



**TGI**  
GrupoEnergíaBogotá

**3Q 2019**

**TGI Results Presentation**

**November 13, 2019**

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# Agenda

**01** ▶ Key Updates

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**02** ▶ Financial and Operational Performance

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**03** ▶ Investment Projects

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**04** ▶ Questions and Answers

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# 01 ▶ Key Updates



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# 1 Key Updates



## Financial Performance

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- ✓ Increase in revenue of 2,6% in 3Q 2019 vs. 3Q 2018
- ✓ EBITDA Margin grew 3,7 pp to 76,5% in 3Q 2019
- ✓ Corporate and bond credit rating was confirmed at BBB by Fitch (stable outlook)

## Strategic Performance

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- ✓ Renewal of contracts in Cusiana – Sabana and Ballena – Barranca (2024 – 2025) by approximately USD\$40 mm
- ✓ Roadshow between TGI, ACP and distributors: 2<sup>nd</sup> workshop comprising commercial and infrastructure topics for connection and development of new fields
- ✓ During 3Q 2019, industry cases (additional clients and coal substitution) and CGV (dedicated fleet and conversions) added 6,7 Mscfd (incremental)

## Operational Performance

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- ✓ Increase in transported volumes for Distributor and Commercial sectors
- ✓ Works conclusion in adequation of Vasconia – Miraflores – Puente Guillermo stations
- ✓ Through information provided by TGI, CREG opened the file to determine the efficient value of investment and AO&M for 4 IPAT projects

