



CONFERENCE CALL 4Q19


March 12th, 2020




This presentation may include market outlooks and forward-looking statements, which are based on the beliefs and assumptions of Empresas Copec'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 Empresas Copec and could cause results to differ materially from those expressed in such forward-looking statements.

This presentation contains certain performance measures that have been adjusted with respect to IFRS definitions, such as "EBITDA".



- 
- I. CONSOLIDATED RESULTS
 - II. REVIEW BY BUSINESS DIVISION
 - III. HIGHLIGHTS OF THE QUARTER
 - IV. Q&A



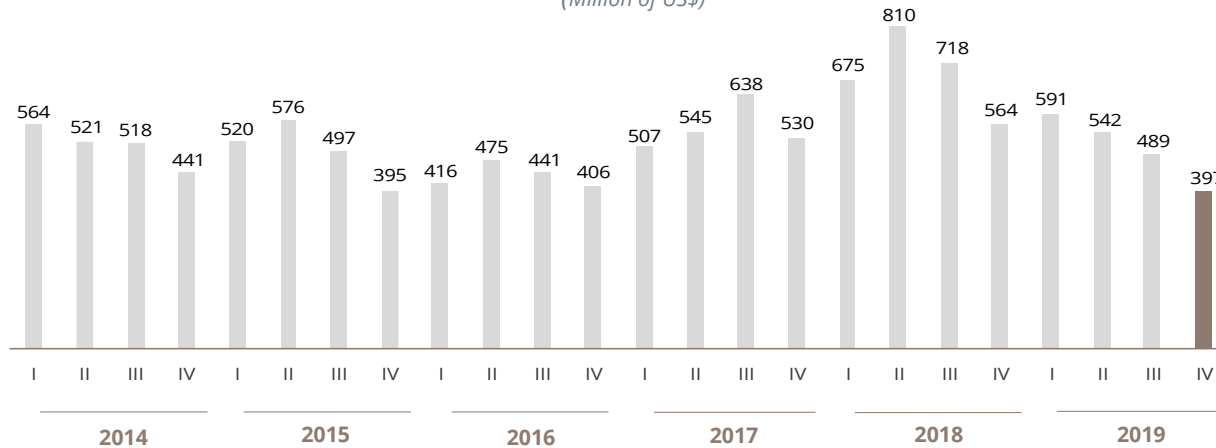
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- I. **CONSOLIDATED RESULTS**
 - II. REVIEW BY BUSINESS DIVISION
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I. CONSOLIDATED RESULTS – Quarterly Performance

QUARTERLY EBITDA

(Million of US\$)

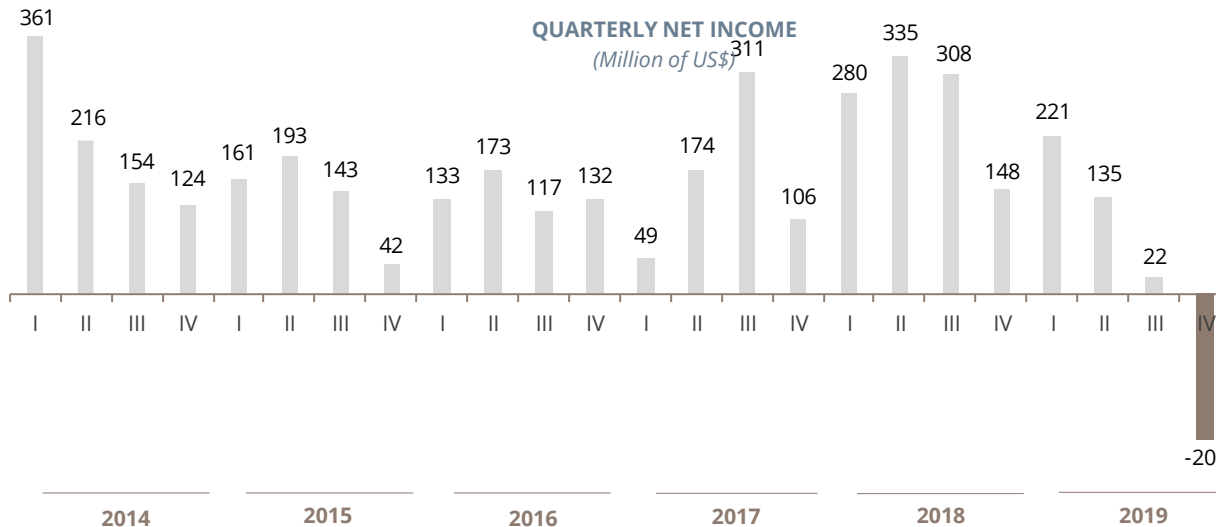


397

EBITDA down 29.7% YoY
and 18.9% QoQ.

QUARTERLY NET INCOME

(Million of US\$)



-206

Net income includes
impairments for
MMUS\$ 243



IFRS 16 – as of December 2019

International Financial Reporting Standards

	Assets	Liabilities
Arauco	252.1	248.3
Copec	420.5	419.6
Abastible	30.4	30.3
Orizon	0.8	0.8
Total	703.8	699.1

Figures in US\$ million.

ARAUCO	Rental Land and Rolling Equipment
COPEC	Tanker for fuel transport Land for storage and distribution plant Warehouse Motor vehicles
ABASTIBLE	Buildings Transportation Land and equipment

	Lower leasing expenses	Higher financial expenses	Higher D&A	Net Income Impact	EBITDA 2019 Impact
Arauco	80.5	(11.4)	(77.0)	(8.0)	80.5
Copec	59.9	(19.1)	(50.1)	(9.2)	59.9
Abastible	4.2	(2.0)	(4.1)	(2.0)	4.2
Total	144.6	(32.5)	(131.2)	(19.2)	144.6

Figures in US\$ million.



