

3Q19 EARNINGS

REVIEW

NOV 2019

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- This presentation may contain forward-looking statements concerning Colbún's future performance and should be considered as good faith estimates by Colbún S.A.
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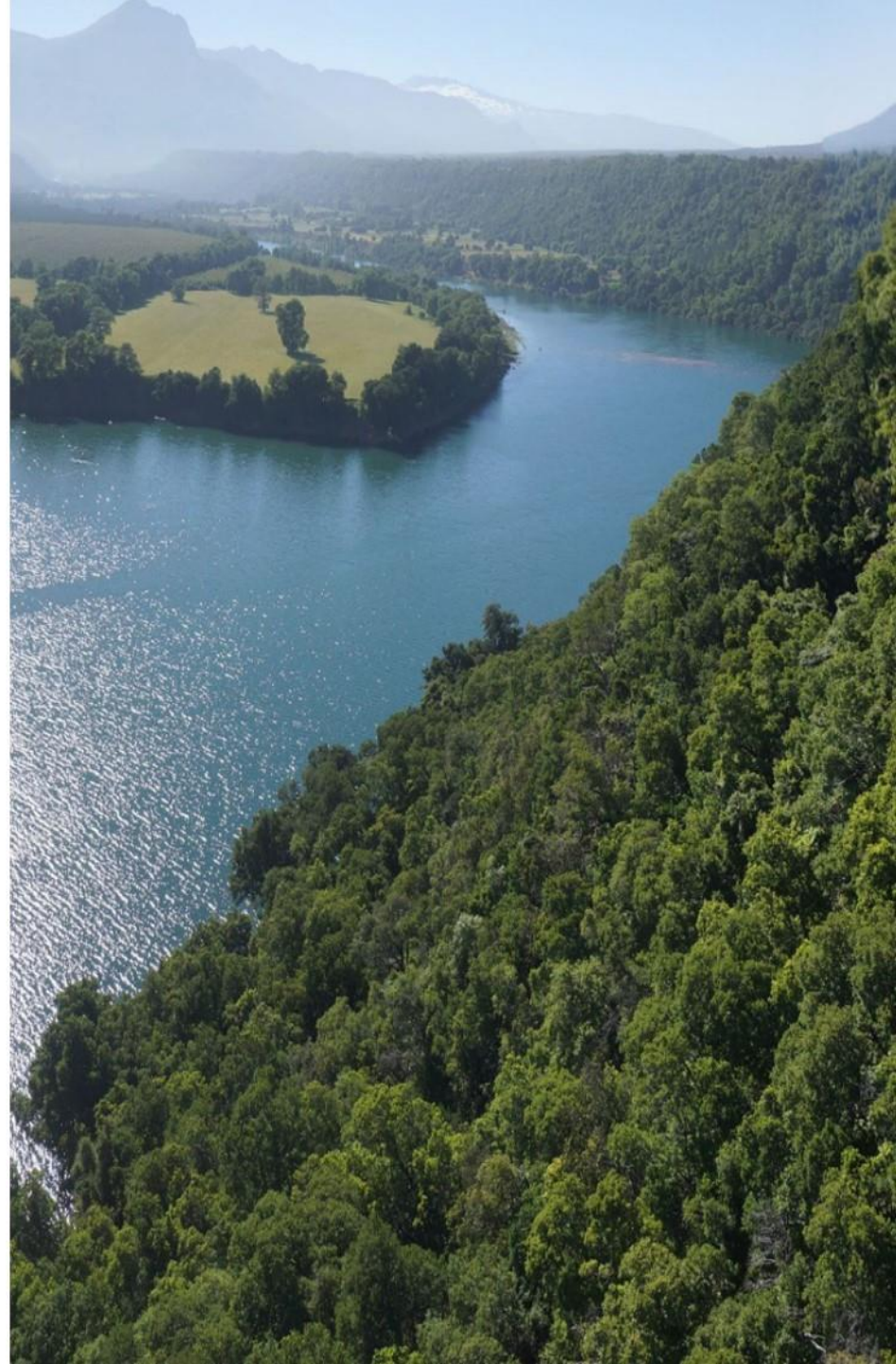
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AGENDA

