



Corporate Presentation  
January, 2017



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# Agenda



Introduction to SM SAAM



Attractive investment fundamentals



Appendices

# SAAM <sup>(1)</sup> at a glance

## Highlights

- SM SAAM, through its main asset -SAAM-, provides port and offshore tugboat services, port terminals and logistics
- It operates in more than 80 ports and 15 countries in the Americas
- Quoted on the Santiago Stock Exchange, with a 55-year trajectory and a market capitalization of USD747 million<sup>(2)</sup>
- Controlled by Quiñenco with 52.2% ownership



Risk Rating



AA- (stable)

AA- (stable)

## Business units



- Services: mooring/casting off, towage and salvage of vessels
- Major tugboat operator in America
- Present in 11 countries

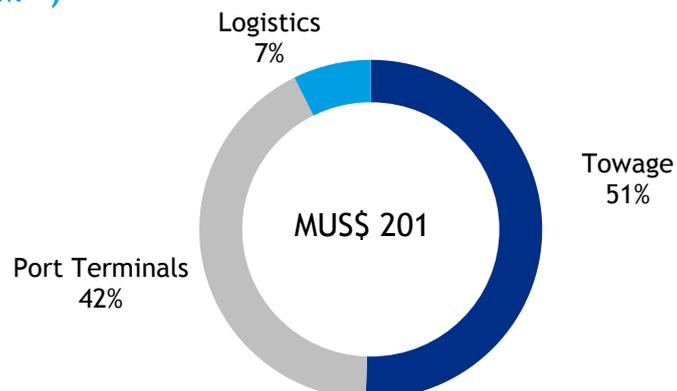


- Cargo transfer services in 7 countries through 12 port terminals <sup>(3)</sup>
- 4th major port operator in South America

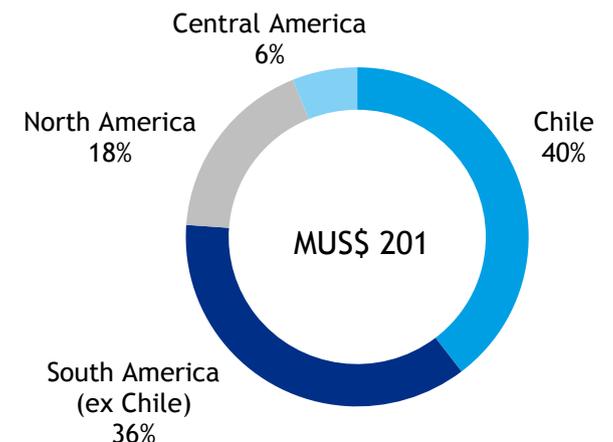


- Supply chain and transport services
- Services to Airlines in the main airports in Chile, Colombia and Ecuador

## EBITDA by business (sep-16 LTM<sup>(4)</sup>)



## Geographic diversification of EBITDA (sep-16 LTM<sup>(4)</sup>)



Source: SM SAAM, Bloomberg

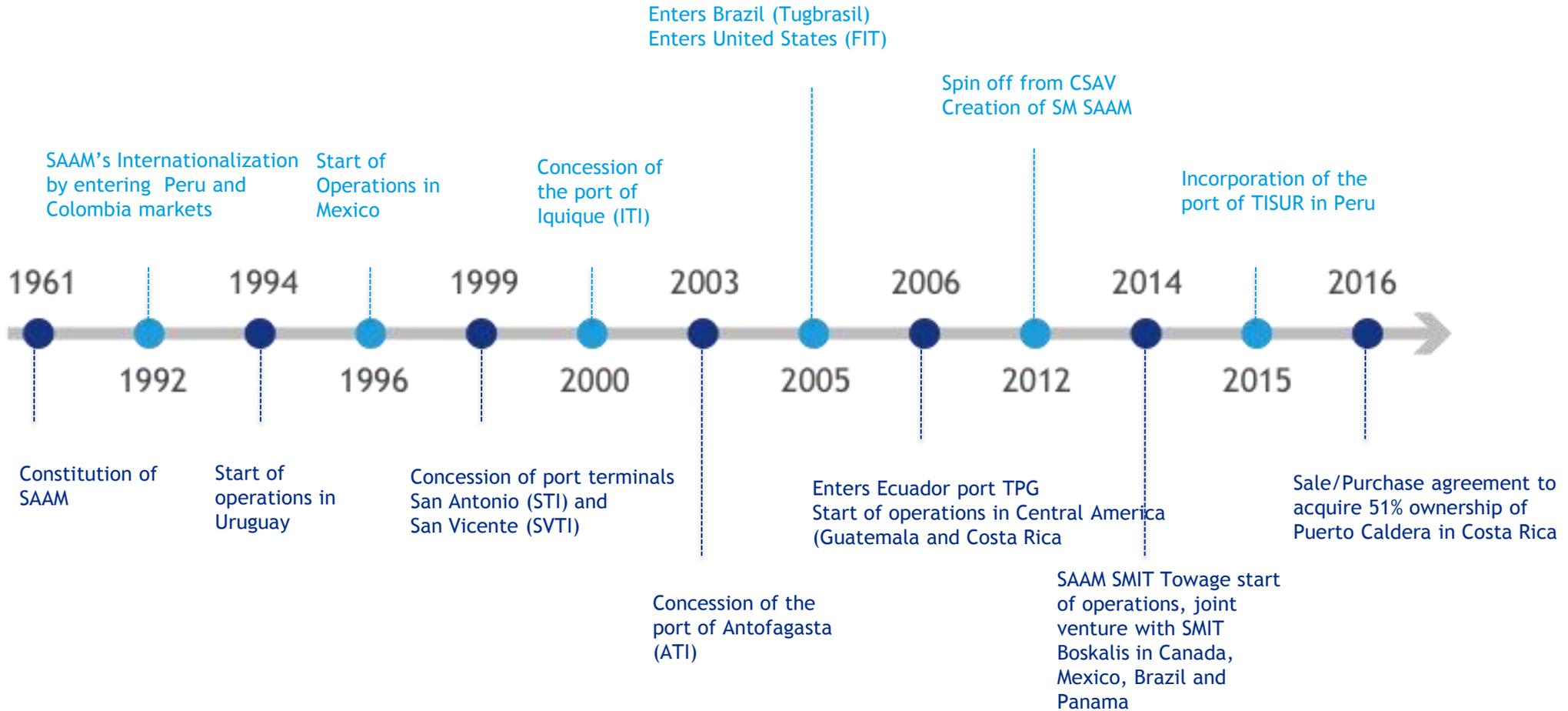
1. Figures consider SM SAAM's consolidated companies and affiliates at their proportional value

