



# **GEB Results Presentation 2019**

March 5, 2020



GrupoEnergíaBogotá

# Disclaimer

*The information provided herein is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal, investment or financial advice on any subject. This presentation does not purport to address any specific investment objectives, financial situation or particular needs of any recipient. It should not be regarded by recipients as a substitute for the exercise of their own judgment. This information does not constitute an offer of any sort and is subject to change without notice. GEB is no obligation to update or keep current the information contained herein.*

*GEB expressly disclaims any responsibility for actions taken or not taken based on this information. GEB does not accept any responsibility for losses that might result from the execution of the proposals or recommendations presented. GEB is not responsible for any content that may originate with third parties. GEB may have provided, or might provide in the future, information that is inconsistent with the information herein presented. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein.*

*This presentation may contain statements that are forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934. Such forward-looking statements are based on current expectations, projections and assumptions about future events and trends that may affect GEB and are not guarantees of future performance.*

*The shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws. Accordingly, the shares are being offered and sold in the United States only to qualified institutional buyers as defined under Rule 144A under the Securities Act, and outside the United States in accordance with Regulation S of the Securities Act.*

*We converted some amounts from Colombian pesos into U.S. dollars solely for the convenience of the reader at the TRM published by the SFC as of each period. These convenience translations are not in accordance with U.S. GAAP and have not been audited. These translations should not be construed as a representation that the Colombian peso amounts were, have been or could be converted into U.S. dollars at those or any other rates.*

# **1. Introduction**

## **2. Key updates 2019**

## **3. Financial performance 2019**

## **4. Investment projects GEB**

## **5. Q & A**



# Introduction

---

1



Grupo Energía Bogotá

# GEB at a Glance

GEB is a leading energy holding in LatAm with a diversified portfolio of power and natural gas utilities, classified in three strategic business groups:



**Power Distribution**

**Natural Gas Distribution**

**4,1 mm of clients in Power distribution**  
**3,3 mm clientes in Natural Gas Distribution**



**Power Transmission**

**Natural Gas Transportation**

**14.006 km of Transmission Lines**  
**4.288 km of Gas pipelines**



**Power Generation**

**3.544 MW in Installed Capacity**  
**15.229 GWh in Power Generation**

Revenue	EBITDA	Operating Income	Net Income <sup>(1)</sup>	CAPEX <sup>(2)</sup>	Income Distribution Project 2019 COP\$1.285.365 mm COP\$140 per share (+8%)	Dividend yield <sup>(3)</sup> 6,3%
2019	2019	2019	2019	2019	<b>Stock Market Capitalization</b> COP\$20.382.212 mm USD\$6,2 bn December 31, 2019	
COP\$4.887.194 mm 22,1% YoY	COP\$3.123.978 mm 18,2% YoY	COP\$1.395.004 mm 13,3% YoY	COP\$1.845.859 mm 5,6% YoY	USD\$630 mm 58,7% YoY		

Note: The 2018 figures correspond to the restated Financial Statements

(1) Net income shows only the controlling interest

(2) Includes only controlled companies

(3) Calculated based on the closing share price as of December 31, 2019 and the dividend of COP\$140 to be paid during 2020, corresponding to 2019 income

# Key updates 2019

---

2



Grupo Energía Bogotá

# Key updates 2019



## 1Q 2019

- GEB announced an OPA to acquire **100% of Electrodonas** in Peru
- The General Shareholders' Meeting was held, and the following was presented and approved:
  - ✓ GEB's consolidated and individual financial statements as of December 2018
  - ✓ Dividend Distribution Proposal 2018: **COP\$1.193.533 mm**, corresponding to **COP\$130** per share (+13% Vs. 2017)

## 2Q 2019

- GEB received the Bonds and Loans award, in the **Best Andean Syndicated Loan category for 2018, for accomplishing the conditions for favorable refinancing and allowing an important reduction in financing costs**
- 1st dividends payment, corresponding to **COP\$65** per share and equal to **COP\$596.767 mm**
- Our auditor expanded on the comment on the opinion from December 2018, about the determination of the final rates for the valuation of the financial asset of Gebbras (The opinion as of June 2019 is delivered without comment to the opinion)



# Key updates 2019



## 3Q 2019

- The ANLA issued a license to GEB to construct the Alférez - San Marcos transmission line (**37,3 km**), that will reduce the risk of failures and suspensions generated by overloads of the electric power system and will potentiate the connection of new users
- GEB entered into an external public debt management operation to refinance **USD\$749 mm** with a syndicated loan; BofA, Citi and Sumitomo were the arrangers:
  - ✓ Extension of term in one additional year, until July 2024
  - ✓ Libor 6M + 1,625%, a decrease of the spread in 52 pbs, generating annual savings greater than {ut2}USD\$3,9 mm
- New debt for working capital of **OP\$900.000 mm**
- GEB completed the acquisition of **Electrodunas, Perú Power Co y Cantalloc**, power distribution, energy solutions and technical services companies for the power sector, respectively, in the region of ICA (Peru).
- For 8th consecutive year GEB consolidated in the **Dow Jones Sustainability Index**



