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# 3Q19 Results Conference Call

November 8, 10am (ET)

L'Amalí-Argentina



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# Disclaimer and Forward Looking Statement

*This presentation may contain forward-looking statements within the meaning of federal securities law that are subject to risks and uncertainties. These statements are only predictions based upon our current expectations and projections about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential,” “seek,” “forecast,” or the negative of these terms or other similar expressions.*

*The forward-looking statements are based on the information currently available to us. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including, among others things: changes in general economic, political, governmental and business conditions globally and in Argentina, changes in inflation rates, fluctuations in the exchange rate of the peso, the level of construction generally, changes in cement demand and prices, changes in raw material and energy prices, changes in business strategy and various other factors.*

*You should not rely upon forward-looking statements as predictions of future events. Although we believe in good faith that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Any or all of Loma Negra’s forward-looking statements in this release may turn out to be wrong. You should consider these forward-looking statements in light of other factors discussed under the heading “Risk Factors” in Company’s Annual Report on Form 20-F, as well as periodic filings made on Form 6-K, which are filed with or furnished to the United States Securities and Exchange Commission.*

*Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in our expectations.*

*The Company presented some figures converted from Argentine pesos to U.S. dollars for comparison purposes. The exchange rate used to convert Pesos to U.S. dollars was the reference exchange rate (Communication “A” 3500) reported by the Central Bank for U.S. dollars. The information presented in U.S. dollars is for the convenience of the reader only. Certain figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures presented in previous quarters.*

*Note: Loma Negra’s financial information has been prepared in accordance with the Argentine Securities Commission (Comisión Nacional de Valores-CNV) and with International Financial Reporting Standards. Following the categorization of Argentina as a country with a three-year cumulative inflation rate greater than 100%, the country is considered highly inflationary in accordance with IFRS. Consequently, starting July 1, 2018, the Company is reporting results applying IFRS rule IAS 29. IAS 29 requires that results of operations in hyperinflationary economies are reported as if these economies were highly inflationary as of January 1, 2018, and thus year-to-date, together with comparable results, should be restated adjusting for the change in general purchasing power of the local currency, using official indices. For comparison purposes and a better understanding of our underlying performance, in addition to presenting ‘As Reported’ results, we are also disclosing selected figures as previously reported excluding rule IAS 29. Additional information in connection with the application of rule IAS 29 can be found in our earnings report.*

# Loma Negra continues to deliver adjusted EBITDA growth and margin expansion in 3Q19



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- | **The company kept delivering a solid set of results,** despite the uncertainty raised by the political developments during the quarter
- | **As reported results**
  - | **Net revenues** -7.6% to Ps.9.2 billion (US\$172 million)
  - | **Adjusted EBITDA** +2.7% to Ps.2.6 billion (US\$52 million)
  - | **Net majority income** improved to Ps.50 million (US\$ -8 million)
- | **Consolidated Adjusted EBITDA margin expanded 289 bps** to 28.8% (356 bps to 29.5% excluding non-recurrent production-footprint adequacy costs)
- | **Solid balance sheet with** Net Debt to LTM Adj. EBITDA ratio of 0.87x
- | **L´Amalí Expansion Plant on track, Start Up 2Q20**



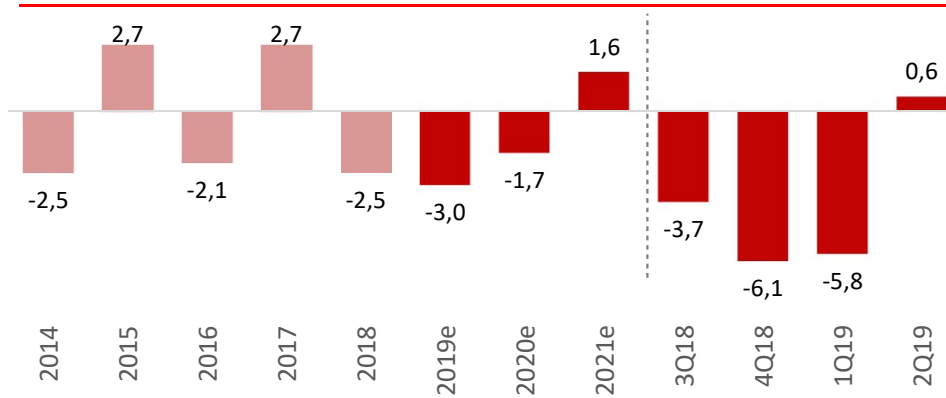
3 *Note: Figures in U.S. dollars result from the calculation of figures expressed in Argentine pesos, as previously reported (without the application of IAS29) and the average exchange rate for each reporting period.*

