

# RESULTS

## Presentation 3Q2017

November 9<sup>th</sup>, 2017



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## AGENDA

1. Highlights 3Q2017
2. Industry Overview
3. Results 3Q2017
4. Outlook 2017



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**Corporate:**

- First Sustainability Report released (2nd year on DJSI Chile)
- Progress in managing safety-related risks ([see annex one page 23](#))
- Board changes (new chairman and new director)
- New corporate offices
- Greater financial discipline and management of cash flows from subsidiaries and associates (US\$53 million in dividends received in 2017 YTD)

**Port Terminals:**

- Expansion work completed at STI
- TPG new contracts awarded full operating since September
- Commercial challenges at Chilean port terminals (-8,6% tons transferred sep-2017 YTD v/s sept-2016 YTD)



**Towage Services:**

- Two new Pemex contracts in Mexico (6 in 3Q2017 vs 4 in 2Q2017)
- New contracts took effect at private terminals in Chile and Panama
- New tug began operating in Brazil

**Logistics:**

- New warehousing and transportation contracts awarded for retail and food and beverage industries
- Aerosan: Increased activity in airlines services (Chile and Colombia)



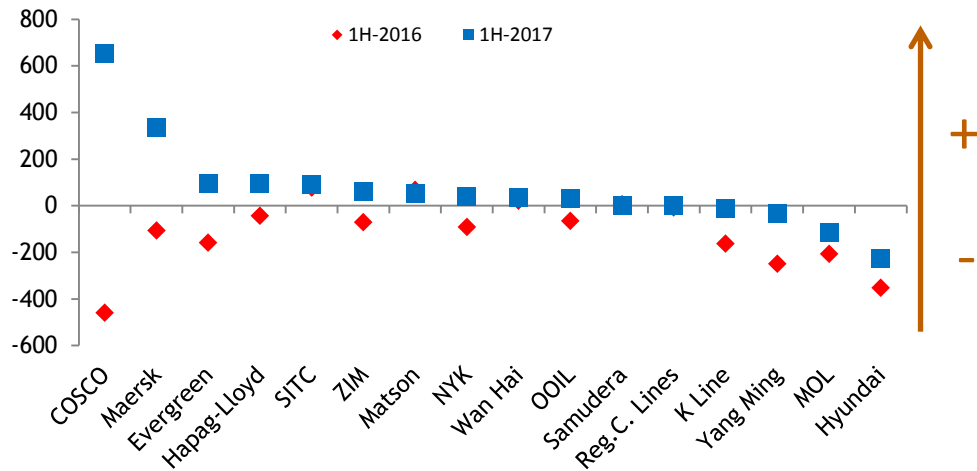
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- Shipping companies posted improved results for first half of 2017

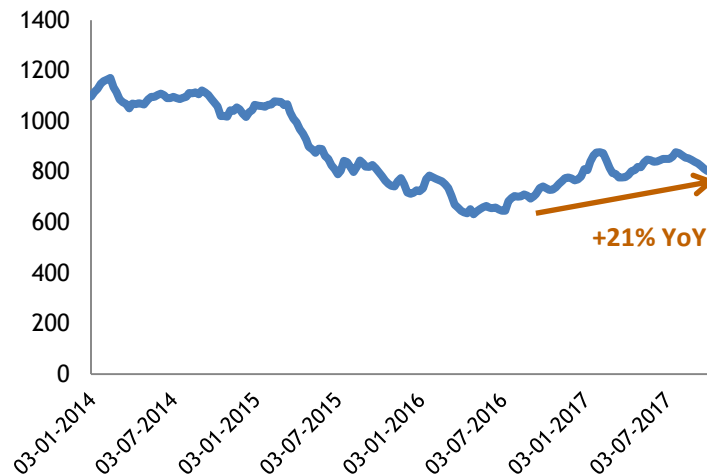
Operating Results (MUS\$) <sup>(1)</sup>



