

## Management Discussion and Analysis of consolidated Financial Statements of Ferreycorp S.A.A. and Subsidiaries

### Third quarter 2022

Lima, **October 26 2022.**- Ferreycorp S.A.A., a leading corporation which aims to carry out investment activities in the capital goods sector and complementary services, based in Peru and with presence in Latin America, announces consolidated results for the third quarter 2022. The consolidated financial results have been prepared in accordance with International Financial Reporting Standards and are stated in Peruvian soles.

#### SALES

Consolidated sales for third quarter 2022 amounted to US\$ 434 million, compared to US\$ 417 million for the same period of 2021, that is, 4% growth in foreign currency. In soles, sales reached the same level as in 3Q21 (S/1,691 million) as a result of a lower average exchange rate during 3Q22, which was S/3,897 compared to S/4,045 in 3Q21. It is worth highlighting the 11% increase in sales of *Spare Parts & Services* and the 20% increase in *Rental & Used* business line. Accumulated sales as of September 30, 2022 registered increases of 9% in dollars and 8% in soles, highlighting Caterpillar machines for mid-size mining and construction, as well as the above mentioned business lines.

(In millions)	Third Quarter			As of September 30th		
	2022	2021	Var%	2022	2021	Var%
Net Sales \$	434	417	4.1%	1,233	1,130	9.1%
Net Sales S/	1,691	1,691	0.0%	4,707	4,354	8.1%

(Review Commercial Management section for sales variance explanation)

#### GROSS PROFIT

During the third quarter of 2022, gross profit (S/ 487 million) was greater than that of the same period 2021 due to higher gross margin. Said gross margin stands at 28.8%, higher than the 27.6% obtained in 3Q21. It is worth mentioning that, excluding the FX effect, the adjusted gross margin is 27.1%, higher than the adjusted gross margin of 3Q21 (24.5%). Accumulated gross profit as of September 30, 2022 was 2% higher than that of 2021 (S/ 1,218 million).

The improvement in gross margin is explained by the sale composition, which shows a greater participation of *Spare Parts & Services* during this quarter with 56% compared to 50% during the same period of 2021. This line contributes with higher margins than other business lines.

	Third Quarter		Var%	As of September 30th		Var%
	2022	2021		2022	2021	
Gross Profit (\$/ millions)	487	461	6%	1,218	1,192	2%
Gross Margin	28.8%	27.6%		25.9%	27.4%	
Adjusted Gross Margin	27.1%	24.5%		26.3%	25.5%	

## OPERATING PROFIT

### Operating Expenses

Operating expenses for the third quarter 2022 (\$/ 263.9 million) were 18% higher compared to the third quarter 2021 (\$/ 223.4 million). This rise is originated mainly from the increase in expenses directly linked to sales growth and margin improvement of some subsidiaries such as Ferreyros, Unimaq and Soltrak. Among the most representative expense items generating the greatest increases are personnel expenses (salary increases, new hires and anniversary celebrations), and services provided by third parties (reactivation of local and foreign travel expenses as part of the business, sales promotion expenditure – Perumin, among the most important). Likewise, during this period a provision of \$/ 5.7 million for accounts receivable was registered in our Chilean subsidiary due to a particular complicated collection. Depending on the evolution of said account, during the next fourth quarter there could be another provision amounting to \$/ 7 million for the same concept. As a percentage of sales, expenses for 3Q22 were 15.6%, higher than the 3Q21, and if this mentioned specific provision is excluded this figure would lower to 15.3%. It is worth mentioning that the first two quarters of the year already showed an increase in this indicator registering levels above 15% (Q2: 15.1%, Q1: 16.7%). The accumulated expense as of September 30, 2022 amounted to \$/742 million, 15% higher than the same period in 2021.

### Operating Margin

Operating margin for the third quarter 2022 stands at 12.9%, lower than that of the same period 2021. However, if excluding the FX effect on gross profit, the adjusted operating margin obtained is 11.3%, very close to the 11.4% achieved in the third quarter of 2021. The operating margin as of September 30, 2022 was 10.2% lower than the one registered in 2021, but if we remove the FX effect, the adjusted operating margin rise to 10.8%, close to the one amounted in the same period of the previous year.

	Third Quarter		Var%	As of September 30th		Var%
	2022	2021		2022	2021	
Operating Profit (\$/ million)	218	239	-9%	479	562	-15%
Operating Expenses / Sales	15.6%	13.2%		15.8%	14.9%	
Operating Margin	12.9%	14.2%		10.2%	12.9%	
Adjusted Operating Margin	11.3%	11.4%		10.8%	11.0%	

