

Sigdo Koppers S.A.

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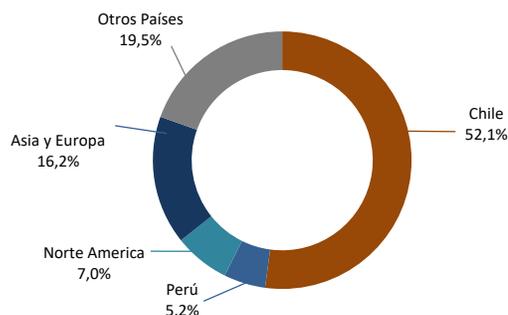
SIGDO KOPPERS S.A. REPORTS RESULTS

MARCH 2020 HIGHLIGHTS

Consolidated Income Statement	Figures in ThUS\$		
	Mar-19	Mar-20	Var.
Sales	568.508	512.954	-9,8%
EBITDA ⁽¹⁾	82.021	66.775	-18,6%
EBITDA Margin	14,4%	13,0%	
EBITDA Pro Forma ⁽²⁾	89.387	68.798	-23,0%
Profit (Loss)	34.535	17.984	-47,9%
Sigdo Koppers Net Profit (non recurrent)	23.522	9.593	-59,2%

	Mar-19	Mar-20	Var.
Total Assets	3.811.051	3.642.243	-4,4%
Total Equity ⁽³⁾	1.738.753	1.615.279	-7,1%
Net Debt	896.417	895.109	-0,1%
Net Debt / EBITDA	2,60	2,71	
ROE	7,79%	7,29%	
ROCE	7,41%	7,13%	

Detalle de Ingresos Consolidados de Sigdo Koppers por región



(1) EBITDA = Ganancia Bruta + Otros Ingresos por Función - Costos de Distribución - Gastos de Administración - Otros Gastos por Función + Gastos de Depreciación y Amortización

(2) EBITDA Pro-Forma = EBITDA + Utilidades Empresas Relacionada

(3) Patrimonio Total incluye participaciones no controladoras

(4) EBITDA + Utilidad proporcional de consorcios que no consolidan

Consolidated Income of Sigdo Koppers (SK) was US\$512.9 million, a 0.98% decrease compared with March 2019 due to lower physical sales at most of the subsidiaries, which were affected by the initial effects of the spread of COVID-19 throughout the world.

Consolidated EBITDA at March 2020 was US\$66.8 million, 18.6% lower than March 2019. This result is mainly associated with lower operating results at ICSK and Magotteaux. The EBITDA percentage margin in March 2020 fell to 13.0% (March 2019: 14.4%).

Net Profit was US\$9.6 million, which was a 59.2% drop compared with the same period the previous year. This decrease was the result of the combined effect of (1) lower consolidated operating performance, and (2) lower profit in related companies, mainly SKBergé.

At March 31, Sigdo Koppers had assets of US\$3,642 million. It also had adequate liquidity with a consolidated Cash flow of US\$318.1 million and a debt level, not including IFRS 16, of Net Financial Debt to consolidated EBITDA debt level of 2.71 times (2.60 times in December 2019).



HIGHLIGHTS OF MAIN SUBSIDIARIES OF SIGDO KOPPERS S.A. AT MARCH 2020

Ingeniería y Construcción SK (ICSK)

- ICSK recorded 6.1 million Man Hours (+9%), in line with the higher number of projects awarded in the last 12 months. The pro forma EBITDA of ICSK was -\$3,049 million, a lower result of 221% compared to March 2019 due to losses in Peru and Brazil. ICSK showed a net loss of **-\$2,731 million (-US\$3.4 million)**, a lower result of CLP\$3,734 million compared to March 2019. **The backlog at March 31, 2020 was US\$630 million.**

Puerto Ventanas (PVSA)

- PVSA transferred a total of 1.3 million tons (-17%) resulting from fewer transfers of coal and copper concentrate. Fepasa transported 256.7 million tons-Km (-5.1%), noting an increase in transport of containers. **Consolidated EBITDA of Puerto Ventanas was US\$10.4 million**, a 16.5% drop due mainly to lower operating performance in the port business. **Consolidated Net Profit of PVSA was US\$4.1 million**, a 25.2% drop compared to 1Q19.

Enaex

- Enaex had sales of 237,000 tons of explosives (-3,5%), due to lower sales in the export market. **Consolidated EBITDA of Enaex was US\$39.8 million at March 2020**, a 5.8% increase mainly due to higher margins in the services business together with a reduction in administration and sales expenses. **Net Profit of Enaex was US\$17.7 million**, a 3% drop compared to March 2019.

Magotteaux

Magotteaux achieved sales of US\$153 million (-16%), resulting from lower physical sales (-11.9%), in both the grinding ball and casting business. **EBITDA of Magotteaux was US\$13.9 million at March 2020**, 30% lower than March 2019 due to lower sales in most of the segments. Magotteaux had a **Net Profit of US\$2.7 million**, a 61% drop compared to the first quarter of 2019. The lower profit was partially influenced by the initial effects of COVID-19 on Magotteaux operations in India, Canada, South Africa, and Europe, and especially the shutdown of the casting plant in China in February and March 2020.

SK Comercial (SKC)

- Income of SK Comercial was US\$52.7 million (-20,1%), as a result of lower physical sales in the leasing and distribution business, which was demonstrated significantly as of March 2020 with the restrictions imposed in Chile and Peru due to COVID-19. **EBITDA was US\$9.28 million**, an 11% drop compared to the first quarter last year. At March 2020, **SKC had a Net Profit of US\$0.2 millones**, mainly because of lower performance in the machinery distribution business.

SKBergé /SK Inver. Automotrices (SKIA)

- Sales of 15,294 units at SKBergé represented a 26.5% decrease compared to March 2019. The reduction in sales, which was very severe as of March 2020 because of COVID-19, was seen in Chile (-27%), Argentina (-71%), Perú (-19%) and Colombia (-35%). **SK Inversiones Automotrices had a Net profit of \$0.34 million (US\$0.5 million)**, lower than the profit in 2019 (CLP -91.5%), due to a lower operating result at SKBergé.



CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated Income Statement	Figures in ThUS\$		
	Mar-19	Mar-20	Var.
Sales	568.508	512.954	-9,8%
Sales expenses	-434.110	-402.279	7,3%
Gross income	134.398	110.675	-17,7%
Other operating income	3.491	1.335	-61,8%
Distribution costs	-19.583	-17.054	12,9%
Administrative expenses	-65.064	-59.362	8,8%
Other operating expenses	-891	-1.158	-30,0%
Other gains (losses)	-1.935	880	145,5%
Operating income	50.416	35.316	-30,0%
EBITDA	82.021	66.775	-18,6%
<i>% EBITDA Margin</i>	<i>14,4%</i>	<i>13,0%</i>	
Interest income	2.107	1.900	-9,8%
Interest expenses	-15.040	-17.173	-14,2%
Impairment losses IFRS 9	10	175	
Related companies income	7.366	2.023	-72,5%
Exchange differentials	5.310	953	-82,1%
Price - level restatement	-534	2.093	491,9%
Income before taxes	49.635	25.287	-49,1%
Income tax	-15.100	-7.303	51,6%
Income	34.535	17.984	-47,9%
Gain (losses) from discontinued operations	-	-	
Net income	34.535	17.984	-47,9%
Income attributable to Sigdo Koppers	23.522	9.593	-59,2%
Income attributable to non-controlling interests	11.013	8.391	-23,8%
Net income	34.535	17.984	-47,9%

⁽¹⁾ EBITDA = Operating Result + Depreciation and Amortization Expenses

Analysis of Income Statement

Consolidated Income of Ordinary Activities

Revenue Business Areas	Figures in ThUS\$		
	Mar-19	Mar-20	Var.
Services (1)	134.473	133.567	-0,7%
Ingeniería y Construcción SK	90.802	95.656	5,3%
Puerto Ventanas	43.671	37.911	-13,2%
Industrial	370.134	330.579	-10,7%
Enaex	187.417	177.658	-5,2%
Magotteaux	182.717	152.921	-16,3%
Commercial & Automotive	66.017	52.740	-20,1%
SK Comercial	66.017	52.740	-20,1%
SKIA ⁽²⁾	-	-	-
Parent company & adjustment⁽³⁾	-2.116	-3.932	-85,8%
Consolidated Sales	568.508	512.954	-9,8%

⁽¹⁾ Muestra una diferencia con Nota 30 de los Estado Financieros ya que no se incluye SK IT (está representado en Matriz, Eliminaciones y ajustes).

⁽²⁾ SK Inversiones Automotrices S.A. (SKIA) no registra los Ingresos de SKBergé debido a que posee el 40% de sus acciones, y por lo tanto no consolida sus Estados Financieros.

⁽³⁾ Las Eliminaciones y ajustes a septiembre se explican principalmente por eliminaciones intercompany a nivel consolidado.

1Q20 vs. 1Q19. Consolidated Income was US\$512.95 million, a 9.8% drop mainly due to lower physical sales at most of the subsidiaries in the group.

The main variations in the consolidated income at March 2020 compared to the previous year are the following:

Services Area: sales were US\$133.57 million, a slight drop of 0.7% compared to March 2019, mainly due to lower sales at Puerto Ventanas partially offset by higher income at ICSK.

- Income at Ingeniería y Construcción Sigdo Koppers (ICSK) increased 5.3% in line with a 0.2% increase in man-hours worked, mainly due to the higher level of income entered into the accounting because of the status of contracts that are currently being executed. During the first quarter of 2020 ICSK was awarded projects of US\$ 92 million.

- Sales at Puerto Ventanas were US\$37.91 million, a 13.2% decrease mainly due to lower income in the port business as a result of fewer cargo transfers (-16.8%), specifically coal and copper concentrate cargo.

Industrial area: sales were US\$330.58 million, a 10.7% decrease.

- Income of Enaex dropped 5.2% compared with March 2019, mainly due to the combined effect of (1) a lower level of income in the Chemicals Division (-10%), in line with the lower level of physical sales for export, (2) a lower price level, resulting from the lower average price of ammonia in line with the indexation of contracts with customers, and (3) lower representation in USD of Britanite sales in Brazil because of the significant depreciation of the Real.

- At Magotteaux sales were US\$152.9 million, a 16.3% drop largely due to a lower level of physical sales in grinding balls (-12.3%) and casting (-9.3%). Lower sales were caused partially by the initial effects on demand of some customers in Canada, South Africa, and Europe, which were affected by the restrictions on operations imposed in those countries.

Commercial and Automobile Area: The income of SK Comercial was US\$52.74 million, a 20.1% drop compared to March 2019, mainly due to lower physical sales in the Distribution Business and the machinery Leasing Business, which became very evident in March 2020 with the restrictions imposed in Chile and Peru because of COVID-19. In addition, consolidated sales at March 2020 were affected by the depreciation of the peso in Chile, which affected the representation in USD of the income of SK Rental Chile.

Sales Costs and Distribution, Administration Costs and Other Expenses by function (GAV)

Consolidated Sales Costs showed a 7.3% decrease compared to last year, explained largely by lower direct costs at Puerto Ventanas, Enaex, Magotteaux and SK Comercial.

Distribution, Administration Costs and Other Expenses by function (GAV) were US\$77.57 million at March 31, 2020, a drop of US\$7.96 million (-9.4%) compared to March 2019, mainly due to lower expenses at Ingeniería y Construcción SK, Enaex and SK Comercial.

EBITDA

EBITDA Business Areas	Figures in ThUS\$		
	Mar-19	Mar-20	Var.
Services	16.185	5.149	-68,2%
Ingeniería y Construcción SK	3.683	-5.289	-243,6%
Puerto Ventanas	12.502	10.438	-16,5%
Industrial	57.589	53.731	-6,7%
Enaex	37.639	39.810	5,8%
Magotteaux ⁽¹⁾	19.950	13.921	-30,2%
Commercial & Automotive	10.427	9.262	-11,2%
SK Comercial	10.448	9.279	-11,2%
SKIA ⁽³⁾	-21	-17	19,0%
Parent company & adjustment	-2.179	-1.367	37,3%
Consolidated EBITDA	82.021	66.775	-18,6%
EBITDA Margin	14,4%	13,0%	
Consolidated pro-forma EBITDA	89.387	68.798	-23,0%

⁽¹⁾ SK Inversiones Automotrices S.A. (SKIA) no registra el EBITDA de SKBergé debido a que posee el 40% de sus acciones, y por lo tanto no consolida sus Estados Financieros.

