

AGUAS ANDINAS

Results Meeting

April 02 2019





AGENDA

💧 **Financial Highlights**

💧 **Investments**

💧 **Tariffs**

💧 **Q&A**

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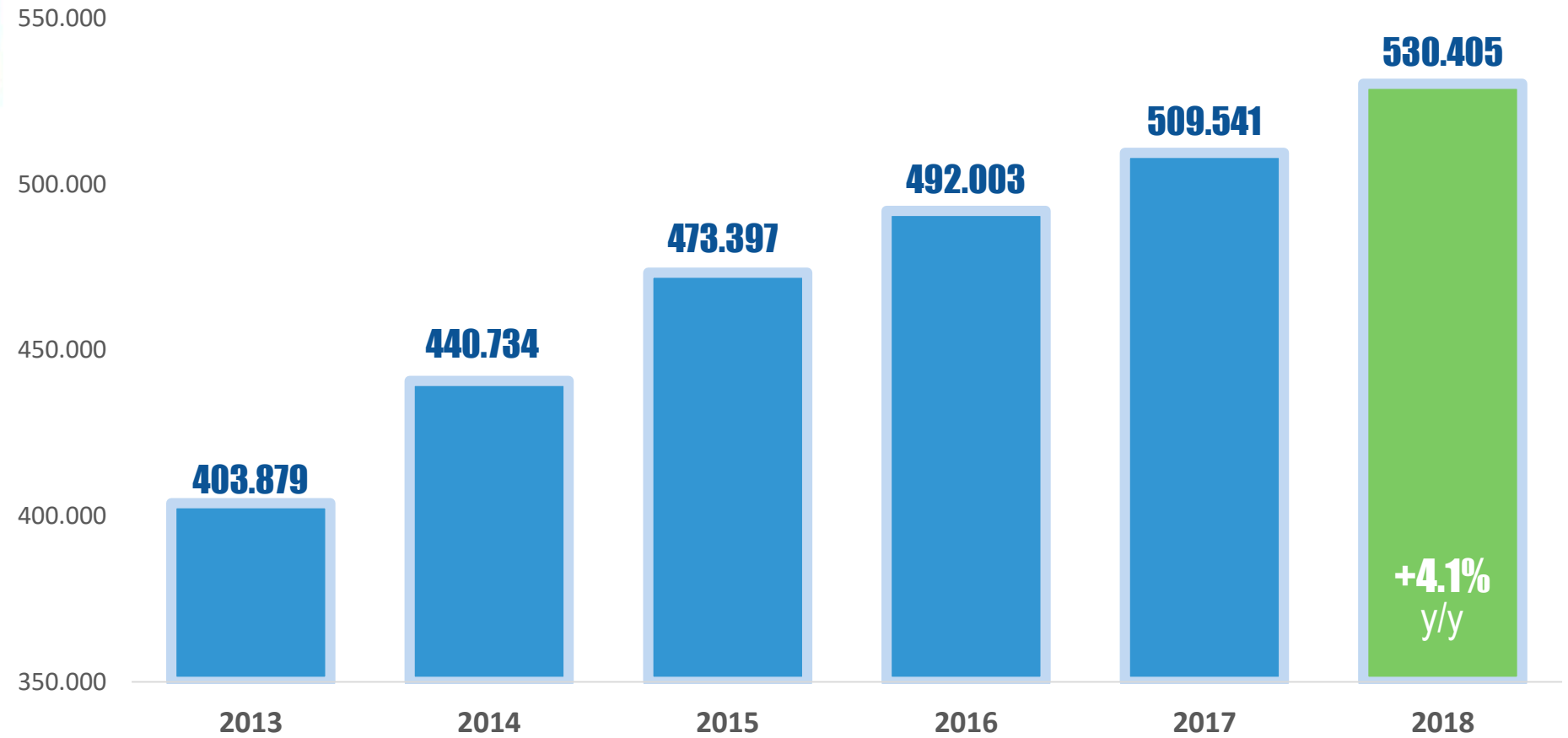


FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS

Numbers in Millions of Pesos

Revenues

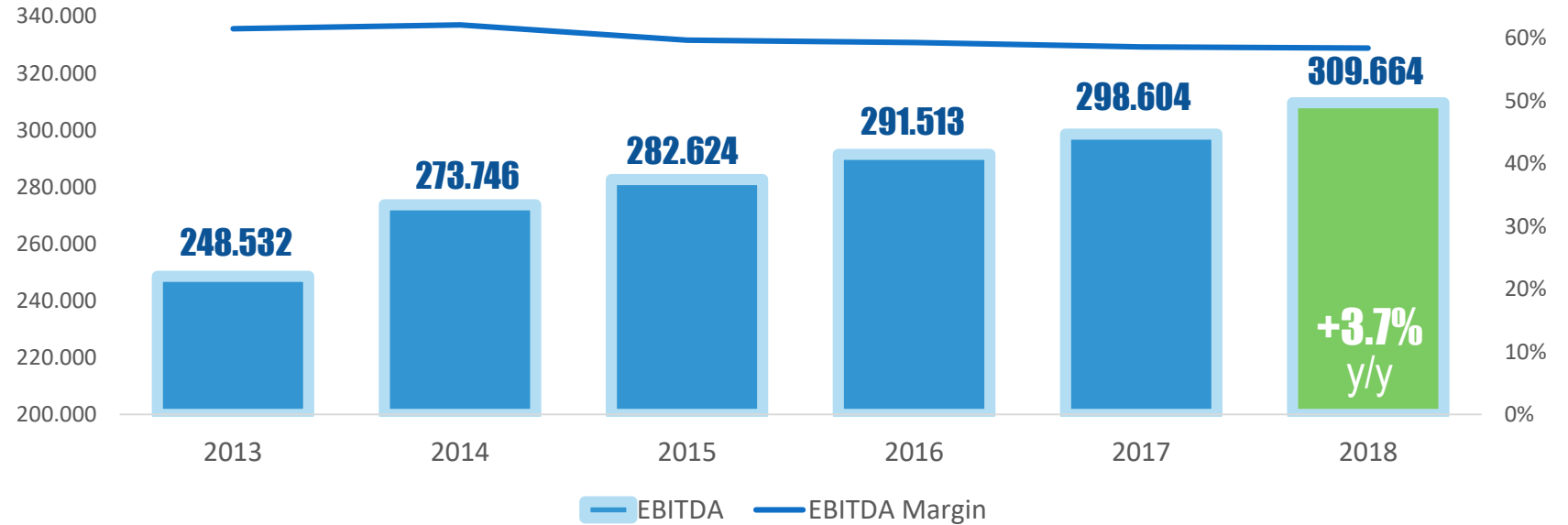


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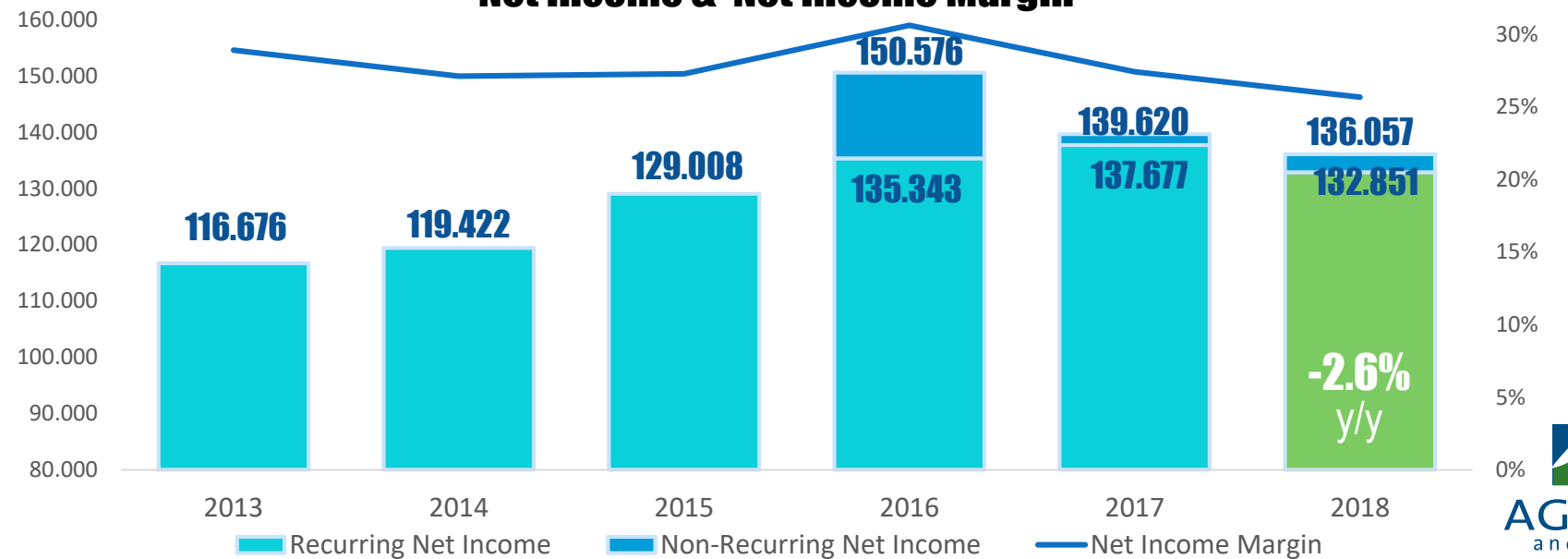
FINANCIAL RESULTS

Numbers in Millions of Pesos

EBITDA & EBITDA Margin



Net Income & Net Income Margin



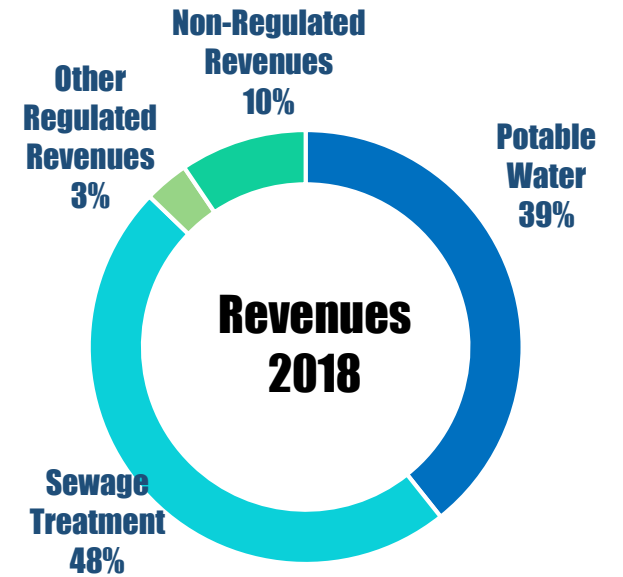
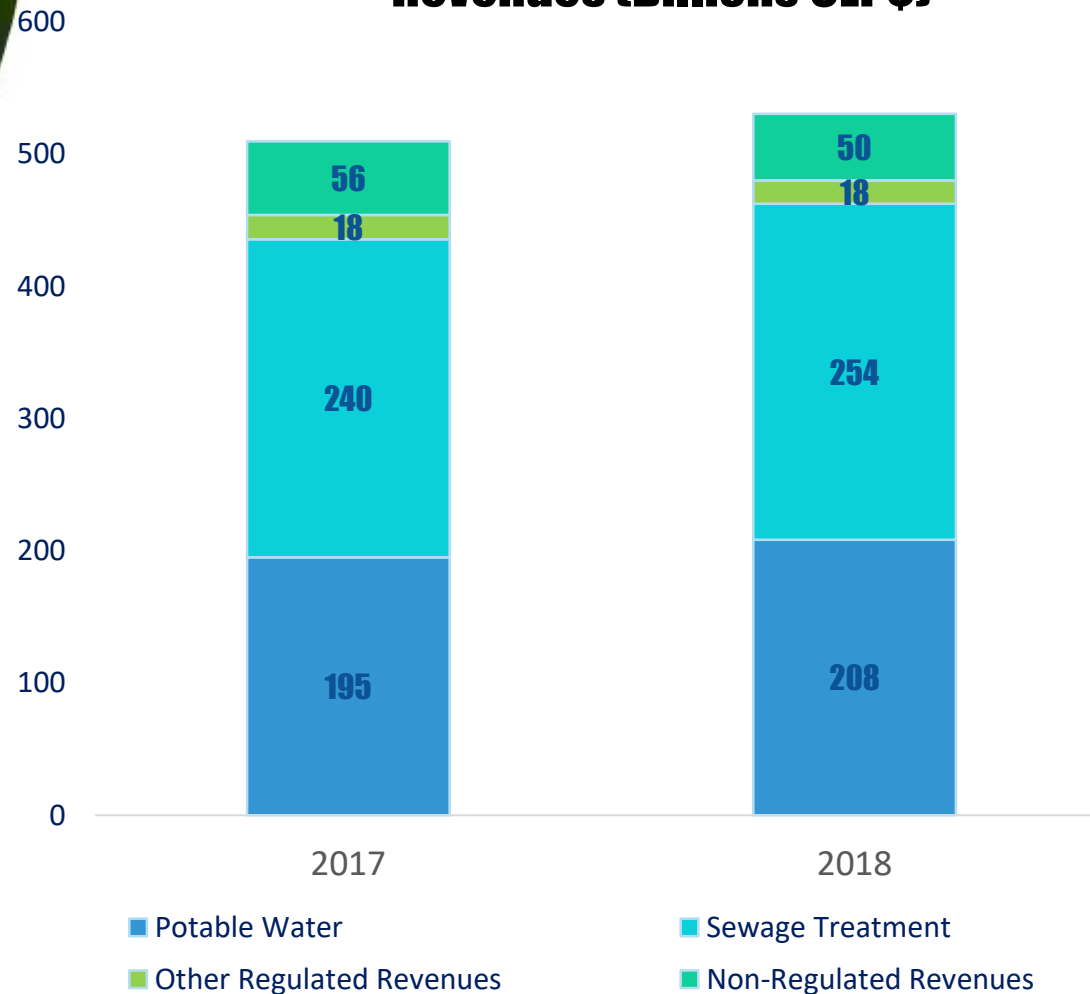
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REVENUES INCREASED BY 4.1%