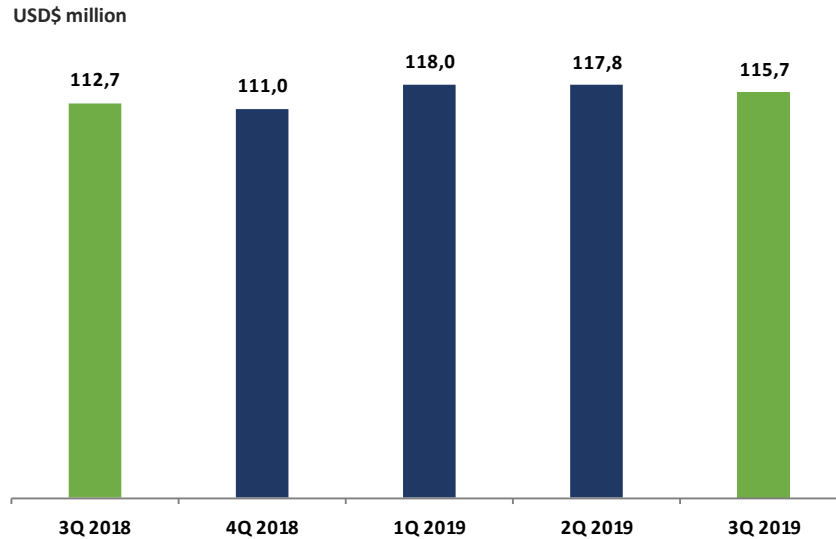


# 02 | Financial and Operational Performance



# 2 Stable and Predictable Cash Flow Generation

## Quarterly Revenue

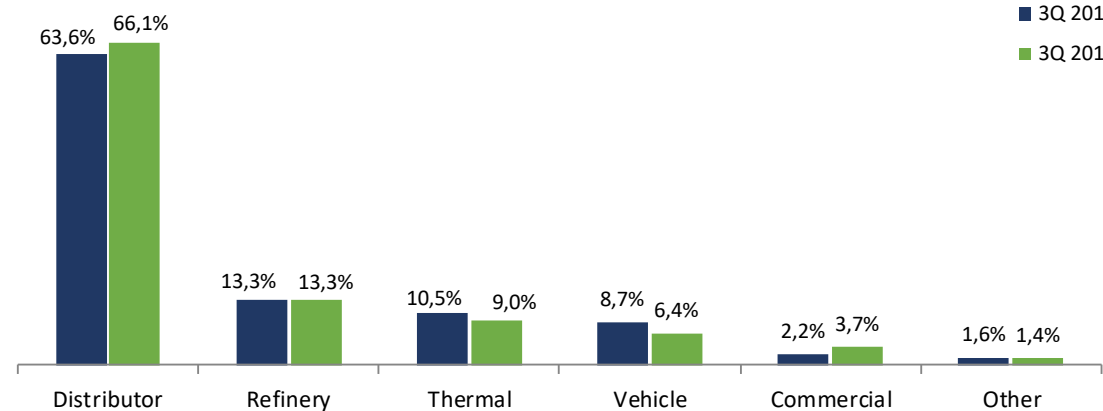


## TGI presents stable revenue during YTD19

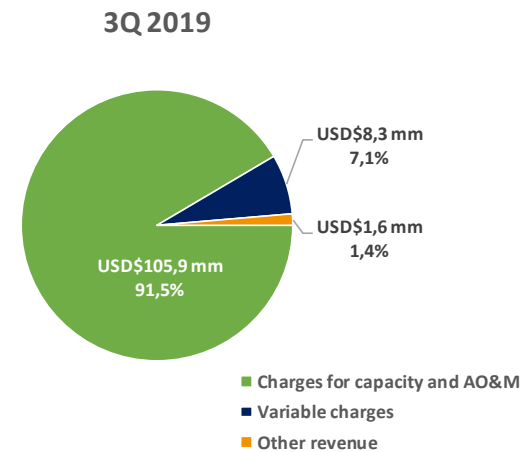
- TGI's revenue is highly regulated
- The company has an excellent quality of contracts:
  - ✓ 93% of firm contracts, with an average remaining life of 7 years
  - ✓ Firm contracts – 91,5% fixed charges by capacity and AO&M
  - ✓ Variable charges – 7,1% of total revenue
- Increase in transported volumes for Distributor and Commercial sectors