⁽²⁾ EBITDA Pro-Forma = EBITDA + Utilidades Empresas Relacionadas.

1T20 vs. 1T19. Consolidated EBITDA of Sigdo Koppers was US\$66.78 million, an 18.6% decrease compared to March 2019. This drop occurred because of a lower result in the Services, Industrial, and Commercial and Automobile areas. The Pro Forma Consolidated EBITDA, which includes the profits of the companies that are not consolidated, was US\$68.8 million (-23.0%).

The main variations in the accumulated EBITDA at the first quarter of 2020 compared to the same period the previous year are the following:

Services Area: EBITDA was US\$5.15 million, which was a 68.2% drop, due to lower results at Ingeniería y Construcción SK and Puerto Ventanas.

- At ICSK the Pro Forma EBITDA (EBITDA + Related Company Profit), which includes the activity carried out through consortia and affiliates that are not consolidated, was -\$3,049 million (equivalent to -US\$3,79 million), representing a decrease of \$5,575 million compared to the first quarter of 2019. This was mainly due to negative operating results at ICSK Peru and Brazil, because of the early termination of some

contracts that gave rise to a number of claims that were not recognized in the results at March 2020.

- At Puerto Ventanas consolidated EBITDA was US\$10.44 million (-16,5%). The port business showed a lower level of EBITDA because of fewer transfers of coal and copper concentrate. The railway business achieved a better operating result.

Industrial Area: EBITDA was US\$53.73 million, showing a drop of 6.7%.

- At Enaex the EBITDA was US\$39.8 million, a 5.8% increase, due to a better operating result in the Services business in Chile and a reduction in administration and sales expenses (-13%).

- The EBITDA of Magotteaux was US\$13.92 million at March 2020, a 30.2% drop compared to the same period the previous year. This was due to a lower level of physical sales of low-chrome grinding balls and casting mainly in the mining segment. The lower operating result was also influenced by the initial effects of COVID-19 on Magotteaux operations and demand in India, Canada, South Africa, and Europe, and

especially the shutdown of its casting plant in China in February and March 2020.

Commercial and Automobile Area:

- SK Comercial had an EBITDA of US\$9.28 million showing an 11.2% drop from 1Q19. The decrease was due to a lower level of performance in the machinery distribution business, which had already felt the initial effects of the shutdown of activity caused by COVID-19. On the other hand, the leasing business exhibited better performance, but it also started to feel the effects of shutdowns at some construction works that used leased equipment. Finally, the reduction in administration and sales expenses (-10.5%) should be noted.

Non-Operating Results

Income and Financial Costs

Consolidated Financial Income reached US\$1.90 million, partially due to a higher average level of cash at March 2020 compared to 2019.

Consolidated Financial Costs were US\$17.2 million, a 14.2% increase compared to March 2019, mainly associated with a higher debt level at ICSK.

Earnings of Partnerships and Joint Ventures

At March 31, 2020, the Share in the Earnings of Partnerships and Joint Ventures was US\$2.02 million, a 72.5% decrease from 1Q19. This was mainly due to a lower result at SKBergé compared to 1Q19. It was accompanied by a decrease in sales in all the markets, which was aggravated as of March 2020 by COVID-19. On the basis of those conditions, SK Inversiones Automotrices (SKIA), which recognizes 40% of the Net Profit of SKBergé, showed a profit of US\$0.4 million (-93.2%).

The 20.6% depreciation in the Chilean peso to the dollar between the two periods compared had a negative effect on the representation in dollars of the results of the two companies (they both keep accounts in pesos).

Exchange Differences and Results by Adjustment Units

The sum of Exchange Earnings (losses) in foreign currency and Results by Adjustment Units (net) at March 2020 had a net positive result of US\$3.05 million, which was a lower result of US\$1.73 million compared to the previous year.

NET PROFIT

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Mar-20	Attributable to parent company Figures in ThUS\$		
	Mar-19	Mar-20	Var.		Mar-19	Mar-20	Var.
Services	6.867	618	-91,0%		4.233	47	-98,9%
Ingeniería y Construcción SK	1.505	-3.395	-325,5%	60,43%	936	-2.120	-326,5%
Puerto Ventanas	5.362	4.013	-25,2%	50,01%	3.297	2.167	-34,3%
Industrial	25.046	20.413	-18,5%		17.127	13.935	-18,6%
Enaex	18.063	17.694	-2,0%	60,72%	10.968	10.744	-2,0%
Magotteaux ⁽¹⁾	6.983	2.719	-61,1%	95,00%	6.159	3.191	-48,2%
SK Inv. Petroquímicas ⁽²⁾	0	0	0,0%	74,59%	0	0	0,0%
Commercial & Automotive	7.123	675	-90,5%		7.053	760	-89,2%
SK Comercial	560	229	-59,1%	87,48%	490	200	-59,2%
SKIA	6.563	446	-93,2%	99,99%	6.563	560	-91,5%
SK companies profit	39.036	21.707	-44,4%		28.413	14.742	-48,1%
Parent company & adjustments					-4.891	-5.149	
Total consolidated profit					23.522	9.593	-59,2%

⁽¹⁾ Cifras de Magotteaux, incorporan los ingresos de SK Sabo Chile S.A. La utilidad atribuible a la controladora tiene ajustes originados en las distintas sociedades a través de las cuales Sigdo Koppers controla Magotteaux.

1T20 vs. 1T19. Net Profit associated with Sigdo Koppers was US\$9.59 million, which was a 59.2% drop compared to March 2019. The result was mainly due to a lower profit in all of the subsidiaries.

The main variations in accumulated Net Profit in the first quarter of 2020 compared to the same period the previous year were the following:

Services Area: Net Profit was US\$0.62 million, showing a decrease of 91.0% compared to 1Q19.

- ICSK had a Net Loss in pesos of -\$2,731 million (-US\$3.39 million), 372% less than the first quarter of 2019. The result was due to the combined effect of (1) negative operating results at ICSK Peru and Brazil because of the early termination of some contracts, which gave rise to a number of claims that were not recognized in the results at March 2020, offset by (2) a higher level of profit on projects in consortia that

were not consolidated, and a positive effect due to Exchange Difference and Adjustments.

