

Corporate Presentation

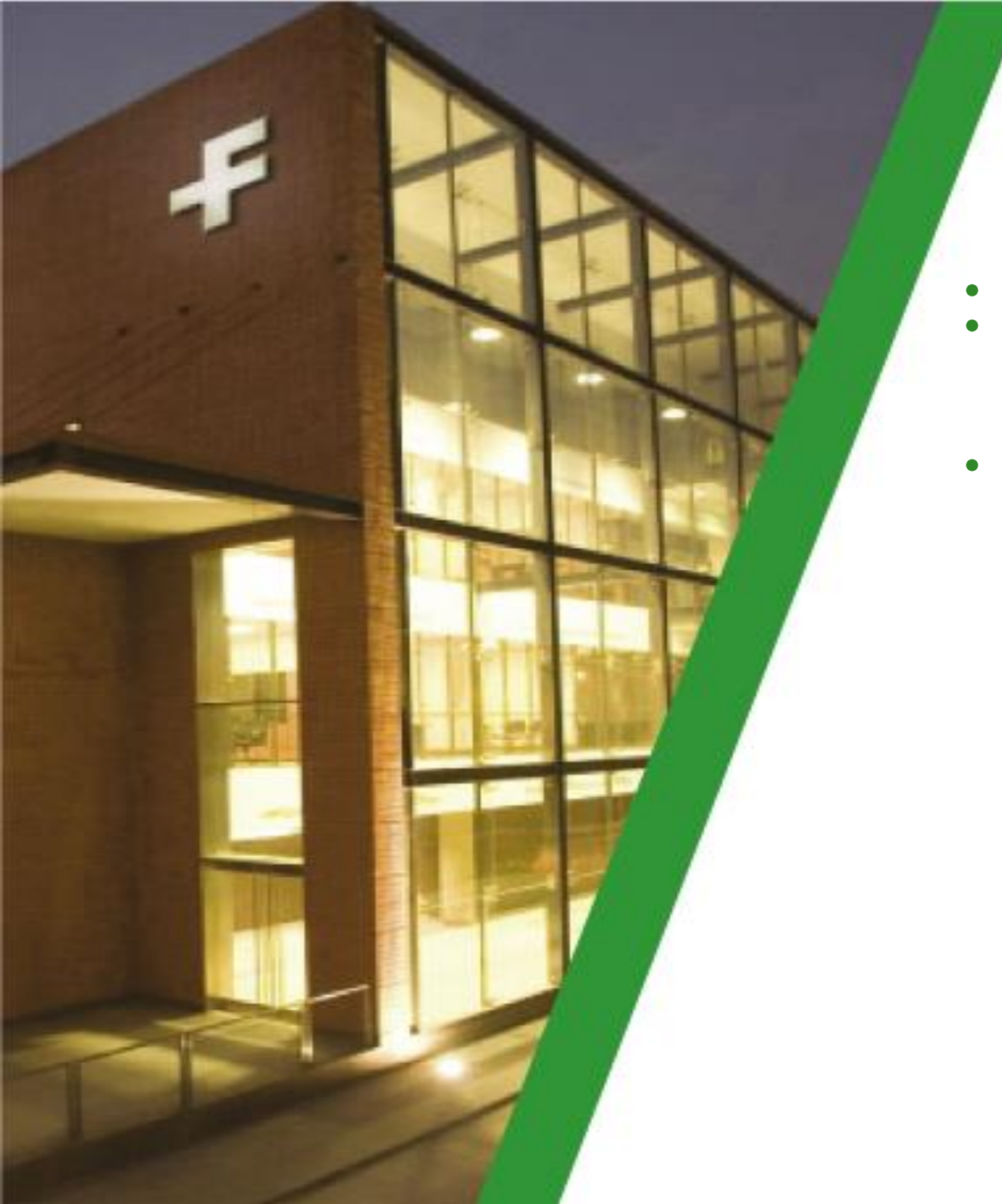
May 2020





Ferreycorp and Strategy

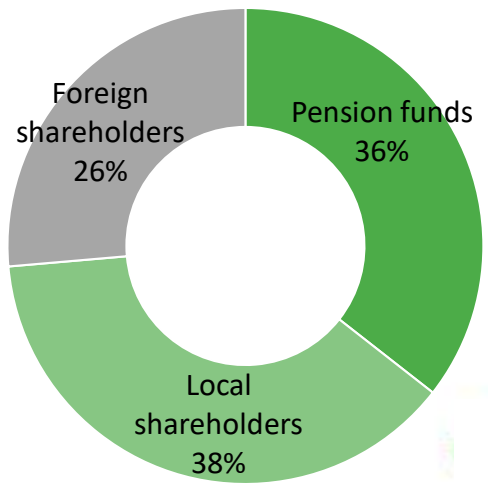
 **Ferreycorp**



HIGHLIGHTS FERREYCORP

- Established in Peru in 1922.
- 98 years of business, 78 years of alliance with CAT. Currently operating thru 17 companies within 10 countries employing a workforce of +6,000.
- Key facts:
 - 60% Caterpillar Market Share
 - Market cap (Feb-2020) ~ \$600MM
 - Shareholders +2,500

SHAREHOLDER STRUCTURE



CORPORATE STRUCTURE



BVL: FERREYC1

Caterpillar dealers and allied brands in Peru



Caterpillar dealers and other businesses in Central America



Other subsidiaries in Peru and abroad



DIVERSIFICATION STRATEGY



As of March 2020
(S/. Million)

Caterpillar dealers and allied
brands in Peru

Caterpillar dealers and other
businesses in Central America

Other subsidiaries in Peru and
abroad

Sales

859

115

206

% of Total Sales

73%

10%

17%

EBITDA

92

17

14

% of Total EBITDA

75%

14%

11%

EBITDA Margin

11%

15%

11%

#of employees

4,819

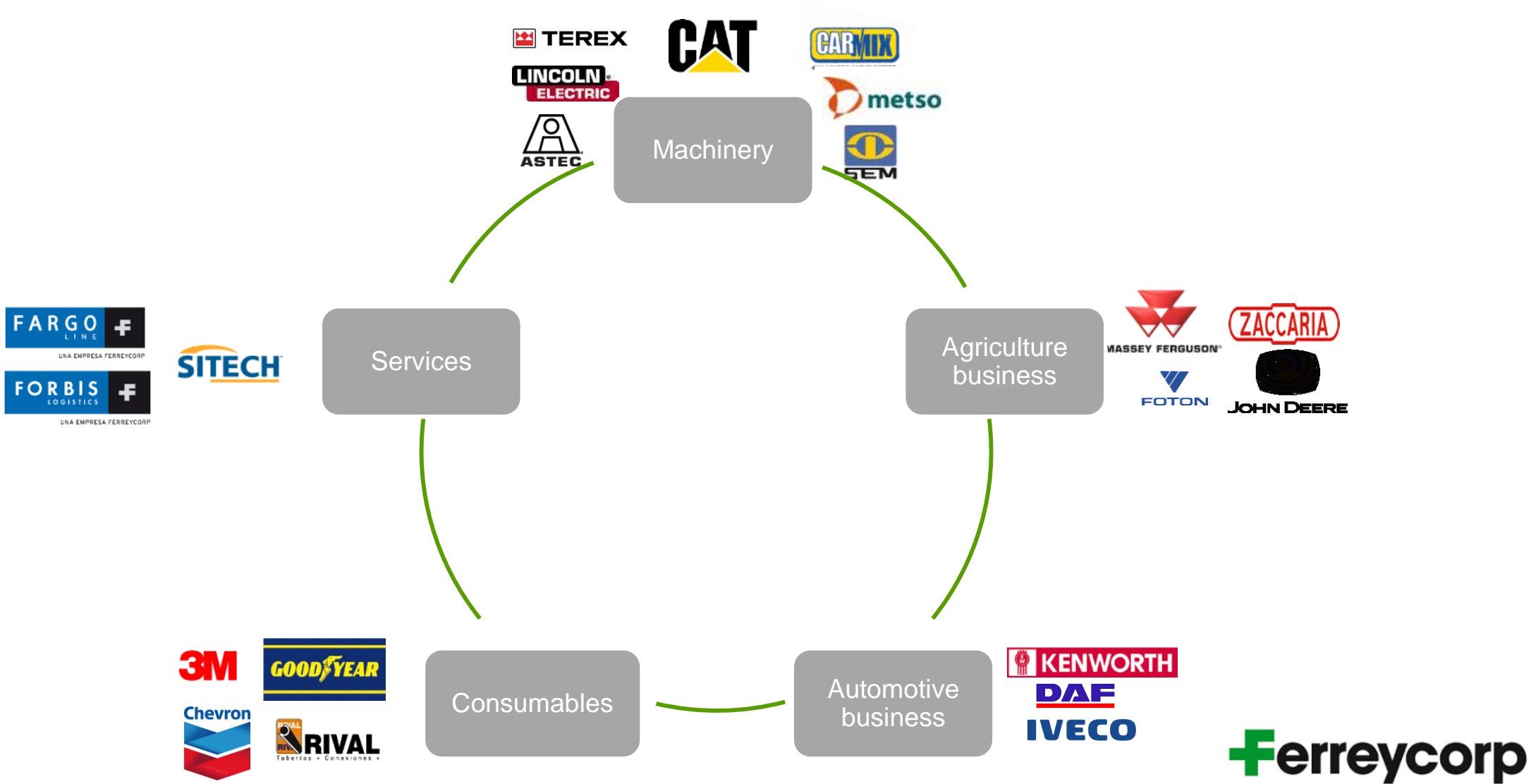
754

1,229

(*) Third group of companies increasing their share in total sales: 2013(10%), 2014 (11%), 2015 (12%), 2016 (15%), 2017 and 2018 (16%) – as a result of diversification strategy through complementary businesses.

STRATEGY

COMPLETE VALUE PROPOSITION



PRESENCE IN SOUTH AND CENTRAL AMERICA REPRESENTING LEADER BRANDS



KEY CAPABILITIES CREATING VALUE



Long term strategic partnerships

Market coverage

Unmatched supply chain and logistics capabilities

Financial strength and funding sources

In-depth market knowledge

Innovation and technology

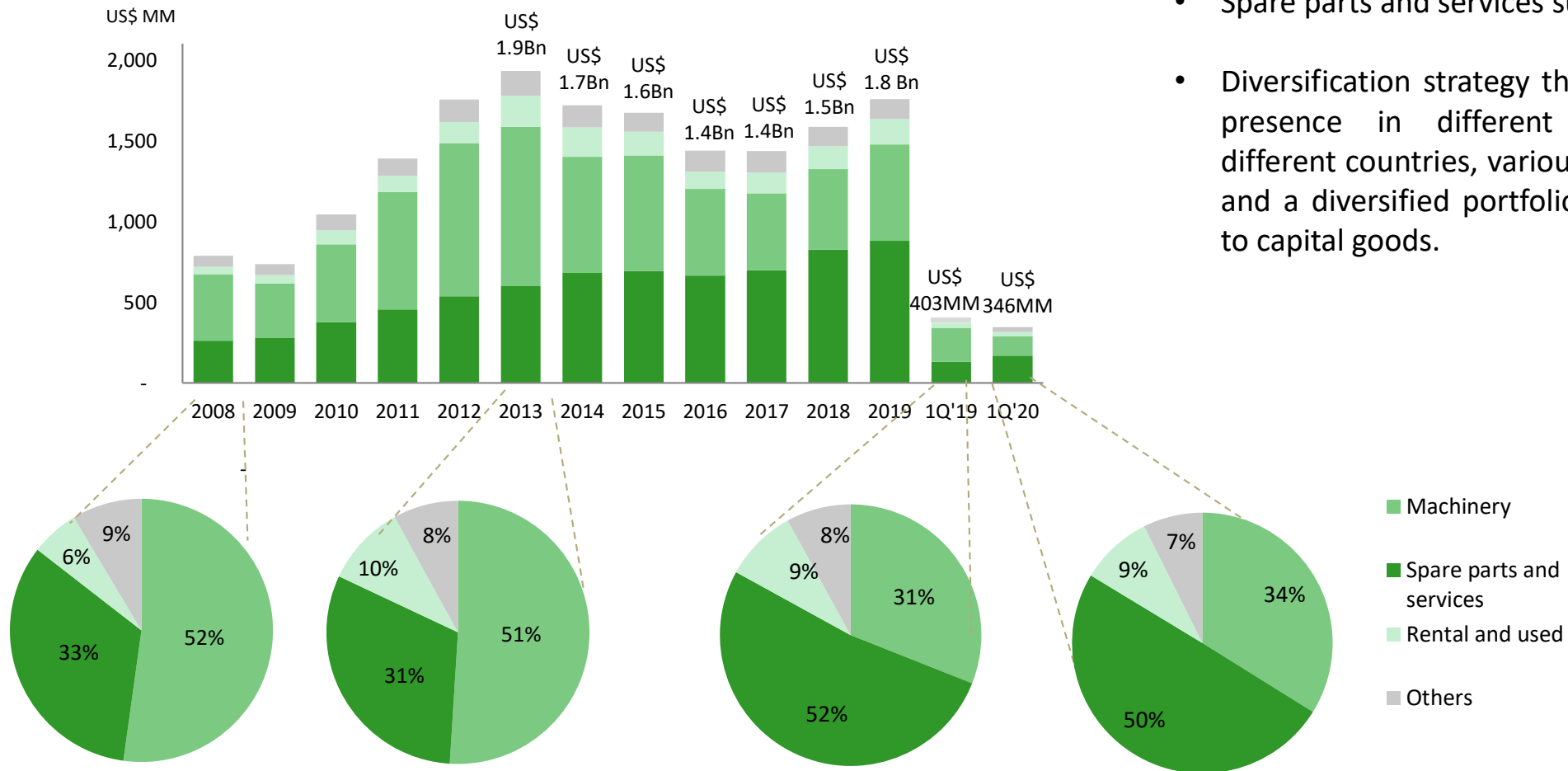
Ethics and compliance, Corporate Governance and Sustainability