# Key updates 2019



## 4Q 2019

- Fitch: Investment grade rating **BBB** on an international scale and **AAA** on (Local, corporative and bonds), with stable outlook
- Moody's: **Baa2** rating, with stable outlook
- S&P: **BBB-** rating, with stable outlook
- 2nd dividend payment, corresponding to 50% or **COP\$65** per share
- For **6th** consecutive year the BVC awarded GEB the **IR Recognition**
- GEB announced jointly with Red Eléctrica Internacional S.A.U., that they will acquire the assets of Argo Energia Empreendimentos e Participações S.A. for **BRL\$3.500 mm** (GEB: 50% of the interest)
- **Promigas** was reclassified to "investments in associates" in the EEFF
- GEB launched an OPA for the remaining 0,04% of the shares of Electrodunas
- The MHCP approved GEB's external public credit operation with Davivienda for **USD\$300 mm** at 12 years bullet (Libor + 2,35%)
- GEB climbed **44 positions** in the ranking of the 100 companies with the best reputation in Corporate Responsibility and Governance indicators - Merco 2019, occupying position 54



# Key updates 2019



## 1Q 2019

- The effect of IFRS 16 adoption is recognized in the FS
- Dividend distribution to shareholders of **USD\$90 mm**
- Start of operations of the realignment for the Gualanday Dina gas pipeline
- Visit with the ANLA for the evaluation of the Buenaventura - Yumbo Gas Pipeline and the environmental diagnosis of the location for the **Regasification Plant**

## 2Q 2019

- Moody's: **Baa3** bond rating, with stable outlook
- Subscription of contract for the first project of Works for Taxes for **(COP\$8.500 mm)** for the construction and optimization of the networks of the aqueduct system in the urban center of La Paz, Cesar.

## 3Q 2019

- Renewal of Cusiana - Sabana and Ballena - Barranca (2024 -2025) contracts for an estimated value of **USD\$40 mm**
- With information provided by TGI, CREG opened a file to determine the efficient value of investment and AO&M for **4 IPAT projects**

## 4Q 2019

- Fitch: **BBB** bond rating, with stable outlook
- S&P: **BBB-** corporate rating, with stable outlook
- Second dividend payment of **USD\$39,8 mm**

# Key updates 2019



## 1Q 2019

- Fitch Ratings y S&P: Foreign currency credit ratings with stable outlook at **BBB and BBB-**, respectively
- Equilibrium (Local Rating) revalidated the rating of **AAA.pe**, which is the highest level of corporate bonds within Peru
- Declared dividends of **USD\$59,7 mm**, from which the Group is entitled to 60%

## 2Q 2019

- At the end of July Osinergmin approved an extension of the **current five-year investment plan**, which runs from May 2018 to May 2022

## 3Q 2019

- Issued for the 2nd time corporate bonds in Soles in the local market, for PEN\$342 mm (**USD\$100,6 mm**) at 10 years bullet and rate in Soles of 5,03%, covered to USD\$ through a Cross Currency Swap (**3,17% Rate**)
- At the end of July, a readjustment of more than **7,35%** in the distribution tariff was approved, which applies from August 7, 2019, within the framework of the 2018 - 2022 tariff period

## 4Q 2019

- During the quarter, a total of **48.131 clients** were connected and **366 km** of polyethylene networks were built
- As of year-end 2019, Cálidda exceeded **950 clients connected**
- At the end of 4Q 2019, natural gas production in Peru increased by **6%** compared to 4Q 2018
- As for the local market, consumption increased in 5%, standing at **763 Mscfd**
- Dividend payment of **USD\$59,7 mm**

# Key updates 2019



## 1Q 2019

- Disbursement of short-term intercompany loan with EEB Gas S.A.S. of **USD\$11,0 mm**
- Renewal of short-term loans with local banks for **USD\$20,0 mm**

## 2Q 2019

- Disbursement of short-term debt of **USD\$2,25 mm** to finance temporary liquidity needs

## 3Q 2019

- Refinancing of Contugas with guarantee from its partners (GEB and TGI) for **USD\$355 mm**, through a syndicated loan with Mizuho and BBVA as structurers:
  - ✓ Extension of term until September 2024
  - ✓ Reduction of the spread in 175 pbs, generating annual savings greater than USD\$6,2 mm

## 4Q 2019

- During 2019, an impairment of assets was recorded for **USD\$51,7 mm**
- The shareholders, GEB and TGI, made capitalizations for **USD\$69 mm**
- Corporación Leribe and Inmobiliaria American Group S.A. customers were connected
- Early fulfillment of the BOOT contract obligation consisting of the connection of more than 50,000 customers per year 5, which by the end of June was reported in a total of **50.975**

# Financial Performance 2019

## Consolidated

---

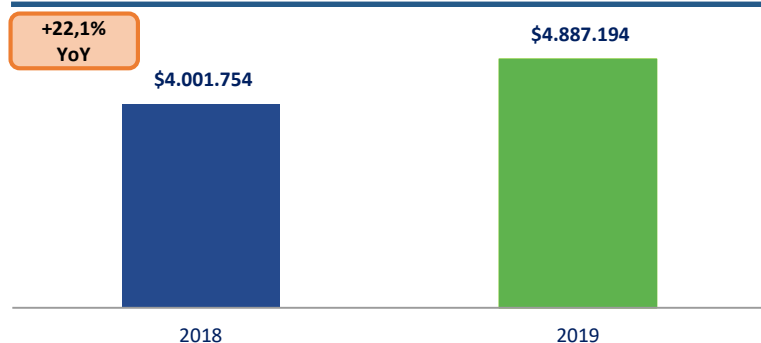
Note: The 2018 figures correspond to the restated Financial Statements

