FitchRatings

Corporates
Energy (Oil & Gas)
Colombia

Transportadora de Gas Internacional S.A. ESP (TGI)

The affirmation of Transportadora de Gas International S.A. ESP's (TGI) ratings reflects the strong linkage with its parent company, Grupo Energia Bogota S.A. (GEB; BBB/Stable), given GEB's medium to high operational and strategic incentives to support TGI.

The ratings also consider the company's strong position in natural gas transportation, moderate exposure to regulatory risk, as well as conservative capital structure. TGI's ratings consider exposure to re-contracting risk amid the shortening of the contractual cycle, due to the low supply of long-term gas supply contracts.

Key Rating Drivers

Parent-Subsidiary Linkage: Fitch caps TGI's standalone credit profile (SCP) by Colombia's 'BBB-' country ceiling, as 100% of the company's 2023 EBITDA was generated in Colombia. The company's ratings receive a one-notch uplift considering GEB's medium to high operational and strategic incentives to support TGI, equalizing their ratings, in line with Fitch's Parent-Subsidiary Linkage Criteria.

These incentives consider GEB's nearly 100% ownership of TGI, the substantial financial contribution to GEB, about 45% of GEB's operating EBITDA. Additionally, Fitch expects investment in Colombia and in midstream businesses, such as TGI's, to remain a strategic focus for GEB's expansion.

Low Business Risk: TGI is the leading natural gas transporter in Colombia, with 55% of transported volume. Its scale, geographic footprint and firm contracted position provide predictability to cash flow generation. TGI's moderate offtaker concentration with four distribution and marketing customers represented about 80% of YTD revenues as of June 2024, and is characteristic of natural gas transportation. Colombian transportation companies tend to have a more stable consumption pattern supported by residential consumption.

Ongoing Contracts Renewables: Its contracted capacity will reach 565 million cubic feet per day (MPCD) in 2024, with 224 MPCD expiring in November and December 2024. Our base assumes TGI will renew these contracts as the offtakers are considered part of its structural demand from the cities of Bogotá, Medellin and Ecopetrol S.A.'s (BB+/Stable) Refinery of Barranca. Renewal is between one and two years. TGI's capacity has an average life of 3.2 years. We expect this to remain at about 460 MPCD to match the volumes effectively transported.

Financial Discipline to Continue: We expect TGI to keep its financial discipline, with EBITDA leverage at 2.0x-2.5x with a peak of 2.6x in 2025, mainly due to lower regulatory revenues from lower contracted volume. Our base case assumes TGI will repay about COP402 million in 2024 of its notes, mainly with internal resources, coupled with the reduction of its exposure to US dollar debt by refinancing in COP, and executing hedging mechanisms. TGI repaid an inter-company loan with GEB for USD370 million with bank debt. We anticipate EBITDA interest coverage below 8.0x.

Ratings

Transportadora de Gas Internacional S.A. ESP (TGI)

Long-Term IDR	BBB
Long-Term Local-Currency IDR	BBB
Senior Unsecured Debt - Long-Term Rating	BBB

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Click here for the full list of ratings

2035 Climate Vulnerability Signal: 30

Applicable Criteria

Parent and Subsidiary Linkage Rating Criteria (June 2023)

Corporate Rating Criteria (November 2023)

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2024)

Related Research

Global Corporates Macro and Sector Forecasts

Latin American Midstream — Relative Credit Analysis

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Mitigated Regulatory Framework: We believe regulatory changes to Colombia's natural gas transportation tariff framework are credit neutral for TGI. The rise in the regulatory weighted-average cost of capital (WACC) to 11.88% from August 2023 will ease anticipated pressures on revenues. The tariff allows recognition of previous investments, as well as of those assets that met regulatory useful life before 2021 at 60% of its replacement value will offset the effect of a lower WACC. The resolution establishes the mechanism to recognize the debt hedging in USD, under which TGI's long-term USD debt would have a five-year hedge coverage based on the company's current assets valuation.

