1Q2019 Results

transelec

Uniendo a Chile con Energía

May, 2019

Executive Summary

- Transelec is the largest transmission company in Chile with 9,672 kilometers of transmission lines (as of Dec./2018) through the ownership and operation of strategic assets for the country, and serving approximately 98% of the Chilean population.

- Transelec continues to generate stable cash flows and maintains an EBITDA margin above 80% (in Mar 2019, 85% on a LTM basis).

- The company generated funds from operations (FFO) of CLP244 billion, during the LTM ended March 31, 2019.

- Reaffirming the solid financial performance of the Company, in January 2019, Fitch reaffirmed our current international rating (BBB) and local rating (AA-), Humphreys reaffirmed our local rating (AA) as well as Feller (AA-).

- By LTM March 2019, Transelec recorded a net income of CLP119 billion.

(USD figures have been translated with the FX of the end of March 2019 ($678,53), for referential purposes only)

Business Update

- As expected, the Company started receiving take or pay revenues from the Zonal system thanks to Decree 6T which sets Zonal tariffs for 2018-19.

- Current ratings of the Company are the following:

Local Market	
Rating Agencies	**Current Rating**
Humphrey's	AA
Feller-Rate	AA-
Fitch Ratings	AA-

International Market	
Rating Agencies	**Current Rating**
Moody's	Baa1
S&P	BBB
Fitch Ratings	BBB

- During this first quarter, the company incorporated US$20 million of new facilities, which include the commissioning of one national system and one zonal system upgrade projects.
  - ✓ The Company incorporated facilities for US$138.6 million LTM.

- As of this year, the Company has adopted IFRS 16, which ceases to classify as operating costs the lease contracts with identifiable underlying assets.
  - ✓ Therefore, these leases are now classified as fixed assets and financial liabilities.
  - ✓ They depreciate over the life spam of the relevant leasing agreement.
  - ✓ Since Transelec does not have many of these leases, the effect is very low.

Financial Results

CLP billion	1Q2019	1Q2018	Var.
Revenues	85	68	24%
Ebitda	74	58	27%
Operating Income	60	44	35%
Non-Operating Income	-14	-18	-22%
Tax	-13	-7	87%
Net Income	33	19	70%
Gross Debt	-1.463	-1.413	4%
Net Debt	-1.463	-1.353	8%
FFO (LTM)	244	174	40%

- For this period, Revenues increased 24%, reaching CLP85 billion (~USD 125 million). EBITDA increased 27% compared with the same period last year. The increase was mainly due to the Decree 6T publication which establishes zonal tariff for 2018 and 2019, which started to be registered in 4Q2018. EBITDA margin increases in this period to 87%.

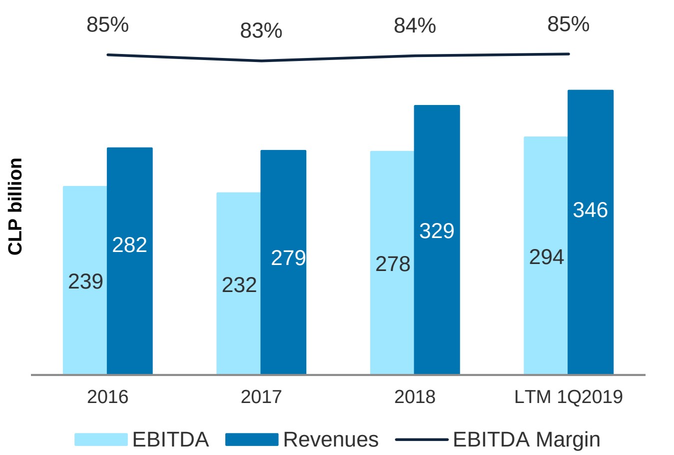
- Non-Operating Income decreased 22%, reaching CLP-14 billion, mainly because there were no inflation in the first quarter of 2019, and therefore, not incorporating any effect of the revaluation of the UF bonds in 2019 (compared with a loss in 2018).