Fundamental of the Business

SUSTAINABLE BUSINESS MODEL

Sales by Business Lines



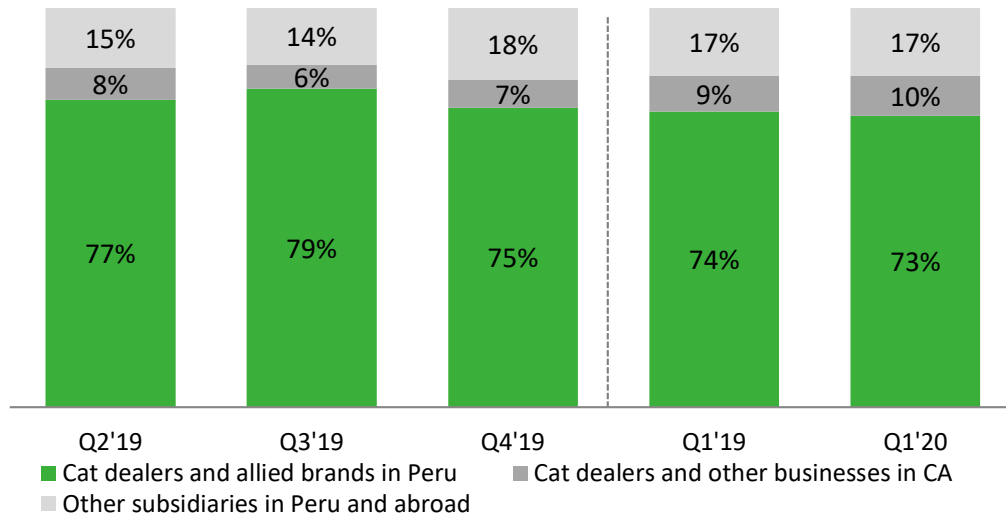
- Resilient business model.
- Spare parts and services support business.
- Diversification strategy through business lines, presence in different economic sectors, different countries, various represented brands and a diversified portfolio of products related to capital goods.

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

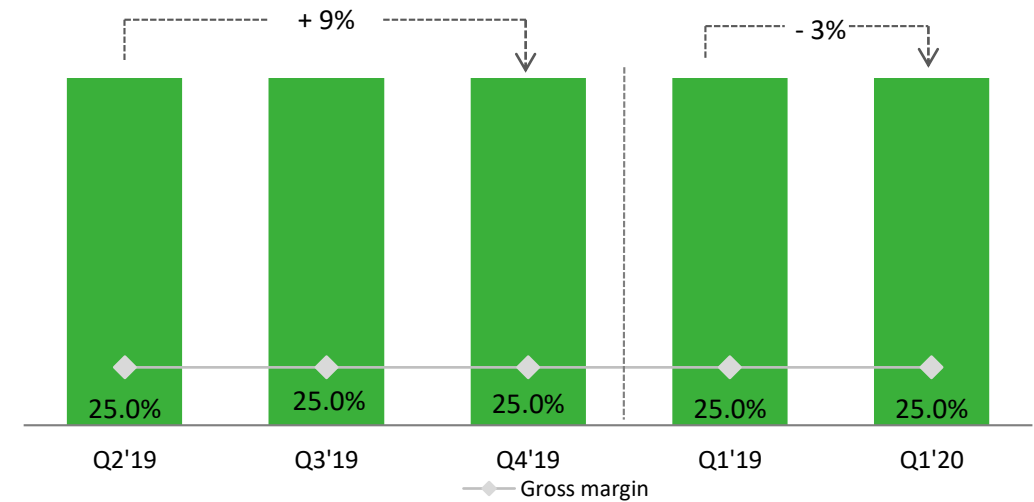
SALES BY GROUP OF COMPANIES

(In S/ mm)

