



Teaser Project Watts



Financial Advisors

STRICTLY PRIVATE AND CONFIDENTIAL INFORMATION



Executive Summary

Opportunity to acquire an equity stake of up to 100% a Company with 30 years of experience, specialized in the development of large electric engineering projects in Colombia

Investment Opportunity

- Opportunity to invest in one of the leading electrical engineering companies in Colombia.
- With 30 years of experience, the company offers complete design, supply, installation, and O&M services for complex energy projects.

Contact Information

All communications regarding your potential interest in this opportunity must be directed to one of HERITAGE's representatives listed below. Under no circumstances should you contact directly or indirectly any employee, executive or affiliate from the Company or its shareholders

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Investment Highlights

Diversified client base

- Utilities:
 - Electricity
 - Telecommunications
 - Water.
- Other sectors:
 - Healthcare
 - Finance
 - Public sector.
- Industries:
 - Oil and Gas
 - Steel
 - Cement
 - Food.

Growing industry

- Increasing demand with new O&G investments.
- Civil engineering and Mechanic engineering projects can produce large synergies

Healthy financials

- Over 30% CAGR 2017/2019.
- USD 6 million in sales with 22% Gross Margin and 11% EBITDA.
- Over USD 20 million in sales in previous years with high O&G activity.

Proven Record

- More than 50 successful projects.
- No financial distress in 2015 after oil price fell thanks to a conservative balance management.
- Successful experience with most of the large oil operators working in Colombia and Ecopetrol.

Company Description



The company

- The company has more than 30 years of experience in the electric engineering market, especially installations and maintenance of complex energy networks, including in areas of the country with logistical and security challenges.
- In previous years, it took advantage of the growth of the oil sector, achieving large-scale contracts with Ecopetrol and large multinational oil and gas companies.
- In recent years, after the oil price decrease produced a reduction in exploration and exploitation activity, the company has been diversifying, while maintaining a profitable operation, with a conservative management of cash flow. Many of its peers didn't survive.
- The result of the turnaround in the business is a reputable company with profitable contracts, a diversified client base and no financial debt.
- Now, the company is boosting its commercial activity and improving operations to develop its activity with sustainability and profitability.





Services



Industrial Power Electric Systems

Services to large industries



Distribution networks

Design, construction, urban and rural, medium and low tension



Instrumentation, automation and industrial control of systems and processes



Maintenance of industrial processes

Communications Systems

UHF, micro-slings, satellites, structured cabling and telemetry systems



Civil works

Construction of bridges and roads, Landscaping, Industrial buildings, Platforms



Certifications

- Norma ISO 9001 – 2015
- Norma ISO 14001 - 2015
- Norma OSHAS 18001 – 2007
- RUC 2018 - Score 92% (Registro uniforme para la evaluación del sistema de gestión de seguridad, salud ocupacional y medio ambiente para contratistas del sector de hidrocarburos)
- Sistema Integrado de Gestión CASS (Calidad, Ambiente, Seguridad y Salud en el trabajo)

