

Corporate Presentation

January 2015



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Mission, Vision and Corporate Values



+ MISSION

To provide the solutions that each customer needs, by supplying the capital goods and services that they require to create value in the markets where they operate

+ VISION

Strengthen our leadership by being recognized by our customers as the best choice, in a way we can achieve our growth targets

+ CORPORATE VALUES

- Integrity
- Equality
- Service oriented
- Excellence and innovation
- Respect for individuals
- Teamwork
- Commitment

+ OUR STRATEGY



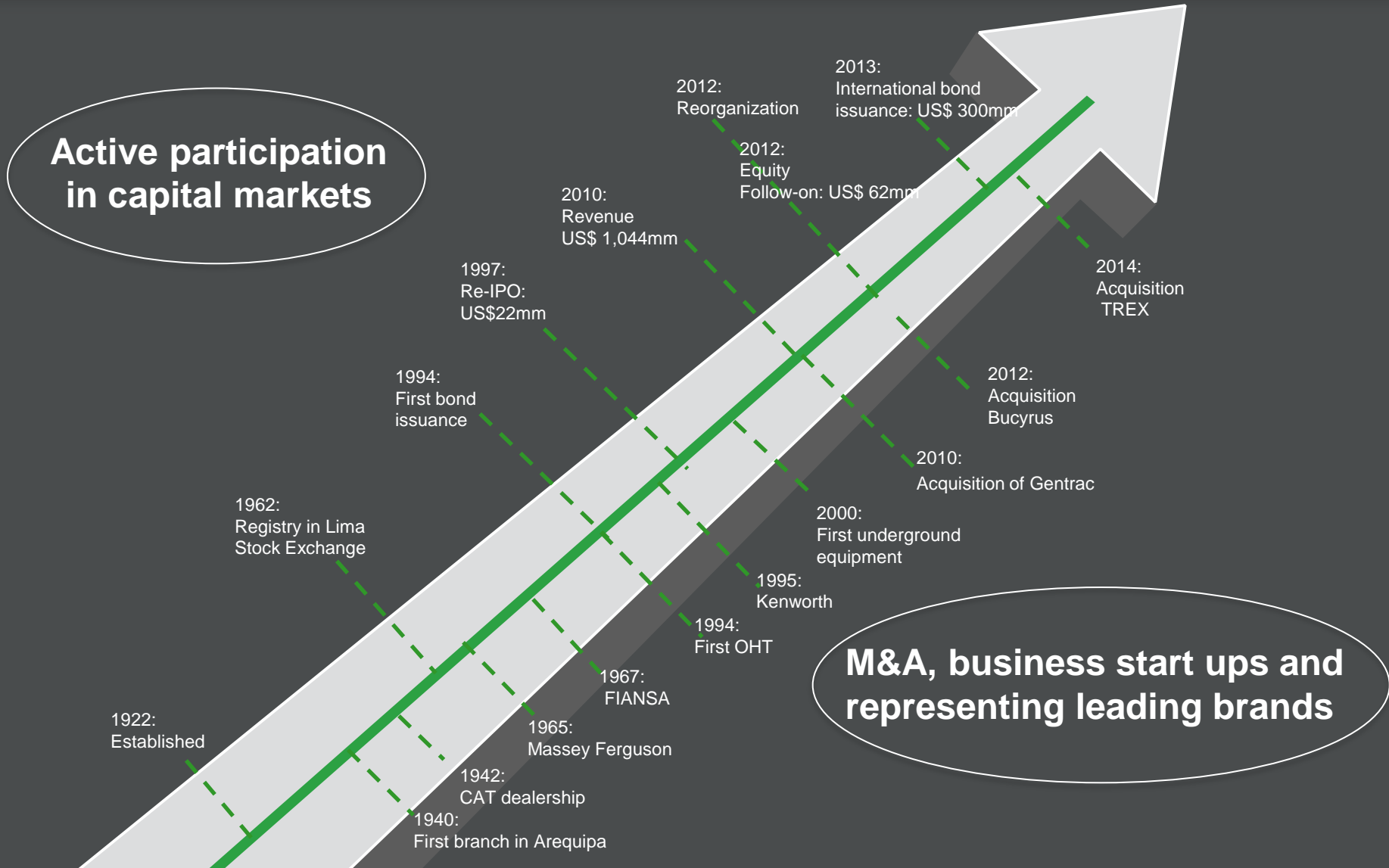
Overview of Ferreycorp



- ▶ Imports and distributes capital goods and provides spare parts and services related to the business. Leading provider of rental services.
- ▶ Unique Caterpillar distributor in Peru, Guatemala, El Salvador and Belize with operations in those countries including Nicaragua, Chile, Colombia and Ecuador.
- ▶ More than 70 years of strategic alliance with Caterpillar
- ▶ 50% market share of CAT products
- ▶ Coverage of key sectors in the economy including mining (large open pit mining, underground mining), construction, agriculture, power, fishing, among others.
- ▶ Over 6,000 employees worldwide (~50% technicians/ mechanics)

2013 Financial Statistics		As of 3Q14 Statistics		Capital Market Statistics	
Revenue	US\$1.9Bn	US\$1.3Bn		FERREYC1	
EBITDA	US\$217mm	US\$141mm		Market cap	~ US\$600mm
Ebitda Margin	11.2%	10.8%		Shareholders	+3,000
Net debt/ EBITDA	3.28x	3.21x		Dividend yield	3.6%
				EV/ EBITDA _{LTM}	6.0x