(1) Cosco Shipping Holdings; Maersk Line; Evergreen Marine Corp; Matson (Ocean Transportation); NYK (Liner Shipping); OOIL Container transport and Logistics; Samudera Shipping Line; Regional Container Lines; K Line (Containerships); Yang MingMOL (Containerships); Hyundai Merchant Marine

- Moderate growth in container shipping rates over 2016

CCFI INDEX <sup>(2)</sup>



(2) China Containerized Freight Index, Source: Shanghai Shipping Exchange (SSE)



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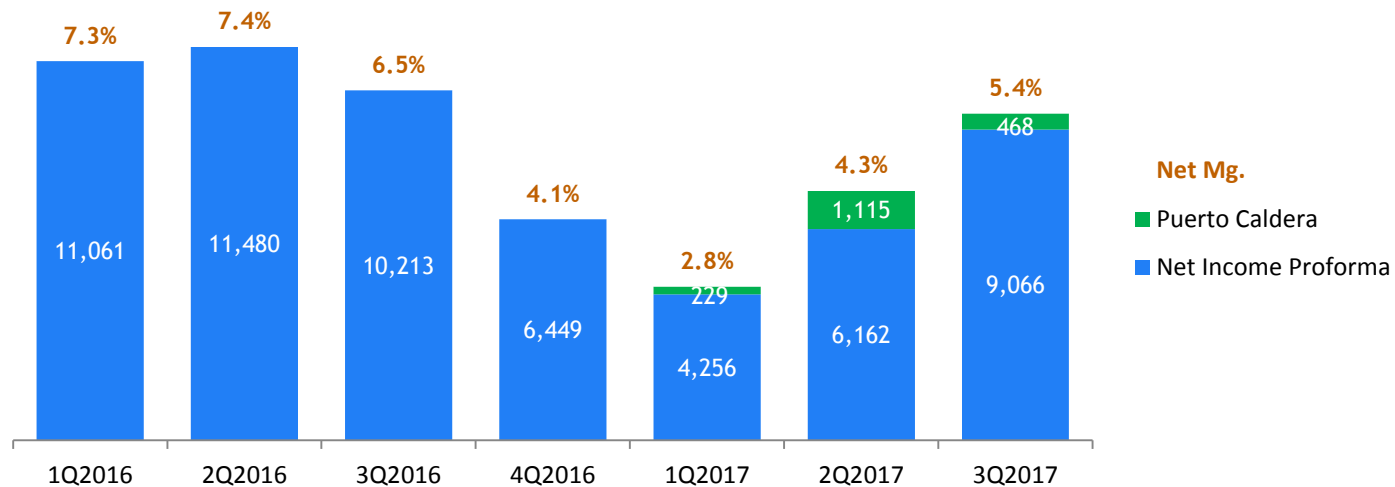
Financial Summary Th US\$ (1)	3Q2017	3Q2016	Δ	Δ%	YTD 2017	YTD 2016	Δ	Δ%
Revenues Proforma (2)	175,199	156,648	18,550	11.8%	502,854	462,769	40,085	8.7%
EBITDA Proforma(2)	47,996	42,431	5,565	13.1%	135,134	130,513	4,620	3.5%
EBITDA Mg	27.4%	27.1%	---	31 bsp	26.8%	28.2%	---	-133 bsp
<b>Net Income Proforma</b>	<b>9,534</b>	<b>10,213</b>	<b>-679</b>	<b>-6.6%</b>	<b>21,296</b>	<b>32,755</b>	<b>-11,458</b>	<b>-35.0%</b>
Profit Tramarsa	0	4,801	---	---	4,868	11,412	-6,544	-57.3%
Extraordinary effects (3)	0	0	---	---	26,977	---	---	---
<b>Net Income IFRS</b>	<b>9,534</b>	<b>15,014</b>	<b>-5,480</b>	<b>-36.5%</b>	<b>53,141</b>	<b>44,167</b>	<b>8,974</b>	<b>20.3%</b>

