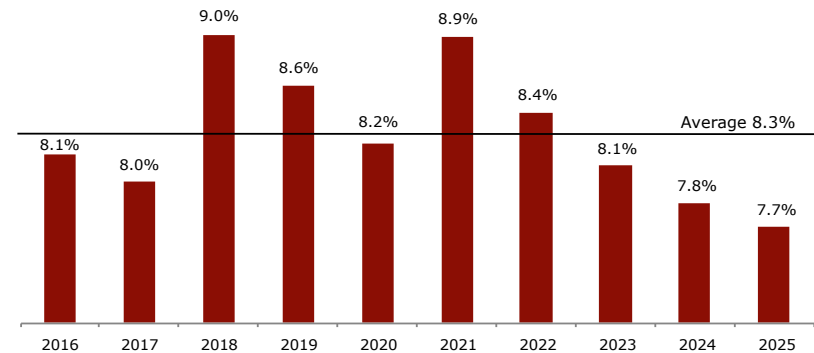
Peru Real GDP and Inflation
(PEN Bn and %)



Peru Construction GDP vs. Cement Dispatches
(Growth %)



Peruvian Infrastructure Gap
(as % GDP)



1. Peruvian new government measures seek to reduce infrastructure gap and housing deficit in the following 5 years...

Infrastructure Gap

Current status:

- Total infrastructure gap is USD 159.6 billion
- 8.27% of GDP annual investment needed to close the gap in the following 10 years
- Water and sanitation gap is USD 12.5 billion
- Estimated benefits of closing the gap represent around 14.3% of GDP and will represent 14.25% of the labour force



Government goals:

- Infrastructure investment up to USD 79 billion
- 100% of water in urban areas by 2021
- Paving 100% of the National Road Network
- Reform of the public - private investment process
- Megaprojects are a top priority, 15 projects declared in *Emergency* in order to accelerate it's execution

Housing Deficit

Current status:

- Housing deficit in Peru: 72% of total families (Ficem 2013)
- Peru's unsatisfied housing demand: 700,000 houses
- Lima and Callao unsatisfied housing demand: 435,000 houses
- 53% of demand in Lima and Callao for housing between USD 30,000 and USD 80,000
- Law 30425: Pension fund affiliates may withdraw 25% of their funds to repay mortgage or for the down payment of a 1st property
- 112 legislative decrees to eliminate bureaucracy and unlock projects



Government goals:

- Mivivienda and Techo Propio programs will work as a unit, redirecting financing to houses under USD 40,000
- Promote access to formal credit to families
- High investment in social infrastructure will reduce its gap by 50% in the next 5 years

LINE 2 – METRO OF LIMA

Metro de Lima - Línea 2

USD 5,658 MM



TRANSPORTATION INFRASTRUCTURE

Jorge Chavez Airport Expansion

USD 800 MM

Muelle Norte - Etapas 1 y 2 - Callao Port

USD 370 MM

San Martín Port

USD 182 MM

Mineral Terminal - Callao Port

USD 150 MM

Pisco Airport Expansion

USD 107 MM

TOTAL

USD 1,609 MM



ROADS

Vía Parque Rímac

USD 750 MM

Rutas Nuevas de Lima

USD 590 MM

IIRSA Centro - Tramo II

USD 126 MM

Amp. Red Vial 5

USD 100 MM

Vía Expresa Sur

USD 200 MM

Amp. Red Vial 6

USD 200 MM

TOTAL

USD 2,866 MM



WATER AND SANITATION

Water and Sanitation in Lima (Sedapal)

USD 166 MM

Improvement the facilities of the health services in Pichanaki Hospital, Junín

USD 79 MM

TOTAL

USD 245 MM



PAN AMERICAN GAMES – LIMA 2019

2019 Pan American Games

USD 1,260 MM

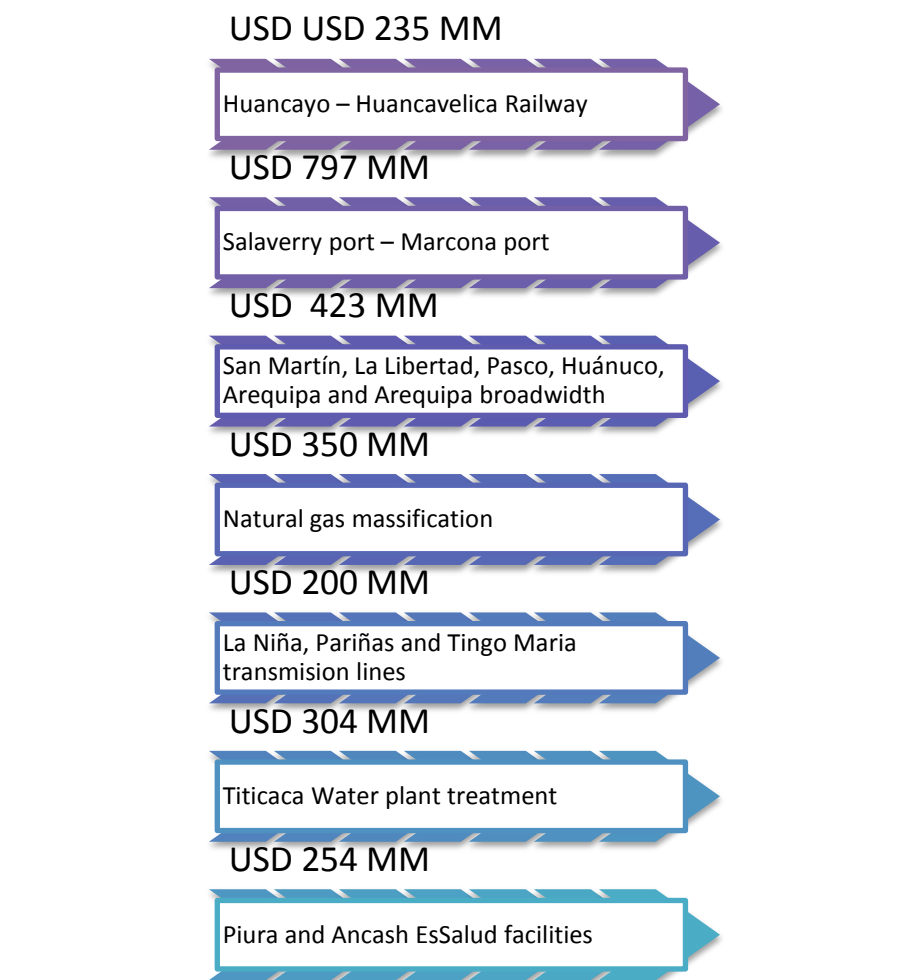


On the **public** and **private** side in the following two years an important pipeline of projects would start its tendering process

MAIN MINING PROJECTS ANNOUNCED (USD MM)



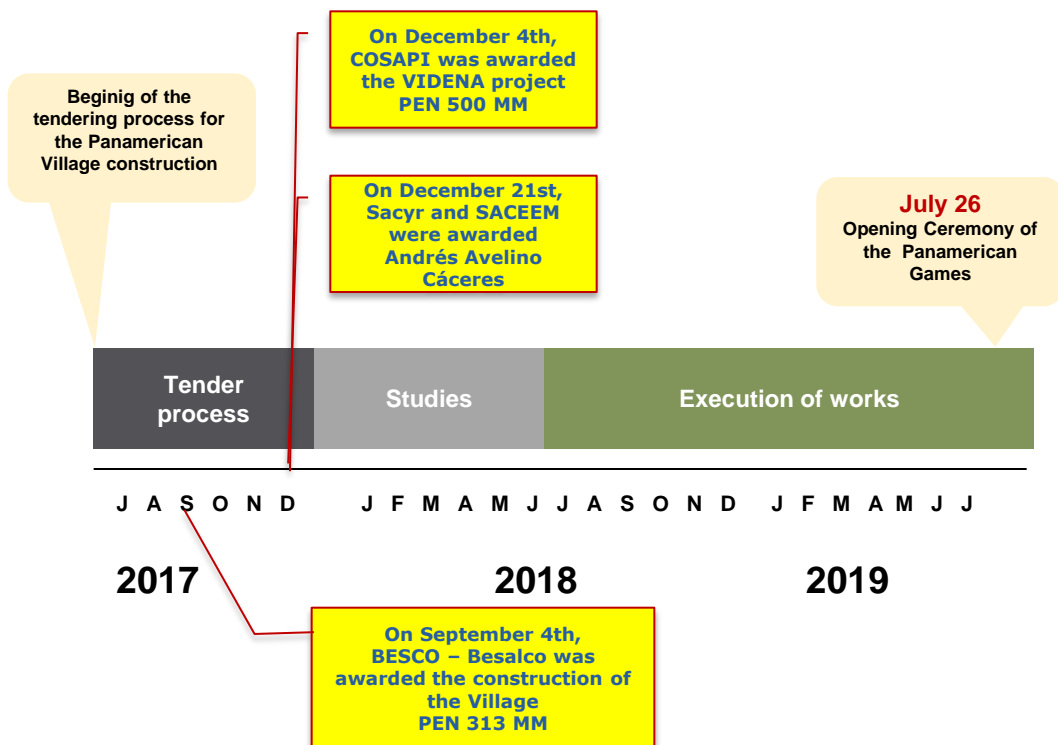
MAJOR PUBLIC PROJECTS FOR TENDERING IN 2018 (USD MM)



