



# Calidda's 2016 Results and Key Developments

*March 9th, 2017*





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# Introduction



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# 2016's Highlights

- Calidda's client base and invoiced volume both increased during 2016 by 27% and 6%, respectively, compared to 2015's figures.
- During 2016, our network length was enlarged by 1,435 km, wherewith the distribution system reached a total of 7,425 km of underground pipelines.
- Total Revenues of 2016 have decreased 1% due to the reduction in natural gas prices, a pass-through concept for Cálidda. However, Total Adjusted Revenues increased by 4% driven by higher distribution revenues, mainly from Take-or-Pay contracts, and pipeline relocation services.
- The EBITDA and Adjusted EBITDA margin grew mainly due to the higher income mentioned above (higher demand of natural gas) and a lower operational expenses (-10% vs. 2015).

<b>Operational Results</b>	<b>2016</b>	<b>2015</b>	<b>Var %</b>
<i>Accumulated Clients:</i>	438,400	345,136	27%
<i>Invoiced Volume (MMCFD)<sup>1</sup> :</i>	738	699	6%
<i>Network Length (km):</i>	7,425	5,989	24%
<i>Potential Clients<sup>2</sup> :</i>	746,658	609,459	23%

1/ Million cubic feet per day.

2/ Clients who are located in front of Calidda's distribution network.

<b>Financial Results</b>	<b>2016</b>	<b>2015</b>	<b>Var %</b>
<i>Total Revenues (USD MM):</i>	535.8	540.8	-1%
<i>Total Adj. Revenues (USD MM)<sup>3</sup> :</i>	206.8	199.1	4%
<i>EBITDA (USD MM)<sup>4</sup> :</i>	124.3	103.7	20%
<i>Adjusted EBITDA Margin<sup>5</sup> :</i>	60.1%	52.1%	
<i>Interest Coverage<sup>6</sup> (x)</i>	7.8x	6.8x	

3/ Revenues less Pass-through (Gas & Transport) and IFRIC 12 revenues.

4/ Last twelve months (LTM) EBITDA.

5/ LTM EBITDA / LTM Adjusted Revenues.

6/ LTM EBITDA / LTM Interests from Debt.

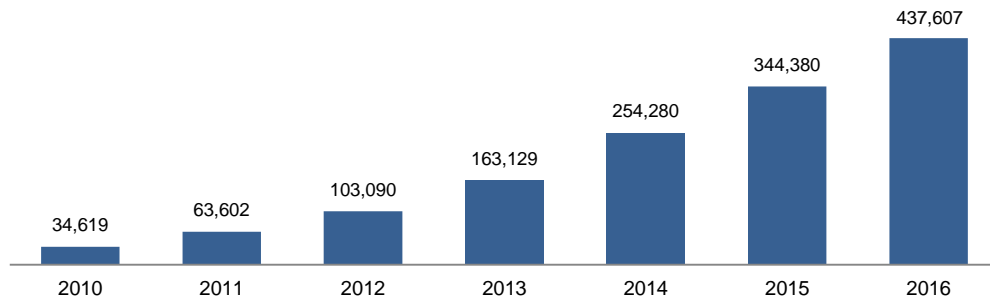


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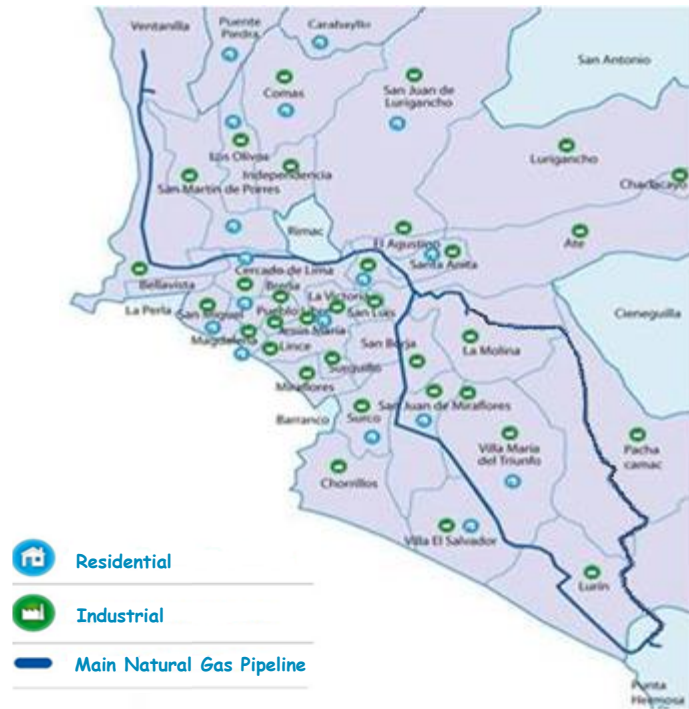
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# Commercial Performance

