Corficolombiana

# Results Presentation
# 1Q-18

May 2018

# Legal Disclaimer

*The information provided in this document contains relevant information about the results obtained by Corficolombiana S.A. ("Corficolombiana") in the first quarter of 2018. It is submitted as a summary and does not intend to be exhaustive and does not exhaust all the business aspects of Corficolombiana.*

*The Financial Statements are submitted under the International Financial Reporting Standards accepted in Colombia (IFRS).*

*The content of this presentation is not, and shall not be understood as an invitation to contract or invest in any of the projects or businesses in which Corficolombiana has participated. Likewise, it does not constitute legal or financial advice, recommendation or suggestion of investment or tool for its readers to make a decision or action.*

*This document was not prepared for a presentation or publication to third parties.*

# Content

# Relevant Facts

## Consolidated Figures – 1Q18

| | |
|---|---|
| Assets: | $21.357.497 MM |
| Total Equity: | $5.309.695 MM |
| Net Profit: | $145.766 MM |
| ROE: | 8,35% |
| Solvency: | 37,27% |

## Separate Figures – 1Q18

| | |
|---|---|
| Assets: | $9.555.307 MM |
| Total Equity: | $3.342.327 MM |
| Net Profit: | $139.566 MM |
| ROE: | 8,61% |
| Solvency: | 41,37% |

## Investment Grade Rating

Fitch Ratings
AAA Local
BBB International

BRC Standard & Poor's S&P Global
AAA Local

**Figures in COP Million**. Consolidated Figures: Equity without excluding minority interest. Controlling Net Income. ROE: net profit attributable to Corficolombiana on the average controlled equity.

### Subsequent and Relevant Facts

- Consolidated EBITDA for 1Q-18 reached COP 575.358 million (11,8% YoY), growth supported mainly by the infrastructure sector and better results recorded by Corficolombiana´s treasury.
- On May 3rd, payment of the dividends equivalent to a dividend per share of $ 500 on ordinary shares and $ 824.55 on preferential shares was completed. The total dividends paid corresponds to 55.5% of the profits of the year 2017. 80% of the total dividends declared were paid in shares ($97,134 million).

Energy

- Fitch Ratings confirmed Promigas rating at AAA (national scale) with outlook stable.
- On April 24th, Antonio Celia announced his decision to retire from his position as CEO of Promigas effective September 2018. At this time, the succession plans are being consulted to ensure an adequate transition.

Infrastructure

- The results of the investigation conducted by Modjeski & Masters in relation to the collapse of the stack B of the Chirajara Bridge have established that in their opinion the collapse obeyed to a design error. In addition, it recommends the demolition of the stack C that remains standing, which will proceed once the pertinent authorizations are obtained.
- The Average Daily Traffic in the concessions that are in operation grew 2,6% YoY reaching 118,730 during 1Q-18.

# Relevant Facts

## Subsequent and Relevant Facts

Financial Subsidiaries

- Fiduciaria Corficolombiana and Casa de Bolsa signed an agreement in April to promote the business of collective investment funds. As a result, the Fiduciaria will administer the funds that both firms had to that date (8 funds for a total amount of $ 2,5 billion), while Casa de Bolsa will be in charge of the commercialization.

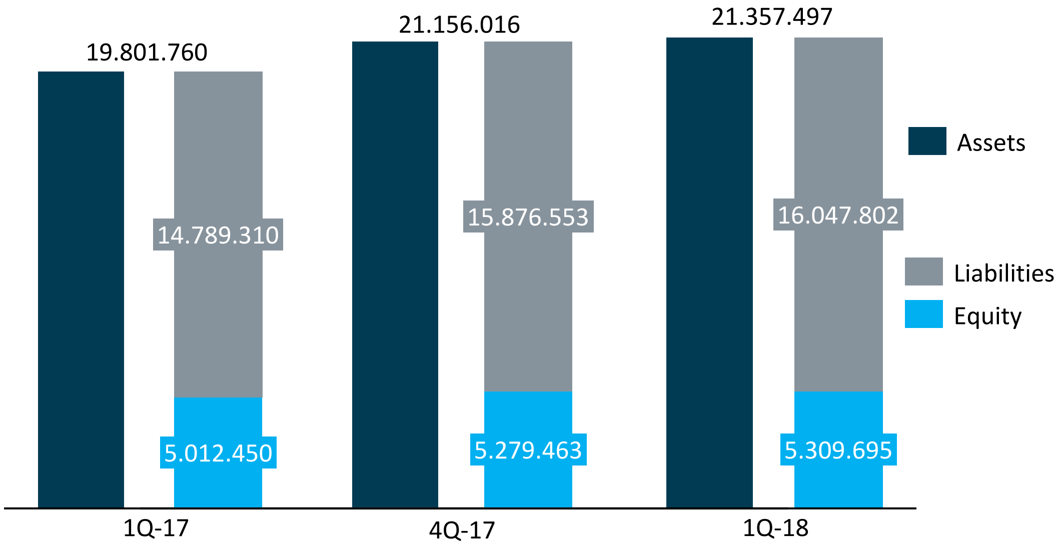
Agroindustry

- On February $14^{th}$, the Superintendence of Companies admitted Pizano in the process of judicial liquidation. Since then, the process provided in Law 1116 (presentation of credits, appraisers, among others) has been underway.

