

ENEL-CODENSA NET INCOME UP BY 30% IN 1H 2019

Financial results 1H 2019

	1H 2019	1H 2018	% CHANGE
<i>Millions of Pesos (COP)</i>			
REVENUES	2,639,935	2,414,319	+9.3%
EBITDA	864,726	728,852	+18.6%
EBIT	654,557	547,847	+19.5%
NET INCOME	377,952	290,071	+30.3%
NET FINANCIAL DEBT (2)	1,962,416	1,453,496(1)	+35.0%
CAPEX	322,000	333,533	-3.5%

(1) Figures as of December 31st, 2018, including IFRS 16 impact for purposes of comparability of figures

(2) Short-term financial debt + Long-term financial debt - Cash and other financial assets

Bogota, July 30th, 2019 - Enel-Codensa disclosed today its financial and operating results for the first half of 2019.

Lucio Rubio, country manager of Enel in Colombia, said: *“The modernisation of the company’s networks, a sound commercial strategy, investments in digitalisation and the strengthening of the new business line Enel X with its commercial offering were key drivers for the excellent results posted in the period. This outcome positions us to best execute our strategy throughout the second half of the year with the objective of continuing to improve our performance.”*

Revenues increased in the first half of 2019 compared to the same period in 2018, due to a combination of higher demand and the increase in the regulated tariff, explained by:

- Higher energy demand in Enel-Codensa’s area of operations by 2.1%, reflected in a 5.9% increase in toll payments and a slight increase in the regulated market, driven by the residential segment.
 - A 1.6% increase in the regulated energy tariff, attributable to the growth of the generation component, as a result of the higher energy prices in the spot market due to a moderate El Niño Southern Oscillation (ENSO), which more than offset the decline in the restriction component to ensure the reliability of the country’s electric system.
 - Better results in value-added services offered by Enel X, mainly related to public lighting modernisation in the city of Bogota and in six municipalities of Cundinamarca, insurance services”, and tailor-made energy solutions for large customers.
- **EBITDA** increased by a solid 18.6% reflecting the growth in revenues, which was offset by the following impacts:
 - Increase in cost of sales (+4.9%), in line with higher spot market prices, especially in the first quarter, driven by uncertainty regarding the possible effects of El Niño Southern Oscillation.
 - Increase in operating and maintenance expenses (+4.7%), mainly due to costs associated with the growth of Enel X’s business including personnel costs, as well as of the billing and revenue collection service, with which has been necessary to optimise customer service through digitalisation. In addition, the expenses associated with the company’s new operational and financial systems are added.

- **EBIT** is up by 19.5% in the period offsetting an 11.7% increase in depreciation, mainly as a result of the investment and modernisation plan that has been implemented, of a higher provision for Value Added Tax (VAT) of public lighting in Bogotá and the portfolio deterioration of mainly municipal clients.
- **Net Income** increased in line with EBIT and was also supported by the reduction of the 2019 income tax rate by 4%.
- **Net Financial Debt** increased as a result of the company's investment plan, which required the acquisition of structural debts at competitive rates.
- **Capex** were focused on network growth and maintenance, like projects based on tele-control and substation projects.

Operating results 1H 2019

	1H 2019	1H 2018	% CHANGE
DOMESTIC ENERGY DEMAND (GW/h)	35,184	33,759	+4.2%
ENEL-CODENSA ENERGY DEMAND ⁽¹⁾ (GW/h)	7,485	7,324	+2.1%
ENEL-CODENSA MARKET SHARE	21.3%	21.7%	-0.4%
AVERAGE ENERGY LOSS INDEX	7.80%	7.88%	-0.1%
TOTAL ENEL-CODENSA CUSTOMERS	3,480,571	3,388,428 ⁽²⁾	+2.7%

(1) Net demand not including losses

(2) Figures as of June 31st, 2018

- The increase in **domestic energy demand** was mainly driven by the regulated market and large energy customers in the non-regulated market, marked by high temperatures as a consequence of the El Niño Southern Oscillation, coupled with an urbanisation rate above the average projections of the Mining and Energy Planning Unit (UPME). **Energy demand in Enel-Codensa' area of influence** increased mainly due to higher demand in the residential and commercial segment of the regulated market, while maintaining its market share over 21.2%.
- Enel-Codensa's **average energy loss index** decreased as a result of the successful execution of the plan to decrease technical losses on the network.
- The **total number of customers of Enel-Codensa** increased 2.7% as a result of new connections and standardisation in the creation of electrical services, due to changes in contracts, in line with greater urbanisation in Bogotá.

Dividends:

In 2019, Enel-Codensa paid dividends for a total of 274,396 million pesos to its shareholders, as the last instalment of 2017 dividends and the first for 2018.

	1H 2019	1H 2018
<i>Millions of Pesos (COP)</i>		
Current assets	1,182,468	1,183,135
Non-current assets	5,574,379	5,141,433

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Current liabilities	1,656,633	2,077,087
Non-current liabilities	2,384,881	1,753,175
Equity	2,715,333	2,494,306
Revenues	2,639,935	2,414,319
Costs	1,527,792	1,456,902
Contribution margin	1,112,143	957,416
Earnings before interests and taxes (EBIT)	864,725	547,847
Earnings before taxes (EBT)	556,640	463,186
Net income	377,952	290,071

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