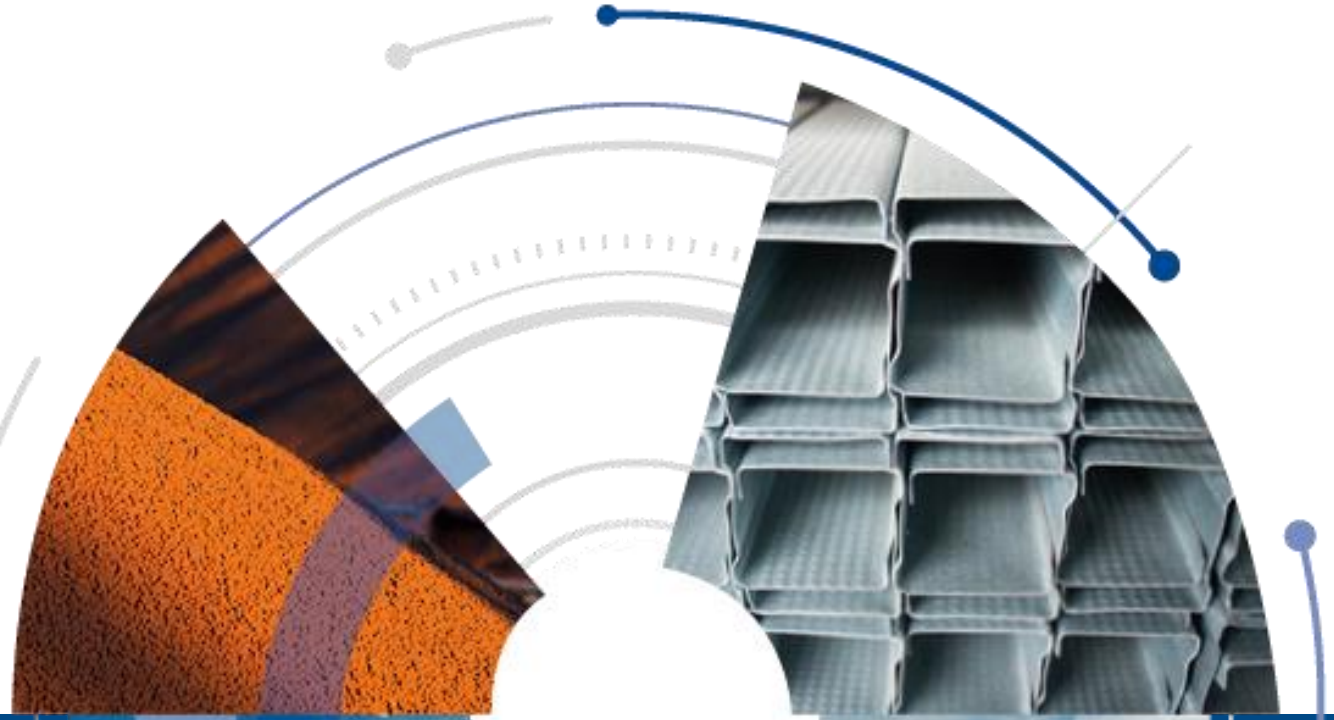

LVRS Virtual Field Trip

June 24, 2021

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CAPEX 05

2021 Main
Milestones

2021 Main milestones

CAP incorporates three women to its Board of Directors

On April 15, CAP board of directors was renewed and for the first time female members were elected. The new board is composed of Jorge Salvatierra (president), Tadashi Mizuno (vice-president), M. Olivia Recart (ind. dir.), Patricia Núñez, Manuela Sánchez, Roberto de Andraca A. and Juan Enrique Rassmuss.