## Residential & Commercial Segment



- During 2016, Calidda has connected 91,934 residential clients and 1,293 commercial clients, attending both segment's demand on more than 20 districts of Lima and Callao.
- Currently, most new residential clients benefit from two Peruvian Government programs created to further increase the use of natural gas and achieve the massification of Natural Gas service in Peru.
- These programs subsidize up to 100% of their connection cost to Calidda's gas distribution system: the Bonogas and the Promotional Discount programs.

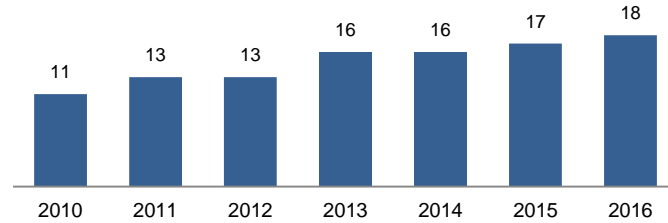




# Commercial Performance

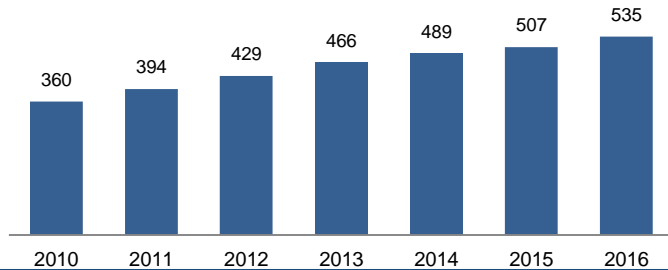
Clients Segments	Growth	Highlights
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## Power Generation



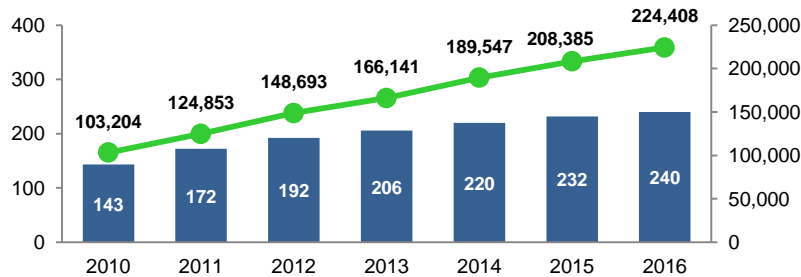
- A new cogeneration client was connected during 2016.

## Industrial



- 28 new industrial plants were connected from 2015 to 2016.

