



# **Enersis Américas IR Presentation**

11/05/2016



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américas**

Grupo Enel

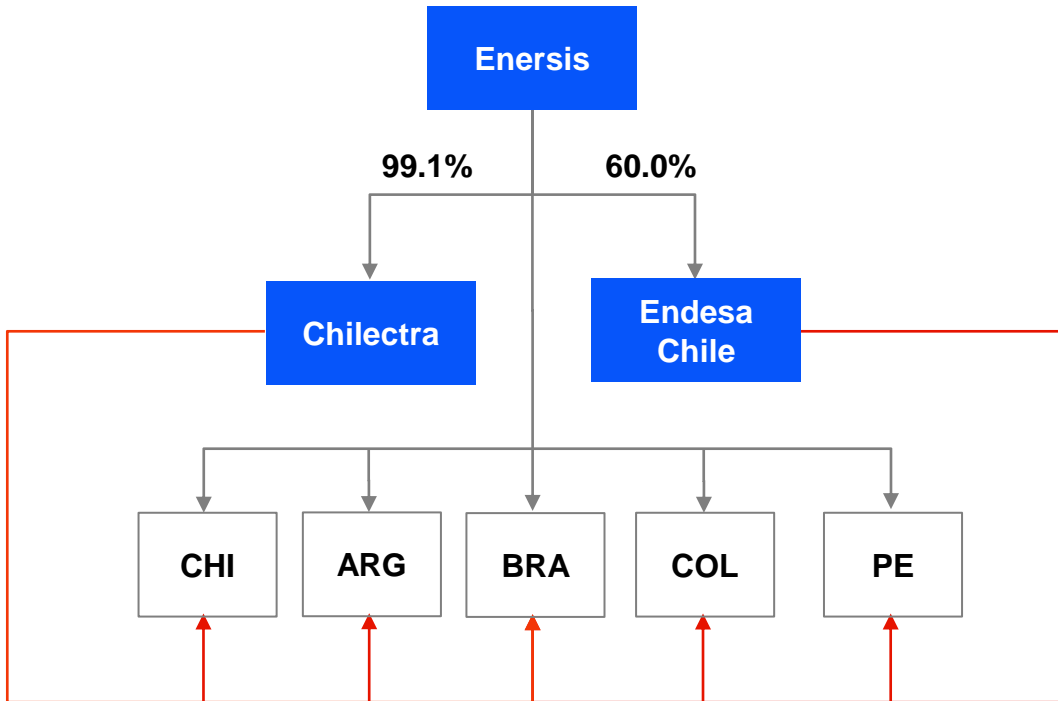
# Reorganization process

A more simple and streamline organization

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américa

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## Previous Structure

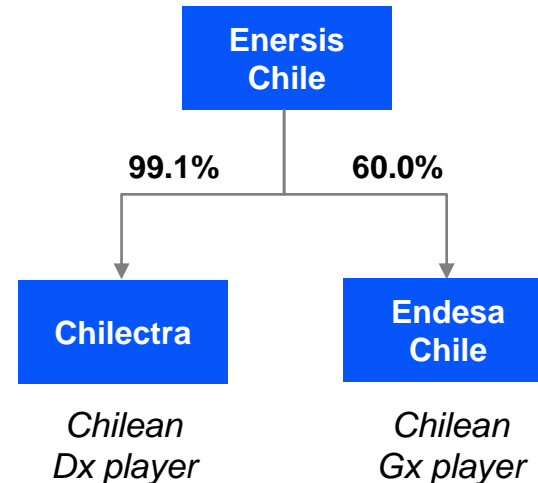


— Cross shareholder participations

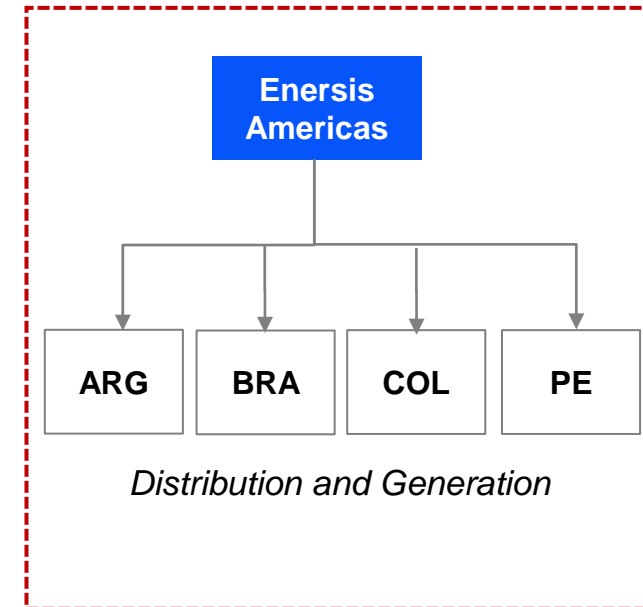
■ Listed

## Post Transaction

### Pure Chilean Group



### Latam<sup>1</sup> investment vehicle

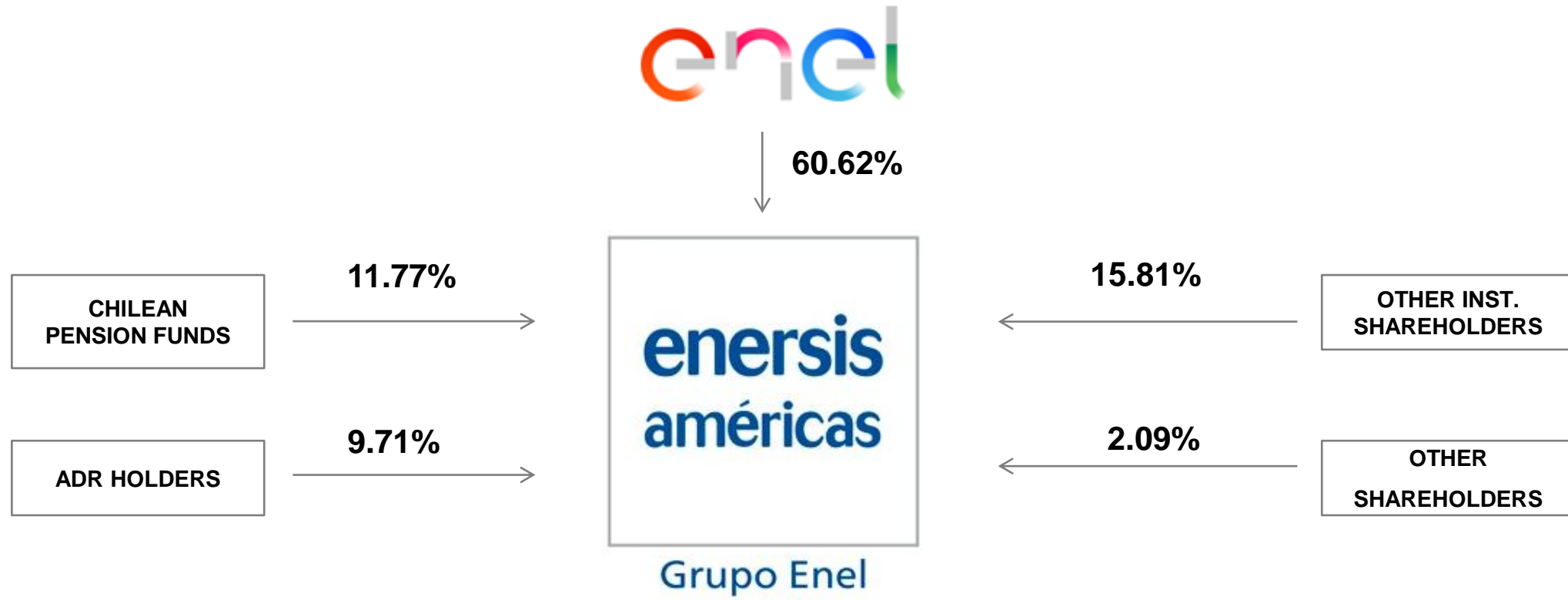


*Distribution and Generation*

**A unique South American footprint**

# Enerjis Américas investment highlights

## Ownership profile

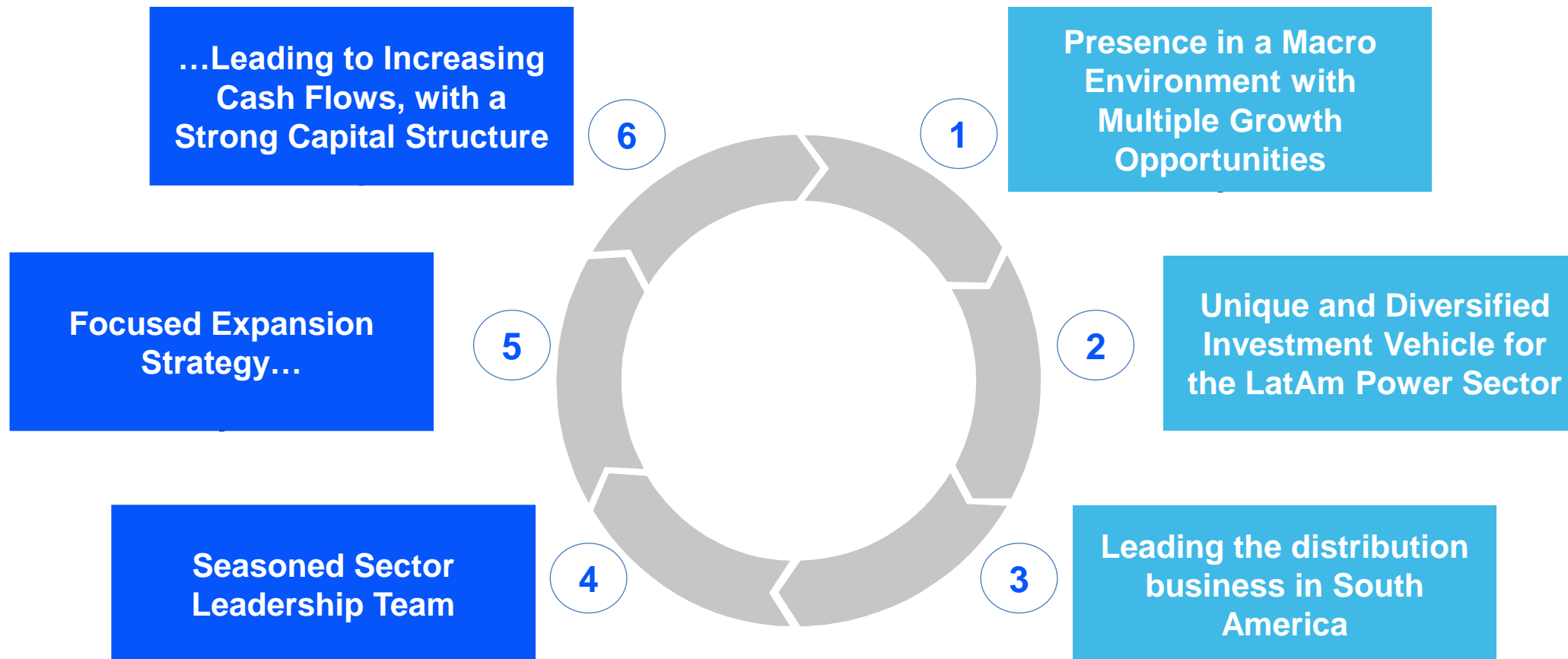


# Enersis Americas Investment Highlights

## Why Enersis Américas

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Current scenario

New scenario

# Energis Americas Investment Highlights

Seasoned Sector Leadership Team

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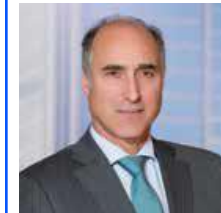
**Borja Acha**  
*Chairman*

25 years of corporative Experience  
4 years of experience in Enel Group  
Graduated in Laws at Universidad  
Complutense of Madrid



**Luca  
D'agnese**  
*CEO*

28 years of corporative Experience  
5 years of experience in Enel Group  
Graduated in Physics at Scuola  
Normale Superiore di Pisa  
Master in Business Administration in  
Business School INSEAD



**Javier  
Galán**  
*CFO*

