

# NEWSLETTER

## 3Q21

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

### I. EXECUTIVE SUMMARY

- ▶ Consolidated revenues in 3Q21 were PEN 1,356 million, 35.5% higher than consolidated revenues in 3Q20, due to higher cement and ready-mix volume sold across all business units in Peru, Ecuador and Chile, and solid results in the US. It should be noted that UNACEM Peru reached a new dispatched record during this quarter.
- ▶ Consolidated EBITDA during 3Q21 was PEN 413 million, higher than the PEN 263 million recorded during 3Q20. EBITDA margin in 3Q21 was 30.5%, higher than the 26.3% recorded in 3Q20, due to higher volume sold with the corresponding dilution of fixed costs.
- ▶ Net Profit during the quarter accounted for PEN 91 million, compared to the PEN 62 million recorded in 3Q20. This is explained by the higher operating income across all of our subsidiaries, net of higher income tax and FX loss.

The most important figures for the quarter are shown below:

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

	3Q20	3Q21	Var. %	LTM Sep-20	LTM Sep-21	Var. %
Net Revenues	1,000	1,356	35.5%	3,456	4,790	38.6%
EBITDA	263	413	57.2%	904	1,454	60.9%
EBITDA Margin	26.3%	30.5%	---	26.1%	30.4%	---
Net Income	62	91	47.0%	91	500	452.5%
Net Margin	6.2%	6.7%	---	2.6%	10.4%	---

## 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
2020	I	1,150	1,068	1,064	2,319
	II	-	439	444	1,027
	III	685	1,362	1,364	3,083
	<b>I-III</b>	<b>1,835</b>	<b>2,870</b>	<b>2,871</b>	<b>6,429</b>
	IV	1,183	1,606	1,591	3,649
	<b>I-IV</b>	<b>3,017</b>	<b>4,476</b>	<b>4,462</b>	<b>10,079</b>
2021	I	1,500	1,450	1,444	3,320
	II	1,360	1,423	1,428	3,229
	III	1,618	1,637	1,554	3,697
	<b>I-III</b>	<b>4,478</b>	<b>4,510</b>	<b>4,425</b>	<b>10,247</b>
<b>Variation</b>					
	21-I-III/20-I-III	144.1%	57.2%	54.1%	59.4%
	21-III/20-III	136.3%	20.2%	13.9%	19.9%
	21-III/21-II	19.0%	15.0%	8.8%	14.5%

Source: UNACEM, ASOCEM, INEI

### ■ Production

UNACEM Peru’s clinker production, with normal operation levels during 3Q21, accounted for 1.6 million tons. It is worth mentioning that during the 3Q21 both plants operated efficiently including scheduled maintenance works. In comparison with 2Q21, clinker production was 19.0% higher.

Cement production in UNACEM Peru in 3Q21, with normal operating levels, was 1.6 million tons, a figure 20.2% higher than in 3Q20, in line with the important recovery of local demand.

Considering the production of both Peruvian plants, as of 3Q21, the combined utilization rate was 89.1% for clinker and 72.5% for cement.

### ■ Peruvian Domestic Market

UNACEM's local cement dispatches during 3Q21 totaled 1.6 million tons, figure 13.9% higher than 3Q20. In comparison with 2Q21, cement dispatches were higher by 8.8%. It should be noted that during September a new historical record of monthly dispatch was reached with 582,895 t.

During the 3Q21, total cement dispatches in the Peruvian market reached 3.7 million tons, according to the National Institute of Statistics – INEI, 19.9% higher than in 3Q20, and 14.5% higher than in 2Q21. UNACEM Peru results were better than the domestic market.

Therefore, in 3Q21, UNACEM recorded a market share in the Peruvian market of 42.0%, lower than the 44.2% market share recorded in 3Q20.