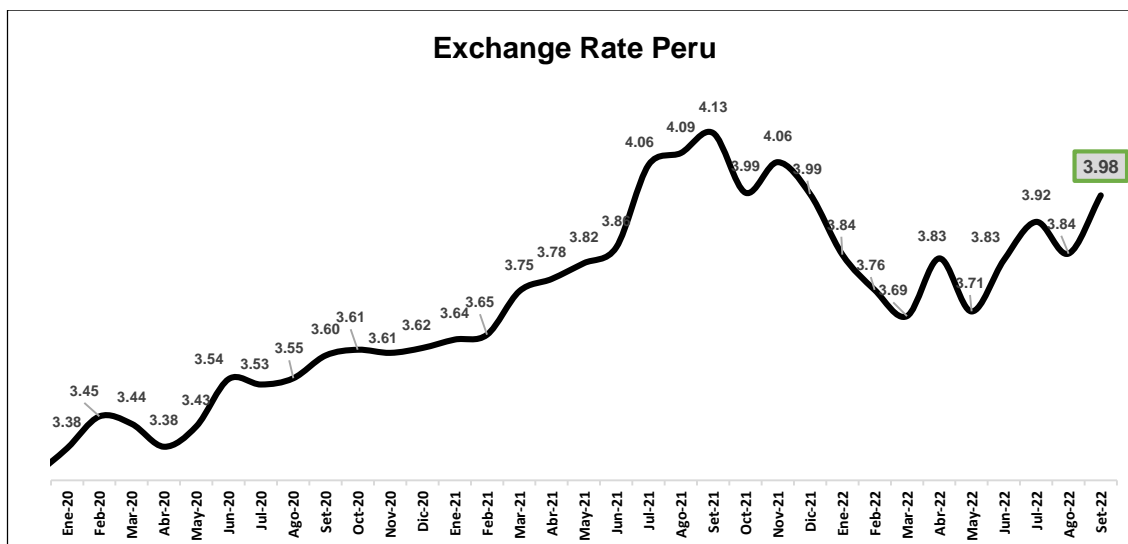
### NET FINANCIAL EXPENSES

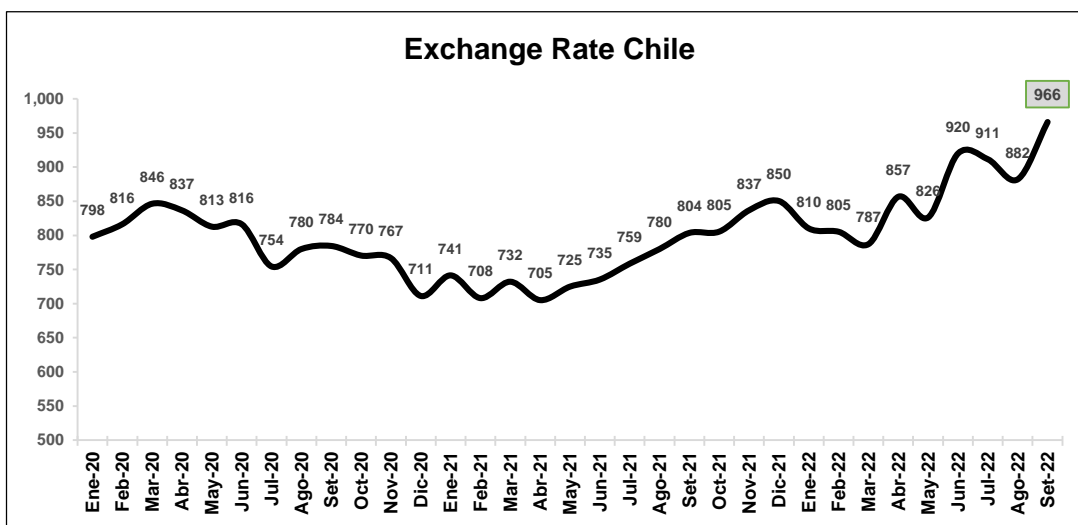
Net financial expenses for the third quarter 2022 increased 9% compared to the same period of the previous year. In the third quarter of this year, there was a decrease in the average financial liabilities of 6% in soles and 1% in dollars when compared to the 3Q21, which has partially offset the increase in the average interest rate (3Q 2022: 3.15% versus 3Q 2021: 2.52%). Accumulated net financial expenses as of September 30, 2022 shows a decrease of 7% compared to 2021. Even though the average financial liabilities hasn't changed, and the average interest rate has increased from 2.75% to 2.95%, the benefits of having restructured debt at low rates by the end of last year are still present.

(S/ million)	Third Quarter		Var%	As of September 30th		Var%
	2022	2021		2022	2021	
Financial Expenses, net	13.6	12.5	9%	35.0	37.4	-7%
Average Liabilities S/	2,208	2,357	-6%	2,094	2,125	-1%
Average Liabilities \$	565	570	-1%	545	541	1%

### FOREIGN EXCHANGE GAIN/LOSS

During the third quarter of 2022, FX loss of S/ 68.3 million was registered as a result of currency devaluation both in Peru and Chile. As of September 30, 2022, the accumulated result is a FX loss of S/29.7 million, which results from the foreign exchange losses of the second and third quarters partially offset by the foreign exchange profit of S/ 95.6 million in the first quarter of 2022.





In the third quarter of 2022 there has been a devaluation of 4% of the Peruvian sol and 3% of the Chilean peso, both against the dollar, while in the same period of 2021 there was a devaluation of 7% and 11.6%, respectively. We estimate the inventory reserve by the end of September to be around S/ 77mm; said reserve will be recovered through the gross margin in the following months.

	Third Quarter		As of September 30th	
	2022	2021	2022	2021
(S/ millones)				
<b>Fx Gain/Loss</b>	-68.3	-85.9	-29.7	-158.0

## NET PROFIT

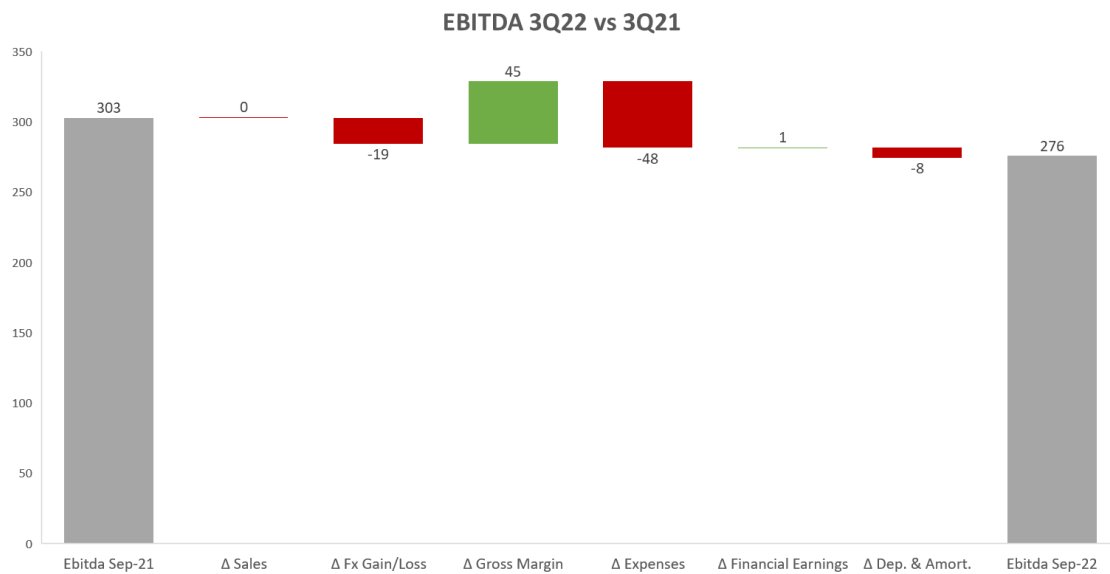
Net profit for the third quarter 2022 reached S/ 91 million, amount higher than the S/ 86 million registered in the third quarter 2021, representing a 5% growth. Said percentage increase remains when the distortion due to FX effect is excluded. The accumulated net profit as of September 30, 2022 was 24% higher than the one registered in the same period of the previous year. It is worth noting that if we exclude the FX effect in both periods, the increase is 16%.

	Third Quarter		Var%	As of September 30th		Var%
	2022	2021		2022	2021	
(S/ million)						
<b>Net Profit</b>	<b>91</b>	<b>86</b>	5%	<b>280</b>	<b>225</b>	24%
Fx Gain/Loss	-68	-86		-30	-158	
Fx recovery through GM	28	47		-30	83	
<b>Net Effect</b>	<b>-40</b>	<b>-39</b>		<b>-60</b>	<b>-75</b>	
<b>Net Effect after taxes</b>	<b>29</b>	<b>27</b>		<b>42</b>	<b>53</b>	
<b>Net Adjusted Profit</b>	<b>119</b>	<b>114</b>	5%	<b>322</b>	<b>278</b>	16%

## EBITDA

Both the EBITDA and the EBITDA margin for the third quarter 2022 were lower compared to those of the same period of 2021, due to decreased operating profit. Excluding the FX effect on gross profit, the adjusted EBITDA margin stands at 14.7%, lower than the 15.2% registered in 3Q21. As of September 30, 2022, accumulated EBITDA was 12% lower compared to the same period of the previous year; however, excluding the FX effect on gross profit results in a 4% increase.