- Puerto Ventanas showed a Net Profit of US\$4.01 million, which was a 25.2% drop compared to 1Q19. The result was mainly due to fewer cargo transfers in the port business and a lower representation in dollars for the Fepasa railway business.

Industrial Area: Net profit was US\$20.41 million, a decrease of 18.5% compared to March 2019.

- Enaex had a net Profit of US\$17.7 million, 2.0% less than the same period in 2019. The difference was mainly due to a lower non-operating result, specifically because of higher financial expenses and a loss due to the difference in the exchange rate.

- Magotteaux suffered a drop of 61.1% in its Net profit, reaching US\$2.72 million, mainly due to (1)

lower physical sales in grinding balls and casting in all segments, and (2) the initial effects of COVID-19 in the world, including the shutdown of the casting plant in China during February and March.

Commercial and Automobile Area: Net Profit was US\$0.67 million, showing a 90.5% drop compared to March 2019.

- SK Comercial had a net profit of US\$0.23 million, showing a lower result of US\$0.33 million compared to 1Q19. This was mainly due to a drop in the result of the machinery distribution business in Chile, which had already felt the initial effects of the shutdown of activity caused by COVID-19.

- SK Inversiones Automotrices had a Net Profit of US\$0.45 million, 93.2% less than March 2019 (-92.2% en CLP), due to the lower operating result of SKBergé, in line with a lower level of physical sales associated with an important contraction in the markets where it participates. In addition, exchange rate conditions for the import and sale of vehicles were significantly less favorable.

2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-19	Mar-20	Var.
Current Assets			
Cash and cash equivalent	290.194	318.070	9,6%
Account and sales receivables	500.222	455.257	-9,0%
Inventories	432.041	421.558	-2,4%
Other current assets	60.602	54.155	-10,6%
Total current assets	1.283.059	1.249.040	-2,7%
Long-term assets			
Property, plants & equipment	1.208.695	1.148.521	-5,0%
Other long-term assets	1.319.297	1.244.682	-5,7%
Total long-term assets	2.527.992	2.393.203	-5,3%
Total assets	3.811.051	3.642.243	-4,4%
Current liabilities			
Short-term financial debt	345.728	387.074	12,0%
Accounts payable	380.144	318.337	-16,3%
Other current liabilities	183.103	185.616	1,4%
Total current liabilities	908.975	891.027	-2,0%
Long-term liabilities			
Long-term financial debt	840.883	826.105	-1,8%
Other long-term liabilities	322.440	309.832	-3,9%
Total long-term liabilities	1.163.323	1.135.937	-2,4%
Total liabilities	2.072.298	2.026.964	-2,2%
Equity			
Attributable to the controller	1.326.456	1.226.778	-7,5%
Attributable to non-controlling interests	412.297	388.501	-5,8%
Total equity	1.738.753	1.615.279	-7,1%
Total liabilities and equity	3.811.051	3.642.243	-4,4%

Analysis of Consolidated Statement of Financial Position

The main variations in the Consolidated Classified Balance Sheet of Sigdo Koppers at the first quarter of 2020 compared to the closing of 2019 are the following:

Consolidated Assets of Sigdo Koppers:

Total Consolidated Assets of Sigdo Koppers were US\$3,642.24 million, which represented a drop of US\$168.81 million compared to the closing of 2019, including the following:

- The consolidated Cash flow of Sigdo Koppers (Cash and Cash Equivalents) was US\$318.07 million, an increase of US\$27.88 million compared to December 2019. The cash levels of Enaex with US\$134.9 million and Magotteaux with US\$34.21 million were worthy of note. At the level of the parent company, Cash flow was US\$101.65 million (including SK Inv. Petroquímicas S.A., SK Inv. Automotrices S.A. and SK Internacional S.A.).
- Accounts Receivable were US\$455.26 million, a decrease of US\$44.96 million. The average number of days of Accounts Receivable was 73, 5 days less than at the closing of 2019. The subsidiaries with the highest levels of Accounts Receivable were Enaex with US\$196.85 million (-2.85%), Magotteaux with US\$86.06 million (-6.44%), and Ingeniería y Construcción SK with US\$78.08 million (-10.39%).
- The level of Consolidated Inventory was US\$421.56 million, which represented a drop of US\$10.48 million compared with December 2019. This occurred due to lower inventory levels at Magotteaux of US\$14.13 million and at Enaex of US\$4.59 million. As a result, the average number of days of the Consolidated Inventory of Sigdo Koppers was 87 days at the first quarter of 2020, the same level reached at December 2019.
- Consolidated Fixed Asset (Properties, Plant and Equipment) was US\$1,148.52 million, which was a drop

of US\$60.17 million. That differential was increased by the depreciation of the peso, which affected the representation in dollars of the assets of the companies that keep their accounts in pesos. At Sigdo Koppers, the subsidiaries with the highest level of Fixed Assets were Enaex with US\$523.95 million, Magotteaux with US\$205.84 million, Puerto Ventanas with US\$230.31 million and SK Comercial with US\$137.53 million.

Consolidated Liabilities and Shareholders Equity:

At March 31, 2020 Total Liabilities of Sigdo Koppers were US\$2,026.96 million, reflecting a drop of US\$45.33 million compared to December 2019, mainly explained by:

- Accounts Payable were US\$318.34 million, showing a decrease of US\$61.81 million compared to the amount recorded at the closing of 2019. The average number of days of Accounts Payable was 65 days, showing a drop compared to December 2019 (77 days). The subsidiaries with the highest level of Accounts Payable were Magotteaux with US\$89.83 million (-11.6%), Enaex with US\$80.70 million (-15.8%), and Ingeniería y Construcción SK with US\$64.49 million (-24.5%).
- Consolidated Financial Liabilities were US\$1,213.18 million, showing an increase of US\$26.57 million. This occurred because of the higher debt levels at ICSK (US\$22.25 million). At the level of the parent company, Financial Liabilities reached US\$214.7 million, which corresponded to corporate bonds of UF 5.1 million. In order to redenominate its debt in UF to dollars, the parent company maintains coverage contracts equivalent to UF 4.7 million.
- Total Consolidated Shareholders Equity of Sigdo Koppers was US\$1,615.28 million, which represented a 7.1% drop mainly due to a lower representation in USD of investments that maintain the CLP as their functional currency.

Main Indicators of Liquidity and Indebtedness at March 31, 2020 and December 31, 2019.