3

# Operational performance

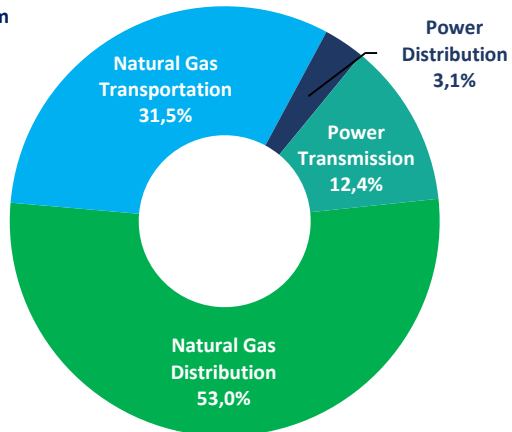
COP\$ Million

## Revenue from operational activities



## Revenue by business lines | 2019

COP\$4,887.194 mm



2019 Vs. 2018 +22,1%

### Natural gas distribution +15,7%; +COP\$351.186 mm:

- Cálidda: Increase due to distribution. Higher gas transportation and consumption due to a rise in contracted capacity. Increase in *pass through* revenues from gas contracting and network expansion

### Natural gas transportation +17,2%; +COP\$225.410 mm:

- TGI: Increase in fixed capacity charges in USD\$, net AO&M and variable charges. Revenue from contracting of Cusiana - Vasconia Phase 3,5 expansion project. Positive impact of the Exchange rate on the FS conversion

### Power distribution<sup>(1)</sup> +100,0%; +COP\$151.182 mm:

- Electrodonas: The figures were accounted for from 10/08/2019 and correspond to the distribution of energy, complementary services and the participation in the commercial margins of the generators.

### Power transmission +35,2%; +COP\$157.662 mm:

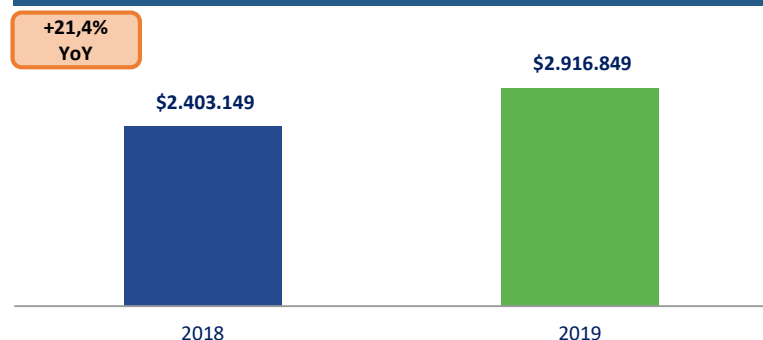
- GEB: Revenue from the following projects was received in full: Refuerzo Suroccidental, Expansion La Loma and Altamira STR. The payment from the Mocoa insurance was received. New acquisitions: Base System Asset of Betania Substation and UPME Tuluní Tender Call

(1) For both revenues as well as expenses and costs, power distribution includes figures from Dunas Energía, PPC Perú Holdings S.R.L and Cantaloc Perú Holdings S.R.L.

# Operational performance

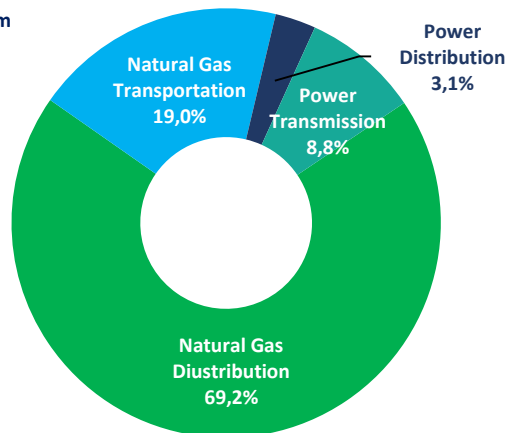
COP\$ Million

## Costs of operational activities



## Costs by business lines | 3Q 2019

COP\$2,916,849 mm



2019 Vs. 2018 +21,4%

### Natural gas distribution +18,3%; +COP\$311.683 mm:

- Cálidda: Growth in *pass trough* costs under the gas distribution and transportation item for higher invoiced volume
- Contugas: An impairment of USD\$51,7 mm was recorded

### Natural gas transportation +14,4%; +COP\$69.827 mm:

- TGI: Increase in depreciation and amortization (application of IFRS 16). Increase in cost of goods and services (fuel gas and environmental management elements and accessories) and supplies

### Power distribution +100,0%; +COP\$89.388 mm:

- Electrodonas: The figures were recorded from 10/08/2019 and correspond to the purchase of energy and gas, depreciations, amortizations, repairment, maintenance and consumption of spare parts

### Power transmission +20,1%; +COP\$42.802 mm:

- GEB Transmission: Accounting of project costs: Armenia, Cartagena - Bolívar, La Loma, and La Loma Expansion. Detailed allocation of costs and expenses. Increase in maintenance and depreciation costs

