



**TGI**  
GrupoEnergíaBogotá

# Results Presentation 2Q 2020

August 20, 2020

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**1** ▶ Key Updates

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**2** ▶ Financial and Operational Performance

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**3** ▶ Investment Projects

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**4** ▶ Update on Expectations COVID-19

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**5** ▶ Questions & Answers

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## Key Updates



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# 1 Key Updates



## *Management of COVID-19*

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- ✓ Establishment of a transitory commercial policy (CREG Resolution 042-2020) to mitigate the effects of the sharp drop in demand for natural gas
- ✓ Approval and implementation of 100% of biosafety protocols for works and audit contracts of projects in execution phase
- ✓ Continuous monitoring of collaborators, contractors and management of clients
- ✓ Subsequent events to the quarter: July 6, Bureau Veritas Colombia granted the SAFE GUARD Seal to GEB and TGI

## *Financial Performance*

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- ✓ Fitch Ratings affirmed BBB rating, with stable outlook, reflecting the strong linkage with the parent company
- ✓ Advance dividend payment of COP\$185.855 mm
- ✓ 2019 income tax payment was completed for approx. USD\$70 mm
- ✓ Subsequent events to the quarter: Moody's affirmed Bond rating at Baa3, stable outlook

## *Operational and Strategic Performance*

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- ✓ Restart of 100% of contracts (17) suspended in whole or in part and of projects in execution
- ✓ Strategic review process 2020 - 2027
- ✓ Global Compact recognized GEB for good practices in Sustainable Development and Anti-corruption - TGI recognized for its work on the matter



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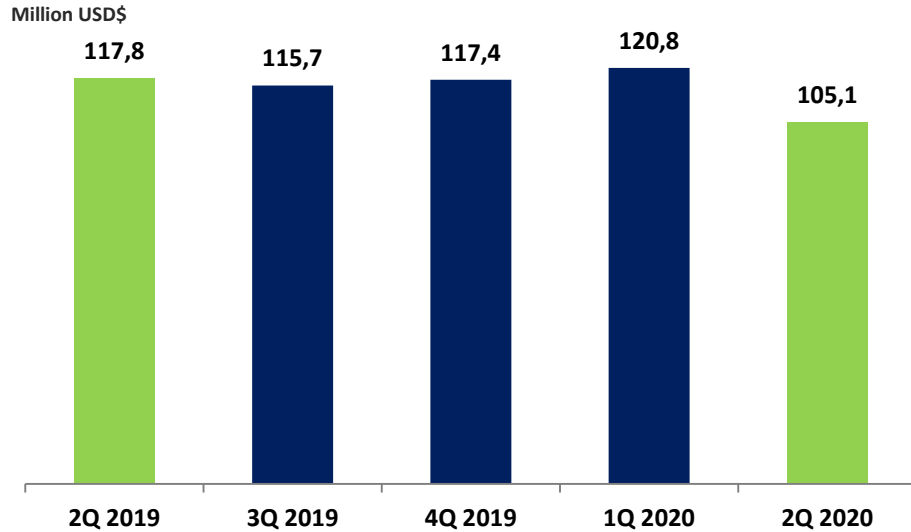