## Revenue Breakdown

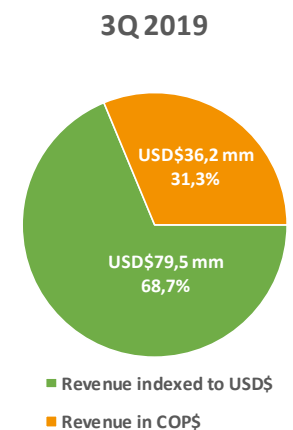
Revenue by Industry



Revenue by Charge



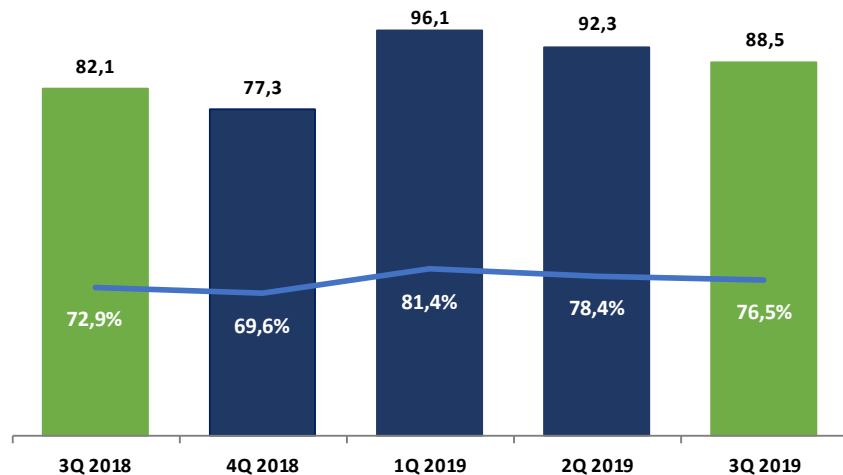
Revenue by Currency



# 2 TGI Financial Performance

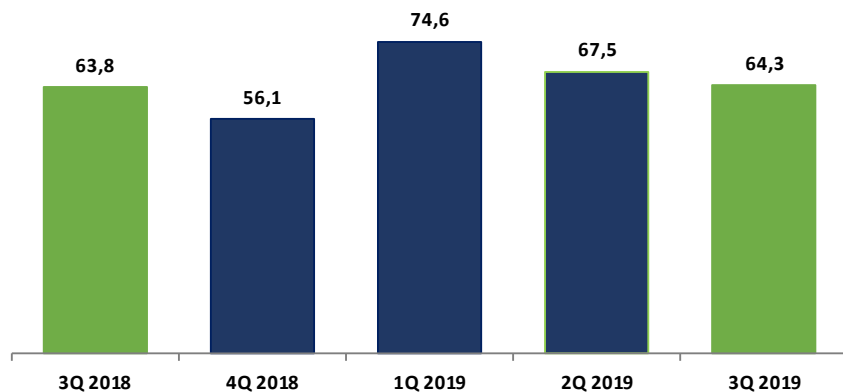
## EBITDA & EBITDA Margin

USD\$ million



## Operating Income

USD\$ million

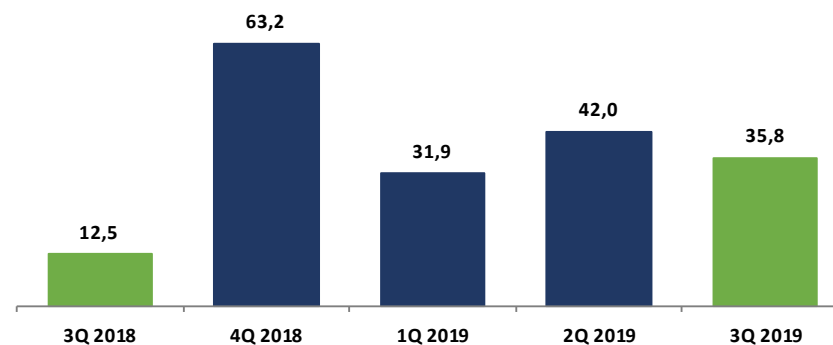


## Profitable and sustainable results

- EBITDA: USD\$88,5 mm (+7,8%) and margin of 76,5% (+3,7pp)
- Operating costs decreased 5,7%
- Operating expenses:
  - ✓ Increase in estimation of receivables impairment (IFRS 9)
  - ✓ Decrease of other revenue (recoveries)
- Net income:
  - ✓ Increase in income from foreign exchange difference and financial returns
  - ✓ Lower income tax
  - ✓ Positive effect from deferred tax