# Equity participation method

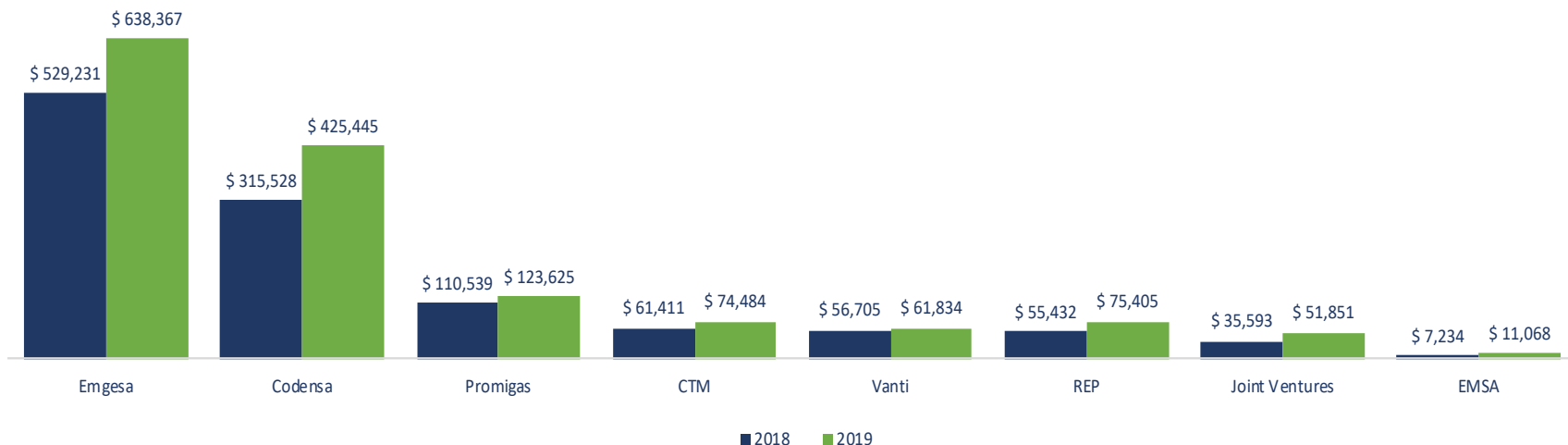
COP\$ Million

## Equity participation method

2018 – COP\$1.171.673 mm

2019 – COP\$1.462.079 mm

+24,8%  
YoY



# Associated companies key updates 2019



- Increase of **8%** in revenues during 2019 vs. 2018: approval of new tariff scheme (distribution charge) applicable retroactively and associated with the company's investment level
- EBITDA grew **18%** in 2019, compared to 2018
- Increase of **35%** in net income for 2019
- Net debt was **27%** higher than at the end of 2018; financial expenses increased by **11%**
- Investments reached the **highest historical level** in 22 years, focusing on service quality improvement, modernization, automation and strengthening of electrical infrastructure



- Operating revenues for 2019 were **10%** higher than in 2018: use of spot market prices that increased due to the lack of rain in regions outside Emgesa's operation
- Generation increase of **+1,2 TWH**
- EBITDA increase of **11,5%** during 2019
- Historically highest net income in 2019, with growth of **20,8%** compared to 2018
- Net debt decrease of **14,7%** as of year-end 2019 vs. 2018
- Extension of useful lifespan and environmental improvement of **Termozipa** and installation of the first Energy Storage System (BESS) in Colombia



- Increase of revenue to **COP\$2,56 bn (+ 12,7%)** in 2019 vs. 2018
- Net income increased **9,1%** up to **COP\$247,345 mm** during 2019
- Fitch affirmed Vanti's national long-term and short-term ratings on **AAA (Col)** and **F1+ (Col)**, with stable outlook. Additionally, it affirmed current bond ratings for 2012 and 2019 at **AAA (Col)**
- GN participation in Gasoriente increased to **64,3%**

# Associated companies key updates 2019



- Revenue growth in 2019 equal to **11,0%** and reaching **COP\$4,8 bn**
- 2019 net income closed with an increase of **11,8%** at **COP\$811.374 mm**
- Moody's grants **Baa3** rating to issuance of international bonds.
- Issuance of **USD\$400 mm** under Rule 144A and Regulation "S" of the US Federal Securities Act. Gases del Pacífico acted as a co issuer. **6 times bid-to-cover (USD\$2,6 bn)**
- Signing of a **32-year concession** contract for natural gas distribution in the Piura region of Peru by Gas del Norte de Peru S.A.C.



- Revenue increase of **50,0%** during 2019 to **USD\$178,6 mm**: positive effect, partially explained by updated revenue recognition for the period 2015-2019 (USD\$10 mm)
- Net income increased **84,5%** to **USD\$57,4 mm** in 2019 vs. 2018
- Issuance of the rating for the 4th REP bond program by the rating agencies Apoyo y Asociados, Equilibrium and Moody's of **AAA.pe**.
- ISA REP and Scotiabank Peru sign a 6-year medium-term agreement of **USD\$70 mm** for refinancing of short-term debt

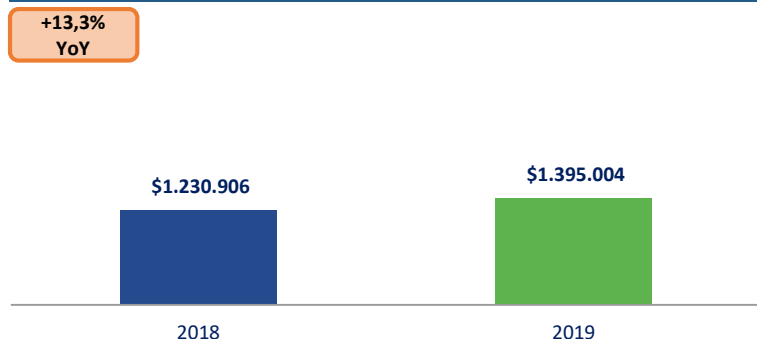


- Revenue increased in **8,3%** to **USD\$205,4** in 2019 vs. 2018: Carapongo project ticket (USD\$4,6 mm)
- Increase in net income in 2019 equal to **9,8%** (**USD\$56,8 mm**)
- Issuance of International Green Bond under 144A/RegS form in **USD\$400 mm** to finance and refinance energy efficiency projects
- Fitch Ratings improves ISA CTM's outlook from stable to positive (**BBB-, positive**)
- Rating agency Apoyo y Asociados ratified the rating of commercial papers in **CP-1+.pe**

