



Compañía Sud Americana de Vapores

FY 2021 Financial Results

March 2022



CSAV

- Solid 2021 – US\$3.210mn in Profits driven by the positive performance of Hapag-Lloyd
- Share Price Evolution Dec20 - Dec21

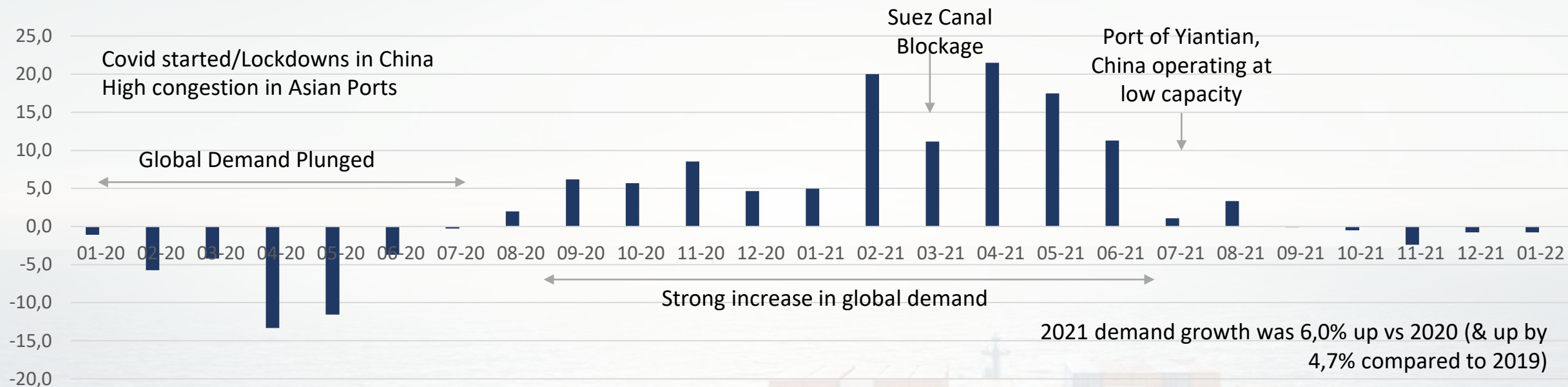
Hapag-Lloyd, CSAV's main investment

- In 2021, strong demand continued. Therefore, revenues increased strongly due to higher freight rates (+81%yoy) and transported volume (0,3%yoy)
- Transport expenses increased as a result of sustained disruption of the global supply chain (17%yoy)
- Extraordinary FY2021 EBIT 11.1 bn, 7,4x vs 2020
- Inorganic Africa Trades Growth:
 - NileDutch takeover is completed
 - DAL (Deutsche Afrika-Linen) will complement the service offering in the region
- Countermeasures to alleviate the system:
 - More People: +8% / +989
 - More Investments: 2021: in vessels, containers & acquisitions
 - New vessels +350,000 TEU in 2022-2025
 - New charters +200,000 TEU in 2022-2025
 - New IT Capabilities / Operational Optimizations
- Relative performance EBIT per TEU versus other players

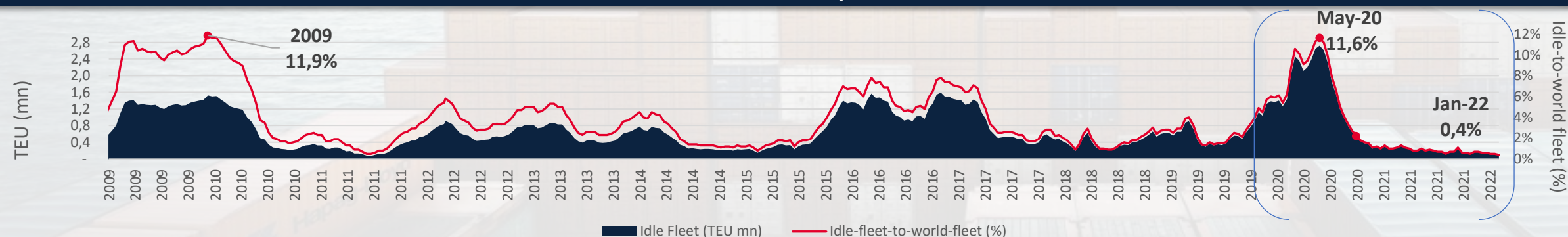
DEMAND EVOLUTION AMID COVID

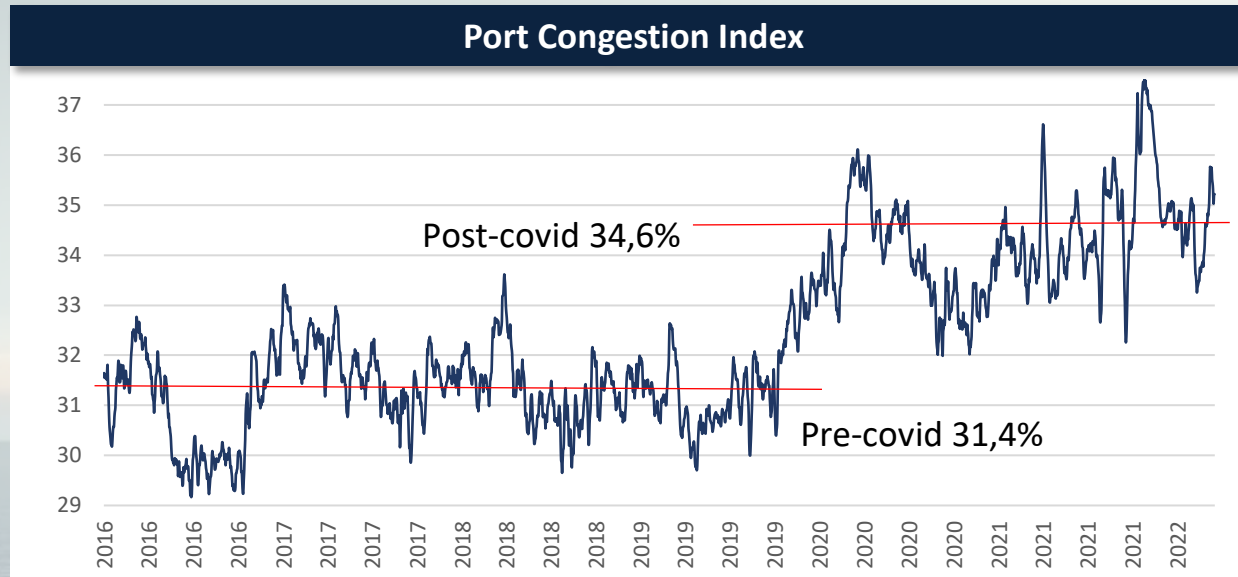
VOLATILE DEMAND GROWTH DURING THE COVID PANDEMIC

Global Demand Growth (%YoY)