(1) Consolidated information at 100% and associates at equity method value

(2) Revenue and EBITDA do not include results of Tramarsa in 2017 and 2016

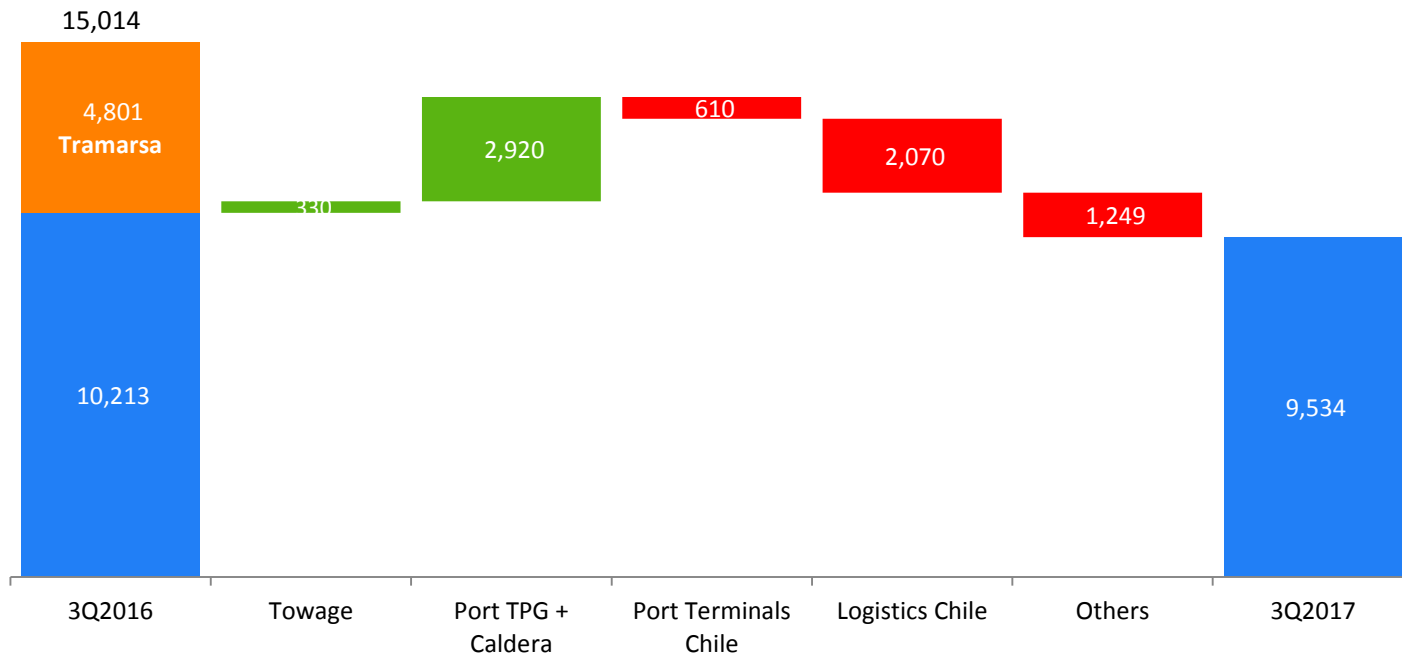
(3) Gain on sale of minority interest in Tramarsa and closure costs for discontinued operations in Logistics

### 3. RESULTS: TRENDS IN NET INCOME THUS\$ (1)



(1) Net income proforma does not include net income from Tramarsa in 2016 and 2017 and extraordinary effects