Uniendo a Chile con Energía

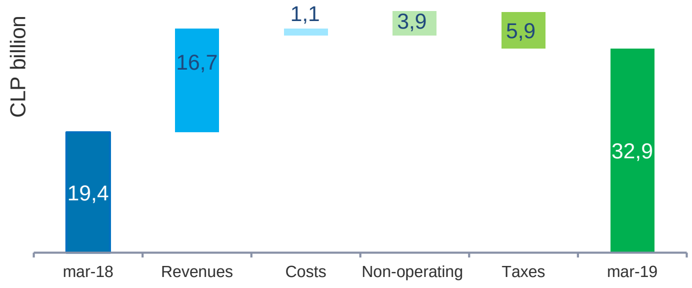
Revenue and Profitability

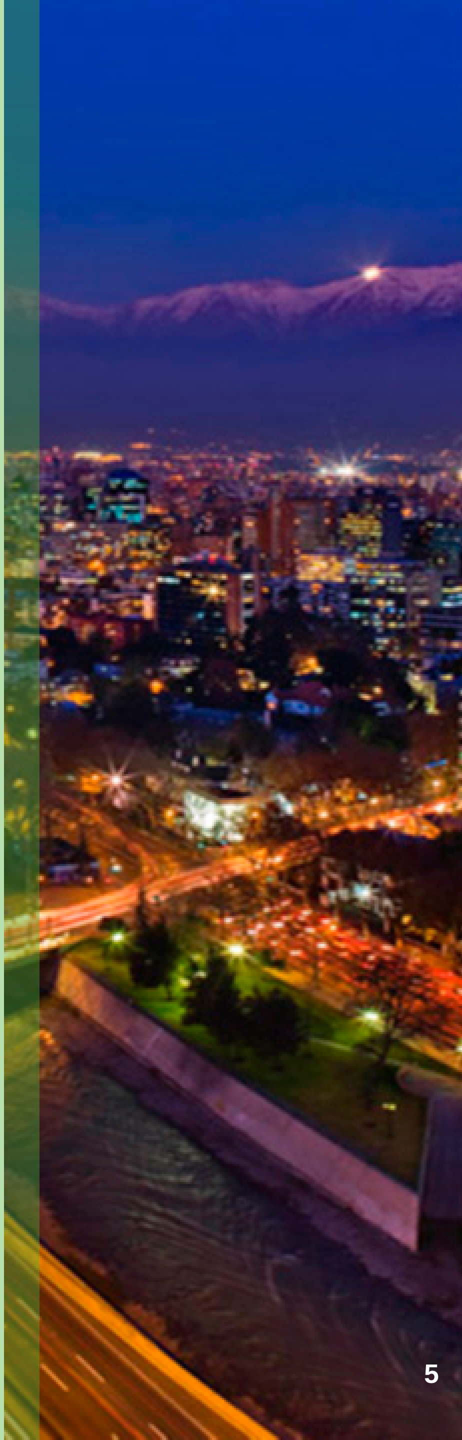
- Transelec's revenues and EBITDA have grown steadily in last years.
- The company has a low business risk profile with more than 70% of revenues coming from strong counterparties.
- As of March 31st, 2019, Transelec recorded a net income 70% higher than the same period in 2018 mainly due to:
  - ✓ Higher Zonal system revenues according to Decree 6T
- The company has historically maintained an EBITDA margin above 80%, driven by a low and stable cost structure mainly comprised of labor and maintenance expenses
  - ✓ In March 2019, EBITDA margin reached 85% on a LTM basis, influenced by Decree 6T

