

For further information please contact:

Patricia Gastelumendi L.
CFO
Telf: (511) 626-4257
patricia.gastelumendi@ferreycorp.com.pe

Elizabeth Tamayo M.
Investor Relations Manager
Tel: (511) 626-5112
elizabeth.tamayo@ferreycorp.com.pe

Management Discussion and Analysis of the Consolidated Financial Statements of Ferreycorp S.A.A. and Subsidiaries

Third Quarter 2021

Lima, October 27, 2021.- Ferreycorp S.A.A. (BVL: FERREYC1), a Peruvian leading corporation which aims to carry out investment activities in the capital goods sector and complementary services with presence in Latin America, announces consolidated results for the third quarter 2021. The consolidated financial results have been prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in nuevos soles.

EXECUTIVE SUMMARY

THIRD QUARTER 2021 RESULTS

Since 2020 results were impacted by the operations halt since March 16th led by the obligatory social isolation declared by the Peruvian government, the analysis of 2021 results will be compared not only with 2020 but also with 2019 results.

- Consolidated sales for the third quarter 2021 amounted to S/ 1,708 million and surged by 40.0% compared to the same period 2020 (S/ 1,220 million) and showed a 6.7% increase compared to 3Q2019 (S/ 1,601 million). Consolidated sales in dollars (US\$422 million) recorded a 12% reduction compared to 3Q2019 (US\$479 million), as a result of important mining equipment deliveries carried out during that quarter. It is important to note that Caterpillar equipment for clients other than mining, logistic services, lubricants and personal protective equipment recorded higher sales in dollars compared to 3Q2019 and increased by 31%, 24%, 25% and 18%, respectively.
- Gross margin during the third quarter amounted to 27.1%, compared to 25.5% reached during the same period 2020 and 22.1% in third quarter 2019. Exchange rate affected the margin in S/ 48 million (2.8% as a percentage of total sales), therefore the adjusted gross margin would be 24.3%, still on top the adjusted gross margin of 23.5% in 3Q2020 and 21.1% in 3Q2019.

- Gross profit (S/ 462 million) improved by 48% compared to 3Q2020 (S/ 312 million), led by higher sales and margin. If compared to 3Q2019, gross profit rose 31% (S/ 353 million).

- Operating margin in this quarter reached to 13.7% higher than 9.2% in 3Q2020 and 7.7% in 3Q2019, mainly explained by higher gross profit and expenses that increased at a lower rate than sales compared to both periods. Excluding the FX effect in gross margin, operating margin is still on top of both periods (11.7%) which shows an operational improvement in the business units and therefore in the consolidated operating results.
- EBITDA margin for the 3Q2021 reached 17.5% compared to 13.1% in the same period 2020 and 10.9% in 3Q2019. EBITDA amounted to S/ 299 million and boosted by 87% compared to same period 2020 (S/ 159 million) and increased by 71% compared to 3Q2019 (S/ 175 million). This EBITDA margin reflects the corporation capacity to improve results led by the market recovery, higher demand and a better operating and financial structure.
- Consolidated net profit recorded in 3Q2021 amounted to S/ 86 million, 54% higher compared to S/ 56 million reached in 3Q2020 and rose by 166% compared to S/ 32 million reached in 3Q2019. Excluding the FX loss and the FX recovery thru the gross margin, net profit in 3Q2021 is 150% and 98% higher than net profit in 3Q2020 and 3Q2019, respectively.
- Free cash Flow for 3Q2021 amounted to S/ -46 million compared to S/ 558 million recorded in 3Q2020 and S/ -120 million in 3Q2019. This result compared to 3Q2020 is led by a reduction in investment in assets after the pandemic and lower sales during that period. If compared to 3Q2019, period with similar activity as in 2021, the result is led by more collections and a reduction in payables to suppliers.

ACCUMULATED RESULTS AS OF SEPTEMBER 2021

- Consolidated sales for this first nine-month period amounted to S/ 4,428 million and rose by 38% compared to the same period last year (S/ 3,204 million) and 3% above 2019 (S/ 4,313 million). Consolidated sales in dollars (US\$1,150 million) recorded an 11% reduction compared to sales as of September 2019 (US\$1,295 million) led by lower mining equipment sales (-27%) as in 2019 important mining equipment deliveries were carried out, and lower spare parts and services sales that dropped by 11%. It is important to note that Caterpillar equipment for clients other than mining, logistic services, lubricants and personal protective equipment recorded higher sales in dollars compared to 9MQ2019 and increased by 12%, 31%, 30% and 17%, respectively.
- Gross margin for 9M 2021 reached to 27.2%, compared to 25.2% during the same period 2020 and 24.1% in 2019. Gross profit (S/ 1,203 million) improved by 49% compared to 9M 2020 (S/ 808 million) and rose 16% (S/ 1,040 million) compared to 9M 2019, led by higher sales and margin. Exchange rate affected the margin in S/ 86 million (1.9% as a percentage of total sales), therefore the adjusted margin would be 25.2%, still on top the adjusted gross margin of 23.5% in 9M2020 and 23.8% in 9M2019.
- Operating profit in this first nine-month period amounted to S/ 546 million and surged by 146% and 41% compared to 9M2020 (S/ 222 million) and 9M2019 (S/ 387 million), respectively. As expenses increased to a lesser extent than sales, operating margin recorded to 12.3%, higher than operating margin as of September 2020 (6.9%) and as of September 2019 (9.0%). Excluding the FX recovery thru the gross margin, operating margin is still on top of both periods (11.4%).
- As of September 2021, EBITDA amounted to S/ 727 million and went up 101% compared to figures as of September 2020 (S/ 361 million) and rose 32% compared to 2019 (S/ 552 million). EBITDA margin year to date reached 16.4% compared to 11.3% and 12.8% for the YTD 2020 and YTD 2019, respectively, led by higher sales and gross margin, as well as controlled expenses.
- Consolidated net profit for the first nine-month period 2021 amounted to S/ 225 million compared to S/ 31 million net profit recorded as of September 2020 and S/ 206 million as of September 2019. In fact, net profit as of September 2021 was impacted by S/ -162 million soles FX loss, however, if we exclude

the FX effect in both periods (excluding the FX loss and the FX recovery thru the gross margin), net profit for the first nine-month period 2021 is 29% higher than net profit as of September 2019.