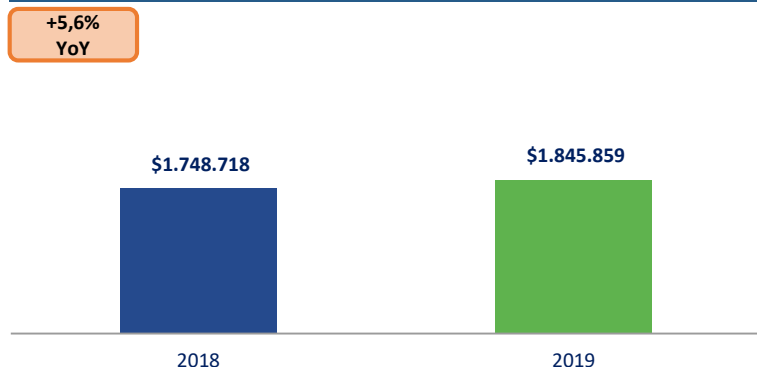
# Consolidated financial results

COP\$ Million

## Operating income



## Net Income controlling participation



## Operating Income

The Operating result shows a growth of 13,3% in 2019, as a result of:

- Higher gross profit (23,3%) with a margin that remained at 40,0%, associated with positive revenue and cost dynamics in each of the business lines
- Partially offset by the following items through administrative expenses and other revenue (expenses), net:
  - ✓ Increase in depreciations and provisions
  - ✓ Non-recurrent revenue (Indemnities)

## Net Income

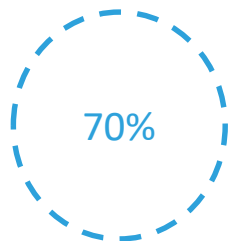
The result is mainly generated by the positive Operating performance and by the following variations:

- Equity participation method +24,8%; +COP\$290.406 mm
- Positive foreign exchange difference of COP\$32.607 mm (+162,3%; +COP\$84.909 mm )
- Financial revenue +28,9%; +COP\$30.427 mm
- Increase of 65,1% in current tax expense and 233,9% in deferred tax
- Financial expenses +11,2%; +COP\$60.434 mm

# 2019 Income distribution project

COP\$ Million

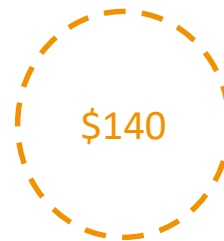
<b>Period Net Income</b>	<b>1.845.859</b>
<i>Equity Participation Method Reserve Controlled</i>	-565.390
<i>Equity Participation Method Reserve Affiliates</i>	-1.286.603
<i>Occasional Reserve Foreign Exchange Difference</i>	-19.038
<i>Release Equity Participation Method Reserve Controlled</i>	456.527
<i>Release Equity Participation Method Reserve Affiliates</i>	813.725
<i>Release occasional reserve (expansion projects)</i>	40.285
<b>At the Disposal of the Shareholder's Meeting</b>	<b>1.285.365</b>



**Dividend  
ratio**



**Dividend  
increase**



**Dividend per  
share**



**Dividend  
Yield<sup>(1)</sup>**

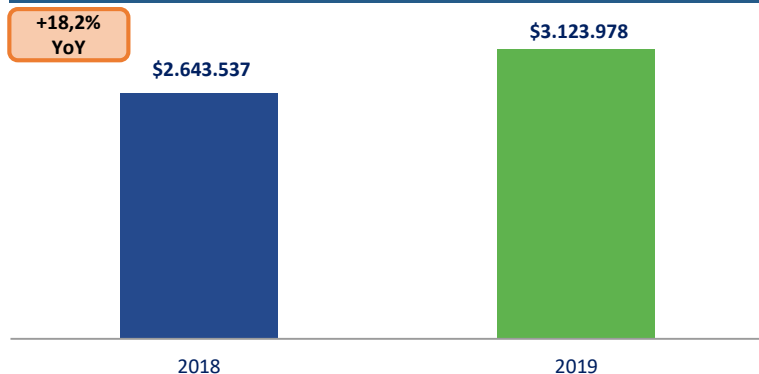
Note: The 2019 profit sharing proposal is subject to approval by the General Shareholders' Meeting on March 30, 2020.

(1) Calculated based on the closing share price as of December 31, 2019 and the dividend of COP\$140 to be paid during 2020, corresponding to 2019 income

# Consolidated financial results

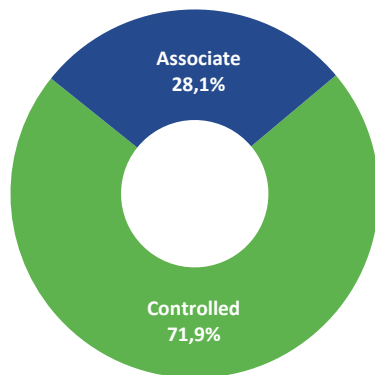
COP\$ Million

## EBITDA



## EBITDA controlled and associated companies | 2019

COP\$3.123.978 mm



## EBITDA

The adjusted consolidated EBITDA went from USD\$2.643.537 mm to COP\$3.123.978 mm from 2018 to 2019, a growth of 18.2%, reflecting the profitability and sustainability of the operating activity and the development of the different business lines of the Company