Liquidity Ratios	Unit	Dec-19	Mar-20
Current Liquidity ⁽¹⁾	times	1,41	1,40
Acid-Test Ratio ⁽²⁾	times	0,87	0,87
Working Capital ⁽³⁾	ThUS\$	552.119	558.478

⁽¹⁾ Liquidez Corriente = Activos Corrientes / Pasivos Corriente

⁽²⁾ Razón Ácida = (Caja y Equivalentes al Efectivo + Cuentas por Cobrar y Deudores por Venta) / Pasivos Corrientes

⁽³⁾ Capital de Trabajo = Cuentas por Cobrar y Deudores por Venta + Inventarios – Cuentas por Pagar

- The Consolidated Current Liquidity Index was 1.40 times and the Acid Test ratio was 0.87 times at March 31, 2020, similar levels to the closing of 2019. Those indicators reflected the good liquidity position of Sigdo Koppers at the consolidated level, which was due partly to the fact it held short-term fixed-income financial instruments.

- Consolidated Working Capital showed an increase of US\$6.36 million compared to the closing of 2019. The average number of days of Working Capital reached 89 days, an increase over the number recorded in December 2019 (86 days), mainly due to a reduction in the days of accounts payable.

Debt Ratios	Unit	Dec-19	Mar-20
Leverage ⁽¹⁾	times	1,19	1,25
Financial expenses coverage ⁽²⁾	times	5,10	4,72
Financial debt / EBITDA	times	3,44	3,68
Net financial debt / EBITDA	times	2,60	2,71
Net financial leverage ⁽³⁾	times	0,48	0,53

⁽¹⁾ Razón de Endeudamiento = Total Pasivos / Patrimonio Total

⁽²⁾ Cobertura Gastos Financieros = EBITDA acumulado / Costos Financieros acumulados

⁽³⁾ EBITDA + Utilidad proporcional de consorcios de filiales que no consolidan (sin efecto IFRS 16)

⁽⁴⁾ Uno de los covenant de los Bonos Corporativos de SK define que el leverage financiero neto debe ser inferior a 1,2 veces

- At March 31, 2020, the net Financial Debt ratio over consolidated EBITDA was 2.71 times (2.60 x in December 2019). The indebtedness indicators of Sigdo Koppers showed an adequate financial position as a whole, with comfortable margins to meet its obligations in the short and long term.

- At March 31, 2020, the debt ratio (leverage) was 1.25 times, showing a slight increase compared to December 2019. Net financial leverage (corporate bond covenant) was 0.53 times at March 31, 2020, which reflected comfortable margins compared to the covenant established at 1.2 times.

3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Mar-19	Mar-20	Var.
Operating cash flow	-14.592	25.802	276,8%
Investment cash flow	-46.682	-22.693	85,8%
Capex	-33.575	-27.832	246,8%
Fixed assets sales	23	6.591	29,9%
Other	-13.130	-1.452	152,1%
Finance cash flow	77.178	40.399	313,7%
Net variation in financial liabilities	94.343	60.863	-30%
Interest	-12.994	-16.242	-23,1%
Payment of Lease Liabilities	-3.514	-4.161	181,6%
Dividends	0	0	31,1%
Capital increased	0	0	
Other	-657	-61	51,4%
Total net cash flow	15.904	43.508	173,6%
Effect of exchange rate changes	280	-16.513	5997,5%
Cash and cash equivalent	283.268	315.782	11,5%

The consolidated **Operating Flow** showed a positive flow of US\$25.80 million at March 2020, which represented a 276.8% increase over 1Q19. The main increases in operating flow were seen at Enaex, Puerto Ventanas, Magotteaux, and SKC.

US\$60.86 million. This was mainly due to an increase in the financial liabilities at ICSK.

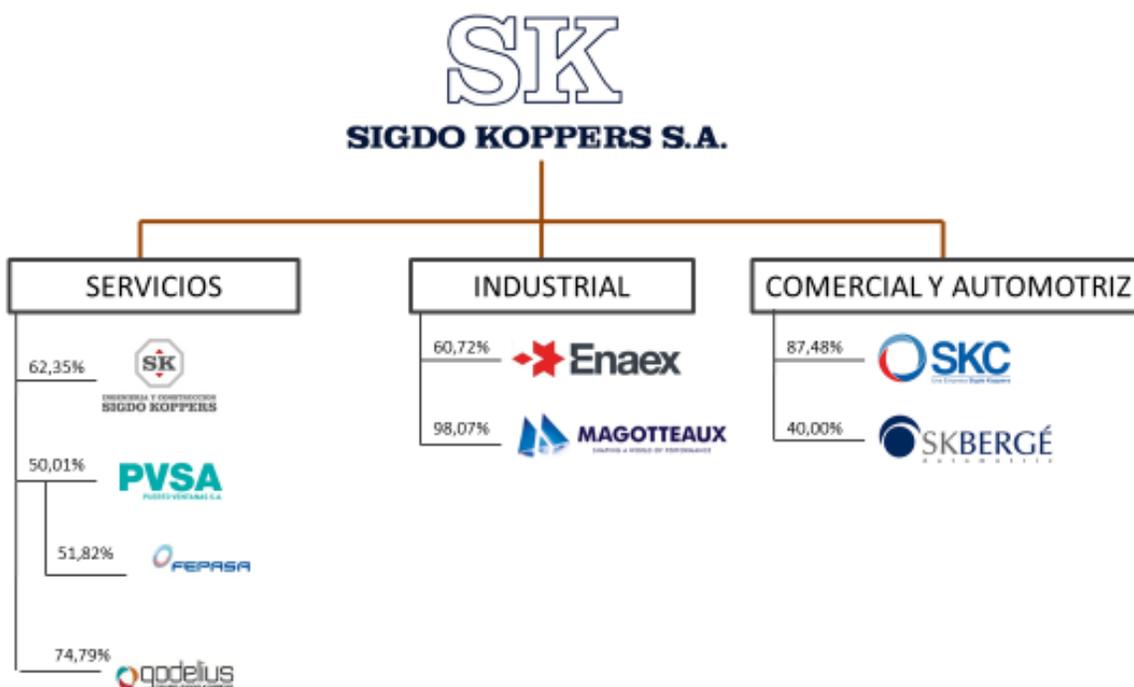
The consolidated **Investment Flow** in the first quarter of 2020 was a negative flow of US\$22.69 million. Investment in Fixed Asset (Capex) was US\$27.8 million, featuring investments made by Enaex (US\$15.43 million) and Puerto Ventanas (US\$3.98 million) mainly associated with maintenance Capex. Sale of Fixed Asset at Magotteaux worth US\$5.86 million (land in Chile and China) was also noted.

