EMPRESAS LIPIGAS

Conference Call Presentation

First Quarter 2019

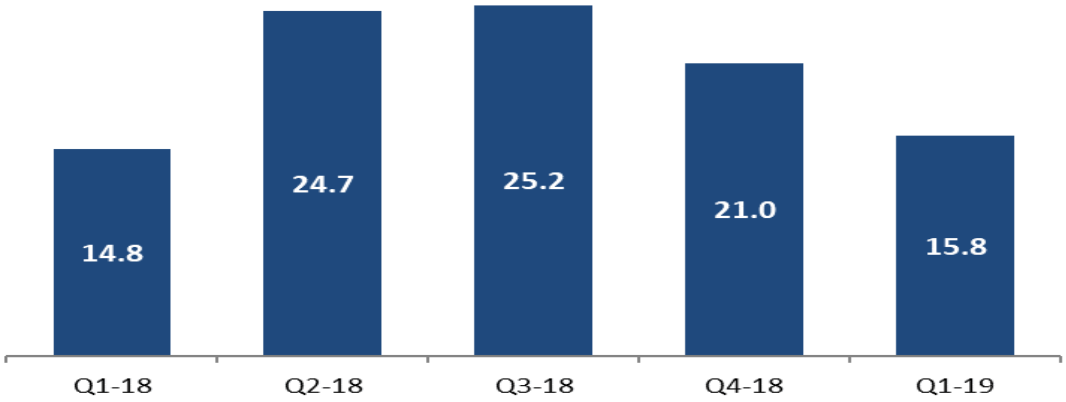
Effects of IFRS 16

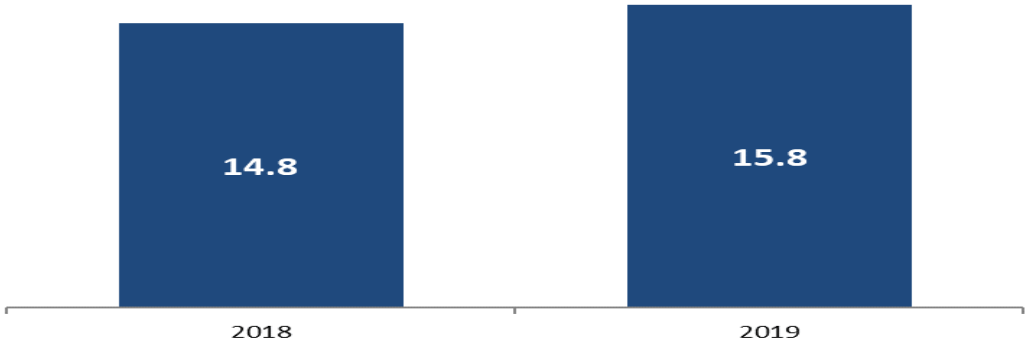
Important note: For the year 2019, Empresas Lipigas has adopted the amendments established by the International Financial Information Standard No.16 (IFRS 16), implying that the distinction between financial and operating leases disappears, thus practically all leases follow the same recording model. A more detailed description of the effects of the adoption of IFRS 16 is included in note 2.2 of the interim consolidated financial statements as of March 31, 2019. This causes the comparison between periods to be difficult because the results of 2018 do not incorporate above-mentioned effect. To facilitate the understanding of the Company's results, the figures in this report have been prepared excluding the effects associated with IFRS 16 for both 2018 and 2019, unless explicitly stated.

In the presentation annex (slide 15) is included a comparaision that identifies the main variations resulting from the adoption of IFRS 16

