

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

## Second quarter 2022

Lima, July 27, 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 second quarter 2022. The consolidated financial results have been prepared in accordance with International Financial Reporting Standards and are stated in soles

### SALES

Consolidated sales for the second quarter 2022 amounted to S/ 1,582 million, 8.9% higher compared to the second quarter of 2021. In dollars, sales of the quarter (US\$ 422 million) recorded a 10.2% increase compared to sales for the same period 2021 (US\$ 383 million). It is worth mentioning the growth in sales of Caterpillar machines for mid-size mining and construction productive sectors, which increased 15%, as well as that of Spare Parts and Services business line, which rose by 53%. Accumulated sales as of June 30 also showed an increases, of 12% in dollars and 13% in soles, highlighting the growth of the same business lines mentioned above.

(In million)	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
Net Sales \$	422	383	10%	799	713	12%
Net Sales S/	1,582	1,454	9%	3,016	2,663	13%

(Review Commercial Management section for sales variance explanation)

### GROSS PROFIT

During the second quarter of 2022, gross profit was lower compared to the gross profit obtained for the same period 2021, due to lower gross margins. The gross margin obtained for 2Q22 was 24.9%, impacted by the effect of the exchange rate in the margin of 1.2%; without which, the adjusted margin stands at 26.1%, similar to the adjusted margin of the second quarter 2021 (26.2%). Accumulated gross profit as of June 30, 2022 was similar to that of 2021.

	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
Gross Profit (\$/ million)	394	401	-2%	731	731	0%
Gross Margin	24.9%	27.6%		24.2%	27.5%	
Adjusted Gross Margin	26.1%	26.2%		25.7%	26.1%	

## OPERATING PROFIT

### Operating Expenses

Operating expenses for the second quarter 2022 amounted to S/ 239.2 million, higher by 9.6% compared to the second quarter 2021 (S/ 218.2 million). This increase resulted from higher variable expenses associated with the 9% sales increase. As a percentage of sales, operating expenses were at levels of 15%, similar to the previous year. At the end of the first half of 2022, operating expenses amounted to S/478 million, 12.8% higher than the same period 2021. However, it should be mentioned that this increase in expenses was lower than the growth in sales achieved (13.2%) in that period.

### Operating Margin

Operating margin for the second quarter 2022 was 10.2%, lower than that of the same quarter 2021. Excluding the FX effect on gross margin, the adjusted operating margin is 11.4%, slightly lower than the one obtained in the second quarter 2021 (11.8%). The operating margin for the first half of 2022 was 8.7% lower than that registered in 2021, but if the FX effect is removed, the adjusted margin amounts to 10.4%, close to that of the same period of the previous year.

	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
Operating Profit (\$/ million)	161	191	-16%	261	322	-19%
Operating Expenses / Sales	15.1%	15.0%		15.9%	15.9%	
Operating Margin	10.2%	13.2%		8.7%	12.1%	
Adjusted Operating Margin	11.4%	11.8%		10.4%	10.8%	

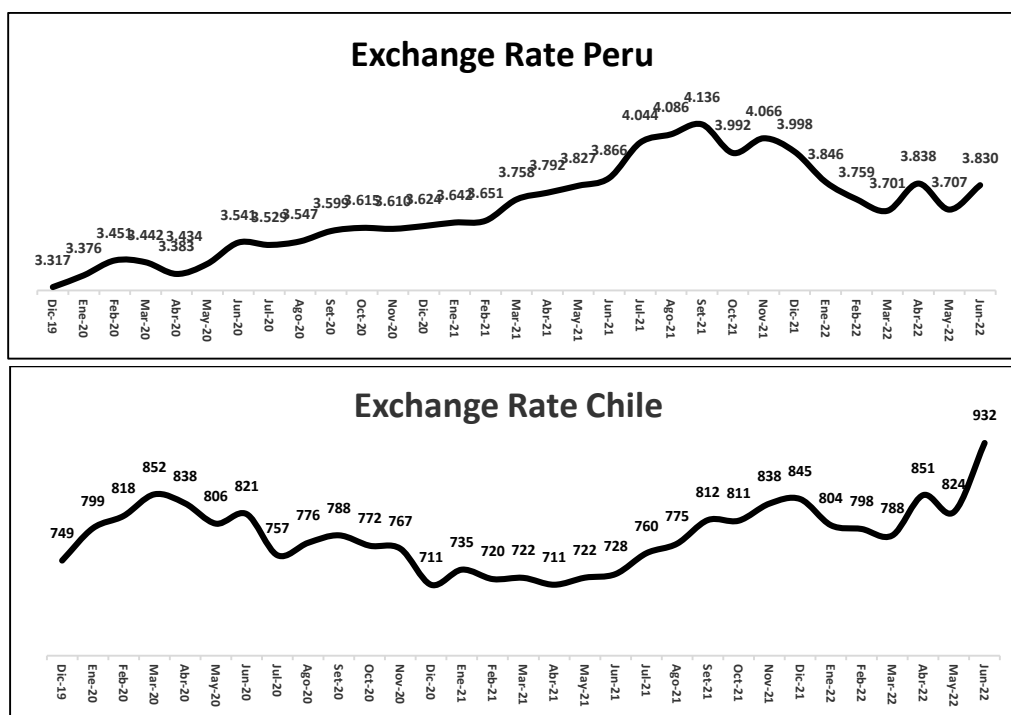
## NET FINANCIAL EXPENSES

Net financial expenses for the second quarter 2022 decreased 15.4% compared to the same period of the previous year. In the second quarter of this year, there was a decrease in the average financial liabilities of 15.3% in soles and 6.0% in dollars when compared to the 2Q21, which has offset the slight increase in the average interest rate (2Q 2022: 2.70% versus 2Q 2021: 2.53%). Moreover, the accumulates net financial expenses as of June 30, 2022 shows a decrease of 14.2% compared to 2021. Even though the average financial liabilities hasn't changed, the average interest rate passed from 2.89% to 2.84%.