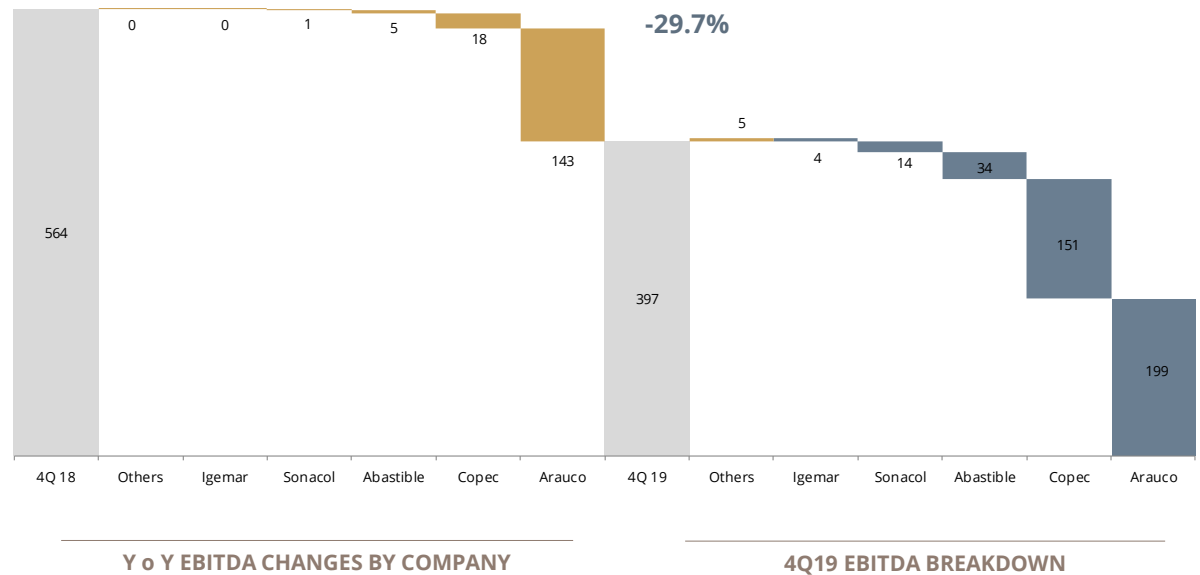
I. CONSOLIDATED RESULTS – Quarterly Performance

EBITDA decreased mainly in the forestry business.

In the fuels business, EBITDA decreased in Copec and Abastible, mainly explained by depreciation of local currencies, partially offset by a positive effect due to IFRS16.

Nonetheless, the fuel business EBITDA increased in local currency.

EBITDA (Million US\$)



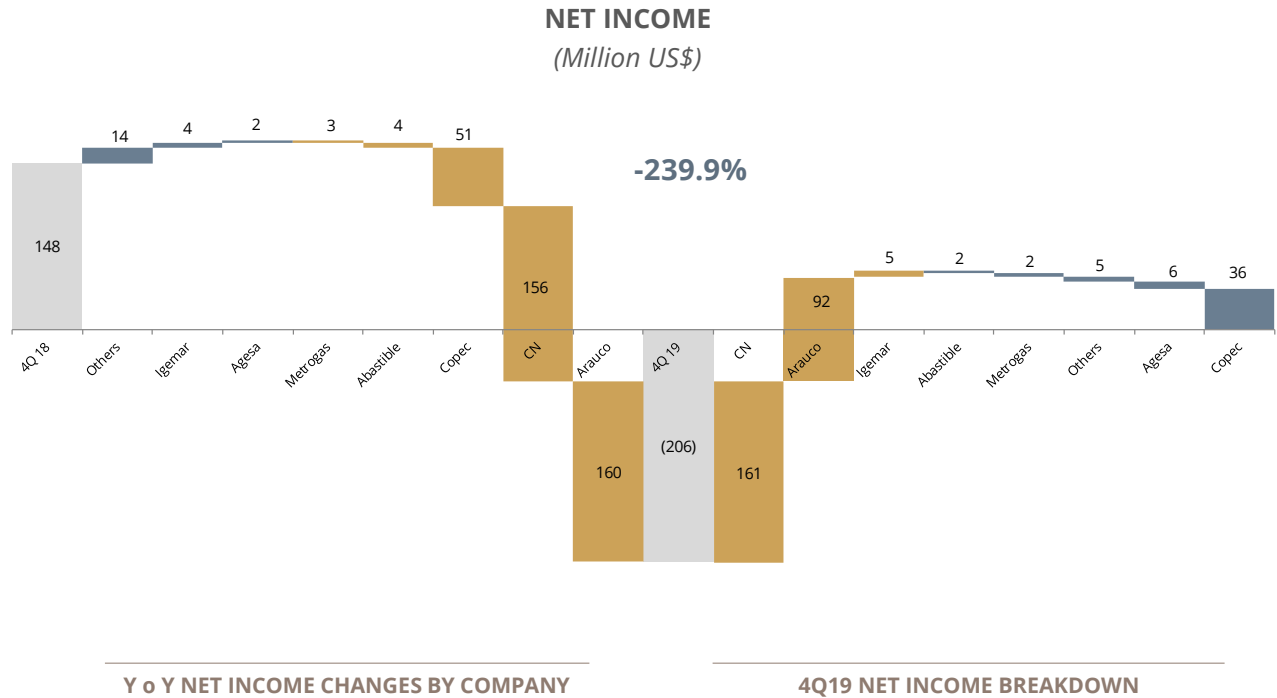


I. CONSOLIDATED RESULTS – Quarterly Performance

Net Income decreased in 4Q19, mainly because of impairments:

- CM (Mina Invierno): MMUS\$ 122
- Alxar: MMUS\$ 44
- Arauco: MMUS\$ 77

Also lower results were posted at Arauco.





Net income dropped from higher impairments and lower pulp prices.

OPERATING INCOME DROPPED

- Lower results at Arauco, explained by a drop in pulp prices.
- Copec had an increase in operating income, due to higher EBIT from the operations acquire to ExxonMobil .

LOWER NON-OPERATING INCOME

- Higher other expenses, related to impairments in Arauco and Alxar.
- Results in associates drop, mainly explained by an impairment in Mina Invierno.
- Increased financial expenses, related to higher debt and the effect of IFRS16.
- Lower taxes, due to a decreased income before tax.

