



Compañía Sud Americana de Vapores

Shipping Industry:
Current situation amid Covid-19

Speakers:

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CEO CFO

Santiago, March 2021



Who are we?

Chilean-based company that participates in the *container shipping business*, through its stake in **Hapag-Lloyd** after their merger in 2014

Well-known **Luksic Group**, controlled by the local Luksic family, is CSAV's main shareholder (61.76%)

FY 2020 Financial Position

CSAV

3,036 mn

Assets

2,738 mn
Investment in HLAG

204 mn
Tax Assets

313 mn

Liabilities

150 mn
Bonds

80 mn
Other loans

About Hapag-Lloyd

5th largest
Shipping line

Aggregate Capacity:
2,704 TTEU containers
1,719 TTEU vessels



Global presence:
129 countries

14,577 mn
Revenue

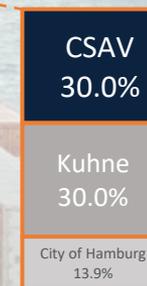
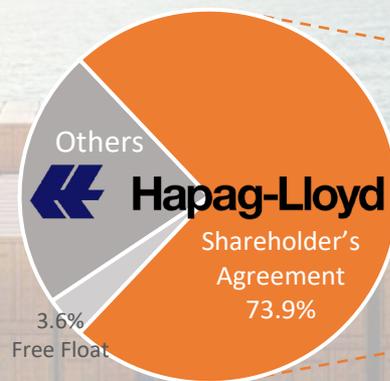
3,082 mn
EBITDA