Finally, at March 31, 2020 the **Financing Flow** was US\$40.4 million (-47.7%). In particular, the variation of (net) financial liabilities including corporate bonds showed a positive flow of

4. RESULTS BY COMPANY

Description of the Sigdo Koppers Group

Sigdo Koppers S.A. is the parent company of a corporate group engaged in the **Services, Industrial, Commercial, and Automobile sectors** through its subsidiary and affiliated companies. It participates in the **Services** Area through the following companies: Ingeniería y Construcción Sigdo Koppers S.A., Puerto Ventanas S.A. and its subsidiary Fepasa S.A., and SK Godelius. It is present in the **Industrial** Area through Enaex S.A. and Magotteaux Group S.A. In the **Commercial and Automobile** areas it participates through SK Comercial S.A. (SKC) and SKBergé S.A., which is a strategic partnership with the Spanish group, Bergé.



Note: Simplified corporate structure at March 31, 2020.

4.1 Ingeniería y Construcción Sigdo Koppers S.A.

Ingeniería y Construcción Sigdo Koppers	Mar-19 MM\$	Mar-20 MM\$	Var. %
Revenue	60.545	76.946	27,1%
EBITDA	2.091	-4.254	-303,4%
<i>EBITDA Margin</i>	3,5%	-5,5%	
Pro-Forma EBITDA(*)	2.526	-3.049	-220,7%
<i>Pro-Forma EBITDA Margin</i>	4,2%	-4,0%	
Controller's net profit	1.004	-2.731	-372,1%

	Horas (Miles)	Horas (Miles)	Var.
Total man-hours executed	5.624	6.140	9,2%

Ingeniería y Construcción Sigdo Koppers Group S.A. (ICSK) is a leading company in the execution of medium and large construction, engineering, and industrial assembly projects, with solid prestige in Chile and abroad. Ingeniería y Construcción Sigdo Koppers develops industrial projects in the areas of Mining and Metallurgy, Energy Generation and Transmission, Civil Works, and Industrial Construction.

- At March 31, 2020, ICSK and the consortia it participates in executed a total of **6.14 million man-hours**, a 9.7% increase over the previous year. The main projects executed in the first quarter of 2020 were (1) the Codelco Andina Transfer project, (2) Crushing Rooms and Intermediate Transportation System for Codelco, (3) the Quebrada Blanca 2 project for Teck, and (4) the Textil Pulp projects for the Valdivia Plant and MAPA of Celulosa Arauco.
- Consolidated Income of ICSK was \$76,946 million** (US\$95.6 million), which was a 27.1% increase over the same period in 2019, in line with a 9.2% increase in man-hours worked. This was mainly due to a higher level of income entered into the accounting by the status of the contracts that are currently being executed.

- Consolidated EBITDA of ICSK showed a negative result of \$4,254 million** at the first quarter of 2020, which represented a decrease of \$6.346 million compared to the previous year. The Pro forma EBITDA (EBITDA + Related Company Profit), where the activity carried out through consortia and affiliates that are not consolidated is included, was -\$3,049 million, representing a drop of \$5,575 million. This result was mainly due to operating losses at ICSK Peru and Brazil resulting from the early termination of some contracts, which has given rise to a number of claims that were not recognized in the results at March 2020.

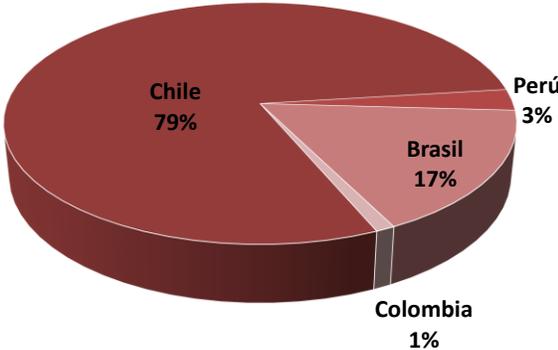
- Net profit of ICSK at March 31, 2020 was \$2,731 million**, which represented a decrease of \$3,734 million compared to 2019. The result was due to the combined effect of (1) negative operating results at ICSK Peru and Brazil, offset by (2) a higher level of profit of projects at the consortia that are not consolidated, and the positive effect of the Exchange Difference and Adjustments.

- At March 31, 2020, ICSK maintained a backlog of US\$630 million**, which should be executed largely between 2020 and 2022. The backlog is 11% less than the backlog in 1Q19.

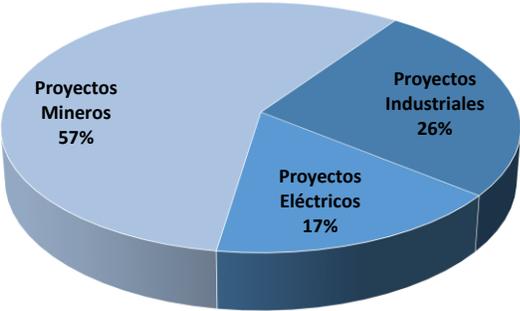
During the first quarter of 2020 ICSK was awarded works of US\$92 million, with the Concentrator Plant for the Salares Norte project of Goldfields being a featured one.

At the closing of March 2020, some projects that ICSK was executing had temporarily shut down their works because of COVID-19. Some of the projects gradually started to resume their work in May, but it is not possible to anticipate today the dates when all of the contracts will be reestablished normally.

Backlog por País



Backlog por Sector



4.2 Puerto Ventanas S.A.

Puerto Ventanas Consolidated	Mar-19 ThUS\$	Mar-20 ThUS\$	Var. %
Revenue	43.671	37.911	-13,2%
EBITDA	12.502	10.438	-16,5%
<i>EBITDA Margin</i>	<i>28,6%</i>	<i>27,5%</i>	
Controller's net profit	5.362	4.013	-25,2%
PVSA - Tons transferred	1.529.368	1.271.742	-16,8%
Fepasa - Th Ton-Km	270.659	256.730	-5,1%

The business of Puerto Ventanas consists of the transfer of bulk cargo in the central zone of Chile, including the loading and unloading of vessels and storage of cargo if necessary. It participates in the cargo transportation industry in Chile through its affiliate Ferrocarril del Pacífico S.A. (Fepasa).

