

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

## Second Quarter 2024

**Lima, July 24, 2024.** - Ferreycorp S.A.A., a leading corporation in the field of capital goods and complementary services, based in Peru and with a presence in other Latin American countries, with over one hundred years of operations, announces its consolidated, unaudited results for the second quarter of 2024. The financial statements in this report are presented on a consolidated basis in accordance with the International Financial Reporting Standards and are expressed in soles.

Although the exchange rate at the end of the quarter was higher than at the beginning of the year, significant fluctuations were observed in the first half of the year, causing distortions in some items of the financial statements, in the monthly and quarterly comparison, especially the gross margin, and therefore gross, operating, and net income. It is therefore important to consider the adjusted figures explained throughout this document.

### Sales

Sales for the second quarter of 2024 amounted to US\$ 498 million, showing a 12% growth compared to the same period in 2023 (US\$ 445 million). In soles, second-quarter sales for 2024 (S/ 1,872 million) increased by 14% compared to the same period of the previous year. Almost all sales lines show significant growth, particularly Caterpillar machinery for all sectors, as well as rentals and used equipment, and spare parts and services.

Accumulated sales as of June 30, 2024, amounted to US\$ 983 million, 15% higher than the same semester of the previous year (US\$ 854 million), highlighting growth in the same lines mentioned above. In the national currency, revenues reached S/ 3,702 million, which also represents a 15% increase compared to the first half of 2023 (S/ 3,206 million). It should be noted that a portion of this growth is due to some sales completed the previous year, whose billing was postponed to this semester, and the advancement of some other sales initially budgeted for the second half of the year.

(In millions)	Second Quarter			As of June 2024		
	2024	2023	Var%	2024	2023	Var%
Net Sales \$	498	445	12%	983	854	15%
Net Sales S/	1,872	1,646	14%	3,702	3,206	15%

(\$/ millions)	2Q 2024	%	1Q 2024	%	2Q 2023	%	% Var 2Q 2024/ 1Q 2024	% Var 2Q 2024/ 2Q 2023	As of Jun24	%	As of Jun23	%	% Var 2024 / 2023
CAT Mining Trucks and Machines	84	5	115	6	44	3	-26.8	91.3	200	5	119	4	67.9
CAT Machines & Engines for other sectors	373	20	322	18	323	20	15.9	15.6	696	19	559	17	24.4
Allied Equipment	106	6	83	5	146	9	27.1	-27.6	189	5	278	9	-32.2
Rental and used	117	6	122	7	97	6	-4.0	20.2	238	6	193	6	23.5
Spare parts and services	1,075	57	1,072	59	916	56	0.3	17.3	2,146	58	1,821	57	17.9
Other lines	118	6	116	6	120	7	1.3	-2.1	234	6	237	7	-1.3
<b>TOTAL</b>	<b>1,872</b>	<b>100</b>	<b>1,830</b>	<b>100</b>	<b>1,646</b>	<b>100</b>	<b>2.3</b>	<b>13.8</b>	<b>3,702</b>	<b>100</b>	<b>3,206</b>	<b>100</b>	<b>15.5</b>

(\$ millions)	2Q 2024	%	1Q 2024	%	2T 2023	%	% Var 2Q 2024/ 1Q 2024	% Var 2Q 2024/ 2Q 2023	As of Jun24	%	As of Jun23	%	% Var 2024 / 2023
CAT Mining Trucks and Machines	23	5	30	6	12	3	-25.5	89.5	53	5	32	4	67.7
CAT Machines & Engines for other sectors	99	20	86	18	87	20	16.1	13.9	185	19	149	17	24.0
Allied Equipment	32	6	17	4	39	9	88.0	-18.1	49	5	74	9	-33.7
Rental and used	31	6	33	7	26	6	-5.9	18.2	64	7	51	6	24.6
Spare parts and services	286	57	284	59	247	56	0.8	15.7	570	58	484	57	17.7
Other lines	27	5	35	7	32	7	-24.1	-17.6	61	6	63	7	-3.4
<b>TOTAL</b>	<b>498</b>	<b>100</b>	<b>485</b>	<b>100</b>	<b>445</b>	<b>100</b>	<b>2.7</b>	<b>12.1</b>	<b>983</b>	<b>100</b>	<b>854</b>	<b>100</b>	<b>15.1</b>

(Review the Commercial Management section for sales variance explanation)

## GROSS PROFIT

In the second quarter of 2024, gross profit (\$/ 514 million) was 28% higher than that obtained in the same period of 2023, favored not only by higher sales but also by a higher margin, which we will explain below. The gross margin was 27.5%, higher than the 24.5% of the same period of the previous year. However, a better comparison is the adjusted gross margin, eliminating the distortion of the exchange rate, especially in Q2 2023. The adjusted gross margin in Q2 2024 was 27.2% versus 26.5% the previous year. The better-adjusted result is mainly explained by the fact that the sale of spare parts and services in the present quarter was carried out with a higher margin than in the same quarter of the previous year.

In the first half of 2024, gross profit amounted to \$/ 1,002 million, 21% higher than that achieved in the first half of 2023. At the same time, the gross margin (27.1%) was higher compared to 2023 (25.9%). The adjusted gross margin, without the exchange rate effect, stood at 26.9% in the first half of 2024, compared to 27.3% in the same period of 2023, showing a very slight variation.

	Second Quarter			As of June 2024		
	2024	2023	Var%	2024	2023	Var%
Gross Profit (\$/ millions)	514	403	28%	1,002	830	21%
Adjusted Gross Profit (\$/ millions)	510	436	17%	996	876	14%
Gross Margin	27.5%	24.5%		27.1%	25.9%	
Adjusted Gross Margin	27.2%	26.5%		26.9%	27.3%	

## OPERATING PROFIT

### Operating Expenses

Operating expenses for the second quarter of 2024 (S/ 291.5 million) were 8% higher compared to the second quarter of 2023 (S/ 269.9 million); however, it is noteworthy that this represents a lower percentage than the 14% growth in sales. The increase in expenses is mainly explained by higher variable costs associated with increased sales. The percentage of expenses relative to sales represented 15.6% of sales, below the 16.4% recorded in the same quarter of 2023.

Accumulated expenses as of June 30, 2024, amounted to S/ 571 million, 7.9% higher than the same period in 2023, similarly, lower than the 15.5% growth in sales.

### Operating Margin

The operating margin for the second quarter of 2024 was 11.9%, higher than the 8.6% recorded in the same quarter of 2023. If these results are adjusted to exclude the effect of exchange rate differences, the operating margin stands at 11.7%, compared to 10.6% in the second quarter of 2023.

The operating margin for the first half of 2024 was 11.7%, higher than the 9.6% recorded in the same period of 2023. Excluding the exchange rate effect, it is also higher compared to the same semester of the previous year, at 11.5% versus 11.1%.

