



**QUIÑENCO S.A.**

## **Quiñenco Reports Net Income of Ch\$210,049 million for 2019**

- **The results are explained, to a large extent, by a strong performance from the German shipping company Hapag-Lloyd, the favorable impact of SM Chile prepaying its subordinated debt and the sale of the holding's insurance business. Net income was up 16% over the prior year.**
- **The CEO of Quiñenco, Francisco Pérez Mackenna, commented, “The strong results we have reported over time and our long-term growth strategy put us in a sound position for facing today's complex global circumstances.”**

**Santiago, March 26, 2020.-** After announcing a series of extraordinary measures in recent weeks to protect its employees and ensure business continuity, this afternoon Quiñenco S.A. reported its results for the year 2019. As of December 31, 2019, the Luksic Group's industrial and financial holding reported net income of Ch\$210,049 million, which represents an increase of 16.4% over 2018.

The results are explained, to a large extent, by a strong performance from the German shipping company Hapag-Lloyd, the main asset of Compañía Sud Americana de Vapores (CSAV); the favorable impact in the banking sector of the prepayment of the subordinated debt with the Chilean Central Bank and the sale of Quiñenco's insurance business, which offset weaker results from the French company Nexans and the absence of the non-recurring gain obtained in 2018 by CCU in Argentina.

At the corporate level, on December 30, 2019, Quiñenco closed the agreement to sell its entire interest in the insurance companies Banchile Vida and SegChile to the multinational Chubb, for approximately Ch\$35,900 million, generating an after-tax gain of Ch\$14,289 million.

In terms of subsidiaries' performance, Hapag-Lloyd, the shipping line in which CSAV has increased its stake from 27.79% as of December 2019 to 30% in early 2020, performed particularly well with net income of US\$405 million and EBITDA of US\$2,223 million in 2019. Likewise, last year Quiñenco increased its ownership in CSAV by acquiring an additional interest of 5.3% to reach 61.5% as of year-end.

Nexans reported a loss for the year 2019, impacted by the costs of restructuring its operations as part of its strategic transformation plan. However, Nexans reported operating income of 249 million euros in 2019, up 32.4% from 2018, explained by growth across all segments, increased efficiencies and reduced costs.

Banco de Chile continued its solid earnings track record, with net income of Ch\$593,008 million attributable to growth in operating income, mainly from customers, that offset a rise in provisions for loan losses and higher operating expenses. Another contributing factor in the banking sector was the favorable impact of paying off SM Chile's subordinated debt with the Chilean Central Bank in April 2019, 17 years before the original deadline.

In the energy segment, Enx reported 39.5% growth in operating income, driven by the incorporation of Road Ranger, a network of 39 travel centers in the U.S. that was acquired in late 2018, along with strong performance from its operations in Chile. Total volumes reached 4,343 thousand cubic meters, up 8% from last year. Net income was Ch \$25,709 million, or 33.4% more than 2018, despite increased financial costs related to the acquisition. Lastly, 2019 marks Enx's arrival in Paraguay through the purchase of 50% of Gasur, a transaction that involved a disbursement of US\$6 million.

The contribution from SM SAAM to Quiñenco's consolidated results also grew thanks to strong operating performance from all divisions, particularly the port terminal and towage divisions, and efficiencies from implementing its new operating model. In late October 2019, SM SAAM closed the purchase of Boskalis's stake in their joint towage operations in Brazil, Mexico, Panama and Canada, for US\$194 million. This strategic milestone makes the company the largest tug operator in the Americas and one of the leading operators in the world.

CCU achieved a record in 2019 by exceeding 30 million hectoliters of beverages, marking a 5.3% rise in volume. Its net income was down in 2019, however, mostly because of the non-recurring gain in 2018 from the transaction between CCU Argentina and Anheuser-Busch InBev.

Along with reporting on earnings, Quiñenco's CEO, Francisco Pérez Mackenna, commented, "The strong results reported over time and our long-term growth strategy put us in a sound position for facing today's complex global circumstances, where the health and wellbeing of our workers is our top priority." Today our focus is on protecting them and ensuring the continuity of the goods and services supply chain."

Last week, the Chairman of the Board of Quiñenco, Andrónico Luksic, announced a commitment from the holding and the companies it controls in Chile to not dismiss any employees over the next four months, in the context of the Covid 19 public health crisis. This measure is in addition to multiple initiatives taken by each company to address the

pandemic, protecting employees, supporting customers and working to ensure that production and logistics chains run properly.

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**Quiñenco** is one of the largest, most diversified corporate conglomerates in Chile, with approximately US\$63.7 billion in consolidated assets. It owns interests in leading companies in the financial, beverage, manufacturing, energy, transportation and port services industries, which together employ over 68 thousand people in Chile and abroad. More information is available at [www.quinenco.cl](http://www.quinenco.cl)