



Q1 2020

Results Presentation

June 2020

Disclaimer

Forward-looking statements are based on the beliefs and assumptions of ENAP's management and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of ENAP and could cause results to differ materially from those expressed in such forward-looking statements.

This presentation contains certain performance measures that do not represent Chilean GAAP and IFRS definitions, such as "EBITDA" and "Net financial debt". These measures cannot be compared with the same previously used by ENAP and the same used by other companies.

Q1'20 Highlights

Operational Highlights

- ENAP's refining margin of US\$6.5/bbl for Q1'20 vs. US\$12.2/bbl for Q1'19.
- Refined products production of 192 kbbls/day in Q1'20.
- Average crude price of US\$50.9/bbl for this first three-month period.
- E&P: Production of 66.4 kboe/day for Q1'20 vs. 65.7 kboe/day for Q1'19.
- Aggregate market share of 66% in refined products.¹

Financial Highlights

- Net debt to LTM EBITDA increased from 6.3x in Q4'19 to 7.0x in Q1'20.
- US\$76 million EBITDA for Q1'20 vs. US\$157 million for Q1'19.
- Income before taxes for Q1'20 of negative US\$71 million compared with US\$2.8 million for Q1'19.
- US\$68.4 million CAPEX for Q1'20 vs. US\$71 million for Q1'19.

Operational information		Q1'19	Q1'20
Refining capacity	kbbl/day	230	231
R&M production	kbbl/day	202	192
Valuable products production	kbbl/day	164	155
R&M sales	kbbl/day	256	252
ENAP's margin	US\$/bbl	12.2	6.5
E&P's production	kboe/day	66	66

Financial information	Metric	Q1'19	Q1'20
Revenues	MMUS\$	1,915	1,761
COGS	MMUS\$	-1,796	-1,735
SG&A and Distribution cost	MMUS\$	-75	-65
EBITDA	MMUS\$	157	76
EBITDA margin	%	8.2%	4.3%
Operational Result	MMUS\$	35	-40
Financial expense	MMUS\$	-61	-57
Income (losses) before taxes	MMUS\$	3	-71

Solid Credit Ratings

Moody's	Standard & Poor's	FitchRatings	Japan Credit Rating Agency, Ltd.
Baa3 (Stable)	BBB- (Negative)	A (Negative)	A+ (Stable)

Covid-19: Our response



Our People

- Hundreds of employees working from home.
- Established Covid-19 health protocol.
- Opened Covid-19 helpdesk for Q&A.



Business Continuity

- Maintained production and operations continuity under strict HSE policies.
- Special accommodations destined to protect our people and their families, minimizing travel to and from our operations.



Financial conditions

- Significantly scaled-down capital expenditure projects, operating costs and general and administrative expenses.
- Ensured liquidity to pay 2020's maturities and provide a safety cushion for our business.

Key aspects

- Strategic asset for Chile, with an average market share of 66% as of February 2020, 94% in Gasoline and 52% in Diesel.
- Most of our sales are made to clients with solid balance sheets, maintaining close contact with them.
- Diversified suppliers' portfolio, ensuring the continuity of our business.
- Exhaustive hedging strategy, protecting our balance sheet from crude price variations and foreign exchange volatility.



Revenues & EBITDA

Revenues

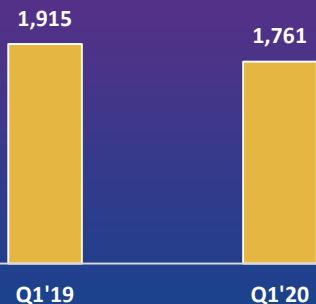
- Revenues decreased in US\$153.3 million mainly due to a lower ICE Brent price for this period compared to Q1'19, US\$50.9/bbl vs. US\$63.8/bbl.
 - (i) -US\$25.3 million in lower own production sales despite higher volumes (ENAP's own product prices in Q1'20 of US\$69.1/bbl vs. Q1'19 of US\$74.7/bbl).
 - (ii) -US\$97.5 million in lower sales of imported products mainly due to a 11.6% decrease in volume and a lower average sale price.

