



Enel Américas

Strategic Plan 2018-20

November 30th, 2017



Strategic Plan 2018-20

Agenda



Enel Américas today

Previous Plan Delivery 2017-19

Strategic pillars new plan 2018-20:

- Industrial growth:
 - Organic growth
 - Non organic growth
 - Efficiencies
 - Sustainable long-term value creation
- } Digitalization
- } Customer focus

Financial targets

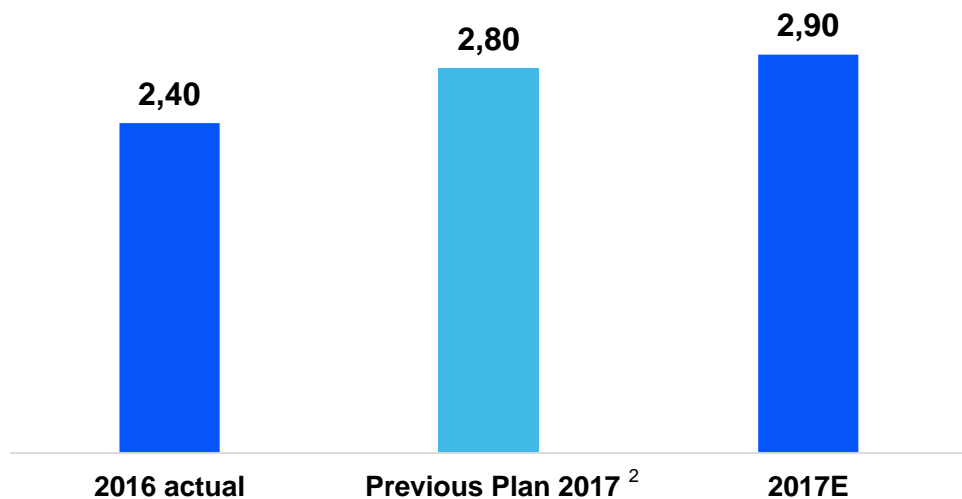
Closing remarks

Delivery on strategic plan

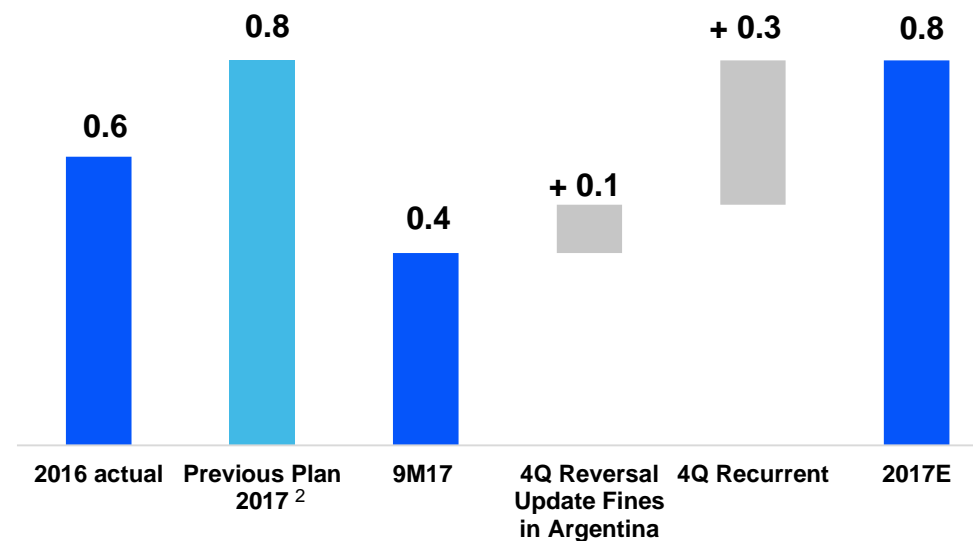
Financial targets 2017 (bnUS\$)



EBITDA



Net Income¹



Targets 2017: EBITDA exceeded and Net Income confirmed

1. Attributable Net Income to the controller shareholders

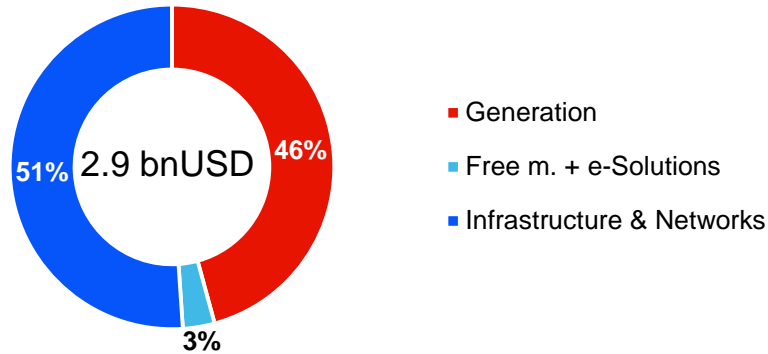
2. Guidance 2017 EBITDA and Net Income Strategic Plan 2017-19

