Apiaí/SP

InterCement

1st Quarterly Earnings

2023

InterCement

1Q23
Financial Highlights[1]

Sound Adj. EBITDA of US$87M, with margin at 22%

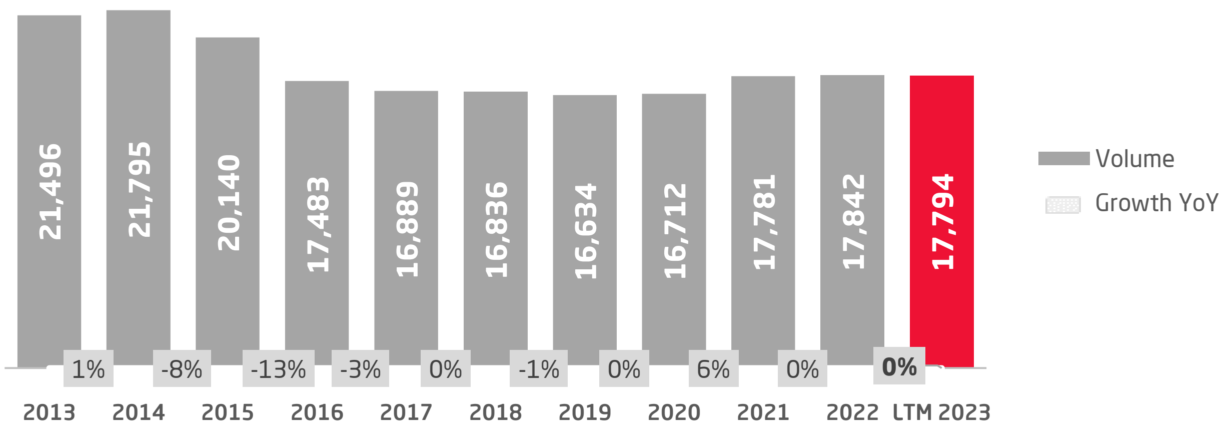
- **4.1 million tons of Cement and Clinker Volume sold**
  (-1.2% vs 1Q22)
- **US$404 million of Sales**
  (+10.3% vs 1Q22)
- **US$87 million of adjusted EBITDA**
  (-4.5% vs 1Q22)
- **-US$50 million Free Cash Flow**
  (-44M vs 1Q22)
- **US$1,527 million of Net Debt, leverage at 3.2x**

Note: (1) Continuing Operations + Africa

Volume

Consolidated volume driven by Argentina that remains on a strong pace

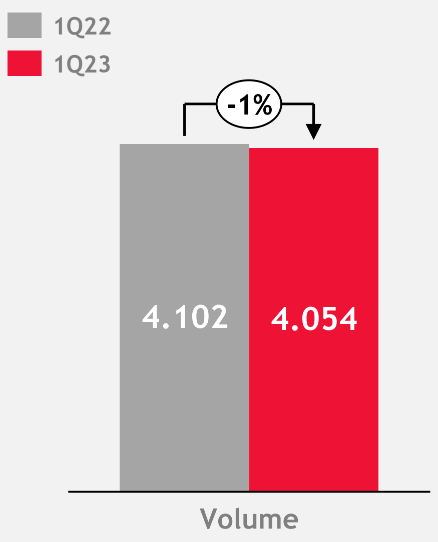
Historical Cement and Clinker Volumes ('000 tons)



Argentinean operations remained sound during the quarter, with Loma Negra volumes up +4% YoY, leveraged by bulk cement demand.

Brazil volumes decreased 3% (cement and clinker sales), with cement volume down by 1%, reflecting a softer market demand.