Idle Fleet Evolution: in the last's quarters at minimum levels

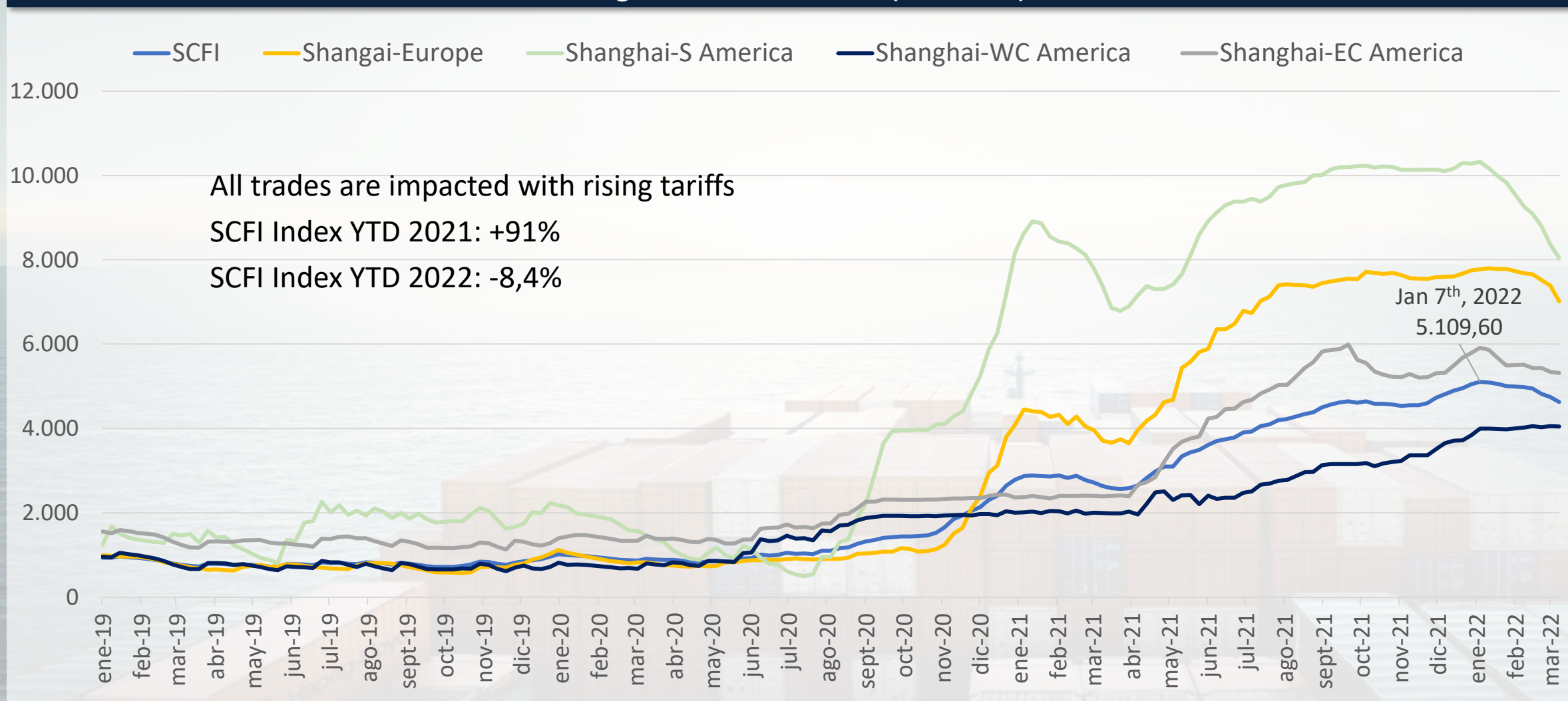




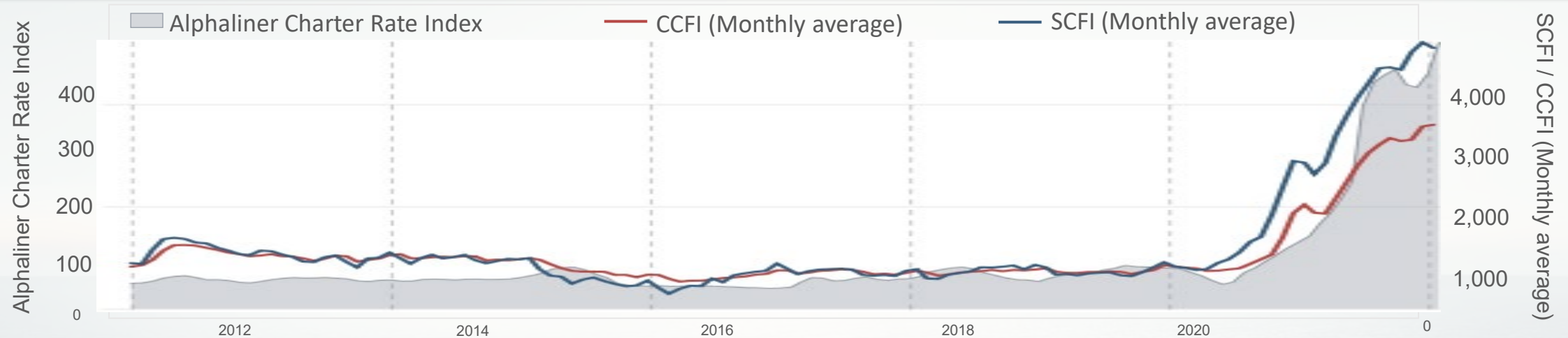
- ✗ Covid has negatively impacted inland productivity
- ✗ Lack of personnel along the supply chain (ports, truckers, warehouses, etc.)
- ✗ Third shift – 24/7 limitations
- ✗ Higher costs related (specially handling and haulage)
- ✗ Higher dwell times outside of the ports

- ✓ Network Optimization and moving capacity to high-demand trades
- ✓ Bypassing congested ports and re-routing of cargo to alternative gate-ways
- ✓ More Vessels: Second-hand tonnage, chartered additional vessels and deployed extra-loaders
- ✓ Ordered additional containers and repair older ones
- ✓ Additional workforce, IT capacity, new digital solutions to improve customer satisfaction and quality

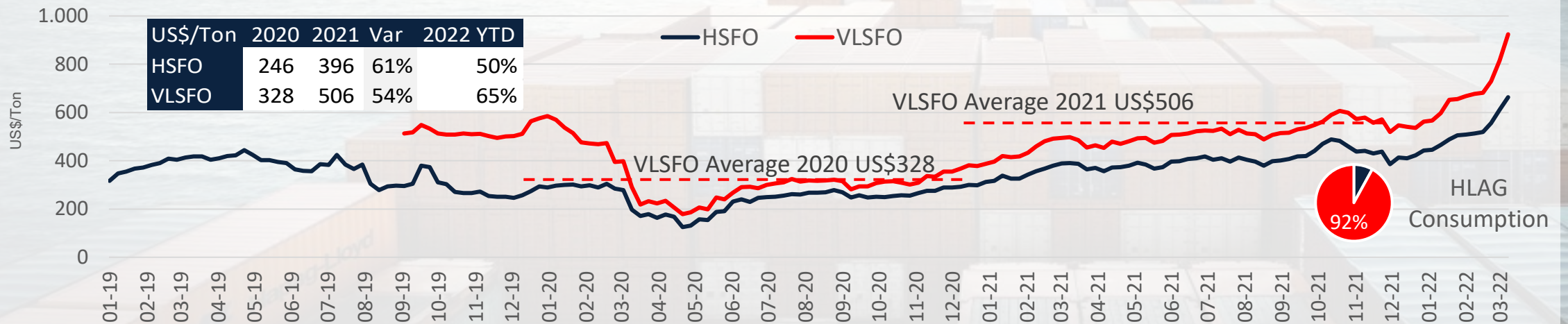
Freight Rates Evolution (US\$/TEU)



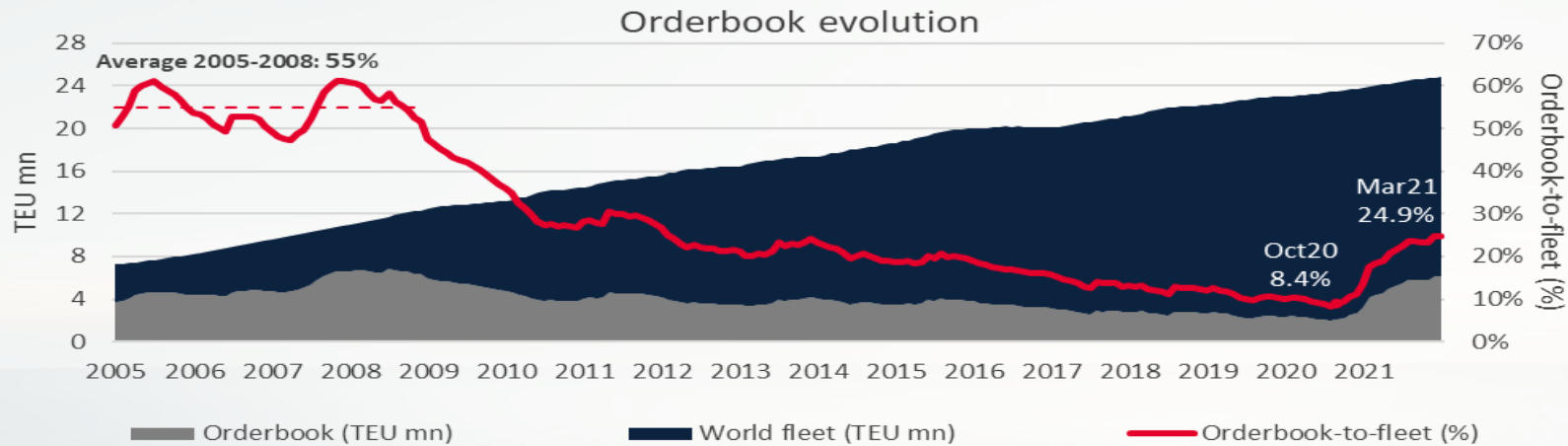
Charter Rate Index and Freight Rate Index evolution



Bunker price development (US\$/Ton)

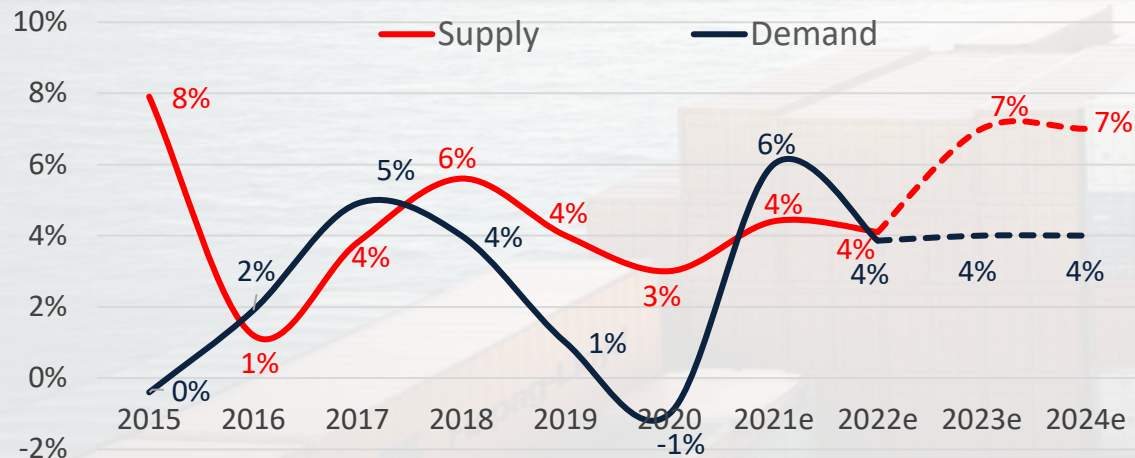


Healthier Orderbook to Fleet (%), though increasing during 2021 to better supply customers

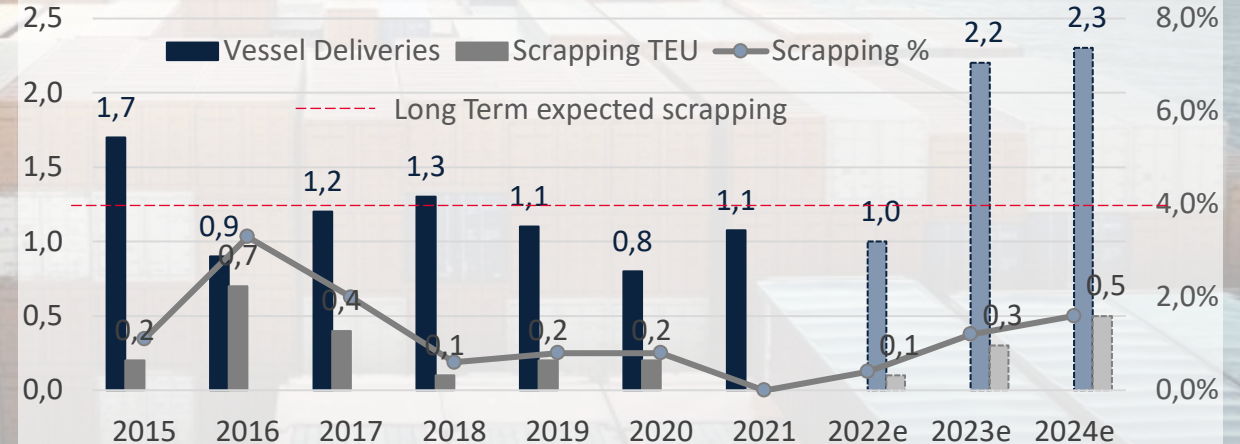


- Overall Healthy Orderbook
- Demand and Supply will become more balanced in the coming years, helping to ease the current situation
- Sustainable regulations may accelerate scrapping