# Content

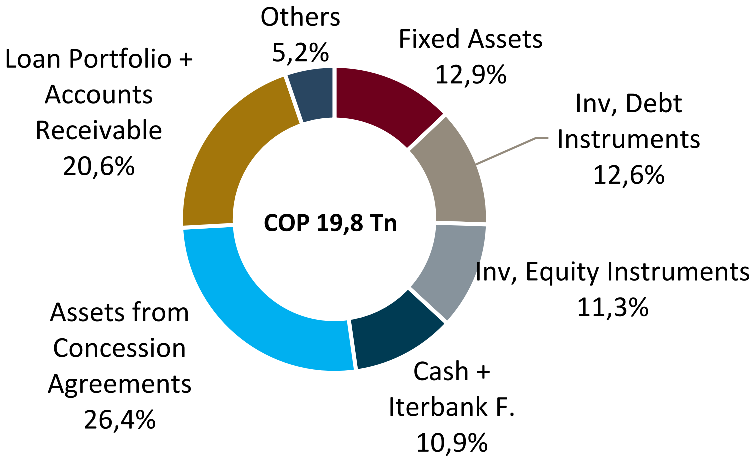
# Consolidated Balance Sheet

Figures in COP MM

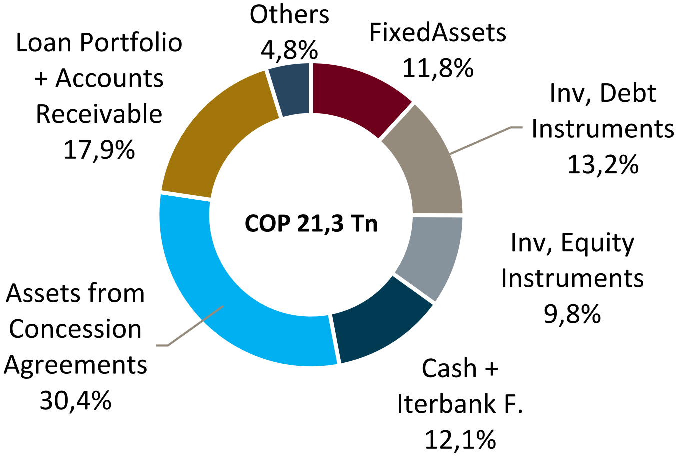



- The assets from concession agreements grew due to equity and subordinated debt contributions to the 4G concession projects ($ 14,340 million in 1Q-18), as well as the acquisition in 4Q-17 of the participation of Iridium in Covimar and Covipacífico and of Dragados in the construction consortiums.
- Fixed-income investments reflect the strategy of Corficolombiana's treasury, which sought to take advantage of market rates against the lower cost of funding.
- The reduction in loan portfolio and accounts receivable is due to higher portfolio provisions (IFRS 9).

