



Third Quarter 2021

Earnings Call

October 29, 2021

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Agenda



Jaime Rocha
CEO



Lourdes Barajas
CFO



Iris Fernández
Head of IR & Treasury



Business Update



4Q21 Outlook



Financial Review



Q&A

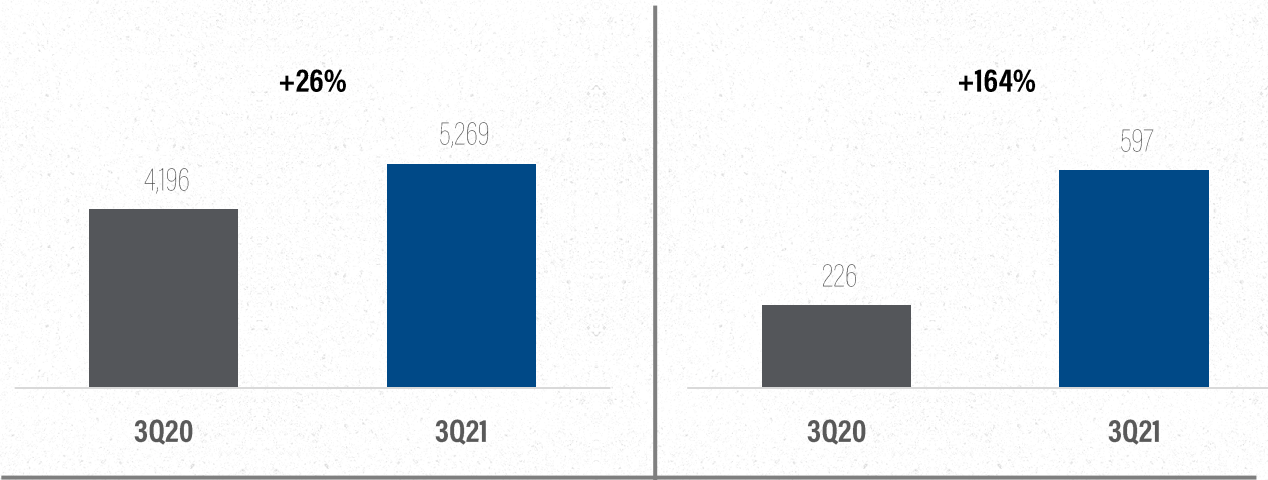
Performance & Strategic Update

Jaime Rocha, CEO

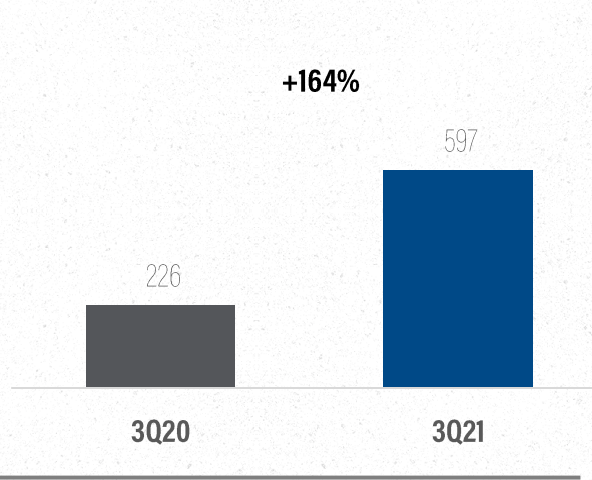


3Q21 Highlights - Consolidated

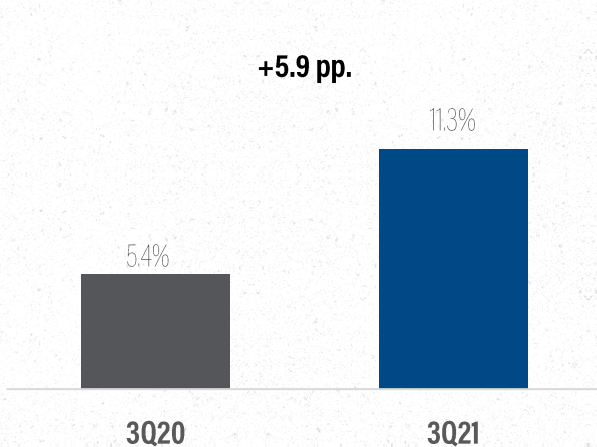
Proforma Net Sales (MX\$m)



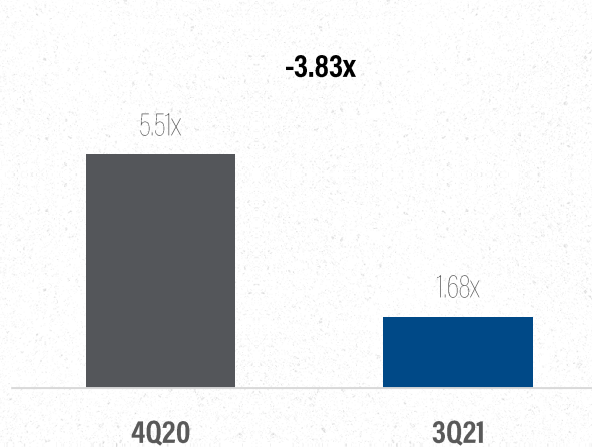
Proforma EBITDA (MX\$m)