COMPANY HIGHLIGHTS

FINANCIAL REVIEW

GROWTH OPPORTUNITIES



1. COMMERCIAL STRATEGY

Colbún was informed of the award of a renewable energy supply contract for **3,000 Gwh/year** with **BHP**

During **2019** Colbún has contracted **3,490 GWh/year** with new unregulated clients

2. GROWTH OPPORTUNITIES

Horizonte project:

- Feasibility stage
- Wind turbine auction concluded

Diego de Almagro Sur solar project:

- Environmentally approved

3. FIXED COSTS EFFICIENCY PLAN

Colbún has **continued its execution**

4. SUSTAINABILITY

- Listed in **DJSI** Chile and DJSI Pacific Alliance
- First place in “**Informe Reporta**” ranking
- **Machicura vacation center** recognized as “Best Sustainable Practice”



5. SANTA MARÍA POWER PLANT

Declared unavailable since July 28th due to major maintenance and a failure

Company highlights

3Q19 main consolidated figures

US\$ **179** mm
EBITDA

 Gx US\$145 mm / Tx US\$17 mm
 US\$16 mm

1.3x
Net Debt/
EBITDA LTM

3,895 MW
Inst. Capacity
 3,328 MW /  567 MW

US\$ **55** mm
Net Income

4.5%
Avg. Interest Rate¹

26
Power Plants
 25 /  1

US\$ **780** mm
Cash

BBB S&P/Fitch
Baa2 Moody's
Ratings

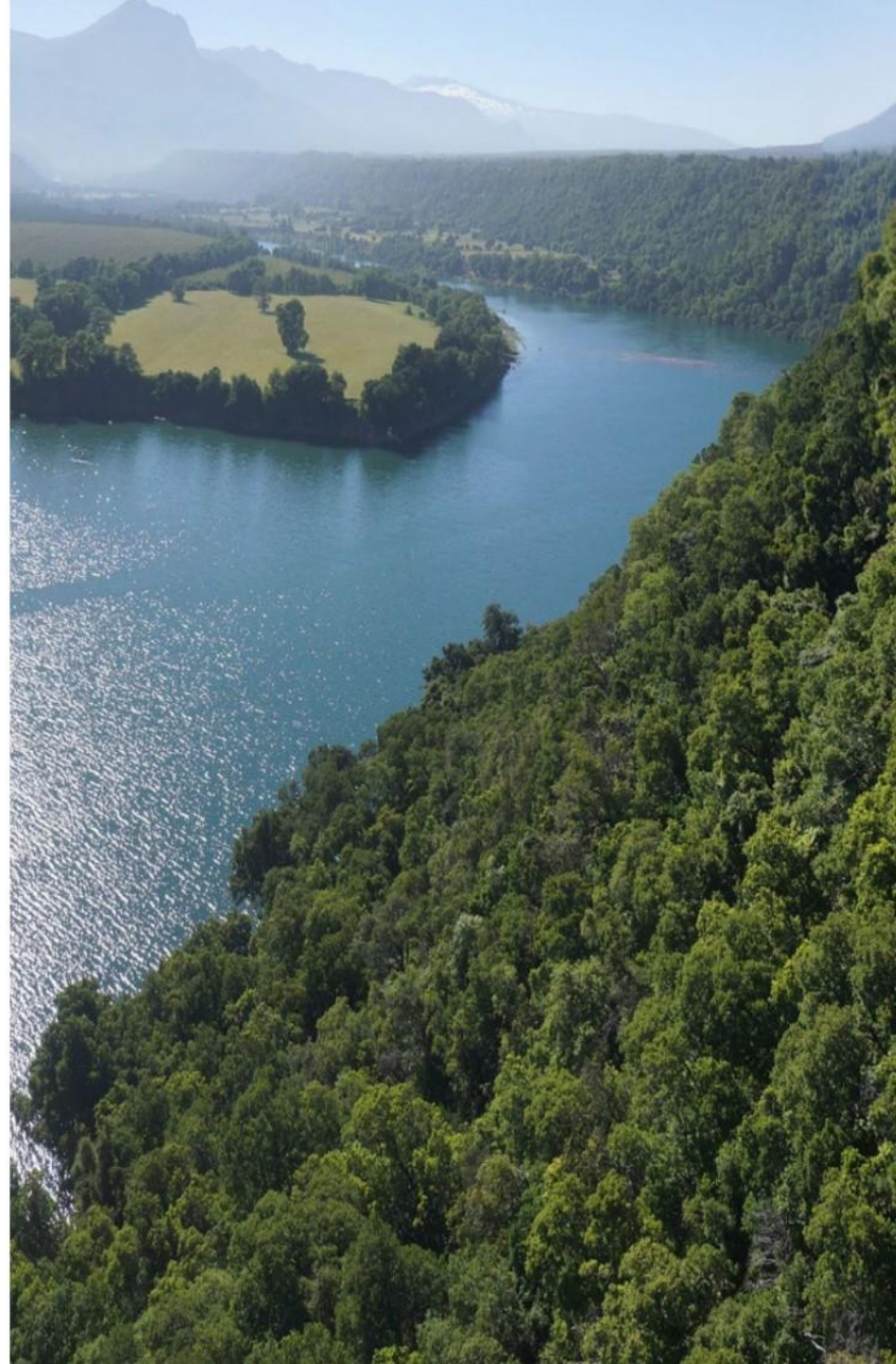
941 km Tx Lines
28 Substations

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Generation (GWh)	3Q18	3Q19	QoQ
Hydraulic	1,349	1,317	-2%
Thermal	1,641	1,164	-29%
Gas	914	966	6%
Diesel	22	0	-
Coal	705	198	-72%
VRE*	37	108	197%
Wind Farm**	33	105	217%
Solar	3	4	8%
Total Generation	3,026	2,590	-14%

Sales Volume (GWh)	3Q18	3Q19	QoQ
Regulated Clients	1,368	1,126	-18%
Unregulated Clients	1,542	1,744	13%
Total Commitments	2,910	2,870	-1%
Sales to the Spot Market	114	17	-85%
Total Energy Sales	3,024	2,887	-5%

Spot Market (GWh)	3Q18	3Q19	QoQ
