

Ferreycorp

Corporate Presentation

August 2013

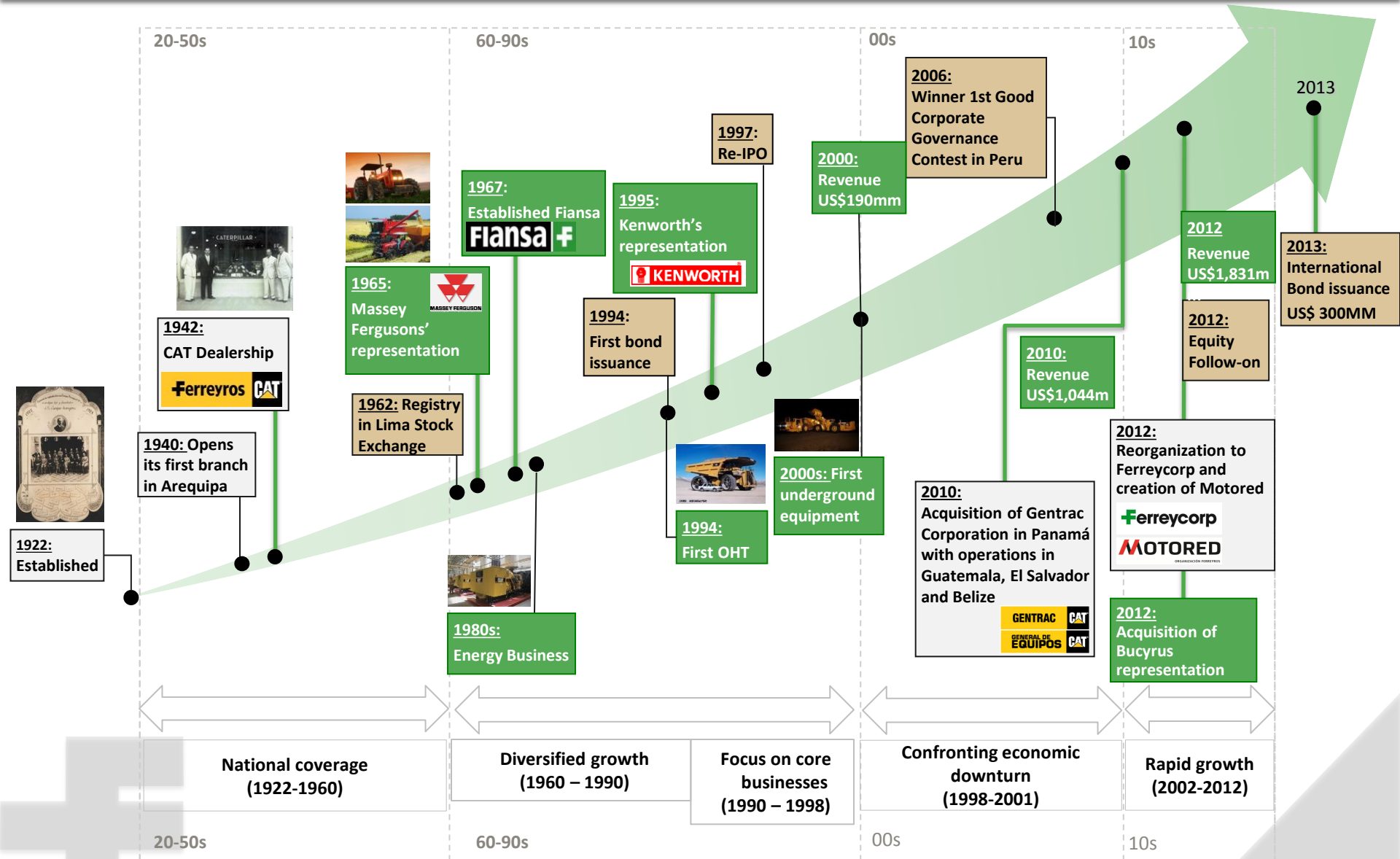


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Corporate history



Source: Company filings, SMV.