Proforma EBITDA Margin



Leverage Ratio



- ▶ Proforma Net sales increased 26% YoY, largely driven by higher demand and realigned pricing strategy
- ▶ Proforma Volume vs. 3Q 2020: Metal Products +14%, Building Systems – US +12%, Building Systems – LatAm +13%
- ▶ Proforma Pricing vs. 3Q 2020: Metal Products +27%, Building Systems – US +10%, Building Systems – LatAm -4%
- ▶ Proforma Consolidated EBITDA rose 164% YoY, supported by an improved operating performance across the board
- ▶ Proforma EBITDA margin improved 5.9 pp., in line with margin recovery targets
- ▶ Leverage ratio decreased 3.83x, mainly derived from EBITDA growth and prepayment of debt

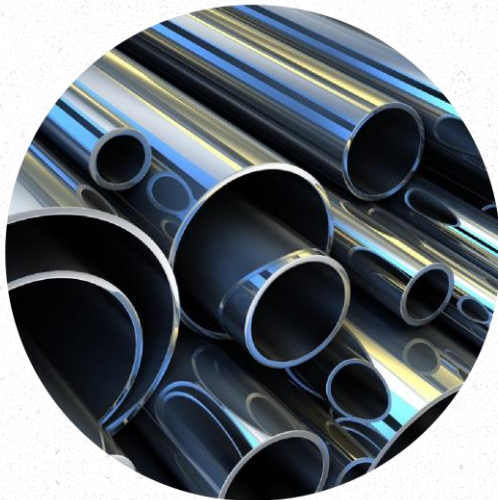
Business Unit Performance

Metals



Net Sales +45% YoY
EBITDA +91% YoY

- Strong copper prices and higher volumes drove revenues and profitability



Building Systems



Net Sales +24% YoY
EBITDA +989% YoY

- Strict cost and expense discipline helped offset rising input costs to maintain profitability



Building Systems LatAm

Net Sales +9% YoY
EBITDA +9% YoY

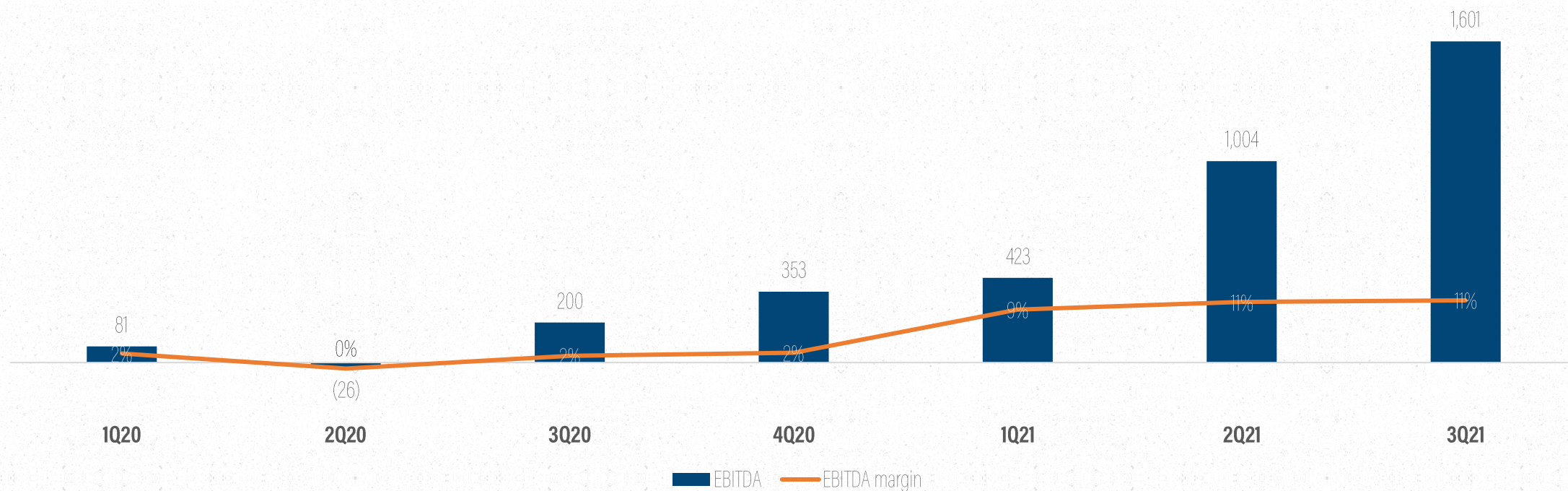
- Turnaround in operating line and EBITDA margin driven by solid demand and sales volume



