



Q2 2020

Results Presentation

September 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.

H1'20 Highlights

Operational Highlights

- ENAP's refining margin of US\$8.0/bbl for H1'20 vs. US\$11.5/bbl for H1'19.
- Refined products production of 157 kbbls/day in the first half of the year.
- Average crude price of US\$42.1/bbl for H1'20 vs. US\$66.1/bbl for H1'19.
- E&P: Production of 64.2 kboe/day for H1'20 vs. 65.8 kboe/day for the first six months of 2019.

- Aggregate market share of 60% in refined products.¹

Financial Highlights

- Net debt to LTM EBITDA increased from 6.3x in Q4'19 to 9.1x in Q2'20.
- US\$128 million EBITDA for H1'20 vs. US\$331 million for H1'19.
- Income before taxes for H1'20 of negative US\$193 million compared with negative US\$3 million for H1'19.
- US\$129.4 million CAPEX for H1'20 vs. US\$153.4 million for H1'19.

Operational information		Q2'19 YTD	Q2'20 YTD
Refining capacity	kbbl/day	231	231
R&M production	kbbl/day	205	157
Valuable products production	kbbl/day	166	125
R&M sales	kbbl/day	247	206
ENAP's margin	US\$/bbl	11.5	8.0
E&P's production	kboe/day	65.8	64.2

Financial information	Metric	Q2'19 YTD	Q2'20 YTD
Revenues	MMUS\$	3,912	2,509
COGS	MMUS\$	-3,672	-2,501
SG&A and Distribution cost	MMUS\$	-151	-120
EBITDA	MMUS\$	331	128
EBITDA margin	%	8.5%	5.1%
Operational Result	MMUS\$	84	-110
Financial expense	MMUS\$	-122	-116
Income (losses) before taxes	MMUS\$	-3	-193

Solid Credit Ratings

Moody's	Standard & Poor's	FitchRatings	Japan Credit Rating Agency, Ltd.
Baa3 (Negative)	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.
- Moved forward Bio-Bio refinery maintenance, in order to take advantage of the low demand environment.



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 60% as of April 2020, 95% in Gasoline and 54% 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

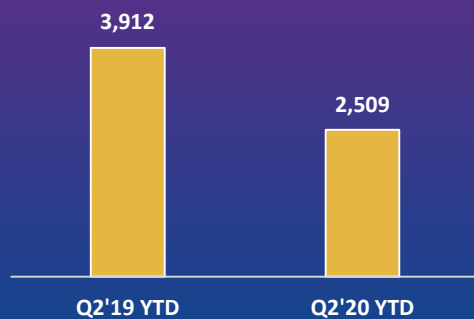
- Revenues decreased in US\$1,403.7 million YTD mainly due to a lower ICE Brent price for this period compared to H1'19, US\$42.1/bbl vs. US\$66.1/bbl.
 - (i) -US\$1,021 million in lower own production sales mainly due to lower prices (H1'20 of US\$59.5/bbl vs. H1'19 of US\$78.5/bbl) and lower volume sold.
 - (ii) -US\$244.1 million in lower sales of imported products due to a 12.6% decrease in volume and a 28.1% decrease in price.

EBITDA⁽¹⁾

- EBITDA of US\$128.2 million for H1'20 decreased in US\$202.7 million YoY, compared to 2019's level of US\$330.9 million.
- Main drivers for this quarter are:
 - ENAP's refining margin falling from US\$11.5/bbl for H1'19 to US\$8.0/bbl for H1'20.
 - Lower local fuel demand since March and lower cracks for our relevant markers in the USGC due to Covid-19.
 - Lower ICE Brent strongly impacting E&P segment.



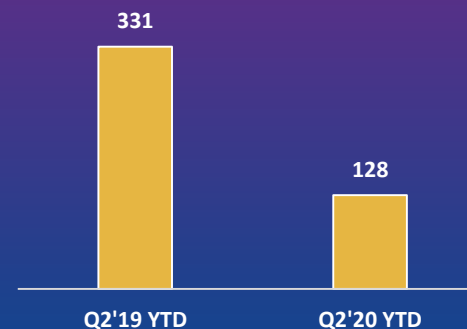
Revenues
(US\$ million)



- US\$99.9 million in lower E&P sales, mainly due to a lower ICE Brent and LPG price (US\$-71.8 mm) and lower volumes (US\$-30.4 mm).
- Imported gas sales reduced in US\$36.2 million due to lower prices.



