



## **Loma Negra Fourth Quarter 2024 Earnings Call and Webcast March 7, 2025 at 10:00 AM Eastern**

### **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](http://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 morning and welcome to the Loma Negra Fourth Quarter 2024 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.

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## Slide 1

### Diego Jalón

Thank you. Good morning 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 this morning, will be Sergio Faifman, our CEO and Vice President of the Board of Directors, and our CFO, Marcos Gradin. Both of them 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 this morning.

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.

We are pleased to present Loma Negra's fourth and final quarter of the year. 2024 was a year of challenges that tested our capabilities and once again, we demonstrated what we can achieve. Amid a downturn in the construction industry that reduced demand for our products, we navigated multiple obstacles. While facing moments of uncertainty, we reaffirmed our resilience, adaptability, and commitment to continuous improvement, further solidifying our leadership in Argentina's cement market.

In terms of our fourth-quarter performance, we take great pride in delivering strong results despite a difficult environment. One of the key highlights of the quarter was the significant expansion of our EBITDA margin by over 600 basis points, even with lower volumes. We embraced this challenging year as an opportunity to enhance efficiency, staying true to one of our core principles—constantly pushing ourselves to improve.

While volumes continued their gradual recovery, narrowing the year-over-year gap, the decline in dispatches for the quarter impacted our top line. Despite this, we delivered an Adjusted EBITDA of 50 million dollars, up 2.4% in peso terms.

Our EBITDA margin reached 29%, a substantial improvement from 22.8% in the same quarter of 2023. On a per-ton basis, EBITDA was 39 dollars, remaining nearly flat year-over-year but increasing 10% sequentially.

For the full year 2024, we achieved an EBITDA of 198 million dollars, with a margin of 25.9%, improving by 211 basis points.

On the financial side, both this quarter and throughout the year, we strengthened our balance sheet. During the quarter, net debt declined by an additional \$20 million, reaching \$157 million and lowering our net debt ratio to below 1x.

### Slide 3

**Please turn to slide three for a review of our ESG highlights for the year.**

We take great satisfaction in releasing a new edition of the Loma Negra Sustainability Report, aiming to share our journey and dedication to sustainable development with all stakeholders.

This Report is aligned with our 2030 Goals and the work of the entire Company guided by senior management's commitment to sustainable development. It has been prepared based on the non-financial information disclosure standards of the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board. For the second year, we have audited 13 GRI indicators by an external consulting firm.

Environmental sustainability is one of the main pillars on which our growth and value creation are based. That is why we work every day on the continuous improvement of our operations by optimizing the use of energy and water, preserving air quality and biodiversity, and implementing actions aimed at reducing our carbon footprint. Regarding this matter, our total Greenhouse Gas Emissions intensity (Scope 1 and 2) stood at 506.96 kilograms of CO<sub>2</sub> per ton of cementitious material, reflecting a 3% year-over-year decrease. When measured per ton of cement equivalent, the reduction was 1.16%. This translates to an absolute emissions reduction of 907 thousand tons of CO<sub>2</sub> equivalent compared to 2023. Aligned with our 2030 sustainability commitments, we also achieved a 31% reduction in water extraction, while our solid waste valorization rate reached 84%.

On the Social side, we are convinced that through strategic partnerships we can transform realities to ensure a more inclusive future. We maintained the implementation of our programs in different territories of the country benefiting almost 90 thousand people directly and 57 thousand people indirectly. Guided by our principle "We are all Loma" we held the Second Diversity and Inclusion week. This year 15 employees from different Loma Negra plants shared their experiences of inclusion and diversity in the Company.

Regarding the Governance aspect, we have a new Code of Ethics and Conduct where we incorporated a chapter on Commitment to Sustainability with clear goals to reduce our environmental impact and promote sustainable development in all our operations. We continue training our people on the Company's Integrity Program, where we cover 100% of our employees, reinforcing the commitment to ethics and transparency. We also held the Compliance Week for the third time, which was an opportunity to reinforce messages and share content related to ethics and integrity issues, anti-trust, ethical line, ethical behavior, and Cybersecurity.

We are committed to the principles guiding our actions in pursuit of our purpose of transforming people's lives by promoting sustainable growth. This report reflects such path. I invite you to read it to know the most outstanding results of our Company.

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

## Slide 5

### Marcos Gradin

Thank you, Sergio. Good morning, everyone.

Please turn to slide 5.

