

Grupo·epm[®]

1Q2018 Report

Included in The Sustainability Yearbook 2018

ROBECOSAM



Agenda



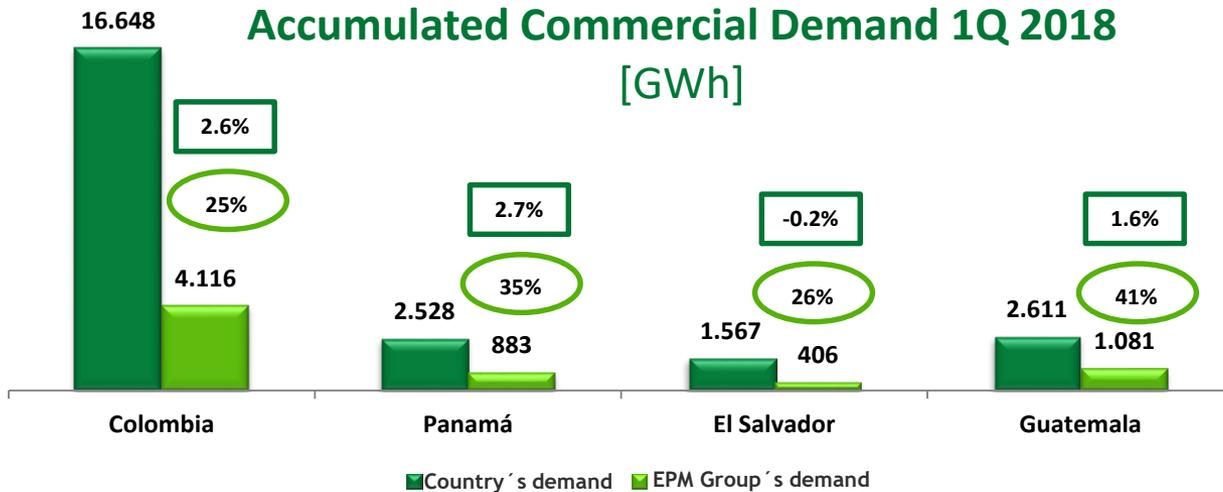
- > Relevant events
- > Energy market
- > Work progress in main project: Ituango
- > Financial results as of March 2018

Relevant events of the quarter and subsequent to the closing

- ✓ In March, **EPM paid COP 150 thousand million surpluses to the Municipality of Medellin** (corresponding to the disposal of the Isagen shares). During the year, **the accumulated surpluses paid amount to COP 436 thousand million.**
- ✓ On March 22, **EPM selected the firm KPMG SAS, as its External Auditor** for the period between May 1st of 2018 and April 30th of 2019.
- ✓ On April 25th, **the Board of Directors approved the acquisition of a controlling stake in Gas Natural S.A. E.S.P.** through a takeover bid or a competitive takeover bid. The credit operations were authorized to finance the acquisition and the respective budget modification.

Energy Market

EPM Group Commercial Power Demand



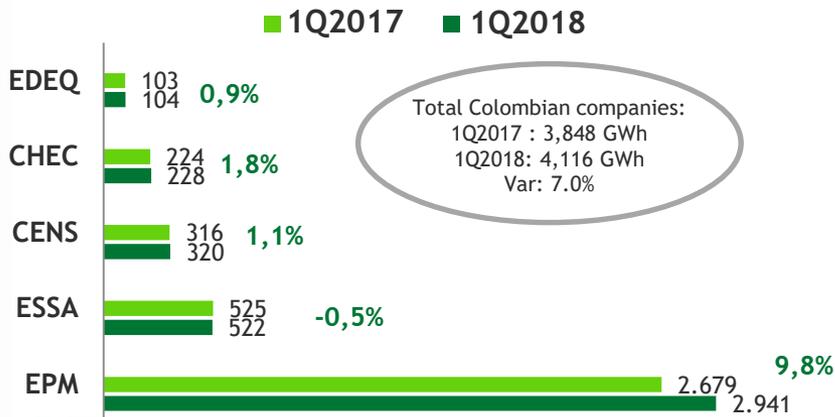
% Country's demand variation 1Q2018 vs 1Q2017

% EPM Group country demand's share.

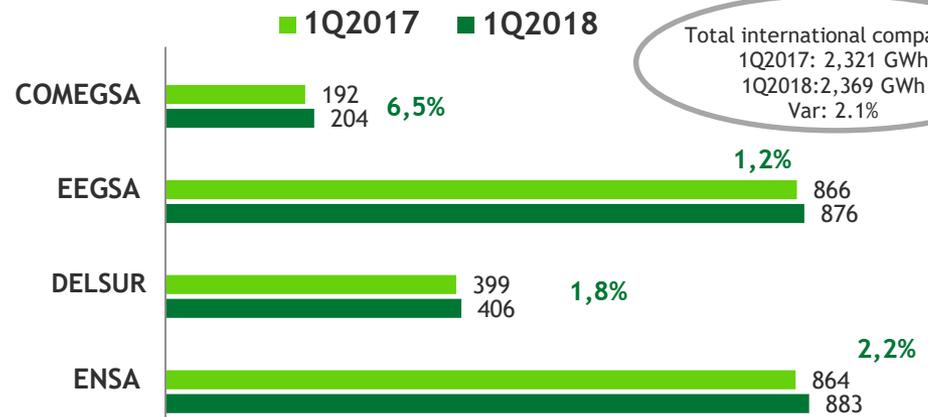
Note: We report the commercial demand that depends on customers served directly by each company regardless of the distribution network to which regulated and unregulated users are connected. The country's demand reported does not include energy exports.

