



Enerjis Américas

Strategic plan 2017-19



Agenda

2016-19 period



Enersis Américas today and main KPIs

Strategic pillars:

- Efficiencies
- Industrial growth
- Simplification

Financial targets

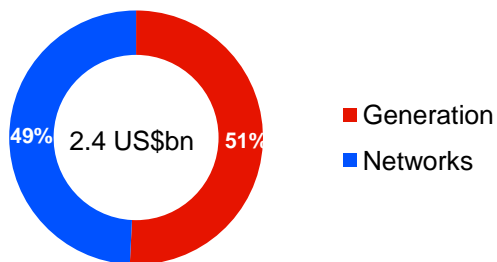
Closing remarks

Enersis Américas today

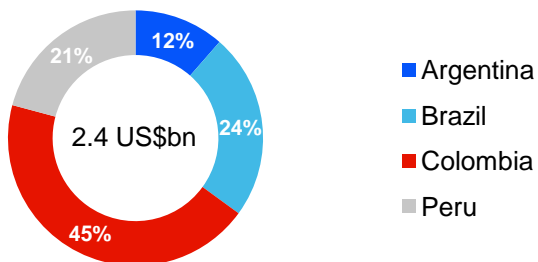
2016¹ KPIs



EBITDA by technology



EBITDA by country



Key figures

2016

Net Installed capacity (GW)	10.6
RAB (US\$bn)	7.1 ²
Distributed energy (TWh)	64.1
End users (mn)	13.9

Financials (US\$bn)

2016

EBITDA	2.4
Opex	1.2
Maintenance Capex	0.7
Growth Capex	0.6
Net Debt	1.8

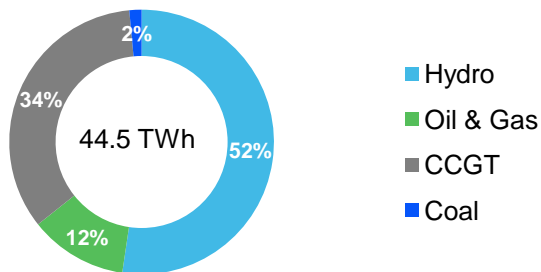
2016 EBITDA target confirmed

Enersis Américas today

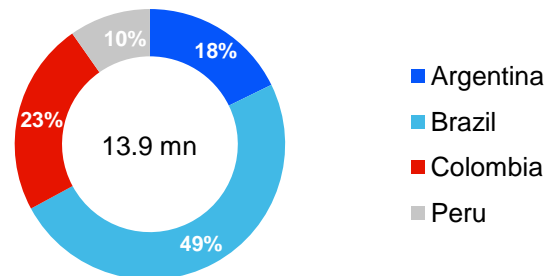
2016¹ Generation and distribution business



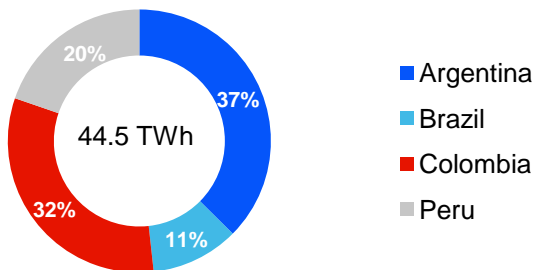
Net production by technology



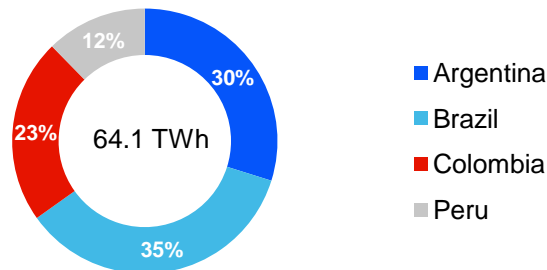
Clients by country



Net production by country



Energy distributed by country



Strategic pillars

Progress on strategic pillars vs previous guidance



Efficiencies

+10% vs previous Plan in Opex, SG&A (+358¹ mnUSD efficiencies at 2019)