2. At December 27, 2016. USDCLP 672.69

3. Considers the acquisition of 51% ownership of Puerto Caldera in Costa Rica. Transaction awaits approval by regulatory entity.

4. LTM: last twelve months

# Trajectory of over 55 years providing services to Foreign Trade

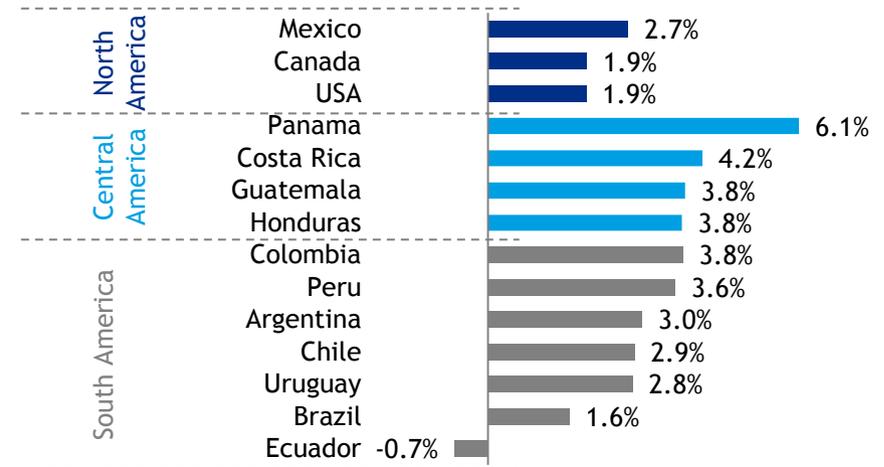


# Our business grows with foreign trade

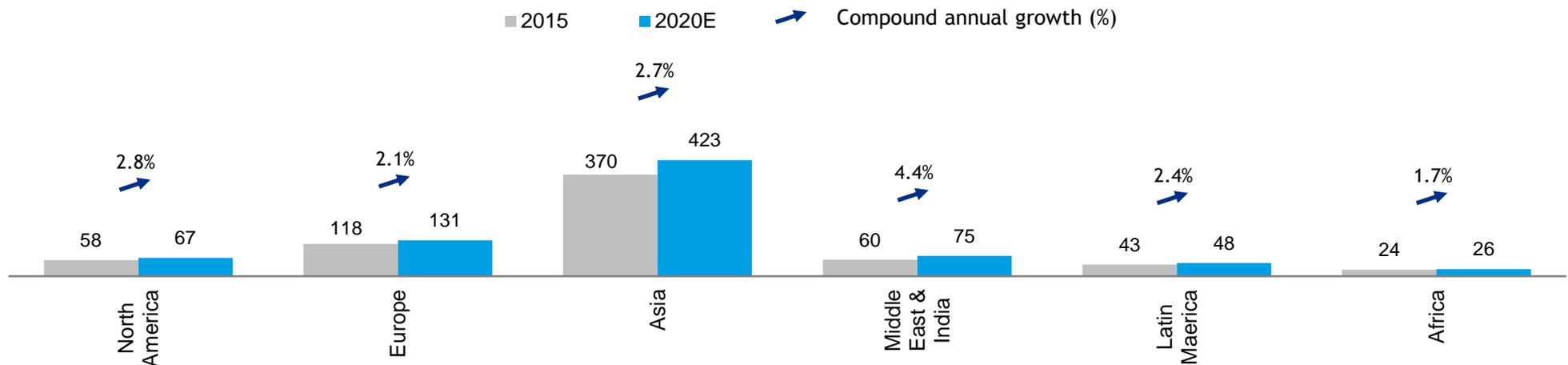
## Highlights

- Projected annual growth for TEU traffic in America for the period between 2015 and 2020 is between 2% and 3% (Source: Drewry 2016)
- Eighty per cent of world cargo volume in 2015 was transferred by sea (95% in Chile)
- SM SAAM operates in the ten most competitive Latin American economies<sup>(1)</sup>