## Financial and Operational Performance

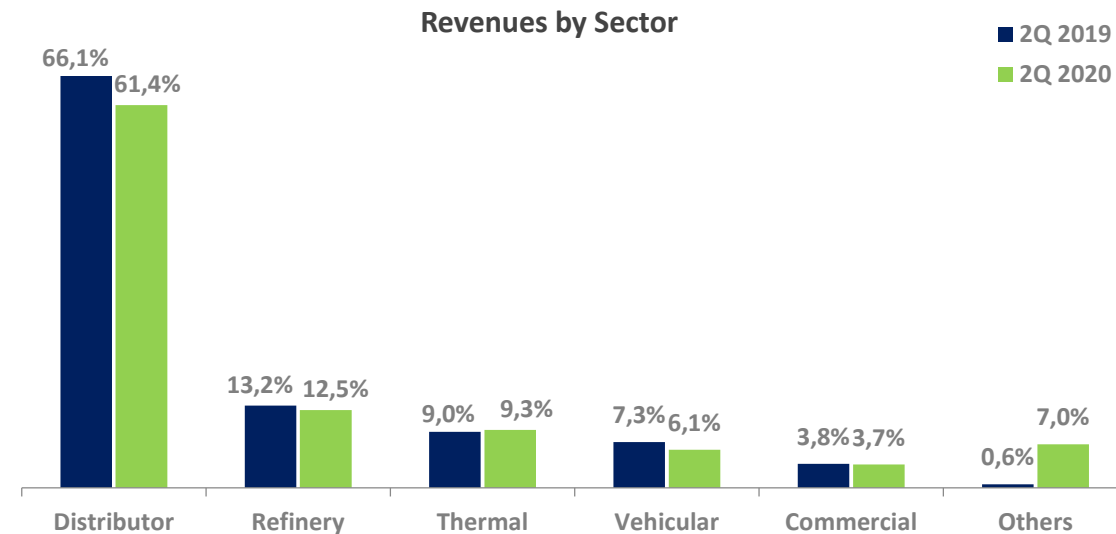


# 2 Financial Performance

## Revenues



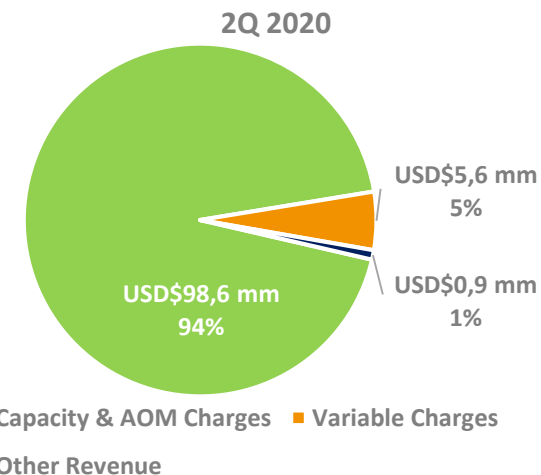
## Revenues Breakdown



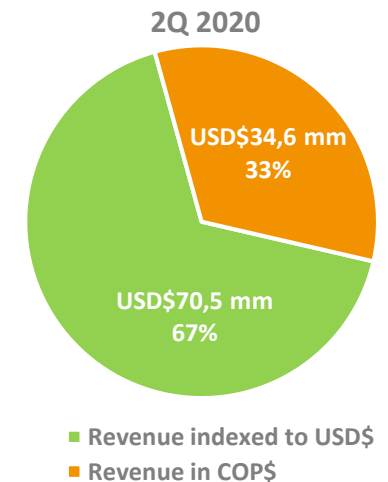
## TGI revenues in line with estimates

- 2Q 2020 vs. 2Q 2019: -USD\$12,7 mm (-10,8%):
  - ✓ Significant drop in demand because of the pandemic
  - ✓ Transitory commercial policy
  - ✓ Fixed capacity charges in USD\$: -USD\$6.8 mm (-9.5%)
  - ✓ Variable charges: -USD\$3.0 mm (-34.9%)
  - ✓ Fixed AO&M charges: COP\$130,477 mm (+11.0%); -USD\$2.0 mm (-5.7%) due to TRM effect
- Revenues by Sectors:
  - ✓ Distributor, Refinery and Thermal: 83.2% (88.8% in 2Q 2019)
  - ✓ Growth of Others due to higher demand from Thermal sector (used transportation from other contracts)