CONSOLIDATED INCOME STATEMENT

Million USD	4Q 19	4Q 18	Change
Net income	(206)	148	(354)
Operating income	102	287	(185)
Non operating income	(314)	(75)	(238)
Other Income	75	69	7
Other expenses	(178)	(47)	(130)
Other profit (loss)	19	10	9
Financial Income	16	17	(1)
Financial expense	(121)	(100)	(21)
Profit in associated and JV's	(110)	(13)	(97)
Exchange Differences	(10)	(5)	(6)
Gain (losses) on net monetary position	(4)	(5)	1
Taxes	17	(49)	66
EBITDA	397	562	(165)



KEY FINANCIAL RATIOS

Profitability	4Q 19	3Q 19	4Q 18
Operating margin	1.8%	3.0%	4.7%
EBITDA margin	7.0%	7.8%	9.3%
ROCE	6.3%	7.4%	11.6%

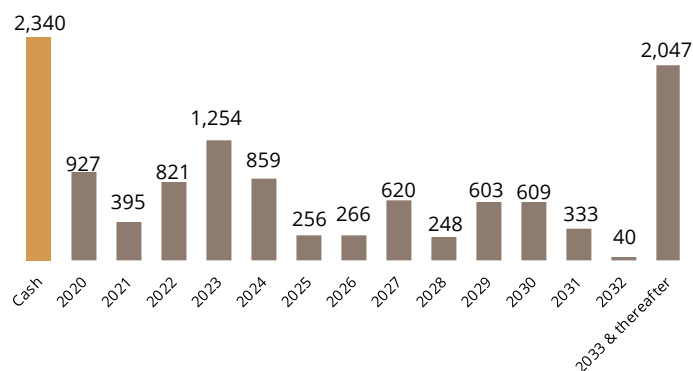
Leverage	4Q 19	3Q 19	4Q 18
EBITDA / net interest expense	5.3	6.2	8.6
Net debt / EBITDA	3.4x	3.2x	2.0x

COMMENTS

- Net debt / EBITDA up compared to 3Q19.
- EBITDA margin decreased YoY and QoQ.
- Well-balanced debt schedule for the coming years.

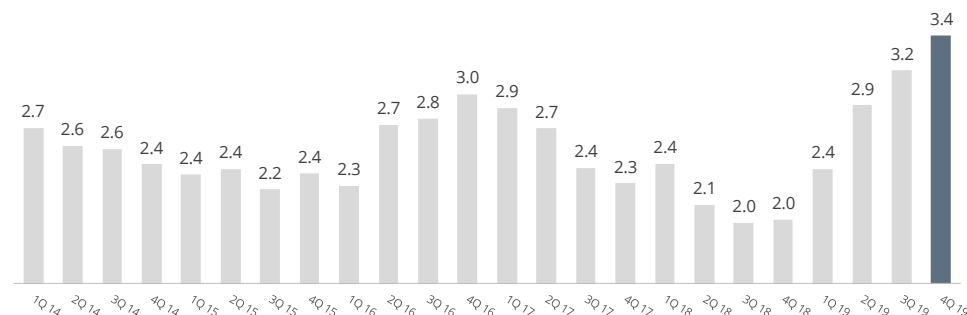
FINANCIAL DEBT MATURITIES

Figures in us\$ million




NET FINANCIAL DEBT / EBITDA

Ex-IFRS 16:
3.3x





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FORESTRY



ARAUCO

Net income decreased due to lower results on the pulp and wood businesses.

■ LOWER OPERATING INCOME

- Drop in results due to a weaker pulp price scenario, partly, offset by higher sales volumes.
- Lower results in the wood products division, mainly explained by a decrease in sawn timber prices.

■ LESSER NON-OPERATING INCOME

- Higher other income, associated with the revaluation of biological assets due to a low comparative base.
- Higher other expenses, explained by impairments on wood panel's plants in North America and Arauco Line 1.
- Increased financial expenses, related the effect of IFRS16 and higher debt due to ongoing projects.
- A higher results in associates (Sonae).
- Taxes decrease on a lower pre-tax base.

ARAUCO – INCOME STATEMENT

Million US\$	4Q 19	4Q 18	Change
Net income	(92)	68	(160)
Operating income	(12)	168	(180)
Non operating income	(116)	(71)	(45)
Other Income	59	21	38
Other expenses	(117)	(43)	(73)
Other profit (loss)	22	14	7
Financial Income	10	8	2
Financial expense	(81)	(55)	(25)
Profit in associated and JV's	4	(11)	15
Exchange Differences	(13)	(4)	(9)
Gain (losses) on net monetary position	0	0	0
Taxes	36	(27)	63
EBITDA	199	342	(143)

PULP

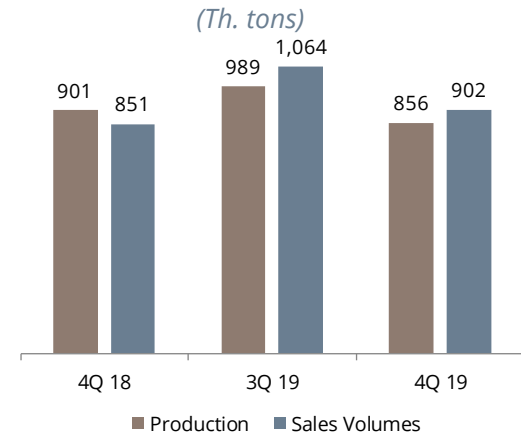
• **Y o Y:** EBITDA dropped, explained by lower prices, partly, offset by higher sales volumes.

The unit production costs of bleached hardwood and unbleached softwood rose 6.0% and 2.3%, respectively, and bleached softwood costs decreased 15.7%.

• **Q o Q:** Lower EBITDA due to a decrease in prices and volumes.

Unit production costs increased 9.6% and 3.4% for bleached hardwood and unbleached softwood. Bleached softwood unit production costs decreased 5.7%.