## Net Income

USD\$ million

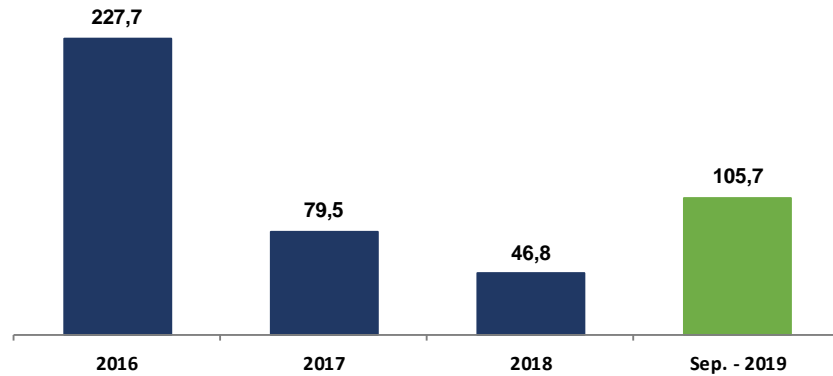




# 2 TGI Financial Performance

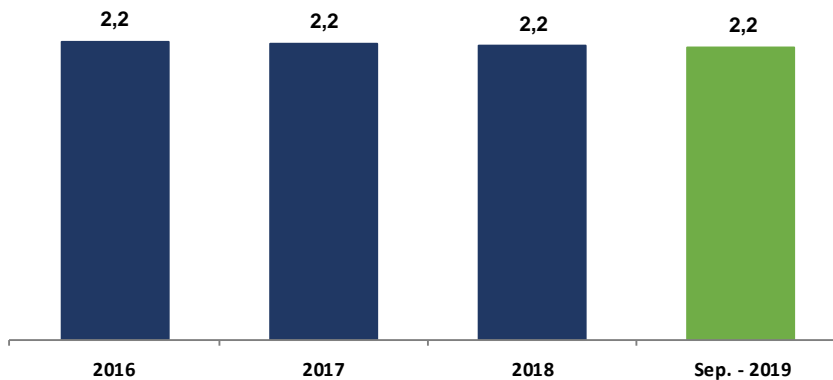
## Cash and Equivalents

USD\$ million



## PPE

USD\$ million

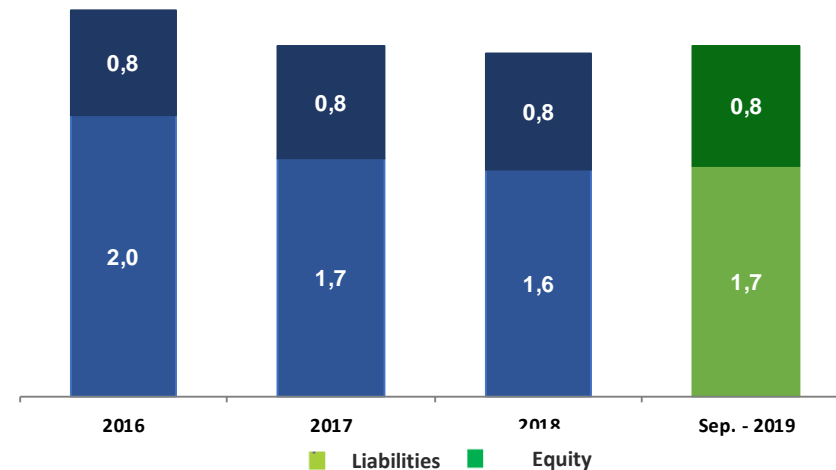


## Capital structure

- Payment of IEALH debt (due term)
- Moody's: confirmation of bond rating at Baa3 with stable outlook (July, 2019)
- Fitch: confirmation of corporate and bond credit rating at BBB with stable outlook (October, 2019)