Puerto Ventanas	Figures in Tons		
	Mar-19	Mar-20	Var.
Coal	561.189	431.368	-23,1%
Concentrate	525.017	410.498	-21,8%
Acids	83.022	75.498	-9,1%
Grains	158.381	171.858	8,5%
Clinker - Slag - Bauxita	94.770	81.593	-13,9%
Petcoke	62.725	51.713	-17,6%
Asphalt	4.509	8.479	88,0%
Fuels	39.753	40.735	2,5%
Total	1.529.368	1.271.742	-16,8%

- In the first quarter of 2020 Puerto Ventanas transferred **1,271,742 tons**, which represented a 16.8% drop compared to March 2019. This was mainly due to smaller transfers of coal and copper concentrate.
- Valued income of the Port Business was US\$37.91 million, 13.2% less than the amount reported in March 2019, in line with the lower levels of cargo transfer, specifically coal and copper concentrate cargo.
- Fepasa transported a total of 256.7 million tons-Km of cargo at March 2020, a 5.1% decrease compared to the previous year. The increase in

container cargo (+24.8%) should be noted. On the other hand, there was a reduction in transportation in the areas of forestry, mining, industrial, bulk, and solid waste.

Fepasa	Figures in Th- Ton-Km		
	Mar-19	Mar-20	Var.
Pulp	126.314	125.035	-1,0%
Mining	100.313	93.098	-7,2%
Solid waste	22.841	21.546	-5,7%
Grain	4.153	961	-76,9%
Industrial	4.183	43	-99,0%
Containers	12.856	16.047	24,8%
Total	270.659	256.730	-5,1%

- At March 31, 2020, the **Consolidated EBITDA of Puerto Ventanas was US\$10.4 million**, a 16.5% drop compared to 2019, reflecting a lower operating result in the port business, partially offset by a higher operating result in the railway business. Fepasa, in particular, accumulated an EBITDA of MM\$2,515 (US\$3.13 million), which represented 11% growth compared to 1Q19.
- At March 31, 2020, the **Consolidated Net Profit of Puerto Ventanas was US\$4.01 million**, showing a 25.2% drop compared to 2019. The lower result was mainly due to fewer cargo transfers in the port business and a smaller representation of the profit of Fepasa (+56.3%) in dollars.

4.3 Enaex S.A.

Enaex	Mar-19	Mar-20	Var.
	ThUS\$	ThUS\$	%
Revenue	187.467	177.658	-5,2%
EBITDA	37.639	39.810	5,8%
<i>EBITDA Margin</i>	<i>20,1%</i>	<i>22,4%</i>	
Controller's net profit	18.178	17.694	-2,7%

Enaex S.A. is the most important company in Latin America that produces ammonium nitrate, explosives for the mining sector, and provides comprehensive rock fragmentation services. It has business operations in the most important mining markets in the world (Latin America, North America, Australasia, and Europe). Enaex has an ammonium nitrate plant in Mejillones producing 850,000 tons per year, one of the biggest complexes in the world of its kind. Through its subsidiary Davey Bickford (DB), it manufactures detonators and electronic blasting systems.

Enaex	Figures in Tons		
	Mar-19	Mar-20	%
High Explosives	3.951	3.522	-10,9%
A.N. Export	73.840	48.362	-34,5%
A.N. National	140.507	151.731	8,0%
Britanite	29.349	33.035	
Total	247.647	236.649	-4,4%
Avg. NH3 Price (US\$/Ton)	281	250	-11,0%

Physical sales of Enaex were 236.65 thousand tons, a 4% decrease compared to the first quarter of 2019. The drop was due to lower sales of ammonium nitrate (N.A.) in exports (-25.48 Mtons), offset by higher sales in the local market (+11,2 Mtons). The higher level of sales at Enaex Brasil (Britanite), +3,7 Mtons compared to 1Q19, to new operations in the mining sector in Brazil should be noted.

Income of Enaex was US\$177.66 million, a 5.2% drop compared to March 2019 due to the combined effect of (1) a lower level of income in the Chemicals Division (-10%), because of a reduction in the price of ammonia in 1Q20, together with a lower level of exports mainly from Australia and Peru, (2) lower income in the initiation systems business (Davey Bickford) (-22%), and (3) a smaller representation in USD of sales of Britanite in Brazil because of the significant depreciation of the real.

Consolidated EBITDA of Enaex was US\$39.81 million at the first quarter of 2020, showing a 5.8% increase mainly due to (1) a higher operating result in the Services business in Chile, in line with an increase in physical sales (+6.4%) and (2) lower administration and sales expenses (-13%).

There was a loss of US\$3.69 million at the Non-Operating level showing a lower result of US\$2.78 million compared to March 2019. In particular, a higher level of Financial Expenses and a lower result due to Exchange Difference were noted.

As a result of the above, at March 31, 2020 the Net Profit of Enaex was US\$17.7 million, which was a 2.7% drop compared to 1Q19. The lower result was mainly due to the lower Non-Operating result.

4.4 Magotteaux Group S.A.

Magotteaux Group	Mar-19 MUS\$	Mar-20 MUS\$	% %
Revenue	182.717	152.921	-16,3%
EBITDA	19.950	13.921	-30,2%
<i>EBITDA Margin</i>	<i>10,9%</i>	<i>9,1%</i>	
Controller's net profit	6.983	2.719	-61,1%

Magotteaux Group S.A. is a company of Belgian origin, world leader in the production, marketing, and sale of high-chromium casting products. The main products manufactured by Magotteaux are high-chromium grinding balls and castings. The most important markets where Magotteaux products are sold are the Mining and Cement industries.

Magotteaux Group	Mar-19	Mar-20	%
Grinding Media	84.045	73.684	-12,3%
Casting	15.305	13.877	-9,3%
Total	99.351	87.561	-11,9%

At the first quarter of 2020, physical sales were 87,561 tons, an 11.9% drop compared to March 2019. Physical sales of grinding balls (GM) decreased 12.3%, mainly due to a decrease in sales of forged steel balls for mining and high chromium balls for cement. Physical sales of castings dropped 0.3%, because of lower sales mainly in the Mining and Cement segment. Lower sales originated partly because of the initial effects on demand of some customers in Canada, South Africa, and Europe, which were affected by the restrictions on operations imposed in those countries.