## NGV Stations



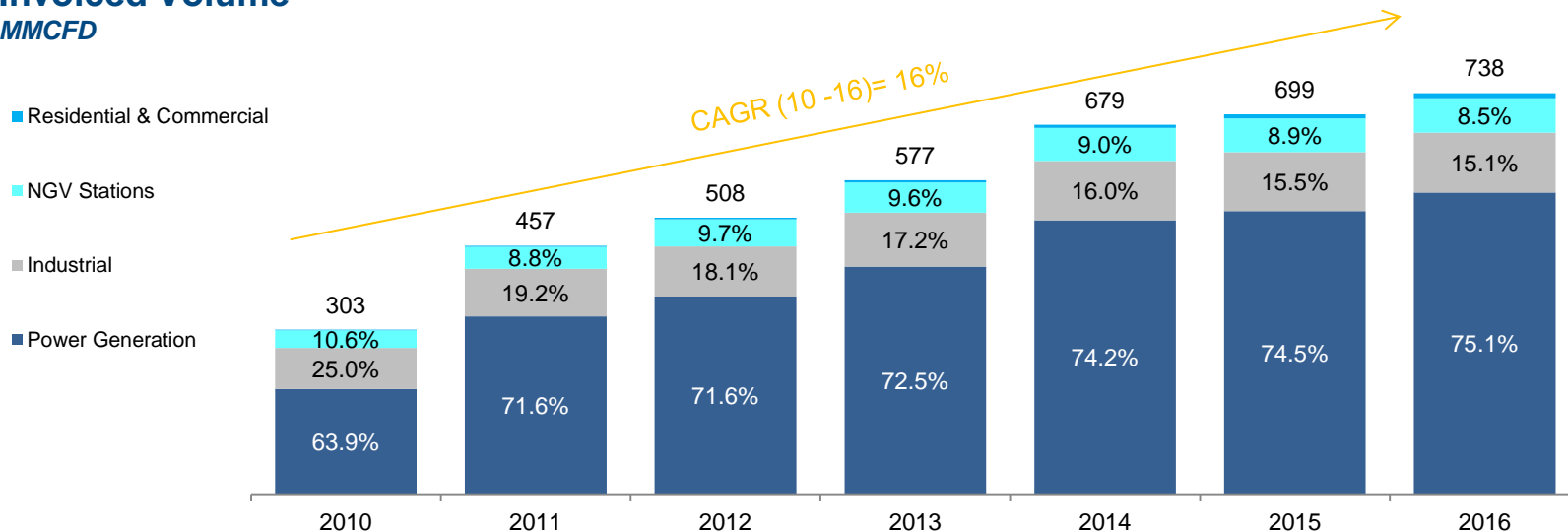
- 8 new NGV stations joined Calidda's distribution system and 224,408 converted vehicles are attended in the cities of Lima and Callao.



# Commercial Performance

## Invoiced Volume

MMCFD

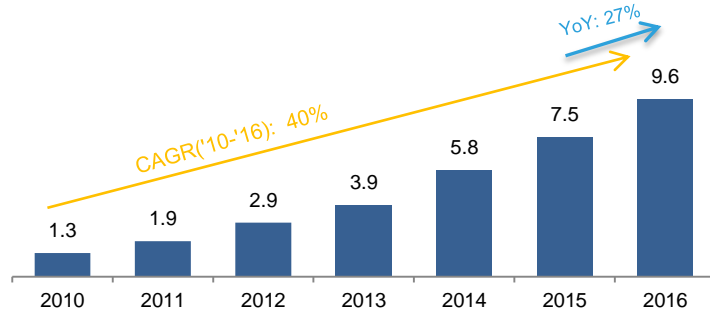


- In 2016, invoiced volume increased by 6% compared to 2015, mostly explained by higher volume from Take-or-Pay contracts with Power Generators (+34 MMCFD).
- Take-or-Pay contracts amounted 582 MMCFD (547 MMCFD Power Generation + 35 MMCFD Industrial), representing 79% of the total invoiced volume of 2016 and highly reducing volume volatility.