31 years of corporative Experience  
9 years of experience in Enel  
Economist at Universidad  
Complutense of Madrid  
Master in Business Administration in  
Instituto de Empresas de Madrid

**Experienced Board Members and Management Team**

# Enersis Américas investment highlights

Enersis Américas is Latin America's largest private power company

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## Colombia #2

3,459 MW  
**19% Market Share Gx**  
 2.9 million clients  
 Sales Dx 13,946 GWh  
 24% Market Share Dx

## Peru #1

1,983 MW  
**23% Market Share Gx**  
 1.3 million clients  
 Sales Dx 7,624 GWh  
 30.0% Market Share Dx



## Brazil

987 MW  
**1% Market Share Gx**  
 6.8 million clients  
 Sales Dx 22,776 GWh  
 6% Market Share Dx  
 2,100 MW transmission lines

## Argentina #2

4,522 MW  
**12% Market Share Gx**  
 2.5 million clients  
 Sales Dx 18,492 GWh  
 20% Market Share Dx

### Total Generation

Installed capacity: 10,951 MW  
 Energy sales: 48,481 GWh

### Total Distribution

Clients: 13.4 million  
 Energy sales: 62,838 GWh

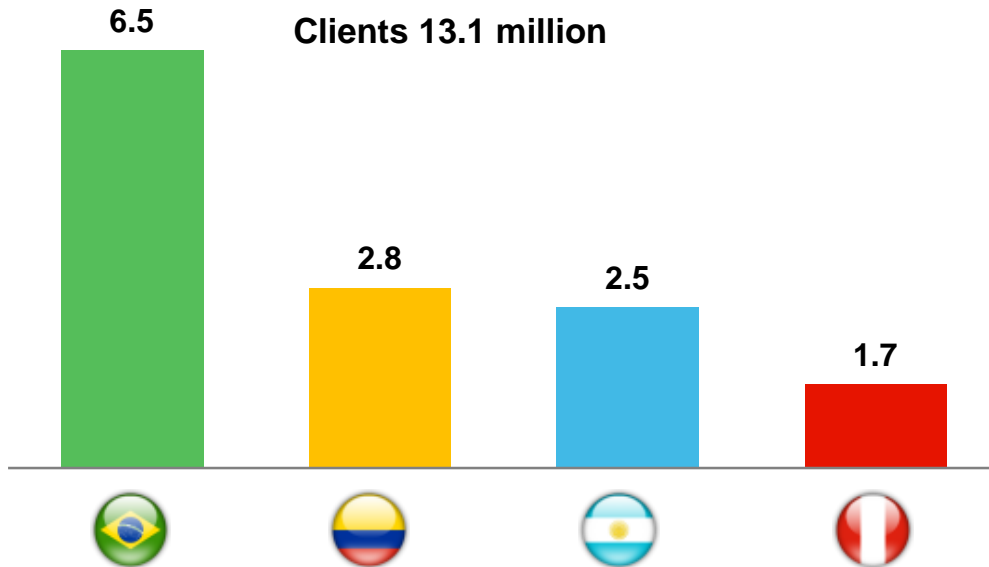
# Enerjis Américas investment highlights

Unique portfolio of assets in the region

## Overview

### Distribution

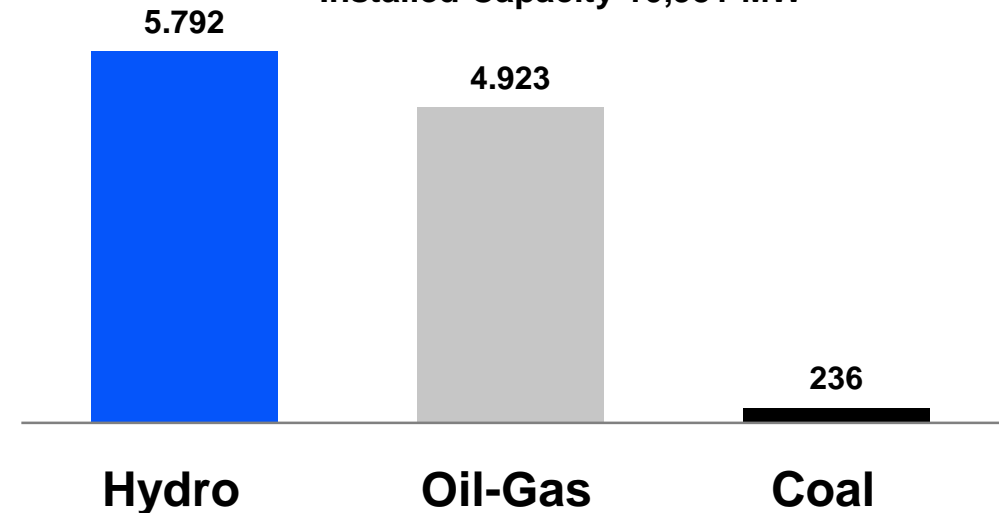
Clients 13.1 million



- Enerjis Américas distributes energy in South America's largest cities

### Generation

Installed Capacity 10,951 MW



- 53.4% of Enerjis Américas' installed capacity is hydro, which represents the lowest production cost

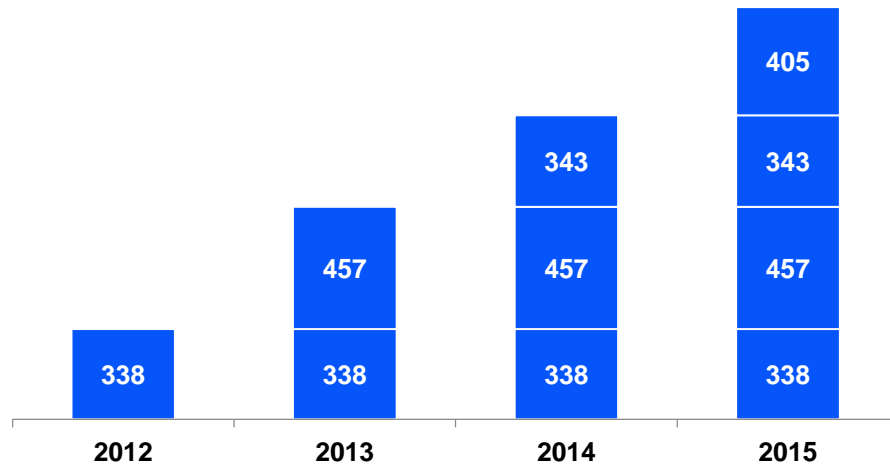
# Enerjis Américas investment highlights