# The incipient recovery faded as the macroeconomic variables worsened

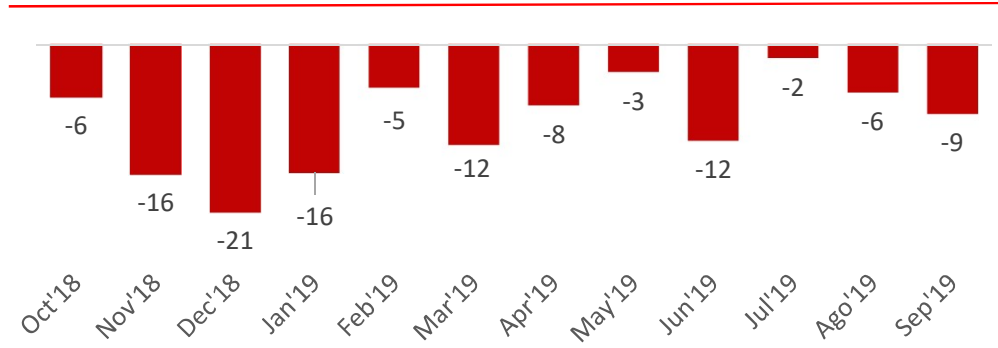


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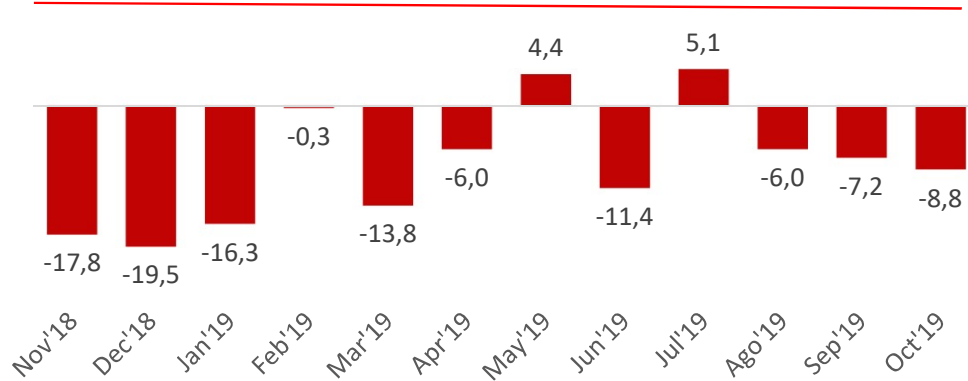
GDP Growth<sup>1</sup> (YoY Growth, %)



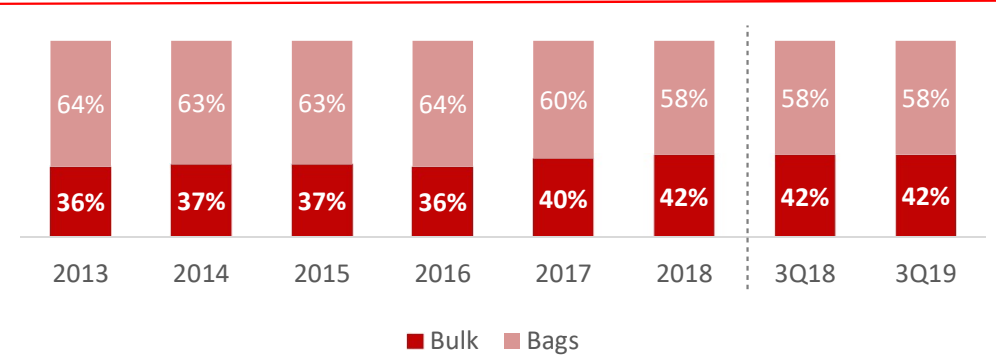
Construction Activity<sup>2</sup> (YoY Growth, %)



Monthly Industry Cement Sales<sup>3</sup> (YoY Growth, %)



Industry Cement Sales by Type<sup>3</sup> (%)



