



# Investor Presentation

9M 2020 Result

November, 2020





## CSAV

- **Net income of US\$ 66.9 million by third trimester of 2020**

Mainly from its stake in the container shipping business through Hapag-Lloyd

- **Capital increase for US\$ 350 million ended successfully**

The funds will be used to pay back loans taken out by CSAV to obtain a 30% stake in HLAG in January

- **Complete focus on its investment in Hapag-Lloyd**

After ending its last remaining direct shipping operations in July 2020

## Hapag-Lloyd, CSAV's main investment

- **Net income of US\$ 605 million by third trimester of 2020**

Surpassing 2019 figure by 81.7% despite an accumulated decrease in volumes of 3.5%

- **Contingency plans to mitigate COVID-19 impacts still being enforced**

Measures focused on personnel safety, cost control, reassessing all investments and financial contingencies

- **Solid free cash flow and improved debt ratios**

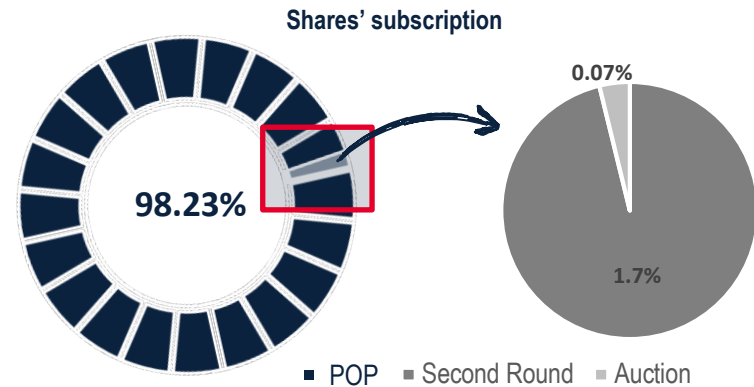
Ratio of net debt to EBITDA decreased to 2.3x, and strengthened liquidity position

- **Historical improvement of risk rating granted by Moody's and S&P**

Resulting from strong operating performance and reduction of debt



<b>Deal size</b>	US\$ 350 mn (Offering of 14,523,000,000 new shares, at a subscription price of USD 0.0241 per share)																										
<b>Key Events</b>	<b>Result</b>																										
<ul style="list-style-type: none"> <li><b>August 21<sup>st</sup>:</b> Ending of shareholder registration</li> <li><b>August 27<sup>th</sup>:</b> Beginning of CSAV's preemptive rights period (30 days)</li> <li><b>September 25<sup>th</sup>:</b> Ending of CSAV's preemptive rights period (30 days)</li> <li><b>October 7<sup>th</sup>:</b> Beginning of CSAV's Second Round period (6 days)</li> <li><b>October 13<sup>th</sup>:</b> Ending of CSAV's Second Round period (6 days)</li> <li><b>October 16<sup>th</sup>:</b> auction for the balance not subscribed during previous periods</li> </ul>	<table border="1"> <tr> <th colspan="2">(I) Preemptive Rights Period</th> </tr> <tr> <td>Subscribed shares</td> <td>14,265,792,397</td> </tr> <tr> <td>% Over Total</td> <td>98.23%</td> </tr> <tr> <td>Price <sup>(1)</sup></td> <td>US\$ 0.0241</td> </tr> <tr> <th colspan="2">(II) Second Round</th> </tr> <tr> <td>Subscribed shares</td> <td>247,378,470</td> </tr> <tr> <td>% Over Total</td> <td>1.70%</td> </tr> <tr> <td>Price <sup>(1)</sup></td> <td>US\$ 0.0241</td> </tr> <tr> <td colspan="2"><b>Accumulated (I) + (II): 99.93%</b></td> </tr> <tr> <th colspan="2">(III) Auction</th> </tr> <tr> <td>Subscribed shares</td> <td>9,829,133</td> </tr> <tr> <td>% Over Total</td> <td>0.07%</td> </tr> <tr> <td>Closing Price <sup>(2)</sup></td> <td>Ch\$ 23.40</td> </tr> </table>	(I) Preemptive Rights Period		Subscribed shares	14,265,792,397	% Over Total	98.23%	Price <sup>(1)</sup>	US\$ 0.0241	(II) Second Round		Subscribed shares	247,378,470	% Over Total	1.70%	Price <sup>(1)</sup>	US\$ 0.0241	<b>Accumulated (I) + (II): 99.93%</b>		(III) Auction		Subscribed shares	9,829,133	% Over Total	0.07%	Closing Price <sup>(2)</sup>	Ch\$ 23.40
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**US\$ 350 million raised**

