CredicorpCapital

Andean Investor Guide 2027



Investor Conference 2026
September 23/24. Bogotá, Colombia

Investor Conference Colombia 2026
El Punto de Encuentro de los Inversionistas

Dear Investor,

We present to you the fourteenth version of our Andean Investor Guide (AIG), which includes our recommendations for 52 equity issuers and 35 fixed-income issuers. As in prior years, the release of this report is meant to coincide with our Annual Investor Conference, which will be held on September 23rd and 24th in Bogotá. This will be the first time our event takes place in Colombia, reflecting our commitment to strengthening our regional presence and bringing us closer to all our clients. We expect roughly 45 Latin American corporate issuers and more than 600 investors from around the world to attend.

Both our AIG and Investor Conference take place at a particularly interesting time for the Andean economies, following the outcomes of recent presidential elections. After several years of heightened political uncertainty, the new administrations have signaled a commitment to reducing regulatory uncertainty by establishing clearer, more stable rules of the game, cutting bureaucratic red tape, streamlining permitting processes, strengthening security conditions, upholding fiscal responsibility, and reinforcing institutional frameworks. All this has contributed to a marked improvement in market sentiment, supported by expectations of a more favorable investment environment. Also, the external backdrop remains favorable amid elevated commodity prices and a still-high global risk appetite, which may continue to favor investment inflows into the region.

Regarding Andean Equities, Peru has posted a 37% return vs 27% in Colombia and 8% in Chile, all in local currency. Colombia is our preferred market, as valuations still do not factor in the expected institutional changes, especially in the oil and gas sector. That said, we acknowledge undemanding valuations for the IPSA index in Chile with positive long-term catalysts such as the Reconstruction bill and the revamped pension framework supporting a selective investment approach. Finally, we are now more cautious on Peru, as mining stocks already appear to largely reflect the supportive metals backdrop, particularly for copper and tin, while domestic-demand names could face near-term headwinds from El Niño.

Corporate credit spreads have remained remarkably resilient despite elevated global volatility and geopolitical tensions. Markets continue to price in a stable global growth outlook, limiting concerns about a material deterioration in corporate credit quality. Although spreads remain tight by historical standards, all-in yields remain attractive, supported by sound regional fundamentals, healthy corporate balance sheets, and low default rates. Against this backdrop, we expect carry to become an increasingly important driver of returns and therefore continue to favor bonds that combine attractive carry with strong underlying credit fundamentals.

We remain committed to excellence and continue to strive to give you the most insightful coverage of the Andes, a region we confidently call our own.

Thank you for your support, and we look forward to investing with you in 2027!

Best regards,



Galantino Gallo
CEO
Credicorp Capital



Daniel Velandia, CFA
Managing Director of Research
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1 / Andean Economies

Andean Economies

Improving investment prospects amid new governments

In our AIG 2026 a year ago, we highlighted that the three countries would change governments in the same year for the first time in two decades, which could prove to be a favorable development amid the need for a confidence shock after years of subdued investment and declining potential economic growth due to heightened political uncertainty to a great extent. In fact, the new administrations have signaled a commitment to reducing regulatory uncertainty by establishing clearer, more stable rules of the game, cutting bureaucratic red tape, streamlining permitting processes, strengthening security conditions, upholding fiscal responsibility, and reinforcing institutional frameworks. The response has been an improvement in business sentiment and investment expectations, as the signals from the three governments have moved in the right direction, in our opinion.

The signals from the new governments have been encouraging, reflecting a stronger commitment to fostering investment.

Chile is a step ahead after the recent approval of the Reconstruction bill, which reduces corporate taxes, restores tax integration, provides tax stability for large projects, strengthens investment incentives, and streamlines permitting. We think that these measures, together with high copper prices and political stability, could lead GDP to grow above 3% in 2027 after a weak 2026, which has been affected by supply shocks and the negative effects of higher oil prices. Notably, the pipeline of investment projects for the next few years has recently risen to its highest level in more than a decade. **Peru will also continue to benefit from record terms of trade and the possibility of the unlocking of investment projects amid market-friendly policies and deregulation**; importantly, the rather low likelihood of Fujimori's impeachment and radical reforms in the context of the return of a bicameral Congress and its composition seems to be playing a key role in the improvement of sentiment, in line with our expectations. It is worth noting that a sizable current account surplus indicates no macroeconomic constraints are preventing private investment from expanding at rates even above 10% for several years. **Colombia is entering a transition year, meaning activity is likely to slow next year as the economy begins to correct significant imbalances accumulated during the last few years,** especially through record fiscal deficits that have materially affected consumption, inflation, and interest rates. The good news, though, is that the new government fully recognizes the urgent need to correct these imbalances; indeed, the government has presented a fiscal strategy focused on cutting public spending and stabilizing net debt, which is a favorable signal as it would allow the normalization of interest rates and the reduction of risks linked to crowding out effects. All this, together with pro-growth measures, lower regulatory uncertainty, still-high oil prices, and the post-earthquake reconstruction process, is set to encourage investment.

Thus, we expect a recovery in investment in the three countries to be the main catalyst for stronger economic activity in the next few years.

All in all, we expect a recovery in investment in the three countries to be the main catalyst for stronger economic activity in the next few years, with positive effects on potential growth over time. Undoubtedly, we acknowledge that implementation risks remain non-negligible as the three countries maintain an elevated political polarization and Congress fragmentation. In the short term, the higher likelihood of a strong-to-extraordinary El Niño event could put more pressure on activity, inflation, fiscal accounts, and thus on policymakers than currently envisioned.

Below, we present an update to the macroeconomic projections for 2026-2027 and an analysis of the current political context for the Andean economies.

Chile

The Reconstruction initiative becomes law and should support long-term growth and investment

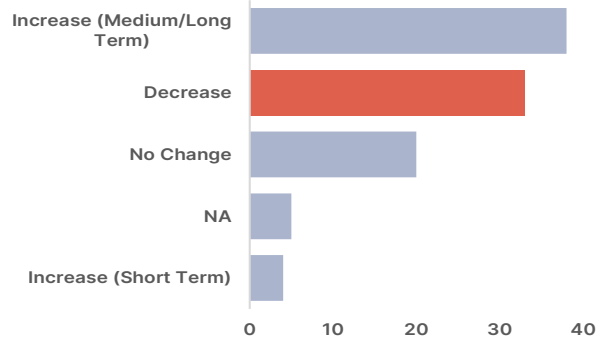
The Reconstruction Law is consistent with a market-friendly agenda and should support investment, but fiscal sustainability is a challenge.

Reconstruction Law approved. Congress approved the Reconstruction Law in Aug-26, introducing a reduction in the corporate tax rate from 27% to 23% in three years, tax invariability for large investment projects (10 years for investments between USD50-100 MM, 15 years between USD100-350 MM, and 20 years for those exceeding USD350 MM), tax integration, stronger investment incentives, and faster permitting processes. In our view, the reform is consistent with a market-friendly agenda and should support investment and long-term growth. However, fiscal sustainability remains a key challenge, as the law is expected to have a negative fiscal impact through 2030 and relies heavily on growth-related revenue gains to offset lower tax collection. Additional measures may eventually be needed to ensure fiscal consolidation. The government also expanded mortgage rate subsidies for first-home buyers, complementing the temporary VAT exemption for new housing purchases. Despite broad technical support for the reform, public opinion remains divided: according to CADEM, 33% of respondents believe it could have a negative impact on growth. This likely reflects skepticism about the effectiveness of tax cuts, as well as political and ideological factors, rather than a detailed assessment of the law's specific provisions.

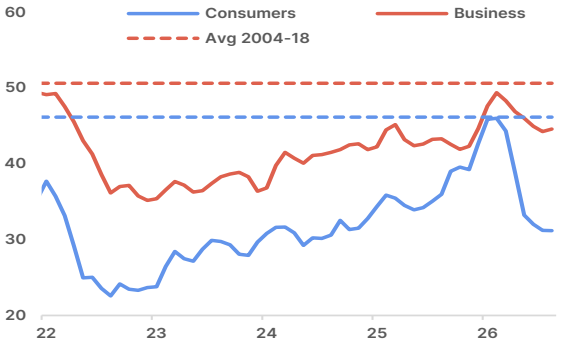
The oil shock, weaker employment, higher inflation and the economic slowdown may have contributed to the decline in Kast's approval ratings.

Presidential approval gains remain limited. Recent political polls indicate that President Kast's approval rating averaged around 40% during Aug-26, a modest improvement relative to the prior month, but still below the ~50% average recorded at the beginning of his term. Nonetheless, the trend in approval ratings during the first six months of his administration has not been materially different from that observed under former President Boric. The oil shock that impacted consumer confidence, along with weaker employment metrics, higher inflation and the economic slowdown during 1H26, may have contributed to the decline in approval ratings. Separately, the US announced an increase in tariffs on Chilean goods to 12.5% under its forced-labor trade policy. The government rejected the measure, emphasizing that Chile maintains strong labor standards, complies with international commitments, and that the decision does not imply that Chile exports goods produced with forced labor. Authorities are committed to continuing negotiations to support exporters and improve market access.

Expected impact of the Reconstruction law on economic growth (% of respondents)



Business and consumer sentiment (neutral = 50)



Source: CADEM, ICARE, Credicorp Capital

The economic outlook is shaped by diverging signals: weaker employment, stronger investment

We have further cut our 2026 GDP growth estimate to 0.5% (we had 1.1% before), while keeping a downward bias.

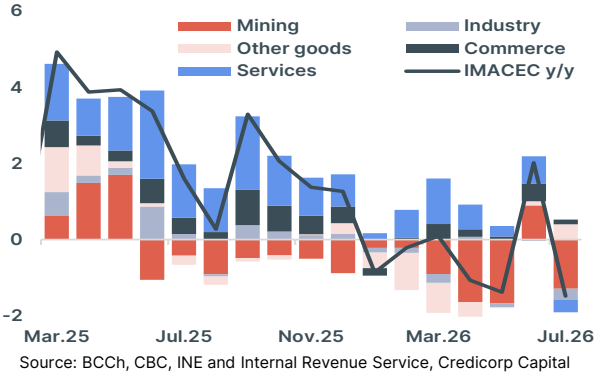
A weak 1H26 keeps the GDP growth outlook muted for this year. The economy delivered virtually no growth in 1H26, with GDP contracting by -0.3% y/y. Activity was significantly affected by temporary shocks, particularly in natural resource-related sectors during 1Q26 (i.e., fishing, agriculture and mining). At the same time, confidence deteriorated in 2Q26, likely reflecting higher oil prices, and appears to be weighing on investment and consumption, amid rising unemployment and accelerating labor costs. In addition, the economy entered 3Q26 facing the effects of El Niño, which brought above-average precipitation in Jul-26 and has raised the risk of flooding, landslides, and production disruptions across several sectors. Indeed, the Jul-26 IMACEC came in well below expectations, with broad-based weakness across mining, manufacturing, and services more than offsetting gains in commerce and electricity generation. Looking ahead, expert assessments suggest that El Niño could intensify in the coming months and, as discussed in previous reports (see here), it remains a downside risk to activity through year-end.

We have further cut our 2026 GDP growth estimate to 0.5% (we had 1.1% before), while keeping a downward bias. Current data show no signs of a near-term rebound, with most sectors underperforming expectations. Supply-side shocks now associated with El Niño may persist, compounded by higher costs stemming from Middle East tensions. While these shocks are still likely temporary and should eventually reverse, demand-side risks have increased as the labor market continues to weaken, with unemployment reaching a post-pandemic high of 9.5%. Broad-based job losses and weak labor demand point to elevated unemployment in the quarters ahead.

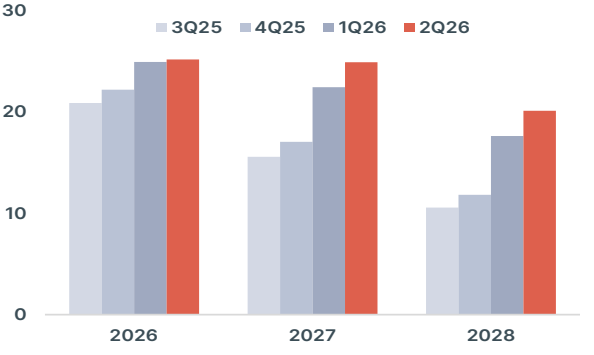
2027 GDP growth is likely to exceed 3% supported by a stronger investment cycle. The investment pipeline for 2026-30 is at the highest level in more than 10 years.

GDP growth next year is likely to exceed 3% supported by a stronger investment cycle. Looking ahead, favorable base effects, improving investment prospects, the approval of the Reconstruction Law, still-high copper prices, and several measures to boost the real estate sector should support a gradual acceleration in activity starting in 4Q26. The Capital Goods Corporation (CBC) estimates a 2027 investment pipeline of approximately USD 25bn, with the potential for further upward revisions, while the total pipeline for 2026-30 stands at its highest level in more than 10 years (USD 95bn). Next year, barring adverse external surprises, is shaping up to be more favorable, supported by elevated copper prices, greater political stability, an expected recovery in confidence, and enhanced regulatory clarity following the approval of the Reconstruction Law.

IMACEC (% change y/y, sectoral contribution)



CBC - expected total investment (USD bn)



Source: BCCh, CBC, INE and Internal Revenue Service, Credicorp Capital

Monetary policy on hold but ready to act if necessary

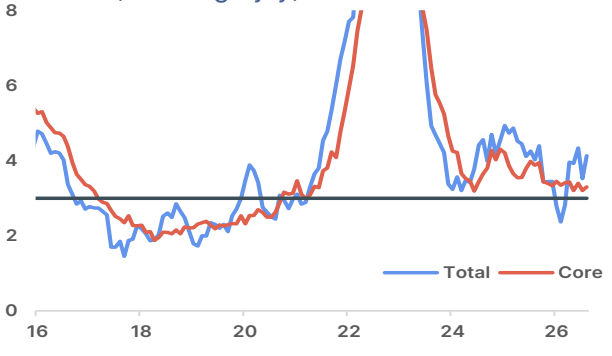
The main upside risks to inflation stem from renewed uncertainty around oil prices and the potential impact of El Niño on foodstuff.

A volatile inflation outlook as risks persist. Inflation had consistently surprised to the downside in recent months, reflecting weaker pressures from volatile components, particularly after the decline in oil prices observed prior to the recent spike. According to the BCCh, the pass-through from the significant cost shock experienced in 1Q26 has remained broadly consistent with historical patterns, limiting its impact on underlying inflation dynamics. However, the latest CPI release surprised to the upside, roughly doubling market expectations. More than 80% of the monthly increase was driven by volatile food and transportation components, highlighting the concentration of recent price pressures in a limited set of categories. As a result, headline inflation rebounded to above 4% y/y, while core inflation remained contained at slightly above 3% y/y. Additional evidence points to limited inflation broadening: excluding the temporary distortions associated with CyberDay promotions in Jun-Jul, the diffusion index has remained close to historical norms, suggesting that broader second-round effects have yet to materialize across the CPI basket. Looking ahead, the main upside risks stem from renewed uncertainty around fuel prices amid heightened geopolitical tensions and the potential impact of El Niño on food prices. Overall, we expect headline CPI inflation to reach 4.5% y/y by year-end and 3% by Dec-27.

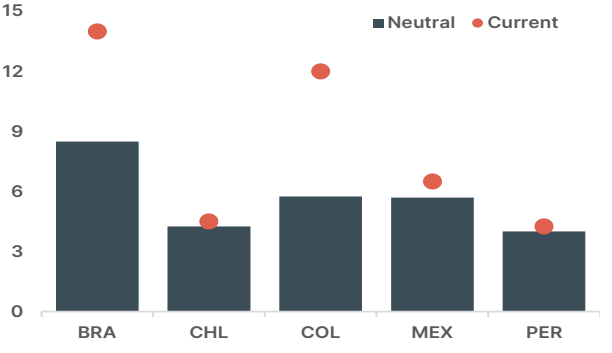
We expect the BCCh to keep the policy rate unchanged at 4.5% through year-end and likely well into 2027 amid mixed macro signals.

Monetary policy on hold but ready to act if necessary. We expect the BCCh to keep the policy rate unchanged at 4.5% through year-end and likely well into 2027, as key macroeconomic drivers continue to send mixed signals. On the one hand, the economy has weakened more than anticipated, reflecting a combination of supply-side shocks (mining, fishing, and El Niño-related disruptions) and demand-side headwinds (weaker confidence, consumption, and investment). In addition, a structurally weak labor market is likely to constrain household consumption growth. On the other hand, inflation remains above target, and inflation risks continue to warrant caution. The external backdrop remains highly uncertain, while domestic medium-term fundamentals have improved following the approval of the Reconstruction Law, which should support stronger investment prospects and provide incentives for the real estate sector. Against this backdrop, we expect the BCCh to continue prioritizing communication and forward guidance over immediate policy action. The policy rate should remain stable in the near term, unless persistent increases in oil prices generate broader second-round effects and spill over into other components of domestic inflation.

Inflation (% change y/y)



Policy rates (%)



Source: BCCh, INE, Credicorp Capital.

Fiscal near-term improvement on higher commodity prices but medium-term challenges remain

The MoF now expects the fiscal deficit to be 2% of GDP in 2026, 0.4pp lower than previously projected.

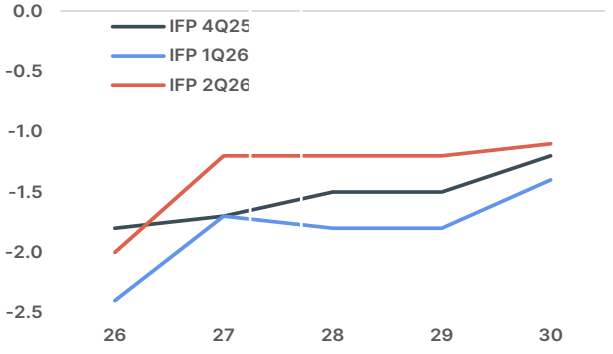
Short-term fiscal metrics have improved modestly, supported by stronger commodity-related revenues and expenditure restraint. The 2Q26 Public Finances Report -the second under the new administration- showed that the expected fiscal deficit was revised to 2% of GDP in 2026, 0.4pp lower than previously projected. The revision was supported by higher fiscal revenues from mining taxpayers, Codelco, and Corfo's lithium-related revenues, as well as other sources such as social security contributions. Fiscal expenditure was revised down due to fiscal consolidation efforts, which, according to the authorities, help contain expenditure growth despite ongoing spending pressures. Public debt was revised down to 42.7%, a decline of 0.4pp relative to the previous estimate, consistent with a lower fiscal deficit and favorable debt valuation effects, which were partially offset by higher below-the-line financing requirements.

Medium-term risks remain. Recently, the MoF evaluated two scenarios: a base case and an alternative scenario incorporating the approval of the Reconstruction Law. In the alternative scenario, pro-investment reforms boost capital expenditure, lifting GDP growth to 3.7% in 2027 and approximately 3.5% thereafter. Stronger growth improves fiscal outcomes and keeps debt below 45% of GDP throughout the projection horizon.

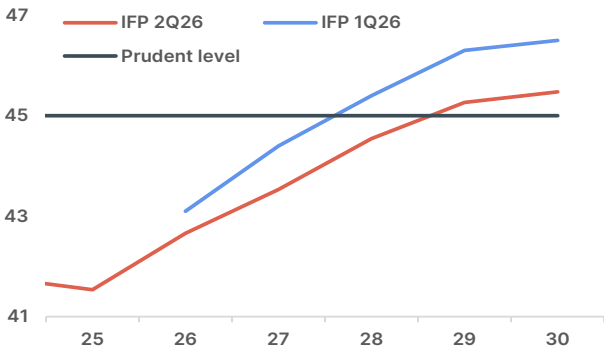
The Reconstruction bill represents a key pillar of the medium-term fiscal strategy. However, additional structural measures may ultimately be required.

We expect a fiscal deficit of 2.2% of GDP this year and 1.4% in 2027. Stronger commodity prices and expenditure-containment measures are supporting a near-term improvement in fiscal metrics. Even so, GDP growth assumptions for this year at 1.8% are clearly outdated and will require substantial revisions. In the mid-term, achieving fiscal balance by the end of the administration would require a materially more ambitious expenditure adjustment than is currently contemplated. Consequently, while fiscal consolidation is underway, full convergence to fiscal balance by the end of the term appears unlikely at this stage. The Reconstruction bill represents a key pillar of the medium-term fiscal strategy. However, additional structural measures may ultimately be required to reduce reliance on revenue gains from stronger economic growth alone.

MoF's effective fiscal balance forecast (% of GDP)



MoF's gross debt forecast (% of GDP)



Source: Dipres, Minister of Finance, Credicorp Capital.

USDCLP: driven by monetary policy decisions in the near term; constructive through 2027

The USDCLP has closely tracked developments in the Middle East due to their implications for oil prices and global risk sentiment.

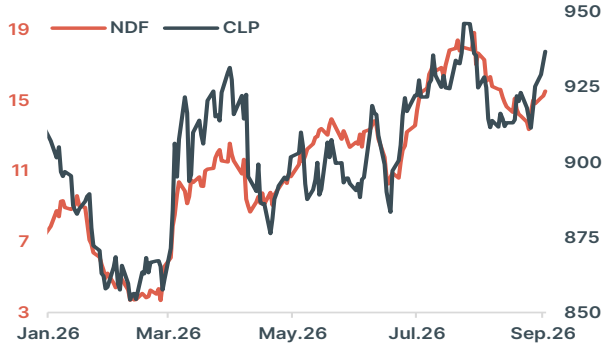
The geopolitical landscape remains highly uncertain. The USDCLP has closely tracked developments in the Middle East due to their implications for oil prices and global risk sentiment. Limited and short-lived progress toward a potential US-Iran agreement has kept uncertainty elevated, contributing to a more than 3% depreciation of the CLP YTD despite copper prices remaining near record highs, in contrast with most LatAm currencies that have appreciated significantly. At the same time, resilient US economic data and renewed inflation concerns have increased market expectations of further Fed tightening, supporting a stronger USD. Conversely, Chile's economy continues to disappoint, prompting a sharp downward revision to 2026 GDP growth expectations.

Near-term noise, constructive 2027 outlook. Monetary policy paths between the Fed and the BCCh are also expected to diverge. While the likelihood of a Fed rate hike has increased, the BCCh is likely to keep rates unchanged for several quarters amid mixed domestic signals, leaving rate differentials relatively tight. Foreign investors remain heavily positioned against the CLP, with offshore bearish exposure rising from an average of USD 7bn in 1Q26 to nearly USD 16bn in 3Q26, reflecting concerns over Chile's vulnerability to higher energy costs and fading post-election optimism. Despite these headwinds, medium-term fundamentals have improved. The Reconstruction Law, together with elevated copper prices, lower corporate taxes, tax stability mechanisms, and structural reforms, supports a more favorable investment environment and stronger potential growth. As a result, while USDCLP is likely to remain highly sensitive to energy prices, geopolitical developments, and Fed decisions in the near term, we maintain a constructive medium-term view on the Chilean peso.

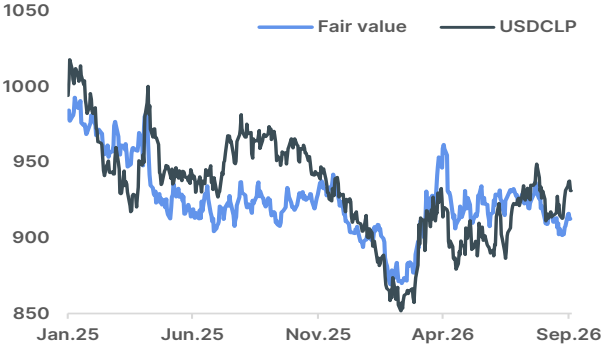
High copper prices, improving investment prospects, and stronger medium-term growth fundamentals underpin a constructive CLP view.

We expect the USDCLP to reach $925 by Dec-26. Against this backdrop, USDCLP remains highly sensitive to both energy prices and Fed decisions in the near term. However, structurally high copper prices, improving investment prospects, and stronger medium-term growth fundamentals underpin a constructive view on the CLP. We forecast USDCLP at $925 by Dec-26 and $880 by Dec-27.

NDF and USDCLP (USD bn; level)



USDCLP fair value (level)



Source: BCCh, Bloomberg, Credicorp Capital.

Colombia

The change of government has raised optimism; high polarization and governability remain key challenges

The higher optimism rests on the expectation of both a credible fiscal plan and a pro-growth agenda focused on creating the conditions for a sustainable recovery of investment.

Since the victory of Abelardo de la Espriella in the presidential election, optimism has risen. Overall, it has been clear in the reduction of the country risk premium measured by the CDS, COP outperformance, and the recovery in business confidence and investment expectations. The higher optimism rests on the expectation of both a credible fiscal plan to gradually reverse the strong deterioration of public finances in the past years and a pro-growth agenda focused on creating the conditions for a sustainable recovery of investment.

In any case, the new administration's governability will be a key challenge amid heightened political polarization. The closed electoral outcome (a difference of 252k votes) means the country remains split and that social mobilization could be a permanent threat to the government. Likewise, Congress remains highly fragmented. However, it is worth noting that President De la Espriella has decided to be highly present in regions to strengthen decentralization, which has been favorably viewed by political experts, as a greater State presence and more targeted policies for the regions could help reduce polarization, lower social tensions, and increase governability. On its part, the government's majorities in Congress currently stands at around 55-60%, which could allow the administration to advance reforms. The debate of the 2027 budget and the announced 'Rescue Package' will be worth monitoring (see fiscal section).

The 10-Aug earthquake changed the new government's agenda, but it may also create opportunities. The preliminary estimated earthquake-related costs amount to ~COP 30tn, which has changed the government's priorities and agenda. That said, it could be seen as an opportunity as: i) Ivan Cepeda won the election in the region most impacted by the earthquake, meaning that an efficient management of the reconstruction process could also lead to a larger De la Espriella's governability; and ii) the reconstruction process could accelerate the recovery in investment.

We think that quick wins in strategic sectors, together with adequate management of post-earthquake reconstruction, could materially contribute to strengthening governability.

Quick wins on strategic fronts could also strengthen the government. The new administration will have to handle significant challenges in strategic sectors: i) defense amid a strong deterioration in security conditions in the context of a failed 'total peace process' in the prior government; ii) healthcare, following the strong deterioration of the system as the Petro administration tried to carry out structural changes; iii) a weaker energy sector in the absence of entry of new capacity in recent years and as the country is importing natural gas for domestic consumption for the first time in 45 years; iv) the latter, in the face of an El Niño phenomenon that could be one of the most severe in decades; and v) all this amid a critical fiscal situation. Under this challenging scenario, we think that quick wins in these strategic sectors, together with adequate management of post-earthquake reconstruction, could also materially contribute to strengthening governability.

The government has focused its efforts on coming clean about the fiscal accounts and improving security conditions. As we detail later, the government has launched a strategy to begin a fiscal consolidation process through reductions in public spending and pro-growth measures. On its part, the new administration decided to end the peace talks with illegal groups that the prior government had started under the 'total peace process' and has reported since it took office: i) more than 15,000 arrests, ii) near 50,000 kg of narcotics seized, iii) more than 50 extraditions, and iv) almost 1,300 hectares of coca crops eradicated. The government has also committed resources to improve the energy and the health systems.

Economic imbalances are set to correct as consumption moderates and investment recovers gradually

As we have warned in previous reports, overall activity has remained healthy but mounting imbalances have become clearer.

After expanding 2.6% in 2025, the economy accelerated to 2.9% y/y in 1H26, although imbalances remain evident. As we have warned in previous reports, overall activity has remained healthy but mounting imbalances have become clearer amid solid behavior in total consumption (1H26: 4.3% y/y), while investment has remained sluggish (0.8% y/y), keeping the investment-to-GDP ratio at a very low 16.7%. Importantly, public consumption grew an eye-catching 12.6% y/y in 1H26, the highest figure in at least the last 20 years, which is in line with strong fiscal slippage during the Petro's administration and the electoral period.

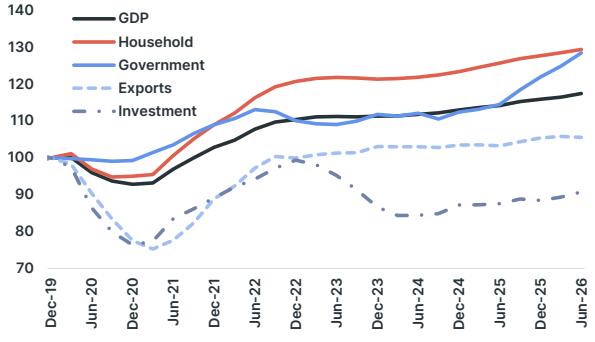
We expect a more balanced economic growth ahead as consumption slows down and investment gradually recovers.

We expect a more balanced economic growth ahead as consumption slows down and investment gradually recovers. On the public consumption side, the new government has announced measures to improve public finances through fiscal spending cuts (see the fiscal section). On its part, private consumption is expected to decelerate ahead amid higher inflation and interest rates, a double-digit reduction in workers' remittances in COP terms, a moderation in coffee-related income, and a normalization of the labor market after reaching record-low unemployment rates with public-sector hiring playing a non-negligible role in recent years. Conversely, we foresee a gradual recovery of investment as higher regulatory certainty should unlock projects in strategic sectors strongly affected by political noise in the last years. In fact, the jump in business and investment confidence after the presidential election supports this view.

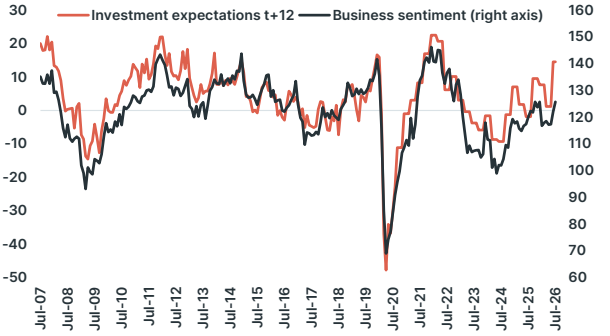
The post-earthquake reconstruction process and much higher-than-projected oil prices will also partly offset the downside pressure from the expected consumption adjustment. The negative effect from the 10-Aug earthquake on 3Q26 GDP is expected to be mild given the economic weight of the region where the event occurred and considering that the interruption of basic services, transport and logistics was relatively brief; conversely, the reconstruction process is set to have a more visible impact on economic growth in the next quarters, contributing to a faster recovery in investment, in line what has been seen in similar events in the past and other countries. On its part, elevated crude prices will benefit the terms of trade, government revenues, and oil-related projects in the context of expected measures by the new government to foster investment in the sector.

All in, we expect GDP to grow 2.6% in 2026 and 2.2% in 2027 (previously, 2.5% and 2.3%, respectively). As we show in this note, the effect of the El Niño phenomenon on activity has historically been modest. However, this time the climatic event is the main downside risk to our projections amid a weaker energy sector, as no new capacity has come online in recent years, and the country is importing natural gas for domestic consumption for the first time in 45 years.

GDP on the demand side (Dec-19=100, s.a.)



Business confidence and investment expectations



Source: DANE, BanRep, Credicorp Capital

High interest rates for longer amid upside risks to inflation and historic fiscal pressures

We are assuming an accumulated effect of the El Niño on total inflation of nearly 1pp, but risks remain to the upside.

Inflation remains way above the target range (2-4%) and the risks balance is still biased to the upside. Headline inflation currently stands at 6.24% y/y, up from 5.1% in Dec-25, amid the anticipated effect of the 24% minimum wage hike and strong domestic demand (1H26: 3.7% y/y), with the runway in public spending playing a key role. These factors have been particularly reflected in the core measures average, which reached 6.36% in Aug-26 (Aug-25: 5.08%). In any case, both regulated and food inflation have also contributed to the elevated headline figure amid factors ranging from climatic events to the impact of the war in the Middle East on fuel and input prices. Conversely, the sharp COP appreciation during the last year has prevented inflation from reaching even higher levels.

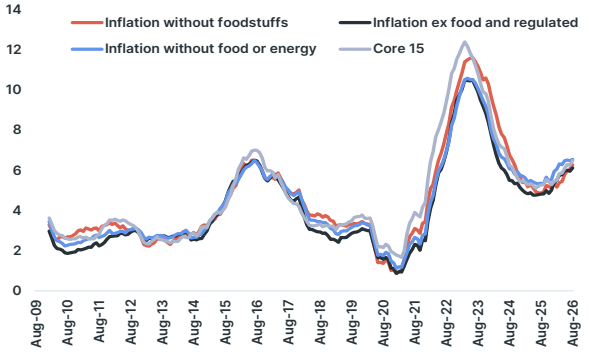
We hold our inflation estimates at 7% for year-end and 5% for Dec-27. These projections already include the potential effects of the El Niño phenomenon, which would be one of the most severe in decades, according to experts. As we show in our special report, the main impact of El Niño in Colombia is on inflation through food prices—driven by agricultural supply constraints—and electricity tariffs due to droughts. Currently, we are assuming an accumulated effect of the climatic event on total inflation of nearly 1pp. In any case, we acknowledge that the risks balance is tilted to the upside as the likelihood of electricity rationing in some regions is higher this time around, driven by a context in which no new capacity has come online in recent years and the country is importing natural gas for domestic consumption for the first time in 45 years.

Given still-high risks, we prefer to stand on the cautious side, meaning that we do not rule out 50-bps of further hikes this year and higher-for-longer rates.

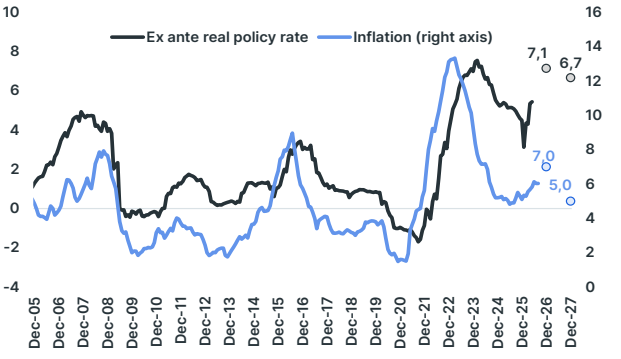
Under this scenario, the BanRep stayed put at 12% in the Jul-26 meeting. Although the decision surprised the market consensus (12.50%), we deem it as a tactical pause taking advantage of the room provided by i) the compression in the sovereign risk premium following the presidential election results amid the expectation of a gradual improvement in fiscal accounts and ii) the disinflationary effect of the sharp COP appreciation. Thus, BanRep maintains degrees of freedom to make additional adjustments if necessary, amid still-heightened uncertainty on several fronts, including: i) oil prices volatility, ii) the potential second-round effects of the El Niño event, and iii) the future Fed's rate path.

All in all, we prefer to stand on the cautious side, meaning that we do not rule out 50-bps of further hikes this year and higher-for-longer rates. Given the still high uncertainty and the intense discussion within the BanRep's board, we prefer to keep our Repo rate estimate at 12.50% for year-end. For 2027, we now expect it to reach 10.50% (10% previously) amid still-elevated inflation expectations and the new government's recognition that fiscal deficits will remain very high next year despite the announced efforts on the spending side (see next page).

Core inflation measures (% change y/y)



Ex-ante policy rate vs inflation (%)



Source: DANE, BanRep, Credicorp Capital

Fiscal accounts: a reality check; a gradual adjustment is set to begin, but the situation remains challenging

According to the financial plan update, the total fiscal deficit will reach 7.2% of GDP this year, including announced spending cuts of COP 21.9tn.

The new Minister of Finance, Miguel Gómez, presented the real fiscal situation, which is even tougher than thought before. The truth is, no one in the market believed in the MTFF26's optimistic fiscal scenario presented by the Petro administration; thus, the first pillar of the new government's strategy has been to come clean about the fiscal accounts. According to the financial plan update, the total fiscal deficit will reach 7.2% of GDP this year (primary deficit [PD]: 3.3%), including announced spending cuts of COP 21.9tn; otherwise, the total fiscal deficit would reach 8.2% of GDP (PD: 4.4%). These numbers compare to the 5.3% of GDP headline deficit of the MTFF26.

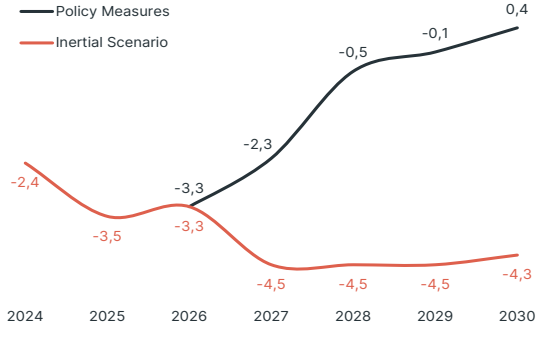
More importantly, the 2027 budget represents a sharp increase of 10.3% to COP 635tn vs. the initial version presented by the Petro's government, reaching an impressive 30% of GDP. According to the MoF, the higher figure is the result of i) recognizing previously unfunded obligations in healthcare, pensions, payroll, FEPC, among others, for COP 25tn, ii) incorporating a more sensible macro scenario, iii) including higher debt service for COP 37.4tn amid a more conservative debt-management strategy, and iv) adding the needed resources for reconstruction after the 10-Aug earthquake. In any case, the new budget also embeds austerity measures for COP 17.4tn (0.8% of GDP), focused on transfers.

In the absence of further measures, the 2027 budget would entail a Central Government's fiscal deficit of 9.4% of GDP next year; however, the MoF will submit a 'Rescue Package' to Congress.

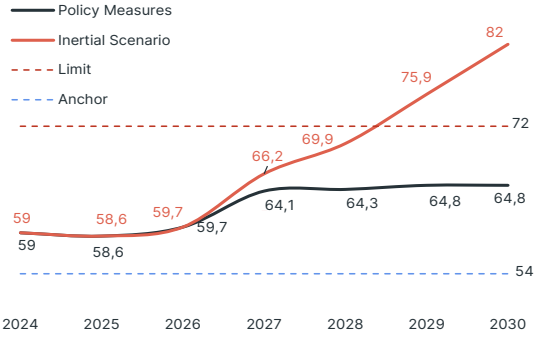
In the absence of further measures, the 2027 budget would mean a Central Government's fiscal deficit of 9.4% of GDP (PD: 4.5%) next year; however, the MoF will submit a 'Rescue Package' to Congress. Overall, the potential deficit of 9.4% of GDP in 2027 is the inertial scenario, which also removes contingent revenues for ~1.5% of GDP included in the MTFF26, but the government will present a reform aimed at generating fiscal savings of 2.2% of GDP through spending cuts, thereby bringing the headline deficit closer to 7.2% of GDP next year (PD: 2.3%).

In the medium term, the new government's fiscal strategy targets a demanding reduction of the primary deficit until reaching a surplus of 0.4% of GDP by 2030. Under this scenario, the net debt to GDP ratio would remain relatively stable in the 61-65% range between 2027-2030. In other words, the main target is to stabilize debt during the government's term rather than seek a reduction amid current challenging conditions. According to Minister Gómez, the reforms will mainly be focused on expenditures, complemented by measures to increase permanent revenues. Likewise, the fiscal adjustment is set to accompany a pro-growth agenda, all amid the need for a national agreement to achieve the goals. All in all, we think the steps taken are in the right direction, but the reality check provided in the 2027 budget update highlights persistent challenges and a rough path ahead.

Primary balance (% of GDP)



Net debt (% of GDP)



Source: MoF, Credicorp Capital

COP: models suggest an overshooting, but fiscal funding needs may keep downward pressure on the FX

Government monetizations, rate spreads, PF's investment limits, oil prices and lower risks premium have explained COP outperformance.

After appreciating by nearly 20% so far this year, the Colombian peso has become, by a wide margin, the best-performing currency across EM. Since 3Q25, the COP has significantly outperformed its peers amid: i) government FX monetizations totaling nearly USD 7bn in 2H25; ii) a widening interest rate differential vs. the Fed after the significant increase in the BanRep's policy rate in response to inflationary pressures, in an environment of strong global appetite for carry trade strategies; iii) the decree enacted in Apr-26 that reduced foreign investment limits for PFs; iv) much higher oil prices than initially expected in a context in which Colombia is the major net oil exporter in the region, favoring terms of trade and leading to CAD projections of 2.7% of GDP this year and 3.3% in 2027, relatively moderate levels; and v) a significant decline in the country risk premium following the presidential election; indeed, this latter factor has been particularly important in recent months.

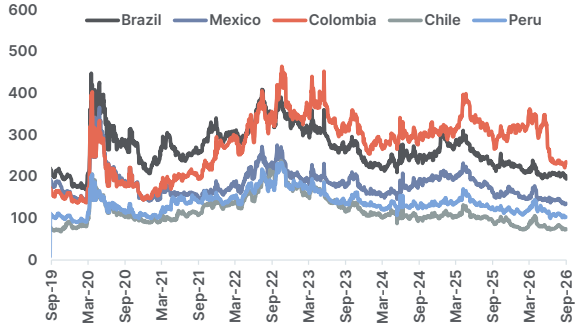
More recently, the expectation of USD monetizations by the government has been a key factor in the FX downward trend, in our view. The government has revealed higher borrowing needs amid still-elevated fiscal deficits. For this year, the MoF has increased external financing by ~USD 3bn, which could maintain downward pressure on the FX in the coming months.

We have cut our FX projections to USDCOP 3,250 for Dec-26 and 3,600 for Dec-27 (previously at 3,450 and 3,800) with potential government monetizations playing a key role.

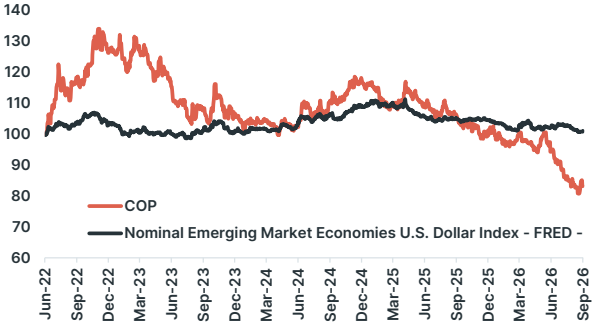
In any case, our fundamentals-based models suggest that the FX fair value currently stands near USDCOP 3,500. Accordingly, we are of the view that current levels may reflect a possible overshooting, which would not be unusual. Indeed, the COP also overshot, albeit in the opposite direction, following Petro's election in 2022, a move that subsequently reversed during the following year.

Hence, although we recognize that government funding needs and oil prices could keep downward pressure on the FX in the coming months, we hold the view that current levels are attractive for building long USD positions for the medium term. Overall, overshooting periods may last several months, and potential government monetizations and high oil prices may help keep downward FX pressures in the short term. That said, our models suggest a gradual COP depreciation ahead as: i) the BanRep's tightening cycle seems near to its end and markets are pricing further Fed rate hikes, meaning that the rate spread is less likely to continue widening; ii) oil price prospects remain to the downside in the mid term; iii) the MoF has stated that the new administration will likely repeal the PFs' foreign investment limits decree; and iv) the fiscal situation is set to remain challenging, meaning that the space for a further risk premium compression is now more limited. All in, we have cut our FX projections to USDCOP 3,250 for Dec-26 and 3,600 for Dec-27 (previously at 3,450 and 3,800) with potential government monetizations playing a key role.

10-Yr Credit Default Swaps



EM Currency Index: COP vs. FRED (Jun-22 = 100)



Source: Refinitiv, Credicorp Capital

Peru

Governability is set to be a risk, but the prospects of higher political stability have materially improved

Governability is set to be a key challenge for Fujimori's administration amid heightened political polarization and a fragmented Congress. Keiko Fujimori won the presidential election by only ~50,000 votes, indicating that the country remains highly polarized. Congress remains fragmented, as the ruling party (Fuerza Popular) currently holds 37% of Senate seats and 32% of the lower chamber, meaning the new government will have to negotiate to secure approval for reforms.

The return to a bicameral Congress is set to be a positive development, as the Senate composition with a bias towards right-wing parties is likely to contribute to more political stability.

Having said that, the prospects for higher political stability have materially improved. The return to a bicameral Congress is set to be a positive development, as the fragmented composition of the Senate with a bias towards right-wing parties (currently around 50% of Senate vs. 30% of left parties) is likely to contribute to more political stability: i) radical reforms are now less likely; ii) the likelihood of a vacancy motion against Fujimori is rather low as it requires a 2/3 vote in both chambers and Fuerza Popular represents more than 1/3 of Senate on it is own; and iii) Senate can approve, amend or reject bills passed by the lower chamber and plays a key role in institutional appointments (e.g., members of BCRP's board, Constitutional Court magistrates and the comptroller general). In any case, we acknowledge that, amid Congress fragmentation, the risk of populist measures and censure motions against the cabinet will remain.

Accordingly, sentiment has significantly risen, especially as improvements in key matters like security, regulatory certainty, investment prospects, and fiscal management are expected. The Fujimori administration submitted to the lower chamber the request for 120 days of delegated legislative powers to advance a broad package of reforms. This includes 66 requests in crucial matters such as: i) security, ii) the strengthening of SME's, iii) labor market and employment promotion, iv) administrative simplification, the elimination of bureaucratic barriers, and digital transformation, v) agricultural and natural resources (mining, hydrocarbons, water) development, vi) modernization of the state, and vii) housing. The debate and approval process is likely to take some weeks, and the final outcome will perhaps be the first major test of the government's political capital in Congress.

The new Minister of Finance, Elmer Cuba, recently announced several measures aimed boosting productivity and preserving fiscal sustainability: i) the reactivation of the Fuel Price Stabilization Fund to mitigate the impact of rising international oil prices on domestic fuel prices; ii) the establishment of four presidential commissions focused on: labor formalization, the development of financial and capital markets, public investment reform, and the reduction of tax evasion; iii) legal actions before the Constitutional Court against laws with significant fiscal costs, particularly those related to pensions and public-sector labor benefits that could increase the fiscal deficit from 1.8% to 3.0% of GDP in 2027; iv) a strategy to reduce VAT and income tax evasion; v) higher tax collection through broadening the tax base, without increasing tax rates; and vi) streamlining mining permitting processes without modifying the existing mining royalty distribution framework (canon).

Sentiment has significantly risen, especially as improvements in key matters like security, regulatory certainty, investment prospects, and fiscal accounts are expected.

All in, we think that the overall proposals go in the right direction and population and entrepreneurs seem to agree. According to the most recent CPI poll, Fujimori's approval rate stands at 52.6%. On its part, investment confidence has reached its highest level of the last 15 years, according to the SAE poll. Hence, it is clear that the new government's proposals have been taken favorably. In any case, effective execution and implementation will be the real test, with negotiation with Congress and coordination with subnational authorities being critical success factors, especially under the current backdrop of political polarization. Indeed, the regional elections to be held on October 4th are worth monitoring.

In the absence of El Niño, the economy would grow around its long-term average of 4.2%

Private investment surged by 18% y/y in 2Q26, the highest expansion since 2010, excluding the post-pandemic rebound.

Private investment continues to lead economic growth. In 2Q26, GDP expanded by 2.6% y/y (1Q26: 3.6%), reflecting the adverse impact of El Niño on sectors such as fishing and agriculture. Nevertheless, domestic demand rose 5.2% y/y (1Q26: 6.7%), underpinned by strong private spending. Private consumption grew by 3.7% y/y (1Q26: 3.6%), supported by resilient employment and accelerating consumer loans. Meanwhile, private investment surged by 18% y/y (1Q26: 13%), the highest expansion since 2010, excluding the post-pandemic rebound. In detail, mining investment increased by 34% y/y (1Q26: 39%), driven by higher capital expenditures in projects such as Tía María, Coroccohuayco, and Shougang. Residential investment expanded by 5.1% y/y (1Q26: 7.3%), while non-residential non-mining investment rose 21% y/y, reflecting stronger investment activity in transportation, energy, and telecommunications.

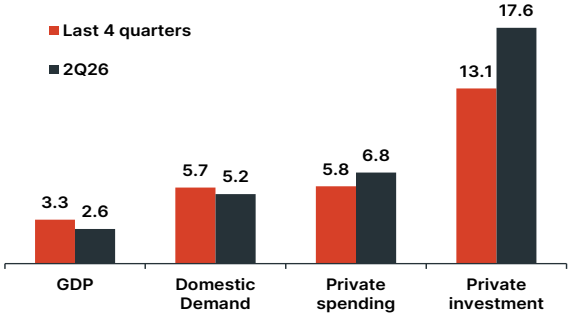
We hold our GDP growth forecast at 3.2% for 2026. Our GDP growth forecast for 2026 remains unchanged since Dec-25. Nonetheless, the composition of growth has changed. On the one hand, primary sectors will decline this year (they fell -3% y/y in 1H26), mostly as a response to adverse climate conditions reflecting the El Niño phenomenon. Amid current weather conditions, we do not expect any significant anchovy capture for the remainder of the year, while agriculture will also remain in negative territory in the coming quarters as yields are adversely affected. In contrast, non-primary sectors (led by construction, commerce and services) will lead economic activity and grow close to 5% in 2026, compared to 3.5% in 2025.

With terms of trade at record highs, a pro-investment government, and more efficient public investment, Peru could grow 2pp above its long-term trend.

In the absence of El Niño, GDP growth prospects for 2027 would converge above 4%, in line with robust macro drivers. Nonetheless, a coastal El Niño is expected to persist until 2027, with a strong-to-extraordinary intensity throughout 2H26. The likelihood of a strong-to-moderate event for 1Q27 stands at 56%, while the likelihood of an extraordinary event has risen to 43% (8% in Jun-26). In our baseline scenario, GDP would grow around 3% in 2027. Nonetheless, risks are tilted to the downside should a severely disruptive event materialize entailing higher-than-anticipated impacts (rainfall in the north and drought in the south of the country).

Growing between 4.0%-4.5% is the baseline amid a new administration. Peru could, under minimally demanding conditions, attain growth in line with its long-term trend. Between 1993-2025, Peru's GDP expanded an average of 4.2%, similar to the century-long average between 1922-2025, excluding the lost decade of the 80s. With terms of trade at record highs, a pro-investment government, and more efficient public investment, Peru could grow 2pp above its long-term trend. During 1948-1956 and 2004-2013, both periods characterized by highly favorable terms-of-trade shocks, market-friendly policies, and strong public investment, Peru recorded average annual growth of nearly 6.5%.

GDP on the demand side (% change y/y)



Source: BCRP, BCP MacroResearch, Credicorp Capital

BCRP: contribution to GDP loss by episode of El Niño event in Peru (pp.)

	1998	2017	2023
Primary Sectors	**1.1**	**0.5**	**0.7**
Agriculture and Livestock	0.1	0.1	0.3
Fishing	0.2	0.1	0.1
Primary resources manufacturing	0.8	0.3	0.3
Non-Primary Sectors	**0.6**	**0.3**	**0.4**
GDP	**1.7**	**0.8**	**1.1**

BCRP to remain on hold waiting for supply-side shocks but likelihood of an increase on the rise

Given the persistence of high oil prices, the potential impacts of El Niño, and the risks of higher soft commodity global prices, we expect inflation to be 4.7% by Dec-26.

In Aug-26, headline inflation stood at 4.4% y/y, above the Central Bank's target range for the 6th consecutive month. Core inflation stood at 4.5% y/y, the highest in 3 years. It is worth noting that inflation in transportation services (+17% y/y) has accounted for a large share of the acceleration. Core inflation ex-transportation stood at 1.8% y/y, within the target range (1%-3%). 12-months ahead inflations expectations reached 3.05% in Aug-26, and expectations for 2027 stood at 2.6%. Importantly, the Central Bank has highlighted that 38% of the CPI items are currently posting a variation exceeding 3%, in line with what has been observed since Peru adopted the inflation targeting regime. Despite robust domestic demand, there are few signs of inflationary pressures in other goods and services.

We increased our inflation forecast to 4.7% in 2026. Cumulative inflation between Jan/Aug-26 already stands at 4.2%. Moreover, given the persistence of higher oil prices amid the conflict in the Middle East, the potential impacts of El Niño on local food prices, and the risks of higher soft commodity global prices (wheat has risen 50% YTD) translating into local prices, we expect inflation to stand at 4.7%. PEN appreciation could tilt risks to the downside. For 2027, we expect a gradual normalization of current supply-side shocks, with inflation around 2.5% by year-end. Nonetheless, risks are again skewed to the upside should the effects of supply-side shocks persist beyond currently expected timelines.

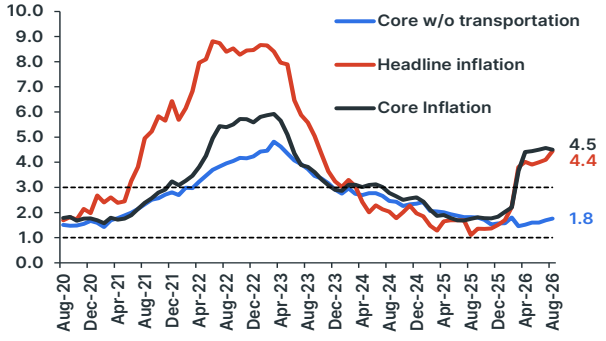
Although the current discussion revolves around a rate hike in the event of an extraordinary El Niño, it also raises the possibility that the BCRP lowers its policy rate instead.

BCRP will hold its policy rate at 4.25% but evaluate adjustments to the policy stance. In our view, the Central Bank will hold its policy rate at 4.25% as it waits and evaluates new information regarding: i) the evolution of core inflation excluding transportation and inflation expectations, ii) the duration and intensity of the conflict in the Middle East which pressures international oil prices, iii) the potential effects of El Niño on domestic prices and activity towards the Peruvian summer, iv) FOMC decisions amid a narrow BCRP vs FED spread (currently at 50pbs), and v) the fiscal policy reaction and fiscal deficit evolution in the coming quarters.

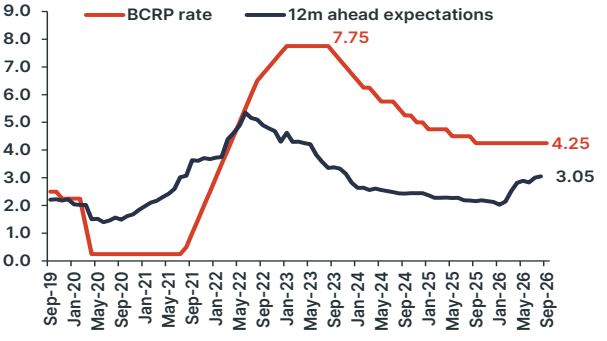
A rate hike can not be ruled out. Despite our view, we note that the likelihood of a rate hike by the BCRP is rising at the margin. In particular, we note that the main inflation gauges (headline and core) remain above the target range, which could, if sustained, contaminate inflation expectations for 2027.

Non-linearities amid El Niño. Even though the current discussion revolves around a rate hike in the event of an extraordinary El Niño during the Peruvian summer (which leads to severe damage to infrastructure and growth notably below its potential), it also raises the possibility that the BCRP lowers its policy rate instead. In 2017 and 2023, the BCRP began lowering its policy rate amid weak domestic demand and as inflation metrics converged towards the target range.

Inflation indicators (% change y/y)



BCRP rate and inflation expectations (%)



Source: BCRP, INEI, BCP MacroResearch, Credicorp Capital

Improving fiscal accounts amid structural challenges

The MoF expects: i) GDP growth of 3.4% in 2026 and 2027, and 4.0% on average between 2028-2030, ii) fiscal ceilings to be met (2026: 1.8% of GDP, 2027: 1.4%, 2028 to 2030: 1.0%, and iii) public debt around 30% by 2030.

The fiscal deficit narrowed to 1% of GDP. As of Jul-26, the annualized fiscal deficit stood at 1.0% of GDP, below the fiscal rule ceiling (1.8%). Fiscal revenues have increased 18% y/y during Jan/Jul-26, in line with higher export prices and a strong domestic demand (Income Tax: +19%, Domestic VAT: 14%). In contrast, non-financial government spending increased 8% y/y in the same period (current spending: 12%, public investment: 3%).

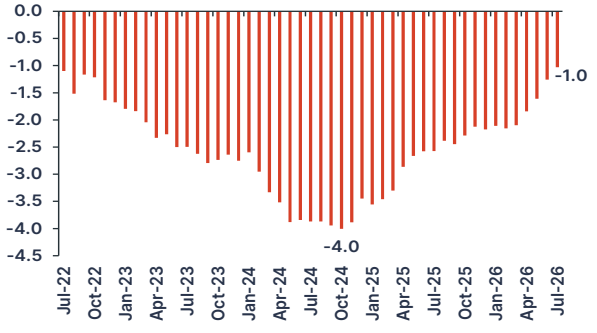
The Ministry of Finance published the Macroeconomic Fiscal Framework 2027-2030. The document presents the macroeconomic inputs for the 2027 public budget bill and considers: i) GDP growth of 3.4% in 2026 and 2027, and 4.0% on average between 2028-2030, ii) fiscal ceilings being met (2026: 1.8% of GDP, 2027: 1.4%, 2028 to 2030: 1.0%, and iii) public debt around 30% by 2030. Importantly, we note that the new Finance Minister, Elmer Cuba, has announced his intention to make marginal changes to the fiscal rules in the forecast horizon amid the risks of El Niño and other spending pressures, but no formal proposal has been presented yet. Also, the government presented the 2027 public budget bill, totaling PEN 267bn, a 3.5% nominal increase over last year's budget. Personnel and social obligations spending would increase by 3%, whereas non-financial asset acquisition (related to public investment) would grow 5%. We note that PEN 2.5bn have already been assigned for El Niño prevention.

Fiscal Council's (FC) opinion on MoF forecasts. First, before assessing any further amendments to the fiscal rules to address additional and temporary financing needs arising from El Niño, the government should evaluate the fiscal space generated by the significant revenue increases projected for 2026 and 2027. Second, with respect to fiscal risks not fully identified in the MFF, the CF reiterated the need for deeper analysis of risks stemming from Petroperú's persistent financial challenges and from potential spending pressures associated with the simultaneous execution of large-scale infrastructure projects involving substantial government co-financing. Finally, the FC reiterated that laws with adverse fiscal impact, mostly those enacted by Congress during 2021-2026, continue to pose risks to fiscal sustainability (316 identified, 70 of those with an annual cost estimated at PEN 70bn).

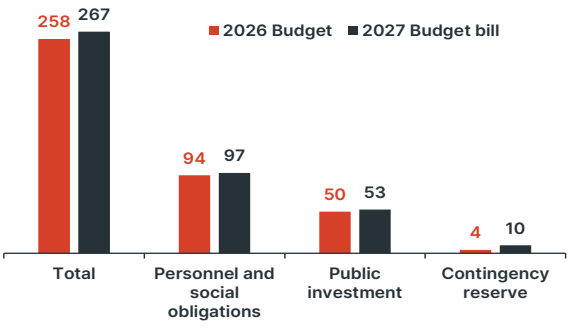
Laws with adverse fiscal impact, mostly those enacted by Congress during 2021-2026, continue to pose risks to fiscal sustainability.

MoF could still opt for a liability management operation given pre-emptive financial needs. According to our estimates, full-year government financing needs amount to ~PEN 25 bn in 2026 and PEN 28 bn in 2027. After the sovereign bond 2026 matured for PEN 1.4bn in Aug-26, and considering external financing sources, the potential use of public savings, and issuances through the local market makers program, we believe the MoF could still opt for a new international issuance before year-end with the exclusive objective of preemptively financing 2027 needs in a context of relatively narrow spreads against the US Treasuries.

Fiscal balance (% of GDP, annualized)



Peru's public budget (PEN bn)



Source: BCRP, Ministry of Finance, IMF, Fiscal Council, BCP MacroResearch, Credicorp Capital.

Further room for PEN appreciation

Peru recorded a current account surplus equivalent to 2.7% of GDP in 2Q26, bringing the rolling four-quarter surplus to 4.5% of GDP.

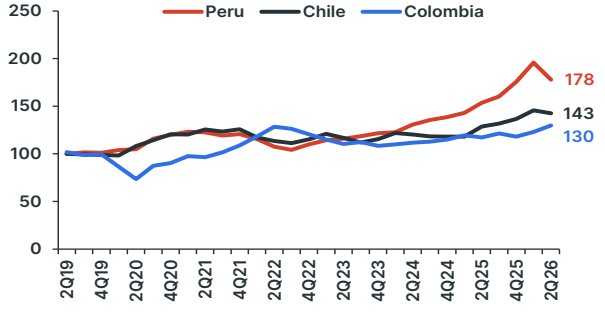
The current account surplus has remained elevated amid favorable terms of trade. During 2Q26, Peru recorded a current account surplus equivalent to 2.7% of GDP (1Q: 5.1%), bringing the rolling four-quarter surplus to 4.5% of GDP. The outcome was largely driven by exceptionally favorable terms of trade, which translated into an annualized trade surplus of USD 45 bn, a new record high. This effect was partially offset by a wider primary income deficit, reflecting a 33% y/y increase in profits of FDI-related firms in 2Q26. On the financial account, all major components posted net capital inflows. The private sector's long-term account registered net inflows of USD 641 mn, supported primarily by USD 3.2 bn in portfolio investment. The public sector account recorded inflows of USD 1.25 bn, reflecting increased holdings of sovereign bonds by non-residents. In addition, short-term capital flows turned positive, posting net inflows of USD 601 mn, compared with net outflows of USD 1 bn in 1Q26. We expect a current account of 4.0% of GDP in 2026 and 3.2% in 2027 in a context of strong terms of trade.

BCRP remains active, limiting further PEN appreciation. Throughout the year, the Central Bank has remained the most relevant participant in the FX market, which has limited PEN appreciation. As of 07-Sep, the BCRP has had a net demand of USD in the FX market of USD 16.9 bn (USD 4.1bn in net spot purchases, USD 4.7 in Certificate Deposits payable in USD, and USD 8.1 in net maturities), surpassing the total intervention of USD 9.8bn registered last year. 53% and 29% of total intervention were carried out during 1Q26 and 2Q26, respectively. In contrast, since May-26, off-shore accounts have remained as net USD suppliers in a context of strong perspectives for the Peruvian economy, while Pension Fund and Corporates have also remained as USD suppliers, albeit to a lesser extent. Even though the USDPEN remains flat YTD, it still appreciates ~5% y/y.

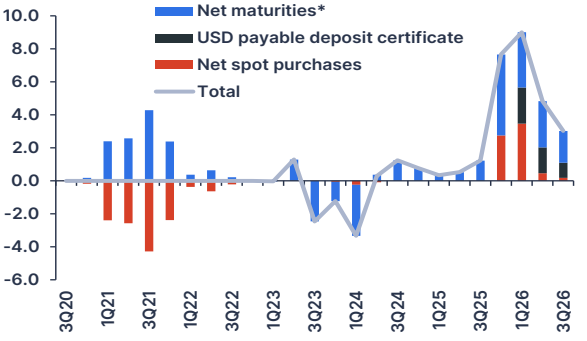
From a medium-term perspective, we see Peru's fundamentals continuing to point towards gradual PEN appreciation.

USDPEN to stand around 3.25 by year-end. Peru's macro fundamentals continue to support further PEN appreciation. These include record-high terms of trade, five consecutive years of current account surpluses, and a relatively weak US dollar. Nevertheless, episodes of volatility cannot be ruled out in the face of external and domestic shocks. On the external front, developments in the Middle East conflict, monetary policy rate in the US, and the US midterm elections (Nov-26) may affect global risk sentiment and put pressure on local assets. Domestically, the BCRP's policy decisions on FX intervention will be a key determinant in enabling further appreciation of the PEN. From a medium-term perspective, we see Peru's fundamentals continuing to point towards gradual PEN appreciation. If the FOMC raises its policy rate, USDPEN would move closer to 3.30.

Terms of Trade in Peru, Chile and Colombia (2019 = 100)



Central Bank's FX intervention (USD bn)



Source: BCRP, Central Banks, BCP MacroResearch, Credicorp Capital

	Chile	Colombia	Peru
Positives	▪ Approval of the Reconstruction Law including lower corporate taxes, tax invariability and investment incentives. ▪ Approval of the Pension Reform. ▪ Approval of other structural reforms related to mining royalty, working hours, tax evasion and avoidance, and the streamlining of the permitting process for investment projects. ▪ Record high investment pipeline for the next 5 years. ▪ Historically high terms of trade amid structurally elevated copper prices. ▪ Reduction in political uncertainty. ▪ Credible inflation-targeting and monetary policy frameworks, supported by solid economic institutions.	▪ Significant improvement in investment confidence after the presidential election amid pro-growth proposals and the expectation of lower regulatory uncertainty. ▪ Healthy growth in private consumption in the context of low unemployment rates, higher wages, record workers' remittances and tourism-related income. ▪ Still-elevated oil and gold prices maintain terms of trade at relatively high levels. ▪ Post-earthquake's reconstruction process could prove to be an opportunity to accelerate investment with productivity gains. ▪ The current account deficit remains at manageable levels, funded mainly by FDI. ▪ Government's announcement about initiating a process to reduce fiscal deficits.	▪ Investment confidence at its highest level in 15 years with the expectation of significant improvement of the political scenario and lower regulatory risks playing key roles. ▪ Four years of current account surpluses amid record high terms of trade. ▪ Private investment growing at its fastest pace since 2010 (ex pandemic). ▪ Expectations of interest rates near neutral levels during the forecast horizon. ▪ Strong cyclical improvement in fiscal accounts amid high metal prices and strong domestic demand. ▪ Overall, macro fundamentals (high international reserves, low public debt levels, and strong external accounts), remain healthy.
Negatives	▪ Much-lower-than-previously expected GDP growth this year amid supply shocks and weakening consumer fundamentals. ▪ Weak investment outlook in non-mining and non-energy sectors. ▪ A fragile labor market facing both cyclical and structural challenges. ▪ Rapid fiscal deterioration. ▪ Increasing exposure to climate change including wildfires, floods, landslides, drought, heavy rains. ▪ High exposure to commodity prices and external shocks with the CLP carrying the main burden.	▪ Fiscal accounts remain the economy's Achilles' heel with high fiscal deficits and increasing debt levels led by a runaway in spending. ▪ Increasing economic imbalances in recent years amid strong consumption, especially public, and a low investment-to-GDP ratio. ▪ High inflation due to public overspending, the 24% hike in the minimum wage and healthy private consumption, meaning high interest rates for longer. ▪ Still-high risk premium in debt markets. ▪ Heightened political polarization, fragmented Congress and deterioration in security conditions in recent years.	▪ Peru is usually the most adversely impacted country by El Niño in the region, meaning that 2027 GDP growth will be way below previous expectations. ▪ Still-high political polarization and fragmented Congress. ▪ Inflation stands at its highest level in three years amid supply shocks. ▪ Despite the cyclical improvement in fiscal accounts, structural challenges have arisen in recent years (Petroperú, government co-financing of large investment projects, approval of laws with fiscal impact). ▪ Increased violence (e.g., illegal mining).
Factors to watch	▪ Discussion in Congress of the Capital Markets Reform bill (MK4). ▪ Implementation of the pension reform. ▪ A fragile labor market as a potential catalyst for future social discontent. ▪ Political developments as the new administration faces governance and coalition-building challenges. ▪ Challenging fiscal consolidation process. ▪ Growing concerns about public safety. ▪ Pace of investment execution after the approval of the Reconstruction Law.	▪ Discussion in Congress of the 2027 budget and the 'Rescue Package' bill. ▪ Post-earthquake's reconstruction process. ▪ Evolution and impact of El Niño and the effective response by authorities. ▪ Political developments ahead of the 2027 regional elections. ▪ Implementation of the pension reform. ▪ Evolution of security conditions. ▪ Developments around Venezuela's situation due to its potential positive effect on Colombia.	▪ Evolution and impact of El Niño and the effective response by authorities. ▪ Discussion in Congress on the request for delegated legislative powers. ▪ Regional elections to be held on October 4th. ▪ Effective pace of unlocking investment projects. ▪ Evolution of security conditions amid higher violence due to the increased presence of criminal gangs and illegal mining.

Credicorp Capital's macroeconomic forecasts 2026-2027

	Chile					Colombia					Peru				
	2023	2024	2025	2026E	2027E	2023	2024	2025	2026E	2027E	2023	2024	2025	2026E	2027E
Nominal GDP (USD bn)	335.9	330.1	348.6	383.0	429.5	367.0	420.8	457.5	584.5	628.8	272.2	295.9	331.9	354.4	355.4
Real GDP (y/y)	0.5	2.6	2.4	0.5	3.3	0.7	1.5	2.6	2.6	2.2	-0.4	3.5	3.4	3.2	3.0
Real domestic demand (y/y)	-3.7	1.4	4.0	1.2	3.3	-2.5	1.6	4.0	4.3	3.5	-1.1	4.0	5.6	5.5	3.5
Real total consumption (y/y)	-3.5	1.4	3.0	1.3	2.5	0.7	1.5	4.3	3.9	2.3	0.9	2.7	3.6	3.7	2.6
Real gross investment (y/y)	-4.2	1.0	7.0	1.1	6.0	-16.1	2.4	1.2	6.5	8.9	-4.5	5.6	9.0	11.0	7.0
Real exports (y/y)	0.1	6.6	4.6	-1.8	3.5	3.1	0.4	1.9	-1.6	2.1	4.1	6.7	4.7	2.8	2.7
Real imports (y/y)	-10.9	2.5	11.3	0.5	4.0	-10.0	1.2	8.6	7.5	7.0	1.3	8.5	12.6	11.0	4.6
Inflation (%, eop)	3.9	4.5	3.4	4.5	3.0	9.3	5.2	5.1	7.0	5.0	3.2	2.0	1.5	4.7	2.5
Reference rate (%, eop)	8.25	5.00	4.50	4.50	4.50	13.00	9.50	9.25	12.50	10.50	6.75	5.00	4.25	4.25	4.25
Fiscal balance (% of GDP)*	-2.4	-2.9	-2.8	-2.2	-1.4	-4.3	-6.7	-6.2	-7.2	-6.7	-2.7	-3.4	-2.2	-1.2	-1.5
Public Debt (% of GDP)*	39.4	42.3	41.7	43.3	44.2	56.3	61.6	64.4	66.1	69.3	32.4	32.0	30.2	28.2	28.1
Exports (USD bn)	93.0	98.9	110.4	122.3	127.8	52.6	51.1	51.5	54.6	54.8	67.1	76.4	94.0	114.0	112.0
Imports (USD bn)	79.1	78.1	86.5	95.3	101.2	59.4	60.2	66.3	72.3	77.4	50.0	52.2	58.6	69.0	72.0
Current account balance(% of GDP)	-3.1	-1.2	-1.2	-0.4	-1.5	-2.3	-1.7	-2.4	-2.7	-3.3	0.3	2.4	3.5	4.0	3.2
International Reserves (USD bn)	46.4	44.4	49.5	54.0	56.0	59.6	62.8	66.4	68.7	69.2	71.0	79.0	90.2	110.0	115.0
Exchange Rate (eop)	885	992	911	925	880	3,822	4,409	3,920	3,250	3,600	3.71	3.76	3.36	3.25	3.20
Exchange Rate (average)	839	944	952	910	900	4,326	4,074	4,052	3,479	3,470	3.74	3.75	3.57	3.35	3.23

2 / Andean Equities Strategy

Andean Strategy

Positive on Colombia for 2027, constructive on Chile over the medium term, and selective in Peru

Colombia is the top winner YTD in the Andean Region in USD, but Peru is the winner in local currency.

Andean equities have delivered mixed returns YTD, with Colombia gaining 55%, Peru 37%, and Chile 3% in USD, versus a 17% return for the MSCI Latin America Index. Colombia's remarkable performance has been driven by ~25% equity gains in local-currency terms and ~20% FX appreciation, with the election cycle providing further support. In Peru, returns have been similar in local-currency and USD terms, supported by election-related optimism and a favorable commodity backdrop. Chile, meanwhile, has lagged amid weak economic data following the change in government earlier this year. Thus, unlike Colombia and Peru, Chile's YTD performance has been largely driven by macroeconomic weakness and the adverse effects of its heavy reliance on fuel imports.

Liquidity continues to pick up in the Andean Region.

Liquidity has recovered, with an increased interest in the region as average daily trading volumes (ADTVs) continue to rise from 2023 levels. Specifically, ADTVs in Chile increased from USD 122 million in 2022 to USD 223 million YTD, in Colombia, from USD 12 million in 2023 to USD 60 million YTD, and in Peru, from USD 7 million to USD 23 million YTD. Notably, both Colombia and Peru have seen their traded volumes more than triple since 2023. Among market participants, we have observed local investors returning to Chile and Colombia, likely due to the approval of the pension reform and market-friendly investment regulation in Chile, as well as favorable elections in both countries. That said, we note an ongoing net selling position by pension funds in Peru, likely due to several repurchase programs. Regarding foreign investors, the construction of exchange-traded funds (ETFs) was dynamic at the beginning of the year, but much quieter after elections and the beginning of the conflict in the Middle East. That said, we note a recovery in these players' participation in trading volumes.

Colombia is our favorite market on a regime change thesis.

Colombia remains our top market choice after the presidential election, driven by tailwinds from the oil and gas sector, attractive oil prices, and more upside from our bottom-up analysis. We also remain optimistic about policy changes in the oil and gas, energy, and infrastructure sectors, while healthy earnings growth for 2027 supports our view. We hold a neutral stance on Chile, as we believe developments such as the reconstruction law and changes in pension regulation are positive for medium-term investment thesis, while we recognize short-term headwinds from a sluggish economic activity and its dependence on fuel imports. Finally, we are more selective on Peru, as mining stocks appear to largely reflect the supportive metals backdrop, while domestic-demand names could face near-term headwinds from El Niño event.

Commodity dynamics drive divergent earnings trends, while domestic sectors remain resilient.

Regarding valuation multiples, Chile, Peru, and Colombia are currently trading above their three-year average 12-month FW P/E ratios. Specifically, Chile trades at 12.1x, Peru stands at 13.8x, and Colombia at 10.3x. Despite this, we continue to identify bottom-up investment opportunities from a fundamental perspective, particularly in key companies such as Falabella, InRetail, Ferreycorp, BCI, LATAM Airlines, Ecopetrol, and Cibest. Notably, the lower multiples observed in Colombia can be justified by higher costs of capital, suggesting potential for improvement under normalized capital costs.

Earnings momentum across our coverage universe remains highly influenced by commodity dynamics (see section), with Colombia standing out as the strongest market in the region despite our conservative commodity assumptions. We forecast 2027 earnings growth of 4% y/y for Colombia (6% y/y excluding Oil & Gas), following an exceptional 2026 performance driven by this sector, which supports our preference for Colombia. Our estimates incorporate cautious assumptions for Ecopetrol, including a Brent price of USD 76.1/bbl by 4Q27 and lower downstream margins. We also expect a recovery in the cement and construction sectors, following the impact of several non-recurring items and corporate events that affected earnings in recent years. Chile is also affected by commodities, with the pulp and paper sector expected to post a 38% y/y decrease in 2027, and SQM and CAP posting a meager 2% growth for the mining sector, which more than offsets ~20% earnings growth in the Real Estate, transport, cement and construction, and in the telecommunication sectors. That said, Chile provides a better mid-term outlook on the new administration's policies, which supports our constructive view in Chile as well. In Peru, earnings performance remains heavily exposed to the mining sector. We forecast a 15% decline in mining earnings, which translates into a 6% decrease for our coverage universe as a whole. Excluding mining, however, earnings growth would remain positive.

Andean Picks

	Last Price	Target Price	Upside	Mkt. (USD mn)	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV 2026E	Sector
LATAM Airlines	23.9	31.0	29.5%	14,620	9.7	9.4	5.1	4.7	5.9	Transport
Falabella	6,301	7,500	19.0%	16,813	18.8	17.7	10.2	9.6	1.8	Retail
BCI	65,498	81,000	23.7%	15,228	11.8	11.0	nm	nm	1.7	Banks
Grupo Sura	69,000	90,000	2.5%	6,775	7.3	7.0	nm	nm	1.0	Conglomerates
PF Grupo Cibest	79,480	96,000	20.8%	26,811	8.4	7.9	nm	nm	1.8	Banks
Ecopetrol	2,790	3,300	18.3%	36,964	6.2	6.3	4.2	4.4	1.3	Oil & Gas
InRetail	37	53	43.0%	4,029	12.8	11.8	6.5	6.3	1.8	Retail
Ferreycorp	4.50	5.15	14.5%	1,263	8.8	9.3	5.7	5.6	1.4	Materials
Buenaventura	33.9	42.6	25.7%	9,320	8.7	10.2	4.0	4.6	1.8	Mining
Andean Picks [a]			**22.6%**	**132,438**	**10.6**	**10.0**	**6.5**	**6.2**	**2.2**	

[a] Prices in local currencies. InRetail: USD currency

Source: Company Reports, Bloomberg and Credicorp Capital

Andean Top Picks

Each country in our coverage demands selectivity

In Colombia we like the oil and gas sector and are selective in other names.

While we recognize that equities have posted a strong rally this year, we continue to see upside across most of our coverage universe, with our 2027 Colcap target standing at 3,000 points. We remain optimistic about valuations, which, in our view, do not yet fully reflect potential policy changes. We also note encouraging signals from the new administration in its first months in office, particularly regarding energy and oil and gas regulation, consultation processes, and infrastructure prioritization. Our top picks remain **Ecopetrol (BUY; TP: COP 3,300), PfCibest (BUY; TP: COP 96,000),** and **Grupo Sura (BUY; TP: COP 90,000).** We favor Ecopetrol for its exposure to Colombia's oil and gas outlook and potential benefits from strategic and management changes; PfCibest for its positioning in a high-rate environment; and Grupo Sura for its attractive entry point and improving ROE at Sura Asset Management.

In Chile we like some mid-term stories while we acknowledge some short-term headwinds.

In Chile, despite the unexpected contraction in economic activity, we remain constructive on the equity market, though we remain neutral within our Andean framework. With the IPSA currently trading slightly above 12x forward PE, we are targeting 13,200 points at year-end 2027. Our constructive view is supported by domestic structural tailwinds, pro-investment reforms, and housing-sector support measures that are expected to strengthen business confidence, encourage investment, and gradually improve labor market conditions. Our Top Picks are **LATAM Airlines (BUY; TP: CLP 31.0), Falabella (BUY; TP: CLP 7,500), and BCI (BUY; TP: CLP 81,000).** LATAM Airlines should maintain the resilience of its business model despite the sharp surge in fuel costs by maintaining a stronger balance sheet than its competitors in the region. Falabella stands out given its superior earnings quality, stronger execution track record, and a more balanced business mix versus peers. Finally, our thesis on BCI is supported by stronger loan growth in Chile relative to peers, sound asset quality metrics, and continued execution at CNB.

We favor companies with exposure to local demand and commodity diversification in Peru.

In Peru, following the market's strong performance, we favor a more selective strategy focused on domestic-demand names, alongside selective exposure to mining. Our 2027 target for the MSCI Peru Select Capped 15% Index stands at 1,705 points, implying a potential total return of ~15% (~5% dividend yield). This view is supported by resilient consumption, stronger investment, reduced political uncertainty, and elevated metal prices. However, tighter valuations in parts of the mining sector, potential El Niño-related disruptions, and an expected normalization in mining earnings warrant disciplined stock selection. Our top picks are **InRetail (BUY; TP: USD 53.0)**, supported by a favorable consumer backdrop; **Ferreycorp (BUY; TP: PEN 5.15)**, given its exposure to Peru's investment cycle, and **Buenaventura (BUY; TP: USD 42.6)**, which offers diversification from domestic risk and exposure to copper and gold.

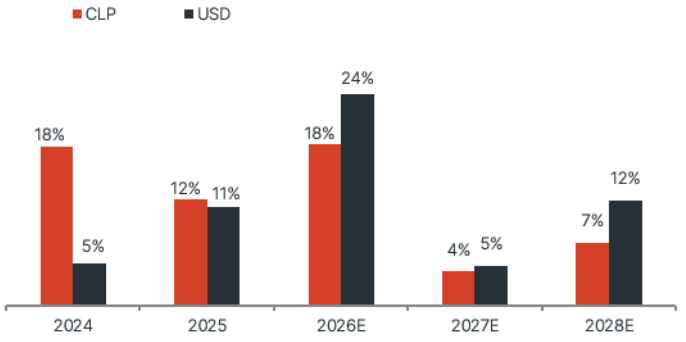
Andean Top-Down Strategy

	Chile	Colombia	Peru
Strategy	NEUTRAL	OVERWEIGHT	UNDERWEIGHT
Positives	- High copper prices - Reconstruction bill nearing enactment - Generational pension funds new investment regime - Capital Market Reform bill submitted to Congress	- Attractive oil prices - Attractive entry points on several companies - More pro market, pro oil and gas policies and infrastructure prioritization	- Strong domestic demand and investment momentum - Reduced political noise - Elevated metal prices
Negatives	- Elevated oil prices - Elusive economic recovery - Weak business and consumer confidence - Polarized political environment	- High policy rate and inflation - El Niño risks on the utilities sector Still weak outlook for private investment - Challenging fiscal situation hightened by the recent earthquake	- Near-term El Niño-related disruptions - Less compelling valuations in some mining names after the strong market run
What to watch?	- 2027 Fiscal Budget - Evolution of hostilities in Middle East - Potential imposition of U.S. tariffs on refined copper imports - Li, Cu, Fe, and market pulp prices evolution	- Evolution of the pension reform - Developments of the new administration in terms of policy - Ecopetrol's shareholder meeting - Policy rate evolution	- Persistence of elevated metal prices - Implementation of the government's growth agenda - Severity and duration of El Niño impacts
Index Earnings growth (LC)	2025 **12%** / 2026E **18%** / 2027E **4%**	2025 **-39%** / 2026E **79%** / 2027E **4%**	2025 **24%** / 2026E **27%** / 2027E **-6%**
Index Dupont	**2026** / **2027** / **2028**	**2026** / **2027** / **2028**	**2026** / **2027** / **2028**
Net profit Margin	9.7% / 10.0% / 10.5%	18.2% / 18.5% / 18.4%	31.8% / 30.5% / 29.2%
Asset turnover	29.8% / 29.0% / 28.0%	15.5% / 14.5% / 13.6%	45.6% / 41.9% / 40.3%
ROA	**2.9%** / **2.9%** / **2.9%**	**2.8%** / **2.7%** / **2.5%**	**14.5%** / **12.8%** / **11.8%**
Leverage	4.3x / 4.3x / 4.3x	6.7x / 6.8x / 6.8x	2.4x / 2.4x / 2.4x
ROE	**12.4%** / **12.4%** / **12.6%**	**19.0%** / **18.2%** / **17.0%**	**34.8%** / **30.6%** / **27.8%**
2027 Index Target	13,200 (IPSA)	3,000 (COLCAP)	1,705 (MSCI Selected Capped 15%)
Implied P/E	13.5x	11.7x	13.6x companies under coverage
Expected Total Return (Div. Yield)	~17% (~5%)	~21% (~7%)	~15% (~5%)

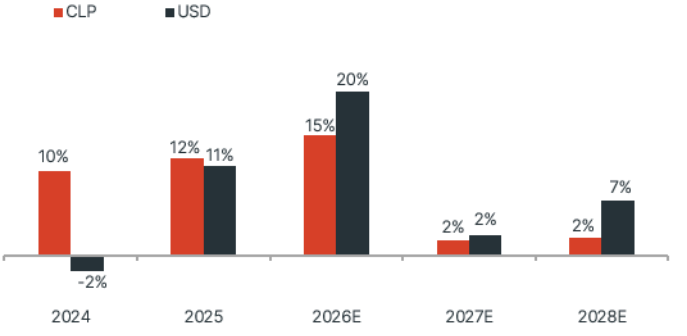
(*) Chile's Dupont does not include Quiñenco´s estimates.
(*) Peru's dividend yield includes BAP's consensus dividend yield.

Andean Strategy

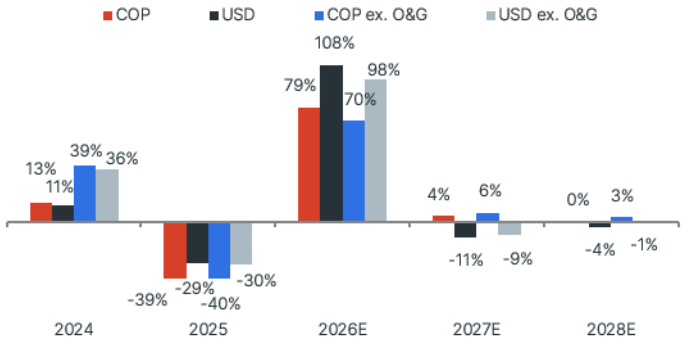
Chile – EPS Growth – (Full sample)



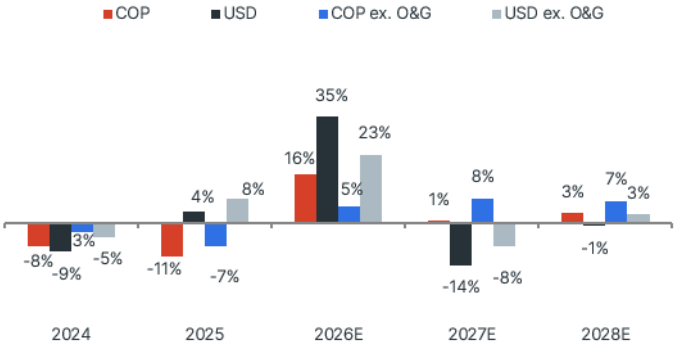
Chile – EBITDA Growth (Full sample)



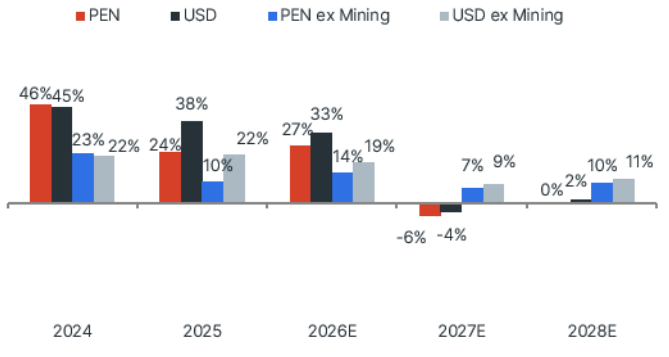
Colombia – EPS Growth



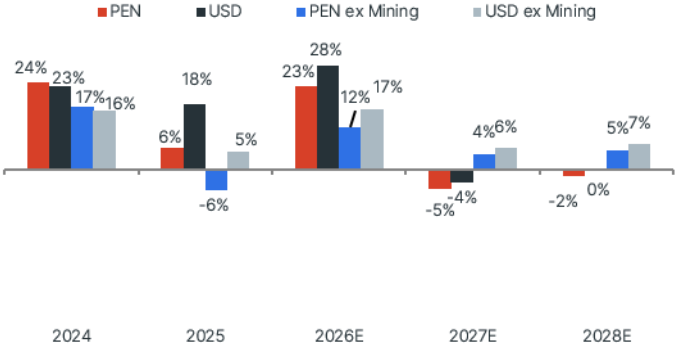
Colombia – EBITDA Growth



Perú – EPS Growth

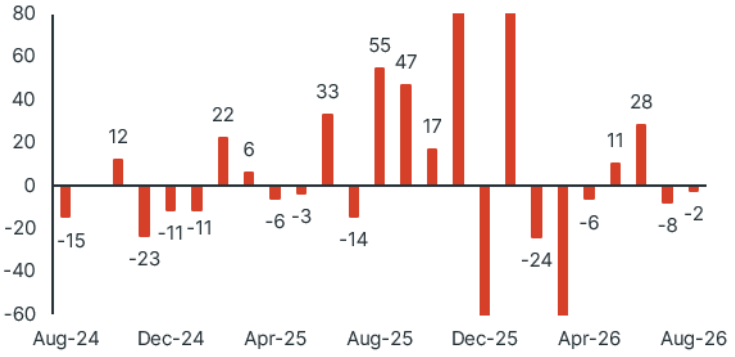


Perú – EBITDA Growth

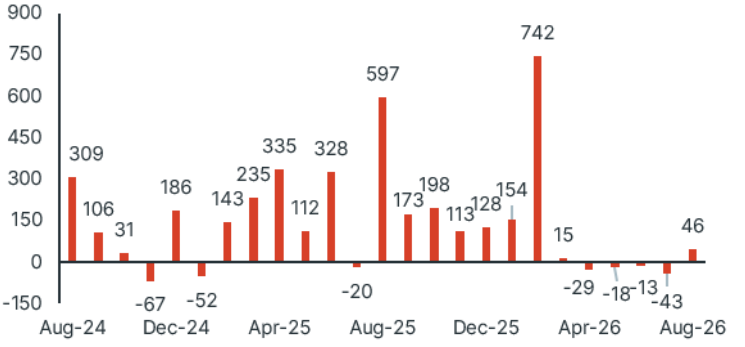


Andean Strategy

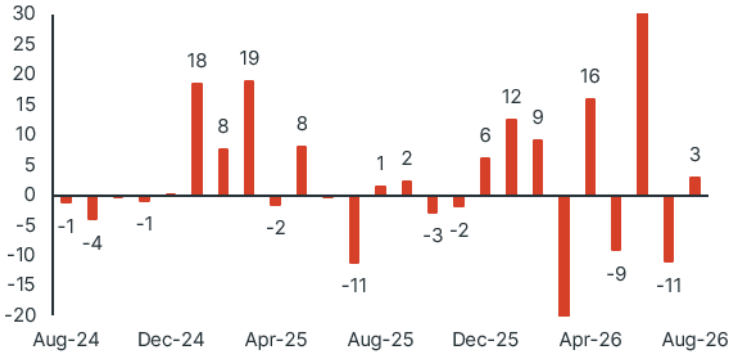
Chile – ETF Flows – ECH (USD mn)



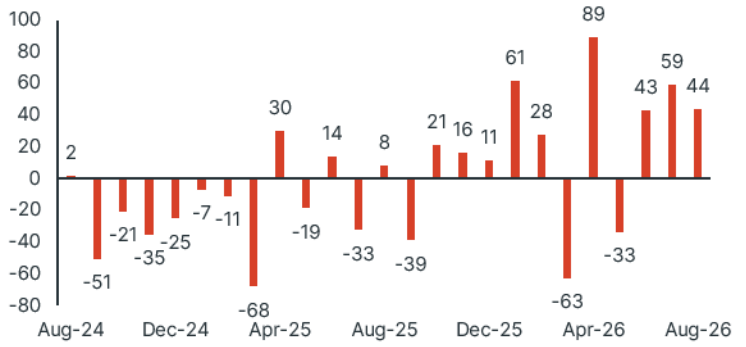
Chile – AFPs net equity flows (USD mn)



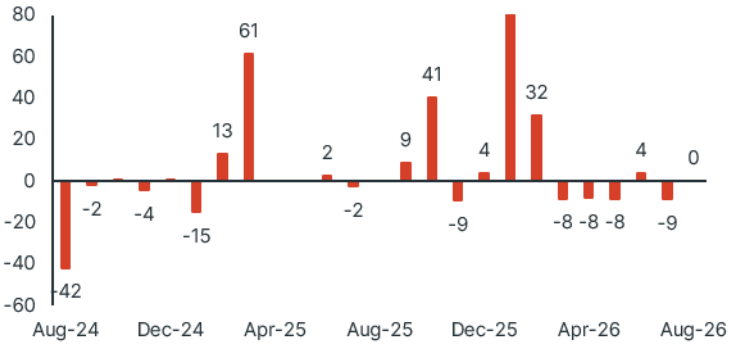
Colombia – ETF Flows – GXG (USD mn)



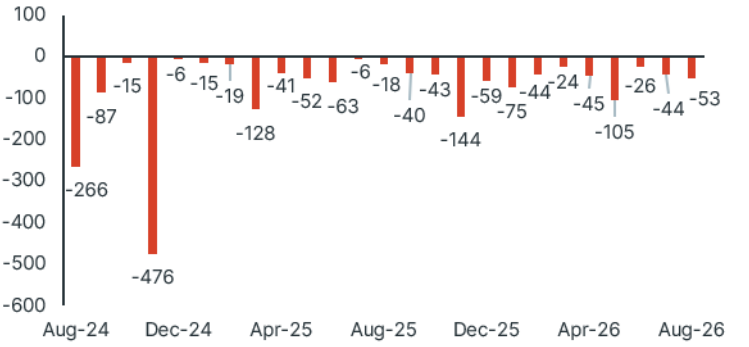
Colombia – AFPs net equity flows (USD mn)



Perú – ETF Flows – EPU & PERUD (USD mn)

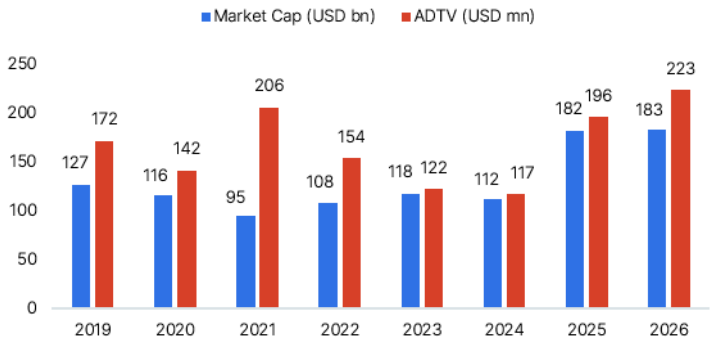


Peru – AFPs net equity flows (USD mn)

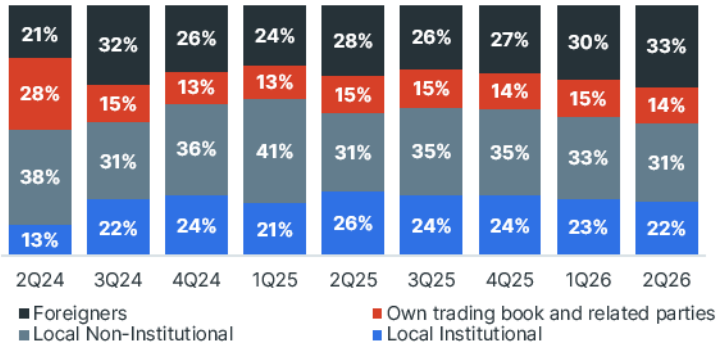


Andean Strategy

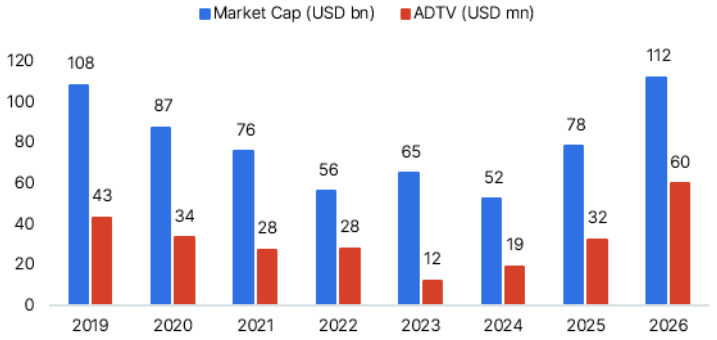
Chile – Market Cap and ADTV



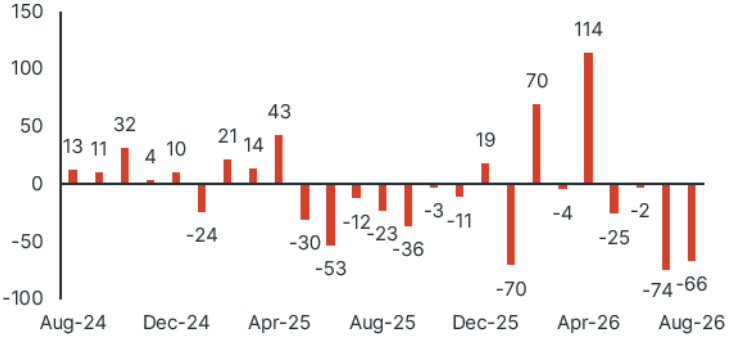
Chile – Traded value by type of client



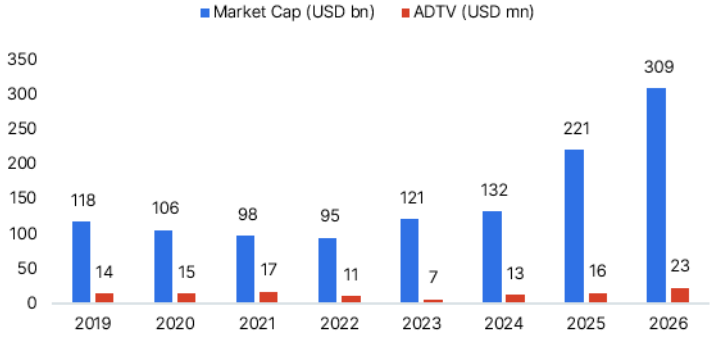
Colombia – Market Cap and ADTV



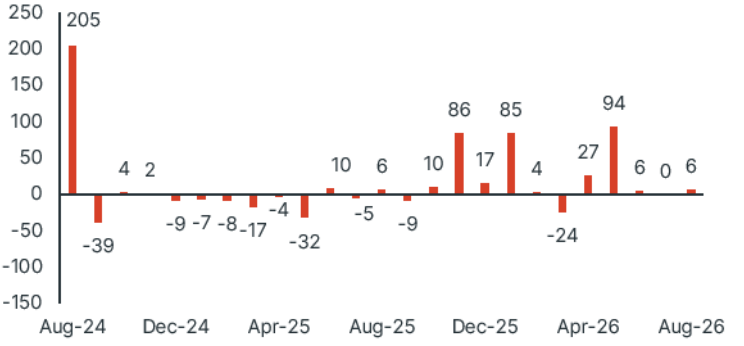
Colombia – Foreign investors net equity flows (USD mn)



Perú – Market Cap and ADTV

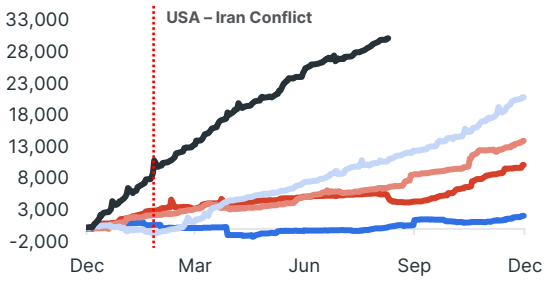


Peru – Foreign investors net equity flows (USD mn)

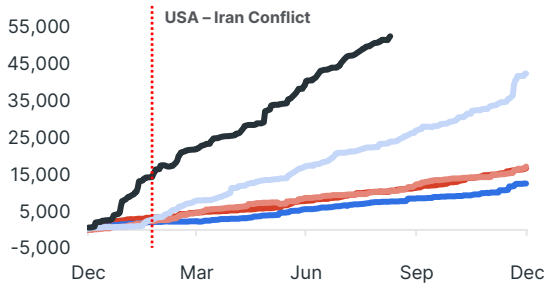


Andean Strategy

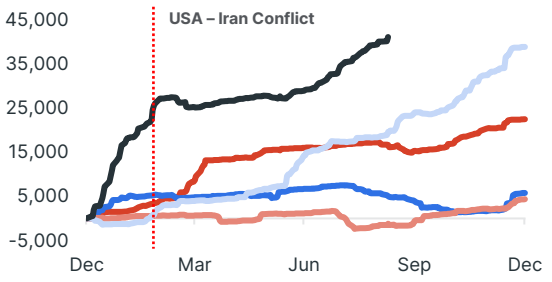
Global Markets – YTD ETF Flows



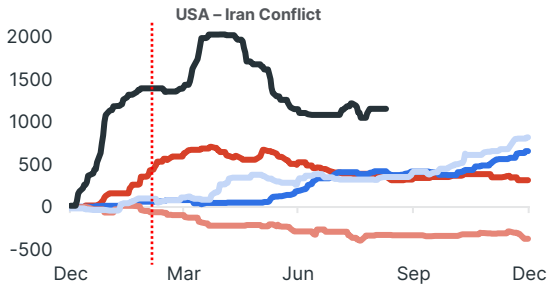
Global Markets ex US – YTD ETF Flows



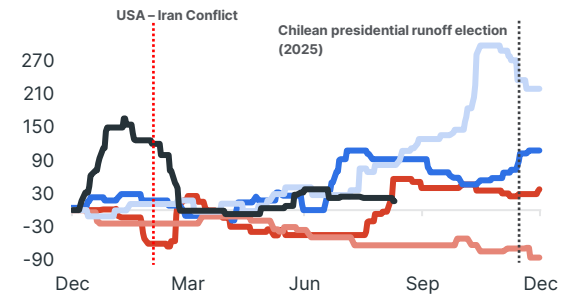
Emerging Market – YTD ETF Flows



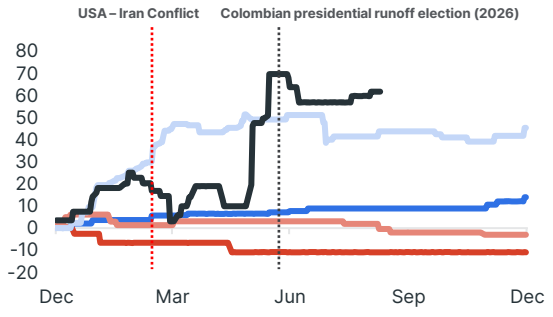
Latin America – YTD ETF Flows



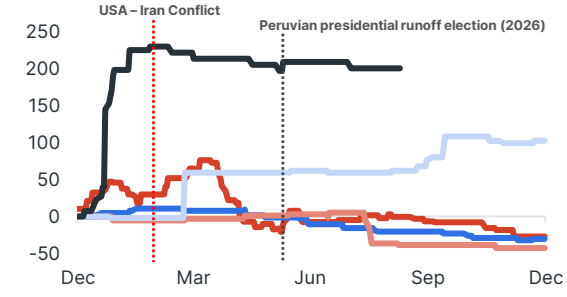
Chile – YTD ETF Flows (ECH)



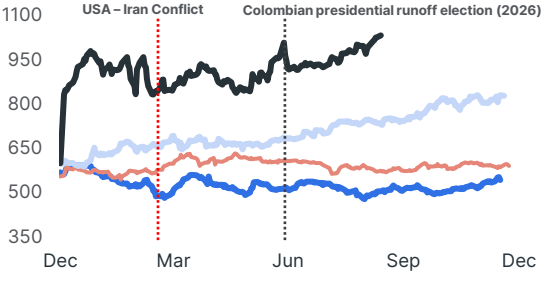
Colombia – YTD ETF Flows (COLO)



Peru – YTD ETF Flows (EPU)



Colombia – YTD ETF Flows (ICOLCAP)



2022 2023 2024 2025 2026

For Global Markets, Global Markets ex-US, and Emerging Markets ETFs, we used a basket of more than 40 ETFs

Chile Strategy: Constructive amid domestic structural tailwinds and valuations

External headwinds remain the key risk

Chilean equities have lagged their Andean peers so far this year, while return dispersion across the market has remained elevated.

During the first eight months of the year, the IPSA delivered a gain of 8.0% in CLP (+4.9% in USD), underperforming its Andean peers. In our view, this reflected a combination of factors, including Chile's heavy dependence on imported fuels, the incoming administration's unpopular decision to pass higher energy costs through to consumers, more persistent-than-expected inflationary pressures, weakening consumer confidence amid still-elevated unemployment levels, and an unexpected contraction in economic activity during 1H26. Against this backdrop, the YTD positive return was far from broad-based. Only thirteen stocks outperformed the IPSA, nine of which had already beaten the index in 2025. Conversely, twelve stocks posted negative returns, while nine failed to break out the underperformance already seen in 2025, underscoring the persistence of return dispersion across the market. Banks, shopping malls (excluding Cencomalls), and SQM-B were the primary contributors to the index's positive performance. The top five performers were ECL, ILC, Parque Arauco, Mallplaza, and SQM-B. In contrast, the consumer staples and forestry sectors were the weakest sectors. Cencosud, CMPC, CAP, SMU, and Entel ranked as the worst-performing stocks during the period.

Trading liquidity on the Santiago Stock Exchange has come back to pre-social unrest levels (~USD 230mn).

ADTV reached USD 228mn during the first eight months of the year (+16% y/y in CLP). Pension funds started the year as net buyers of local equities but have largely adopted a more neutral stance since the outbreak of the Middle East conflict. As of July, pension funds cumulative net purchases amounted to ~USD 230mn YTD, well below the USD 1.0bn of net buying recorded during the first seven months of 2025. On the other hand, Chilean equity mutual funds accumulated ~USD 460mn in net purchases of local equities through July (vs. USD 250mn between January and July 2025), while net inflows into that asset class exceeded USD 360mn by the end of August. Meanwhile, ECH ETF recorded net basket creations of USD 22mn, compared with USD 82mn over the same period last year. Interestingly, 2Q26 marked the first net inflows into Chilean ADRs after two years of outflows, with positive momentum continuing into July, lending support to the view that foreign investor interest may be starting to recover. Against this backdrop, foreign investor participation increased during 1H26, largely at the expense of local retail investors and, to a lesser extent, institutional investors. In our view, the elimination of capital gains taxes on equity trading, gradually rising contributions to mandatory retirement savings, and the new investment framework for generational funds should support stronger demand for Chilean equities from both individual investors and pension fund managers. Over time, these developments could contribute to improved stock market liquidity.

The Reconstruc-tion bill should become law shortly. Other domestic structural tailwinds are also emerging.

Despite the unexpected contraction in economic activity during 1H26 and the prolonged hostilities in the Middle East, we remain constructive on Chilean equities. We believe a combination of domestic structural tailwinds and pro-investment policy initiatives should enhance capital market depth, support private investment, and strengthen business sentiment. **Among the key domestic structural tailwinds, we highlight the enactment of the Reconstruction Law (see report), the implementation of the investment regime for the new generational pension funds, and the prospective approval of the capital markets reform (see report).** In addition, the government is advancing labor-market initiatives aimed at increasing hiring flexibility and enhancing working-time arrangements, while also promoting measures to boost construction activity, particularly in the residential segment. At the same time, the CMF is proposing regulatory changes to improve capital efficiency within the banking sector. While the expected benefits of these initiatives will likely materialize only gradually, we believe they represent meaningful structural tailwinds for both the economy and the equity market.

A combination of strong lithium prices supporting SQM-B's share price performance, elevated copper prices, the favorable impact of higher inflation on banks' earnings, and, more recently, Congress' approval of the Reconstruction Law, helped drive the IPSA back toward the peak reached in late January by early September. Encouragingly, the IPSA's return to its late-January level occurred with a materially lower valuation multiple. Whereas the index briefly traded at close to 14.0x forward P/E in late January, it did not exceed 12.5x during its recent recovery. That said, the long-term interest rate backdrop is less supportive than it was at the beginning of the year. Even after accounting for the rise in long-term interest rates, we believe the magnitude of the recent de-rating in Chilean equities appears disproportionate.

We forecast the IPSA to deliver an EPS CAGR of ~10% over 2026-2028. Following a particularly strong 2026, EPS is projected to expand at a mid-single-digit CAGR over 2027-2028. We expect banks, retailers, and shopping malls to lead overall index earnings growth, while mining, utilities, and pulp & paper companies should post more subdued expansion than the IPSA as a whole.

In CLP	Earnings Growth				
	2024	2025	2026E	2027E	2028E
Banks	16%	13%	10%	6%	10%
Retail	45%	33%	-18%	9%	16%
Real Estate	12%	23%	6%	20%	16%
Food & Beverages	47%	-4%	7%	9%	6%
Utilities	117%	-38%	10%	-2%	-7%
Pulp & Paper	120%	-32%	4%	-38%	17%
Mining	nm	nm	316%	2%	5%
Transport	83%	23%	-14%	19%	5%
Cement & Construction	0%	18%	-24%	20%	6%
Conglomerates	-21%	2%	-13%	14%	13%
Telecom	-24%	183%	-32%	17%	9%
Total	**26%**	**11%**	**32%**	**1%**	**6%**
Total (*)	**18%**	**12%**	**18%**	**4%**	**7%**

(*)Index EPS

Introducing a December 2027 IPSA target price of 13,200 points, with an implied 12-month forward PE of 13.5x.

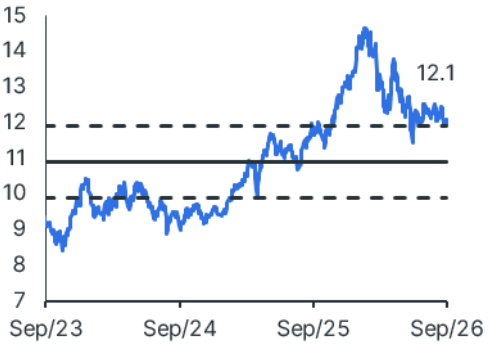
Our constructive view on Chilean equities is also supported by undemanding valuations. Based on our updated estimates, the IPSA is currently trading at roughly 12x 2027E trailing PE and ~11.5x forward PE on our December 2028 projections. The latter remains well below the average forward PE multiple of 12.8x observed during the 2014-2025 period, which includes six years before and six years after the 2019 social unrest. Across sectors, we maintain a positive stance on retail, transport, and construction. We are neutral on banks, shopping malls, utilities, forestry, beverages, conglomerates, and telecom. In contrast, we are negative on mining. We also favor companies with meaningful exposure to Peru and Colombia, where the political backdrop is supportive of market-oriented policies. In this regard, Falabella, Parque Arauco, and LATAM Airlines stand out as some of our preferred ways to gain exposure to this theme.

The main risks to our constructive stance on Chilean equities stem from the external front. These include: (i) prolonged hostilities in the Middle East, with limited visibility on a credible and durable resolution; (ii) the path of long-term U.S. interest rates, as higher yields could put upward pressure on local rates, limiting room for a re-rating in equity valuations; and (iii) the potential imposition of U.S. tariffs on refined copper imports.

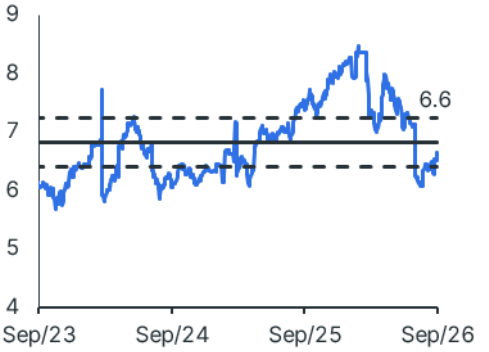
We are introducing a year-end 2027 IPSA target of 13,200 points (vs. our previous December 2026 target of 12,500 points), based on an equal-weighted blend of our bottom-up valuation (~13,550 points) and earnings yield gap model (~12,800 points). At our target level, the IPSA would trade at ~13.5x forward PE by December 2027, offering an expected total return of ~17% (including a dividend yield of ~5%).

Our Top Picks are LATAM Airlines, Falabella, and BCI. We view LATAM Airlines as one of the most attractive risk-reward opportunities in Chilean equities. The company's upgraded 2026 EBITDA guidance, which remains broadly in line with pre-Middle East conflict expectations, highlights the resilience of its business model despite the sharp surge in fuel costs. In addition, LATAM's lower leverage and stronger liquidity position than its main Brazilian competitors and Abra Group leave it better positioned to navigate prolonged geopolitical uncertainty, while the ongoing repurchase program and compelling valuations are supportive of its shares. On the other hand, Falabella stands out as another top pick, given its superior earnings quality, stronger execution track record, and more balanced business mix relative to peers. We also see valuation as still undemanding, with the market not yet fully reflecting structurally higher profitability and upside from banking and shopping centers. Finally, BCI remains one of our Top Picks, supported by stronger loan growth in Chile relative to peers, sound asset quality metrics, and continued execution at CNB, which is translating into sustained improvements in ROAE. In addition, its current valuation offers greater upside than larger domestic banks.

P/E Forward (12-month rolling)



EV/EBITDA Forward (12-month rolling)



	Last Price	Target Price	Upside	Mkt. (USD mn)	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV 2026E	Sectors
LATAM Airlines	23.9	31.0	29.5%	14,620	9.7	9.4	5.1	4.7	5.9	Transport
Falabella	6,301	7,500	19.0%	16,813	18.8	17.7	10.2	9.6	1.8	Retail
BCI	65,498	81,000	23.7%	15,228	11.8	11.0	nm	nm	1.7	Banks
Chilean Picks [a]			**24.3%**	**15,716**	**14.2**	**13.6**	**7.7**	**7.1**	**3.9**	
IPSA	**11,239**	**13,200**	**17.5%**	**190,857**	**12.4**	**11.8**	**7.3**	**7.0**	**1.5**	

[a] Simple average, excluding Market Capitalization
Source: Company Reports, Bloomberg and Credicorp Capital

Chile bottom – up Strategy

Sector	View	Earnings growth	Favorite country	Key topics to monitor
Banks (go to section) • Index Weight: 29.3% • Upside: 13.7% • Dividend Yield: 4.5% • Total Return: 18.2%	Chilean banks have benefited from higher inflation, but loan growth now drives the story, supported by regulatory and economic tailwinds.	**2026:** 10% driven by higher UF inflation that benefited banks **2027:** 6%, driven by expected improvement in Itau, and strong performance at BCI and Banchile		- Economic activity - Loan demand and growth in different segments - Impacts of the Reconstruction Bill - Regulatory changes on capital
Retail & RE (go to section) • Index Weight: 10.8% & 9.7% • Upside: 28.6% & 13.6% • Dividend Yield: 1.9% & 4.7% • Total Return: 30.5% & 18.3%	Retail: Mixed backdrop, but quality offers upside through execution and consumption recovery. RE: remains resilient, but with tighter valuations.	**2026:** -18% retail, +6% RE driven tourism normalization and lower consmption dynamism. **2027:** +9% retail, +20% RE driven GLA growth in malls.		- DS business margins evolution - Loan growth in the retail banks - SSS dynamics in the staples industry - The El Niño phenomenon's potential impacts in Peru
Mining (go to section) • Index Weight: 15.2% • Upside: 0.6% • Dividend Yield: 7.9% • Total Return: 8.5%	Lithium fundamentals remain supportive, but upside looks limited; CAP offers the more attractive risk-reward.	**2026:** Strong earnings driven by favorable lithium prices and volumes. **2027:** +2%, supported by CAP's operational recovery despite softer lithium prices.		- Lithium market balance - Chinese steel demand and new iron ore supply
Utilities (go to section) • Index Weight: 8.8% • Upside: 12.3% • Dividend Yield: 6.4% • Total Return: 18.7%	Positive hydrological conditions and low spot prices from El Niño. Further regularoty discussions to improve sector bottlenecks	**2026:** +10% as El Niño boosts hydro generation, lowers spot prices and benefits margins **2027:** -2% as hydrological conditions partially normalize		- Hydrological conditions, reservoir levels and ice-melting season impacted by La Niña - New regulated auction by year-end
Pulp & Paper (go to section) • Index Weight: 5.1% • Upside: 24.3% • Dividend Yield: 3.5% • Total Return: 27.7%	Improved ST pulp outlook for BHKP. LT fundamentals remain challenging amid increased low-cost supply and Chinese integration.	**2026:** +4% (Copec: strong results in energy / CMPC: weak results; gradual recovery in Softys) **2027:** -38% (lower pulp prices/ lower margins in Copec's fuel business)		- New integrated pulp mills and wood availability in China. Supply disruptions - Copec: Sucuriú progress. CMPC: Natureza's enviromental process, BoD decision, financing structure
Beverages (go to section) • Index Weight: 4.1% • Upside: 13.8% • Dividend Yield: 4.7% • Total Return: 18.5%	Beverages ex-wine: Execution-driven earnings growth despite mixed consumption trends. Wine: weak demand, lower wine cost and continued Fx volatility.	**2026:** +7% (CCU: better results in CL; Andina; Strong across geographies; CyT: challenging 1H, better 2H) **2027:** +9%, driven by CCU (Chile and easier comparisons in ARG)		- Sales volume in Argentina and Chile - Input costs, pricing, FX evolution across countries - Wine exports, normalization in US and climate risks
Transport (go to section) • Index Weight: 12.6% • Upside: 27.7% • Dividend Yield: 5.0% • Total Return: 32.7%	CSAV: Higher freight rates due to disruptions in the Red Sea. LTM: Business model resilient, strong execution and low leverage despite fuel pressure	**2026:** -14% (CSAV: higher transport costs and taxes / LTM: Fuel impact) **2027:** +19% (CSAV: tax normalization / LTM: +7% ASK, lower fuel yet still high). Neg. Impact from stronger CLP		- CSAV: HL earnings recovery and NAV discount - LTM: Fuel costs, Pax Yields, travel demand, share buyback progress and potential sale of shares by SXP
Construction (go to section) • Index Weight: 0.8% • Upside: 34.4% • Dividend Yield: 1.7% • Total Return: 36.1%	Mining and infrastructure projects should support activity, while housing benefits from pro-recovery policy initiatives	**2026:** -23.5% driven by weaker earnings from Salfacorp's Centinela project as it enters its final construction phase **2027:** 20.2% driven by Salfacorp mining backlog		- New mining and infraestructure projects - Housing policy implementation - Mortgage rates evolution

Colombia Strategy: we remain constructive on regime change thesis

With the shift on the political landscape, we see further upside from a more pro–investment administration

Colombia continues to lead regional performance, supported by election-driven optimism, strong inflows, and improving market liquidity.

Colombia has been the best-performing market in the Andean region this year, delivering a ~27% YTD return in local currency, further supported by COP appreciation and translating into a ~51% return in USD. This compares with an ~18% gain for the MSCI Latam Index in USD. We believe this strong local currency performance has been largely driven by expectations surrounding the presidential election process and increased inflows into emerging markets. YTD returns have been led by Ecopetrol (+48%), Grupo Argos (+35%), and Cibest (+33%).

We have also seen a continuation of the recovery in Colombian market activity that began in 2024 and accelerated throughout 2026. ADTV reached a trough of USD 12 mn in 2023 before recovering to USD 32 mn in 2025 and USD 60 mn in 2026. Pension funds have been the market's main net buyers this year, accumulating USD 228 mn, while foreign investors have been the primary source of liquidity, accounting for more than COP 3 bn of trading volume on both the buy and sell sides and reaching a net buying position of USD 16 mn. In contrast, brokerage firms and local retail investors have been the main net sellers, with net outflows of USD 138 mn and USD 130 mn, respectively.

Despite our constructive view, we acknowledge that the market has taken a breather following Abelardo de la Espriella's victory. Since the election, the market has advanced just 4.9%, largely driven by **Grupo Argos (UPERF; TP: COP 22,900)**, whose common and preferred shares have rallied over 30% following the announcement of a new strategic roadmap accompanied by a share buyback program (see report). At the same time, **Ecopetrol (BUY; TP: COP 3,300)** has declined 9.3% since the election, reflecting what we believe is lingering investor skepticism regarding Colombia's future regulatory and business environment.

While we recognize that equities have posted a strong rally this year, we continue to see upside across most of our coverage universe, with our 2027 Colcap target standing at 3,000 points. We remain optimistic on valuations, which in our view do not yet fully reflect potential policy changes. We also note encouraging signals from the new administration in its first months in office, particularly regarding energy and oil and gas regulation, consultation processes, and infrastructure prioritization. Our top picks remain **Ecopetrol (BUY; TP: COP 3,300)**, **PfCibest (BUY; TP: COP 96,000)**, and **Grupo Sura (BUY; TP: COP 90,000).** In Ecopetrol we see meaningful upside from improvements in the

After a post-election pause, we remain constructive on oil & gas and financials despite lingering market skepticism.

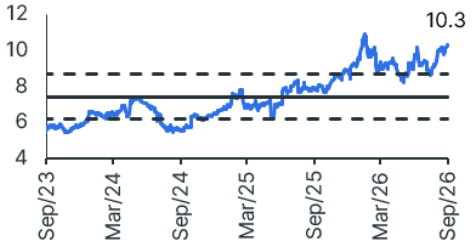
institutional framework for the oil and gas sector, as well as continued progress in cost efficiency and corporate governance (the Shareholders' meeting should take place on September 15th, 2026). As for Cibest, we remain confident in the company's ability to profit from a high-rate environment. Finally, we see an attractive entry point for Grupo Sura, primarily driven by improved ROEs at Suam. Conversely, we are more cautious on **Corficolombiana (UPERF; TP: COP 23,800), Grupo Argos (UPERF; TP: COP 17,500), and ISA (UPERF; TP: COP 31,600),** reflecting our expectation of a slower infrastructure recovery and the significant share price appreciation already seen in the names.

Colombia is trading above its 3-year average in terms of P/E and roughly in line with historic levels in terms of EV/EBITDA. We do not see much space from a top-down perspective, but we acknowledge that current high costs of capital are putting a significant pressure to our multiple analysis. That said, considering diversification across several companies and high costs of capital incorporated in our bottom-up valuations, **we are arriving at our 3,000 target through our bottom-up analysis, which implies an 11.7x 12 months fw P/E, a ~14% upside and a ~21% total return.**

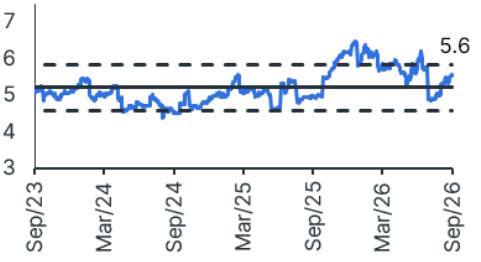
In COP	2024	2025	2026E	2027E	2028E
O&G	-29%	-37%	105%	-2%	-9%
Financials	11%	5%	74%	9%	8%
Cement & Construction	1679%	-55%	-85%	41%	23%
Utilities	4%	6%	-19%	0%	5%
Conglomerates	224%	-53%	-26%	9%	12%
Total	**13%**	**-39%**	**79%**	**4%**	**0%**

We expect earnings momentum to improve across most sectors under coverage, with the oil and gas sector remaining our preferred segment. However, sector earnings are projected to decline modestly, primarily due to the exceptionally high comparison base created by the more than 100% earnings growth recorded in 2026, as well as our expectations of lower oil prices and downstream margin normalization. In contrast, we forecast earnings growth of approximately 40% for the Cement and Construction sector, supported by an easier comparison base following the one-off effects recorded in 2025. For the financial sector, we expect a 9% earnings growth, with Cibest continuing to benefit from a sustained high-interest-rate environment.

P/E Forward (12-month rolling)



EV/EBITDA Forward (12-month rolling)



	Last Price	Target Price	Upside	Mkt. (USD mn)	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV 2026E	Sector
Grupo Sura	69,000	90,000	2.5%	6,775	7.3	7.0	nm	nm	1.0	Conglomerates
PF Grupo Cibest	79,480	96,000	20.8%	26,811	8.4	7.9	nm	nm	1.8	Banks
Ecopetrol	2,790	3,300	18.3%	36,964	6.2	6.3	4.2	4.4	1.3	Oil & Gas
Colombian Picks [a]			**16.3%**	**16,793**	**7.6**	**7.4**	**nm**	**nm**	**1.4**	
COLCAP	**2,627**	**3,000**	**14.2%**	**153,509**	**8.0**	**11.6**	**4.2**	**4.4**	**1.0**	

[a] Simple average, excluding Market Capitalization

Source: Company Reports, Bloomberg and Credicorp Capital

Colombia bottom – up strategy

Sector	View	Earnings growth	Favorite country	Key topics to monitor
Banks (go to section) • Index Weight: 43.4% • Upside: 16.7% • Dividend Yield: 8.8% • Total Return: 25.5%	Colombian banks face improved political visibility, but fiscal constraints, rate-cycle pressures, and asset-quality risks remain key challenges.	**2026:** +74% driven by Grupo Cibest, due to the low base in 2025 **2027:** +9% driven by gradual recovery of Davivienda and Aval		- NPL and cost of risk evolution due to El Niño and the earthquacke - Evolution of interest rates on NIMs
Oil&Gas (go to section) • Index Weight: 9.1% • Upside: 19.6% • Dividend Yield: 9.7% • Total Return: 29.3%	Higher-for-longer Brent prices due to the international context should boost performance. New pro-O&G government indicates a regulatory change for the sector.	**2026:** +105% as high oil prices generate support in Upstream and Downstream segments **2027:** -2% from lower international prices, but supported by increased Upstream production from M&A		- Oil price evolution - Management changes in Ecopetrol - Restart of O&G exploration - Lincensing and permit regulatory improvements
Utilities (go to section) • Index Weight: 14.5% • Upside: 6.0% • Dividend Yield: 8.6% • Total Return: 14.5%	We expect a stressed system amid an expected drought from an intense El Niño. We anticipate high spot prices and working capital demands.	**2026:** -19% as impacts from El Niño are felt in 2H26 and FX pressures **2027:** 0% as we expect 1H27 to continue affected by El Niño and FX pressures		- El Niño phenomenon - Gas supply availability - Licensing and permit regulatory improvements
Construction (go to section) • Index Weight: 4.3% • Upside: 17.1% • Dividend Yield: 3.6% • Total Return: 20.7%	Recovery is underway, with policy and PPP progress offering potential upside	**2026:** nm, EPS is not comparable due to Summit transaction earnings in 2025 **2027:** 41% due to lower comparison base and increasing volumes in Colombia		- Infrastructure and housing policy developments - Housing construction recovery - Mortgage interest rates evolution
Conglomerates (go to section) • Index Weight: 22.1% • Upside: 30.7% • Dividend Yield: 3.6% • Total Return: 34.3%	Mixed momentum, with NAV discounts no longer compelling enough to drive further re-rating potential	**2026:** -26%, non recurrent earning in Grupo Argos in 2025 weights in the sector **2027:** 9.0% driven mainly by Grupo Sura solid results		- Grupo Sura shareholder return initiatives - Grupo Argo ACE 1.0 execution - New infrastructure projects for Corficolombiana

Peru Strategy

A more selective approach after a strong market run

High metal prices, stronger growth momentum, and lower political noise support Peruvian equities

The MSCI Select Capped 15% Index is up 37% in USD terms year-to-date, supported by elevated metal prices, accelerating economic growth, and reduced political noise. Gains were led by the mining, retail, and financial sectors. Average daily trading volume (ADTV) increased 48% versus the 2025 average to USD 23 million, partly driven by the share buyback programs of Alicorp, Ferreycorp, and InRetail, as well as stronger overall appetite for the local market. Pension fund managers (AFPs) and retail investors were the main net sellers amid intermittent episodes of heightened volatility and the execution of share buyback programs. Finally, other institutional and foreign investors remained net buyers, broadly in line with last year's pattern.

Selective positioning favors InRetail, Ferreycorp, and Buenaventura, balancing resilience, long-term growth, and mining exposure.

Going forward, given near-term El Niño risks and the market's strong performance, we favor a more selective strategy focused on resilient companies with exposure to Peru's long-term growth prospects, alongside attractively valued mining names. Our top picks include **InRetail (BUY; TP: USD 53.0)**, supported by a favorable consumer environment and lower net financial expenses, which should offset minimum wage-related margin pressure at the net income level. We also favor **Ferreycorp (BUY; TP: PEN 5.15)**, supported by Peru's stronger investment cycle, sustained equipment demand, and an attractive 2027 dividend yield of ~7.0%. Finally, Buenaventura **(BUY; TP: USD 42.6)** offers local risk diversification and exposure to elevated copper and gold prices, alongside a favorable project-driven operating outlook.

Earnings should remain solid across domestic sectors, while normalizing in mining.

Domestic demand-related sectors should continue to deliver solid earnings performance over the coming months, while mining earnings are expected to normalize. IFS should remain ahead, driven by growth in higher-yielding products and margin expansion, despite temporary El Niño headwinds. InRetail is set to maintain favorable results, primarily supported by top-line growth as the positive consumption environment reflected in 2026 results carries forward. Alicorp's earnings should benefit from the full-year consolidation of its Colombian home care business and solid execution across the CGP, B2B, and Aquafeed segments. Construction earnings should stabilize in 2027 amid potential El Niño-related headwinds, with a recovery expected in 2028, supported by a solid infrastructure pipeline. We expect Engie to post stable results in 2027, supported by solid post-El Niño operations. In 2028, FX impacts, higher depreciation, and lower-priced contract renewals should pressure earnings. Finally, we expect mining sector earnings to contract, reflecting lower metal prices and some temporary production declines.

Earnings Growth (In PEN)					
Sector	2024	2025	2026E	2027E	2028E
Banks	21%	49%	18%	10%	13%
Utilities	1422%	-30%	1%	0%	-8%
Retail	4%	2%	7%	8%	12%
Mining	79%	38%	37%	-15%	-8%
Cement & Construction	5%	-3%	10%	5%	8%
Food	82%	31%	68%	9%	7%
Total coverage	**46%**	**24%**	**27%**	**-6%**	**0%**
Total ex-Mining	**23%**	**10%**	**14%**	**7%**	**10%**

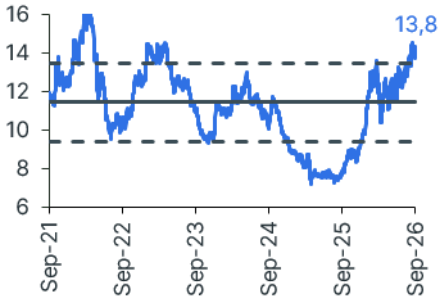
(*) Sector growth is weighted by each company's contribution to the index's earnings.

