

# 3Q2023 Results

November 2023



# Executive Summary

- Transelec has stable and mainly regulated revenues coming from the transmission of energy and a constantly reviewed costs structure that allow to maintain an important EBITDA margin (86% on a LTM basis in September).
- On April 19, 2023, Transelec S.A. issued local corporate bonds Series “V” and Series “X” for a total of UF 7,000,000. Series “X” matures on March 1, 2034, bullet with a 3.2% coupon rate and Series “V” matures on March 1, 2048, bullet and a 3.3% coupon rate.
  - On April 26, 2023, the Company made the pre-payment of the Senior Bond issued in 2013 for US\$300 million maturing on July 26, 2023.
- Due to the prepayment of the Senior Bond in April, the company had to adjust its hedge:
  - During April, the Company settled two Cross Currency Swaps (CCS) held with Banco Santander and Goldman Sachs for a total notional amount of US\$300 million,
  - In June, a partial unwind of a Goldman Sachs CCS, leaving the notional at MUS\$23.5.The monetizing of the market value of said instruments generated a gain of CLP70 billion.
- By LTM September 2023, Transelec recorded a net income of CLP203 billion (~USD 227 million).

# Business Update

- 2020-2023 tariffs have been published in Supreme Decree 7T (DS7T) on February 16. The application of the DS7T considers the Company's revenues retroactively since January 1, 2020.
  - During 2023 the Company is recording income in accordance with the DS7T (as well as in Dec2022 Financial Statements)
  - As of September 2022, the Company recognized and received revenues according to the previous tariff studies (DS23T and DS6T), so a provision of lower income was included according to the information available at that time of what would be the final tariffs for the 2020-2023 period.
- Since DS7T is published, the Coordinator determined the tariff reassessments that the companies had to pay or receive.
  - Transelec has paid the reassessment in June.
- On April 28, 2023, the Ordinary Shareholder's Meeting agreed to distribute a definitive dividend for the results of the 2022 period for an amount of MCh\$32,337, which was paid in May 2023.
- On July 10, 2023, the Extraordinary Shareholder's Meeting agreed to distribute retained earnings for an amount of MCh\$201,630, which was paid in August 2023.
- The Company commissioned two National upgrade, one National expansion, three Zonal upgrades, one Zonal expansion and a Dedicated project amounting a total of USD335 million until September.
  - The Dedicated project is the transmission line for Quebrada Blanca 2 project, a sizable long-term contract, that is accounted as a leasing, including a one-time accounting effect in revenues during the first quarter of 2023.

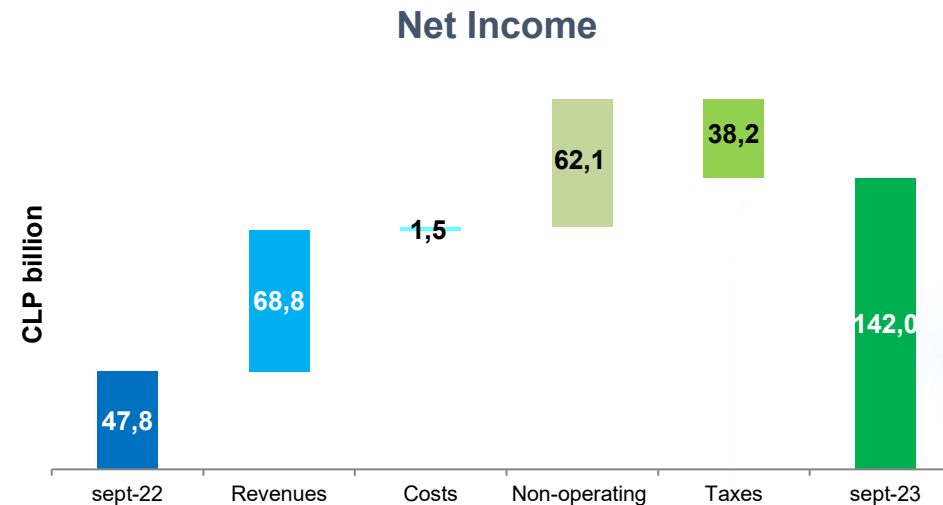
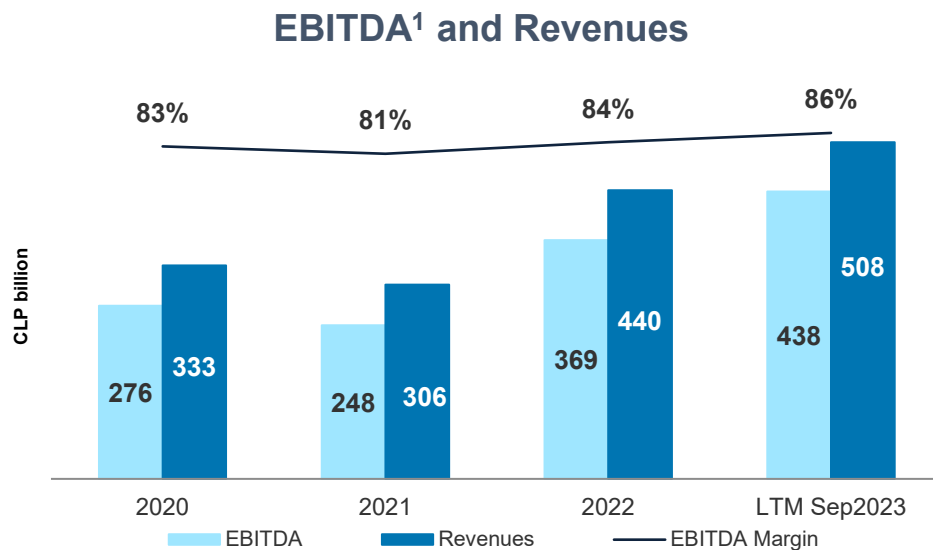
# Financial Results