When analyzing the evolution of monthly cement sales across the industry, we can clearly see an improvement between the first and second half of 2024, as represented by the red line. While the first half of the year saw a 31% decline, the second half narrowed the year-over-year gap to -17%. Furthermore, the fourth quarter continued this trend, with a 14% year-over-year drop, closing the year with December volumes just 5% below those of the same month in 2023.

Similarly, January 2025 saw nearly 9% growth in dispatches, marking the first year-over-year increase since March 2023 and breaking a streak of over a year of negative results, as shown in the bottom-right chart. Although rainy weather is expected to impact February, we anticipate this positive trend to continue.

Bagged cement dispatches continued to show greater resilience, declining less than the industry average, while bulk cement remained the most affected mode of dispatch. As large private construction projects and public works represent its primary market, bulk cement ended the year with low activity levels but is expected to regain momentum in 2025.

While 2024 was a challenging year for the industry, with volumes declining 24%, we believe the most difficult period is now behind us. The Central Bank's Market Expectations Report also suggests an improved economic outlook, projecting positive growth in the fourth quarter of 2024 and a 4.6% expansion in 2025.

These forecasts, combined with the expected impact of credit availability and renewed interest in large-scale projects, will likely drive a recovery in cement dispatches throughout 2025. The consolidation of economic policies is expected to support the industry's reactivation and lay the groundwork for a new cycle of sustainable growth.

## Slide 6

### **Turning to slide 6 for a review of our topline performance by segment.**

The fourth-quarter topline declined 19.5%, primarily due to weaker performance in the Cement segment, followed by declines across the other business segments.

The Cement, Masonry Cement, and Lime segment saw a 19.9% drop, with volumes contracting 14.1% year-over-year, coupled with softer pricing. Bagged cement continued to show greater resilience, declining 9% year-over-year, outperforming the industry average, while bulk cement remained the most affected category.

Concrete revenues fell 26.9% in the quarter, with volumes down 14.4% and prices impacted by a more competitive market in the segment. On the positive side, the decline in sales volume was less pronounced than in bulk cement sales for the ready-mix concrete sector, supported by increased infrastructure activity and renewable energy projects in Buenos Aires province, which helped support concrete operations.

Similarly, the Aggregates segment recorded a 34.2% revenue decline, with sales volumes down just 3.1%, supported by increased road construction activity in Buenos Aires province. However, persistently low overall activity levels weighed on pricing dynamics. This effect was further amplified by a shift in the sales mix, with a higher proportion of fine aggregates, which have a lower average price.

Railroad revenues experienced a more moderate decline of 3.2% in the quarter. Higher transported volumes, up 3.1%, helped offset softer pricing. The increase in grain transport helped compensate for the decline in construction materials but negatively impacted the average price, as grains generate lower revenue per kilometer transported.

Finally, for Fiscal Year 2024, consolidated revenues declined 23.9% to 699 billion pesos, down from 919 billion pesos in 2023, with cement volumes contracting 23.7%.

## Slide 8

**Moving on to slide 8**, consolidated gross profit remained stable, edging up 0.1%, while gross margin expanded by 640 basis points year-over-year, reaching 32.6%, despite lower volumes.

In the Cement segment, cost management once again played a key role in mitigating the impact of a weaker topline in the fourth quarter, supported by lower depreciation expenses. The fourth quarter marks the end of the winter season, typically associated with higher energy costs.

Regarding energy inputs, the company began leveraging new thermal energy contracts that benefited from a year-over-year reduction in tariffs, including short-term agreements linked to oil production. On the electricity side, despite higher costs from a shift to more expensive generation sources, with less hydro and nuclear and more thermal, the company secured short-term contracts with renewable energy producers, allowing it to partially offset the impact by utilizing surplus generation.

Margins also expanded in the Railroad segment, supported by cost controls and higher volumes, though they remain in negative territory. On the other hand, Concrete and Aggregates saw margin contractions, more affected by market conditions.

Finally, SG&A expenses fell 3.9%, primarily due to lower turnover tax and freight costs, driven by lower volumes, as well as reduced insurance and service expenses. As a percentage of sales, SG&A stood at 12%, up 195 basis points from 10%, mainly due to the decline in revenue.

For fiscal year 2024, gross profit declined 18.9%, though gross margin expanded 166 basis points to 26.7%.



## Slide 9

**Please turn to slide nine.**

Our Consolidated Adjusted EBITDA for the quarter stood at \$50 million, while in pesos, it reached 50.6 billion, up 2.4%. This increase was primarily driven by a stronger performance in the Cement segment, which boosted the consolidated EBITDA margin to 29%, expanding to 623 basis points year-over-year.