EBITDA⁽¹⁾

- EBITDA of US\$76.4 million for Q1'20 decreased in US\$80.9 million compared to Q1'19 level of US\$157.3 million.
- Main drivers for this quarter are:
 - ENAP's refining margin falling from US\$12.2/bbl for Q1'19 to US\$6.5/bbl for Q1'20.
 - Lower refined products production.
 - Lower ICE Brent and LPG price vs. Q1'19.



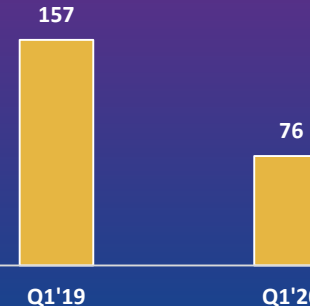
Revenues
(US\$ million)



- US\$15.9 million in lower E&P sales, mainly due to a lower ICE Brent and LPG price, partially compensated by better fees in Ecuador and higher service revenues from Magallanes.
- Imported gas sales reduced in US\$14.5 million due to lower prices.



EBITDA
(US\$ million)



- EBITDA of -US\$10 million for R&M this quarter, compared to US\$59 in Q1'20.
- E&P's EBITDA for Q1'20 reached US\$80 million, down an 18% vs. Q1'19.
- G&E's EBITDA of US\$7 million, up US\$6 million vs. Q1'19.

(1) EBITDA is defined as the sum of: (i) gross margin, (ii) other income, per function, (iii) depreciation and depletion quota, (iv) abandonment of exploratory wells, (v) geological studies and non absorbed costs, (vi) deterioration and other non operational provisions and (vii) exploration costs, less (i) distribution costs, (ii) administrative expenses and (iii) other expenses, per function.

Cost of Goods Sold & Other Operational Expenses



COGS

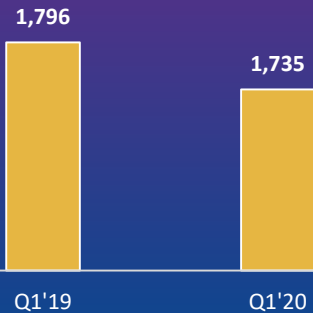
- Cost of goods sold reduced in US\$61.3 million (3.4%) mainly due to:
 - US\$81.5 million less in imported products cost due to a lower volume and lower prices.
 - US\$20.6 million less in imported natural gas costs, mainly due to a lower ICE Brent price vs. Q1'19.

Other Operational Expenses

- Other Operational expenses reduced from US\$87 million in Q1'19 to US\$69 million in Q1'20.
- Distribution cost reduced in US\$6.3 million mainly due to lower indirect costs and personnel expenses, from US\$53.3 million to US\$46.9 million.



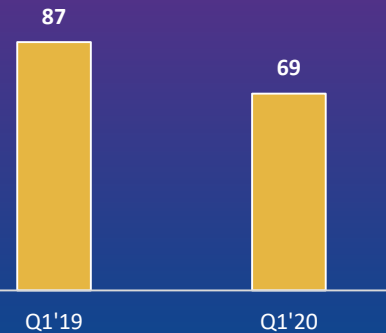
COGS
(US\$ million)



- E&P production costs increased in US\$5.6 million mainly due to higher operating costs in Ecuador (US\$3.9 million) and Egypt (US\$1.4 million).
- Non-crude costs decreased 19.6%, from US\$196.5 million in Q1'19 to US\$158 million in Q1'20, mainly due to a US\$24.6 million reduction in fixed and variable costs.



Other Operational Expenses
(US\$ million)



- Administrative expenses decreased in US\$3.4 million due to the initiatives contained in the cost reduction plan, from US\$21.9 million to US\$18.4 million.
- Other expenses, per function decreased in US\$8 million, from US\$12.1 million in Q1'19 to US\$4 million in Q1'20, mainly due to a US\$7.2 million reduction in exploratory campaigns costs.