EBITDA
(US\$ million)



- EBITDA of -US\$37 million for R&M this six month period, compared to US\$110 million in 2019.
- E&P's EBITDA for Q2'20 YTD reached US\$137 million, down a 34% vs. Q2'19.
- G&E's EBITDA of US\$28 million, up US\$14 million vs. H1'19.

(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

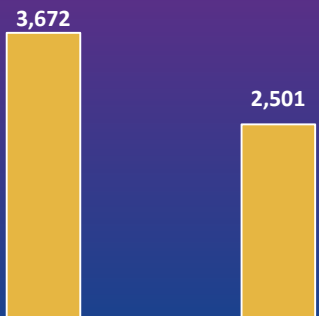
- Cost of goods sold reduced in US\$1,171.6 million (31.9%) mainly due to:
 - US\$823.6 million less in crude costs mainly due to a lower ICE Brent price (-36.3%) and lower crude purchases.
 - Imported products costs reduced in US\$221.4 million due to lower volume sold and lower prices.

Other Operational Expenses

- Other Operational expenses reduced in US\$40 million, from US\$168.9 million in H1'19 to US\$129.3 million in H1'20.
- Distribution cost reduced in US\$22.8 million mainly due to lower ground and pipeline transportation costs, from US\$108.4 million to US\$85.6 million.



COGS
(US\$ million)

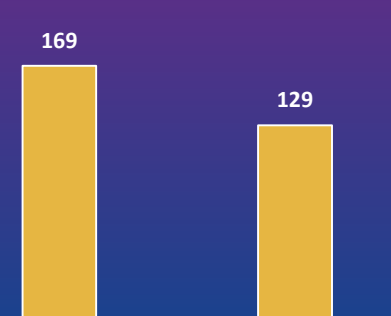


Q2'19 YTD Q2'20 YTD

- E&P production costs decreased in US\$24.2 million mainly driven by efficiency initiatives, personnel cost reductions, and a lower depletion quota in Magallanes.
- Non-crude costs decreased 13.4%, mainly due to a US\$43.2 million reduction in variable costs.



Other Operational Expenses
(US\$ million)



Q2'19 YTD Q2'20 YTD

- Administrative expenses decreased in US\$8.0 million due to the initiatives contained in the cost reduction plan, from US\$42.8 million to US\$34.8 million.
- Other expenses, per function decreased in US\$8.8 million YTD, from US\$17.7 million to US\$8.9 million, mainly driven by reductions in exploratory campaigns costs.

