

# Q2 2024

RESULTS PRESENTATION



ENAP



September 2024

## 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



ICE Brent Front Month (US\$/bbl)



UST 10Y Yield



- ICE Brent futures averaged **84.3 US\$/bbl** in 1H'24, **4.4 US\$/bbl higher** than the same period of 2023 (79.9US\$/bbl).
- USGC 7-3-3-1 crack spread averaged **16.0 US\$/bbl** in 1H'24, representing a **26% decrease** from 1H'23 (21.5 US\$/bbl).
- Oil supply
  - Growth in supply from non-OPEC+ countries, such as USA, Canada, Guyana and Brazil.
  - OPEC+ agreed to extend production cuts until 2025.
- Macro
  - High inflation levels during the period has led the Federal Reserve to delay interest rate cuts.
- Refined Products
  - Gasoline and diesel crack spreads are declining due to the existence of an oversupply in the market.
  - In the USGC, refining margins are pressured downward due to higher production and weak demand.
  - Diesel cracks have fallen to their lowest since November 2021, amid oversupply and weakening demand.
  - Fuel oil (low sulfur) has been the exception to lower margins, supported by higher seasonal consumption in the Middle East and increased demand from China.

As of June 2024: Highest ICE Brent price: US\$91.2/bbl, lowest price: US\$77.5/bbl

As of June 2024: Highest UST 10-year value at 4.7%, lowest at 3.88%



# Main Highlights

- Income before taxes amounted to **US\$203.9 million** for 1H'24, compared to US\$421.2 million for 1H'23.
- Net income reached **US\$172.7 million** in 1H'24, compared to US\$341.3 million in 1H'23.
- We continue to apply our debt reduction strategy. As in 2022 and 2023, in July 2024, we executed a liability management transaction that involved issuing a new 10-year 144A/Reg S bond for **US\$600 million**. This financed a tender offer for the notes maturing in 2026 and 2031, which also included the use of the company's cash on hand, resulting in a gross reduction of our financial debt by **US\$230 million**.
- Our EBITDA for 1H'24 was **US\$474.4 million**, compared to US\$716.3 million for 1H'23, representing a decrease of US\$241.9 million.
- Additionally, the LTM EBITDA for 1H'24 reached **US\$1,171.6 million**.
- Aggregate market share of **54%** in refined products, reinforcing our leading and key position in the domestic market.<sup>2</sup>

Market Drivers		1H'23	1H'24
7:3:3:1 Crack <sup>1</sup>	US\$/bbl	21.5	16.0
ICE Brent price	US\$/bbl	79.9	83.4
Natural Gas price (Henry Hub)	US\$/MMBtu	2.5	2.2
Financial Highlights		1H'23	1H'24
Revenues	MMUS\$	5,396.3	4,937.2
EBITDA	MMUS\$	716.3	474.4
Net income	MMUS\$	341.3	172.7



Operational Highlights		1H'23	1H'24
R&M production	kbbl/day	171	182
Valuable products production	kbbl/day	137	150
R&M sales	kbbl/day	237	221
E&P's production	kboe/day	62.0	64.0

(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 April 2024.

# Q2'24 Highlights



- **Ximena Corbo Urzúa** was named as our new director on April 30, replacing José Luis Mardones.

- By the end of June, ENAP presented the current progress of its **Green Hydrogen** projects to the President of Chile, in Punta Arenas



- On July 24, ENAP successfully issued a 144A/Reg S 10-year bond in the U.S. for **US\$600 million**, with a 6.15% yield, a spread of 187 bps, and a 5.95% coupon rate



- On April 12, the annual **Shareholders Meeting** was held where the **ministry of Finance and Energy** highlighted our **FY2023 results**, mainly driven by our debt reduction and energy transition plan.



- By the end of May, Standard & Poor's **upgraded ENAP from BB+ to BBB-**, placing us in **Investment Grade** with all three rating agencies.

- During the first half of July, ENAP, through Sipetrol Ecuador, signed an amendment to the services contract in Ecuador, committing to an investment of over **US\$90 million** to expand production in the 46-MDC Block



# Revenues

Revenues decreased by US\$254 million (-8.6%), primarily due to lower volume of sales of refined products and lower margins.

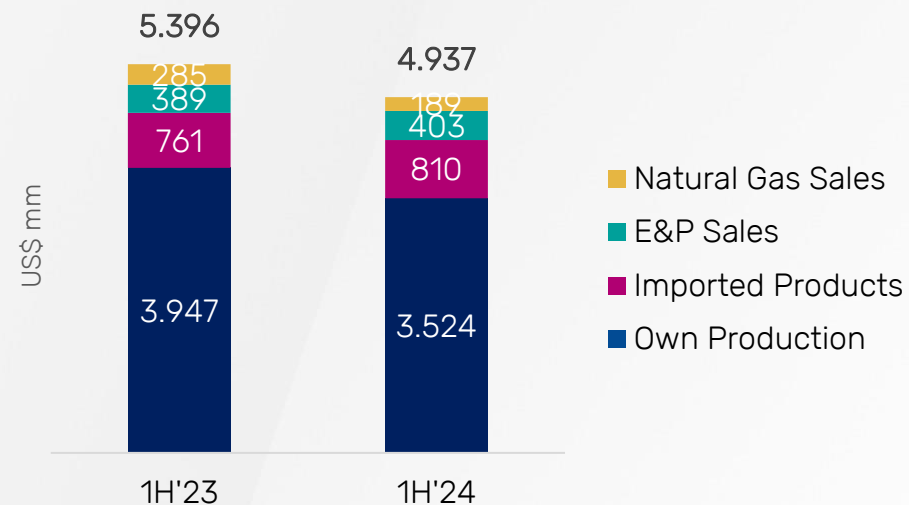
(i) **Own production sales** dropped by US\$423.1 million (-10.7%), driven by an 8.7% decrease in sales volumes compared to the same period in 2023, when exports of intermediate products were significant. Additionally, sales prices declined by 2%.

(ii) **Imported products sales** increased by US\$48.7 million (6.4%) due to a rise in sales volumes (7.2%), despite a 0.8% decrease in sales prices.

(iii) **E&P sales** rose by US\$14.7 million, with Sipetrol International posting better results due to higher sales volumes of crude and gas, along with improved prices. In contrast, revenues from Magallanes were impacted by lower income due to weather conditions and reduced oil services.

(iv) **Imported gas sales** decreased in US\$96.2 million mainly due to historically low prices of the Henry Hub marker and a reduction in sales volume, influenced by the availability of Argentine natural gas.