(1) Other Operational Expenses: Distribution cost, Administrative expenses and Other expenses, per function

Refining & Marketing

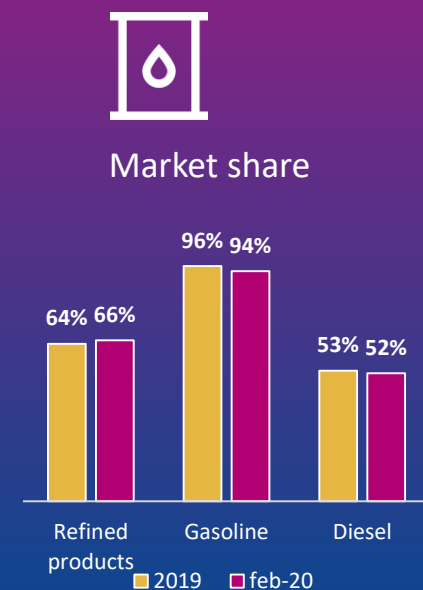
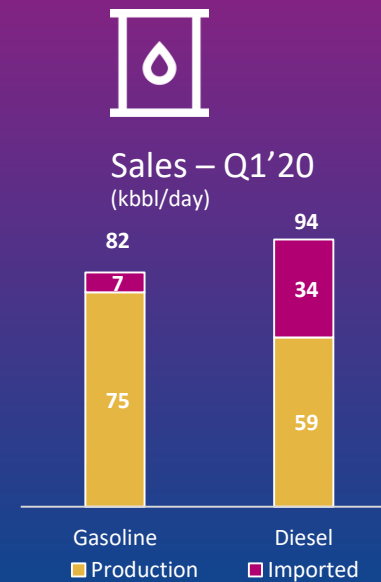
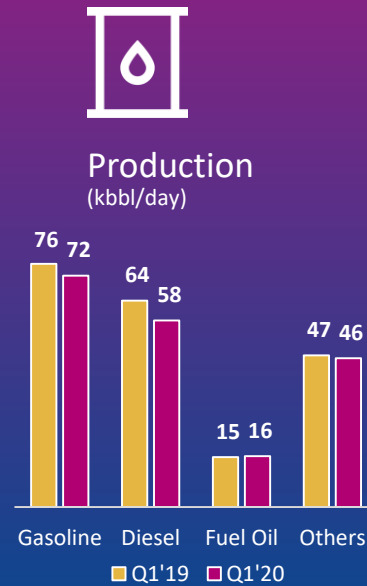
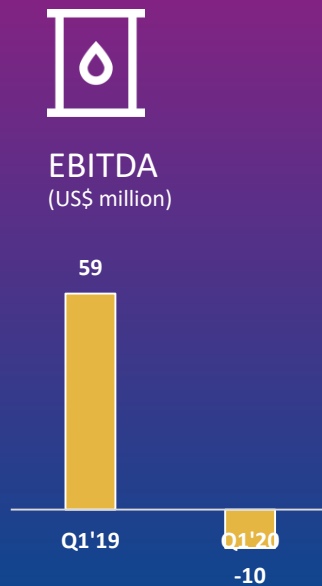


EBITDA

- R&M EBITDA decreased from US\$59 million in Q1'19 to negative US\$10 million in Q1'20.
- Weighted average price of refined products for Q1'20 of US\$69.1/bbl compared to US\$74.7/bbl for Q1'19, decreasing 7.4%, while gasoline Crack Spread deterioration added an extra pressure on margins.
- Lower refining margin, with US\$6.5/bbl for Q1'20 compared to US\$12.2/bbl for Q1'19, with historically low margins as a consequence of Covid-19 pandemic.

Additional information

- Decrease in refined products production, 2.8 vs. 2.9 million m³.
- 81% in valuable products production for Q1'20, same as in Q1'19.
- Total Crude Oil Purchases: 17.1 million barrels in Q1'20 from 19 different suppliers.
- Own production volume sold increased in 10.1%, while sales related to imported products decreased in 25.2%, mainly due to lower volumes (-11.6%) and a lower sale price.



