Loma Negra
Second Quarter 2026 Earnings Call and Webcast
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CORPORATE PARTICIPANTS
Diego Jalón – Head of Investor Relations
Sergio Faifman – Chief Executive Officer & VP, Board of Directors
Marcos Gradin – Chief Financial Officer

About Loma Negra

Founded in 1926, Loma Negra is the leading cement company in Argentina, producing and distributing cement, masonry cement, aggregates, concrete and lime, products primarily used in private and public construction. Loma Negra is a vertically-integrated cement and concrete company, with nationwide operations, supported by vast limestone reserves, strategically located plants, top-of-mind brands and established distribution channels. Loma Negra is listed both on BYMA and on NYSE in the U.S., where it trades under the symbol "LOMA". One ADS represents five (5) common shares. For more information, visit www.lomanegra.com

Disclaimer

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.

Slide 1

Operator

Good day and welcome to the Loma Negra Third Quarter 2026 Conference Call and Webcast. All participants will be in listen-only mode. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero.

After today's presentation, there will be an opportunity to ask questions. Also, Mr. Sergio Faifman will be responding in Spanish immediately following an English translation. To ask a question, you may press star, then one on your telephone keypad. To withdraw your question, please press star, then two. Please note that this event is being recorded. I would now like to turn the conference over to Mr. Diego Jalón, Head of IR. Please Diego go ahead.

Slide 1

Diego Jalón

Thank you. Good day and welcome to Loma Negra´s earnings conference call.

By now, everyone should have access to our earnings press release and the presentation for today's call, both of which were distributed yesterday after market close.

Joining me on the call today are Sergio Faifman, our CEO and Vice Chairman of the Board of Directors; and Marcos Gradin, our CFO. Sergio and Marcos will be available for the Q&A session.

Before we proceed, I would like to make the following Safe Harbor statements. Today's call will contain forward-looking statements and I refer you to the forward-looking statements section of our earnings release, and recent filing with the SEC. We assume no obligation to update or revise any forward-looking statements to reflect new or changed events or circumstances.

This conference call will also include discussion on Non-Gaap financial measures. The full reconciliation to the corresponding financial measures is included in the Earnings press release.

Now, I would like to turn the call over to Sergio.

Slide 2

Sergio Faifman

Thank you, Diego. Hello everyone and thank you for joining us today.

I would like to start my presentation by discussing the highlights of the quarter. Then, Marcos will take you through our market review and financial results. Following that, I will share some final remarks before opening the call to your questions.

Starting with slide two.

Industry volumes remained subdued during the third quarter, as July and August were affected by still-soft activity levels and heavy winter rainfall. September, however, showed a significant improvement on the back of more favorable weather, which we view as an encouraging sign for the months ahead. In this context, our cement volumes decreased 6.3% year-over-year, while consolidated net revenues declined 3.2% to Ps. 270.1 billion.

In terms of profitability, consolidated Adjusted EBITDA reached Ps. 54.2 billion, down 6.7% year-over-year, with margin contracting 74 basis points to 20.1%, as our other businesses weighed on the overall result. Our Cement business, on the other hand, slightly improved its margin both year-over-year and sequentially, despite the third quarter typically being our lowest-margin quarter due to seasonal costs. In dollar terms, EBITDA per ton stood at 32.5 dollars, up 24% year-over-year, highlighting the strength of our cash generation even in a still-challenging demand environment.

We also continued to strengthen our balance sheet. As of quarter-end, net debt stood at 145 million dollars, 40 million dollars lower than in the second quarter, bringing our net debt-to-LTM Adjusted EBITDA ratio down to 1.0x. In addition, after the close of the quarter, we successfully issued a 150 million dollar corporate bond to refinance upcoming structured debt maturities.

I will now hand off the call to Marcos who will walk you through our market review and financial results. Please, Marcos go ahead

Slide 4

Marcos Gradin

Thank you, Sergio. Good day, everyone.

Please turn to slide 4.

On the macro front, recent data points to a softer activity trajectory. GDP grew 2.0% year-over-year in the second quarter, while the EMAE, Argentina's monthly economic activity indicator, declined 1.5% year-over-year in July and 1.7% in August, leaving cumulative growth at 1.2% through the first eight months of the year. Market expectations, according to the Central Bank's REM survey, point to growth of 1.5% for 2026 and 2.5% for 2027.