	Second Quarter			As of June 2024		
	2024	2023	Var%	2024	2023	Var%
Operating Profit (S/ millions)	223	141	58%	432	309	40%
Adj. Operating Profit (S/ millions)	219	175	26%	426	355	20%
Operating Expenses / Sales	15.6%	16.4%		15.4%	16.5%	
Operating Margin	11.9%	8.6%		11.7%	9.6%	
Adj. Operating Margin	11.7%	10.6%		11.5%	11.1%	

## NET FINANCIAL EXPENSES

Financial expenses for the second quarter of 2024 increased by 28% compared to the same period of the previous year. This was due, on one hand, to the increase in debt due to the company's higher activity, with the average debt rising from US\$496 million in Q2 2023 to US\$533 million in Q2 2024; and, on the other hand, to the increase in the average interest rate, which reached 5.15% in Q2 2024, compared to 4.42% in Q2 2023.

Additionally, when analyzing the increase in interest rates, it is noted that the average rate of Ferreycorp's debt increased for both short-term loans and medium-term debt. The short-term rate rose from 5.75% in Q2 2023 to 6.36% in the same period of 2024, while the average rate of medium-term debt was 3.96% compared to 3.85% in the same period of 2023.

Regarding debt, it is important to mention that the company has traditionally maintained a balanced debt structure between current and non-current debt, as it finances both working capital and CAPEX investments. However, at the end of this period, the percentage of current debt is 67%, awaiting the opportune moment to restructure the debt in the second half of the year.

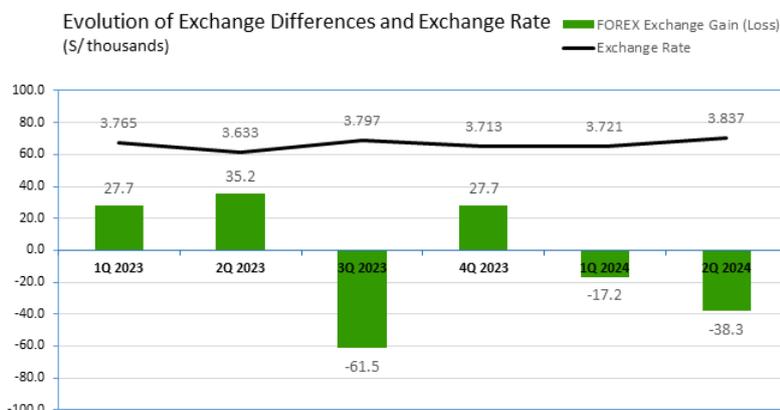
(S/ millions)	Second Quarter			As of June 2024		
	2024	2023	Var%	2024	2023	Var%
<b>Net Financial Expenses</b>	21	17	28%	44	34	29%
Financial earnings	9	7	30%	18	15	19%
Financial expenses	31	24	28%	61	49	26%
<b>Average liabilities S/</b>	2,013	1,824	10%	2,128	1,933	10%
<b>Average liabilities \$</b>	533	496	8%	567	516	10%

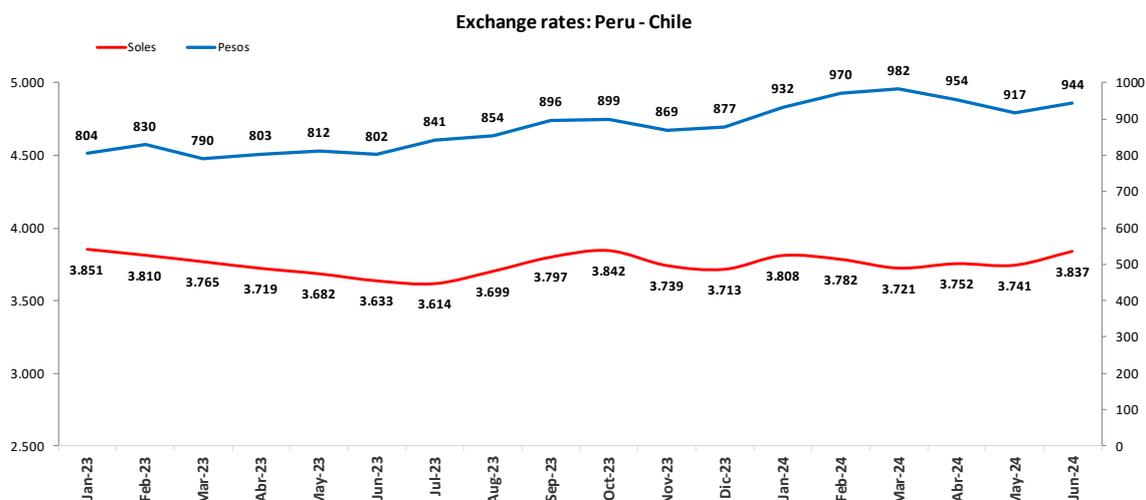
## FOREX EXCHANGE GAIN (LOSS)

As previously reported, the corporation has a natural operational currency hedge: its sales, invoicing, collections, and financing are conducted in dollars. The effect of the exchange rate difference is temporary, as the company records its inventories at the exchange rate at the time of acquisition, while the debt, which is mostly taken in dollars, is adjusted month by month to the new exchange rates, creating a mismatch that will reverse when the sale is made. In this way, the monthly adjustments to the debt due to exchange rate variations will later be compensated through the gross margin.

During the second quarter of 2024, an exchange loss of S/ 38.1 million was recorded as a result of the 3.12% devaluation of the sol in Peru, with the exchange rate moving from S/ 3.721 at the end of the first quarter to S/ 3.837 as of June 30, 2024, with much of this change occurring in June. Meanwhile, in the second quarter of 2023, an exchange gain of S/ 35.1 million was recorded, resulting from the 3.51% appreciation of the sol in Peru.

As of June 30, 2024, the accumulated result showed an exchange loss of S/ 55.5 million, compared to the exchange gain of S/ 62.8 million for the same period in 2023. It should be noted that the exchange rate at the end of the first half of 2024 was S/ 3.837, which was higher than in the same period of 2023 (S/ 3.633).





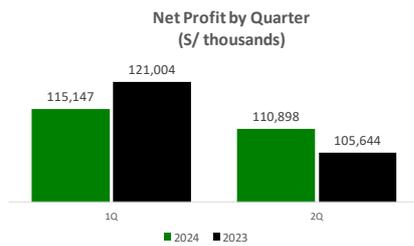
It is worth noting that the accumulated exchange loss for the first half of the year will continue to be recovered through the gross margin, as the estimated inventory reserve at the end of June 2024 is S/ 54.4 million, primarily due to the greater devaluation of the sol against the dollar in the past month.

(S/ millions)	Second Quarter		As of June 2024		Var%
	2024	2023	2024	2023	
FX Gain/Loss	-38	35	-56	63	

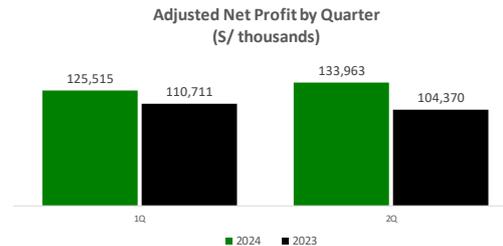
## NET PROFIT

In the second quarter, net profit reached S/ 111 million, compared to S/ 106 million recorded in the second quarter of 2023, representing a 5% increase. Isolating the effect of the exchange rate difference, adjusted net profit amounted to S/ 134 million, above the S/ 104 million for the same period in 2023, representing a 28% increase. The graphs show the adjusted net profit, which is calculated by excluding the effect of the exchange rate on gross profit, as well as the gain or loss due to exchange rate differences from the income statement.