Our bottom-up target points to further upside, while ex-SCCO valuations appear more reasonable against an improving earnings outlook.

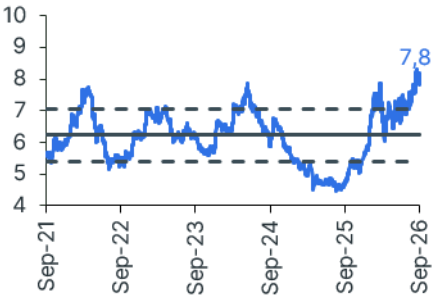
We set a 2027 target for the MSCI Select Capped 15% at 1,705 points, based on a detailed bottom-up valuation of individual companies. Achieving this level would imply a potential total market return of ~15%, including an average dividend yield of ~5%, with Minsur, Engie, Cerro Verde, and Ferreycorp standing out in this regard. On a relative valuation basis, we derive a target P/E of 13.6x for our coverage universe, representing a premium to its five-year average of 11.4x, while remaining broadly in line with its ten-year average of 13.4x.

Our coverage universe trades at a 20% premium to its five-year average P/E and a 26% premium on EV/EBITDA. These figures, however, are skewed by SCCO's elevated valuation and significant weight in the MSCI Select Capped 15% Index. Excluding SCCO, the premiums narrow to 12% and 13%, respectively, levels that appear more reasonable against an improving medium-term earnings outlook.

P/E Forward (12-month rolling)



EV/EBITDA Forward (12-month rolling)



	Last Price	Target Price	Upside	Mkt. (USD mn)	P/E 2026E	P/E 2027E	EV/EBITDA 2026E	EV/EBITDA 2027E	P/BV 2026E	Sectors
InRetail	37	53	43.0%	4,029	12.8	11.8	6.5	6.3	1.8	Retail
Ferreycorp	4.50	5.15	14.5%	1,263	8.8	9.3	5.7	5.6	1.4	Materials
Buenaventura	33.9	42.6	25.7%	9,320	8.7	10.2	4.0	4.6	1.8	Mining
Peruvian Picks [a]			**34.0%**	**2,646**	**10.7**	**10.6**	**6.0**	**5.9**	**1.6**	
MSCI Select Capped 15%	**1,560**	**1,705**	**9.3%**	**221,407**	**12.8**	**13.5**	**6.3**	**6.7**	**6.1**	

[a] Simple average, excluding Market Capitalization
Source: Company Reports, Bloomberg and Credicorp Capital

Peru bottom – up strategy

Sector	View	Earnings growth	Favorite country	Key topics to monitor
Banks - IFS (go to section) • Index Weight: 9.2% • Upside: 23.9% • Dividend Yield: 4.2% • Total Return: 28.1%	Peruvian banks face short-term El Niño risks, but resilient earnings and improving growth prospects support outlook.	**2026:** 18% IFS, supported by stronger expansion in higher-yielding loans. **2027:** 10% IFS, due to stable margins and higher provisions.		- Impacts of El Niño phenomenon in cost of risk and NPLs. - Rebuilding of the high-yield loan portfolio.
Mining (go to section) • Index Weight: 46.7% • Upside: 2.8% • Dividend Yield: 6.2% • Total Return: 9.0%	Supportive metal fundamentals already reflected in valuations, although Buenaventura still offers an attractive entry point.	**2026:** 37% driven by a favorable gold, copper, and tin price environment. **2027:** -15% on metal-price normalization.		- Metal price trends amid AI, energy transition, and geopolitical dynamics. - Project developments and capex outlook
Utilities (go to section) • Index Weight: 1.7% • Upside: 15.5% • Dividend Yield: 10.6% • Total Return: 26.1%	Short-term pressures from El Niño with resilient fundamentals, and LT growth outlook on renewable potential.	**2026:** +1% as one-offs offset the Camisea and El Niño impacts **2027:** 0% given a solid post-El Niño operational results.		- Hydrology and renewable outlook from El Niño - Spot price evolution
Construction (go to section) • Index Weight: 8.5% • Upside: 15.8% • Dividend Yield: 9.4% • Total Return: 25.2%	Current cement demand supports our positive view, though El Niño remains a key risk	**2026**: 6.0%, due to higher volumes and margins. **2027**: 22.0%, mainly driven by C. Pacasmayo which has a negative base effect in 2026 due to transaction costs.		- Initiation of construction phases for awarded projects - Effects of El Niño in the autoconstruction segment
Retail - InRetail (go to section) • Index Weight: 6.1% • Upside: 43.0% • Dividend Yield: 2.4% • Total Return: 45.4%	A strong consumption environment should drive higher sales. However, El Niño poses infrastructure and logistical risks.	**2026:** 7% due to higher top-line and better EBITDA margins. **2027:** 8% due to higher top-line and supported by continued deleveraging.		- The El Niño phenomenon's potential impacts in their assets, as well as potential logistic supply disruption. - Organic growth plan for 2027
Food - Alicorp (go to section) • Index Weight: 1.6% • Upside: 12.1% • Dividend Yield: 4.3% • Total Return: 16.5%	Constructive outlook supported by acquisitions, but liquidity remains a key constraint.	**2026:** +68% driven by recent acquisitions and integration benefits. **2027:** +9% support by portfolio expasion and M&A contribution.		- Integration of recent acquisitions - Progress of the ongoing buyback

2.4 / Valuation summary

Chile

						ADTV		P/E		EV/EBITDA		P/BV	Div Yield.	Div Yield.	ROAE		ROAA	
Company	**Sector**	**Px Last**	**Px Target**	**Rating**	**Mkt. Cap**	**Local**	**ADR**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**
Aguas Andinas	Water Utilities	334	380	HOLD	2,110	2.9		13.4	12.2	8.6	8.4	1.4	5.4%	5.6%	10.7%	11.3%	4.5%	4.8%
Andina	Food & Beverage	4,600	5,250	HOLD	4,218	4.4	0.4	15.3	14.3	7.6	7.2	3.1	3.5%	5.3%	22.1%	20.9%	7.9%	8.0%
AntarChile	Conglomerates	7,638	8,900	HOLD	3,691	1.2		5.6	9.6	6.5	7.5	0.4	5.5%	5.4%	7.2%	4.0%	1.9%	1.0%
Banco de Chile	Banks	195	212	HOLD	20,955	19.9	13.3	15.8	14.9	nm	nm	3.3	5.1%	5.4%	21.1%	21.6%	2.2%	2.2%
Banco Santander	Banks	83	93	HOLD	16,545	12.1		13.1	12.7	nm	nm	3.0	4.1%	5.0%	24.0%	22.7%	1.7%	1.6%
BCI	Banks	65,498	81,000	BUY	15,228	9.1		11.8	11.0	nm	nm	1.7	2.3%	2.6%	15.5%	15.1%	1.4%	1.4%
CAP	Mining	5,571	6,400	HOLD	885	1.7		-8.5	80.8	8.5	6.4	0.5	0.0%	0.6%	-6.2%	0.7%	-1.8%	0.2%
CCU	Food & Beverage	5,515	6,300	HOLD	2,167	4.3	2.1	16.0	13.6	7.2	6.6	1.4	3.3%	3.5%	8.6%	9.7%	3.5%	4.0%
Cenco Malls	Real Estate	2,450	3,000	BUY	4,445	1.7		16.7	14.6	13.2	12.1	1.3	4.7%	5.6%	8.2%	8.9%	5.3%	5.8%
Cencosud	Retail	2,011	2,850	BUY	6,001	9.6		26.4	22.5	8.1	7.5	1.1	1.2%	0.6%	4.8%	4.8%	1.5%	1.6%
CMPC	Pulp & Paper	1,002	1,150	UPERF	2,665	5.5		40.7	28.6	7.0	6.4	0.3	1.4%	1.0%	0.6%	0.9%	0.3%	0.4%
Colbun	Electric Utilities	146	170	BUY	2,721	2.1		10.3	9.0	6.1	6.0	0.8	4.4%	5.4%	7.9%	8.5%	3.7%	4.2%
Concha y Toro	Food & Beverage	938	1,050	HOLD	737	1.0		9.4	9.3	7.9	7.4	0.8	4.8%	4.3%	8.5%	8.3%	4.1%	4.0%
Empresas Copec	Pulp & Paper	6,630	8,500	BUY	9,166	6.2		8.3	14.4	6.4	7.3	0.6	4.3%	2.7%	7.5%	4.2%	3.2%	1.7%
Enel Americas	Electric Utilities	84	89	UPERF	9,527	12.1		9.6	9.5	3.7	3.6	0.5	3.0%	5.2%	5.8%	5.4%	2.7%	2.5%
Enel Chile	Electric Utilities	82	93	HOLD	6,032	5.7		10.1	12.2	6.4	6.4	1.1	4.5%	4.9%	11.2%	8.8%	4.7%	3.9%
Engie Energía Chile	Electric Utilities	1,905	2,070	HOLD	2,134	1.9		5.9	5.9	6.4	6.0	1.0	5.2%	8.4%	19.0%	16.9%	6.5%	6.2%
Entel	Telecom & IT	3,850	4,200	HOLD	1,237	1.6		8.9	7.6	3.6	3.5	0.6	6.0%	9.5%	6.6%	7.5%	2.3%	2.6%
Falabella	Retail	6,301	7,500	BUY	16,813	17.8		18.8	17.7	10.2	9.6	1.8	2.2%	2.3%	10.1%	9.6%	2.9%	2.8%
Itau Chile	Banks	23,460	26,800	HOLD	5,398	5.4		12.9	10.9	nm	nm	1.2	5.1%	3.9%	9.2%	10.6%	0.8%	0.9%
LATAM Airlines	Transport	24	31	BUY	14,620	39.6	57.4	9.7	9.4	5.1	4.7	5.9	3.2%	3.1%	78.9%	51.4%	7.6%	6.8%
Mall Plaza	Real Estate	3,851	4,100	UPERF	8,970	9.3		25.1	20.6	17.6	15.7	1.7	2.1%	2.6%	7.2%	8.2%	4.3%	4.8%
Parque Arauco	Real Estate	3,830	4,500	HOLD	3,998	5.2		23.4	18.8	17.6	15.4	1.6	2.6%	3.7%	8.1%	8.4%	3.4%	3.9%
Quiñenco	Conglomerates	4,660	5,100	HOLD	8,241	1.8		13.0	11.5	nm	nm	0.9	8.8%	7.7%	6.7%	7.6%	nm	nm
Ripley	Retail	422	510	HOLD	869	1.8		16.6	22.1	13.2	12.9	0.7	3.1%	2.0%	4.1%	3.0%	1.2%	0.8%
Salfacorp	Cement & Construction	1,250	1,680	BUY	731	0.9		17.8	14.8	9.9	9.8	1.2	2.2%	1.7%	6.9%	7.9%	2.3%	2.7%
SK	Industrial	1,650	2,020	BUY	1,884	0.1		13.4	7.9	6.0	6.2	1.2	4.6%	5.9%	9.1%	14.7%	2.8%	4.7%
SM SAAM	Transport	136	146	HOLD	1,404	0.3		18.2	15.7	6.7	6.1	1.3	5.7%	5.6%	6.9%	8.0%	4.1%	4.6%
SMU	Retail	120	190	HOLD	733	1.9		32.2	13.5	7.8	7.0	0.8	1.6%	3.6%	2.6%	6.1%	0.8%	1.9%
SQM	Mining	68,055	68,100	UPERF	20,286	32.5	91.6	9.0	9.2	5.9	6.2	2.9	4.5%	5.5%	36.0%	29.4%	14.7%	12.6%
Vapores	Transport	50	54	HOLD	2,740	2.5		210.2	10.0	-170.9	-152.9	0.4	17.6%	2.4%	0.2%	4.1%	2.8%	4.9%
IPSA Index		11,239	13,200		190,857	219.4		12.4	11.8	7.3	7.0	1.5	4.3%	4.3%	12.4%	12.4%	2.9%	2.9%

Colombia

						ADTV		P/E		EV/EBITDA		P/BV	Div Yield.		ROAE		ROAA	
Company	**Sector**	**Px Last**	**Px Target**	**Rating**	**Mkt. Cap**	**Local**	**ADR**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**
PF Grupo Cibest	Banks	79.480	96.000	BUY	26.811	11,0	27,2	8,4	7,9	nm	nm	1,8	8,9%	7,2%	22,1%	21,9%	2,4%	2,4%
Cemargos	Cement & Construction	11.480	12.900	HOLD	4.501	1,9	nm	37,4	26,4	7,7	6,7	1,6	5,1%	3,6%	3,8%	5,9%	2,3%	3,4%
Corficolombiana	Conglomerates	23.000	23.800	UPERF	2.686	0,4	nm	17,3	18,8	nm	nm	0,6	0,0%	0,0%	3,5%	3,2%	0,7%	0,6%
Davivienda Group	Banks	36.540	44.000	HOLD	7.129	1,0	nm	9,3	7,9	nm	nm	1,0	2,2%	3,2%	11,0%	12,0%	0,9%	1,0%
Ecopetrol	Oil & Gas	2.790	3.300	BUY	36.964	15,7	35,3	6,2	6,3	4,2	4,4	1,3	4,3%	9,7%	21,4%	19,6%	6,5%	6,3%
GEB	Electric Utilities	2.960	3.400	HOLD	8.757	1,1	nm	12,7	13,2	9,5	9,2	1,7	9,2%	5,5%	11,9%	12,3%	4,6%	4,4%
Grupo Argos	Conglomerates	22.980	22.900	UPERF	4.498	1,2	nm	31,2	20,6	8,6	8,1	1,4	3,7%	3,8%	4,3%	6,6%	1,2%	1,9%
Grupo Aval	Banks	832	970	HOLD	6.303	0,6	0,8	11,6	10,4	nm	nm	1,0	3,7%	4,2%	9,1%	9,8%	0,5%	0,5%
Grupo Sura	Conglomerates	69.000	90.000	BUY	6.775	1,9	nm	7,3	7,0	nm	nm	1,0	3,1%	4,1%	14,5%	14,2%	3,0%	2,9%
ISA	Electric Utilities	30.820	31.600	UPERF	11.000	2,7	nm	14,2	13,8	7,8	7,3	1,9	3,5%	3,5%	13,5%	13,6%	3,1%	3,0%
Colcap Index		2.627	3.000		153.509	47,3		11,0	10,5	5,8	5,5	1,0	5,3%	2,8%	19,0%	18,2%	2,8%	2,7%

Panama

						ADTV		P/E		EV/EBITDA		P/BV	Div Yield.		ROAE		ROAA	
Company	**Sector**	**Px Last**	**Px Target**	**Rating**	**Mkt. Cap**	**Local**	**ADR**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**
Bladex	Banks	55,6	72,0	BUY	2.071	8,1		8,3	7,5	nm	nm	1,1	5,1%	5,6%	14,3%	14,6%	1,8%	1,7%

Peru

						ADTV		P/E		EV/EBITDA		P/BV	Div Yield.		ROAE		ROAA	
Company	**Sector**	**Px Last**	**Px Target**	**Rating**	**Mkt. Cap**	**Local**	**ADR**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2026E**	**2027E**	**2026E**	**2027E**	**2026E**	**2027E**
Alicorp	Food & Beverage	13.4	15.0	HOLD	2,287	0.2		10.4	9.5	6.6	6.1	4.6	2.7%	4.3%	50.2%	42.9%	6.5%	6.3%
Buenaventura	Mining	33.9	42.6	BUY	9,320	0.2	45.4	8.7	10.2	4.0	4.6	1.8	4.6%	3.9%	22.4%	16.8%	15.5%	12.1%
Cementos Pacasmayo	Cement & Construction	8.38	8.64	UPERF	1,141	0.3	0.5	13.7	14.3	7.7	8.0	2.7	4.3%	7.3%	20.8%	18.5%	8.5%	8.3%
Cerro Verde	Mining	69.9	65.6	UPERF	24,469	0.7		12.3	13.7	6.2	6.8	3.1	7.4%	7.4%	25.9%	22.9%	21.3%	18.7%
Engie Peru	Utilities	4.67	5.40	BUY	834	0.2		10.3	10.1	4.7	4.5	0.7	9.2%	9.8%	6.7%	6.7%	3.5%	3.7%
Ferreycorp	Materials	4.50	5.15	BUY	1,263	0.8		8.8	9.3	5.7	5.6	1.4	6.8%	6.8%	15.7%	14.2%	6.8%	6.0%
Southern Copper	Mining	194.1	171.5	UPERF	163,921	0.3	268.0	25.3	27.0	14.3	15.3	11.5	2.3%	3.3%	50.3%	41.8%	26.6%	22.8%
IFS	Banks	54.9	68.0	BUY	6,338	0.1	12.2	9.4	8.5	nm	nm	1.5	3.4%	4.3%	17.4%	17.0%	2.2%	2.2%
InRetail	Retail	37.1	53.0	BUY	4,029	2.1		12.8	11.8	6.5	6.3	1.8	1.5%	2.4%	14.8%	14.6%	4.4%	4.5%
Minsur	Mining	7.71	7.40	HOLD	6,598	1.1		6.5	7.6	3.7	4.1	3.4	11.5%	12.4%	55.8%	44.1%	21.2%	17.7%
Unacem	Cement & Construction	2.24	2.94	BUY	1,206	0.2		7.2	5.7	5.3	4.9	0.6	4.5%	4.6%	8.1%	9.6%	3.5%	4.3%
MSCI Select Cap. 15%		1,560	1,705		221,407	6.2		12.8	13.5	6.3	6.7	6.1	5.1%	5.7%	34.8%	30.6%	14.5%	12.8%

3 / Andean Fixed Income

Andean Fixed Income Strategy

Navigating tight spreads and rate volatility

CEMBI LatAm spreads have tightened steadily this year, now ~60 bps inside 2025 year-end levels and near decade lows

Despite persistent geopolitical tensions, EM corporate credit has remained exceptionally resilient. Risk premiums have continued to grind tighter throughout the year, with CEMBI LatAm spreads now roughly 60 bps inside their 2025 year-end levels and at the tightest in the past decade. The performance reflects investor confidence that global growth will remain resilient and that geopolitical tensions will stay largely contained, limiting the risk of a broad deterioration in corporate credit fundamentals. Beneath the surface, however, performance dispersion in LatAm has been significant and driven by a diverse set of factors, including: (i) commodity exposure, with back and forward performance on energy-linked credits; (ii) idiosyncratic credit developments, with most volatility coming from brazlian names; (iii) M&A-related catalysts, particularly in the Colombian oil and gas sector; (iv) sector and country-specific themes such as the improving outlook for Vaca Muerta and shifting weather expectations related to El Niño; and (v) political developments, including changes in government across the region.

However, rate volatility has been a meaningful drag on returns

The tightening in spreads has partly offset higher U.S. Treasury yields, but rate volatility has been a meaningful drag on returns. Despite meaningful spread compression, EM corporate performance has remained highly sensitive to moves in base rates. Year-to-date, the CEMBI LatAm has returned 2.8%, with the investment-grade segment posting a negative 1.1% return due to a lower spread cushion and the Index's higher duration. In comparison, high-yield bonds have delivered a positive 5.9% return. In this sense, while geopolitical tensions have had only a limited impact on corporate spreads, their effect on U.S. rates has been far more pronounced. Higher energy prices have periodically reignited inflation concerns, putting upward pressure on the Treasury curve. Rate volatility has also been fueled by uncertainty surrounding the Federal Reserve's policy path under its new leadership, as well as persistent questions regarding the U.S. fiscal outlook.

Looking ahead, the direction of U.S. rates will remain a key determinant of total returns. Geopolitical developments should continue to generate volatility, although markets appear less concerned about a severe escalation than earlier in the year. The AI investment cycle remains an important pillar supporting global growth and risk sentiment. A softer-than-expected growth backdrop, renewed inflationary pressures, and a more hawkish FED could all weigh on fixed-income performance.

Against this backdrop of tight spreads and volatile base rates, we maintain our preference for credits where carry, spread duration, and fundamentals offer the most compelling risk-adjusted return. Spreads have reached historically tight levels, but absolute yields remain attractive and continue to provide a meaningful carry cushion. In that sense, we expect returns to be increasingly driven by carry. The opportunity lies in identifying issuers where carry is complemented by strong fundamentals, improving credit stories, or identifiable catalysts.

Looking at our region, most of the political catalysts have already materialized, making it increasingly difficult to identify opportunities for meaningful spread compression. Can the broader risk premium compress further? We don't think so, but we do believe Latin American corporate spreads will remain well supported by resilient economic activity, healthy corporate fundamentals, and strong balance sheets across most issuers. While periods of volatility are likely, we see limited risk of a broad-based deterioration in credit quality over the coming year. The recent political developments across the Andean region should also support improving fundamentals and a more constructive market backdrop. The development of the El Niño phenomenon poses a risk with mixed implications; however, we see this risk as temporary rather than a structural driver and believe it could bring opportunities ahead of potential earnings volatility.

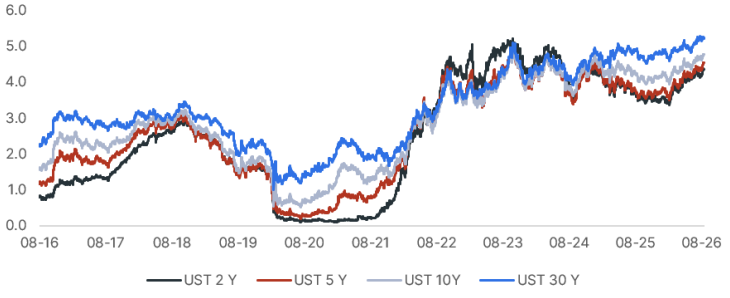
In a tight-spread, high-volatility environment, we are focused on high-carry opportunities with improving cash flow visibility and idiosyncratic catalysts.

In Colombia, we remain attracted to absolute yields, while we look to Peru and Chile for defensiveness. Colombia has been the clear outperformer in the Andean region year to date, with spreads tightening by roughly 70 bps, compared to around 20 bps in Peru and 15 bps in Chile. We remain Overweight on several Colombian credits that continue to offer compelling carry. However, fiscal deterioration remains a key risk, as weaker sovereign sentiment could eventually spill over into corporate spreads. Within financials, we favor select Colombian subordinated bonds for their attractive carry profile, as well as specific Peruvian names that offer compelling spreads relative to the sovereign. We also maintain selective Overweight positions in utilities that could benefit from El Niño-related conditions. Within commodities, we favor issuers with resilient balance sheets, structural cost advantages, and disciplined capital allocation, which could further strengthen their credit profiles over time. In Chile, we remain cautious on pulp and paper, where elevated capex requirements and execution risks could pressure ratings, but we remain confident in continued shareholder support. Finally, while Chile and Peru's retail sector continues to offer a relatively defensive buffer against potential market volatility, current valuations leave limited room for further spread compression.

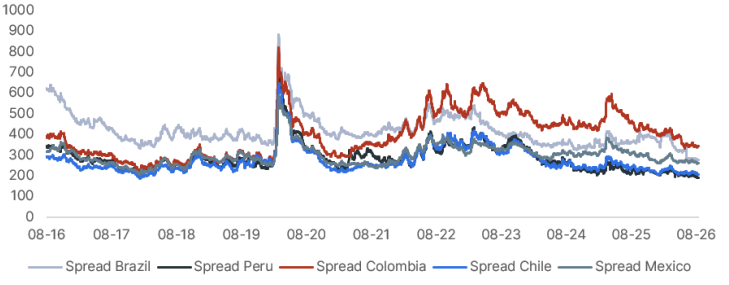
Our Overweights in the Andean Region

Bond	Company	Sector	Country	Rating	Am. Out	Duration	Z-Spread	YTW	Coupon	Price
AES 29	AES Andes	Utilities	CL	Baa3 / BBB- / BBB-	USD 500mn	2.2	125	5.5%	6.30%	101.7
AES 34	AES Andes	Utilities	CL	Baa3 / NR / BBB-	USD 485mn	4.1	152	5.9%	6.25%	101.1
BFALA 32	Falabella	Retail	CL	NR / BBB- / BBB-	USD 650mn	4.9	141	5.7%	3.38%	89.1
CELARA 29	Celulosa Arauco	Pulp & Paper	CL	Baa3 / BBB- / BBB-	USD 500mn	2.5	184	6.1%	4.25%	95.3
CELARA 30	Celulosa Arauco	Pulp & Paper	CL	Baa3 / BBB- / BBB-	USD 500mn	3.2	195	6.2%	4.20%	93.8
CELARA 32	Celulosa Arauco	Pulp & Paper	CL	Baa3 / BBB- / BBB-	USD 500mn	4.8	204	6.4%	6.18%	99.0
BCOLO 34	Bancolombia	Banks	CO	Ba3 / NR / BB-	USD 800mn	2.5	192	6.2%	8.63%	105.9
DAVIVI PERP 31	Banco Davivienda	Banks	CO	B2 / NR / B-	USD 500mn	3.9	375	8.0%	6.65%	94.6
ECOPET 32	Ecopetrol	Oil & Gas	CO	Ba2 / BB- / BB	USD 1,750mn	4.4	272	7.0%	7.75%	103.0
ECOPET 33	Ecopetrol	Oil & Gas	CO	Ba2 / BB- / BB	USD 2,300mn	4.8	294	7.2%	8.88%	107.7
ECOPET 36	Ecopetrol	Oil & Gas	CO	Ba2 / BB- / BB	USD 1,850mn	6.6	319	7.6%	8.38%	105.2
ENFRAG 32	Enfragen	Utilities	CO	Ba3 / BB+ / NR	USD 400mn	3.3	284	7.1%	8.50%	104.6
GEBCB 30	GEB	Utilities	CO	Baa3 / NR / BBB-	USD 400mn	3.4	136	5.6%	4.88%	97.5
TERMOC 31	Termocandelaria	Utilities	CO	NR / BB- / BB	USD 425mn	2.7	218	6.4%	7.75%	103.3
BUENAV 32	Buenaventura	Metal & Mining	PE	NR / BB- / BB	USD 650mn	3.1	171	5.9%	6.80%	102.5
COFIDE 29	COFIDE	Banks	PE	NR / BBB- / BBB	USD 300mn	2.4	85	5.1%	5.95%	101.8
COFIDE 30	COFIDE	Banks	PE	NR / BBB- / BBB	USD 400mn	3.2	95	5.2%	5.50%	100.8
IFSPE 27	IFS	Banks	PE	NR / BB+ / BBB	USD 300mn	1.1	105	5.1%	4.13%	98.9
KALLPA 32	Kallpa	Utilities	PE	Baa3 / NR / BBB-	USD 500mn	4.6	116	5.5%	5.88%	101.7
ORSAPE 32	Orazul	Utilities	PE	Ba2 / NR / BB	USD 380mn	3.5	191	6.2%	6.25%	100.0
SCCO 35	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,000mn	6.7	129	5.7%	7.50%	112.4
SCCO 36	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,250mn	7.6	134	5.7%	5.35%	97.0
SCCO 40	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,100mn	9.1	142	5.9%	6.75%	107.5
SCCO 42	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,200mn	10.6	150	6.1%	5.25%	91.7
SCCO 45	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,500mn	11.2	148	6.1%	5.88%	97.9
SCCOMX 32	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,000mn	4.6	125	5.5%	5.63%	100.2
SCCOMX 50	Southern Copper	Metal & Mining	PE	Baa1 / BBB+ / BBB+	USD 1,000mn	13.4	163	6.2%	4.50%	78.4

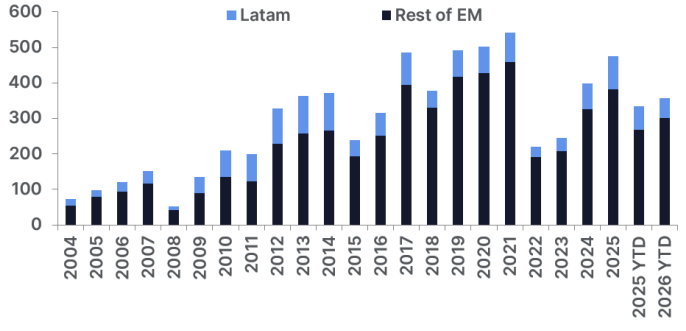
UST Evolution



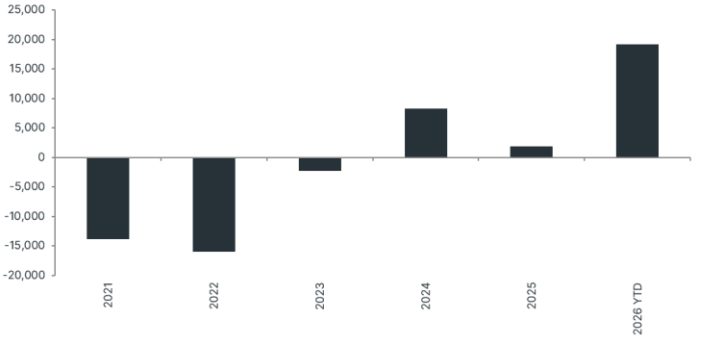
Corporate Spread Evolution by Country



New Issuances (USD bn)



Annual Flows to EM (USD bn debt flows)



Source: Bloomberg, IIF, JPM, Credicorp Capital.

4 / Andean Sector Reviews

4.1 / Andean Banks

Andean Banks – Equities

From political relief to fundamental execution

Recent electoral outcomes across the Andean region have reduced part of the political uncertainty that weighed on financial stocks in recent years, supporting a more constructive view toward the sector. However, as political risk moderates, investors are increasingly shifting their attention back to fundamentals, execution, and each country's ability to navigate a still challenging macroeconomic backdrop.

Banks in Colombia, Chile, and Peru face a complex mix of country-specific pressures

Banks in Colombia, Chile, and Peru face a complex mix of country-specific pressures, including fiscal risks, uneven economic growth, and potential El Niño-related disruptions. These factors could affect asset quality, provisioning needs, and overall business activity, making sector performance less dependent on political re-rating and more tied to each bank's ability to protect profitability and deliver earnings growth. While the sector still offers attractive opportunities, the next stage of performance should be driven by stock selection rather than broad sector momentum.

Chile: From Inflation Tailwinds to Growth Delivery

Chilean banks have continued to benefit from an operating environment characterized by higher inflation, which has supported revenue generation, profitability, and ultimately led banks to increase their 2026 ROAE guidance. Despite a challenging economic backdrop, the sector has delivered resilient earnings and maintained strong profitability metrics, providing support for valuations across the industry.

The key variable for the next stage of the investment story is no longer inflation but loan growth

However, we believe the key variable for the next stage of the investment story is no longer inflation but loan growth. Credit expansion has remained subdued amid weak economic activity, limiting the ability of banks to translate solid profitability into a more sustainable earnings growth trajectory. Looking ahead, we see a more constructive setup. The upcoming Reconstruction Law, lower corporate taxes, and potential capital relief stemming from recent CMF regulatory developments should provide support for both economic activity, credit demand and higher growth appetite. **As a result, we forecast industry loan growth of approximately 5% in 2026 and 7% in 2027.**

BCI (BUY; T.P.: CLP 81,000/share) remains our preferred exposure within the sector. The bank enters this period from a position of strength, already

delivering above-industry loan growth, solid profitability, and consistent execution both in Chile and through City National Bank of Florida. We believe this combination offers the most attractive risk-reward profile among banks in Chile.

By contrast, **Banco de Chile (HOLD; T.P. CLP 212/share) and Santander Chile (HOLD; T.P. CLP 93/share)** continue to post industry-leading profitability, with ROEs comfortably above 20%; however, both names trade at valuation levels close or above 3.0x P/BV 2027E, limiting potential upside, particularly in the case of Banco de Chile. Meanwhile, **Itaú Chile (HOLD; T.P.: CLP 26,800/share)** continues to face execution challenges following a disappointing 2026 performance affected by market-related factors. While operations in Colombia appear to be moving in the right direction, limited visibility regarding earnings delivery and profitability during 2026-27 keeps us cautious on the name.

Colombia: Higher Rates Create Winners and Losers

Higher rates are likely to create significant performance dispersion across institutions

Colombian banks enter the post-election period facing a more favorable political backdrop, with a new administration expected to reduce regulatory uncertainty that has weighed on the sector in recent years. However, improving political visibility does not necessarily translate into an easier operating environment. The incoming government inherits a challenging fiscal position, which is likely to constrain economic growth and limit the pace of the recovery over the coming years.

At the same time, the banking sector faces the new inflation and interest rate cycle. Higher rates are likely to create significant performance dispersion across institutions, benefiting banks with stronger funding structures and positive asset sensitivity while putting pressure on those that are liability sensitive. Adding to an already complex environment, banks may also face higher provisioning needs related to the potential effects of El Niño and the recent earthquake, both of which could pressure asset quality in specific geographies and customer segments.

Grupo Cibest remains our preferred exposure in Colombia and our Top Pick in Colombia

In this environment, **Grupo Cibest (BUY; T.P.: COP 96,000/share)** remains our preferred exposure in Colombia and our Top Pick. The group combines industry-leading profitability, with ROAE consistently above 20%, and one of the strongest revenue-generating institutions in the sector. The group remains best positioned to navigate a demanding macroeconomic environment while continuing to deliver attractive returns for shareholders.

Davivienda Group (HOLD; T.P.: COP 44,00/share) remains our second preferred name. The bank's earnings profile appears relatively neutral to higher interest rates, reducing some of the pressure that other institutions may face under the current scenario. The next phase of the integration with Scotiabank will be critical, and investors will focus on the pace at which management can

capture operational efficiencies, cost synergies, and profitability improvements. Finally, **Grupo Aval (HOLD; T.P.: COP 970/share)** remains the most challenged name under our coverage in the current environment. The group's earnings profile is negatively exposed to higher rates, which continue to pressure margins and profitability. The same dynamic affects Corficolombiana, where a higher debt burden and elevated interest expense create additional earnings headwinds. While valuation remains attractive and we recognize the potential for a recovery as the rate cycle evolves, we believe the path toward a more constructive view is likely to take time.

Peru faces what could be the most challenging El Niño scenario among the markets we cover.

Peru: Looking Through the El Niño Disruption

Peru enters the post-election period with improved political visibility but also faces what could be the most challenging El Niño scenario among the markets we cover. This comes at a time when the industry has been delivering strong profitability, supported by wider margins and well-contained cost of risk, allowing profitability to recover and exceed pre-pandemic levels. However, the near-term outlook could be affected by a temporary increase in provisioning needs and credit costs if weather-related disruptions impact economic activity and asset quality.

While the coming quarters may prove volatile, we view these risks as cyclical rather than structural. Once El Niño-related pressures begin to normalize, banks should benefit from an improving economic backdrop and stronger loan growth. In our view, the industry's medium-term earnings trajectory remains constructive despite the potential short-term disruption.

With a valuation of only 1.2x P/BV, we believe the stock offers an attractive risk-reward profile.

IFS (BUY; T.P: USD 68) our only covered banking exposure in Peru, reflects this dynamic. While the company could face near-term earnings pressure from higher provisions, we remain constructive on its medium-term outlook given the expected recovery in higher-yield products, improving margins, and stronger economic growth. With long-term ROAE potential near 17% and a valuation of only 1.2x P/BV, we believe the stock offers an attractive risk-reward profile for investors willing to look beyond the next few quarters.

Andean Banks - Fixed Income

Peru for defense, Colombia for carry

In fixed income, valuations across Peruvian financials remained tight, with many of our preferred credits having already priced in much of the sector's fundamental improvement. Nevertheless, we continue to favor Peruvian banks as a defensive pick, supported by strengthening macroeconomic conditions and what we view as the most appealing structural story in the region. In Colombia, the sector rallied strongly following the elections and, while spreads are beginning to look rich relative to Mexican peers on a spread-over-sovereign basis, carry remains attractive. Key risks to monitor include fiscal deterioration that could weigh on sovereign sentiment and spill over into corporate spreads, as well as asset quality trends.

Peru: Strong fundamentals, tight spreads

Stronger macro fundamentals and a constructive credit cycle continue to support our positive long-term view on the sector.

Peruvian banks have continued to deliver solid operating performance, supported by improving asset quality, resilient profitability, and steadily strengthening capital ratios. Banks remain focused on building capital buffers ahead of the full implementation of Basel III requirements, further reinforcing the sector's resilience and enhancing its capacity to absorb potential shocks. Looking ahead, the El Niño phenomenon could result in higher provisioning needs, placing some pressure on cost of risk and potentially leading to a deterioration in asset quality. However, we expect any adverse effects to be manageable and temporary. Importantly, the medium- to long-term outlook for the banking sector remains constructive, underpinned by Peru's improving macroeconomic environment and the ongoing recovery in economic activity. Against this backdrop, we remain comfortable with the fundamental credit outlook for Peruvian banks. From a valuation perspective, however, the picture is less compelling. **Bank bonds are generally trading at relatively tight spreads, both versus regional peers and the sovereign curve, leading us to maintain a neutral stance across most bank curves.** That said, we identify selective opportunities. We are **Overweight on IFSPE 2027,** which currently trades wide relative to IFHBH 2029 and offers attractive value versus comparable senior financial bonds in the region. By contrast, while IFH benefits from greater business diversification, its bonds trade at rich levels. For instance, IFHBH 2033 trades only around 30bps wide of BINTPE 2031 and approximately 20bps inside INRSHM 2032, leaving limited room for further compression. **Lastly, we maintain an Overweight recommendation on COFIDE,** supported by its strong capitalization and clear government backing. We particularly favor COFIDE 2029 and COFIDE 2030, which offer compelling relative value versus the sovereign curve and other regional senior financial issuers.

Colombia: Compression story priced in, value in the carry

Post-election rally in Colombian bank bonds reflected improving sector credit sentiment beyond the sovereign story.

Colombian bank bonds have rallied strongly since the elections, with several issuers also tightening relative to the sovereign, reflecting improved sentiment toward the sector. We believe this performance has been driven largely by a significant reduction in regulatory uncertainty under the new administration. Nevertheless, the macro backdrop remains challenging, given Colombia's fiscal pressure and the prospect of higher rates for longer. In such an environment, asset quality remains a key variable to monitor, particularly given the potential for additional provisioning needs linked to El Niño-related disruptions and the recent earthquake. On the positive side, we highlight that banks have been preparing their balance sheets for the current rate environment, and that capital positions have strengthened, leaving them well-positioned to absorb potential volatility.

From a valuation perspective, spreads over sovereigns remain attractive relative to Peruvian and Chilean peers. Still, the premium has compressed substantially over recent months and now compares less favorably with Mexican peers. As a result, we see limited scope for further spread tightening, particularly as fiscal risks are likely to remain an important source of volatility for Colombian sovereign curves. **While carry remains attractive, valuation upside appears increasingly constrained by the country's still-challenging fiscal outlook**.

We continue to favor selective exposure to Colombian banks for carry.

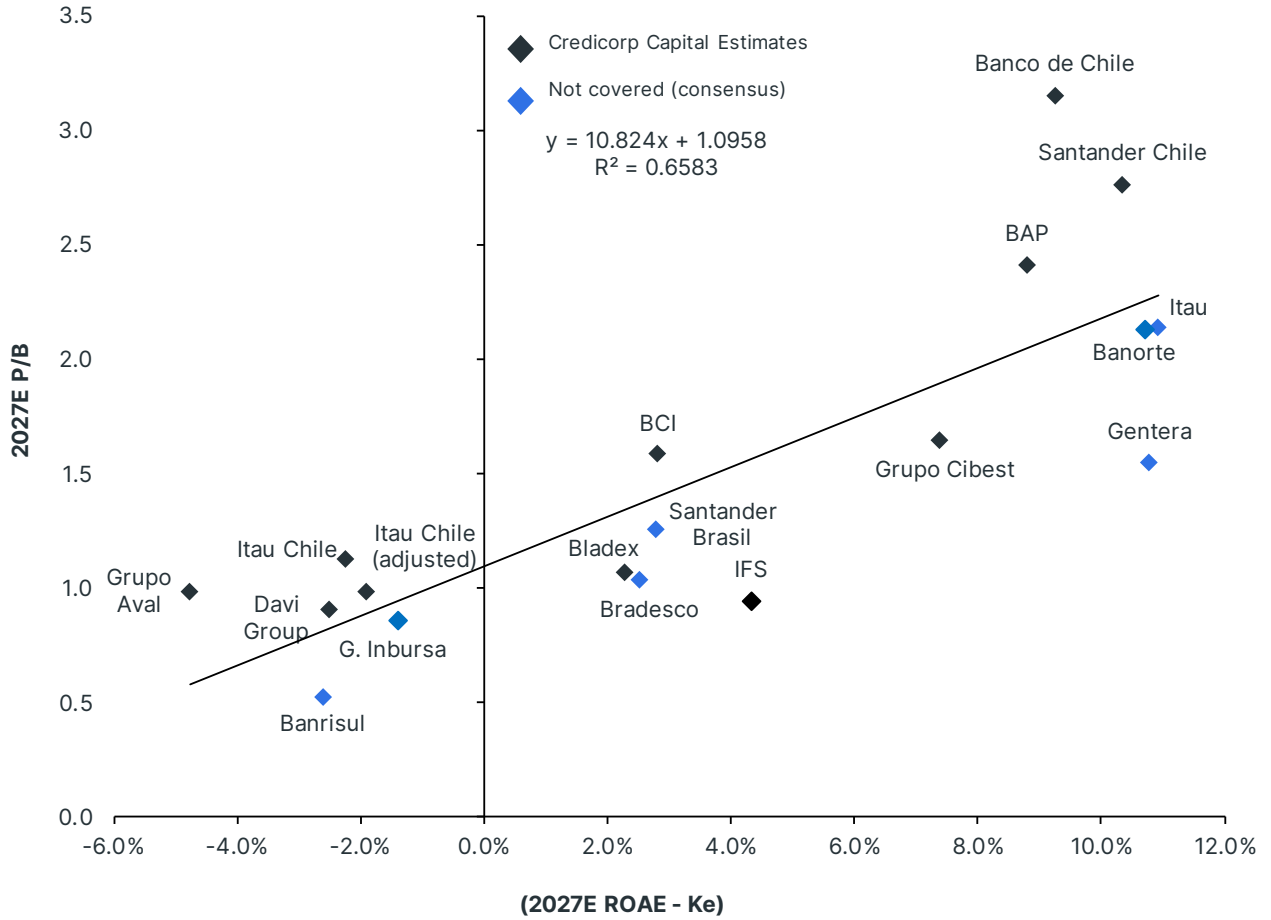
Within the sector, **Bancolombia remains our preferred name and is best positioned to benefit from a higher-for-longer rate environment.** Although we see limited room for additional spread compression, given that much of the positive fundamental story is already reflected in valuations, **BCOLO 34s continues to stand out as an attractive carry opportunity supported by strong earnings generation.** At **Davivienda**, management's balance sheet repositioning has left the bank broadly neutral to interest rate changes, suggesting margin pressures should be considerably more manageable than during the previous tightening cycle. We remain **Overweight DAVIVI RP 2031,** although the bond currently trades around 180 bps over the Colombian sovereign and looks less compelling relative to some regional AT1 instruments, it continues to offer attractive carry and is supported by steadily improving fundamentals. By contrast, **DAVIVI 35** trades broadly in line with its historical relationship to **BCOLO 34**, leaving little room for meaningful outperformance absent a new catalyst. Meanwhile, **AVALCB 30** trades at approximately 25 bps over the Colombian sovereign, close to its six-month average, suggesting limited scope for further compression. Finally, **BANBOG 27** is expected to be called in the near term.

Relative Valuation

Credicorp Capital Coverage Universe

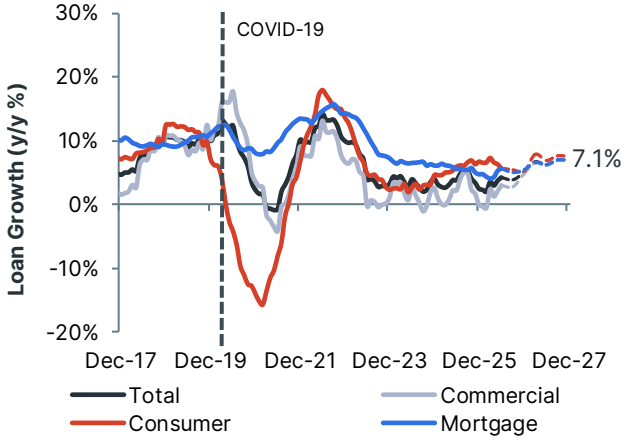
	Country	Price	Target	Market Cap	CC	P/E					P/B					Dvd Yield	ROAE				
		(local)	(local)	(USD mn)	Rating	24	25	26E	27E	28E	24	25	26E	27E	28E	27E	24	25	26E	27E	28E
Chile	CL	195.1	212.0	20,938	HOLD	9.5	14.7	15.8	14.9	13.8	2.0	3.0	3.3	3.1	3.0	5.4%	22.2%	20.9%	21.1%	21.6%	22.3%
Santander	CL	82.6	93.0	16,407	HOLD	10.4	12.7	13.1	12.7	11.7	2.1	2.8	3.0	2.8	2.5	5.0%	19.8%	23.4%	24.0%	22.7%	22.7%
BCI	CL	65,498	81,000	15,833	BUY	7.5	12.8	11.8	11.0	10.0	0.9	1.7	1.7	1.6	1.4	2.6%	12.3%	13.8%	15.5%	15.1%	15.0%
Itaucorp	CL	23,460	26,800	5,088	HOLD	5.7	10.0	12.9	10.9	9.0	0.6	1.0	1.2	1.1	1.1	3.9%	10.0%	10.4%	9.2%	10.6%	12.2%
Cibest	CO	79,480	96,000	24,072	BUY	5.4	15.1	8.4	7.9	7.7	0.8	1.4	1.8	1.6	1.5	7.2%	15.4%	9.2%	22.1%	21.9%	20.4%
Davi Group	CO	36,540	44,000	3,536	HOLD	nm	7.7	9.3	7.9	6.4	0.5	0.8	1.0	0.9	0.8	3.2%	-0.8%	10.6%	11.0%	12.0%	13.4%
Aval	CO	832	970	6,278	HOLD	10.4	10.6	11.6	10.4	8.7	0.6	1.0	1.0	1.0	0.9	4.2%	5.9%	9.6%	9.1%	9.8%	11.0%
IFS	PE	55.1	68.0	6,884	BUY	9.7	8.6	6.3	5.8	5.4	1.2	1.4	1.0	0.9	0.9	7.9%	12.5%	17.2%	17.2%	16.9%	16.8%
Bladex	PN	55.6	72.0	2,201	BUY	6.4	7.3	8.4	7.6	7.0	1.0	1.0	1.1	1.1	1.0	5.5%	16.2%	15.0%	14.3%	14.6%	14.7%
Banking Coverage Median				**6,884**		**8.5**	**10.6**	**11.6**	**10.4**	**8.7**	**0.9**	**1.4**	**1.2**	**1.1**	**1.1**	**5.0%**	**12.5%**	**13.8%**	**15.5%**	**15.1%**	**15.0%**
Banking Coverage Average				**6,884**		**8.1**	**11.1**	**10.8**	**9.9**	**8.9**	**1.1**	**1.6**	**1.7**	**1.6**	**1.5**	**5.0%**	**12.6%**	**14.5%**	**15.9%**	**16.1%**	**16.5%**

LatAm Relative Valuation

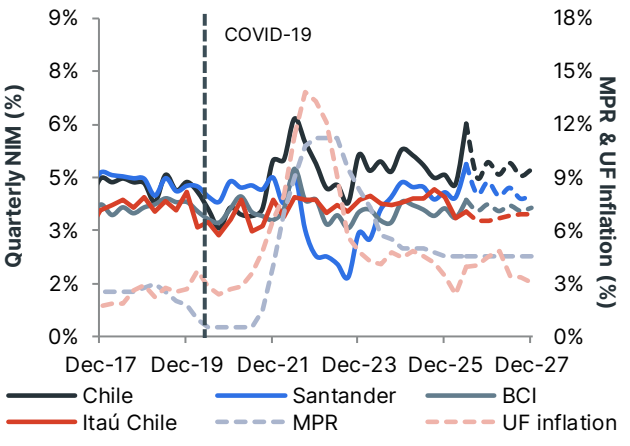


Chile

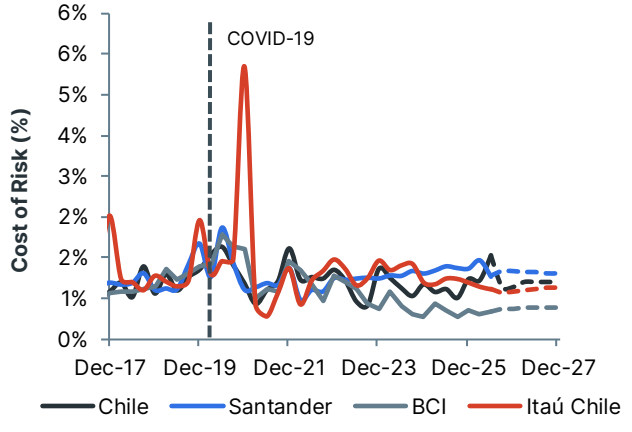
Loan Growth



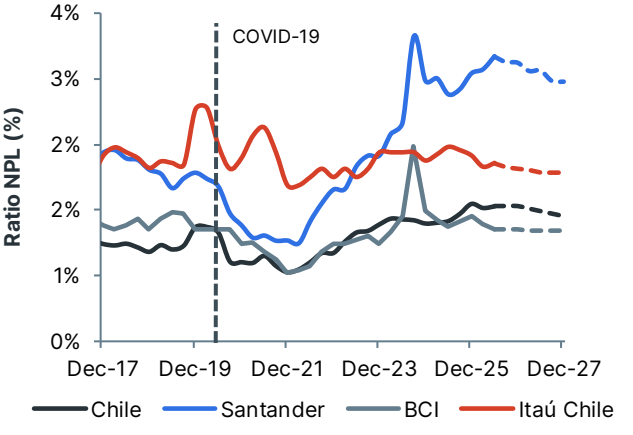
Quarterly NIM



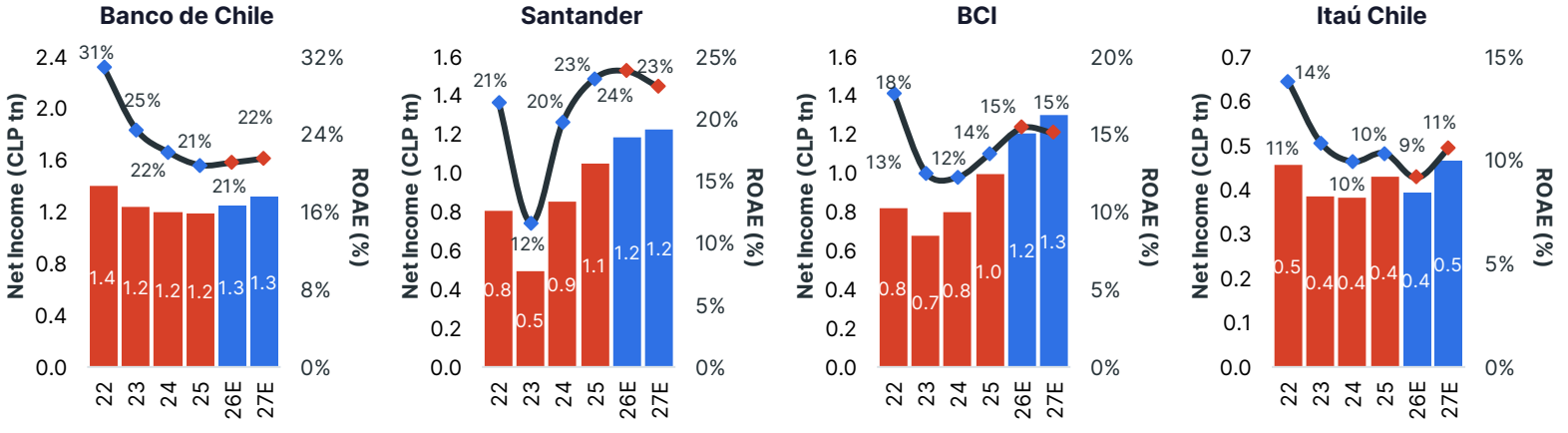
Cost of Risk



NPL Ratio

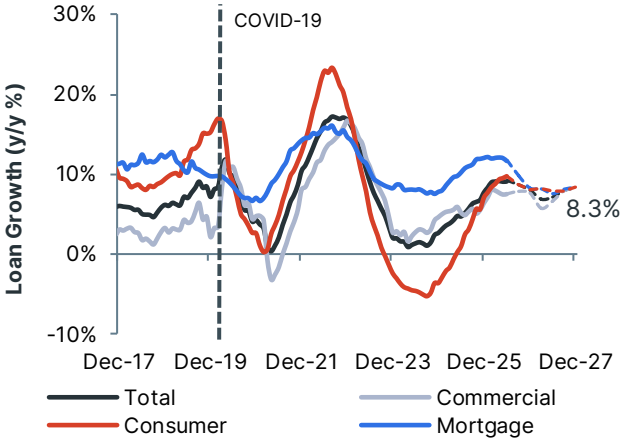


ROAE

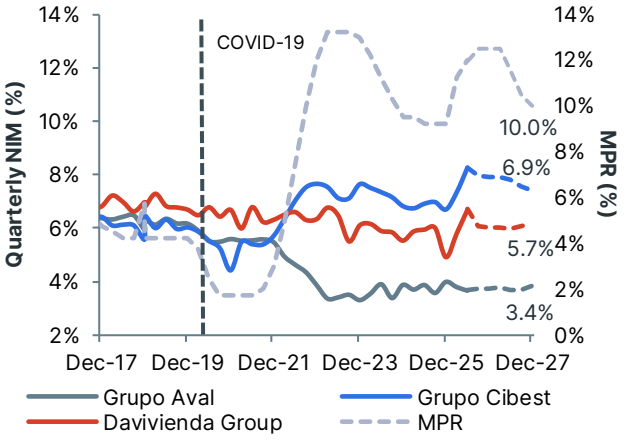


Colombia

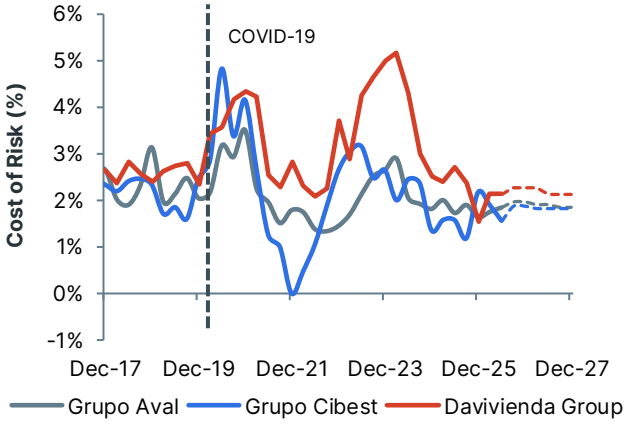
Loan Growth



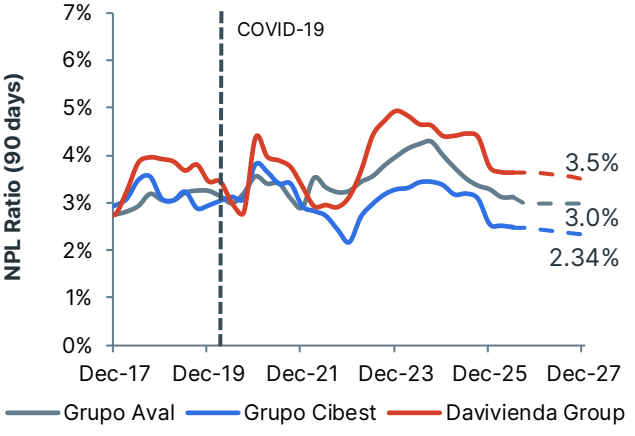
Quarterly NIM



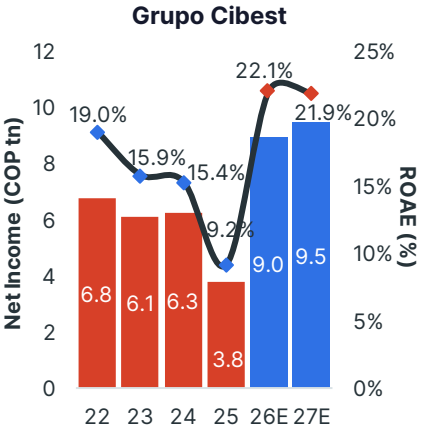
Cost of Risk

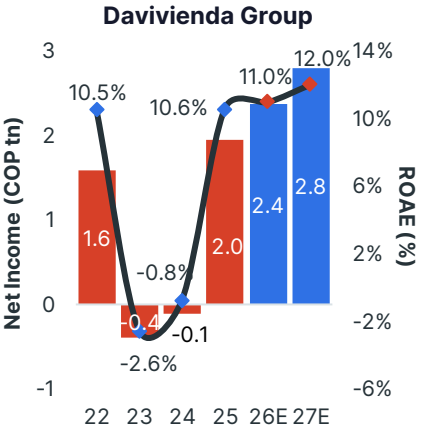


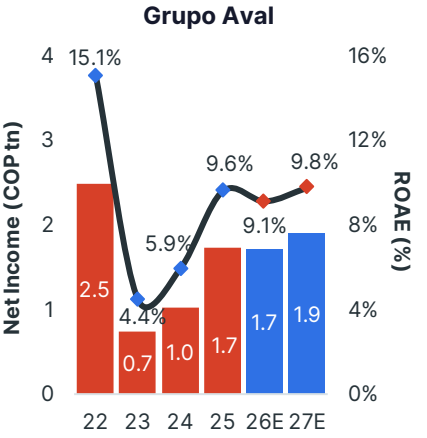
NPL Ratio



ROAE

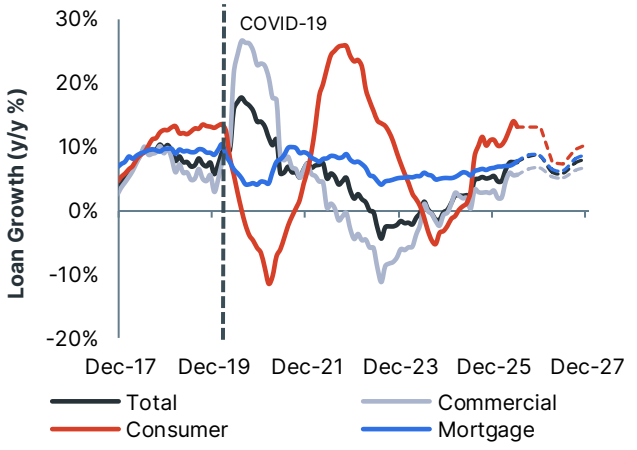




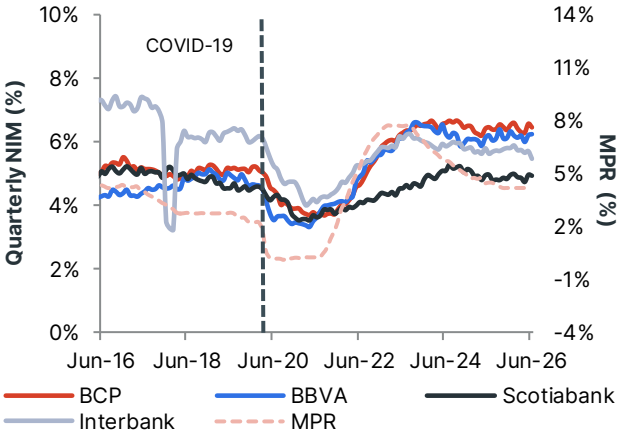


Peru

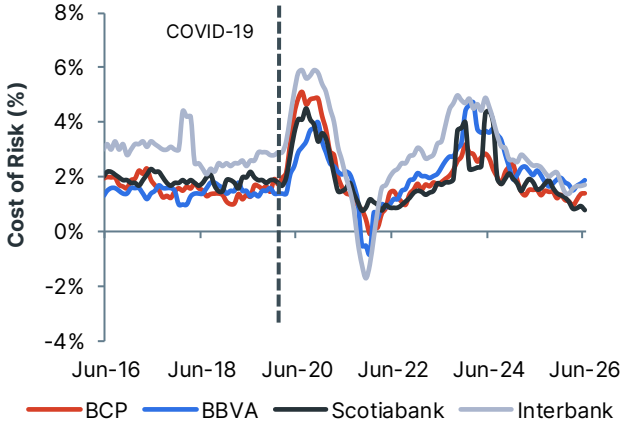
Loan Growth



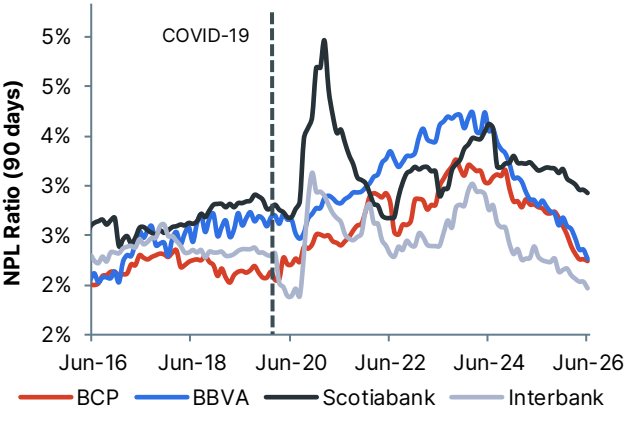
Quarterly NIM



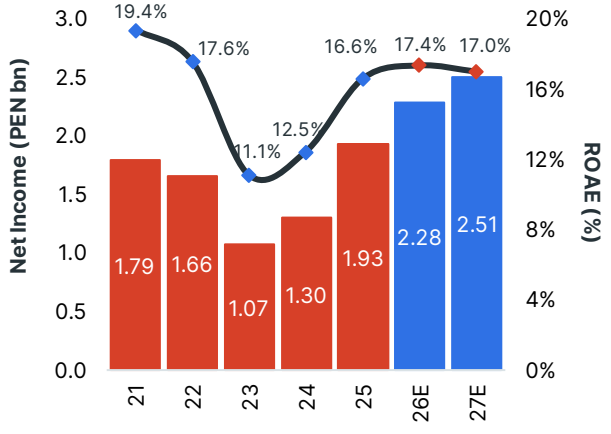
Cost of Risk



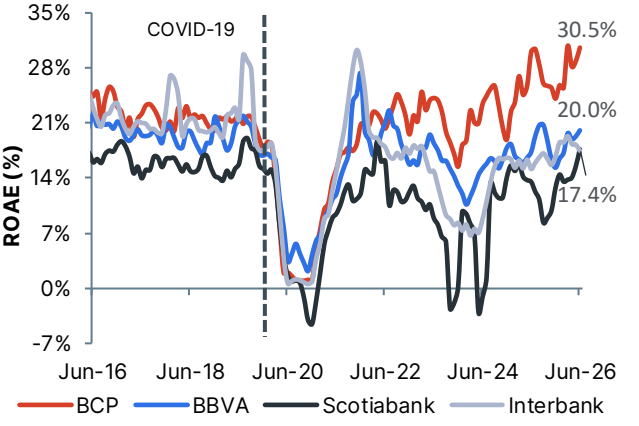
NPL Ratio



IFS – Net Profits & ROAE



Quarterly ROAE



Banco de Chile

Equity Research Chile Banks

Rating: Hold
TP: CLP 212 (loc) / USD 45.3 (ADR)

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

The time has come to put capital to work

Investment Thesis

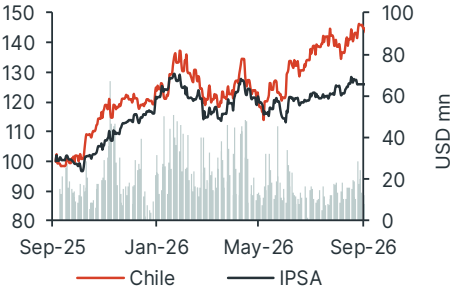
We are presenting our 2027E TP of CLP 212/share (USD 45.3 ADR) and reaffirming our HOLD rating. Investors already know that Banco de Chile is the most resilient bank in the country, with the strongest capital ratios and the best asset quality profile. However, these strengths are reflected in valuation multiples of 3.1x P/BV and 14.9x P/E (2027E). So, what is the additional upside? For us, it is essential that the bank allocates its capital to i) support loan growth and ii) become the most profitable bank in Chile. With a CET 1 ratio of 13.9% in 2Q26 and CLP 682 bn in additional provisions, the company has ample room to utilize capital, achieve higher loan growth, and maintain high payout ratios of ~85% in the coming years. Our model assumes high-single-digit loan growth over the next two years and a long-run ROAE of close to 24%. Therefore, our thesis depends strongly on the company's effective use of capital. If Banco de Chile fails to better put to work its ample capital position and remains at an ROAE of 21%, our target price decreases to CLP 177/share. The 21% ROAE is strong but insufficient to support current prices.

The task is not easy, with many moving parts. The bank's strong balance sheet faces a challenging macro-outlook. Weak economic activity, historic high unemployment, risks posed by the El Niño phenomenon, and external risks make accelerating loan growth more difficult by dampening loan demand. On the positive side, we expect the reconstruction bill to support economic activity and improve the credit cycle in 2H26 and 2027, a scenario in which we expect Banco de Chile to shine and grow faster than industry levels. Finally, we note that the new statutory tax rate path, from 27% to 23% in 2029, is incorporated into the model, while any regulatory changes to RWAs (market and credit) are upside risks to our figures.

Stock Data

Ticker	chile ci / bch us
Price (CLP)	195 (loc) / 41.9 (ADR)
Target (CLP)	212 (loc) / 45.3 (ADR)
Total Return	14.1%
LTM Range	134.2 - 198.9
M. Cap (USD mn)	20,955
Shares Outs. (bn)	101.0
Free Float	45.8%
ADTV (USD mn)	19.9

Price Chart (CLP) and Volumes (USD mn)



Valuation

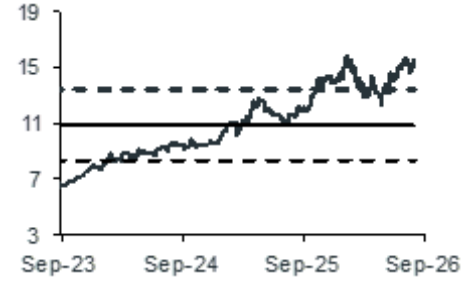
Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 11.7% in CLP and perpetuity growth of 6.0%. Our TP implies a 3.4x P/BV and a 16.2x P/E 2027E, while shares are currently trading at 3.1x P/BV and 14.9x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 23.9%.**

Valuation Summary

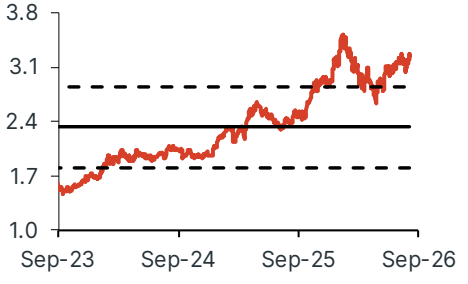
	2025	2026E	2027E	2028E
P/E	14.7	15.8	14.9	13.8
P/BV	3.0	3.3	3.1	3.0
ROAE	20.9%	21.1%	21.6%	22.3%
ROAA	2.2%	2.2%	2.2%	2.2%
Div. Yield	5.7%	5.1%	5.4%	5.7%

Sources: Company Reports and Credicorp Capital

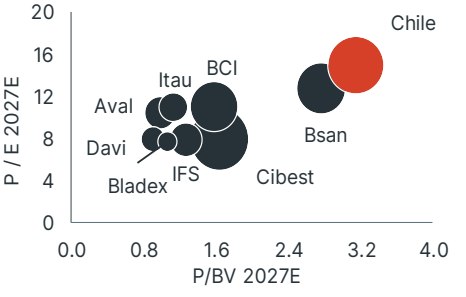
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

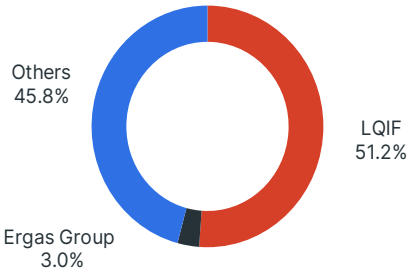


Chile

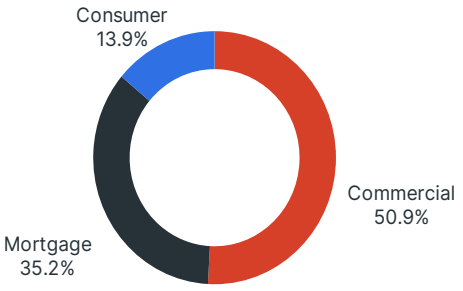
Company Description

Banco de Chile is a full-service financial institution offering credit products and services across all segments of the Chilean financial market. Currently, Banco de Chile competes with Santander for the leadership within the banking industry in Chile by loan size with ~USD 45 bn and ~15.8% market share. The bank is one of the most profitable banks within the Chilean industry. Banco de Chile is controlled by a 50/50 joint venture between Citi and Quiñenco.

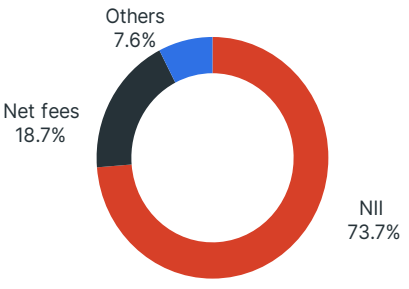
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Eduardo Ebensperger
CFO: Rolando Arias
HIR: Pablo Mejía
www.bancochile.cl

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Net interest income	2,141	2,052	2,236	2,281	2,432
Net fee income	572	637	690	749	807
Operating income	3,050	3,026	3,277	3,387	3,620
Provision expenses	-392	-382	-484	-486	-523
Operating expenses	-1,133	-1,131	-1,168	-1,224	-1,296
Net income	1,207	1,192	1,250	1,325	1,426
EPS (CLP)	12.0	11.8	12.4	13.1	14.1
Net margin	39.6%	39.4%	38.2%	39.1%	39.4%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	3,738	3,405	2,927	3,154	3,385
Investments	7,700	9,621	10,676	11,237	11,858
Gross loans	38,875	39,192	41,551	44,764	48,043
Total assets	52,095	54,101	57,092	61,269	65,551
Total deposits	28,432	28,470	30,719	33,094	35,518
Other funding	12,257	13,839	14,364	15,474	16,608
Total liabilities	46,472	48,301	51,062	55,012	59,042
Minority interest	0.002	0.001	0.001	0.001	0.001
Shareholder's equity	5,623	5,800	6,030	6,257	6,509
Total liabilities + Equity	52,095	54,101	57,092	61,269	65,551

Ratios

	2024	2025	2026E	2027E	2028E
NIM	4.9%	4.8%	5.0%	4.7%	4.7%
Fee ratio	18.7%	21.1%	21.1%	22.1%	22.3%
Cost-to-income ratio	-37.1%	-37.4%	-35.7%	-36.1%	-35.8%
NPL / loans	1.4%	1.7%	1.7%	1.5%	1.4%
LLP / loans	-2.0%	-2.1%	-2.0%	-1.9%	-1.9%
Cost of credit risk	-1.0%	-1.0%	-1.2%	-1.1%	-1.1%
LLP / NPL	-140%	-127%	-119%	-125%	-135%
LTD ratio	134.0%	134.7%	132.6%	132.7%	132.7%
Loan-to-funding ratio	93.6%	90.7%	90.4%	90.4%	90.4%
BIS ratio	18.1%	18.3%	18.0%	17.4%	16.9%
ROAE	22.2%	20.9%	21.1%	21.6%	22.3%
ROAA	2.2%	2.2%	2.2%	2.2%	2.2%

Sources: Company Reports and Credicorp Capital

Banco Santander

Equity Research Chile Banks

Rating: Hold
TP: CLP 93.0 (loc) / USD 39.7 (ADR)

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Leader in ROAE, but not without concerns

Investment Thesis

We are presenting our 2027E TP of CLP 93/share (USD 39.7 ADR) and reaffirming our HOLD rating. Santander continued to lead the industry in ROAE, reporting 26% in 1H26, supported by high UF inflation in 2Q26. Much of the positive performance is reflected in the price, as it trades at 2.8x P/BV and 12.7x P/E 2027E. Although it offers greater upside than Banco de Chile, we see two key hurdles in the bank's thesis that prevent us from being more optimistic: weak loan growth and higher NPLs. Despite the short-term risks, we maintain a positive long-term outlook, with a ~23% long-term ROAE.

Weak loan growth and market share loss. In the first half of 2026, Santander grew 1.1% y/y, compared with 4.3% at the industry level and below the pace of key competitors such as Banco de Chile (+2.3% y/y), BCI (+6.0% y/y), and Itau Chile (+9.6% y/y). The result has been a continuous loss of market share. During the year, Santander's market share decreased by 24 bps, and it has lost 179 bps since 2019, the largest loss among peers. The opportunity lies ahead with the reconstruction bill, and guidance suggests accelerating loan growth. However, all banks will be looking to increase loan growth, so competition will remain high, with peers showing stronger loan growth momentum.

Don't overlook higher-risk metrics. Santander's 90-day NPL ratio stood at 3.43% in 2Q26, the highest on record, well above the industry average of 2.40% and even the retail-bank average of 3.19%. Amid weak economic activity and a historic high unemployment, normalization will take time. The latter should keep the cost of risk above 1.3% in 2026 and 2027, with improved economic activity expected to bring it to normalized levels of around 1.1%-1.2% in the medium term.

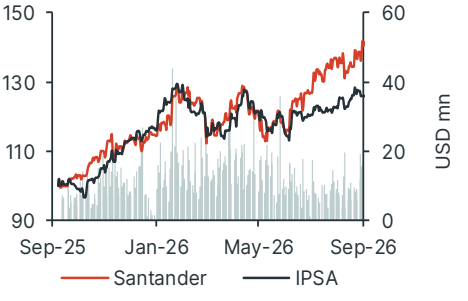
Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 12.1% in CLP and perpetuity growth of 5.5%. Our TP implies a 3.1x P/BV and a 14.3x P/E 2027E, while shares are currently trading at 2.8x P/BV and 12.7x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 22.7%.**

Stock Data

Ticker	bsan ci / bsac us
Price (CLP)	82.6 (loc) / 35.3 (ADR)
Target (CLP)	93.0 (loc) / 39.7 (ADR)
Total Return	17.6%
LTM Range	58.9 - 83.9
M. Cap (USD mn)	16,545
Shares Outs. (bn)	188.4
Free Float	32.8%
ADTV (USD mn)	12.1

Price Chart (CLP) and Volumes (USD mn)



Valuation Summary

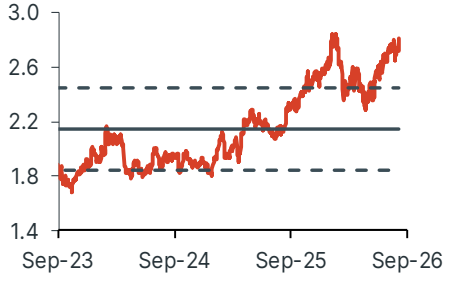
	2025	2026E	2027E	2028E
P/E	12.7	13.1	12.7	11.7
P/BV	2.8	3.0	2.8	2.5
ROAE	23.4%	24.0%	22.7%	22.7%
ROAA	1.5%	1.7%	1.6%	1.7%
Div. Yield	4.5%	4.1%	5.0%	5.1%

Sources: Company Reports and Credicorp Capital

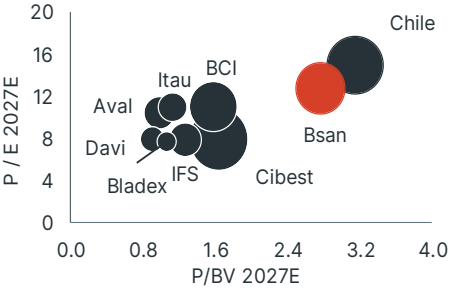
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

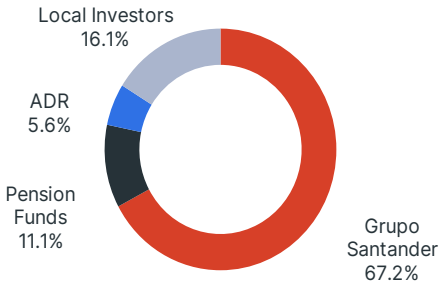


Santander

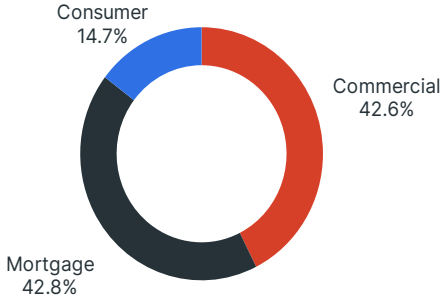
Company Description

Santander is one of the largest financial institutions in Chile, with more than ~USD 46 bn in total loans and a ~16.2% market share. The bank has historically maintained one of the highest levels of profitability in the Chilean industry due to costs efficiencies derived from its large scale and its higher spread portfolio, focused on the wholesale, consumer, mortgage and middle-market segments. Santander Chile is controlled by the Santander group of Spain with a ~67.2% stake.

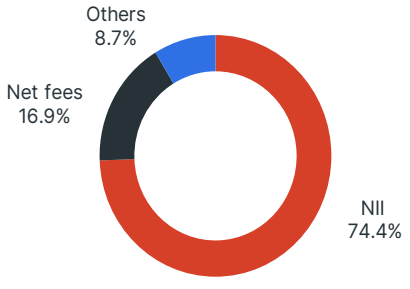
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Andrés Trautmann
CFO: Patricia Pérez
HIR: Cristian Vicuña
www.santander.cl

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Net interest income	1,818	2,017	2,214	2,259	2,388
Net fee income	547	596	584	612	658
Operating income	2,623	2,891	3,107	3,180	3,374
Provision expenses	-526	-573	-583	-579	-587
Operating expenses	-1,023	-1,041	-1,018	-1,077	-1,137
Net income	858	1,053	1,188	1,228	1,334
EPS (CLP)	4.55	5.59	6.31	6.52	7.08
Net margin	32.7%	36.4%	38.2%	38.6%	39.5%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	3,299	3,229	4,105	4,065	4,367
Investments	8,421	10,558	13,077	14,419	15,546
Gross loans	41,293	40,865	42,535	45,629	49,017
Total assets	68,459	68,095	71,817	77,090	82,866
Total deposits	31,359	30,569	33,296	35,717	38,369
Other funding	15,552	16,691	17,160	18,409	19,775
Total liabilities	64,062	63,255	66,449	71,284	76,579
Minority interest	104	120	167	172	178
Shareholder's equity	4,292	4,720	5,201	5,634	6,109
Total liabilities + Equity	68,459	68,095	71,817	77,090	82,866

Ratios

	2024	2025	2026E	2027E	2028E
NIM	3.6%	4.1%	4.3%	4.0%	4.0%
Fee ratio	20.9%	20.6%	18.8%	19.3%	19.5%
Cost-to-income ratio	-39.0%	-36.0%	-32.8%	-33.9%	-33.7%
NPL / loans	3.2%	3.3%	3.4%	3.2%	2.9%
LLP / loans	-2.9%	-3.3%	-3.4%	-3.4%	-3.3%
Cost of credit risk	-1.3%	-1.4%	-1.4%	-1.3%	-1.2%
LLP / NPL	-93%	-101%	-99%	-106%	-117%
LTD ratio	127.8%	129.3%	123.4%	123.5%	123.5%
Loan-to-funding ratio	85.4%	83.6%	81.5%	81.5%	81.5%
BIS ratio	17.1%	16.9%	16.9%	17.0%	17.2%
ROAE	19.8%	23.4%	24.0%	22.7%	22.7%
ROAA	1.2%	1.5%	1.7%	1.6%	1.7%

Sources: Company Reports and Credicorp Capital

Banco de Bogotá

Fixed Income Research Colombia Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

Baa3 / BB- / BB
Outlook: s / s / s

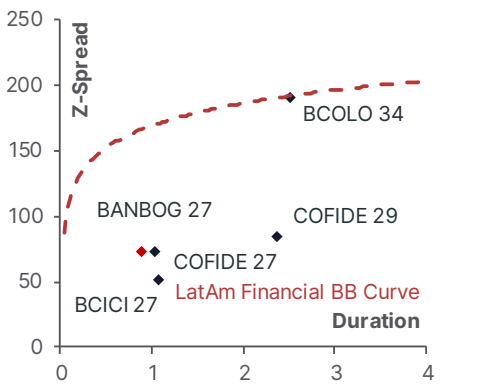
Neutral on valuations grounds

Investment Thesis

Earnings recovered in 2Q26 sequentially, mostly driven by investment valuation gains from local fixed-income securities; ROE rebounded to 10%; loan growth remained robust; and capital ratios continue to sit comfortably above regulatory requirements despite the one-off impact of the Corficolombiana/Ficentro reorganization. Management also reiterated that the balance sheet is largely neutral to rate hikes and maintained its 4.7% NIM guidance. However, the key concern remains asset quality. While the 90-day NPL ratio remained stable at 3.6%, early-stage delinquencies continued to deteriorate, with the 30-NPL ratio rising to 5.1%.

We remain Neutral on BANBOG 27, as the bonds screen tight relative to higher-rated senior bonds in the region and are already trading close to par. Management indicated it may replace the outstanding notes with a new issuance or alternative funding, such as a private loan.

Banco de Bogotá Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Notes	USD 454mn
Closest Call Date	03-May-27
Closest Maturity Date	03-Aug-27

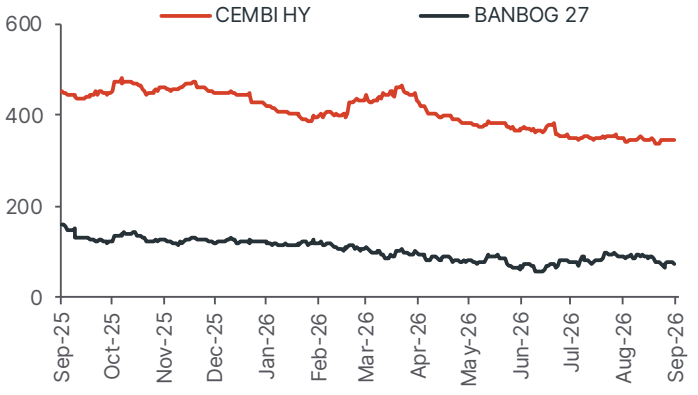
Concerns

- Asset quality showing signs of deterioration, particularly in the consumer segment
- Ability to return to historical profitability levels
- Fiscal uncertainty in Colombia could weigh on sentiment and credit demand

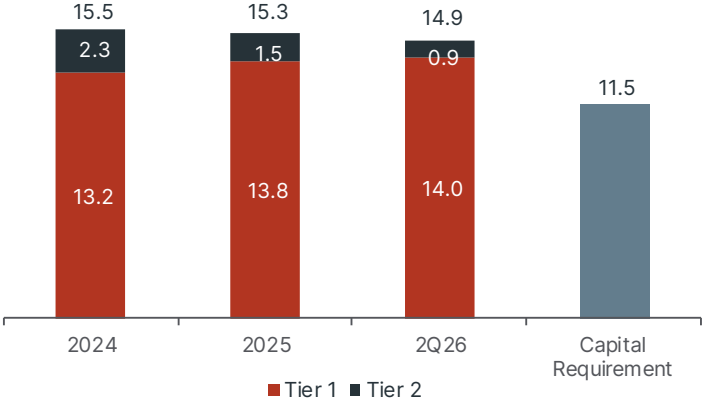
Strengths

- Capital ratios remain comfortably above regulatory requirements
- Limited NIM sensitivity to higher rates
- Itaú retail acquisition will support market share gains and potentially improved operating leverage

Z- Spread evolution



Solvency



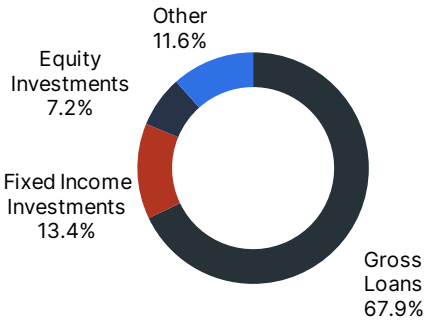
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BANBOG 27	USD 454mn	4.38%	Baa3 / BB- / BB	73	0.9	99.4	0.4%	4.8%	Neutral

Banco de Bogotá

Company Description

Founded in 1870, Banco de Bogotá is the oldest financial institution in Colombia, with a solid well-known brand. It is the third bank in terms of loans and deposits, and the first one in terms of net income in Colombia.

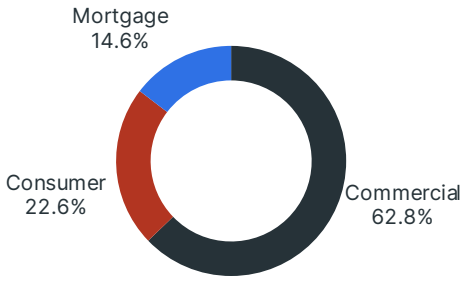
Assets Breakdown



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
NPL / Total Loans	3.5%	4.2%	4.4%	3.7%	3.6%
Provisions / NPL	156.6%	135.2%	117.2%	129.3%	129.4%
NIM	3.3%	4.6%	4.4%	4.6%	4.5%
Efficiency	41.2%	50.9%	52.5%	52.7%	52.0%
Tier 1 Ratio	10.1%	10.0%	13.2%	13.8%	14.0%
Tier 2 Ratio	3.0%	2.6%	2.3%	1.5%	0.9%
BIS Ratio	13.1%	12.6%	15.5%	15.3%	14.9%

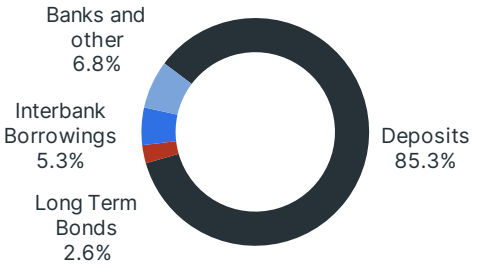
Loan Portfolio



Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Interest Income	2,730	4,225	4,171	3,941	3,936
Interest Exp. (-)	-1,351	-2,745	-2,687	-2,385	-2,416
Net Interest Margin	1,379	1,479	1,484	1,556	1,521
Provision Loan Losses (-)	-400	-675	-651	-582	-552
Net Fee Income	366	432	430	412	366
Operating Exp. (-)	-957	-1,093	-1,132	-1,190	-1,165
Net Income	879	285	323	432	440

Funding



Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash	2,137	2,389	2,063	2,710	2,487
Investments	5,104	6,418	6,069	5,104	6,176
Gross Loans	28,225	29,071	31,558	28,050	29,492
Allowances (-)	-1,555	-1,648	-1,630	-1,347	-1,365
Total Assets	40,386	44,277	45,877	40,386	41,439
Deposits	25,860	26,758	30,628	28,815	30,560
Borrowings	5,403	4,648	4,271	3,708	4,156
Bonds	3,316	2,656	3,097	2,235	925
Equity	4,631	4,615	4,929	5,155	4,347
ROE (%)	13.7%	6.1%	6.7%	9.7%	10.4%
ROA (%)	1.5%	0.7%	0.8%	1.1%	1.1%

Sources: Company Reports and Credicorp Capital

BBVA Perú

Fixed Income Research Peru Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

Baa1 / BBB- / BBB+
Outlook: s / s / s

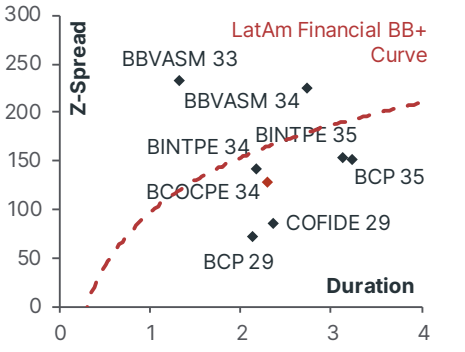
Strong fundamentals, tight valuatios to peers

Investment Thesis

BBVA Peru continues to show improving profitability, resilient asset quality, and solid capitalization. The bank delivered another strong quarter in 2Q26, with ROAE rising 200 bps y/y to 18.7%, supported by lower funding costs, declining provision expenses, and disciplined risk management. The earnings recovery also reflects a more favorable operating backdrop in Peru and management's focus on profitable growth. A key credit strength is the bank's ability to expand its higher-yielding consumer portfolio while preserving healthy asset-quality metrics. Capital ratios remain comfortably above regulatory requirements, providing ample capacity to absorb potential macro volatility while supporting future growth.

Despite these supportive fundamentals, we remain Neutral on BCOCPE 34. The bond trades at a premium relative to comparable Peruvian financial credits such as BINTPE 35 and BCP 35, leaving limited room for spread compression.

BBVA Perú Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Notes	USD 300mn
Closest Call Date	07-Mar-29
Closest Maturity Date	07-Jun-34

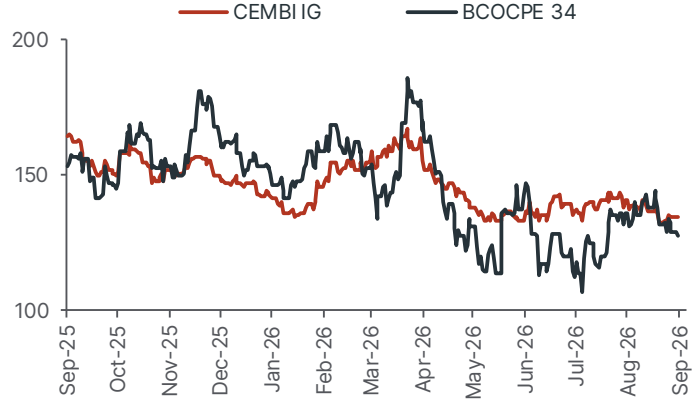
Concerns

-Cost of risk could face upward pressure if additional provisioning is required due to El Niño-related impacts
- Consumer loan growth may eventually lead to some normalization in credit costs

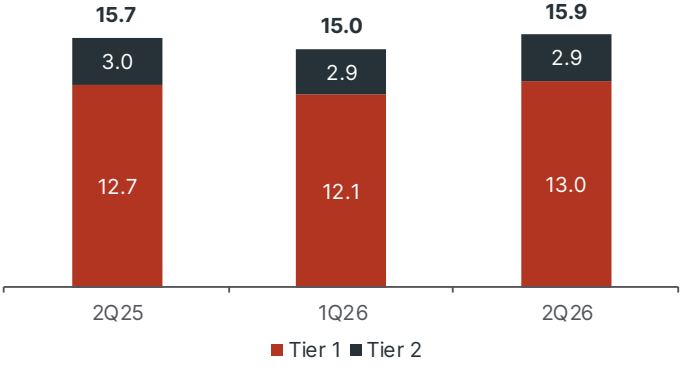
Strengths

- Systemically important franchise in Peru with strong support from shareholders
- Well-diversified loan portfolio across retail and corporate segments
- Adequate solvency
- Strong profitability supported by improving funding costs and resilient asset quality

Z- Spread evolution



Solvency



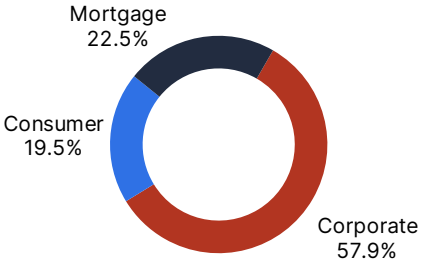
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BCOCPE 34	USD 300mn	6.20%	Baa2 / BB+ / NR	128	2.3	101.3	0.5%	5.5%	Neutral

BBVA Perú

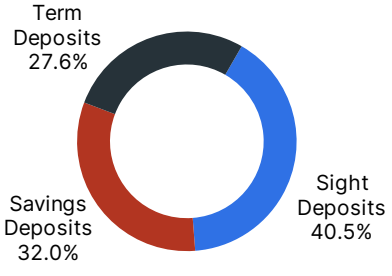
Company Description

BBVA is the second largest bank in Peru with a 21.9% market share in loans and 20.4% in deposits. It began operations in 1951 under the name Banco Continental. It is currently jointly controlled (92.24% of shares) by the Breca Group and BBVA Spain. There is a moderate likelihood of support from the latter. The bank benefits from adequate diversification in terms of loan portfolio and funding profile.

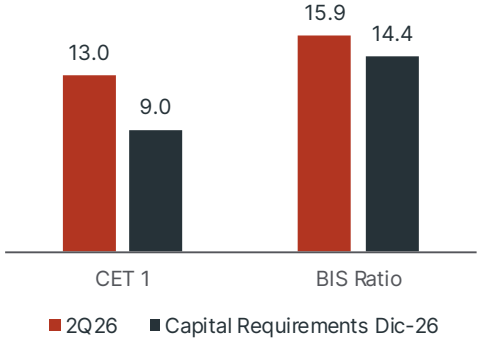
Loan Portfolio



Deposits Breakdown



Capitalizations vs Requirements



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
NIM	5.4%	5.4%	5.7%	6.0%	6.3%
Cost of Risk	1.7%	2.6%	2.9%	1.9%	1.7%
NPL (+90 days)	4.4%	4.7%	3.7%	3.2%	2.7%
Coverage (+90 days)	144.6%	137.9%	142.0%	151.0%	164.0%
Net Fees / Loans	1.2%	1.3%	1.4%	1.5%	1.4%
Efficiency	38.9%	37.7%	37.5%	39.8%	39.4%
ROE (%)	18.4%	16.2%	15.1%	17.3%	18.9%
ROA (%)	1.9%	1.9%	1.7%	2.2%	2.4%
CET 1	10.4%	12.3%	12.8%	13.1%	13.0%
BIS Ratio	14.0%	15.6%	16.0%	15.9%	15.9%

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Net Interest Margin	1,350	1,568	1,712	1,777	1,897
Provision Exp. (-)	-288	-575	-654	-437	-396
Net Fee Income	261	297	315	351	349
Tradin Income & others	182	248	273	264	244
Operating Exp. (-)	-690	-792	-868	-944	-988
Net Profit	562	548	551	700	804

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash	3,555	2,760	3,959	3,588	3,754
Investments	3,393	4,434	1,202	986	883
Net Loans	20,231	20,677	21,680	22,895	24,056
Gross Loans	21,595	22,111	22,897	24,071	25,170
Allowances (-)	-1,365	-1,434	-1,217	-1,176	-1,113
Total Assets	28,696	30,533	32,555	32,886	34,286
Deposits	19,581	20,700	23,245	24,171	25,522
Other financial obligations	1,182	1,840	2,444	2,547	2,684
Equity	3,294	3,620	3,892	4,387	4,454

Sources: Company Reports and Credicorp Capital

BCI

Rating: Buy
TP: CLP 81,000

Equity Research Chile Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Strong execution supports higher valuations

Investment Thesis

We are presenting our 2027E TP of CLP 81,000/share and reaffirming our BUY rating. The company has delivered strong execution, with a 16.8% ROAE in 1H26, supported by positive results at CNB (11.9% ROAE) and Chile (19.8% ROAE). Despite the challenging macro environment in Chile and the potential risks posed by higher interest rates in the USA, we believe BCI offers the best risk/return profile among banks in Chile. This view is supported by i) robust delivery at CNB, with sequential improvements in ROAE; ii) higher loan growth in Chile compared with main competitors; and iii) solid asset quality indicators. Furthermore, valuation multiples of 1.6x P/BV and 11.0x P/E offer greater upside relative to larger banks and a cleaner story than Itaú Chile. Thus, BCI remains our Top Pick.

Loan growth momentum should continue with the reconstruction bill. The company has delivered on the loan growth front amid weak industry-wide loan growth. As of Jun-26, BCI grew in Chile by +6.0% y/y, compared to 4.3% y/y for the industry. A positive commercial and consumer strategy has given BCI the edge, with commercial loans rising 5.5% y/y, compared with 3.0% y/y for the industry, and consumer loans advancing 8.8% y/y, compared with 5.7% y/y for the industry. The latter resulted in a 20-bps gain in market share, compared with losses for the largest banks. On top of this, we expect BCI to maintain its momentum now, with the positive tailwinds of the reconstruction bill in Chile.

CNB has delivered. Recent results have shown that the win project is currently paying off on different fronts. NIM has reached 3.0%, and sensitivity to rates should be lower due to the increase in non-interest-bearing deposits (+6% y/y). Meanwhile, fees are growing at a double-digit pace, supporting the bottom line. **We forecast a 12.5% ROAE at CNB in the long-term.**

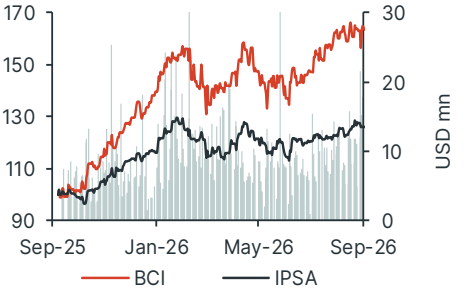
Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 11.8% in CLP and perpetuity growth of 5.8%. Our TP implies a 2.0x P/BV and a 13.6x P/E 2027E, while shares are currently trading at 1.6x P/BV and 11.0x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 15.2%.**

Stock Data

Ticker	bci ci
Price (CLP)	65,498
Target (CLP)	81,000
Total Return	26.2%
LTM Range	40,868 - 68,500
M. Cap (USD mn)	15,228
Shares Outs. (mn)	218.6
Free Float	43.5%
ADTV (USD mn)	9.1

Price Chart (CLP) and Volumes (USD mn)



Valuation Summary

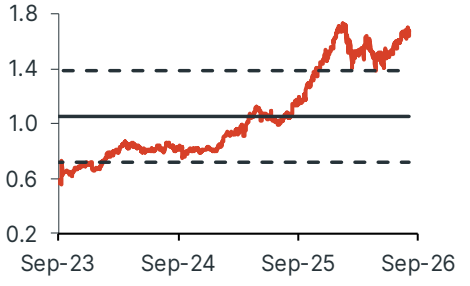
	2025	2026E	2027E	2028E
P/E	12.8	11.8	11.0	10.0
P/BV	1.7	1.7	1.6	1.4
ROAE	13.8%	15.5%	15.1%	15.0%
ROAA	1.2%	1.4%	1.4%	1.4%
Div. Yield	1.9%	2.3%	2.6%	2.8%

Sources: Company Reports and Credicorp Capital

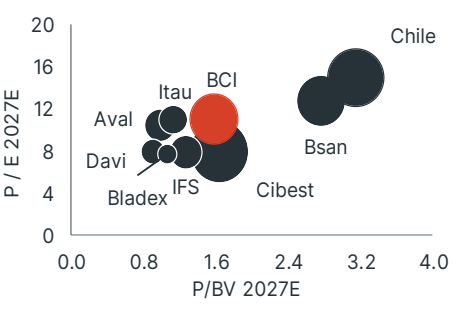
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

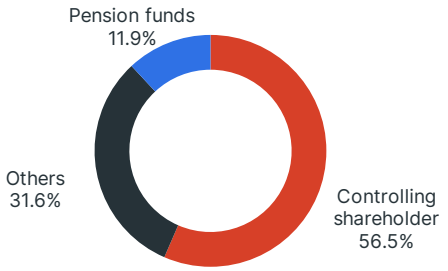


BCI

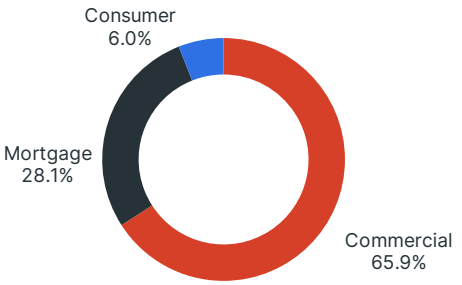
Company Description

BCI currently has ~15.1% market share in loans within Chile. In 2013, BCI announced the acquisition of City National Bank of Florida, a community bank with a presence in Miami. Furthermore, BCI announced two acquisitions in 2018; first, it purchased Totalbank in Florida (closed in Jun-18), while it also acquired Walmart Financial Services (closed in Dec-18). As of 2Q26, CNB accounts for 30% of consolidated assets. The bank is controlled by the Yarur family.

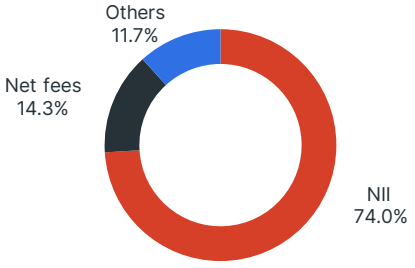
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Eugenio von Chrismar
CFO: Roberto Pulido
HIR: Andrés Atala
www.bci.cl

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Net interest income	2,247	2,374	2,539	2,711	2,925
Net fee income	399	471	519	558	597
Operating income	2,737	3,059	3,341	3,559	3,834
Provision expenses	-321	-312	-323	-381	-435
Operating expenses	-1,337	-1,580	-1,518	-1,598	-1,680
Net income	802	996	1,211	1,306	1,426
EPS (CLP)	3,667	4,556	5,539	5,976	6,524
Net margin	29.3%	32.6%	36.2%	36.7%	37.2%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	5,154	5,665	5,803	6,141	6,651
Investments	13,960	11,465	15,193	16,149	17,597
Gross loans	54,398	55,714	59,428	63,314	68,509
Total assets	83,418	81,566	88,695	94,432	102,308
Total deposits	48,588	46,819	51,191	54,182	58,591
Other funding	17,742	18,360	21,015	22,389	24,226
Total liabilities	76,420	74,119	80,472	85,379	92,348
Minority interest	2.008	2.132	2.316	2.321	2.328
Shareholder's equity	6,996	7,444	8,221	9,051	9,957
Total liabilities + Equity	83,418	81,566	88,695	94,432	102,308

Ratios

	2024	2025	2026E	2027E	2028E
NIM	3.5%	3.6%	3.7%	3.6%	3.6%
Fee ratio	14.6%	15.4%	15.5%	15.7%	15.6%
Cost-to-income ratio	-48.9%	-51.7%	-45.4%	-44.9%	-43.8%
NPL / loans	1.6%	1.5%	1.4%	1.4%	1.3%
LLP / loans	-1.7%	-1.7%	-1.5%	-1.5%	-1.5%
Cost of credit risk	-0.6%	-0.6%	-0.6%	-0.6%	-0.7%
LLP / NPL	-104%	-109%	-111%	-110%	-111%
LTD ratio	110%	117%	114%	115%	115%
Loan-to-funding ratio	80.7%	84.1%	81.1%	81.5%	81.5%
BIS ratio	14.4%	15.5%	15.4%	15.5%	16.0%
ROAE	12.3%	13.8%	15.5%	15.1%	15.0%
ROAA	1.0%	1.2%	1.4%	1.4%	1.4%

Sources: Company Reports and Credicorp Capital

Bladex

Rating: Buy
TP: USD 72.0

Equity Research Panama Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

The roadmap is clear; execution comes next

Investment Thesis

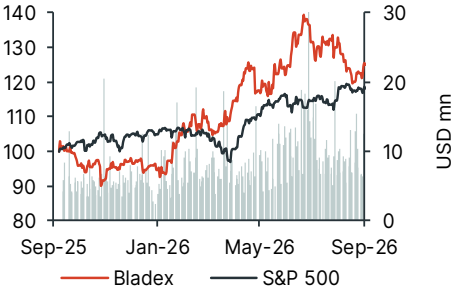
We set our 2027E TP at USD 72/share with a BUY rating. At 2022 Investor's Day, Bladex aimed for a commercial portfolio of USD 10-11 bn and an ROE of 13%-15%, while the bank was generating 9.0% profitability. Over four years, Bladex exceeded expectations by reaching a USD 13 bn portfolio (18% above guidance) and achieving ROAE of 16% in 2024 and 2025, with an expectation of 16% again this year. This highlights the management's strong delivery. The 2030 plan projects a portfolio of USD 18-20 bn (approx. 11% CAGR from 2026), a NIM of 2.30%-2.35%, and an ROE of 16%-17%. Despite challenges from a competitive environment and new product offerings, management's proven ability to deliver positive transformation supports our view that the 2030 targets are achievable. Our model, based on the conservative end of these projections, still yields a 37.6% annual total return, justifying a BUY recommendation.

Execution is the key risk to the new strategy. Bladex is entering a more demanding phase as it expands transactional banking services for banks and institutions, an area that has not historically been a core business for the company. Successful execution should support higher margins, faster loan growth, and greater fee diversification, while poor implementation could lead to client attrition and require a broader strategic reset. We will therefore monitor the product roadmap closely to assess whether Bladex is meeting its key milestones and adjust our expectations accordingly. This is particularly important in a competitive environment in which ample USD liquidity has compressed margins and regional trade disruptions persist. Management's strong track record has earned market confidence, but failure to deliver the expected results should quickly weaken support for the strategy.

Stock Data

Ticker	blx us
Price (USD)	55.6
Target (USD)	72.0
Total Return	37.6%
LTM Range	40 - 62
M. Cap (USD mn)	2,071
Shares Outs. (mn)	37.6
Free Float	81%
ADTV (USD mn)	8.1

Price Chart (USD) and Volumes (USD mn)



Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 12.2% in USD and perpetuity growth of 4.0%. Our TP implies a 1.4x P/BV and a 9.9x P/E 2027E, while shares are currently trading at 1.0x P/BV and 7.5x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 14.9%.**

Valuation Summary

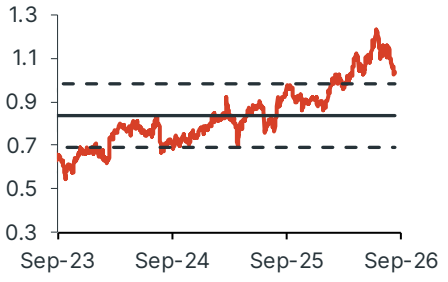
	2025	2026E	2027E	2028E
P/E	7.2	8.3	7.5	6.8
P/BV	1.0	1.1	1.0	1.0
ROAE	15.0%	14.3%	14.6%	14.7%
ROAA	1.8%	1.8%	1.7%	1.7%
Div. Yield	5.8%	5.1%	5.6%	6.1%

Sources: Company Reports and Credicorp Capital

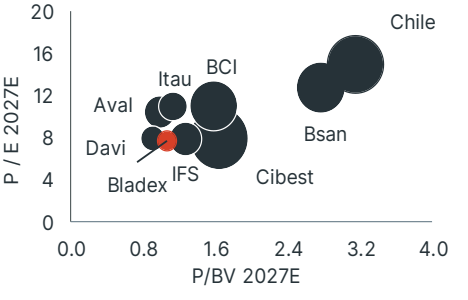
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

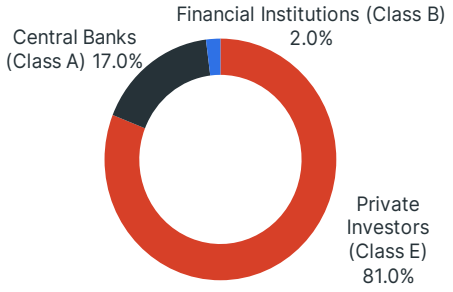


Bladex

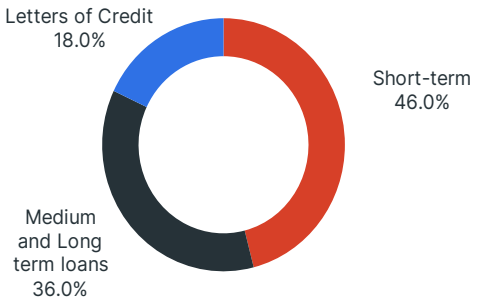
Company Description

Bladex, a multinational bank originally established by the central banks of Latin-American and Caribbean countries, began operations in 1979 to promote foreign trade and economic integration in the Region. The Bank, headquartered in Panama, also has offices in Argentina, Brazil, Colombia, Mexico, and the United States of America, and a Representative License in Peru, supporting the regional expansion and servicing its customer base, which includes financial institutions and corporations. Bladex is listed on the NYSE in the United States of America (NYSE: BLX), since 1992.

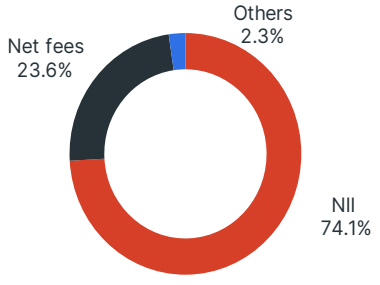
Ownership Structure



Loans by product (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Jorge Salas
CFO: Annette Solis
HIR: Carlos Raad
www.bladex.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Net interest income	259.2	271.2	295.9	331.3	364.6
Net fee income	44.4	59.0	73.1	81.4	90.0
Operating income	303.6	339.6	375.1	421.7	464.4
Provision expenses	-17.3	-22.1	-27.6	-31.4	-34.4
Operating expenses	-80.5	-90.6	-96.0	-110.7	-121.6
Net income	205.9	226.9	251.5	279.5	308.4
EPS (COP)	5.6	6.1	6.6	7.3	7.9
Net margin	67.8%	66.8%	67.0%	66.3%	66.4%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	1,964	1,924	2,115	2,356	2,549
Investments	1,202	1,429	1,844	2,010	2,195
Gross loans	8,375	9,182	10,880	12,120	13,113
Total assets	11,859	12,786	15,276	16,974	18,384
Total deposits	5,413	6,604	8,369	9,323	10,087
Other funding	4,584	4,141	4,713	5,251	5,681
Total liabilities	10,521	11,108	13,442	14,975	16,201
Minority interest	0	0	0	0	0
Shareholder's equity	1,337	1,679	1,834	2,000	2,183
Total liabilities + Equity	11,859	12,786	15,276	16,974	18,384

Ratios

	2024	2025	2026E	2027E	2028E
NIM	2.4%	2.3%	2.2%	2.1%	2.1%
Fee ratio	14.6%	17.4%	19.5%	19.3%	19.4%
Cost-to-income ratio	-26.5%	-26.7%	-25.6%	-26.3%	-26.2%
NPL / loans	0.2%	0.4%	0.7%	0.7%	0.7%
LLP / loans	-0.9%	-1.0%	-0.8%	-0.8%	-0.8%
Cost of credit risk	-40.7%	37.0%	-27.9%	-24.6%	-14.1%
LLP / NPL	-467%	-257%	-110%	-110%	-110%
LTD ratio	153.3%	137.6%	129.0%	129.0%	129.0%
Loan-to-funding ratio	83.0%	84.6%	82.5%	82.5%	82.5%
BIS ratio	15.6%	17.4%	16.8%	16.4%	16.6%
ROAE	16.2%	15.0%	14.3%	14.6%	14.7%
ROAA	1.8%	1.8%	1.8%	1.7%	1.7%

Sources: Company Reports and Credicorp Capital

COFIDE

Fixed Income Research Peru Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

NR / BBB- / BBB
Outlook: nr / s / s

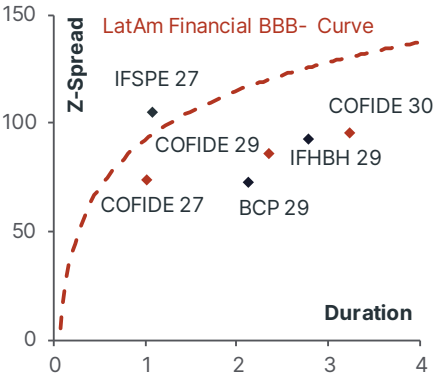
Atracctive pick up to the sovereign for a senior financial curve

Investment Thesis

We remain OW on COFIDE 29s and 30s, supported by the institution's strategic role in Peru's economic development and the strong likelihood of government support in a stress scenario. As Peru's development bank, COFIDE serves a public policy mandate that makes it a key vehicle for infrastructure financing and development initiatives, reinforcing its systemic importance. Moreover, NPL ratio and loan reserve coverage have been improving (to 2.9% and 428% in 2Q26), providing substantial protection against asset quality deterioration and underscore the institution's conservative risk profile. In addition, COFIDE benefits from diversified access to both domestic and international funding markets, supporting a stable liquidity profile and reducing refinancing risk.

From a valuation perspective, COFIDE 29s and 30s offer an attractive spread pickup on a spread-to-sovereign basis relative to comparable senior LatAm financial issuers.

COFIDE Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Senior Notes	USD 1,200mn
Closest Call Date	28-Jul-27
Closest Maturity Date	28-Sep-27

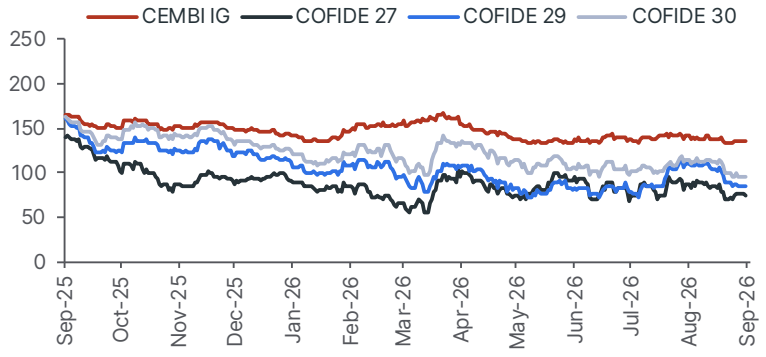
Concerns

- Concentrated exposure to large borrowers and specific sectors
- Volatile credit metrics due to its development mandate
- Credit profile remains highly correlated with the Peruvian sovereign

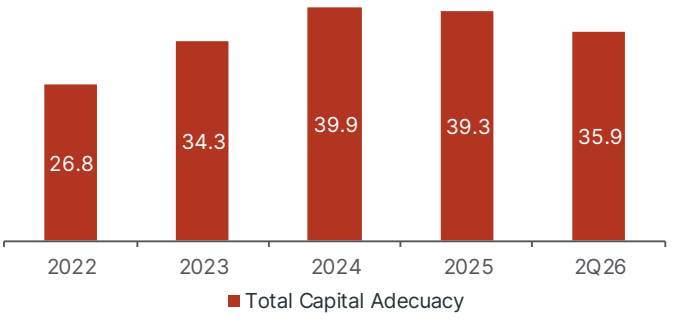
Strengths

- Strong implied sovereign support and strategic policy relevance
- Outstanding capitalization and reserve coverage among LatAm financial issuers
- Stable funding profile with diversified access to domestic and international markets

Z- Spread evolution



Solvency



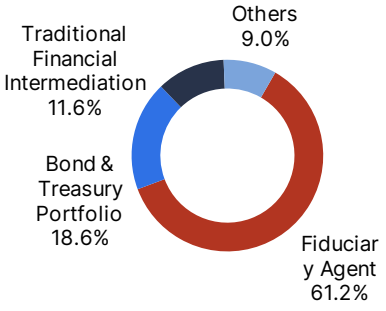
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
COFIDE 27	USD 500mn	2.40%	NR / BBB- / BBB	74	1.0	97.3	0.2%	5.0%	Neutral
COFIDE 29	USD 300mn	5.95%	NR / BBB- / BBB	85	2.4	101.8	0.5%	5.1%	Overweight
COFIDE 30	USD 400mn	5.50%	NR / BBB- / BBB	95	3.2	100.8	0.5%	5.2%	Overweight

COFIDE

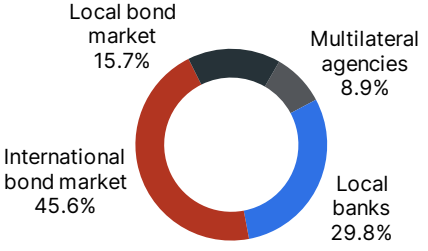
Company Description

Corporación Financiera de Desarrollo is a Peruvian state-owned financial institution that operates as a subsidiary of the Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado since 1971. It operates as a development bank and offers financing and technical assistance to micro, small and medium-sized companies. The bank also manages several trusts for economic reactivation through financial institutions, suchs as Reactiva, FAE, and Impulso Myperu.

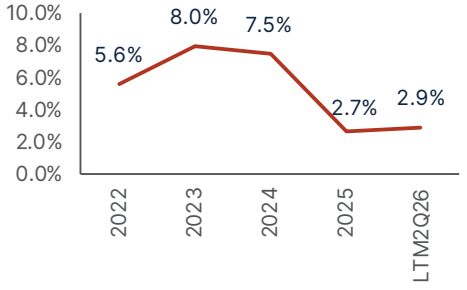
Bussines Lines



Funding Structure



NPL Evolution



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
NIM	0.3%	0.8%	0.9%	0.9%	1.0%
Cost of Risk	0.2%	0.3%	0.1%	-1.0%	-2.2%
NPL	5.6%	8.0%	7.5%	2.7%	2.9%
Coverage	361%	279%	285%	519%	482%
Net Fees / Loans	1.4%	1.0%	1.0%	0.8%	0.9%
Efficiency	50%	50%	52%	54%	49%
ROE (%)	1.5%	3.3%	3.2%	4.4%	7.8%
ROA (%)	0.3%	0.6%	0.6%	0.9%	1.5%
BIS Ratio	26.8%	34.3%	39.9%	39.3%	35.9%

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Interest Income	136	165	170	180	185
Interest Exp. (-)	-125	-139	-141	-150	-149
Net Interest Margin	12	26	29	30	36
Provision Exp. (-)	-5	-6	-2	20	43
Net Fee Income	28	20	17	16	17
Trading Income	-3	12	10	2	1
Operating Exp. (-)	-20	-23	-24	-25	-26
Net Profit	10	21	21	29	53

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash	290	210	146	124	159
Investments	1,209	1,206	1,279	1,338	1,428
Net Loans	1,679	1,369	1,457	1,797	1,555
Gross Loans	2,105	1,760	1,851	2,084	1,814
Allowances (-)	-426	-391	-394	-288	-260
Total Assets	3,468	3,167	3,256	3,480	3,353
Trusts and programs under Management	13,119	14,916	14,329	14,069	13,858
Deposits	68	15	5	4	4
Deposits from Fin Inst.	885	694	924	1,215	1,021
Other financial obligations	1,723	1,680	1,621	1,556	1,619
Equity	620	645	650	676	675

Sources: Company Reports and Credicorp Capital

Davivienda Group

Equity Research Colombia Banks

Rating: Hold
TP: COP 44,000

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Waiting for the integration with Scotiabank to deliver

Investment Thesis

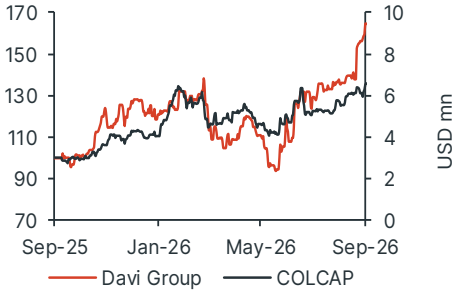
We are presenting our 2027E TP of COP 44,000/share and setting a HOLD recommendation. 2Q26 results were strong and exceeded our expectations, with the company achieving a 15.6% ROAE, supported by robust investment income. Beyond non-recurring effects, the positive news came from NIM stability amid a more challenging environment driven by higher interest rates. This is key to Davivienda's thesis, as margin resilience would help offset additional pressures from higher provisions stemming from the earthquake and El Niño and should defend profitability amid a tough macro-outlook. The upside from here depends on the successful delivery of the next phase of the integration with Scotiabank. Thus, recent performance was positive, but the execution of the integration is paramount to achieving the long-term ROAE target of 14%-16% from the current 11%.

Initial signs are positive, but uncertainty persists. Davivienda expects that in 2026, the costs and benefits from integration will balance out, with COP 170 bn in synergies and COP 170 bn in costs. So far, only 6% of the expected synergies have been realized, while 27% of the costs have been incurred. Despite higher costs than synergies in the first half of 2026, the efficiency ratio of 54% has remained consistent with Davivienda's historical average since 2023. This does not imply that 54% is ideal; it should improve to meet the long-term ROAE goals. The current mismatch between costs and synergies in 2026 has not harmed the financials, but uncertainty persists regarding how quickly Davivienda will realize the remaining synergies, given the low progress so far this year. Looking ahead, total synergies from 2028 onward are projected to reach COP 900 bn to 1.2 tn, while integration costs are expected to be COP 600-700 bn.

Stock Data

Ticker	PFDAVIGR CB
Price (COP)	36,540
Target (COP)	44,000
Total Return	23.6%
LTM Range	21,802 - 38,282
M. Cap (USD mn)	7,129
Shares Outs. (mn)	605.5
Free Float	16.6%
ADTV (USD mn)	1.0

Price Chart (COP) and Volumes (USD mn)



Valuation

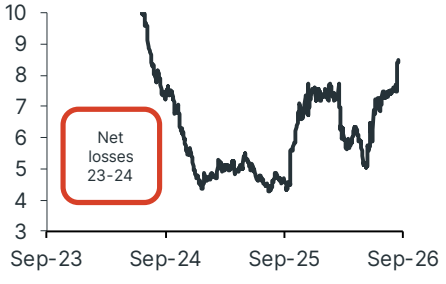
Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 14.0% in COP and perpetuity growth of 6.0%. Our TP implies a 1.1x P/BV and a 9.5x P/E 2027E, while shares are currently trading at 0.9x P/BV and 7.9x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 14.0%.**

Valuation Summary

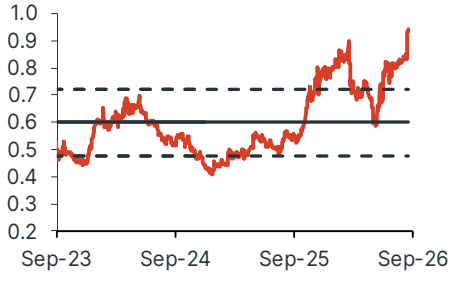
	2025	2026E	2027E	2028E
P/E	6.2	9.3	7.9	6.4
P/BV	0.6	1.0	0.9	0.8
ROAE	10.6%	11.0%	12.0%	13.4%
ROAA	0.9%	0.9%	1.0%	1.1%
Div. Yield	0.0%	2.2%	3.2%	3.8%

Sources: Company Reports and Credicorp Capital

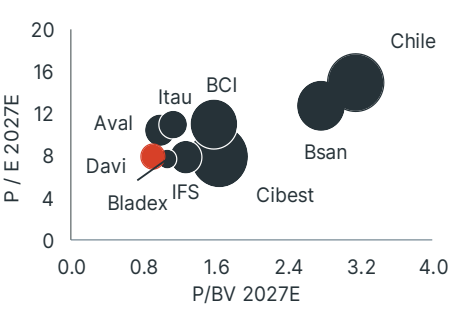
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

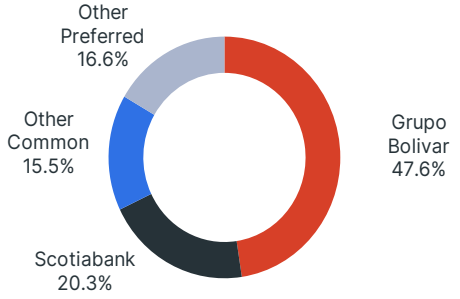


Davi Group

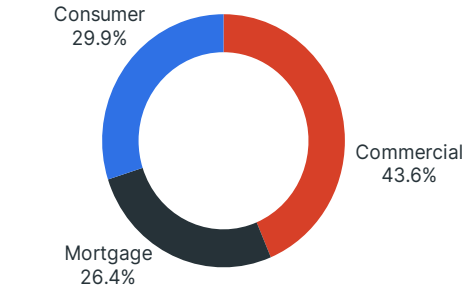
Company Description

Davivienda Group is the holding that brings together Davivienda's banking and financial operations under a single holding structure, while incorporating the recently acquired Scotiabank (Davibank) franchises in Colombia, Costa Rica, and Panama. Davivienda Group has consolidated its position as the third largest bank in Colombia (~20% market share in loans - only Colombia considering Davivienda and Davibank). It offers a wide portfolio of financial services, with strong presence in retail and mortgage loans. Its main shareholder is Grupo Bolívar, one of the most relevant conglomerates in Colombia.

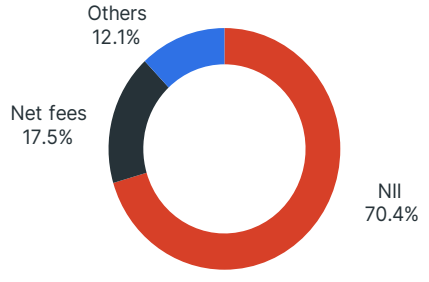
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Javier Suárez
CFO: Pedro Bohórquez
HIR: Paula Botia
www.davivienda.com

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Net interest income	8,675	9,142	13,386	14,277	15,915
Net fee income	1,976	2,270	3,316	3,596	3,927
Operating income	11,305	12,977	17,734	19,177	21,266
Provision expenses	-5,196	-3,363	-4,457	-4,727	-5,010
Operating expenses	-6,173	-6,798	-9,740	-10,228	-11,057
Net income	-116	1,954	2,372	2,809	3,458
EPS (COP)	-238	3,660	3,918	4,639	5,711
Net margin	-1.0%	15.1%	13.4%	14.6%	16.3%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	17,953	27,706	24,413	27,253	29,394
Investments	21,707	29,237	34,754	39,056	43,116
Gross loans	145,458	198,762	206,410	229,796	247,897
Total assets	191,327	263,684	273,783	305,035	329,672
Total deposits	137,584	194,286	199,276	222,574	240,074
Other funding	31,172	37,063	39,004	43,424	46,814
Total liabilities	175,166	241,717	250,401	279,493	301,437
Minority interest	223	1,060	1,056	1,119	1,196
Shareholder's equity	15,938	20,906	22,326	24,423	27,038
Total liabilities + Equity	191,327	263,684	273,783	305,035	329,672

Ratios

	2024	2025	2026E	2027E	2028E
NIM	5.3%	4.6%	5.6%	5.6%	5.6%
Fee ratio	17.5%	17.5%	18.7%	18.8%	18.5%
Cost-to-income ratio	-54.6%	-52.4%	-54.9%	-53.3%	-52.0%
NPL / loans	4.4%	3.8%	3.6%	3.5%	3.4%
LLP / loans	-3.8%	-3.7%	-4.1%	-4.1%	-4.1%
Cost of credit risk	-3.69%	-1.95%	-2.20%	-2.17%	-2.10%
LLP / NPL	-86%	-99%	-111%	-116%	-122%
LTD ratio	101.7%	98.5%	99.4%	99.1%	99.0%
Loan-to-funding ratio	82.9%	82.7%	83.1%	82.9%	82.9%
BIS ratio	15.6%	16.1%	16.7%	16.5%	17.0%
ROAE	-0.8%	10.6%	11.0%	12.0%	13.4%
ROAA	-0.1%	0.9%	0.9%	1.0%	1.1%

Sources: Company Reports and Credicorp Capital

Davivienda

Fixed Income Research Colombia Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

Baa3 / BB- / BB

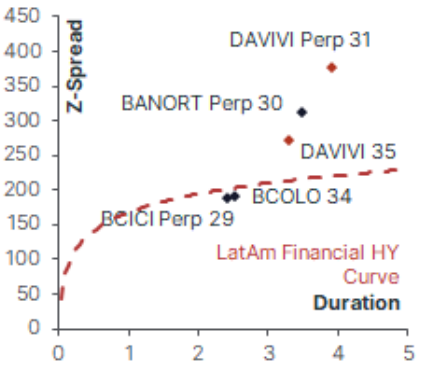
Outlook: s / s / s

Stronger-than-expected earnings outlook. Davivienda Perps trade relatively tight, but carry remains attractive.

Investment Thesis

Earnings rebounded sharply in 2Q26, driven not only by stronger investment income but, more importantly, by a lower-than-expected increase in funding costs. Reflecting the better-than-anticipated margin performance, management raised its profitability guidance for the year, signaling a more constructive outlook. Against this backdrop, we continue to favor the Davivienda Perpetual, despite its relatively tight valuation. At roughly 180 bps over the Colombian sovereign, spreads compare unfavorably with some regional AT1 instruments. Nevertheless, the bond continues to offer attractive carry and remains supported by improving fundamentals. On the other hand, DAVIVI 35 current spreads are broadly in line with historical relationships to BCOLO 34, and we do not see a clear catalyst for meaningful near-term outperformance. In addition, upside in valuations could be constrained by Colombia's challenging fiscal backdrop, which is likely to remain a key driver of sovereign risk premiums.