Refining & Marketing

- ENAP's margin ("Margen Primo")

- 2015: 21.1 US\$/bbl
- 2016: 15.5 US\$/bbl
- 2017: 15.6 US\$/bbl
- 2018: 12.0 US\$/bbl
- 2019: 11.2 US\$/bbl
- Q1'19: 12.2 US\$/bbl
- **Q1'20: 6.5 US\$/bbl**

- Basket 7:3:3:1 vs ICE Brent

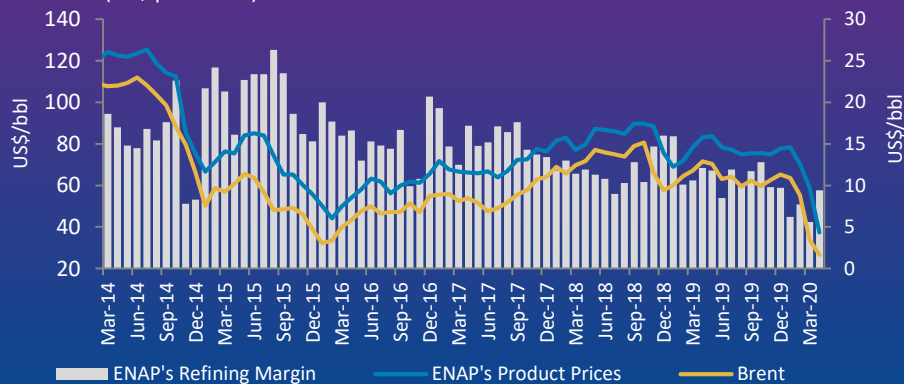
- 2015: 9.7 US\$/bbl
- 2016: 8.0 US\$/bbl
- 2017: 10.6 US\$/bbl
- 2018: 8.1 US\$/bbl
- 2019: 8.7 US\$/bbl
- Q1'19: 7.1 US\$/bbl
- **Q1'20: 5.0 US\$/bbl**

- Brent

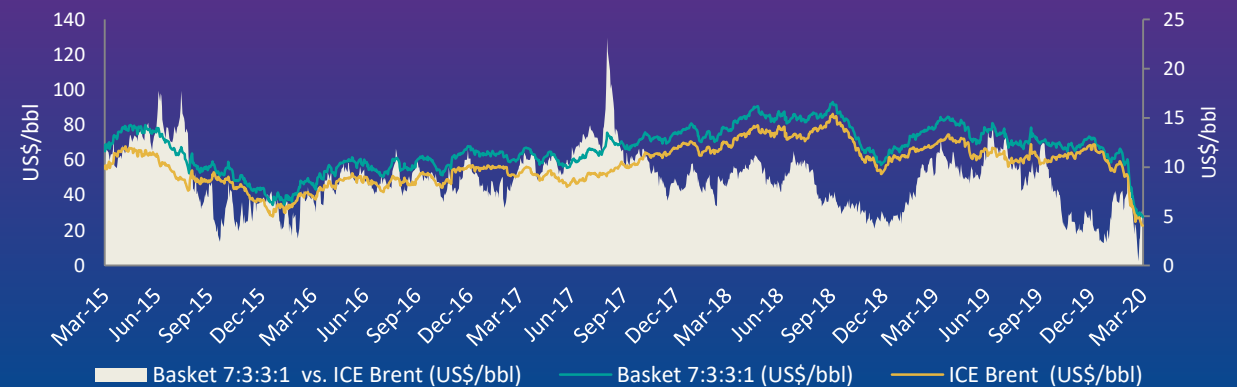
- Q1'19: 63.8 US\$/bbl
- **Q1'20: 50.9 US\$/bbl**



ENAP's refining margin
(US\$ per barrel)



7- 3:3:1 basket
(US\$ per barrel)



Exploration & Production



EBITDA

- I. E&P's EBITDA decreased from US\$98 million in Q1'19 to US\$80 million during Q1'20.
- II. EBITDA from Magallanes (Chile) decreased US\$9 million, due to a decrease in both price and volumes.
- III. Argentina's contribution to E&P's EBITDA decreased US\$10 million YoY, mainly due to the decrease in oil and gas prices in Q1'20.

