

Corporate Presentation

September 2018





Company Overview

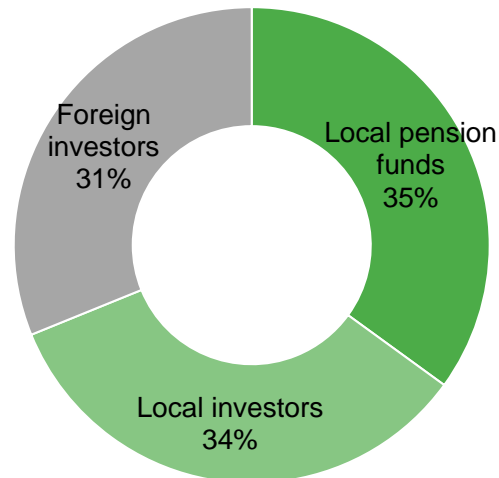
Ferreycorp



HIGHLIGHTS FERREYCORP

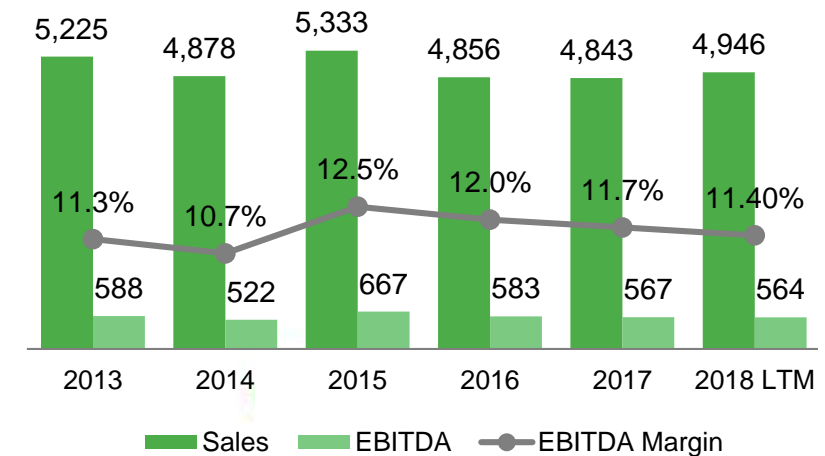
- Established in Peru in 1922.
- 95 years of business, 75 years of alliance with CAT. Currently operating 17 companies within 10 countries employing a workforce of +6,000 employees.
- Key facts:
 - 60% Caterpillar Market Share
 - Market cap (Ago-2018) ~ \$700MM
 - Shareholders +2,500

SHAREHOLDER STRUCTURE

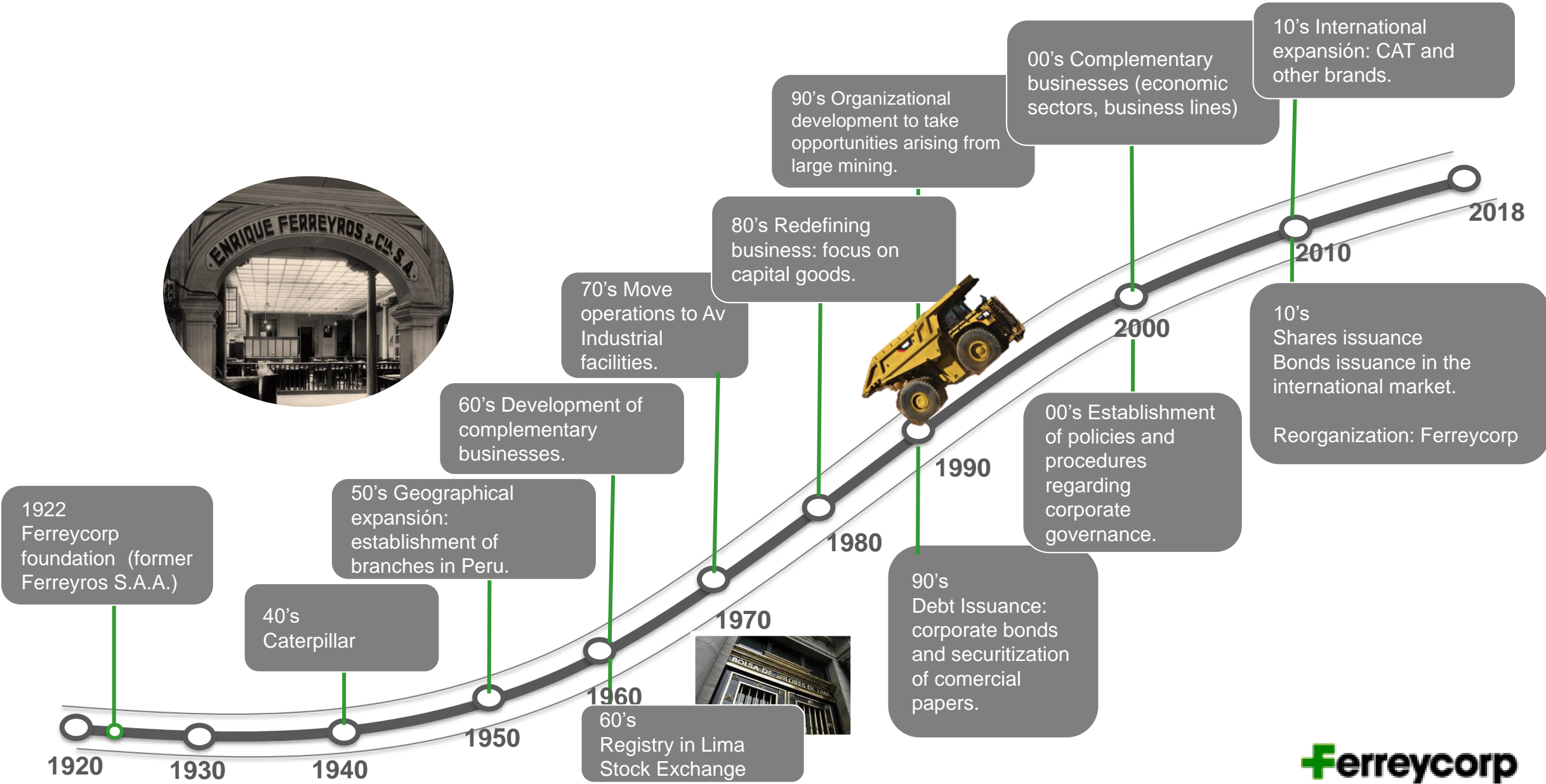


FINANCIAL PERFORMANCE

(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



FERREYCORP AT A GLANCE



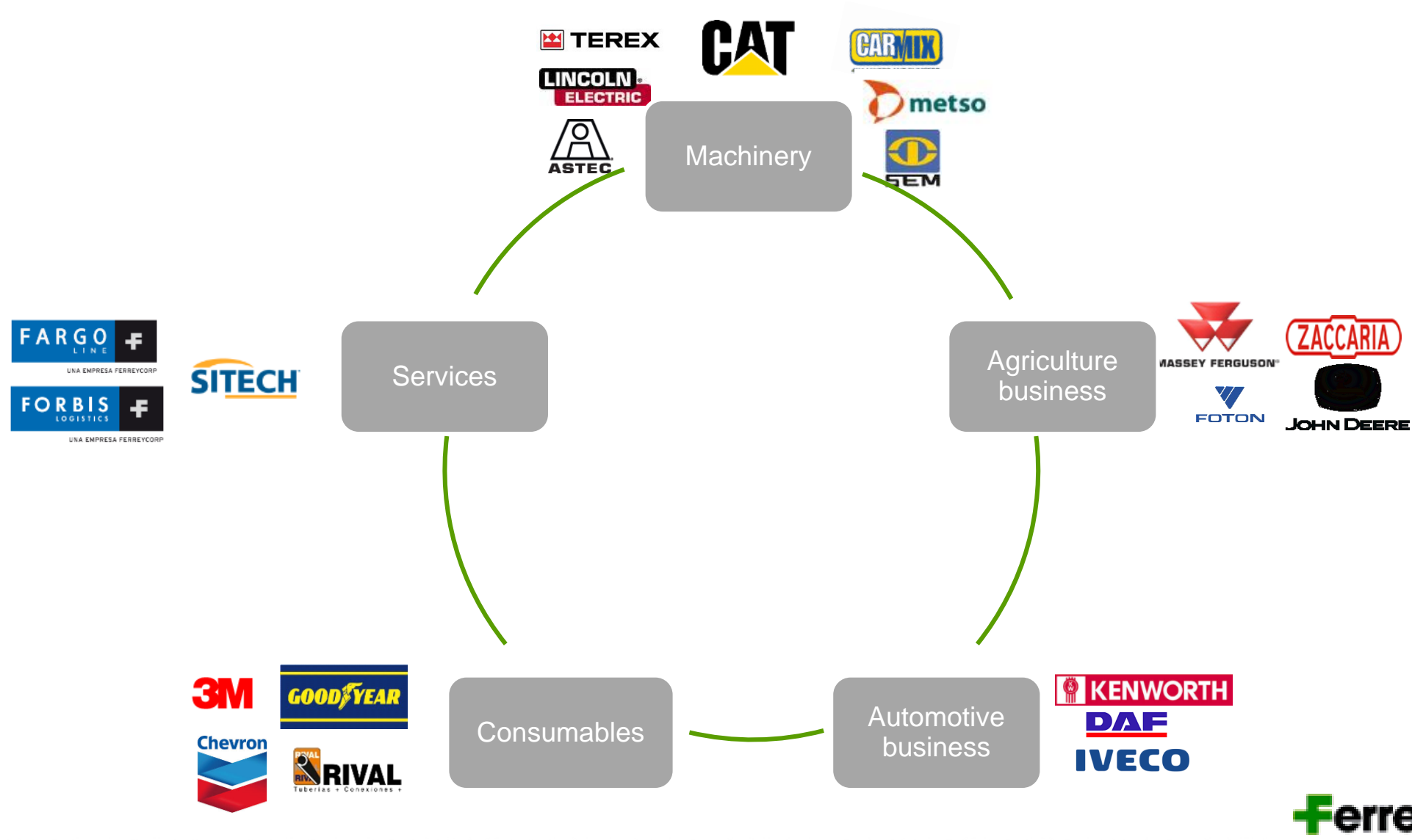
As of 2Q'18 (S/. Millon)	Caterpillar dealers and allied brands in Peru	Caterpillar dealers and other businesses in Central America	Other subsidiaries in Peru and abroad
Sales	1,865	206	432
% of Total Sales	75%	8%	17%
EBITDA	246	17	19
% of Total EBITDA	87%	6%	7%
EBITDA Margin	13%	8%	4%
# of Employees	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.