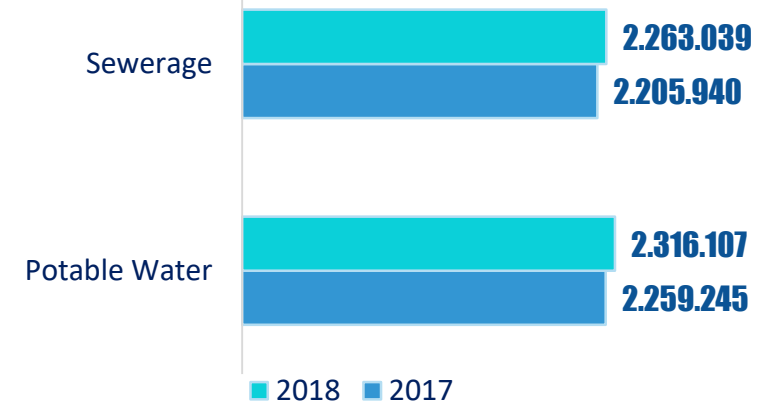
💧 The Company's revenues increased to CLP\$530 billion due to:

- 💧 Increased sales volumes, registering an increase of 3.9% in Potable Water and 3.4% in Sewage Treatment.

Revenues (Billions CLP\$)



Clientes



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EFFICIENCY IMPROVEMENT PROJECTS 2018

💧 Efficiency improvement projects:

- 💧 During 2018, projects were developed toward improving processes, organizational restructuring and digital transformation that have allowed containing and reducing certain cost line items such as the following:



Biosolid management

Savings of CLP\$0.79 billion were made from the beneficial use of sludge as fertilizer and soil recuperator.



Organizational restructuring

This meant that Metropolitan Region concessionaire companies were able to streamline their net personnel by 34 persons, including 9 executives among them.



Reduced uncollectibles

There was a lower provision for uncollectibles of \$1.98 billion due to the management made through payment agreements and programs to support more vulnerable families.



Other projects

Other projects were developed that produced savings in network maintenance and repair for CLP\$0.5 billion and other general and management services for CLP\$0.76 million.

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COSTS INCREASED BY 4.6%

💧 Raw water purchases:

- 💧 Electric energy costs increased by CLP\$0.88 billion, due to increased consumption, as well as increased groundwater uptake and water elevation, caused by less water availability in the rivers of the Metropolitan Region.
- 💧 Higher costs of CLP\$2.7 billion to ensure the continuity of supply to our customers in low-flow periods along the Maipo River basin.

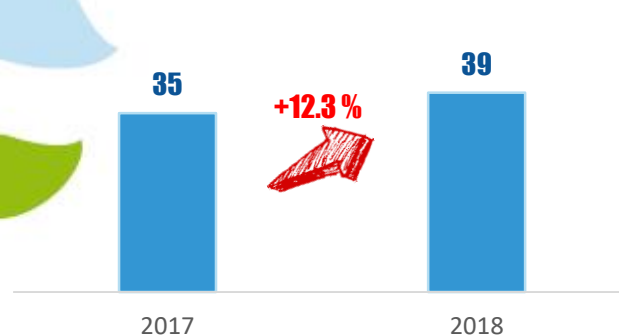
💧 Personnel costs:

- 💧 Increased remunerations and bonuses associated to increases in CPI, in addition to an increased workforce and extraordinary benefits for personnel due to the collective negotiation process for CLP \$3.6 billion.

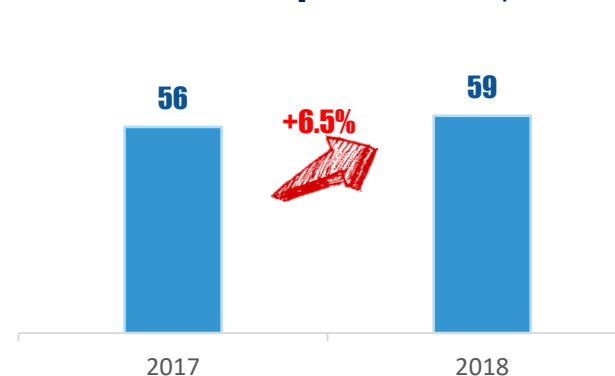
💧 Other Expenses, By Nature increased due to:

- 💧 Higher costs for fines and operating maintenance expenses for CLP\$ 1.4 billion
- 💧 Higher costs for facility maintenance and computer services and licenses for CLP\$ 1.3 billion
- 💧 Other costs associated with the tariff process, real estate contributions and other services.

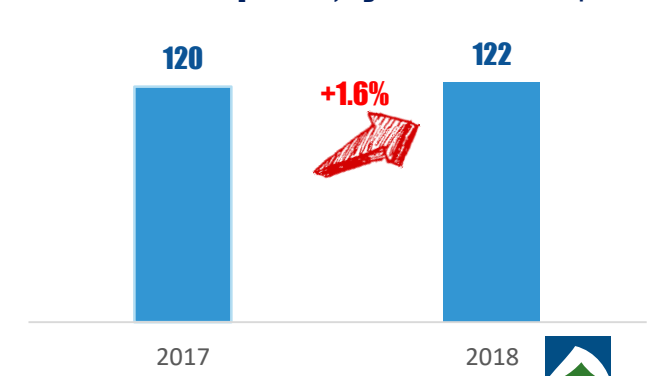
**Raw Materials and Consumables Used
(BN CLP\$)**



Personnel Expenses (BN CLP\$)



Other Expenses, By Nature (BN CLP\$)



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OTHER HIGHLIGHTED RESULTS

Other Profits (Losses)

CLP\$(1.1) billion

CLP\$3.7 billion higher than a year ago, as a result of the costs related to the organizational restructuring by CLP\$3.1 billion, partially offset by the sale of land properties located in various municipalities of the Metropolitan Region.