1Q = First Quarter

Colombian Companies GWh



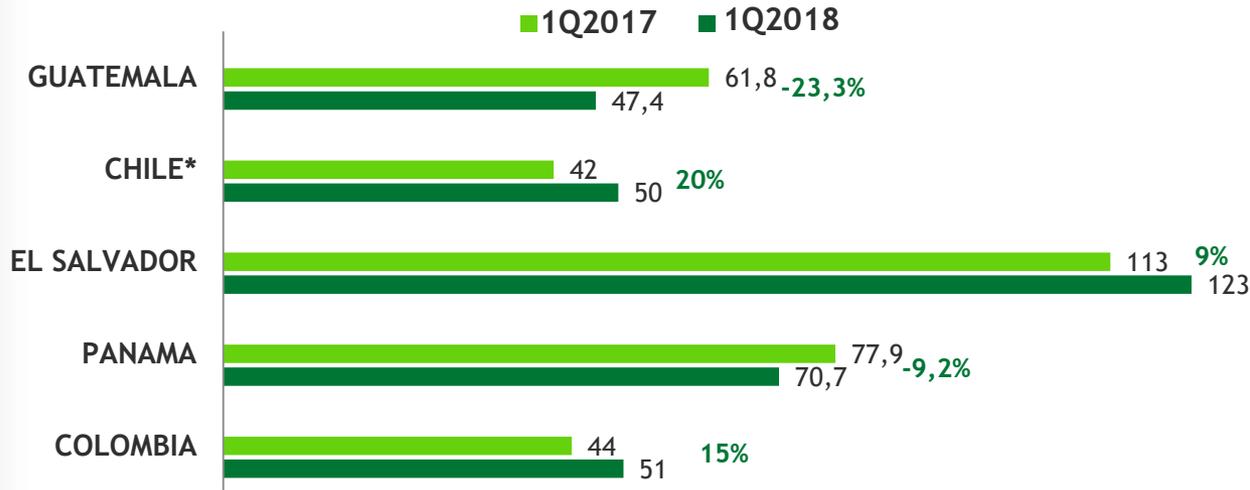
International Companies GWh



Energy Market

Spot Price USD/MWh and EPM Generation (GWh)

Spot Price USD/MWh



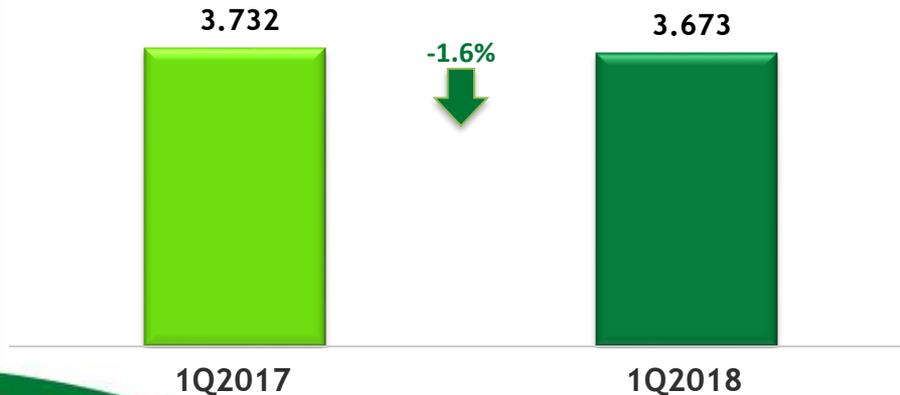
During 1Q2018 in Chile and El Salvador, spot price increased, mainly by the increase in fuel prices. Contrary to Guatemala and Panama, where the spot price declined. In Colombia, in turn, the spot price increased 15%, due to the hydraulic generation component that is high and due to the climatic condition of 1Q2018 compared to 1Q2017, that had a stable behavior, but with lower water input.

NOTES:

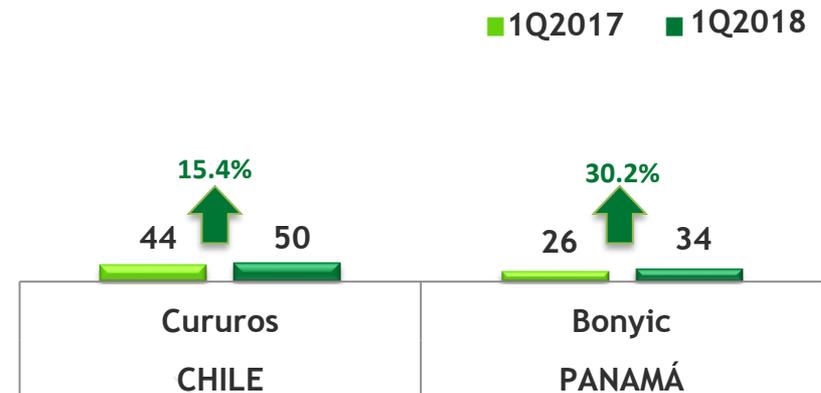
First Quarter average spot prices.

*Price of La Cebada node where EPM's Los Cururos plant is connected.

EPM Group Power Generation in Colombia



International Subs. Power Generation [GWh]



Main Infrastructure Project

Ituango Hydroelectric Generation Plant



83.5% total work progress as of March 2018 Invested to date: **COP 8.3 billion (USD 2.8 bn equiv.)**

Progress of main civil works:

- ✓ **The Dam**, 225 m high with 20 million m³ of rock is at **85%** of construction.
- ✓ **The Spillway**, (a channel to control river floods of more than 22,600 m³/s of water and whose construction means excavating 14 million m³ of rock) is at **99%** of construction.
- ✓ **The Power House** was **concluded**.



External civil Works: spillway and dam

Progress in power generation equipment:

- ✓ **1st stage/4 power generation units: 4 turbines** of 300 MW each and **4 generators** of 336 MVA each. The manufacture is at **100%** and the assembly is at **25.3%**.
- ✓ **25 transformers in** total, of 112 MVA each. At the North Area the manufacture and assembly are at **100%**. In the South Area, the manufacture is at **100%**.
- ✓ **2 Crane bridges** of 600 tons of total capacity are under operation.



