

# SIGDO KOPPERS

Leading supplier of products and services for the mining industry



60,7%



100%



50,01%



51,8%



92,6%



87,9%



40%



75,2%



# Sigdo Koppers

## STRATEGY AND VALUE PROPOSITION

Global leaders of recurring services for the mining industry,  
operating in major ore producing countries

**75% EBITDA from mining**  
45% EBITDA from copper mining

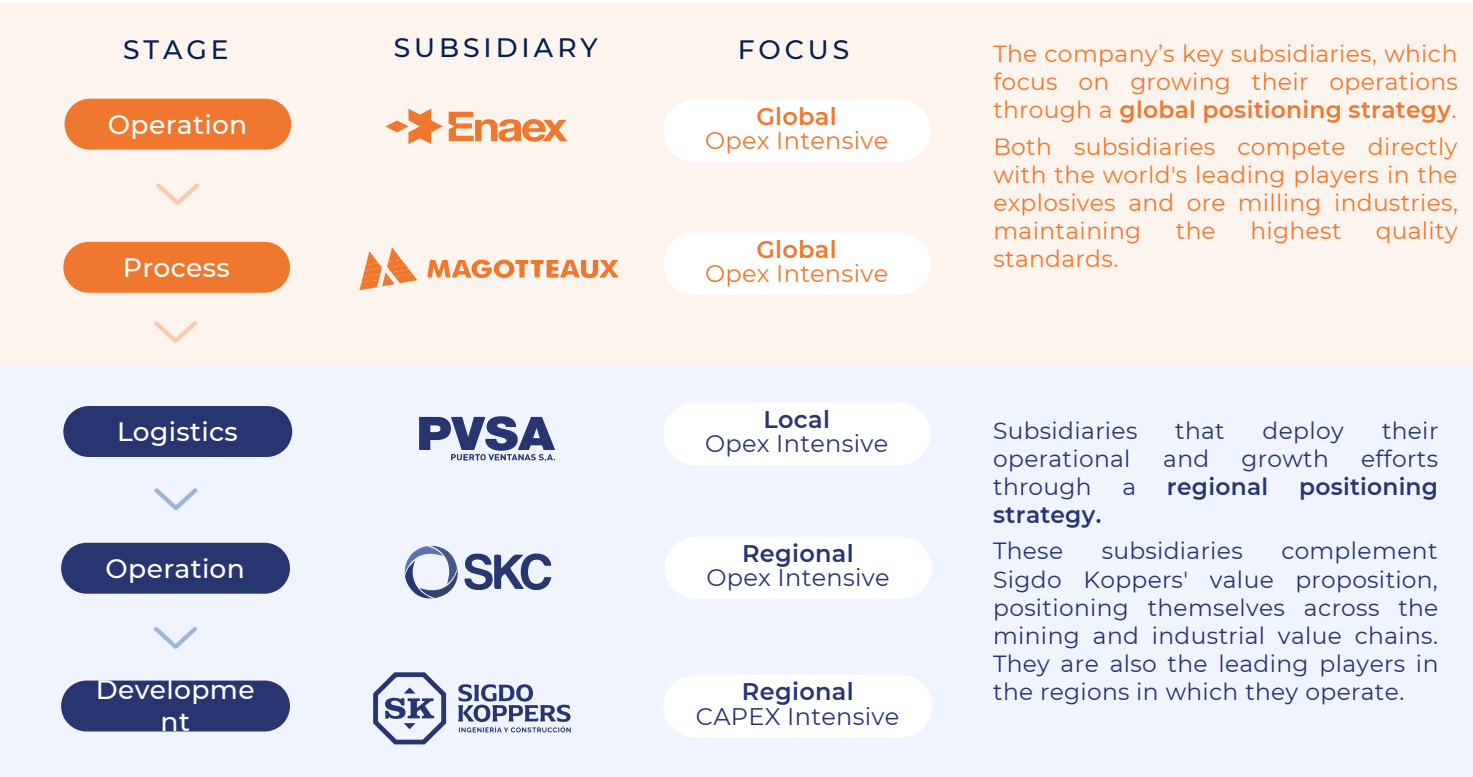
**90% EBITDA focused on recurring revenue businesses**  
Enaex, Magotteaux and PVSA