More than **USD 3,200 million** of mining projects announced in UNACEM's area of influence

Panamerican Games Lima 2019

In charge of the UK Government and with a special normative framework that allows the urban habilitation and permission of construction as an automatic way



Main projects of the games

Project	Auction Date
Construction of the Panamerican Village (Villa El Salvador)	Besco- Besalco September 2017
Expansion and improvement of La Videna Center (San Luis)	COSAPI December 2017
Improvement of Andrés Avelino Cáceres sports center (Villa María del Triunfo)	Sacyr Saceem December 2017
Improvement of Yahuar Huaca Park (Callao)	Sacyr Saceem March 2018
Construction of the gymnastic center (Villa El Salvador)	OHL – JE Construcciones Generales March 2018
Improvement of the Army's Riding School (San Juan de Miraflores)	1H2018

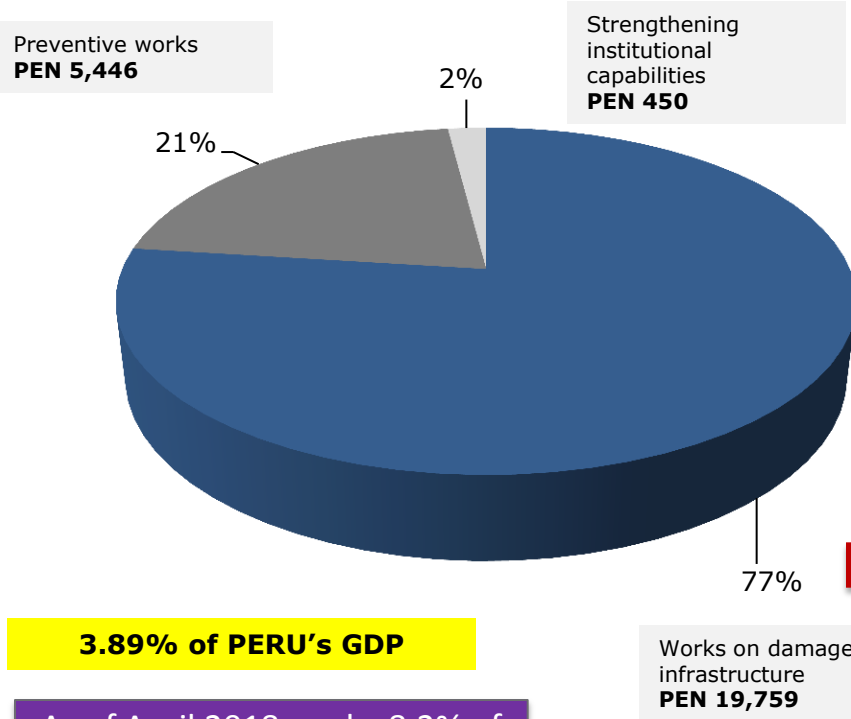


TOTAL INVESTMENT PEN 4,300 million



Reconstruction with changes

Budget of PEN 25,655 million



3.89% of PERU's GDP

As of April 2018, only 8.2% of budget executed

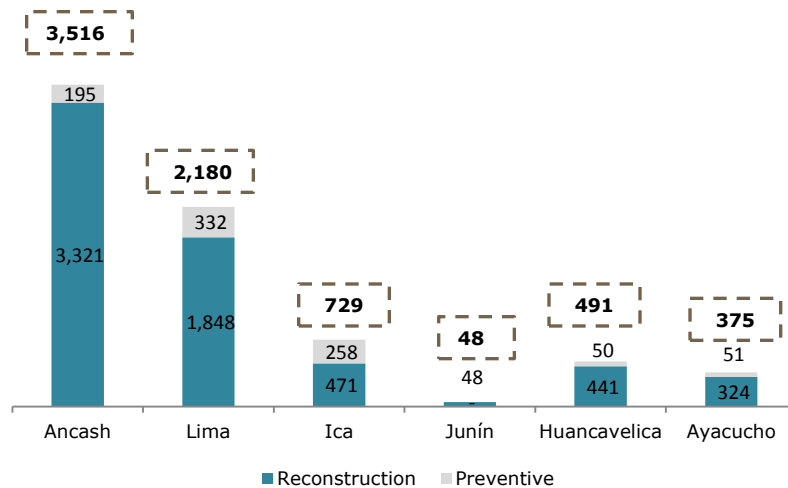


Investment on damaged infrastructure by Sector				
Sector	Interventions	Investment (PEN MM)	Total %	
Transports		9,760	49.4%	
	- National Roads - Highways	2,638 km	4,333	21.9%
	- Local roads Highways and roads	7,095 km	4,504	20.4%
	- Local Roads - Bridges	192 bridges	923	4.7%
Housing	45,613 houses	1,114	5.6%	
Education	1,444 schools	2,671	13.5%	
Sanitation	Water and sewage networks	2,041	10.3%	
Health	154 hospitals, health posts and health centers	1,343	6.8%	
Agriculture and irrigation	224 intakes, 608 km of canals, 269 km of drains	1,344	6.8%	
Roads and sidewalks	811 km roads and sidewalks, and 161 bridges	1,483	7.5%	
Total		19,759	100%	

Reconstruction with changes in UNACEM's area of influence

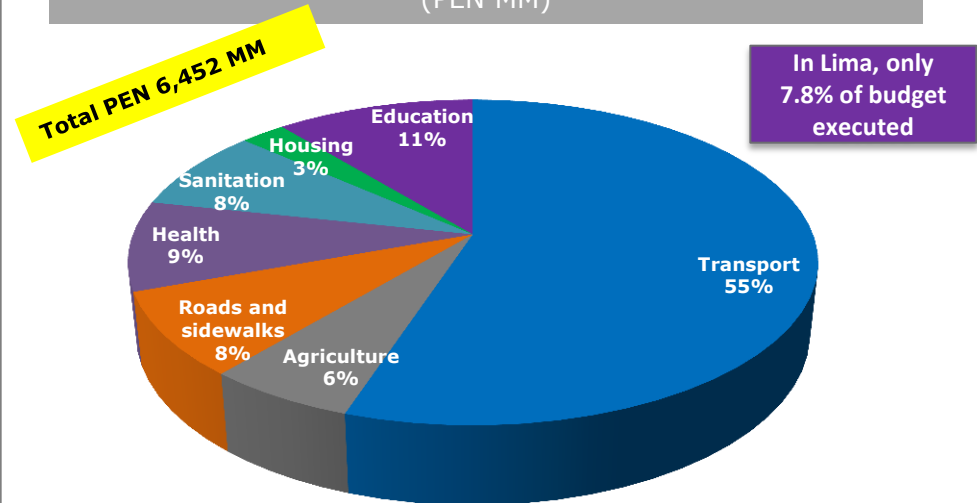
Reconstruction represents an important potential for dispatches of cement, ready mix and industrialized concrete structures for UNACEM and its subsidiaries in the coming years ... **28.6% of the reconstruction budget is allocated in UNACEM's area of influence**

Budget allocated by relevant region (PEN MM)



- ✓ September 12, 2017: Reconstruction Plan was approved
- ✓ December 17: First projects awarded
- ✓ December 17 – June 17: Studies
- ✓ April 18: execution

Budget allocated for Reconstruction Works Central region (PEN MM)