Construction activity also showed a soft performance during the quarter. The ISAC declined 4.5% year-over-year in July and 4.4% in August, the latest available data, although it posted a 0.4% sequential improvement in August on a seasonally adjusted basis. Leading indicators were broadly flat: registered private-sector employment in construction declined 0.3% year-over-year in July, and building permits authorized in the same month were also down 0.3%, although they remain up 7.5% on a cumulative basis for the first seven months of the year.

Against this backdrop, industry cement dispatches declined 3.9% year-over-year during the quarter. July and August were both down 8.2% year-over-year, affected by still-soft activity and heavy rainfall, while September rebounded strongly, growing 4.5% year-over-year and 18% sequentially on the back of more favorable weather.

In terms of product mix, bulk cement continued to outperform, growing 2% year-over-year, while bagged cement declined 8%, still weighed down by the consumption environment. As a result, although bagged cement still represents the majority of the industry mix, bulk cement continues to gradually gain share.

Looking ahead, while the recovery remains uneven, September's performance suggests that underlying demand is there and reacts once weather conditions normalize. This, together with RIGI-related projects beginning to move forward toward the end of the year, supports a more positive perspective for the coming months.

Slide 5

Turning to slide 5 for a review of our topline performance by segment.

Third-quarter consolidated revenues decreased by 3.2% year over year. The decline was primarily driven by weaker performance in the Concrete business, followed by the Cement and Railroad segments, while higher revenue in Aggregates provided a partial offset.

Revenue from the Cement, Masonry Cement and Lime segment decreased by 1.8% year over year. Sales volumes declined by 6.3%, mainly due to the adverse weather conditions discussed earlier Our performance relative to the industry was also affected by masonry cement and lime, which follow demand trends similar to those of bagged cement. Positive pricing dynamics mitigated part of the volume impact. Performance across dispatch channels remained mixed, with bulk cement supported by more resilient demand, while bagged cement continued to underperform.

Concrete revenue decreased by 23.2% compared with the third quarter of 2025, reflecting a 24.9% decline in sales volumes. This was mainly attributable to a lower contribution from special projects, weaker demand related to public works, and reduced activity in industrial and architectural projects. Better pricing partly cushioned the impact of lower volumes.

Railroad revenue decreased by 2.2% year over year in the third quarter of 2026. Favorable pricing dynamics were not sufficient to offset a 7% decline in transported volumes, mainly due to lower shipments of grains, frac sand, and granitic aggregates. This was partly compensated by higher volumes of chemicals and gypsum, supported by the resumption of services to Neuquén following the repair of the rail section in Bahía Blanca that had been damaged by last year’s storm.

Revenue in the Aggregates segment increased by 3.7% year over year , as a stronger pricing environment and an improved sales mix more than compensated for a 16.1% contraction in volumes. Volumes were affected by similar factors to those seen in Concrete, particularly weaker demand from public works and construction companies.

Slide 7

Moving on to slide 7, Consolidated gross profit decreased by 4.0% year-over-year, with gross margin barely contracting 14 basis points to 17.2%, mainly reflecting lower net revenue, partially mitigated by also lower cost of sales.

Cost of sales decreased by 3.0% year-over-year, primarily reflecting lower costs in the Cement and Concrete segments, partially offset by higher cost of sales in the Railroad and Aggregates businesses

In the Cement segment, cost of sales increased on a per-ton basis suffer a minor increase, mainly driven by higher depreciation; excluding this effect, unit costs remained broadly in line with last year. The use of clinker produced during the warmer months, together with the planned kiln shutdowns, helped mitigate seasonal energy pressures, alongside lower fuel, electricity, packaging, and contractor costs.

In Railroad, the increase in cost of sales was mainly related to higher track maintenance costs and, to a lesser extent, higher third-party services and payroll costs.

The Concrete segment narrowed its gross loss compared with the third quarter of 2025, although it still remained in negative territory.

Finally, SG&A expenses increased by 16.1% year-over-year, mainly driven by higher advertising and promotional spending, as well as consulting and IT services. As a percentage of sales, SG&A reached 11.1%, up 184 basis points compared to the third quarter of 2025.

Slide 8

Please turn to slide 8.