## Assets 1Q-17

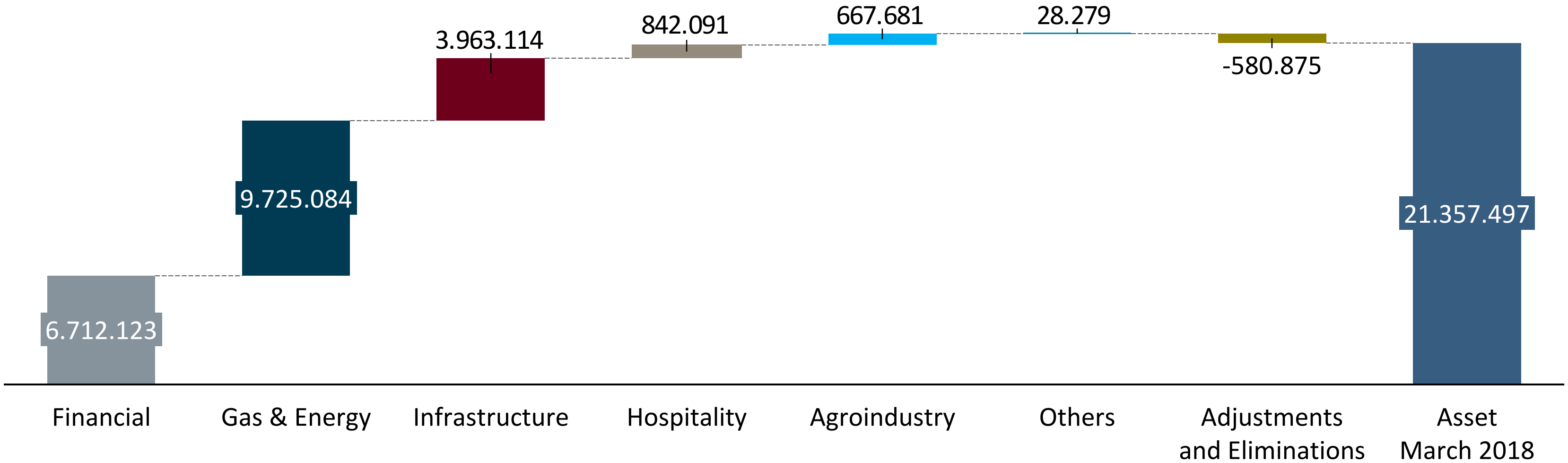



## Assets 1Q-18

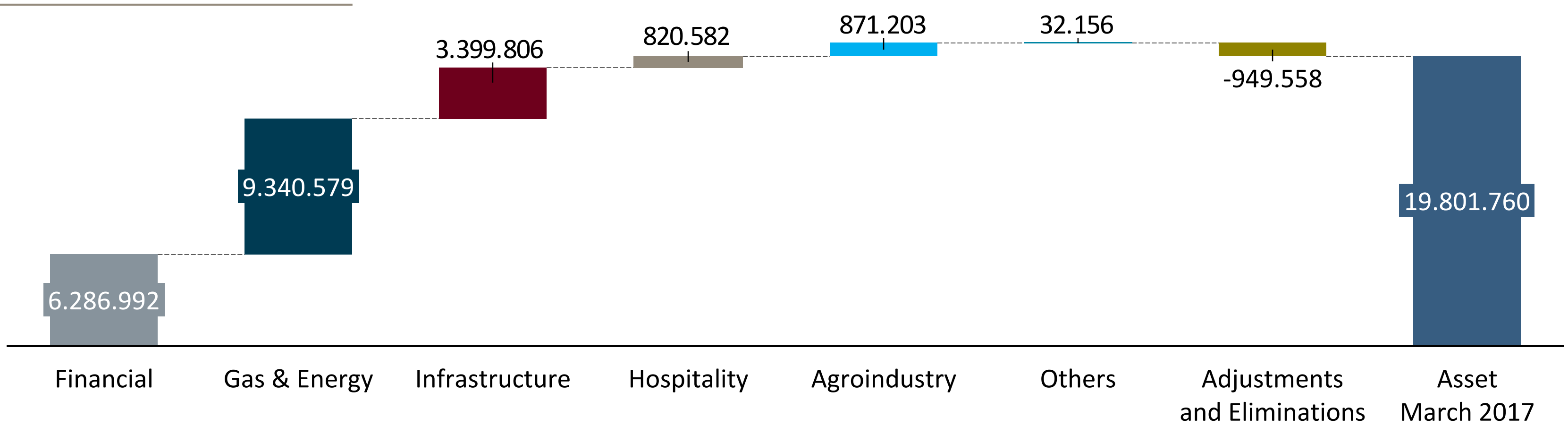


# Consolidated Asset per  Sector

**March 2018**
COP MM



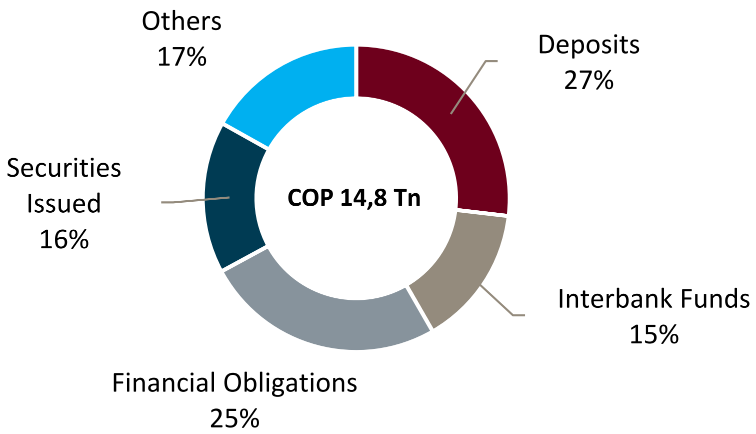

**March 2017**
COP MM



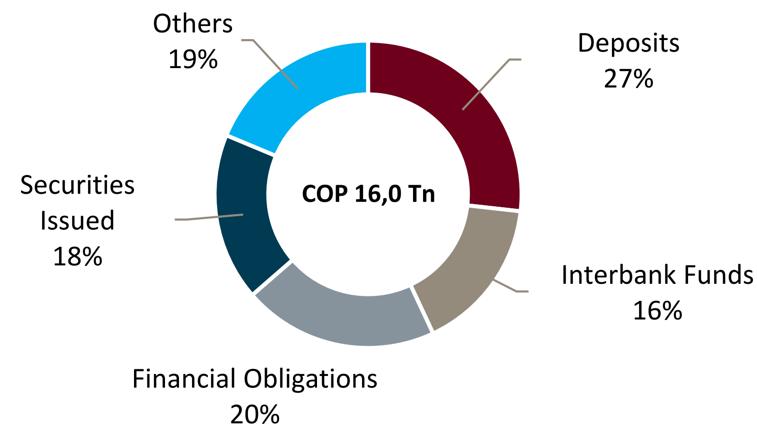

Note: Financial includes Corficolombiana

# Liability and Consolidated Equity

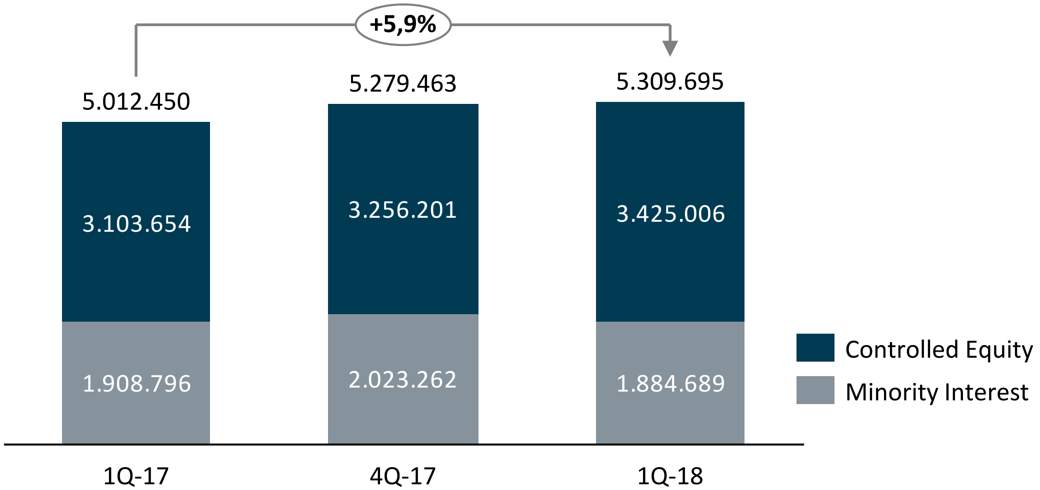
**Liabilities 1Q-17**




**Liabilities 1Q-18**




**Equity Composition**
COP MM

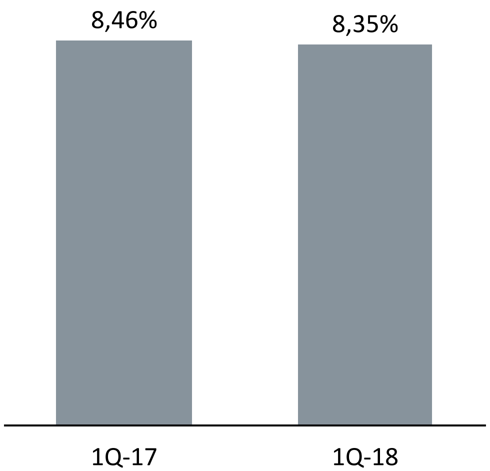



- The interbank funds correspond mainly to Corficolombiana and are in line with the growth in the fixed income portfolio.
- Financial obligations and securities issued, related to the operation of our subsidiaries, mainly reflect the indebtedness of Promigas and its subsidiaries. The most recent ordinary bond issue was from Gases de Occidente in March 2018 for $ 300 billion, preceded by the issuance of Promioriente in January for $ 205 billion.

# Consolidated Income Statement

| COP MM | 1Q-17 | 4Q-17 | 1Q-18 | 1Q-18 / 1Q-17 |
|---|---|---|---|---|
| Operting Revenue Real Sector | 1.414.267 | 1.517.088 | 1.393.726 | -1,5% |
| Cost of Sales | 825.323 | 783.744 | 790.426 | -4,2% |
| **Gross Margin of Real Sector** | **588.944** | **733.344** | **603.300** | **2,4%** |
| **Equity Method and Dividends** | **82.013** | **33.432** | **86.786** | **5,8%** |
| **Margin of Financial Activities** | **-78.334** | **-102.914** | **-47.435** | **39,4%** |
| Interests Revenue, net of provisions | 96.288 | 62.656 | 69.711 | -27,6% |
| Interests Expenses | 242.203 | 232.201 | 203.957 | -15,8% |
| Other Financial Revenue, net | 67.580 | 66.630 | 86.811 | 28,5% |
| Administrative expenses | 316.793 | 550.097 | 305.001 | -3,7% |
| Other Revenues / Expenses | 9.806 | 112.985 | 30.832 | 214,4% |
| **EBITDA** | **514.629** | **593.814** | **575.358** | **11,8%** |
| **Net Income before taxes** | **285.635** | **226.749** | **368.482** | **29,0%** |
| Income tax | 104.317 | 126.404 | 114.550 | 9,8% |
| **Net Income** | **181.318** | **100.345** | **253.932** | **40,0%** |
| **Controlling Net Income** | **83.012** | **33.473** | **145.766** | **75,6%** |