Financial Summary

(USD 000)	2021	2022	2023	2024F	2025F	2026F
Gross revenue	384,733	400,627	471,625	568,226	529,227	472,228
EBITDA after associates and minorities	306,914	320,474	379,480	455,041	406,621	339,775
EBITDA margin (%)	79.8	80.0	80.5	80.1	76.8	72.0
EBITDA leverage (x)	2.4	3.0	2.4	1.7	1.9	2.3
EBITDA interest coverage (x)	5.0	5.6	3.1	7.0	7.7	6.4

Source: Fitch Ratings, Fitch Solutions, TGI

Rating Derivation Relative to Peers

TGI maintains an investment-grade credit profile, with strong and predictable EBITDA generation, which is characteristic of pure natural gas transportation companies such as Transportadora de Gas del Peru, S.A. (TGP; BBB+/Negative). TGI is also well positioned relative to regional peers that operate in the natural gas distribution subsector or liquefied natural gas, such as Gas Natural de Lima y Callao S.A. (BBB/Stable), Promigas S.A. E.S.P. (BBB-/Stable) and GNL Quintero S.A. (GNLQ; A-/Stable).

TGI is rated one notch above Promigas, given its more conservative capital structure, with leverage levels below 3.0x, while Promigas' leverage ranges between 3.5x and 4.0x. Promigas' business diversification combines natural gas transportation and distribution and electricity distribution, which strengthens its business position.

TGI's rating are one notch below TGP, as the latter has higher EBITDA visibility, with revenue derived from long-term ship-or-pay contracts with an average remaining life of about nine years, while TGI's average contract length is four years. TGI has stronger credit metrics than GNLQ; however, this is mitigated by GNLQ's lack of exposure to price or volume risk and the longer-term concession agreement.

TGI's ratings also reflect the strong strategic and medium operational incentives of its parent company, GEB, to support the company. Therefore, Fitch considers it unlikely that the two companies will have different credit profiles. In 2007, GEB granted a USD370 million shareholder loan to TGI, which was repaid during 2023. Fitch believes there is potential for further to TGI from GEB, if needed.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Operational Scale	Business Characteristics	Market Position	Cash Flow Characteristics	Profitability	Financial Structure	Financial Flexibility
GNL Quintero S.A.	A-/Stable	a	a-	bb	a-	a-	a-	a	a-	a-
Transportadora de gas del Peru, S.A. (TGP)	BBB+/Negative	bb	bbb	bbb-	bbb+	bbb	bbb	bbb	a	a-
Transportadora de Gas Internacional S.A. ESP (TGI)	BBB/Stable	bbb-	bbb	bb+	bbb	bbb	bbb	bbb	a-	bbb

Source: Fitch Ratings.

Relative Importance of Factor: Higher / Moderate / Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Operational Scale	Business Characteristics	Market Position	Cash Flow Characteristics	Profitability	Financial Structure	Financial Flexibility
GNL Quintero S.A.	A-/Stable	+1	0	-5	0	0	0	+1	0	0
Transportadora de gas del Peru, S.A. (TGP)	BBB+/Negative	-4	-1	-2	0	-1	-1	-1	+2	+1
Transportadora de Gas Internacional S.A. ESP (TGI)	BBB/Stable	-1	0	-2	0	0	0	0	+2	0

Source: Fitch Ratings.

Factor Score Relative to IDR: Worse positioned than IDR / Within one notch of IDR / Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- A positive rating action or Outlook revision is unlikely in the near to medium term given the company's expectations of EBITDA pressures and potential elevated capex in the medium term;

- The company reduces its leverage below 2.5x on a sustained basis after the regulatory tariff reset and the company's investment program is completed, absent any rating constraints from its parent company, GEB, or Colombia's Country Ceiling;
- An upgrade of GEB's credit rating could also be positive for TGI's rating.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A negative rating action on GEB's ratings;
- TGI executes higher than expected investments, resulting in sustained gross leverage levels of 4.0x or above on a sustained basis;
- Influence from the company's shareowner that results in a suboptimal financial/operational strategy that could hurt the company's credit quality;
- Deterioration of GEB's credit quality that leads to extracting material cash flow from TGI.