(S/ million)	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
Financial expenses, net	10.9	12.8	-15%	21.3	24.9	-14%
Average Liabilities S/	1,998	2,340	-15%	2,001	1,951	3%
Average Liabilities \$	530	566	-6%	521	520	0%

### FOREIGN EXCHANGE GAIN/LOSS

During the second quarter of 2022, FX loss of S/ 57.0 million was recorded as a result of currency devaluation both in Peru and Chile; however, for the accumulated period as of June 30, 2022, an FX gain of S/ 38.6 million is observed. This is a consequence of the appreciation of the Peruvian sol during the 1Q22 which accounted to S/ 96 million, which does not completely offset the devaluation observed during the 2Q22.



In the second quarter of 2022 there has been a devaluation of 3.5% of the Peruvian sol and 18.3% of the Chilean peso, both against the dollar. Compared to a similar period of 2021, a devaluation of the sol and the peso was also registered, 2.9% and 0.8% respectively. The FX loss recorded in the second quarter is partially offset by the FX gain recorded in the first quarter of 2022. We estimate the inventory reserve by the end of June is around S/38mm; said reserve will be recovered through the gross margin in the following months.

	Second Quarter		As of June 30th	
	2022	2021	2022	2021
(S/ million)				
FX Gain/Loss	-57.0	-40.5	38.6	-72.1

## NET PROFIT

Net profit for the second quarter 2022 reached S/ 61 million, lower than the S/ 86 million registered in the second quarter of the previous year. If adjustments are made to the results due to the FX distortion, the net income for the quarter is S/115 million versus S/100 million the previous year, that is, a growth of 15%. The accumulated net profit as of June 30, 2022 was 36% higher than that registered in the same period of 2021. If we exclude the exchange effect in both periods, the increase is 23%.

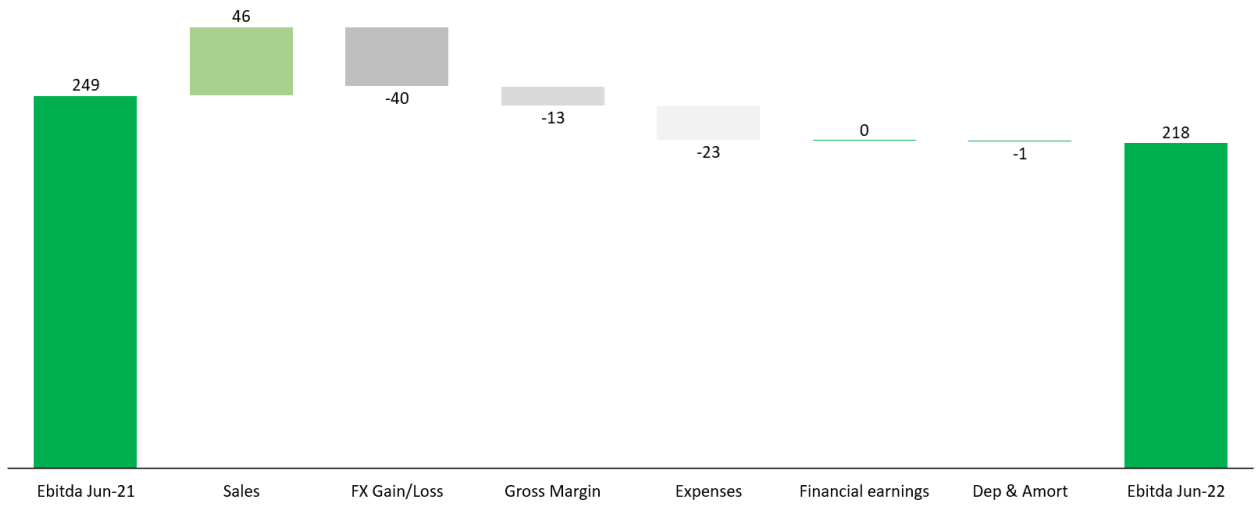
	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
(S/ million)						
Net Profit	61	86	-29%	189	139	36%
Fx Gain/Loss	-57	-41		39	-72	
FX recovery through GM	-20	20		-58	36	
Net effect	-77	-20		-19	-37	
Net effect after taxes	54	14		13	26	
Net Adjusted Profit	115	100	15%	203	165	23%

## EBITDA

Both the EBITDA and the EBITDA margin for the second quarter of 2022 were lower compared to those of the same period in 2021. However, without considering the FX effect on gross profit, the adjusted EBITDA margin stands at 15.1%, close to the 15.8 % registered in the second quarter 2021. Accumulated EBITDA was 13% lower compared to the same period of the previous year; however, excluding the FX effect on gross profit results in an increase of 9.2%.