EBITDA evolution
CLP mmm

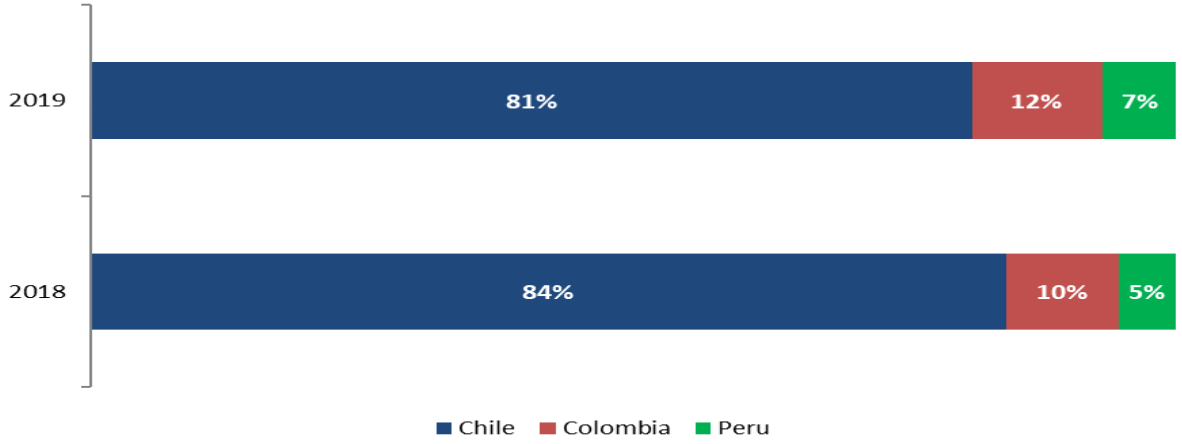
Increase of 6.6% vs. Q1-18



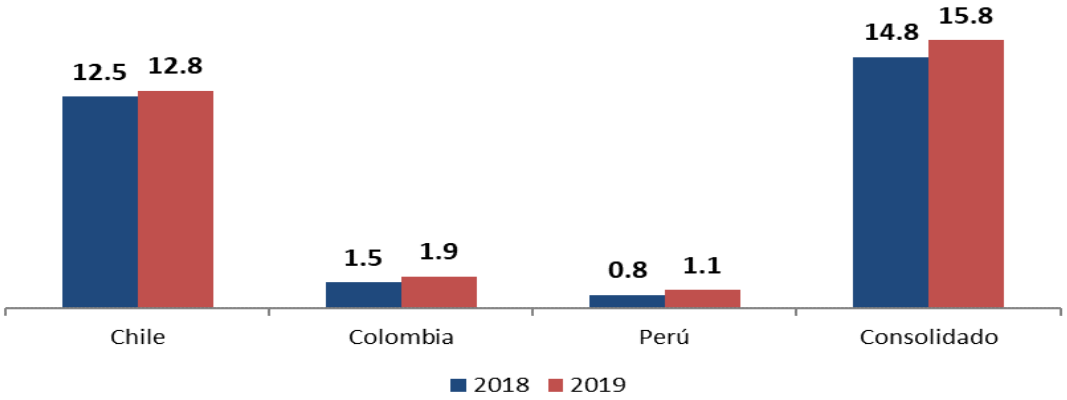


EBITDA by country

- Chile is the most relevant market
- Peru and Colombia recovery vs 1T18 due to better operational results



- The 3 countries increases its Ebitda vs 1T18



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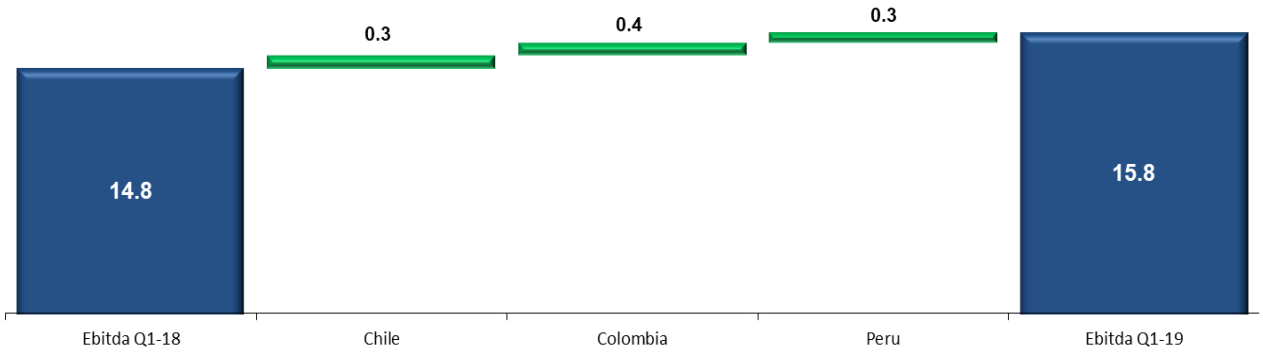
Consolidated EBITDA variation

CLP mmm

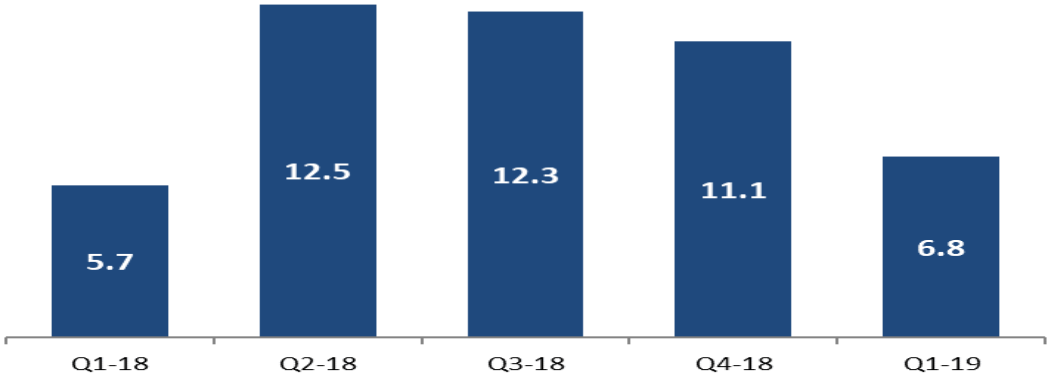
- **Robust EBITDA generation**

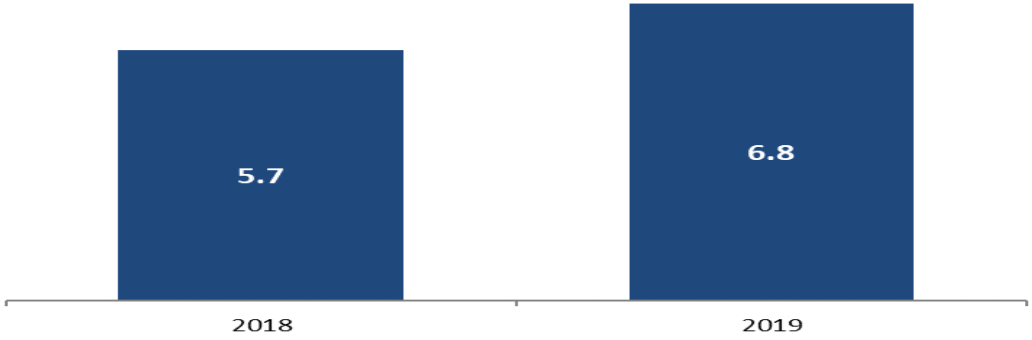
- **First quarter:**
  - **Higher EBITDA in 6.6% due to better performance in 3 countries**