	Third Quarter			As of September 30th		
	2022	2021	Var%	2022	2021	Var%
Ebitda (S/mm)	276	303	-9%	652	737	-12%
Adjusted Ebitda (S/mm)	248	256	-3%	682	655	4%
Ebitda Margin	16.3%	18.0%		13.9%	16.9%	
Adjusted Ebitda Margin	14.7%	15.2%		14.5%	15.0%	



## SUMMARY OF MAIN FIGURES AND INDICATORS

(in millions except for indicators per share)	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021	% Var. 3Q 2022/2Q 2022	% Var. 3Q 2022/3Q 2021
<b>Net Sales \$</b>	<b>\$434</b>	<b>\$422</b>	<b>\$377</b>	<b>\$450</b>	<b>\$418</b>	<b>\$383</b>	<b>\$330</b>	<b>2.9%</b>	<b>3.9%</b>
Net Sales S/	S/. 1,691	S/. 1,582	S/. 1,434	S/. 1,758	S/. 1,691	S/. 1,454	S/. 1,210	6.9%	0.0%
<b>Gross Profit</b>	<b>S/. 487</b>	<b>S/. 394</b>	<b>S/. 337</b>	<b>S/. 450</b>	<b>S/. 461</b>	<b>S/. 401</b>	<b>S/. 330</b>	<b>23.6%</b>	<b>5.7%</b>
SG&A Expenses	S/. -264	S/. -239	S/. -239	S/. -230	S/. -223	S/. -218	S/. -206	10.3%	18.1%
<b>Operating Profit</b>	<b>S/. 218</b>	<b>S/. 161</b>	<b>S/. 100</b>	<b>S/. 212</b>	<b>S/. 239</b>	<b>S/. 191</b>	<b>S/. 131</b>	<b>35.4%</b>	<b>-8.8%</b>
Financial Expenses, net	S/. -14	S/. -11	S/. -10	S/. -12	S/. -13	S/. -13	S/. -12	25.3%	8.7%
Fx Gain/Loss	S/. -68	S/. -57	S/. 96	S/. 33	S/. -86	S/. -41	S/. -32	19.7%	-20.5%
<b>Net Profit</b>	<b>S/. 91</b>	<b>S/. 61</b>	<b>S/. 128</b>	<b>S/. 151</b>	<b>S/. 86</b>	<b>S/. 95</b>	<b>S/. 60</b>	<b>49.5%</b>	<b>5.2%</b>
<b>EBITDA</b>	<b>S/. 276</b>	<b>S/. 219</b>	<b>S/. 158</b>	<b>S/. 270</b>	<b>S/. 303</b>	<b>S/. 249</b>	<b>S/. 184</b>	<b>26.2%</b>	<b>-9.1%</b>
Profit per Share	0.096	0.065	0.135	0.159	0.091	0.090	0.055	47.8%	5.5%
EBITDA per Share	0.292	0.231	0.167	0.285	0.319	0.262	0.193	26.2%	-8.6%
Free Cash Flow	S/. 15	S/. -67	S/. 83	S/. 442	S/. -46	S/. -239	S/. 42		
Gross Margin	28.8%	24.9%	23.5%	25.6%	27.2%	27.6%	27.3%		
<b>Adjusted Gross Margin</b>	<b>27.1%</b>	<b>26.1%</b>	<b>26.2%</b>	<b>24.7%</b>	<b>24.5%</b>	<b>26.2%</b>	<b>26.0%</b>		
SG&A / Sales	15.6%	15.1%	16.7%	13.1%	13.2%	15.0%	17.0%		
Operating Margin	12.9%	10.2%	7.0%	12.0%	14.2%	13.2%	10.8%		
<b>Adjusted Operating Margin</b>	<b>11.3%</b>	<b>11.4%</b>	<b>9.6%</b>	<b>11.1%</b>	<b>11.4%</b>	<b>11.8%</b>	<b>9.6%</b>		
Net Margin	5.4%	3.8%	9.0%	8.6%	5.1%	6.5%	5.0%		
<b>Adjusted Net Margin</b>	<b>7.0%</b>	<b>7.3%</b>	<b>6.1%</b>	<b>6.6%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>5.3%</b>		
EBITDA Margin	16.3%	13.8%	11.0%	15.4%	18.0%	17.2%	15.3%		
<b>Adjusted EBITDA Margin</b>	<b>14.7%</b>	<b>15.1%</b>	<b>13.7%</b>	<b>14.4%</b>	<b>15.2%</b>	<b>15.8%</b>	<b>14.0%</b>		
Indebtedness ratio	1.67				1.85				
Net Debt / EBITDA	2.28				2.15				

## ANALYSIS ACCORDING TO CORPORATE ORGANIZATION

(In thousands Nuevos Soles)	CAT Dealers in Peru		CAT Dealers an other businesses abroad		Other businesses	
	3Q 2022	3Q 2021	3Q 2022	3Q 2021	3Q 2022	3Q 2021
<b>Sales</b>	1,329,738	1,248,011	171,397	143,464	190,229	298,801
<b>Gross Profit</b>	402,019	360,136	40,559	34,163	44,441	66,354
<b>Gross margin</b>	<b>30.2%</b>	<b>28.9%</b>	<b>23.7%</b>	<b>23.8%</b>	<b>23.4%</b>	<b>22.2%</b>
<b>Adjusted gross margin</b>	<b>28.4%</b>	<b>24.8%</b>	<b>23.7%</b>	<b>23.8%</b>	<b>21.3%</b>	<b>23.3%</b>
<b>SG&amp;A</b>	199,525	153,334	24,425	22,581	37,153	55,054
<b>Operating profit</b>	202,389	211,482	14,026	11,612	7,494	12,024
<b>Operating margin</b>	<b>15.2%</b>	<b>16.9%</b>	<b>8.2%</b>	<b>8.1%</b>	<b>3.9%</b>	<b>4.0%</b>
<b>Depreciatio &amp; Amortization</b>	43,801	39,151	4,531	4,472	116	167
<b>EBITDA</b>	248,800	253,597	19,068	1,653	218	327
<b>EBITDA margin</b>	<b>18.7%</b>	<b>20.3%</b>	<b>11.1%</b>	<b>11.5%</b>	<b>11.4%</b>	<b>10.9%</b>

Note: This results do not include Ferreycorp and Inti

## STATEMENT OF FINANCIAL POSITION

As of September 2022, total assets amounted to S/ 6,298.0 million, similar to the S/ 6,319.1 million in assets as of September 30, 2021. When comparing periods, an increase in fixed assets of S/53 million is observed (property, machinery and equipment, net) mainly due to the purchase of rental machinery and equipment. Additionally, there has been a decrease in cash of S/33 million.