It is worth highlighting that the accumulated net profit in the first half (S/ 226 million) is similar to that of the same period last year (S/ 227 million), but excluding the exchange rate effect, it shows an increase of 21%.



Net Profit	1Q	2Q	Total
2024	115,147	110,898	226,045
2023	121,004	105,644	226,648
Var abs	-5,858	5,254	-603
Var %	-4.84%	4.97%	-0.27%



Net Profit	1Q	2Q	Total
2024	125,515	133,963	259,441
2023	110,711	104,370	215,193
Var abs	14,804	29,593	44,247
Var %	13.37%	28.35%	20.56%

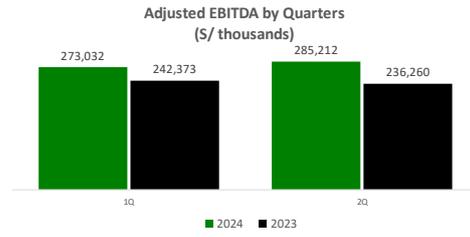
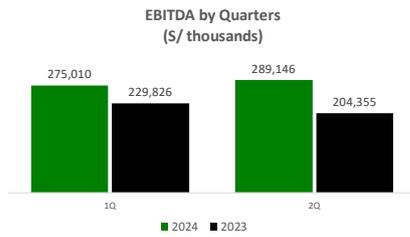
	Second Quarter		
(\$/ millions)	2024	2023	Var%
<b>Net Profit</b>	<b>111</b>	<b>106</b>	5%
FX Gain/Loss	-38	35	
FX Recovery through GM	4	-33	
Net Effect	-34	2	
<b>Net Effect After Tax</b>	<b>23</b>	<b>-1</b>	
<b>Adjusted Net Profit</b>	<b>134</b>	<b>104</b>	28%

	As of June 2024		
	2024	2023	Var%
<b>Net Profit</b>	<b>226</b>	<b>227</b>	0%
FX Gain/Loss	-56	63	
FX Recovery through GM	6	-46	
Net Effect	-49	17	
<b>Net Effect After Tax</b>	<b>33</b>	<b>-11</b>	
<b>Adjusted Net Profit</b>	<b>259</b>	<b>215</b>	21%

## EBITDA

The accounting EBITDA for the second quarter of 2024 (\$/ 289 million) showed a 41% increase compared to the same period in 2023, mainly due to the increase in sales, improved gross margins, and lower expense growth relative to the sales increase. The EBITDA margin was 15.4%, compared to 12.4% in the second quarter of 2023. Excluding the effect of the exchange rate on gross profit, the adjusted EBITDA for the second quarter of 2024 was 15.2%, compared to 14.4% for the adjusted EBITDA margin in the same period of the previous year.

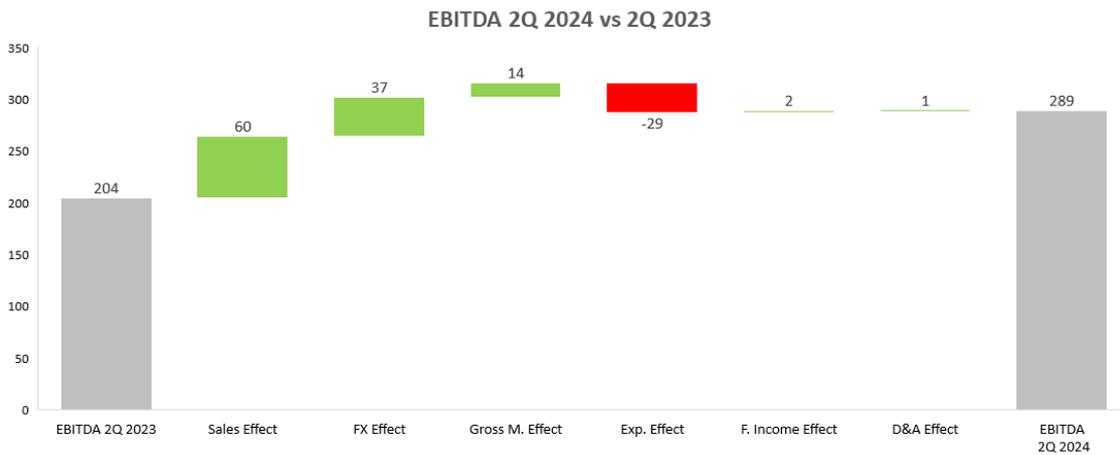
Similarly, the accumulated EBITDA as of June 30, 2024 (\$/ 564 million) was 30% higher than the same period in the previous year. Excluding the exchange rate effect on gross profit, the result is a 16% increase. The accumulated EBITDA margin was 15.2%, higher than the 13.5% for the same period in 2023. Excluding the exchange rate effect, the EBITDA margin is 15.1% versus 15.0% in 2023.



Ebitda	1Q	2Q	Total
2024	275,010	289,146	564,156
2023	229,826	204,355	434,181
Abs. Var.	45,184	84,791	129,975
% Var.	19.66%	41.49%	29.94%

Ebitda	1Q	2Q	Total
2024	273,032	285,212	558,048
2023	242,373	236,260	479,953
Abs. Var.	30,659	48,952	78,095
% Var.	12.65%	20.72%	16.27%

	Second Quarter			As of June 2024		
	2024	2023	Var%	2024	2023	Var%
EBITDA (\$/ millions)	289	204	41%	564	434	30%
Adjusted EBITDA (\$/ millions)	285	238	20%	558	480	16%
EBITDA Margin	15.4%	12.4%		15.2%	13.5%	
Adjusted EBITDA Margin	15.2%	14.4%		15.1%	15.0%	