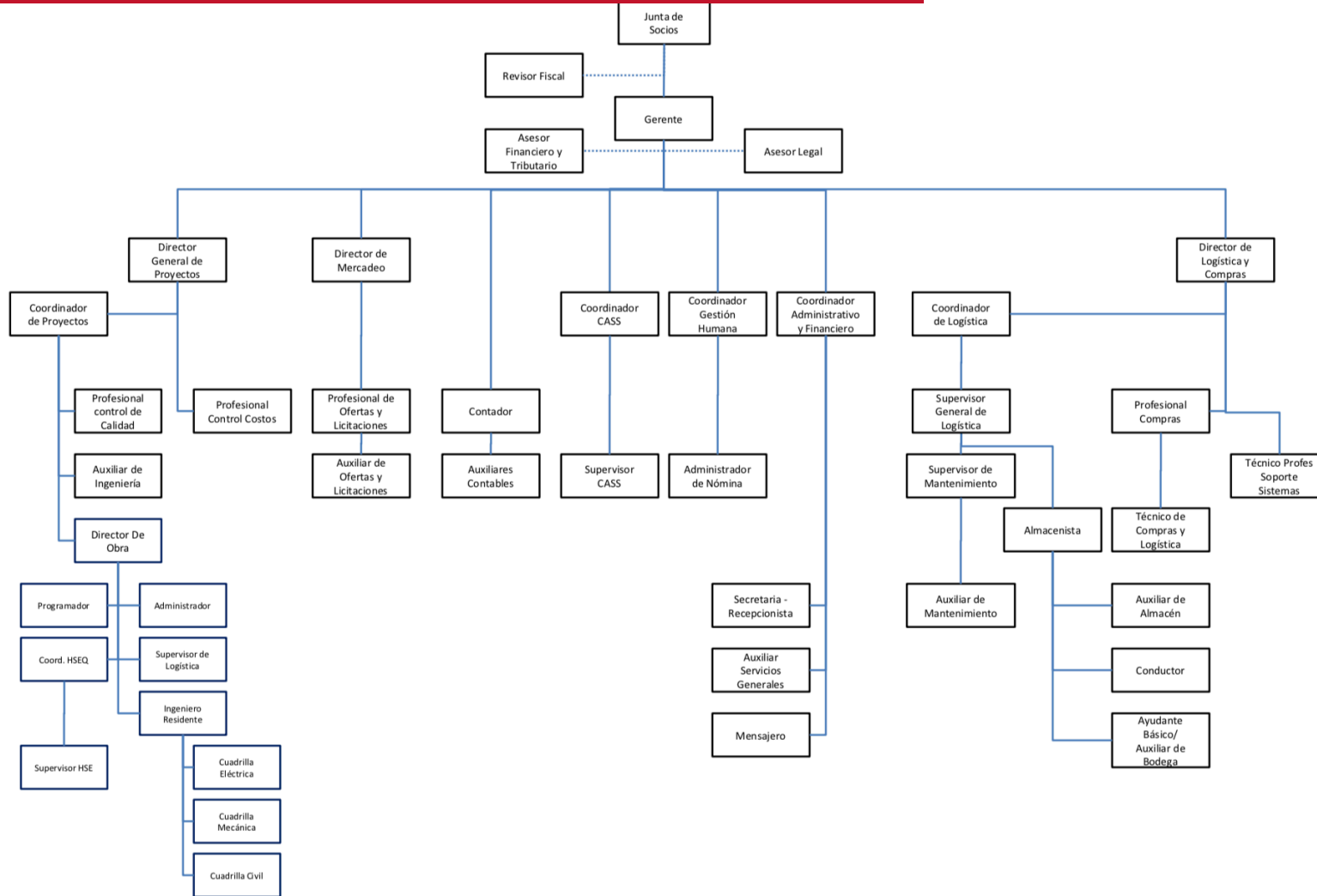


Main competitors

Company	Revenues 2017 (Mn)	EBIT	Electrical	Mechanical	Civil
J.E. Jaimes Ingenieros	124.037	5.051	X	X	X
Codensa	4.545.369	1.216.158	x		
Edemsa	398.291	17.222	X		X
Unión Eléctrica	209.432	17.751	X		
Morelco	215.322	6.376	X	X	X
Schrader Camargo Ing. Asoc.	141.609	-11.966	X	X	X
Montajes JM (en reorganización)	120.273	-16.105	X	X	x
Termotécnica Coindustrial	296.841	64.299	X	X	X



