



Quiñenco's results return to normal in 2023 after two exceptional years

- **Despite a significant drop in earnings after historic performances in 2021 and 2022, the holding company's net income of \$842 billion in 2023 was its third best year ever.**
- **Quiñenco CEO Francisco Pérez Mackenna stated that "the results of our companies over the last year show the strength and resilience of their operations. We have solid companies, with leading positions and competitive advantages in the different markets where they do business."**

Santiago, March 28, 2024 - Today Quiñenco reported net income of Ch\$842 billion for 2023, showing a period of normalization after exceptional results in 2021 and 2022 amid disruptions in the global cargo industry. Although these earnings were 76.2% lower than the previous year, they represent the holding company's third best performance in its history.

Quiñenco CEO Francisco Pérez Mackenna described the challenging context faced by the company during the period, explaining that "we continued to perform very well in a global market that began to normalize after the pandemic, with a slowing domestic economy and inflationary pressures easing over the course of the year."

He also stated that "the results of our companies over the last year show the strength and resilience of their operations. We have a portfolio of solid companies with leading positions and competitive advantages in the different industries and markets where they do business."

The drop in earnings is mainly explained by lower net income at Compañía Sud Americana de Vapores amid lower demand for containerized transport, the stabilization of the global supply chain and adjustments in shipping rates, all of which impacted the performance of the German shipping company Hapag-Lloyd. This was partly offset by the sale of SM SAAM's port terminals and inland logistics activities, and Quiñenco's divestment of approximately one-third of its stake in Nexans, which resulted in non-recurring gains of approximately Ch\$326 billion for the holding company.

Earnings by Segment

In the **financial segment**, Banco de Chile maintained its industry leadership and reported net income of over US\$1.4 billion, 11.8% lower than the previous year. In 2023, the institution incurred higher operating expenses than in 2022, mainly due to inflation adjustments on wages and lower operating revenue, partially offset by lower expected credit losses, mainly because no additional provisions were recorded in the period.

In the **transport sector**, the German shipping company Hapag-Lloyd, CSAV's main asset, reported net income for the period of US\$3,175 million, down 82.3% compared to the prior year, characterized by the exceptional conditions mentioned above, when it reported the best bottom line in its history. This weaker performance was marked by weakened demand for containerized transport during the first part of the year and normalization of supply chains, together with the entry of new vessels increasing industry capacity. CSAV, in turn, registered an income tax expense of US\$677 million, mostly attributable to using its deferred tax assets when receiving dividends from Germany during the period.

In the **manufacturing sector**, Quiñenco reduced its stake in Nexans to 19.3%, following the sale of 4.2 million shares in the French multinational in April of last year. This transaction had an impact on Nexans' contribution to Quiñenco's results, which contracted by 40.4%, due to both the smaller shareholding and a 9.8% decrease in the French company's net income, which reached €221 million for the year. However, the divestment represented non-recurring income of close to US\$367 million for the holding company.

In **energy**, Enx increased its revenue by 7.1% in 2023 compared to 2022, although its contribution to Quiñenco's results declined by 57.1%, mainly due to a lower favorable impact of inventory revaluation and higher expenses due to inflationary pressures and greater transportation costs. Internationally, the company recently inaugurated Road Ranger's 50th Travel Center in the United States. Meanwhile, in Paraguay the company announced in February of this year that it had reached 100% ownership of Enx Paraguay after acquiring Banco Sudameris' shareholding.

The **port services** sector significantly increased its contribution after closing the sale of SM SAAM's port terminals and inland logistics business to Hapag-Lloyd in August 2023, resulting in a non-recurring gain of Ch\$207 billion for Quiñenco. The holding company also increased its stake in SM SAAM to 62.6% at the end of 2023. Also



noteworthy during the period was the performance of this subsidiary's tug boat segment, SAAM Towage, boosted by newly acquired operations and greater activity.

Finally, in the **beverage sector**, CCU posted good operating performance, driven by the Chile segment, reflecting the positive impact of the revenue management initiatives undertaken by management. Net income, however, decreased 10.6% compared to December 2022, largely due to foreign exchange losses in Argentina and expenses to integrate the jointly controlled water business in that country, as well as a decline in the Wine segment in a challenging context for that industry.

With more than 65 years in business, Quiñenco is one of the most diversified and global groups in Chile. The company, along with the close to 76 thousand employees of its subsidiaries and associates, develops enterprises and seeks to contribute to the progress of all the countries where it is present.

*Through Banco de Chile, CCU, Nexans, Enex, 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.*