**SUMMARY OF MAIN FIGURES AND INDICATORS**

	Quarters						Var. %	
	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	2Q24/1Q24	2Q24/2Q23
(In millions except for per share indicators)								
<b>Net sales</b>	<b>\$498</b>	<b>\$485</b>	<b>\$528</b>	<b>\$483</b>	<b>\$445</b>	<b>\$409</b>	<b>2.6%</b>	<b>12.0%</b>
Net sales	S/. 1,872	S/. 1,830	S/. 2,003	S/. 1,786	S/. 1,646	S/. 1,560	2.3%	13.8%
<b>Gross profit</b>	<b>S/. 514</b>	<b>S/. 510</b>	<b>S/. 510</b>	<b>S/. 468</b>	<b>S/. 403</b>	<b>S/. 427</b>	<b>0.8%</b>	<b>27.6%</b>
Operating expenses	S/. 292	S/. 279	S/. 304	S/. 283	S/. 270	S/. 259	4.4%	8.0%
<b>Operating profit</b>	<b>S/. 223</b>	<b>S/. 209</b>	<b>S/. 209</b>	<b>S/. 182</b>	<b>S/. 141</b>	<b>S/. 168</b>	<b>6.8%</b>	<b>58.0%</b>
Net financial expenses	S/. -21	S/. -22	S/. -24	S/. -20	S/. -17	S/. -17	-5.5%	27.6%
FX Gain / Loss	S/. -38	S/. -17	S/. 28	S/. -62	S/. 35	S/. 28	122.5%	-209.0%
<b>Net profit</b>	<b>S/. 111</b>	<b>S/. 115</b>	<b>S/. 142</b>	<b>S/. 65</b>	<b>S/. 106</b>	<b>S/. 121</b>	<b>-3.7%</b>	<b>5.0%</b>
<b>EBITDA</b>	<b>S/. 289</b>	<b>S/. 275</b>	<b>S/. 273</b>	<b>S/. 243</b>	<b>S/. 204</b>	<b>S/. 230</b>	<b>5.1%</b>	<b>41.5%</b>
Profit per share	0.118	0.123	0.151	0.069	0.112	0.129	-4.2%	5.3%
EBITDA per share	0.308	0.294	0.290	0.258	0.217	0.244	4.5%	42.0%
Free cash flow	S/. 195	S/. 363	S/. -228	S/. -169	S/. 195	S/. 236	-46.3%	0.1%
Gross margin	27.5%	26.7%	25.5%	26.2%	24.5%	27.3%		
<b>Adj. Gross margin</b>	<b>27.2%</b>	<b>26.6%</b>	<b>24.9%</b>	<b>26.7%</b>	<b>26.5%</b>	<b>28.2%</b>		
SG&A / Sales	15.6%	15.3%	15.2%	15.8%	16.4%	16.6%		
Operating margin	11.9%	11.4%	10.4%	10.2%	8.6%	10.7%		
<b>Adj. Operating margin</b>	<b>11.7%</b>	<b>11.3%</b>	<b>9.9%</b>	<b>10.7%</b>	<b>10.6%</b>	<b>11.5%</b>		
Net margin	5.9%	6.3%	7.1%	3.7%	6.4%	7.8%		
<b>Adj. Net margin</b>	<b>7.2%</b>	<b>6.9%</b>	<b>5.7%</b>	<b>6.4%</b>	<b>6.3%</b>	<b>7.1%</b>		
EBITDA margin	15.4%	15.0%	13.6%	13.6%	12.4%	14.7%		
<b>Adj. EBITDA margin</b>	<b>15.2%</b>	<b>14.9%</b>	<b>13.1%</b>	<b>14.1%</b>	<b>14.4%</b>	<b>15.5%</b>		
Debt ratio	0.66	0.67	0.80	0.70	0.64	0.71		
Net debt / EBITDA	1.68	1.78	2.25	2.01	1.72	1.84		

## ANALYSIS ACCORDING TO CORPORATE ORGANIZATION

(S/ thousands)

	CAT Dealers in Peru		CAT Dealers abroad & other businesses		Other businesses	
	2024	2023	2024	2023	2024	2023
Sales	1,567,106	1,319,662	152,123	143,382	153,092	182,950
Gross profit	440,202	332,590	36,402	34,529	37,474	35,901
Adjusted gross profit	438,367	363,066	36,402	34,529	35,375	38,439
Gross margin	28.1%	25.2%	23.9%	24.1%	24.5%	19.6%
Adjusted gross margin	28.0%	27.5%	23.9%	24.1%	23.1%	21.0%
Operating expenses	223,721	207,273	24,506	21,490	38,866	34,771
Operating profit	222,054	132,115	12,114	13,295	-2,596	1,917
Adjusted operating profit	220,219	162,591	12,114	13,295	-4,695	4,455
Operating margin	14.2%	10.0%	8.0%	9.3%	-1.7%	1.0%
Adjusted operating margin	14.1%	12.3%	8.0%	9.3%	-3.1%	2.4%
Depreciation & Amortization	39,497	36,382	7,025	6,195	8,799	11,114
EBITDA	266,717	172,376	19,768	20,020	9,406	15,100
Adjusted EBITDA	264,882	202,852	19,768	20,020	7,307	17,638
EBITDA margin	17.0%	13.1%	13.0%	14.0%	6.1%	8.3%
Adjusted EBITDA margin	16.9%	15.4%	13.0%	14.0%	4.8%	9.6%
Net Profit	118,350	109,193	5,403	6,921	-7,242	-2,663
Adjusted Net Profit	142,257	103,284	5,403	6,921	-6,407	-2,157
Net Margin	7.6%	8.3%	3.6%	4.8%	-4.7%	-1.5%
Adjusted Net Margin	9.1%	7.8%	3.6%	4.8%	-4.2%	-1.2%

## STATEMENT OF FINANCIAL SITUATION

As of June 30, 2024, total assets amounted to S/ 6,418 million, 9% above the S/ 5,892 million in assets as of June 30, 2023. Comparing both periods, there was an increase of S/ 489 million, primarily explained by a S/ 270 million increase in inventories, including spare parts, machinery, and engines, and a S/ 237 million increase in fixed assets. As of December 2023, total assets were S/ 6,525 million, due to the purchase of units for the rental fleet, workshop equipment, and infrastructure, as well as increases in accounts receivable and inventories in the second half of the previous year. Therefore, the first half of 2024 shows a reduction in assets compared to the end of 2023.

Total liabilities amounted to S/ 3,656 million as of June 30, 2024, compared to S/ 3,491 million at the end of the first half of 2023, an increase of S/ 165 million, which is primarily due to the increase in financial debt.

(S/ millions)

	As of Jun-24		As of Dec-23		As of Jun-23		% VAR	
		%		%		%	Jun24/Jun23	Jun24/Dic23
Cash and equivalents	186	3	219	3	192	3	-3	-15
Accounts receivables - Trade	1,223	19	1,381	21	1,190	20	3	-11
Inventory	2,314	36	2,256	35	2,044	35	13	3
Fix assets	1,860	29	1,826	28	1,622	28	15	2
Intangibles y Goodwill	352	5	365	6	376	6	-6	-4
Other assets	484	8	477	7	468	8	4	2
<b>TOTAL ASSETS</b>	<b>6,418</b>	<b>100</b>	<b>6,525</b>	<b>100</b>	<b>5,892</b>	<b>100</b>	<b>9</b>	<b>-2</b>
Financial debt	1,966	54	2,315	60	1,750	50	12	-15
Accounts payable - Trade	744	20	792	21	794	23	-6	-6
Lease liabilities	37	1	43	1	66	2	-44	-14
Other liabilities	908	25	710	18	881	25	3	28
<b>TOTAL LIABILITIES</b>	<b>3,656</b>	<b>100</b>	<b>3,860</b>	<b>100</b>	<b>3,491</b>	<b>100</b>	<b>5</b>	<b>-5</b>

As of June 30, 2024, the asset turnover ratio was 1.22, higher than the 1.13 recorded on June 30, 2023. As part of the corporation's strategy, measures have been implemented to optimize the use of assets for generating revenue, resulting in an improvement in this turnover indicator. This improvement is primarily explained by the reduction in inventory days from 151 days in the second quarter of 2023 to 143 days in the same period of 2024.