2021 Strategy Progress

Strategy centered on the customer, remaining focused on profitability and operating efficiency to raise levels of free cash flow and operating margin

Operating performance above pre-COVID levels
(proforma figures in millions of MXN)



2021 Strategy Progress

	Main Objectives	Results
Building Systems U.S.	Focus on profitability	+1,950 EBITDA growth +9% EBITDA margin
Building Systems LatAm	Sustained, profitable growth	+31% Net Sales growth +270% EBITDA growth
Metals	Increase in profitability and cash flow generation	+39% Net Sales growth +161% EBITDA growth

4Q21 Outlook

Jaime Rocha, CEO



Our Strategy going forward

- ▶ **Metals:** further improve profitability levels supported by addition of more value-added products and cost reduction initiatives
- ▶ **Building Systems U.S.:** continued improvement driven by operation at full capacity from strong demand levels
- ▶ **Building Systems LatAm:** maintain turnaround of operation through solid demand and higher priced volumes

We will focus on operational efficiency and higher value-added products.



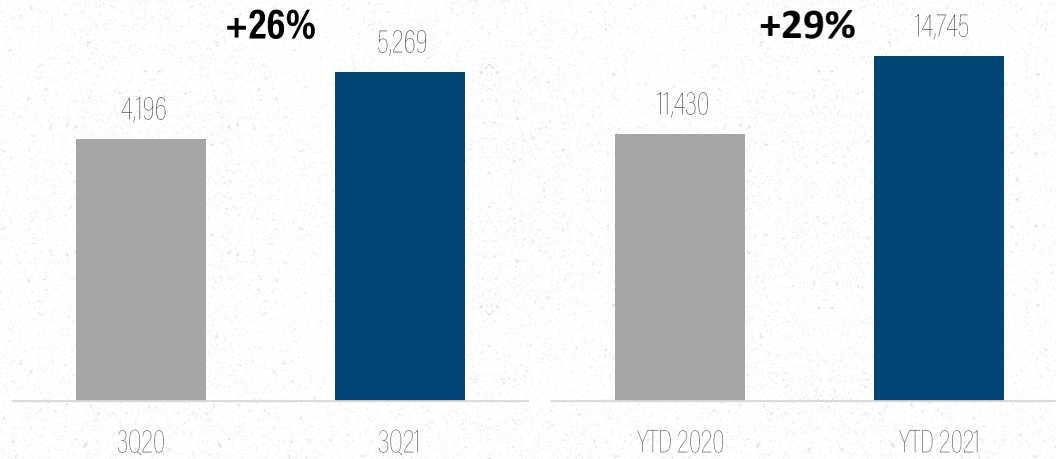
Financial Review

Lourdes Barajas, CFO

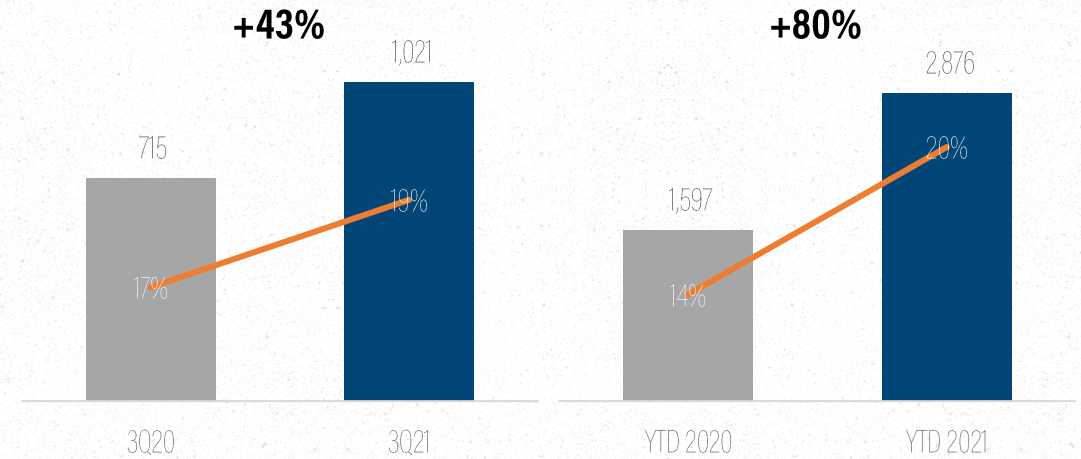


3Q & YTD 2021 Proforma Financial Performance - Consolidated

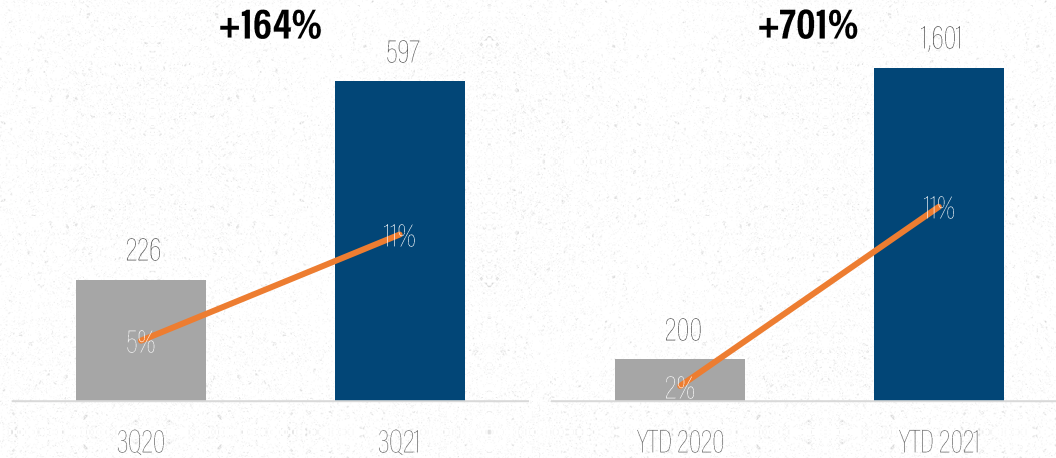
Revenue (millions of MXN)



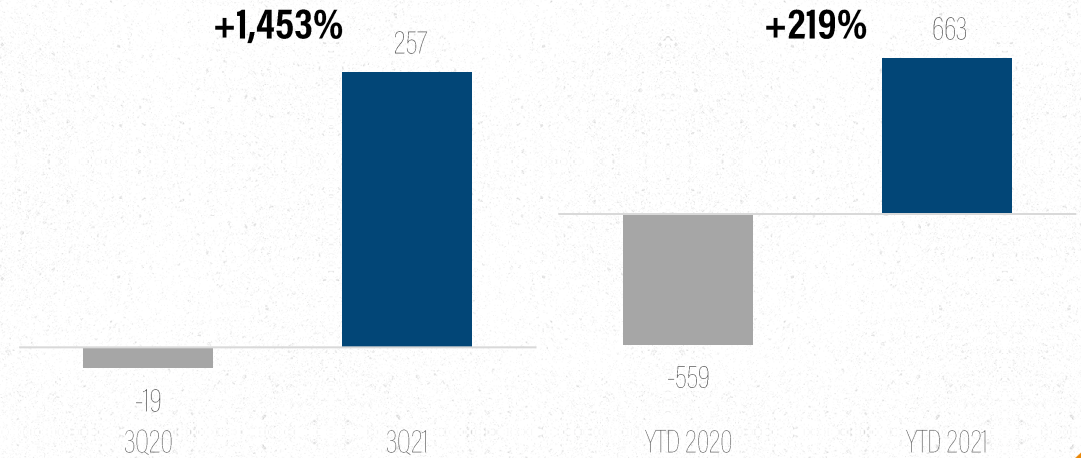
Gross Profit & Margin (millions of MXN)



EBITDA & Margin (millions of MXN)



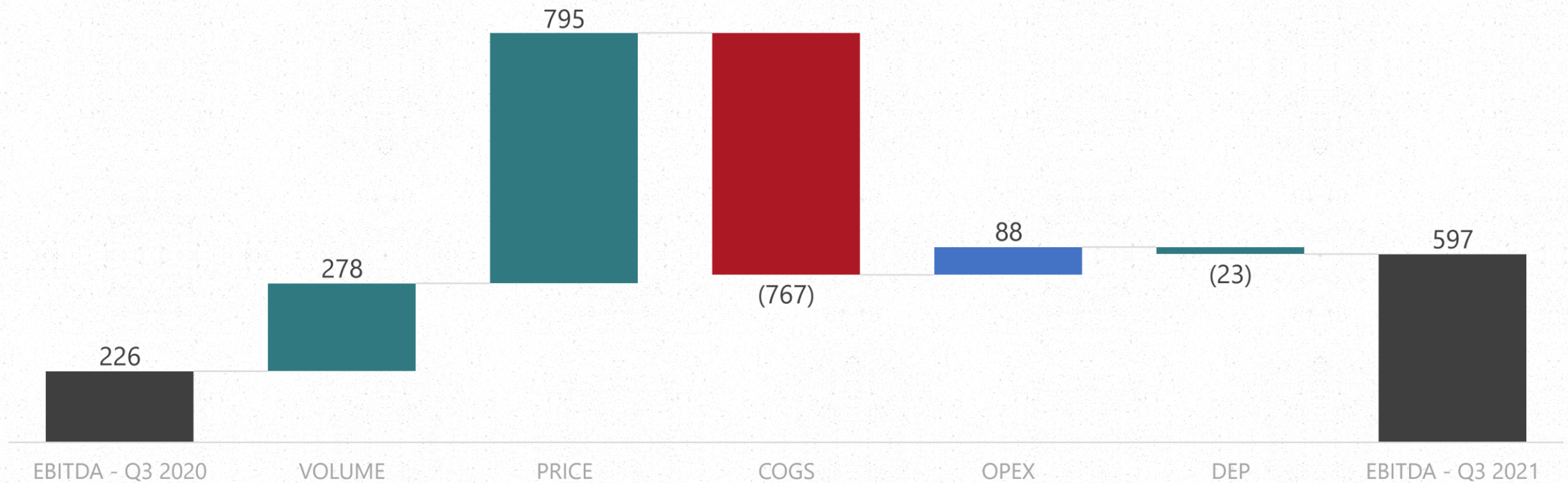
Net Income (millions of MXN)



