

antar**chile**

---

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM 

---

# CORPORATE PRESENTATION

September 2019

## BACKGROUND review

AntarChile was organized in 1989, to be a holding company of the Angelini Group, who controls the company by owning 74.7% of its share capital.

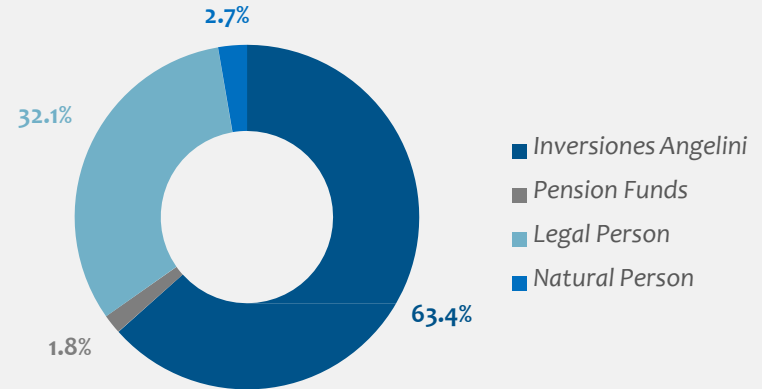
Its main investment is the shareholding interest of 60.82% of Empresas Copec, which grants AntarChile control thereof and represents approximately 92.7% of its consolidated assets. Empresas Copec is counted among the most important and of highest market capitalization companies in Chile.

### As of December 2018, AntarChile's asset portfolio amounts to US\$ 24 billion

AntarChile's investment policy is implemented through Empresas Copec, comprising a variety of business areas where the main investments segments are forestry and fuel distribution.

### OWNERSHIP STRUCTURE

December 2018

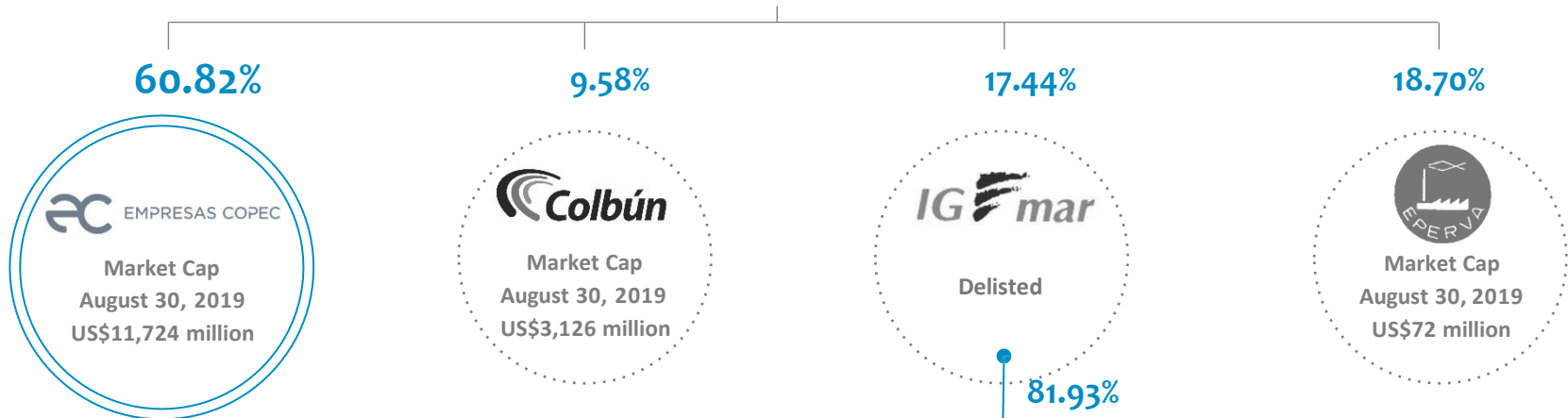


## MAIN investments



antarchile

Market Cap / August 30, 2019 / US\$ 4,695 million





## FUELS DISTRIBUTION



## FORESTRY

### arauco

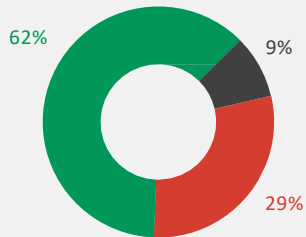
PULP  
FORESTRY  
PANELS  
SAWNTIMBER  
ENERGY

## OTHER BUSINESSES



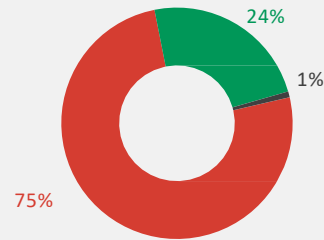
### ASSETS

As of jun-19: US\$ 25,717 million



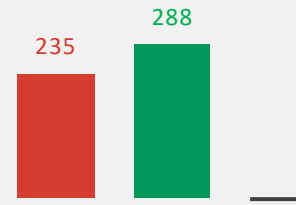
### SALES

LTM jun-19: US\$ 23,939 million



### NET INCOME

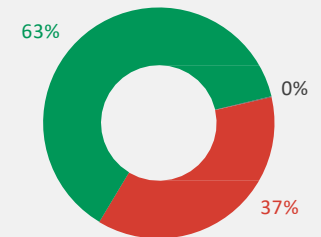
LTM jun-19: US\$ 518 million



(5)

### EBITDA

LTM jun-19: US\$ 2,410 million



● Fuels distribution

● Forestry

● Other businesses

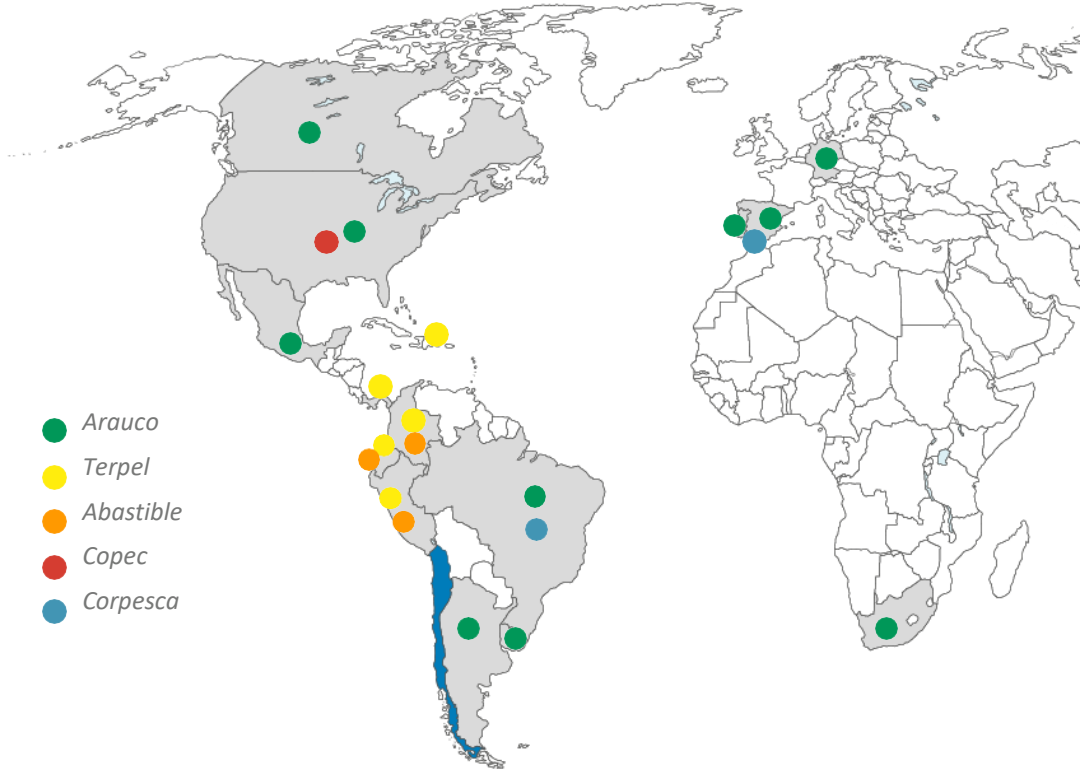
# Empresas Copec has evolved from an export company to a multinational firm

2006



**TOTAL ASSETS** US\$ 10,239 million  
**TOTAL SALES** US\$ 8,257 million  
**SALES ORIGINATED IN FOREIGN SUBSIDIARIES** 13%

2018



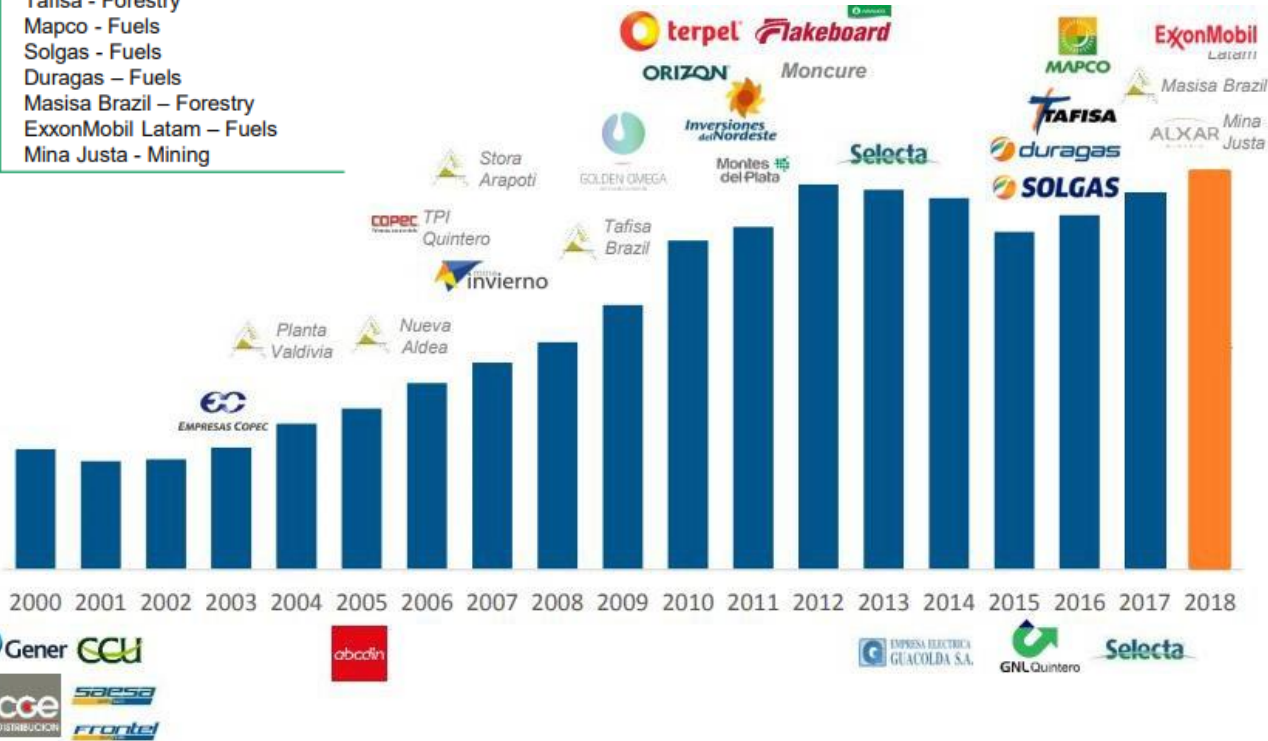
**TOTAL ASSETS** US\$ 24,026 million  
**TOTAL SALES** US\$ 23,970 million  
**SALES ORIGINATED IN FOREIGN SUBSIDIARIES** 46%

### Acquisitions/Investments

- Planta Valdivia - Forestry
- Planta Nueva Aldea - Forestry
- Mina Invierno - Mining
- Stora Arapoti - Forestry
- TPI Quintero - Fuels
- Golden Omega - Fishing / Nutrition
- Tafisa Brasil - Forestry
- Terpel - Fuels
- Orizon - Fishing / Nutrition
- Montes del Plata - Forestry
- Inversiones del Nordeste - Fuels
- Moncure - Forestry
- Flakeboard - Forestry
- Selecta - Nutrition
- Tafisa - Forestry
- Mapco - Fuels
- Solgas - Fuels
- Duragas - Fuels
- Masisa Brazil - Forestry
- ExxonMobil Latam - Fuels
- Mina Justa - Mining

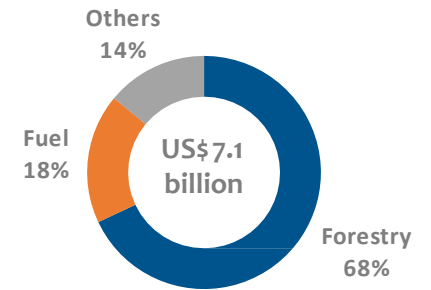
### Divestments

- AES Gener - Power Generation
- CGE - Power Generation
- CCU - Massive Consumption
- Saesa - Power Distribution
- Frontel - Power Distribution
- Abcdin - Commercial Retail
- Guacolda - Power Generation
- GNL Quintero - Infrastructure
- Selecta - Nutrition



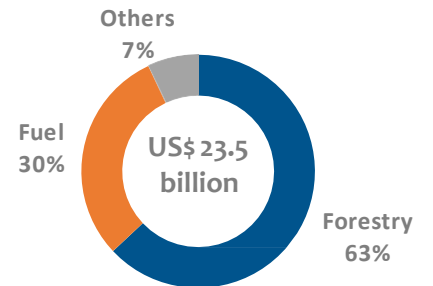
### TOTAL ASSETS 2000:

US\$ billion



### TOTAL ASSETS 2018:

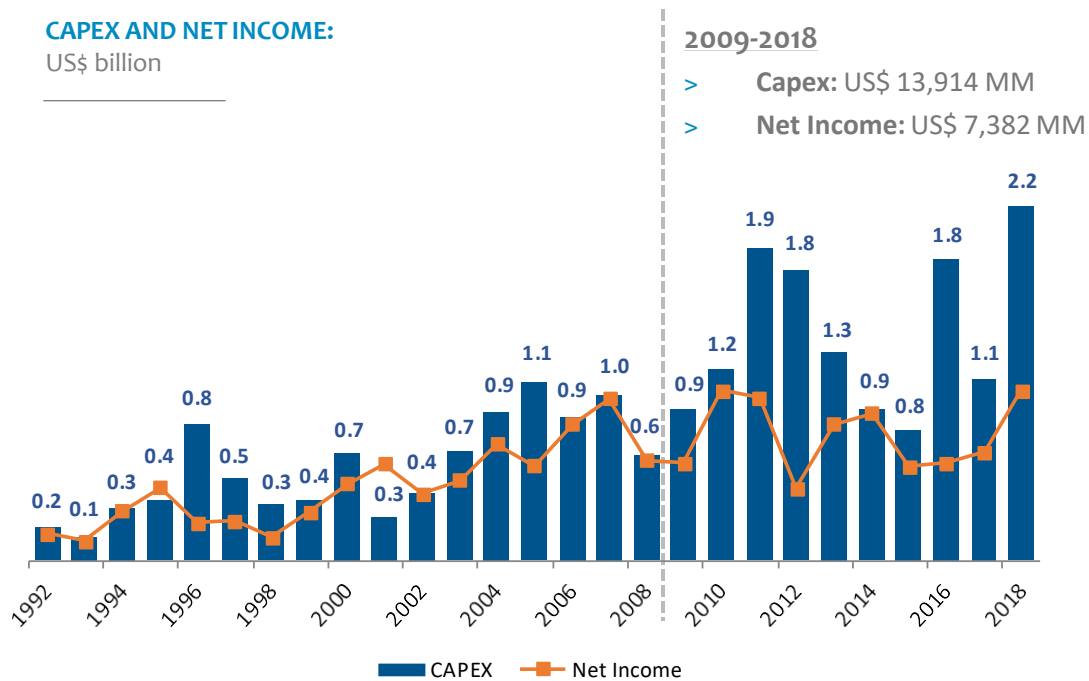
US\$ billion



Source: Empresas Copec

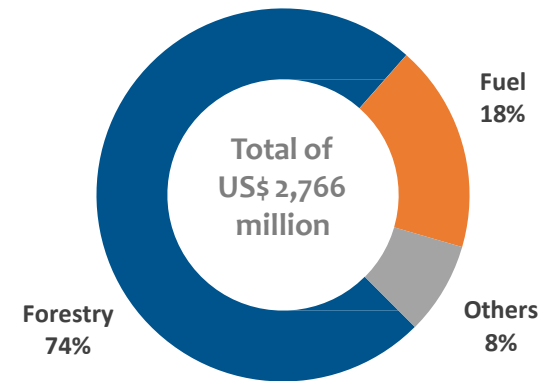
### CAPEX AND NET INCOME:

US\$ billion



### INVESTMENT FOR 2019:

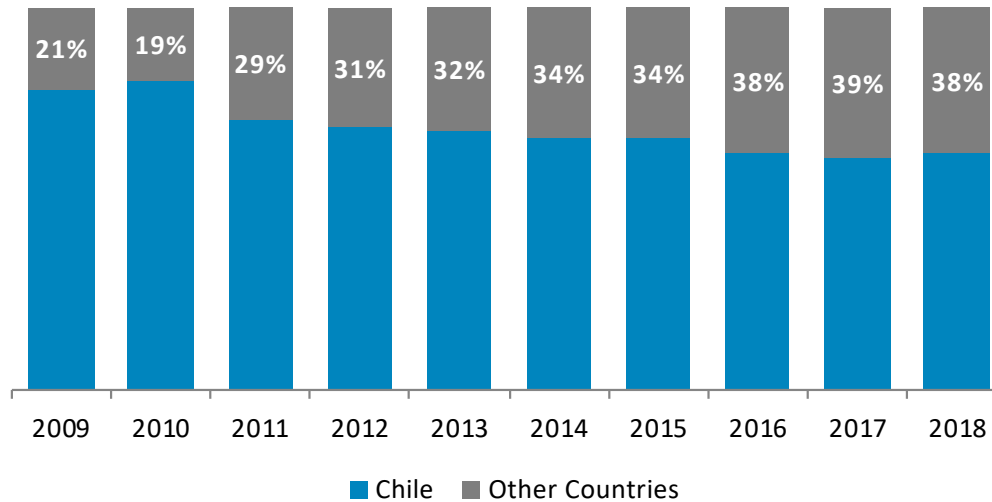
US\$ million



Source: Empresas Copec



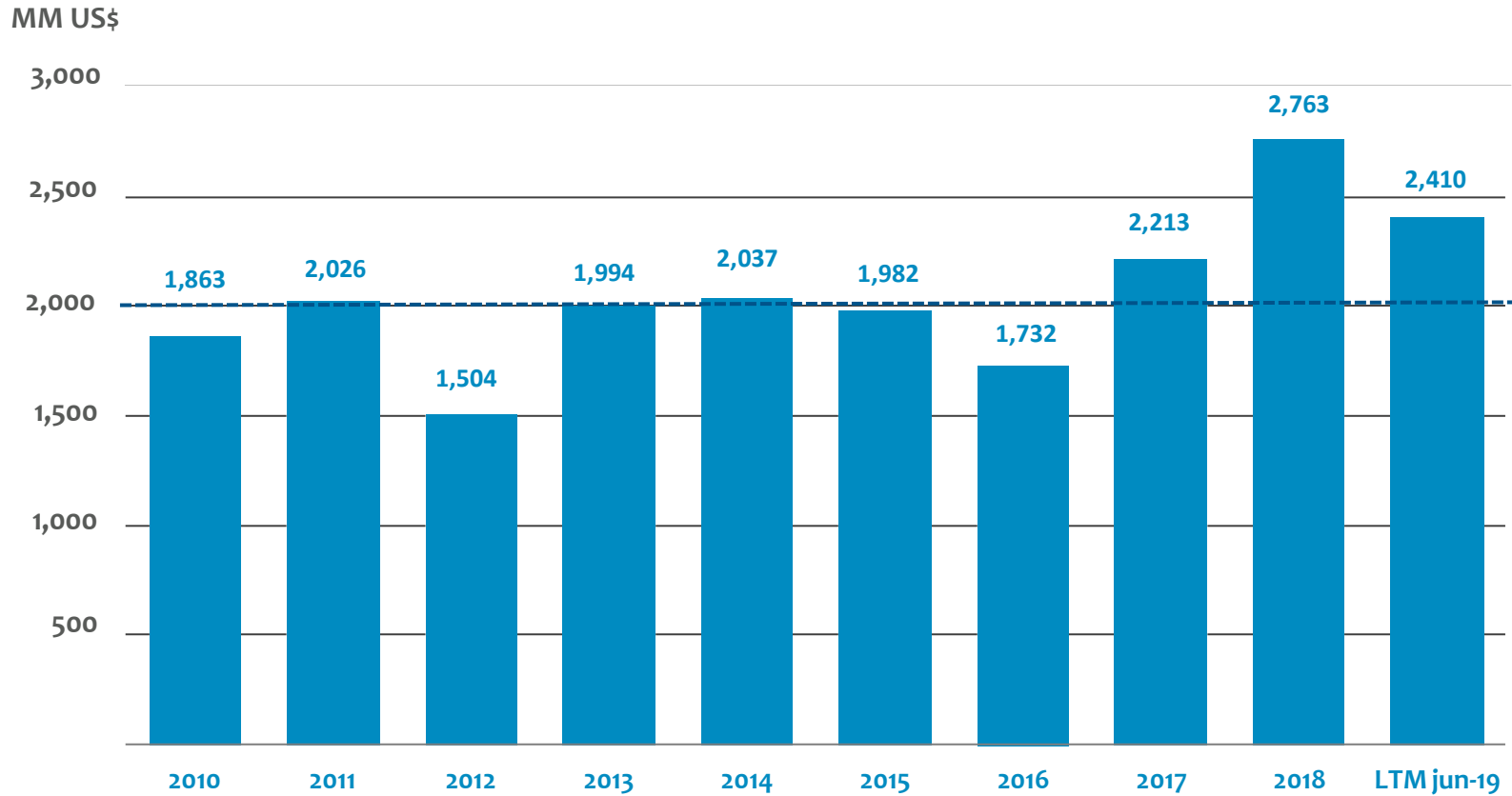
## NON CURRENT ASSETS HISTORY – LOCAL VS FOREIGN



Source: Empresas Copec



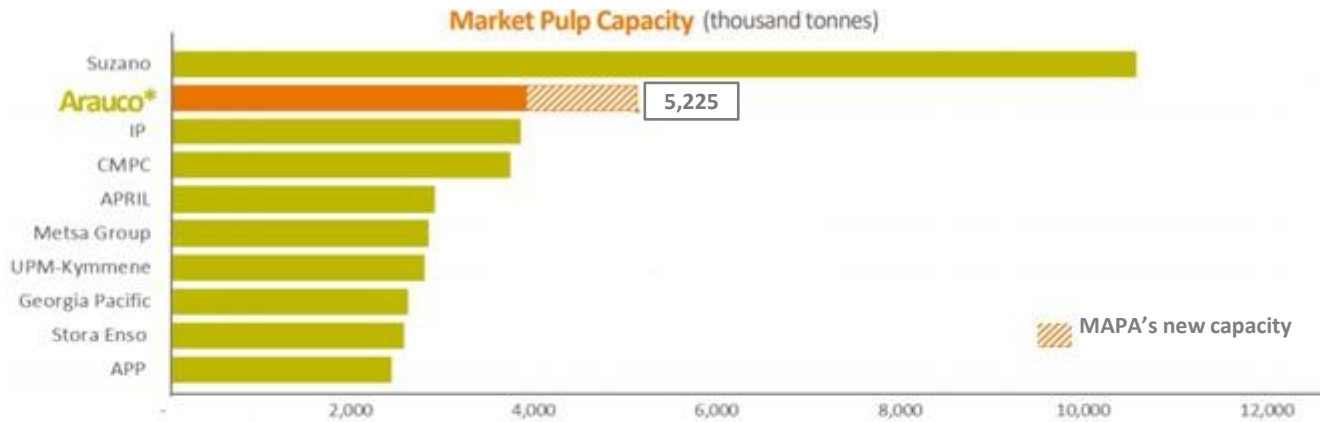
The average of AntarChile's Ebitda of the last 9 years is around US\$ 2,000 million



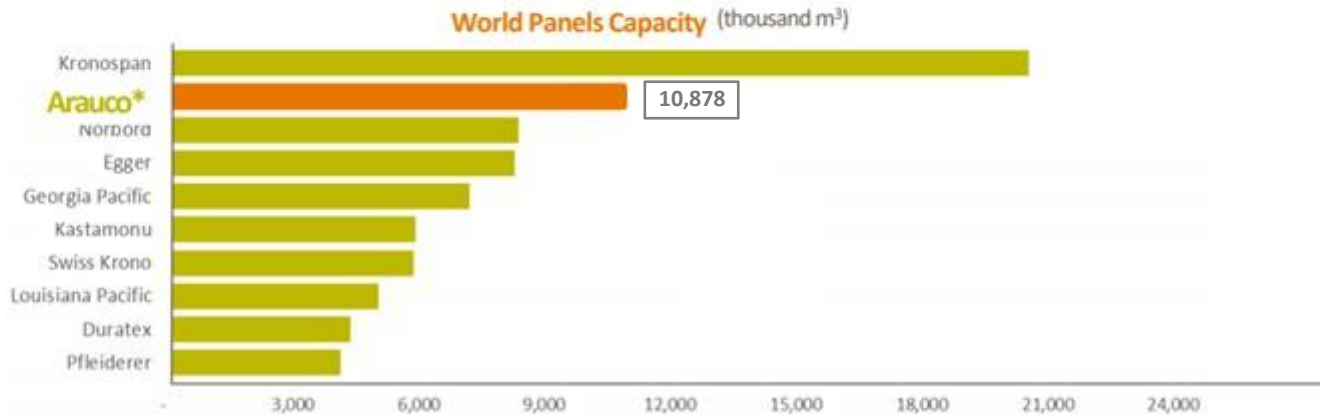


Arauco is one of the main players in all of the markets in which it participates

**#2**  
market pulp producer  
in the world



**#2**  
panels producer in  
the world



(\*) World market pulp and panel competitors capacity as of December 2018. Arauco capacity includes 50% of Montes del Plata, 50% Sonae Arauco, and MAPA Project, as of June 2019

Source: Arauco, as of June 2019

## Competitive Advantages

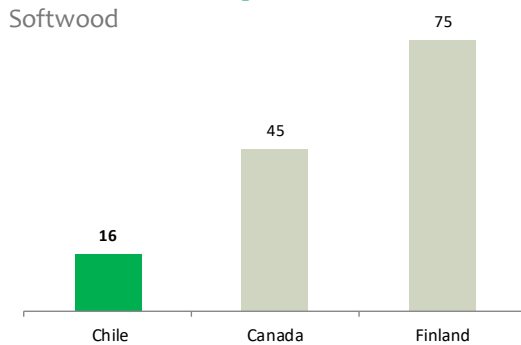
Location of forests allows fast growth rate and short harvest cycle.

Largest owner of forestry land in the southern cone (1 m hectares).

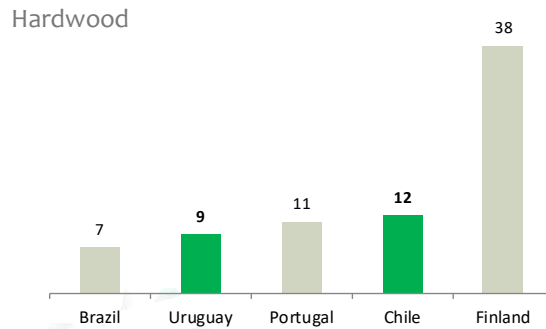
Logistic competitiveness due to short distance from forest - mills – ports.

Product offering allows value maximization of forest base: Pulp, panels, timber, energy.