In Lima **PEN 885 MM** will be executed in transports works

Roads



PEN 735MM

Rural Roads



PEN 74MM

Bridges



PEN 76MM

2. UNACEM Peru



Condorcocha Plant, Tarma (3,950 m.a.s.l)

2. UNACEM Peru

Overview

- On October 1st, 2012, UNACEM absorbed Cemento Andino to consolidate the largest cement company in Peru
- UNACEM has subsidiaries that provide power supply, raw materials supply, distribution channels and warehouse storage of UNACEM's products
- The Company has two cement plants, Atocongo and Condorcocha, which operate in the central region of the country where most of the population lives
- The Atocongo plant has an underground conveyor belt which leads directly to the Conchan Pier (port) in the Pacific Ocean, facilitating cement exports and raw material imports
- Both plants have their own power generation through two hydro power plants and one thermo power plant that provide a significant source of energy

Financial Snapshot 2017 and LTM 1Q18 (USD MM)

	2017	1Q18
Total Assets	2,272	2,277
Revenues	586	601
EBITDA	300	265
EBITDA Margin	51%	44%
Local Ratings	Class: AAA APOYO: AA	

Cement Plants

Atocongo

Location: Lima
Clinker Capacity: 4.8 million MT
Cement Capacity: 5.5 million MT
Clinker Production(2017): 3.2 million MT
Cement Production(2017): 3.4 million MT
Limestone Reserves: 34 years



Condorcocha

Location: Junín
Clinker Capacity: 1.9 million MT
Cement Capacity: 2.8 million MT
Clinker Production(2017): 1.4 million MT
Cement Production(2017): 1.6 million MT
Limestone Reserves: 156 years



Distribution and Services

Progre-Sol

Commercialization

- Hardware store with over **500** points of sale

Supplies more than 7,200 independent hardware stores in the country

Hatun-Sol

Financing and Advising

- Product financing and advising families on building techniques

Advices and provides financing to families and independent builders to finance cement and other construction products

Duravía

- Solutions for road paving

New service that offers efficient road paving techniques

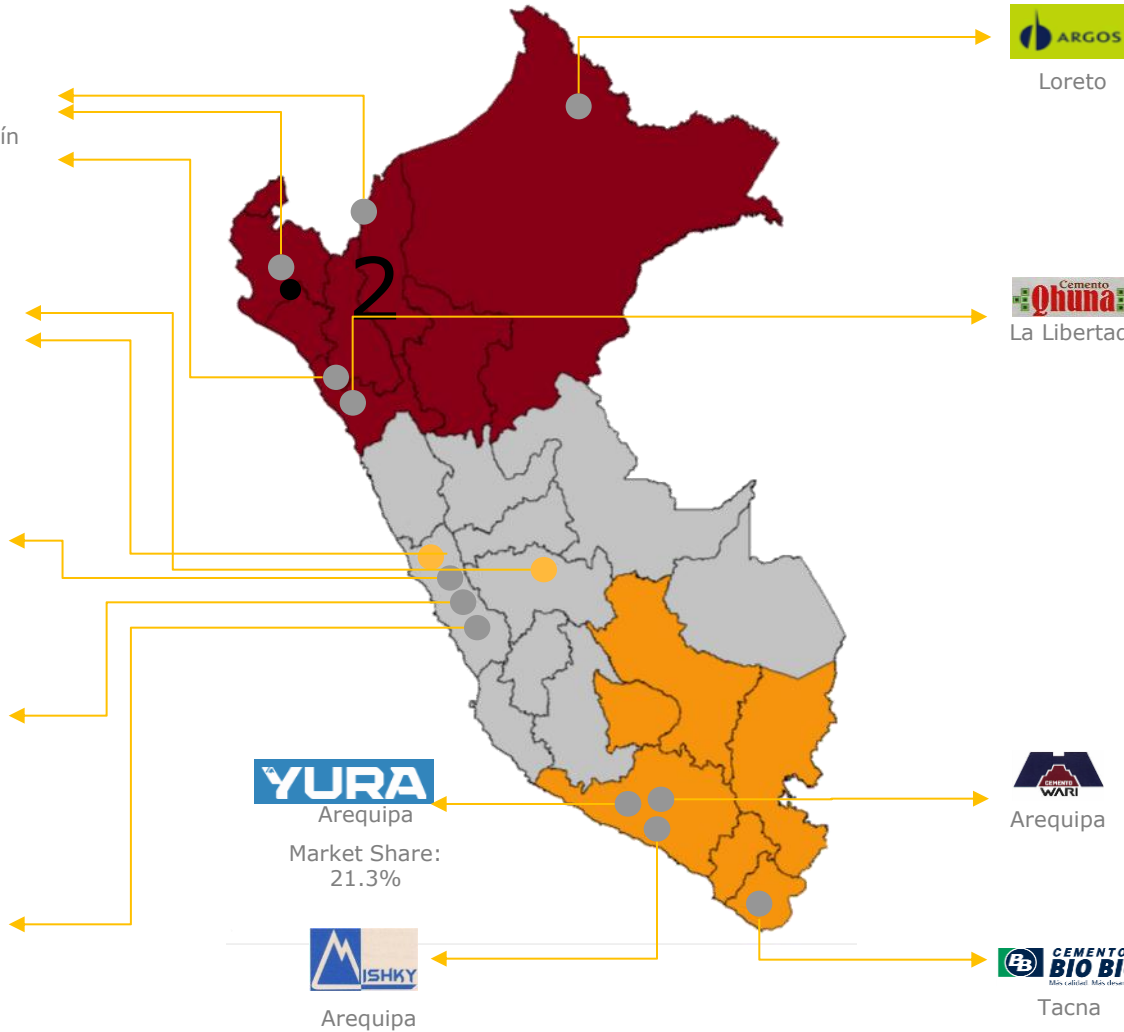

PACASMAYO
 La Libertad / Piura / San Martín
 Market Share: 18.4%


UNACEM
 CONSTRUYENDO OPORTUNIDADES
 Lima / Junín
 Market Share: 46.3%


CEMEX
 Lima
 Market Share: 4.5%


CEMENTO NACIONAL
 Lima
 Market Share: 3.0%

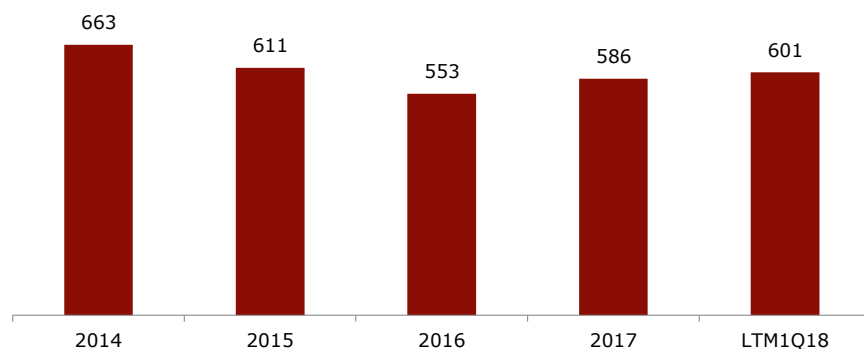

INKA
 Lima
 Market Share: 3.6%



2. Consistently delivering strong financial results...

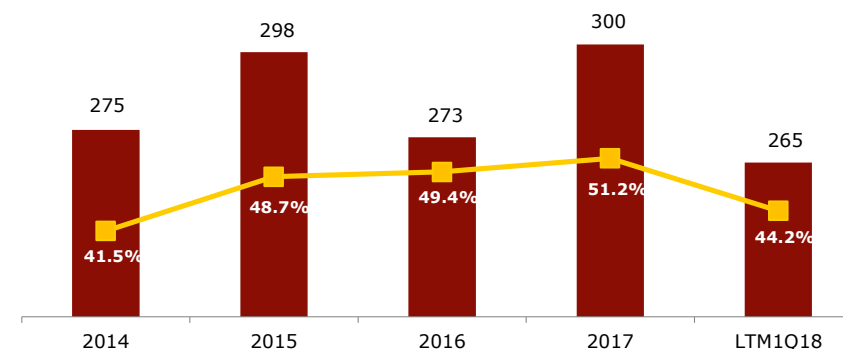
Separate financial performance

Revenues
(USD Millions)