**ROAE [1)]**



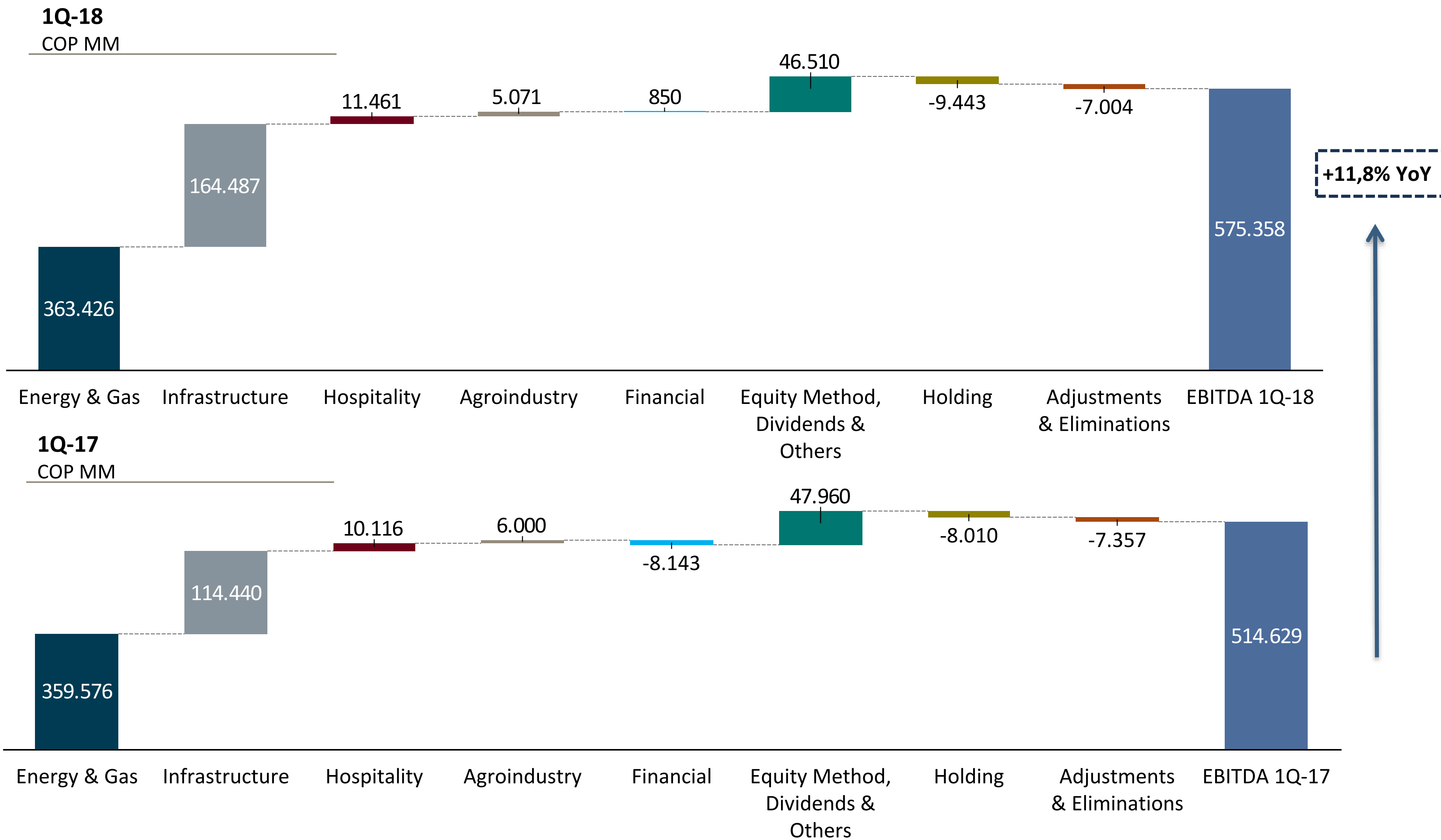

1) Net income attributable to Corficolombiana on average controlled Equity

Note: Operating Revenue Real Sector includes Promigas´ income from leasing of SPEC and from financial assets (concessions). The EBITDA published in 1Q-17 was COP 479,037; however, as of 2Q-17 there was a change in methodology in the calculation of EBITDA that was explained in the report for that period

**Comments**

- The gross margin of the real sector increased 10,7% YoY driven by progress in the construction of the concession projects, mainly Coviandina and Covipacífico and the reduction in the value of the EPC contracts for Covioriente and Coviandina performed in 4Q-17. In addition, the hospitality sector shows good results with an increase in the occupation rate (57% 1Q-18 vs. 54% 1Q-17).
- The financial margin reflects an FX translation gain related to the USD loan from Covioriente, an improvement in the margin of Corficolombiana's treasury and a reduction in Leasing Corficolombiana margin.
- Personal and general expenses drop mainly due to the fact that results for Pizano are not recorded in 1Q-18, as well as to a reduction in maintenance and fees expenses.
- The EBITDA grows 11,8% YoY in 1Q-18, supported by the infrastructure sector and better results in Corficolombiana´s treasury business.

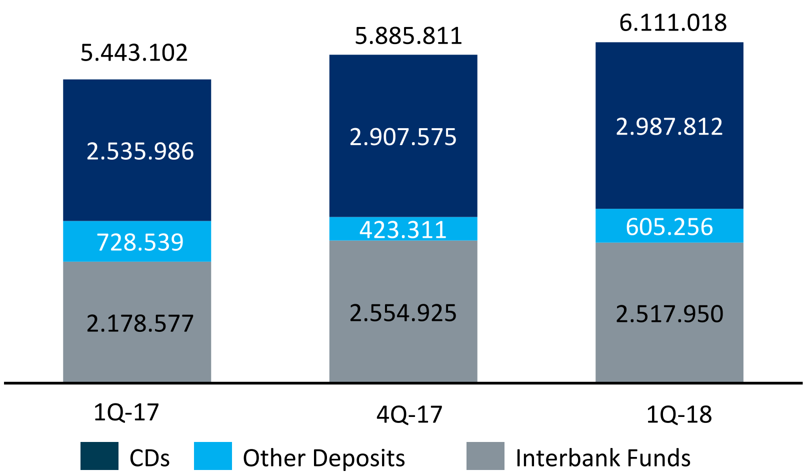
# Contribution per Sector to Consolidated EBITDA