### SHORT HARVESTING CYCLE (YEARS)



Source: Empresas Copec



Source: Empresas Copec

### EFFICIENT LOGISTICS BETWEEN FOREST > MILLS > PORTS



Average distance forest to mill



Average distance mill to port



Source: Arauco

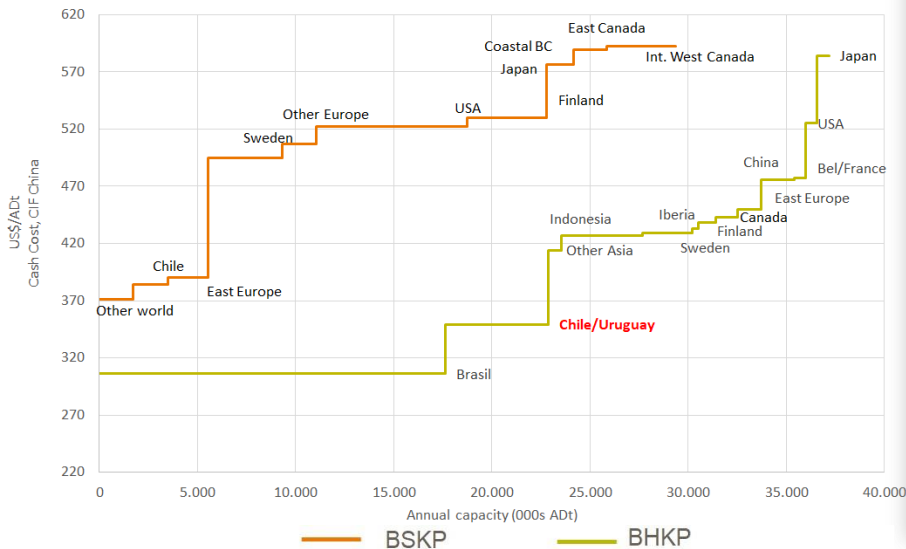
Licancel	420
Constitución	316
Nueva Aldea	63
<b>Arauco</b>	<b>35</b>
Valdivia	301
Alto Paraná	1,200
Montes del Plata	0
<b>Weighted Avg.</b>	<b>158</b>
	<b>123</b>



## Arauco currently sells its products in over 80 countries, in 5 continents

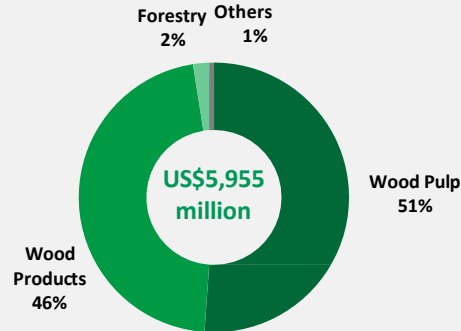
- > Arauco produces pulp, panels, and sawn and processed timber, among other products; it owns and operates industrial plants in Chile, Argentina, Brazil, Uruguay, Mexico, the U.S.A. and Canada.
- > In the pulp market, Arauco has low cash costs due its pulp mills located in Chile, Uruguay and Argentina.
- > Total sales have grown with a CAGR of 13% from 2000 to 2018.

### WORLD PULP SUPPLY CURVE

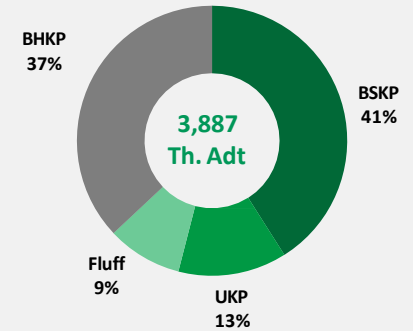


Source: Hawkins Wright, August 2019

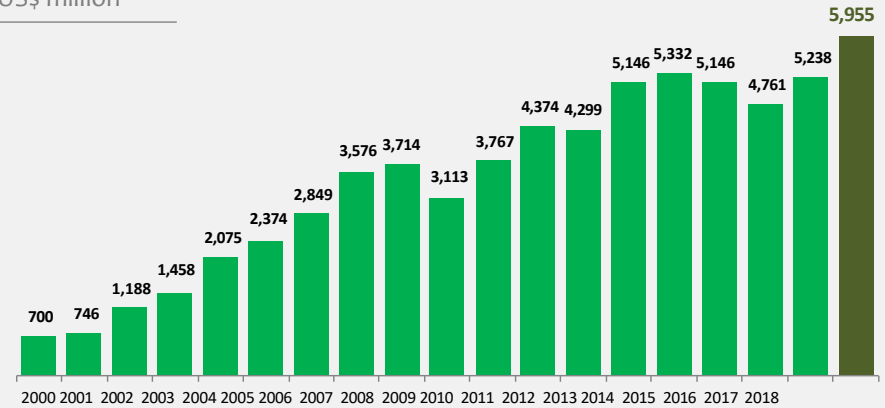
### SALES 2018 by line of product



### Capacity 2018 by grade



### HISTORICAL SALES US\$ million



## Arauco has 3 future projects

### Highlights

### Investment

### Capacity

### Status

#### Dissolving Pulp

The project will transform the Valdivia mill into a dissolving pulp mill.

This kind of pulp competes with cotton, and it has a premium up to US\$ 400/ton over hardwood. The production of dissolving pulp will not affect the current production levels of the mill.

The investment will be around US\$ 195 million.

The capacity is 550,000 ADt/year.

Under construction.  
As of June 2019, the project is at 85% completion.  
The ramp-up is scheduled by the end of 2019.

#### MAPA

Modernization and enlargement of the Arauco pulp mill.  
The total forestry resources of Arauco in Chile can supply a mill with a capacity of 1.56 million tons. 70% of the wood that MAPA project will use will be from Arauco. It includes an electric cogeneration plant based on biomass that will generate a surplus of approximately 132 MW.

Total investment is US\$ 2.35 billion.

The output of this industrial complex will be increased by 1.27 million tons of hardwood per year.

Already approved by the board.  
As July 2019, the project is at 13% advance.  
Expected start-up for 2Q21.

#### Viento Sur

Viento Sur is a wind farm project. On March 2019, Arauco presented the Environmental Impact Study of the "Viento Sur" wind farm project to the Chilean environmental authorities.

Total investment is estimated in approximately US\$ 250 million.

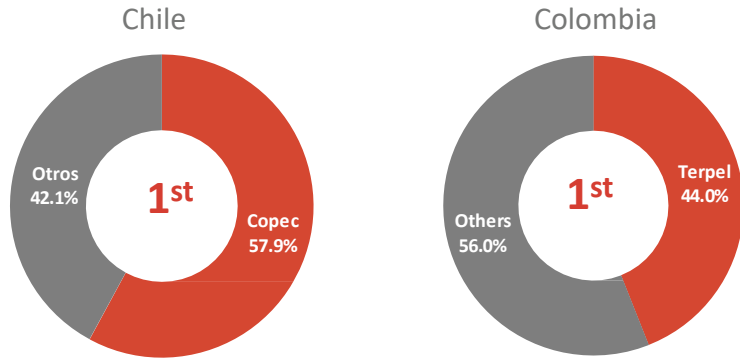
The project includes 42 wind turbines, which together will generate 215 MW.

The project is still subject to technical and economical feasibility studies, and the board of director's approval.

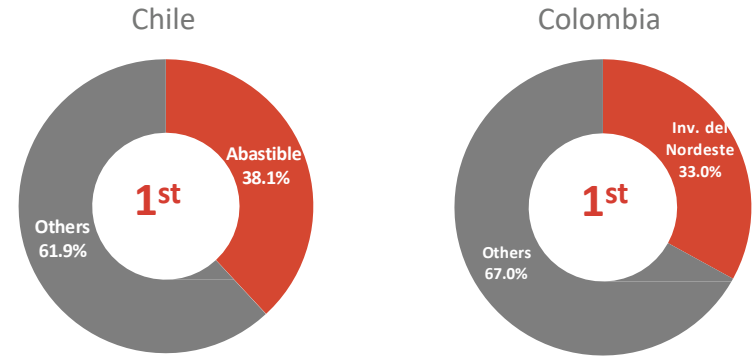


Empresas Copec's strategy is to be the leader in the fuel distribution business in the countries where it participates

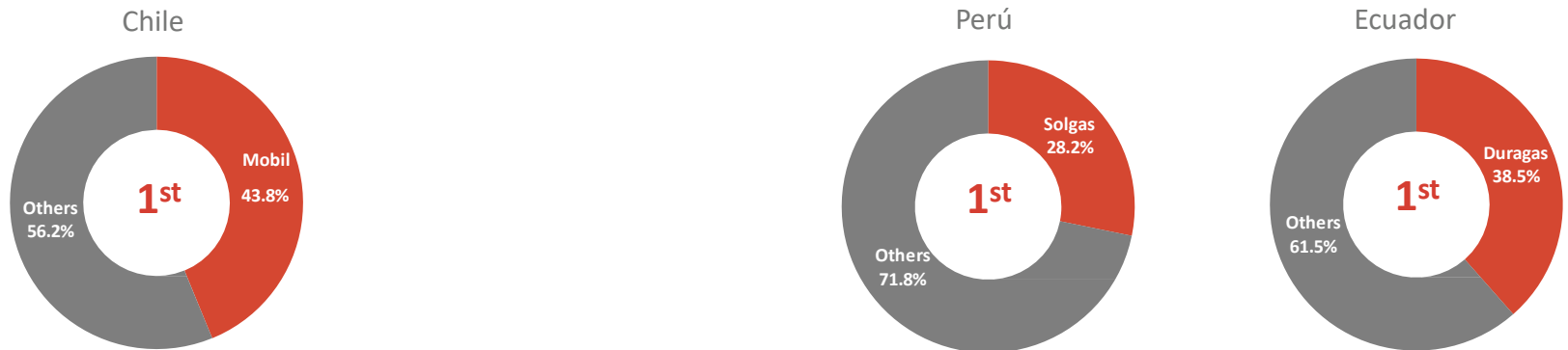
**LIQUID FUELS\***



**LPG\*\***



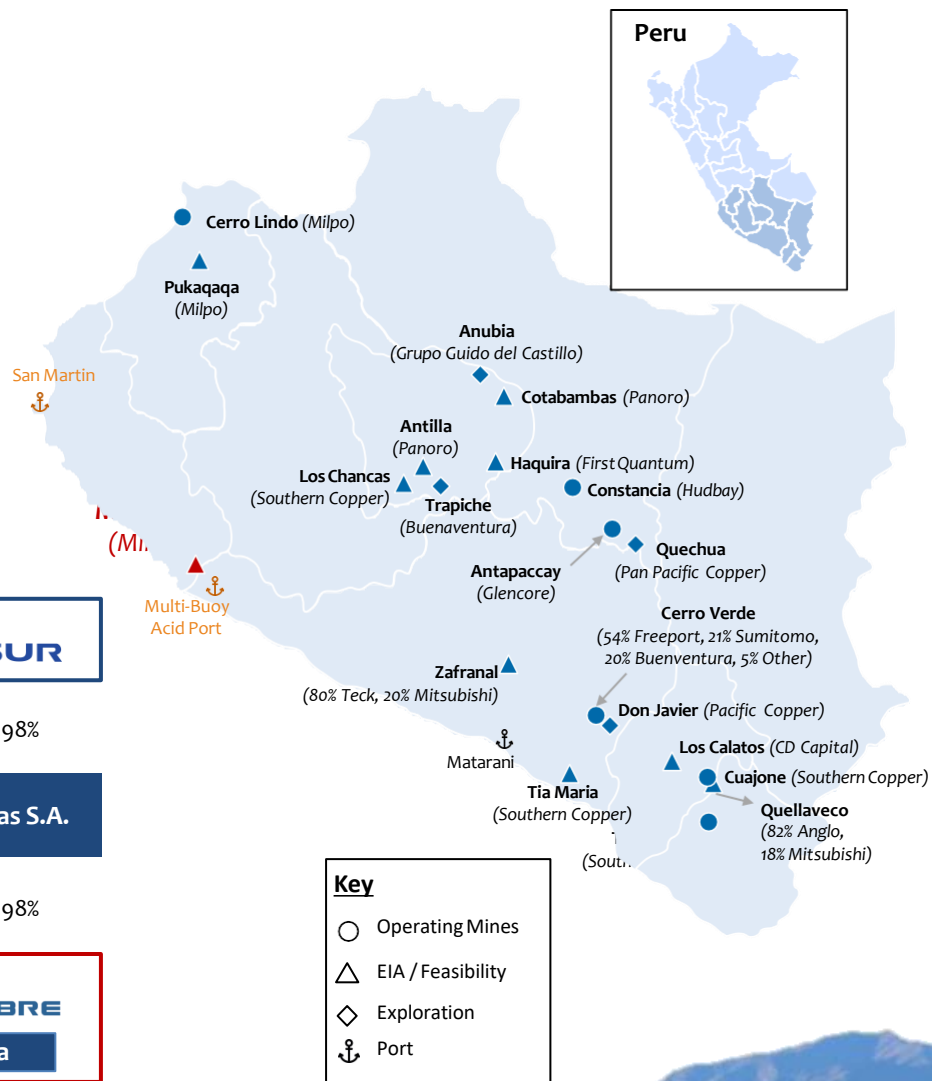
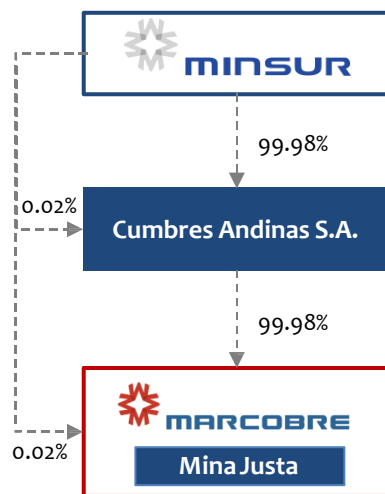
**LUBRICANTS\*\*\***



\* Market share as of May 2019  
 \*\* Market share as of June 2019  
 \*\*\* Market share as of December 2018



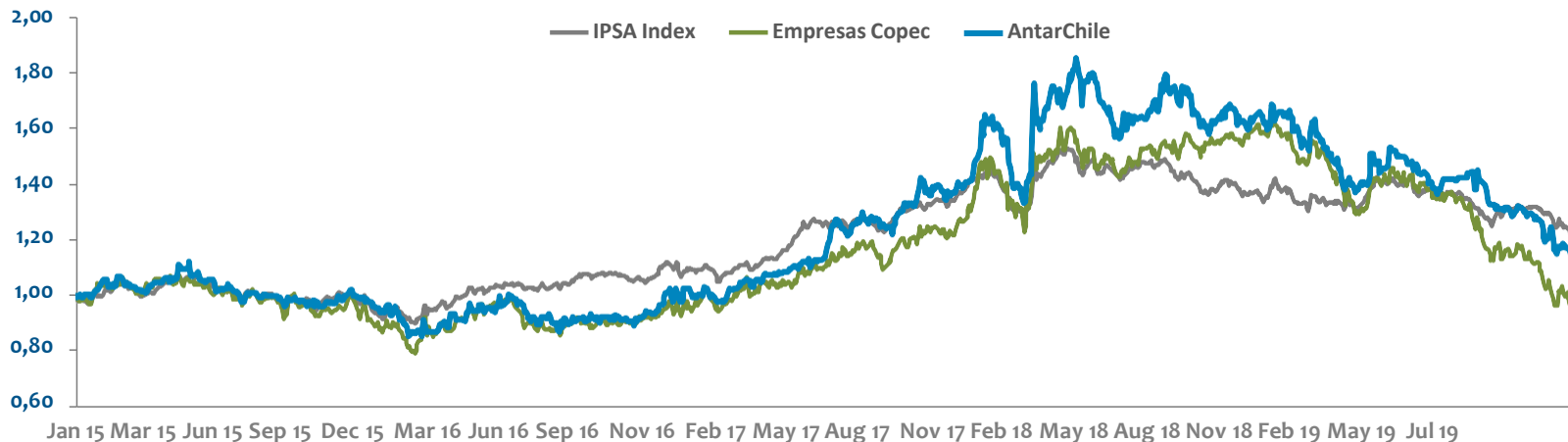
- > On April 23rd 2018, Alxar and Empresas Copepsigned the agreement to acquire 40% stake in Cumbres Andinas, subsidiary of Minsur.
- > The price paid was US\$ 182.4 million approximately.
- > Alxar and Minsur plan to invest US\$1,600 million in the construction of Mina Justa in the next three years. Project finance expected to finance US\$900 million and the remaining amount will be financed through capital contributions proportional to ownership percentage in three years.
- > Mina Justa is an open pit copper mining project located in Ica, Peru.
- > World class project:
  - Low cash cost
  - High grade
  - Low development risk
  - Significant exploration potential
- > As of July 2019, the project is at 45% completion.



