

EXSA PERU

CREATING EXACT SOLUTIONS





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In expanding its value proposition, EXSA is positioning itself to remain as influential to Peru's mining sector as it has been for the last six decades

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ounded in 1954, EXSA Peru is today part of Breca, the leading economic group in Peru, and is the country's leading provider of rock fragmentation solutions to the mining and construction industries, with more than a 50 percent market share. The company's market leadership is reflected in both its recent sales growth and its earnings before interest, taxes, depreciation and amortization (EBITDA). Over the last five years EXSA's sales have increased by an average of 23 percent per year, while in the same period its EBITDA has seen more significant growth of approximately 25 percent annually.

It has become such through is pioneering development and commercialisation of a wide assortment of products including dynamites, cartridged emulsions, ANFO, bulk emulsions, ammonium nitrate and a full range of

initiators. The sales of the aforementioned products are in turn boosted through the providing of technical assistance and training services centred on the proper selection, safe handling and use of EXSA's products.

"Utilising our 60 years of experience," states CEO, Karl Maslo, "we have recently been modifying our focus and market orientation, expanding our value proposition to our customers from products and operational services to tailor made solutions, which we have called "exact solutions". Such solutions include the construction of powder magazines and nitrate storage facilities, as well as conducting secondary drilling,

reuse of waste oil in blasting, elimination of red fumes from blasting operations and so forth. To achieve this we have invested heavily in technological innovations, while at the same time deepening the expertise and development of our staff through comprehensive training. Furthermore, we are introducing automation into our production processes in order to improve our existing safety critical processes."

In order to provide its customers with the best solutions EXSA took the decision to segment its market according to the type of operation carried out by said customers. These

segments include open pit mining, underground mining, quarries and construction companies. Among its open pit customers are the likes of Antamina, Yanacocha, Goldfields, HudBay and Southern Copper, while when it comes to underground mining

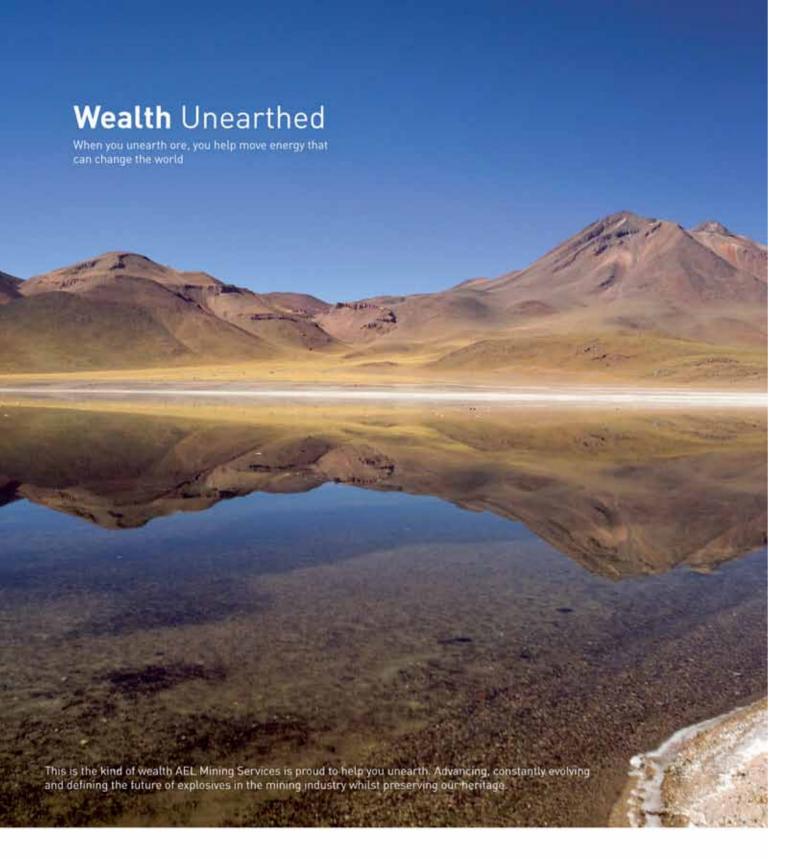
they include Buenaventura, Volcan, Hochschild Mining, Minsur, Horizonte and Marsa, and in the construction market customers include Graña y Montero, Odebrecht and others.