## Revenues by Charges



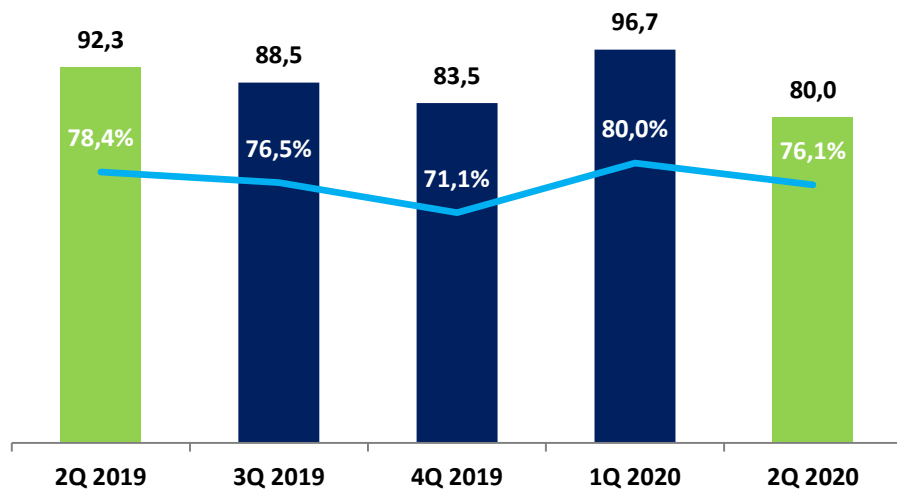
## Revenues by Currency



# 2 Financial Performance

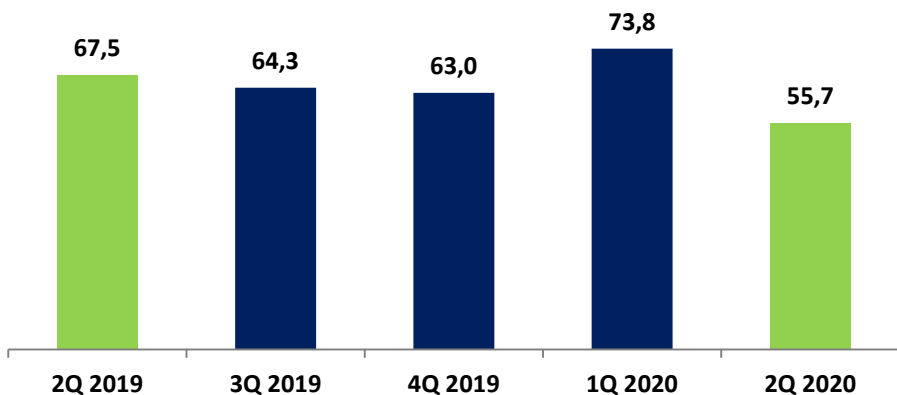
## EBITDA & EBITDA Margin

Million USD\$



## Operating Income

Million USD\$

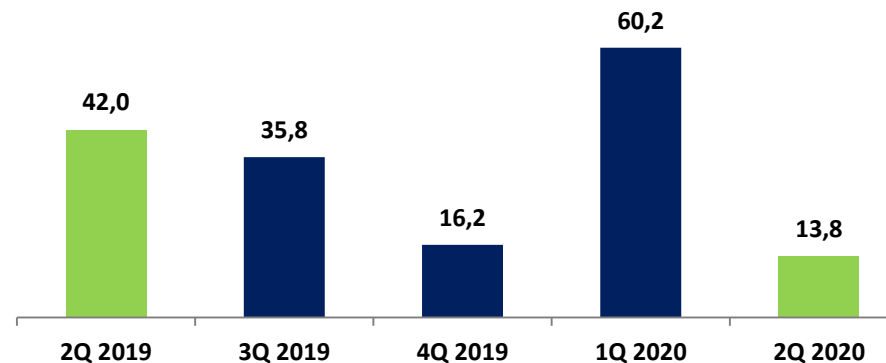


## Strength and resilience

- EBITDA
  - ✓ 2Q 2020 vs. 2Q 2019: -USD\$12,3 mm (-13,4%) and margin of 76,1%
- Operating Income
  - ✓ 2Q 2020 vs. 2Q 2019: -USD\$11,7 mm (-17,4%) and margin of 53,0%
- Net Income
  - ✓ 2Q 2020 vs. 2Q 2019: -USD\$28,2 mm (-67,2%) and margin of 13,1%

