

Corporate Presentation

January 2019





Ferreycorp and Strategy

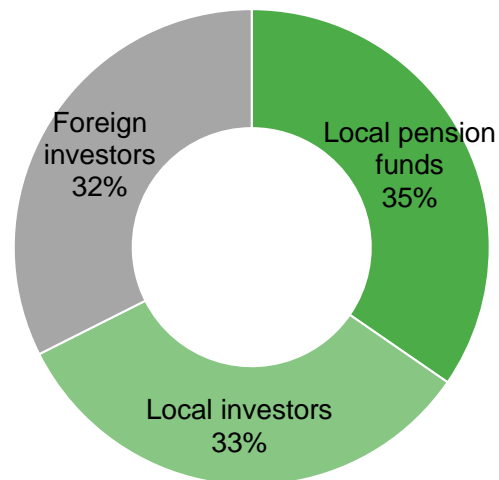
erreycorp



HIGHLIGHTS FERREYCORP

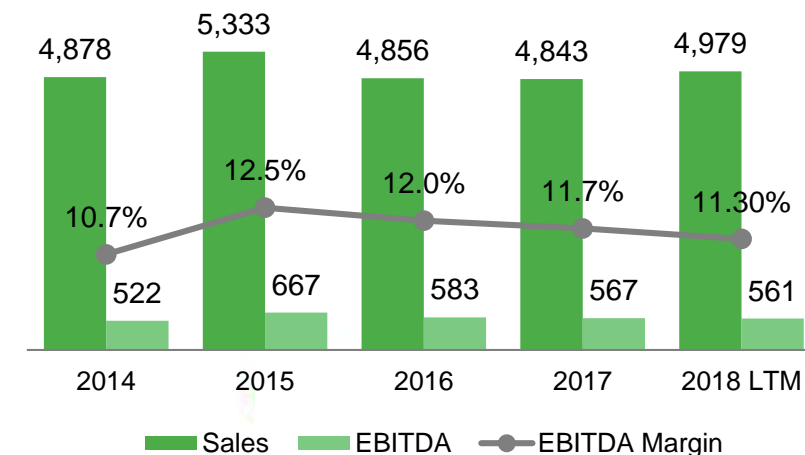
- Established in Peru in 1922.
- 96 years of business, 76 years of alliance with CAT. Currently operating 17 companies within 10 countries employing a workforce of +6,000 employees.
- Key facts:
 - 60% Caterpillar Market Share
 - Market cap (Jan-2019) ~ \$700MM
 - Shareholders +2,500

SHAREHOLDER STRUCTURE

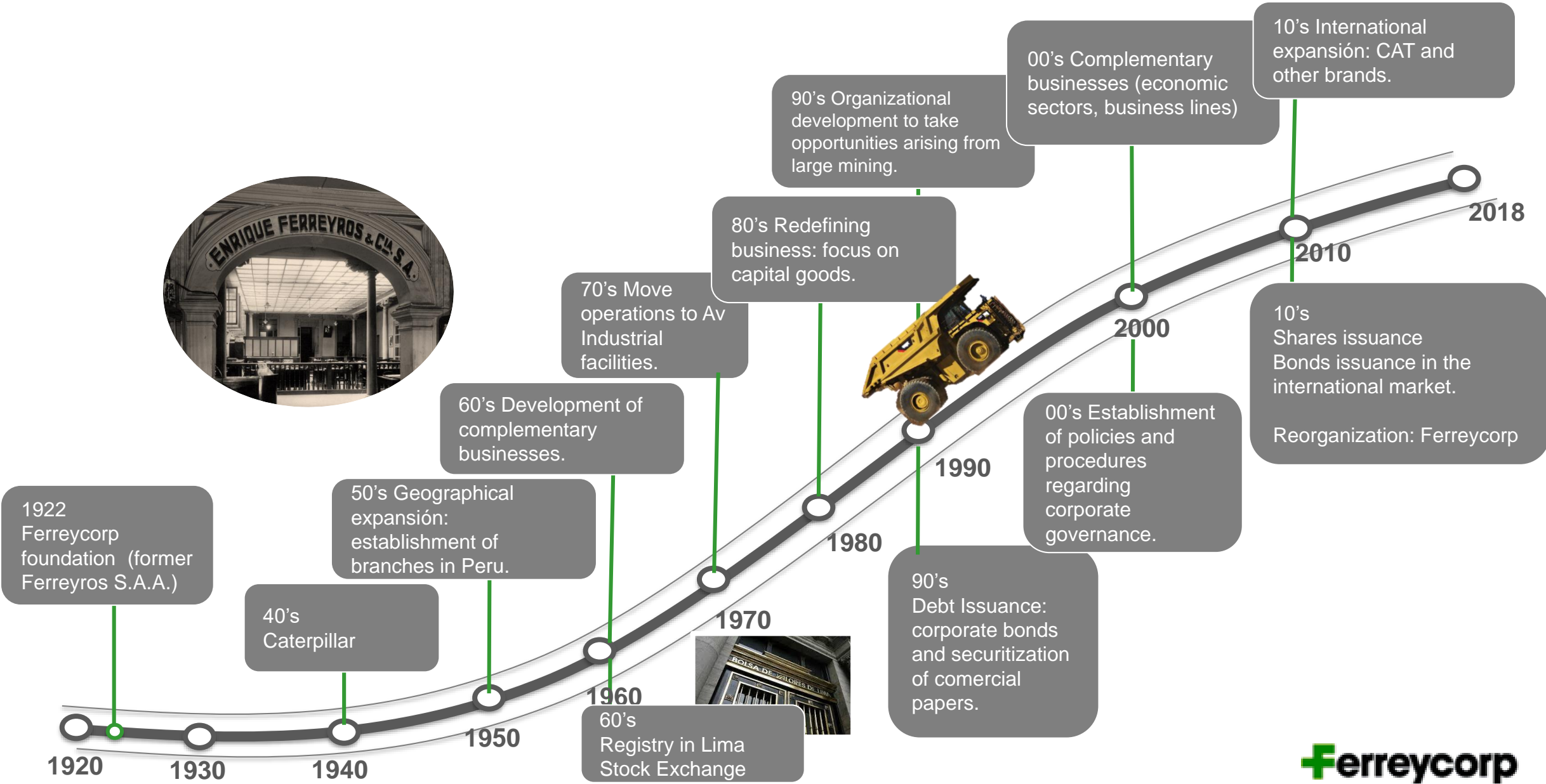


FINANCIAL PERFORMANCE

(S/. Million)



HISTORY OF THE CORPORATION



CORPORATE STRUCTURE



BVL: FERREYC1

Caterpillar dealers and allied brands in Peru



Caterpillar dealers and other businesses in Central America



Guatemala



El Salvador



Belice



Nicaragua



El Salvador, Honduras

Other subsidiaries in Peru and abroad



una empresa Ferreycorp



UNA EMPRESA FERREYCORP

Chile, Colombia, Ecuador, Perú



UNA EMPRESA FERREYCORP



UNA EMPRESA FERREYCORP



UNA EMPRESA FERREYCORP



UNA EMPRESA FERREYCORP

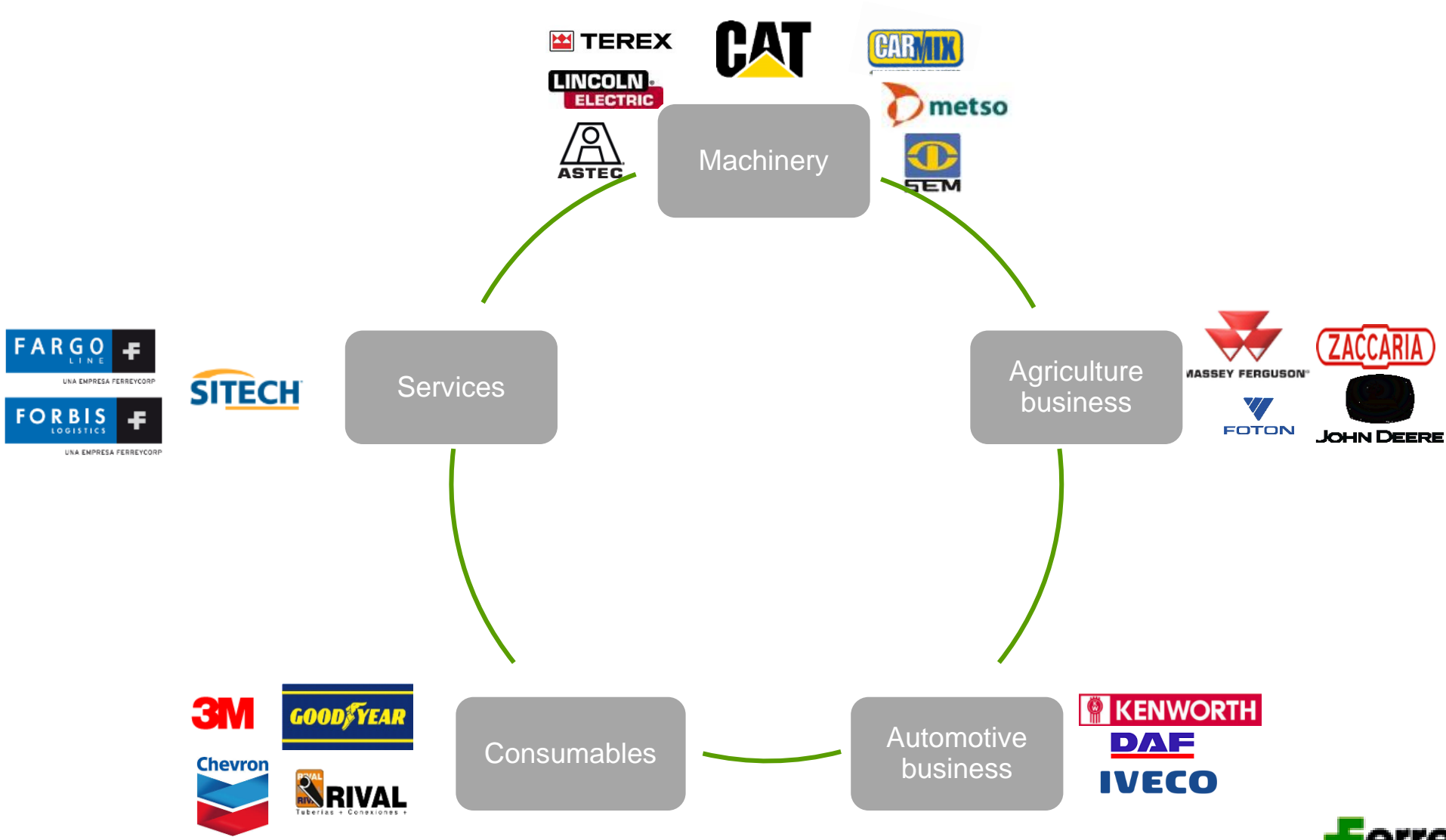


UNA EMPRESA FERREYCORP



STRATEGY

COMPLETE VALUE PROPOSITION



PRESENCE IN SOUTH AND CENTRAL AMERICA REPRESENTING LEADER BRANDS



MASSEY FERGUSON™



KEY CAPABILITIES



Long term strategic partnerships

Market coverage

Unmatched supply chain and logistics capabilities

Financial strength and funding sources

In-depth market knowledge

Innovation and technology

Ethics and compliance, Corporate Governance and Sustainability

FERREYCORP AT A GLANCE



As of 3Q'18
(S/. Million)

Caterpillar dealers and allied
brands in Peru

Caterpillar dealers and other
businesses in Central America

Other subsidiaries in Peru
and abroad

Sales

2,829

308

634

%of Total Sales

75%

8%

17%

EBITDA

377

23

27

% of Total EBITDA

88%

6%

6%

EBITDA Margin

13%

8%

4%

#of employees

4,464

794

1,161

(*) Third group of companies increasing their share in total sales: 2013(10%), 2014 (11%), 2015 (12%), 2016 (15%), 2017 (16%) – as a result of diversification strategy through complementary businesses.