(in million except ratios per share)	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Net sales	\$422	\$389	\$339	\$459	\$344	\$235	\$346	\$459	\$479	\$413	\$403
Net sales	S/. 1,708	S/. 1,477	S/. 1,243	S/. 1,653	S/. 1,220	S/. 805	S/. 1,179	S/. 1,545	S/. 1,601	S/. 1,372	S/. 1,341
Gross profit	S/. 462	S/. 404	S/. 336	S/. 397	S/. 312	S/. 203	S/. 293	S/. 336	S/. 353	S/. 349	S/. 338
SG&A expenses	S/. -231	S/. -227	S/. -216	S/. -210	S/. -202	S/. -179	S/. -219	S/. -255	S/. -225	S/. -220	S/. -216
Operating profit	S/. 233	S/. 186	S/. 127	S/. 184	S/. 113	S/. 32	S/. 77	S/. 74	S/. 124	S/. 136	S/. 127
Financial expenses	S/. -18	S/. -18	S/. -18	S/. -21	S/. -24	S/. -28	S/. -22	S/. -23	S/. -24	S/. -25	S/. -23
FX gain/ loss	S/. -88	S/. -41	S/. -32	S/. -0	S/. -10	S/. -16	S/. -80	S/. 16	S/. -50	S/. 9	S/. 24
Net profit	S/. 86	S/. 86	S/. 53	S/. 113	S/. 56	S/. -4	S/. -21	S/. 41	S/. 32	S/. 81	S/. 92
EBITDA	S/. 299	S/. 246	S/. 183	S/. 238	S/. 159	S/. 74	S/. 128	S/. 133	S/. 175	S/. 194	S/. 183
Profit per-share	0.091	0.090	0.055	0.117	0.058	-0.004	-0.021	0.042	0.033	0.083	0.095
EBITDA per-share	0.314	0.258	0.191	0.248	0.165	0.076	0.131	0.136	0.179	0.199	0.188
Free cash flow	S/. -46	S/. -239	S/. 42	S/. 80	S/. 558	S/. 205	S/. 149	S/. 83	S/. -120	S/. -113	S/. 235
Gross margin	27.1%	27.4%	27.0%	24.0%	25.5%	25.2%	24.9%	21.7%	22.1%	25.5%	25.2%
SG&A / sales	13.5%	15.3%	17.4%	12.7%	16.6%	22.3%	18.6%	16.5%	14.0%	16.0%	16.1%
Operating margin	13.7%	12.6%	10.2%	11.2%	9.2%	4.0%	6.5%	4.8%	7.7%	9.9%	9.5%
Net margin	5.1%	5.8%	4.3%	6.8%	4.6%	-0.5%	-1.8%	2.6%	2.0%	5.9%	6.9%
EBITDA margin	17.5%	16.7%	14.7%	14.4%	13.1%	9.2%	10.8%	8.6%	10.9%	14.1%	13.6%
Indebtedness ratio	0.96	0.88	0.78	0.73	0.77	0.97	1.79	1.02	1.01	0.97	0.85
Net debt / EBITDA	2.21	2.35	2.53	2.64	3.19	4.05	3.43	3.21	2.97	2.88	2.69

MAIN HIGHLIGHTS

Dividends payment

The board on its meeting held on August 25, 2021, and in exercise of the Dividend Policy, agreed to pay cash dividends for S/ 100,000,000 on account of the year 2021 net profit. This amount is equivalent to S/ 0.1057 per share to be paid on October 29, 2021 with record date on October 15, 2021.

General Shareholders Meeting for amortization of treasury shares

According to the powers delegated by the Shareholders Meeting held on March 24, 1998, the Board in the meeting held on October 30, 2019, approved the acquisition of up to 50 million shares to be held in treasury. In accordance with the aforementioned corporate agreements, between November 2019 and August 2021, Ferreycorp purchased through the stock market 29'539,734 shares of own issuance, currently held as treasury shares, and equivalent to approximately three percent (3.03%) of the company's capital.

Considering the share repurchases dates and based on the maximum term of two years established by the Shareholders' Meeting and Board resolutions, Ferreycorp must decide on the sale or amortization of its treasury shares. Given the solid financial position of the company and the fact that the business plans at this time do not need additional cash requirements, the Board proposal to the Shareholders Meeting is the amortization of the shares.

Thus, the Board on its meeting held on September 29, 2021 convened a Virtual General Shareholders Meeting to submit for consideration the amortization of 16,788,791 shares held in treasury and the consequent capital reduction; amendment of article Five of the Bylaws to reflect the new capital; and, the appointment of a special representative to sign the minutes and public deeds in order to formalize the agreements. The shares to be amortized are the ones that were acquired between November 2019 and March 2020 and that expire before the next shareholders meeting to be held in March 2022.

Ferreyros: a decade among the ten companies with best reputation in Perú

Ferreyros has been part of the ten companies with the best corporate reputation nationwide since the launch of Merco Empresas ranking in Perú a decade ago.

Ferreyros was recognized for its path during the results presentation in its 2021 edition. Ferreyros remained in eighth place on the list and as the leader in its sector.

Merco is one of the main reference monitors in the world. This edition accounted with more than 23,000 respondents that include opinion leaders, managers, collaborators, managers, financial analysts, professors from universities, NGOs representatives, trade unions and consumer associations, agents and digital users, human resources experts and public, among others.

Ferreycorp recognized for the eighth time as one of the most admired companies in Peru

Ferreycorp was distinguished for eight time among the ten Most Admired Companies in Peru. This recognition was granted by the magazine "G de Gestión" and PwC, after a rigorous survey to 6,000 business leaders of the main companies in the country.

This distinction is based on ten key attributes of business performance: reputation, gender equality, strategic vision, management leadership, financial management, innovation capacity, talent management, business strategy, corporate governance and social impact.

COMMERCIAL MANAGEMENT

1. SALES BREAKDOWN ACCORDING TO CORPORATE ORGANIZATION

Ferreycorp organizes its companies in three main groups:

Group I - Subsidiaries which are Caterpillar dealers and represent allied brands in Peru (Ferreyros, Unimaq and Orvisa)

During the third quarter 2021, sales in nuevos soles sales ramped up 48% and 5% compared to 3Q2020 and 3Q2019, respectively. In dollars, sales dropped by 14% compared to 3Q2019 mainly led by a 40% reduction in mining equipment sales, as important deliveries were carried out during 3Q2019, nevertheless Caterpillar machines for sectors other than mining, mainly construction and medium size mining, rose by 23%.

The share of this first group of subsidiaries in total sales during the second quarter is 78%.

Group II - Caterpillar dealers and other businesses in Central America (Gentrac, Cogesa, Motored and Soltrak).

Sales of the second group of companies, with presence in Central America, went up 27% compared to 3Q2020 and 41% compared to 3Q2019. In dollars, sales rose 16% compared to 3Q2019 mainly driven by Caterpillar equipment for sectors other than mining (+86%) and spare parts and services (+9%).

This group of companies currently represents 8% of total sales.

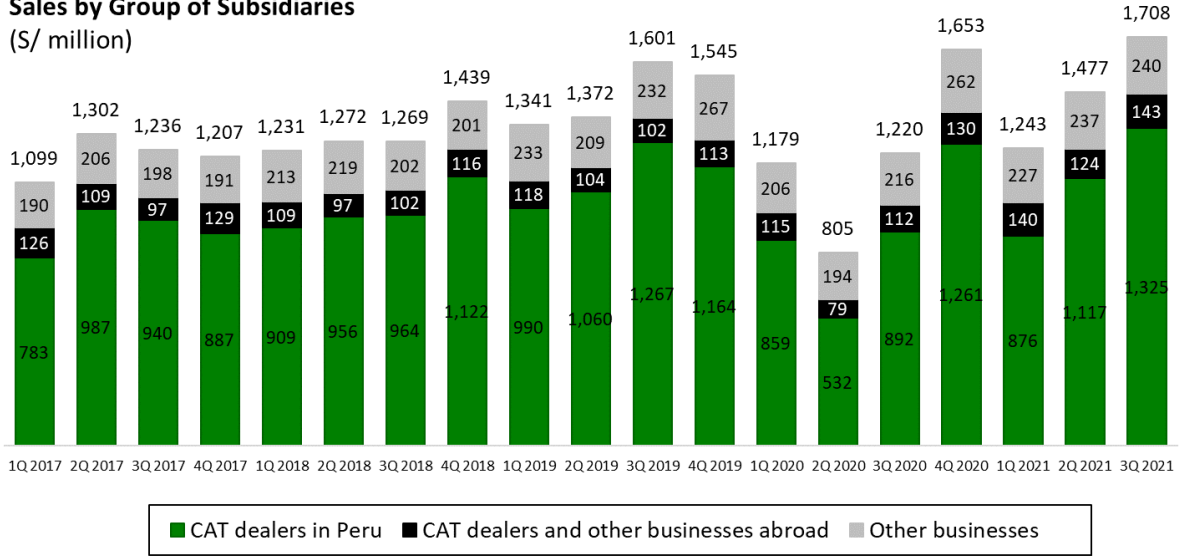
Group III - Other subsidiaries aimed to offer capital goods and services other than Caterpillar to different economic sectors in Peru and South America (Motored, Soltrak, Trex, Motriza, Fargoline, Forbis Logistics and Sitech).