Corporate History



Organization Structure



Caterpillar dealers in Perú



Caterpillar dealers and other businesses abroad

Caterpillar Dealers in Central America



Other Peruvian Subsidiaries



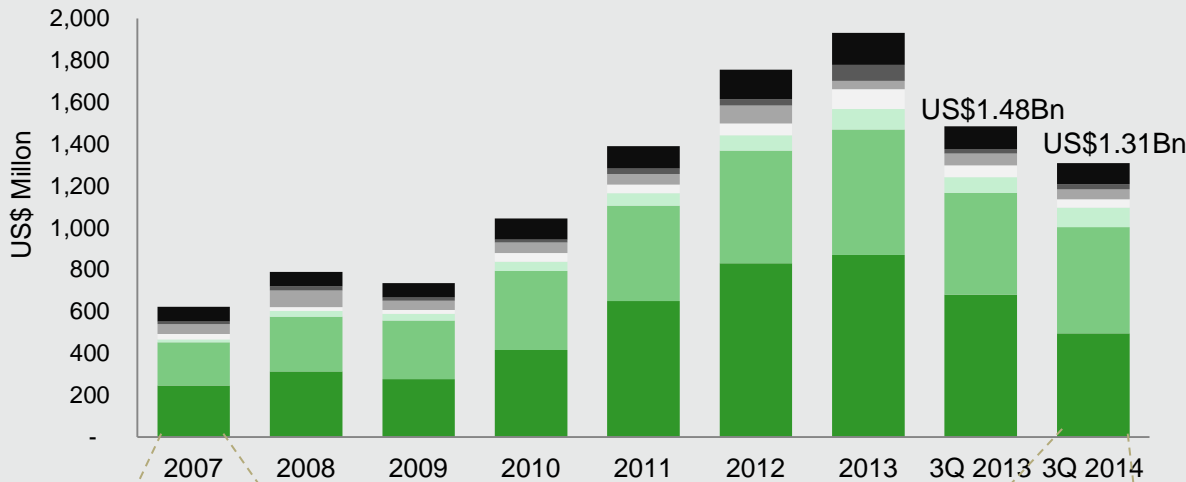
As of 3Q 2014
 Revenue: US\$ 1,030 MM (79%)
 Ebitda: US\$ 118MM (84%)

As of 3Q 2014
 Revenue: US\$ 135MM (10%)
 Ebitda: US\$ 13MM (9%)

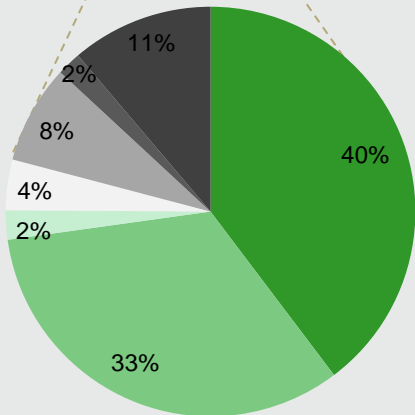
As of 3Q 2014
 Revenue: US\$ 145MM (11%)
 Ebitda: US\$ 10MM (7%)

Sustainable Business Model

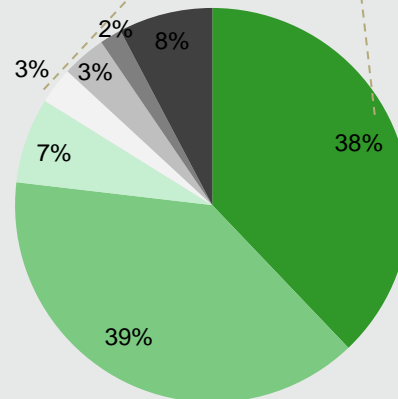
Sales by line of business



Product Support sales
10 Year CAGR – 13%
(2003-2013)



- Machinery
- Parts and Services
- Rental
- Used equipment
- Automotive
- Agriculture
- Others

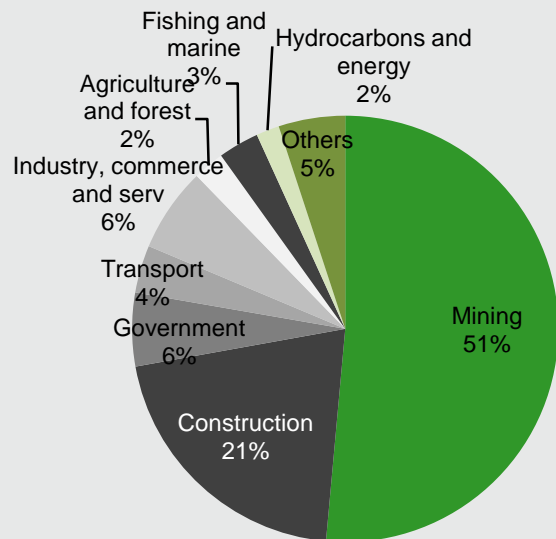


Diverse Customer Base

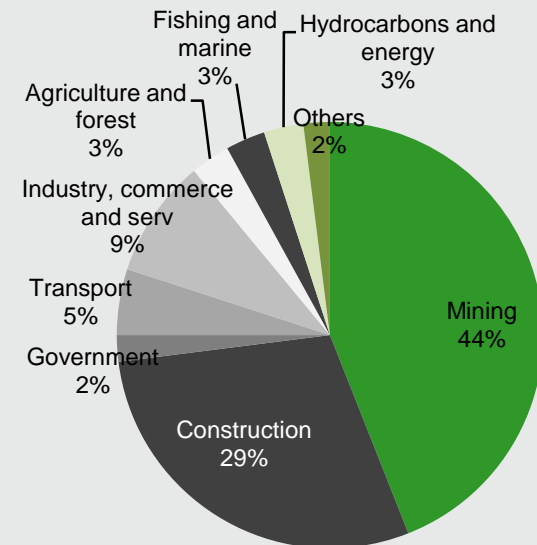
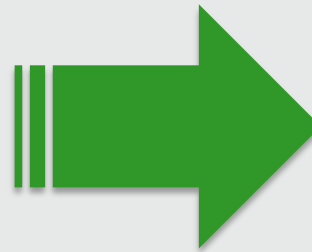
56% of deliveries from non-mining customers