STRATEGY

COMPLETE VALUE PROPOSITION





Key Capabilities

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

PRESENCE IN SOUTH AND CENTRAL AMERICA REPRESENTING LEADER BRANDS



MASSEY FERGUSON™



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

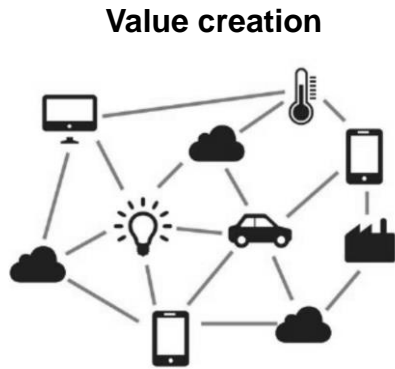
365 DÍAS
24x7 OPERATIONS

- 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

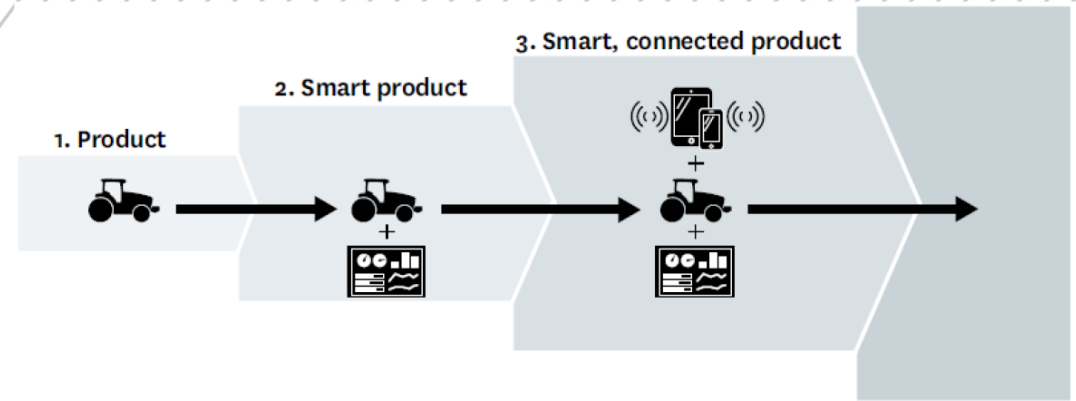
Ferreycorp

INNOVATION AND TECHNOLOGY

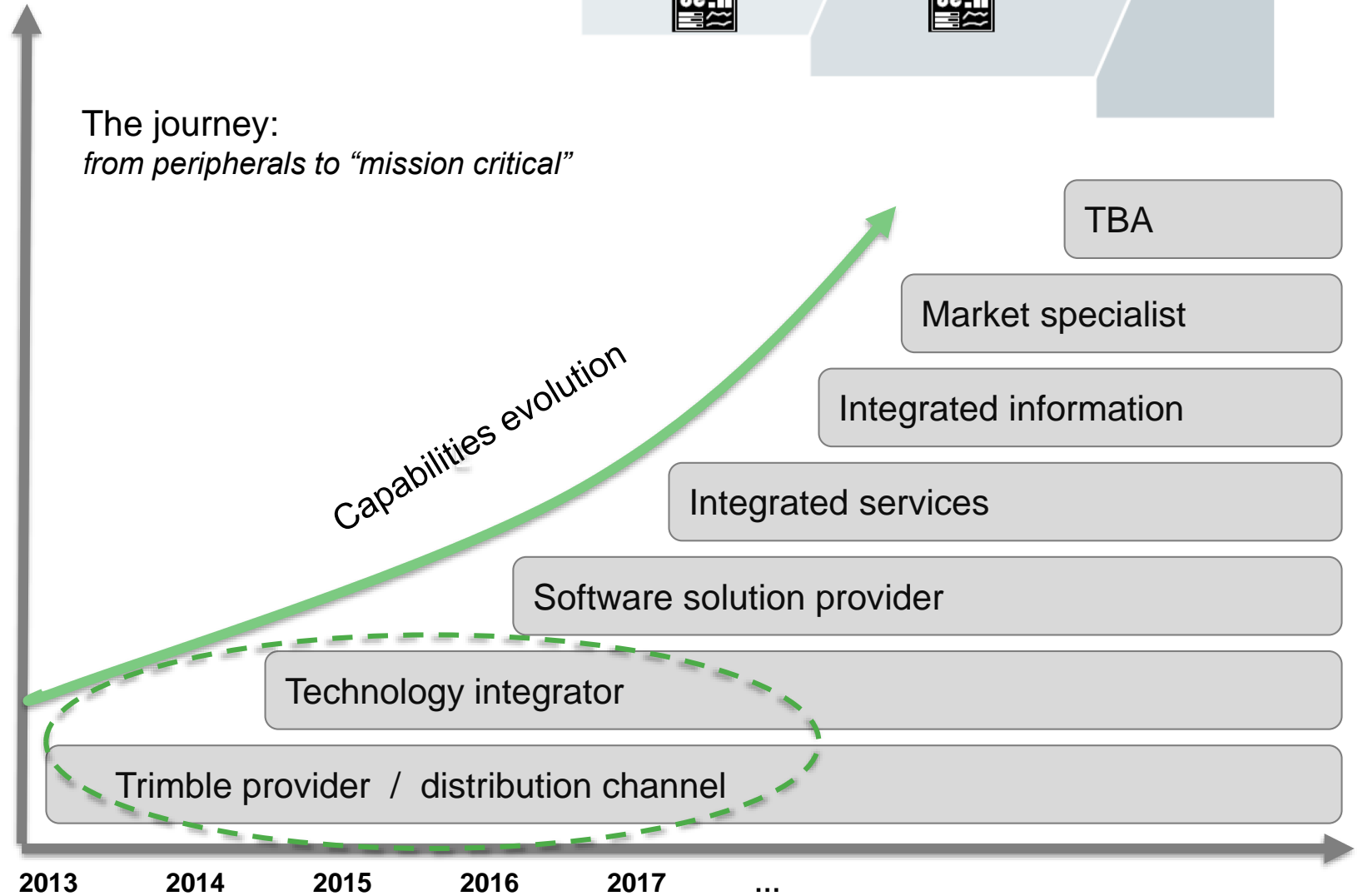


Challenge: To make the most out of the different emerging technologies and apply it to value creation.

RFID, Big data, data mining, machine learning, autonomous operations, business intelligence, internet of things, etc.