Steel Processing Group achieves historic profit during 1Q21

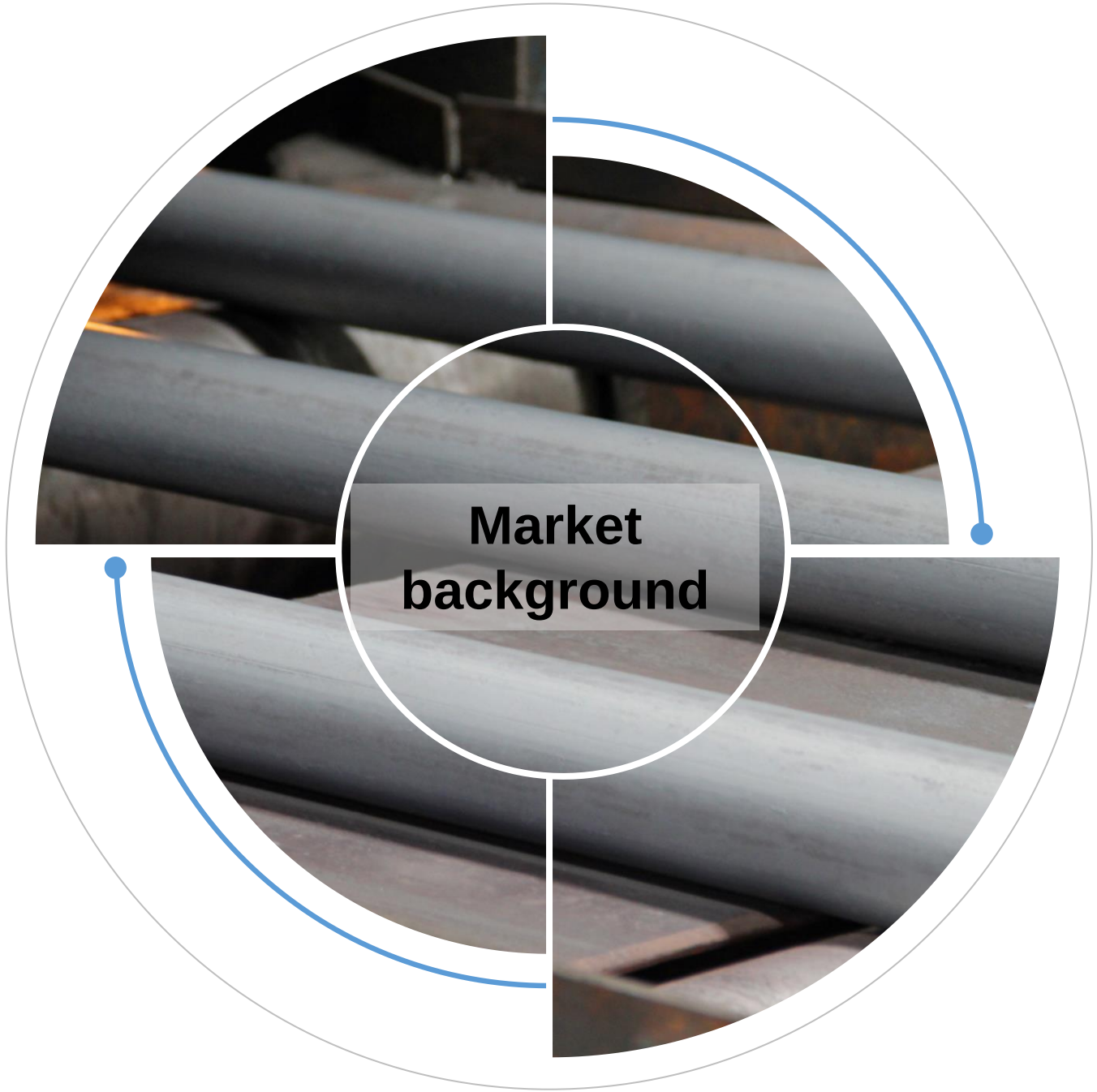
Net profit of US$ 19 million and EBITDA of US$ 34 million were obtained during 1Q21, driven by an increase in the price of its processed steel products and revenues from the Solutions and Services segments.

CAP issues US$ 300 million bond in the U.S. market

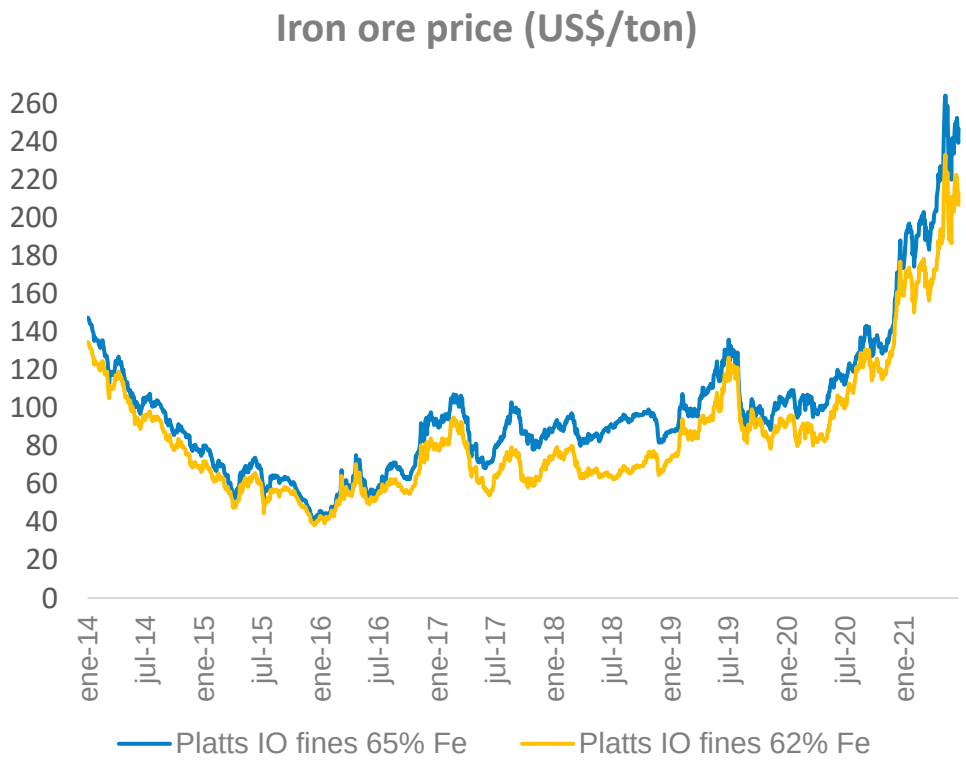
The bond, which matures in 2031 and has an annual rate of 3.9%, will be used in the payment of financial liabilities maturing in 2021, so it will not result in a significant increase in the holding company's indebtedness.

