



FY 2018 Results Emgesa and Codensa

February 26th, 2019



FY 2018 results

Highlights of the period



Aggregated Net Income at December 2018 of COP\$1,6 trillion, up by 7,8% reflecting a successful commercial strategy for Gx business, significant reduction in financial expenses and a recovery of energy demand in Colombia

Total **Capex execution in Colombia of COP\$1,2 trillion**, reaching an important milestone in investments for the group in the country, especially in Dx business

Rebranding of the operation in Colombia from Emgesa and Codensa to **Enel-Emgesa and Enel-Codensa**

Emgesa and Codensa maintained its strong local credit rating at “**AAA**”, while Emgesa was ratified at “**BBB**” international credit rating with a stable outlook, keeping its credit rating above the sovereign

FY 2018 results

Regulation Update - Colombia



Generation & Distribution	<ul style="list-style-type: none">▪ Res. 40971, 40975 Ministry of Mines and Energy. Long Term Contract for energy projects with non-conventional renewable sources<ul style="list-style-type: none">✓ Establishes public policy guidelines and schedule to carry out the first long-term contracts auction for energy generation projects with renewable unconventional sources.
Generation	<ul style="list-style-type: none">▪ Res. CREG 103, 104, 142 / 2018 – Reliability Charge Auction period 2022-2023<ul style="list-style-type: none">✓ Seeks to ensure energy supply for the 2022-2023 period through new generation projects and introduces changes in the current methodology
Distribution	<ul style="list-style-type: none">▪ Res. CREG 015, 016 / 2018 – Final Remuneration Methodology for Dx & Wacc<ul style="list-style-type: none">✓ Res 015 Defines the final remuneration methodology for distribution business for the next regulatory period which determines income for distribution companies such as Codensa✓ Res. 016 Establishes the rate of return (WACC) for the distribution activity in the National Interconnected System, under the new regulatory cycle.▪ Res. CREG 114/2018 – Principles for energy retailing<ul style="list-style-type: none">✓ Establishes the principles and general conditions that must be met by the mechanisms for energy retailing activity in order to transfer energy prices to the regulated tariff

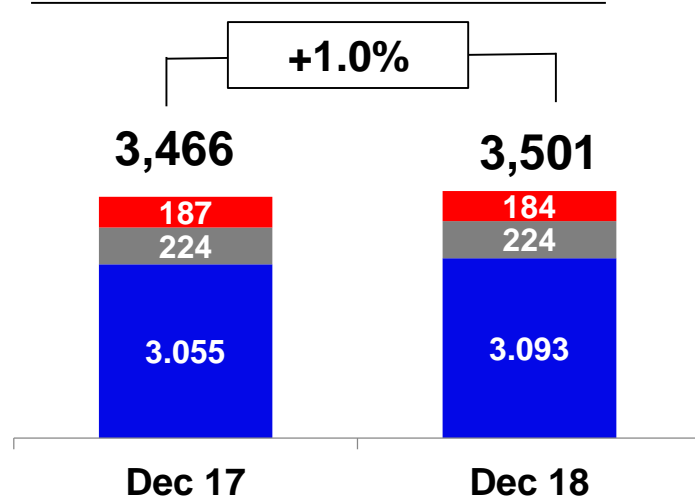
FY 2018 results

Operating Highlights

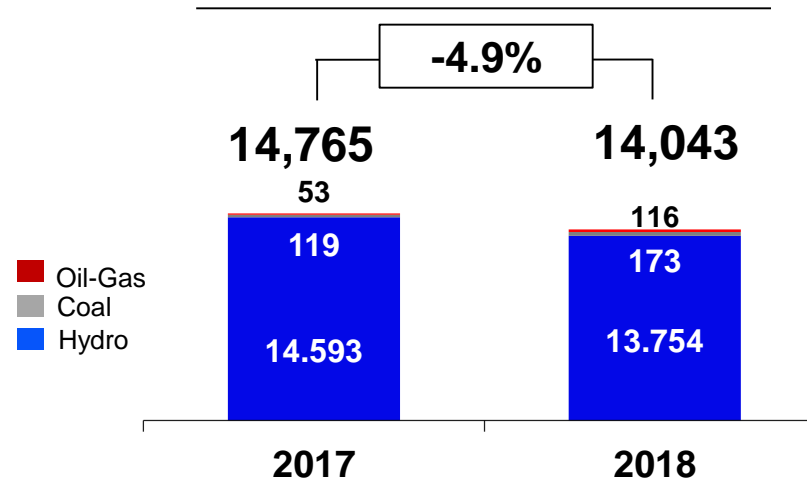


Generation

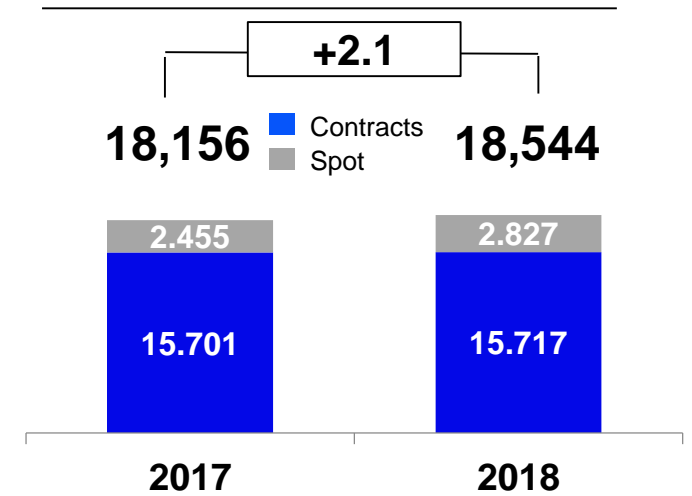
Net Installed capacity (MW)