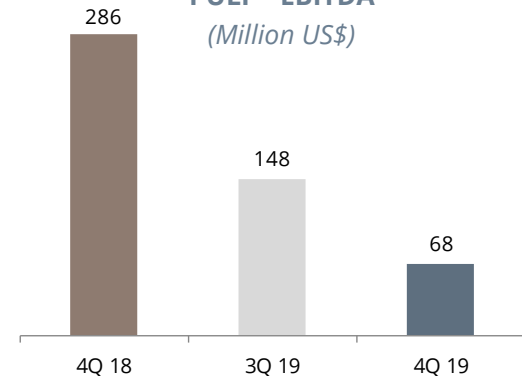
PULP Production & sales volumes



SCHEDULED MAINTENANCE STOPPAGES (DAYS)

Country	Plant	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Chile	Arauco L1				8		
	Arauco L2			12			
	Constitución			8			
	Licancel			10			
	Valdivia	59					10
	Nueva Aldea				16		
Argentina	Alto Paraná					23	
Uruguay	Montes del Plata		10				10

PULP - EBITDA



	Net Sales	Price	Sales Volume
Y o Y	-22.2%	-31.7%	6.0%
Q o Q	-13.7%	-3.0%	-15.2%

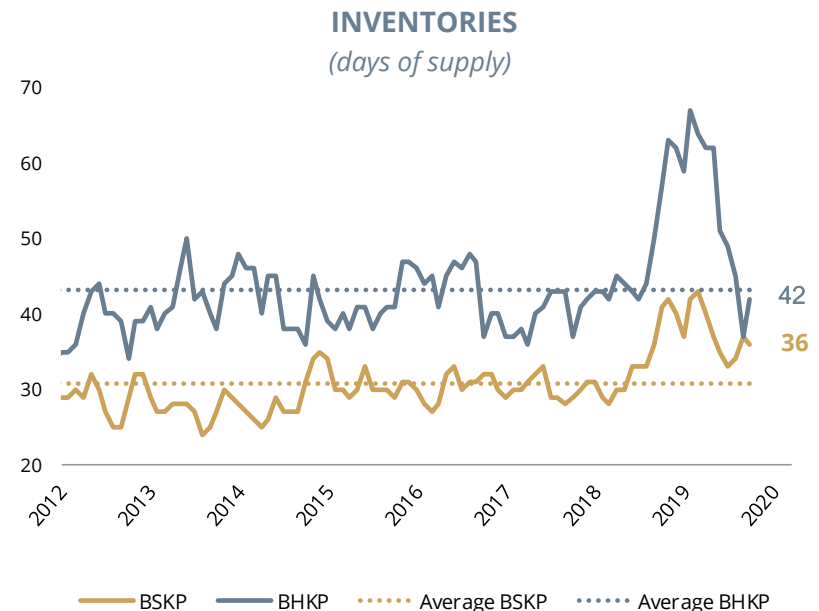
* Adjusted EBITDA reported by Arauco.

PULP

- Market situation remained affected by trade conflicts between China and the US.
- In China, the phase one of the trade deal between China and the US diminished the uncertainties in the market. Chinese paper producers faced good margins due to higher demand and low raw materials costs.
- In Europe, paper demand started to recover at the end of the fourth quarter. Paper producer's margins remained low, as the increase in paper demand was not enough to lead to price increases.

World Demand Changes*	12 M 19'/ 12 M 18'	
North America	7,125	(1.0%)
Western Europe	13,130	(7.4%)
China	16,670	18.2%
Others	13,305	0.7%
Total (th. tons)	50,230	3.1%

*PPPC World-20, as of December 19

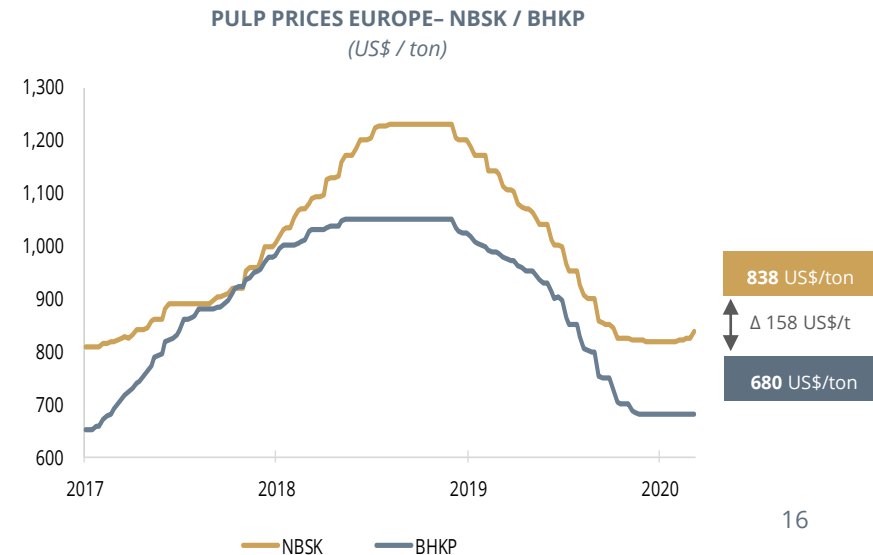
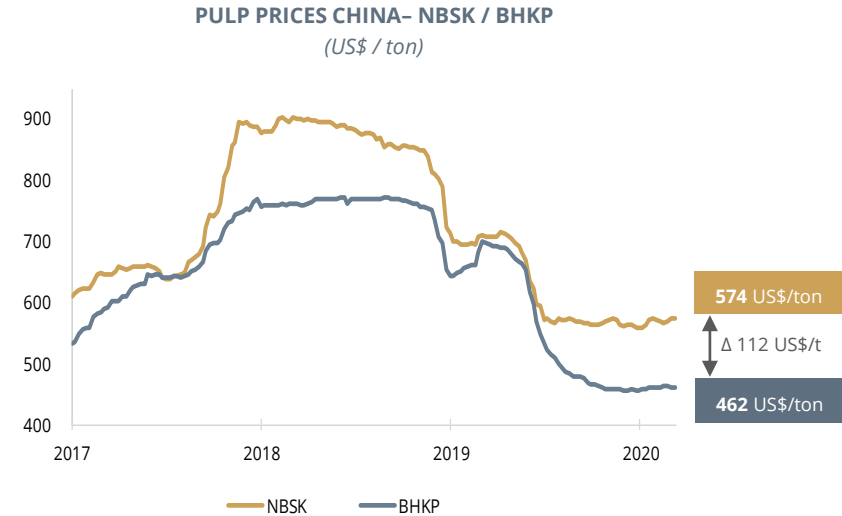
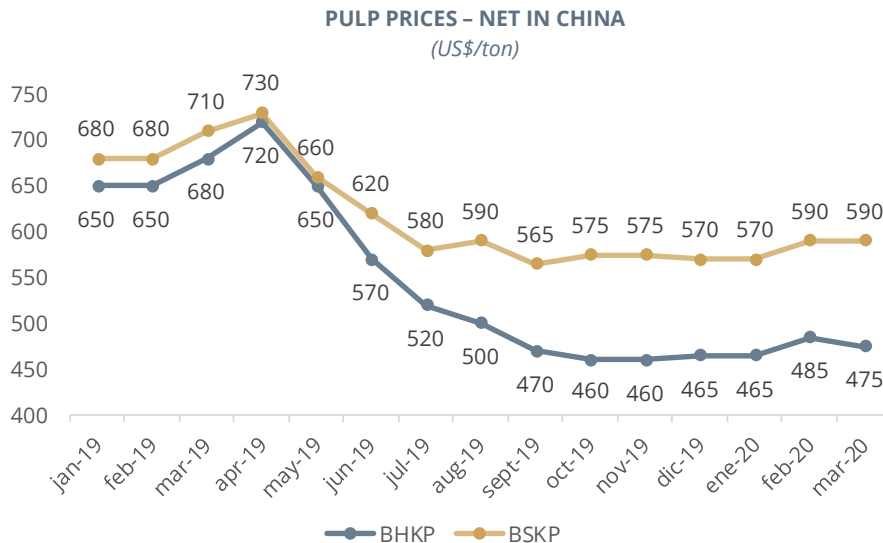