As of September 2022, asset turnover was 1.02, considerably higher than the 0.96 as of September 30, 2021. This improvement results, in part, from the increase in sales, but above all, from asset management and strategic initiatives of the corporation aimed at improving this important indicator. It should be mentioned, however, that when compared with the first two quarters of the year, this indicator shows a deterioration caused mainly by the increase in inventory and accounts receivable.

Financial debt of the corporation, which as of September 30, 2022 amounted to S/ 2,316.5 million, was 2.4% below that of the same period of the previous year. In dollars, financial debt of the quarter (US\$ 581 million) shows an increase of 1.3% compared to 3Q21 (US\$ 573 million). Non-current maturity obligations represent 52% of the total financial debt.

It is important to mention that financial debt includes S/ 86.7 million (US\$ 21.8 million) related to IFRS 16 application to Leases, which states that all lease contracts must be considered both a liability and an asset equivalent to the right of use of such leased good. According to this norm, a financial expense must be registered considering the present value of the obligation

## INVESTMENT IN FIXED ASSETS (CAPEX) AND INTANGIBLES

As of September 30, 2022, investments in fixed assets and intangibles amounted to S/ 150.2 million, corresponding mainly to the purchase of machinery and rental fleet as part of Ferreyros' strategy to introduce new Caterpillar truck models to the market - specifically the 400-ton 798 truck, which will be temporarily leased to large-scale mining clients - in addition to purchases of machinery fleet for the recurring rental business.

Regarding fixed assets in the statement of financial position at the end of September 2022, differences are shown with respect to Capex, which correspond to the recognition of leased assets (locations, rental fleet, vehicles fleet, among the most important) as fixed assets, as indicated by IFRS 16 Leases.

## FINANCIAL RATIOS

Ratios	Set-22	Jun-22	Mar-22	Dic-21	Set-21	Jun-21	Mar-21
Current Ratio	1.52	1.52	1.53	1.61	1.34	1.38	1.30
Financial debt ratio	0.89	0.79	0.68	0.76	0.96	0.88	0.78
Indebtedness ratio	1.67	1.54	1.54	1.56	1.85	1.75	1.66
Net Debt / Ebitda	2.28	1.99	1.60	1.78	2.15	2.31	2.48
Adjusted Debt / Ebitda	1.85	1.48	1.53	1.77	1.65	1.68	1.88
Financial expense coverage ratio	12.49	11.75	9.84	14.33	14.09	12.51	11.00
Asset turnover	1.02	1.07	1.09	1.05	0.96	0.88	0.82
Inventory turnover	2.12	2.31	2.32	2.36	2.08	1.90	1.80
Inventory days	170	156	155	152	173	189	200
Collection days	56	50	45	52	57	57	62
Payable days	61	49	50	52	54	48	59
Cash Cycle	165	157	150	153	176	198	203
ROE	18.8%	18.6%	20.3%	16.7%	15.9%	14.2%	10.3%
ROA	7.7%	8.3%	9.1%	9.4%	8.7%	7.3%	5.9%
ROIC	11.6%	12.2%	13.4%	14.4%	13.8%	11.8%	9.4%
Book Value per Share	2.50	2.52	2.45	2.47	2.33	2.31	2.22

Leverage ratios in general have registered an increase compared to the first quarters of 2022 due to the increase in debt and the decrease in EBITDA. The strongest variation can be seen in the adjusted leverage ratio as a result of the debt restructuring that was carried out during the third quarter with the aim of ensuring a balanced structure between current and non-current debt.

The cash cycle, standing at 165 days, has registered an increase at the end of September 2022 if compared to the previous quarters of 2022, mainly explained by inventory purchase.

ROE remains similar to the second quarter 2022; and it can be observed, that in general, 2022 results for this ratio are better than those of last year.



## MAIN HIGHLIGHTS

### **Ferreycorp and Ferreyros celebrate 100 years in Peru**

Ferreycorp corporation and its flagship company Ferreyros commemorate this 2022 its one hundred years of institutional life in Peru, which reflects the effort of seven generations of collaborators and the invaluable contribution of its clients, represented, shareholders, creditors, suppliers and community.

Its centennial work throughout the national territory, in line with its purpose "Together we create development", expresses its permanent commitment to transcend, having an important impact and contributing to the progress of Peru.

### **Dividend's Payment**

The Board of Directors, in session on August 31, 2022 and in exercise of the Dividend Policy, agreed to pay cash dividends for S/ 120,000,000.00 on account of the profits for fiscal year 2022. Said amount is equivalent to a cash dividend of S / 0.1270 per share, and was paid on September 29, 2022, with September 19 as registration date.

### **Merco: Ferreyros among the ten most reputable firms in the country**

Ferreyros was recognized among the ten most reputable companies in Peru in the Merco Empresas ranking, for eleven consecutive years and since the launch of this prestigious ranking. Ferreyros ranked sixth and as leader of the industrial sector.

This edition collected the perception of more than 24,000 respondents of diverse profiles and origins. Likewise, it included a complete evaluation of merits, which analyzes dimensions such as quality of the commercial offer, economic-financial results, talent management, ethics, innovation and reputation.

### **Ferreycorp among the Most Admired Companies in Peru**

Ferreycorp corporation was once again recognized as one of the ten Most Admired Companies in Peru (EMA). This important recognition, offered by PwC and G de Gestión magazine, gathers the perception of thousands of executives from the main companies in the local market.

Corporate reputation, good governance, strategic management, commercial and innovation management, talent management and financial management are some of the dimensions valued among the most admired companies in the country.

### **Pioneers in autonomy and gigantism: Ferreycorp and Ferreyros in Perumin**

The culmination of the delivery of the first fleet of autonomous mining trucks in Peru – with 28 autonomous Cat 794 AC trucks, with a capacity of 320 tons, in Quellaveco mine – and the successful consolidation of the portfolio of Cat giant trucks, of 400 tons, marked Ferreycorp's presentation in Perumin, a benchmark event for local mining.

During this 35th edition of Perumin, eight companies from the corporation were present, reaffirming their commitment to national mining.

### **Ferreycorp and its companies rewarded the best operators in Peru in its fifth tournament**

Ferreycorp and its companies Ferreyros, Unimaq and Orvisa organized the 5th "Peru's Best Heavy Equipment Operator" Contest, which attracted a record number of nearly 2,800 entries from all regions. An operating competition on Cat machines was the final phase of the contest, which previously had eliminatory stages based on knowledge and simulator tests.