Net Production (GWh)

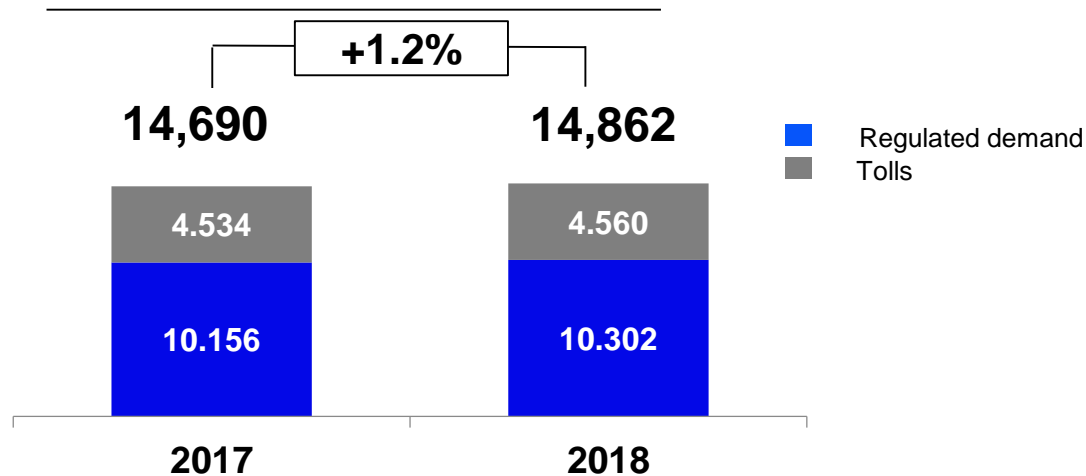


Electricity Sales (GWh)

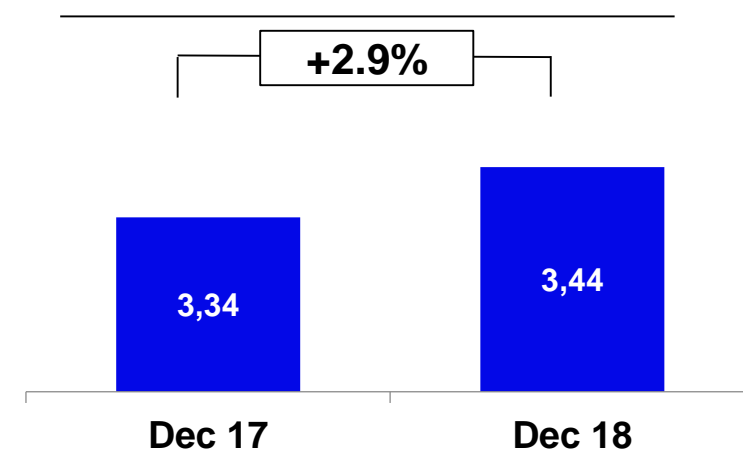


Distribution

Electricity Distributed (GWh)



Number of Customers (Mn)

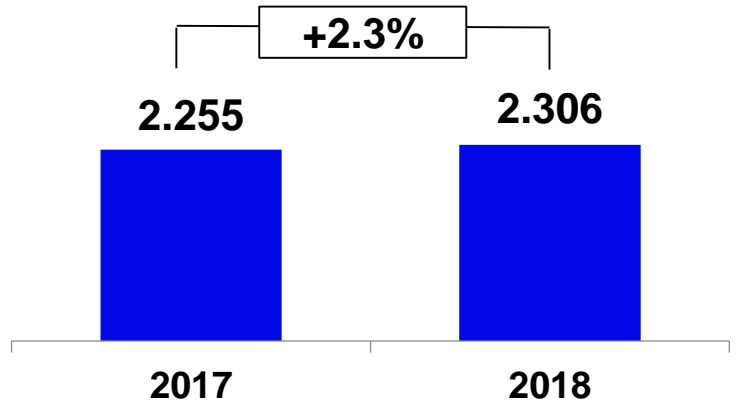


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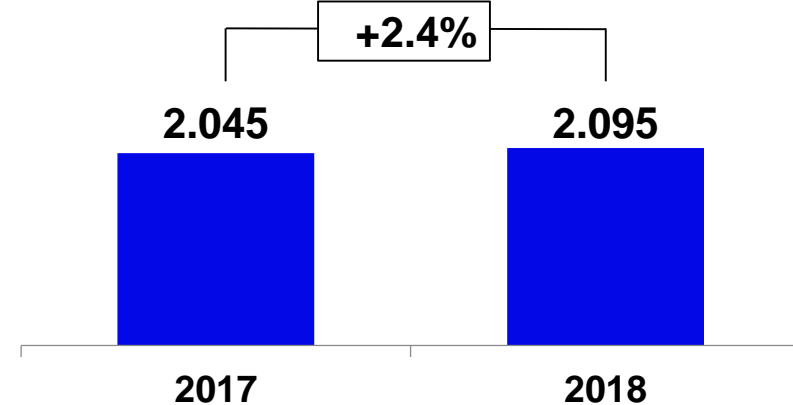
Gx: Emgesa's Financial highlights (COP\$ billion)