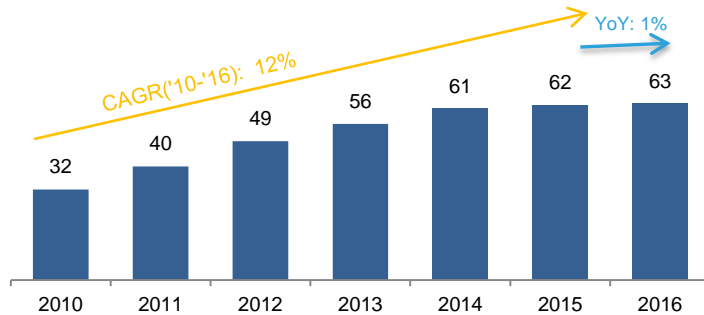
# Commercial Performance

## Invoiced Volume by Client Segment (MMCFD)

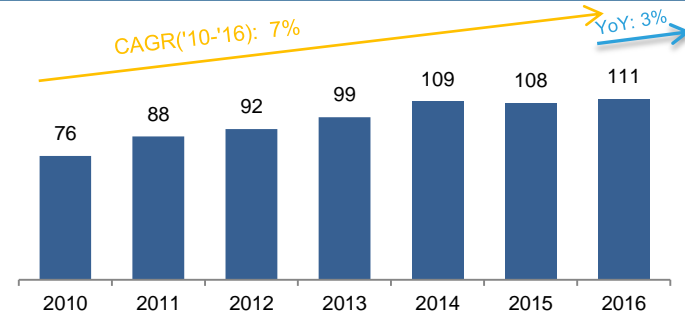
### Residential & Commercial



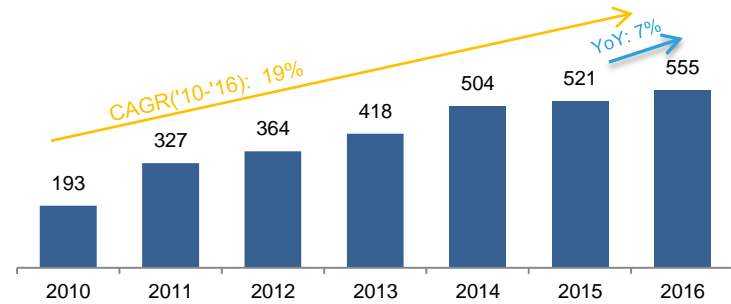
### NGV Stations



### Industrial



### Power Generation



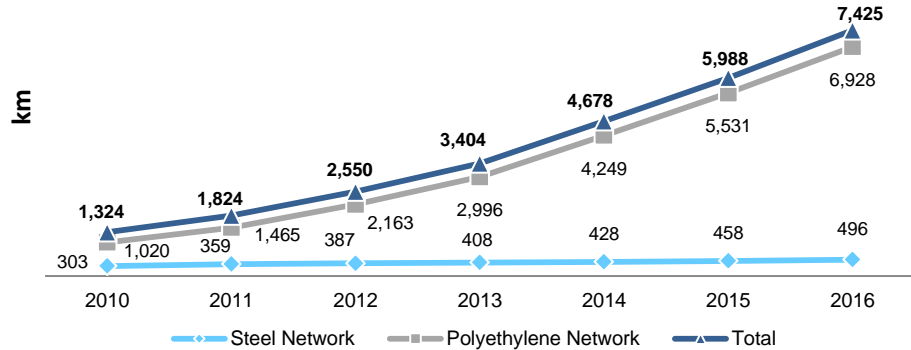


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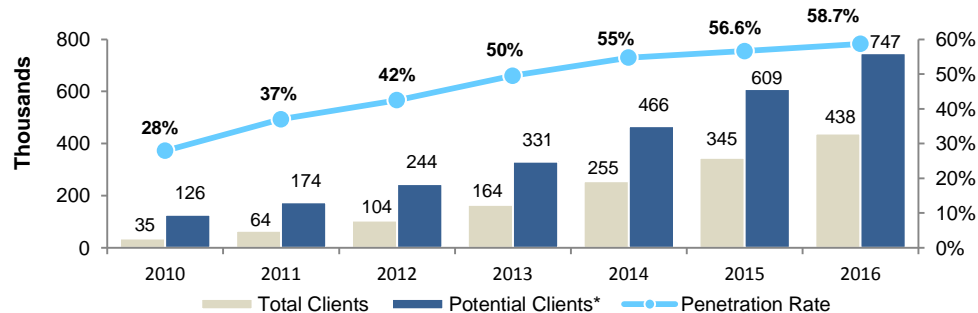
# Operational Performance

## Distribution System Infrastructure



- Calidda's distribution system consists of 7,425 km of underground pipelines.
- During 2016 Calidda built 1,435 km, out of which 39 km were steel high pressure network, while the remaining 1,396 km were low pressure polyethylene pipelines.

