

## ENEL-EMGESA'S NET INCOME INCREASED BY 15% IN 2018

Bogota, February 26<sup>th</sup>, 2019

### Financial Results 2018

	FY 2018	FY 2017	Change %
<i>Million Colombian Pesos (COP)</i>			
REVENUES	3,718,449	3,425,081	+8.6%
EBITDA	2,094,570	2,045,277	+2.4%
EBIT	1,875,874	1,835,449	+2.2%
NET INCOME	1,020,338	887,056	+15.0%
NET FINANCIAL DEBT <sup>(1)</sup>	2,900,186	3,431,056	-15.5%
INVESTMENTS	314,537	234,481	+34.1%

(1) Short-term Financial Debt + Long-term Financial Debt - Cash and Other Financial Assets

**Lucio Rubio**, Enel's Country Manager for Colombia, commented: *"In 2018 we posted excellent results thanks to the positive operational performance of our generation fleet and the implementation of a dynamic commercial strategy. In addition, we significantly boosted investments in asset maintenance and modernisation, such as the works carried out at the El Guavio hydro plant, with the aim to continue improving our operational performance to better support the Colombian electricity system".*

- **Revenues** increased due to the growth in energy demand, especially in the free market, as well as higher energy prices, as a result of an optimal sales commercial strategy of long-term contracts, driven by an improvement of the Producer Price Index (PPI).
- **EBITDA** was up reflecting revenue growth, more than offsetting the increase in operating costs which was mainly due to:
  - A greater volume of energy purchases both through contracts and on the spot market.
  - Higher fuel consumption due to the increase in thermal generation, to secure energy supply in the Caribbean region at the beginning of the year and the activation of the Termozipa plant, as a consequence of the low water availability registered in the last months of the year.
  - An increase in costs for salaries due to a larger workforce.
- **EBIT** increased compared to 2017, in line with the above indicators.
- **Net Income** grew versus 2017 as a result of:
  - The decrease in net financial expenses, explained by a lower average debt balance accompanied by a decrease in the Consumer Price Index (CPI) registered during 2018, to which 68% of the current debt is indexed.
  - A lower effective tax rate following the 2016 tax reform and the approval of the National Government Financing Act at the end of 2018, which reduced the income tax rate for the following years, leading to an update of the deferred tax rate in 2018.
- **Net Financial Debt** decreased compared to the previous year, due to the fact that the operating cash flows were sufficient to meet the investment needs, the payment of dividends to shareholders and the amortisation of financial obligations for the year.

- **Investments** grew significantly in 2018 totalling 314,537 million COP and were mainly focused on generation asset maintenance, projects for the environmental improvement and extension of the useful life of the Termozipa thermal power plant, the overhaul works of the Guavio hydro plant and additional works at El Quimbo hydropower plant.

## **Operating Results 2018**

	FY2018	FY2017	Change %
<i>GWh(*)</i>			
TOTAL GENERATION COLOMBIA	68,944	66,666	+3.4%
ENEL-EMGESA GENERATION	14,043	14,765	-4.9%
CONTRACT SALES	15,717	15,701	+0.1%
SPOT MARKET SALES	2,827	2,455	+15.2%
PLANT AVAILABILITY	91.2%	92.6%	-1.3%

(\*) Estimate figures

- Enel-Emgesa's **generation** decreased in 2018 compared to 2017, following the strategy aimed at reducing energy output in a context of low energy prices, offset by higher volumes of purchases through contracts and in the spot market.
- The total energy production of Enel-Emgesa in 2018 was as follows:
  - 98% from hydro: down 0.9% from the previous year, mainly due to the low levels of energy prices in the spot market at the beginning of the year and lower water availability in the last quarter.
  - 2% from thermal plants: up 76.7% from 2017, attributable to the output needed to secure energy supply to the Caribbean region during the first months of the year and the activation of the Termozipa thermal plant.

## **Dividends:**

During 2018, Enel-Emgesa paid 599,706 million COP in dividends to its shareholders.

	FY2018	FY2017
<i>Million Colombian Pesos (COP)</i>		
Current Assets	1,093,730	977,030
Non-current Assets	8,156,233	8,051,340
Current Liabilities	1,668,320	1,202,031
Non-current Liabilities	3,342,395	3,978,053
Equity	4,239,248	3,848,286

Revenues	3,718,449	3,425,081
Costs	1,412,021	1,170,360
Contribution Margin	2,306,428	2,254,721
EBIT	1,875,874	1,835,449
Earnings Before Taxes (EBT)	1,568,164	1,453,311
Net Income	1,020,338	887,056

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