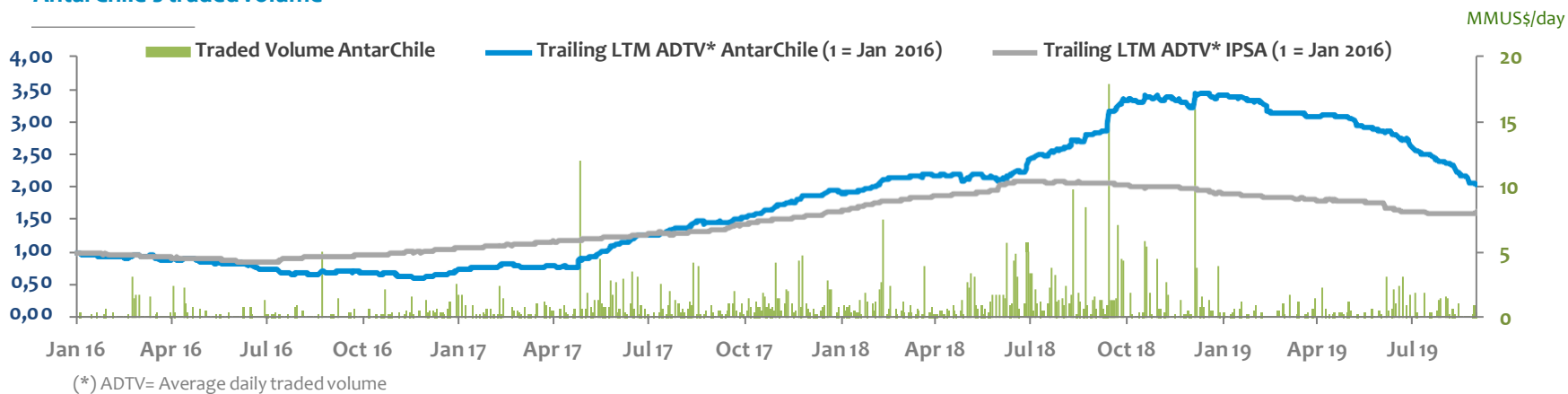
# The price of the stock of AntarChile has increased by 19% between January 2015 and August 30<sup>th</sup> 2019



## AntarChile's stock return



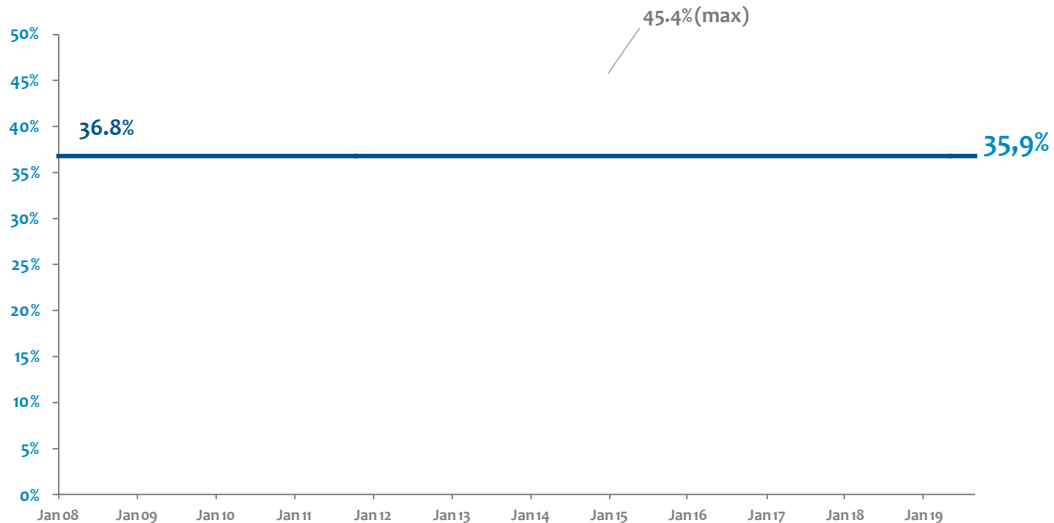
## AntarChile's traded volume



AntarChile's stock traded volume between January and August 30<sup>th</sup> of 2019 decreased by 66% compared with the same period of 2018, while the IPSA index decreased by 22%.



## ANTARCHILE HOLDING DISCOUNT as of August 30<sup>th</sup>



As of August 30<sup>th</sup>, 2019

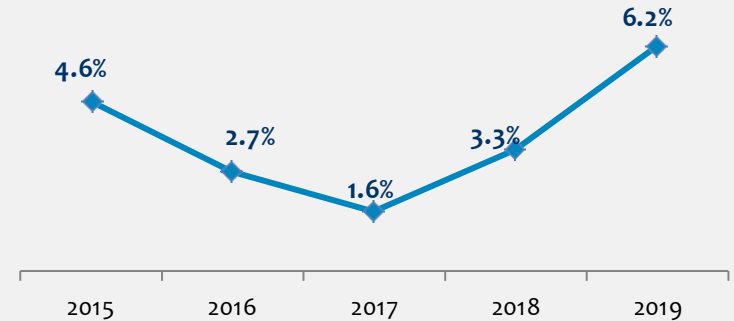
**NAV** US\$7.3 billion

**Market Cap** US\$4.7 billion

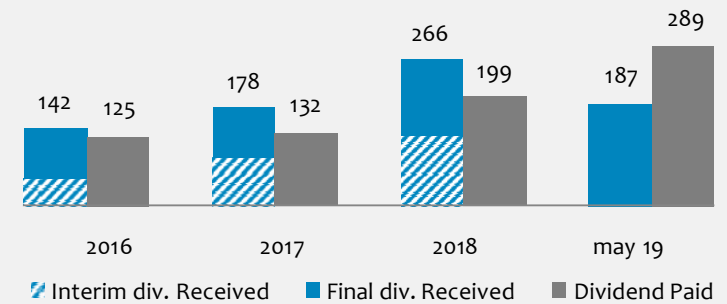
**Discount** 35.9%

- Given that Igemar was delisted, in order to calculate AntarChile's NAV, the value of Igemar was estimated using P/BV ratio of Eperva, since both companies have the same underlying assets.

## HISTORICAL DIVIDEND YIELD



## CASH GENERATION AND PROFIT DISTRIBUTION (US\$ MILLION)



AS OF AUGUST 30<sup>th</sup>, 2019

Shares	456,376,483
Currency	Ch \$
Last Price	7,416
Maximum LTM	11,024
Minimum LTM	6,953
Market Cap.	US\$4,695 million

- > Behavior of AntarChile's stock is closely correlated to that of its main investment, Empresas Copec S.A.

## ANTARCHILE

MEMBER OF

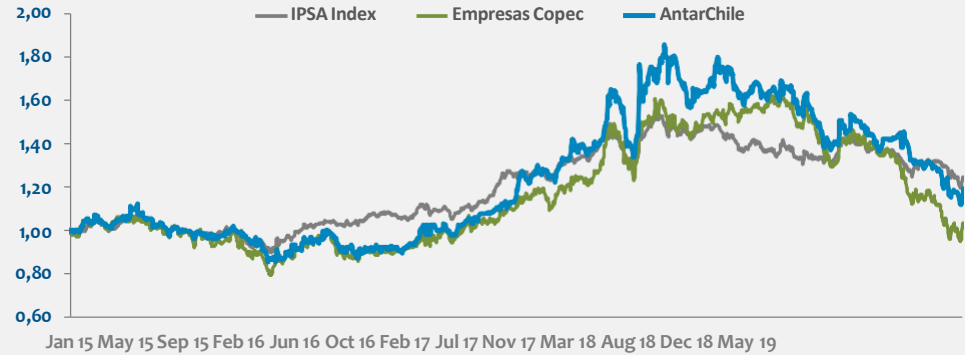
# Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

- > On September 2019, AntarChile S.A. was selected as an index component of the Dow Jones Sustainability Indices (DJSI) Chile and MILA.
- > Dow Jones Sustainability Chile Index has 31 members.
- > Dow Jones Sustainability MILA Pacific Alliance Index has 58 members.