## Outstanding indicators

### Distribution

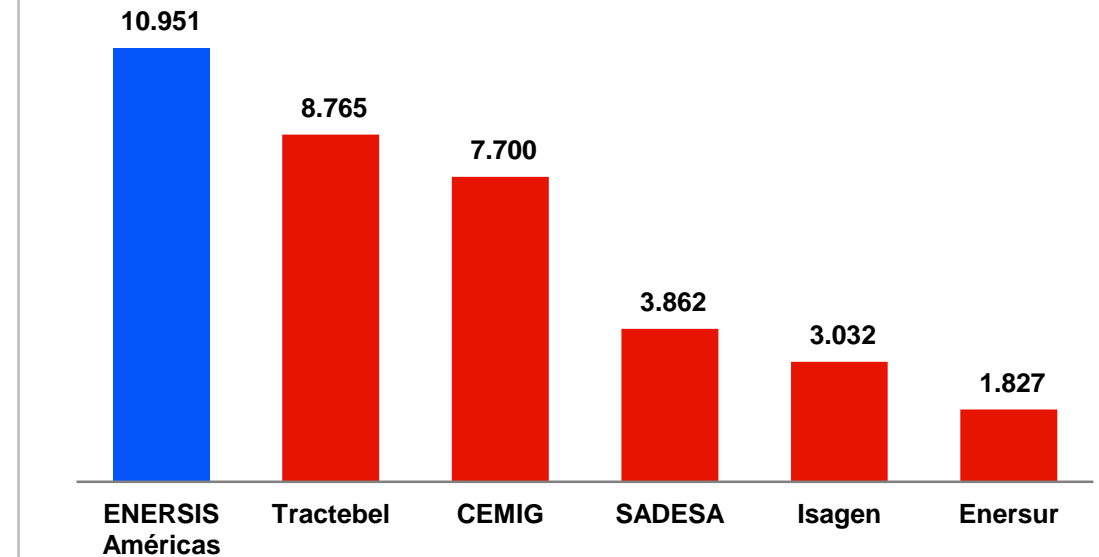
thousand new clients per year

~1.5 million new clients every 4 years



### Generation

Installed MW as of December 31, 2015



- ✓ Enerjis Américas is the private company with highest installed capacity in the region
- ✓ In the past 4 years we added a “mid size distribution company” taking into account new clients

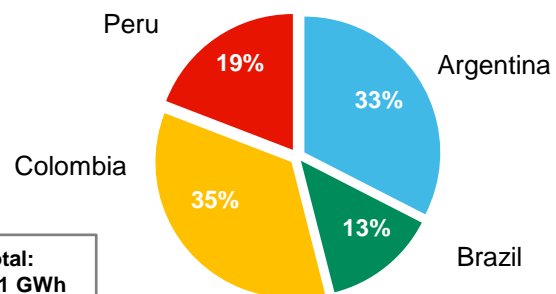


# Enerjis Americas investment highlights

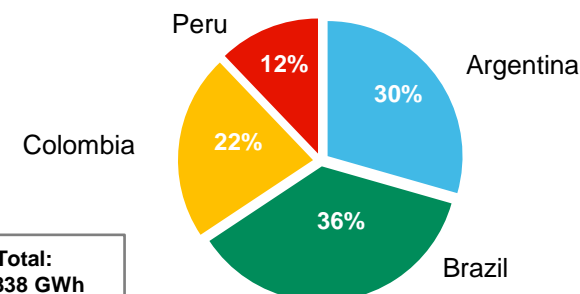
Well diversified by country and type of activity

## Overview (2015)

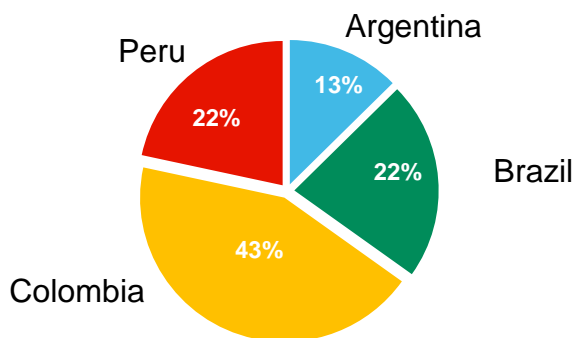
### Generation – energy sales



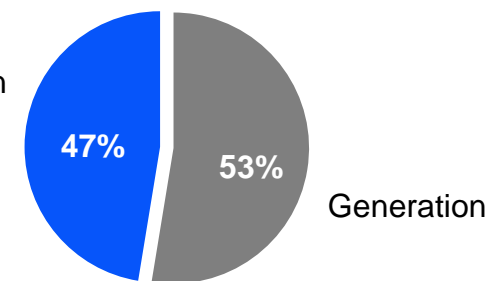
### Distribution – energy sales



## EBITDA<sup>1</sup>



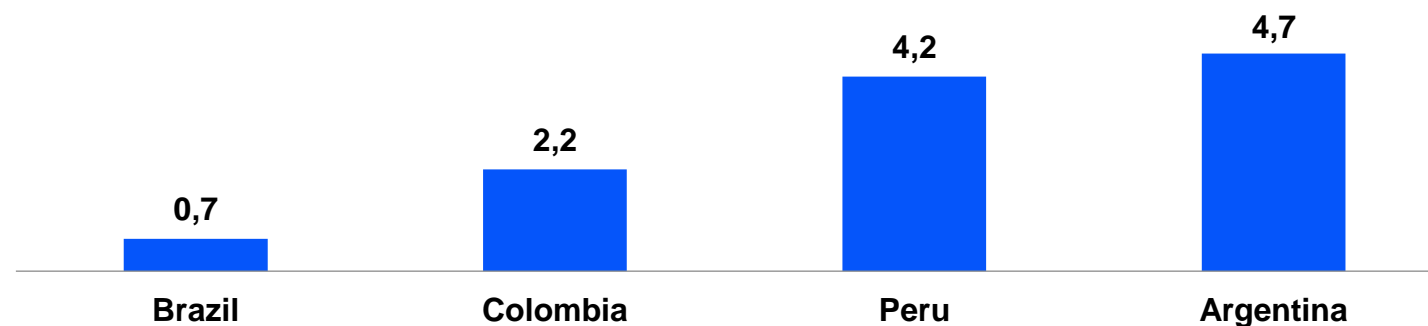
### Distribution



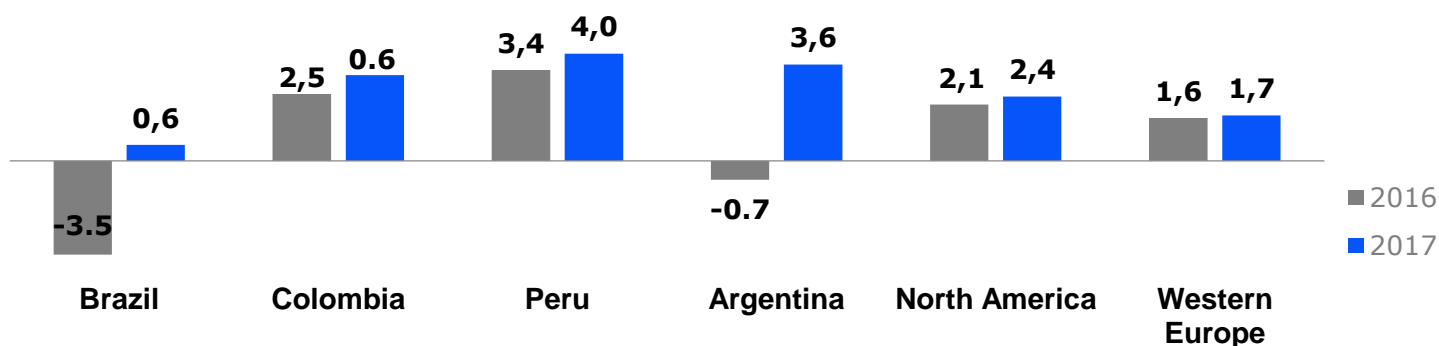
# Enersis Américas investment highlights

Despite a complex global macro environment, Latin America offers large opportunities for growth