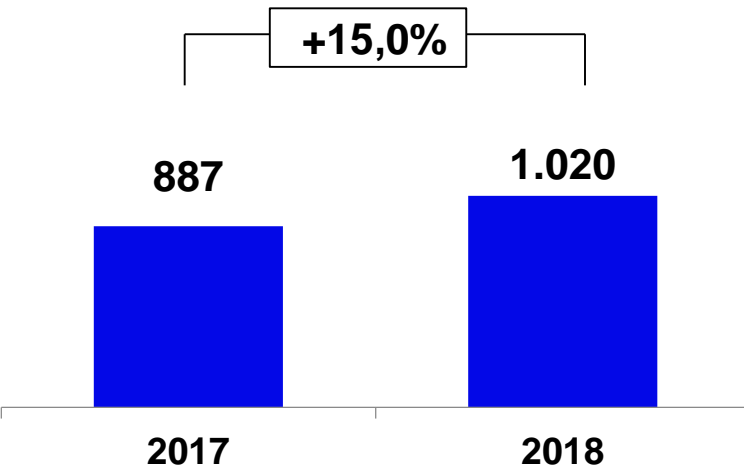
Gross Margin



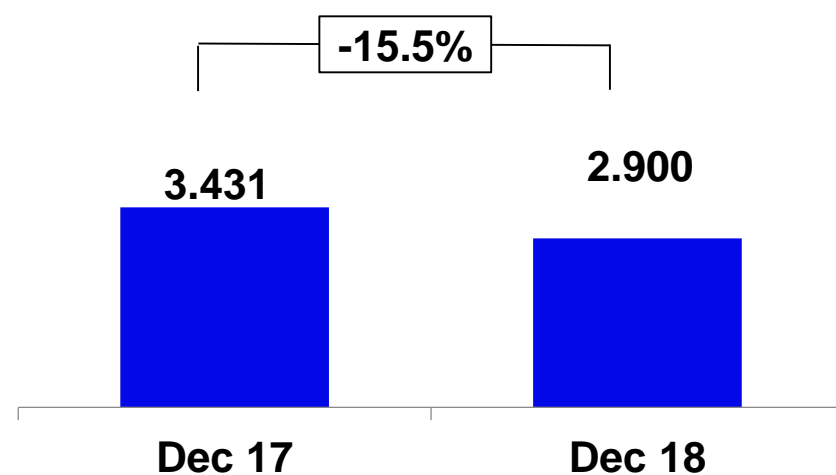
Reported EBITDA



Net Income



Net Debt²

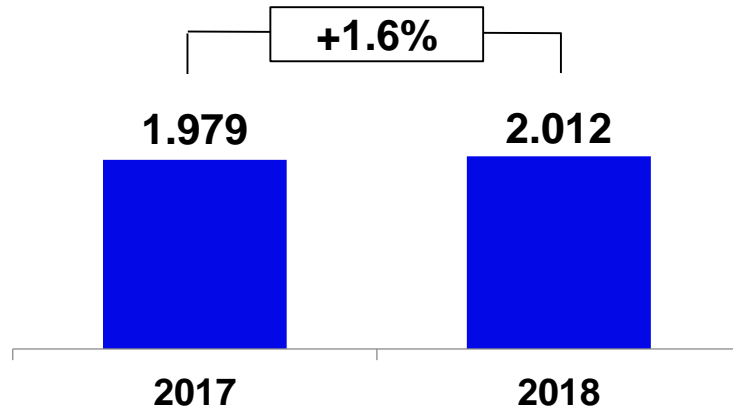


FY 2018 results

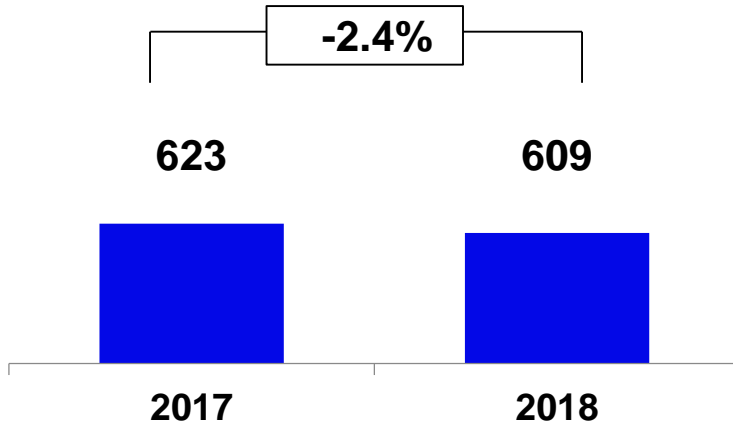
Dx: Codensa's Financial highlights (COP\$ billion)



