



EMPRESAS **LIPIGAS**



Conference Call Presentation

Third Quarter 2019



Effects of IFRS 16

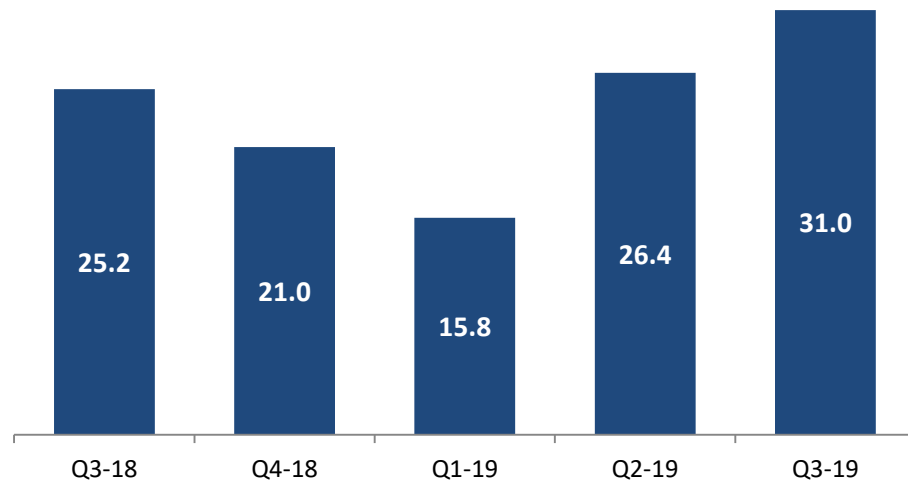
Important note: For the year 2019, Empresas Lipigas has adopted the amendments established by the International Financial Information Standard No.16 (IFRS 16), implying that the distinction between financial and operating leases disappears, thus practically all leases follow the same recording model. 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 September 30, 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 comparison that identifies the main variations resulting from the adoption of IFRS 15