Civil Works at the Powerhouse: equipment's assembly (turbines and generators)

Main Infrastructure Project

Ituango Hydroelectric Generation Plant



Total cost: COP 11.4 billion (USD 3.8 billion equiv.)



Financing Strategy:
64% debt, 36% equity

➤ **Financing allocated to date :**

COP 7.4 billion (USD 2.655 million equiv.)

- Represents 64% of the total cost of the project.

➤ **Disbursed to date:**

COP 3.6 billion (USD 1.544 million equiv.)

Loans Agreements subscribed:

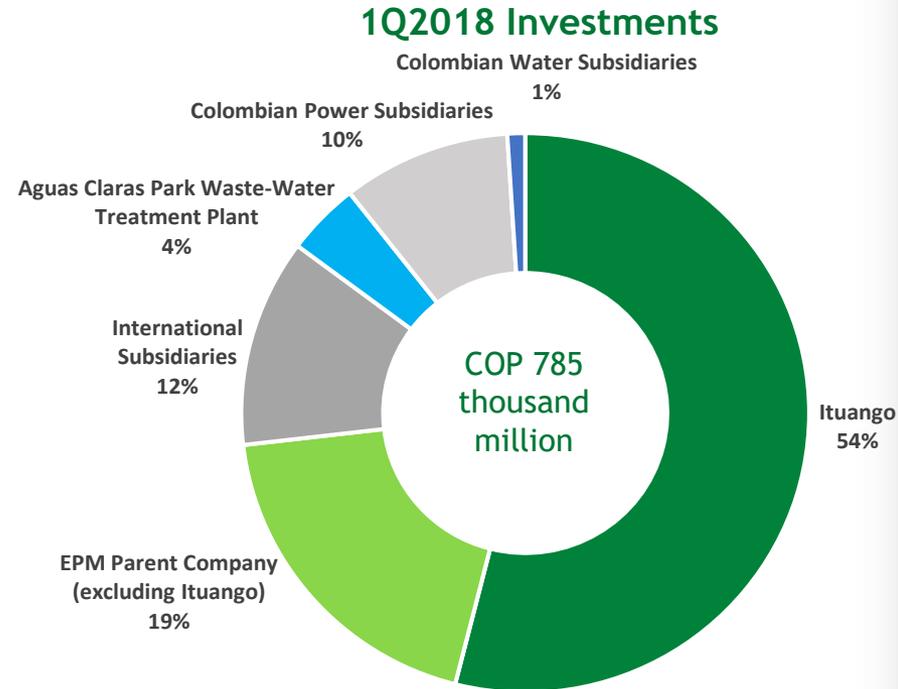
- ✓ Local bonds: COP 867.280 million
- ✓ Global COP bonds: COP 2 billion
- ✓ Club Deal: USD 106 million
- ✓ BNDES: USD 111 million
- ✓ EDC: USD 135 million
- ✓ BID-IIC and other banks: USD 1.000 million
(signed on December 29th,2017)

Financial Results as of March 31, 2018

Capex EPM Group

Figures in COP million

EPM Group	1Q2018
Ituango	423,489
EPM Parent Company (excluding Ituango)	150,700
International Subsidiaries	94,295
Aguas Claras Park Waste-Water Treatment Plant	32,990
Colombian Power Subsidiaries	75,272
Colombian Water Subsidiaries	7,936
Total	784,682



Power: 83%



Water: 17%

✓ EPM Group Investments as of March: **COP 785 thousand million**

Financial Results as of March 31, 2018

Macroeconomic Scenario



CPI: Consumer Price Index

PPI: Producer Price Index

WPI: Wholesale Price Index (Panama and El Salvador)

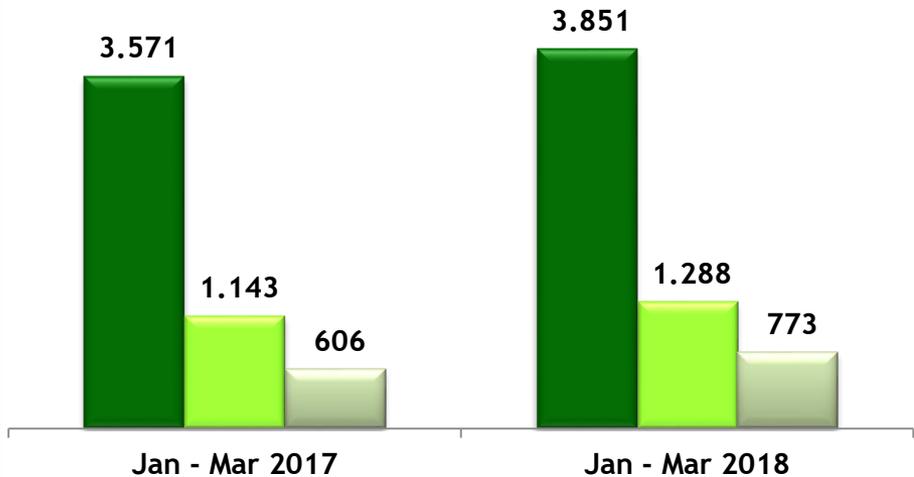
Concept	Colombia	Chile	Guatemala	Panama	Mexico	El Salvador
CPI	1,58%	0,71%	-0,37%	0,57%	1,24%	0,11%
CPI (accumulated 12 months)	3,14%	1,81%	4,14%	0,57%	5,04%	0,91%
PPI/WPI	0,24%	-1,99%	N.A.	N.A.	1,74%	0,65%
PPI/WPI (accumulated 12 months)	1,65%	4,81%	N.A.	N.A.	3,64%	1,26%
Exchange rate (month-end)	2.780,47	605,26	7,40	N.A.	18,27	N.A.
Devaluation/Revaluation	-6,82%	-1,62%	0,74%	N.A.	-7,08%	N.A.