Industrial growth

+1.3 bnUSD growth in EBITDA by 2019 vs 2016
+0.4 bnUSD Higher EBITDA in 2019 vs previous plan

Group simplification

Completed simplification at holding level
Second step at country level already started

Strategic pillars confirmed, targets revised upwards

Focus on efficiencies

2017-2019 Enersis Américas efficiencies



mnUSD net of inflation and Fx changes	2016	2019 OLD	2019 NEW	NEW vs OLD
OPEX	86	220	234	+6%
SG&A	20	42	59	+40%
Cash Pooling	4	15	15	-
Tax	50	50	50	-
Total	160	327	358	10%

Accelerated implementation in efficiencies, 2019 target upgraded

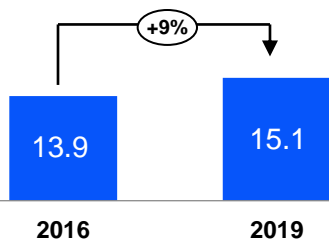
Main industrial KPIs

From 2016 to 2019

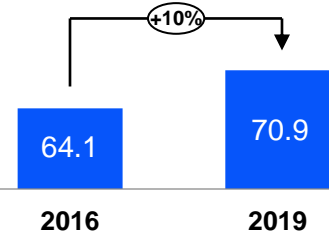


Networks

- End users (mn)

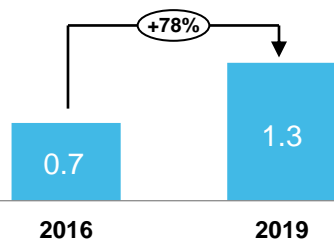


- Electricity distributed (TWh)

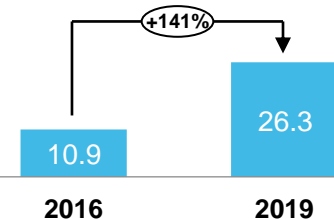


Free Market

- Free clients power & gas ('000)

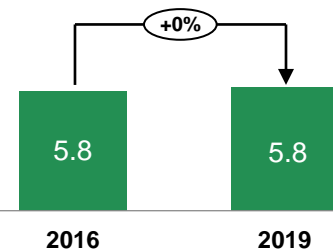


- Electricity sales in free market (TWh)

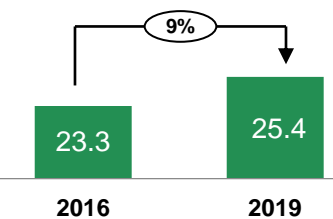


Hydro Generation

- Large Hydro Capacity (GW)

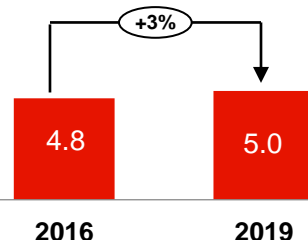


- Large Hydro Generation (TWh)

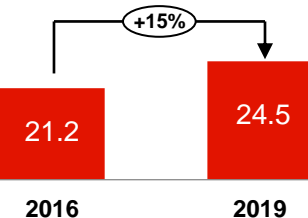


Thermal Generation

- Installed Capacity (GW)



- Generation (TWh)



Significant growth in networks and more than double in retail

Focus on industrial growth

Networks: Regulatory scenario



	Peru	Argentina	Brazil	Colombia
2016 WACC real pre-tax	12.0%	12.46%. Future WACC Pending to be defined	Ampla 11.4% Coelce 12.3%	13.7% ¹ . Future WACC Pending to be defined
Regulatory cycle	4 years	5 years	5 years Ampla 4 years Coelce	5 years
Next regulatory cycle	2018	2017	2018 Ampla (under discussion); 2019 Coelce	2017
RAB 2016	1.0 bnUSD	To be defined before end of December 2016	2.1 bnUSD	1.8 bnUSD
	No change in the regulatory framework	Regulatory reviews Improvements in regulatory frameworks		