It is important to highlight the following:

- ✓ 39,6% of the EBITDA is generated by TGI, 15,5% by Cálidda and 12,0% by Emgesa (dividends), as the most relevant companies within the consolidated report
- ✓ 71,9% of the EBITDA is generated by the controlled companies and the remaining 28,1% by the non- controlled ones (Associated)
- ✓ Dunas Energía, PPC and Cantalloc, through the consolidation of their operations, contributed 2,2% COP\$68.014 mm to the EBITDA during 2019

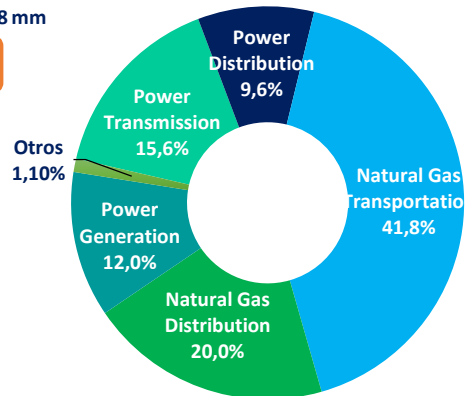
# EBITDA performance

Consolidated adjusted EBITDA has grown over the last 10 years demonstrating increased strength of GEB's controlled assets

## EBITDA by business lines | 2019

COP\$3.123.978 mm

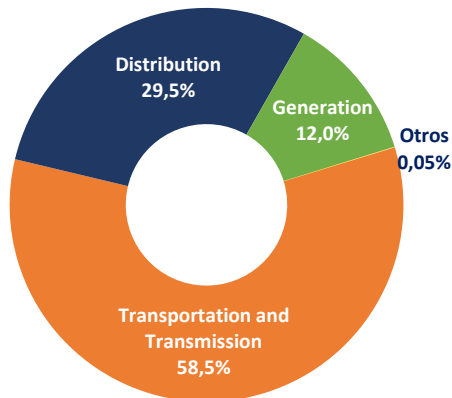
+18,2%  
YoY



## EBITDA by segment | 2019

COP\$3.123.978 mm

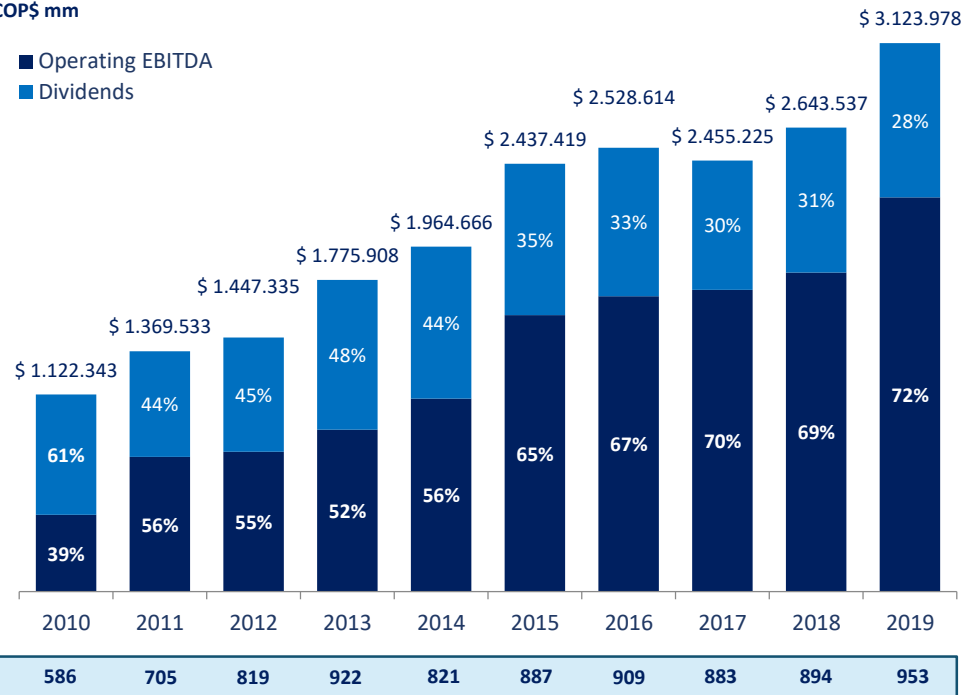
+18,2%  
YoY



## Adjusted consolidated EBITDA 2019

COP\$ mm

■ Operating EBITDA  
■ Dividends

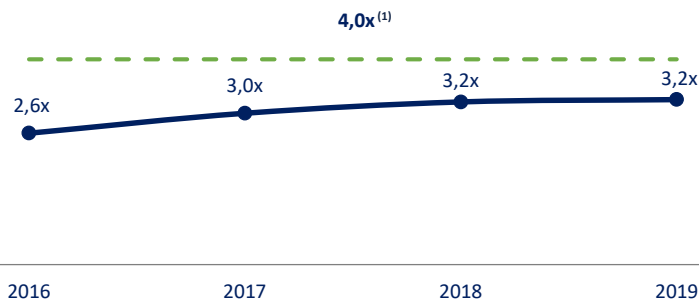


USD\$ Mm

Note: Numbers for the years 2006 to 2013 are presented under ColGaap standards. From 2014 onwards they are presented under IFRS