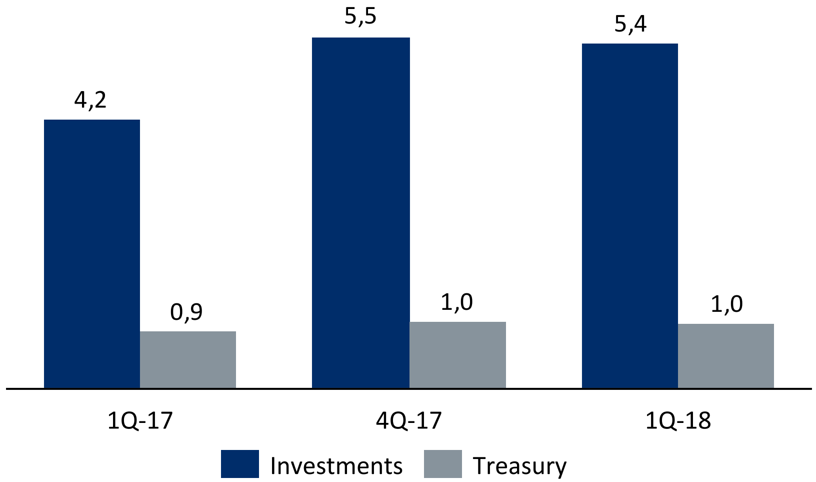

Note: total EBITDA of the consolidating companies, without adjusting for the participation of Corficolombiana. Holding: corresponds to expenses of the investment business. Financial: Includes Corficolombiana, except for income and expenses of the investment business, and its financial subsidiaries. Equity Method, Dividends & Others: Tesicol and Lehner plus Corficolombiana´s dividends and equity method revenue received from the companies that don´t consolidate.

# Corficolombiana Funding (Separate)

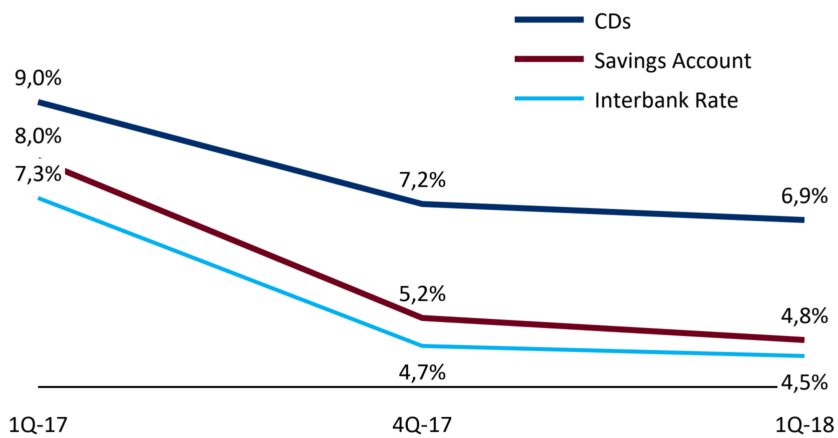
**Separate Funding Structure**
COP MM




**CDs Average Tenor**
Years




**Average Cost (Annual Effective Rate)**




- CDs grew reaching $ 3 trillion.
- The average tenor of the CDs funding equity investments increased to 5,4 years from 4,2 years.
- The rates of CDs and savings account deposits fell by 207 bps and 320 bps respectively, in line with the reduction in the Central Bank´s intervention rate and inflation levels.

# Content

# Main Investments

**Infrastructure**

EpiSol Filial Corficolombiana · Concesionaria Vial Andina · PROINDESA · Concesionaria Panamericana · COVIANDES · PRODEVIMAR · Concesionaria Nueva Vía al Mar · Concesionaria Vial del Oriente · Concecol · Concesiones CCFC S.A.S. · Pisa proyectos de infraestructura, s.a. · Aerocali · Concesionaria Vial del Pacífico · Epiandes · PRODEPACÍFICO

**Energy**

PROMIGAS · GrupoEnergíaBogotá · gasNatural · GASCOP Gas Comprimido del Perú S.A.

**Agroindustry**

VALORA S.A.S. VISION URBANA · Organización Pajonales S.A. · Unipalma S.A. · PIZANO SA · MAVALLE S.A.

**Hospitality**

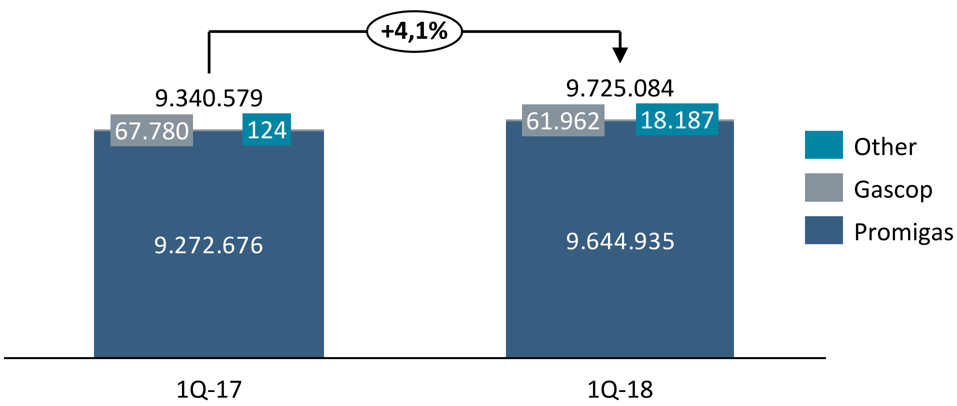
ESTELAR · Santamar

**Financial**

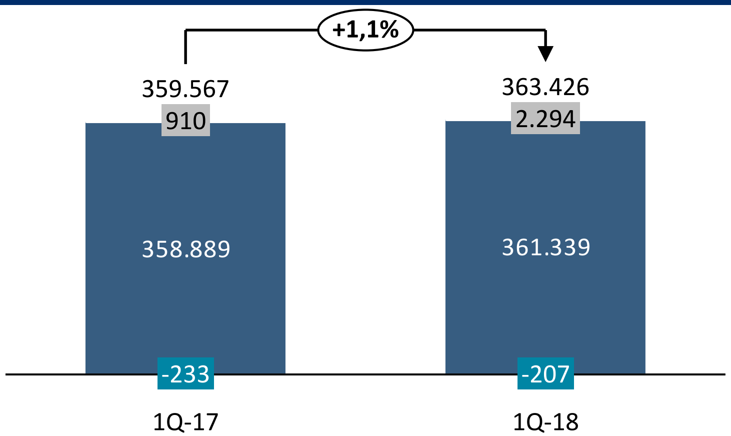
Leasing Corficolombiana · Fiduciaria Corficolombiana · Banco Corficolombiana (Panamá), S.A. · CasadeBolsa la comisionista de bolsa de Grupo Aval