## Net Income

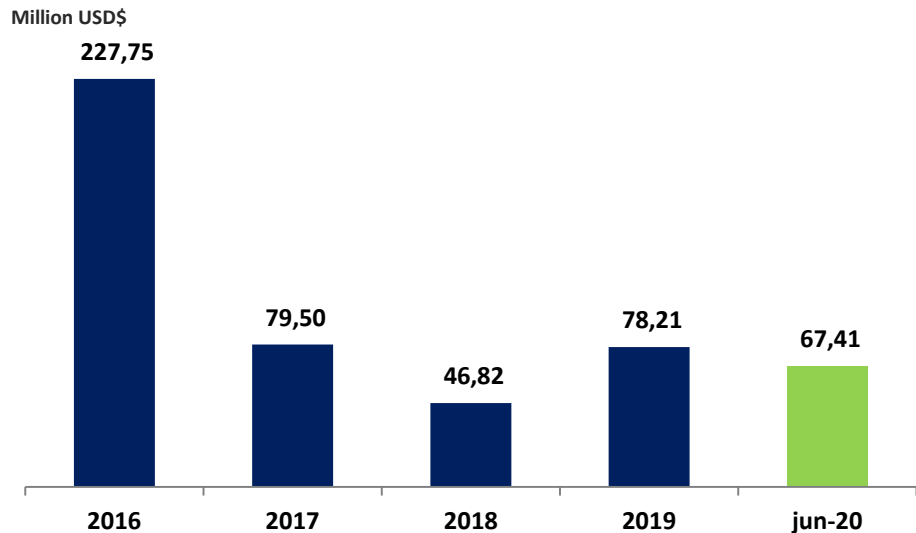
Million USD\$



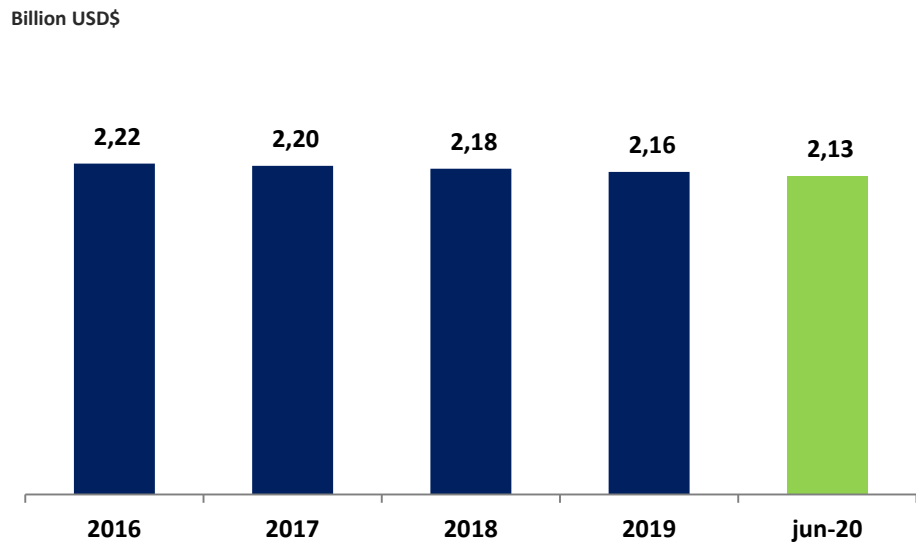


# 2 Financial Performance

## Cash and Equivalents



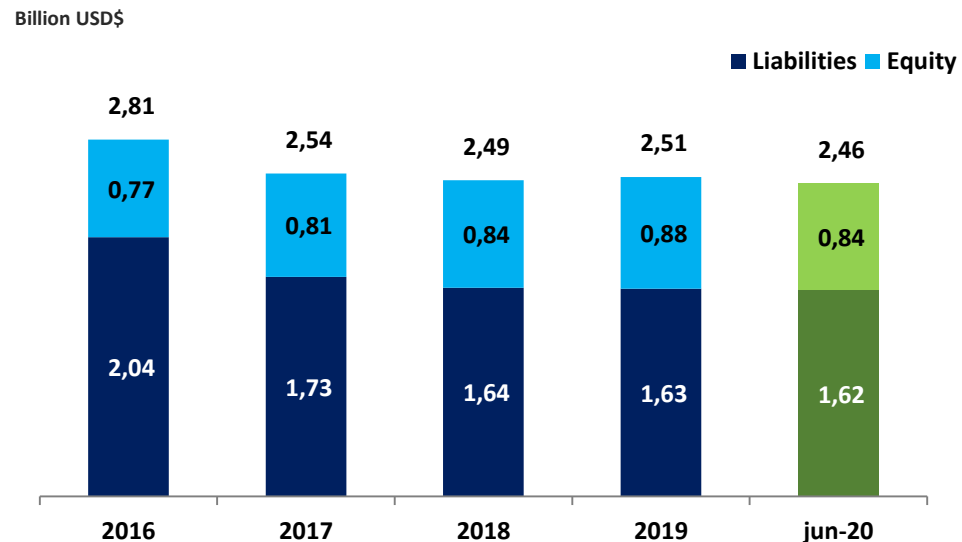
## PPE



## Capital Structure

- Fitch Ratings affirmed BBB rating, with stable outlook, reflecting the strong linkage with the parent company (3-Apr)
- Moody's affirmed TGI's Bond rating at Baa3, with stable outlook (24-Jul)
- Favorable cash balance