The journey:
from peripherals to "mission critical"



SUSTAINABILITY STAKEHOLDERS

Community

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

Customers

- ✓ Mutually beneficial and long-term relationships.
- ✓ Wide range of products and services with the highest added value for customers
- ✓ Excellence in after sales service
- ✓ Proactive monitoring of the customers experiences
- ✓ Complaints management

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 and fair 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 development
- ✓ Diversity and inclusion
- ✓ Compliance with labor norms
- ✓ Personal and family development

Shareholders

- ✓ Principles of Good Corporate Governance
- ✓ Respect of Shareholders' rights
- ✓ Transparent and timely reporting
- ✓ Efficient representation with our Board of Directors

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 inception in 2008.



Board of Directors:

- **The last General 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

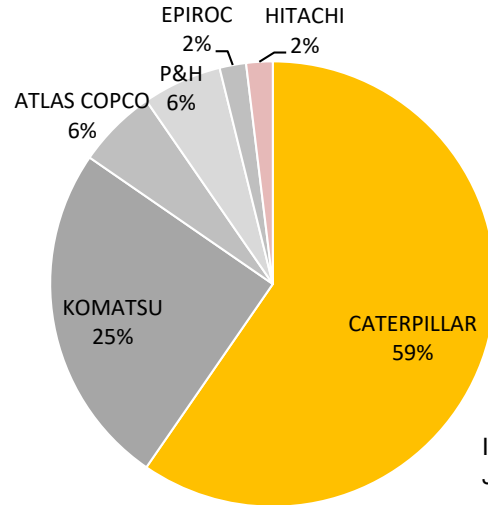
Recognitions

- 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 (2017)



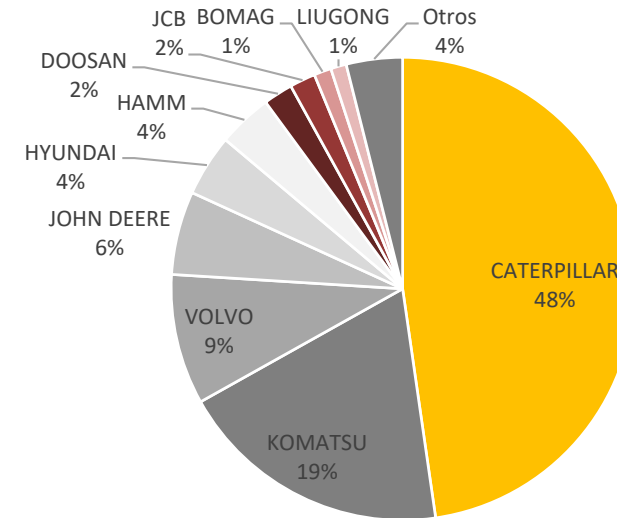
CATERPILLAR MARKET SHARE IN PERU

Open pit mining



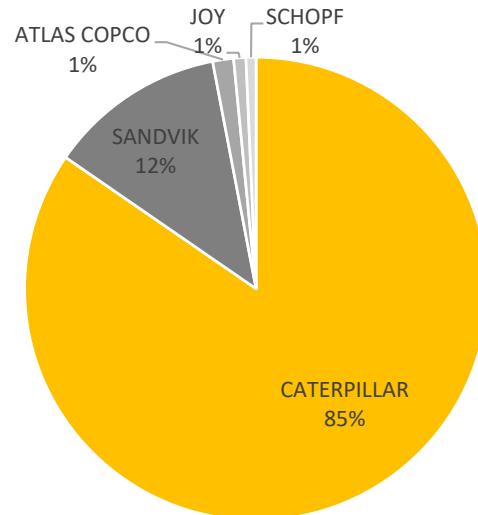
In units Rolling 12 months, June 2018

Heavy Construction



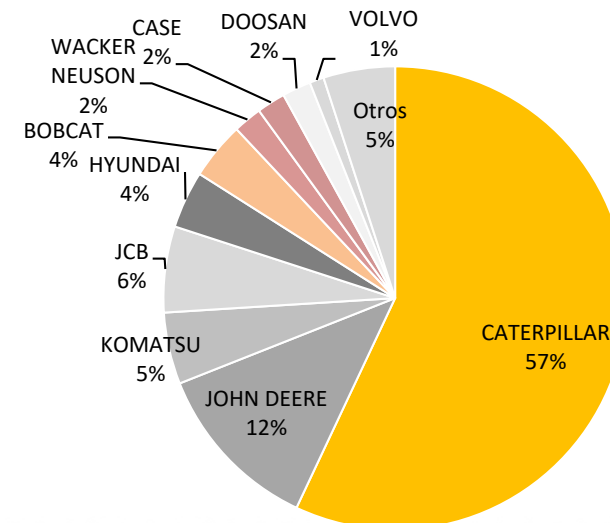
US\$ FOB Rolling 12 months, June 2018

Underground Mining



US\$ FOB Values
Rolling 12 months, June 2018

General Construction



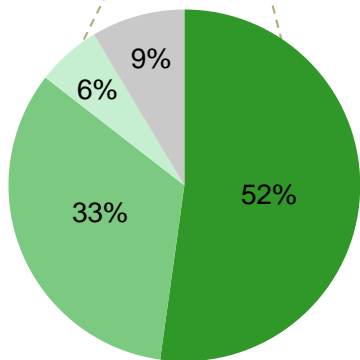
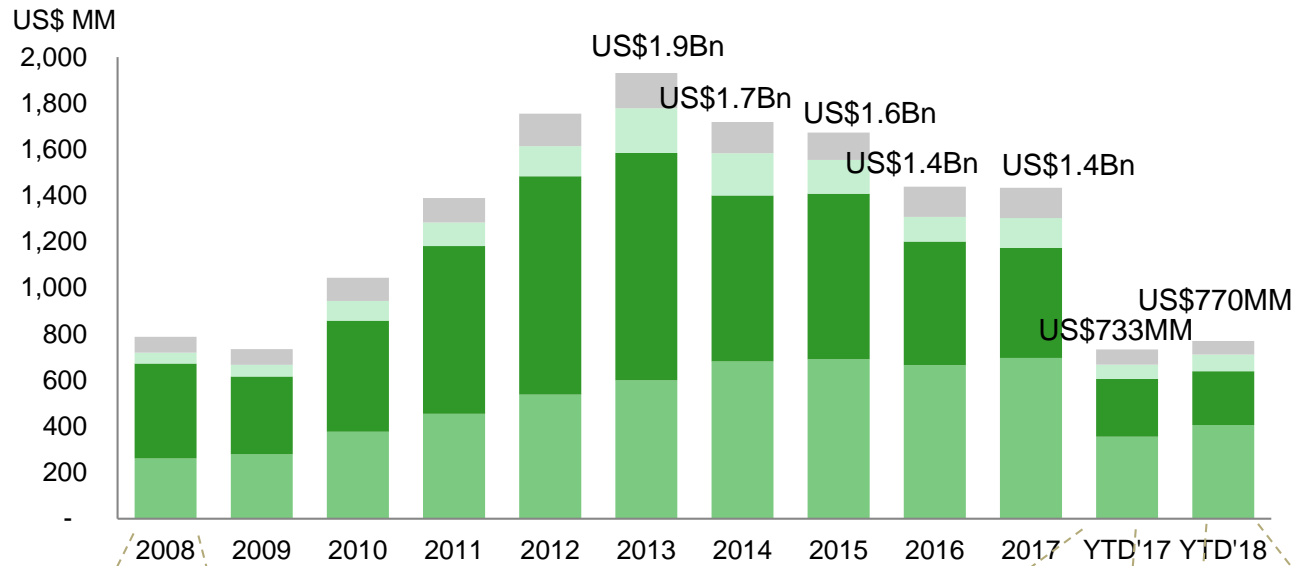
US\$ FOB Rolling 12 months, June 2018



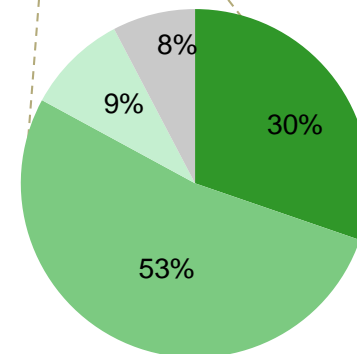
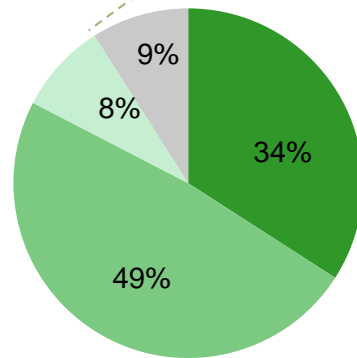
Financial Performance