## Liabilities | Equity

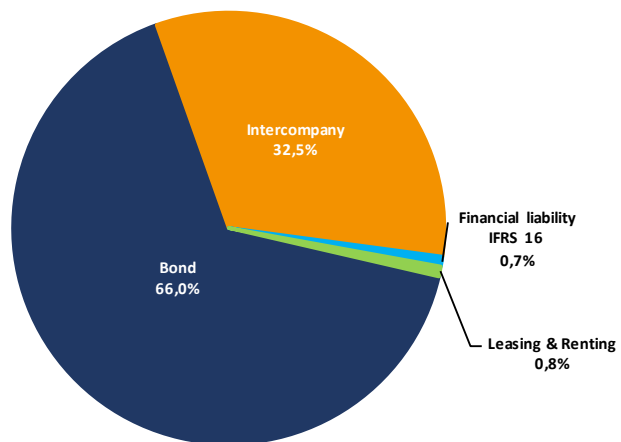
USD\$ million



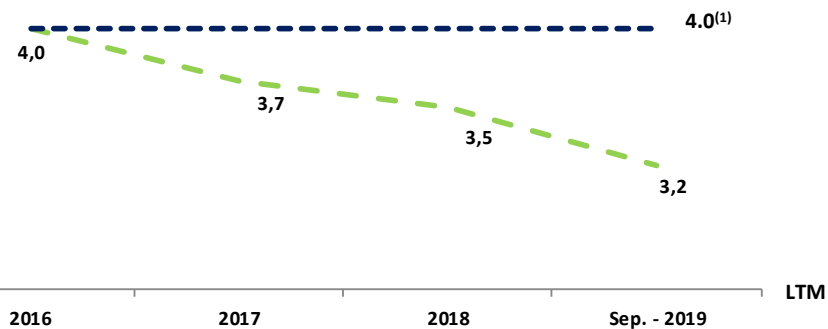
# 2 TGI Financial Performance

## Debt Profile

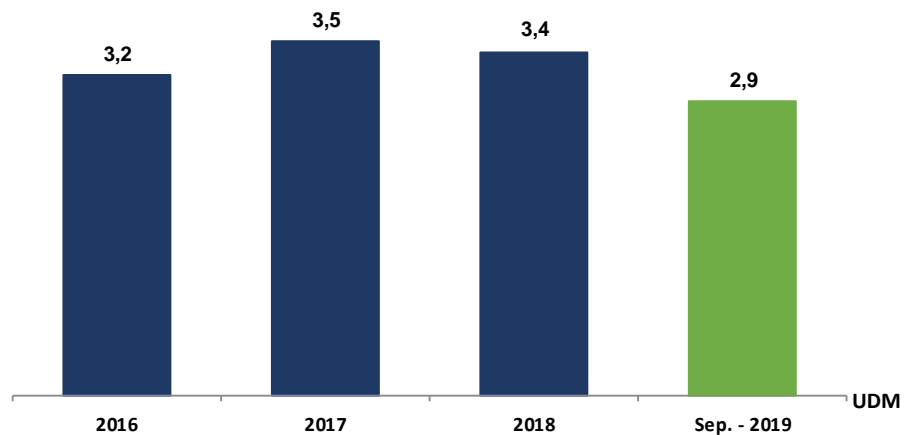
Total gross debt  
USD\$ 1,2 billion



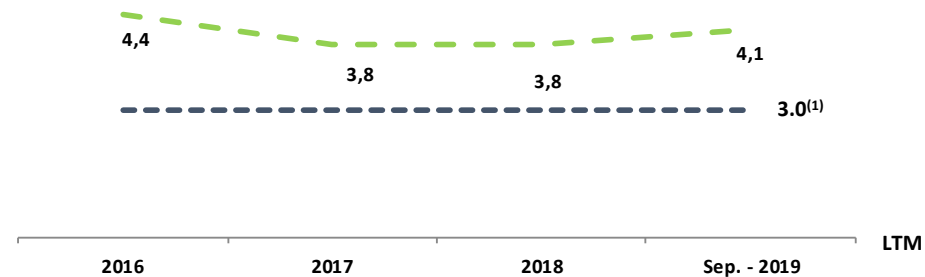
## Total Gross Debt / EBITDA



## Total Net Debt / EBITDA



## EBITDA / Financial expenses

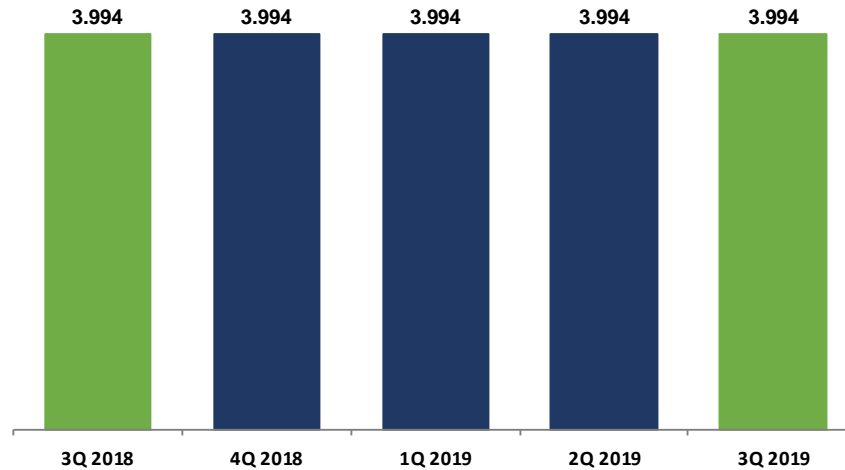


(1) Reasonable indebtedness limit

# 2 Operational Performance

## Gas Pipeline Length

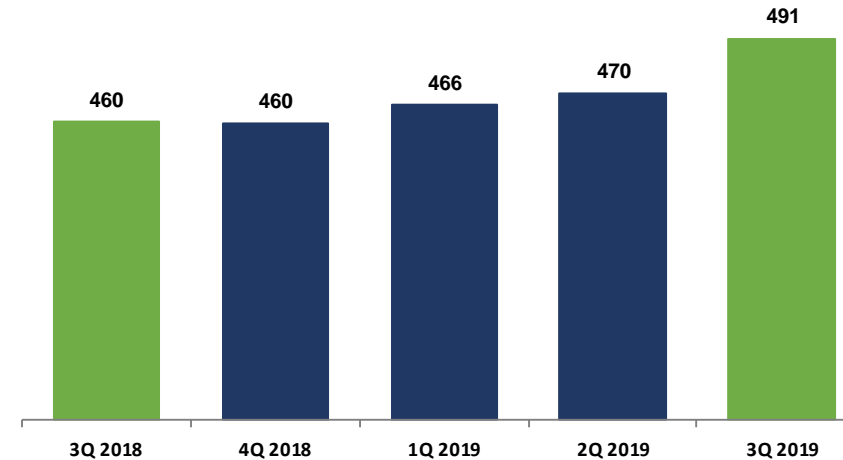
(Km)