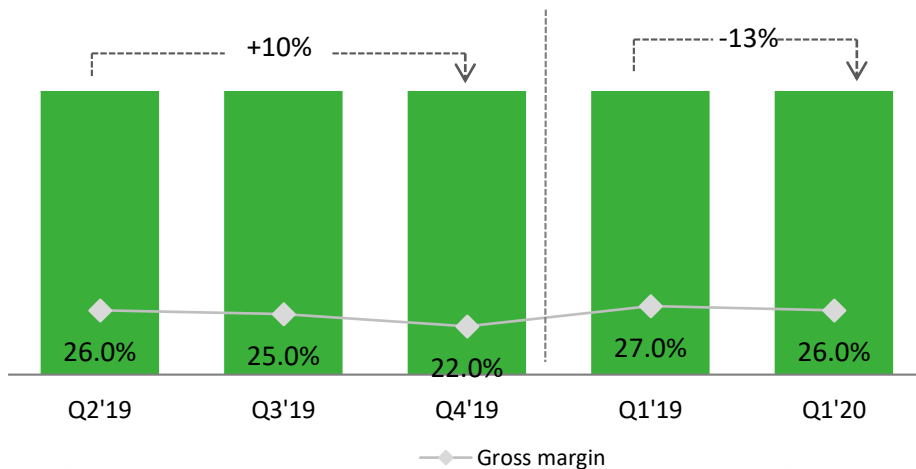
Sales by group of companies



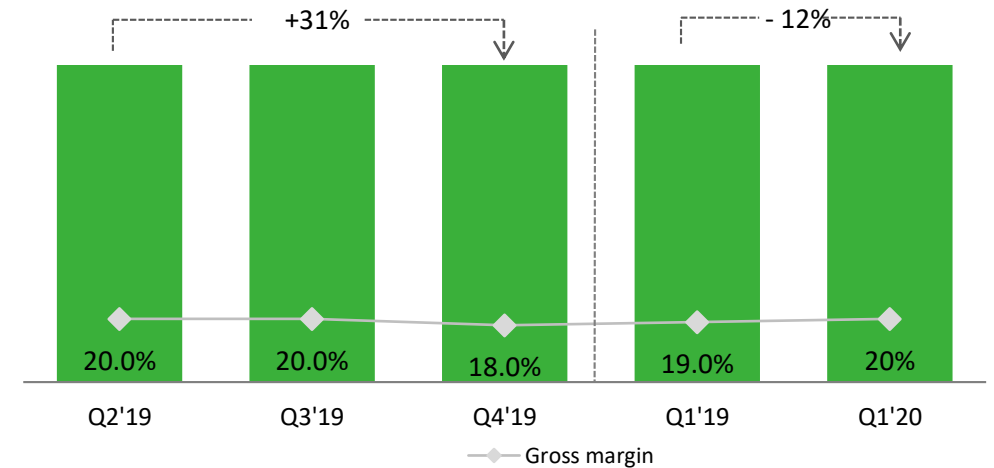
CAT dealers and other businesses in CA



CAT dealers and allied brands in Perú

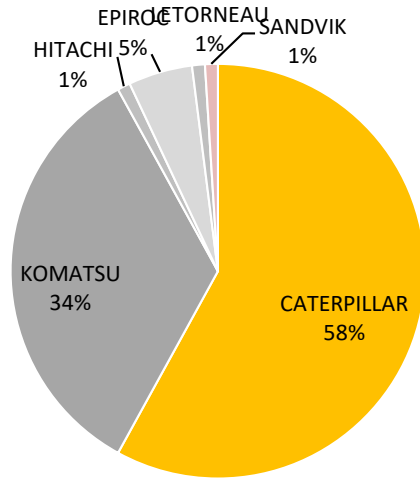


Other subsidiaries in Perú and abroad



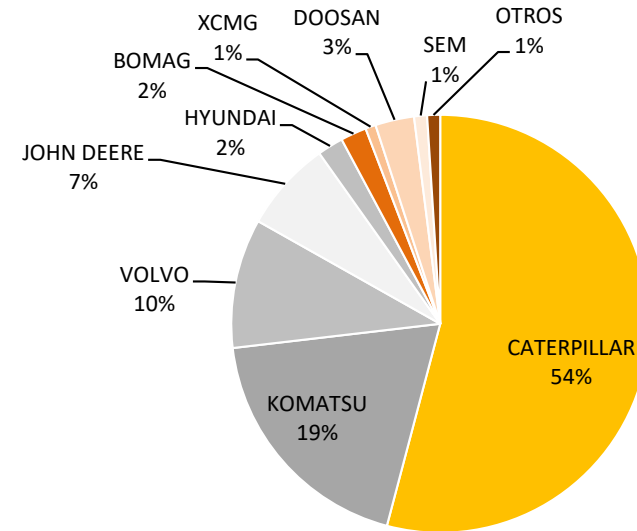
CATERPILLAR MARKET SHARE IN PERU

Open pit mining



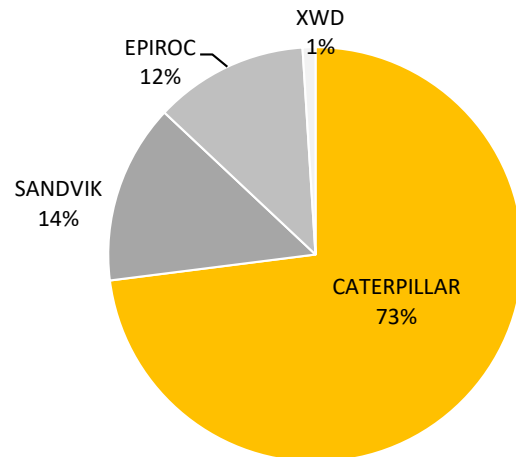
In units
Rolling 12 mo, Mar 2020

Heavy construction



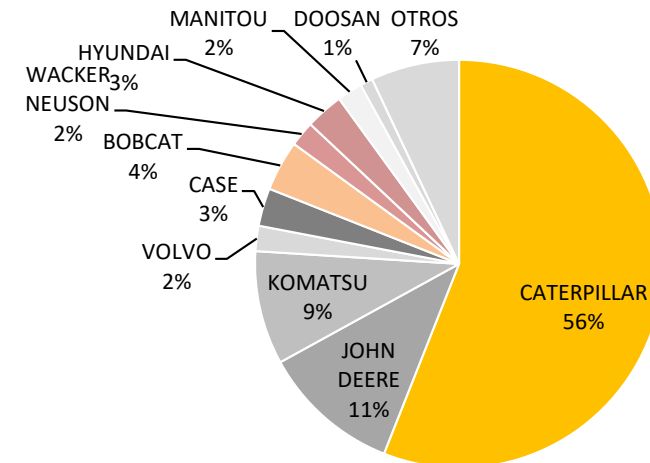
US\$ FOB
Rolling 12 mo, Mar 2020

Underground mining



US\$ FOB
Rolling 12 mo, Mar 2020

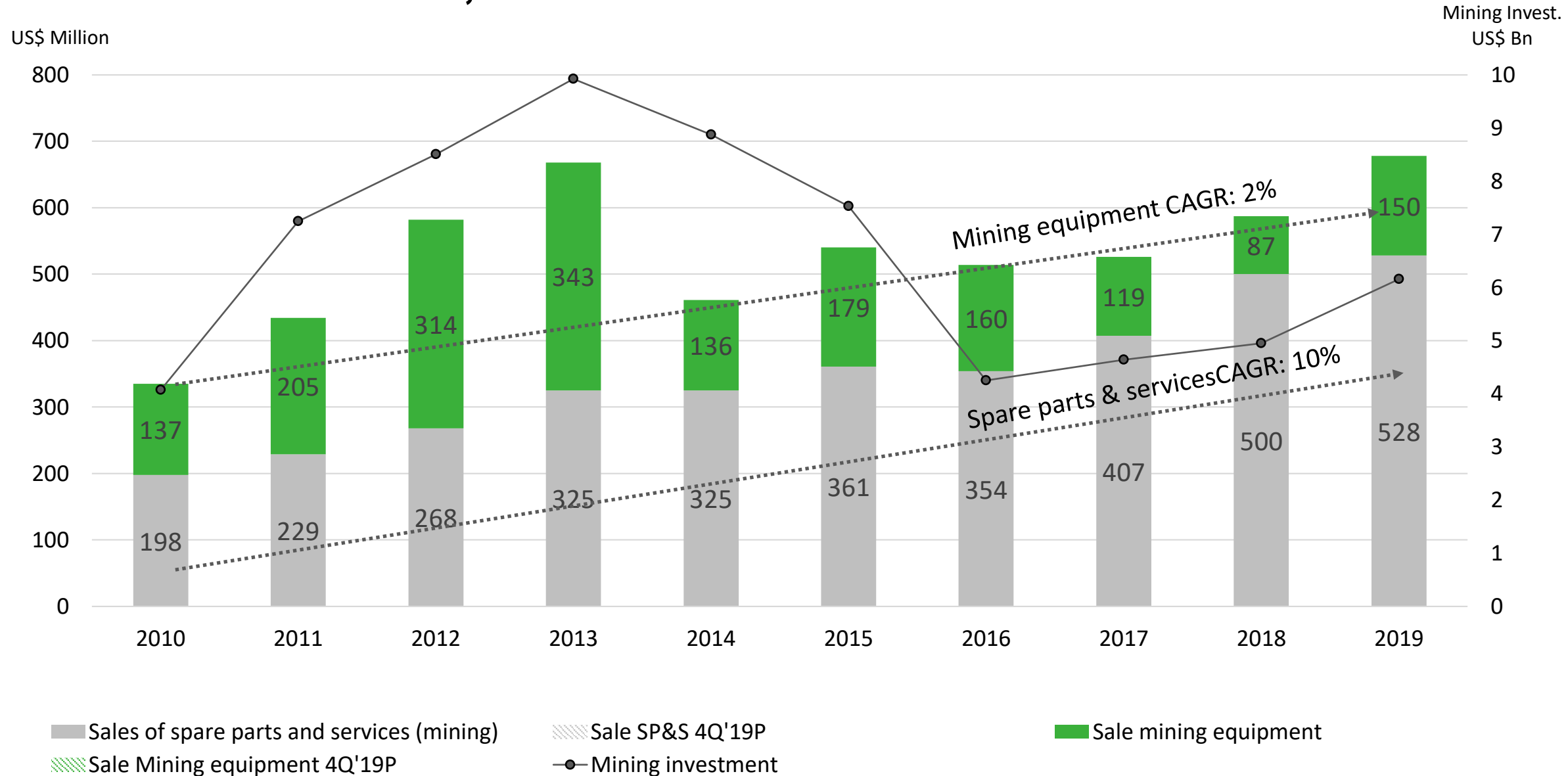
General construction



US\$ FOB
Rolling 12 mo, Mar 2020

MINING INVESTMENT

MINING MACHINERY, SPARE PARTS AND SERVICES



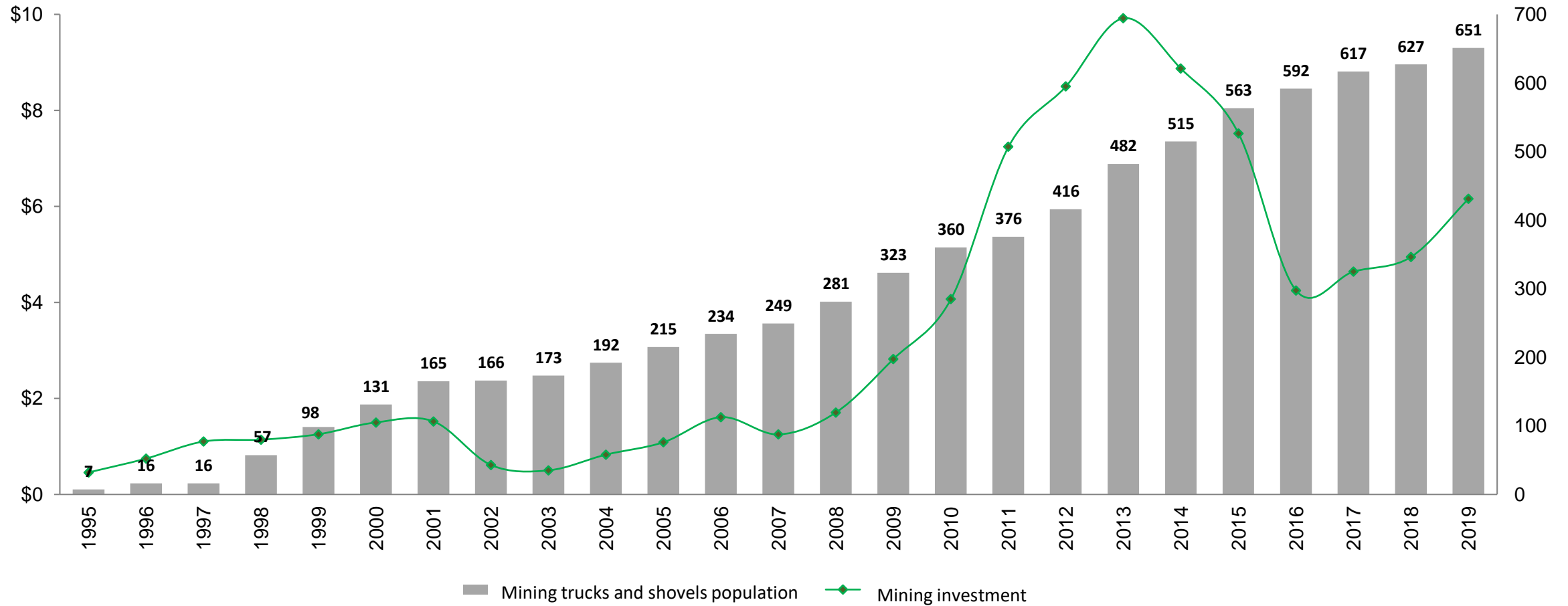
Source: Minem & Ferreyros

MINING INVESTMENT EVOLUTION

CATERPILLAR EQUIPMENT FOR MINING

Mining Investment
US\$ Billion

Units



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

MINING PROJECTS PORTFOLIO

US\$ 59 BILLION

Pre Feasibility

US\$31 BILLION

- Yanacocha Sulfuros
- Anubia
- Los Chancas
- Quicay II
- San Gabriel
- Haqira
- Michiquillay
- Antilla
- AZOD
- Bayovar 12
- Cotabamba
- Don Javier
- El Galeno
- Fosfato Mantaro
- Hierro Apurimac
- La Granja
- Los Calatos
- Macusani
- Pukaqaqa
- Racaycocha Sur
- Rondoni
- Trapiche

Feasibility

US\$13 BILLION

- Amp Pachapaqui
- Integración Coroccohuayco
- Zafranal
- Fosfatos Pacífico
- Magistral
- Amp Bayóvar
- Cañon Florida
- Conga
- Cañariaco
- El Padrino e Hilarión
- Ollachea
- Quechua
- Río Blanco
- San Luis

Engineering

US\$5 BILLION

- Amp Santa María
- Optimización Lagunas Norte
- Corani
- Tia Maria
- Pampa de Pongo

Construction

US\$10 BILLION

- Amp Toquepala
- Quecher Main
- Relaves B2 San Rafael
- Amp Toromocho
- Ariana
- Mina Justa
- Quellaveco

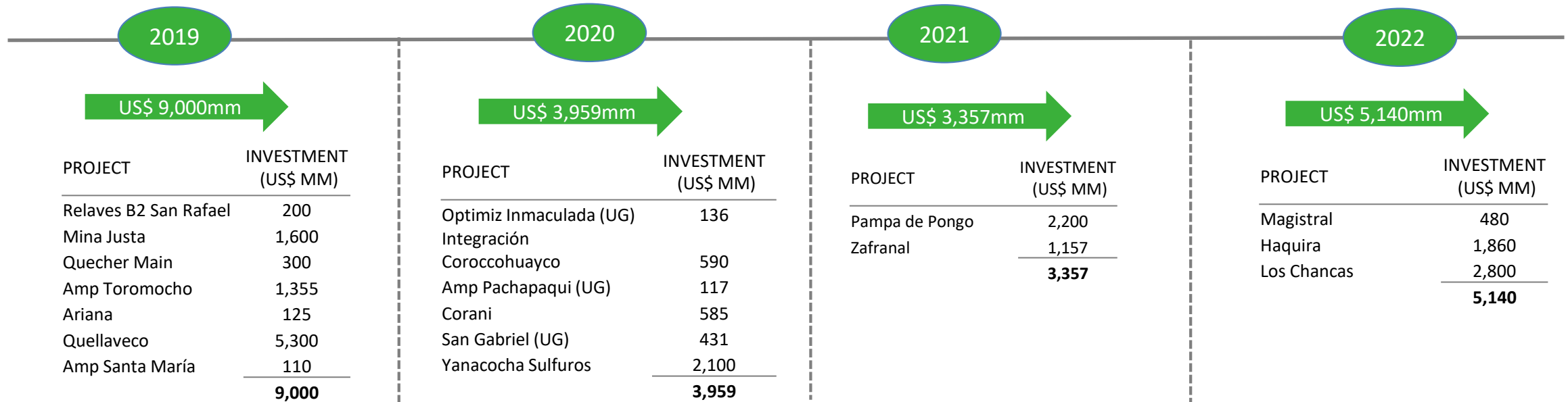
PROJECTS IN CONSTRUCTION STAGE (2019)

PROJECT	INVESTMENT (US\$ MM)	Construction period				
		2018	2019	2020	2021	2022
Relaves B2 San Rafael	200	[Bar chart showing construction period from 2018 to 2019]				
Mina Justa	1,600	[Bar chart showing construction period from 2018 to 2020]				
Quecher Main	300	[Bar chart showing construction period from 2018 to 2020]				
Amp Toromocho	1,355	[Bar chart showing construction period from 2018 to 2021]				
Ariana	125	[Bar chart showing construction period from 2018 to 2021]				
Quellaveco	5,300	[Bar chart showing construction period from 2018 to 2022]				
Amp Santa María	110	[Bar chart showing construction period from 2019 to 2022]				
	9,000					

