

# Q3 2023

RESULTS PRESENTATION



ENAP



November 2023

## Disclaimer

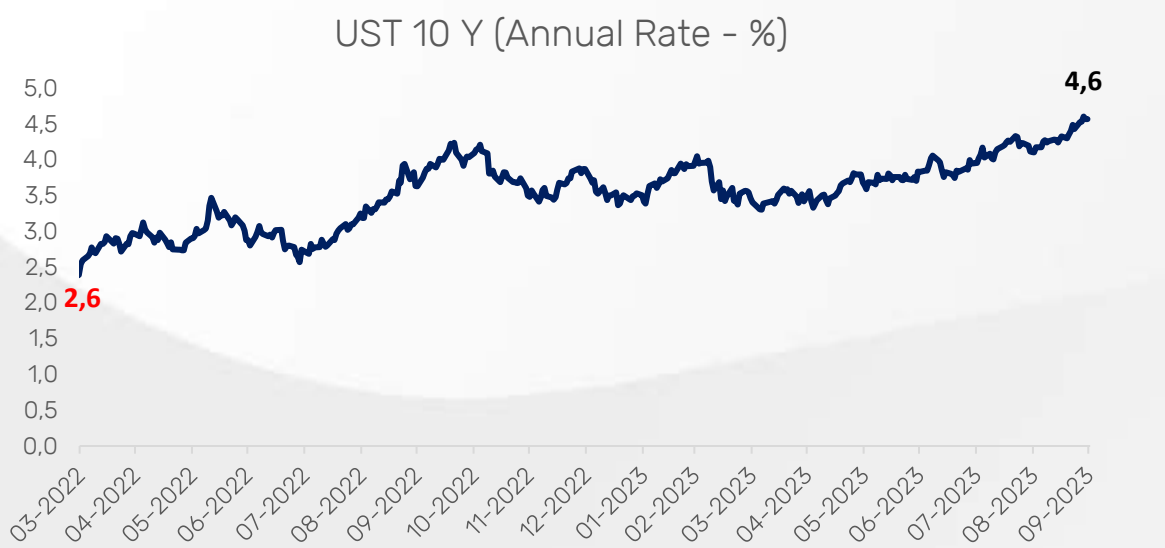
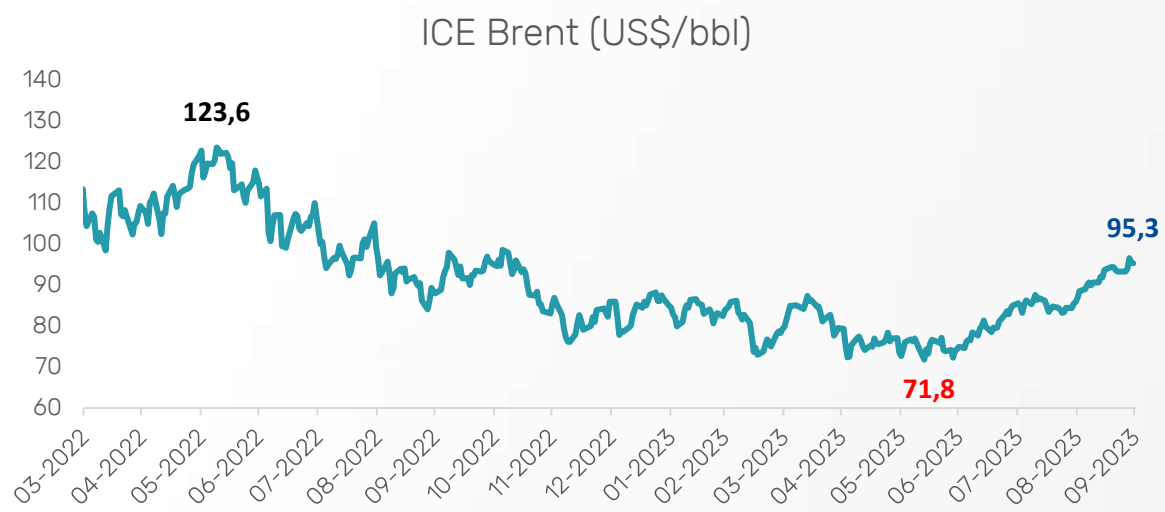
Forward-looking statements are based on the beliefs and assumptions of ENAP's management and on information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the 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.

# Oil & Gas global market



During 2023 global economy has experienced higher interest rates as measures taken from the Central Banks of several countries, with the purpose of reducing high inflation levels



## Global context

- During Q3'23 ICE Brent prices rised above US\$90/bbl, due to lower supply (Production cutouts from Russia and Saudi Arabia) and higher demand perspectives (Asia).
- US Gulf Coast Refining Crack (7:3:3:1 basket): Reached an average of US\$29/bbl for Q3'23, representing an increase of US\$2/bbl in comparison with 3Q'22.
- By the end of July, we saw a new increase on the US FED rate after the definition to leave it in the range of 5,25% - 5,50%, the highest level in the last 22 years. If there are new increases on the rate will be defined according CPI information.
- Natural gas prices are returning to levels before the war between Ukraine and Russia, pushed by higher production in USA and higher regasification capacity in Europe.
- Israel-Hamas conflict and its possible implications has generated uncertainty reflected on crude oil and natural gas prices.

# Q3'23 Highlights



## Main Highlights

- **July 7, 2023:** After 17 years of inactivity, **Oleoducto Trasandino Pipeline** reactivated its operations and ENAP processes about 40,000 barrels per day of crude oil from Vaca Muerta.
- **July 27, 2023:** ENAP signed an agreement to foster green hydrogen development with six energy companies (Total Eren Chile, HIF Chile, FreePower, EDF, RWE and HNH Energy). **ENAP's role consists in enable and transform our infrastructure in Laredo Terminal and act as a facilitator in the process of the energy transition.**
- **August 31, 2023:** Ministry of Finance requested ENAP a dividend payment for **up to US\$400 million.**
- By the end of September 2023 **we made a partial dividend payment for US\$150 MM.** The remainder part of the request will be fulfilled on or before Dec 15, 2023.