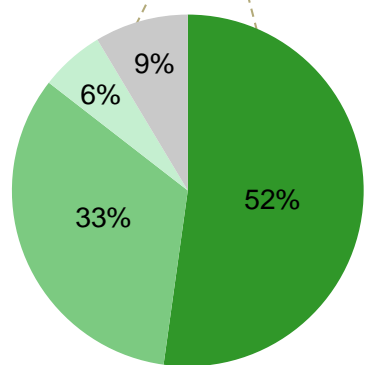
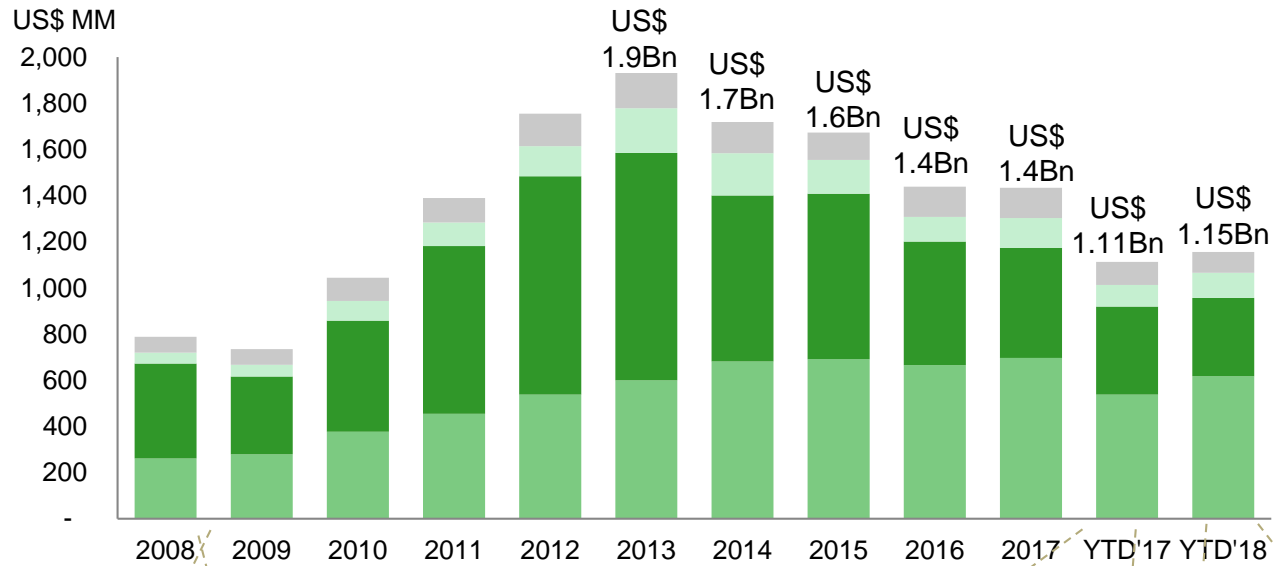




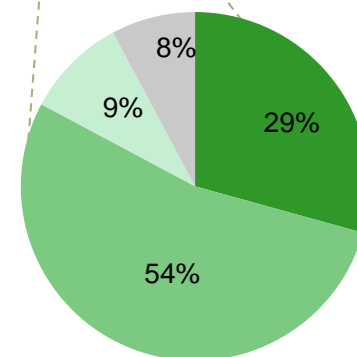
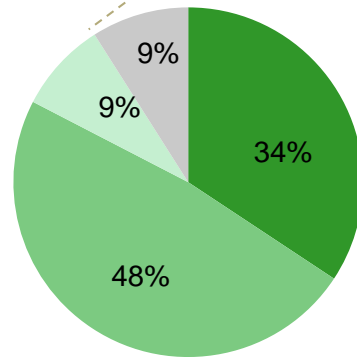
Key Capabilities

SUSTAINABLE BUSINESS MODEL

SALES BY LINE OF BUSINESS



- Machines
- Spare parts and services
- Rental and used
- Other lines



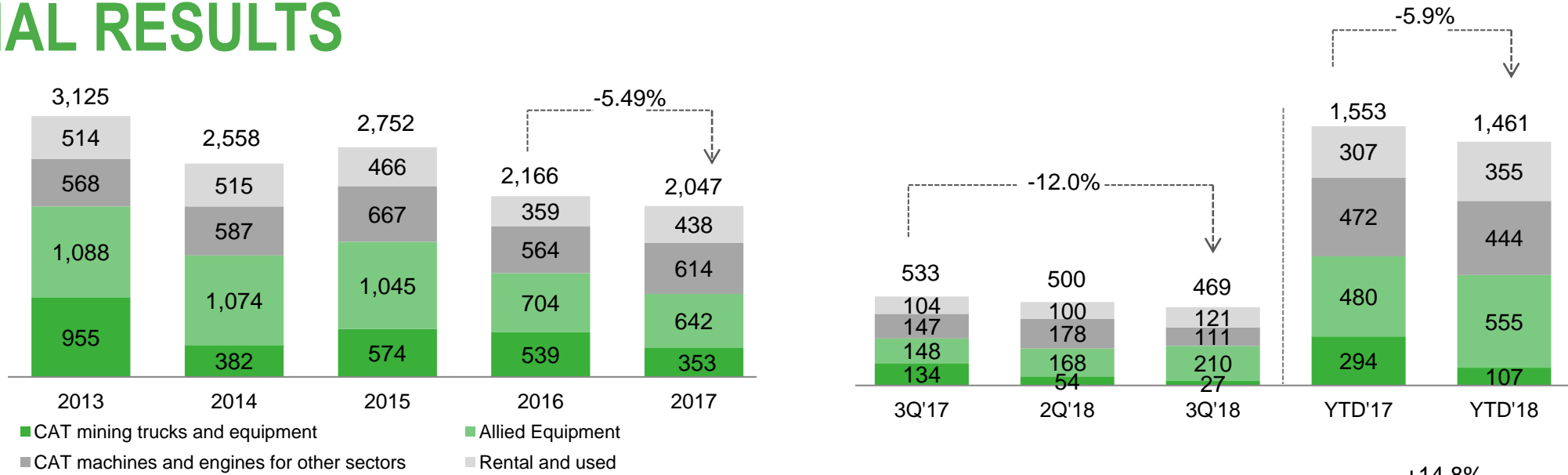
- Resilient business model.
- Spare parts and services support business.
- Diversification strategy through business lines, presence in different economic sectors, different countries, various represented brands and a diversified portfolio of products.

(*) Other lines include: logistic businesses, lubricants and consumables.

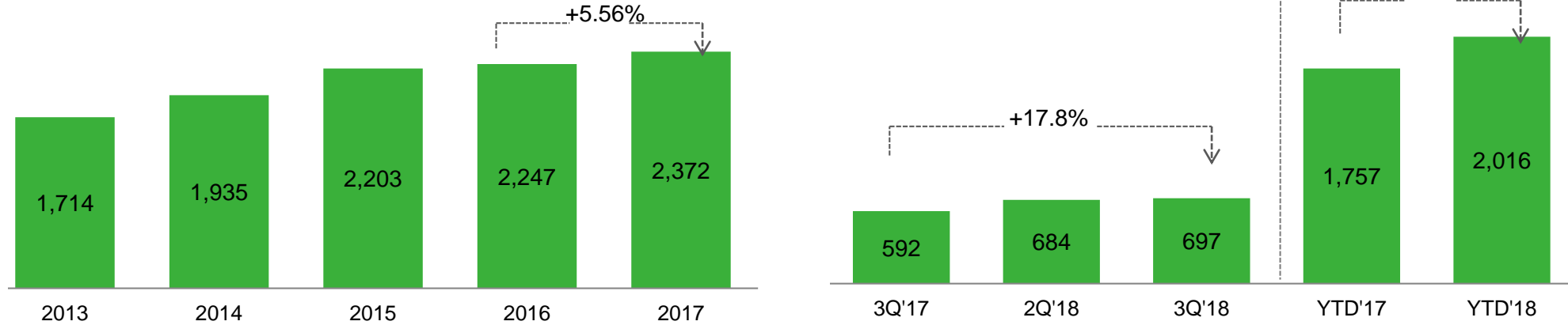
OPERATIONAL RESULTS

Million soles (S/ mm)

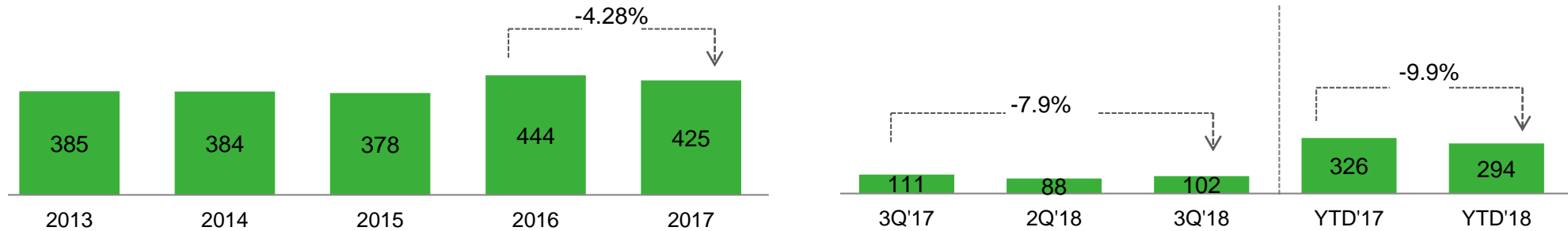
MACHINERY



SPARE PARTS AND SERVICES



OTHER LINES

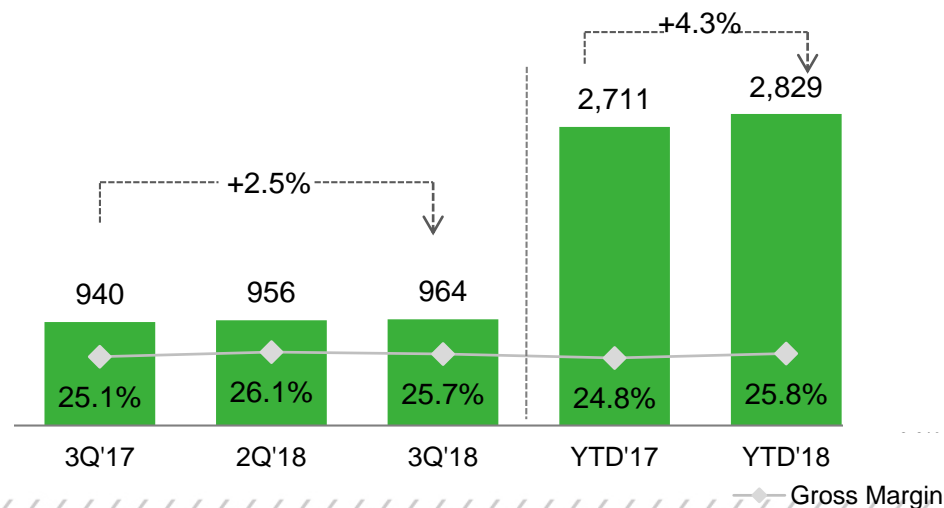


SALES BY GROUP OF COMPANIES

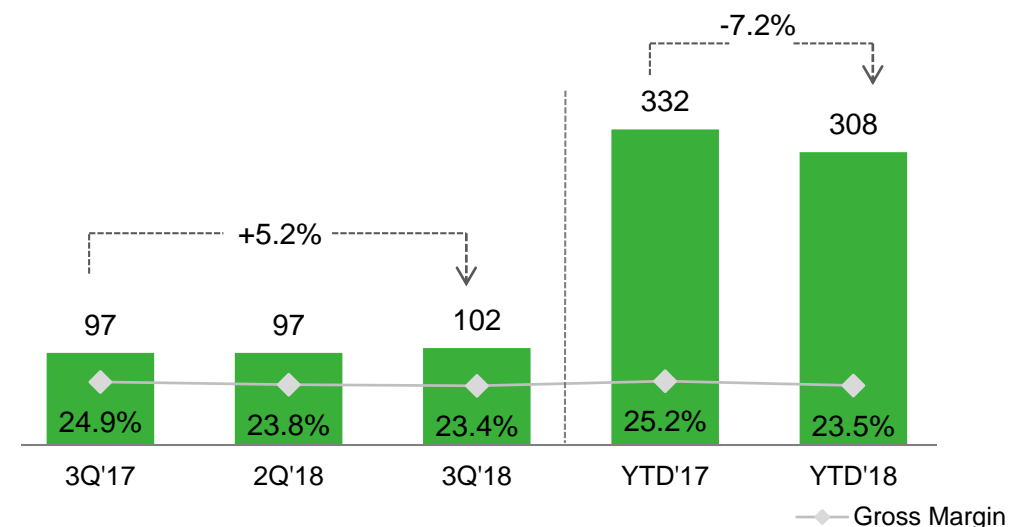
Million Soles (S/ mm)