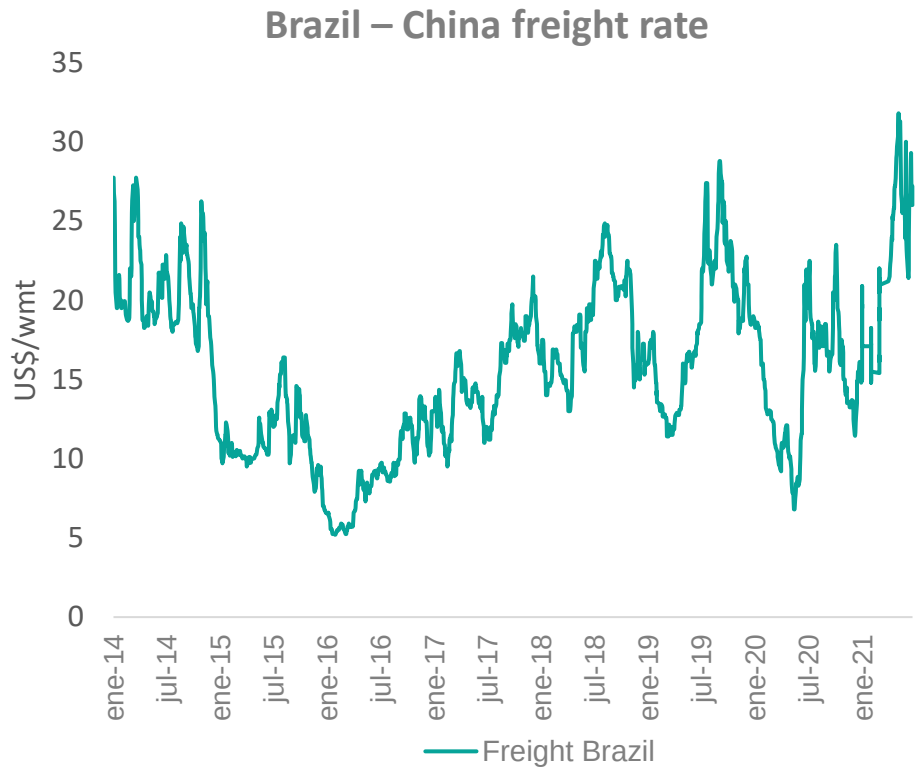
Las Losas Port completes first mechanized shipment

This development will allow Las Losas Port to ship a volume of up to 1.9 million tons per year of bulk minerals consisting of pellets, pellet feed and iron concentrate.