Net income evolution
CLP mmm

Increase of 18.8% vs. Q1-18

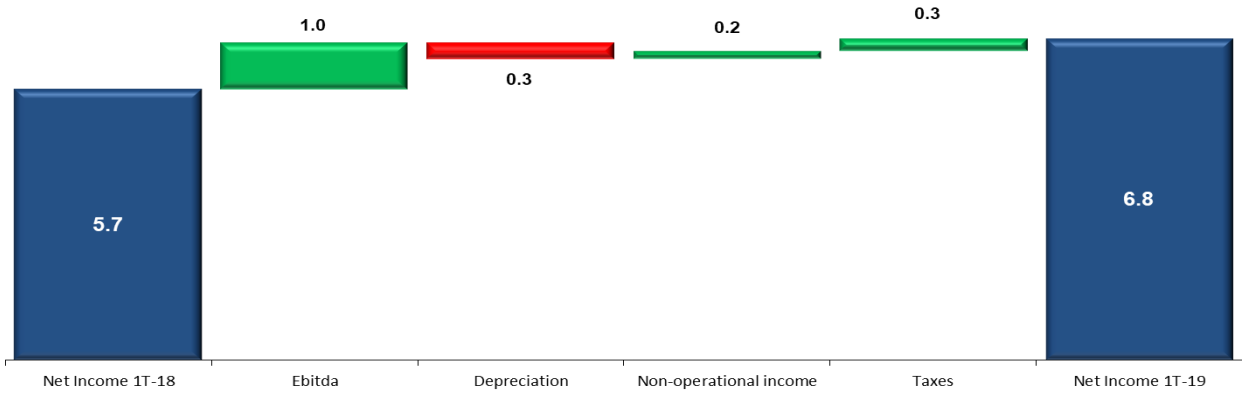




Consolidated Net Income variation CLP mmm

- **Net income increases mainly due to higher Ebitda in 3 countries**

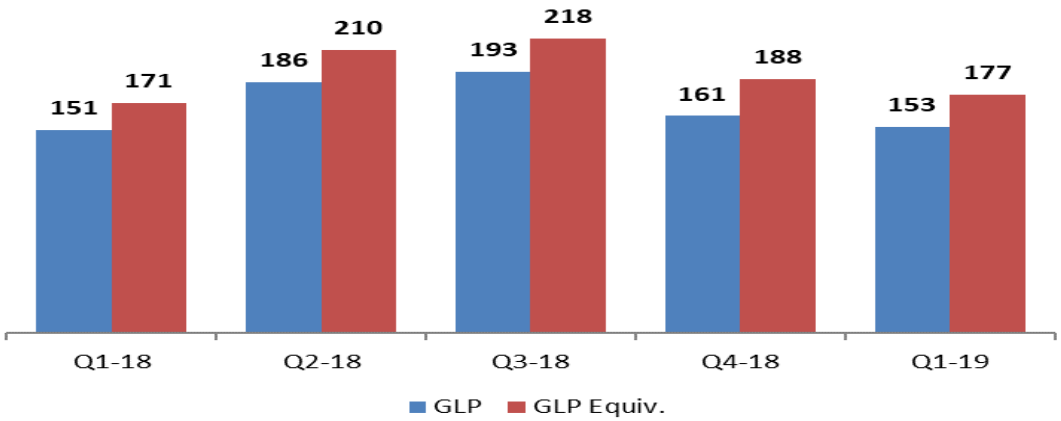
- **In the first quarter non operational income and taxes are lower vs 1T18**



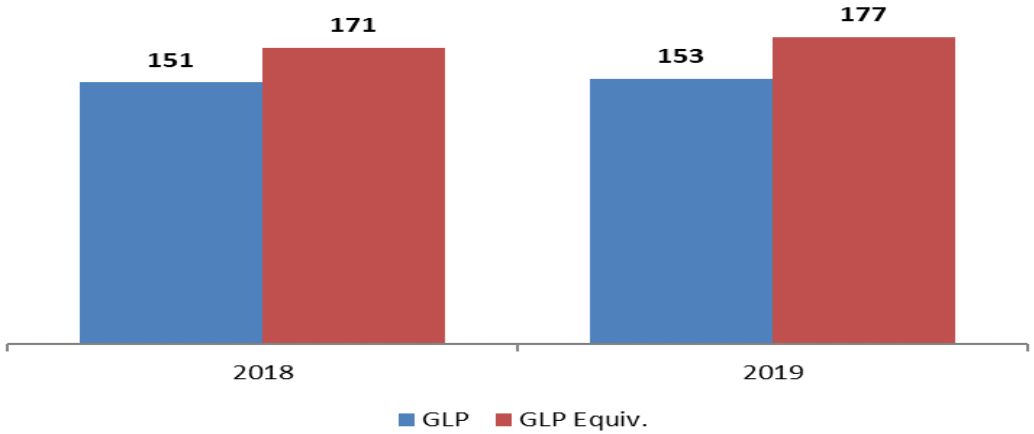
Consolidated sales volume evolution

LPG and LPG Equiv. Ton (Th)

- **Vs. Q1-18 (GLP):**
  - **Total: +1.4%**
  - **Chile: +0.8%**
  - **Colombia: +8.1%**
  - **Peru: -0.6%**