- Caterpillar dealers and allied brands in Peru (76%)
+20% Sales in spare parts and services (66% sales of this group)
+33% Sales in machinery and equipment no GM: sale contractors medium regional works and underground mining.
- Caterpillar dealers and other businesses in CA (8%)
+ Delivery of machinery and equipment (no GM)
- Other subsidiaries in Peru and abroad (16%)
+ 63% Sales of Trex

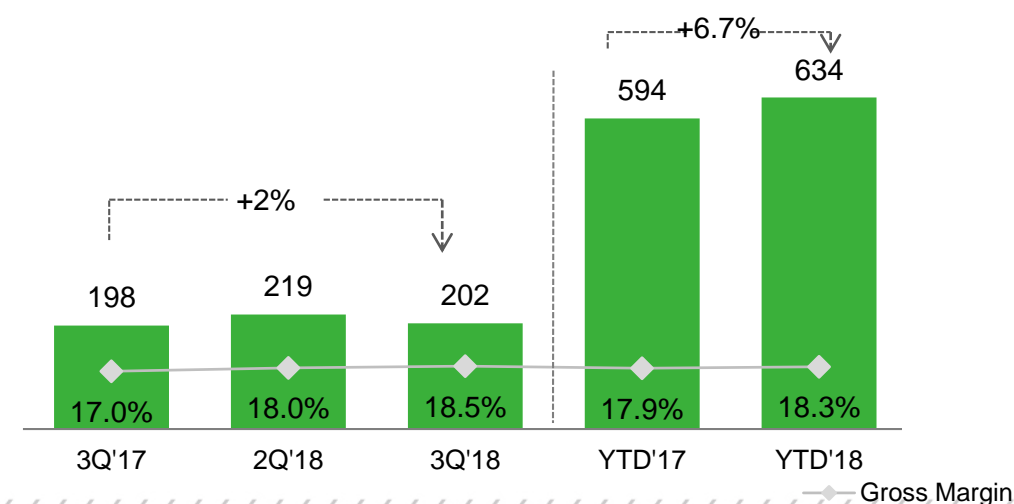
CAT dealers and allied brands in Peru



CAT dealers and other businesses in CA



Other subsidiaries in Peru and abroad



MARKET COVERAGE



- F** Ferreyros: 6 locations in Lima, 17 branches and offices.
- U** Unimaq: Main location in Lima and 8 branches in Piura, Cajamarca, Lambayeque, Trujillo, Huancayo, Arequipa, Cusco e Ilo. 3 offices in Cerro de Pasco, Andahuaylas and Ayacucho.
- O** Orvisa: Main office in Iquitos and 2 branches in Pucallpa and Tarapoto. 4 Offices in Huánuco, Bagua, Jaén and Madre de Dios.
- M** Motored: 2 locations in Lima and 3 branches in Arequipa, Trujillo and Cajamarca.
- S** Soltrak: Main location in Lima and 7 branches in Talara, Trujillo, Arequipa, Huancayo, Huánuco, Pucallpa and Loreto.
- MINING, CONSTRUCTION AND ENERGY PROJECTS.

UNMATCHED LOGISTICS CAPABILITIES



890,000 m2

TO SERVE OUR CUSTOMERS

170+

POINTS OF CONTACT

US\$120M

INVENTORY OF PARTS

365 DÍAS

24x7 OPERATIONS

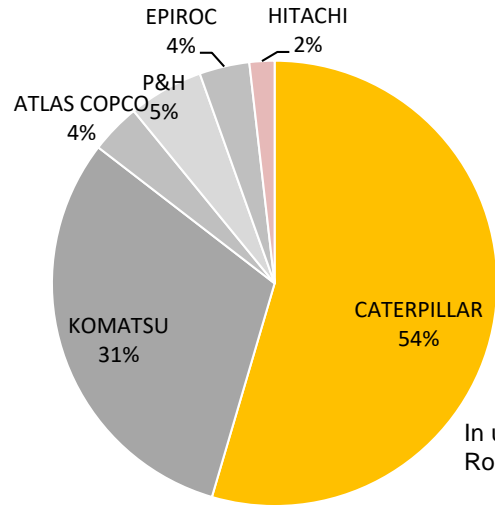
- 50+ warehouses, several located in remote locations (eg: mines)
- 7,000 yearly trips to reach our customers.
- Importing 530,000 ft³ per month.
- Highest standards in operations and transportation partners.