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

Refining & Marketing

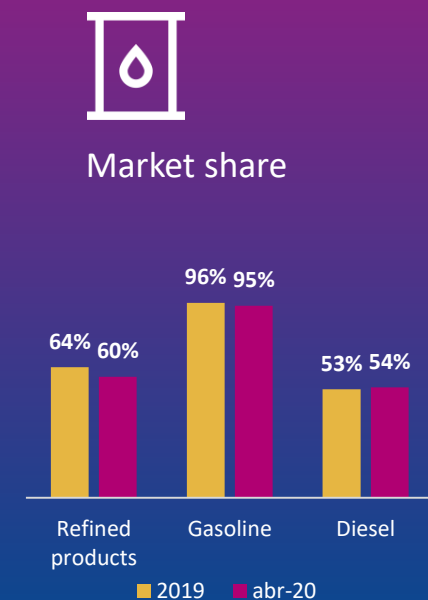
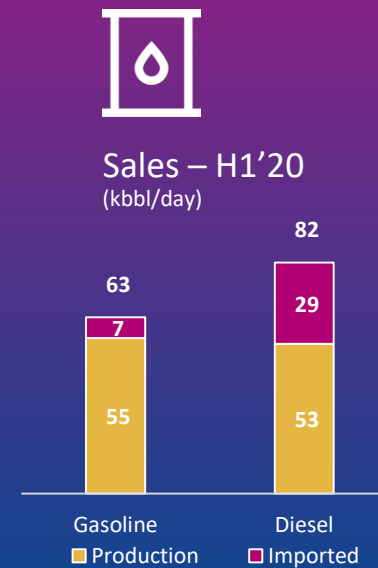
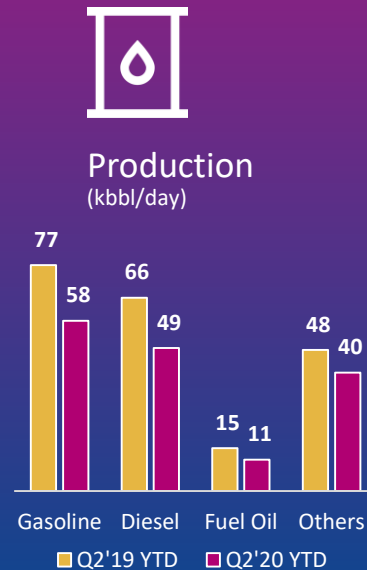
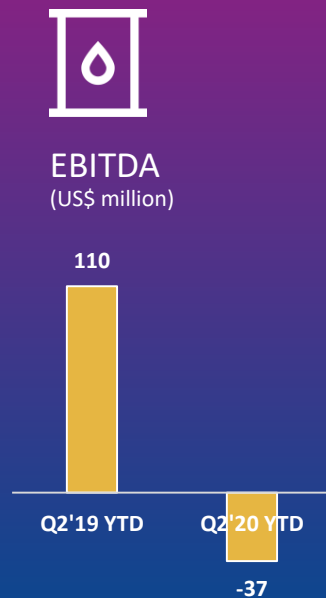


EBITDA

- R&M EBITDA decreased from US\$110 million in the first six months of 2019, to negative US\$37 million in 2020.
- US\$5.2/bbl in lower crack for the 7:331 basket, from US\$8.7/bbl in H1'2019 to US\$3.5/bbl in H1'2020.
- Lower refining margin, with US\$8.0/bbl for H1'20 compared to US\$11.5/bbl for H1'19, with historically low margins in the second quarter as a consequence of Covid-19 pandemic.

Additional information

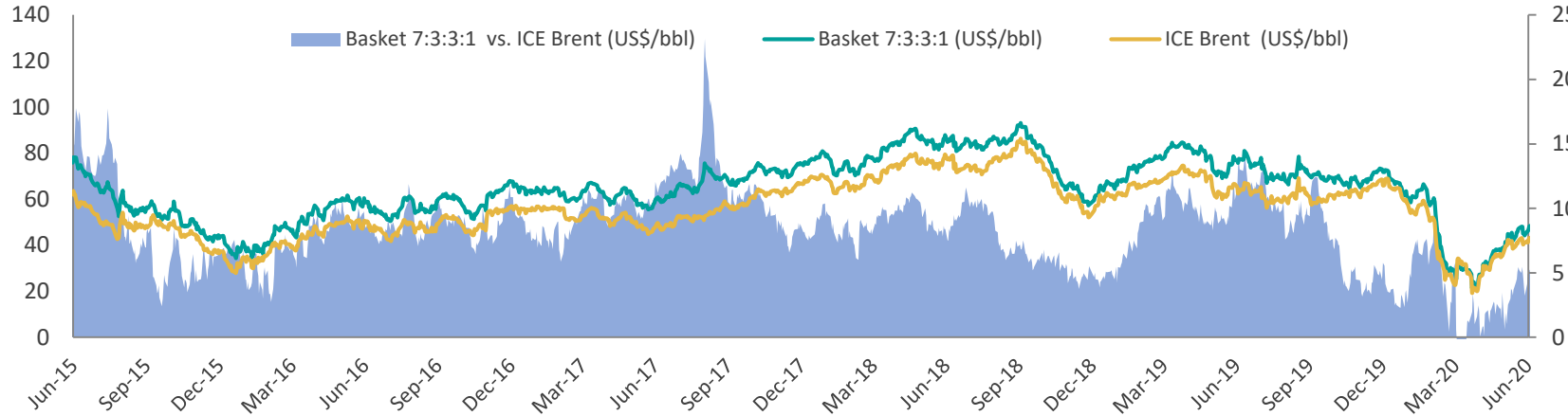
- Decrease in refined products production, 4.5 vs. 5.9 million m³.
- 79% in valuable products production for H1'20 vs 81% in 2019.
- Total Crude Oil Purchases: 28 million barrels in H1'20 from 24 different suppliers.
- Own production volume sold decreased in 18.9%, while sales related to imported products decreased in 35.7%, mainly due to lower volumes (-12.6%) and a lower sale price (-28.1%).