Financial income

CLP\$ (47.2) billion

CLP\$10 billion greater than a year ago, as a consequence mainly of a higher revaluation of UF-indexed debt.

Income tax Expense

CLP\$(46.5) billion

Higher figure by CLP\$0.16 billion compared to the previous year. This variation was explained mainly by the change of tax rate from 25.5% to 27.0% due to the Tax Reform, partially offset by a lower income before taxes.

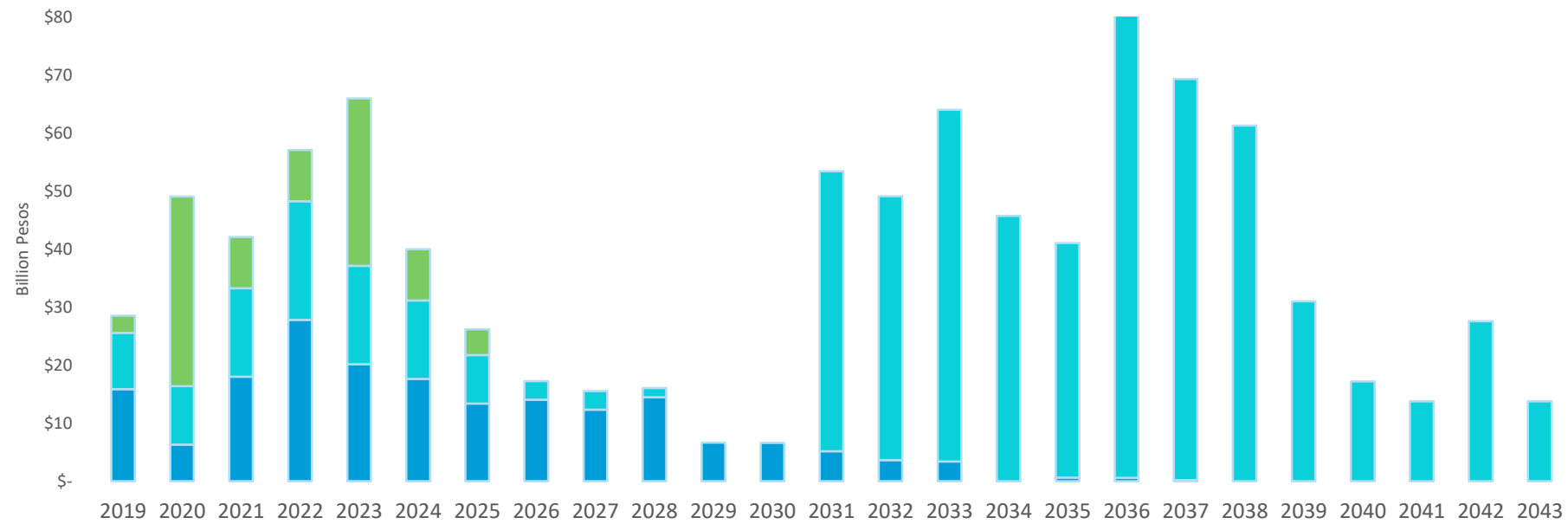
Earnings

CLP\$136 billion

Net Income as of December 31, 2018 amounted to CLP\$136 billion, a figure lower by CLP\$0.35 billion (2.6%) to that obtained in 2017.

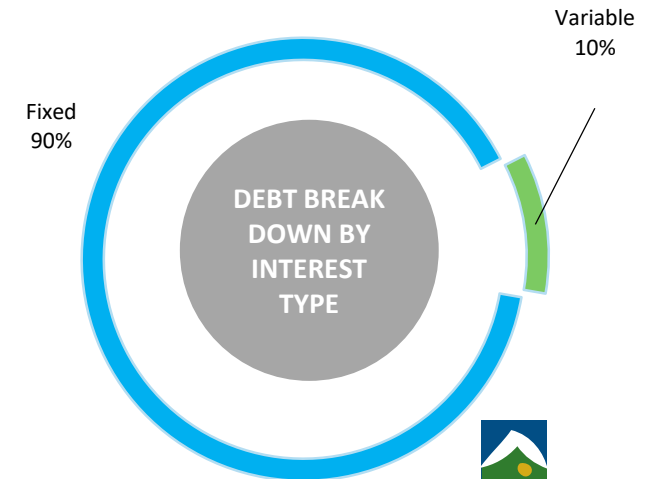
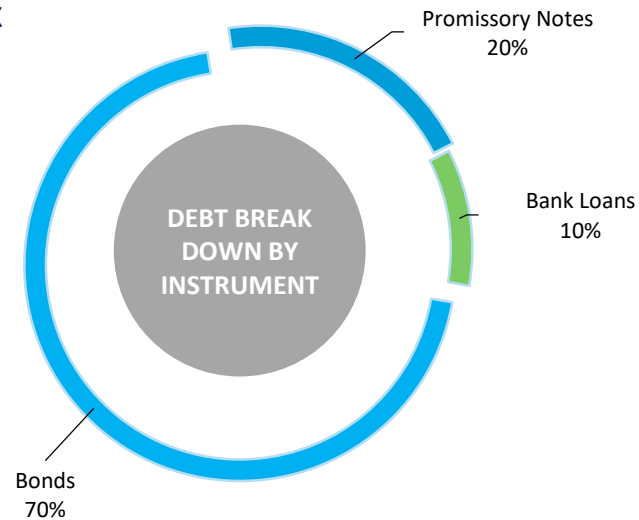
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DEBT STRUCTURE AS OF DECEMBER 31, 2018



- Leverage: **1,77x** Limit: **1,98**
- Financial Expense Coverage: **7,19x**
- Local Credit Rating: **AA+**
- Total Net Financial Debt: **CLP\$906 billion**
- Net Debt/EBITDA Ratio: **2,93x**