1,068 mn
Net Profit

1,421 mn
Liquidity

1.8x

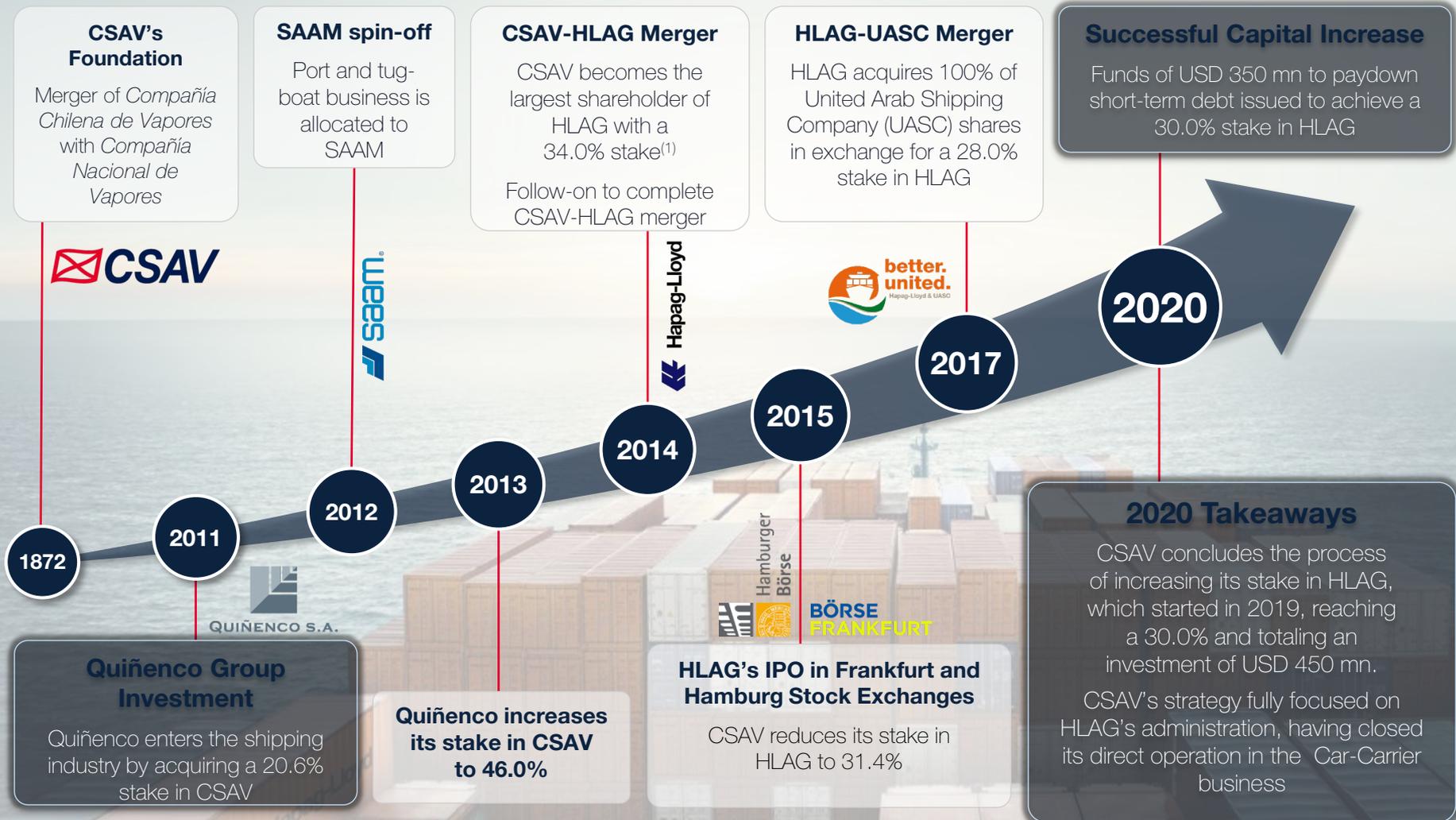
Net debt/
EBITDA



Joint controllership over Hapag-Lloyd is held via a **Shareholder Agreement** with other major stakeholders

Notes:
(1) Luksic Group's total stake divided between 3 separate legal entities: Inversiones Rio Bravo, Quiñenco Group and Inmobiliaria Norte Verde. Other minority stake shareholders (38.24%) includes BICE, Marítima de Inversiones, Nevasa, BTG Pactual, Banco ITAU Corpbanca, Bolsa de Comercio de Santiago, Banco Santander, BanChile, Consorcio, Tanner, among others.

CSAV: consolidation & success story



Source: CSAV's Annual Report 2019 and Public Offering Prospectus

Notes:

(1) As a result of the merger, CSAV becomes a shareholder of HLAG with 30.0% stake, which increased to 34.0% after subscribing 70.0% of HLAG's follow-on

Figures in USD million

Result	FY 2020	FY 2019	Y-o-Y
Equity-accounted investees	312.3	147.8	164.5
SG&A	-9.6	-7.8	-1.8
EBITDA (with equity-accounted investees)	302.8	140.1	162.7
Financial result & ex. rate diff.	-24.5	-9.6	-14.9
Taxes	-55.5	-0.1	-55.4
Discontinued operations	-0.6	-5.7	5.1
Net income	222.1	124.6	97.5

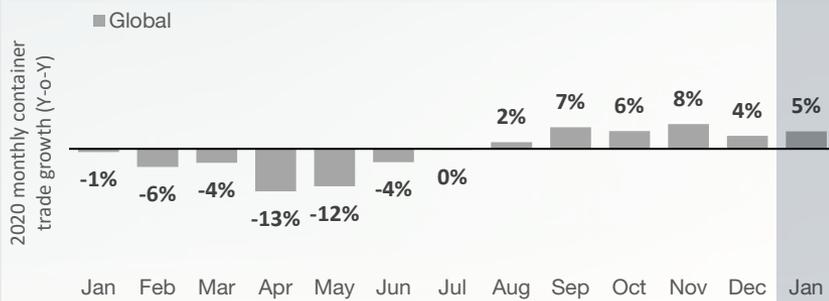
Note:

EBITDA = Equity-accounted investees - Operating loss + Depreciation + Amortization

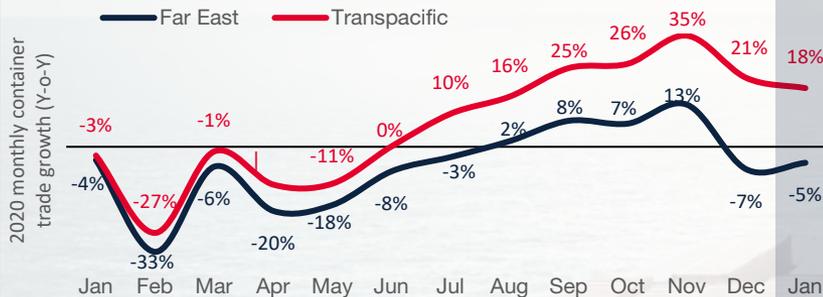
An aerial view of a container ship's deck, showing a large stack of intermodal containers in various colors (brown, white, blue, green) arranged in neat rows. The ship is on the open ocean, with the sun low on the horizon, creating a soft, golden glow over the water and sky. The text "1 | Industry" is overlaid on the right side of the image.