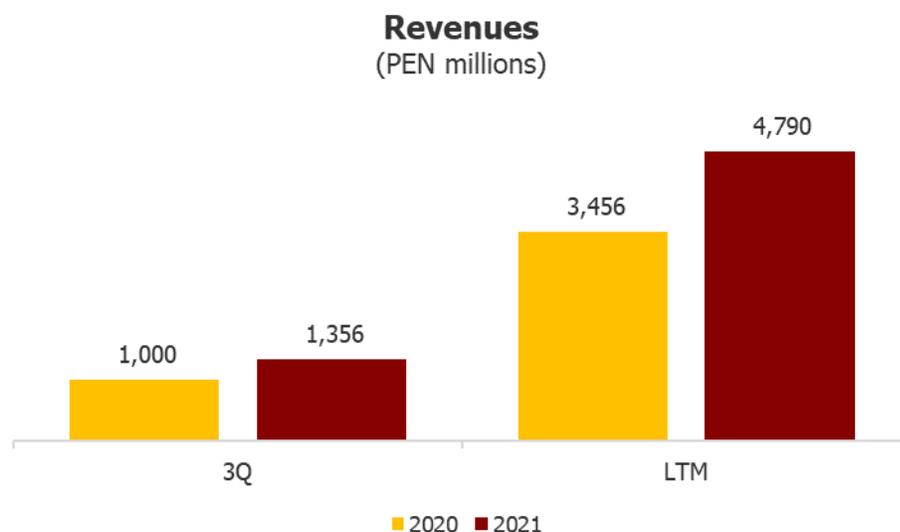
### ■ Exports and Port Operations

During 3Q21, clinker exports through our pier in Conchan reached 260 thousand tons, higher by 16 thousand tons recorded in the 3Q20. It is worth to mention that exports volume was lower in 2020 due to the repaired work in the ship loader at Conchan pier executed until July 2020.

Additionally, the tonnage of bulk solids operated in Conchan during the quarter was 134 thousand tons, higher than the same period of the previous year (87 thousand tons), with operations of gypsum, slag and grains for third parties.

## UNACEM AND SUBSIDIARIES CONSOLIDATED FINANCIAL RESULTS

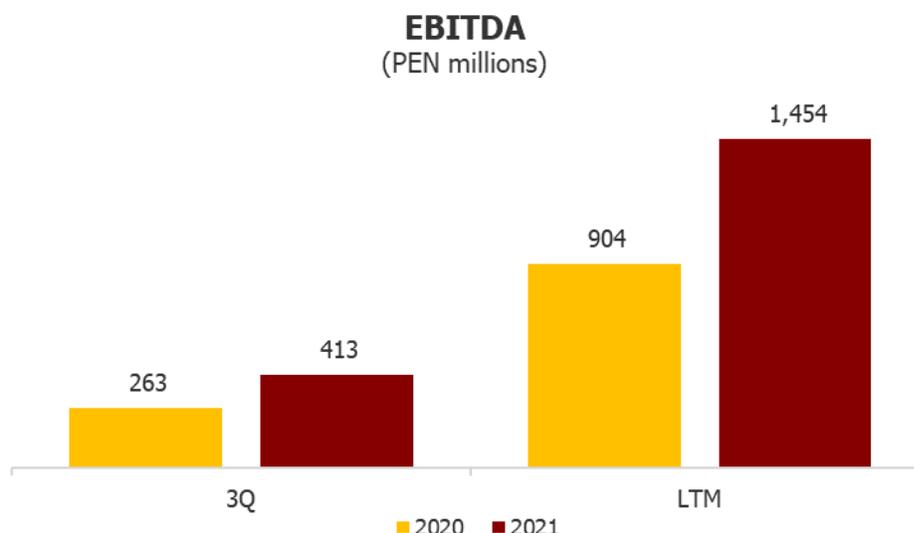
### ■ Consolidated Revenues



Consolidated revenues in the 3Q21 were PEN 1,356 million, 35.5% higher than those recorded in 3Q20. This increase is explained by:

- + Higher cement dispatches and average prices in Peru;
- + Higher clinker export's volume;
- + Higher ready-mix volume in Peru;
- + Higher cement and ready-mix volume in Ecuador;
- + Higher ready-mix and aggregates prices in the US despite lower volume;
- + Higher energy sold in Peru;
- + The incorporation of UNACEM Chile to the Group's financials; and,
- + Higher volume sold in Preansa Chile and Peru.