■ AFR ■ Bonos ■ Préstamos Bancarios



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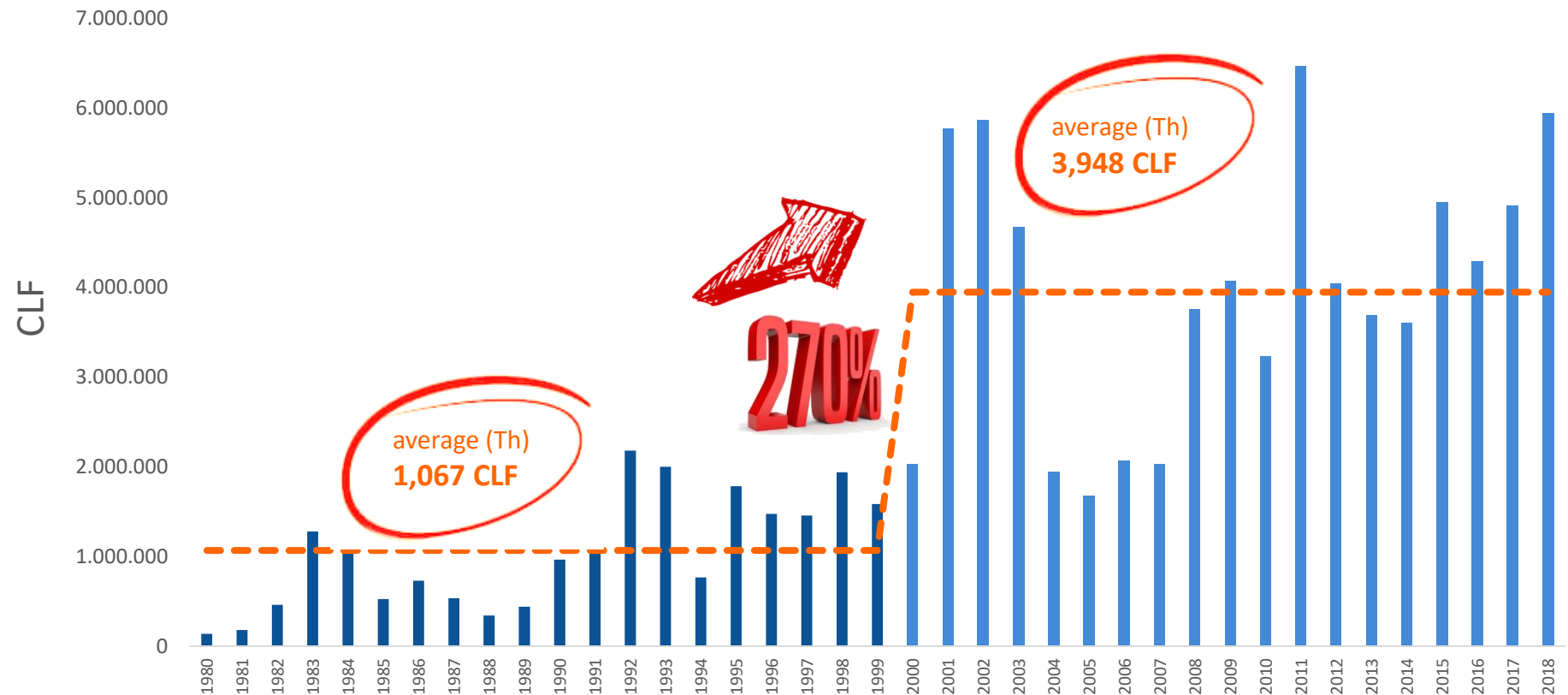
An aerial photograph of a modern wastewater treatment plant. The facility features several large, circular aeration tanks with blue water and mechanical scrapers. In the background, there are large white storage silos and a line of trees. A multi-lane asphalt road with white lane markings and yellow crosswalks runs along the bottom and right side of the image. The sky is clear and blue, with distant mountains visible on the horizon. The word "INVESTMENTS" is overlaid in white capital letters on the central tank, flanked by a blue teardrop shape on the left and a green teardrop shape on the right. A yellow teardrop shape is also visible in the lower center, near the road intersection.

INVESTMENTS

ALMOST TRIPLING AVERAGE INVESTMENT

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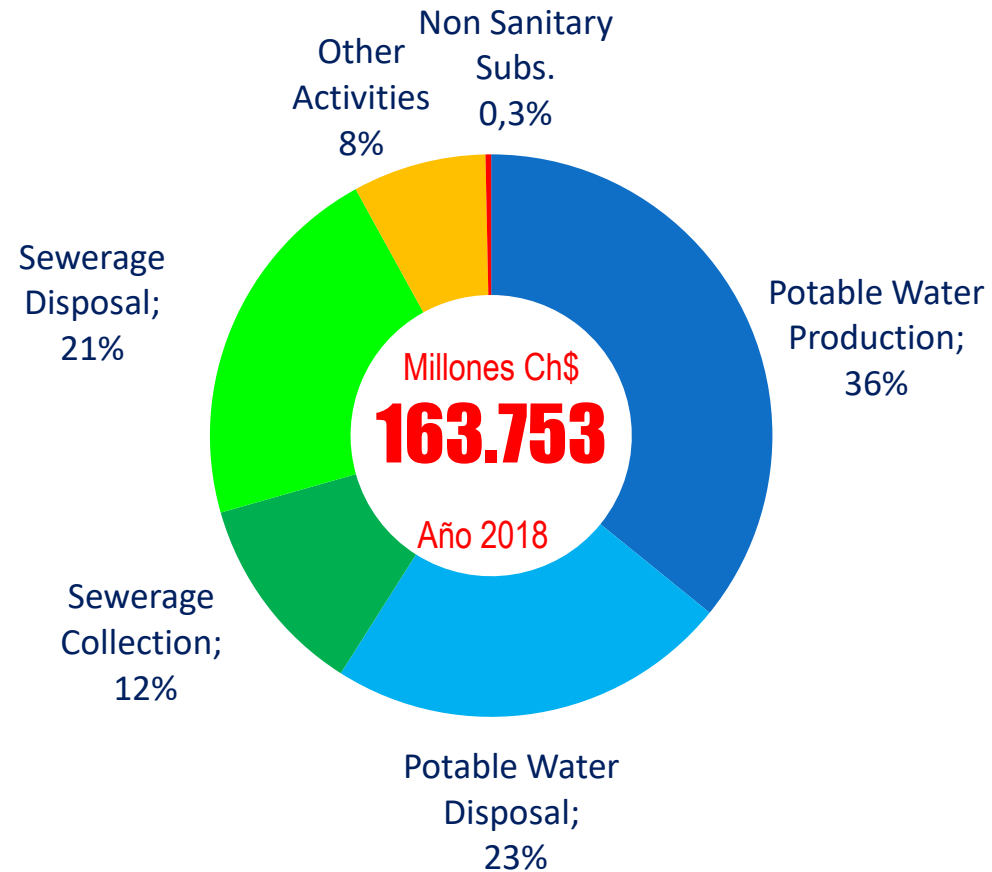
Investments as of December 2018	Million CLP
Pirque Tank Construction	35,233
Potable Water Networks Renovation	12,907
Sewerage Networks Renovation	11,386
Nitrates Treatment Biofactories La Farfana-Trebal	9,909
Asset replacement Biofactories La Farfana-Trebal	7,611
Replacement of Starters and Meters	4,867
Other investments	81,840
Total	163,753