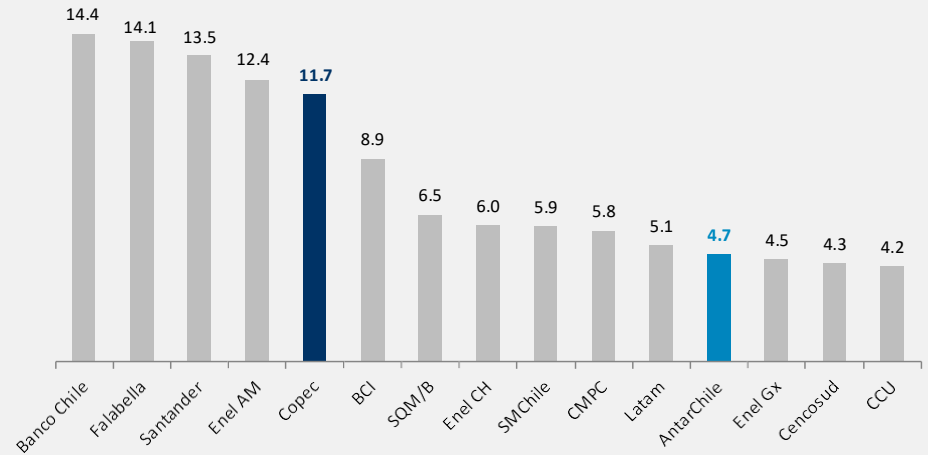
## STOCK PRICE V/S IPSA

chilean select companies stock prices index



## MARKET CAPITALIZATION OF CHILEAN COMPANIES

As of August 30<sup>th</sup>, 2019  
Billions of US\$

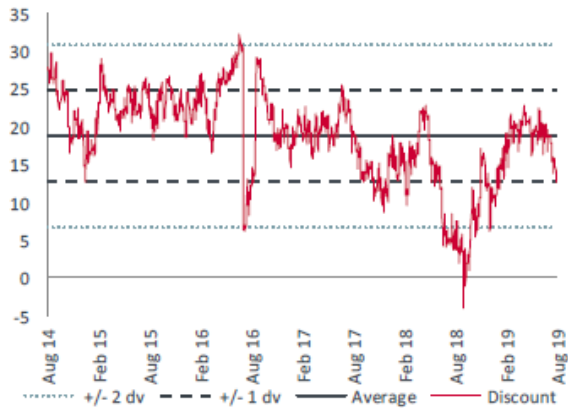


# AntarChile NAV discount is higher than other Chilean holdings

## Almendral

### HISTORICAL DISCOUNT

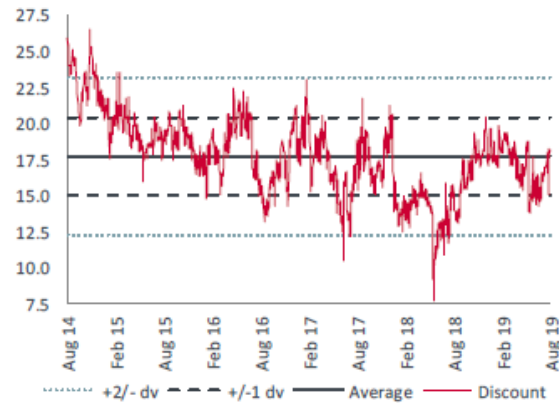
Source: LarrainVial and Bloomberg



## IAM

### HISTORICAL DISCOUNT

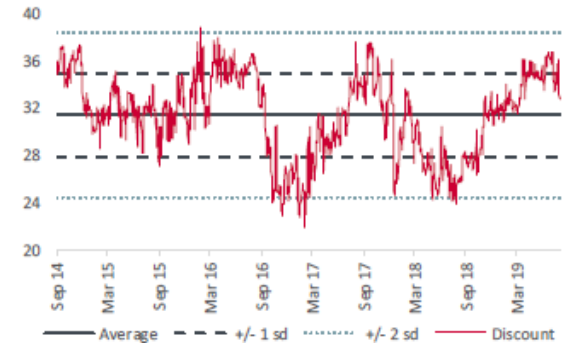
Source: LarrainVial and Bloomberg

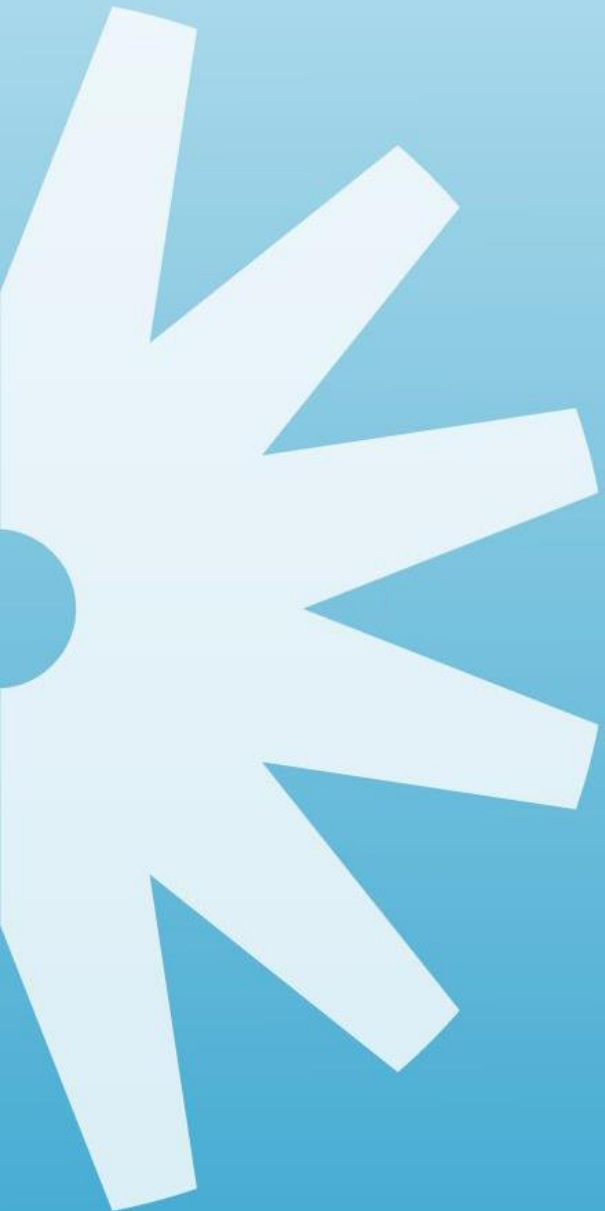


## Quíenco

### HISTORICAL DISCOUNT

Source: LarrainVial and Bloomberg





CEO

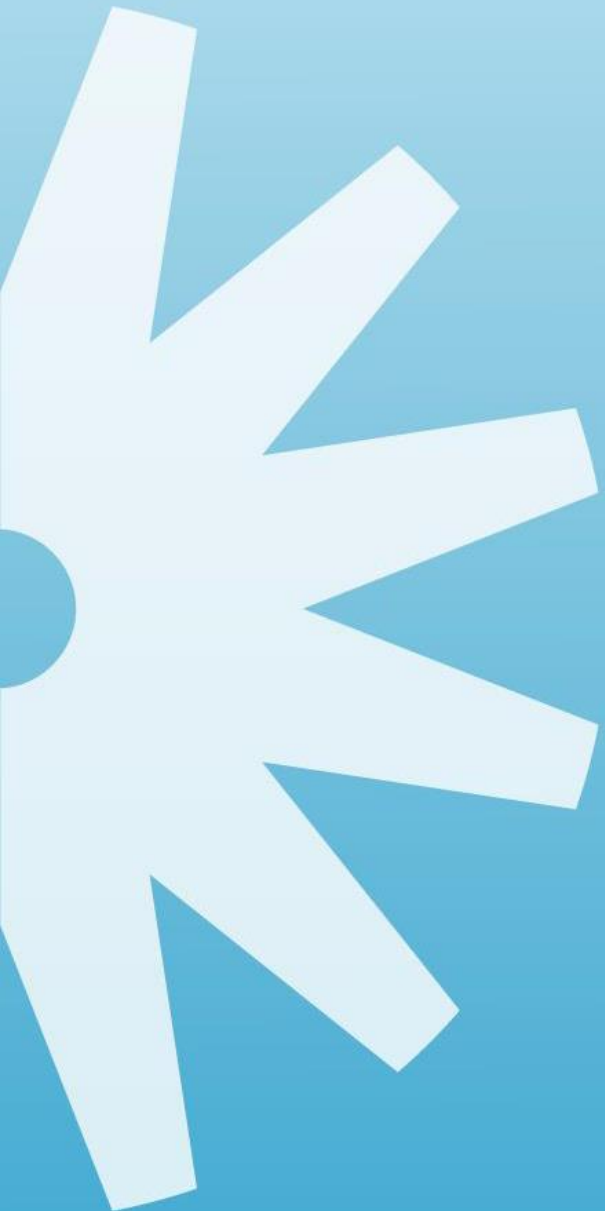
---

Andrés Lehuedé  
alehuede@antarchile.cl

Head of Investor Relations

---

José Luis Arriagada  
jarriagada@antarchile.cl



antar**chile**

---

MEMBER OF

**Dow Jones**  
**Sustainability Indices**

In Collaboration with RobecoSAM 

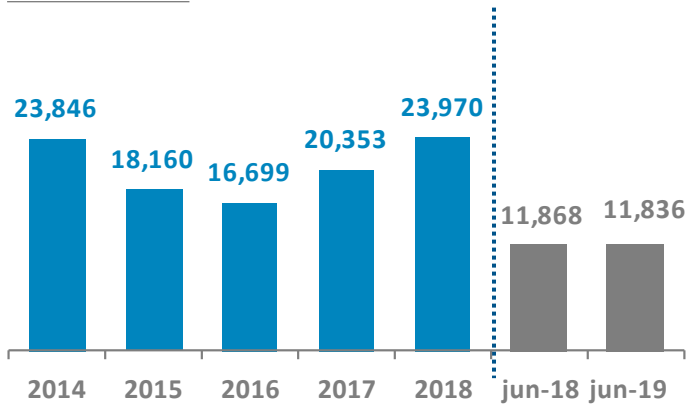
---

# CORPORATE PRESENTATION

September 2019

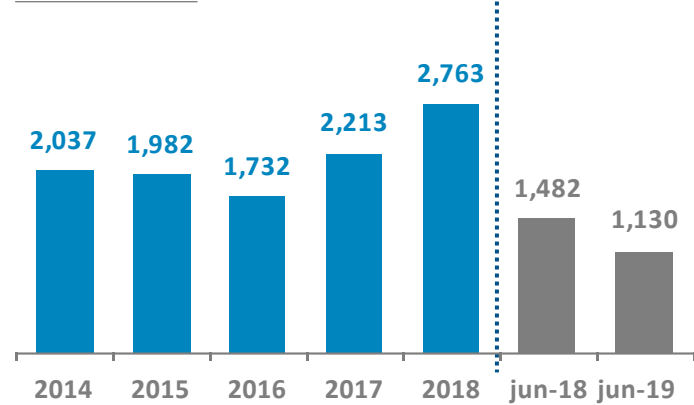
## REVENUE

US\$ million



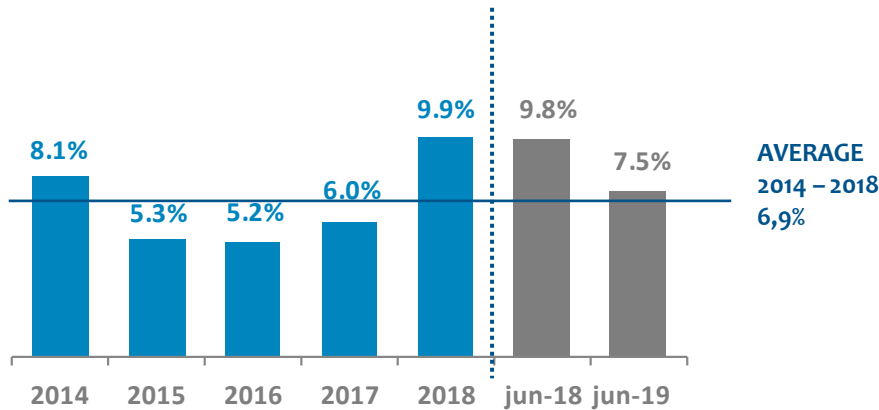
## EBITDA

US\$ million



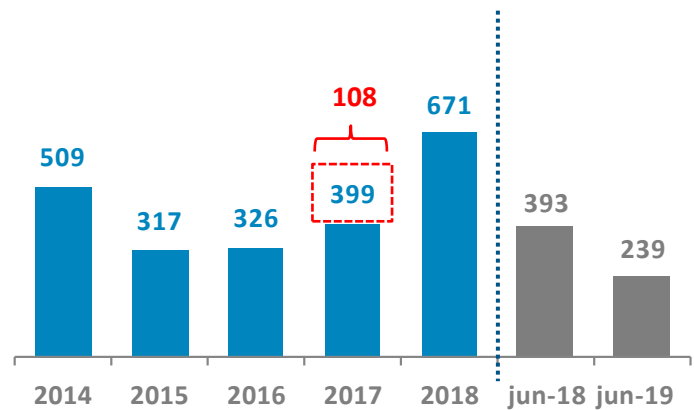
## RETURN ON EQUITY

%



## NET INCOME

US\$ million



## CONSOLIDATED BALANCE SHEET

US\$ million	jun-18	jun-19
<b>Assets</b>		
Current assets	6,000	6,774
Non-current assets	17,396	18,943
<b>Total assets</b>	<b>23,396</b>	<b>25,717</b>
<b>Liabilities and net equity</b>		
<b>Liabilities</b>		
Current Liabilities	3,214	3,354
Non-current liabilities	8,856	10,654
<b>Total liabilities</b>	<b>12,070</b>	<b>14,008</b>
<b>Net equity</b>		
Paid-in capital	1,391	1,391
Retained earnings	6,447	6,737
Other reserves	(1,134)	(1,178)
<b>Equity attributable to owners of parent</b>	<b>6,704</b>	<b>6,951</b>
Equity of minority interests	4,622	4,758
<b>Total equity</b>	<b>11,326</b>	<b>11,709</b>
<b>Total liabilities and net equity</b>	<b>23,396</b>	<b>25,717</b>

## CONSOLIDATED INCOME STATEMENT

US\$ million	jun-18	jun-19
Sales revenue	11,868	11,836
Cost of sales	(9,700)	(10,082)
<b>Gross Margin</b>	<b>2,167</b>	<b>1,754</b>
Other income (expenses)	10	100
Distribution costs	(670)	(669)
Administrative expenses	(521)	(527)
Net interest expense	(139)	(160)
Others	23	16
<b>Income (loss) before taxes</b>	<b>871</b>	<b>513</b>
Income tax expense	(216)	(109)
<b>Income (loss) from continuing operations</b>	<b>654</b>	<b>405</b>
Income (loss) from discontinued operations	-	-
<b>Net Income</b>	<b>654</b>	<b>405</b>
<b>Income (loss) of owners of parent</b>	<b>393</b>	<b>239</b>
Income (loss) of minority interests	262	165



## APPENDICES

25

Parent Level Information

34

Fuel distribution

46

---

Company structure

29

Consolidated Debt

44

Fisheries

30

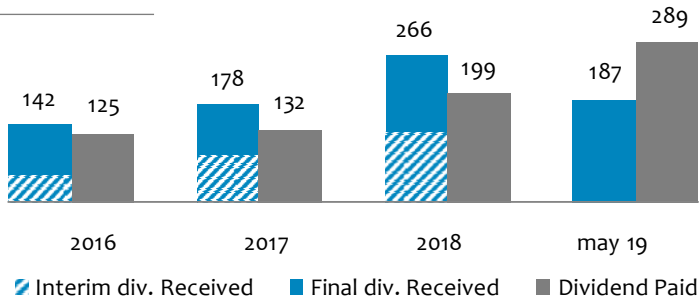
Forestry industry

45

Power Generation

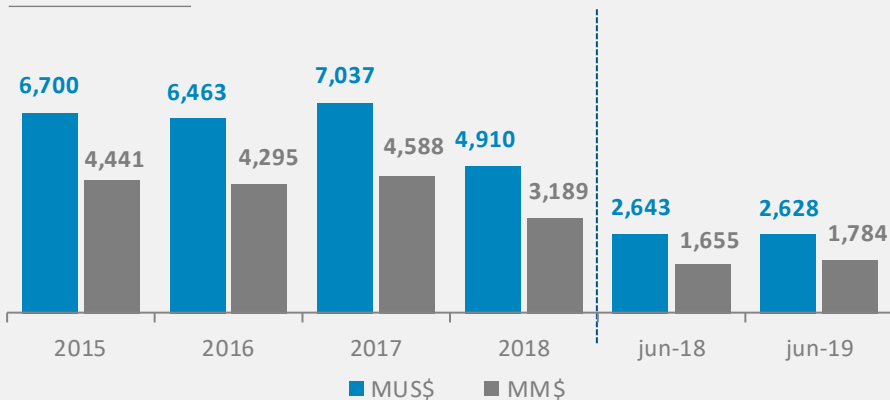
# PARENT LEVEL INFORMATION

## ANTARCHILE'S CASH GENERATION AND PROFIT DISTRIBUTION



- > Cash in AntarChile comes mainly from dividends paid out by its subsidiaries.
- > Its dividend policy mandates distribution of 40% of yearly net profit.
- > AntarChile's dividend policy mirrors that of Empresas Copec, thus avoiding accumulation of cash at holding company level.
- > Empresas Copec pays out an interim dividend in December and a definitive dividend in May, whereas AntarChile only pays out a definitive dividend in May.
- > Besides this, in December and May the company received a dividend payment from Colbún.

## SG&A EXPENSES – ANTARCHILE (INDIVIDUAL)



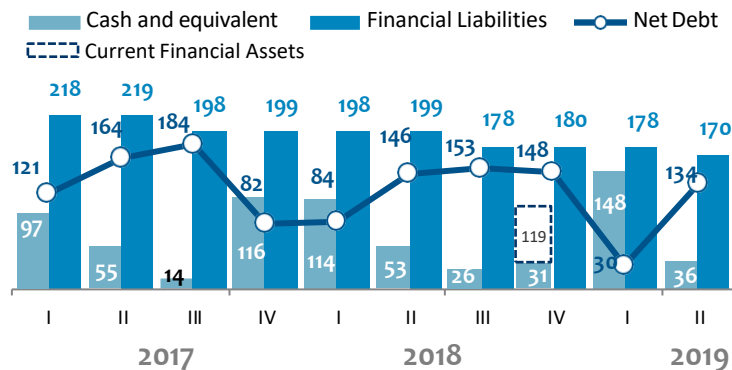
- > The administration expenses of Antarchile (individual) YTD were in line with those in the same period in 2018.

# PARENT LEVEL INFORMATION

## Credit Rating and Indebtedness

### INDIVIDUAL NET DEBT

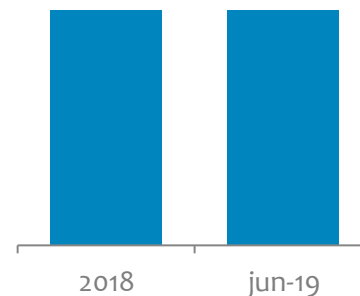
US\$ million



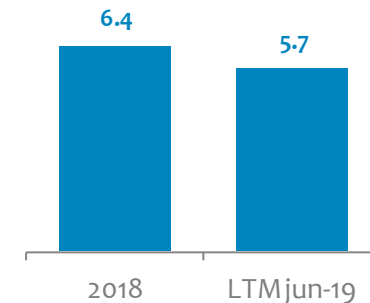
- > AntarChile maintains financial liabilities at a constant rate over time.
- > The increase in cash in each fourth quarter corresponds to the interim dividend paid out by Empresas Copec.

