



COMUNICADO DE PRENSA

FECHA  
26/02/2019

## EDESUR INVESTED AROUND 6 BILLION PESOS DURING 2018

### MAIN FINANCIAL HIGHLIGHTS

The figures for the previous year have been restated to take into account changes in the general purchasing power of the Company's functional currency in accordance with what was established by IAS (international accounting standard) 29 and General Resolution No. 777/2018 by the CNV.

(Millions of Argentine pesos, ARS)	2018	2017	Change
Revenues	44,079	32,312	36%
EBITDA	4,376	19,655	(78%)
EBIT	2,409	18,345	(87%)
Net income	3,085	15,230	(80%)
Net debt	(1,815)	(3,635)	(50%)
Capex	5,750	5,370	7%

**Nicola Melchiotti**, Country Manager of Enel Argentina, stated: "Our priority is the quality of the service we provide to our customers. Therefore, in 2018, Edesur has invested all the resources at its disposal to reinforce and modernize its distribution network. Coherently with this mission, dividends have not been distributed and we have accelerated the execution of works and the deployment of technology". Melchiotti highlighted: "We hope that during the exercise of this year we can solve the regulatory issues that are still pending, with particular attention to the social rate and the energy supply in poor neighborhoods."

**Buenos Aires, February the 26th, 2019-** The Board of Directors of Empresa Distribuidora Sur S.A. ("Edesur") approved its financial results as of December the 31<sup>st</sup>, 2018.

**Revenues** increased (+11,767) due to the application of the new tariff scheme established by ENRE (National Electricity Regulatory Entity) Resolution N° 64/2017, effective as of February the 1<sup>st</sup>, 2018, issued as a result of the Integral Tariff Review. As of February the 1<sup>st</sup>, 2018, the increase in VAD 2017 defined in 48 installments was recognized until January the 31<sup>st</sup>, 2022. Additionally, as of August the 1<sup>st</sup>, 2018, it was agreed the application of the 50% increase corresponding to VAD (7.925%), recovering the remaining part in 6 installments as of February the 1<sup>st</sup>, 2019.

The Company, in accordance with the provisions of IAS 29 and General Resolution No. 777/2018 by the CNV has made in 2017 an extraordinary adjustment in other non-operating incomes for 17,049 million ARS, recorded on 1/1 property, plant and equipment. In this sense, EBITDA, EBIT and profit for the period are compared by netting this effect.



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**EBITDA** increased (+1,770) mainly due to higher incomes partially offset by higher operating expenses resulting from:

- an increase on the average price of the purchase of energy of approximately 52%, due to the application of the Resolution issued by the Argentina Secretariat of the Electric Power (SEE) N° 20/2017 and complementary; and
- an increase in salaries and social charges, mainly due to the impact of salary increases granted.

**EBIT** increased (+1,113) in line with the improvement in EBITDA, while depreciation and amortization registered an increase of 154% generated by the increase in the asset base arising from the start-up of investments.

**Net income** also increased (+4,904) and is mainly explained by the higher operating profit recorded, which was partially offset by higher net financial costs and a higher charge in the incomes tax. The higher net financial costs were due to:

- higher losses due to de updating of fines (which is a consequence of the increase of the VAD);
- higher interests on the debts with Cammesa.

**Net debt** increased (+1,820) comparing to December 2017 as a result of lower cash balances and financial investments. As of December the 31st, 2018, the Company does not have debt with financial entities.

**Capex** increased (+380) and were carried out in order to improve que quality of service with works in substations and high voltage cables, among others.

#### MAIN OPERATIONAL INDICATORS

	12M 2018	12M 2017	Change
Energy sales (GWh)	17,548	17,736	(1.06%)
Customers (millions)	2.530	2.529	0.04%

- Energy sales in 2018 decreased compared with 2017. This reduction was a result of, among other things, the economic context, with energy tariff increases and inflation, with a background of a decline in the local economic activity.
- The number of customers was slightly higher than in the same period of 2017, maintaining the growing trend of recent years.