Refining & Marketing

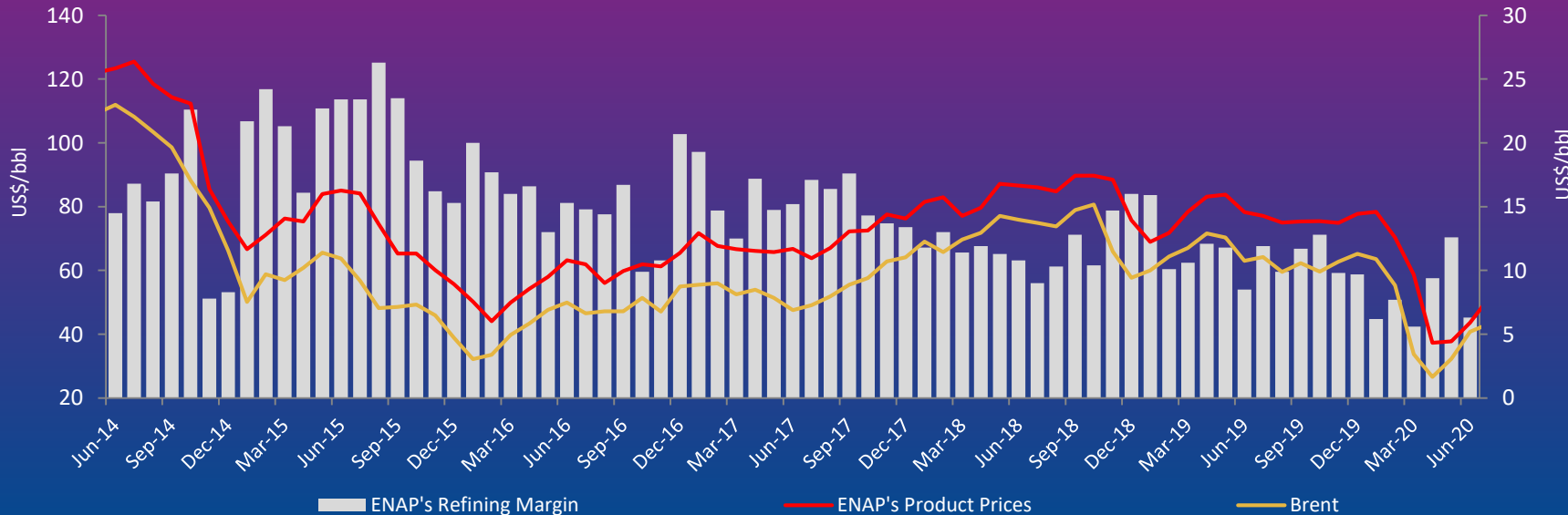


7-3:3:1 basket
(US\$ per barrel)



- Brent
 - Q2'19 YTD: 66.1 US\$/bbl
 - **Q2'20 YTD: 42.1 US\$/bbl**
- Basket 7:3:3:1 vs ICE Brent
 - 2019: 8.7 US\$/bbl
 - Q2'19 YTD: 8.7 US\$/bbl
 - **Q2'20 YTD: 3.5 US\$/bbl**

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



- 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
 - Q2'19 YTD: 11.5 US\$/bbl
 - **Q2'20 YTD: 8.0 US\$/bbl**

Exploration & Production



EBITDA

- I. E&P's EBITDA decreased from US\$206 million in H1'19 to US\$137 million during H1'20 YTD.
- II. EBITDA from Magallanes (Chile) decreased US\$21 million, due to a decrease in both price and volumes.
- III. Argentina's EBITDA decreased US\$35 million YoY, mainly due to the decrease in oil and gas prices in Q2'20.

