



Corporate Presentation

January 2018



BESALCO SUMMARY

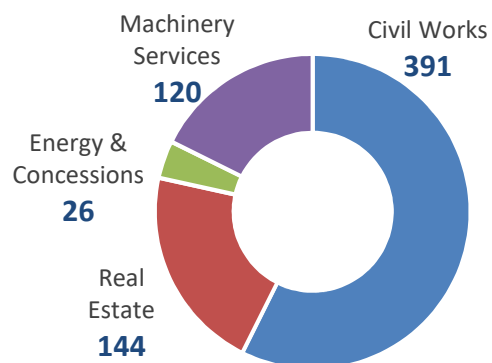


Financial Figures (USD\$ Million)	2017	2016	Var. %
Revenues	681	645	5,7%
Gross profit	68	75	-9,4%
<i>Gross Margin (%)</i>	9,9%	11,6%	
EBITDA	86	89	-3,2%
<i>EBITDA Margin (%)</i>	12,7%	13,8%	
Net Profit	16	18	-13,8%
<i>Net Margin (%)</i>	2,3%	2,9%	
Equity	324	313	3,5%
Financial Leverage	1,20x	1,43x	
Local Rating	BBB+ (Feller) / BBB (Fitch)		

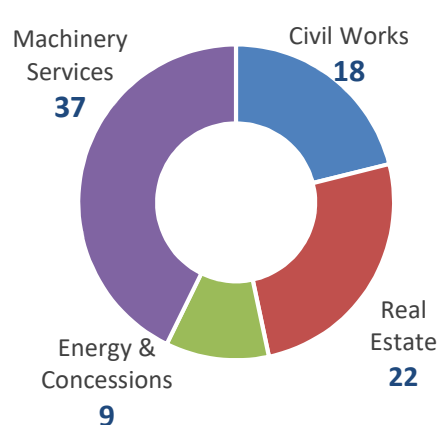
Business Activities

- Besalco S.A. is a holding company that develops its activities in the construction industry through nine subsidiaries.
- The main business sectors that the company covers are:
 - Civil Works and Industrial Construction
 - Machinery Services
 - Real Estate
 - Concessions and Energy
- The company has been running since 1944 in Chile and has expanded operations in Perú and Colombia.
- The company is listed in the Chilean stock market "IGPA" since 1995. Currently Besalco S.A. is listed in the IPSA index, representing 0,317% of this index with a Market Cap close to US\$ 700 mill.
- Bezanilla's family controls over 58,75% of the total shares issued.

Revenues Distribution 2017



EBITDA Distribution 2017



BESALCO STRUCTURE



Civil Works

4 subsidiaries with specific expertise

- Besalco Construcciones / Civil Works / (100%)
- Besalco Montajes / Industrial Construction / (60%)
- Kipreos / Civil Works Transmission Lines / (68%)

Concessions and Energy

2 subsidiaries

- Besalco Concesiones / Concessions / (100%)
- Besalco Energía / Energy / (100%)