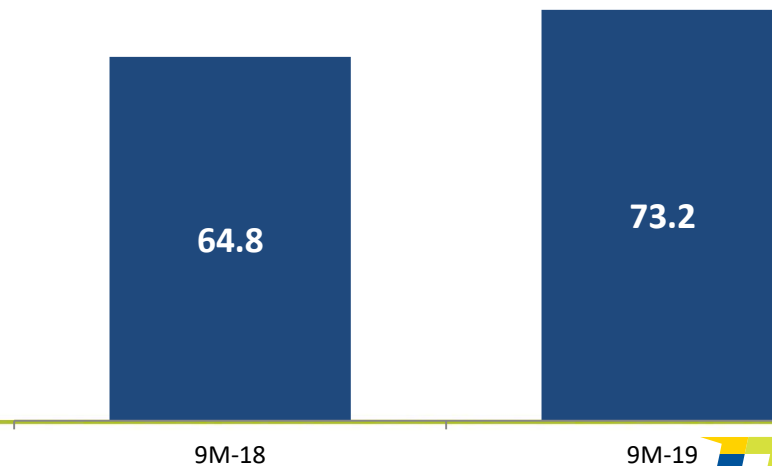


EBITDA evolution CLP mmm

**Increase of 22.9%
vs. Q3-18**

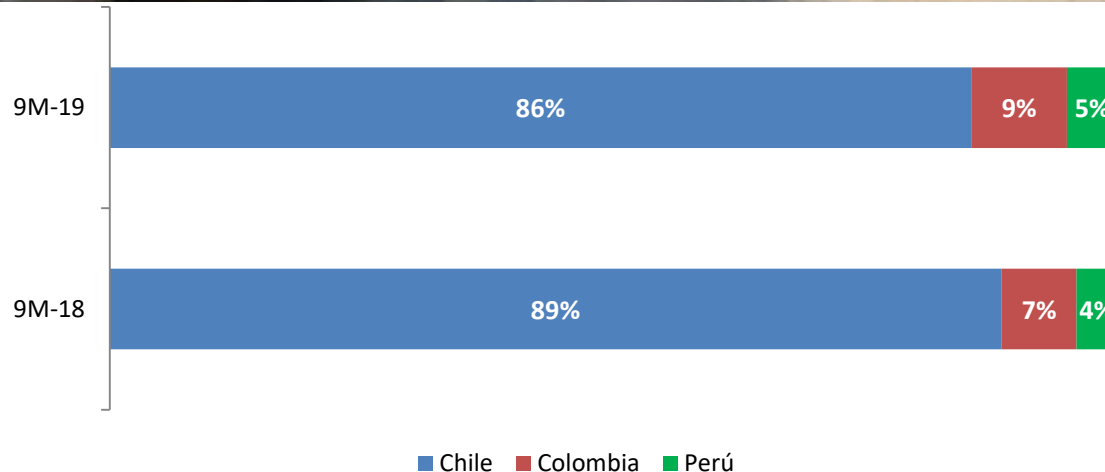


**Increase of 13.0%
vs. 9M-18**

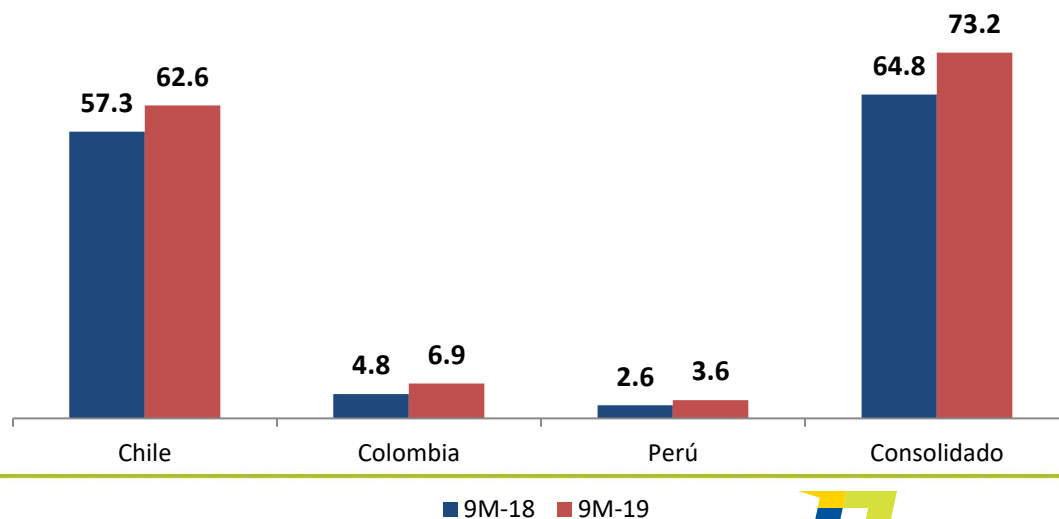




Chile is the most relevant market



The 3 countries increases its Ebitda vs 9M-18

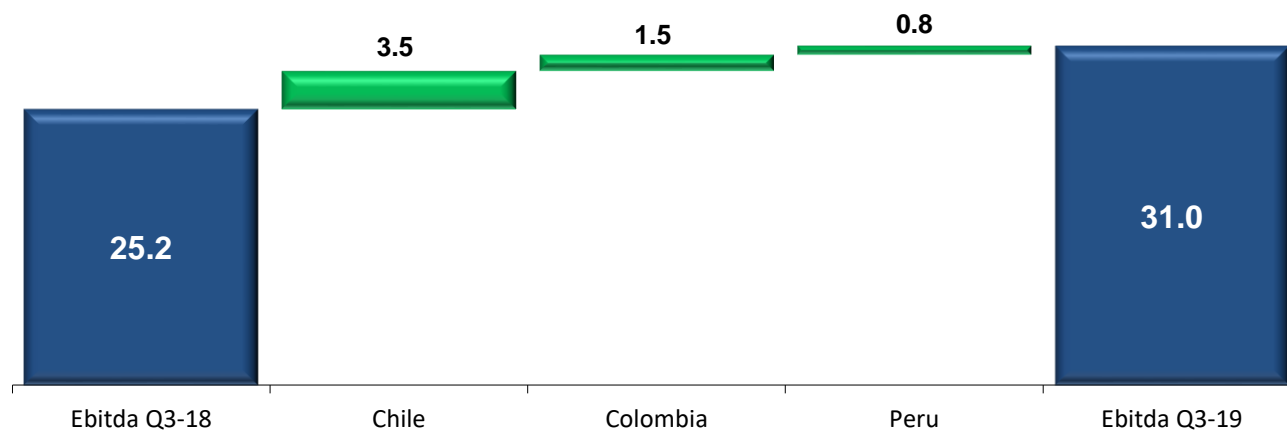




Consolidated EBITDA variation CLP mmm

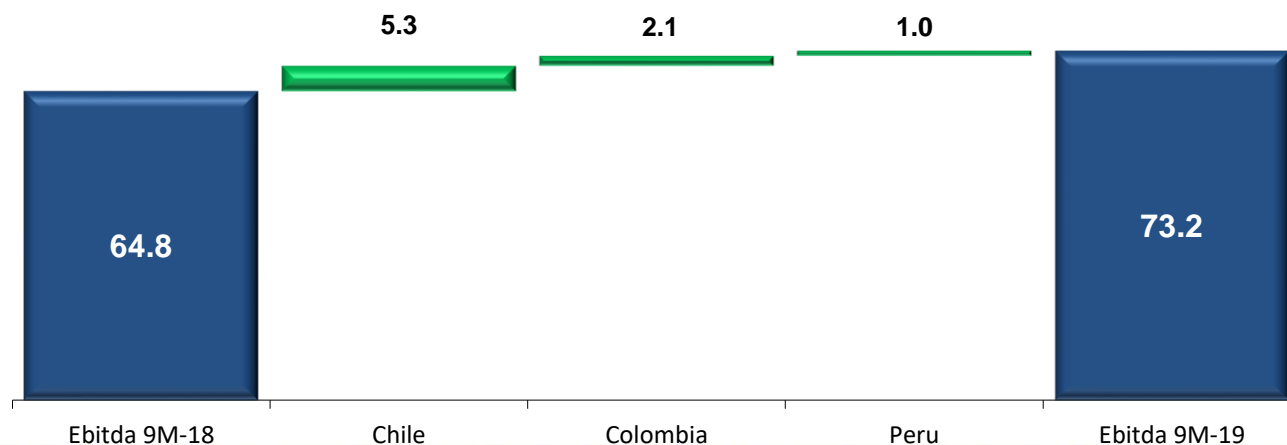
Third quarter:

- Higher EBITDA in 22.9% due to better performance in 3 countries



Nine month:

- Higher EBITDA in 13.0% due to better performance in 3 countries

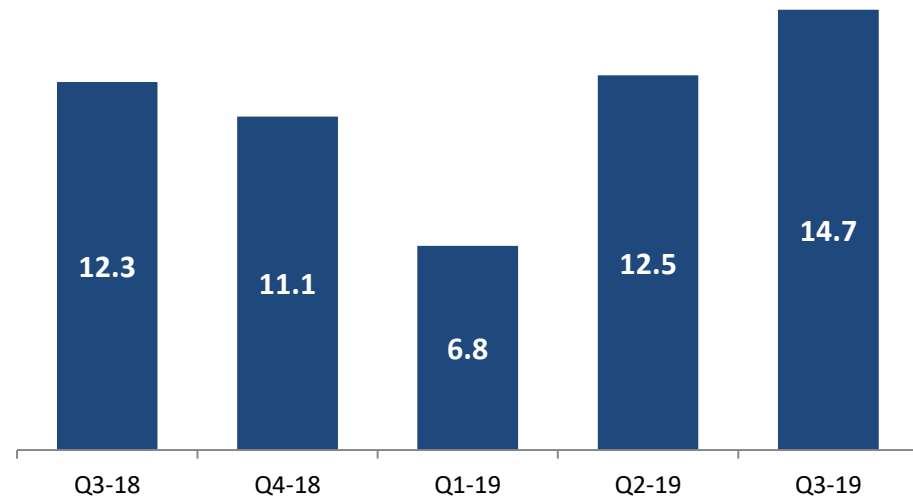




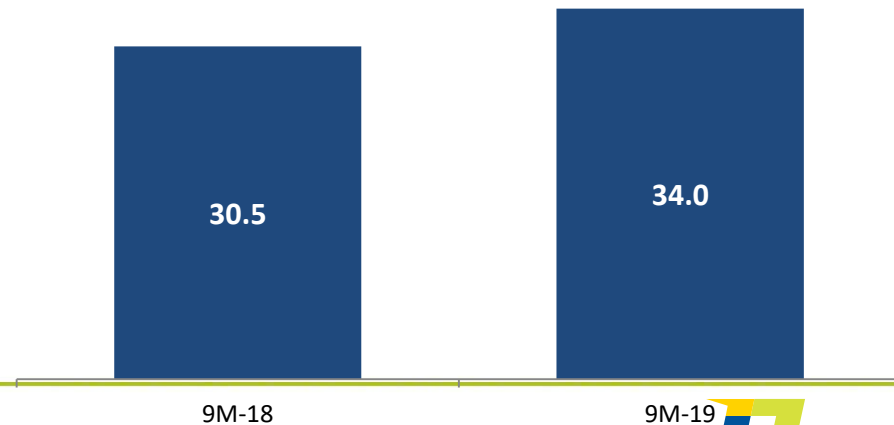
Net income evolution

CLP mmm

**Increase of 19.6%
vs. Q3-18**



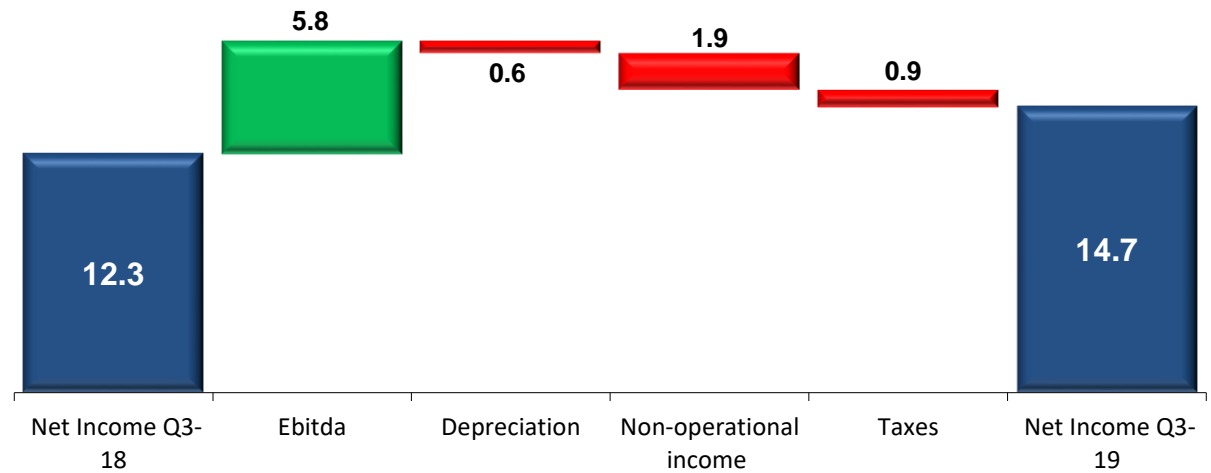
**Increase of 11.3%
vs. 9M-18**



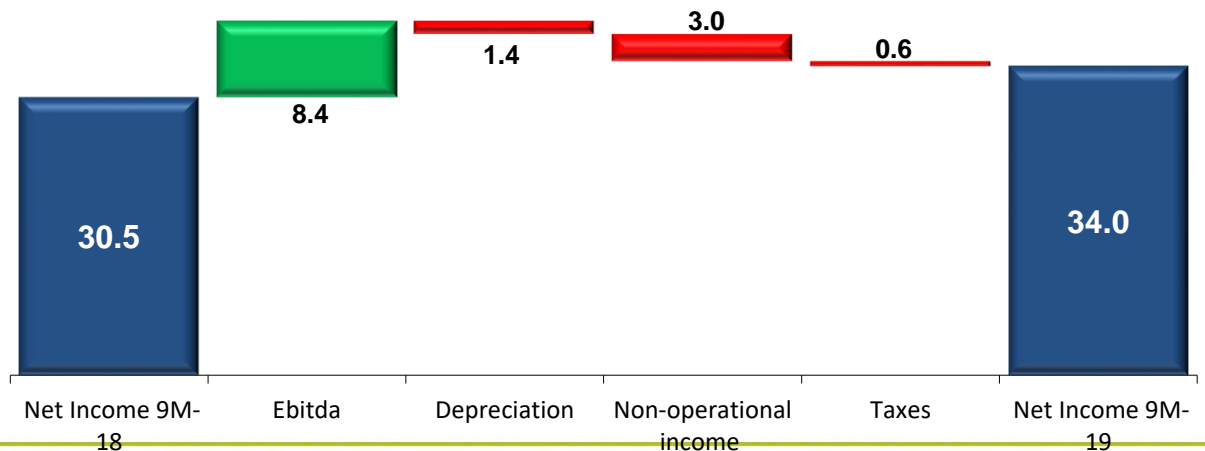


Consolidated Net Income variation CLP mmm

- Net income increases due to a higher Ebitda in 3 countries.
- Non-operating income includes impairment provision.