Sales	114	17	-85%
Purchases	65	332	-
Spot Market Balance	49	-315	-

MAIN VARIATIONS 3Q19 / 3Q18

- Total generation** decreased, mainly due to:
 - Lower coal, hydro and diesel generation
 - Partially offset by higher wind and gas generation
- Physical sales** decreased, mainly due to:
 - Lower sales to regulated customers
 - Partially offset by higher sales to unregulated clients
- Spot market balance** registered net purchases for 315 GWh, compared to net sales of 49 GWh during 3Q18

(*): Variable renewable energy (VRE).

(**): Corresponds to the energy purchased from Punta Palmeras wind farm owned by Acciona and San Pedro, owned by Alba S.A.

Operating Income (Loss) (US\$ million)	3Q18	3Q19	QoQ
Revenues	313	316	1%
Raw Materials and Consumables Used	-158	-150	-5%
Gross Profit	155	166	7%
Personnel and other operating expenses	-22	-21	-7%
Depreciation and Amortization	-48	-49	2%
Operating Income (Loss)	85	97	15%

EBITDA (US\$ million)	3Q18	3Q19	QoQ
EBITDA	132	145	10%
EBITDA Margin (%)	43%	46%	-

MAIN VARIATIONS 3Q19 / 3Q18

- **Revenues** increased, mainly due to:
 - Higher physical sales to unregulated customers
 - Partially offset by lower physical sales to regulated clients and to the spot market
- **Raw Materials and Consumables Used** decreased, mainly explained by:
 - Lower coal generation
 - Lower gas consumption expenses
 - Partially offset by higher spot market purchases
- **EBITDA** totaled US\$145 million, 10% higher compared to 3Q18

Operating Income (Loss) (US\$ million)	3Q18	3Q19	QoQ
Revenues	19	20	5%
Raw Materials and Consumables Used	-3	-3	3%
Gross Profit	17	18	5%
Personnel and other operating expenses	0	0	141%
Depreciation and Amortization	-3	-4	2%
Operating Income (Loss)	13	14	5%