# Debt profile

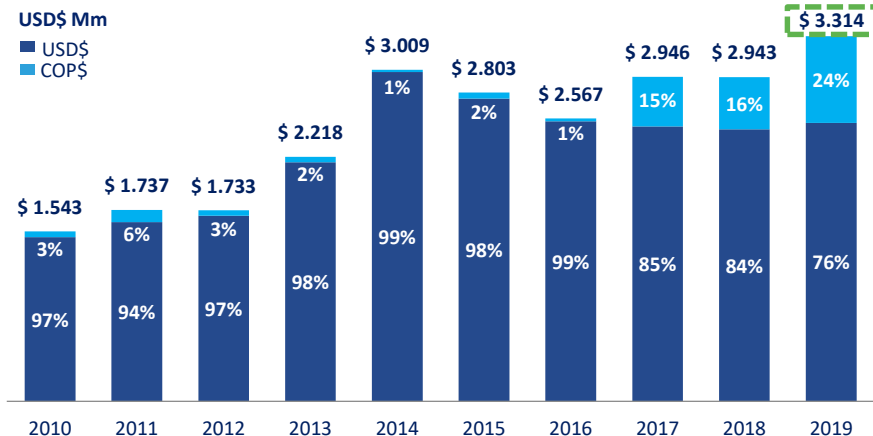
## Net debt / EBITDA



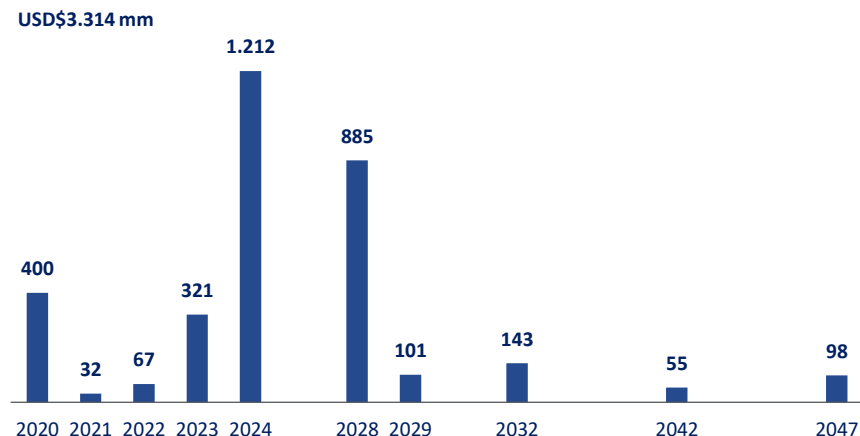
## EBITDA / Net interests



## Consolidated debt composition



## Debt maturity profile, December 2019<sup>(2)</sup>



(1) Reasonable indebtedness limit  
 (2) 2024, 2032, 2042 and 2047, corresponds to local maturities of bonds expressed in Colombian pesos.

# Investment projects GEB

---

4



Grupo Energía Bogotá

# Investment projects - Transmission

The revenue growth has been maintained through a solid investment plan (Direct investment in Colombia)



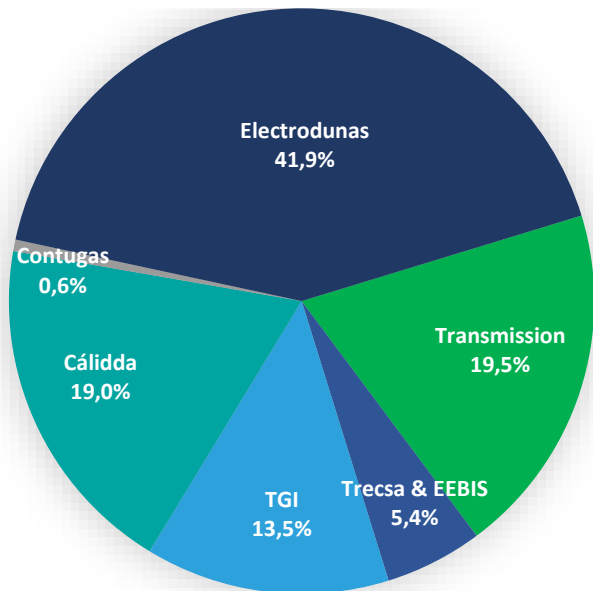
Project update (2019)	Progress	EAR <sup>(1)</sup> USD\$ mm	Official Date UPME <sup>(1)</sup>
Chivor II 230 kV	58,50%	5,5	2Q 2020
Tesalia 230 kV	93,00%	10,9	2Q 2020
Sogamoso Norte 500 kv	62,70%	21,1	4Q 2020
Refuerzo Suroccidental 500 kV	37,50%	24,4	4Q 2020
Ecopetrol San Fernando 230 kV	85,50%	6	4Q 2020
La Loma STR 110 kv	58,30%	6,96	3Q 2020
Colectora 500 kV	15,10%	21,46	4Q 2022
		<b>96,3</b>	