(1) Source INDEC and BCRA (Argentina Central Bank) Market Expectations (REM) Survey as of October 2019

(2) Source INDEC: ISAC (Indicador Sintético de la Actividad)

(3) Based on AFCEP which reports standalone cement sales, while Loma Negra reports Cement, Masonry and lime sales

# Revenues down 7.6%, impacted by softer Concrete segment and Cement in Argentina



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## Revenue Performance:

- | Argentine cement: down 4.0% YoY. Volumes contraction of 7.5% balanced by healthy pricing environment
- | Concrete: dropped 37.7% YoY. Volumes down 33.9% as new projects slow down or put on hold
- | Paraguay cement: down 1.7% YoY. Sales volumes down 1.1% YoY
- | Railroad: down 9.4% YoY. Softer pricing and volumes compressed by slowdown in building materials and chemicals
- | Aggregates: increased 2.0% YoY. Driven by favorable sales volumes

### Sales Volumes

		3Q19	3Q18	% Chg.
<b>Cement, masonry &amp; lime</b>				
Argentina	MM Tn	1.49	1.61	-7.5%
Paraguay	MM Tn	0.15	0.15	-1.1%
<b>Cement, masonry &amp; lime total</b>		<b>1.64</b>	<b>1.76</b>	<b>-7.0%</b>
<b>Argentina:</b>				
Concrete	MM m3	0.19	0.29	-33.9%
Railroad	MM Tn	1.13	1.23	-7.9%
Aggregates	MM Tn	0.26	0.25	4.7%

### Revenues (Ps. Million)

	3Q19	3Q18	% Chg.
	6,987	7,280	-4.0%
	937	953	-1.7%
	7,924	8,233	-3.8%
	1,039	1,667	-37.7%
	824	909	-9.4%
	126	124	2.0%
<b>Total Net Revenues<sup>1</sup></b>	<b>9,178</b>	<b>9,931</b>	<b>-7.6%</b>

(1) Sales volumes include inter-segment sales and Other segments

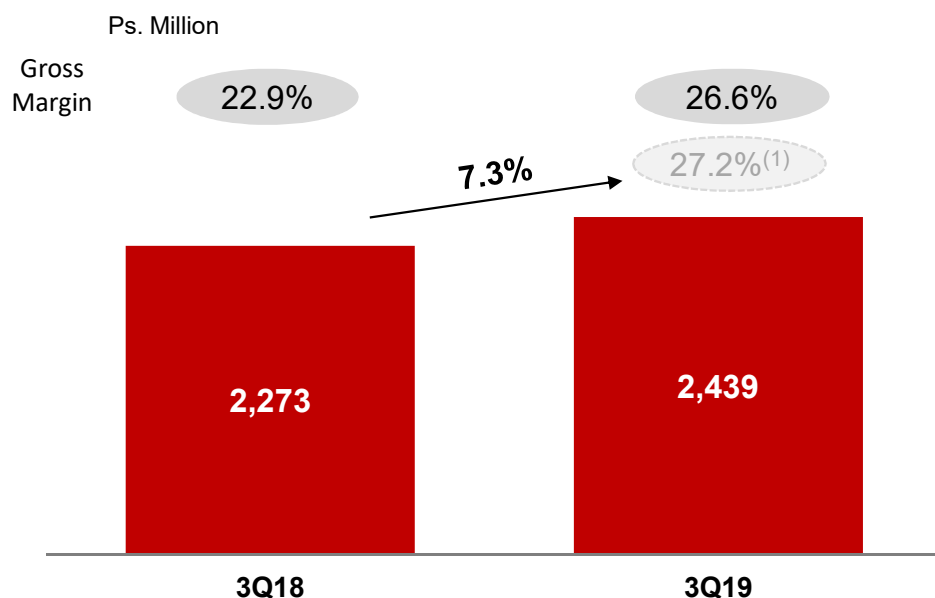
# Gross Profit up, mainly reflecting previous footprint-adequacy efforts