Source: MINEM

MINING PROJECTS

CONSTRUCTION STAGE – NEXT YEARS

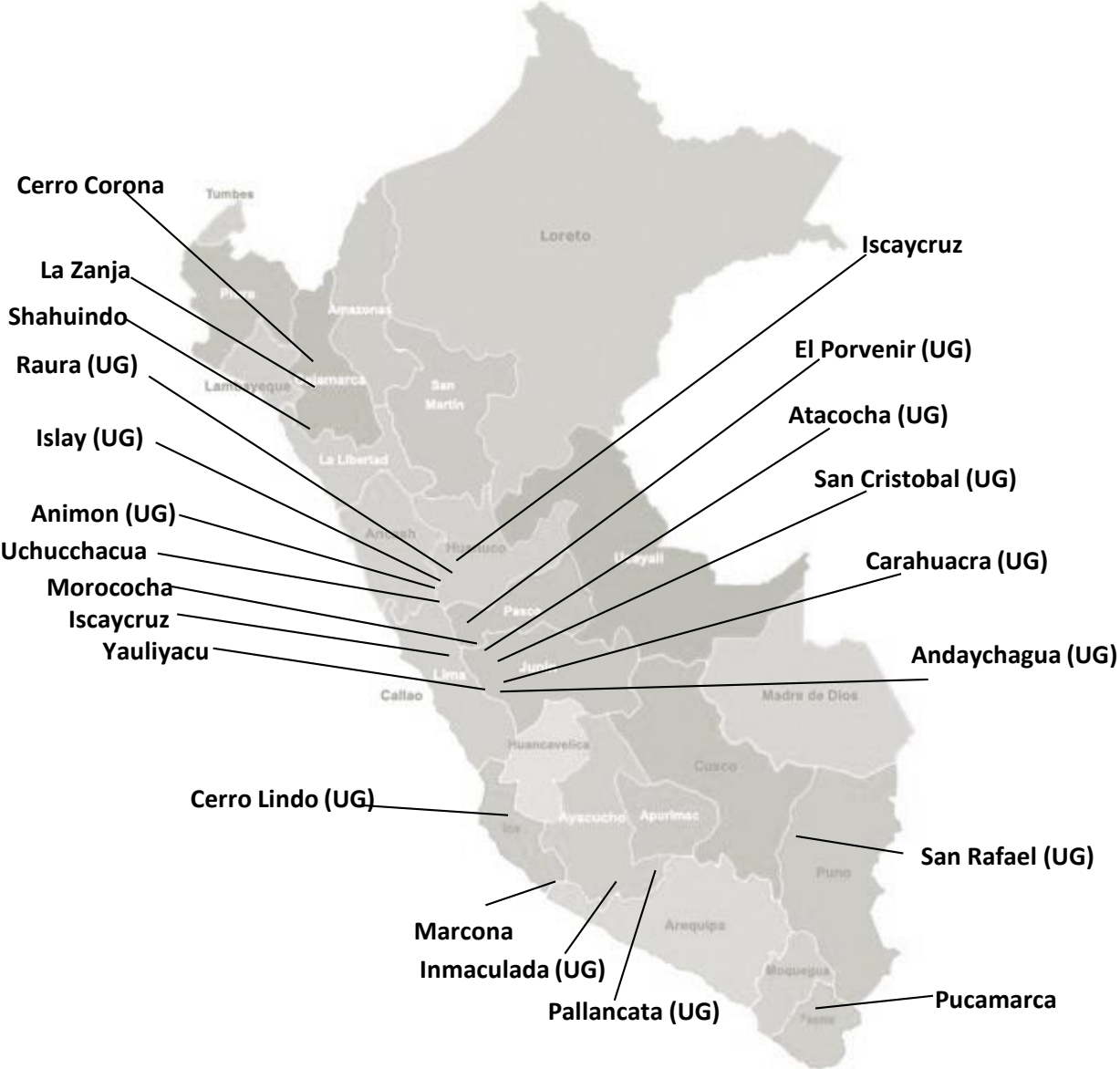
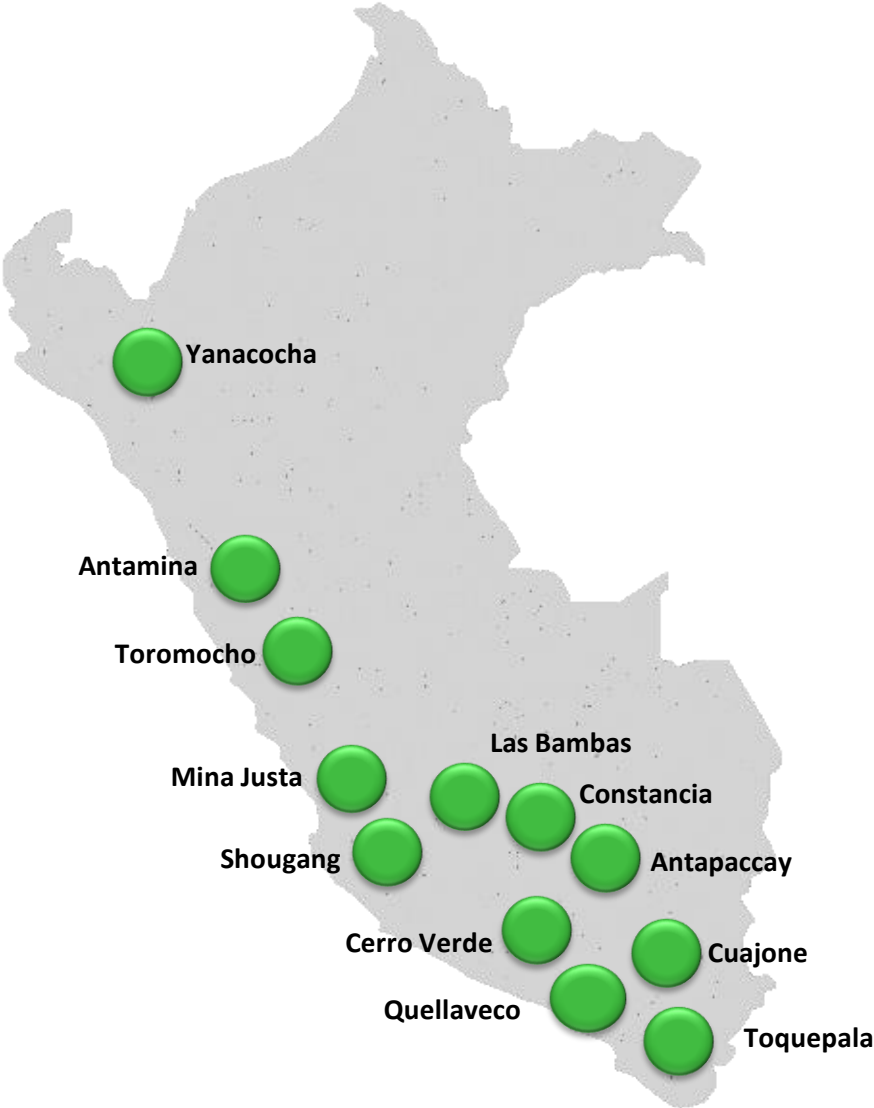


2019	5,940
2020	5,300
2021	4,550
2022	4,950

¹ Proyecciones realizadas en setiembre del 2019.

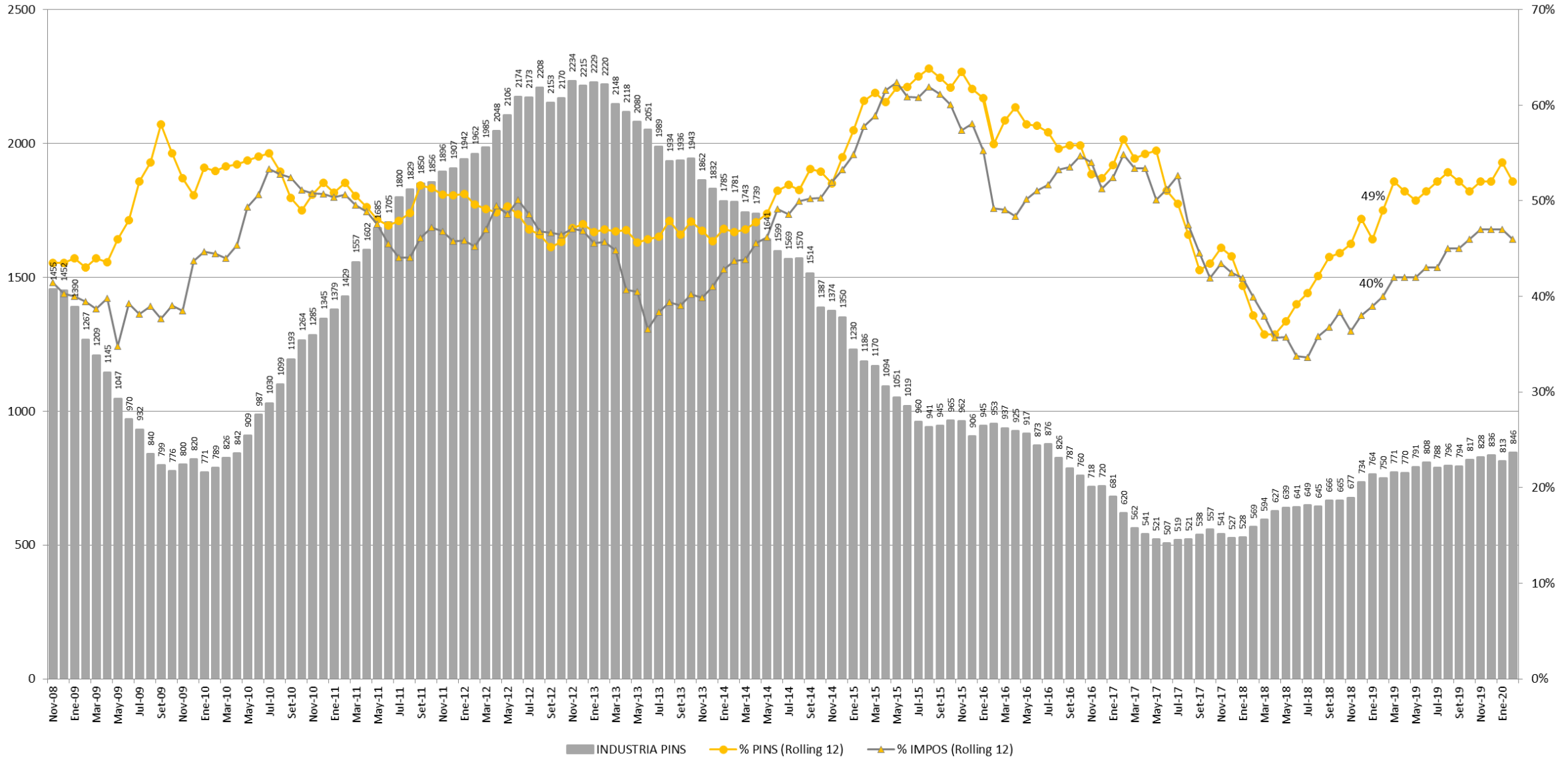
FUENTE: Minem, empresas, APOYO Consultoría

PRESENCE IN LARGE OPEN PIT, MEDIUM SIZE AND UNDERGROUND MINING



HEAVY CONSTRUCTION INDUSTRY EVOLUTION

Units

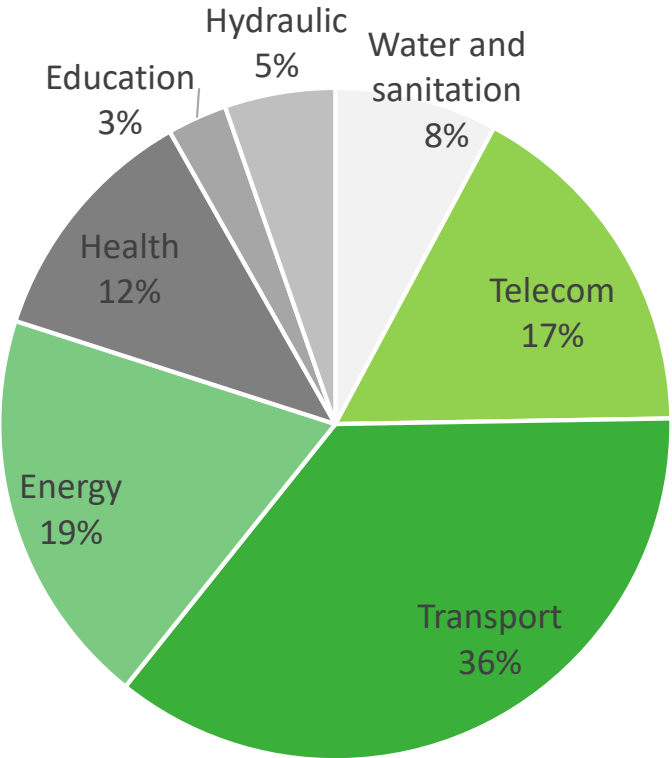


INFRASTRUCTURE GAP IN PERU

US\$ 160 BILLION

US\$ Billion	2016-2025
Water and sanitation	12.5
Telecom	27.0
Transport	57.5
Energy	30.7
Health	18.9
Education	4.6
Hydraulic	8.5
Total	159.7