	Second Quarter		Var%	As of June 30th		Var%
	2022	2021		2022	2021	
Ebitda (S/mm)	219	249	-12%	377	434	-13%
Adjusted Ebitda (S/mm)	238	229	4%	434	398	9%
Ebitda Margin	13.8%	17.2%		12.5%	16.3%	
Adjusted Ebitda Margin	15.1%	15.8%		14.4%	15.0%	

EBITDA 2022 vs 2021



**SUMMARY OF MAIN FIGURES AND INDICATORS**

(In million except for indicators per share)	2Q2022	1Q2022	4Q2021	3Q2021	2Q2021	1Q2021	%Var. 2Q 2022/1Q 2022	%Var. 2Q 2022/2Q 2021
Net sales \$	\$422	\$377	\$450	\$418	\$383	\$330	11.8%	10.2%
Net sales S/	S/. 1,582	S/. 1,434	S/. 1,758	S/. 1,691	S/. 1,454	S/. 1,210	10.4%	8.9%
Gross profit	S/. 394	S/. 337	S/. 450	S/. 461	S/. 401	S/. 330	16.8%	-1.8%
SG&A expenses	S/. -239	S/. -239	S/. -230	S/. -223	S/. -218	S/. -206	0.0%	9.6%
Operating profit	S/. 161	S/. 100	S/. 212	S/. 239	S/. 191	S/. 131	60.8%	-15.8%
Financial expenses	S/. -11	S/. -10	S/. -12	S/. -13	S/. -13	S/. -12	3.6%	-15.4%
Fx Gain/Loss	S/. -57	S/. 96	S/. 33	S/. -86	S/. -41	S/. -32		40.8%
Net profit	S/. 61	S/. 128	S/. 151	S/. 86	S/. 95	S/. 60	-52.7%	-35.9%
EBITDA	S/. 219	S/. 158	S/. 270	S/. 303	S/. 249	S/. 184	38.4%	-12.4%
Profit per share	0.065	0.135	0.159	0.091	0.090	0.055	-52.1%	-28.1%
EBITDA per share	0.231	0.167	0.285	0.319	0.262	0.193	38.5%	-11.7%
Free cash flow	S/. -67	S/. 83	S/. 442	S/. -46	S/. -239	S/. 42	-180.6%	-72.0%
Gross margin	24.9%	23.5%	25.6%	27.2%	27.6%	27.3%		
SG&A / sales	15.1%	16.7%	13.1%	13.2%	15.0%	17.0%		
Operating margin	10.2%	7.0%	12.0%	14.2%	13.2%	10.8%		
Net margin	3.8%	9.0%	8.6%	5.1%	6.5%	5.0%		
EBITDA margin	13.8%	11.0%	15.4%	18.0%	17.2%	15.3%		
Indebtedness ratio	1.54			1.75				
Net debt / EBITDA	1.99			2.31				

**ANALYSIS ACCORDING TO CORPORATE ORGANIZATION**

(S/ thousand)

	CAT Dealers in Peru		CAT Dealers and other businesses abroad		Other businesses		Total	
	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2Q 2022	2Q 2021	2022	2021
Sales	2,287,501	1,993,109	305,174	263,485	423,410	405,194	3,016,085	2,661,788
Gross profit	566,870	576,349	73,260	63,027	91,238	92,087	731,368	731,463
Adjusted Gross Profit	623,679	545,799	73,260	63,027	92,164	87,093	789,103	695,919
Gross margin	24.8%	28.9%	24.0%	23.9%	21.5%	22.7%	2420.0%	27.5%
Adjusted Gross Margin	27.3%	27.4%	24.0%	23.9%	21.8%	21.5%	2620.0%	26.1%
SG&A	364,130	321,505	43,602	40,532	63,167	54,610	478,380	424,249
Operating profit	211,355	264,494	29,387	22,801	28,769	39,236	261,252	322,335
Operating margin	9.2%	13.3%	9.6%	8.7%	6.8%	9.7%	870.0%	12.1%
Depreciation and amortization	65,399	60,432	11,456	12,172	24,243	25,608	104,623	101,810
EBITDA	280,973	330,208	41,989	36,201	58,128	68,209	376,577	433,950
EBITDA margin	12.3%	16.6%	13.8%	13.7%	16.8%	12.5%	12.5%	16.3%

Note: This results do not include Ferreycorp and Inti

## STATEMENT OF FINANCIAL POSITION

As of June 30, 2022, total assets amounted to S/ 6,045.6 million, very similar to the S/ 6,053.3 million in assets as of June 30, 2021. When comparing periods, a decrease in cash of S/190 million is observed. At the end of June 2021, given the uncertainty observed in the country, the corporation's strategy was to ensure levels of liquidity that would allow it to face any eventuality. In the following months, this excess cash reserve was eliminated until returning to normal levels. Additionally, there has been an increase of S/77 million in trade accounts receivable mainly due to short-term billing to mining companies.

As of June 30, 2022, asset turnover was 1.07, considerably higher than the 0.88 as of June 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.

Financial debt of the corporation, which as of June 30, 2022 amounted to S/ 2,099.8 million, was 4.0% below the same period of the previous year. In dollars (US\$ 548 million) it shows a decrease of 3.1% compared to the same period 2021 (US\$ 566 million). Non-current maturity obligations represent 51% of the financial debt.

It is important to mention that financial debt includes S/ 85.3 million (US\$ 22.3 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 June 30, 2022, investments in fixed assets and intangibles amounted to S/ 89.9 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.

Regarding fixed assets in the statement of financial position at the end of June 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 (S/ 2.4 million).