## Network Efficiency

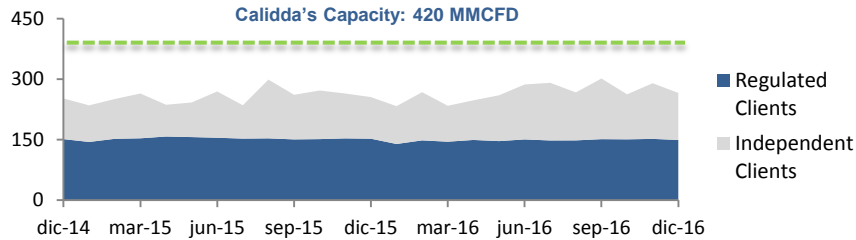


(\* ) Clients who are adjacent to Calidda's distribution network.

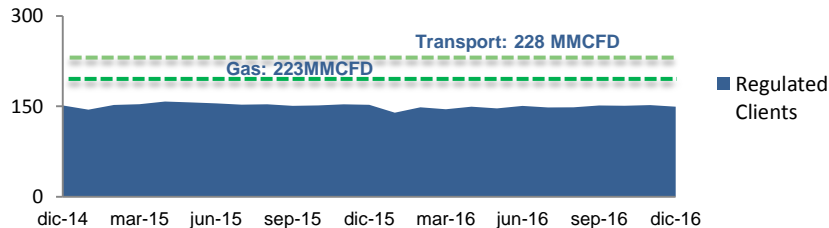
- The network penetration rate has increased to 58.7% due to the connection of almost 100,000 clients per year over the past three years.
- Calidda's focus is on low income districts benefited by the subsidies mentioned before, where the savings produced by the use of natural gas against other alternative fuels are more appreciated.

# Operational Performance

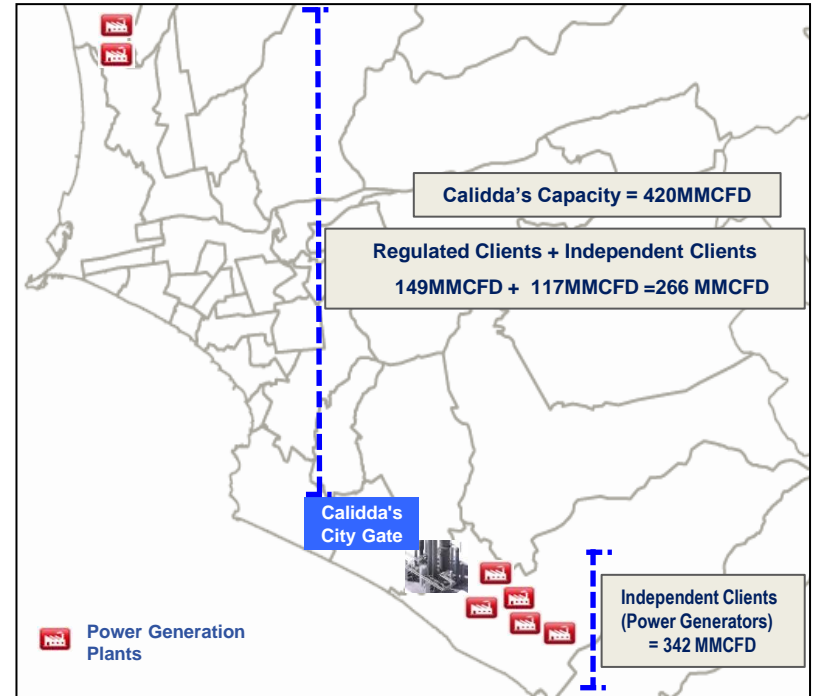
- As of 2016, Calidda's distribution system capacity is 420MMCFD (from City Gate Lurin to North of Lima). Independent and regulated customers located down flow Lurin have nearly taken 266MMCFD, equivalent to 63% of our capacity.



- Our Regulated Clients have consumed 149 MMCFD, equivalent to 65% of our Gas Transportation capacity (TGP) and 67% of our Gas Supply capacity (Pluspetrol).



(\*) Gas and Transport capacities consider both Take-or-Pay and interruptible volume contracts.



**Regulated clients:** Calidda provides them with NG, transportation and distribution services.

**Independent clients:** Customers who contract their own gas and transportation services. Calidda only provides the distribution service.