- As of September 30, 2023, revenues increased 24% when compared with same period of previous year, reaching CLP 350 billion (~USD 391 million).
  - For September 2023 Financial Statements, revenues are determined in accordance with DS7T published on February 16, 2023.
  - The increase in revenues is mainly due to:
    - An accounting effect related to the record, under IFRS 16 criteria, of a leasing contract for a dedicated project commissioned (one-time effect),
    - Macroeconomic effects (mainly inflation),
    - The higher provision for lower revenues made in 2022, and
    - Commissioning of new projects.
- EBITDA increased 30% compared with the same period of last year. The increase was mainly due to higher revenues. The EBITDA margin is ~85% for the 9 months period, which is affected by accounting effect of the leasing contract registered.
- Non-Operating Income decreased 51%, reaching CLP -59 billion, mainly because of financial income and Income by indexed units (inflation effect over UF bonds).

CLP billion	sept-23	sept-22	Var.
Revenues	350	281	24%
Ebitda	298	228	30%
Operating Income	257	186	38%
Non-Operating Income	-59	-121	-51%
Tax	-56	-18	217%
Net Income	142	48	197%
Gross Debt	-1.905	-1.936	-2%
Net Debt	-1.664	-1.595	4%
FFO (LTM)	381	243	57%

# Revenue and Profitability

- Transelec's revenues and EBITDA :
  - In 2023, the Company is registering new tariffs for 2020-2023 according to DS7T.
  - Nevertheless, since 2020 until 2022 the Company registered a provision for lower revenues (adjusted in 4Q2022).
  - Nonetheless, Ebitda margin continues around and over 80%.
- As of September 30, 2023, Transelec recorded a net income higher than in same period in 2022 mainly due to higher revenues (including a one-time effect) and lower Loss by indexed units, partially compensated by higher taxes.

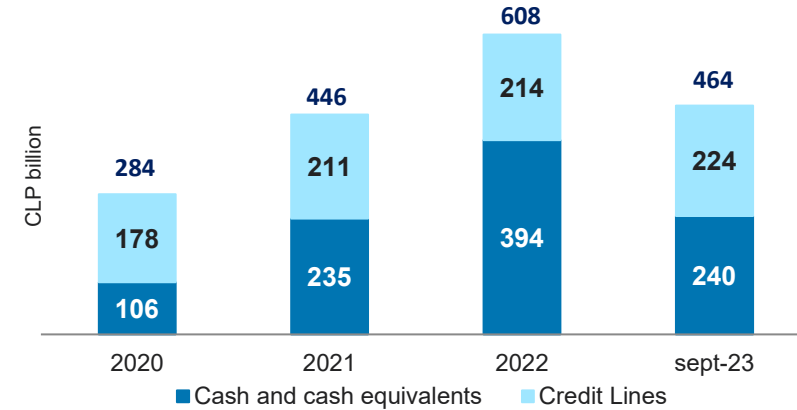


<sup>1</sup> EBITDA: Earnings before taxes, interest, depreciation, amortization, price-level restatement, net and foreign currency translation, net, plus income from leasing