Financial Results as of March 31, 2018

EPM Group Income Statement

Figures in COP thousand million

■ Revenues ■ EBITDA ■ Comprehensive income

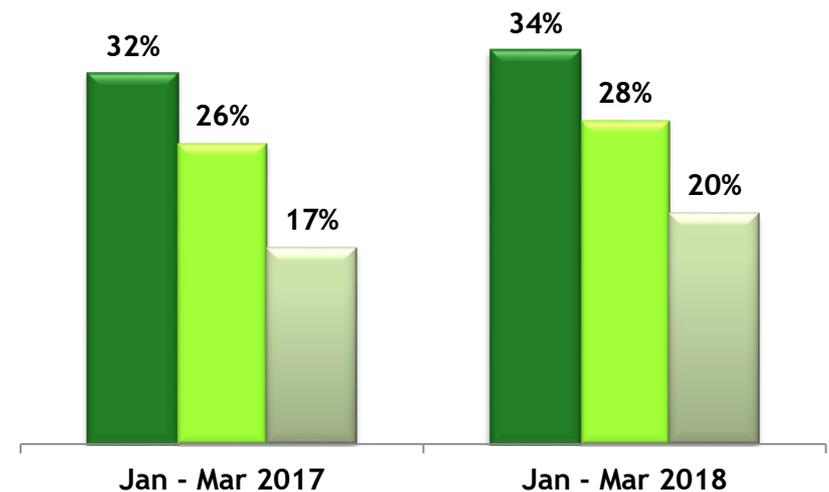


2017 - 2018

- Revenues: 8%
- EBITDA: 13%
- Comprehensive income: 28%

- Revenues increased COP 280, 8%, explained by greater demand on the non-regulated market and long-term sales on EPM Parent Company.
- EBITDA rose COP 145, 13% with respect to previous year.
- Comprehensive income rose COP 168, 28%, due to higher operating income in COP 147 and greater dividends in COP 21.

■ EBITDA margin ■ Operational margin ■ Net Margin

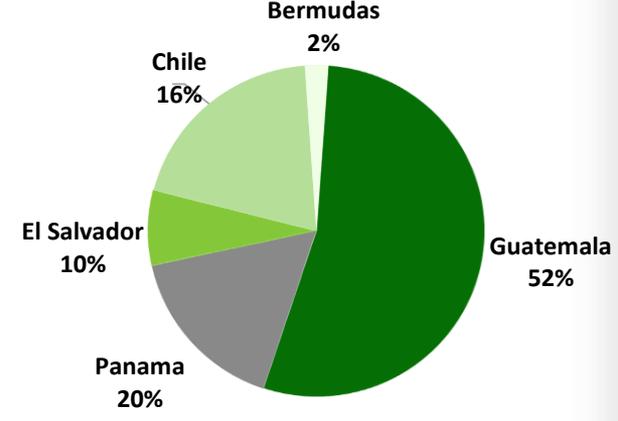
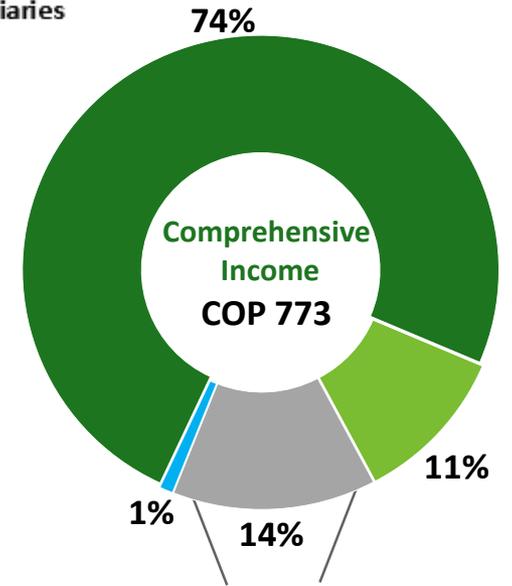
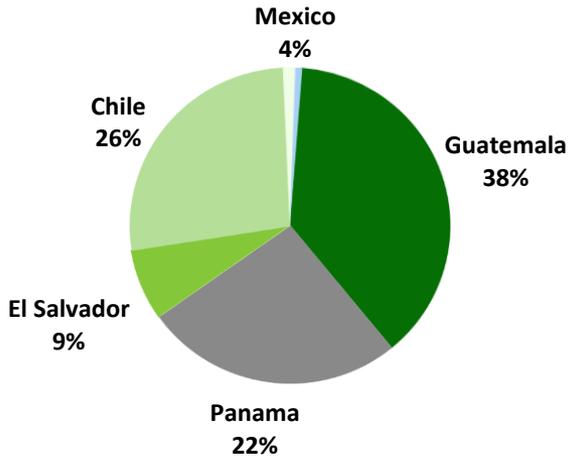
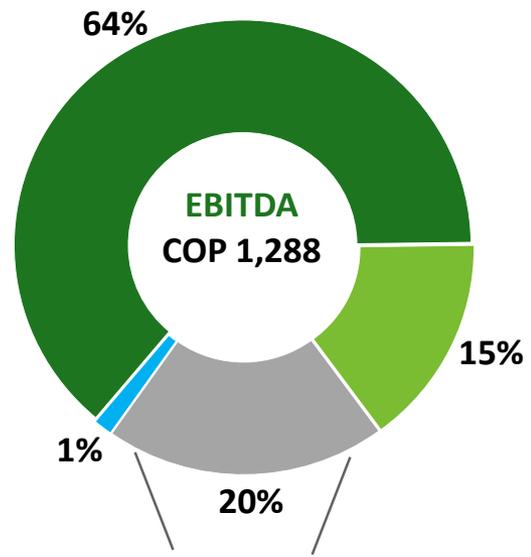
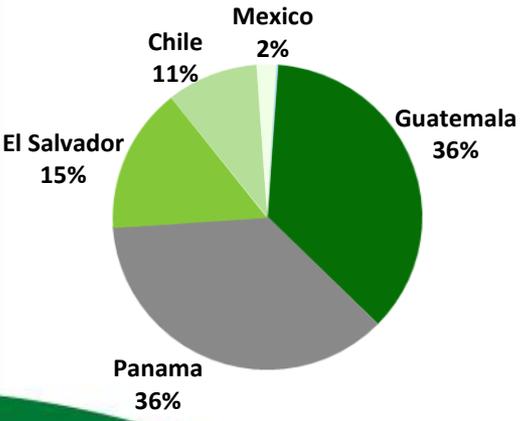
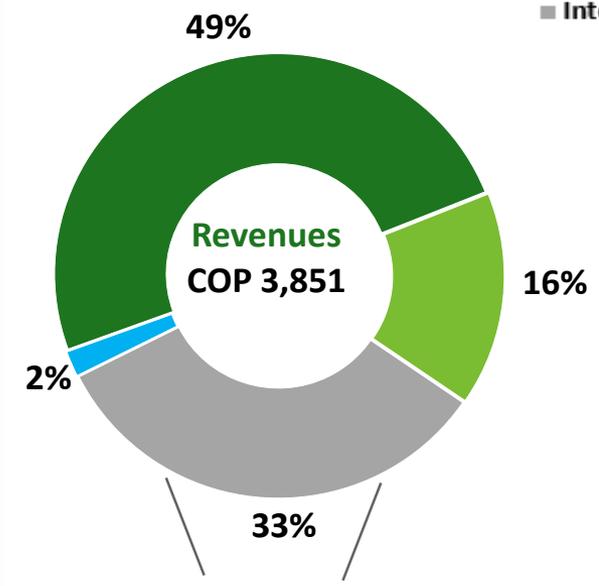