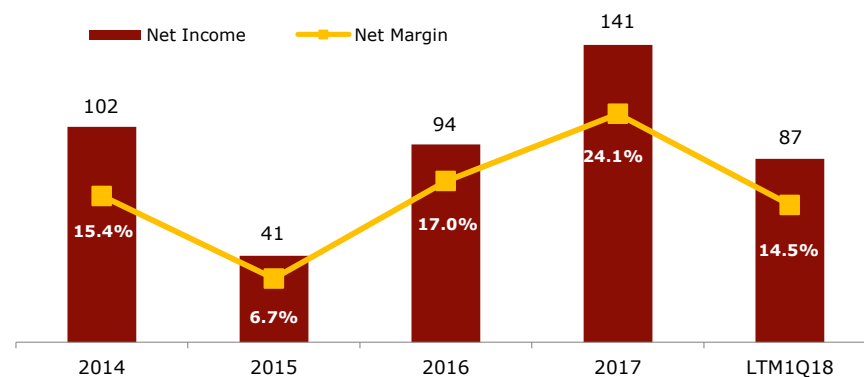
EBITDA and EBITDA Margin
(USD Millions and %)

■ EBITDA — EBITDA Margin

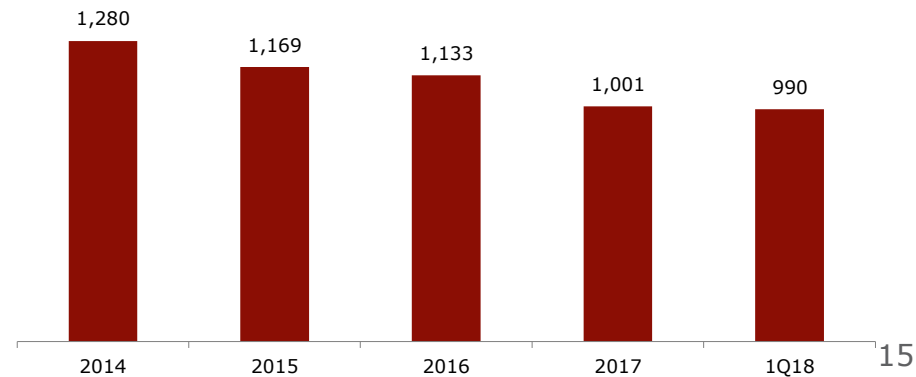


Net Income & Net Margin
(USD Millions and %)

■ Net Income — Net Margin



Net Debt
(USD Millions)



3. Unicon & Concremax



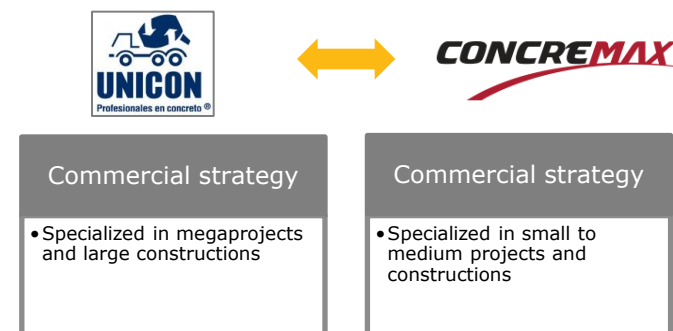
3. UNICON & CONCREMAX

Concrete Segment Overview

- UNACEM's concrete segment consists of two companies Unión de Concreteras S.A. (UNICON) and CONCREMAX S.A.(former Firth), forming the largest concrete group in Peru
- UNICON was founded in May 1996
- In 2011, UNICON acquired 100% of Firth shares. On November 2015, Firth changed its legal name and brand to CONCREMAX.
- On July 2017, UNICON acquires 100% of stake in Hormigonera Quito today UNICON Ecuador, for USD 13 million
- On May 2018, UNICON acquires 100% stake in Hormigones Independencia, today UNICON S.A. for USD 22.2 million

Market Positioning

- UNICON and CONCREMAX have **62.0% of market share (74% in the relevant area)** in the concrete segment (1Q18)



Financial Snapshot – LTM 1Q18 (USD MM)

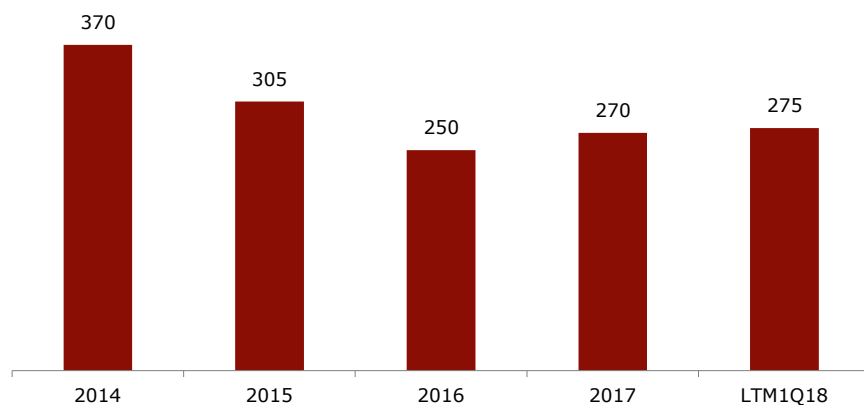
Total Assets	244
Revenue	275
EBITDA	32
EBITDA Margin	12%

Assets and Capacity

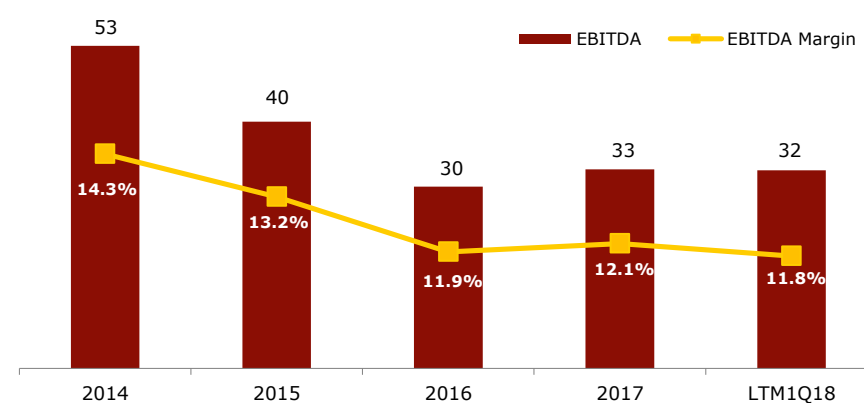
Installed Capacity	9.2 (million m³ per year)
Concrete Plants	58
Facilities in Lima	13
Facilities in the rest of Peru	22
Mixer Trucks	519

3. Positioned to deliver strong cash flows...

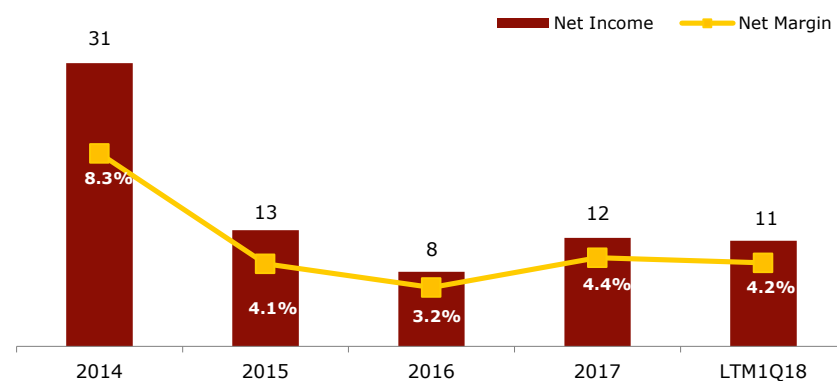
Revenues
(USD Millions)