**International expansion**  
Operating directly in 17 countries

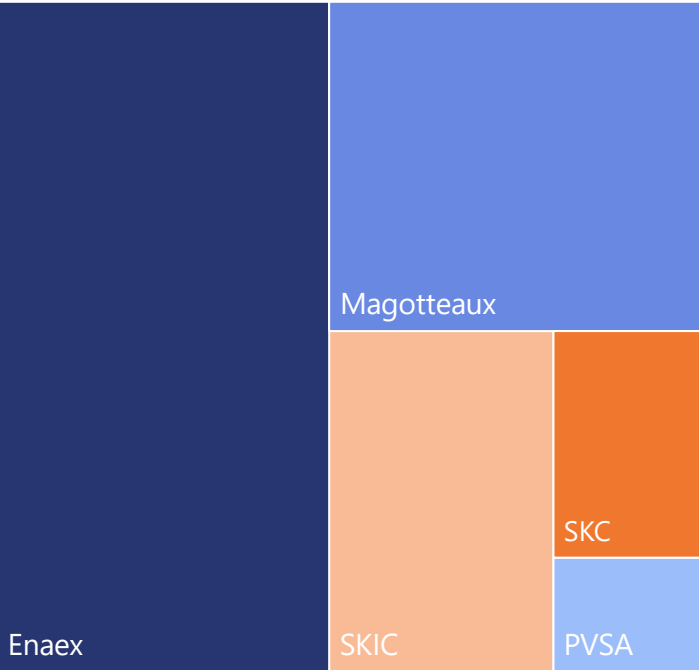
- **Global presence, primarily focused on the mining sector, via an international expansion strategy covering the world's largest mining markets.** The company operates directly in 17 countries, with only 50% of its EBITDA coming from Chile. Exposure to copper producing nations includes Chile, Peru, China, USA, Australia, Mexico, Canada and Brazil (60% of global copper supply).
- **Leading service provider across the mining and industrial value chain.** The SK umbrella brings together companies that service the mining and industrial value chain. It enjoys a *strong competitive position* afforded by the industry leadership of its subsidiaries, Enaex and Magotteaux, which are involved in the operational and process side of the business: **(i)** Enaex is a global leader in blasting services, mostly focused on mining (95% of EBITDA, 48% of which comes from copper mining); **(ii)** Magotteaux is the global leader in the production of grinding balls, also mainly focused on mining (81% of sales). In addition, the company deploys a regionally focused strategy based on: **(i)** Project development, through SK Ingeniería y Construcción, a leading company in highly specialized construction mostly in Chile and Peru (12% of sales); **(ii)** Operations, through SKC, a leader in machinery sales and leasing in Chile, Peru and Colombia (8% of sales); and **(iii)** Logistics, through PVSA, which conducts port operations and rail transportation in Chile (4% of sales).
- **Exposure to mostly recurring businesses.** Enaex and Magotteaux are the group's largest subsidiaries. They have a strong global position in mining OPEX services and compete with leading players in their respective industries. Together they account for 73% and 85% of consolidated revenues and EBITDA, respectively. Robust and recurring revenues from both subsidiaries are instrumental to the company's stable cash flows.
- **Long-term relationships with strategic customers in the mining industry.** The company's value proposition is reflected most clearly in the mining industry, where its key subsidiaries have common customers. Most of these most of whom have been in a long-term relationship with SK (80% of sales are with recurring customers of +3 years). These relationships show the company's comprehensive footprint and cross-selling capacity. Consequently, mining has the largest weight in the sales mix, accounting for 85% of the company's revenues and 75% of EBITDA. In particular, copper mining accounts for 50% of Sigdo Koppers' revenues and 45% of its EBITDA.
- **Continuous value creation through innovation and a persistent investment drive with a focus on mining development.** Competitive advantages supported by innovation and permanent investment in companies relevant to the mining industry, which is reflected not only in the *market leadership* of SK's various businesses but also in their improved and sustainable margins. Additionally, all organic and inorganic business growth is focused on always maintaining the firm's *solid financial position*. Additionally, in tune with the strategy deployed since 2010 —focused on its role as a comprehensive supplier for the mining industry— SK will seek to enhance Enaex's and Magotteaux's global leadership. Thus, any non-core divestment will be focused on further developing the organic and inorganic growth initiatives of both subsidiaries.

# Main Subsidiaries

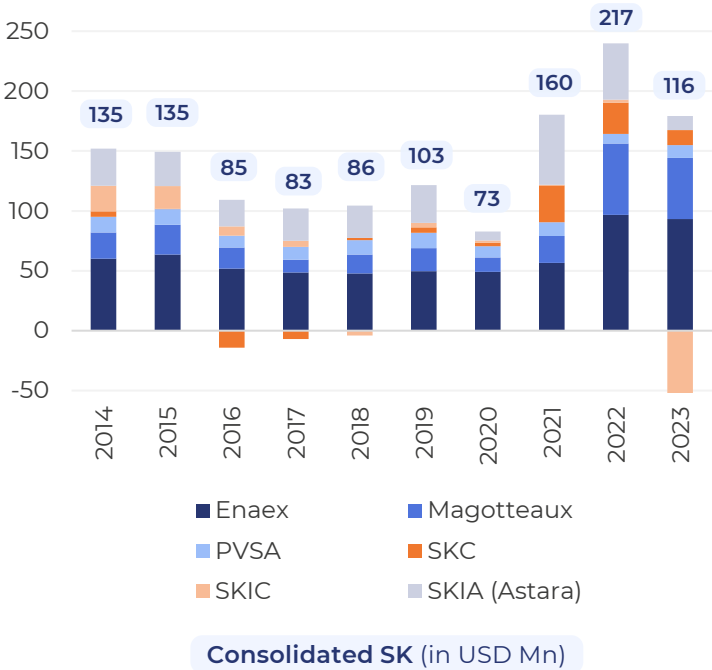
## VALUE CHAIN STAGES



## REVENUE DISTRIBUTION 2023



## PROFIT ATTRIBUTABLE TO SK



### Stock information (Sep-24)

52w High-Low (CLP/Share)	1.326 - 1.051
Avg. Daily Volume (USD mn)	0,14
Free Float (%)	26%
# Shares (million)	1.075
ADR Ratio	n.a.
Market Cap (USD mn)	1.204
Last Price (CLP)	1.058
Bloomberg Ticker (Local)	SK CI

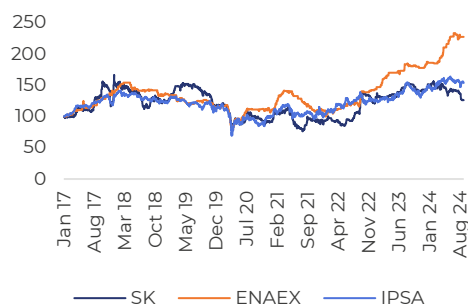
### Management team (Jun-24)

Chairman of the Board	Juan Eduardo Errázuriz
CEO	Juan Pablo Aboitiz
CFO	Andres Brinck
IR	Slaven Ilic

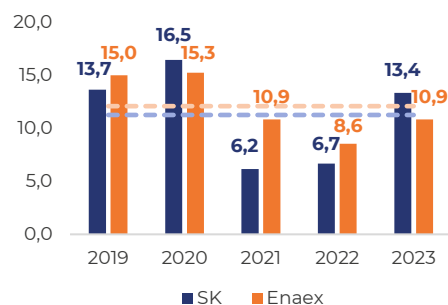
### Ownership structure (Sep-24)

Controller Group	73,9%
Mutual Funds&Stock Brokers	12,5%
Pension Funds	11,5%
Foreigner	0,5%
Others	1,6%