**% Growth in electricity demand as of FY 2015 vs. FY 2014**



**Expected real GDP growth<sup>1</sup> (%)**



**Enersis Américas Ratings**

**S&P**  
**BBB**  
Investment Grade

**Moody's**  
**Baa3**  
Investment Grade

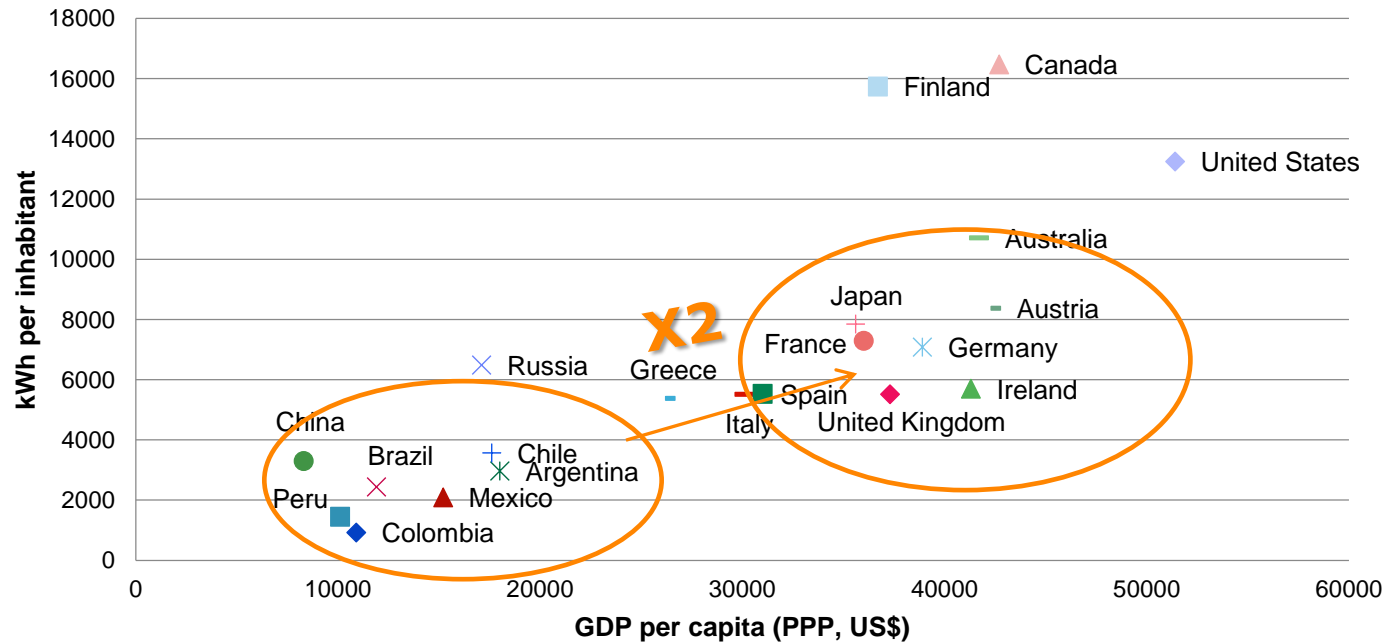
**Fitch**  
**BBB**  
Investment Grade

# Enerjis Américas investment highlights

## High growth prospects

### Electricity consumption in the world

kWh/GDP (PPP) per capita



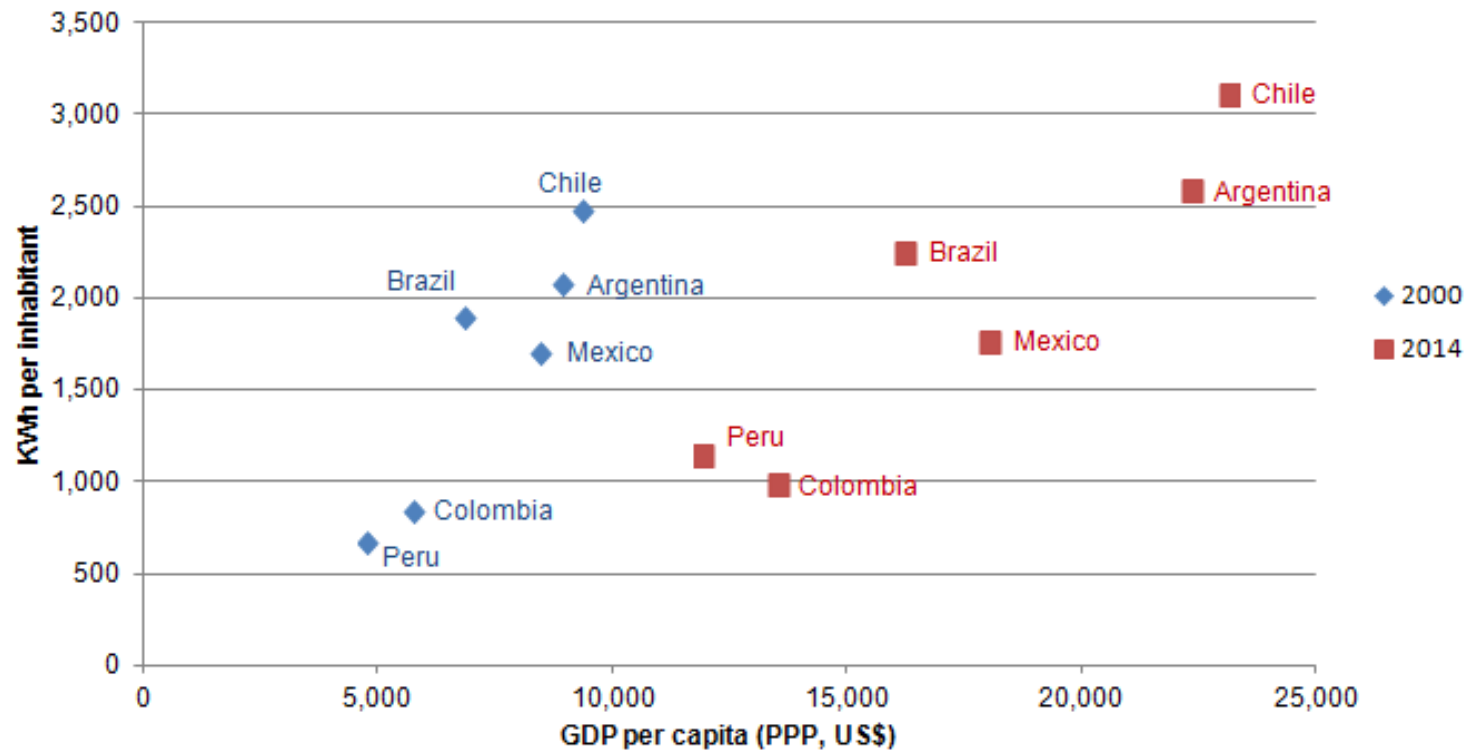
- Energy demand growth is very stable in the countries where we operate, showing a growth average of 3.0% in 2015.
- Compared to developed countries, Enerjis is in a very good position for growth

# Enerjis Américas investment highlights

## High growth prospects





### Electricity consumption in LatAm

KWh / GDP (PPP). Per capita.



# Enerjis investment highlights

## Periodic tariff revision processes

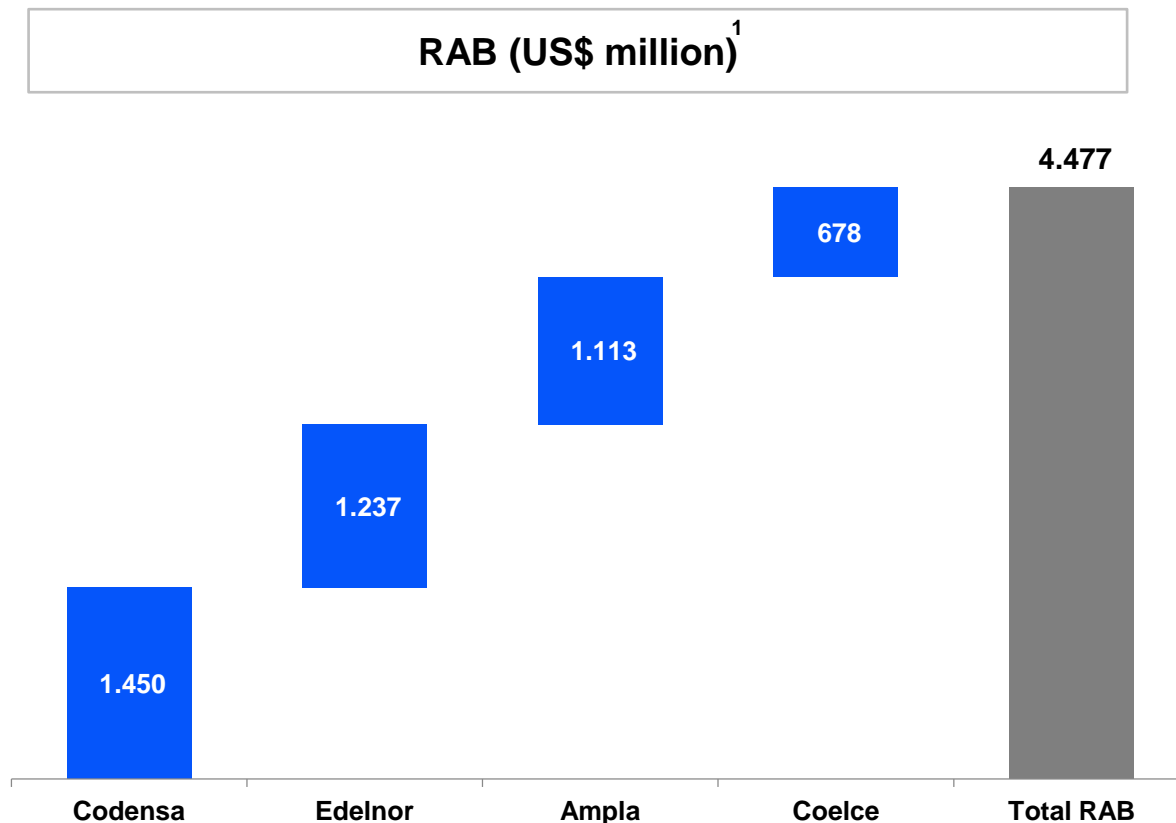
		2016	2017	2018	2019	2020
<b>Edelnor</b>	 					
<b>Codensa<sup>1</sup></b>	 					
<b>Coelce</b>	 					
<b>Ampla</b>	 					

Visibility of cash flows

# Enerjis investment highlights

## Attractive profitability

RAB (US\$ million)<sup>1</sup>



Allowed Return (real, pre-tax)

