



**InterCement**

## 2Q20 Results Presentation





# 2Q20 Highlights

Variations over 2Q19

4,340 thousand tons of Cement and Clinker Volume sold (-10.1%)

263 million Dollars of Sales (-33.5%)

57 million Dollars of adjusted EBITDA (-29.5%)

21.6% of adjusted EBITDA Margin (+1.2 p.p.)

+47 million dollars Free Cash Flow to the Company (+USD 93mm)

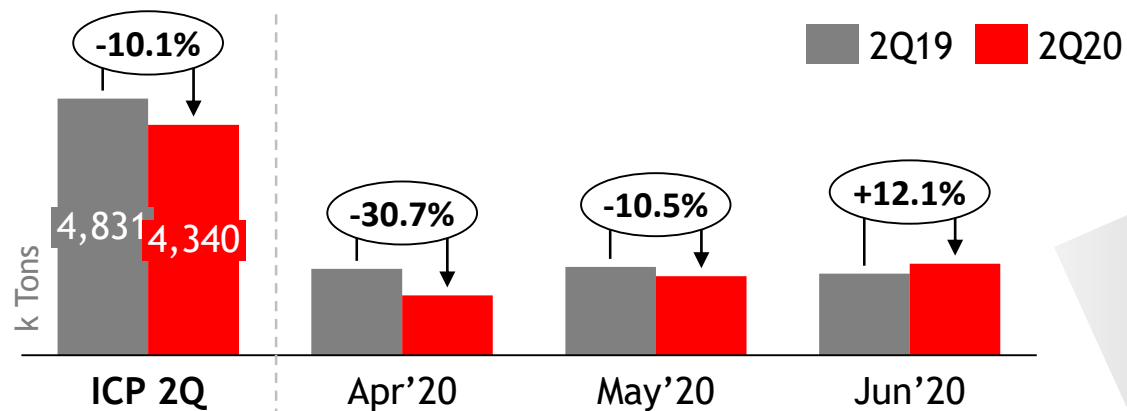
1,555 million Dollars of NET Debt (-4.7%)

Execution of the holdings debt refinancing through Debentures issuance

Sale of Paraguay (Yguazu Cementos) operations



Despite recovery in BRA, total volumes were down 10% - affected by ARG and Africa impact of the COVID19