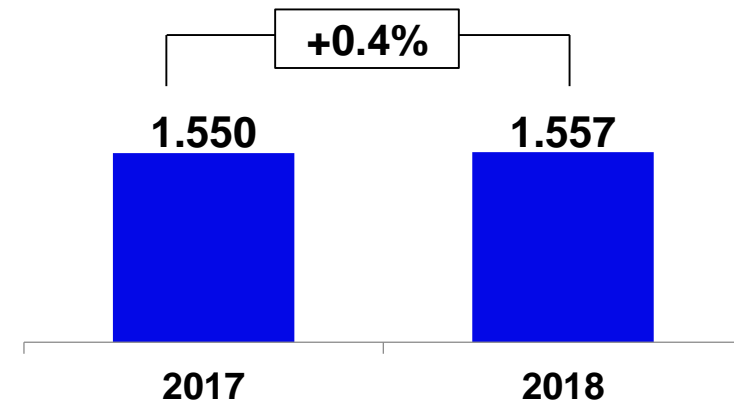
Gross Margin



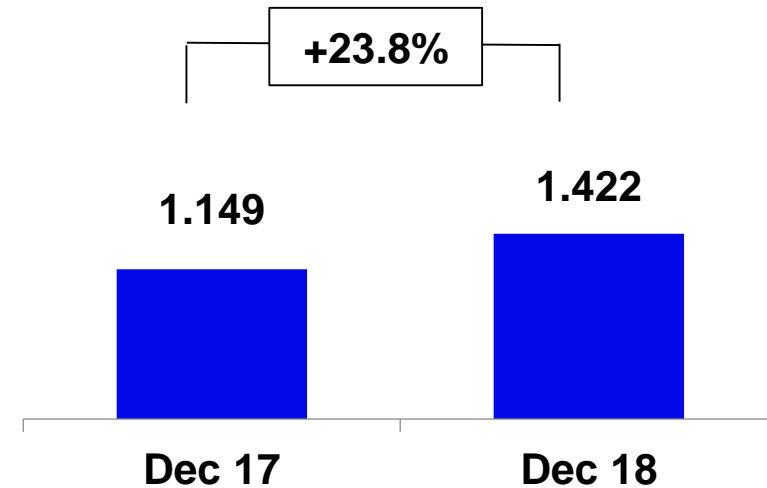
Net Income



Reported EBITDA

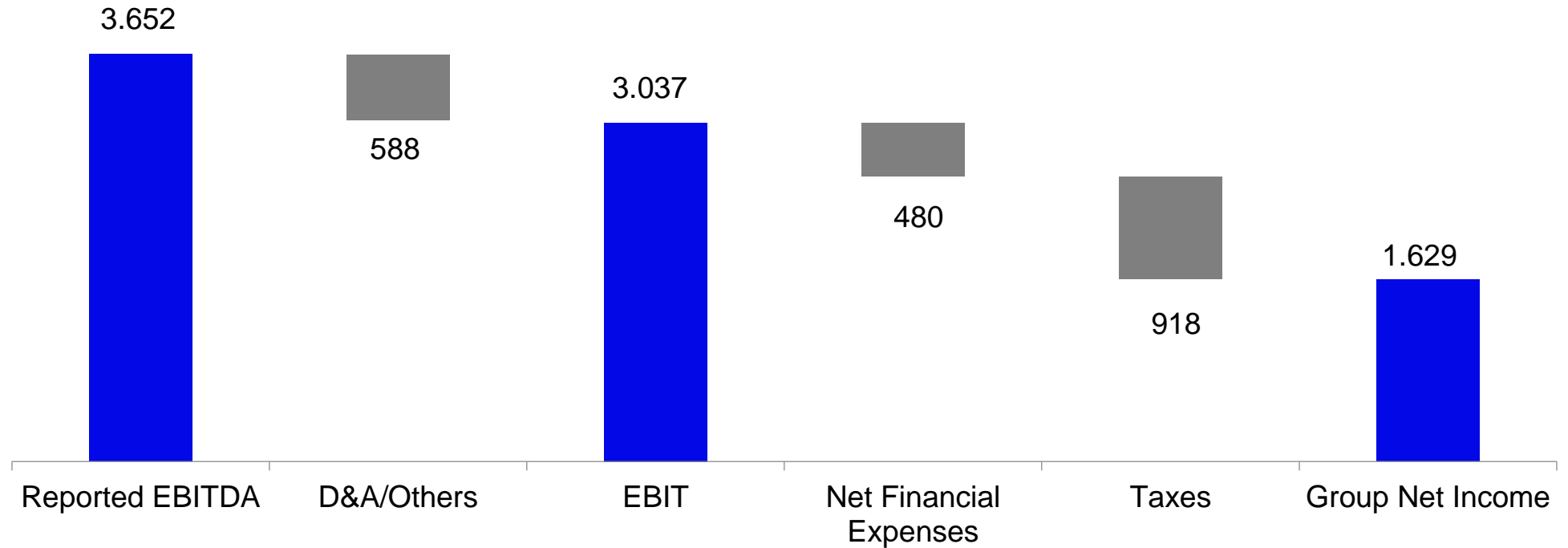


Net Debt²



FY 2018 results

Colombia- From EBITDA to Net Income (COP\$ billion)