Ferreycorp

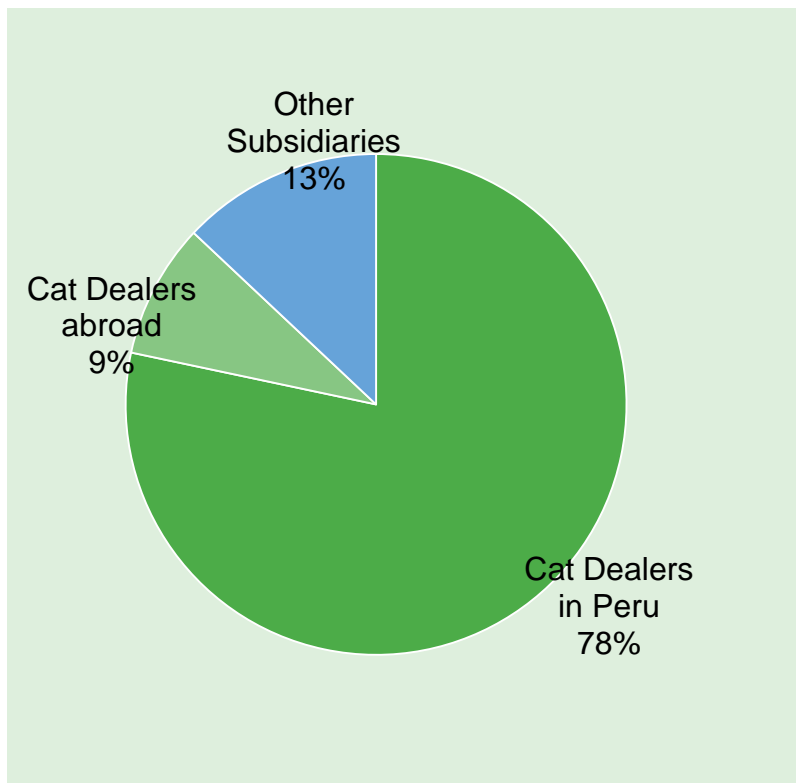
Dealers Caterpillar in Perú

Dealers Caterpillar in Central America

Other Subsidiaries

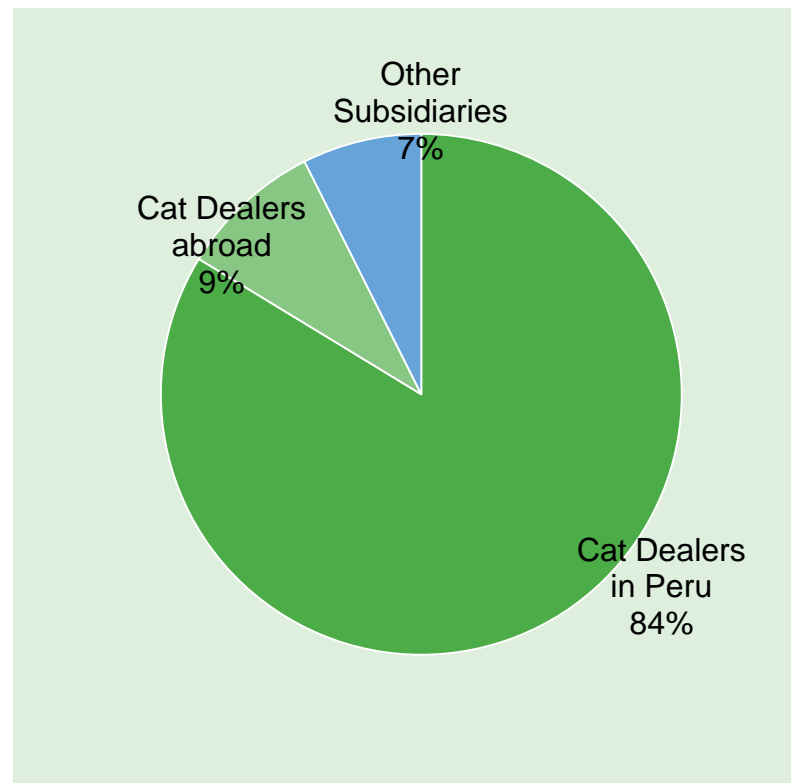


Sales breakdown



Total: US\$ 1,049mm

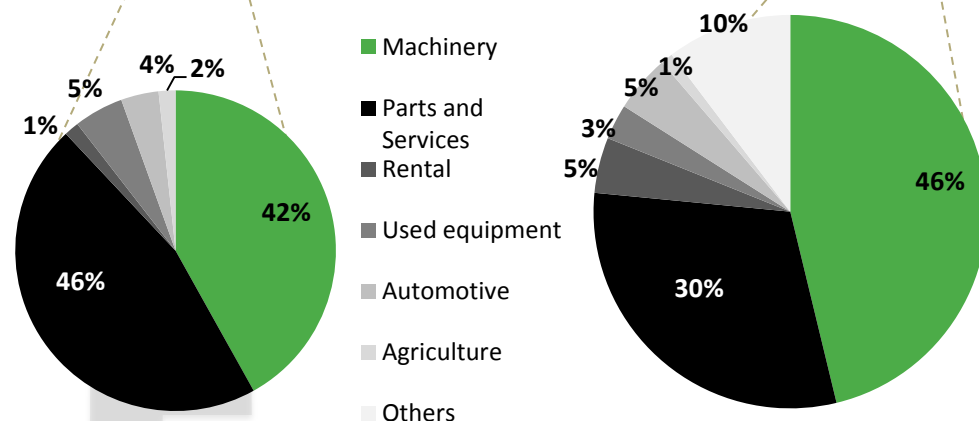
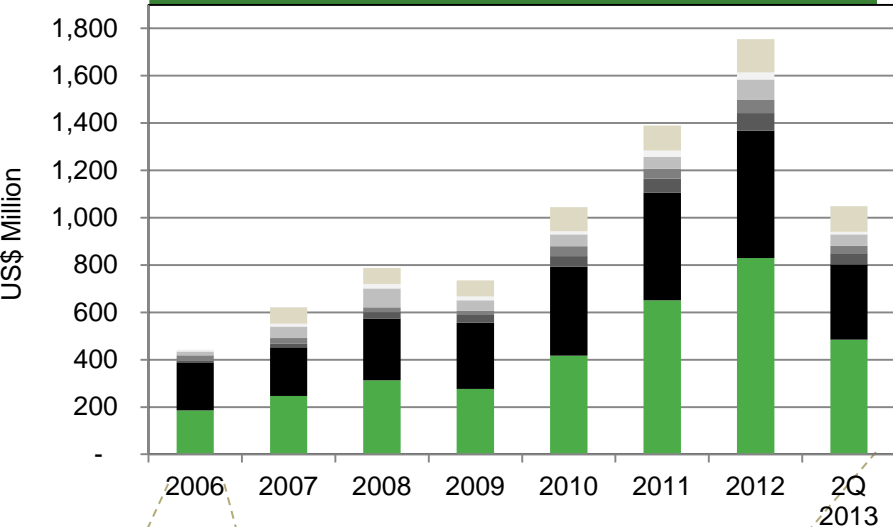
EBITDA breakdown



Total: US\$ 113mm



Sales by Commercial Line



Overview

- ❑ Imports and distributes capital goods and spare parts and is the leading provider of rental services. #1 importer of capital goods in Peru
- ❑ Unique Caterpillar distributor in Peru, Guatemala, El Salvador and Belize
 - More than 70 years of strategic alliance with Caterpillar
 - 60% market share of CAT products
- ❑ Business model: focus on aftermarket sales
- ❑ Coverage of key sectors in the economy including mining (large open pit mining, underground mining), construction, agriculture, power, fishing, among others.
- ❑ Shareholders: +3,000
- ❑ Market cap: ~ US\$500 MM

Key Financials

USD MM	2010	2011	2012	1Q2013	2Q2013
Net sales	1,043	1,389	1,831	486	1,049
EBITDA	115	152	181	45	113
Net debt/ EBITDA	3.54	3.43	3.62	3.38	3.07