Financial Results as of March 31, 2018

EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million

- EPM
- Colombian Power Subsidiaries
- International Subsidiaries
- Colombian Water Subsidiaries

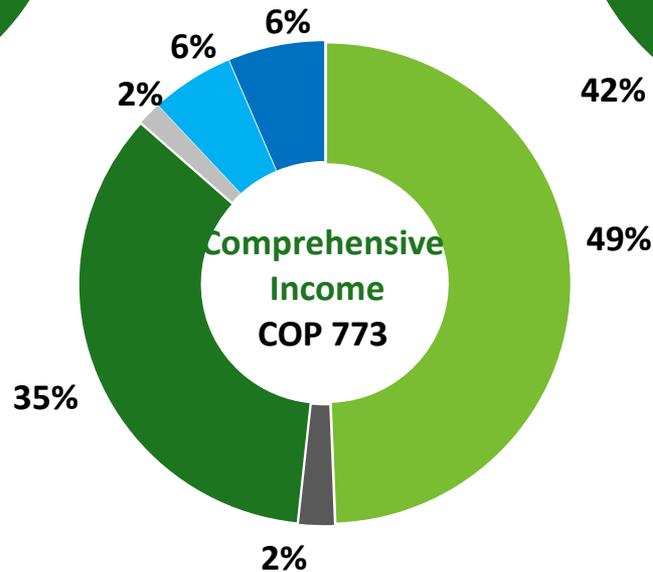
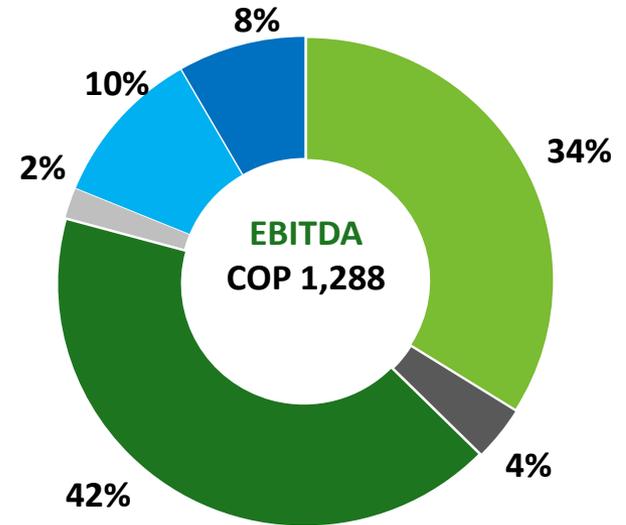
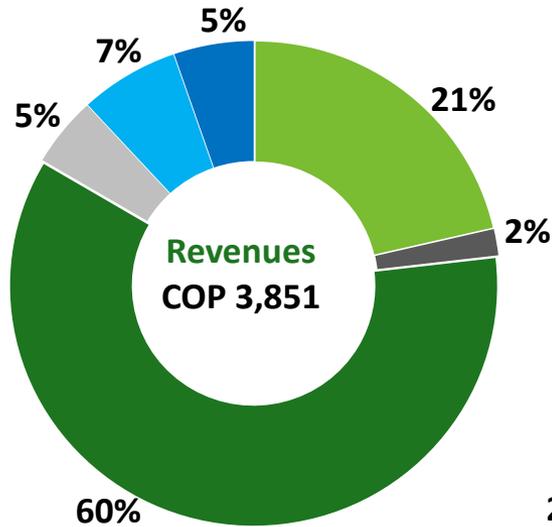