The first, second and third places received prizes of S/ 10,000, S/ 4,000 and S/ 2,000, respectively, and the opportunity to access a Caterpillar Professional Operator certification. By the end of this month, they will represent Peru in the Caterpillar Latin American tournament. All finalists received the option to access a Labor Competencies Certification from Ferreyros and the Ministry of Labor.



JUNTOS CREANDO DESARROLLO

**Caterpillar giant shovels and trucks in Cujone set world record**

Southern Peru Copper Corporation was recognized by Caterpillar for the world record in availability reached by its fleets of giant Cat equipment, both 7495 shovels and 797F trucks, at Cujone Operations (Moquegua). Availability reflects the time machines are running and producing, and is a key indicator in managing productivity and achieving the lowest cost per ton. This world record is the result of Southern's good operating practices; the team's performance; and the world-class 24/7 support from Ferreyros at the mine.



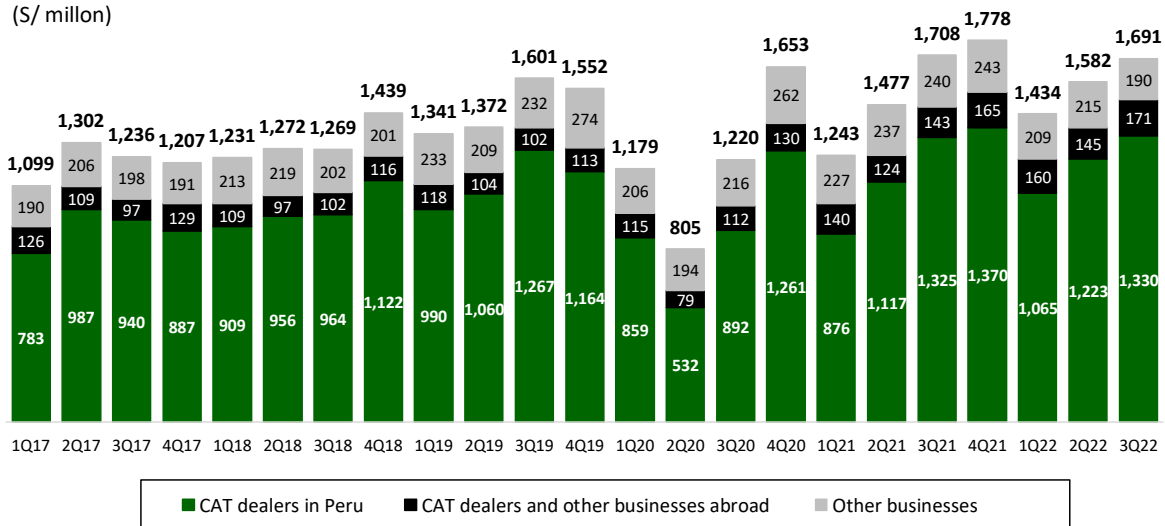
## COMMERCIAL MANAGEMENT

### 1. SALES BREAKDOWN ACCORDING TO CORPORATE ORGANIZATION

Sales by group of companies  
(In Thousands Nuevos Soles)

	3Q 2022	%	2Q 2022	%	3Q 2021	%	3Q22/ 2Q22	3Q22/ 3Q21	As of September 2022	%	As of September 2021	%	VAR
Ferreyros	1,138	67%	1,047	66%	1,154	68%	9%	-1%	3,078	65%	2,821	65%	9%
Unimaq	149	9%	140	9%	136	8%	7%	9%	424	9%	382	9%	11%
Orvisa	42	2%	36	2%	34	2%	18%	23%	115	2%	114	3%	0%
<b>Total CAT dealers in Peru</b>	<b>1,330</b>	<b>79%</b>	<b>1,223</b>	<b>77%</b>	<b>1,325</b>	<b>78%</b>	<b>9%</b>	<b>0%</b>	<b>3,617</b>	<b>77%</b>	<b>3,318</b>	<b>76%</b>	<b>9%</b>
<b>Total CAT dealers and others businesses abroad</b>	<b>171</b>	<b>10%</b>	<b>145</b>	<b>9%</b>	<b>143</b>	<b>8%</b>	<b>18%</b>	<b>20%</b>	<b>477</b>	<b>10%</b>	<b>407</b>	<b>9%</b>	<b>17%</b>
Soltrak	74	4%	79	5%	74	4%	-6%	0%	230	5%	211	5%	9%
Trex (Chile)	58	3%	75	5%	95	6%	-24%	-39%	185	4%	235	5%	-21%
Trex (Perú)	13	1%	17	1%	14	1%	-25%	-11%	60	1%	65	1%	-6%
Fargo	26	2%	22	1%	23	1%	18%	12%	71	2%	68	2%	5%
Forbis	16	1%	19	1%	15	1%	-16%	2%	59	1%	46	1%	27%
Otras	5	0%	3	0%	2	0%	60%	162%	9	0%	4	0%	110%
<b>Total other subsidiaries</b>	<b>190</b>	<b>11%</b>	<b>215</b>	<b>14%</b>	<b>223</b>	<b>13%</b>	<b>-11%</b>	<b>-15%</b>	<b>614</b>	<b>13%</b>	<b>630</b>	<b>14%</b>	<b>-3%</b>
<b>TOTAL</b>	<b>1,691</b>	<b>100%</b>	<b>1,582</b>	<b>100%</b>	<b>1,691</b>	<b>100%</b>	<b>7%</b>	<b>0%</b>	<b>4,707</b>	<b>100%</b>	<b>4,354</b>	<b>100%</b>	<b>8%</b>

Sales by Group of Subsidiaries  
(S/ million)



As shown in the tables above, Ferreycorp organizes its companies in three main group:

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

During the third quarter of 2022, sales of Caterpillar dealers in Peru showed a slight increase of 0.4% compared to the third quarter of 2021, but if compared to the past second quarter, sales increased 8.8%. Among the business lines with greater growth, it is worth highlighting *Spare Parts & Services*, *Rental & Used* and *Allied Equipment* with 11.4%, 22.3% and 23.4% increases, respectively.

The share of this first group of subsidiaries in the corporation's consolidated total sales is 79% during this third quarter

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

Sales of this second group of companies reported an increase of 19.8% compared to the third quarter of 2021 driven by growth in the following two business lines: *Caterpillar equipment for customers in construction and energy sectors* mainly, and *Spare Parts & Services*, with 42.7% and 8.6%, respectively. Compared to the second quarter of 2022, this group of companies registered higher sales by 18.0%, due to growth of the same mentioned business lines.

