

## Q1 2019 Results

### Celsia starts out the year with strategic moves and results that display profitable and sustained growth

- Revenues of COP 861 billion; EBITDA of COP 276 billion, net profit of COP 54 billion and investments of COP 85 billion are the main consolidated results of the first quarter of 2019.
- Colombian operations accounted for 82% of consolidated revenues and 86% of EBITDA.
- During the quarter in Colombia, overall year-to-date demand by the National Electrical Grid (SIN) increased by 4.3% compared to the same period in 2018. The regulated market grew at a rate of 4.3%, and the unregulated market grew by 4.1%.
- A highly relevant event for the Company in early 2019 was the acquisition of the energy distribution business of Tolima, through which it will now cover 1,115,000 customers.

**Medellín, May 8, 2019.** Celsia, the energy company of Grupo Argos, presents the results of the first quarter of 2019, as well as major strategic moves for the Company's sustainable growth.

**Consolidated revenue** for the quarter was COP 861 billion, 2% up from the previous year. Of this total, Colombian operations contributed COP 705 billion (+7%), equivalent to 82% of the consolidated total, while operations in Central America accounted for 18%, contributing USD 50 million (-23%).

By business line, energy generation in Colombia contributed COP 342 billion (+5%); the transmission and distribution business contributed COP 77 billion (+20%); and retail sales totaled COP 263 billion (+14%).

**Consolidated EBITDA** totaled COP 276 billion, the second-highest EBITDA on record for a first quarter, which was above the Company's expectations, considering the expiration of energy sales contracts in Panama through Bahía las Minas (BLM), which given the dynamic market it expects to recover through new contract awards starting in 2020. Once the effect of this contract is counted out, EBITDA of the BLM operation during the quarter decreased by only USD 800,000 compared to the same period in 2018. During the quarter this plant sold energy in the spot market in Panama, and will continue to generate energy in the following months based on its competitive and strategically important position in the market, in conditions of low water levels in the country.

In Colombia, **EBITDA** totaled COP 238 billion, equivalent to 86% of the consolidated result, up 13% compared to 2018. This result is due to good performance of the generation

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portfolio, good results of the distribution business with the assets of Plan5Caribe and the growth of our commercial portfolio.

The Company posted **consolidated net profit** of COP 54 billion (-32%) in the quarter. When subtracting minority interests, net income attributable to the controlling shareholders was COP 34 billion, down 33%.

**Investments** totaled COP 85 billion (in Colombia COP 82 billion and in Central America USD 1.1 million); of this total, COP 54 billion was invested in transmission and distribution, COP 23 billion in the generation business and the remainder in innovation, support and business continuity.

*“We continue to work with perseverance to consolidate ourselves as relevant players in the national electricity sector. The important moves we made at the beginning of 2019 demonstrate this: we will soon begin to provide energy service in Tolima, reaching over one million customers; we completed, within the planned time frames and budget, the 7 projects we were awarded for Plan5Caribe; we increased our shareholdings in Epsa by almost 2%, and we placed COP 1.1 trillion of ordinary bonds at Epsa, the company through which we are leveraging our growth in Colombia,”* said **Ricardo Sierra Fernández**, Celsia’s CEO.

### **These were the moves in the first quarter of 2019**

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- The announcement was made on the acquisition of the distribution assets and the electric energy sales business in Tolima, through Epsa. Starting in June, the Company will become the network operator for the 47 municipalities in the department, covering over 1,115,000 electricity service customers.
- Epsa issued ordinary bonds in the local market in the amount of COP 1.1 trillion. The bonds placement was highly successful, given that demand for the issue totaled COP 2.0 trillion. Over 70% of the funds raised will be used to acquire the assets in Tolima, and the rest will strengthen the liquidity position by refinancing certain debts and replacing certain financial liabilities.
- At the end of March, Celsia acquired 1.87% of the ordinary shares of Epsa, increasing its stake to 63.2%, which improves its organizational capabilities and optimizes energy portfolio management.
- With the start-up in March of the seventh project in Barranquilla, the Company fulfilled its commitment within the agreed time frame and within the budget of the challenge it took in this region of the country through Plan5Caribe. The next step will be the construction of the project that includes the new 220 kV Tolviejo Substation in the department of Sucre and 160 km of transmission lines from Chinú–Tolviejo

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and Toluviejo–Bolívar. This project will come on line in the second half of 2022 and will require investments of approximately USD 70 million.

*“We are full of energy to continue advancing on strategies that optimize our assets in operating and financial terms, as well as our growth projects in renewable resources. This is possible thanks to our people’s talent and passion, who drive and provide traction and speed to the Company through conviction, which has enabled us to venture into new territories and to grow and strengthen our businesses. Our customers recognize this Celsia culture that differentiates us in the market,”* Sierra concluded.

### **Presentation of results by teleconference**

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On April 9, 2019 at 8.00 a.m., Bogotá time, the quarterly results will be broadcast online. To connect, please click the following link: [Presentation of 2019 first quarter results](#)

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## Celsia separately

During the first quarter of the year, Celsia separately reported revenues of COP 13,535 million, down 78% from 2018, mainly due to the sale of generation assets to Epsa, of which only cash flows from Meriléctrica will continue to be received from the representation contract with Epsa.

Revenues from subsidiaries totaled COP 46,172 million, mainly due to the net income reported by the subsidiaries.

The net income in the quarter amounted to COP 34,150 million (-33% Y/Y).

## Financial ratios<sup>1</sup>

### Celsia separately:

		1Q2019	Dec-2018	
<b>Solvency and debt indicators</b>				
Liability/Asset (Level of debt)	%	19%	16%	
Current liability/Total liability (short term)	%	51%	43%	
<b>Liquidity indicators</b>				
Current ratio (Current assets / Current liabilities)	veces	0,57	0,95	
Cash and cash equivalents	\$ mill.	23.388	92.290	
<b>Profitability indicators</b>				
Gross Margin	%	55%	32%	Changes in margins as a result of the sale of generation assets. Celsia is no longer a public utility company.
Operating margin	%	-15%	13%	

### Celsia consolidated:

	Unidad	1Q2019	Dec-2018	
<b>Solvency and debt indicators</b>				
Liability/Asset (Level of debt)	%	52%	49%	
Current liability/Total liability (short term)	%	33%	32%	
<b>Liquidity indicators</b>				
Current ratio (Current assets / Current liabilities)	veces	0,66	0,82	
Cash and cash equivalents	\$ mill.	254.146	444.622	
<b>Profitability indicators</b>				
Gross Margin	%	28%	30%	Lower margins due to higher spot market prices.
Operating margin	%	21%	23%	

<sup>1</sup> Comparaciones de Balance respecto a diciembre del año anterior. Comparaciones de resultados, contra el mismo período del año anterior.