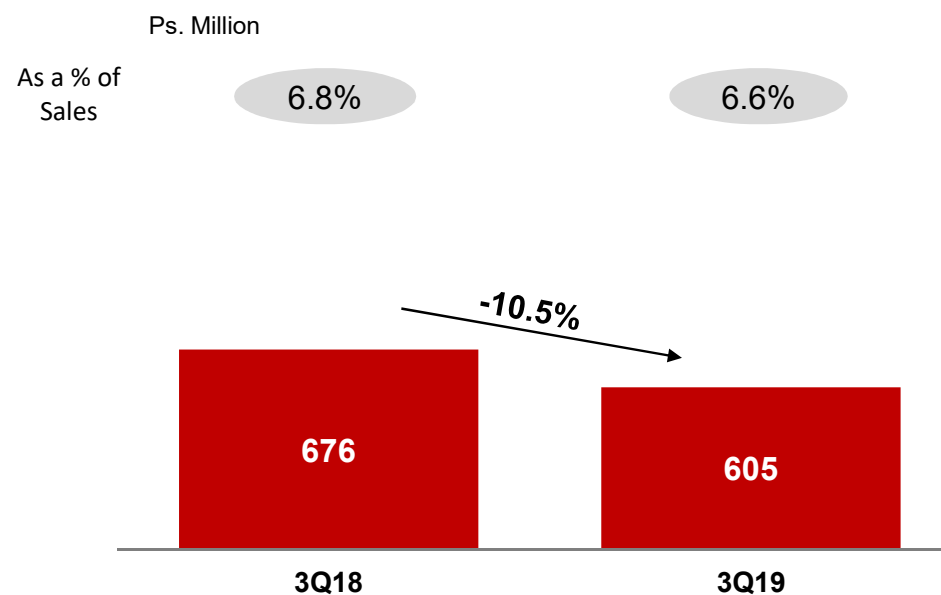
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- | **Consolidated gross profit up** 7.3% YoY, with gross margin expansion of 368 bps to 26.6%,
- | **Excluding non-recurring costs of production footprint enhancement**, gross profit would have expanded around 10% and gross profit margin would have expanded by 435 bps to 27.2%
- | **SG&A as a % of revenues** decreased 22 bps YoY, to 6.6%, positively impacted by structure adequacy measures adopted earlier this year, together with a further reduction in the effective sales tax rate.

## Gross Profit & Margin



## Selling, General & Administrative



<sup>1)</sup> Excluding non-recurrent expenditures from production-footprint adequacy.

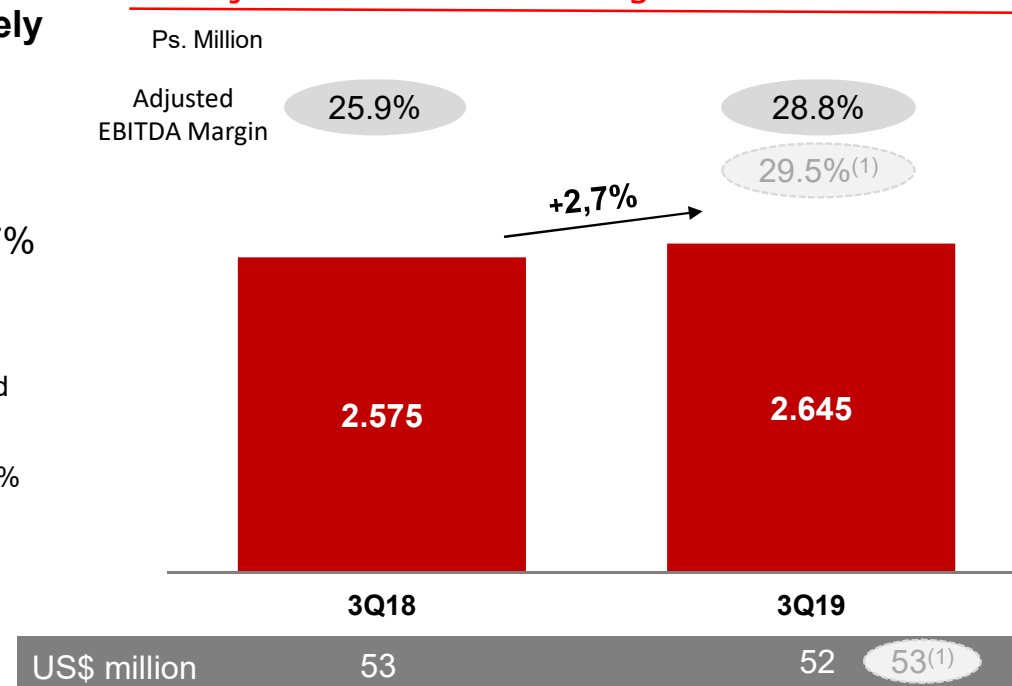
# Adjusted EBITDA increased by 2.7% YoY with solid margin expansion of 289 bps