Enel Américas today

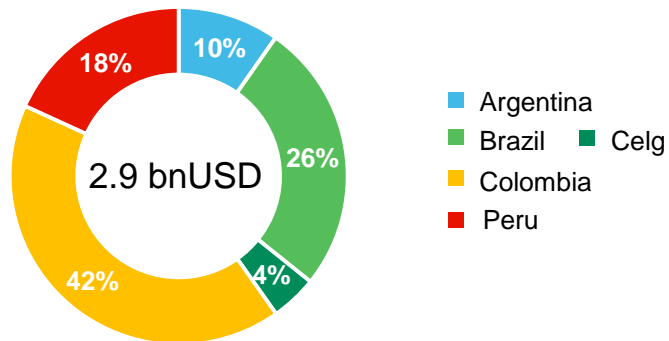
2017¹ KPIs



EBITDA by business



EBITDA by country



Key figures

2017E

Net installed capacity (GW) 10.8

RAB (bnUSD) 9.3

Distributed energy (TWh) 74.6

End users (mn) 17.1

Financials (bnUSD)

2017E

EBITDA 2.9

Opex 1.7

Net Income 0.8

Maintenance Capex 0.7

Growth Capex 1.0

Net Debt 3.7

Market Cap² 11.1

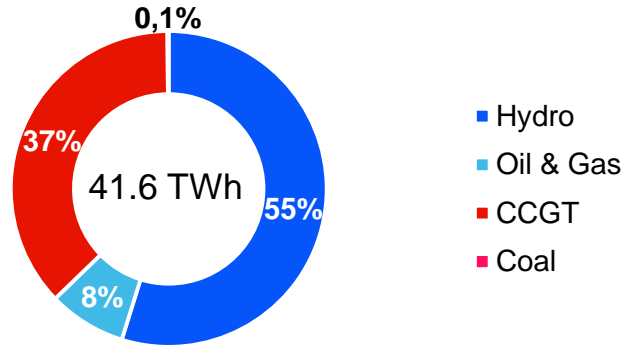
Enel Américas largest private utility company in South America