SUSTAINABLE BUSINESS MODEL

SALES BY LINE OF BUSINESS



- Machines
- Spare and services
- Rental and used
- Others

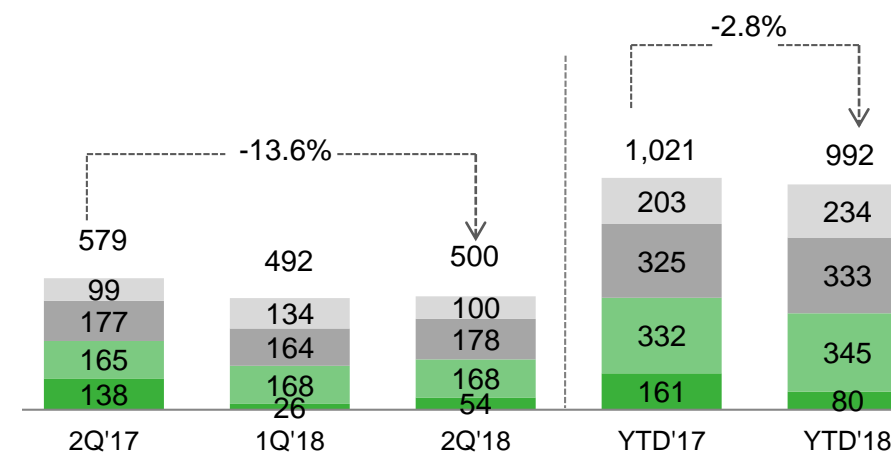
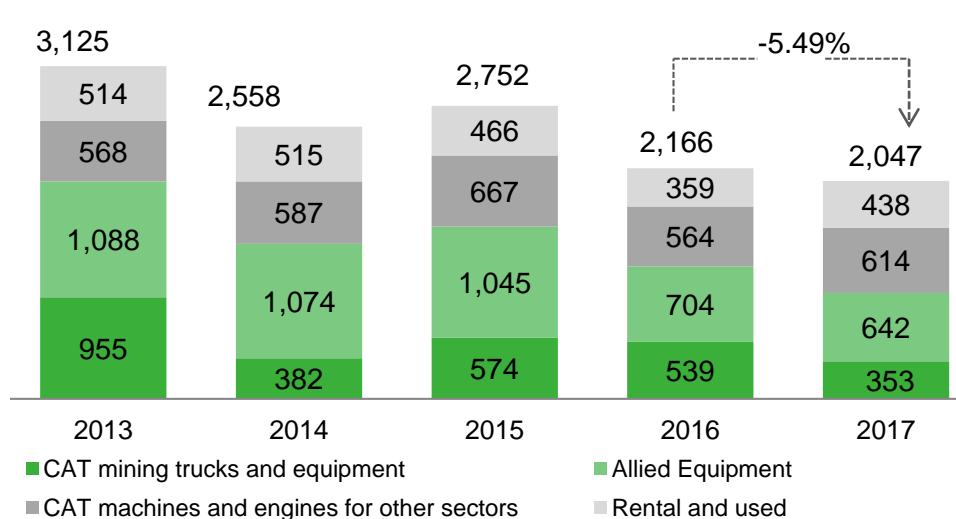


- In a context of poor momentum in mining investment and delayed infrastructure projects
- Resilient business model
- Stable product support business
- Diversification strategy through business lines, presence in different economic sectors, different countries, various represented brands and a diversified portfolio of products.

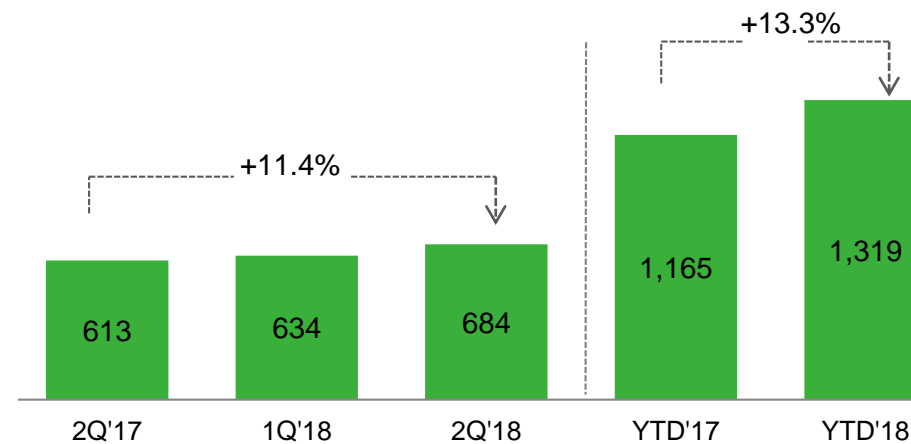
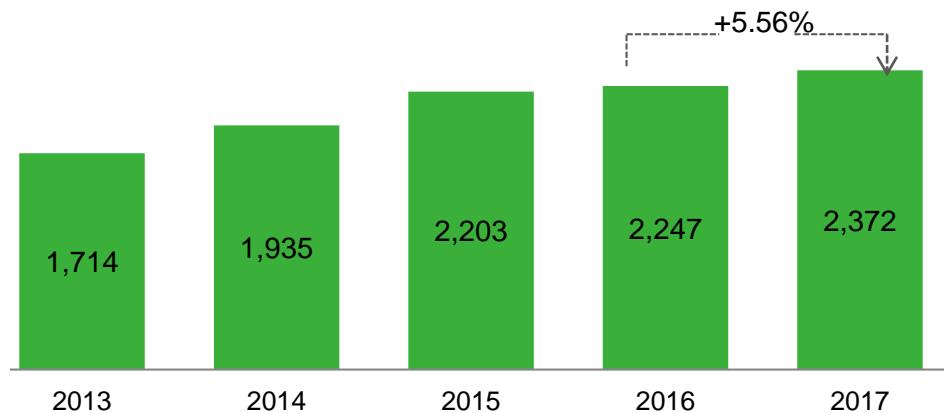
OPERATIONAL RESULTS

Million de soles (S/ mm)

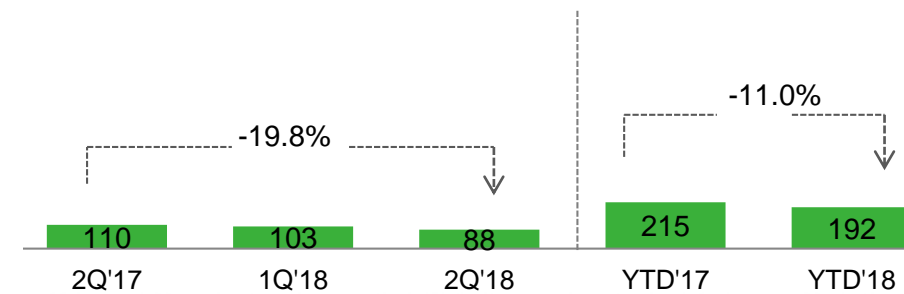
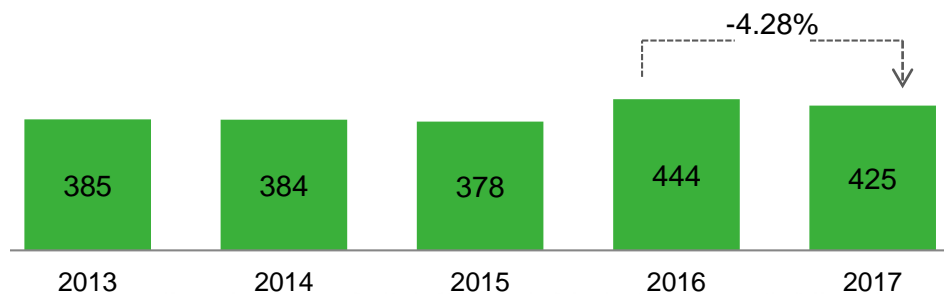
MACHINERY