**BRA:** after weak volume in the initial weeks of the pandemic, volumes bounced back helped by strong demand



**ARG:** volume decreased due to a challenging economic scenario and hurt by material COVID19 impact in April



**PAR:** after a 50% YoY drop in April, volume showed a 20% YoY growth helped by the resume of infrastructure projects



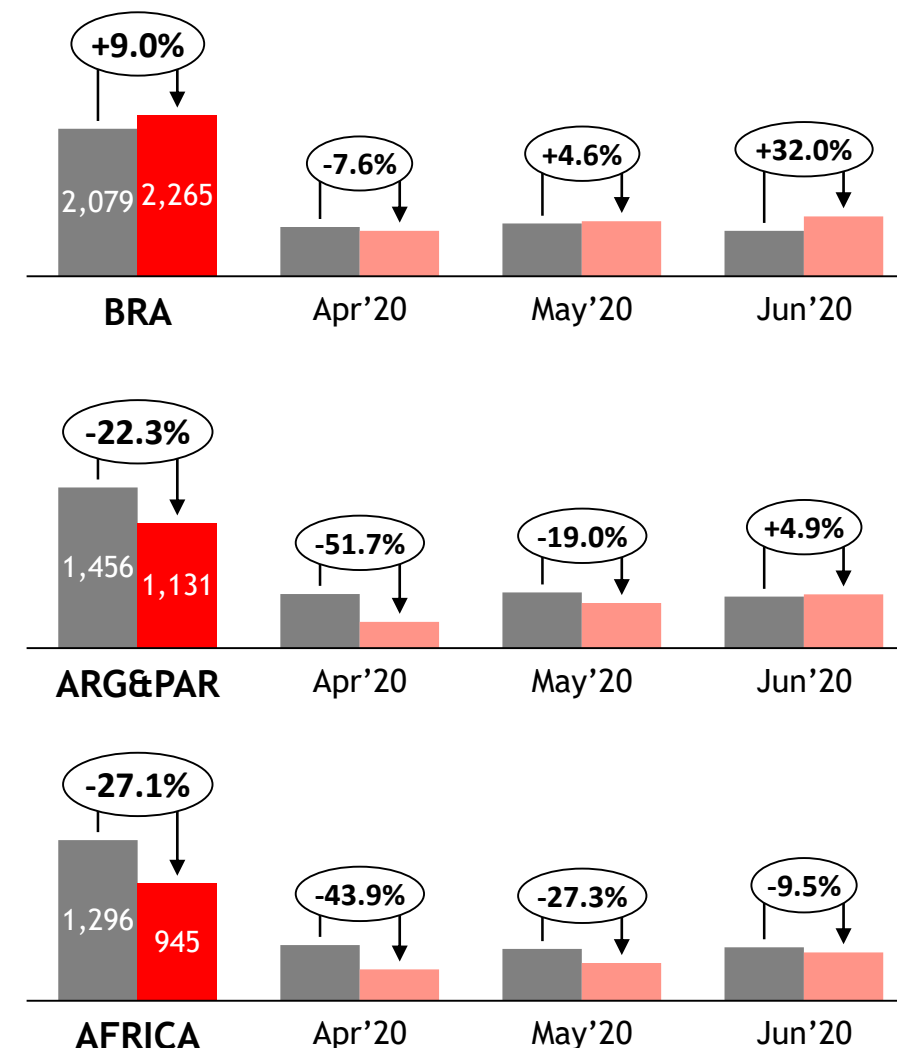
**SAF:** volumes dropped as result of 33-days lockdown with zero production, with normalization only in June



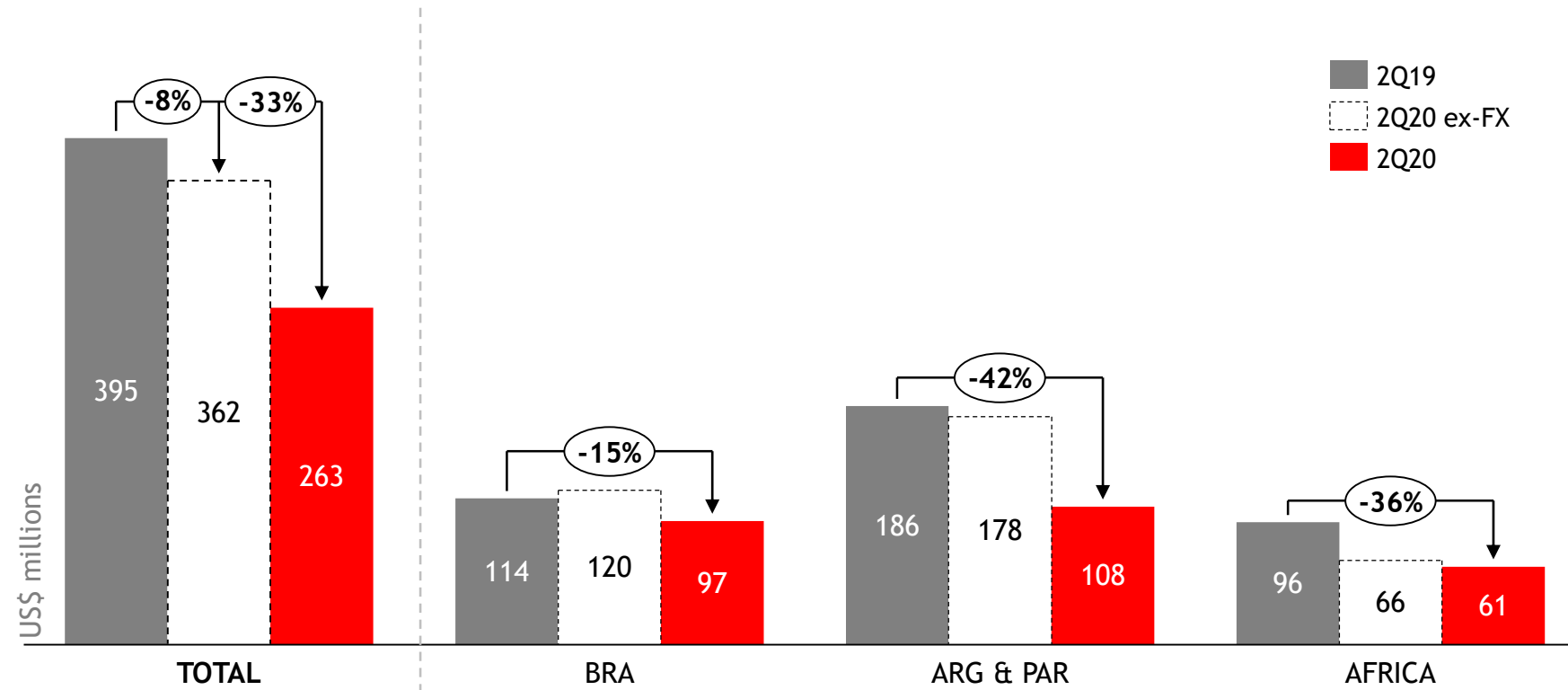
**MOZ:** volume decreased due to the postponement of infrastructure projects as result of COVID19 outbreak