Strong top line and operating discipline drove EBITDA growth

Proforma EBITDA – Q3 2021 VS Q3 2020

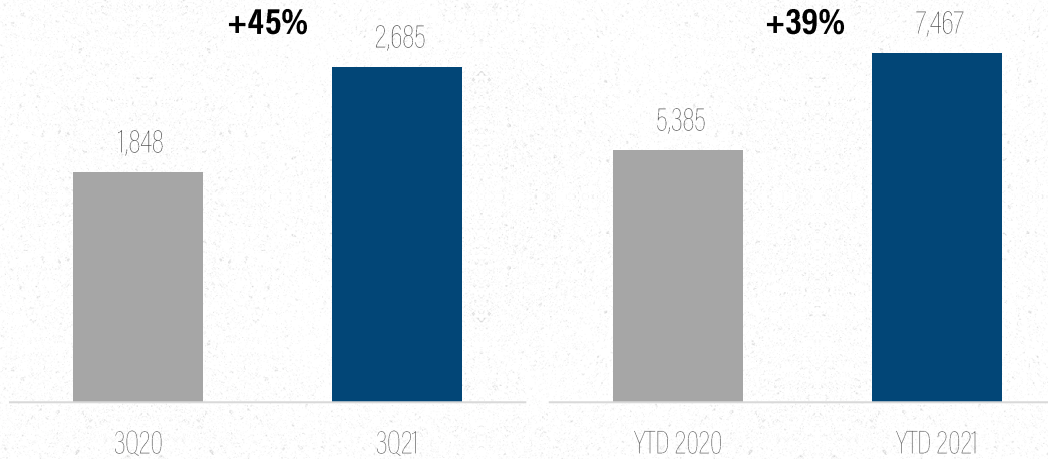
(millions of MXN)



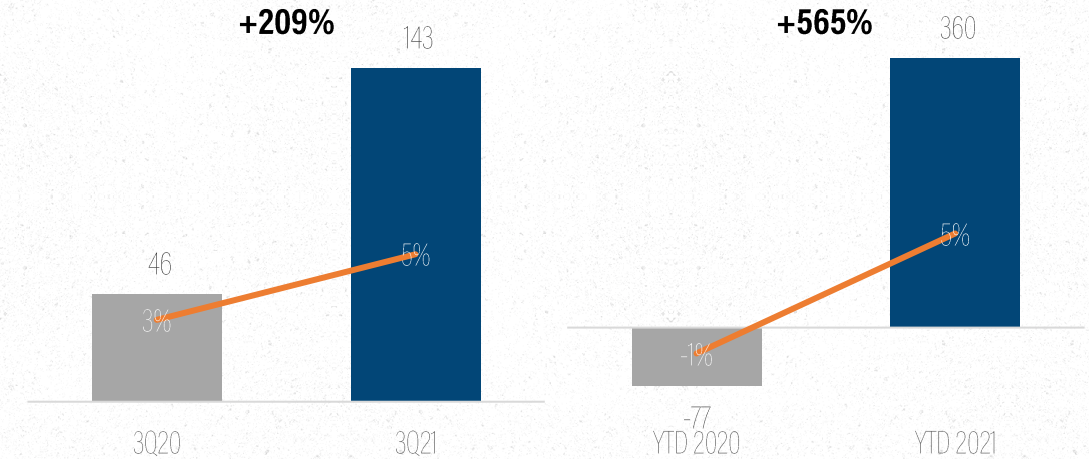
COGS: Cost of Goods Sold
OPEX: Operating Expenses
DEP: Depreciation

3Q & YTD 2021 Proforma Financial Performance – Metals

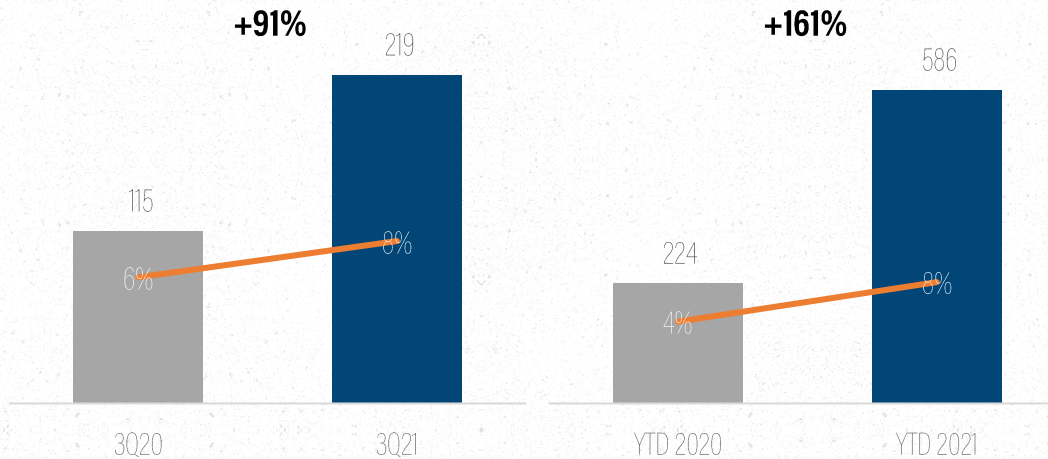
Revenue (millions of MXN)