The corporation's financial debt, which amounted to S/ 1,966 million as of June 30, 2024, was 12% higher than the debt recorded in the same period of the previous year. Similarly, in dollars (US\$ 512 million), it showed a 6.4% increase compared to the balance for the same period in 2023 (US\$ 482 million). As explained, the higher current debt corresponds to short-term financial obligations, which will be sought to be restructured during the second half of the year.

## INVESTMENTS IN FIX ASSETS (CAPEX) AND INTANGIBLES

As of June 30, 2024, investments in fixed assets and intangibles amounted to S/ 99.6 million, primarily consisting of: i) S/ 15.8 million for infrastructure investment, ii) S/ 137.8 million for the purchase of machinery and rental fleet equipment (net of transfers to inventory, totaling S/ 32.0 million), and iii) S/ 32.5 million for the purchase of machinery and equipment for workshops.

As of June 30, 2024, the fixed assets category reflects the recognition of right-of-use assets (leased premises, rental fleet, pickup trucks, among others), in accordance with IFRS 16 on Leases.

## FINANCIAL RATIOS

Ratios	Jun-24	Mar-24	Dec-23	Set-23	Jun-23
Current ratio	1.38	1.35	1.37	1.50	1.60
Financial debt ratio	0.66	0.67	0.80	0.70	0.64
Indepthedness ratio	1.32	1.41	1.45	1.37	1.31
Net debt / EBITDA	1.68	1.78	2.25	2.01	1.72
Adjusted debt / EBITDA	0.98	1.10	1.65	1.40	1.43
Financial expenses coverage ratio	9.19	8.95	8.65	8.87	8.92
Asset turnover	1.22	1.17	1.10	1.09	1.13
Inventory turnover	2.52	2.48	2.30	2.28	2.38
Inventory days	143	145	156	158	151
Collection days	49	49	59	55	52
Payable days	50	47	55	59	58
Cash cycle	142	147	160	154	145
ROE	16.3%	16.7%	16.8%	17.3%	18.5%
ROA	9.4%	8.4%	7.7%	7.6%	8.4%
ROIC	13.4%	12.2%	10.7%	10.7%	12.0%
Book Value per share	2.95	2.82	2.83	2.79	2.71

As of June 30, 2024, the cash cycle is 142 days, showing a decrease compared to the same period in 2023 (145 days), primarily due to the reduction in inventory and collection days.

The Return on Equity (ROE) for the second quarter of 2024 was 16.3%, lower than the figure recorded in the same period of the previous year. This decrease is mainly due to the effect of exchange rate differences. Excluding this effect, the adjusted ROE is 18.0%, higher than the 16.8% for the same period in 2023.

## MAIN HIGHLIGHTS

### Dividend Distribution

According to the resolution of the General Shareholders' Meeting on March 27, 2024, it was approved to distribute cash dividends amounting to S/ 260,310,832.94, corresponding to the maximum limit of the Dividend Policy. On October 26, 2023, an advance dividend payment of S/ 100,000,000.00 was made against the profits of the 2023 fiscal year, leaving a pending distribution of S/ 160,310,832.94. This amount is equivalent to a cash dividend of S/ 0.170591264557 per share, which was paid on April 26, 2024.

### Ferreycorp, the only Peruvian company in the Top 5% of the S&P Sustainability Yearbook Sector

Ferreycorp is the only company from Peru to be ranked among the top 5% of the most sustainable trading and distribution companies globally participating in the prestigious Sustainability Yearbook of S&P Global. Only 68 companies worldwide have received the Top 5% recognition in their sector; Peru is represented by Ferreycorp.

In the latest corporate sustainability assessment by S&P, which included 9,400 companies from 62 industries worldwide, Ferreycorp's environmental, social, and corporate governance management was examined. According to the results, Ferreycorp achieved the second-highest score among the participating companies in the trading and distribution sector in the Sustainability Yearbook.

### Sustainability: Ferreycorp in the BVL and S&P index for the fourth consecutive year

The sustainability index of the Lima Stock Exchange (BVL) and S&P Dow Jones Indices has included Ferreycorp, a leader in capital goods and services, for the fourth consecutive year. The S&P/BVL Peru General ESG Index, unique in Peru, comprises 16 companies recognized for adopting and maintaining more sustainable business practices over time and being market leaders in Peru.

Ferreycorp's stock has been part of this important sustainability index since its launch in 2021. Previously, it was included in various editions of the BVL's Good Corporate Governance Index, its predecessor, and received its highest distinction, the BVL Key, seven times.

### Ferreyros achieves the highest rating in Caterpillar Excellence Programs again

Ferreyros, a leader in heavy machinery, along with Unimaq (light machinery) and Orvisa (focused on the Amazon region), achieved the highest rating in the Excellence Programs implemented by Caterpillar to measure the performance of its global distributor network. They reached the Gold level in all evaluated dimensions last year: After-Sales Service, Spare Parts, Marketing and Sales, Rental, and Digital.

It is noteworthy that Ferreyros is one of the three Caterpillar distributors worldwide and the only one in Latin America to have received the Caterpillar Dealer Operational Excellence distinction twice, for the annual All Gold performance (Gold in all categories), in which a global network of more than 160 dealers participates.

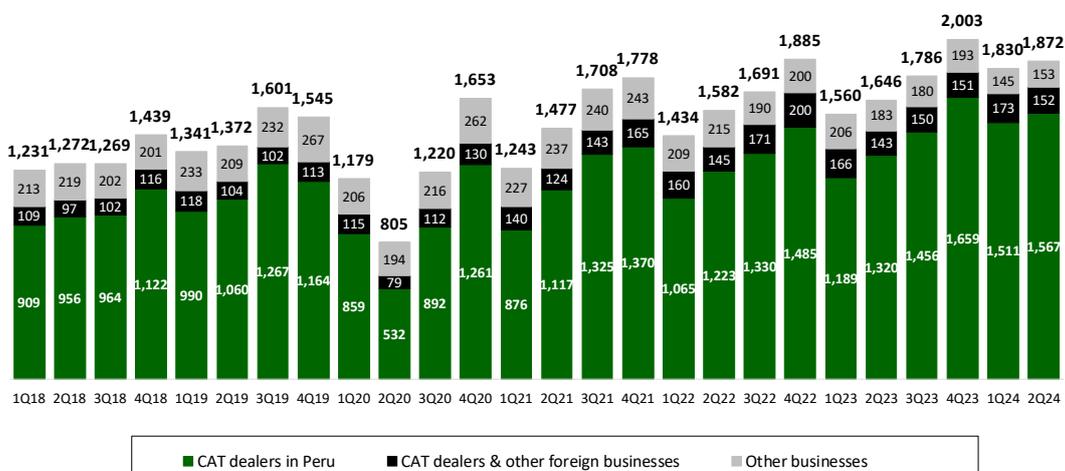
## COMMERCIAL MANAGEMENT

### 1. COMPOSITION OF SALES BY BUSINESS GROUP

Sales by business group  
(S/ millions)