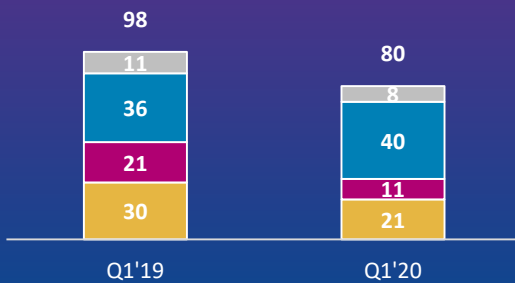
- IV. In Ecuador, EBITDA increased US\$4 million mainly due to higher production and better fees, and in Egypt, EBITDA ended up in US\$8 million mainly due to lower prices.

Additional information

- The strongest impact to E&P comes from ICE Brent plummeting prices, which was a direct consequence of a supply surplus started by Russian-Saudi oil price war and exacerbated by a strong demand contraction due to Covid-19.



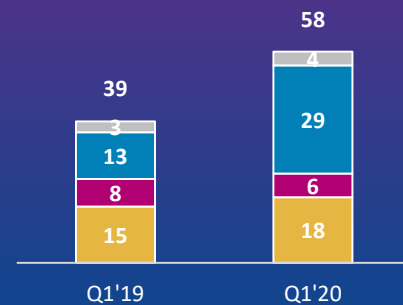
EBITDA
(US\$ million)



■ Chile ■ Argentina ■ Ecuador ■ Egypt



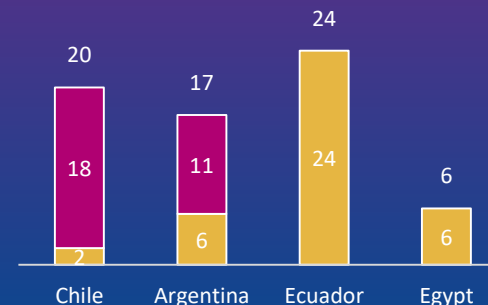
CAPEX
(US\$ million)



■ Chile ■ Argentina ■ Ecuador ■ Egypt



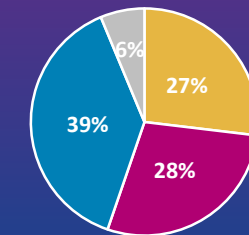
Production – Q1'20
(Th. boed)



■ Oil ■ Gas



Reserves
(Th. boe)



■ Chile ■ Argentina
■ Ecuador ■ Egypt

Total reserves¹:
148 MM boe

1. As of December 2019

Capex analysis

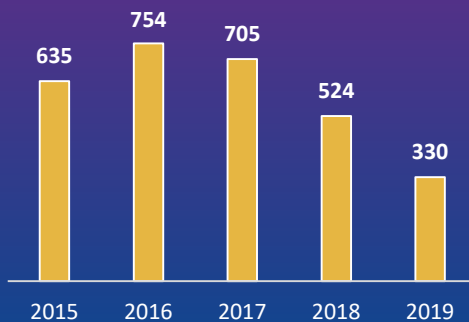


Covid-19 effects

- Our 2019-2023 Business Plan implied US\$2.5 billion in total CAPEX for the 5-year period
 - Yearly average below the 2015-2018 figures
- Covid-19 consequences on crude/refined products prices and demand (both local and international) impacts our business directly
 - CAPEX for 2020 estimated to be reduced below 2019's CAPEX
 - Focus will be on operational continuity, maintenance and environmental commitments