Enel Américas today

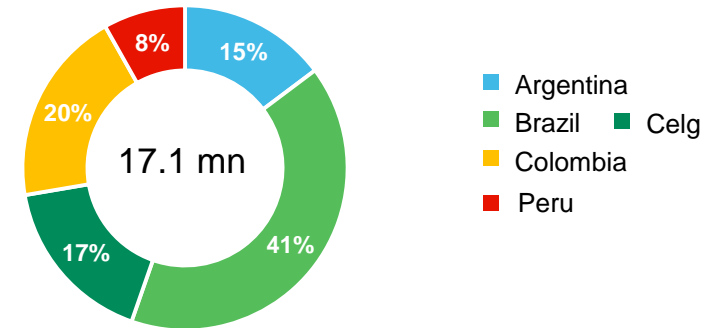
2017¹ Generation and I&N² business



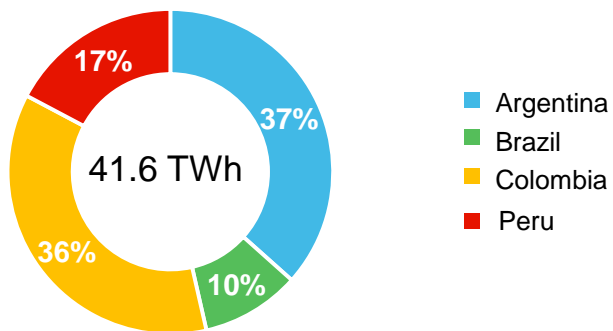
Net production by technology



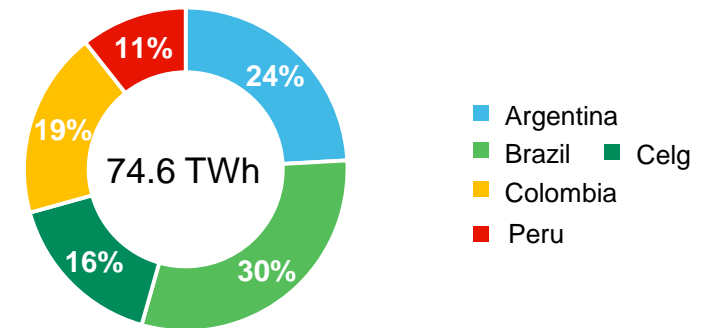
Customers by country



Net production by country



Energy distributed by country



Argentina and Colombia largest in Gx; Brazil largest in I&N

Previous Plan delivery 2017-19

Progress on strategic pillars vs previous guidance

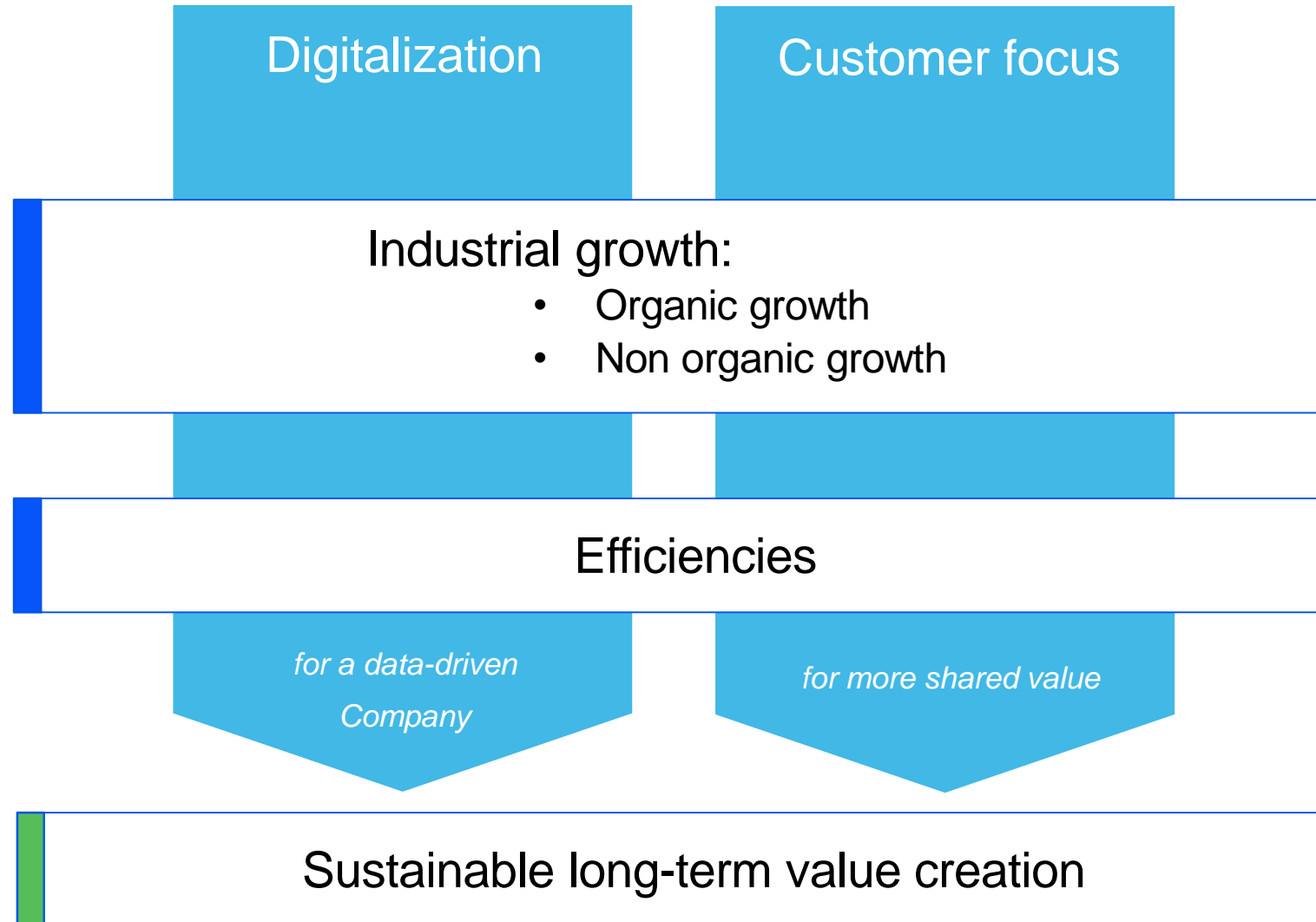


<p>1</p> <p>Industrial growth:</p> <ul style="list-style-type: none">• Organic growth• Non organic growth	<ul style="list-style-type: none">• New regulatory framework in Dx Argentina in place since February 1st, 2017• New concession agreement in Enel Dx Río signed in March, 2017• + 2.3 bnUSD on RAB vs previous year (including Celg) and WACC ~12%• Higher sales volume in Gx business• + 7% on EBITDA from Value Added Services vs previous year
<p>2</p> <p>Efficiencies</p>	<ul style="list-style-type: none">• Purchases of Celg and Volta Grande in Brazil• Purchase of an additional 7.5% stake in Enel Dx Perú from minorities
<p>3</p> <p>Group simplification</p>	<ul style="list-style-type: none">• Accomplished more than 99% of total efficiencies announced in the previous plan, reaching a total amount of 355 mnUSD
<p>4</p> <p>Sustainable long-term value creation</p>	<ul style="list-style-type: none">• Reduction in the number of subsidiaries from 43 to 34• Push down operations in Peru and Brazil already executed <ul style="list-style-type: none">• Our projects have benefited a total of ~ 538 k people in 2017• Enel Américas included for the first time in the Dow Jones Sustainability Index in Chile and in the FTSE4Good Index