## Projected GDP growth per country 2016E-2021E<sup>(2)</sup> (%)



## World cargo transfers<sup>(3)</sup> (TEUs M)



1. Source: World Economic Forum

2. Considers projected GDP at constant prices. Source: International Monetary Fund

3. Source: Drewry 2016

# Agenda

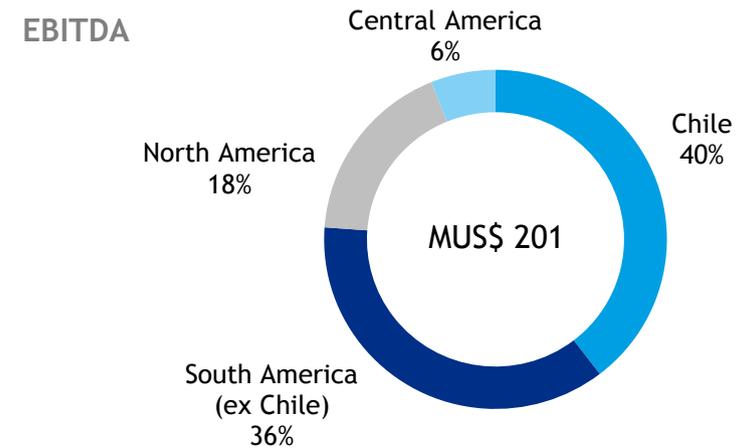
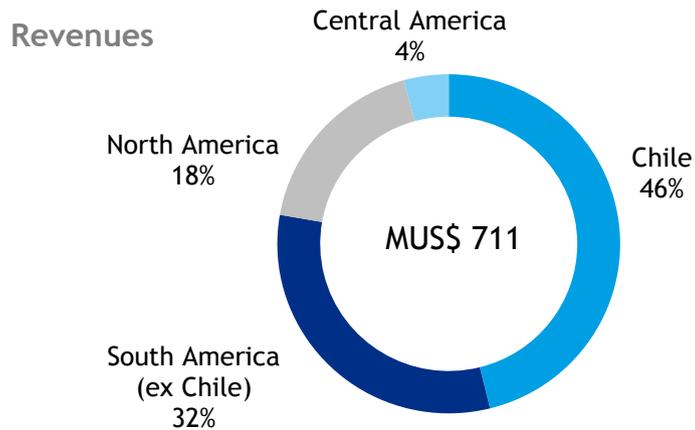


-  Introduction to SM SAAM
-  Attractive investment fundamentals
-  Appendices

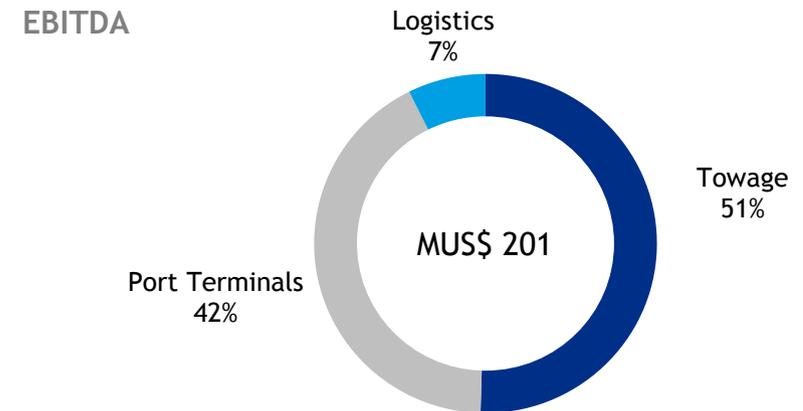
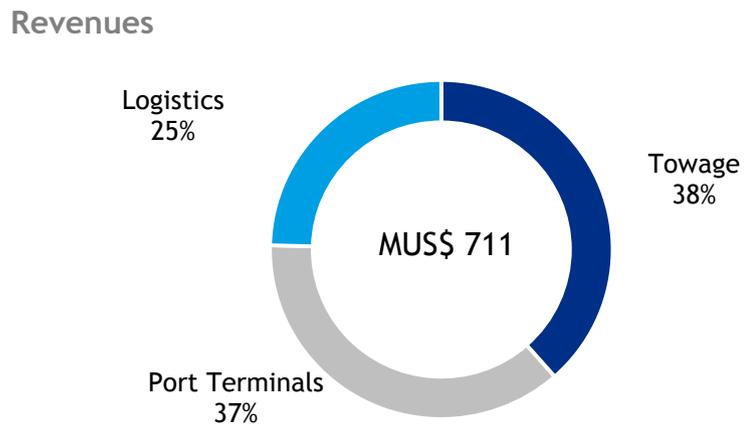
# Diversified Company