Investment by sector



Source: AFIN

MAIN INFRASTRUCTURE PROJECTS UNDER CONSTRUCTION

INFRASTRUCTURE PROJECTS UNDER CONSTRUCTION

PROJECT	TOTAL INVESTMENT (US\$ mm)	2019 (US\$mm)	2020 (US\$mm)
Linea 2 del Metro	5,350	400	400
Jorge Chavez Airport exp.	1,500	0	150
San Martín Port	260	120	130
Salaverry Port	230	20	20
First group of regional airports (Chiclayo and Piura)	400	20	40
	7,740	560	740

✓ **Projects for more than US\$ 3 billion already awarded but pending to be executed (Public-Private partnerships)**

Delays in land expropriation

Autopista del sol	US\$ 230mm
Autopista del Norte	US\$ 200mm
Longitudinal de la Sierra T2	US\$ 90mm
Red Vial 6	US\$ 180mm

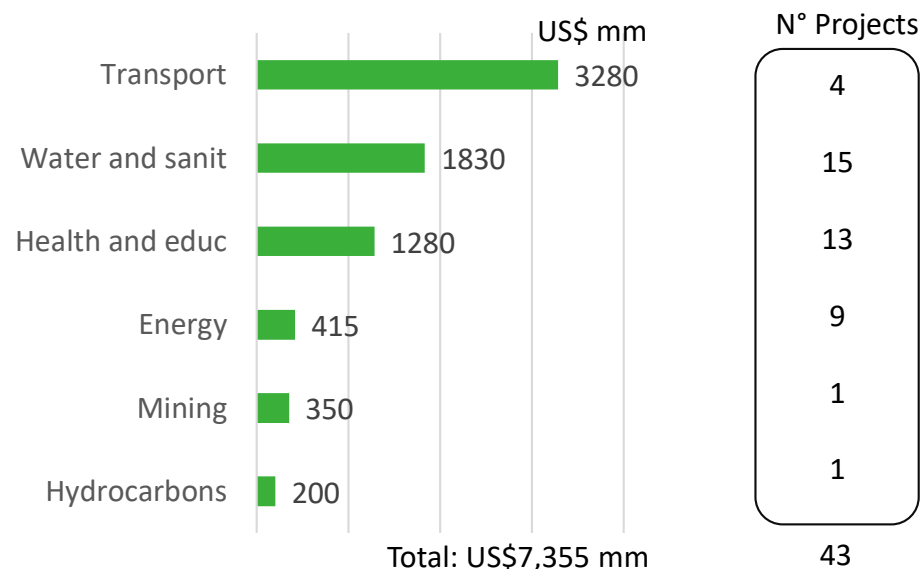
Addendum approval

Majes Siguan II	US\$ 550mm
Muelle Norte	US\$ 320mm
Muelle Sur	US\$ 220mm
Vias Nuevas de Lima	US\$ 200 mm

Project redefinition

Gaseoducto Sur Peruan	US\$ 4,600mm
Aeropuerto Chinchero	US\$ 584mm
Chavimoc III	US\$ 440mm

✓ **Projects to be awarded by Proinversión (2019-2021):**



MAIN PROJECTS TO BE AWARDED BY PROINVERSION IN 2020

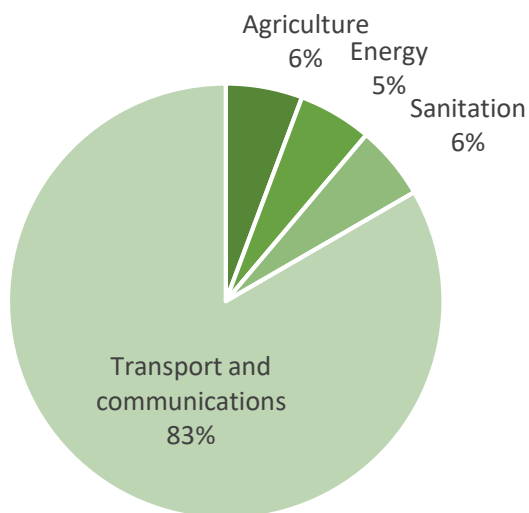
PROJECT	TOTAL INVESTMENT (US\$ mm)	Award date
Anillo Vial Periférico	2,050	2S 2020
Obras de cabecera	720	2S 2020
Puerto Marcona	540	1S 2020
Longitudinal de la Sierra Tramo 4	465	1S 2020
Ferrocarril Huancayo- Huancavelica	230	2S 2019
	US\$ 4,005 mm	

Source: Apoyo Consultoría

NATIONAL PLAN FOR COMPETITIVENESS AND PRODUCTIVITY

- National Infrastructure Plan: Projects for US\$30 billion to reduce the gap of basic services in 30% and will be developed in the next 10 years.

Investment by sector



Project	Investment (S/mm)	Sector	Stage
Línea 2 y Ramal Av. Faucett-Av. Gambeta de la Red Básica del Metro de Lima y Callao	17,105	Transport	Execution
Línea 3 Red básica del metro de Lima, provincia de Lima, departamento de Lima	12,373	Transport	Filing
Longitudinal de la Sierra Tramo 4: Huancayo-Ayacucho-Andahuaylas - Pte. Sahuinto y dv. pisco - Ayacucho	9,862	Transport	Structuring
Construcción del anillo vial periférico de la ciudad de Lima y Callao	6,772	Transport	Structuring
Programa de infraestructura vial para la competitividad regional - Proregión	6,120	Transport	Filing
Ampliación del Aeropuerto Internacional Jorge Chávez	4,950	Transport	Execution
Chavimochic (Tercera Etapa)	3,149	Agriculture	Execution
Ampliación del Terminal Multipropósito Muelle Norte - Callao - APM Terminals Callao	3,000	Transport	Execution
Obras de cabecera y conducción para el abastecimiento de agua potable para Lima	2,513	Sanitation	Execution
Mejoramiento y ampliación del servicio aeroportuario en la región Cusco mediante el nuevo aeropuerto internacional de Chinchero-Cusco	2,432	Transport	Execution

Project	Investment (S/mm)	Sector	Stage
Construcción y Mejoramiento de la Carretera Central, Tramo: Autopista puente los Ángeles - Ricardo Palma	2,321	Transport	Feasibility
Mejoramiento y ampliación del servicio aeroportuario (Piura y Trujillo)	2,292	Transport	Execution
Ampliación del Terminal de Contenedores Muelle Sur - Callao - DP World Callao	2,102	Transport	Execution
Majes Siguas (Segunda Etapa)	2,019	Agriculture	Execution
Mejoramiento y ampliación de los servicios de agua potable y alcantarillado en las ciudades de Puno, Juliaca y Pucallpa	1,780	Sanitation	Technical record
Rehabilitación y mejoramiento de la carretera Ruta N PE-8, EMP. PE-1N (Ciudad de Dios) y EMP. PE-3N Cajamarca	1,599	Transport	Technical record
Mejoramiento de la Carretera puente Ricardo Palma - La Oroya: Variante emp. PE-022 km. 101+379 (Rio Blanco) - emp. ruta PE-3S km. 21+918 (Huari)	1,481	Transport	Viability
Central Hidroeléctrica San Gabán III	1,445	Energy	Execution
Autopista del Sol: Trujillo - Sullana	1,333	Transport	Execution
Tercer grupo de aeropuertos regionales	1,299	Transport	Planning
Mejoramiento de la Carretera Oyón - Ambo	1,248	Transport	Execution

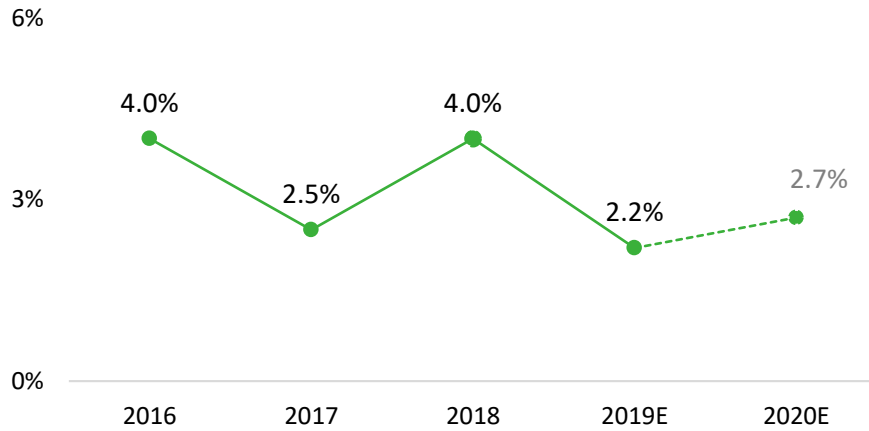
(*) Main projects: over S/ 1 Bn



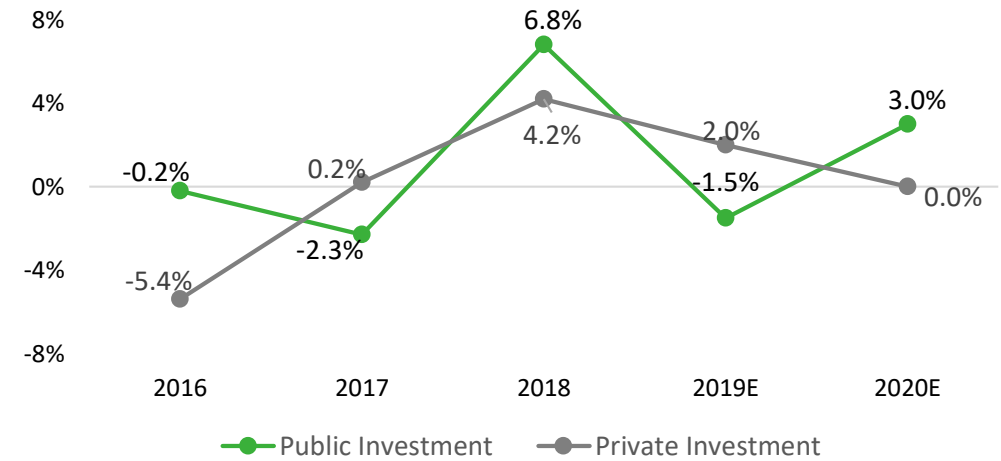
Source: MEF

GDP, PRIVATE AND PUBLIC INVESTMENT

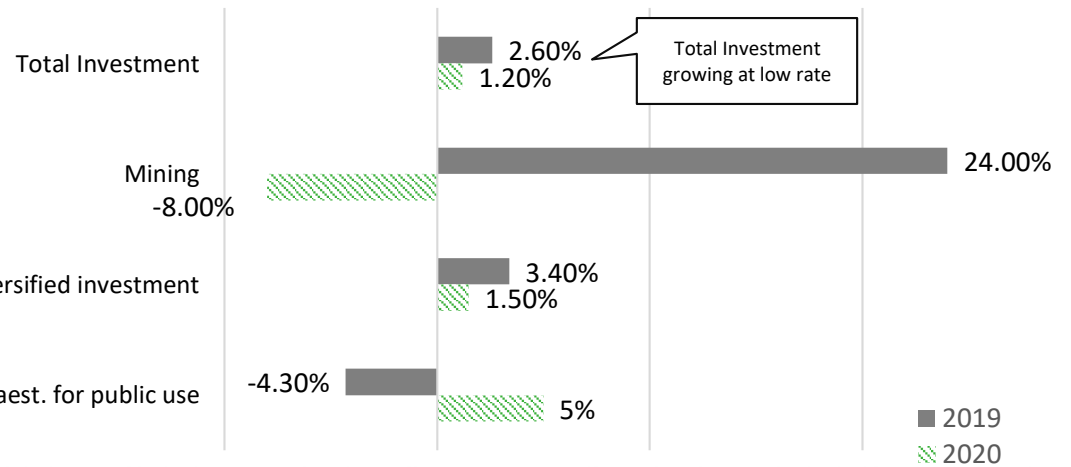
GDP (Var.%)