SPARE PARTS AND SERVICES



OTHER LINES

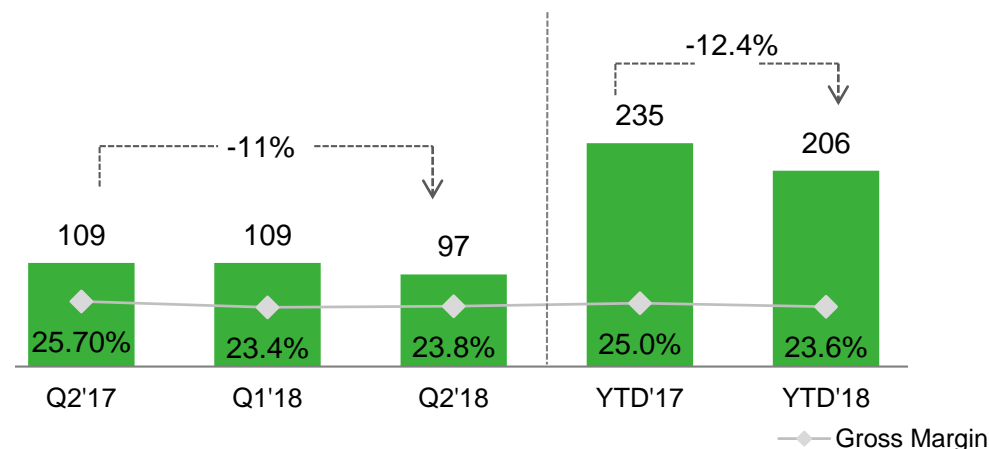


SALES BY GROUP OF COMPANIES

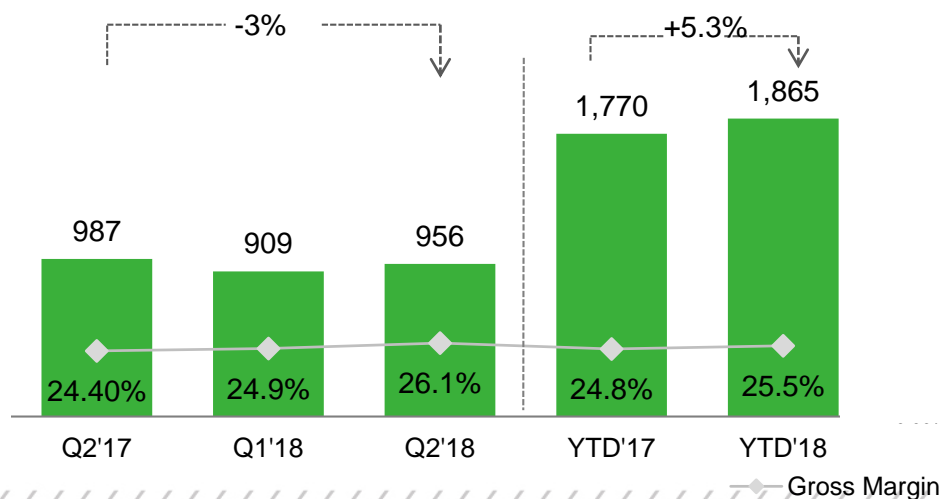
Million Soles (S/ mm)

- CAT dealers and allied brands in Peru (75% of sales): -3%
 - spare parts and services: +15% (65% of sales of this group)
 - Cat mining equipment: -61% - delivery of mining equipment for US\$40 million in 2Q'17
 - allied equipment: -35% - affected by construction sector
- CAT dealers and other businesses in CA (8% of sales): -11%. Affected by economical and political situation.
- Other subsidiaries in Peru and abroad (17% of sales): +6%. Higher sales from Motored and Trex

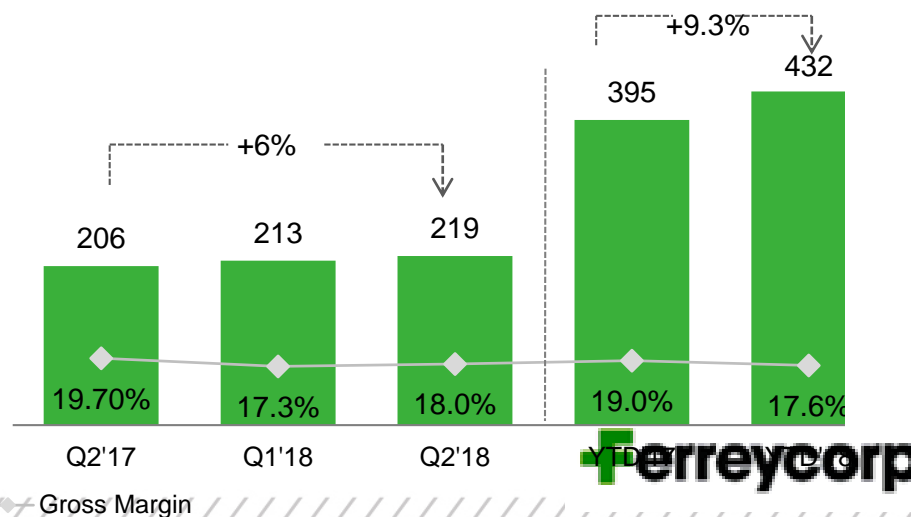
CAT dealers and other businesses in CA



CAT dealers and allied brands in Peru



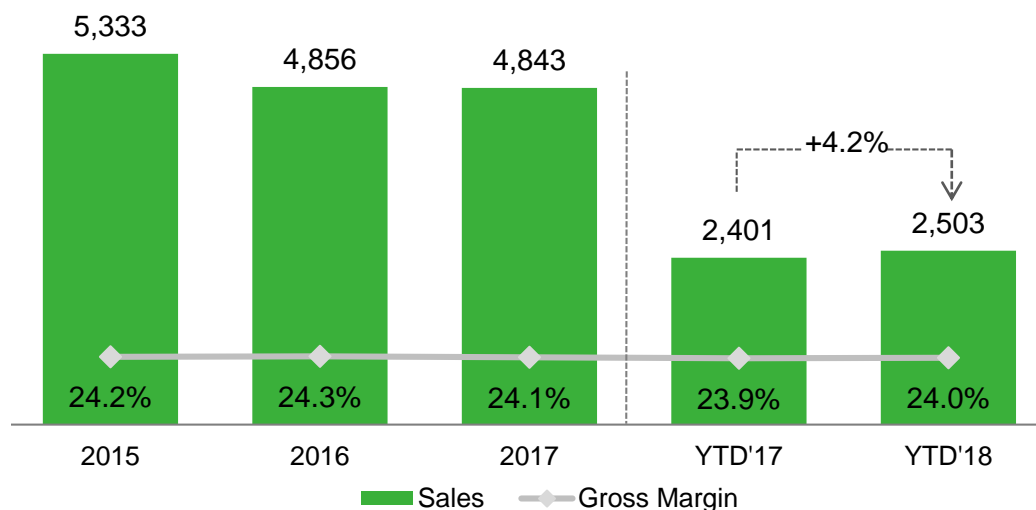
Other subsidiaries in Peru and abroad



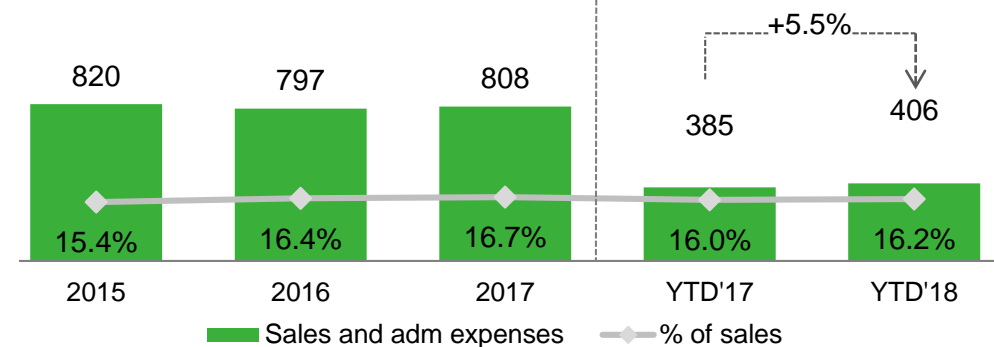
CONSOLIDATED FINANCIAL RESULTS

Million soles (S/ mm)