### 3. RESULTS 3Q2017: NET INCOME THUS\$

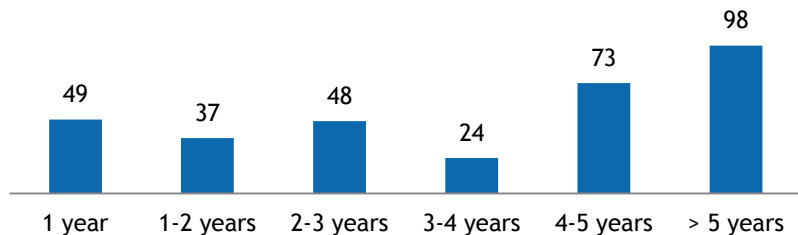


- » Stable earnings in towage division
- » Addition of Puerto Caldera and improved earnings from Guayaquil Port
- » Tighter competition at Chilean port terminals
- » Reduced earnings from warehousing and transport and extraordinary effects in 2016 at Logística Chile

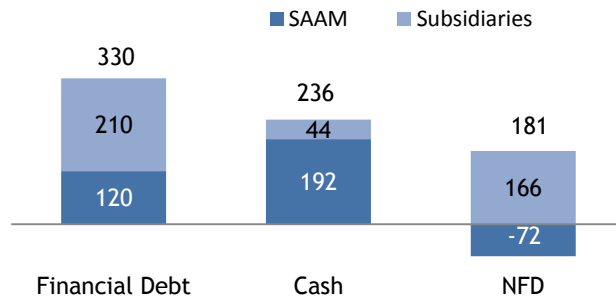
# SM SAAM 3. INDEBTEDNESS: SOUND FINANCIAL POSITION

Financial Debt Maturity Profile<sup>(1,2)</sup> (Sept.2017, MUS\$)

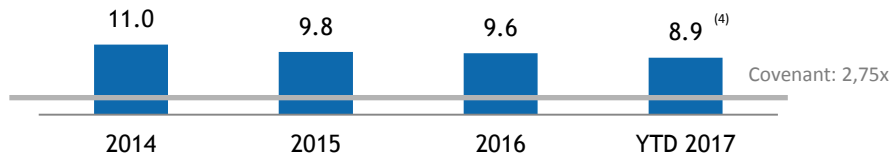
 AA- Stable  AA- Stable



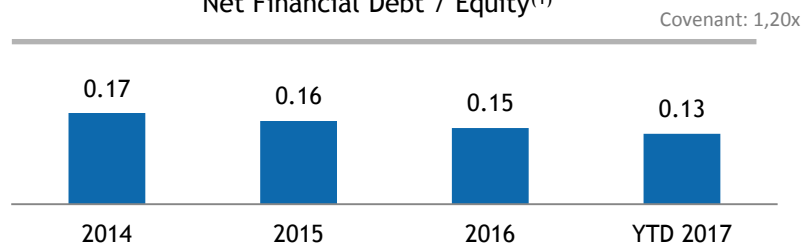
Net Financial Debt <sup>(1)(2)</sup>(Sept.2017, MUS\$)



Net Financial Expense Coverage<sup>(1,3)</sup>



Net Financial Debt / Equity<sup>(1)</sup>



1. Considers figures from SM SAAM consolidated
2. Includes bank loans and capital leases. Does not include payments for concessions or derivatives
3. EBITDA / net financial expenses. Annual calculations do not include finance income that was no longer received starting in 2016
4. LTM: last twelve months

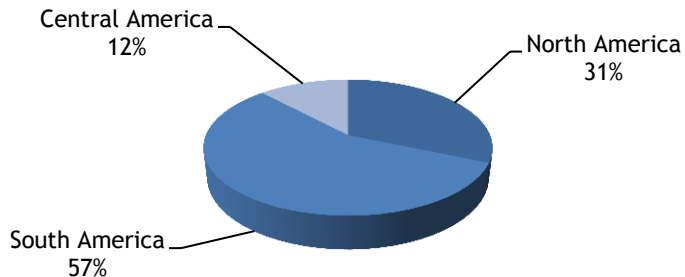


## TOWAGE

- Leader in towage services in the Americas
- Operations in 10 countries
- Fleet of 160 tugs