Diversified client base across industries and business units

Large open pit mining



Underground mining



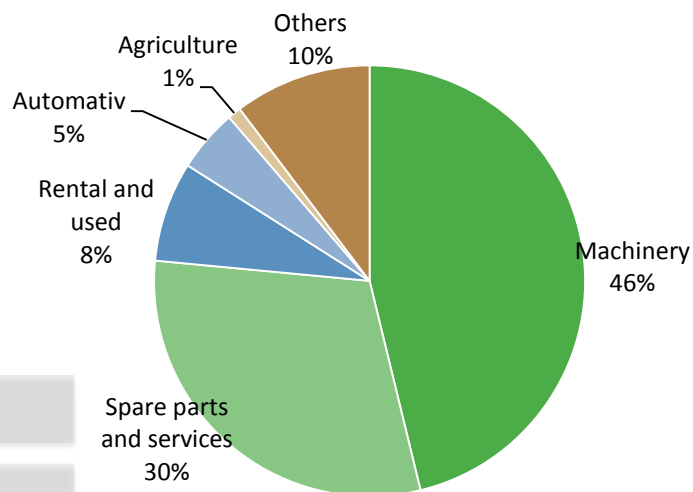
Construction clients



Other markets

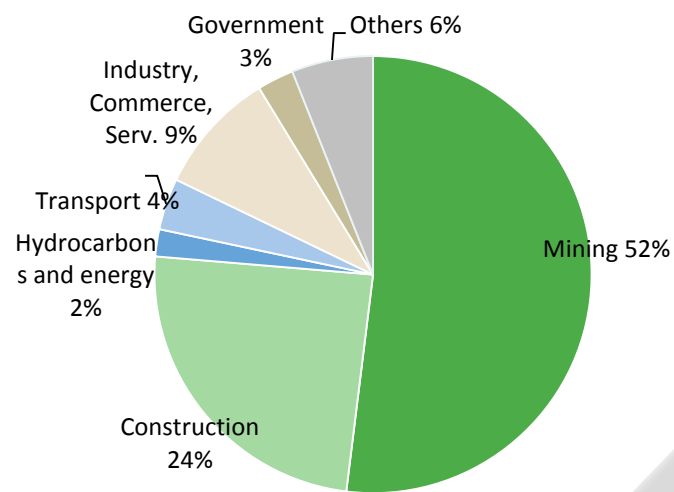


Sales by business line – 2Q 2013



Total: US\$1,049mm

Sales by economic sectors – 2Q 2013



Total: US\$1,049mm

Agenda

- I. About the country
- II. Ferreycorp at a glance

III. Capabilities

- IV. Financial highlights
- V. Appendix

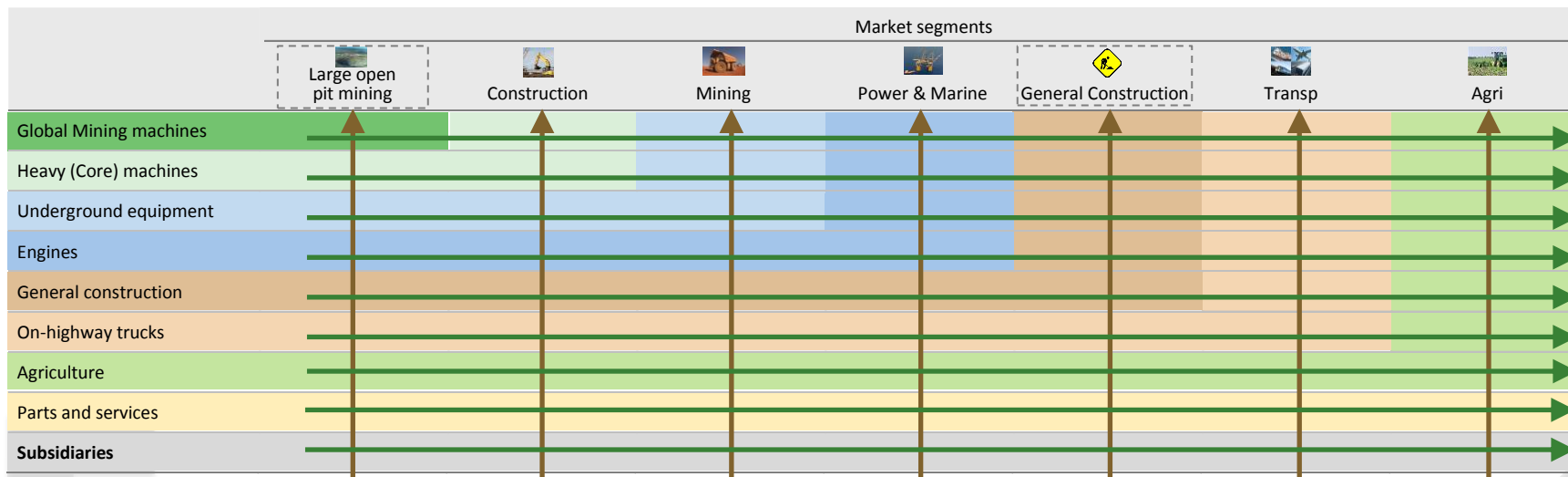




Overview

- ❑ Business platform to target different sectors in the Peruvian economy including: mining, construction, power, transportation, agriculture and fishing through a wide range of product assortment
 - Targeting different economic sectors mitigates Ferreycorp exposure to business cycle of an specific sector
- ❑ Portfolio of brands with leading position across industries guarantee Ferreycorp to be the first choice for key clients
- ❑ Ferreycorp becomes a “One Stop Shop” for multinationals operating across different industries with particular demands
 - Products and services tailored to fit client’s needs
- ❑ Continuously seeking better quality products and best in-class post sale service to differentiate from competition
- ❑ Increase the customers share of wallet

Customer-oriented matrix organization





Nationwide coverage

Ferreyros establishment

Branches expansion

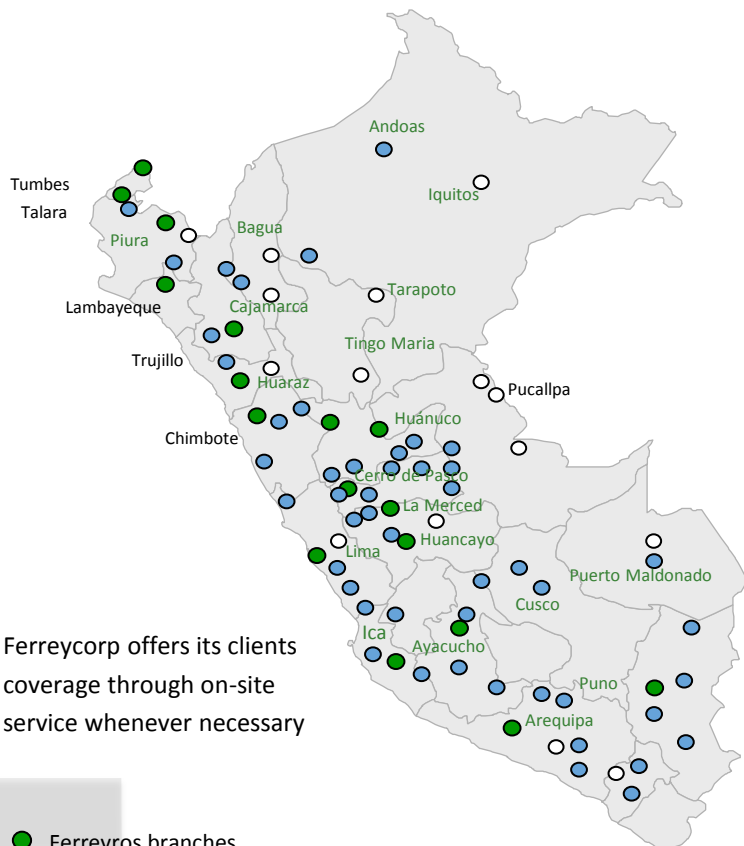
Projects "in situ"

Branches expansion

International expansion

Local

International



□ Ferreycorp offers its clients coverage through on-site service whenever necessary

- Ferreyros branches
- On-sites – Projects Clients
- Orvisa, Unimaq, and Gentrac Guatemala branches