**Use of proceeds**

Pre-pay bridge loan obtained to increase stake in Hapag-Lloyd to 30.0%

**Notes:**

(1) The share price was defined by the Board of Directors and was based on the weighted average price in Chilean pesos of CSAV's transactions registered on Santiago Exchange (Bolsa de Comercio de Santiago) between August 10 and August 14, 2020, using the "Observed Exchange Rate" published on August 17, 2020, including a discount of approximately 15% in order to create a special incentive to subscribe the capital increase and cover possible market fluctuations.

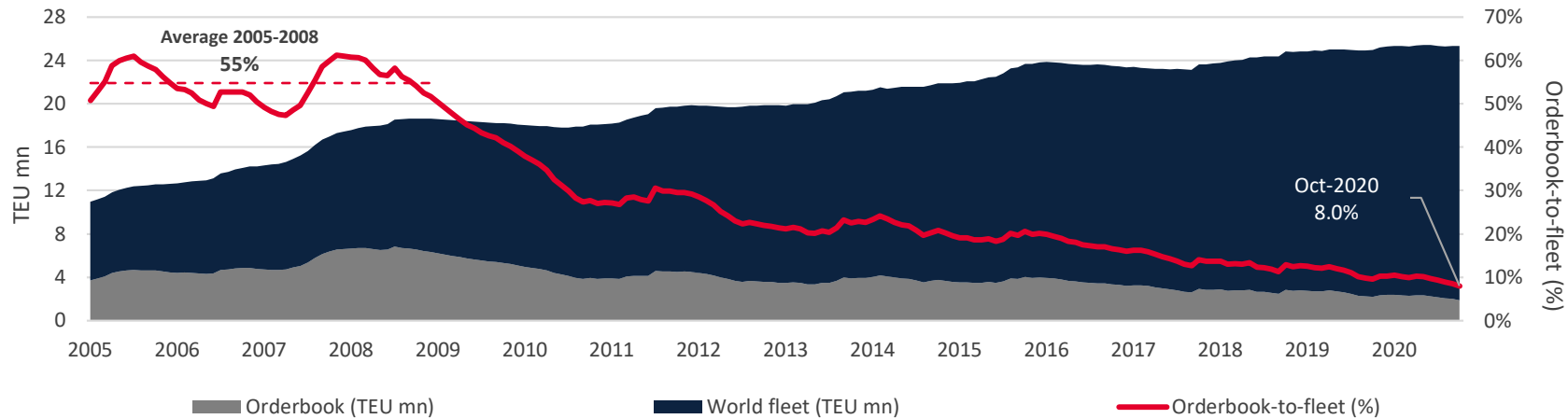
(2) The minimum opening price for the auction was defined based on CSAV's transactions on October 16th with a discount.

# Industry

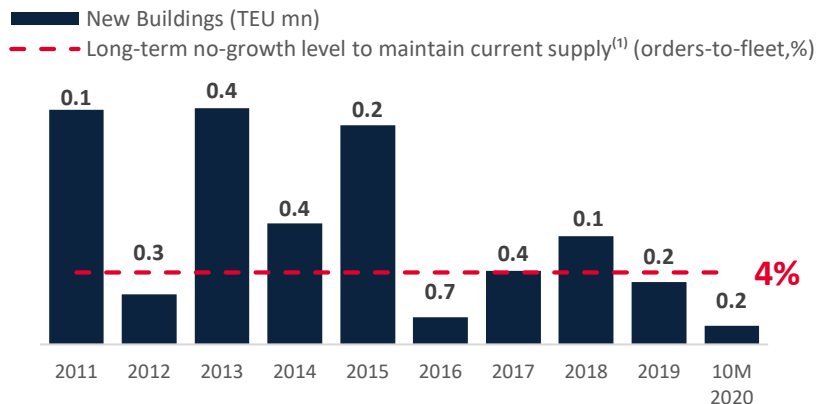
## Supply evolution throughout the years