■ Consolidated EBITDA



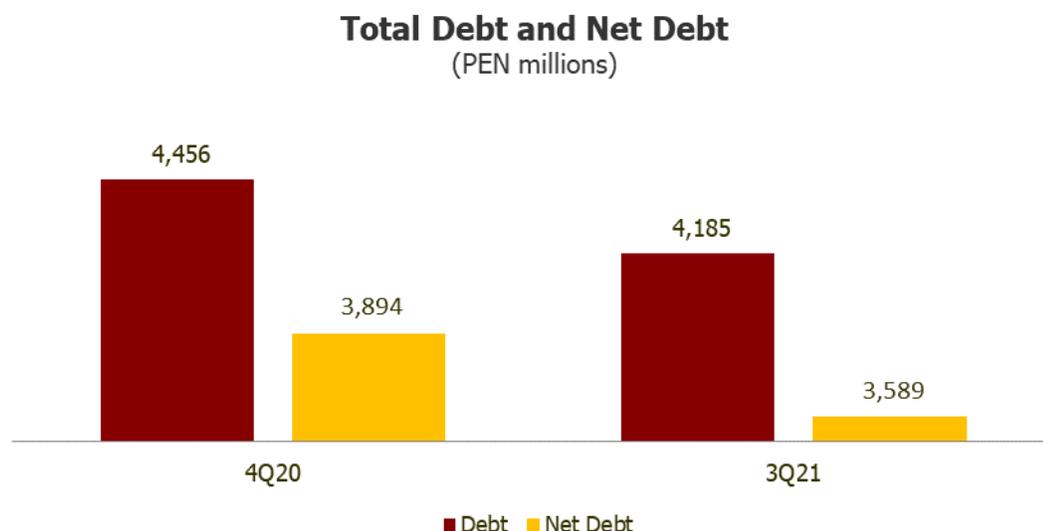
EBITDA in 3Q21 was PEN 413 million, a figure 57.2% higher than the PEN 263 million recorded in 3Q20. EBITDA margin during 3Q21 was 30.5%.

LTM EBITDA was PEN 1,454 million, 60.9% higher than the LTM registered as of 3Q20, mainly due to:

- + Higher cement volume, average cement and export prices in Peru;
- + Higher ready-mix volume in Peru, Ecuador and Chile;
- + Higher energy sold in Peru;
- + Higher volume sold in Ecuador;
- + Higher industrialized concreted structures in Peru; net from,
- Lower industrialized concreted structures in Chile.

EBITDA margin was higher due to lower COGS and fixed costs, as a result of higher volume sold and the normalization of operations. SG&A expenses were higher, due to higher worker's profit sharing and advertising in UNACEM Perú, likewise higher donations during the period.

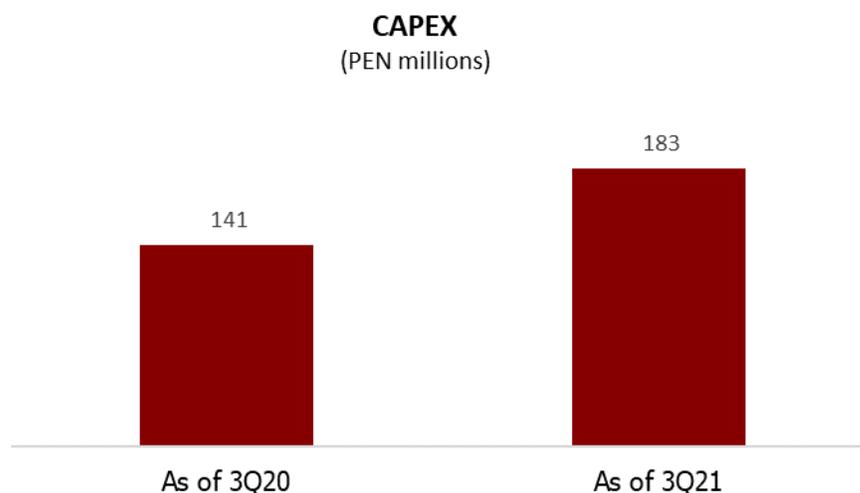
■ Consolidated Debt



As of September, 30<sup>th</sup>, 2021, Net Debt/EBITDA ratio was 2.5x, a lower figure than the 4.2x reported at the end of 2020, showing an important improvement in our leverage levels.

Gross debt in PEN decreased due to a prepayment of long term debt was made and the continuous service of our debt schedule despite the FX conversion impact of the USD denominated debt. During 3Q21, the cash account registered an important figure of PEN 596 million.

■ Consolidated CAPEX



As of September, 30<sup>th</sup>, 2021, CAPEX totaled PEN 183 million, 29.9% higher than in September, 30<sup>th</sup>, 2020, when it recorded PEN 141 million. Disbursements correspond to minor projects across all companies including works in the control system of Kiln 2 at Condorcocha, structural reinforcement in the chambers of Atocongo’s multisilo, the new grinding mill in Skanon, and overhaul of equipment, among others.