Liquidity and Debt Structure

Adequate Liquidity: TGI's cash on hand as of June 2024 reached about USD54 million, down from USD140 million as of December 2023. Fitch anticipates that the company will end 2024 with about USD85 million as a consequence of the debt repayment of COP402 million during 2024. In addition, TGI repaid USD370 million intercompany loan with GEB, with no impact on the company's capital structure and liquidity position.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

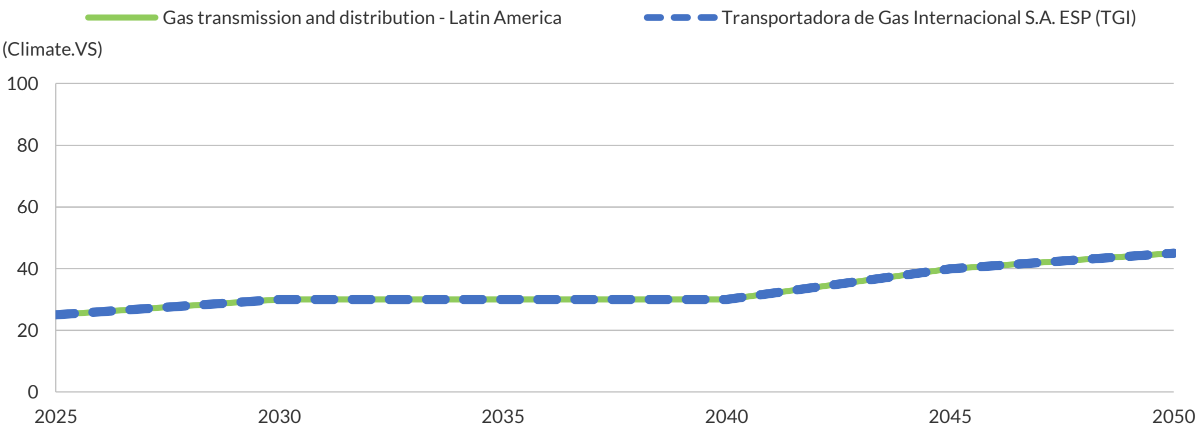
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2023 revenue-weighted Climate.VS for TGI for 2035 is 30 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of December 31, 2023



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(USD 000)	2024F	2025F	2026F
Available liquidity			
Beginning cash balance	139,773	220,026	254,636
Rating case FCF after acquisitions and divestitures	91,366	34,610	-39,725
Total available liquidity (A)	**231,140**	**254,636**	**214,910**
Liquidity uses			
Debt maturities	-11,114	—	—
Total liquidity uses (B)	**-11,114**	**—**	**—**
Liquidity calculation			
Ending cash balance (A+B)	220,026	254,636	214,910
Revolver availability	—	—	—
Ending liquidity	**220,026**	**254,636**	**214,910**
Liquidity score (x)	20.8	Not meaningful	Not meaningful

Source: Fitch Ratings, Fitch Solutions, TGI

Scheduled debt maturities	
(USD 000)	**December 31, 2023**
2024	11,114
2025	—
2026	—
2027	353,906
2028	548,000
Thereafter	—
Total	**913,020**

Source: Fitch Ratings, Fitch Solutions, TGI

Key Assumptions

Fitch's Key Assumptions within Our Rating Case for the Issuer Include

- Shareholder loan with GEB is replaced by a bank loan in local currency;
- TGI's contracted volumes of 565 MCPD in 2024 and about 460 between 2025 and 2027;
- New tariff framework in place;
- Total capex intensity of USD155 million during 2024-2027, including maintenance of existing assets and the construction of expansion projects;
- FX hedging costs recognized in tariff;
- Dividend payout ratio of 90% from previous year net income.