Th US\$ (1)	3Q2017	3Q2016	Δ	Δ%	YTD 2017	YTD 2016	Δ	Δ%
Revenues (2)	66,085	64,915	1,169	1.8%	187,780	192,287	-4,507	-2.3%
EBITDA (2)	23,327	24,523	-1,196	-4.9%	64,052	73,459	-9,407	-12.8%
EBITDA Mg	35.2%	37.7%	---	-250 bps	34.1%	38.2%	---	-410 bps

### Revenue Distribution 3Q2017 (1)(2)



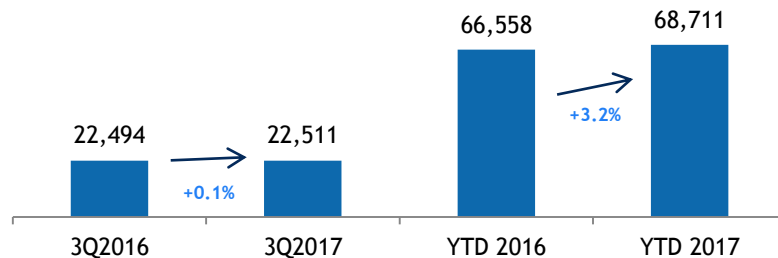
(1) Consolidated information at 100% and associates at equity method value

(2) Does not include results of Tramarsa in 2017 and 2016

### Explanation 3Q2016 / 3Q2017

- » Increased activity in Canada and Ecuador
- » Fewer special maneuvers in Mexico (Pemex), Uruguay and Chile
- » Increased subcontracting and maintenance costs, but decreasing compared to 2Q2017

### Maneuvers (1)(2)



(1) Consolidated information at 100% and associates at equity method value

(2) Does not include maneuvers in Peru and special services



## PORT TERMINALS

- 11 port terminals in six countries in the Americas
- Fourth largest port operator in South America
- Entered Central American market in 2017

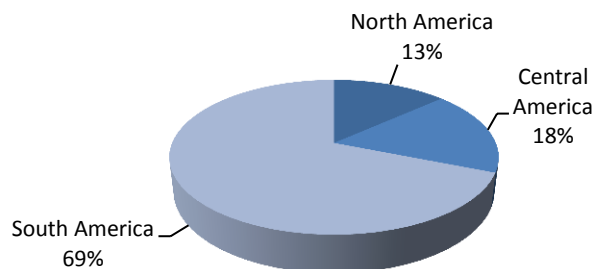


Th US\$ (1)	3Q2017	3Q2016	Δ	Δ%	YTD 2017	YTD 2016	Δ	Δ%
Revenues (2)	84,978	60,050	24,927	41.5%	235,820	173,033	62,786	36.3%
EBITDA (2)	23,611	15,009	8,601	57.3%	66,075	48,185	17,889	37.1%
EBITDA Mg	27.8%	24.5%	---	+330 bsp	28.0%	27.8%	---	+20 bsp

(1) Consolidated information at 100% and associates at equity method value

(2) Does not include results of Tramarsa in 2017 and 2016

#### Revenue Distribution 3Q2017 <sup>(1)(2)</sup>

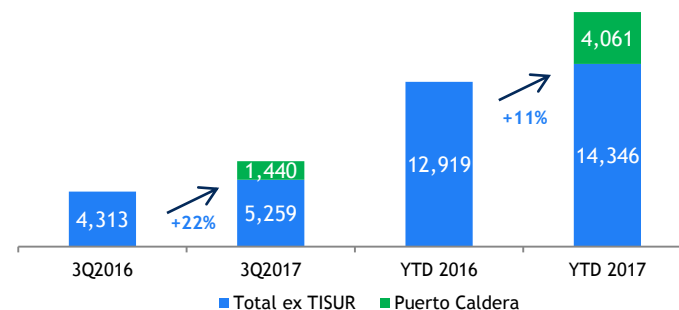


(1) Consolidated information at 100% and associates at equity method value

#### Explanation 3Q2016 / 3Q2017

- » Earnings growth at Terminal Portuario Guayaquil (TPG) +3.4 times rise in tons transferred
- » Addition of Puerto Caldera since February 2017