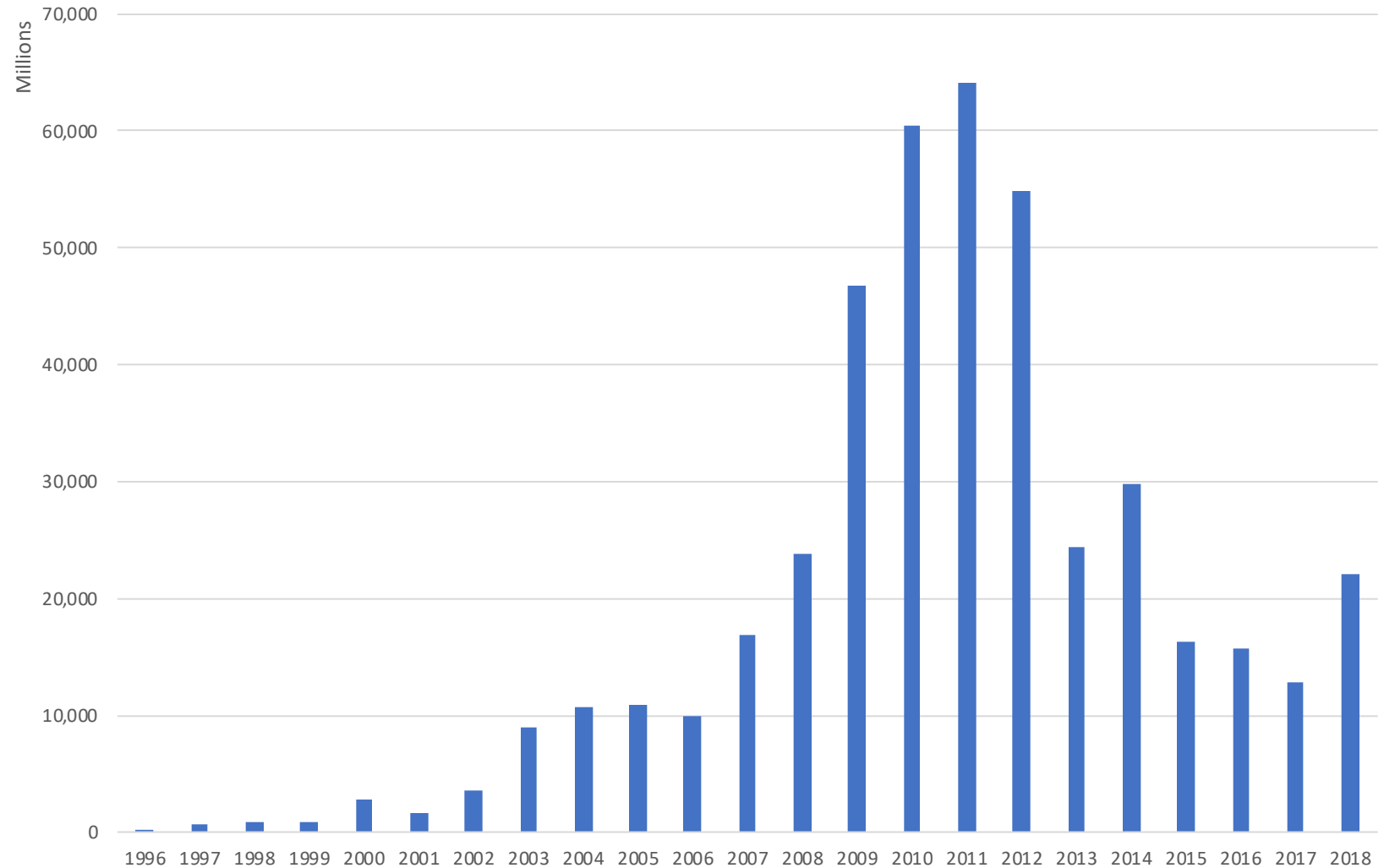
Organizational Chart



Sales

Historical Sales

- The company overcame the crisis in the oil sector with a CAGR of 11% in the last 3 years in contracted services.
- The average value of a contract since 2010 was 3,191 Mn pesos.
- The average time to complete a project has been 7 months.