# CAPEX / Acquisitions

Revenue increase has remained stable due to an intense Capex plan

## Executed CAPEX / Acquisitions controlled companies

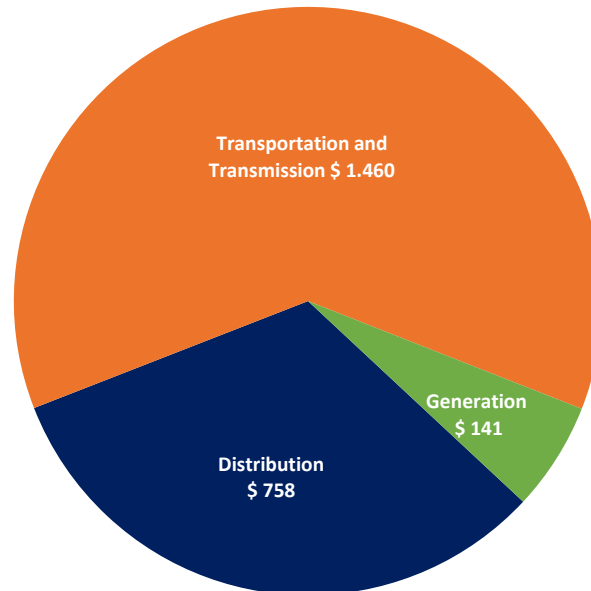
2019  
USD\$630,0 mm



## Forecasted CAPEX / Acquisitions controlled companies

USD\$

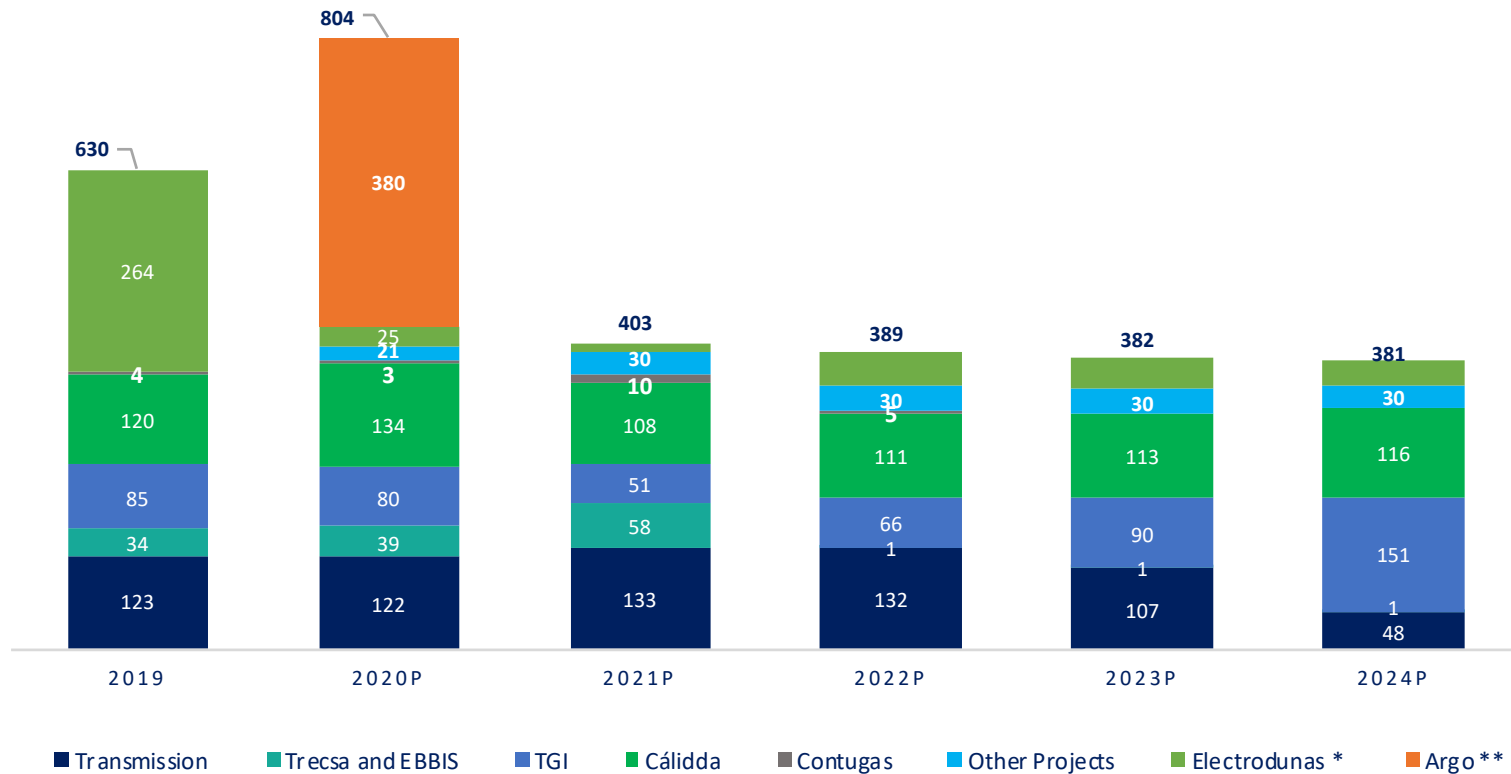
Investments in controlled companies USD\$2.359 million (2020 - 2024)



# CAPEX / Acquisitions forecast

USD\$

Investments in controlled companies USD\$2.359 million (2020 - 2024)



\*Includes acquisition value and CAPEX

\*\* Purchase value is subject to exchange rate variations

Note: From 2020 onwards, corresponds to projections and are adjusted on an annual basis

# Q & A

---

5



Grupo Energía Bogotá

# Investor relations



**Astrid Alvarez**



+57 (1) 326 8000

CEO GEB



ir@geb.com.co



**Felipe Castilla**



+57 (1) 326 8000

CFO GEB



ir@geb.com.co



**Valeria Marconi**



+57 (1) 326 8000  
Ext 1536

Investor Relations  
Manager



vmarconi@geb.com.co



**Sandra Jiménez**



+57 (1) 326 8000  
Ext 1827

Investor Relations  
Advisor



sjimenezv@geb.com.co