## Sales breakdown



# Cost of Goods Sold & Other Operational Expenses

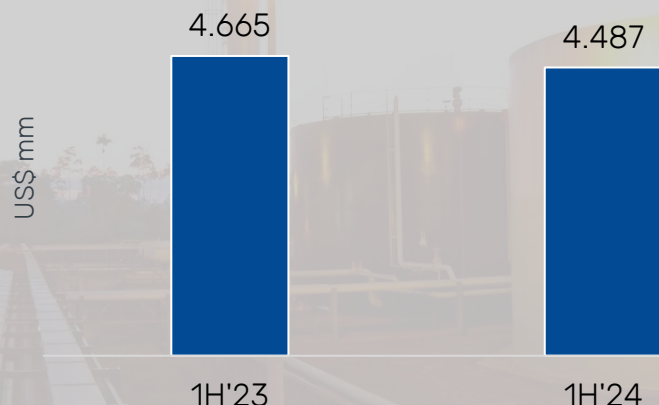
## COGS

- **Cost of goods sold** decreased by US\$177.3 million (-3.8%) primarily due to a lower volume of goods sold:
  - **Crude costs** decreased by US\$3.0 million, driven by 8.7% reduction in own production volumes, despite 11.2% increase in crude prices between 1H'23 and 1H'24.
  - **Operational non-crude costs** decreased by US\$78.7 million due to lower variable and logistics costs.
  - **E&P production costs** increased by US\$14.2 million, mainly due to a higher depletion rate in Ecuador resulting from increased production, along with higher employee profit sharing due to the subsidiary's better results compared to the previous period.
  - **Imported gas costs** decreased by US\$79.7 million, mainly due to lower gas prices, as reflected in the Henry Hub Spot price.

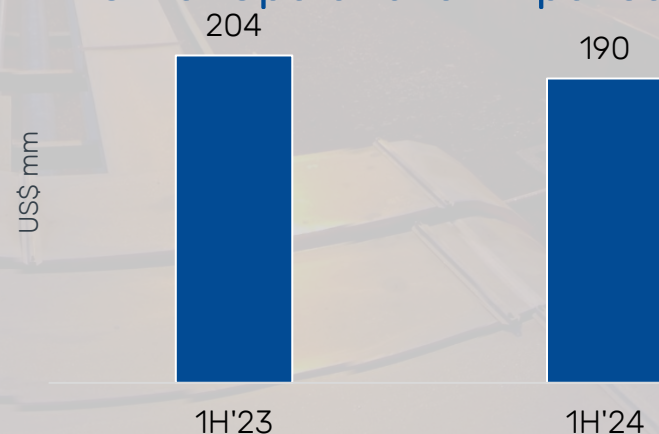
## Other Operational Expenses

- Other operational expenses decreased by US\$14.4 million mainly due to:
  - **Distribution cost** decreased by US\$24.2 million, mainly driven by lower operational volumes, which resulted in reduced logistics costs.

### Cost of Goods Sold



### Other Operational Expenses



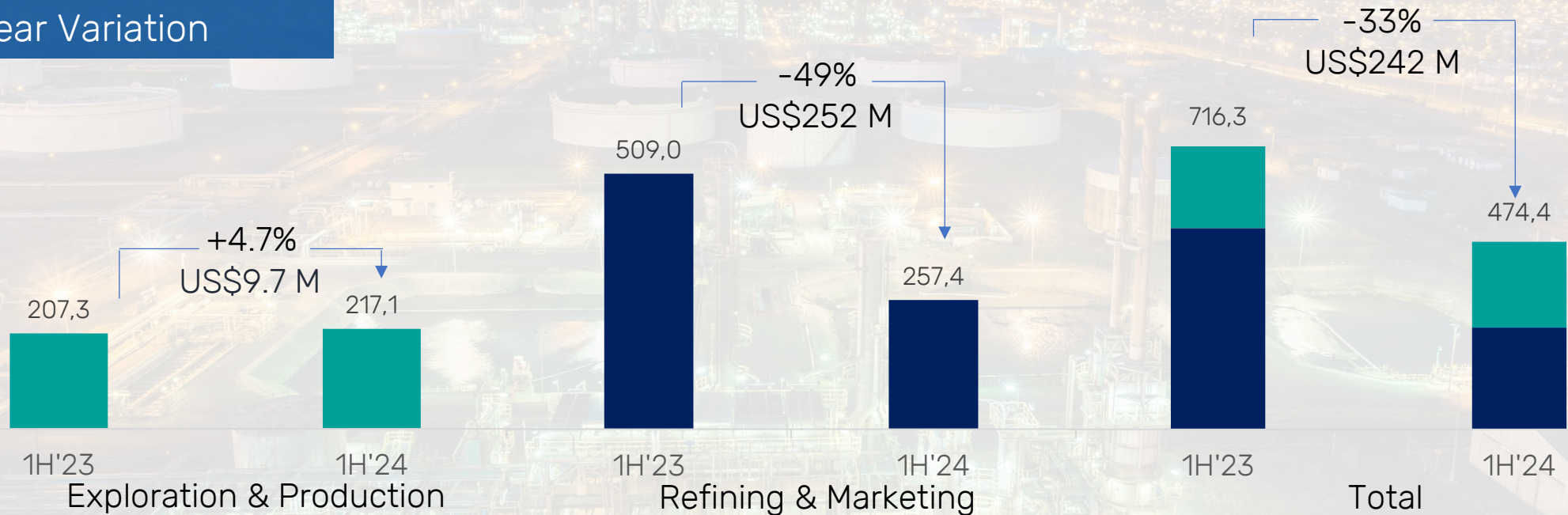


# EBITDA & Profitability Drivers

## Highlights

- EBITDA for 1H'24 was US\$474.4 million, a decrease of US\$241.9 million compared to US\$716.3 million in 1H'23.
- ENAP's refining margin ("Margen Primo") decreased by 34.3%, from US\$30.4/bbl in 1H'23 to US\$19.9/bbl for 1H'24.
- The ICE Brent price increased 4.4% compared to the same period of the previous year.

## Year on Year Variation



## EBITDA 1H'24



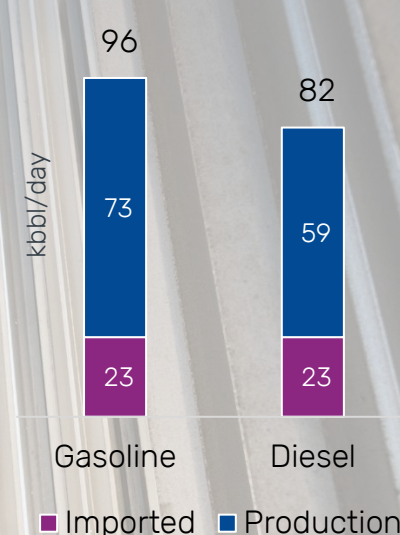


# Refining & Marketing

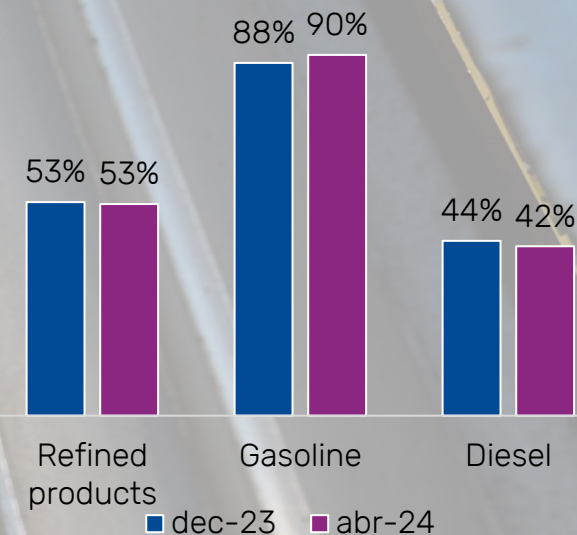
## Highlights

- The average **utilization rate** of our refineries was 71.5% in 1H'24, with an **availability rate** of 92.1% for the period.
- **Total Crude Oil Purchases:** 14.9 million barrels in Q2'24 from 8 different suppliers and 4 different countries.
- **Revenues from own production** decreased by 10.7%, driven by an 8.7% decline in sales volume compared to the same period last year, along with a 2% reduction in the average sales price for this product basket.
- **Revenues from imported products** increased by 6.4% supported by 7.2% increase in sales volume despite a 0.8% decrease in average sales price.
- **Total production of refined products** was 5.3 million m<sup>3</sup> in 1H'24, with **valuable products** representing 83% of total production.