### CONSOLIDATED FINANCIAL INDICATORS AS OF DECEMBER 2018

**Indebtedness**  
(Total liabilities/(net equity + minority shareholding))



**Financial Expenses Coverage**  
(EBITDA LTM/financial expenses)



### ANTARCHILE LOCAL CREDIT RATINGS

FitchRatings

Feller Strategic Insights

### SHARES

First Class, tier 2

First Class, tier 2

### DEBT

N1 / AA-

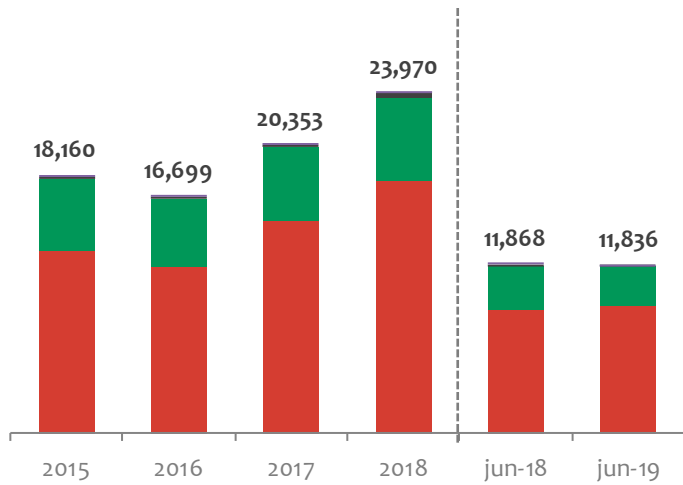
AA-

# PARENT LEVEL INFORMATION

Financial Indicators by Line of Businesses as of June, 2019

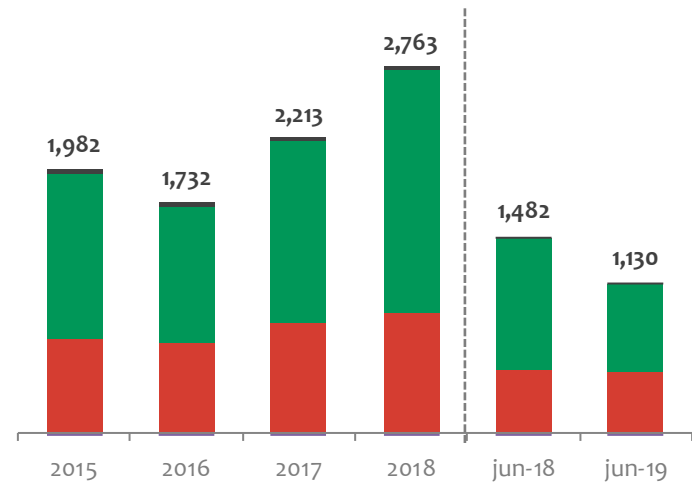
## CONSOLIDATED SALES

US\$ million



## CONSOLIDATED EBITDA

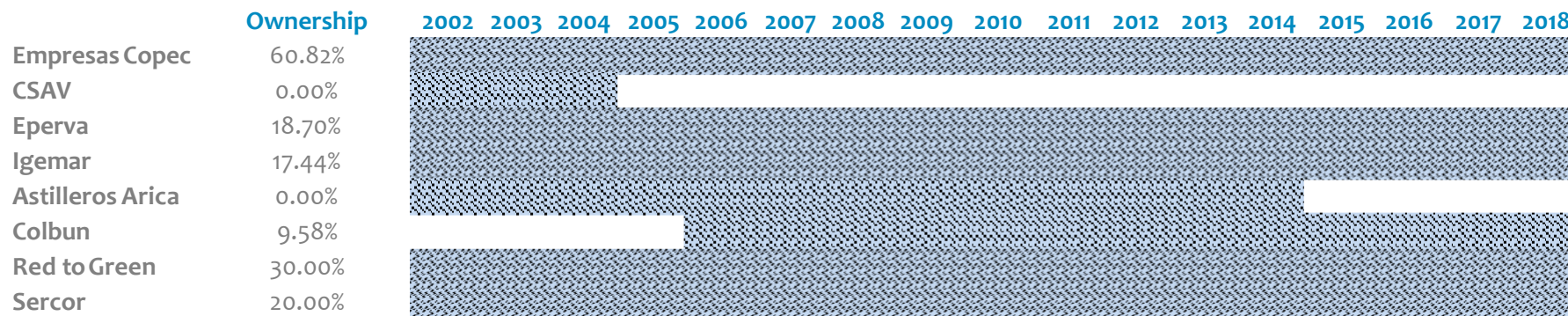
US\$ million



● Fuels distribution ● Forestry ● Fishing ● Other businesses

# PARENT LEVEL INFORMATION

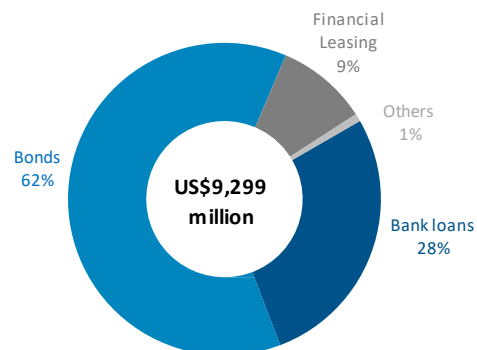
## AntarChile's Asset Portfolio Variation



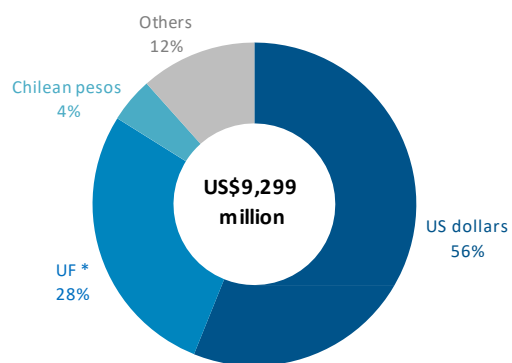
### Up until the sale of Astilleros Arica, AntarChile's investment portfolio had not suffered any variations since 2006

- > In 2003 Compañía de Petróleos de Chile S.A. (Copec) was restructured so as to move the fuel distribution business into a subsidiary - Copec remaining as parent company-, and change the company name to Empresas Copec.
- > In 2005 AntarChile sold 15.42% of Compañía Sudamericana de Vapores (shipping company).
- > In 2006 AntarChile acquired 9.5% of Colbún (3<sup>rd</sup> largest power generation company in Chile).
- > In 2015 AntarChile sold its subsidiary Astilleros Arica to Corpesca, a subsidiary of Eperva.

### BREAKDOWN by instrument

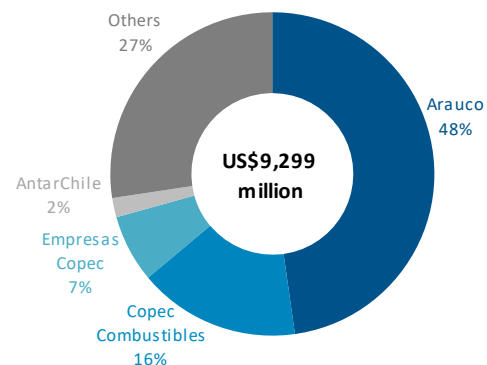


### BREAKDOWN by currency



(\*): "Chilean currency unit indexed according to inflation."  
Source: Ministry of Finance, Gobierno de Chile

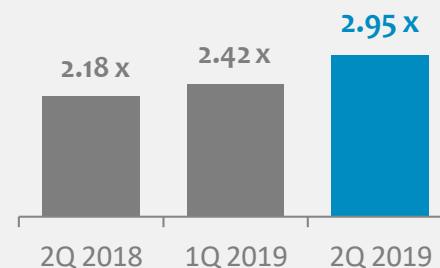
### BREAKDOWN by company



### NET FINANCIAL DEBT

US\$ million	2Q 2019	1Q 2019	2Q 2018
Current financial liabilities	1,263	1,303	1,166
Non-current financial liabilities	8,036	6,924	6,344
<b>Total financial liabilities</b>	<b>9,299</b>	<b>8,227</b>	<b>7,510</b>
Cash and cash equivalents	2,018	1,569	1,269
Current financial assets	166	196	477
<b>Net financial debt*</b>	<b>7,115</b>	<b>6,462</b>	<b>5,765</b>

### NET DEBT/EBITDALTM



\*Net debt = current financial liabilities + non-current financial liabilities - cash and cash equivalents - other current financial assets.



	Forestry	Pulp	Timber	Panels	Electric Power
<b>CHILE</b>	660,568 Hectares	5 pulp mills 2,905 th.tons	7 saw mills 4 Remanufacturing facilities 2,845 th.m <sup>3</sup>	4 wood mills PB: 300 th.m <sup>3</sup> Plywood: 710 th.m <sup>3</sup> MDF: 515 th.m <sup>3</sup>	10 power plants Capacity: 606 MW Surplus: 219 MW
<b>ARGENTINA</b>	132,067 Hectares	1 pulp mill 350 th.tons	1 saw mill 1 Remanufacturing facilities 362 th.m <sup>3</sup>	2 wood mills MDF: 300 th.m <sup>3</sup> PB: 260 th.m <sup>3</sup>	2 power plants Capacity: 82 MW Surplus: 15 MW
<b>BRAZIL</b>	133,370 Hectares			4 wood mills MDF: 1,530 th.m <sup>3</sup> PB: 720 th.m <sup>3</sup>	
<b>URUGUAY</b>	77,182 Hectares*	1 pulp mill 708 th.tons*			1 power plant Capacity: 91 MW* Surplus: 50 MW
<b>USA CANADA</b>				9 wood mills MDF: 1,470 th.m <sup>3</sup> PB: 2,320 th.m <sup>3</sup>	
<b>MEXICO</b>				2 wood mills MDF: 250 th.m <sup>3</sup> PB: 339 th.m <sup>3</sup>	
<b>GERMANY SPAIN PORTUGAL SOUTH AFRICA</b>			1 saw mill** 25 th.m <sup>3</sup>	10 wood mills** MDF: 741 th.m <sup>3</sup> PB: 1,165 th.m <sup>3</sup> OSB: 258 th.m <sup>3</sup>	
<b>TOTAL</b>	<b>1.0 MM Hectares</b>	<b>7 pulp mills 4.0 MM tons</b>	<b>9 saw mills 3.2 MM m<sup>3</sup></b>	<b>31 wood mills 10.9 MM m<sup>3</sup></b>	<b>13 power plants Capacity: 779 MW</b>

\*: Considers 50% of Montes del Plata.

\*\* : Considers 50% of Sonae Arauco. One PBO mill in South Africa is currently shut down.



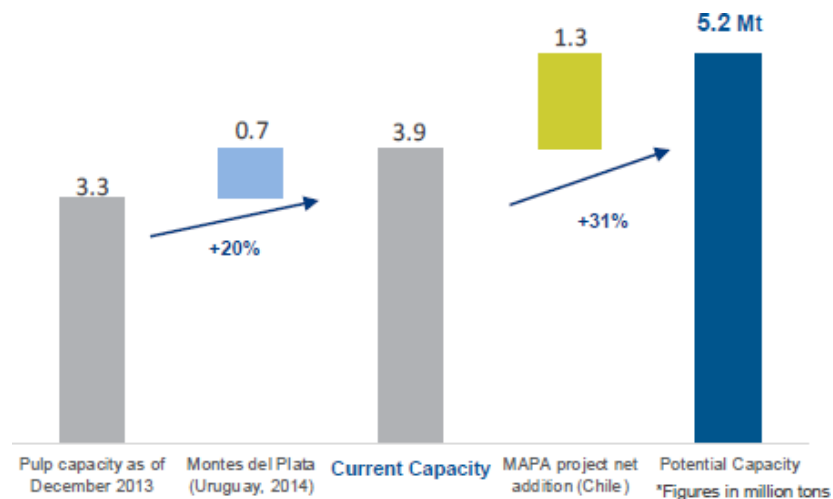
## MAPA Project - Pulp

- > New 1.56 million ton short fiber line in Arauco Mill.
- > Considers closure of Arauco's 290 th. Ton line 1 of short fiber pulp, once the new line is operating. Thus the net increase in production will be 1.27 million tons.
- > It includes an electric cogeneration plant based on biomass that will generate a surplus of approximately 132 MW.
- > Estimated investment of US\$ 2.35 billion.
- > Expected start-up for 2Q21.
- > Already under construction.

- > In October 2018, Arauco signed the main contracts with two of the leader suppliers of pulp industry equipment worldwide: Andritz and Valmet.
- > The contracts amounted approximately to € 600 million.
- > In July 2019: 13% advance



Source: Empresas Copec



## Valdivia project- Dissolving pulp

- > As of June 2019, the project is at 85% completion.
- > Conversion of the Valdivia mill into a textile pulp mill, which currently produces 550 th. ton of pulp.
- > Dissolving pulp is a product used in the textile industry as a substitute for cotton.
- > It will provide flexibility to produce either dissolving or paper grade.
- > Arauco would be the first company to produce this kind of pulp in Chile.
- > The investment will be US\$ 185 million and is expected to be operational by the end of 2019.



Source: Empresas Copec

This kind of pulp is used in the textile industry to soften, shine and purify fibers. It can also be used in the food, cellophane and flexible packaging industries, among others.

## Growth in the Panel Division

### Sonae Arauco:

- > Arauco purchased 50% of Tafisa in US\$ 153 million through a joint venture with Sonae Industria. It operates 10 panelboard mills distributed in Spain, Portugal, Germany and South Africa.

### Grayling:

- > Total investment of approx. US\$ 450 million, with a installed capacity of 800 th. m<sup>3</sup>/year.
- > It was inaugurated on April 2019

### Masisa do Brasil:

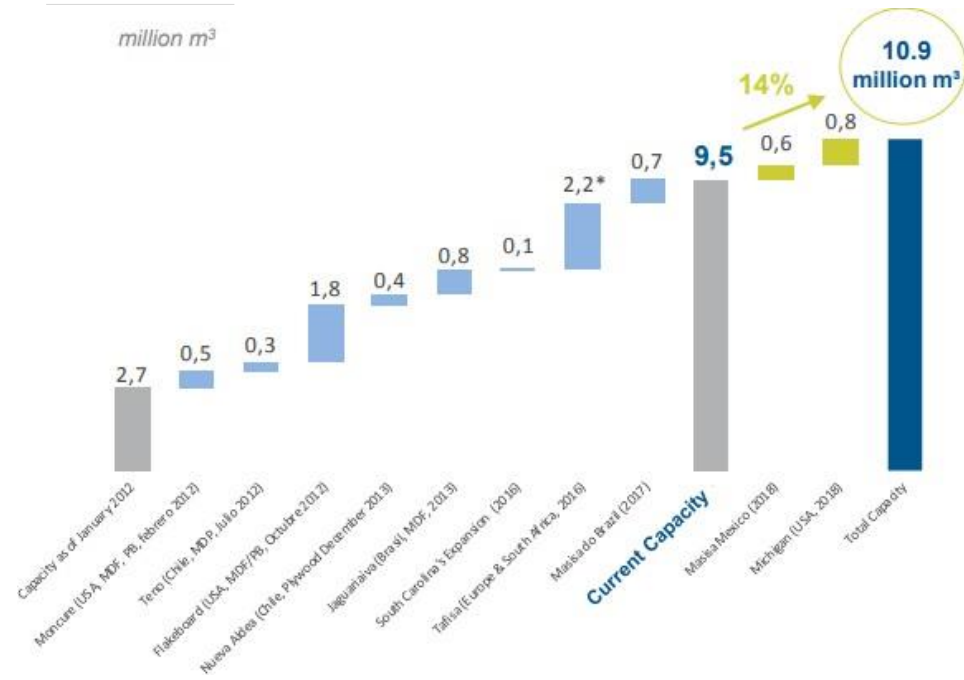
- > Arauco acquired Masisa's assets in Brasil in US\$ 102.8million
- > Transaction includes two panel mills, at Parana and Rio Grande do Sul.
- > Capacity of 310 th. m<sup>3</sup> in MDF and 410 th. m<sup>3</sup> in MDP a year

### Masisa in Mexico

- > Arauco acquired Masisa's assets in Mexico in US\$ 160 million.
- > Transaction comprises two panel mills, at Durango and Zitacuaro.
- > Capacity of 300 th. m<sup>3</sup> in PB and 250 th. m<sup>3</sup> in MDF a year.