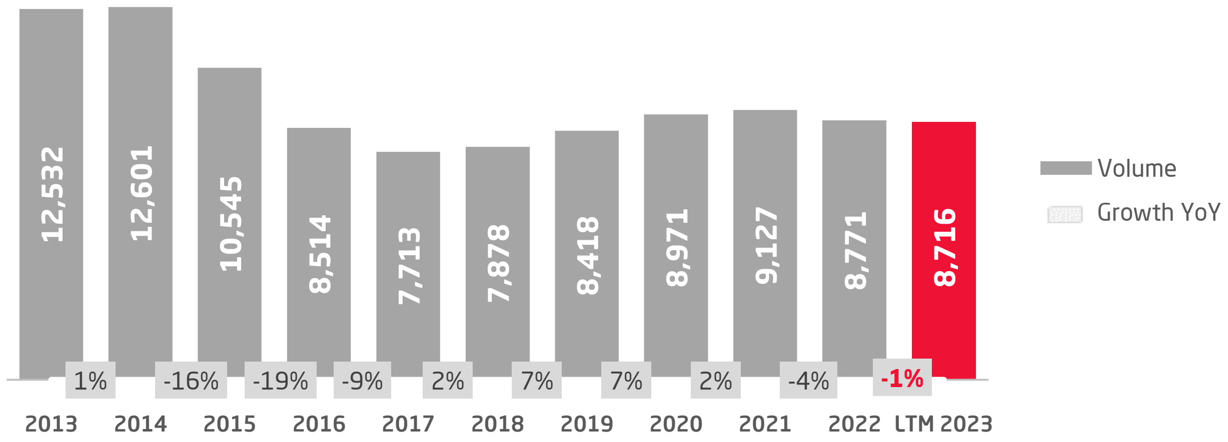
Unfavorable weather conditions, including the Cyclone Freddy, compressed volumes in Africa by 11%.



Volume Brazil

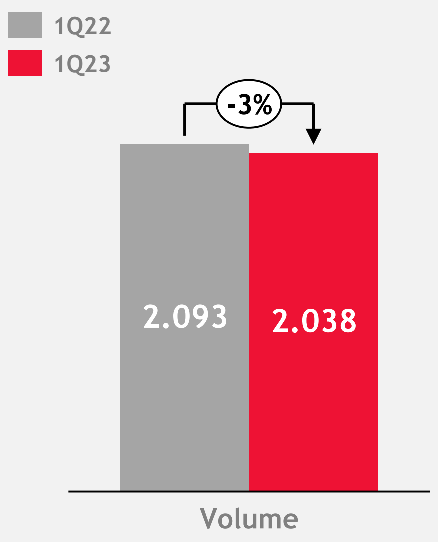
Volumes retraction, reflecting the high interest rates environment and lower disposable income

Historical Cement and Clinker Volumes ('000 tons)



Total volumes (cement and clinker) recorded a 2.6% decrease in the quarter, while cement sales were slightly reduced, by 0.9%, showing better performance than the overall industry (-1.2%).

The market demand continues to retract due to monetary tightening, fiscal uncertainty and lower disposable income/higher household indebtedness

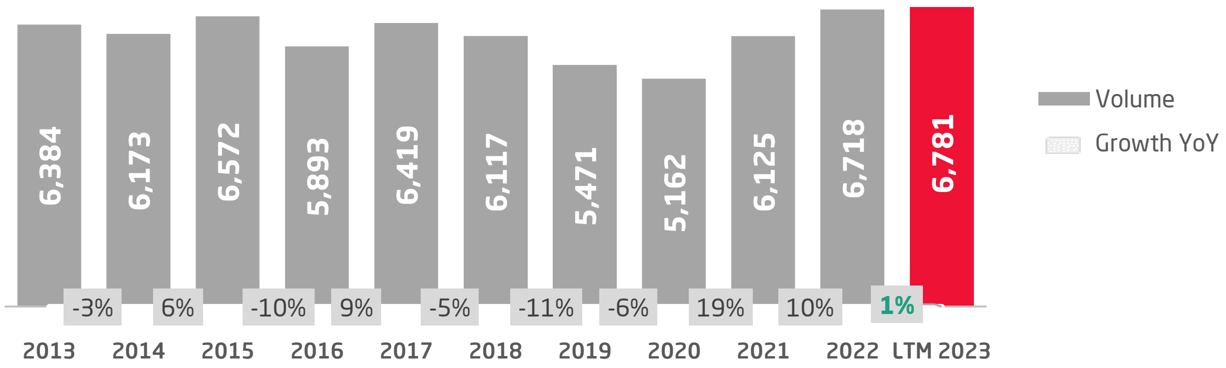


Nova Santa Rita/Brazil

Volume Argentina

Argentina remained on a strong pace during the quarter, driven by the growth of the bulk cement