1. Average medium and high voltage

Focus on industrial growth

Networks: Regulatory scenario - Brazil, Argentina and Colombia



	Current regulation	New proposed framework	2017-19 EBITDA ¹ impact
Argentina	<ul style="list-style-type: none"> Temporary tariff based on historical Opex and Capex from February 2016 	<ul style="list-style-type: none"> Recognized RAB remuneration: Expected RAB 2017 ~ 2.1 bnUSD, WACC 12.5% Recognized Opex at 2016 level Depreciation: 2.7% yearly 	+ 0.44
Brazil (Ampla)	<ul style="list-style-type: none"> 3rd cycle until 2019 (WACC 11.4%) Bad debt recognition updated every 5 years Recognized losses: based on ANEEL model 	<ul style="list-style-type: none"> 4th cycle starting from 2018 (WACC 12.3%) Recognition of bad debt updated yearly Recognized losses: new target from 2017 	+ 0.16
Colombia	<ul style="list-style-type: none"> RAB calculation: price cap model RAB updated every 5 years Opex connected to quality indicators WACC: 13.7% 	<ul style="list-style-type: none"> RAB calculation: revenue cap model updated with investments New Opex as a % of new assets and historical recognized Opex WACC: Pending to be defined 	-0.06
Total			+ 0.54