Financial Data

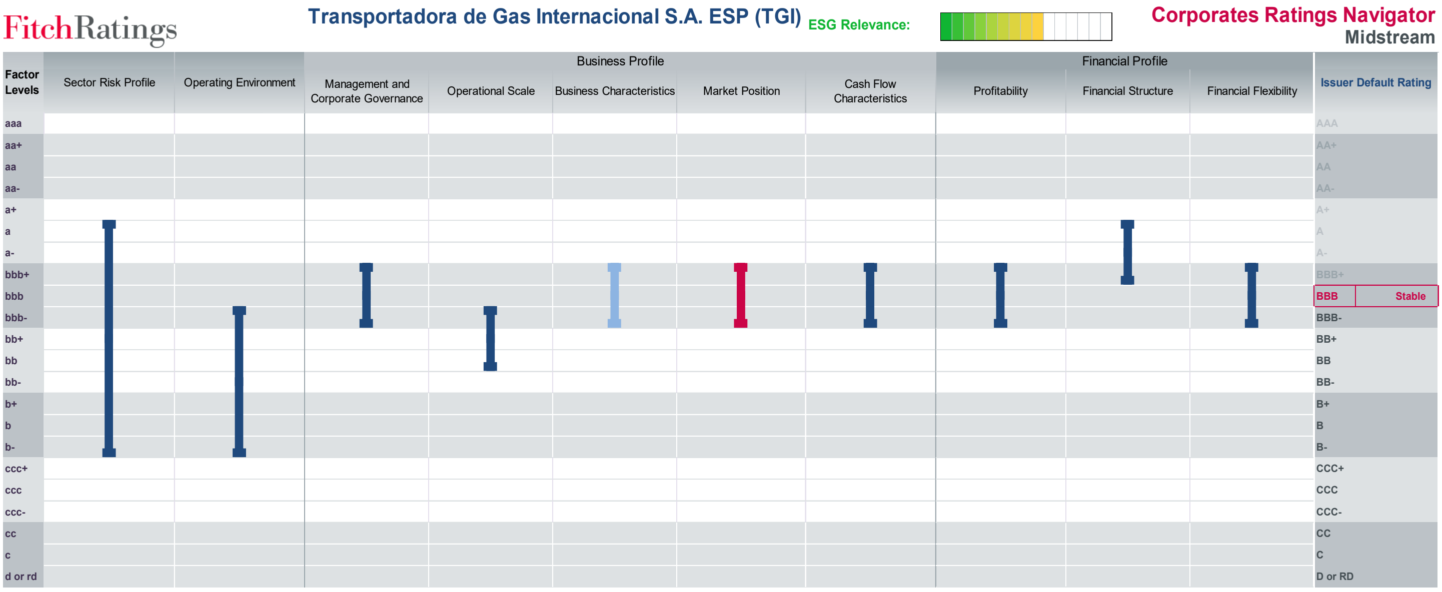
(USD000)	2021	2022	2023	2024F	2025F	2026F
Summary income statement						
Gross revenue	384,733	400,627	471,625	568,226	529,227	472,228
Revenue growth (%)	-15.6	4.1	17.7	20.5	-6.9	-10.8
EBITDA before income from associates	306,914	320,474	379,480	455,041	406,621	339,775
EBITDA margin (%)	79.8	80.0	80.5	80.1	76.8	72.0
EBITDA after associates and minorities	306,914	320,474	379,480	455,041	406,621	339,775
EBIT	208,296	224,275	281,432	361,835	315,063	247,378
EBIT margin (%)	54.1	56.0	59.7	63.7	59.5	52.4
Gross interest expense	-61,898	-18,783	-18,675	-64,579	-52,879	-53,379
Pre-tax income including associate income/loss	152,105	173,069	232,477	297,256	262,185	193,999
Summary balance sheet						
Readily available cash and equivalents	140,742	95,210	139,773	102,317	106,927	107,201
Debt	750,000	967,366	913,020	787,366	757,366	797,366
Net debt	609,258	872,156	773,247	685,049	650,439	690,165
Summary cash flow statement						
EBITDA	306,914	320,474	379,480	455,041	406,621	339,775
Cash interest paid	-60,983	-57,000	-123,740	-64,579	-52,879	-53,379
Cash tax	-68,474	-28,324	-52,345	-104,040	-91,765	-67,900
Dividends received less dividends paid to minorities (inflow/outflow)	—	—	—	—	—	—
Other items before funds from operations (FFO)	3,078	8,145	-2,603	—	—	—
FFO	182,754	249,502	213,060	286,423	261,977	218,497
FFO margin (%)	47.5	62.3	45.2	50.4	49.5	46.3
Change in working capital	-22,035	-26,030	-14,418	-6,838	3,528	5,156
Cash flow from operations (CFO) (Fitch-defined)	160,719	223,472	198,642	279,585	265,505	223,653
Total non-operating/non-recurring cash flow	—	—	—	—	—	—
Capex	-11,792	-22,955	-29,030	—	—	—
Capital intensity (capex/revenue) (%)	3.1	5.7	6.2	—	—	—
Common dividends	-132,517	-78,356	-99,034	—	—	—
Free cash flow (FCF)	16,410	122,161	70,578	—	—	—
FCF margin (%)	4.3	30.5	15.0	—	—	—
Net acquisitions and divestitures	—	—	—	—	—	—
Other investing and financing cash flow items	-8,821	-13,478	2,606	—	—	—
Net debt proceeds	-3,475	-154,215	-28,620	-90,000	-30,000	40,000
Net equity proceeds	—	—	—	—	—	—
Total change in cash	4,114	-45,532	44,564	1,366	4,610	275
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-144,309	-101,311	-128,064	-188,218	-230,895	-263,378
FCF after acquisitions and divestitures	16,410	122,161	70,578	91,366	34,610	-39,725
FCF margin after net acquisitions (%)	4.3	30.5	15.0	16.1	6.5	-8.4
Gross leverage ratios (x)						
EBITDA leverage	2.4	3.0	2.4	1.7	1.9	2.3
CFO-capex/debt	19.9	20.7	18.6	28.5	27.5	14.3
Net leverage ratios (x)						
EBITDA net leverage	2.0	2.7	2.0	1.5	1.6	2.0
CFO-capex/net debt	24.4	23.0	21.9	32.8	32.1	16.5
Coverage ratios (x)						
EBITDA interest coverage	5.0	5.6	3.1	7.0	7.7	6.4