Davivienda Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Notes	USD 1,000mn
Closest Call Date	02-Jul-30
Closest Maturity Date	02-Jul-30

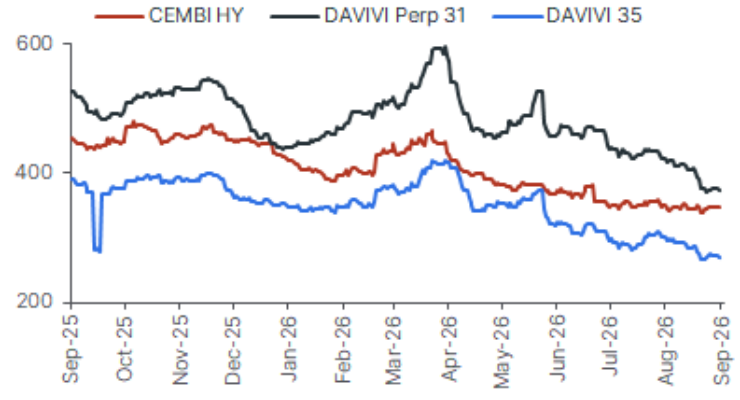
Concerns

- Asset quality could deteriorate if interest rates remain higher for longer
- Ability to return to historical profitability levels
- Fiscal uncertainty in Colombia could weigh on sentiment and credit demand

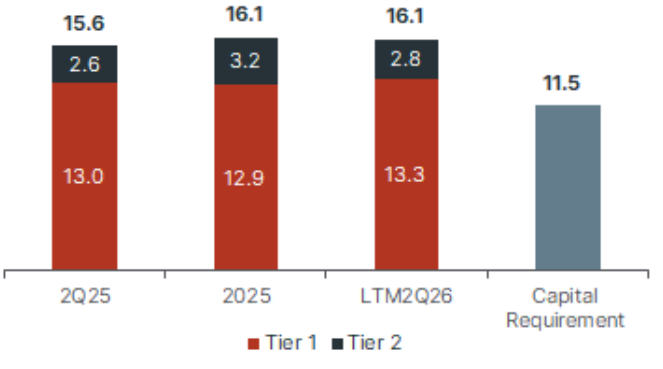
Strengths

- Diversified and ample access to funding
- Systemic relevance in the Colombian banking system
- Adequate capitalization levels
- Lower-than-expected funding cost pressures.
- Potential Scotiabank integration synergies

Z- Spread evolution



Solvency



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
DAVIVI Perp 31	USD 500mn	6.65%	B2 / NR / B-	374.7	3.9	94.6	0.6%	8.0%	Overweight
DAVIVI 35	USD 500mn	8.13%	B1 / NR / B+	270.7	3.3	103.4	0.7%	7.0%	Neutral

GNB Sudameris

Fixed Income Research Colombia Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

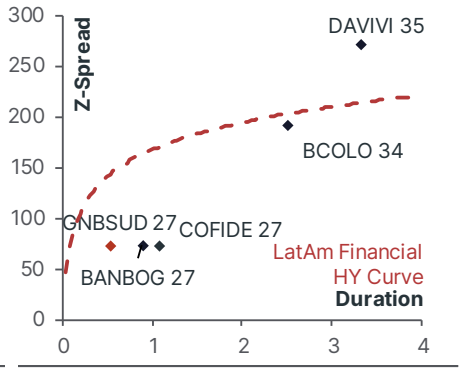
Ba2 / NR / BB
Outlook: s / nr / s

Neutral on GNBSUD 27; watching for a potential new issuance

Investment Thesis

Despite the strong earnings expansion in 2Q26, we remain neutral on GNBSUD 27. The quarter benefited from a sharp increase in other income, lower operating expenses, and stronger trading revenue, while underlying trends were less encouraging. Net interest income continued to deteriorate as higher Colombian rates pressured funding costs, fee generation weakened, and provisioning expenses continued to increase. Total solvency declined to 12.67% (-202 bps q/q), driven by the loss of capital contributions from the 2027 bonds and following the recent call of the 2031 subordinated bonds. We expect the bank to remain attentive to favorable market windows to issue a new Tier 2 bond to improve its capitalization levels

GNB Sudameris Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Notes	USD 300mn
Closest Call Date	-
Closest Maturity Date	03-Apr-27

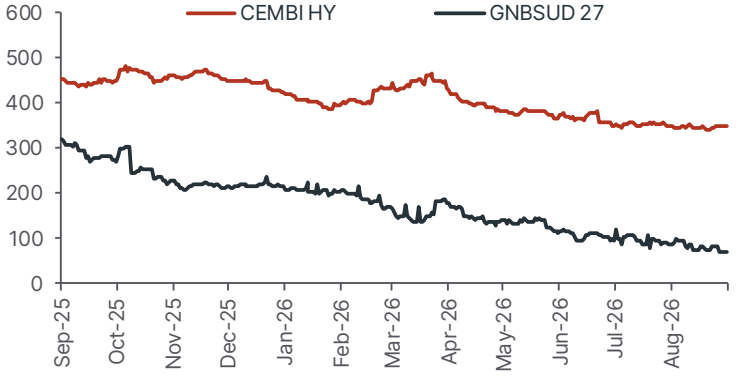
Concerns

- Modest core capital position, with a significant reliance on Tier 2 instruments to meet regulatory capital requirements
-Below-average profitability metrics relative to industry peers
-Margin pressure could persist if funding costs remain elevated

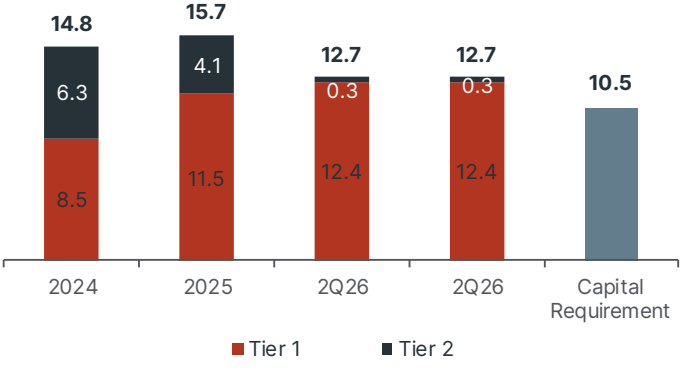
Strengths

-Robust liquidity position, supported by a significant proportion of liquid assets
-Strong asset quality indicators, outperforming the average among Colombian peers
- High reserve coverage levels provide a meaningful buffer against asset quality deterioration

Z- Spread evolution



Solvency



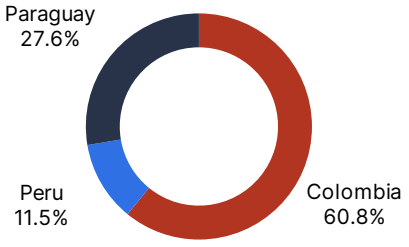
Ticker	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
GNBSUD 27	USD 300mn	7.05%	B1 / NR / B+	71.5	0.5	100.4	0.6%	5.8%	Neutral

GNB Sudameris

Company Description

GNB Sudameris is a Colombian bank with operations in Peru and Paraguay. In Colombia, it ranks as the eight-largest bank by deposits, holding approximately 3.2% of the market. The bank focuses on commercial and personal banking, with a strong position in payroll loans. It is controlled by the Gilinski family.

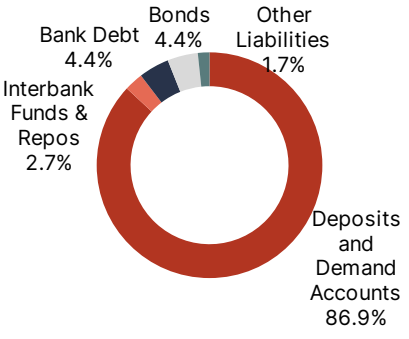
Assets by Country



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
NPL / Total Loans	2.1%	1.8%	1.6%	1.6%	1.6%
Provisions / NPL	169.8%	168.6%	188.0%	210.5%	195.9%
NIM*	2.7%	2.6%	3.6%	8.7%	4.9%
Efficiency*	61.6%	59.6%	55.7%	42.8%	43.3%
Tier 1 Ratio	8.3%	9.8%	8.5%	11.5%	12.4%
Tier 2 Ratio	9.2%	7.5%	6.3%	4.1%	0.3%
BIS Ratio	17.5%	17.3%	14.8%	15.7%	12.7%

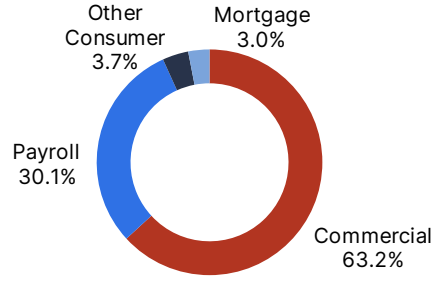
Funding Sources



Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Interest Income	827	1,173	1,101	1,032	1,053
Interest Exp. (-)	-670	-1,099	-1,005	-886	-915
Net Interest Income	157	74	96	146	139
Provision Exp. (-)	-127	-122	-199	-299	-258
Net Fee Income	64	69	68	75	87
Operating Exp. (-)	-291	-318	-341	-362	-372
Net Income	60	54	64	598	697

Loan Portfolio



Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash	4,655	4,184	3,468	3,417	2,334
Investments	3,253	2,879	3,446	4,087	4,058
Gross Loans	7,827	7,674	8,379	8,449	8,691
Allowances (-)	-279	-227	-250	-290	-267
Total Assets	16,551	15,567	16,246	16,852	16,032
Deposits	10,568	10,350	11,590	11,766	12,198
Financial Obligations	4,601	3,872	3,113	2,971	1,599
Equity	1,137	1,121	1,259	1,814	1,924
ROE (%)	7%	6%	7%	50%	55%
ROA (%)	0.4%	0.3%	0.4%	3.6%	4.3%

Sources: Company Reports and Credicorp Capital

Grupo Aval

Rating: Hold
TP: COP 970 (loc) / USD 6.2 (ADR)

Equity Research Colombia Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

The recovery story will have to wait

Investment Thesis

We are setting our 2027E TP at COP 970/share (USD 6.2 ADR) with a HOLD recommendation. Grupo Aval is expected to be the most affected compared to Grupo Cibest and Davivienda Group, especially in a high-interest-rate environment. The impacts will likely be seen in i) NIM pressures at Aval's liability-sensitive banks, and ii) at Corficolombiana, due to its high debt levels and interest expenses. We do not foresee a positive outlook until mid-2027, when interest rates may ease. Meanwhile, there are better prospects at other companies that either benefit from or are less affected by the rate cycle. Our target price implies a 21.7% total return, which is aligned with the MSCI Colcap, supporting the HOLD rating. Overall, while the stock appears undervalued, numerous short-term obstacles limit optimism.

NIM is crucial for tracking improvements. The Central Bank rate easing cycle in 2025 benefited Banks Aval by easing NIM pressure, particularly at Av Villas and Popular. However, this cycle has reversed, with interest rates expected to stay between 12% and 12.5% throughout most of 2026 and 2027. This likely will pressure the consolidated NIM for at least the next year, excluding any positive effects from investments, and will lower profitability. We estimate a NIM of 3.2% and a NIM including trading income at 3.8%, leading to a ROAE of 9.1%. Additionally, higher provisions are expected due to the impacts of the earthquake and El Niño. Although we project a 1.9% cost of risk, there are downside risks if impacts are greater than initially expected.

Corficolombiana faces pressure from higher rates, but potential upside risks include El Niño's positive effects on Promigas and the commencement of construction at Sencia. **Overall, the next 12 months are expected to remain challenging given the rate environment.**

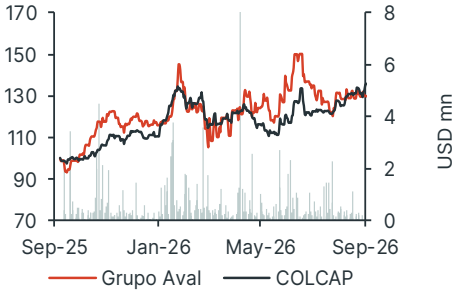
Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 13.6% in COP and perpetuity growth of 6.0%. Our TP implies a 1.1x P/BV and a 12.1x P/E 2027E, while shares are currently trading at 1.0x P/BV and 10.4x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 14.3%.**

Stock Data

Ticker	pfaval cb / aval us
Price (COP)	832 (loc) / 5.4 (ADR)
Target (COP)	970 (loc) / 6.2 (ADR)
Total Return	21.7%
LTM Range	597 - 961
M. Cap (USD mn)	6,303
Shares Outs. (mn)	23,743
Free Float	19.2%
ADTV (USD mn)	0.6

Price Chart (COP) and Volumes (USD mn)

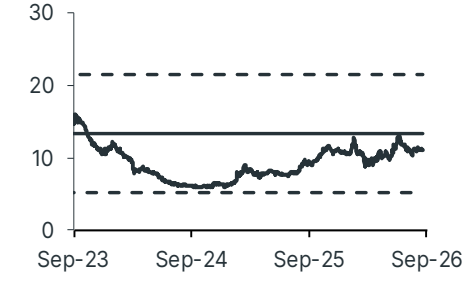


Valuation Summary

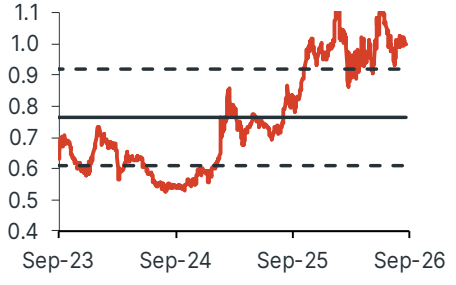
	2025	2026E	2027E	2028E
P/E	10.5	11.6	10.4	8.7
P/BV	1.0	1.0	1.0	0.9
ROAE	9.6%	9.1%	9.8%	11.0%
ROAA	0.5%	0.5%	0.5%	0.5%
Div. Yield	3.4%	3.7%	4.2%	4.7%

Sources: Company Reports and Credicorp Capital

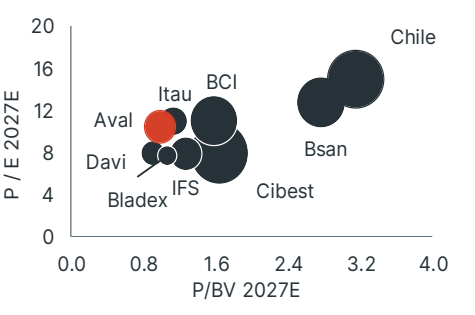
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

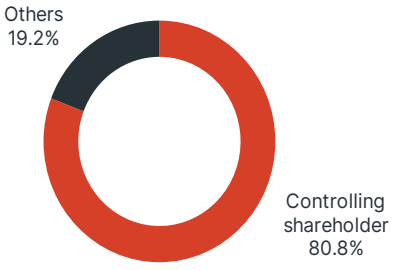


Grupo Aval

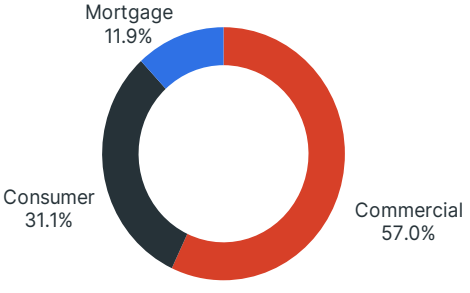
Company Description

Grupo Aval is a leading financial conglomerate in Colombia through its four banks (Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas), developing a multi-brand strategy. It is also the leader in the merchant bank businesses through Corficolombiana. On November 27, 2025, Banco de Bogotá agreed to sell its 99.57% controlling stake in MFG to BAC International. On July 31, 2026 was announced that Banco de Bogotá completed the acquisition of Itaú Colombia's retail banking business which added a portfolio of around COP 6.45 tn in consumer and mortgage loans, and nearly COP 4.80 tn in deposits.

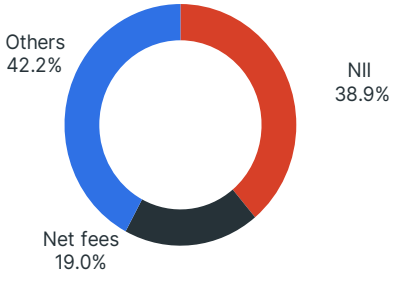
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Maria Lorena Gutiérrez
CFO: Diego Solano
HIR: Nicolás Noreña Trujillo
www.grupoaval.com

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Net interest income	7,268	7,907	7,752	8,548	9,890
Net fee income	3,584	3,757	3,854	4,234	4,632
Operating income	15,975	17,761	18,463	19,414	21,658
Provision expenses	-4,185	-3,646	-3,769	-4,143	-4,683
Operating expenses	-8,652	-9,252	-9,887	-10,496	-11,281
Net income	1,015	1,722	1,705	1,905	2,272
EPS (COP)	42.8	72.5	71.8	80.2	95.7
Net margin	6.4%	9.7%	9.2%	9.8%	10.5%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	17,704	21,132	24,583	26,728	28,858
Investments	58,357	66,133	78,839	83,577	91,027
Gross loans	199,431	190,878	210,827	229,853	249,142
Total assets	327,859	348,937	372,621	403,940	435,482
Total deposits	200,872	207,405	236,163	256,746	277,181
Other funding	72,824	68,672	75,256	81,815	88,328
Total liabilities	294,696	314,194	337,093	366,473	395,643
Minority interest	15,712	16,297	16,539	17,401	18,429
Shareholder's equity	17,451	18,446	18,989	20,065	21,410
Total liabilities + Equity	327,859	348,937	372,621	403,940	435,482

Ratios

	2024	2025	2026E	2027E	2028E
NIM	3.2%	3.4%	3.2%	3.2%	3.5%
Fee ratio	22.4%	21.2%	20.9%	21.8%	21.4%
Cost-to-income ratio	-54.2%	-52.1%	-53.6%	-54.1%	-52.1%
NPL / loans	4.0%	3.3%	3.0%	3.0%	3.0%
LLP / loans	5.0%	4.4%	4.3%	4.5%	4.9%
Cost of credit risk	-2.2%	-1.9%	-1.9%	-1.9%	-2.0%
LLP / NPL	125%	134%	144%	153%	166%
LTD ratio	104.3%	96.1%	93.1%	93.6%	94.3%
Loan-to-funding ratio	76.5%	72.2%	70.6%	71.0%	71.5%
Leverage	18.4	18.9	19.3	19.9	20.2
ROAE	6.0%	9.6%	9.1%	9.8%	11.0%
ROAA	0.3%	0.5%	0.5%	0.5%	0.5%

Sources: Company Reports and Credicorp Capital

Grupo Aval

Fixed Income Research Colombia Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

Ba2 / NR / BB

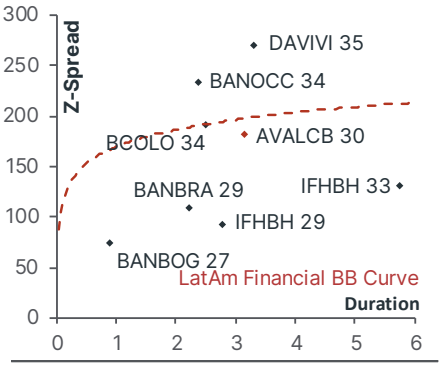
Outlook: s / nr / s

Wake me up when rates fall

Investment Thesis

We expect earnings to soften in 2H26 as the exceptionally strong trading income reported in 1H26 normalizes, while margins remain under pressure given Grupo Aval's negative sensitivity to higher interest rates. In addition, asset quality could face some headwinds in the coming quarters. Despite these challenges, Grupo Aval continues to benefit from healthy loan growth, a diversified banking franchise, solid capitalization, and a leading market position in Colombia. Valuations look fair at 25 bps over Colombia, thus our Neutral.

Grupo Aval Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 1,000mn
Closest Call Date	04-Nov-29
Closest Maturity Date	04-Feb-30

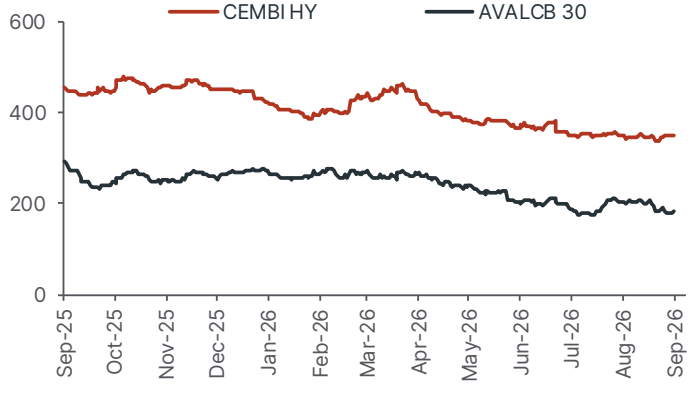
Concerns

- Reliance on subsidiary dividend upstreaming
- Relatively high double leverage
- Exposure to potential regulatory changes
- NII remains vulnerable to higher rates
- 2026 guidance implies a weaker 2H26
- Potential deterioration in asset quality on a context of higher rates and high inflation

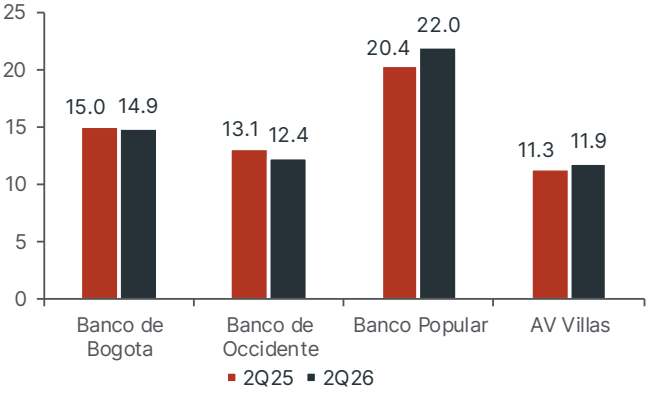
Strengths

- Diversified geographic footprint and business mix
- Leading franchise with strong market positions across key markets
- Limited short-term refinancing requirements and strong access to domestic and international capital markets

Z- Spread evolution



Solvency Ratio by Subsidiary



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
AVALCB 30	USD 1,000mn	4.38%	Ba2 / NR / BB	182	3.2	94.6	0.4%	6.1%	Neutral

Grupo Cibest

Rating: Buy
TP: COP 96,000 (loc) / USD 122.1 (ADR)

Equity Research Colombia Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Leadership intact despite macro headwinds

Investment Thesis

We are presenting our 2027E TP of COP 96,000/share (USD 122 ADR) and setting a BUY rating. Cibest remains the best company amid the current cycle of high inflation and interest rates, given its asset-sensitive profile. Therefore, an average NIM of +7.0% between 2026 and 2028 should support ROAE above 20% for the next two years, maintaining profitability leadership relative to key peers. This is significant given the macroeconomic backdrop of i) high inflation and interest rates, ii) a very challenging fiscal scenario that should impact economic activity, and iii) the negative impacts from the recent earthquake and the El Niño phenomenon. As a result, we reiterate that robust earnings generation and solid profitability make it the best bank for this cycle. Our recommendation is particularly attractive for preferred shareholders, given the ~14.0% discount compared to the common share.

Robust margins are expected to offset pressures on the cost of risk (CoR) stemming from the earthquake and El Niño. The CoR in 1H26 was 1.7%, within the company's 2026 guidance range of 1.6%-1.8%. However, this guidance does not include any additional provision expense from the impacts of the earthquake and El Niño. We are conservative and expect the company to post a 1.9% CoR in 2H26 to anticipate any additional provisions from Bancolombia. Although in 4Q25 the company posted a CoR of 2.2% to anticipate the deterioration from higher rates in 2026, we expect higher provisions amid an even more challenging scenario. Fortunately, the expected NIM of 7.4% in 2026 (post-provisions of 6.0%) would offset the potential increase in provisions, leading to a 22% ROAE in 2026.

Nequi is an upside risk to our model. Growth prospects for Nequi, now independent of Bancolombia, could support a higher long-term ROAE than the current 19% in our model.

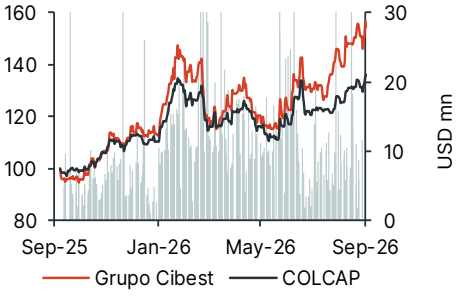
Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 13.9% in COP and perpetuity growth of 6.2%. Our TP implies a 2.0x P/BV and a 9.5x P/E 2027E, while shares are currently trading at 1.7x P/BV and 7.9x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 19.3%.**

Stock Data

Ticker	pfcibest cb / cib us
Price (COP)	79,480 (loc)/ 103.1(ADR)
Target (COP)	96,000 (loc)/ 122.1(ADR)
Total Return	30.8%
LTM Range	47,496 - 79,480
M. Cap (USD mn)	26,811
Shares Outs. (mn)	944.7
Free Float	75.0%
ADTV (USD mn)	11.0

Price Chart (COP) and Volumes (USD mn)

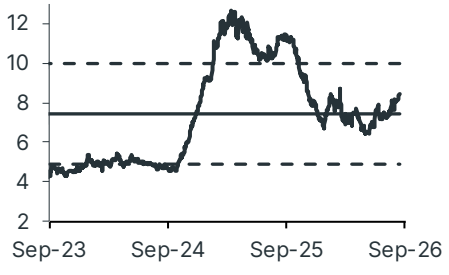


Valuation Summary

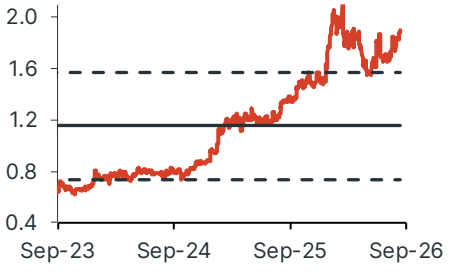
	2025	2026E	2027E	2028E
P/E	16.3	8.4	7.9	7.8
P/BV	1.6	1.8	1.7	1.5
ROAE	9.2%	22.1%	21.9%	20.4%
ROAA	1.0%	2.4%	2.4%	2.2%
Div. Yield	7.0%	8.9%	7.2%	7.6%

Sources: Company Reports and Credicorp Capital

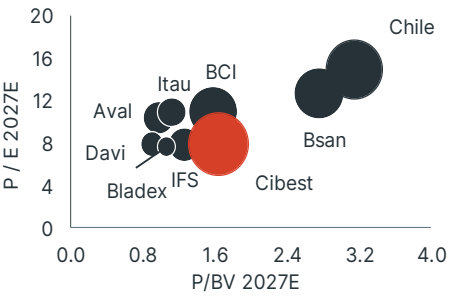
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

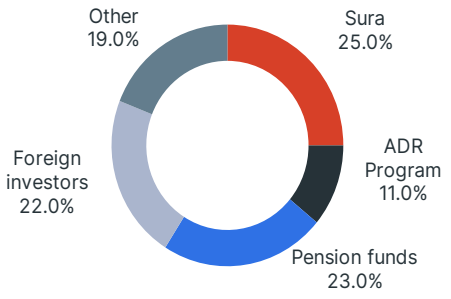


Grupo Cibest

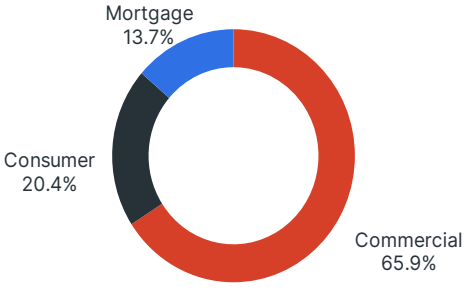
Company Description

Grupo Cibest with Bancolombia is the largest (individual bank) in Colombia in terms of loans, offering a wide range of financial products and services. In Colombia, the Group has a ~27.4% market share in loans. The bank also has a presence in El Salvador through Banagrícola (~24.9% market share), and in Guatemala through Agromercantil (~9.0% market share). Recall that on Jun-30, 2026, Grupo Cibest completed the divestment of Banistmo, following the transaction's announcement on Dec-18, 2025. As a result, Grupo Cibest transferred its entire 100% ownership stake to Banco La Hipotecaria.

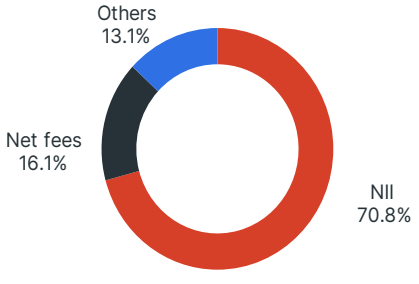
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Juan Carlos Mora
CFO: Mauricio Botero Wolff
HIR: Catalina Tobón Rivera
www.grupocibest.com

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Net interest income	20,520	20,437	23,046	24,657	25,654
Net fee income	4,153	4,509	5,435	5,938	6,509
Operating income	27,820	29,284	32,676	34,990	36,967
Provision expenses	-5,452	-4,480	-4,701	-5,110	-5,598
Operating expenses	-13,610	-14,582	-15,464	-16,280	-17,556
Net income	6,268	3,821	8,951	9,483	9,632
EPS (COP)	6,516	3,972	9,481	10,112	10,333
Net margin	22.5%	13.0%	27.4%	27.1%	26.1%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	32,844	29,916	30,592	33,205	35,951
Investments	40,499	37,629	61,807	69,822	76,156
Gross loans	279,454	256,354	264,799	295,569	319,789
Total assets	372,215	379,752	372,605	416,081	450,346
Total deposits	279,059	264,414	273,812	306,456	331,838
Other funding	29,326	18,056	25,588	28,572	30,893
Total liabilities	327,631	338,757	330,043	369,325	399,868
Minority interest	1,042	1,241	1,325	1,428	1,533
Shareholder's equity	43,542	39,755	41,237	45,329	48,945
Total liabilities + Equity	372,215	379,752	372,605	416,081	450,346

Ratios

	2024	2025	2026E	2027E	2028E
NIM	6.7%	6.6%	7.4%	7.1%	6.7%
Fee ratio	14.9%	15.4%	16.6%	17.0%	17.6%
Cost-to-income ratio	-48.9%	-49.8%	-47.3%	-46.5%	-47.5%
NPL / loans	3.4%	2.5%	2.4%	2.3%	2.2%
LLP / loans	-5.8%	-5.2%	-5.2%	-4.9%	-4.9%
Cost of credit risk	-2.0%	-1.7%	-1.8%	-1.8%	-1.8%
LLP / NPL	-172%	-204%	-213%	-211%	-216%
LTD ratio	94.3%	91.9%	91.7%	91.7%	91.7%
Loan-to-funding ratio	85.4%	86.1%	83.8%	83.9%	83.9%
BIS ratio	13.8%	14.6%	16.6%	16.3%	16.2%
ROAE	15.4%	9.2%	22.1%	21.9%	20.4%
ROAA	1.8%	1.0%	2.4%	2.4%	2.2%

Sources: Company Reports and Credicorp Capital

Bancolombia

Fixed Income Research Colombia Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

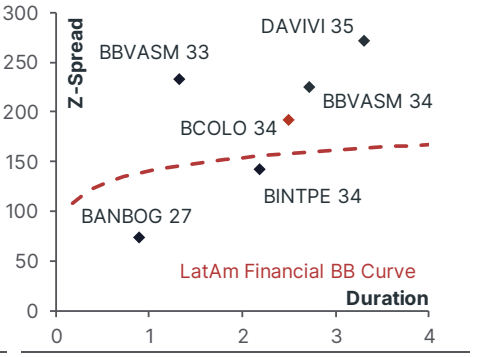
Baa3 / NR / BB+
Outlook: s / nr / s

Strong fundamentals and earnings momentum

Investment Thesis

Bancolombia continues to deliver one of the strongest fundamental stories among Andean financials. The latest quarter exceeded expectations, with capital ratios rising to 14.2%, ROAE guidance revised higher, healthy asset quality trends, and a well-controlled cost of risk. Management's upgraded outlook further supports the view that profitability should remain resilient despite macro headwinds in Colombia.
However, we see limited room for further spread compression, as much of the positive fundamental trajectory appears priced in. BCOLO 27s and BCOLO 34s are trading rich versus regional peers on a spread-over-sovereign basis, while valuations could potentially be constrained by Colombia's challenging fiscal outlook. Still, the BCOLO 34s continue to stand out as an attractive carry vehicle given the bank's solid earnings outlook.

Bancolombia Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 1,262mn
Closest Call Date	24-Jun-29
Closest Maturity Date	18-Oct-27

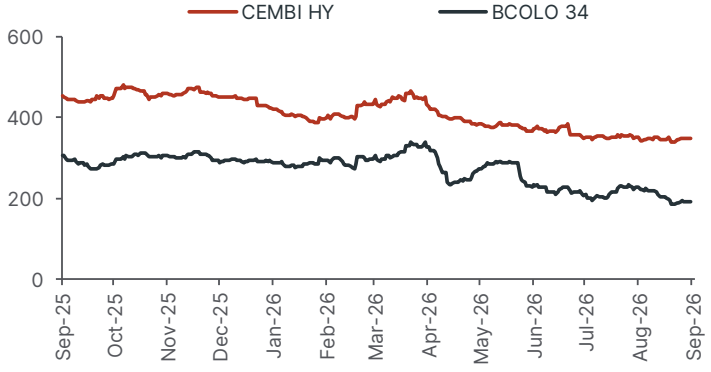
Concerns

- Fiscal uncertainty in Colombia could weigh on sentiment and credit demand
- Asset quality could deteriorate if interest rates remain higher for longer

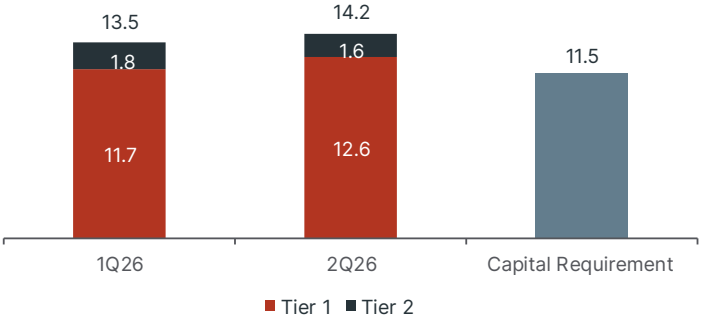
Strengths

- Competitive and diversified funding structure, with a stable deposit base
- Dominant market position as a leading banking franchise in Colombia and high systemic importance
- Solid asset quality and reserve buffers
- Strong capital generation
- Proven resilience across cycles

Z- Spread evolution



Solvency



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BCOLO 27	USD 462mn	6.91%	Ba3 / NR / BB-	-	1.1	101.6	0.6%	5.2%	Neutral
BCOLO 34	USD 800mn	8.63%	Ba3 / NR / BB-	192	2.5	105.9	0.7%	6.2%	Overweight

IFS

Rating: Buy
TP: USD 68.0

Equity Research Peru Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Value remains despite near-term headwinds

Investment Thesis

We are setting our 2027E TP at USD 68.0/share with a BUY recommendation. Near-term risks remain, mainly from the potential need for additional provisions related to El Niño. However, beyond this temporary pressure, we expect IFS to continue improving profitability, supported by three key drivers: i) faster growth in high-yielding loans, ii) controlled funding costs through the expansion of low-cost deposits, and iii) higher net fees linked to growth in higher-yielding products. Together, these factors should allow IFS to reach a long-term ROAE above 17.0%. This is central to our investment thesis, as an 18.0% ROAE would represent upside risk to our model and could support a higher valuation. Even under our base-case assumption of a 17.0% long-term ROAE, the stock still offers attractive upside, with a 28.1% total return.

The path to higher NIMs has already begun. Growth in high-yielding loans is already supporting Interbank's margin expansion, with these segments increasing 6.0% q/q and 12.0% y/y, driven by consumer loans (+5.0% q/q; +9.0% y/y) and small businesses (+12.0% q/q; +31.0% y/y). The rebuild of the retail portfolio remains the key driver of our thesis, while double-digit retail deposit growth and room to expand low-cost SME funding should support funding costs. We expect NIM to reach 5.4%-5.5% in the long term.

Short-term impact from El Niño. El Niño should create additional provision pressure in the short term, though we do not expect an impact as severe as in 2023, when the cost of risk increased by 50-70 bps amid high inflation, weaker earnings and a tougher asset-quality cycle. IFS is already anticipating higher provisions, but the starting point is more favorable. We forecast a cost of risk of 2.2%-2.3% in 2H26, with downside risk if the economic impact is greater than expected.

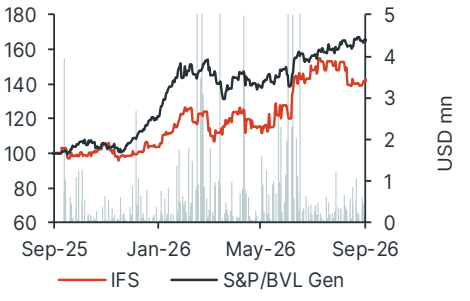
Valuation

Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 13.4% in PEN and perpetuity growth of 5.0%. Our TP implies a 1.6x P/BV and a 9.7x P/E 2027E, while shares are currently trading at 1.4x P/BV and 8.5x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 16.8%.**

Stock Data

Ticker	ifs pe
Price (USD)	54.9
Target (USD)	68.0
Total Return	28.1%
LTM Range	37.4 - 60.6
M. Cap (USD mn)	6,338
Shares Outs. (mn)	115.4
Free Float	29.4%
ADTV (USD mn)	0.1

Price Chart (USD) and Volumes (USD mn)



Valuation Summary

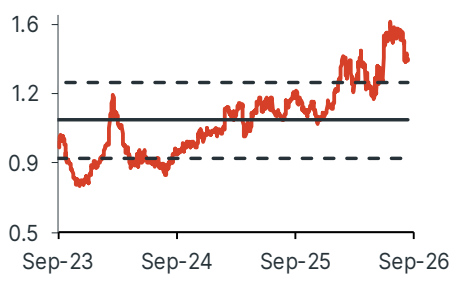
	2025	2026E	2027E	2028E
P/E	8.5	9.4	8.5	7.5
P/BV	1.3	1.5	1.4	1.2
ROAE	16.6%	17.4%	17.0%	17.2%
ROAA	2.0%	2.2%	2.2%	2.3%
Div. Yield	2.6%	3.4%	4.3%	4.7%

Sources: Company Reports and Credicorp Capital

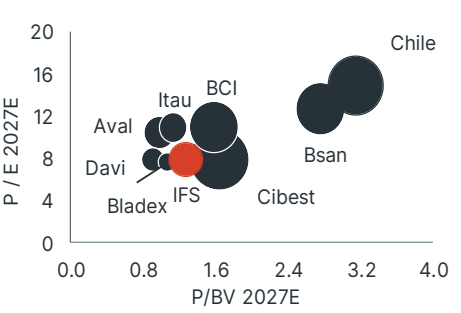
P/E 12M Forward



P/BV 12M Forward



Relative Valuation

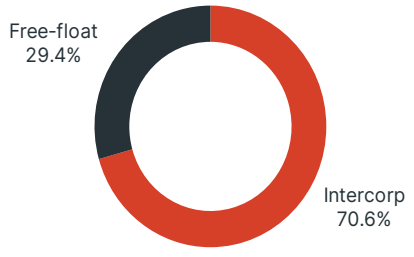


IFS

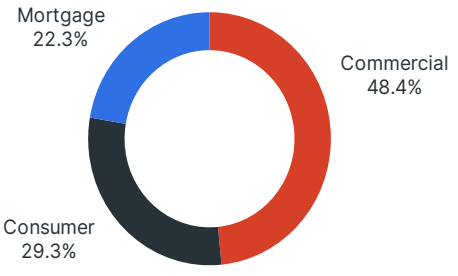
Company Description

Intercorp Financial Services (IFS) provides financial products through its subsidiaries Interbank, Interseguro and Inteligo. Interbank is the 3rd bank in Peru by market share in loans, with a strong presence in consumer lending. Interseguro is a leading L&H insurance company in Peru focused on annuities. Inteligo is a company in the AM and broker dealer business. IFS is controlled by Intercorp Peru whose largest shareholder is the Rodríguez-Pastor family.

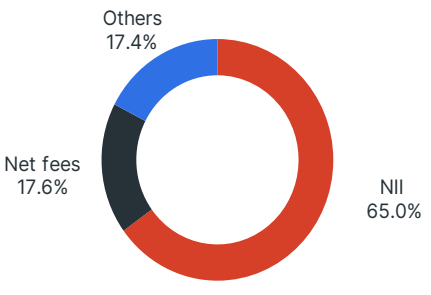
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: Luis Felipe Castellanos
CFO: Michela Casassa Ramat
HIR: Cecilia Ramírez Riesco
www.ifs.com.pe

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Net interest income	4,549	4,629	4,946	5,495	6,268
Net fee income	1,143	1,220	1,284	1,420	1,558
Operating income	6,270	6,735	7,336	8,028	9,032
Provision expenses	-1,720	-1,137	-1,054	-1,304	-1,653
Operating expenses	-2,903	-3,163	-3,425	-3,587	-3,832
Net income	1,300	1,932	2,285	2,511	2,839
EPS (PEN)	11.5	17.4	20.7	22.7	25.7
Net margin	20.7%	28.7%	31.1%	31.3%	31.4%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	12,709	14,076	16,522	17,916	19,191
Investments	26,858	28,174	31,298	34,406	37,761
Gross loans	48,831	50,372	54,322	58,894	63,043
Total assets	95,378	99,098	109,591	119,273	128,614
Total deposits	53,768	56,028	61,418	66,588	71,279
Other funding	13,637	12,811	14,529	15,752	16,861
Total liabilities	84,399	86,676	95,540	103,617	111,115
Minority interest	63	73	80	87	96
Shareholder's equity	10,915	12,349	13,971	15,569	17,403
Total liabilities + Equity	95,378	99,098	109,591	119,273	128,614

Ratios

	2024	2025	2026E	2027E	2028E
NIM	5.3%	5.1%	5.1%	5.1%	5.4%
Fee ratio	18.2%	18.1%	17.5%	17.7%	17.3%
Cost-to-income ratio	-46.3%	-47.0%	-46.7%	-44.7%	-42.4%
NPL / loans	2.5%	2.3%	2.1%	2.1%	2.1%
LLP / loans	-2.5%	-2.2%	-2.0%	-2.0%	-2.0%
Cost of credit risk	-3.6%	-2.3%	-2.0%	-2.3%	-2.7%
LLP / NPL	-101%	-95%	-98%	-98%	-98%
LTD ratio	88.5%	88.0%	86.7%	86.7%	86.7%
Loan-to-funding ratio	70.6%	71.6%	70.1%	70.1%	70.1%
Leverage	7.9	7.7	7.5	7.3	7.2
ROAE	12.5%	16.6%	17.4%	17.0%	17.2%
ROAA	1.4%	2.0%	2.2%	2.2%	2.3%

Sources: Company Reports and Credicorp Capital

IFS

NR / BB+ / BBB
Outlook: nr / s / s

Fixed Income Research Peru Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

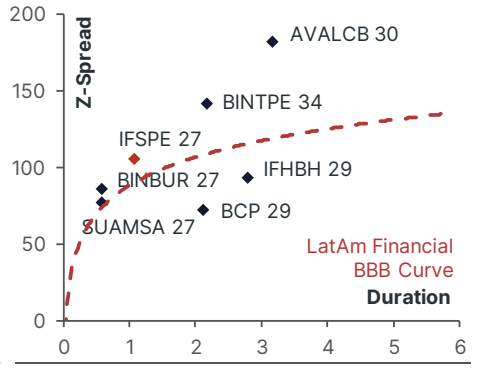
Gradual improvement to support valuations

Investment Thesis

We remain Overweight on IFS bonds as current spreads look compelling, with bonds trading roughly 12 bps wider than IFHBH 29.

While 2Q26 earnings softened modestly due to higher funding costs and a normalization of provisioning expenses, the results continue to support a constructive credit view. Profitability remains robust, with ROAE at 18.5%, and loan growth remains healthy across higher-yielding segments such as consumer and small-business. Looking ahead, we expect margins to recover, allowing NIM expansion to gradually offset the expected increase in the cost of risk. Asset quality remains manageable, with NPL metrics continuing to improve, and capitalization remains comfortably above regulatory requirements.

IFS Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 300mn
Closest Call Date	19-Jul-27
Closest Maturity Date	19-Oct-27

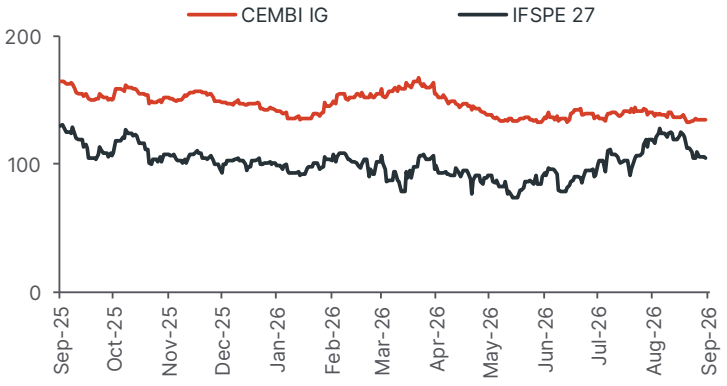
Concerns

- Exposure to retail banking and consumer lending, making earnings and asset quality more sensitive to economic slowdowns
- Potential increase in credit costs from El Niño event, particularly through their impact on SMEs, consumers, and regional economic activity
- Limited geographic diversification

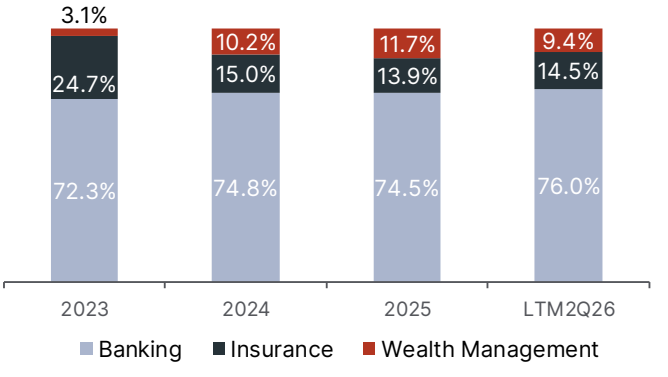
Strengths

- Strategic importance within the Intercorp ecosystem and a leading franchise across banking, insurance, and WM in Peru
- Sound liquidity profile and prudent financial management at the holding level
- Strong franchise with leading positions in several financial segments

Z- Spread evolution



Contribution by Segment



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
IFSPE 27	USD 300mn	4.13%	NR / BB+ / BBB	105	1.1	98.9	0.3%	5.1%	Overweight

Interbank

Fixed Income Research Peru Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

Baa1 / BBB / NR

Outlook: s / s / nr

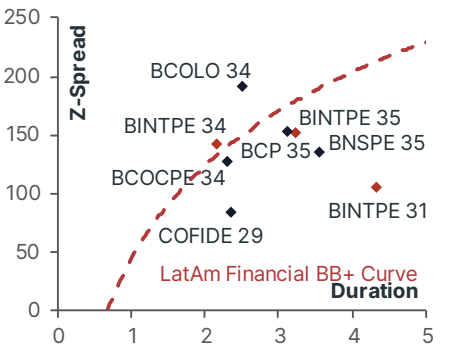
Improving fundamentals, limited spread upside

Investment Thesis

Interbank continues to present a solid fundamental story, underpinned by healthy profitability, improving asset quality, and capital levels that remain comfortably above regulatory requirements. Although 2Q26 earnings softened sequentially on higher funding costs and a normalization of provisioning expenses, we believe the bank's strategy to accelerate growth in higher-yielding consumer segments should support profitability going forward. This shift will likely keep provisioning needs elevated versus recent quarters, but it should also drive a gradual expansion in NIM over time. Potential El Niño-related provisions remain a near-term risk, yet we do not see them materially derailing the bank's favorable credit trajectory.

That said, we think much of the fundamental improvement is already priced in. BINTPE 34 and BINTPE 35 trade broadly in line with the BCP curve, while the BINTPE 31 senior offers only around 35 bps over the sovereign—levels we view as fair.

Interbank Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Notes	USD 1,150mn
Closest Call Date	04-Aug-26
Closest Maturity Date	04-Oct-26

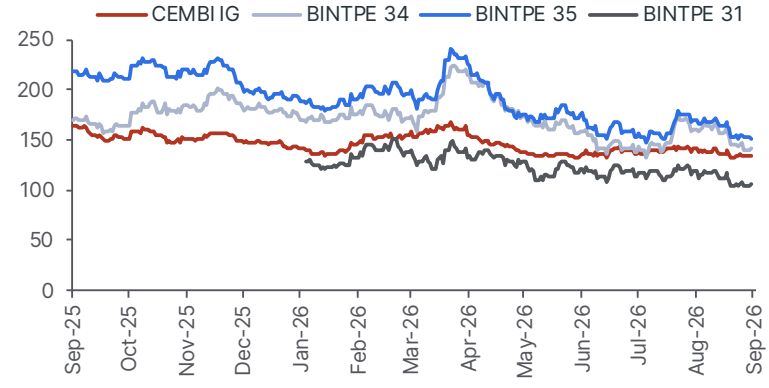
Concerns

- Higher exposure to consumer lending than peers, resulting in inherently greater asset-quality volatility across credit cycles
- Accelerating growth in higher-yielding consumer segments could lead to higher provisioning needs
- Potential impact from El Niño-related provisions on asset quality

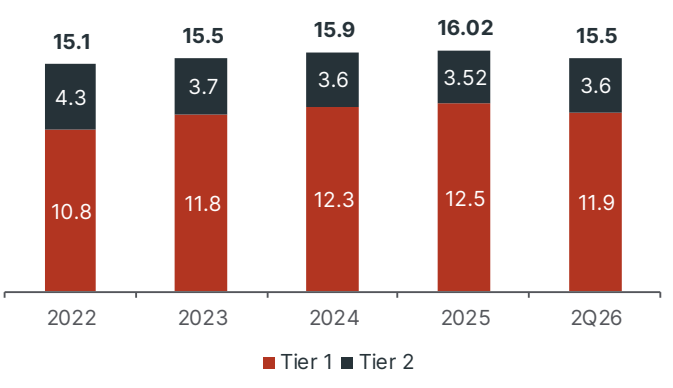
Strengths

- Systemically important bank in Peru and a core strategic asset for Intercorp
- Leading franchise in consumer banking with strong expertise
- Proven ability to manage risk through economic cycles
- Capitalization remains comfortably above regulatory requirements

Z- Spread evolution



Solvency



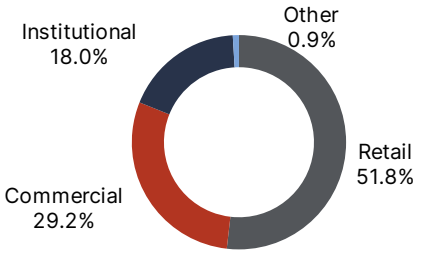
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BINTPE 31	USD 500mn	4.80%	Baa1 / NR / BBB	105	4.3	97.5	0.4%	5.3%	Neutral
BINTPE 34	USD 300mn	7.63%	Baa3 / BB+ / NR	142	2.2	104.1	0.6%	5.7%	Neutral
BINTPE 35	USD 350mn	6.40%	Baa3 / BB+ / NR	152	3.2	101.7	0.5%	5.8%	Neutral

Interbank

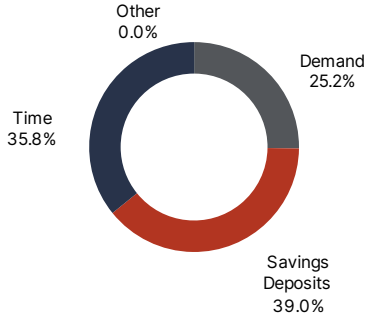
Company Description

It is the fourth largest bank in Peru with a market share of 13.5%. The bank provides universal banking and related financial services to retail, enterprise and corporate customers. It was founded in 1897 and operates in Peru with a branch in Panama. Interbank is a subsidiary of IFS and its ultimate parent is Intercorp Peru.

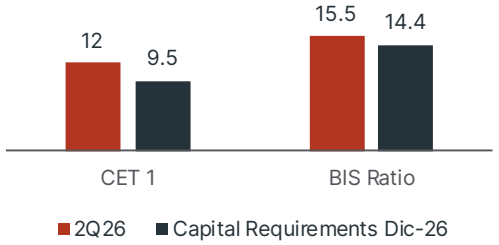
Loan Portfolio



Deposits Breakdown



Capitalization vs Requirements



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
NIM	4.9%	5.5%	5.3%	5.2%	5.1%
Cost of Risk	1.9%	4.2%	3.6%	2.3%	1.8%
NPL (+90 days)	2.6%	3.2%	2.5%	2.3%	2.1%
Coverage (+90 days)	173.5%	156.8%	140.2%	139.2%	143.0%
Net Fees / Loans	1.7%	1.7%	1.6%	0.8%	1.8%
Efficiency	42.2%	38.8%	40.7%	42.1%	42.8%
ROE (%)	19.8%	11.2%	12.2%	15.6%	17.0%
ROA (%)	2.0%	1.3%	1.4%	2.0%	2.2%
CET 1	10.8%	11.8%	12.3%	12.5%	11.9%
BIS Ratio	15.1%	15.5%	15.9%	16.0%	15.5%

Income Statement

USD MN - IFRS	2022	2023	2024	2025	LTM2Q26
Interest Income	1,397	1,778	1,747	847	1,720
Interest Exp. (-)	-432	-692	-649	-295	-572
Net Interest Margin	965	1,086	1,098	551	1,148
Provision Exp. (-)	-244	-580	-504	-191	-276
Net Fee Income	233	238	232	125	275
ROF and others	139	145	150	89	204
Operating Exp. (-)	-565	-571	-602	-318	-697
Net Profit	402	251	295	196	498

Balance Sheet

USD MN - IFRS	2022	2023	2024	2025	LTM2Q26
Cash	3,321	2,670	3,442	3,792	4,320
Investments	2,806	3,502	3,274	3,501	3,752
Net Loans	12,798	13,172	13,934	14,423	15,095
Gross Loans	13,391	13,860	14,440	14,889	15,553
Allowances (-)	-593	-688	-506	-466	-458
Total Assets	19,603	20,030	21,512	22,467	24,023
Deposits	13,053	13,479	14,969	15,707	16,678
Deposits from Fin Inst.	1,978	2,572	2,038	1,985	1,768
Other financial obligations	1,923	1,245	1,367	1,255	1,848
Equity	2,189	2,358	2,597	3,002	3,107

Sources: Company Reports and Credicorp Capital

Intercorp Perú

Fixed Income Research Peru Banks

Josefina Valdivia - jvaldivia@credicorpcapital.com

NR / BBB- / BBB-

Outlook: nr / s / s

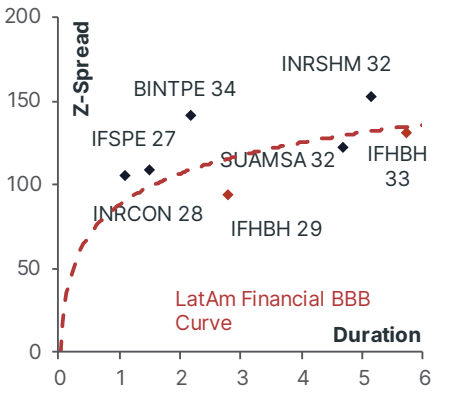
The goods of diversification

Investment Thesis

IFH stands out as a resilient credit, supported by a diversified asset base and a growing dividend stream. Its exposure to financial services, education, healthcare, and retail provides earnings stability across cycles, while the better macro backdrop in Peru and improving investment and consumption trends should continue to support earnings. The retail platform remains defensive, supported by growth in Food and Pharma, while UTP offers attractive long-term upside. Lastly, expected profitability recovery at IFS—~60% of dividend inflows—remains the key pillar for dividend growth ahead.

LTM2Q26 subsidiary dividends reached USD 248mn, with management guiding to USD 260mn for 2026 and USD 280–300mn in 2027, driven mainly by IFS and UTP. These inflows should comfortably cover operating expenses, debt service, shareholder distributions, and growth investments, while supporting gradual deleveraging. That said, while IFH's outlook supports a constructive credit view, current valuations look broadly fair.

Intercorp Perú Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 625mn
Closest Call Date	15-May-29
Closest Maturity Date	15-Aug-29

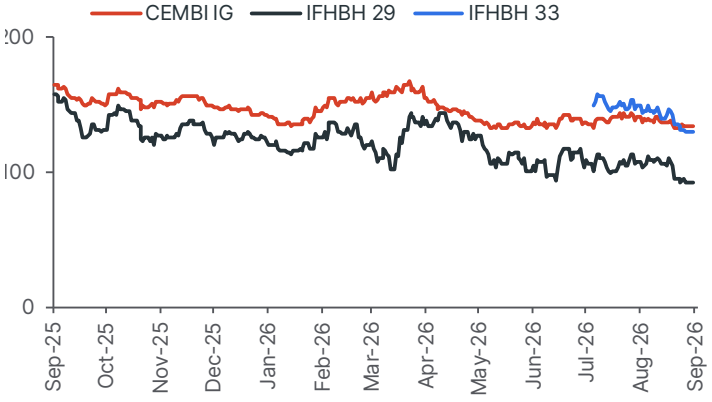
Concerns

- Potential investment requirements for business development
- Exposure to Peruvian economic cycles through its financial and consumer-oriented businesses
- Dividend upstreaming capacity could weaken during periods of adverse economic conditions

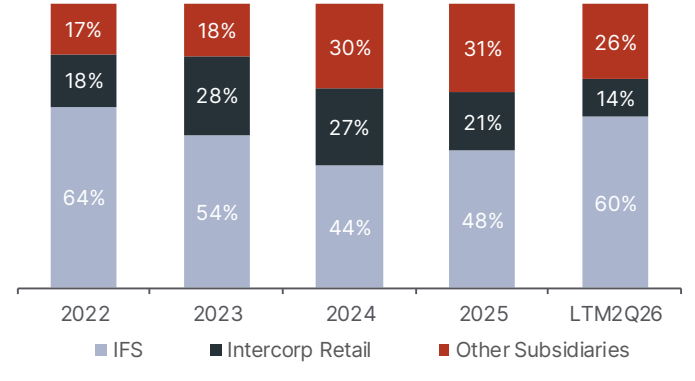
Strengths

- Diversified portfolio across financial services, retail, education, and healthcare
- Leading market positions across key business segments and strong franchise value
- Growing and diversified dividend stream
- Positive leverage to Peru's economic

Z- Spread evolution



Dividends received from subsidiaries



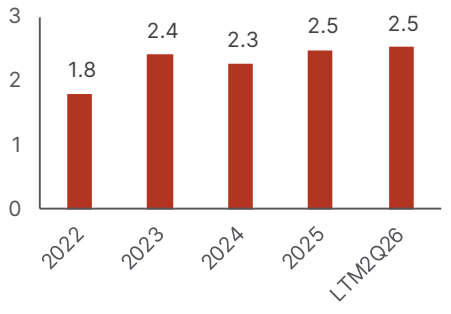
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
IFHBH 29	USD 325mn	3.88%	NR / BBB- / BBB-	93.1	2.8	96.2	0.3%	5.2%	Neutral
IFHBH 33	USD 300mn	5.60%	NR / BBB- / BBB-	129.9	5.7	99.6	0.5%	5.7%	Neutral

Intercorp Perú

Company Description

Intercorp is a holding company for one of Peru's largest business groups. Through its subsidiaries, the company operates in the banking, insurance, wealth management, supermarkets, pharmacies, shopping malls, department and home improvement stores, education, and healthcare segments in Peru and other Latin American countries.

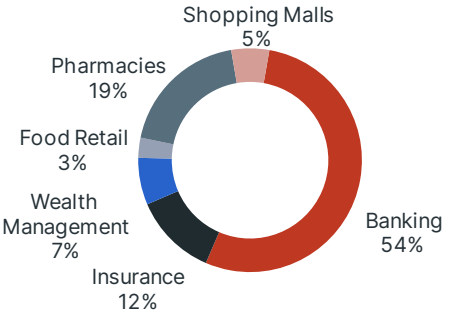
Net leverage (Net Debt / Div. Received)



Balance Sheet	2022	2023	2024	2025	LTM2Q26
Cash	81	42	59	39	132
Total Assets	3,873	4,064	4,389	4,814	5,343
Gross Debt	520	513	521	486	759
Equity	3,323	3,535	3,851	4,261	4,535

Credit Metrics	2022	2023	2024	2025	LTM2Q26
Gross Debt / Div. Received	2.1	2.6	2.6	2.7	3.1
Net Debt / Div. Received	1.8	2.4	2.3	2.5	2.5

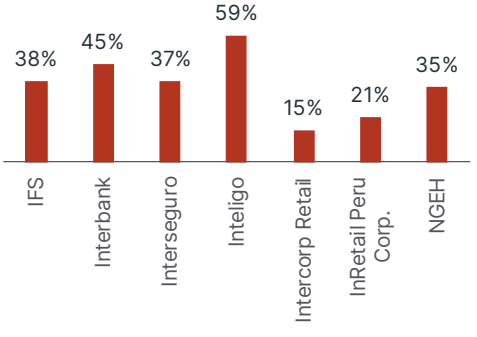
Net Profits by subsidiary YTD



Income Statement

	2022	2023	2024	2025	LTM2Q26
Net profits:					
Banking	282	176	210	310	356
Insurance	63	72	54	69	80
Wealth Management	-28	8	29	49	45
Payments	47	0	-1	-6	-8
Others Financial	-23	-34	-21	-16	-29
-Total IFS	**341**	**223**	**271**	**407**	**444**
Food Retail	63	57	52	48	19
Pharmacies	81	100	113	132	126
Shopping Malls	44	61	51	35	36
Others Retail	-6	-66	-46	-141	-123
-Total Intercorp Retail	**182**	**152**	**171**	**73**	**60**
Other subsidiaries	14	-12	11	12	40
Net profit attributable to	**537**	**362**	**453**	**492**	**544**
Holding expenses	-4	-96	-79	-9	-49
Intercorp Net Profits	**533**	**266**	**374**	**483**	**495**

Subsidiaries Payout Ratio YTD



Dividends received from subsidiaries

USD MN	2022	2023	2024	2025	LTM2Q26
IFS	155	106	88	87	149
Intercorp Retail	45	54	55	37	34
Other Subsidiaries	42	35	60	55	65
Total	**242**	**195**	**203**	**179**	**248**

Itaú Chile

Rating: Hold
TP: CLP 26,800

Equity Research Chile Banks

Daniel Mora, CFA - dmoraa@credicorpcapital.com
Juan Felipe Sánchez - jfsanchez@credicorpcapital.com

Waiting for the fundamentals to catch up

Investment Thesis

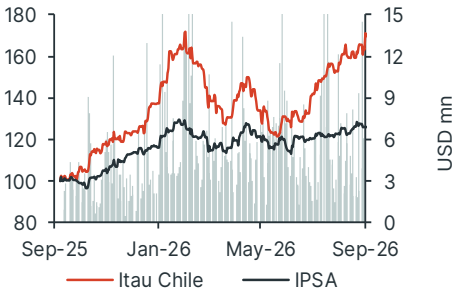
We are presenting our 2027E TP of CLP 26,800/share and reaffirming our HOLD rating. Itaú's story has been split into i) a positive announcement about the transformation in Colombia, with limited visibility, and ii) negative 1H26 results, with ROTE in Chile at 10.4%, below the 12%-13% guidance. Despite management guiding for a 10%-15% ROTE by the end of 2028, uncertainty around the Colombian operation has made us more cautious, and we prefer to see results move in the right direction before becoming more optimistic about the bank. Our target price already reflects an operation in Chile reaching a ~16% ROATE and a Colombian operation reaching a ~11% ROATE in the long term. However, the stock's 18.1% total return implied in our TP, which is not excessive, suggests that the market is already pricing in a delivery in Colombia. In our view, this is not a story where execution has yet to be recognized by the market and therefore offers meaningful additional upside. Rather, if the bank delivers, the expected return would be broadly in line with our expectation of the IPSA Index.

We need to see more in Colombia. Itaú announced in July a capital increase of USD 75 mn in Colombia and non-recurring expenses of USD 158 mn, with an additional USD 18 mn in expenses for the remainder of the year. The plan is to reach a 10-15% ROTE in 2028. However, current visibility is low amid a macro environment that should keep interest rates high in 2026 and 2027, as well as inflation pressures. Even though we expect a material reduction in the cost of risk and a gradual improvement in efficiency, with a lower need for physical branches and employees, it is not clear what margins and fees will look like without the retail operation. We are modeling 2026 and 2027 with ROTE figures close to 4.0% (managerial) and reaching 11.0% in the long run.

Stock Data

Ticker	itaucl ci
Price (CLP)	23,460
Target (CLP)	26,800
Total Return	18.1%
LTM Range	13,739 - 23,690
M. Cap (USD mn)	5,398
Shares Outs. (mn)	216.3
Free Float	32.6%
ADTV (USD mn)	5.4

Price Chart (CLP) and Volumes (USD mn)



Valuation

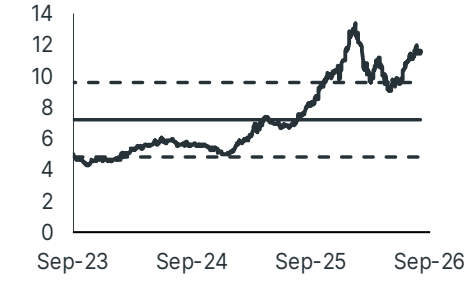
Our 2027E TP is based on a ten-year residual income model, assuming a nominal Ke of 12.5% in CLP and perpetuity growth of 5.5%. Our TP implies a 1.3x P/BV and a 12.5x P/E 2027E, while shares are currently trading at 1.1x P/BV and 10.9x P/E 2027E. The industry's median multiples for Andean peers are 1.1x P/BV and 10.4x P/E 2027E. **Our valuation models consider a long-term ROAE of 13.9%.**

Valuation Summary

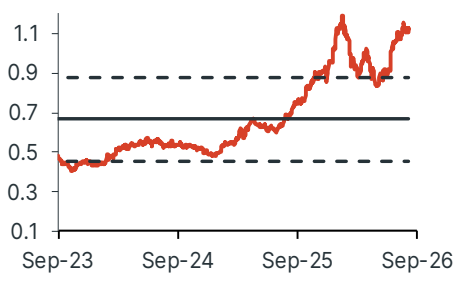
	2025	2026E	2027E	2028E
P/E	10.0	12.9	10.9	9.0
P/BV	1.0	1.2	1.1	1.1
ROAE	10.4%	9.2%	10.6%	12.2%
ROAA	1.0%	0.8%	0.9%	1.0%
Div. Yield	2.6%	5.1%	3.9%	5.2%

Sources: Company Reports and Credicorp Capital

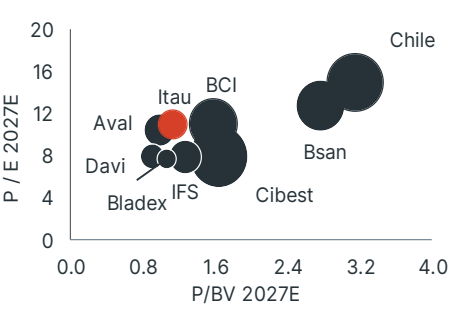
P/E 12M Forward



P/BV 12M Forward



Relative Valuation



Itaú Chile

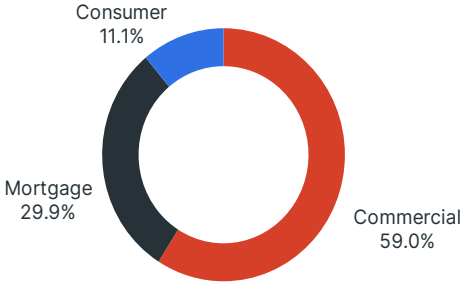
Company Description

Banco Itaú Chile is the entity resulting from the merger of Banco Itau Chile (Itau Chile) and CorpBanca on Apr-16. It is currently the sixth largest private bank in Chile with a market share of ~9.9% in terms of total loans. Recall that the bank also operates in Colombia with a ~2.9% market share and on July 31, 2026, was announced that they completed the sale of its retail banking business to Banco de Bogotá so the colombian bank can focus on its Corporate Banking business. Itaú Unibanco from Brazil controls the bank and it is the largest shareholder (67.4%) after a tender offer executed in 2023.

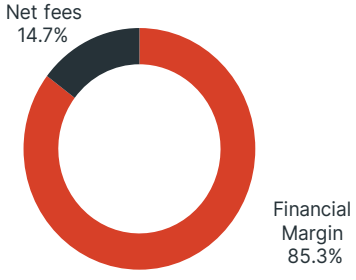
Ownership Structure



Loans by segment (2Q26)



Revenue breakdown (2Q26)



Management

CEO: André Gailey
CFO: Emiliano Muratore
HIR: Matias Valenzuela
www.itau.cl

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Net interest income	1,385	1,388	1,332	1,447	1,627
Net fee income	197	223	224	239	258
Operating income	1,582	1,611	1,556	1,686	1,885
Provision expenses	-377	-322	-290	-316	-361
Operating expenses	-758	-776	-776	-770	-789
Net income	385	430	394	465	566
EPS (CLP)	1,777.8	1,987.9	1,822	2,152	2,618
Net margin	24.3%	26.7%	25.3%	27.6%	30.0%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & interbank loans	3,694	3,790	4,114	4,374	4,706
Investments	5,244	5,669	7,961	8,478	9,129
Gross loans	27,890	28,907	30,562	32,747	35,194
Total assets	42,532	43,916	49,014	52,375	56,254
Total deposits	20,827	21,457	22,748	24,264	26,092
Other funding	11,212	11,010	12,754	13,711	14,729
Total liabilities	38,557	39,608	44,745	47,863	51,451
Minority interest	3.5	3.7	6.3	10.2	14.2
Shareholder's equity	3,971	4,305	4,263	4,501	4,789
Total liabilities + Equity	42,532	43,916	49,014	52,375	56,254

Ratios

	2024	2025	2026E	2027E	2028E
Financial Margin (NIM)	3.9%	3.9%	3.5%	3.5%	3.7%
Fee ratio	12.5%	13.9%	14.4%	14.2%	13.7%
Cost-to-income ratio	-47.9%	-48.2%	-49.8%	-45.7%	-41.9%
NPL / loans	2.2%	2.3%	2.1%	2.1%	2.1%
LLP / loans	-3.0%	-2.7%	-2.6%	-2.5%	-2.5%
Cost of credit risk	-1.4%	-1.1%	-1.0%	-1.0%	-1.1%
LLP / NPL	-157%	-151%	-137%	-139%	-140%
LTD ratio	129.9%	131.0%	130.9%	131.5%	131.5%
Loan-to-funding ratio	84.4%	86.6%	83.9%	84.0%	84.0%
BIS ratio	15.8%	17.7%	16.5%	16.5%	16.4%
ROAE	10.0%	10.4%	9.2%	10.6%	12.2%
ROAA	0.9%	1.0%	0.8%	0.9%	1.0%

Sources: Company Reports and Credicorp Capital

4.2 / Cement, Construction & Conglomerates

Chilean Construction Sector

Mining leads while housing recovery gains support

Chile's construction outlook is positive, led by mining and infrastructure; housing should recover gradually.

We remain positive on Chile's construction sector, supported by a strengthening investment cycle, particularly in mining and public infrastructure, and a more pro-investment policy stance under President Kast's administration. Mining should lead growth, backed by a record project pipeline and government efforts to accelerate execution and streamline permitting. Residential construction remains subdued, but improving financing conditions and targeted housing measures should reduce inventory and gradually unlock new project starts, particularly in subsidized and middle-income housing.

Growth is backed by a USD 105 bn mining pipeline, faster permitting, and the MOP's USD 15 bn plan.

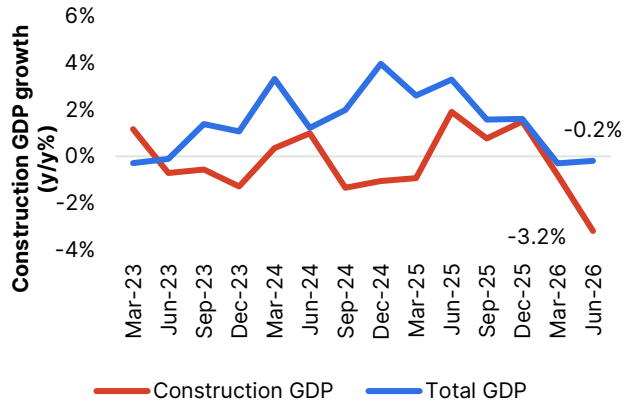
Mining remains at the center of the investment cycle. The Chilean Copper Commission (Cochilco) estimates a record USD 105 bn mining pipeline through 2034, with 52% already at the pre-feasibility or feasibility stage. The high share of brownfield projects further supports execution, as investment is increasingly directed toward sustaining production, expanding capacity, and replacing aging assets. The administration further strengthens this outlook through a pro-investment agenda aimed at accelerating projects and streamlining permits, including a proposal to consolidate 55 mining authorizations into 13 permits. Public infrastructure should provide an additional growth driver, with the Ministry of Public Works (MOP) targeting USD 15 bn of investment during the administration across roads, concessions, ports, airports, and water infrastructure, complemented by major metro and railway projects,

Housing should recover from 2027 as lower rates and policy support improve affordability and reduce inventory.

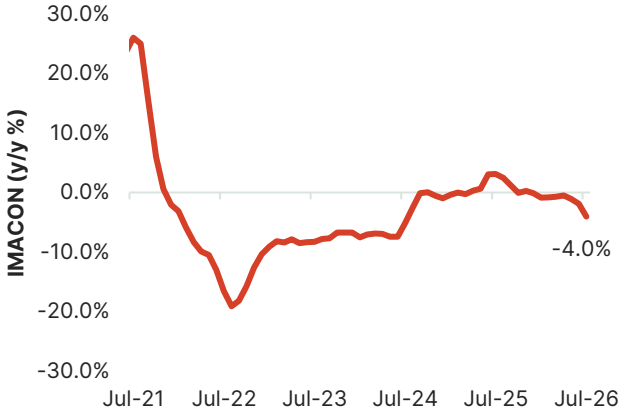
In real estate, the recovery remains largely dependent on government housing initiatives. Recent measures have increasingly shifted from supporting demand to strengthening the housing-finance ecosystem. The expansion of FOGAES and mortgage subsidies should accelerate the absorption of completed inventories by lowering financing costs and easing access to mortgage credit for homes valued at up to UF 6,000. Meanwhile, the proposed FONAVI under the MK4 reform could provide a more structural boost by expanding mortgage market liquidity, increasing lending capacity, and supporting more competitive financing conditions. Additional savings incentives aimed at reducing down-payment constraints further reinforce affordability. Together, these measures address some of the sector's key bottlenecks and should support a gradual recovery from 2027 onward, particularly in subsidized and middle-income segments, while the broader private housing market recovers more gradually as inventories normalize.

Chile

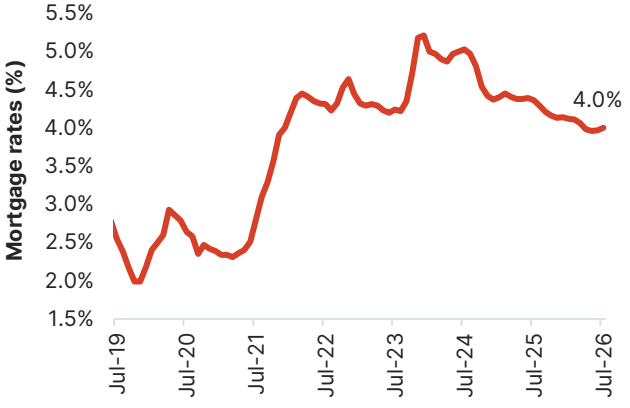
Construction GDP growth (%)



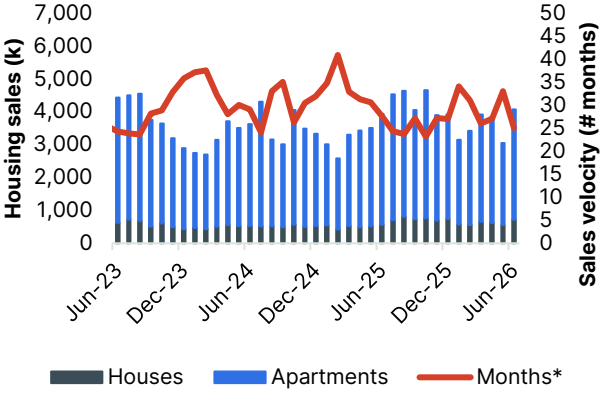
Construction Activity Index growth (%)



Mortgage rates (UF loans)



Housing sales overview



Chilean mining pipeline (2025-2034) - Cochilco

Start-up	Project	Stage	Investment (USD bn)
2032	4th Line Project: New Concentrator at Rosario	Pre-feasibility	8.0
2033	El Abra Mine Operational Continuity	Pre-feasibility	7.5
2032	Chuquicamata Underground	Execution	7.1
2031	New Mine Level	Execution	6.3
2025-2029	Other Development Projects	Execution	6.0
2031	New Concentrator: Los Colorados	Pre-feasibility	5.0
2035	RT Sulfides Phase II	Feasibility	4.9
2025-2029	Tailings Dams	Execution	4.4
2027	Centinela – 2nd Concentrator (I and II)	Execution	4.4
2026	Collahuasi 210 KTPD	Execution	3.7
	Other projects		47.4
	Total		**104.5**

Colombian Construction Sector

Confidence returns, recovery takes time

We expect infrastructure visibility to improve under a more supportive regulatory environment, though meaningful construction activity growth is likely to emerge only from 2028 onward.

Over the past several years, Colombia's infrastructure sector has faced a challenging environment characterized by regulatory interventions, toll freezes, approval delays, and the rejection of privately initiated projects. These factors increased regulatory risk perceptions, weakened investor confidence, and slowed the development of new concessions despite strong private-sector interest. The newly elected government has signaled its intention to restore investor confidence and strengthen concession schemes, which we expect could mark an important turning point. However, we do not expect an immediate acceleration in construction activity. Instead, we anticipate gradual progress in projects that have already advanced technical and financial structuring. In our view, the most attractive opportunities lie not in the broader pipeline of announced projects, but in more advanced initiatives, including Odinsa's pipeline. Together, these projects represent more than COP 20 tn of potential investment and could move forward more quickly given the resources already invested in their development. Nevertheless, we remain cautious, as the transition from project approval to construction often takes several years. While a more supportive regulatory environment could drive progress and contract awards in the near term, the most meaningful impact on construction activity, materials demand, and infrastructure execution is likely to emerge from 2028 onward.

Housing recovery has lost momentum, as weaker sales, declining starts, and fewer launches continue to delay a broader recovery in construction activity.

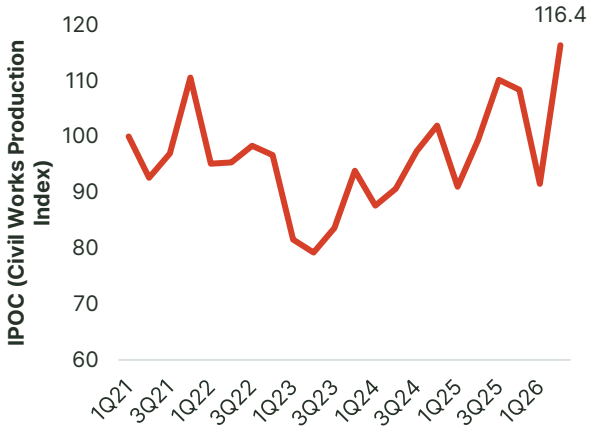
In the residential segment, the recovery observed during 2025 lost momentum in 2026. Between January and July, housing sales totaled 90,973 units, down 11.3% y/y across both VIS and non-VIS segments. More importantly, new project activity remained weak, as housing starts and launches fell 17.9% and 15.7%, respectively, over the same period. We believe starts and launches remain the key indicators to monitor, as they ultimately determine construction activity and materials demand. Although building permits continue to provide an important leading signal, developers are likely to remain cautious given high financing and construction costs, lower subsidy availability, and lingering regulatory uncertainty. Stronger business confidence and improved policy visibility could act as catalysts, but we do not expect an immediate recovery.

Colombia

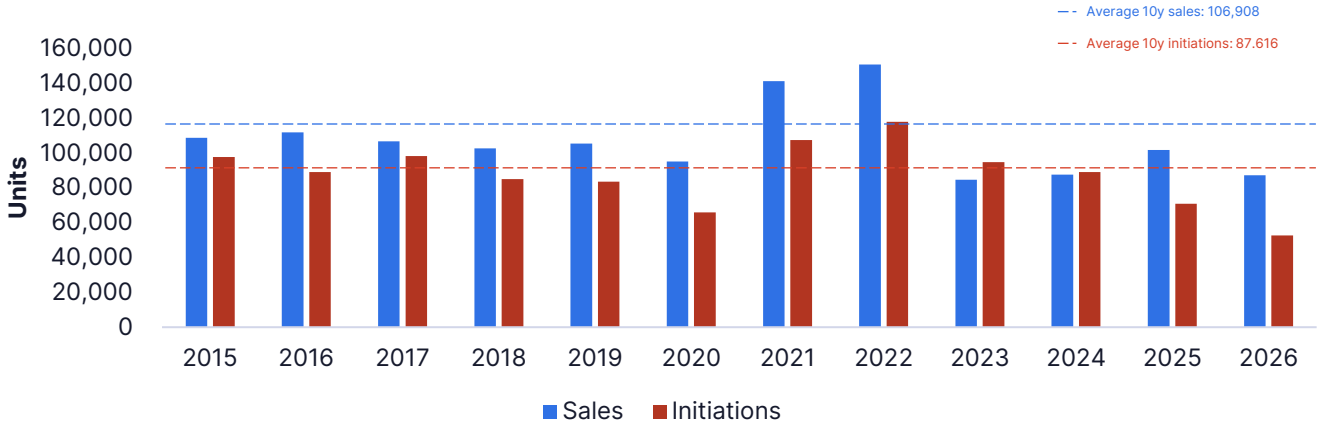
Construction GDP growth (%)



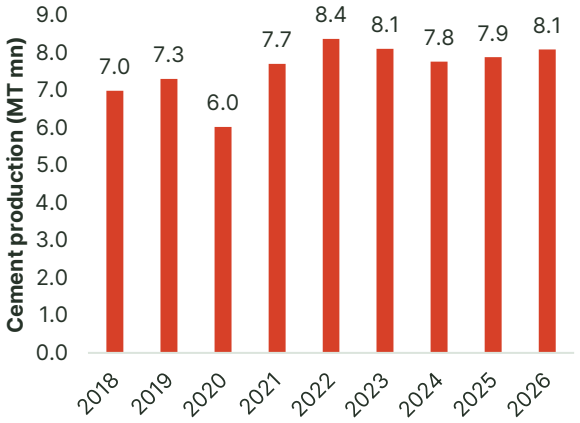
IPOC (Civil Works Production Index)



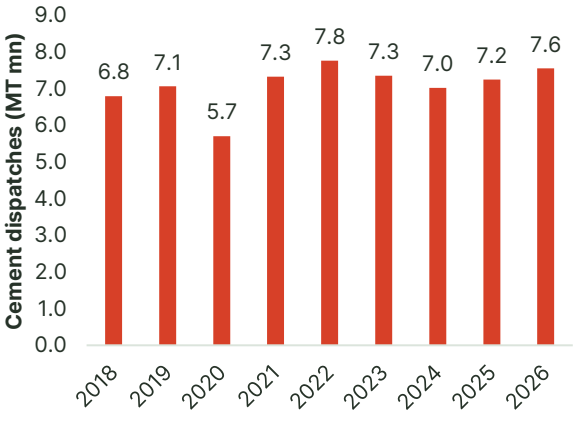
Housing Market up to July (units started vs units initiated)



Cement production up to July (mn MT)

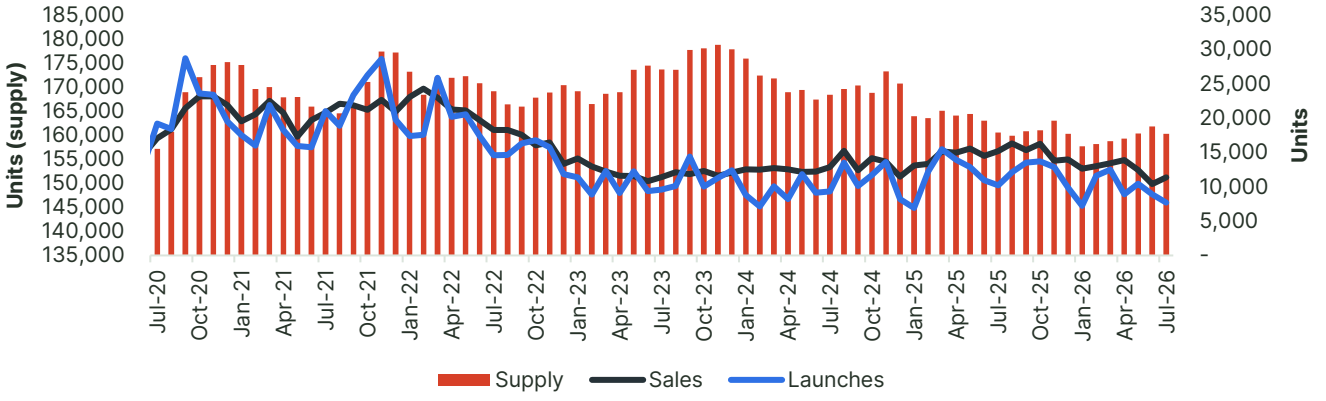


Cement dispatches up to July (mn MT)



Colombia

Housing supply



Infrastructure projects

Name	Department	% of execution/stage
Regional transportation		
Regio Tram de Occidente	Bogotá - Cundinamarca	40.0%
Tren de Cercanias del Valle del Cauca	Valle del Cauca	TBD
Metro de Bogotá línea 1	Bogota	81.3%
Metro de Bogotá línea 2	Bogota	Awaiting bids
Transmilenio Av 68	Bogota	82.0%
Metro de la 80	Antioquia	52.7%
Túnel de Oriente – Fase II	Antioquia	20.0%
4G Roads		
Santana-Mocoa-Neiva	Huila, Putumayo, Caqueta	92.8%
Proyecto Nueva Calle 13	Bogota	Preconstruction
Popayán - Santander de Quilichao	Cauca - Valle del Cauca	54.2%
Bucaramanga - Barrancabermeja - Yondó	Santander, Antioquia	98.2%
Pacifico 1	Antioquia	97.1%
Antioquia - Bolívar	Antioquia - Bolívar	94.4%
Villavicencio - Yopal	Meta - Casanare	94.2%
Tercer carril Bogotá - Girardot	Bogotá - Cundinamarca	82.2%
5G Roads		
Malla Vial del Valle del Cauca	Valle del Cauca	64.0%
Corredor Vial Buenaventura-Buga	Valle del Cauca	28.6%
Troncal del Magdalena 1	Magdalena	19.2%
Troncal del Magdalena 2	Magdalena	39.2%
Accesos Norte Fase II	Bogotá - Cundinamarca	Preconstruction
ALO Sur	Bogotá - Cundinamarca	Preconstruction
Infrastructure		
Complejo Deportivo y Cultural El Campin	Bogotá	Preconstruction
Aeropuerto el Dorado Max	Bogotá	Pre feasibility
Aeropuerto Enrique Cortissoz Bquilla	Barranquilla	Pre feasibility
Aeropuerto Cartagena	Cartagena	Pre feasibility
Aeropuerto Alfonso Bonilla Aragón	Cali	Pre feasibility
Perimetral de La Sabana	Cundinamarca	Pre feasibility
Autopistas del Café II	Quindio	Pre feasibility

Colombian Conglomerates Sector

The limits of the NAV discount thesis

Market sentiment, liquidity and credible value-creation narratives appear increasingly important in explaining discount compression.

While NAV discounts remain central to the investment discussion around Colombian conglomerates, we believe they are not a sufficient investment thesis on their own. The recent performance of **Grupo Sura (BUY; T.P.: COP 90,000)**, **Corficolombiana (UPERF; T.P.: COP 23,800)**, and **Grupo Argos (UPERF; T.P.: COP 22,900)** illustrates three different dynamics. Grupo Sura continues to trade at a discount of roughly 45% despite improving results, positive momentum at Cibest, and solid performance from its non-listed subsidiaries. In our view, this suggests that attractive underlying assets alone are not enough to drive a re-rating, although the wide discount continues to support our positive stance on the stock. Corficolombiana presents the opposite case. Its NAV discount has narrowed significantly to around 38%, despite limited improvement in fundamentals, elevated leverage, and the absence of dividends for two consecutive years. While this reflects stronger market sentiment, it also suggests a more limited upside relative to history and current operating trends. Grupo Argos offers a third scenario. The reduction in its NAV discount has been accompanied by a clearer strategic narrative, including ACE 1.0 operational efficiency initiatives, simplification efforts, and ongoing share repurchases. This combination of fundamentals and identifiable catalysts appears to have been more effective in driving a re-rating than the discount itself.

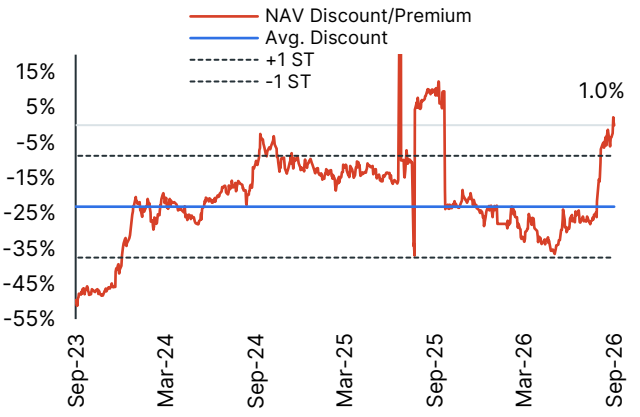
Recent performance across Colombian conglomerates shows no consistent relationship between fundamentals and NAV discount movements.

Taken together, these cases suggest that discount performance is often driven by factors beyond underlying asset quality alone. Capital allocation decisions, strategic simplification efforts, shareholder remuneration policies, liquidity conditions, and the credibility of management's long-term narrative can all influence investor perception and the pace at which discounts close. As a result, companies with similar valuation gaps may experience very different outcomes, as markets tend to reward not only intrinsic value but also the visibility and conviction around the path to unlocking that value.

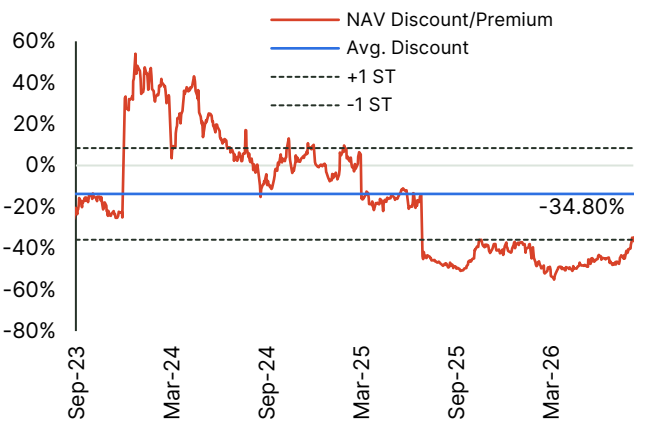
In our view, these cases demonstrate that there is no automatic relationship between fundamentals and NAV discount performance. A wide discount does not guarantee a re-rating, and a narrower discount does not necessarily reflect stronger underlying fundamentals. Instead, market positioning, liquidity conditions, investor sentiment, and the presence of a compelling equity story can all play a meaningful role in explaining discount movements. For this reason, we believe NAV discounts are best used as a valuation support rather than a primary investment thesis.

Colombia

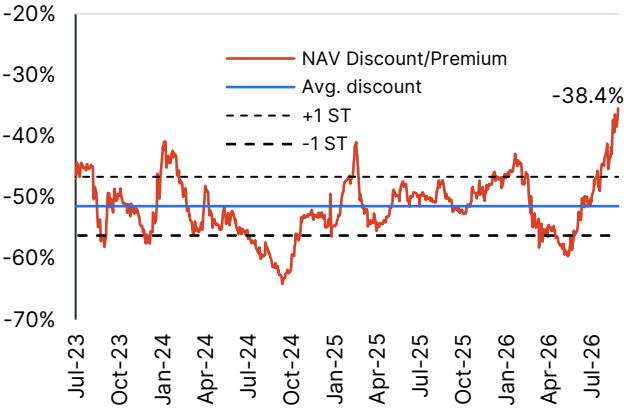
Grupo Argos NAV discount



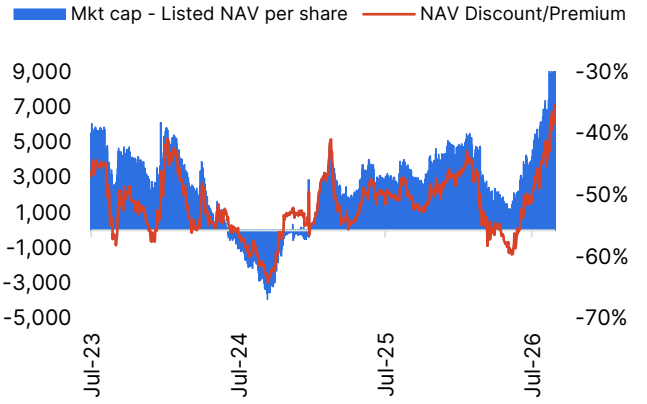
Grupo Sura NAV discount



Corficolombiana NAV discount



Market cap vs listed NAV Corficolombiana



Peruvian Construction Sector

Private construction drives growth amid El Niño risks; infrastructure gains come later

Neutral-to-positive Peru's construction outlook, led by private investment; El Niño is the main risk.

Private construction benefits from a stronger labor market and lower rates, but El Niño could weaken northern housing demand.

Infrastructure growth will rely on current projects in 2027; major pipeline execution is unlikely before 2028–29.

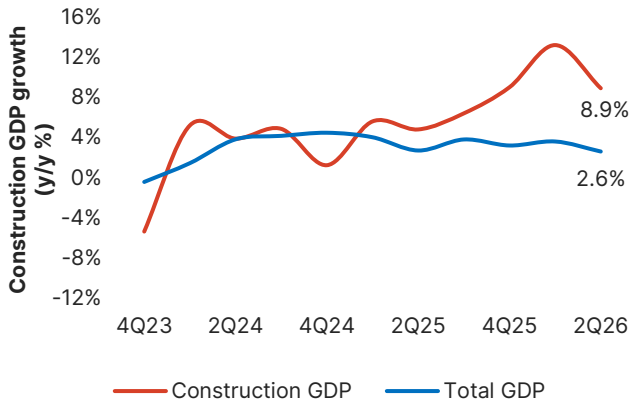
We maintain a neutral-to-positive outlook on Peru's construction sector in 2027. Private construction should lead growth, driven by private residential activity and non-residential investment, while public infrastructure remains earlier in its execution cycle despite improved sentiment under the new administration's pro-investment agenda. A strong El Niño is the main downside risk, particularly for self-construction after a strong 2026.

Private construction should remain the primary driver of sector growth in 2027, backed by healthy non-residential investment. We expect residential activity (formal and self-construction) to continue benefiting from improving labor conditions, lower rates and stronger confidence, although at a more moderate pace than in 2026. While a more market-friendly environment supports household incomes and investment decisions, we believe this upside could be partially offset by El Niño-related inflationary pressures, weighing on households' purchasing power. The north is expected to be the most affected region, as adverse weather conditions could disrupt agricultural and fishing activity, the region's main sources of employment and household income, resulting in weaker residential construction demand than in the rest of the country.

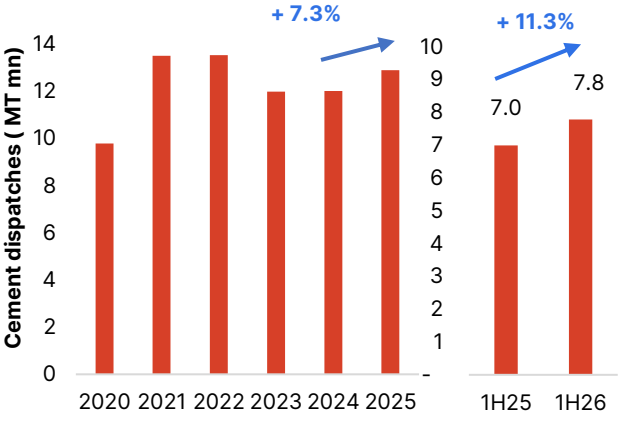
Infrastructure sentiment has improved following the administration's ambitious pipeline, but its impact on 2027 activity should remain limited as most new projects are still far from execution. Growth should come mainly from Lima Metro Line 2, the New Central Highway, and the expected late-2027 start of the Anillo Vial Periférico's first tranche. In contrast, larger initiatives such as Metro Lines 3-6 are likely to remain long-term catalysts, given the time required for prior stages before construction can start. Overall, we expect the government's infrastructure agenda to improve medium-term visibility for the sector, but believe the most meaningful execution will only start in 2028-29.

Peru

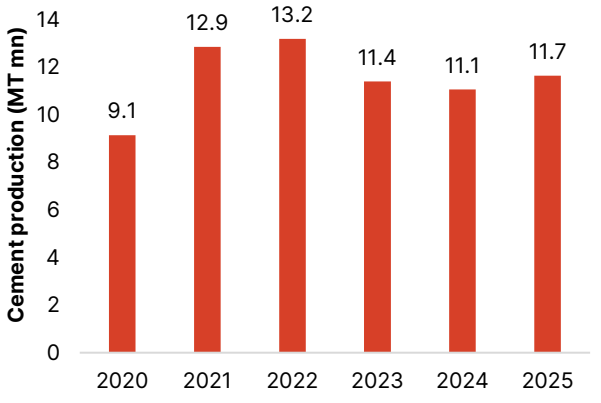
Construction GDP & total GDP growth (%)



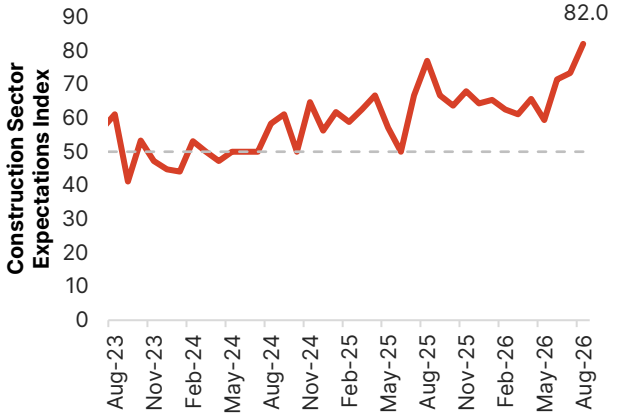
Cement Dispatches (mn MT, up to Jul-26)



Cement production (MT mn)



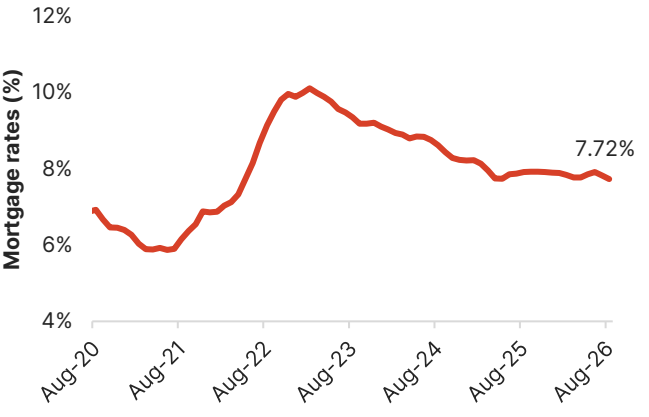
Construction sector expectations index



APP Projects (Proinversión)

Proinversion	To be awarded projects	Investment (USD bn)
2027	IEPA Sechura	2.2
	Headworks (1st pase)	0.8
	Third Group of Airports	0.6
	Other projects	4.2
2028	Unanue Hospital	1.1
	Cajamarca WWTP	0.9
	Cusco Highway	0.9
	Other projects	6.4
	Total	**17.0**

Mortgage rates (PEN loans)



Cemargos

Rating: Hold
TP: COP 12,900

Equity Research Colombia
Cement & Construction

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Colombia should drive growth while the U.S. story develops

Investment Thesis

We maintain our HOLD rating on Cemargos while raising our T.P. to COP 12,900/share. Our neutral stance reflects improving operating trends in Colombia and Central America & Caribean (CAC), while we also await greater visibility on the rebuilding of the U.S. platform. We continue to value the Dominican Republic (DR) asset under conservative assumptions, but view it as a meaningful source of long-term upside and optionality.

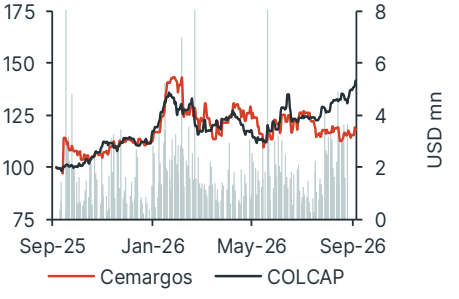
We expect Colombia to be the main driver of EBITDA growth, supported by operational efficiencies and a recovery in cement demand. We expect EBITDA margins to reach ~28% by 2027, supported by 2.5% annual volume growth and stable pricing. In CAC, we expect volumes to decline 5.4% in 2026 before recovering at a 3.2% annual rate from 2027 onward, with limited pricing upside. Additional upside could come from further operational efficiencies across LATAM. Following his successful track record in Colombia, Carlos Yusty now oversees the broader regional operation, and we believe there is scope to replicate part of these gains across CAC. Accordingly, our model assumes CAC EBITDA margins gradually expand toward 24.4% over the medium term.

Regarding the U.S. platform, we see value in both the DR asset, which contributes approximately COP 1,625/share to our valuation based on USD 100 mn of EBITDA by 2030, and the broader platform rebuild. Recent appointments in Argos US reinforce management's focus on deploying the Summit proceeds and pursuing growth through M&A. While no transactions have been announced, we expect further updates on capital allocation in coming quarters. Future acquisitions could represent an upside catalyst depending on asset quality and acquisition multiples.

Stock Data

Ticker	cemargos cb
Price (COP)	11,480
Target (COP)	12,900
Total Return	16.0%
LTM Range	9,077 - 13,393
M. Cap (USD mn)	4,501
Shares Outs. (mn)	1,216
Free Float	45%
ADTV (USD mn)	1.9

Price Chart (COP) and Volumes (USD mn)



Valuation

Our valuation includes the EV of Colombia and CCA, based on a 10-year DCF at a 13.5% WACC, resulting in a 7.1x EV/EBITDA multiple for both segments. We also incorporate COP 1,625/per share related to the Dominical Republic asset and the remaining cash from the Summit Materials sale (COP 7,048 bn).

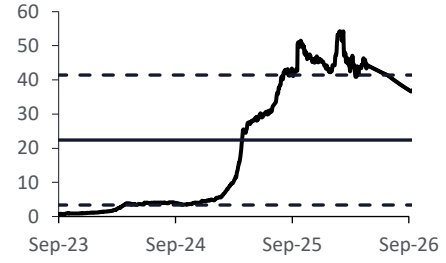
Note that the EV/EBITDA is adjusted for the value of the Summit sale to ensure comparability.

Valuation Summary

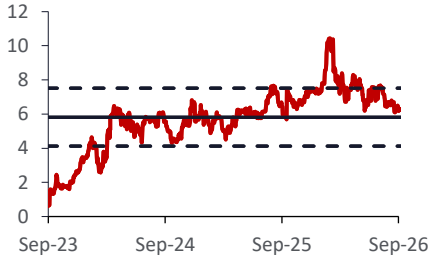
	2025	2026E	2027E	2028E
EV/EBITDA	6.7	7.7	6.7	5.8
P/E	5.5	37.4	26.4	21.6
P/CF	12.6	9.8	13.4	10.5
P/BV	1.3	1.6	1.5	1.6
Div. Yield	6.8%	5.1%	3.6%	4.5%

Sources: Company Reports and Credicorp Capital

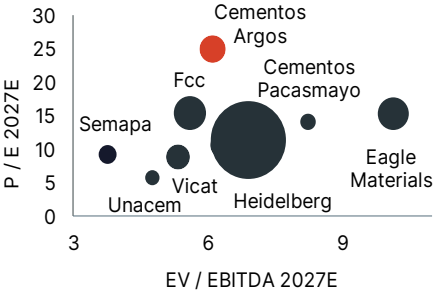
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

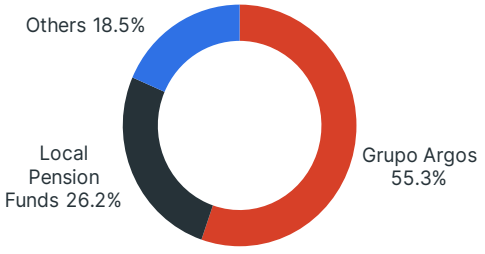


Cemargos

Company Description

Cemargos is a cement and ready-mix producer with operations in Colombia and the Caribbean. In Colombia, the company leads with a cement capacity of 8.5 Mt/year. In CCA, the cement installed capacity reached 5.9 Mt/year. The company also benefits from having ports and terminals. Finally, Cemargos recently sold its 31% stake in Summit Materials and plans to use the proceeds to rebuild its previously integrated U.S. platform.

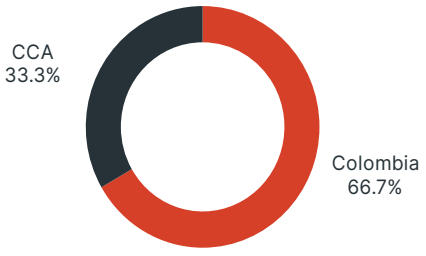
Ownership Structure



Revenue breakdown by region (2Q26)



EBITDA breakdown by region (2Q26)



Management

VP. Ejecutivo: Tomás Restrepo
CEO Argos Materials: Jason Teter
CEO Argos LATAM: Carlos Horacio Yusty
VP Finanzas Corporativas: Natalia Ochoa
https://ir.argos.co/

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Revenues	5,299	5,156	5,376	5,821	6,203
Gross Profit	1,332	1,415	1,409	1,606	1,814
EBITDA	1,121	1,222	1,241	1,429	1,638
Net Income	5,560	2,506	373	528	647
EPS (COP)	4,554	2,052	306	433	530
Gross Margin	25.1%	27.4%	26.2%	27.6%	29.3%
EBITDA Margin	21.2%	23.7%	23.1%	24.6%	26.4%
Net Margin	104.9%	48.6%	6.9%	9.1%	10.4%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,065	3,590	6,975	7,257	7,590
Total Current Assets	3,983	11,645	10,550	8,904	9,172
Total Assets	19,944	17,208	15,280	15,453	15,571
Current Liabilities	2,366	1,913	1,932	1,987	2,057
Financial Debt	3,895	2,912	2,044	2,044	2,044
Total Liabilities	5,997	5,960	5,617	5,672	5,741
Minority Interest	811	718	677	751	833
Shareholders Equity	13,136	10,530	8,986	9,030	8,997
Total Liabilities + Equity	19,944	17,208	15,280	15,453	15,571
Net Debt /EBITDA	2.5	-0.6	-4.0	-3.6	-3.4
Financial Debt /EBITDA	3.5	2.4	1.6	1.4	1.2
Financial Debt /Equity	0.3	0.3	0.2	0.2	0.2
ROAE	51.7%	21.2%	3.8%	5.9%	7.2%
ROAA	28.2%	13.5%	2.3%	3.4%	4.2%
ROIC	5.4%	6.7%	12.3%	25.2%	31.2%

Cash Flow Statement

COP bn	2024	2025	2026E	2027E	2028E
Initial Cash	1,009	1,065	3,590	6,975	7,257
Operating Cash Flow	7,181	2,979	986	565	657
CAPEX	6,196	-146	-499	-602	-525
Changes in Debt	-3,378	-983	-868	0	0
Dividends	-557	-940	-708	-502	-633
Other CFI & CFF Items	-9,385	1,615	4,474	821	836
Changes in Equity	-	-	-	-	-
Final Cash	**1,065**	**3,590**	**6,975**	**7,257**	**7,590**
Change in Cash Position	**57**	**2,525**	**3,384**	**282**	**334**

Sources: Company Reports and Credicorp Capital

Cementos Pacasmayo

Equity Research Peru
Cement & Construction

Rating: Uperf
TP: PEN 8.64 (loc) / USD 12.7 (ADR)

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Time to tender

Investment Thesis

We change our recommendation on Cementos Pacasmayo to UPERF while maintaining our T.P. of PEN 8.64/share. Given the ongoing acquisition process, we recommend that minority shareholders tender their shares into Holcim's upcoming tender offer, which we estimate could start by mid-November.

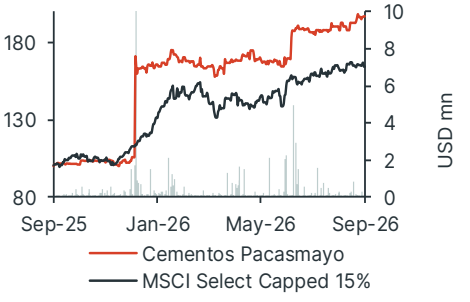
The tender offer provides a clear value realization opportunity at a minimum price of PEN 8.64/share. Holcim has confirmed an Enterprise Value of PEN 5.1 bn and an Equity Value of PEN 3.7 bn for Cementos Pacasmayo, implying a minimum offer price of PEN 8.64/share. Importantly, the final tender offer price will be the higher of (i) the implied per-share value derived from the ASPI transaction and (ii) the fair value determined by the independent appraisal, leaving room for a potentially higher final offer price.

Visibility on the transaction timeline has improved. Equbo was appointed as the independent appraiser on September 1 and has up to 30 business days to deliver its valuation report, with the option to request an additional 15-business-day extension. Assuming the maximum statutory period is used, we estimate the tender offer could begin as late as November 12.

Stock Data

Ticker	cpacasc1 pe / cpac us
Price (PEN)	8.38 (loc) / 12.0 (ADR)
Target (PEN)	8.64 (loc) / 12.7 (ADR)
Total Return	10.4%
LTM Range	4.25 - 8.44
M. Cap (USD mn)	1,141
Shares Outs. (mn)	424
Free Float	50%
ADTV (USD mn)	0.3

Price Chart (PEN) and Volumes (USD mn)



Valuation

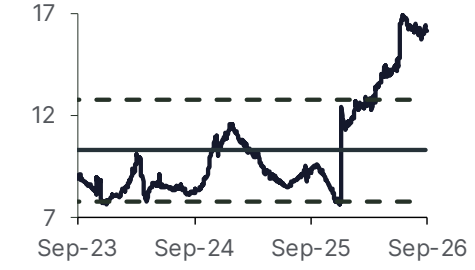
Our valuation is now anchored to the ongoing acquisition process. We maintain our T.P. of PEN 8.64/share, which corresponds to the minimum implied value based on the Enterprise Value and Equity Value disclosed by Holcim for Cementos Pacasmayo. As the final tender offer price will be determined as the higher of the transaction-implied value and the independent appraisal, the valuation process could provide additional upside beyond our current target price.

Valuation Summary

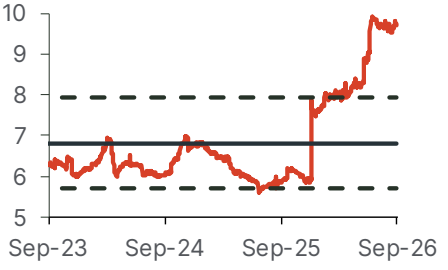
	2025	2026E	2027E	2028E
EV/EBITDA	9.0	7.7	8.0	7.2
P/E	20.6	13.7	14.3	11.9
P/CF	8.3	7.5	10.2	9.5
P/BV	2.7	2.7	2.6	2.3
Div. Yield	6.3%	4.3%	7.3%	7.0%

Sources: Company Reports and Credicorp Capital

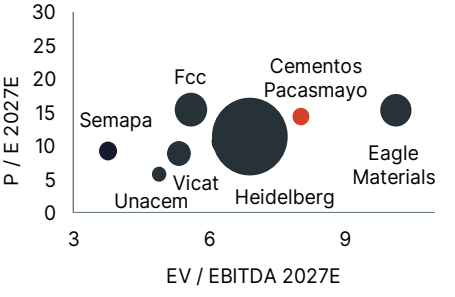
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

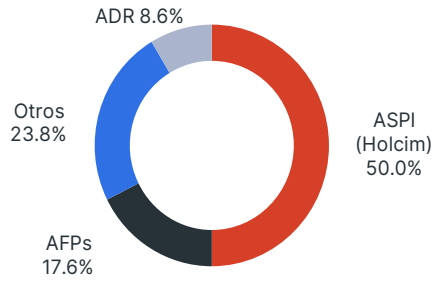


C. Pacasmayo

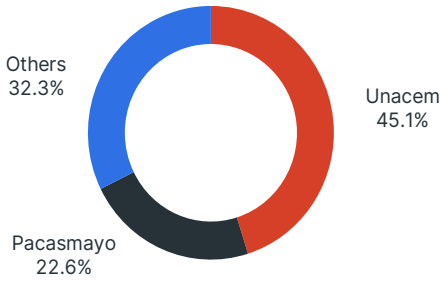
Company Description

Pacasmayo is one of the largest cement producers in Peru and the only one in the northern part of the country (33% of the population and 20% of GDP). Following Holcim's acquisition of a controlling stake, the company is now part of the Holcim Group. Pacasmayo has been listed on the Lima Stock Exchange since 1995 and on the NYSE since February 2012. The company operates three cement plants located in Pacasmayo, Piura and Rioja, with installed cement capacities of 2.9 mn MT, 1.6 mn MT and 0.4 mn MT per year, respectively.

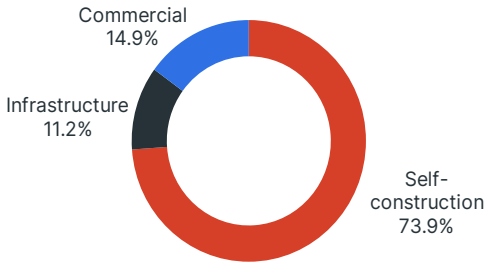
Ownership Structure



Peruvian cement market share (2026E)



Revenue breakdown (2027E)



Management

CEO: Humberto Nadal
CFO: Ely Hayashi
IR Manager: Claudia Bustamante
www.cementospacasmayo.com.pe

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Revenues	1,978	2,117	2,163	2,186	2,307
Gross Profit	729	807	810	792	877
EBITDA	549	507	612	589	656
Net Income	199	154	259	248	299
EPS (PEN)	0.46	0.36	0.60	0.70	0.73
Gross Margin	36.8%	38.1%	37.5%	36.2%	38.0%
EBITDA Margin	27.8%	23.9%	28.3%	26.9%	28.4%
Net Margin	10.1%	7.3%	12.0%	11.3%	12.9%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	73	54	93	102	104
Total Current Assets	992	992	950	916	952
Total Assets	3,166	3,103	2,994	2,990	2,993
Current Liabilities	689	766	873	929	925
Financial Debt	1,503	1,428	1,189	1,085	936
Total Liabilities	1,953	1,912	1,698	1,601	1,459
Minority Interest	0	0	0	0	0
Shareholders Equity	1,213	1,191	1,296	1,390	1,534
Total Liabilities + Equity	3,166	3,103	2,994	2,990	2,993
Net Debt /EBITDA	2.6	2.7	1.8	1.7	1.3
Financial Debt /EBITDA	2.7	2.8	1.9	1.8	1.4
Financial Debt /Equity	1.2	1.2	0.9	0.8	0.6
ROAE	16.6%	12.8%	20.8%	18.5%	20.4%
ROAA	6.2%	4.9%	8.5%	8.3%	10.0%
ROIC	9.9%	7.7%	12.5%	12.2%	14.2%

Cash Flow Statement

PEN mn	2024	2025	2026E	2027E	2028E
Initial Cash	**90**	**73**	**54**	**93**	**102**
Cash Flow From Operations	339	371	513	383	434
CAPEX	-81	-103	-87	-107	-120
Changes in Financial Debt	-79	-74	-239	-104	-149
Dividends (Paid) Received	-175	-199	-154	-259	-248
Other CFI & CFF Items	-22	-14	7	95	85
Changes in Equity	0	0	0	0	0
Final Cash	**73**	**54**	**93**	**102**	**104**
Change in Cash Position	**-17**	**-19**	**40**	**8**	**2**

Sources: Company Reports and Credicorp Capital

Corficolombiana

Rating: Uperf
TP: COP 23,800

Equity Research Colombia Conglomerates

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Higher interest rates shift the focus to deleveraging

Investment Thesis

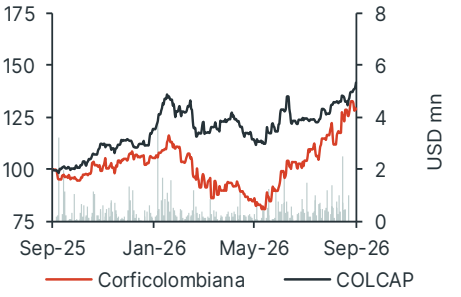
We are downgrading Corficolombiana to UPERF with a T.P. of COP 23,800/share. Our more cautious stance reflects the recent share price appreciation, which has largely eliminated the upside implied by our valuation. More importantly, we continue monitoring the company's elevated leverage in the current interest rate environment. While lower rates supported earnings during 2025, the reversal in rate trends throughout 2026 has increased pressure on profitability, cash generation, and dividend capacity. As a result, we do not expect ordinary dividend distributions in 2027.

Corficolombiana ended 2Q26 with COP 32.3 tn of consolidated financial debt, following debt increases related to Promigas' acquisition of Zelestra and pre-financing activities at the holding level. Although the company's implicit interest rate declined from 13.2% in 4Q23 to 9.2% in 4Q25, it increased again to 9.6% in 2Q26, reflecting the less favorable rate environment. Consequently, higher financial expenses should continue to constrain free cash flow generation and limit the company's ability to restore ordinary shareholder distributions. We believe any non-recurring cash inflows should be directed toward deleveraging.Zelestra and Sencia strengthen the company's long-term growth platform. However, visibility on their near-term cash generation remains limited, while most mature concession assets have already advanced beyond their peak construction stages.
That said, we identify several upside risks to our investment thesis. A recovery in Colombia's infrastructure sector, cash outs, debt refinancing transactions, and cash distributions from concession assets could accelerate deleveraging and support a recovery in dividend payments. Finally, despite the recent share price appreciation, Corficolombiana continues to trade at a holding company discount relative to our estimated net asset value.

Stock Data

Ticker	corficol cb
Price (COP)	23,000
Target (COP)	23,800
Total Return	3.5%
LTM Range	14,440 - 23,700
M. Cap (USD mn)	2,686
Shares Outs. (mn)	346
Free Float	36%
ADTV (USD mn)	0.4

Price Chart (COP) and Volumes (USD mn)



Valuation

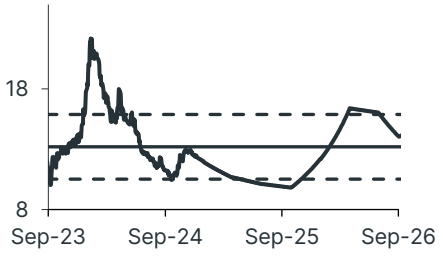
Our valuation is based on an SOTP model. We value road concessions (Coviandina, Covipacífico, Covioriente) using the present value of cash flows. Promigas is included at market price, while GEB is valued at its target price. Agribusiness assets are valued at 1.0x P/BV, and the hotel segment using EV/EBITDA multiples. From this, we subtract the holding company's net debt and the present value of its expenses, applying a 15% holding discount.

Valuation Summary

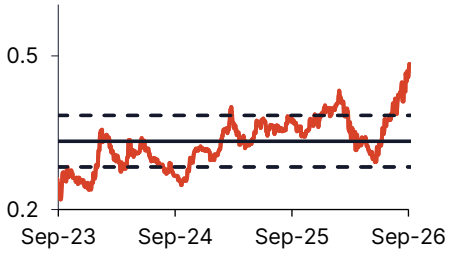
	2025	2026E	2027E	2028E
P/E	14.1	17.3	18.8	17.7
P/BV	0.5	0.6	0.6	0.6
ROAE	3.7%	3.5%	3.2%	3.3%
ROAA	0.8%	0.7%	0.6%	0.7%
Div. Yield	0.0%	0.0%	0.0%	0.0%

Sources: Company Reports and Credicorp Capital

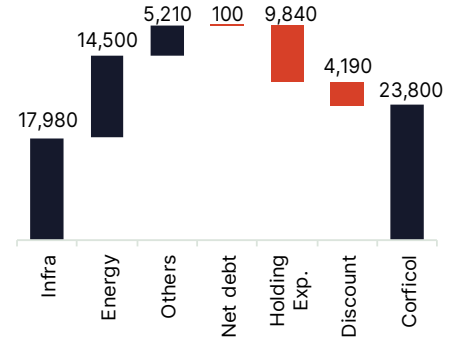
P/E 12M Forward



P/BV 12M Forward



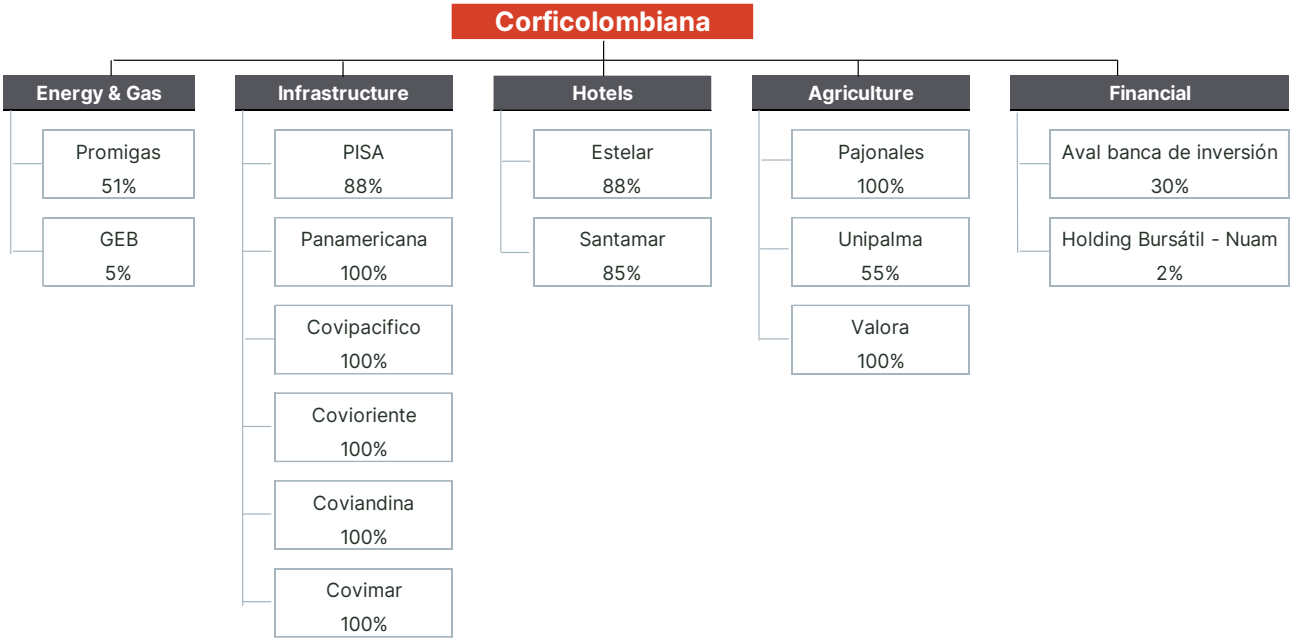
2027E TP Breakdown



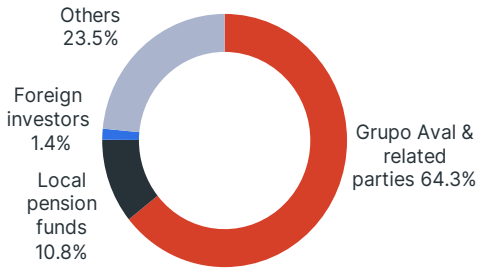
Corficol

Company Description

Corficolombiana is a merchant bank that invests in strategic sectors of the Colombian economy, including infrastructure, power and gas, hotels and finance. It also provides treasury, investment banking and private banking services. It is considered the real sector investment vehicle of Grupo Aval, the largest financial conglomerate in Colombia.



Ownership Structure



Management

CEO: Milena López Rocha
CFO: Gustavo Ramírez
HIR: Diego Buitrago
www.corficolombiana.com

Income Statement

COP mn	2024	2025	2026E	2027E	2028E
Revenues	2,781	2,537	2,894	3,105	3,225
Net Income	198	472	460	424	449
Holding	-830	-920	-964	-971	-995
Energy	558	660	621	798	821
Infrastructure	621	599	749	523	549
Hotels	35	140	68	82	82
EPS (COP)	747	1,282	1,257	1,159	1,228
Net Margin	7.1%	18.6%	15.9%	13.7%	13.9%

Balance Sheet

COP mn	2024	2025	2026E	2027E	2028E
Total Assets	60,639	61,513	67,442	66,779	66,385
Total Liabilities	44,312	44,492	50,897	49,630	48,637
Minority Interest	3,783	3,870	3,533	3,714	3,863
Shareholders Equity	12,543	13,151	13,012	13,436	13,885
Total Liabilities + Equity	60,639	61,513	67,442	66,779	66,385
ROAE	1.6%	3.7%	3.5%	3.2%	3.3%
ROAA	0.3%	0.8%	0.7%	0.6%	0.7%

Sources: Company Reports and Credicorp Capital

Ferreycorp

Rating: Buy
TP: PEN 5.15

Equity Research Peru
Materials

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Well positioned for the mining investment cycle

Investment Thesis

We reiterate our BUY recommendation on Ferreycorp and raise our 2027E T.P. to PEN 5.15/share, remaining our favorite stock under our construction coverage in Peru. We expect the company to benefit from sustained demand for mining and construction equipment, supported by a stronger investment pipeline in Peru, under a pro-investment administration. While 2027 is expected to be characterized by El Niño-related disruptions, we believe Ferreycorp is among the least exposed names, given its significant exposure to mining and aftermarket activities, which tend to be more resilient. Combined with an estimated 2027 dividend yield of 7.0%, we believe the stock still offers an attractive total return opportunity.

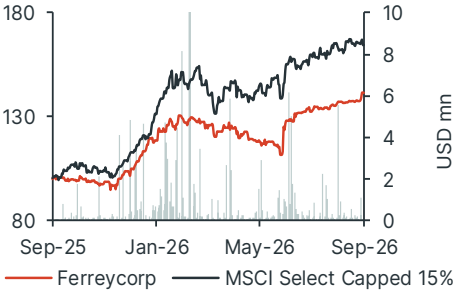
Ferreycorp should benefit from solid demand across both the mining and construction sectors. We forecast revenues to grow at a 5.8% CAGR over 2027E-2037E, with near-term growth led by mining equipment sales, which we expect to increase 55% in 2026E and 15% in 2027E as the company capitalizes on a stronger mining investment cycle. This should expand Ferreycorp's installed base and support recurring demand for Spare Parts & Services, which we forecast to grow at a 6.3% CAGR. Although the stronger equipment mix and FX volatility have recently weighed on margins, we expect EBITDA margins to remain healthy at around 13% over the long term.

Dividends remain a key pillar of the investment case. Despite higher working capital needs and elevated capex amid strong equipment demand, we expect Ferreycorp to maintain its 60% payout policy, implying a 2027E DY of 7.0%. Notably, our DDM alone supports a value of PEN 5.89/share, highlighting the importance of these distributions to our investment thesis.

Stock Data

Ticker	ferreyc1 pe
Price (PEN)	4.50
Target (PEN)	5.15
Total Return	21.3%
LTM Range	3.01 - 4.50
M. Cap (USD mn)	1,263
Shares Outs. (mn)	946
Free Float	96%
ADTV (USD mn)	0.8

Price Chart (PEN) and Volumes (USD mn)



Valuation

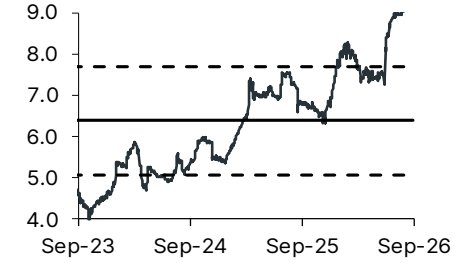
Valuation remains compelling relative to international peers. We are valuing Ferreycorp with a DDM and a 10-year DCF model, with a 3.0% long-term growth, a 9.4% WACC and a 33.0% tax rate. Based on our estimates, the stock trades at 5.3x 2027E EV/EBITDA and 9.0x P/E. While these levels are broadly in line with the company's own trading history (2017-2025 average EV/EBITDA: 5.7x), the stock continues to trade at a substantial discount to machinery distributors in the Americas (14.2x EV/EBITDA) and Europe (10.1x).