This group of companies generated 10% of the corporation's consolidated 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 (Soltrak, Trex, Motriza, Fargoline, Forbis Logistics y Sitech).**

Sales of this third group of companies, which complements the supply of goods and services through the sale of equipment and vehicles, consumables and logistics solutions, among other lines, showed a decrease of 14.7% compared to the third quarter of 2021. Said decrease is mainly caused by the sales of Trex Chile, due to a lower dynamism presented in the Chilean market in recent months. It is worth highlighting that, within this group of companies, *Logistics Services* business line continues to show growth, registering an increase in sales in the third quarter of 10.6% compared to the same period in 2021.

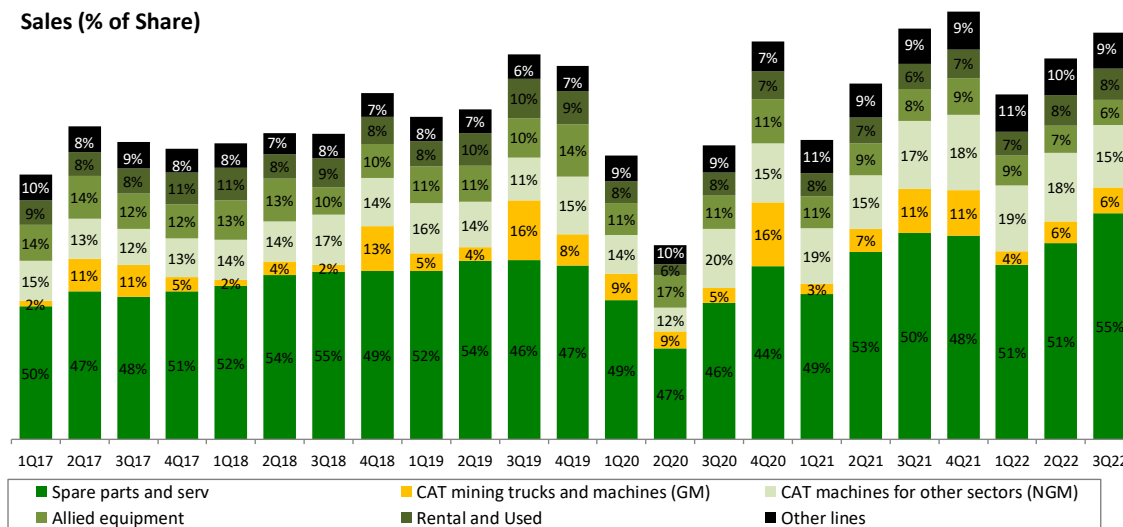
This group of companies currently represents 11% of the corporation's consolidated total sales.

## 2. SALES BREAKDOWN BY BUSINESS LINE

Sales (S/ millions)	3Q 2022		2Q 2022		3Q 2021		% Var 3Q 2022/ 2Q 2022	As of September 2022		As of September 2021		VAR
		%		%		%			%		%	
CAT mining trucks and machines (GM)	107	6%	91	6%	182	11%	17.5	256	5%	319	7%	-20%
Cat machines for other sectors (NGM)	262	15%	285	18%	282	17%	-8.1	821	17%	740	17%	11%
Allied equipment	104	6%	112	7%	129	8%	-6.8	339	7%	362	8%	-6%
Rental and used	128	8%	129	8%	106	6%	-1.0	356	8%	311	7%	15%
Spare parts and services	938	55%	814	51%	845	50%	15.3	2,476	53%	2,199	51%	13%
Other lines	152	9%	151	10%	147	9%	0.5	458	10%	423	10%	8%
<b>TOTAL</b>	<b>1,691</b>	<b>100%</b>	<b>1,582</b>	<b>100%</b>	<b>1,691</b>	<b>100%</b>	<b>6.9</b>	<b>4,707</b>	<b>100%</b>	<b>4,354</b>	<b>100%</b>	<b>8%</b>

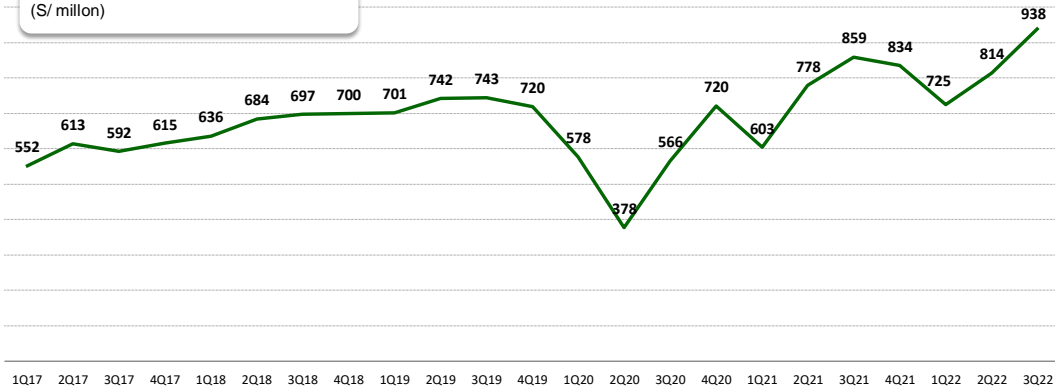
Compared to the same period of the previous year, the business lines that showed the greatest sales increase in the quarter were Spare Parts & Services and Rental & Used business. Within “Other Business Lines”, Logistics Services and Technological Services had higher sales of 10.6% and 160%, respectively. If compared to the second quarter of 2022, sales of the third quarter increased 6.9% with growth in Spare Parts & Service and Caterpillar equipment for large mining customers.

Sales (% of Share)

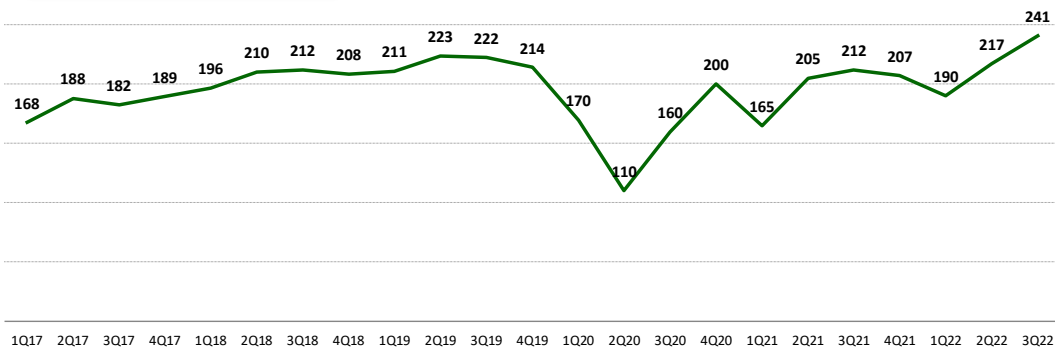


The strategy of the corporation is focused in improving client productivity through both equipment usage and project management. For this reason, great efforts are deployed to deliver the best quality aftermarket support through locations near customers, that differentiates it from the competition. These capacities have allowed Spare Parts & Services business line, for both Caterpillar and allied brands, to maintain the higher share in the composition of Ferreycorp’s total sales (55%), achieving in the 3Q22 the record sales figure of S/ 938 million (\$241 million), registering growth compared to the third quarter of 2021 of 11.0% and compared to the second quarter of 2022 of 15.3%. As of September 30, 2022, Spare Parts & Services business line generated S/ 2,476 million in revenue, with a 12.6% growth compared to the same period 2021