Financial Results as of March 31, 2018

EPM Group by Segments

Figures in COP thousand million

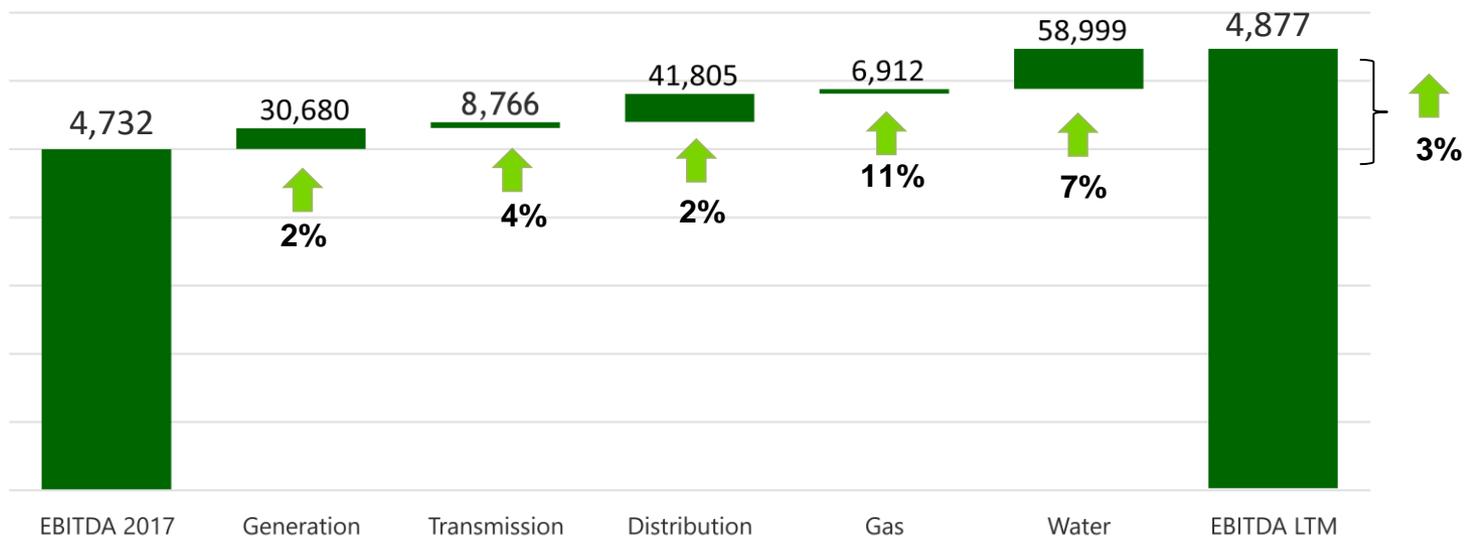
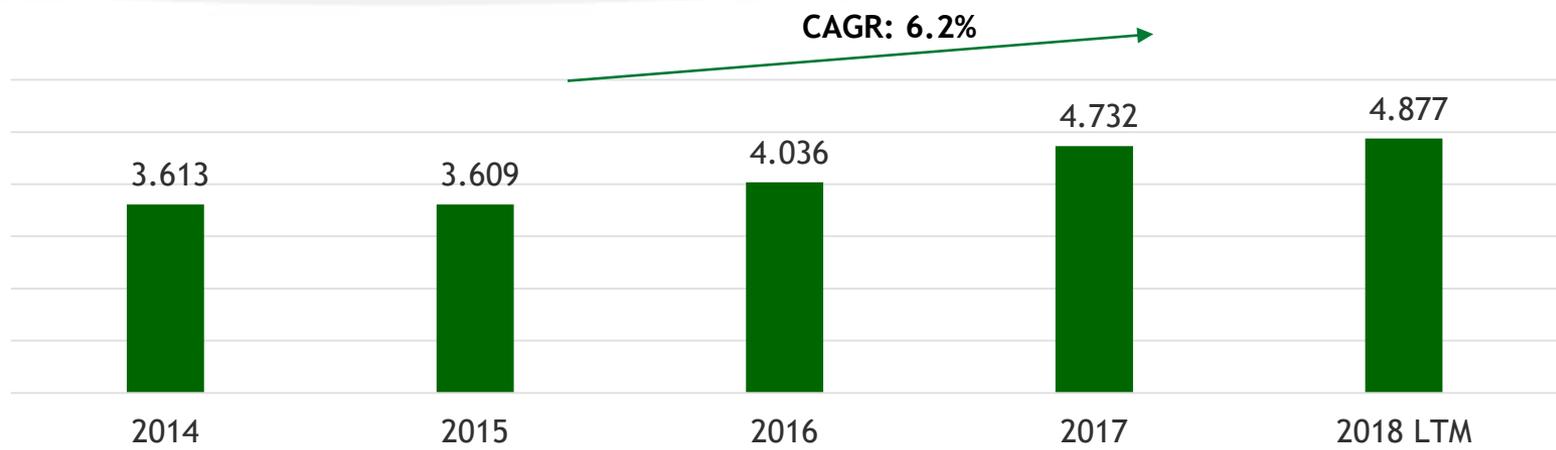
- Power Generation
- Power Transmission
- Power Distribution
- Gas
- Water
- Waste Management



