



QUIÑENCO S.A.

Quiñenco's results show signs of normalization after historic 2022 performance

- **For the first half of the year, the company reported earnings 70.7% lower than the same period of the previous year, although higher than pre-pandemic figures.**
 - **This lower performance is mainly explained by the normalization of global supply chains and its impact on the results of CSAV's main asset, the German shipping company Hapag-Lloyd.**
 - **"After an exceptional 2022, the group companies have been considerably sound, with results that reflect a gradual process of normalization in the markets," said Francisco Pérez Mackenna, CEO of Quiñenco.**
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Santiago, September 7, 2023.- Quiñenco reported net income of Ch\$505,107 million for the first half of 2023, a decrease of 70.7% compared to the same period in 2022, the company's best year in its 65-years of history.

"After an exceptional year, the group companies have been considerably sound, with results that reflect a gradual process of normalization in the markets," explained Francisco Pérez Mackenna, Quiñenco's CEO. "The company's first-half performance continues to be superior to the years prior to the pandemic and the impact it had on the functioning of the global logistics chain," he added.

The lower results for the period ended in June are mainly explained by a weaker performance from Compañía Sud Americana de Vapores (CSAV) and its main asset, the German shipping company Hapag-Lloyd, in a context of supply chain normalization and lower demand for container transport that dates back to the end of 2022. Nexans, Banco de Chile, Enx and SM SAAM also decreased their contributions to the holding company's earnings compared to the first six months of the previous year, while CCU reported a slight rebound in its performance as of June.

In addition to the companies' operating results, a positive impact was generated at the corporate level in April of this year after selling approximately one third of Quiñenco's stake in Nexans. This transaction generated a gain of Ch\$119 billion.

"The adjustment of our position in Nexans, a company that has increased considerably in value in recent years and in which we retain more than 19%, allowed us to free up resources for new strategic

investments, such as the capital increase in Enex that we subscribed in April to boost its investment plan, with a focus on the United States," commented Francisco Pérez Mackenna.

Results by Sector

In the **transport** sector, CSAV mainly reflected the performance of Hapag-Lloyd, which reported net income of US\$3,127 million in the first half of 2023, representing a drop of 66.9% over the first half of 2022. At an industry level, continuing the trend that began late last year, demand for containerized transport was weaker and the logistics chain was returning to normal, leading to lower average freight rates. Additionally, CSAV recorded a relevant income tax expense for dividends received from its subsidiary in Germany.

In the **financial** sector, Banco de Chile recorded a 17.3% decrease in net income, mainly due to lower revenue and higher operating expenses. Revenue was largely affected by lower inflation compared to the first half of 2022, despite a larger contribution from demand deposits. Furthermore, although expected credit losses were affected by a general deterioration in credit quality, the provision for credit losses was lower than in the previous period because no additional allowances were recorded in the first half of the current year.

In **energy**, Enex's revenue grew by 19.0%, although its contribution to the holding's net income fell by 68.3%, largely due to the unfavorable impact of inventory revaluation during the period, as a result of the downward trend in fuel prices. Total volumes shipped in the first half of 2023 reached 2.4 million cubic meters, up 1.5%.

In **port services**, SM SAAM's net income was affected by a weaker performance from port terminals and inland logistics (discontinued operations), mainly explained by decreased dynamism in foreign trade. In tug boats, however, performance improved driven by growth in maneuvers and the new operations acquired in Peru and Brazil. It is also worth noting that Quiñenco increased its stake in this subsidiary from 59.7% as of June 2022 to 61.0% as of June 2023, and the first-half result does not reflect the sale of SM SAAM's port and logistics operations to Hapag-Lloyd, which was completed on August 1.

In the **manufacturing** sector, Nexans's contribution to the holding company's results contracted by 59.6%, as a result of the decrease in Quiñenco's share from 29.2% as of June 2022 to 19.3% as of June 2023, in addition to the 33.0% drop in the French company's net income, which reached €132 million in the first half of the year. However, Nexans improved its operating performance by 9.1%, driven by the construction and industry segments, with growing revenue and cost efficiencies. The generation and transmission segment, on the other hand, was negatively impacted by the company's exit from telecom-related activities and delays in increasing capacity at the high voltage subsea cable plant in the US.

Finally, in the **beverage** sector, CCU's net income was up by 0.6% compared to the first half of 2022. The wine segment continued to face a particularly challenging context with a drop in volumes, particularly in exports. The Chile and International Businesses segments, however, had better results, thanks to the favorable impact of revenue management and efficiency initiatives.

With more than 65 years in business, Quiñenco is one of the most diversified and global groups in Chile. The company, along with the 74 thousand employees of its subsidiaries and associates, develops enterprises and seeks to contribute to the progress of all the countries where it operates.

*Through Banco de Chile, CCU, Nexans, Enx, CSAV and SM SAAM, Quiñenco contributes to the sustainable progress of people, working with **excellence, integrity and respect**. More information is available at www.quinenco.cl.*