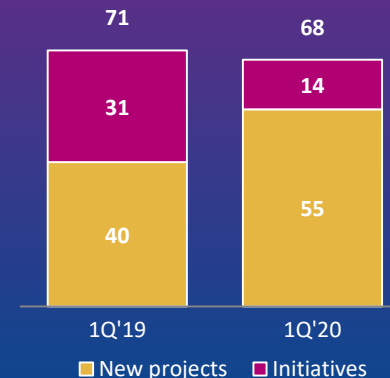
5-year historical CAPEX
(US\$ million, EOY)



- New administration and BoD revised the plan and considered several Capex reductions, including new Capex guidelines.
- 2019's Capex⁽¹⁾ by business unit: US\$223 million for E&P; US\$91 million for R&M; US\$14 million for G&E.
- 2019's Capex reflects the efforts to control leverage and cashflow.



Q1'19 – Q1'20 CAPEX
(US\$ million)



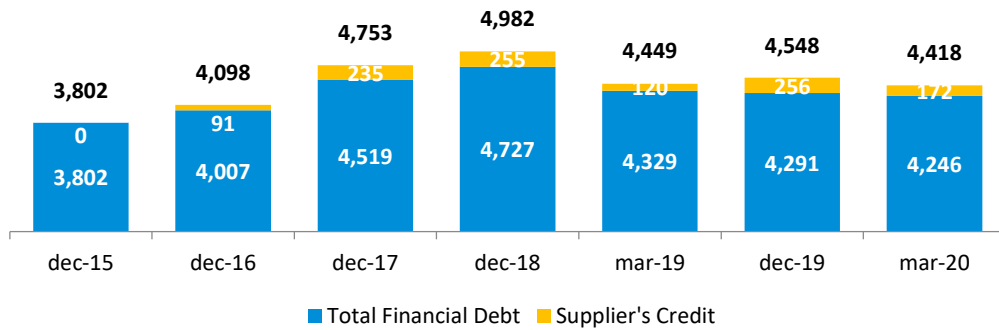
- E&P investments reached US\$58 million for Q1'20, focused in Arenal block in Chile and MDC in Ecuador.
- US\$10 million in R&M for Q1'20, focused in programmed shutdowns, initiatives and preventive maintenance in our refineries.
- G&E investments of US\$1 million for Q1'20, focused mainly in Aconcagua Cogeneration facility.

1: Includes US\$2 in other CAPEX.

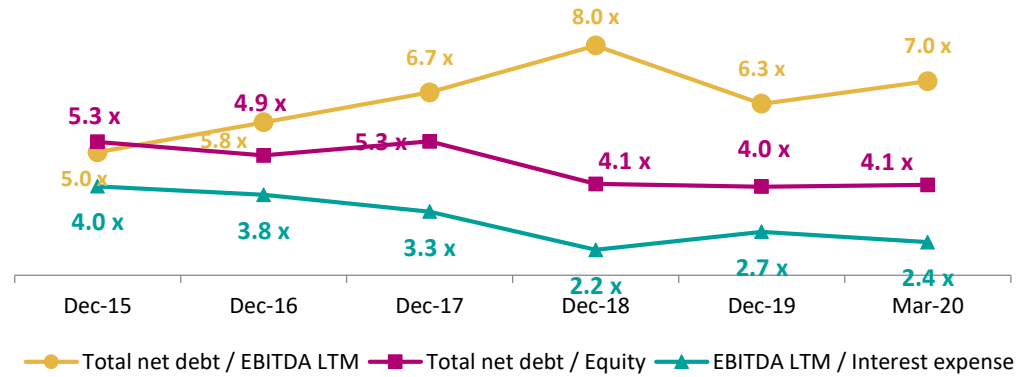
Debt Statistics & Maturity Profile

Financial Debt & Supplier's Credit

(US\$ million)