Focused on post-sale services

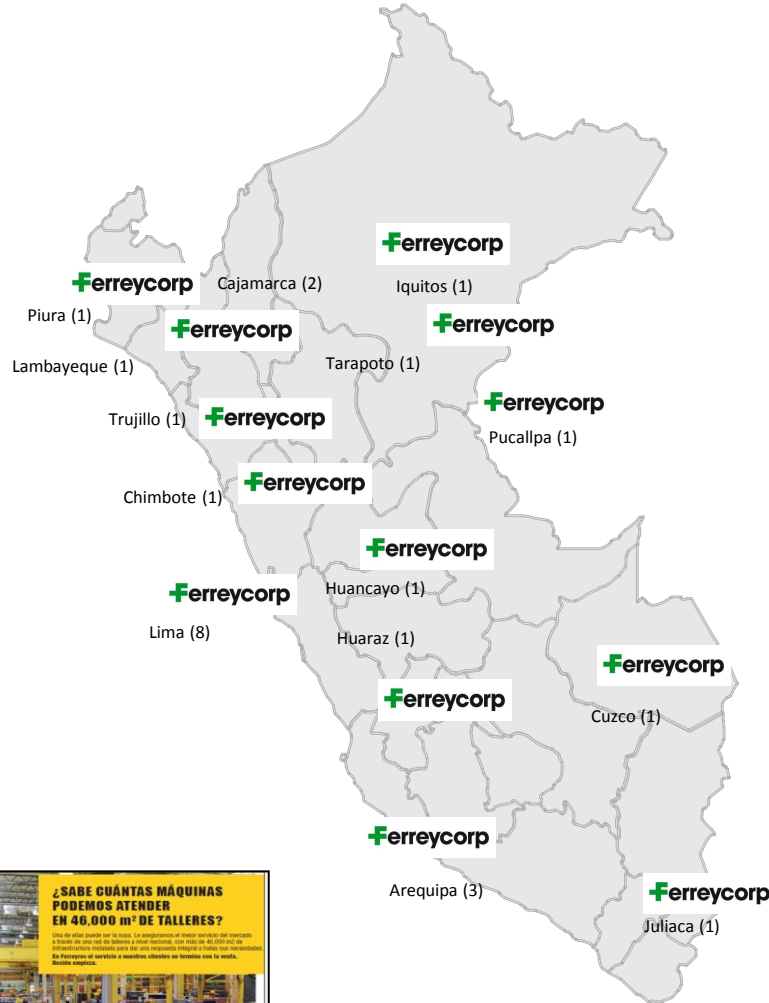
Overview

- Ferreycorp has 617,000 m² between workshops, offices and infrastructure distributed among its subsidiaries.
- Ferreyros standard is required to comply with all world-class mining operations Audited by SGS per customer requirements.

Repair workshops

- Counts with 3 types of workshops: machines, welding and hydraulic.
- More than 49,000 m² of shop area
- Counts with 1,036 technicians for the operation of the workshops

Workshops footprint



Warehouses

Ferreycorp has more than 90,000 m² of warehouses in Peru

- Ferreyros, the main subsidiary, has the broadest deployment of warehouses and workshops nationwide

CRC (Components Repair Center)

- 2 CRCs located in Lima and Arequipa
- CRC achieved “World Class” certification: 5-star in contamination control and ISO 9001
- CRC is complemented with the Recoveries Center to attend the on-site services in the welding and machining divisions



Lean and efficient logistics and infrastructure

- Ferreycorp integrates and administrates all the key elements in the logistic chain as a value proposition
- Vertical integration through complementary businesses: 1) Freight Forwarder (FORBIS) and 2) Warehouses and terminals (Fargoline)
- Efficient handling: 100,000 SKU (Sales Key Unit)
- Day 1: 83% of requests, Day 5: 95%
- 365 days, 24x7 operation, including expedited process for urgent requests.
- Direct B2B interfaces with key customers
- Leading importer in Perú – green channel

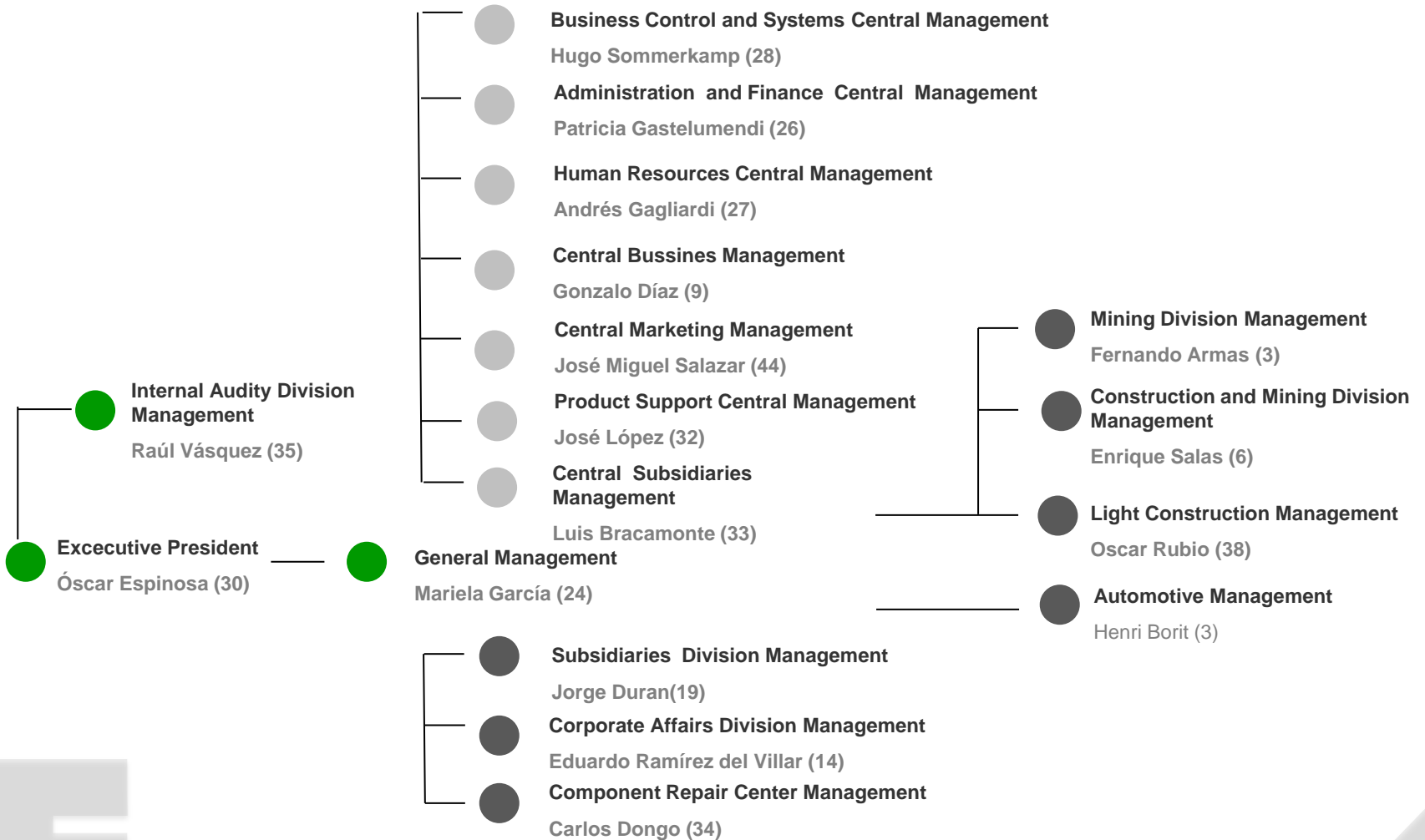
Logistics footprint



**Ferreycorp is constantly improving efficiency and technology to ensure best practices
Guarantee 24–48 hours delivery from U.S. to Lima and between 48 – 72 hours to mine site**