2022e is expected to be balanced in terms of supply and demand

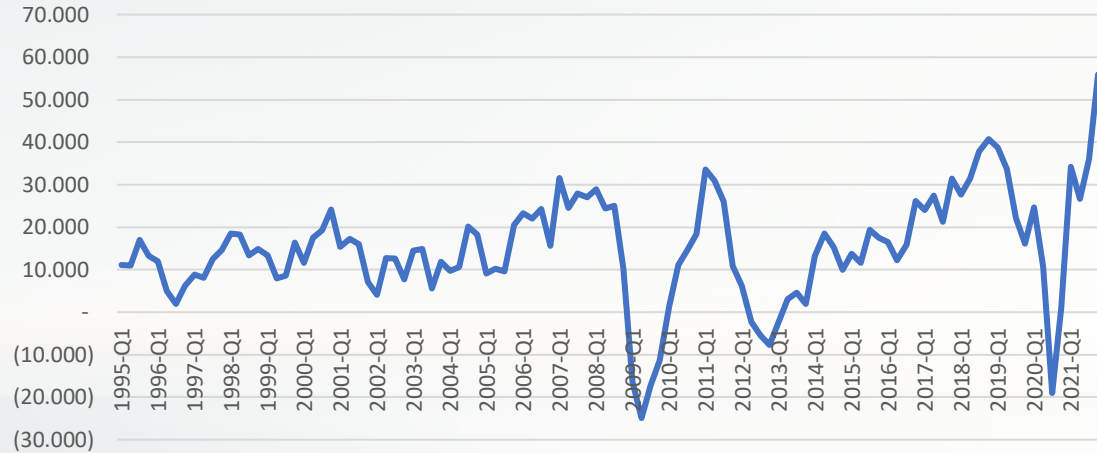


Scrapping is likely to pick up in 2023-2024



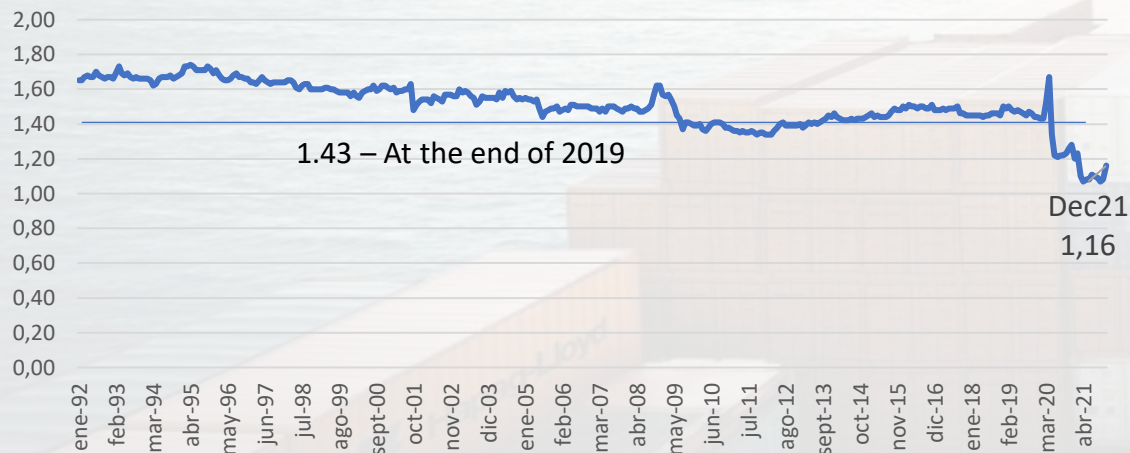
Notes:
(1) Assumes a useful life of 25 ≈ 33 years for vessels

EU Inventory Variation QoQ (mn euros)

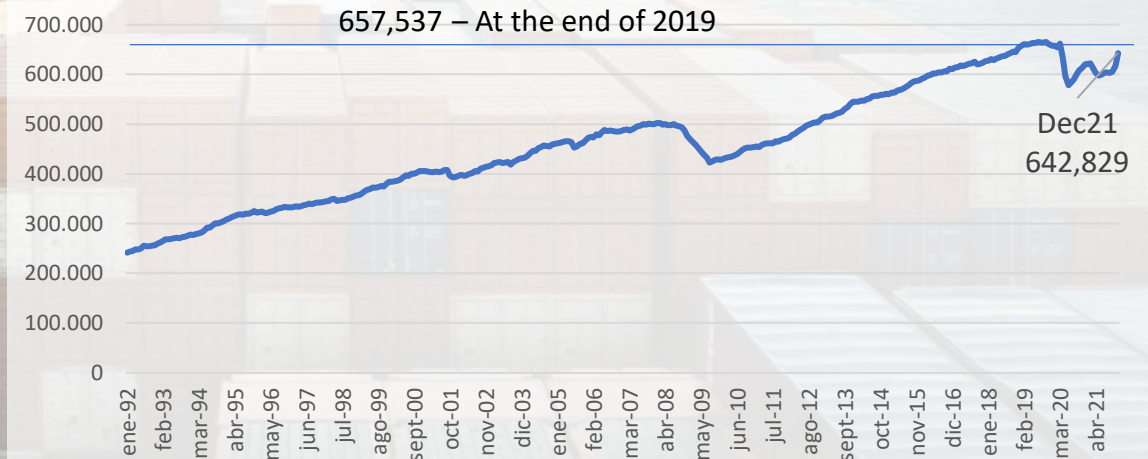


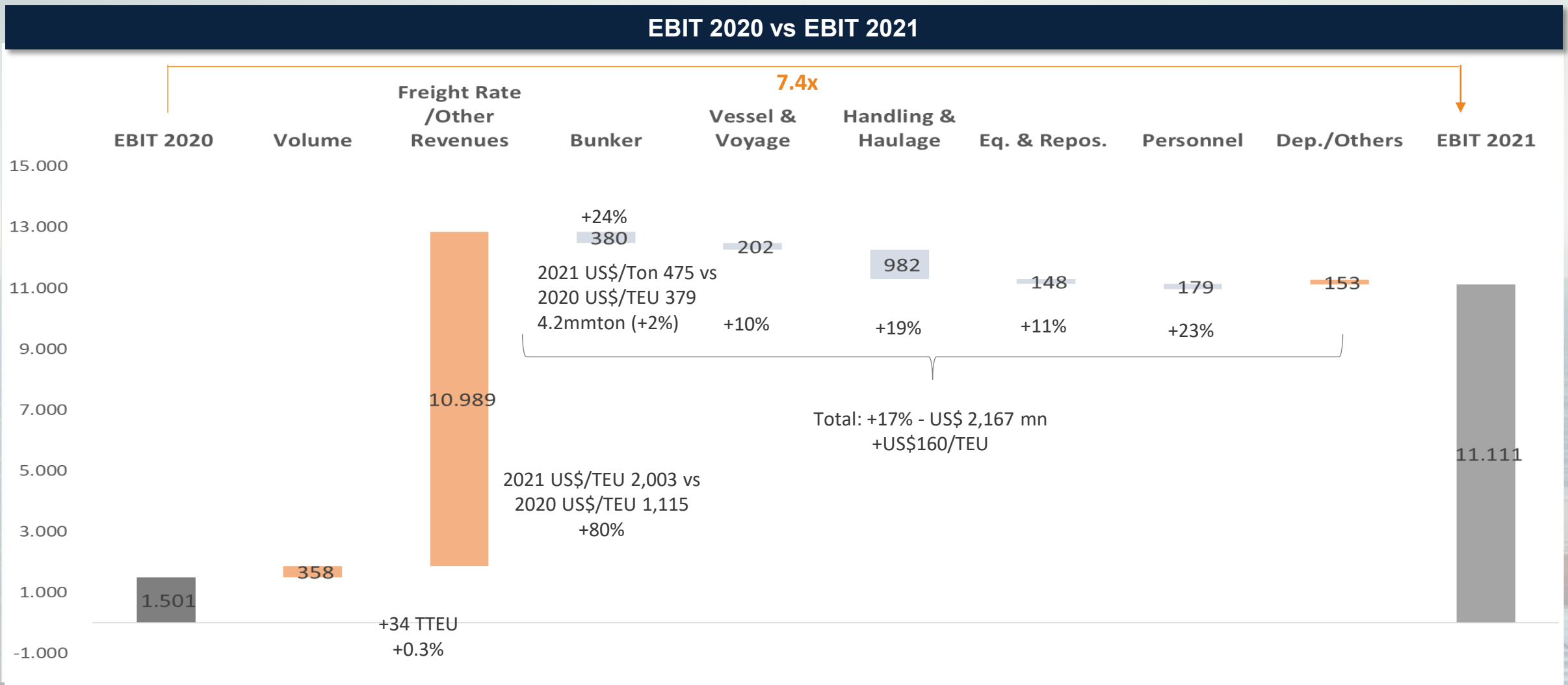
EU – normal inventory levels & US Inventory / Sales Ratio is still at a very low point and a high demand for goods continues.




Retail Inventory / Sales Ratio in the US (%)



Total Retail Inventory in the US (mn usd)