#### Tons (thousands) <sup>(1)(2)</sup>





## LOGISTICS

- Supply chain services (storage and transport)
- Services for airlines at main airports in Chile, Colombia and Ecuador

# saam 3. LOGISTICS: COST STRUCTURE ADJUSTMENT AND SELLING ASSETS NO LONGER USED

Th US\$ (1)	3Q2017	3Q2016	Δ	Δ%	YTD 2017	YTD 2016	Δ	Δ%
Revenues (2)	24,136	31,682	-7,546	-23.8%	79,255	97,446	-18,191	-18.6%
EBITDA (2)	1,058	2,898	-1,840	-63.5%	5,007	8,868	-3,861	-43.5%
EBITDA Mg	4.3%	9.1%	---	-480 bsp	6.3%	9.1%	---	-280 bsp

(1) Consolidated information at 100% and associates at equity method value

(2) Does not include results of Tramarsa in 2017 and 2016

## Explanation 3Q2016 / 3Q2017

- » Drop in sales at Logística Chile due to closure of maritime agency and container depots and repair operations
- » Reduced earnings from Logística Chile because of change in service mix for warehousing and transport services
- » Improved results in Aerasan (Chile and Colombia)

## Supply chain



Importers and exporters



Transport



Services



Distribution Center



Local or widespread Distribution ("capilar")



Clients



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**1. Towage Services:**

- Special attention to reconfiguration of oil & gas industry
- Tighter competition in Brazil
- Increase activity in private terminal operations in Chile due to new contracts

**2. Port Terminals:**

- Special attention to alliances and reorganizations of shipping lines
- Provisional approval to operate with higher swells at ATI (expected reduce close)
- TPG new contracts awarded full operating since September

**3. Logistics:**

- New warehousing and transport contracts awarded at Logística Chile
- Earnings trending upwards for airport services (Aerosan)
- Sale or leasing out asset no longer use

**4. End of cycle of major organic investments**

**5. Stable earnings , benefiting from portfolio diversification**



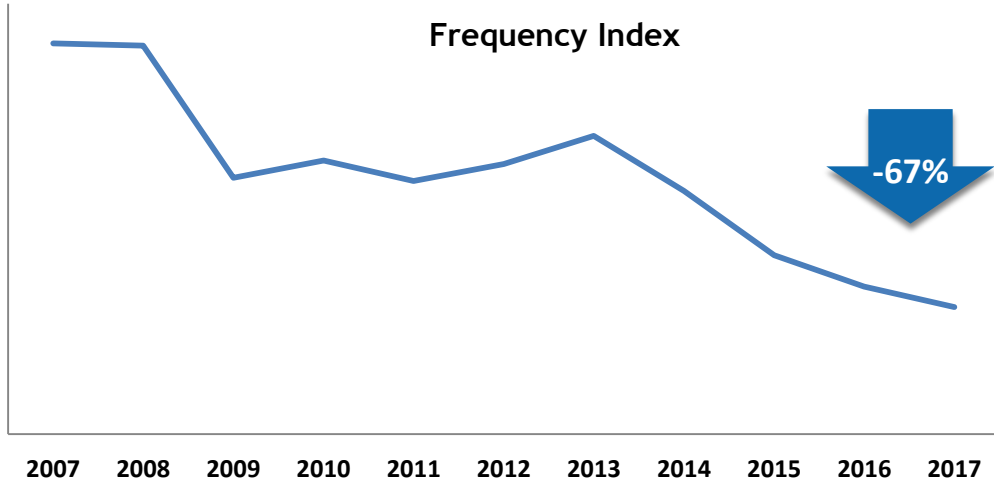
# Questions



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Number of accidents per 1 million hours worked



**Safety Leadership Training**

**30 managers have participated**



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Safety Leaders**

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