- Increase EBITDA
- Higher depreciation
- Lower non operational income

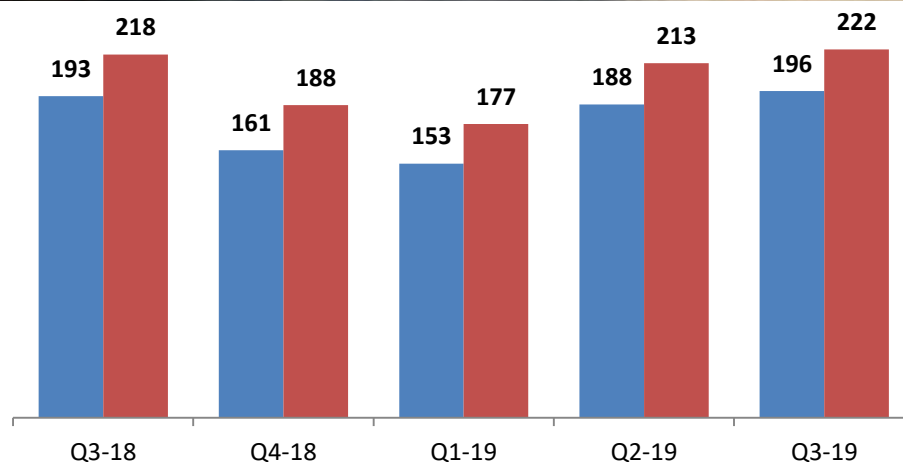




Consolidated sales volume evolution LPG and LPG Equiv. Ton (Th)

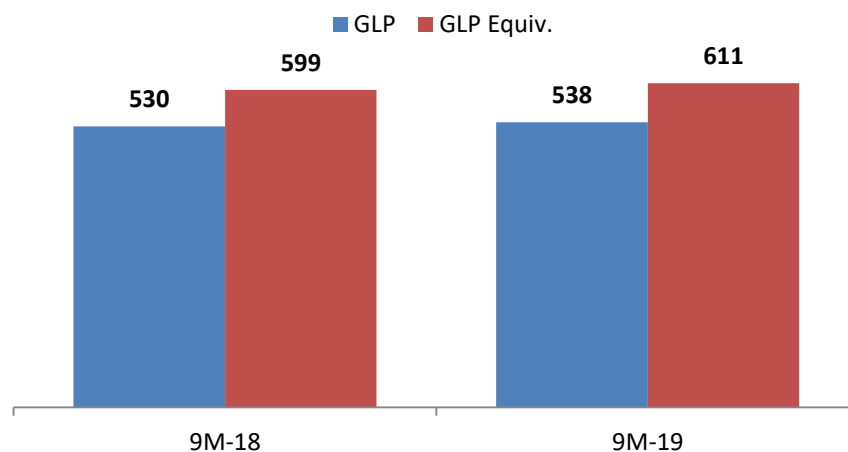
■ Vs. Q3-18 (Equiv. Ton):

- Total: +1.4%
- Chile: -0.6%
- Colombia: +18.6%
- Perú: -0.1%



■ Vs. 9M-18 (Equiv. Ton.):

- Total: +2.1%
- Chile: -0.6%
- Colombia: +17.2%
- Perú: +3.1%





Chile

EBITDA

CLP mmm

3Q:

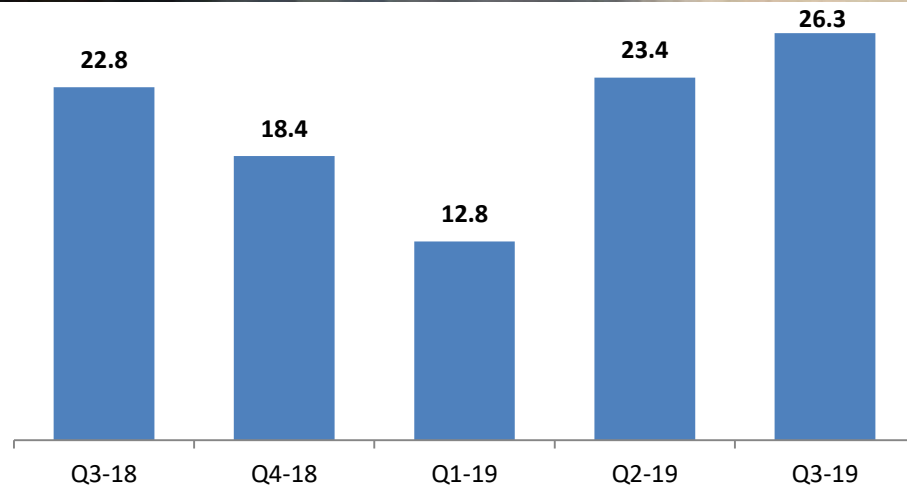
■ Ebitda increases 15.3% vs Q3-18

■ Gross margin: +13.3%

■ Volume: -0.6%

■ Unit margin: +14.0%

■ Expenses: +11.5%



9M:

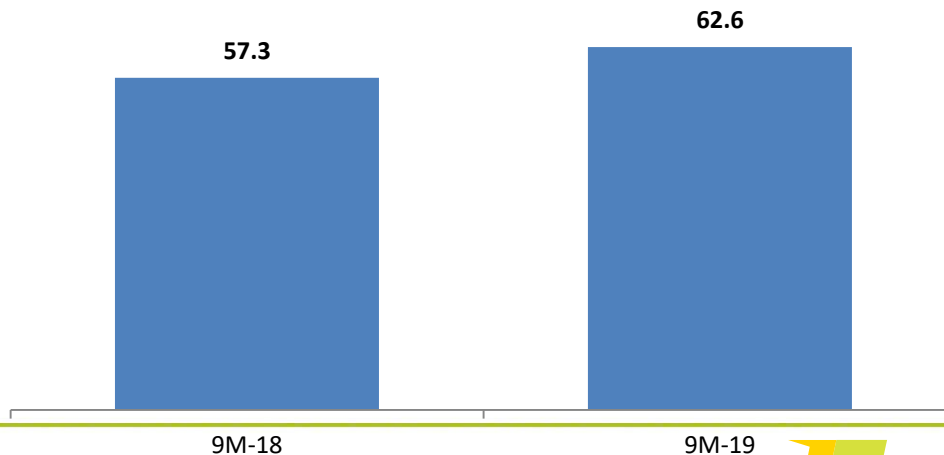
■ Ebitda increases 9.2% vs 9M-18

■ Gross margin: +11.1%

■ Volume: -0.6%

■ Unit margin: +11.8%

■ Expenses: +12.8%





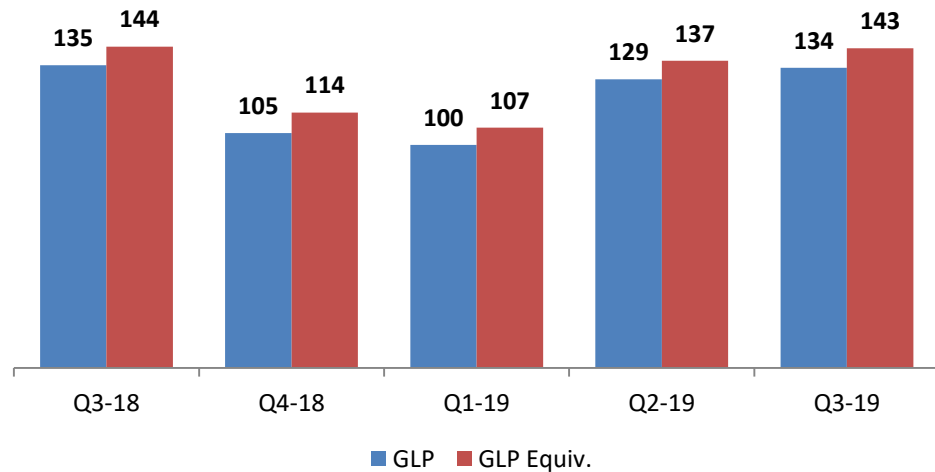
Chile

Sales volume

LPG and LPG equiv. Ton (Th)

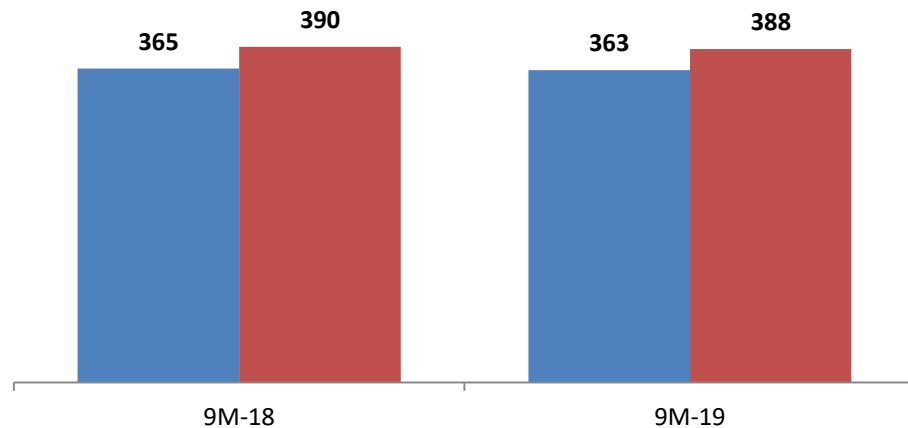
■ Decrease of 0.6% in Equivalent LPG sales