- ISO9002 certification
- ISO 14000 certification
- 5-star contamination control

Ferreycorp

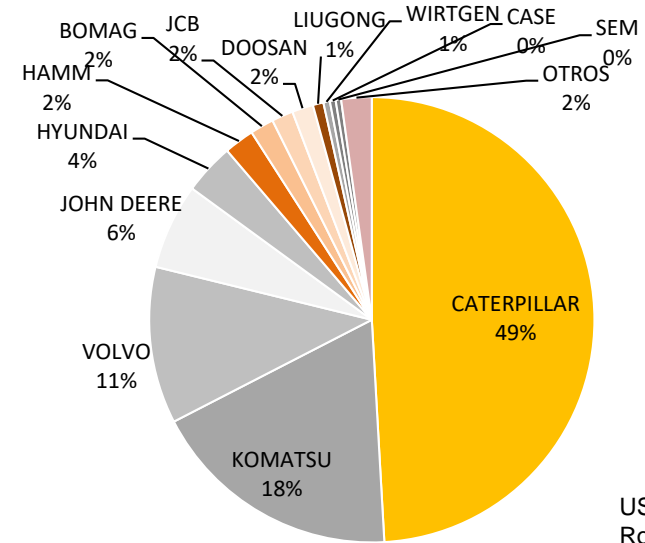
CATERPILLAR MARKET SHARE IN PERU

Open pit mining



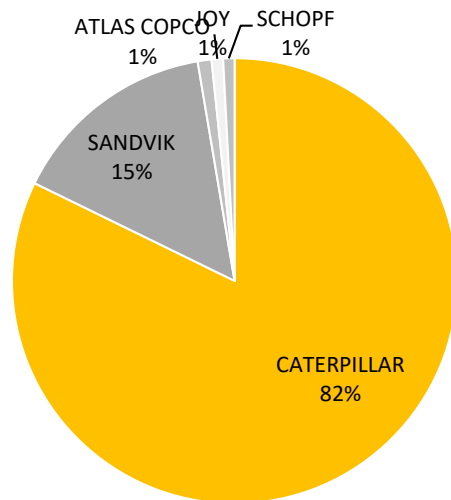
In units
Rolling 12 months, Sep 2018

Heavy construction



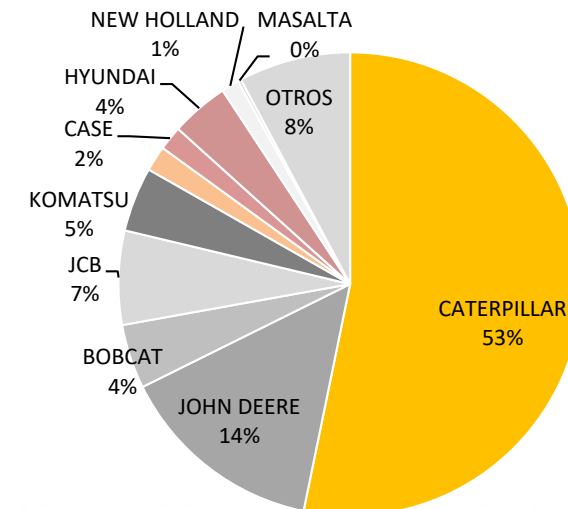
US\$ FOB
Rolling 12 months, Sep 2018

Underground mining



US\$ FOB
Rolling 12 months, Sep 2018

General construction

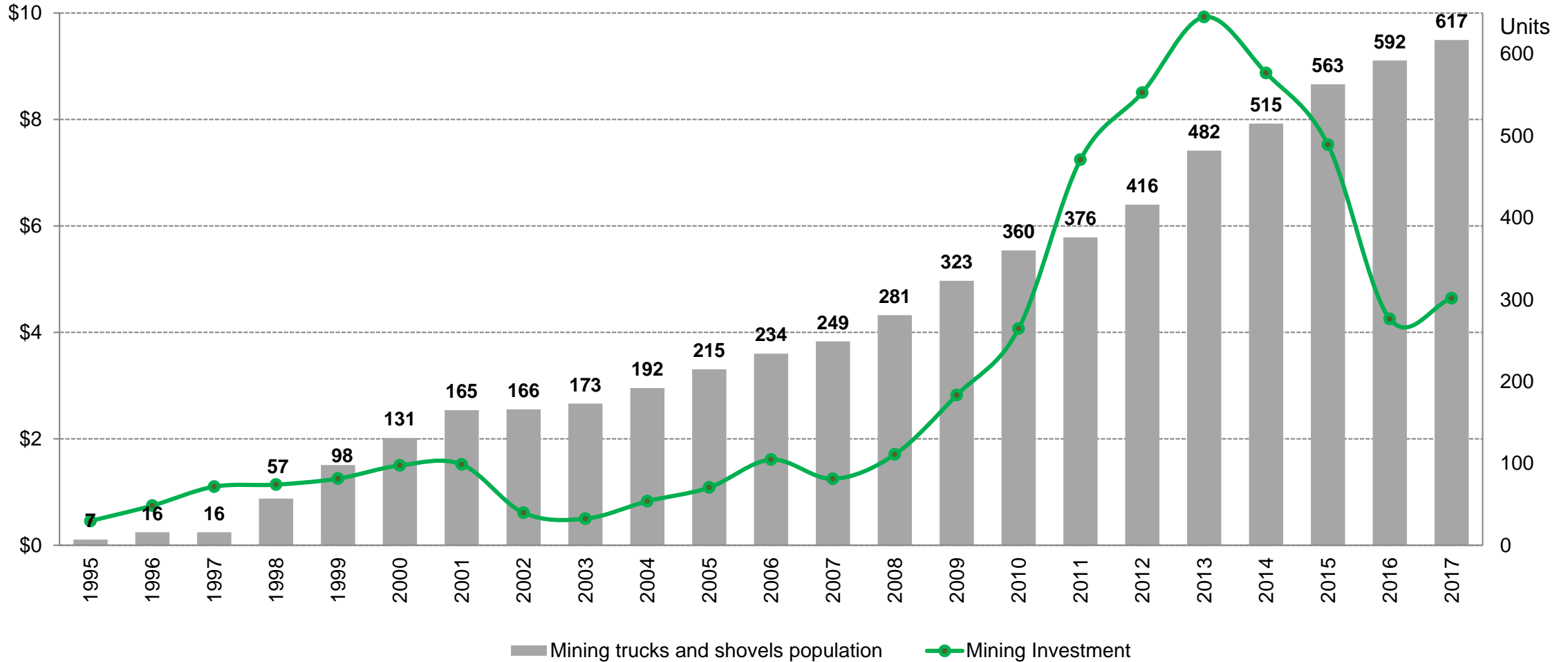


US\$ FOB
Rolling 12 months, Sep 2018

MINING INVESTMENT EVOLUTION

CATERPILLAR EQUIPMENT FOR MINING

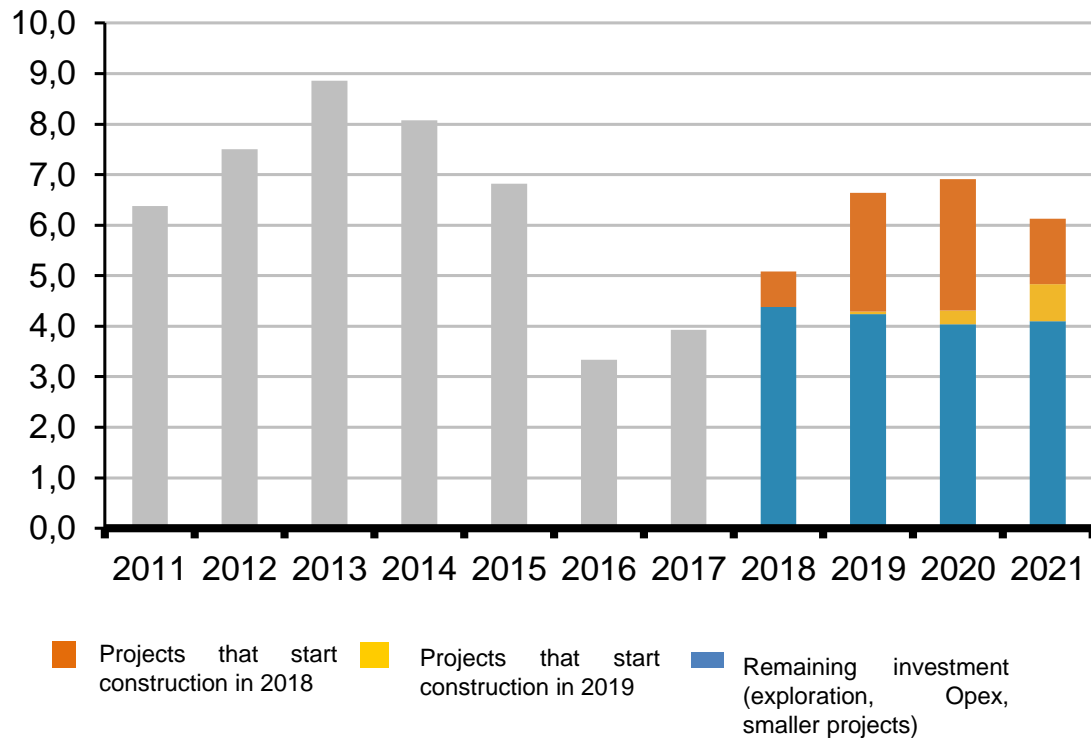
Mining Investment
US\$ Billion



*Considers mining trucks 785 onwards + electric and hydraulic shovels former Bucyrus

MINING INVESTMENT

MINING INVESTMENT FORECAST (US\$ billion)



Source: Apoyo Consultoría

PROJECTS PORTFOLIO

PROJECT	LOCATION	INVESTMENT (US\$ MM)	START CONSTRUCTION
Amp. Toromocho (Chinalco)	Junín	1,300	2T2018
Quellaveco (Anglo American y Mitsubishi)	Moquegua	5,300	3T2018
Mina Justa (Marcobre y Alzar)	Ica	1,600	3T2018
Amp. Lagunas Norte (Barrick)	La Libertad	300	2019-2020
Zafranal (Teck Resources)	Arequipa	1,000	2020
Corani (Bear Creek)	Puno	625	2020
Magistral (Nexa Resources)	Áncash	480	2021

MINING PROJECTS PORTFOLIO

US\$ 59 BILLION

Pre feasibility (46.5%)

US\$27 BILLION

- Anubia
- Trapiche
- Haquira
- Los Chancas
- Quicay II
- San Gabriel
- Accha
- Antilla
- Cotabambas
- Don Javier
- El Galeno
- Fosfatos Mantaro
- Hierro Apurímac
- La Granja
- Los Calatos
- Macusani
- Michiquillay
- Racaycocha Sur
- Rondoní

Feasibility (29.3%)

US\$17 BILLION

- Pachapaqui expansion
- Toromocho expansion
- Bayóvar expansion
- La Arena (fase II) expansion
- Santa María expansion
- Optimización Lagunas Norte
- Pukaqaqa
- Coroccohuayco
- Zafranal
- Fosfatos Pacífico
- Magistral
- Cañariaco
- Cañón Florida
- Conga
- El Padrino
- Quechua
- Río Blanco
- San Luis

Detail Engineering (19.7%)

US\$12 BILLION

- Ariana
- Corani
- Mina Justa
- Pampa de Pongo
- Quecher Main
- Quellaveco
- Relaves B2 San Rafael
- Ollaechea
- Tía María

Construction (4.6%)

US\$3 BILLION

- Toquepala expansion
- Marcona expansion
- Shahuindo (fase II) expansion

This 3 projects should start operations in 2018. Iron production should increase in more than 50%, while copper in 4% and gold in 1%.

Mining projects that will start construction in 2018

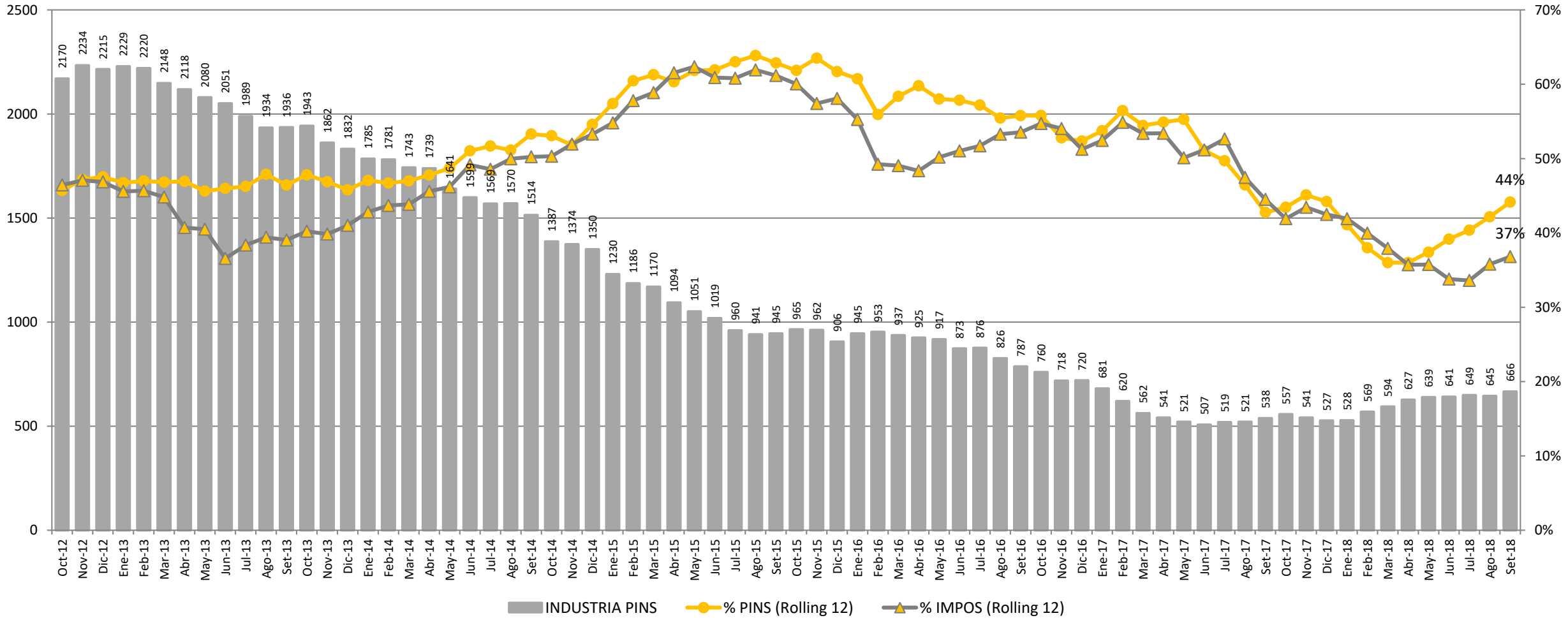
Project	Investment (US\$ MM)	Execution Period				
		2018	2019	2020	2021	2022
Quellaveco	4,882	█	█	█	█	█
Mina Justa	1,348	█	█	█	█	
Pamap del Pongo	2,500	█	█	█	█	█
Corani	585	█	█	█	█	
Ariana	125	█	█	█	█	
Toromocho exp.	1,300	█	█	█	█	
Pachapaqui exp.	117	█	█	█	█	
San Rafael	200	█	█	█	█	
Quecher Main	300	█	█	█		

11,357

Source: Minem

HEAVY CONSTRUCTION INDUSTRY EVOLUTION

Unidades



INFRASTRUCTURE PUBLIC INVESTMENT

Public Investment:

- Tracks delay investment execution
- Delays, expropriations and land reclamation
- Regional and municipal elections

1. North Reconstruction:

- Budget: \$7.9 Bn
- Delays in execution – 2018: US\$ 300 mm mostly in preventive works.
- Al 2021: just 35% of the total budget will be executed.

2. Special Projects: Panamericans and Talara

- Lower contribución en el 2019, are at 90%-80% of execution

Portafolio Principales Proyectos de Inv. Pública por licitar

Proyecto	Región	Inversión (S/ MM)
Mejoramiento y ampliación servicios de salud Alto Inclan	Arequipa	70
Construcción puente comuneros entre Av. Daniel Alcides Carrión y Ca. Max Hongler	Junín	143
Instalación Sistema de Agua Potable Y Alcantarillado Sanitario en Virgen Del Socorro, Víctor Raúl, Sol Naciente Y Aledaños	La Libertad	65
Instalación del interceptor y construcción de la planta de tratamiento de aguas residuales en Huaral	Lima	95
Mejoramiento de la carretera departamental Palca - Tapa - Antacucho - Ricran - Abracayan - Yauli - Pacan	Junín	149
Mejoramiento de la carretera Chuqicara - Puente Quiroz - Tauca - Cabana - Huandoval - Pallasca, Tramo: Tauca - Pallasca	Áncash	227
Ampliación complejo penitenciario de Arequipa	Arequipa	192
Ampliación sistema de agua potable y alcantarillado sectores 136 Y 137 del distrito Lurigancho	Lima	119
Mejoramiento carretera Quistococha - Zungarococha - Llanchama , Maynas - Loreto	Loreto	62
Mejoramiento carretera Oyón - Ambo, Tramo II: Desv. Cerro de Pasco - Desv. Chacayán	Pasco	444
Ejecución De La Obra: Mejoramiento De La I.E. Mariscal Castilla	Junín	71
Construcción y mejoramiento de la carretera Bambamarca - El Trinufo	Cajamarca	163
Mejoramiento centro de salud Fredy Vallejo Oré, Yanahuanca - Daniel Alcides Carrión - Pasco	Pasco	88
Mejoramiento de las capacidades hospitales San Miguel y San Francisco	Ayacucho	159
Mejoramiento carretera Shupluy - Primorpampa - Bellavista - Anta - San Isidro - Poncos - Kochayoc - Chacahuain - Oratorio - Pampamarca - Putaca, Shupluy - Yungay - Áncash	Áncash	52
Mejoramiento Servicios de Salud Del Hospital De Apoyo De Huanta	Ayacucho	112
Sectorización y ampliación de los sistemas de agua potable y alcantarillado - Distrito de San Antonio de Huarochiri	Lima	292
Proyecto integrado del sistema de agua potable y alcantarillado de Bagua	Amazonas	62
Sectorización del sistema de agua potable y alcantarillado de la parte alta de Chorrillos:	Lima	423
Mejoramiento y ampliación servicios de Salud Del Hospital Ernesto Germán Guzmán Gonzales	Pasco	105
Total		3,094