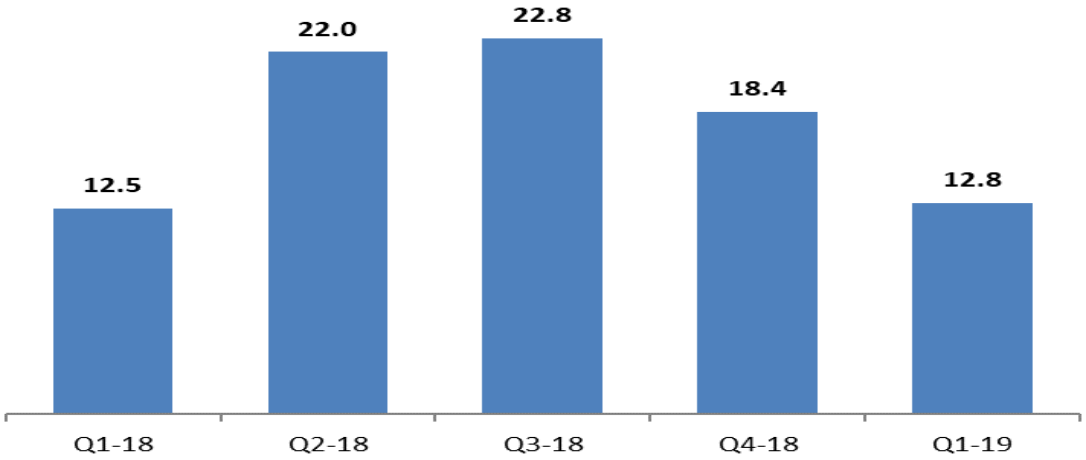
- **Vs. Q1-18 (Equiv. Ton.):**
  - **Total: +3.5%**
  - **Chile: +0.1%**
  - **Colombia: +15.5%**
  - **Peru: +6.6%**



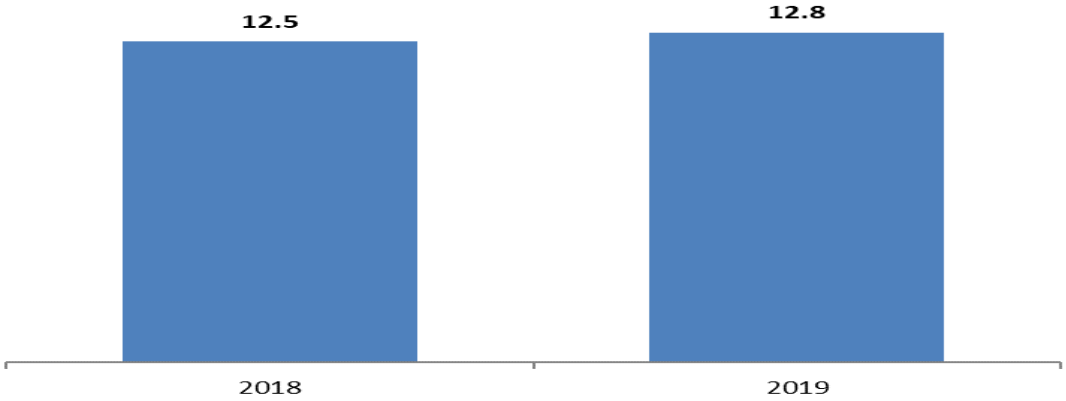
Chile EBITDA CLP mmm

- **Ebitda increases 2.8% vs Q1-18**

- **Gross margin: +10.6%**
  - **Volume: +0.1%**
  - **Unit margin: +10.5%**

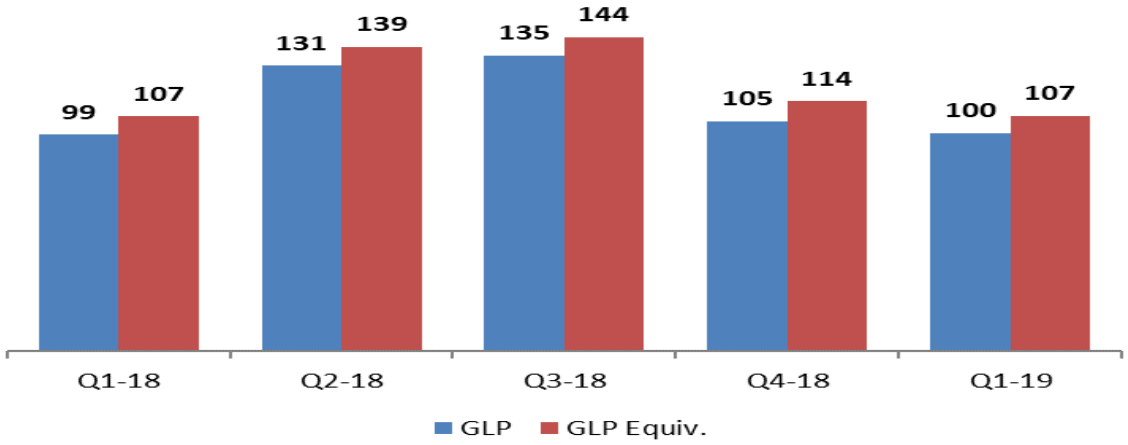


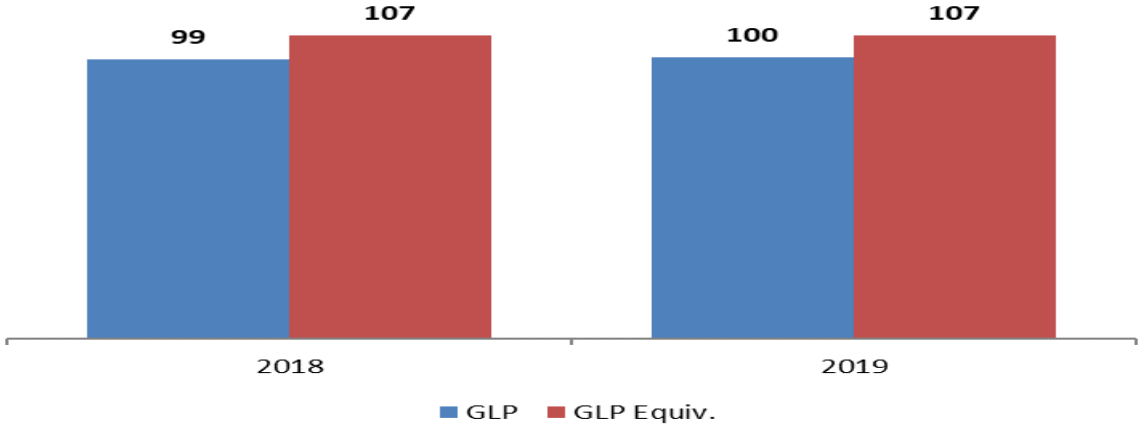
- **Expeneses: +15.8%**
  - **Freights**
  - **Central Operations**
  - **Consultants**
  - **Commercial expenditures**