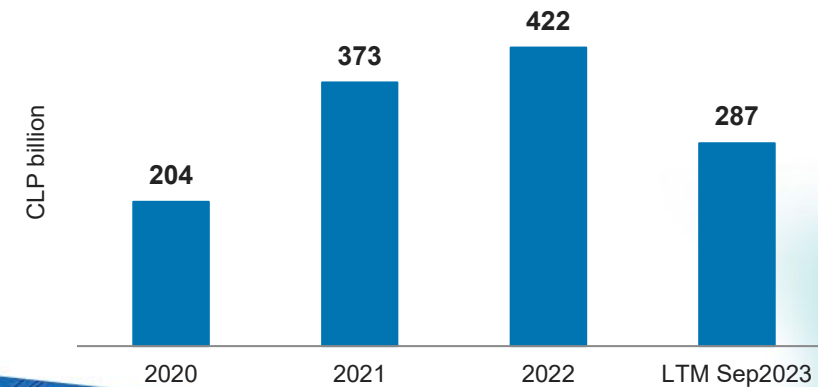
# Solid Liquidity Position

- In September 2023, Transelec’s liquidity reached CLP464billion (USD519 million).
  - The revolving credit facility (RCF) is totally available for USD 250 million and matures in 2024.
  - Furthermore, the Company’s bonds have a 6-months DSRA.
- By the end of September 2023, the Company has an important level of cash on hands.
  - Own cash generation
  - CCS settlement gain (2Q2023)
  - Higher cash received in the 2020-2022 period, when compared with 2020-2023 tariffs (DS7T). The Company paid a cash settlement in June 2023 for USD134 million for the tariff reassessment.
  - The Company distributed retained earnings for an amount of MCh\$201,630, in August 2023.

Liquidity

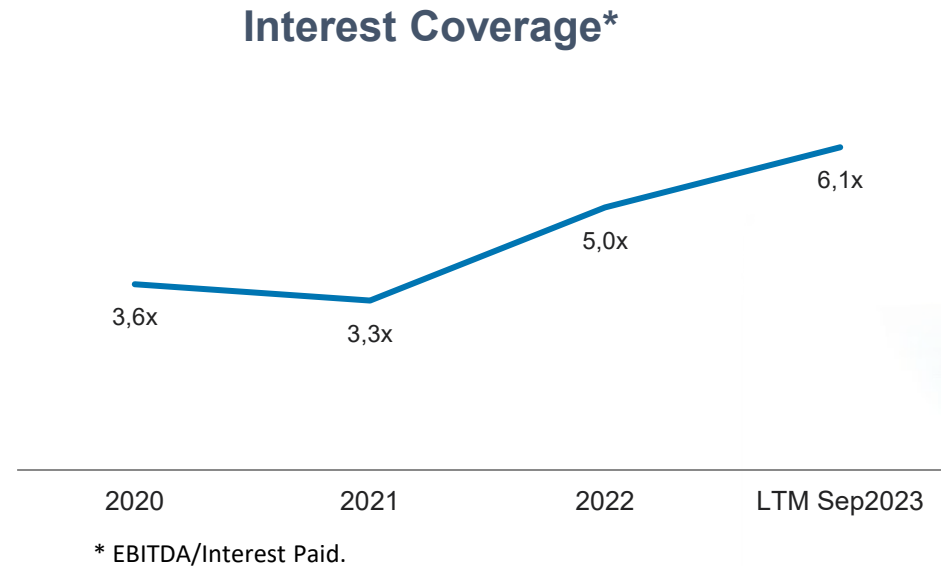
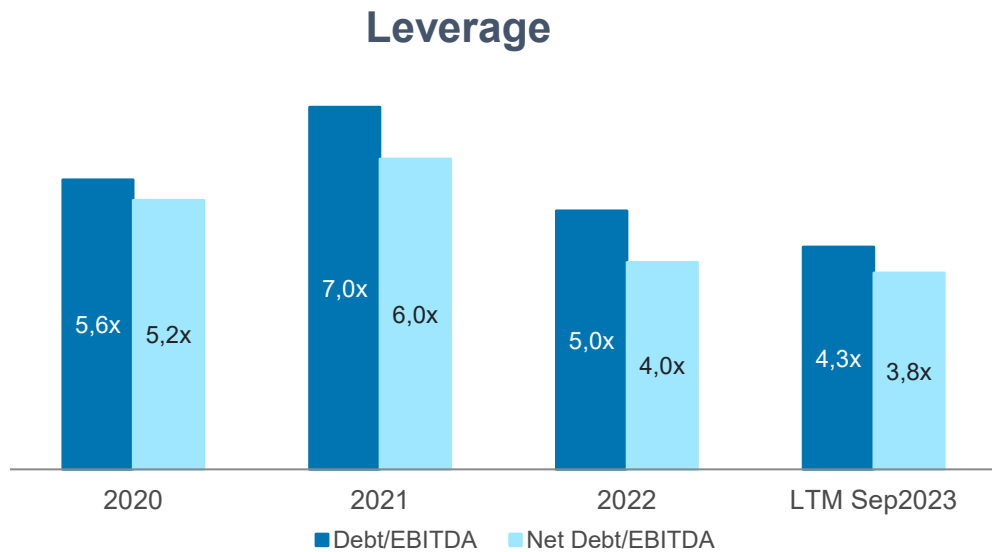


