

## **CSAV Board to Propose Dividend of US\$ 170 Million at Annual General Meeting**

- The dividend, of approximately US\$ 0.0033 per share, was approved at a board meeting today and will be proposed at the company's upcoming Annual General Meeting.
- CSAV also reported net income of US\$ 222.1 million for the year 2020. These earnings were driven by a strong performance from Hapag-Lloyd despite the pandemic, strengthened by the decline in fuel prices during the year, the company's cost-cutting plan and, to a lesser extent, improved freight rates.

**Santiago, March 19, 2021.** Compañía Sud Americana de Vapores (CSAV) closed the year 2020 with net income of US\$ 222.1 million, an improvement from the US\$ 124.6 million recorded in 2019. This figure, the company's second best since the merger with Hapag-Lloyd in 2014, surpasses last year's earnings by 78%.

It can be explained by the strong performance during the year from Hapag-Lloyd, the fifth largest container shipping company in the world, where CSAV is one of the main shareholders. Despite the uncertainty generated by the pandemic, the German shipping company continued to operate well, reporting EBIT of US\$ 1,501 million and net income of US\$ 1,068 million in 2020, marking a 10-year high and representing an improvement of 155% over 2019.

These figures are primarily a combination of lower fuel prices, cost savings through the Performance Safeguarding Program implemented by the German shipping company to mitigate the effects of COVID-19 and, to a lesser extent, improved freight rates.

"Hapag-Lloyd's positive results have reaffirmed CSAV's solid position as an attractive vehicle for investing in the German shipping company, one of most efficient companies in the industry. Its clear strategy to grow in a sustainable way has directly influenced our good results this past year, ratifying our trust in its financial stability and our long-term commitment to the company," commented Óscar Hasbún, CEO of CSAV.

As for 2021 projections, the executive explained, "In the last quarter of 2020 and the first quarter of 2021, shipping companies have been operating under complex conditions due to the market resupply process and the effects of the pandemic, which have put greater pressure on the entire logistics chain. For this reason, although we will focus all our efforts on normalizing cargo flows, congestion and resource scarcity will persist as long as the effects of COVID-19 continue."

For CSAV the year 2020 was marked by the end of a US\$ 350 million capital increase process to finance the acquisitions needed to attain 30% ownership of the German shipping company in January 2020. Furthermore, the closure of its car carrier business also enabled it to focus all efforts on the container shipping business through Hapag-Lloyd. All this was done with the ultimate goal of efficiently distributing free cash flows from the German shipping company.



## Dividend Distribution

At the board meeting today, the company decided to propose a dividend of US\$ 170 million, equivalent to 77% of net income for the year or approximately US\$ 0.0033 per share, at the upcoming Annual General Meeting. This is the first time in a decade that the company will generate this level of returns.

“This is an important milestone that demonstrates how the restructuring and hard work over the past 10 years have managed to transform the company and fulfill our commitment to distribute the free cash flows generated by our investment to our shareholders. It is our way of thanking our shareholders for their resilience and trust. They have been fundamental to this process,” remarked Óscar Hasbún.