Seasoned management team



Avg. almost 25 years of experience in the Company

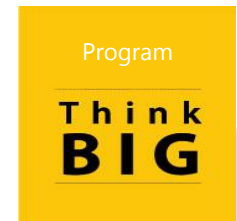
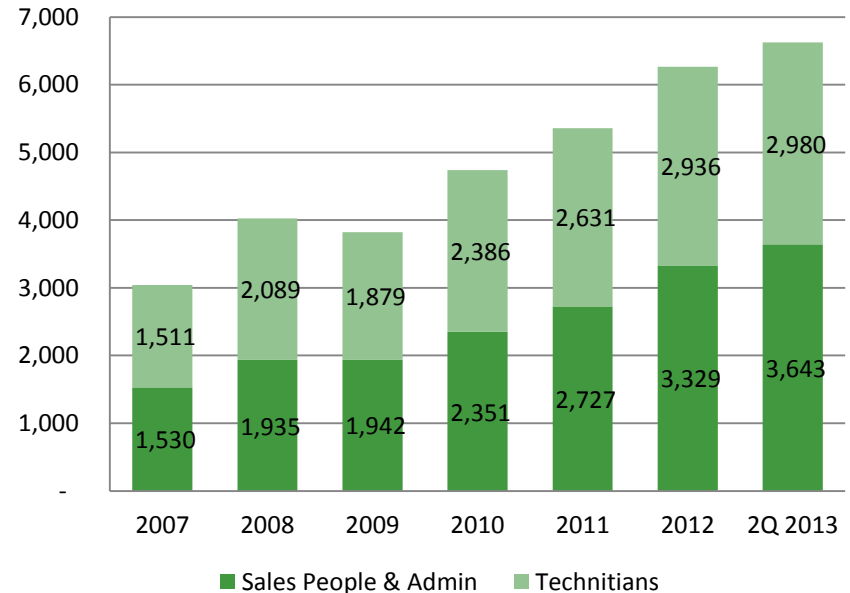


Complemented by a qualified and talented workforce

Certification and training programs

- ❑ Strong commitment to have the most qualified workforce
- ❑ As of June 2013, Ferreycorp had a total of 6,623 employees
 - 2,980 technicians
 - 3,496 administrative and sales
 - 147 executives
- ❑ Service Pro: over 25,000 certifications to +1,100 technicians completed during 2008-2011
- ❑ In 2011 awarded 5-Star LCAT certification on training programs
- ❑ The company's employee population has been growing in line with the revenue's growth
- ❑ Programs to retain and develop best talents:
 - Leadership programs developed by Harvard Business Review and Universidad de Piura, PAD
 - Master degree programs for management. Costs are 100% covered by Ferreycorp as a way to retain best talent
 - Programs to develop technical crew
 - Training programs according to Caterpillar's approach

Staff evolution



Strong corporate governance and social responsibility



Good corporate governance

- ❑ High degree of compliance with the good corporate governance principles:
 - International recognition: World Finance Award 2011 and 2012; Latin America Investor Relations Awards 2011 (LirA'11)
 - Since 2005 Ferreycorp is a member of the Companies Circle of the Latin America Governance Roundtable launched by OECD and IFC: it brings together 20 leading companies with practical experience in implementing best CG practices
- ❑ Stock Market recognizes Ferreycorp among the ten companies with best Corporate Governance practices in Peru
 - Since 2008, part of the Peruvian Good Corporate Governance Index
 - Self validation: high degree of compliance with the good corporate governance principles.

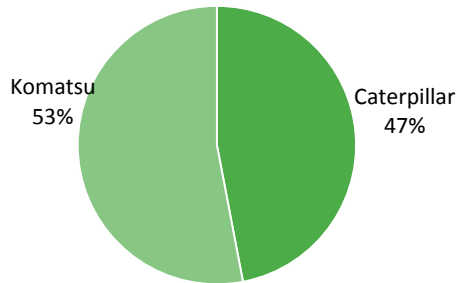
Social responsibility

- ❑ Win/Win situation with all stakeholders
- ❑ Social Responsibility Programs to train low income persons in the area of influence of Ferreycorp's clients: "Jovenes con Futuro"