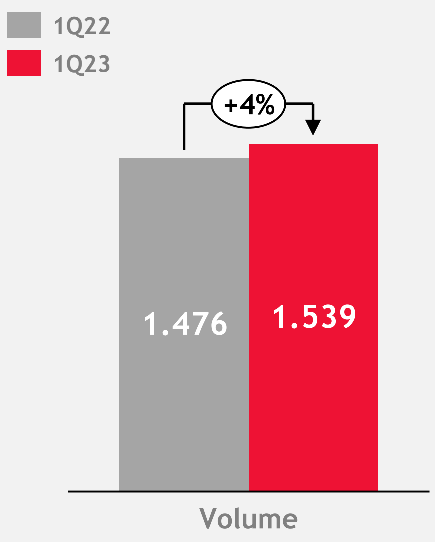
Historical Cement and Clinker Volumes ('000 tons)



Cement sales maintained the positive trend and showed an expansion of 4.3% YoY, leveraged by the growth of the bulk cement segment, supported by private construction, coupled with an increase in public works.

On the other hand, sales of bagged cement, despite showing a contraction YoY, remained on a healthy level.

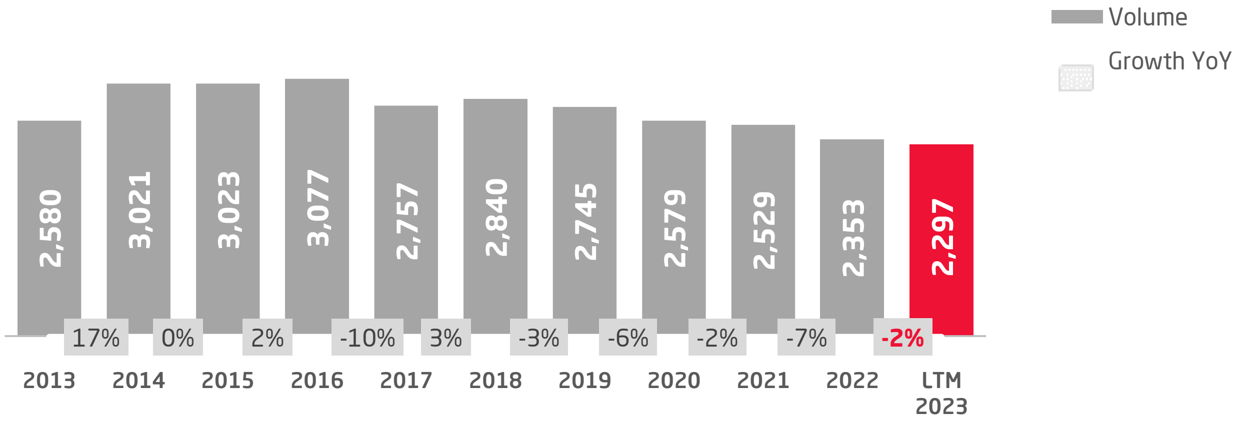
Argentina



Volume Africa

Unfavorable weather conditions, including the Cyclone Freddy, compressed volumes in Africa

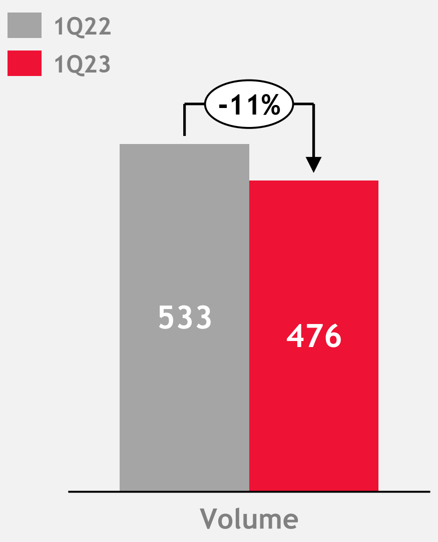
Historical Cement and Clinker Volumes ('000 tons)



Volume in South Africa decreased 10.8% YoY, due to lower retail market, reflecting an economic and political uncertainty leading to a low GDP growth environment.