EBITDA[1] and Revenues



Net Income





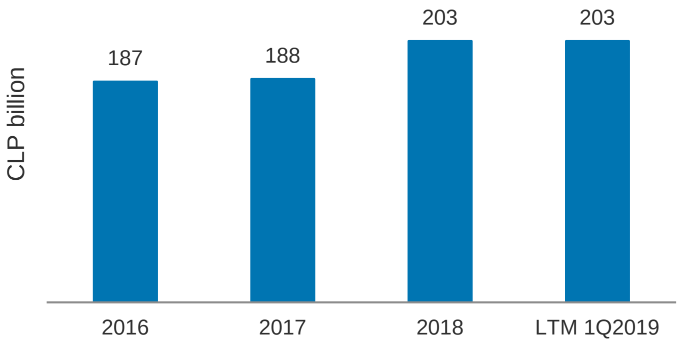
transelec
Uniendo a Chile con Energía

[1] EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

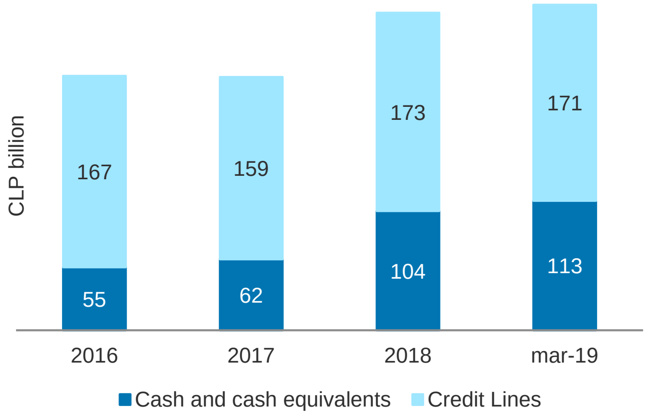
Solid Liquidity Position

- In March 2019, Transelec's liquidity reached CLP284 billion (equiv. USD418 million).
  - ✓ This includes ~ USD250 million available on a 3-year committed revolving credit line completely undrawn (denominated in USD & UF).
- In addition, the company generated during the LTM ended March 31, 2019, CLP244 billion of funds from operations (FFO) and CLP203 billion of cash flow from operations (CFO).
- Furthermore, the Company's bonds have a 6-months DSRA.

Cashflow From Operations



Liquidity

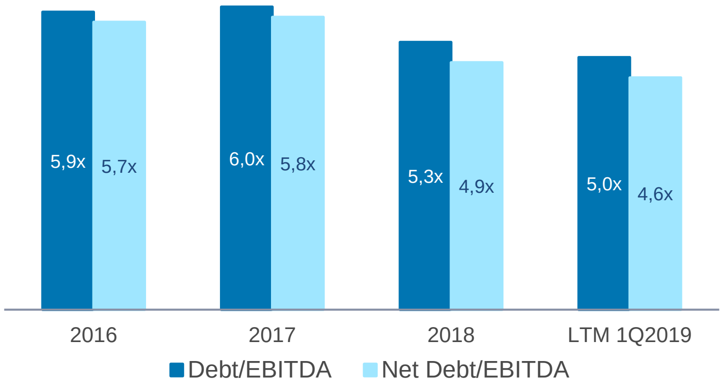


transelec
Uniendo a Chile con Energía

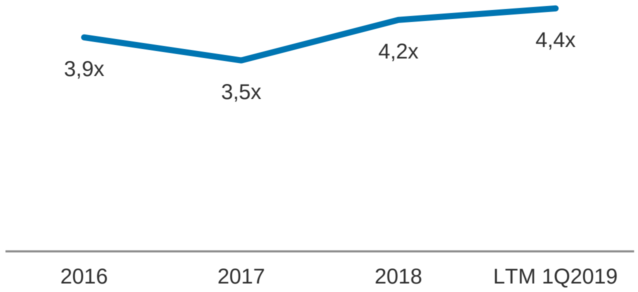
Strong Coverage Ratios

- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows that have improved through time.
- Debt to EBITDA ratio decreased below the expected limits due to higher Zonal system revenues according Decree 6T for years 2018-19.
- Transelec is committed to maintaining investment grade credit rating.