**EGY:** declined due to economic retraction and by the effect of an extended Ramadan holiday

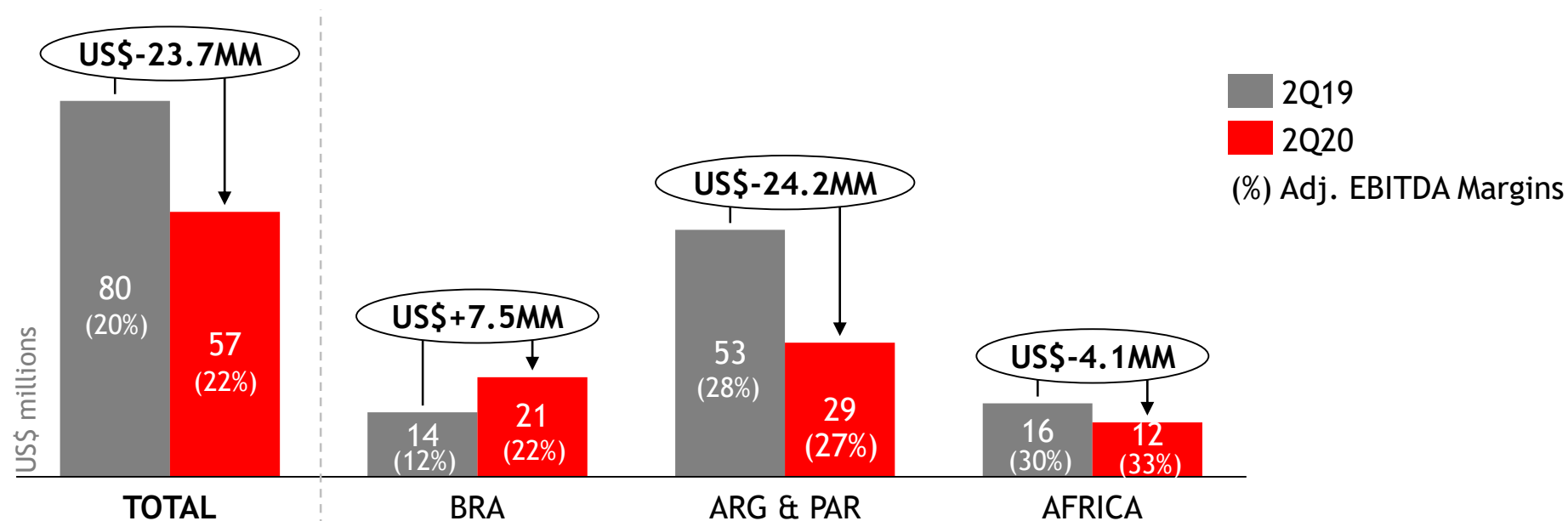


Fell 33% in dollars; excluding FX impact would have still decreased by 25% due to COVID19 outbreak