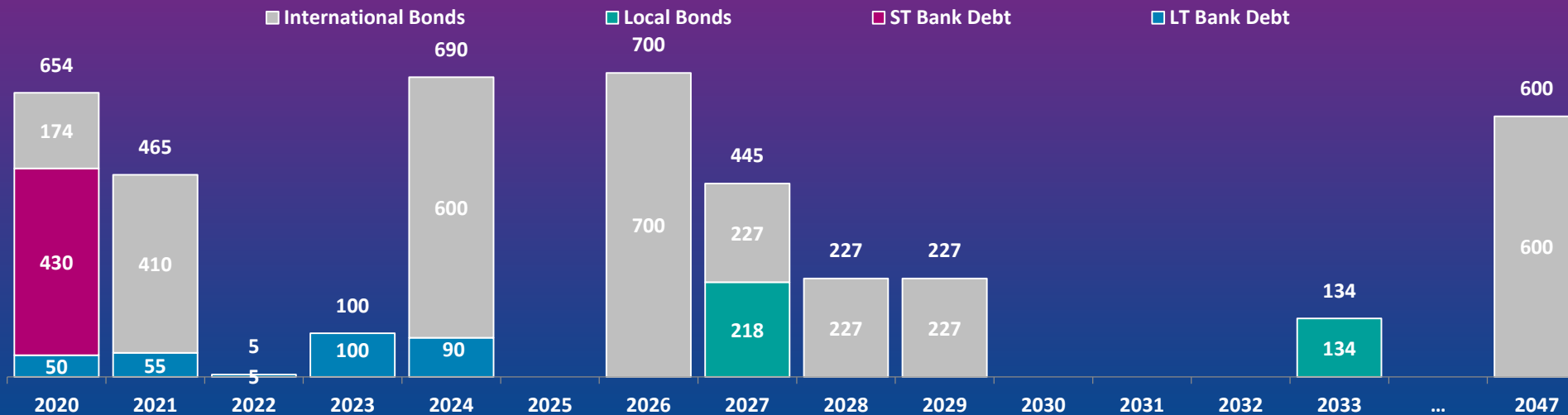


Key Financial Ratios



Debt Maturity Profile – March 2020

(US\$ million)





ENAP

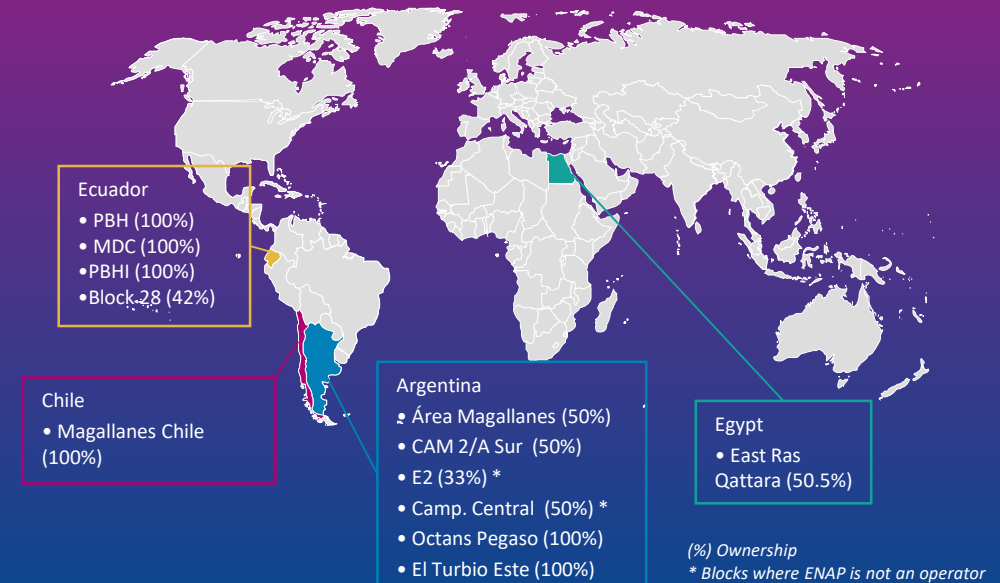
Geography

Downstream

- Leading position in refining capacity, with 231 kbbbl/day.
- Extensive oil & gas wholesale distribution network in Chile.
- Unmatched asset base of critical importance to Chile including country's only 3 refining facilities.
- ENAP reached a 192 kbbbl/day production of refined products during Q1'20, including gasoline, diesel, kerosene, LPG, among others.