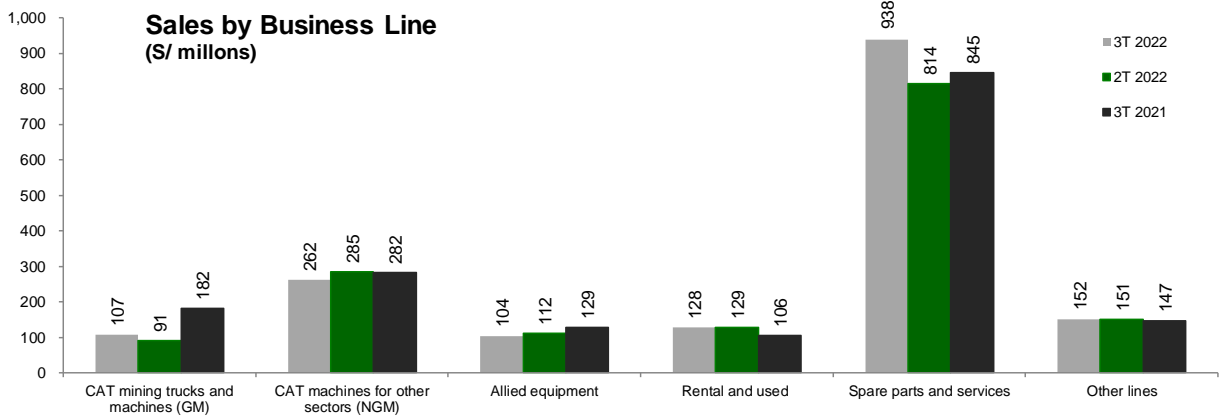
Sale Spare Parts and Services  
(S/ million)



Sale Spare Parts and Services  
(US\$ millions)



Sales by Business Line  
(S/ millions)



As of September 30, 2022, sales of Caterpillar brand, represented by the corporation through exclusive distributors in Peru, Guatemala, El Salvador and Belize, represent 72% of total revenue. This figure includes the sale and rental of machines and engines, as well as the provision of Spare Parts & Services of this brand.

### 3. SALES BREAKDOWN BY ECONOMIC SECTOR

	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021
Open pit mining	46.7%	39.9%	39.4%	45.9%	47.4%	41.9%	36.2%
Construction	16.8%	15.8%	16.7%	16.1%	16.3%	16.3%	23.8%
Industry, Commerce & Serv.	11.8%	13.5%	14.6%	10.8%	12.4%	13.3%	15.2%
Underground mining	11.0%	13.2%	12.7%	13.3%	10.6%	11.0%	11.4%
Agriculture and forestry	2.8%	3.1%	3.2%	2.4%	2.2%	3.0%	3.0%
Transport	1.5%	2.1%	3.1%	2.2%	1.6%	2.2%	2.7%
Government	1.6%	1.8%	2.7%	1.6%	1.7%	1.7%	2.9%
Fish and Marine	2.5%	2.0%	1.6%	1.7%	1.4%	1.7%	1.8%
Hydrocarbons and energy	1.3%	1.2%	0.8%	1.0%	1.3%	0.8%	0.6%
Others	4.0%	7.4%	5.2%	4.9%	5.0%	8.2%	2.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

As per sales distribution by economic sectors, open pit mining generated 46.7% of total sales in the 3Q22, similar to that of the 3Q21 and higher when compared to the first two semesters of this year. The construction sector ranked second with 16.8% of total sales, higher than that achieved in the 3Q21. The third place is occupied by the industry, commerce and services sector, with sales representing 11.8%, lower than 3Q21. Occupying fourth place, underground mining sales account to 11.0% of total sales, greater than that of the 3Q21.

## FERREYCORP S.A.A. AND SUBSIDIARIES

## APPENDIX 1

Income Statement

(In thousands of nuevos soles)

	3Q 2022	%	3Q 2021	%	Var %	As of September 2022	%	As of September 2021	%	Var %
Net sales	1,691,364	100.0	1,690,722	100.0	0.0	4,707,449	100.0	4,353,936	100.0	8.1
Cost of Goods Sales	-1,204,345	-71.2	-1,230,069	-72.8	-2.1	-3,489,062	-74.1	-3,161,820	-72.6	10.3
<b>Sales Profit</b>	<b>487,019</b>	<b>28.8</b>	<b>460,653</b>	<b>27.2</b>	<b>5.7</b>	<b>1,218,387</b>	<b>25.9</b>	<b>1,192,116</b>	<b>27.4</b>	<b>2.2</b>
Operating Expenses	-263,868	-15.6	-223,367	-13.2	18.1	-742,248	-15.8	-647,616	-14.9	14.6
Other Income (Expenses), net	-5,000	-0.3	2,028	0.1		3,265	0.1	17,149	0.4	-81.0
<b>Operating Profit</b>	<b>218,151</b>	<b>12.9</b>	<b>239,314</b>	<b>14.2</b>	<b>-8.8</b>	<b>479,404</b>	<b>10.2</b>	<b>561,649</b>	<b>12.9</b>	<b>-14.6</b>
Financial Expenses	-13,609	1.1	-12,517	1.0	8.7	-34,954	1.0	-37,388	1.2	-6.5
FX Gain/Loss	-68,303	-4.0	-85,897	-5.1	-20.5	-29,706	-0.6	-157,992	-3.6	-81.2
Participation in the results of associates	257	0.0	175	0.0	46.9	-181	-0.0	1,128	0.0	
<b>Income before income tax</b>	<b>136,496</b>	<b>8.1</b>	<b>141,075</b>	<b>8.3</b>	<b>-3.2</b>	<b>414,563</b>	<b>8.8</b>	<b>367,397</b>	<b>8.4</b>	<b>12.8</b>
Income tax	-45,688	-2.7	-44,239	-2.6	3.3	-134,682	-2.9	-115,465	-2.7	16.6
<b>Net Income Contr. Oper.</b>	<b>90,808</b>	<b>5.4</b>	<b>96,836</b>	<b>5.7</b>	<b>-6.2</b>	<b>279,881</b>	<b>5.9</b>	<b>251,932</b>	<b>5.8</b>	<b>11.1</b>
Net Income Disc. Oper.	-250	-0.0	-10,550	-0.6	-97.6	-157	-0.0	-26,739	-0.6	-99.4
<b>Net Profit</b>	<b>90,558</b>	<b>5.4</b>	<b>86,286</b>	<b>5.1</b>	<b>5.0</b>	<b>279,724</b>	<b>5.9</b>	<b>225,193</b>	<b>5.2</b>	<b>24.2</b>
<b>EBITDA</b>	<b>275,848</b>	<b>16.3</b>	<b>303,496</b>	<b>18.0</b>	<b>-9.1</b>	<b>652,426</b>	<b>13.9</b>	<b>737,447</b>	<b>16.9</b>	<b>-11.5</b>