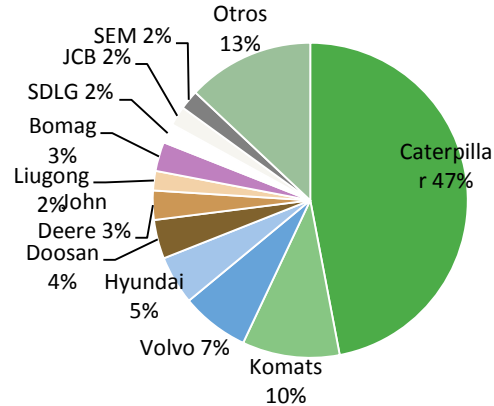


Peru

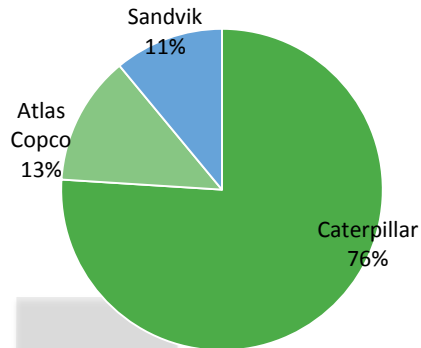
Large open pit mining



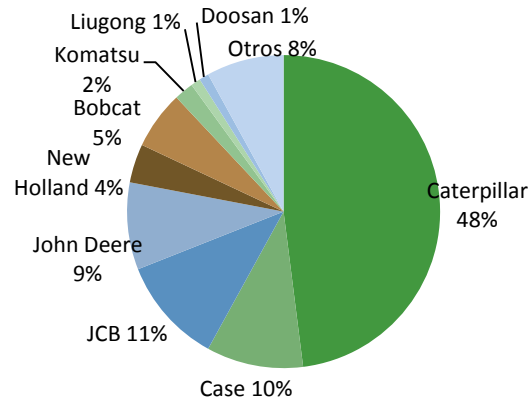
Heavy Construction



Underground mining

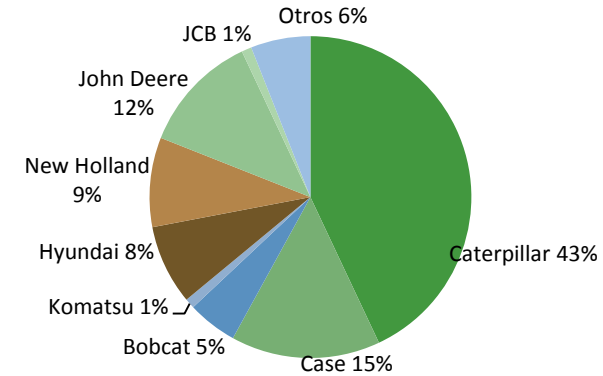


General Construction

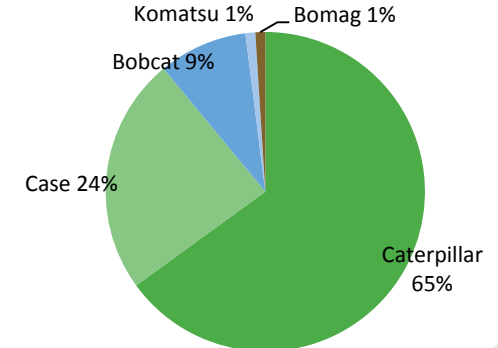


Central America

Guatemala



El Salvador



%2Q, 2013 Revenues

52%

24%

9%

Stable market share during the last 30 years

Note: Market share based on imported equipment as of June

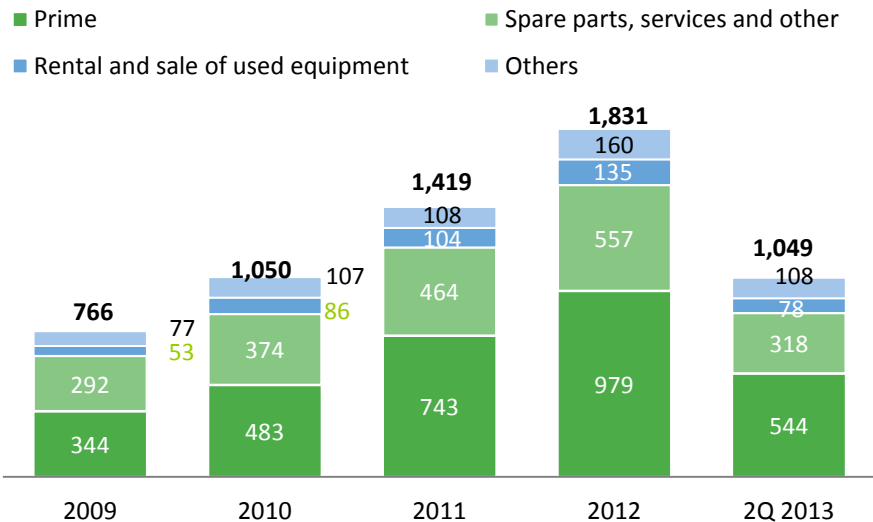
Agenda

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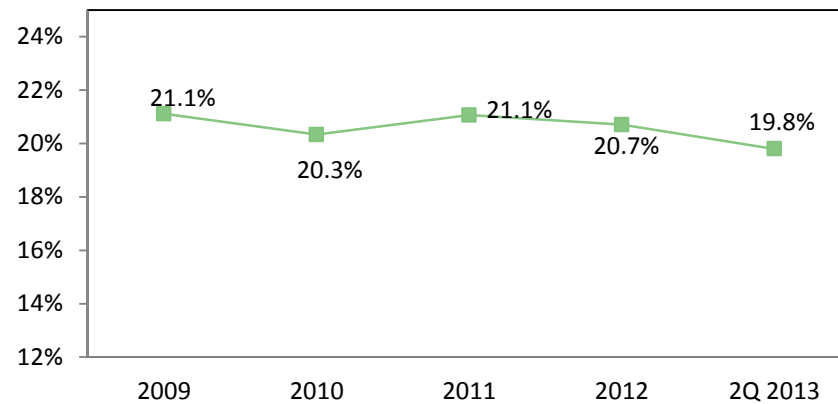


Track record of consistent financial performance

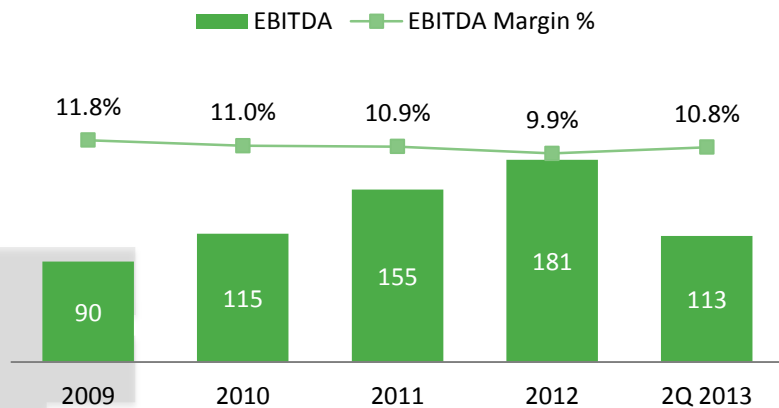
Revenues (US\$mm)



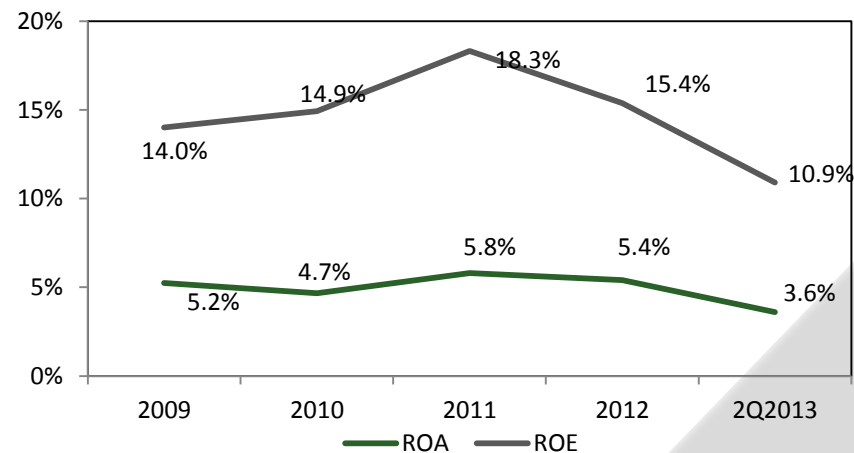
Gross margin (%)



EBITDA (US\$mm) EBITDA margin (%)