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- | **Consolidated Adjusted EBITDA up 2.7% YoY** in 3Q19 driven by positive contribution of cement segment and Railroad. However, it was dimmed by non-recurrent costs, and negative impact of Concrete
  
- | **Consolidated Adjusted EBITDA Margin expanded 289 bps** to 28.8% from 25.9% in 3Q18, and **excluding approximately US\$1.2 million of non-recurrent** production-footprint adequacy costs, would have increased 356 bps to 29.5%
  
- | **Excluding the application of IAS29** the Consolidated Adjusted EBITDA margin expanded **229 bps** YoY from 27.7% to 30.0%
  - | **Argentine Cement, masonry cement and lime segment** Adjusted EBITDA margin expanded 90 bps to 30.9%, excluding non-recurrent cost margin would have been 31.8%<sup>(1)</sup>
  - | **Cement in Paraguay** Adjusted EBITDA margin expanded by 156 bps to 45.1% from 43.6% a year ago
  - | **Concrete** Adjusted EBITDA margin increased 73 bps to 4.8%
  - | **Railroad** Adjusted EBITDA margin increased 357 bps to 14.5%
  - | **Aggregates** Adjusted EBITDA margin increased to 4.1%

## Adjusted EBITDA & Margin



Note: Figures in U.S. dollars result from the calculation of figures expressed in Argentine pesos, as previously reported (without the application of IAS29) and the average exchange rate for each reporting period.

1) Excluding non-recurrent expenditures from production-footprint adequacy.

# Net profit up to Ps.60 million impacted by a improved operational result

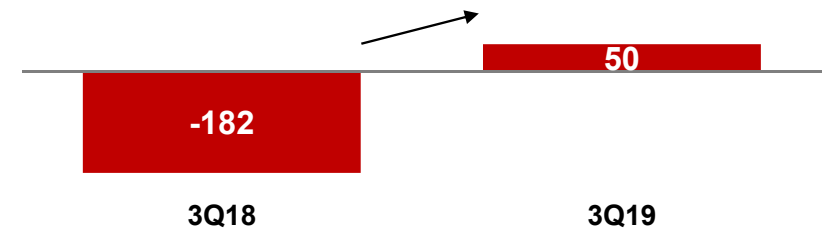


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- Net Profit Attributable to Owners of the Company** in 3Q19 increased Ps.232 million YoY, measured in US\$ decreased from a gain of US\$4 million to a loss of US\$8 million
- Total finance loss** of Ps.1,567 million in 3Q19 compared to a loss of Ps.1,440 million in 3Q18, as the FX depreciation overtook the gain on net monetary position
  - Foreign exchange loss** of Ps.1,510 million in 3Q19, compared to Ps.1,310 million loss in 3Q18,
  - Net Financial expense**, rose by Ps.34 million from Ps.298 million in 3Q18 to Ps.332 million in 3Q19, driven by higher beared interests
  - Gain on net monetary** position was Ps.276 million in 3Q19 compared to Ps.168 million in 3Q18

## Net Profit Attributable to Owners

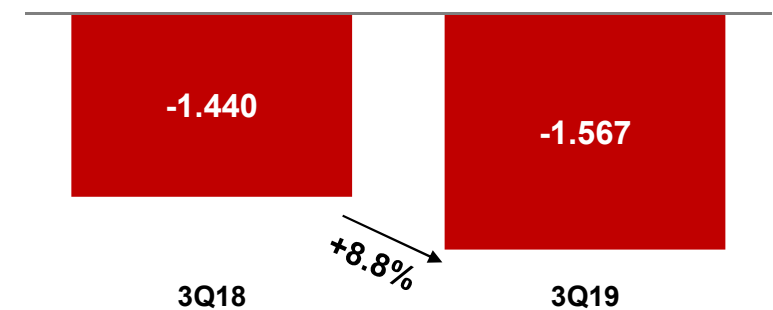
Ps. Million



US\$	3Q18	3Q19
	4	(8)

## Finance Costs, net

Ps. Million



Note: Figures in U.S. dollars result from the calculation of figures expressed in Argentine pesos, as previously reported (without the application of IAS29) and the average exchange rate for each reporting period.