- Revenues negatively impacted by lower volumes in the 2Q20 (-10%) and also by currency depreciation, especially in Brazil and Argentina

Volumes hit resulted in a \$24MM drop, mainly due to ARG and PYG decline – margins significantly improved in BRA



**BRA:** operational turnaround led to material increase on margins as prices in US\$ deteriorated, affected by BRL devaluation



**ARG:** weaker volume (hit by COVID19) and lower prices in US\$ (ARS devaluation) affected performance



**PAR:** rising volumes together with better operational efficiency contributed positively

**SAF:** volume declined significantly (hit by COVID19) and prices in US\$ were hurt by ZAR depreciation

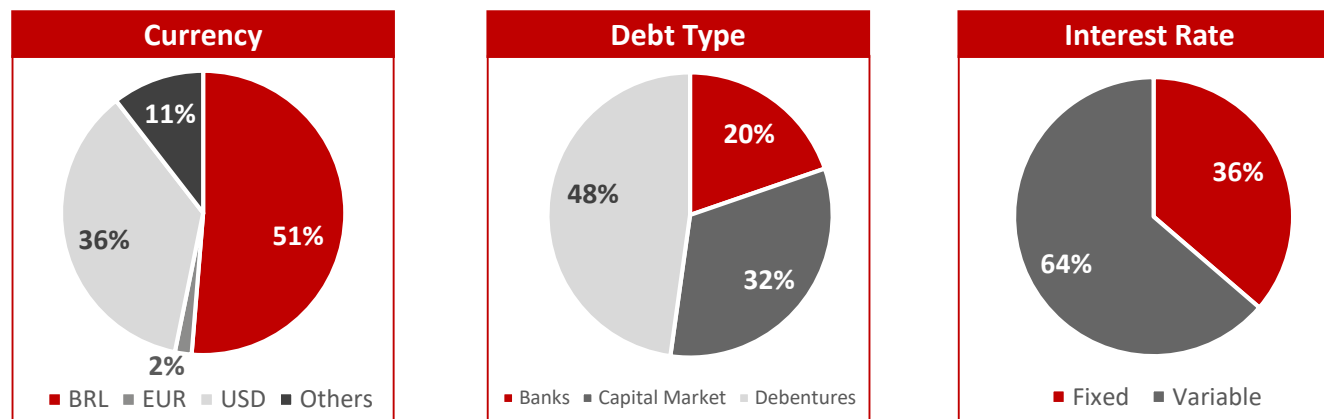
**MOZ:** better cash cost led Adjusted EBITDA to raise despite of lower prices due to FX depreciation