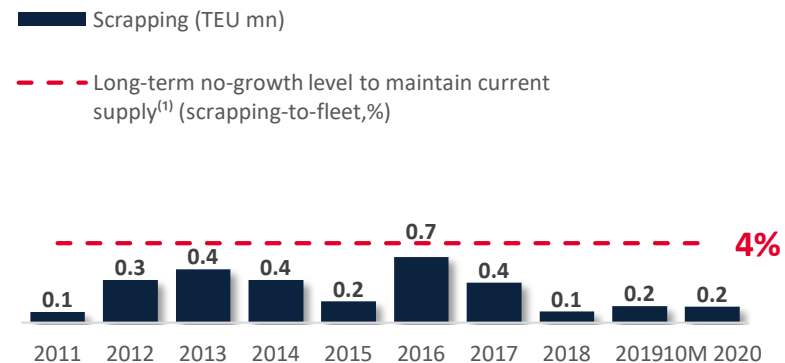
### Record low orderbook



### Hardly new orders placed



### Scrapping still at low levels

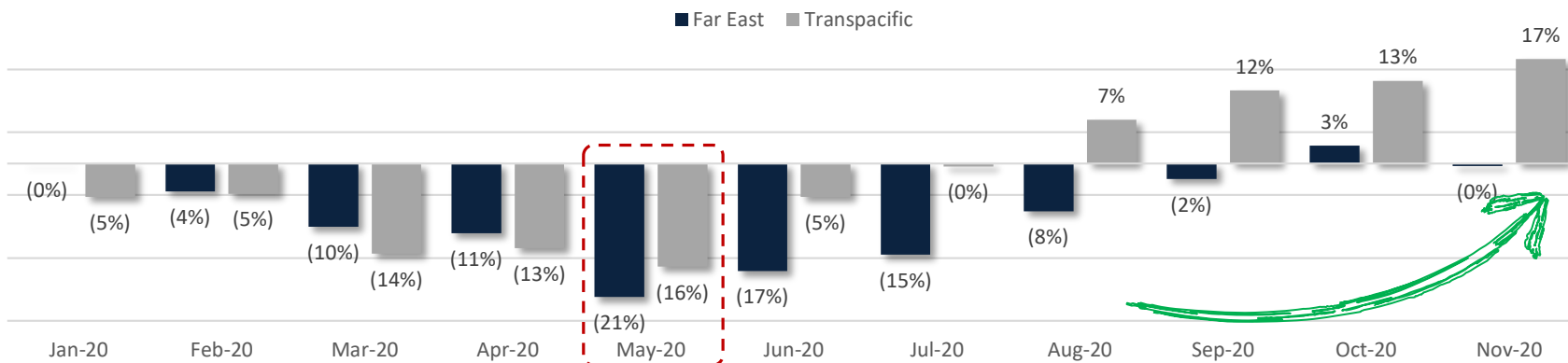


Source: Clarksons Research (November 2020)

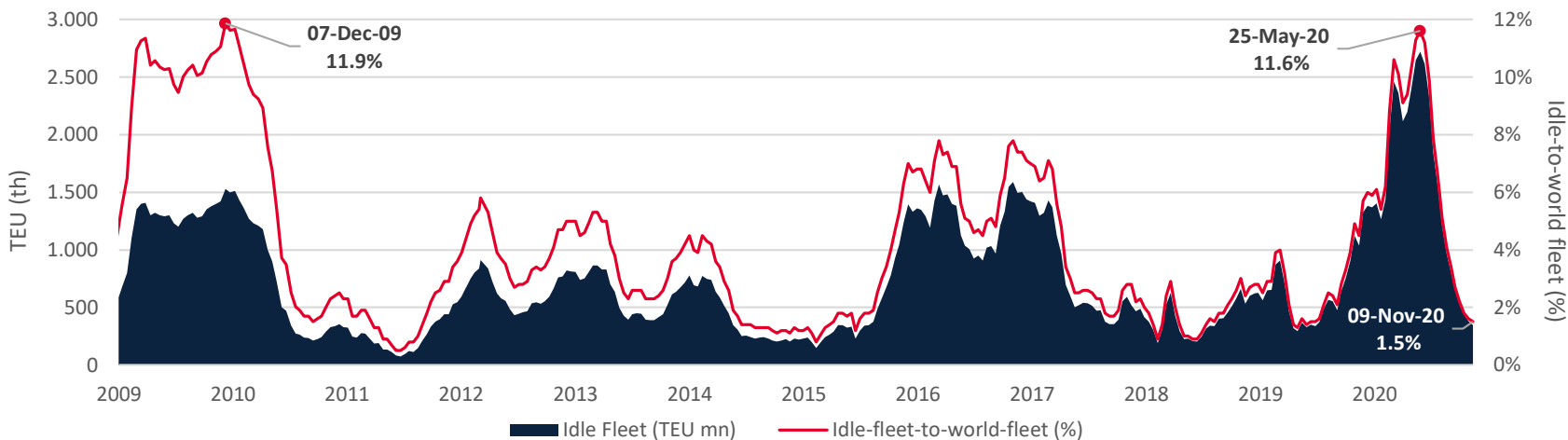
Notes:  
(1) Assumes a useful life of 25 years for vessels