# Strong balance sheet and sound debt profile



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- Cash position** of Ps.1.4 billion and total debt at Ps.10.4 billion in September '19
- Net Debt** of Ps.9.1 billion (US\$ 157 million) at September '19
- Net Debt/ LTM Adj. EBITDA ratio** of 0.87x in 3Q19 compared with 0.43 in Dec.18
- Operating cash flow for 3Q19 stood at Ps.3.6 billion**, mainly due to higher profitability and lower working capital needs
- Capital expenditures** of Ps.3.1 billion in 3Q19 (mostly dedicated to the expansion of production capacity in L'Amalí plant)

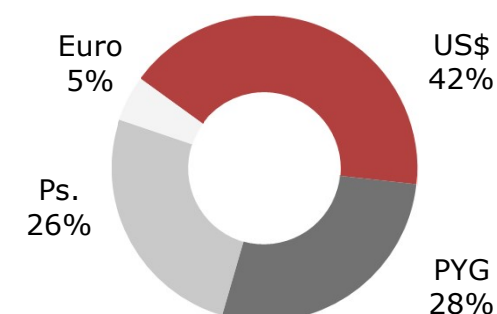
## Cash Flow Highlights

*(amounts expressed in millions of pesos, unless otherwise noted)*

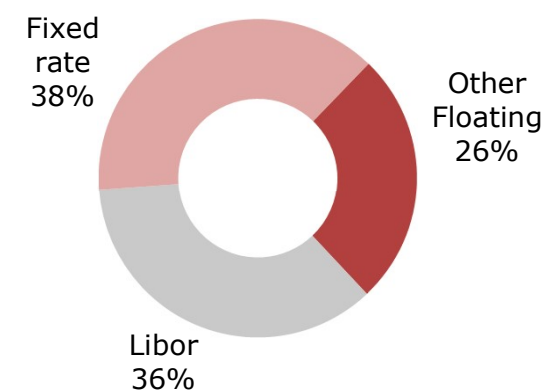
	3Q19	3Q18
Net cash generated by operating activities	3,577	3,026
Net cash used in investing activities	(3,134)	(604)
Net cash (used in) generated by financing activities	(477)	(440)
<b>Cash and cash equivalents at the end of the period</b>	<b>1,353</b>	<b>4,238</b>

Note: Figures in U.S. dollars result from the calculation of figures expressed in Argentine pesos, as previously reported (without the application of IAS29) and the average exchange rate for each reporting period.

## Debt by Currency



## Debt by Interest Rate



# Looking ahead



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- | Expectations around the policies to be adopted by the new administration to reestablish financial stability and economic growth
- | We remain focused on delivering solid results, leveraging our leadership position while seeking productivity gains
- | L'Amalí plant expansion on track. Completion in 2Q20



L'Amalí 2: Kiln & Clinker Silo



L'Amalí 2: Pre-Homogenization Dome



L'Amalí 2: Cement Mill progress



Questions & Answers



Exhibit: Summary Financial Statements

# Adjusted EBITDA Reconciliation & Margin



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**Table 4: Adjusted EBITDA Reconciliation & Margin**  
(amounts expressed in millions of pesos, unless otherwise noted)

	Three-months ended September 30,			Nine-months ended September 30,		
	2019	2018	% Chg.	2019	2018	% Chg.
<b>Adjusted EBITDA reconciliation:</b>						
Net profit	60	(144)	n/a	2,612	944	176.8%
(+) Depreciation and amortization	791	946	-16.4%	2,128	2,220	-4.2%
(+) Tax on debits and credits to bank accounts	90	90	-0.4%	272	273	-0.2%
(+) Income tax expense	138	242	-43.2%	999	793	26.1%
(+) Financial interest, net	301	247	21.6%	849	564	50.6%
(+) Exchange rate differences, net	1,510	1,310	15.3%	1,382	2,147	-35.6%
(+) Other financial expenses, net	32	51	-37.9%	123	129	-4.6%
(+) Gain (loss) on net monetary position	(276)	(168)	64.4%	(919)	(237)	287.8%
<b>Adjusted EBITDA</b>	<b>2,645</b>	<b>2,575</b>	<b>2.7%</b>	<b>7,447</b>	<b>6,832</b>	<b>9.0%</b>
<i>Adjusted EBITDA Margin</i>	<i>28.8%</i>	<i>25.9%</i>	<i>+289 bps</i>	<i>27.8%</i>	<i>25.0%</i>	<i>+287 bps</i>