Operating Income & Margin (millions of MXN)



EBITDA & Margin (millions of MXN)

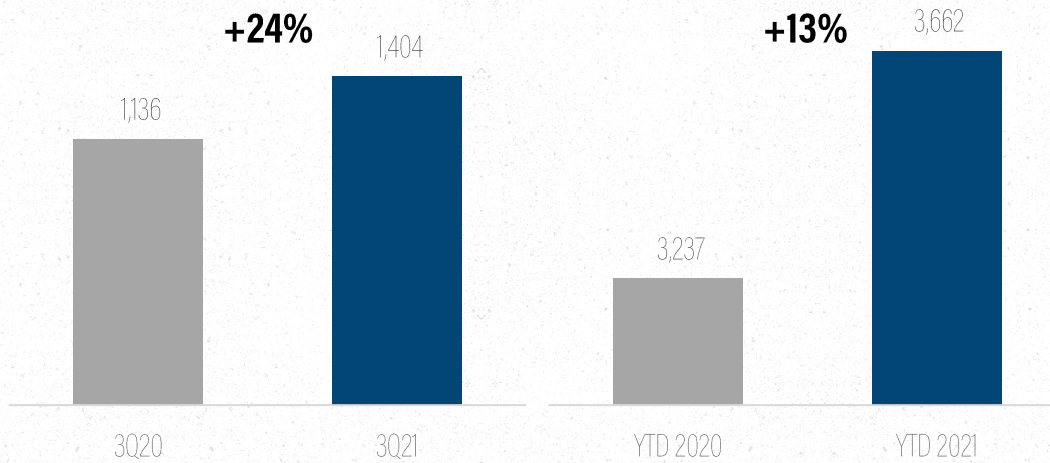


Operational metrics

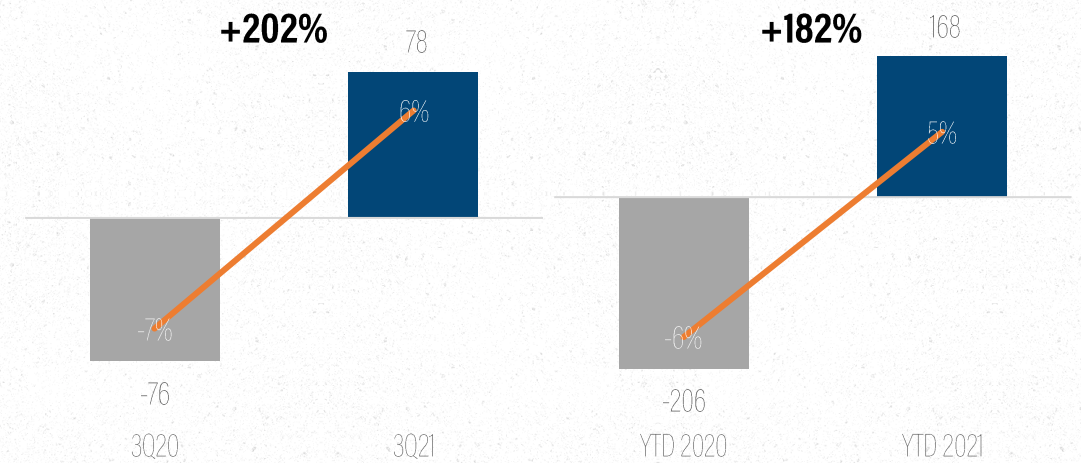
	3Q21 vs. 3Q20	YTD 2021 vs. YTD 2020
Sales Volume	+14%	+10%
Average Price	+27%	+26%

3Q & YTD 2021 Proforma Financial Performance – Building Systems U.S.