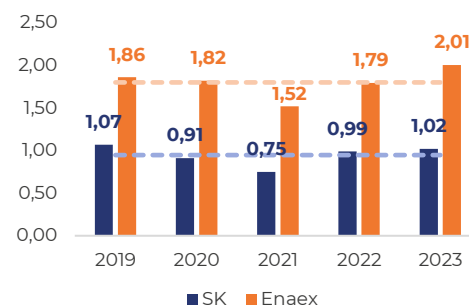
### Stock price trends



### P/E (x)



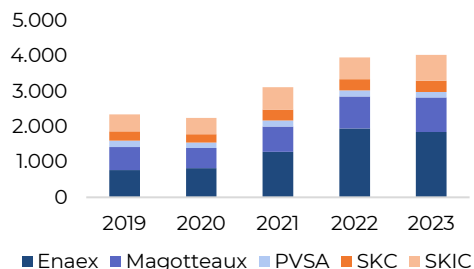
### P/BV (x)



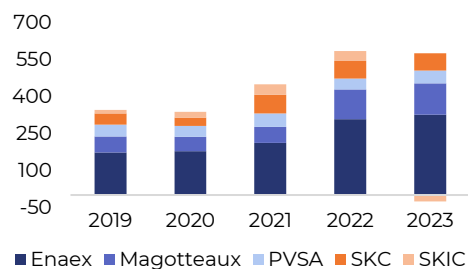
## KEY INFORMATION OF LARGEST SUBSIDIARIES

LTM	Enaex	Magotteaux	PVSA	SKC	SKIC	Sigdo Koppers
Sales exposure to mining (%)	95%	81%	60%	75%	75%	85%
Country diversification	Chile: 26% Others: 74%	Chile: 12% Others: 88%	Chile: 100% Others: 0%	Chile: 84% Others: 16%	Chile: 76% Others: 24%	Chile: 37% Others: 63%
Revenues (USD ths)	1.823.852	1.011.939	150.015	296.281	668.980	3.938.502
% of total	46,2%	25,6%	3,80%	7,50%	16,9%	
L5Y CAGR (%)	18,7%	6,55%	-0,74%	3,80%	11,3%	11,4%
EBITDA (USD ths)	343.012	119.751	48.741	57.752	-49.279	513.776
% of total	60,3%	21,0%	8,56%	10,1%	n.a.	
L5Y CAGR (%)	14,3%	14,5%	1,65%	14,2%	n.a.	10,5%
EBITDA Margin (%)	18,8%	11,8%	32,5%	19,5%	-7,37%	13,0%
Controllers Net Income (USD ths)	164.622	43.720	19.341	3.713	-96.731	69.388
Attributable to SK	60,7%	100%	50,01%	87,9%	92,6%	100%
L5Y CAGR (%)	14,3%	29,1%	0,21%	47,7%	n.a	6,15%
Net Margin (%)	9,03%	4,32%	12,9%	1,25%	-14,5%	1,76%
Controllers Equity (USD ths)	820.051	733.630	133.687	134.098	121.708	1.462.733
ND/EBITDA (x)	1,11	1,57	3,18	3,20	n.a.	2,56
ROE (%)	20,1%	5,96%	14,5%	2,77%	n.a.	4,74%
ROIC (%)	13,6%	5,56%	8,59%	6,02%	n.a.	6,99%

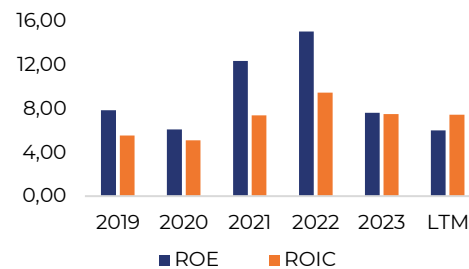
### Revenues by business (USD mn)



### EBITDA by business (USD mn)



### ROE (%)



Year	2019	2020	2021	2022	2023	LTM
<b>EBITDA breakdown (USD ths)</b>						
Enaex	172.497	178.650	211.518	308.414	326.676	343.012
Magotteaux	65.074	57.517	66.151	120.692	127.104	119.751
PVSA	48.699	44.655	54.021	44.544	52.375	48.741
SKC	45.384	34.319	75.714	71.335	70.327	57.752
SKIC	15.142	24.807	42.476	40.984	-26.289	-49.279
<b>Profit &amp; Loss (USD ths)</b>						
<b>Total Revenues</b>	<b>2.334.422</b>	<b>2.238.038</b>	<b>3.096.889</b>	<b>3.943.436</b>	<b>4.006.223</b>	<b>3.938.502</b>
Var (%)	0,10%	-4,13%	38,4%	27,3%	1,59%	-1,59%
Gross Margin (%)	22,5%	22,0%	20,0%	20,2%	19,7%	19,0%
<b>EBIT</b>	<b>216.407</b>	<b>205.233</b>	<b>287.279</b>	<b>436.120</b>	<b>386.240</b>	<b>353.477</b>
EBIT Margin (%)	9,27%	9,17%	9,28%	11,06%	9,6%	8,97%
<b>EBITDA</b>	<b>344.784</b>	<b>332.844</b>	<b>432.020</b>	<b>575.259</b>	<b>542.639</b>	<b>513.776</b>
Var (%)	4,74%	-3,46%	29,8%	33,2%	-5,67%	-10,1%
EBITDA Margin (%)	14,8%	14,9%	14,0%	14,6%	13,5%	13,0%
<b>Net Income</b>	<b>103.382</b>	<b>73.282</b>	<b>160.292</b>	<b>217.361</b>	<b>116.027</b>	<b>69.388</b>
Var (%)	20,1%	-29,1%	118,7%	35,6%	-46,6%	-60,8%
Net Margin (%)	4,43%	3,27%	5,18%	5,51%	2,90%	1,76%
<b>Balance Sheet (USD ths)</b>						
Cash	288.787	503.747	341.615	388.565	425.969	350.146
Fixed Assets	1.208.695	1.232.773	1.211.609	1.238.279	1.361.050	1.372.035
<b>Total Assets</b>	<b>3.811.051</b>	<b>3.932.723</b>	<b>3.957.583</b>	<b>4.584.303</b>	<b>4.994.485</b>	<b>4.723.133</b>
Financial Debt	1.249.897	1.319.953	1.252.196	1.528.096	1.785.671	1.666.311
Other Liabilities	822.401	825.754	926.739	1.079.702	1.095.521	1.017.621
Equity	1.738.753	1.787.016	1.778.648	1.976.505	2.113.293	2.039.201
<b>Total Liabilities &amp; Equity</b>	<b>3.811.051</b>	<b>3.932.723</b>	<b>3.957.583</b>	<b>4.584.303</b>	<b>4.994.485</b>	<b>4.723.133</b>
<b>Credit Metrics (x)</b>						
Debt/EBITDA	3,63	3,97	2,90	2,66	3,29	3,24
Net Debt/EBITDA	2,79	2,45	2,11	1,98	2,51	2,56
Net Debt/Equity	0,55	0,46	0,51	0,58	0,64	0,65
Interest Coverage	5,93	6,13	7,56	8,45	4,94	4,51
<b>Valuation</b>						
Close Price (CLP / Share)	990	800	784	1152	1270	1058
EPS (USD)	96	68	149	202	108	65
P/E (x)	13,7	16,5	6,2	6,7	13,4	17,3
P/BV (x)	1,07	0,91	0,75	0,99	1,02	0,82
Div. Yield (%)	3,47	2,88	7,70	7,10	3,55	2,74
ROE (%)	7,79	5,53	12,12	14,80	7,61	4,74
ROIC (%)	5,52	5,02	7,37	9,42	7,51	6,99