Valuation Summary

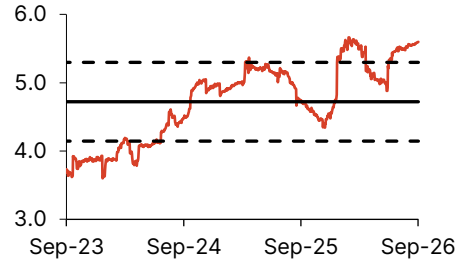
	2025	2026E	2027E	2028E
EV/EBITDA	5.9	5.7	5.6	5.1
P/E	7.7	8.8	9.3	8.5
P/CF	9.2	nm	13.5	37.5
P/BV	1.2	1.4	1.3	1.2
Div. Yield	8.0%	6.8%	6.8%	6.5%

Sources: Company Reports and Credicorp Capital

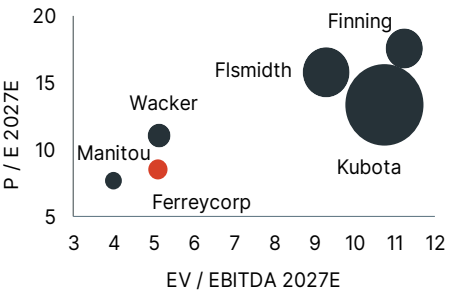
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

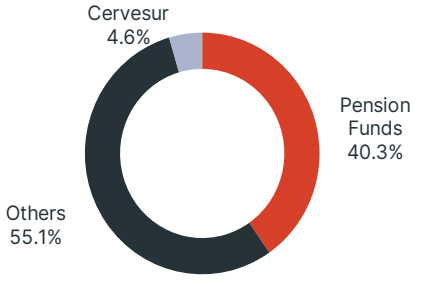


Ferreycorp

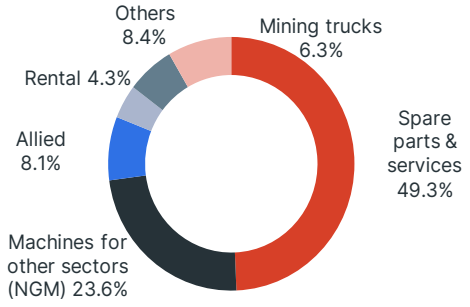
Company Description

Ferreycorp is the largest capital goods distributor in Peru and the only Caterpillar distributor in Peru (since 1942). The company also has a presence in Guatemala, El Salvador and Belize, as well as businesses in Chile and Ecuador. Ferreycorp offers products and services in six main business lines: mining trucks and Caterpillar machines for mines, machines and engines for other sectors, rental and used equipment, allied equipment, spare parts and services and others.

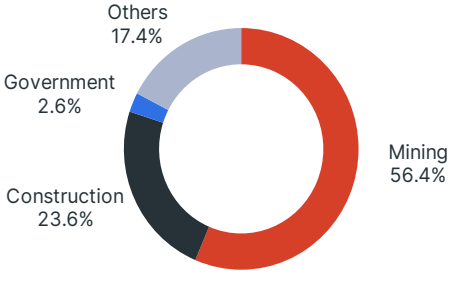
Ownership Structure



Revenues by business line (2Q26)



Revenues by economic sector (2Q26)



Management

CEO: Mariela Garcia
CFO: Patricia Gastelumendi
IRO: Milagros Benavides
www.ferreycorp.com

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Revenues	7,583	7,792	8,322	8,941	9,723
Gross Profit	1,996	1,793	1,898	2,054	2,239
EBITDA	1,131	935	1,110	1,128	1,229
Net Income	489	481	483	458	503
EPS (PEN)	0.52	0.51	0.48	0.53	0.59
Gross Margin	26.3%	23.0%	22.8%	23.0%	23.0%
EBITDA Margin	14.9%	12.0%	13.3%	12.6%	12.6%
Net Margin	6.4%	6.2%	5.8%	5.1%	5.2%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	248	280	237	255	277
Total Current Assets	4,174	4,044	4,459	4,676	5,140
Total Assets	6,868	6,826	7,417	7,814	8,481
Current Liabilities	2,959	2,744	2,641	2,395	2,037
Financial Debt	2,334	2,146	2,499	2,596	2,896
Total Liabilities	3,935	3,838	4,268	4,497	4,935
Minority Interest	0	0	0	0	0
Shareholders Equity	2,933	2,989	3,149	3,318	3,546
Total Liabilities + Equity	6,868	6,826	7,417	7,814	8,481
Net Debt /EBITDA	1.8	2.0	2.0	2.1	2.1
Financial Debt /EBITDA	2.1	2.3	2.3	2.3	2.4
Financial Debt /Equity	0.8	0.7	0.8	0.8	0.8
ROAE	17.5%	16.2%	15.7%	14.2%	14.7%
ROAA	7.3%	7.0%	6.8%	6.0%	6.2%
ROIC	11.7%	8.5%	10.7%	9.7%	9.9%

Cash Flow Statement

PEN mn	2024	2025	2026E	2027E	2028E
Initial Cash	**219**	**248**	**280**	**237**	**255**
Cash Flow From Operations	691	1,003	382	688	519
CAPEX	-595	-583	-524	-480	-524
Changes in Financial Debt	18	-187	352	98	300
Dividends (Paid) Received	-260	-295	-288	-290	-275
Other CFI & CFF Items	150	95	83	2	2
Changes in Equity	25	0	-48	0	0
Final Cash	**248**	**280**	**237**	**255**	**277**
Change in Cash Position	**29**	**32**	**-43**	**18**	**22**

Sources: Company Reports and Credicorp Capital

Grupo Argos

Rating: Uperf
TP: COP 22,900

Equity Research Colombia Conglomerates

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Limited valuation upside following the ACE 1.0 re-rating

Investment Thesis

We introduce a UPERF rating on Grupo Argos while raising our T.P. to COP 22,900/share. We view ACE 1.0 as a successful program that has helped narrow the company's NAV discount. However, following the strong share price performance since its announcement, we believe much of its expected value is already reflected in the stock, leaving limited room for further re-rating under our current assumptions. Going forward, execution above our expectations remains the key driver of additional upside. We continue to monitor Cementos Argos' U.S. platform rebuild, Celsia's exposure to the El Niño phenomenon, and the transformation of Grupo Argos Asset Management (GAMA). We also view the COP 500 bn share repurchase program, of which COP 39 bn has already been executed, as an important source of support for the stock.

ACE 1.0 provides the roadmap for management's value creation strategy through three key pillars. The first focuses on operational excellence, with Cementos Argos' profitability targets appearing achievable within a more supportive Colombian macro backdrop, while Celsia's path toward a 40% EBITDA margin by 2028 may be challenged by the expected impacts of El Niño in 2026 and 2027. The second pillar is GAMA, which consolidates Odinsa and future investments under a single platform. Additionally, Odinsa's approximately COP 10 tn backlog of airport and road concession opportunities could provide upside over the coming years. The third pillar, and likely the most relevant near-term catalyst, is the COP 500 bn share repurchase program. Management expects to deploy the remaining authorized amount over the next year, supporting shareholder returns. Alongside ACE 1.0, management highlighted approximately COP 1.5 tn of additional financial capacity available for future repurchases and investments. This flexibility could be funded through asset monetizations and the rebalancing of Grupo Argos' stakes in Celsia (54.9%) and Cementos Argos (55.2%), without relinquishing control.

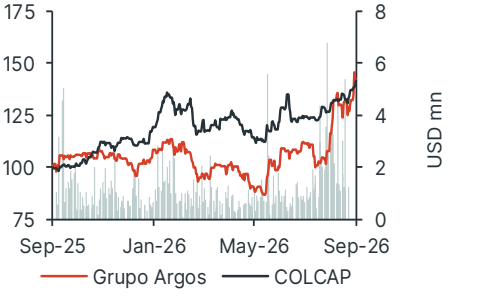
Valuation

Our target price is based on a SOTP valuation. Cementos Argos is incorporated at our target price, while Celsia is valued using its highest market price over the past six month. Pactia and land assets are valued at 0.9x book value, while Odinsa's road and airport concessions are valued at 1.3x book value, reflecting the potential upside from its current project pipeline. In addition, we have removed the previously applied 5.0% holding discount and assume a 0.0% long-term growth rate when calculating the present value of holding expenses.

Stock Data

Ticker	grupoargos cb
Price (COP)	22,980
Target (COP)	22,900
Total Return	3.4%
LTM Range	14,030 - 23,480
M. Cap (USD mn)	4,498
Shares Outs. (mn)	397
Free Float	100%
ADTV (USD mn)	1.2

Price Chart (COP) and Volumes (USD mn)

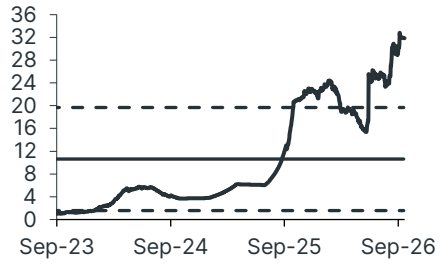


Valuation Summary

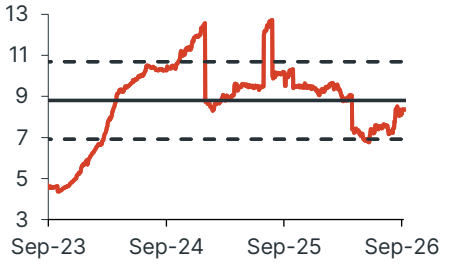
	2025	2026E	2027E	2028E
EV/EBITDA	8.4	8.6	8.1	6.9
P/E	3.7	31.2	20.6	18.1
P/CF	3.6	5.1	4.8	4.1
P/BV	1.0	1.4	1.4	1.4
Div. Yield	5.6%	3.7%	3.8%	3.9%

Sources: Company Reports and Credicorp Capital

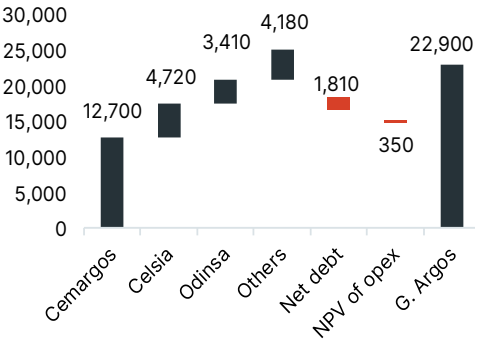
P/E 12M Forward



EV/EBITDA 12M Forward



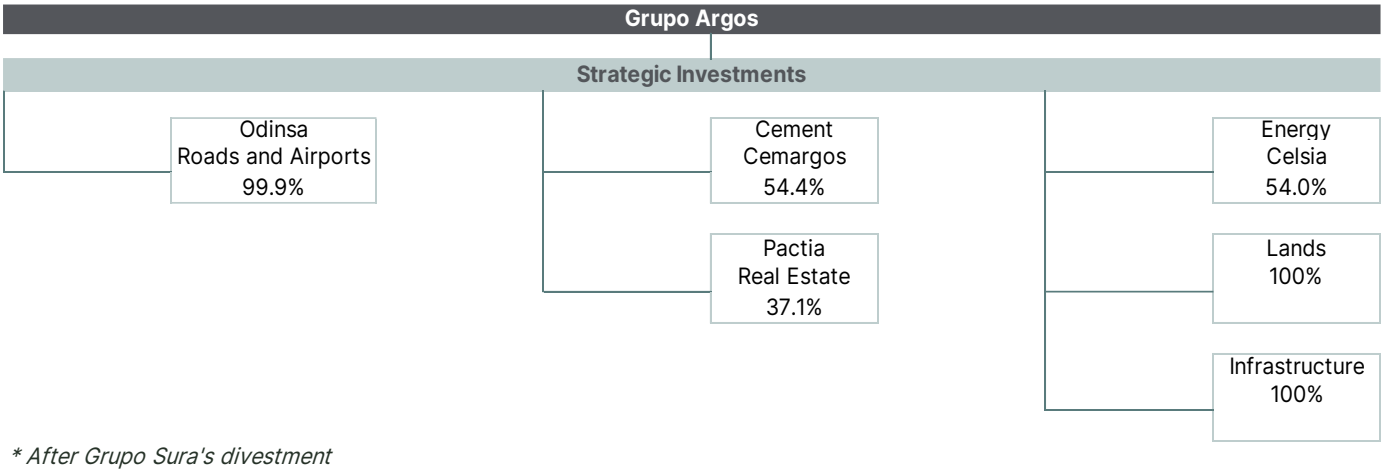
2027E TP Breakdown



Grupo Argos

Company Description

Grupo Argos is an infrastructure holding company with controlling interests in Cemargos (cement) and Celsia (power generation), and substantial investments in infrastructure (Odinsa) and real estate (Pactia).



** After Grupo Sura's divestment*

Ownership Structure



Income Statement

COP mn	2024	2025	2026E	2027E	2028E
Revenues	15,156	11,749	11,443	11,796	12,019
EBITDA	5,112	2,944	2,752	2,899	3,402
Cement	1,132	1,124	1,174	1,246	1,382
Energy	1,442	1,614	1,337	1,407	1,759
Portfolio	2,380	-131	-63	0	0
Others	90	6	-10	-17	-18
Net Income	4,544	2,810	447	677	769
Cement	2,844	1,373	255	400	468
Energy	120	115	65	70	82
Portfolio	1,507	1,234	-128	0	0
EBITDA Margin	33.7%	25.1%	24.0%	24.6%	28.3%
Net Margin	30.0%	23.9%	3.9%	5.7%	6.4%

Management

CEO: Juan Esteban Calle
CFO: Felipe Aristizabal
IRO: Juan Esteban Mejia
www.grupoargos.com

Balance Sheet

COP mn	2024	2025	2026E	2027E	2028E
Total Assets	51,853	37,636	36,421	36,211	36,448
Total Liabilities	19,298	18,073	17,979	17,687	17,832
Minority Interest	10,778	9,008	8,198	8,264	8,333
Shareholders Equity	21,777	10,555	10,244	10,260	10,284
Total Liabilities + Equity	51,853	37,636	36,421	36,211	36,448
ROAE	22.4%	17.4%	4.3%	6.6%	7.5%
ROAA	9.0%	6.3%	1.2%	1.9%	2.1%

Grupo Sura

Rating: Buy
TP: COP 90,000

Equity Research Colombia Conglomerates

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Multiple catalysts supporting value realization

Investment Thesis

We reaffirm our BUY rating on Grupo Sura with a T.P. of COP 90,000/share. Our positive view is supported by a combination of strong operating performance, increasing value across its core investments, and multiple catalysts that could accelerate value realization over the coming quarters. Solid earnings growth, a higher net income outlook, continued appreciation at Cibest, improved shareholder returns through a proposed COP 500bn share repurchase program, and ongoing balance sheet strengthening support our constructive investment thesis. We believe these factors, combined with the company's remaining discount to NAV, continue to offer an attractive risk-reward profile.

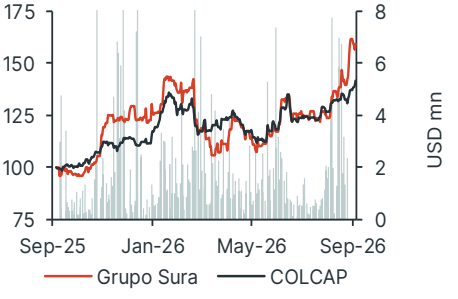
Grupo Sura continues to benefit from the strong performance of its financial investments. Results during the first half of 2026 demonstrated resilience across key operating businesses, leading management to increase its net income guidance and reinforcing confidence in the earnings outlook. At the same time, the market value of Cibest has continued to increase, providing an additional boost to our estimated net asset value and reinforcing one of the key pillars of the investment case. Despite these positive developments, the company continues to trade at a meaningful discount to our estimated NAV.

We also see several catalysts supporting value realization. Management recently announced its intention to launch a COP 500bn share repurchase program, which should support NAV discount compression while increasing value per share. In addition, Grupo Sura continues to advance the monetization of its investments in SUAM and Suramericana, supporting earnings growth, cash generation, and dividend capacity at the holding level. The recently announced extraordinary dividend from SUAM is expected to provide additional financial flexibility, allowing the company to repay up to COP 1.5tn of debt and further strengthen its balance sheet.

Stock Data

Ticker	gruposur cb
Price (COP)	69,000
Target (COP)	90,000
Total Return	34.5%
LTM Range	41,554 - 70,000
M. Cap (USD mn)	6,775
Shares Outs. (mn)	166
Free Float	100%
ADTV (USD mn)	1.9

Price Chart (COP) and Volumes (USD mn)



Valuation

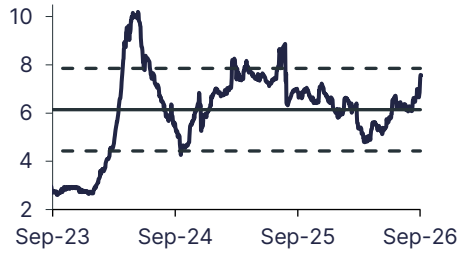
Our valuation is a SOTP, which factors in Cibest at a simple average of its target price and market price. We use residual income models for Suramericana and SUAM. Implied P/BV valuations for these subsidiaries stand at 1.16x and 1.24x, respectively. We are including a 10.0% holding discount.

Valuation Summary

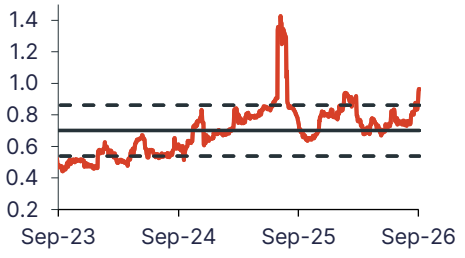
	2025	2026E	2027E	2028E
P/E	8.6	7.3	7.0	6.2
P/BV	0.8	1.0	1.0	0.9
ROAE	8.0%	14.5%	14.2%	14.5%
ROAA	1.9%	3.0%	2.9%	3.1%
Div. Yield	3.7%	3.1%	4.1%	5.6%

Sources: Company Reports and Credicorp Capital

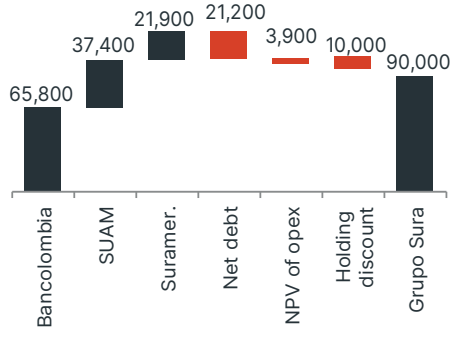
P/E 12M Forward



P/BV 12M Forward



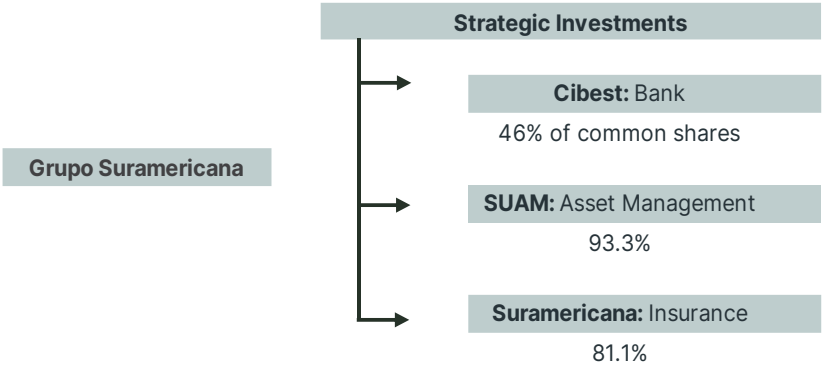
2027E TP Breakdown



Grupo Sura

Company Description

Grupo Suramericana is a financial holding that controls local and regional leading companies in the asset management (Sura Asset Management) and insurance business (Suramericana) in Latin America.

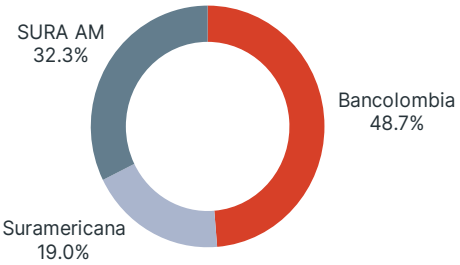


**After Grupo Argos' divestment*

Ownership Structure



Dividend breakdown 2027E



Management

CEO: Ricardo Jaramillo
CFO: Juan Esteban Toro
IRO: Daniel Mesa
www.gruposura.com

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Revenues	33,291	28,666	31,154	30,280	31,687
Net Income	6,074	1,841	2,886	3,015	3,371
Suramericana	648	776	947	924	1,017
P&C	350	204	241	271	287
Life	741	919	1,129	970	1,036
SUAM	885	1,106	999	874	1,055
Mandatory	1,479	1,523	1,476	1,444	1,495
Voluntary	55	91	49	12	54
EPS (COP)	37	11	17	18	20
Net Margin	18.2%	6.4%	9.3%	10.0%	10.6%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Total Assets	96,296	93,146	101,280	107,632	112,351
Total Liabilities	67,700	71,577	78,931	83,266	85,650
Minority Interest	2,055	2,070	2,118	2,237	2,386
Shareholders Equity	26,541	19,498	20,231	22,129	24,314
Total Liabilities + Equity	96,296	93,146	101,280	107,632	112,351
ROAE	21.3%	8.0%	14.5%	14.2%	14.5%
ROAA	6.4%	1.9%	3.0%	2.9%	3.1%

Sources: Company Reports and Credicorp Capital

SURA AM

Baa2 / NR / BBB
Outlook: s / nr / s

Fixed Income Research Colombia Conglomerates

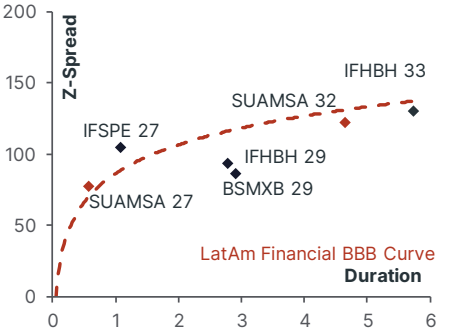
Josefina Valdivia - jvaldivia@credicorpcapital.com

Solid fundamentals, but fair valuation keeps us Neutral

Investment Thesis

SURA AM benefits from its leading position in regional pension administration and asset management, with approximately USD 220bn in AUM, strong market shares across Mexico, Chile, Colombia, Peru, and Uruguay, and recurring fee-based revenues that provide earnings visibility. Fundamentals remain solid, as the recently announced extraordinary dividend, financed with short-term debt, is expected to increase leverage from 1.2x to 1.5x, while remaining at comfortable levels. From an operating perspective, we see additional upside from continued AUM growth in Mexico and improving profitability in Chile following pension reform adjustments, which should gradually reduce legal reserve requirements. Regulatory risk remains a key consideration, but concerns have moderated materially over the last two years as pension reforms across the region have generally preserved the core individual capitalization framework. That said, SUAMSA 32 currently trades tight to several senior Mexican financial peers. Thus our Neutral.

SURA AM Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 675mn
Closest Call Date	13-Mar-32
Closest Maturity Date	11-Apr-27

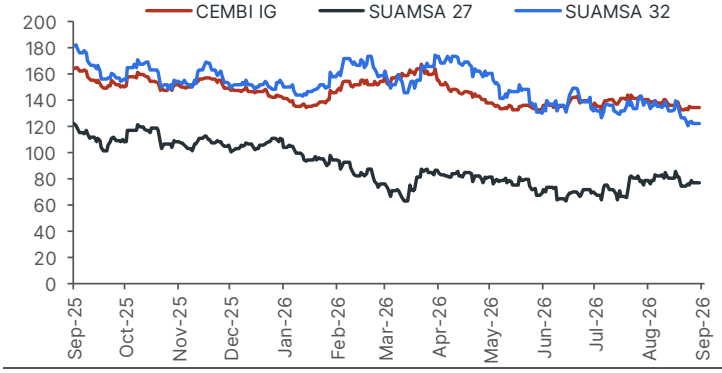
Concerns

- Exposure to potential regulatory changes across LatAm
- Earnings linked to market performance and AUM growth
- Exposure to economic slowdown in core markets
- Sovereign risk exposure across key operating countries

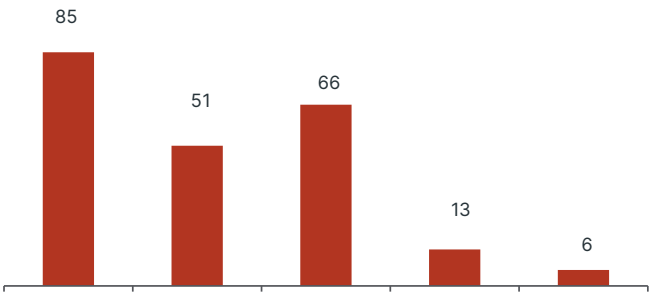
Strengths

- Business and geographic diversification
- Leading regional franchise
- Solid financial profile
- High client retention and strong distribution network
- Improved capital efficiency following pension reforms

Z- Spread evolution



AUM per Country (USD bn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
SUAMSA 27	USD 175mn	4.38%	Baa2 / NR / BBB	77	0.6	99.5	0.4%	4.8%	Neutral
SUAMSA 32	USD 500mn	6.35%	Baa2 / NR / BBB	122	4.7	103.7	0.5%	5.5%	Neutral

Salfacorp

Rating: Buy
TP: CLP 1,680

Equity Research Chile
Cement & Construction

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Mining-led growth supports our BUY recommendation

Investment Thesis

We upgrade Salfacorp to BUY with a 2027E T.P. of CLP 1,680/share, supported by (i) margin expansion and strong backlog levels across both ICSA and IACO, and (ii) potential upside from securing new large-scale mining contracts. We believe the company is well-positioned to capitalize on Chile's favorable mining investment cycle and secure new large-scale projects that could gradually offset Nueva Centinela's contribution eventually.

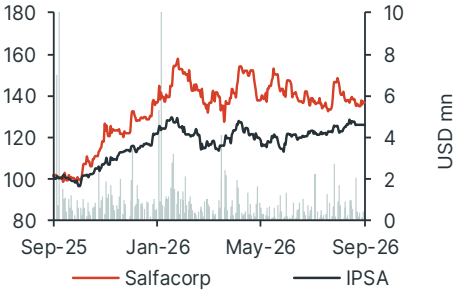
Underlying profitability is set to improve across both ICSA and IACO. We expect ICSA's underlying gross margin to trend toward 10%, above historical levels of around 8%, driven by a higher contribution from mining projects and a more favorable project mix. Meanwhile, IACO margins should expand to around 21%, supported by a growing contribution from DS49 housing developments, the delivery of projects launched under healthier market conditions, and improved profitability in the real estate business.

Growth visibility remains strong, supported by expanding backlogs. We forecast ICSA backlog to increase from CLP 1.3 tn in 2026E to CLP 1.6 tn by 2030E, driven mainly by mining projects and services amid Chile's robust investment pipeline. Regarding associates' project backlog, while Nueva Centinela is set to be completed by year-end, management has highlighted ongoing efforts to secure a new flagship project to replenish its associated backlog, which we believe is achievable given the strong mining project pipeline in Chile. In IACO, DS49 backlog is expected to remain above CLP 300 bn over the medium term, complemented by a gradual recovery in the Houses & Apartments and Buildings segments.

Stock Data

Ticker	salfacor ci
Price (CLP)	1,250.0
Target (CLP)	1,680.0
Total Return	36.1%
LTM Range	902 - 1,442
M. Cap (USD mn)	731
Shares Outs. (mn)	550
Free Float	75%
ADTV (USD mn)	0.9

Price Chart (CLP) and Volumes (USD mn)



Valuation

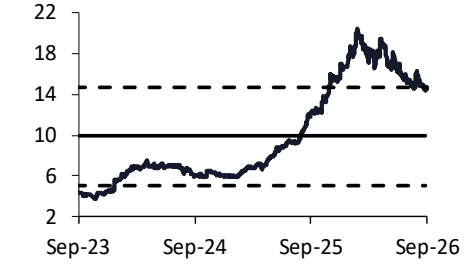
We value SalfaCorp using a 10-year DCF model, assuming a 3.0% terminal growth rate, and a 9.1% WACC. Based on our estimates, the stock trades at 10.2x 2027E EV/EBITDA and 15.0x P/E. While the share price has performed strongly, SalfaCorp continues to trade below its 10-year average EV/EBITDA multiple of 15.2x, which we believe is justified by the company's improved profitability profile and stronger growth visibility.

Valuation Summary

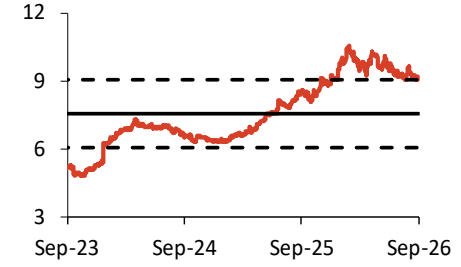
	2025	2026E	2027E	2028E
EV/EBITDA	9.8	9.9	9.8	9.7
P/E	13.0	17.8	14.8	14.0
P/CF	9.3	5.8	6.6	6.9
P/BV	1.2	1.2	1.1	1.1
Div. Yield	2.0%	2.2%	1.7%	2.0%

Sources: Company Reports and Credicorp Capital

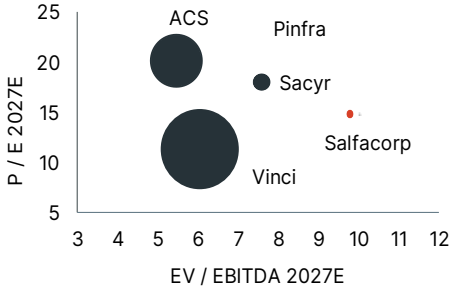
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

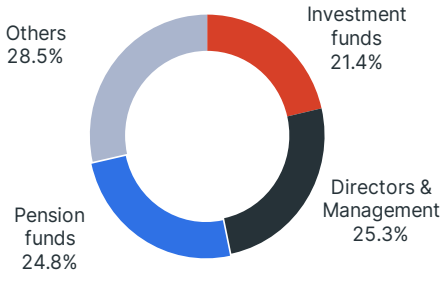


Salfacorp

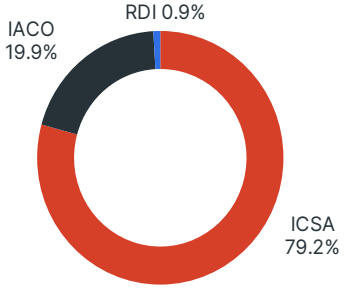
Company Description

SalfaCorp S.A. is one of the main companies in Latin America within the Engineering, Construction and Real Estate sector, with more than 92 years of history, undisputed leadership in Chile and with presence in the Peruvian, Panamanian and Caribbean markets. Its three Business Unit are Enginnering and Construction, Aconcagua Real Estate and Rentas Desarrollo Inmobiliario. It offers specialties such as assembly, industrial maintenance, subway mining, earthmoving, driling and blasting, civil works, maritime works, construction and development of real estate projects.

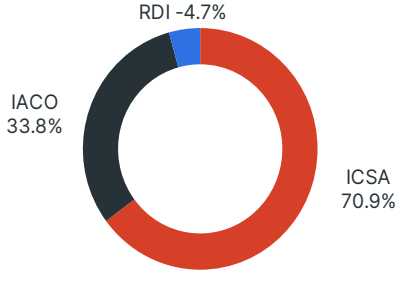
Ownership Structure



Revenue breakdown by concept 2027E



EBITDA breakdown by business 2Q26



Management

CEO: Jorge Meruane
CFO: José Luis Sánchez
IRO: Juan Pablo Reitze
www.salfacorp.com

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	1,052,675	1,033,712	1,023,123	1,149,847	1,221,293
Gross Profit	107,810	102,600	130,309	134,010	141,216
EBITDA	107,783	115,902	124,315	125,775	127,627
Net Income	43,030	50,611	38,695	46,495	49,265
EPS (CLP)	78	92	70	90	90
Gross Margin	10.2%	9.9%	12.7%	11.7%	11.6%
EBITDA Margin	10.2%	11.2%	12.2%	10.9%	10.5%
Net Margin	4.1%	4.9%	3.8%	4.0%	4.0%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	80,096	89,061	88,149	99,067	105,222
Total Current Assets	572,110	589,125	630,812	693,466	748,667
Total Assets	1,545,339	1,644,911	1,704,665	1,756,960	1,787,935
Current Liabilities	636,210	706,934	735,511	795,999	823,000
Financial Debt	511,581	570,248	519,990	472,789	432,780
Total Liabilities	1,029,407	1,096,666	1,133,027	1,150,444	1,146,108
Minority Interest	-54	-184	-191	-197	-200
Shareholders Equity	515,986	548,429	571,829	606,713	642,027
Total Liabilities + Equity	1,545,339	1,644,911	1,704,665	1,756,960	1,787,935
Net Debt /EBITDA	4.0	4.2	3.5	3.0	2.6
Financial Debt /EBITDA	4.7	4.9	4.2	3.8	3.4
Financial Debt /Equity	1.0	1.0	0.9	0.8	0.7
ROAE	8.6%	9.5%	6.9%	7.9%	7.9%
ROAA	2.9%	3.2%	2.3%	2.7%	2.8%
ROIC	5.8%	5.0%	7.0%	7.6%	8.1%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**76,283**	**80,096**	**89,061**	**88,149**	**99,067**
Cash Flow From Operations	80,096	89,061	88,149	99,067	105,222
CAPEX	-4,217	-7,061	-8,194	-8,563	-8,363
Changes in Financial Debt	52,035	58,667	-50,258	-47,202	-40,009
Dividends (Paid) Received	-12,868	-12,912	-15,186	-11,611	-13,951
Other CFI & CFF Items	-111,233	-118,791	-15,423	-20,773	-36,744
Changes in Equity	0	0	0	0	0
Final Cash	**80,096**	**89,061**	**88,149**	**99,067**	**105,222**
Change in Cash Position	**3,814**	**8,965**	**-912**	**10,918**	**6,156**

Sources: Company Reports and Credicorp Capital

Sigdo Koppers

Rating: Buy
TP: CLP 2,020

Equity Research Chile Industrial

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Mining momentum and a healthier portfolio

Investment Thesis

We upgrade SK to BUY with a T.P. of CLP 2,020/share, reflecting our view that the company has largely completed the restructuring process that weighed on results in recent years and is now better positioned to benefit from a supportive mining environment. While most of its key subsidiaries are no longer undergoing significant operational disruptions, earnings continue to improve and portfolio quality has strengthened materially. In addition, we believe the remaining discount to NAV is no longer justified by current fundamentals. More stable operations, stronger profitability, and potential NAV discount compression support our positive view.

Enaex remains the group's main value driver. Its scale, profitability, and mining exposure continue to support a positive outlook. At Maggoteaux, we are assuming a more stable earnings profile rather than a significant recovery, as the casting segment has yet to show meaningful improvement. However, any recovery in this business could represent an upside risk to our estimates. More broadly, we believe the favorable outlook for mining activity, particularly in Chile, should continue supporting demand across both businesses.

We also expect gradual improvements across the remaining subsidiaries. At Puerto Ventanas, revenues should benefit from the contribution of the new terminal developments and activity in Mejillones. SKC has already delivered a noticeable improvement in results, but we believe it still has room to benefit from stronger mining investment and equipment demand. Meanwhile, SKIC has emerged as a smaller but significantly healthier business after exiting low-return projects. While growth prospects are more modest, the segment is now focused on smaller and more profitable projects, reducing execution risk.

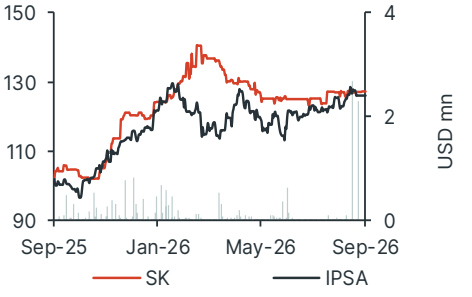
Valuation

We value Sigdo Koopers using a blended valuation approach, with a 50/50 split based on a multiple valuation model and a 10-year SOTP DCF model for each business segment: SKIC, PVSA, Enaex, Magotteaux, and SKC. We are considering a holding discount of 10.0% in our valuation.

Stock Data

Ticker	sk ci
Price (CLP)	1,650
Target (CLP)	2,020
Total Return	28.3%
LTM Range	1,297 - 1,823
M. Cap (USD mn)	1,884
Shares Outs. (mn)	1,074
Free Float	26%
ADTV (USD mn)	0.1

Price Chart (CLP) and Volumes (USD mn)

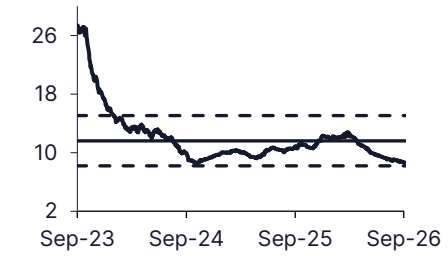


Valuation Summary

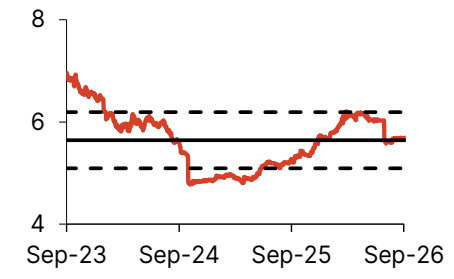
	2025	2026E	2027E	2028E
EV/EBITDA	6.4	6.0	6.2	6.0
P/E	17.0	13.4	7.9	7.3
P/CF	7.7	4.3	3.8	3.3
P/BV	1.3	1.2	1.1	1.1
Div. Yield	5.5%	4.6%	5.9%	10.2%

Sources: Company Reports and Credicorp Capital

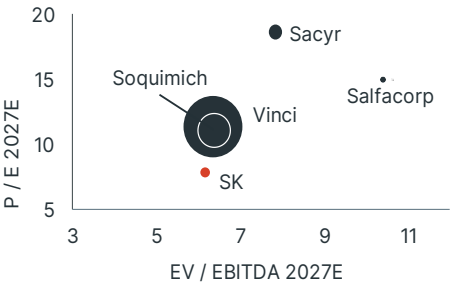
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

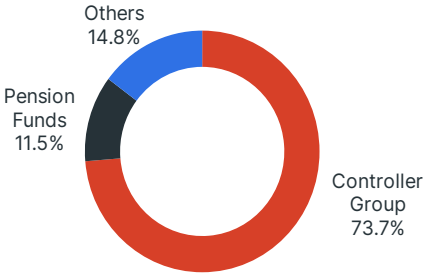


SK

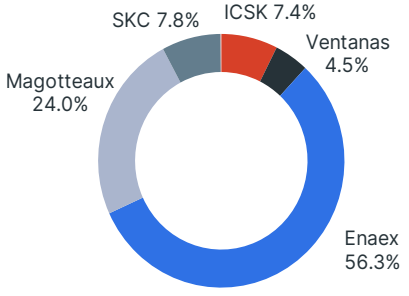
Company Description

Sigdo Koppers is a Chilean conglomerate that provides services all along the mining value chain. Its main subsidiaries are Enaex (ammonium nitrate production and rock fragmentation services), Magotteaux (grinding ball production), ICSK (large-scale industrial construction), SKC (machinery rental and distribution), Puerto Ventanas (port transfer and storage of solid and liquid bulk), and Fepasa (rail transport).

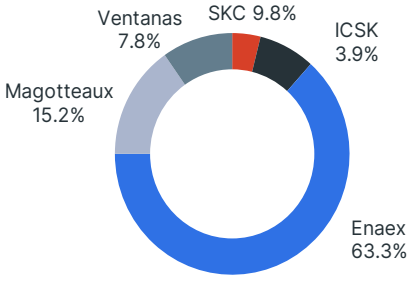
Ownership Structure



Revenue breakdown by concept (2027E)



EBITDA breakdown by business (2027E)



Management

CEO: Juan Pablo Aboitiz
CFO: Andres Brinck
IRO: Slaven Ilic
www.sigdokoppers.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	3,781	4,119	4,548	4,431	4,566
Gross Profit	724	843	927	903	932
EBITDA	535	551	607	595	615
Net Income	103	111	140	240	257
EPS (CLP)	95	97	122	223	280
Gross Margin	19.2%	20.5%	20.4%	20.4%	20.4%
EBITDA Margin	14.2%	13.4%	13.4%	13.4%	13.5%
Net Margin	2.7%	2.7%	3.1%	5.4%	5.6%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	550	612	676	658	679
Total Current Assets	2,142	2,079	2,177	2,380	2,320
Total Assets	4,763	4,931	5,119	5,045	5,099
Current Liabilities	1,514	1,468	1,616	1,700	1,601
Financial Debt	1,566	1,643	1,735	1,549	1,520
Total Liabilities	2,702	2,838	2,973	2,770	2,760
Minority Interest	568	582	582	582	582
Shareholders Equity	1,493	1,510	1,564	1,692	1,757
Total Liabilities + Equity	4,763	4,931	5,119	5,045	5,099
Net Debt /EBITDA	1.9	1.9	1.7	1.5	1.4
Financial Debt /EBITDA	2.9	3.0	2.9	2.6	2.5
Financial Debt /Equity	1.0	1.1	1.1	0.9	0.9
ROAE	6.8%	7.4%	9.1%	14.7%	14.9%
ROAA	2.1%	2.3%	2.8%	4.7%	5.1%
ROIC	8.3%	8.8%	9.5%	16.6%	17.0%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**426**	**550**	**612**	**676**	**658**
Cash Flow From Operations	594	284	225	439	407
CAPEX	-149	-221	-165	-160	-165
Changes in Financial Debt	-165	78	91	-185	-30
Dividends (Paid) Received	-91	-104	-87	-111	-192
Other CFI & CFF Items	-65	25	0	0	0
Changes in Equity	0	0	0	0	0
Final Cash	**550**	**612**	**676**	**658**	**679**
Change in Cash Position	**125**	**62**	**64**	**-17**	**20**

Sources: Company Reports and Credicorp Capital

Quiñenco

Rating: Hold
TP: CLP 5,100

Equity Research Chile Conglomerates

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Attractive DY and M&A optionality, but limited holding discount compression potential

Investment Thesis

We reiterate our Hold recommendation on Quiñenco and introduce a 2027YE target price of CLP 5,100/share. Our constructive view on Quiñenco remains supported by an investment case that compares favorably with most Chilean conglomerates. The company has consistently created value through controlling stakes in industry-leading subsidiaries operated alongside world-class partners. Between 2003 and 2025, Quiñenco generated a NAV CAGR of 9.5%, outperforming the IPSA's 8.1% CAGR over the same period.

Strong profitability at Banco de Chile, together with extraordinary dividend inflows from Vapores following Hapag-Lloyd's pandemic-driven earnings surge and solid contributions from SMSAAM, have significantly strengthened the group's financial position. As a result, Quiñenco currently holds gross cash of approximately USD 2.5bn, equivalent to around 30% of its market capitalization. This strong liquidity position and manageable debt profile provide meaningful strategic optionality, supporting attractive shareholder distributions while preserving flexibility to reaccelerate M&A activity. Nevertheless, our favorable view of the company's fundamentals is not sufficient to justify a Buy recommendation. This reflects our Hold ratings on its listed subsidiaries under coverage and the limited scope we see for further holding discount compression. At the time of writing, the discount stood at ~23-24%, below its 1-year average of 27-28% and slightly above our estimated fair discount of 20%.

Overall, we view Quiñenco as a relatively defensive stock. Approximately 90% of expected dividend inflows between 2027 and 2028 are attributable to Banco de Chile, SMSAAM and CCU, while a divestment of its 4% stake in Nexans remains a potential source of additional value realization.

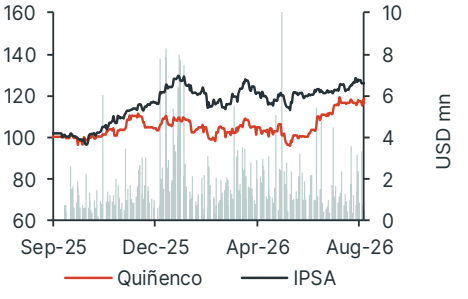
Valuation

Our valuation of Quiñenco is based on a sum-of-the-parts methodology, to which we apply a 20% holding discount to NAV. We value Banco de Chile (52% of target underlying asset value) using a Residual Income model; Vapores (18%) using a 60% Holding Discount to NAV (Hapag Lloyd; 60% DCF/40% peers multiples valuation); SMSAAM (9%) and CCU (7%) using DCF methodologies; Nexans (3%) based on consensus target price; and Enex (11%) based on our estimate of 2027 book value.

Stock Data

Ticker	quinenc ci
Price (CLP)	4,660
Target (CLP)	5,100
Total Return	17.1%
LTM Range	2.243 - 3.370
M. Cap (USD mn)	8,241
Shares Outs. (mn)	1,663
Free Float	17%
ADTV (USD mn)	1.8

Price Chart (CLP) and Volumes (USD mn)

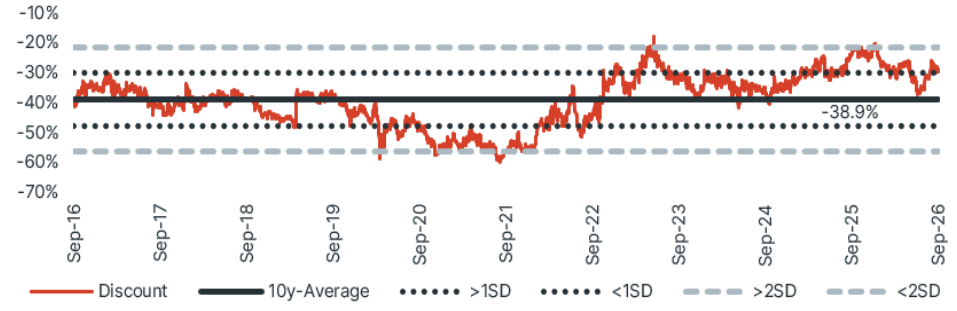


Valuation Summary

	2025	2026E	2027E	2028E
EV/EBITDA	nm	nm	nm	nm
P/E	10.7	13.0	11.5	10.1
P/CF	nm	nm	nm	nm
P/BV	0.8	0.9	0.9	0.9
Div. Yield	8.2%	8.8%	7.7%	8.7%

Sources: Company Reports and Credicorp Capital

Historical Discount NAV



Quiñenco's credit rating

AA+ / Stable (Fitch) + AAA/Stable (ICR)

Dividend Policy of Main Subsidiaries

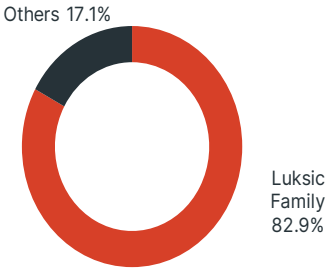
Banco de Chile	60%-80%
CCU	>=50%
SM SAAM	>=50%
Nexans	>=20%
Hapag Lloyd	>=30%

Quiñenco

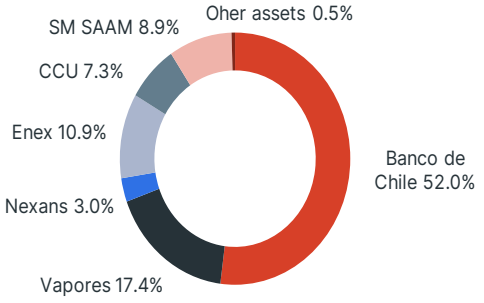
Company Description

Quiñenco S.A. is a holding company controlled by the Luksic family and is one of Chile's largest and most diversified economic groups. The conglomerate operates through its subsidiaries across various sectors: financial services (Banco de Chile), food and beverages (CCU), manufacturing (Nexans), transportation (Vapores/Hapag-Lloyd), port and shipping (SM SAAM), and energy (Enex). The company, throughout its subsidiaries, supports key alliances with Citibank, Heineken, and Shell.

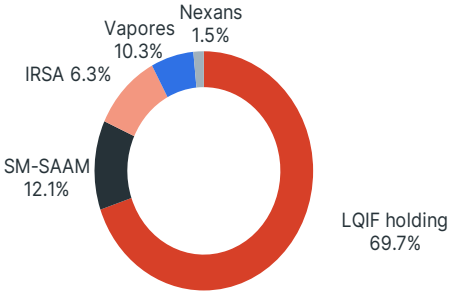
Ownership Structure (As of Dic-25)



Fair Value of Equity Stakes (Dec-27)



Div. breakdown from subsidiaries (27-28E)



Management

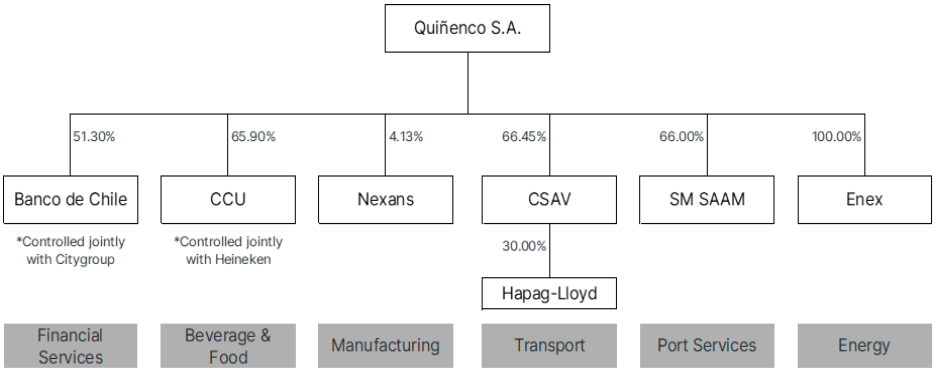
CEO: Macario Valdés
CFO:Eduardo Garnham
IRO: Pilar Rodriguez
www.quinenco.cl

Valuation

Underlying Assets	Method	Stake	Quiñenco´s EV (CLP mn)	% of Quiñenco
Banco de Chile	RNI	25.7%	5,500,547	52.0%
CCU	DCF	32.9%	766,676	7.3%
Enex	Book Value	100.0%	1,149,303	10.9%
Nexans	Consensus	4.1%	321,140	3.0%
Vapores	Holding Discount/D	66.5%	1,841,636	17.4%
SM SAAM	DCF	66.0%	938,194	8.9%
Other assets	Book Value	100.0%	51,681	0.5%
Equity stake in subsidiaries			10,569,177	
Gross Financial Debt			1,758,079	
Cash forecasted by December 2027 ex dividends distribution			2,111,359	
Net Asset Value			10,922,458	
SG&A (NPV)			-316,844	
Quiñenco's Equity Value			10,605,614	
Outstanding shares (mn)			1,663	
NAV/share before holding discount (CLP)			6,378	
Target Holding discount			-20%	
Target Price (CLP)			5,100	
Upside (%)			9.4%	
Dividend yield by December 2026E (%)			7.7%	
Expected Total Return (%)			17.1%	

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Profit to shareholders	664	680	594	676	764



Unacem

Rating: Buy
TP: PEN 2.94

Equity Research Peru
Cement & Construction

Gabriel Perez - gfperez@credicorpcapital.com
Mariane Goñi - marianegoni@credicorpcapital.com

Diversification starts to pay off amid a more pro-investment region

Investment Thesis

We upgrade Unacem to BUY and raise our T.P. to PEN 2.94/share, as we see a more constructive outlook across the company's portfolio. In Peru, favorable cement market trends, infrastructure execution and a more supportive investment environment should support growth, while the energy business provides an additional source of upside. The U.S. business appears to be stabilizing, although we believe the largest upside potential lies in Chile and Ecuador, where revenue recovery remains at an earlier stage.

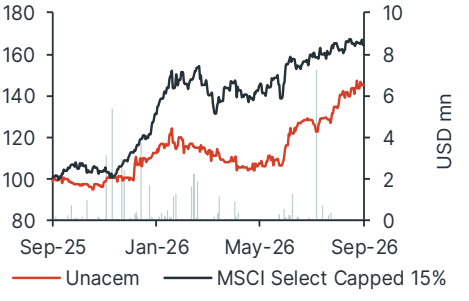
Peru remains the anchor business, while Chile and Ecuador are emerging as increasingly relevant growth drivers. In Peru, growth should be led by the ready-mix concrete business, supported by a larger infrastructure pipeline, particularly the Peripheric Ring Road, and by the energy segment following recent mining-related contract wins. We assume stable cement results in 2027 due to El Niño and incorporate a gradual decline in cement market share as competition intensifies in the long term. In the U.S., we forecast a steady 3.7% revenue CAGR despite an uncertain operating environment. Meanwhile, improving construction activity and a more pro-investment backdrop in Chile and Ecuador should support a stronger recovery in volumes and earnings.

Balance sheet concerns have eased as deleveraging becomes increasingly visible. From a current net debt-to-EBITDA ratio of 3.3x, we expect leverage to decline below 3.0x in 2027E and to reach 2.0x in 2030E, supported by improving profitability despite an investment cycle that should keep capex above 40% of EBITDA in the near term, mainly related to sustainability projects in Peru, the new lime plant, and other initiatives.

Stock Data

Ticker	unacemc1 pe
Price (PEN)	2.24
Target (PEN)	2.94
Total Return	36.0%
LTM Range	1.46 - 2.27
M. Cap (USD mn)	1,206
Shares Outs. (mn)	1,600
Free Float	48%
ADTV (USD mn)	0.2

Price Chart (PEN) and Volumes (USD mn)



Valuation

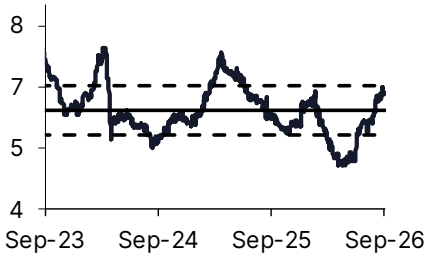
The peer discount has widened meaningfully. We update our 10-year DCF valuation for Unacem, incorporating a 10.2% WACC and a 6.7% cost of debt. While Unacem has historically traded at a discount to Pacasmayo, the gap has widened significantly, with the stock currently trading at a ~40% EV/EBITDA discount, up from 19% in 2025. On our estimates, Unacem trades at 4.8x 2027E EV/EBITDA, well below its 2017-2025 historical average of 6.0x, which we view as attractive given the improving outlook in Peru, and additional upside from Ecuador and Chile.

Valuation Summary

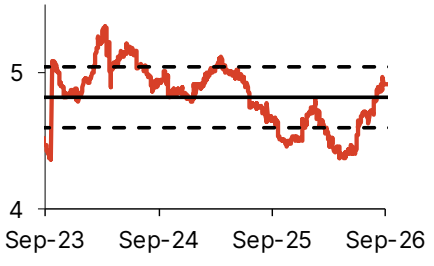
	2025	2026E	2027E	2028E
EV/EBITDA	5.3	5.3	4.9	4.9
P/E	6.8	7.2	5.7	5.6
P/CF	4.3	9.6	5.1	4.8
P/BV	0.5	0.6	0.5	0.5
Div. Yield	4.3%	4.5%	4.6%	4.6%

Sources: Company Reports and Credicorp Capital

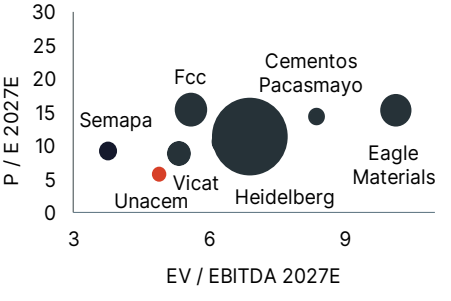
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

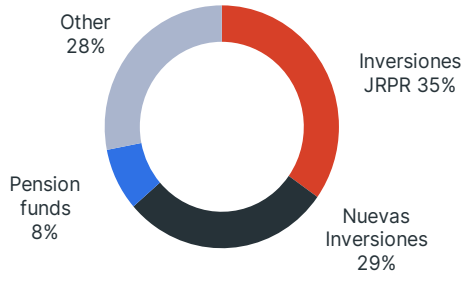


Unacem

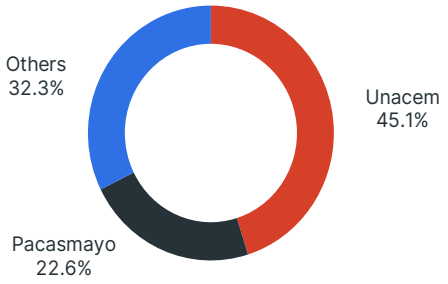
Company Description

Unacem is the leading cement producer in Peru with an annual local capacity of 8.3 mn MT and has operations in Lima and central Peru. It also has the Conchán port (south of Lima), cement and concrete businesses in Ecuador, Chile and US (Arizona and California), and an energy company with a 660 MW capacity. The company has recently invested in a quicklime plant in Tarma, and acquired the Tehachapi cement plant in the US and the Termochilca generation plant in Peru. The company is held by the Rizo Patrón family and has been operating for more than 100 years.

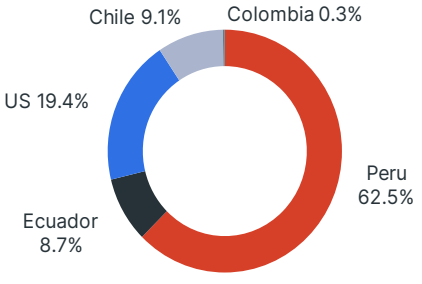
Ownership Structure



Peruvian cement market share (2026E)



Revenues by geography (2026E)



Management

CEO: Pedro Lerner

CFO: Alvaro Morales

https://grupounacem.com/inversionistas/

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Revenues	6,855	7,036	7,596	7,974	8,356
Gross Profit	1,796	1,772	1,847	2,001	2,029
EBITDA	1,619	1,574	1,667	1,808	1,812
Net Income	450	469	497	631	640
EPS (PEN)	0.29	0.30	0.31	0.41	0.42
Gross Margin	26.2%	25.2%	24.3%	25.1%	24.3%
EBITDA Margin	23.6%	22.4%	21.9%	22.7%	21.7%
Net Margin	6.6%	6.7%	6.5%	7.9%	7.7%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	361	352	254	267	280
Total Current Assets	2,480	2,439	2,400	2,586	2,701
Total Assets	14,002	14,009	14,529	14,857	15,162
Current Liabilities	2,881	3,573	2,444	2,987	3,043
Financial Debt	5,481	5,249	5,185	4,899	4,513
Total Liabilities	7,944	7,863	7,987	7,809	7,595
Minority Interest	194	190	207	227	248
Shareholders Equity	5,864	5,955	6,334	6,822	7,319
Total Liabilities + Equity	14,002	14,009	14,529	14,857	15,162
Net Debt /EBITDA	3.2	3.1	3.0	2.6	2.3
Financial Debt /EBITDA	3.4	3.3	3.1	2.7	2.5
Financial Debt /Equity	0.9	0.9	0.8	0.7	0.6
ROAE	7.8%	7.9%	8.1%	9.6%	9.0%
ROAA	3.3%	3.3%	3.5%	4.3%	4.3%
ROIC	6.7%	5.7%	6.4%	7.5%	7.4%

Cash Flow Statement

PEN mn	2024	2025	2026E	2027E	2028E
Initial Cash	**401**	**361**	**352**	**254**	**267**
Cash Flow From Operations	1,178	1,205	978	1,232	1,293
CAPEX	-585	-715	-758	-791	-752
Changes in Financial Debt	-17	-233	-64	-286	-386
Dividends (Paid) Received	-149	-137	-161	-163	-163
Other CFI & CFF Items	-334	-81	-93	20	21
Changes in Equity	-132	-48	0	0	0
Final Cash	**361**	**352**	**254**	**267**	**280**
Change in Cash Position	**-40**	**-9**	**-98**	**13**	**13**

Sources: Company Reports and Credicorp Capital

4.3 / Andean Commodities

Equity – Andean Commodities

Structural shifts and geopolitics drive commodity divergence

Structural demand trends, supply constraints, and geopolitical risks continue to drive divergent performance across commodity markets. Gold may consolidate after its record rally, though structural support remains intact. Meanwhile, copper, lithium, and tin continue to benefit from supply constraints and long-term demand growth, while iron ore remains capped by weak Chinese steel demand and rising low-cost supply. Cautiously constructive on hardwood pulp, with prices expected to reach USD 600/t, though constrained by weak demand and new capacity. Brent remains supported by geopolitical tensions, though volatility is likely to persist.

Gold normalizes from records; supply constraints and AI keep base metals elevated, except iron ore, capped by China.

In precious metals, gold is normalizing from record highs as a hawkish Fed and a firm dollar cap upside, yet central bank buying, Asian investment demand, and persistently higher inflation set a floor well above past cycles. In **base metals, copper** has repriced to historically elevated levels on supply disruptions and tariff-driven stockpiling, with a widening structural deficit driven by electrification and AI expected to keep prices high even as near-term distortions fade. **Lithium** has recovered sharply on Chinese supply curtailments and booming energy storage demand, shifting the market from surplus to balance, while **tin** has been the standout performer as AI-driven solder demand meets persistently fragile supply. By contrast, **iron** ore remains capped by weak Chinese steel demand and new low-cost supply from Simandou, keeping long-term prices anchored at lower levels.

Constructive on pulp through early 2027, with upside capped by new supply.

We are cautiously constructive on hardwood **pulp** prices in China through early 2027, as improving downstream margins, seasonal demand, elevated fiber costs, and tighter global inventories could support a recovery from USD 560/t toward USD 600/t. However, sustained upside appears limited by weak demand growth and significant capacity additions, supporting a USD 540–600/t range over the next three years. The main upside risk is higher Asian woodchip costs, which could constrain China's pulp self-sufficiency and improve the competitiveness of low-cost Brazilian producers.

Finally, we believe **Brent** prices should remain supported in the near term by elevated geopolitical risk in the Middle East, with volatility likely to remain high while uncertainty around Strait of Hormuz supply flows persists. Higher crude prices should support Ecopetrol's Upstream segment, while stronger refining margins should continue to benefit its Downstream operations. Nonetheless, absent sustained supply disruptions, medium-term fundamentals still point to downward pressure on oil prices.

Equity – Andean Commodities

We are upgrading COPEC to BUY as Sucuriú's start-up approaches, while reiterating our UPERF rating on CMPC due to limited visibility on Natureza

In Chile, while we remain cautious on medium-to-long-term market pulp fundamentals, we have upgraded our recommendation on **COPEC (BUY; T.P: CLP 8,500/share)** as the stock offers an attractive opportunity as Sucuriú's start-up approaches and confidence in the project's on-budget, on-time execution continues to build. We believe the market has yet to incorporate the project's value creation potential into the stock price. Our constructive stance is also supported by the company's diversified EBITDA base, solid balance sheet despite the ongoing construction phase, and an improved M&A track record. On the other hand, regarding **CMPC (UPERF; TP: CLP 1,150/share),** while Natureza project remains a compelling long-term growth opportunity, several key milestones still need to be achieved before construction becomes a realistic prospect. For now, limited visibility on the project's timing, funding structure and ultimate capital requirements justifies a cautious stance. Finally, for **AntarChile (HOLD; T.P.: CLP 8,900/share)**, reduced free float following the controlling shareholders' recent stake increase, combined with already limited liquidity, could continue to hinder value recognition. Regarding mining companies, we prefer CAP over SQM. While **SQM (UPERF; T.P.: CLP 68,100/share; USD 77/ADR)** benefits from favorable lithium prices and strong execution, the stock already reflects much of this environment, and further upside will require prices above our base case. In contrast, **CAP (HOLD; T.P.: CLP 6,400/share)** appears overly penalized for largely transitory operational setbacks, while an expected recovery, a streamlined portfolio, and lower leverage support a more favorable risk-reward profile.

In Colombia, we are maintaining our positive view on Ecopetrol

In Colombia, we are maintaining our positive view on **Ecopetrol (ECOPETROL: BUY; TP: COP 3,300/share).** We believe the recent political shift should improve the outlook for Colombia's O&G sector, supporting a strategic reset at the company and a recovery in operating efficiency. Combined with stronger oil prices and a normalization of tax and cost conditions, we see a more favorable risk-reward profile for the stock. Key risks remain linked to the execution capabilities of the new Board and management team.

In Peru, our top pick is **Buenaventura (BUY; T.P.: USD 42.6/share)**, which offers an attractive entry point after correcting alongside gold despite its significant direct and indirect copper exposure. **Minsur (HOLD; T.P.: PEN 7.4/share)** ranks second, supported by strong copper and tin fundamentals and attractive dividends, although the shares have already rallied significantly; tin remaining higher for longer represents additional upside. **Cerro Verde (UPERF; T.P.: USD 65.6/share)** should remain supported by recurrent dividends, but valuation limits its appeal. Finally, despite raising our target price and moving to a 100% multiples-based valuation to reflect its long reserve life, we see profit-taking risk in **Southern Copper (UPERF; T.P.: USD 171/share)** following its strong rally.

Fixed Income - Andean Commodities

Favor resilient credits and selective dislocations amid diverging commodity cycles and issuer-specific risks

We maintain a selective but constructive stance across Andean commodity credits, favoring issuers that offer value beyond current commodity price support. In Metals & Mining and Oil & Gas, strong prices support cash generation, while low costs, sound balance sheets, and credit catalysts provide further upside. We favor Southern Copper, Buenaventura, and selected Ecopetrol bonds. In Pulp & Paper, weaker conditions, high capex, execution risk, and rating pressure call for a more selective approach to Arauco and CMPC.

Strong fundamentals are largely priced in, but we still see value in Southern Copper and favor Buenaventura for its carry.

In Metals & Mining, we are Overweight Southern Copper, as its low-cost operations, quality assets, ample liquidity, and low leverage offer scope for moderate spread compression. We are also Overweight Buenaventura, whose net cash position and exposure to high metals prices support strong credit quality and attractive carry, despite limited tightening potential. We remain Neutral on Nexa, where improving fundamentals and Boliden's ownership are offset by uncertainty regarding the rating agencies' treatment of the new parent-subsidiary relationship. Minsur's sound balance sheet is priced in, while Marcobre's tight spreads do not compensate for single-asset and execution risks. Volcan's improved liquidity and maturity profile provide support, but weak production and high costs warrant a Neutral stance.

Balance-sheet repair drives issuer selection amid weaker market conditions and rating pressure.

In Pulp & Paper, we remain cautious as weak market conditions, high leverage, capex, and project risks slow deleveraging and pressure ratings. Suzano remains the sector benchmark given its scale, low costs, liquidity, and focus on balance-sheet repair. Among Andean issuers, Arauco's contingent equity support and progress at Sucuriú improve its prospects of retaining investment-grade status, supporting an Overweight stance in shorter maturities. CMPC needs asset sales to deleverage and protect its rating, while Natureza remains the key medium-term risk. We favor CMPCCI 33 on relative value and remain Neutral elsewhere.

Ecopetrol leads on value and improving fundamentals.

In Oil & Gas, stronger cash generation, lower leverage, the Brava acquisition, and reduced policy uncertainty support our Overweight recommendations on ECOPET 32, 33, and 36, where carry and compression potential remain attractive. ECOPET 31 remains Underweight on valuation. Hunt Oil Peru benefits from quality assets, but its distribution policy limits deleveraging and supports a Neutral stance. Peru LNG also remains Neutral, as funding access mitigates liquidity risk, while volatile earnings, high leverage, and single-asset exposure limit upside.

Metals Outlook

Hawkish Fed caps gold below record highs; supply constraints and AI keep base metals elevated

We expect gold to gradually normalize from record highs as a hawkish Fed caps upside, though structural demand keeps prices well above past cycles, at USD 3,700/oz by 2030.

We expect **gold** to gradually normalize from record levels, with price forecasts at USD 4,357/oz for 2026 and USD 4,250/oz for 2027, above the 2025 average of USD 3,446/oz. Since 2022, when gold averaged USD 1,805/oz, prices more than doubled on monetary easing, record central bank buying, U.S. fiscal uncertainty, and geopolitical tensions, peaking +USD 5,400/oz in Jan-26. The U.S.-Iran conflict and the Strait of Hormuz blockade pushed inflation expectations and the USD higher, leading markets to price in Fed rate hikes and dragging gold below USD 4,000/oz in July, before a ~10% rebound in August to ~USD 4,400/oz. Physical demand has proven resilient: in 2Q26, central banks bought 289 t (+62% y/y), bar and coin demand held at 307 t, and 1H26 total demand hit a record USD 380 bn in value, while modest ETF outflows (-45 t) reversed in July. Looking ahead, with U.S. inflation above target and Chair Warsh signaling the Fed may still have "work to do," markets price a hike before year-end, keeping real yields and the USD firm. We see the moderation of recent quarters, though persistently higher inflation, official-sector diversification, and Asian investment demand set a structurally higher floor than in past cycles. Over the long term, we expect a normalization in monetary policy and a moderation in investor appetite, leading to gold prices around USD 3,700/oz by 2030.

We are constructive on copper: prices should hold at historically high levels of ~USD 13,000/t through 2030, with only mild moderation in 2027-28, as a widening structural deficit offsets near-term consolidation risks.

We hold a constructive view on **copper**, with prices expected to remain at historically high levels: we forecast an average of USD 13,372/t (USD 6.1/lb) in 2026 (+34% y/y) and USD 13,125/t in 2027, a moderation that leaves prices ~30% above 2025 and well above the USD 8,000-10,000/t range of recent years. Prices peaked at USD 14,506/t in late August (YTD average USD 13,317/t) amid a dual narrative: supply disruptions at Grasberg, Kamoa-Kakula, and El Teniente, compounded by the DRC export ban, cut 1H26 mine output by 1.1%, while tariff-driven stockpiling lifted Comex inventories to records and tightened the ex-U.S. market. In the near term, we see room for consolidation as record inventories, unresolved U.S. tariff decision on refined cathode, and higher-for-longer rates weigh on momentum. However, demand is set to grow at 3.5% y/y to 2030, reaching 33.5 mt. Traditional uses (construction and manufacturing) should still account for ~59% of demand, expanding ~1.5% per year, while newer applications (energy transition, AI-related electricity consumption, and defense) should grow ~6-10% annually and approach 41% of the total. On the supply side, output should grow more slowly at ~2.6% per year, reaching 32.7 mt by 2030, as disrupted mines are unlikely to fully recover before 2028 and the project pipeline remains thin. This points to a structural deficit widening to ~850 kt by 2030, which should keep prices around USD 13,000-13,300/t through the decade even as supply disruptions and tariff distortions normalize.

Prices have recovered on Chinese supply cuts and booming energy storage; a growing deficit should hold them near USD 20,000/t.

Regarding **lithium**, after bottoming at USD 8,420/t in Jun-25, prices recovered, peaking at USD 29,205/t in May-26 and averaging USD 22,742/t YTD (+117% y/y), before consolidating at ~USD 22,700/t. The rally was driven by the prolonged suspension of CATL's Jianxiawo mine (~3% of global supply), still stalled on permitting, and by booming energy storage demand (~55% growth in 2026), which offset mixed EV trends: strong in Europe (+28% YTD) but weak in China (-12%) and North America (-18%). Thus, the market has shifted from the surpluses of 2023-25 to a balanced position in 2026. Current prices are just above the industry's C3 cost curve (~USD 20,000/t), a level incentivizing new supply rather than an overshoot. We forecast lithium prices of USD 22,265/t in 2026 and USD 20,000/t in 2027, as the potential restart of idled Chinese capacity caps further upside. Over the long term, demand fundamentals look robust, underpinned by the energy transition, energy storage, and battery manufacturing. We expect the market to move into a ~350 kt deficit by 2030, anchoring our long-term price projection at USD 20,000/t.

AI-driven solder demand and supply disruptions have repriced tin; prices should ease from records but stay well above history.

For **tin**, we expect an average price of USD 52,425/t in 2026 (+54% y/y), easing to USD 48,330/t in 2027. Prices peaked at USD 57,680/t in early June and are averaging USD 51,151/t YTD (+50% y/y), the strongest performance among base metals. The rally reflects a market in deficit since 2025, as supply disruptions have proved persistent: Indonesia's crackdown on illegal mining cut exports, Myanmar's Man Maw mine is recovering only slowly, and conflict around the DRC's Bisie mine resurfaced, leaving LME inventories at ~5 kt. On the demand side, solder accounts for ~50% of tin use, and the AI hardware build-out has become the main driver, with demand from servers expected to triple by 2030. In 2027, supply should improve as Indonesian exports normalize and idle capacity in Myanmar resumes operations, while high prices drive thrifting and recycling, and moderate prices. Over the longer term, however, the ITA expects the deficit to persist given a thin project pipeline. The outlook remains constructive, with prices settling around USD 45,000/t by 2030, still ~33% above 2025 levels.

Weak Chinese steel demand and new low-cost supply from Simandou cap iron ore, with prices drifting toward USD 90/t by 2030.

For **iron ore**, we forecast 62% Fe prices to average USD 102/t in 2026 (flat y/y) then ease to USD 97/t in 2027, as structurally weaker Chinese demand meets new low-cost supply. Prices peaked at USD 115/t in mid-May due to freight costs and purchases by China's state buyer (CMRG) and have since retreated to ~USD 100/t (YTD average USD 104/t). China's steel output fell to a nine-year low in July as the property downturn persists, with port inventories near a record high of ~160 mt. The World Steel Association expects Chinese steel demand to contract by 1.5% in 2026 and flatten in 2027, with India's growth only partially offsetting the decline. On the supply side, Guinea's Simandou mine is ramping toward ~100 mt by 2028, adding to expansions in Australia and Brazil, while China's emissions trading scheme should accelerate scrap substitution starting in 2027. Overall, a growing surplus leaves little room for a sustained rebound, with the USD 90-100/t cost-curve range as an anchor. We maintain a long-term price assumption of USD 90/t by 2030.

Market Pulp Outlook

Improved short-term sentiment, but medium-to-long-term fundamentals remain fragile

Several developments point to a more constructive near-term outlook for hardwood pulp prices in China.

While we remain cautious on medium-to-long-term market pulp fundamentals, we believe the USD 560/t level reached by imported BHKP in China during August could prove to be a cyclical floor. Several indicators suggest market conditions are gradually becoming more supportive of a price recovery toward USD 600/t over the coming months and into early 2027.

The USD 560/t level reached in August by BEKP in China would ultimately mark the cyclical trough, in our view.

Downstream profitability in China has improved from the trough levels observed in May for P&W paper manufacturers and tissue producers. Although UWF conversion margins remain roughly 20% below year-ago levels, the trend has turned positive (5% up from May), while tissue margins have broadly recovered to levels comparable to those seen a year ago (+6% versus May levels).

At the same time, a stronger RMB has improved pulp affordability for Chinese buyers, while seasonally firmer pulp demand should provide an additional tailwind through the remainder of the year. This improving demand backdrop appears to be reflected in market behavior. Hardwood pulp resale prices in China have recently recovered to around USD 575/t, trading USD 10-15/t above current imported spot levels (USD 560-565/t) and closer to the price level implied by producers' September price increase announcements. Industry channel checks suggest buyer acceptance has been mixed, yet ongoing restocking activity indicates demand is becoming more constructive.

Cost dynamics also remain supportive. Although CIF China woodchip prices eased slightly in July, they continue to stand approximately 16% above year-ago levels. In our view, persistently elevated fiber costs limit downside risk for market pulp prices and reinforce the economic rationale for producers to pursue additional price increases. This factor could become increasingly relevant over time, particularly for Chinese producers that rely heavily on imported woodchips and remain structurally exposed to fiber cost inflation.

Inventory indicators across the global pulp supply chain also appear less concerning. European port inventories remained constrained in July, at levels 21% below a year ago and 5% below the five-year average for the month, while consumer inventories were approximately 8% lower than in July 2025. At the producer level, global hardwood pulp inventories stood at 44 days of supply, broadly unchanged from last year but three days below the historical average

for July. In our view, this is a particularly relevant indicator heading into the seasonally stronger demand period following several months of destocking.

Forward market pricing is also consistent with a gradual recovery scenario. NOREXECO's BHKP China Net futures are currently averaging approximately USD 580/t for 4Q26 and USD 608/t for 1Q27, implying a successful implementation of the USD 20/t hike announced for September shipments, stable prices through the remainder of this year followed by one or two additional price increases ahead of the Chinese New Year season. This aligns with our forecast for average BHKP prices of USD 580/t in 4Q26 and USD 600/t in 1Q27.

The main source of caution remains China's elevated port inventories, which are currently 15% above year-ago levels and nearly 20% above the five-year average. However, most of the surplus remains concentrated in softwood pulp. Moreover, broader inventory indicators appear considerably more constructive, with European inventories remaining below historical levels and global hardwood producer inventories standing approximately three days below their long-term average for July.

Taken together, improving downstream profitability, stronger seasonal demand, supportive fiber costs, relatively tight inventories across the global supply chain, below-average hardwood pulp producer inventories, BHKP resale prices in China above imported pulp, and a more constructive futures curve suggest that the USD 560/t level reached in August ultimately marked the cyclical trough, paving the way for a recovery toward USD 600/t in the coming months as buyers rebuild positions following earlier destocking.

However, structural oversupply concerns remain unresolved, keeping us cautious on medium-to-long-term pulp fundamentals.

However, we are far from viewing the current recovery in hardwood pulp prices as the beginning of a sustained bull cycle.

While our short-term view on hardwood pulp prices in China is cautiously constructive as we expect a modest recovery over the coming months and into early 2027, we believe structural oversupply concerns remain unresolved, leading us to maintain our somewhat negative stance on medium-to-long-term pulp fundamentals.

In addition to the incremental supply associated with the delayed construction of APP's OKI phase 2 expansion in Indonesia (two lines of BHKP totaling 2.8 Mt/year, of which the first one is forecast to be sold to the market with a start-up now expected in 1Q27), and Arauco's Sucuriú project in Brazil (3.5 Mt of BEKP capacity, with start-up scheduled for 4Q27), significant new integrated pulp capacity is estimated to come online in China. According to Hawkins Wright, more than 5mt of new pulp capacity is expected to ramp up in China over the next 18 months, most of it integrated with downstream paper and board production. As this capacity ramps up, it is likely to reduce future market pulp purchases and limit the upside potential for hardwood pulp prices.

This phenomenon is already in place. During the first seven months of 2026, Chinese exports of P&W paper, ivory board, and tissue parent rolls increased substantially, generating roughly 750 kt of additional shipments. However, despite this export boom, Chinese pulp imports have remained broadly flat year-over-year. According to Hawkins Wright, this suggests increasing integration within China's paper industry and displacement of market pulp demand in other regions.

Hawkins Wright estimates indicate that global shipments will increase by ~2.8 Mt over five-year period 2026-2030 (CAGR: +0.8%).

Based on Hawkins Wright estimates, global market pulp shipments will decline 0.6% y/y in 2026 (+0.6% in China) driven by a contraction in demand from the P&W sector due to increased integrated capacity in China and a modest consumer destocking, while global shipments are expected to increase slightly in 2027 (+0.5%) with deliveries to China posting no growth on cyclical factors and continuing expansion in integrated pulp production. Global market pulp demand is forecast to gain some traction in 2028-2029 as new low-cost capacity will come online. All in, global shipments are expected to increase by ~2.8 Mt over the five- year period 2026-2030 (CAGR: +0.8%).

The consultancy projects net BHKP capacity additions of roughly 4 Mt between 2027 and 2029.

From a supply perspective, Hawkins Wright expects market pulp capacity to contract by 1.4 Mt during 2026 due to mill closures, conversions to DWP, and the delayed start-up of APP's OKI 2 expansion in Indonesia, which is now scheduled for 1Q27. However, this dynamic is expected to reverse from 2027 onward, when a new wave of hardwood capacity begins to enter the market. The consultancy estimates that net BHKP capacity could increase by roughly 4 Mt between 2027 and 2029, primarily driven by APP's OKI 2 project in Indonesia and Arauco's Sucuriú project in Brazil. Looking further ahead, additional supply could emerge if CMPC's proposed Natureza project and Bracell's planned investment in Mato Grosso ultimately move forward. Combined, these two projects could represent more than 5 Mt of nominal hardwood pulp capacity additions toward the end of the decade, although the effective increase in market pulp supply could be materially lower depending on Bracell's ultimate BEKP/DWP configuration and integration strategy. This indicates that the industry's long-term supply outlook remains heavily dependent on future investment decisions and project execution.

In our view, the key variables to assess the medium-to-long-term market pulp fundamentals are Chinese economic growth, changes in project timing, the scale and pace of the eventual supply-side response, supply disruption (weather events, operational outages, logistics bottlenecks, and potential changes to forestry policies in Indonesia), and wood availability in China (evolution of woodchip costs).

Overall, China is no longer a pure demand story. Historically, China represented the primary source of marginal demand growth for global pulp. Today, China has become both the largest source of demand as well as an increasingly important source of supply. This shift materially changes industry dynamics

because domestic Chinese production increasingly competes with imported hardwood pulp.

We think that the main investment implications are fourfold: a) the traditional thesis that Chinese economic recovery automatically drives global pulp prices higher has become less powerful than in previous cycles; b) the sector may remain profitable for low-cost producers; c) high-cost assets face structurally lower returns; and d) future price cycles are likely to be shallower than historical cycles.

In such a context, we expect lower cyclical peaks, higher cyclical floors, and more normalized returns. Our base-case scenario for hardwood pulp China remains one of prices fluctuating within a narrow range for the coming three years (USD 540-600/t), with an average of USD 570/t, and a long-term price of USD 590/t by 2030.

We expect lower cyclical peaks, higher cyclical floors and more normalized returns. Our base-case scenario for hardwood pulp China remains one of prices fluctuating within a narrow range for the coming three years (USD 540-600/t), with an average of USD 570/t, and a long-term price of USD 590/t by 2030.

The key question is no longer whether China can add pulp capacity, but at what cost it can sustainably operate that capacity.

A key upside risk to our medium-to-long term cautious view on market pulp fundamentals and hardwood pulp prices relates to incremental cost inflation stemming from a further increase in Asian fiber prices. In this regard, we believe investors should be closely monitoring the long-term availability and cost of fiber to support China's growing integrated pulp capacity.

According to Hawkins Wright, at current woodchip prices, Chinese BHKP CIF cash costs would average USD 470-490/t, with marginal costs likely to be closer to USD 555/t. It is worth mentioning that Brazilian BEKP producers deliver pulp to China at an average cash cost of ~USD 400-410/t (CIF), with wood cost less than half of China's average.

While we acknowledge that rising Chinese self-sufficiency will moderate pulp imports growth, the marginal cost of fiber in Asia is likely to trend higher as integrated capacity expands.

While the market has largely focused on the implications of increasing integrated domestic pulp production for market pulp demand, significantly less attention has been paid to the raw material required to sustain that expansion. China remains heavily dependent on imported hardwood chips, particularly from Vietnam and Australia, and recent data show that chip prices in Asia have increased materially over the past year. At the same time, additional integrated pulp capacity from Chinese producers is likely to increase regional fiber demand, potentially tightening wood markets further and raising the marginal cost of domestic pulp production.

As a result, the debate is increasingly shifting from whether China can continue expanding pulp capacity to whether that capacity can be operated sustainably at an economic cost.

Our view is that this dynamic could become an increasingly important constraint on China's pulp self-sufficiency ambitions. Although integrated producers benefit from lower logistics and conversion costs relative to imported market pulp, they still face a structural disadvantage versus large-scale Brazilian eucalyptus producers, whose fiber costs remain among the lowest globally. As a result, we believe the key question is increasingly becoming not whether China can continue adding pulp capacity, but rather at what cost that capacity can be sustainably operated over time.

Interestingly, a related implication was highlighted by Hawkins Wright in its latest Outlook for Market Pulp report. The consultancy noted that Latin American BEKP producers would be interested in securing long-term supply agreements with integrated paper & board producers. As a result, rather than committing capital to costly pulp line upgrades, some P&W producers could ultimately decide to close their pulp operations and rely on market pulp instead.

Oil & Gas Outlook

The international context continues to support prices, while locally, for Colombia, the change is imminent.

Geopolitical issues continue to drive oil prices.

Brent prices continue to be supported by renewed geopolitical risk in the Middle East. The EIA expects Brent to average USD 87/bl in 2026 and USD 69/bl in 2027, well above the sub-USD 60/bl levels expected before the escalation. The main risk premium comes from the Strait of Hormuz, where around 20 mb/d of oil and refined products transit, equivalent to roughly one-fifth of global petroleum liquids consumption. Futures for 2027 remain above current forecast levels, as the restart of the conflict and uncertainty around supply flows have increased uncertainty and supported higher prices for longer than previously expected.

Refining margins have also remained strong, supporting integrated O&G companies. The conflict has tightened refined-product markets, while diesel and gasoline cracks have stayed at historically high levels. This has boosted refining results globally and should continue to support Ecopetrol's downstream segment, partly offsetting volatility in upstream prices.

In Colombia, we see initial signs of policy changes.

In Colombia, the new administration signals a sharp change in O&G policy. President Abelardo de la Espriella has pledged to revive the sector, restart exploration contracting, and allow non-conventional projects under strict technical and environmental standards. Please note that the government has identified fracking as an alternative to declining oil and gas reserves in Colombia, particularly in the Middle Magdalena Valley, where market estimates indicate prospective oil in place roughly double Colombia's current reserves. On that, Colombia's only tangible approach to unconventional production has been two Integral Research Pilot Projects: Kalé and Platero, awarded in 2020–2021 to Ecopetrol and ExxonMobil in Puerto Wilches under the PPII framework defined by Decree 328. These pilots, located in the Middle Magdalena Valley, were conceived as controlled scientific exercises to test hydraulic fracturing in horizontal wells and to establish environmental and social baselines, but never progressed beyond preparatory and licensing phases. We are monitoring whether the government will resume the pilots or adopt another approach.

The need for a policy shift is also evident in activity indicators: the average active rig count declined from 144 in 2022 to 106 in 2026, while national oil production fell from 754 kbpd to 730 kbpd over the same period. Against this backdrop, we expect investors to focus on how quickly the new administration can translate its pro-sector stance into new contracts, permits and concrete investment commitments.

Ecopetrol's management should change in the upcoming Shareholders' Assembly.

Ecopetrol's (BUY; T.P.: COP 3,300/share) role will be central to this recovery. After a period of strategic and governance uncertainty, investors are waiting for the company's new management team and capital allocation priorities. The company has scheduled an Extraordinary Shareholders' Assembly for September 15th, which should completely transform the board, leaving only the workers', production departments, and minority shareholders' seats untouched. A clearer plan focused on reserves replacement, exploration activity, upstream execution, and downstream efficiencies could become the main catalyst for the Colombian O&G sector in 2027.

Gas should still lag until Sirius. We expect the country to remain a net gas importer until Sirius, the offshore project, initiates production by 2030-2031. For the time being, Colombia is importing ~35% of its essential demand, and sector players have mentioned that this could rise to ~50%.

Relative Valuation – Pulp, Paper & Fuels

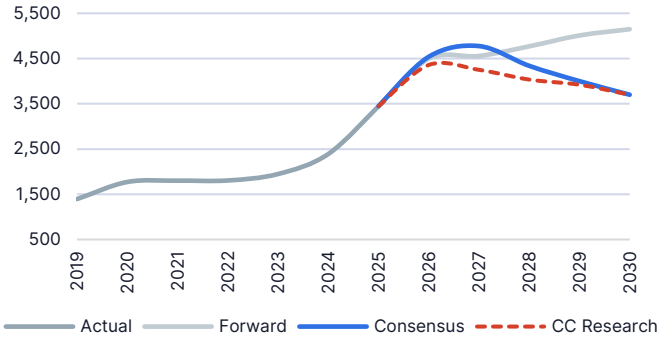
Company	Country	Market Cap (USD mn)	P/E 2025	P/E 2026E	P/E 2027E	P/E 2028E	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E
Pulp										
CMPC (*)	Chile	2,665	19.5	40.7	28.6	22.0	8.0	7.0	6.4	6.3
Copec (*)	Chile	9,166	11.6	8.3	14.4	11.9	7.5	6.4	7.3	6.4
Stora Enso	Finland	9,312	24.8	20.7	14.2	12.7	15.7	8.2	7.2	6.8
Suzano	Brazil	11,909	3.9	6.7	7.7	7.4	6.4	5.8	5.1	5.0
UPM-Kymmene	Finland	15,727	21.2	17.7	14.1	12.8	13.4	11.3	9.6	9.1
Average			**16.2**	**18.8**	**15.8**	**13.4**	**10.2**	**7.7**	**7.1**	**6.7**
Tissue										
Essity	Sweden	18,703	13.8	14.0	13.0	12.0	8.2	8.8	8.1	7.8
Hengan	China	3,141	9.2	8.7	8.7	8.4	8.1	5.2	5.1	5.0
Kimberly Clark	USA	32,752	13.3	13.3	13.2	12.4	11.5	10.6	9.9	9.5
Kimberly Clark Mexico	Mexico	6,809	15.8	14.6	13.9	13.4	9.0	8.4	8.0	7.7
Average			**13.0**	**12.7**	**12.2**	**11.6**	**9.2**	**8.2**	**7.8**	**7.5**
Papers										
Klabin	Brazil	4,825	13.4	15.2	12.5	11.2	7.6	7.5	7.1	6.8
International Paper	USA	18,159	142.6	25.5	11.4	10.0	10.7	8.3	6.0	5.6
Packaging Corp	USA	20,707	23.4	22.2	18.0	17.2	11.7	11.5	9.9	9.6
Smurfit Westrock	Ireland	22,140	17.4	20.4	12.4	10.8	6.9	7.2	6.0	5.7
Average			**49.2**	**20.8**	**13.6**	**12.3**	**9.2**	**8.6**	**7.3**	**6.9**
Forestry ex Pulp										
West Fraser	USA	5,154			27.7	12.9	59.3	25.2	7.5	5.2
Dexco (ex Duratex)	Brazil	1,012	36.9	14.1	10.2	8.1	7.5	5.6	5.3	4.9
Lousiana Pacific	USA	4,595	25.0	55.2	23.0	18.4	14.1	16.8	9.8	8.2
Average			**30.9**	**34.6**	**20.3**	**13.2**	**26.9**	**15.8**	**7.5**	**6.1**
Gas Services Stations										
Casey´s General Stores	USA	23,198	34.8	29.5	27.0	24.2	21.6	15.3	14.2	13.1
CrossAmerica	USA	874	27.9	17.2	19.9	17.1	10.4	9.6	9.6	9.0
Global Partners	USA	1,838	24.9	9.2	14.2	12.7	8.5	6.8	7.8	7.4
Marathon Petroleum	USA	110,201	40.4	7.5	10.3	17.1	9.8	5.5	7.3	9.6
Murphy USA	USA	5,567	32.7	12.1	12.6	11.6	3.8	3.5	3.5	3.4
Sunoco LP	USA	15,636	23.8	8.3	8.7	6.5	13.0	8.1	7.9	7.4
Average			**30.8**	**14.0**	**15.5**	**14.9**	**11.2**	**8.1**	**8.4**	**8.3**
Brazil LPG and Liquid Fuels Distributors										
Ultrapar	Brazil	8,421	18.2	10.4	12.9	11.2	6.0	5.7	6.6	6.2
Vibra Energia	Brazil	8,979	21.8	8.0	11.6	9.8	10.4	5.6	7.4	7.0
Average			**20.0**	**9.2**	**12.2**	**10.5**	**8.2**	**5.7**	**7.0**	**6.6**

(*) Multiples are calculated with Credicorp Capital Estimates

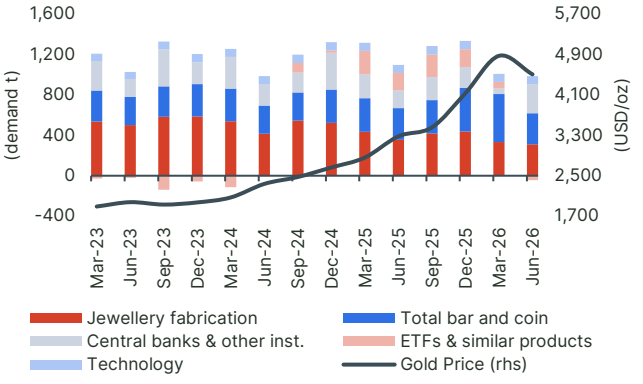
Source: Refintiv

Commodities – Metals

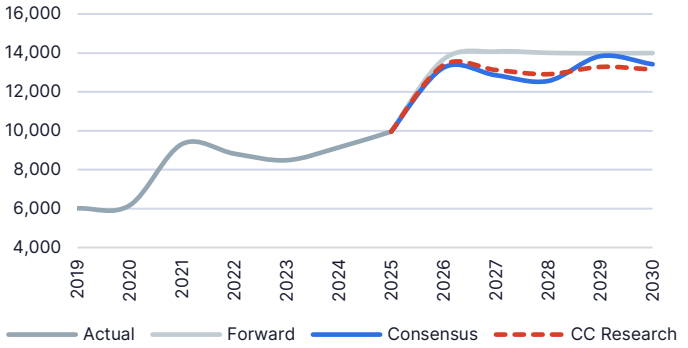
Graph 1: Gold price forecast (USD/oz)



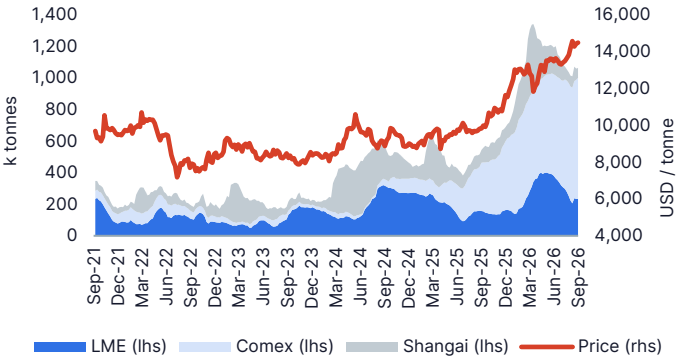
Graph 2: Gold demand trends



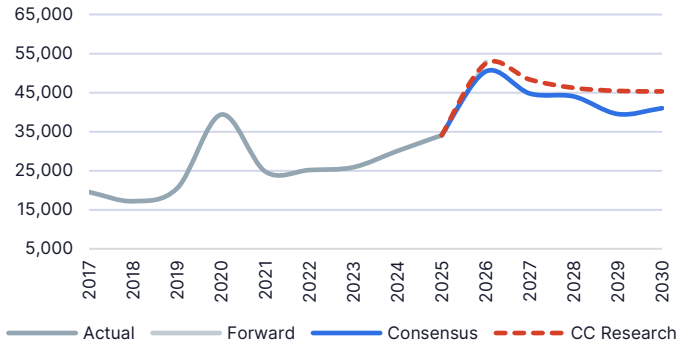
Graph 3: Copper price forecast (USD/t)



Graph 4: Copper price vs inventories

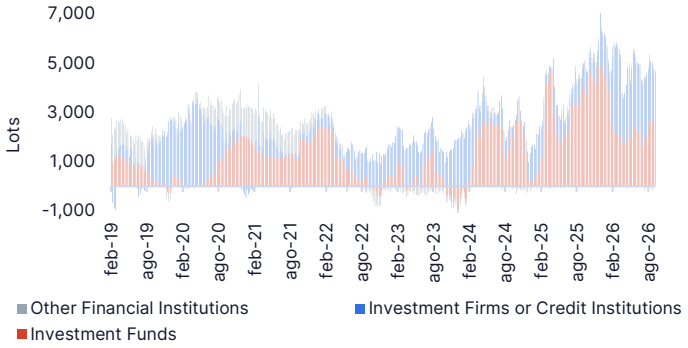


Graph 5: Tin price forecast (USD/MT)



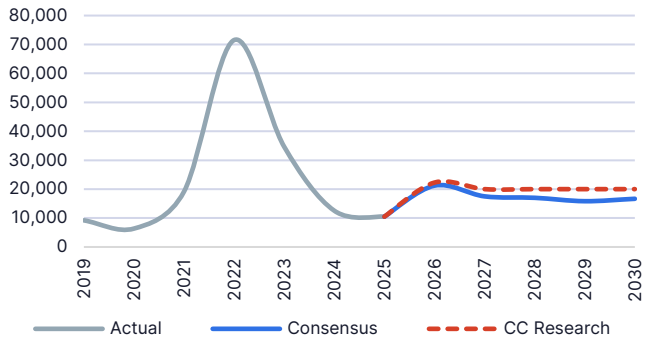
*Available data for forward estimates until 2026
Source: Bloomberg, Refinitiv

Graph 6: Tin net long positions

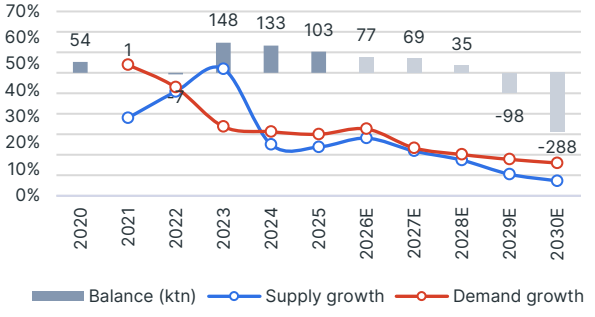


Commodities – Metals

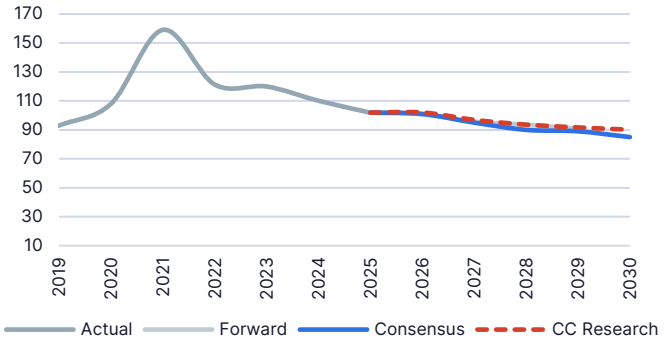
Graph 7: Lithium price forecast (USD/Mt)



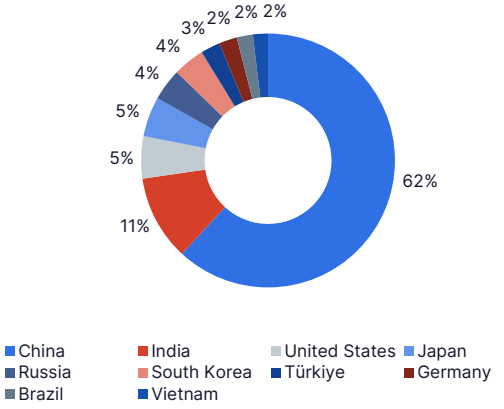
Graph 8: Lithium market balance



Graph 9: Iron price forecast (USD/t)



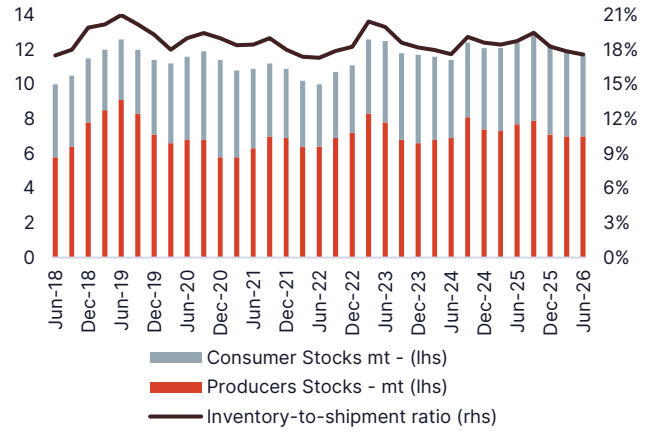
Graph 10: Crude steel production (YTD Jul-26)



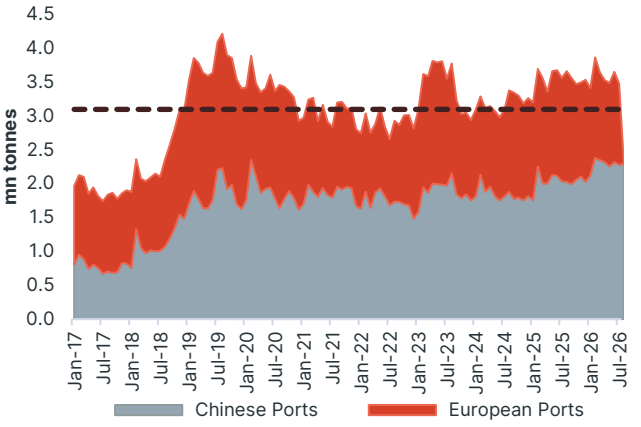
Source: Bloomberg, World Steel Association, Credicorp Capital Estimates

Commodities – Market Pulp

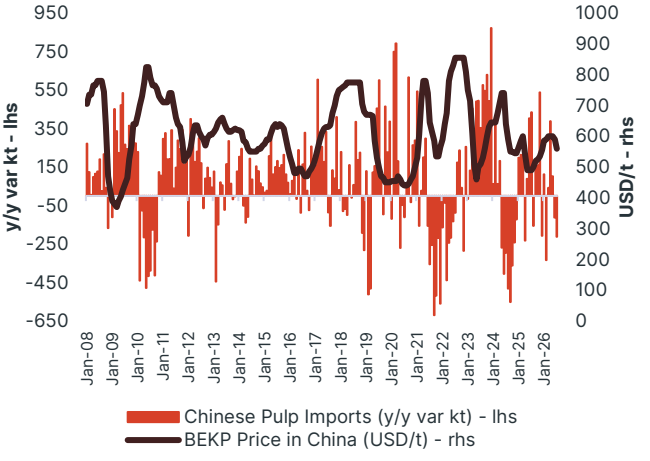
Graph 11: Producers and Consumers Pulp Stocks



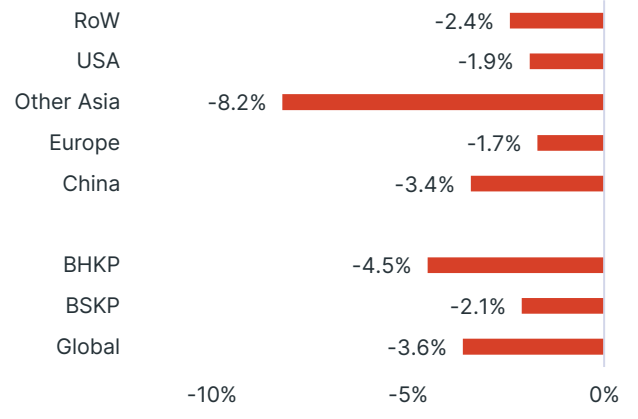
Graph 12: Pulp Inventories at Ports



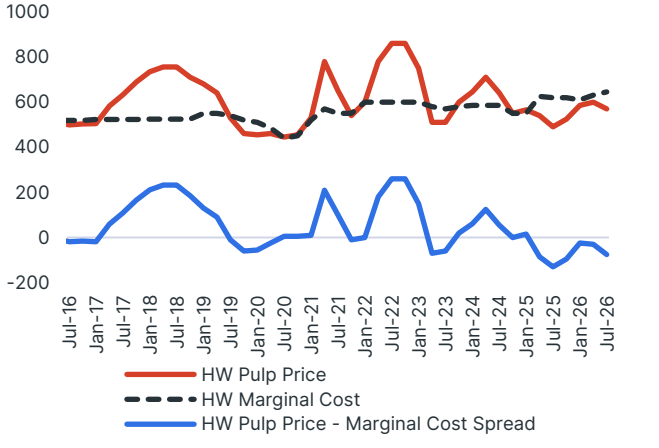
Graph 13: Chinese Pulp Imports & and BEKP Prices



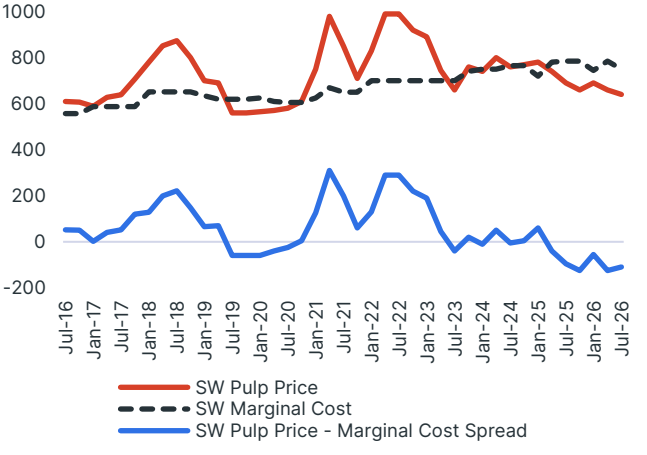
Graph 14: Global Pulp Shipments (January-July 2026) – y/y Var.



Graph 15: Pulp Prices in China vs. Marginal Cost to deliver pulp to China (Hardwood)

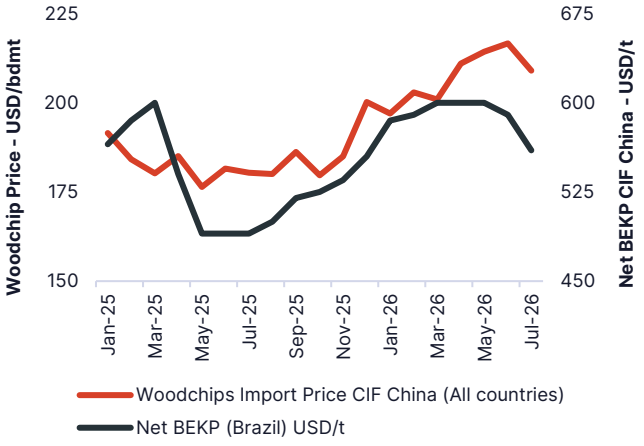


Graph 16: Pulp Prices in China vs. Marginal Cost to deliver pulp to China (Softwood)

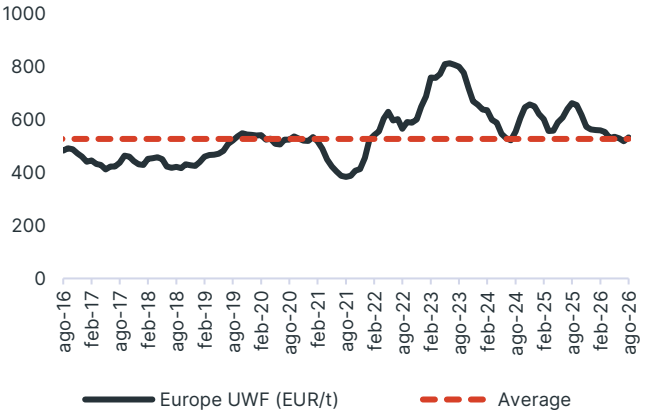


Commodities – Market Pulp

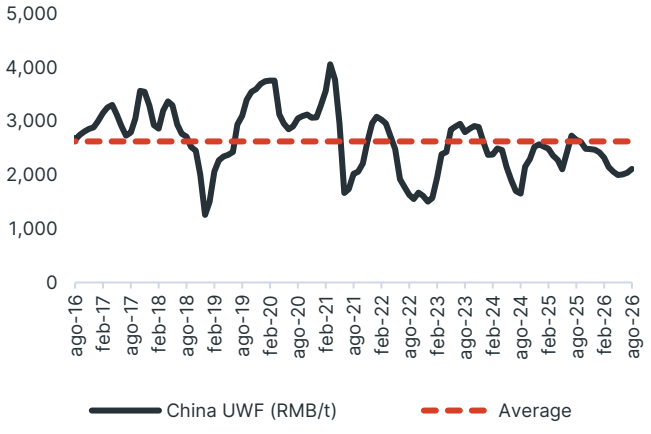
Graph 17: Woodchips Import Prices in China (USD/Bdmt) versus BEKP Import Price (USD/t)



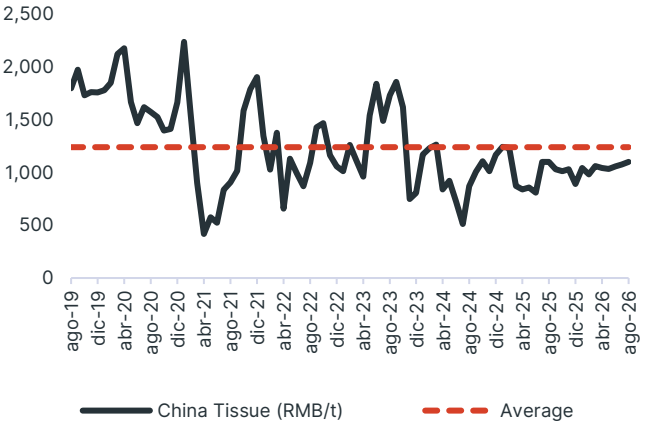
Graph 18: P&W Papermakers' Converting Margins - Europe (EUR/ton)



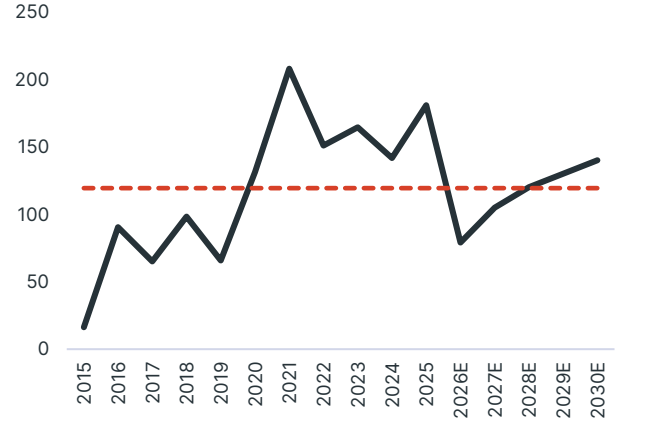
Graph 19: P&W Papermakers' Converting Margins - China (RMB/ton)



Graph 20: China Tissue Papermakers' Converting Margins (RMB/ton)

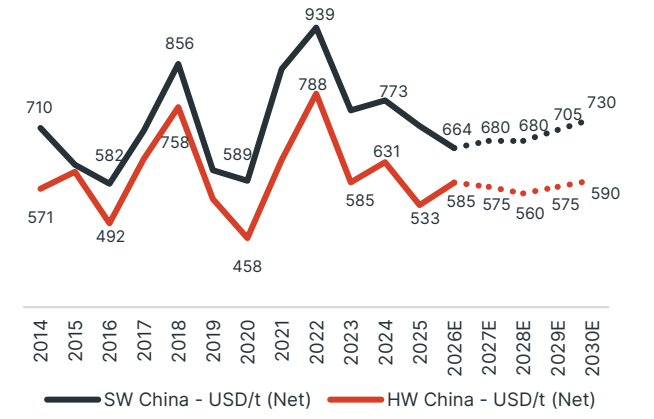


Graph 21: Pulp Price Gap in China (NBSK - BEKP) – USD/t



Source: Hawkins Wight for historical data; Credicorp Capital for forecasts

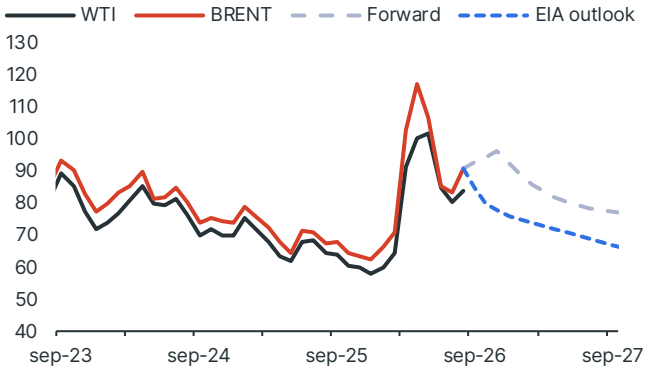
Graph 22: Pulp Prices Forecasts in China – USD/t



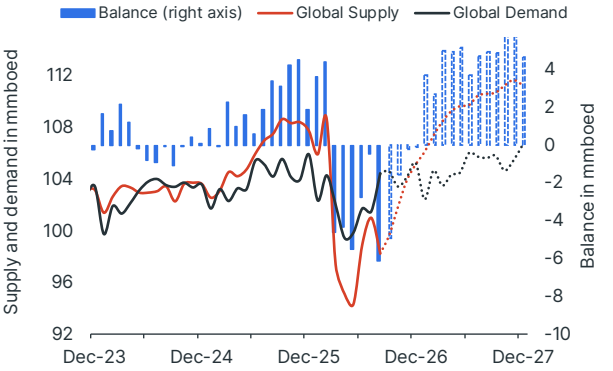
Source: Hawkins Wight for historical data; Credicorp Capital for forecasts.
*Nominal Prices

Commodities – Oil & Gas

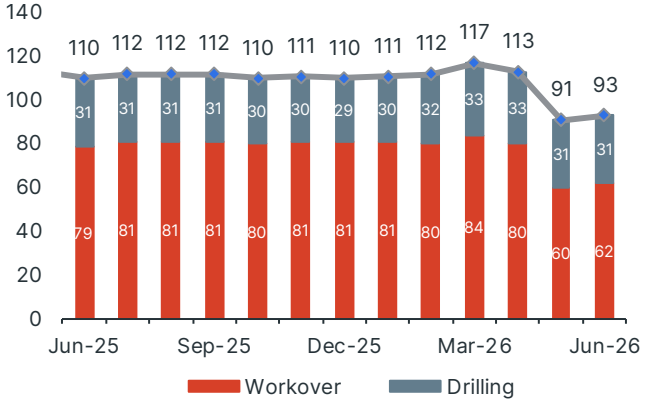
Graph 23: Brent prices & forecast FWD vs. EIA Outlook (USD/bl)



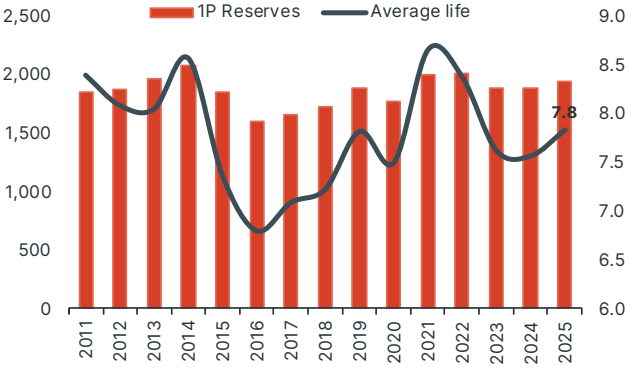
Graph 24: Global oil supply and demand balance, EIA forecast



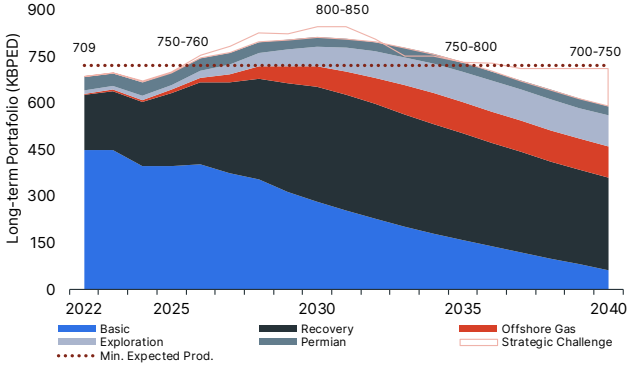
Graph 25: Total active drilling rigs in Colombia



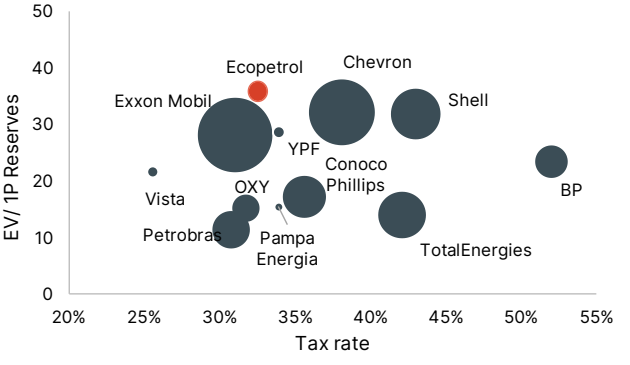
Graph 26: Ecopetrol's 1P Reserves in barrels (left) and average reserve life in years (right)



Graph 27: Ecopetrol 2040 long-term strategy



Graph 28: EV/1P Reserves vs 6M2026 Tax Rate



Sources: EIA, Ecopetrol, Campetrol, Credicorp Capital

AntarChile

Rating: Hold
TP: CLP 8,900

Equity Research Chile Conglomerates

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Reduced free float and lower liquidity could continue to hinder value recognition

Investment Thesis

We reiterate our Hold rating on AntarChile, with a YE27 target price of CLP 8,900/share, as we continue to see limited scope for AntarChile to outperform COPEC. The stock is currently trading at a holding-company discount broadly in line with its historical average of 39%. In addition, the expiration of the share repurchase program—approved in July 2021 for up to 5% of outstanding shares—removes a potential source of support for the stock price, even though the program was only minimally executed.

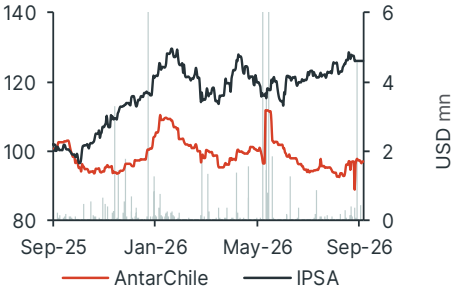
Furthermore, following the recent acquisition of a 5% stake by the controlling shareholder, which increased its ownership to 79.5%, the company's free float has declined further. Combined with an average daily trading value of only ~USD 250th on year-to-date basis (excluding the block trade mentioned above), reduced liquidity could make narrowing the holding-company discount increasingly difficult to achieve, particularly given the very limited participation of institutional investors.

Overall, we continue to prefer COPEC, as it offers a more attractive expected total return profile while also benefiting from significantly greater liquidity, being a constituent of the MSCI IPSA Index.

Stock Data

Ticker	antar ci
Price (CLP)	7,638
Target (CLP)	8,900
Total Return	21.6%
LTM Range	7,001 - 8,801
M. Cap (USD mn)	3,691
Shares Outs. (mn)	454
Free Float	20.5%
ADTV (USD mn)	1.2

Price Chart (CLP) and Volumes (USD mn)



Valuation

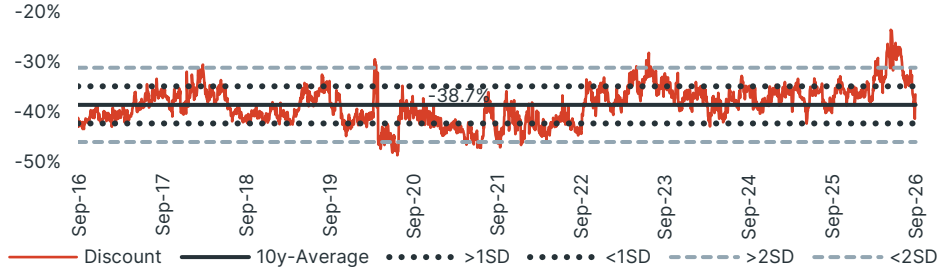
Our valuation of AntarChile is based on a SOTP methodology. We use our target prices for COPEC (CLP 8,500/share), which accounts for ~95% of our estimate of AntarChile's underlying asset value, and Colbún (CLP 170/share). The fishing businesses, which are not publicly listed, are valued at book value. To derive AntarChile's NAV, we deduct net financial debt as well as the net present value of corporate SG&A expenses at the holding-company level. Finally, we apply a 40% holding-company discount to NAV—consistent with the company's ten-year historical average—to arrive at our YE27 target price of CLP 8,900/share.

Valuation Summary

	2025	2026E	2027E	2028E
EV/EBITDA	7.4	6.5	7.5	6.6
P/E	7.8	5.6	9.6	8.1
P/CF	25.7	-5.5	9.3	2.6
P/BV	0.5	0.4	0.4	0.4
Div. Yield	9.1%	5.5%	5.0%	4.2%

Sources: Company Reports and Credicorp Capital

Holding discount

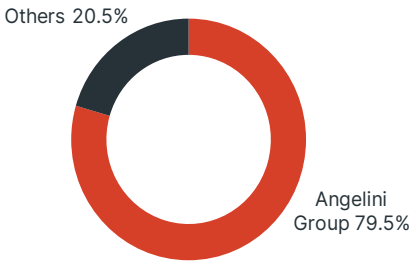


AntarChile

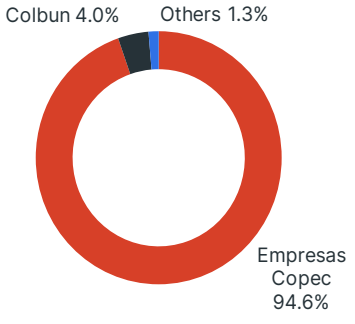
Company Description

AntarChile is the flagship holding company of the Angelini Group. Its investment portfolio is largely concentrated in Empresas Copec, in which it holds a 60.8% ownership stake, and which represents ~95% of its total assets. Through Copec, the company has exposure to leading businesses across forestry and pulp (Arauco), liquid fuel, lubricants and LPG distribution (Copec, Terpel, and Abastible), mining (40% interest in Mina Justa, Peru), fishing, last-mile logistics (Blue Express), among others. AntarChile also owns a 9.6% stake in Colbún, one of Chile's largest electricity generation companies.

Ownership Structure (As of Jun-26)



Underlying Assets (based on our estimates)



Valuation

Underlying Assets	Method	Stake	AntarChile´s EV (USD mn)	% of AntarChile
Empresas Copec	DCF	60.8%	7,636	94.6%
Colbun	DCF	9.6%	325	4.0%
Igemar	Book Value	17.5%	70	0.9%
Inversiones Nutravalor	Book Value	18.7%	37	0.5%
Equity stake in subsidiaries			8,068	
Gross Financial Debt			-167	
Cash			11	
Net Asset Value			7,912	
SG&A (NPV)			-145	
AntarChile's Equity Value			7,767	
Outstanding shares (mn)			454	
NAV/share before holding discount (CLP)			15,300	
Target Holding discount			40%	
Target Price (CLP)			8,900	
Upside (%)			16.5%	
Dividend yield by December 2027E (%)			5.0%	
Expected Total Return (%)			21.6%	

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Profit to shareholders	658	520	661	385	456

Management

CEO: Andrés Lehuedé
IRO: José Luis Arriagada
www.antarchile.cl

Buenaventura

Rating: Buy
TP: USD 42.6

Equity Research Peru
Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Precious metals exposure, anchored by copper

Investment Thesis

We set a YE2027 target price of USD 42.6/sh, broadly unchanged from our previous valuation, and maintain a BUY recommendation. Buenaventura combines exposure to precious metals with a substantial copper contribution through El Brocal and its 20% stake in Cerro Verde. Our forecasts assume average 2026–29 prices of USD 4,140/oz for gold, USD 60/oz for silver, and USD 13,172/t for copper, and long-term prices of USD 3,700/oz, USD 50/oz, and USD 13,151/t, respectively. This reflects a normalization in precious-metal prices from elevated levels, while copper remains supported by supply constraints and structural demand from electrification and AI-related infrastructure.

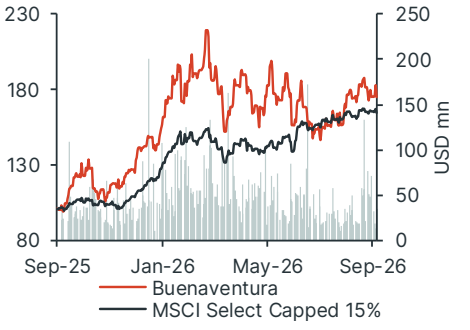
San Gabriel remains the main internal growth catalyst, although its gradual ramp-up has shifted value realization toward 2027. The operation recorded first sales in 2Q26, but throughput remains constrained by tailings filtration and metallurgical recoveries; management targets ~70% gold recovery by end-2026 and ~85% by end-2027 with limited incremental capex. We forecast consolidated production of ~547/561/592 koz gold equivalent for 2026–28E, broadly flat in 2026–27, as San Gabriel (28/71 koz) and Yumpag offset declining output at Tambomayo, Orcopampa, and Julcani, with growth accelerating from 2028 onward. Yumpag's expansion to 1,200 tpd and planned grid connection should support higher silver output and lower unit costs.

Cerro Verde remains a central pillar of the thesis, providing long-life copper exposure and substantial cash distributions. Buenaventura received USD 274 mn in dividends through July 2026, while management expects USD 350–380 mn for the full year. Together with strong direct operations, these distributions supported a net cash position at 2Q26. We see complementary value drivers from internal growth at San Gabriel and Yumpag and resilient cash generation from Cerro Verde, underpinned by a favorable medium-term copper outlook.

Stock Data

Ticker	bvn us
Price (USD)	33.9
Target (USD)	42.6
Total Return	29.6%
LTM Range	19.1 - 42.4
M. Cap (USD mn)	9,320
Shares Outs. (mn)	254
Free Float	62.0%
ADTV (USD mn)	45.4

Price Chart (USD) and Volumes (USD mn)



Valuation

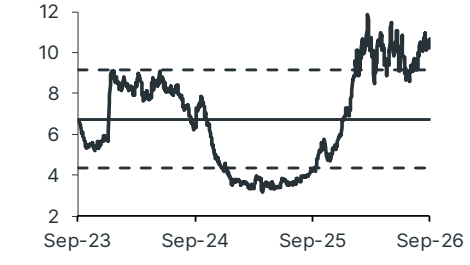
We derive our YE2027 TP of USD 42.6/sh from a 60% DCF valuation of USD 41.6/sh and a 40% EV/EBITDA relative valuation of USD 44.0/sh. Our DCF uses a 10.7% WACC. Direct operations and projects account for ~46% of equity value, Cerro Verde ~43%, Coimolache ~11%, and Tinka <1%, confirming Cerro Verde's role as a key valuation anchor. For our relative valuation, we apply a 6.1x EV/EBITDA multiple to 2028E EBITDA incl. associates of USD 1.85 bn. This incorporates a 15% premium to the estimated fair sector multiple of 5.3x,reflecting Buenaventura's exposure to precious metals and copper and its strengthened balance sheet.

Valuation Summary

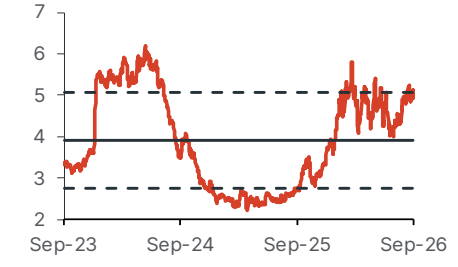
	2025	2026E	2027E	2028E
EV/EBITDA	5.8	4.0	4.6	4.7
P/E	9.8	8.7	10.2	10.5
P/CF	13.0	6.9	6.6	6.2
P/BV	1.9	1.8	1.6	1.5
Div. Yield	3.6%	4.6%	3.9%	3.8%

Sources: Company Reports and Credicorp Capital

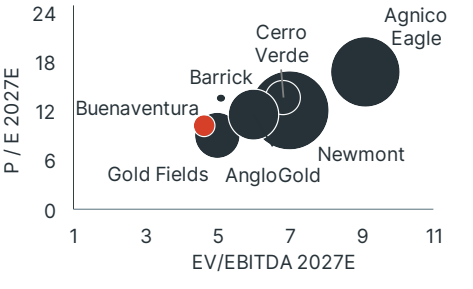
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

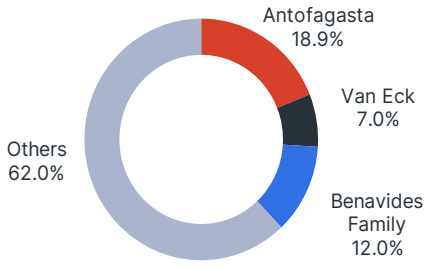


Buenaventura

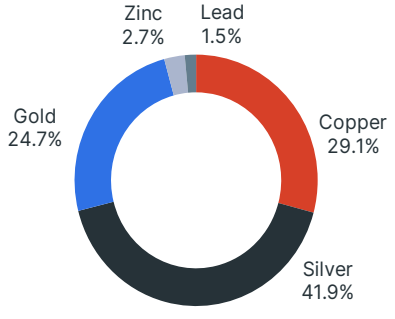
Company Description

Buenaventura (BVN) is one of Latin America's largest publicly traded precious metals mining companies. The company generates a substantial portion of its direct revenues from gold, silver, and copper. It also has stakes of 19.58% in Cerro Verde, one of the largest copper mines in Peru (JV with Freeport-McMoRan and Sumitomo), 61.43% in El Brocal (copper and zinc), and 40.09% in Coimolache (gold JV with SCCO).