	Trimestre						% Var			
	2T 2024	%	1T 2024	%	2T 2023	%	1T 2023	%	2T24 / 1T24	2T24 / 2T23
Ferreyros	1,350,085	72.1%	1,302,804	71.2%	1,133,139	68.8%	1,028,048	65.9%	3.6%	19.1%
Unimaq	171,709	9.2%	149,192	8.2%	151,488	9.2%	135,045	8.7%	15.1%	13.3%
Orvisa	45,312	2.4%	59,171	3.2%	35,035	2.1%	25,743	1.6%	-23.4%	29.3%
<b>Total distribuidores CAT en el Perú</b>	<b>1,567,106</b>	<b>83.7%</b>	<b>1,511,167</b>	<b>82.6%</b>	<b>1,319,662</b>	<b>80.2%</b>	<b>1,188,836</b>	<b>76.2%</b>	<b>3.7%</b>	<b>18.8%</b>
<b>Total distribuidores CAT y otros negocios en el Exterior</b>	<b>152,123</b>	<b>8.1%</b>	<b>173,255</b>	<b>9.5%</b>	<b>143,382</b>	<b>8.7%</b>	<b>165,703</b>	<b>10.6%</b>	<b>-12.2%</b>	<b>6.1%</b>
Soltrak	70,813	3.8%	65,588	3.6%	72,803	4.4%	67,415	4.3%	8.0%	-2.7%
Trex	46,822	2.5%	38,658	2.1%	74,980	4.6%	107,808	6.9%	21.1%	-37.6%
Fargoline	21,853	1.2%	22,053	1.2%	17,815	1.1%	19,632	1.3%	-0.9%	22.7%
Forbis	9,871	0.5%	9,840	0.5%	10,063	0.6%	9,112	0.6%	0.3%	-1.9%
Otras	3,733	0.2%	9,114	0.5%	7,289	0.4%	1,789	0.1%	-59.0%	-48.8%
<b>Total otras subsidiarias</b>	<b>153,092</b>	<b>8.2%</b>	<b>145,253</b>	<b>7.9%</b>	<b>182,950</b>	<b>11.1%</b>	<b>205,756</b>	<b>13.2%</b>	<b>5.4%</b>	<b>-16.3%</b>
<b>TOTAL</b>	<b>1,872,321</b>	<b>100.0%</b>	<b>1,829,675</b>	<b>100.0%</b>	<b>1,645,994</b>	<b>100.0%</b>	<b>1,560,295</b>	<b>100.0%</b>	<b>2.3%</b>	<b>13.8%</b>

Sales by business group  
(S/ millions)



As can be seen from the previous tables, Ferreycorp's businesses are divided into three major groups:

### Group I - Subsidiary Companies Representing Caterpillar and Allied Brands in Peru (Ferreyros, Unimaq, and Orvisa)

In the second quarter of 2024, sales by Caterpillar distributors in Peru increased by 18.8% compared to the same period in 2023. Notable growth was seen in spare parts and services, with an increase of 17.7%; Caterpillar machinery and engines for sectors other than large mining, up 14.2%; and Caterpillar machinery for large mining, up 92.8%.

In this quarter, this group of companies accounted for 83.7% of the total corporate sales.

It is worth mentioning that the positive commercial results achieved by the corporation's companies include some sales completed in the previous year, with invoicing deferred to this semester, as well as advances on some sales initially budgeted for the second half of the year.

### Group II - Companies Representing Caterpillar and Other Businesses in Central America (Gentrac, Cogesa, and Motored)

Sales by this group of companies with a presence in Central America increased by 6.1% compared to the second quarter of 2023. Notable growth was seen in Caterpillar machinery and engines for sectors other than large mining, up 23.9%, and rentals and used equipment, up 29.6%.

This group of companies contributed 8.1% of the corporation's total sales.

### Group III - Companies Complementing Caterpillar's Goods and Services in Peru and South America for Various Production Sectors (Soltrak, Trex, Fargoline, Forbis Logistics, and Vixora)

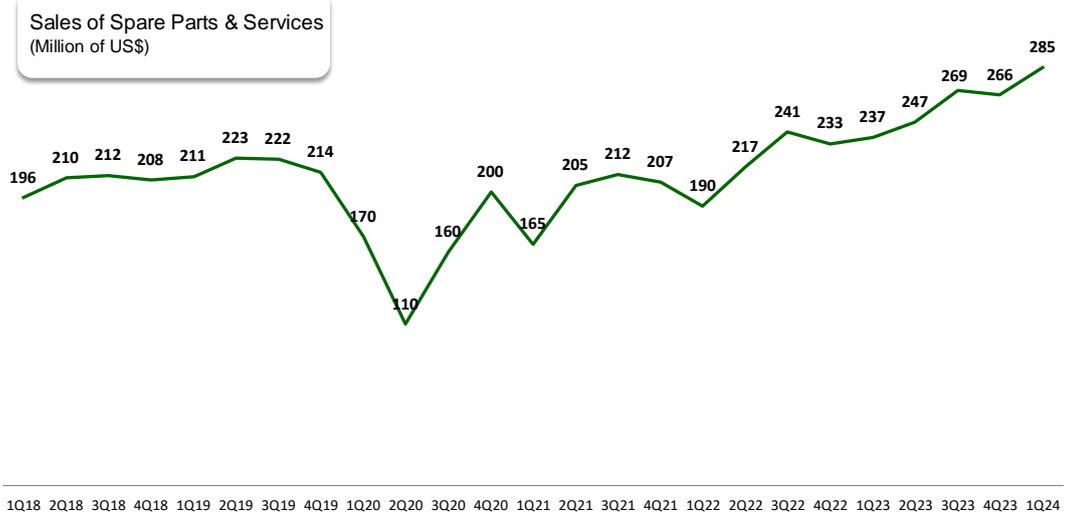
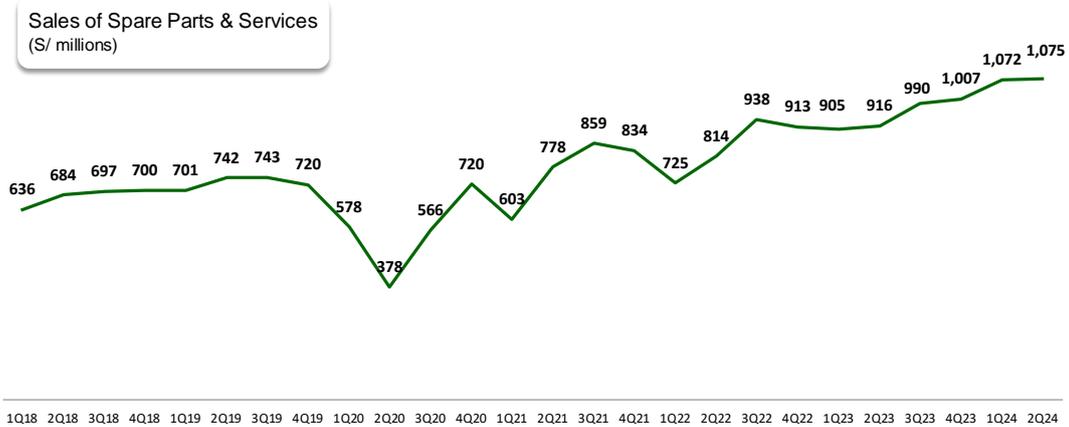
Sales by the third group of companies, which complements the goods and services offered through the sale of equipment, consumables, and logistical solutions, among other lines, decreased by 16.3% compared to the second quarter of 2023. This decline is mainly due to the lack of crane supply at Trex.

