

## **Despite the contingency in the Ituango hydroelectric project, EPM Parent Company and EPM Group present strong financial results**

- **Positive financial results were recorded by the business group and EPM Parent Company in January–September 2018.**
- **EPM Group's net income grew 12%, and EPM Parent Company's grew 7% compared to the same period in 2017.**
- **The Municipality of Medellin received COP 806 thousand million in transfers, which means more social investment.**

The COP 251 thousand million in extraordinary costs generated by the contingency in the Ituango hydroelectric project have not been an obstacle for EPM to continue growing and delivering good financial results.

The CEO of EPM, Jorge Londoño De la Cuesta, indicated, “as complicated as it is for our company to address the contingency in the Ituango hydroelectric project, thanks to our EPM employees and their commitment to the quality of life of the community and the development of the country, we have achieved growth in profits in EPM Group and EPM Parent Company for the first nine months of the year”.

In the January-September 2018 period, EPM Group obtained a net income of COP 1.7 billion, and an EBITDA of COP 3.9 billion, both with 12% growth. On the other hand, EPM parent company achieved a net income of COP 1.5 billion, with a growth of 7% and an EBITDA of CP 2.5 billion, with 14% growth.

EPM Group revenues were COP 12 billion, and EPM Parent Company revenues were COP 6 billion, growing 10% and 13%, respectively.

Of the above revenues, EPM Parent Company contributed 49%, foreign subsidiaries 33%, Colombian power subsidiaries 16%, and Colombian water subsidiaries 2%.

EPM Group EBITDA was COP 3.9 billion, with a margin of 32%. The increase with respect to the same period of the previous year is explained by the results of EPM Parent Company and the Colombian power subsidiaries, mainly due to higher sales.

In turn, the net profit margin was 14%, the same as the previous year.

### Other EPM Group figures

- **Total assets:** COP 50,2 billion, with 6% growth.
- **Liabilities:** COP 29,3 billion, with 11% growth.
- **Equity:** COP 21 billion, with 1% growth.
- **Cash and cash equivalents:** COP 2.3 billion.

### EPM Parent Company with revenues of COP 6 billion

In the January-September period, EPM Parent Company revenues totaled COP 6 billion, an increase of 13% over the previous year, mainly due to higher energy and gas sales, an increase in clients and tariff changes in the water business. EBITDA and parent company net income increased 14% and 7%, reaching COP 2.5 and COP 1.5 billion, respectively.

During the period, surpluses of COP 1.2 billion to the Municipality of Medellin were accrued, equivalent to 55% of 2017 net income, and payments of COP 806 thousand million were made (including COP 150,000 million corresponding to the disposal of Isagen's shares).

### Other EPM Parent Company figures

- **Total assets:** COP 42 billion, with 6% growth.
- **Liabilities:** COP 20.5 billion, with 13% growth.
- **Equity:** COP 21.5 billion, with 0.2% growth.
- **Cash and cash equivalents:** COP 1.4 billion.

### EPM Group's financial ratios

In the analysis period, the EPM Group's return on equity was 13%, while in the same period in 2017, it was 11%. At EPM Parent Company, return on equity was 11%, compared to 10% in 2017. For its part, the Debt/EBITDA ratio of EPM Group\* closed the period at 3.38, compared to 3.37 in 2017. At EPM Parent Company, this ratio stood at 3.95, compared to 3.90 in 2017.

### Infrastructure investments

So far this year, the EPM Group has invested COP 2.3 billion in infrastructure, of which EPM Parent Company contributed 67%, Colombian subsidiaries 17% and foreign subsidiaries 16%, as an important contribution to the economy and employment generation.