**EGY:** prices were down, affected by macroeconomic retraction



## Conclusion of Debentures issuance and subsequent event of PYG operations

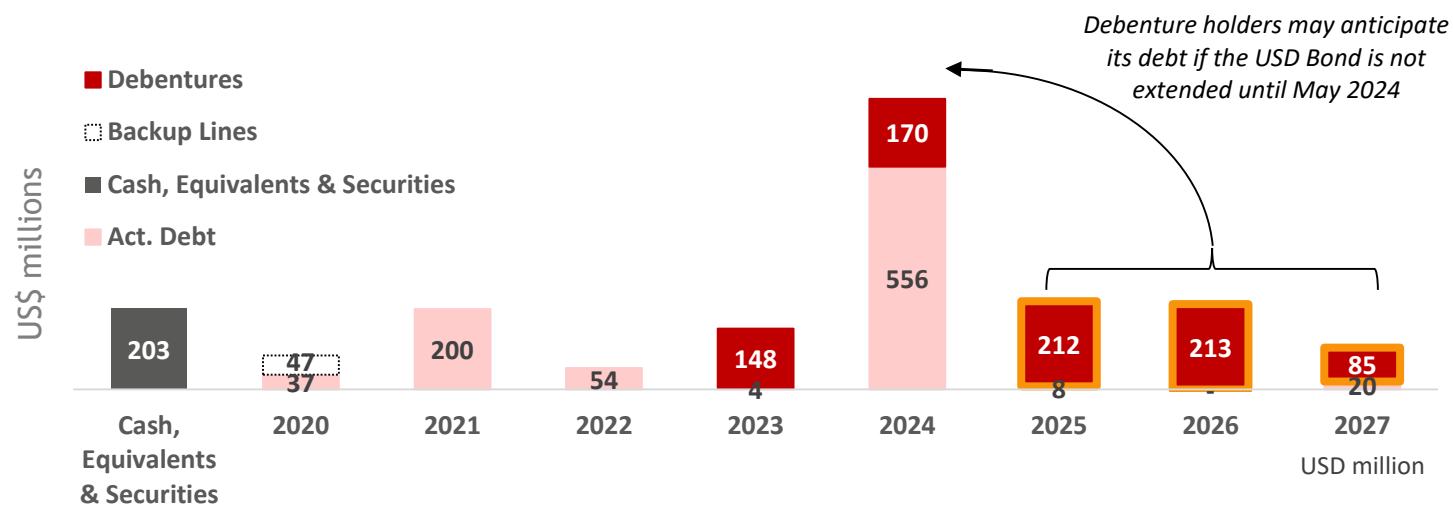
### New Debt Profile after the Debentures issuance and corporate debt prepayments



### BRL 4.7bn Debenture Issuance for Refinancing

- Amortizations from 2023 to 2027.
- Interest Rate of CDI+3.75%
- Guaranteed by Loma Negra CIASA shares owned by the Group, not convertible into equity.

### Debt Maturity Schedule



### Subsequent Events

**August 2020 - Divestiture in Paraguay Business:** Through Loma Negra, InterCement sold its total stake in the Yguazú Cementos to the local partner of Yguazú.

**August 2020 - Mozambique Local New Debt:** Cimentos de Moçambique S.A. entered on an unsecured loan of US\$ 22 million (MZN 1,550 million) with quarterly amortizations. Maturity on September 2025

## FREE CASH FLOW GENERATION MAP

FREE CASH FLOW GENERATION MAP	2Q20	2Q19	1H20	1H19
<b>Operating Activities</b>	<b>110</b>	<b>51</b>	<b>61</b>	<b>(52)</b>
Interests Paid & Derivative Unwinding	(32)	(38)	(83)	(75)
Income taxes Paid	(2)	(15)	(7)	(16)
<b>Cash Flow before investments</b>	<b>76</b>	<b>(2)</b>	<b>(29)</b>	<b>(142)</b>
CAPEX	(30)	(87)	(106)	(145)
Assets Sales / Others <sup>1</sup>	0	42	2	578
<b>FCF to the company</b>	<b>47</b>	<b>(46)</b>	<b>(133)</b>	<b>290</b>
Borrowings, financing and debentures	988	72	1.119	102
Amortizations	(1.001)	(143)	(1.084)	(388)
Capital Increases/Decreases	0	(75)	0	(75)
Dividends	(3)	0	(3)	(53)
FX Variation and Others	(14)	1	(48)	(24)
<b>Changes in cash, equivalents and securities</b>	<b>17</b>	<b>(191)</b>	<b>(150)</b>	<b>(148)</b>
<b>Cash, Equivalents and Securities, EoP</b>	<b>203</b>	<b>313</b>	<b>203</b>	<b>313</b>

US\$ millions

<sup>1</sup> Please refer to explanatory note 2.4 of Interim Consolidated Financial Statement for details

Positive cash flow in the quarter as result of lower CAPEX disbursements due to L'Amali project pause and lower debt amortization net of financings in the period.

## CAPEX

Capex Additions	1Q20	2Q20	2020 <sup>E</sup>
L'Amali II Project	(8)	(5)	(26)
Maintenance Capex	(18)	(13)	(82)
<b>Total</b>	<b>(26)</b>	<b>(18)</b>	<b>(108)</b>

L'Amali II Project expenses expected to be only 23% of total CAPEX of 2020