At the first quarter of 2020 the **consolidated income of Magotteaux was US\$152.92 million**, a 16.3% drop compared to 2019. This decrease was due to lower physical sales in almost all of the product segments in both the grinding ball and casting business, as well as lower prices mainly in grinding balls, resulting from the indexation of raw material prices.

EBITDA of Magotteaux was US\$13.92 million at March 2020, decreasing 30.2% compared to the same period in 2019. This result was mainly due to (1) a lower operating result in the grinding ball business in mining and casting in the Mining and Cement segment and (2) the initial effects of Covid-19 in the operations and demand of Magotteaux in India, Canada, South Africa, and Europe, and especially the shutdown in February and March of the casting plant in China.

The company had a **Net Profit of US\$2.72 million** at March 31, 2020, which was a 61% decrease compared with the first quarter of 2019.

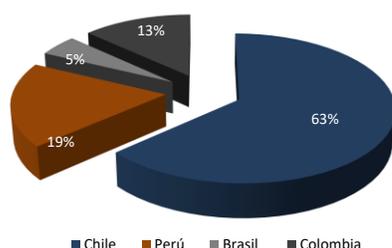


4.5 SK Comercial S.A.

SK Comercial	Mar-19 ThUS\$	Mar-20 ThUS\$	Var. %
Revenue	66.017	52.740	-20,1%
<i>Distribution Business</i>	45.354	32.036	-29,4%
<i>Rental Business</i>	24.896	22.578	-9,3%
<i>Consolidation adjust</i>	-4.233	-1.874	0,0%
EBITDA	10.448	9.279	-11,2%
<i>EBITDA Margin</i>	15,8%	17,6%	
Controller's net profit	560	229	-59,1%

SK Comercial S.A. (“SK Comercial” or “SKC”) participates in the representation, import, distribution, and leasing of machinery and equipment. SKC is present in markets in Chile, Peru, Brazil, and Colombia. SK Comercial represents prestigious world brands like Toyota, Volvo, Manitou, Iveco, New Holland, Bridgestone, Firestone, Kenworth, DAF and JMC, and it has maintained a steady leadership position with these brands in the markets where it participates.

Distribución por país de la Flota de SK Rental (US\$)



■ The **machinery distribution business had sales of 339 units**, which was a 36% drop compared to 2019. The decrease was seen clearly as of March 2020 when restrictions were imposed in Chile and Peru as a result of COVID-19. Regarding valued sales, the Distribution business showed a drop of 37.2% in line with lower physical sales. The **machinery leasing business had a fleet valued nominally at US\$133 million**, 6% less than December 2019 (US\$142).

■ At March 2020, **SK Comercial had consolidated income of US\$52.74 million**, a drop of 20.1%

compared to March 2019, mainly due to lower sales in the machinery distribution and leasing business. In addition, sales at March 2020 were affected by the depreciation of the peso in Chile, which affected the representation in USD of the income of SK Rental Chile.

■ **Consolidated EBITDA of SK Comercial was US\$9.28 million** at March 2020, which was an 11.2% lower result compared to 1Q19. This result was due to a diminished performance in the machinery distribution business, which had already felt the initial effects of the shutdown of activity caused by COVID-19. On the other hand, the leasing business showed a better performance, but it also started to feel the effects of the shutdowns of some construction works where it had leased equipment. Finally, the reduction in administration and sales expenses (-10.5%) should be noted. Despite the above, the EBITDA margin was 16.2%, which compared positively with the 15.8% recorded at March 2019.

■ At the first quarter of 2020, **SK Comercial had a Net Profit of US\$0.2 millones**, showing a lower result by US\$0.33 million compared to March 2019. The result was due to a lower operating result in the machinery distribution business in Chile.

4.6 SK Inversiones Automotrices S.A.

SK Inversiones Automotrices	Mar-19 MM\$	Mar-20 MM\$	Var. %
Controller's net profit	4.386	341	-92,2%

Sigdo Koppers S.A. controls SK Inversiones Automotrices S.A. (SKIA) with 99.99% of its shares. SKIA, in turn, owns 40% of the shares in SKBergé S.A. SKIA does not consolidate the Financial Statements of SKBergé. As a result, the Net profit of SKBergé S.A. is recognized as Share in the Earnings of Partnerships and Joint Ventures.

- SKBergé is present in Chile, Peru, Argentina, and Colombia. In Chile it represents the following brands: Chrysler, Jeep, Dodge, Fiat, Ferrari, Alfa Romeo, Infiniti, Mitsubishi Motors, Maserati, MG, SsangYong, JMC, and Chery. In Peru it represents Kia, Peugeot, Chery, MG, Fuso, and Mitsubishi Motors. In Colombia it represents Chrysler, Dodge, Jeep, Volvo, and Peugeot. Finally, in Argentina it represents Kia. It should be noted that the main sources of growth for SKBergé are the organic growth of the markets where it participates (mainly foreign countries).

- At March 31, 2020 SKBergé showed sales of 15,294 units, which was a 26.5% decrease compared to March 2019. Those sales already included a very severe decline as of March 2020 caused by COVID-19. In particular 9,622 units

were sold in Chile, which represented a 27.2% decrease compared to March 2019. Among the brands sold in Chile the increase in sales (units) of MG (+102%) was outstanding. Sales abroad reached 5,672 units, showing a drop of 25.4% compared to 1Q19. Growth of MG in Peru (+23%), Peugeot in Colombia (+23%), and Volvo in Colombia (+21%) were outstanding among the brands distributed abroad.

- At the first quarter of 2020, **SKIA showed a result of \$0.34 million**, which was a 92% decrease compared to March 2019. The lower result was due to fewer physical sales and a lower operating margin, associated with a contraction in the markets where it participated due to the change in the world economy caused by the propagation of COVID-19, together with less favorable exchange rate conditions.

- The National Automobile Association of Chile (ANAC) reported that in Chile, as in the rest of the world, the number of units sold will continue to fall due to the effect of the pandemic on the automobile industry, which should reactivate after the propagation of COVID-19 declines.