Source: Fitch Ratings, Fitch Solutions, TGI

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	☐ Stable

FitchRatings

Transportadora de Gas Internacional S.A. ESP (TGI)

Corporates Ratings Navigator
Midstream

Operating Environment

bbb	Economic Environment	bbb	Average combination of countries where economic value is created and where assets are located.
bbb-	Financial Access	bbb	Average combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	bb	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'bb'.
b-			
ccc+			

Management and Corporate Governance

a-	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
bbb+	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb-	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bb+			

Operational Scale

bbb	Scale - EBITDA	bb	<$500 million or strong market share.
bbb-	Geographic/Asset Diversity	bb	Geographic concentration and/or limited business line diversity and resources.
bb+	Size and Support	bbb	Modest advantages of scale; gains advantages of scale through supportive relationship with larger parent company or sponsor.
bb			
bb-			

Business Characteristics

a-	Commodity Exposure	bbb	70% fixed; 30% commodity.
bbb+	Business Mix	bbb	Pipelines, diversified midstream, fixed fee predominant gathering, processing.
bbb	Environmental Exposure	bbb	Moderate exposure to environmental regulations and/or material but manageable remediation costs relative to projected cash flows.
bbb-			
bb+			

Market Position

a-	Asset Quality	bbb	High quality assets.
bbb+	Industry Position/Competitive Advantage	bbb	Strong competitive position.
bbb			
bbb-			
bb+			

Cash Flow Characteristics

a-	Rate Structure and Revenue Profile	bbb	Mix of regulated rates/take-or-pay and variable revenue streams. Low exposure to change in geographic differentials. Moderate contractual protection.
bbb+	Contracted Revenue and Macro Exposure	bbb	Limited exposure to macro events/conditions. Recontracting risk moderate, capex contractually supported.
bbb	Counterparty	bbb	Diversified, medium customer concentration risk and majority investment grade customers. Weighted average credit quality of counterparties is in line with 'BBB' rating.
bbb-			
bb+			

Profitability

a-	Volatility of Profitability	bbb	Stability and predictability of profits in line with industry average.
bbb+			
bbb			
bbb-			
bb+			

Financial Structure

a+	EBITDA Leverage	a	3.0x
a	EBITDA Net Leverage	a	2.7x
a-			
bbb+			
bbb			

Financial Flexibility

a-	Financial Discipline	bbb	Clear commitment to maintain a conservative policy with only modest deviations allowed.
bbb+	Liquidity	bbb	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
bbb	EBITDA Interest Coverage	bbb	4.5x
bbb-	Distribution Coverage		n.a.
bb+			

Credit-Relevant ESG Derivation

Transportadora de Gas Internacional S.A. ESP (TGI) has 7 ESG potential rating drivers

- Assets exposed to flooding and extreme weather events
- Pipelines traversing indigenous lands or other politically sensitive regions
- Social resistance to major projects or operations that leads to delays and cost increases
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	7	issues	3
not a rating driver	4	issues	2
	3	issues	1

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

FitchRatings

Transportadora de Gas Internacional S.A. ESP (TGI)