Public and Private Investment (Var.%)



Total Investment by Type



Main Projects for 2020

Investment Flow of main projects

PROJECT	2019 (US\$mm)	2020E (US\$mm)
Quellaveco	1,300	1,500
Toromocho expansion	500	550
Mina Justa	900	500
Lima Metro – Line 2	350	400
Jorge Chavez Airport exp	0	150
San Martin Port	85	130
6 roads	10	10
	3,145	3,240

Source: Apoyo Consultoria

MAIN PROJECTS

Investment Flow of main projects

PROJECT	2019 (US\$mm)	2020E (US\$mm)
Quellaveco	1,300	1,500
Toromocho expansion	500	550
Mina Justa	900	500
Lima Metro – Line 2	350	400
Jorge Chavez Airport exp	0	150
San Martin Port	85	130
6 roads	10	10
	3,145	3,240

Public Works Execution

PROJECT	2019 (US\$mm)	2020E (US\$mm)
Reconstruction of North Part	950	1,130
Talara Refinery	900	650
Panamerican Games	230	0
Regular public projects	8,150	9,370
	10,230	11,150

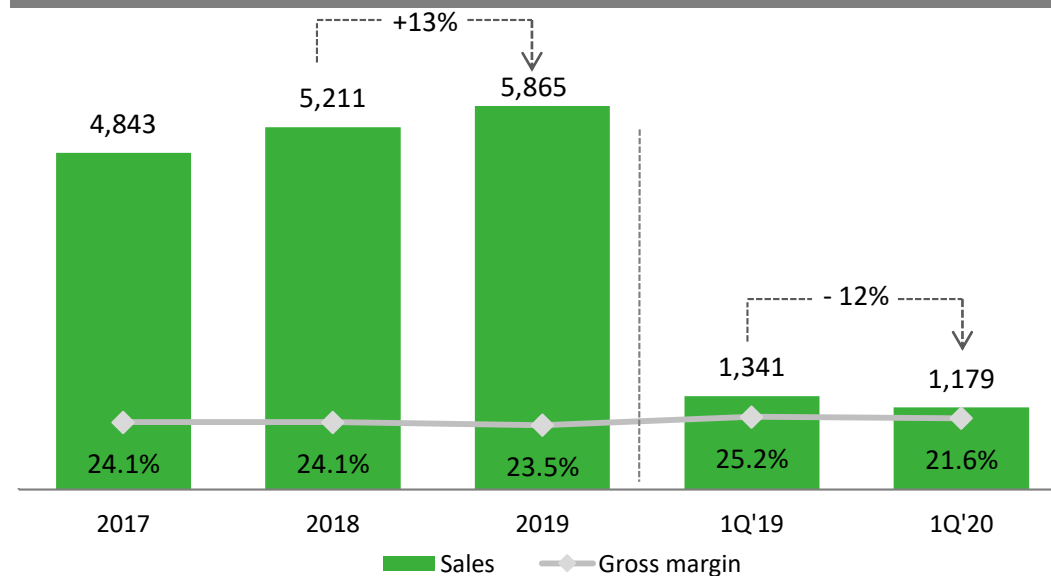


Financial Performance

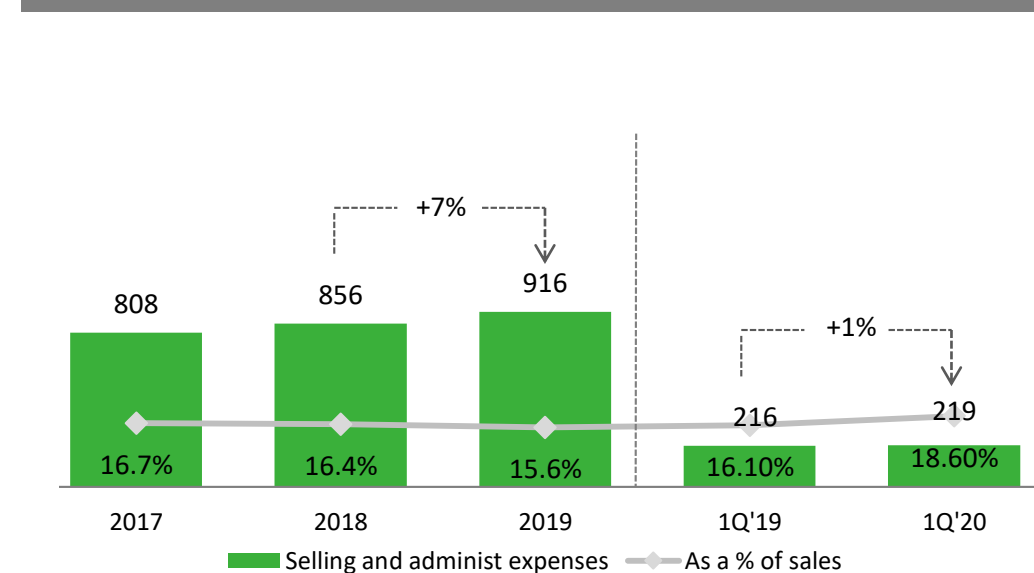
FINANCIAL RESULTS

Million soles (S/ mm)

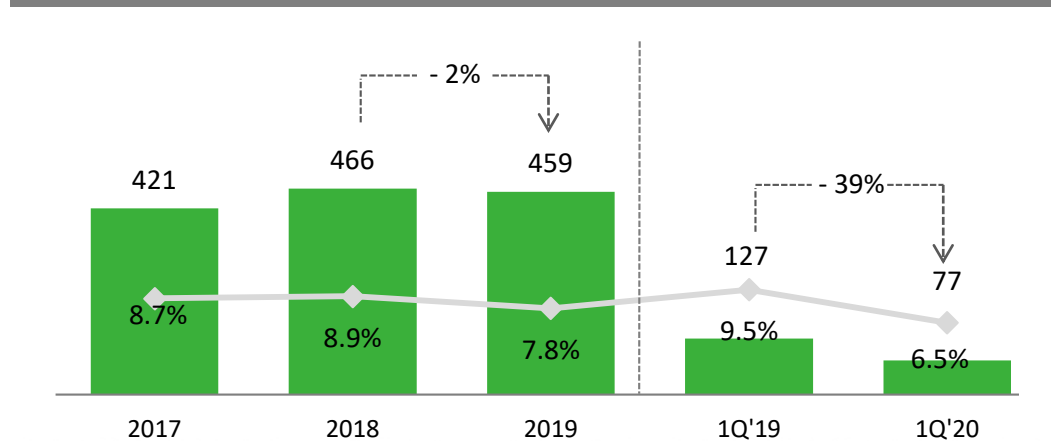
Sales and Gross Margin



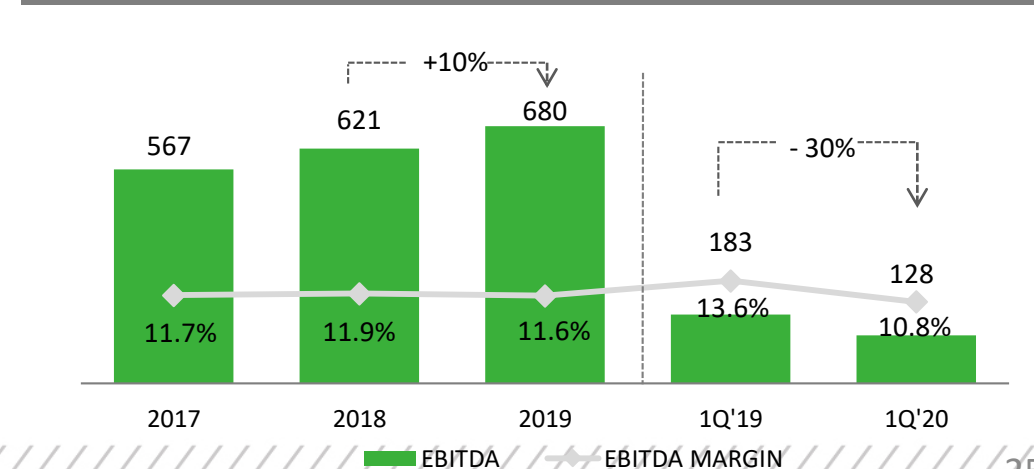
SG & A Expenses



Operating Profit and Operating Margin



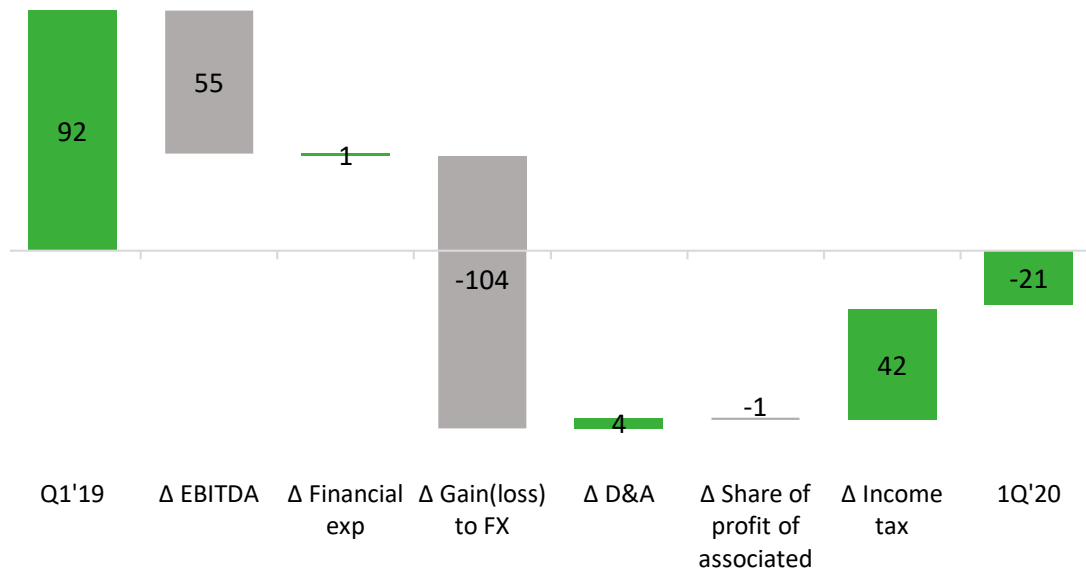
EBITDA and EBITDA Margin



FINANCIAL RESULTS

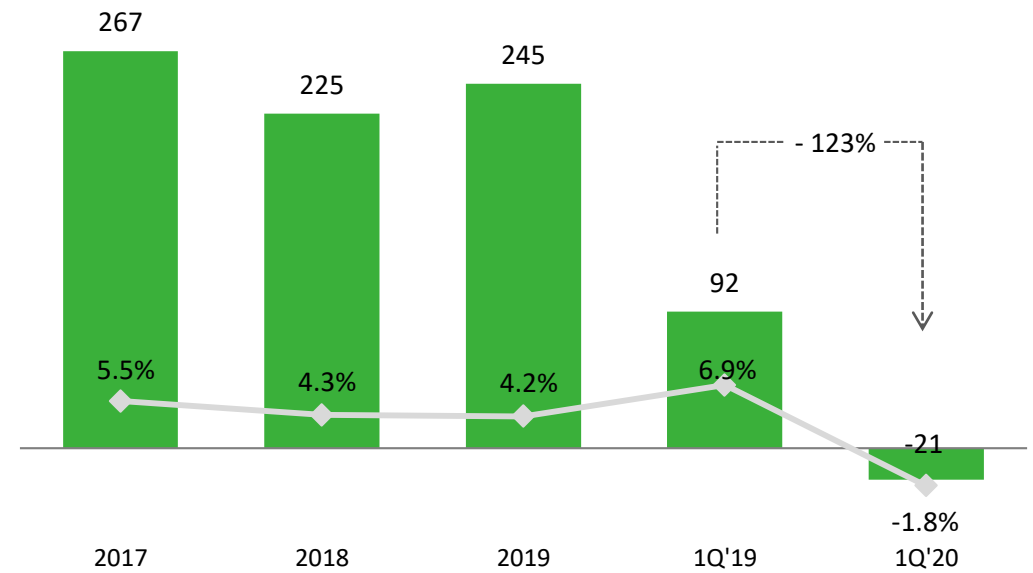
Million soles (S/ mm)