The Cement segment's Adjusted EBITDA margin surged to 33.7%, up 815 basis points, driven by tight cost management and improved energy inputs.

Meanwhile, the Concrete segment saw its Adjusted EBITDA margin contract by 760 basis points, turning negative at -6.1%, compared to 1.5% in 4Q23, as cost-control efforts were not enough to offset revenue declines.

In the Aggregates segment, the Adjusted EBITDA margin dropped to -8.9%, down from 14.2% in 4Q23. While higher volumes helped narrow the year-over-year gap, a highly competitive market and an unfavorable product mix weighed on profitability.

The Railroad segment showed an Adjusted EBITDA margin improvement of 372 basis points, reaching -0.4%, compared to -4.2% in 4Q23. Moderate growth in transported volumes, primarily from increased grain shipments, supported performance. However, the higher share of grains negatively impacted the average price, as they generate lower revenue per kilometer. Effective cost controls helped mitigate this effect, improving overall performance.

For FY 2024, Adjusted EBITDA totaled \$198 million, or 181 billion pesos, down 17%, but with a margin expansion of 211 basis points to 25.9%.

## Slide 11

**Moving on to the bottom line on slide eleven.** This quarter, net profit attributable to owners of the company totaled 22.4 billion pesos, compared to a net loss of 43 billion pesos in 4Q23. The stronger operational performance, despite lower volumes, was further supported by an improved financial result.

On the financial side, the main reason of the variation was the impact of the devaluation in December 2023 that affected the base of comparison. We posted a net financial gain of 0.9 billion pesos for the quarter, compared to a financial cost of 81.3 billion pesos in the same period last year, primarily due to lower impact of exchange rate differences.

Additionally, lower net financial expenses, driven by declining interest rates and a reduced debt position, further strengthened financial recovery. However, these positive effects were partially offset by a lower gain on net monetary position, reflecting a weaker impact of inflation adjustments.

For the full year 2024, Net Income Attributable to Owners of the Company reached 153.8 billion pesos, up from 22.4 billion pesos in Fiscal Year 2023.

## Slide 12

### **Moving on to the balance sheet, as you can see on slide twelve,**

We ended the quarter with net debt of 162 billion pesos, reducing our Net Debt to EBITDA ratio to 0.89x, down from 1.4x at the end of 2023.

Cash flow from operating activities reached 47.8 billion pesos, compared to 57 billion pesos in 4Q23, primarily due to a less favorable impact from working capital.

We invested 21.2 billion pesos in capital expenditures this quarter, with approximately 40% allocated to the 25-kilogram bags project and the remainder primarily directed toward maintenance CAPEX.

During the quarter, the company used 31.2 billion pesos in financing activities, mainly for the repayment of borrowings and interest payments.

In dollar terms, net debt stood at 157 million dollars, with a duration of almost a year, reflecting a 20-million-dollar sequential reduction. Dollar-denominated debt accounts for 91% of our total debt, with the remainder in pesos.

The company's debt maturity profile remains well-balanced, with no bond's maturities until the fourth quarter 2025.

Now, for our final remarks, I'll hand the call back to Sergio. Thank you.

## Slide 14

### **Sergio Faifman**

Thank you, Marcos,

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

We are very proud of the results achieved in 2024. As we mentioned before, this was a particularly challenging year for the construction sector, as shifts in key economic variables impacted private cement consumption. This effect was further intensified by the suspension of many public works as they awaited the establishment of a new framework. We viewed 2024 as a transition year for the industry, one that, with a more stable economic environment, now has a solid foundation for future growth.

Challenges and difficulties, for us, mean opportunities... opportunities to rethink our approach, drive improvements, and strive to be the most efficient company we can be, always guided by our strong corporate principles.

Looking ahead, 2025 is poised for growth, this year is set to deliver double-digit growth. If forecasts for the Argentine economy materialize, this expansion, supported by a renewed role for credit and the initiation of RIGI projects, could further boost cement consumption.

Cement consumption per capita hit historic lows in 2024, while the 10-year average remains among the lowest compared to similar economies. This presents significant room for growth, with a substantial housing and infrastructure gap to bridge.

In recent years, we have made significant investments in capacity, positioning us to play a major role in Argentina's development. We are ready!

Finally, I would like to thank all our employees for their commitment and effort throughout the year. I also want to express my gratitude to our stakeholders. Staying close and supporting each other, especially in challenging times, is what defines us.

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