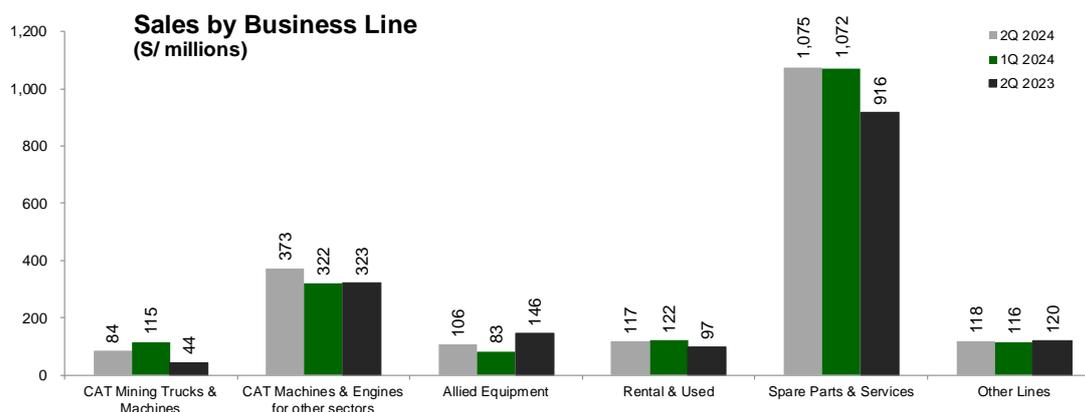
## 2. SALES BREAKDOWN BY BUSINESS LINE

(\$/ millions)	2Q 2024	%	1Q 2024	%	2Q 2023	%	% Var 2Q 2024/ 1Q 2024	% Var 2Q 2024/ 2Q 2023
CAT Mining Trucks and Machines	84	5	115	6	44	3	-26.8	91.3
CAT Machines & Engines for other sectors	373	20	322	18	323	20	15.9	15.6
Allied Equipment	106	6	83	5	146	9	27.1	-27.6
Rental and used	117	6	122	7	97	6	-4.0	20.2
Spare parts and services	1,075	57	1,072	59	916	56	0.3	17.3
Other lines	118	6	116	6	120	7	1.3	-2.1
<b>TOTAL</b>	<b>1,872</b>	<b>100</b>	<b>1,830</b>	<b>100</b>	<b>1,646</b>	<b>100</b>	<b>2.3</b>	<b>13.8</b>

Compared to the same quarter of the previous year, the lines showing the greatest increase in the second quarter of 2024 were large mining machinery; rentals and used equipment; construction machinery and equipment; and spare parts and services, particularly driven by increased sales to large mining customers.

The corporation's strategy is to enhance its clients' productivity through the use of delivered equipment and project management. Therefore, significant efforts are made to provide after-sales support with high-quality standards and locations close to the clients, which differentiates it from competitors. These aspects have allowed the spare parts and services business line, both for Caterpillar and allied brands, to maintain a significant share of Ferreycorp's total sales (57%). In the second quarter of 2024, this line achieved a new record with sales in soles amounting to S/ 1,075 million, representing a 17.3% increase compared to the same period last year. Additionally, sales in dollars reached US\$ 286 million, reflecting a 15.7% increase compared to the second quarter of 2023.





As of June 30, 2024, sales of the Caterpillar brand, represented by the corporation through exclusive distributors in Peru, Guatemala, El Salvador, and Belize, account for 78.5% of total revenues. This includes the sale and rental of machinery and engines, as well as the provision of spare parts and services for this brand.

### 3. SALES BREAKDOWN BY ECONOMIC SECTOR

	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Open Pit Mining	47.9%	51.3%	43.2%	51.4%	43.6%	44.9%
Construction	24.0%	21.9%	19.0%	19.7%	20.6%	19.1%
Underground Mining	7.6%	9.4%	9.8%	8.4%	14.3%	11.8%
Industry, Commerce & Services	7.3%	8.4%	8.4%	7.4%	11.8%	12.4%
Agriculture & Forestry	3.2%	2.0%	2.0%	3.0%	2.5%	2.9%
Transport	2.3%	1.0%	1.9%	0.1%	2.3%	4.7%
Fish & Marine	1.7%	1.3%	1.3%	0.9%	2.1%	1.6%
Government	4.7%	3.6%	13.3%	8.5%	1.8%	1.3%
Hydrocarbons & Energy	0.6%	0.6%	0.7%	0.5%	0.8%	0.9%
Others	0.6%	0.5%	0.4%	0.2%	0.3%	0.3%
<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>

As shown in the table, the sector with the largest share of sales in the second quarter is mining. Additionally, compared to the same period last year, there is an increase in the construction sector due to sales to clients engaged in projects across various regions of the country.

**FERREYCORP S.A.A. & SUBSIDIARIES**
**APPENDIX 1**
**APPENDIX 1**
**Income Statement (NOTES)**

(\$/ thousands)

	2Q 2024	%	2Q 2023	%	Var %	As of Jun24	%	As of Jun23	%	Var %
Net Sales	1,872,321	100.0	1,645,994	100.0	13.8	3,701,996	100.0	3,206,289	100.0	15.5
Costo de Ventas	-1,358,243	-72.5	-1,242,974	-75.5	9.3	-2,699,622	-72.9	-2,376,530	-74.1	13.6
<b>Sales Profit</b>	<b>514,078</b>	<b>27.5</b>	<b>403,020</b>	<b>24.5</b>	<b>27.6</b>	<b>1,002,374</b>	<b>27.1</b>	<b>829,759</b>	<b>25.9</b>	<b>20.8</b>
Operating Expenses	-291,548	-15.6	-269,924	-16.4	8.0	-570,816	-15.4	-528,985	-16.5	7.9
Net Other Income (Expenses)	782	0.0	8,267	0.5	-90.5	776	0.0	8,237	0.3	-90.6
<b>Operating Profit</b>	<b>223,312</b>	<b>11.9</b>	<b>141,363</b>	<b>8.6</b>	<b>58.0</b>	<b>432,334</b>	<b>11.7</b>	<b>309,011</b>	<b>9.6</b>	<b>39.9</b>
Net Financial Expenses	-21,241	1.6	-16,642	1.3	27.6	-43,720	1.6	-33,871	1.4	29.1
FX Gain/Loss	-38,310	-2.0	35,151	2.1	-209.0	-55,531	-1.5	62,891	2.0	-188.3
Participation in the Results of Associates	274	0.0	915	0.1	-70.1	527	0.0	1,363	0.0	-61.3
<b>Income Before Income Tax</b>	<b>164,035</b>	<b>8.8</b>	<b>160,787</b>	<b>9.8</b>	<b>2.0</b>	<b>333,610</b>	<b>9.0</b>	<b>339,394</b>	<b>10.6</b>	<b>-1.7</b>
Income Tax	-53,972	-2.9	-54,483	-3.3	-0.9	-107,943	-2.9	-112,081	-3.5	-3.7
<b>Net Income Cont. Oper.</b>	<b>110,063</b>	<b>5.9</b>	<b>106,304</b>	<b>6.5</b>	<b>3.5</b>	<b>225,667</b>	<b>6.1</b>	<b>227,313</b>	<b>7.1</b>	<b>-0.7</b>
Net Income Cont. Oper.	835	0.0	-660	-0.0	-226.5	378	0.0	-665	-0.0	-156.8
<b>Net Income</b>	<b>110,898</b>	<b>5.9</b>	<b>105,644</b>	<b>6.4</b>	<b>5.0</b>	<b>226,045</b>	<b>6.1</b>	<b>226,648</b>	<b>7.1</b>	<b>-0.3</b>
<b>EBITDA</b>	<b>289,146</b>	<b>15.4</b>	<b>204,355</b>	<b>12.4</b>	<b>41.5</b>	<b>564,156</b>	<b>15.2</b>	<b>434,181</b>	<b>13.5</b>	<b>29.9</b>
<b>Adj. EBITDA</b>	<b>285,212</b>	<b>15.2</b>	<b>237,579</b>	<b>14.4</b>	<b>20.0</b>	<b>558,048</b>	<b>15.1</b>	<b>479,953</b>	<b>15.0</b>	<b>16.3</b>