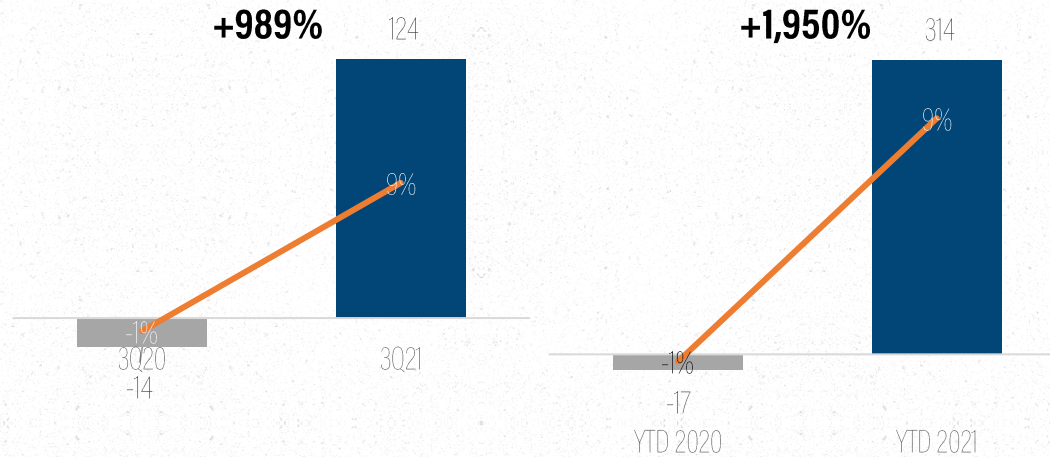
Revenue (millions of MXN)



Operating Income & Margin (millions of MXN)



EBITDA & Margin (millions of MXN)

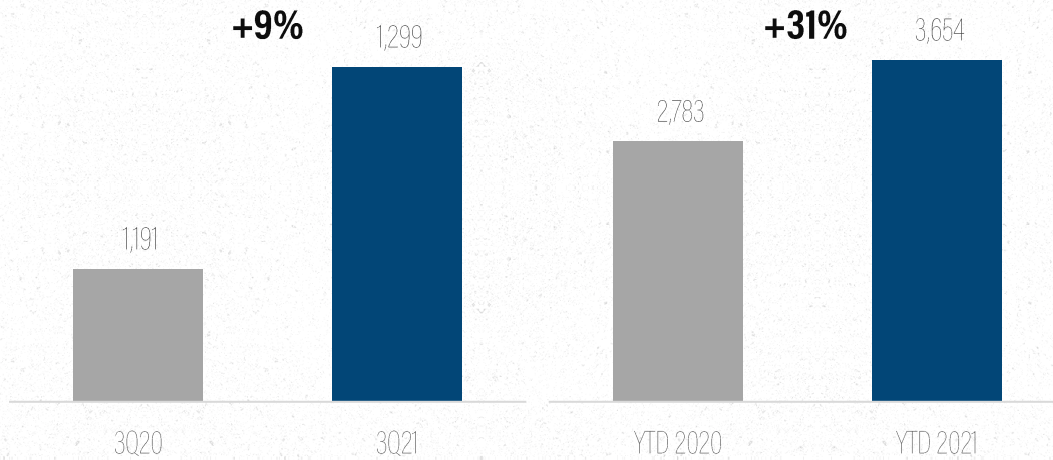


Operational metrics

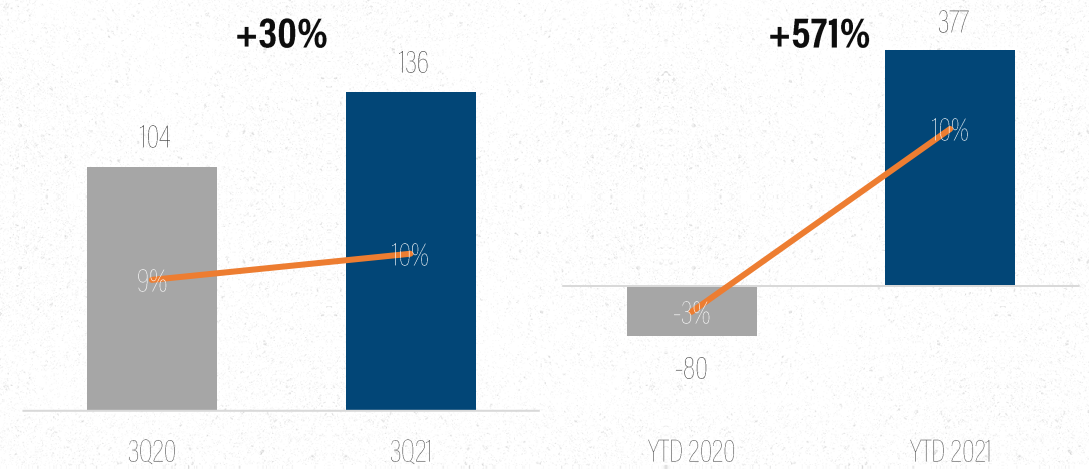
	3Q21 vs. 3Q20	YTD 2021 vs. YTD 2020
Sales Volume	+12%	+8%
Average Price	+10%	+4%