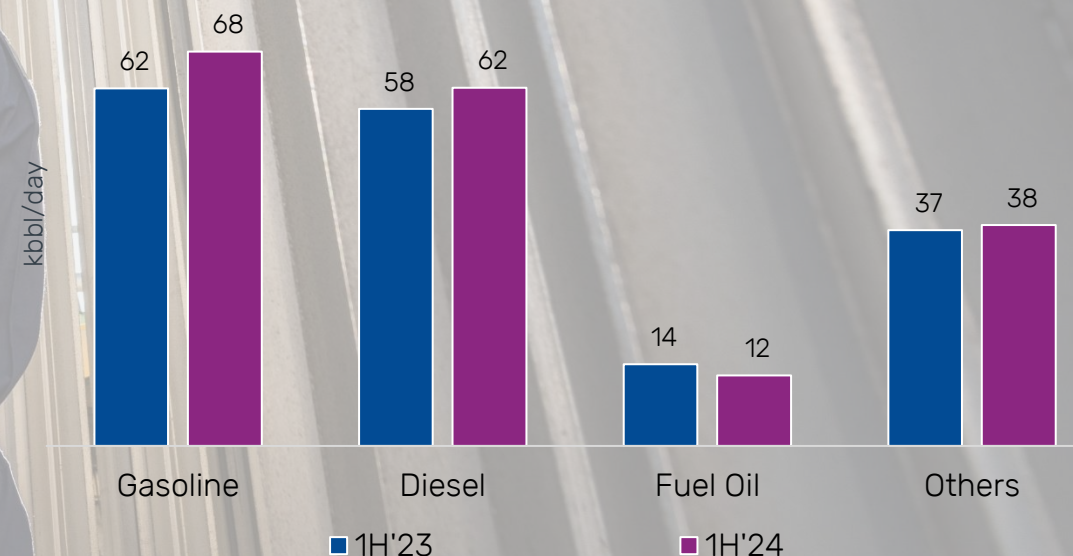
## Sales – Q1'24



## Market Share



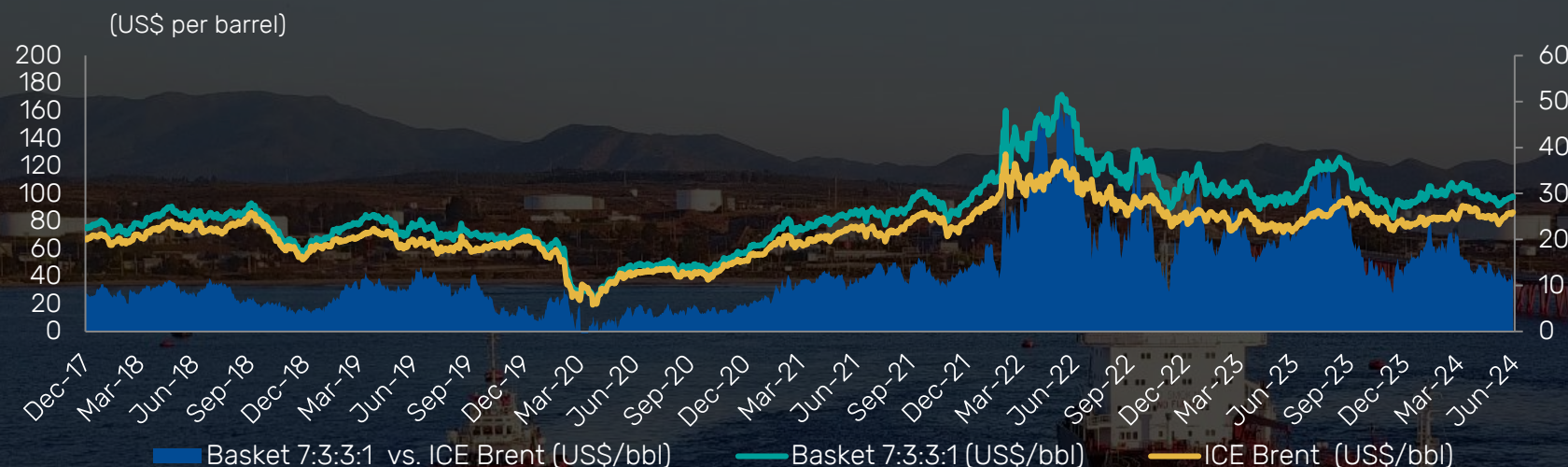
## Production



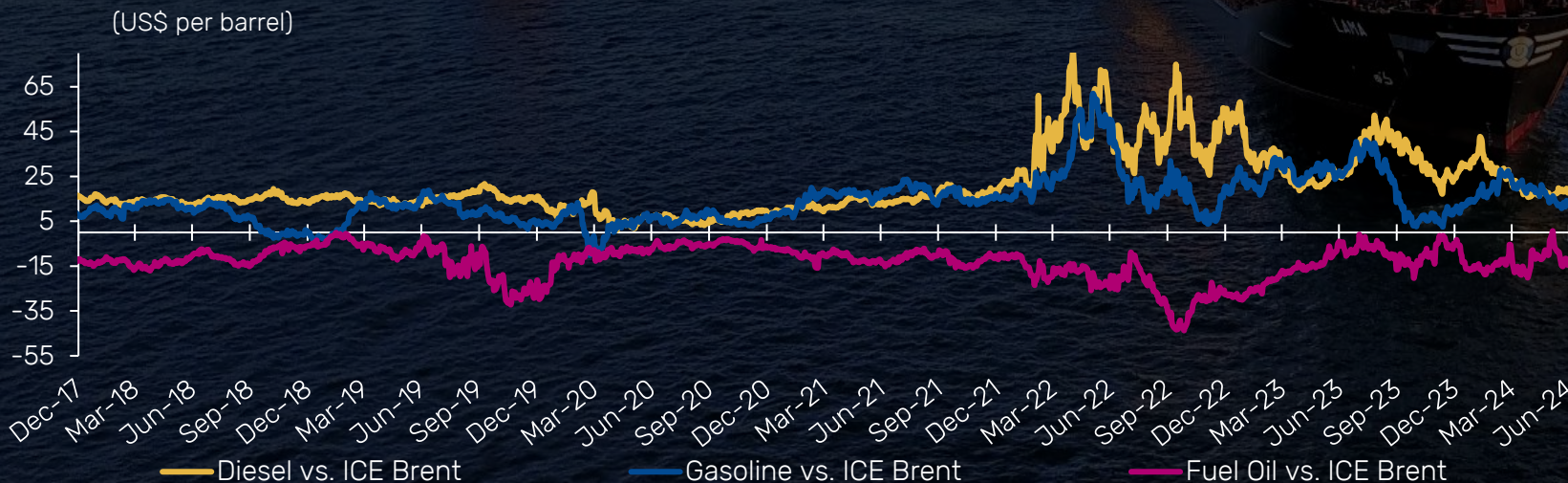


# Refining & Marketing Drivers

## 7- 3:3:1 basket



## Basket crack breakdown and ENAP's margin



## Brent

- 1H'23: 79.9 US\$/bbl
- 1H'24: 83.4 US\$/bbl

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

- 1H'23: 21.5 US\$/bbl
- 1H'24: 16.0 US\$/bbl

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

- 1H'23: 30.4 US\$/bbl
- 1H'24: 19.9 US\$/bbl

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

US\$/bbl	Fuel Oil Crack	Diesel Crack	Gasoline Crack
1H'23	-19.4	31.3	25.5
1H'24	-12.8	24.0	17.6
YoY Variation	6.6	-7.2	-7.9



# Exploration & Production

## Financial Highlights

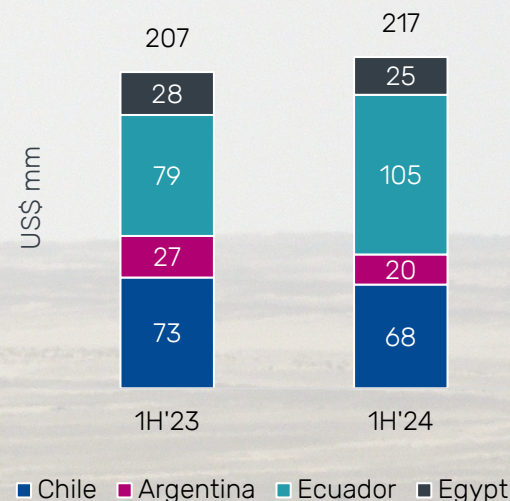
- EBITDA from Magallanes (Chile) decreased US\$5 million, despite higher crude and gas prices. This decline was primarily due to a one-off adjustment in the subsidy received for gas sales during the quarter.
- Argentina's EBITDA decreased US\$7 million YoY, mainly due to lower production volumes and lower gas sales price that was partially offset by a higher crude oil price, resulting in lower revenues that reduced the final result by 3%.