Net Profit 1Q'20



■ Positive variations
■ Negative variations

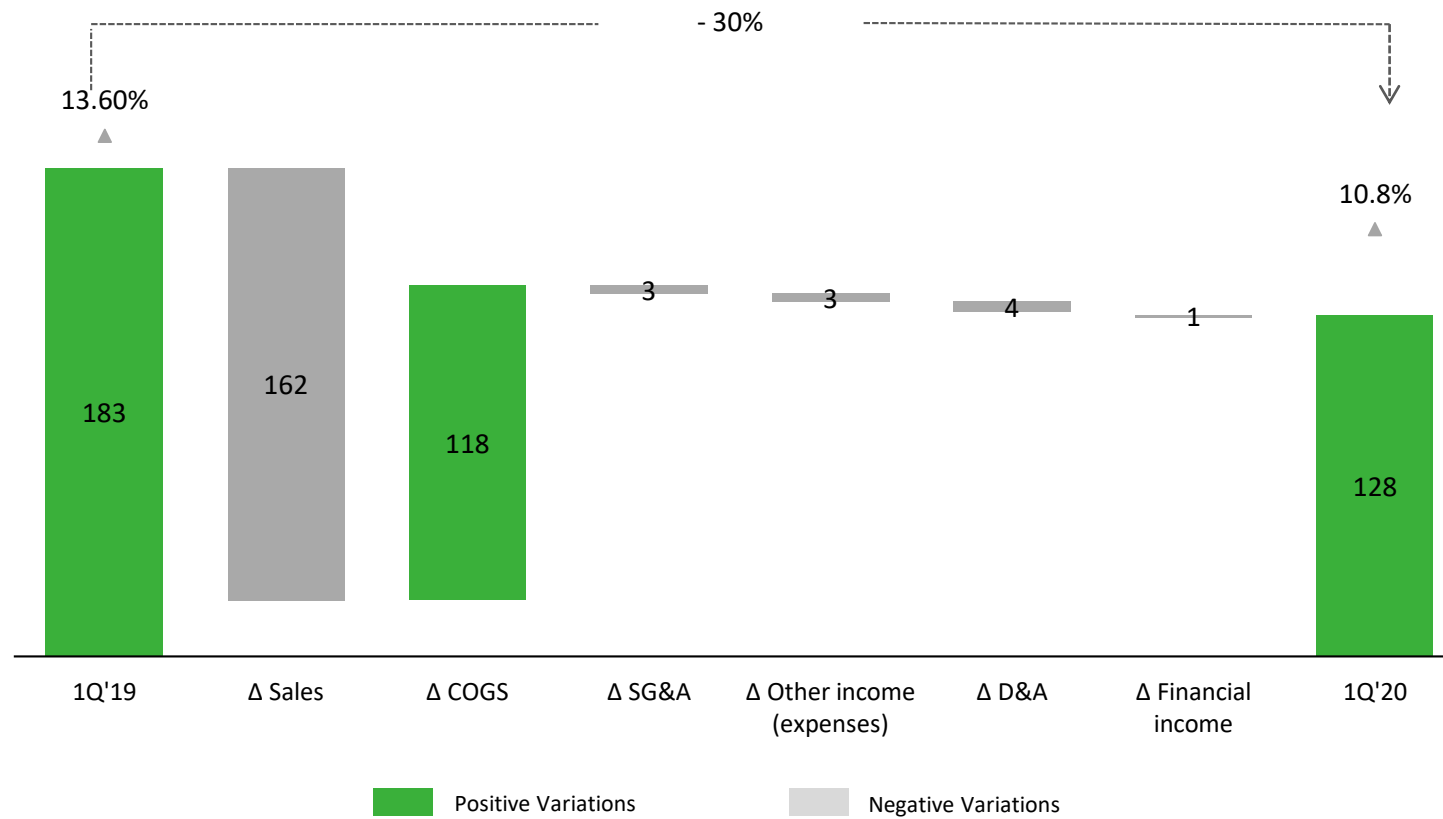
Net Profit and Net Margin



EBITDA

Million soles (S/ mm)

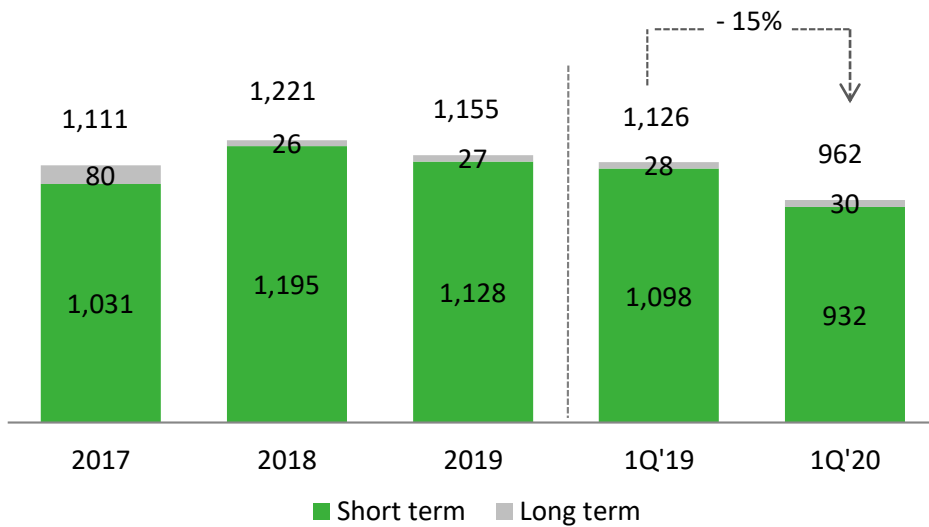
EBITDA 1Q'20



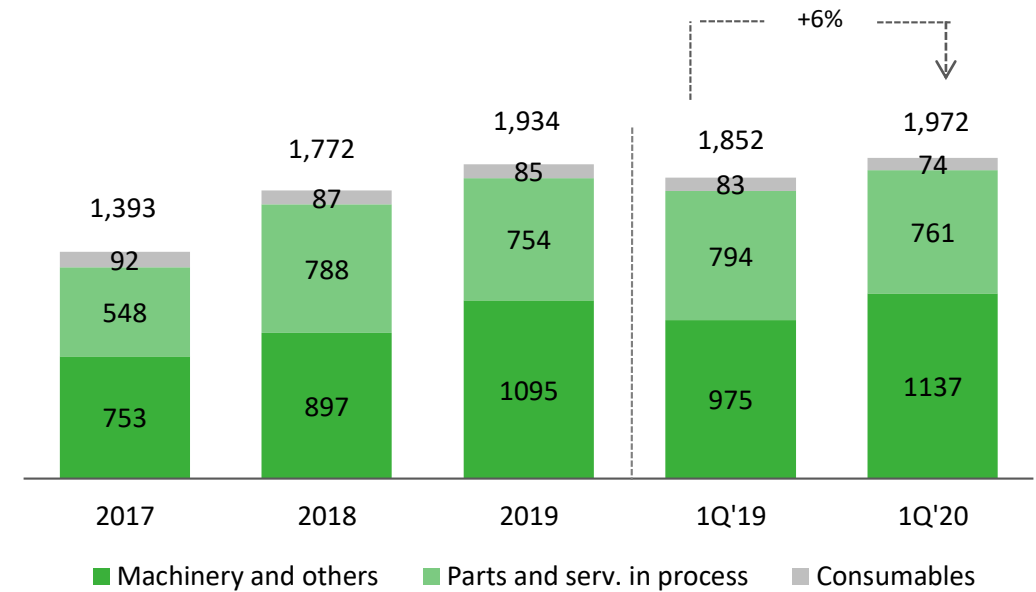
INVESTMENT IN ASSETS

Million soles (S/ mm)

Accounts Receivables



Inventory

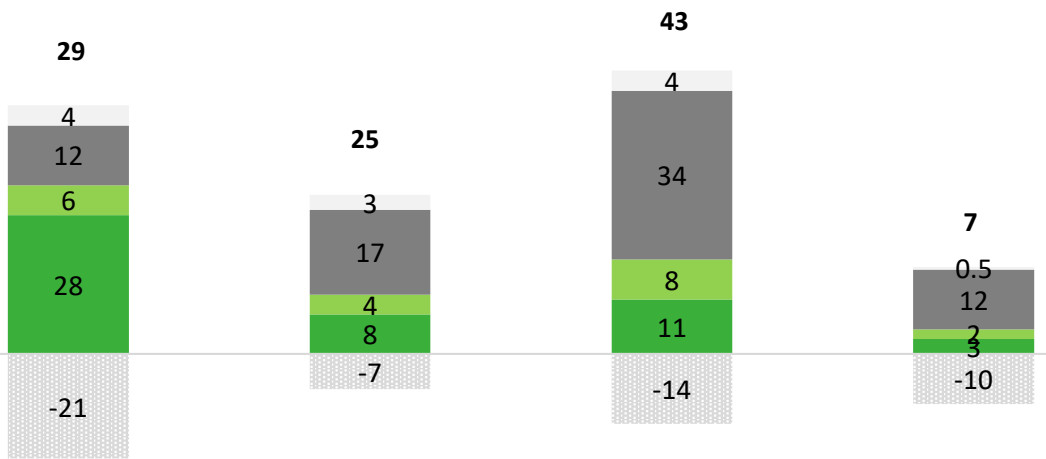


- Common practice, 30 días para la recolección una vez que se entregue la factura al cliente.

FIXED ASSETS AND CASH CYCLE

Million dollars (US\$ mm)

CAPEX



2017

2018

2019

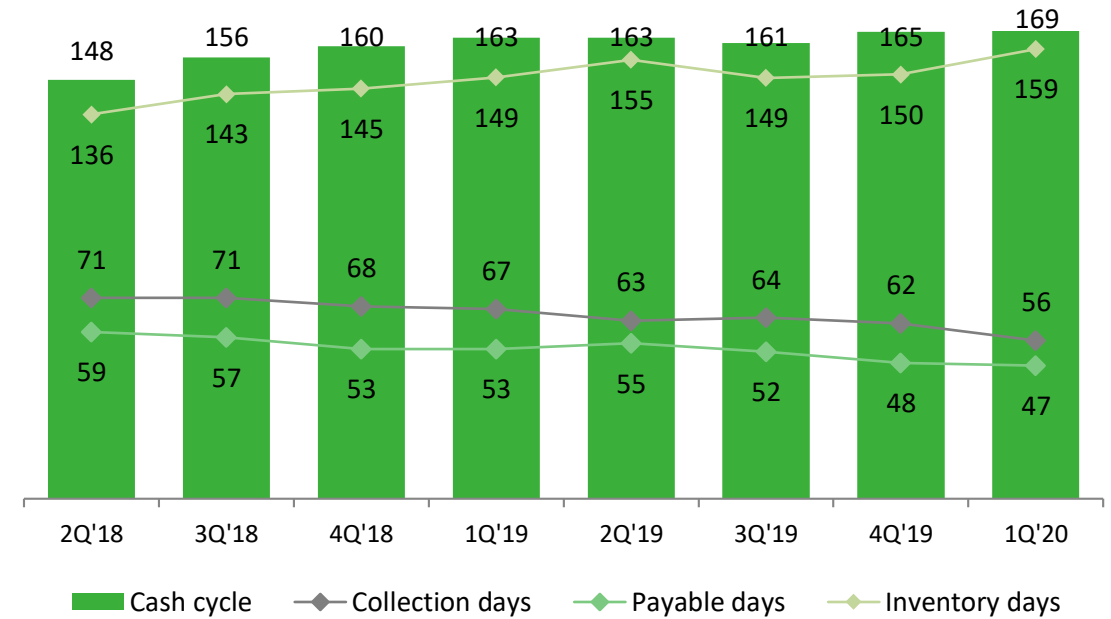
As of Mar 20

- Infrastructure
- Rental Fleet
- Sale of fixed assets

- Machinery and equipment
- Vehicles, furniture and equipment

- Intangibles: ERP SAP implementation
- 2017: US\$ 13mm
- 2018: US\$ 23mm
- 2019: US\$ 24mm
- 2020: US\$ 4mm