Leverage



Interest Expense Coverage

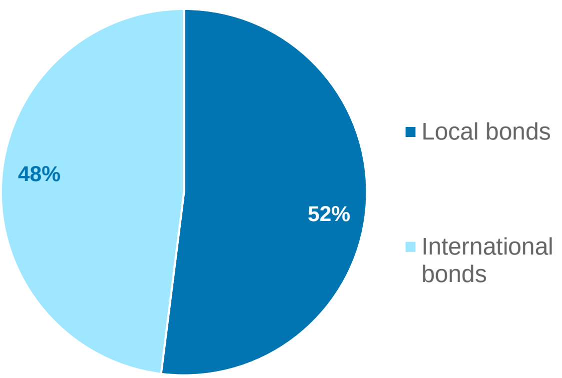


transelec
Uniendo a Chile con Energía

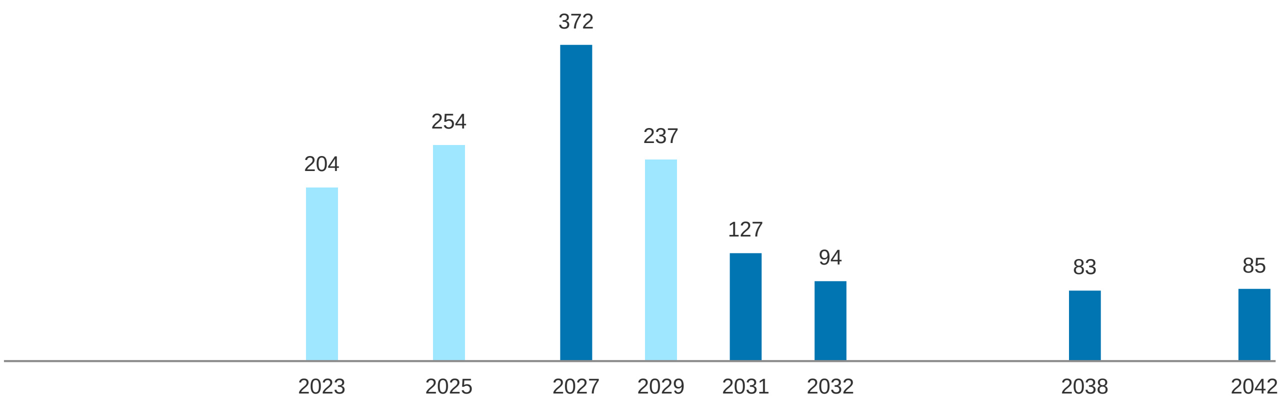
Debt Profile

- Transelec maintains a very manageable debt maturity profile with no debt refinancing in the next years.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- All public debt has fixed rates.

Debt breakdown by type



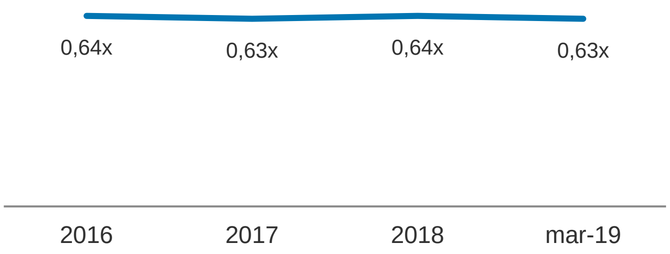
Public debt maturity profile (CLP Billion)



Covenants

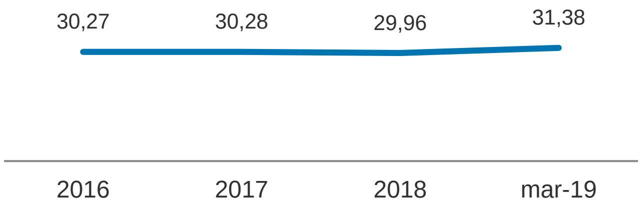
- Transelec's financial covenants (included in the local bond indentures) are balance sheet focused.
- As of March 31, 2019, the company is in full compliance with all debt covenants.