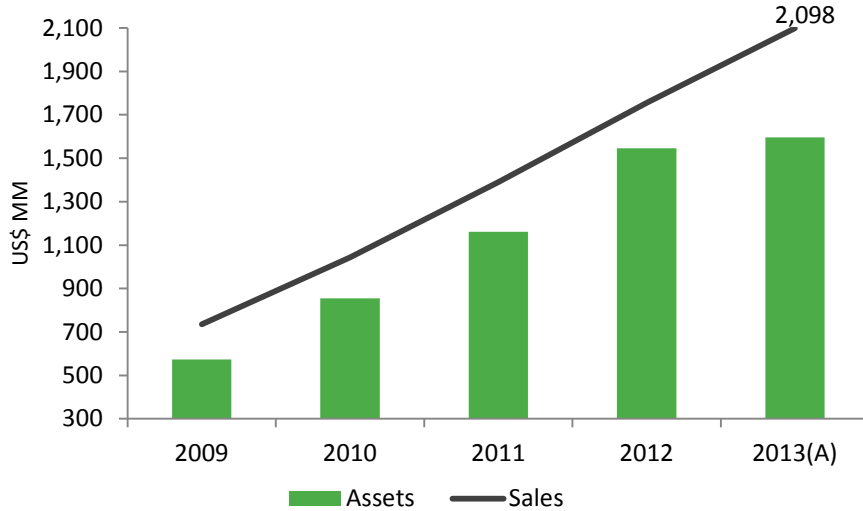


ROE-ROA

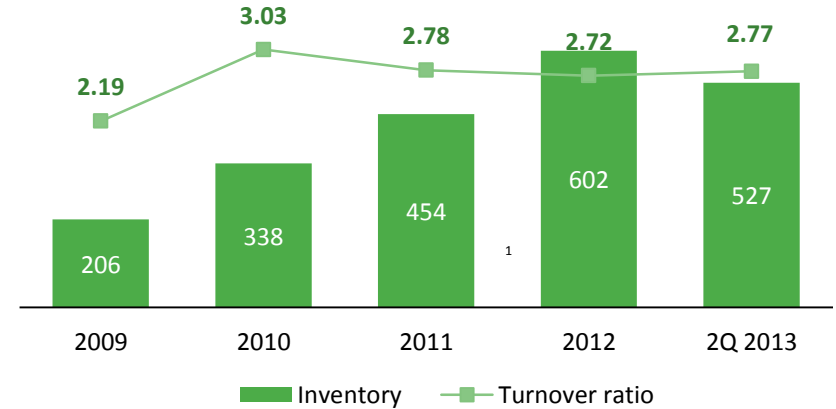


Investment in assets needed for business

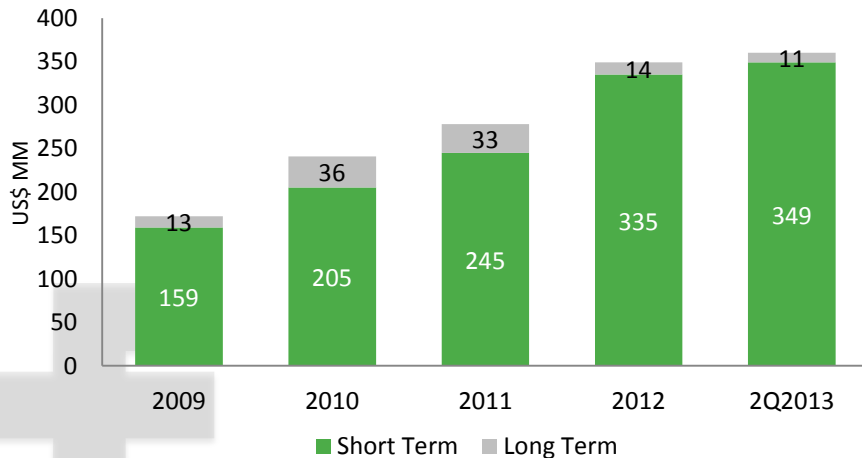
Assets vs. Sales



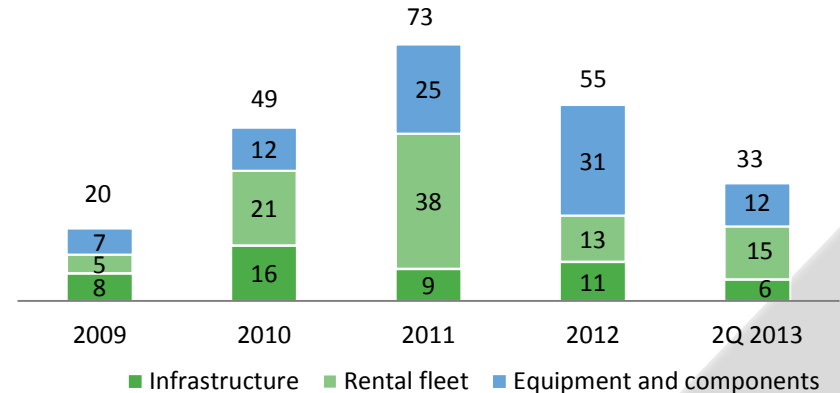
Inventory evolution (US\$mm) and turnover ratio



Accounts Receivable evolution by term



CAPEX evolution (US\$mm)