Progress on all strategic pillars underpinning results

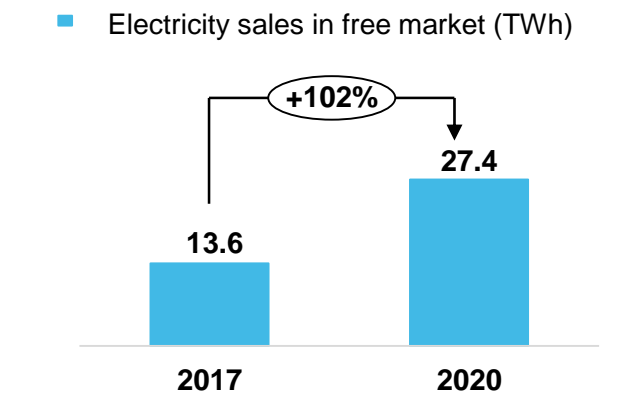
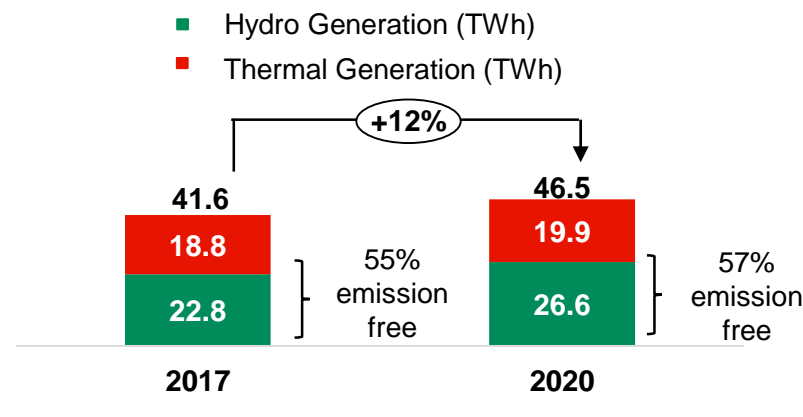
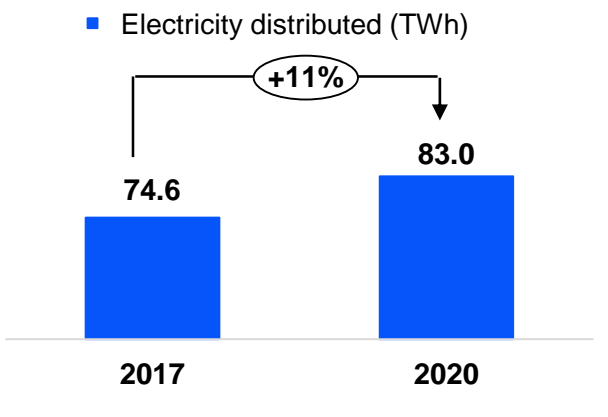
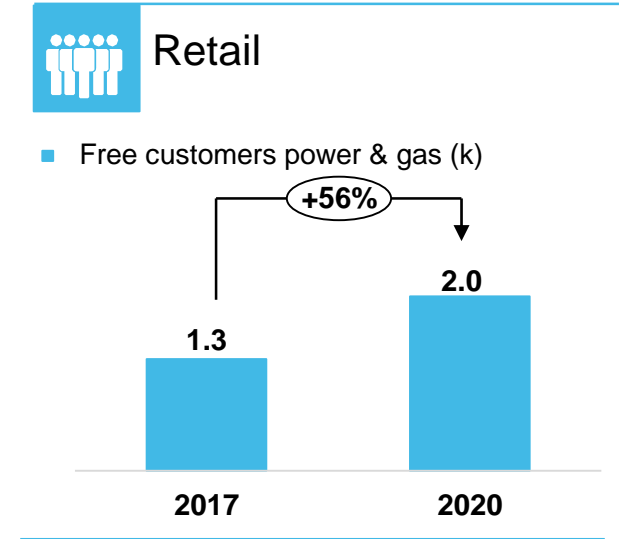
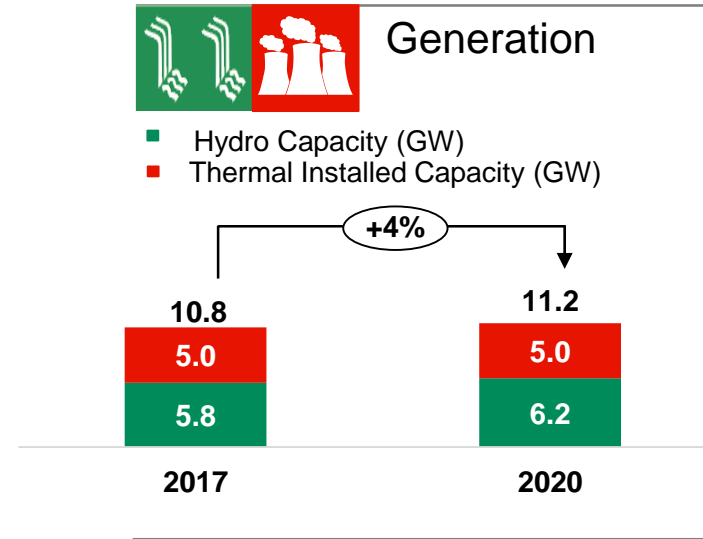
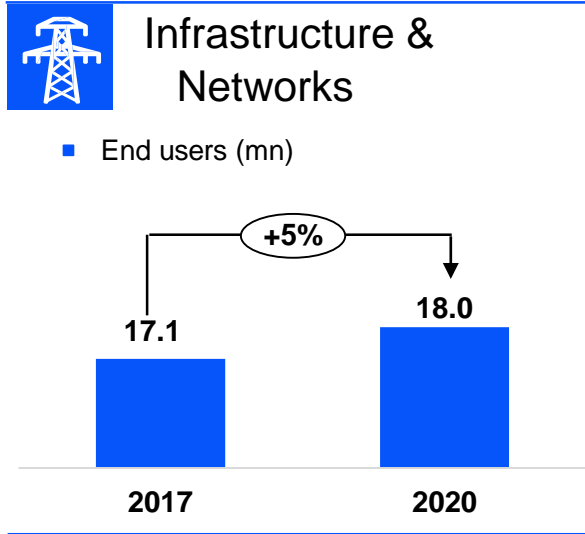
Strategic Pillars