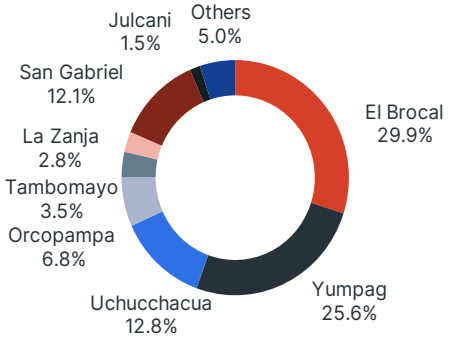
Ownership Structure



Metal sales breakdown by metal (2027E)



Metal sales breakdown by unit (2027E)



Management

CEO: Leandro García
CFO: Daniel Dominguez
IRO: Sebastian Valencia
www.buenaventura.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	1,155	1,732	2,437	2,208	2,021
Gross Profit	359	782	1,244	1,034	969
EBITDA	640	812	1,333	1,139	1,077
Net Income	403	782	988	839	817
EPS (USD)	1.6	3.1	3.9	3.3	3.2
Gross Margin	31.1%	45.2%	51.0%	46.8%	47.9%
EBITDA Margin	55.4%	46.9%	54.7%	51.6%	53.3%
Net Margin	34.9%	45.2%	40.6%	38.0%	40.4%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	478	530	810	1,101	1,480
Total Current Assets	838	1,157	1,411	1,652	1,983
Total Assets	5,048	6,023	6,726	7,153	7,531
Current Liabilities	480	576	562	552	495
Financial Debt	655	745	733	731	731
Total Liabilities	1,488	1,755	1,724	1,707	1,605
Minority Interest	169	206	226	226	226
Shareholders Equity	3,391	4,062	4,776	5,219	5,701
Total Liabilities + Equity	5,048	6,023	6,726	7,153	7,531
Net Debt /EBITDA	0.3	0.3	-0.1	-0.3	-0.7
Financial Debt /EBITDA	1.0	0.9	0.5	0.6	0.7
Financial Debt /Equity	0.2	0.2	0.2	0.1	0.1
ROAE	12.6%	21.0%	22.4%	16.8%	15.0%
ROAA	8.4%	14.1%	15.5%	12.1%	11.1%
ROIC	8.7%	13.4%	16.9%	13.2%	12.1%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**220**	**478**	**530**	**810**	**1,101**
Cash Flow From Operations	786	582	1,119	1,058	944
CAPEX	-338	-473	-499	-297	-155
Changes in Financial Debt	-73	90	-12	-1	-1
Dividends (Paid) Received	-122	-275	-395	-336	-327
Other CFI & CFF Items	6	127	68	-133	-82
Changes in Equity	0	0	0	0	0
Final Cash	**478**	**530**	**810**	**1,101**	**1,480**
Change in Cash Position	**259**	**51**	**280**	**291**	**379**

Sources: Company Reports and Credicorp Capital

Buenaventura

Fixed Income Research Peru
Metals & Mining

Orlando Barriga - orlandobarriga@credicorpcapital.com

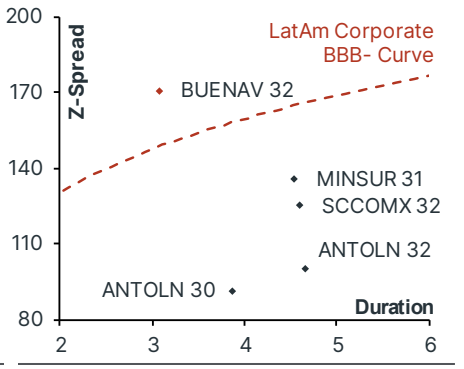
NR / BB- / BB
Outlook: nr / s / p

Strong credit metrics, fair valuation

Investment Thesis

Buenaventura's strong earnings momentum, supported by elevated precious and base metals prices, diversified commodity exposure, and a net cash position, underpins a constructive credit view and more than offsets the delayed ramp-up at San Gabriel. However, current valuations largely reflect these strengths, limiting further spread compression without greater progress on structural constraints. We estimate fair value for BUENAV 32, callable in 2030, at 80 bps over ANTOLN 30, accounting for Buenaventura's smaller scale, higher cost base, and shorter reserve life relative to larger, more efficient peers. Meaningful tightening would require larger-scale operations, structurally lower unit costs, and sustained reserve replacement, all of which will take time to materialize. With BUENAV 32 trading near fair value, we maintain our Overweight recommendation based on attractive carry and strong credit quality, despite very limited tightening potential.

Buenaventura Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 650mn
Closest Call Date	04-Feb-28
Closest Maturity Date	04-Feb-32

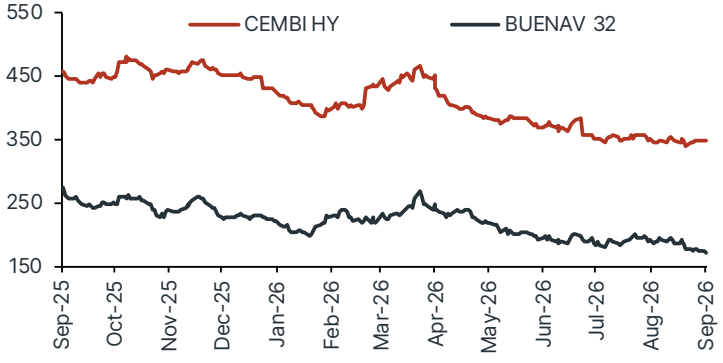
Concerns

- High-cost structure
- Limited operating scale
- Geographic concentration in Peru and exposure to social unrest
- Modest reserve life and execution risk at San Gabriel
- Exposure to commodity price volatility

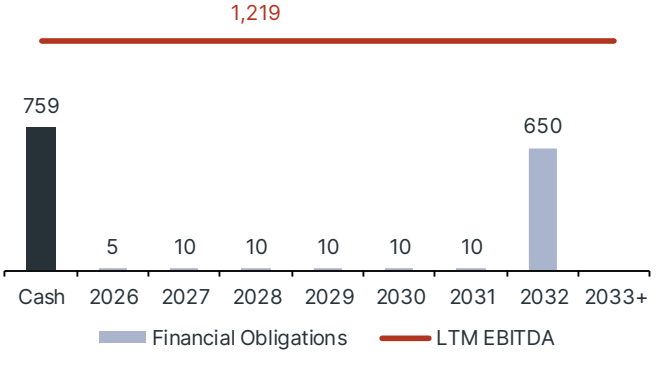
Strengths

- Low leverage, strong liquidity and limited refinancing risk
- Diversified portfolio of precious and base metals
- Valuable Cerro Verde stake, providing sizable dividends

Z- Spread evolution



Estimated Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BUENAV 32	USD 650mn	6.80%	NR / BB- / BB	171	3.1	102.5	0.6%	5.9%	Overweight

CAP

Rating: Hold
TP: CLP 6,400

Equity Research Chile Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Cleaner portfolio, lower leverage; mining recovery must follow

Investment Thesis

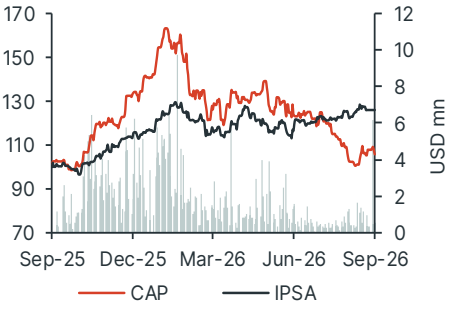
We maintain our HOLD recommendation on CAP and lower our YE2027 target price to CLP 6,400/share from CLP 6,900, as a more demanding operating recovery offsets progress on deleveraging and portfolio reshaping. Iron ore averaged ~USD 107/t in 1H26 but has slipped to ~USD 98/t so far in 3Q26 (-9% q/q), amid stronger supply from Australia, Brazil, and Simandou, while Chinese demand remains constrained by high port inventories and soft steel indicators. We anchor our call to a base-case deck of USD 102/97/94/92 per ton for 2026-29, converging to USD 90/t long term, while acknowledging price volatility. The stock has retraced from its April highs after 2Q26 EBITDA of USD 53 mn (-13% y/y) missed expectations and July rains led CMP to cut 2026 production guidance to 14.6-15.1 Mt (~0.7 Mt; USD 25-30 mn of EBITDA). Under our base-case price vector, the shares offer a total return to our YE2027 target broadly in line with our expectation for the IPSA over the same horizon.

We project consolidated EBITDA of USD 406/538/605 mn in 2026-28 (margins of 22%/28%/31%), driven by CMP volumes and cost dilution rather than by prices. We model shipments of 14.6/15.9/16.4 Mt in 2026-28, followed by a plateau of 18.4 Mt from 2031, as CNN optimization I-II and El Romeral I ramp up. Our implied realized price is USD 97/91 per ton in 2026-28 (a 5% discount to the benchmark, narrowing over time), and our implied cash cost (COGS ex-D&A per shipped ton) is USD 56/52/51. This yields Mining EBITDA of USD 363/482/536 mn, with Infrastructure stable at USD 59-61 mn. In Industrial, we project EBITDA of USD -11/2/13 mn, assuming the Huachipato-AZA sale closes in 1H27 as guided and modular normalizes. Capex of USD 250/334/538 mn in 2026-28 is covered by operating cash flow through 2027, with the 2028 peak partly debt-funded; we project net debt/EBITDA of 2.3x in 2027E versus the 4.0x covenant.

Stock Data

Ticker	cap ci
Price (CLP)	5,571
Target (CLP)	6,400
Total Return	15.5%
LTM Range	5,188 - 8,600
M. Cap (USD mn)	885
Shares Outs. (mn)	149
Free Float	42.1%
ADTV (USD mn)	1.7

Price Chart (CLP) and Volumes (USD mn)



Valuation

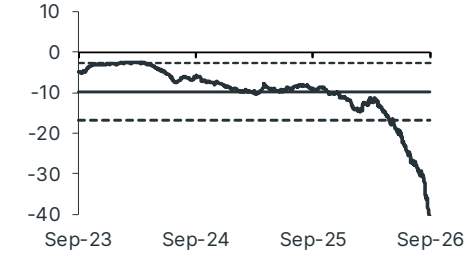
Our YE2027 target price of CLP 6,400 combines a DCF (60%; CLP 6,610) and 4.7x EV/EBITDA 2028E (40%; CLP 6,020). The DCF discounts segment FCFF for 2028-32E at a 9.7% WACC with 2.2% terminal growth. Minorities are deducted at implied P/BV, rare earths enter at market value. The cut reflects lower 2026-27E Mining EBITDA after the 2Q26 miss and the weather-related volume loss. Upside risks: iron ore above our deck; downside risks: Chinese steel demand as Simandou ramps up, a slower volume and C1 recovery at CMP, and further modular project overruns at Cintac.

Valuation Summary

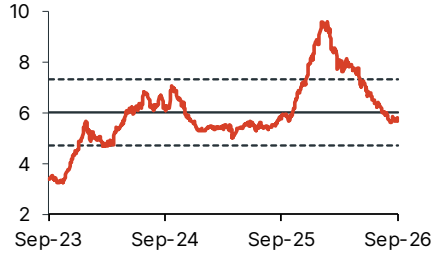
	2025	2026E	2027E	2028E
EV/EBITDA	7.8	8.5	6.4	5.7
P/E	-14.5	-8.5	80.8	11.8
P/CF	16.1	2.4	4.6	23.5
P/BV	0.7	0.5	0.5	0.5
Div. Yield	0.1%	0.0%	0.6%	4.2%

Sources: Company Reports and Credicorp Capital

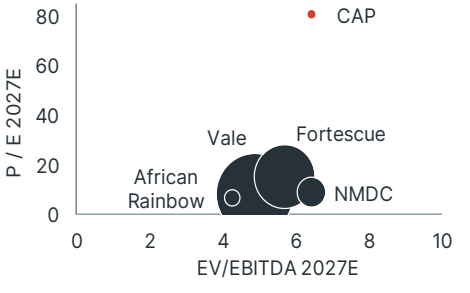
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

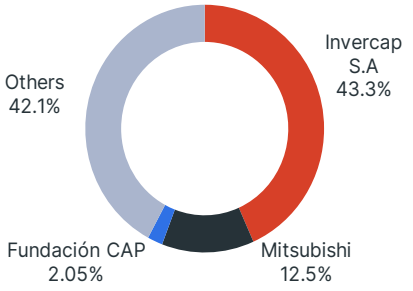


CAP

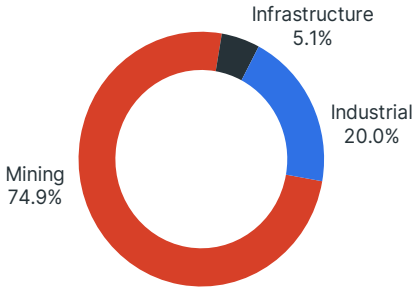
Company Description

CAP is a diversified Chilean mining and industrial group with leading positions in iron ore, infrastructure and steel-related solutions. The company's primary asset is CMP, Chile's largest iron ore producer, complemented by strategic infrastructure assets including desalinated water, power transmission and port logistics operations, as well as steel processing and modular construction businesses through Cintac.

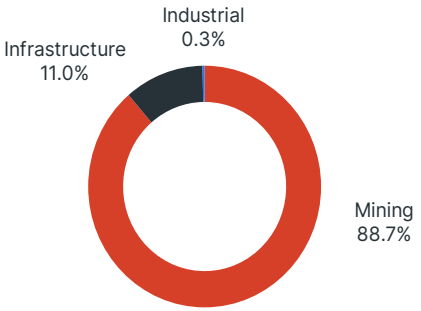
Ownership Structure



Revenue breakdown by segment (2027E)



EBITDA breakdown by segment (2027E)



Management

CEO: Nicolás Burr
CFO: Felipe Gazitúa
IRO: Felipe Cisterna
www.cap.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	1,801	1,930	1,839	1,919	1,944
Gross Profit	303	229	289	393	422
EBITDA	569	513	406	538	605
Net Income	-427	-85	-105	11	75
EPS (CLP)	-2,842	-533	-659	69	473
Gross Margin	16.8%	11.9%	15.7%	20.4%	21.7%
EBITDA Margin	31.6%	26.6%	22.1%	28.0%	31.1%
Net Margin	-23.7%	-4.4%	-5.7%	0.6%	3.9%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	392	311	412	476	359
Total Current Assets	1,290	1,189	1,011	1,078	962
Total Assets	6,361	6,116	5,727	5,741	5,806
Current Liabilities	1,153	1,019	859	857	856
Financial Debt	1,710	1,782	1,719	1,728	1,728
Total Liabilities	3,175	3,098	2,875	2,879	2,878
Minority Interest	1,368	1,284	1,231	1,235	1,263
Shareholders Equity	1,818	1,734	1,622	1,627	1,665
Total Liabilities + Equity	6,361	6,116	5,727	5,741	5,806
Net Debt /EBITDA	2.3	2.9	3.2	2.3	2.3
Financial Debt /EBITDA	3.0	3.5	4.2	3.2	2.9
Financial Debt /Equity	0.9	1.0	1.1	1.1	1.0
ROAE	-20.9%	-4.8%	-6.2%	0.7%	4.6%
ROAA	-6.4%	-1.4%	-1.8%	0.2%	1.3%
ROIC	1.2%	2.8%	-0.4%	2.7%	4.5%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**497**	**392**	**311**	**412**	**476**
Cash Flow From Operations	216	302	474	390	430
CAPEX	-301	-315	-250	-334	-538
Changes in Financial Debt	73	72	-62	9	0
Dividends (Paid) Received	-45	-1	0	-5	-38
Other CFI & CFF Items	-48	-139	-61	4	29
Changes in Equity	0	0	0	0	0
Final Cash	**392**	**311**	**412**	**476**	**359**
Change in Cash Position	**-105**	**-81**	**100**	**64**	**-117**

Sources: Company Reports and Credicorp Capital

Celulosa Arauco

Fixed Income Research Chile
Pulp & Paper

Orlando Barriga - orlandobarriga@credicorpcapital.com

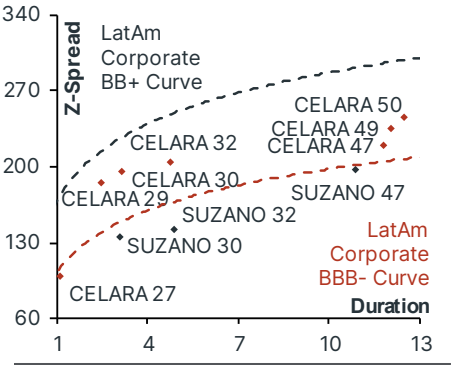
Baa3 / BBB- / BBB-
Outlook: n / n / s

Equity support strengthens the IG case, but leverage remains elevated

Investment Thesis

Arauco's strong business franchise is constrained by a stretched financial profile, warranting a selective stance across the CELARA curve. Sucuriú should enhance scale and cost competitiveness, while ahead-of-schedule execution and Empresas Copec's new USD 450mn contingent equity commitment improve the prospects of preserving IG status. However, elevated capex, negative FCF, and net leverage of 6.2x leave limited financial flexibility and sustain fallen-angel risk. We estimate fair value at approximately 60 bps wider than Suzano on a z-spread basis, reflecting equal probabilities of retaining IG status or being downgraded to HY. We are Overweight CELARA 29, 30, and 32 on attractive carry and improving credit mitigants, and Underweight CELARA 47, 49, and 50, where spreads offer insufficient compensation for residual credit risk.

Celulosa Arauco Bonds and comparables



Credit Data	
REG-S Notes	7
Outstanding Senior Notes	USD 3,348mn
Closest Call Date	02-Aug-27
Closest Maturity Date	02-Nov-27

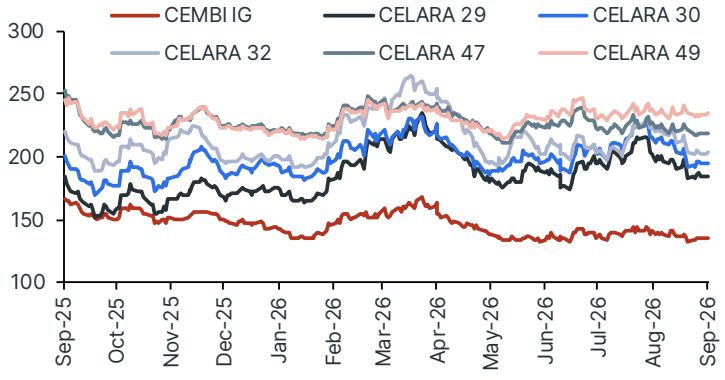
Concerns

- Elevated leverage during Sucuriú's construction
- Negative free cash flow through 2027
- Exposure to pulp and wood-product price volatility
- Execution and cost-overrun risks at Sucuriú

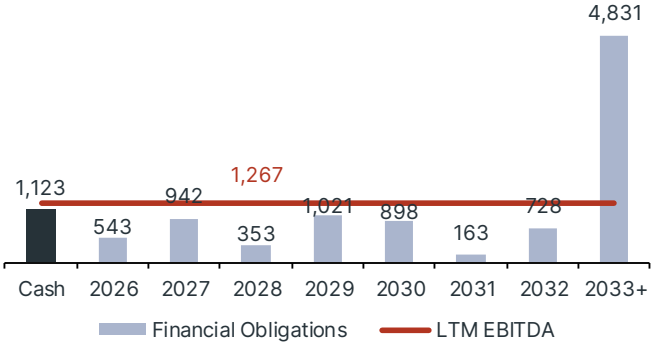
Strengths

- Leading global position in pulp and panels
- Large forestry asset base
- Sustainable low-cost and vertically integrated operations
- Strategic and financial support from Empresas Copec

Z- Spread evolution



Debt Maturity Profile (USDmn)



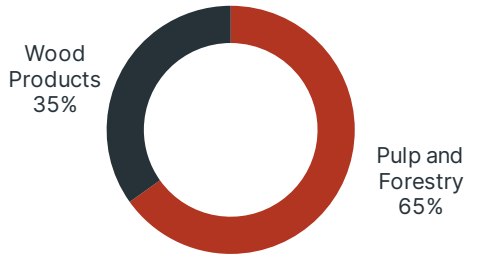
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
CELARA 27	USD 470mn	3.88%	Baa3 / BBB- / BBB-	99	1.1	98.5	0.3%	5.2%	Neutral
CELARA 29	USD 500mn	4.25%	Baa3 / BBB- / BBB-	184	2.5	95.3	0.4%	6.1%	Overweight
CELARA 30	USD 500mn	4.20%	Baa3 / BBB- / BBB-	195	3.2	93.8	0.4%	6.2%	Overweight
CELARA 32	USD 500mn	6.18%	Baa3 / BBB- / BBB-	204	4.8	99.0	0.5%	6.4%	Overweight
CELARA 47	USD 378mn	5.50%	Baa3 / BBB- / BBB-	219	11.8	85.3	0.5%	6.8%	Underweight
CELARA 49	USD 500mn	5.50%	Baa3 / BBB- / BBB-	235	12.0	83.3	0.6%	6.9%	Underweight
CELARA 50	USD 500mn	5.15%	Baa3 / BBB- / BBB-	246	12.5	78.1	0.5%	7.0%	Underweight

Arauco

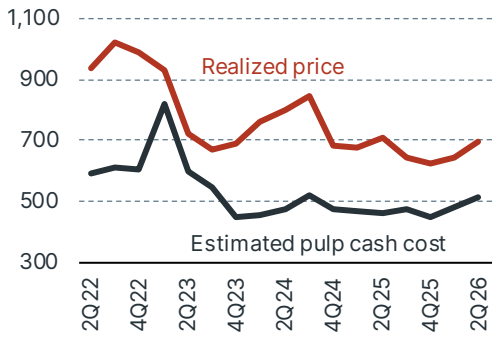
Company Description

Celulosa Arauco is one of the world's largest pulp and wood products producers, with diversified pulp, panel, and forestry operations across Latin America, North America, Europe, and Africa. Its plantations in Chile, Brazil, Argentina, and Uruguay underpin a vertically integrated, low-cost business model, supported by competitive fiber costs, modern facilities, energy self-sufficiency, and efficient logistics. The Sucuriú project is expected to increase annual pulp capacity from 5.1mn to approximately 8.6mn tons. Arauco is controlled by Empresas Copec, one of Chile's leading industrial groups.

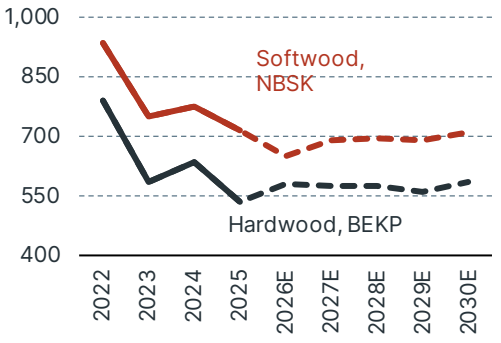
LTM EBITDA Breakdown (%)



Realized Pulp Price and Cash Cost (USD/t)



Market Pulp Prices, net China (USD/t)



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
EBITDA Int. Cvg.	10.8x	2.7x	5.1x	3.2x	3.0x
Gross Debt / EBITDA*	2.6x	6.9x	3.3x	6.1x	7.1x
Net Debt / EBITDA*	2.3x	6.3x	2.7x	5.2x	6.2x
Net Debt / Equity	0.6x	0.8x	0.6x	0.8x	0.8x
ST Debt / Gross Debt	7.2%	15.9%	5.9%	8.1%	9.3%

* Considers 50% of Hybrid instruments issued by the company

Income Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Net Revenues	7,102	6,012	6,546	6,084	6,109
Gross Profit	2,828	1,268	1,912	1,537	1,392
EBIT	1,018	43	1,037	493	456
Interest Expenses	-200	-374	-398	-410	-429
Adj. EBITDA	2,167	1,026	2,014	1,331	1,267
Gross Margin	39.8%	21.1%	29.2%	25.3%	22.8%
EBITDA Margin	30.5%	17.1%	30.8%	21.9%	20.7%
Net Margin	9.9%	-6.0%	7.3%	0.7%	2.0%

Balance Sheet

USDmn	2022	2023	2024	2025	LTM2Q26
Cash & Equivalents	667	570	1,072	1,284	1,123
Current Assets	3,775	4,176	4,275	4,394	4,650
Total Assets	17,180	17,910	18,159	21,305	22,497
Current Liabilities	1,526	2,072	1,363	1,932	2,137
Total Liabilities	8,920	9,901	9,436	11,621	12,500
Equity	8,260	8,009	8,724	9,684	9,997
Net Debt	5,051	6,485	5,525	7,290	8,356
Gross Debt	5,718	7,055	6,597	8,574	9,479
Short Term Debt	410	1,121	392	693	881
Long Term Debt	5,308	5,935	6,205	7,881	8,598
ROE	8.5%	nm	5.5%	0.4%	1.2%
ROA	4.1%	nm	2.6%	0.2%	0.5%

Cash Flow Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Operating Activities	1,701	740	1,181	1,047	939
Investing Activities	-1,470	-1,333	-329	-2,431	-2,909
Financing Activities	-527	646	-306	1,557	2,005

Sources: Company Reports and Credicorp Capital

Cerro Verde

Rating: Uperf
TP: USD 65.6

Equity Research Peru Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Stronger copper outlook lifts earnings, but valuation limits appeal

Investment Thesis

Following Cerro Verde's significant share price rally, we downgrade the stock from HOLD to UPERF and raise our YE2027 target price to USD 65.6/share from USD 63.5/share. The higher target reflects a materially stronger copper outlook, which reinforces earnings, cash generation, and dividend capacity despite a more moderate production profile. However, we believe the improved commodity backdrop and current earnings strength are largely reflected in the valuation, limiting the stock's appeal at current levels.

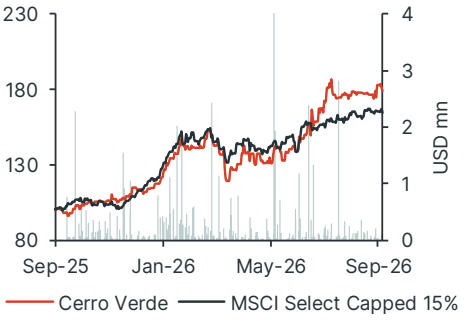
Our model assumes average copper prices of USD 13,172/t in 2026–2029 and a long-term price of USD 13,151/t, supported by constrained supply growth and structurally stronger demand from power-grid expansion, the energy transition, and AI and data-center build-out. Production remained under pressure in 1H26, reflecting lower ore grades and earlier mill-efficiency challenges. We expect a moderate output recovery, but the investment case remains driven mainly by metal prices and operating normalization rather than capacity growth, as our model includes no material expansion project. Higher copper prices and strong by-product contributions from molybdenum and silver should sustain robust margins.

Cerro Verde's strong liquidity position supports continued shareholder distributions without constraining sustaining investment. The company held USD 1.3 bn in cash and equivalents at June 2026 and had not drawn on its revolving credit facility. With no material expansion project incorporated into our forecasts, we expect operating cash generation to fund sustaining requirements while preserving balance-sheet flexibility, although future distributions will remain sensitive to metal prices and operating performance.

Stock Data

Ticker	cverdec1 pe
Price (USD)	69.9
Target (USD)	65.6
Total Return	1.2%
LTM Range	37.6 - 73.0
M. Cap (USD mn)	24,469
Shares Outs. (mn)	350
Free Float	3.8%
ADTV (USD mn)	0.7

Price Chart (USD) and Volumes (USD mn)



Valuation

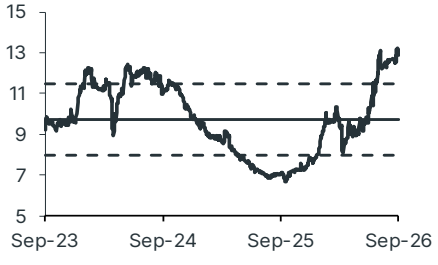
Our YE2027 target price of USD 65.6/share is based on a 60% DCF and 40% EV/EBITDA relative valuation. Our DCF yields USD 62.1/share and applies an 11.7% WACC, valuing the cash flows generated by the reserves and resources incorporated into our mine plan. Our relative valuation yields USD 70.8/share and applies a 6.6x one-year forward EV/EBITDA multiple, equivalent to a 15% discount to the 7.7x peer benchmark, reflecting the stock's limited trading liquidity.

Valuation Summary

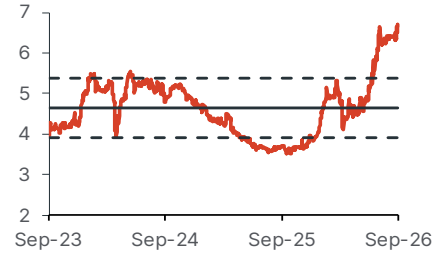
	2025	2026E	2027E	2028E
EV/EBITDA	6.1	6.2	6.8	6.5
P/E	12.5	12.3	13.7	13.6
P/CF	23.1	12.2	14.5	13.6
P/BV	2.3	3.1	3.1	3.1
Div. Yield	3.2%	7.4%	7.4%	7.4%

Sources: Company Reports and Credicorp Capital

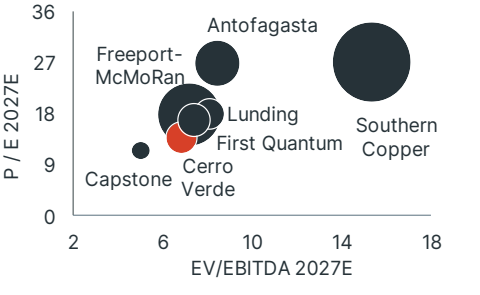
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

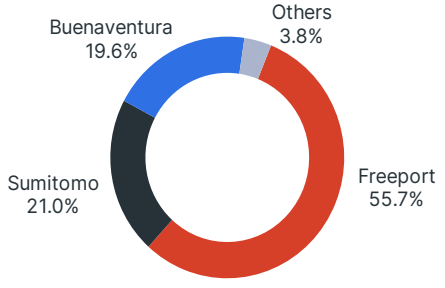


Cerro Verde

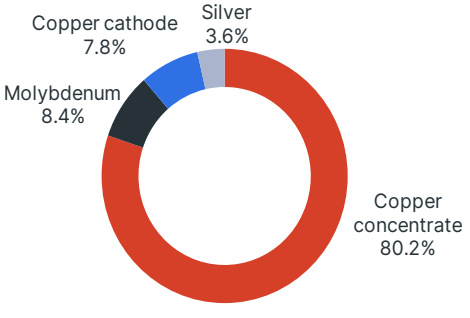
Company Description

Sociedad Minera Cerro Verde is Peru's second largest copper producer. The company is controlled by Freeport-McMoRan (55.66% stake), with minority ownership held by Sumitomo Metal Mining and Compañía de Minas Buenaventura. Cerro Verde produces and sells copper concentrates, copper cathodes and molybdenum concentrates from its mining complex located approximately 30 km from Arequipa, Peru's second-largest city.

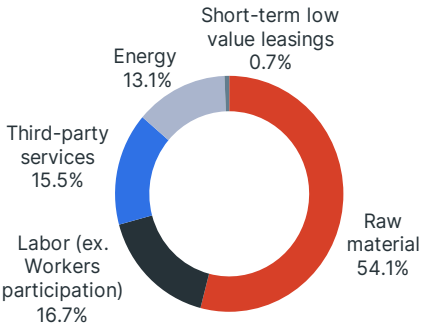
Ownership Structure



Revenue breakdown by metal (2027E)



Production Cost (2027E)



Management

CEO: Tomás Gonzales
Controller: Jean Paul Casas
VP Corporate Affairs: Julia Torreblanca
www.cerroverde.pe

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	4,238	4,728	6,038	5,829	6,097
Gross Profit	1,650	2,166	3,258	2,873	2,930
EBITDA	2,071	2,644	3,741	3,409	3,594
Net Income	953	1,367	1,997	1,783	1,795
EPS (USD)	2.7	3.9	5.7	5.1	5.1
Gross Margin	38.9%	45.8%	54.0%	49.3%	48.1%
EBITDA Margin	48.9%	55.9%	62.0%	58.5%	58.9%
Net Margin	22.5%	28.9%	33.1%	30.6%	29.4%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	690	1,088	1,380	1,343	1,384
Total Current Assets	1,876	2,798	3,047	2,996	3,094
Total Assets	8,034	9,225	9,532	9,541	9,577
Current Liabilities	527	662	778	820	878
Financial Debt	51	112	95	95	95
Total Liabilities	1,251	1,624	1,734	1,759	1,800
Minority Interest	0	0	0	0	0
Shareholders Equity	6,783	7,601	7,798	7,781	7,776
Total Liabilities + Equity	8,034	9,225	9,532	9,541	9,577
Net Debt /EBITDA	-0.3	-0.4	-0.3	-0.4	-0.4
Financial Debt /EBITDA	0.0	0.0	0.0	0.0	0.0
Financial Debt /Equity	0.0	0.0	0.0	0.0	0.0
ROAE	14.2%	19.0%	25.9%	22.9%	23.1%
ROAA	11.9%	15.8%	21.3%	18.7%	18.8%
ROIC	15.1%	20.3%	29.9%	26.4%	26.9%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**510**	**690**	**1,088**	**1,380**	**1,343**
Cash Flow From Operations	1,699	1,740	2,801	2,520	2,622
CAPEX	-658	-770	-729	-752	-774
Changes in Financial Debt	-9	62	-17	0	0
Dividends (Paid) Received	-850	-550	-1,800	-1,800	-1,800
Other CFI & CFF Items	-1	-83	37	-5	-6
Changes in Equity	0	0	0	0	0
Final Cash	**690**	**1,088**	**1,380**	**1,343**	**1,384**
Change in Cash Position	**180**	**398**	**291**	**-37**	**41**

Sources: Company Reports and Credicorp Capital

CMPC

Rating: Uperf
TP: CLP 1,150

Equity Research Chile
Pulp & Paper

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Compelling growth option, but key funding questions remain

Investment Thesis

We reiterate our Underperform recommendation on CMPC, with a 2027YE target price of CLP 1,150/share. While Natureza remains a compelling long-term growth opportunity, limited visibility on permitting, asset monetization, and ultimately the project's financing structure continues to constrain the investment case.

Despite the noticeable underperformance of CMPC's shares relative to IPSA, consensus estimates imply that the company is currently trading at only a 7% discount to its 10-year average EV/Fwd EBITDA multiple, broadly in line with the discount observed for COPEC. By comparison, Brazilian peers trade at discounts ranging from 12% to 20% versus their own historical averages (Klabin and Suzano, respectively).

We believe investors are likely to remain on the sidelines as they await greater visibility regarding Natureza's environmental permitting process, potential monetization of non-core assets, which management has indicated could generate proceeds of up USD1.5 bn, and the Board's ultimate decision on the project, particularly regarding its financing structure. In our view, the key debate is no longer whether Natureza can create value, but rather how CMPC can fund the project while preserving its investment-grade rating and maintaining adequate balance sheet flexibility.

While we believe investors are already discounting the likelihood of an equity raise, the magnitude and structure of such an event remain uncertain. Market expectations appear to incorporate a relatively wide range of potential outcomes, ranging from USD 0.5 bn to USD 1.5 bn for a USD4.6 bn project representing close to 60% of CMPC's current enterprise value.

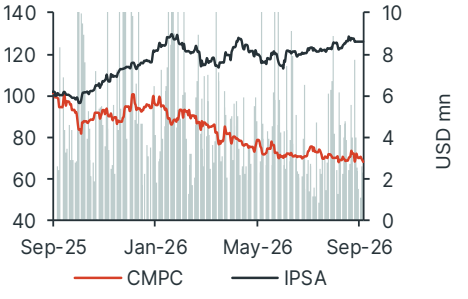
Valuation

At our target price of CLP 1,150/share, CMPC would trade at 6.8x EV / Fwd EBITDA, in line with its 10-year historical average of 6.8x based on consensus estimates.

Stock Data

Ticker	cmpc ci
Price (CLP)	1,002
Target (CLP)	1,150
Total Return	16.1%
LTM Range	1,000 - 1,488
M. Cap (USD mn)	2,665
Shares Outs. (mn)	2,500
Free Float	44%
ADTV (USD mn)	5.5

Price Chart (CLP) and Volumes (USD mn)

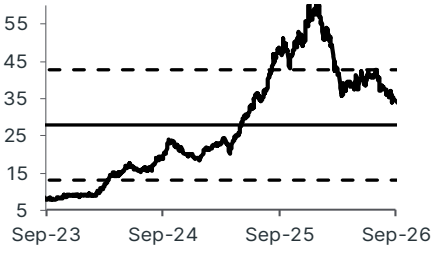


Valuation Summary

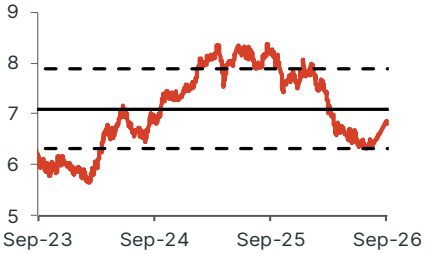
	2025	2026E	2027E	2028E
EV/EBITDA	8.0	7.0	6.4	6.3
P/E	19.5	40.7	28.6	22.0
P/CF	7.0	7.6	6.0	4.8
P/BV	0.4	0.3	0.3	0.3
Div. Yield	1.1%	1.4%	1.0%	1.1%

Sources: Company Reports and Credicorp Capital

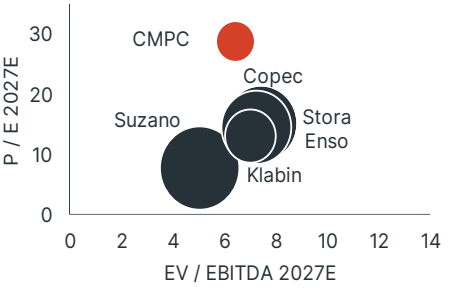
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

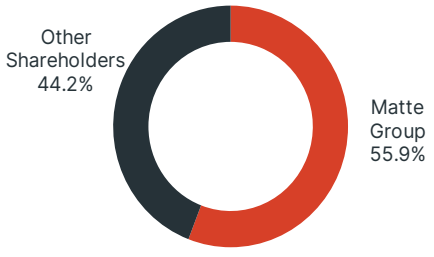


CMPC

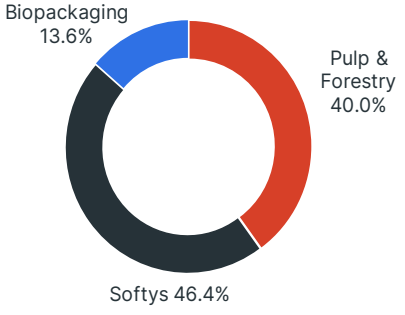
Company Description

CMPC is an integrated Chilean forestry company with operations in Chile, Argentina, Peru, Uruguay, Mexico, Colombia, Brazil, and Ecuador. The company is one of the five largest sellers of market pulp worldwide. It also commercializes tissue and personal care products through Softys, being the second-largest competitor in Latin America, and it manufactures packaging products. Matte Group is its controlling shareholder.

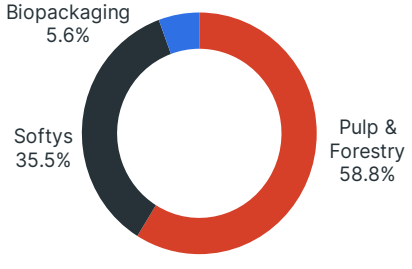
Ownership Structure (As of Dic-25)



Revenue breakdown by business (LTM)



EBITDA breakdown by business (LTM)



Management

CEO: Francisco Ruiz-Tagle
VP Tecnología y Finanzas: Sebastián Moraga
IRO: Diego Merino
www.cmpc.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	7,743	7,475	7,793	8,273	8,469
Gross Profit	1,891	1,430	1,508	1,668	1,716
EBITDA	1,542	1,132	1,140	1,243	1,268
Net Income	491	201	65	93	121
EPS (CLP)	195	76	25	35	45
Gross Margin	24.4%	19.1%	19.3%	20.2%	20.3%
EBITDA Margin	19.9%	15.1%	14.6%	15.0%	15.0%
Net Margin	6.3%	2.7%	0.8%	1.1%	1.4%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	704	927	794	719	727
Total Current Assets	4,255	4,366	4,413	4,524	4,551
Total Assets	16,936	20,578	20,946	21,178	21,342
Current Liabilities	2,045	2,089	2,538	2,613	2,617
Financial Debt	5,614	6,079	6,135	6,135	6,135
Total Liabilities	9,137	10,476	10,700	10,864	10,936
Minority Interest	0	1	1	1	1
Shareholders Equity	7,799	10,101	10,245	10,313	10,404
Total Liabilities + Equity	16,936	20,578	20,946	21,178	21,342
Net Debt /EBITDA	3.2	4.6	4.7	4.4	4.3
Financial Debt /EBITDA	3.6	5.4	5.4	4.9	4.8
Financial Debt /Equity	0.7	0.6	0.6	0.6	0.6
ROAE	6.3%	2.2%	0.6%	0.9%	1.2%
ROAA	2.9%	1.1%	0.3%	0.4%	0.6%
ROIC	4.2%	2.7%	3.1%	1.9%	2.1%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**918**	**704**	**927**	**794**	**719**
CF From Operations	1,052	-1,646	314	500	597
CAPEX	-754	-697	-581	-550	-560
Changes in Financial Debt	65	464	56	0	0
Dividends (Paid) Received	-255	-43	-37	-25	-29
Other CFI & CFF Items	-322	2,145	115	0	0
Changes in Equity	0	0	0	0	0
Final Cash	**704**	**927**	**794**	**719**	**727**
Change in Cash Position	**-214**	**223**	**-132**	**-75**	**8**

Sources: Company Reports and Credicorp Capital

CMPC

Baa3 / BBB- / BBB-
Outlook: n / n / s

Fixed Income Research Chile
Pulp & Paper

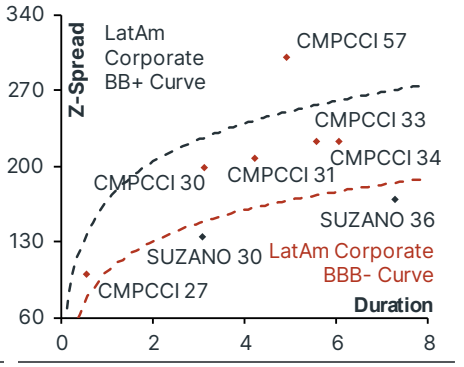
Orlando Barriga - orlandobarriga@credicorpcapital.com

Asset monetization needed to preserve IG status and reduce leverage

Investment Thesis

CMPC's low-cost pulp operations, diversified business profile, and adequate liquidity are offset by elevated leverage, warranting a selective stance across the CMPCCI curve. We estimate that USD 750mn of asset monetizations, roughly half the amount outlined last year, is required to preserve IG status, as operating cash flow alone is unlikely to restore credit metrics amid weak conditions across all segments. While deleveraging would ease near-term rating pressure, the USD 4.6bn Natureza project remains the key medium-term risk. Debt should fund no more than 50-60% of project capex, as a higher debt share would keep leverage above rating thresholds during construction. We estimate fair value at 60 bps wider than Suzano on a z-spread basis, assuming equal probabilities of retaining IG status or falling to HY. We are Overweight CMPCCI 33 on attractive relative value and Neutral elsewhere, where spreads offer limited upside.

CMPC Bonds and comparables



Credit Data	
REG-S Notes	6
Outstanding Notes	USD 3,100mn
Closest Call Date	13-Oct-29
Closest Maturity Date	04-Apr-27

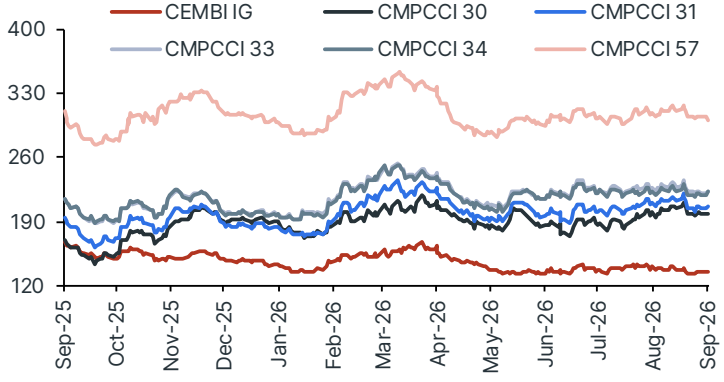
Concerns

- Elevated leverage and limited headroom at the current rating
- Exposure to volatile global pulp prices, weak margins at Softys and Biopackaging
- Slow progress on asset monetizations
- The Natureza project could materially weaken credit metrics

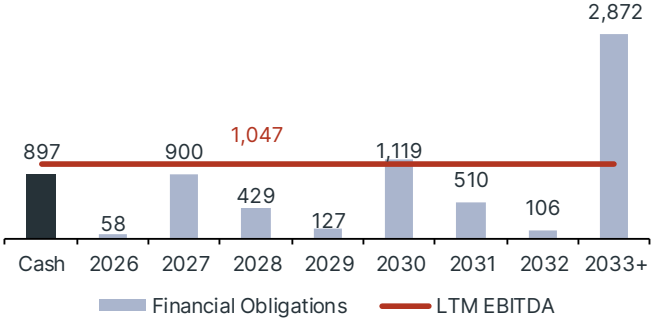
Strengths

- Globally competitive, low-cost pulp production
- Product and geographic diversification
- Adequate liquidity and strong access to capital markets

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
CMPCCI 27	USD 500mn	4.38%	Baa3 / BBB- / BBB-	100	0.6	99.7	0.4%	5.0%	Neutral
CMPCCI 30	USD 500mn	3.85%	Baa3 / BBB- / BBB-	200	3.1	92.6	0.3%	6.3%	Neutral
CMPCCI 31	USD 500mn	3.00%	Baa3 / BBB- / BBB-	207	4.2	86.7	0.3%	6.4%	Neutral
CMPCCI 33	USD 500mn	6.13%	Baa3 / BBB- / BBB-	224	5.6	97.5	0.5%	6.5%	Overweight
CMPCCI 34	USD 500mn	6.13%	NR / BBB- / BBB-	223	6.1	97.3	0.5%	6.5%	Neutral
CMPCCI 57	USD 600mn	6.70%	Ba1 / BB / BB	301	4.9	96.8	0.6%	7.3%	Neutral

Ecopetrol

Rating: Buy
TP: COP 3,300 (loc) / USD 17.4 (ADR)

Equity Research Colombia Oil & Gas

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Doubling down on Ecopetrol and the O&G sector's recovery following the pendulum swing

Investment Thesis

We are introducing our 2027E TP for Ecopetrol of COP 3,300/share while maintaining our BUY recommendation.

Colombia's recent electoral result should materially improve the O&G sector's outlook, supporting a near-term strategic reset at Ecopetrol and medium-term operational efficiency gains, while being supported by the international context. Ecopetrol should benefit from higher 2026-2027 Brent prices amid Middle East supply disruptions upped forecasts, supporting Upstream and Downstream results and margins, as seen in 2Q26. Therefore, we anticipate DPS for 2027 should increase +100%. On the operational side, our valuation assumes a return toward pre-2022 tax conditions, with the new government favoring investment and sector recovery over short-term fiscal extraction. On the cost side, we expect a reversal to pre-2022 high-end cost per barrel and refining fixed costs, as well as CAPEX per barrel invested, which deteriorated significantly in the previous government. 2026 reserves should also rise with Gato do Mato and Brava. Together with 12 new Delaware wells planned for 2027, Brava's assets should support 2026 production guidance of 730–740 kbpd.

Key risks mainly relate to the new corporate governance, as limited technical capabilities of a new Board and management level could delay cost recovery in Upstream and Downstream. A rapid Middle East resolution could pressure oil prices, while prolonged supply disruptions could strengthen results. Locally, resumed production after 2Q26 blockades provides upside, while reactivating exploration contracts and non-conventional activity could support medium-term growth in Colombia. Internationally, Permian agreements are expected to be renewed by mid-2027 under the new administration.

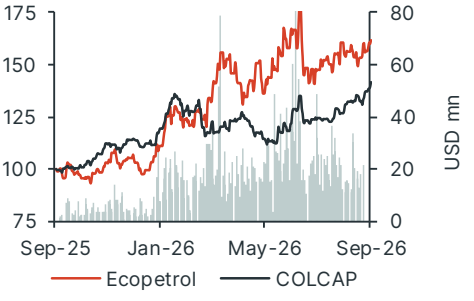
Valuation

We are introducing our new YE2027 TP of COP 3,300/share, keeping both our T.P. and recommendation unaltered. Our valuation is based on a SOTP NAV for Ecopetrol's Upstream, Midstream, and Downstream businesses. It also incorporates the company's 51.41% participation in ISA with our target price for that company (COP 31,600/share). Finally, it incorporates Ecopetrol's 2025 reserves report and 2026 Investment Plan. Our model currently includes Brava only through higher production, weighted by Ecopetrol's 51% stake (+40 kbpd), as Ecopetrol has yet to decide on the assets' reporting method. However, Brava's Downstream and Midstream assets could provide additional upside.

Stock Data

Ticker	ecopetl cb / ec us
Price (COP)	2,790 (loc) / 18.1 (ADR)
Target (COP)	3,300 (loc) / 17.4 (ADR)
Total Return	28.0%
LTM Range	1,606 - 3,050
M. Cap (USD mn)	36,964
Shares Outs. (mn)	41,117
Free Float	12%
ADTV (USD mn)	15.7

Price Chart (COP) and Volumes (USD mn)

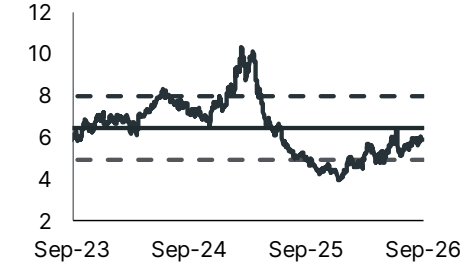


Valuation Summary

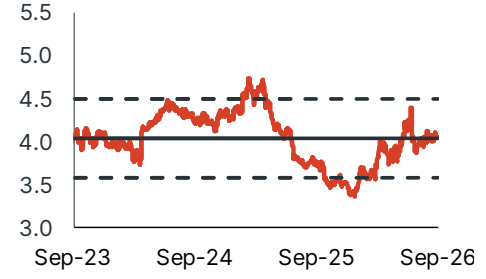
	2025	2026E	2027E	2028E
EV/EBITDA	4.3	4.2	4.4	4.4
P/E	8.5	6.2	6.3	6.9
P/CF	3.8	3.9	6.5	6.8
P/BV	0.9	1.3	1.2	1.1
Div. Yield	11.4%	4.3%	9.7%	9.5%

Sources: Company Reports and Credicorp Capital

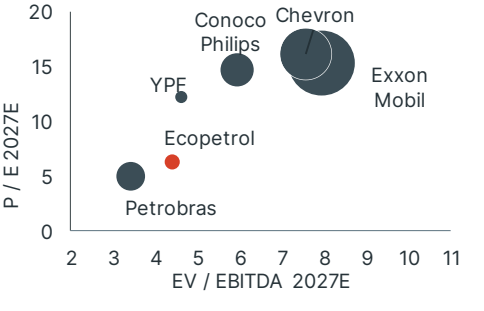
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

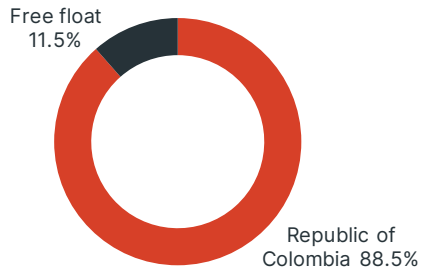


Ecopetrol

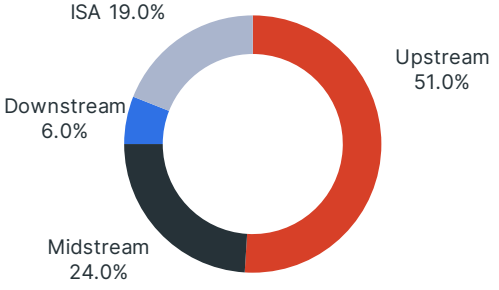
Company Description

This state-owned, vertically integrated oil & gas company is one of the largest four O&G companies in LatAm. EC operates mainly in Colombia, which accounts for roughly ~60% of local production. In addition, via direct ownership, partnership agreements and joint ventures, it operates in Brazil, and the US, mainly in the Permian Basin through its alliance with Occidental. Also, Ecopetrol has participation in energy transmission businesses and roads through its stake in ISA.

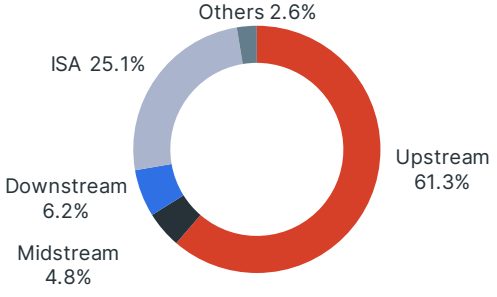
Ownership Structure



EBITDA breakdown by segment (2025)



CAPEX breakdown by segment (2025)



Management

CEO: Juan Carlos Hurtado (interim)
CFO: Camilo Barco Muñoz
IRO: Maria Fernanda Moreno
www.ecopetrol.com.co

Income Statement

COP mn	2024	2025	2026E	2027E	2028E
Revenues	133,328	119,693	136,919	134,869	125,331
Gross Profit	46,847	37,636	54,021	51,843	48,601
EBITDA	54,143	46,676	58,411	55,929	55,972
Net Income	14,230	9,028	18,522	18,209	16,652
EPS (COP)	346	220	450	443	405
Gross Margin	35.1%	31.4%	39.5%	38.4%	38.8%
EBITDA Margin	40.6%	39.0%	42.7%	41.5%	44.7%
Net Margin	10.7%	7.5%	13.5%	13.5%	13.3%

Balance Sheet

COP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	14,054	10,694	13,129	13,094	11,942
Total Current Assets	68,591	60,643	53,445	54,905	53,282
Total Assets	301,345	284,137	285,417	295,264	299,607
Current Liabilities	39,635	34,514	44,220	52,618	56,737
Financial Debt	119,965	109,200	96,239	89,221	82,488
Total Liabilities	191,369	174,891	170,610	171,990	169,376
Minority Interest	26,279	25,486	25,273	26,644	27,874
Shareholders Equity	83,697	83,760	89,534	96,630	102,357
Total Liabilities + Equity	301,345	284,137	285,417	295,264	299,607
Net Debt /EBITDA	2.0	2.1	1.4	1.4	1.3
Financial Debt /EBITDA	2.2	2.3	1.6	1.6	1.5
Financial Debt /Equity	1.4	1.3	1.1	0.9	0.8
ROAE	17.6%	10.8%	21.4%	19.6%	16.7%
ROAA	4.9%	3.1%	6.5%	6.3%	5.6%
ROIC	11.6%	8.6%	13.4%	14.0%	12.9%

Cash Flow Statement

COP mn	2024	2025	2026E	2027E	2028E
Initial Cash	12,336	14,054	10,694	13,129	13,094
Operating Cash Flow	61,447	25,801	46,401	45,527	45,353
CAPEX	-20,943	-20,325	-21,200	-27,653	-27,836
Changes in Debt	-10,765	-12,961	-7,017	-6,733	-82,488
Dividends	-12,828	-8,799	-4,975	-11,113	-10,926
Other CFI & CFF Items	-15,193	12,924	-10,774	-64	74,744
Changes in Equity	-	-	-	-	-
Final Cash	14,054	10,694	13,129	13,094	11,942
Change in Cash Position	1,718	-3,360	2,435	-36	-1,152

Sources: Company Reports and Credicorp Capital

Ecopetrol

Fixed Income Research Colombia
Oil & Gas

Orlando Barriga - orlandobarriga@credicorpcapital.com

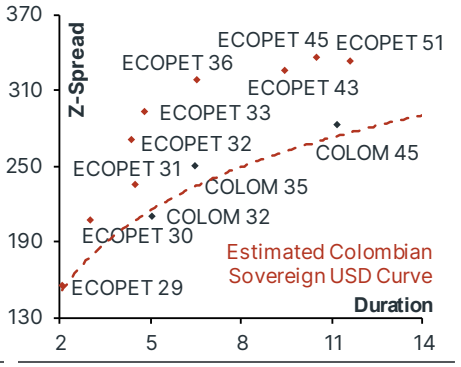
Ba2 / BB- / BB
Outlook: n / s / s

Enhanced operating momentum and lower policy risk support select opportunities

Investment Thesis

We maintain a constructive but selective view on Ecopetrol. Elevated Brent prices and favorable refined-product margins amid the U.S.–Iran conflict drove robust cash generation and lower leverage in 2Q26. The Brava acquisition adds production scale, reserves, and geographic diversification, while the incoming Colombian administration's support for exploration, reserve rebuilding, and responsible fracking reduces policy uncertainty and improves the sector's outlook. We estimate fair value at about 60bp over comparable Colombian sovereigns, balancing the stronger operating and policy backdrop against government influence, FEPC uncertainty, capital-allocation pressures, Brava refinancing and integration, production sustainability, and reserve replacement. We remain Overweight ECOPET 32, 33, and 36 for their attractive carry and spread-compression potential toward fair value, while maintaining Underweight ECOPET 31 on tight valuation.

Ecopetrol Bonds and comparables



Credit Data	
REG-S Notes	9
Outstanding Senior Notes	USD 13,950mn
Closest Call Date	19-Dec-28
Closest Maturity Date	19-Jan-29

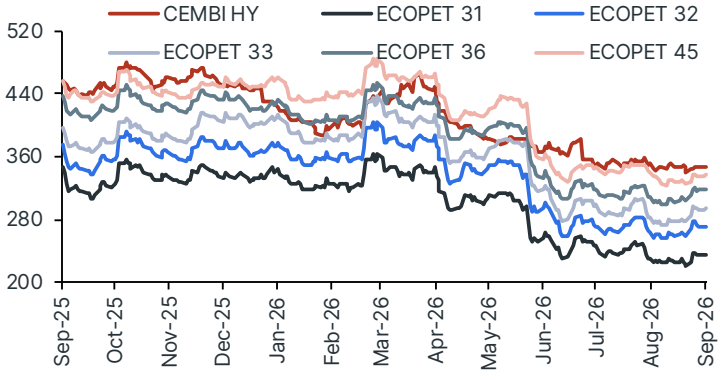
Concerns

- Government influence and sovereign linkage
- High exposure to oil price volatility
- FEPC receivable uncertainty
- Brava financing/integration and leverage risks

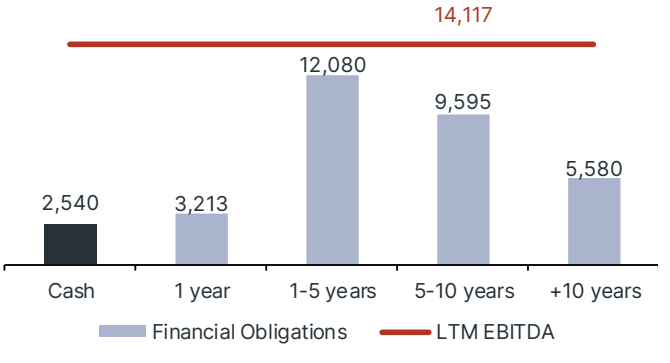
Strengths

- Strategic importance to Colombia
- Integrated upstream, midstream and refining platform
- Manageable leverage and liquidity
- Scale, reserves, and production leadership

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
ECOPET 29	USD 1,200mn	8.63%	Ba2 / BB- / BB	156	2.1	105.8	0.7%	5.8%	Neutral
ECOPET 30	USD 2,000mn	6.88%	Ba2 / BB- / BB	207	3.0	101.5	0.6%	6.3%	Neutral
ECOPET 31	USD 1,250mn	4.63%	Ba2 / BB- / BB	236	4.5	91.1	0.4%	6.7%	Underweight
ECOPET 32	USD 1,750mn	7.75%	Ba2 / BB- / BB	272	4.4	103.0	0.6%	7.0%	Overweight
ECOPET 33	USD 2,300mn	8.88%	Ba2 / BB- / BB	294	4.8	107.7	0.7%	7.2%	Overweight
ECOPET 36	USD 1,850mn	8.38%	Ba2 / BB- / BB	319	6.6	105.2	0.7%	7.6%	Overweight
ECOPET 43	USD 850mn	7.38%	Ba2 / BB- / BB	326	9.5	95.8	0.6%	7.8%	Neutral
ECOPET 45	USD 2,000mn	5.88%	Ba2 / BB- / BB	337	10.5	79.8	0.6%	7.9%	Neutral
ECOPET 51	USD 750mn	5.88%	Ba2 / BB- / BB	334	11.6	77.6	0.6%	7.9%	Neutral

Empresas Copec

Rating: Buy
TP: CLP 8,500

Equity Research Chile
Pulp & Paper

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Sucuriú moves closer to reality, value creation beyond the pulp cycle

Investment Thesis

We upgrade our recommendation on Empresas COPEC to Buy from Hold, with a 2027YE TP of CLP 8,500/share. Copec remains our preferred Chilean pulp and forestry exposure as the start-up of Sucuriú draws closer and confidence in its on-time, on-budget execution continues to increase. Our constructive stance is also supported by the company's diversified EBITDA base, solid balance sheet despite the ongoing construction phase, and an improved track record of M&A value creation.

Copec offers a more resilient earnings profile than CMPC, largely due to the relevance of its energy business (~50% of EBITDA), which delivered strong results across geographies and business segments during 1H26. In addition, management has demonstrated its ability to allocate capital effectively through both portfolio optimization and value-accretive M&A.

At the same time, execution risk at Sucuriú continues to decline. Construction is progressing ahead of schedule and remains aligned with budgeted capex, reinforcing our confidence in management's ability to deliver the project successfully. While we remain cautious on medium-to-long-term pulp fundamentals, we believe increasing visibility on Sucuriú's completion should become a more relevant driver of shareholder value creation over the next couple of years.

Copec's net debt-to-EBITDA ratio reached 3.3x at the end of June (3.1x including the 50% equity treatment of Arauco's hybrid bonds). We expec leverage will not exceed 4.5x ahead of Sucuriú's start-up in 4Q27, without considering proceeds from potential disposals of non-core assets such as Metrogas/Agesa and Sonacol, which we estimate could be worth USD 1.0-1.1 billion. Such proceeds would provide additional balance sheet flexibility if monetized.

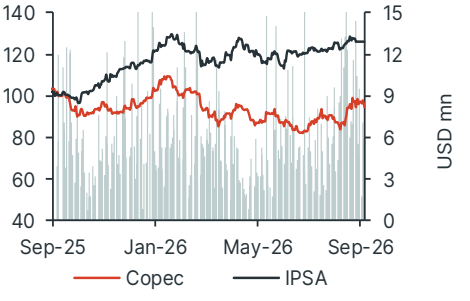
Valuation

At our 2027YE target price of CLP 8,500/share, Copec would trade at ~7.9x fwd EV/EBITDA, modestly above its 10-year historical average of 7.7x based on consensus estimates. However, once Sucuriú reaches full operating capacity, we estimate the stock would trade closer to 7.0x EV/EBITDA at our target price. Given that this is broadly consistent with Copec's current forward trading multiple, we believe the market has yet to incorporate the project's value creation potential into the stock price.

Stock Data

Ticker	copec ci
Price (CLP)	6,630
Target (CLP)	8,500
Total Return	32.9%
LTM Range	5,751 - 7,659
M. Cap (USD mn)	9,166
Shares Outs. (mn)	1,300
Free Float	39%
ADTV (USD mn)	6.2

Price Chart (CLP) and Volumes (USD mn)

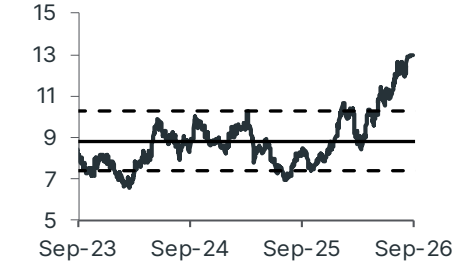


Valuation Summary

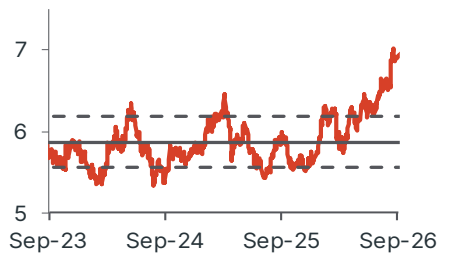
	2025	2026E	2027E	2028E
EV/EBITDA	7.5	6.4	7.3	6.4
P/E	11.6	8.3	14.4	11.9
P/CF	-188	-7.9	335.7	9.4
P/BV	0.7	0.6	0.6	0.6
Div. Yield	3.5%	4.3%	2.7%	3.0%

Sources: Company Reports and Credicorp Capital

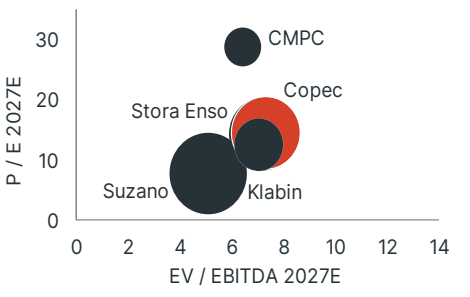
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

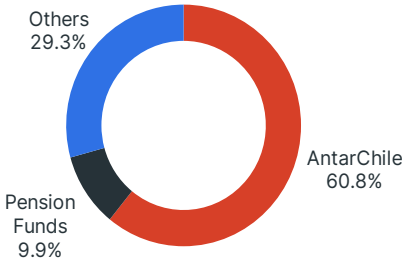


Copec

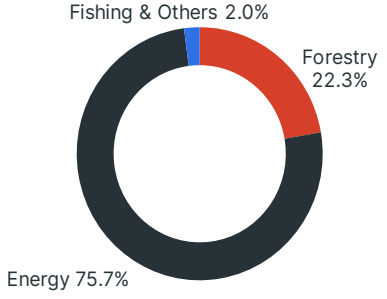
Company Description

COPEC is a Chilean conglomerate with interests in forestry, fuels, mining, and fishing. Through Arauco, it is one of the world's largest wood pulp and wood panel manufacturers and the largest sawn timber producer in LatAm. In the fuel business, it leads the distribution of liquid fuels in Chile and Colombia (Terpel) and is the main distributor of LPG in these countries, as well as in Peru. It owns a 40% stake in the Mina Justa copper mine (Peru) and 100% of Blue Express (last-mile company). COPEC is controlled by AntarChile (Angelini Group).

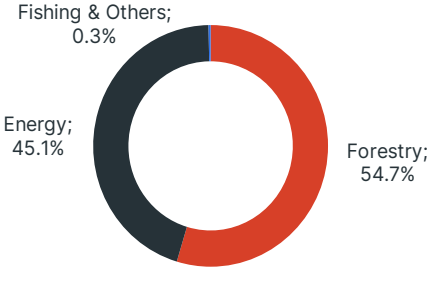
Ownership Structure (As of Dec-25)



Revenue breakdown by business (LTM)



EBITDA breakdown by business (LTM)



Management

CEO: Eduardo Navarro
CFO: Rodrigo Huidobro
IRO: Cristian Palacios
www.empresascopec.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	28,115	29,638	34,743	32,240	33,154
Gross Profit	4,411	4,348	5,127	4,529	4,886
EBITDA	3,006	2,719	3,414	2,963	3,397
Net Income	1,111	877	1,104	635	771
EPS (CLP)	0	0	0	0	0
Gross Margin	15.7%	14.7%	14.8%	14.0%	14.7%
EBITDA Margin	10.7%	9.2%	9.8%	9.2%	10.2%
Net Margin	4.0%	3.0%	3.2%	2.0%	2.3%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	2,347	2,777	2,245	2,026	2,014
Total Current Assets	8,466	9,097	9,510	8,865	9,208
Total Assets	28,482	33,210	36,340	37,641	38,426
Current Liabilities	3,988	5,224	6,386	6,159	6,341
Financial Debt	10,171	12,397	14,087	15,114	15,114
Total Liabilities	14,992	18,290	20,563	21,364	21,546
Minority Interest	529	601	696	805	911
Shareholders Equity	12,960	14,318	15,081	15,472	15,969
Total Liabilities + Equity	28,482	33,210	36,340	37,641	38,426
Net Debt /EBITDA	2.6	3.5	3.5	4.4	3.9
Financial Debt /EBITDA	3.4	4.6	4.1	5.1	4.4
Financial Debt /Equity	0.8	0.9	0.9	1.0	0.9
ROAE	8.8%	6.4%	7.5%	4.2%	4.9%
ROAA	3.9%	2.8%	3.2%	1.7%	2.0%
ROIC	5.6%	4.4%	5.3%	3.6%	4.2%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,943**	**2,347**	**2,777**	**2,245**	**2,026**
CF From Operations	3,730	705	1,681	1,656	1,962
CAPEX	-2,079	-3,054	-3,656	-2,767	-1,805
Changes in Financial Debt	-658	2,226	1,690	1,027	0
Dividends (Paid) Received	-328	-354	-391	-244	-274
Other CFI & CFF Items	-261	907	145	109	106
Changes in Equity	0	0	0	0	0
Final Cash	**2,347**	**2,777**	**2,245**	**2,026**	**2,014**
Change in Cash Position	**404**	**430**	**-532**	**-219**	**-12**

Sources: Company Reports and Credicorp Capital

Hunt Oil Company of Peru

Fixed Income Research Peru
Oil & Gas

Orlando Barriga - orlandobarriga@credicorpcapital.com

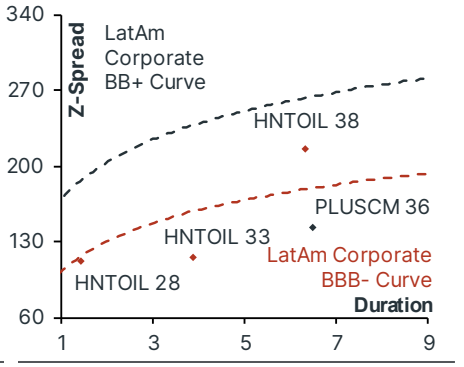
Ba1 / NR / BBB
Outlook: n / nr / s

Strong asset quality, but limited deleveraging potential

Investment Thesis

Hunt Oil Peru's high-quality asset base supports a stable credit profile, but its shareholder-friendly financial policy constrains structural credit improvement. Camisea's strategic importance, long reserve life, low-cost production, manageable capex, and adequate liquidity underpin resilient cash generation. However, cash flow is directed toward shareholder distributions rather than debt reduction, growth, or cost efficiencies, even during periods of elevated Brent and natural gas prices. This policy limits deleveraging across commodity-price scenarios and sustains rating pressure. We estimate fair value for HNTOIL 38 at a z-spread 75–80 bps wider than PLUSCM 36, reflecting Hunt Oil's higher leverage and interest burden, weaker cash retention, and more aggressive distribution policy. We maintain a Neutral recommendation on HNTOIL 38, as current spreads adequately compensate for these weaknesses but offer limited upside.

HOCP Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Senior Notes	USD 830mn
Closest Call Date	18-Jun-33
Closest Maturity Date	01-Jun-28

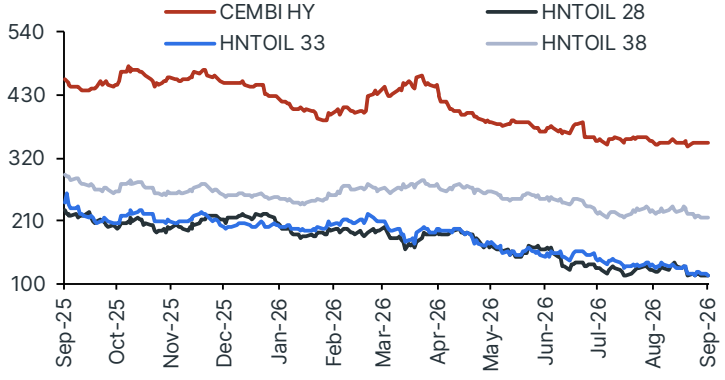
Concerns

- Exposure to commodity-price volatility
- High geographic and asset concentration
- Limited operating control and reliance on TGP's pipeline infrastructure
- Elevated shareholder distributions

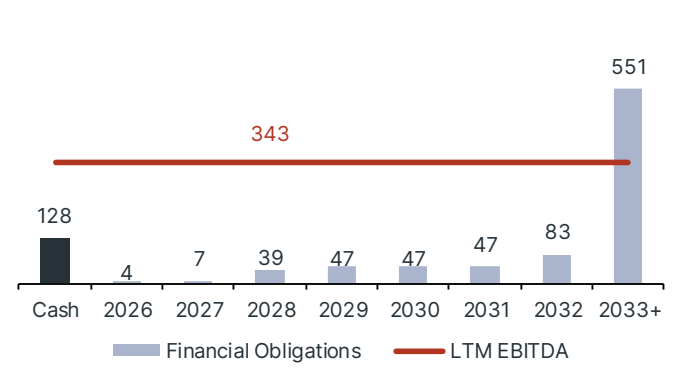
Strengths

- Large, long-life proved reserve base
- Low-cost production and predictable contracted volumes
- Solid liquidity and a manageable debt
- Camisea's strategic importance to Peru's energy supply

Z- Spread evolution



Debt Maturity Profile (USDmn)



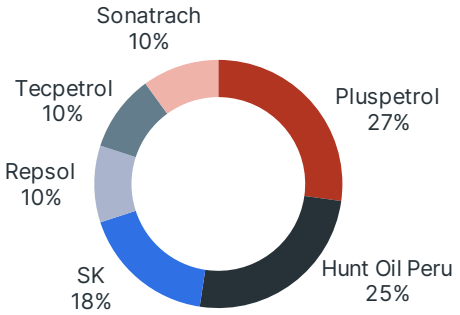
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
HNTOIL 28	USD 53mn	6.38%	Ba1 / NR / BBB	113	1.4	101.0	0.5%	5.4%	Neutral
HNTOIL 33	USD 147mn	8.55%	Ba1 / NR / BBB	115	3.9	111.1	0.6%	5.8%	Neutral
HNTOIL 38	USD 630mn	7.75%	Ba1 / NR / BBB	216	6.3	107.3	0.6%	6.6%	Neutral

Hunt Oil

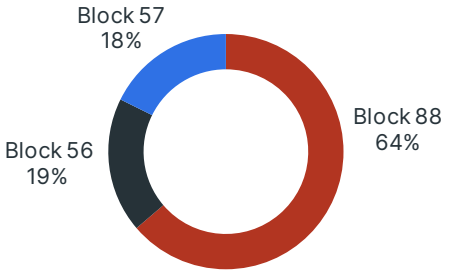
Company Description

Hunt Oil Company of Peru (HOCP), an indirect wholly owned subsidiary of U.S.-based Hunt Oil Company, holds a 25.2% interest in the Camisea Consortium, Peru's largest natural gas project. Through Blocks 88 and 56 and the Malvinas and Pisco facilities, HOCP participates across the Camisea value chain, supplying natural gas and liquids to domestic and LNG export markets. Its credit profile benefits from low-cost reserves, long-term contracts, and Camisea's strategic importance to Peru's energy system.

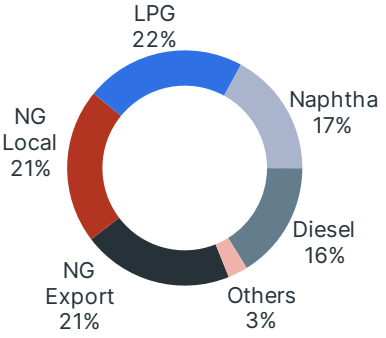
Camisea Consortium Ownership (%)



LTM Production Breakdown by Block (%)



LTM Revenue Breakdown by Product (%)



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
EBITDA Int. Cvg.	15.2x	8.1x	6.3x	3.5x	4.6x
Gross Debt/EBITDA	0.8x	1.9x	1.8x	2.5x	2.4x
Net Debt/EBITDA	0.7x	1.4x	1.4x	1.9x	2.0x
Net Debt/Equity	2.7x	6.6x	9.5x	nm	nm
ST Debt/ Gross Debt	10.2%	5.0%	5.1%	3.1%	2.3%

Income Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Net Revenues	1,503	993	1,020	965	1,001
Gross Profit	582	305	331	256	270
EBIT	599	320	340	262	278
Interest Expenses	-42	-45	-61	-95	-75
EBITDA	640	367	386	328	343
Gross Margin	38.7%	30.7%	32.5%	26.5%	27.0%
EBITDA Margin	42.6%	37.0%	37.8%	34.0%	34.2%
Net Margin	25.1%	21.3%	19.1%	13.9%	12.9%

Balance Sheet

USDmn	2022	2023	2024	2025	LTM2Q26
Cash	100	195	160	218	128
Current Assets	328	361	319	365	289
Total Assets	883	923	887	905	822
Current Liabilties	171	64	76	57	59
Total Liabilities	727	845	832	914	925
Equity	156	78	55	-8	-103
Net Debt	421	511	525	612	698
Gross Debt	521	712	691	830	827
Short Term Debt	53	36	35	26	19
Long Term Debt	468	676	656	756	762
ROE	nm	nm	nm	nm	nm
ROA	42.8%	22.9%	22.0%	14.8%	15.7%

Cash Flow Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Operating Activities	453	244	311	269	250
Investing Activities	-21	-27	-55	-41	-39
Financing Activities	-471	-122	-292	170	-302

Sources: Company Reports and Credicorp Capital

Minsur

Rating: Hold
TP: PEN 7.4

Equity Research Peru
Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Strong rally limits upside, but dividends offer support

Investment Thesis

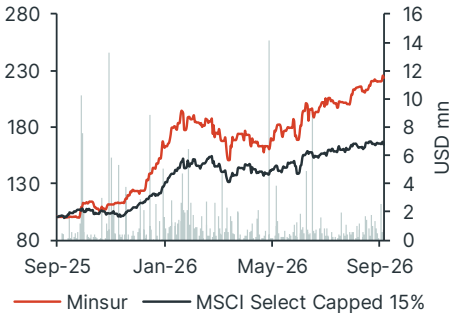
Following the shares' significant rally in recent months, supported by elevated copper and tin prices and solid operating execution, we maintain our HOLD recommendation on Minsur and roll our target price to YE2027 to PEN 7.4 (from our previous YE2026 target of PEN 7.3). Although the recent share-price performance has narrowed the valuation upside, we believe the stock remains supported by an attractive dividend profile, underpinned by robust earnings generation and a solid financial position in a constructive environment for copper and tin. A key upside risk is that tin prices remain higher for longer than anticipated, supported by tight market balances and sustained investment in AI-related data centers, reinforcing demand from electronics and semiconductor applications.

In terms of operations, we expect refined tin production at San Rafael/Pisco to reach 32.5 kt in 2026, then decline to around 30 kt in 2027, 28 kt in 2028, and 22 kt from 2029, reflecting lower expected ore grades and the gradual depletion of B2. At Mina Justa, we forecast copper production of approximately 102 kt in 2026 and 95 kt in 2027-2028, before Mina Justa Underground supports a recovery to 110-120 kt in 2029-2030 and 133 kt from 2031. Our price deck incorporates a gradual normalization in tin prices from USD 52,425/t in 2026 to around USD 45,000/t by 2030, while copper remains above USD 12,900/t throughout 2027-2030. **In sum,** we forecast EBITDA of USD 2.3 / 2.1 / 1.9 bn in 2026-2028, with margins remaining close to 70%. The decline through 2028 reflects lower tin volumes, moderating prices, and the copper trough ahead of Mina Justa Underground, which drives the earnings recovery from 2029. CAPEX is projected at USD 382 / 392 / 334 mn in 2026-2028, including the development of Mina Justa Underground, and is expected to normalize from 2029. Key risks include metal-price volatility, a sharper-than-expected decline in tin grades and volumes, and execution risks associated with Mina Justa Underground.

Stock Data

Ticker	minsuri1 pe
Price (PEN)	7.7
Target (PEN)	7.4
Total Return	8.4%
LTM Range	3.4 - 7.8
M. Cap (USD mn)	6,598
Shares Outs. (mn)	2,883
Free Float	41.0%
ADTV (USD mn)	1.1

Price Chart (PEN) and Volumes (USD mn)



Valuation

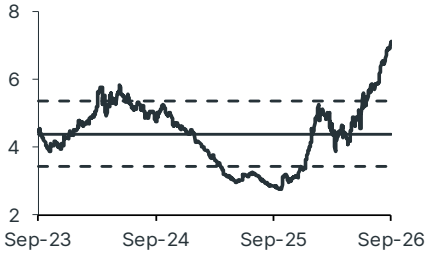
Our PEN 7.4 YE2027 target price combines a 60% DCF valuation of PEN 7.1 and a 40% relative valuation of PEN 7.8. Our DCF forecasts operating cash flows through mine depletion and incorporates the value of resources and projects not included in the operating plan, as well as other assets, net of debt and of the 40% minority stake in Mina Justa, valued on a stand-alone basis. For our relative valuation, we apply a 25% discount to the peer-group multiple of 6.7x, reflecting the stock's low liquidity, non-voting share class, and single-country asset base, resulting in a target multiple of 5.0x on 2028E EBITDA.

Valuation Summary

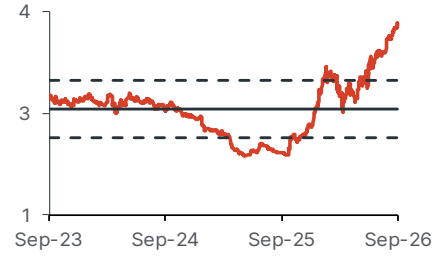
	2025	2026E	2027E	2028E
EV/EBITDA	3.5	3.7	4.1	4.5
P/E	7.5	6.5	7.6	8.6
P/CF	3.9	6.6	6.2	6.8
P/BV	2.8	3.4	3.3	3.3
Div. Yield	15.0%	11.5%	12.4%	11.6%

Sources: Company Reports and Credicorp Capital

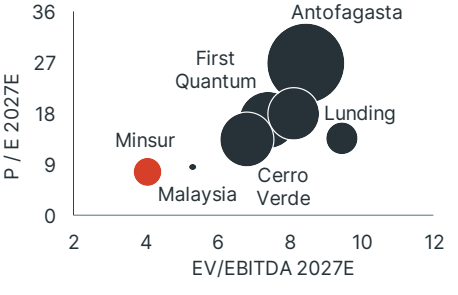
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

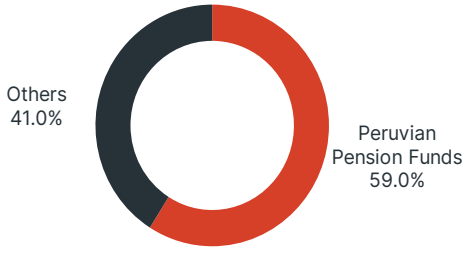


Minsur

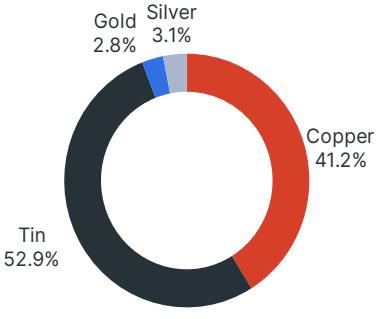
Company Description

Minsur is the world's second-largest integrated tin producer, supplying around 11% of the world's output. It engages in the smelting and refining of tin concentrates from its San Rafael mine in Puno (Southern Peru) and extracts gold at its Pucamarca mine in Tacna (also in Southern Peru). Its main subsidiary is Marcobre (owner of the Mina Justa copper mine in Peru), in which Minsur has a 60% stake.

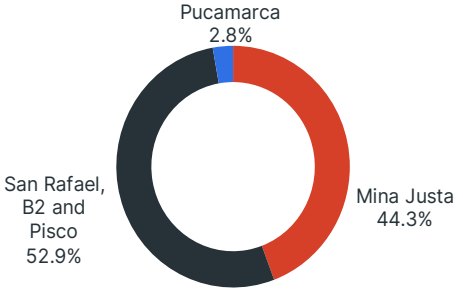
Ownership Structure - Investment Shares



Revenue breakdown by metal (2027E)



Revenue breakdown by mining unit (2027E)



Management

CEO: Juan Luis Kruger
CFO: Gabriel Ayllón
IRO: Rodrigo Shiguemura
www.minsur.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	2,170	2,749	3,257	2,977	2,726
Gross Profit	1,229	1,687	2,393	2,083	1,860
EBITDA	1,308	1,798	2,272	2,059	1,854
Net Income	464	624	1,010	863	764
EPS (USD)	0.2	0.2	0.4	0.3	0.3
Gross Margin	56.6%	61.4%	73.5%	70.0%	68.2%
EBITDA Margin	60.3%	65.4%	69.7%	69.1%	68.0%
Net Margin	21.4%	22.7%	31.0%	29.0%	28.0%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	231	395	241	537	763
Total Current Assets	1,224	995	875	1,133	1,317
Total Assets	4,678	4,692	4,836	4,935	4,938
Current Liabilities	1,119	850	497	513	498
Financial Debt	1,140	1,232	1,294	1,294	1,294
Total Liabilities	2,350	2,205	2,063	2,090	2,065
Minority Interest	702	804	837	866	894
Shareholders Equity	1,626	1,683	1,936	1,979	1,979
Total Liabilities + Equity	4,678	4,692	4,836	4,935	4,938
Net Debt /EBITDA	0.7	0.5	0.5	0.4	0.3
Financial Debt /EBITDA	0.9	0.7	0.6	0.6	0.7
Financial Debt /Equity	0.7	0.7	0.7	0.7	0.7
ROAE	27.5%	37.7%	55.8%	44.1%	38.6%
ROAA	9.8%	13.3%	21.2%	17.7%	15.5%
ROIC	19.5%	31.7%	35.0%	29.2%	27.6%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**346**	**231**	**395**	**241**	**537**
Cash Flow From Operations	762	1,227	1,108	1,671	1,484
CAPEX	-186	-199	-382	-392	-334
Changes in Financial Debt	-168	92	62	0	0
Dividends (Paid) Received	-477	-700	-758	-820	-764
Other CFI & CFF Items	62	-335	-186	-164	-159
Changes in Equity	-108	80	0	0	0
Final Cash	**231**	**395**	**241**	**537**	**763**
Change in Cash Position	**-115**	**165**	**-154**	**295**	**227**

Sources: Company Reports and Credicorp Capital

Minsur

NR / BB+ / BBB-
Outlook: nr / s / s

Fixed Income Research Peru
Metals & Mining

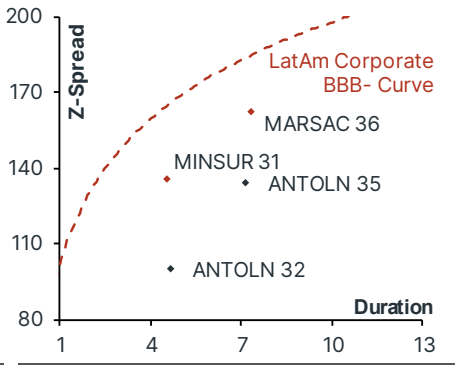
Orlando Barriga - orlandobarriga@credicorpcapital.com

Solid credit quality, but valuations cap upside

Investment Thesis

We maintain a constructive view on Minsur and Marcobre's credit fundamentals, underpinned by high-quality assets, robust profitability, low leverage, strong liquidity, and conservative financial management. Elevated tin and copper prices and Mina Justa Underground are the main catalysts, while Minsur's modest scale, concentration in Peru, limited asset diversification, and production replacement needs constrain further credit upside. Marcobre benefits from its strategic importance to Minsur but carries additional single-asset, declining-grade, execution, and subsidiary risks. We value MINSUR 31 at 35–40bp over ANTOLN 32 and maintain Neutral, as the bond trades within fair value. Based on Minsur's fair spread plus a modest subsidiary discount, we value MARSAC 36 at 35–45bp over ANTOLN 35 and maintain Underweight, as its tight valuation provides insufficient compensation for its concentrated risk profile.

Minsur Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 900mn
Closest Call Date	22-Oct-35
Closest Maturity Date	28-Oct-31

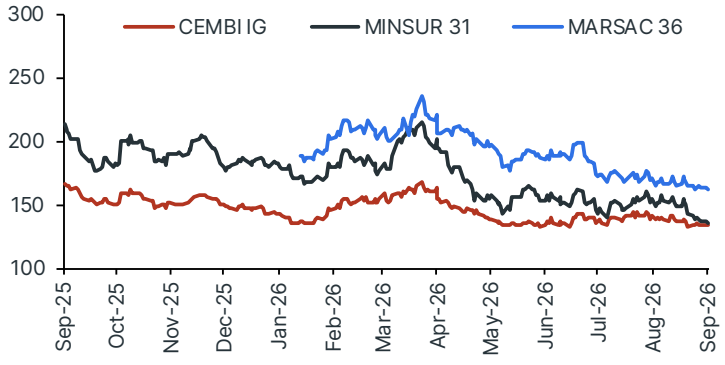
Concerns

- Limited scale and diversification
- Medium-term production replacement needs
- High capex and dividends constrain FCF
- Commodity-price volatility and Peru concentration

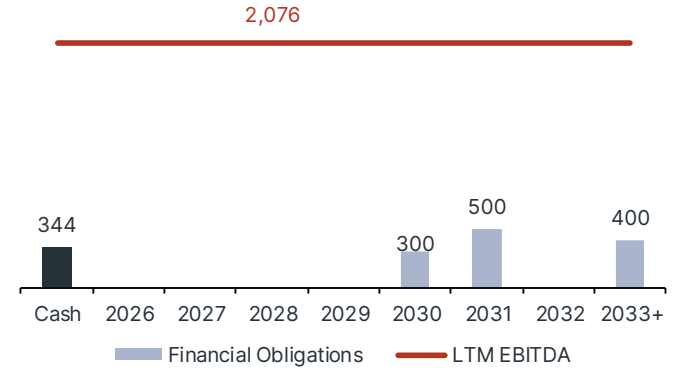
Strengths

- Low leverage and strong debt-service capacity
- Robust profitability and cash-flow generation
- Conservative financial policy
- Leading position in the tin market

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
MINSUR 31	USD 500mn	4.50%	NR / BB+ / BBB-	136	4.5	94.7	0.4%	5.7%	Neutral
MARSAC 36	USD 400mn	5.75%	NR / BB+ / BBB-	163	7.3	97.8	0.5%	6.0%	Underweight

Nexa Resources

Fixed Income Research Peru
Metals & Mining

Orlando Barriga - orlandobarriga@credicorpcapital.com

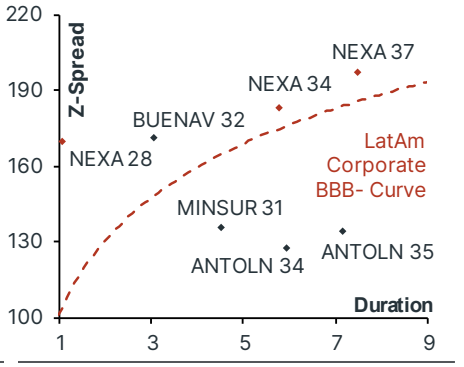
Ba2 / BBB- / BBB-
Outlook: s / n / n

Boliden strengthens Nexa's credit profile, but rating uncertainty supports a neutral view

Investment Thesis

Nexa's credit fundamentals remain constructive, supported by stronger earnings and cash generation, Aripuanã's ramp-up, and lower leverage. Boliden's acquisition adds several credit-positive features, including strong business alignment, majority ownership, full consolidation, Board control, and a stated intention to reduce Nexa's debt. The key uncertainty is the rating agencies' assessment of the new parent-subsidiary relationship. Fitch appears relatively constructive despite the Negative Watch, while S&P's narrow distinction between "highly strategic" and "strategically important" could lead to materially different outcomes, with the latter potentially leaving Nexa at BB+. Assuming equal probabilities of IG and HY outcomes, we estimate fair value at a 55–60 bps z-spread premium to Antofagasta's curve. This is broadly in line with current spreads and supports our Neutral recommendation.

Nexa Resources Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Senior Notes	USD 1,211mn
Closest Call Date	18-Oct-27
Closest Maturity Date	18-Jan-28

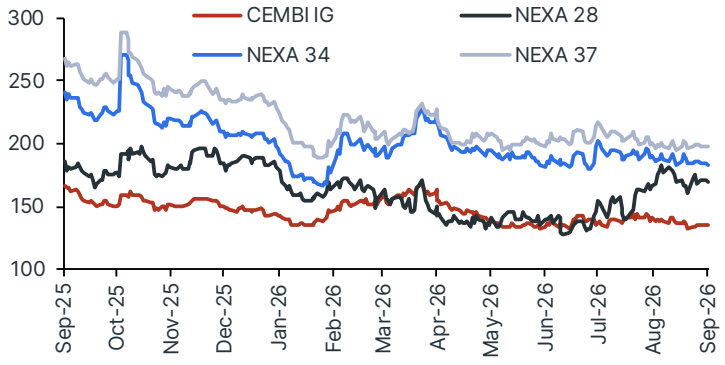
Concerns

- Change-of-control uncertainty / potential loss of parental support uplift
- High exposure to zinc prices and commodity volatility
- Cash flow concentration in a limited number of mines

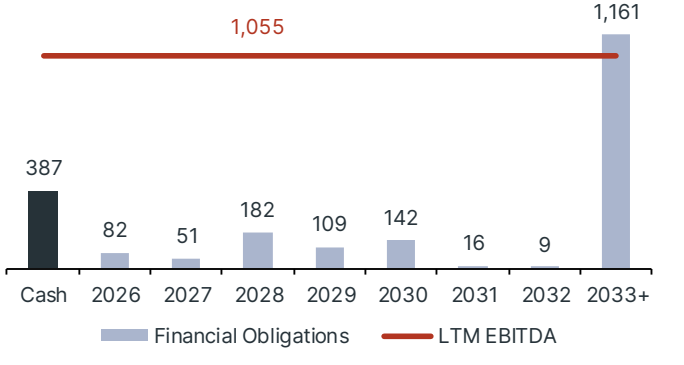
Strengths

- Strong liquidity and conservative financial policy
- Integrated mining-smelting platform with competitive cost position
- Leading global zinc franchise (5th largest producer)

Z- Spread evolution



Debt Maturity Profile (USDmn)



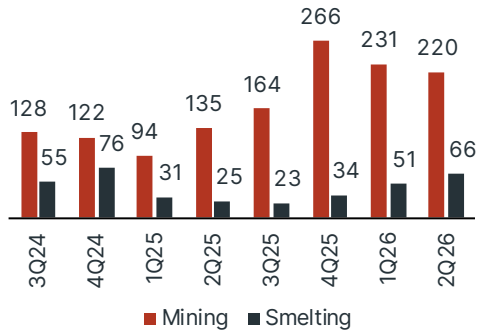
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
NEXA 28	USD 111mn	6.50%	Ba2 / BBB- / BBB-	170	1.1	100.4	0.5%	5.9%	Neutral
NEXA 34	USD 600mn	6.75%	NR / BBB- / BBB-	183	5.8	103.2	0.5%	6.2%	Neutral
NEXA 37	USD 500mn	6.60%	NR / BBB- / BBB-	197	7.5	101.3	0.5%	6.4%	Neutral

NEXA

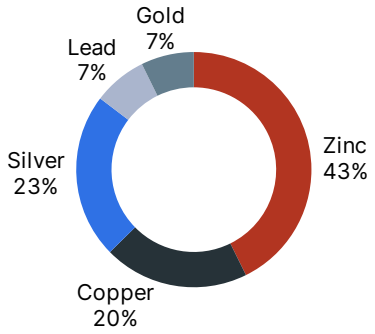
Company Description

Nexa Resources is an integrated zinc-focused mining and smelting company operating in Peru and Brazil. It operates the Cerro Lindo, El Porvenir and Atacocha mines in Peru, and the Vazante and Aripuanã mines in Brazil. Nexa also owns the Cajamarquilla smelter, Peru's only zinc smelting facility, and the Três Marias and Juiz de Fora smelters in Brazil, alongside a portfolio of zinc and copper growth projects. Nexa is 64.68%-owned by Votorantim, which has agreed to transfer its controlling stake to Boliden in a transaction expected to close in 1Q27, subject to shareholder and regulatory approvals.

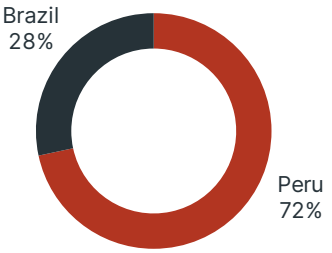
EBITDA by Segment (USDmn)



Est. Mining Revenue Breakdown (%)



Est. EBITDA Breakdown by Country (%)



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
EBITDA Int. Cvg.	4.5x	1.9x	2.9x	2.5x	3.6x
Gross Debt / EBITDA	2.2x	4.4x	2.6x	2.4x	1.8x
Net Debt / EBITDA	1.5x	3.3x	1.7x	1.7x	1.4x
Net Debt / Equity	0.7x	0.9x	1.1x	1.0x	1.0x
ST Debt / Gross Debt	3.8%	9.1%	4.5%	5.5%	9.0%

*Based on the financial statements below

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Net Revenues	3,034	2,573	2,766	3,002	3,463
Gross Profit	640	299	538	713	983
EBIT	361	-153	276	498	768
Financial Expenses	-170	-213	-246	-306	-293
EBITDA	763	406	714	772	1,055
Gross Margin	21.1%	11.6%	19.4%	23.7%	28.4%
EBITDA Margin	25.2%	15.8%	25.8%	25.7%	30.5%
Net Margin	2.5%	-11.3%	-6.8%	7.4%	11.5%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash&Eq	516	468	640	522	387
Current Assets	1,220	1,060	1,207	1,272	1,155
Total Assets	4,912	4,904	4,637	5,275	5,381
Current Liabilities	909	1,093	1,145	1,467	1,452
Total Liabilities	3,204	3,452	3,577	3,985	3,872
Equity	1,708	1,452	1,060	1,290	1,510
Net Debt	1,181	1,335	1,218	1,306	1,496
Gross Debt	1,696	1,803	1,859	1,827	1,883
Short Term Debt	65	165	84	101	169
Long Term Debt	1,631	1,638	1,775	1,726	1,714
ROE	4.5%	-20.1%	-17.7%	17.3%	26.3%
ROA	1.6%	-6.0%	-4.0%	4.2%	7.4%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Operating Activities	269	256	351	365	504
Investing Activities	-379	-270	-238	-297	-343
Financing Activities	-152	-35	62	-185	-202

Sources: Company Reports and Credicorp Capital

PERU LNG

Fixed Income Research Peru
Oil & Gas

Orlando Barriga - orlandobarriga@credicorpcapital.com

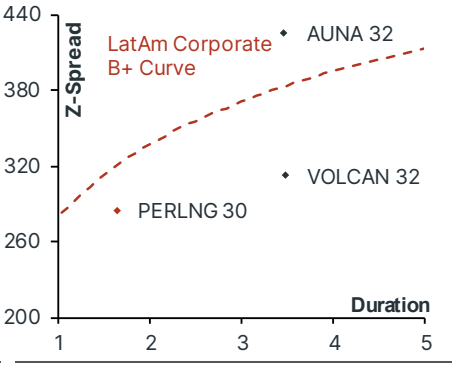
B2 / nr / B+
Outlook: s / nr / s

Strategic importance and funding support offset earnings deterioration

Investment Thesis

Peru LNG's strategic importance and funding access mitigate liquidity risk, but volatile earnings and elevated leverage support a Neutral stance on PERLNG 30. Its take-or-pay contract, low supply risk, limited capex, and bank and shareholder funding provide credit support ahead of substantial bond amortizations. However, disruptions and scheduled maintenance weakened 1H26 results, reducing LTM EBITDA to USD 120mn, raising net leverage to 6.0x, and driving negative operating cash flow in 2Q26. Operations have normalized, while the phaseout of the Minimum Manzanillo constraint should support margins from 2027. Still, the single-asset structure and commodity exposure limit resilience to further disruptions. Fair value is broadly in line with B+ rated peers. At approximately 6.6%, the yield adequately compensates for current risks but offers limited upside, supporting our Neutral view.

PERU LNG Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 627mn
Closest Call Date	-
Closest Maturity Date	22-Mar-30

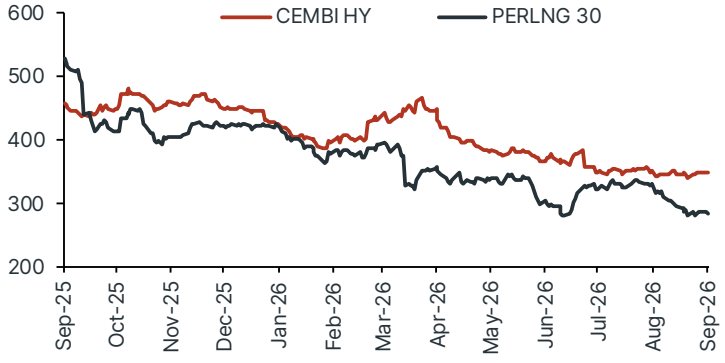
Concerns

- Limited control over LNG destinations and realized prices
- Single-asset concentration and high operating risk
- Vulnerability to unplanned plant and pipeline disruptions

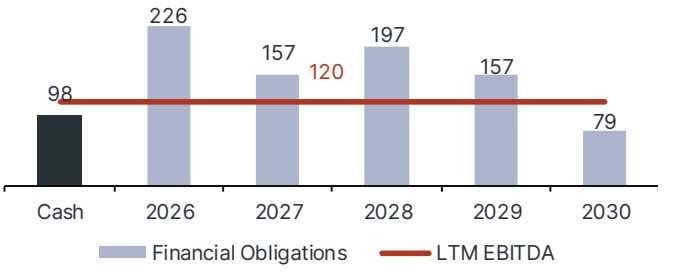
Strengths

- Strategic and sole outlet for Peru's LNG exports
- Long-term gas supply agreements
- Take-or-pay agreement with Shell
- High barriers to entry
- Strong shareholder support

Z- Spread evolution



Estimated Debt Maturity Profile (USDmn)



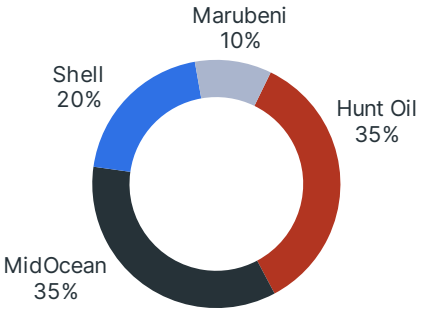
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
PERLNG 30	USD 627mn	5.38%	B2 / NR / B+	285	1.6	97.8	0.5%	6.6%	Neutral

PERU LNG

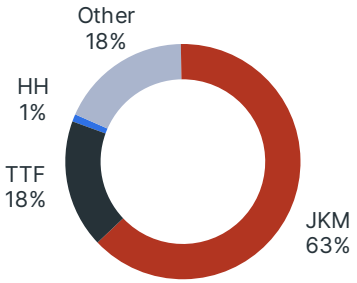
Company Description

PERU LNG (PLNG) is Peru's sole LNG producer and exporter within the country's natural gas value chain. Its integrated asset base includes a 4.45 mtpa liquefaction facility at Pampa Melchorita, a 408-kilometer pipeline connecting the plant to the Camisea gas fields, and a marine terminal. Long-term supply agreements with Blocks 56 and 88, a take-or-pay agreement with Shell, operating efficiency and barriers to entry support its competitive position. As Peru's outlet for natural gas exports, PLNG is strategically important to the country's energy industry, trade balance and royalty generation.

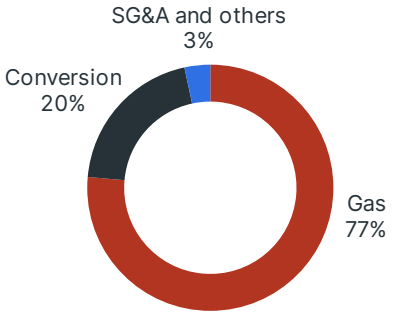
Ownership Structure (%)



LTM Gas Exports by Benchmark (%)



LTM Cash OpEx Breakdown (%)



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
EBITDA Int. Cvg.	3.5x	3.1x	2.1x	4.0x	2.5x
Gross Debt / EBITDA	2.6x	5.5x	7.5x	3.9x	6.9x
Net Debt / EBITDA	1.8x	4.0x	6.6x	3.6x	6.1x
Net Debt / Equity	0.6x	0.6x	0.8x	0.8x	0.8x
ST Debt / Gross Debt	1.5%	9.7%	19.4%	29.4%	38.4%

Income Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Net Revenues	3,179	1,483	1,315	1,368	1,302
Gross Profit	299	90	26	117	110
EBIT	211	20	-38	61	31
Interest Expenses	-102	-56	-54	-49	-48
EBITDA	361	173	116	198	120
Gross Margin	9.4%	6.1%	2.0%	8.6%	8.4%
EBITDA Margin	11.4%	11.7%	8.8%	14.5%	9.2%
Net Margin	2.5%	nm	nm	0.9%	nm

Balance Sheet

USDmn	2022	2023	2024	2025	LTM2Q26
Cash & Equivalents	301	267	102	64	98
Current Assets	666	471	412	253	414
Total Assets	2,583	2,295	2,140	1,877	2,026
Current Liabilities	481	336	522	404	605
Total Liabilities	1,416	1,195	1,226	951	1,114
Equity	1,167	1,100	914	926	912
Net Debt	648	684	770	711	728
Gross Debt	949	951	872	775	826
Short Term Debt	14	92	169	228	317
Long Term Debt	935	859	703	547	509
ROE	6.7%	nm	nm	1.3%	nm
ROA	3.0%	nm	nm	0.6%	nm

Cash Flow Statement

USDmn	2022	2023	2024	2025	LTM2Q26
Operating Activities	281	16	48	80	127
Investing Activities	-22	-23	-11	-19	-25
Financing Activities	-47	-27	-202	-99	-27

Sources: Company Reports and Credicorp Capital

Southern Copper

Rating: Uperf
TP: USD 171

Equity Research Peru Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Copper leverage the market is already paying for

Investment Thesis

We set our new 2027 TP at USD 171/sh (vs. USD 141.1/sh previously) and reiterate our UPERF stance. Given SCCO's industry-leading copper reserves (49 mnt of contained copper, the largest of any listed producer) and a structurally tight copper market, we have moved to a 100% multiples-based valuation, which we believe is what the market is anchoring to, and we explicitly embed the premium SCCO has historically commanded over its global copper peers in our target multiple. Even so, the stock trades above our fair value: the market is paying for copper leverage and for a growth pipeline that only contributes meaningfully from 2028, while 2026-27 marks a trough in volumes and a step-up in capex.

SCCO remains one of the highest-quality copper producers globally, but 2026-27 is a trough in volume. Copper production is guided to 917/910 kt in 2026-27 (vs. 956 kt in 2025) as lower ore grades weigh on the Peruvian operations, before recovering to 967 kt in 2028 and 1,056 kt in 2029 with the start-up of Tia Maria in 2H27 (120 kt of SX-EW cathodes; 42% complete as of June 2026, funded with the USD 1.25 bn 2036 bond). By-products should represent ~20% of CuEq output in 2026-29, although molybdenum volumes should decline to 14.8 kt by 2028. We model cash costs before by-product credits of USD 4,821/t (2.19/lb) in 2026, flat vs. 2025 (USD 2.17/lb), easing to USD 4,587/t (2.08/lb) by 2029 as volumes recover.

Consequently, we project EBITDA of USD 11.0/10.2/9.8/11.2 bn for 2026-29 (average margin of 66%) on copper prices of USD 13,372/13,125/12,908/13,283/t. Capex steps up to USD 2.0/2.7/2.6/2.4 bn in 2026-29, in line with guidance, as SCCO deploys its USD 20.5 bn organic growth program (Tia Maria, El Pilar, El Arco, Los Chancas, Michiquillay, and the Ilo and Empalme smelters) to lift copper production to ~1.6 Mt by 2035. Net debt/EBITDA stays below 0.4x, with cash dividends of USD 4.4-6.3/sh (2-3% yield).

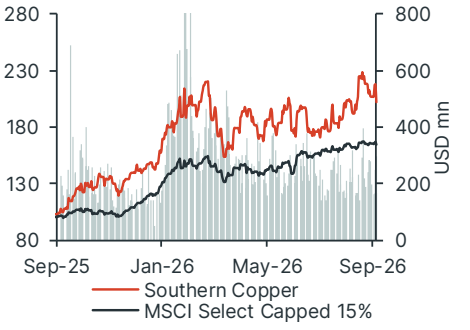
Valuation

Our TP is 100% determined by an EV/EBITDA multiple of 15.0x applied to 2028E EBITDA (USD 9.8 bn), net of YE27 net debt (USD 3.7 bn) and minorities. The multiple is derived from the fair EV/EBITDA we apply to copper peers (6.9x), grossed up by the average premium SCCO has traded at versus those peers over the last two years (~2x), which we attribute to its reserve life and growth optionality. As a cross-check, our life-of-mine DCF (WACC 11.2%, no perpetuity) yields USD 127.3/sh; explicit cash flows cover the reserves and ~60% of the resources, with the remainder valued at the EV per tonne implied by the modeled operations.

Stock Data

Ticker	scco us
Price (USD)	194
Target (USD)	171
Total Return	-8.3%
LTM Range	96.1 - 219.7
M. Cap (USD mn)	163,921
Shares Outs. (mn)	804
Free Float	11.1%
ADTV (USD mn)	268.0

Price Chart (USD) and Volumes (USD mn)



Valuation Summary

	2025	2026E	2027E	2028E
EV/EBITDA	15.3	14.3	15.3	16.0
P/E	27.1	25.3	27.0	28.7
P/CF	32.0	31.8	39.2	41.1
P/BV	10.6	11.5	11.1	10.6
Div. Yield	2.1%	2.3%	3.3%	3.1%

Sources: Company Reports and Credicorp Capital

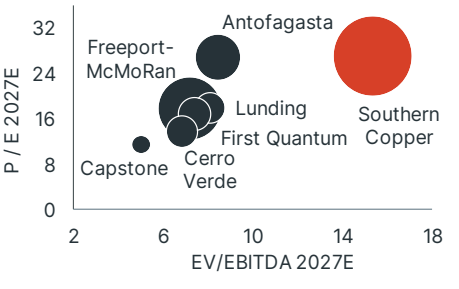
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

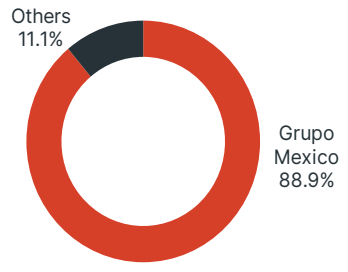


S. Copper

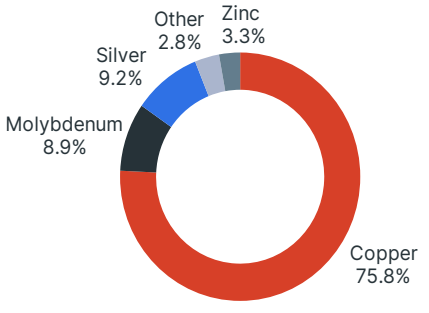
Company Description

Southern Copper Corporation (SCCO) is one of the world's largest vertically integrated copper miners, with significant production of molybdenum, zinc, silver and lead. It is one of the largest copper producer in the world and held the largest copper reserves among publicly traded companies worldwide. SCCO is engaged in the exploration, mining, smelting, and refining of copper and other minerals in Mexico, through its subsidiary Minera Mexico, and in Peru, through its Peru Branch, and in exploration activities in those same countries as well as Argentina, Ecuador, and Chile.

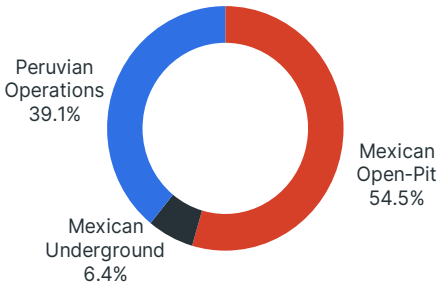
Ownership Structure



Revenue breakdown by metal (2027E)



Revenue breakdown by segment (2027E)



Management

CEO: Leonardo Contreras Lerdo de Tejada
CFO: Raul Jacob Ruisanchez
IRO: Victor Pedraglio
www.southerncoppercorp.com/eng

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	11,433	13,420	16,199	15,299	15,074
Gross Profit	5,746	7,192	10,323	9,515	9,009
EBITDA	6,406	7,822	11,002	10,225	9,781
Net Income	3,377	4,335	6,179	5,788	5,442
EPS (USD)	4.3	5.3	7.4	6.9	6.5
Gross Margin	50.3%	53.6%	63.7%	62.2%	59.8%
EBITDA Margin	56.0%	58.3%	67.9%	66.8%	64.9%
Net Margin	29.5%	32.3%	38.1%	37.8%	36.1%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	3,503	4,909	7,435	6,349	5,295
Total Current Assets	6,174	8,353	10,995	9,765	8,718
Total Assets	18,714	21,381	25,144	25,696	26,235
Current Liabilities	2,229	2,145	2,129	2,161	2,145
Financial Debt	6,935	7,327	8,577	8,577	8,526
Total Liabilities	9,475	10,277	11,510	11,491	11,475
Minority Interest	67	67	80	83	87
Shareholders Equity	9,172	11,038	13,554	14,121	14,672
Total Liabilities + Equity	18,714	21,381	25,144	25,696	26,235
Net Debt /EBITDA	0.5	0.3	0.1	0.2	0.3
Financial Debt /EBITDA	1.1	0.9	0.8	0.8	0.9
Financial Debt /Equity	0.8	0.7	0.6	0.6	0.6
ROAE	40.7%	42.9%	50.3%	41.8%	37.8%
ROAA	19.1%	21.6%	26.6%	22.8%	21.0%
ROIC	27.7%	33.8%	43.5%	36.4%	31.2%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,751**	**3,503**	**4,909**	**7,435**	**6,349**
Cash Flow From Operations	4,422	4,752	6,982	6,868	6,484
CAPEX	-1,027	-1,325	-2,032	-2,713	-2,576
Changes in Financial Debt	-17	392	1,250	0	-51
Dividends (Paid) Received	-1,637	-2,485	-3,663	-5,221	-4,891
Other CFI & CFF Items	-1,929	-2,826	-11	-21	-20
Changes in Equity	1,942	2,898	0	0	0
Final Cash	**3,503**	**4,909**	**7,435**	**6,349**	**5,295**
Change in Cash Position	**1,753**	**1,406**	**2,526**	**-1,086**	**-1,054**

Sources: Company Reports and Credicorp Capital

Southern Copper Corp

Fixed Income Research Peru
Metals & Mining

Orlando Barriga - orlandobarriga@credicorpcapital.com

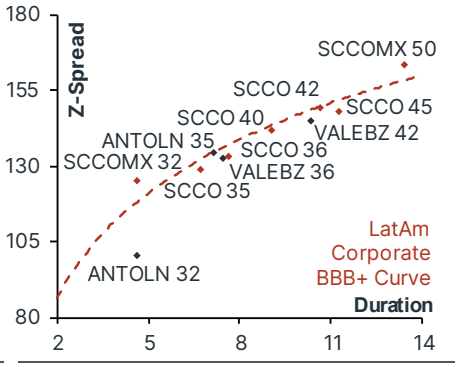
Baa1 / BBB+ / BBB+
Outlook: s / s / s

A premier copper credit at attractive levels

Investment Thesis

We recommend an Overweight position across the Southern Copper and Minera México curves, where spreads have widened to attractive levels relative to Antofagasta and Vale despite SCCO's stronger credit profile. The recommendation is underpinned by industry-leading copper reserves, low-cost integrated operations, robust liquidity, and net leverage well below 1.0x. Elevated copper prices and supportive long-term fundamentals should sustain cash generation, while Tía María and the broader project pipeline offer significant production growth potential amid a more favorable investment environment in Peru. Key risks include lower copper prices, project delays, and regulatory or social challenges. However, SCCO's financial flexibility provides a substantial buffer, while its scale, cost efficiency, and asset quality support meaningful spread-compression potential across the curve.

SSCO Bonds and comparables



Credit Data	
REG-S Notes	7
Outstanding Senior Notes	USD 8,050mn
Closest Call Date	12-Dec-31
Closest Maturity Date	12-Feb-32

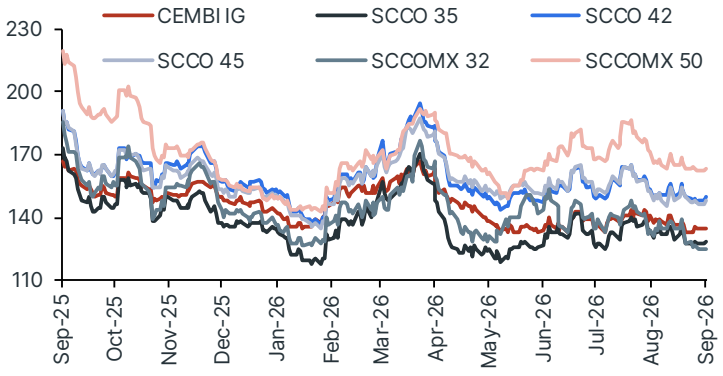
Concerns

- Exposure to copper price volatility
- Limited product and geographic diversification
- Capex execution risk

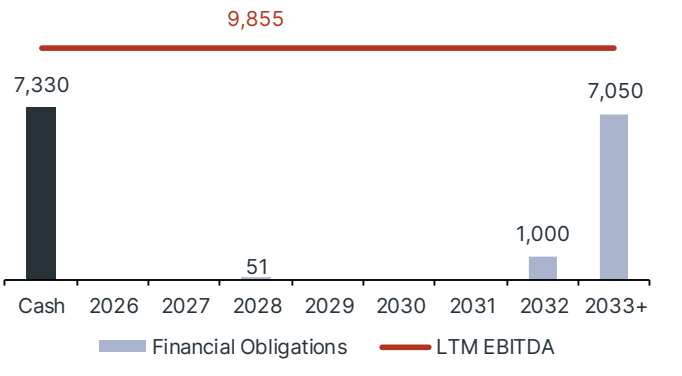
Strengths

- Industry-leading cost position and copper reserves
- Conservative financial policies and low leverage
- Strong liquidity and long-dated debt maturities

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
SCCO 35	USD 1,000mn	7.50%	Baa1/BBB+/BBB+	129	6.7	112.4	0.6%	5.7%	Overweight
SCCO 36	USD 1,250mn	5.35%	Baa1/BBB+/BBB+	134	7.6	97.0	0.5%	5.7%	Overweight
SCCO 40	USD 1,100mn	6.75%	Baa1/BBB+/BBB+	142	9.1	107.5	0.5%	5.9%	Overweight
SCCO 42	USD 1,200mn	5.25%	Baa1/BBB+/BBB+	150	10.6	91.7	0.5%	6.1%	Overweight
SCCO 45	USD 1,500mn	5.88%	Baa1/BBB+/BBB+	148	11.2	97.9	0.5%	6.1%	Overweight
SCCOMX 32	USD 1,000mn	5.63%	Baa1/BBB+/BBB+	125	4.6	100.2	0.5%	5.5%	Overweight
SCCOMX 50	USD 1,000mn	4.50%	Baa1/BBB+/BBB+	163	13.4	78.4	0.5%	6.2%	Overweight

SQM

Rating: Uperf
TP: CLP 68,100

Equity Research Chile Mining

Miguel Leiva - miguelleiva@credicorpcapital.com

Strong fundamentals, but limited upside under our base-case lithium curve

Investment Thesis

We downgrade SQM to UPERF from HOLD and trim our target price to CLP 68,100/share (USD 77/ADR), from CLP 82,400 (USD 95). Lithium fundamentals have improved decisively over the past year: supply discipline and disruptions in China, together with demand broadening from EVs into grid-scale energy storage, turned a surplus market into a tight one. SQM has been a full beneficiary; 2Q26 delivered record lithium volumes of 84 kt LCE with Mt. Holland at full capacity, a realized price of ~USD 21,200/t (+152% y/y), and an EBITDA margin above 50%. The stock has re-rated accordingly and, under our base-case price vector, we see limited upside and a more balanced risk-reward profile than a year ago. Prices have begun to ease — the benchmark has averaged USD 21,835/t so far in 3Q26 — and we assume ~USD 20,000/t from 2027. Lithium remains highly volatile, and a sustained period above our curve would challenge our call.

Going forward, the story is about volume, cost, and portfolio resilience rather than price. We expect lithium sales of 311/316/331 kt LCE in 2026/27/28E, in line with guidance of 280-290 kt of production in Chile this year and over 300 kt of capacity by end-2027, with Mt. Holland adding a second growth leg once its expansion doubles capacity, starting in 2030. Iodine (record prices, margins near 60%) and Specialty Plant Nutrition provide a stable earnings base. We project EBITDA of USD 4.0 bn in 2026E (47% margin) and USD 3.9 bn in both 2027E and 2028E. The company guides capex of ~USD 3 bn for 2026-28, which we see as comfortably funded by operating cash flow. Salar Futuro — a separate ~USD 3 bn program over seven years after approvals, with the environmental filing submitted in July — targets higher recovery rates and a lower environmental footprint; we read it as a cost story and conservatively model no significant additional volume.

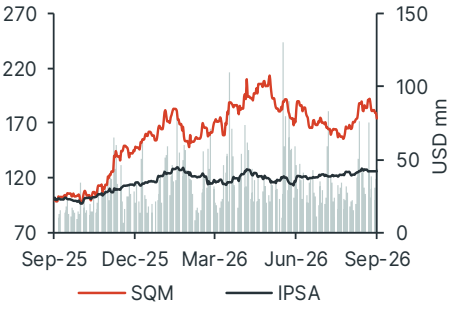
Valuation

Our TP of USD 77/ADR blends 60% DCF (USD 75/ADR; 10.1% WACC, 2.2% terminal growth) and 40% multiples (USD 81/ADR; 7.7x EV/EBITDA 2028E, a ~25% discount to peers), valued as of YE2027. In both approaches, Codelco's minority interest is deducted at the implied P/BV of each method. The cut versus our previous TP is not operational — 2Q26 beat our estimates across the board — but reflects a more conservative long-term lithium price assumption. Upside risks: lithium holding above USD 22,000/t, a faster Australian ramp-up, and a favorable Salar Futuro permitting outcome.

Stock Data

Ticker	sqm/b ci / sqm us
Price (CLP)	68,055 (loc) / 72 (ADR)
Target (CLP)	68,100 (loc) / 77 (ADR)
Total Return	5.5%
LTM Range	37,992 - 83,227
M. Cap (USD mn)	20,286
Shares Outs. (mn)	286
Free Float	52.3%
ADTV (USD mn)	91.6

Price Chart (CLP) and Volumes (USD mn)

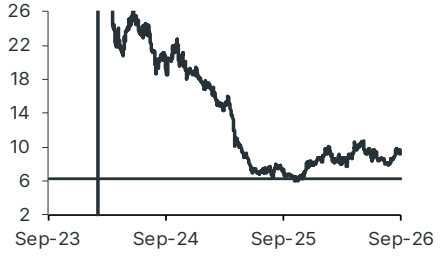


Valuation Summary

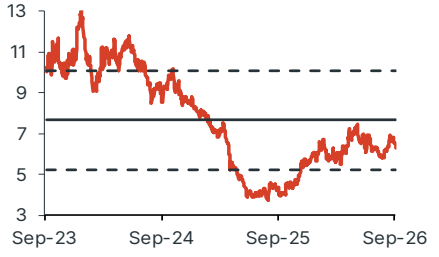
	2025	2026E	2027E	2028E
EV/EBITDA	15.8	5.9	6.2	6.1
P/E	33.5	9.0	9.2	8.5
P/CF	105.7	12.6	8.0	8.9
P/BV	3.5	2.9	2.5	2.2
Div. Yield	0.0%	4.5%	5.5%	5.8%

Sources: Company Reports and Credicorp Capital

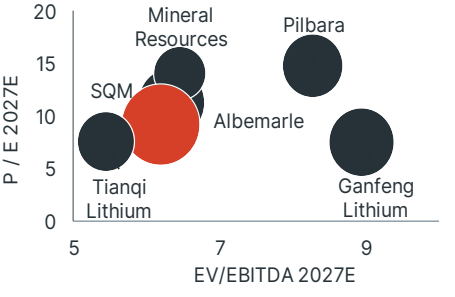
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

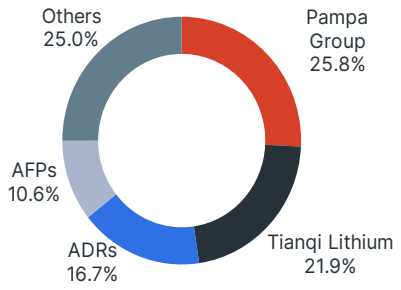


SQM

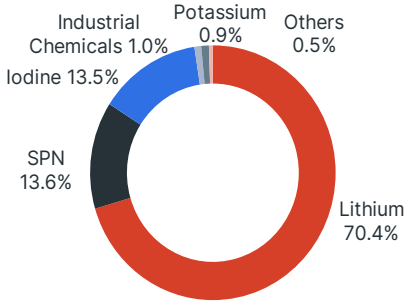
Company Description

SQM is an integrated producer and distributor of lithium, iodine, fertilizers (potash and special plant nutrients) and industrial chemicals. Its production facilities span Chile and participate in the Mt Holland lithium project in Australia, while serving customers through a global commercial network. The company has a leading position in the global markets of lithium, specialty fertilizers (potassium nitrate) and iodine. Main shareholders are Pampa Group and the Chinese lithium company Tianqi.

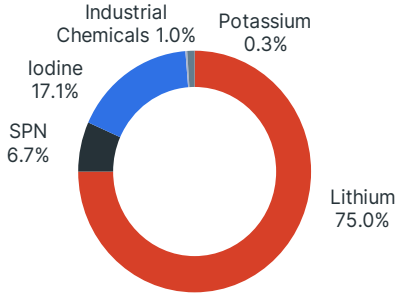
Ownership Structure



Revenue breakdown by concept (2027E)



Gross Profit ex-D&A by business (2027E)



Management

CEO: Ricardo Ramos
CFO: Gerardo Illanes
IRO: Isabel Bendeck
www.sqm.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	4,529	4,576	8,579	8,344	8,820
Gross Profit	1,327	1,353	3,787	3,566	3,628
EBITDA	1,484	1,580	4,021	3,854	3,943
Net Income	685	588	2,298	2,252	2,416
EPS (CLP)	2,386	1,938	7,572	7,421	7,960
Gross Margin	29.3%	29.6%	44.1%	42.7%	41.1%
EBITDA Margin	32.8%	34.5%	46.9%	46.2%	44.7%
Net Margin	15.1%	12.9%	26.8%	27.0%	27.4%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,378	1,750	2,857	4,676	5,587
Total Current Assets	5,578	5,780	7,588	9,634	10,645
Total Assets	11,496	14,505	16,841	18,810	20,321
Current Liabilities	2,219	1,769	2,454	2,523	2,625
Financial Debt	4,764	4,691	5,216	5,216	5,216
Total Liabilities	6,298	6,451	7,388	7,923	8,049
Minority Interest	37	2,363	2,363	2,670	2,846
Shareholders Equity	5,161	5,691	7,091	8,217	9,425
Total Liabilities + Equity	11,496	14,505	16,841	18,810	20,321
Net Debt /EBITDA	2.3	1.9	0.6	0.1	-0.1
Financial Debt /EBITDA	3.2	3.0	1.3	1.4	1.3
Financial Debt /Equity	0.9	0.8	0.7	0.6	0.6
ROAE	14.3%	10.8%	36.0%	29.4%	27.4%
ROAA	6.2%	4.5%	14.7%	12.6%	12.3%
ROIC	9.2%	7.2%	22.3%	21.1%	21.8%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,041**	**1,378**	**1,750**	**2,857**	**4,676**
Cash Flow From Operations	1,335	-946	2,341	3,616	2,920
CAPEX	-972	-877	-800	-800	-800
Changes in Financial Debt	294	-73	525	0	0
Dividends (Paid) Received	-67	-4	-919	-1,126	-1,208
Other CFI & CFF Items	-254	2,272	-40	130	-1
Changes in Equity	0	0	0	0	0
Final Cash	**1,378**	**1,750**	**2,857**	**4,676**	**5,587**
Change in Cash Position	**336**	**372**	**1,107**	**1,819**	**911**

Sources: Company Reports and Credicorp Capital

Volcan

B1 / NR / B+
Outlook: s / nr / s

Fixed Income Research Peru
Metals & Mining

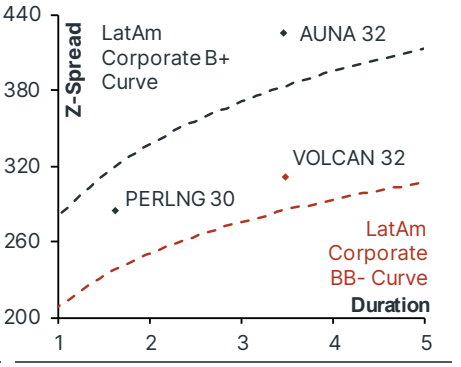
Orlando Barriga - orlandobarriga@credicorpcapital.com

Price-driven recovery lacks operational support

Investment Thesis

Volcan's improved liquidity, low net leverage, metals diversification, and extended maturity profile are offset by persistent execution and structural risks. Recent refinancing has alleviated near-term maturity pressure, while supportive metals prices and the ramp-up of Romina should bolster cash flow. However, the recovery remains largely price-driven, as production continues to underperform and rising labor, contractor, energy, and supply costs compound an already high cost base. Additional constraints include short mine lives, geographic concentration in Peru, commodity-price sensitivity, substantial reinvestment needs, and weaker bondholder protection following the collateral release. A more constructive view would require sustained production recovery, cost reductions, reserve replacement, positive free cash flow, and disciplined capital allocation. Until then, execution risks outweigh Volcan's improved financial flexibility, supporting our Neutral rating.