### INSTALLED CAPACITY GROWTH OF PANELS

million m<sup>3</sup>



Source: Empresas Copec

\* Corresponds to 50% of the production capacity of Sonae-Arauco



AntarChile is involved in the fuel distribution industry through seven different subsidiaries: Compañía de Petróleos de Chile (Copec), Organización Terpel, Abastible, Inversiones del Nordeste, Sonacol, Sonamar and Metrogas.



FUEL	Liquid fuels, Lubricant	Liquefied Petroleum Gas (LPG)	Natural Gas	Liquid Fuels, Lubricant	Liquid fuels	Liquefied Petroleum Gas (LPG)	Oil	Liquefied Petroleum Gas (LPG)	Liquefied Petroleum Gas (LPG)
COUNTRY	Chile	Chile	Chile	Colombia	USA	Colombia	Chile	Peru	Ecuador
SALES VOLUME 2018	9.88 million m <sup>3</sup>	487 thousand tons	984 million m <sup>3</sup>	9.94 million m <sup>3</sup>	1.96 million m <sup>3</sup>	202 thousand tons	Transported 10.28 <sub>3</sub>	572 thousand tons	456 thousand tons
MARKET SHARE 2018	56%	38%	-	44%	-	34%	-	21%	38%
SHARE HOLDING	Empresas Copec 100%	Empresas Copec 99.13%	Empresas Copec 39.83%	Copec S.A. 58.51%	Empresas Copec 100% (indirect)	Abastible 51.00%	Empresas Copec 52.8% (indirect)	Empresas Copec 100% (indirect)	Empresas Copec 100% (indirect)

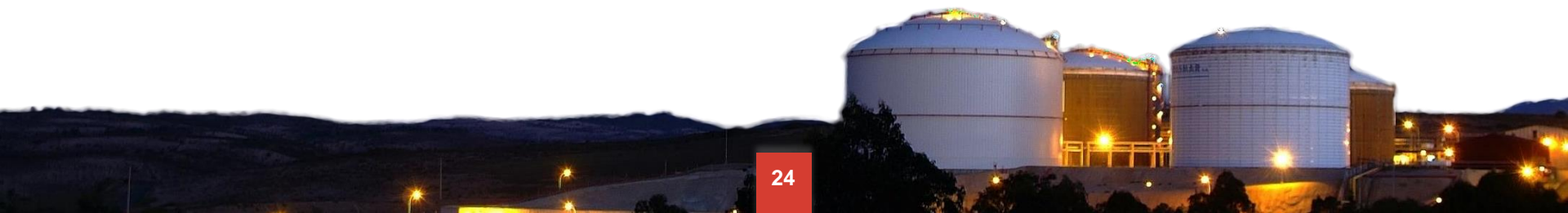
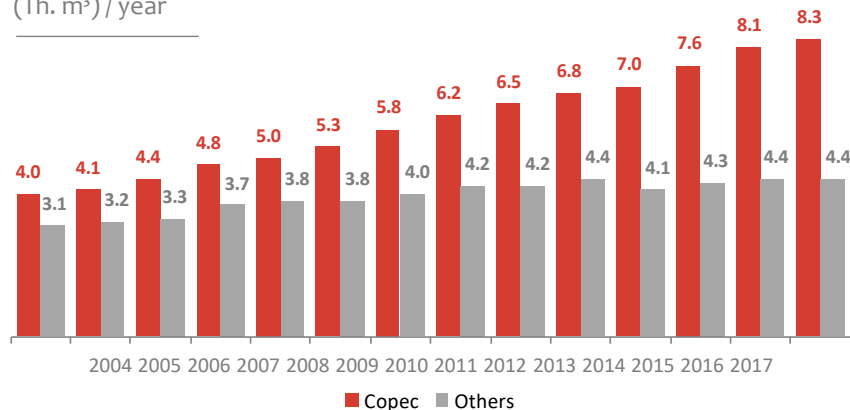


The long term approach of low margins, good location, innovation and client oriented strategy, has allowed Copec to sustain its leadership in this industry.

- > Copec has the largest and most extended **Network** (653 gas stations), with strategic locations that allows to have 60% of sales with 38% of gas stations.
- > Largest **Convenience Store Network** on Chile, with more than 370 stores and an average of 485 Th. clients per day.
- > Strong **Brand** recognition: throughput of Copec gas stations is 50% higher than its competitors.
- > Constant focus on **innovation** in product offering, technology, service and image.
- > Strength in **industrial segment**: Comprises 60% of sales, with 3.500 industrial clients including mining companies to airlines.
- > Leader manufacturer and distributor of **lubricants**. This business is a joint venture with ExxonMobil.
- > Copec's **leadership position** represents advantages in the fuel procurement.

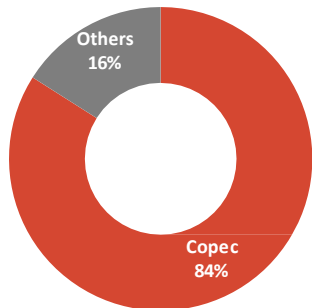
FUEL SALES BY SERVICE STATION

(Th. m<sup>3</sup>)/year



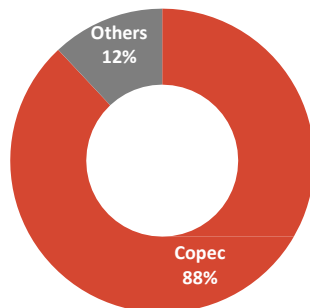
## STRONG BRAND RECOGNITION

### FAVORITE BRAND



Source: Empresas Copec

### USUAL BRAND



Source: Empresas Copec



- > 1<sup>st</sup> place in "Gas Stations" of the National Customer Satisfaction Award, ProCalidad 2017
- > Distinguished by RepTrak with the "Brand Reputation Award 2017"



- > Recognized among the companies with the best corporate reputation, according to Merco Empresas and Lideres Colombia 2017 ranking



- > 1<sup>st</sup> place in "Bottled Gas" of the National Customer Satisfaction Award, ProCalidad 2017
- > 4<sup>th</sup> time winner of "Consumer Loyalty Award 2016" by Alco consultores and Diario Estrategia



- > 1<sup>st</sup> place in "Natural Gas" of the National Award of Consumer Satisfaction 2017

## STRATEGIC LOCATIONS

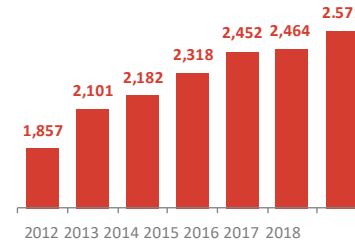




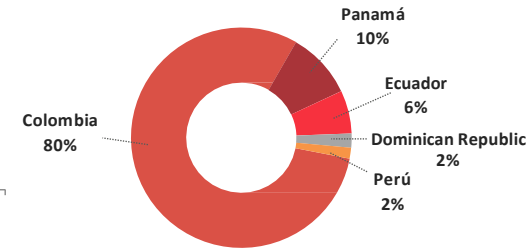
PANAMA • ECUADOR • COLOMBIA  
REPÚBLICA DOMINICANA • PERÚ

- > Has the largest Network in Colombia with a 44% market share (2,203 gas stations).
- > Terpel is one of the most recognized and respected Brand.
- > One of the most important growth potential for Terpel, comes of Copec's business model in this market.
- > Terpel participates in markets with high growth prospects due to the lack of infrastructure and potentially higher market share in the industrial segment.

**SALES**  
Millions of Gallons



**SALES BY COUNTRY**  
2018



CHILE • COLOMBIA

**Abastible is the third largest LPG player in South America**

- > More than 1.5 million clients and more than 1,200 distributors.
- > Even though Chilean LPG consumption grows at very low rates, growth shall come from market gain against high-polluting firewood, which currently has a 40% penetration in residential homes.

**Abastible purchased Repsol's LPG businesses in Peru and Ecuador.**

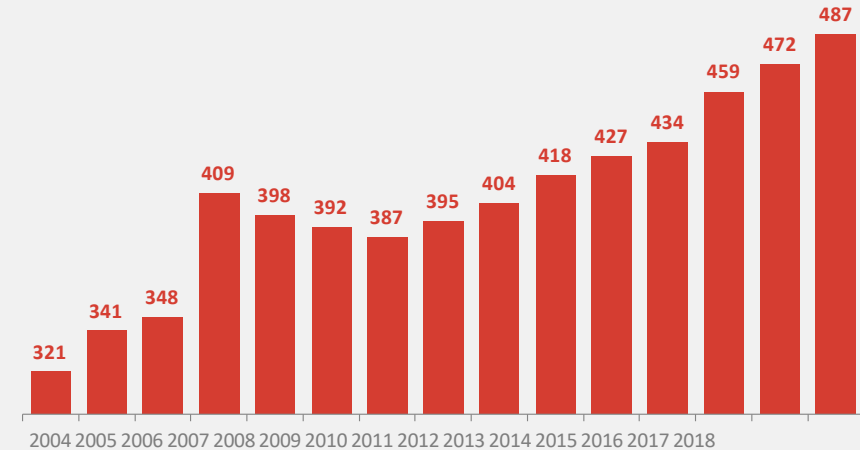


28.2% Market Share  
Sells 572 th. tons a year  
The price paid was US\$ 264 million



38.5% Market Share  
Sells 456 th. tons a year  
The price paid was US\$ 33 million

**LPG SALES IN CHILE**  
TH. ton



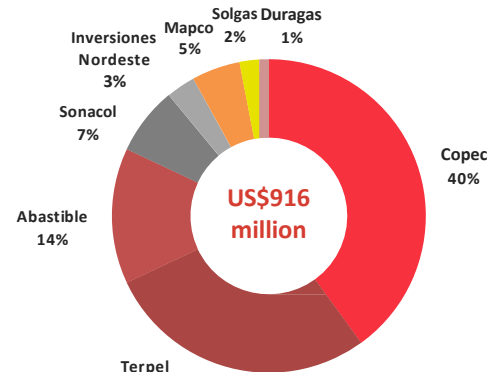


As of 2018, in the fuel distribution business, the Ebitda was US\$916 million

**GEOGRAPHIC LOCATION**

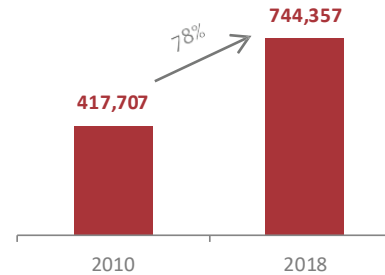


**EBITDA 2018**



**TERPEL**

**EBITDA TERPEL (MM \$COP)**



Source: Empresas Copec

**¿Why Terpel?**

- > High growth potential in the Colombian market:
  - Colombia's vehicular penetration is lower than in Chile
  - Low highway vehicular flows.
  - Low market penetration of convenience stores business.



## POSITION OF TERPEL BUSINESS

- > The agreement allows Terpel to:
  - Integrate the lubricant operation in a regional level under one brand with worldwide acknowledgment, and...
  - ... consolidate the company as a leader fuel and lubricant player in the Pacific coast, through...
  - ... the acquisition of high quality assets with leadership position and with experienced employees.
  
- > Furthermore, depending on the antitrust authorities in Colombia, it will be necessary to sell the ExxonMobil's operations and assets acquired in that country to the downstream fuel business.

## OPPORTUNITIES FOR TERPEL

### COLOMBIA

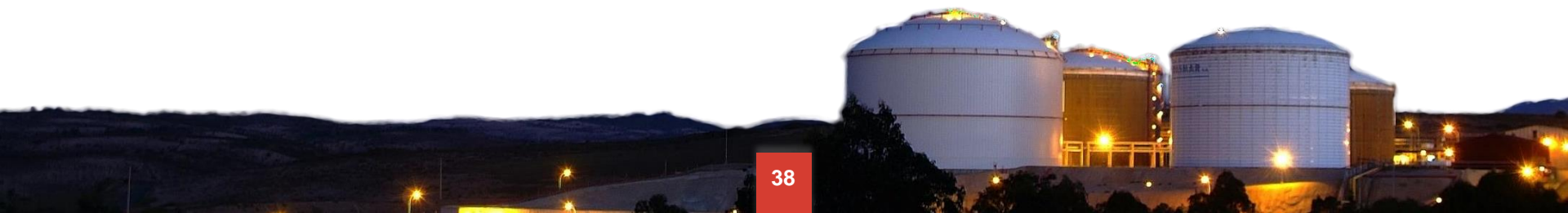
Terpel would triplicate its lubricants volume in Colombia and would have the opportunity to extend its lubricants offer in that country, and capture new industrial clients with more specific and valuable needs.

### PERÚ

The acquisition would allow Terpel to develop the fuel business in Peru, through aviation as an initial platform.