# Main Highlights

- Income before taxes of **US\$688.8 million** for 9M'23, compared to US\$653.6 million for 9M'22.
- Net Income of **US\$564.7 million** in 9M'23, compared to US\$457 million for 9M'22.
- In line with our target of debt reduction and considering the positive cash flow generated during the last and current year, the company has deployed a liability management program that have allowed ENAP to reduce its financial debt in **US\$481 million** since Dec.2022. even considering the dividends request made by the Owner in Aug 2023. (As of Sept 30, 2023, US\$150 million out of the total US\$400 million were already paid to the Shareholder)
- Our EBITDA for 9M'23 ended in **US\$1,102 million**, compared to US\$1,084.1 million for 9M'22, increasing in US\$17.9 million.
- Additionally, the LTM EBITDA reached **US\$1,397 million**.
- Aggregate market share of **53%** in refined products, reinforcing our leading and key positioning for the domestic market.<sup>2</sup>

Market Drivers		9M'22	9M'23
7:3:3:1 Crack <sup>1</sup>	US\$/bbl	27.4	21.5
ICE Brent price	US\$/bbl	81.9	102.5
Natural Gas price (Henry Hub)	US\$/MMBtu	6.6	2.6
Financial Highlights		9M'22	9M'23
Revenues	MMUS\$	9,407	8,024
EBITDA	MMUS\$	1,084	1,102
Net income	MMUS\$	457	565



Operational Highlights		9M'22	9M'23
R&M production	kbbl/day	152	179
Valuable products production	kbbl/day	121	146
R&M sales	kbbl/day	223	231
E&P's production	kboe/day	64.6	63.1

(1) 7-3:3:1 Basket: For 7 barrels of crude, our refineries produce around 3 barrels of gasoline, 3 barrels of diesel, and 1 barrel of fuel oil

(2) As of June 2023.

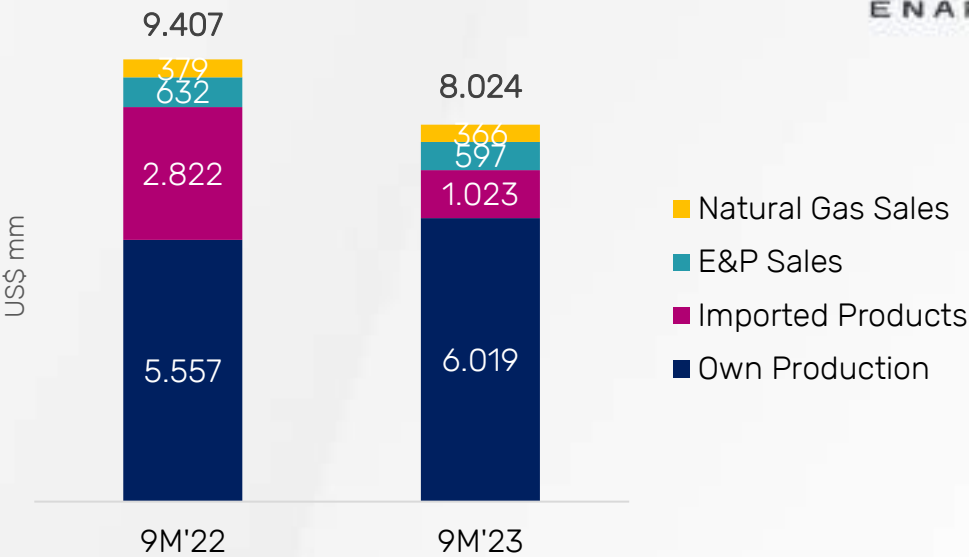
# Revenues

Revenues decreased in US\$1,383.9 million, mainly due to lower ICE Brent prices.

- (i) US\$461.6 million in higher own production sales due to higher volume of sales (+27.8%).
- (ii) US\$1,798.9 million decrease in sales of imported products due to lower volume of sales (-54.4%).
- (iii) Decrease in E&P sales of US\$35.1 million (US\$17.3 million in Sipetrol International and US\$17.8 million in Magallanes) as a result of ICE Brent lower prices, that were partially offset by higher natural gas prices.
- (iv) Imported gas sales decreased in US\$13.1 million mainly due to lower prices.



Sales breakdown





# Cost of Goods Sold & Other Operational Expenses

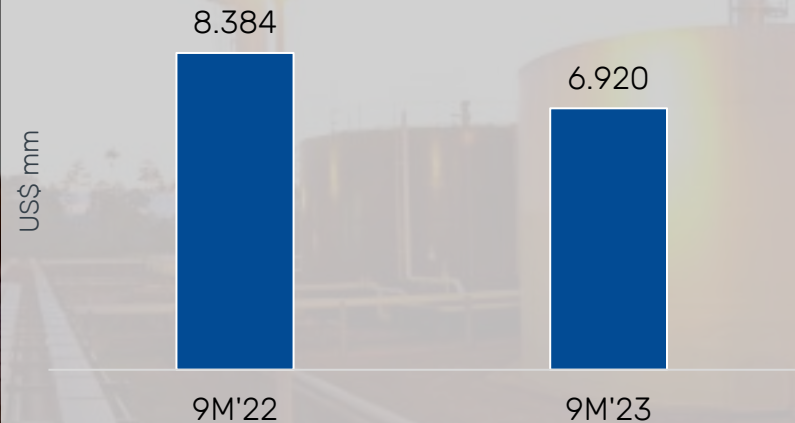
## COGS

- Cost of goods sold decreased in US\$1,463.9 million (-17.5%) YoY mainly due to lower crude oil costs and lower volumes of imported products:
  - Lower crude costs by US\$148.7 million mainly due to lower crude prices (22.7%) offset by higher own production sales (27.5%).
  - Operational non-crude costs increased in US\$261.6 million, due to higher variable costs and logistics costs.
  - E&P production costs increased in US\$39.6 million mainly driven by higher royalty costs in Argentina, and higher maintenance costs in Ecuador, workover in Egypt and higher operation and maintenance costs in Magallanes.
  - Imported gas related costs decreased in US\$48.6 million, mainly due to lower prices of ICE Brent and Henry Hub, that are part of the indexes used in the pricing formula.

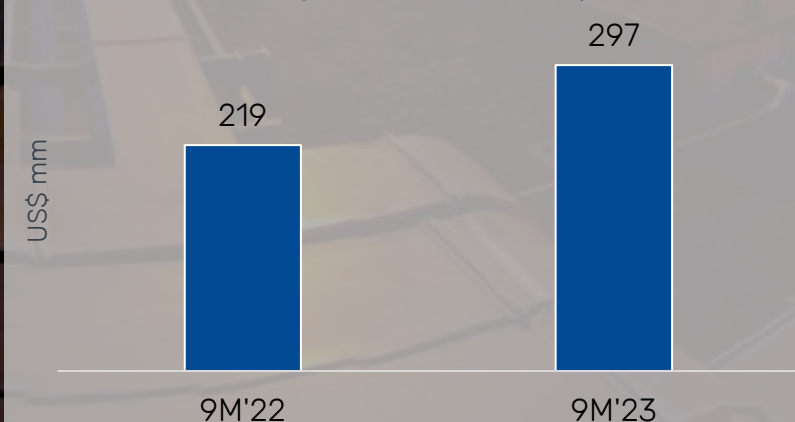
## Other Operational Expenses

- Distribution cost increased in US\$60.9 million, related to higher operational levels and logistics costs.