in geographic terms and business units<sup>(1)</sup>

## Disaggregation of results by geographic distribution (sep-16 LTM<sup>(2)</sup>)



## Disaggregation of results by business unit (sep-16 LTM<sup>(2)</sup>)



Source: SM SAAM

1. Figures consider SM SAAM's consolidated companies and affiliates at their proportional value

2. LTM: last twelve months

# Towage Division: Leadership with the most comprehensive coverage across the Americas



1

SST Canadá



2

SST México



3

Guatemala



4

Honduras



5

Costa Rica



6

Panamá



7

Ecuador



8

Brasil



9

Perú



10

Uruguay



11

Chile



12

Austral Broom



# Leader in tugboats and towage

with world class assets and sound strategic alliances



## Highlights

- ✓ Major operator in the Americas and fourth at world level
- ✓ Present in 11 countries in over 70 ports in the Americas
- ✓ Modern fleet of 181 tugboats, 73% azimuthal<sup>(1)</sup>
- ✓ Potential to transfer assets to new markets
- ✓ Alliances with:



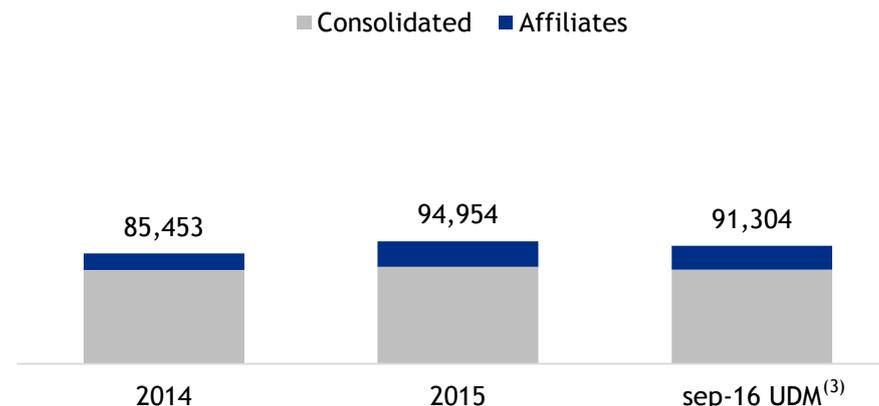
Global leader in dredging and maritime expertise, through SMIT it operates tugboats in more than 35 countries



Leading economic group in Peru

## Tugboats

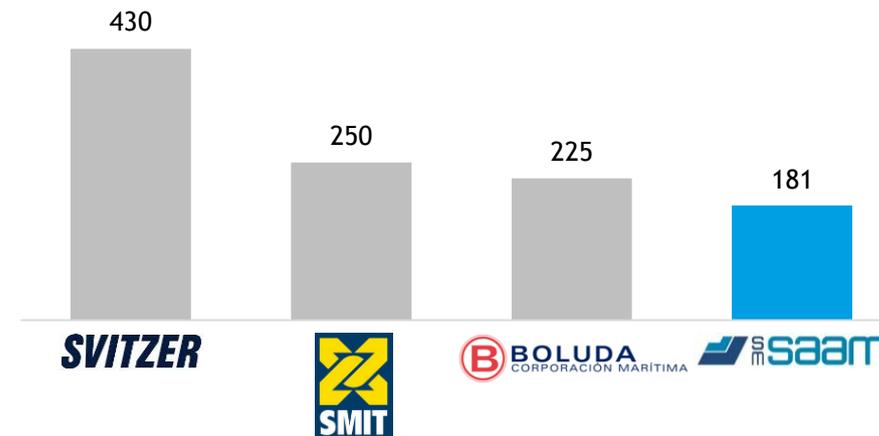
Number of maneuvers carried out<sup>(2)</sup>



## Tugboats by country

	Canada	22		Ecuador	8
	Mexico	25		Brazil	48+2
	Guatemala	2		Peru	16
	Honduras	2		Uruguay	13
	Costa Rica	3		Chile	26
	Panama	14			

Fourth major tugboat operator at world level<sup>(4)</sup>



Source: SM SAAM, each Company's web page

1. Azimuthal: State-of-the-art tugboats with screw propellers that can spin round up to 360°

2. Considers maneuvers at 100% of consolidated companies and affiliates at proportional value. As of July, 2014, started joint venture with SMIT

3. LTM: last twelve months

4. In number of tugboats

# Port Terminals: 12 Port Terminals

including San Antonio Terminal Internacional - the leading port of Chile



## Chilean Terminals SAAM's ownership



1

Terminal Puerto Arica S.A.  
(15%)



2

Iquique Terminal Internacional S.A.  
(85%)



3

Antofagasta Terminal Internacional S.A.  
(35%)



4

San Antonio Terminal Internacional S.A.  
(50%)