■ LPG: -0.8%
■ NG/LNG: +2.7%



■ Decrease of 0.6% in Equivalent LPG sales

■ LPG: -0.5%
■ NG/LNG: -3.3%





Colombia

EBITDA

CLP mmm

3Q

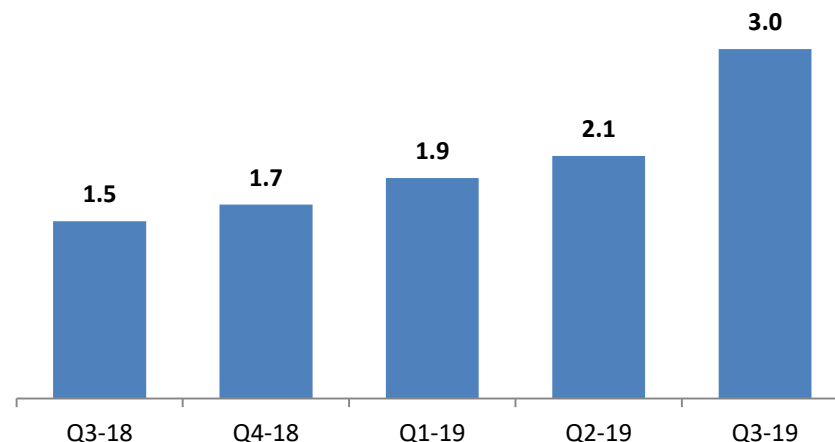
■ Increase of 97.1% in Ebitda
vs Q3-18

■ Gross margin: +52.3%

■ Volume: +18.6%

■ Unit margin: +28.4%

■ Expenses: +33.1%



9M

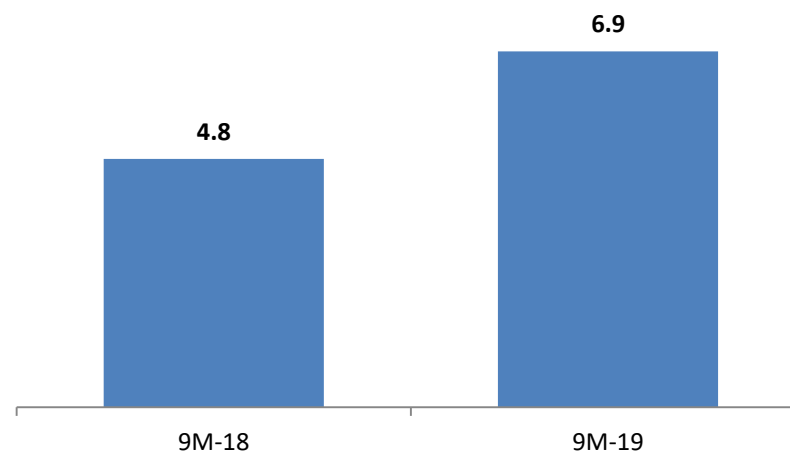
■ Increase of 43.3% in Ebitda
vs 9M-18

■ Gross margin: +26.9%

■ Volume: +17.2%

■ Unit margin: +8.2%

■ Expenses: +19.1%

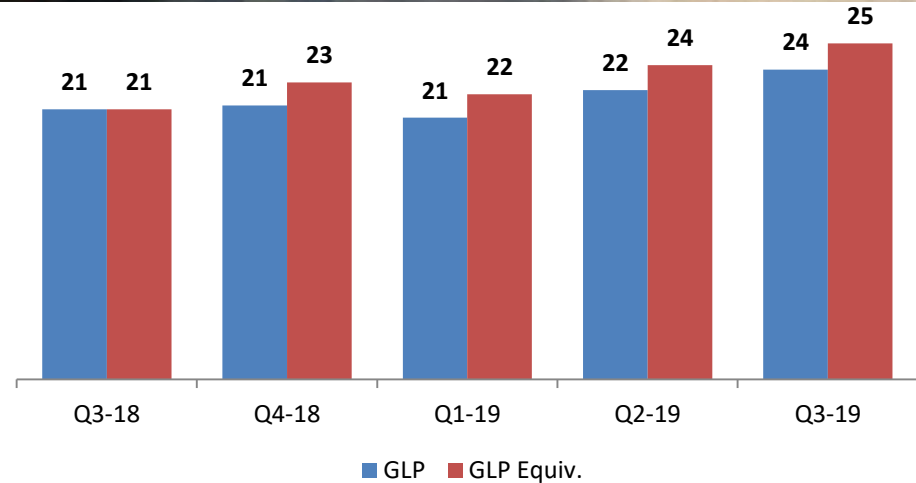




Colombia Sales volume LPG Ton (Th)

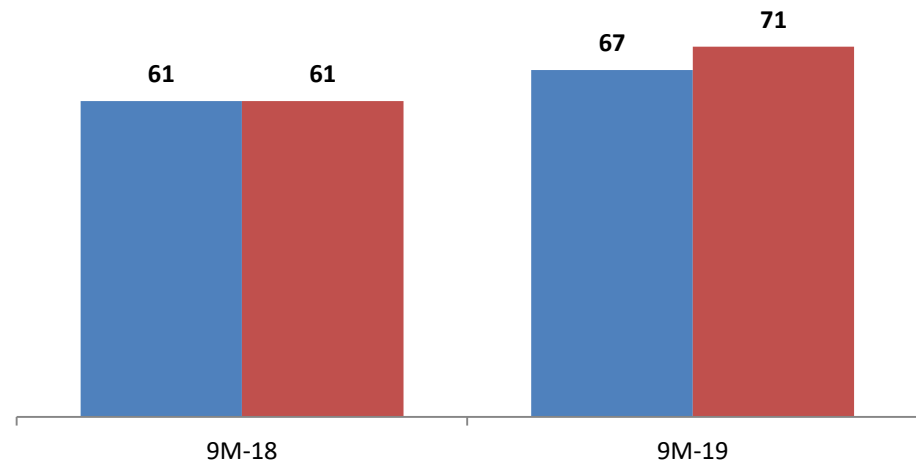
■ Increase of 18.6% in Equivalent LPG Sales vs Q3-18

- LGP: +11.3%
- 2.0 million M3 GN sales due to Surgas starts to report NG Sales in Q4-18