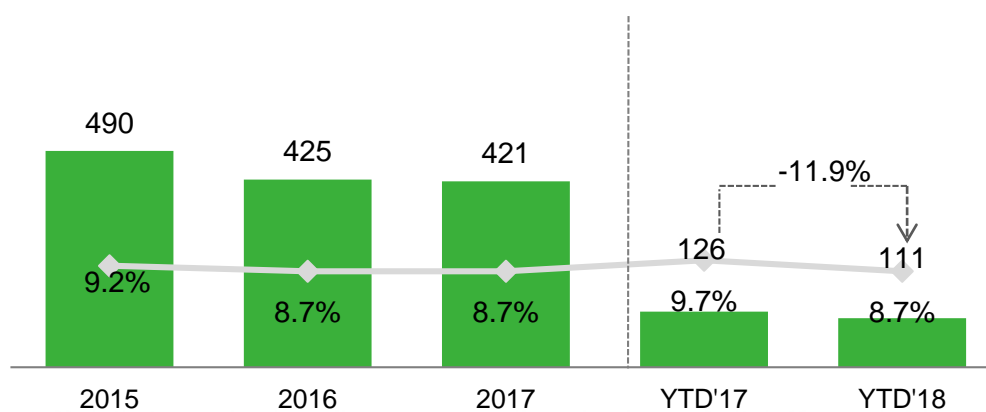
SALES AND GROSS MARGIN



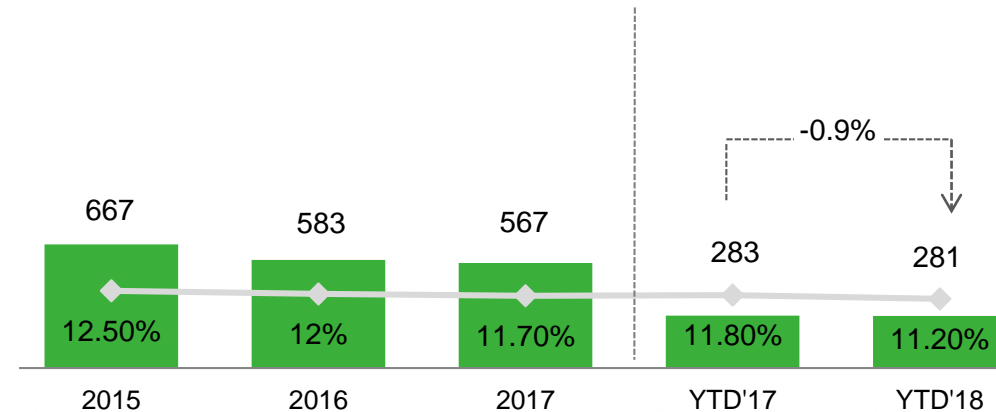
SALES AND ADM EXPENSES



OPERATING PROFIT AND OPERATING MARGIN



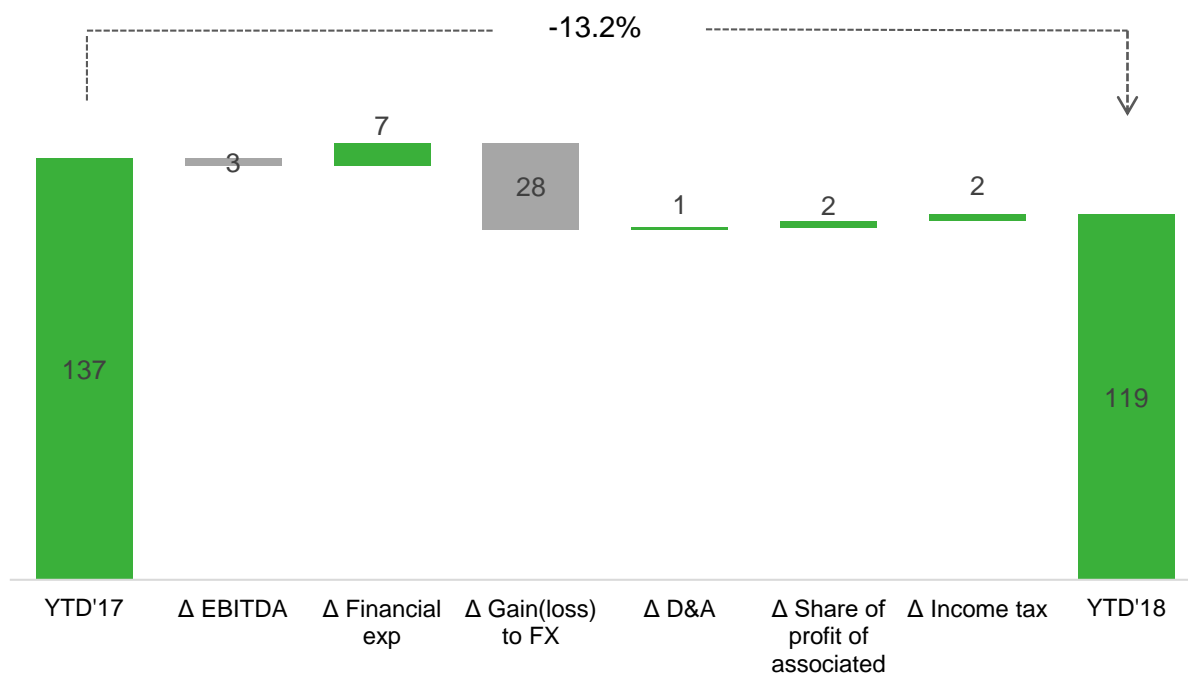
EBITDA AND EBITDA MARGIN



FINANCIAL RESULTS

Million soles (S/ mm)

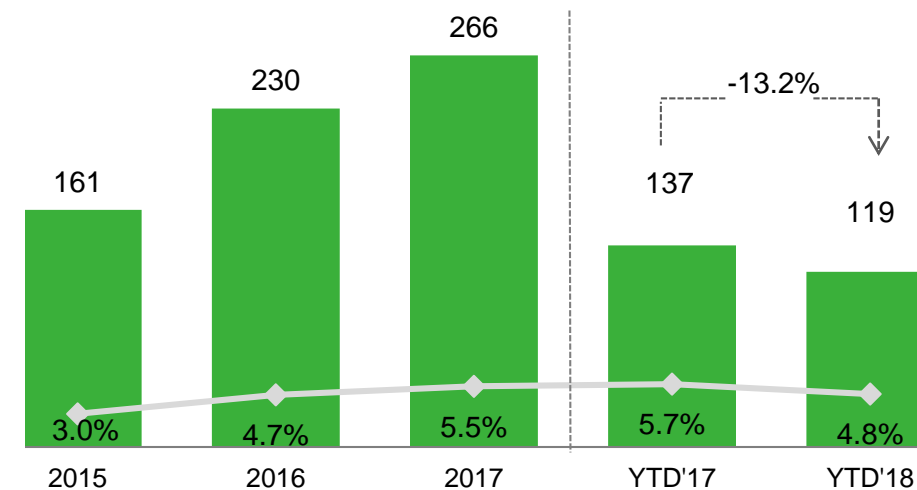
NET INCOME YTD'18



Positive variations

Negative variations

NET INCOME AND NET MARGIN

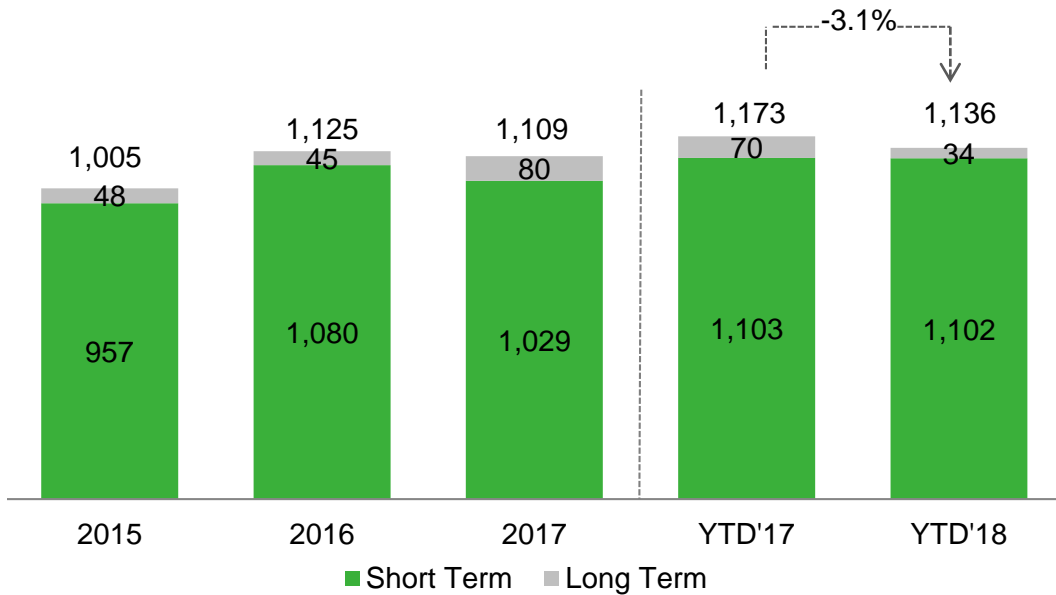


- Net income impacted by devaluation of nuevo sol against dollar of 0.89% as of June'18 (Exchange rate went from S/ 3.245 as of June'17 to S/ 3.274 as of June'18)