- Ecuador's EBITDA increased by US\$ 26 million YoY, with gains from higher crude sales price and higher volume which led high costs. In the case of Egypt, EBITDA decreased US\$3 million, mainly due to a decrease in income as a result of the reduction of crude oil prices, higher costs, and marginally lower production.

## Operational Highlights

- E&P average production of 64.4 kboe/day for 1H'24, a 3.9% higher compared to 62.0 kboe/day in 1H'23.
- Our reserves are distributed mainly in Chile, Ecuador and Argentina.

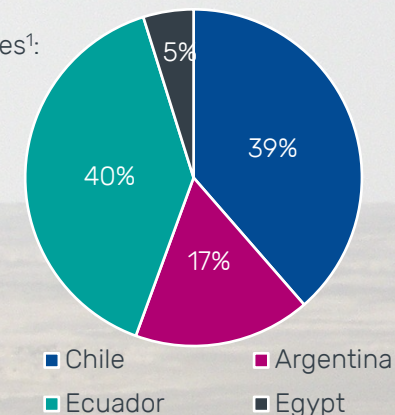


### EBITDA



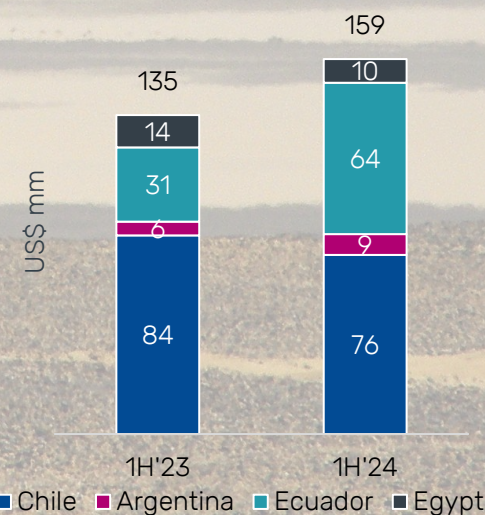
### Reserves

Total reserves<sup>1</sup>:  
125 MM boe

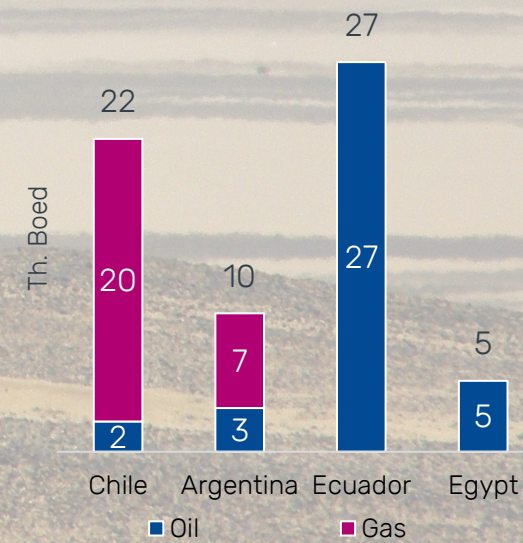


1. As of December 2023

### CAPEX



### Production – 1H'24





# Capex Analysis

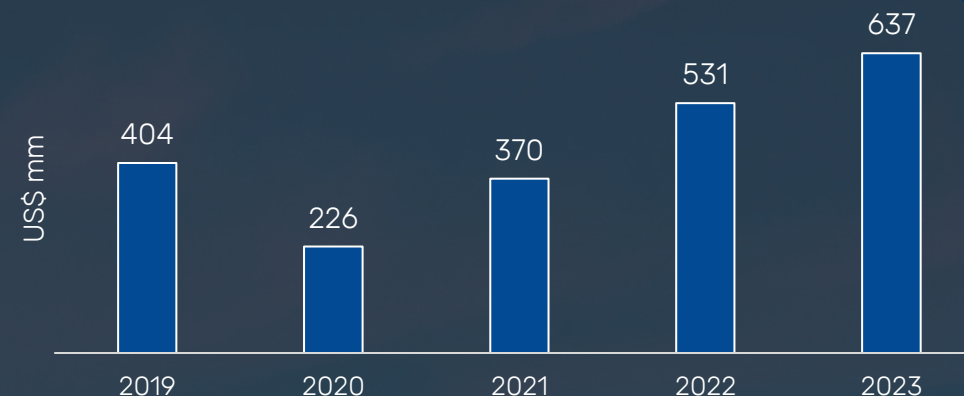
## Investments

- Due to the COVID-19 pandemic, investment levels were suppressed in 2020 and 2021 in favor of financial austerity to mitigate risks. This led to a substantial increase in capital expenditures during the subsequent recovery years.
- As a result of this reactivation, the 2023 execution plan saw a 20% increase in CAPEX compared to 2022.