Sales by economic sectors



2009

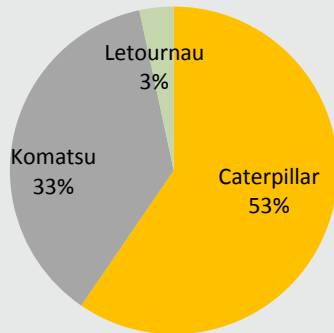


3Q2014

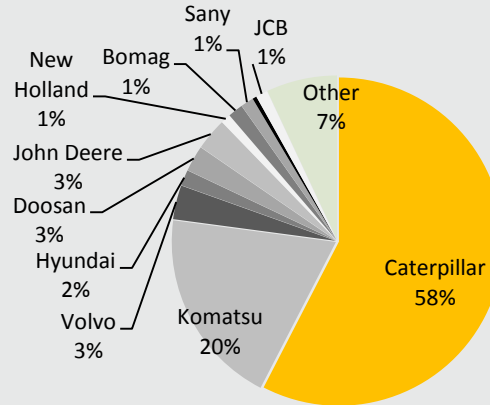
Caterpillar Market Share

Perú

Open pit mining

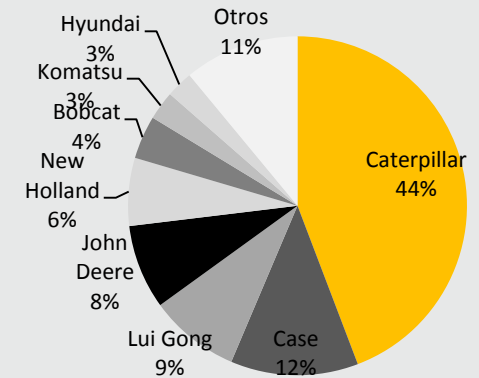


Heavy construction

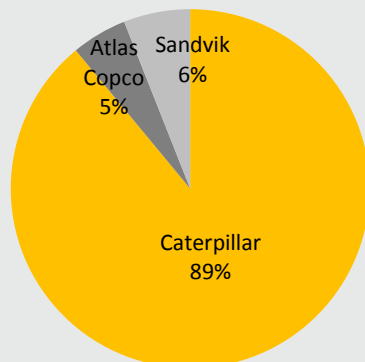


Central America

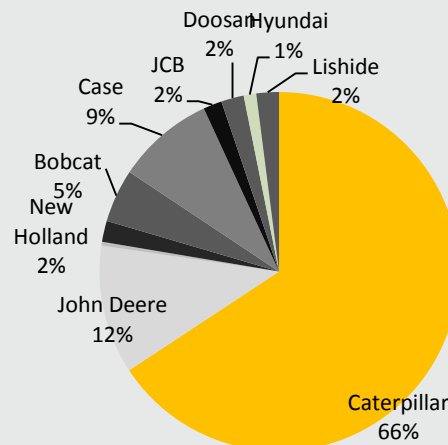
Guatemala



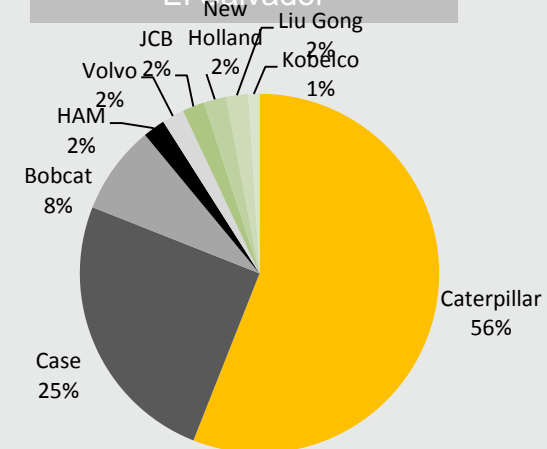
Underground mining



General construction



El Salvador

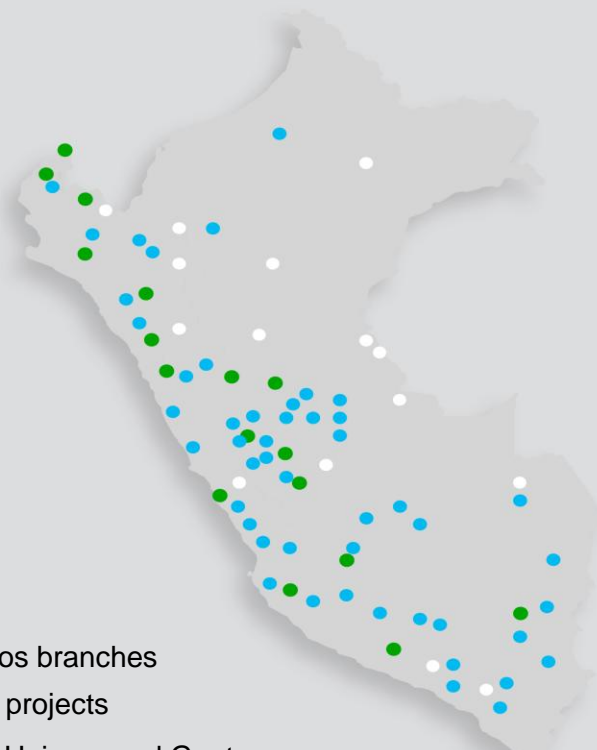


Nationwide Coverage in Peru Internacionalización



Ferreyros establishment > Branches > Projects "in situ" > Branches expansion > International expansion

Local



- Ferreyros branches
- On-site projects
- Orvisa, Unimaq and Gentrac Guatemala branches