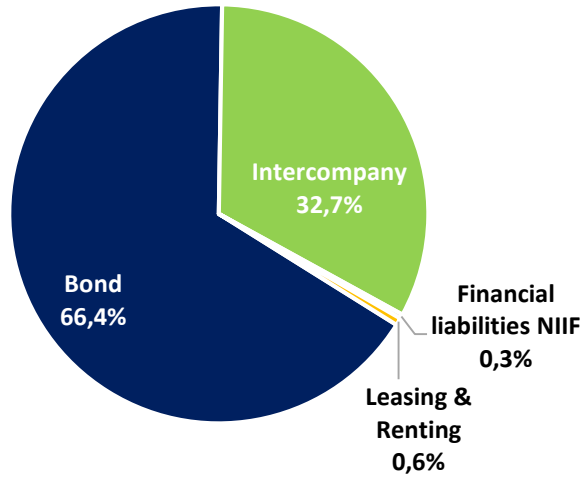
## Liabilities | Equity



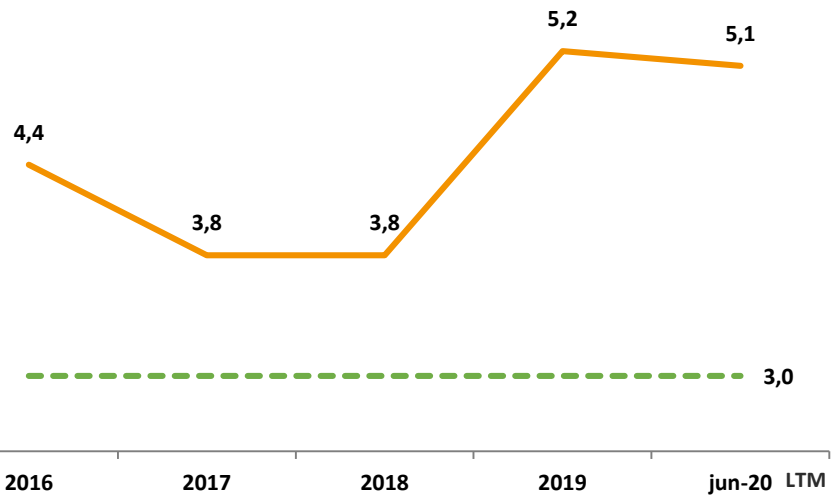
# 2 Financial Performance

## Debt Breakdown

Total Gross Debt  
USD\$ 1,1 billion

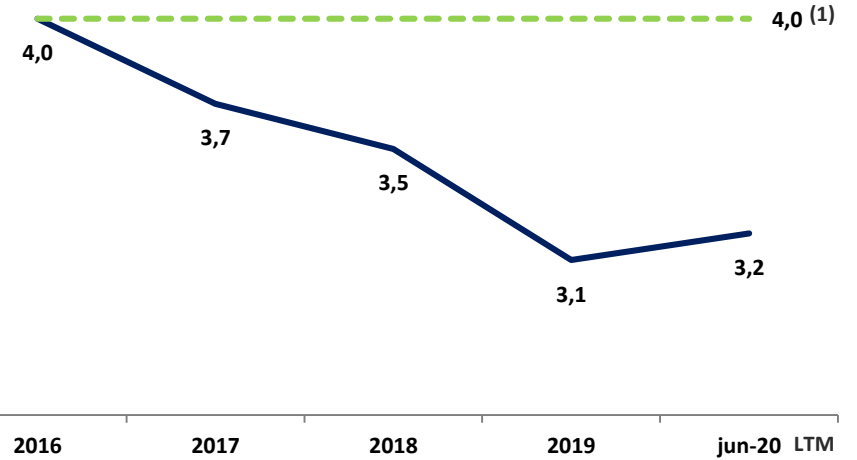


## EBITDA / Financial Expenses

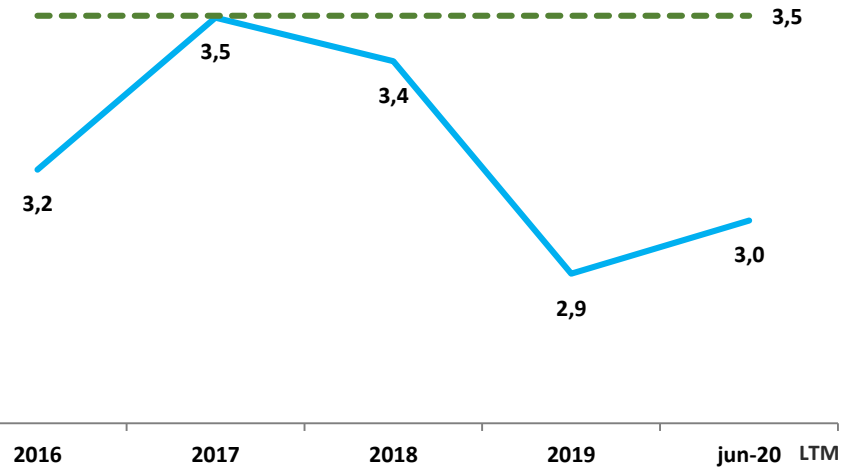


(1) Reasonable indebtedness limit

## Total Gross Debt / EBITDA



## Total Net Debt / EBITDA

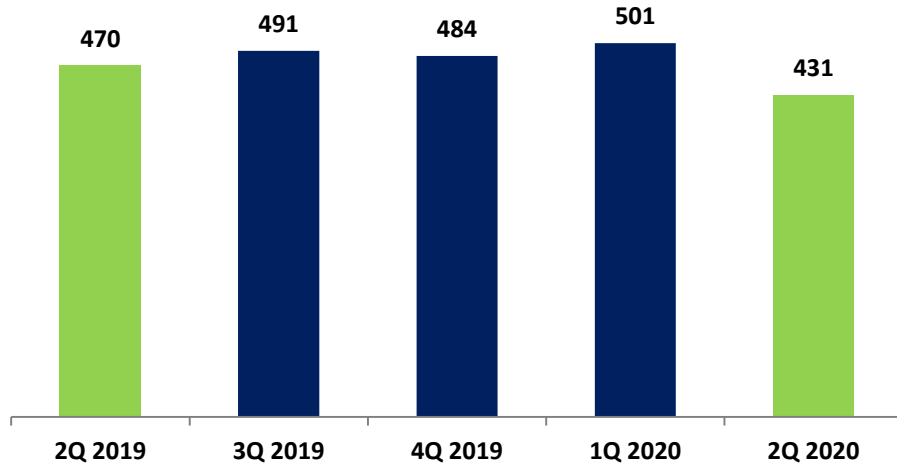


# 2 Operational Performance



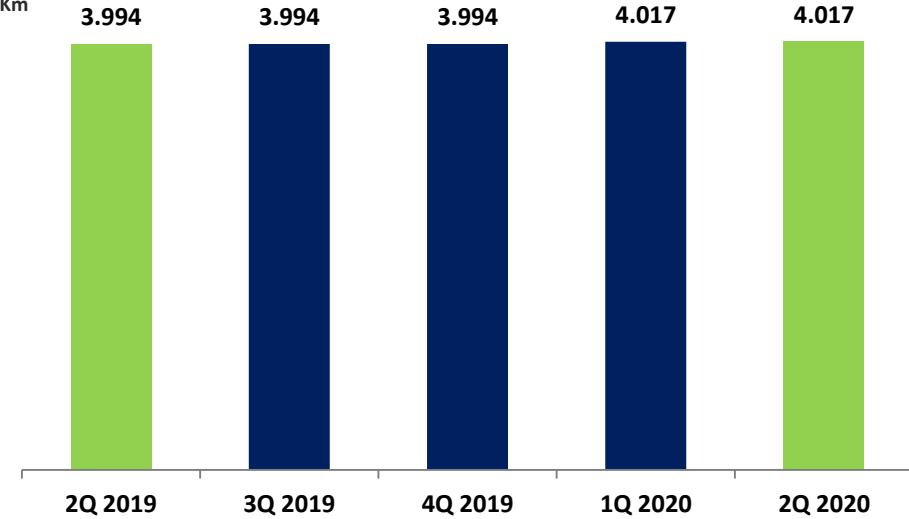
## Transported Volume

Average Mcfd



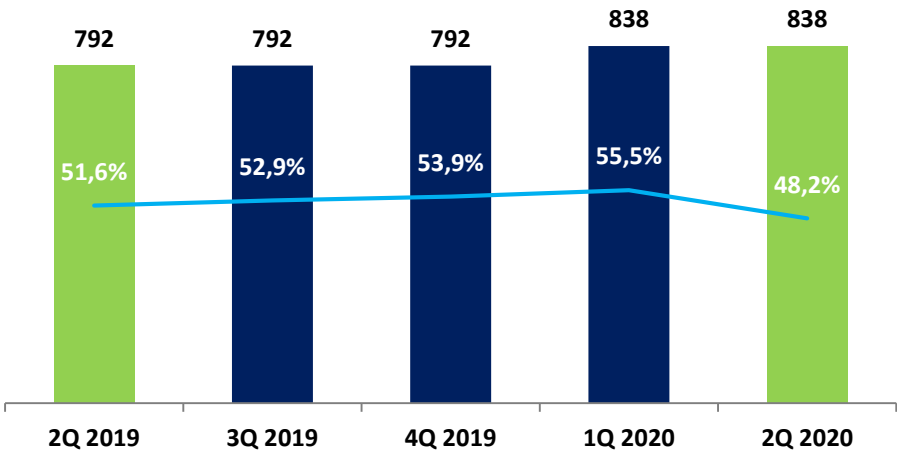
## Gas Pipelines Length

Km



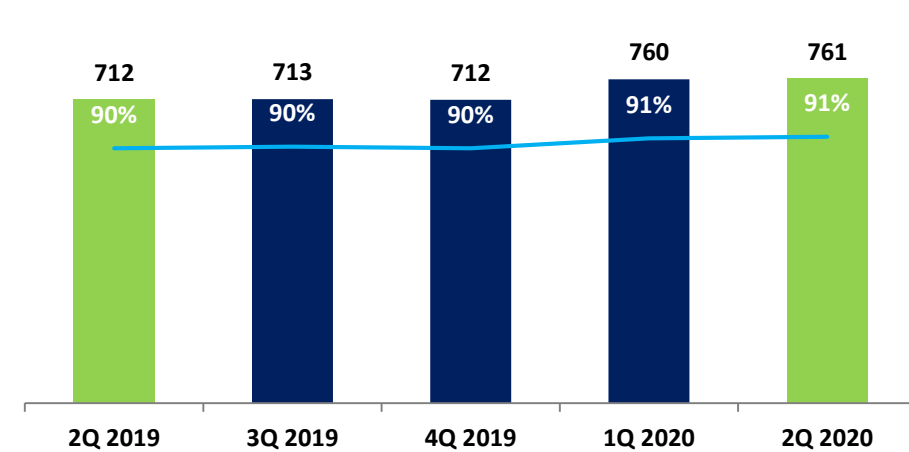
## Total Capacity

Mcfd



## Firm Contracted Capacity

Mcfd



■ Total capacity — Use factor

■ Firm contracted capacity — % of total capacity



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## Investment Projects



# 3 Investment Projects in Execution



Project	Description	Total Investment	Execution