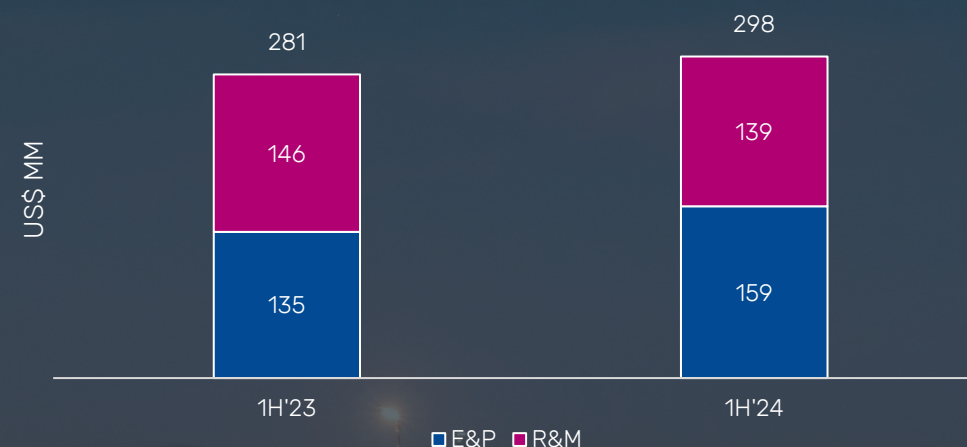
## 1H'24 breakdown

- E&P investments** reached US\$159 million for 1H'24, focused on the Arenal block in Chile, the Mauro Dávalos-Cordero and Paraíso Biguno Huachito blocks in Ecuador, and the East Ras Qattara block in Egypt.
- R&M investments** totaled US\$139 million for this year, primarily focused on (i) maintenance, (ii) sulfur recovery units, and (iii) the construction of crude oil tanks.

## 5-year historical CAPEX



## 2023 CAPEX





# ENAP: Decarbonization initiatives



## Alternative fuels

- We began the year with new developments in our **Green Hydrogen project in Cabo Negro**, awarding the construction of infrastructure to **Neuman & Esser** for approximately **US\$12 million**.
- The project is expected to start producing green hydrogen (H2V) by 2025, marking the first such production in the Magallanes region. It will have an initial electrolysis capacity of 1.2 MW.
- This project is part of the **Plan de Acción Hidrógeno Verde**, developed by the **Ministry of Energy (Chile)**.

## Headed towards lowering emissions

- We have been **decelerating our emissions growth** (scope 1 & 2), going from 3.6% in 2022 to 1.7% in 2023.

## From estimates to concrete data

- In 2024, we will begin measuring our methane emissions directly, rather than estimating them.



2024

Launch of methane emissions measurement program

2025

Establish objectives and abatement plan

2035

Methane emissions reduction



Republic of Chile  
Main Goals

Peak methane emissions in 2025

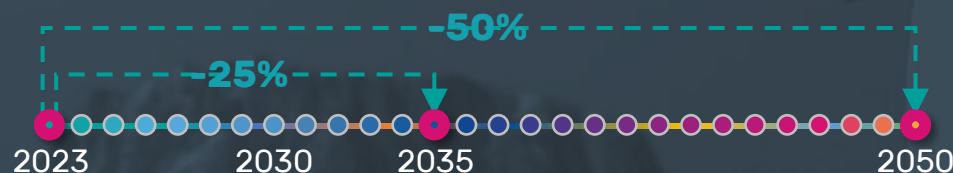
30% reduction on methane emissions for 2030 vs 2020

# ESG Initiatives



## Decarbonization Plan

ENAP is in the process of developing its **decarbonization plan**, focused in **reducing GHG emissions** (scope 1 & 2) by **50% through 2050**, in line with the Republic of Chile's 2050 Net Zero target:



This decarbonization plan includes a series of initiatives, with emphasis on the most relevant<sup>(1)</sup>

### 2023 - 2024

- ✓ Scope 1 & 2 emissions **certification**

### 2023 - 2035

- ✓ **Implement** the most **profitable** and **low-cost** systems which drive decarbonization:
  - a) Furnaces, boilers and flare gas recovery
  - b) Turbines' electrification with renewable consumption
- ✓ **Implement** the most **efficient** initiatives: (a) Electrification of consumers and boilers, and (b) use of biomass in boilers and coke/gas generators
- ✓ **Renewable fuels** development

### 2035 - 2050

- ✓ **Complete** the implementation of this measure from 2023 - 2035
- ✓ **Develop synthetic fuels**

ENAP is also progressing in an **energy transition plan** that includes the **conversion of refineries**, which will support its long-term sustainability:

- 1 Development and production of advanced biofuels
- 2 Establish strategic alliances for early positioning in synthetic fuels
- 3 Collaborate with suppliers on reducing emissions throughout the supply chain

(1) The development of the aforementioned initiatives is contingent upon plan approval by authorities.

## Relationship with Communities

ENAP's sustainable goals are in line with a continuous effort towards creating a **better environment for local communities**, focused in **5 strategic pillars**:

- 1 Dialogue & Participation
- 2 Socio-environmental Responsibility
- 3 Social Investment
- 4 Communication & Transparency
- 5 Territorial equality

Through these pillars, ENAP fosters an **inclusive** environment, **educates** and benefits local communities, and **preserves** biodiversity