In Mozambique, volumes declined 10.3%, due to a weaker demand across the country, on the back of lower disposable income, pressured by higher inflation, in addition to the effects of the Cyclone Freddy and the heavy rains that occurred in February and March.

Africa



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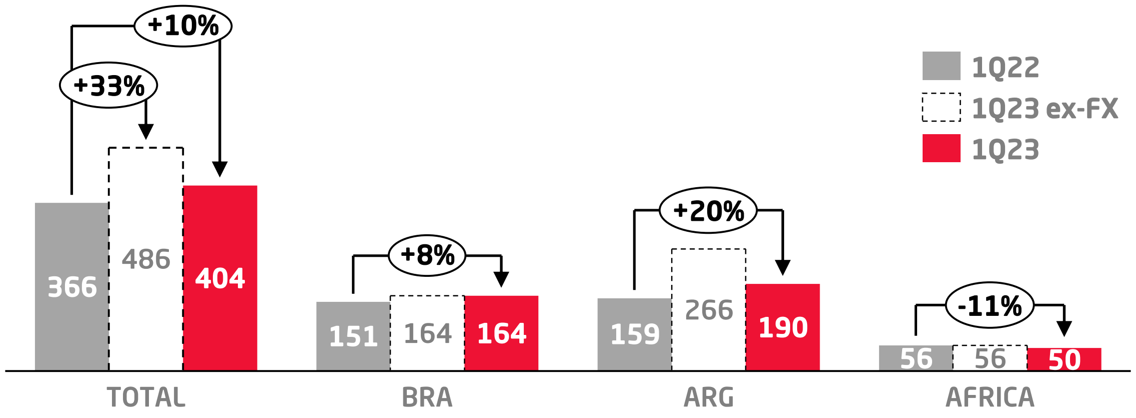
Sales

Sales Variation (US$ million)



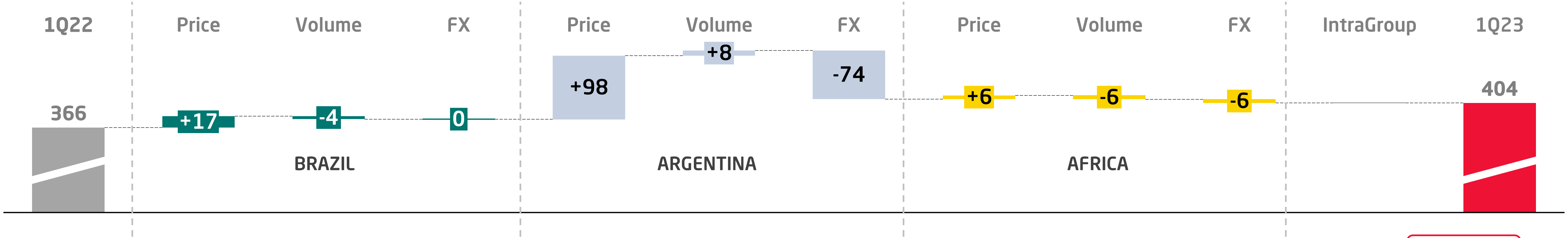
Total sales expansion, backed by **solid performance in Argentina and Brazil**, driven by a healthy price recovery trend across all geographies

Price increase USD (vs 1Q22)

BRA: +11%
ARG: +9%
AFR: +3%

ICP: +9%

Sales Variation Breakdown (US$ million)