## FINANCIAL RATIOS

Ratios	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
Current ratio	1.52	1.53	1.61	1.34	1.38	1.30
Financial debt ratio	0.79	0.68	0.76	0.96	0.88	0.78
Indebtedness ratio	1.54	1.54	1.56	1.85	1.75	1.66
Net debt / EBITDA	1.99	1.60	1.78	2.15	2.31	2.48
Adjusted debt / EBITDA	1.48	1.53	1.77	1.65	1.68	1.88
Financial expenses coverage ratio	11.75	9.84	14.33	14.09	12.51	11.00
Asset turnover	1.07	1.09	1.05	0.96	0.88	0.82
Inventory turnover	2.31	2.32	2.36	2.08	1.90	1.80
Inventory days	156	155	152	173	189	200
Collection days	50	45	52	57	57	62
Payable days	49	50	52	54	48	59
Cash cycle	157	150	153	176	198	203
ROE	18.6%	20.3%	16.7%	15.9%	14.2%	10.3%
ROA	8.3%	9.1%	9.4%	8.7%	7.3%	5.9%
ROIC	12.2%	13.4%	14.4%	13.8%	11.8%	9.4%
Book value per share	2.52	2.45	2.47	2.33	2.31	2.22

Leverage ratios in general have registered an increase compared to the first quarter of 2022 explained by the increase in debt. However, the adjusted leverage *covenant*, which is considered within the covenants of medium-term loans, shows a decrease given that the additional debt taken is mostly associated with inventory purchases. It is important to mention that, compared to the same period in 2021, all leverage ratios have improved.

The cash cycle, standing at 157 days, has registered a slight increase at the end of June 2022 if compared to the previous quarter, although it is well below the cash cycle of the first quarters of 2021.

Profitability ratios show a decrease compared to the first quarter of 2022, mainly due to the exchange effect impacting the net profit at the end of June 2022. However, results show improvement when compared to the same period of 2021.



## MAIN HIGHLIGHTS

### **Dividend's Payment**

According to the agreement of the General Shareholders' Meeting on March 30, 2022, the distribution of cash dividends for S/ 225,632,578.81 was approved, corresponding to the maximum limit of the Dividend Policy. On October 29, 2021, an advance payment of dividends was made for S/ 100,000,000.00 on account of the profits for the year 2021, thus remaining pending distribution of S/ 125,632,578.81. This amount is equivalent to a cash dividend of S/ 0.13279511044 per share, which was paid on May 4, 2022

### **Sale of Punta Negra facility**

In June, the corporation finalized the sale of its facility located in the district of Punta Negra, which was acquired in 2015. The sale was agreed at S/95 million. Said sale is aligned with the strategy to optimize the existing facilities and take advantage of synergies among the corporation subsidiaries.

### **Socially Responsible Company Distinction**

For its sustainability performance, Ferreycorp and its subsidiaries Ferreyros, Unimaq, Orvisa, Soltrak and Fargoline once again received the Socially Responsible Company Distinction, awarded by Sustainable Peru, in partnership with the Mexican Center for Philanthropy (Cemefi).

The distinction assesses environmental, social and corporate governance pillars through specific and international indicators aligned with the Global Reporting Initiative and the United Nations Sustainable Development Goals.

### **Ministry of Labor recognizes Ferreyros and Ferreycorp for their good labor practices**

Ferreycorp and Ferreyros were awarded by the Ministry of Labor in the *Good Labor Practices* Contest for their programs in favor of their collaborators. Ferreyros ranked first in the "Worker Benefits" subcategory, while the parent company Ferreycorp was recognized with second place in "Promotion of Equal Opportunities between Men and Women".

Ferreyros stood out for carrying out the "Ferreyros Wellness" program, from which it promotes a comprehensive social, personal, physical, recreational, financial and emotional improvement of its more than 4,000 employees nationwide, and even of their families. Ferreycorp stood out for its Pares+ program, for gender equality, diversity and inclusion, with a corporate scope in its companies in Peru and abroad.

### **Ferreyros, for the ninth year, among the ten best companies to work for:**

Ferreyros reaffirmed its position among the ten best companies in Peru to attract and retain talent, according to the prestigious Merco Talento 2022 ranking, for the ninth consecutive year. The company remains in eighth place in the national ranking and first place in its sector.

In this year's edition, the ranking considered more than 20,000 respondents from multiple backgrounds: workers, university students, human resources managers and directors, talent management experts and personnel recruiters, unions, business school alumni and the general public. Likewise, a complete people management benchmarking was considered.