Chile
Sales volume
LPG and LPG equiv. Ton (Th)

- **Increase of 0.1% in Equivalent LPG sales**
  - **LPG: +0.8%**
  - **NG/LNG: -8.7%**





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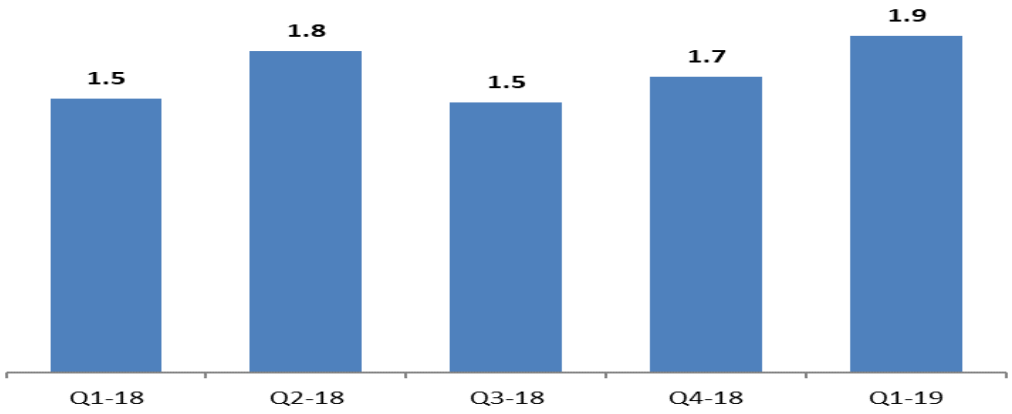
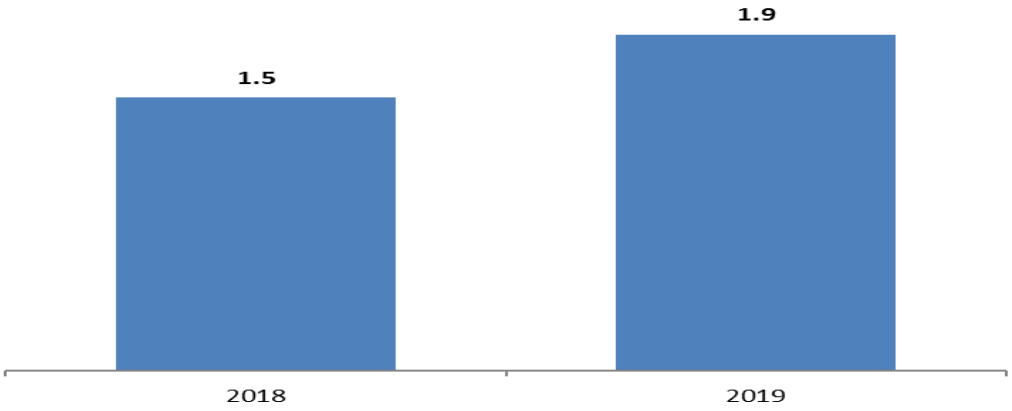
Colombia EBITDA CLP mmm