5

San Vicente Terminal Internacional S.A.  
(50%)



6

Portuaria Corral S.A.  
(50%)

## Foreign Terminals SAAM's ownership



7

Florida International Terminal, USA  
(70%)



8

Terminal Marítimo Mazatlán, México  
(100%)



9

Terminal Portuario de Guayaquil, Ecuador  
(100%)



10

Puerto Buenavista S.A. Colombia  
(33%)



11

Terminal Internacional del Sur S.A. Perú  
(35%)

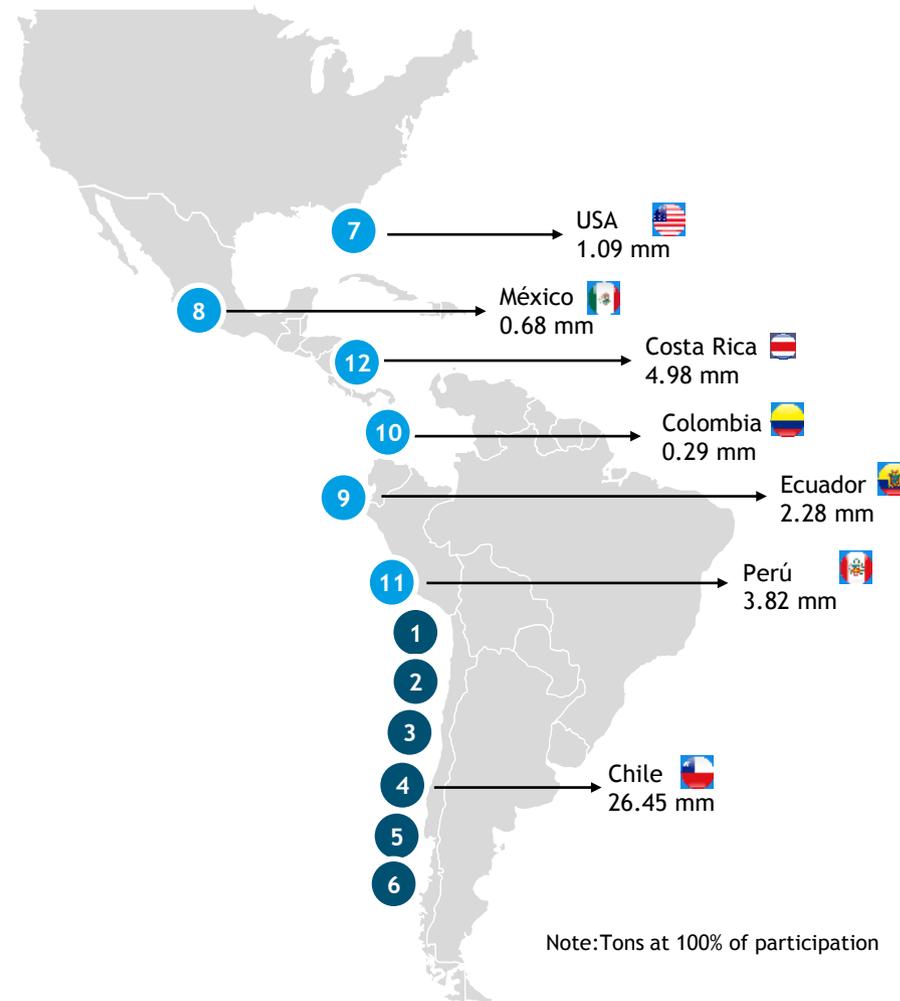


12

Puerto de Caldera (2) SPC / SPGC  
(51%)

1. Includes Terminal Internacional del Sur (TISUR) in Perú and Puerto Caldera in Costa Rica.
2. Transaction must be approved by Costa Rica's Regulatory Authorities

## Tons Transferred in 2015



Note: Tons at 100% of participation

Region	Tons Transferred (1)	%
Chilean Terminals	26.45 mm	72.2%
Foreign Terminals	10.18 mm	27.8%
<b>Total</b>	<b>36.63 mm<sup>1</sup></b>	<b>100.0%</b>

# Leader in South American Port Terminals, with world class assets and sound strategic alliances



## Port Terminals

### Highlights

- ✓ Operates in 12 port terminals in 7 countries<sup>(1)</sup>
- ✓ 4th major port operator in South America
- ✓ State of the art infrastructure and equipment
- ✓ Long-term concessions, 15 years average duration.
- ✓ Alliances with :



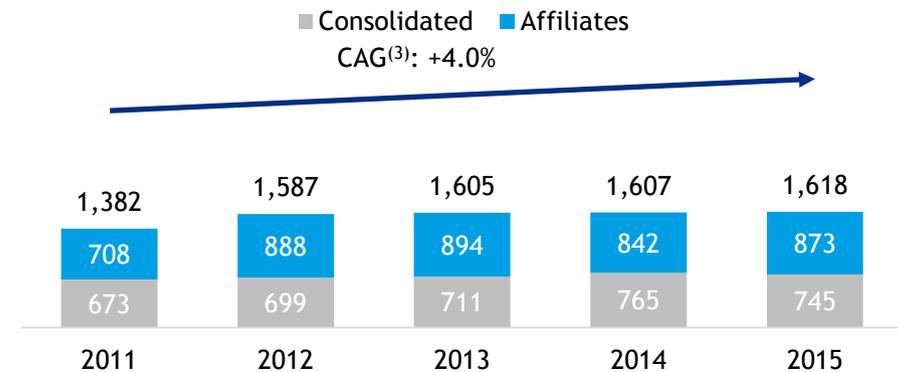
One of the major port operators in the U.S.A.