# Energy and Gas

## Consolidated Asset
COP MM

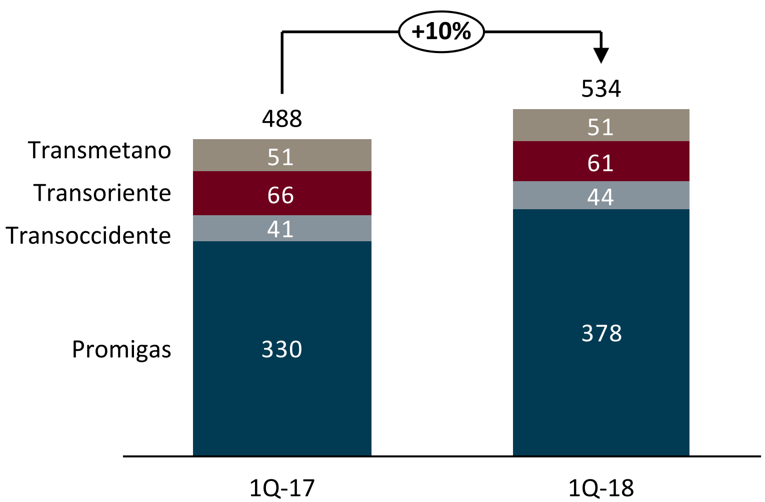



## Consolidated EBITDA
COP MM




Note: Promigas' EBITDA includes revenues from non-bank financing operations (Brilla) and financial assets from concessions. Since 4Q-17 Energy Holdings consolidates in infrastructure

## Transportation Business – Volume Transported
MCF/D



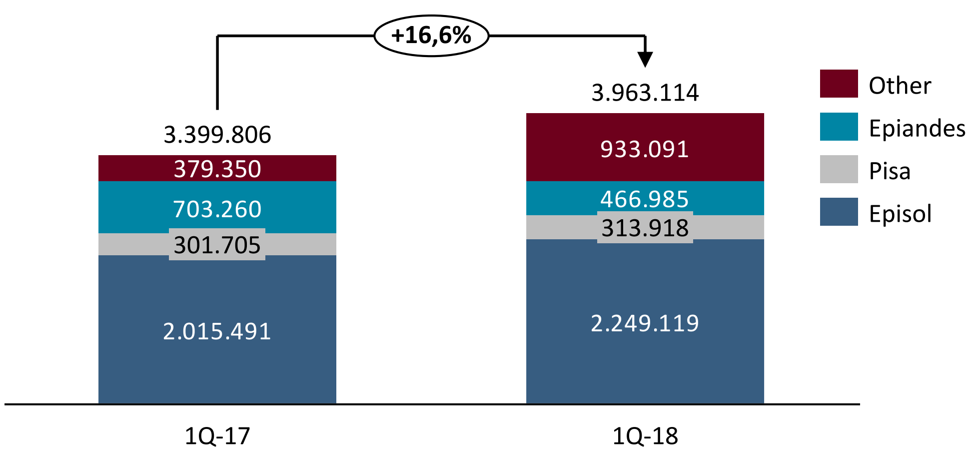

## Distribution Business – Volume Sold and Number of Users
Million m3 and # of users

| 1Q 2018 | GdO | Surtigas | GdC + Filiales | Cálidda | Total |
|---|---|---|---|---|---|
| Residential | 103 | 45 | 232 | 31 | 411 |
| Industrial | 140 | 171 | 134 | 1.096 | 1.541 |
| **Total Volume (Billion m3)** | **243** | **216** | **365** | **1.127** | **1.951** |
| **# of Users** | **1.103.424** | **748.278** | **1.601.270** | **612.132** | **4.065.104** |

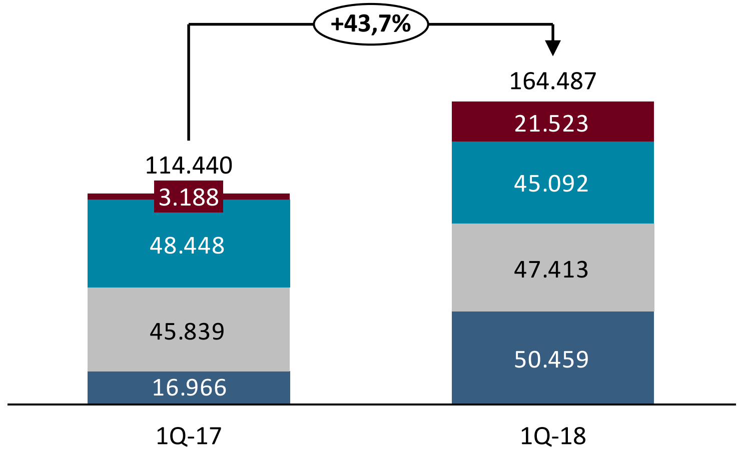
| 1Q 2017 | GdO | Surtigas | GdC + Filiales | Cálidda | Total |
|---|---|---|---|---|---|
| Residential | 103 | 45 | 234 | 26 | 408 |
| Industrial | 131 | 159 | 130 | 1.139 | 1.559 |
| **Total Volume (Billion m3)** | **235** | **204** | **364** | **1.166** | **1.969** |
| **# of Users** | **1.061.047** | **708.499** | **1.529.458** | **464.777** | **3.763.781** |

# Infrastructure

## Consolidated Asset
COP MM




## Consolidated EBITDA
COP MM




Note: Other includes Concecol and for 4Q-17 includes Prodepacífico, Prodevimar, Covipacífico Covimar and Energy Holdings

**Road Concessions in Operation – As of March 2018**

| Concession | CFC Participation | Section | Km | Estimated Termination Date | ADT 1Q-17 | ADT 1Q-18 |
|---|---|---|---|---|---|---|
| Coviandes | 59,70% | Bogotá - Villavicencio | 86 | 2019 | 31.361 | 31.356 |
| CCFC S.A. | 50,50% | Bogotá-Facatativa-Los Alpes | 42,9 | 2024 | 24.904 | 25.514 |
| Pisa | 88,25% | Buga-Tuluá-La Paila-La Victoria | 80 | 2033 | 32.410 | 33.630 |
| Concesionaria Panamericana | 100,00% | Los Alpes Villeta & Chuguacal - Cambao | 111 | 2035 | 5.009 | 5.206 |
| Concesionaria Vial del Pacífico | 89,90% | Ancón Sur - Bolombolo | 48,4 | 2042 | 6.869 | 7.339 |
| Concesionaria Vial del Oriente | 100,00% | Villavicencio - Yopal | 266,1 | 2042 | 15.137 | 15.685 |
| **Total** | | | **634** | | **115.690** | **118.730** |