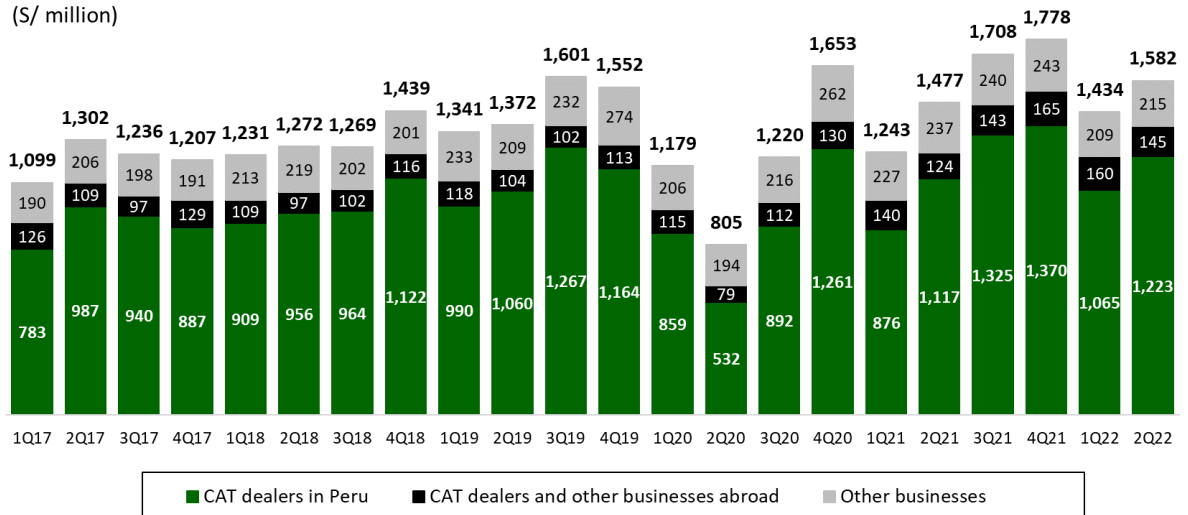
## COMMERCIAL MANAGEMENT

### 1. SALES BREAKDOWN ACCORDING TO CORPORATE ORGANIZATION

**Sales by Group of Companies**  
(S/ million)

	2Q 2022	%	2Q 2021	%	Var%
Ferreyros	1,046,981	66.2%	956,987	65.8%	9.4%
Unimaq	140,009	8.8%	118,343	8.1%	18.3%
Orvisa	35,585	2.2%	41,431	2.9%	-14.1%
<b>Total CAT dealers in Peru</b>	<b>1,222,575</b>	<b>77.3%</b>	<b>1,116,761</b>	<b>76.8%</b>	<b>9.5%</b>
<b>Total CAT dealers and other businesses abroad</b>	<b>145,196</b>	<b>9.2%</b>	<b>123,793</b>	<b>8.5%</b>	<b>17.3%</b>
Soltrak	79,038	5.0%	70,772	4.9%	11.7%
Trex (Chile)	75,459	4.8%	83,913	5.8%	-10.1%
Trex (Peru)	16,922	1.1%	19,577	1.3%	-13.6%
Fargo	21,601	1.4%	20,880	1.4%	3.5%
Forbis	18,751	1.2%	16,304	1.1%	15.0%
Otras	2,846	0.2%	1,682	0.1%	69.2%
<b>Total other businesses</b>	<b>214,617</b>	<b>13.6%</b>	<b>213,128</b>	<b>14.7%</b>	<b>0.7%</b>
<b>Total</b>	<b>1,582,388</b>	<b>100.0%</b>	<b>1,453,682</b>	<b>100.0%</b>	<b>8.9%</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 second quarter of 2022, sales of Caterpillar dealers in Peru increased 9.5% compared to the second quarter of the previous year. Almost every business line registered growth, highlighting *spare parts and services* with 21.0% and *Caterpillar equipment for mid-size mining and construction clients* with 6.3%, both compared to the second quarter of 2021

The share of this first group of subsidiaries in the corporation's consolidated total sales is 77% during this second 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 17.3% compared to the second quarter of the previous year, originated by the 69.9% and 6.9% increments in sales of *Caterpillar equipment for customers in the construction and energy sectors*, and *Spare Parts and Services*, respectively.

This group of companies generated 9% 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 an increase of 0.7% compared to the second quarter of 2021. The business lines with greater growth were: *logistics services* (10.9%) and *lubricants* (8.0%).

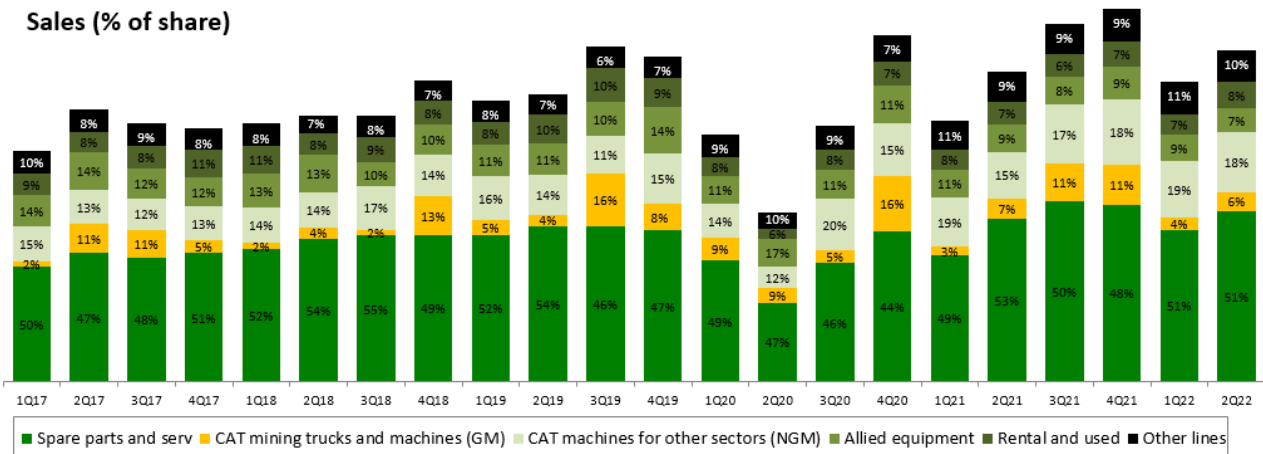
This group of companies currently represents 14% of the corporation's consolidated total sales.

**2. SALES BREAKDOWN BY BUSINESS LINE**

(S/ million)	2Q 2022	%	1Q 2022	%	2Q 2021	%	% Var 2Q 2022/ 1Q 2022	% Var 2Q 2022/ 2Q 2021
CAT mining trucks and machines (GM)	91	6	57	4	96	7	59.3	-5.1
CAT machines for other sectors (NGM)	285	18	274	19	224	15	4.1	27.3
Allied equipment	112	7	123	9	121	8	-8.6	-7.2
Rental and used	129	8	100	7	108	7	29.3	19.1
Spare parts and services	814	51	725	51	765	53	12.3	6.4
Other lines	151	10	155	11	140	10	-2.8	8.0
<b>TOTAL</b>	<b>1,582</b>	<b>100</b>	<b>1,434</b>	<b>100</b>	<b>1,454</b>	<b>100</b>	<b>10.4</b>	<b>8.9</b>