The total length of the TGI pipeline system is approximately 3.994 Km, of which 3.844 Km are owned and operated by TGI; the remaining 150 Km, although under the control and supervision of TGI, are operated by the contractor.

## Transported Volume

Average – Mscfd



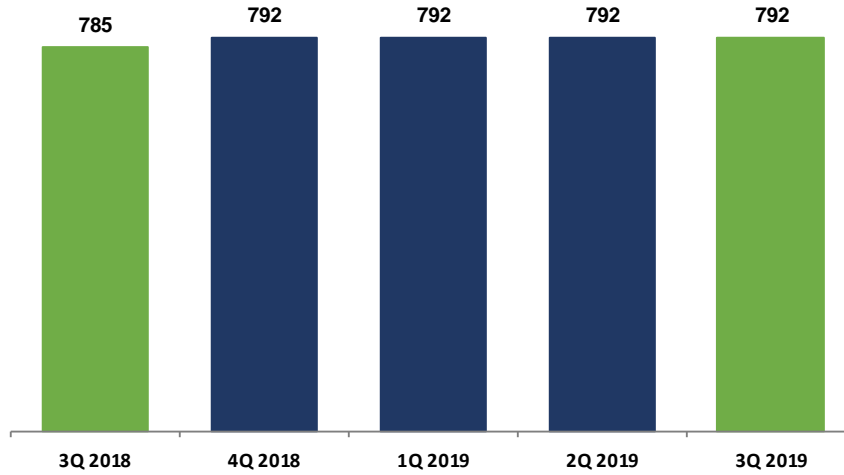
From the total transported volume in the national gas pipeline network, TGI increased its transported volume to 490,7 Mscfd as a result of higher volumes in the Distributor and Commercial sectors. When compared to 3Q 2018, there is growth of approx. 7%

# 2 Operational Performance



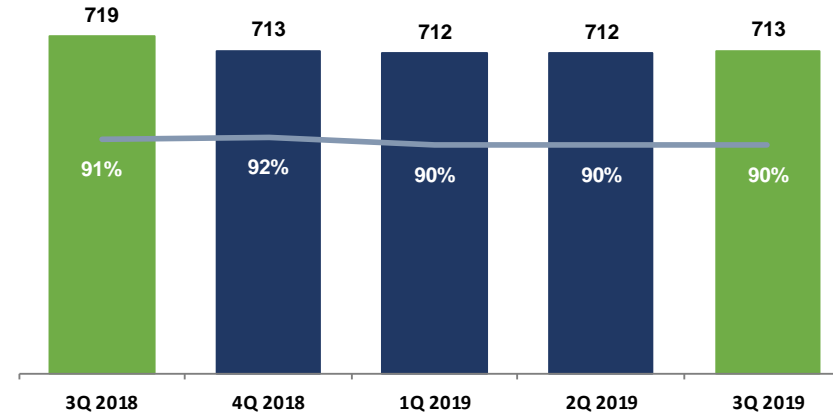
## Total Capacity

(Mscfd)