EBITDA (US\$ million)	3Q18	3Q19	QoQ
EBITDA	17	17	4%
EBITDA Margin (%)	86%	86%	-

MAIN VARIATIONS 3Q19 / 3Q18

- **Revenues** increased, mainly due to:
 - Higher revenues from zonal transmission assets due to the release of the 6T decree in October 2018, which modified the pricing of those assets
- **EBITDA** totaled US\$17 million, 4% higher compared to 3Q18

Generation (GWh)	3Q18	3Q19	QoQ
Thermal - Gas	1.121	1.185	6%
Total Generation	1.121	1.185	6%

Sales Volume (GWh)	3Q18	3Q19	QoQ
Customers under contract	725	731	1%
Sales to the Spot Market	371	430	16%
Total Energy Sales	1.097	1.161	6%

Spot Market (GWh)	3Q18	3Q19	QoQ
Sales	371	430	16%
Purchases	-	-	-
Spot Market Balance	371	430	16%

MAIN VARIATIONS 3Q19 / 3Q18

- **Total generation** increased, mainly due to:
 - The higher availability of the plant due to a programmed maintenance carried out during 3Q18
- **Physical sales** increased, explained by:
 - Higher sales to the spot market
 - Higher sales to customers under contract
- **Spot market balance** registered net sales for 430 GWh, compared to net sales of 371 GWh during 3Q18

Operating Income (Loss) (US\$ million)	3Q18	3Q19	QoQ
Revenues	40	44	10%
Raw Materials and Consumables Used	-30	-26	-13%
Gross Profit	10	18	82%
Personnel and other operating expenses	-3	-2	-23%
Depreciation and Amortization	-8	-12	42%
Operating Income (Loss)	-1	4	-559%

EBITDA (US\$ million)	3Q18	3Q19	QoQ
EBITDA	7	16	117%
EBITDA Margin (%)	18%	36%	-

MAIN VARIATIONS 3Q19 / 3Q18

- **Revenues** increased, mainly due to the higher generation of the quarter
- **Raw Materials and Consumables Used** decreased, mainly explained due to:
 - the recognition of gas distribution contract with Calidda as a financial lease from January 2019 onwards
 - Diesel generation tests performed during 3Q18
- **EBITDA** totaled US\$16 million, 117% higher compared to 3Q18

Non-Operating Income (Loss) (US\$ million)	3Q18	3Q19	QoQ
Financial Income	5	5	-2%
Financial Expenses	-21	-23	10%
Exchange Rate Differences	-2	-8	383%
Profit (Loss) of Companies Accounted for Using the Equity Method	3	2	-23%
Other Profits (Losses)	-5	-10	82%
Non-Operating Income (Loss)	-20	-34	66%
Net Income (US\$ million)	3Q18	3Q19	QoQ
Profit (Loss) Before Taxes	77	81	6%
Income Tax Expense	-23	-27	17%
Net Income	54	55	2%