Machinery Services

1 Subsidiary that works in different industries:

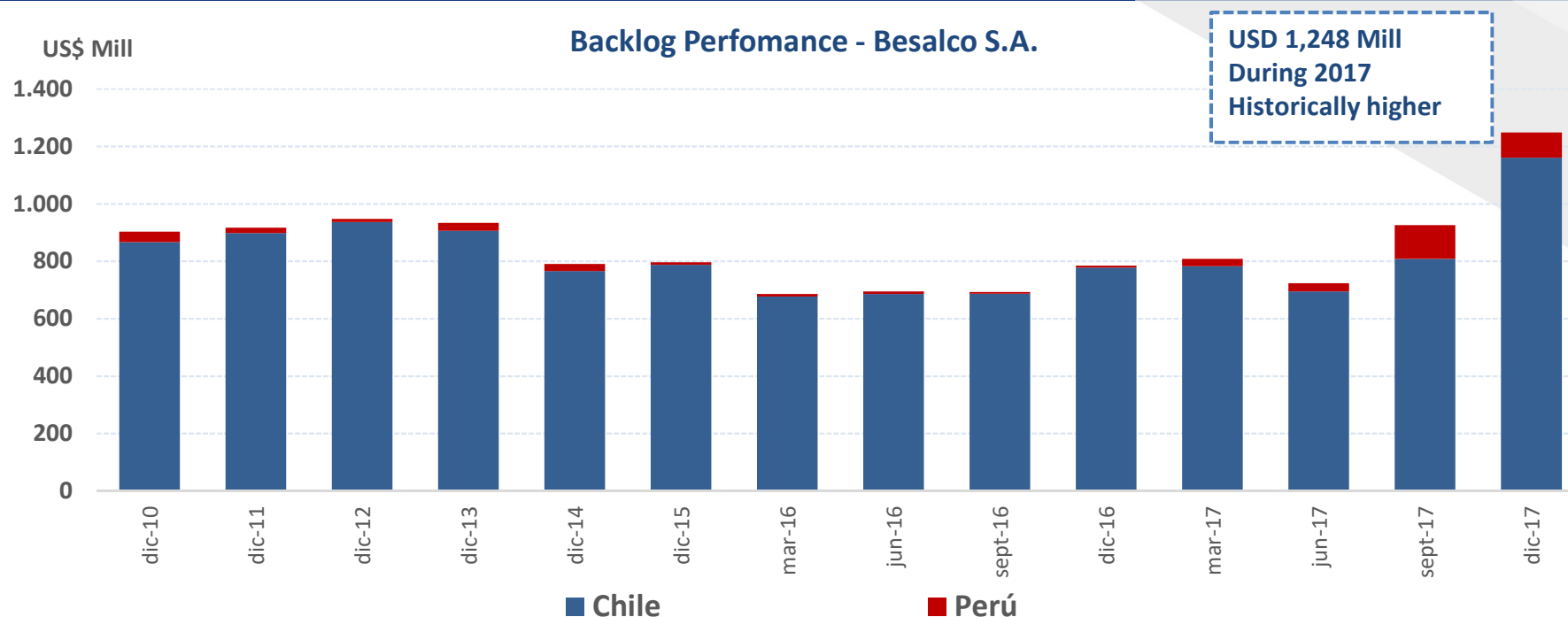
- Mining
- Forestry
- Transportation of concrete

Real Estate

2 subsidiaries

- Besalco Inmobiliaria / Chile / (100%)
- BESCO/ Perú / (98%)

BACKLOG

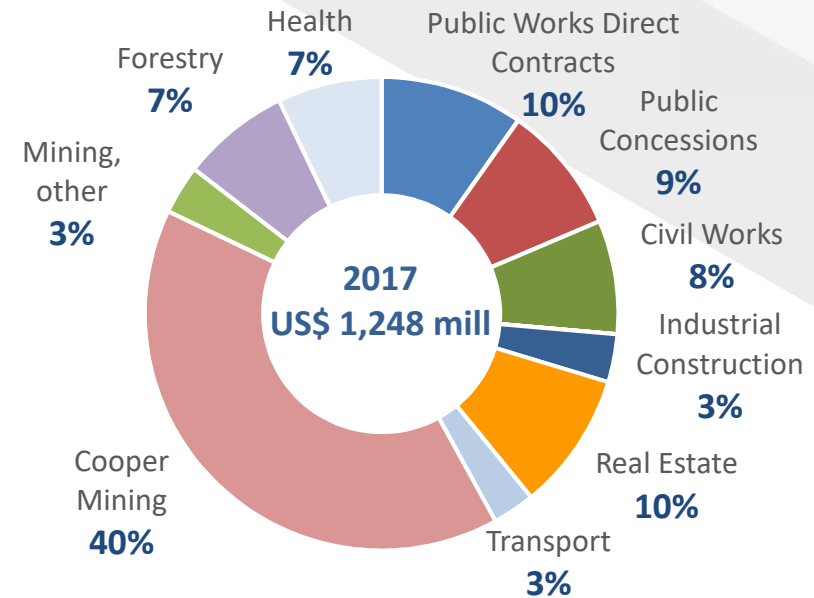
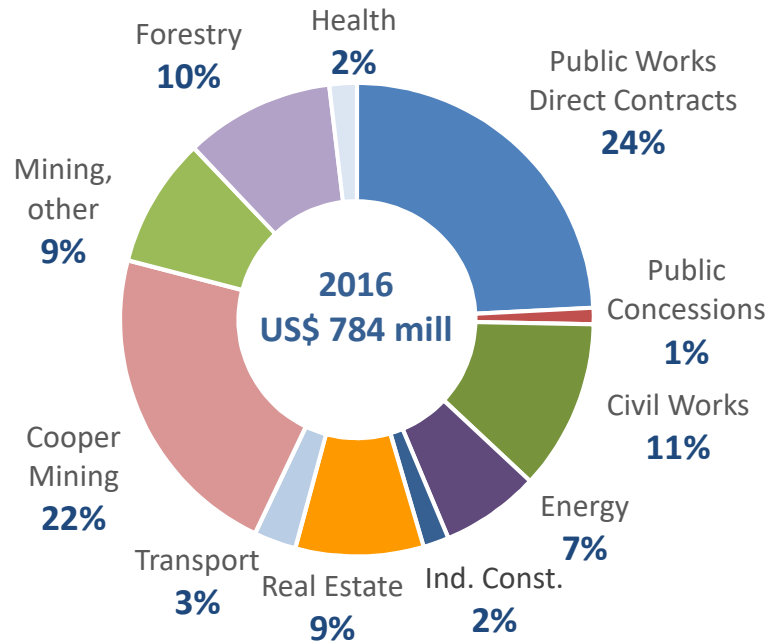