This group of companies, which complement the supply of goods and services through equipment and vehicles, consumables and logistics solutions, among other lines, increased sales by 12% compared to 3Q2020 and by 4% compared to 3Q2019.

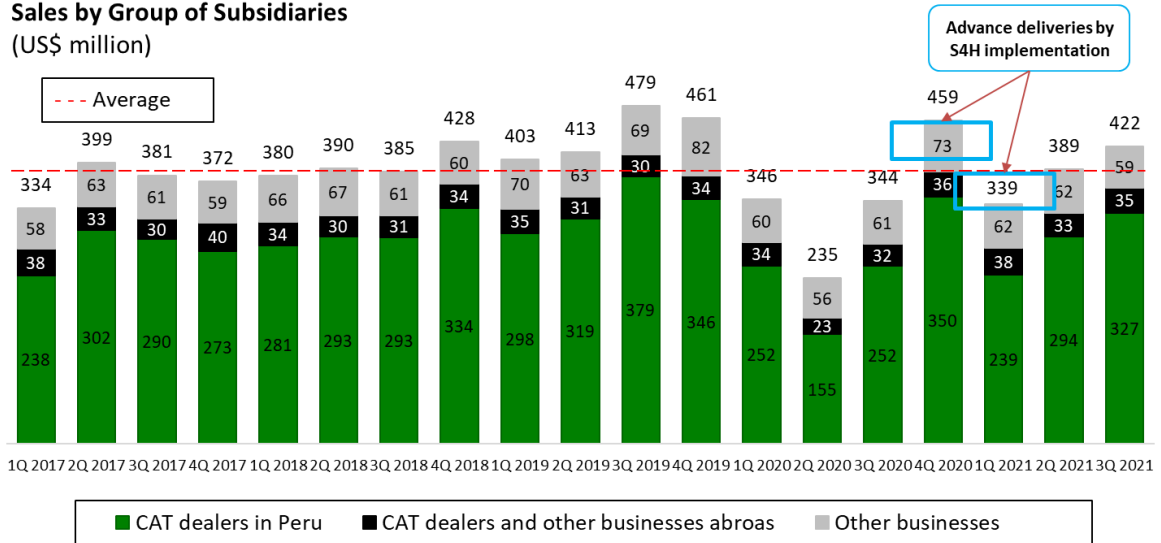
In dollars, sales decreased by 14% compared to 3Q2019 as a result of lower automotive sales (-70%) that were partially offset by logistic services that increased by 24%, lubricants that rose by 25% and personal protective equipment by 18%.

This group of companies generated 14% of the total sales of the corporation.

Sales by Group of Subsidiaries
(S/ million)



Sales by Group of Subsidiaries
(US\$ million)



The detail of sales by group of companies:

(S/ million)	3Q 2021	%	2Q 2021	%	3Q 2020	%	3Q 2019	%	% Var 3Q 2021/ 2Q 2021	% Var 3Q 2021/ 3Q 2020	% Var 3Q 2021/ 3Q 2019
Ferreyros	1,154	68	957	65	721	59	1,132	71	20.6	60.2	2.0
Unimaq	136	8	118	8	122	10	103	6	15.3	12.0	32.9
Orvisa	34	2	41	3	50	4	33	2	-17.5	-31.8	4.8
Total dealers CAT in Peru	1,325	78	1,117	76	892	73	1,267	79	18.6	48.4	4.6
Total dealers CAT and other businesses abroad	143	8	124	8	112	9	102	6	15.6	27.4	40.5
Soltrak	74	4	71	5	58	5	57	4	4.2	26.6	28.9
Trex (Chile)	95	6	84	6	55	4	77	5	12.8	73.3	23.7
Motored	17	1	24	2	47	4	48	3	-26.6	-63.3	-63.8
Trex (Peru)	14	1	20	1	27	2	19	1	-26.5	-45.9	-25.1
Fargoline	23	1	21	1	20	2	20	1	9.7	13.7	11.8
Forbis	15	1	16	1	7	1	4	0	-5.0	106.7	252.0
Others	2	0	2	0	1	0	6	0	3.2	54.5	-71.1
Total other businesses	240	14	237	16	216	18	232	14	1.5	11.5	3.7
TOTAL	1,708	100	1,477	100	1,220	100	1,601	100	15.6	40.0	6.7

2. SALES BREAKDOWN BY BUSINESS LINE

(S/ million)	3Q 2021	%	2Q 2021	%	3Q 2020	%	3Q 2019	%	% Var 3Q 2021/ 2Q 2021	% Var 3Q 2021/ 3Q 2020	% Var 3Q 2021/ 3Q 2019
CAT mining trucks and machines (GM)	182	11	96	7	63	5	250	16	88.7	190.9	-27.4
CAT machines for other sectors (NGM)	282	17	224	15	244	20	178	11	26.1	15.5	58.4
Allied equipment	132	8	131	9	139	11	163	10	1.2	-4.5	-18.8
Rental and used	106	6	108	7	96	8	162	10	-2.2	10.0	-34.6
Spare parts and services	859	50	778	53	566	46	743	46	10.4	51.7	15.5
Other lines	147	9	140	9	112	9	104	6	5.1	30.7	41.9
TOTAL	1,708	100	1,477	100	1,220	100	1,601	100	15.6	40.0	6.7

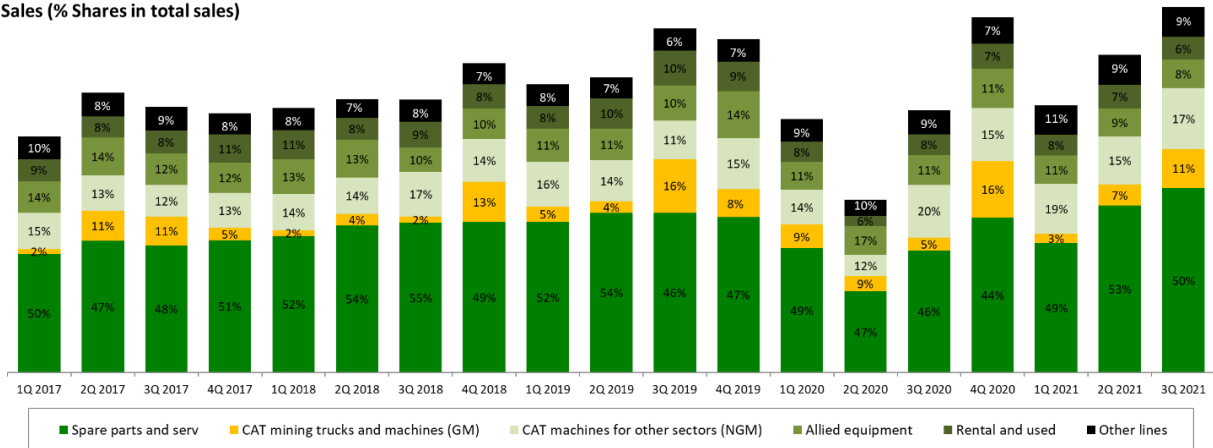
During this quarter Caterpillar mining equipment and equipment for clients other than mining recorded higher sales that rose by 191% and 16%, respectively, compared to 3Q2020. If compared to 3Q2019, the business line that showed greater dynamism was Caterpillar equipment for clients other than mining, mainly related to construction and medium size mining, that increased by 58%.