2017

3.595

-541

3.063

-525

-994

-1,511

Change YoY

+1,6%

+8,7%

-0,8%

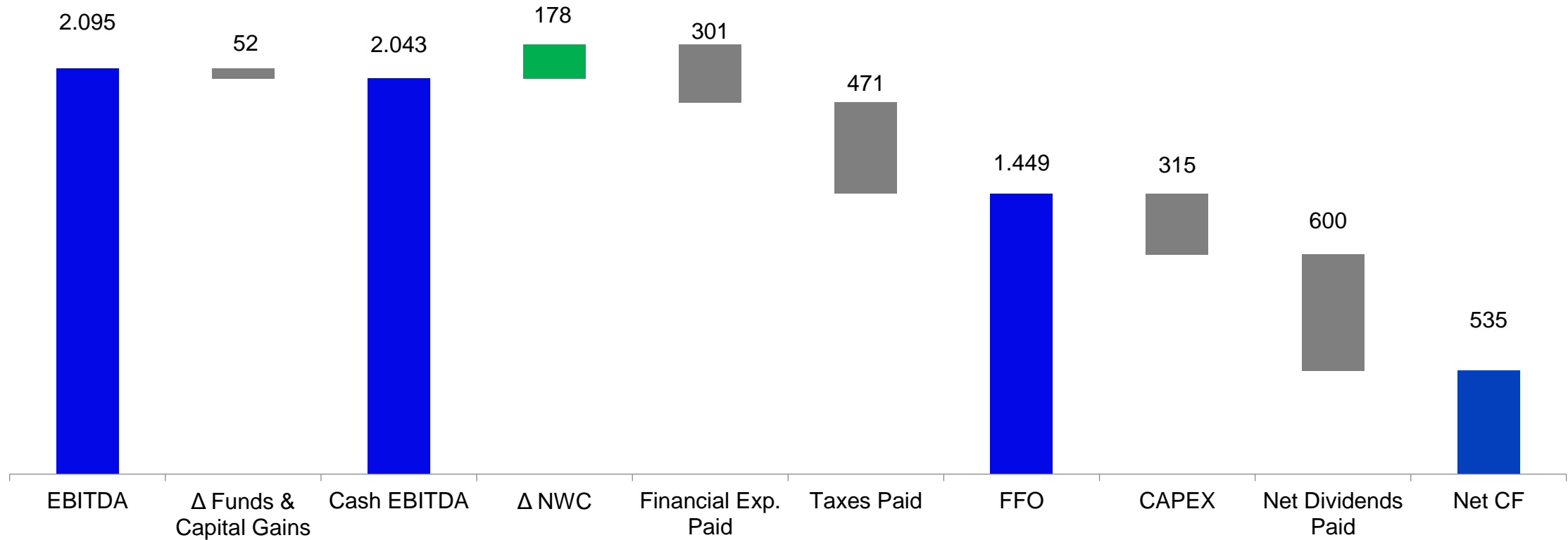
-8.6%

-7.7%

+7,8%

FY 2018 results

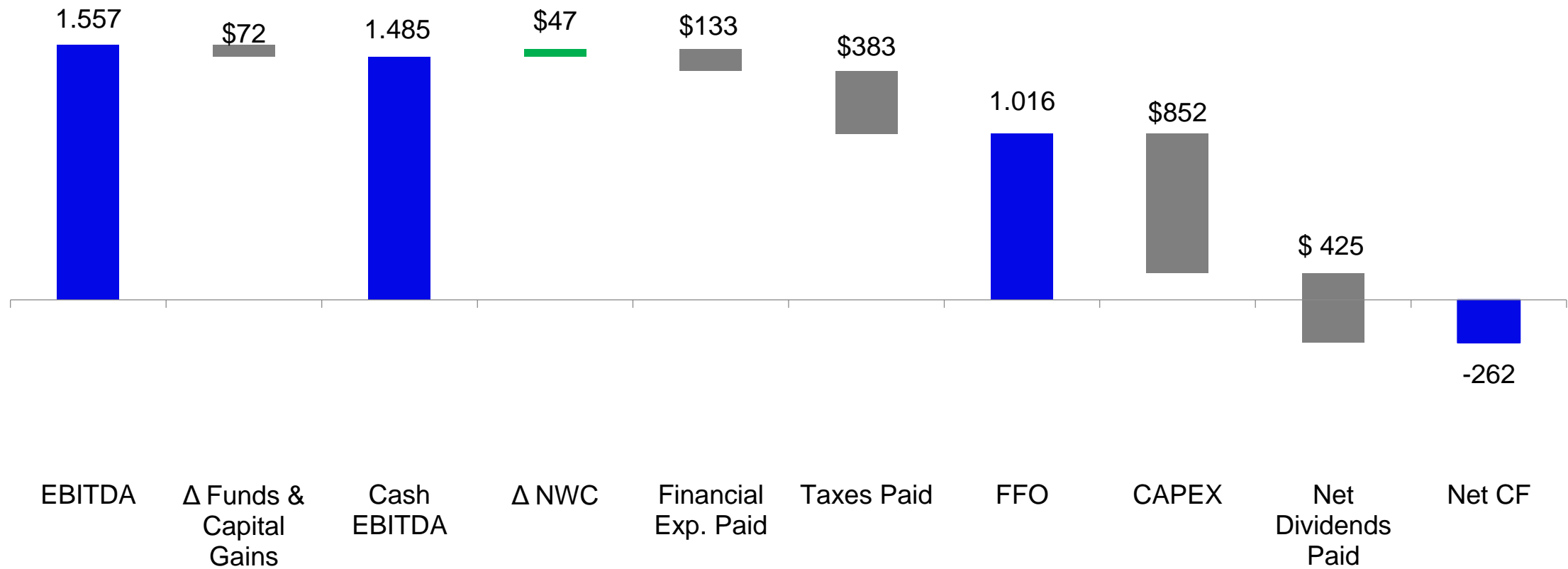
Emgesa- Cash Flow (COP\$ billion)



Figures presented correspond to accrual-basis accounting

FY 2018 results

Codensa- Cash Flow (COP\$ billion)