Debt / Capital < 0.7x (1)



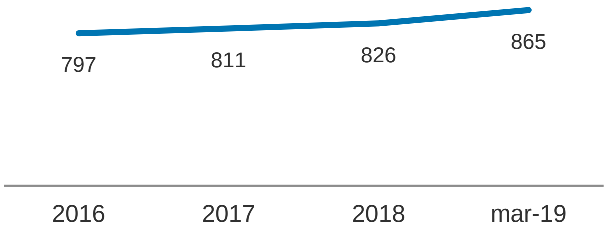
(1) Total Debt /(Total Debt +Interest + Shareholder's Equity + Accumulated amortization of goodwill)

Minimum Equity > UF15 million(2)

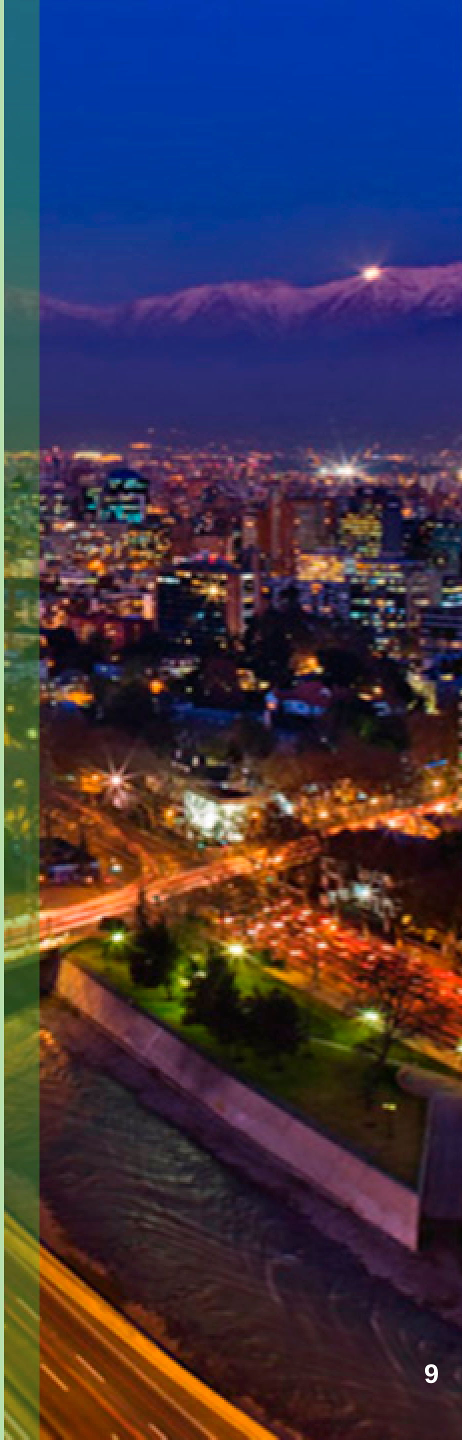


(2) Equity attributable to the owners + Accumulated amortization of goodwill

Minimum Equity > CLP 350 billion (3)



(3) Equity attributable to the owners + Accumulated amortization of goodwill



transelec
Uniendo a Chile con Energía

Contact Information

For additional information, please contact:

Martha Peredo
Head of Investor Relations
mperedo@transelec.cl
56 2 24677237

Javier Sauvageot
Finance Manager & Treasurer
jsauvageot@transelec.cl
56 2 24677068

You can find additional information in our web page:
http://www.transelec.cl/investors/?lang=en

transelec
Uniendo a Chile con Energía

1Q2019 Results

transelec
Uniendo a Chile con Energía

May, 2019