### ECUADOR

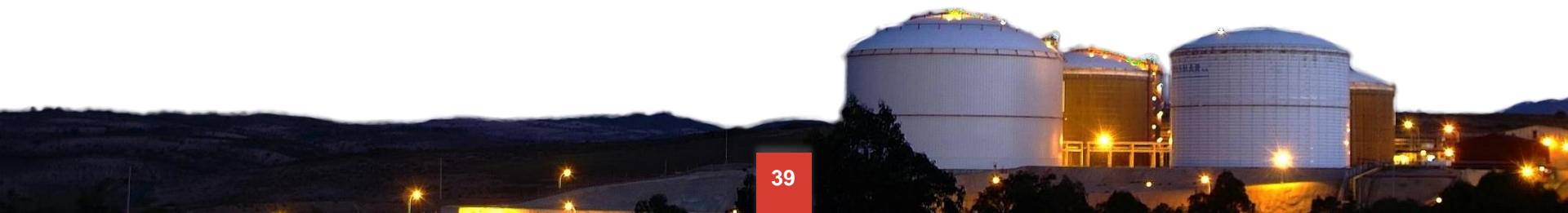
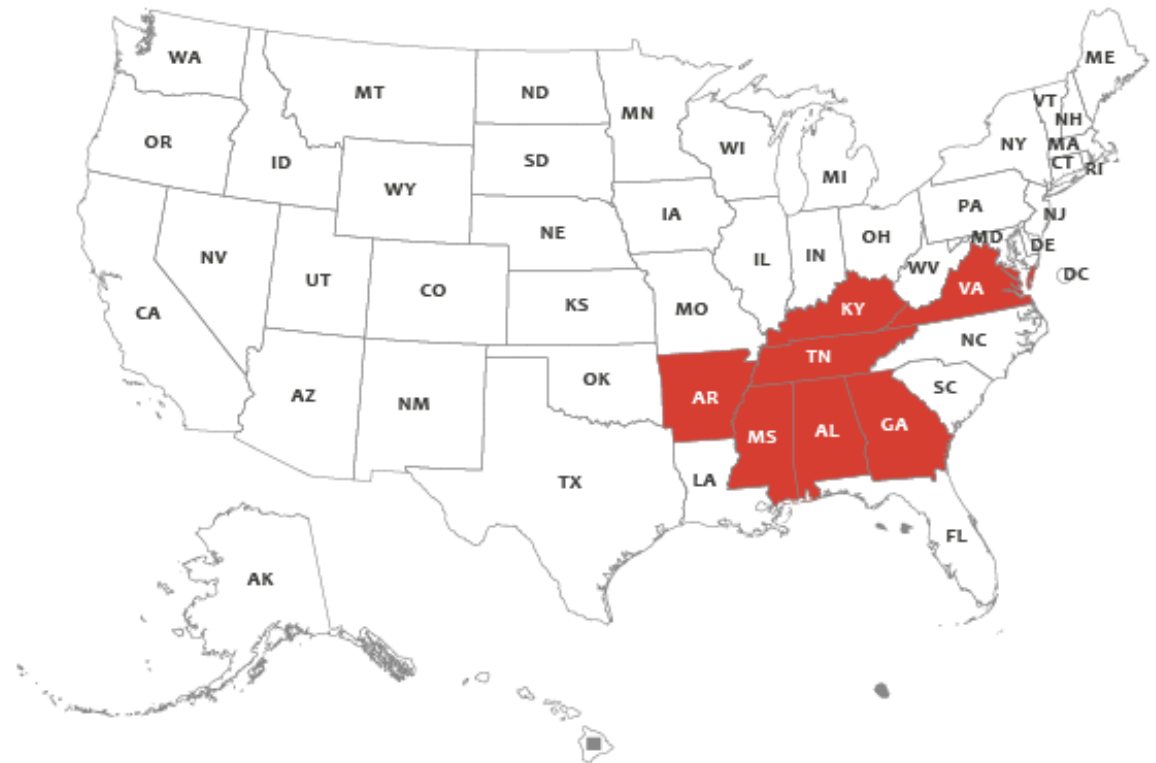
The new operation in Ecuador would increase Terpel's market share in the fuel business and also implies a significant potential in lubricants.





## MAPCO PRESENCE IN UNITED STATES

- > On November 14<sup>th</sup> 2016, COPEC acquired 100% of the share capital and interests in five different companies that operate 348 gas stations in the U.S. and supplies 142 gas stations operated by third parties.
- > The gas stations operate under different brands, chief among them MAPCO. They are located mostly in Tennessee, and also in Alabama, Georgia, Arkansas, Virginia, Kentucky and Mississippi.
- > The purchase price for the companies, free of debt, is US\$ 535 million and a working capital adjustment on the closing date amounting to US\$ 16.3 million.



- > Copec wants to implement their successful business model in Mapco: developing brand loyalty by improving the purchase experience; implementing a commercial strategy based on high throughput - low margin, and develop an industrial channel to complement the retail business.
- > The acquisition allows Copec to enter the most stable, developed and unregulated market in the world, which has more than 140 thousand gas stations and a fragmented supply.
- > Convenience stores in the U.S. service stations have a higher relative value compared with the service stations operated by Copec in other countries, where the fuel selling business is much more relevant.
- > In the U.S. market, 70% of the total sales of a service station came from the convenience store and the rest from fuel.
- > The Chilean and Colombian markets should move towards to the U.S. model, where selling fuel is the booster of other businesses.

### ACQUISITION CRITERIA

- Right scale to be the platform for growing in the U.S. market.
- Accessible investment size for Copec.
- Strategic location for the operation.
- The company has a significant number of own service stations.
- Opportunities for improving the operation in both, fuel selling and convenience stores.

### OPPORTUNITIES IN THE FUTURE

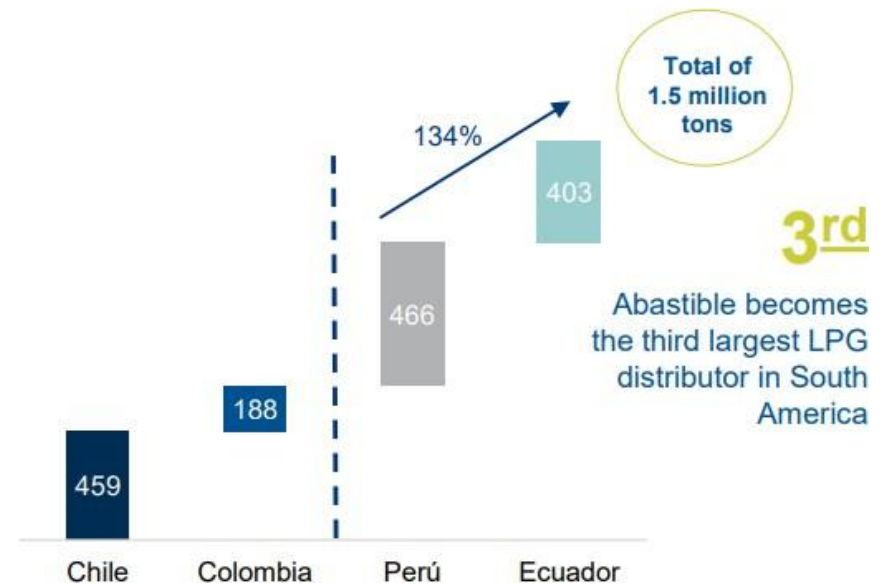
- Development in the industrial fuel market.
- Improvement in the fuel procurement.
- Acquisition of nearby networks taking full advantage in overhead synergies.
- Unify the brands of the convenience stores and gas stations.

## Solgas and Duragas – LPG Operations

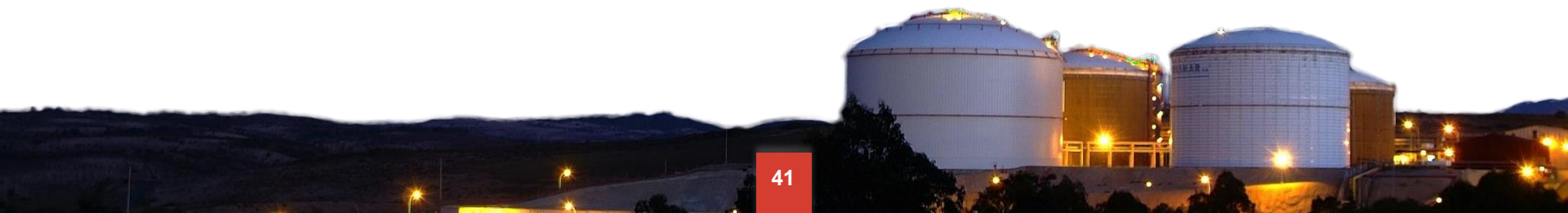
- > In 2016 Abastible completed the acquisition of Repsol's LPG operations in Ecuador (Duragas) and Peru (Solgas).
  - > 23% and 37% market share in Peru and Ecuador respectively.
  - > Annual volumes of 466 and 403 thousand tons in Peru and Ecuador respectively.
- > The price paid for Solgas was US\$ 264 million and the price paid for Duragas was US\$ 33 million.
- > With this recent acquisition Abastible became the third largest LPG player in South America.

### PHYSICAL SALES OF LPG BY COUNTRY IN 2016

Millions of Gallons



Source: Empresas Copec



AntarChile is involved in the fishery industry through two companies, Corpesca and Orizon, which operate Northern and Central-South Chile, respectively. Each of these companies also owns 35% of Golden Omega, a company producing Omega 3 concentrates from fish oil.



## GEOGRAPHIC AREA

Northern Chile

Central-north, Central and Southern Chile

## VESSELS

37 vessels

8 vessels

## FLEET'S STORAGE CAPACITY

15,000 m<sup>3</sup>

Aprox. 11,000 m<sup>3</sup>

## PROCESSING PLANTS

- 5 fishmeal and fish oil
- 1 canning plant
- 1 freezer plant

- 3 fishmeal and fish oil
- 2 canning plants
- 3 freezer plants

## SHAREHOLDING

- Empresa Pesquera Eperva: 60.2%
- Pesquera Iquique-Guanaye (Igemar): 39.8%

- Empresa Pesquera Eperva: 16.5%
- Pesquera Iquique-Guanaye (Igemar): 83.5%



- > AntarChile's affiliates involved in the power generation market are Colbún and Arauco Bioenergía, both of which utilize conventional energy as well as renewable non-conventional energy sources.
- > Colbún has an installed capacity of 3,907 MW, being the second largest generator of the National Electric System (SEN), with a market share of 16,8%.
- > Arauco Bioenergía, consistent with its environmental sustainability policies, generates power out of biomass. Its installed capacity is of 779 MW.



## Hydro and Thermal



## Biomass

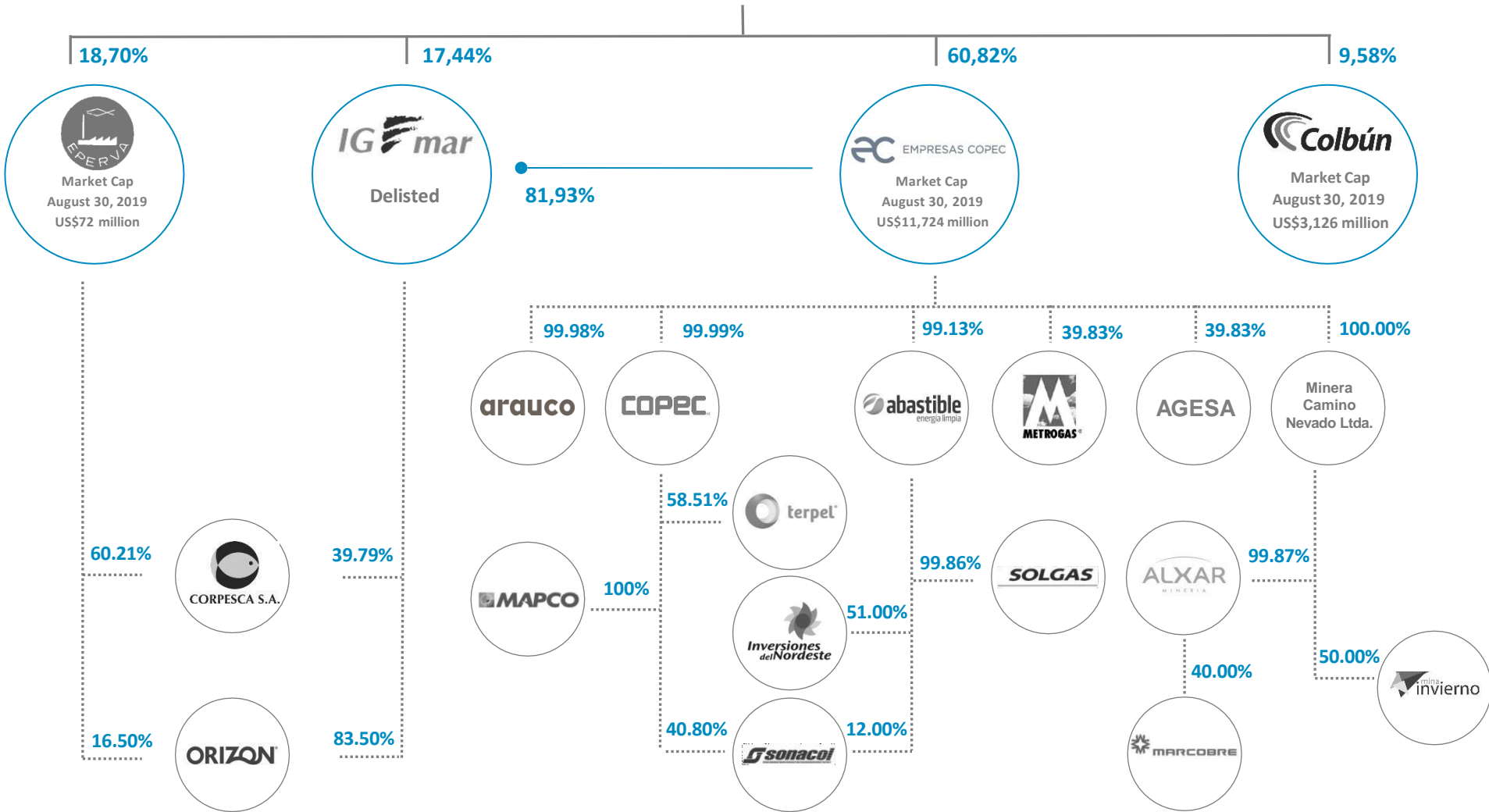
<b>INSTALLED CAPACITY BY TECHNOLOGY</b>	<ul style="list-style-type: none"> <li>• 3,328 MW in Chile</li> <li>• 565 MW in Peru</li> <li>• 3,893 MW Total</li> </ul>	<ul style="list-style-type: none"> <li>• 779 MW</li> </ul>
<b>POWER OUTPUT</b>	<ul style="list-style-type: none"> <li>• 12,880 GWh Chile</li> <li>• 3,914 GWh Peru</li> </ul>	<ul style="list-style-type: none"> <li>• 2,500 GWh domestic consumption</li> <li>• 1,089 GWh sold</li> </ul>
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• 25 Power Plants in Chile</li> <li>• 1 Power Plant in Peru</li> </ul>	<ul style="list-style-type: none"> <li>• 10 Power Plants in Chile</li> <li>• 2 Power Plants in Argentina</li> <li>• 1 Power Plant in Uruguay</li> </ul>
<b>SHAREHOLDING</b>	<ul style="list-style-type: none"> <li>• AntarChile: 9.58%</li> </ul>	<ul style="list-style-type: none"> <li>• Arauco: 100%</li> </ul>



# PARENT LEVEL INFORMATION



antarchile





antar**chile**