Figures presented correspond to accrual-basis accounting

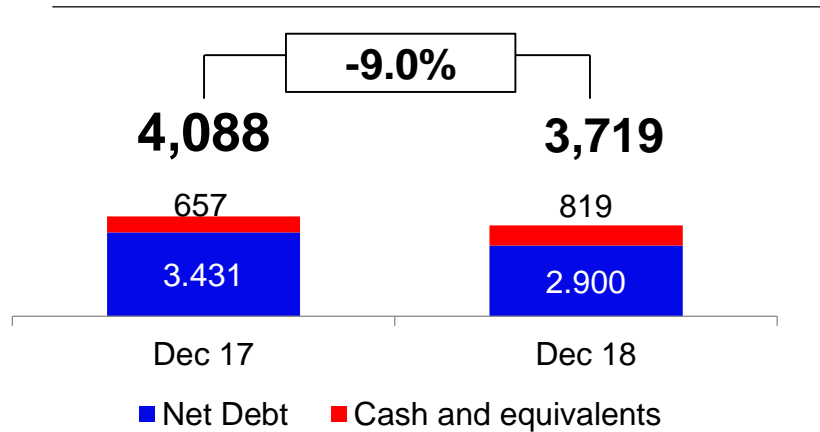
FY 2018 results

Gross debt breakdown (COP\$ billion)

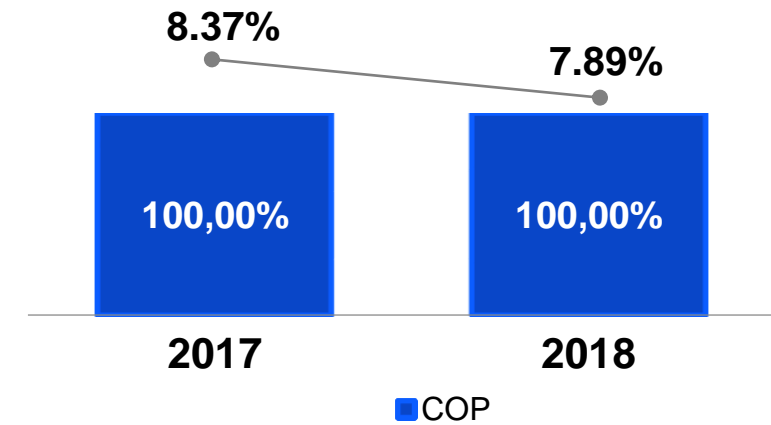


Generation

Gross and Net Debt

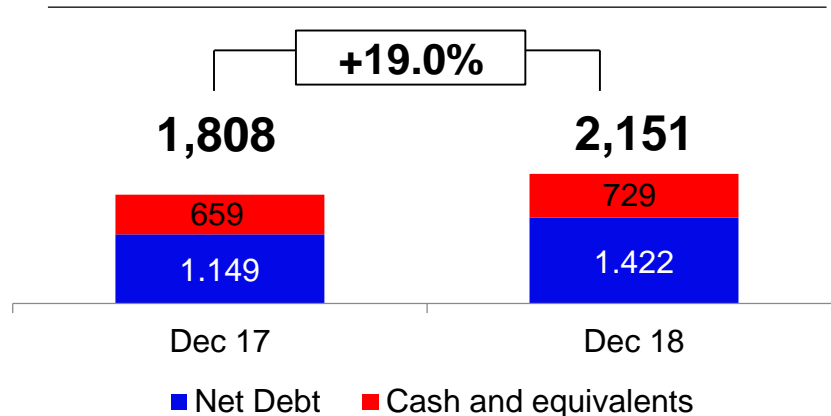


Gross debt breakdown by currency and Average Cost of Debt⁽¹⁾

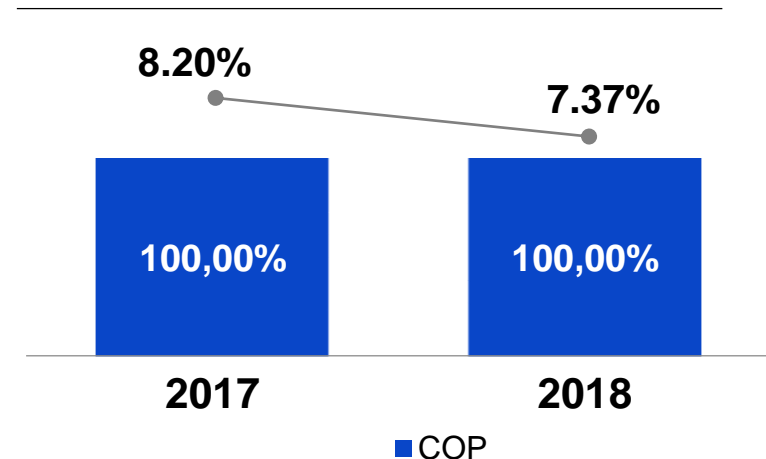


Distribution

Gross and Net Debt



Gross debt breakdown by currency and Average Cost of Debt⁽¹⁾



(1) 100% of principal and interest payments hedged to COP through derivatives

FY 2018 results

Closing Remarks



Positive results for the business in Colombia supported by the successful commercial strategy in the Gx business, a positive trend in energy demand and financial efficiency

Total **Capex execution in Colombia of COP\$1,2 trillion** focused in improving quality of service in the Dx business and network modernization