*Hawkins Wright, as of March, 2020



OUTLOOK

- Better demand during the first two months of the year, especially in China and Europe.
- Recently the effects of COVID-19 changed the positive feelings about the market.
- Arauco's sales were not materially affected (March and even April).
- There are signs of normalization in activity and logistics in China.
- Europe shows a more complex situation.



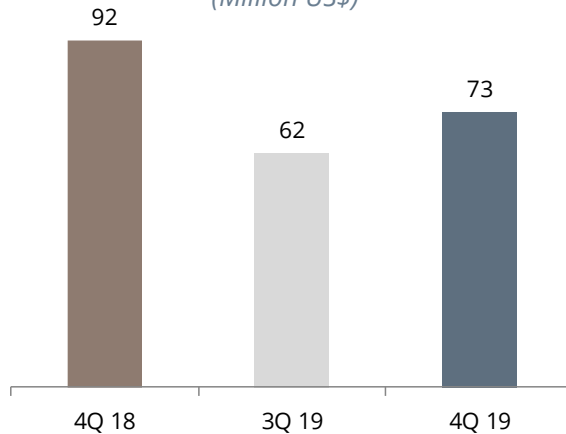
*Arauco, RISI. As of March 10th, 2020



II. REVIEW BY BUSINESS DIVISION - FORESTRY – Wood Products

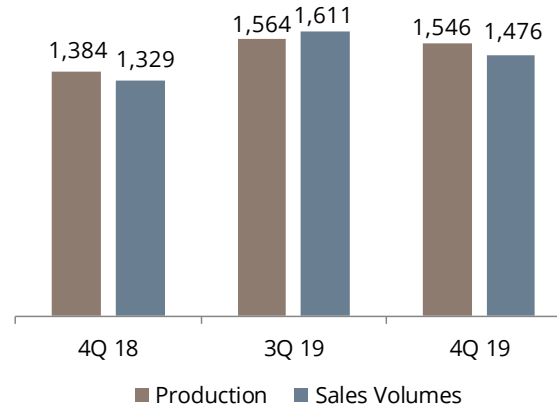
WOOD PRODUCTS - EBITDA

(Million US\$)



PANELS Production & sales volumes

(Th. m³)

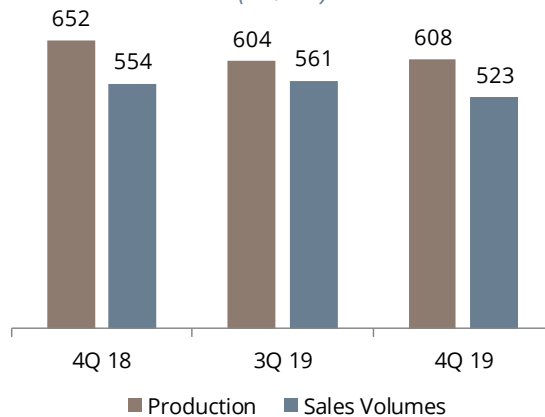


Panels

	Price	Sales Volume
Y o Y	-3.4%	11.1%
Q o Q	-0.7%	-8.4%

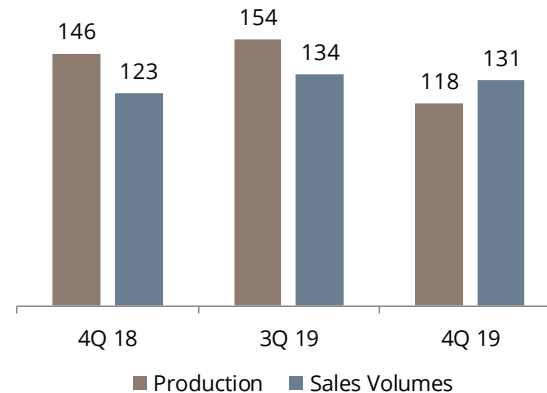
SAWN TIMBER Production & sales volumes

(Th. m³)



PLYWOOD Production & sales volumes

(Th. m³)



Sawn Timber*

	Price	Sales Volume
Y o Y	-11.8%	-3.6%
Q o Q	-4.9%	-6.0%

*Includes sawn timber, remanufactured solid wood and plywood.