Market
background

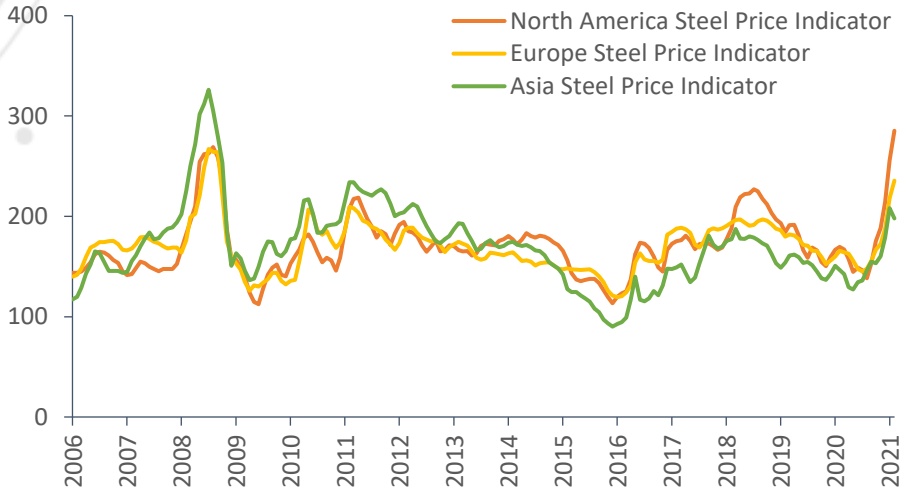
Iron Ore Market

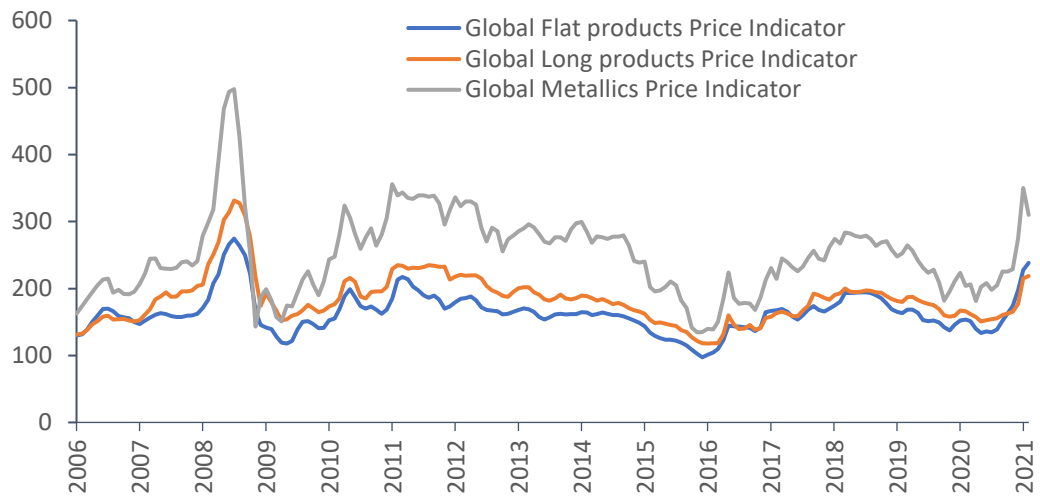


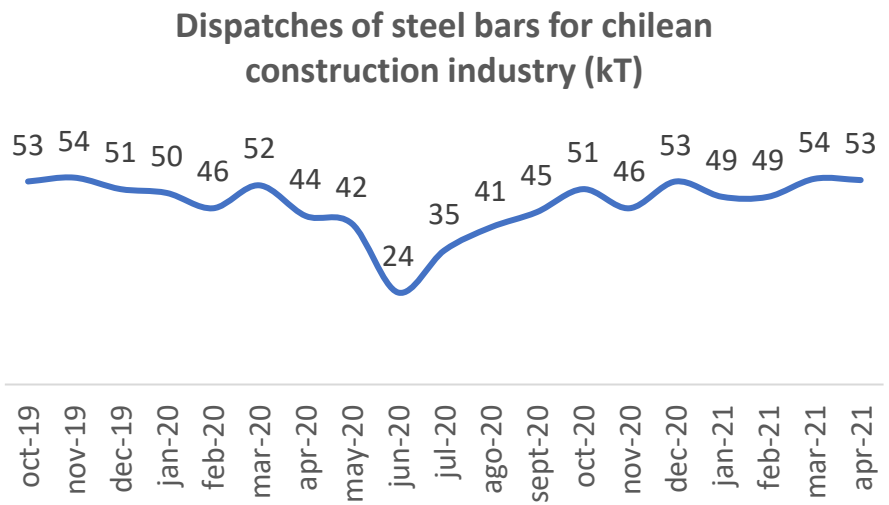


Source: S&P Global Platts

Steel Market





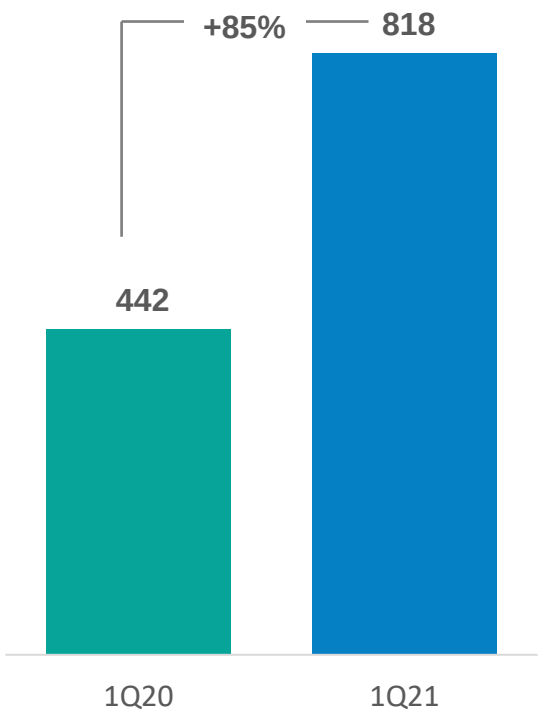


Source: CRUspi index - CCHC

Consolidated
results 1Q21

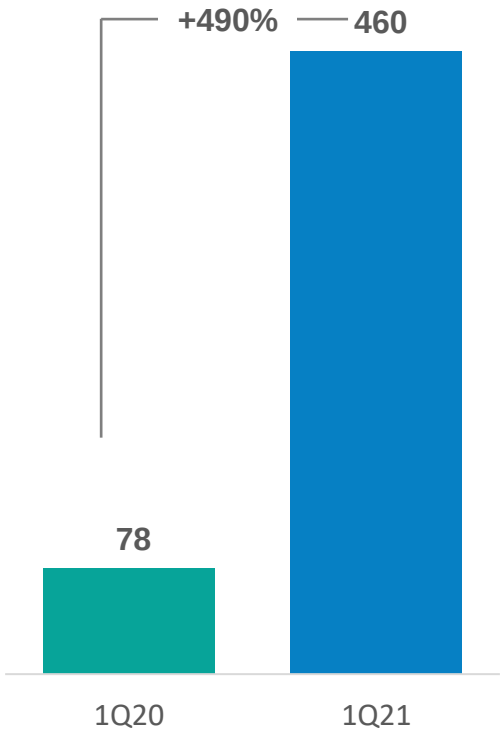
Main consolidated financial figures 1Q21

Revenues (US$ mill)



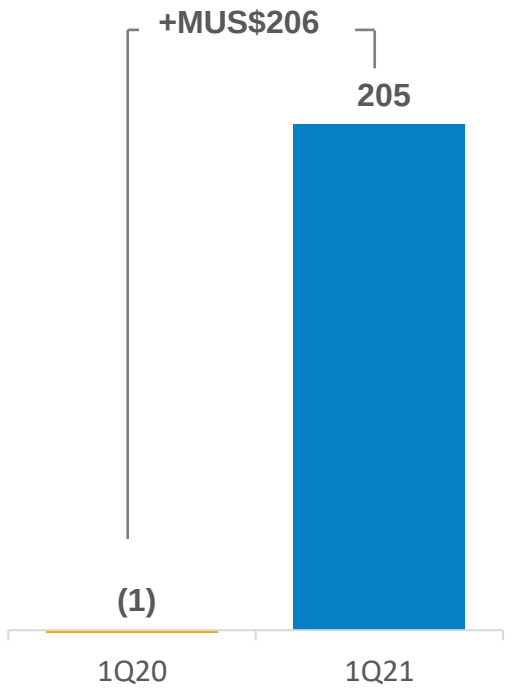
Higher revenues in all segments, driven by higher iron ore and steel prices

EBITDA (US$ mill)



Improved EBITDA levels in mining, steel and steel processing, with positive EBITDA in all business segments