1 | Industry

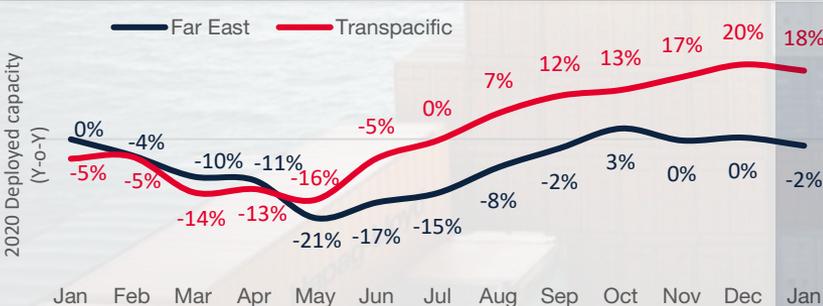
Heavy demand fluctuations in global demand...



...and in major traffics



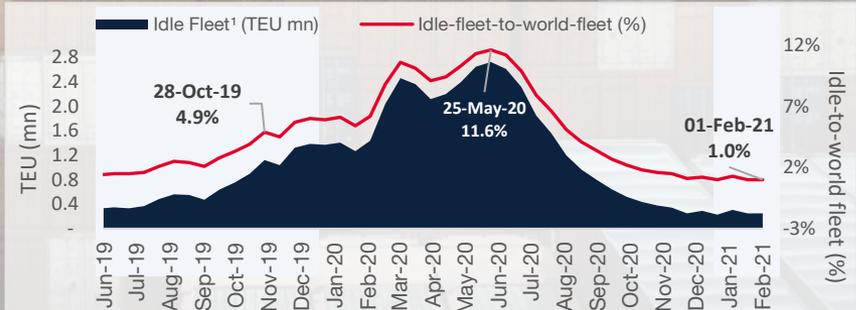
Capacity adjusted to better deal with demand variation



Demand explosion in H2 2020 spilling over into 2021

- Noticeable decrease in transport demand and available stocks during H1, mainly due to a drop in sales globally
- Lockdowns and other protection measures redirected consumers' behaviour from services to goods acquisition
- Expectations arisen from vaccines plus fiscal policies applied on different economies drove the demand upwards during H2
- Industry has been vigilant to demand fluctuations, adapting supply effectively throughout the pandemic

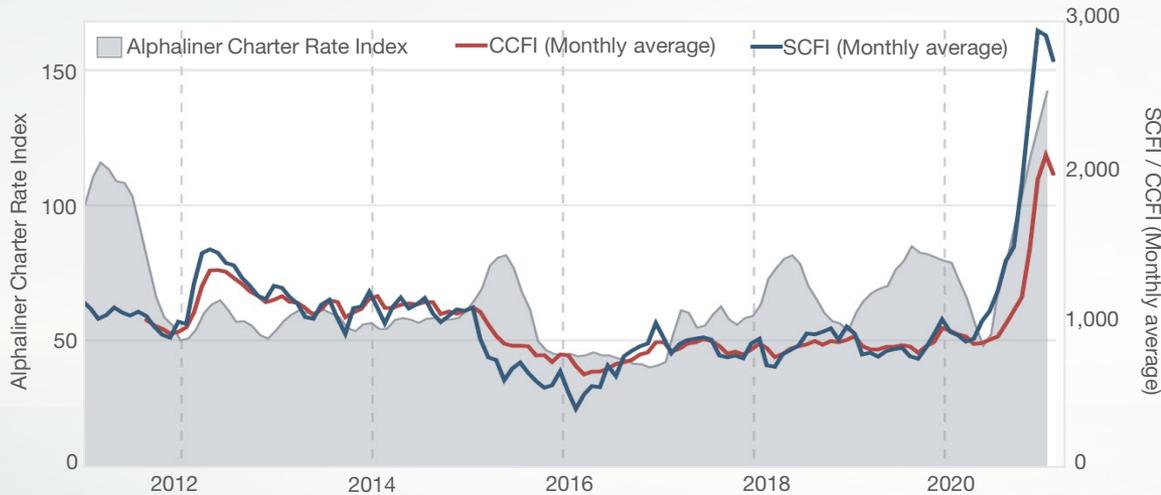
Idle Fleet decreased on H2 2020 to service demand recovery