OUTLOOK

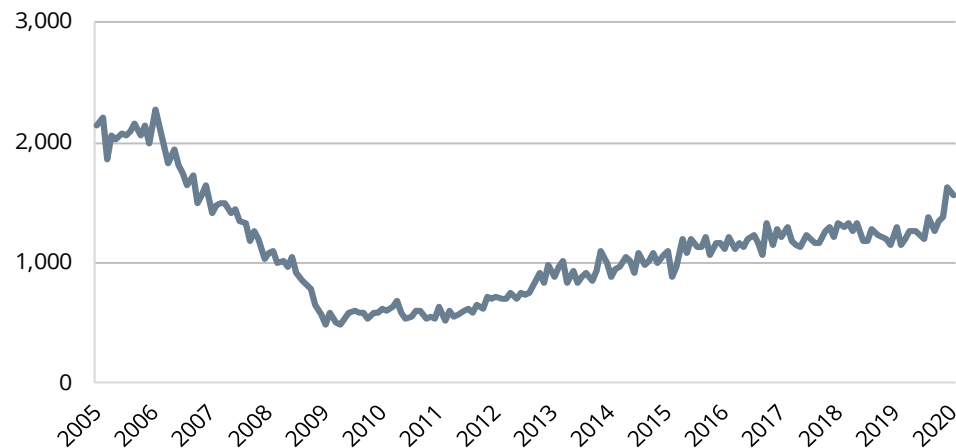
North America

58%

- Housing Starts Index at 1.57 million units per year as of January 2020.
- PB / MDF: In the US and Canada the PB market is expected to remain stable. Seasonality and better housing numbers may lead to better results in the PB and MDF markets. The MDF market is being affected by oversupply. In Mexico domestic and imports business remain balanced in terms of supply and demand. Slight improvements in markets keep us positive in the short term.
- Remanufactured products: expectations are positive, mainly because of (i) better housing numbers, (ii) seasonality, and (iii) a request for antidumping duties against Chinese and Brazilian producers.
- Plywood: we are seeing better prices due to higher demand and low stocks.

US HOUSING STARTS INDEX

(th. units)



Housing starts Jan-20
1,567

Source: Census Bureau



OUTLOOK

South & Central America

30%

- **Brazil:** Market scenario remains complex, there is oversupply in MDF and PB, offset by optimism due to economic recovery. Devaluation of local currency may affect our US\$ margins.
- **Argentina:** Panels sales should increase; sawn timber is looking more complex. Political situation presents some risks in terms of exchange rates that could affect our US\$ margins.
- **Chile:** Sales better than expected during local summer. From March onwards, market will react depending on social developments.

Asia & Oceania

8%

- **Asia:** COVID-19 adding uncertainties to markets.
- Signs of an increase in demand on some countries for lumber.

Europe & Middle East

4%

- **Europe:** Positive price movements in plywood as well as sales, but low economic growth and COVID-19 are concerns for our customers.
- **Middle East:** Demand and prices expected to remain stable, but COVID-19, oil market situation and GDP for the area translate to uncertainty.

FUELS





COPEC

Net income decrease on non operating income.

LOWER NON-OPERATING RESULT

- Decrease on other income due to the sale of real estate assets and adjustments to the acquisition of ExxonMobil in 4Q18.
- Higher other expenses associated with repairs and deductibles related to the social crisis.
- Increased financial expenses related to the implementation of IFRS 16.

OPERATING INCOME INCREASED

- Drop in margins in Chile explained by higher distribution costs and a lower industrial margin.
- Offset by an increase on Terpel's volumes on liquids and lubricants, and better margins in liquids.
- Mapco reported a lower margin, offset by higher volumes.

HIGHER TAXES

COPEC – INCOME STATEMENT

Million Chilean Pesos	4Q 19	4Q 18	Change
Net income	27,213	59,298	(32,085)
Operating income	72,257	65,429	6,828
Non operating income	(16,623)	15,331	(31,954)
Other Income	9,372	30,412	(21,041)
Other expenses	(6,738)	2,732	(9,470)
Other profit (loss)	(1,199)	(1,493)	293
Financial Income	1,401	1,520	(118)
Financial expense	(22,549)	(20,625)	(1,925)
Profit in associated and JV's	2,966	2,235	731
Exchange Differences	1,704	2,556	(852)
Gain (losses) on net monetary position	(1,580)	(2,007)	428
Taxes	(23,017)	(13,149)	(9,867)
EBITDA	122,089	111,073	11,016

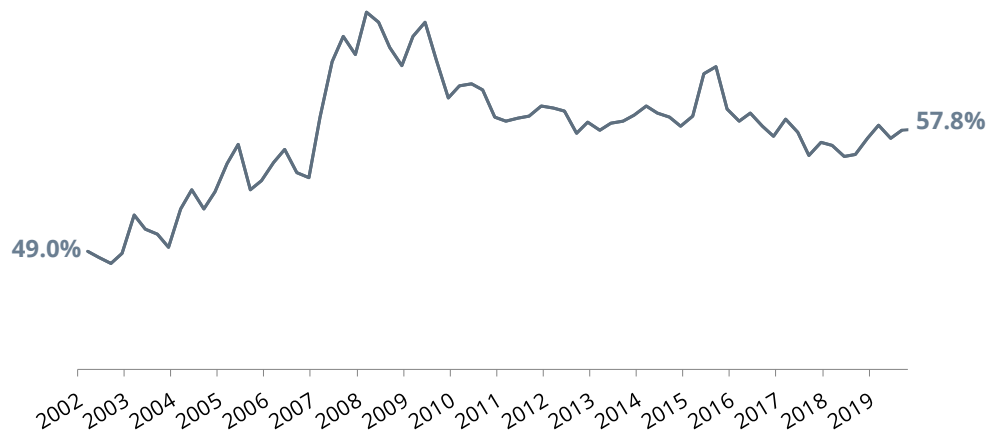


II. REVIEW BY BUSINESS DIVISION – FUELS - Copec

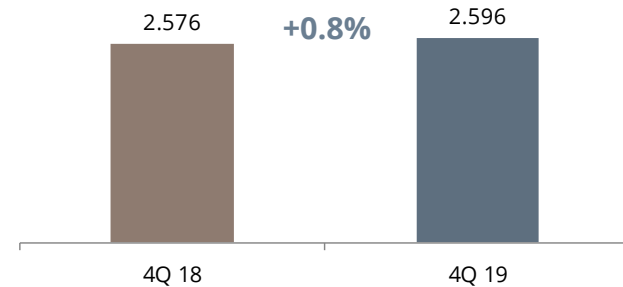
MARKET SHARE
(accumulated December-19)



LIQUID FUELS MARKET SHARE EVOLUTION



FUEL VOLUMES IN CHILE YoY
(th. m³)



- Industrial Channel: volumes 0.6% down YoY.
- Gas Stations: volumes rose 1.9% YoY.

OUTLOOK

- Stable margins, excluding potential FIFO effects and imports.
- Sustained leadership in gas stations due to strong network positioning.
- Mapco showing growth in volumes (+1.9% YTD). Focus on margin stabilization on fuels, operation efficiency, and improvement of the product mix at convenience stores.