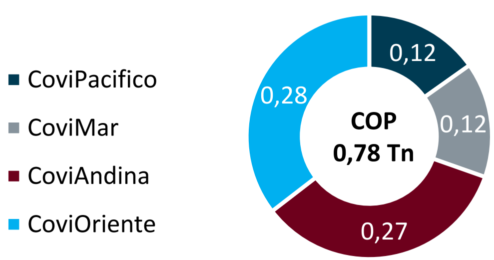
# 4G Concessions

| Concession (Section) | Progress | | | | | % Project Progress Apr 18 |
|---|---|---|---|---|---|---|
| | Licenses / Consultations | Final Designs | % Properties Availability | Financial Closing | Commencement of Construction Work | |
| Concesionaria Vial del Pacífico<br>(Ancón Sur - Bolombolo) | ✓ | ✓<br>It already has designs not objected to all the UF. With the Amendment 4 signed on May 10, the design adjustments must be presented in accordance with what was stated therein. | 85% | The change of ownership implied the termination of the credit agreements subscribed in May 2016. A new financing strategy is currently being reviewed | ✓ | 6,5% |
| Concesionaria Nueva Vía al Mar<br>(Mulaló - Loboguerrero) | The ANLA revoked the order by which the administrative procedure to obtain Environmental License was initiated and indicated that it should be ruled by Decree 1753 of 1994 (under which the DAA was issued) and the EIA prepared under Decree 1753 of 1994 was established on April 27 and taking into account the Terms of Reference of the year 2006. Obtaining License (~ 2T2019). Completed the 2 previous consultations. Finalizadas las 2 consultas Previas. | The auditors gave the No objection with some observations that do not know the specifications of the Contract. The Concession was pronounced on each one of them in December of 2017 without a response to date. | 54% | In due diligence to go to roadshow.<br>Market assessment. | ~ 2Q2019 | 2,6% |
| Concesionaria Vial Andina<br>(Chirajara - Villavicencio*) | ✓ | Final designs with no objection for all the functional units. As per the requirements of the Addendum 2, on October 23 the design of the bridge 4 (FU3) was submitted | 98% | ✓<br>Bridge loan: COP 160 billion with Banco de Bogotá.<br>Senior loan: subscribed in February 2018 for COP 1,6 trillion | ✓ | 18,4% |
| Concesionaria Vial del Oriente<br>(Villavicencio - Yopal) | ✓<br>Environmental license FU1 issued.<br>CAR´s and MAD´s permits granted, some in reposition process. | Final designs completed and delivered to auditors in 2016. Non-objetion 57% | 35% | ✓<br>Senior loan for USD550 million suscribed with Grupo Aval Limited on October 13, 2017. First disbursement already made and partially the second. Disbursements suspended until the beginning of work is not resolved. | ~ 1Q2019 | 8,6% |

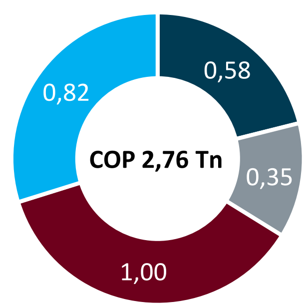
* Section granted in concession for construction. Additionally it has the AOM of the Bogotá-Villavicencio once the current operator is reversed