### Focused on Mining Opex

Global presence in the leading mining countries

### Mining accounts for 95% of EBITDA

48% Copper mining

## VALUE PROPOSITION

**Enaex is the most important company under the Sigdo Koppers umbrella. Positioned as the firm's leading subsidiary on the back of its global strategy it aims to deliver blasting services of excellence in the markets where it operates.** It achieves this by producing high-quality ammonium nitrate and providing comprehensive rock fragmentation services with a major focus on the mining sector. With a track-record spanning over 100 years, Enaex operates directly in 10 countries offering a broad range of services, mostly targeting the mining sector.

**Competitive advantages** built on: **(i)** Robust installed ammonium nitrate production capacity in Chile and Peru makes it the largest producer of this material in the region, which in addition to a business noted for its high barriers of entry owing to CAPEX requirements, affords it a leading market position; **(ii)** Access to cutting-edge technological developments and continuous innovation in the manufacture of explosives initiation systems, enhance Enaex's capacity to compete with global blasting services players and stand out from local competitors; **(iii)** Specialization in the manufacture of explosives, on the back of which the company aims to drive its medium- and long-term growth as it strives to expand its share of the global blasting market, especially in the leading mining countries; and **(iv)** Long-term relationships with major mining companies globally, allowing Enaex to scale its business across markets on the back of customer loyalty built on the company's service quality standards.

**Resilience and financial strength.** The company boasts a combination of: **(i)** recurring revenues, as it is mainly exposed to mining OPEX; **(ii)** stable margins, given the indexation mechanisms in its contracts; and **(iii)** conservative management of its financial position, with adequate liquidity and healthy leverage levels.

## LTM PERFORMANCE

**Revenues:** LTM revenues have fallen 5.3% YoY, largely owed to lower average NH<sub>3</sub> prices in YoY terms. However, the fact that contracts are tied to indexation polynomials means that gross margins have remained relatively stable.

**EBITDA:** Despite the decline in revenues, LTM EBITDA continued trending positively, up 17.1%. This has been supported by the consolidation of new subsidiaries acquired in recent years, and the gradual increase in market share globally, where EBITDA growth in Chemicals, and Services in Chile and Australia stand out.

**Profit:** Controlling interest net income continues to trend positively, up 17.6% YoY, which is a reflection of resilient and sustained operating results, as well as an adequate and healthy debt profile. This has allowed us to maintain a solid ROE of 20.1%.

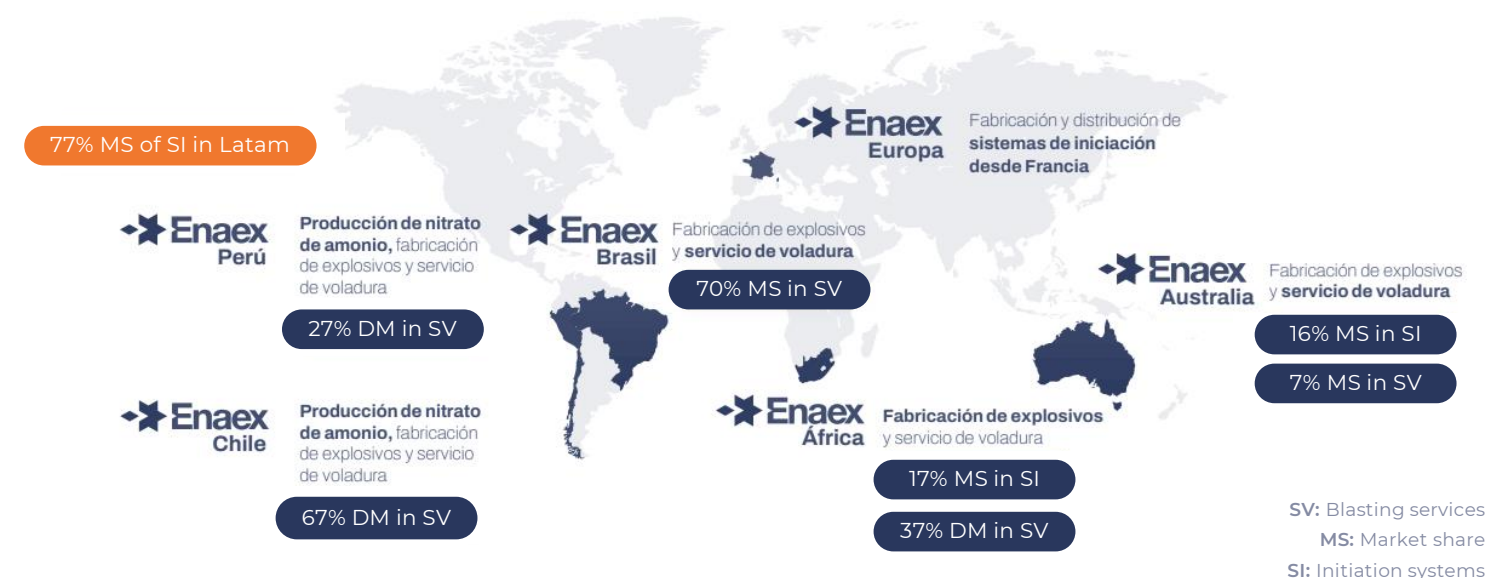
	2022	2023	2024 LTM
<b>Financials (USD ths)</b>			
Revenues	1,949,907	1,848,440	1,823,852
EBITDA	308,414	326,676	343,012
Controlling Net Income	159,155	153,694	164,622
<b>Growth YoY (%)</b>			
Revenues	51,7%	-5,20%	-5,33%
EBITDA	45,8%	5,92%	17,1%
Controlling Net Income	70,6%	-3,43%	17,6%
<b>Margins (%)</b>			
EBITDA margin	15,8%	17,7%	18,8%
Controlling Net margin	8,2%	8,3%	9,0%
<b>Leverage (x)</b>			
ND/EBITDA	1,16	1,17	1,11
Interest coverage	23,6	17,5	19,0
<b>Profitability (%)</b>			
ROE	20,5%	18,5%	20,1%
ROIC	13,0%	12,2%	13,6%