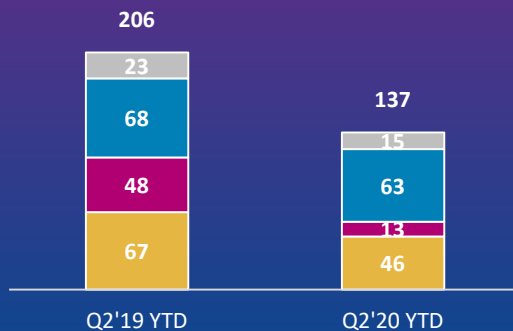
- IV. In Ecuador, EBITDA decreased US\$5 million, and in Egypt, EBITDA ended up in US\$15 million, both decreasing mainly as a result of lower volumes vs. H1'19.

Additional information

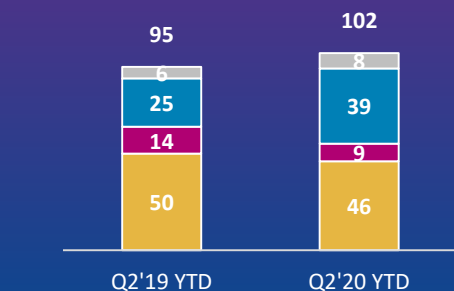
- The strongest impact to E&P comes from ICE Brent plummeting prices, which started with the Russian-Saudi oil price war and continued with the impact of a strong demand contraction due to Covid-19.



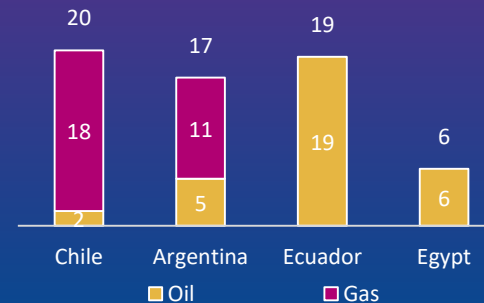
EBITDA
(US\$ million)



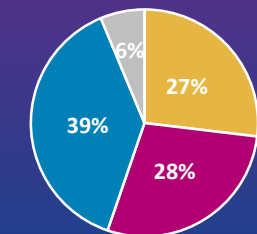
CAPEX
(US\$ million)



Production – Q2'20
(Th. boed)



Reserves
(Th. boe)



Total reserves¹:
148 MM boe

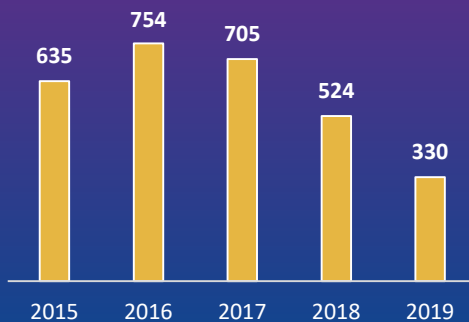
Capex analysis

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



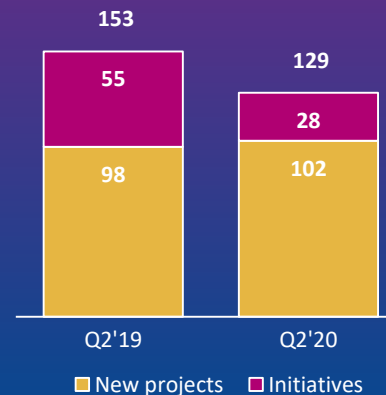
5-year historical CAPEX
(US\$ million, EOY)



- 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.