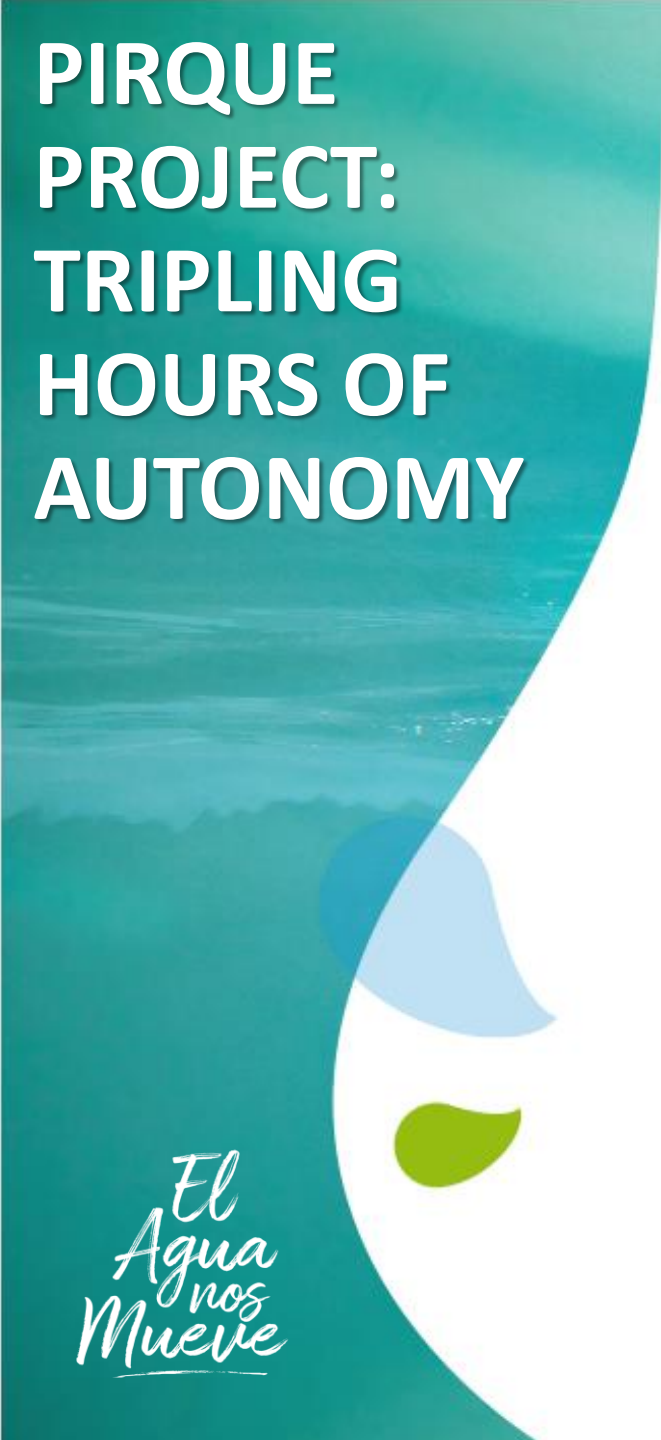


2018 INVESTMENTS: CONTINUOUS GROWTH

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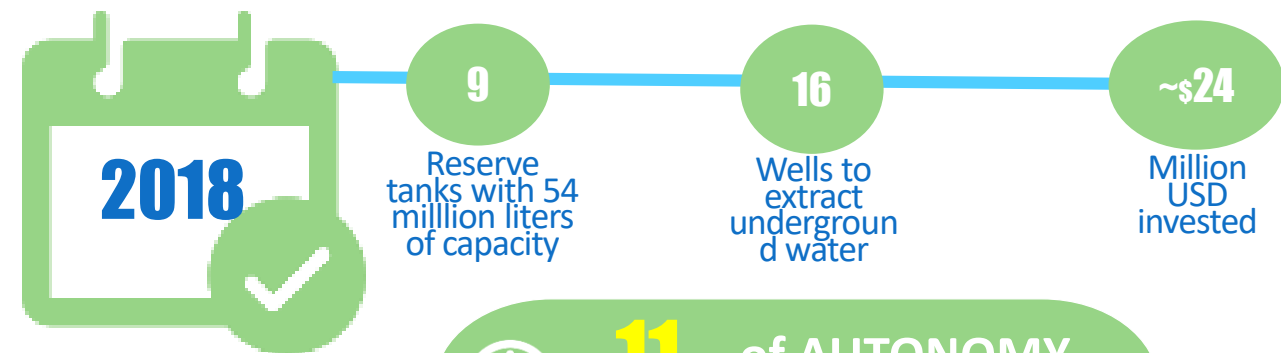
Investments that will entail Rate Increase	Estimated Start of Operations
ELECTRICAL BACKUP (AGUAS ANDINAS & AGUAS CORDILLERA)	2020
EXTREME TURBIDITY PHASE II – PIRQUE TANKS	2020
SYSTEM OF TREATMENT FOR RESIDUES DEHYDRATION LA FARFANA	2019
SYSTEM OF TREATMENT FOR RESIDUES DEHYDRATION MAPOCHO TREBAL	2021



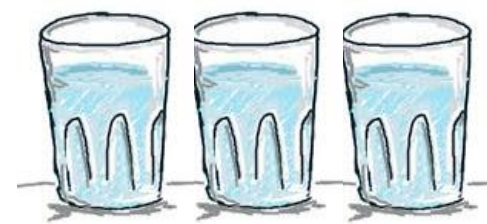
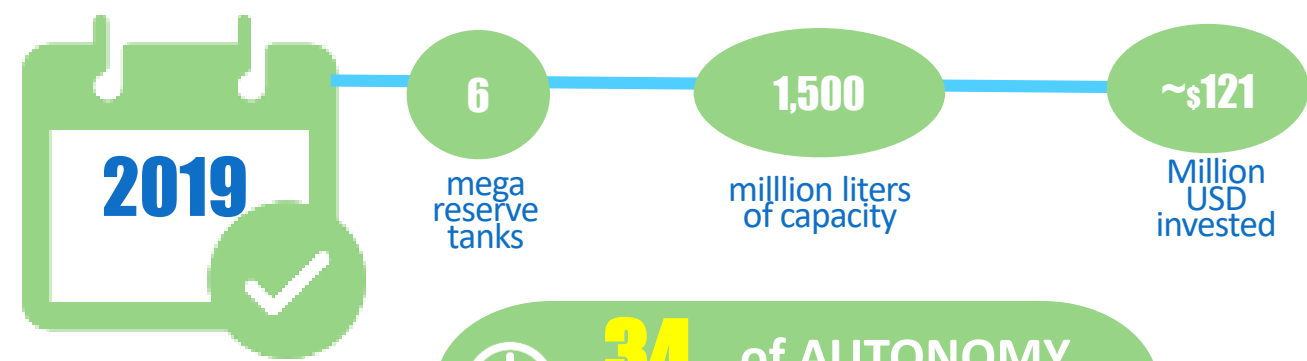