### Capacity in major trades –adjusted in 2020 due to lower activity– increased in second semester (YoY %)



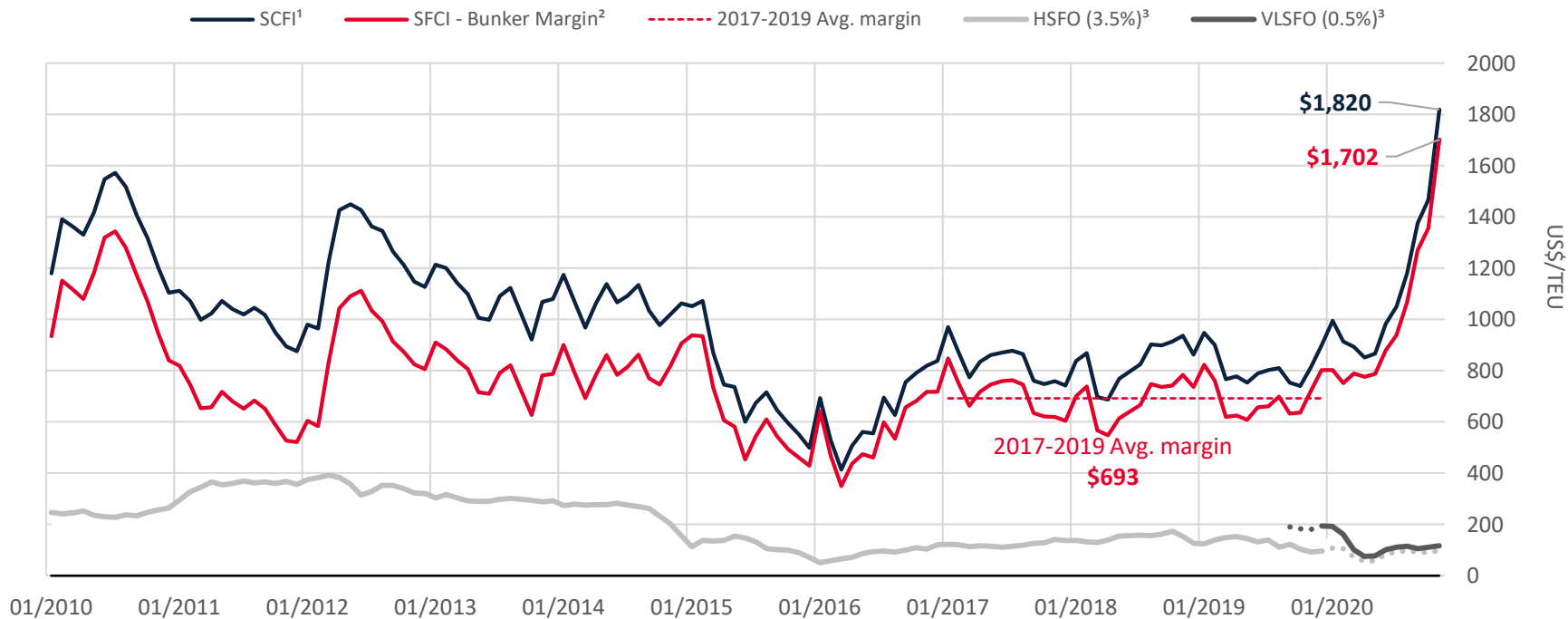
### Recent decrease in idle Fleet, after reaching historical highs during Q2 2020