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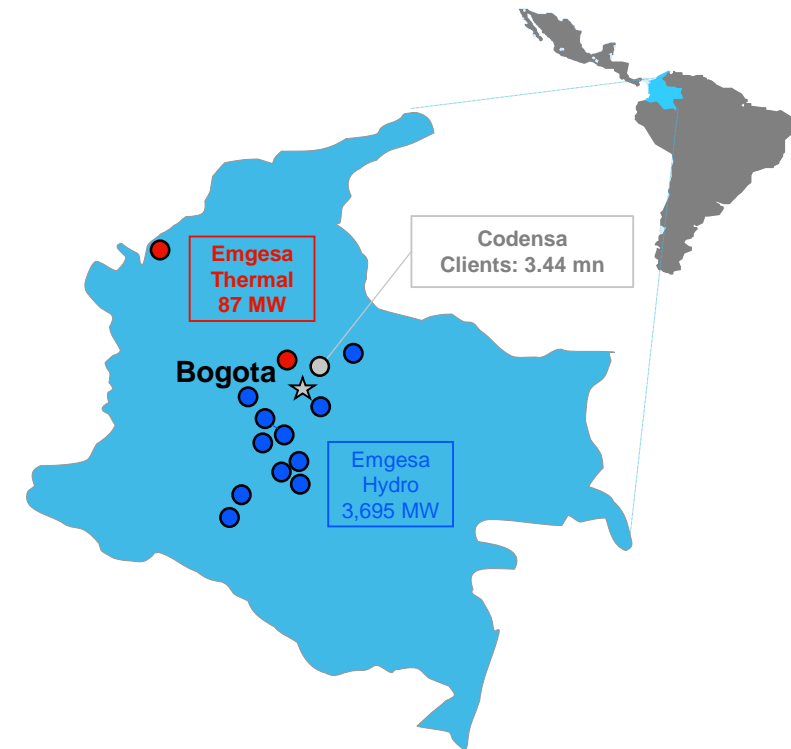
Exhibits

FY 2018 results

Snapshot of Operating and Financial results (COP\$ Billion)



	Generation			Distribution			Total		
	dic-17	dic-18	%	dic-17	dic-18	%	dic-17	dic-18	%
Revenues	\$ 3.425.081	\$ 3.718.449	8,6%	\$ 4.556.608	\$ 5.059.809	11,0%	\$ 7.981.689	\$ 8.778.258	10,0%
EBITDA	\$ 2.045.277	\$ 2.094.570	2,4%	\$ 1.550.076	\$ 1.556.956	0,4%	\$ 3.595.353	\$ 3.651.527	1,6%
CAPEX	\$ 234.481	\$ 314.537	34,1%	\$ 786.484	\$ 852.498	8,4%	\$ 1.020.965	\$ 1.167.035	14,3%
Net Production (GWh)	14.765	14.052	-4,8%	-	-	-	14.765	14.052	-4,8%
Energy Sales (GWh)	18.156	18.544	2,1%	15.013	15.269	1,7%	33.169	33.813	1,9%
Clients (mn)	-	-	-	3,34	3,44	2,9%	3,34	3,44	2,9%

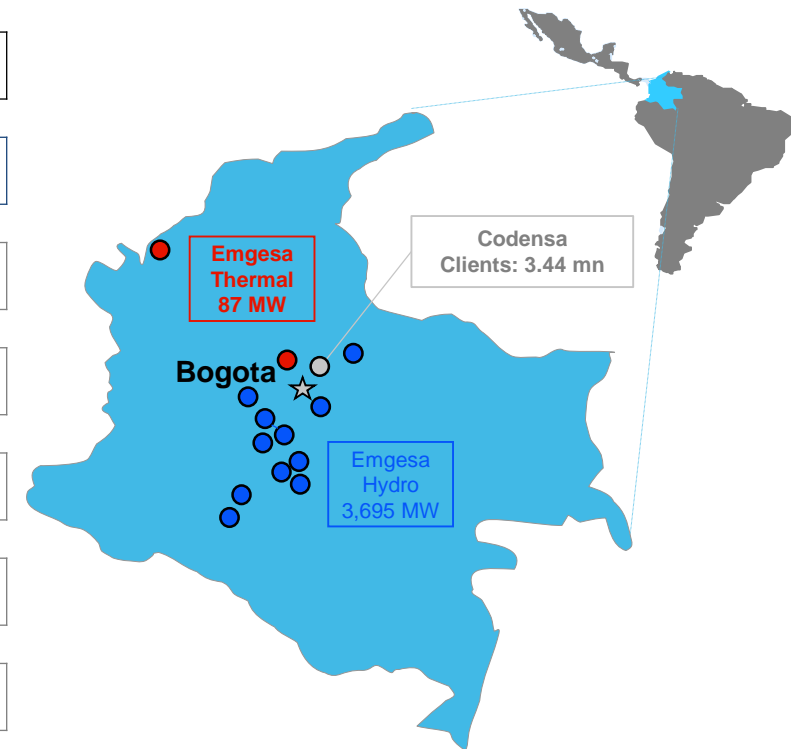


4Q 2018 results

Snapshot of Operating and Financial results (COP\$ Billion)