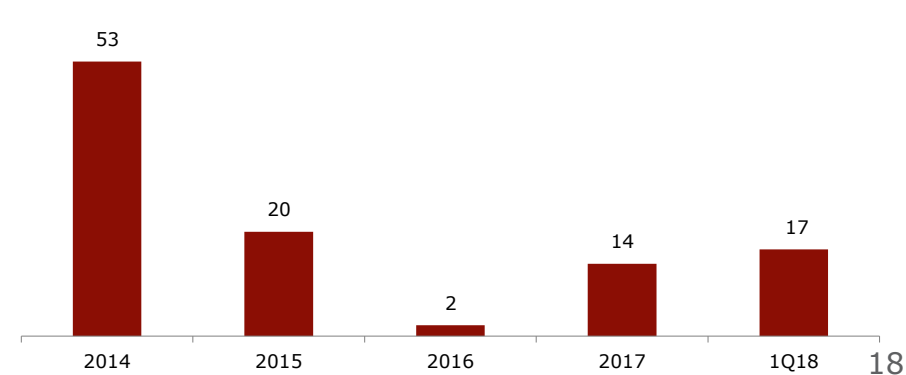
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



4. Celepsa



4. Celepsa

Company description

- The company's main customer is UNACEM (29% of total sales), though it has a portfolio of 13 additional customers
- The company's assets are the hydroelectric plant "El Platanal" which generates 220 MW and Hidro Marañón (18 MW) currently under construction
- In November 2014, Celepsa acquired Hidro Eléctrica Marañón S.R.L., a 18 MW with a 88 MW PPA. The hydroelectric power plant started operations in 1S17
- CELEPSA's strategy is to develop a balanced, efficient and competitive portfolio of electricity generation
- 100% of the production is sold through PPAs

Financial Snapshot – LTM 1Q18 (USD MM)

Total Assets	367
Revenue	91
EBITDA	32
EBITDA Margin	35%

Hydroelectric Power Plant

El Platanal

Location: Lima
 Generation Capacity: 220 MW

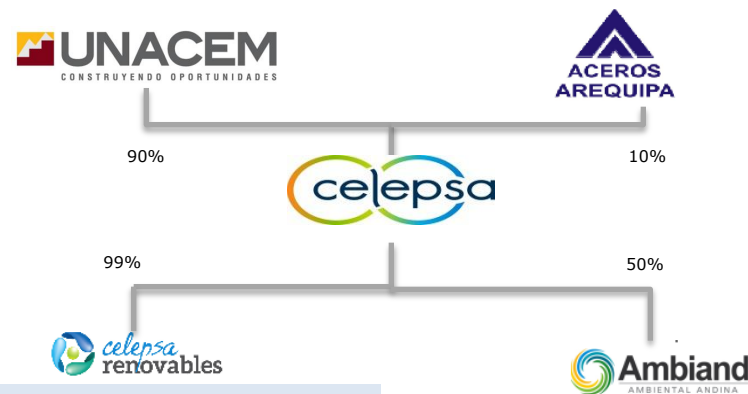


Hidro Marañón

Location : Huánuco
 Generation Capacity: 18 MW



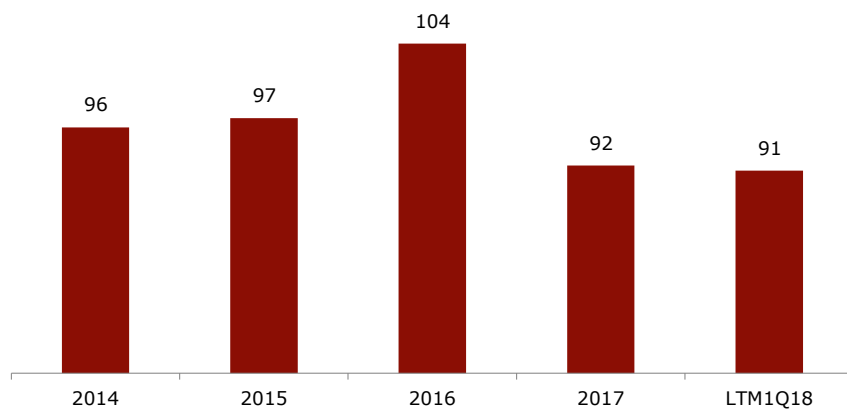
Company structure



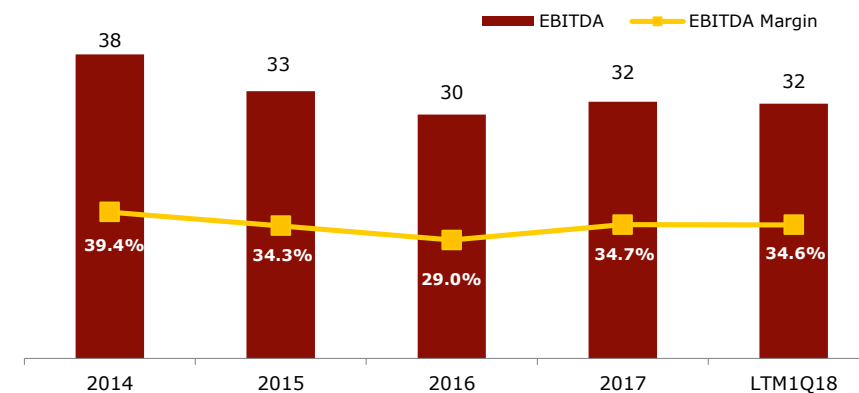
On March, 2018, Hidromarañón SRL changed its legal name to Celepsa Renovables SRL

4. Keeping its competitiveness in the energy sector ...

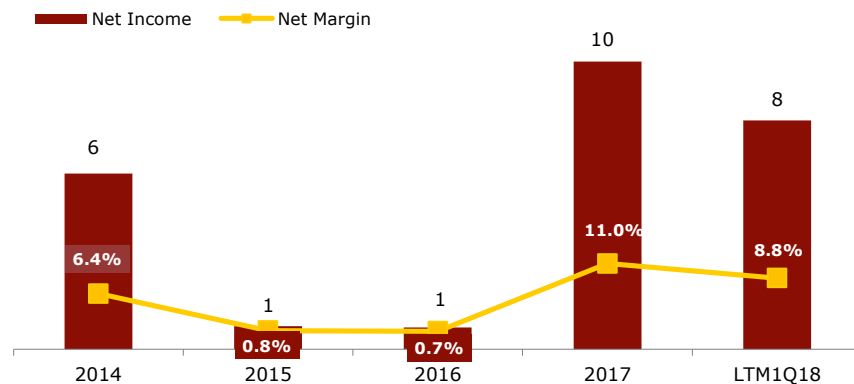
Revenues
(USD Millions)



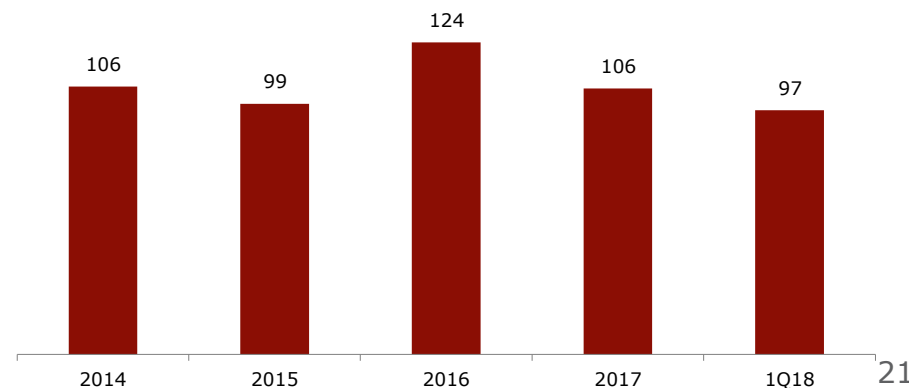
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



5. Skanon / Drake



5. Skanon / Drake

Company Description

- Drake UNACEM's start up subsidiary located in Arizona, USA, with state-of-the-art facilities
- There are six main competitors in the market in Arizona. Drake holds the 3rd largest market share.
- UNACEM took advantage of the low prices during the crisis to build Drake Cement
- Drake has a strong growth potential as the United States recovers from the crisis
- The company's mission is to be recognized as the leading and most respected provider of construction materials
- As of the 1Q18 Drake's cement dispatches were 30% higher than 1Q17

Financial Overview – LTM 1Q18 (USD MM)