Some customers



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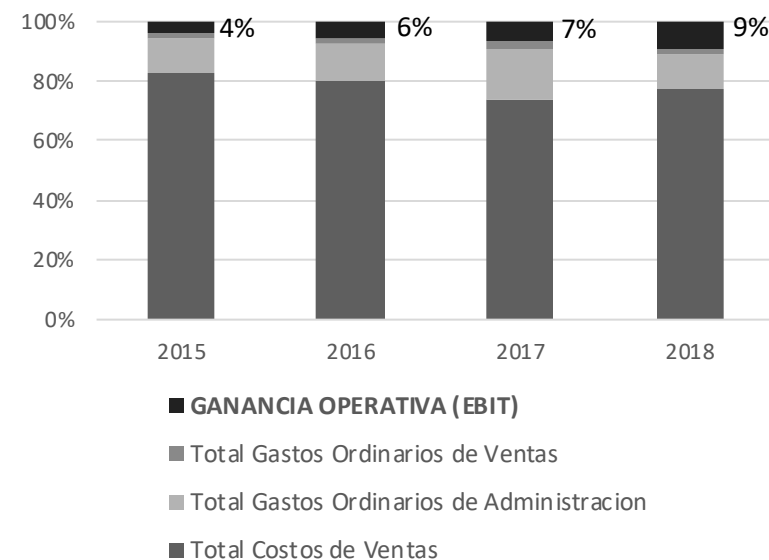




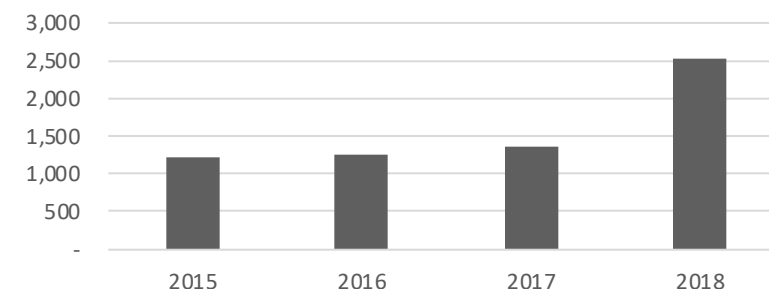
EBITDA

	2015	2016	2017	2018
INCOME				
Construction Contracts	15.982	15.549	12.516	21.874
Sale of Minor Tools	267	140	93	48
Machinery Rentals	28	2	142	154
TOTAL INCOME	16.277	15.691	12.753	22.076
COST OF SALE				
Construction Contracts (cost)	13.140	12.484	9.346	17.078
Material Consumption	3.633	2.690	912	5.124
Labor Consumption	4.870	5.136	5.108	5.513
Consumption of Other Costs	4.636	4.657	3.326	6.441
Total Sales Costs	13.479	12.619	9.413	17.149
GROSS PROFIT	2.798	3.071	3.340	4.926
Administration expenses	439	684	763	1.052
Admin Employee benefits	935	880	913	1.055
Depreciation Expenses	493	307	381	392
Total Ordinary Administration Expenses	1.929	1.954	2.203	2.557
Sales Employee benefits	167	178	190	253
Total Ordinary Sales Expenses	209	240	285	300
EBIT	660	877	852	2.070
EBITDA	1.215	1.267	1.378	2.519
EBT	(3.909)	677	1.028	1.668
Tax	187	112	846	550
Net income	(4.096)	565	182	1.118

Vertical Analysis



EBITDA



Most significant accounts (COP 000)

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Balance Sheet



Most significant accounts (COP 000)

	2015	2016	2017	2018
ASSETS				
Current assets				
Clients	4.552	4.205	1.612	6.034
Total Current Assets	8.644	10.377	9.247	15.445
Inventory	4.410	3.731	4.345	4.345
Machinery and equipment	1.772	1.718	1.788	1.562
Transportation Equipment	2.069	2.069	2.069	3.415
Total Non-Current Assets	13.017	12.075	11.687	13.196
TOTAL ASSETS	21.661	22.452	20.935	28.641
LIABILITIES				
Current liabilities				
Financial obligations	219	20	91	2.881
Suppliers	128	234	550	3.260
Total Current Liabilities	1.344	2.450	1.858	7.900
Total Non-current Liabilities	2.934	4.300	3.256	2.990
TOTAL LIABILITIES	4.278	6.750	5.114	10.890
EQUITY				
Accumulated results	15.919	11.236	11.801	12.856
TOTAL EQUITY	17.383	15.702	15.826	17.817
EQUITY AND TOTAL LIABILITIES	21.661	22.452	20.940	28.707



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