Continuous development and investment in technologies with the highest quality standards in rock fragmentation have allowed Enaex to position its business across the blasting services value chain in the mining industry.

## BUSINESS



## GLOBAL POSITIONING



## MAIN COMPETITORS

- Rock fragmentation: Orica, Dyno, and Maxam.

**Footprint and leadership in the world's largest mining producers.**

No. 1 producer of high chrome grinding balls.

**Development of differentiated products (grinding media and casting processes).**

## VALUE PROPOSITION

**A global leader in the production of grinding balls and castings** used in the mining, cement, aggregates and power plant industries. The subsidiary's main target is to offer high-strength and long-lasting wear products. This affords it a leading position worldwide, competing head-to-head with leading global players on the back of its high-quality standards. The company has over 100 years of experience and its products are distributed in more than 150 countries. Magotteaux was acquired by SK in 2011, and its business lines include: **(i)** Production of grinding media (54% of gross profit); and **(ii)** Castings (46% of gross profit).

**Competitive advantages** built on the back of: **(i)** Production of grinding media, strategically distributed across 12 countries, generating near-shoring opportunities with key mining regions. This allows the company to serve our main customers directly (mainly in the mining sector) and achieve greater proximity with each one; **(ii)** Leadership in innovation and customized manufacturing of high and low chrome grinding media, which allows developing differentiated products focused on durability, reliability, and improved performance; and **(iii)** Development of tailor-made solutions in the casting business, helping to expand and diversify the customer base, as well as to expand margins and decommoitize the company's business.

**Resilience and financial strength.** The company offers a combination of: **(i)** recurring revenues by virtue of its exposure to mostly mining and industrial OPEX; **(ii)** sustainable and expandable margins thanks to indexation polynomials and the increasing relevance of the casting business in the revenue mix; and **(iii)** conservative management of its financial position, with adequate liquidity and healthy leverage levels.

## LTM PERFORMANCE

**Revenues:** LTM revenues grew 11.2% YoY, largely explained by higher physical sales partly due to the consolidation of Grinding Media South Africa "GMSA" in July 2023.

**EBITDA:** LTM EBITDA fell 1.6% YoY, mainly explained by lower average prices of grinding media —on account of market forces— and lower casting volumes, together with higher GAV. Trends should improve in the coming quarters thanks to greater volumes in both businesses.

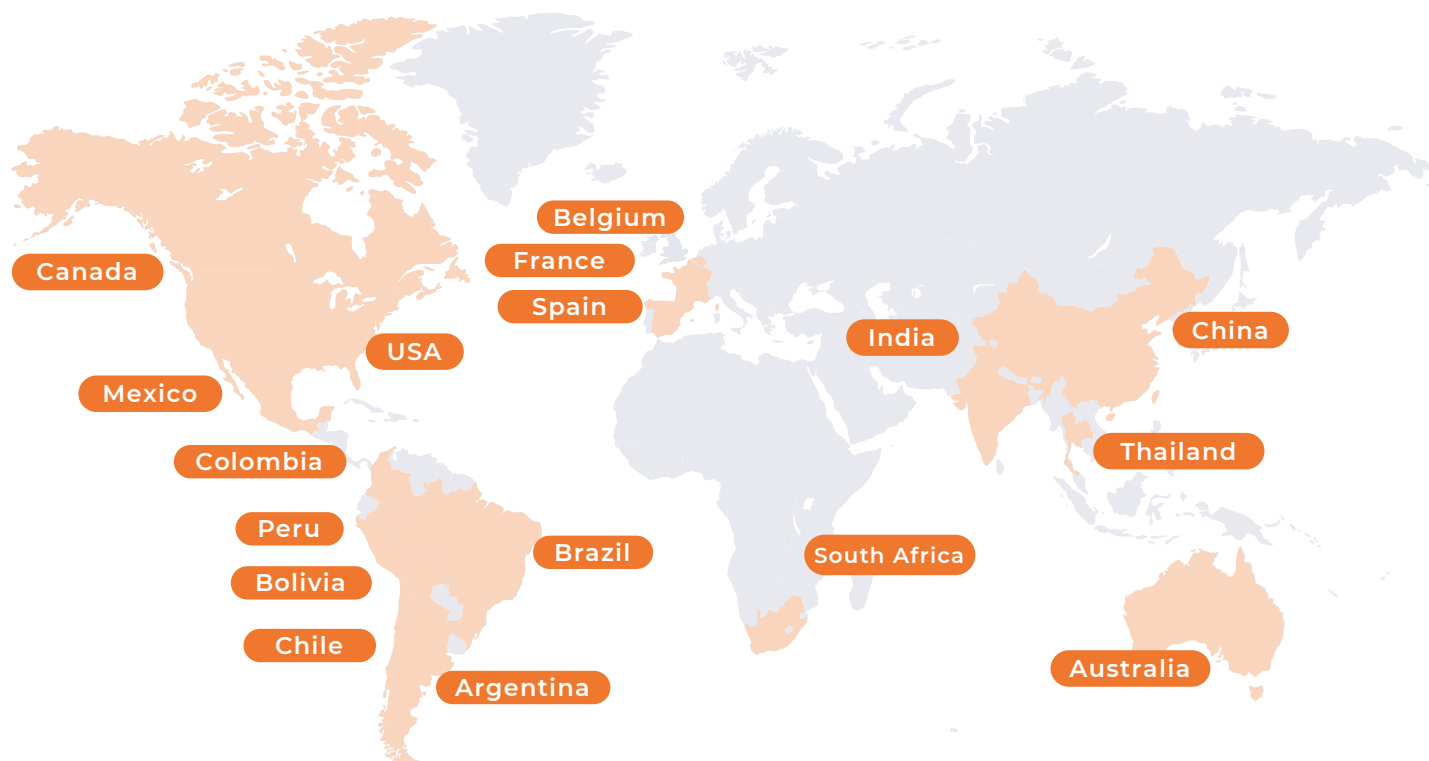
**Profit:** Controlling interest net income fell 23.5% YoY, a larger drop than EBITDA over the same period due to higher depreciation and greater financial expenses, largely owed to higher debt after the GMSA acquisition, and the refinancing of liabilities. ROE also followed a downward trajectory, at 6.0%, below the LTM average of 7.0%.