Volcan Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 970mn
Closest Call Date	28-Oct-28
Closest Maturity Date	28-Oct-32

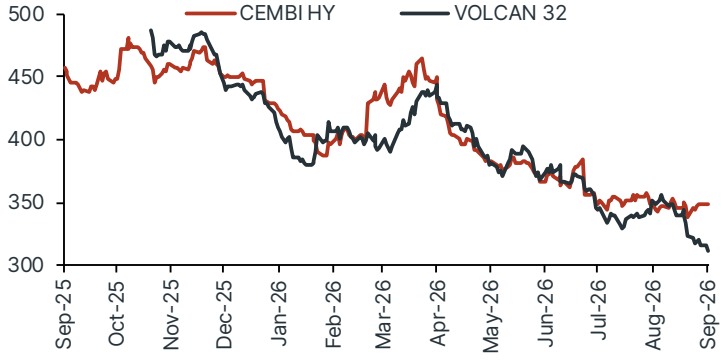
Concerns

- Low life of mines
- High all-in-sustaining zinc cash cost
- Exposure to metal price volatility inherent to the sector
- Geographic concentration, with all operations in Peru

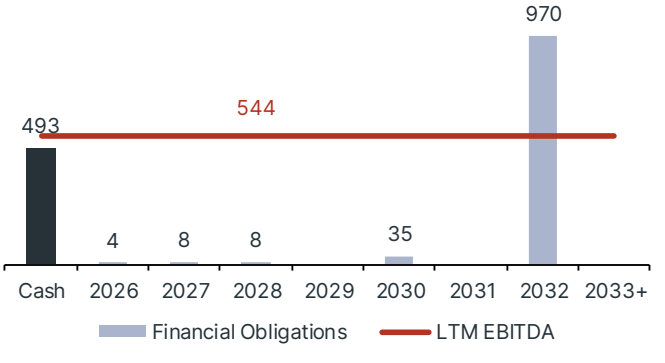
Strengths

- Strong liquidity, with no major debt maturities before 2032
- Low leverage and adequate credit metrics
- Diversified metal portfolio
- Organic growth potential

Z- Spread evolution



Debt Maturity Profile (USDmn)



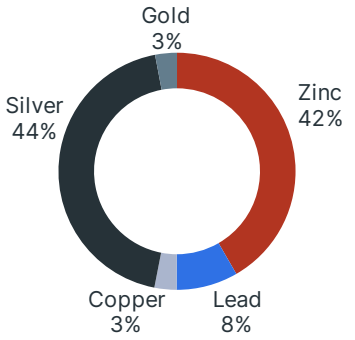
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
VOLCAN 32	USD 970mn	8.50%	B1 / NR / B+	312	3.5	103.6	0.7%	7.4%	Neutral

Volcan

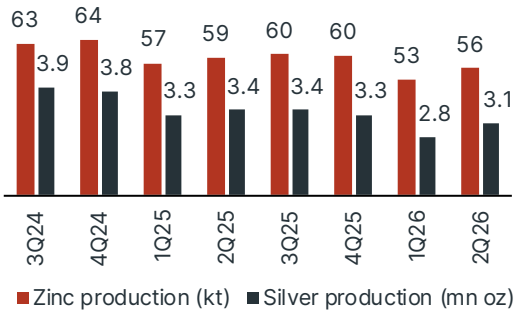
Company Description

Volcan is among the most significant zinc, silver, and lead producers worldwide. It is under the control of Integra Capital, which purchased Glencore's participation in 2024. Volcan operates four mining units in Central Peru, with four operating underground mines, two operating open-pit mines, five operating concentrator plants, and one lixiviation plant. Volcan has a hydroelectric power plant, a 23% participation in Cementos Polpaico, 100% of the Chancay Park Project, and 11% of IPCH.

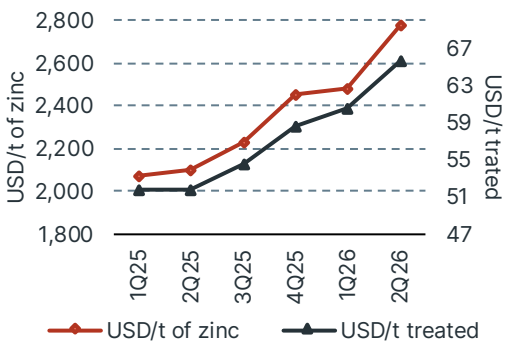
LTM Revenue Breakdown by Metal (%)



Main Metals Production (kt and mn oz)



Unitary Cost Evolution (USD/t)



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
EBITDA Int. Cvg.	5.2x	3.9x	4.8x	3.5x	4.2x
Gross Debt / EBITDA	2.6x	2.8x	1.9x	1.9x	1.9x
Net Debt / EBITDA	2.4x	2.6x	1.5x	1.2x	1.0x
Net Debt / Equity	1.9x	2.0x	1.3x	1.0x	0.7x
ST Debt / Gross Debt	2.1%	14.6%	1.7%	9.5%	1.5%

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Net Revenues	951	883	961	1,181	1,319
Gross Profit	189	158	261	443	546
Op. Profit	74	70	187	299	388
Financial Expenses	-57	-71	-79	-127	-130
Reported EBITDA	299	277	382	450	544
Gross Margin	19.8%	17.8%	27.2%	37.5%	41.4%
EBITDA Margin	31.4%	31.4%	39.8%	38.1%	41.3%
Net Margin	nm	nm	14.3%	17.7%	19.3%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash & Equivalents	74	62	156	335	493
Current Assets	225	208	296	491	719
Total Assets	1,976	1,875	1,841	2,200	2,556
Current Liabilities	361	440	320	581	444
Total Liabilities	1,601	1,511	1,391	1,670	1,809
Equity	375	365	450	530	747
Net Debt	714	713	564	533	524
Gross Debt	788	775	720	868	1,017
Short Term Debt	16	113	12	83	16
Long Term Debt	772	662	708	785	1,001
ROE	nm	nm	30.5%	39.3%	34.1%
ROA	nm	nm	7.4%	9.5%	10.0%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Operating Activities	336	248	298	417	498
Investing Activities	-290	-180	-148	-248	-326
Financing Activities	-204	-80	-56	5	170

Sources: Company Reports and Credicorp Capital

4.4 / Andean Consumption Exposure

Retail

A more mixed 2026, but opportunities remain

We place Falabella as our top pick within the coverage. Our second relative preferences is Cencosud.

After a particularly strong 2025 for local retail, supported by both resilient domestic consumption and an exceptional inflow of tourists, 2026 has unfolded with a more mixed tone than initially expected. While some degree of normalization was anticipated, the adjustment has been sharper, reflecting the fading contribution from tourism-related demand and a still-soft local consumer backdrop, with macro indicators yet to show a more meaningful recovery.

Beyond Chile, however, Colombia—and particularly Peru—have provided regional retailers with an additional source of support, partly offsetting softness in the Chilean market. Their contribution could become more meaningful in 2027, especially if the shift toward more market-friendly governments in both countries gains traction.

Against this backdrop, issuers have taken different paths to navigate a less straightforward environment, ranging from market-share gains and expense control to broader company-level transformations. Within discretionary retail, the first half of the year showed more pronounced sales declines; however, margin trends have been more constructive than we initially expected, while an easier comparison base in the second half should provide some relief.

For the second half of the year, comparison base should ease, giving results an extra air.

In financial retail, we remain particularly positive, as 2026 has been marked by strong loan-book growth, controlled risk costs, and profitability levels above pre-pandemic standards, while also supporting consumption within the broader retail ecosystems.

Staples, in the other hand, have remained as a less exciting story, in line with our expectation for a price-led dynamic that is unlikely to become materially easier in 2027, given the still-promotional tone from international players and the potential entry of new competitors.

In discretionary retail, we name **Falabella (BUY; T.P.: CLP 7,500/share)** as our top pick and upgraded our recommendation, supported by stronger earnings quality, solid execution, and a more attractive business mix. Valuation remains undemanding, with upside from banking, shopping centers, and an eventual improved macro backdrop. **For Ripley**,**(HOLD; T.P.: CLP 500/share)** we maintain a neutral stance but with a higher target price, acknowledging better profitability and margin protection, while remaining cautious on Chilean retail, Peru weather-related risks, and banking trends.

In staples, we upgrade **Cencosud (BUY; T.P.: CLP 2,850/share)** to BUY while lowering our target price to CLP 2,850, as its deep discount appears to more than reflect recent profitability pressures. Its defensive supermarket exposure, solid liquidity, and easier comparisons support a gradual recovery. For **SMU (HOLD; T.P.: CLP 190/share)**, we maintain our neutral stance, as solid execution and cost discipline are offset by limited catalysts, a muted industry backdrop, and gradual margin upside. Lastly, for **InRetail (BUY; T.P.: USD 53.0/share)**, we maintain our BUY recommendation with a USD 53 target price, supported by positive results and steady growth, and position it as a top pick in the Peru market.

Real Estate

The M&A glow-up enters the execution phase

For shopping centers, 2026 has been a year deeply marked by inorganic growth, with the three listed players pursuing asset acquisitions while advancing their respective organic development pipelines. In our view, this reinforces the sector's ongoing relevance as a platform for capital deployment, even in a context where operators are simultaneously balancing integration efforts, project execution, and disciplined portfolio expansion.

We are placing Cenco Malls as our relative preference in the sector, with a neutral stance in Parque Arauco and seeing Mallplaza in line with fair prices.

At the same time, shopping centers have had to navigate a normalization in consumption trends, in some cases further affected by a lower contribution from tourism-related demand. While this has introduced a more demanding operating backdrop relative to the post-pandemic recovery years, underlying activity levels have remained broadly supportive, with tenant sales and occupancy dynamics continuing to show resilience across most markets.

Despite these headwinds, the industry has continued to deliver resilient results, supported by a combination of inorganic contributions, organic growth, and still-healthy operational dynamics. This performance once again highlights the defensive attributes of the asset class and the relative attractiveness of shopping centers during less favorable stages of the cycle, particularly given their capacity to sustain solid cash flow generation and preserve profitability.

Looking into 2027, we expect the year to be defined by consolidation, as recently acquired assets are fully incorporated into the operating base and management teams focus on extracting efficiencies, enhancing commercial performance, and maximizing the value embedded in each transaction. In this context, execution will be key, particularly in terms of integration, margin expansion, and the ability to gradually close the gap between acquisition multiples and normalized portfolio valuations. We maintain Cenco Malls as our preferred exposure, supported by its growth profile and recent asset additions, while adopting a Neutral relative stance on Parque Arauco, given solid fundamentals but more balanced upside. Mallplaza remains our least preferred name, reflecting a less compelling risk-reward profile at this stage.

For **Cenco Malls (BUY; T.P.: CLP 3,000/share)**, our positive stance is supported by attractive valuation, resilient operating dynamics, and a constructive earnings outlook. Growth should be reinforced by Plaza Central, the maturation of recent assets, and gradual progress on a reformulated project pipeline with relatively low execution risk.

For **Parque Arauco (HOLD; T.P.: CLP 4,400/share)**, we move our recommendation to HOLD, reflecting lower relative upside after the stock's performance and current valuation discount. That said, we remain constructive on its fundamentals, supported by a strong growth pipeline, a low execution risk profile, and potential for additional project announcements. Lastly, for **Mallplaza (UNDERPERFORM; T.P.: CLP 4,000/share)**, we place it as our third pick, as the stock appears to be approaching fair value and upside from current levels looks limited. While we continue to recognize the quality of its asset base and execution, valuation, more limited estimate revisions, and asset interventions in 2027 support a more cautious stance.

Consumer Exposure

We are Neutral on the Chilean beverages space, with Coca-Cola Andina remaining our preferred name.

Andina's resilient earnings profile supports its premium valuation, limiting further re-rating potential.

Coca-Cola Andina (HOLD; T.P.: CLP 5,250/share) remains our preferred name within the Chilean beverages space, given its resilient business model, strong portfolio of leading brands, geographic diversification, and proven ability to offset cost inflation through pricing while preserving healthy volume growth. These strengths have enabled the company to deliver steady EBITDA margins despite significant FX and commodity-related volatility. Chile's operations have exhibited a resilient performance, Brazil and Paraguay continue to support earnings growth, while Argentina has become less of a concern than in previous years. However, we believe the market increasingly recognizes these qualities. Although the shares continue to trade at a discount to historical multiples, this discount is broadly in line with that observed among Mexican Coca-Cola bottlers. As a result, while we remain constructive on the company's fundamentals, valuation limits the scope for multiple expansion.

Climate risk exposure appears relatively limited versus peers. The company benefits from a more industrial input basket, geographic diversification, and an active sugar hedging strategy, which should help mitigate the potential impact of weather-related disruptions on raw material costs.

CCU's execution is improving and near-term tailwinds are building, but evidence of a structural earnings recovery remains limited.

CCU (HOLD; T.P.: CLP 6,300/share) is benefiting from renewed investor interest, supported by positive results in Chile, driven by strong performance in non-alcoholic beverages, favorable momentum in low-alcohol and flavored beer categories, as well as ready-to-drink beverages (RTD), and continued efforts to improve operating efficiency. The consolidation of the water business in Chile, lower wine costs, restructuring of wine commercialization in Chile, efficiency initiatives and easier comparisons in Argentina should also support profitability in the coming quarters and through 2027. Nevertheless, we remain cautious regarding the sustainability of the recovery as beer demand remains weak in both Chile and Argentina, while margins continue to face potential pressure from aluminum, PET and FX-related costs. At the same time, visibility remains limited regarding a recovery in wine consumption and investor sentiment may remain cautious ahead of Argentina's 2027 elections. While execution has improved, we believe it is still premature to conclude that CCU has entered a structurally stronger and more predictable earnings trajectory. Regarding CCU shares, while they may appear very attractive at first glance, it is worth noting that several beer-exposed peers currently trade at similar or even wider discounts to their historical valuation ranges, suggesting limited scope for

valuation support on a relative basis. CCU appears more exposed to climate-related risks given its reliance on agricultural commodities such as barley and sugar. A potential El Niño event could increase volatility in input costs and affect crop quality, potentially limiting the benefits from lower raw material prices and adding pressure on margins.

Concha y Toro's management continues optimizing its portfolio and operations, but global wine industry challenges limit re-rating potential.

Concha y Toro (HOLD; T.P.: CLP 1,050/share) continues to adapt its business to changing consumer preferences through premiumization, expansion in faster-growing markets, productivity initiatives, and active portfolio management. The acquisition of Maison Mirabeau reinforces management's commitment to premiumization and provides exposure to a still-growing category. In addition, the creation of Viña Amelia as a standalone winery dedicated exclusively to Chardonnay and Pinot Noir further reinforces the company's strategy of concentrating resources behind higher-value categories and globally differentiated wine origins to capture value through specialization. Regarding 2H26 and 2027 results, while lower wine costs in Chile and the gradual normalization of U.S. distribution following the RNDC (Republic National Distributing Company) transition should provide a meaningful boost to earnings over the next quarters, productivity initiatives equivalent to 2.8% 2025 revenues are expected to deliver a more sustained improvement in profitability through 2027. However, visibility on a sustained recovery in global wine demand remains limited, with industry consumption trends still declining. While earnings should improve, we see limited scope for a significant re-rating, as the stock's discount to historical averages appears justified by weaker industry growth, lower peer valuations, and more subdued M&A multiples.

Concha y Toro remains inherently exposed to climate-related risks given the agricultural nature of its core input. While recent harvest was favorable, adverse weather events during key stages of vine development, particularly flowering and ripening, could affect grape quality, yields, and ultimately profitability towards the 2H27.

Fixed Income

We are mostly Neutral on retail and consumer names on valuations grounds. BFALA 32 remains our only Overweight position.

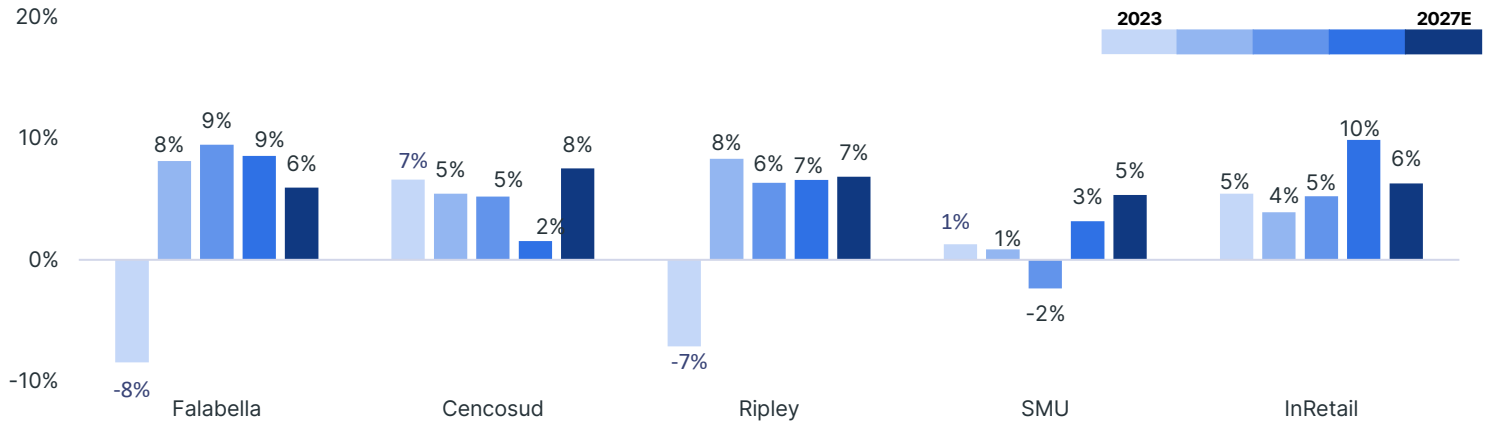
From a corporate fixed income perspective, our only OW recommendation is BFALA 32, which still offers value relative to Cencosud.

From the corporate fixed income side, our only Overweight recommendation is BFALA 32, which continues to offer value relative to Cencosud, supported by stronger operating momentum and a healthier credit profile. Falabella's strong operating performance continues to translate into improving credit metrics, with net debt-to-EBITDA declining to 1.3x from 4.7x two years ago. This sharp deleveraging underscores the success of management's refocusing strategy, which has driven profitability improvements across all business segments. Cencosud's results, on the other hand, have been relatively soft, putting pressure on leverage metrics, while valuations remain tight. As a result, we remain Underweight across the curve.

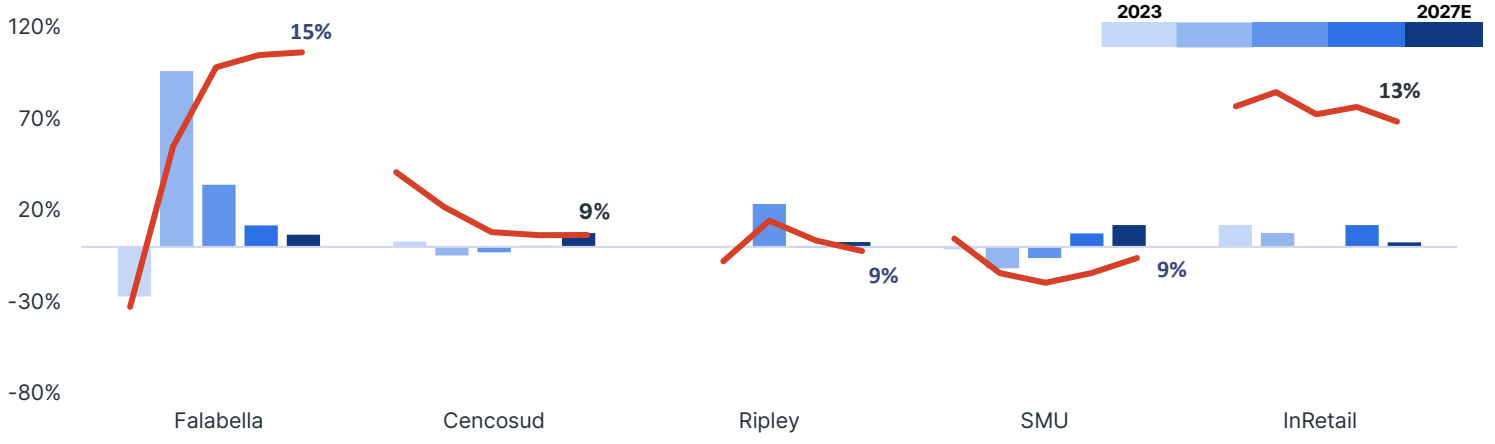
In the case of InRetail, we remain confident in the company's operating momentum; however, valuations appear fair at current levels. Accordingly, we remain Neutral on both INRCON 28 and INRSHM 32.

Lastly, we remain Neutral on Nutresa bonds. Recent results further reinforce Nutresa's operational transformation, as the company continues to deliver meaningful margin expansion, reducing execution risk, translating operational improvements into stronger profitability. However, net leverage remains elevated at 4.5x following the hybrid bond issuance. While we see additional room for spread compression relative to consumer peers if leverage trends toward 3.0x, and further convergence toward Colombian sovereign spreads given the company’s geographic diversification, near-term upside appears limited. Leverage remains elevated, and several potential headwinds could moderate the pace of deleveraging, including the impact of El Niño on commodity costs, pressure on revenues from a stronger COP, and the possibility of additional M&A activity.

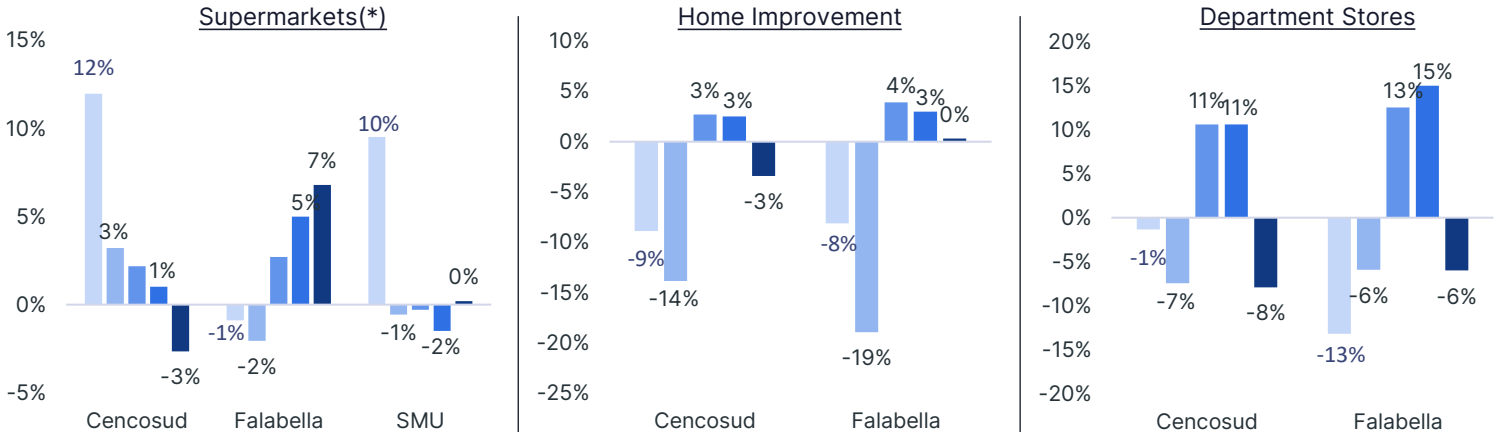
Revenue Growth (local currency)



EBITDA Growth (bars) & EBITDA Margin (lines)

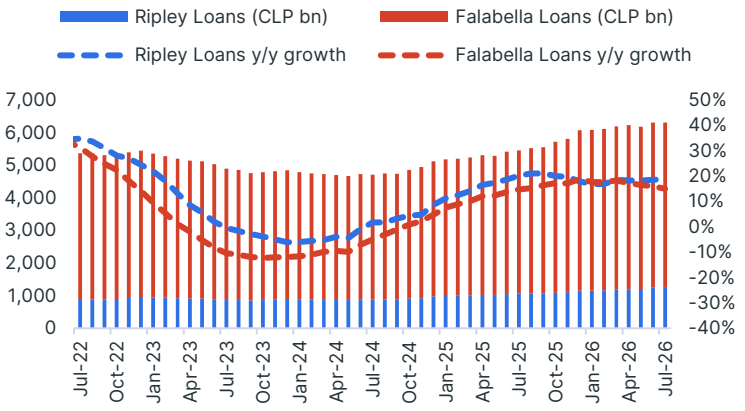


Same-Store-Sales by category (from 2022 to 2026)

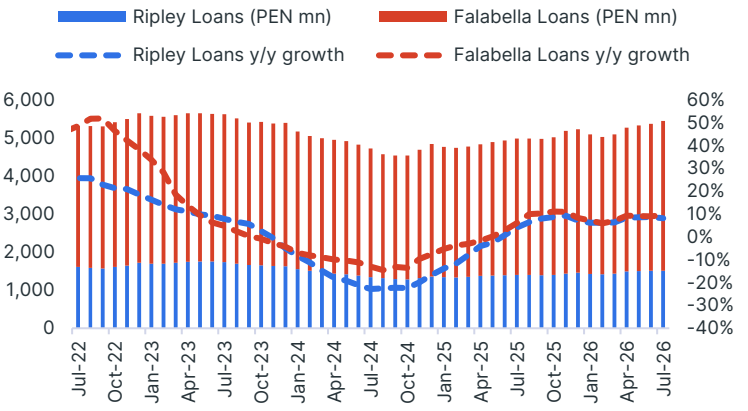


(*) Cencosud's data includes Santa Isabel and Jumbo. SMU only includes Unimarc.
Source: Company Financial Statements, Credicorp Capital.

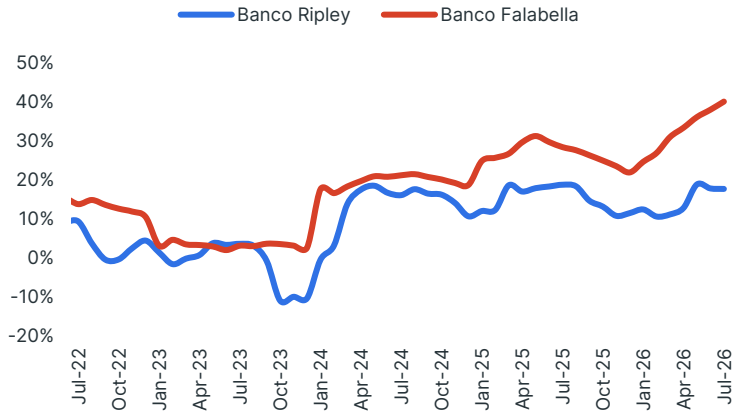
Chile - Banco Falabella and Ripley Loans (% growth)



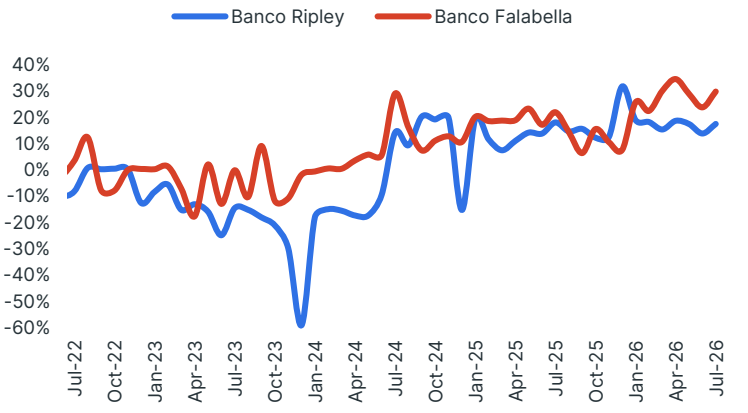
Peru - Banco Falabella and Ripley Loans (% growth)



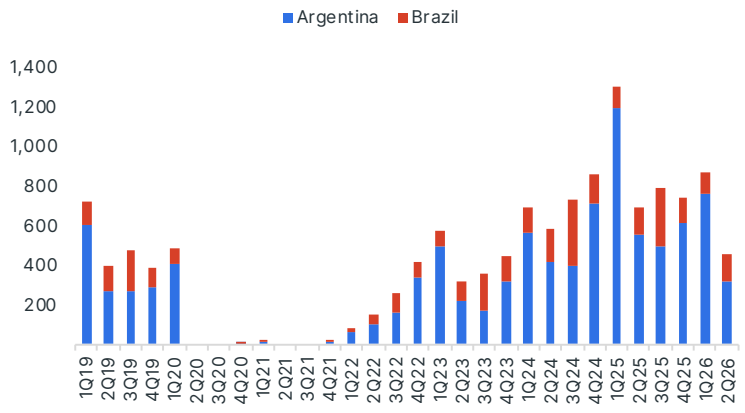
Chile - Banco Falabella and Ripley monthly annualized ROE (%)



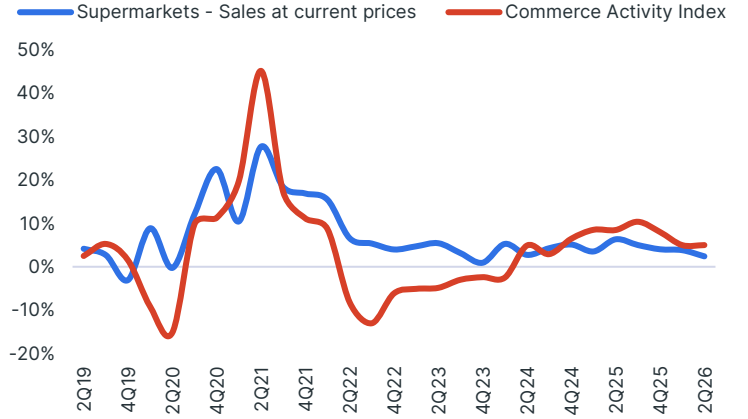
Peru - Banco Falabella and Ripley monthly annualized ROE (%)



Foreign tourist arrivals to the country (in thousands)

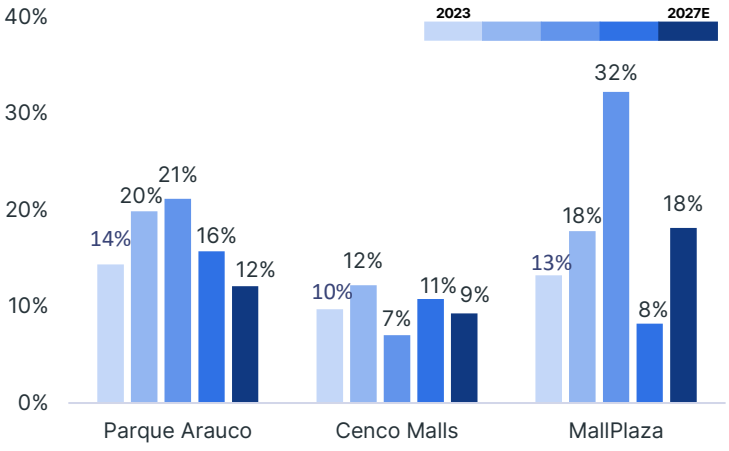


Supermarket sales and commerce activity index (y/y%)

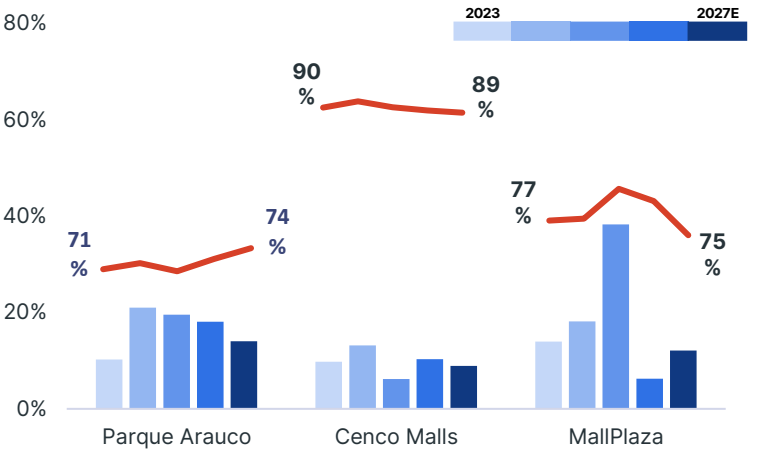


Source: INE, Banco Central de Chile, Company Financial Statements, Credicorp Capital.

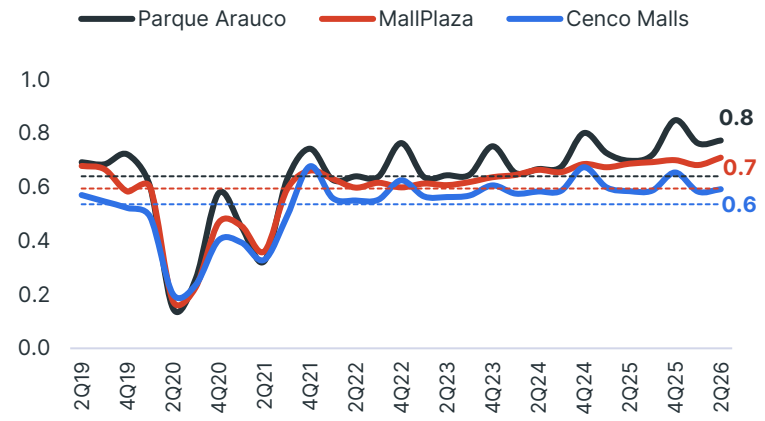
Revenue Growth (local currency)



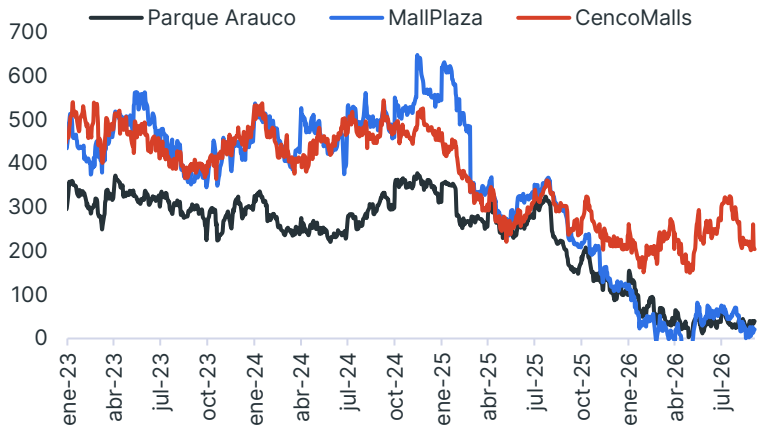
EBITDA Growth (bars) & EBITDA Margin (lines)



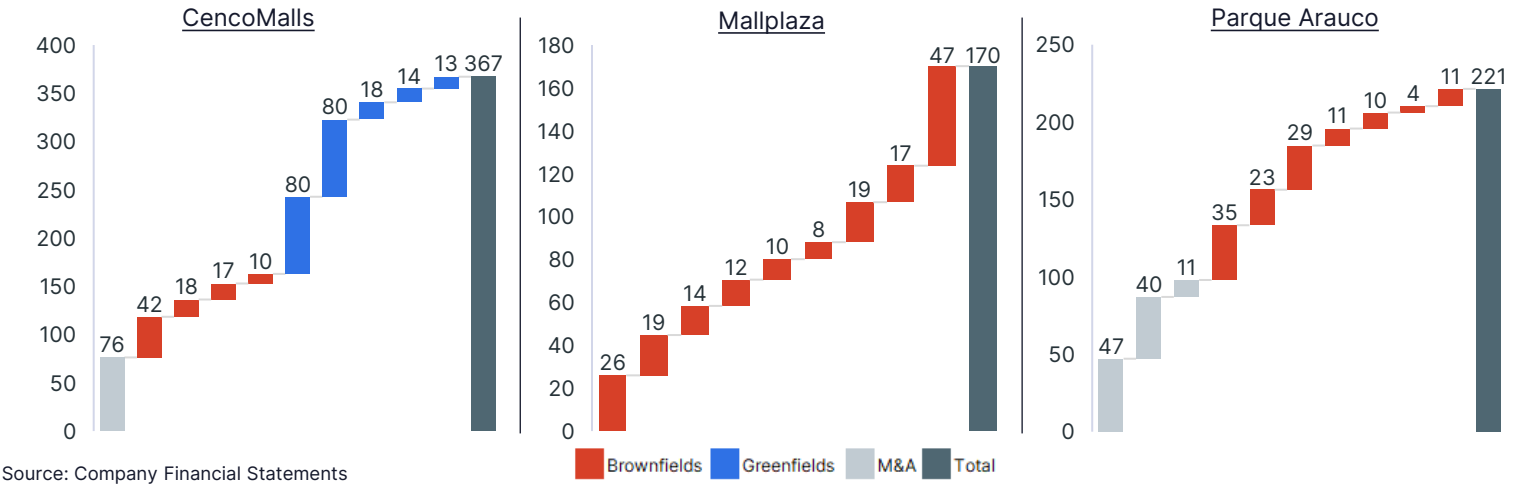
Monthly Revenues UF/SQM – Chilean operations



Spread 12m Fwd Cap Rate and 10Y Bond



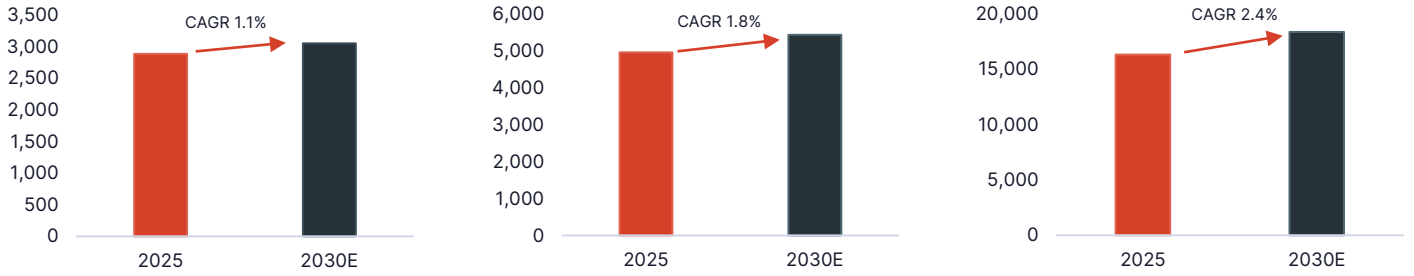
Greenfield and Brownfield Capex Plan (GLA in sqm)



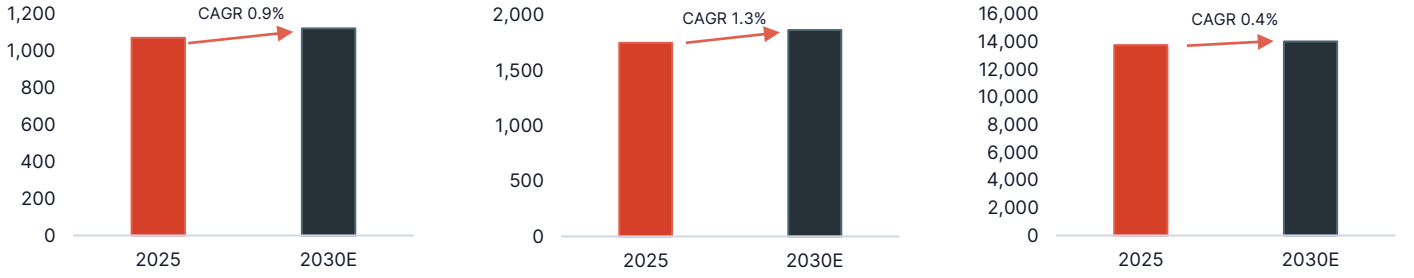
Source: Company Financial Statements

Beverages Trends Monitor

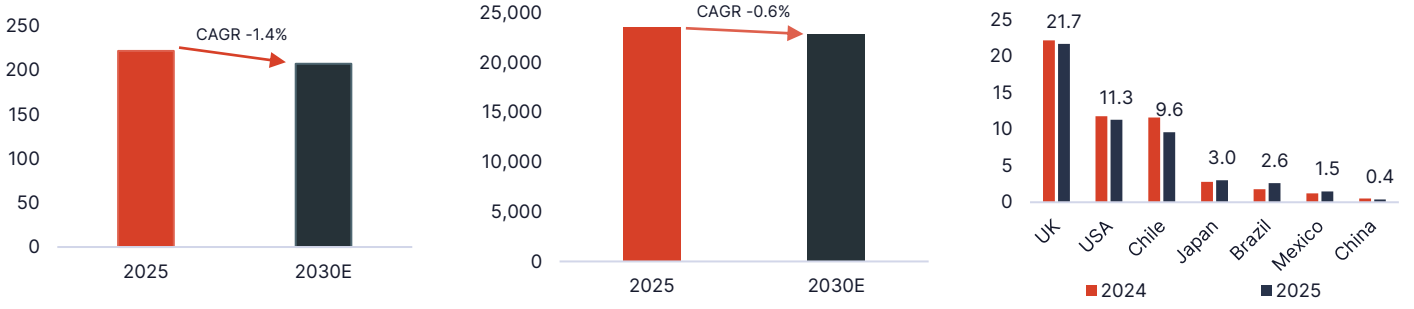
Carbonates Soft Drinks Market Growth (volume) – Chile, Argentina & Brazil



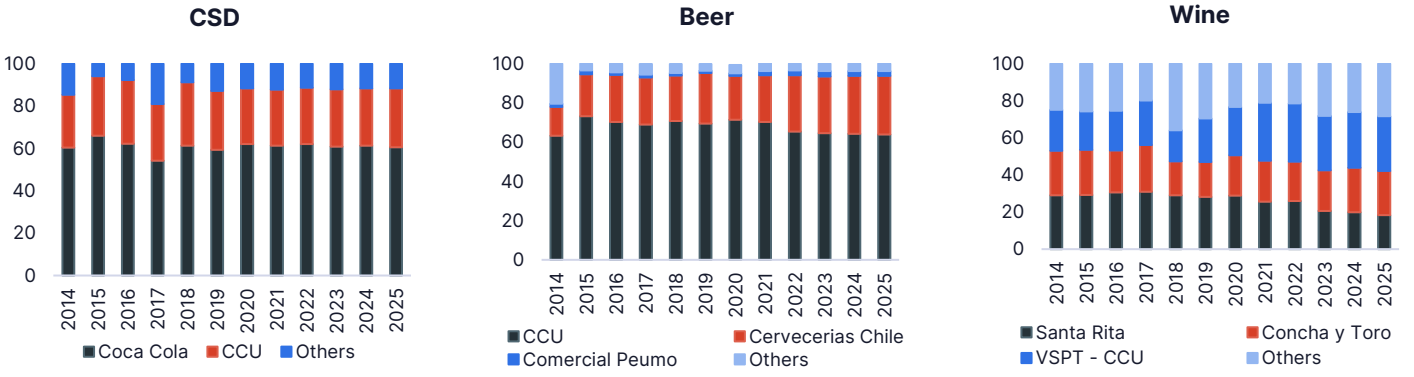
Beer Market Growth (volume) - Chile, Argentina & Brazil



Wine Market Growth (volume) – Chile, World & Per Capita Consumption in 2024-2025 (liters)



Market Shares Evolution in Chile



Source: Euromonitor, OIV, Credicorp Capital Research.

Relative Valuation

Company	Country	Market Cap (USD mn)	P/E 2025	P/E 2026E	P/E 2027E	P/E 2028E	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E
Wine										
Chile										
Concha y Toro (*)	Chile	737	11.3	9.4	9.3	8.7	8.6	7.9	7.4	7.3
Average			**11.3**	**9.4**	**9.3**	**8.7**	**8.6**	**7.9**	**7.4**	**7.3**
Global Wine										
Treasury Wine Estates	Australia	3,059	15.4	15.5	12.7	11.4	9.4	9.4	8.5	8.1
Average			**15.4**	**15.5**	**12.7**	**11.4**	**9.4**	**9.4**	**8.5**	**8.1**
Wine, Liquor & Distribution										
Brown-Forman	USA	12,267	17.4	15.6	15.5	14.8	12.0	12.4	12.4	12.1
Diageo	UK	48,321	13.1	13.1	12.3	11.4	10.8	10.6	10.1	9.5
C&C Group	Ireland	447	10.3	10.3	9.2	8.4	6.2	6.3	6.1	5.9
Pernod Ricard	France	17,460	10.2	10.6	10.2	9.7	9.2	9.4	9.0	8.6
Remy Cointreau	France	2,610	28.3	24.6	21.4	18.8	13.8	13.4	12.4	11.5
Anhui Gujin Distillery	China	6,611	14.1	15.0	14.0	12.6	5.2	6.5	6.0	5.3
Thai Beverages	Thailand	8,820	11.2	10.6	10.0	9.4	10.1	10.1	9.9	9.5
Average			**14.9**	**14.2**	**13.2**	**12.1**	**9.6**	**9.8**	**9.4**	**8.9**
Beer										
LatAm										
CCU (*)	Chile	2,167	18.5	16.0	13.6	12.2	8.0	7.2	6.6	6.4
AmBev	Brazil	47,736	16.6	15.1	14.4	13.3	7.8	7.5	7.2	6.8
Average			**17.5**	**15.6**	**14.0**	**12.7**	**7.9**	**7.3**	**6.9**	**6.6**
Global										
Boston Beer	USA	1,745	17.1	19.0	16.5	15.2	6.3	7.1	6.6	6.5
Constellation Brands	USA	21,144	10.5	10.5	10.0	9.4	9.5	9.4	9.1	8.9
Molson Coors	USA	6,801	7.1	8.1	7.8	7.4	5.5	6.0	6.1	6.1
AB Inbev	Belgium	140,091	20.9	17.5	15.9	14.4	10.0	9.1	8.6	8.2
Heineken	Netherlands	46,723	14.9	13.7	12.6	11.7	9.5	8.7	8.3	7.9
Carlsberg	Denmark	18,725	14.2	13.4	12.4	11.4	9.5	8.8	8.4	8.0
Royal Unibrew	Denmark	3,198	13.3	12.2	11.1	10.0	9.4	8.7	8.2	7.8
Kirin Holdings	Japan	14,833	15.3	12.9	12.4	11.8	10.4	9.2	8.8	8.6
Ashai Group	Japan	15,791	19.6	12.2	11.3	10.2	9.7	8.4	7.8	7.6
Average			**14.8**	**13.3**	**12.2**	**11.3**	**9.1**	**8.4**	**8.0**	**7.7**
Non-Alcoholic Beverages										
LatAm										
Andina (*)	Chile	4,218	13.8	15.3	14.3	14.0	7.6	7.6	7.2	7.0
Femsa	Mexico	22,969	16.3	15.5	14.1	12.8	7.5	7.1	6.6	6.2
Arca	Mexico	19,461	16.8	16.0	14.3	13.5	7.9	7.7	7.1	6.7
Average			**15.6**	**15.6**	**14.3**	**13.4**	**7.6**	**7.5**	**7.0**	**6.6**
North America										
Pepsico	USA	186,512	16.8	16.0	15.2	14.4	12.7	11.8	11.4	10.8
Coca Cola Co	USA	377,893	29.3	26.6	24.9	23.2	25.2	23.6	22.2	20.9
Monster Beverage	USA	84,285	41.6	37.0	32.5	28.7	31.1	26.8	23.8	21.4
Keurig Dr Pepper Inc.	USA	42,812	15.6	14.0	12.7	11.8	16.9	12.0	10.7	10.2
Average			**25.8**	**23.4**	**21.3**	**19.5**	**21.5**	**18.6**	**17.1**	**15.8**
Telecom & IT										
Entel (*)	Chile	1,237	7.4	8.9	7.6	7.0	4.2	3.6	3.5	3.4
Megacable Holdings	Mexico	2,620	14.7	12.8	10.2	9.3	4.2	3.9	3.6	3.5
Tim	Brazil	9,155	10.9	10.7	9.4	8.4	4.4	4.1	3.9	3.7
America Movil	Mexico	69,146	14.2	11.8	9.8	8.4	5.0	4.8	4.5	4.3
Telefonica Brazil	Brazil	19,249	16.0	12.5	9.9	9.1	4.5	4.1	3.8	3.6
Vodafone	UK	40,218	12.3	13.5	11.9	10.7	6.6	5.8	5.4	5.0
Telefonica	Spain	23,909	11.0	11.4	9.0	8.3	5.3	5.1	4.9	4.8
Average			**12.4**	**11.7**	**9.7**	**8.7**	**4.9**	**4.5**	**4.2**	**4.0**

(*) Multiples are calculated with Credicorp Capital Estimates

Source: Refinitv and Credicorp Capital Estimates

Alicorp

Rating: Hold
TP: PEN 15.0

Equity Research Peru
Food & Beverage

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Strong fundamentals and M&A momentum, but lower stock liquidity could weigh on valuation

Investment Thesis

Following a period under review, we reintroduce our Hold recommendation on Alicorp and establish a 2027YE target price of PEN 15.0/share. We maintain a constructive view on Alicorp, supported by its portfolio of leading brands, strong market positions across key categories, disciplined capital allocation and solid balance sheet, which continues to support regional expansion. The company benefits from diversified business model spanning consumer goods and B2B platform in Peru, Aquafeed, and international consumer goods operations, which enhances earnings resilience.

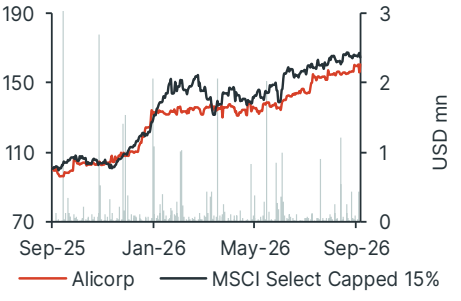
Alicorp's competitive advantages stem from its market leadership in Peru, an extensive distribution network, a proven ability to innovate and adapt to evolving consumer preferences and the acquisition of strong brands in other geographies. A key pillar of the investment case is management's successful M&A track record. Despite remaining highly active on this front, Alicorp has preserved a prudent financial profile, supported by healthy cash generation, strong liquidity and disciplined leverage management. Looking ahead to 2027, acquisitions are expected to become an important growth driver. The recently acquired Unilever Home Care business in Colombia, together with the proposed acquisitions of similar operations in Ecuador and Flora Food Group's spreads business in Latin America (excluding Brazil and Mexico), should strengthen Alicorp's regional footprint and expand its exposure to attractive consumer categories. Based on information disclosed by the company, we estimate these transactions could support double-digit revenue growth in 2027 on a consolidated basis.

While Alicorp's fundamentals remain attractive, the sharp decline in trading liquidity could limit the scope for a meaningful valuation rerating.

Stock Data

Ticker	alicorc1 pe
Price (PEN)	13.4
Target (PEN)	15.0
Total Return	16.5%
LTM Range	8 - 13
M. Cap (USD mn)	2,287
Shares Outs. (mn)	577
Free Float	12%
ADTV (USD mn)	0.2

Price Chart (PEN) and Volumes (USD mn)



Valuation

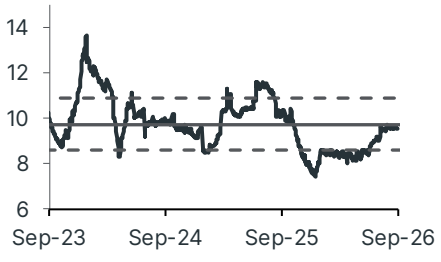
Our target price implies a 6.2x EV/LTM EBITDA multiple by December 2027, compared with Alicorp's five-year average multiple of 6.7x. The resulting 7% discount reflects a more conservative valuation stance, which we believe is warranted by the stock's lower free float and reduced trading liquidity following successive share repurchase programs since 2022.

Valuation Summary

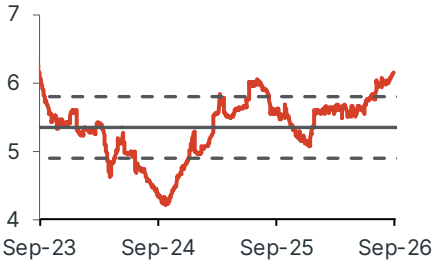
	2025	2026E	2027E	2028E
EV/EBITDA	6.6	6.6	6.1	5.9
P/E	13.8	10.4	9.5	8.9
P/CF	7.0	25.7	6.8	6.8
P/BV	4.7	4.6	3.6	2.9
Div. Yield	6.8%	2.7%	4.3%	4.8%

Sources: Company Reports and Credicorp Capital

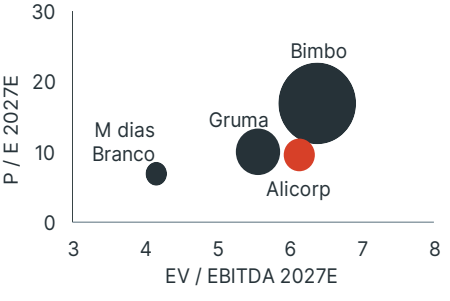
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

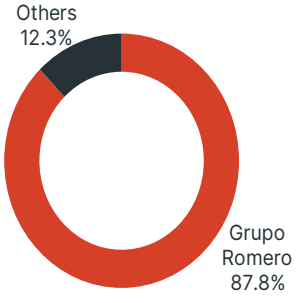


Alicorp

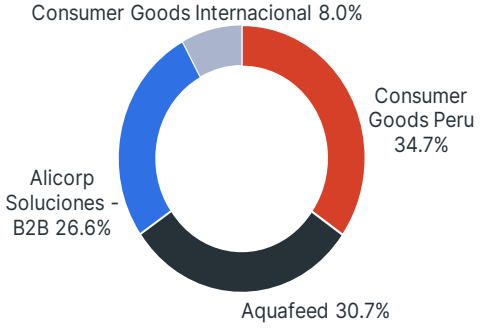
Company Description

Alicorp is Peru's leading consumer goods company, with emblematic brands across food, home care, and personal care categories. The company also has operations in Bolivia, Ecuador, Colombia and other regional markets. Through its B2B platform, Alicorp serves industrial customers and the Horeca channel, while through Aquafeed produces nutritional solutions for the shrimp industry in Ecuador, Peru, and Honduras, and salmon exporters in Chile.

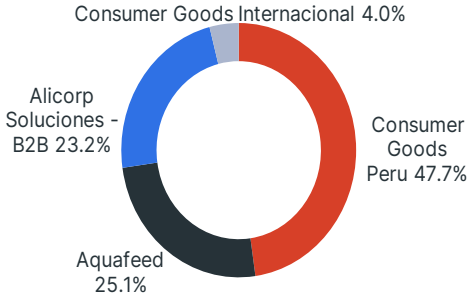
Ownership Structure (Jun-26)



Revenue breakdown by segment (LTM)



EBITDA breakdown by segment (LTM)



Management

CEO: Gonzalo Uribe
CFO: Luis Banchero
IRO: Felipe Martins
www.alicorp.com.pe

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Revenues	10,598	11,764	12,971	13,745	14,218
Gross Profit	2,865	3,103	3,380	3,641	3,747
EBITDA	1,460	1,469	1,829	1,974	2,041
Net Income	342	446	750	820	877
EPS (PEN)	0.49	0.77	1.30	1.42	1.52
Gross Margin	27.0%	26.4%	26.1%	26.5%	26.4%
EBITDA Margin	13.8%	12.5%	14.1%	14.4%	14.4%
Net Margin	3.2%	3.8%	5.8%	6.0%	6.2%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,984	852	692	1,072	1,463
Total Current Assets	5,183	3,939	4,448	5,032	5,464
Total Assets	12,232	10,669	12,529	13,321	13,950
Current Liabilities	5,216	4,855	6,057	6,312	6,372
Financial Debt	5,137	4,268	4,817	4,817	4,817
Total Liabilities	9,979	9,280	10,647	10,934	11,030
Minority Interest	93	72	211	234	259
Shareholders Equity	2,159	1,317	1,671	2,153	2,661
Total Liabilities + Equity	12,232	10,669	12,529	13,321	13,950
Net Debt /EBITDA	2.2	2.3	2.3	1.9	1.6
Financial Debt /EBITDA	3.5	2.9	2.6	2.4	2.4
Financial Debt /Equity	2.4	3.2	2.9	2.2	1.8
ROAE	13.8%	25.7%	50.2%	42.9%	36.4%
ROAA	2.7%	3.9%	6.5%	6.3%	6.4%
ROIC	7.9%	14.2%	18.9%	18.1%	18.7%

Cash Flow Statement

PEN mn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,494**	**1,984**	**852**	**692**	**1,072**
CF From Operations	2,223	1,809	654	1,175	1,233
CAPEX	-818	-761	-1,106	-481	-498
Changes in Financial Debt	43	-870	549	0	0
Dividends (Paid) Received	0	-417	-210	-337	-369
Other CFI & CFF Items	-797	-777	-46	23	24
Changes in Equity	-161	-117	0	0	0
Final Cash	**1,984**	**852**	**692**	**1,072**	**1,463**
Change in Cash Position	**490**	**-1,132**	**-160**	**380**	**391**

Sources: Company Reports and Credicorp Capital

Andina

Rating: Hold
TP: CLP 5,250 (loc) / USD 35.8 (ADR)

Equity Research Chile
Food & Beverage

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Quality and consistency remain intact, limited multiple expansion ahead

Investment Thesis

We reiterate our Hold recommendation on Coca-Cola Andina B shares with a 2027YE TP of CLP 5,250/share. Andina continues to stand out for the resilience of its business model. The company benefits from a strong and diversified portfolio of leading brands, broad geographic diversification, and a proven ability to pass through cost inflation to prices while preserving healthy volumes growth. These strengths have allowed Andina to sustain EBITDA margins in the 17.5%-18.5% range over the last 5Y despite significant FX and input-cost volatility. At the same time, the company maintains a conservative leverage policy and strong cash generation.

Importantly, Argentina has become less of a concern than in previous years. Although consumption trends remain challenging, the operation has proven financially self-sufficient and has not represented a material drag on the group, while the company's overall earnings momentum continues to be supported by resilient performances in Chile, consistently strong execution in Brazil, and solid market positioning in Paraguay. In addition, Andina's more industrial input basket and active sugar hedging strategy leave it less exposed than peers to potential cost pressures associated with El Niño-related disruptions.

Nevertheless, we believe the market already recognizes these strengths. According to consensus estimates, Andina-B shares currently trade at a mid-to-high single-digit discount to their historical valuation multiples, broadly in line with the discount observed for Mexican Coca-Cola bottlers, limiting the scope for further multiple expansion. As a result, while the fundamental outlook remains constructive, we maintain our Hold rating on Coca-Cola Andina B shares. That said, the company's long-track record of consistent execution, resilient earnings delivery, and attractive DY could support an earlier-than-expected convergence toward our target price, as has often been the case in previous years.

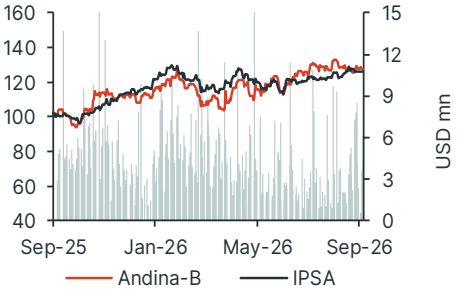
Valuation

Our December 2027 target price of CLP 5,250/share is based on a 10-year DCF model, resulting in an implied EV/Fwd EBITDA multiple of 7.3x, which aligns with its 10-year historical average valuation.

Stock Data

Ticker	andinab ci / ako/b us
Price (CLP)	4,600 (loc) / 29.1 (ADR)
Target (CLP)	5,250 (loc) / 35.8 (ADR)
Total Return	19.5%
LTM Range	3,384 - 4,789
M. Cap (USD mn)	4,218
Shares Outs. (mn) (A+B series)	947
Free Float (A+B series)	53.5%
ADTV (USD mn) - B series	4.4

Price Chart (CLP) and Volumes (USD mn)

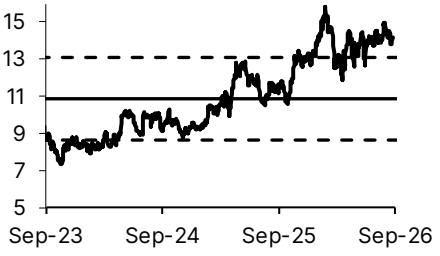


Valuation Summary

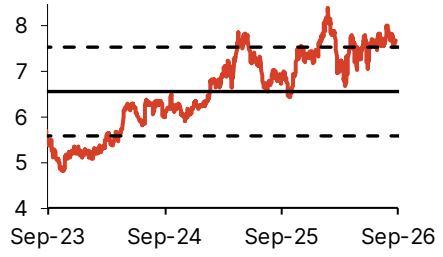
	2025	2026E	2027E	2028E
EV/EBITDA	7.6	7.6	7.2	7.0
P/E	13.8	15.3	14.3	14.0
P/CF	16.6	14.5	13.5	12.8
P/BV	3.2	3.1	2.9	2.8
Div. Yield	5.3%	3.5%	5.3%	5.7%

Sources: Company Reports and Credicorp Capital

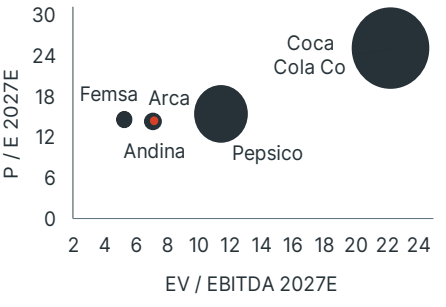
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

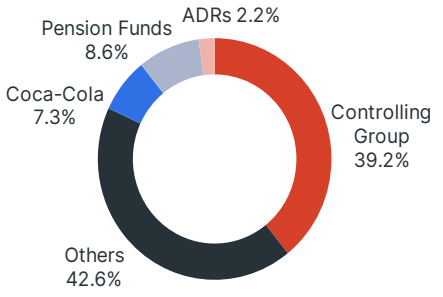


Andina-B

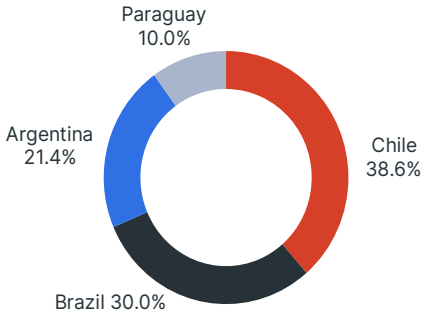
Company Description

Coca-Cola Andina is among the three largest KO bottlers in Latin America, servicing franchised territories with almost 58 million people. In 2025, the company delivered over 946 million unit cases of soft drinks, juices, bottled water, beer, and other alcoholic beverages. Coca-Cola Andina holds the franchise to produce and commercialize Coca-Cola products in certain territories in Argentina, Brazil, Chile, and all of Paraguay. The controlling group consists of 4 Chilean families (39.2% stake), who have a shareholders' agreement which includes The Coca-Cola Company (7.3% stake).

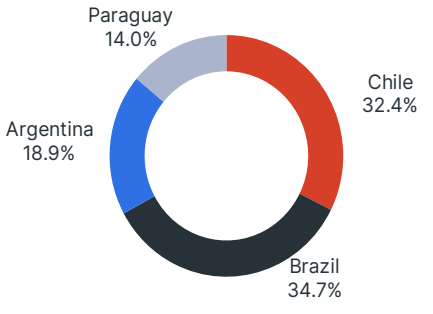
Ownership Structure (As of Dic-25)



Revenue breakdown by country (LTM)



EBITDA breakdown by country (LTM)



Management

CEO: Miguel Ángel Peirano
CFO: Andrés Wainer
IRO: Paula Vicuña
www.koandina.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	3,224,233	3,344,836	3,634,465	3,826,244	3,913,752
Gross Profit	1,278,870	1,307,157	1,430,480	1,506,249	1,537,046
EBITDA	578,192	614,608	688,678	730,069	747,552
Net Income	232,663	268,697	284,944	303,433	311,536
EPS (CLP)	246	284	301	321	329
Gross Margin	39.7%	39.1%	39.4%	39.4%	39.3%
EBITDA Margin	17.9%	18.4%	18.9%	19.1%	19.1%
Net Margin	7.2%	8.0%	7.8%	7.9%	8.0%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	325,486	342,514	398,971	399,904	409,778
Total Current Assets	1,013,196	1,033,053	1,139,033	1,178,342	1,187,544
Total Assets	3,291,104	3,420,405	3,751,695	3,875,849	3,961,185
Current Liabilities	906,144	730,413	763,615	799,011	801,019
Financial Debt	1,176,874	1,254,215	1,259,227	1,262,491	1,270,978
Total Liabilities	2,276,707	2,223,852	2,290,551	2,340,095	2,358,476
Minority Interest	37,988	39,155	42,063	45,171	48,429
Shareholders Equity	976,409	1,157,399	1,419,080	1,490,583	1,554,280
Total Liabilities + Equity	3,291,104	3,420,405	3,751,695	3,875,849	3,961,185
Net Debt /EBITDA	1.5	1.5	1.2	1.2	1.2
Financial Debt /EBITDA	2.0	2.0	1.8	1.7	1.7
Financial Debt /Equity	1.2	1.1	0.9	0.8	0.8
ROAE	25.0%	25.2%	22.1%	20.9%	20.5%
ROAA	7.5%	8.0%	7.9%	8.0%	8.0%
ROIC	15.0%	15.6%	14.6%	14.6%	14.5%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**370,969**	**325,486**	**342,514**	**398,971**	**399,904**
CF From Operations	305,758	304,050	298,028	476,241	501,717
CAPEX	-291,542	-277,822	-226,230	-249,749	-255,749
Changes in Financial Debt	79,551	77,341	5,013	3,264	8,486
Dividends (Paid) Received	-158,408	-195,890	-153,160	-231,930	-247,838
Other CFI & CFF Items	19,157	109,350	132,806	3,108	3,258
Changes in Equity	0	0	0	0	0
Final Cash	**325,486**	**342,514**	**398,971**	**399,904**	**409,778**
Change in Cash Position	**-45,484**	**17,029**	**56,456**	**933**	**9,874**

Sources: Company Reports and Credicorp Capital

CCU

Rating: Hold
TP: CLP 6,300 (loc) / USD 14.3 (ADR)

Equity Research Chile
Food & Beverage

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Improved execution in Chile, structural challenges remain

Investment Thesis

We reiterate our Hold recommendation on CCU, with a 2027YE TP of CLP 6,300/share. While CCU's stronger-than-expected 1H26 results have renewed investor interest, visibility on a structural earnings recovery remains limited. Historically, the company has delivered less consistent performance than Andina, reflecting weak beer consumption in Chile, exposure to FX and commodity cost pressures, and its meaningful presence in Argentina, where beer demand remains subdued. These challenges are compounded by structural headwinds in the wine business across domestic and export markets. That said, several factors support a more constructive stance. These include sustained momentum in non-alcoholic beverages in Chile, CCU's strong positioning in low-alcohol/flavored beer and spirit-based RTDs, value creation from the full consolidation of its water operations, and efficiency initiatives in Argentina that should become visible through 2H26 and 2027. An easier comparison base in Argentina, the commercial restructuring of the wine business, and lower wine costs following a favorable Chilean harvest should also support profitability.

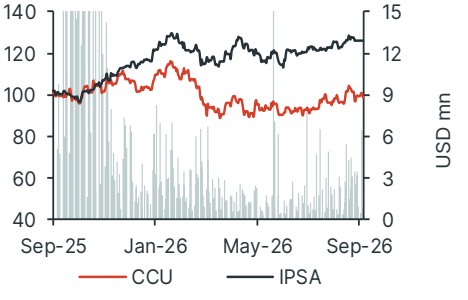
Nevertheless, evidence of a structural recovery in beer volumes across Chile and Argentina remains limited. Higher aluminum and PET resin costs, together with a weaker CLP, could continue to pressure margins, while uncertainty around Argentina's 2027 elections, wine demand, and a potential El Niño event may impact input costs.

Overall, while execution has improved and efficiency measures are gaining traction, we believe it is still premature to conclude that CCU has reached a more predictable earnings trajectory. As such, we continue to view the stock's risk-reward profile as balanced, underpinning our Hold rating.

Stock Data

Ticker	ccu ci / ccu us
Price (CLP)	5,515 (loc) / 11.7 (ADR)
Target (CLP)	6,300 (loc) / 14.3 (ADR)
Total Return	19.0%
LTM Range	4,977 - 6,497
M. Cap (USD mn)	2,167
Shares Outs. (mn)	370
Free Float	34%
ADTV (USD mn)	4.3

Price Chart (CLP) and Volumes (USD mn)



Valuation

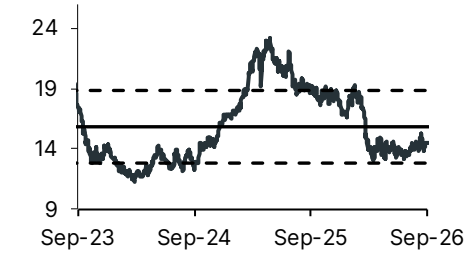
Our December 2027 target price of CLP 6,300/share is derived from a 10-year DCF model and implies an EV/Fwd EBITDA multiple of 6.9x, representing a ~10% discount to its 10-year historical average valuation based on consensus estimates. While this may appear attractive at first glance, it is worth noting that several beer-exposed peers currently trade at similar or even wider discounts to their own historical valuation ranges, suggesting limited scope for valuation support on a relative basis.

Valuation Summary

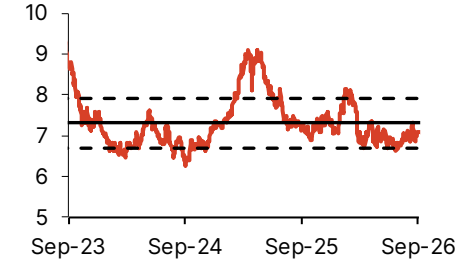
	2025	2026E	2027E	2028E
EV/EBITDA	8.0	7.2	6.6	6.4
P/E	18.5	16.0	13.6	12.2
P/CF	13.4	9.9	10.6	8.6
P/BV	1.5	1.4	1.3	1.2
Div. Yield	3.6%	3.3%	3.5%	4.1%

Sources: Company Reports and Credicorp Capital

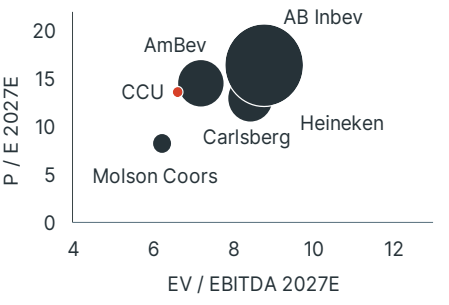
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

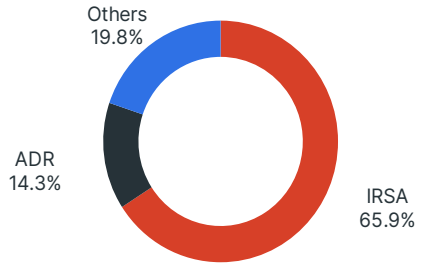


CCU

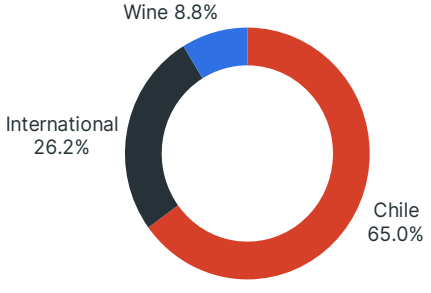
Company Description

CCU is a multicategory bottler and distribution company, leading beer production in Chile. The company is jointly controlled by Quiñenco (Luskic Group) and Heineken through a 50/50 partnership (IRSA). CCU produces and distributes soft drinks (own and licensed brands such as PepsiCo and Schweppes), wines (VSPT winery), spirits, cider in Argentina and snacks. It has also presence in Paraguay (in partnership with Vierci Group), Colombia (in alliance with Postobón), Bolivia and Uruguay.

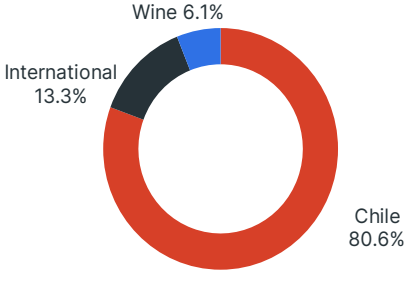
Ownership Structure (As of Jun-26)



Sales by business division (LTM)



EBITDA by business division (LTM)



Management

CEO: Eduardo Ffrench-Davis
CFO: Felipe Dubernet
IRO: Claudio Las Heras
www.ccu.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	2,904,566	2,909,625	3,058,827	3,217,165	3,326,572
Gross Profit	1,313,609	1,291,591	1,371,449	1,463,079	1,514,495
EBITDA	415,936	376,208	411,140	447,047	465,865
Net Income	160,944	117,152	127,048	149,549	167,163
EPS (CLP)	436	317	344	405	452
Gross Margin	45.2%	44.4%	44.8%	45.5%	45.5%
EBITDA Margin	14.3%	12.9%	13.4%	13.9%	14.0%
Net Margin	5.5%	4.0%	4.2%	4.6%	5.0%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	719,022	529,103	454,999	510,526	618,720
Total Current Assets	1,771,267	1,511,097	1,426,763	1,527,499	1,648,553
Total Assets	3,989,717	3,645,387	3,677,122	3,767,207	3,862,133
Current Liabilities	860,006	795,650	751,476	773,817	783,857
Financial Debt	1,399,885	1,239,308	1,245,351	1,229,395	1,224,744
Total Liabilities	2,317,202	2,028,926	2,049,541	2,055,048	2,060,042
Minority Interest	147,332	144,531	133,068	138,937	145,497
Shareholders Equity	1,525,183	1,471,930	1,494,512	1,573,222	1,656,594
Total Liabilities + Equity	3,989,717	3,645,387	3,677,122	3,767,207	3,862,133
Net Debt /EBITDA	1.6	1.9	1.9	1.6	1.3
Financial Debt /EBITDA	3.4	3.3	3.0	2.8	2.6
Financial Debt /Equity	0.9	0.8	0.8	0.8	0.7
ROAE	11.7%	7.8%	8.6%	9.7%	10.4%
ROAA	4.3%	3.1%	3.5%	4.0%	4.4%
ROIC	12.7%	10.3%	8.6%	8.5%	9.1%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**625,595**	**719,022**	**529,103**	**454,999**	**510,526**
CF From Operations	27,980	300,767	195,459	297,929	346,050
CAPEX	-160,086	-156,901	-159,678	-161,475	-155,975
Changes in Financial Debt	51,345	-160,577	6,043	-15,956	-4,651
Dividends (Paid) Received	-81,797	-78,322	-66,720	-70,839	-83,790
Other CFI & CFF Items	255,986	-94,885	-49,209	5,869	6,560
Changes in Equity	0	0	0	0	0
Final Cash	**719,022**	**529,103**	**454,999**	**510,526**	**618,720**
Change in Cash Position	**93,427**	**-189,919**	**-74,104**	**55,528**	**108,193**

Sources: Company Reports and Credicorp Capital

Cenco Malls

Equity Research Chile
Real Estate

Rating: Buy
TP: CLP 3,000

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Resilience, ramp-ups, and re-rating potential

Investment Thesis

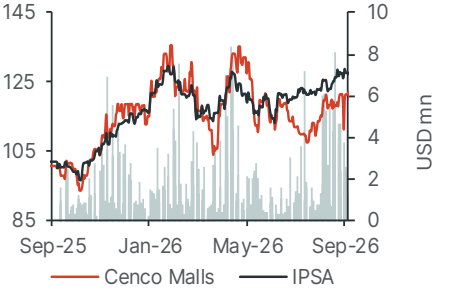
For Cenco Malls, we are maintaining our target price of CLP 3,000 per share and our BUY recommendation. Since our last update, we have made a 3% upward revision to our 2026 revenue and EBITDA estimates and a 6% upward revision to our 2027 estimates, reflecting a more constructive operating outlook.

Our positive stance is supported by:
i) an attractive valuation discount both within the industry and relative to the index, which, when combined with the business's resilient operating dynamics, results in what we view as a compelling risk-reward profile**; ii) consistently resilient results,** even against a backdrop of softer consumption momentum in Chile given tourism normalization, reflected in superior to inflation revenue growth and in line long term EBITDA margin of 90%; **iii) upcoming operational momentum from the incorporation of Plaza Central in Colombia,** the maturation of Cenco Limonar, and, in Peru, the continued ramp-up of Cenco La Molina; and **iv) a reformulated project pipeline and gradual progress on execution,** which should help reinforce a lower execution-risk profile over the medium term.

Stock Data

Ticker	cencomal ci
Price (CLP)	2,450
Target (CLP)	3,000
Total Return	28.1%
LTM Range	1,924 - 2,784
M. Cap (USD mn)	4,445
Shares Outs. (mn)	1,706
Free Float	28%
ADTV (USD mn)	1.7

Price Chart (CLP) and Volumes (USD mn)



Valuation

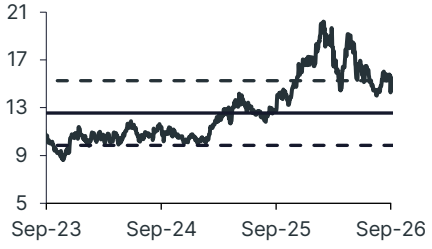
Our target price is derived entirely from a 10-year DCF model, using a WACC of 9.8% and a cost of equity of 11.1%. We project compound annual growth rates of approximately 8.0% for revenue and 7.9% for EBITDA over the 2025–2030 period, together with a long-term EBITDA margin of approximately 90%.

Valuation Summary

	2025	2026E	2027E	2028E
EV/EBITDA	13.9	13.6	12.5	11.7
P/E	16.9	16.7	14.6	13.2
P/CF	58.0	186.5	46.3	36.4
P/BV	1.3	1.3	1.3	1.2
Div. Yield	3.9%	4.7%	5.6%	6.1%

Sources: Company Reports and Credicorp Capital

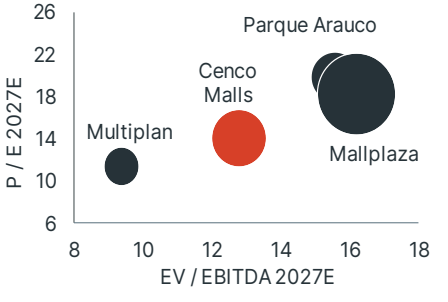
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

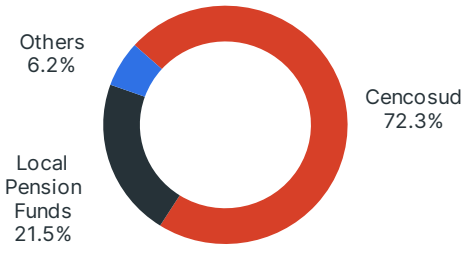


Cenco Malls

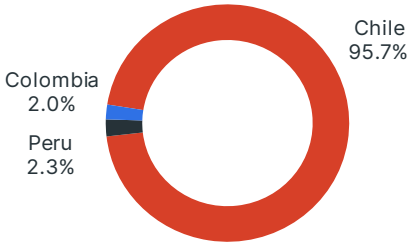
Company Description

Cenco Malls is a Chilean Real Estate developer and shopping mall operator. The company is part of the Cencosud Holding and was listed on the Santiago Stock Exchange in June 2019, being the largest listing on the local market. Its portfolio includes regional malls, neighborhood malls, power centers, and offices across Chile, Peru and Colombia, reaching a total GLA of 1,538,391 sqm. The company is the second mall operator in Chile in terms of GLA and revenues.

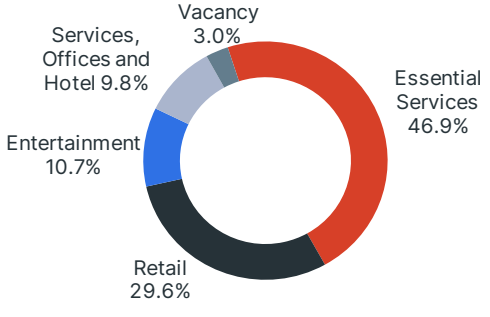
Ownership Structure



Revenue breakdown by country (LTM)



GLA breakdown by category (LTM)



Management

CEO: Sebastián Bellocchio
CFO: Agustin Letelier
IRO: Irina Axenova
www.cencomalls.com/corporativo

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	353,184	377,941	418,618	457,460	486,666
Gross Profit	341,252	367,036	405,746	441,294	469,743
EBITDA	320,677	340,557	375,654	409,236	436,732
Net Income ex FV	217,343	235,070	250,342	286,511	316,190
EPS (CLP)	156	178	209	225	244
Gross Margin	96.6%	97.1%	96.9%	96.5%	96.5%
EBITDA Margin	90.8%	90.1%	89.7%	89.5%	89.7%
Net Margin	61.5%	62.2%	59.8%	62.6%	65.0%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	115,012	44,348	44,348	44,348	44,348
Total Current Assets	151,627	81,684	81,416	83,062	89,729
Total Assets	4,291,156	4,501,457	4,869,689	5,069,829	5,262,467
Current Liabilities	85,631	88,002	127,436	144,708	151,689
Financial Debt	794,908	813,771	962,597	997,936	984,804
Total Liabilities	1,456,656	1,506,781	1,715,206	1,767,113	1,789,985
Minority Interest	6,468	5,505	6,464	6,464	6,877
Shareholders Equity	2,828,032	2,989,171	3,148,020	3,296,252	3,465,605
Total Liabilities + Equity	4,291,156	4,501,457	4,869,689	5,069,829	5,262,467
Net Debt /EBITDA	2.1	2.3	2.4	2.3	2.2
Financial Debt /EBITDA	2.5	2.4	2.6	2.4	2.3
Financial Debt /Equity	0.3	0.3	0.3	0.3	0.3
ROAE	7.8%	8.1%	8.2%	8.9%	9.4%
ROAA	5.2%	5.3%	5.3%	5.8%	6.1%
ROIC	6.8%	7.0%	7.1%	7.3%	7.6%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**52,509**	**115,012**	**44,348**	**44,348**	**44,348**
CF From Operations	62,689	-32,387	-90,747	90,281	114,670
CAPEX	-73,354	-172,514	-250,937	-198,910	-184,912
Changes in Financial Debt	28,287	18,863	148,826	35,338	-13,132
Dividends (Paid) Received	-202,994	-155,231	-196,271	-235,524	-253,875
Other CFI & CFF Items	247,875	270,604	389,130	308,815	337,250
Changes in Equity	0	0	0	0	0
Final Cash	**115,012**	**44,348**	**44,348**	**44,348**	**44,348**
Change in Cash Position	**62,503**	**-70,664**	**0**	**0**	**0**

Sources: Company Reports and Credicorp Capital

Cencosud

Equity Research Chile Retail

Rating: Buy
TP: CLP 2,850

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Discounted, defensive, and due for better days

Investment Thesis

We are lowering our target price for Cencosud from CLP 3,150 to CLP 2,850 per share due to softer-than-expected first-half profitability. Nonetheless, we are upgrading our recommendation from **HOLD to BUY**. This reflects the significant discount at which the stock is currently trading relative to the broader market. In addition, given that most of Cencosud's value is concentrated in supermarkets—a sector that may remain under pressure, but continues to offer a relatively low-risk and resilient profile—**we feel more comfortable with the stock's risk-reward symmetry.**

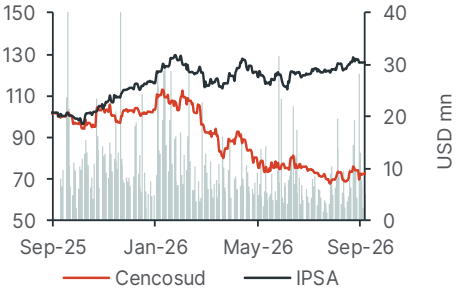
Our positive stance is supported by: i) valuation remaining deeply discounted versus historical multiples and appearing to price in extremely conservative EBITDA scenarios; **ii) the company's defensive nature given the exposure to supermarkets,** which profiles Cencosud as a relatively low-risk investment case despite potentially lower growth momentum over the medium term; **iii) a comfortable liquidity position,** even after recent transactions and despite softer operating results; and **iv) what we believe should be an approaching inflection point in results,** supported by a normalization in the store base comparison, a more mature commercial strategy in the home improvement segment, and continued margin recovery in more challenged markets such as Argentina, Colombia, and Brazil.

All that said, we do feel that the main driver for the market would be the delivery of more consistent results, especially in Chile and Argentina, both key geographies that have been facing softer profitability. **This should take place in the medium term.**

Stock Data

Ticker	cencosud ci
Price (CLP)	2,011
Target (CLP)	2,850
Total Return	42.3%
LTM Range	1,900 - 3,164
M. Cap (USD mn)	6,001
Shares Outs. (mn)	2,806
Free Float	44%
ADTV (USD mn)	9.6

Price Chart (CLP) and Volumes (USD mn)



Valuation

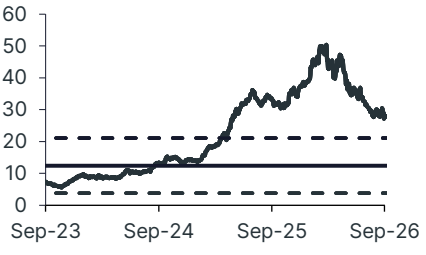
Our target price reflects a 50/50 blend of DCF- and multiples-based valuations. The DCF, which assumes a WACC of 9.8% and a cost of equity of 15.5%, yields CLP 2,723 per share. The multiples approach applies Cencosud's historical average 8.2x EV/EBITDA multiple, yielding CLP 2,993 per share.

Valuation Summary

	2025	2026E	2027E	2028E
EV/EBITDA	9.0	8.1	7.5	7.4
P/E	19.8	26.4	22.5	16.7
P/CF	14.8	-9.1	6.2	6.5
P/BV	2.1	1.1	1.1	1.0
Div. Yield	0.5%	1.2%	0.6%	0.4%

Sources: Company Reports and Credicorp Capital

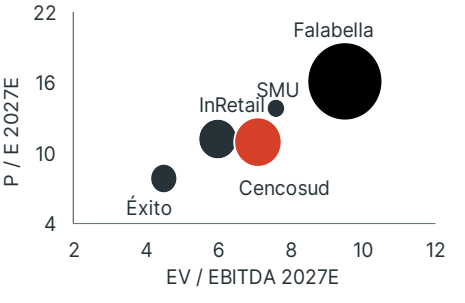
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

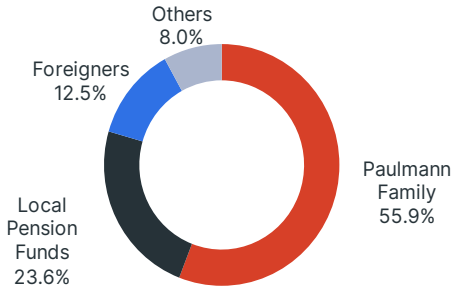


Cencosud

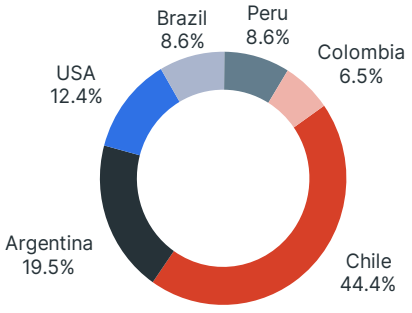
Company Description

Cencosud is a Chilean multi-format retailer, integrating Food Retail (Jumbo, Santa Isabel, Disco, The Fresh Market, Giga, Makro, St. Marche, Bretas, Don Salva), Department Stores (Paris), Real Estate, Home Improvement (Easy, Blaisten) and Financial Services. The company has over 60 years of history and ranks among the largest retailers in Latam, with operations in Chile, Argentina, Brazil, Colombia, Peru and United States.

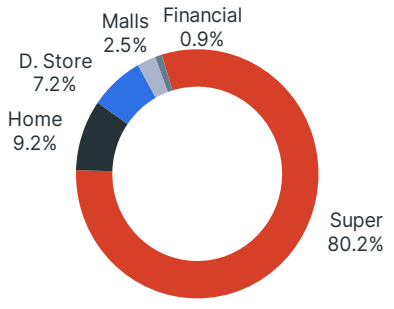
Ownership Structure



Revenue breakdown by country (LTM)



Revenue breakdown by business (LTM)



Management

CEO: Rodrigo Larraín
CFO: Andrés Neely
IRO: Irina Axenova
www.cencosud.com/inversionistas

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Revenues	16,061	16,900	17,163	18,455	18,584
Gross Profit	4,868	5,019	5,083	5,454	5,498
EBITDA	1,556	1,509	1,517	1,631	1,642
Net Income ex FV	509	409	214	250	337
EPS (CLP)	190	171	91	112	138
Gross Margin	30.3%	29.7%	29.6%	29.6%	29.6%
EBITDA Margin	9.7%	8.9%	8.8%	8.8%	8.8%
Net Margin	3.2%	2.4%	1.2%	1.4%	1.8%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	743	637	895	1,483	2,053
Total Current Assets	3,885	3,457	3,865	4,633	5,223
Total Assets	14,096	13,738	15,613	16,422	17,053
Current Liabilities	4,248	3,772	3,751	4,010	4,040
Financial Debt	5,707	5,497	5,824	6,117	6,363
Total Liabilities	9,573	9,191	9,855	10,381	10,648
Minority Interest	632	650	687	687	687
Shareholders Equity	3,891	3,897	5,071	5,355	5,718
Total Liabilities + Equity	14,096	13,738	15,613	16,422	17,053
Net Debt /EBITDA	3.2	3.2	3.2	2.8	2.6
Financial Debt /EBITDA	3.7	3.6	3.8	3.8	3.9
Financial Debt /Equity	1.5	1.4	1.1	1.1	1.1
ROAE	14.3%	10.5%	4.8%	4.8%	6.1%
ROAA	3.8%	2.9%	1.5%	1.6%	2.0%
ROIC	11.8%	8.1%	7.2%	7.1%	7.5%

Cash Flow Statement

CLP bn	2024	2025	2026E	2027E	2028E
Initial Cash	**483**	**743**	**637**	**895**	**1,483**
CF From Operations	837	550	-622	904	874
CAPEX	-629	-628	-1,964	-628	-603
Changes in Financial Debt	218	-211	327	293	246
Dividends (Paid) Received	-59	-42	-69	-32	-25
Other CFI & CFF Items	36,861	225	2,587	50	79
Changes in Equity	-36,969	0	0	0	0
Final Cash	**743**	**637**	**895**	**1,483**	**2,053**
Change in Cash Position	**260**	**-105**	**258**	**588**	**570**

Sources: Company Reports and Credicorp Capital

Cencosud

Baa3 / NR / BBB
Outlook: s / nr / s

Fixed Income Research Chile Retail

Josefina Valdivia - jvaldivia@credicorpcapital.com

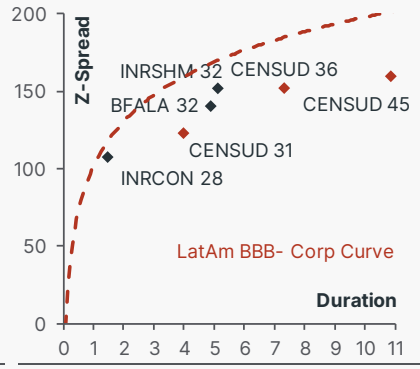
Valuations remain unappealing relative to peers

Investment Thesis

We remain underweight on the Cencosud curve. While 2Q26 results confirmed that turnaround efforts in Colombia and Brazil are gaining traction, the key challenge remains Chile, which continues to generate the majority of group EBITDA and faces pressure from an increasingly promotional environment.

We expect performance to improve over the coming quarters as margins continue to recover outside Chile, while we continue to view Cencosud's significant exposure to the resilient supermarket business positively, which provides a more defensive earnings profile than other regional retailers. However, at roughly 50bp over the Chilean sovereign, Cencosud bonds offer limited compensation for ongoing margin pressure and increasing leverage. As a result, we continue to see a less compelling risk-reward profile relative to alternatives such as BFALA 32, which trades at similar levels but is supported by lower leverage and stronger operational momentum.

Cencosud Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Senior Notes	USD 1,500mn
Closest Call Date	28-Mar-31
Closest Maturity Date	28-May-31

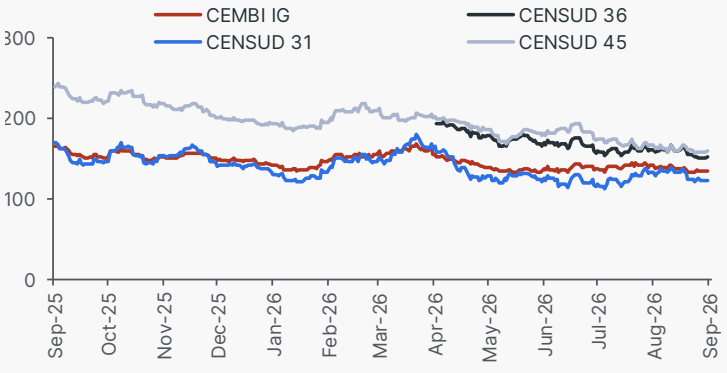
Concerns

- Exposure to consumption trends across its main markets
- Intense competitive dynamics, particularly in Brazil and Colombia

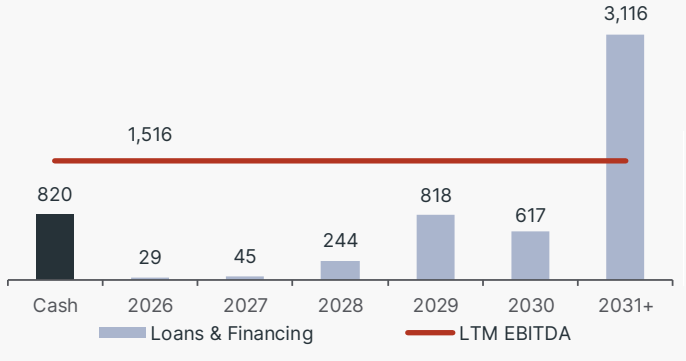
Strengths

-Diversification by geography and business, with solid market position
-Strong positioning in the defensive supermarket businesses (leader in Chile and Argentina) and solid margins for a supermarket-concentrated business
- Comfortable liquidity position

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
CENSUD 31	USD 650mn	5.95%	Baa3 / NR / BBB	123	4.0	101.5	0.5%	5.5%	Underweight
CENSUD 36	USD 500mn	5.75%	Baa3 / NR / BBB	151	7.3	98.7	0.5%	5.9%	Underweight
CENSUD 45	USD 350mn	6.63%	Baa3 / NR / BBB	159	10.9	104.8	0.5%	6.2%	Underweight

Concha y Toro

Rating: Hold
TP: CLP 1,050

Equity Research Chile
Food & Beverage

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Earnings recovery within reach, industry headwinds persist, re-rating potential remains limited

Investment Thesis

We reiterate our Hold recommendation on Concha y Toro, with a 2027YE TP of CLP 1,050/share. Concha y Toro's management continues to execute well in adapting the business to evolving consumer preferences through portfolio premiumization, expansion in faster-growing markets such as Brazil and Mexico, and the implementation of efficiency and productivity initiatives. This is illustrated by the acquisition of Maison Mirabeau, which expands the company's exposure to premium rosé and adds a strategic production foothold in France, as well as the creation of Viña Amelia, a dedicated Chardonnay and Pinot Noir platform aimed at capturing value through greater specialization. Combined with productivity initiatives expected to generate cost savings equivalent to ~2.8% of 2025 revenues by 2027, these actions should strengthen the company's ability to navigate a challenging industry environment. Looking ahead, we expect earnings growth to accelerate during 2H26, supported by lower wine costs in Chile, a more favorable CLP/USD parity, and the normalization of U.S. distribution following the transition away from RNDC.

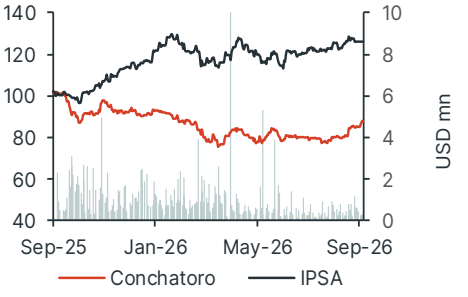
Nevertheless, visibility on a sustained recovery in wine demand remains limited. While company-specific initiatives should support earnings in the near term, global consumption trends remain challenging, with Euromonitor forecasting a -0.6% CAGR in worldwide wine consumption through 2030.

From a valuation standpoint, although CYT trades below its 10-year historical average EV/Fwd EBITDA multiple of ~9.0x, we see limited scope for a re-rating. In our view, the current discount reflects the industry's weaker growth outlook, higher currency volatility across key markets, the de-rating observed among global wine peers, and lower M&A valuation multiples.

Stock Data

Ticker	concha ci
Price (CLP)	938
Target (CLP)	1,050
Total Return	17.3%
LTM Range	811 - 1,093
M. Cap (USD mn)	737
Shares Outs. (mn)	739
Free Float	56.9%
ADTV (USD mn)	1.0

Price Chart (CLP) and Volumes (USD mn)



Valuation

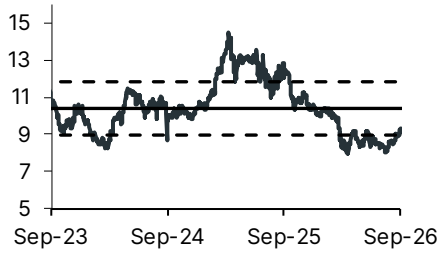
At our December 2027 target price of CLP 1,050/share, the stock would trade at an EV/Fwd EBITDA multiple of 7.6x, broadly in line with its 5-year average of 7.7x, based on consensus estimates. We believe the latter provides a more appropriate valuation benchmark, reflecting the challenging demand environment facing alcoholic beverages, particularly wine, and the limited visibility on a reversal of these trends over the medium term.

Valuation Summary

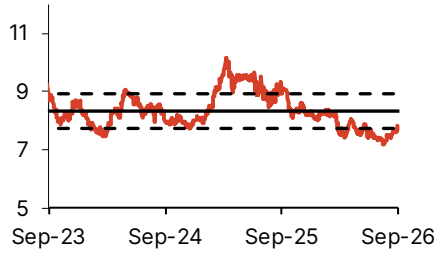
	2025	2026E	2027E	2028E
EV/EBITDA	8.6	7.9	7.4	7.3
P/E	11.3	9.4	9.3	8.7
P/CF	14.0	11.5	11.4	8.0
P/BV	0.9	0.8	0.8	0.7
Div. Yield	4.3%	4.8%	4.3%	4.3%

Sources: Company Reports and Credicorp Capital

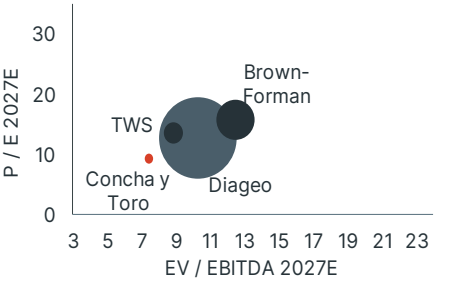
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

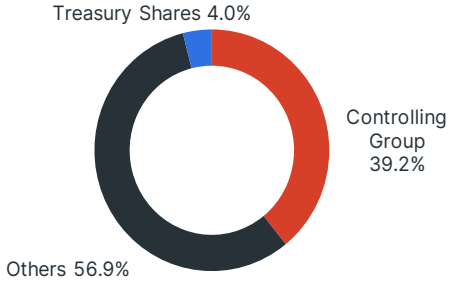


Conchatoro

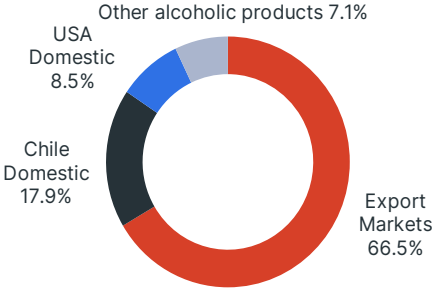
Company Description

Concha y Toro is the leading Latin American wine producer and one of the world's largest wine companies, exporting to over 130 countries worldwide. The company sold ~30 million cases in 2025 (~33 million cases including beer and spirits commercialized in Chile). It currently owns over 12,000 hectares of vineyards in Chile, Argentina, and the USA. The company has a network of 12 commercial offices and its own distribution subsidiaries in North America, South America, Asia, and Europe. Its wine portfolio boasts iconic brands such as Don Melchor and its flagship brand Casillero del Diablo.

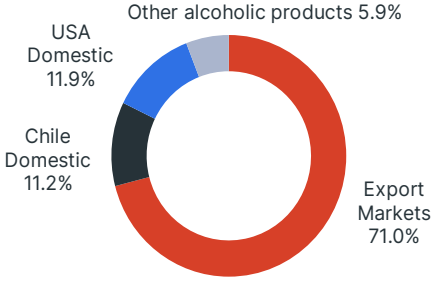
Ownership Structure (As of Jun-26)



Volume Breakdown (LTM)



Revenue Breakdown (LTM)



Management

CEO: Eduardo Guilisasti
CFO: Osvaldo Solar
IRO: Claudia Cavada
https://www.vinacyt.com

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	958,630	975,333	956,447	975,017	959,744
Gross Profit	372,692	376,174	379,425	391,925	385,156
EBITDA	151,375	139,626	145,138	154,139	157,937
Net Income	77,420	67,220	73,836	74,855	80,014
EPS (CLP)	105	91	100	101	108
Gross Margin	38.9%	38.6%	39.7%	40.2%	40.1%
EBITDA Margin	15.8%	14.3%	15.2%	15.8%	16.5%
Net Margin	8.1%	6.9%	7.7%	7.7%	8.3%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	58,320	64,100	150,970	172,514	223,681
Total Current Assets	849,576	844,490	937,493	968,015	1,002,224
Total Assets	1,718,769	1,737,157	1,872,559	1,916,302	1,962,394
Current Liabilities	505,542	462,353	567,299	559,142	547,590
Financial Debt	503,596	493,717	594,658	592,556	594,225
Total Liabilities	893,877	871,082	985,382	982,460	977,220
Minority Interest	7,220	7,745	9,441	10,784	12,220
Shareholders Equity	817,672	858,330	877,737	923,057	972,954
Total Liabilities + Equity	1,718,769	1,737,157	1,872,559	1,916,302	1,962,394
Net Debt /EBITDA	2.9	3.1	3.1	2.7	2.3
Financial Debt /EBITDA	3.3	3.5	4.1	3.8	3.8
Financial Debt /Equity	0.6	0.6	0.7	0.6	0.6
ROAE	9.7%	8.0%	8.5%	8.3%	8.4%
ROAA	4.6%	3.9%	4.1%	4.0%	4.1%
ROIC	7.1%	6.1%	6.5%	6.6%	6.9%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**53,179**	**58,320**	**64,100**	**150,970**	**172,514**
CF From Operations	111,246	94,150	105,752	108,852	133,054
CAPEX	-54,778	-52,453	-67,089	-57,015	-54,875
Changes in Financial Debt	-16,714	-9,879	100,941	-2,102	1,669
Dividends (Paid) Received	-21,163	-32,556	-32,983	-29,534	-30,118
Other CFI & CFF Items	-12,862	6,518	-19,750	1,343	1,436
Changes in Equity	-587	0	0	0	0
Final Cash	**58,320**	**64,100**	**150,970**	**172,514**	**223,681**
Change in Cash Position	**5,141**	**5,780**	**86,870**	**21,544**	**51,166**

Sources: Company Reports and Credicorp Capital

Entel

Rating: Hold
TP: CLP 4,200

Equity Research Chile
Telecom & I.T.

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Chile's industry consolidation fades, taking the rerating story with it

Investment Thesis

We are reaffirming our Hold recommendation on Entel with a 2027YE TP of CLP 4,200/share. The anticipated consolidation of Chile's telecom industry following Telefónica's exit failed to materialize. Instead, Telefónica's assets were acquired by Millicom, preserving a four-player mobile market and doing little to reduce competitive intensity. At the same time, WOM successfully emerged from its financial restructuring process, while Claro-VTR has strengthened its position following América Móvil's takeover of the operation. As a result, although pricing behavior appears less aggressive and operators seem increasingly focused on profitability, competition for high-value postpaid and convergent customers remains intense. Entel has strengthened its leadership in Chile, increasing its revenue share through sustained postpaid subscriber growth and maintaining port-out rates well below the industry average, supported by the quality of its network and customer experience. Competitive pressures are even more evident in Chile's fixed broadband market, where operators continue expanding their FTTH footprint. Against this backdrop, we view positively Entel's selective commercial strategy, which prioritizes convergent customers, a segment typically associated with lower churn and better payment behavior. The company expects its FTTH business in Chile to reach EBITDA breakeven by early 2028.

In Peru, Entel has consolidated as the country's #2 mobile operator by revenue share. Looking ahead, the planned rollout of its FTTH offer represents an attractive growth opportunity in a market that exhibits relatively low fixed broadband penetration. However, the ramp-up phase is likely to require additional Capex and customer acquisition spending, partially offsetting the profitability benefits of greater convergence.

Overall, we view Entel as an attractive dividend play; however, we see limited scope for multiple expansion, as Capex intensity is expected to remain elevated over the medium term while valuation already appears broadly in line with regional peers (ex-América Móvil).

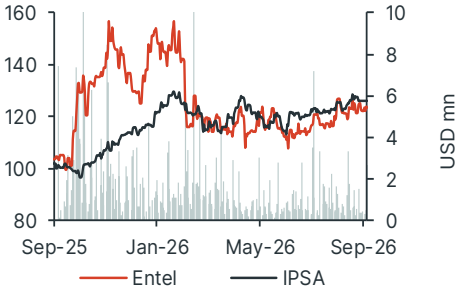
Valuation

Our new December 2027 target price is derived from a 10-year DCF valuation model. Entel currently trades at a 2027E EV/EBITDA multiple broadly in line with Brazilian peers and a level we consider fair (3.5x), while maintaining a high single-digit discount to its five-year average forward EV/EBITDA multiple, similar to that observed among regional peers.

Stock Data

Ticker	entel ci
Price (CLP)	3,850
Target (CLP)	4,200
Total Return	20.9%
LTM Range	3,102 - 4,886
M. Cap (USD mn)	1,237
Shares Outs. (mn)	302
Free Float	45%
ADTV (USD mn)	1.6

Price Chart (CLP) and Volumes (USD mn)

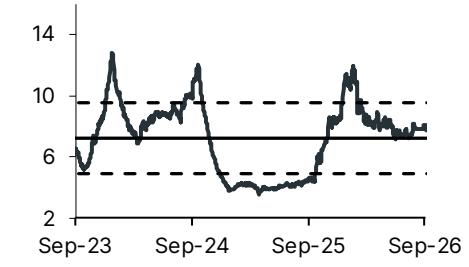


Valuation Summary

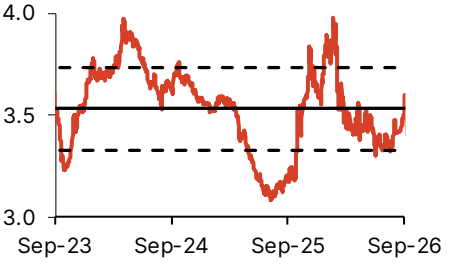
	2025	2026	2027	2028
EV/EBITDA	4.2	3.6	3.5	3.4
P/E	7.4	8.9	7.6	7.0
P/CF	3.7	4.2	3.2	3.0
P/BV	0.7	0.6	0.6	0.6
Div. Yield	5.2%	6.0%	9.5%	10.8%

Sources: Company Reports and Credicorp Capital

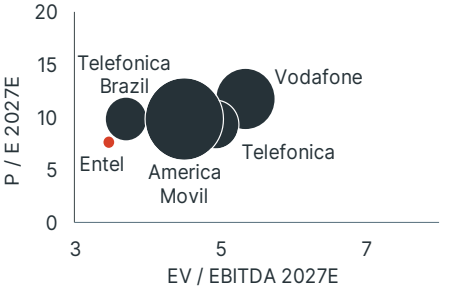
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

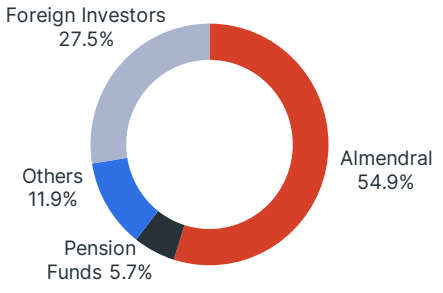


Entel

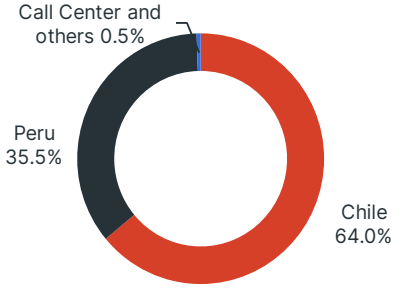
Company Description

Entel is a telecommunications company operating in Chile and Peru, providing mobile and fixed connectivity services, along with a wide range of IT and digital services for individuals, businesses, and large corporations. In Chile, Entel serves 10.2 million customers and holds approximately 42.6% of the mobile revenue market share. In Peru, the company has 10 million mobile clients and commands a 24% share of the mobile revenue market. Entel is controlled by Almendral, which comprises the Matte, Fernandez León, Hurtado Vicuña, Consorcio, Izquierdo Menéndez, and Gianoli groups.

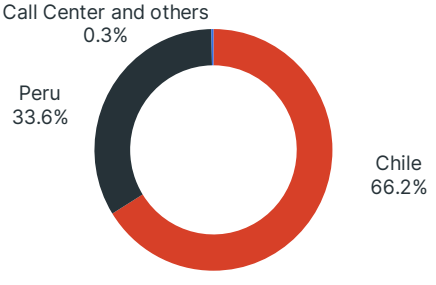
Ownership Structure (As of Jun-26)



Revenue breakdown by Country (LTM)



EBITDA breakdown by Country (LTM)



Management

CEO: Antonio Buchi
CFO: Marcelo Bermúdez
IRO: Paula Raventós
www.entel.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	2,764,760	3,032,301	3,204,363	3,314,718	3,396,610
Gross Profit	230,852	249,853	286,177	300,849	315,376
EBITDA	788,613	835,473	897,004	932,645	962,781
Net Income	67,672	191,396	130,729	153,037	166,765
EPS (CLP)	224	634	433	507	552
Gross Margin	8.3%	8.2%	8.9%	9.1%	9.3%
EBITDA Margin	28.5%	27.6%	28.0%	28.1%	28.3%
Net Margin	2.4%	6.3%	4.1%	4.6%	4.9%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	382,569	342,878	311,021	335,529	361,554
Total Current Assets	1,354,154	1,349,902	1,380,214	1,435,983	1,485,053
Total Assets	5,839,399	5,716,880	5,771,908	5,842,046	5,902,886
Current Liabilities	1,390,644	1,165,931	1,129,357	1,157,026	1,176,506
Financial Debt	2,699,964	2,411,502	2,384,330	2,384,330	2,384,330
Total Liabilities	4,003,379	3,773,583	3,742,417	3,770,086	3,789,566
Minority Interest	0	0	0	0	0
Shareholders Equity	1,836,020	1,943,297	2,029,491	2,071,960	2,113,320
Total Liabilities + Equity	5,839,399	5,716,880	5,771,908	5,842,046	5,902,886
Net Debt /EBITDA	2.9	2.5	2.3	2.2	2.1
Financial Debt /EBITDA	3.4	2.9	2.7	2.6	2.5
Financial Debt /Equity	1.5	1.2	1.2	1.2	1.1
ROAE	3.9%	10.1%	6.6%	7.5%	8.0%
ROAA	1.2%	3.3%	2.3%	2.6%	2.8%
ROIC	3.0%	13.1%	5.8%	6.0%	6.3%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**701,750**	**382,569**	**342,878**	**311,021**	**335,529**
CF From Operations	129,897	-62,695	215,819	338,342	354,894
CAPEX	-477,049	-457,043	-537,281	-564,169	-575,154
Changes in Financial Debt	-6,498	-288,461	-27,173	0	0
Dividends (Paid) Received	-86,225	-73,674	-69,404	-110,568	-125,405
Other CFI & CFF Items	120,693	842,181	386,182	360,904	371,690
Changes in Equity	0	0	0	0	0
Final Cash	**382,569**	**342,878**	**311,021**	**335,529**	**361,554**
Change in Cash Position	**-319,181**	**-39,691**	**-31,857**	**24,508**	**26,025**

Sources: Company Reports and Credicorp Capital

Falabella

Rating: Buy
TP: CLP 7,500

Equity Research Chile Retail

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Quality is back in fashion

Investment Thesis

We are upgrading Falabella from HOLD to BUY and raising our target price from CLP 6,000 to CLP 7,500 per share, positioning it as our preferred relative pick within the sector, based on its high-quality profile and strong earnings momentum.

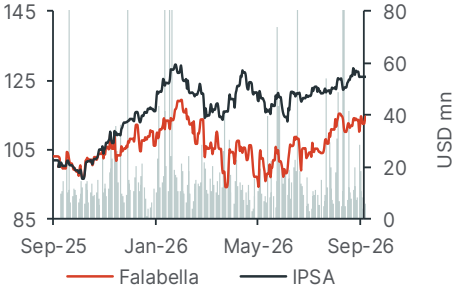
Our positive stance is supported by:
i) Falabella's superior earnings quality and execution within the industry, despite pressure in some business lines; **ii) an undemanding valuation versus historical levels,** with the market still not fully reflecting structurally higher EBITDA margins and a larger contribution from higher-multiple businesses such as banking and shopping centers; **iii) an attractive risk profile,** supported by resilient businesses such as banking and shopping centers, while discretionary retail offers upside in a better macro and consumption environment; and **iv) exposure to countries moving toward more market-friendly governments,** which could provide additional upside to our estimates.

At this point in the year, we expect 2026 results to remain broadly in line with 2025, a peak year. However, we believe performance should be supported by a more normalized contribution across business units, making it a better proxy for Falabella's long-term earnings power.

Stock Data

Ticker	falab ci
Price (CLP)	6,301
Target (CLP)	7,500
Total Return	21.3%
LTM Range	5,286 - 6,694
M. Cap (USD mn)	16,813
Shares Outs. (mn)	2,509
Free Float	33%
ADTV (USD mn)	17.8

Price Chart (CLP) and Volumes (USD mn)



Valuation

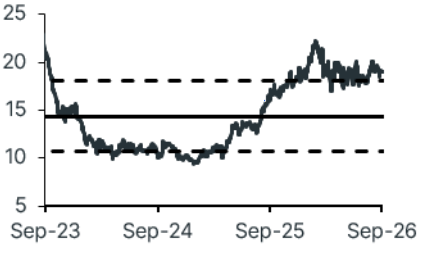
Our target price is based on a 50/50 blend of historical multiples and SOTP valuation. The first approach uses Falabella's historical consolidated multiples—17.7x P/E, 10.4x EV/EBITDA, and 1.7x P/B—implying approximately CLP 7,676 per share. The remaining 50% comes from a SOTP valuation: retail is valued through a DCF, Mallplaza through a standalone model, and banking through residual income, resulting in an implied value of CLP 7,374 per share.

Valuation Summary

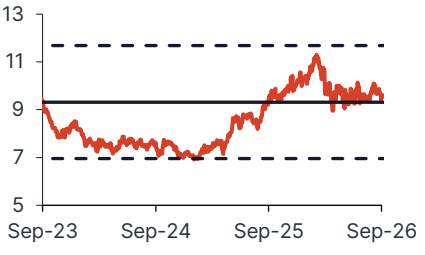
	2025	2026E	2027E	2028E
EV/EBITDA	10.5	10.2	9.6	8.9
P/E	19.3	18.8	17.7	16.1
P/CF	-59.5	11.5	10.0	8.4
P/BV	2.0	1.8	1.6	1.5
Div. Yield	2.2%	2.2%	2.3%	2.4%

Sources: Company Reports and Credicorp Capital

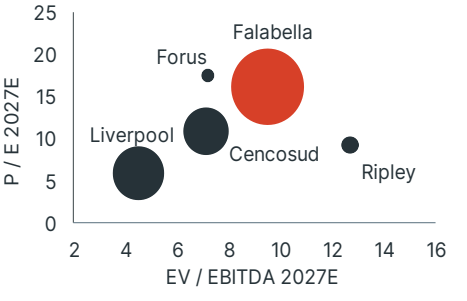
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

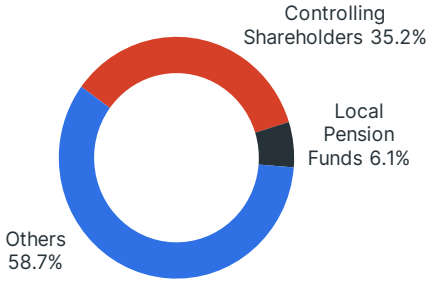


Falabella

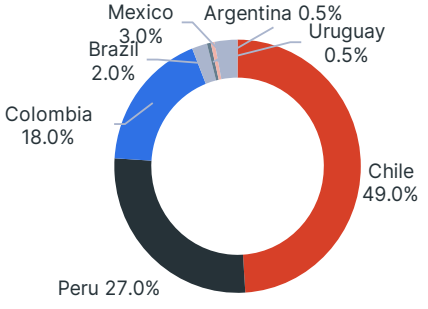
Company Description

Falabella operates as a multi-format retailer, integrating department stores, home improvement, shopping centers, supermarkets, and financial services. Today, Falabella (~USD 15.0 bn in LTM sales) ranks among the largest Latin American retailers with presence in Chile, Peru, Argentina, Colombia, Brazil and Uruguay. In 2018, they acquired the 4th e-commerce player in Mexico, Linio and today they operate the falabella.com marketplace across the board. Additionally, in 2018 the company announced an agreement with IKEA, and currently they operate the first two IKEA stores in LatAm.

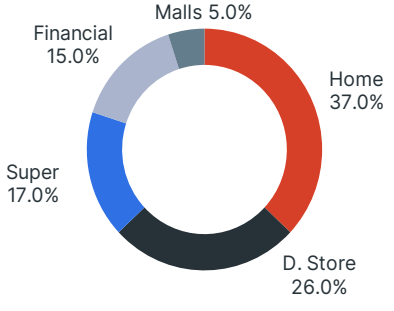
Ownership Structure (as of Dec 2025)



Revenue breakdown by country (LTM)



Revenue breakdown by business (LTM)



Management

CEO: Alejandro Gonzalez
CFO: Juan Pablo Harrison
IRO: Carolina Novoa
https://investors.falabella.com/

Income Statement

CLP bn	2024	2025	2026E	2027E	2028E
Revenues	12,161	13,315	14,460	15,329	15,878
Gross Profit	4,449	5,103	5,561	5,876	6,097
EBITDA	1,452	1,945	2,174	2,323	2,490
Net Income ex FV	421	815	842	892	983
EPS (CLP)	192	537	419	453	466
Gross Margin	36.6%	38.3%	38.5%	38.3%	38.4%
EBITDA Margin	11.9%	14.6%	15.0%	15.2%	15.7%
Net Margin	3.5%	6.1%	5.8%	5.8%	6.2%

Balance Sheet

CLP bn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	2,262	2,310	3,641	4,443	4,385
Total Current Assets	12,357	12,510	16,401	17,852	18,674
Total Assets	25,262	26,813	30,835	32,451	33,536
Current Liabilities	8,673	8,870	10,518	11,042	11,582
Financial Debt	6,008	4,873	5,117	4,886	4,720
Total Liabilities	16,820	16,643	19,807	20,390	20,498
Minority Interest	1,613	2,198	2,246	2,246	2,246
Shareholders Equity	6,828	7,972	8,783	9,816	10,793
Total Liabilities + Equity	25,262	26,813	30,835	32,451	33,536
Net Debt /EBITDA	2.6	1.3	0.7	0.2	0.1
Financial Debt /EBITDA	4.1	2.5	2.4	2.1	1.9
Financial Debt /Equity	0.9	0.6	0.6	0.5	0.4
ROAE	6.4%	11.0%	10.1%	9.6%	9.5%
ROAA	1.7%	3.1%	2.9%	2.8%	3.0%
ROIC	5.9%	9.0%	9.7%	10.6%	11.3%

Cash Flow Statement

CLP bn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,773**	**2,262**	**2,310**	**3,641**	**4,443**
CF From Operations	252	2,956	1,762	1,773	883
CAPEX	-297	-1,517	-58	-75	2
Changes in Financial Debt	184	-1,135	244	-231	-166
Dividends (Paid) Received	-60	-344	-341	-363	-379
Other CFI & CFF Items	409	88	-276	-302	-397
Changes in Equity	0	0	0	0	0
Final Cash	**2,262**	**2,310**	**3,641**	**4,443**	**4,385**
Change in Cash Position	**488**	**48**	**1,332**	**801**	**-58**

Sources: Company Reports and Credicorp Capital

Falabella

Fixed Income Research Chile Retail

Josefina Valdivia - jvaldivia@credicorpcapital.com

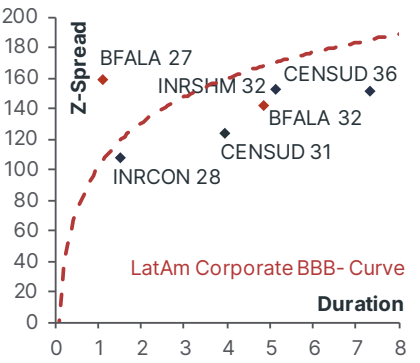
NR / BBB- / BBB-
Outlook: nr / s / s

Mission accomplished. We continue to favor BFALA 32 over Cencosud

Investment Thesis

Falabella's strong operating performance continues to translate into improving credit metrics, with net debt-to-EBITDA declining to 1.3x from 4.7x two years ago. The sharp deleveraging underscores the success of management's refocusing strategy, which has driven profitability improvements across all business segments.
Looking ahead, key risks include a softer consumption environment in Chile and potential disruptions from El Niño in Peru, which could affect retail activity, logistics, and Banco Falabella's asset quality. Nevertheless, we believe the company is well positioned to absorb these headwinds given its improving execution, conservative leverage, solid liquidity profile, and continued momentum in the banking business.
With stronger operating trends than Cencosud and a healthier credit profile, we continue to favor BFALA 32 and see further room for tightening relative to the Cencosud curve.

Falabella Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 740mn
Closest Call Date	30-Jul-27
Closest Maturity Date	30-Oct-27

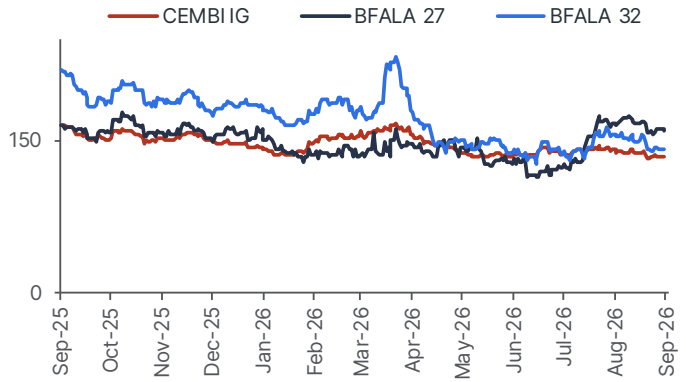
Concerns

- Highly competitive retail environment
- High exposure to discretionary consumer spending trends
- Meaningful capex needs to support digital and logistics investments
- Potential impact on consumption dynamics and the bank CoR from the El Niño phenomenon, particularly in Peru

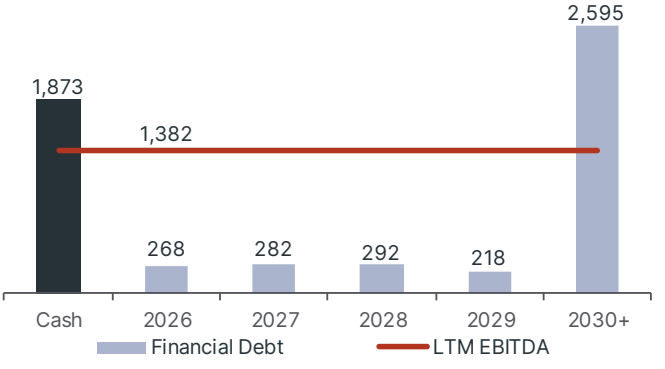
Strengths

- Successful implementation of strategic shift and efficiency plan, driving margin expansion and strong deleveraging
- Geographic and business diversification, with discretionary business balanced by resilient bussines like malls and banks
- Leaner operation to support better resilience

Z- Spread evolution



Debt Maturity Profile excluding the Bank (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
BFALA 27	USD 90mn	3.75%	NR / BBB- / BBB-	159	1.1	97.5	0.3%	5.8%	Neutral
BFALA 32	USD 650mn	3.38%	NR / BBB- / BBB-	141	4.9	89.1	0.3%	5.7%	Overweight

InRetail

Rating: Buy
TP: USD 53.0

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Low-risk Growth, high-quality upside

Investment Thesis

For InRetail, we are raising our target price from USD 43.0 to USD 53 per share, while maintaining our BUY recommendation. Since our last update, we have revised our 2026 estimates upward by 4% for revenue and 6% for EBITDA, and increased our 2027 forecasts by 4% for both metrics, thanks to higher dynamism in consumption and better performance in margins across all three segments.

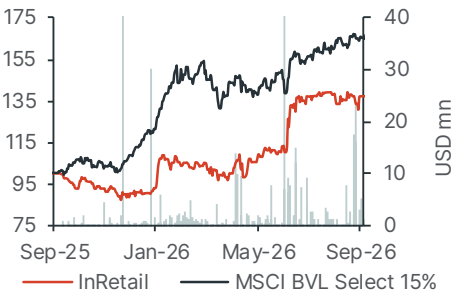
Overall, the core fundamentals of our investment thesis remain unchanged; however, we now see additional upside potential as Peru enters a new political cycle under a more market-friendly government, with a more optimistic macro backdrop that could further support private spending.

Our positive stance is supported by:
i) a highly attractive valuation, with a discount that stands out within the market and is supported by relatively low-risk operating dynamics**; ii) a resilient business profile,** given its exposure to food retail and pharma, while also retaining upside potential to a recovery in discretionary consumption through its shopping center operations**; iii) a leading competitive position across its three main businesses in Peru; iv) a low-risk growth plan across each business line,** which has been executed consistently over the past several years and **v) a comfortable cash position ready to underpin further growth initiatives or investments opportunities.**

Stock Data

Ticker	inretc1 pe
Price (USD)	37.1
Target (USD)	53.0
Total Return	45.4%
LTM Range	24 - 38
M. Cap (USD mn)	4,029
Shares Outs. (mn)	109
Free Float	28%
ADTV (USD mn)	2.1

Price Chart (USD) and Volumes (USD mn)



Valuation

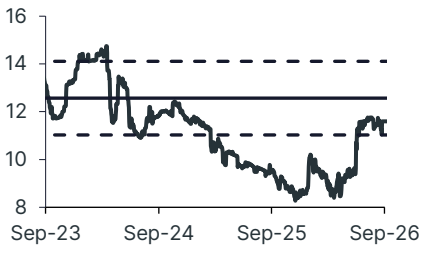
Our target price is based on a 50% DCF and two 25% multiples-based valuations. The DCF uses a 10.4% WACC and 15.6% cost of equity, implying USD 74 per share. The multiples approaches, at the company level and by business line, imply USD 59 and USD 57 per share, respectively. After applying a 20% liquidity discount, we arrive at a target price of USD 53 per share.