Source: Alphaliner Monthly Monitor (November 2020)

# Industry

## Evolution of ex-bunker freight rate

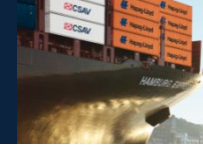


Notes:

- (1) The SCFI represents: spot rates for main haul trade exports from Shanghai port.
- (2) Spot bunker price per metric ton (IFO 380 or VLSFO) on Rotterdam port, including yearly consumption factor (ton / TEU) registered by Hapag-Lloyd. As of December 2019, VLSFO is used to calculate margin ex-bunker due to new IMO 2020 regulation.
- (3) SCFI – Bunker Consumption margin is only referential.

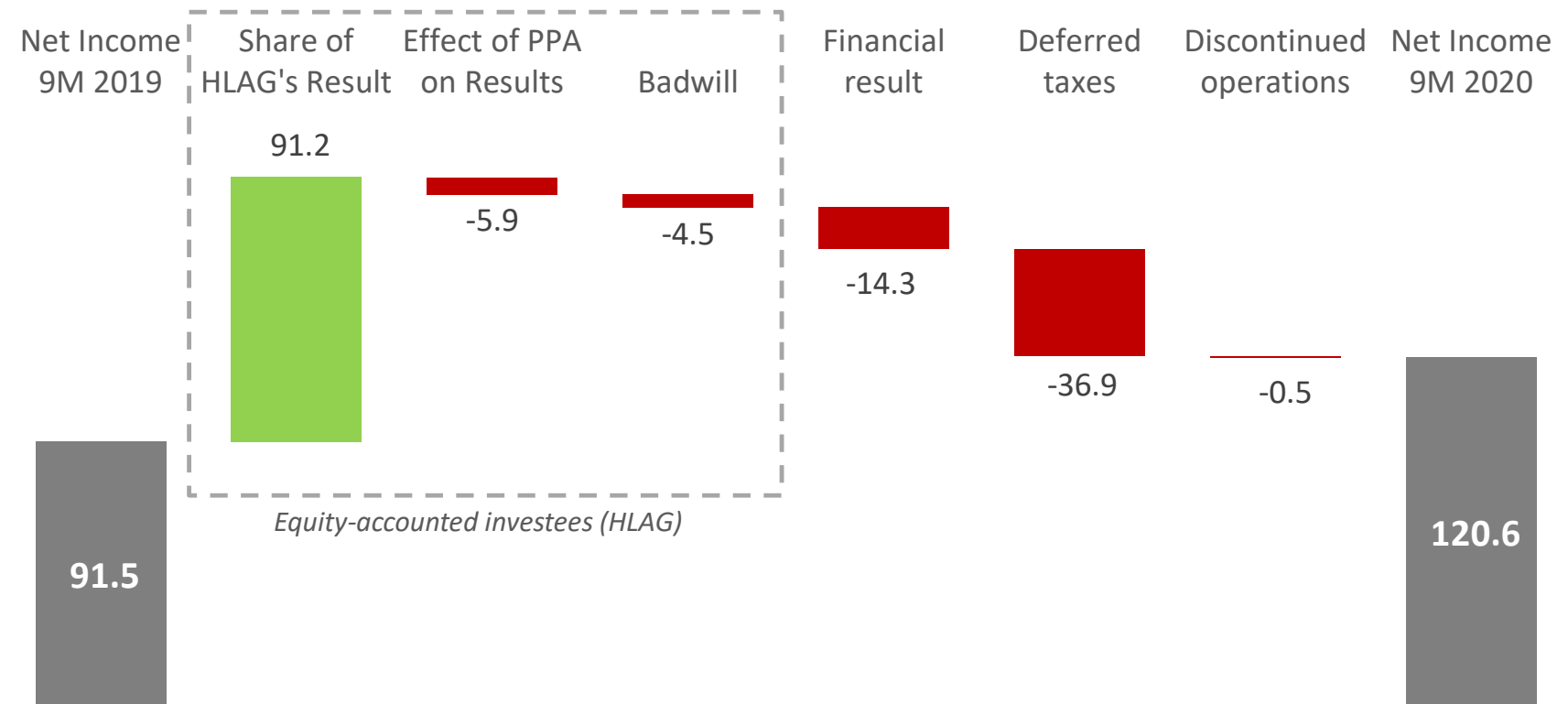
Margin	Jan-Nov	Monthly margin
2019	677	Jan-20 802
<b>2020</b>	<b>1,011</b>	Feb-20 751
		Mar-20 790
		Apr-20 776
		May-20 788
		Jun-20 880
		Jul-20 938
		Aug-20 1,066
		Sep-20 1,270
		Oct-20 1,355
		Nov-20 1,702