MAIN PROJECTS

PRIVATE INVESTMENT

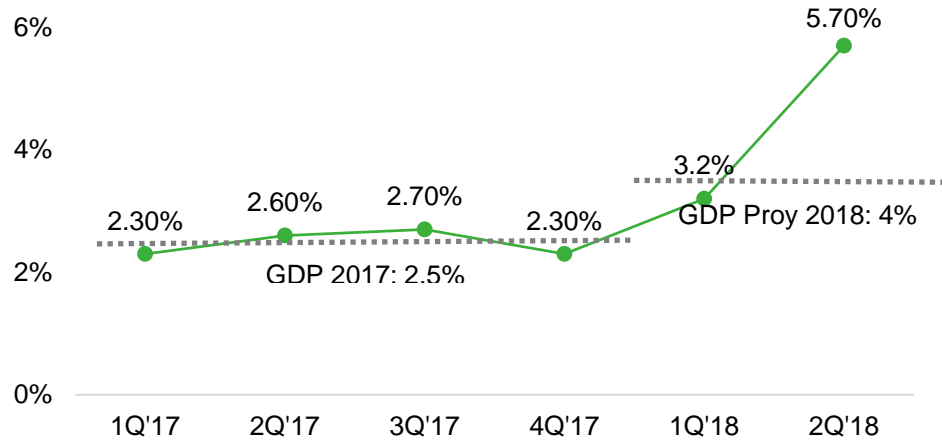
Project	Investment (US\$ MM)	Location	Stage of Project
Hydrocarbons			
Planta petroquímica	1,500	Ica	EIA presentado
Plantas petroquímicas de nitrato de amonio y amoniaco	1,100	Ica	EIA aprobado
Planta petroquímica	600	Moquegua	EIA aprobado
Amp. Oleoducto Norperuano, etapa 1	71	Loreto, Amazonas, Cajamarca y Piura	Reevaluación
Amp. Oleoducto Norperuano, etapa 2	912	Loreto, Amazonas, Cajamarca y Piura	Estudios
Transport			
Amp. Jorge Chávez	1,500	Lima	Pendiente entrega de terrenos.
Primer grupo de aeropuertos regionales	340	Zona norte (Tumbes, Talara, Piura, Chiclayo, Trujillo, Anta, Cajamarca, Chachapoyas, Tarapoto, Iquitos, Pucallpa)	Modernización del aeropuerto de Chiclayo (pendiente la aprobación del EIA).
Modernización del Terminal Portuario Multipropósito de Salaverry	240	La Libertad	Recién adjudicado
Muelle Norte - Fase 3, 4, 5 y 6	730	Lima	Requiere la actualización de estudios de demanda
Conexión La Molina - Angamos	520	Lima	Proyecto en stand-by
Muelle Sur - Fase 2	220	Lima	Requiere aprobación de adenda para realizar un ajuste tarifario
Vía Expresa Sur	200	Lima	Entrega de terrenos y aprobación de permisos por parte de la Municipalidad de Lima
Hidrovia Amazónica	95	Amazonas, Loreto, Ucayali	Estudios de Ingeniería y EIA pendientes
Irrigation			
Majes Siguanas II	550	Arequipa	Adenda pendiente
Chavimochic III	630	La Libertad	Construcción paralizada

ProlInversión: Projects to be awarded

Sector	Project	Investment (US\$ MM)	Date to be awarded	Location
Telecom	Banda ancha para la conectividad integral y desarrollo social	359	4T2018	Ancash, Arequipa, Huánuco, La Libertad, Pasco y San Martín
Water and Sanitation	PTAR Titicaca Proponente: Tedagua y Acciona	263	4T2018	Puno
Energy	Masificación de Uso de Gas Natural	400	4T2018	Ucayali, Junín, Huancavelica, Ayacucho, Apurímac, Cusco y Puno
Energy	Línea Transmisión Carabayllo - Chimbote - Trujillo y Compensador SE Trujillo	90	4T2018	Lima, Ancash y La Libertad
Energy	Nueva subestación La Planicie	20	Por definir	Lima
Transport	Longitudinal de la sierra tramo 4	464	1S2019	Junín, Huancavelica, Ayacucho y Apurímac e Ica
Transport	Ferrocarril Huancayo - Huancavelica	235	1S2019	Junín y Huancavelica
Water and Sanitation	Obras de Cabecera y Conducción para el Abastecimiento de Agua Potable para Lima	720	1S2019	Junín y Lima
Total		2,551		

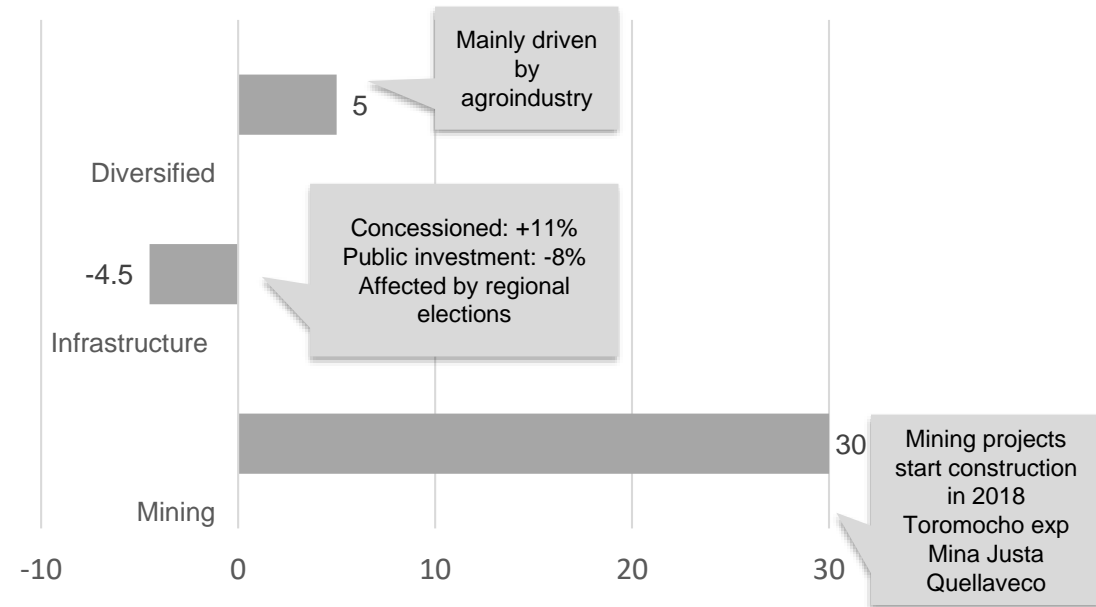
MARKET CONDITIONS

GDP (Var. %)

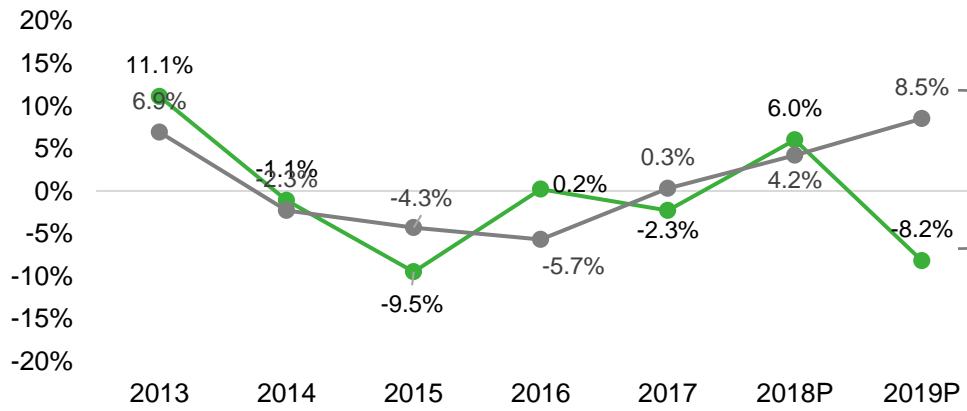


Source: Apoyo Consultoria

2019 Investment by component



Public and Private Investment (Var. %)



Public Investment Private Investment

Source: Apoyo Consultoria

- Total investment will grow 5.1% in 2019

Total investment will grow 5.1% in 2019

Source: Apoyo Consultoria

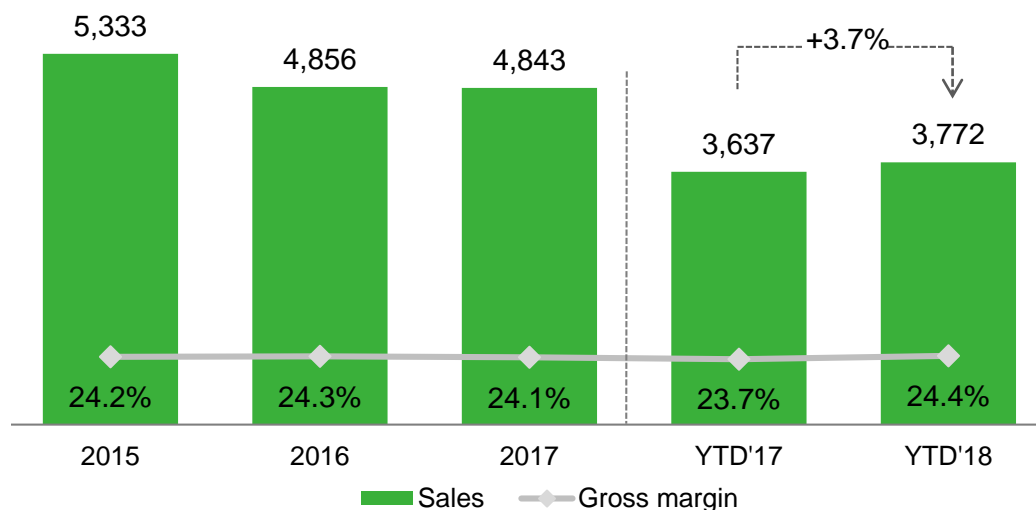


Financial Performance

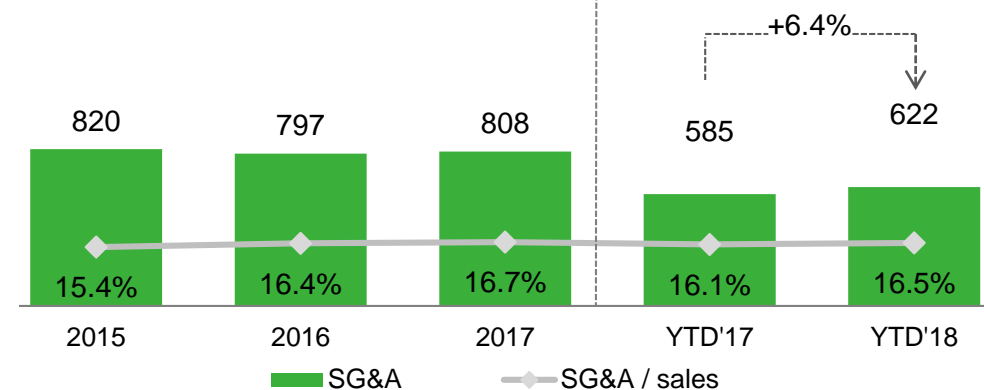
FINANCIAL RESULTS

Million soles (S/ mm)