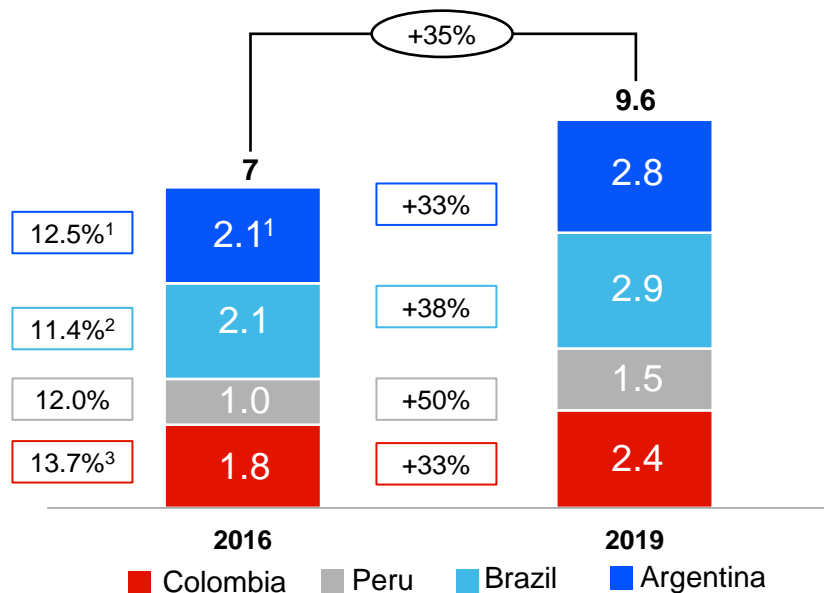
1. (bnUSD) cumulative

Focus on industrial growth

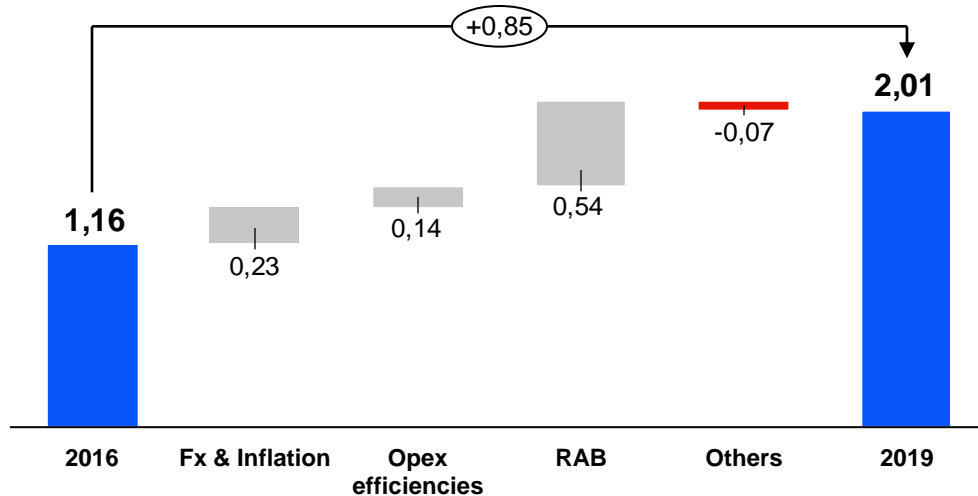
RAB and EBITDA Networks evolution



WACC RAB (bnUSD)



EBITDA Evolution (bnUSD)



High potential RAB increase: ~ 2.5 bnUSD during the plan

1. Expected WACC / Expected RAB; 2. 3rd Regulatory Cycle; 4th Regulatory cycle equals 12.3%; 3. Average between medium and high voltage WACC

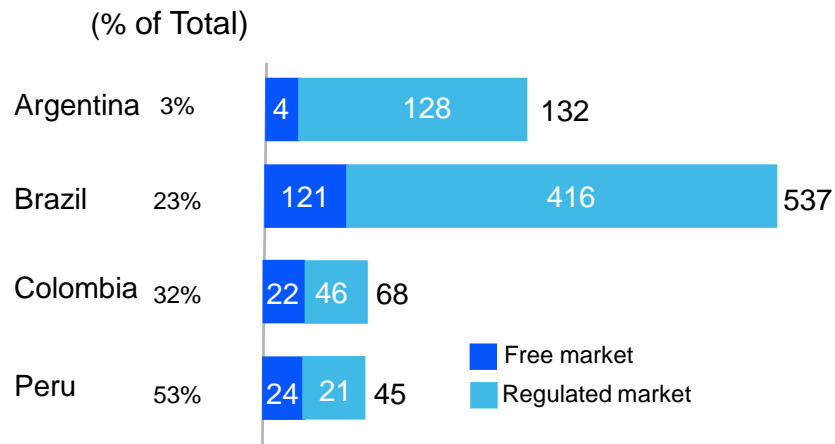
Focus on industrial growth

Free Market: positioning & market liberalization



2016 total sales: focus on free market (TWh)

Enersis Américas Free energy sold (TWh)



From (2016)	Market Share	To (2019)
0.2	5%	2.7
2.3	2%	10.4
3.8	18%	4.5
4.7	20%	8.8
10.9		26.3

EBITDA reaching mnUSD 210¹ in 2019

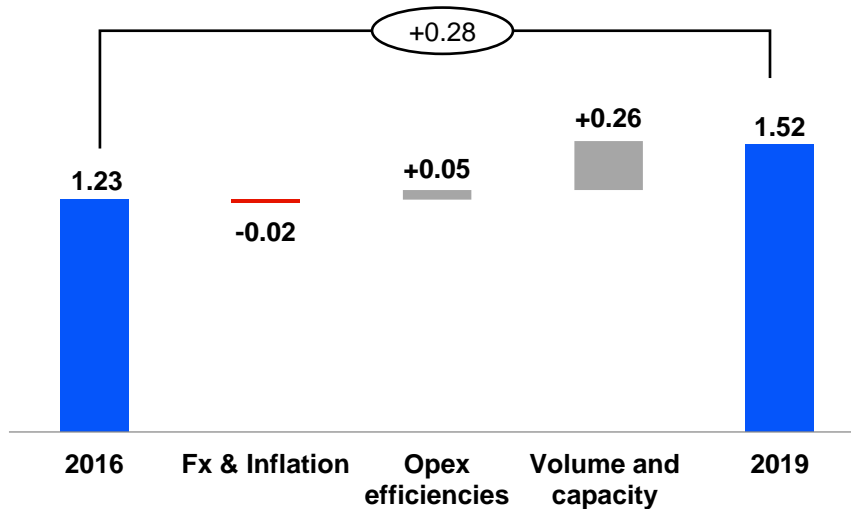
1. Including VAS and Public lighting services. Total cumulated EBITDA 2016-2019 equal to 122 mnUSD