Grupo Romero

Leading economic group in Peru

### TEUs transferred (thousands)<sup>(2)</sup>



### Port terminals by country

	USA	1		Chile	6
	Mexico	1		Peru	1
	Costa Rica <sup>(1)</sup>	1		Ecuador	1
	Colombia	1			

### Extensive portfolio of concessions<sup>(4)</sup>

Concessions	Port	Expires on:	Extension option
Chile	STI (San Antonio)	2024	+5 years
	SVTI (Talcahuano)	2029	
	TPA (Arica)	2034	
	ATI (Antofagasta)	2033	
	ITI (Iquique)	2030	
	Corral (Valdivia)	Private	
Peru	TISUR (Arequipa)	2029	+30 years
Costa Rica <sup>(1)</sup>	Puerto Caldera	2026	+5/30 years
Ecuador	TPG (Guayaquil)	2056	
U.S.A.	FIT (Florida)	2025	+5+5 years
Mexico	TMAZ (Mazatlán)	2032	+12 years
Colombia	Buenavista (Cartagena)	Private	

Source: SM SAAM

1. Includes acquisition of 51% ownership of Puerto Caldera in Costa Rica. This operation awaits approval by regulatory entity.
2. Figures consider SM SAAM's consolidated companies and affiliates at their proportional value
3. Compound annual growth
4. Corral and Buenavista ports are owned by the Company

# New Port: SAAM will acquire 51% stake of the second major port in Costa Rica



## Caldera Port description

Caldera is located in a strategic location in Costa Rica, given its proximity and good connectivity with the city of San Jose. Last year the Port transferred more than 4.9 million tons

## Transaction description

SAAM signed an agreement to acquire from Sociedad Portuaria Regional de Buenaventura (SPBRUN) the control of the two concessions at Puerto Caldera

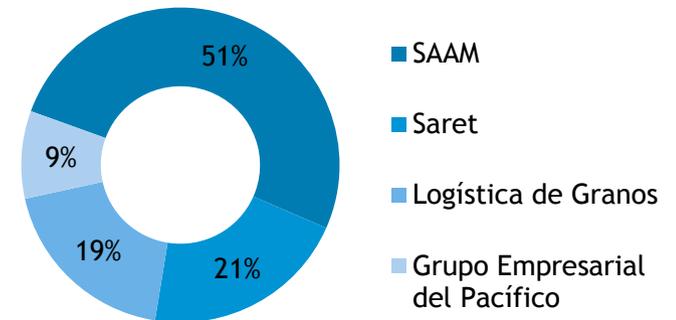
Upon approval of *Costa Rica's Regulatory Authorities* SAAM will control 51% of Sociedad Portuaria de Caldera (SPC) and of Sociedad Portuaria Granelera de Caldera (SPGC). The transaction involve a total disburse of US\$ 48.5 million

## Caldera Port Highlights

- Multipurpose Terminal (48% container; 43% bulk; 9% Break Bulk)
- Strategic location (79,5 km from San José)
- Local partners
- Second major port in Costa Rica

## Puerto Caldera

(SPC / SPGC) ownership (1)



(1) Transaction must be approved by Costa Rica's Regulatory Authorities

# Logistics; moving to a new business strategy

## Highlights

- ✓ Strategy focused on providing supply chain services (warehousing, transport, and shipping services)
- ✓ Middle- and long-term relationships with clients
- ✓ Potential release of expendable property assets
- ✓ Alliances with :



One of the major Airlines in U.S.A.



Leading economic group in Peru

## Logistics

### Supply chain



Importers and exporters



Transport



Services



Distribution Center



Local or widespread Distribution ("capilar")