PIRQUE PROJECT: TRIPLING HOURS OF AUTONOMY

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11 hours of AUTONOMY for emergencied



34 hours of AUTONOMY for emergencies

PIRQUE PROJECT: START OF OPERATIONS BY THE END OF 2019

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high zone

Civil Works, Supply of Equipment, Assembly and Commissioning, Corresponding to Each of the Six Water Reservoir Tanks for Human Consumption.



low zone

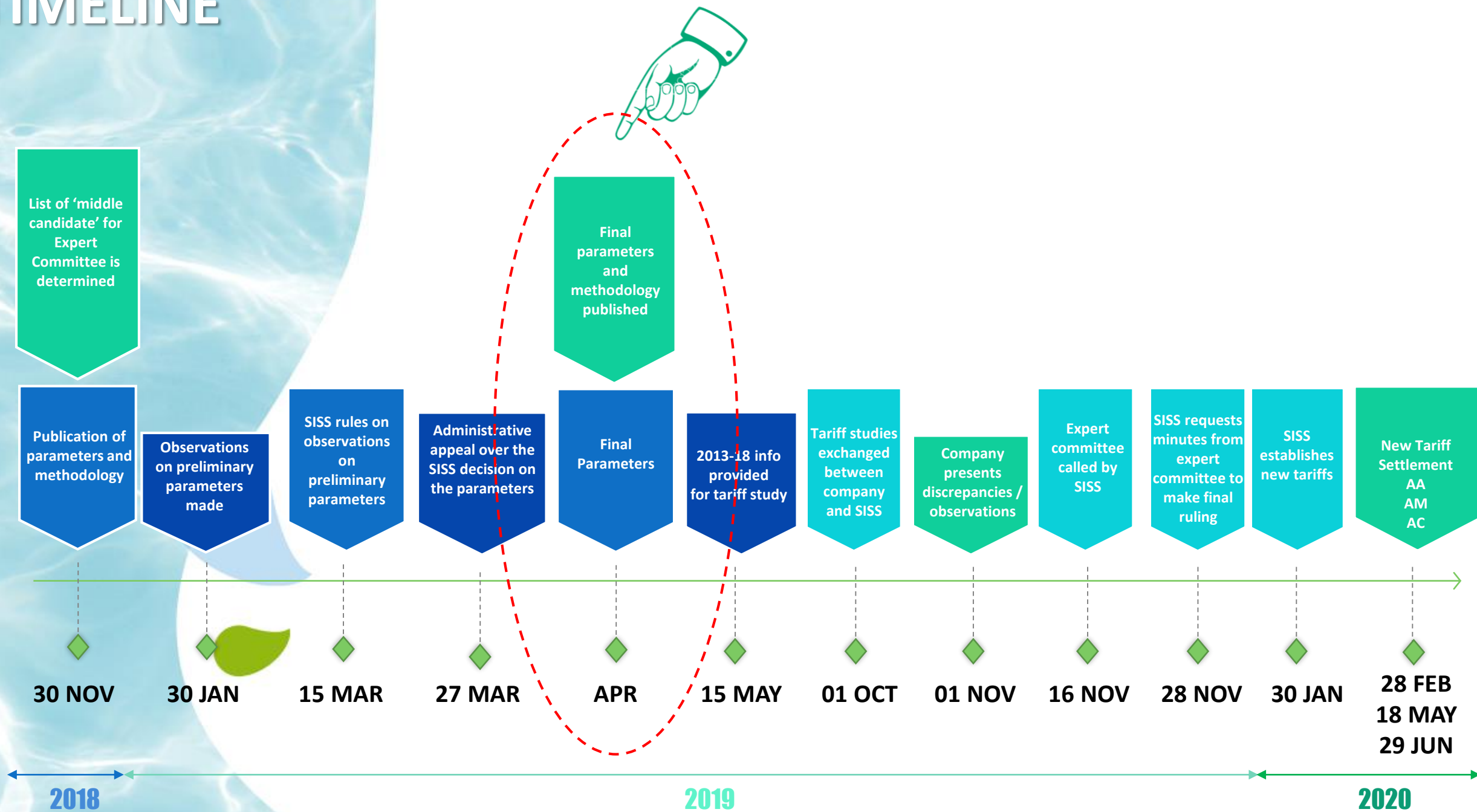
Construction of the Civil Works, Supply of Equipment, Assembly and Commissioning, Corresponding to the Elevation and Emptying Works - Water Reserve Tanks for Human Consumption.