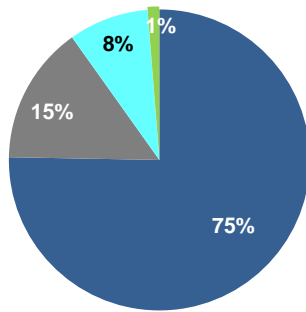
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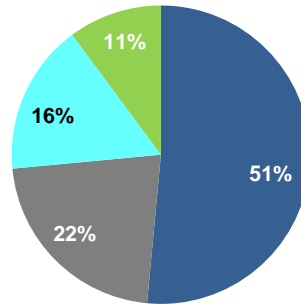
# Financial Performance

## Revenues and Volume by Segment

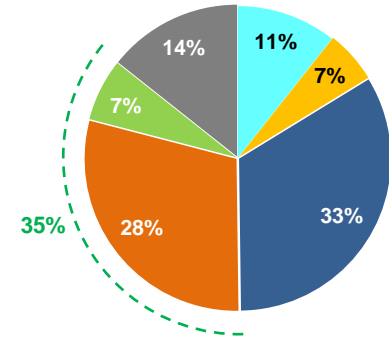
2016 Invoiced Volume  
(MMCFD)



2016 Distribution  
Revenues



2016 Adjusted  
Revenues<sup>1</sup>



■ Power Generation ■ Industrial ■ NGV Stations ■ Residential & Commercial ■ Installation Services<sup>2</sup> ■ Others<sup>3</sup>

1/ Total Adjusted Revenues exclude Pass-through and IFRIC 12 revenues.

2/ Installation Services Revenues include revenues from connection fees and financing.

3/ Others: mainly derived from network relocation and other non recurrent services.

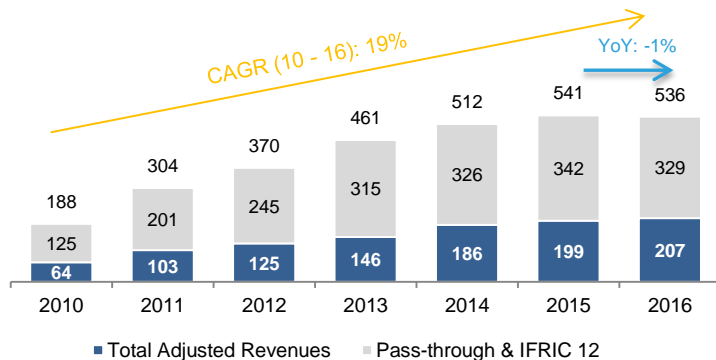
- Even though Residential & Commercial segment represents only 1% of the Invoiced Volume, it explains 11% of the Distribution Revenues. If we add the revenues generated by our client connection business, this segment represents 35% of Calidda's Adjusted Revenues.
- On the other hand, Power Generation represents 75% of the volume, 51% of the Distribution Revenues and 33% of the Adjusted Revenues.
- Other Revenues represent 7% of the Adjusted Revenues, mainly explained by income from pipeline's relocation services.