Clients

### Presence of SM SAAM logistics services in America



Chile



Colombia



Peru



Ecuador



Uruguay

### Provision of services to a large portfolio of industries

Food



Industrial



Services with a high degree of specialization in certain industries

Consumption and retail



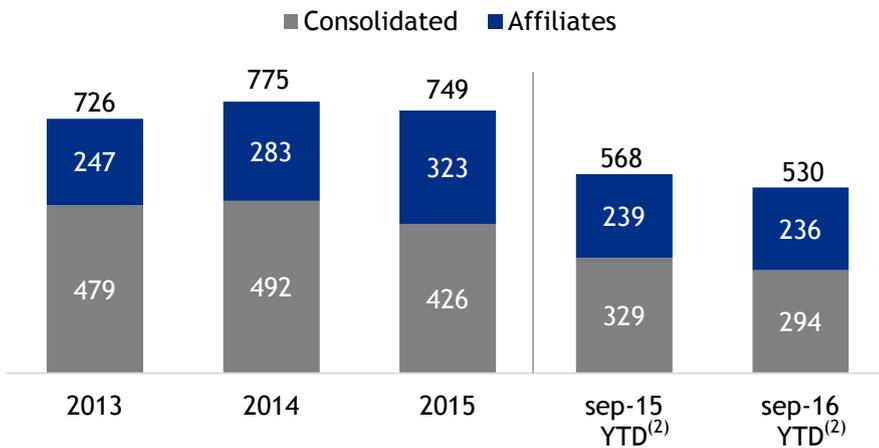
Mining and energy



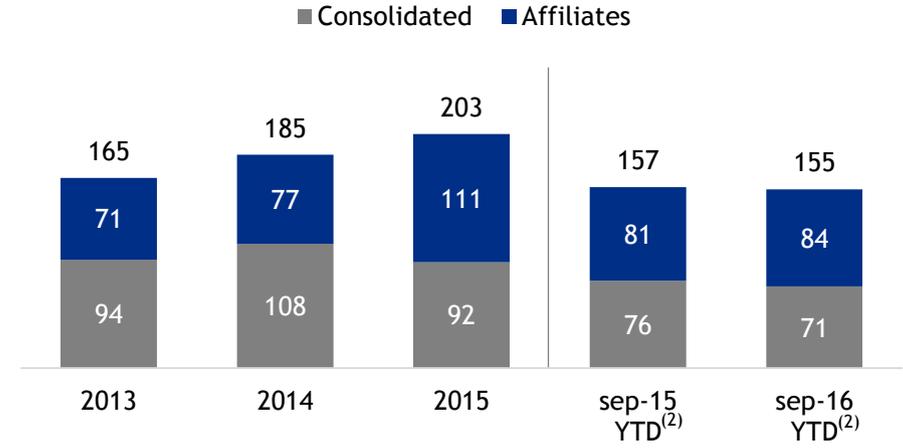
# Stayed strong throughout the economic situation

## Sound financial position, stable returns <sup>(1)</sup>

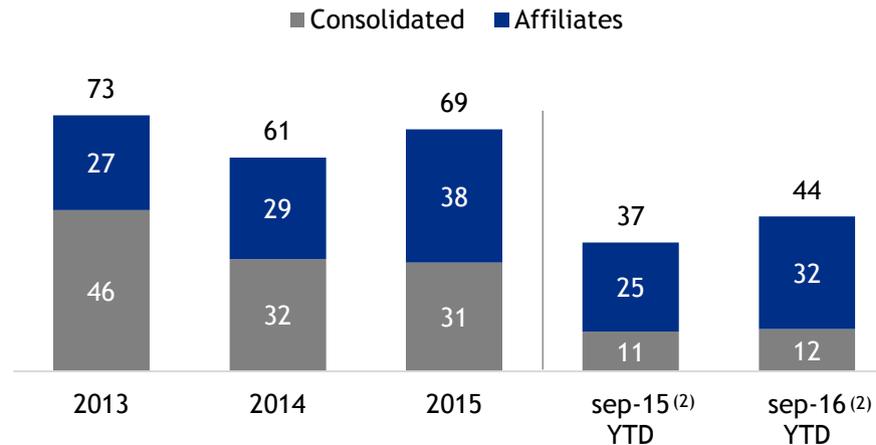
### Evolution of revenues (MUS\$)