■ Increase of 17.2% in Equivalent LPG Sales vs 9M-18

- LGP: +9.9%
- 5.8 million M3 GN sales in 9M-19





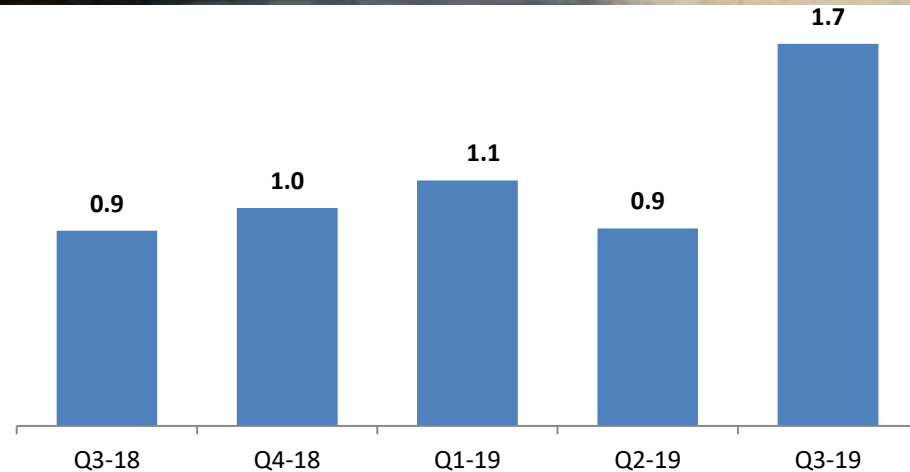
Peru EBITDA CLP mmm

Q3

- ▣ Increase of 95.9% in Ebitda vs. Q3-18

- ▣ Gross margin: +12.8%
 - ▣ Volume: -0.1%
 - ▣ Unit margin: +12.8%

- ▣ Expenses: -0.1%

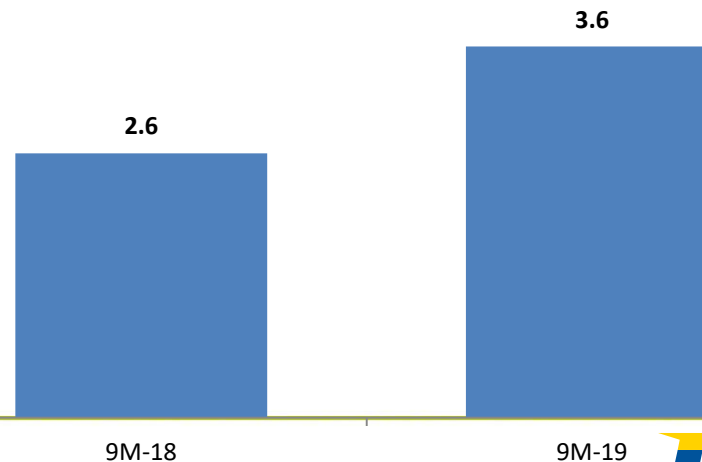


9M

- ▣ Increase of 40.6% in Ebitda vs. 9M-18

- ▣ Gross margin: +14.0%
 - ▣ Volume: +3.1%
 - ▣ Unit margin: +10.6%

- ▣ Expenses: + 9.4%

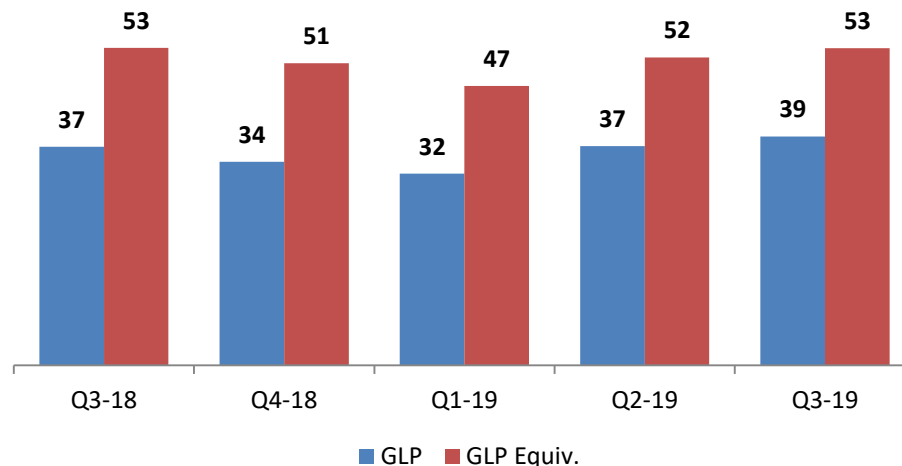




Peru Sales volume LPG and LPG equiv. Ton (Th)

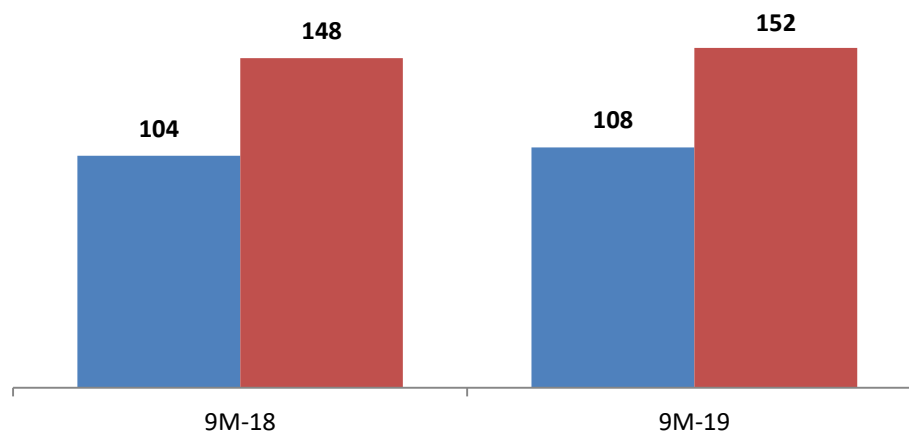
■ 0.1% decrease in equivalent LPG sales:

- LPG: +4.7%
- CNG/GNL: -10.6%



■ 3.1% increase in equivalent LPG sales:

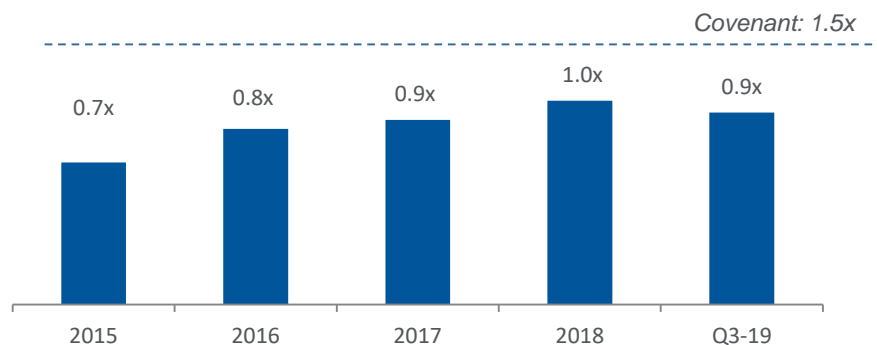
- LPG: +3.6%
- CNG/GNL: +1.8%





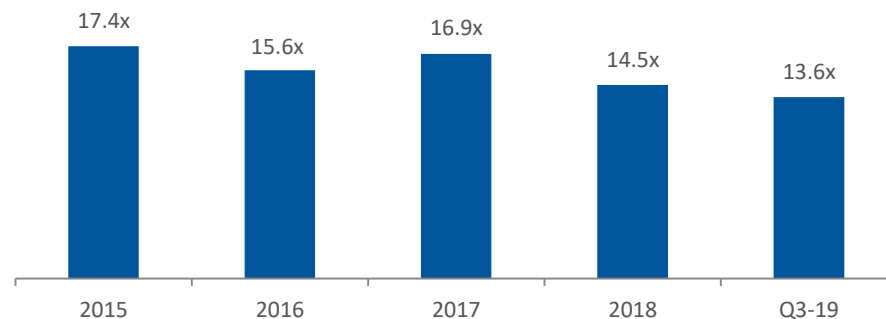
Net financial debt

Net financial debt / Equity (Times)



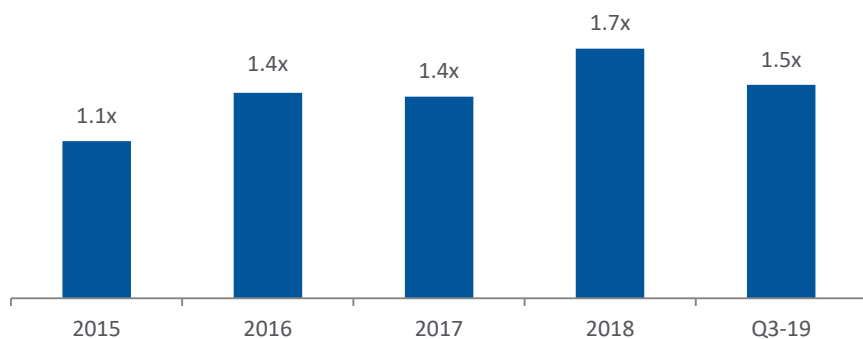
Interest coverage

EBITDA / Net financial expenses (Times)



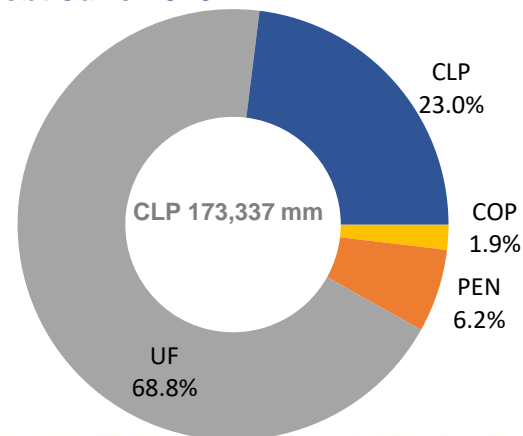
Net financial debt/ EBITDA

Times



Financial debt June 2019

%





Annex - Effects of IFRS16 adoption

(In million CLP)

	Not include effects of IFRS16					
	Q319	Q318	Var. A/A (%)	Accum'19	Accum'18	Var. A/A (%)
EBITDA						
Chile	26,307	22,822	15.3%	62,591	57,324	9.2%
Colombia	2,987	1,515	97.1%	6,948	4,848	43.3%
Peru	1,683	860	95.9%	3,635	2,586	40.6%
Total	30,977	25,197	22.9%	73,175	64,759	13.0%
Depreciation and amortization	6,224	5,596	11.2%	17,893	16,459	8.7%
Earnings after taxes	14,681	12,274	19.6%	33,984	30,521	11.3%

	Include effects of IFRS 16					
	Q319	Q318	Var. A/A (%)	Accum'19	Accum'18	Var. A/A (%)
EBITDA						
Chile	27,996	22,822	22.7%	67,334	57,324	17.5%
Colombia	3,149	1,515	107.8%	7,529	4,848	55.3%
Peru	1,912	860	122.4%	4,318	2,586	66.9%
Total	33,057	25,197	31.2%	79,180	64,759	22.3%
Depreciation and amortization	8,144	5,596	45.5%	23,394	16,459	42.1%
Earnings after taxes	14,747	12,274	20.1%	34,289	30,521	12.3%



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