### Social Investments:

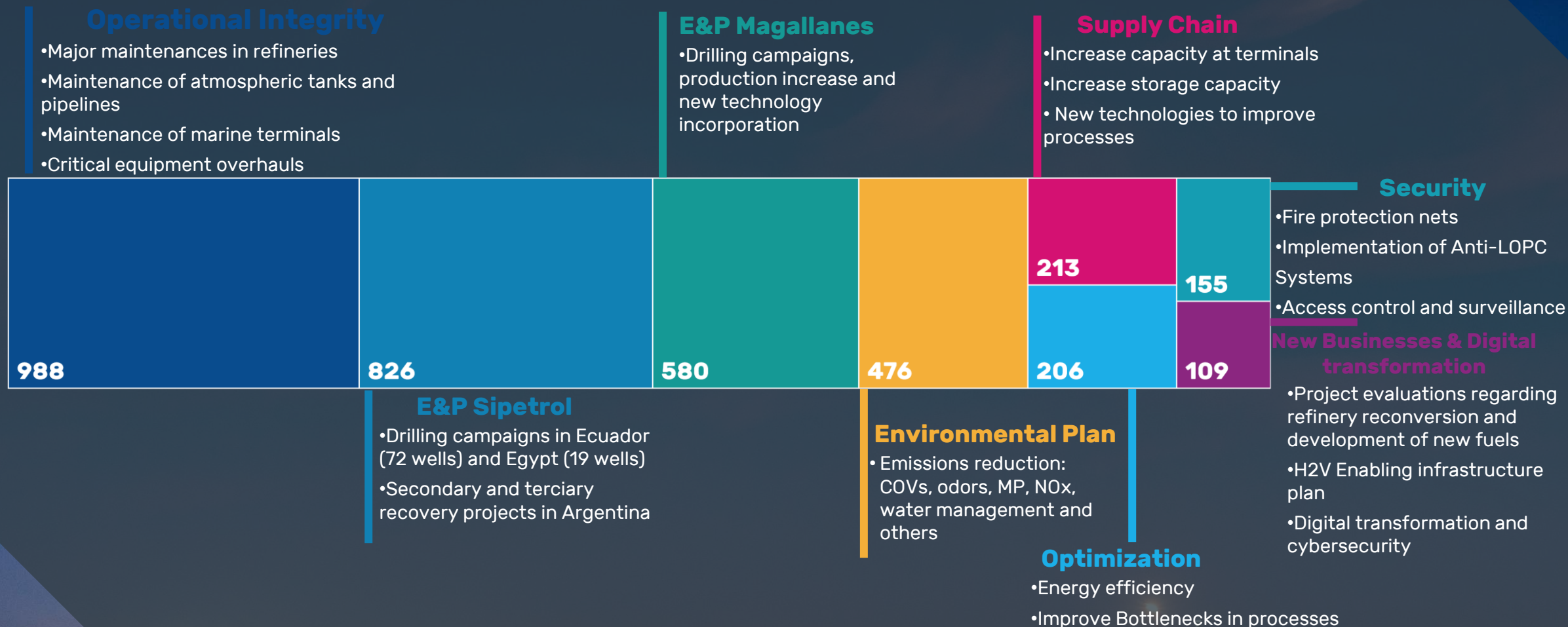
- 1 **ENAP Puertas Abiertas**  
grants open access to the community to ENAP's operations
- 2 **ENAP Impulsa:** awards financing to local projects where ENAP operates
- 3 **Competitive funding for environmental innovation**  
Provides CLP5-10mm financing to environmental projects led by social organizations



# Five Year Business Plan 2023-2027



## Investments Overview, +US\$3.5 Bn



# Capex Analysis for 2024 by each category

Main categories	Total US\$MM	Budget for 2024
<b>Operational Integrity</b> <ul style="list-style-type: none"> <li><b>Maintenance at Aconcagua Refinery:</b> Shutdown at the refinery in progress since second half of March, completing phase 1, phase 2 under preparatives.</li> <li><b>Maintenance of atmospheric tanks:</b> Progress in Magallanes, Bio Bio Refinery, Maipu, Linares and San Fernando. Aconcagua delayed in comparison with the plan due to greater damage at the tanks.</li> </ul>		852
<b>Gas Supply in the Magallanes Region</b> <ul style="list-style-type: none"> <li><b>Dorado Riquelme</b> Recoverable delay in the perforation process, rescheduling maintenance of equipment 7. No deviations impacting the plan.   <b>Manzano</b> Recoverable deviation in program   <b>Arenal</b> No deviations from the plan, completion of drilling at Cachaña ZG-B with drilling of well H (8/8 wells).</li> </ul>		232
<b>Security</b> <ul style="list-style-type: none"> <li><b>Firefighting systems:</b> progressing in the closing of breaches in the different locations. R&amp;M Mag: under engineering development   San Fernando: progressing with delay in assembly of new tank   Bio Bio Refinery: finalizing pumping system works, coordinating EPC.</li> </ul>		159
<b>Environmental Plan</b> <ul style="list-style-type: none"> <li><b>Treatment plants in the Aconcagua Refinery:</b> moving forward with the EPC and early field work stages.</li> <li><b>Crude oil tanks and Treatment plans in the Bio Bio Refinery:</b> advancing with the EPC in construction stage. Tank 15 months behind schedule respect to authorization. Biobio plants continue in dispute resolution process, with impact on deadline and budget to be defined.</li> </ul>		34
<b>Supply Chain</b> <ul style="list-style-type: none"> <li><b>San Fernando</b> tanks in development, implementation by Q3 2024.   ERBB Multi-product Tank, soil improvement under development, EPC acontract signed and started.   <b>Gregorio Siniestrado</b> tank in development, business case update.   Clean products tanks at Cabo Negro: engineering awarded, kick off meeting on June 25.</li> </ul>		136
<b>Sipetrol International Campaigns</b> <ul style="list-style-type: none"> <li><b>Ecuador: MDC:</b> plan on track (4 wells). <b>PBHI:</b> plan on track (4 wells).   <b>Egypt: ERQ</b> (3 wells) one month deviation in the plan, 4th well on production,. <b>West Amer:</b> Progress in seismic processing, in preparation for drilling.   <b>Argentina:</b> Launch of an open sale process for Sipetrol Argentina subsidiary, CCCP advancing ahead of the current plan.</li> </ul>		35
<b>New Businesses, Digital transformation and Added Value to the Business</b> <ul style="list-style-type: none"> <li><b>LPG Development:</b> 37,000 cylinders received; 63,000 cylinders awarded to Metrain (Feb 2024) expected to be received by September 2024.</li> <li><b>Enabling Infrastructure: JDA Laredo:</b> Starting the bidding process for DIA and beginning work to obtain the maritime concession. <b>JDA Gregorio:</b> Phase 1 completed of JDA, trasitoning to JVA.</li> <li><b>Development of New Fuels: H2V Plant:</b> Construction tender for H2V Plant awarded to Neuman &amp; Esser. Currently under EPC development.</li> <li><b>Biofuels:</b> progressing in planning of proof of concept for coprocessing of UCO (used cooking oil), leading to production of HVO diesel.</li> <li><b>Technology:</b> : Finalizing the implementation of new telecommunications services (teleconferencing, links, infrastructure, others).</li> </ul>		205
		51