- The backlog reached its maximum historically, a total amount of US\$ 1,248 mill in 2017 (59% YoY increased).
- The main strength of this backlog is its relatively higher duration (30 months in 2017 v/s 20 months in 2016), allowing the company to stabilize operational cash flow in the long run and capture momentum in the short run due to the recovery in investments.
- Higher concentration in machinery services and civil works due to new contracts:
 - Machinery Services: New contracts mainly in the mining industry, as well as new contracts in the forestry and transportation industry.
 - Civil Works: Toll Road (Nahuelbuta), Olympic games (Perú), Hospitals and Dams.

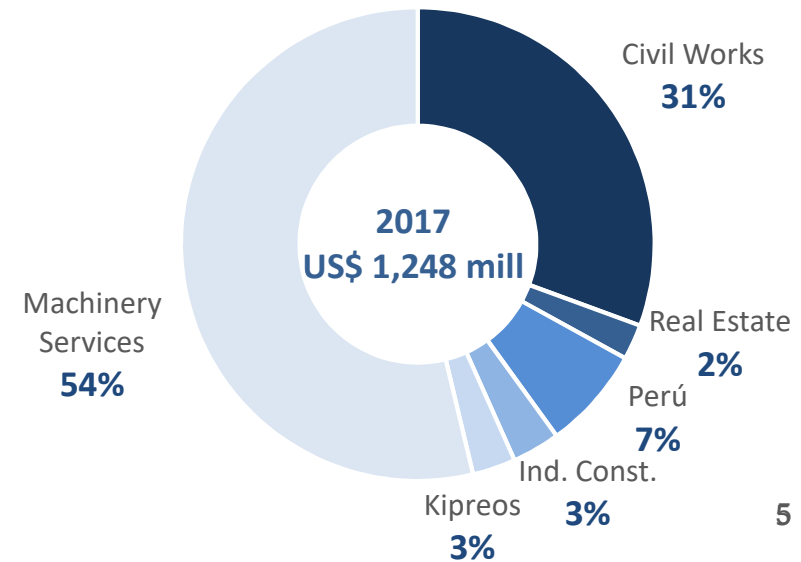
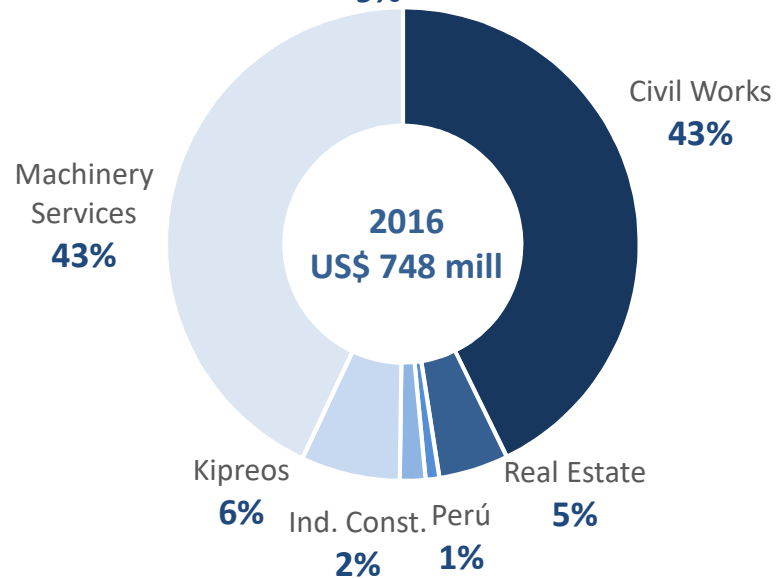
BACKLOG