Sources: Clarksons Research (March 2021), Alphaliner Monthly Monitor (February 2021)

CURRENT CHALLENGES DRIVEN BY SEVERAL FACTORS

Charter Rate Index and Freight Rate Indices evolution

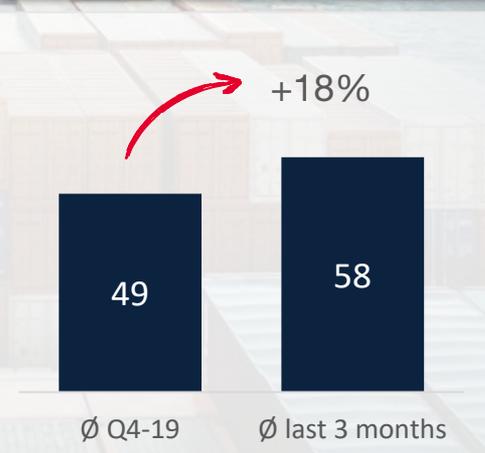


- Operational bottlenecks: mainly on terminals and Inland transport
- Volatile imbalances plus slower turn times causing container shortages

Bunker price development



HLAG increasing container usage time [days]

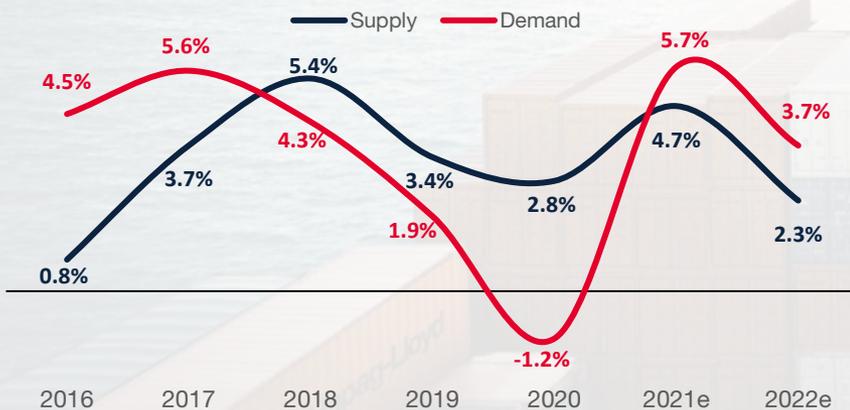


- Higher entry barriers and non-speculative growth by carriers and alliances
- Restrictions on vessel financing and cost of capital increase
- Technological change with limited room for further economies of scale
- Low scrapping level

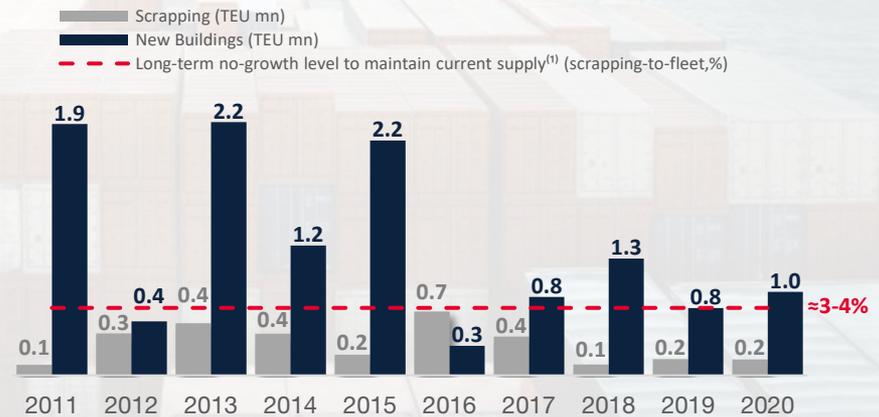
Record low Orderbook during H1 2020, improving towards Q4 and back to pre-pandemic levels by Q1 2021