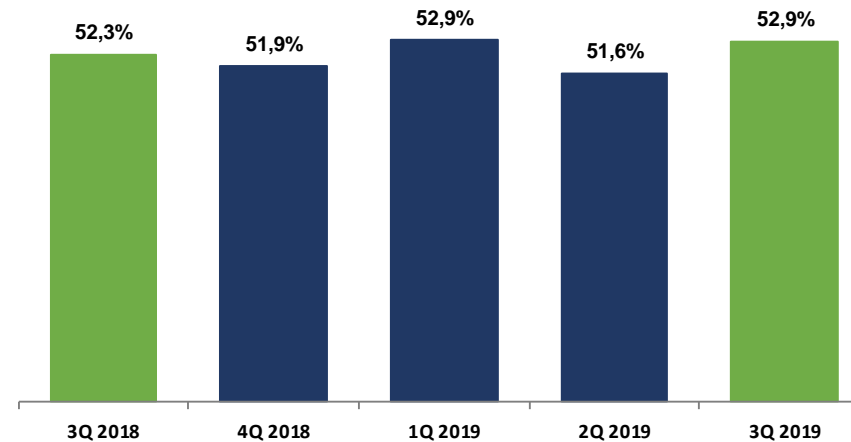


## Firm Contracted Capacity<sup>(1)</sup>

Average – Mscfd



## Use Factor



(1) The trend line refers to the ratio: Firm Contracted Capacity / Available Capacity. The Available Capacity differs from the Total Capacity because TGI requires a percentage of the capacity for its own use.



# 03 ▶ Investment Projects



# 3 Investment Projects in Execution



Project	Description	Total Project Investment	Status
Cusiana Phase IV	<p>Increase natural gas transportation capacity by 58 Mscfd between Cusiana and Vasconia:</p> <ul style="list-style-type: none"> <li>• Construction of 38,5 Km of 30" diameter loops.</li> <li>• Expansion of the Gas Compression Station of Puente Guillermo</li> <li>• Modifications to the Gas Compression Stations of Miraflores and Vasconia</li> </ul>	~\$ 92,3 mm	<ul style="list-style-type: none"> <li>• Total Capex executed to date – USD\$47,8 million</li> <li>• Total Capex executed 3Q 2019 – USD\$9,5 million</li> <li>• Physical Work Progress – 70,6%</li> <li>• Start of operations:               <ul style="list-style-type: none"> <li>- Puerto Guillermo Station: 17 Mscfd – 2Q 2018</li> <li>- Loop Puerto Romero – Vasconia: 46 Mscfd – 1Q 2020</li> <li>- Loops Puente Guillermo – La Belleza and Loop El Porvenir – Miraflores: 12 Mscfd – 3Q 2020</li> </ul> </li> </ul>
Branches Replacement	<p>Replacement of 5 branches due to reach of their regulatory lifespan in accordance with resolution CREG 126 of 2016</p> <ul style="list-style-type: none"> <li>• Yarigüíes - Puerto Wilches Branch</li> <li>• Z. Industrial Cantagallo – Cantagallo Branch</li> <li>• Cantagallo – San Pablo Branch</li> <li>• Galán – Casabe – Yondó Branch</li> <li>• Pompeya Branch</li> </ul>	~\$ 11,6 mm	<ul style="list-style-type: none"> <li>• Total Capex executed to date – USD\$5,8 million</li> <li>• Total Capex executed 3Q 2019 – USD\$2,2 million</li> <li>• Physical Work Progress – 60,3%</li> <li>• Start of operations:               <ul style="list-style-type: none"> <li>- Yarigüíes – Puerto Wilches Branch: 4Q 2019</li> <li>- Cantagallo Industrial Z. – Cantagallo Branch: 4Q 2019</li> <li>- Cantagallo – San Pablo Branch: 1Q 2020</li> <li>- Galán – Casabe – Yondó Branch: 1Q 2020</li> <li>- Pompeya Branch: 4Q 2019</li> </ul> </li> </ul>

# 3 TGI Perspectives

## New opportunities under evaluation



The following IPAT projects are subject to being executed by TGI, according to the following resolutions in force:

- Mariquita – Gualanday Loop
- Yumbo – Mariquita Bidirectionality
- Compressor Project: Jamundí– Aguas Abajo (Pradera Node) Branch.
- Ballena – Barrancabermeja Bidirectionality



TGI is waiting for the release of the final terms of reference for the following project to decide on its participation:

- Regasification Plant – Buenaventura
- Buenaventura – Yumbo Gas Pipeline

Estimated schedule – UPME:

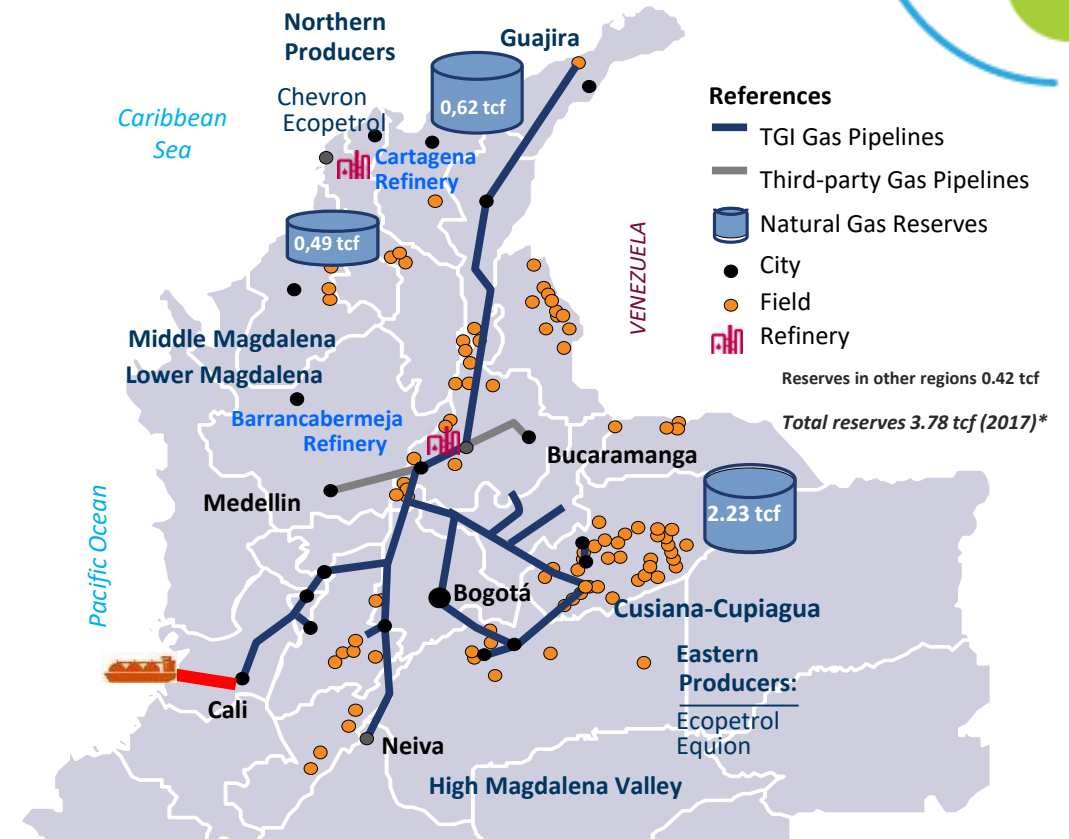
- Terms of reference publication: 4Q 2019
- Reception of offers and awarding: 2Q 2020
- Start of operations of the Plant: end of 2023
- Start of operations of the Gas Pipeline: end of 2025



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(1) Has access to the three main gas production fields, Guajira and Cusiana.  
\* Total reserves 2018 were 3,78 tcf. Disaggregated figures by department are not available.

## Gas Pipeline Network<sup>(1)</sup>



Source: National Mining and Energy Planning Unit – National Hydrocarbons Agency



# 04 | Questions and Answers





# Investor Relations

For further information about TGI, please contact any of Investor Relations team members.



**Julio Alarcón**

Financial Vice-president  
(E) - TGI



+57 (1) 3138400



[jalarcon@geb.com.co](mailto:jalarcon@geb.com.co)



**Valeria Marconi**

Investor Relations  
Manager - GEB



+57 (1) 326 8000  
Ext 1536



[vmarconi@geb.com.co](mailto:vmarconi@geb.com.co)



**Mauro Cáceres**

Investor Relations  
Advisor - GEB



+57 (1) 326 8000  
Ext 1395



[mfcaceres@geb.com.co](mailto:mfcaceres@geb.com.co)



**Sandra Jimenez**

Investor Relations  
Advisor - GEB



+57 (1) 326 8000  
Ext 1827



[sjimenezv@geb.com.co](mailto:sjimenezv@geb.com.co)



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