Corporates Ratings Navigator
Midstream

Credit-Relevant ESG Derivation

Transportadora de Gas Internacional S.A. ESP (TGI) has 7 ESG potential rating drivers

- Transportadora de Gas Internacional S.A. ESP (TGI) has exposure to extreme weather events but this has very low impact on the rating.
- Transportadora de Gas Internacional S.A. ESP (TGI) has exposure to land rights/conflicts risk but this has very low impact on the rating.
- Transportadora de Gas Internacional S.A. ESP (TGI) has exposure to social resistance but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	7	issues	3
not a rating driver	4	issues	2
	3	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	Emissions from operations	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	5
Energy Management	2	Energy use in operations	Scale of Operations; Business Characteristics; Profitability	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	2	Ecological impact of operating incidents and spills	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	2
Exposure to Environmental Impacts	3	Assets exposed to flooding and extreme weather events	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	3	Pipelines traversing indigenous lands or other politically sensitive regions	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	5
Customer Welfare - Fair Messaging, Privacy & Data Security	1	n.a.	n.a.	4
Labor Relations & Practices	2	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	2	Worker safety and accident prevention	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	2
Exposure to Social Impacts	3	Social resistance to major projects or operations that leads to delays and cost increases	Business Characteristics; Profitability; Financial Structure; Financial Flexibility	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

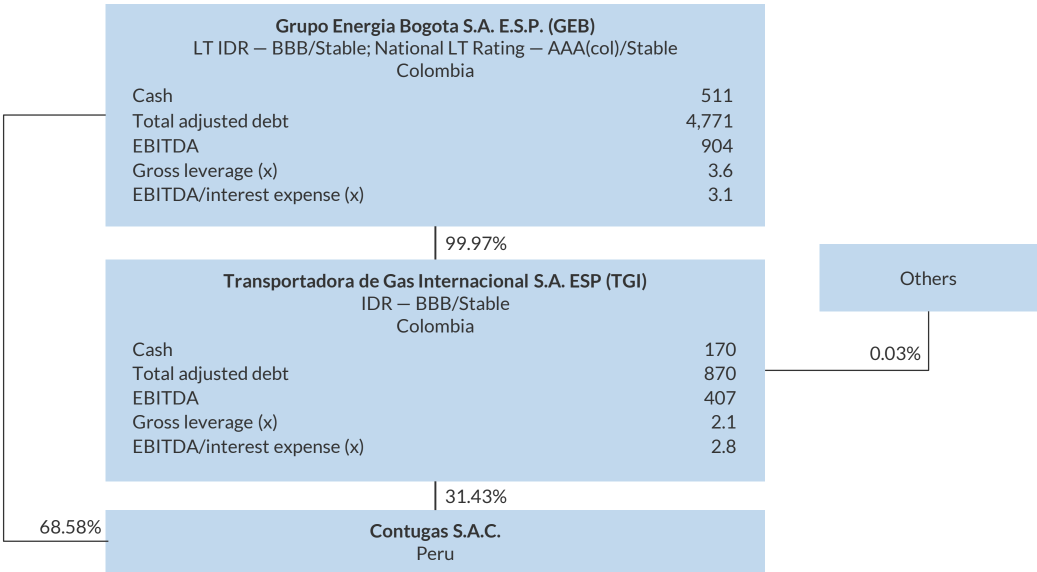
CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram

Organizational Structure — Transportadora de Gas Internacional S.A. ESP
(USD Mil., as of Mar. 31, 2024)



LT – Long-term. IDR – Issuer Default Rating
Source: Fitch Ratings, Fitch Solutions, TGI

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USD Mil.)	EBITDA after associates and minorities (USD Mil.)	EBITDA margin (%)	EBITDA leverage (x)	EBITDA interest coverage (x)
Transportadora de Gas Internacional S.A. ESP	BBB						
	BBB	2022	401	320	80.0	3.0	5.6
	BBB	2021	385	307	79.8	2.4	5.0
	BBB	2020	456	345	75.8	2.2	5.3
Promigas S.A. E.S.P.	BBB–						
	BBB–	2022	1,127	403	31.2	4.9	3.6
	BBB–	2021	1,091	400	32.3	4.5	4.6
	BBB–	2020	1,180	450	33.4	4.2	3.6
Gas Natural de Lima y Callao S.A.	BBB						
	BBB	2022	815	218	26.7	3.6	6.5
	BBB	2021	744	202	27.1	3.8	8.3
	BBB	2020	571	159	27.8	3.7	6.9
GNL Quintero S.A.	A–						
	BBB+	2022	283	242	85.4	3.8	5.0
	BBB+	2021	236	197	83.4	5.4	3.7
	BBB+	2020	228	192	84.3	5.9	3.6