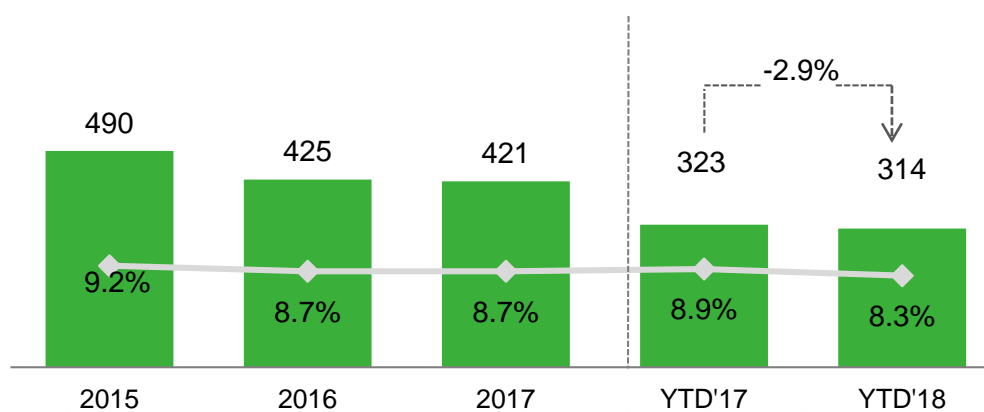
SALES AND GROSS MARGIN



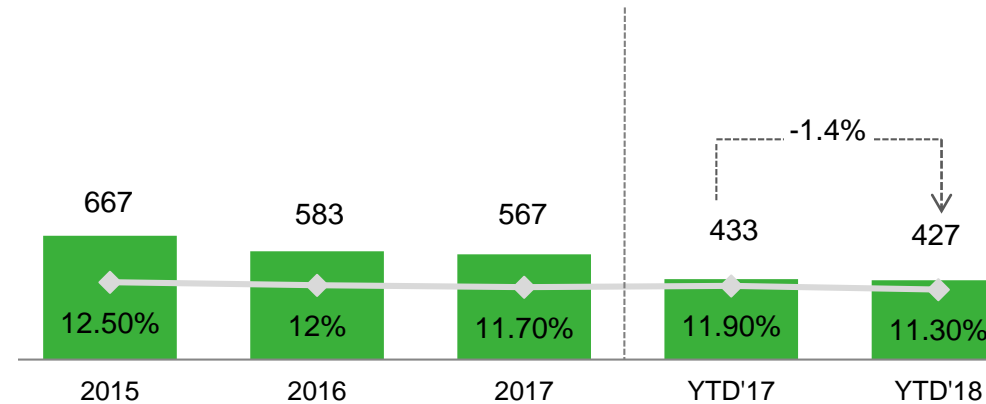
SALES AND ADM EXPENSES



OPERATING PROFIT AND OPERATING MARGIN



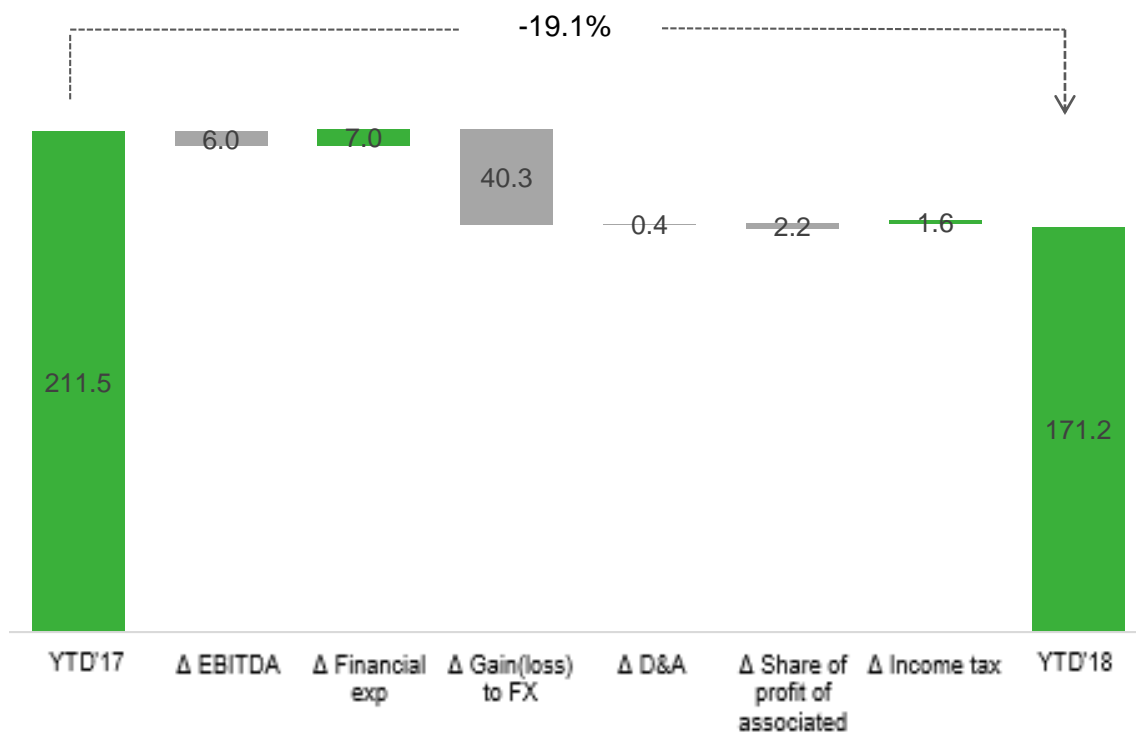
EBITDA AND EBITDA MARGIN



FINANCIAL RESULTS

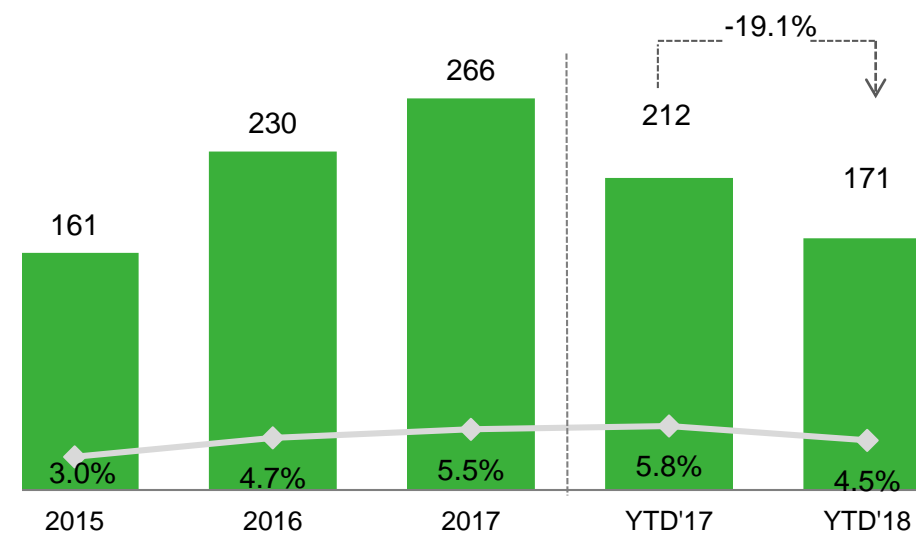
Millones de soles (S/ mm)

NET INCOME YTD'18



■ Positive variations
■ Negative variations

NET INCOME AND NET MARGIN

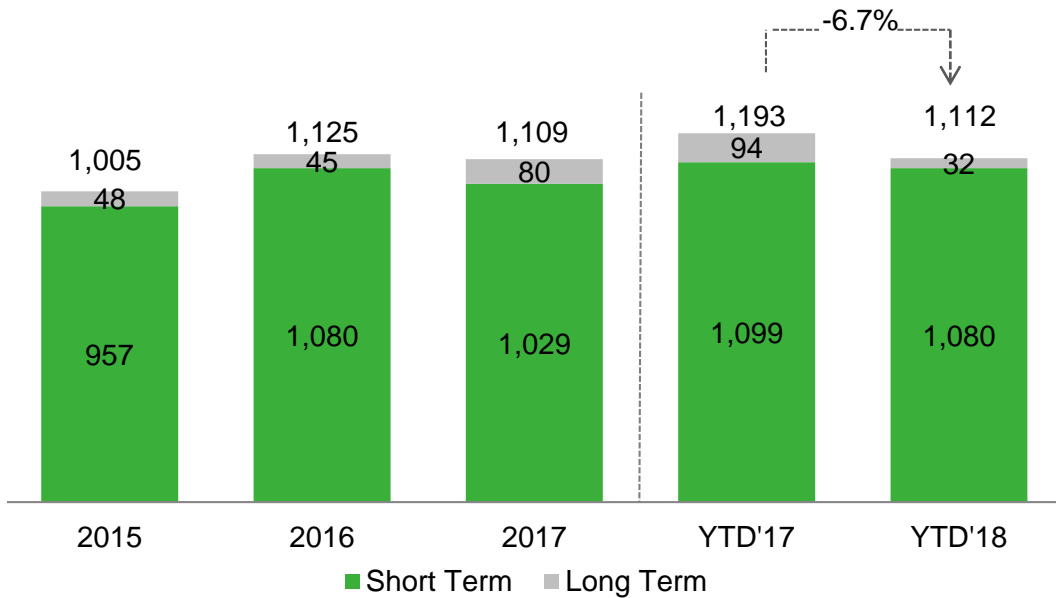


- Net income impacted by devaluation of nuevo sol against dollar of 0.89% as of June'18 (Exchange rate went from S/ 3.245 as of June'17 to S/ 3.274 as of June'18)

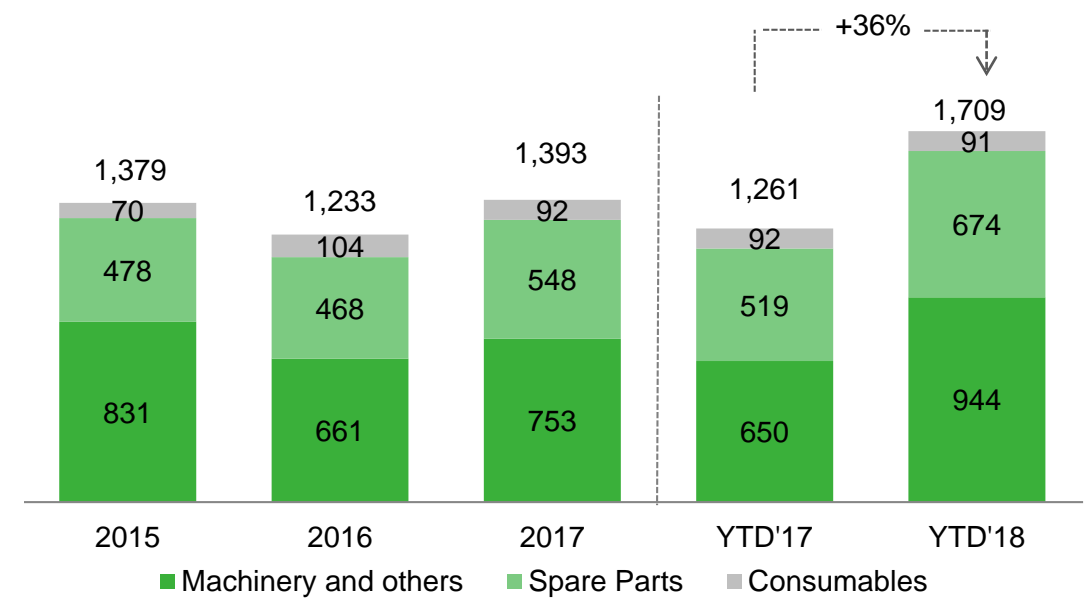
INVESTMENT IN ASSETS

Million soles (S/ mm)