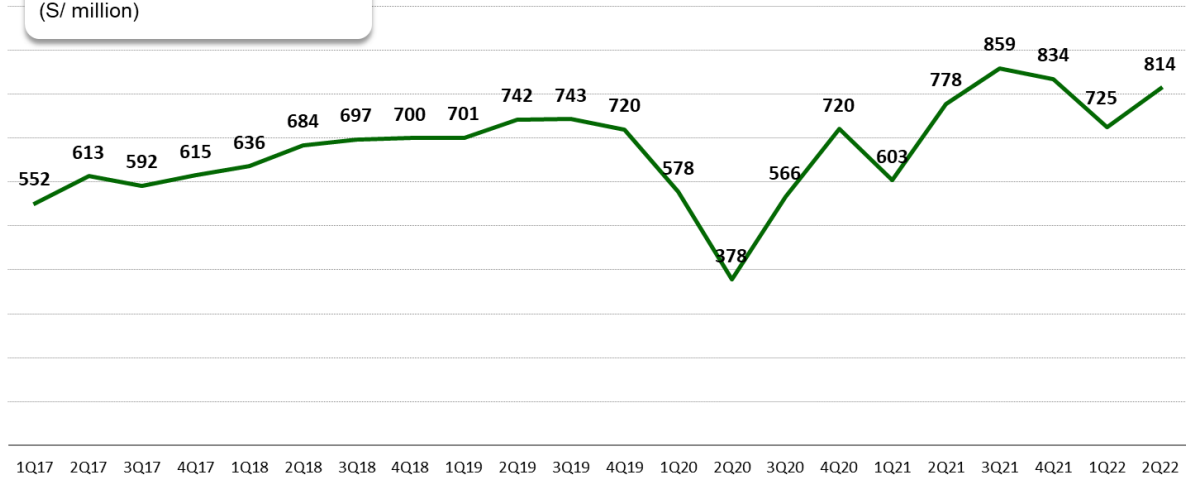
Among the business lines that showed the greatest increase, those of Caterpillar equipment for non-open pit mining stand out, especially mid-size mining and construction clients, with a 27.3% growth. Within other business lines, logistics services, lubricants and tires had higher sales of 10.9%, 8.0% and 23.5%, respectively. Likewise, the rental and used business line increased their sales by 19.1%, while spare parts and services increased by 6.4%.

**Sales (% of share)**



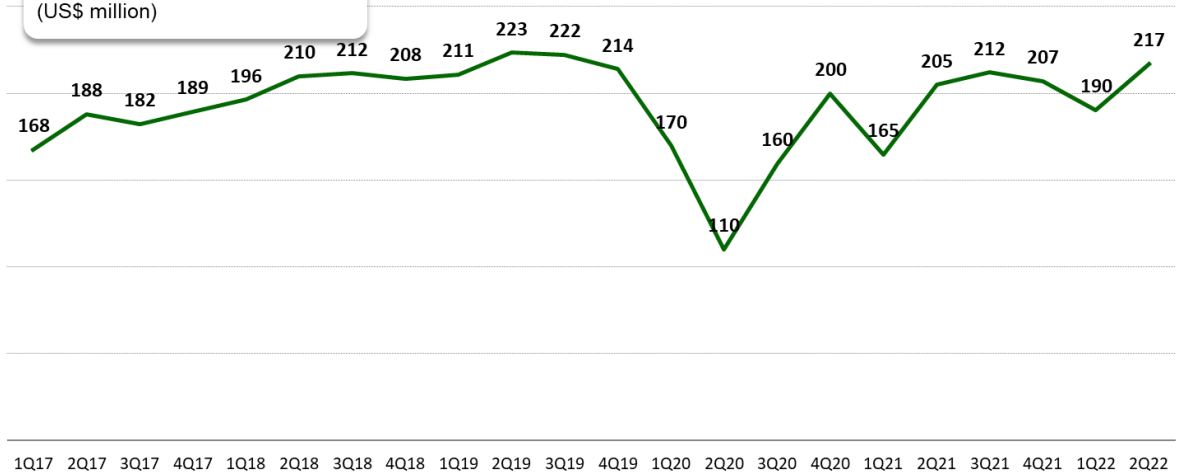
The strategy of the corporation is focused in improving client productivity through both equipment usage and project management. For this reason, great efforts are deployed to deliver the best quality aftermarket support through locations near customers. These capacities have allowed Spare Parts and Services business line, both Caterpillar and allied brands, to maintain the higher share in the composition of Ferreycorp’s total sales (51%), achieving in the 2Q22 the amount of S/ 814 million, higher than the results of 2Q21.

Sale Spare Parts and Services  
(S/ million)

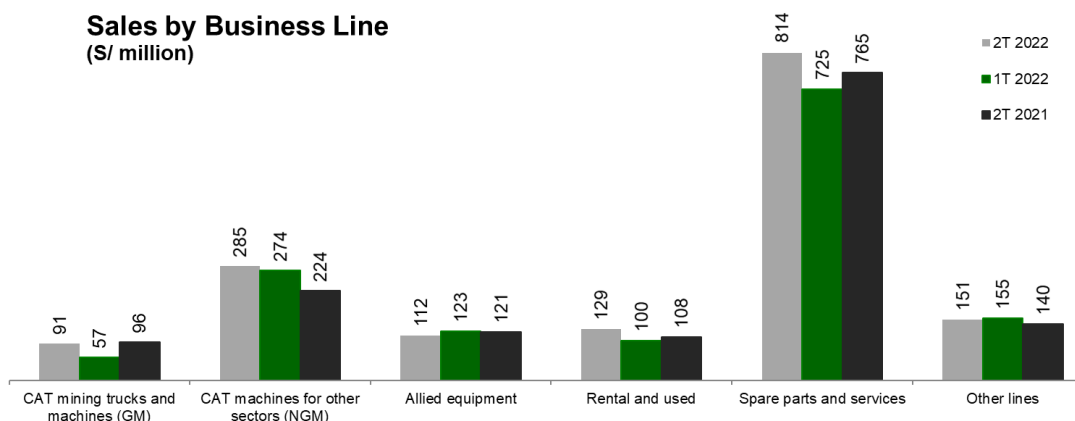


The after-market provided by Ferreycorp to its customers is recognized by high quality standards, a key differentiator from the competition.