International

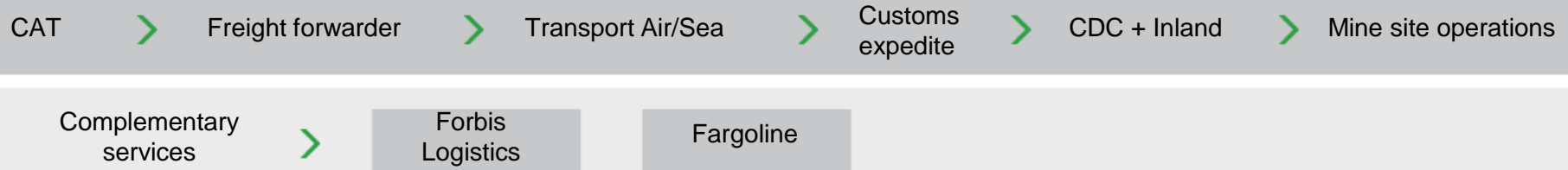


Lean and Efficient Logistics



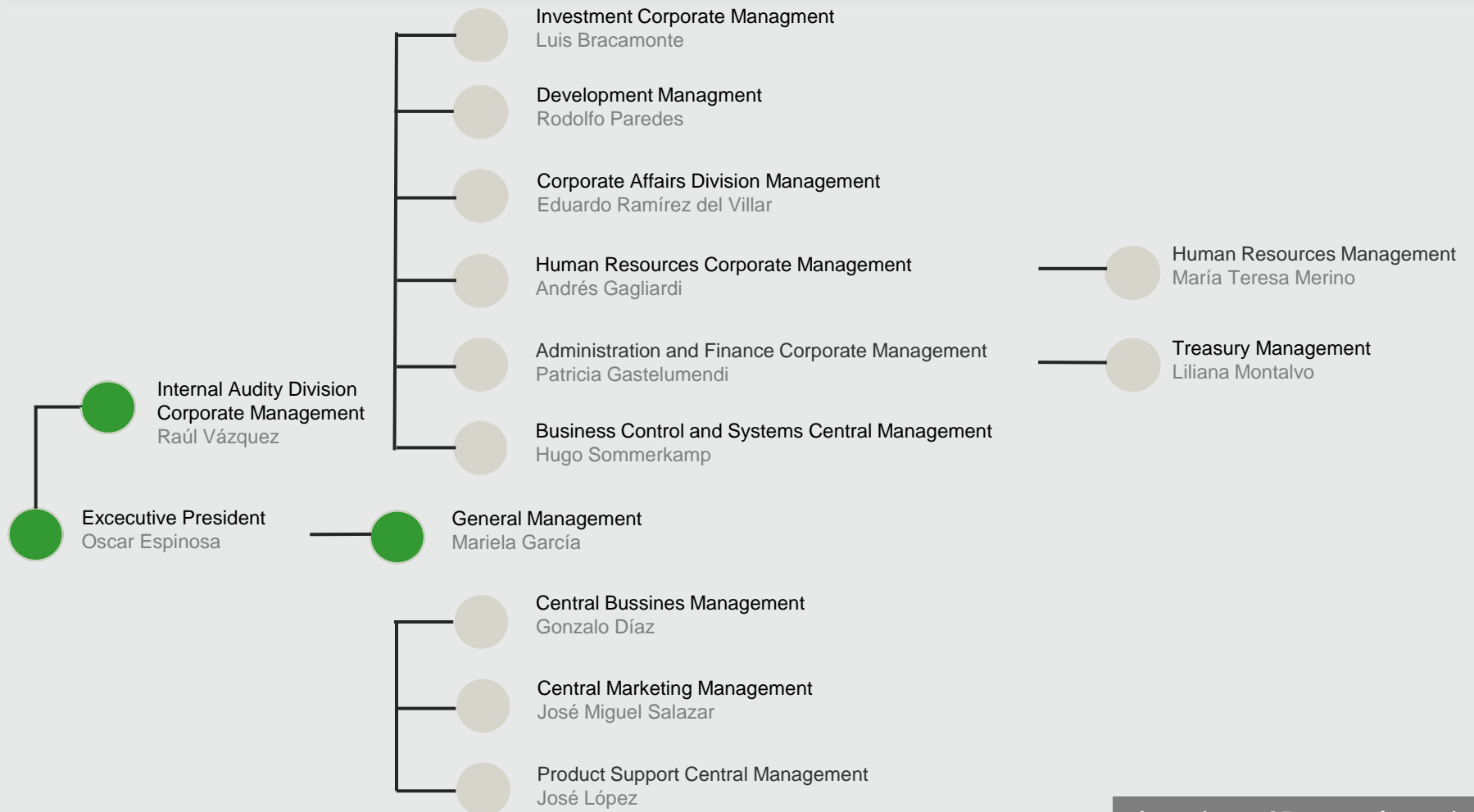
Ferreycorp integrates and administrates all the key elements in the logistic chain as a value proposition

- ▶ Vertical integration through complementary businesses :
- ▶ 1)Freight Forwarder (FORBIS) y 2)Warehouses and terminals (Fargoline)
- ▶ Efficient handling: 100,000 SKU (Sales Key Unit)
- ▶ Day 1: 83% of requests, Day 5: 95%
- ▶ 365 days, 24x7 operation, including expedited process for urgent requests
- ▶ Leading importer in Perú – green channel



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

Seasoned Management Team



Avg. almost 25 years of experience in the Company

Qualified and Talented Workforce

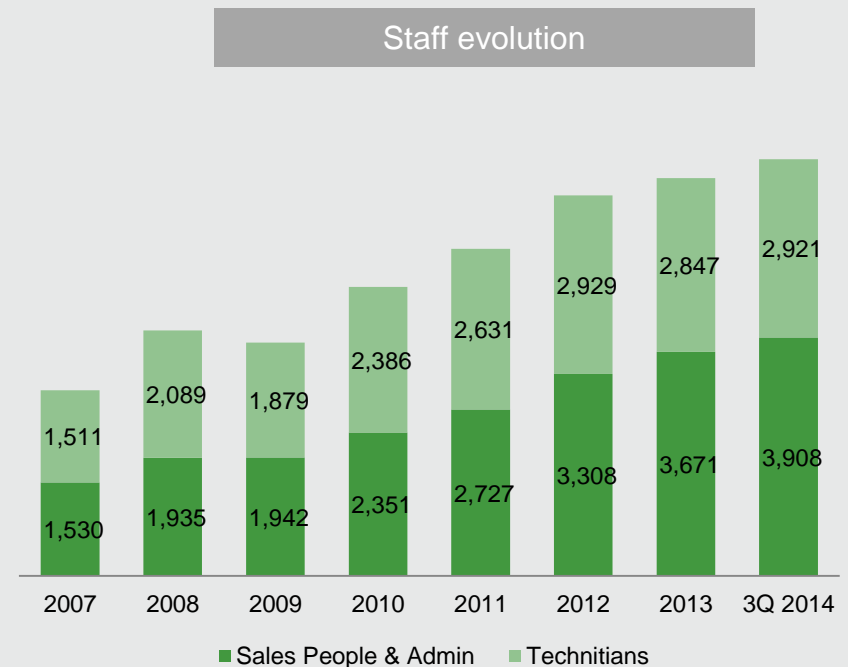
Strong commitment to have the most qualified workforce

- ▶ As of September 2014, Ferreycorp had a total of 6,829 employees
- ▶ 2,921 technicians
- ▶ 3,740 administratives and sales
- ▶ 168 executives

The company's employee population has been growing in line with the revenue's growth

Programs to retain and develop best talents:

- ▶ Leadership programs developed by Harvard Business Review and Universidad de Piura, PAD
- ▶ Master degree programs for management. Costs are 100% covered by Ferreycorp as a way to retain best talent
- ▶ Programs to develop technical crew
- ▶ Training programs according to Caterpillar's approach



Strong Corporate Governance and Social Responsibility



Good corporate governance and social responsibility

International recognition:

World Finance Award 2011 and 2012; Latin America Investor Relations Awards 2011 (LirA'11)



Best CG practices: Ferreycorp is a member of the Companies Circle of the Latin America Governance Roundtable launched by OECD and IFC



Stock Market recognizes Ferreycorp among the ten companies with best Corporate Governance practices in Peru. Won the Key of the Lima Stock Exchange for 4 times.