3Q & YTD 2021 Proforma Financial Performance – Building Systems LatAm

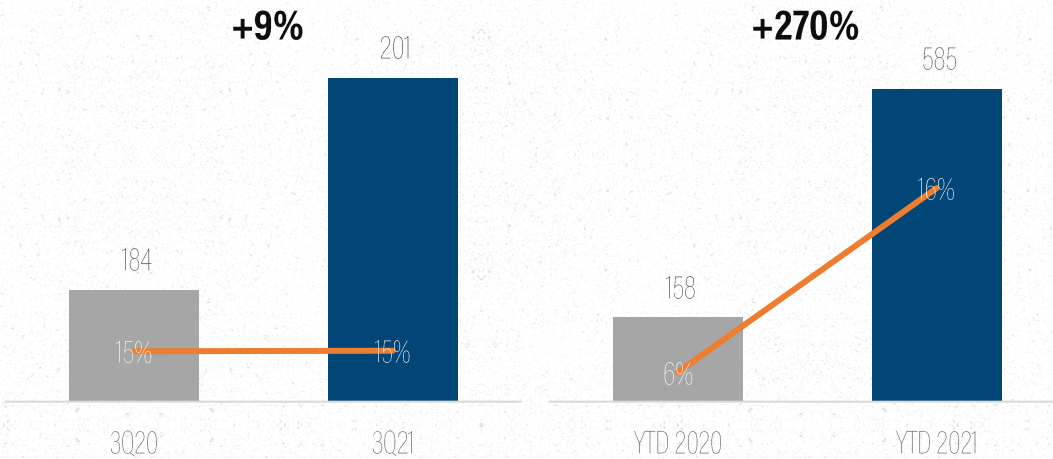
Revenue (millions of MXN)



Operating Income & Margin (millions of MXN)



EBITDA & Margin (millions of MXN)



Operational metrics

	3Q21 vs. 3Q20	YTD 2021 vs. YTD 2020
Sales Volume	+13%	+35%
Average Price	-4%	-3%

Free Cash Flow Analysis

MXN millions (Proforma)	YTD21	YTD20	Ch.
EBITDA	1,601	200	701%
Change in working capital	(847)	(294)	(188%)
Cash taxes	(41)	(205)	(80%)
Interest, net	(227)	(170)	34%
Bank commissions	(14)	(42)	(67%)
Cash flow before Capex	472	(511)	192%
% of EBITDA	29%	(256%)	285.0 pp.
CAPEX	(206)	(270)	(24%)
Free cash flow before financing	266	(781)	134%
Incurred (paid) debt	166	1,264	87%
Others	(290)	(229)	(27%)
Sale (buy) stock buyback	(1)		
Free cash flow	141	254	(44%)

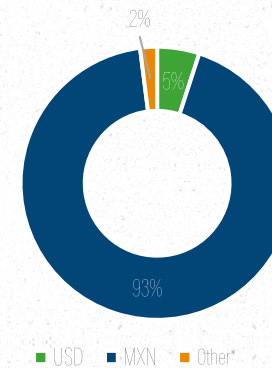
- Higher use of cash was largely due increased CAPEX and interest payments following the debt restructure carried out in 2020
- CAPEX was mainly allocated towards the improvement and optimization of businesses' operating processes

Debt Profile

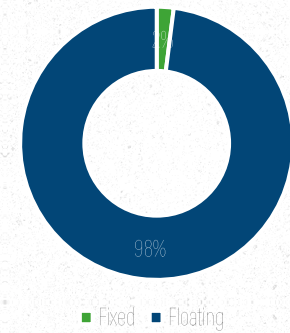
MXN millions	Sep-21	Dec-20 Proforma	Δ%
Gross Debt	4,161	3,953	5%
Cash	1,217	2,005	-39%
Net Debt	2,944	1,948	51%
Interest Coverage Ratio	6.61x	1.54x	5.07x
Net Debt to EBITDA	1.68x	5.51x	-3.83x

Debt Breakdown

By Currency

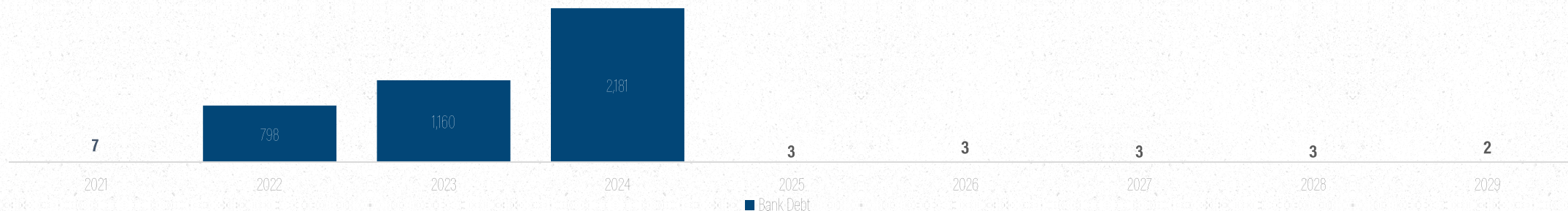


By Rate



*Other includes Peru and Bolivia

Debt Maturity Profile (MXN millions)



Elementia Materiales will become **stronger, more agile and more profitable**

Q&A SESSION

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Thank you