	Codensa	13.9%
	Edelnor	12.0%
	Ampla	11.4%
	Coelce	12.3%

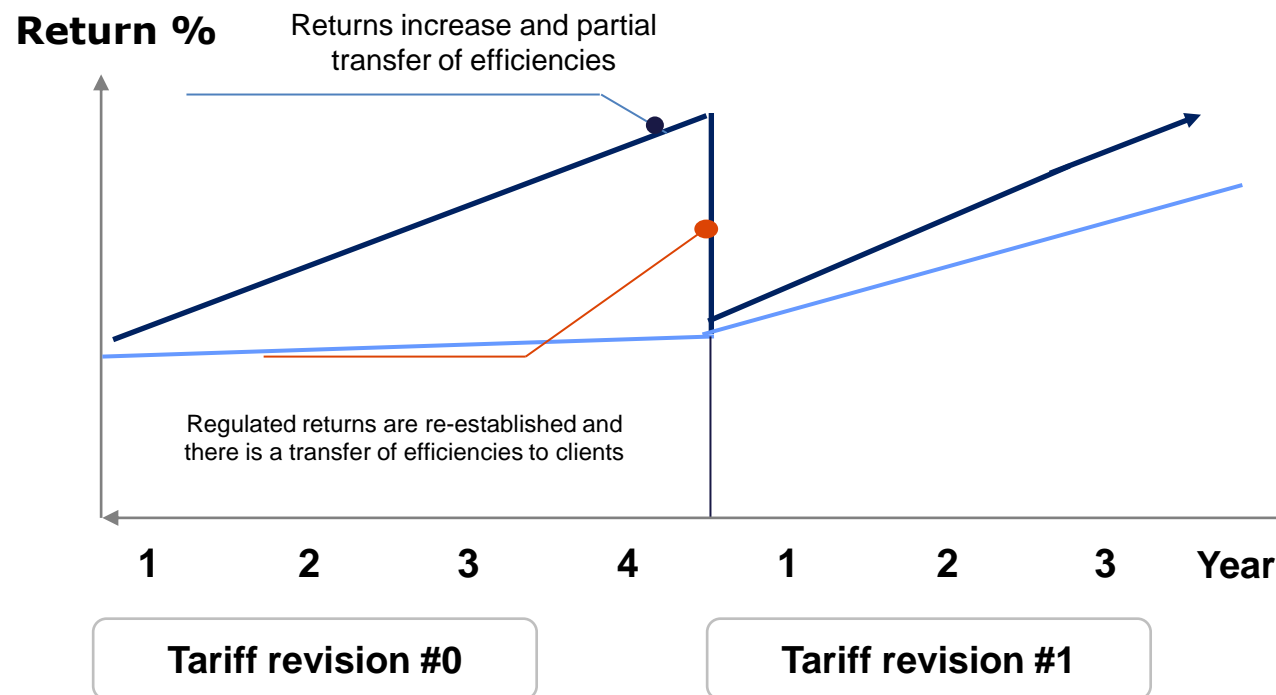
**Average allowed return: 12.4%**

**RAB and allowed return will be defined in Argentina after the Integral Tariff Revision expected for this year**

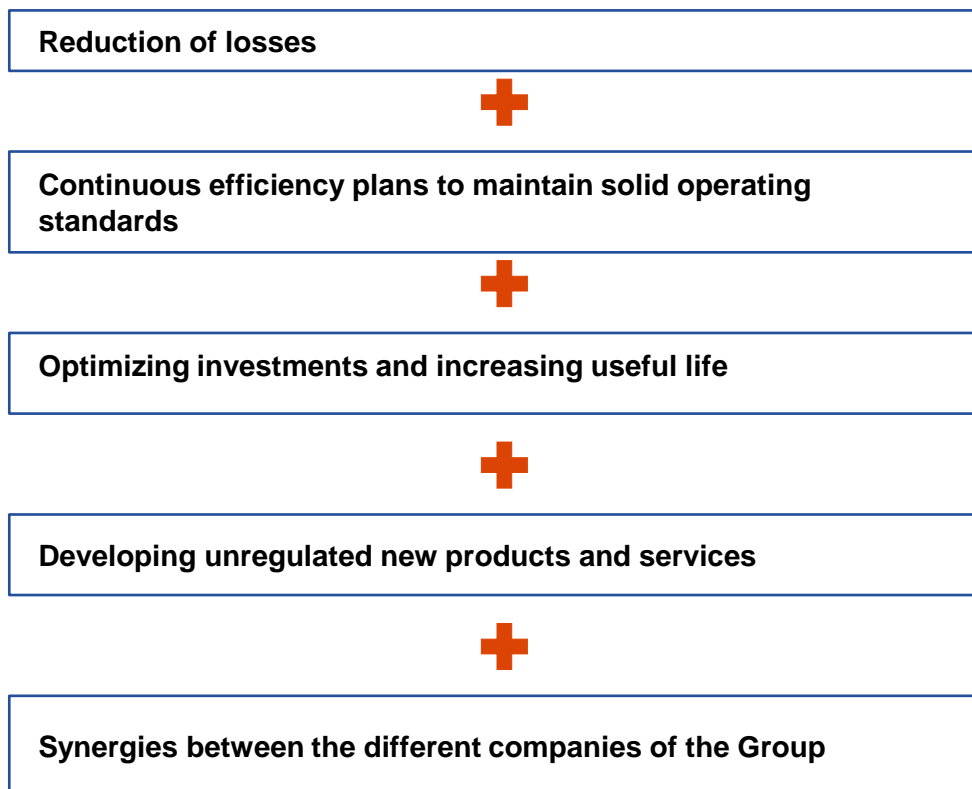
# Energis investment highlights

Schedule for distribution tariff revisions is clear and well laid out for the following years

## Evolution of profitability in the regulated business



## Tools for value creation

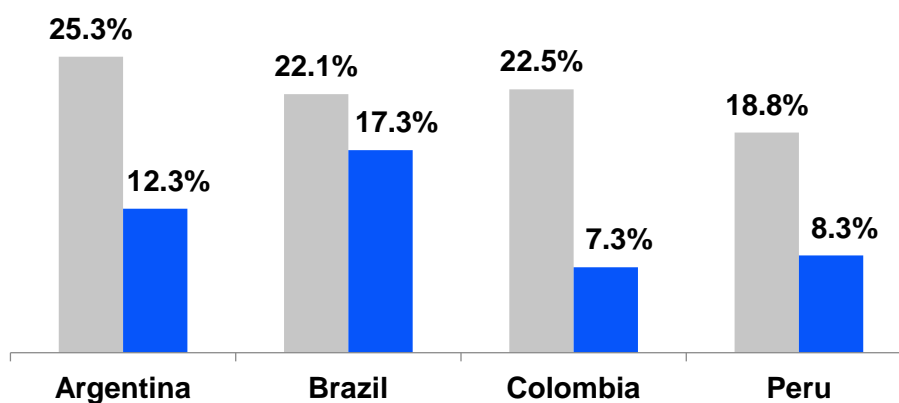
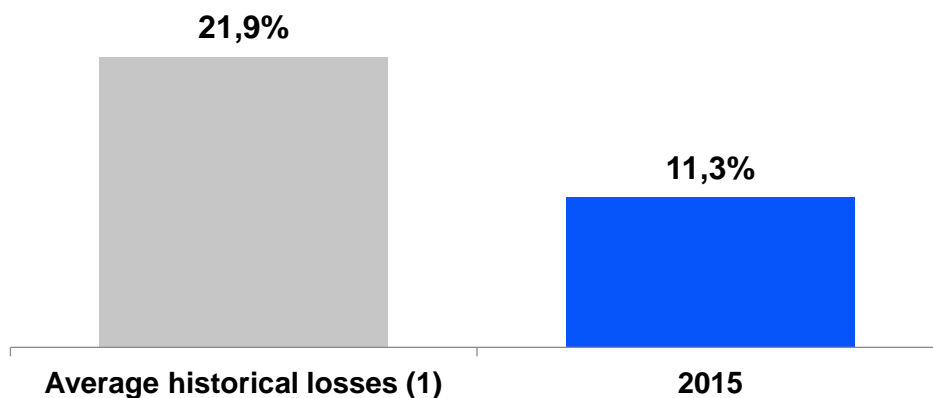


— Regulatory profitability for an efficient company

# Enerjis investment highlights

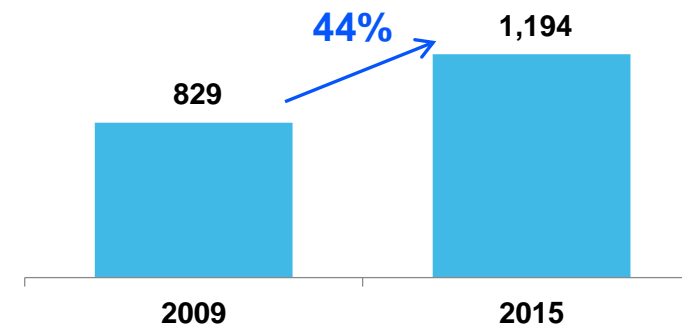
Proven experience in controlling energy losses

Energy Losses Evolution  
(from take of control to current situation)



Controlling energy losses has been successful during the last several years, increasing our margins

EBITDA in Distribution MUSD



New Technologies

- Ampla Chip (Grid and Protected measure)
- Telemetry
- Client inspections (Business Intelligence)

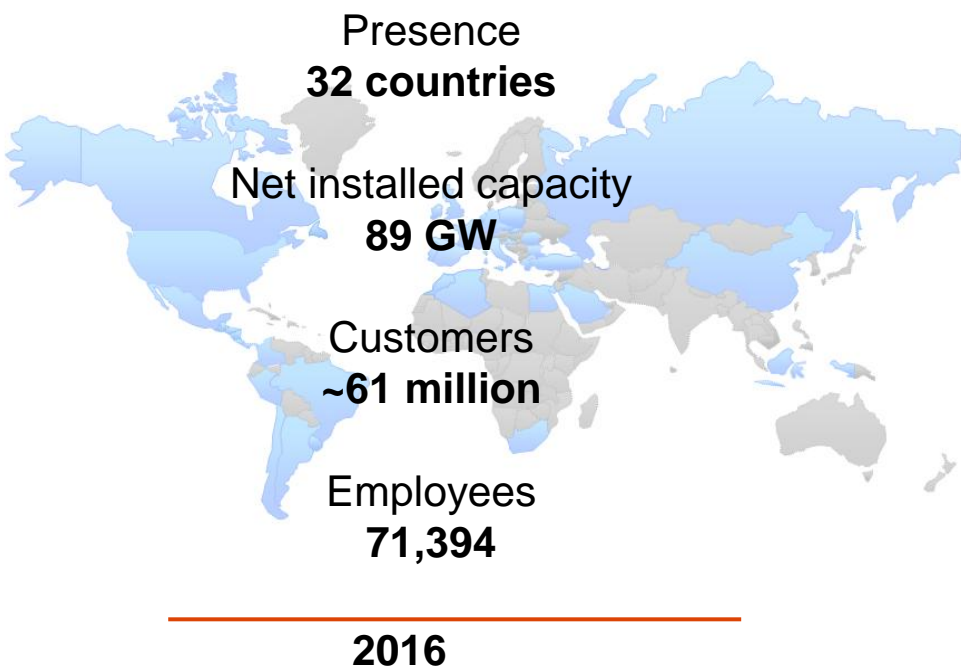


<sup>1</sup>Average losses at the moment Enerjis took control of the companies



# Enerjis investment highlights

Taking advantage of Enel platform



Commodities sourcing

Suppliers management

IT synergies

R&D transfer

Energy management

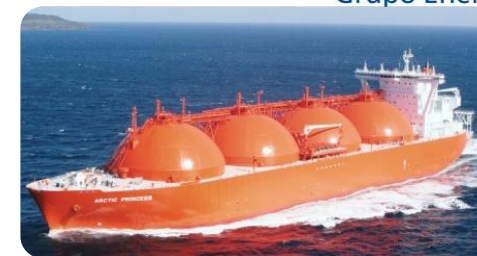
Ancillary services/businesses  
development