Sale Spare Parts and Services  
(US\$ million)



**Sales by Business Line**  
(S/ million)



As of June 30, 2022, sales of Caterpillar brand by Ferreycorp’s authorized dealers in Peru, Guatemala, El Salvador and Belize, account for 71% of total income. These sales include machinery and engines (new, used and rental units) as well as spare parts and services of this brand.

### 3. SALES BREAKDOWN BY ECONOMIC SECTORS

	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021
Open pit mining	39.9%	39.4%	45.9%	47.4%	41.9%	36.2%
Construction	15.8%	16.7%	16.1%	16.3%	16.3%	23.8%
Industry, commerce and serv	13.5%	14.6%	10.8%	12.4%	13.3%	15.2%
Undergroun mining	13.2%	12.7%	13.3%	10.6%	11.0%	11.4%
Agriculture and forestry	3.1%	3.2%	2.4%	2.2%	3.0%	3.0%
Transport	2.1%	3.1%	2.2%	1.6%	2.2%	2.7%
Government	1.8%	2.7%	1.6%	1.7%	1.7%	2.9%
Fish and marine	2.0%	1.6%	1.7%	1.4%	1.7%	1.8%
Hydrocarbons and energy	1.2%	0.8%	1.0%	1.3%	0.8%	0.6%
Others	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>

As per sales distribution by economic sectors, open pit mining generated 39.9% of total sales in the 2Q22, lower compared to the 2Q21. The construction sector ranked second with 15.8% of total sales, less than that achieved in the 2Q21. The third place is occupied by the industry, commerce and services sector, with sales representing 13.5%, similar to the 2Q21. Occupying fourth place, Underground mining sales account to 13.2% of total sales, greater than that of the 2Q21.

FERREYCORP S.A.A. AND SUBSIDIARIES

APPENDIX 1

**Income Statement**

(In thousands of nuevos soles)

	2Q 2022	%	2Q 2021	%	Var %	As of jun22	%	As of jun21	%	Var %
Net sales	1,582,388	100.0	1,453,682	100.0	8.9	3,016,085	100.0	2,663,214	100.0	13.2
<b>Sales Profit</b>	<b>393,956</b>	<b>24.9</b>	<b>401,196</b>	<b>27.6</b>	<b>-1.8</b>	<b>731,368</b>	<b>24.2</b>	<b>731,463</b>	<b>27.5</b>	<b>(0.0)</b>
Operating Expenses	-239,212	-15.1	-218,165	-15.0	9.6	-478,380	-15.9	-424,249	-15.9	12.8
Other income (expenses), net	6,335	0.4	8,291	0.6	(23.6)	8,265	0.3	15,121	0.6	(45.3)
<b>Operating profit</b>	<b>161,079</b>	<b>10.2</b>	<b>191,322</b>	<b>13.2</b>	<b>(15.8)</b>	<b>261,253</b>	<b>8.7</b>	<b>322,335</b>	<b>12.1</b>	<b>(18.9)</b>
Financial Expenses (net)	-10,860	0.9	-12,836	1.2	(15.4)	-21,345	0.9	-24,871	1.3	(14.2)
FX Gain/Loss	-57,039	-3.6	-40,521	-2.8	40.8	38,597	1.3	-72,095	-2.7	
Participation in the results of associates	-414	-0.0	331	0.0		-438	-0.0	953	0.0	
<b>Income before income tax</b>	<b>92,766</b>	<b>5.9</b>	<b>138,296</b>	<b>9.5</b>	<b>-32.9</b>	<b>278,067</b>	<b>9.2</b>	<b>226,322</b>	<b>8.5</b>	<b>22.9</b>
Income tax	-32,025	-2.0	-43,482	-3.0	-26.3	-88,994	-3.0	-71,226	-2.7	24.9
<b>Net Income Contr. Oper.</b>	<b>60,741</b>	<b>3.8</b>	<b>94,814</b>	<b>6.5</b>	<b>-35.9</b>	<b>189,073</b>	<b>6.3</b>	<b>155,096</b>	<b>5.8</b>	<b>21.9</b>
Net Income Disc. Oper.	546	0.0	-8,877	-0.6		93	0.0	-16,189	-0.6	
<b>Net Profit</b>	<b>61,287</b>	<b>3.9</b>	<b>85,937</b>	<b>5.9</b>	<b>-28.7</b>	<b>189,166</b>	<b>6.3</b>	<b>138,907</b>	<b>5.2</b>	<b>36.2</b>
<b>EBITDA</b>	<b>218,609</b>	<b>13.8</b>	<b>249,496</b>	<b>17.2</b>	<b>-12.4</b>	<b>376,578</b>	<b>12.5</b>	<b>433,951</b>	<b>16.3</b>	<b>-13.2</b>

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

(In thousand soles)