INVESTMENT IN ASSETS

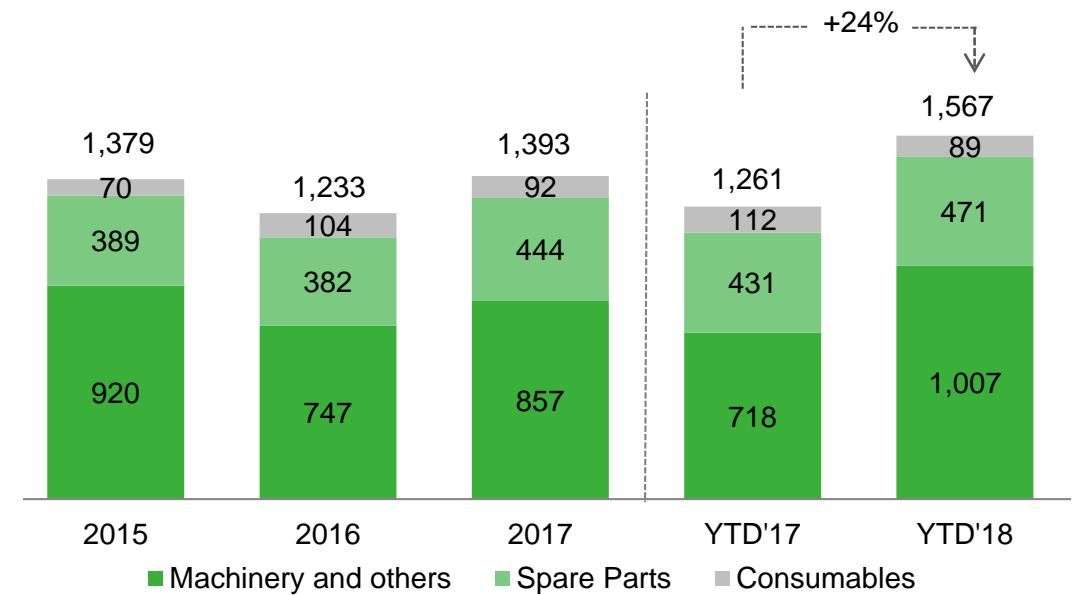
Million soles (S/ mm)

ACCOUNTS RECEIVABLES EVOLUTION



- Common practice, 30 days for collection once invoice is delivered to customer.
- YTD'17 accounts receivables affected by mining equipment invoicing. YTD'18 collection in advance of invoices of mining customers.

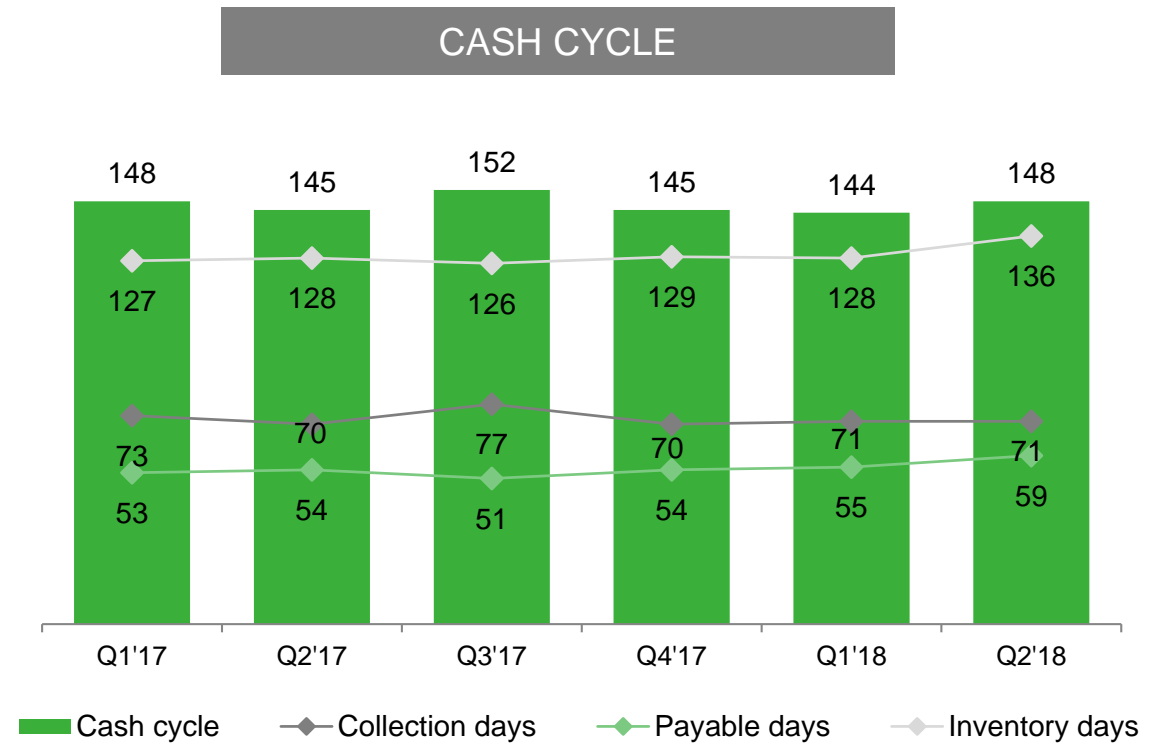
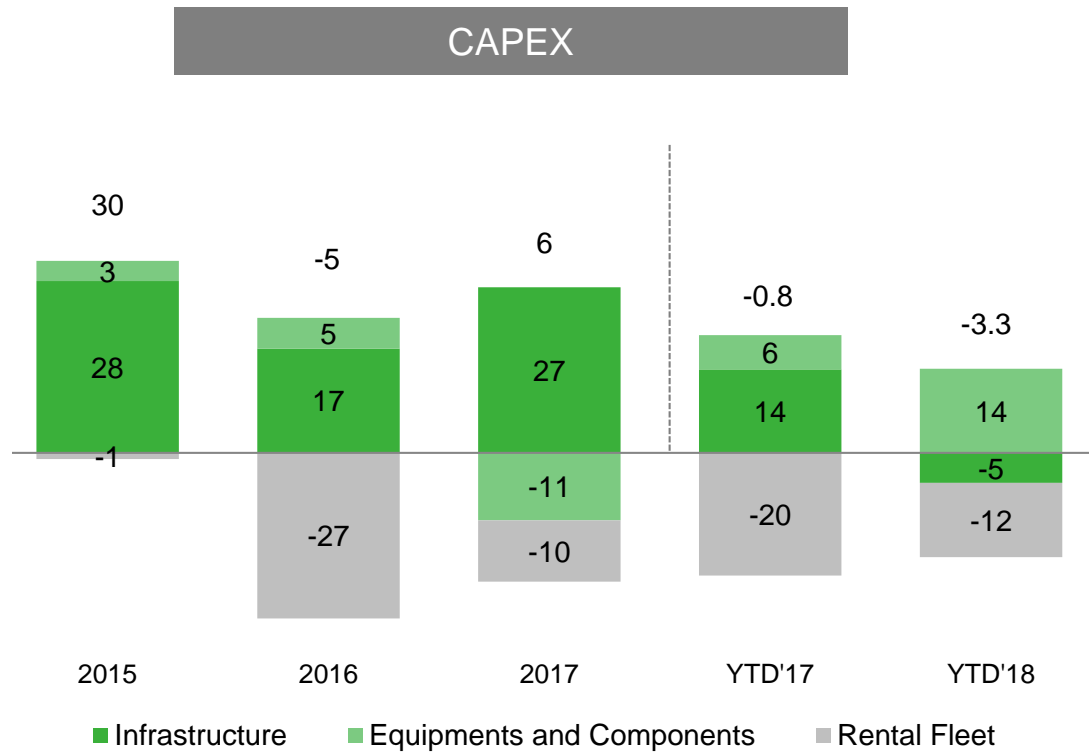
INVENTORY EVOLUTION



- 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)



Targets:

Inventory
120 days
3.0x

Payable
45 days

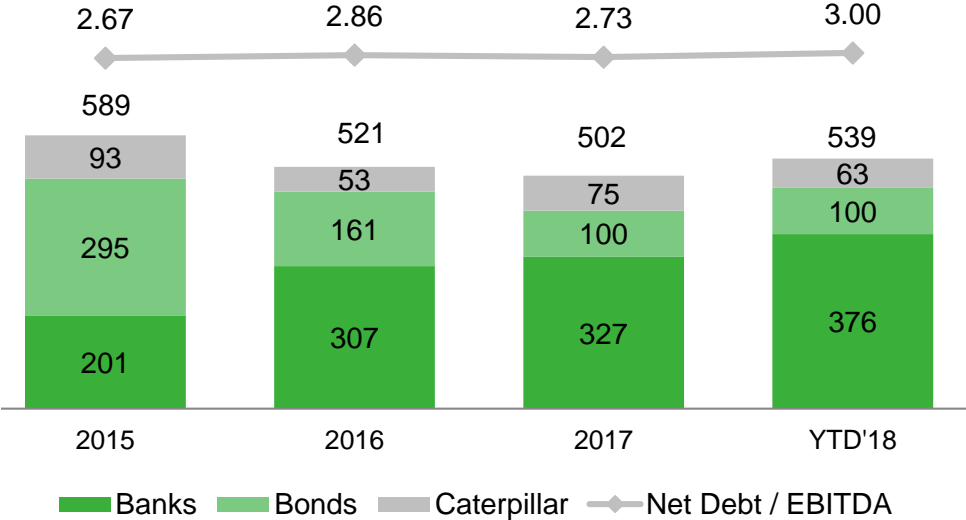
Receivable
45-60 days

- 2017 CAPEX: Infrastructure and equipment executed in the new CRC in Arequipa.
- Intangible assets during the YTD'18: US\$ 6mm for ERP SAP implementation.