### Cost of Goods Sold



### Other Operational Expenses

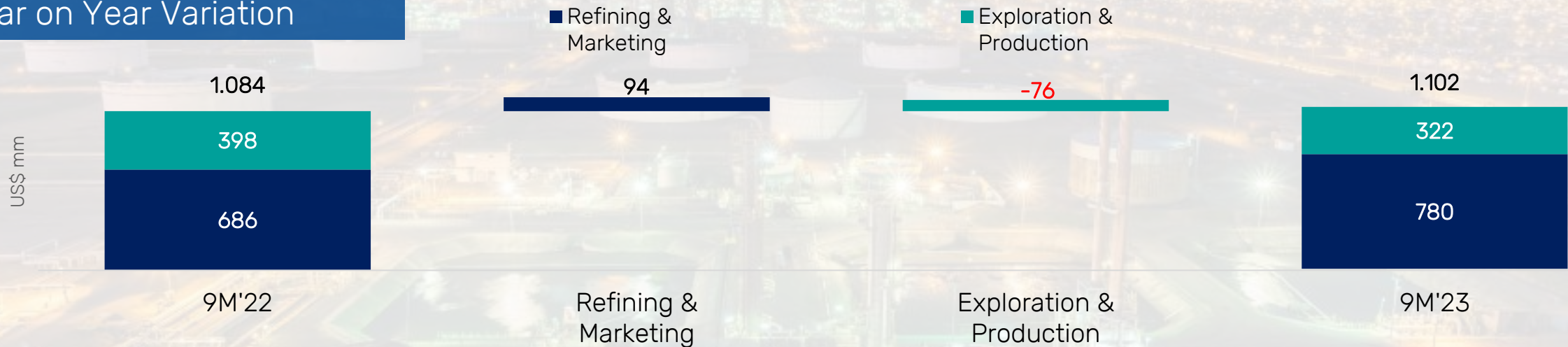


# EBITDA & Profitability Drivers

## Highlights

- EBITDA of US\$1,102 million for 9M'23, increased in US\$17.9 million, compared to US\$1,084.1 million of 9M'22.
- ENAP's refining margin ("Margen Primo") rising from US\$27.4 /bbl in 9M'22 to US\$30.3/bbl for 9M'23.
- ICE Brent price decreasing 20% compared to 9M'22.

## Year on Year Variation



## EBITDA Q3'23



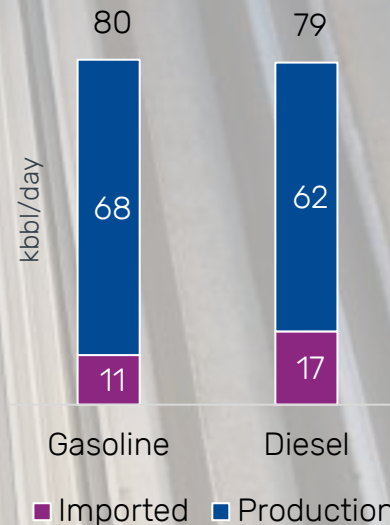


# Refining & Marketing

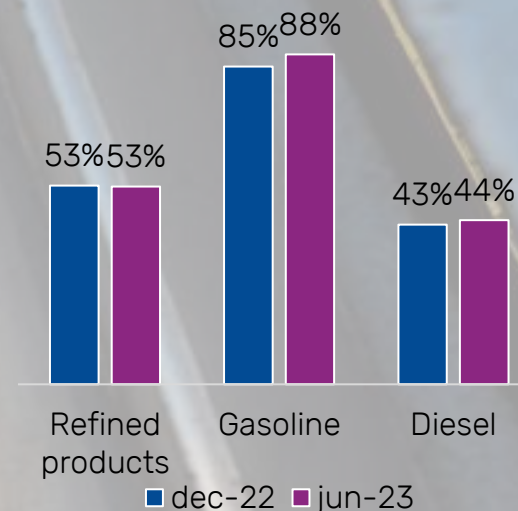
## Highlights

- The average utilization rate in our refineries was 70.5% in 9M'23, compared to 59.6% for the previous year. Availability rate for the period was 92.7%, compared to 87.5% for the same period of the previous year.
- Total Crude Oil Purchases: 13.3 million barrels in 9M'23 from 9 different suppliers and 4 different countries.
- Revenues related to own production increased 8.3%, due to higher volume of sales in 27.8%, compared to 9M'22. Despite the reduction in sales prices.
- Revenues related to imported products decreased in 63.8% due to lower volume of sales by 54.4% and lower sales prices. Despite the reduction of this item, this represents a benefit for the company in terms of margins.
- During this quarter, refined products production reached 7.8 million m<sup>3</sup>.
- We reached an 82% in valuable products production for 9M'23.