	2022	2023	2024 LTM
<b>Financials (USD ths)</b>			
Revenues	908.000	973.989	1.011.939
EBITDA	120.692	127.104	119.751
Controlling Net Income	59.532	56.926	43.720
<b>Growth YoY (%)</b>			
Revenues	26,6%	7,27%	11,2%
EBITDA	82,4%	5,31%	-1,59%
Controlling Net Income	166,1%	-4,38%	-23,5%
<b>Margins (%)</b>			
EBITDA margin	13,3%	13,0%	11,8%
Controlling Net margin	6,56%	5,84%	4,32%
<b>Leverage (x)</b>			
ND/EBITDA	1,34	1,43	1,57
Interest coverage	10,2	7,43	6,45
<b>Profitability (%)</b>			
ROE	8,16%	7,52%	5,96%
ROIC	6,36%	6,12%	5,56%

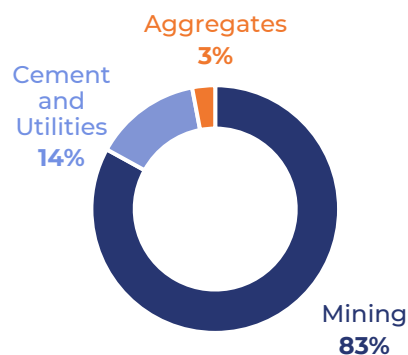


Magotteaux enjoys a leading position in the world's major mining countries by virtue of owning plants in all the regions where it operates, allowing proximity with all its customers.

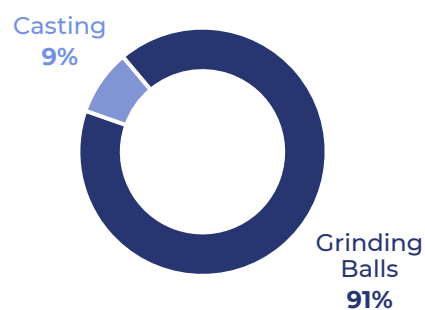
## GLOBAL POSITIONING



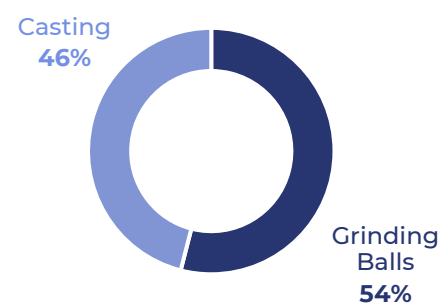
Sales by sector



Physical sales of steel, by segment



Gross profit by segment



## MAIN COMPETITORS

- Production of Grinding Balls: MolyCop, Elecmetal and AIAE.

70% of current cargo is sustainable in the medium/long term.  
50% of cargo is Copper Concentrate

Long-term contracts (>10 years) that provide stable and recurring income

## VALUE PROPOSITION

**Local strategy focused on transportation, transfer and storage of bulk cargo.** The company operates two private ports in Chile, Quintero and Mejillones, with annual transfer capacities of up to 12 million and 6 million tons, respectively. PVSA has established itself as a leading bulk port players in Chile, providing comprehensive wharfage services and state-of-the-art mechanized systems for the storage and transfer of cargo. These attributes leave it at the forefront of the world's bulk ports. PVSA handles cargoes that include: **(i)** copper concentrate (around 50% of total cargo); **(ii)** coal (around 30% of total cargo) and **(iii)** fuels (around 8% of total cargo).

**Competitive advantages** built on the back of: **(i)** solid cargo transfer know-how; **(ii)** state-of-the-art infrastructure (Quintero is the most modern port in South America); **(iii)** strategic location, given its proximity to Chile's industrial and mining infrastructure; and **(iv)** logistical capabilities thanks to its relationship with Fepasa, a PVSA subsidiary and leader in rail freight solutions in Chile.

**Nature of the business guarantees stable cash flows.** Contracts in both the port and rail businesses are typically long-term, providing revenues visibility and parameters that support adequate levels of margins, recurring revenues and, consequently, attractive operational profitability. Quintero is the most mature of the two ports in terms of both infrastructure development and use of installed capacity. Thus, the focus in the coming years will be on replacing unsustainable cargo (30% of the mix). For its part, Mejillones offers significant growth opportunities, with projects that would achieve almost 100% use of installed capacity. In the short and medium term, this port operation will require CAPEX investments to be able to transfer soda ash (contract signed with SQM) and copper concentrate.

## LTM PERFORMANCE

**Revenues:** LTM revenues contracted by 8.5% YoY. Both 2023 and 2024 have been outlier years for Puerto Ventanas and Fepasa, with both undergoing a transition to normalized operating schemes after the losses in 2022 and 2023, together with investments for the refurbishment of Puerto Andino in Mejillones. The seasonality in results is largely owed to extraordinary income from insurance policies in 2023, reconstruction costs and non-recurring accounting effects.