Focus on industrial growth

Generation Business



EBITDA Evolution (bnUSD)



Main drivers of volume growth

- Capacity increase (120 MW in Argentina and 50 MW in Peru)
- Higher availability in Argentina: ~ 80% load factor
- Higher hydrology in Brazil

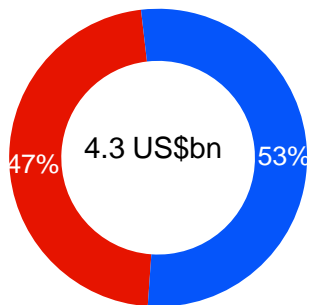
Capacity, availability and hydro production Key drivers of EBITDA growth

Focus on industrial growth

Capex plan 2017- 2019

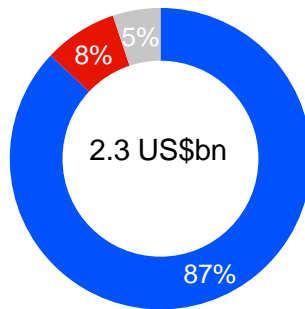


Total capex



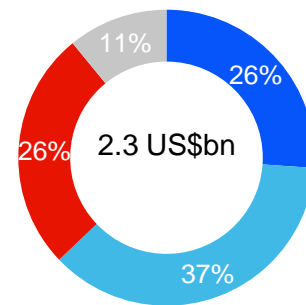
■ Maintenance ■ Growth

Growth capex by business



■ Networks ■ Generation ■ Retail

Growth capex by country



■ Argentina ■ Brazil ■ Colombia ■ Peru

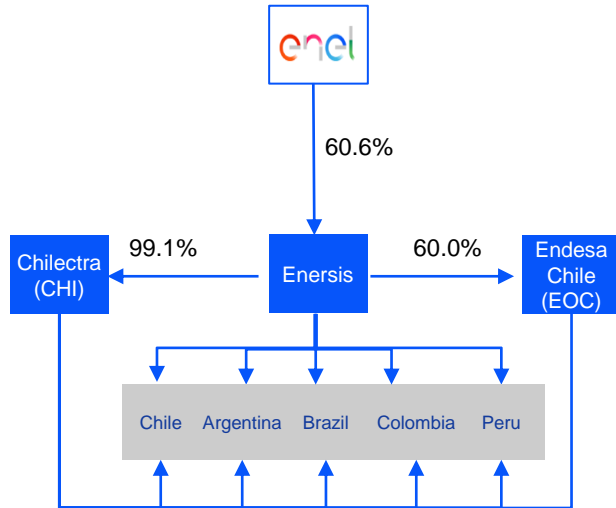
Growth capex concentrated in networks

Focus on simplification

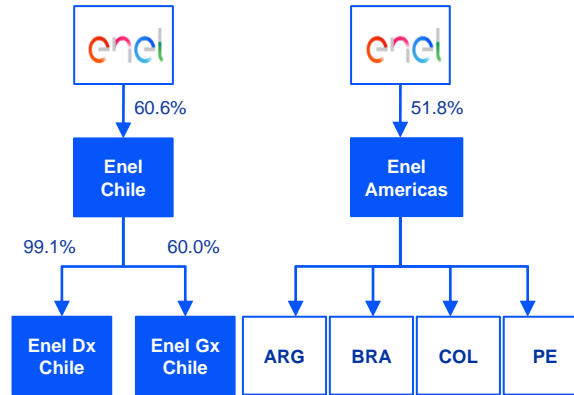
Latam restructuring



Yesterday



Today



Further simplification at country level

Current n. of companies in Americas: 43

Target to reduce below 21 the number of companies

Creation of subholdings by country