ACCOUNTS RECEIVABLE EVOLUTION



INVENTORY EVOLUTION

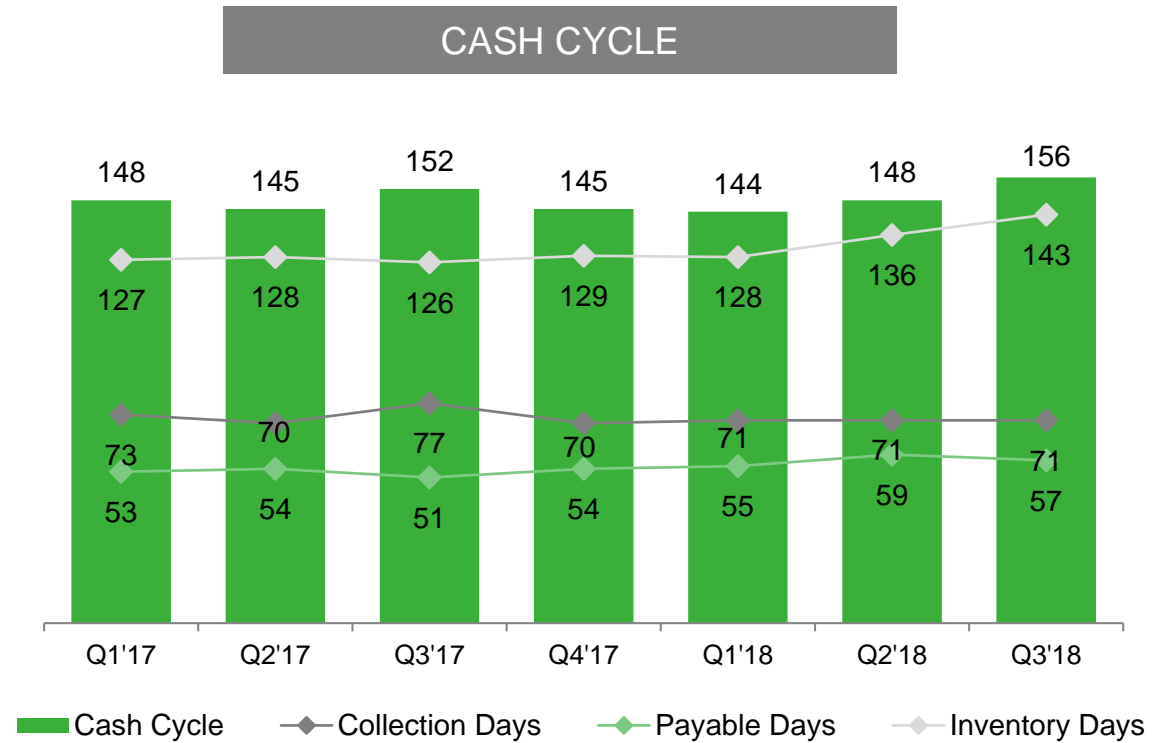
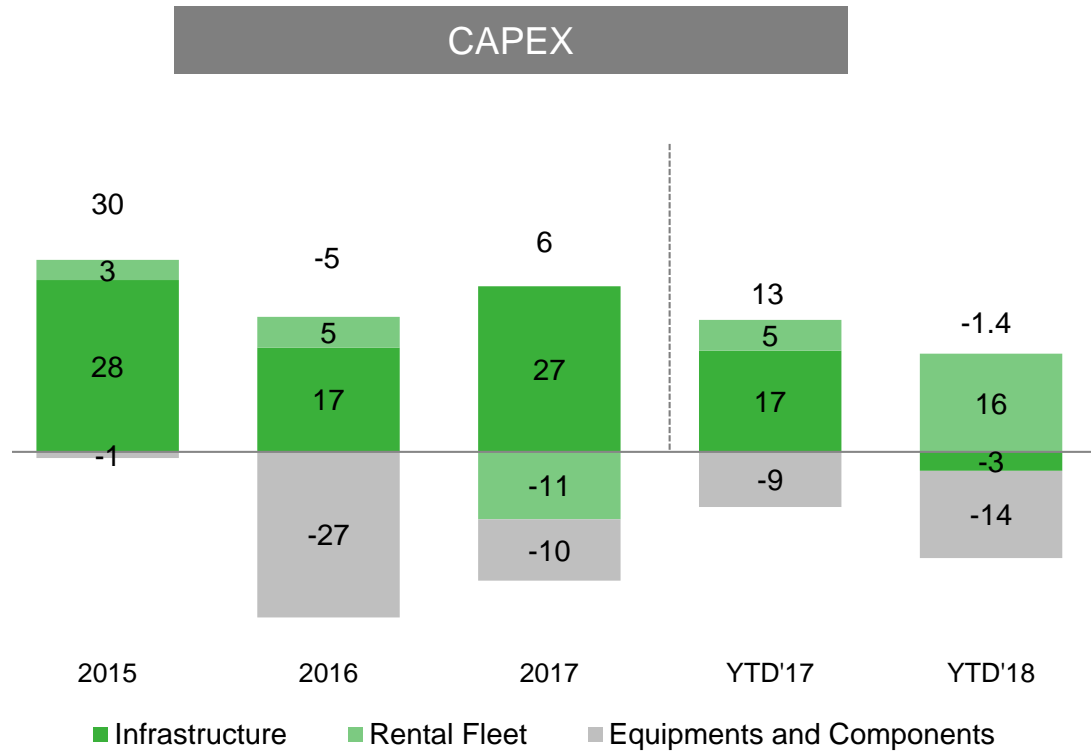


- Common practice, 30 days for collection once invoice is delivered to customer.

- Inventories: components, factory delays in the supply of spare parts, machines - increasing demand forecast (especially copper mining) and Motored - purchase of trucks.

FIXED ASSETS AND CASH CYCLE

Million dollars (US\$ mm)



- Infrastructure:
2017: CRC in La Joya, Arequipa
2018: location in Arequipa sold
- Intangibles: ERP SAP
2017: US\$ 13mm
YTD'18: US\$ 14mm
Total expected investment: US\$ 38mm

Targets:

Inventory
120 days
3.0x

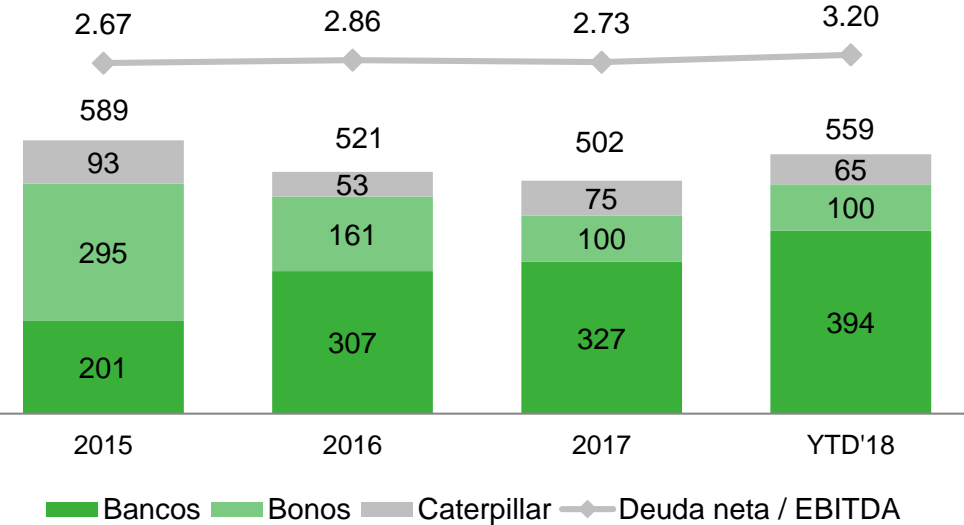
Payable
45 days

Receivable
45-60 days

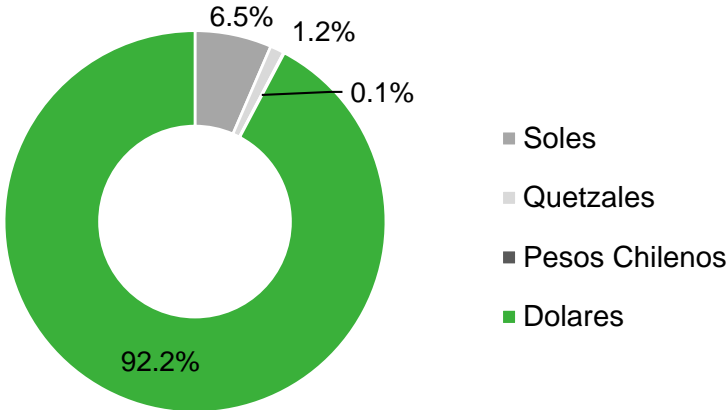
CONSOLIDATED FINANCIAL DEBT

Million dollars (US\$ mm)

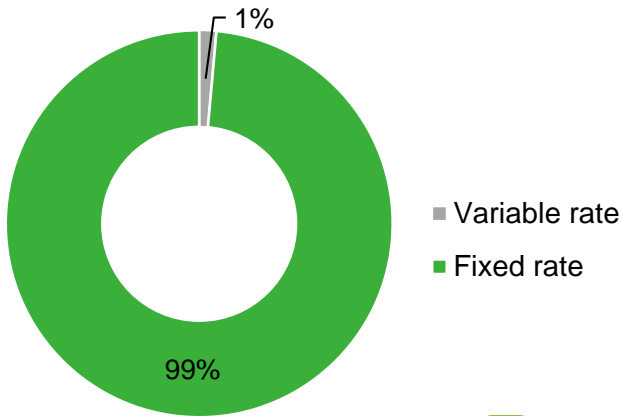
DIVERSIFIED FUNDING BASE



DEBT BY CURRENCY



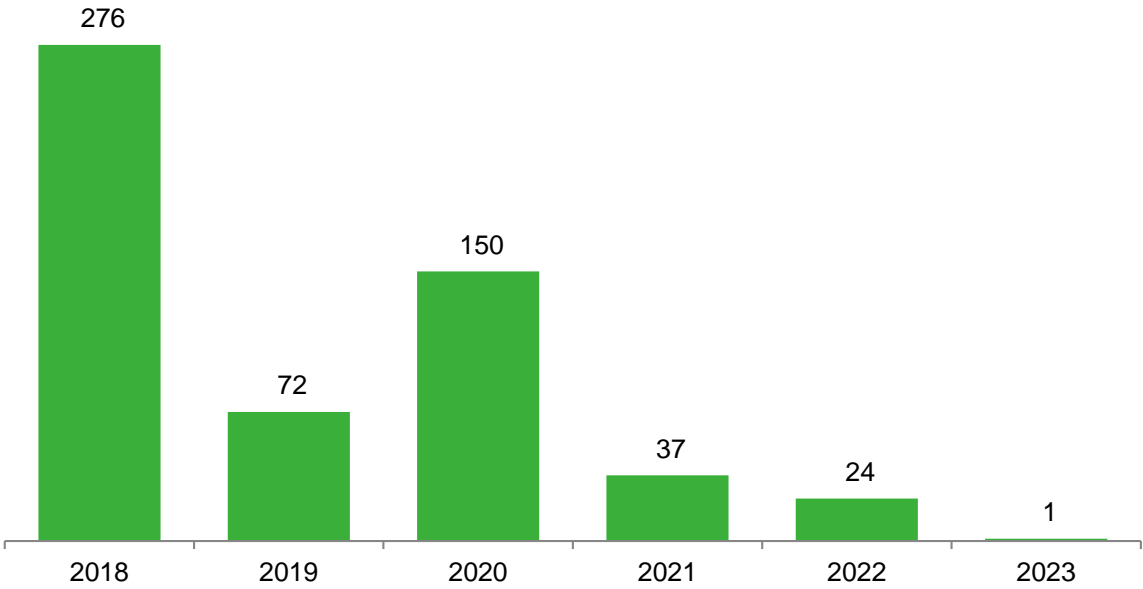
DEBT BY RATE



CONSOLIDATED FINANCIAL DEBT

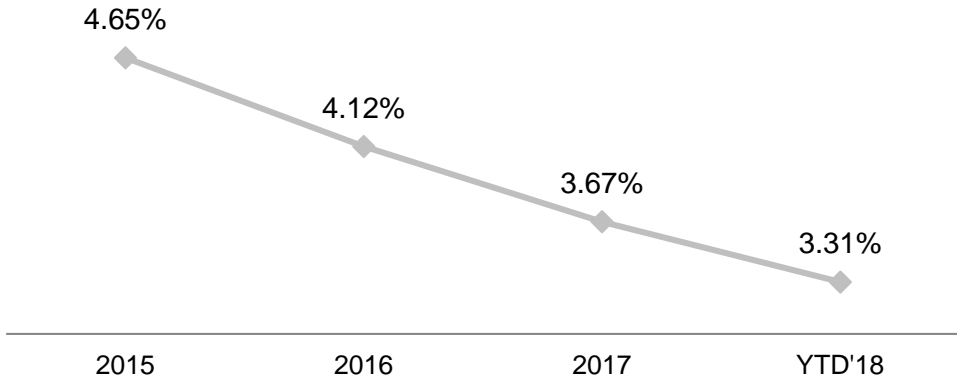
Million dollars (US\$ mm)