Market Distribution



Subsidiary Distribution



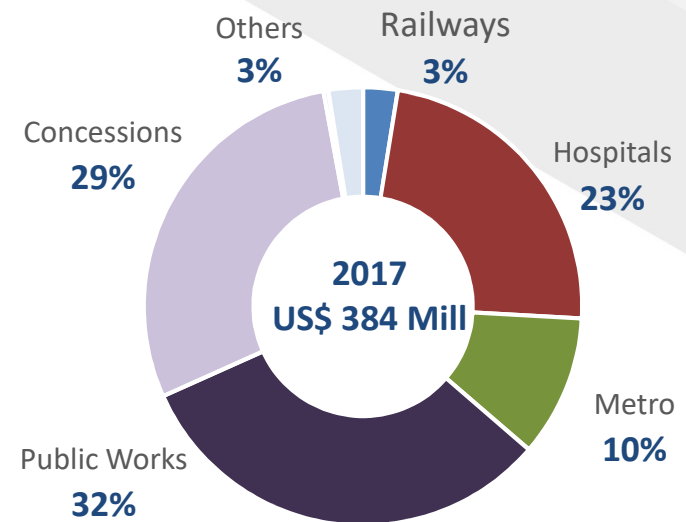
SUBSIDIARIES



BS BESALCO 6

CONSTRUCCIONES (CIVIL WORKS) | BACKLOG

- Diversified Backlog in different business areas for a total amount of US\$ 384 million.
- Relatively higher duration (23 months 2017 v/s 13 months 2016) allows the company to increase momentum in the short to mid term as private investments recover.
- Main new contracts during 2017:
 - Toll Road Nahuelbuta
 - CHIRONTA Irrigation Dam
 - Hospitals



CHIRONTA DAM



METRO STATIONS AND LINES



KIPREOS (ELECTRIC LINES & HELICOPTER SERVICES)



- Acquired by BESALCO in 2011 as part of its inorganic strategy to expand the scope of civil work services taking advantage of the know-how of KIPREOS' managers as well as a backward integration in the energy business line for the construction of owned transmission lines.
- KIPREOS has an excellent track record in the development and construction of transmission lines in isolated geographical areas, where a critical success factor is to put to good use its staff knowledge base and modern helicopter fleet.
- During 2017, KIPREOS completed construction of a 220 kV transmission line of 75 km in the south of Chile, SE CIRUELOS – PUCHIRROPULLI.
- Positive outlook for 2018 since the company will start civil works in a 500 kV transmission line in the North of Chile, SE KIMAL – CHANGOS.
- Opportunity to gain market share in the coming auction process, held by CNE this year, for the construction of new transmission lines for an amount close to US\$ 3,2 billion.

TRANSMISSION LINES



MINING | Installation of Antennas and GPS Equipment



BESALCO MONTAJES (INDUSTRIAL CONSTRUCTION)

- Merger between BESALCO and MONTAJES DELTA in 2004, as part of a horizontal integration of civil work services allowed BESALCO to expand operations in mining and industrial construction in civil works of high complexity.
- Recovery of revenues and profits to historical levels during 2017, thanks to the turnaround in the mining construction industry mostly associated to copper-mining activities.
- New contracts in the mining industry together with a healthy backlog (US\$ 41 Mill) distributed in three contracts, allows the company to gain momentum for 2018.

MINING | INDUSTRIAL CONSTRUCTION



INDUSTRIAL PROJECTS | INDUSTRIAL CONSTRUCTION

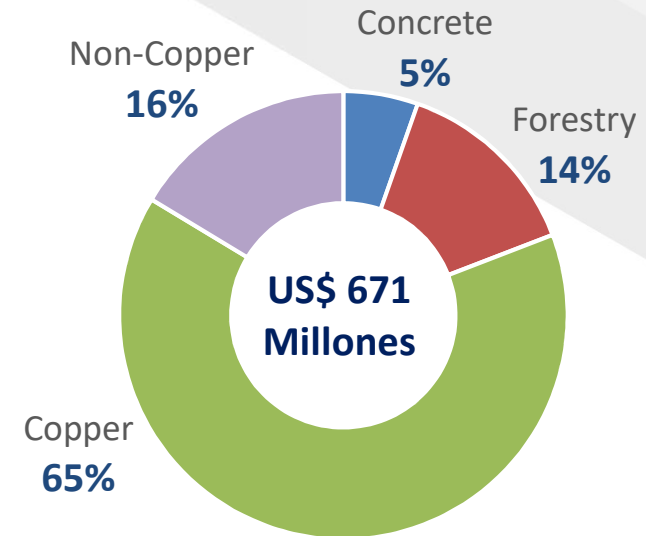


MAQUINARIAS S.A (MACHINERY SERVICES)



BESALCO

- Backlog boosted thanks to new contracts until US\$ 671 Mill (99% growth YoY).
- New contacts in all business areas, forestry, mining and transportation of concrete.
- Main long term contract awarded during 2017 expected to star in 2018 with a relevant client in the copper-mining sector.
- 38 contracts running, distributed in 14 clients and a duration of 40 months.