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

**FERREYCORP S.A.A. & SUBSIDIARIES**
**APPENDIX 2**
**Statement of Financial Position**

(\$/ thousands)

	As of 30-06-2024	As of 30-06-2023	Var %		As of 30-06-2024	As of 30-06-2023	Var %
Cash and Equivalents	186,007	191,602	-2.9	Short Term Debt	1,311,380	951,208	37.9
Accounts Receivables - Trade	1,187,115	1,154,263	2.8	Liabilities Derived from Leases (NIIF16)	20,501	33,024	-37.9
Inventory	2,313,819	2,043,981	13.2	Other Current Liabilities	1,513,919	1,444,496	4.8
Other Account Receivables	195,123	189,418	3.0	<b>Current Liabilities</b>	<b>2,845,800</b>	<b>2,428,728</b>	<b>17.2</b>
Assets Available for Sale	2,762	14,750	-81.3	Long Term Debt	654,877	894,710	-26.8
Prepaid Expenses	30,233	52,431	-42.3	Other Payables	2,650	6,597	-59.8
<b>Current Assets</b>	<b>3,915,059</b>	<b>3,646,445</b>	<b>7.4</b>	Liabilities Derived from Leases (NIIF16)	16,561	33,114	-50.0
Long Term Account Receivable - Trade	35,578	35,909	-0.9	Deffered Tax Income	135,761	127,600	6.4
Other Long Term Account Receivable	40,492	42,934	-5.7	<b>Total Liabilities</b>	<b>3,655,649</b>	<b>3,490,748</b>	<b>4.7</b>
Property	1,262,087	1,164,302	8.4	<b>Equity</b>	<b>2,762,852</b>	<b>2,552,650</b>	<b>8.2</b>
Rental Fleet	859,235	687,481	25.0	<b>Total Liabilites &amp; Equity</b>	<b>6,418,501</b>	<b>6,043,398</b>	<b>6.2</b>
Machinery & Equipment	580,582	512,317	13.3				
Other Fixed Asstets	139,524	154,120	-9.5	<b>Other Financial Information</b>			
	2,841,428	2,518,220	12.8	Depreciation	98,937	94,525	4.7
Accumulates Depreciation	-981,911	-896,180	9.6	Amortization	15,228	15,860	-4.0
Net Property, Plant & Equipment	1,859,517	1,622,040	14.6				
Investments	28,161	22,046	27.7				
Net Intangible Asset & Goodwill	352,060	376,007	-6.4				
Deferred Income Tax	187,631	146,173	28.4				
<b>Non Current Assets</b>	<b>2,503,439</b>	<b>2,245,109</b>	<b>11.5</b>				
<b>Total Assets</b>	<b>6,418,498</b>	<b>5,891,554</b>	<b>8.9</b>				

**FERREYCORP S.A.A. AND SUBSIDIARIES**
**APPENDIX 3**
**Total Liabilities as of March 2024**

(S/ thousands)

	Total Liabilities	Current Liabilities	Long term liabilities		(A) Financial Liabilities
			Short term	Long term	
Local Banks (Short term)	180,311	180,311	-	-	180,311
Foreign Banks (Short term)	56,336	56,336	-	-	56,336
Local Banks (Long term)	167,783	-	68,711	99,071	167,783
Foreign Banks (Long term)	35,156	-	17,702	17,454	35,156
Local & Foreign Banks (Fin. Leasing)	99	-	29	70	99
<b>Suppliers</b>					
Accounts Payable to Caterpillar	115,206	115,206	-	-	-
Accounts Payable to Caterpillar	-	-	-	-	-
Others	78,768	78,768	-	-	-
Corporate Bonds	71,845	-	18,079	53,766	71,845
Caterpillar Financial	916	-	603	313	916
Liabilities derived from leases (IFRS16)	9,659	-	5,343	4,316	-
Other Liabilities	236,657	200,584	-	36,073	-
<b>Total (US\$)</b>	<b>952,736</b>	<b>631,206</b>	<b>110,467</b>	<b>211,063</b>	<b>512,446</b>
<b>Total (S/.)</b>	<b>3,655,649</b>	<b>2,421,937</b>	<b>423,863</b>	<b>809,849</b>	<b>1,966,257</b>

(A) Subject to interest payments

**FERREYCORP S.A.A. & SUBSIDIARIES**
**APPENDIX 4**
**Cashflow Statement**

(\$/ thousands)

	As of 30-06-2024	As of 30-06-2023
<b>Cashflow from operating activities</b>		
Collections from customers & third parties	4,094,801	3,254,420
Payment to suppliers	-2,713,696	-2,188,659
Payment to employees and others	-422,419	-399,466
Payments of taxes and income tax	-145,922	-136,072
<b>Net cash provided by operating activities</b>	<b>812,764</b>	<b>530,223</b>
<b>Cashflow from investing activities</b>		
Acquisitions of property, plant & equip.	-194,017	-34,329
Acquisitions of intengibles	-3,541	-4,149
Sale of property, plant & equip.	3,282	10,028
Sale/Contributions of financial instruments	-	34
Investment acquisitions	-4,316	-
<b>Net cash provided by investing activities</b>	<b>-198,592</b>	<b>-28,416</b>
<b>Cashflow from financing activities</b>		
Financial liabilities	1,660,604	1,286,075
Payment of financial expenses	-2,079,905	-1,598,028
Payment of lease activities	-16,076	-22,751
Interest payments	-52,660	-48,620
Dividend payments	-160,051	-131,185
Share buybacks	17,986	-15,196
<b>Net cash from financing activities</b>	<b>-630,102</b>	<b>-529,705</b>
Net cash increase	-15,930	-27,898
Cash at the beginning of the year	219,097	192,015
Cash due to exchange variation	-17,160	27,484
<b>Cash at the end of the year</b>	<b>186,007</b>	<b>191,602</b>