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(USD000, as of December 31, 2023)	Notes and formulas	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue		471,625	—	—	471,625
EBITDA	(a)	379,480	—	—	379,480
Depreciation and amortization		-98,048	—	—	-98,048
EBIT		281,432	—	—	281,432
Balance sheet summary					
Debt	(b)	913,020	—	—	913,020
Of which other off-balance sheet debt		—	—	—	—
Lease-equivalent debt		—	—	—	—
Lease-adjusted debt		913,020	—	—	913,020
Readily available cash and equivalents	(c)	139,773	—	—	139,773
Not readily available cash and equivalents		—	—	—	—
Cash flow summary					
EBITDA	(a)	379,480	—	—	379,480
Dividends received from associates less dividends paid to minorities	(d)	—	—	—	—
Interest paid	(e)	-123,740	—	—	-123,740
Interest received	(f)	12,268	—	—	12,268
Preferred dividends paid	(g)	—	—	—	—
Cash tax paid		-52,345	—	—	-52,345
Other items before FFO		-2,603	—	—	-2,603
FFO	(h)	213,060	—	—	213,060
Change in working capital		-14,418	—	—	-14,418

CFO	(i)	198,642	—	—	198,642
Non-operating/non-recurring cash flow		—	—	—	—
Capex	(j)	-29,030	—	—	-29,030
Common dividends paid		-99,034	—	—	-99,034
FCF		70,578	—	—	70,578
Gross leverage (x)					
EBITDA leverage	b/(a+d)	2.4	—	—	2.4
(CFO-capex)/debt (%)	(i+j)/b	18.6	—	—	18.6
Net leverage (x)					
EBITDA net leverage	(b-c)/(a+d)	2.0	—	—	2.0
(CFO-capex)/net debt (%)	(i+j)/(b-c)	21.9	—	—	21.9
Coverage (x)					
EBITDA interest coverage	(a+d)/(-e)	3.1	—	—	3.1

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly. Debt includes other off-balance sheet debt.
Debt in the standardised values column excludes lease liabilities of USD1,902.990.
Source: Fitch Ratings, Fitch Solutions, TGI

Parent Subsidiary Linkage Analysis

Key Risk Factors and Notching Approach

Parent	Grupo Energia Bogota S.A. E.S.P. (GEB)
Parent LT IDR	BBB
Subsidiary	Transportadora de Gas Internacional S.A. ESP (TGI)
Subsidiary LT IDR	BBB
Path	Stronger Parent
Legal incentive	Low
Strategic incentive	High
Operational incentive	Medium
Notching matrix outcome	Top Down-1
Override applied	No
Notching approach	—

LT IDR – Long-Term Issuer Default Rating
Source: Fitch Ratings

Stronger Parent Notching Matrix

Strategic incentives and operational	Both low	One medium, one low	Both medium or one high, one low	One strong, one medium	Both high
With low legal incentive	Standalone	BU+1[a]	BU+2[a]	TD-1[b]	Equalized
With medium legal incentive	BU+1[a]	BU+2[a]	TD-1[b]	Equalized	Equalized
With high legal incentive	Equalized	Equalized	Equalized	Equalized	Equalized

[a] BU rating outcomes are capped at TD-1 where the subsidiary's SCP is more than one notch away from the consolidated profile, but the subsidiary's rating will be equalized where the subsidiary's SCP is one notch below the consolidated profile. [b] TD-1 rating outcomes will be equalized where the subsidiary's SCP is one notch below the consolidated profile. BU – Bottom-up, notched from the lower Standalone Credit Profile (SCP). TD – Top-down, notched from the consolidated profile.
Source: Fitch Ratings

The company's ratings receive a one-notch uplift considering the high strategic and medium operational incentives of GEB to support TGI, equalizing its ratings to that of GEB. The approach is a TD-1 but as TGI's SCP is one notch below the consolidated profile, its rating is equalized to that of GEB.