	As of 30-06-2022	As of 30-06-2021		As of 30-06-2022	As of 30-06-2021
Cash and cash equivalents	208,615	398,288	Short term debt	257,674	323,729
Accounts receivables - trade	1,050,382	966,672	Liabilities derived from leases (IFRS16)	23,095	40,203
Inventories	2,108,724	2,055,395	Other current liabilities	2,133,544	2,311,371
Accounts receivables - other	250,363	206,485	<b>Current liabilities</b>	<b>2,414,313</b>	<b>2,675,303</b>
Assets available for sale	15,485	13,914	Long term debt	1,013,660	941,813
Prepaid expenses	47,220	44,542	Other payables	3,564	1,021
<b>Current assets</b>	<b>3,680,789</b>	<b>3,685,296</b>	Liabilities derived from leases (IFRS16)	62,180	73,741
Long term accounts receivables - trade	38,277	45,351	Deferred income tax	171,446	156,492
Long term accounts receivables - other	49,566	32,935	<b>Total Liabilities</b>	<b>3,665,163</b>	<b>3,848,370</b>
Property	1,148,005	1,232,573	<b>Equity</b>	<b>2,380,440</b>	<b>2,204,881</b>
Rental fleet	736,325	605,278	<b>Total Liabilities and Equity</b>	<b>6,045,603</b>	<b>6,053,251</b>
Machinery	452,803	462,796	<b>Other financial information</b>		
Other fixed assets	131,671	129,602	Depreciation	89,827	91,005
	2,468,804	2,430,249	Amortization	15,086	13,599
Accrued depreciation	-814,431	-786,975			
Property, plant and equipment	1,654,373	1,643,274			
Investments	19,343	18,951			
Intangible assets, net and goodwill	420,394	450,089			
Deferred income tax	182,861	177,355			
<b>Non current assets</b>	<b>2,364,814</b>	<b>2,367,955</b>			
<b>Total Assets</b>	<b>6,045,603</b>	<b>6,053,251</b>			



**FERREYCORP S.A.A. AND SUBSIDIARIES**
**APPENDIX 3**
**Total Liabilities as of June 30th, 2022**

(In thousand US\$)

	<b>Total Liabilities</b>	<b>Current Liabilities</b>	<b>Long term Liabilities</b>		(A) <b>Financial Liabilities</b>
			Current	Long term	
<b>Local banks (short term)</b>	158,278	158,278	-	-	158,278
<b>Foreign banks (short term)</b>	41,795	41,795	-	-	41,795
<b>Local banks (long term)</b>	177,725	-	37,184	140,541	177,725
<b>Foreign banks (long term)</b>	51,466	-	18,511	32,954	51,466
<b>Local and foreign banks (Leasing Fin)</b>	118	-	118	-	118
<b>Suppliers:</b>					
<b>Accounts payable to Caterpillar</b>	139,483	139,483	-	-	-
<b>Accounts payable to Caterpillar</b>	-	-	-	-	-
<b>Others</b>	71,106	71,106	-	-	-
<b>Corporate bonds</b>	89,538	-	-	89,538	89,538
<b>Caterpillar Financial</b>	7,065	-	5,434	1,630	7,065
<b>Liabilities derived from leases (IFRS16)</b>	22,265	-	6,030	16,235	22,265
<b>Other Liabilities</b>	198,124	152,429	-	45,695	-
<b>Total (US\$)</b>	<b>956,962</b>	<b>563,091</b>	<b>67,278</b>	<b>326,593</b>	<b>548,249</b>
<b>Total (S/.)</b>	<b>3,665,163</b>	<b>2,156,639</b>	<b>257,674</b>	<b>1,250,850</b>	<b>2,099,793</b>

(A) Subject to interest payment

**FERREYCORP S.A.A. AND SUBSIDIARIES**
**APPENDIX 4**
**Cash Flow Statement**

(In thousand of nuevos soles)

	2Q 2022	2Q 2021	As of 30-06-2022	As of 30-06-2021
<b>Cashflow from operating expenses</b>				
Collection from customers and third parties	1,247,869	1,310,692	2,791,428	2,696,377
Payment to suppliers	-1,211,773	-1,254,919	-2,395,410	-2,339,187
Payment to employers and others	-209,928	-143,715	-401,939	-312,553
Payment of taxes and income tax	-59,047	-49,995	-105,133	-95,174
<b>Net cash provided by operating activities</b>	<b>-52,879</b>	<b>-137,937</b>	<b>68,946</b>	<b>-50,537</b>
<b>Cashflow from investing activities</b>				
Acquisition of property, plant and equipment	-30,228	-70,116	-38,179	-79,989
Sale/Contribution of financial instruments (mutual funds)	-	5,000	-	-
Intangible acquisitions	-619	-3,913	-997	-5,173
Sale of property, plant and equipment	46,431	-	47,676	-
<b>Net cash used in investing activities</b>	<b>15,584</b>	<b>-69,029</b>	<b>8,500</b>	<b>-85,162</b>
<b>Cashflow from financing activities</b>				
Financial liabilities	889,505	1,139,744	1,317,870	1,650,255
Payment of financial liabilities	-765,230	-556,245	-119,148	-1,186,736
Payment of lease activities	-14,211	-11,242	-29,302	-28,104
Interests paid	-15,346	-16,042	-31,885	-33,726
Dividends paid	-125,633	-86,418	-125,633	-86,418
Share repurchase	-1,696	-13,218	-1,696	-22,578
<b>Cash from financing activities</b>	<b>-32,611</b>	<b>456,579</b>	<b>-61,794</b>	<b>292,693</b>
Cash increase, net	-69,906	249,613	15,652	156,994
Cash at the beginning of the year	-	-	215,761	256,188
Cash due to exchange variation	-15,384	-9,632	-22,798	-14,894
<b>Cash at the end of the year</b>	<b>-85,290</b>	<b>239,981</b>	<b>208,615</b>	<b>398,288</b>

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