Social Responsibility Programs
 - Program "Sembrando tu Futuro" and Program "Aprendizaje Dual del Senati"
 - Program for young entrepreneurs in schools in Cajamarca

Name	Current position
Óscar Espinosa	Chairman
Carlos Ferreyros	Vice Chairman
Juan Manuel Peña	Director
Andreas von Wedemeyer	Director
Manuel Bustamante	Director
Eduardo Montero	Independent Director
Aldo Defilippi	Independent Director
Carmen Rosa Graham	Independent Director
Ricardo Briceño	Independent Director
Raúl Ortiz de Zevallos	Independent Director

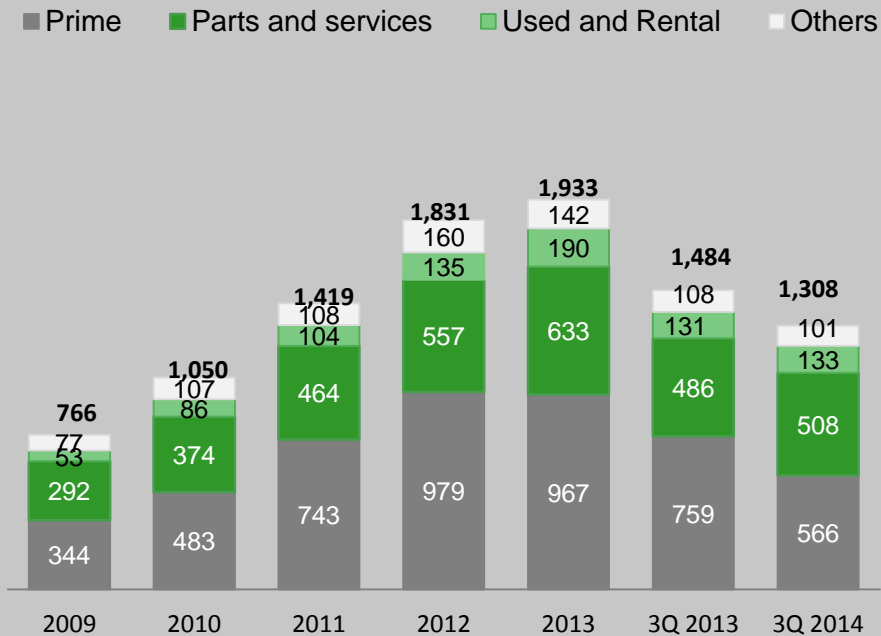
The Board of Directors of Ferreycorp is complemented by four committees:

- ✓ General Management and Strategy Committee
- ✓ Nominations, Remuneration and Corporate Governance Committee
 - ✓ Audit and Risk Committee
 - ✓ Innovation and Systems Committee

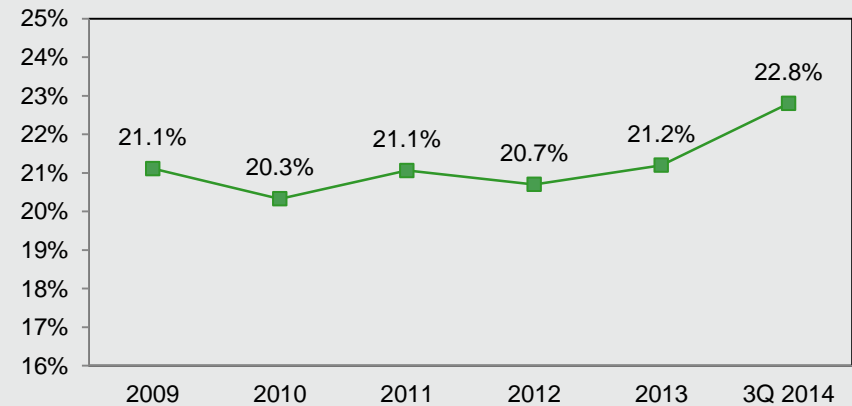
Track Record of Consistent Financial Performance



Sales (US\$mm)



Gross Margin

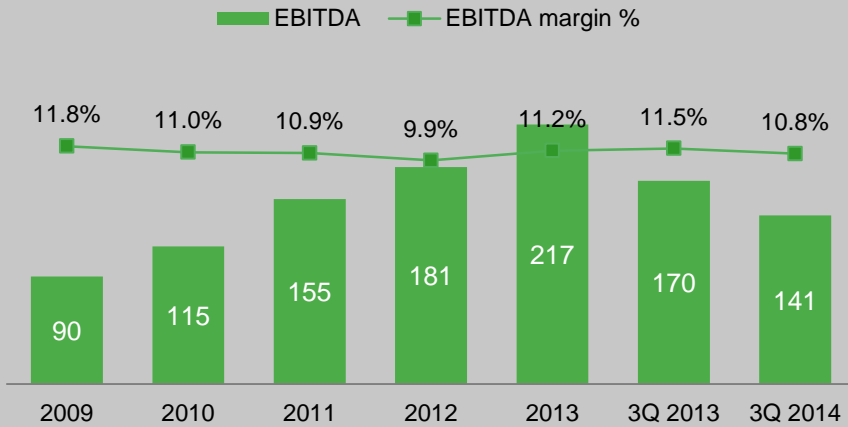


Slight decrease in sales in this period , improvement in margins due to mix of sales