Supply and demand expected to be 'fairly balanced' by mid-term



76% of new orders for 2020 placed on Q4, scrapping still at low levels



Source: Clarksons Research (March 2021), Hapag-Lloyd's FY 2020 Results Investor Presentation (March 2021)

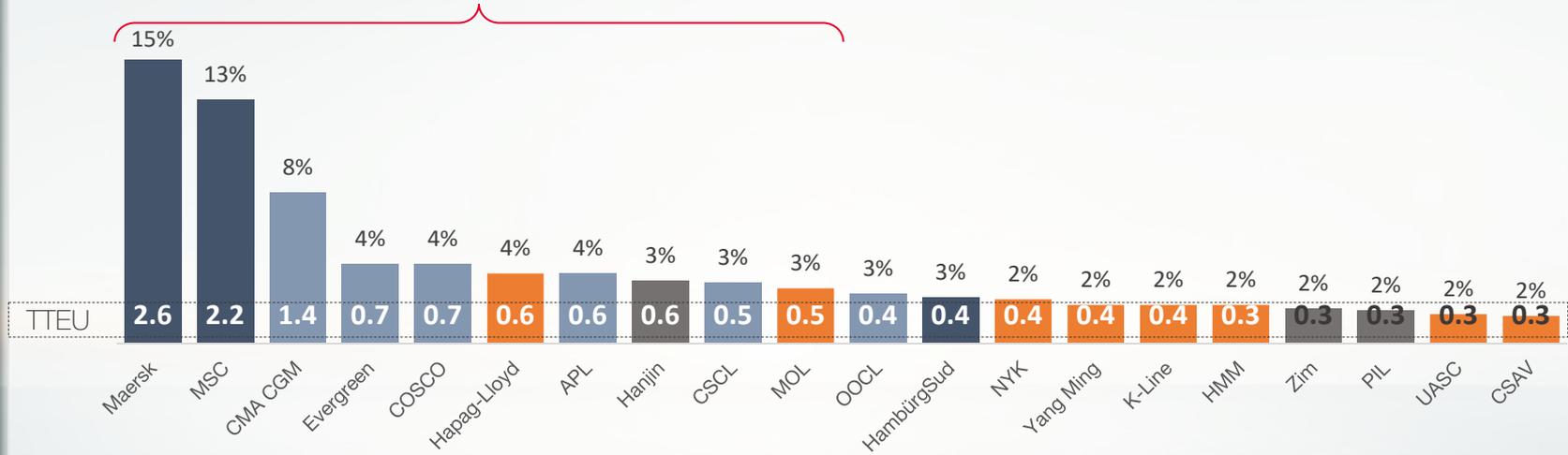
Notes:

(1) Assumes a useful life of 25 ≈ 33 years for vessels

COMPETITIVE LANDSCAPE RESHAPED BY INDUSTRY CONSOLIDATION

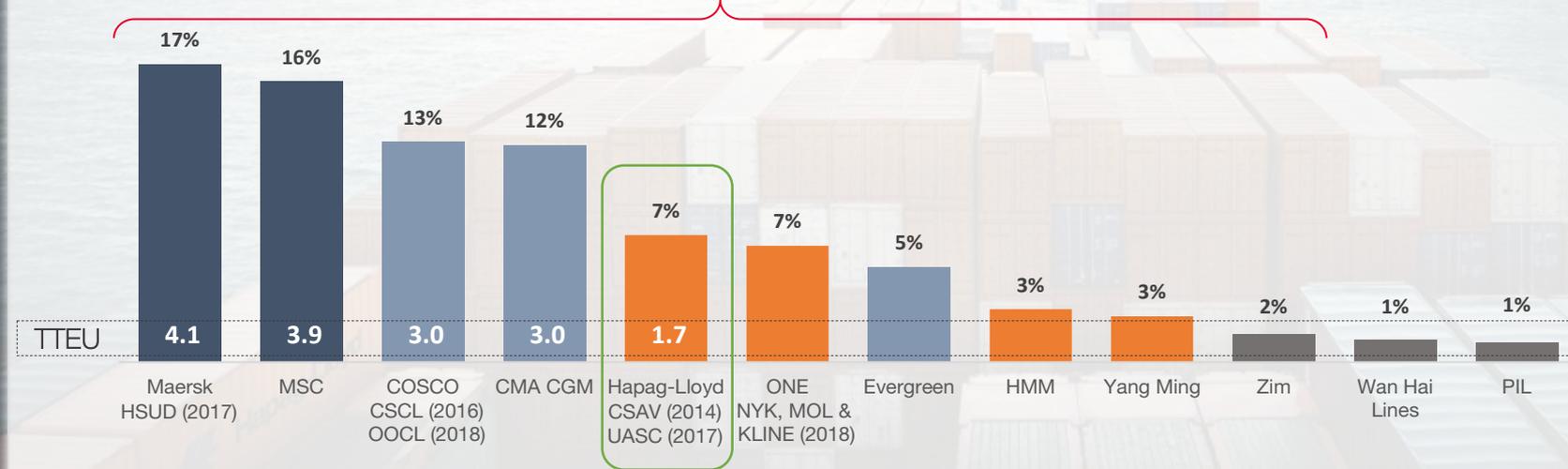
2013

TOP 10 63% market share¹



March 2021

TOP 10 84% market share¹



Sources: Alphaliner Monthly Monitor (March 2021)

Notes:

(1) Measured as carrier capacity (TEU) over world fleet capacity (TEU)

		THE Alliance	Ocean Alliance	2M
		   	  	 
Global Market Share ⁽¹⁾		82.4%		
Market Share ⁽¹⁾ Per Trade	Transpacific	27%	38%	26%
	Far East	25%	38%	37%
Total Vessels		631	1,257	1,296
Aggregate Container Capacity (TEU)		4.7 million	7.3 million	8.0 million
Avg. Vessel Capacity (Size)		7,447 TEU	5,837 TEU	6,166 TEU
New Vessel Orderbook	TEU	0.7 million	1.4 million	0.5 million
	Vessels	43	114	38
Avg. Capacity of New Vessels		15,798 TEU	12,142 TEU	12,247 TEU

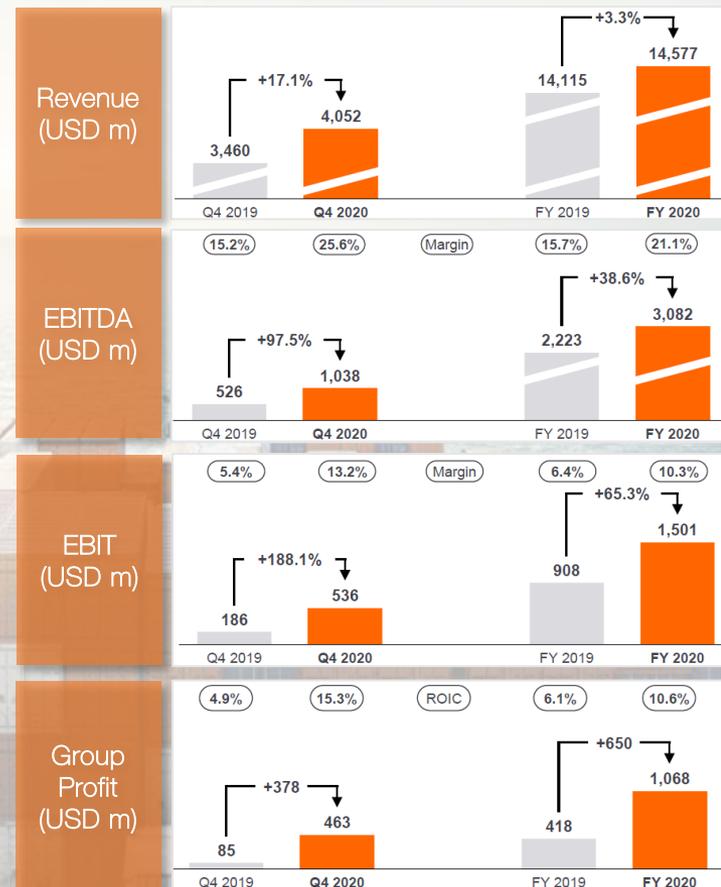
An aerial view of a container ship's deck, showing a large stack of intermodal containers. The containers are primarily brown, with some white and blue ones interspersed. The ship is on the ocean, and the sun is setting on the horizon, creating a warm, golden glow. The sky is a mix of light blue and orange. The text "2 | Hapag-Lloyd" is overlaid on the right side of the image.