The year EXSA

was founded

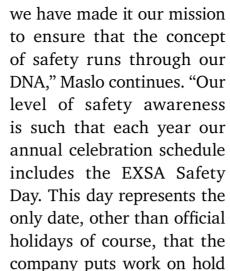
With no real substitute available on the market to match the volume of rock fragmentation it creates, it is understandable why wide-scale mining today remains virtually impossible without the use of explosives. Over the course of its six decades of existence, EXSA has proudly retained a reputation for not only the quality of its products, but also for its attitude towards safety.

"At EXSA we recognise the high level of risk that is linked to our activities and therefore



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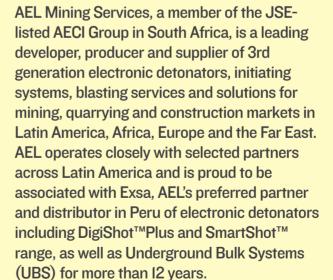
in order to commit the day towards allowing all of our employees and collaborators to be trained in and strengthen their already comprehensive knowledge of safety."



success of the company of course has to be recognised, the level of which stems from their enjoyment and satisfaction of being a part of EXSA. "The commitment of our people is reflected in the high score we obtained in a recent Great Place to Work study, which makes EXSA the highest rated explosive company for employee

satisfaction in Peru," Maslo says. "On the subject of awards it was last year that we also received Class A certification from the consultant Oliver Wight for Process Planning The contribution of said people to the and Control. With this recognition EXSA

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blasting solutions that contribute to the creation of infrastructures in countries throughout the world. AEL supports Latin America's growing mining market and will continue its investment on the continent through its expertise, resources and cutting edge technology. AEL's proven capability of deploying infrastructure to global standards in a fast turnaround time, coupled with the expertise to rapidly develop customised premier products to suit specific applications and mandatory quality standards, gives the group a competitive edge in expanding into new markets.

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became the first explosives business in Latin America, and very few in the world, to have obtained this certification."

For the last 60 years EXSA has undoubtedly contributed a huge amount to the sustainable development of the mining industry in Peru. In looking back on its impact on the sector it was decided that its 60th birthday would be the ideal time to redesign its corporate image, one which reflects a new vision for the company and a new approach to how it delivers its service. This new image was first unveiled at the EXTEMIN 2013 mining exhibition.

"We want our customers today to not simply see us as providers of products or operational services that are limited to blasting," Maslo

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highlights, "rather we want them to recognise EXSA as providers of exact solutions that are integral to their entire value chain. We view the business of our clients holistically and as such we want to focus on capturing operational efficiencies in their production chain. We believe in long term relationships and that is why we care about ensuring the continuity of our

customers' businesses. By knowing the business of our customers better than themselves, we will be able to provide them with tailor made solutions beyond their expectations."

"It is EXSA's belief that sustainable development and steady growth should be constant goals and as such we seek at all times to uphold best practices when it comes

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to achieving continuous improvement and delivering total quality and excellence. In recent years we have invested heavily in order not only to respect the environmental laws, but also to exceed the mere fulfilment of our obligations, thus becoming a leader in our industry," Maslo enthuses. "Moreover, since 2004 we have held ISO 14001 certification and OSHA 18000 certification since 2008, and in 2003 we obtained the ISO 9001 certification. These certifications require us to have procedures and evaluation methods in place to identify and eliminate any potential environmental or safety implications our operations may have. Our degree of social responsibility also saw us become the first blasting company in Peru to receive the distinction of being recognized for our role in this field by being named an Empresa Socialmente Responsible (socially responsible) business."

EXSA's goal for the short-to-medium term is to continue to grow and consolidate its position as the leading regional player in the mining industry when it comes to rock fragmentation. One way that the company is expressing its aims for the future is through the design and use of a dynamic new logo, one that represents the company's new value proposition, its continuing high levels of customer focus, its constant process of

innovation and the way it is always striving to meet its clients' changing needs by providing them with exact solutions. The colour blue represents the level of trust, confidence and commitment that exists between EXSA and its clients, while the yellow symbolises the human side of the business and the close relationships EXSA forges with its customers.

"As part of our development over the past 60 years we have grown into a multi-national company which today has subsidiaries in Brazil, Colombia and Panama, and exports products from Peru to the majority of the countries in South, Central and North America," Maslo concludes. "Our growth strategy for the future revolves around three strategic pillars, innovation, customer focus and solutions, all of which are furthered as a result of our proven operational excellence, quality, efficiency and safety. Meanwhile, we have developed a very aggressive growth strategy across the Americas, one that has proven to be very successful, and we move into our seventh decade of operations we will continue to look for business opportunities both locally and internationally."

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