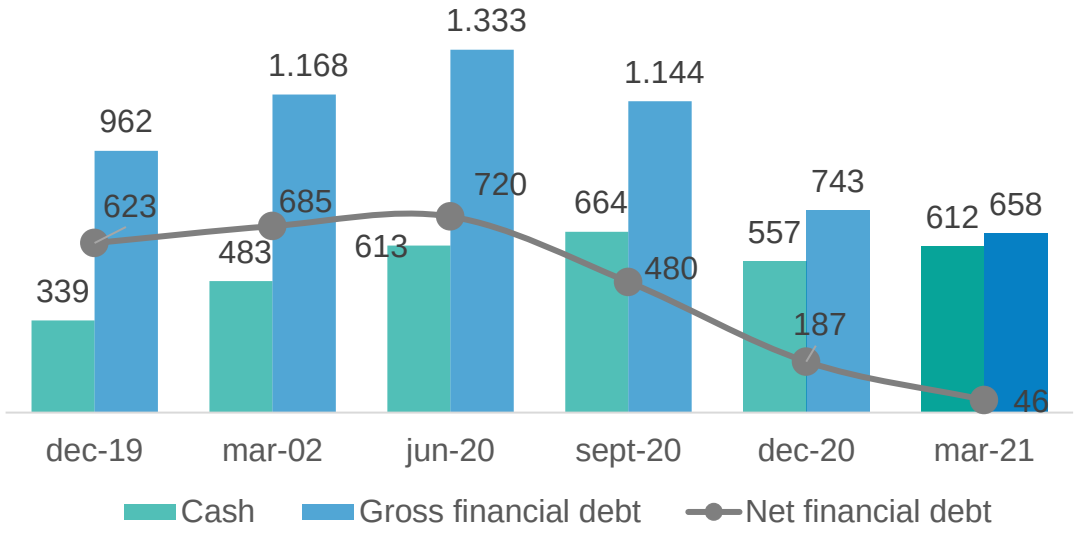
Net income (US$ millones)



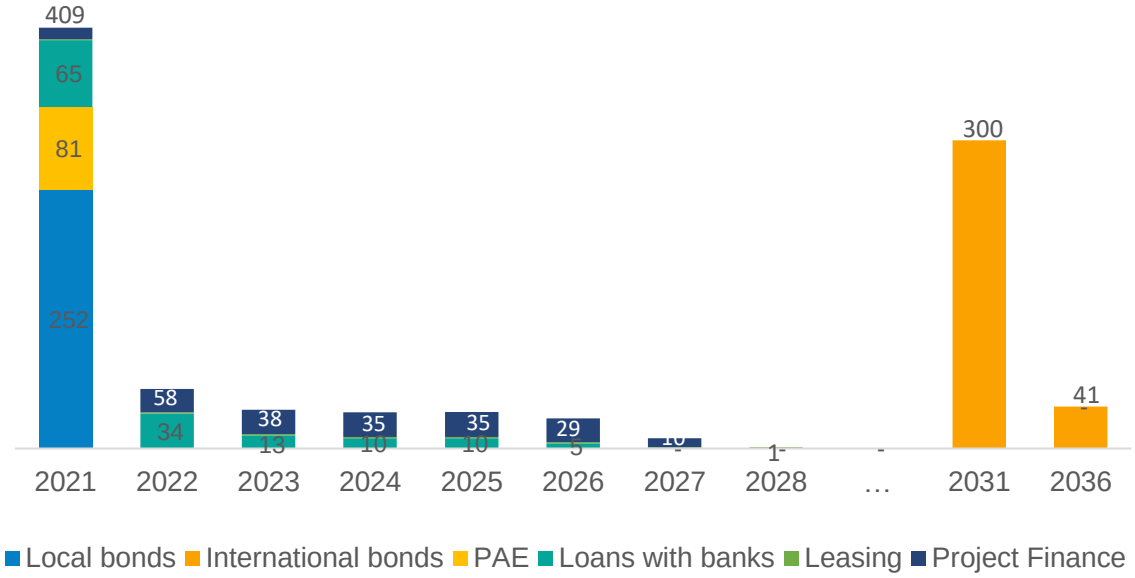
Higher earnings driven mainly by mining and steel processing segments

balance sheet remains strong: dividend payments and bond issue

Evolution of net financial debt (US$ millions)