### EBITDA evolution (MUS\$)



### Net earnings (MUS\$)



Source: SM SAAM

1. Figures consider SM SAAM's consolidated companies and affiliates at their proportional value

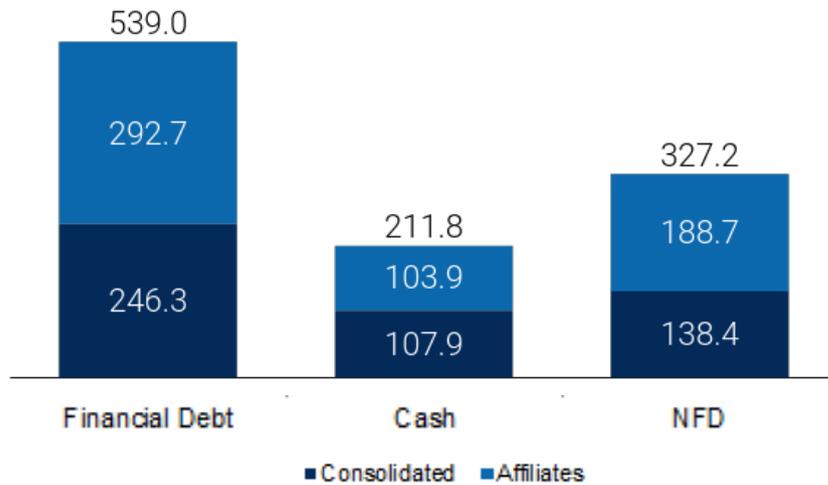
2. YTD: year to date

3. Source: SM SAAM

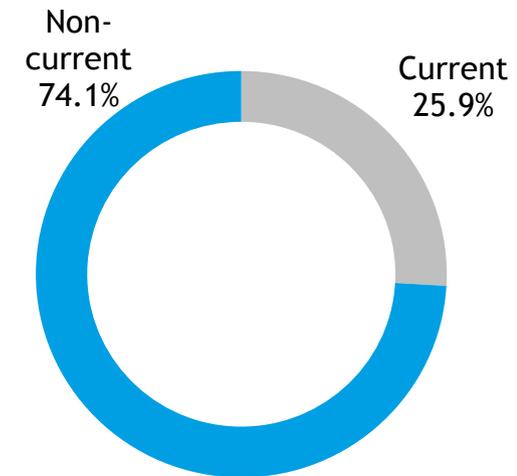
# Stayed strong throughout the economic situation

## Sound financial position <sup>(1)</sup>

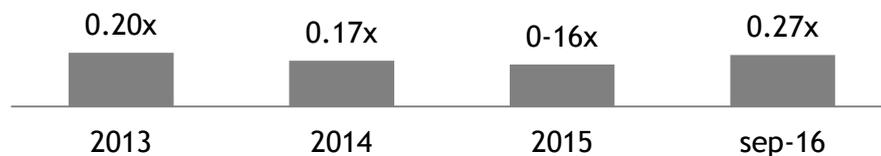
### Net Financial Debt US\$ millions



### Composition of Financial Debt by term(1)



### Net financial debt / Equity<sup>(1)</sup>



### Consolidated + Affiliates Leverage

	3Q2016	1Q2016	3Q 2015
DFN / EBITDA (*)	1.62	1.73	1.41
(*) Affiliates at their proportional value			
(*) EBITDA last 4 quarters			
(*) DFN does not include accounting records of liabilities due to port concessions.			

(1) Consolidated + affiliates at Proportional values

# CAPEX (1)

## Investments over the past 3 years

Business	Investments	Amount
Towage	<ul style="list-style-type: none"> <li>Fleet renovation</li> <li>Careening and overhaul</li> </ul>	~US\$ 160 M
Port Terminals	<ul style="list-style-type: none"> <li>Extensions, reconstructions, equipment acquisitions, improvements and reorganization of yards</li> </ul>	~US\$ 160 M
Logistics	<ul style="list-style-type: none"> <li>Renovation and purchase of equipment and cranes</li> <li>Intermodal warehouse in Iquique</li> <li>Cold storage facilities in Puerto Montt</li> </ul>	~US\$ 35 M
<b>Total</b>		<b>~US\$ 355 M</b>

Source: SM SAAM

1. Figures consider SM SAAM's consolidated companies and affiliates at their proportional value

# Supported by one of the major economic groups in the country

## Ownership Structure



## Quiñenco's main companies

<p>MC<sup>(2)</sup>: MUS\$ 3,766</p> <p>Ownership: 60%</p>	<p>MC: MUS\$ 2,244</p> <p>Ownership: 29%</p>	<p>MC<sup>(2)</sup>: MUS\$ 747</p> <p>Ownership: 52%</p>
<p>MC<sup>(2)</sup>: MUS\$ 11,109</p> <p>Ownership : 51%</p>	<p>MC<sup>(2)</sup>: MUS\$ 797</p> <p>Ownership : 56%</p>	<p>Equity<sup>(3)</sup>: MUS\$ 830</p> <p>Ownership : 100%</p>

## Board of Directors

Name	Post	Profession
Felipe Joannon	Chairman	Economist
Jean-Paul Luksic	Vice- Chairman	Economist
Francisco Pérez-Mackenna	Director	Commercial Engineer
Mario Da-Bove	Director	Commercial Engineer
Oscar Hasbún	Director	Commercial Engineer
Francisco Gutiérrez	Director	Civil Engineer
Jorge Gutiérrez	Director	Business Administration

## Management

- Average of 15 years experience in the industry

<p>CEO Macario Valdés</p> <p>Commercial Engineer</p>	<p>CFO Roberto Larraín</p> <p>Civil Engineer</p>	<p>Development Manager Hernán Gómez</p> <p>Civil Engineer</p>
<p>Towage Division Manager Felpe Rioja</p> <p>Commercial Engineer</p>	<p>Port Terminals Manager Yurik Díaz</p> <p>Commercial Engineer</p>	<p>Logistics Manager Alfredo Núñez</p> <p>Business Administration</p>

Source: SM SAAM, Bloomberg. USDCLP 672.69, USDEUR 0.957

- At December 27, 2016
- MC: Market Capitalization at December 27, 2016
- Book value at June, 2016

# Attractive investment fundamentals



**Diversified Company both in geographic terms and business units**



**Leader in tugboats and port terminals, with world class assets with state of the art infrastructure and sound strategic alliances**



**Sound financial position, stable returns and cash generation**

**High value assets portfolio**

**Supported by one of the major economic groups in the country**



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