# Balance Sheet



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**Table 8: Condensed Interim Consolidated Statements of Financial Position as of September 30, 2019 and December 31, 2018**

(amounts expressed in millions of pesos, unless otherwise noted)

	As of September 30, As of December 31,	
	2019	2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,985	30,125
Intangible assets	312	301
Investments	2	2
Goodwill	23	23
Inventories	916	933
Other receivables	822	1,297
Right to use assets	358	-
Trade accounts receivable	4	6
<b>Total non-current assets</b>	<b>41,422</b>	<b>32,686</b>
<b>Current assets</b>		
Inventories	5,412	5,202
Other receivables	860	528
Trade accounts receivable	2,799	2,843
Investments	406	2,885
Cash and banks	947	1,111
<b>Total current assets</b>	<b>10,423</b>	<b>12,568</b>
<b>TOTAL ASSETS</b>	<b>51,845</b>	<b>45,255</b>

<b>SHAREHOLDERS' EQUITY</b>		
Capital stock and other capital related accounts	9,894	9,894
Reserves	10,628	3,140
Retained earnings	2,497	7,488
Accumulated other comprehensive income	467	378
Equity attributable to the owners of the Company	23,486	20,900
Non-controlling interests	2,094	1,893
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>25,580</b>	<b>22,793</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	5,424	3,590
Accounts payables	133	533
Provisions	421	403
Other liabilities	46	11
Debts for leases	333	-
Deferred tax liabilities	4,723	4,387
<b>Total non-current liabilities</b>	<b>11,081</b>	<b>8,924</b>
<b>Current liabilities</b>		
Borrowings	4,991	4,620
Accounts payable	8,518	6,683
Advances from customers	167	232
Salaries and social security payables	794	873
Tax liabilities	554	1,073
Debts for leases	82	-
Other liabilities	78	56
<b>Total current liabilities</b>	<b>15,184</b>	<b>13,537</b>
<b>TOTAL LIABILITIES</b>	<b>26,265</b>	<b>22,462</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>51,845</b>	<b>45,255</b>

# Income Statement



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**Table 9: Condensed Interim Consolidated Statements of Profit or Loss and**  
(amounts expressed in millions of pesos, unless otherwise noted)

	Three-months ended September 30,			Nine-months ended September 30,		
	2019	2018	% Change	2019	2018	% Change
Net revenue	9,178	9,931	-7.6%	26,744	27,362	-2.3%
Cost of sales	(6,740)	(7,658)	-12.0%	(19,507)	(20,768)	-6.1%
<b>Gross profit</b>	<b>2,439</b>	<b>2,273</b>	<b>7.3%</b>	<b>7,237</b>	<b>6,594</b>	<b>9.8%</b>
Selling and administrative expenses	(605)	(676)	-10.5%	(1,923)	(2,006)	-4.2%
Other gains and losses	21	32	-33.7%	5	25	-79.8%
Tax on debits and credits to bank accounts	(90)	(90)	-0.4%	(272)	(273)	-0.2%
<b>Finance costs, net</b>						
Exchange rate differences	(1,510)	(1,310)	15.3%	(1,382)	(2,147)	-35.6%
Financial income	77	-	n/a	88	1	#####
Financial expenses	(409)	(298)	37.2%	(1,060)	(694)	52.8%
Gain (loss) on net monetary position	276	168	64.4%	919	237	287.8%
<b>Profit before taxes</b>	<b>198</b>	<b>98</b>	<b>101.7%</b>	<b>3,611</b>	<b>1,736</b>	<b>108.0%</b>
<b>Income tax expense</b>						
Current	133	(340)	n/a	(665)	(728)	-8.6%
Deferred	(270)	97	n/a	(334)	(65)	415.0%
<b>Net profit</b>	<b>60</b>	<b>(144)</b>	<b>n/a</b>	<b>2,612</b>	<b>944</b>	<b>176.8%</b>
<b>Other Comprehensive Income</b>						
Items to be reclassified through profit and loss:						
Exchange differences on translating foreign operations	490	802	-38.9%	175	1,429	-87.7%
<b>Total other comprehensive (loss) income</b>	<b>490</b>	<b>802</b>	<b>-38.9%</b>	<b>175</b>	<b>1,429</b>	<b>-87.7%</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>550</b>	<b>658</b>	<b>-16.3%</b>	<b>2,787</b>	<b>2,373</b>	<b>17.5%</b>
<b>Net Profit (loss) for the period attributable to:</b>						
Owners of the Company	50	(182)	n/a	2,497	836	198.8%
Non-controlling interests	11	38	-72.3%	115	108	6.6%
<b>NET PROFIT FOR THE PERIOD</b>	<b>60</b>	<b>(144)</b>	<b>n/a</b>	<b>2,612</b>	<b>944</b>	<b>176.8%</b>
<b>Total comprehensive income (loss) attributable to:</b>						
Owners of the Company	300	227	32.2%	2,586	1,565	65.3%
Non-controlling interests	251	431	-41.9%	201	808	-75.1%
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>550</b>	<b>658</b>	<b>-16.3%</b>	<b>2,787</b>	<b>2,373</b>	<b>17.5%</b>
<b>Earnings per share (basic and diluted):</b>	<b>0.0836</b>	<b>(0.3060)</b>	<b>n/a</b>	<b>4.1893</b>	<b>1.4020</b>	<b>198.8%</b>