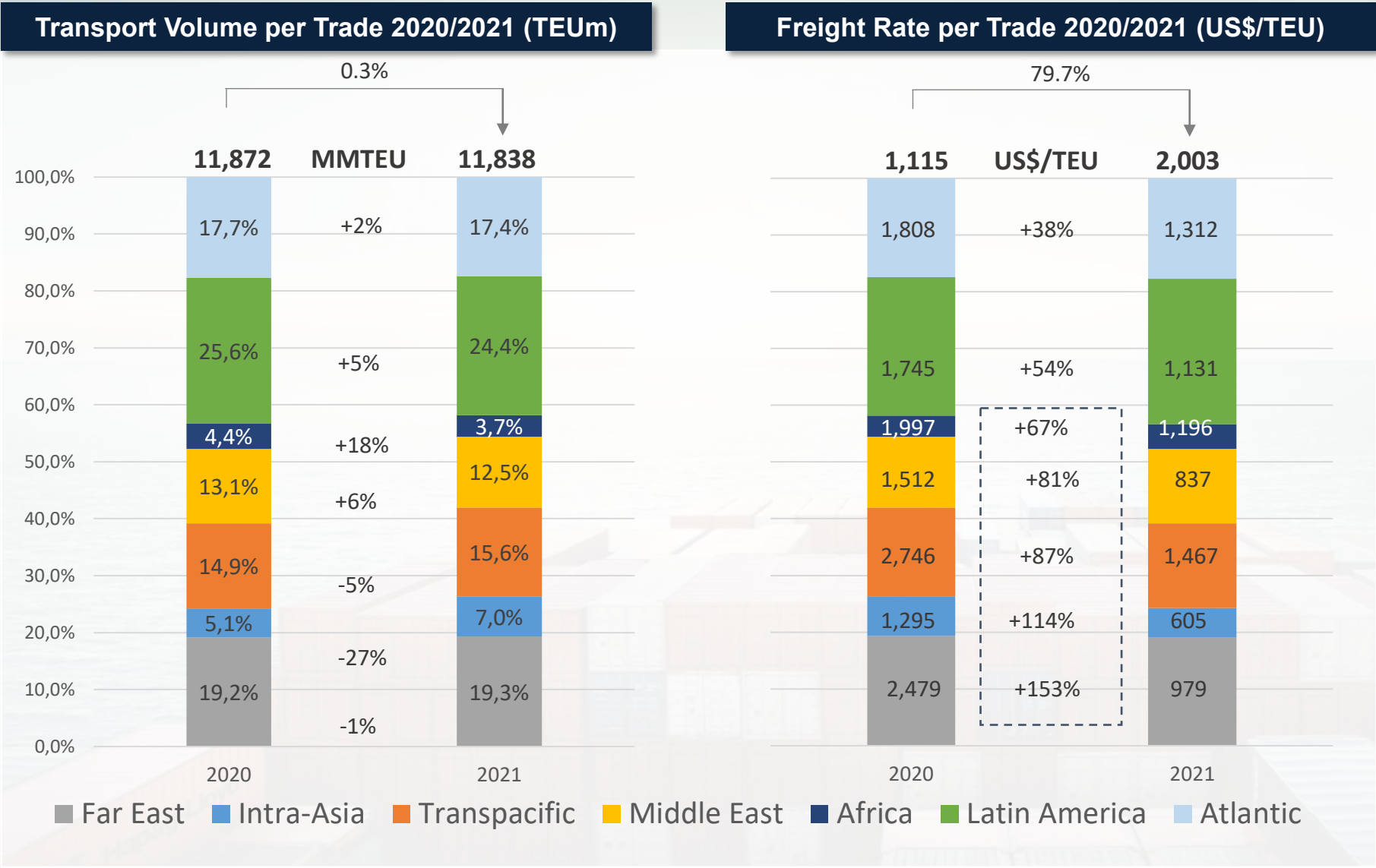




Capacity	2021 Financial Results				
 253 Total vessels		2021	2020	Δ%	
	Transported volume (TTEU)	11,872	11,838	0.3%	↑
	Average freight rate (USD/TEU)	2,003	1,115	80%	↑
 1,769 TTEU Vessels' aggregate capacity	Revenue (USD mm)	26,356	14,577	81%	↑
	Transport expenses + D,A & I (USD/TEU)	(1,175)	(1,015)	16%	↑
	Avg. bunker price (USD/ton)	475	378	26%	↑
 3,058 TTEU Containers' aggregate capacity	EBITDA (USD mn)	12,842	3,082	317%	↑
	EBIT (USD mn)	11,111	1,501	640%	↑
	Net profit (USD mm)	10,750	1,068	907%	↑

HLAG'S OPERATIONAL RESULTS

ROUTE OPTIMIZATION TO OVERCOME CONGESTION PROBLEMS



Since 2021 we offer our customers multi-year contracts at fixed rates to secure allocation and improve efficiency

QFP (QUALITY FREIGHT PRODUCT)

Fixed Price



The freight rate is fixed during the contract period. Market fluctuations will be avoided.

Shipment & EQ Guarantee



The shipment is protected from any roll over from the initially booked vessel.

Secure Flexibility



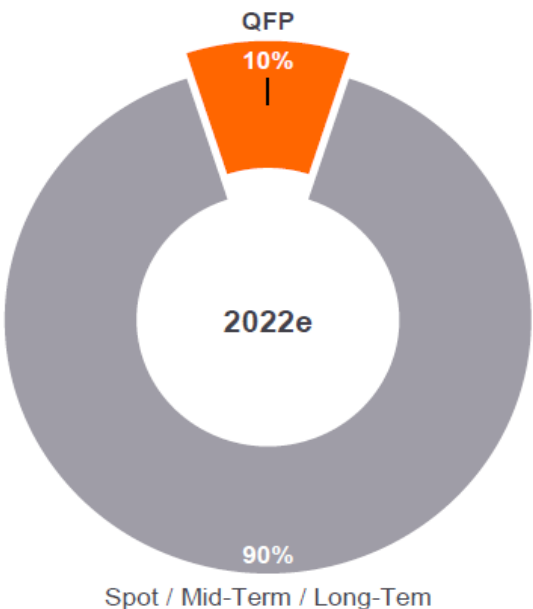
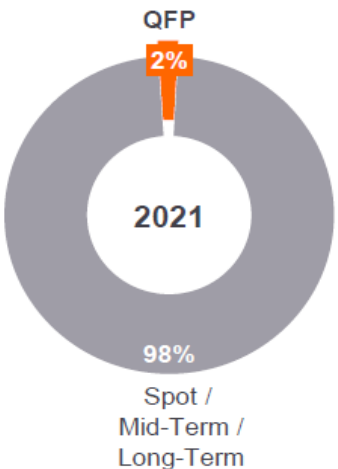
Overbooking (up to 10%) is allowed to ensure uptake of the agreed allocation.

100% Mutual Commitment



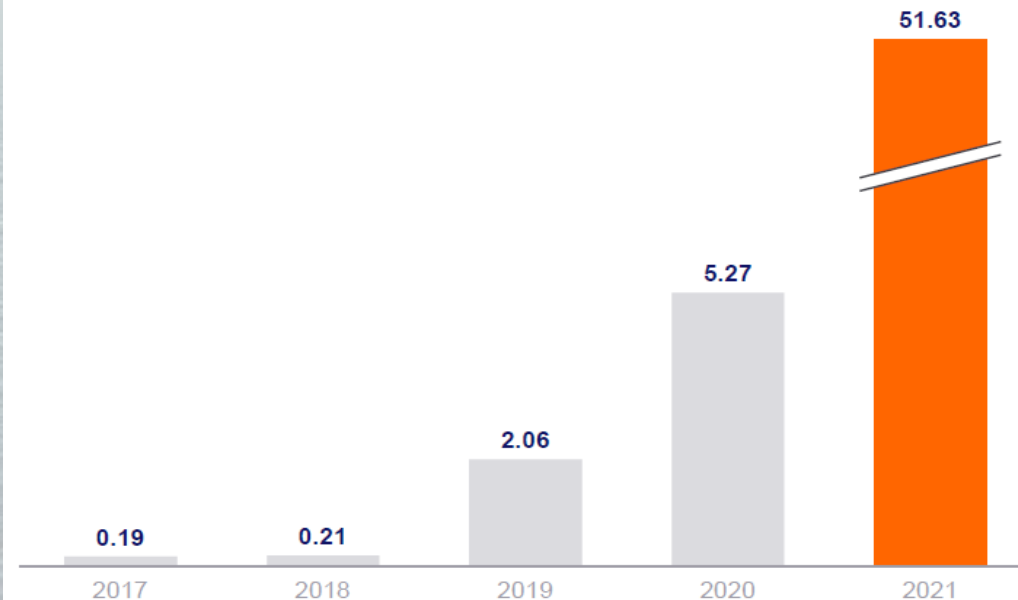
Compensation on the basis of not granting the commitment's base is in place for peace of mind.

QFP AMBITION FOR 2022



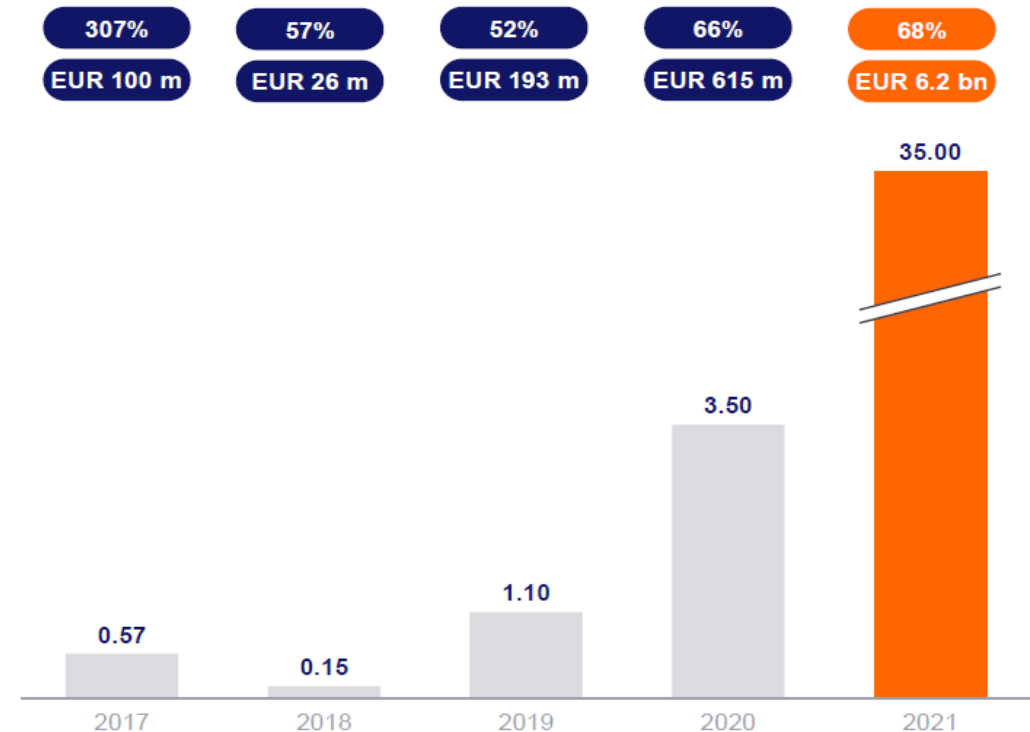
Based on the strong result in 2021, we propose to the AGM a dividend distribution of EUR 35 per share

EPS [EUR/share]



DPS [EUR/share]

Dividend ratio based on EAT¹⁾



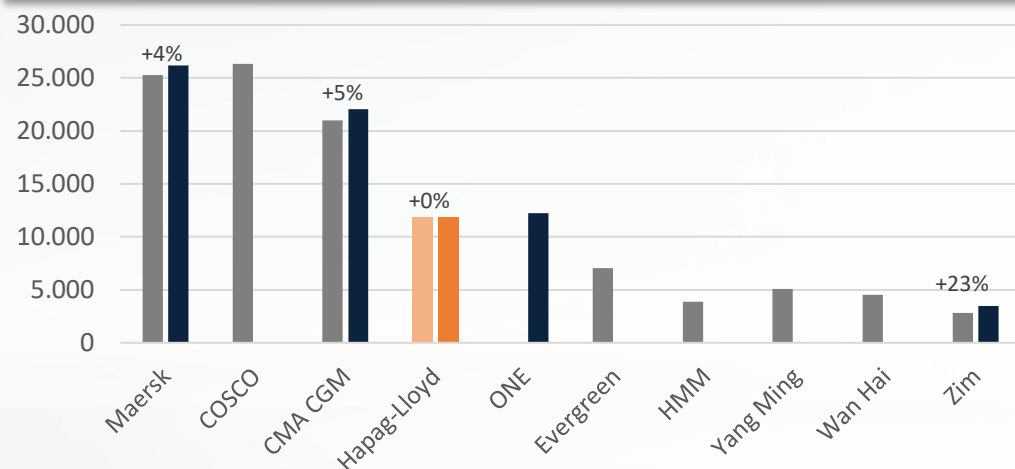
Industry's Results

+6%

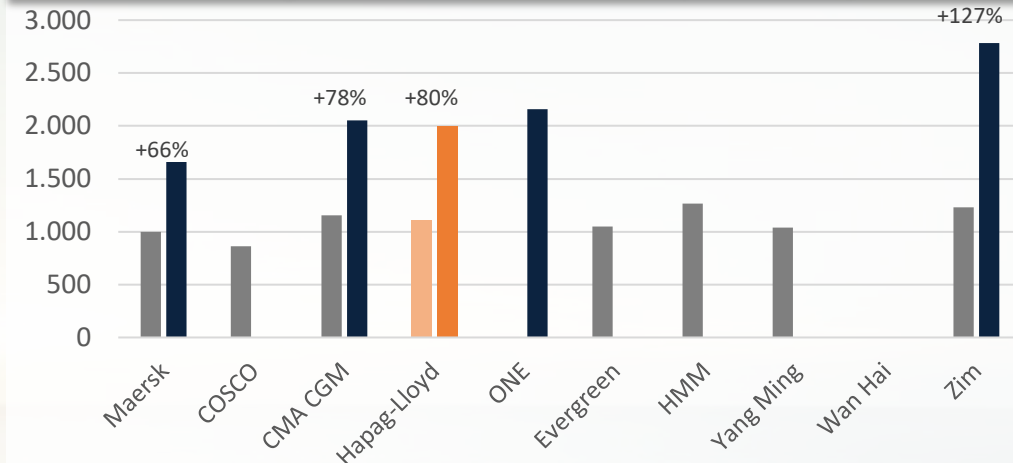
STRONG RESULTS CONSIDERING **GEOGRAPHICAL MIX** & **SPOT EXPOSURE**