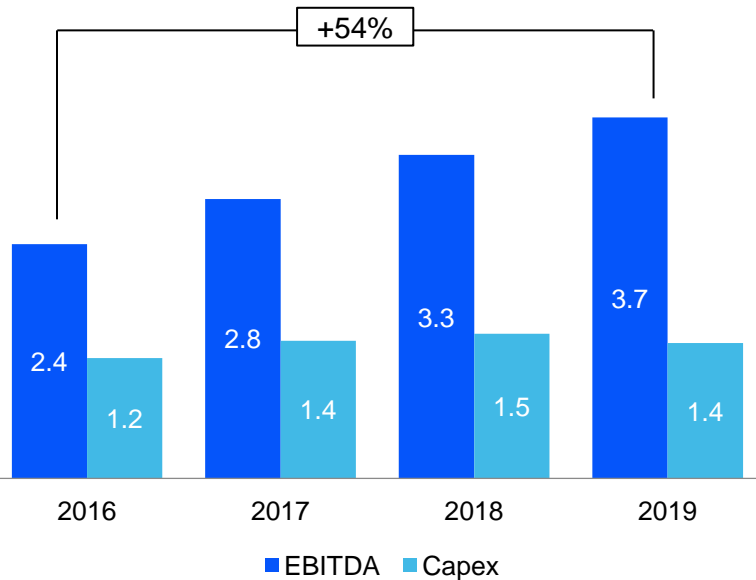
A more leaner, more agile and simplified structure

Financial targets

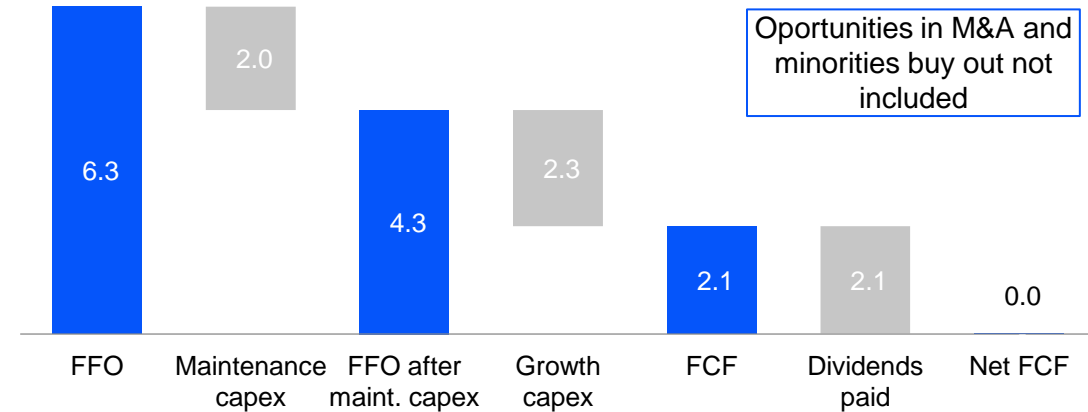
EBITDA, capex and cash flow 2016-19



EBITDA and CAPEX (bnUSD)



2017-19 Cash flow generation (bnUSD)



Growth and efficiencies driving a strong EBITDA and solid cash flow generation

Financial targets

Energis Américas post merger targets (bnUSD)



	2017	2019	CAGR
EBITDA	2.8	3.7	+14%
Net Income ¹	0.8	1.3	+24%
Capex	1.4	1.4	-
Dividend Policy	50%		

Accelerating EBITDA, Net Income and Capex targets vs previous plan

Closing remarks



2016 delivery: acceleration of efficiencies and confirmation of EBITDA targets



Substantial upgrade of 2019 targets thanks to higher efficiency and growth



Further progress expected in structure simplification at country level



Net income targets 2019 increase by +15% vs old plan, dividend policy confirmed



Solid balance sheet leaves room to M&A and minorities buy-out



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