TERPEL

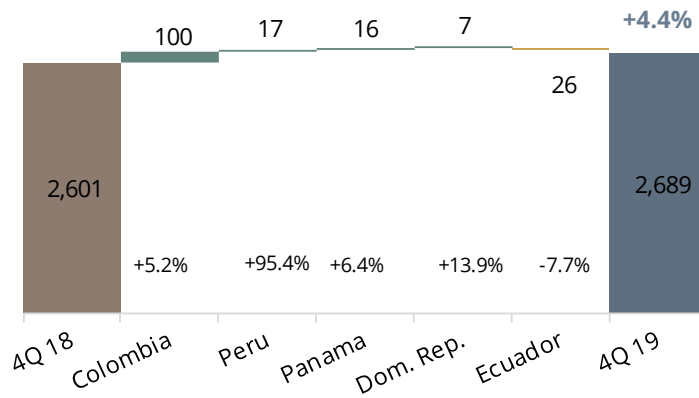
Higher sales volume and positive inventory effect.

- Increase of 4.4% in liquid fuels volumes, mainly explained by an increase on gas stations channel of 6.0%.
- Unit margins in liquid fuel increased in Colombia, Ecuador and Panama.
- Lower non-operating result, due to favorable effects in 4Q18, related to an adjustment of the assets acquired to ExxonMobil and a favorable sale of gas station in Colombia.
- Additionally, in 2018 there was a tax credit due to the impairment of Gazel and effects of a tax reform.

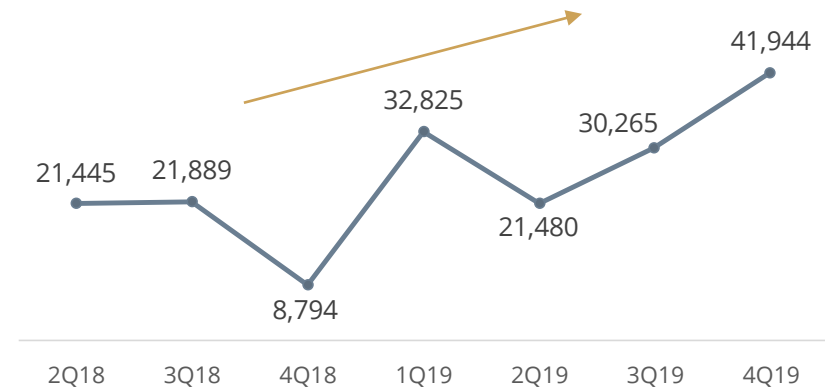
Million COP	4Q 19	4Q 18	Change
Revenues	6,037,873	5,329,366	708,508
EBITDA	237,860	152,575	85,285
Operating income	148,567	27,603	120,963
Non-operating income	(65,214)	44,416	(109,630)
Net income	65,346	101,257	(35,910)

PHYSICAL SALES OF LIQUID FUELS

(Th. m³)



EBITDA CONTRIBUTION FROM EXXONMOBIL ASSETS



*Figures in million Colombian Pesos (COP)



ABASTIBLE

Net income affected by lower operating income.

ABASTIBLE – INCOME STATEMENT

■ LOWER OPERATING INCOME

- Higher distribution costs in Chile, offset by increased volumes.
- Better operating result in Colombia due to better volumes and margins. Ecuador remained stable.

■ DROP IN NON-OPERATING INCOME

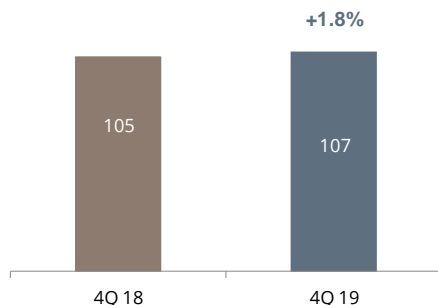
- Higher other income associated with assets rented.
- Increased other expenses explained by adviser's fees and accounts payable provisions.
- Better results in associates.

Million Chilean Pesos	4Q 19	4Q 18	Change
Net income	1,358	4,121	(2,763)
Operating income	8,735	11,723	(2,987)
Non operating income	(3,832)	(3,231)	(602)
Other Income	3,058	(352)	3,410
Other expenses	(2,184)	872	(3,056)
Other profit (loss)	(1,387)	(249)	(1,138)
Financial Income	490	1,499	(1,009)
Financial expense	(4,560)	(4,523)	(37)
Profit in associated and JV's	2,380	999	1,381
Exchange Differences	152	169	(18)
Gain (losses) on net monetary position	(1,782)	(1,646)	(136)
Taxes	(1,507)	(2,749)	1,242
EBITDA	23,045	25,490	(2,446)



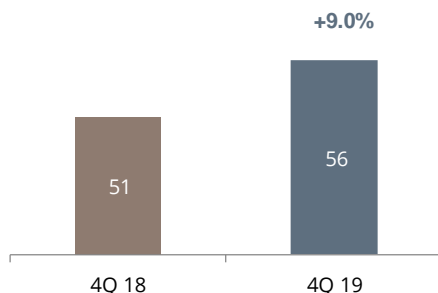
II. REVIEW BY BUSINESS DIVISION – FUELS - Abastible

VOLUMES IN CHILE Y/Y
(Th. tons)

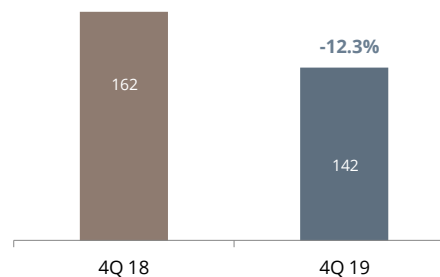


(5,5)% on the industrial/bulk channel.
5,0% on the bottled channel

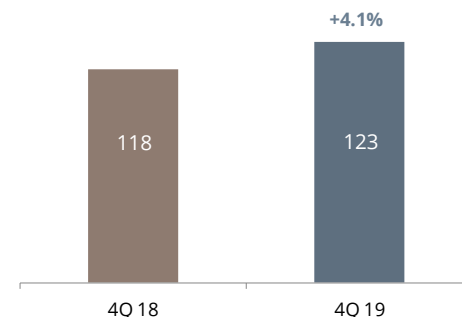
VOLUMES IN COLOMBIA Y/Y
(Th. tons)



VOLUMES IN PERU Y/Y
(Th. tons)



VOLUMES IN ECUADOR Y/Y
(Th. tons)



OUTLOOK

- **Chile:** positive outlook for the bulk channel, explained by new clients, as part of the plan to offer energy-efficient solutions to industrial clients. Growth in bottled channel, mainly on the north and Region Metropolitana.