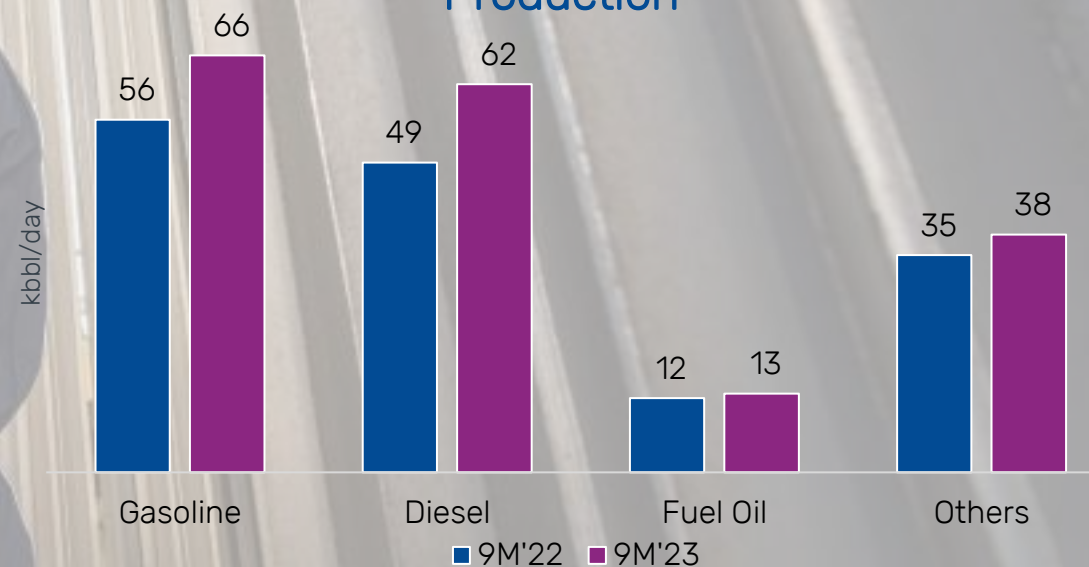
## Sales – Q3'23



## Market Share



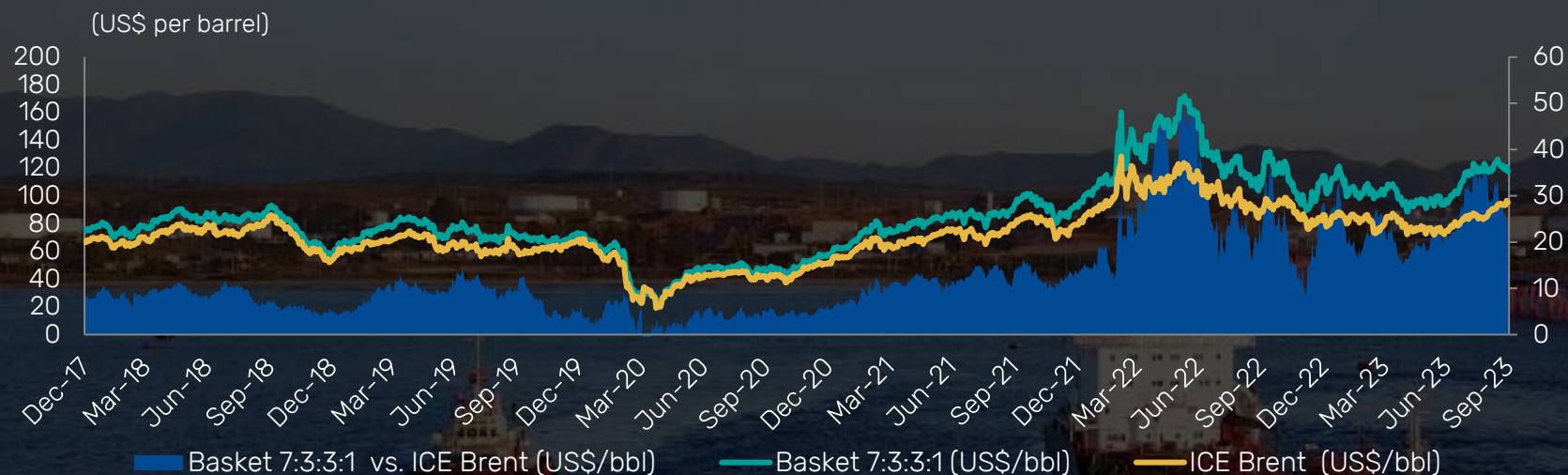
## Production



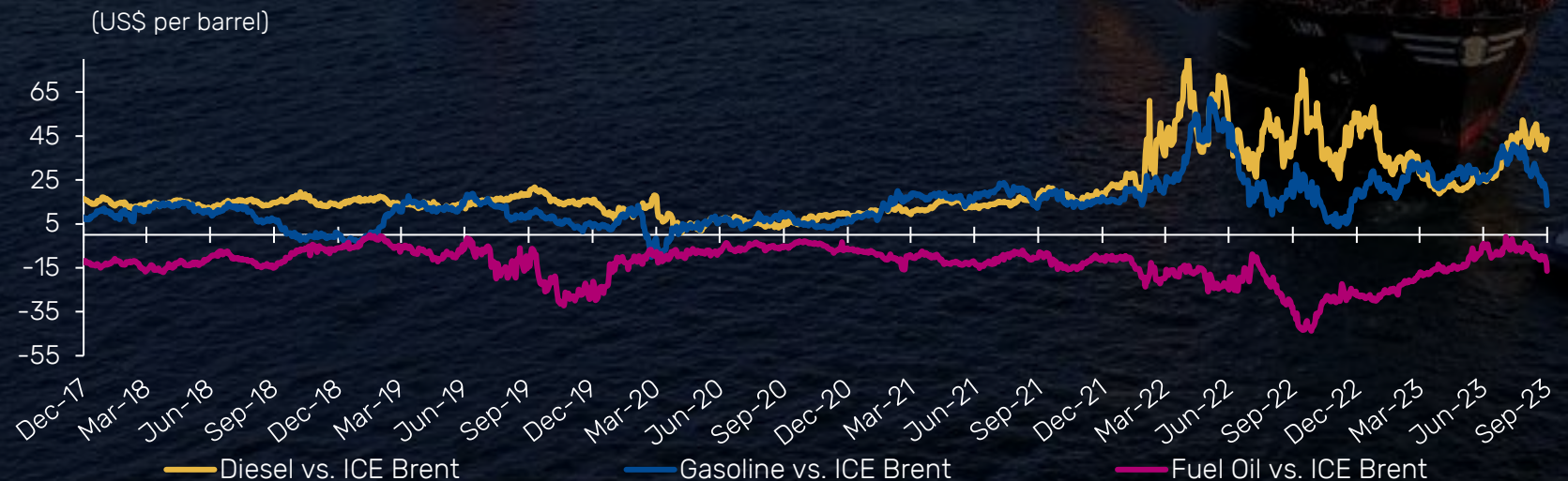


# Refining & Marketing Drivers

## 7- 3:3:1 basket



## Basket crack breakdown and ENAP's margin



## Brent

- 9M'22: 102.5US\$/bbl
- 9M'23: 81.9 US\$/bbl

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

- 9M'22: 27.4 US\$/bbl
- 9M'23: 21.5 US\$/bbl

## ENAP's margin ("Margen Primo")

- 9M'22: 27.4 US\$/bbl
- 9M'23: 30.3 US\$/bbl

## 7:3:3:1 Basket crack breakdown

US\$/bbl	Fuel Oil Crack	Diesel Crack	Gasoline Crack
9M'22	-18.4	42.4	27.8
9M'23	-19.4	31.1	25.5
YoY Variation	-1.0	-11.2	-2.3