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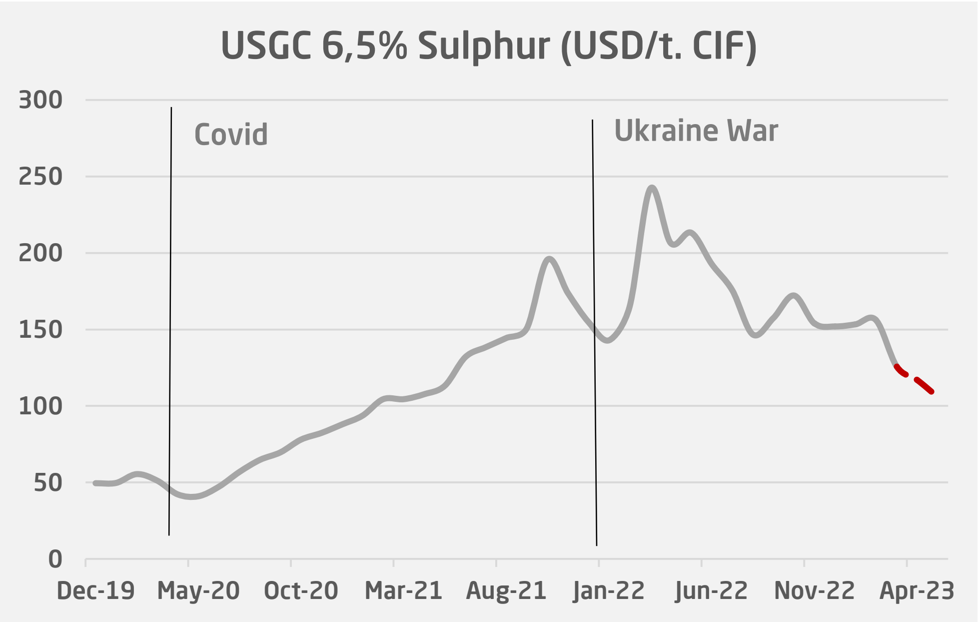
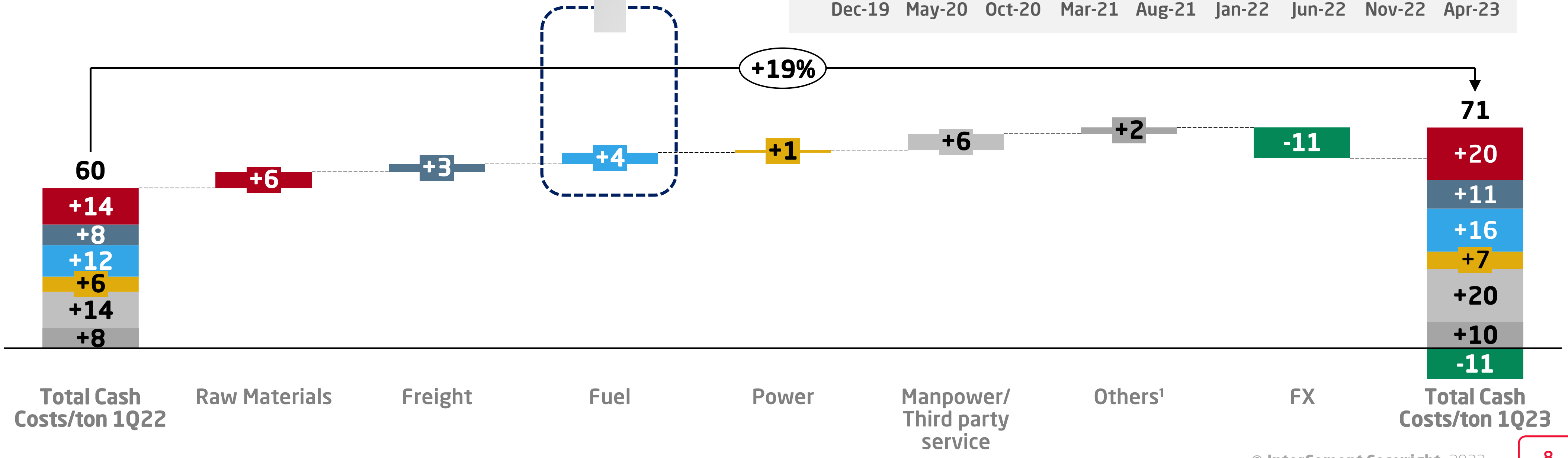
Costs