MAIN VARIATIONS 3Q19 / 3Q18

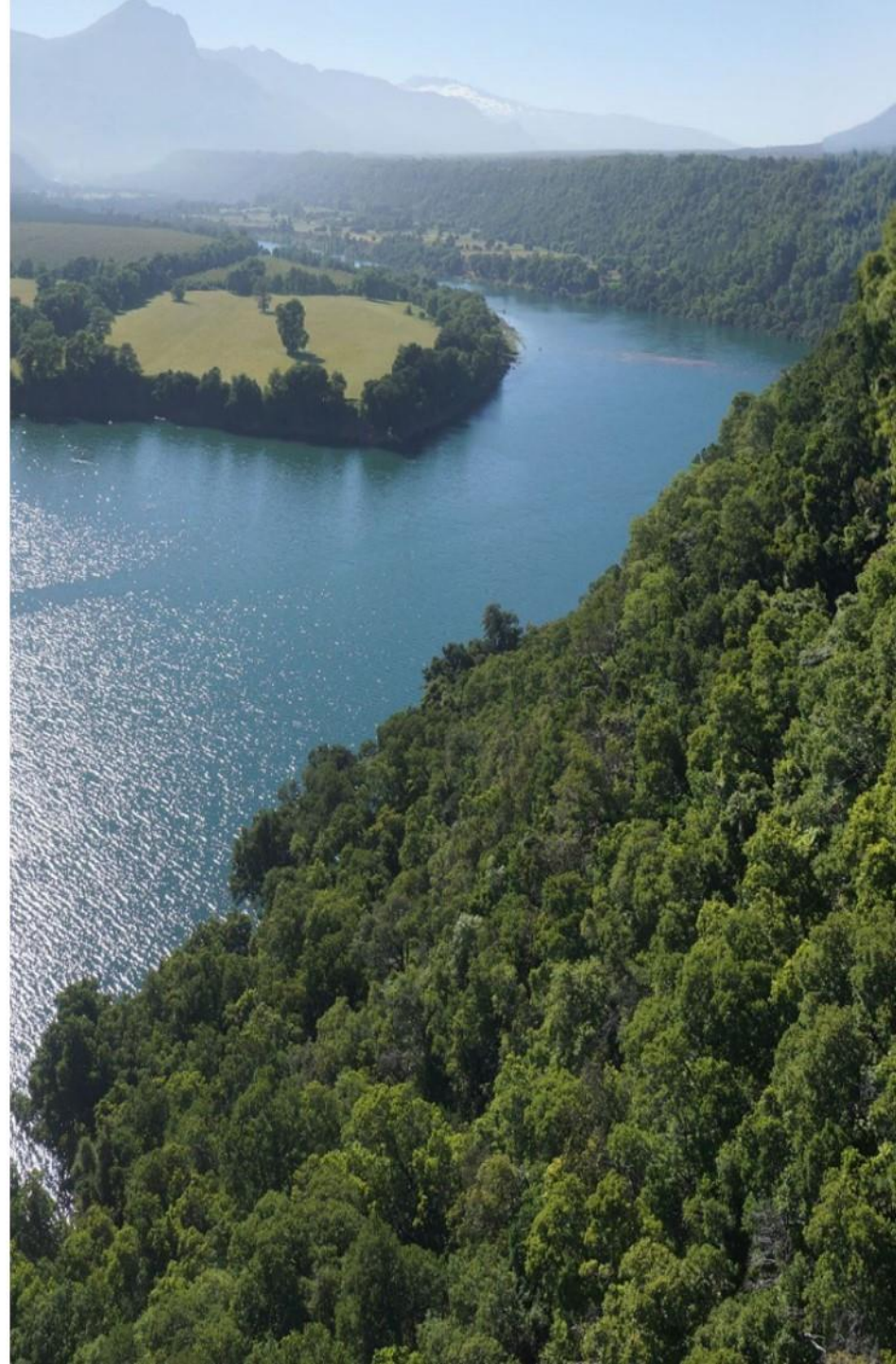
- **Non-operating income** recorded higher losses, mainly explained by:
 - Negative effect of the variation of the CLP/US\$ exchange rate
 - Higher studies and development expenses recorded in “Other Profit(Loss)”
 - Higher financial expenses due to the recognition of the gas distribution contract with Calidda as a financial lease
- **Net income** totaled US\$55 million, 2% higher compared to 3Q18

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GROWTH OPPORTUNITIES



Attractive portfolio of growth options

Expansion considerations

LOCAL EXPANSION

Generation Business

1. Pipeline of Renewable Projects
 - a. Horizonte wind farm (607 MW)
 - b. Diego de Almagro Sur I and II photovoltaic projects (200 MW)
 - c. Inti Pacha photovoltaic project (430 MW)
 - d. Jardin Solar photovoltaic project (450 MW)
 - e. Machicura photovoltaic project (10 MW)
 - f. Other wind and solar projects in early stages of development
2. M&A Opportunities
3. Purchase energy from third parties



Transmission Business

1. Expansion and enhancement of the Company's current transmission assets
2. Total investment value: ~US\$50 million



INTERNATIONAL EXPANSION

1. Preference for assets in operation (brownfields)
2. Incorporate partners with local knowledge but maintain control
3. Investment amounts subject on maintain investment grade international ratings