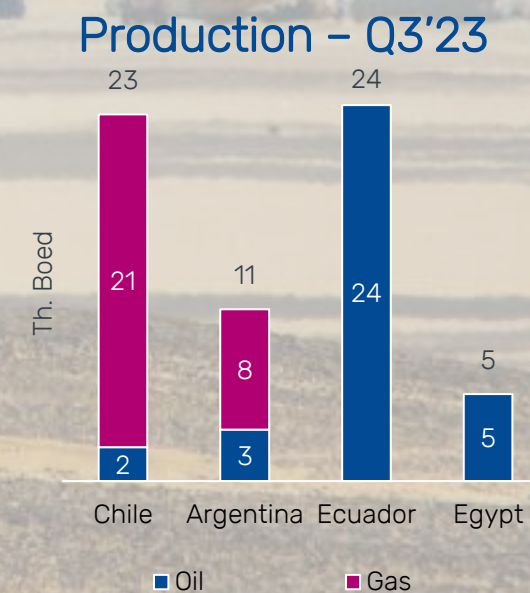
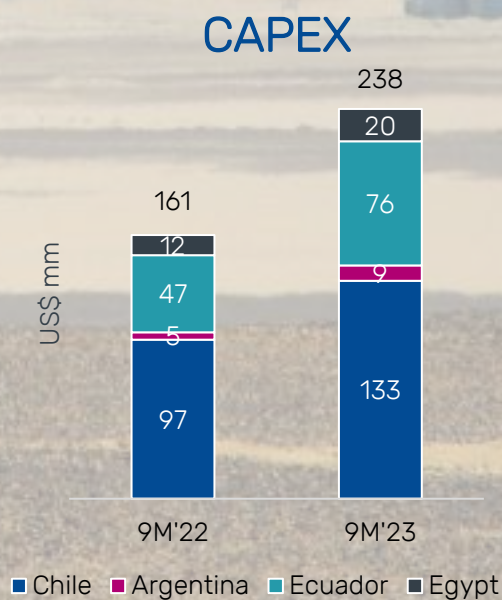
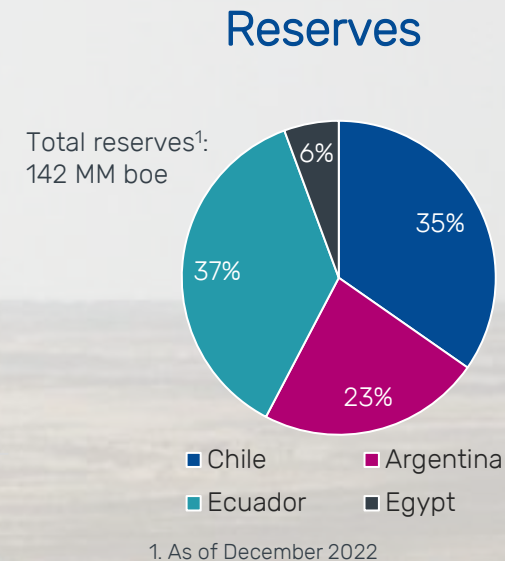
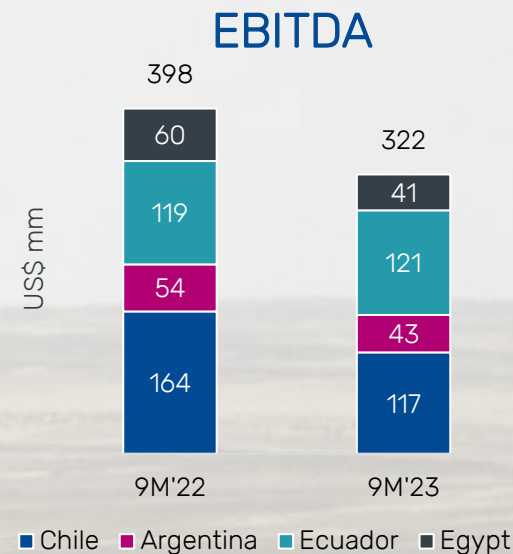
# Exploration & Production

## Financial Highlights

- EBITDA from Magallanes (Chile) decreased US\$47 million, mainly due to lower production volume and prices, along with an increase in production costs.
- Argentina's EBITDA decreased US\$11 million YoY, mainly due to lower crude oil price that was partially offset by a higher gas price during the quarter, that resulted into lower revenues that reduced the final result.
- In Ecuador, EBITDA increased US\$2 million due to higher crude prices. In Egypt, EBITDA decreased US\$19 million, mainly due to lower income as a result of the reduction of crude oil price and higher costs.

## Operational Highlights

- E&P average production of 63.1 kboe/day for 9M'23, a 2.4% lower compared to 64.6 kboe/day in 9M'22.
- Our reserves are distributed mainly in Chile, Ecuador and Argentina.





# Capex Analysis



## Investments

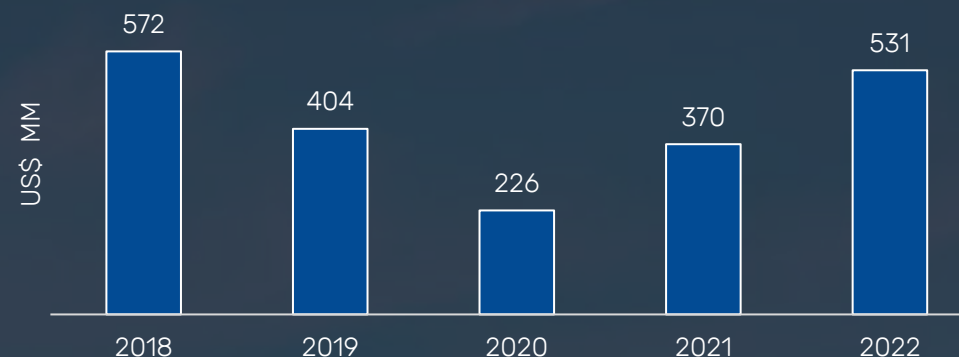
Our focus in ESG related projects is growing in relevance each year.