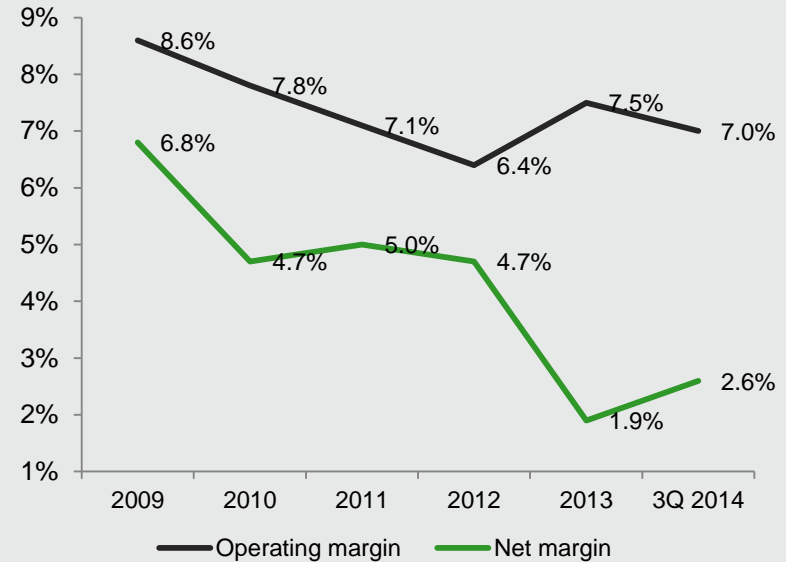
EBITDA and Profitability Track Record



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



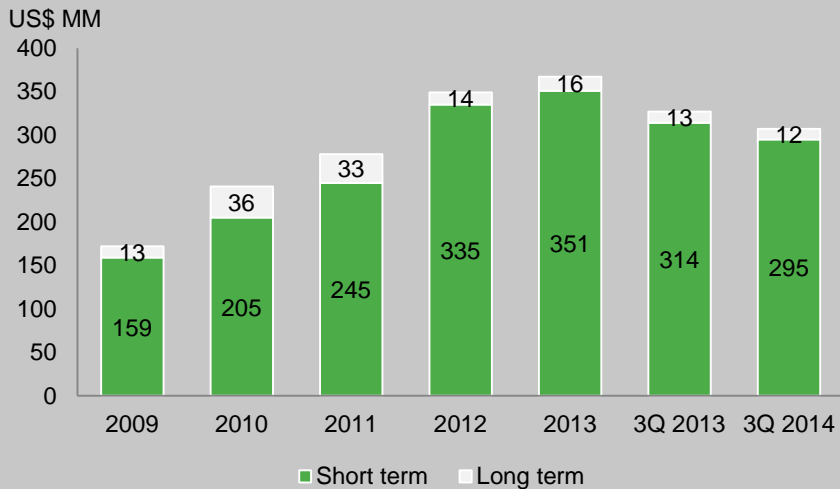
Operating and Net margin



	2009	2010	2011	2012	2013	3Q14
Avg. Exchange rate	3.007	2.827	2.753	2.635	2.722	2.892
Gain (loss) to exchange rate (million US\$)	23	7	17	29	-54	-18

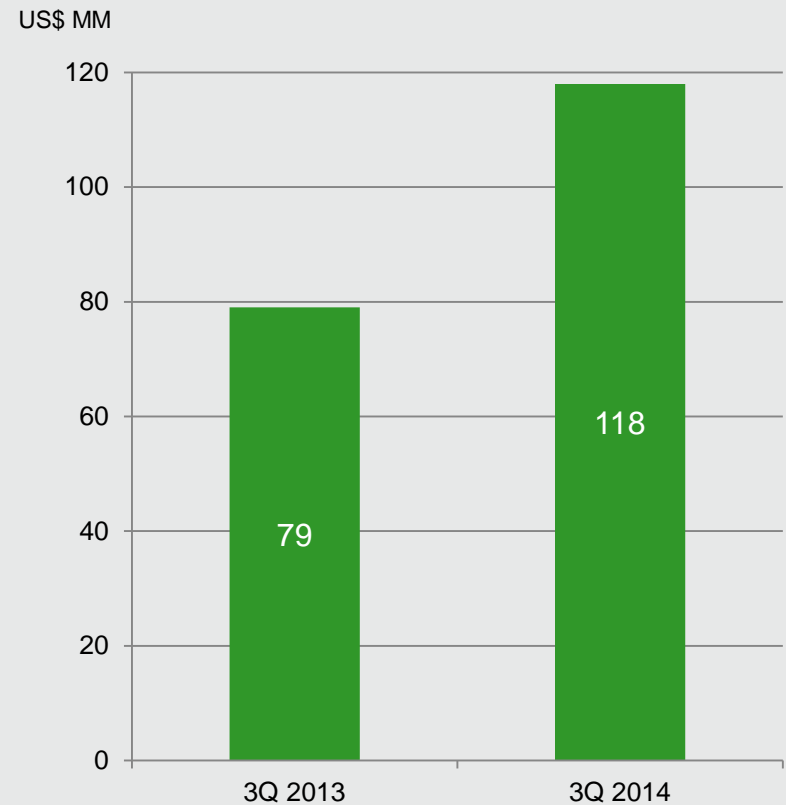
Investment in Assets - Accounts Receivables

Accounts Receivable evolution by term



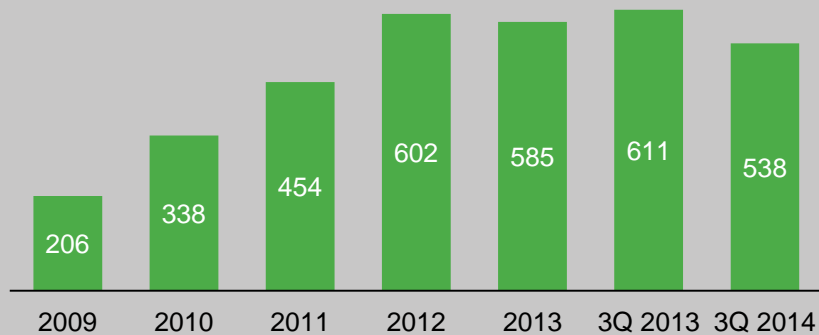
Common practice, 30days for collection

Factoring

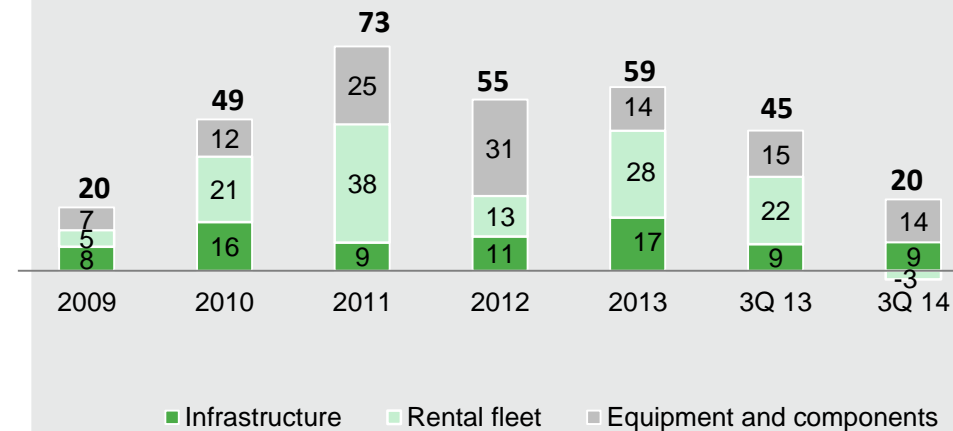


Investment in Current and Fixed Assets

Inventory evolution (US\$mm)