COPPER MINING



FORESTRY INDUSTRY



INMOBILIARIA S.A. (REAL ESTATE CHILE)



- Adequate results in 2017 reaching a net profit of USD\$ 9,1 Mill. despite the end of the exception of VAT for the acquisition of properties in 2016.
- Land acquisition program to develop residential apartment buildings will allow strong revenues from 2019 onwards.
- Positive outlook for 2018 due to the completion of Vista Parque (DS – 19) at the beginning of 2H18.

Households	N° Projects	N° Units	Potential Revenues (US\$ Mill.)
Apartments	6	1.222	162
Houses	14	1.475	262
Total	20	2.697	424

APARTMENT BUILDING PROJECTS



SOCIAL HOUSEHOLDS – DS 19



BESCO (REAL ESTATE PERU)



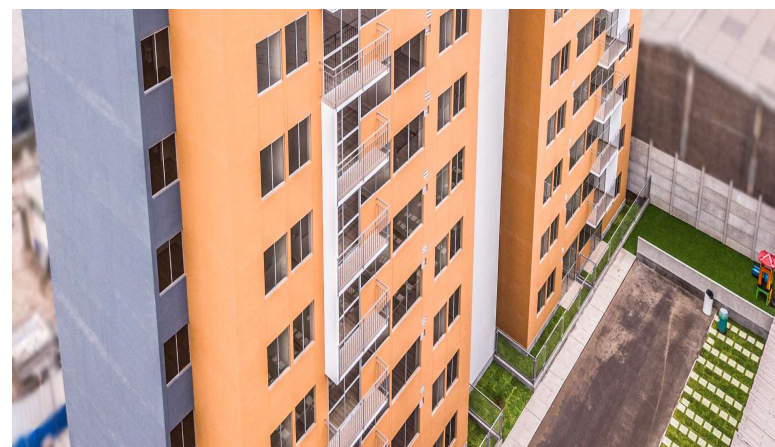
- Turnaround in real estate in Perú during 2017 thanks to governmental programs support to low to mid income segments will boost results in 2018.
- Relevant contract awarded during 2017: Construction of the Olympic Village for the Panamerican games that are expected to take place in LIMA, 2019.
- Positive outlook for this subsidiary in coming years due to lower competition in civil works industry.

N° Projects	City	Total	Expected
		Units	Revenues
		Potential	(USD Mill)
6 projects	Lima- Piura- Callao-Agustino	6.147	295

APARTMENT BUILDING PROJECTS



APARTMENT BUILDING PROJECTS



- The company goal is to develop, construct and operate renewable energy generation plants.
- Current capacity of the company:
 - 30 MW under operation in two run of the river plants LOS HIERROS I & II, with an expected generation of 160 [GWh/year]
 - Pipeline of 160 MW under different stages of development.
- Ambitious CAPEX plan in the construction of two new plants:
 - Wind Project ARREBOL, 10,35 [MW]
 - Run of the River Project DIGUA, 20.0 [MW]

LOS HIERROS I & II



LOS HIERROS I & II



CONCESIONES S.A. (CONCESSIONS)

BESALCO

- Strong track record in the construction and operation of public concessions for a total amount close to US\$ 1,3 billion:
 - ✓ Six toll roads
 - ✓ Four parking lots
 - ✓ One Dam for irrigation
 - ✓ Three penitentiaries
- Six public concessions under operation
 - ✓ CONVENTO VIEJO, Irrigation Dam (VPP)
 - ✓ PLAZA LAS CONDES & PLAZA SUCRE, parking lots (100%)
 - ✓ BODEGAS ABX, currier warehouses (VPP).
 - ✓ GROUP ONE, penitentiaries (VPP).
 - ✓ SANTISIMA TRINIDAD DE RECOLETA, Cemetery (VPP)

SUCRE | PARKING LOTS



Comming Auction Process Under Review

	Type	Investment US\$ Mill	Key Dates Auction
Projects			
1. Embalse Catemu	Dam	461	may-18
2. Ruta Metropolitana Puerto Montt	Toll Road	321	2S18
3. La Tranca	Dam	152	2S18
4. Ruta 5 Tramo Los Vilos - La Serena	Toll Road	357	2S18
5. Ruta G -21 (Acceso a Farellones)	Toll Road	101	2S18
Total		1.392	

CONVENTO VIEJO | IRRIGATION DAM