Financial Results as of March 31, 2018

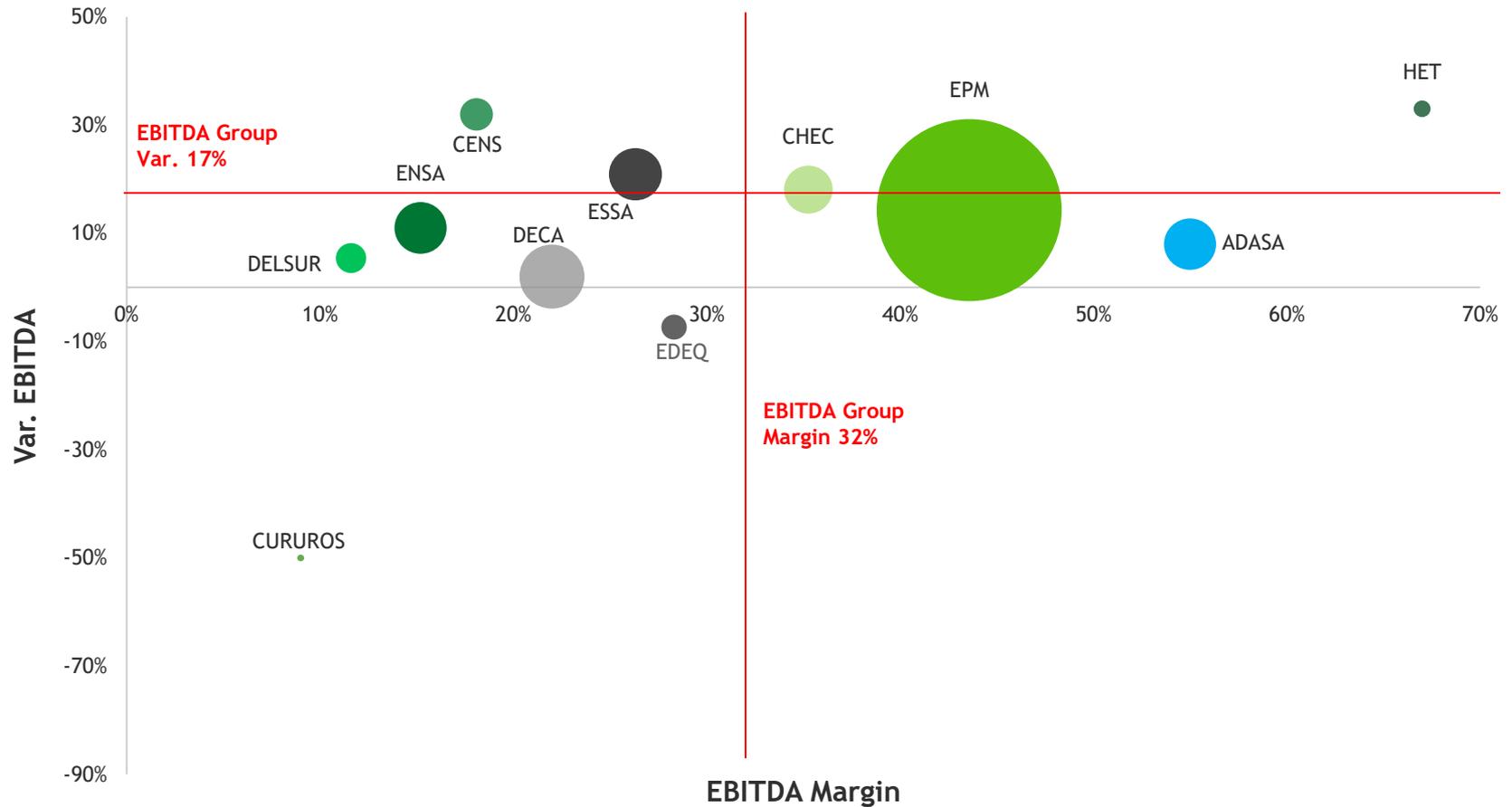
EPM Group EBITDA

Figures in COP thousand million



Financial Results as of March 31, 2018

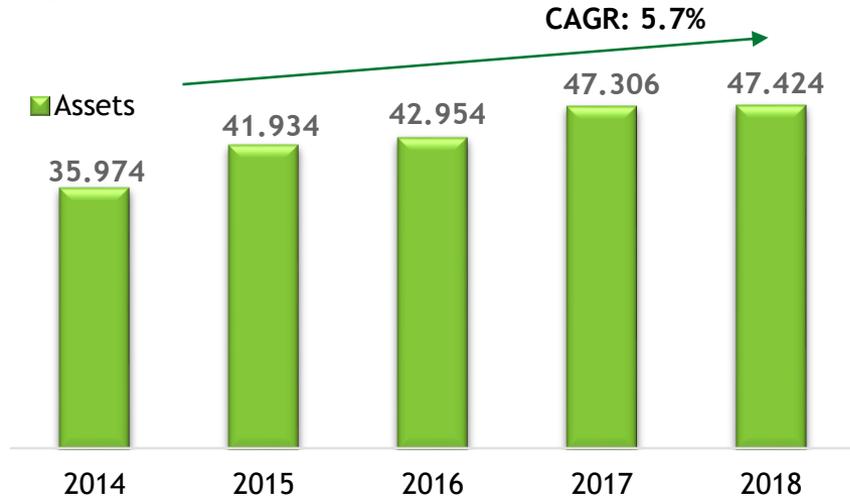
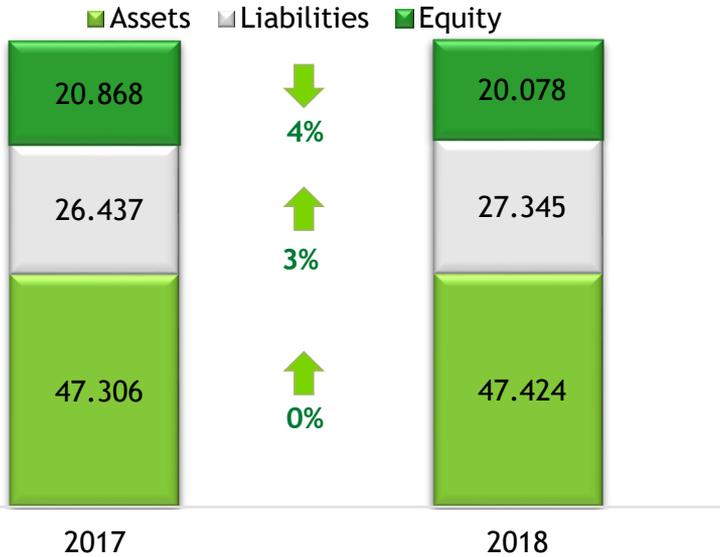
EPM Group EBITDA