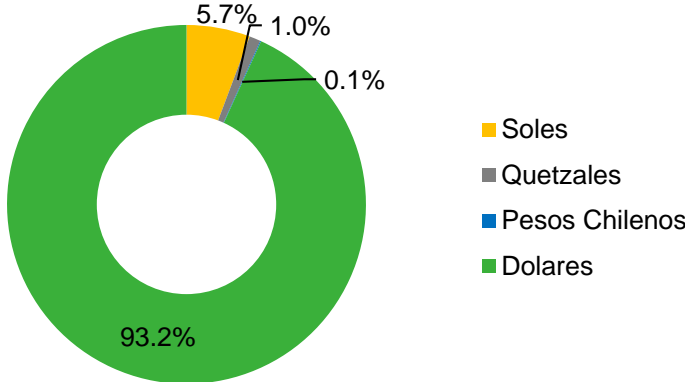
CONSOLIDATED FINANCIAL DEBT

Million dollars (US\$ mm)

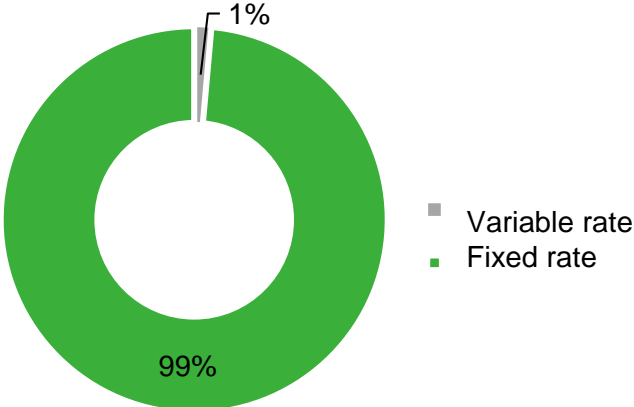
DIVERSIFIED FUNDING BASE



DEBT BY CURRENCY



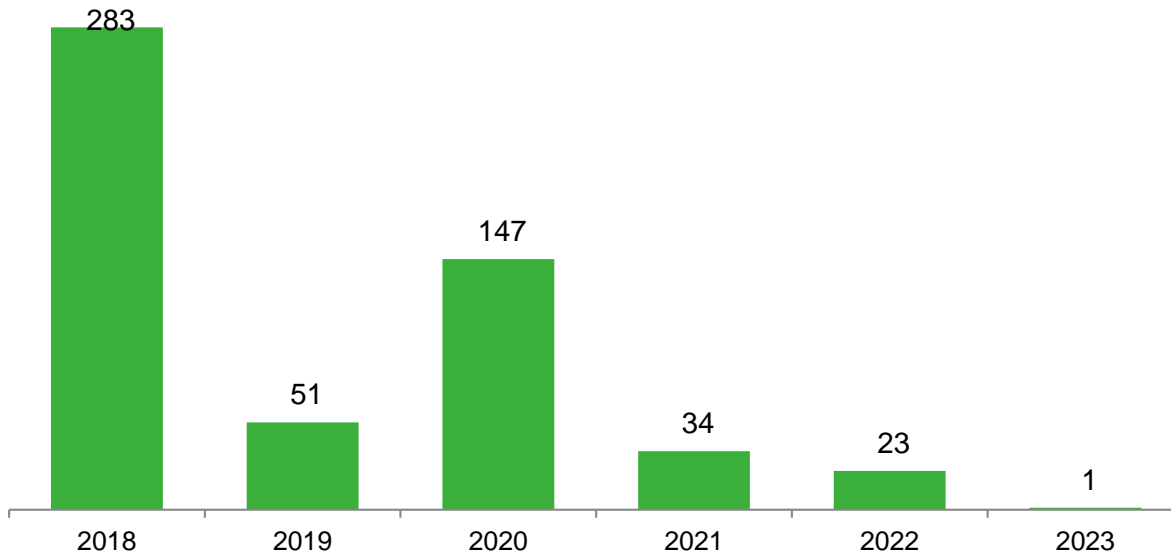
DEBT BY RATE



CONSOLIDATED FINANCIAL DEBT

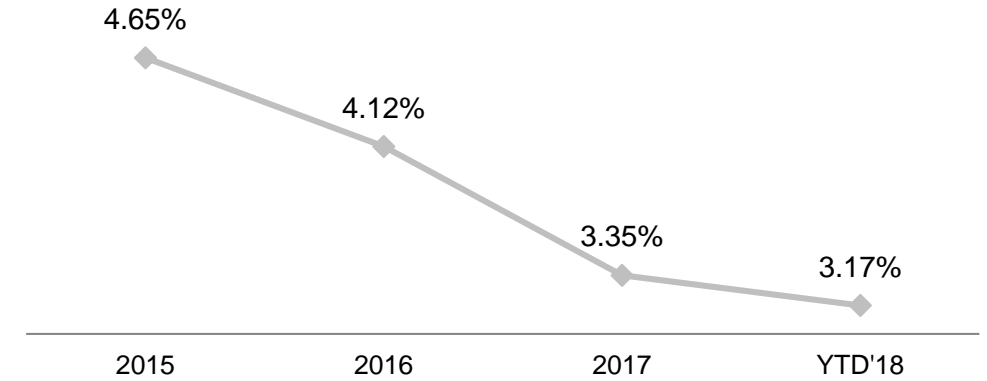
Million dollars (US\$ mm)

DEBT MATURITY



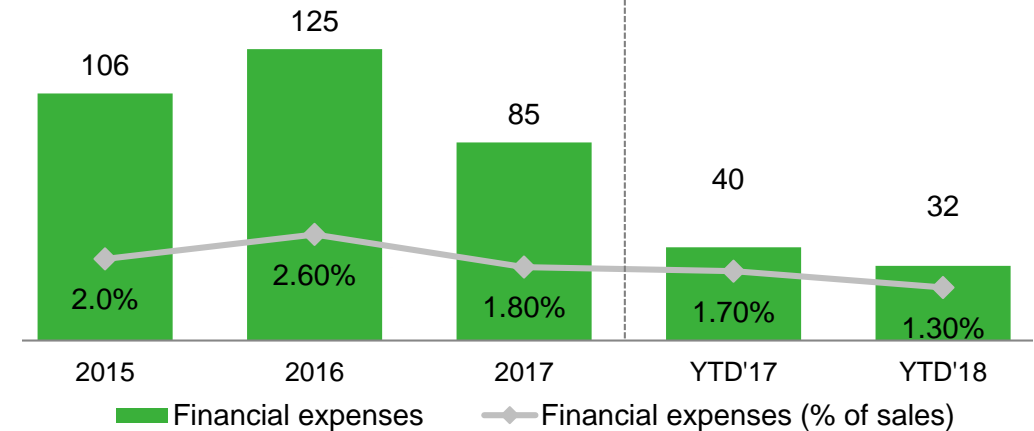
- Refinancing short term: take it to 50% of total financial liabilities.
- The Corp has taken US\$ 50 million with a maturity of 3 years to refinance Ferreyros and Unimaq debt.
- Expecting to sale investment in La Positiva through the OPA: US\$ 40 million to prepay short term debt.

AVG COST OF DEBT



FINANCIAL EXPENSES

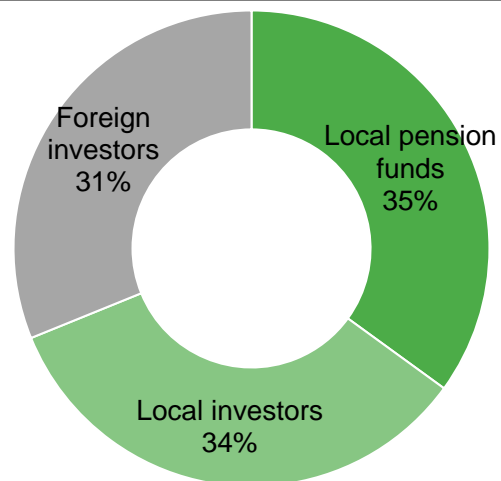
Million soles (S/ mm)



FERREYCORP

IN THE CAPITAL MARKET

SHAREHOLDERS COMPOSITION AS OF JUNE 2018



STOCK PERFORMANCE 2017-2018 (S/)



Capital	S/. 975,683,029
Nº of shares	975,683,029
Dividend Yield (div 0.1354654234)	5.4%

MAIN SHAREHOLDERS > 4% AS OF JUN 18

Holder	%
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%

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%



+ferreycorp