In dollars, Caterpillar mining equipment dropped by 40% compared to 3Q2019, meanwhile Caterpillar equipment for clients other than mining increased 31%.

Logistic services, lubricants and personal protective equipment sales in soles ramped up 35%, 37% and 16%, respectively compared to 3Q2020 and by 50%, 51% and 43%, compared to 3Q2019. This business lines also increased their sales in dollars by 24%, 25% and 18%, respectively, compared to 3Q2019.

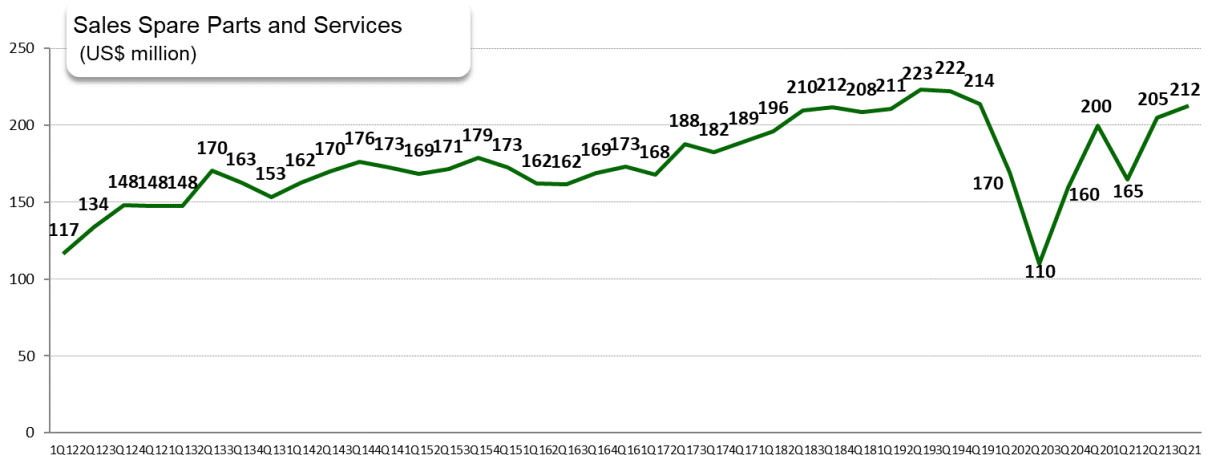
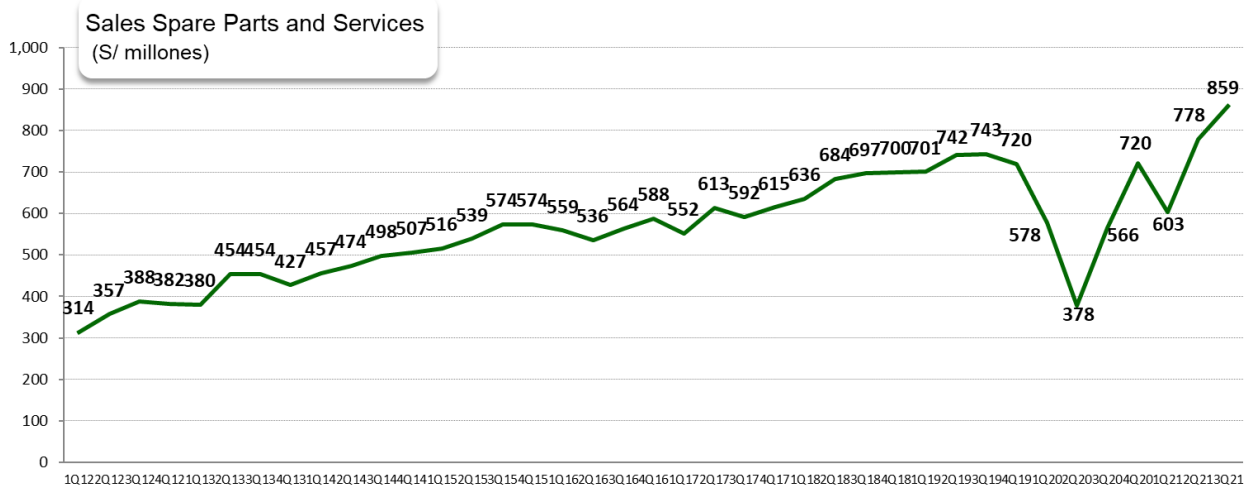
In turn, sales of spare parts and services during the 3Q2021 (S/ 859 million soles) were 52% and 16% on top 3Q2020 and 3Q2019 sales, respectively. However, in dollars, sales of spare parts and services dropped 5% compared to 3Q2019.

Sales (% Shares in total sales)

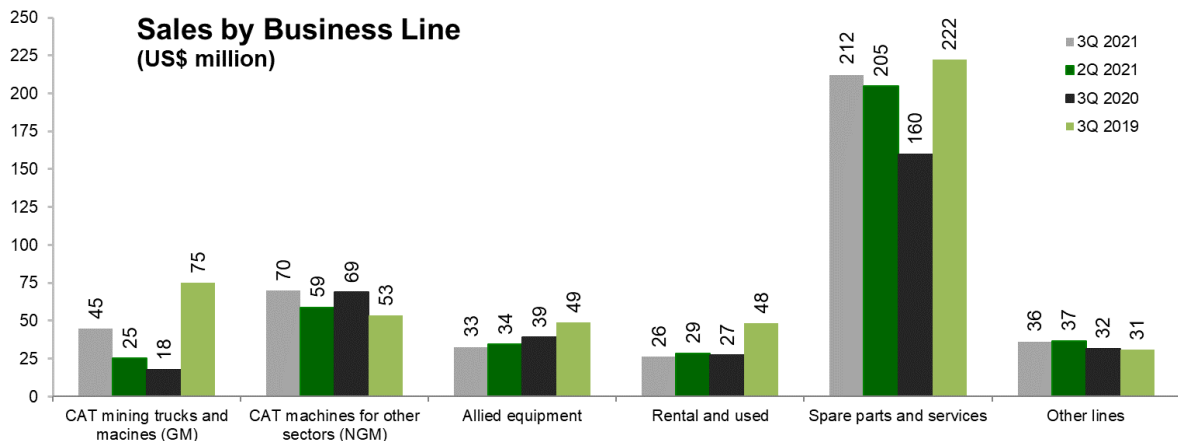
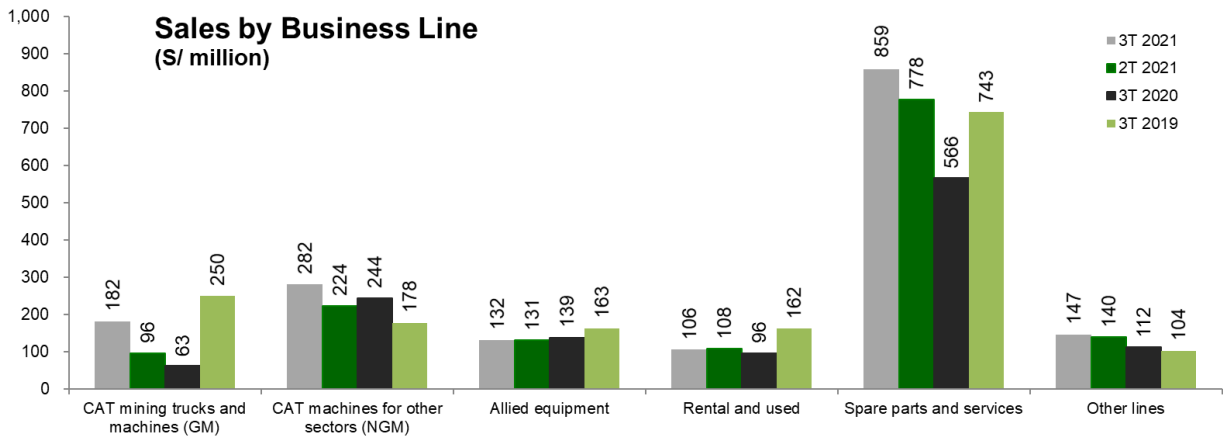