Q2'19 – Q2'20 YTD CAPEX
(US\$ million)



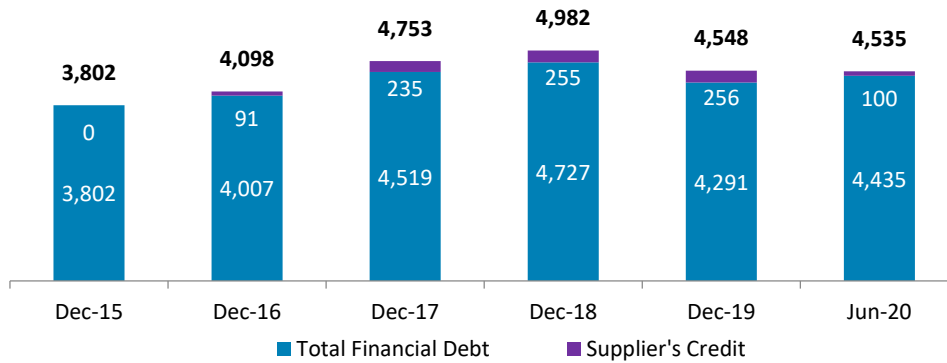
- E&P investments reached US\$102 million for H1'20, focused in Arenal block in Chile and MDC in Ecuador.
- US\$25 million in R&M for H1'20, focused in programmed shutdowns, initiatives and preventive maintenance in our refineries.
- G&E investments of US\$2 million for H1'20, focused mainly in Aconcagua Cogeneration facility.

1: Includes US\$2 in other CAPEX.

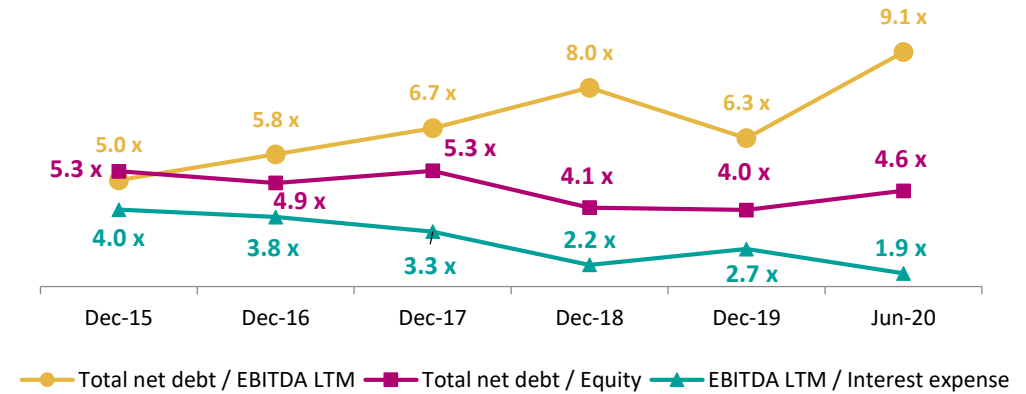
Debt Statistics & Maturity Profile

Financial Debt & Supplier's Credit

(US\$ million)



Key Financial Ratios



Debt Maturity Profile – June 2020

(US\$ million)