TARIFFS

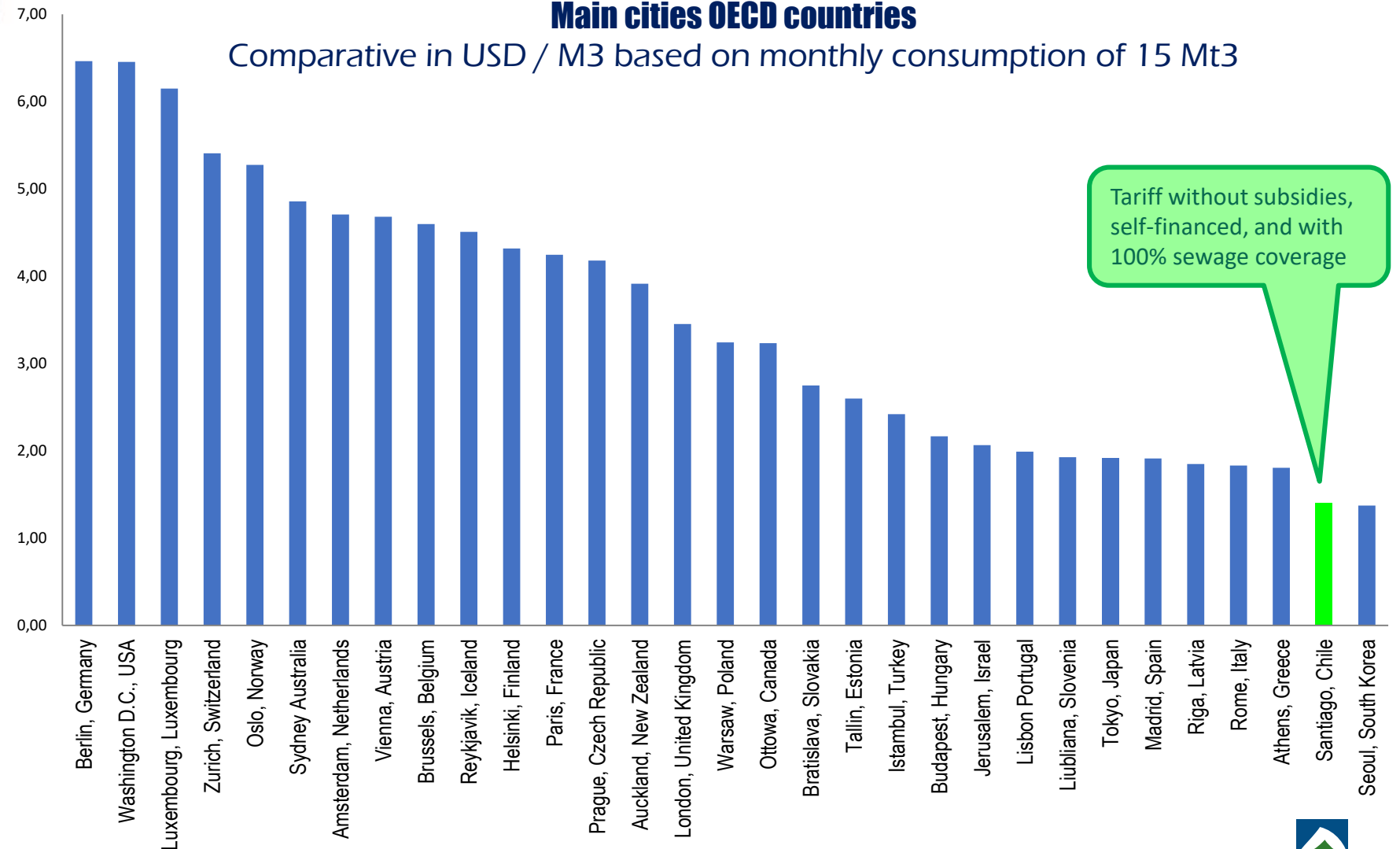
TIMELINE



OECD'S TARIFFS

Integrated Tariff for Drinking Water and Sewerage Service Main cities OECD countries

Comparative in USD / M3 based on monthly consumption of 15 Mt3



Fuente: Informe de Gestión Anual SISS, 2016



**OUR CORPORATE FOCUS
ALLOWED US TO ACHIEVE
TRANSCENDENT
MILESTONES IN 2018...**

EMITIMOS EL
PRIMER BONO VERDE Y SOCIAL
EN EL MERCADO CHILENO

*First Green and
Social Bond*
real
commitment
to **sustainable**
finance

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TOWARDS CIRCULAR ECONOMY



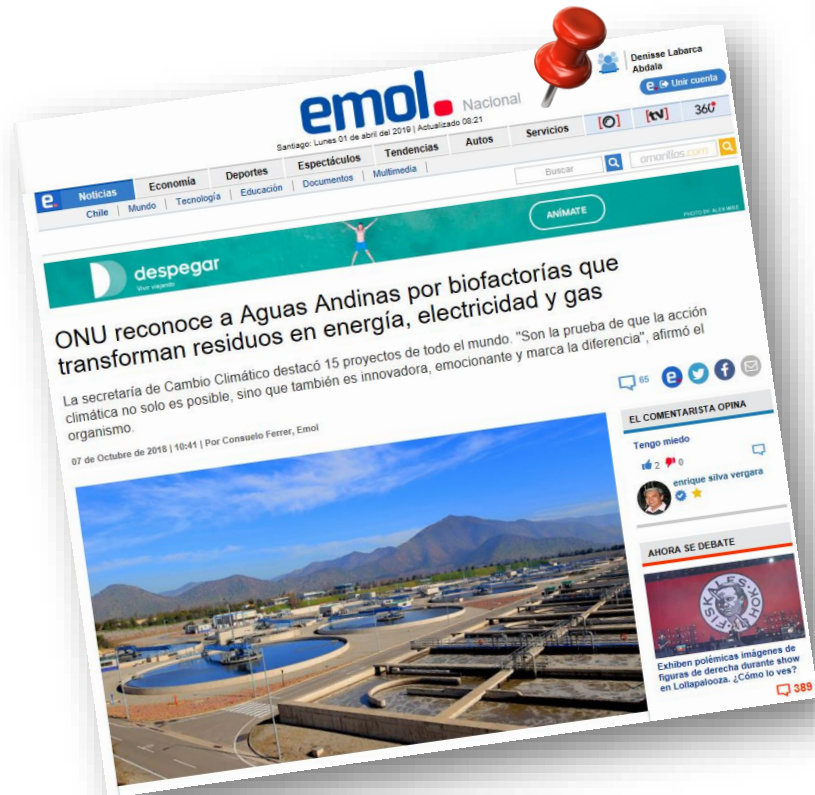
Impulse for Change
Award 2018, granted
by the **UN**.



Acknowledgement to global
initiatives to **face the effects of
climate change**



**Chile is the only Latin American
country** to obtain this award



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ACKNOWLEDGMENTS TO OUR ACHIEVEMENTS

We obtained the **2018 GRAND PRIX EMPRESA ALAS20** (Sustainable Leadership Agenda 2020), which evaluates in Latin America the diffusion in sustainability, practices of investor relations and corporate governance.

The **GRAND PRIX** category is the **most important to which a company can aspire in ALAS20**, since it is only granted to a firm at a Latin American level.

In addition, **we were elected as EMPRESA ALAS20 CHILE 2018**, that is, the best of the best among the companies evaluated in Chile.

The 2020 Sustainable Leadership Agenda **also distinguished Aguas Andinas** in the following categories:

- 👍 Leading Company in Sustainability
- 👍 Leading Company in Corporate
- 👍 Governance Director of Company Leader in Sustainability
- 👍 CEO of Company Leader in Sustainability
- 👍 2nd place in Investor Relations



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FROM ANNUAL REPORT TO INTEGRATED REPORT



Prepared under the **International Integrated Reporting Council (IIRC)** standard



In accordance with the exhaustive option of the standards by the **Global Reporting Initiative (GRI)**

transversal and collaborative work among very different areas of the Company

presentation of information in a more concise and less complex way

unique photograph of the strategy and performance of Aguas Andinas in all areas

enriching dialogue

highlights the interconnection between financial and non-financial indicators

decision making tool for administration

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THANK YOU