New plan 2018-20



Industrial growth: Organic growth

Operational targets by business



Hydro production increases during the period
 Solid increase in our I&N business and more than double in Free market

Industrial growth: Organic growth

Infrastructure & Networks: Current regulatory scenario



	Argentina	Brazil	Colombia	Peru
2017 WACC real before tax	12.5%	Enel Dx Rio 11.4% Enel Dx Ceará 12.3% Celg 11.4%	13.7% ¹	12.0% ³
Regulatory cycle	5 years	Enel Dx Rio 5 years Enel Dx Ceará 4 years Celg 4 years	5 years	4 years
Next regulatory cycle	2022	Enel Dx Rio 2018 Enel Dx Ceará 2019 Celg 2018	2018	2018
RAB ² 2017E	2.4 bnUSD	Enel Dx Rio 1.6 bnUSD Enel Dx Ceará 1.0 bnUSD Celg 0.9 bnUSD	2.4 bnUSD	1.1 bnUSD
Comparison vs previous plan	+ 0.3 bnUSD RAB + 0.6 bnUSD EBITDA	-	-	-

WACC ~ 12% average over a RAB of more than 9.3 bnUSD

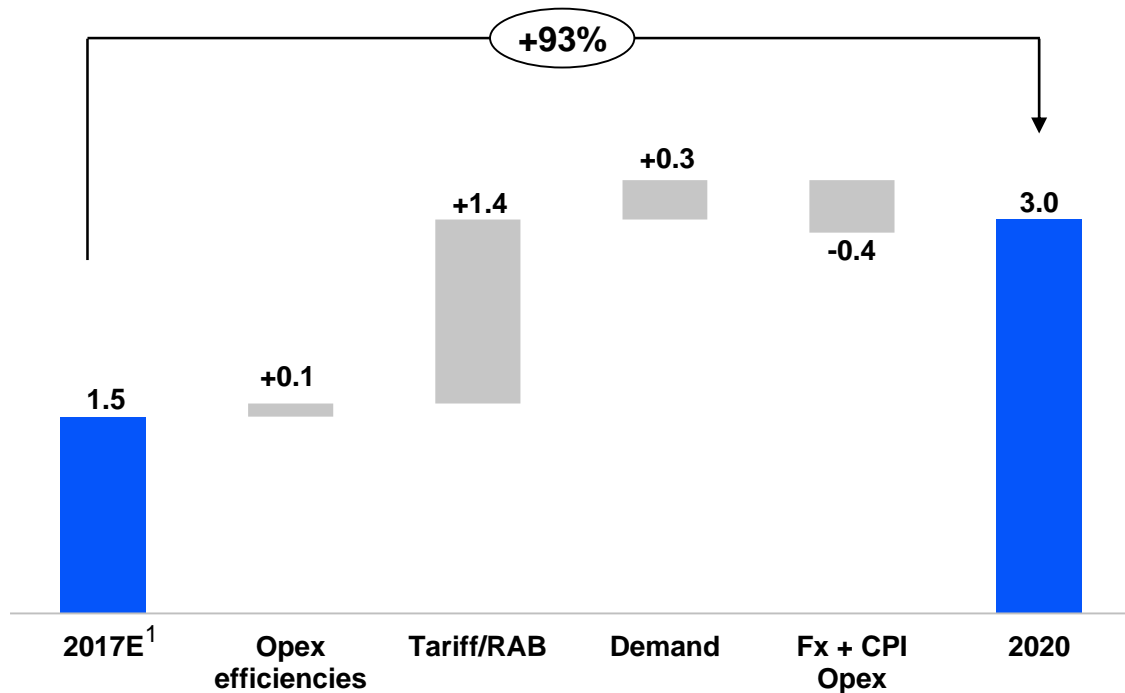
1. Average medium and high voltage.
2. Regulatory Asset Base.
3. ROA (Return On Asset).