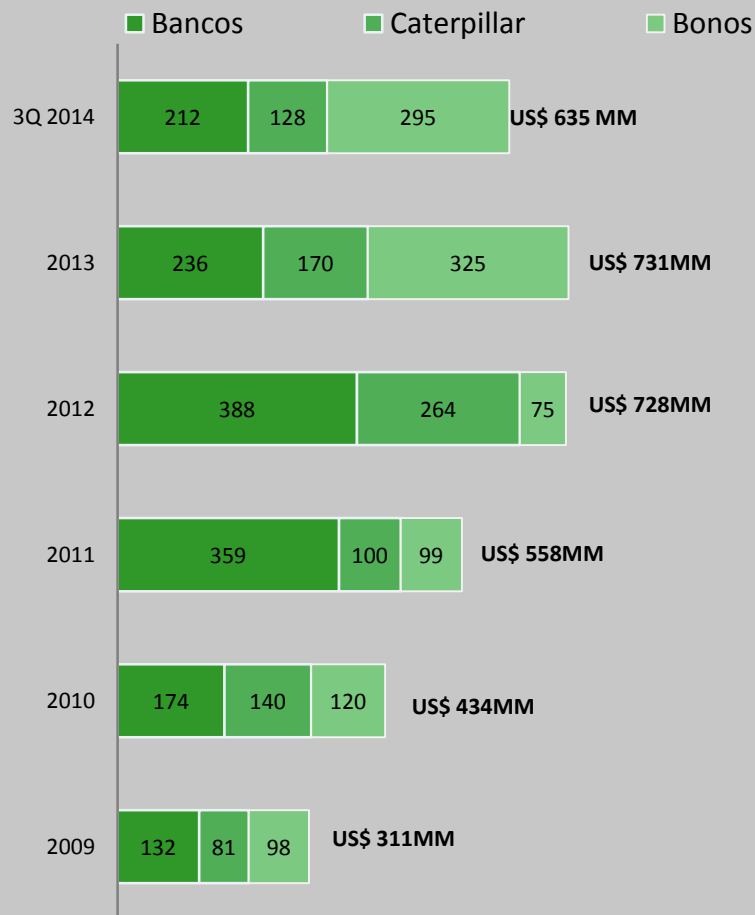
CAPEX evolution (US\$mm)



Access to Diversified Sources of Financing



Diversified funding base (US\$mm)

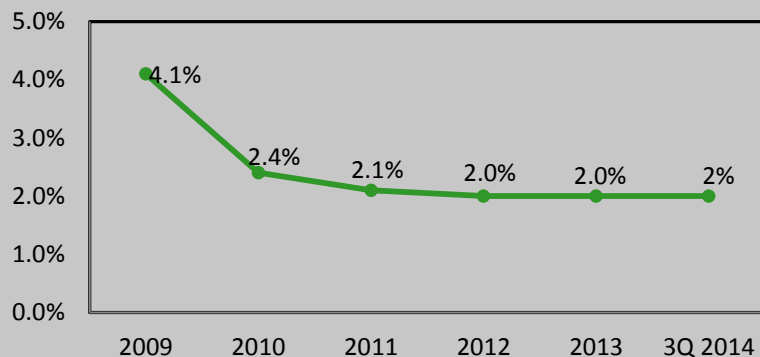


	Net Debt/ EBITDA
3Q 2014	3.21x
2013	3.28x
2012	3.62x
2011	3.43x
2010	3.2x
2009	1.89x

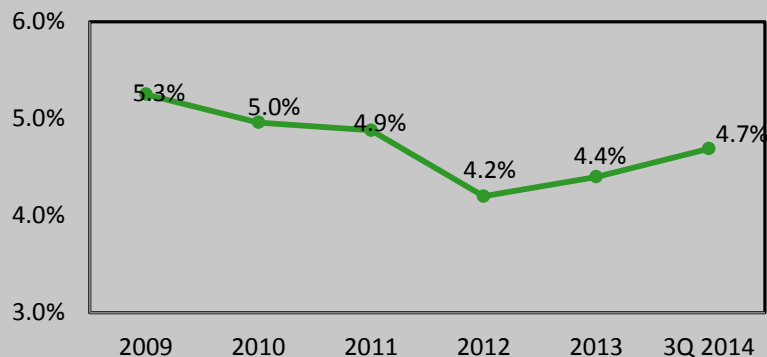
Access to Diversified Source of Financing