Valuation Summary

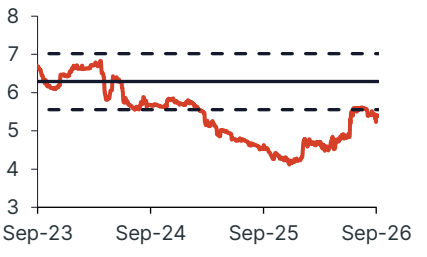
	2025	2026E	2027E	2028E
EV/EBITDA	4.8	6.5	6.3	5.9
P/E	9.3	12.8	11.8	10.6
P/CF	8.2	9.6	8.3	9.7
P/BV	1.4	1.8	1.6	1.5
Div. Yield	2.5%	1.5%	2.4%	2.5%

Sources: Company Reports and Credicorp Capital

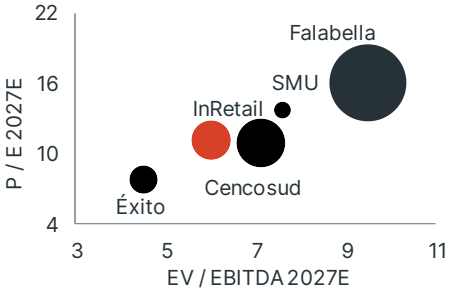
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

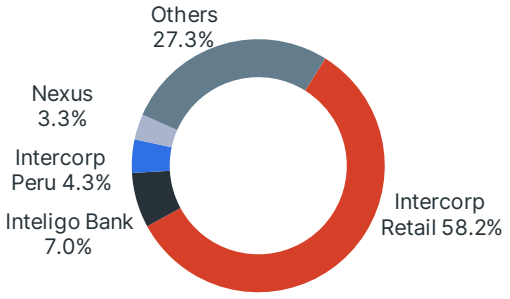


InRetail

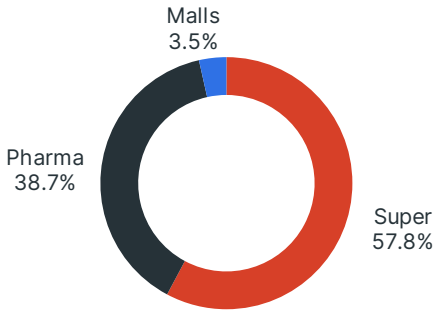
Company Description

InRetail is a Peruvian multi-format retailer, engaging in the Food, Pharma and Real Estate businesses across all regions in Peru. The company has also presence in Ecuador through the pharma segment. InRetail is the largest retail player in Peru, reaching 1,742 food stores, 2,556 pharmacies and 23 shopping malls. The company is controlled by Intercorp Group, one of the largest business groups in Peru. Consolidated LTM sales reach USD 6.7 bn.

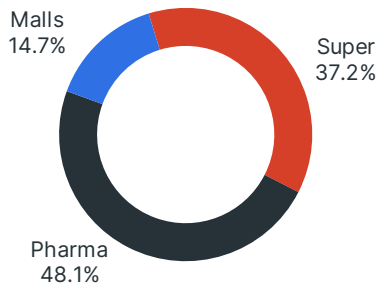
Ownership Structure



Revenue breakdown by concept (LTM)



EBITDA breakdown by business (LTM)



Management

CEO: Juan Carlos Vallejo
CFO: Marcelo Ramos
IRO: Andrea Fabbri
www.inretail.pe

Income Statement

PEN mn	2024	2025	2026E	2027E	2028E
Revenues	21,683	22,820	25,080	26,664	28,333
Gross Profit	6,153	6,395	7,074	7,498	7,980
EBITDA	3,003	2,995	3,352	3,436	3,642
Net Income	971	990	1,059	1,148	1,281
EPS (USD)	8.9	9.1	9.7	10.6	11.8
Gross Margin	28.4%	28.0%	28.2%	28.1%	28.2%
EBITDA Margin	13.9%	13.1%	13.4%	12.9%	12.9%
Net Margin	4.5%	4.3%	4.2%	4.3%	4.5%

Balance Sheet

PEN mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,461	1,903	2,378	3,114	928
Total Current Assets	5,442	5,777	6,871	7,871	6,042
Total Assets	22,239	23,298	24,778	25,782	24,279
Current Liabilities	6,817	6,522	7,482	7,870	8,187
Financial Debt	7,341	7,013	7,120	6,871	4,100
Total Liabilities	16,190	16,511	17,300	17,481	15,043
Minority Interest	0	0	0	0	0
Shareholders Equity	6,049	6,787	7,477	8,300	9,237
Total Liabilities + Equity	22,239	23,298	24,778	25,782	24,279
Net Debt /EBITDA	2.0	1.7	1.4	1.1	0.9
Financial Debt /EBITDA	2.4	2.3	2.1	2.0	1.1
Financial Debt /Equity	1.2	1.0	1.0	0.8	0.4
ROAE	16.9%	15.4%	14.8%	14.6%	14.6%
ROAA	4.5%	4.3%	4.4%	4.5%	5.1%
ROIC	11.4%	10.4%	11.2%	11.1%	12.9%

Cash Flow Statement

PEN mn	2024	2025	2026E	2027E	2028E
Initial Cash	**944**	**1,461**	**1,903**	**2,378**	**3,114**
CF From Operations	1,216	1,118	1,414	1,647	1,398
CAPEX	-1,651	-1,888	-1,196	-1,164	-1,496
Changes in Financial Debt	-152	-328	107	-249	-2,772
Dividends (Paid) Received	-330	-234	-202	-325	-345
Other CFI & CFF Items	866	2,455	-63	868	1,044
Changes in Equity	566	-680	415	-42	-16
Final Cash	**1,461**	**1,903**	**2,378**	**3,114**	**928**
Change in Cash Position	**516**	**442**	**475**	**736**	**-2,186**

Sources: Company Reports and Credicorp Capital

InRetail Shopping Malls

Ba1 / BB+ / BBB-
Outlook: s / s / s

Fixed Income Research Peru
Real State

Josefina Valdivia - jvaldivia@credicorpcapital.com

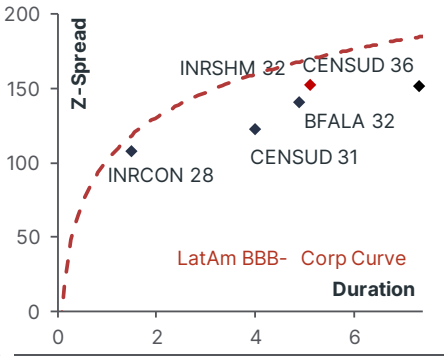
Credit metrics improving as Trujillo's impact fades

Investment Thesis

InRetail Shopping Malls continues to demonstrate strong operating momentum, supported by healthy consumption trends, rising tenant sales and successful GLA expansion. The combination of EBITDA growth and lower leverage reinforces the issuer's credit profile.

Nevertheless, INRSHM32 trades at relatively tight levels relative to regional retail peers, limiting further spread compression. We therefore maintain our Neutral recommendation, although we continue to view the bonds as a defensive option within the LatAm consumer and real estate universe.

InRetail SM Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 375mn
Closest Call Date	19-Sep-25
Closest Maturity Date	03-Apr-28
Interest Coverage Covenant	1.75x

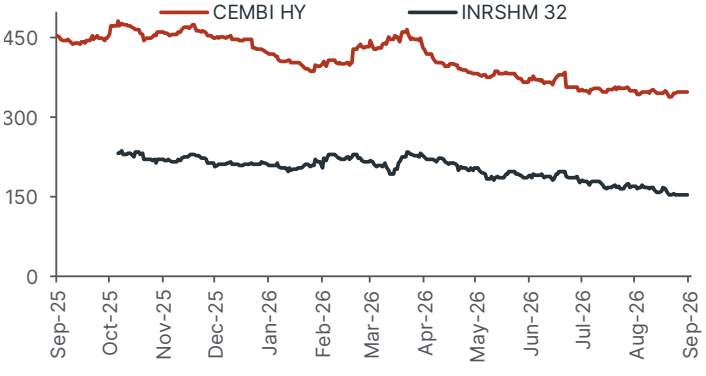
Concerns

- Rising competition and potential saturation in the mall segment may impact revenue growth
-A potential slowdown in consumer spending could lead to higher vacancy rates
- Potential impact on consumption dynamics from the El Niño phenomenon

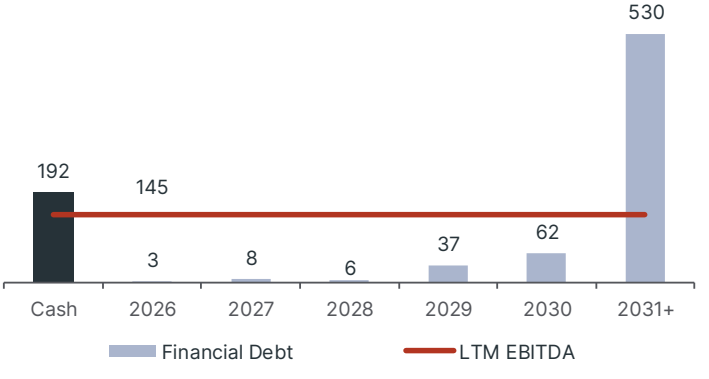
Strengths

- Strong market position
- Strong management execution and support from Intercorp
- Still low penetration level for shopping malls in Peru

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
INRSHM 32	USD 375mn	5.65%	Ba1 / BB+ / BBB-	152	5.1	99.0	0.5%	5.8%	Neutral

InRetail Consumer

Fixed Income Research Peru Consumer

Josefina Valdivia - jvaldivia@credicorpcapital.com

Baa3 / BB+ / BBB-
Outlook: s / s / s

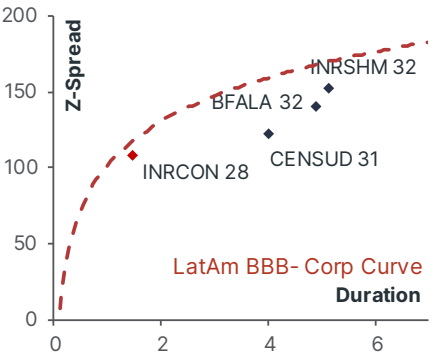
Defensive story intact, but valuations limit upside

Investment Thesis

InRetail remains one of the most defensive credits in the LatAm consumer universe, supported by strong consumption trends in Peru, resilient margins, and disciplined execution of its pharmacy and Mass expansion strategy. From a credit perspective, the key takeaway is that organic growth remains largely self-funded. Despite opening stores and investing in logistics, net leverage remains contained below 2.5x. This reinforces the resilience of the business model and its capacity to absorb expansion-related investments.

While we expect fundamentals to remain favorable and leverage to stay comfortably below 2.5x, INRCON28 already trades at rich levels relative to regional retail peers, limiting further spread compression potential. As a result, we maintain our Neutral recommendation, although we continue to view the bonds as an attractive defensive holding for investors seeking stable exposure to the Peruvian consumer story.

InRetail Consumer Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 600mn
Closest Call Date	22-Jan-28
Closest Maturity Date	22-Mar-28

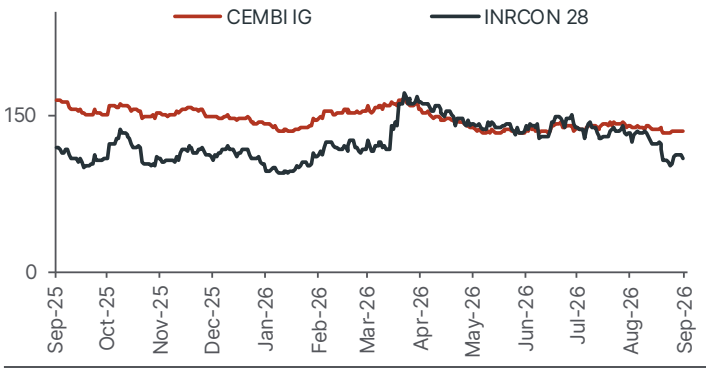
Concerns

- Regulatory risk in Pharma
- Greater competition in Food Retail business
- Geographic concentration
- Execution risk associated with store expansion (Mass and pharmacies)
- Potential impact on consumption dynamics from the El Niño phenomenon

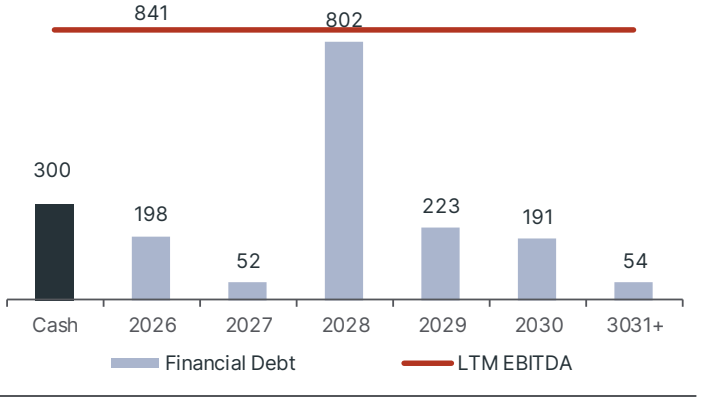
Strengths

- Strong market position across supermarkets, pharmacies and shopping malls
- Defensive business model
- Proven management execution and consistent organic growth strategy
- Favorable consumption environment in Peru supporting earnings growth

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
INRCON 28	USD 600mn	3.25%	Baa3 / BB+ / BBB-	108	1.5	96.8	0.3%	5.3%	Neutral

Mall Plaza

Rating: Uperf
TP: CLP 4,100

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Fundamentals intact, but not much room left in the parking lot

Investment Thesis

For Mallplaza, we are revising our target price to CLP 4,100 per share and adjusting our recommendation from HOLD to UPERF. While we maintain a positive view of the company's fundamentals and acknowledge the quality of its asset base and execution track record, we believe the stock is approaching fair value, leaving limited upside from current levels. Since our last update, we have revised revenue estimates upward by approximately 8% for both 2026 and 2027, while EBITDA estimates increased by less than 1% over the same period. **As part of this review, we are also incorporating the Gran Plaza asset portfolio in Colombia, which will be reflected in our estimates starting in 1Q27.**

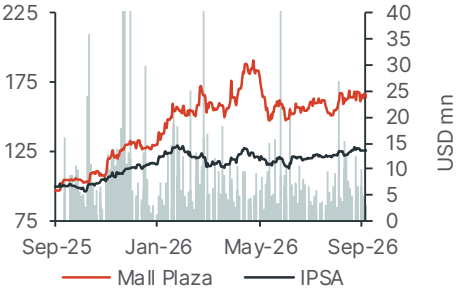
Our thesis is supported by:
i) valuations that appear to be converging toward fair value, with a discount that has become less attractive relative to the broader market; **ii) more limited positive revisions** to our estimates throughout the year compared with other names under coverage; and **iii) a 2027 outlook in which a relevant portion of the asset base will be under intervention,** potentially affecting those assets and consolidated results.

That said, we continue to recognize Mallplaza as a high-quality platform, and our more cautious recommendation is driven primarily by valuation and timing rather than a change in our long-term view of the company's fundamentals.

Stock Data

Ticker	mallplaz ci
Price (CLP)	3,851
Target (CLP)	4,100
Total Return	9.0%
LTM Range	2,345 - 4,615
M. Cap (USD mn)	8,970
Shares Outs. (mn)	2,190
Free Float	47%
ADTV (USD mn)	9.3

Price Chart (CLP) and Volumes (USD mn)



Valuation

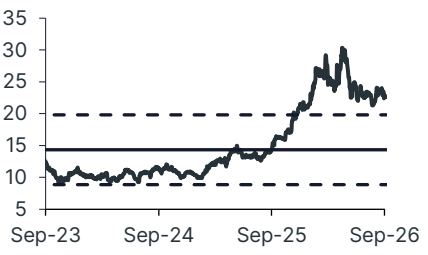
Our target price is derived entirely from a 10-year DCF model, using a WACC of 9.6% and a cost of equity of 12.0%. We project compound annual growth rates of approximately 8.6% for revenue and 8.3% for EBITDA over the 2025–2030 period, together with a long-term EBITDA margin of approximately 80%.

Valuation Summary

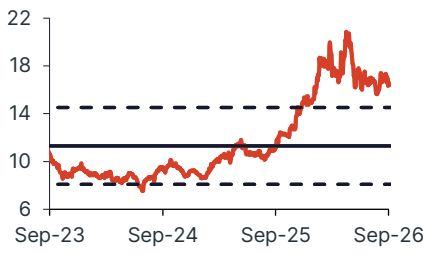
	2025	2026E	2027E	2028E
EV/EBITDA	15.9	17.6	15.7	13.9
P/E	22.0	25.1	20.6	16.8
P/CF	719.9	39.6	54.8	34.6
P/BV	1.6	1.7	1.7	1.6
Div. Yield	1.6%	2.1%	2.6%	3.1%

Sources: Company Reports and Credicorp Capital

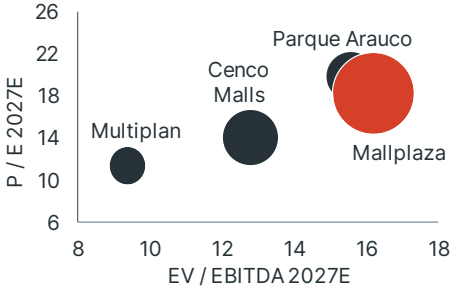
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

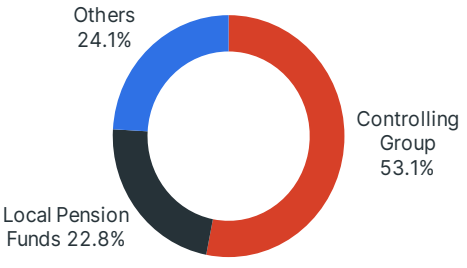


Mall Plaza

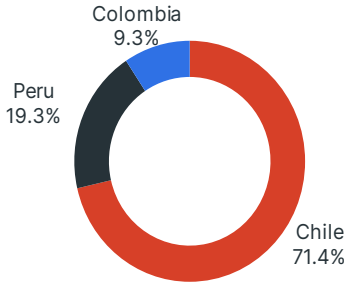
Company Description

Mall Plaza is a Chilean real estate developer and shopping mall operator, and a subsidiary of the Falabella Group. Its portfolio comprises 30 regional malls across Chile, Peru, and Colombia, along with 7 power centers located in Peru, totaling a GLA of 2,360,135 sqm. Mall Plaza is the leading operator in Chile in terms of both revenue and GLA, and ranks as the second-largest player by market share in Peru and Colombia. Consolidated LTM revenues reach USD 714 mn.

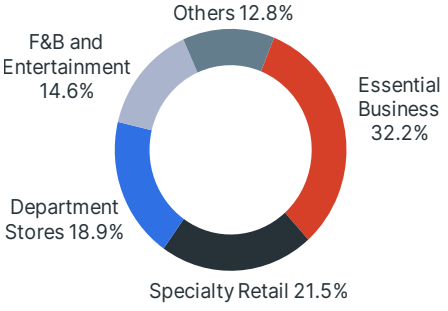
Ownership Structure



EBITDA breakdown by country (LTM)



GLA Distribution by Category (LTM)



Management

CEO: Pablo Pulido
CFO: Felipe Ramírez
IRO: Cristobal Contreras
https://corporativo.mallplaza.com

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	494,605	653,911	707,547	835,723	898,484
Gross Profit	433,816	614,856	653,570	737,208	817,647
EBITDA	380,637	526,228	559,059	626,796	707,334
Net Income ex FV	233,208	316,677	335,736	408,602	500,986
EPS (CLP)	153	653	301	341	400
Gross Margin	87.7%	94.0%	92.4%	88.2%	91.0%
EBITDA Margin	77.0%	80.5%	79.0%	75.0%	78.7%
Net Margin	47.2%	48.4%	47.5%	48.9%	55.8%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	179,174	268,291	526,130	724,968	590,734
Total Current Assets	405,013	472,143	689,930	906,996	786,040
Total Assets	5,915,073	7,583,643	8,197,159	8,688,925	8,832,347
Current Liabilities	344,476	307,107	404,539	807,125	720,139
Financial Debt	1,637,763	1,595,439	1,603,485	1,610,648	1,521,274
Total Liabilities	2,724,023	3,059,090	3,241,393	3,540,526	3,445,802
Minority Interest	33,187	41,649	50,841	50,841	50,841
Shareholders Equity	3,157,863	4,482,904	4,904,924	5,097,558	5,335,704
Total Liabilities + Equity	5,915,073	7,583,643	8,197,159	8,688,925	8,832,347
Net Debt /EBITDA	3.8	2.5	1.9	1.4	1.3
Financial Debt /EBITDA	4.3	3.0	2.9	2.6	2.2
Financial Debt /Equity	0.5	0.4	0.3	0.3	0.3
ROAE	8.1%	8.3%	7.2%	8.2%	9.6%
ROAA	4.4%	4.7%	4.3%	4.8%	5.7%
ROIC	6.6%	7.7%	7.0%	7.7%	9.0%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**202,016**	**179,174**	**268,291**	**526,130**	**724,968**
CF From Operations	-966,598	-1,496,287	-62,787	153,848	183,833
CAPEX	-76,321	-103,642	-116,874	-281,182	-203,232
Changes in Financial Debt	354,665	-42,324	8,046	7,163	-89,373
Dividends (Paid) Received	-125,751	-108,499	-179,685	-215,968	-262,841
Other CFI & CFF Items	501,787	1,839,870	609,139	534,979	237,379
Changes in Equity	289,377	0	0	0	0
Final Cash	**179,174**	**268,291**	**526,130**	**724,968**	**590,734**
Change in Cash Position	**-22,842**	**89,118**	**257,838**	**198,839**	**-134,234**

Sources: Company Reports and Credicorp Capital

Nutresa

Baa3 / NR / BB+
Outlook: s / nr / s

Fixed Income Research Colombia Consumer

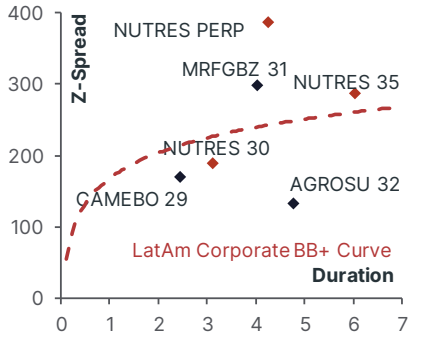
Josefina Valdivia - jvaldivia@credicorpcapital.com

Margin gains on the menu, deleveraging still to come

Investment Thesis

Results further reinforce Nutresa's operational transformation. The company continues to deliver meaningful margin expansion, reducing execution risk as operating improvements translate into stronger profitability. However, net leverage remains elevated at 4.5x following the hybrid bond issuance. Nutresa bonds have significantly outperformed over the past year as investors have increasingly priced in the company's operational progress. While we see further room for spread compression versus consumer peers if leverage trends toward 3.0x, and additional convergence toward Colombian sovereign levels given its geographic diversification, near-term upside appears limited. Leverage is still elevated, and potential headwinds could slow the pace of deleveraging, including the potential impact of El Niño on commodity costs and pressure on revenues from a strong COP, together with continued M&A activity.

Nutresa Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Notes	USD 4,250mn
Closest Call Date	12-Apr-30
Closest Maturity Date	12-May-30

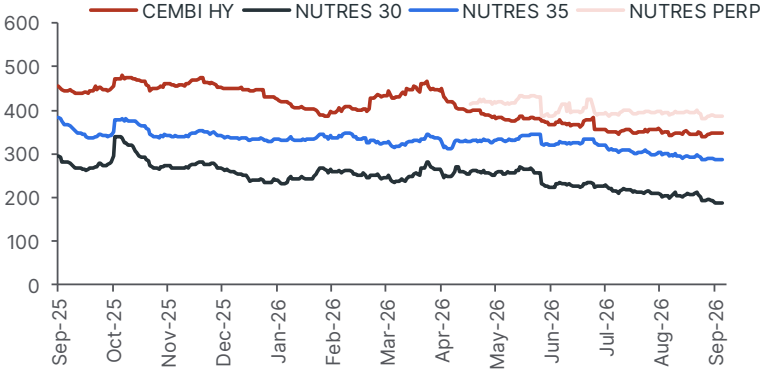
Concerns

- Exposure to commodity price volatility, potentially amplified by El Niño
- Deleverage is highly dependent on the outcome of efficiency measures
- Single major shareholder and absence of covenants restricting dividends or M&A
- Potential removal of the CD pledged to the Holdco from Nutresa's balance sheet

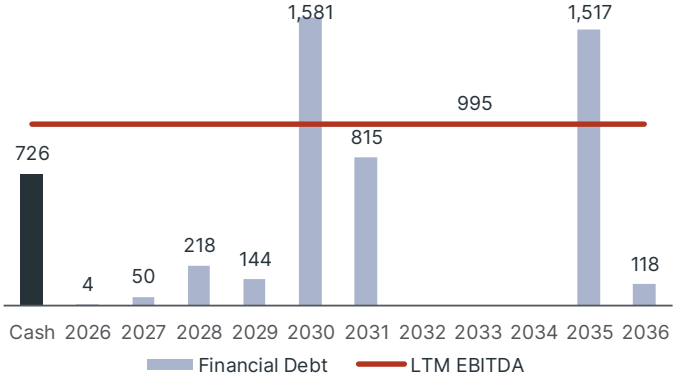
Strengths

- Diversified portfolio both in terms of products and commodity inputs, together with a strong geographic footprint
- Market leadership in Colombia and room for growth internationally
- Strong Distribution Platform
- Efficieny plan has delivered better margins in recent quarters

Z- Spread evolution



Debt Maturity Profile (USDmn)



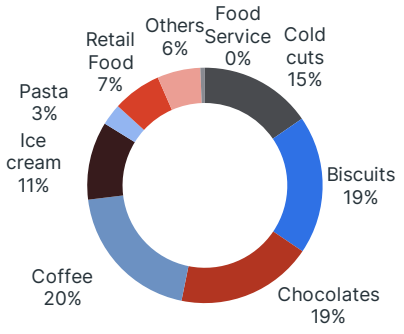
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
NUTRES 30	USD 1,500mn	8.00%	Baa3 / NR / BB+	188	3.1	105.8	0.6%	6.1%	Neutral
NUTRES 35	USD 1,500mn	9.00%	Baa3 / NR / BB+	287	6.1	110.8	0.7%	7.2%	Neutral
NUTRES Perp	USD 1,250mn	7.88%	Ba1 / NR / BB-	385	4.3	98.7	0.7%	8.2%	Neutral

Nutresa

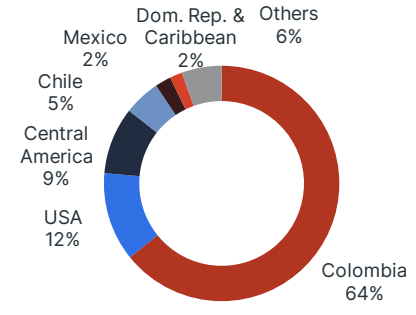
Company Description

Grupo Nutresa is a Colombian regional food conglomerate with diversified operations in Latin America and the USA. It manages an extensive brand portfolio, distributed across 9 segments in 14 countries. The company is a dominant leader in every category within Colombia while also having a strong market position in other Latin America markets. Its control by The Gilinski family.

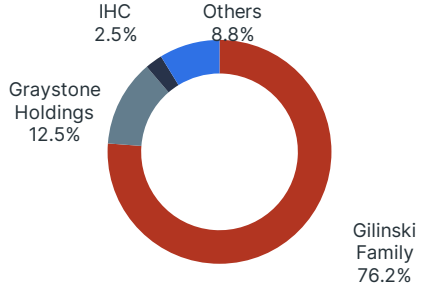
EBITDA breakdown by business unit



Revenue breakdown by country



Ownership Structure



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
Interest Coverage	4.2x	3.2x	3.1x	1.9x	2.5x
Gross Debt / EBITDA	2.7x	2.3x	2.3x	5.6x	5.2x
Net Debt / EBITDA	2.2x	1.8x	1.9x	4.5x	4.5x
Net Debt / Equity	0.4x	0.6x	0.6x	2.4x	1.3x
ST Debt / Gross Debt	11%	15%	10%	6%	10%

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Net Revenues	5,005	5,554	5,461	6,046	6,116
Gross Profit	1,833	2,173	2,218	2,386	2,538
EBIT	443	508	541	706	831
Net Interest Expenses	-113	-210	-197	-268	-357
EBITDA	579	647	697	856	995
Gross Margin	36.6%	39.1%	40.6%	39.5%	41.5%
EBITDA Margin	11.6%	11.7%	12.8%	14.2%	16.3%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash & Equivalents	311	314	331	939	726
Current Assets	1,998	1,699	1,885	2,590	2,739
Total Assets	6,098	4,609	4,977	8,055	9,638
Current Liabilities	1,119	1,088	1,087	1,314	1,786
Total Liabilities	2,924	2,716	2,886	6,464	6,684
Equity	3,174	1,893	2,091	1,591	2,953
Gross Debt	1,574	1,510	1,627	4,755	4,546
Short Term Debt	173	223	167	265	462
Long Term Debt	1,111	983	1,127	4,197	3,791
Leases	290	304	333	293	294
Net Debt	1,263	1,196	1,295	3,817	3,820
ROE	8.2%	11.2%	10.6%	22.8%	6.0%
ROA	4.3%	4.6%	4.4%	4.5%	1.8%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Operating Activities	156	619	518	731	861
Investing Activities	-143	-107	-160	-2,896	-1,989
Financing Activities	-8	-457	-373	3,025	1,932

Sources: Company Reports and Credicorp Capital

Parque Arauco

Equity Research Chile
Real Estate

Rating: Hold
TP: CLP 4,500

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Strong pipeline, tighter upside

Investment Thesis

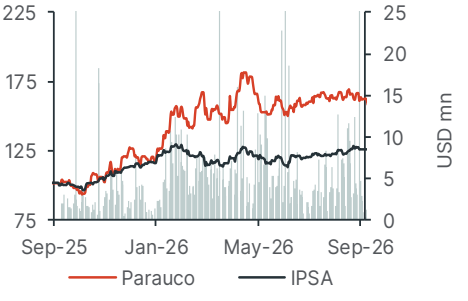
For Parque Arauco, we are maintaining our target price of CLP 4,500 per share. Since our last update in June, we have made upward revisions of 4% and 2% to revenues and EBITDA for 2027, but higher discount rates offset the more positive view in estimates. We are now shifting our recommendation from Buy to Hold, reflecting only a lower relative appeal given the stock's current valuation discount, given the index's higher positive revision. That said, we remain constructive on the company's fundamentals, particularly its low-risk project execution profile and the potential for additional announcements to further expand its growth pipeline. **As a result, Parque Arauco remains our second preferred relative pick within our Chilean shopping center coverage.**

Our thesis is supported by:
i) a valuation discount that remains broadly in line with the index average, reducing the stock's relative upside appeal; **ii) an ambitious growth pipeline** with what we view as a relatively low execution-risk profile; and **iii) higher growth optionality,** given its consistent additions to the growth plan and the firepower received after the capital increase materialization, profiling the stock as one to keep our eyes on.

Stock Data

Ticker	parauco ci
Price (CLP)	3,830
Target (CLP)	4,500
Total Return	21.2%
LTM Range	2,266 - 4,393
M. Cap (USD mn)	3,998
Shares Outs. (mn)	982
Free Float	62%
ADTV (USD mn)	5.2

Price Chart (CLP) and Volumes (USD mn)



Valuation

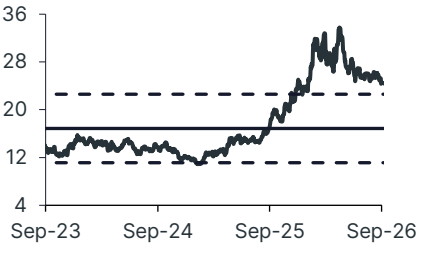
Our TP is based on a 50/50 valuation composed of a ten-year DCF model (WACC 9.0% - Ke 12.9%) and a multiple valuation. For the multiples, we apply an 6.2% cap rate, a 13.3x P/FFO, and a 2.0x P/B. We project compound annual growth rates (CAGRs) of approximately 8.3% for revenue and 9.1% for EBITDA over the 2026–2029 period. Additionally, we assume a long-term EBITDA margin trending toward ~74.0%.

Valuation Summary

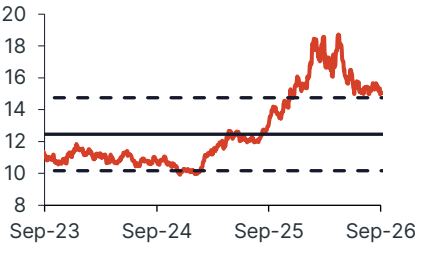
	2025	2026E	2027E	2028E
EV/EBITDA	17.0	17.6	15.4	15.0
P/E	18.0	23.4	18.8	17.2
P/CF	-7.4	-18.5	18.3	18.1
P/BV	1.7	1.6	1.6	1.5
Div. Yield	3.0%	2.6%	3.7%	3.4%

Sources: Company Reports and Credicorp Capital

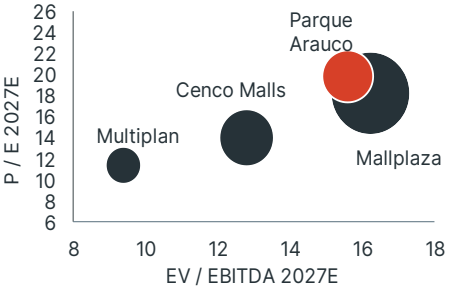
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

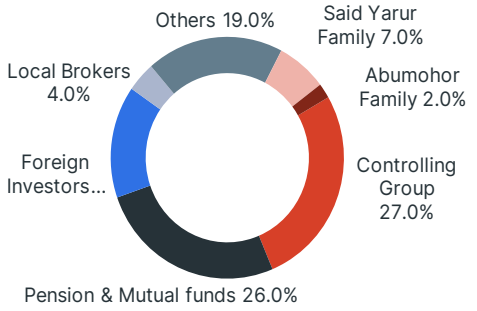


Parauco

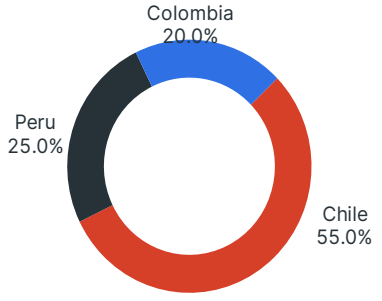
Company Description

Parque Arauco is a Chilean real estate developer and shopping mall operator. Its portfolio comprises more than 30 malls across Chile, Peru and Colombia, with total GLA of 1,340,500 sqm, of which it owns 1,242,737 sqm. It is the third-largest mall operator in the region by revenue and GLA. Parque Arauco was founded in 1979 and is headquartered in Santiago, Chile.

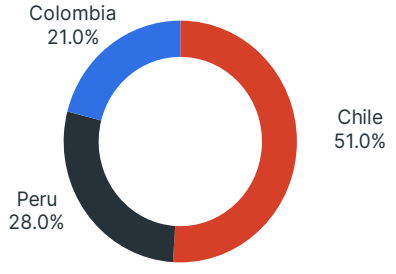
Ownership Structure



Revenue breakdown by country (LTM)



EBITDA by country (LTM)



Management

CEO: Eduardo Pérez
CFO: Francisco Moyano
IRO: Lauren Brown
www.parquearauco.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	316,776	383,793	444,064	497,820	514,570
Gross Profit	255,004	304,808	355,385	401,308	413,999
EBITDA	227,727	272,233	321,475	366,655	378,213
Net Income ex FV	120,571	149,973	160,727	199,957	218,652
EPS (CLP)	133	166	164	204	223
Gross Margin	80.5%	79.4%	80.0%	80.6%	80.5%
EBITDA Margin	71.9%	70.9%	72.4%	73.7%	73.5%
Net Margin	38.1%	39.1%	36.2%	40.2%	42.5%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	387,091	153,100	427,806	368,679	129,072
Total Current Assets	528,036	274,033	625,665	569,713	331,094
Total Assets	3,930,480	4,284,683	5,163,264	5,174,463	5,017,621
Current Liabilities	296,360	278,118	503,711	745,396	768,651
Financial Debt	1,581,760	1,700,507	1,762,874	1,707,158	1,458,858
Total Liabilities	2,142,432	2,327,800	2,422,870	2,371,512	2,125,472
Minority Interest	323,590	362,361	386,791	386,791	386,791
Shareholders Equity	1,464,458	1,594,522	2,353,603	2,416,159	2,505,358
Total Liabilities + Equity	3,930,480	4,284,683	5,163,264	5,174,463	5,017,621
Net Debt /EBITDA	5.2	5.7	4.2	3.7	3.5
Financial Debt /EBITDA	6.9	6.2	5.5	4.7	3.9
Financial Debt /Equity	1.1	1.1	0.7	0.7	0.6
ROAE	8.7%	9.8%	8.1%	8.4%	8.9%
ROAA	3.3%	3.7%	3.4%	3.9%	4.3%
ROIC	6.9%	7.9%	7.8%	8.1%	8.4%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**319,187**	**387,091**	**153,100**	**427,806**	**368,679**
CF From Operations	-93,678	-358,667	-252,275	208,353	210,660
CAPEX	-275,985	-575,114	-483,523	-72,802	-87,592
Changes in Financial Debt	231,032	118,747	62,367	-55,717	-248,299
Dividends (Paid) Received	-62,661	-81,908	-98,605	-137,400	-129,453
Other CFI & CFF Items	269,196	662,950	468,594	-1,561	15,077
Changes in Equity	0	0	578,148	0	0
Final Cash	**387,091**	**153,100**	**427,806**	**368,679**	**129,072**
Change in Cash Position	**67,904**	**-233,992**	**274,706**	**-59,127**	**-239,608**

Sources: Company Reports and Credicorp Capital

Ripley

Rating: Hold
TP: CLP 510

Equity Research Chile Retail

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Better dressed, still weather-watching

Investment Thesis

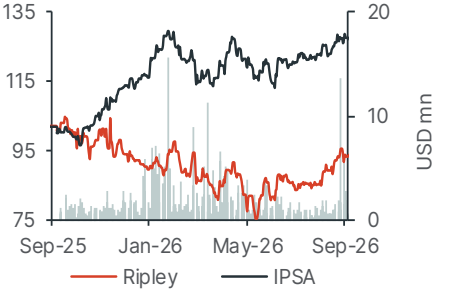
For Ripley, we are raising our target price from CLP 475 to CLP 510 per share, while maintaining a Neutral recommendation. We acknowledge the company's solid track record in preserving margins and the progress made in strengthening its business model's profitability. At the same time, we remain mindful of a more pressured retail operation in Chile and continue to monitor the potential impact of El Niño in Peru, both on the retail business and winter campaign, as well as through potential macro deterioration, which could imply a more cautious backdrop for the banking segment.

Our neutral stance is based on a medium-term constructive view, though it faces near-term headwinds. **On the positive side, we see i) a valuation discount that remains broadly in line with the index average** and **ii) a still-developing transformation of the company,** driven by a sustained effort to improve retail profitability, a higher contribution from the real estate segment in Peru, and a banking business that has continued to **expand its loan book and gain market share over recent months**. However, recent earnings performance has been mixed, due to the normalization of Chilean retail after the temporary boost from Argentine tourists, weaker consumption trends in Chile, and higher risk costs in the banking business. **Nonetheless, the company continues to demonstrate resilient profitability, with LTM EBITDA margins remaining close to 10%.** Moreover, an additional headwind is posed by El Niño phenomenon in Perú, which could pose an additional risk to retail and banking businesses. **With all of this into account, we feel the thesis is progressing in the right direction, but near-term events lead us to maintain a more prudent view for the moment.**

Stock Data

Ticker	ripley ci
Price (CLP)	422
Target (CLP)	510
Total Return	22.9%
LTM Range	338 - 469
M. Cap (USD mn)	869
Shares Outs. (mn)	1,936
Free Float	52%
ADTV (USD mn)	1.8

Price Chart (CLP) and Volumes (USD mn)



Valuation

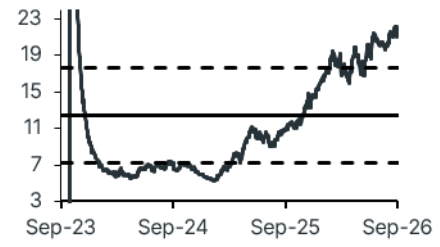
Our target price reflects an equal-weighted blend of SOTP and multiples-based valuations. The SOTP, based on DCFs for Chile retail, Peru retail, and Peru shopping centers plus residual income for banking, implies CLP 572 per share. The multiples approach, applying historical P/E, EV/EBITDA, and P/B multiples to 2027 estimates, implies CLP 430 per share, resulting in a target price of CLP 500 per share.

Valuation Summary

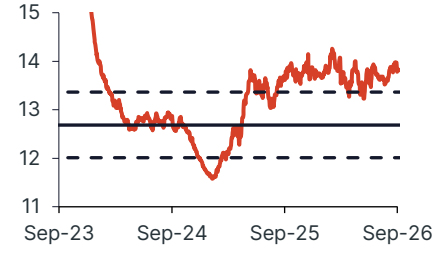
	2025	2026E	2027E	2028E
EV/EBITDA	12.6	14.3	14.0	13.2
P/E	9.6	16.6	22.1	14.7
P/CF	7.3	-12.7	11.7	12.0
P/BV	0.7	0.7	0.6	0.6
Div. Yield	1.5%	3.1%	2.0%	1.5%

Sources: Company Reports and Credicorp Capital

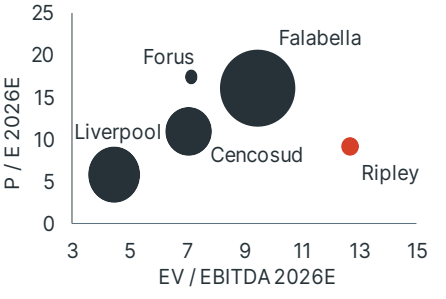
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

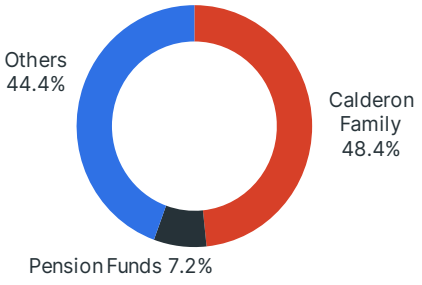


Ripley

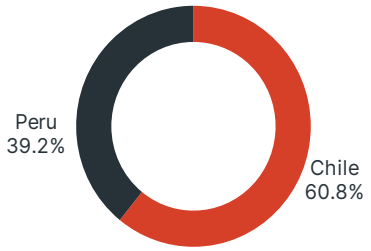
Company Description

Ripley Corp SA is a Chilean company, which engages in the operation of Department Stores (clothing, accessories, home furnishing and electro categories through both the offline and online channels), a Banking Business (CLP 1.6 bn loan portfolio) and a Real Estate segment. All three businesses operate in both Chile and Peru. The company was founded in 1956 and is the third largest Department Store player in Chile. Consolidated LTM sales reach ~USD 2.4 bn.

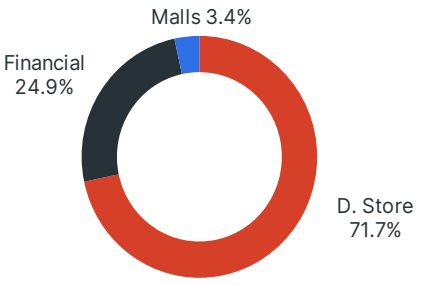
Ownership Structure



Revenue breakdown by country (LTM)



Revenue breakdown by business (LTM)



Management

CEO: Lázaro Calderón
CFO: Werner Geissbuhler
IRO: Natalia Nacif
https://inversionistas.ripley.com/

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	2,087	2,220	2,354	2,516	2,598
Gross Profit	717	818	848	876	916
EBITDA	174	214	209	214	226
Net Income ex Fv	49	85	49	37	56
EPS (CLP)	28	62	42	37	47
Gross Margin	34.4%	36.9%	36.0%	34.8%	35.3%
EBITDA Margin	8.3%	9.6%	8.9%	8.5%	8.7%
Net Margin	2.4%	3.8%	2.1%	1.5%	2.1%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	370	307	322	412	492
Total Current Assets	1,578	1,574	1,732	1,931	2,109
Total Assets	3,944	4,126	4,427	4,703	4,971
Current Liabilities	1,846	1,891	1,938	2,110	2,273
Financial Debt	2,156	2,189	2,488	2,672	2,845
Total Liabilities	2,889	2,968	3,205	3,424	3,617
Minority Interest	1	1	1	1	2
Shareholders Equity	1,055	1,158	1,222	1,280	1,354
Total Liabilities + Equity	3,946	4,127	4,429	4,705	4,972
Net Debt /EBITDA	10.3	8.8	10.4	10.6	10.4
Financial Debt /EBITDA	12.4	10.2	11.9	12.5	12.6
Financial Debt /Equity	2.0	1.9	2.0	2.1	2.1
ROAE	4.9%	7.7%	4.1%	3.0%	4.2%
ROAA	1.3%	2.1%	1.2%	0.8%	1.1%
ROIC	2.6%	3.9%	3.1%	2.7%	2.7%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**368**	**370**	**307**	**322**	**412**
CF From Operations	-11	-49	-259	-98	-97
CAPEX	-45	-38	-36	-40	-41
Changes in Financial Debt	39	33	299	184	173
Dividends (Paid) Received	0	-12	-25	-17	-12
Other CFI & CFF Items	19	3	36	61	58
Changes in Equity	0	0	0	0	0
Final Cash	**370**	**307**	**322**	**412**	**492**
Change in Cash Position	**2**	**-63**	**14**	**91**	**80**

Sources: Company Reports and Credicorp Capital

SMU

Rating: Hold
TP: CLP 190

Equity Research Chile Retail

Macarena Gutiérrez - mgutierreza@credicorpcapital.com
Sebastian Oré - sebastianore@credicorpcapital.com

Waiting for the checkout signal

Investment Thesis

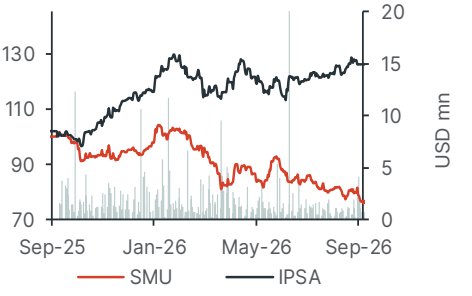
For SMU, we are raising our target price from CLP 180 to CLP 190 per share, while maintaining our Hold recommendation. Since our last update in June, the EBITDA figures for 2026 and 2027 have been marginally revised upward.

We maintain a Neutral stance, as despite the stock's valuation discount, we do not yet see clear medium-term catalysts that would enable a more visible value-unlocking process. **Our view is mainly supported by a still-muted outlook for the Chilean supermarket industry in the short term,** which, together with a store-opening plan that remains in place over the medium term, **could make the path toward EBITDA margins close to 9% more gradual.** In the meantime, we maintain a constructive view of management execution, as the company has sustained gross margins above historical levels and disciplined expense control, helping protect profitability in a more challenging environment, while renovated and recently opened stores continue to mature. Still, with almost exclusive exposure to the Chilean industry and the palliative measures already taken, almost all opportunities to unlock value hinge on a better consumption backdrop. **With this, we see value underlying, but it could take longer for us to shift our positioning.**

Stock Data

Ticker	smu ci
Price (CLP)	120
Target (CLP)	190
Total Return	62.6%
LTM Range	120 - 171
M. Cap (USD mn)	733
Shares Outs. (mn)	5,763
Free Float	55%
ADTV (USD mn)	1.9

Price Chart (CLP) and Volumes (USD mn)



Valuation

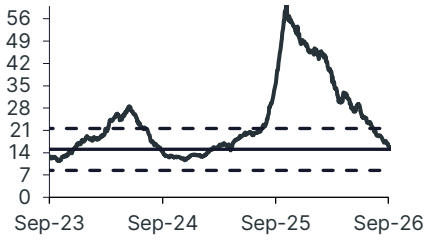
Our target price is derived from three components: (i) a ten-year DCF model (WACC: 11.7%, Ke: 17.1%), which results in a valuation of CLP 218 per share; (ii) to this price we incorporate the additional value derived from deferred taxes, which adds CLP 20 per share, this sum represents 50% of the total price and (iii) lastly, a 50% weighting based on a multiple-based valuation using historical levels, where we assign a P/E of 16.0x, an EV/EBITDA of 8.0x, and a P/B of 1.0x, yielding a valuation of CLP 140 per share

Valuation Summary

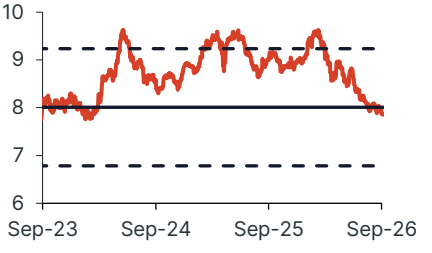
	2025	2026E	2027E	2028E
EV/EBITDA	9.2	7.8	7.0	6.6
P/E	14.0	32.2	13.5	12.4
P/CF	20.4	4.5	4.0	4.6
P/BV	1.1	0.8	0.8	0.8
Div. Yield	5.7%	1.6%	3.6%	5.6%

Sources: Company Reports and Credicorp Capital

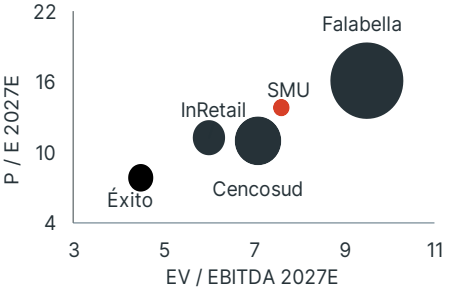
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

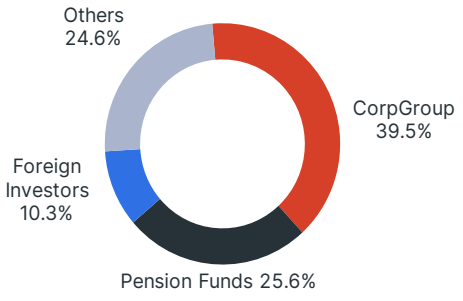


SMU

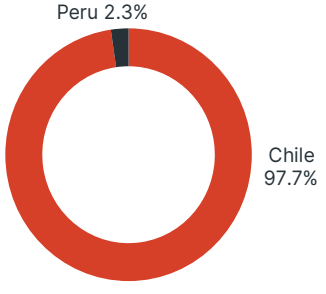
Company Description

SMU is a Chilean company, which engages in the Supermarket and Cash & Carry businesses in Chile and Peru. It operates under different banners: Unimarc in the Super segment (302 stores) and Alvi, Mayorista 10 and Super 10 in the cash & carry segment (111 stores), and they own 37 stores in Peru (Mayorsa and Maxi Ahorro, both in the discount format). The company was founded in 2007 and is the third food retail player in Chile (consolidated LTM sales reach ~USD 3 bn).

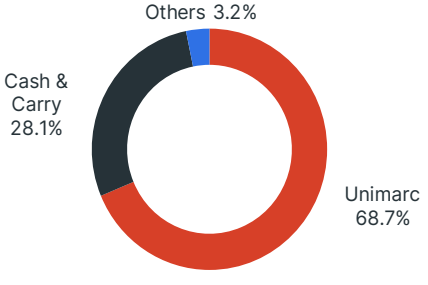
Ownership Structure



Revenue breakdown by country (LTM)



Revenue breakdown by business (LTM)



Management

CEO: Marcelo Galvez
CFO: Arturo Silva
IRO: Carolyn Mckenzie
www.smu.cl/en/inversionistas

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	2,887	2,819	2,909	3,065	3,234
Gross Profit	886	908	934	985	1,039
EBITDA	232	218	234	262	277
Net Income	49	63	21	51	56
EPS (CLP)	8	11	4	9	10
Gross Margin	30.7%	32.2%	32.1%	32.1%	32.1%
EBITDA Margin	8.0%	7.7%	8.0%	8.5%	8.6%
Net Margin	1.7%	2.2%	0.7%	1.7%	1.7%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	155	85	48	48	48
Total Current Assets	541	429	400	417	426
Total Assets	2,506	2,521	2,582	2,685	2,820
Current Liabilities	683	590	622	653	681
Financial Debt	1,230	1,211	1,289	1,343	1,448
Total Liabilities	1,694	1,695	1,753	1,831	1,948
Minority Interest	0	0	0	0	0
Shareholders Equity	812	825	828	854	872
Total Liabilities + Equity	2,506	2,521	2,582	2,685	2,820
Net Debt /EBITDA	4.6	5.2	5.3	5.0	5.0
Financial Debt /EBITDA	5.3	5.6	5.5	5.1	5.2
Financial Debt /Equity	1.5	1.5	1.6	1.6	1.7
ROAE	6.0%	7.7%	2.6%	6.1%	6.4%
ROAA	2.0%	2.5%	0.8%	1.9%	2.0%
ROIC	7.0%	4.6%	10.1%	5.9%	5.8%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**105**	**155**	**85**	**48**	**48**
CF From Operations	66	25	23	41	7
CAPEX	-107	-113	-106	-86	-124
Changes in Financial Debt	150	-19	78	55	105
Dividends (Paid) Received	-52	-51	-11	-25	-38
Other CFI & CFF Items	826	87	-20	16	51
Changes in Equity	-833	0	0	0	0
Final Cash	**155**	**85**	**48**	**48**	**48**
Change in Cash Position	**50**	**-70**	**-36**	**0**	**0**

Sources: Company Reports and Credicorp Capital

4.5 / Transport

Andean **Investor Guide** 2027

Credicorp Capital

Transport

We reiterate our preference for LATAM Airlines (BUY; T.P.: CLP 31/share), due to the resilience of its business model, while the stock trades at compelling valuation levels. On the other hand, Vapores (HOLD; T.P.: CLP 54/share) is transitioning beyond extraordinary dividends, while SM SAAM (HOLD; T.P.: CLP 146/share) offers improving growth visibility.

LATAM Airlines: resilience proven, growth intact, valuation compelling.

We maintain a positive view on LATAM Airlines' fundamentals. We believe the company is the best-positioned South American airline to navigate an uncertain geopolitical backdrop. Despite higher fuel prices, LATAM has consistently delivered results above market expectations, while management's 2026 guidance implies EBITDA broadly in line with pre-conflict expectations. Looking ahead to 2027, we expect mid-to-high single-digit capacity growth, driven by continued expansion in Brazil and international markets. Combined with lower fuel costs and solid execution, this should support operating margin expansion and high single-digit EBITDA growth. LATAM's strong balance sheet and liquidity provide additional resilience, while the ongoing share buyback program remains supportive for the stock, particularly in light of a potential monetization of SXP's remaining 13.2% stake. From a valuation perspective, LATAM continues to trade at a meaningful discount to its historical multiples.

Vapores' investment case is shifting from extraordinary dividends toward Hapag-Lloyd's earnings recovery and NAV discount.

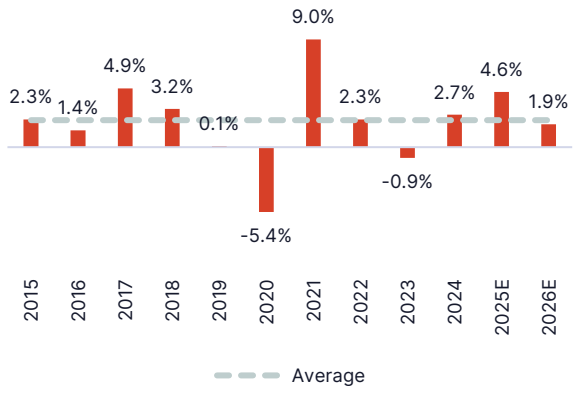
Regarding Vapores, we maintain our HOLD recommendation and set a new YE2027 target price of CLP 54/share (from CLP 60/share for YE2026). Freight rates have rebounded sharply amid the closure of the Strait of Hormuz and ongoing Red Sea diversions, with the SCFI more than doubling from its 1Q26 lows. However, we do not extrapolate this spike, as Hapag-Lloyd expects a gradual return to Suez transits through year-end. We forecast Hapag-Lloyd EBITDA of EUR 2.9 bn in 2026E, rising to EUR 3.3 bn by 2028E, as volume growth and better rate realization partly offset rerouting and bunker costs. Vapores' extraordinary payout cycle is largely complete after distributing ~USD 484 mn in 1H26, equivalent to an ~18% yield. From 2027, dividends should normalize to a ~2.4% yield. The investment case now hinges on Hapag-Lloyd's earnings normalization and Vapores' holding-company discount.

SM SAAM combines a leading towage platform, improving growth visibility and a solid recurring dividend yield.

Finally, regarding SM SAAM, we maintain our HOLD recommendation and introduce a new YE2027 target price of CLP 146/share (from CLP 140/share). Growth visibility has improved, supported by fleet additions, higher towage activity, and management's expansion strategy. The acquisition of the remaining 30% stake in Intertug, taking ownership to 100%, provides tangible evidence of execution. We forecast consolidated EBITDA of USD 215 mn in 2026E, rising to USD 251 mn in 2028E, with margins improving from ~31% to ~32% on fleet and maneuver growth. SM SAAM retains a strong balance sheet and offers an estimated dividend yield of ~6% in 2026-2028. However, a sustained rerating will require clearer visibility on the earnings contribution from its growth initiatives.

Airlines

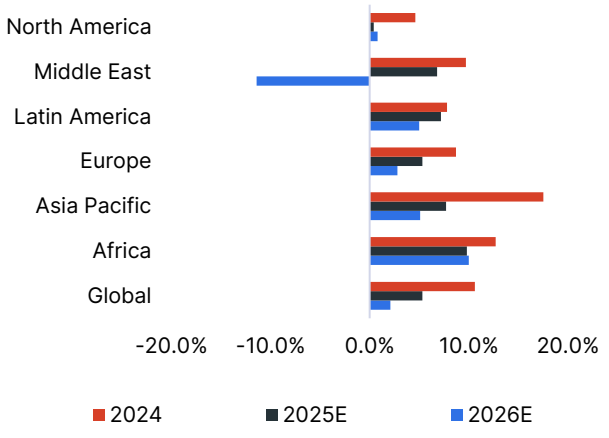
World Merchandise Trade Volume (% y/y change)



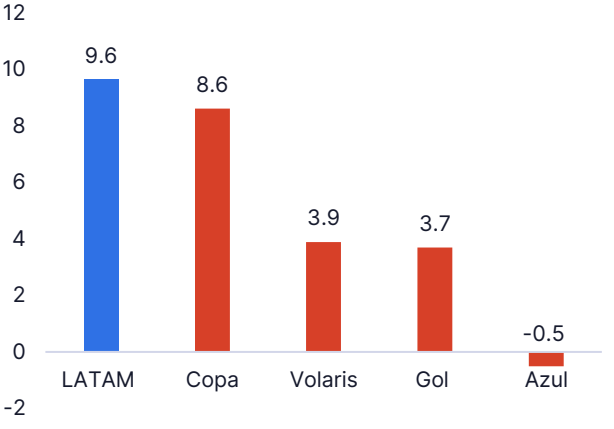
LT Outlook for Passenger Traffic growth (CAGR in # of Passengers)

	CAGR (2023-2043)	Additional passengers by 2043 (million)
Africa	3.7%	179
Asia Pacific	5.3%	2,750
Europe	2.3%	656
Middle East	3.9%	282
North America	2.7%	659
Latin America & Caribbean	2.9%	311
World	**3.8%**	**4,154**

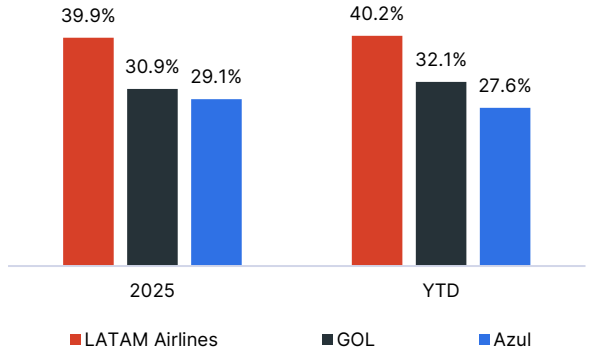
2024-2026 Outlook for Regional Passenger Traffic Change versus Previous Year (# of Passengers)



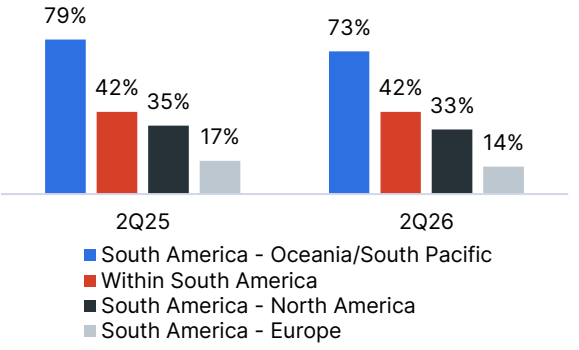
(EBITDAR-Fin Expenses) / Aircraft (USD mn) – Last twelve months



Domestic Brazil Market Share - RPK



International Routes Market Share - ASK



Source: Company reports, IATA, ANAC, Credicorp Capital Research

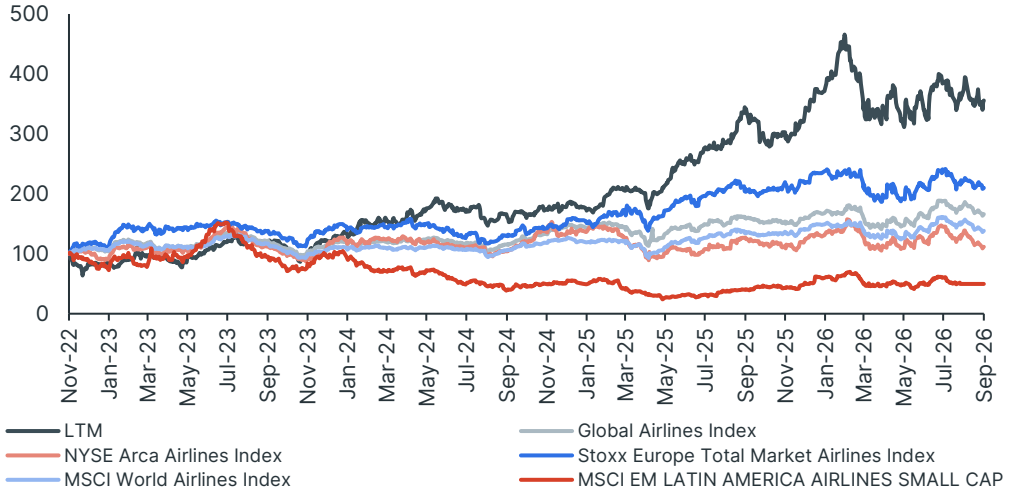
Relative Valuation

Company	Market Cap (mn)	Country	P/E 2025	P/E 2026E	P/E 2027E	P/E 2028E	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	EV/EBITDA 2028E
Chile										
LATAM Airlines (*)	14,620	Chile	10.6	9.7	9.4	8.9	5.3	5.1	4.7	4.4
Average			**10.6**	**9.7**	**9.4**	**8.9**	**5.3**	**5.1**	**4.7**	**4.4**
Latin America										
Copa Holdings	5,248	Panama	7.8	8.1	6.6	5.8	5.5	5.3	4.6	4.0
Average			**7.8**	**8.1**	**6.6**	**5.8**	**5.5**	**5.3**	**4.6**	**4.0**
North America										
American Airlines	8,506	USA	23.5		5.6	4.1	7.7	8.8	5.2	4.6
Delta Airlines	51,452	USA	13.5	12.3	9.1	7.8	7.3	7.0	5.7	5.0
United Airlines	34,565	USA	10.1	10.8	7.2	5.9	5.5	5.7	4.4	3.9
Air Canada	5,663	Canada	19.1	19.7	13.1	8.6	4.5	4.4	3.6	3.2
Alaska Air Group	4,476	USA	16.4		7.7	4.9	5.9	10.0	3.9	3.4
Southwest Airlines	18,927	USA	41.6	11.7	8.2	7.1	9.8	5.6	4.4	4.0
Average			**20.7**	**13.6**	**8.5**	**6.4**	**6.8**	**6.9**	**4.5**	**4.0**
Europe										
Lufthansa	10,730	Germany	6.9	8.0	5.8	4.8	3.7	3.7	3.3	3.0
Air France - KLM	3,541	France	2.1	3.7	2.6	2.2	3.0	2.9	2.7	2.4
International Consolidated Airlines Gro	24,338	England	6.8	5.4	6.2	5.6	3.4	3.5	3.2	3.1
Average			**5.2**	**5.7**	**4.9**	**4.2**	**3.4**	**3.4**	**3.1**	**2.8**
Asia										
China Airlines	3,944	China	8.3	9.9	8.9	8.6	4.3	4.5	4.2	4.1
Japan Airlines	9,840	Japan	9.7	13.9	10.6	9.4	3.3	3.7	3.2	2.9
Air New Zealand	717	New Zealand				6.0	7.6	5.2	3.1	2.7
Qantas Airways	9,894	Australia	10.7	9.2	7.1	6.4	4.5	4.2	3.5	3.2
Average			**9.6**	**11.0**	**8.9**	**7.6**	**4.9**	**4.4**	**3.5**	**3.2**
Low Cost										
Easy Jet	6,865	England	10.5	47.6	18.4	11.5	3.1	4.8	3.6	2.9
Ryanair Holdings	27,080	Ireland	10.6	13.0	12.0	9.4	5.5	5.8	5.4	4.6
Wizz Air Holdings	1,428	Hungary	397.1			6.0	5.1	6.1	4.2	3.3
Volaris	763	Mexico				6.8	4.5	5.2	3.6	3.2
Average			**139.4**	**30.3**	**15.2**	**8.4**	**4.6**	**5.5**	**4.2**	**3.5**

(*) Mulitples are calculated with Credicorp Capital Estimates

Source: Refinitv

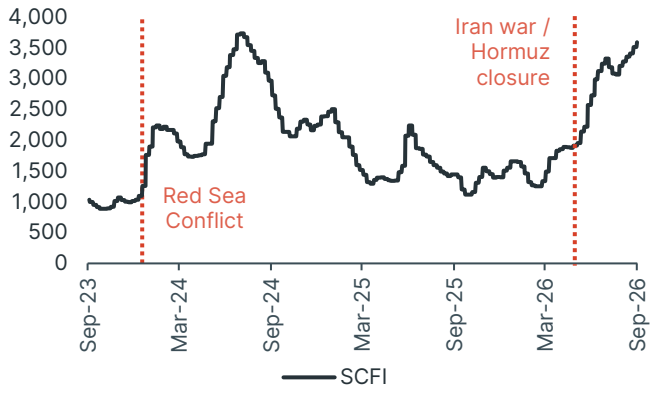
Global Airlines Index vs LTM – Since Chapter 11 exit (100 basis as of Nov-2022; in USD)



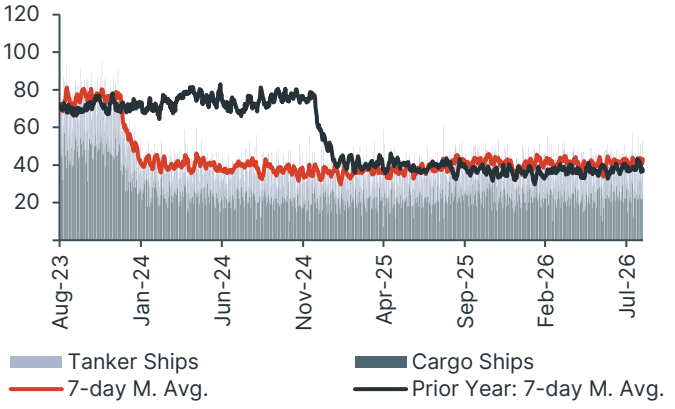
Source: Refinitiv

Maritime Transport

Shanghai Containerized Freight Index (USD/TEU)



Suez Canal: Daily transit calls



Vapores and SM SAAM Relative Valuation

Company	Country	Bloomberg Ticker	P/E 2024	P/E 2025	P/E 2026E	P/E 2027E	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBITDA 2026E	EV/EBITDA 2027E
Vapores (*)	**Chile**	**vapores ci equity**	**7.1**	**12.5**	**210.2**	**10.0**	**nm**	**nm**	**nm**	**nm**
Danaos Corp	Greece	DAC US Equity	5.7	5.9	5.3	5.7	3.9	3.8	3.6	3.6
Orient Overseas	Hong Kong	316 HK Equity	5.0	9.1	7.4	17.1	2.5	3.6	3.4	5.2
Evergreen Marine Corp	Taiwan	2603 TT Equity	3.5	6.9	6.8	10.9	2.4	4.2	3.8	5.2
Cosco Shippings	China	1919 HK Equity	4.6	7.2	7.0	9.8	2.8	3.8	3.9	5.1
HMM CO	South Korea	011200 KS Equity	4.4	10.7	10.9	15.7	3.1	5.2	4.6	5.7
Yang Ming Marine	Taiwan	2609 TT Equity	3.1	11.0	9.6	13.4	0.4	1.0	0.8	1.1
AP Moller-Maersk	Denmark	MAERSKB DC Equity	10.4	17.5	9.3	46.6	5.3	6.5	5.1	7.7
Kawasaki Kisen Kaisha	Japan	9107 JP Equity	21.0	7.4	19.2	13.8	16.4	14.2	16.0	15.4
Mitsui Osk Lines	Japan	9104 JP Equity	10.9	6.3	12.0	9.6	25.7	20.1	20.0	15.0
Hapag-Lloyd AG	Germany	HLAG GR Equity	9.9	30.6	27.6	nm	5.9	9.1	8.8	10.2
Average			**7.8**	**11.4**	**29.6**	**15.3**	**6.8**	**7.2**	**7.0**	**7.4**
SM SAAM (*)	**Chile**	**smsaam ci equity**	**17.6**	**19.2**	**18.2**	**15.7**	**5.4**	**7.0**	**6.7**	**6.1**
Vopak	Netherlands	VPK NA Equity	14.3	14.7	14.7	13.1	9.1	8.4	8.9	8.5
Westports Holdings	Malaysia	WPRTS MK Equity	27.3	23.8	18.6	17.6	17.1	14.7	11.8	11.1
Hutchison Port Holdings	Hong Kong	HPHT SP Equity	41.2	20.3	20.6	17.1	7.1	6.2	5.8	5.5
Tidewater Inc	US	TDW US Equity	26.0	29.4	34.1	15.9	8.5	8.0	7.9	6.3
Average			**25.3**	**21.5**	**21.2**	**15.9**	**9.4**	**8.9**	**8.2**	**7.5**

(*) Multiples are calculated with Credicorp Capital Estimates

Source: Credicorp Research, Bloomberg

LATAM Airlines

Rating: Buy
TP: CLP 31.0

Equity Research Chile
Transport

Rodrigo Godoy - rgodoy@credicorpcapital.com
María Ignacia Montt - mmonttq@credicorpcapital.com

Thriving through turbulence

Investment Thesis

We reiterate our BUY recommendation on LATAM Airlines and introduce a 2027YE TP of CLP 31/share, reflecting our confidence in its resilience amid a challenging global backdrop.

Since last March, LTM's investment case has been tested by a more prolonged-than-expected conflict in the Middle East, elevated fuel prices, and heightened geopolitical uncertainty. Despite these headwinds, the company has consistently delivered operating and financial results above market expectations, underscoring the resilience of its business model. Strong premium demand, a diversified revenue base, disciplined capacity management, continued expansion in Brazil, and a competitive cost structure have enabled LATAM to preserve healthy profitability while maintaining a robust balance sheet. This is reflected in management's upgraded 2026 guidance, which points to Adjusted EBITDA broadly in line with pre-conflict expectations, net leverage below 1.6x, and liquidity representing ~27% of revenues.

Importantly, we believe LATAM remains the best-positioned airline in South America to navigate a prolonged period of macroeconomic and geopolitical uncertainty. Our analysis indicates that the company maintains net leverage roughly half that of its main Brazilian peers and around 40% of Abra Group's, while liquidity remains 600-900 bps above regional competitors as a percentage of LTM revenues.

We also continue to view capital allocation as a meaningful driver of value creation. The recently approved share buyback program for up to 5% of outstanding shares, with the first tranche already underway, reflects management's confidence in the company's cash generation capabilities and should provide additional support for the stock, particularly considering a potential monetization of Sixth Street Partners' remaining 13.2% stake.

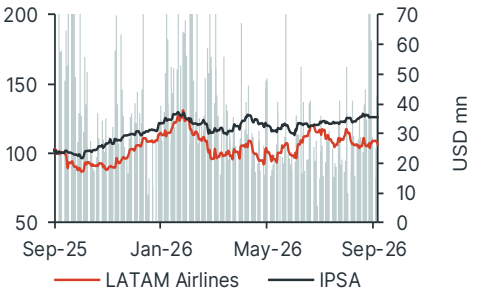
Valuation

LATAM Airlines trades at attractive valuations relative to its pre-pandemic five-year average, at an approximately 30% discount on an EV/Fwd EBITDA basis. Our December 2027 TP of CLP 31/share implies a 5.6x EV/Fwd EBITDA multiple, still representing a 15% discount to historical levels.

Stock Data

Ticker	ltm ci
Price (CLP)	23.9
Target (CLP)	31.0
Total Return	32.6%
LTM Range	20 - 29
M. Cap (USD mn)	14,620
Shares Outs. (mn)	574,216
Free Float	60.4%
ADTV (USD mn)	39.6

Price Chart (CLP) and Volumes (USD mn)

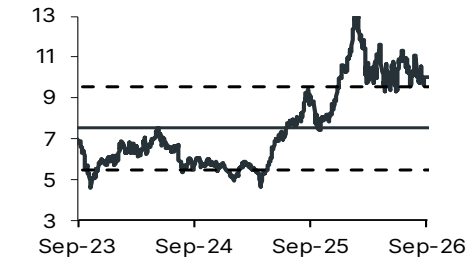


Valuation Summary

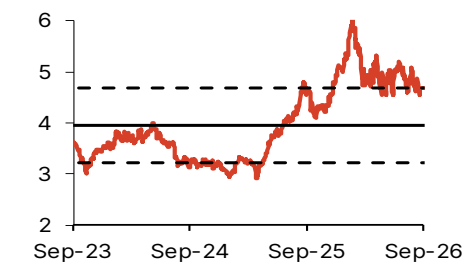
	2025	2026E	2027E	2028E
EV/EBITDAR	5.3	5.1	4.7	4.4
P/E	10.6	9.7	9.4	8.9
P/CF	10.4	6.8	6.0	5.4
P/BV	11.5	5.9	4.1	3.2
Div. Yield	3.9%	3.2%	3.1%	4.2%

Sources: Company Reports and Credicorp Capital

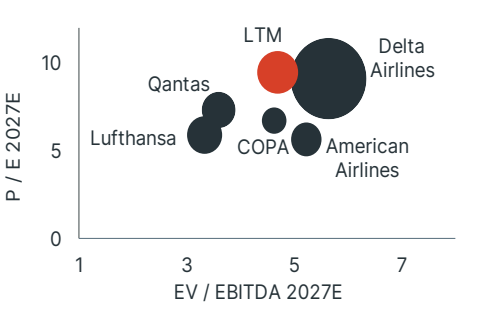
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

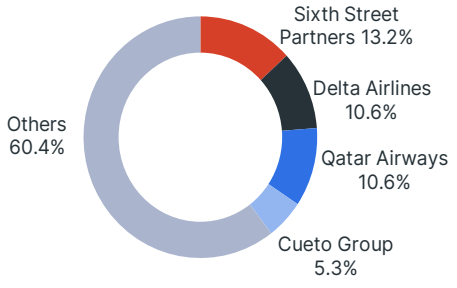


LATAM Airlines

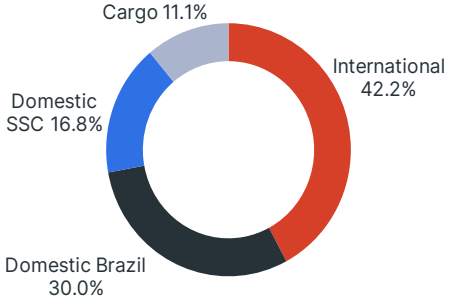
Company Description

LATAM Airlines is Latin America's leading airline group, with presence in five domestic markets (Brazil, Chile, Peru, Colombia, and Ecuador) and international operations within the region and to North America, Europe, Oceania. Africa and the Caribbean. The company's fleet totals 383 aircraft (including 20 cargo freighters), through which it operates 164 destinations (+8 cargo only) in 28 countries (+4 cargo only). In Brazil, its main domestic market, LTM is the largest carrier (>40% market share in RPK in the 2Q26). It is also the #1 player in Chile, Peru and Ecuador, and #2 in Colombia.

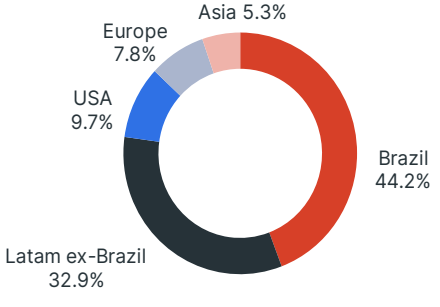
Ownership Structure (As of Mar-26)



Revenue breakdown by division (LTM)



Sales based on the POS (LTM)



Management

CEO: Roberto Alvo
CFO: Ricardo Bottas
IRO: Tori Creighton
https://ir.latam.com/Spanish/overview/

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	13,034	14,495	17,653	18,247	19,042
Operating Income	1,577	2,337	2,222	2,352	2,519
EBITDAR	3,029	4,073	4,214	4,556	4,871
Net Income	977	1,460	1,501	1,547	1,650
EPS (CLP)	1.52	2.29	2.46	2.54	2.70
EBIT Margin	12.1%	16.1%	12.6%	12.9%	13.2%
EBITDAR Margin	23.2%	28.1%	23.9%	25.0%	25.6%
Net Margin	7.5%	10.1%	8.5%	8.5%	8.7%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,958	2,150	3,321	4,335	5,330
Total Current Assets	3,900	4,383	6,231	7,323	8,383
Total Assets	15,253	17,641	21,800	23,662	25,424
Current Liabilities	6,291	7,294	8,649	8,830	8,993
Financial Debt	7,150	8,089	10,148	10,812	11,456
Total Liabilities	14,542	16,304	19,356	20,120	20,848
Minority Interest	-12	-8	-15	-14	-14
Shareholders Equity	723	1,346	2,460	3,557	4,590
Total Liabilities + Equity	15,253	17,641	21,800	23,662	25,424
Net Debt /EBITDA	1.7	1.5	1.6	1.4	1.3
Financial Debt /EBITDA	2.4	2.0	2.4	2.4	2.4
Financial Debt /Equity	9.9	6.0	4.1	3.0	2.5
ROAE	166.5%	141.1%	78.9%	51.4%	40.5%
ROAA	6.5%	8.9%	7.6%	6.8%	6.7%
ROIC	26.2%	32.0%	24.9%	21.5%	21.4%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**1,715**	**1,958**	**2,150**	**3,321**	**4,335**
Cash Flow From Operations	3,106	3,737	3,724	3,773	4,021
CAPEX	-1,420	-1,880	-1,692	-1,714	-1,739
Changes in Financial Debt	213	938	2,060	664	644
Dividends (Paid) Received	-175	-605	-469	-450	-617
Other CFI & CFF Items	-1,481	-1,412	-2,451	-1,260	-1,314
Changes in Equity	0	-585	0	0	0
Final Cash	**1,958**	**2,150**	**3,321**	**4,335**	**5,330**
Change in Cash Position	**243**	**192**	**1,171**	**1,013**	**995**

Sources: Company Reports and Credicorp Capital

SM SAAM

Rating: Hold
TP: CLP 146

Equity Research Chile
Transport

Miguel Leiva - miguelleiva@credicorpcapital.com

Growth strategy takes shape, with returns in focus

Investment Thesis

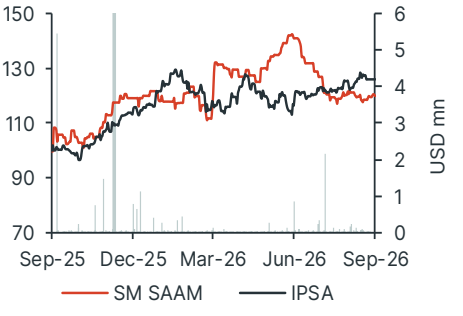
We are maintaining our HOLD recommendation on SM SAAM and introducing a new 2027 YE target price of CLP 146/share (from CLP 140/share). Our updated view incorporates greater growth visibility, supported by fleet additions, higher towage activity and management's strategy to expand into new markets and solutions through organic growth and industry consolidation. The acquisition of the remaining 30% stake in Intertug increased SM SAAM's ownership to 100% and provides tangible evidence of execution on its consolidation strategy. Nevertheless, we believe a sustained rerating will require greater visibility on the earnings contribution and returns generated by incremental capital deployment. Key upside risks include additional value-accretive acquisitions and faster-than-expected growth from fleet expansion, while downside risks include weaker earnings conversion amid cost pressures and capital allocation that fails to generate returns above the company's cost of capital.

From a fundamental perspective, our view remains constructive. In the Towage division, we forecast an EBITDA of USD 194/209/227/247 mn in 2026–2029, implying an average margin of 34%. Our estimates incorporate a gradual net expansion of the fleet from 203 tugboats in 2026 to 217 by 2029, supporting maneuver growth from approximately 167,000 to 191,000 over the same period. In Air Cargo Logistics, we forecast EBITDA of USD 37/42/43/44 mn in 2026–2029, with margins averaging 35%. On a consolidated basis, we forecast EBITDA of USD 215/234/251/272 mn through 2026–2029, with margins gradually increasing from ~31% in 2026 to 33% by 2029. Capex is projected at USD 131/115/123/148 mn in 2026–2029, largely reflecting fleet renewal and expansion requirements in Towage.

Stock Data

Ticker	smsaam ci
Price (CLP)	136
Target (CLP)	146
Total Return	13.4%
LTM Range	113 - 161
M. Cap (USD mn)	1,404
Shares Outs. (mn)	9,736
Free Float	34.0%
ADTV (USD mn)	0.3

Price Chart (CLP) and Volumes (USD mn)



Valuation

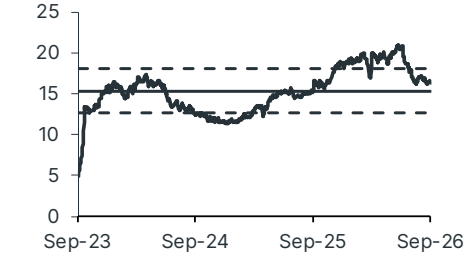
Our 2027 YE TP of CLP 146/sh (up from CLP 140/sh previously) is based on a sum-of-the-parts DCF valuation through 2037 and implies a 2028E EV/EBITDA multiple of 6.3x. We apply a WACC of 10.5% and a long-term growth rate of 2.2%, with terminal value accounting for approximately 57% of EV. It is worth mentioning that we continue to rely exclusively on a DCF approach, as the limited availability of listed pure-play towage operators and differences in business mix, geographic exposure and capital intensity reduce the reliability of a relative valuation.

Valuation Summary

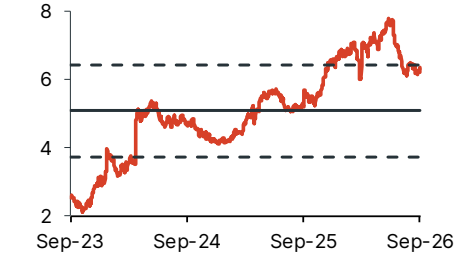
	2025	2026E	2027E	2028E
EV/EBITDA	7.0	6.7	6.1	5.7
P/E	19.2	18.2	15.7	13.8
P/CF	14.7	28.6	17.9	16.9
P/BV	1.4	1.3	1.3	1.2
Div. Yield	9.3%	5.7%	5.6%	6.4%

Sources: Company Reports and Credicorp Capital

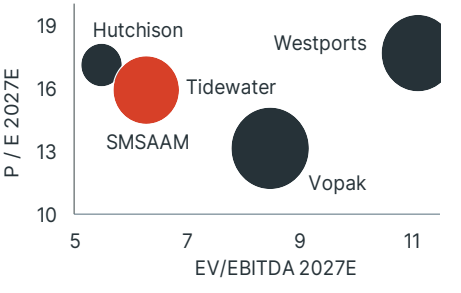
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

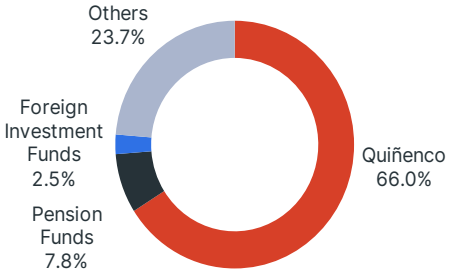


SM SAAM

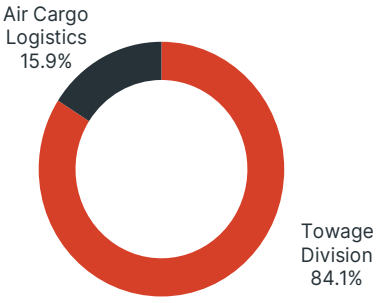
Company Description

SM SAAM is a leading infrastructure services company operating through two business segments: SAAM Towage and Aerosan. The company's operations are primarily concentrated in SAAM Towage, the largest towage operator in the Americas and the third-largest globally by fleet size, with a fleet of more than 200 tugboats serving over 100 ports across 12 countries. Aerosan complements the company's portfolio through air cargo logistics operations in Chile, Colombia and Ecuador. SM SAAM is controlled by Quiñenco (Luksic Group).

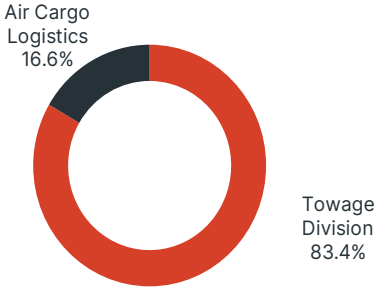
Ownership Structure



Revenue breakdown by concept (2027E)



EBITDA breakdown by business (2027E)



Management

CEO: Hernán Gómez
CFO: Rafael Ferrada
IRO: David Vetterlein
www.saam.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	578	632	691	733	779
Gross Profit	175	206	208	234	255
EBITDA	188	217	215	234	251
Net Income	59	80	77	89	101
EPS (CLP)	5.7	7.8	7.5	8.6	9.8
Gross Margin	30.3%	32.6%	30.2%	31.9%	32.8%
EBITDA Margin	32.6%	34.3%	31.1%	31.9%	32.3%
Net Margin	10.2%	12.7%	11.2%	12.2%	13.0%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	487	535	566	600	637
Total Current Assets	679	749	782	825	872
Total Assets	1,785	1,863	1,913	1,957	2,013
Current Liabilities	170	255	274	285	298
Financial Debt	437	490	555	587	628
Total Liabilities	672	728	798	832	876
Minority Interest	22	23	5	5	5
Shareholders Equity	1,091	1,113	1,110	1,121	1,132
Total Liabilities + Equity	1,785	1,863	1,913	1,957	2,013
Net Debt /EBITDA	-0.3	-0.2	0.0	-0.1	0.0
Financial Debt /EBITDA	2.3	2.3	2.6	2.5	2.5
Financial Debt /Equity	0.4	0.4	0.5	0.5	0.6
ROAE	5.2%	7.3%	6.9%	8.0%	9.0%
ROAA	3.0%	4.4%	4.1%	4.6%	5.1%
ROIC	5.1%	7.8%	6.9%	7.8%	8.8%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	865	487	535	566	600
Cash Flow From Operations	-126	131	195	197	210
CAPEX	-64	-78	-131	-115	-123
Changes in Financial Debt	-52	53	65	32	41
Dividends (Paid) Received	-268	-144	-80	-78	-90
Other CFI & CFF Items	132	86	-19	-1	-1
Changes in Equity	0	0	0	0	0
Final Cash	487	535	566	600	637
Change in Cash Position	-378	48	30	34	37

Sources: Company Reports and Credicorp Capital

Vapores

Rating: Hold
TP: CLP 54

Equity Research Chile
Transport

Miguel Leiva - miguelleiva@credicorpcapital.com

Freight-rate rally yet to reach earnings; payout cycle behind us

Investment Thesis

We maintain our HOLD recommendation and set a 2027 TP of CLP 54/share (from a 2026 TP of CLP 60/share). Freight rates have rebounded sharply amid the closure of the Strait of Hormuz and ongoing Red Sea diversions, with the SCFI more than doubling from its 1Q26 lows. We do not extrapolate the spike: our base case assumes rates retrace over the coming quarters, as Hapag-Lloyd expects a gradual return to Suez transits by year-end, and we anchor our estimates to an average SCFI of ~USD 1,900-1,950/TEU in 2027-29. Under our base-case price vector, the shares offer a total return to our YE2027 target broadly in line with our expectation for the IPSA.

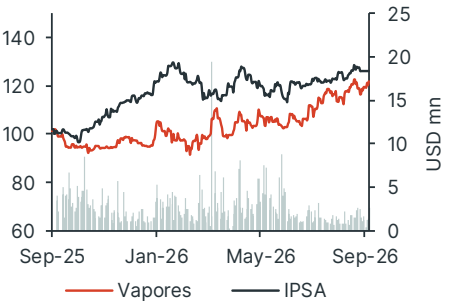
We expect a gradual earnings recovery, with higher spot rates only partly passing through to Hapag-Lloyd's results. We forecast EBITDA at EUR 2.9 bn in 2026E (15.1% margin, within the EUR 2.3-3.2 bn guidance), EUR 3.1 bn in 2027E, and EUR 3.3 bn in 2028E, vs. EUR 3.2 bn in 2025. We model volumes growing 2.4% in 2026E and 2.5-3.0% p.a. thereafter, an implied Liner rate flat y/y at EUR 1,357/TEU in 2026E (realization ratio vs. the SCFI of 0.80 on contract lags, recovering to 0.86-0.88 in 2027-28E) and cash unit cost up 3.6% to EUR 1,051/TEU after 1H26 rerouting and bunker costs absorbed part of the rate gains, so Liner EBITDA stays at EUR 2.7-3.1 bn through 2028E, with capex covered by operating cash flow. Our estimates exclude ZIM (~USD 4.2 bn; closing targeted by year-end 2026).

The extraordinary payout cycle is largely complete. Vapores distributed ~USD 484 mn in 1H26 (~18% yield), returning all the excess cash substantially from prior Hapag-Lloyd payouts and withholding-tax recoveries; the refundable balance has fallen to EUR 67 mn. From here, dividends depend on Hapag-Lloyd's payout: we model EUR 0.8/share in 2027, leaving ~USD 65 mn of distributable cash at Vapores (~2% yield), rising with Hapag-Lloyd's earnings from 2028E.

Stock Data

Ticker	vapores ci
Price (CLP)	50
Target (CLP)	54
Total Return	9.1%
LTM Range	38 - 51
M. Cap (USD mn)	2,740
Shares Outs. (mn)	51,320
Free Float	27.5%
ADTV (USD mn)	2.5

Price Chart (CLP) and Volumes (USD mn)



Valuation

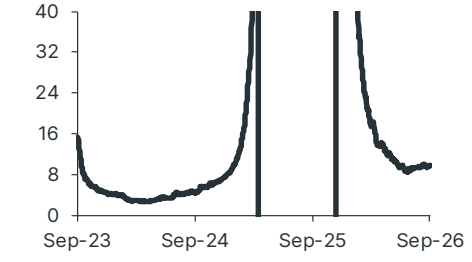
We value Hapag-Lloyd at EUR 144/share for YE2027 through (i) a DCF (60%; WACC of 9.1%, 2.0% terminal growth; EUR 132/share) and (ii) 9.3x EV/EBITDA on 2028E (40%; 6.8x peers plus a 37% premium; EUR 161/share), net of debt and minorities. Vapores' TP applies a 65% discount to its look-through NAV at CLP/USD 880 and USD/EUR 1.17; the discount narrowed from ~73% in 2025 to ~67% YTD as withholding taxes were recovered. Upside risks: faster pass-through of spot rates into contracts, ZIM synergies. Downside risks: rate normalization once Suez transits resume and as the elevated orderbook is delivered into the fleet.

Valuation Summary

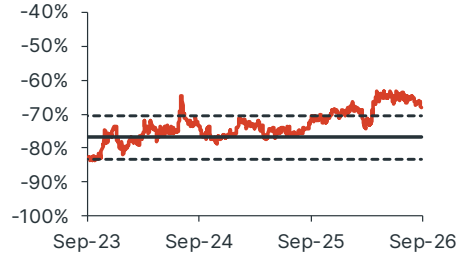
	2025	2026E	2027E	2028E
P/E	13	210	10	8
P/BV	0.4	0.4	0.4	0.4
Div. Yield	22.3%	17.6%	2.4%	2.9%

Sources: Company Reports and Credicorp Capital

P/E 12M Forward



Vapores discount to NAV (Hapag-Lloyd)



Rating Risk of Vapores

A+ / Stable; A / Stable

Div. Policy of Vapores' main associate

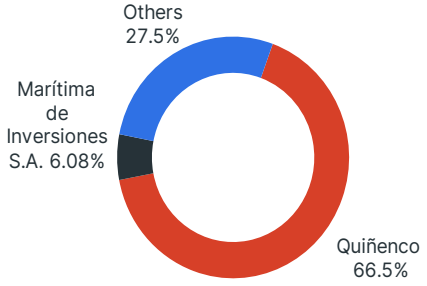
	Div. Pol.	Ownership
Hapag Lloyd	>30% profits	30%

Vapores

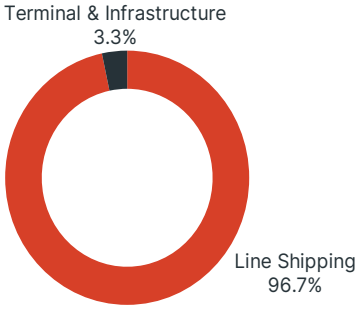
Company Description

Compañía Sud Americana de Vapores (CSAV) is a Chilean-listed holding company that provides exposure to global container shipping through its 30.0% stake in Hapag-Lloyd AG, one of the world's leading liner shipping companies. CSAV has no meaningful operating activities of its own, with earnings, cash flows and shareholder returns largely driven by Hapag-Lloyd's operating performance and dividend distributions.

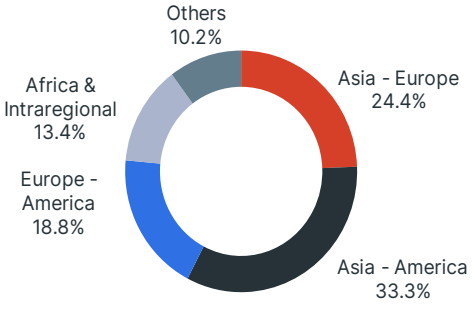
Ownership Structure



HL Revenue breakdown by concept (1H26)



HL Revenue breakdown by Region (1H26)



Management

CEO: Roberto Larraín Sáenz
IRO: María Elena Palma
www.csav.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Net Income	388	213	13	273	341
EPS (CLP)	7	4	0	5	6

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Shareholders Equity	7,272	7,010	6,541	6,749	7,010
ROAE	5.1%	3.0%	0.2%	4.1%	5.0%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Dividends (Paid) Received	-1,154	-594	-482	-64	-81

Sources: Company Reports and Credicorp Capital

4.6 / Andean Utilities

Andean **Investor Guide** 2027

Credicorp Capital

Andean Utilities

El Niño has arrived, driving mixed performance, while political shifts shape the regulatory outlook.

We have seen early signs of El Niño.

NOAA's September update confirmed El Niño strengthened in August and now has a >90% chance of becoming a very strong event in fall–winter 2026–27. It should strengthen through year-end, with a 75% probability of a historic Oct–Dec event (+2.5°C or higher), supporting Chilean hydrology while raising dry-weather risks for Colombia and Peru.

Chilean utilities should face above – average hydrology in the context of a high BESS capex deployment.

In Chile, we are incorporating an improved hydrology from El Niño into our models, assuming 2026–2027 as an above-average hydrological year. Average rainfall in Jul–Aug increased to 56.0 mm from 15.9 mm a year earlier, supporting a faster-than-anticipated recovery in reservoir levels, although conditions remain uneven across the system. Ralco, Colbun, and Pangue reached 98%, 98% and 100%, respectively, while Laguna del Maule and Lake Laja stood at 51% and 23%. Recently improved hydrological conditions have also contributed to lower spot prices, with the average of Quillota and Crucero declining to USD 30.3/MWh in Aug-26 from USD 90.8/MWh in Jun-26. Should El Niño continue to support rainfall, higher hydro availability would likely pressure spot prices downwards. Snow conditions provide further support, with the end-August balance showing a 91% surplus in accumulated snow height and a 67% surplus in water equivalent vs. historical averages. In this environment, **Colbun (BUY; T.P.: CLP 170/share), Enel Chile (HOLD; T.P.: CLP 93/share), and ECL (HOLD; T.P.: CLP 2,070/share)** should benefit from a more supportive hydrological backdrop, as stronger hydro availability helps ease respective fuel costs. Moreover, both ECL and Enel Chile should benefit from lower spot prices given their net spot-buying positions, unlike Colbun, which remains a net seller. Nevertheless, the ongoing transformation of the energy matrix has reduced spot market volatility across all three companies compared to previous years.

In Colombia, hydrological conditions are becoming less supportive as the system approaches a potentially tighter operating environment ahead of El Niño. Reservoir levels remain uneven across key regions, with Antioquia at 67%, Caribe at 58%, and Centro at 69%, while the consolidated useful reservoir level stands at 79.35%, slightly below the CREG's reference path of 81.60%. Against this backdrop, thermal generation has risen to 27.5% of the total generation mix, from 10-20% at 1H26. Moreover, spot prices have increased materially, reaching COP 870 /kWh in 2H26 to date, vs. COP 230/kWh on average in 2H25.

The greater reliance on thermal generation also increases the relevance of gas supply, with imported gas accounting for 35% of the total supply over the last

month, raising the system's sensitivity to imported gas availability and costs. In this context, **EnelAm (UPERF; T.P.: CLP 89/share)** and **GEB (HOLD; T.P.: COP 3,400/share)** remain the highest exposures to Colombia's evolving power and gas dynamics. In GEB's case, TGI's complementarity with Enel Colombia is likely to diminish, reflecting both the lower tariff WACC and a structural decline in gas transportation demand driven by Colombia's molecule shortage.

We have not seen an impact from El Niño in Peru strictly from a hydro perspective.

In Peru, hydrological conditions remain adequate, although conditions have become less supportive than a year ago. Total useful reservoir volume is currently 7% below 2025 levels but broadly in line with 2024. At the same time, despite weaker seasonal inflows, hydro availability has largely persisted, with thermal sources increasing slightly to 50.9% of total generation in August 2026, up vs. 47.9% in August 2025. Moreover, El Niño has negatively affected wind patterns in Peru, resulting in significantly lower wind generation (-15.5% y/y in the Jul-Aug accumulated period) and tightening the country's power supply balance. These changes have translated into materially higher system costs, with marginal costs reaching USD 99.7/MWh in July 2026 and USD 106/MWh in August 2026, compared with USD 28.3/MWh and USD 29.7/MWh, respectively, a year earlier. Looking ahead, a stronger El Niño could further limit hydro and wind availability and sustain a higher reliance on thermal generation. **Engie Peru (BUY; T.P.: PEN 5.40/share)** remains our main listed exposure to these evolving power-market dynamics.

We see advances in Gx and Dx as positive.

As per regulation, in Chile, the CNE launched the 2026/01 regulated auction for 2,835 GWh/year, divided into a 1,575 GWh block for 2029–2043 and a 1,260 GWh block for 2030–2044, across three hourly bands and four geographical zones. Offers are due on Dec. 4, 2026, with the final award scheduled for January 13th, 2027. Enel Chile should enter the new process from a strong competitive position, having secured 100% of the energy awarded in the previous three regulated auctions (2023/01, 2025/01, and 2025/02). On the distribution side, Congress approved the Electricity Tariff Protection Bill, establishing a securitization mechanism to settle outstanding VAD 2020–2024 balances, extending the VAD 2024–2028 tariff period through 2030, and reducing the risk of further tariff-setting delays. The bill also establishes a dedicated framework for investments aimed at improving network quality and resilience. We see this as supportive for distribution CAPEX and eventual tariff recognition, although the implementation rules and quantifiable impact remain to be defined.

For **Aguas Andinas (HOLD; T.P.: CLP 380/share)**, the VIII tariff process is now fully implemented after the final 1% step-up became effective in March 2026, completing the cumulative 5% increase agreed for the 2025–2030 period. The company's regulatory focus, therefore, shifts to incorporating Biociudad and non-Biociudad investments into the tariff base as the projects enter operation. These additional works were contemplated within the tariff framework to address drought and climate resilience needs. On the other hand, the

Reconstruction Law's lower corporate tax rate is expected to lead to a modest downward adjustment to tariffs for the coming years.

In Colombia, energy supply has become central.

In Colombia, declining domestic supply has made imported gas a structural component of the market, with sector estimates indicating that imports should cover roughly 25% of the national demand in 2026. Against this backdrop, we are monitoring several projects aimed at diversifying entry points and reinforcing gas supply. Ecopetrol's portfolio includes a 60 GBTUD floating storage solution in Buenaventura targeted for 4Q26; Puerto Bahía, where an initial 126 GBTUD is expected by 1Q27, with capacity expanding progressively; and Coveñas, an FSRU for up to 400 GBTUD targeted for 2H29. Separately, TGI's Ballenas regasification project received approval to advance and is intended to add a new LNG entry point in La Guajira from 2028, using existing transport infrastructure. The system also completed SPEC's scheduled maintenance from Jul. 30 to Aug. 3 without disrupting essential gas demand or electricity supply, leaving the country's only operating regasification terminal available again and showing resilience and sector collaboration amid the stressed scenario. Moreover, the government launched a demand-side energy conservation program effective September 1, designed to curb electricity consumption during El Niño. Under the scheme, households and small businesses that exceed their individualized consumption target by more than 10% will incur surcharges on excess usage, while those achieving savings above 10% will be eligible for bill credits.

The energy system in Colombia is facing both financial and operational strains.

Financial stress across Colombia's energy system nevertheless persists, particularly in the Caribbean, where Air-e continues to accumulate overdue balances while under intervention. The new administration has made liquidity and service continuity an early priority, announcing COP 1.5 tn to address obligations with thermal generators, including an initial COP 300 bn disbursement. We view the measure as evidence that authorities recognize the importance of preserving thermal availability ahead of a potentially hydrological period; however, it covers only part of the outstanding balance and does not resolve the system's structural payment problem. We will therefore continue to monitor Air-e's funding and tariff subsidy pile up, ahead of any broader plan for the Caribbean market.

Licensing and permitting delays also remain a constraint on new energy projects. According to XM, only 16.4% of the scheduled MW to be added in 2026 were effectively incorporated into the grid, as the government's immediate focus has been on addressing the sector's financial challenges and ensuring service continuity. That said, recent press comments from the Minister of Interior suggest the administration is considering measures to accelerate project bottlenecks, including allowing environmental permitting and consulta previa processes to run in parallel rather than sequentially. Such changes could materially shorten project development timelines, particularly given that, according to CREE, construction accounts for only ~25% of a project's total

execution time. We will monitor whether these proposals evolve into concrete policy initiatives once the most pressing sector challenges are addressed.

In Brazil, regulatory uncertainty remains centered on Enel São Paulo. ANEEL opened an administrative proceeding that could result in a recommendation to terminate the distribution concession after concluding that service shortcomings persisted during severe weather events. The regulator subsequently rejected Enel SP's requests to suspend the process and obtain an independent technical review, closing the evidentiary phase and moving the case toward a final ANEEL decision. Any recommendation to revoke the concession would still require a final determination by the Ministry of Mines and Energy. Until the process is resolved, we expect the concession to remain the focus for Enel Americas' investors.

Fixed Income

We remain broadly Neutral across LatAm utilities, with a preference for TERMOC 31, ENFRAG 32 and ORSAPE 32.

Finally, in fixed income, our regional thesis combines the equity team's outlook with our credit views. While utilities remain a defensive sector, we believe the impact of El Niño will vary significantly across issuers, with differences in hydrology, generation mix, geographic exposure, and regulatory frameworks likely to drive greater dispersion in credit performance.

On the fixed-income side, we favor thermal generators and ORSAPE 32 ahead of El Niño.

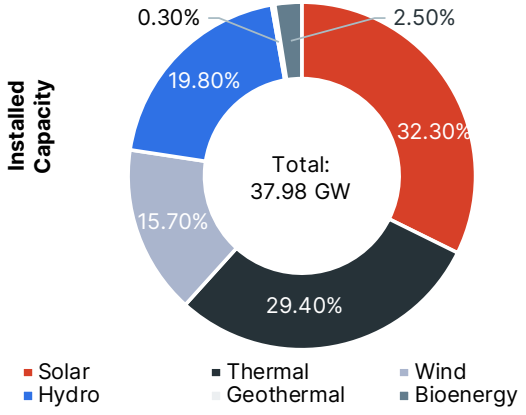
In Peru, **ORSAPE 32 remains one of our preferred names, supported by strong 1H26 operating performance and its ability to benefit from El Niño conditions**, as only 65% of its generation is contracted. While we expect a more neutral impact from El Niño on KALLPA, we still see room for spread compression in **KALLPA 32**. Kallpa's diversified thermal and solar portfolio also reduces hydrological risk. We remain neutral on Niagara, as contract expirations are likely to weigh on 2026 performance ahead of an expected recovery in 2027 following the start of the Southern Copper contract.

In Colombia, TERMOC 31 and ENFRAG 32 are our top picks, as thermal generators should benefit from higher dispatch during El Niño conditions. While Air-e remains a challenge for the sector, recent government support measures should help ease working capital pressures for thermal generators. We are more cautious on EEPPME given its hydro exposure and tight valuations, while maintaining a neutral stance on TRAGSA 28 and GEBCB 33/35. Within GEB's curve, we prefer **GEBCB 30** given its relative value ahead of the expected leverage increase from acquisitions in 2H26.

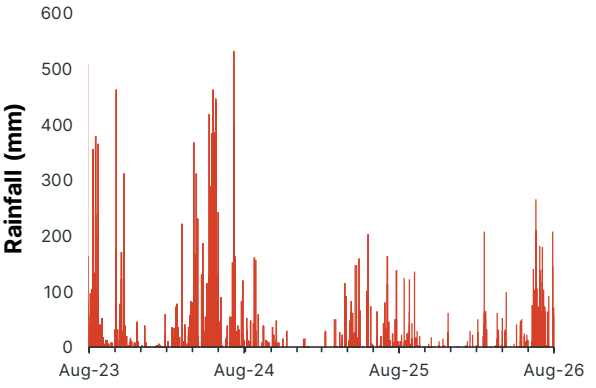
Lastly, In Chile, **AES 34** remains our preferred opportunity given its attractive relative value versus AES 32 and improving credit profile.

Chile

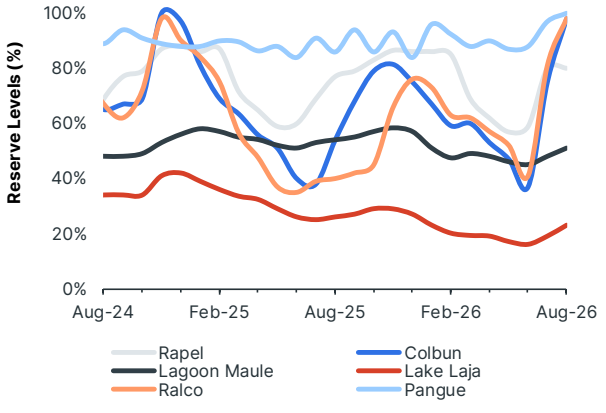
Graph 1: Energy matrix



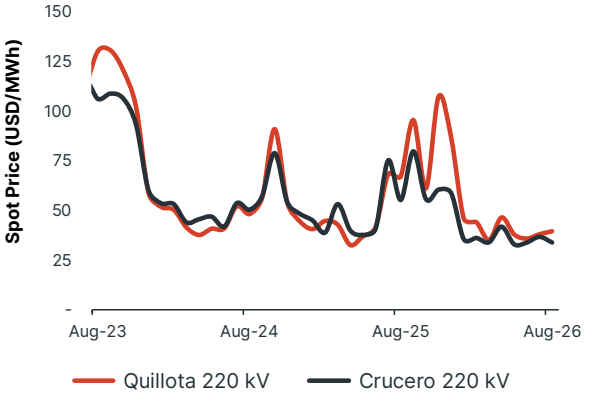
Graph 2: Rainfall (mm)



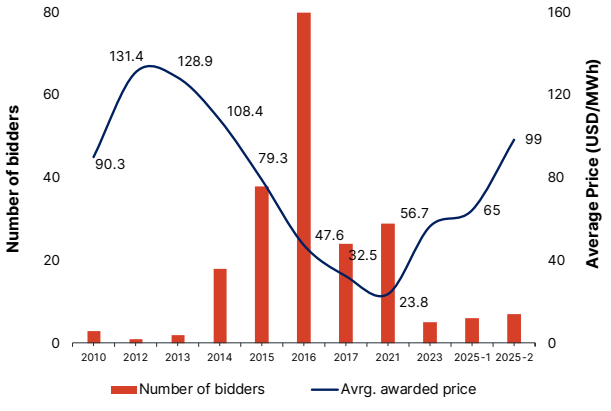
Graph 3: Reservoir levels (%) by reservoir



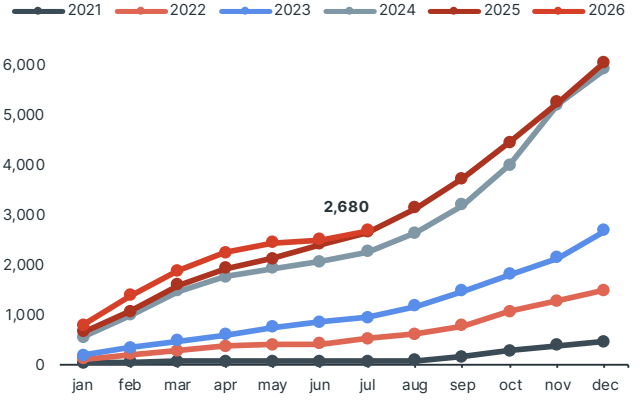
Graph 4: Energy spot prices (USD/MWh)



Graph 5: Bidders/price in regulated auctions



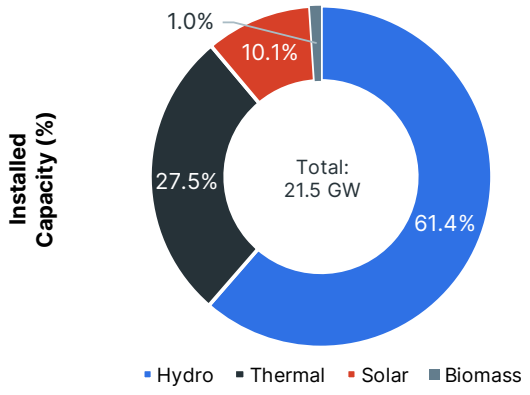
Graph 6: YTD Energy Curtailments, by year (GWh)



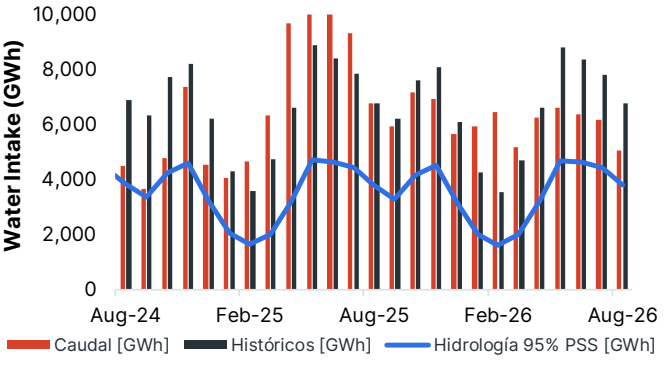
Sources: Coordinador Electrico, CNE

Colombia

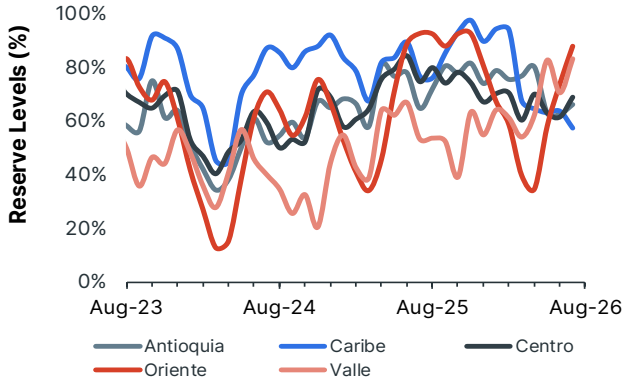
Graph 7: Energy matrix



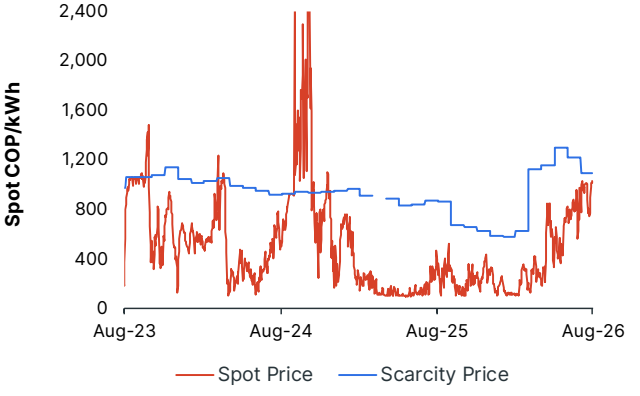
Graph 8: Water intake



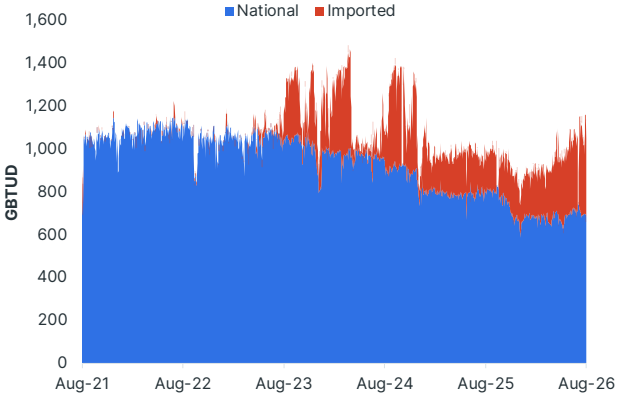
Graph 9: Reservoir levels (%) by region



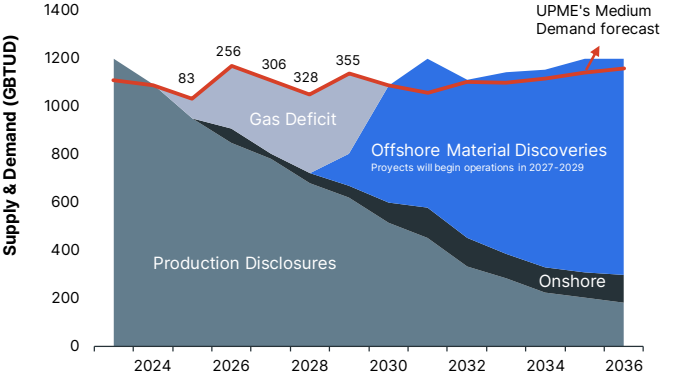
Graph 10: Energy spot prices



Graph 11: Colombia daily gas consumption, by source (GBTUD)



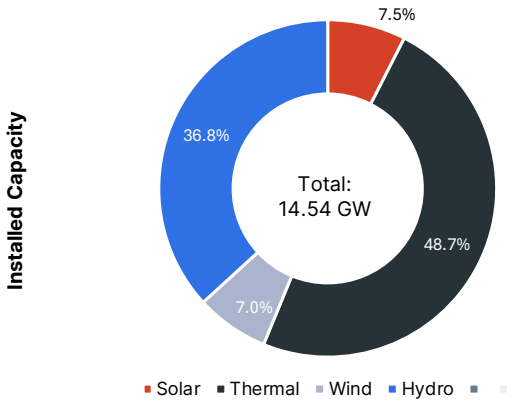
Graph 12: Gas deficit for upcoming years



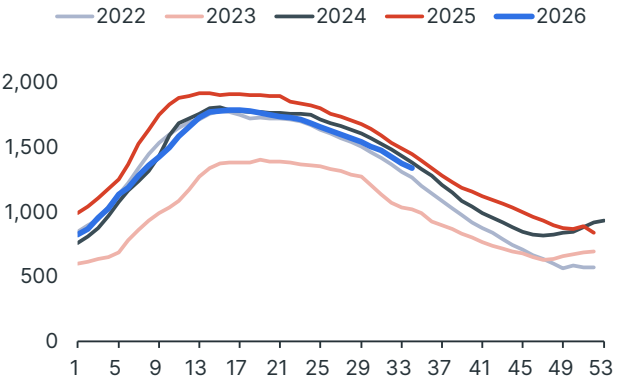
Sources: XM, BMC

Peru

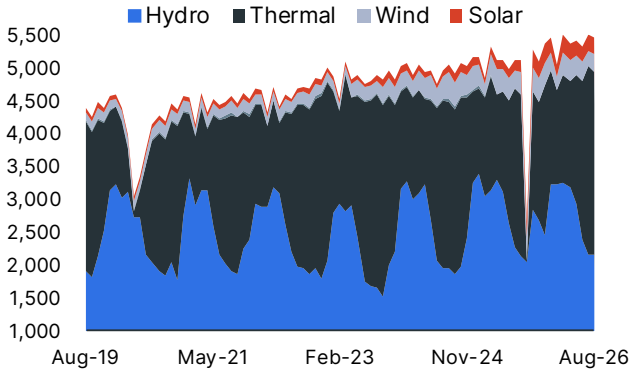
Graph 13: Energy matrix



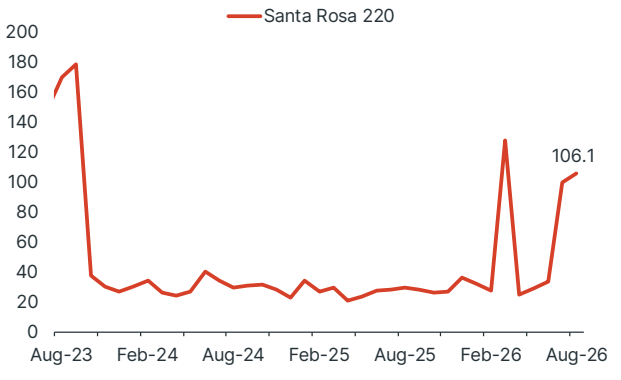
Graph 14: Reservoir levels y/y comparison by week of the year (hm³)



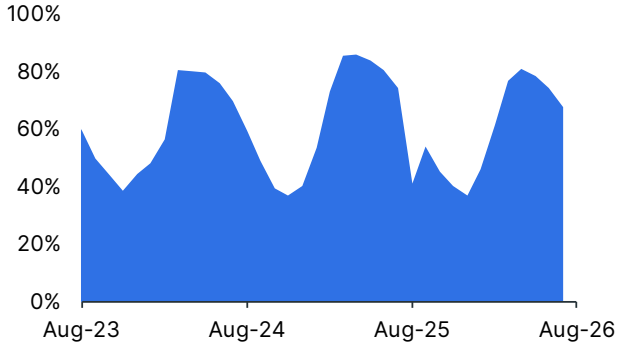
Graph 15: Generation (GWh), by technology



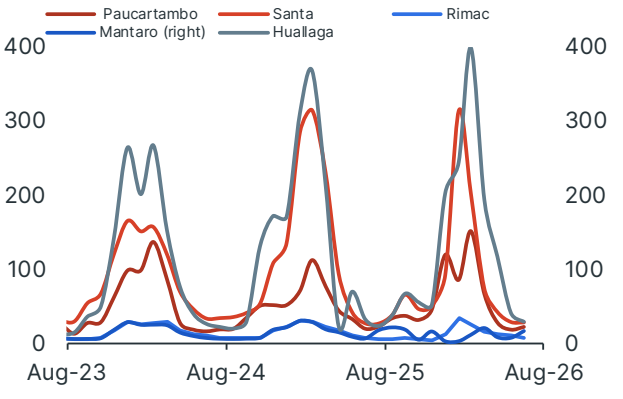
Graph 16: Energy spot prices (USD/MWh)



Graph 17: Reservoir Levels Consolidated (%)



Graph 18: River Flows (m³/s)



Sources: COES

AES Andes

Baa3 / BBB- / BBB-
Outlook: s / s / s

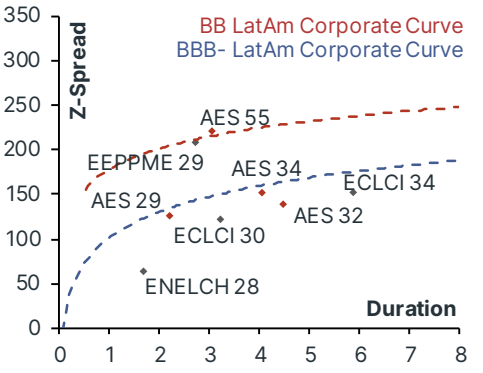
Nicolle Morales - alexandramorales@credicorpcapital.com

Renewable growth while preserving IG

Investment Thesis

AES Andes has successfully advanced on the execution of its transition toward renewable generation. Looking forward, its renewable portfolio will continue expanding through AES Pacífico (a subsidiary of AES Corp) and GIP, while preserving liquidity, maintaining stable leverage, and supporting its IG status. We expect a largely neutral El Niño impact in Chile, while we expect an initially positive impact in Colombia through 3Q26. Thereafter, more challenging hydrological conditions at Chivor could weigh on performance, making reservoir management increasingly important. Net leverage stands at 3.0x and we expect it to remain below 3.5x going forward. We are OW on AES 29, as it should trade inside ECLCI 30, implying around 10 bps of spread compression potential. We also see value in AES 34, which should trade closer to AES 32 given its higher ranking in the capital structure and shorter duration.

AES Andes Bonds and comparables



Credit Data	
REG-S Notes	4
Outstanding Notes	USD 1,915mn
Closest Call Date	15-Feb-29
Closest Maturity Date	14-May-27

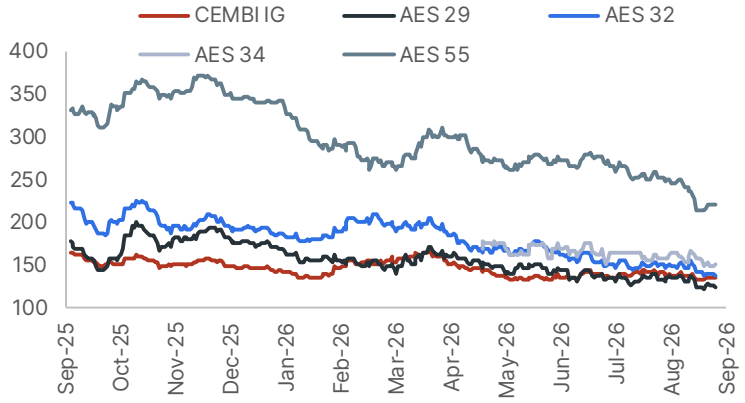
Concerns

- Chivor hydrology risk under a prolonged El Niño scenario
- Potential future expansion plans beyond the AES Pacífico structure
- Potential leverage pressure from future investments

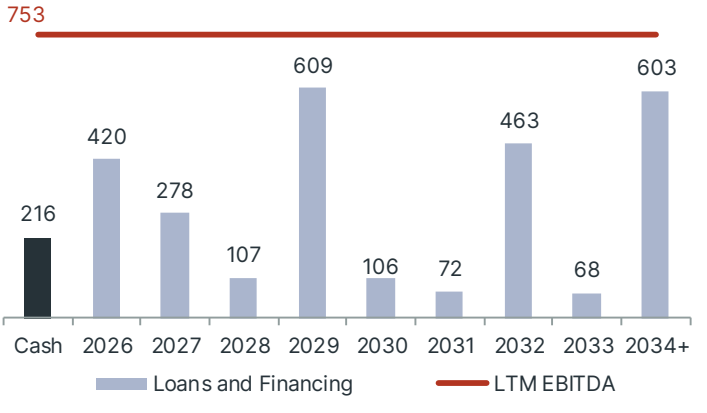
Strengths

- Close to 73% of revenue coming from long-term PPAs (avg. life of 12yr in Chile and Colombia)
- Renewable expansion through AES Pacífico with limited impact on leverage
- Lower exposure to the regulated market in Chile and its regulatory risk

Z- Spread evolution



Debt Maturity Profile (USDmn)



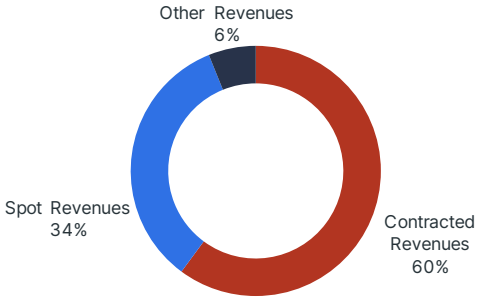
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
AES 29	USD 500mn	6.30%	Baa3 / BBB- / BBB-	125.0	2.2	101.7	0.5%	5.5%	Overweight
AES 32	USD 400mn	6.25%	Baa3 / BBB- / BBB-	137.5	4.5	102.4	0.5%	5.7%	Neutral
AES 34	USD 485mn	6.25%	Baa3 / NR / BBB-	151.5	4.1	101.1	0.5%	5.9%	Overweight
AES 55	USD 530mn	8.15%	Ba1 / BB / BB	220.4	3.1	105.1	0.6%	6.5%	Neutral

AES Andes

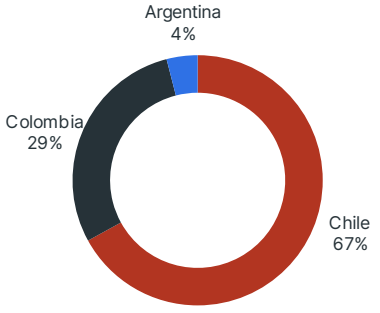
Company Description

AES Andes is one of the largest power generators in Chile, with approximately 13% market share by energy dispatch. The company also has operations in Colombia and Argentina. Through its Greentegra and decarbonization strategies, AES has been successfully accelerating its transition toward renewable energy. Looking ahead, the company plans to continue expanding its renewable portfolio through AES Pacífico while preserving liquidity and maintaining investment-grade credit metrics.

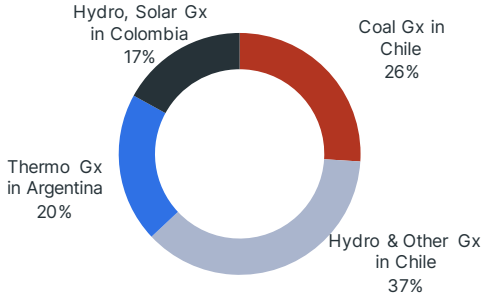
Revenues by Type of Client



LTM EBITDA Breakdown by Geography



LTM Energy Generation (GWh)



Credit Metrics

	2022	2023	2024	2025	2Q26LTM
Interest Coverage	5.2x	3.2x	3.2x	3.2x	3.5x
Gross Debt / EBITDA	3.3x	3.7x	3.8x	3.4x	3.3x
Net Debt / EBITDA	3.0x	3.4x	3.5x	3.2x	3.0x
Net Debt / Equity	1.6x	1.3x	1.2x	1.0x	1.0x
ST Debt / Gross Debt	8%	18%	12%	17%	15%

Income Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Net Revenues	2,579	2,742	2,343	2,095	2,241
Gross Profit	699	607	546	565	596
EBIT	606	197	349	507	559
Financial Expenses	156	216	193	220	212
EBITDA	811	686	625	695	753
Gross Margin	27%	22%	23%	27%	27%
EBITDA Margin	31%	25%	27%	33%	34%
Net Margin	13%	-4%	8%	9%	11%

Balance Sheet

USD MN	2022	2023	2024	2025	2Q26LTM
Cash	186	228	187	155	216
Current Liabilities	1,552	1,204	870	884	983
Total Assets	5,413	5,353	5,225	6,483	6,809
Current Liabilities	1,001	1,144	876	990	974
Total Liabilities	4,085	3,872	3,733	4,022	4,149
Equity	1,328	1,481	1,491	2,461	2,660
Net Debt	2,705	2,551	2,538	2,462	2,555
Gross Debt	2,891	2,779	2,725	2,616	2,771
Short Term Debt	242	486	340	446	428
Long Term Debt	2,649	2,292	2,385	2,170	2,344
ROAE	26%	-7%	13%	7%	10%
ROAA	6%	-2%	4%	3%	4%

Cash Flow Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Operational Activities	165	722	550	693	652
Investing Activities	-548	-549	-376	-256	-271
Financing Activities	476	-33	-197	-443	-324

Sources: Company Reports and Credicorp Capital

Aguas Andinas

Rating: Hold
TP: CLP 380

Equity Research Chile Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Remaining neutral on regulatory headwinds

Investment Thesis

We are introducing our HOLD recommendation on Aguas Andinas, while lowering our Target Price to CLP 380/share from CLP 400/share, mainly reflecting the impacts of Chile's recently announced Reconstruction Law on the company's tariffs, as discussed during the company's 2Q26 conference call. While the tariff update thesis has now largely played out, the investment story shifts toward the execution and completion of both tariffed Biociudad and non-Biociudad projects, which should support the company's medium-term growth profile. We continue to expect solid underlying fundamentals throughout the current tariff period, supported by a stable regulatory framework and resilient operating performance. In the near term, results should also benefit from healthy hydrological reservoir levels, provided no extreme turbidity events affect water availability or operating conditions.