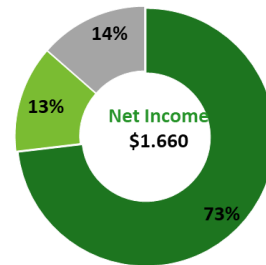
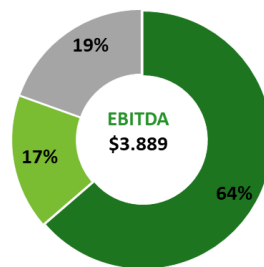
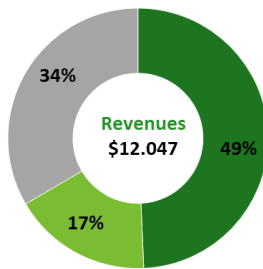
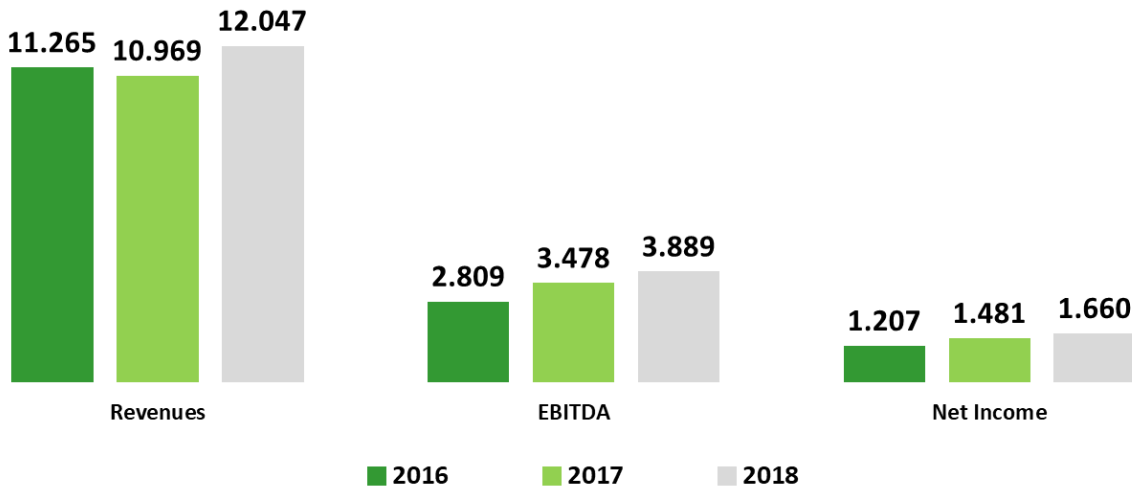
*\*Total long-term debt/EBITDA.*



## Group comparative figures

### EPM Group

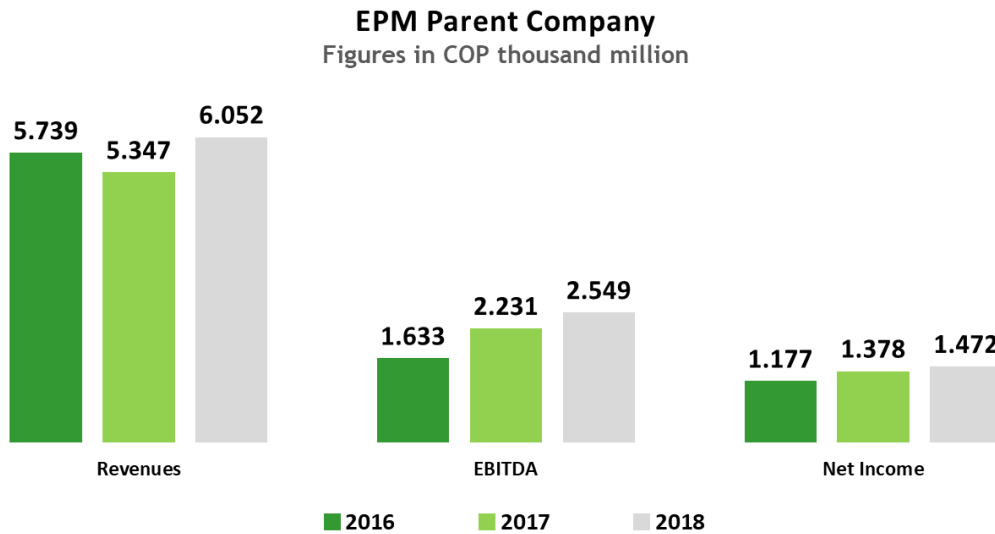
Figures in COP thousand million



■ EPM ■ Colombian Subs. ■ International Subs.



## EPM Parent Company comparative figures



\* These are non-audited figures.