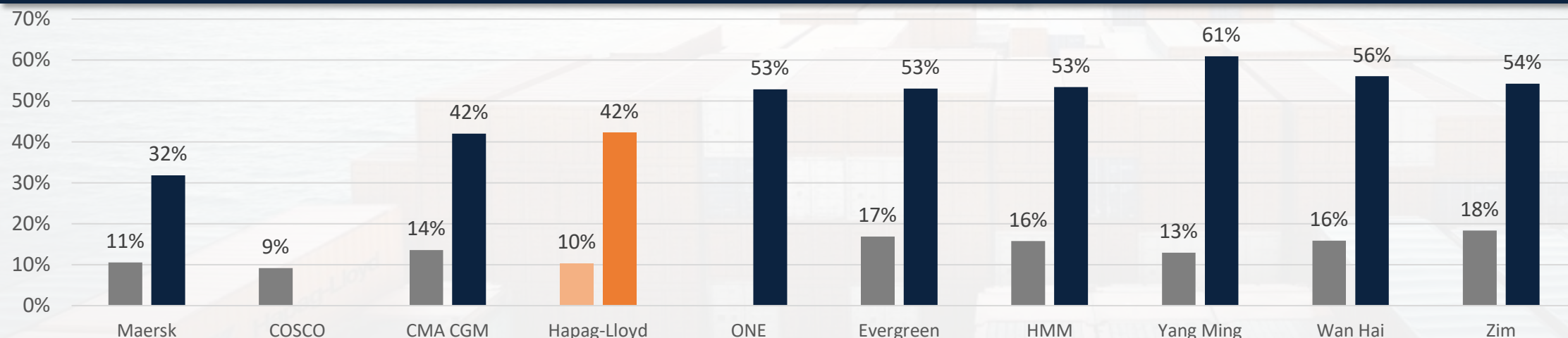
Transported Volume 2020 vs 2021 (TEUm)








Freight Rate 2020 vs 2021 (US\$/TEU)



EBIT Mg 2020 vs 2021 (%)

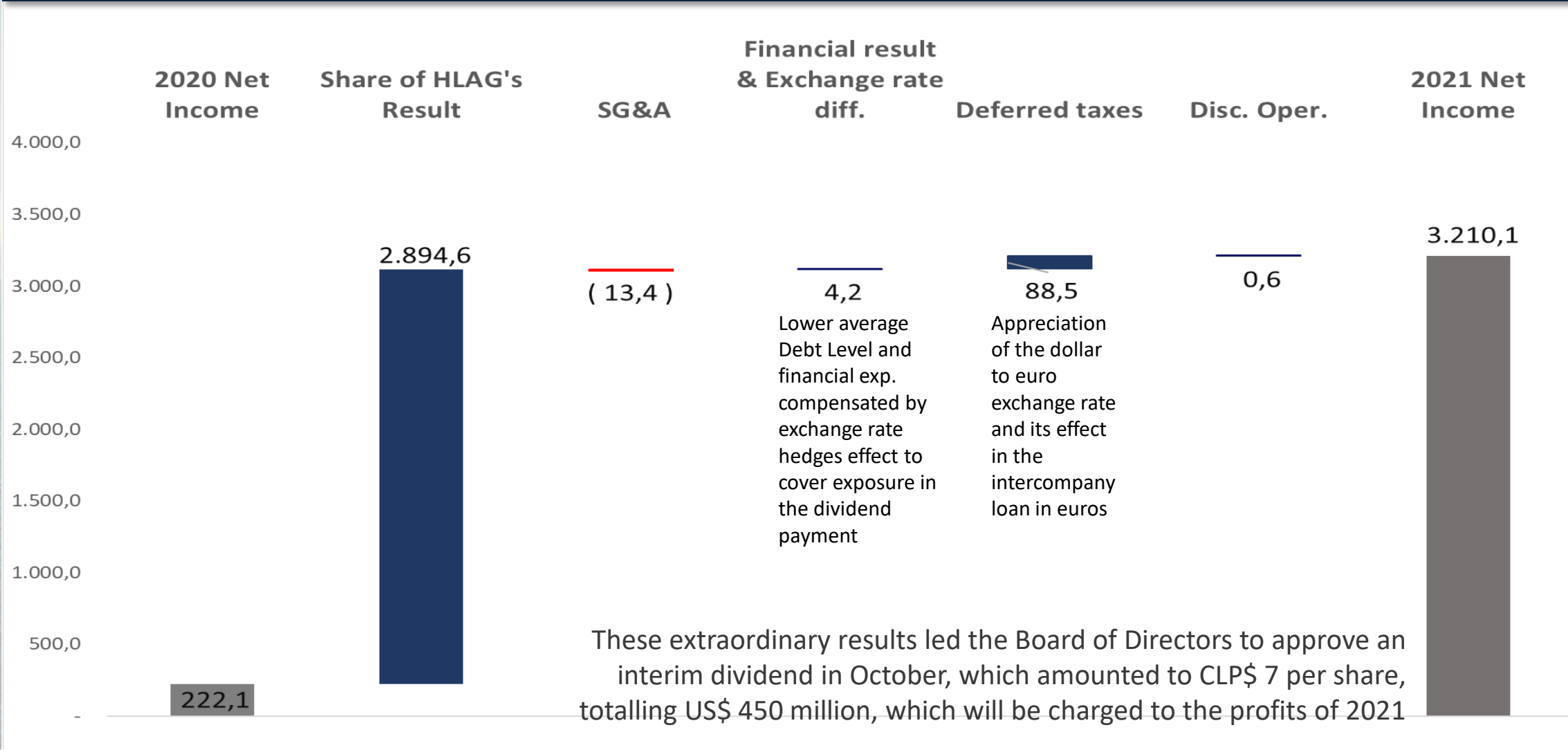


	2021	Guidance FY 2022 (*)
 Transport volume	11,872 TTEU	Increasing slightly
 Avg. freight rate	2,003 USD/TEU	Increasing moderately
 Avg. bunker consumption price	475 USD/mt	Increasing clearly
 EBITDA	USD 12,842 m	USD 12,000-14,000 m
 EBIT	USD 11,111 m	USD 10.000 – 12.000 m

Earnings momentum expected to remain on a high level in the 1H22, followed by a beginning normalization of earnings in the 2H22, due to an anticipated recovery of supply chains.

(*) In view of the ongoing COVID-19 pandemic and the current situation in Ukraine, the forecast is subject to considerable uncertainty..

Net Income 2020 vs 2021



ASSETS	As of December 31, 2021	As of December 31, 2020	Change	
	MM US\$	MM US\$	%	MM US\$
Current assets	25.4	82.2	(69.1%)	(56.8)
Cash and cash equivalents	23.7	81.7	(71.0%)	(58.0)
Other	1.7	0.5	223.2%	1.2
Non-current assets	5,999.8	2,953.8	103.1%	3,046.0
Equity method investments	5,748.8	2,738.1	110.0%	3,010.7
Deferred tax assets	240.3	203.7	18.0%	36.6
Investment property and Other	10.7	12.0	(10.8%)	(1.3)
Total assets	6,025.2	3,036.0	98.5%	2,989.2
LIABILITIES AND EQUITY	As of December 31, 2021	As of December 31, 2020	Change	
	MM US\$	MM US\$	%	MM US\$
Current liabilities	987.9	135.2	630.6%	852.7
Financial liabilities, current	460.9	64.9	610.2%	396.0
Other	527.0	70.3	649.5%	456.7
Non-current liabilities	154.7	177.9	(13.1%)	(23.2)
Financial liabilities, non-current	139.4	165.1	(15.6%)	(25.7)
Other	15.3	12.8	19.3%	2.5
Total equity	4,882.7	2,722.9	79.3%	2,159.7
Total liabilities and equity	6,025.2	3,036.0	98.5%	2,989.2

Main reasons in MMUS\$

- HLAG Stake (w/PPA) : +3,220.4 mn
- Other Reserves: +16.0mn
- HLAG Div. -225.7mn

- Effect due to interests received from CGHO: -14.2mn
- Effect due to loan from CGHO (exch. Rate in receivables): +38.4mn
- Exchange Rate Hedges: +1.9mn
- Others +10.0mn