**III. MAJOR SUBSIDIARIES AND AFFILIATES**

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

■ UNICON Consolidated

		<b>UNICON Consolidated</b>		
		<b>3Q20</b>	<b>3Q21</b>	<b>Var. %</b>
Volume of ready mix	(thousands of m <sup>3</sup> )	586	884	50.9%
Revenues	(PEN million)	211	367	73.6%

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

UNICON´s consolidated revenues in the 3Q21, considering our operations in Peru, Chile and Ecuador, increased by 73.6% compared to 3Q20. The increase of 50.9% in dispatched ready-mix volume was explained mainly by the operations in Peru and Chile.

■ Celepsa

**Celepsa**

		3Q20	3Q21	Var. %
Sales of energy	(GWh)	336	429	27.7%
Revenues	(PEN million)	58	84	44.8%

*Includes only Celepsa Separated*

Celepsa´s energy sales recorded a 44.8% increase in the 3Q21 compared to the same period of 2021. Volume sold was 27.7% higher, due to strong demand from its contracted clients, including UNACEM stand-alone.

■ UNACEM Ecuador

**UNACEM Ecuador**

		3Q20	3Q21	Var. %
Sales of cement	(in thousand tons)	288	344	19.7%
Sales	(PEN million)	127	176	37.7%

UNACEM Ecuador´s volume sold during the quarter, with normalized operations, increased by 19.7% with respect to 3Q20. Revenues in PEN increased by 37.7% vis-à-vis 3Q20 due to higher volume sold, and the impact of a higher FX rate. In USD revenues were 19.6% higher than 3Q20.

■ Skanon

**Skanon**

		3Q20	3Q21	Var. %
Sales of cement	(in thousand of short tons)	194	148	-23.7%
Volume of ready mix	(thousands of yd <sup>3</sup> )	163	156	-4.0%
Sales	(PEN million)	176	171	-2.7%

Skanon’s cement volume sold was 23.7% lower than in 3Q20, and ready-mix volume was lower by 4.0%. Revenues in PEN were 2.7% lower with better average prices in USD and the impact of higher FX rate.

**IV. SHARES**

**UNACEMC1**

Shares	Number	1,818,127,611
Market capitalization	PEN million	3,036
Current quote	PEN per share	1.670
Minimum quote	LTM / PEN	1.150
Maximum quote	LTM / PEN	1.910
<b>Return LTM*</b>	<b>3Q21</b>	<b>4.3%</b>

Source: Bloomberg as of 09.30.2021

(\*) Does not include dividends.

**V. SIGNIFICANT EVENTS**

- ▶ The Board Meeting held on June 21<sup>st</sup>, 2021, agreed to pay a cash dividend of PEN 0.02 per ordinary share, paid on July 23<sup>rd</sup>, 2021. This dividend totaled PEN 36,362,552 and was charged to Retained Earnings FY 2013.
- ▶ The Board Meeting held on August 20<sup>th</sup>, 2021, approved a Stock Purchase Program of its shares at the Lima Stock Exchange, which would be charged to its available reserves. The program is up to PEN 36.4 million or the equivalent of 2% of its own issued shares, to be executed from Monday, August 23, 2021 until December 31, 2021. The Board expressly empowered

the Management to set the terms and conditions of the purchase orders in execution of this Program.

- ▶ The Board Meeting held on September 17<sup>th</sup>, 2021, entrusted the Management to evaluate a simple reorganization to segregate and contribute to a new 100% subsidiary company, the equity block made up of a set of assets and liabilities related to the clinker and cement production in Peru. The simple reorganization, subject to evaluation, aims to strengthen the sustainability of UNACEM, which would become a corporation with operating investments through its subsidiaries.
- ▶ In addition, the Committee of Independent Directors of UNACEM held on October 27<sup>th</sup>, 2021, agreed to designate Velásquez, Mazuelos y Asociados SRL, a member firm of Deloitte Touche Tohmatsu, as an external entity to issue a technical report on the terms of the eventual simple reorganization.
- ▶ The Board Meeting held on October 27<sup>th</sup>, 2021, agreed to pay a cash dividend of PEN 0.02 per ordinary share, paid on November 30<sup>th</sup>, 2021. This dividend totaled PEN 36,362,552 and was charged to Retained Earnings FY 2013.

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](http://www.unacem.com/ir)

If you wish to contact the  
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UNACEM or you have any  
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