The strategy of the corporation is focused in serving the customers throughout the life of their equipment, for this reason, great efforts are deployed to deliver the best quality aftermarket support through locations near the customers.

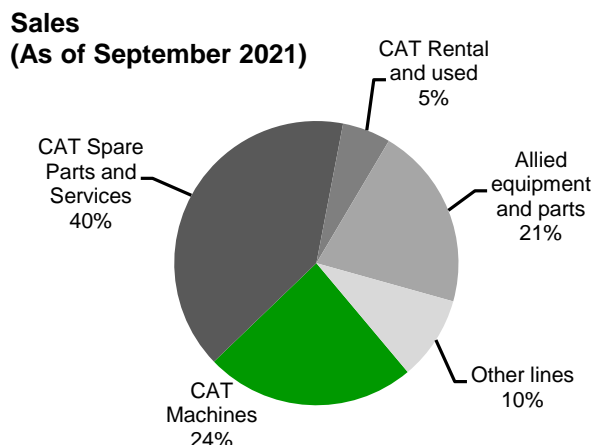
These capacities have allowed spare parts and services business line, both Caterpillar and allied brands, to keep the higher share in the composition of total sales (50%), reaching S/ 859 million thru the third quarter 2021, higher by 52% compared to 3Q2020 and 16% on top 3Q2019 sales. This variation is favored by higher FX, nevertheless, sales in dollars dropped by 5% compared to 3Q2019.



The after-market provided by Ferreycorp to its customers is recognized by high quality standards, a key difference from the competition. However, as mentioned before, all of the corporation's subsidiaries have gradually restarted their operations in service in shops, warehouses, branches and offices, within the mandatory security protocols and safeguarding in first instance the health of all employees and the other stakeholders with whom they interact. As of September 2021, employees in most subsidiaries are working in the following schemes: 73% presence in the office or in a mix scheme, 25% home office and 2% under leave with payment.



As of September 2021, sales of the Caterpillar brand carried by Caterpillar dealers in Peru, Guatemala, El Salvador and Belize, accounted for 69% of total sales, including machinery and equipment (new, used and rental units) as well as spare parts and services.



ANALYSIS OF FINANCIAL INFORMATION

1. Sales

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Sales	1,708.1	1,220.4	40.0	1,600.8	6.7	4,428.4	3,204.0	38.2	4,313.4	2.7

(See section "Commercial Management for an explanation of this variation)

2. Gross Profit

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Gross profit	462.5	311.7	48.4	353.0	31.0	1,202.5	808.1	48.8	1,040.0	15.6
Gross margin	27.1%	25.5%		22.1%		27.2%	25.2%		24.1%	

Gross profit for the third quarter 2021 amounted to S/ 462 million and increased by 48% if compared to gross profit recorded in 3Q2020, due to higher sales and gross margin. In percentage terms, gross margin was 27.1% higher than gross margin in 3Q2020 and 3Q2019, mainly led by the FX recovery which equals to 2.8% in 3Q2021.

Moreover, if we exclude the FX recovery thru the margin, the adjusted gross margin would be: 3Q2021, 24.3%; 3Q2020, 23.5%; and 3Q2019, 21.1%. Gross margin for 3Q2021 is still on top last year's figures, mainly due to the share of spare parts and services of 50% in overall sales.

3. Selling and Administrative Expenses

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Selling and administrative expenses	231.3	202.4	14.3	224.7	2.9	673.8	600.5	12.2	660.4	2.0
As a % of total sales	13.5%	16.6%		14.0%		-15.2%	-18.7%		-15.3%	

Selling and administrative expenses during the third quarter 2021 went up 14.3% and 2.9% if compared to 3Q2020 and 3Q2019, respectively. Expenses as a percentage of total sales amounted to 13.5%, below 16.6% recorded in 3Q2020 and also below 14% recorded in 3Q2019, due to higher sales.

If compared to third quarter 2020, the increase in SG&A expenses is led by higher profit share, increase in personnel expenses (in 2020 expenses were reduced by temporary salary adjustments, reduction in working hours, vacation compensation, among others), amortization and other expenses related to the SAP S/4 HANA project (S/ 6.5 million) which were recorded as intangible assets during 2020.

4. Financial Expenses

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Financial expenses	18.1	23.7	-23.4	24.4	-25.5	54.0	74.5	-27.5	72.7	-25.8
As a % of total sales	1.1%	1.9%		1.5%		-1.2%	-2.3%		-1.7%	

Financial expenses during the third quarter 2021 shrunk by 23.4% and 25.5% compared to 3Q2020 and 3Q2019, respectively. In the third quarter 2021 the average debt and the average interest rate reduced (average rate for the third quarter 2021: 2.52%; 3.78% in 3Q2020 and 3.45% in 3Q2019).

Average financial liabilities went from US\$ 674 million in 3Q2019 to US\$ 625 million in 3Q2020 to US\$ 570 million in 3Q2021.

5. Foreign Exchange Gain/Loss

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Foreign Exchange Loss	-87.8	-9.6		-50.5	-161.6	-105.8		-17.4	

During the third quarter 2021, the company recorded S/ 88 million FX loss as a result of the FX devaluation in Peru and in Chile. The devaluation of the sol against the dollar was 6.98% (went from S/ 3.866 in June 2021 to S/ 4.136 in September 2021); in 3Q2020, a 1.64% devaluation of the sol was registered (went from S/ 3.541 in June 2020 to S/ 3.599 in September 2020); while in 3Q2019, a 2.89% nuevo sol devaluation was recorded (went from S/ 3.290 in June 2019 to S/ 3.385 in September 2019). The devaluation of the Chilean peso against the dollar in the third quarter 2021 was 11.56%, in 3Q2020 the appreciation was 4.03%, meanwhile, in 3Q 2019 a 7.22% devaluation was recorded.