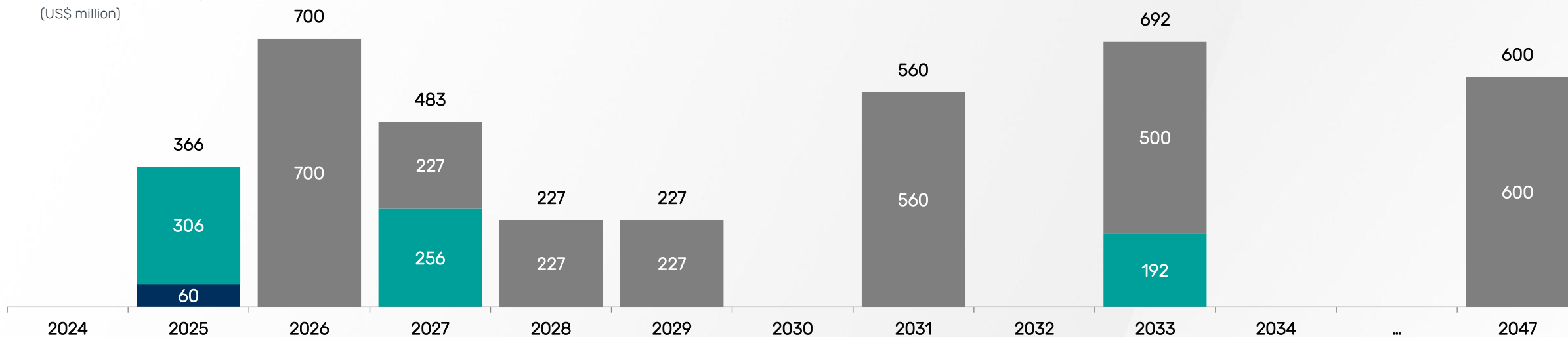


# Debt Statistics & Maturity Profile

## Debt Maturity Profile

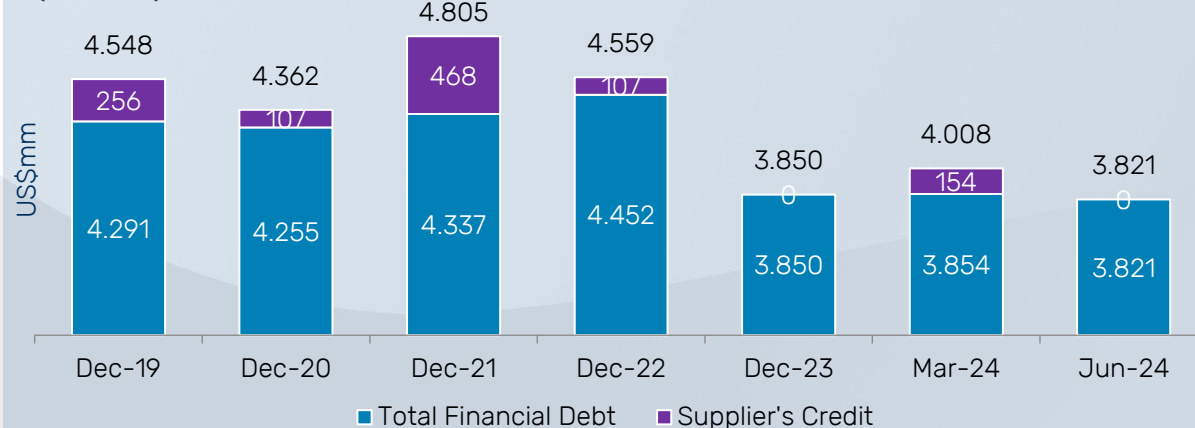
(US\$ million)

■ International Bonds ■ Local Bonds ■ ST Bank Debt ■ LT Bank Debt

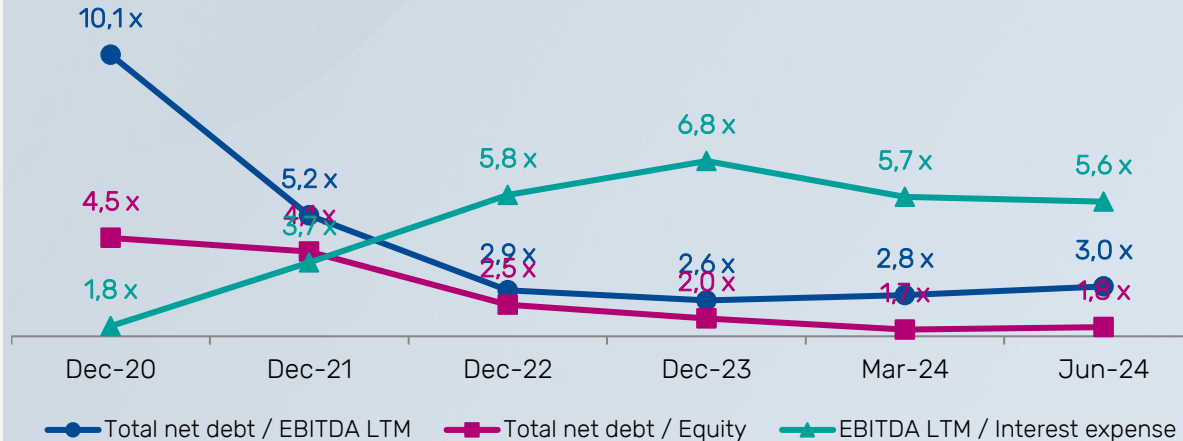


## Financial Debt & Supplier's Credit

(US\$ million)