Cash Costs/ton Evolution Breakdown (US$/ton)

Inflationary pressure in all cost elements





Source: InterCement Group & Argus
Note: (1) Others: mainly maintenance

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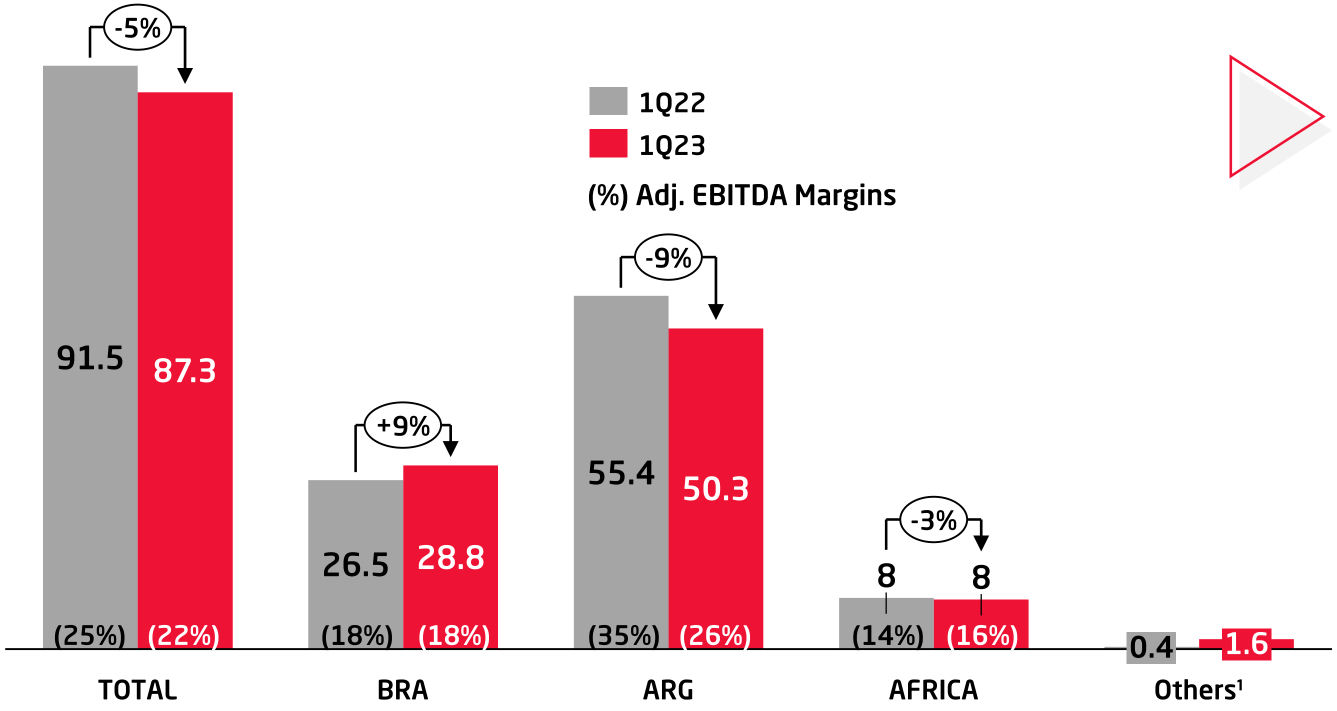
Adjusted **EBITDA**

Sound Adj. EBITDA of US$87 million, despite adverse macro environment.

Adjusted EBITDA and Margin (US$ million)



Note: (1) Others: including Holdings Results

BRA: Topline expansion, due to the commercial strategy focused on portfolio optimization and the average price increase YoY in all regions

ARG: Better top line performance was not enough to offset the high inflation effects

SAF: Despite a better operational performance, the result was affected by the Rand depreciation

MOZ: Despite prices and better operational performance, the result was affected by drop on volumes (partly climate related)