Industrial growth: Organic growth

Infrastructure & Networks evolution 



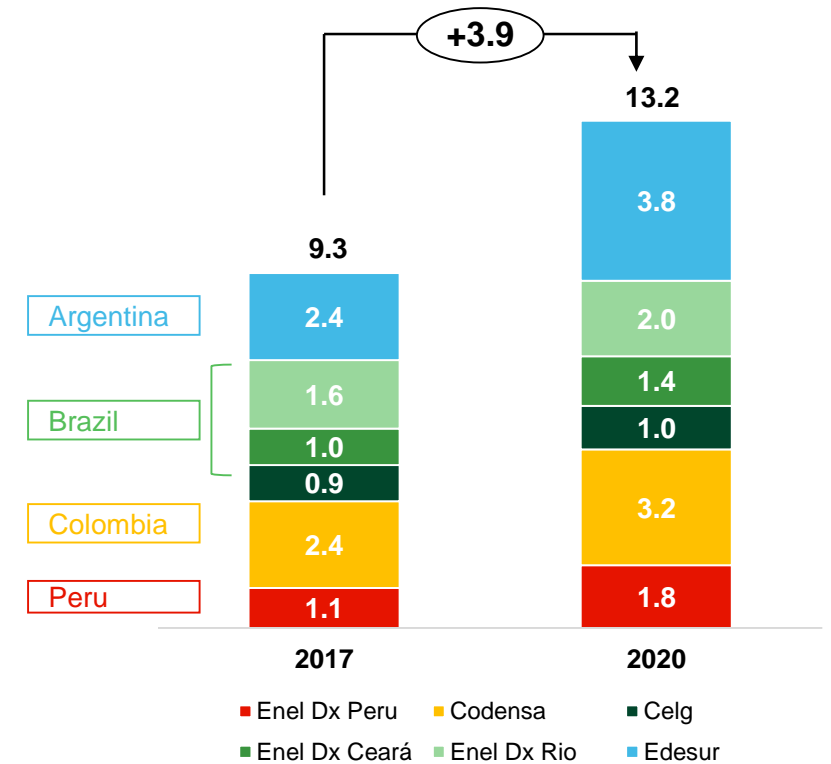
EBITDA (bnUSD)



WACC²

	2017E	2020
Argentina	12.5%	12.5%
Rio	11.4%	12.3%
Ceará	12.3%	12.3%
Celg	11.4%	12.3%
Colombia	13.7%	12.8%
Peru	12.0%	12.0%