# Statement of Cash Flows



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**Table 10: Condensed Interim Consolidated Statement of Cash Flows for the Nine-months and Three-months ended September 30, 2019 and 2018**

(amounts expressed in millions of pesos, unless otherwise noted)

	Three-months ended September 30,		Nine-months ended September 30,	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net profit for the period</b>	<b>60</b>	<b>(144)</b>	<b>2,612</b>	<b>944</b>
Adjustments to reconcile net profit to net cash provided by operating activities				
Income tax expense	138	242	999	793
Depreciation and amortization	791	946	2,128	2,220
Provisions	(0)	31	82	91
Interest expense	621	66	819	338
Exchange rate differences	792	1,884	571	2,265
Others	(14)	(8)	9	(9)
Gain on disposal of Property, plant and equipment	(9)	-	(9)	-
Changes in operating assets and liabilities				
Inventories	690	593	(158)	(541)
Other receivables	(115)	(150)	(128)	(364)
Trade accounts receivable	(68)	(434)	(666)	(1,019)
Advances from customers	5	9	(31)	(109)
Accounts payable	908	140	749	(434)
Salaries and social security payables	83	170	153	(33)
Provisions	38	(76)	(56)	(121)
Tax liabilities	554	271	226	270
Other liabilities	7	5	234	(31)
Income tax paid	(564)	(1,060)	(1,207)	(1,283)
Gain on net monetary position	(341)	539	(918)	(237)
<b>Net cash generated / used in by operating activities</b>	<b>3,577</b>	<b>3,026</b>	<b>5,410</b>	<b>2,738</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of Property, plant and equipment	22	(1)	32	6
Payments to acquire Property, plant and equipment	(3,131)	(591)	(8,433)	(3,099)
Payments to acquire Intangible Assets	(6)	(6)	(28)	(12)
Contributions to Trust	(19)	(7)	(45)	(42)
<b>Net cash used in investing activities</b>	<b>(3,134)</b>	<b>(604)</b>	<b>(8,474)</b>	<b>(3,147)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowings	2,485	951	5,919	1,733
Interest paid	(760)	(421)	(1,516)	(989)
Repayment of borrowings	(2,173)	(971)	(3,773)	(2,633)
Debts for leases	(29)	-	(65)	-
<b>Net cash generated / used in by financing activities</b>	<b>(477)</b>	<b>(440)</b>	<b>566</b>	<b>(1,889)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(34)</b>	<b>1,981</b>	<b>(2,499)</b>	<b>(2,298)</b>
Cash and cash equivalents at the beginning of the period	1,316	2,835	3,996	6,464
Effect of the re-expression in homogeneous cash currency ("Inflation-Adjusted")	(37)	(51)	(109)	(99)
Effects of the exchange rate differences on cash and cash equivalents in foreign currency	108	(526)	(34)	172
<b>Cash and cash equivalents at the end of the period</b>	<b>1,353</b>	<b>4,238</b>	<b>1,353</b>	<b>4,238</b>



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