Cusiana Fase IV	<p>Increase the natural gas transportation capacity by 58 Mcfd between Cusiana and Vasconia:</p> <ul style="list-style-type: none"> <li>• Construction of 38,5 Km of loops of 30" diameter</li> <li>• Expansion of Puente Guillermo Gas Compression Station</li> <li>• Modifications to Miraflores and Vasconia Gas Compression Stations</li> </ul>	~\$ 92,3 mm	<ul style="list-style-type: none"> <li>• Capex executed to date – USD\$63,6 mm</li> <li>• Capex executed in 2Q 2020 – USD\$1,7 mm</li> <li>• Physical Progress of Project – 84,8%</li> <li>• Start of operations:               <ul style="list-style-type: none"> <li>- Puente Guillermo Station: 17 Mcfd – 2Q 2018</li> <li>- Loop Puerto Romero – Vasconia: 46 Mcfd – 1Q 2020</li> <li>- Loops Puente Guillermo – La Belleza &amp; El Porvenir – Miraflores: 12 Mcfd - 1Q 2021*</li> </ul> </li> </ul>
Replacement of Branches	<p>Replacement of 4 branches for reaching their regulatory useful lifespan in accordance with resolution CREG 126 of 2016 and 1 branch by mutual agreement:</p> <ul style="list-style-type: none"> <li>• Branch Yarigüies - Puerto Wilches</li> <li>• Branch Pompeya</li> <li>• Branch Z. Industrial Cantagallo – Cantagallo</li> <li>• Branch Cantagallo – San Pablo</li> <li>• Branch Galán – Casabe – Yondó</li> </ul>	~\$ 11,6 mm	<ul style="list-style-type: none"> <li>• Capex executed to date – USD\$9,9 mm</li> <li>• Capex executed in 2Q 2020 – USD\$1,2 mm</li> <li>• Physical Progress of Project – 86,3%</li> <li>• Start of operations:               <ul style="list-style-type: none"> <li>- Yarigüies – Puerto Wilches: 4Q 2019</li> <li>- Pompeya: 4Q 2019</li> <li>- Z. Industrial Cantagallo – Cantagallo: 1Q 2020</li> <li>- Cantagallo – San Pablo: 1Q 2020</li> <li>- Galán – Casabe – Yondó: 3Q 2020*</li> </ul> </li> </ul>

# 3 TGI Outlook

## New opportunities



The following IPAT projects are first choice for TGI, according to current resolutions:

- Loop Mariquita – Gualanday
- Yumbo – Mariquita Bidirectionality
- Compressor Project. Jamundi Branch - Downstream (Pradera Node)
- Barrancabermeja – Ballena Bidirectionality