RAB (bnUSD)



+93% of EBITDA growth and +42% of potential RAB increase

1. Not including Services & Holding.

2. WACC: real before tax

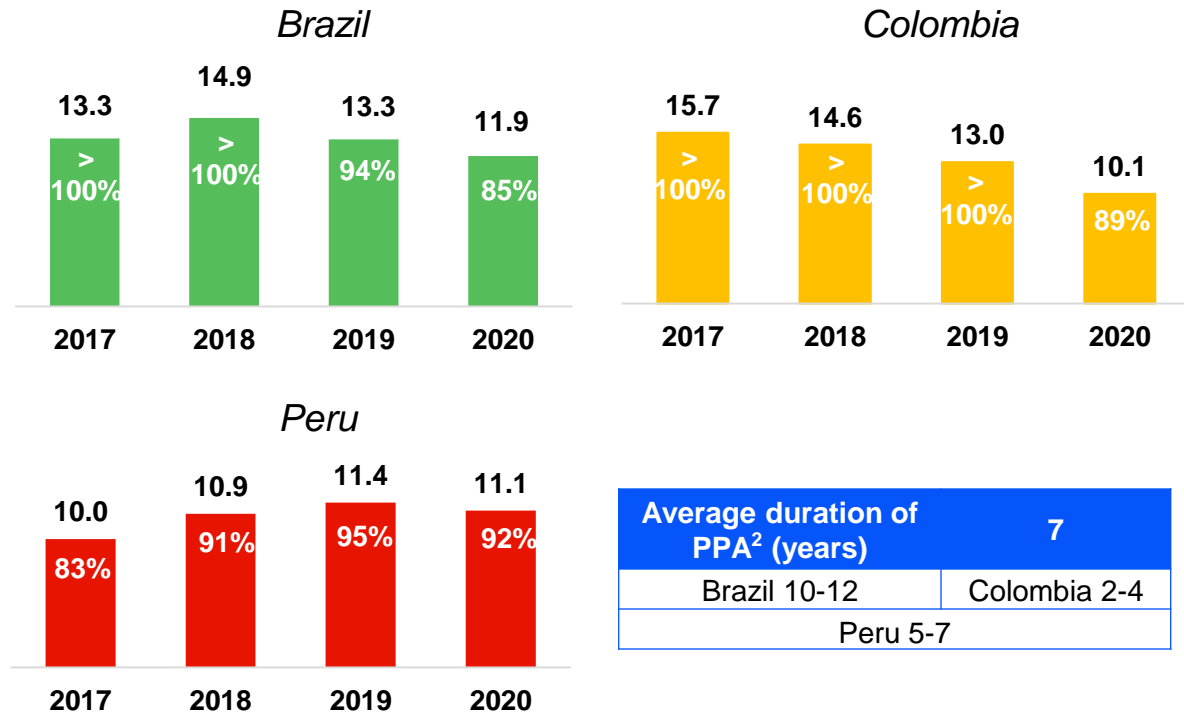
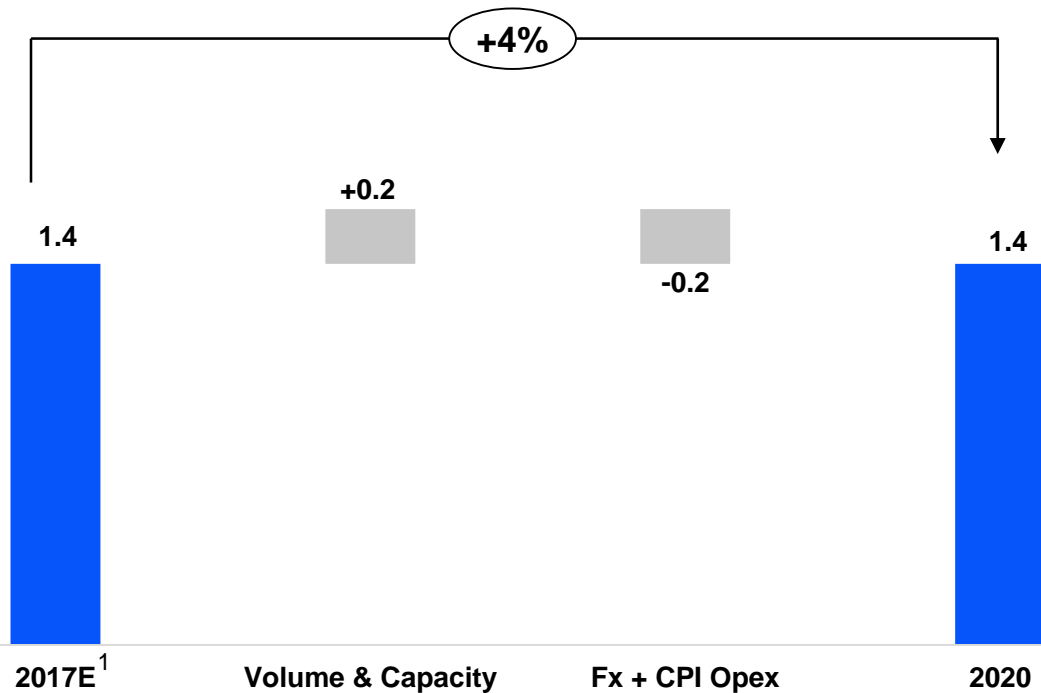
Industrial growth: Organic growth