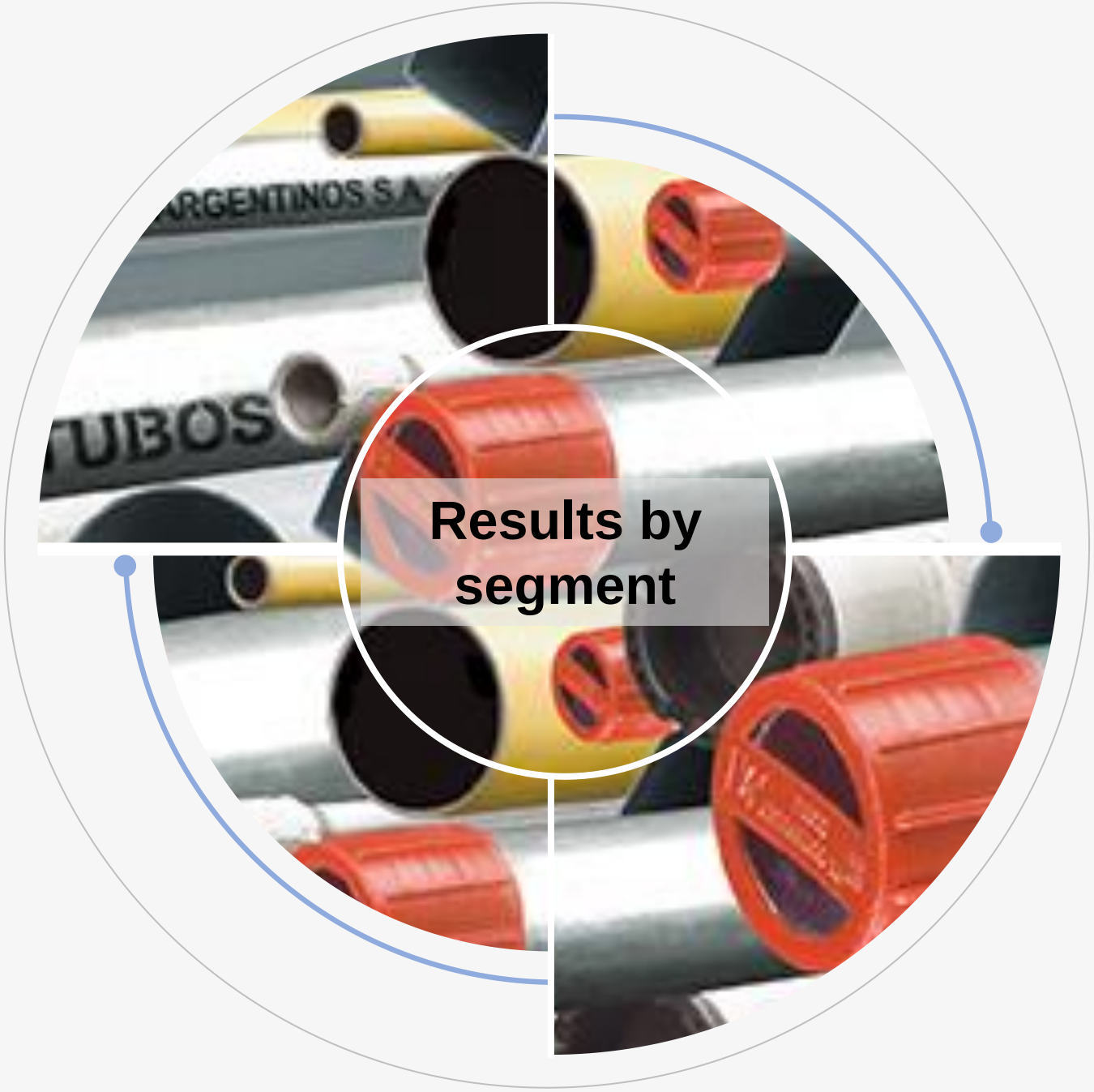


Maturity profile of financial liabilities (US$ millions)



* Cash includes cash + other current financial assets

- New US$300 million bond issue in the US will allow us to extend the average maturity from 2.3 to 4.9 years
- After the dividend payment and the bond placement during the 2Q21, the company maintains healthy levels of leverage and cash generation


Results by segment

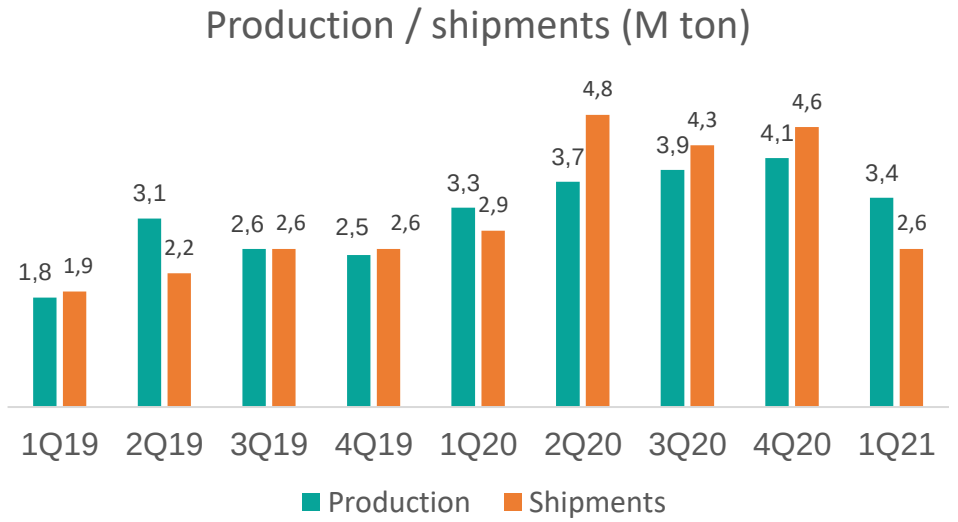
Mining

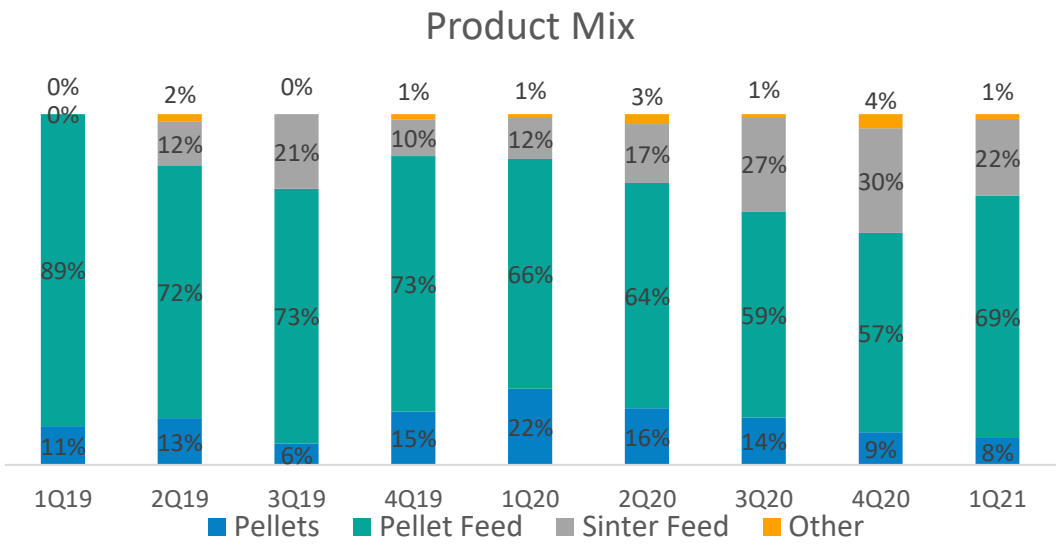
Compañía Minera del Pacífico operates in the III and IV region of the country, developing products with high iron content:

- Pellet Feed 66% to 69% Fe content.
- Pellets 65% to 67% Fe content.
- Sinter Feed 62% to 64% Fe content.
- Lumps 60% to 64% Fe content

	1Q21	1Q20
Revenues	US$544 million 122% increase	US$245 million
EBITDA	US$410 million 561% increase	US$62 million
Net Income	US$267 million 2.570% increase	US$10 million

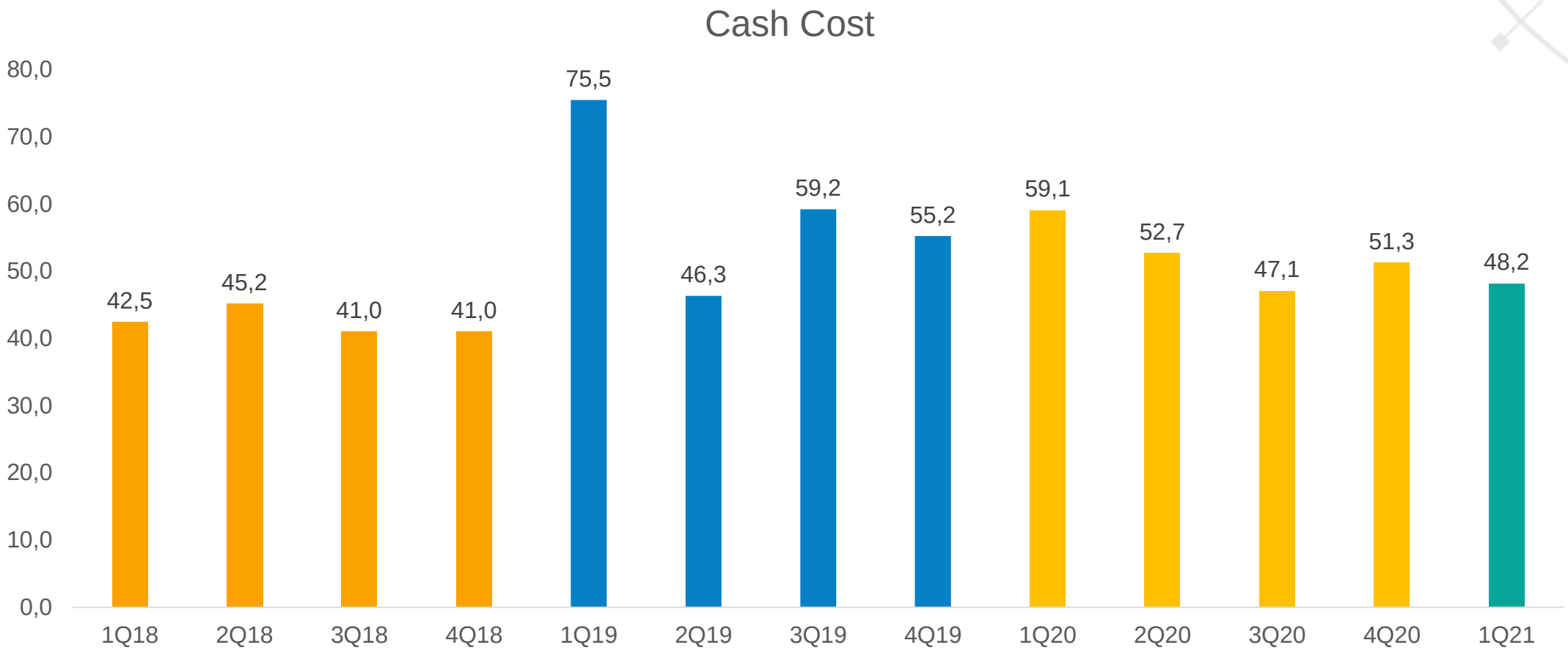
- 9% lower shipments, from 2.9 million tons in 1Q20 to 2.6 million tons in 1Q21.
- 149% increase in realized prices, from US$83 per ton in 1Q20 to US$207 per ton in 1Q21.





CMP cash cost* evolution (US$/t (FOB))

Cash cost moving down as CMP has returned to normal operating levels. During 1Q21 it was affected by an external strike near the Huasco Valley facilities, but the target remains in the range of US$40-45/t for this year.



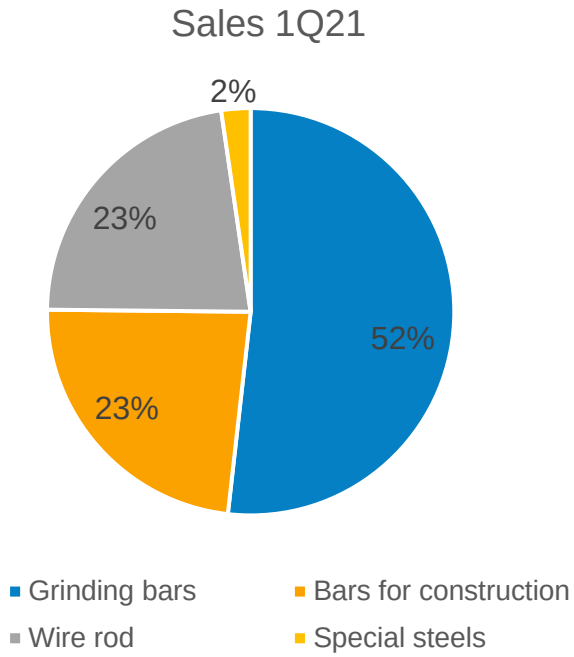
* The cash cost shown in the chart above is calculated as cost of sales without depreciation and amortization, based on tons shipped

Steel Production

Compañía Siderúgica Huachipato manufactures long steel products:

- Bars for mineral grinding media
- Reinforcing bars for construction
- Wire rod
- Special steels

	1Q21	1Q20
Revenue	US$151 million 26% increase	US$120 million
EBITDA	US$7 million US$13 million increase	US$(6) million
Net income	US$(2) million 82% loss reduction	US$(11) million



- Dispatches increased slightly, from 199 thousand metric tons in 1Q20 to 200 thousand metric tons in 1Q21.
- 25% increase in realized prices, from US$579 per ton in 1Q20 to US$721 per ton in 1Q21.