Ministry of Mines and Energy is updating the Plan



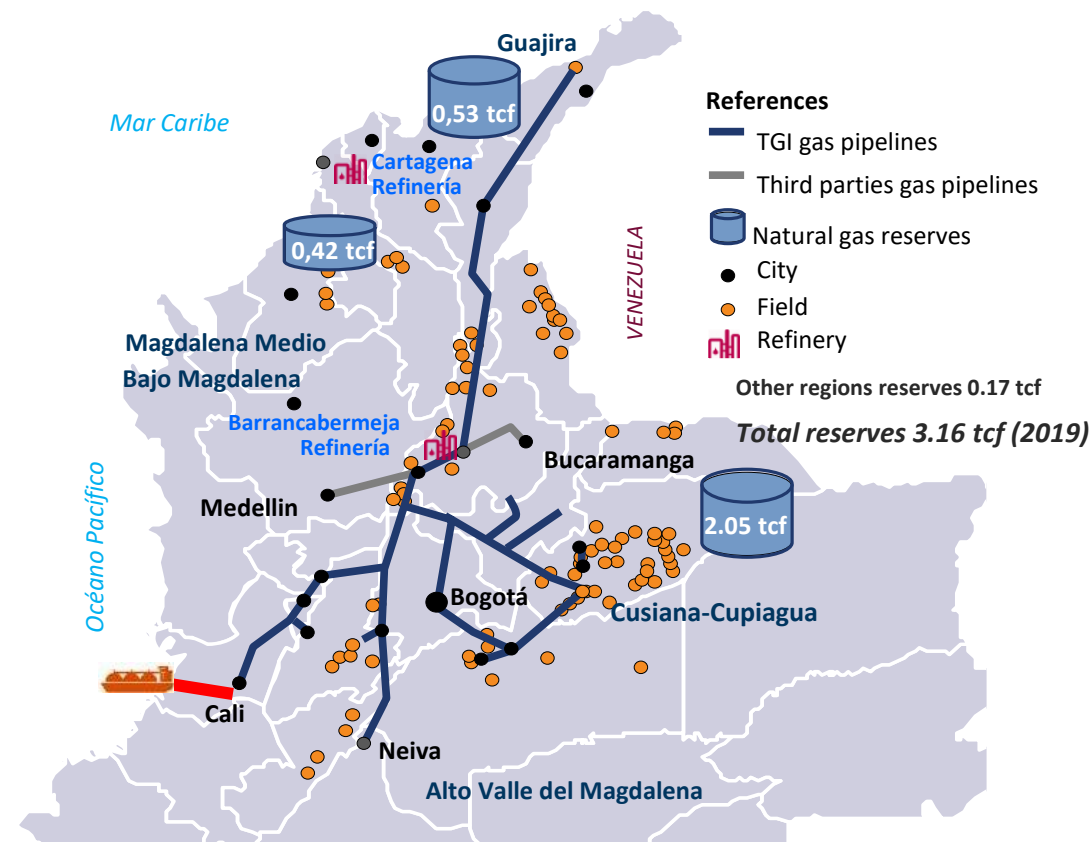
TGI is waiting for the publication of the final terms of reference of the following project to determine its participation:

- Pacific Regasification Plant
- Buenaventura – Yumbo Gas pipeline

Resolution of the Ministry (in consultation) foresees entry into operation of the Plant for September 2023 and January 2024 for the gas pipeline

In July 2020, UPME released Investor Selection Documents - ISD for comments

## Gas pipeline network<sup>(1)</sup>



Source: Unidad de Planeación Minero Energética - Agencia Nacional de Hidrocarburos

(1) Has access to the three main gas production fields, Guajira and Cusiana-Cupiagua



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## Update on Expectations COVID-19



# 4 Update on Risks, Measures and Impacts







Risk	Situation	Measures and Impacts
<p><b>People</b></p>	<p>Possible impact on the health of employees, contractors and suppliers. Mandatory Isolation Measure. Guidelines and biosecurity measures by the government.</p>	<p>BVQI granted <b>Safe Guard</b> seal on protocols' management and assurance. +50 employees on site ensuring the provision of the service and conducting critical maintenance activities. Rest of the employees working from home.</p>
<p><b>Demand, Government &amp; Regulation</b></p>	<p>Gas demand drops by approx. 25%. Transitory regulatory measures derived from the situation in order to seek for relief of end users and the industry.</p>	<p>CREG Res.042 on contract review - revenue decrease of 10% vs. plan (transitory commercial policy). Res. 060 on financing for the regulated segment - minimum impact.</p>
<p><b>Opex &amp; Capex</b></p>	<p>Suspensions and delays in the development of some maintenance activities and in the schedule of infrastructure projects.</p>	<p>Restart of 100% of contracts (17) suspended in whole or in part. To date, 6 work fronts have been reactivated, including Cusiana Phase IV. Decrease in opex and capex vs. plan.</p>
<p><b>Others</b></p>	<p>The Colombian government has been analyzing the possibility of freezing TRM for tariffs calculation.</p>	<p>Development of financial scenarios to understand potential impact. The scenarios contemplate new projections on TRM, inflation and interest rate.</p>



# 4 Update on Financial Expectations



 <b>Revenues</b>	Better performance of demand, mainly due to Thermal dispatch in May and June. Affected Transportation Capacity has been lower than expected. Transitory Commercial Policy extends until September 2020	c. -10% vs 2020 Plan
 <b>Accounts Receivables Provisions</b>	Collections have behaved according to expectations, without evidencing risks on accounts receivables	Acceptable levels
 <b>Costs &amp; Expenses</b>	Control of costs & expenses has been in line with definitions made by the company at the beginning of the isolation and no variations are projected regarding the lower estimated execution	c. -10% vs 2020 Plan
 <b>Cash Balance</b>	Company's liquidity has remained in a solid position and no financing needs are foreseen	Acceptable levels



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## Questions & Answers



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# Investor Relations

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