DEBT MATURITY



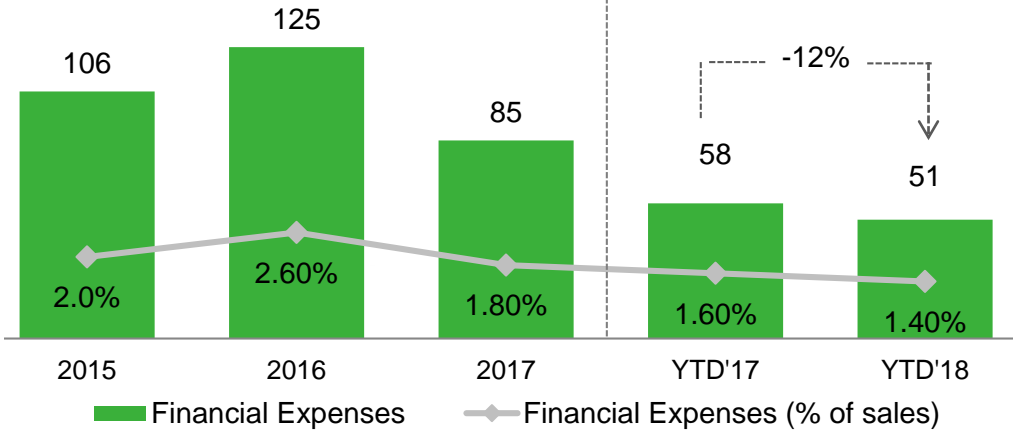
- Refinancing short term: take it to 50% of total financial liabilities.
- The Corp has taken US\$ 50 million with a maturity of 3 years to refinance Ferreyros and Unimaq debt.

AVG COST OF DEBT



FINANCIAL EXPENSES

Million soles (S/ mm)

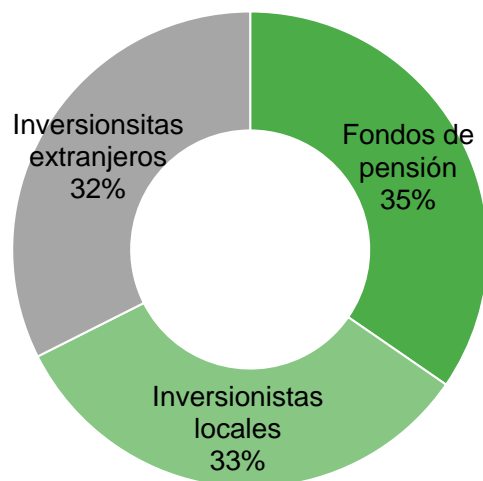




Ferreycorp in the Capital Market

FERREYCORP IN THE CAPITAL MARKET

SHAREHOLDERS COMPOSITION AS OF SEP 2018

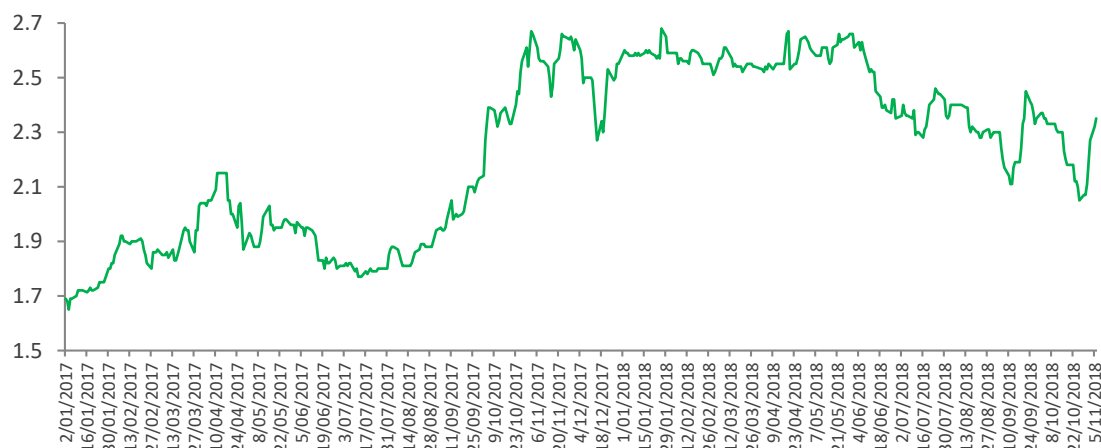


Dividend Yield 5.4%

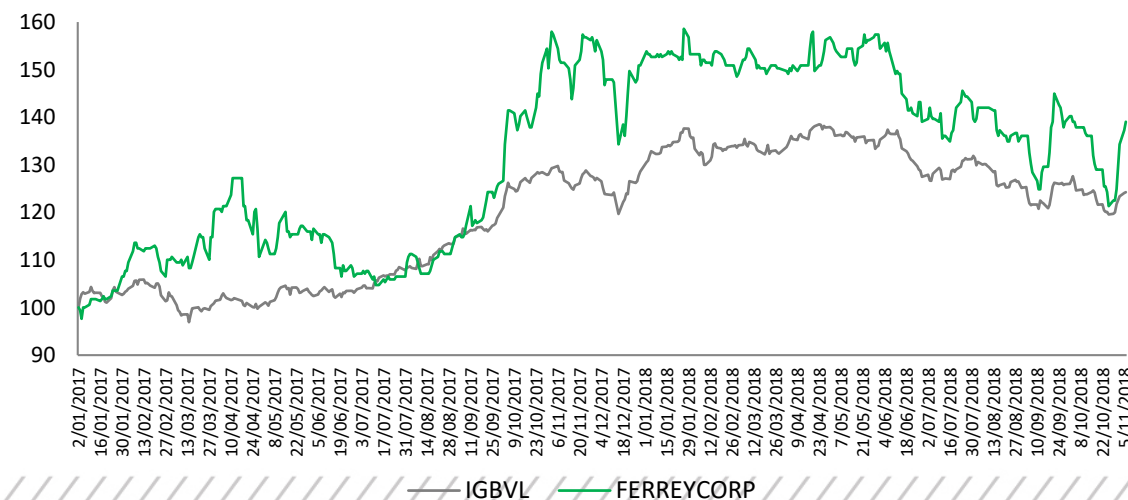
MAIN SHAREHOLDERS > 4% AS OF SEP 18

Accionista	%
RI-Fondo 2 (Prima AFP)	7.00%
IN-Fondo 2 (AFP Integra)	5.70%
Onyx Latin America Equity Fund LP	5.62%
IN-Fondo 3 (AFP Integra)	5.09%
PR-Fondo2 (Profuturo AFP)	4.84%
RI-Fondo 3 (Prima AFP)	4.34%

STOCK PERFORMANCE 2017-2018 (S/)



FERREYCORP AND SP/BVL PERU



DIVIDEND POLICY

ANNUAL COMPLIANCE

- ✓ In 1997, the company's Shareholders meeting approved the dividend policy.
- ✓ A modification was approved to assign minimum and maximum ranges. Cash dividends will amount to 5% of the capital or a ceiling equal to 60% of freely available profits.
- ✓ The amount to be distributed every year is approved in the Annual Shareholders Meeting.
- ✓ The 2013 Shareholders Meeting approved to increase the upper limit from 50% to 60% of freely available profits.
- ✓ The 2018 Shareholders Meeting modified the policy of distributing interim dividends.

Period	Cash dividend (*)	% Dividend / Net Profit	Cash dividend per share (%)	Dividend per share (S/.)
2003	9.1	50%	4.46%	0.0446
2004	11.9	48%	5.50%	0.055
2005	13.3	49%	5.50%	0.055
2006	28.4	36%	11.00%	0.110
2007	40.2	35%	13.20%	0.132
2008	20.7	29%	5.50%	0.055
2009	28.0	31%	6.00%	0.066
2010	31.8	26%	6.00%	0.066
2011	41.9	29%	6.00%	0.060
2012	48.1	30%	6.00%	0.060
2013	55.7	60%	5.90%	0.059
2014	60.8	52%	6.00%	0.060
2015	87.3	60%	8.87%	0.0887
2016	124.4	60%	12.8457%	0.128457
2017	132.1	55%	13.5465%	0.135465



(*) In million

(**) Upper Limit: 60%



Corporate Governance and Sustainability

SUSTAINABILITY STAKEHOLDERS

Community

- ✓ Ferreycorp Program for Professional Development - Ferreycorp Association
- ✓ Heavy Equipment Operators Club
- ✓ Think Big Program
- ✓ Works for taxes
- ✓ Corporate volunteering

Customers

- ✓ Mutually beneficial and long-term relations.
- ✓ Comprehensive solutions for their business.
- ✓ Varied portfolio of high quality products and services.
- ✓ Constant monitoring of customer satisfaction.
- ✓ Respect for customers' privacy.
- ✓ Training customers.

Government and Society

- ✓ Ferreycorp is a member of the United Nations Global Compact Network
- ✓ Every year, the Corporation published a Progress Report about actions implemented consistently with subjects included in the ten principles of the UN Compact Network

Suppliers

- ✓ Hiring policy: transparency, equitable treatment.
- ✓ Select suppliers based on: quality of product or service, price, delivery terms, human resources policies and practices, occupational health and safety programs.
- ✓ Formalization and development of local suppliers

Environment

- ✓ Standard Environmental Management System based on the ISO 14001 standard
- ✓ Comprehensive Policy on Health, Safety and the Environment
- ✓ Environmental Management Programs: planning, training and awareness, operational control and verification.

Employees

- ✓ Health, safety and working conditions
- ✓ Professional and personal development
- ✓ Diversity and inclusion
- ✓ Relations with the unions
- ✓ Social activities

Shareholders

- ✓ Principles of Good Corporate Governance
- ✓ Respect of Shareholders' rights
- ✓ Transparent and timely reporting
- ✓ Highly qualified Board of Directors that represents all of the shareholders

CORPORATE STANDARDS

STRONG CORPORATE GOVERNANCE

- Ferreycorp (FERREYC1) is listed in the Lima Stock Exchange since 1962.
- Ferreycorp is included in the Corporate Governance Index of the Lima Stock Exchange since its launch in 2008.



Board of Directors:

- **The last General Shareholders Annual Meeting agreed to reduce the board members from 10 to 9 members.**
- The Board of Directors of Ferreycorp is complemented by three committees: LEAD BY INDEPENDENT DIRECTORS
 - ✓ Nominations, Remuneration, Corporate Governance and Sustainability Committee
 - ✓ Audit and Risk Committee
 - ✓ Innovation and Systems Committee



Composition of the Board:

Independent Directors

- ✓ Jorge Ganoza
- ✓ Humberto Nadal
- ✓ Gustavo Noriega
- ✓ Javier Otero

Dependent Directors

- Oscar Espinosa
- Carlos Ferreyros
- Juan Manuel Peña
- Andreas von Wedemeyer
- Manuel Bustamante

Recognitions

- Key of the Lima Stock Exchange: 2008, 2011, 2012, 2013, 2017 and 2018.
- Member of the Companies Circle of the Latin America launched by OECD and IFC
- **International recognitions:** World Finance Award 2011 and 2012; Latin America Investor Relations Awards 2011 (LirA'11), Ethical Boardroom Corporate Governance Awards 2015: South America, Industrial services sector, Dow Jones Sustainability Index (2018)





+ferreycorp