Steel Processing

Grupo Procesamiento de Acero (GPA) is composed of the following companies in Chile, Peru and Argentina: Cintac, Promet, Calaminon, Tupemesa, Sehover, Signovial, Agrow and TASA.

	1Q21	1Q20
Revenue	US$158 million 78% increase	US$89 million
EBITDA	US$34 million 386% increase	US$7 million
Net income	US$18 million US$19 million increase	US$(1) million

- 19% of higher volumes, from 79 thousand metric tons in 1Q20 to 94 thousand metric tons in 1Q21.
- 39% higher price for steel products, from US$864 per ton in 1Q20 to US$1,205 in 1Q21.
- Acquisition of Promet in May 2020 increases sales and EBITDA in the solutions and services segment.

GPA promotes the development of the construction and metal-mechanic sectors in Chile, Peru and Argentina through different products and innovative solutions:

METALCON® construction system

Structures for solar panels

Modular construction

Infrastructure for roads

Infrastructure

The infrastructure segment groups port, water and energy assets that provide services to our mining and steel businesses, as well as other customers located in the area of operation. It is currently comprised of:

	1Q21	1Q20
Revenue	US$25 millon 14% increase	US$22 million
EBITDA	US$15 millon 4% decrease	US$15 million
Net Income	US$6 millon 14% decrease	US$7 million

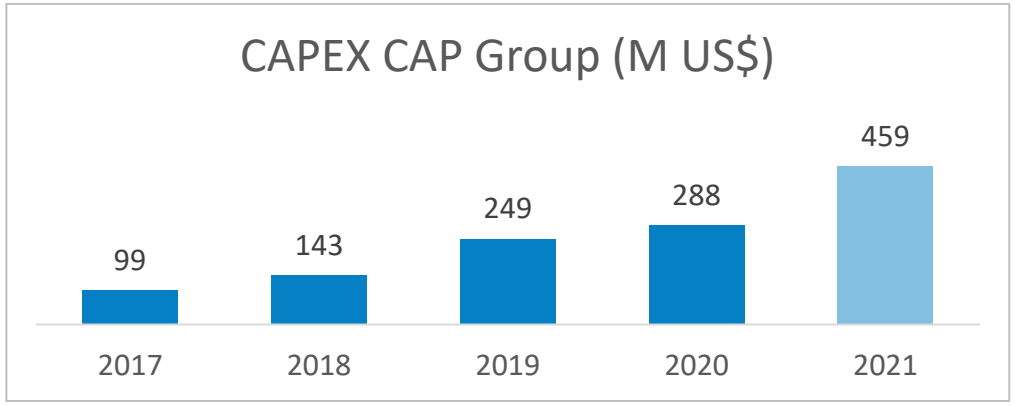
Desalination Plant: Cleanairtech

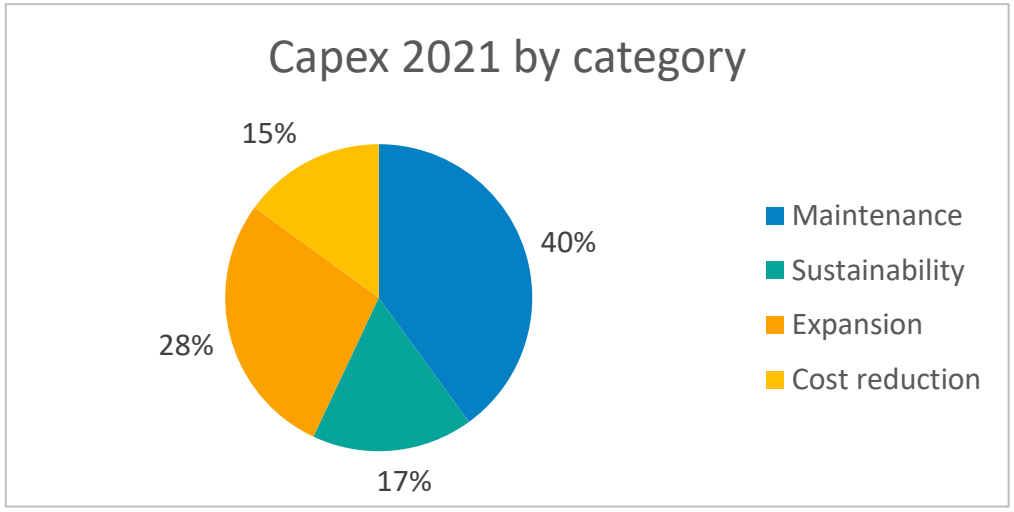
Power transmission line: Tecnocap

Port: Puerto Las Losas

CAPEX

CAPEX





For the five-year period 2021-2025, a CAPEX of US$ 1.5 billion has been budgeted, highlighting the following projects:

- Pre-stripping Phase 6 Los Colorados Mine
- Phase V Romeral
- Pellets Plant inland tailings deposit
- Electrostatic precipitator
- Purchase of loading equipment at Los Colorados Mine

LVRS Virtual Field Trip

June 2021