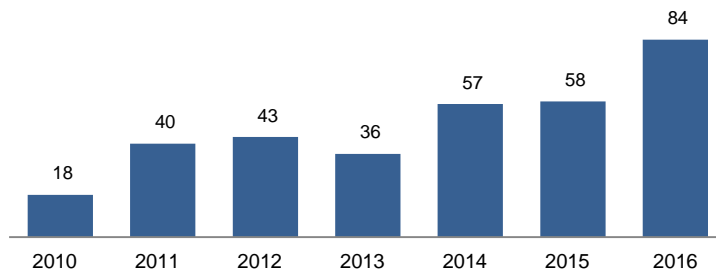
# Financial Performance

Million US\$

## Total Revenues

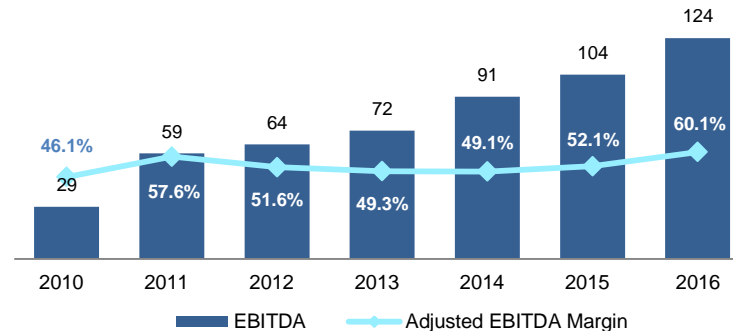


## Funds from Operations (FFO)<sup>1</sup>

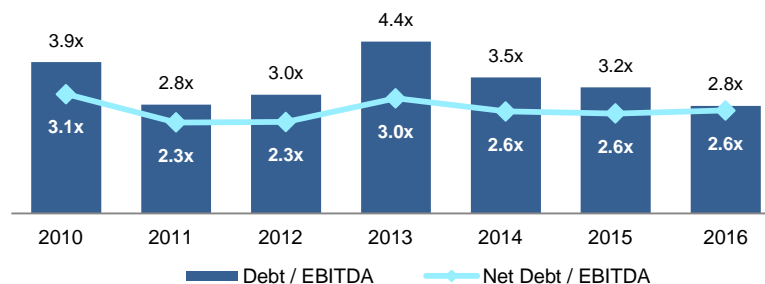


1/ FFO: Net Profit + Depreciation + Amortization

## EBITDA & Adj. EBITDA Margin (%)



## Debt & Net Debt<sup>2</sup> / EBITDA

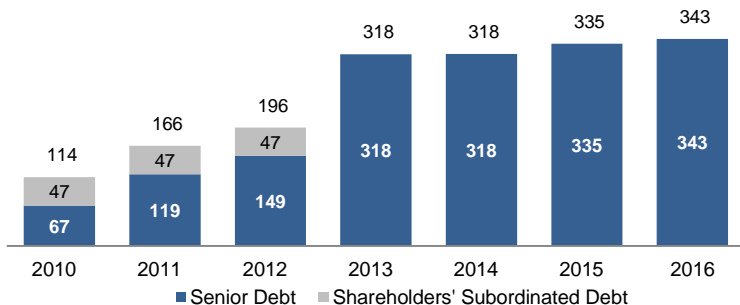


2/ Net Debt: Debt - Cash Balance.

# Financial Performance

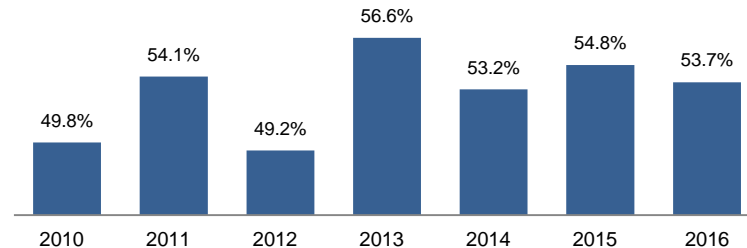
Million US\$

## Total Debt<sup>1</sup>



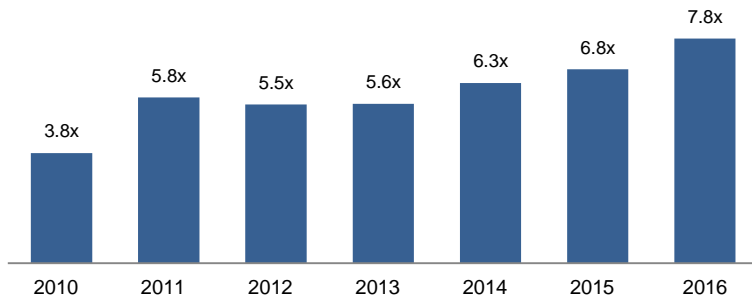
1/ Total Debt: Debt net from financing costs.

## Debt / Capitalization<sup>2</sup> (%)



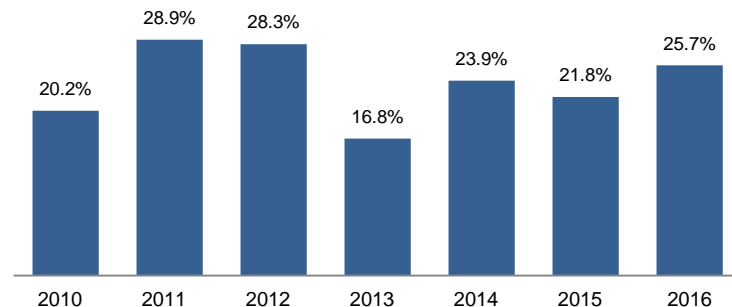
2/ Capitalization: Debt + Equity.