- We are participating in Highly Innovative Fuels (HIF), with the construction of the Haru Oni facility and the assembly of the wind turbine.
- ENAP invested US\$70 MM in Wet Gas Scrubber on the Aconcagua Refinery to reduce environmental emissions in a 85%. It was recently inaugurated after 30 months of construction

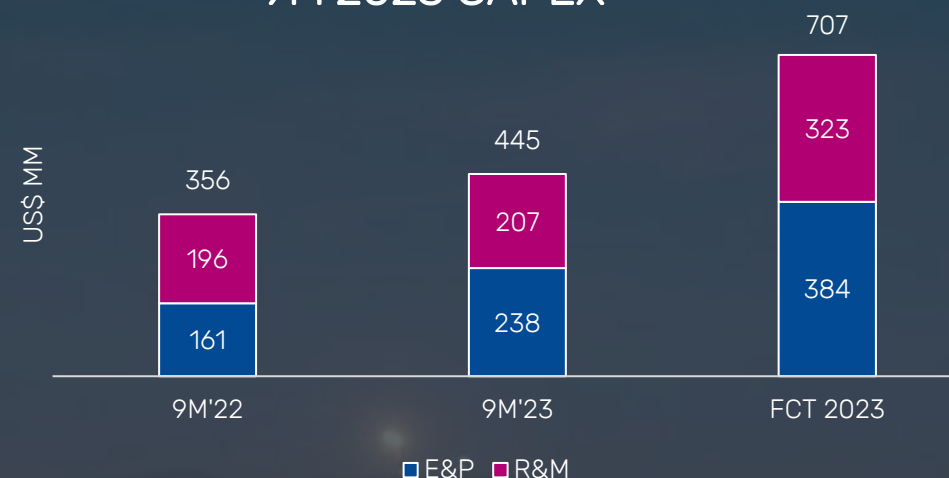
## 9M'23 breakdown

- E&P investments reached US\$238 million for 9M'23, focused in Arenal and Dorado-Riquelme blocks in Chile and Mauro Dávalos-Cordero block in Ecuador.
- US\$207 million in R&M for this quarter, focused on (i) maintenance (ii)sulphur recovery units (iii) Wet Gas Scrubber in our Aconcagua refinery and (iv) construction of crude oil tanks.