ENAP

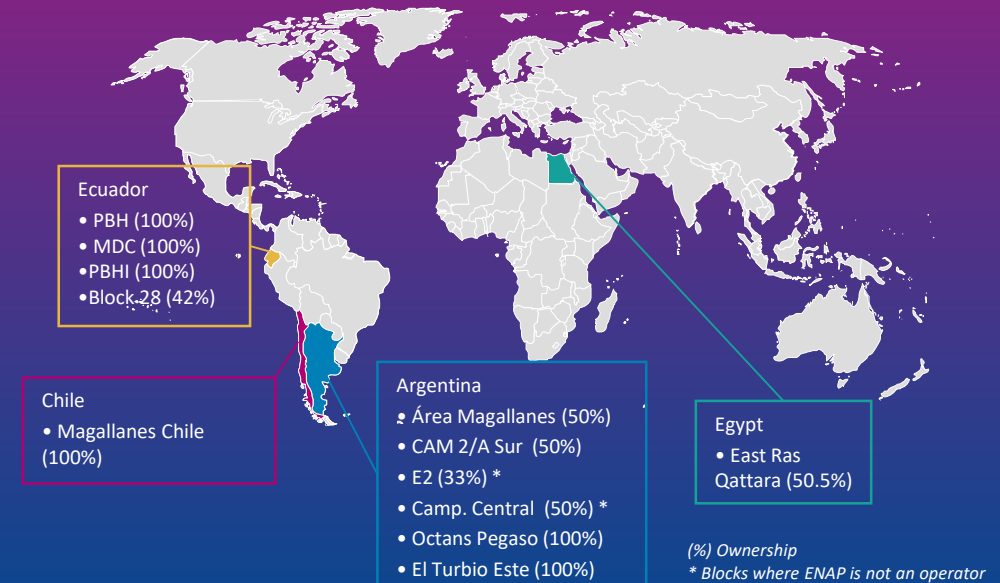
Geography

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 157 kbbbl/day production of refined products during the first semester of 2020, 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: 35.0 kbbbl/day and 29.2 kboe/day of crude and gas respectively for the first half of 2020.



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\$74 million) approved for 2020.

Board

- Seven Members (two pending nomination):
 - Appointed directly by the President of the Republic
 - Fernando Massú Taré (Interim Chairman ⁽¹⁾)
 - Elected from proposals from the High Public Management System (ADP)
 - Ana Holuigue Barros, Rodrigo Azócar Hidalgo and José Luis Mardones Santander
 - 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	Jun-19	Jun-20
Sales	6,351	5,217	6,420	8,305	7,628	3,912	2,509
COGS	(5,708)	(4,670)	(5,913)	(7,964)	(7,169)	(3,672)	(2,501)
Gross profit	643	547	507	341	460	240	8
% margin	10.1%	10.5%	7.9%	4.1%	6.0%	6.1%	0.3%
SG&A and Distribution cost	(292)	(307)	(341)	(373)	(299)	(151)	(120)
Other income (expense)	(77)	(39)	(67)	(216)	(20)	(5)	2
Operational Result	274	201	99	(248)	141	84	(110)
DD&A	392	392	426	464	440	212	213
Others*	76	84	140	310	75	34	26
EBITDA	742	678	665	526	656	331	128
% margin	11.7%	13.0%	10.4%	6.3%	8.6%	8.5%	5.1%
Net Interest expense (LTM)	(185)	(180)	(202)	(238)	(241)	(244)	(234)
Net income	170	183	24	(231)	5	18	(130)

Summary Balance Sheet (US\$ million)	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Jun-19	Jun-20
Total current assets	1,525	1,664	2,270	2,573	1,811	2,189	1,634
Cash & equivalents	114	66	91	525	132	194	290
Accounts Receivables	632	644	822	781	676	802	87
Inventories	566	728	1,039	932	845	993	711
Total non-current assets	3,929	4,179	4,523	4,665	4,701	4,676	4,751
Net PP&E	2,798	3,138	3,241	3,167	3,083	3,146	2,991
Total assets	5,454	5,843	6,793	7,238	6,512	6,865	6,386
Total current liabilities	1,095	1,603	2,055	2,171	1,577	1,797	1,576
Short-term debt	492	868	960	1,037	764	631	914
Total non-current liabilities	3,658	3,432	3,899	4,036	3,895	4,016	3,913
Long-term debt	3,310	3,140	3,558	3,689	3,527	3,672	3,521
Total liabilities	4,753	5,036	5,954	6,207	5,471	5,813	5,490
Total equity	701	807	839	1,031	1,040	1,051	896
Total liabilities + SHE	5,454	5,843	6,793	7,238	6,512	6,865	6,386

Investor Relations contacts

Daniel Lazo V.
Chief Financial Officer
dlazo@enap.cl
+56 2 22803785

Felipe Johnson M.
Director
fjohnson@enap.cl
+56 2 22803641

Pablo Schild P.
Senior Analyst
pschild@enap.cl
+56 2 22803245



ENAP