Consolidated Adjusted EBITDA for the quarter reached 42 million dollars, up 16.2% year-over-year, while in pesos it stood at Ps. 54.2 billion, representing a 6.7% decline. The decrease in pesos was primarily driven by weaker performance in the Railroad segment and, to a lesser extent, lower contributions from other businesses, partially offset by improved results in Cement and Concrete.

As a result, the consolidated Adjusted EBITDA margin contracted by 74 basis points year-over-year to 20.1%, while remaining broadly stable compared with the previous quarter.
In the Cement segment, the Adjusted EBITDA margin expanded by 67 basis points year over year to 24.9%, primarily reflecting favorable pricing dynamics. This more than offset the pressure on unit costs from lower volumes, which limited the dilution of fixed costs, as well as higher SG&A expenses.

In the Concrete segment, the Adjusted EBITDA margin improved by 220 basis points to negative 4.6%, compared with negative 6.8% in the third quarter of 2025, supported by better pricing. However, the segment remains in negative territory, as current volumes are still too low to adequately cover its cost structure.

In contrast, the Railroad segment's Adjusted EBITDA margin turned negative, reaching negative 11% in the third quarter, compared with positive 3.4% in the same period of 2025, mainly driven by the higher costs discussed on the previous slide, partially offset by lower SG&A expenses.

The Aggregates segment also recorded a margin contraction, with its Adjusted EBITDA margin declining to negative 19.4% from negative 16.7% in the same period last year. A stronger pricing environment partially mitigated the impact of lower volumes, while higher costs continued to weigh on the segment's profitability.

Slide 10

Moving to the bottom line on slide ten, Net Income attributable to owners of the Company amounted to Ps. 15.2 billion in the quarter, compared with a net loss of Ps. 11.3 billion in the third quarter of 2025.
The improvement was primarily attributable to a net financial gain in the quarter, compared with a net financial loss in 3Q25, despite weaker operating performance. This improvement was partially offset by higher income tax expense, as the Company recorded a net tax expense in 3Q26, compared with a net tax benefit in the same period of the previous year.
On the financial side, The Company recorded a net financial gain of Ps. 8.5 billion in the quarter, compared with a net financial loss of Ps. 38.3 billion in the same period of 2025. This year-over-year improvement mainly reflected a more moderate pace of peso depreciation, as well as lower net financial expenses, which declined to Ps. 7.9 billion from Ps. 23.3 billion in the third quarter of 2025, primarily due to lower financial expenses.

Slide 11

Moving on to the balance sheet, as you can see on slide eleven,

We ended the quarter with net debt of Ps. 220 billion and a Net Debt to Adjusted EBITDA ratio of 1.00x, a significant improvement from 1.49x a year ago and 1.47x at the end of 2025.
Cash flow from operating activities totaled Ps. 86.3 billion in the quarter, more than doubling the Ps. 42.6 billion generated in the third quarter of 2025. This year-over-year improvement was mainly driven by favorable working capital dynamics, reflecting an improvement in trade and other receivables, together with lower inventory levels and higher tax payables.
Regarding investing activities, the Company used Ps. 18.8 billion, with CAPEX totaling Ps. 18.1 billion, compared to Ps. 19.5 billion in the same quarter of last year.
On the financing side, the Company used Ps. 25.0 billion during the quarter, mainly related to loan repayments, compared to net cash generated in the third quarter of 2025, when the Company issued its Class 5 corporate bonds.
In U.S. dollar terms, net debt stood at 145 million dollars, with an average debt maturity of 1.2 years. As of quarter-end, 91% of total debt was denominated in U.S. dollars, with the remaining balance in pesos.
As Sergio mentioned, after the close of the quarter, on October 22nd, we issued our Class 7 corporate bond in the local market for 150 million dollars, with a 36-month tenor and a 6.25% interest rate. The transaction was very well received by the market, and we would like to thank all the investors who, as in each of our issuances, continue to place their trust in the Company. Proceeds will be used mainly to refinance upcoming structured debt maturities, extending the average maturity of our debt and further strengthening our debt profile.
Now, for our final remarks, I'll hand the call back to Sergio. Thank you.

Slide 13

Sergio Faifman

Thank you, Marcos,

Now to finalize the presentation I please ask you to turn to slide thirteen.