**FERREYCORP S.A.A. AND SUBSIDIARIES**

**APPENDIX 2**

**Statement of Financial Position**

(In Thousand soles)

	As of 30-09-2022	As of 30-09-2021		As of 30-09-2022	As of 30-09-2021
Cash and Equivalents	209,229	242,469	Short term debt	421,686	362,034
Account receivables - trade	1,160,442	1,147,423	Liabilities derived from leases (IFRS16)	35,141	50,461
Inventories	2,251,603	2,251,013	Other current liabilities	2,129,981	2,528,007
Account receivables - others	237,147	247,650	<b>Current liabilities</b>	<b>2,586,808</b>	<b>2,940,502</b>
Assets available for sale	14,750	14,869	Long term debt	1,154,382	946,176
Prepaid expenses	50,124	44,561	Other payables	1,797	1,766
<b>Current Assets</b>	<b>3,923,295</b>	<b>3,947,985</b>	Liabilities derived from leases (IFRS16)	51,563	56,633
Long term account receivables - trade	37,800	41,418	Deferred income tax	141,272	159,139
Long term account receivables - Other	49,959	36,536	<b>Total liabilities</b>	<b>3,935,822</b>	<b>4,104,216</b>
Property	1,157,898	1,241,366	<b>Equity</b>	<b>2,362,217</b>	<b>2,214,917</b>
Rental fleet	768,793	621,724	<b>Total liabilities and equity</b>	<b>6,298,039</b>	<b>6,319,133</b>
Machinery	466,470	486,239			
Other fixed assets	132,866	127,246			
	2,526,027	2,476,575	<b>Other financial information</b>		
Accrued depreciation	-826,099	-829,270	Depreciation	133,274	142,576
Property, plant and equipment	1,699,928	1,647,305	Amotization	22,848	21,528
Investments	19,601	19,120			
Intangibles assets, net and goodwill	414,720	447,262			
Deferred income tax	152,736	179,507			
<b>Non current assets</b>	<b>2,374,744</b>	<b>2,371,148</b>			
<b>Total assets</b>	<b>6,298,039</b>	<b>6,319,133</b>			

**FERREYCORP S.A.A. AND SUBSIDIARIES**

**APPENDIX 3**

**Total Liabilities as of September 30th, 2022**

(In Thousands US\$)

	<b>Total Liabilities</b>	<b>Current Liabilities</b>	<b>Long term liabilities</b>		<b>Financial Liabilities</b>
			Short term	Long Term	
					(A)
<b>Local banks (Short term)</b>	124,224	124,224	-	-	124,224
<b>Foreign banks (short term)</b>	48,681	48,681	-	-	48,681
<b>Local banks (long term)</b>	238,457	-	56,491	181,966	238,457
<b>Foreign banks (long term)</b>	54,799	-	20,159	34,640	54,799
<b>Local and foreign banks (Leasing fin)</b>	89	-	89	-	89
<b>Suppliers:</b>					
<b>Accounts payables to Caterpillar</b>	141,338	141,338	-	-	-
<b>Accounts payables to Caterpillar</b>	-	-	-	-	-
<b>Others</b>	76,956	76,956	-	-	-
<b>Corporate bonds</b>	89,671	-	17,998	71,673	89,671
<b>Caterpillar Financial</b>	3,763	-	2,287	1,476	3,763
<b>Liabilities derived from leases (IFRS16)</b>	21,763	-	8,821	12,942	21,763
<b>Other liabilities</b>	188,166	152,256	-	35,911	-
<b>Total (US\$)</b>	<b>987,907</b>	<b>543,454</b>	<b>105,845</b>	<b>338,608</b>	<b>581,447</b>
<b>Total (S/.)</b>	<b>3,935,822</b>	<b>2,165,122</b>	<b>421,686</b>	<b>1,349,014</b>	<b>2,316,484</b>

(A) Subject to interest payments

**FERREYCORP S.A.A. AND SUBSIDIARIES**

**APPENDIX 4**

**Cash Flow Statement**

(In thousands of Nuevos Soles)

	3Q 2022	3Q 2021	As of 30-09-2022	As of 30-09-2021
<b>Cashflow from operating expenses</b>				
Collection from customers and third parties	1,643,692	1,397,480	4,615,119	4,093,857
Payment to suppliers	-1,275,073	-1,171,419	-3,670,483	-3,510,606
Payment to employers and other	-222,703	-164,484	-624,642	-477,037
Payment of taxes and income tax	-85,347	-48,416	-190,480	-143,590
<b>Net cash provided by operating activities</b>	<b>60,569</b>	<b>13,160</b>	<b>129,514</b>	<b>-37,376</b>
<b>Cashflow from investing activities</b>				
Acquisition of property, plant and equipment	-19,399	-17,118	-57,578	-97,107
Intangible acquisitions	-403	-422	-1,400	-5,595
Sale of property, plant and equipment	5,326	-	53,002	-
<b>Net cash used in investing activities</b>	<b>-14,476</b>	<b>-17,540</b>	<b>-5,976</b>	<b>-102,702</b>
<b>Cashflow from financing activities</b>				
Financial liabilities	797,622	586,616	2,115,492	2,236,871
Payment of financial liabilities	-719,066	-680,792	-1,910,214	-1,867,529
Payment of lease activities	-15,105	-21,494	-44,407	-49,598
Interest paid	-15,764	-20,136	-47,649	-53,862
Dividends paid	-119,943	-2,006	-245,576	-88,424
Share repurchase	-596	-930	-2,292	-23,508
<b>Cash from financing activities</b>	<b>-72,852</b>	<b>-138,742</b>	<b>-134,647</b>	<b>153,950</b>
Cash increase, net	-26,761	-143,121	-11,109	13,872
Cash at the beginning of the year	-	-	215,761	256,188
Cash due to exchange variation	27,375	-12,697	4,577	-27,591
<b>Cash at the end of the year</b>	<b>614</b>	<b>-155,818</b>	<b>209,229</b>	<b>242,469</b>

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**DISCLAIMER**

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