Source: Clarksons Research and SCFI (November 2020)



## CSAV's Net Income 9M 2019 vs 9M 2020

Figures in USD million



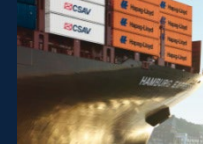


Figures in USD million

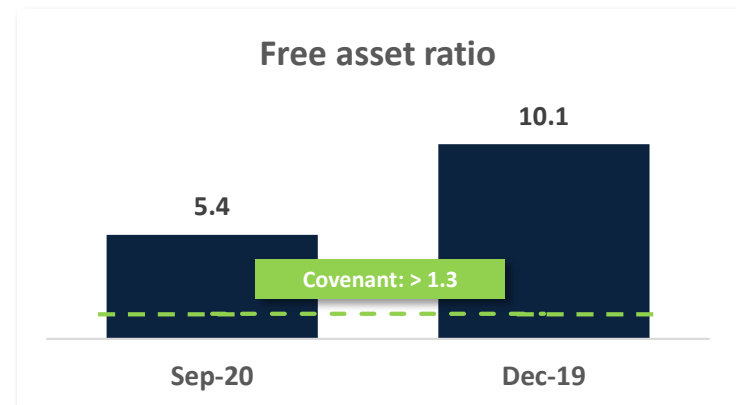
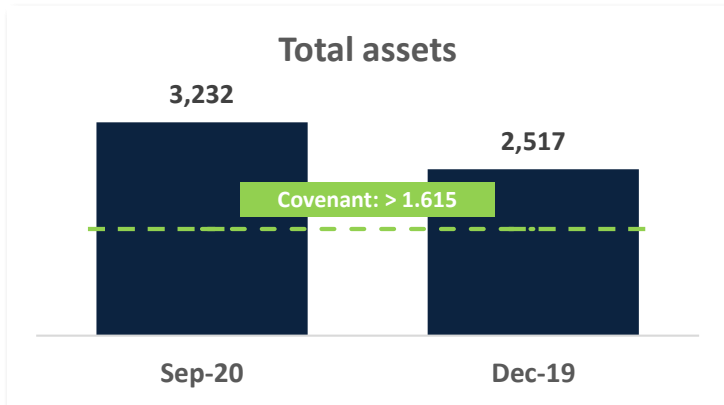
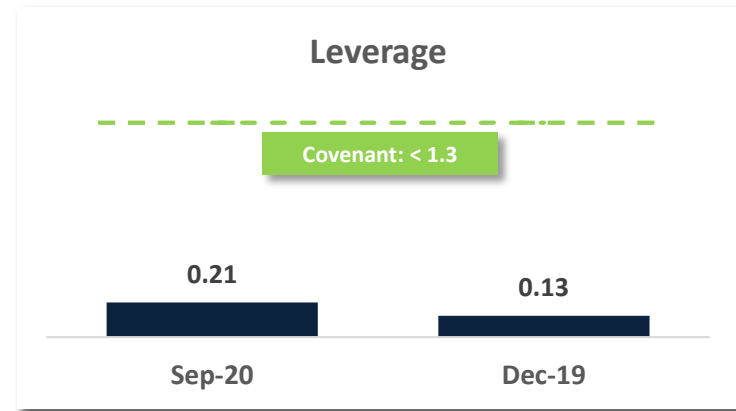
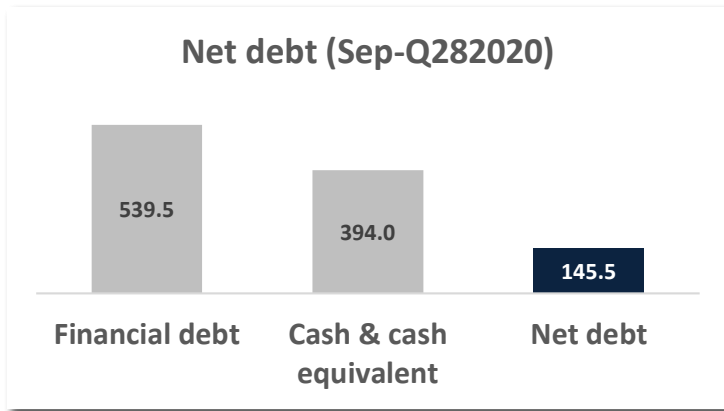
Result	9M 2020	9M 2019	Var.
SG&A	-5.5	-6.5	1.0
Other incomes	0.9	1.9	-1.0
<b>Operating income (loss)</b>	<b>-4.6</b>	<b>-4.6</b>	<b>0.0</b>
<i>EBITDA (w/o equity-accounted investees)</i>	<i>-4.5</i>	<i>-4.5</i>	<i>0.0</i>
Equity-accounted investees	174.9	94.1	80.8
Financial result & ex. rate diff.	-20.9	-6.6	-14.3
Taxes	-28.2	8.7	-36.9
Discontinued operations	-0.6	-0.1	-0.5
<b>Net income</b>	<b>120.6</b>	<b>91.5</b>	<b>29.1</b>