- **Colombia:** Sustained growth is expected on the bottled market. New clients on the bulk channel, offset by higher penetration of natural gas and biomass.

- **Peru:** Growth continues in bottled market volumes, explained by the strategy to increase distribution coverage and optimize prices.

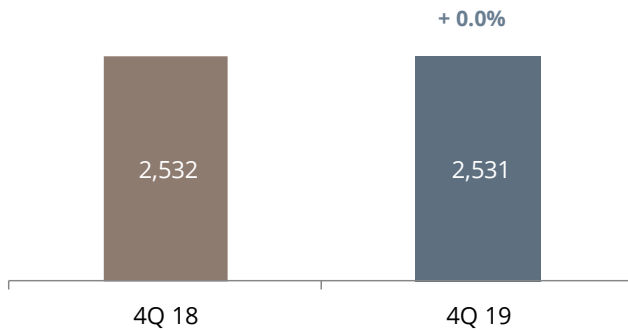
- **Ecuador:** Significant growth in the industrial bulk segment, due to new industrial clients and consumers that are replacing diesel by GLP.



SONACOL

Net income in line with 4Q18.

SONACOL VOLUMES - (Th. m³)



SONACOL – INCOME STATEMENT

Million Chilean Pesos	4Q 19	4Q 18	Change
Net income	5,612	5,262	350
Operating income	8,651	8,202	449
Non operating income	(879)	(816)	(64)
Other Income	7	23	(16)
Other expenses	(63)	(41)	(22)
Other profit (loss)	0	0	0
Financial Income	19	18	1
Financial expense	(591)	(593)	3
Profit in associated and JV's	0	0	0
Exchange Differences	(252)	(223)	(29)
Gain (losses) on net monetary position	0	0	0
Taxes	(2,159)	(2,472)	312
EBITDA	10,457	9,894	563



OTHER INVESTMENTS



AFFILIATES AND ASSOCIATES – QUARTERLY NET INCOME

Million US\$	4Q 19	4Q 18	Change
Affiliated Companies			
Igemar	(6.5)	(12.0)	5.5
Alxar Internacional	2.6	(7.9)	10.5
Associated Companies			
Corpesca*	(21.2)	(1.5)	(19.7)
Caleta Vitor	23.1	0.0	23.1
Laguna Blanca	(138.1)	(4.7)	(133.4)
Metrogas	5.9	12.2	(6.3)
AGESA	15.1	10.5	4.6

IGEMAR: The result was favorable compared to the previous year, explained by better results in Caleta Vitor, lower other expenses and higher exchange differences.

ALXAR INTERNACIONAL: It recorded profits due to tax credit.

CORPESCA: Weaker results on lower sales volumes and prices.


LAGUNA BLANCA: It registered a loss related to an impairment affecting the accounts “property, plants and equipment”, “intangible assets” and “recoverable taxes”.

METROGAS: Lower net income with respect to the previous year, due to lower volumes.

AGESA: Higher net income.

* On January, 2019, Corpesca was divided on Corpesca and Caleta Vitor.



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ARAUCO'S PROJECTS STATUS



Valdivia's dissolving pulp plant

- Project finished.
- Investment was MMUS\$ 195.
- The start-up is expected for April 6th, 2020.
- The mil will keep the flexibility to switch from paper grade to dissolving pulp.

ARAUCO'S PROJECTS STATUS

MAPA Project

- Progress of 39% as of February 2020, as expected.
- Civil works advance according to plan and the construction of steel structures have started.
- During the first months of 2020 equipment such as the boiler, digester, boiler feed water tank, evaporators, and others have arrived onsite.
- The start-up of the new Line 3 is expected to take place in the second quarter of 2021, by that time Line 1 will be permanently shut down.



MINA JUSTA PROJECT UPDATE

- As of January 24th, the project exhibits more than 79% progress, in line with the plan.
- Currently, more than 5,300 people participate in its development, which demands an investment of around US\$ 1,600 million and is expected to be completed at the end of this year.
- Empresas Copec owns 40% of Mina Justa. The project is located in Ica, Peru, and is expected to reach a production of up to 150 thousand tons per year of fine copper during the first years of operation, with an average of 115 thousand tons per year in the 16 years life of mine.



SALE OF SONACOL

- As of December 20, 2019, Copec and Abastible, along with Esmax Inversiones S.A., Empresa Nacional del Petróleo S.A. and Empresa Nacional de Energía Enx S.A., communicated a mandate given to the investment bank Goldman Sachs to evaluate the divestment of a 100% ownership in Sonacol through a competitive process.
- The process is estimated to be completed in 14 months, starting at the announcement date.
- Empresas Copec, through Copec and Abastible, owns 52,8% of Sonacol's shares.



RECOGNITION ON BEST CORPORATE PRACTICES

- Empresas Copec was recognized, along with the banks BCI and Santander, on good corporate practices. This award was issued by the Santiago Stock Exchange and Ernst and Young (EY) following a survey called «La Voz del Mercado», that aimed to measure the perception of good corporate practices in locally listed companies.
- The survey was answered by 347 directors, investors, intermediaries, research analyst, rating agencies, academics, among others, who evaluated companies on five areas: business strategy, controls, transparency, fair and equal treatment, and sustainability.




ARAUCO WILL BE CERTIFIED AS THE FIRST CARBON NEUTRAL FORESTRY COMPANY

- A third party will measure aspects related to the company's carbon footprint and carbon absorption by forests, among others.
- The initiative aims to reduce emissions by the company and its suppliers.
- The commitment also considers modifying some processes, including the use of fuels and the operation of cogeneration units. The goal is to gradually decrease all emissions in the next ten years, by 32.5% compared to 2017.

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- I. CONSOLIDATED RESULTS
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 - IV. Q&A**



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