As appointed before, it is important to mention that the company has a natural hedge considering that sales – as well as machinery import, invoicing to clients and financing – are made in foreign currency (US dollars). Therefore, exchange loss recorded during the year derived from higher exchange rates will be recovered in part through the sale of the inventory which is registered at a lower exchange rate, but which is not susceptible to adjustment due to accounting standards.

6. Net profit

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
Net profit	86.3	56.2		32.5	165.7	225.2	31.3		205.7	9.5
Net margin	5.1%	4.6%		2.0%		5.1%	1.0%		4.8%	

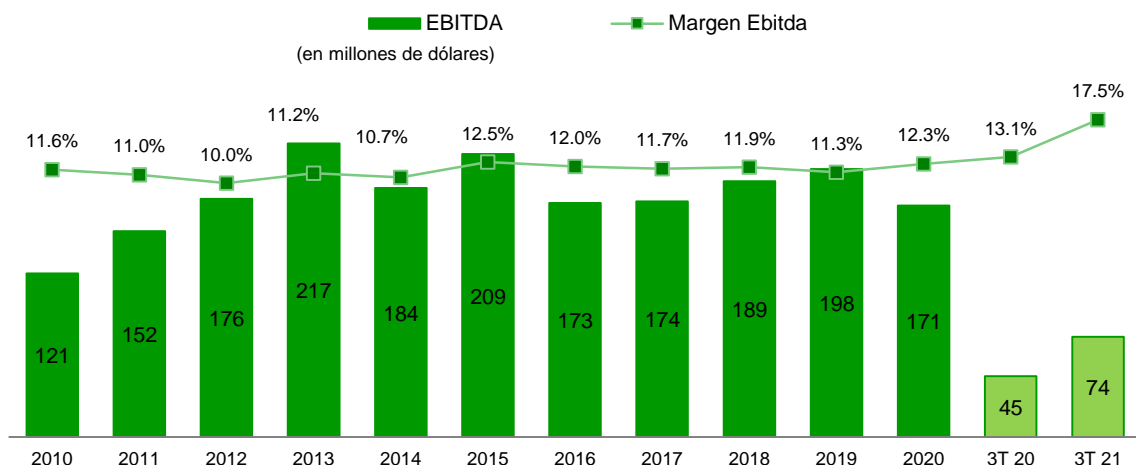
Net profit for the third quarter 2021 amounted to S/ 86 million and went up 53.6% compared to 3Q2020 net profit and by 165.7% compared to 3Q2019. Net profit for 3Q2021 is led by higher sales with better gross margin and controlled expenses that offset the FX loss.

If we exclude the FX loss and the FX effect in the gross margin, net profit for the third quarter 2021 would amount to S/ 114.2 million, net profit for the 3Q2020 becomes S/ 45.7 million and net profit for 3Q2019 would amount to S/ 57.6 million – 3Q2021 net profit is still on top 3Q2020 and 3Q2019.

7. EBITDA

Million soles	3Q 2021	3Q 2020	%Var.	3Q 2019	%Var.	As of Sep21	As of Sep20	%Var.	As of Sep19	%Var.
EBITDA	298.5	159.5	87.2	174.8	70.8	727.2	361.4	101.2	551.7	31.8
EBITDA Margin	17.5%	13.1%		10.9%		16.4%	11.3%		12.8%	

Third quarter 2021 EBITDA surged 87.2% and 70.8% compared to 3Q2020 and 3Q2019, respectively, as a result of higher operating profit derived from higher sales and gross margin.



ANALYSIS ACCORDING TO CORPORATE ORGANIZATION

(\$/ thousand)

	CAT Dealers in Peru		CAT Dealers and other businesses abroad		Other businesses	
	3Q 21	3Q 20	3Q 21	3Q 20	3Q 21	3Q 20
Sales	3,317,475	2,283,126	406,949	306,083	703,995	613,441
Gross profit	946,886	601,172	97,190	70,856	158,441	135,975
Gross margin	29%	26%	24%	23%	23%	22%
SG&A	492,806	448,711	63,113	51,484	109,664	95,811
Operating profit	465,493	165,437	34,413	21,341	51,260	41,038
Operating margin	14%	7%	8%	7%	7%	7%
Depreciation and amortization	99,583	63,111	16,644	15,544	42,271	40,641
EBITDA	573,126	236,666	52,731	38,812	100,911	86,300
EBITDA margin	17%	10%	13%	13%	14%	14%

Note: This results do not include Ferreycorp and Inti

ANALYSIS OF CONSOLIDATED FINANCIAL INFORMATION

As of September 30th, 2021, total assets amounted to S/ 6,319.1 million and rose by 5.5% from total assets as of September 2020 (S/ 5,987.5 million). The current global logistics crisis led by backlog of post pandemic orders, the fuel prices increase, limited availability of containers, delays due to protocols in ports of origin and destination, and, in order to keep our value proposition to our customers, the corporation increased inventories by S/ 332 million (+17%) – mainly parts inventories that increased by 43%.

As of September 30, 2021, assets turnover accounted to 0.98 (considering Rolling 12 months); nevertheless, if we consider rolling 6 months, which better reflects the sales stabilization, assets turnover would be 1.03.

Financial debt as of September 30th, 2021, amounted S/2,373.0 million or US\$ 574 million, and increased by 6.7% compared to same period 2020 (US\$ 538 million), with 17% of the total debt in nuevos soles to balance the FX impact. Current maturities account to 58% of total debt.

Nevertheless, 3Q2021 average financial liabilities mounted to US\$ 570 million, 8.8% lower compared to average financial liabilities of 3Q2020 (US\$625 million) and 15.5% behind 3Q2019 average financial liabilities of US\$ 674 million.

It is important to mention that financial debt include S/ 107.1 million (US\$ 25.9 million) regarding to IFRS16 application to Leases. This rule indicates that lease contracts must be converted into a liability and an asset equivalent to the right of use of the good that belongs to the contract and recording a financial expense that results from bringing the corresponding obligation to present value.

INVESTMENT IN FIXED ASSETS (CAPEX) AND INTANGIBLES

As of September 2021, the investment in fixed assets and intangibles amounted S/ 97.1 million led by: Ferreycorp that acquired two facilities in Ate and Lurín, as investment properties, for S/ 57.5 million to be leased to subsidiaries; rental fleet acquired by Gentrac-Guatemala (S/ 9.3 million); investment in equipment for La Joya (S/ 5.7 million); Ferreyros work in progress in complimentary projects (S/ 8.1 million) and S/ 4.4 million that was additionally invested for the ERP SAP S/4 HANA stabilization stage.

As of September 2021, there is a difference between the fixed assets account recorded in the Statement of Financial Position and the capital expenditures (CAPEX) related to additions derived from the recognition of leased assets (locations, rental fleet, vehicles fleet, among the most important) as fixed assets according to IFRS 16 for S/ 40 million.