~Refers to estimated dates

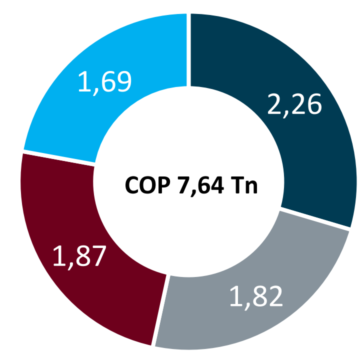
## Equity Contribution CFC as of March




## Total Equity Contribution CFC



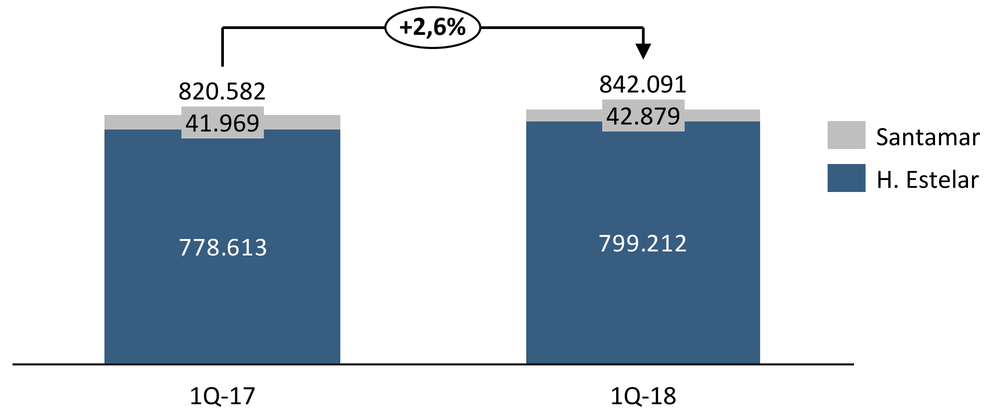

## Total CAPEX



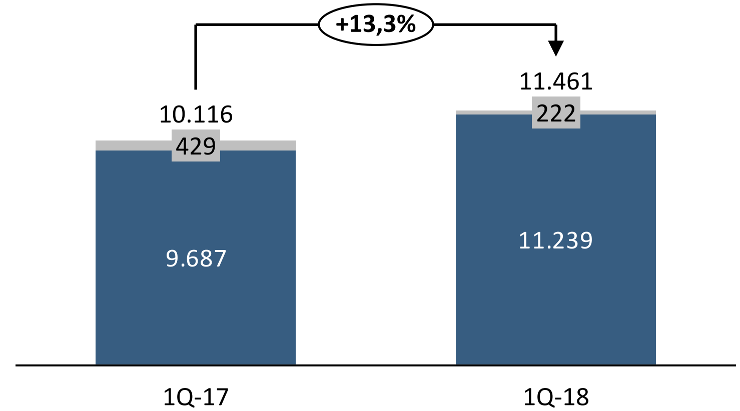

Note: estimated figures and subject to change

# Hospitality

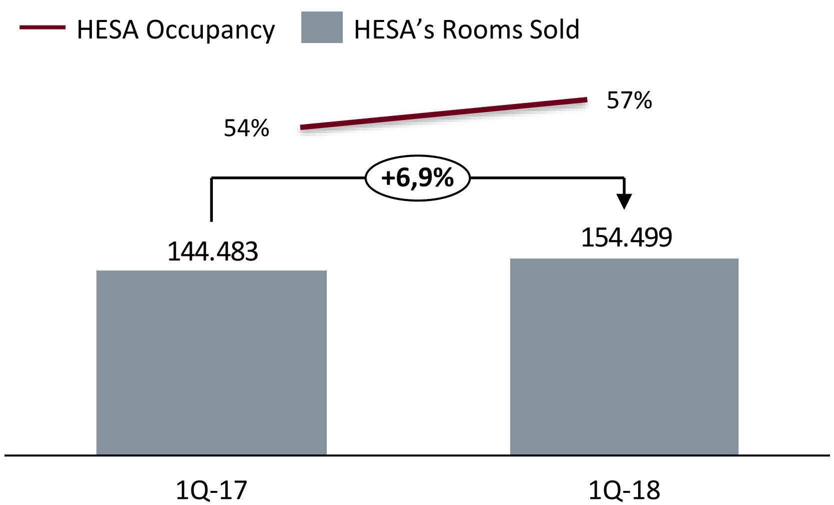
**Consolidated Asset**
COP MM




**Consolidated EBITDA**
COP MM




**Occupancy**




Source Occupancy Colombia: Monthly Sample of Hotels - DANE

| **Hotel Estelar Square** | **Hotel La Torre Suites** |
|---|---|

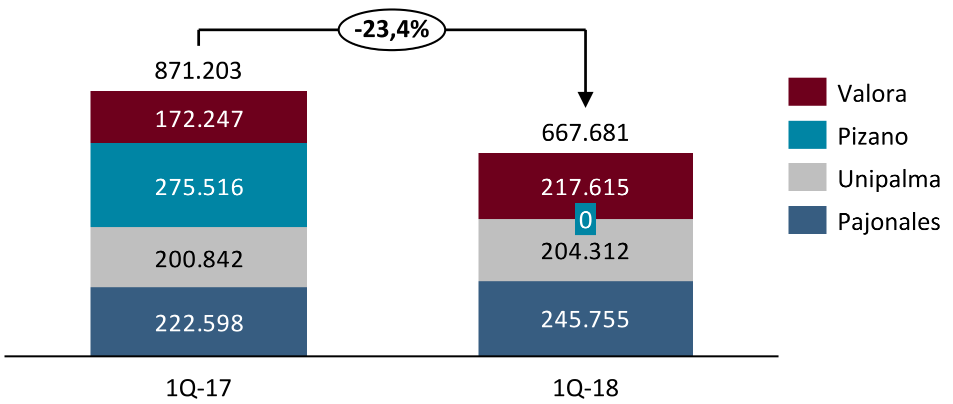
Superior Line
146 rooms

Long-stay Line
35 suites in 1st stage

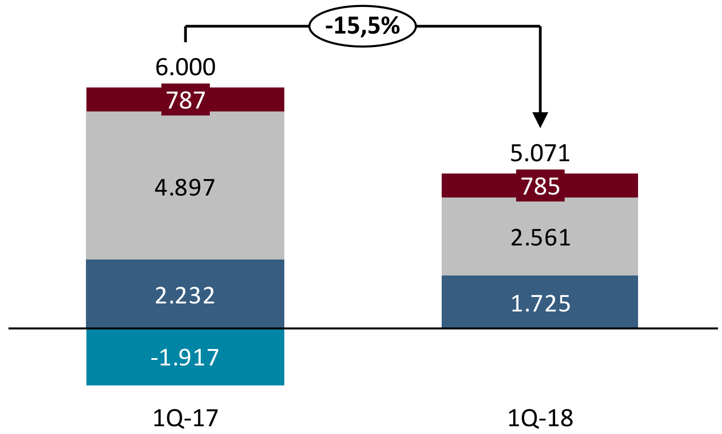
-**Location**: Medellín el Poblado
-**State:** Finishing work and purchase of supplies
-**Builder:** Arquitectura y Concreto
-**Beginning of Operation:** 2Q- 18

# Agroindustry

**Consolidated Asset**
COP MM

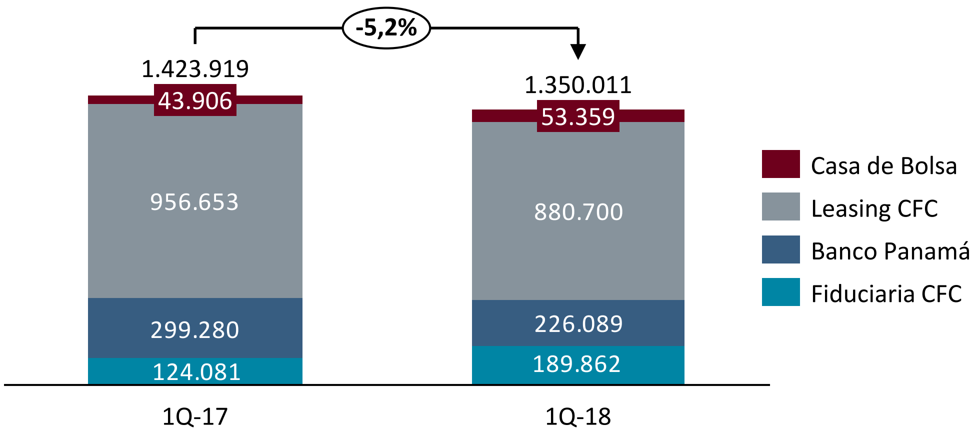



**Consolidated EBITDA**
COP MM

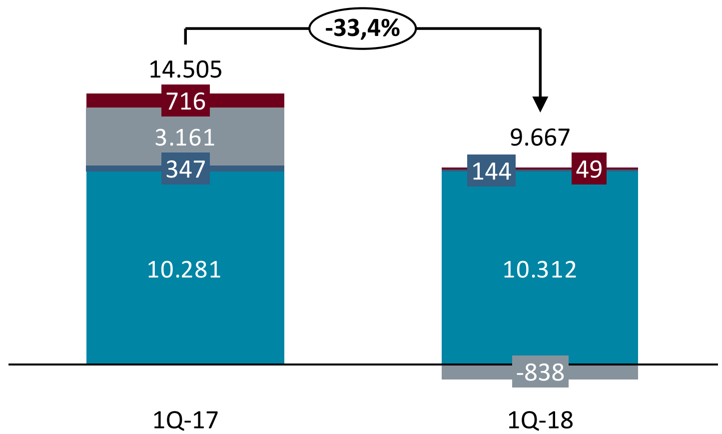



# Financial

**Consolidated Asset**
COP MM




**Operating Profit**
COP MM




Note: For comparison purposes, Casa de Bolsa is included in 2016 when it did not consolidated

# THANK YOU