## 5-year historical CAPEX



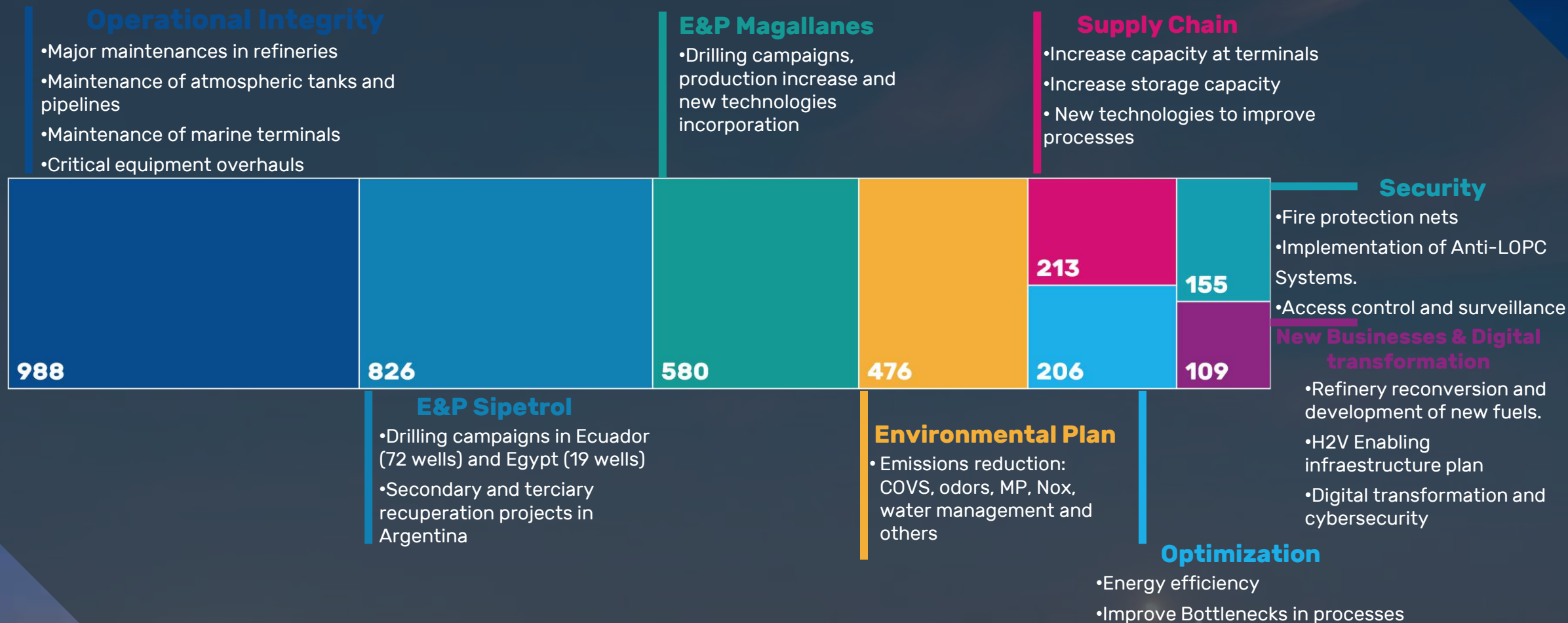
## 9M'2023 CAPEX



# Five Year Business Plan 2023-2027



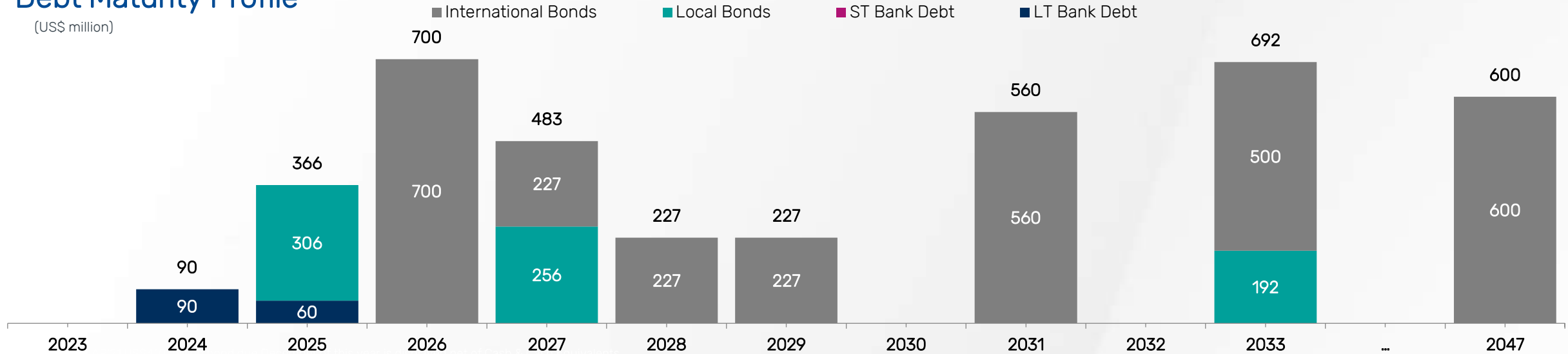
## Investments Overview, +US\$3.5 Bn



# Debt Statistics & Maturity Profile

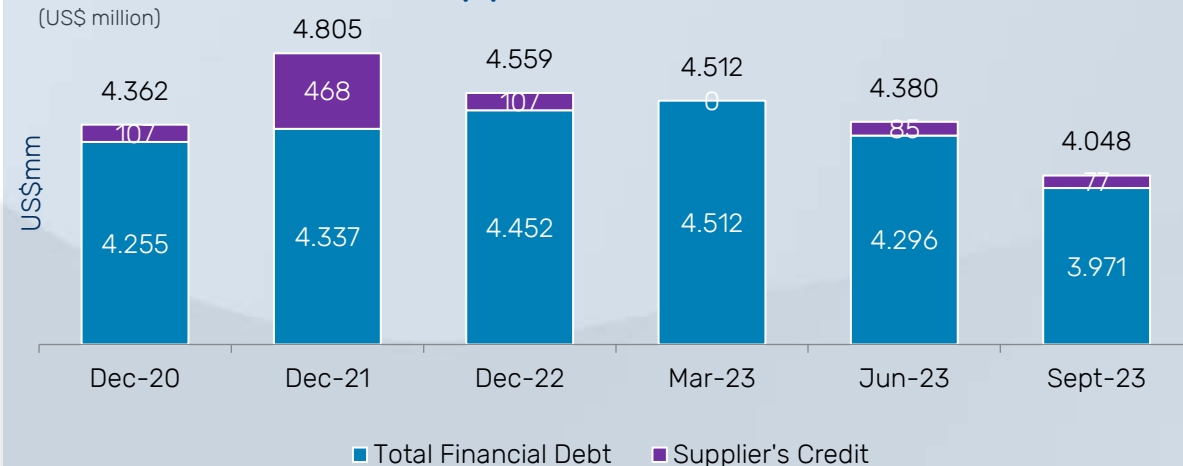
## Debt Maturity Profile

(US\$ million)

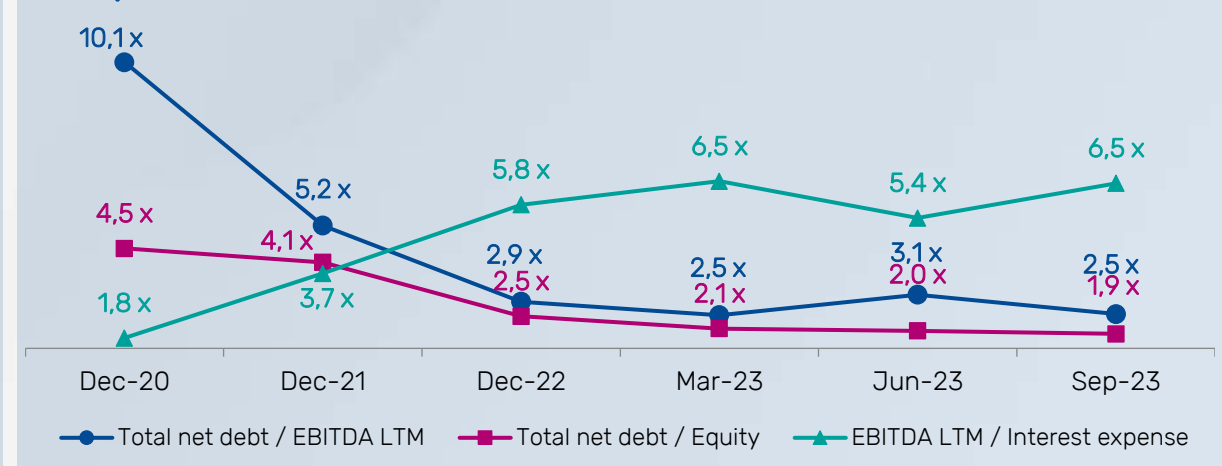


## Financial Debt & Supplier's Credit

(US\$ million)



## Key Financial Ratios







Q&A





Annexes



# Investments

## Wet Gas Scrubber

- ENAP made the highest investment in a single unit in the Aconcagua Refinery from the past 15 years by the implementation of Wet Gas Scrubber (US\$ 70 MM) , a purifier of 57-meter height, which main objective is to reduce particulate material in an 85% and 48% of SO<sub>2</sub>. The emissions that are absorbed by Wet Gas Scrubber goes to a purging treatment plant to accomplish with the environmental regulation.
- Normally, the implementation of this technology take 36 months, in ENAP's case, it took 30 months.
- The performance of this project reduces negative impacts on the environment and communities, and it increases our operation's security. There are other initiatives in the Aconcagua Refinery, such as a new Sulphur Treatment Plant and a third acid water treatment plant. Each of this projects shows ENAP's strategic plan in the fuels production.
- Our Bio Bio Refinery is already equipped with a Wet Gas Scrubber. ENAP is a pioneer in LatAm with the incorporation of this technology, which was imported from Europe.