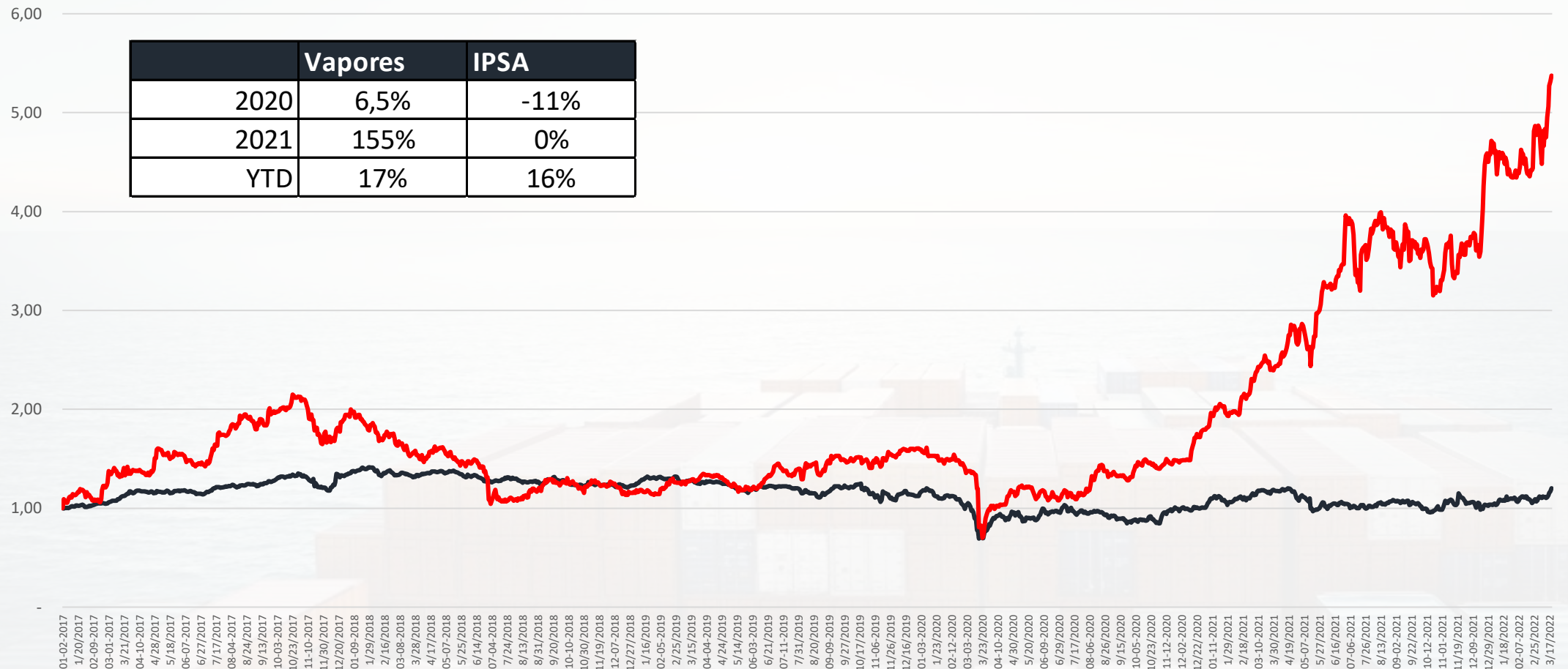
- Loans received: +450mn
- Loans paid: -74.4mn
- Accrued Interests & others: +12.6mn
- Non-current to current: +10mn

- 2021 Dividend provision : +963mn
- 2021 Interim dividend paid: -450mn
- 2020 Dividend provision: -67mn

- BTG Payment: -16mn
- Non-current to current: -10mn

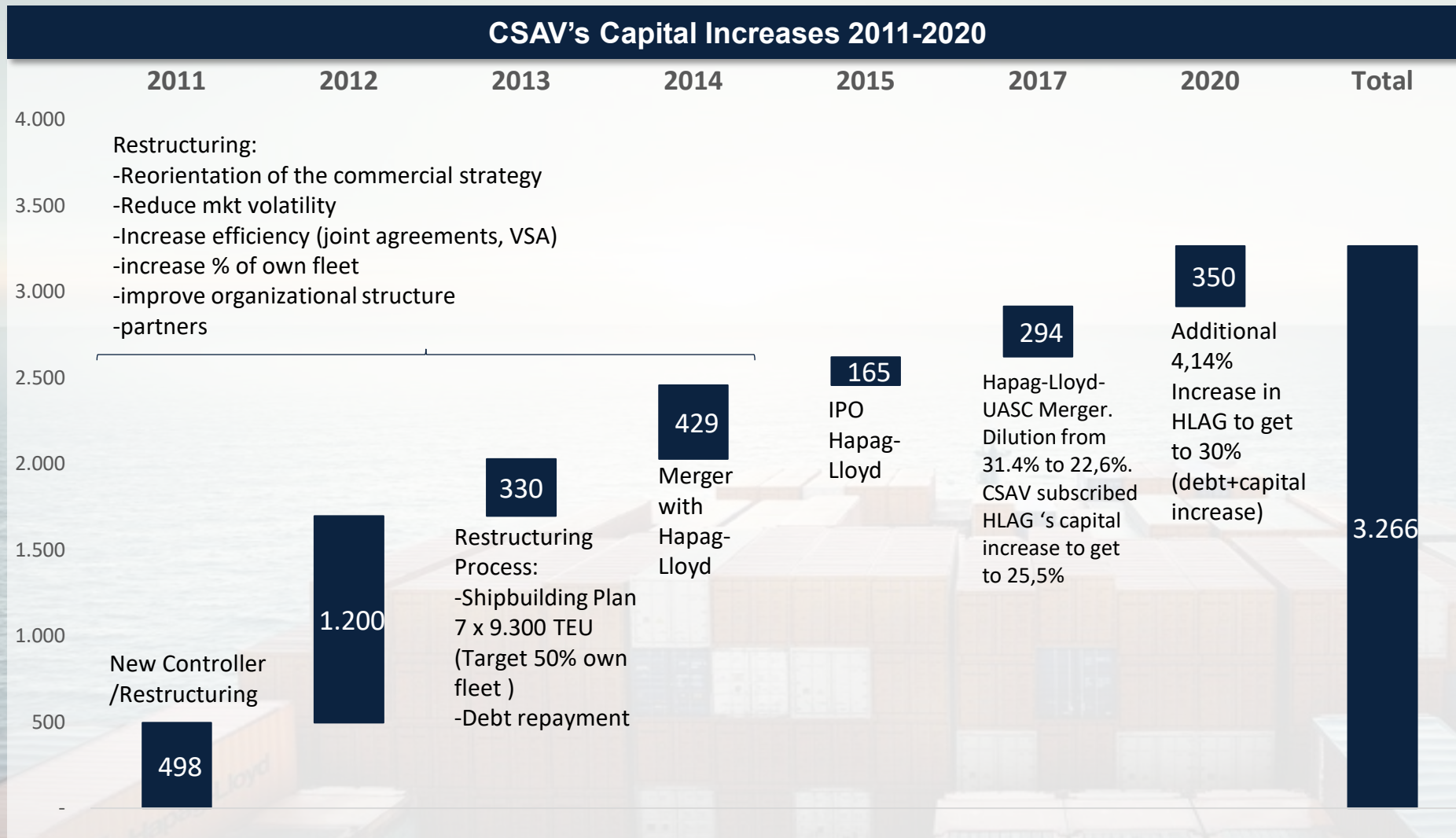
- Net Income of the period: +3,210mn
- Additional Dividend Paid: -103.4 mn
- 2021 Dividend Provision: -963.0mn
- Other Reserves: -1.7mn

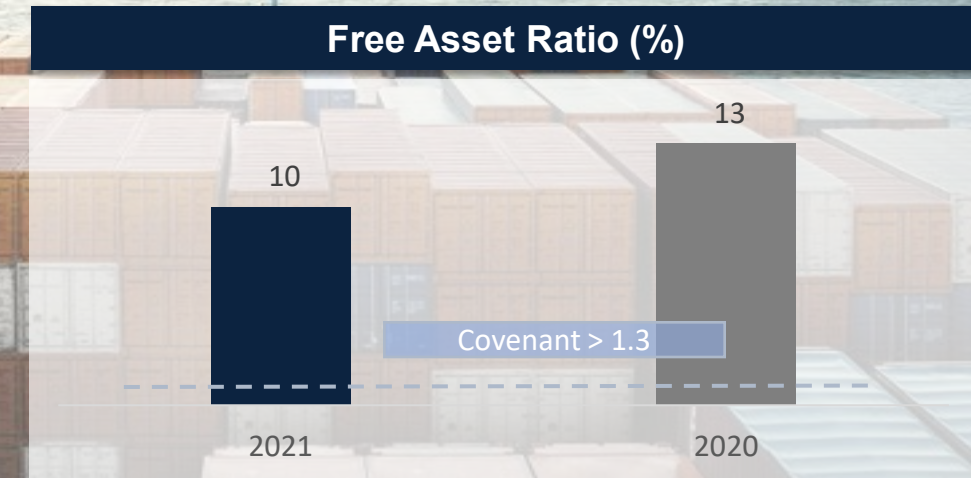
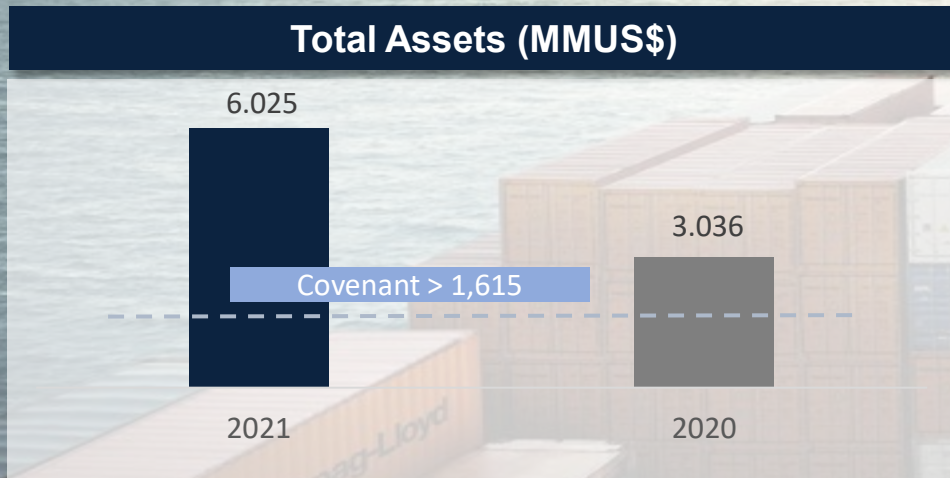
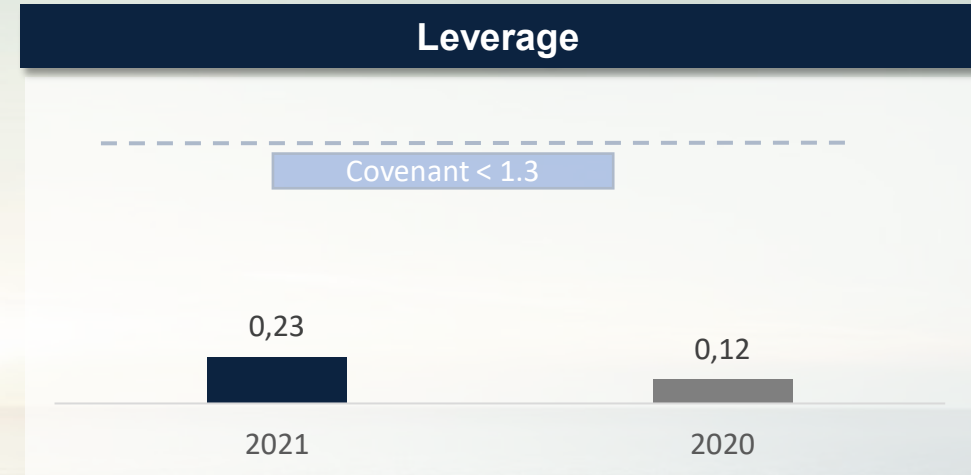
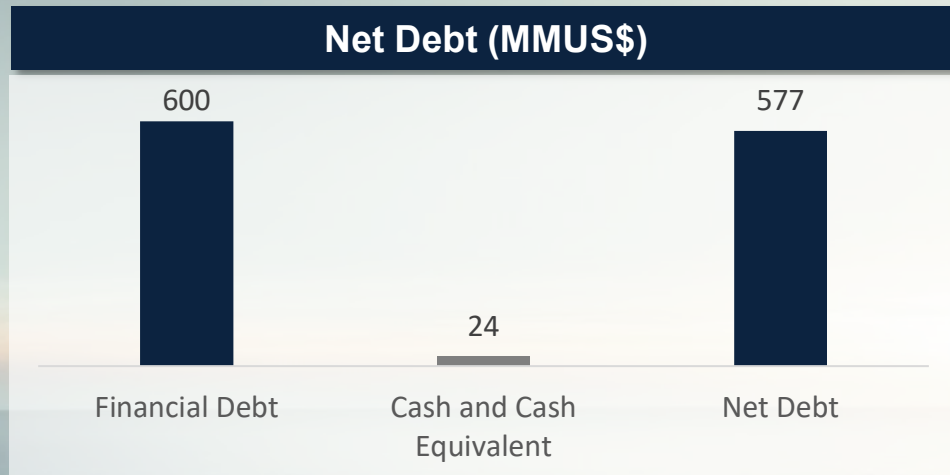
CSAV's Share Price 2017-2022 (CLP)