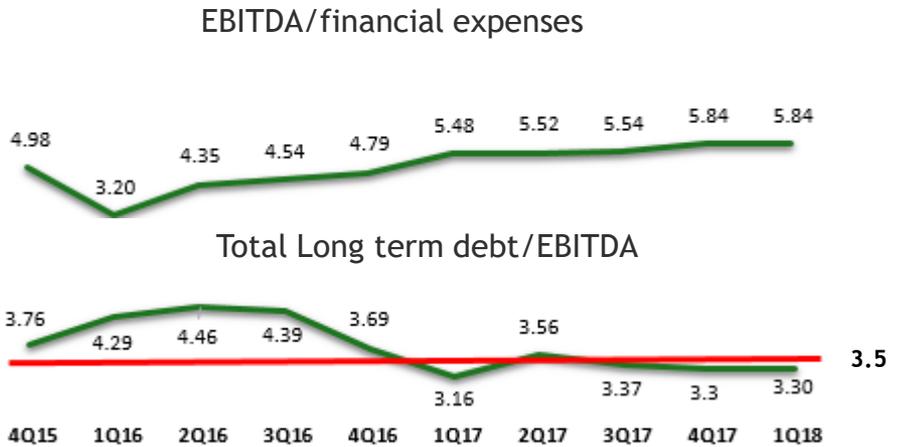
Financial Results as of March 31, 2018

EPM Group - Statement of Financial Position

Figures in COP thousand million



Ratios	2017	2018
Total debt	55	58
Financial debt	36	38
EBITDA/financial expenses	5.48	5.84
Total Long Term Debt/EBITDA	3.16	3.30

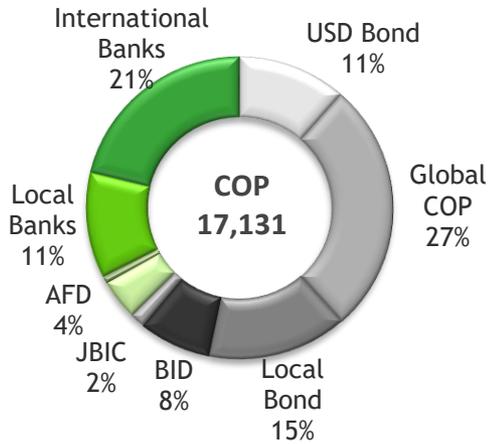


Financial Results as of March 31, 2018

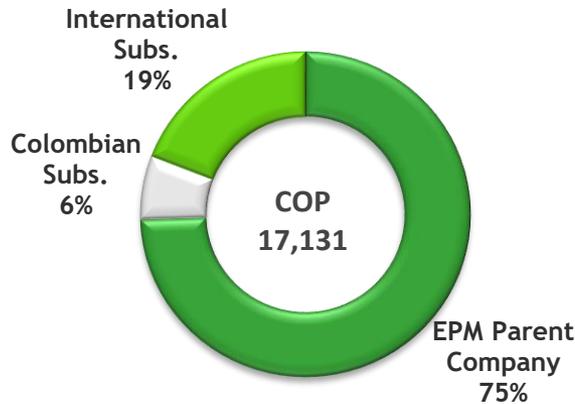
Debt Profile

Figures in COP thousand million

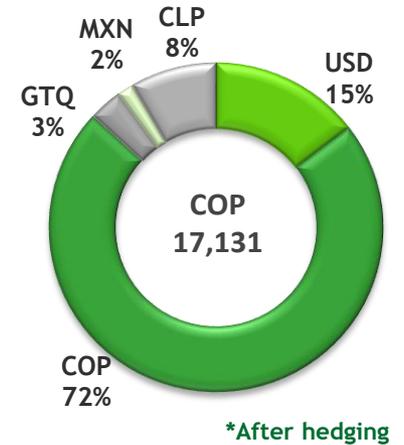
Source



Companies

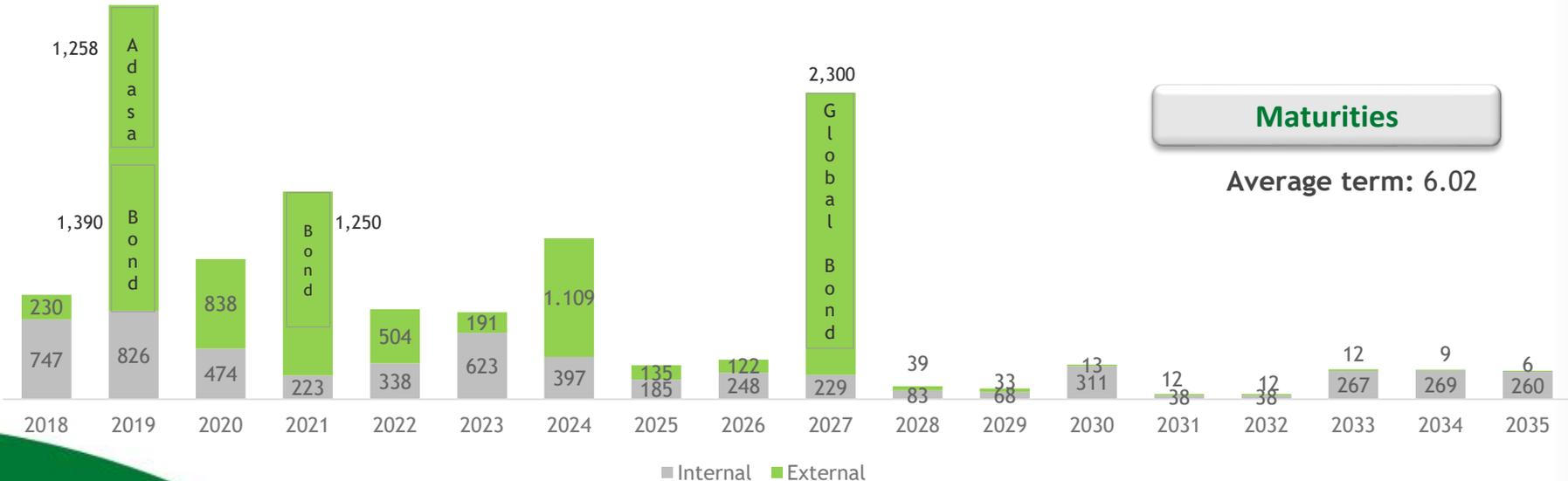


Currency*



Maturities

Average term: 6.02



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