	Generation			Distribution			Total		
	4Q-2017	4Q-2018	%	4Q-2017	4Q-2018	%	4Q-2017	4Q-2018	%
Revenues	\$ 890.510	\$ 967.432	8,6%	\$ 1.204.736	\$ 1.353.320	12,3%	\$ 2.095.246	\$ 2.320.751	10,8%
EBITDA	\$ 510.323	\$ 470.347	-7,8%	\$ 397.305	\$ 429.168	8,0%	\$ 907.629	\$ 899.515	-0,9%
CAPEX	\$ 119.527	\$ 166.412	39,2%	\$ 324.360	\$ 282.908	-12,8%	\$ 443.887	\$ 449.320	1,2%
Net Production (GWh)	3.399	3.127	-8,0%	-	-	-	3.399	3.127	-8,0%
Energy Sales (GWh)	4.521	4.483	-0,8%	3.725	3.776	1,4%	8.246	8.259	0,2%
Clients (mn)	-	-	-	3,34	3,44	2,9%	3,34	3,44	2,9%



Financial Exhibits FY 2018

Debt structure, liquidity and credit profile- Emgesa + Codensa



Liquidity (COP\$ Bn)	Amount	Outstanding	Available
Committed credit lines	400	0	400
Cash and cash equivalents	1.548	0	1.548
Uncommitted lines	5.664	1.302	4.362
Total Liquidity	7.612	1.302	6.310

Company	Credit Profile as of December 2018	S&P	Fitch
Emgesa	LT international debt	BBB	BBB
	LT local debt	-	AAA(cl)
	Outlook (Int'l)	Stable	Stable
	Local Bonds Issuances		AAA(cl)
Codensa	LT local debt	-	AAA(cl)
	Local Bonds Issuances		AAA(cl)

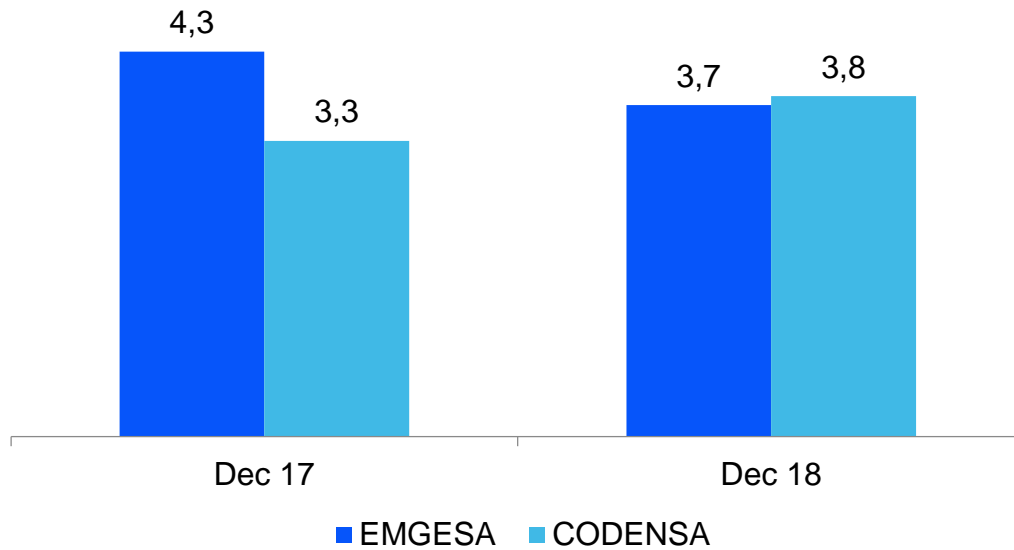
1. Includes cash and cash equivalence for more than 90 days

Financial Exhibits FY 2018

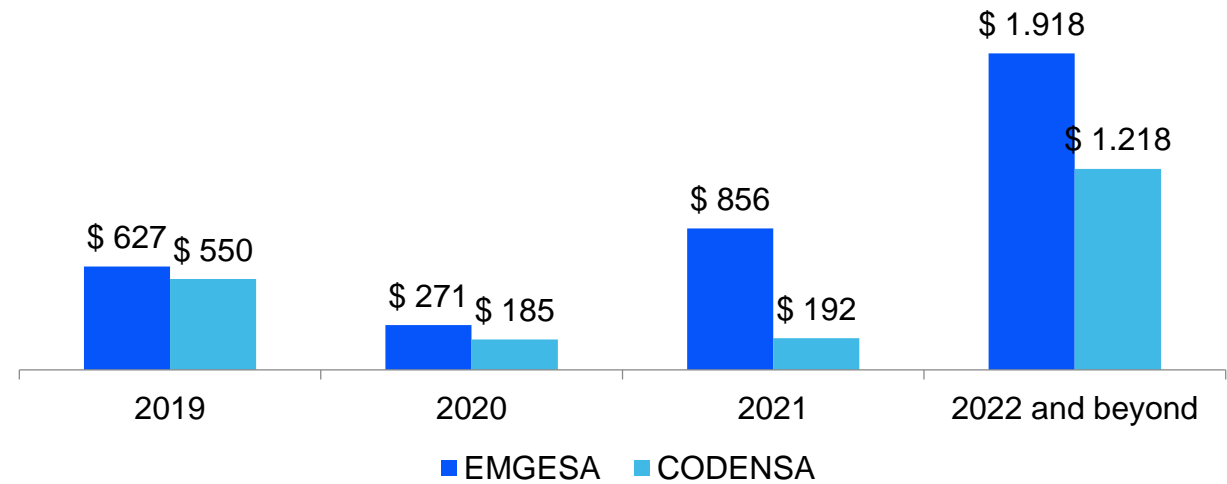
Debt maturity



Average residual maturity (years)



Debt profile (COP\$ Billion)





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