Although volumes continue to come in below our expectations, still heavily affected by a particularly rainy winter, September showed that demand responds quickly when weather conditions are supportive, which we see as a positive sign as we look ahead. At the same time, many of the large-scale projects linked to the RIGI regime, whose filings and approvals until recently were only news, are now becoming a reality, with several of them already getting underway even before year-end. We expect their contribution to demand to gradually build as the months go by.

Bagged cement, in turn, is the segment where the outlook remains less clear, as its recovery will depend more closely on the evolution of the real economy, real wages, and the return of credit.

In this context, Loma Negra remains focused on maintaining healthy pricing dynamics and its strict cost discipline in order to preserve profitability.

Finally, I would like to highlight the successful debt placement completed in October, which strengthened our financial position and reaffirmed investors' confidence in our Company.

This is the end of our prepared remarks. We are now ready to take questions. Operator, please open the call for questions.

Operator Q&A SESSION

Thank you. We will now conduct a question-and-answer session. If you would like to ask a question, please press star, then one on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press star, then two if you would like to remove your line.

For participants using speaker equipment, it may be necessary to pick up your handset prior to pressing the keys. Once again, star, one on your telephone keypad.

We also would like to ask that you please limit your questions to one question and one follow-up, please. If you have additional questions, you may re-queue for those questions, and they will be addressed.

Also, please note that Mr. Sergio Faifman will be responding in Spanish immediately following an English translation. Please hold momentarily while we assemble our roster.

Our first question comes from Chelsia Vaca of Latin Securities. Please go ahead.

Sofía Vatta
Hi, Loma team. Thank you for taking my question. It is regarding volumes and what are the main drivers you see for 2027 that were not present in 2026? Thank you.

Sergio Faifman
Hi, Sofía. Thank you for your question. [Speaking Spanish]

The truth is that we have seen a change in the weather conditions that impacted severely during 2026. And when you see an improvement like in September, where the weather was better, the volumes start to pick up. In October, again, with some rain, volumes are, again, below, but when we see days with good climate, the difference is between 15% and 20% with these rainy days. And what we are seeing looking forward are some projects that we are participating in tenders linked to the RIGI regime. Yesterday, for example, we communicated that Loma is going to be participating in the project of a plant of urea and we are also participating in some other tenders and projects that should boost volumes looking forward to 2027. The sum of these two factors, and also coupled with a recovery of the economy, we are optimistic about the outlook for next year.

Sofía Vatta
Thank you. You mentioned the project with Pampa. How much does it represent in terms of dispatches for Loma?

Sergio Faifman
Individually, there is no project that has a significant weight in terms of cement dispatches. It is more the sum of these projects that will impact our volumes. But punctually, this project is around 300 and 350 thousand cubic meters of concrete.

Operator
Our next question comes from Andres Cardona of Citi. Please go ahead.

Andres Cardona
Hi, good morning, everyone. Thanks for the presentation and the opportunity to ask questions. Maybe a follow-up from the RIGI evidence on your value, if you could share some color around how it is looking like versus… I don't know… one year ago. And if you see evidence of the RIGI, you kind of mentioned that there is boosting demand, but how much it could drive demand in 2027? Also, if you could share some outlook about pricing and margins for the 4Q26. Thank you, Sergio.

Sergio Faifman
Hi, Andres. Thank you for your question. [Speaking Spanish]

We do not have exact figures in terms of tons and volumes regarding the RIGI for 2027. What can I say is that we are participating in some tenders that are significant projects. Many of those have periods of 24, 30 months. And there are also projects linked with mining that we are seeing if they start. Probably these mining projects are a little bit backlogged due to the political atmosphere, but we are waiting to see the follow-up of that. All the projects linked to oil and gas are advancing at a more accelerated pace.

In terms of pricing, as you have seen, we are consolidating our strategy on pricing and we are looking forward to consolidate this strategy and path with similar levels of prices. And on the other hand, always looking for opportunities regarding fixed costs and variable cost to improve our profitability.

CONCLUSION

Operator
And this concludes our question-and-answer session. I would like to turn the conference back to Diego Jalón for closing remarks.

Diego Jalón
Thank you very much, to you all for joining us this morning. We look forward to meeting you again in our next call for the upcoming quarter. And obviously, if you have any other questions, you can reach the IR team. Thank you very much.

Operator
The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.