Total Assets	406
Revenue	102
EBITDA	3
EBITDA Margin	3%

Products and Brands

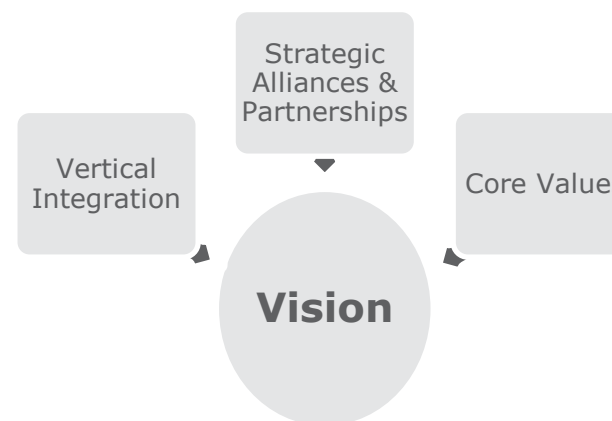


- ASTM C 150 Type II/V (LA)
- Clinker Type II/V
- Special cement



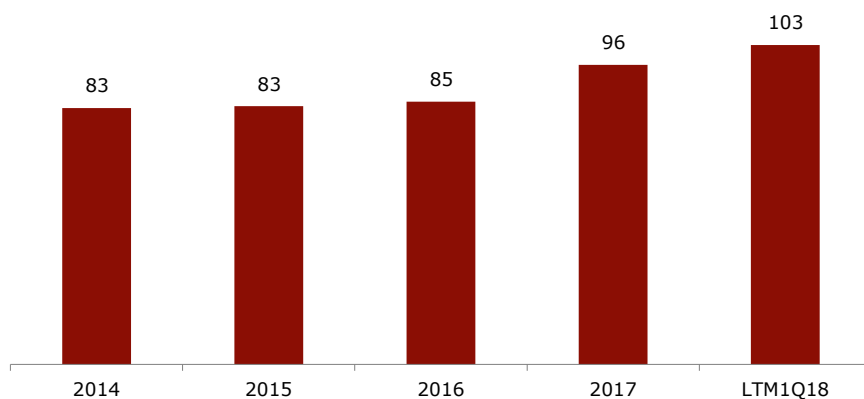
- ABC (Aggregate Base Course)
- Crushed rock
- Concrete and mortar sand
- Recycled concrete and asphalt

Business Strategic Plan

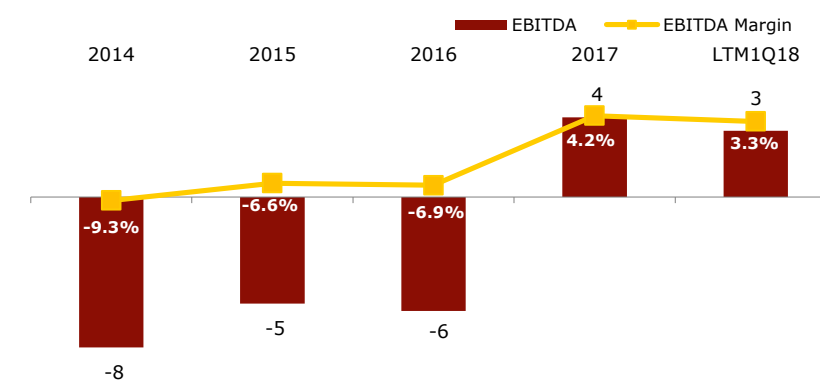


5. Recovering US operations ...

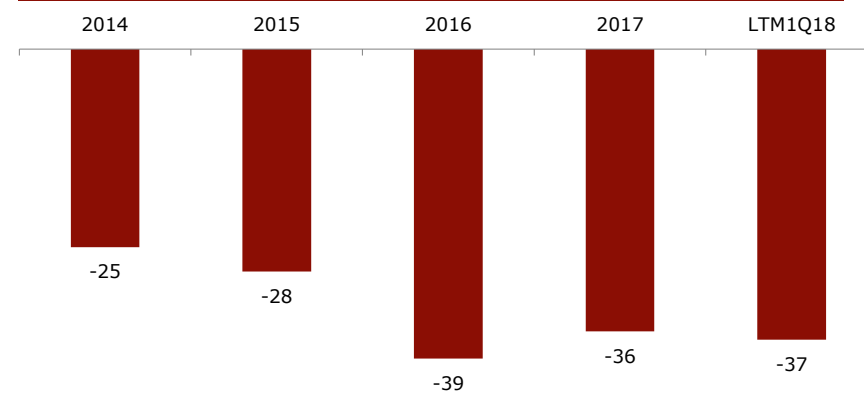
Revenues
(USD Millions)



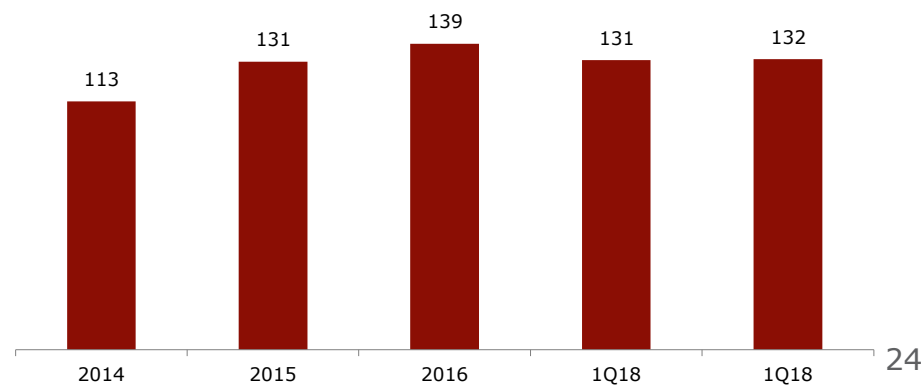
EBITDA and EBITDA Margin
(USD Millions and %)



Income before taxes
(USD Millions)



Net Debt
(USD Millions)



6. UNACEM Ecuador



6. UNACEM Ecuador

Company Description

- UNACEM Ecuador was acquired during 2014, consolidating and closing the transaction by mid November 2014 with all regulatory permits
- The Company has the widest product portfolio in the market, tailored for the construction sector
- UNACEM Ecuador is a fully integrated company with high performance assets
- UNACEM Ecuador has a prime logistical operation with 100% bags delivered door-to-door
- Excellence in stakeholder relationship
- The plant is currently operating at 80% capacity

Financial Overview – LTM 1Q18 (USD MM)

Total Assets	212
Revenue	151
EBITDA	63
EBITDA Margin	42%

Operations

Otavaló

2 Lines: 1 Kiln SPH and 1 Kiln AS precalciner
 Location: Imbabura (100km North of Quito)
 Clinker Capacity: 1.0 million MT
 Cement Capacity: 1.5 million MT
 Production (2017): 1.2 million MT