FINANCIAL RATIOS

Ratios	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Set-19	Jun-19	Mar-19
Current ratio	1.34	1.38	1.30	1.42	1.40	1.40	1.37	1.42	1.40	1.41	1.69
Financial debt ratio	0.96	0.88	0.78	0.73	0.77	0.95	0.99	1.02	1.01	0.97	0.85
Indebtedness ratio	1.85	1.75	1.66	1.61	1.94	1.93	1.79	1.66	1.65	1.64	1.60
Net debt / EBITDA	2.21	2.35	2.53	2.64	3.19	4.05	3.35	3.21	2.97	2.88	2.69
Adjusted debt / EBITDA	1.69	1.71	1.92	2.37	3.07	3.22	2.50	2.36	2.04	2.05	2.30
Financial expenses coverage ratio	13.47	11.96	10.44	6.26	4.85	3.97	5.69	7.13	7.59	7.80	7.81
Assets turnover	0.98	0.91	0.85	0.85	0.80	0.86	0.99	1.04	1.05	1.01	1.01
Inventory turnover	2.14	1.97	1.87	2.00	1.87	1.93	2.26	2.39	2.42	2.32	2.41
Inventory days	168	183	193	180	193	187	159	150	149	155	149
Collection days	56	56	60	69	76	64	56	62	64	63	67
Payable days	52	46	57	55	58	52	47	48	52	55	53
Cash cycle	172	192	195	193	210	198	169	165	161	163	163
ROE	15.9%	14.2%	10.3%	6.7%	3.4%	2.3%	6.3%	11.5%	12.1%	13.3%	12.2%
ROA	8.4%	7.0%	5.6%	5.0%	3.5%	3.6%	5.1%	5.8%	6.9%	6.9%	6.7%
ROIC	13.2%	11.4%	9.0%	7.4%	5.5%	5.3%	7.0%	7.9%	8.9%	9.1%	9.3%
Book value per-share	2.22	2.22	2.22	2.25	2.09	2.18	2.17	2.21	2.23	2.20	2.17

Note: See description of each ratio in the section "Glossary of terms".

It is important to mention that all ratios were impacted by the operations halt since the second half of March 2020.

The leverage ratios considered within the covenants of the medium-term loans, in particular the adjusted debt covenant, show a significant decrease due to a reduction of financial debt and EBITDA increase.

The cash cycle decreased by the end of September 2021 to 172 days; in line with 2019 figures. However, if we exclude the effect of mining equipment in inventory, the cash cycle will drop to 141 days.

Profitability ratios have improved since 2019, led by higher operating profit.

GLOSSARY OF TERMS

1) Current Ratio:

Evaluates the liquidity of the company to face its short-term liabilities with its short-term assets. It is calculated as follows: Current Assets / Current Liabilities.

2) Equity debt

Evaluates the company's level of debt. It shows the proportions of debt and capital that a company uses. It is calculated as follows: Total Liabilities / Total Equity.

3) Indebtedness Ratio:

Indicates which assets of the company have been financed with debt, either short or long term. It is calculated as follows: Total Assets / Total Liabilities.

4) Adjusted Financial Debt / EBITDA Ratio

This ratio shows how many years Ferreycorp would take in order to pay its debt excluding its short term debt related to inventories. It is calculated as follows: (Total Financial Debt – Short Term debt related to inventories acquisition) / EBITDA.

5) Financial expenses coverage

Indicates how many times the profit generated by the operations of the company are able to cover their financial expenses for the period. It is calculated as follows: EBITDA / Financial expenses.

6) Assets turnover

Ratio used as a performance indicator to measure how the company is using its assets to generate income. It is calculated as follows: Sales / Average Assets.

7) Inventory turnover

Shows the efficiency of the company to manage its inventory. It measures the number of times inventory is sold and replaced within a period of time. It is calculated as follows: Cost of Goods Sold / Average Inventory.

8) Return on Equity - ROE

This ratio measures the corporation's profitability in a period by revealing how much profit is generated with shareholders' investments. It is calculated as follows: Net Income / Shareholder's Equity.

9) Return on Assets - ROA

Measures the profitability of the company in a period based on the total assets of the corporation. It is calculated as follows: (Operating profit x (1 - T)) / Average Assets.

10) Return on Invested Capital - ROIC

This ratio is used by the company in order to make investment decisions and allocate resources. It is calculated as follows: EBIT (last twelve months) / Average Invested Capital.

11) Receivable days

Establish the approximate time (in days) it takes for a company to carry out the collection of accounts receivables. It is calculated as follows: $360 * \text{Sales} / \text{Average Accounts Receivable}$.

12) Payable days

Establish the approximate time (in days) it takes the business to pay its payable accounts. The ratio is calculated as follows: $360 * \text{Cost of Sales} / \text{Average Accounts Payable}$.

13) Cash cycle

Is the difference between the operating cycle and payment cycle. It is a rough calculation that measures how long it takes the company to convert its cash resources. It is calculated as follows: Days of inventory + Accounts receivable days - Accounts payable days.

14) Book value per share

It is the net value of equity divided by the number of shares issued by the company. The calculation is: Equity / Number of shares.

FERREYCORP S.A.A. AND SUBSIDIARIES
APPENDIX 1
Income Statement

(In thousand soles)

	3Q 2021	%	3Q 2020	%	Var %	3Q 2019	%	Var %	As of Sep21	%	As of Sep20	%	Var %	As of Sep19	%	Var %
Net sales	1,708,119	100.0	1,220,409	100.0	40.0	1,600,764	100.0	6.7	4,428,419	100.0	3,204,045	100.0	38.2	4,313,419	100.0	2.7
Cost of goods sold	-1,245,635	-72.9	-908,703	-74.5	37.1	-1,247,762	-77.9	-0.2	-3,225,902	-72.8	-2,395,955	-74.8	34.6	-3,273,400	-75.9	-1.5
Gross profit	462,484	27.1	311,706	25.5	48.4	353,002	22.1	31.0	1,202,517	27.2	808,090	25.2	48.8	1,040,019	24.1	15.6
Selling and administrative expense:	-231,339	-13.5	-202,392	-16.6	14.3	-224,746	-14.0	2.9	-673,760	-15.2	-600,497	-18.7	12.2	-660,395	-15.3	2.0
Other income (expenses), net	2,068	0.1	3,462	0.3	-40.3	-4,492	-0.3	-146.0	17,319	0.4	14,638	0.5	18.3	7,531	0.2	130.0
Operating profit	233,213	13.7	112,776	9.2	106.8	123,764	7.7	88.4	546,076	12.3	222,231	6.9	145.7	387,155	9.0	41.0
Financial income	5,798	0.3	6,324	0.5	-8.3	5,407	0.3	7.2	17,060	0.4	14,405	0.4	18.4	15,945	0.4	7.0
Gain (Loss) to exchange rate	-87,761	-5.1	-9,579	-0.8	816.2	-50,461	-3.2	73.9	-161,571	-3.6	-105,759	-3.3	52.8	-17,434	-0.4	826.8
Financial expenses	-18,149	-1.1	-23,685	-1.9	-23.4	-24,370	-1.5	-25.5	-53,992	-1.2	-74,494	-2.3	-27.5	-72,720	-1.7	-25.8
Participation in the results of associates	175	0.0	-171	-0.0	-202.3	950	0.1	-81.6	1,128	0.0	1,125	0.0	0.3	2,548	0.1	-55.7
Profit before income tax	133,276	7.8	85,665	7.0	55.6	55,290	3.5	141.0	348,701	7.9	57,508	1.8	506.4	315,494	7.3	10.5
Income tax	-46,990	-2.8	-29,492	-2.4	59.3	-22,811	-1.4	106.0	-123,508	-2.8	-26,236	-0.8	370.8	-109,786	-2.5	12.5
Net profit	86,286	5.1	56,173	4.6	53.6	32,479	2.0	165.7	225,193	5.1	31,272	1.0	620.1	205,708	4.8	9.5
EBITDA	298,519	17.5	159,477	13.1	87.2	174,792	10.9	70.8	727,240	16.4	361,368	11.3	101.2	551,701	12.8	31.8

NOTE: Some amounts have been reclassified in this document, to include the allocation of the gross profit of purchase orders, such as sale and cost of sale. In the Income Statement presented to the SMV, only the gross profit obtained in various operations is shown in the heading of other operating income.