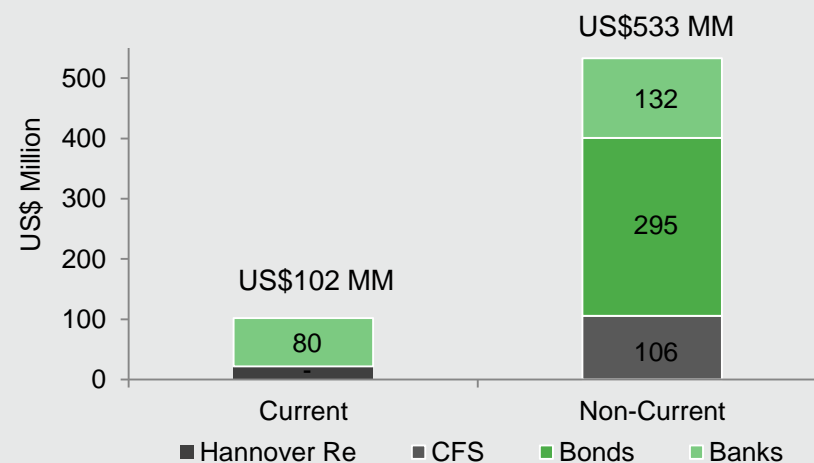
Financial expenses



Avg interest rate



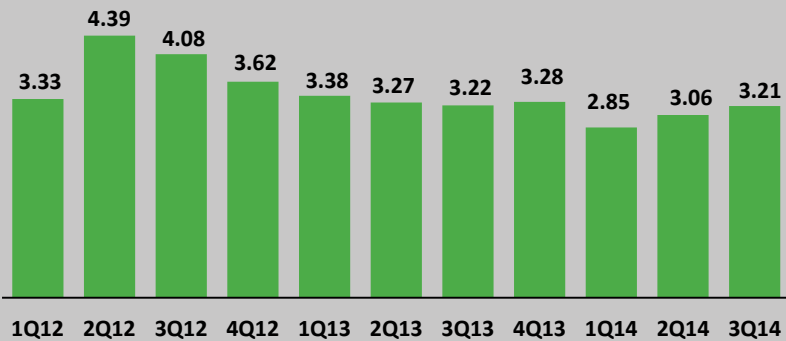
Liabilities structure



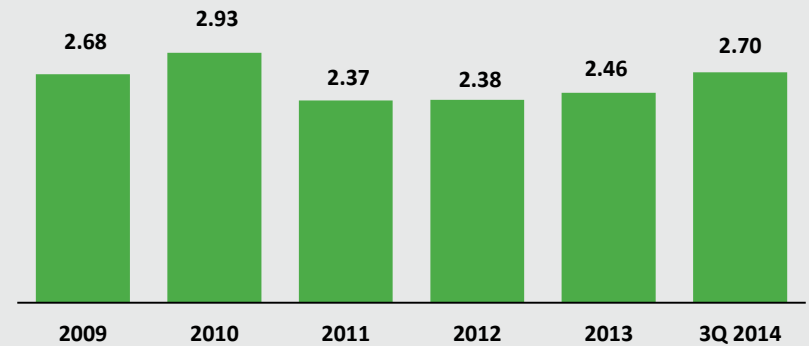
Leverage Ratio / Covenant



Net debt to EBITDA ratio



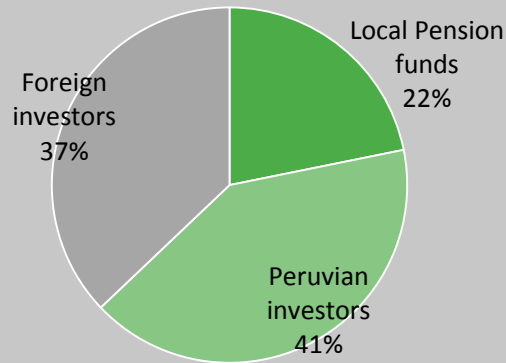
Adjusted debt to EBITDA ratio



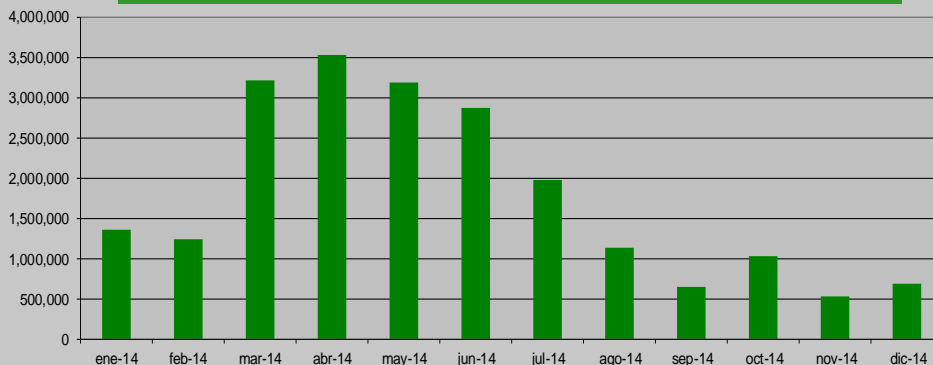
Ferreycorp in the Capital Market



Shareholders composition



Average Monthly Amount Traded – Thousand S/.

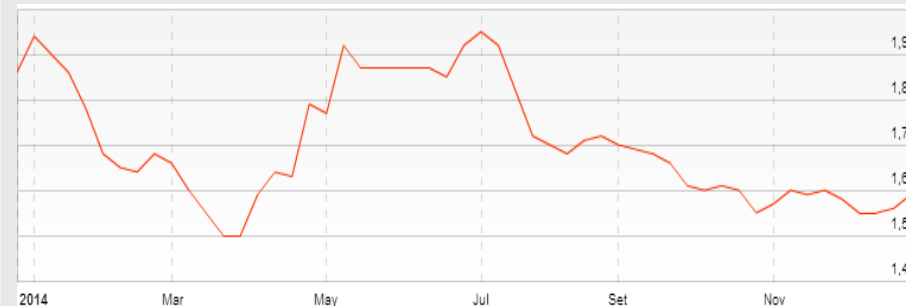


Capital	S/. 1'014,326,324
Nº of stocks	1'014,326,324
Dividend Yield	3.6%
EV/EBITDA 12m	6.0x

Main shareholders as of December 2014

Titular	%
Equinox Partners	8.40%
La Positiva Vida Seguros y Reaseguros S.A	8.36%
RI- Fondo 2 (AFP Prima)	6.57%
Onyx Latin America Equity Fund LP	5.82%

Historical Stock Price Evolution



Dividend Policy – Annual Compliance



- ❑ In 1997, the company's shareholders 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 remainder will be capitalized and distributed as stock dividends.
- ❑ The amount to be distributed every year is approved in the Annual Shareholders Meeting.
- ❑ In the 2013 Shareholders Meeting a modification was approved to assign a new maximum range: from 50% to 60% of freely available profits.

Year	Number of shares	Issued capital in nuevos soles	Net profit (net of reserves)	Lower limit 5% of capital	Upper limit 50% of Net profit (net of reserves)	Cash dividends	Cash dividend per share (%)	Dividend per share (S/.)
2003	205,000,000	225,500,000.00	18,268,787	11,275,000.00	9,134,393.50	11,275,000	5.00%	0.055
2004	218,000,000	239,800,000.00	24,793,743	11,990,000.00	12,396,871.50	11,990,000	5.00%	0.055
2005	241,980,000	266,178,000.00	27,127,826	13,308,900.00	13,563,913.00	13,308,900	5.00%	0.055
2006	258,360,000	284,196,000.00	79,972,754	14,209,800.00	39,986,377.20	28,419,600	10.00%	0.11
2007	305,128,115	335,640,926.50	114,345,493	16,782,046.30	57,172,746.50	40,289,899	12.00%	0.13204
2008	377,680,455	415,448,500.50	72,400,381	20,772,425.00	36,200,190.50	20,772,425	5.00%	0.055
2009	424,816,167	467,297,783.70	90,452,887	23,364,889.20	45,226,443.00	28,037,867	6.00%	0.066
2010	482,691,963	530,961,159.30	124,528,171	26,548,058.00	62,264,085.50	31,857,670	6.00%	0.066
2011	698,402,606	698,402,606.00	146,736,476	34,920,130.30	73,368,238.00	41,904,156	6.00%	0.06
2012	803,234,873	803,234,873.00	158,285,552	40,161,743.70	79,142,776.00	48,194,092	6.00%	0.06
				Lower limit 5% of capital	Upper limit 60% of Net profit (net of reserves)			
2013	945,227,102	945,227,102.00	92,996,131	47,261,355.10	55,797,678.50	55,797,678	5.9031%	0.059031

Contacts

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Treasury Manager:
Liliana Montalvo

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