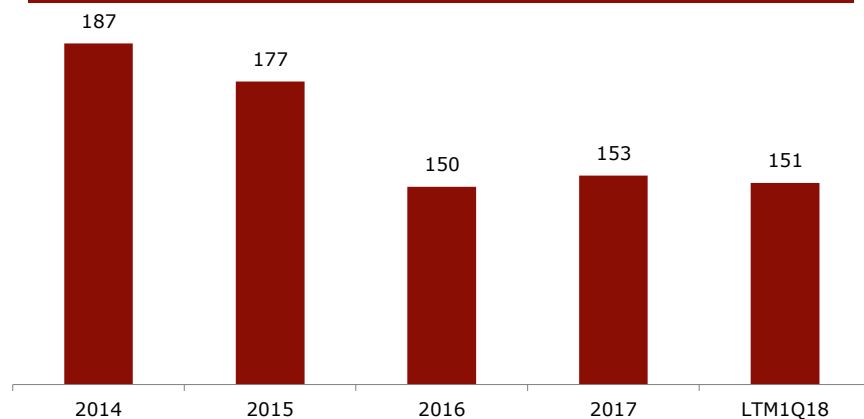


Ownership structure

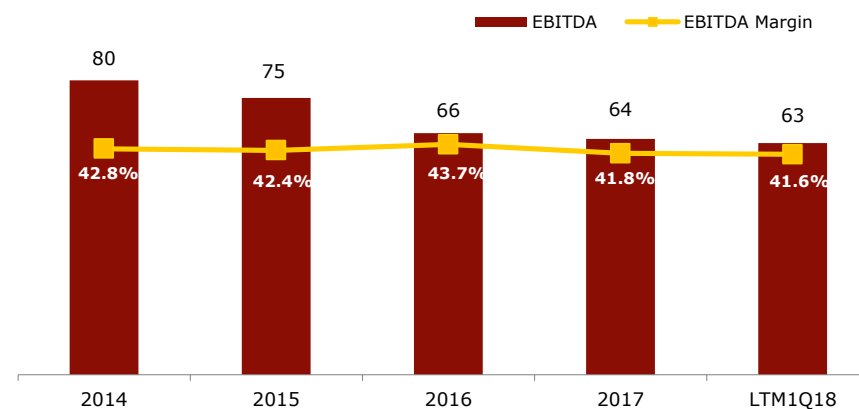


6. Delivering solid margins ...

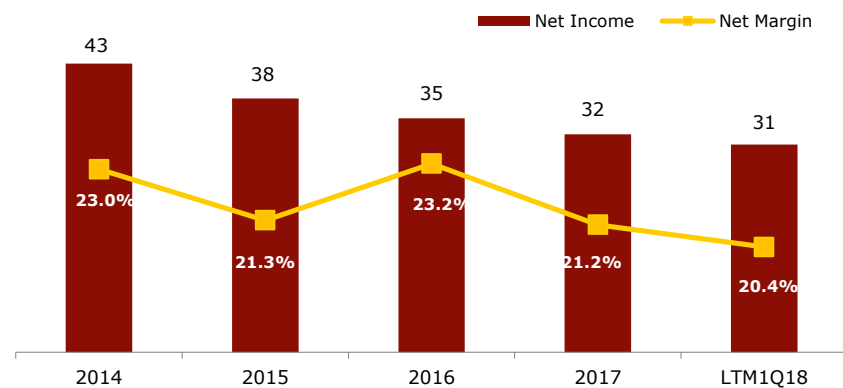
Revenues
(USD Millions)



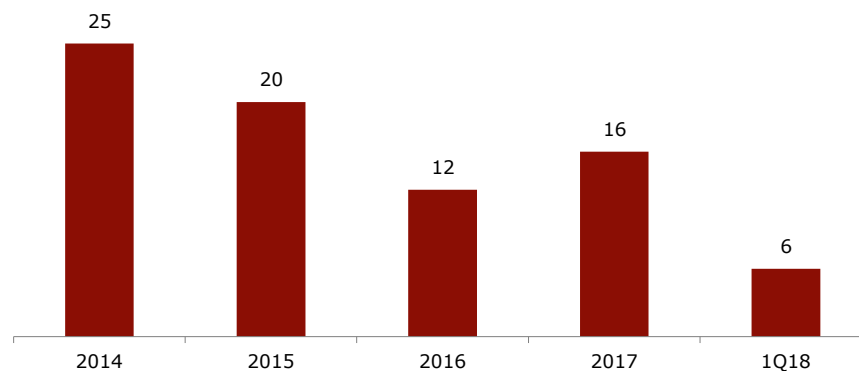
EBITDA and EBITDA Margin
(USD Millions and %)



Net Income & Net Margin
(USD Millions and %)



Net Debt
(USD Millions)



7. Preansa



7. PREANSA Peru & Chile

Company Description

- Prefabricados Andinos Perú S.A.C. (PREANSA Perú) is a subsidiary of UNACEM which mainly produces prestressed industrialized concrete structures
- The business has a strong growth potential and already has tripled sales in the past 3 years
- PREANSA Peru was founded in 2007 with UNACEM holding 50% of ownership
- In January 2014, UNACEM acquired 51% of ownership of Preansa Chile. An it is starting to develop a plant in Colombia that started operations in July 2016.
- PREANSA has presence in Peru, Chile and Colombia

Production Capacity

Peru		Chile	
Pillars	90 m/day	Pillars	60 m/day
Industrial Belts	400 m/day	Industrial Belts	300 m/day
Prestressed light beams	100 m/day	Prestressed light beams	120 m/day
Prestressed heavy beams	220 m/day	Prestressed heavy beams	60 m/day
Mezzanine Elements	140 m/day	Mezzanine Elements	300 m/day
		Wall panel	80 m/day

Financial Overview – LTM 1Q18 (USD MM)

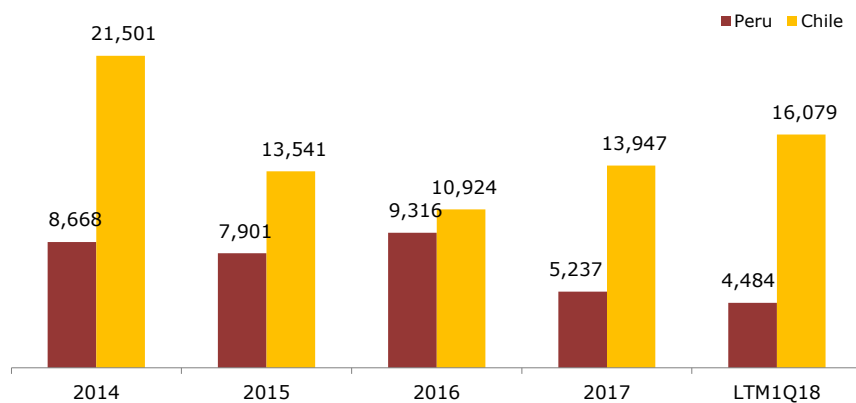
	Peru		Chile
Total Assets	21	Total Assets	20
Revenue	4	Revenue	16
EBITDA	1	EBITDA	2
EBITDA Margin	10%	EBITDA Margin	14%

Ownership structure

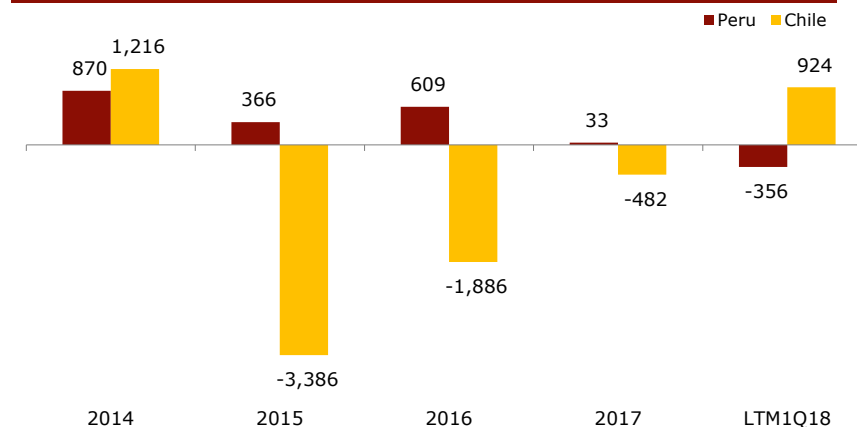


7. Building a high potential operation in the region ...

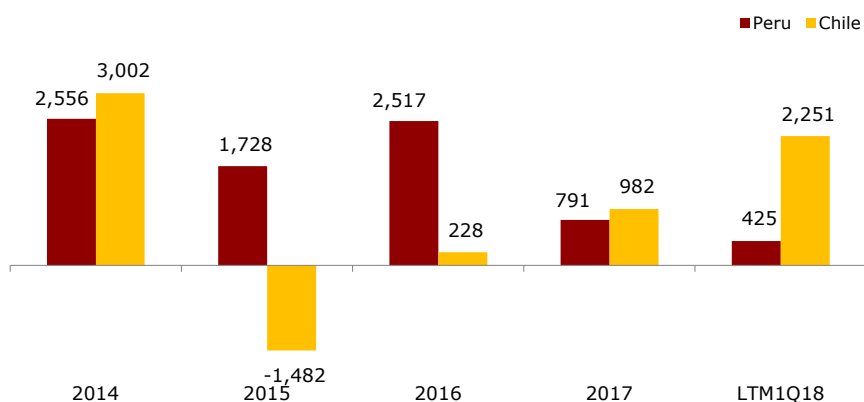
Revenues
(USD Thousands)