FERREYCORP S.A.A. AND SUBSIDIARIES

APPENDIX 2

Statement of Financial Position

(In thousand soles)

	As of 30-09-2021	As of 30-09-2020	Var %
Cash and cash equivalents	242,469	361,154	-32.9
Accounts receivables - trade	1,147,423	1,007,791	13.9
Inventories	2,251,013	1,918,673	17.3
Accounts receivables - other	247,650	234,338	5.7
Assets available for sale	14,869	13,863	7.3
Investment in shares	-	53,925	-100.0
Prepaid expenses	44,561	38,902	14.5
Current assets	3,947,985	3,628,646	8.8
Long term accounts receivables - trade	41,418	29,628	39.8
Long term accounts receivables - other	36,536	34,376	6.3
Property	1,241,366	1,138,205	9.1
Rental fleet	621,724	575,317	8.1
Machinery and equipment	486,239	464,325	4.7
Other fixed assets	127,246	163,329	-22.1
	2,476,575	2,341,176	5.8
Accrued depreciation	-829,270	-714,114	16.1
Property, plant and equipment	1,647,305	1,627,062	1.2
Investments	19,120	17,494	9.3
Intangible assets, net and goodwill	447,262	440,282	1.6
Deferred income tax	179,507	210,040	-14.5
Non current assets	2,371,148	2,358,882	0.5
Total Assets	6,319,133	5,987,528	5.5

	As of 30-09-2021	As of 30-09-2020	Var %
Short term debt	362,034	337,162	7.4
Liabilities derived from leases (IFRS16)	50,461	52,464	-3.8
Other current liabilities	2,528,007	2,198,716	15.0
Current liabilities	2,940,502	2,588,342	13.6
Long term debt	946,176	1,074,170	-11.9
Other payables	1,766	755	133.9
Liabilities derived from leases (IFRS16)	56,633	97,225	-41.8
Deferred income tax	159,139	187,464	-15.1
Total Liabilities	4,104,216	3,947,956	4.0
Equity	2,214,917	2,039,572	8.6
Total Liabilities and Equity	6,319,133	5,987,528	5.5
Other financial information			
Depreciation	142,576	118,075	
Amortization	21,528	6,657	

FERREYCORP S.A.A. AND SUBSIDIARIES

APPENDIX 3

NET SALES

(In thousand nuevos soles)

	3Q 2021	%	2Q 2021	%	3Q 2020	%	3Q 2019	%	% Var 3Q 2021/ 2Q 2021	% Var 3Q 2021/ 3Q 2020	% Var 3Q 2021/ 3Q 2019	As of Sep21	%	As of Sep20	%	As of Sep19	%	% Var a set21/ a set20	% Var a set21/ a set19
CAT mining trucks and machines (GM)	181,846	11	96,362	7	62,512	5	250,473	16	88.7	190.9	-27.4	319,290	7	242,502	8	378,318	9	31.7	-15.6
CAT machines for other sectors (NGM)	282,307	17	223,944	15	244,400	20	178,202	11	26.1	15.5	58.4	739,996	17	505,712	16	575,213	13	46.3	28.6
Allied equipment	132,384	8	130,821	9	138,669	11	163,030	10	1.2	-4.5	-18.8	394,059	9	405,865	13	464,867	11	-2.9	-15.2
Rental and used	106,020	6	108,382	7	96,411	8	162,129	10	-2.2	10.0	-34.6	312,003	7	232,692	7	405,681	9	34.1	-23.1
Spare parts and servi	858,651	50	778,057	53	565,998	46	743,408	46	10.4	51.7	15.5	2,240,065	51	1,521,208	47	2,185,962	51	47.3	2.5
Other lines	146,911	9	139,832	9	112,419	9	103,522	6	5.1	30.7	41.9	423,006	10	296,066	9	303,378	7	42.9	39.4
TOTAL	1,708,119	100	1,477,398	100	1,220,409	100	1,600,764	100	15.6	40.0	6.7	4,428,419	100	3,204,045	100	4,313,419	100	38.2	2.7

FERREYCORP S.A.A. AND SUBSIDIARIES
APPENDIX 4
Total Liabilities as of September 30th, 2021

(In thousand US\$)

	Total Liabilities	Current Liabilities	Long term Liabilities		(A) Financial Liabilities
			Current	Long term	
Local banks (short term)	192,046	192,046	-	-	192,046
Foreign banks (short term)	51,698	51,698	-	-	51,698
Local banks (long term)	120,844	-	22,179	98,665	120,844
Foreign banks (long term)	52,304	-	18,610	33,694	52,304
Local and foreign banks (Leasing Fin)	337	-	248	89	337
Suppliers:					
Accounts payable to Caterpillar	108,828	108,828	-	-	-
Accounts payable to Caterpillar	-	-	-	-	-
Others	73,555	73,555	-	-	-
Corporate bonds	89,311	-	-	89,311	89,311
Caterpillar Financial	41,302	-	34,295	7,007	41,302
Liabilities derived from leases (IFRS16)	25,893	-	12,200	13,693	25,893
Other Liabilities	236,198	197,294	-	38,904	-
Total (US\$)	992,315	623,421	87,532	281,362	573,735
Total (S/.)	4,104,216	2,578,468	362,034	1,163,714	2,372,968

(A) Subject to interest payment

FERREYCORP S.A.A. AND SUBSIDIARIES

APPENDIX 5

Cash Flow Statement

(In thousand of nuevos soles)

	3Q 2021	3Q 2020	As of 30-09-2021	As of 30-09-2021
Cashflow from operating activities				
Collection from customers and third parties	1,397,480	1,812,612	4,093,857	3,974,283
Payment to suppliers	-1,171,419	-1,032,027	-3,510,606	-2,420,744
Payment to employers and others	-164,484	-205,614	-477,037	-408,792
Payment of taxes and income tax	-48,416	15,587	-143,590	-23,564
Net cash provided by operating activities	13,160	590,559	-37,376	1,121,183
Cashflow from investing activities				
Acquisition of property, plant and equipment	-17,118	26,622	-97,107	-13,464
Sale/Contribution of financial instruments (mutual funds)	-	-53,925	-	-44,622
Intangible acquisitions	-422	-20,127	-5,595	-48,610
Net cash used in investing activities	-17,540	-47,430	-102,702	-106,696
Cashflow from financing activities				
Financial liabilities	586,616	286,676	2,236,871	2,067,097
Payment of financial liabilities	-680,793	-883,274	-1,867,529	-2,620,884
Payment of lease liabilities	-21,494	-24,028	-49,598	-73,773
Interests paid	-20,136	-19,223	-53,862	-74,494
Dividends paid	-2,006	-	-88,424	-
Share repurchase	-930	-	-23,508	-22,627
Cash from financing activities	-138,743	-639,849	153,950	-724,681
Cash increase, net	-143,122	-96,720	13,872	289,806
Cash at the beginning of the year	-	-	256,188	84,433
Cash due to exchange variation	-12,697	-12,799	-27,591	-13,085
Cash at the end of the year	-155,819	-109,519	242,469	361,154