- **Increase of 23.0% in Ebitda vs Q1-18**

- **Gross margin: +16.9%**
  - **Volume: +15.5%**
  - **Unit margin: +8.1%**

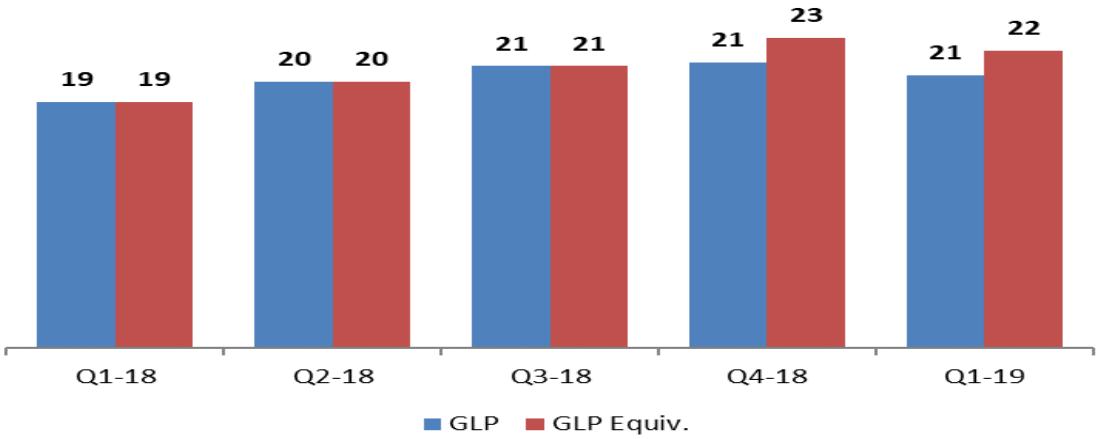
- **Expenses: +13.9%**



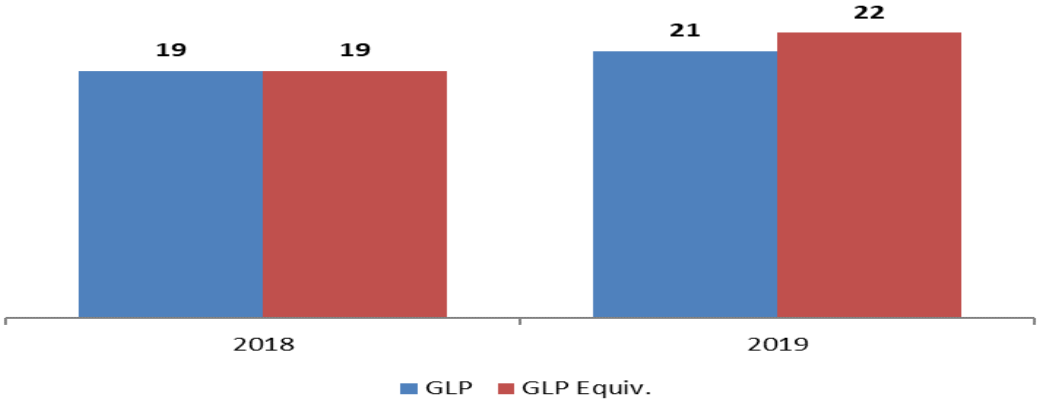


Colombia Sales volume LPG Ton (Th)

- **Increase of 15.5% in Equivalent LPG Sales vs Q1-18**
  - **LGP: +8.1%**
  - **1.8 million M3 GN sales due to Surgas starts to report NG Sales in Q4-18**



- **There is no seasonality in sales**



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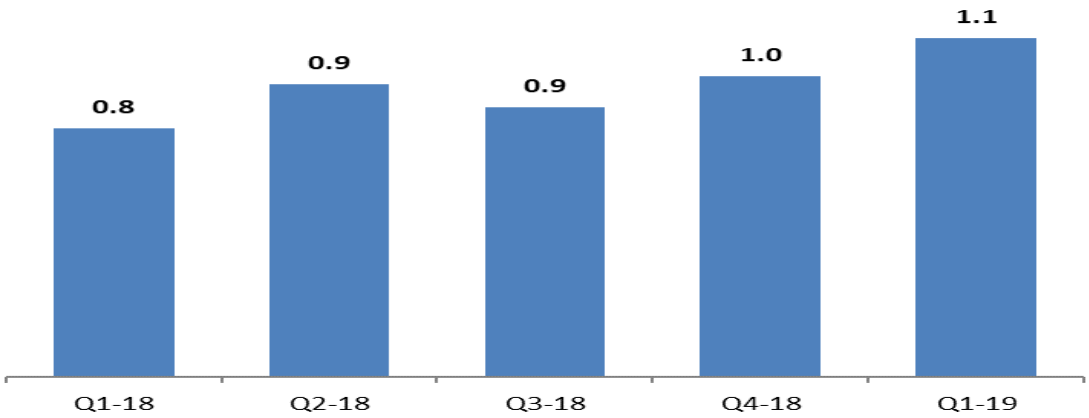
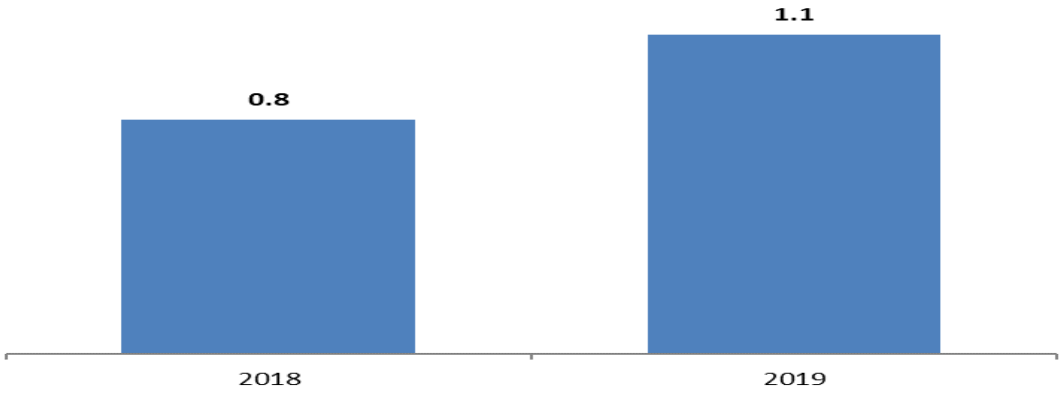
Peru EBITDA CLP mmm

- **Increase of 36.2% in Ebitda vs. Q1-18 showing again an improvement in the quarter**



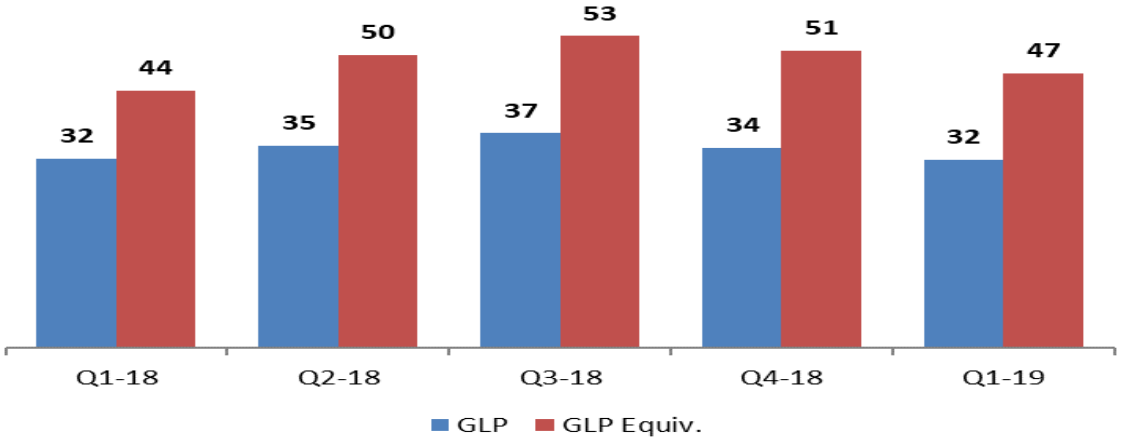
- **Gross margin: +22.1%**
  - **Volume: +6.6%**
  - **Unit margin: +14.6%**