Innovation synergies

Regulatory experience

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américas

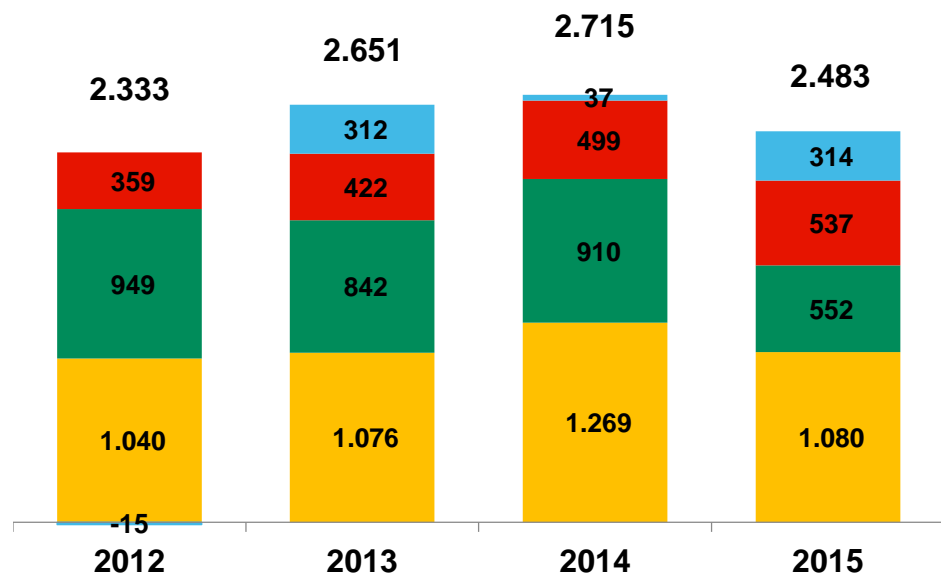
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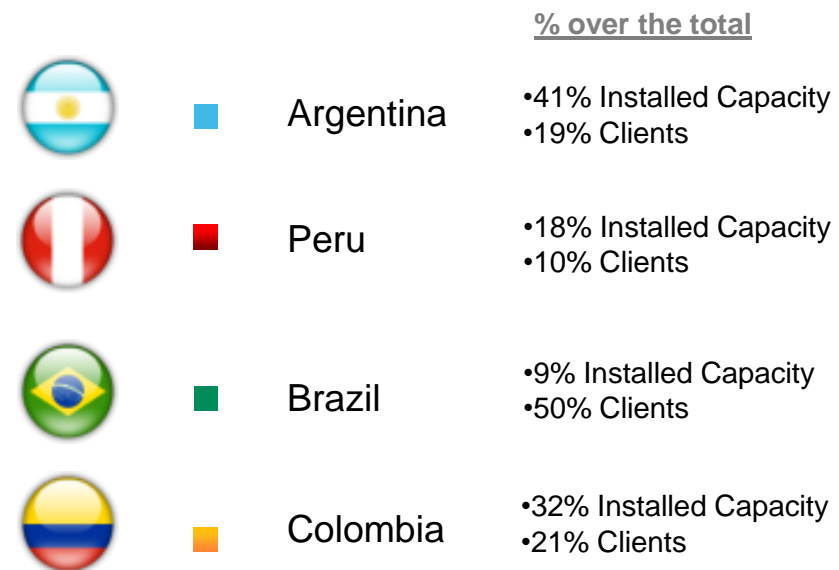
# Enerjis investment highlights

Enerjis has achieved significant profitability among the regions

EBITDA by country (MUS\$)<sup>1</sup>



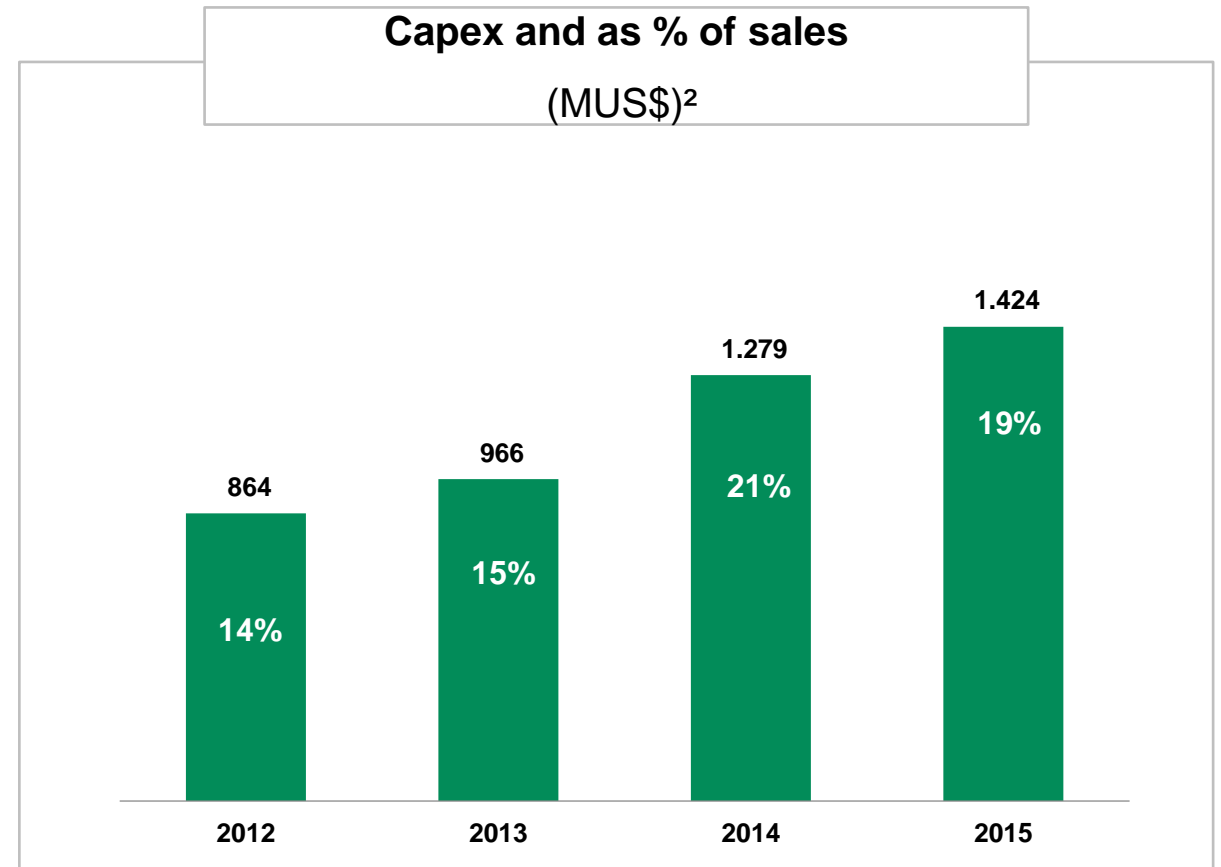
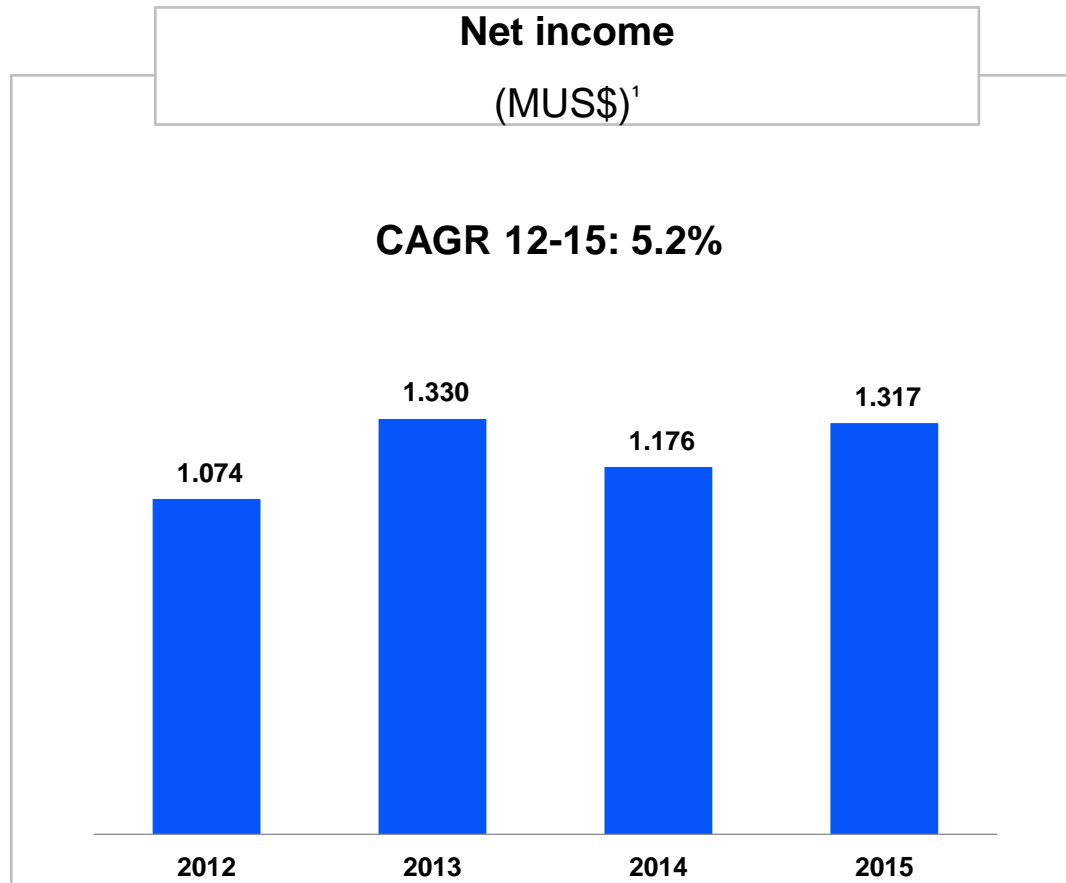
Relative weight on main indicators