The recently approved Reconstruction Law is expected to negatively affect tariffs, as outlined by management during 2Q26 results. Our model incorporates a one-off CLP 5.8 bn loss in 2026 related to deferred tax assets. Additionally, we include a gradual tariff adjustment by applying the tax-rate adjustment factor disclosed in the 2Q26 results presentation, progressively reducing tariffs until reaching the new 23% corporate tax rate by 2029. As a result we anticipate modest 2.8% and 2.6% y/y increases in 2027 and 2028 respectively. While the tariff impact is manageable in the short term, it modestly lowers our long-term valuation and explains most of the reduction in our Target Price.

We believe an upside risk to our thesis remains in efficient CAPEX and project execution. We are estimating the remaining Biociudad and non-Biociudad projects and its respective tariff triggers to be completed by the end of this Tariff cycle (late 2029 and 2030).

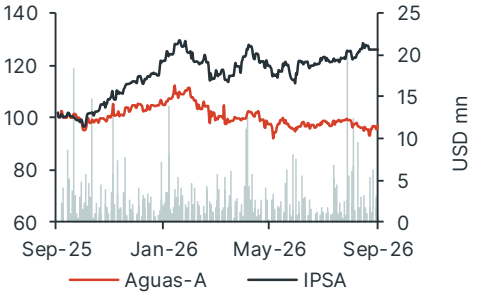
Valuation

We introduce our 2027YE target price at CLP 380/share, using a 10-year DCF approach. Our DCF applies a 7.3% WACC. The model reflects the 2025–2030 tariff cycle review and associated CAPEX tariffed projects. We include both Biociudad projects (Base Drought, Final Drought: Wells in Canals Girdles, and Final Turbidity: Maipo alternative catchment) and non-Biociudad tariffed projects (La Farfana Deodorization, Alternative Supply Plan, Thermal Hydrolysis at La Farfana, and Thermal Drying of Sludge at Trebal Mapocho).

Stock Data

Ticker	aguas/a ci
Price (CLP)	334
Target (CLP)	380
Total Return	21.7%
LTM Range	316 - 385
M. Cap (USD mn)	2,110
Shares Outs. (mn)	5,811
Free Float	50%
ADTV (USD mn)	2.9

Price Chart (CLP) and Volumes (USD mn)

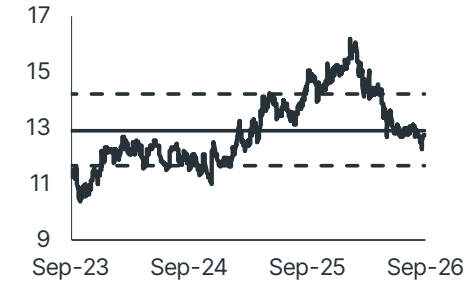


Valuation Summary

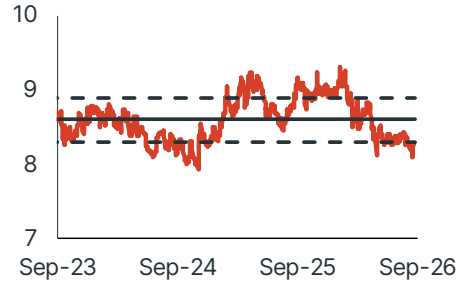
	2025	2026E	2027E	2028E
EV/EBITDA	9.8	8.6	8.4	8.2
P/E	15.7	13.4	12.2	12.4
P/CF	35.1	17.9	23.5	23.8
P/BV	1.7	1.4	1.3	1.3
Div. Yield	2.2%	5.4%	5.6%	6.1%

Sources: Company Reports and Credicorp Capital

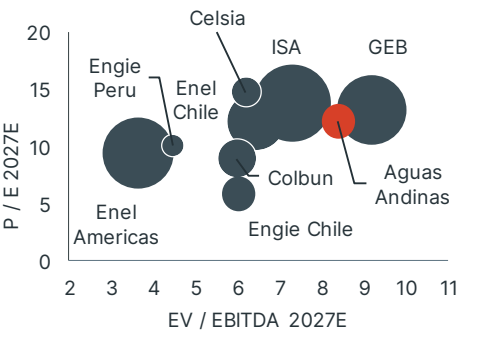
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

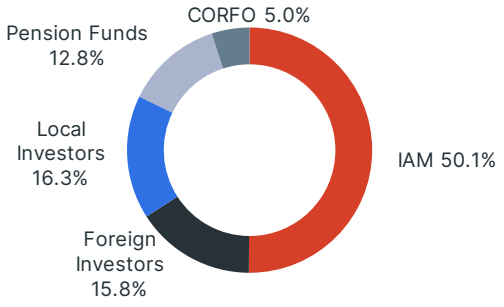


Aguas-A

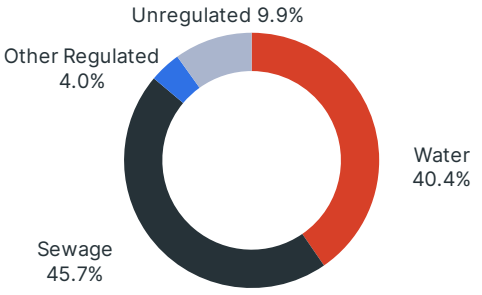
Company Description

Aguas Andinas is the largest sanitation company in Chile. It provides water and sewage services to the Metropolitan Region, holding perpetual concessions for both businesses. The company serves ~2.3 million customers in the region. The sector regulator, the SISS, sets Aguas Andinas's tariffs for 5-year periods based on a model company framework. The next tariff process is expected by 2030.

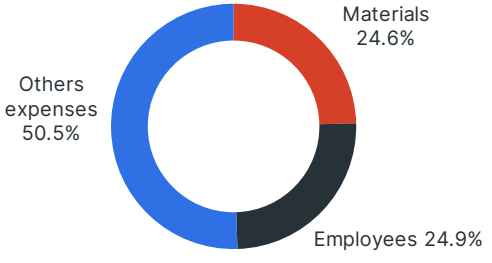
Ownership Structure



Revenue breakdown by segment (2025)



Operating Cost Breakdown (2025)



Management

CEO: José Sáez
CFO: Miquel Sans
IRO: Antonela Laino
www.aguasandinasinversionistas.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	662,701	712,787	757,248	778,553	798,959
Gross Profit	580,579	625,919	668,938	688,077	705,472
EBITDA	325,436	351,155	378,828	386,025	394,128
Net Income	124,340	139,808	144,698	158,871	155,943
EPS (CLP)	22	20	23	24	26
Gross Margin	87.6%	87.8%	88.3%	88.4%	88.3%
EBITDA Margin	49.1%	49.3%	50.0%	49.6%	49.3%
Net Margin	18.8%	19.6%	19.1%	20.4%	19.5%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	108,758	172,168	167,670	172,108	176,560
Total Current Assets	288,687	349,121	343,869	352,995	361,859
Total Assets	3,018,144	3,160,940	3,254,093	3,409,050	3,559,403
Current Liabilities	351,513	279,876	236,924	246,516	252,349
Financial Debt	1,324,019	1,436,029	1,468,939	1,563,872	1,671,556
Total Liabilities	1,726,044	1,837,957	1,867,231	1,971,831	2,085,394
Minority Interest	33	49	51	51	51
Shareholders Equity	1,292,067	1,322,935	1,386,811	1,437,167	1,473,958
Total Liabilities + Equity	3,018,144	3,160,940	3,254,093	3,409,050	3,559,403
Net Debt /EBITDA	3.7	3.6	3.4	3.6	3.8
Financial Debt /EBITDA	4.1	4.1	3.9	4.1	4.2
Financial Debt /Equity	1.0	1.1	1.1	1.1	1.1
ROAE	11.4%	10.7%	10.7%	11.3%	10.7%
ROAA	4.6%	4.5%	4.5%	4.8%	4.5%
ROIC	8.6%	8.4%	8.6%	8.3%	7.9%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**122,506**	**108,758**	**172,168**	**167,670**	**172,108**
Cash Flow From Operations	-19,699	62,407	107,996	82,603	81,536
CAPEX	-321,394	-190,909	-193,613	-245,376	-251,365
Changes in Financial Debt	41,789	112,010	32,910	94,933	107,684
Dividends (Paid) Received	-84,083	-48,488	-104,858	-108,514	-119,153
Other CFI & CFF Items	369,639	128,390	153,068	180,792	185,750
Changes in Equity	0	0	0	0	0
Final Cash	**108,758**	**172,168**	**167,670**	**172,108**	**176,560**
Change in Cash Position	**-13,748**	**63,409**	**-4,497**	**4,438**	**4,452**

Sources: Company Reports and Credicorp Capital

Colbún

Rating: Buy
TP: CLP 170

Equity Research Chile Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Attractive entry point amid sector-wide solid figures

Investment Thesis

We are introducing our 2027E T.P. for Colbun at CLP 170/share while upgrading our HOLD rating to BUY. The upgrade is supported by i) an attractive discounted valuation and expected catch-up, after a challenging 1H26 that left the stock lagging sector peers, and ii) normalized operations given improved hydrology, and stronger sector-wide figures, which should help the company move past recent negative news flow.

Operations should start picking up after the main 1H26 headwinds fade. Santa María's unavailability at YE2025 and during 1H26 forced Colbun into a net buying position in a particularly dry hydrological year, while TGP gas unavailability in Peru pressured Fenix Peru's margins in 1Q26. With these events largely behind, improved hydrology, up 22.1% y/y in 2026, and a positive outlook for 1H27, should help normalize generation conditions and support the company's operational catch-up. While Colbun should not benefit as directly from lower spot prices under El Niño given its net seller spot position, better hydro availability should support margin recovery. Moreover, following the normalization of operations in Peru, we anticipate an EBITDA growth for 2027 of 55.6% y/y given new contracted capacity. As a result, we expect consolidated EBITDA margins to increase from 38.3% in 2025 to 42% in both 2026 and 2027, while net income should increase 42% y/y in 2026.

Contracting remains the key figure to monitor from 2028 onward, with Colbun expected to participate in the year-end regulated auction and renew non-regulated contracts with existing clients. Finally, we believe there is an upside risk from the Reconstruction Law related to Colbun's deferred tax assets.

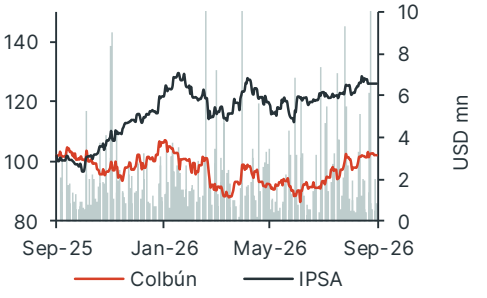
Valuation

We are maintaining our CLP 170/share T.P., obtained through our 10-year DCF model alongside a multiple valuation. Our new updated model assumes the declared CAPEX and capacity incorporations in the company's pipeline: BESS Chaca (288 MW) and BESS Diego de Almagro (228 MW).

Stock Data

Ticker	colbun ci
Price (CLP)	146
Target (CLP)	170
Total Return	25.7%
LTM Range	124 - 153
M. Cap (USD mn)	2,721
Shares Outs. (mn)	17,536
Free Float	50%
ADTV (USD mn)	2.1

Price Chart (CLP) and Volumes (USD mn)

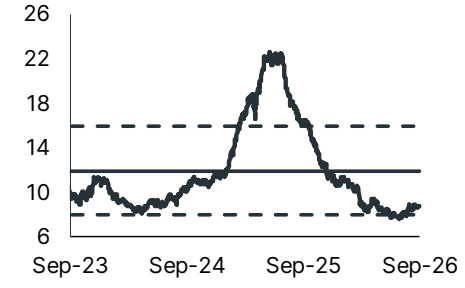


Valuation Summary

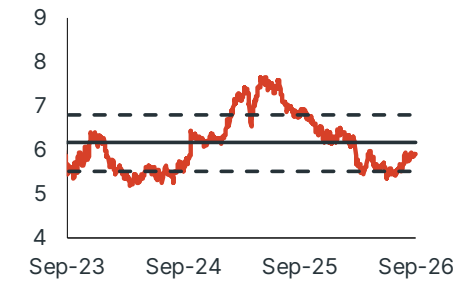
	2025	2026E	2027E	2028E
EV/EBITDA	7.3	6.1	6.0	6.1
P/E	15.0	10.3	9.0	9.1
P/CF	14.4	36.8	7.1	6.0
P/BV	0.9	0.8	0.7	0.7
Div. Yield	3.7%	4.4%	5.4%	5.5%

Sources: Company Reports and Credicorp Capital

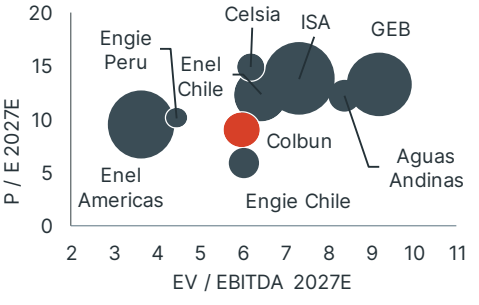
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

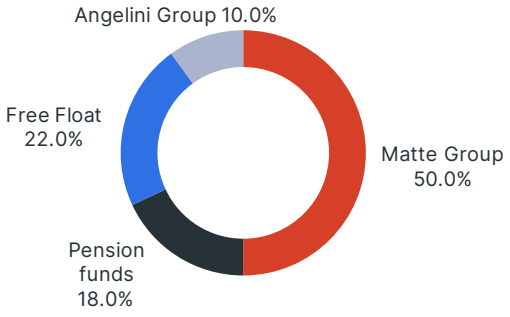


Colbún

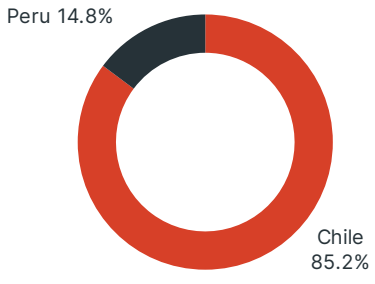
Company Description

Colbun is a power generation company. In Chile, it has an installed capacity of ~4.4 GW from 17 power plants, including its 816-MW Horizonte wind farm and its acquired San Juan (193 MW) and Totoral (46 MW) wind farms. The company also operates in Peru, where it owns ~0.6 GW Fenix Peru, one of the most efficient combined-cycle power plants in the country.

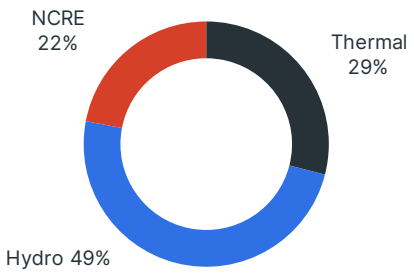
Ownership Structure



Revenue breakdown by country (2025)



Generation Mix (2025)



Management

CEO: José Ignacio Escobar
CFO: Miguel Alarcón
IRO: Isidora Zaldivar
www.colbun.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	1,576	1,596	1,697	1,706	1,745
Gross Profit	804	788	897	911	895
EBITDA	642	610	719	727	710
Net Income	252	187	265	303	298
EPS (CLP)	20	14	10	14	16
Gross Margin	51.0%	49.4%	52.9%	53.4%	51.3%
EBITDA Margin	40.8%	38.3%	42.4%	42.6%	40.7%
Net Margin	16.0%	11.7%	15.6%	17.7%	17.1%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	775	886	710	709	709
Total Current Assets	1,200	1,414	1,099	1,095	1,094
Total Assets	6,908	7,200	7,149	7,109	6,986
Current Liabilities	370	376	323	326	327
Financial Debt	2,300	2,558	2,342	2,131	1,861
Total Liabilities	3,678	3,953	3,667	3,459	3,191
Minority Interest	126	1	0	-1	-2
Shareholders Equity	3,104	3,245	3,481	3,651	3,798
Total Liabilities + Equity	6,908	7,200	7,149	7,109	6,986
Net Debt /EBITDA	2.4	2.7	2.3	2.0	1.6
Financial Debt /EBITDA	3.6	4.2	3.3	2.9	2.6
Financial Debt /Equity	0.7	0.8	0.7	0.6	0.5
ROAE	8.3%	5.9%	7.9%	8.5%	8.0%
ROAA	3.7%	2.7%	3.7%	4.2%	4.2%
ROIC	7.1%	6.0%	6.7%	6.7%	6.5%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**154**	**775**	**886**	**710**	**709**
Cash Flow From Operations	-135	194	74	383	449
CAPEX	-654	-388	-526	-255	-178
Changes in Financial Debt	176	259	-216	-211	-270
Dividends (Paid) Received	-127	-105	-120	-147	-149
Other CFI & CFF Items	1,360	151	612	229	147
Changes in Equity	0	0	0	0	0
Final Cash	**775**	**886**	**710**	**709**	**709**
Change in Cash Position	**621**	**111**	**-176**	**-1**	**0**

Sources: Company Reports and Credicorp Capital

Enel Americas

Equity Research Chile Utilities

Rating: Uperf
TP: CLP 89

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

We prefer to stay on the sidelines until we see more clarity on capital allocation

Investment Thesis

We are introducing our 2027E TP for Enel Americas of CLP 89/share while downgrading our HOLD recommendation to Underweight. The downgrade is driven by i) limited visibility on long-term capital allocation, as uncertainty remains around Brazil concessions, the use of proceeds from Peru asset sales, and the lack of new expansion plans in Colombia, and ii) a more challenging near-term earnings outlook, particularly in Colombia, where El Niño could pressure power market fundamentals. In this context, successive buyback programs have reduced Enel Americas' free float and stock liquidity, while higher dividends do not appear to be part of the company's plans.

Capital allocation uncertainty limits visibility on the equity story. In Brazil, questions remain about a potential exit from or renewal of the company's concessions, while the background from the Peru asset sale and the use of proceeds leave significant uncertainty in the event of a high RAB payday in Brazil. In Colombia, no new expansion plans have been announced, limiting visibility on the reinvestment of available capital. Together with lower free float and liquidity following successive buyback programs, this leaves limited room for a stronger investment case unless management provides greater clarity on future capital deployment.

Colombia could drive a more challenging near-term earnings outlook. We have limited visibility on Enel Colombia's exposure to the spot market, which is relevant ahead of a potential El Niño event. Colombia's power market is currently facing financial and operational vulnerabilities, as it continues to deal with high leverage, collection issues, and rising reliance on gas imports. In our view, this increases the risk of power supply restrictions under stressed system conditions, adding downside risk to short-term earnings.

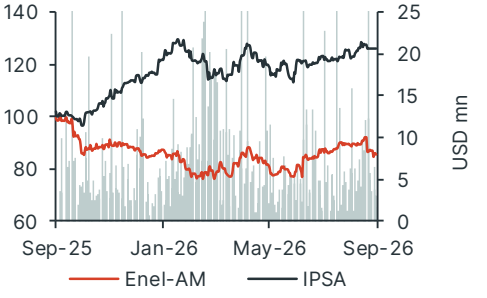
Valuation

We are updating our T.P. to CLP 89/share, decreasing 22.6% vs. our previous T.P. The recommendation is obtained using a DDM model, based on an approach to minority shareholder returns and the company's recent corporate actions. Given the DDM approach, we are using 97,839 mn as the total shares outstanding, as the recently acquired 5% does not have dividend rights and can be canceled by the company. Our model incorporates estimates for the Gx businesses in Brazil, Colombia, and Central America, as well as the Dx businesses in Brazil, Colombia, and Argentina.

Stock Data

Ticker	enelam ci
Price (CLP)	84
Target (CLP)	89
Total Return	12.3%
LTM Range	74 - 99
M. Cap (USD mn)	9,527
Shares Outs. (mn)	102,989
Free Float	9.3%
ADTV (USD mn)	12.1

Price Chart (CLP) and Volumes (USD mn)

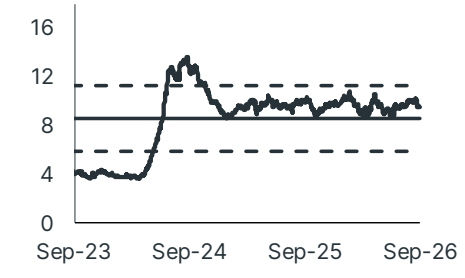


Valuation Summary

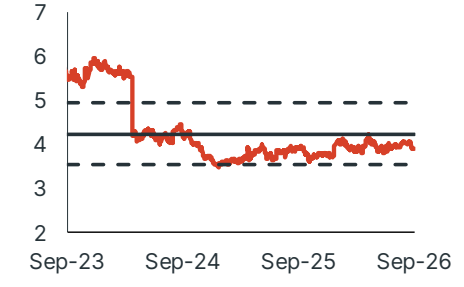
	2025	2026E	2027E	2028E
EV/EBITDA	4.2	3.7	3.6	3.5
P/E	10.6	9.6	9.5	10.3
P/CF	-20.1	9.6	5.2	4.7
P/BV	0.6	0.5	0.5	0.5
Div. Yield	7.6%	3.0%	5.2%	5.3%

Sources: Company Reports and Credicorp Capital

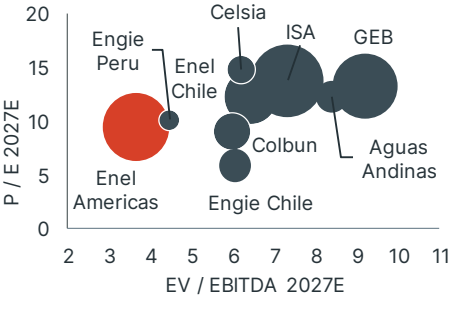
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

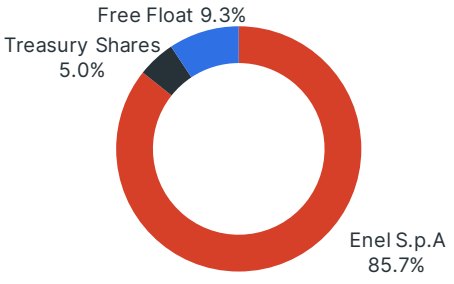


Enel-AM

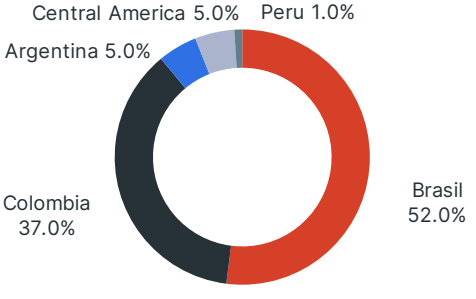
Company Description

Enel Americas is an energy generation and distribution holding company. Its Gx business has an installed capacity of 12.1 GW, and its Dx one supplies energy to more than 23 million customers. The holding comprises Gx businesses in Brazil, Colombia, and Central America, and Dx businesses in Brazil, Colombia, and Argentina. In 2024, Enel Americas finalized the sale of assets in Perú, leaving the geography.

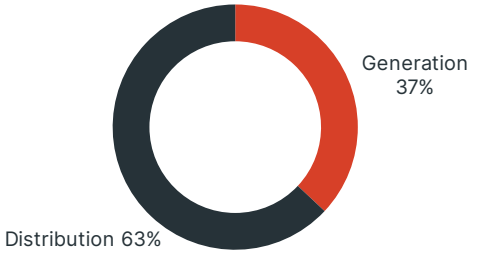
Ownership Structure



EBITDA breakdown by country (2025)



EBITDA breakdown by business (2025)



Management

CEO: Giuseppe Turchiarelli
CFO: Rafael de la Haza
IRO: Jorge Velis
www.enelamericas.com

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	13,904	14,489	16,338	16,439	16,801
Gross Profit	5,357	5,953	6,703	6,804	7,100
EBITDA	3,735	4,260	4,785	4,834	5,056
Net Income	2,589	960	995	1,005	927
EPS (CLP)	8	23	8	9	9
Gross Margin	38.5%	41.1%	41.0%	41.4%	42.3%
EBITDA Margin	26.9%	29.4%	29.3%	29.4%	30.1%
Net Margin	18.6%	6.6%	6.1%	6.1%	5.5%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	3,076	1,904	3,008	4,428	6,635
Total Current Assets	7,402	6,696	8,517	10,011	12,309
Total Assets	31,467	34,871	39,165	40,820	43,223
Current Liabilities	7,110	7,737	8,642	8,547	8,615
Financial Debt	6,255	7,160	8,318	9,192	10,231
Total Liabilities	15,075	16,294	18,097	18,481	19,602
Minority Interest	2,272	2,553	2,798	3,183	3,592
Shareholders Equity	14,121	16,023	18,270	19,156	20,029
Total Liabilities + Equity	31,467	34,871	39,165	40,820	43,223
Net Debt /EBITDA	0.9	1.2	1.1	1.0	0.7
Financial Debt /EBITDA	1.7	1.7	1.7	1.9	2.0
Financial Debt /Equity	0.4	0.4	0.5	0.5	0.5
ROAE	18.1%	6.4%	5.8%	5.4%	4.7%
ROAA	7.6%	2.9%	2.7%	2.5%	2.2%
ROIC	7.5%	8.8%	8.0%	7.0%	6.5%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**3,075**	**3,076**	**1,904**	**3,008**	**4,428**
Cash Flow From Operations	1,568	-507	988	1,847	2,023
CAPEX	-1,023	-3,038	-2,667	-1,770	-2,016
Changes in Financial Debt	-1,850	905	1,158	874	1,039
Dividends (Paid) Received	-259	-777	-288	-498	-502
Other CFI & CFF Items	1,565	2,245	1,912	967	1,663
Changes in Equity	0	0	0	0	0
Final Cash	**3,076**	**1,904**	**3,008**	**4,428**	**6,635**
Change in Cash Position	**1**	**-1,172**	**1,103**	**1,420**	**2,207**

Sources: Company Reports and Credicorp Capital

Enel Chile

Equity Research Chile Utilities

Rating: Hold
TP: CLP 93

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Strong Fundamentals, Known Catalysts

Investment Thesis

We are introducing our 2027E TP for Enel Chile of CLP 93/share, a 9.4% increase from our previous CLP 85/share TP, and our HOLD recommendation. The rating is supported by i) a highly contracted and visible earnings profile after Enel secured the latest regulated energy auctions (2023/1, 2025/1, and 2025/2), and ii) healthy EBITDA generation in the coming years, supported by hydrology improvements and lower spot prices. Nevertheless, modest future growth prospects leave limited upside potential despite the company's resilient operating outlook, supporting our HOLD recommendation.

Contracted revenues and improved hydrology should support stable results, but growth expectations remain moderate. Enel's future contracted status provides an important source of visibility, particularly after securing the last regulated energy auctions, while better hydrology should benefit the company and its sector peers through higher available hydro generation and lower spot prices. Nevertheless, solid operations should not translate into EBITDA growth, given that we anticipate EBITDA to grow 2.6% between 2025 and 2028. Moreover, CAPEX plans remain modest, with growth focused on ~1 GW of additional BESS and NCRE capacity until 2028, limiting the scope for a stronger expansion-led rerating.

The Dx regulatory improvement adds clarity, but limited EBITDA exposure limits upside. The updated distribution regulatory framework should improve medium-term visibility and provide a healthier backdrop for the Dx business. However, given that distribution represents only ~10% of Enel Chile's EBITDA, the positive regulatory change does not materially alter the consolidated investment case. As a result, we see the solid company's earnings profile largely priced in, supporting our HOLD stance.

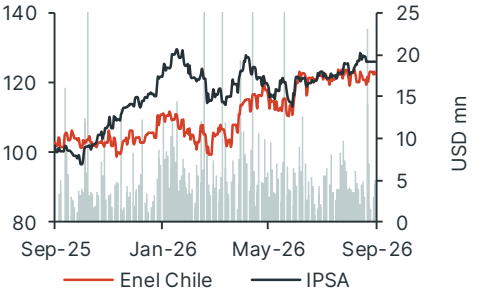
Valuation

We are updating our TP to CLP 93/share (+9.4% vs. our last CLP 85/share TP), based on a blended valuation using a 10-year DCF model and multiples. The model uses an 8.7% WACC for the DCF and an EBITDA multiple of 6.5x. Our model includes the 2026-2028 Strategic Plan announcements by the company, which include a 1.0 GW increase in renewable capacity (0.9 in BESS and 0.1 in Wind), alongside the development CAPEX for these technologies.

Stock Data

Ticker	enelchil ci
Price (CLP)	82
Target (CLP)	93
Total Return	18.9%
LTM Range	66 - 83
M. Cap (USD mn)	6,032
Shares Outs. (mn)	69,167
Free Float	35%
ADTV (USD mn)	5.7

Price Chart (CLP) and Volumes (USD mn)

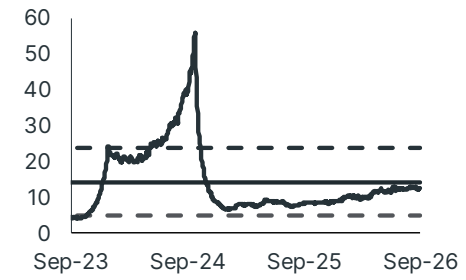


Valuation Summary

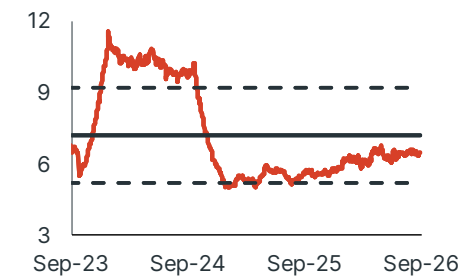
	2025	2026E	2027E	2028E
EV/EBITDA	5.8	6.4	6.4	6.4
P/E	10.6	10.1	12.2	12.0
P/CF	4.9	-16.7	11.2	7.8
P/BV	1.1	1.1	1.1	1.0
Div. Yield	3.9%	4.5%	4.9%	4.1%

Sources: Company Reports and Credicorp Capital

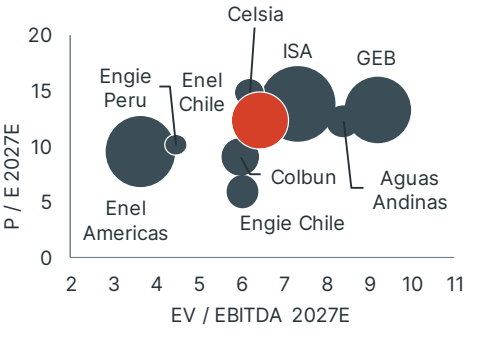
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

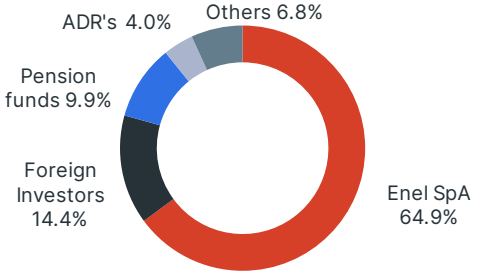


Enel Chile

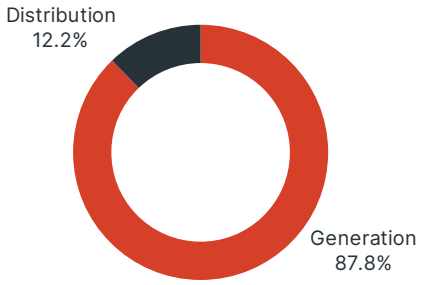
Company Description

Enel Chile operates in the generation and distribution businesses in Chile. A reorganization in 2017 saw the Chilean renewable power assets of Enel Green Power transfered to the Enel Chile group. Enel Chile has an installed capacity of ~8.9 GW, comprised by 79 generating plants distributed across the country. Enel Distribution Chile provides power distribution services to ~2.2 mn clients in the Santiago metropolitan area.

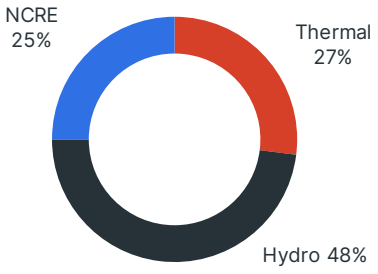
Ownership Structure



EBITDA breakdown by segment (2025)



Generation Mix (2025)



Management

CEO: Gianluca Palumbo
CFO: Simone Conticelli
IRO: Isabela Klemes
www.enel.cl

Income Statement

CLP mn	2024	2025	2026E	2027E	2028E
Revenues	4,257	4,663	4,494	4,314	4,342
Gross Profit	1,146	1,882	1,949	1,955	1,969
EBITDA	764	1,473	1,512	1,500	1,511
Net Income	154	538	596	492	501
EPS (CLP)	0	0	0	0	0
Gross Margin	26.9%	40.4%	43.4%	45.3%	45.4%
EBITDA Margin	18.0%	31.6%	33.7%	34.8%	34.8%
Net Margin	3.6%	11.5%	13.3%	11.4%	11.5%

Balance Sheet

CLP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	433	463	190	190	189
Total Current Assets	2,400	2,239	1,719	1,622	1,611
Total Assets	13,665	12,904	12,639	12,763	12,730
Current Liabilities	2,410	2,473	1,886	1,834	1,822
Financial Debt	2,957	2,903	3,406	3,411	3,110
Total Liabilities	7,943	7,354	6,725	6,616	6,289
Minority Interest	395	374	403	441	480
Shareholders Equity	5,327	5,176	5,512	5,706	5,961
Total Liabilities + Equity	13,665	12,904	12,639	12,763	12,730
Net Debt /EBITDA	3.3	1.7	2.1	2.1	1.9
Financial Debt /EBITDA	3.9	2.0	2.3	2.3	2.1
Financial Debt /Equity	0.6	0.6	0.6	0.6	0.5
ROAE	3.0%	10.2%	11.2%	8.8%	8.6%
ROAA	1.1%	4.0%	4.7%	3.9%	3.9%
ROIC	4.2%	9.2%	9.7%	8.4%	8.2%

Cash Flow Statement

CLP mn	2024	2025	2026E	2027E	2028E
Initial Cash	**-307**	**433**	**463**	**190**	**190**
Cash Flow From Operations	-170	1,168	-360	537	773
CAPEX	-782	-37	-740	-709	-509
Changes in Financial Debt	-154	-54	504	5	-301
Dividends (Paid) Received	-381	-223	-269	-298	-246
Other CFI & CFF Items	2,228	-824	593	466	281
Changes in Equity	0	0	0	0	0
Final Cash	**433**	**463**	**190**	**190**	**189**
Change in Cash Position	**740**	**30**	**-273**	**0**	**-1**

Sources: Company Reports and Credicorp Capital

EnfraGen

Ba3 / BB+ / NR
Outlook: s / s / nr

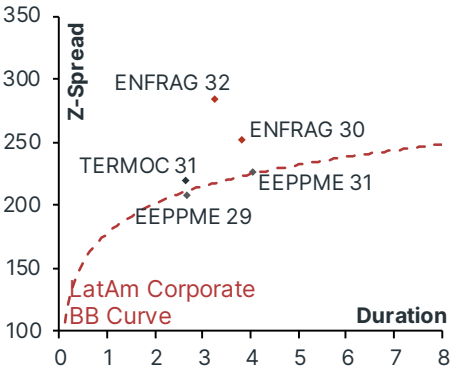
Nicolle Morales - alexandramorales@credicorpcapital.com

Strong results and El Niño upside support our OW

Investment Thesis

EnfraGen has delivered strong results, particularly in 2Q26, driven by higher power prices in Colombia and new PPA contracts in Central America. Looking ahead, we expect solid performance to continue, as the company is one of the main beneficiaries of El Niño through its thermal generation assets in Colombia, with the first benefits already evident in 2Q26. A key risk remains the company's approximately USD 76 mn exposure to Air-e. However, we believe further increases could be limited during El Niño due to the government's liquidity support measures for thermal generators, although execution remains critical. We expect net leverage to end 2026 at around 5.3x, below year-end 2025 levels. From a valuation standpoint, ENFRAG 30 appears relatively tight versus EEPPME 31, while ENFRAG 32 continues to offer better value. Therefore, we maintain our Overweight recommendation on ENFRAG 32.

EnfraGen Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 1,094mn
Closest Call Date	17-Sep-27
Closest Maturity Date	17-Sep-31

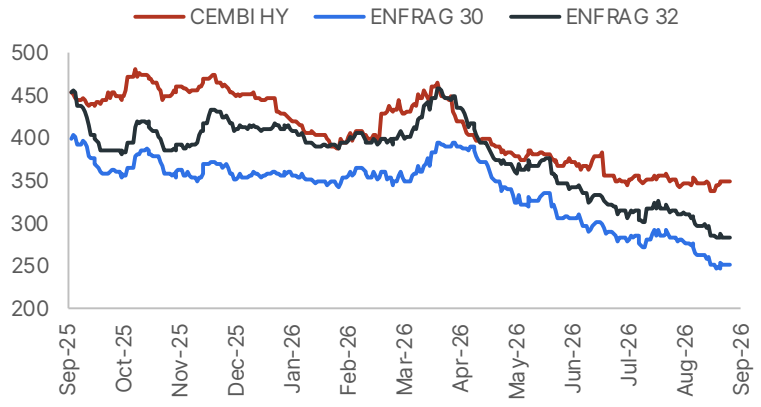
Concerns

- Air-e receivables growth
- Elevated leverage
- Long term renewables buildout reducing thermal generation demand

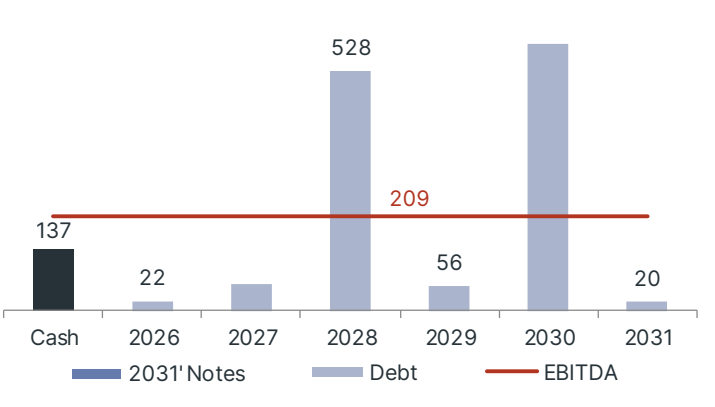
Strengths

- Strategic assets supporting system reliability
- Stable and predictable realibility charge revenues
- Diversified generation portfolio

Z- Spread evolution



Debt Maturity Profile (USDmn)



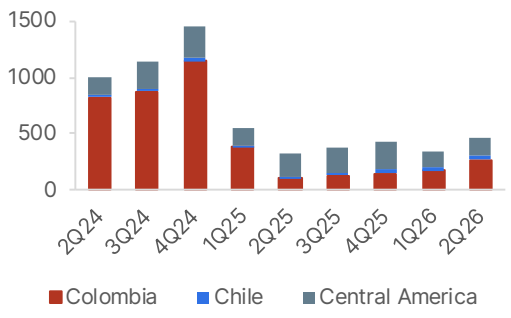
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
ENFRAG 30	USD 694mn	5.38%	Ba3 / BB+ / NR	251.6	3.8	94.6	0.5%	6.8%	Neutral
ENFRAG 32	USD 400mn	8.50%	Ba3 / BB+ / NR	284.2	3.3	104.6	0.7%	7.1%	Overweight

EnfraGen

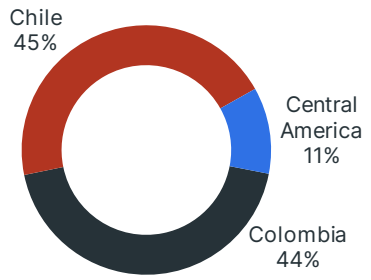
Company Description

EnfraGen is jointly owned by Glenfarne and Partners Group, each holding a 50% stake. The company operates across Colombia, Chile, and Central America, with a diversified generation portfolio totaling approximately 2.1 GW of installed capacity. EnfraGen's assets play a key role in supporting grid reliability and system stability, particularly in Colombia and Chile.

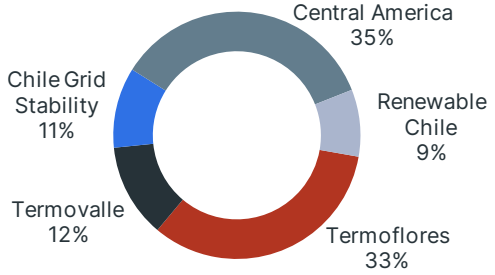
Energy Generated (GWh)



Installed Capacity (MW)



EBITDA Breakdown by plant



Credit Metrics

	2023	2024	2025	LTM1Q26	LTM2Q26
Interest Coverage	3.0x	4.0x	2.2x	2.0x	2.1x
Gross Debt / EBITDA	7.2x	4.3x	8.1x	8.0x	7.7x
Net Debt / EBITDA	6.5x	4.0x	7.3x	7.3x	7.0x
Net Debt / Equity	11x	8x	25x	421x	205x
ST Debt / Gross Debt	3%	3%	5%	5%	6%

Income Statement

USD MN	2023	2024	2025	LTM1Q26	LTM2Q26
Net Revenues	681	1,157	531	480	530
Gross Profit	185	305	147	146	153
EBIT	138	251	86	87	94
Interest Expenses	72	87	92	98	102
EBITDA	215	346	198	201	209
Gross Margin	27%	26%	28%	30%	29%
EBITDA Margin	32%	30%	37%	42%	40%
Net Margin	14%	9%	-4%	-4%	-3%

Balance Sheet

USD MN	2023	2024	2025	LTM1Q26	LTM2Q26
Cash	141	110	147	137	141
Current Assets	391	366	334	323	381
Total Assets	1,902	1,904	1,949	1,896	1,940
Current Liabilities	182	181	179	193	245
Total Liabilities	1,772	1,723	1,891	1,893	1,932
Equity	130	181	58	3	7
Net Debt	1,403	1,374	1,455	1,471	1,463
Gross Debt	1,545	1,484	1,603	1,608	1,604
Short Term Debt	45	51	74	85	91
Long Term Debt	1,500	1,433	1,529	1,523	1,513
ROE	72%	58%	-34%	-612%	-247%
ROA	5%	6%	-1%	-1%	-1%

Cash Flow Statement

USD MN	2023	2024	2025	LTM1Q26	LTM2Q26
Operating Activities	79	144	73	61	78
Investing Activities	-319	-20	-27	-29	-23
Financing Activities	301	-155	-8	-4	-17

Sources: Company Reports and Credicorp Capital

Engie Energía Chile

Rating: Hold
TP: CLP 2,070

Equity Research Chile
Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Excellent short-term delivery supports our HOLD amid limited visibility ahead

Investment Thesis

We are introducing our 2027E TP for ECL of CLP 2,070/share and our HOLD recommendation. The company has benefited from i) excellent execution during the current year, ii) a solid El Niño outlook supporting near-term performance, and iii) expected EBITDA margin gains from higher renewable capacity and lower thermal exposure. Nonetheless, we believe these structural improvements have already been priced in, and ECL is not trading at particularly attractive levels (2027E 6.0x EV/EBITDA when incorporating a 5.8% EBITDA growth for the year). Furthermore, we continue to see ECL's strategy as particularly risky considering current 3.6x ND/EBITDA levels and ambitious CAPEX plan. Hence, given limited visibility on future CAPEX expansions and unappealing valuations, we prefer to remain neutral on the name.

El Niño should allow ECL to cruise through a positive year, with margin improvements from 2027. In 2026, ECL's net selling spot position should benefit from lower prices amid improved hydrology in 2H26-1H27. We expect 2026 EBITDA of USD 756 mn, at the high end of the USD 690–760 mn guidance range. Margins should further improve next year, driven by the exit from coal generation (CTA and CTH by 1H27), lower spot exposure as new NCRE+BESS capacity comes online, and a healthy backup PPA backlog. We therefore forecast EBITDA margins of ~45% in the coming years, well above 2025's 31.3%.

The medium term lacks clarity. Management targets adding 2.0 GW of renewables by 2030. Using recent projects as a benchmark (USD 1.3 mn/MW), this could require USD 2.3 bn of CAPEX over four years, likely implying several years of negative FCF. We exclude these assumptions from our model pending confirmation. While ECL's delivery has been strong, expansion plans remain preliminary, with a roadmap expected during the 4Q26 call.

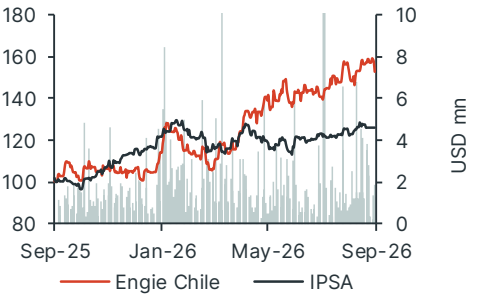
Valuation

We are updating our T.P. to CLP 2,070/share (+21.8% vs. our last TP) with our 10-year DCF model. The model uses a 7.1% WACC for the DCF. Our new updated model assumes the declared CAPEX and capacity incorporations in the company's 2026 pipeline: BESS Lille (140 MW), wind farm Pampa Fidelia (306 MW), BESS Kallpa (57 MW), BESS Los Loros (48 MW), photovoltaic+BESS Libelula project (350 MW), and wind farm Chequenes (165 MW). It also includes IEM coal-to-gas reconversion.

Stock Data

Ticker	ecl ci
Price (CLP)	1,905
Target (CLP)	2,070
Total Return	17.1%
LTM Range	1,246 - 1,984
M. Cap (USD mn)	2,134
Shares Outs. (mn)	1,053
Free Float	40%
ADTV (USD mn)	1.9

Price Chart (CLP) and Volumes (USD mn)

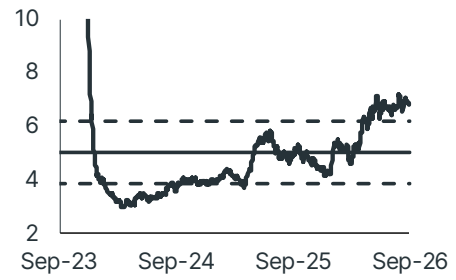


Valuation Summary

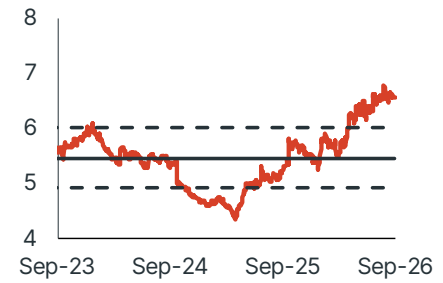
	2025	2026E	2027E	2028E
EV/EBITDA	6.3	6.4	6.0	6.1
P/E	6.8	5.9	5.9	6.0
P/CF	-3.4	-12.1	7.2	8.7
P/BV	0.9	1.0	1.0	0.9
Div. Yield	3.5%	5.2%	8.4%	8.5%

Sources: Company Reports and Credicorp Capital

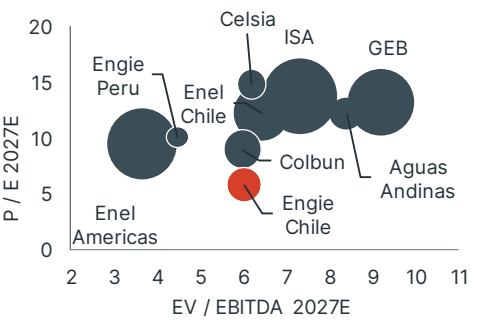
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

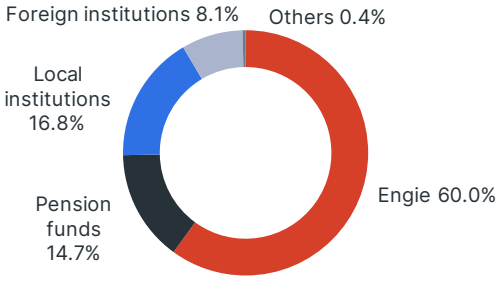


Engie Chile

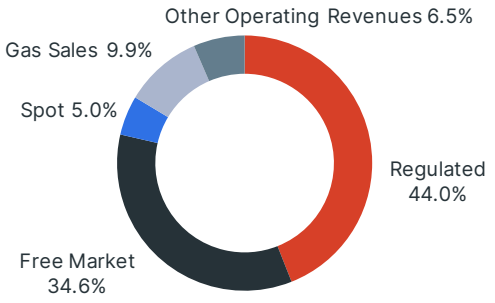
Company Description

Engie Energia Chile (EECL) is the fourth largest power generator in Chile with ~3.0 GW renewable installed capacity. The company is engaged in transitioning out of coal by 1H27 and is a 0.6 GW renewable portfolio to add by 2027. EECL is also a relevant player in transmission with 2,047 km of tx lines, 43 substations and a 50% share in TEN, a 602 km-long tx line.

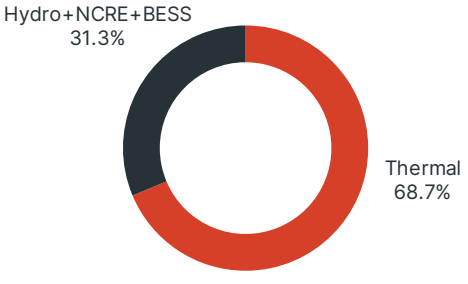
Ownership Structure



Revenue breakdown by segment (2025)



Generation Mix (2025)



Management

CEO: Juan Villavicencio
CFO: Vincent Sorel
IRO: Marcela Muñoz
www.engie.cl

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	1,837	2,077	2,078	1,775	1,766
Gross Profit	403	517	596	629	605
EBITDA	516	651	756	799	790
Net Income	231	232	360	364	353
EPS (CLP)	-340	206	208	321	325
Gross Margin	22.0%	24.9%	28.7%	35.4%	34.2%
EBITDA Margin	28.1%	31.3%	36.4%	45.0%	44.7%
Net Margin	12.6%	11.2%	17.3%	20.5%	20.0%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	499	87	217	184	189
Total Current Assets	1,081	711	847	759	773
Total Assets	4,721	5,218	5,807	5,921	6,123
Current Liabilities	650	624	450	443	444
Financial Debt	2,579	2,607	2,906	2,843	2,873
Total Liabilities	3,156	3,485	3,747	3,678	3,709
Minority Interest	0	0	0	0	0
Shareholders Equity	1,565	1,733	2,059	2,244	2,414
Total Liabilities + Equity	4,721	5,218	5,807	5,921	6,123
Net Debt /EBITDA	4.0	3.9	3.6	3.3	3.4
Financial Debt /EBITDA	5.0	4.0	3.8	3.6	3.6
Financial Debt /Equity	1.6	1.5	1.4	1.3	1.2
ROAE	15.6%	14.1%	19.0%	16.9%	15.2%
ROAA	5.1%	4.7%	6.5%	6.2%	5.9%
ROIC	7.8%	7.9%	9.4%	9.4%	8.8%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**544**	**499**	**87**	**217**	**184**
Cash Flow From Operations	-26	-467	-176	298	244
CAPEX	-730	-1,100	-708	-405	-405
Changes in Financial Debt	277	27	299	-63	30
Dividends (Paid) Received	0	-54	-111	-180	-182
Other CFI & CFF Items	433	1,183	825	317	318
Changes in Equity	0	0	0	0	0
Final Cash	**499**	**87**	**217**	**184**	**189**
Change in Cash Position	**-46**	**-412**	**129**	**-32**	**5**

Sources: Company Reports and Credicorp Capital

Engie Peru

Rating: Buy
TP: PEN 5.4

Equity Research Peru
Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

New capacity to strengthen fundamentals

Investment Thesis

We introduce our 2027E TP for Engie Perú of PEN 5.4/share and reiterate our BUY recommendation. Our thesis rests on i) strong fundamentals, ii) a constructive El Niño backdrop, supported by Quitaracsa's expected return this month, and iii) a more efficient generation matrix with Hanaqpampa (141 MW). We see upside to 3Q26 results, as Engie's usual net selling spot position should benefit from current market dynamics. Longer term, we expect EBITDA margins to reach 39% by 2028 as renewable capacity expands, replacing recent non-recurring support.

Hanaqpampa strengthens the medium-term outlook while preserving capital efficiency. We incorporate the solar project into our valuation from 2028. Its CAPEX intensity of approximately USD 0.9 mn/MW looks attractive versus industry benchmarks. Together with its BESS, it should support margin expansion, operational flexibility and lower market exposure. Key items to monitor are execution, permits and both projects' timelines.

El Niño and capital allocation remain the key watchpoints. August spot prices have averaged above USD 100/MWh, potentially benefiting Engie's efficient fleet if it maintains its usual net selling position. However, extreme weather could disrupt generation assets or transmission lines. We expect a 100% payout of net income, in line with the past two years, but Hanaqpampa and future growth CAPEX could alter this trajectory. We will monitor management's capital allocation comments, particularly as Engie offers one of Peru's most attractive dividend yields. Liquidity and long-term contract prices also remain risks to the stock's upside potential.

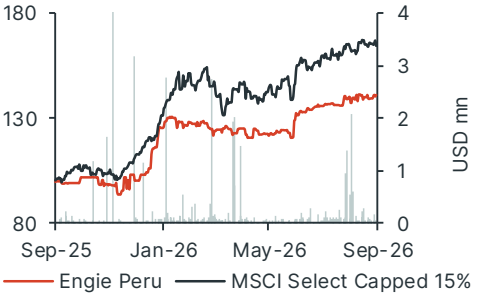
Valuation

We are updating our T.P. to PEN 5.40/share (+10.2% vs. our last PEN 4.9/share TP) obtained through our 10-year DCF model. The model uses a 7.7% WACC for the DCF. Our new updated model includes only the declared CAPEX and capacity incorporation of Hanaqpampa PV (141 MW) and BESS (15 MW). Also, our model assumes the company maintains a contracted status equal to its efficient capacity in the long-term, as well as a USD 38 MWh price for new contracts.

Stock Data

Ticker	engiec1 pe
Price (PEN)	4.7
Target (PEN)	5.4
Total Return	26.7%
LTM Range	3.20 - 3.88
M. Cap (USD mn)	834
Shares Outs. (mn)	601
Free Float	38%
ADTV (USD mn)	0.2

Price Chart (PEN) and Volumes (USD mn)

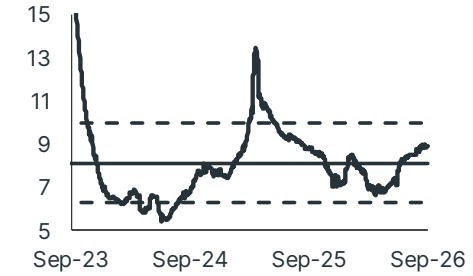


Valuation Summary

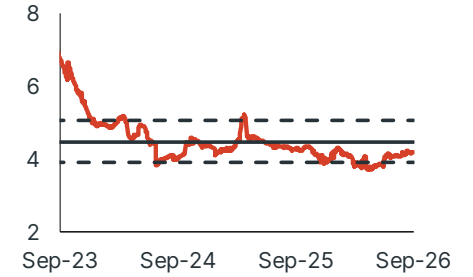
	2025	2026E	2027E	2028E
EV/EBITDA	4.6	4.7	4.5	4.5
P/E	9.7	10.3	10.1	10.8
P/CF	6.1	5.2	8.3	8.0
P/BV	0.6	0.7	0.7	0.7
Div. Yield	13.3%	9.2%	9.8%	9.9%

Sources: Company Reports and Credicorp Capital

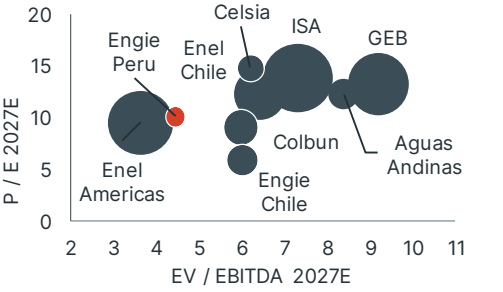
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

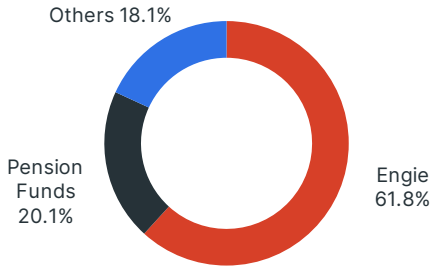


Engie Peru

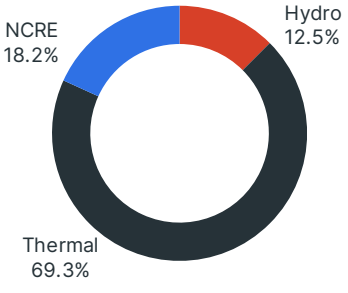
Company Description

Engie Energia Peru is one of the largest generation companies in Peru with thermal, hydro, and renewables plants, where Intipampa solar power, Punta Lomitas wind farm, and Duna and Huanbo wind plants stand out. The company has a balanced portfolio of regulated and non-regulated clients. Engie has ~2.6 GW of installed capacity, which has allowed it to capture a 18% share of the electrical market. Engie Energia Peru is controlled by Engie S.A.

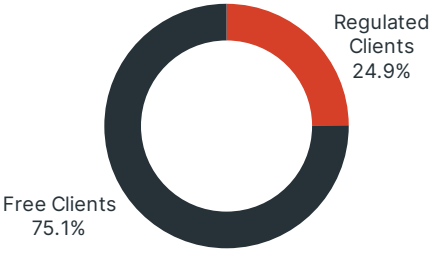
Ownership Structure



Generation Mix (2025)



Contract Sales in GWh, by segment (2025)



Management

CEO: Myriam Akhoun
CFO: Eduardo Takamori Guiyotoku
IRO: Mario Alonso Spelucin
www.engie-energia.pe

Income Statement

USD mn	2024	2025	2026E	2027E	2028E
Revenues	724	653	741	715	706
Gross Profit	195	169	183	194	188
EBITDA	258	247	263	276	276
Net Income	99	77	81	83	77
EPS (PEN)	0.16	0.13	0.14	0.14	0.13
Gross Margin	26.9%	25.9%	24.8%	27.2%	26.6%
EBITDA Margin	35.7%	37.8%	35.5%	38.7%	39.1%
Net Margin	13.6%	11.7%	11.0%	11.6%	10.9%

Balance Sheet

USD mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	176	220	58	59	59
Total Current Assets	467	513	355	360	359
Total Assets	2,415	2,414	2,235	2,249	2,249
Current Liabilities	232	241	259	261	232
Financial Debt	579	622	417	429	434
Total Liabilities	1,166	1,200	1,007	1,021	1,025
Minority Interest	0	0	0	0	0
Shareholders Equity	1,249	1,214	1,228	1,228	1,224
Total Liabilities + Equity	2,415	2,414	2,235	2,249	2,249
Net Debt /EBITDA	1.6	1.6	1.4	1.3	1.4
Financial Debt /EBITDA	2.2	2.5	1.6	1.6	1.6
Financial Debt /Equity	0.5	0.5	0.3	0.3	0.4
ROAE	8.1%	6.2%	6.7%	6.7%	6.3%
ROAA	4.2%	3.2%	3.5%	3.7%	3.4%
ROIC	6.5%	5.8%	6.6%	6.9%	6.6%

Cash Flow Statement

USD mn	2024	2025	2026E	2027E	2028E
Initial Cash	**77**	**176**	**220**	**58**	**59**
Cash Flow From Operations	110	122	160	100	105
CAPEX	-103	-90	-78	-123	-124
Changes in Financial Debt	-8	42	-204	12	5
Dividends (Paid) Received	-99	-99	-77	-81	-83
Other CFI & CFF Items	199	69	37	94	97
Changes in Equity	0	0	0	0	0
Final Cash	**176**	**220**	**58**	**59**	**59**
Change in Cash Position	**99**	**44**	**-162**	**1**	**0**

Sources: Company Reports and Credicorp Capital

Empresas Públicas de Medellín

Baa3 / NR / BB
Outlook: s / nr / s

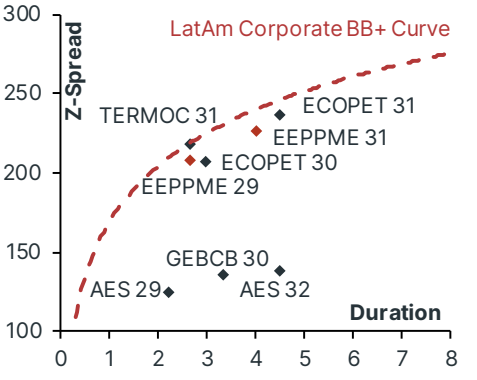
Nicolle Morales - alexandramorales@credicorpcapital.com

Solid liquidity provides support, but El Niño remains a key risk

Investment Thesis

EPM continues to report soft results and is preparing for a stronger El Niño event expected in 4Q26 and 1Q27. To mitigate its impact, the company aims to maintain reservoir levels at 80%-82%, supported by the following measures: (i) reducing hydro generation to preserve water reserves, (ii) maintaining Termosierra available with liquid fuel, and (iii) supporting government-led energy conservation initiatives. Meanwhile, spot market exposure in the distribution business remains limited at 11% in 2026 but is expected to increase to 18% in 2027. Despite these risks, EPM maintains solid leverage and liquidity, which should allow it to manage the impact of the event. Regarding valuation, although lower regulatory uncertainty under the new government could support tighter spreads versus the sovereign, we believe challenging hydrological conditions in following quarters will likely limit bond performance. That said, we maintain our Neutral recommendation.

EPM Bonds and comparables



Credit Data	
REG-S Notes	2
Outstanding Senior Notes	USD 1,575mn
Closest Call Date	18-Apr-29
Closest Maturity Date	18-Jul-29

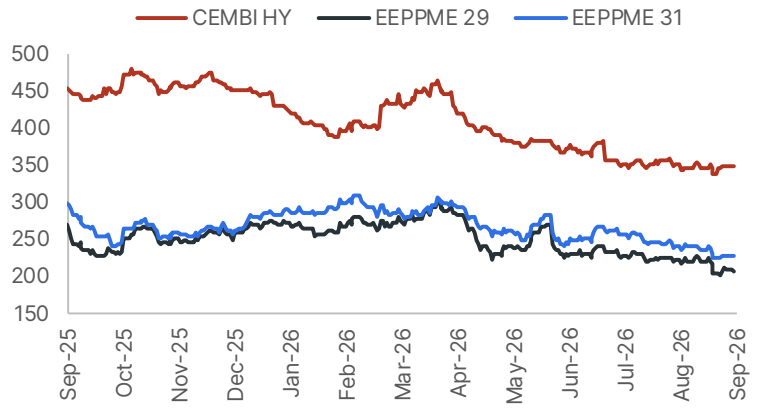
Concerns

- Ambitious capex plan in the upcoming years
- A severe El Niño could pressure earnings and cash flow in coming quarters
- Some remanent exposure to social risks through political intervention

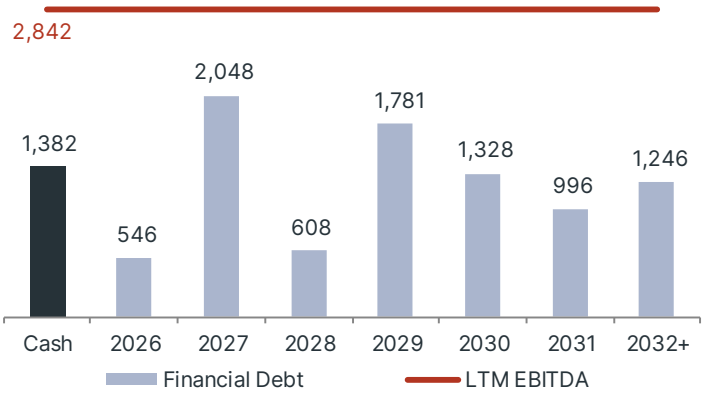
Strengths

- Strong liquidity and conservative leverage provide resilience
- Geographical and business diversification
- Implicit support of the City of Medellin
- Defensive business model
- Expanding generation capacity

Z- Spread evolution



Debt Maturity Profile (USDmn)



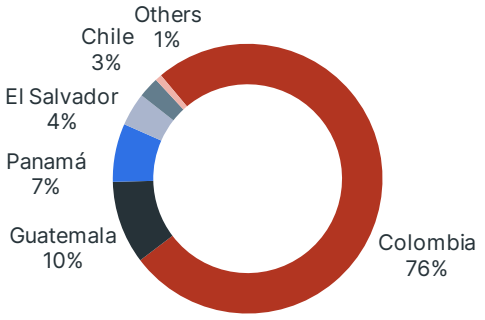
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
EEPPME 29	USD 1,000mn	4.25%	Baa3 / NR / BB	207.4	2.7	94.4	0.4%	6.3%	Neutral
EEPPME 31	USD 575mn	4.38%	Baa3 / NR / BB	226.3	4.0	91.4	0.4%	6.6%	Neutral

EPM

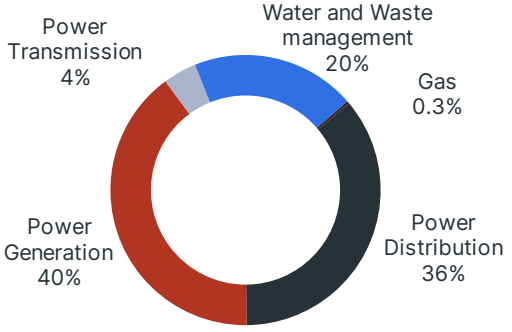
Company Description

Empresas Públicas de Medellin is the largest utility conglomerate in Colombia. EPM operates in the electricity generation, transmission, and distribution businesses, as well as water and waste management and gas services. The Municipality of Medellin holds 100% of the company's shares.

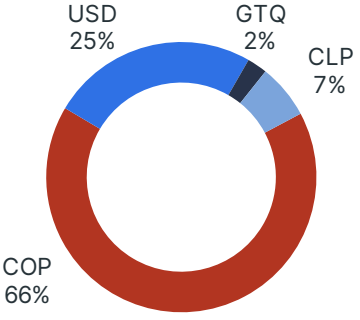
Revenues Breakdown by Geography



LTM EBITDA Breakdown by Segment



Debt Breakdown by currency



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
Interest Coverage	4.3x	3.2x	3.3x	3.7x	3.4x
Gross Debt / EBITDA	2.8x	2.9x	2.6x	3.2x	3.1x
Net Debt / EBITDA	2.4x	2.5x	2.4x	2.4x	2.6x
Net Debt / Equity	0.9x	0.8x	0.9x	0.8x	0.7x
ST Debt / Gross Debt	14%	17%	9%	14%	11%

Income Statement

*USD MN***	2022	2023	2024	2025	LTM2Q26
Net Revenues	7,582	8,759	10,180	10,061	10,876
Gross Profit	2,715	2,896	3,497	3,696	3,845
EBIT	1,879	1,763	2,242	2,592	2,654
Interest Expenses	533	764	870	874	992
EBITDA	2,302	2,465	2,872	2,742	2,842
Gross Margin	36%	33%	34%	37%	35%
EBITDA Margin	30%	28%	28%	27%	26%
Net Margin	13%	9%	12%	14%	15%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash*	857	817	654	1,147	1,382
Current Assets	3,105	3,655	3,519	4,175	4,285
Total Assets	15,698	19,094	19,172	22,842	24,334
Current Liabilities	2,506	3,450	2,852	3,373	3,559
Total Liabilities	9,262	11,352	11,332	13,234	14,240
Equity	6,436	7,742	7,840	9,608	10,094
Net Debt	5,571	6,258	6,854	7,519	7,475
Gross Debt	6,429	7,074	7,508	8,666	8,857
Short Term Debt	889	1,210	656	1,217	973
Long Term Debt	5,540	5,865	6,852	7,449	7,884
ROE	15%	10%	15%	14%	16%
ROA	6%	4%	6%	6%	7%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Operational Activities	1,076	886	1,436	1,603	1,466
Investing Activities	-543	-1,222	-1,337	-1,267	-945
Financing Activities	-449	84	-234	-14	-346

Sources: Company Reports and Credicorp Capital

GEB

Rating: Hold
TP: COP 3,400

Equity Research Colombia
Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Holding our horses awaiting for greater clarity

Investment Thesis

We are introducing our 2027E TP of COP 3,400/share for GEB while downgrading our BUY recommendation to HOLD. We believe ongoing corporate events should limit short-term appreciation until resolved, while low visibility on Brazil, and negative news flow due to El Niño should cloud near-term operations. Nonetheless, GEB's diversified portfolio and potential increased liquidity support our HOLD rating, awaiting greater clarity.

We expect corporate events to advance by YE2026 or early 2027. The Bogotá District is exploring the sale of its approved 9.4% stake, potentially increasing free float, while GEB is considering an ADR program in USA to improve liquidity and access international indexes, with market-cap requirements already met. In Brazil, GEB is forming Verene, combining Argo and Gebbras with La Caisse's transmission assets, creating a relevant transmission platform. The required USD 600 mn contribution could push ND/EBITDA above 4.0x for one or two years, according to management. Given limited clarity on the assets, dividend calendar, and funding sources, neither our valuation nor our estimates include Verene yet.

TGI and Enel Colombia should offer less complementarity than in previous dry periods, when stronger thermal gas demand partly offset pressure on generation margins. El Niño and rising spot prices should pressure Enel's margins, despite healthy reservoirs and new solar capacity, as thermal generation and spot-market exposure may increase. At TGI, more flexible contracts, weaker industrial demand and the CREG-mandated 10.94% tariff WACC limit the upside from higher thermal gas demand under the new market dynamics. Air-e's rising debt could also worsen during the phenomenon as the coastal region should face greater cash-flow pressure.

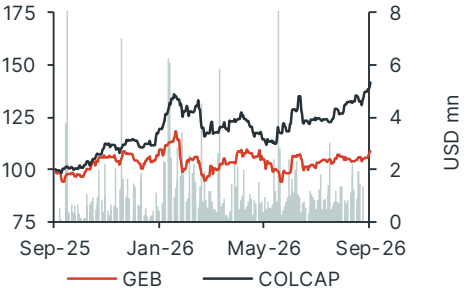
Valuation

We are introducing our new YE2027 TP of COP 3,400/share (-10.5% vs. previous TP). Our valuation model for GEB is a DCF for GEB's consolidated EBITDA (which incorporates Electrodunas, Calidda, Contugas, TGI, Electnorte, Enlaza and Conecta) with a 8.4% WACC. We then add the values of the stakes of non-consolidated investments (Enel, Promigas, Vanti, REP, Transmantaro and Argo) and deduct a 15% holding discount. The model also incorporates our models for Enel Gx Colombia and Enel Dx Colombia (part of Enel Americas' valuation model).

Stock Data

Ticker	geb cb
Price (COP)	2,960
Target (COP)	3,400
Total Return	23.8%
LTM Range	2,563 - 3,223
M. Cap (USD mn)	8,757
Shares Outs. (mn)	9,181
Free Float	34%
ADTV (USD mn)	1.1

Price Chart (COP) and Volumes (USD mn)



Valuation Summary

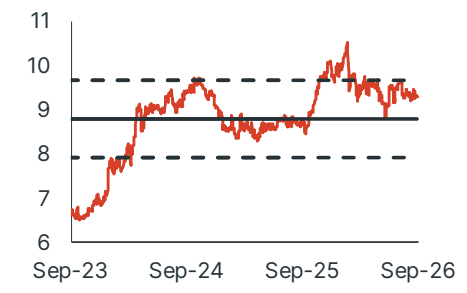
	2025	2026E	2027E	2028E
EV/EBITDA	7.8	9.5	9.2	8.6
P/E	8.6	12.7	13.2	11.1
P/CF	3.4	5.2	3.5	3.5
P/BV	1.4	1.7	1.6	1.5
Div. Yield	8.0%	9.2%	5.5%	5.3%

Sources: Company Reports and Credicorp Capital

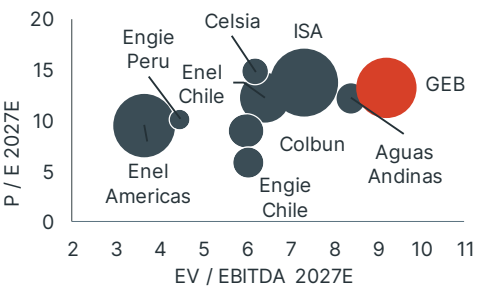
P/E 12M Forward



EV/EBITDA 12M Forward



Relative Valuation

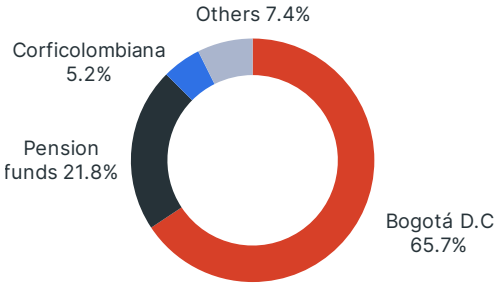


GEB

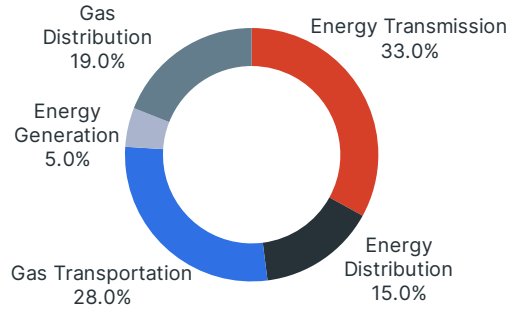
Company Description

GEB is one of the largest groups in Latin America, with operations across the whole energy chain. GEB is the largest player in Colombia in natural gas transportation (TGI), power distribution, and power generation (through its participation in Enel Colombia); it also has a significant position in power transmission (Enlaza) and natural gas distribution (Vanti in Colombia and Calidda in Peru). GEB has also participation in Argo and Gebbras in Brazil, where both businesses have 9 active concessions (Argo I to IX), and in Peru through a participation in both ISA Peru and Consorcio Transmataro.

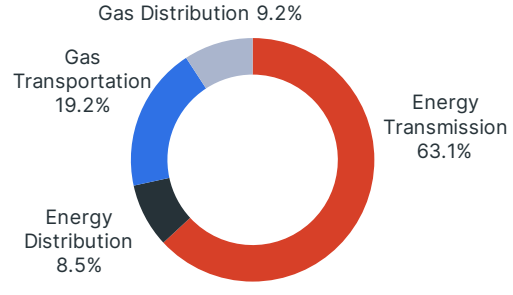
Ownership Structure



Adj. EBITDA breakdown by segment (2025)



CAPEX breakdown by segment (2026-2030)



Management

CEO: Juan Ricardo Ortega López
CFO: Jorge Tabares Ángel
IRO: Karen Bibiana Guzmán Vanegas
www.grupoenergiabogota.com

Income Statement

COP mn	2024	2025	2026E	2027E	2028E
Revenues	7,972	8,016	7,179	7,877	8,304
Gross Profit	3,722	3,603	3,292	3,593	3,771
EBITDA	5,081	6,082	4,749	4,905	5,235
Net Income	2,462	3,178	2,145	2,059	2,441
EPS (COP)	268	346	234	224	266
Gross Margin	46.7%	45.0%	45.9%	45.6%	45.4%
EBITDA Margin	63.7%	75.9%	66.2%	62.3%	63.0%
Net Margin	30.9%	39.7%	29.9%	26.1%	29.4%

Balance Sheet

COP mn	2024	2025	2026E	2027E	2028E
Cash & Equivalents	1,584	1,269	1,730	1,730	1,730
Total Current Assets	5,066	4,568	5,356	5,705	5,869
Total Assets	46,249	46,502	46,096	46,906	46,870
Current Liabilities	3,484	2,422	5,953	6,082	4,899
Financial Debt	20,796	20,693	20,770	20,560	19,227
Total Liabilities	26,382	26,382	29,150	29,278	28,095
Minority Interest	705	576	511	636	783
Shareholders Equity	19,162	19,544	16,435	16,992	17,992
Total Liabilities + Equity	46,249	46,502	46,096	46,906	46,870
Net Debt /EBITDA	3.8	3.2	4.0	3.8	3.3
Financial Debt /EBITDA	4.1	3.4	4.4	4.2	3.7
Financial Debt /Equity	1.1	1.1	1.3	1.2	1.1
ROAE	12.9%	16.4%	11.9%	12.3%	14.0%
ROAA	5.5%	6.9%	4.6%	4.4%	5.2%
ROIC	6.1%	6.2%	4.5%	5.3%	5.8%

Cash Flow Statement

COP mn	2024	2025	2026E	2027E	2028E
Initial Cash	2,290	1,584	1,269	1,730	1,730
Operating Cash Flow	(1,089)	1,802	2,586	435	1,225
CAPEX	3,286	928	991	1,767	1,061
Changes in Debt	-103	77	-210	-1,332	-19,227
Dividends	-1,152	-2,182	-2,494	-1,502	-1,442
Other CFI & CFF Items	-1,648	-940	-412	633	18,382
Changes in Equity	-	-	-	-	-
Final Cash	1,584	1,269	1,730	1,730	1,730
Change in Cash Position	-706	-315	461	0	0

Sources: Company Reports and Credicorp Capital

GEB

Baa3 / NR / BBB-
Outlook: s / nr / s

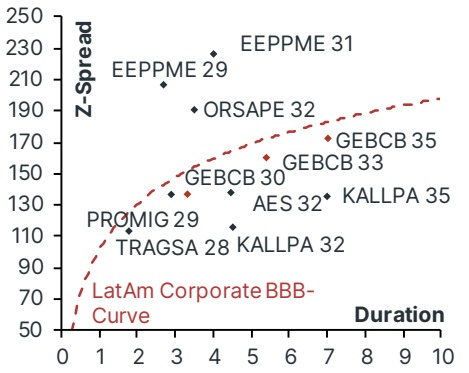
Nicolle Morales - alexandramorales@credicorpcapital.com

Growth investments increase leverage, but fundamentals remain strong

Investment Thesis

The company has maintain stable leverage of 3.0x despite recent pressure in results driven by the Camisea incident, lower gas transportation demand, and shorter contract tenors. However, leverage is expected to increase following the acquisition of transmission assets in Brazil and the creation of Verene with CDPQ. Management expects leverage to peak at above 4.0x before returning to levels closer to 3.0x by the end of 2027. Regarding El Niño, we expect a mixed impact across GEB's portfolio, with TGI benefiting from stronger gas transportation demand while Enel Colombia remains relatively well-positioned thanks to healthy reservoir levels and increased renewable capacity. From a valuation standpoint, we see greater room for spread compression in GEBCB 30 and prefer the shorter part of the curve due to potential supply risk.

GEB Bonds and comparables



Credit Data	
REG-S Notes	3
Outstanding Senior Notes	USD 1,300mn
Closest Call Date	01-Aug-28
Closest Maturity Date	01-Nov-28

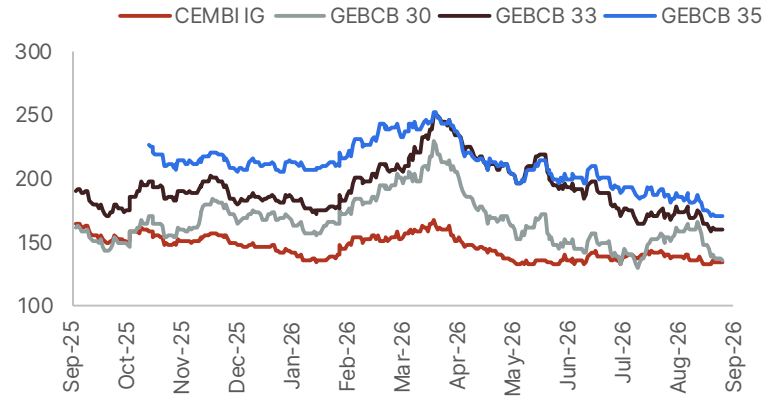
Concerns

- Regulatory risk on its operations in Colombia
- Exposed to FX risk
- Acquisitions and capex pressure leverage

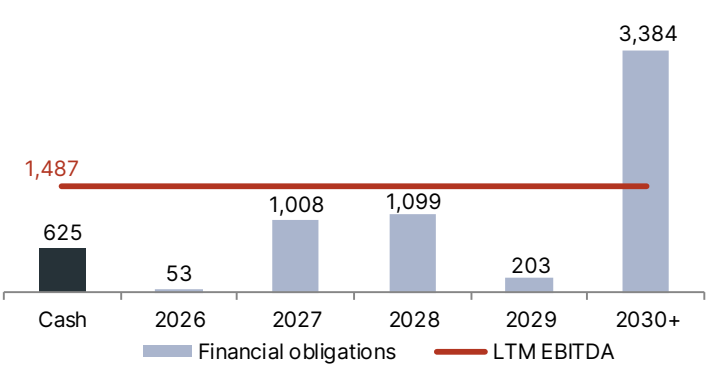
Strengths

- Geographic and business diversification
- Stable and predictable cash flows
- Potential support from the district to the company in case of a distress situation

Z- Spread evolution



Debt Maturity Profile (USDmn)



Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
GEBCB 30	USD 400mn	4.88%	Baa3 / NR / BBB-	136.0	3.4	97.5	0.4%	5.6%	Overweight
GEBCB 33	USD 400mn	7.85%	Baa3 / NR / BBB-	160.1	5.4	110.4	0.6%	5.9%	Neutral
GEBCB 35	USD 500mn	5.75%	Baa3 / NR / BBB-	171.3	7.0	97.4	0.5%	6.1%	Neutral

ISA

Rating: Uperf
TP: COP 31,600

Equity Research Colombia
Utilities

Steffania Mosquera - smosquera@credicorpcapital.com
Juan Felipe Becerra - jbecerra@credicorpcapital.com

Limited upside for the time being

Investment Thesis

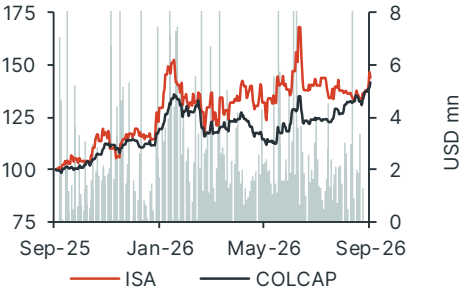
We are introducing our 2027E TP for ISA of COP 31,600/share while downgrading our HOLD recommendation to Underperform. The downgrade reflects i) ISA's rigid business structure relative to other Colombian peers, which provides fewer near-term catalysts vs. other sectors, and ii) limited visibility on its long-term strategic direction and capital allocation. The previous administration's Estrategia 2040 provided an ambitious investment framework but left several areas requiring further definition. It outlined USD 28–33 bn of investment through 2040, while energy storage and "new energy solutions," two proposed business lines, remain at an early stage of clarification and structuring. We would therefore prefer to wait for further clarity on the company's strategic direction.

Visible 2030 investments imply lower-than-historical returns, supporting a cautious stance. As of 2Q26, we have visibility on COP 28 tn of CAPEX (~USD 7.4 bn) through 2030, mostly allocated to the transmission business. However, the expected COP 28.1 tn investment is set to translate into only COP 1.8 tn of additional revenues, implying a ~7% return on investment, below ISA's historical ~10% and our previous model assumptions. Given limited project-level CAPEX visibility and uncertainty around investment expectations, we prefer to remain cautious on the name, particularly in a higher-for-longer interest-rate environment in Brazil and Colombia, where 46% and 29% of total investment are expected, respectively. **Moreover, the current CAPEX plan and expected returns should gradually increase ND/EBITDA from 3.4x in 2026E to 3.8x in 2029E, according to our estimates.** In Brazil, the equity issuance used to partially fund the Madeira transaction suggests that additional debt capacity could remain constrained in the short term.

Stock Data

Ticker	isa cb
Price (COP)	30,820
Target (COP)	31,600
Total Return	8.9%
LTM Range	21,338 - 36,000
M. Cap (USD mn)	11,000
Shares Outs. (mn)	1,108
Free Float	40%
ADTV (USD mn)	2.7

Price Chart (COP) and Volumes (USD mn)



Valuation

We are introducing our new 2027 T.P. of COP 31,600/share (+4% vs. previous TP). Our valuation model for ISA is a SOTP with DCFs for ISA's individual operations, Intercolombia, Interchile, Transelca, Transmantaro, REP, ISA Brazil, and TAESA, and multiples for Internexa. We also incorporate road concessions in Chile, Panamá, ISA Bolivia, and Colombia's Ruta Costera at book value. Then we apply a 10% holding discount.

Valuation Summary

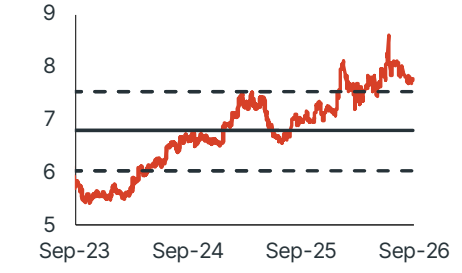
	2025	2026E	2027E	2028E
EV/EBITDA	7.7	7.8	7.3	7.5
P/E	11.3	14.2	13.8	14.7
P/CF	3.6	3.1	2.5	2.6
P/BV	1.5	1.9	1.8	1.7
Div. Yield	5.1%	3.5%	3.5%	3.6%

Sources: Company Reports and Credicorp Capital

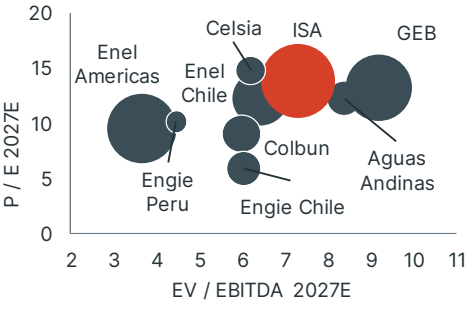
P/E 12M Forward



EV/EBITDA 12M Forward



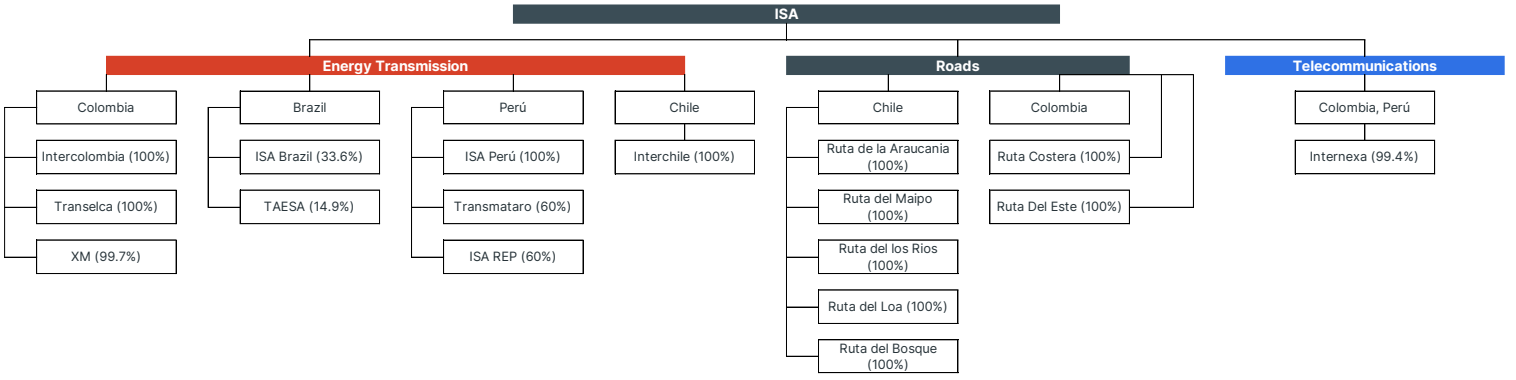
Relative Valuation



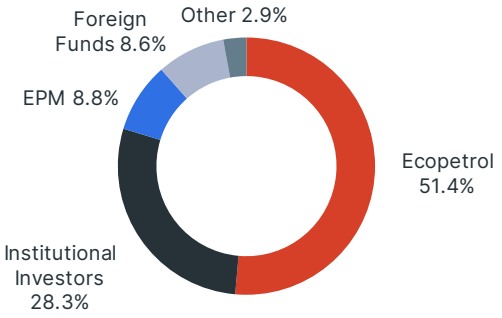
ISA

Company Description

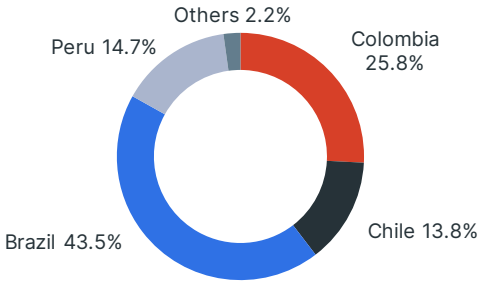
ISA defines its business as the construction, operation, and maintenance of linear infrastructure systems, including: i) energy power transmission, ii) toll road concessions, iii) telecom transmission, and iv) real-time systems. The company's domicile is Colombia but about ~75% of its consolidated revenues come from Chile, Peru, Brazil and Bolivia.



Ownership Structure



Revenue breakdown, by country (2025)



Management

CEO: Patricia Castaño (interim)
CFO: Jaime Falquez Ortiga
IRO: Patricia Ospina Campo
www.isa.co

Income Statement

COP bn	2024	2025	2026E	2027E	2028E
Revenues	15,829	16,034	16,318	16,333	16,210
Colombia	4,024	4,134	4,183	4,384	4,572
Peru	2,329	2,358	2,208	2,454	2,647
Chile	2,396	2,208	2,128	2,267	2,233
Brazil	6,920	6,977	7,274	7,018	6,429
Others	160	357	524	211	328
EBITDA	9,747	8,681	9,453	10,115	9,833
Colombia	2,661	2,370	2,700	2,729	2,934
Peru	1,715	1,528	1,569	1,628	1,766
Chile	1,832	1,632	1,720	1,612	865
Brazil	3,509	3,125	3,428	4,090	4,074
Others	29	26	35	56	194
Net Income	2,808	2,420	2,402	2,478	2,326
EPS (COP)	2,535	2,185	2,169	2,237	2,100
EBITDA Margin	61.6%	54.1%	57.9%	61.9%	60.7%
Net Margin	17.7%	15.1%	14.7%	15.2%	14.3%

Balance Sheet

COP bn	2024	2025	2026E	2027E	2028E
Total Assets	76,995	76,130	79,530	84,650	89,123
Total Liabilities	48,727	47,823	50,602	52,834	54,842
Minority Interest	10,422	10,458	11,286	12,897	14,275
Shareholders Equity	17,846	17,849	17,642	18,919	20,006
Total Liabilities + Equity	76,995	76,130	79,530	84,650	89,123
ROAE	16.5%	13.6%	13.5%	13.6%	11.9%
ROAA	3.8%	3.2%	3.1%	3.0%	2.7%

Kallpa

Baa3 / NR / BBB-
Outlook: s / nr / s

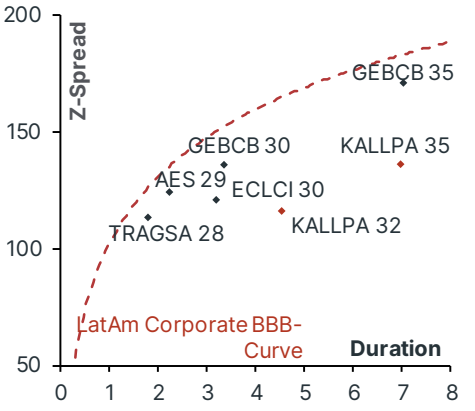
Nicolle Morales - alexandramorales@credicorpcapital.com

Renewables growth and stable leverage support fundamentals, OW on KALLPA 32

Investment Thesis

Kallpa delivered weaker results in 1Q26 due to the Camisea incident, but performance recovered strongly in 2Q26. We expect this recovery to continue through the rest of the year, supported by new contracts and the start-up of its solar plants. As a result, we estimate net leverage could reach around 3.3x by year-end 2026. Looking ahead, the company plans to expand its renewable portfolio, particularly in wind generation. Supporting this strategy, it acquired P2X Ignis Energy Perú S.A.C., which holds land rights for future wind projects. Regarding the Coastal El Niño phenomenon, we expect a neutral to slightly positive impact, mainly in 1Q27, as an earlier rainy season could support hydro generation. A severe event could affect infrastructure, although Kallpa has already taken preventive measures to mitigate potential disruptions. On the bonds, we view KALLPA 35 as relatively tight relative to the sovereign curve, while KALLPA 32 still offers around 10 bps of spread-compression potential.

Kallpa Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 1,200mn
Closest Call Date	02-Oct-25
Closest Maturity Date	16-Aug-27

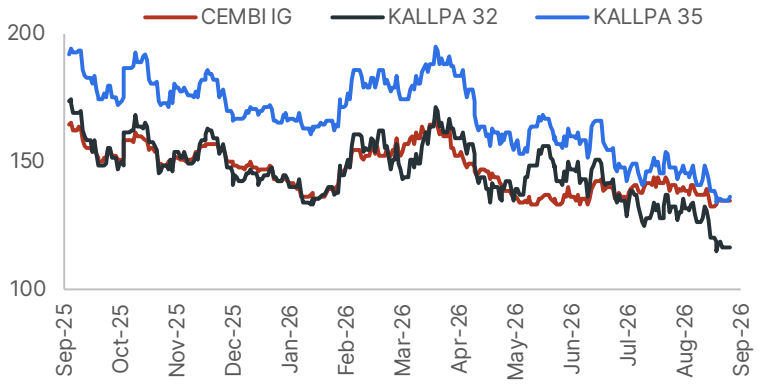
Concerns

- Hydrology risk
- High distribution requirements
- Future growth investments may increase funding needs

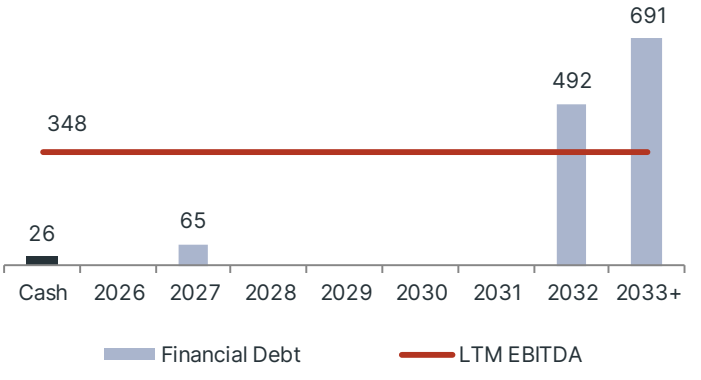
Strengths

- Supplied by low-cost local gas
- Strong structure of PPAs with an average life of 8.5 years and an 88% contracting level
- Diversified generation portfolio

Z- Spread evolution



Debt Maturity Profile (USDmn)



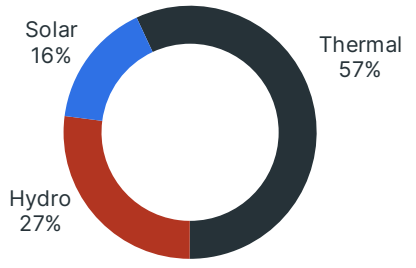
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
KALLPA 32	USD 500mn	5.88%	Baa3 / NR / BBB-	116.3	4.6	101.7	0.5%	5.5%	Overweight
KALLPA 35	USD 700mn	5.50%	Baa3 / NR / BBB-	135.8	7.0	98.2	0.5%	5.7%	Neutral

Kallpa

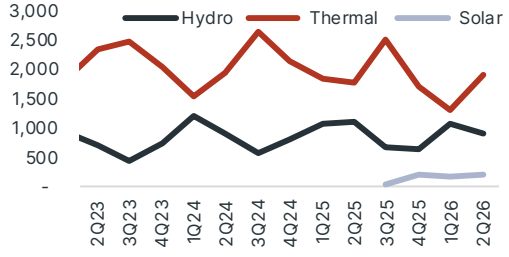
Company Description

Kallpa is a subsidiary of I Squared, through a continuation vehicle, and the Canada Pension Plan Investment Board (CPP Investments), each holding a 50% stake, located in Peru. In August 2017, Kallpa and Cerro del Águila merged their operations, which has brought benefits due to the diversification of energy generation sources. The company has an installed capacity of 2,167 MW (60% thermo Gx, 28% hydro Gx, and solar 12%).

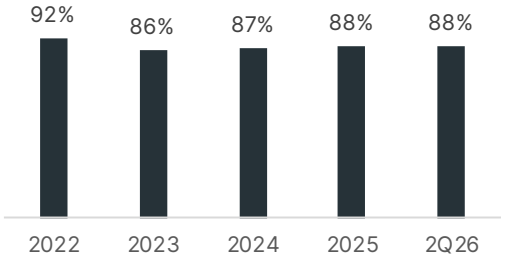
Installed Capacity (MW)



Kallpa's Generation (GWh)



Contracting Level



Credit Metrics

	2022	2023	2024	2025	LTM2Q26
Interest Coverage	4.3x	4.3x	6.4x	5.5x	4.6x
Gross Debt / EBITDA	4.3x	4.2x	3.2x	3.3x	3.6x
Net Debt / EBITDA	4.2x	4.1x	3.2x	3.2x	3.5x
Net Debt / Equity	3.2x	3.4x	3.6x	3.6x	3.1x
ST Debt / Gross Debt	3%	3%	3%	3%	5%

Income Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Net Revenues	597	685	716	766	821
Gross Profit	201	200	281	298	263
EBIT	192	189	268	291	255
Interest Expenses	61	62	55	68	76
Adjusted EBITDA	264	265	353	377	348
Gross Margin	34%	29%	39%	39%	32%
EBITDA Margin	44%	39%	49%	49%	42%
Net Margin	14%	12%	21%	19%	16%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM2Q26
Cash	36	42	32	45	26
Current Assets	159	181	177	206	234
Total Assets	1,991	1,954	1,980	2,130	2,142
Current Liabilities	129	156	173	233	192
Total Liabilities	1,645	1,635	1,671	1,803	1,753
Equity	346	319	310	327	390
Net Debt	1,110	1,075	1,114	1,189	1,224
Gross Debt	1,146	1,117	1,146	1,235	1,250
Short Term Debt	39	36	39	36	67
Long Term Debt	1,108	1,082	1,108	1,199	1,184
ROE	25%	26%	49%	44%	33%
ROA	4%	4%	8%	7%	6%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM2Q26
Operating Activities	251	240	235	278	235
Investing Activities	-111	-37	-31	-101	-137
Financing Activities	-135	-200	-199	-187	-165

Sources: Company Reports and Credicorp Capital

Niagara Energy

Baa3 / BBB- / BBB-
Outlook: s / s / s

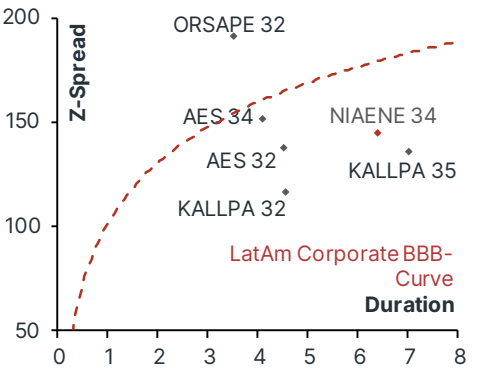
Nicolle Morales - alexandramorales@credicorpcapital.com

Lower contracted volumes pressure earnings, but fundamentals remain stable

Investment Thesis

During 2026, results have been impacted by the expiration of several contracts at the end of 2025. Although most were renewed, the new agreements were signed at lower volumes and prices. However, the 120 MW, 10-year Southern Copper contract starting in 2027 should help bring the company closer to its target contracted position. Net leverage currently stands at 3.0x, and we expect it to end 2026 at around 3.1x, slightly above year-end 2025 levels. Regarding the El Niño event, we expect a broadly neutral impact on Niagara, as higher water inflows could support hydro generation. However, hydrological conditions may remain volatile, and a severe El Niño could still lead to landslides and damage critical infrastructure. The company continues to monitor river flows and implement preventive measures to mitigate potential impacts. On the bonds, we view valuations as relatively tight and therefore maintain our Neutral recommendation.

Niagara Energy Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 1,200mn
Closest Call Date	03-Jul-34
Closest Maturity Date	03-Oct-34

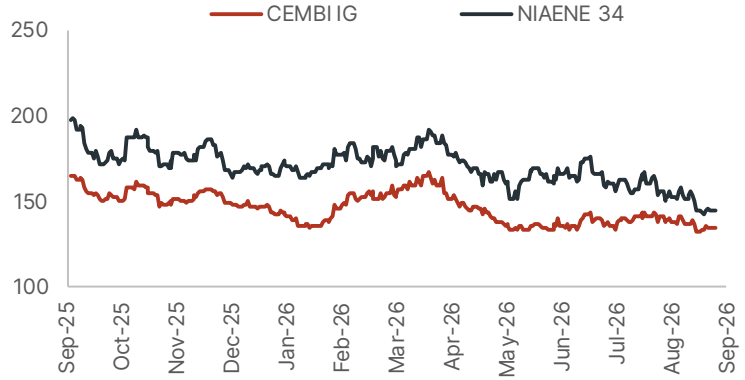
Concerns

- Hydrology risk
- A severe El Niño could disrupt operations and damage infrastructure

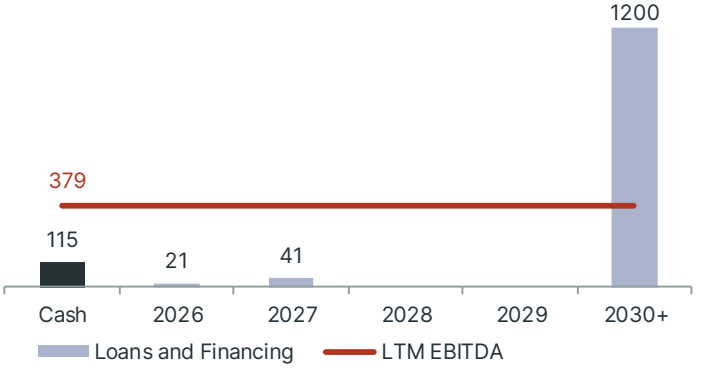
Strengths

- Dual-fuel thermal plants (gas/diesel)
- Diversified generation portfolio
- Solid structure of PPAs with an average life of 6.9 years and an 81% contracting level

Z- Spread evolution



Debt Maturity Profile (USDmn)



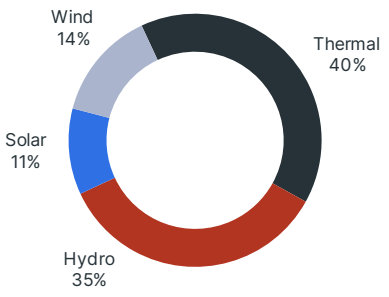
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
NIAENE 34	USD 1,200mn	5.75%	Baa3 / BBB- / BBB-	144.5	6.4	99.3	0.5%	5.8%	Neutral

Niagara

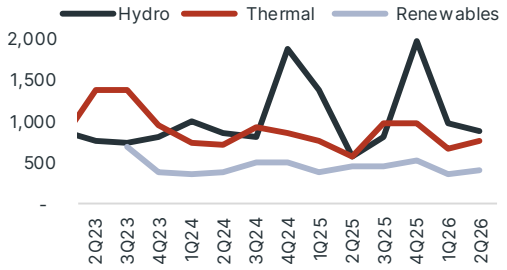
Company Description

Niagara is a subsidiary of Grupo Romero located in Peru. In March 2026, Grupo Romero became the company's new owner and, to date, has maintained its existing investment plans. The company has a total installed capacity of 2,261 MW, of which approximately 45% is hydroelectric generation, 35% is thermal generation, and the remaining portion comes from renewable sources.

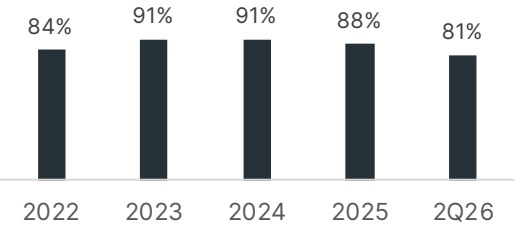
Installed Capacity (MW)



Niagara's Generation (GWh)



Contracting Level



Credit Metrics

	2024	2025	LTM2Q26
Interest Coverage	1.8x	4.5x	4.1x
Gross Debt / EBITDA	5.2x	2.8x	3.3x
Net Debt / EBITDA	4.8x	2.5x	3.0x
Net Debt / Equity	1.6x	1.4x	1.6x
ST Debt / Gross Debt	3%	4%	5%

Income Statement

USD MN	2024	2025	LTM2Q26
Net Revenues	496	761	761
Gross Profit	163	287	287
EBIT	303	259	259
Interest Expenses	-142	-101	-101
Adjusted EBITDA	254	457	457
Gross Margin	33%	38%	38%
EBITDA Margin	51%	60%	60%
Net Margin	28%	17%	17%

Balance Sheet

USD MN	2024	2025	LTM2Q26
Cash	112	148	115
Current Assets	310	301	278
Total Assets	2,794	2,921	2,828
Current Liabilities	199	262	308
Total Liabilities	2,042	2,086	2,107
Equity	752	835	721
Net Debt	1,215	1,137	1,152
Gross Debt	1,327	1,284	1,267
Short Term Debt	38	56	57
Long Term Debt	1,289	1,228	1,210
ROE			
ROA			

Cash Flow Statement

USD MN	2024	2025	LTM2Q26
Operating Activities	189	374	268
Investing Activities	-389	-84	-101
Financing Activities	313	-263	-180

Sources: Company Reports and Credicorp Capital

Orazul

Ba2 / NR / BB
Outlook: s / nr / s

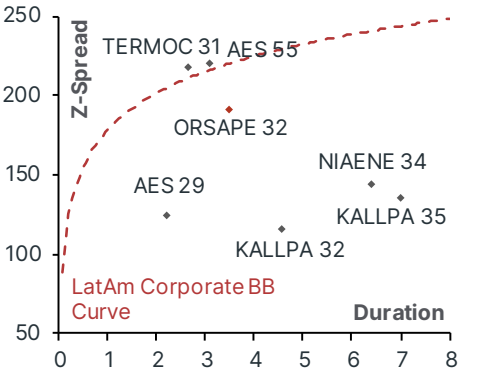
Nicolle Morales - alexandramorales@credicorpcapital.com

Strong results and lower leverage support fundamentals, OW maintained

Investment Thesis

Orazul reported very strong results in 1H26, driven by two factors: (i) the Camisea incident in 1Q26 and (ii) spot price distortions in northern Peru caused by transmission constraints. Both factors pushed spot prices higher, while Orazul benefited from strong hydro generation, allowing it to sell more power than usual. Looking ahead, we expect the Coastal El Niño phenomenon to support cash flow, as the rainy season could start earlier than usual, particularly in 4Q26, with a greater impact in 1Q27. That said, reported leverage stands at 3.1x, and we expect it to increase to around 3.3x by year-end 2026, still below the level reported at year-end 2025. Regarding valuation, ORSAPE 32 is trading 75bps wide of KALLPA 32, below its spread differential from six months ago, suggesting limited room for further spread compression. However, the carry remains attractive, supporting our Overweight recommendation.

Orazul Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 380mn
Closest Call Date	17-Sep-28
Closest Maturity Date	17-Sep-32

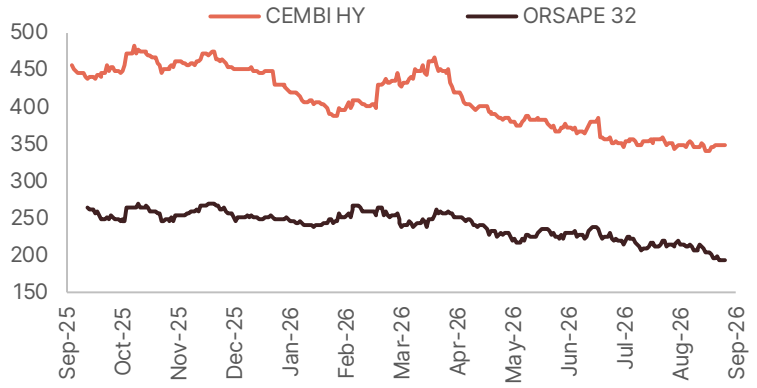
Concerns

- Hydrology risk
- Lack of diversificaction

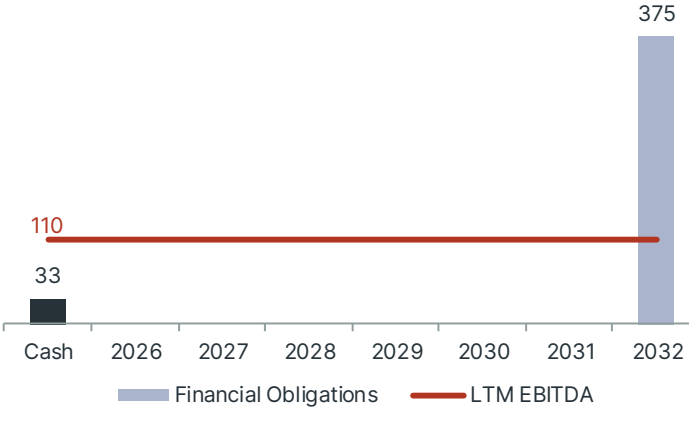
Strengths

- High operating margins in the hydroelectric generation business
- Comfortable debt amortization profile
- Contracted portfolio at its efficient capacity, 65% contracted with a remaining average contract life of 5.4 years

Z- Spread evolution



Debt Maturity Profile (USDmn)



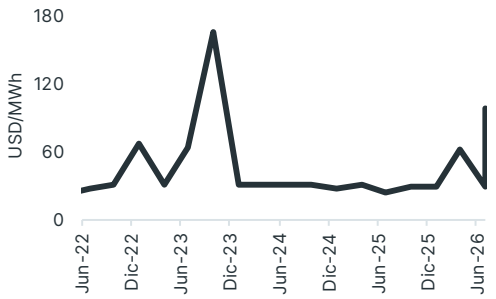
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
ORSAPE 32	USD 380mn	6.25%	Ba2 / NR / BB	191.0	3.5	100.0	0.5%	6.2%	Overweight

Orazul

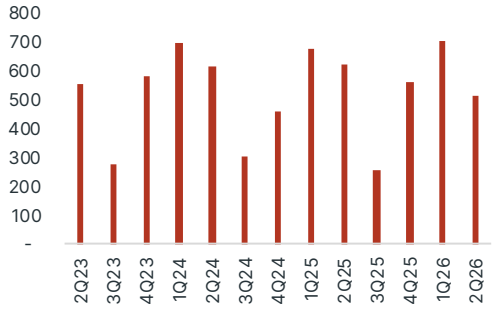
Company Description

Orazul Energy Peru is a subsidiary of I Squared, through a continuation vehicle, and the Canada Pension Plan Investment Board (CPP Investments), each holding a 50% stake, located in Peru. The company owns and operates two hydroelectric plants with a combined capacity of 377 MW. Orazul is 65% contracted and has an average remaining life of PPAs of 5.4 years.

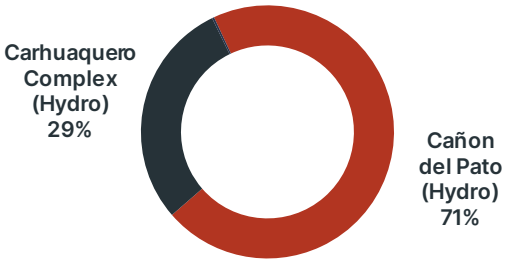
System's Average Spot Price (USD/MWh)



Orazul's Generation (GWh)



Installed Capacity (MW)



Credit Metrics

	2022	2023	2024	2025	2Q26LTM
Interest Coverage	2.9x	3.0x	3.2x	3.1x	4.0x
Gross Debt / EBITDA	4.7x	5.3x	4.9x	4.7x	3.4x
Net Debt / Adjusted EBITDA	4.5x	4.8x	4.6x	4.4x	3.1x
Net Debt / Equity	0.4x	0.4x	0.5x	0.5x	0.5x
ST Debt / Gross Debt	0.0%	0.0%	0.0%	0.1%	0.1%

Income Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Net Revenues	107	114	103	111	143
Gross Profit	68	47	51	57	85
EBIT	64	42	47	52	80
Interest Expenses	-26	-22	-23	-26	-27
Adjusted EBITDA	76	67	73	80	110
Gross Margin	64%	41%	49%	51%	59%
Adjusted EBITDA Margin	71%	59%	71%	72%	77%
Net Margin	27%	29%	-37%	32%	27%

Balance Sheet

USD MN	2022	2023	2024	2025	2Q26LTM
Cash	17	36	26	24	33
Current Assets	37	63	55	52	69
Total Assets	1,179	1,206	1,121	1,121	1,116
Current Liabilities	23	17	17	26	18
Total Liabilities	386	383	382	406	399
Equity	792	823	738	715	717
Net Debt	343	325	335	352	343
Gross Debt	360	361	362	376	376
Short Term Debt	0	0	0	0	0
Long Term Debt	359	361	361	375	376
ROE	4%	4%	-5%	5%	5%
ROA	2%	3%	-3%	3%	3%

Cash Flow Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Operating Activities	73	49	64	70	84
Investing Activities	-4	-9	-8	-10	-10
Financing Activities	-73	-22	-66	-64	-99

Sources: Company Reports and Credicorp Capital

Termocandelaria

NR / BB- / BB
Outlook: nr / s / s

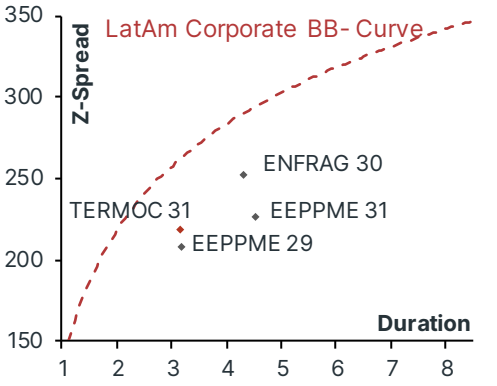
Nicolle Morales - alexandramorales@credicorpcapital.com

El Niño upside supports OW

Investment Thesis

Termocandelaria has delivered strong results, supported by the growth of its new gas marketing business, TPLGas. Looking ahead, we expect the company to be one of the main winners of the El Niño event, given its strategic role in Colombia's power system as one of the country's largest and most efficient thermal generators. While the company has approximately USD 104 mn in receivables from Air-e, we believe further increases could be limited, as the government plans to provide liquidity support to thermal generators during El Niño to alleviate working capital pressures. However, we remain focused on the execution and effectiveness of these measures. That said, we expect the company to end 2026 with net leverage of around 2.7x, below the level reported at year-end 2025. Regarding valuations, we believe TERMOC 31 should trade closer to EEPPME 29, supporting our Overweight recommendation.

Termocandelaria Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 425mn
Closest Call Date	17-Sep-27
Closest Maturity Date	17-Sep-31

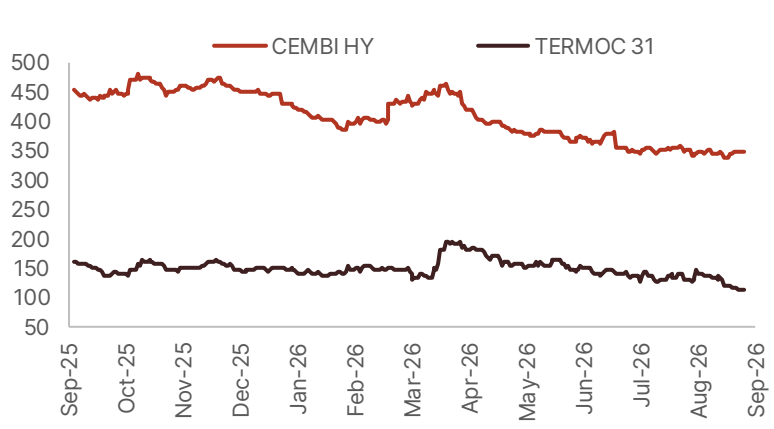
Concerns

- Receivables from Air-e could continue to pressure working capital
- Government liquidity support execution remains key.
- Out-of-merit dispatch challenged by upcoming upgrades to the transmission infrastructure and new renewable projects

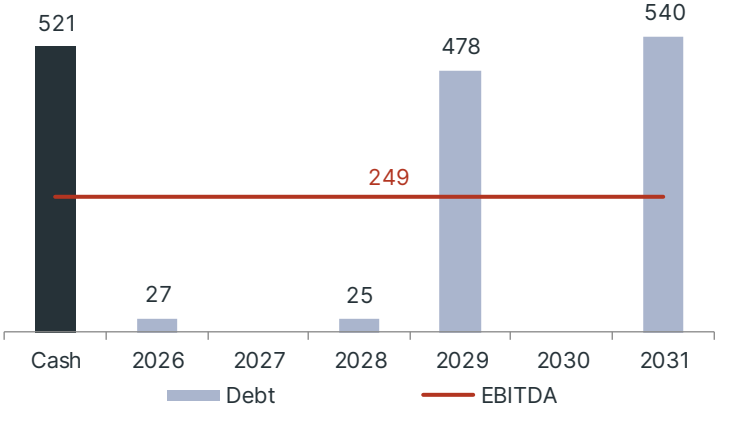
Strengths

- Well positioned to benefit from El Niño-driven thermal dispatch
- Relevant player in the Atlantic Coast
- One of three players with access to the single regasification plant in Colombia
- Improved efficiency and capacity after the completion of TECAN's expansion

Z- Spread evolution



Debt Maturity Profile (USDmn)



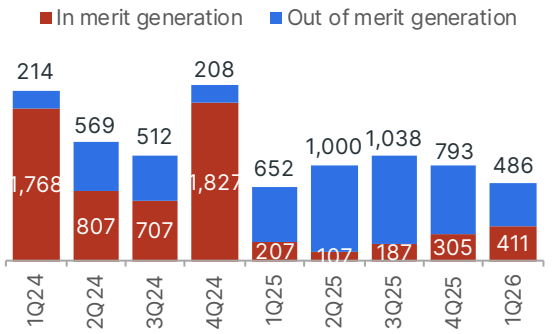
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
TERMOC 31	USD 425mn	7.75%	NR / BB- / BB	218.3	2.7	103.3	0.6%	6.4%	Overweight

Termocandelaria

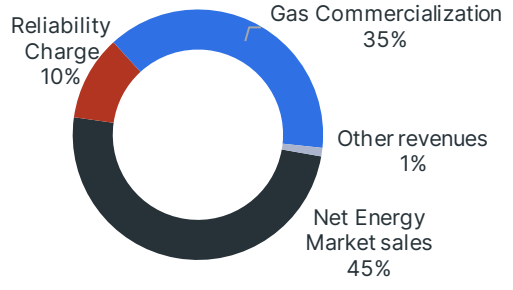
Company Description

Termocandelaria Power Ltd. (TPL) is a leading Colombian thermal power generation company located on the Atlantic Coast. The company operates two thermal power plants through its subsidiaries, Termobarranquilla S.A. E.S.P. (TEBSA) and Termocandelaria S.C.A. E.S.P. (TECAN), and also has a gas marketing business through TPLGas. The company's main shareholders are SCL Energía Activa, Colpatria, and Moneda Asset Management.

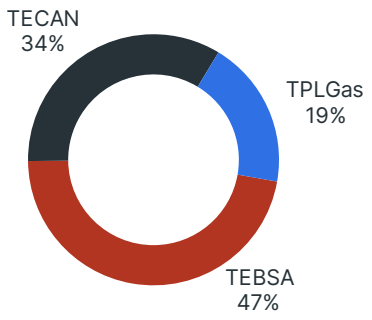
Energy Generated (GWh)



Revenues Distribution



EBITDA Breakdown by Segment



Credit Metrics

	2022	2023	2024	2025	LTM1Q26
Interest Coverage	5.9x	16.2x	10.5x	5.2x	5.5x
Gross Debt / EBITDA	3.2x	2.4x	2.6x	4.5x	4.3x
Net Debt / EBITDA	2.8x	1.9x	2.1x	4.1x	4.0x
Net Debt / Equity	3.0x	2.0x	2.1x	2.3x	2.2x
ST Debt / Gross Debt	10%	36%	12%	4%	4%

Income Statement

USD MN	2022	2023	2024	2025	LTM1Q26
Net Revenues	699	1,135	1,516	1,198	1,217
Gross Profit	215	348	408	191	204
EBIT	185	328	358	130	142
Interest Expenses	42	24	43	46	46
EBITDA	248	386	451	237	249
Gross Margin	31%	31%	27%	16%	17%
EBITDA Margin	35%	34%	30%	20%	20%
Net Margin	12%	18%	12%	7%	8%

Balance Sheet

USD MN	2022	2023	2024	2025	LTM1Q26
Cash	218	309	639	536	521
Current Assets	225	500	513	343	340
Total Assets	1,212	1,536	1,832	1,735	1,732
Current Liabilities	158	466	255	188	167
Total Liabilities	982	1,167	1,382	1,315	1,286
Equity	230	368	450	419	446
Net Debt	699	744	955	982	998
Gross Debt	781	917	1,151	1,074	1,075
Short Term Debt	78	333	137	39	45
Long Term Debt	702	584	1,014	1,035	1,030
ROE	37%	56%	41%	19%	21%
ROA	7%	13%	10%	5%	5%

Cash Flow Statement

USD MN	2022	2023	2024	2025	LTM1Q26
Operating Activities	166	165	305	166	135
Investing Activities	-51	-84	-333	-5	-8
Financing Activities	-86	9	52	-264	-161

* The company has not yet released full 2Q26 financial statements.

Sources: Company Reports and Credicorp Capital

Transportadora de Gas Int.

Baa3 / NR / BBB-
Outlook: s / nr / s

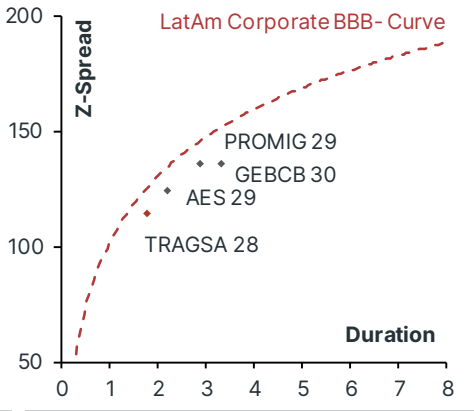
Nicolle Morales - alexandramorales@credicorpcapital.com

Weak demand and lower WACC weigh on results, but leverage remains healthy

Investment Thesis

TGI results continue to be affected by lower contracted volumes, reflecting weaker gas demand in Colombia, and by the government-mandated reduction in the regulated WACC. However, TGI is awaiting the implementation of the new tariff framework in the coming months, which is expected to restore the WACC to previous levels, supporting higher revenues. We continue to monitor the average remaining contract life, which has improved from 2.6 years to 3.3 years and now exceeds the bond's duration, but remains short. Despite these challenges, we continue to view GEB's support as a key mitigating factor for refinancing concerns. Moreover, we highlight that the company is set to benefit from the onset of El Niño, which could support higher transportation volumes, particularly toward the end of the year. Regarding valuation, we are Neutral as we see the bond trading at a relatively fair level relative to AES 29.

TGI Bonds and comparables



Credit Data	
REG-S Notes	1
Outstanding Senior Notes	USD 548mn
Closest Call Date	01-Aug-28
Closest Maturity Date	01-Nov-28

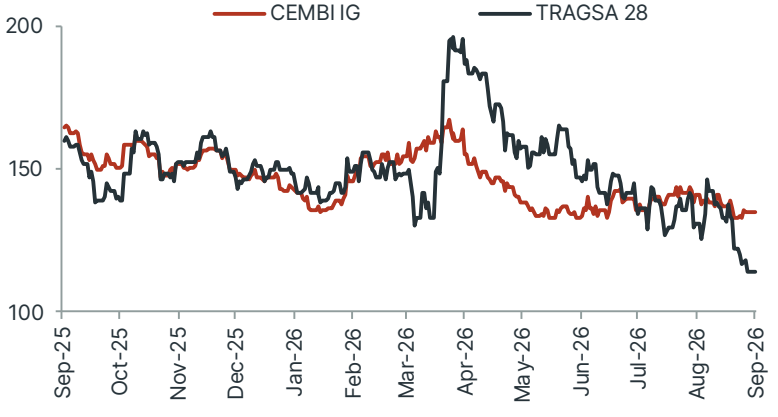
Concerns

-Decline in average life of contracts
-Lower contracted volumes amid weak gas demand in Colombia
-Delay in the implementation of the new tariff framework

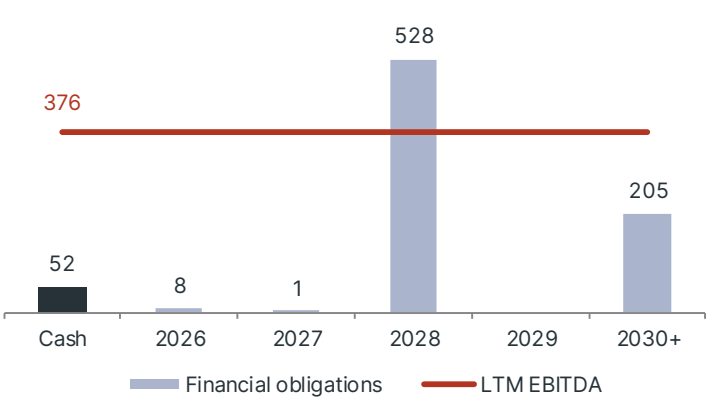
Strengths

- Owns and operates the longest and most relevant gas pipeline in the country
- Firm capacity contracts and other fixed charges comprising ~75% of revenues
- CREG approved partial pass-through of hedging costs and recognition of depreciated assets for remuneration

Z- Spread evolution



Debt Maturity Profile (USDmn)



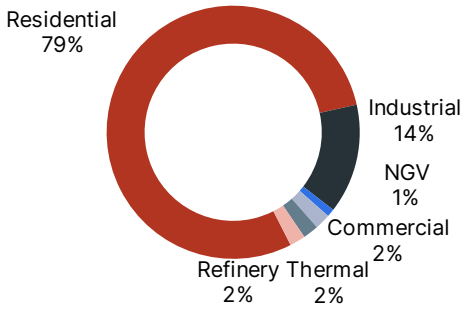
Bond	Amount	Coupon	Rating	Z-spread	Duration	Price	Carry	YTW	Recommendation
TRAGSA 28	USD 548mn	5.55%	Baa3 / NR / BBB-	114.0	1.8	100.2	0.5%	5.4%	Neutral

TGI

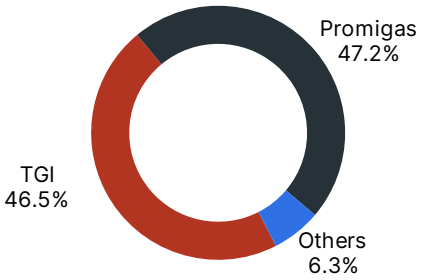
Company Description

TGI is part of one of the most important business groups in Colombia, Grupo Energia de Bogotá, which is dedicated to the energy sector and has an international presence in LatAm. The company provides natural gas transportation services in Colombia, serving ~50% of Colombia's population. The company has a total capacity of 859 mcfd. GEB owns 99.9% of TGI.

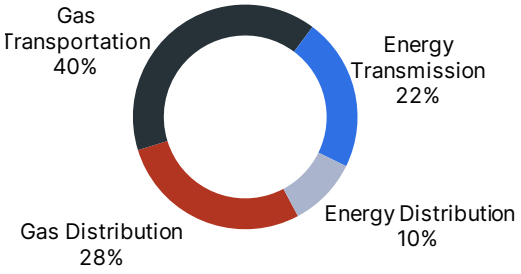
LTM Rev. Breakdown by Demand Sector



Market share



Adjusted EBITDA by business segment



Credit Metrics

	2022	2023	2024	2025	2Q26LTM
Interest Coverage	4.6x	3.8x	3.2x	3.7x	3.4x
Gross Debt / EBITDA	3.1x	2.1x	2.0x	1.8x	1.9x
Net Debt / EBITDA	2.8x	1.8x	1.7x	1.6x	1.7x
Net Debt / Equity	1.0x	0.7x	0.7x	0.6x	0.6x
ST Debt / Gross Debt	38.7%	0.1%	0.4%	0.4%	1.0%

Income Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Net Revenues	401	472	533	510	508
Gross Profit	252	310	346	309	307
EBIT	224	281	301	296	294
Interest Expenses	68	102	128	106	112
EBITDA	316	379	416	387	376
Gross Margin	63%	66%	65%	61%	60%
EBITDA Margin	79%	80%	78%	76%	74%
Net Margin	25%	24%	29%	25%	26%

Balance Sheet

USD MN	2022	2023	2024	2025	2Q26LTM
Cash	95	140	119	91	52
Current Assets	161	240	237	197	188
Total Assets	2,391	2,707	2,532	2,567	2,671
Current Liabilities	430	65	137	99	129
Total Liabilities	1,534	1,656	1,529	1,486	1,618
Equity	857	1,051	1,003	1,081	1,053
Net Debt	880	765	702	641	666
Gross Debt	975	905	820	732	735
Short Term Debt	378	1	4	3	7
Long Term Debt	597	903	813	725	728
ROE	12%	11%	15%	12%	12%
ROA	4%	4%	6%	5%	5%

Cash Flow Statement

USD MN	2022	2023	2024	2025	2Q26LTM
Operating Activities	252	244	247	195	173
Investing Activities	-51	-31	-46	-73	-74
Financing Activities	-233	-175	-228	-143	-194

Sources: Company Reports and Credicorp Capital

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Debt securities						
Derivatives on equity/debt securities						

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*Percentage of investment banking clients in each rating category.

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