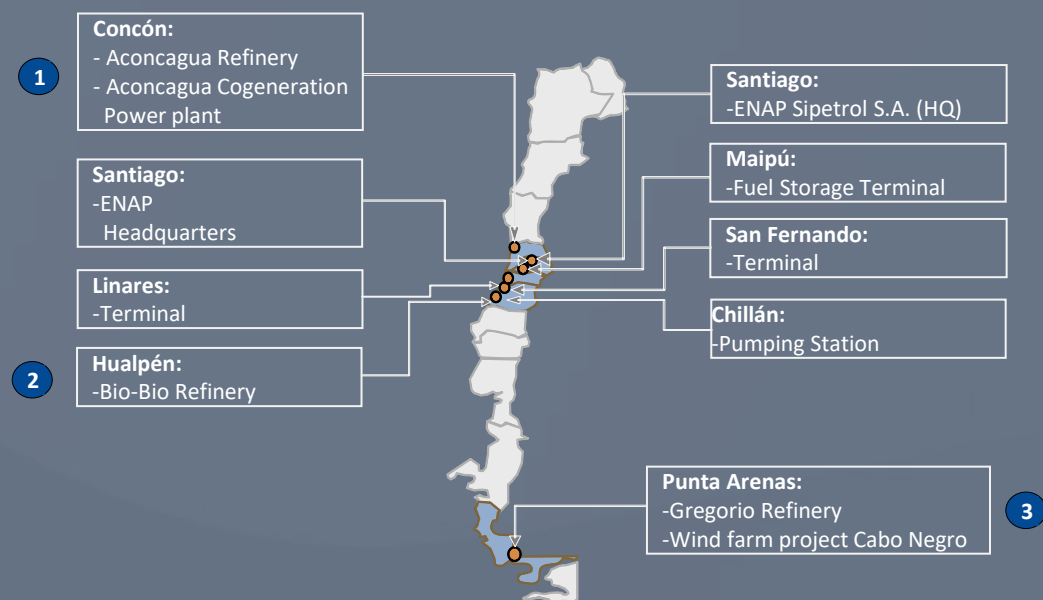




# Geography

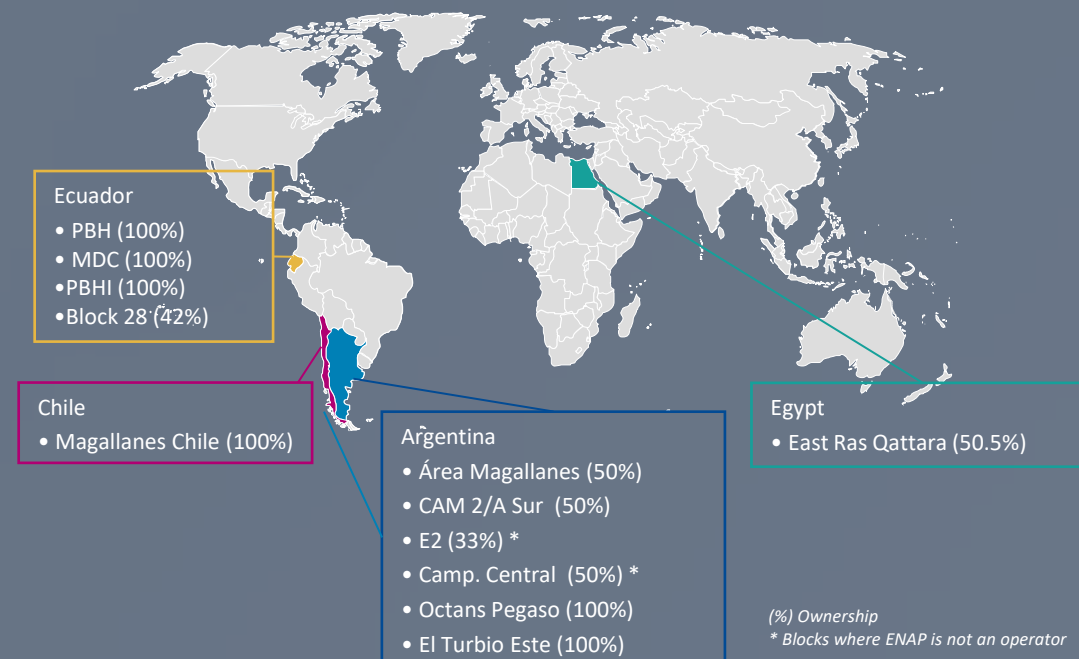
## Downstream

- Leading position in refining capacity, with 224 kbbl/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 179 kbbl/day production of refined products during Q3'23, 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: 34.5 kbbl/day and 28.5 kboe/day of crude and gas respectively for Q3'23.



# 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 2023-2027 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 \$61,170 million (US\$75.8 million) approved for 2023.

## Board of Directors

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.

There are seven Board Members:

- Appointed directly by the President of the Republic
  - Gloria Maldonado Figueroa (Chairwoman) and Andrés Rebolledo Smitmans.

- Elected from proposals from the High Public Management System (ADP)
  - Laura Albornoz Pollmann, Rodrigo Azócar Hidalgo, Rodrigo Manubens Moltedo and José Luis Mardones Santander.
- Elected by the company's employees
  - Nolberto Díaz Sánchez.



# Financial Statements Summary

Summary Income Statement (US\$ million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Sep-22	Sep-23
Sales	8.305	7.628	4.891	7.655	12.324	9.407	8.024
COGS	(7.964)	(7.169)	(4.649)	(7.018)	(11.017)	(8.384)	(6.920)
Gross profit	341	460	242	637	1.307	1.024	1.104
% margin	4,1%	6,0%	4,9%	8,3%	10,6%	10,9%	13,8%
SG&A and Distribution cost	(373)	(299)	(231)	(239)	(290)	(200)	(274)
Other income (expense)	(216)	(20)	10	(6)	(8)	7	(2)
Operational Result	(248)	141	21	392	1.009	830	828
% margin	(3%)	2%	0%	5,1%	8,2%	8,8%	10,3%
DD&A	464	441	377	386	348	253	268
Others*	310	74	15	23	22	1	6
EBITDA	526	656	414	802	1.379	1.084	1.102
% margin	6,3%	8,6%	8,5%	10,5%	11,2%	11,5%	13,7%
Net Interest expense (LTM)	(238)	(241)	(228)	(214)	(237)	(227)	(216)
Net income	(231)	(19)	(90)	141	575	457	565
Summary Balance Sheet (US\$ million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Sep-22	Sep-23
Total current assets	2.573	1.811	1.538	2.072	2.638	3.341	2.646
Cash & equivalents	525	132	84	181	449	548	433
Accounts Receivables	781	676	570	674	621	1.071	619
Inventories	932	845	679	1.032	1.295	1.470	1.456
Total non-current assets	4.665	4.677	4.778	4.856	4.885	4.741	5.010
Net PP&E	3.167	3.083	2.956	3.019	3.211	3.131	3.408
Total assets	7.238	6.488	6.316	6.928	7.524	8.082	7.656
Total current liabilities	2.171	1.577	1.676	1.225	1.557	2.259	1.609
Short-term debt	1.037	764	961	70	546	745	189
Total non-current liabilities	4.036	3.895	3.712	4.684	4.342	4.308	4.220
Long-term debt	3.689	3.527	3.294	4.267	3.906	3.885	3.782
Total liabilities	6.207	5.471	5.388	5.909	5.899	6.567	5.830
Total equity	1.031	1.016	927	1.019	1.624	1.515	1.826
Total liabilities + SHE	7.238	6.488	6.316	6.928	7.524	8.082	7.656





## Investor Relations contacts

José Miguel Higuera F.

Director  
Corporate Finance and Investor Relations

[jhiguera@enap.cl](mailto:jhiguera@enap.cl)

Valeria Castro P.

Analyst  
Corporate Finance and Investor Relations

[vcastro@enap.cl](mailto:vcastro@enap.cl)