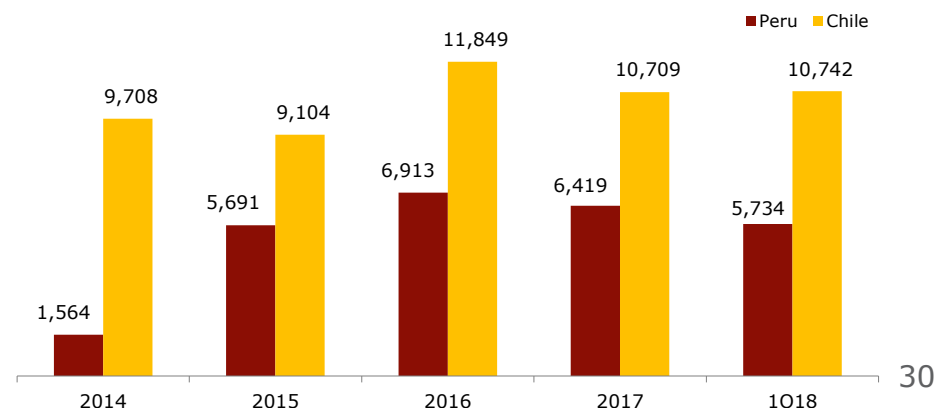
EBITDA
(USD Thousands)



Net Income
(USD Thousands)



Net Debt
(USD Thousands)



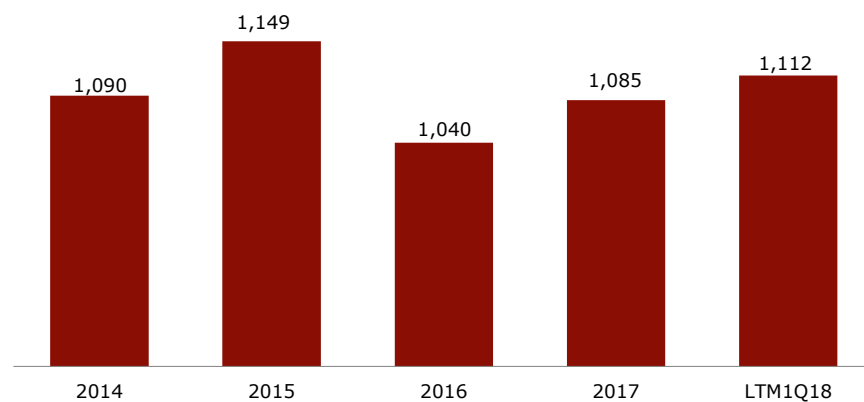
8. Consolidated Financial Highlights



8. Optimistic about opportunities to come ...

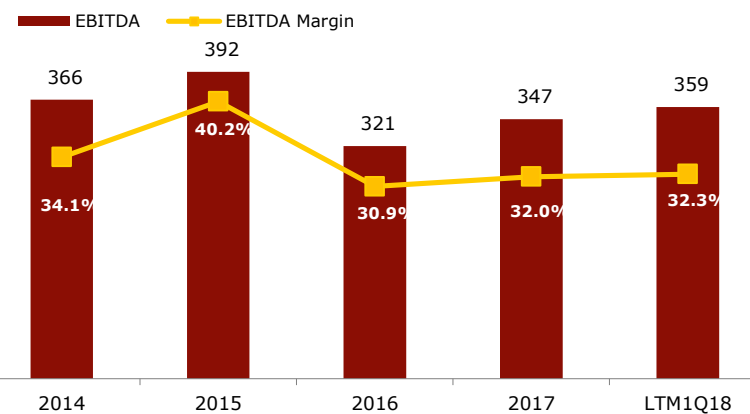
Revenues

(USD Millions)



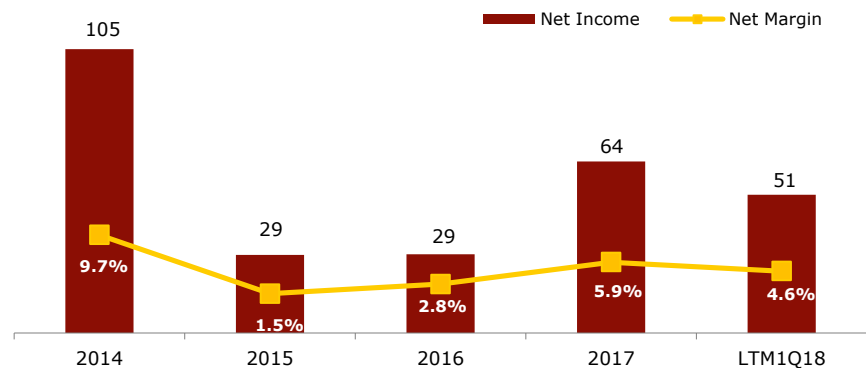
EBITDA and EBITDA Margin

(USD Millions and %)



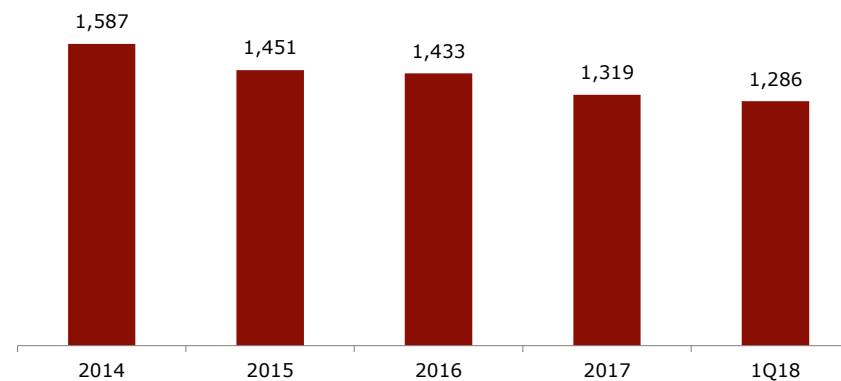
Net Income & Net Margin

(USD Millions and %)



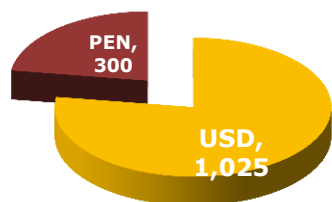
Net Debt

(USD Millions)



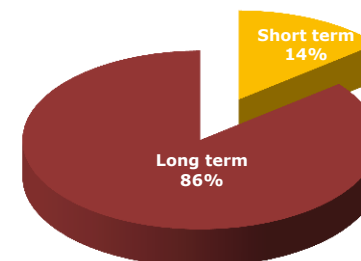
8. Consolidated Debt Profile

FX Distribution as of 1Q18
(USD Millions)

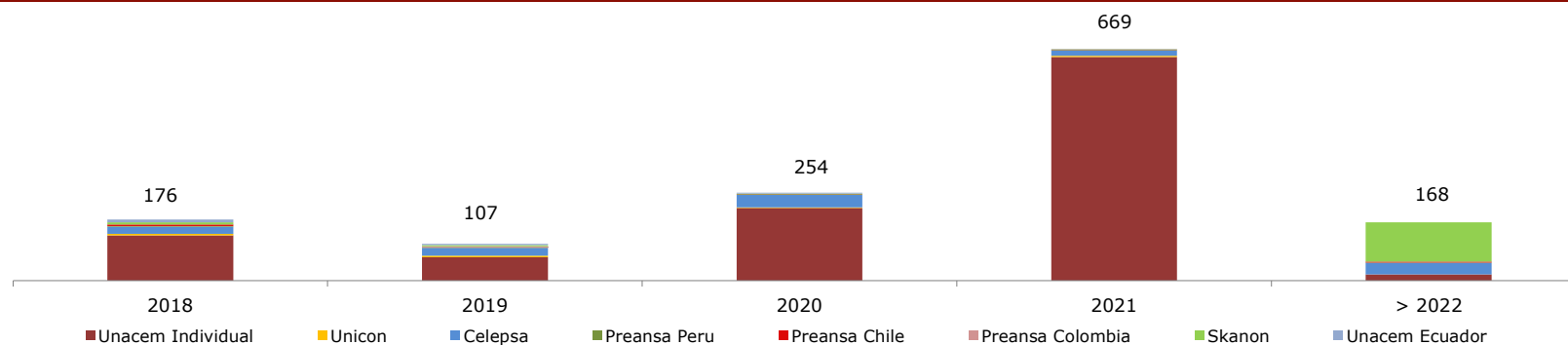


Total Debt
USD 1,325

Maturity Profile
(As of 1Q18)



Amortization Schedule
(USD Millions)



* 2018: Does not include USD 15 MM of revolving debt from subsidiaries



2018 Emerging Markets
Corporate Credit Conference

May 30th – June 1st
Fontainebleau Resort | Miami Beach, Florida



Atocongo Plant, Lima