**EBITDA:** LTM EBITDA grew 20.9% YoY, mainly explained by Other Income in 4Q23 on account of the revaluation of refurbished casualty assets. Excluding these revenues, EBITDA would have contracted by ~8% YoY owing to lower cargo transfers due to claims incurred.

**Profit:** Controlling net income rose 62.0% YoY on the back of higher EBITDA, partially offset by higher financial expenses, mostly related to higher debt required for the immediate reconstruction of the damaged port and the opening of Puerto Andino in Mejillones.

PVSA's performance should start to normalize by late 2024, while results and margins should be restored to historical levels in 2025.

	2022	2023	2024 LTM
<b>Financials (USD ths)</b>			
Revenues	164.311	155.700	150.015
EBITDA	44.544	52.375	48.741
Controlling Net Income	16.623	21.597	19.341
<b>Growth YoY (%)</b>			
Revenues	-3,90%	-5,24%	-8,54%
EBITDA	-17,5%	17,6%	20,9%
Controlling Net Income	-32,0%	29,9%	62,0%
<b>Margins (%)</b>			
EBITDA margin	27,1%	33,6%	32,5%
Controlling Net margin	10,1%	13,9%	12,9%
<b>Leverage (x)</b>			
ND/EBITDA	2,05	2,55	3,18
Interest coverage	9,24	6,55	5,35
<b>Profitability (%)</b>			
ROE	12,8%	15,4%	14,5%
ROIC	8,56%	9,46%	8,59%

44% of sales come from machinery leasing, providing stable cash flows in a cyclical industry

Regional leader in the business of leasing and sale of machinery for mining and industry.  
70% of leasing centered on mining

## VALUE PROPOSITION

**SKC is a leader in machinery sales and leasing, supplies sales, and technical and after-sales services**, and enjoys a strong position across the entire value chain. The company deploys a regional strategy across South America representing over 31 brands, including Volvo, Toyota, Sandvik, DAF and New Holland. It has a footprint in Chile, Peru and Colombia, where its management efforts are focused on the mining, forestry, agriculture, land transportation and construction sectors.

**Competitive advantages built on:** (i) a broad portfolio of represented brands available for sale (53% of sales), with which we have long-term ties that allow us to offer a wide range of solutions in various sectors; and (ii) leasing services (44% of sales), which complement the value offer of direct sales and thus become increasingly important in less favorable stages of the economic cycle, serving not only as a sales buffer but also allowing for margin expansion.

**SKC is involved in a cyclical business and invests heavily in working capital (mainly leasing).** (i) Diversification of products and services offered by SKC; and (ii) Efficient financial management is key to limit top-line fluctuations to some extent and limit margin variability.

## LTM PERFORMANCE

**Revenues:** LTM revenues declined 10.7% YoY, largely explained by lower leasing revenues in Chile and Colombia, and lower distribution sales after the contraction in units sold, which cohered with the rates differential and slower economic activity in 2023-24 relative to 2021-22.

**EBITDA:** EBITDA fell 19.9% YoY, mainly explained by the drop in gross profits due to market overstocking and demand contraction. This trend is expected to continue in 2024, recovering in 2025 in tandem with improved economic prospects.

**Profit:** Controlling net income contracted 82.8% YoY, a substantially larger drop than that suffered by EBITDA over the same period, on account of higher financial expenses, which rose mostly owing to the expansion of the Rental fleet, the anticipated inventory purchases and a less favorable interest rate scenario. These expenses should come down in the coming months as interest rates fall. Finally, ROE also trended down, to 2.8%, below the LTM average of 7.6% and our medium-term projection of roughly 12% in a more normalized macro environment.

	2022	2023	2024 LTM
<b>Financials (USD ths)</b>			
Revenues	324.742	322.024	296.281
EBITDA	71.335	70.327	57.752
Controlling Net Income	29.406	14.338	3.713
<b>Growth YoY (%)</b>			
Revenues	4,17%	-0,84%	-10,7%
EBITDA	-5,78%	-1,41%	-19,9%
Controlling Net Income	-15,6%	-51,2%	-82,8%
<b>Margins (%)</b>			
EBITDA margin	22,0%	21,8%	19,5%
Controlling Net margin	9,06%	4,45%	1,25%
<b>Leverage (x)</b>			
ND/EBITDA	2,22	2,68	3,20
Interest coverage	8,04	3,85	3,02
<b>Profitability (%)</b>			
ROE	20,3%	9,78%	2,77%
ROIC	12,6%	8,95%	6,02%

86% Mining Backlog  
74% Copper Backlog

**Strategic redirection of the company**  
Performance stabilization and leverage improvement

## VALUE PROPOSITION

**Specialized in industrial construction with a regional strategy mostly focused on mining clients.** Services include engineering, civil works, electromechanical assembly and execution of works, as well as supply, including transportation to the site and installation. The company has direct operations in Chile, Brazil and Peru, with a footprint in the mining (75% of sales) and energy (25% of sales) sectors.

**Competitive advantages built on:** (i) Focus on specialty contracts (90% of sales); (ii) Over 60 years of experience with a market-leading position, having installed more than 30 crushers and 55km of conveyor belts in the mining industry. The company's participation in the energy sector is also noteworthy, having built and assembled over 7,000 kilometers of transmission lines in Chile and Brazil; and (iii) Outstanding track record on the back of high-quality services, quick response to requirements and compliance with committed contracts; (iv) Long-term relationship with clients, largely in mining, which allows cross-selling through anchor subsidiaries Enaex and Magotteaux.

**Prioritizing profitability over growth.** The company is going through a strategic refocusing process, prioritizing value creation by obtaining adequate margins and returns on invested capital in every contract. The expectation is that this new direction will allow it to progressively reduce leverage towards levels more in line with the industry (NFD/EBITDA: ~3.0).

## LTM PERFORMANCE

**Revenues:** LTM revenues have fallen 3.0% YoY, mainly explained by a smaller backlog in the last quarters, lower physical sales and the seasonality of works invoicing.