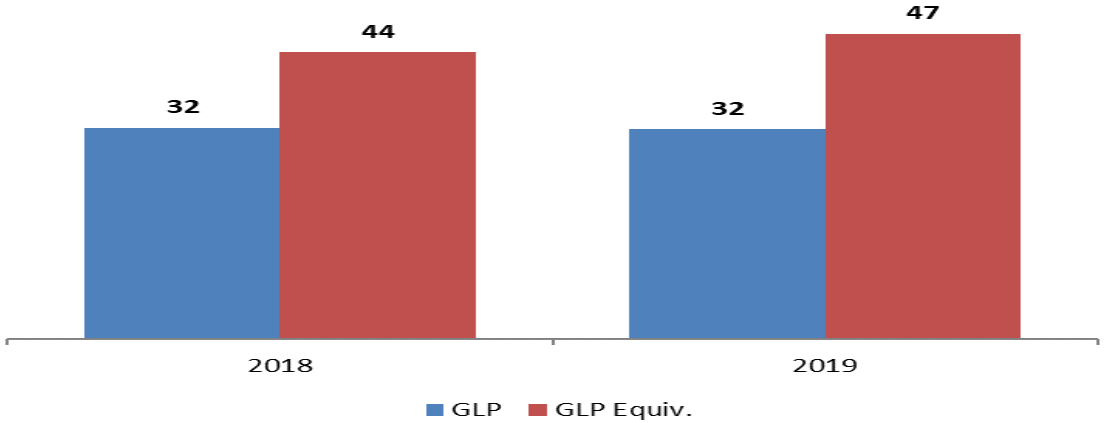
- **Increase by 19.6% in operating expenses mainly due to CNG freight expenses (higher sales)**



Peru
Sales volume
LPG and LPG equiv. Ton (Th)

- **6.6% increase in equivalent LPG sales:**
  - **LPG: -0.6%**
  - **CNG: +26.6%**

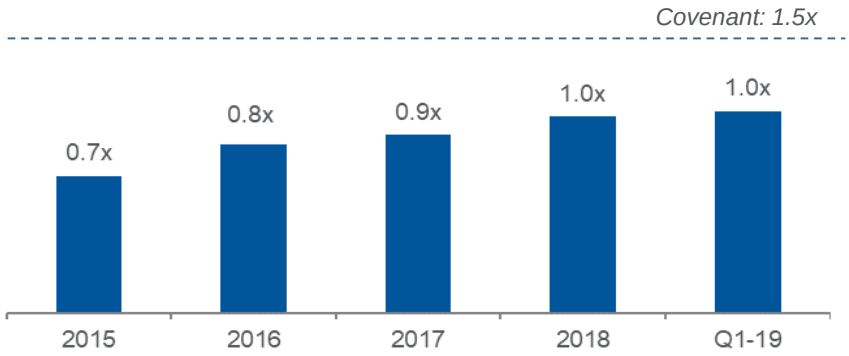




Financial ratios

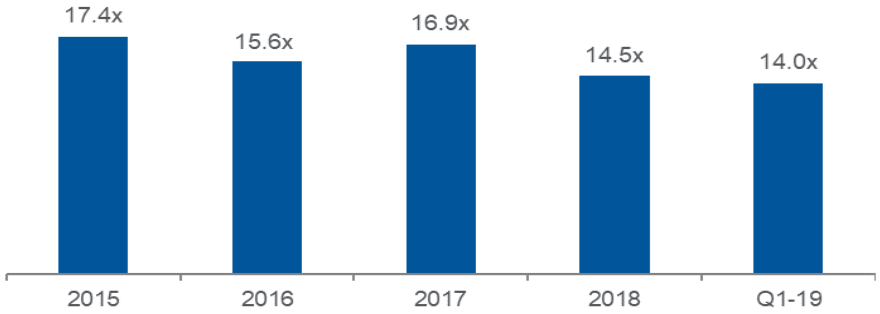
Net financial debt

Net financial debt / Equity (Times)



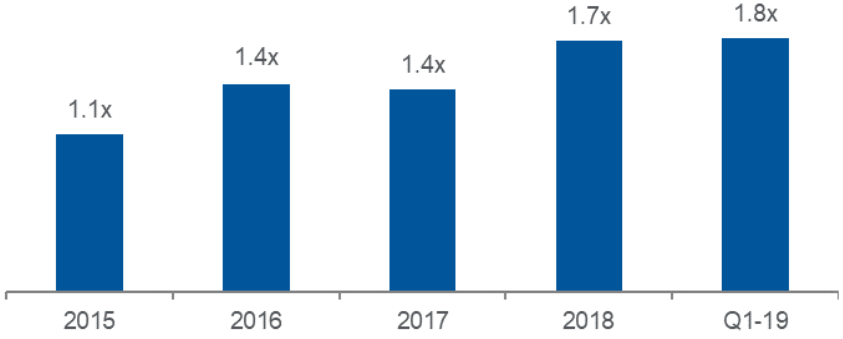
Interest coverage

EBITDA / Net financial expenses (Times)