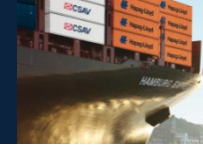
Note: EBITDA = Operating income (loss) + Depreciation + Amortization






Figures in USD million





9M 2020 Capacity	Financial result 9M 2020			
	2020 9M	2019 9M	Δ%	2019 FY
 <b>1,709 TTEU</b> Vessels' aggregate capacity	Transported volume (TTEU)	8,696	9,011 (3.5%)↓	12,037
	Average freight rate (USD/TEU)	1,097	1,075 2.0%↑	1,072
	Revenue (USD mm)	10,525	10,654 (1.2%)↓	14,115
	Transport expenses (USD mm)	(7,696)	(8,87) (6.0%)↓	(10,867)
	Average bunker price (USD/ton)	402	425 (5.4%)↓	416
	EBITDA (USD mn)	2,044	1,697 20.4%↑	2,223
	EBIT (USD mn)	965	722 33.7%↑	908
	Net profit (USD mm)	605	333 81.7%↑	418



**234**

Total vessels








**2,674 TTEU**

Containers' aggregate capacity



## HLAG's 2020 guidance: Updated in October 2020

	2019	Initial Guidance 2020	Updated Guidance 2020
 <b>Transport volume</b>	12,037 TTEU	Increasing slightly	Decreasing slightly
 <b>Average freight rate</b>	1,072 USD/mt	Increasing slightly	Increasing slightly
 <b>Average bunker price</b>	416 USD/mt	Increasing clearly	Decreasing moderately
 <b>EBITDA</b>	EUR 1,986 m	EUR 1.7 – 2.2 bn 	EUR 2.4 – 2.6 bn
 <b>EBIT</b>	EUR 811 m	EUR 0.5 – 1.0 bn 	EUR 1.1 – 1.3 bn



- CSAV maintains an exclusive focus on its stake in Hapag-Lloyd after the orderly closure of its direct operation (*Car Carrier*), focusing on being clean pass-through vehicle to obtain exposure to Hapag-Lloyd
- In terms of the industry, the offer keeps showing positive signs of having reached better balance, adjusting effectively to demand variations and having a controlled growth for following years. However, there is still uncertainty for new COVID-19 spread waves and consequently, potential new lock-down measures.
- Hapag-Lloyd increased its **Guidance 2020** range, with expected EBITDA and EBIT adjusted over the previous estimated ranges that were projected back in March 2020.
- Hapag-Lloyd keeps its Performance Safeguarding Program (PSP), which includes active cost management, reevaluating investments and increasing loans, in addition to continuing with its 2023 Strategy.