CSAV's SUCCESS STORY & CONSOLIDATION

AFTER RISING US\$ 3.3BN IN CAPITAL IN THE LASTS 10 YEARS, RESULTS ARE COMING IN







We are an actor in the sustainable
**development
of global
trade**

WE ARE AN ACTOR IN THE SUSTAINABLE DEVELOPMENT OF GLOBAL TRADE

ESG STRATEGY



Annexes



Figures in USD million

Result	2021	2020	Y-o-Y
Equity-accounted investees	3,220.4	312.3	2,908.1
SG&A and Other Op. Income	(23.1)	(9.6)	(13.4)
Operational Result (with equity-accounted investees)	3,197.3	302.7	2,894.6
Financial result & ex. rate diff.	(20.2)	(24.4)	4.2
Taxes	33.0	(55.5)	88.5
Discontinued operations	0.007	(0.6)	0.6
Net income	3,210.1	222.1	2,987.9

Record profits.
Results were driven by the good performance of Hapag-Lloyd.

Statements of Cash Flow	As of December 31,		Change	
	2021	2020		
Cash and cash equivalents at the beginning of the period	81.7	53.6	52.3%	28.0
Cash flows from operating activities	(19.0)	(7.3)	161%	(11.7)
Proceeds from operating activities	0.7	25.7	(97%)	(25.0)
Payments from operating activities	(19.5)	(31.6)	(38%)	12.2
Income taxes and other	(0.2)	(1.3)	(85%)	1.1
Cash flows from investing activities	219.0	(261.3)	(184%)	480.3
Payments to acquire interests in joint ventures	0.0	(329.1)	(100%)	329.1
Dividends received, net	218.7	65.8	232%	152.9
Interest received and other	0.2	1.9	(88%)	(1.7)
Cash flows from financing activities	(260.5)	298.1	(187%)	(558.5)
Capital increases	0.0	349.1	(100%)	(349.1)
Loans obtained to non-related parties	450.2	55.0	719%	395.2
Loans obtained from and paid to related parties	0.0	(30.0)	(100%)	30.0
Loans paid to non-related parties	(81.0)	(45.0)	80%	(36.0)
Interest paid and other payments	(11.0)	(23.1)	(52%)	12.1
Repayment of finance lease liabilities	0.0	(7.9)	(100%)	7.9
Dividends paid	(618.7)	0.0	-	(618.7)
Exchange rate effect	2.6	(1.4)	(282%)	4.0
Increase (decrease) in cash and cash equivalents	(58.0)	28.0	(307%)	(86.0)
Cash and cash equivalents at the end	23.7	81.7	(71%)	(58.0)

Main reasons in MMUS\$

2021:

- Board Compensation: -9.1mn
- G&A expenses: -10.3mn
- Lease & asset sale & taxes: 0.4mn

2020:

- Car Carrier: +1.5mn
- IFRS16 – RoU: +7.9mn
- SG&A expenses: -16.4mn
- Leases: +0.8mn
- Tax Penalty: -1.1mn

2021:

- Dividends Received: +218.7mn
- Interests on time deposits: +0.1mn
- Asset sale: +0.2mn

2020:

- HLAG Stake: -329.1mn
- Tecnopacífico Sale: +1.7mn
- Interests on time deposits: +0.3mn
- Dividends Received: +65.8mn

2021:

- Loans - expenses : +448.9mn
- Loans & interests Paid: -33.9mn
- Serie B Bond paid incl. int.: -56.6mn
- Dividends Paid: -618.7mn

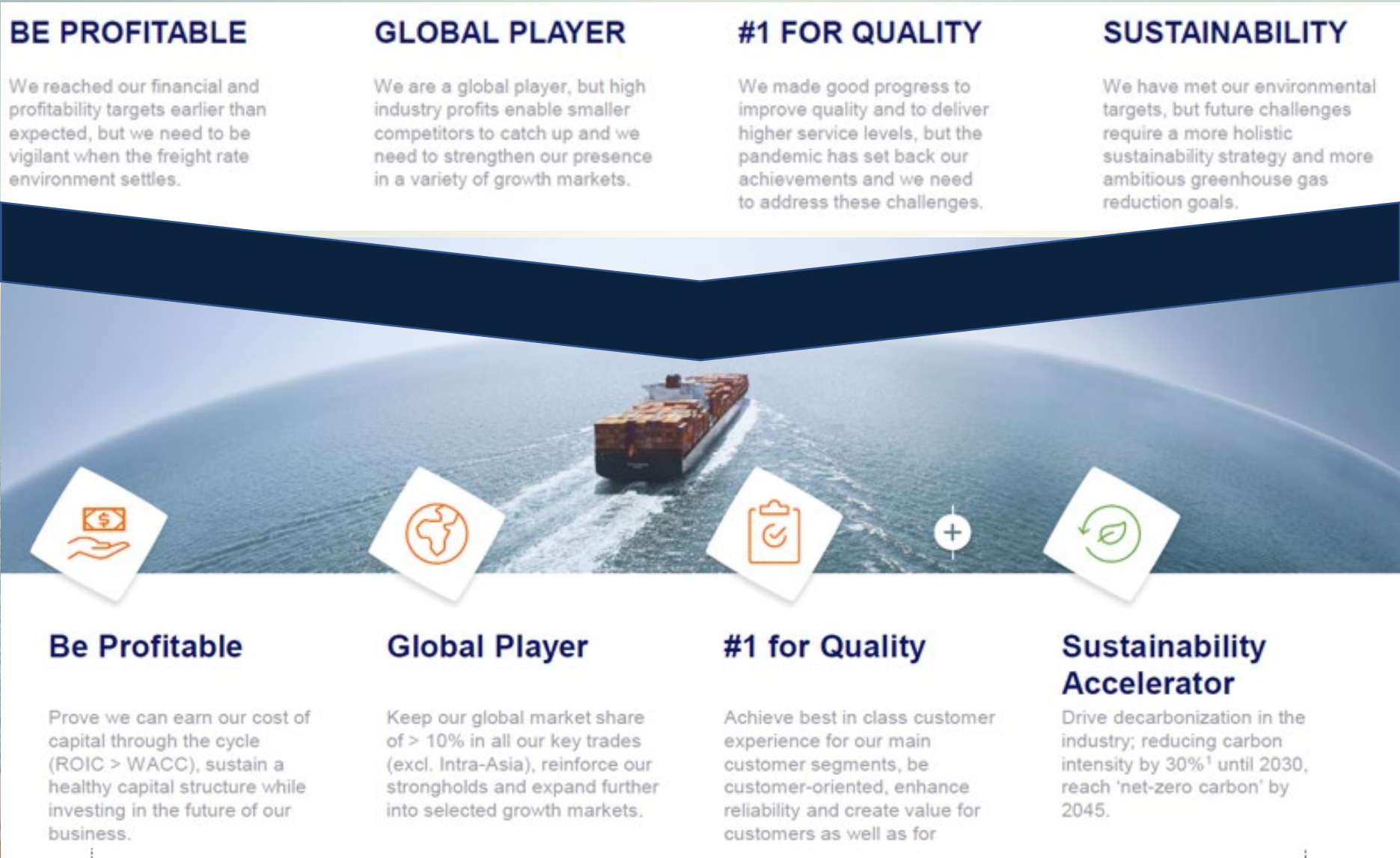
2020:

- Capital Increase: +349.1mn
- Quiñenco Loan: +300mn paid in the same year
- Net Loans & bonds: -13.1mn
- Chartered Vessels: -7.9mn

HLAG UPDATED ITS 2023 STRATEGY LAUNCHED IN 2018



SUSTAINABILITY AT THE CORE OF THE BUSINESS



Long-term financial targets and target achievement

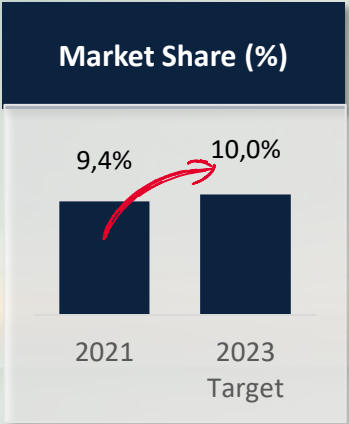
	Target	2021 Actual
Profitability	ROIC > WACC	70.0% ROIC > 7.0% WACC
Net Leverage	≤ 3x Net Leverage / EBITDA	Net Cash
Liquidity	~USD 1.1 bn	USD 9.3 bn
Equity	> 45%	60%
Dividend Policy	≥ 30% of EAT	68%