Upstream

- Field expertise and relationships with E&P partners and crude oil suppliers worldwide.
- Fields in Chile, Argentina, Ecuador and Egypt.
- E&P's goal: to maintain oil and gas reserves in Chile and abroad.
- E&P's production: 37.5 kbbbl/day and 28.9 kboe/day of crude and gas respectively.



ENAP and the Republic of Chile

Corporate Governance

- Corporate Governance Law: gives ENAP more stability in long-term plans, following best practices of private sector.
- Reduction in number of Board Members from eight to seven.
- Shareholders: Finance and Energy Ministers.
- Five-year Business Plan 2020-2024 in progress. The yearly budget and long term debt issuance are also subject to the shareholders' approval.

Support

- Capital injections: US\$250 MM capital increase in 2008 and US\$400 MM capital increase in 2018.
- Capitalization of Retained Earnings (Subsidiaries) approved on a yearly-basis. The Republic has waived its right to receive any dividends for the past ten years.
- Gas sales subsidy in Magallanes (Chile): Approved on a yearly basis as part of the Chilean General Budget Law. Up to CLP \$58,521 million (~US\$73 million) approved for 2020.

Board

- Seven Members:
 - Appointed directly by the President of the Republic
 - María Loreto Silva Rojas (Chairman) and Fernando Massú Taré
 - Elected from proposals from the High Public Management System (ADP)
 - Ana Holuigue Barros, Rodrigo Azócar Hidalgo, José Luis Mardones Santander and Claudio Skármeta Magri
 - Elected by the company's employees
 - Marcos Varas Alvarado
- Board Members will have four-year terms and will be eligible for reelection only once
- Members will be changed partially, not all at the same time

Financial Statements Summary



Summary Income Statement (US\$ million)	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Mar-19	Mar-20
Sales	6,351	5,217	6,420	8,305	7,628	1,915	1,761
COGS	(5,708)	(4,670)	(5,913)	(7,964)	(7,169)	(1,796)	(1,735)
Gross profit	643	547	507	341	460	118	26
% margin	10%	10%	8%	4%	6%	6%	1%
SG&A and Distribution cost	(292)	(307)	(341)	(373)	(299)	(75)	(65)
Other income (expense)	(77)	(39)	(67)	(216)	(20)	(8)	(0)
Operational Result	274	201	99	(248)	141	35	(40)
D&A	392	392	426	464	440	102	106
Others*	76	84	140	310	75	20	10
EBITDA	742	678	665	526	656	157	76
% margin	12%	13%	10%	6%	9%	8%	4%
Net Interest expense (LTM)	(185)	(180)	(202)	(238)	(241)	(244)	(236)
Net income	170	183	24	(231)	5	14	(34)

Summary Balance Sheet (US\$ million)	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Mar-19	Mar-20
Total current assets	1,525	1,664	2,270	2,573	1,811	2,101	1,740
Cash & equivalents	114	66	91	525	132	106	234
Accounts Receivables	632	644	822	781	676	803	548
Inventories	566	728	1,039	932	845	978	536
Total non-current assets	3,929	4,179	4,523	4,665	4,701	4,658	4,723
Net PP&E	2,798	3,138	3,241	3,167	3,083	3,148	3,049
Total assets	5,454	5,843	6,793	7,238	6,512	6,759	6,463
Total current liabilities	1,095	1,603	2,055	2,171	1,577	1,689	1,605
Short-term debt	492	868	960	1,037	764	647	737
Total non-current liabilities	3,658	3,432	3,899	4,036	3,895	4,027	3,868
Long-term debt	3,310	3,140	3,558	3,689	3,527	3,683	3,509
Total liabilities	4,753	5,036	5,954	6,207	5,471	5,716	5,473
Total equity	701	807	839	1,031	1,040	1,043	990
Total liabilities + SHE	5,454	5,843	6,793	7,238	6,512	6,759	6,463

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