<sup>1</sup>Using average exchange rate of 2015 (\$654.66) for every year

# Enersis investment highlights

## Overview of net income and capex



Source: Company filings and presentations;

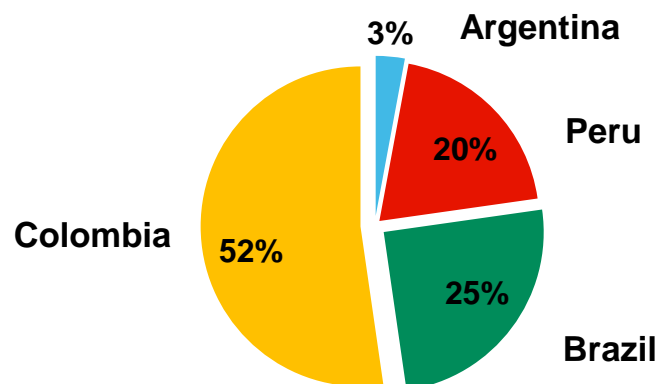
1 Refers to total net income, converted to US\$ using 2015 average exchange rate (\$654.7)

2 Includes only purchases of plant, property & equipment

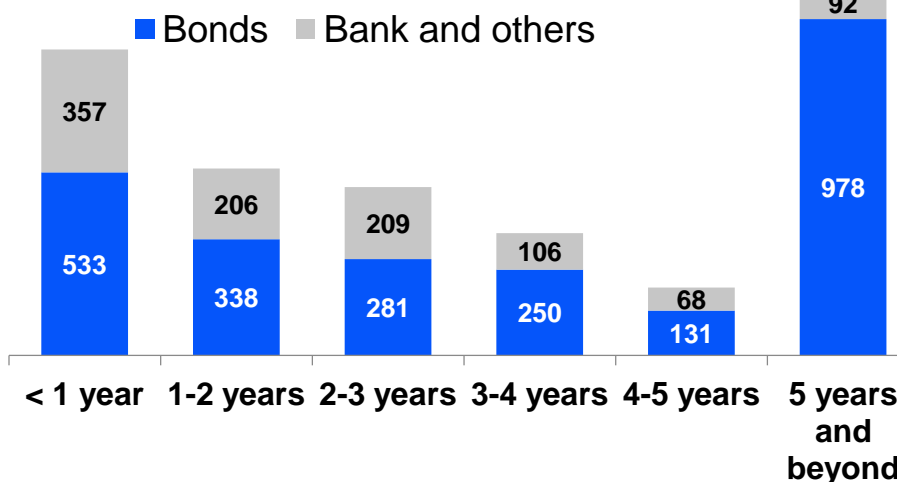
# Enersis investment highlights

Enersis' debt position allows the company to achieve growth at comfortable margins due to its rigorous financial policies

Total debt as of FY 2015 3,138 (MUS\$)



Debt maturity as of FY2015



- Rigorous financial controls in place in each country and business
- Financial autonomy principle
- A potential default in any of our international subsidiaries would have no effect on Enersis' debt contracts
- All projects are executed directly by operating companies and funded with their own cash flow and debt capacity

# Annexes



# Installed capacity added in 2015

 **Colombia**

## El Quimbo (400MW)

- Hydro power plant, located in the Huila Department, **Colombia**
- Utilizes the flow coming from the Magdalena River.
- Estimated: generation of 2,093 GWh/year, Load factor: 60%
- Total CAPEX of US\$ 1,231 million\*.

**El Quimbo began commercial operations on November 16, 2015, contributing with 159 GWh in 2015.**



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# Energis Américas investment highlights

Generation's regulatory framework encourages stability and creates incentives that guarantees expansion

CHARACTERISTICS	 Colombia	 Peru	 Brazil
Long term auctions for the regulated market facilitate expansion	Open contracts	Auctions for 15, 20 and 30 years	Auctions for 15, 20 and 30 years
Payment based on capacity independent of technology	<ul style="list-style-type: none"> <li>• Energy auctions for at least 20 years</li> <li>• Recognition of dual generation for gas turbines</li> </ul>	<ul style="list-style-type: none"> <li>• Income based on contributions during peak demand</li> <li>• Recognition of dual generation for gas turbines</li> </ul>	<ul style="list-style-type: none"> <li>• Income based on contributions during peak demand</li> </ul>
Frequency of recalculation of regulated guaranteed pass through to the end customer	Calculated monthly	Calculated every 3–12 months	Calculated every 3–12 months
Markets with audited or auctioned costs	Spot market with auctioned costs	Spot market with audited costs	Spot market with audited costs

# Energis investment highlights

Distribution regulatory framework is stable and encourages investment

Characteristics	 Colombia	 Peru	 Brazil
<b>LONG-TERM CONCESSIONS</b>	Indefinite	Indefinite	•30 years
<b>STABLE REGULATORY FRAMEWORKS</b>	1st set: 1997 # of revisions: 3	1st set: 1997 # of revisions: 4	•1st set: 2003 # of revisions: 4
<b>ATTRACTIVE PROFITABILITY METRICS (PRE-TAX, REAL TERMS)</b>	13.9% Calculated in each revision	12.0% Defined by law	•11.4% - 12.3% Calculated in each revision *
<b>TARIFFS ARE SET USING TECHNICAL AND OBJECTIVE CRITERIA</b>	New replacement value based on real network	New replacement value based on optimized network	<ul style="list-style-type: none"> <li>•New replacement</li> <li>•value based on real</li> <li>•network</li> </ul>
<b>THERE ARE CONFLICT RESOLUTION MECHANISMS IN PLACE TO SETTLE DISPUTES EFFECTIVELY</b>	<ul style="list-style-type: none"> <li>•Regulator settles disputes among agents</li> <li>•Regulator imposes sanctions: SSPD + CREG</li> </ul>	<ul style="list-style-type: none"> <li>•Regulator is the designated authority to resolve conflicts and impose sanctions when necessary</li> </ul>	<ul style="list-style-type: none"> <li>•Chamber of commerce settles disputes among agents</li> <li>•Foundation Getulio Vargas is in charge of arbitration</li> <li>•Regulator settles disputes among regulated clients and imposes sanctions</li> </ul>

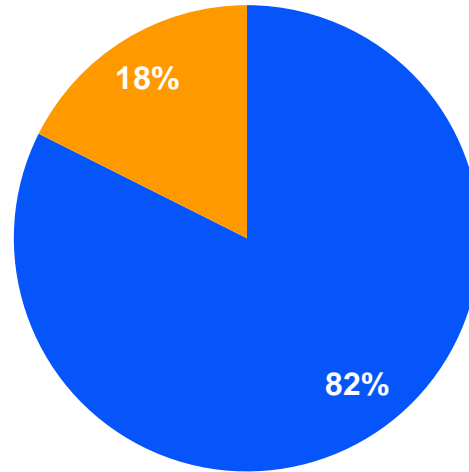
\* Depends on tariff Cycle 3rd and 4th respectively.



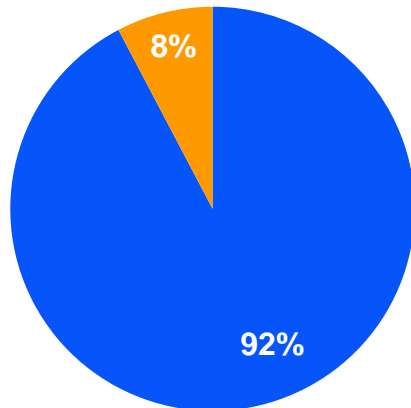
# Electricity Sales by Country

As of December 2015

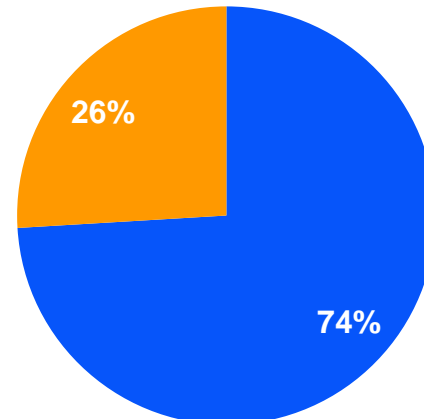
### TOTAL COUNTRIES



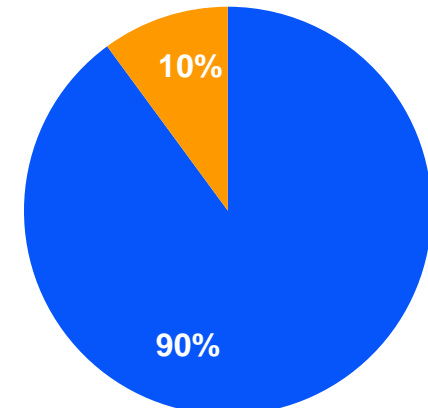
### Perú



### Colombia



### Brazil



# Enerjis Americas Investment Highlights

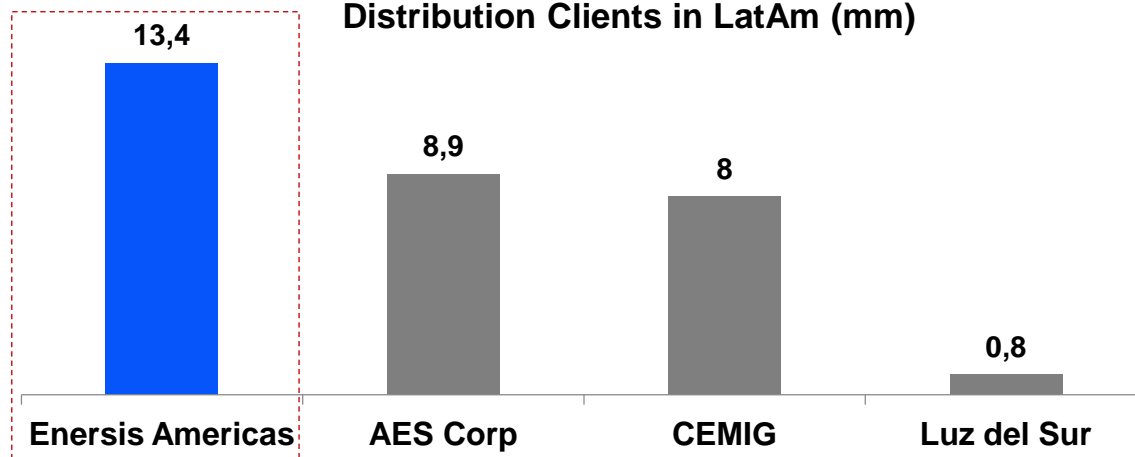
Leading the distribution business in South America