Cash cycle

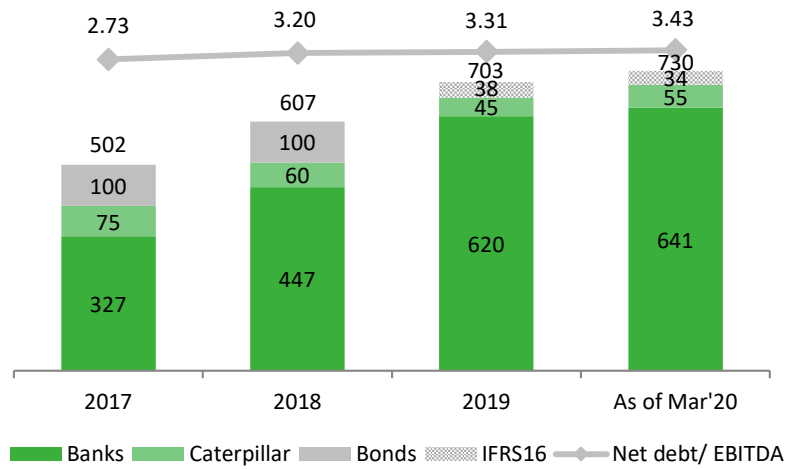


- Cash cycle
- Collection days
- Payable days
- Inventory days

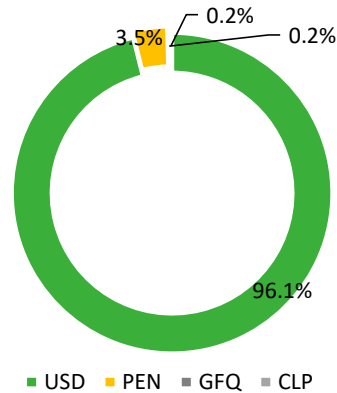
FINANCIAL DEBT

Million dollars (US\$ mm)

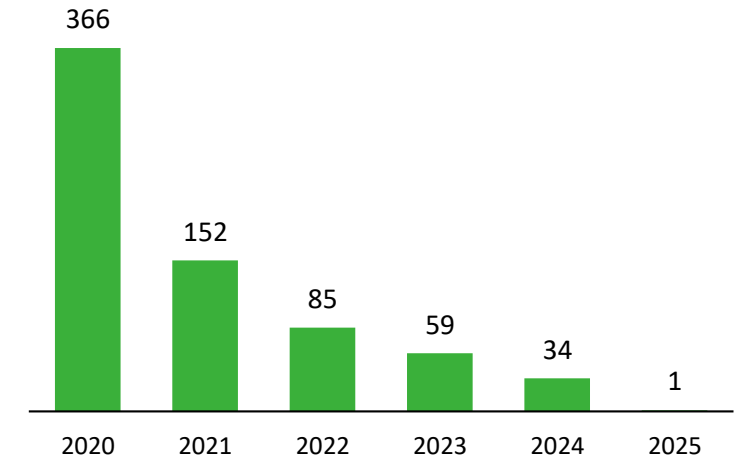
Diversified funding base



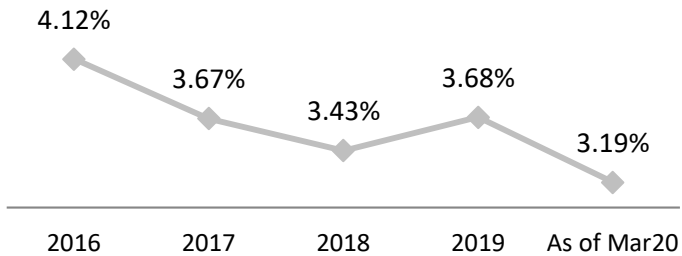
Debt by currency



Debt Maturity

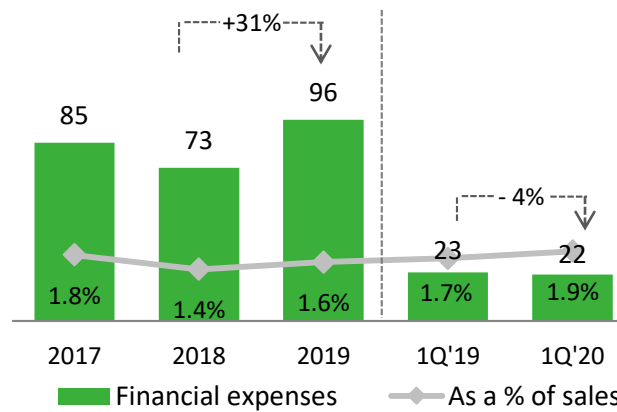


Average cost of debt

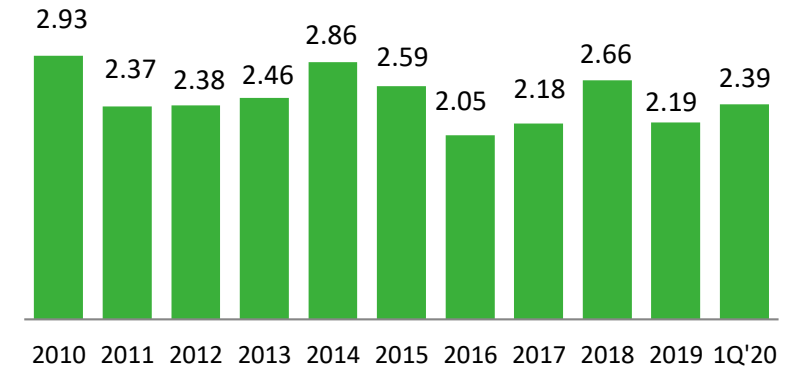


Financial expenses

(S/ mm)



Adjusted Debt/EBITDA



- Adjusted debt: exclude short term debt related to inventories
- Covenant < 3.5x

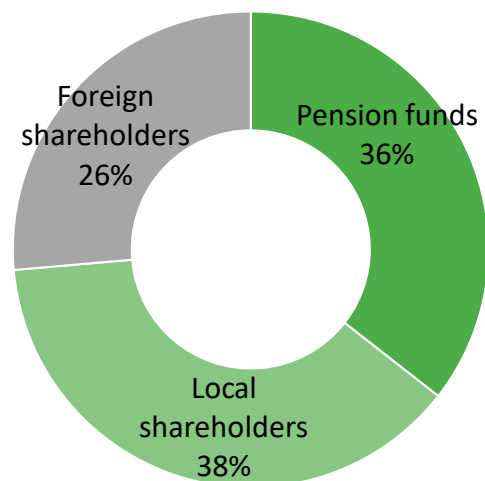


Ferreycorp in the Capital Market

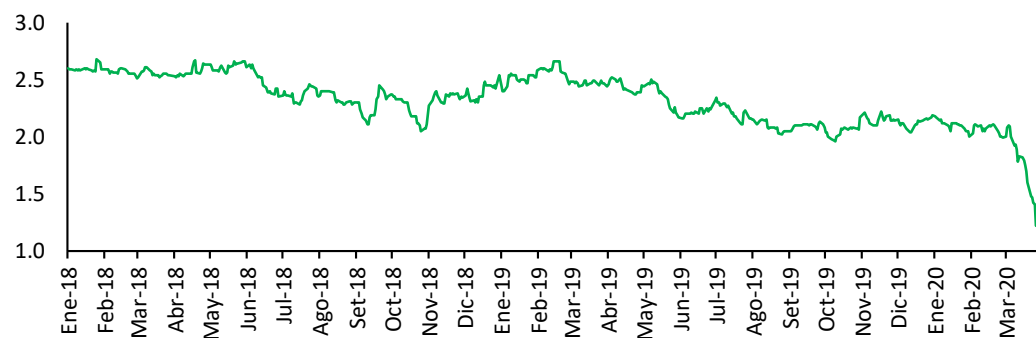
 Ferreycorp

FERREYCORP IN THE CAPITAL MARKET

Shareholder Structure as of March 2020



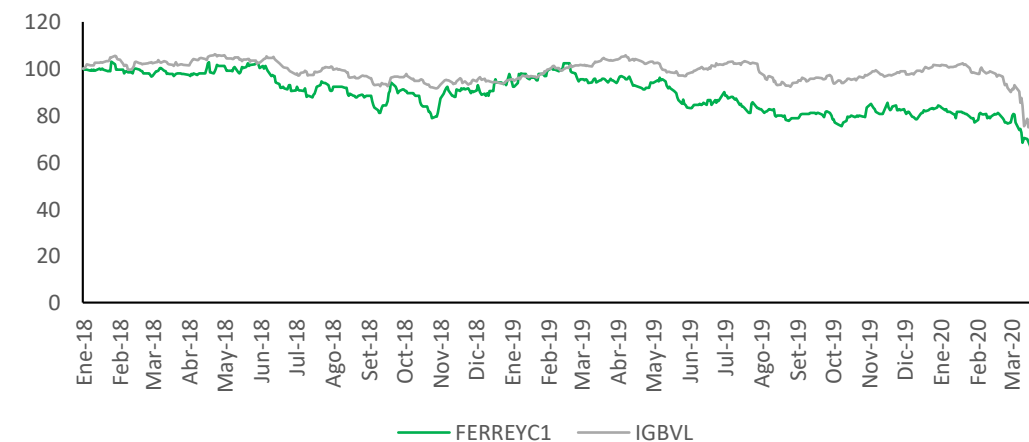
Share Price 2018-2020 (S/)



Main Shareholders as of March 2020

Shareholder	Share
RI-Fondo 2 (Prima AFP)	7.00%
Onyx Latin America Equity Fund LP	6.68%
IN-Fondo 3 (AFP Integra)	5.39%
IN-Fondo 2 (AFP Integra)	5.25%
PR-Fondo 2 (Profuturo AFP)	4.84%
Interseguro Compañía de Seguros	4.35%
RI-Fondo 3 (Prima AFP)	4.33%

Ferreycorp & SP/BVL PERU



DIVIDEND POLICY

ANNUAL COMPLIANCE

- ✓ In 1997, the company's Shareholders meeting approved the dividend policy.
- ✓ A modification was approved to assign minimum and maximum ranges. Cash dividends will amount to 5% of the capital or a ceiling equal to 60% of freely available profits.
- ✓ The 2013 Shareholders Meeting approved to increase the upper limit from 50% to 60% of freely available profits.
- ✓ The 2018 Shareholders Meeting modified the policy: dividends in advance.
- ✓ The 2019 Shareholders Meeting modified the policy: extraordinary dividends.

Period:	Cash dividend (*)	Payout (% 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
2018	121.5	60%	12.4543%	0.124543
	50.0		5.1246%	0.051246
	50.0		5.1246%	0.051246



(*) In million

(**) Upper Limit: 60%



Corporate Governance and Sustainability

SUSTAINABILITY STAKEHOLDERS

Community

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

Customers

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

Government and Society

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

Suppliers

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

Environment

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

Employees

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

Shareholders

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

CORPORATE STANDARDS

STRONG CORPORATE GOVERNANCE

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



Board of Directors:

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



Composition of the Board:

Independent Directors

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

Dependent Directors

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

Recognitions

- Key of the Lima Stock Exchange: 2008, 2011, 2012, 2013, 2017, 2018 and 2019.
- Member of the Companies Circle of the Latin America launched by OECD and IFC
- **International recognitions:** World Finance Award 2011 and 2012; Latin America Investor Relations Awards 2011 (LirA'11), Ethical Boardroom Corporate Governance Awards 2015: South America, Industrial services sector, Dow Jones Sustainability Index (2018, 2019)





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