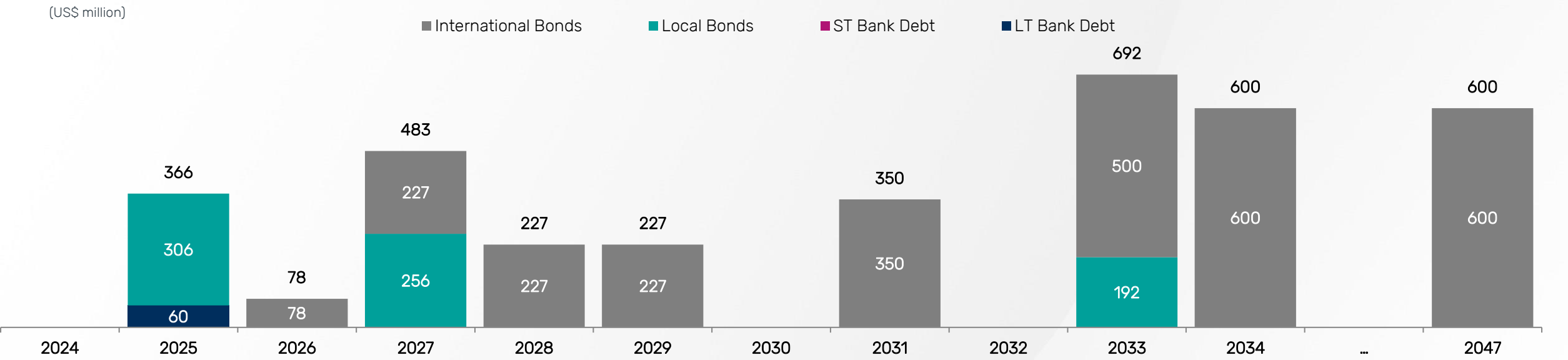


## Key Financial Ratios



# Debt Statistics & Maturity Profile

## Debt Maturity Profile after new issuance with maturity in 2034



Total Financial Debt As of June 2024  
US\$ 3.855 million



Total Financial Debt after Liability Management  
US\$ 3.625 million



Reduction of US\$230 million of Financial Debt



# Financial Statements Summary

Summary Income Statement (US\$ million)	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Jun-24	Jun-23
Sales	7.628	4.891	7.655	12.324	10.640	4.937	5.396
COGS	(7.169)	(4.649)	(7.018)	(11.017)	(9.244)	(4.487)	(4.665)
Gross profit	460	242	637	1.307	1.395	450	732
% margin	6,0%	4,9%	8,3%	10,6%	13,1%	9,1%	13,6%
SG&A and Distribution cost	(299)	(231)	(239)	(290)	(361)	(168)	(190)
Other income (expense)	(20)	10	(6)	(8)	(191)	(15)	(2)
Operational Result	141	21	392	1.009	843	267	540
% margin	2%	0%	5,1%	8,2%	7,9%	5,4%	10,0%
DD&A	441	377	386	348	366	190	177
Others*	74	15	23	22	205	17	0
EBITDA	656	414	802	1.379	1.414	474	716
% margin	8,6%	8,5%	10,5%	11,2%	13,3%	9,6%	13,3%
Net Interest expense (LTM)	(241)	(228)	(214)	(237)	(207)	(209)	(237)
Net income	(19)	(90)	141	575	566	173	341
Summary Balance Sheet (US\$ million)	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Jun-24	Jun-23
Total current assets	1.811	1.538	2.072	2.638	2.131	2.474	2.792
Cash & equivalents	132	84	181	449	182	318	298
Accounts Receivables	676	570	674	621	634	504	653
Inventories	845	679	1.032	1.295	29	1.318	1.391
Total non-current assets	4.677	4.778	4.856	4.885	4.986	4.999	5.044
Net PP&E	3.083	2.956	3.019	3.211	3.315	3.315	3.335
Total assets	6.488	6.316	6.928	7.524	7.117	7.474	7.836
Total current liabilities	1.577	1.676	1.225	1.557	1.083	1.286	1.545
Short-term debt	764	961	70	546	41	66	423
Total non-current liabilities	3.895	3.712	4.684	4.342	4.239	4.203	4.319
Long-term debt	3.527	3.294	4.267	3.906	3.809	3.784	3.872
Total liabilities	5.471	5.388	5.909	5.899	5.322	5.488	5.864
Total equity	1.016	927	1.019	1.624	1.795	1.985	1.972
Total liabilities + SHE	6.488	6.316	6.928	7.524	7.117	7.474	7.836





Q&A





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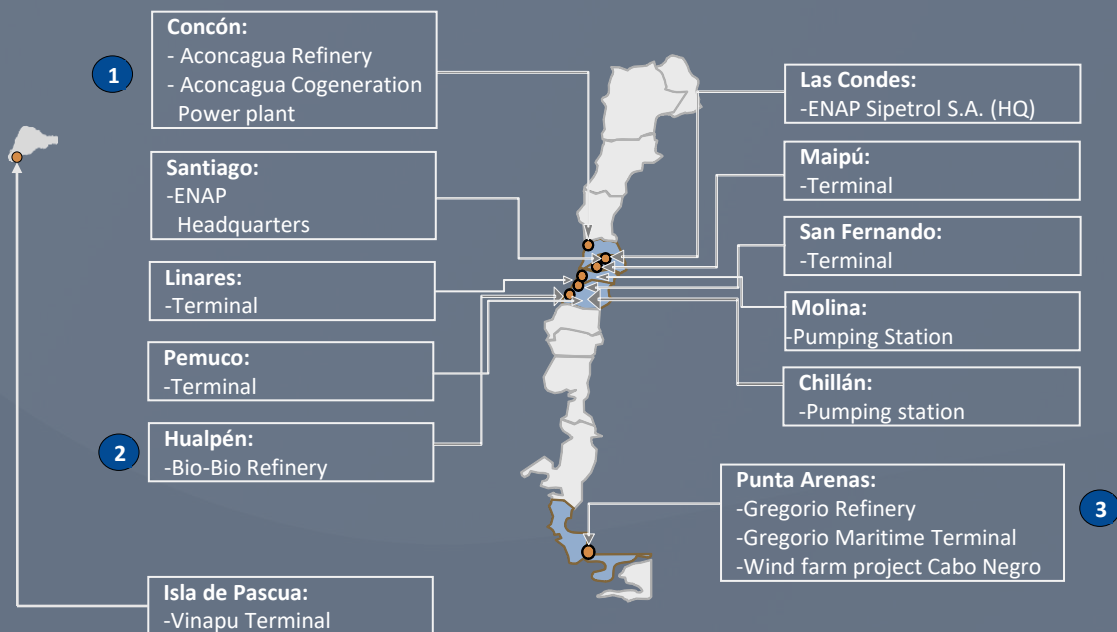
Annexes



# Geography

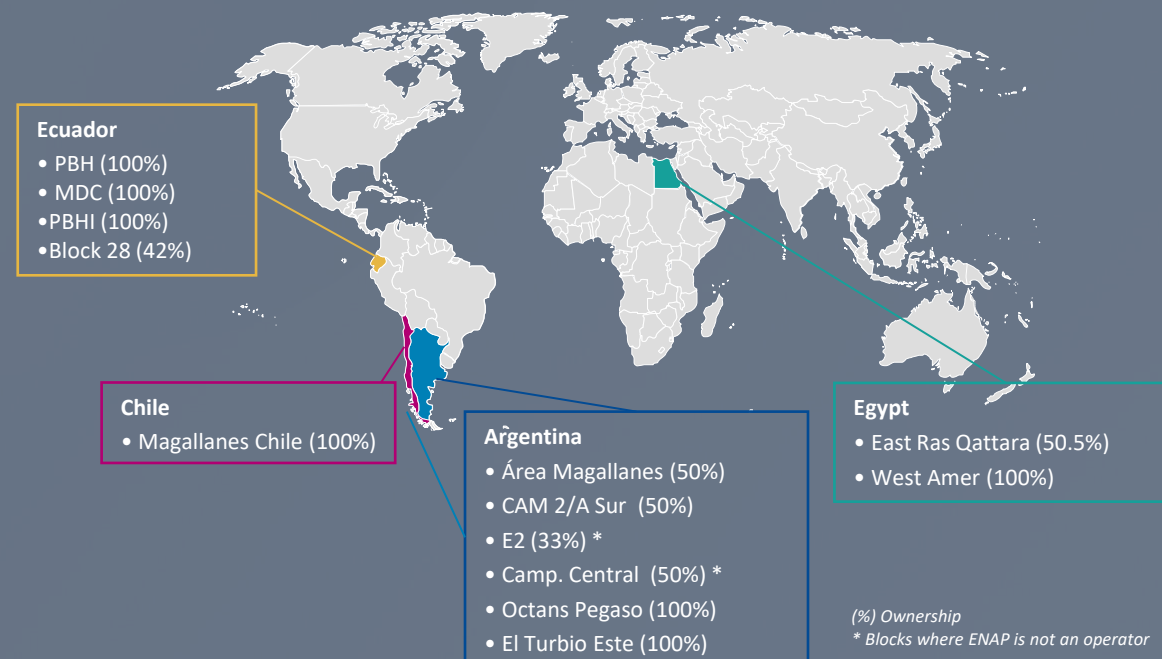
## Downstream

- Leading position in refining capacity, with 224 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 182 kbbbl/day production of refined products during 6M24, 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: 37.6 kbbbl/day and 26.5 kboe/day of crude and gas respectively for 1H'24.



# 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 2024-2028 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 \$57,872 million (US\$61,2 million) approved for 2024.

## 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 Ximena Corbo Urzúa.\*
- Elected by the company's employees
  - Nolberto Díaz Sánchez.

(\*):Named in April 2024.