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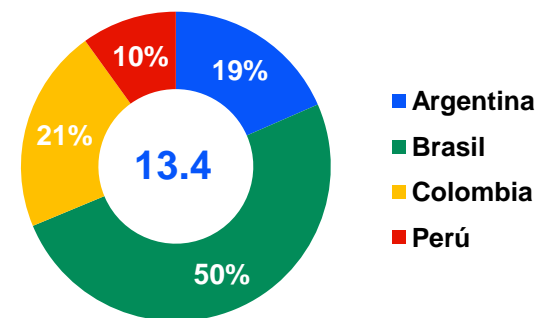
## Competitive Position

Distribution Clients in LatAm (mm)

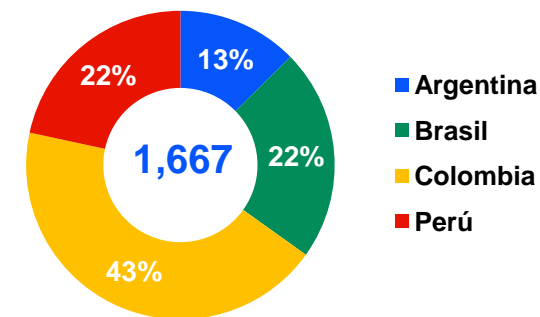


## Overview of Assets

Clients in mn (Dic-15)



EBITDA (US\$mm) (2015)



# Enersis Americas Investment Highlights

Industrial growth (USD mn)

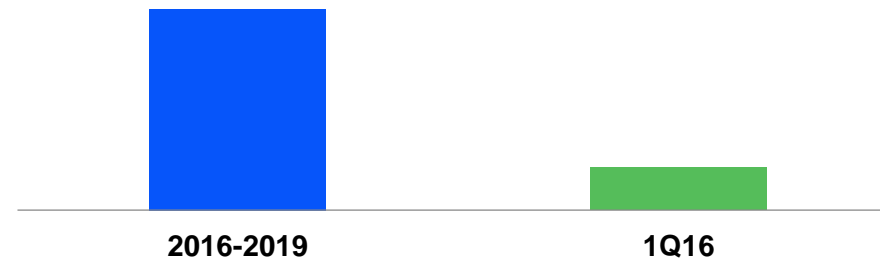
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## 2016-2020 Investment Plan

### Capex Plan v/s Used Capex

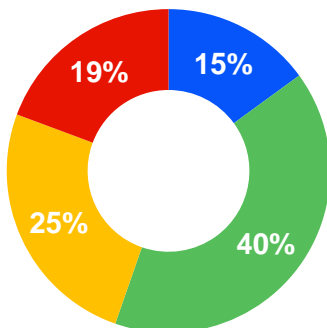
Capex Plan (16-19): US\$5,658



Already deployed Capex 1Q16:  
US\$196

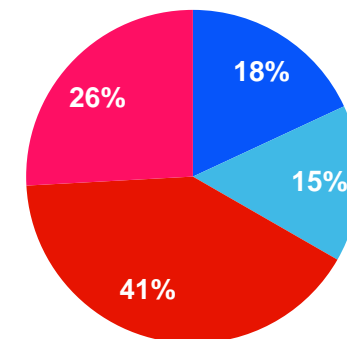
## Total Capex Breakdown

### Dx By Country



- Argentina
- Brazil
- Colombia
- Peru

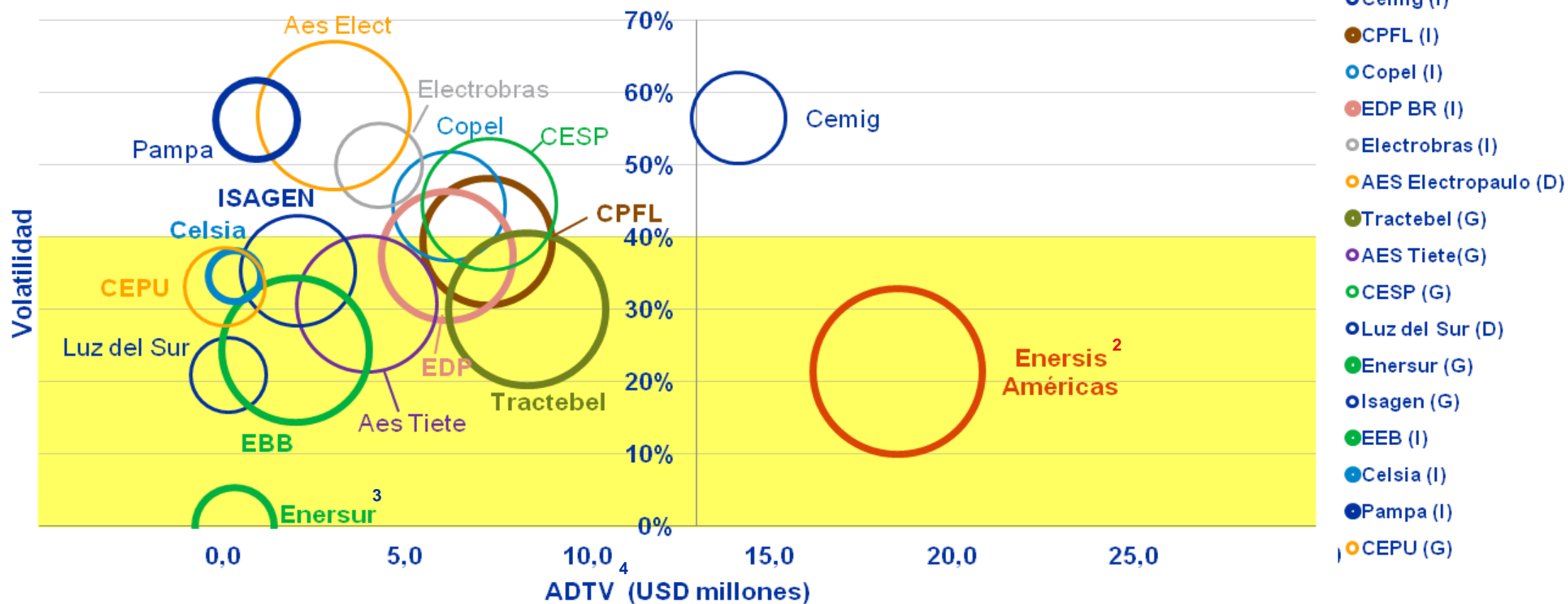
### By Item



- Gx Maintenance
- Gx Growth
- Dx Maintenance
- Dx Growth

# Enerjis Comparación con Competidores

Volatilidad de Enerjis en relación a empresas comparables<sup>1</sup>



- Enerjis (I)
- Cemig (I)
- CPFL (I)
- Copel (I)
- EDP BR (I)
- Electrobras (I)
- AES Electropaulo (D)
- Tractebel (G)
- AES Tiete(G)
- CESP (G)
- Luz del Sur (D)
- Enersur (G)
- Isagen (G)
- EEB (I)
- Celsia (I)
- Pampa (I)
- CEPU (G)

Source: Bloomberg. Average Exchange Rate 2015 USDCLP: 654,66; USDBRL: 3,3357; USDCOP: 2.747,24; USDPEN: 3,1847. I= Integrated; G= Generation; D=Distribution

(1) Circle size represents market cap as of December 31, 2015.

(2) Mkt Cap Enerjis x 0,55

(3) Volatility data not available

(4) Average Daily Trading Volume during 2015

(5)  Represents the range of companies which volatility value is lower than 40% (for a sample of 360 days)

# Disclaimer

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This presentation contains statements that could constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this announcement and include statements regarding the intent, belief or current expectations of Enersis Américas and its management with respect to, among other things: (1) Enersis Américas' business plans; (2) Enersis Américas' cost-reduction plans; (3) trends affecting Enersis Américas' financial condition or results of operations, including market trends in the electricity sector in Chile or elsewhere; (4) supervision and regulation of the electricity sector in Chile or elsewhere; and (5) the future effect of any changes in the laws and regulations applicable to Enersis or its subsidiaries. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of various factors. These factors include a decline in the equity capital markets of the United States or Chile, an increase in the market rates of interest in the United States or elsewhere, adverse decisions by government regulators in Chile or elsewhere and other factors described in Enersis Américas' Annual Report on Form 20-F. Readers are cautioned not to place undue reliance on those forward-looking statements, which state only as of their dates. Enersis Américas undertakes no obligation to release publicly the result of any revisions to these forward-looking statements.