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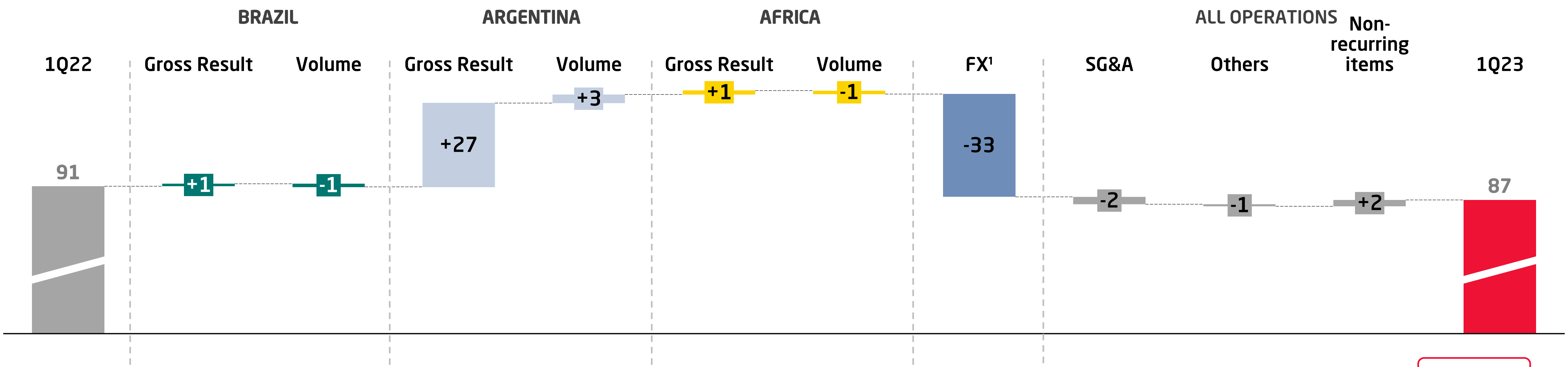
Adjusted EBITDA

Campo Formoso/Brazil

Rising top line generates positive effects from operational leverage

Adjusted EBITDA Breakdown (US$ million)



Note: (1) FX All Operations: Gross Result & Volume

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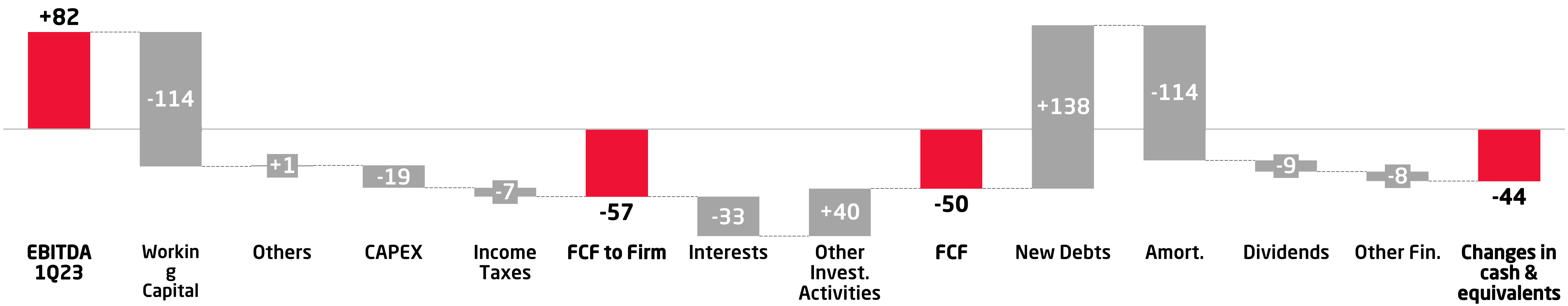
Cash Flow

Negative Free Cash Flow to the Firm impacted by working capital needs, higher CAPEX disbursement and lower Adjusted EBITDA



Other investing activities: cash received from asset sales, which was offset by losses related to investments in securities in the Argentinian business and in the HoldCo Level

New issuance of debt: mostly due to new issuance of debt in Argentina US$138M (US$5M of backup lines)