Cashflow From Operations



# Strong Coverage Ratios

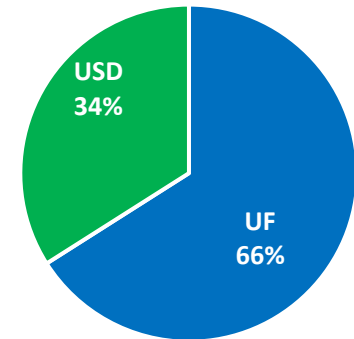
- Transelec's strong coverage metrics are supported by low cost of debt and growing cash flows.
- Net Debt to EBITDA ratio is in 3.8x. We have seen some decreases due to the adjustments to provisions in 4Q2022 and the accounting effect of the leasing contract registered in 1Q2023, impacting EBITDA positively (but not permanent effect).
- Interest Expense coverage has remained above 3.0x (6.1x in LTM March 2023) affected by EBITDA as explained above.



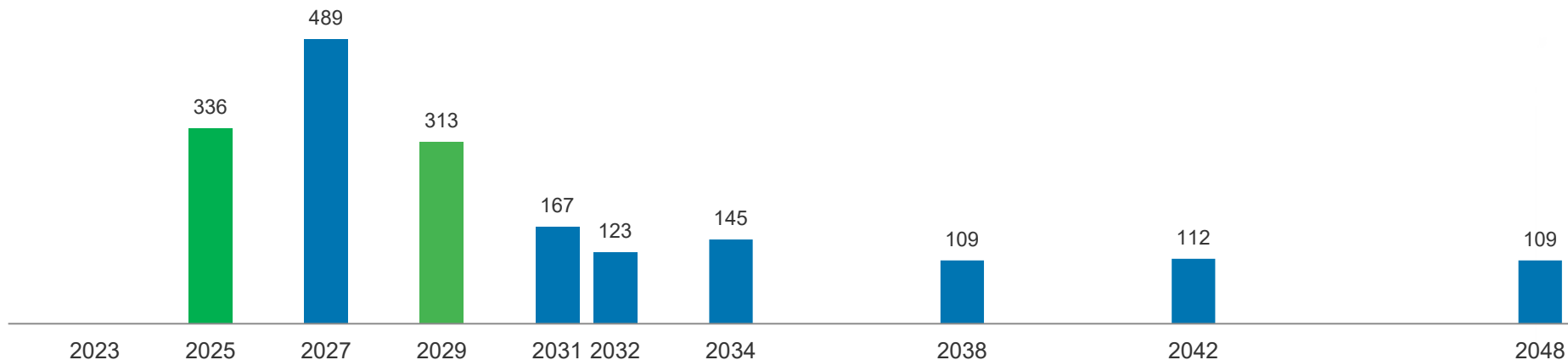
# Public Debt Profile

- Transelec maintains a very manageable public debt maturity profile.
  - On April 19, 2023, Transelec S.A. issued local corporate bonds Series “V” and Series “X” for a total of UF 7,000,000, with attractive rates, extending its maturity profile.
  - On April 27, 2023, the Company made the pre-payment of the Senior Bond issued in 2013 for US\$300 million maturing on July 26, 2023.
- The Company has been able to obtain flexibility and a variety of sources for funding.
- All public debt has fixed rates.
- Transelec balance sheet is fully hedged.

## Public Debt breakdown by currency



## Public debt maturity profile (CLP billion)





# Covenants

- As of September 30, 2023, the Company is in full compliance with all debt covenants present in our local bonds.

## Minimum Equity > UF15 million <sup>(1)</sup>



2020      2021      2022      sept-23

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

## Minimum Equity > CLP 350 billion <sup>(2)(3)</sup>



2020      2021      2022      sept-23

(2) Equity attributable to the owners + Accumulated amortization of goodwill  
 (3) This metric replaced 'UF' Minimum Equity in series Q, V & X bonds.

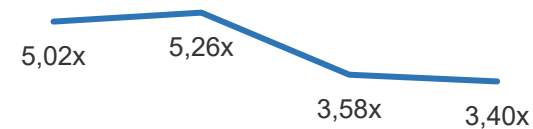
## Debt / Capital < 0.70x <sup>(4)</sup>



2020      2021      2022      sept-23

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

## Net Debt / Ebitda < 7,0x



2020      2021      2022      sept-23

(5) Total Other financial liabilities – Rights of use – (Cash & cash equivalent + Total Other financial assets – Total Finance leases receivable)

## Contact Information

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You can find additional information in our web page:

<https://www.transelec.cl/investors/>