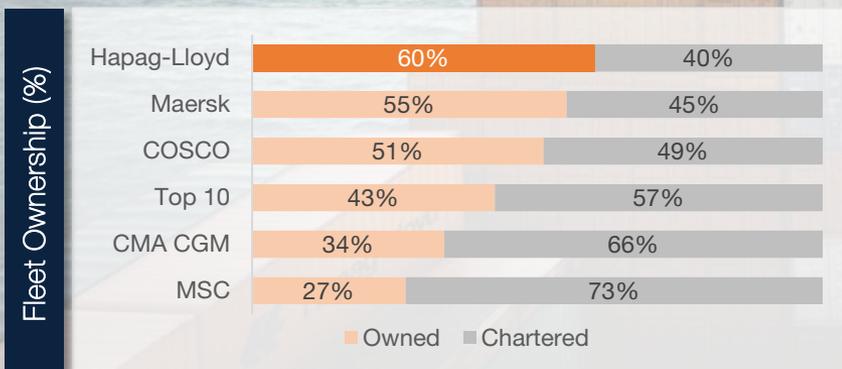
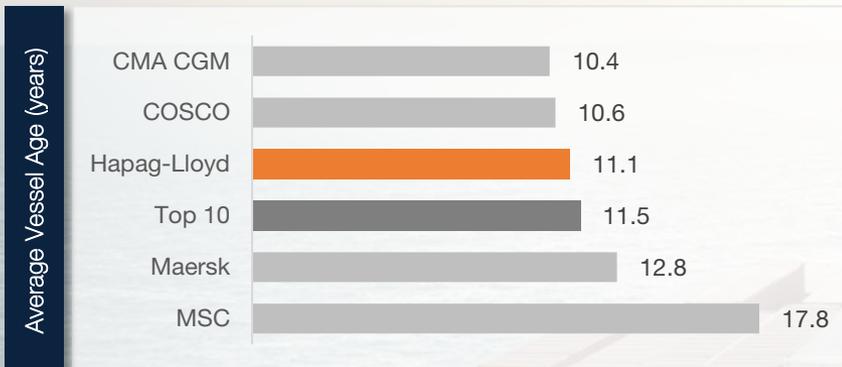
2 | Hapag-Lloyd

Financial result FY 2020

	FY 2020	FY 2019	Δ%
Transported volume (TTEU)	11,838	12,037	(2%) ↓
Average freight rate (USD/TEU)	1,115	1,072	4% ↑
Revenue (USD mm)	14,577	14,115	3% ↑
Transport expenses + D,A & I (USD/TEU)	(1,015)	(1,012)	0% ↑
Avg. bunker price (USD/ton)	379	416	(9%) ↓
EBITDA (USD mn)	3,082	2,223	39% ↑
EBIT (USD mn)	1,501	908	65% ↑
Net profit (USD mm)	1,068	418	156% ↑

Results improved strongly on the back of successful PSP measures, higher freight rates and lower bunker prices





HLA's current fleet	TEU	Ships
 >19,000 TEU	119,220	6
 15,000 ~ 18,000 TEU	164,923	11
 13,000 ~ 15,000 TEU	121,230	9
 10,000 ~ 13,000 TEU	189,285	15
 8,000 ~ 10,000 TEU	236,950	28
 6,000 ~ 8,000 TEU	108,327	15
 4,000 ~ 6,000 TEU	68,004	15
 2,300 ~ 4,000 TEU	35,951	12
 <2,300 TEU	1,585	1
Total Owned Fleet	1,045,475	112

New order of 6x23,500 LNG vessels



The vessels will be deployed on the Europe - Far East routes as part of THE Alliance and will **significantly increase Hapag-Lloyd's competitiveness** in this trade.

Vessels will be fitted with extremely **fuel-efficient dual fuel engine**, **reducing CO2 emissions by up to 25%**

The investment will be around **900 million US Dollar** with 60% of purchase price due at delivery (2023)



3 | Closing remarks



4 | Q&A

Hapag-Lloyd