Working Capital: result of the seasonal fluctuation and the credit crunch in Brazil
Capex: ordinary maintenance activities and also carry-over of an environmental efficiency project in Brazil
Interests paid: driven by a higher debt position in Argentina
Dividends: paid to minority shareholders by Argentina
Amortization: mainly in Argentina (US$59M, of which US$44M of backup line) and HoldCo level (US$53M)

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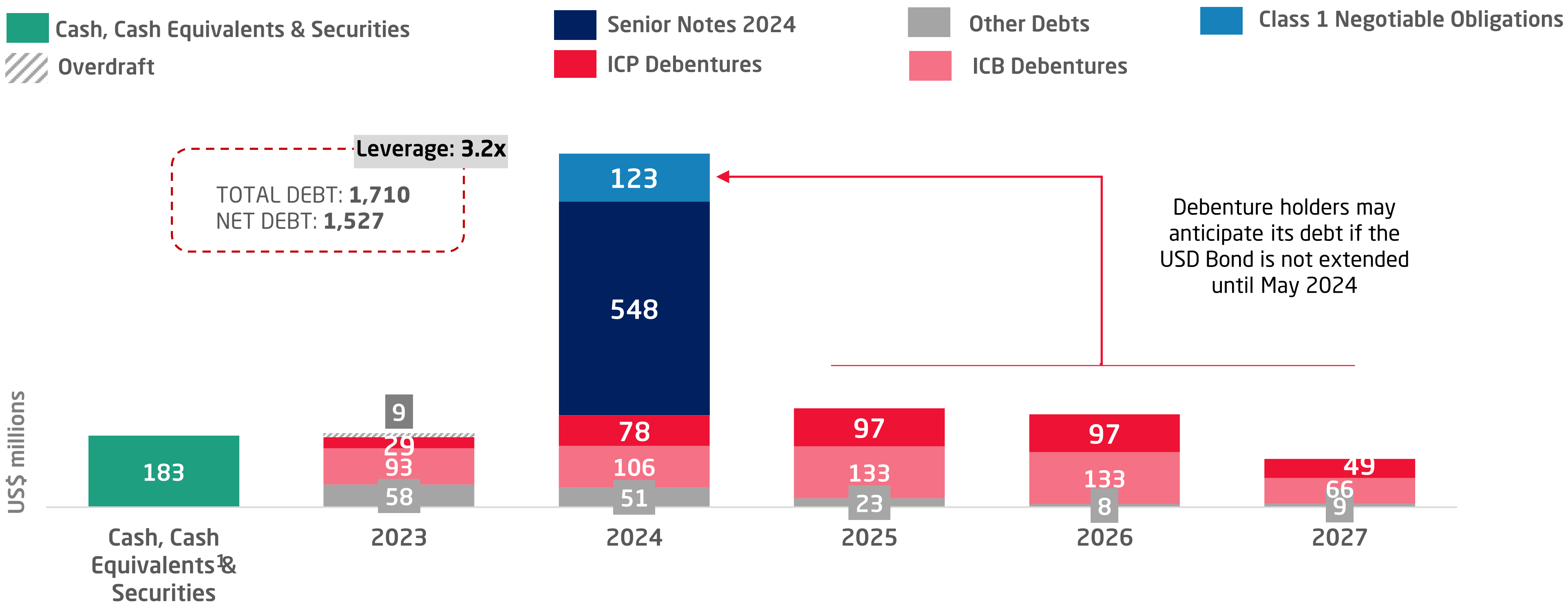
Capital Structure

Debt Maturity Schedule



(1) Cash breakdown: US$28M at InterCement Brazil; US$93M at Loma Negra, in Argentina; US$21M at the African cluster; and US$41M at the Corporate level, or HoldCos.

Subsequent Events

Highlights:

Corporate:
- On April 14th, Paulo Diniz was nominated for the Chief Executive Officer position at ICP
- On May 5th, Mr. Ronnie Vaz Moreira was nominated as Chairman of the Board of Directors of ICP
- On May 5th, Marco Zangari was nominated Chief Financial Officer at ICP
- On May 10th, ICP announced the engagement of advisors to support it in the assessment of alternatives for addressing its capital structure

LN Dividends: ICP received US$24M in May'23