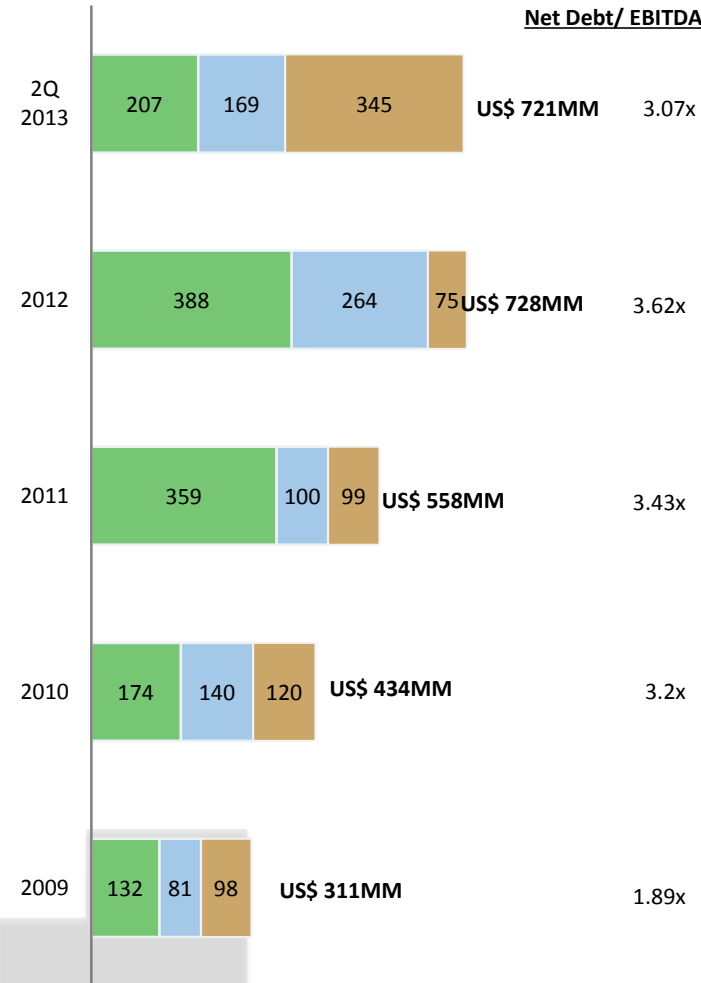


Access to diversified sources of financing

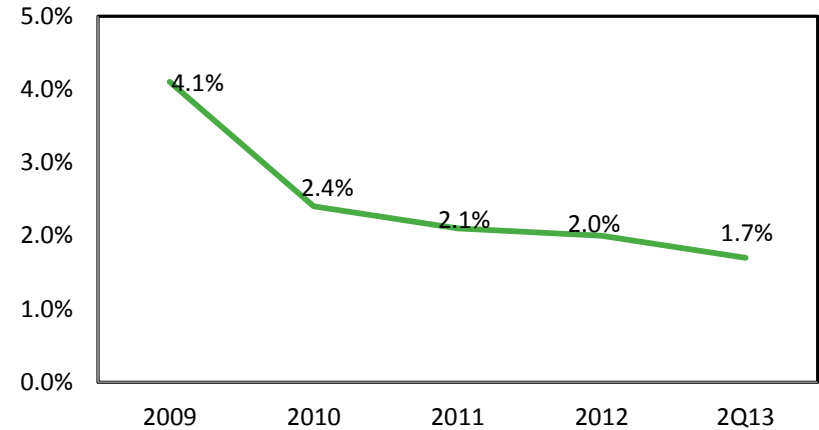
Diversified funding base (US\$mm)

■ Bank debt ■ CAT Leasing Chile and Hanover ■ Capital markets

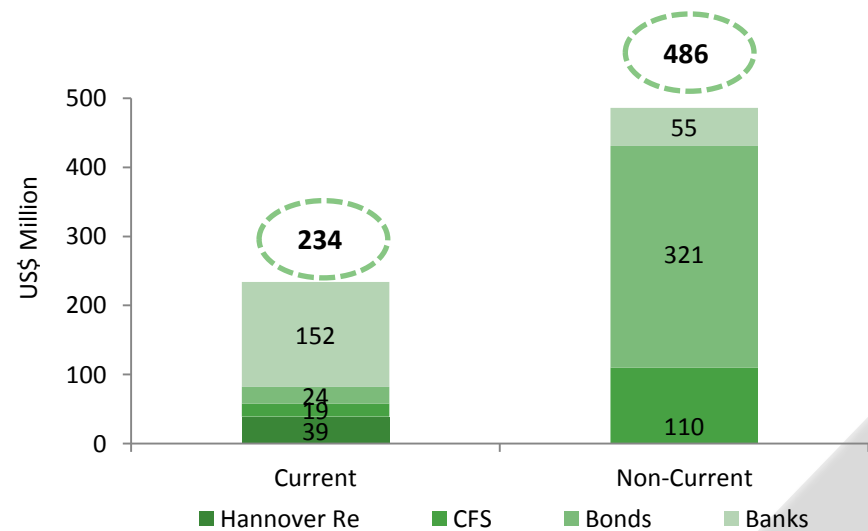
Net Debt/ EBITDA



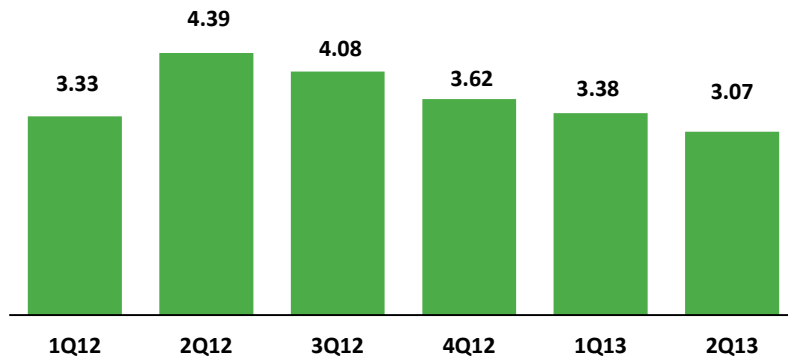
Financial Expenses



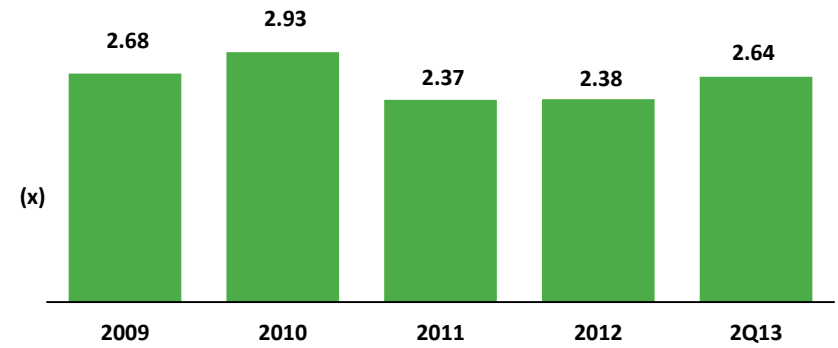
Liabilities Structure



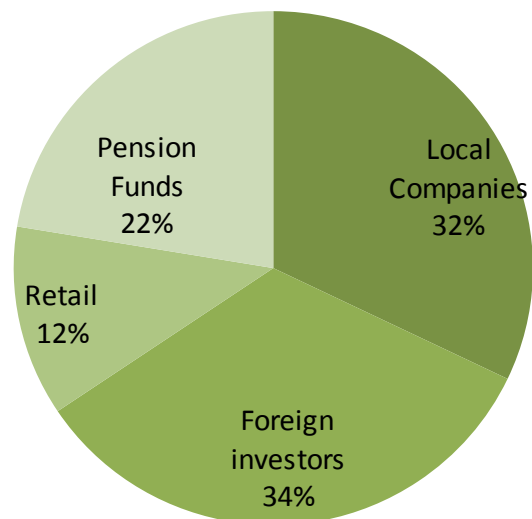
Net debt to EBITDA ratio



Adjusted debt to EBITDA ratio



Shareholders composition



Capital	S/. 803'234,873.00
N° of stocks	803,234,873
Nominal Value	S/. 1.00

Main shareholders as of July 2013

Titular	% of Participation
La Positiva Vida Seguros y Reaseguros S.A.	8.17%
Equinox Partners LP	5.24%

Diversified shareholders base with 3,175 as July 2013

- More than 5% of total shares: 2 shareholders (13.41% capital)
- Between 1%-5% of total shares: 18 shareholders (46.43% capital)
- Less than 1% of total shares: 3,138 shareholders (40.16% capital)

Historical Stock Price Evolution



Average Monthly Amount Traded – Thousand S/.