**EBITDA:** LTM EBITDA has fallen significantly. This reflects higher gross costs related to the end of the arbitration case between SKIC and Arauco, and the total invoicing of the cost of work at MAPA that was previously reflected in inventories.

**Profit:** Controlling net income also contracted significantly YoY, explained by higher costs in 4Q23 and by higher financial expenses due to a larger debt, mainly on account of delays in payments for completed works. Finally, ROE remains in negative territory but should gradually improve over the next 12/24 months considering the operational restructuring of SKIC and revenue streams expected in the coming quarters that should help reduce financial debt.

	2022	2023	2024 LTM
<b>Financials (USD ths)</b>			
Revenues	610.734	727.659	668.980
EBITDA	40.984	-26.289	-49.279
Controlling Net Income	3.713	-78.748	-96.731
<b>Growth YoY (%)</b>			
Revenues	-3,3%	19,1%	-3,0%
EBITDA	-3,5%	-164%	-186%
Controlling Net Income	270%	-2221%	-1743%
<b>Margins (%)</b>			
EBITDA margin	6,71%	-3,61%	-7,37%
Controlling Net margin	0,61%	-10,8%	-14,5%
<b>Leverage (x)</b>			
ND/EBITDA	4,61	n.a	n.a
Interest coverage	2,07	n.a	n.a
<b>Profitability (%)</b>			
ROE	3,91%	n.a	n.a
ROIC	8,78%	n.a	n.a



# Company descriptions



Industrial

SK stake: 60.7%

Enaex S.A., founded in 1920, is the most important producer of ammonium nitrate and explosives for mining. It is the leading provider of integrated rock fragmentation services in Latin America, and number three worldwide. It has direct operations in Chile, Peru, Colombia, South Africa, Australia, Brazil and France, and its products are marketed in over 40 countries. Enaex has a footprint across the entire value chain of explosives production and mining services, from the production of explosives supplies to blasting, for which it relies on its expert staff and world leading technology, which ensures reliable and high-quality supply.

It owns two ammonium nitrate plants. The largest, in Mejillones, has an annual capacity of 850 thousand tons, and is one of the largest ammonium nitrate complexes in the world. Through its subsidiary Davey Bickford (DB) it manufactures detonators and electronic blasting systems. And, through its subsidiary MTi it produces blasting consumables: Blastbag, Blastshield and related equipment.



Industrial

SK stake: 100%.

Magotteaux Group S.A. is a company of Belgian origin, acquired in 2011 by Sigdo Koppers. It has production plants of high chrome balls (capacity 390,000 tons per year and is positioned as the No. 1 producer worldwide with a market share of 15%), low chrome and forged steel (capacity 275,000 tons per year) and castings (casting, with a capacity of 69,000 tons per year), used in the crushing processes of the mining, cement, thermal power generation plants, quarries, recycling and dredging industries.

It has 15 production plants and its products are distributed in 150 countries. It also has 19 sales offices and research centers for product development and process optimization.



Services

SK stake 50.01%.

Located in the Quintero Bay, Puerto Ventanas S.A. (PVSA) enjoys a privileged geographical location thanks to its proximity to industrial developments in central Chile and Mendoza, Argentina.

PVSA's services include gathering, storage, loading and unloading of materials and bulk products. It has four berthing sites with the deepest drafts in the central zone and has the capacity to handle vessels of up to 70,000 tons, aside from fully mechanized facilities that allow a loading and unloading performance of over 18,000 tons per day. In addition, it faces no problems of grounding, and has ample storage and storage areas, and is integrated with land transportation through its subsidiary Ferrocarril del Pacífico S.A. (Fepasa).

In July 2023 it began to exclusively operate Puerto Andino, located in the Mejillones Bay, with the capacity to transfer over 6 million tons of solid and liquid bulk cargo through high-capacity and high-tech unloading and conveyor systems. The terminal has a maximum permitted draft of 17.9 meters, a total displacement of 198,500 tons and a design that allows the operation of capesize vessels.

PVSA provides services to the mining, energy, construction and food sectors, among others.



Services

SK stake 92.6%.

Sigdo Koppers Ingeniería y Construcción Group S.A. (SKIC) specializes in industrial construction. Its services include engineering, civil works, electromechanical assembly and execution of works, as well as supply, including transportation to the site and installation. With over 60 years of experience, the company is positioned as an industry leader in the execution of complex medium-sized and large projects, where it enjoys a robust reputation in Chile (30% market share) and abroad. It has direct operations in Chile, Peru and Brazil and has a footprint in several productive sectors such as mining, power generation and transmission, industrial construction, civil works and infrastructure.



Commercial

SK stake **87.9%**.

SKC participates in the representation, import, distribution and leasing of machinery and equipment and has a footprint in the Chilean, Peruvian and Colombian markets. It represents prestigious global brands such as Toyota, Volvo, Manitou, SDLG, New Holland, Kenworth, DAF, Astra and JMC, which has afforded it a leading position in its markets of operation. It currently represents more than 31 brands.

The company's commercial management activities focus on the key productive sectors of the economy, such as mining, construction, agriculture, forestry and land transportation.

It leads the machinery leasing market in Chile and with markets shares of 18% and 20%, respectively.



Commercial

SK stake **40%**.

Sigdo Koppers S.A. controls SK Inversiones Automotrices S.A. (SKIA), owning 99.99% of its shares. In turn, SKIA owns 40% of Astara Latam S.A. SKIA does not consolidate the financial statements of Astara Latam. Thus, the company's net income is recognized as Equity in Income of Associates.

Astara Latam has a footprint in Chile, Peru, Argentina, Colombia and Bolivia. In Chile, it represents Jeep, Dodge, RAM, Fiat, Ferrari, Alfa Romeo, Bentley, Mitsubishi, Maserati, SsangYong, JMC, Exceed, GAC and Chery; in Peru, Kia, Peugeot, Chery, MG, Fuso, GAC and Mitsubishi; in Colombia, Dodge, Jeep, RAM, Volvo, Hyundai and Peugeot; in Bolivia, Fiat, Mercedes-Benz, Mitsubishi, RAM, Dodge, Jeep, Chery and JMC; and in Argentina, Kia.





# SK

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