REMAIN A GLOBAL PLAYER

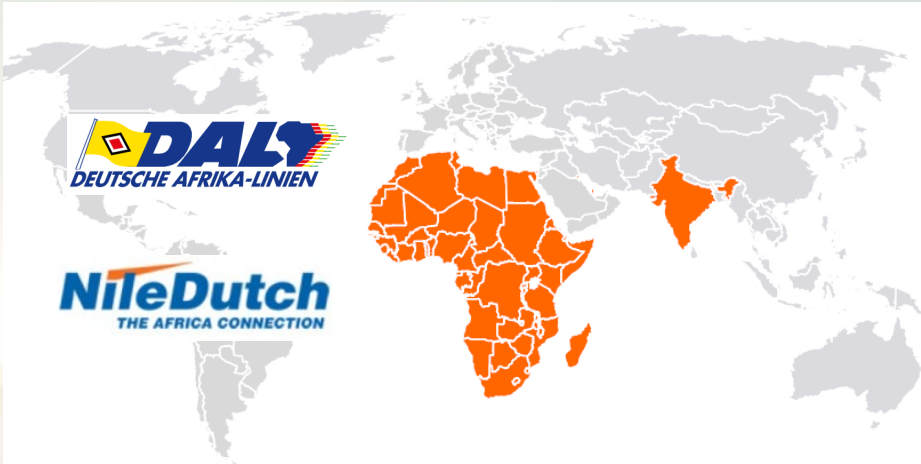
GLOBAL MARKET SHARE (EX-INTRA ASIA) OF 10%



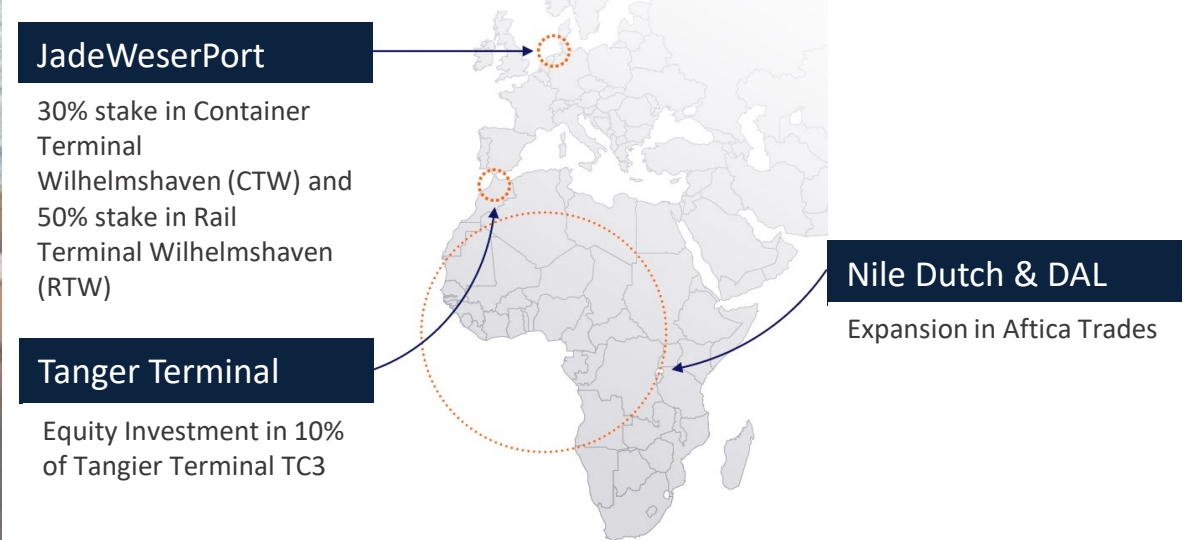
1. 10% Mkt Share excluding the Intra Asia trade



2. Expand in attractive growth markets (e.g. Africa & India)



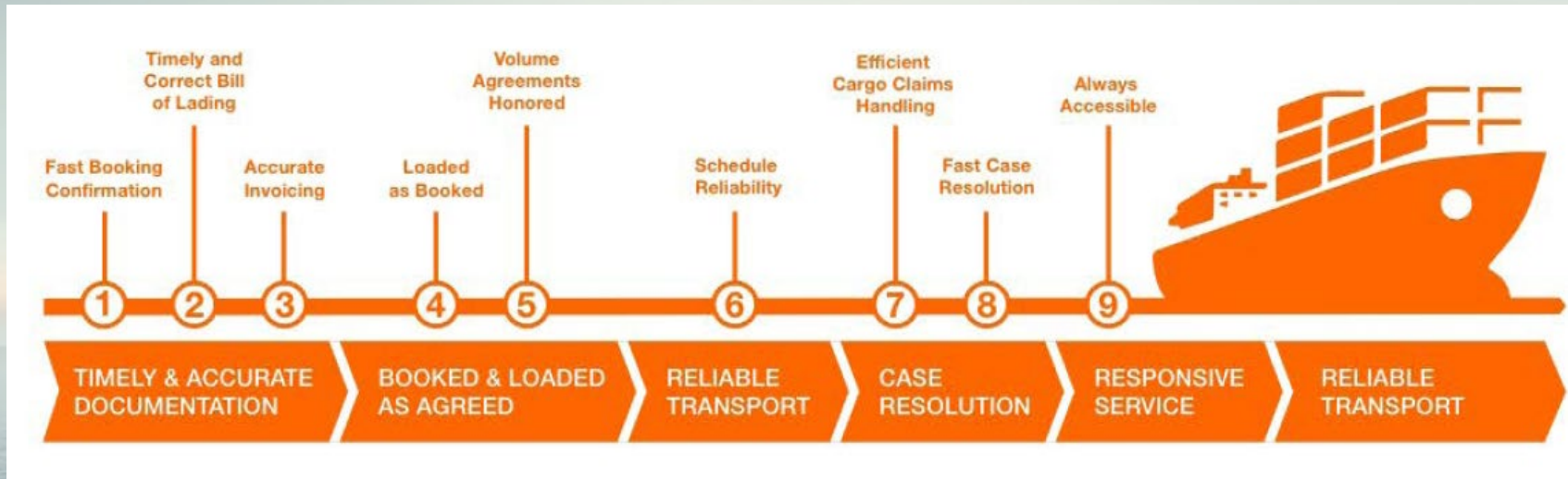
3. Invest in the expansion of special cargo and in the reefer segment



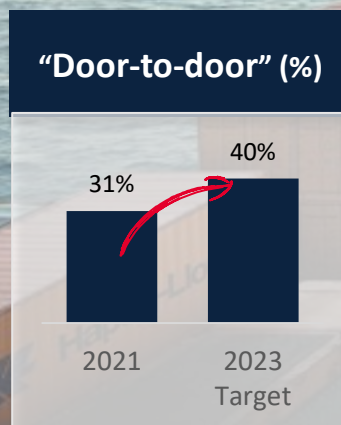
BECOME NUMBER ONE FOR QUALITY

4 MAIN OBJECTIVES IN PROCESS

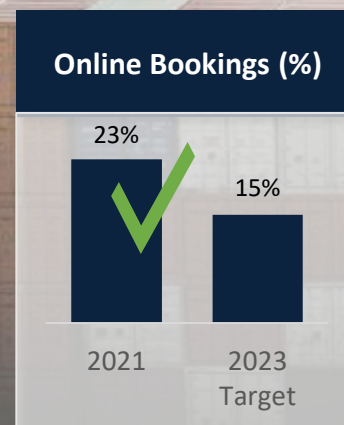
1. 10 Quality Pledges have been formulated and gradually published



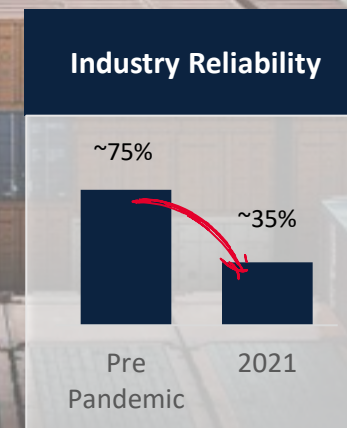
2. Expanding Land-side Capabilities



3. Best in-class web channel



4. Top 3rd Schedule Reliability



Clean shipping & future-proof propulsion



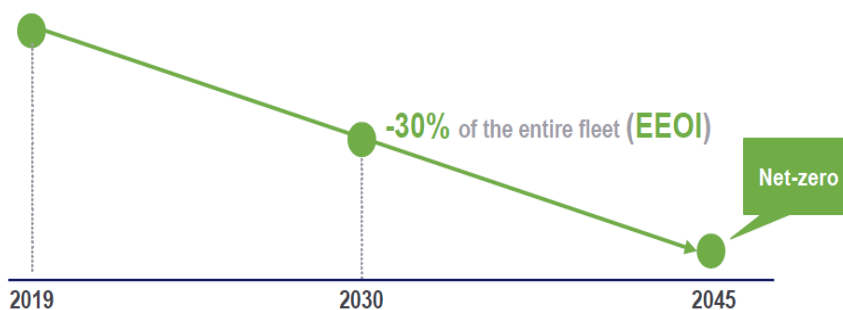
Diversity & society



Compliance & responsibility



Reduction of CO₂ intensity



- **Reduce CO₂ intensity** of the entire fleet **by 30% by 2030 EEOI** vs. 2019; in line with reduction of 60% AER¹ vs. 2008
- **Net-zero carbon by 2045**
Operate our ships in a climate-neutral manner **using alternative fuels**

WRAPPING UP: STRATEGY & TARGETS

FINANCIAL AND NON-FINANCIAL TARGETS

Profitability

ROIC > WACC

throughout the cycle

We want to earn our cost of capital through the cycle

Now elevated by peak market

Net Leverage

≤ 3.0x

Net Debt/EBITDA

We strengthen resilience with adequate leverage

Currently well below target

Liquidity

~USD 1.1 bn

liquidity reserve

We will always retain sustainable liquidity

Now elevated by peak market

FINANCIAL TARGETS



Equity

> 45%

Equity Ratio

We strengthen resilience with a solid equity base

Dividend Policy

≥ 30%

of Group EAT

We are committed to shareholder participation

Sustainable Investments

We will sustainably invest to increase the efficiency and quality of our assets

NON-FINANCIAL TARGETS

 **Net Promoter Score**


Best in class

Net Promoter Score (NPS)

 **Schedule Reliability**

Top 3rd

in terms of schedule reliability

 **CO₂ reduction**

-30%

CO₂ reduction (EEOI) until 2030 vs. 2019

 **Superior Landside**

40%

share of transports with inland component

 **Attractive Markets**

> 10%

global market share in all key trades (excl. intra-Asia); growth in selected attractive markets

We have refined our priorities for the coming 2 years along 3 pillars

1

SIMPLIFY

Simplify customer segmentation & experience and reduce internal complexity

- Simplify Network and optimize fleet
- Consolidate hub and transshipment strategy
- Reduce imbalance & depots

2

STRENGTHEN

Double-down on our ambition to become #1 in quality

- Accelerate Digitization & invest in innovation and future proof core IT
- Grow in Attractive Markets
- Crack the code on Inland
- Strengthen efforts on Sustainability & Decarbonization

3

INVEST

Invest in our people, sustainable assets and long-term competitiveness

- Invest in people & capabilities
- Invest in eco-friendly vessels
- Invest in equipment & container innovations
- Equity investments and selective M&A