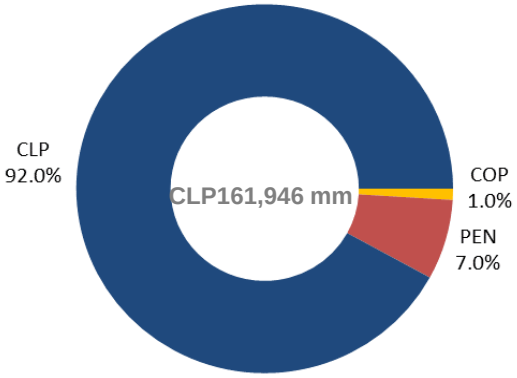
Net financial debt/ EBITDA

Times



Financial debt March 2019

%



Annex - Effects of IFRS16 adoption

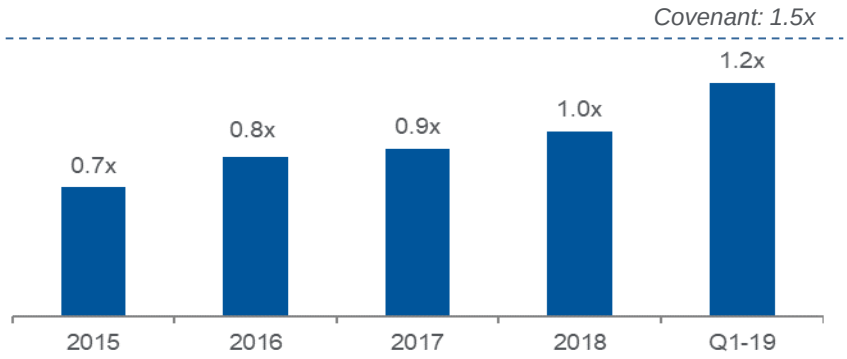
(In million CLP)

	Not include effects of IFRS16					
	Q119	Q118	Var. A/A (%)	Accum'19	Accum'18	Var. A/A (%)
EBITDA						
Chile	12,841	12,497	2.8%	12,841	12,497	2.8%
Colombia	1,887	1,533	23.0%	1,887	1,533	23.0%
Peru	1,081	794	36.2%	1,081	794	36.2%
Total	15,809	14,825	6.6%	15,809	14,825	6.6%
Depreciation and amortization	5,771	5,424	6.4%	5,771	5,424	6.4%
Earnings after taxes	6,805	5,728	18.8%	6,805	5,728	18.8%

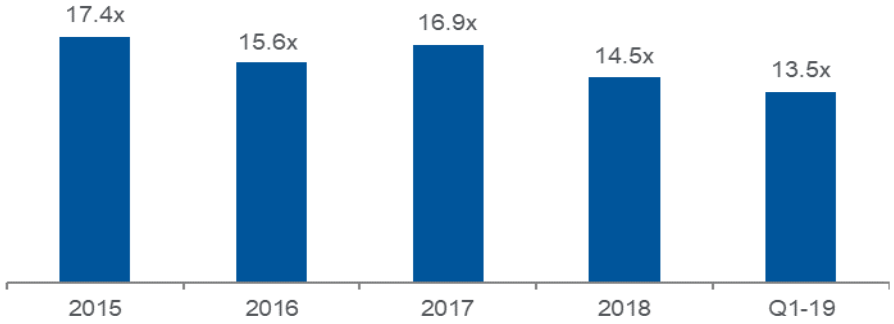
	Include effects of IFRS 16					
	Q119	Q118	Var. A/A (%)	Accum'19	Accum'18	Var. A/A (%)
EBITDA						
Chile	14,384	12,497	15.1%	14,384	12,497	15.1%
Colombia	2,081	1,533	35.7%	2,081	1,533	35.7%
Peru	1,305	794	64.4%	1,305	794	64.4%
Total	17,770	14,825	19.9%	17,770	14,825	19.9%
Depreciation and amortization	7,553	5,424	39.2%	7,553	5,424	39.2%
Earnings after taxes	6,670	5,728	16.5%	6,670	5,728	16.5%

Financial ratios
(Include effects of IFRS16 in Q1-19)

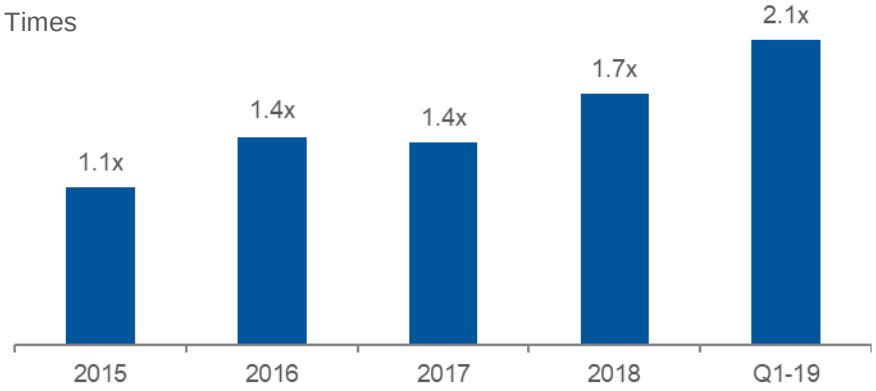
Net financial debt
Net financial debt / Equity (Times)



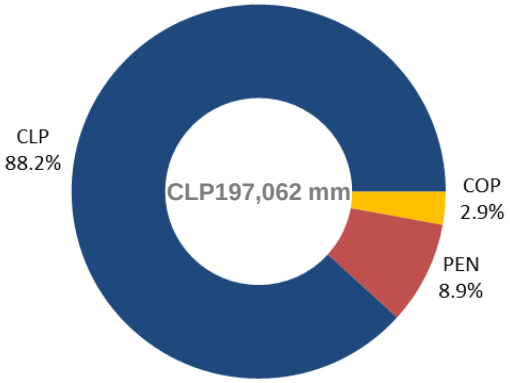
Interest coverage
EBITDA / Net financial expenses (Times)



Net financial debt/ EBITDA
Times



Financial debt March 2019
%



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