## Interest Coverage<sup>3</sup>



3/ Interest Coverage: EBITDA / Interest from Debt

## FFO<sup>4</sup> / Net Debt

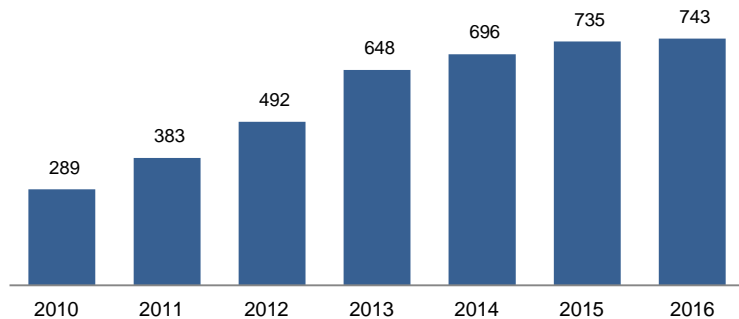


4/ FFO: Net Profit + Depreciation + Amortization

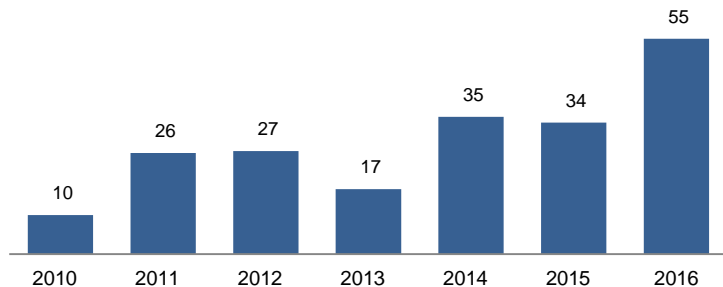
# Financial Performance

Million US\$

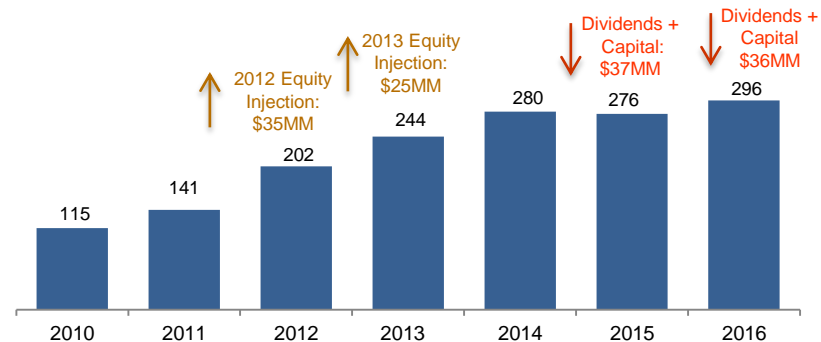
## Total Assets



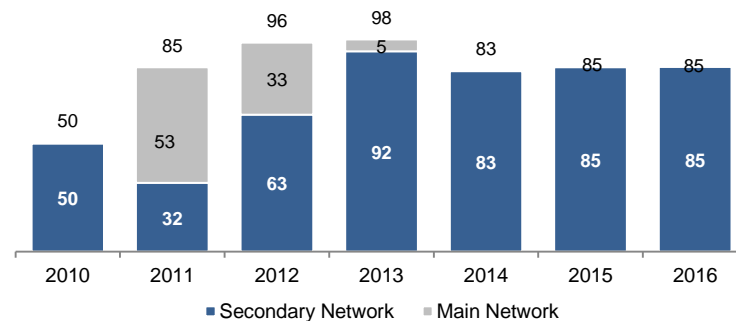
## Net Income



## Equity



## CapEx





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# Conclusions

# Q&A



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