Generation evolution  



EBITDA (bnUSD)

Contracted Energy (TWh)



Average duration of PPA ² (years)		7
Brazil 10-12	Colombia 2-4	
Peru 5-7		

Securing profitability through long-term PPAs

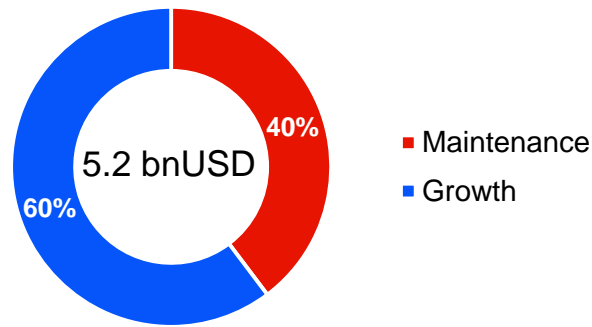
1. Not including Services & Holding
2. Power Purchase Agreement.

Industrial growth: Organic growth

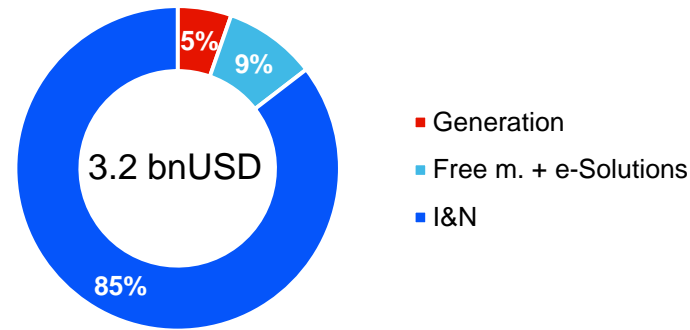
Capex plan 2018- 20



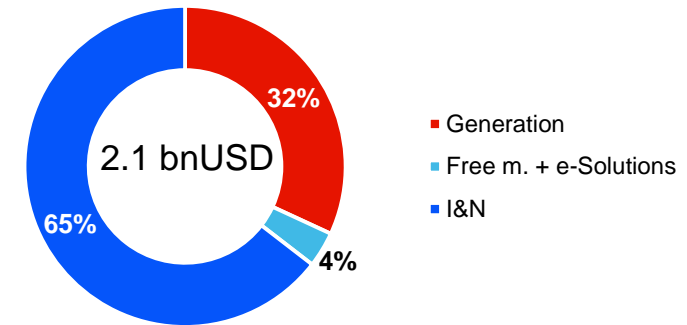
Total capex



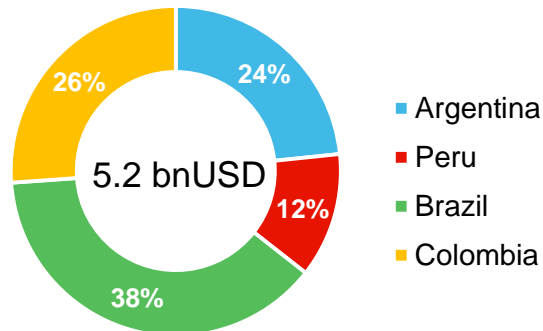
Growth capex by business



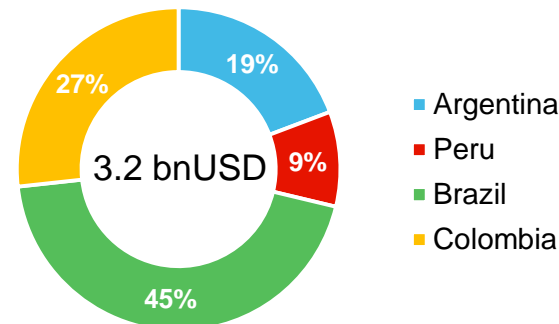
Maintenance capex by business



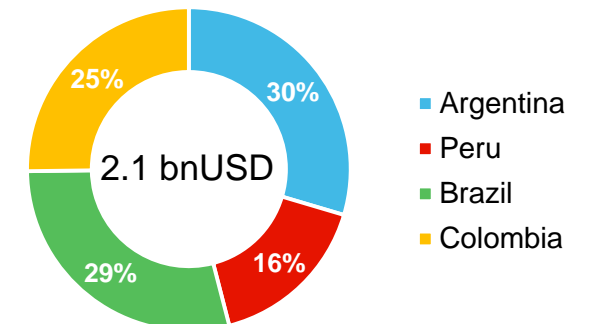
Total capex by country



Growth capex by country



Maintenance capex by country



I&N business captures almost 80% of total capex plan

Industrial growth: Non organic growth

M&A and Minorities buy-out



In the last year, the Company has invested about **1.3 bnUSD** in acquisitions

CELG (Dx)

0.7 bnUSD



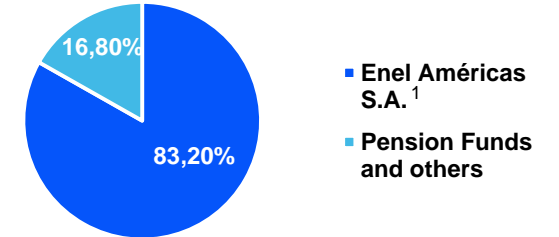
Volta Grande (Gx)

0.5 bnUSD



Minorities Enel Dx Perú (7.5%)

0.1 bnUSD



Key Drivers

Capacity to add value

Stable and attractive Regulation

Profitability

Operational turnaround
Investments
Synergies with other DisCos

High regulation OPEX

EBITDA 2020:
0.4 bnUSD

Synergies with Cachoeira
Dourada

Leverage energy for free
market

Low Capex
Limited premium on price
paid

-

Stable Framework

Market price without
premium

Pursuing value creation in all acquisitions

1. Stake in Enel Dx Peru after the 7.5% acquisition

Industrial growth: Non organic growth

Perimeter: Celg



Key Drivers

EBITDA
Investments
RAB
Customers growth
Regulatory review
Efficiencies
Energy losses
Quality

Target 2019 @ Bid

New Plan 2019

New Plan 2020

~ 250 mnUSD	315 mnUSD	371 mnUSD
0.8 bn USD ('17-19)	-	0.7 bnUSD ('18-20)
0.8 bnUSD	1.0 bnUSD	1.0 bnUSD
+ 275K (+3% yearly)	+265 (+4.58%)	+368 (+6.31%)
2018	2018	2018
Opex improvement	-	~ 100 mnUSD
12.91%	11.54%	11.45%
SAIDI ¹ : 36.24 / SAIFI ² : 22.24	SAIDI: 21.25 / SAIFI: 14.61	SAIDI: 17.38 / SAIFI: 12.33

Successful turnaround case

1. System Average Interruption Duration Index (Hours of interruption per year/client).
 2. System Average Interruption Frequency Index (Times per year/client).

Efficiencies

Further efficiencies 2018-20



mnUSD net of inflation and Fx changes	Previous Plan 2019 ¹	Accomplished 2017 ¹	% Accomplished 2017 ¹	New Plan 2020 ²
OPEX	234	236	101%	90
Staff & Services	59	54	92%	12
New perimeter	-	-	-	97³
Total operational efficiencies	293	290	99%	199
Tax and others	65	65	100%	-
Total	358	355	99%	199

Efficiencies plan announced last year substantially completed.
New Strategic Plan envisages additional efficiencies for ~ 200 mnUSD

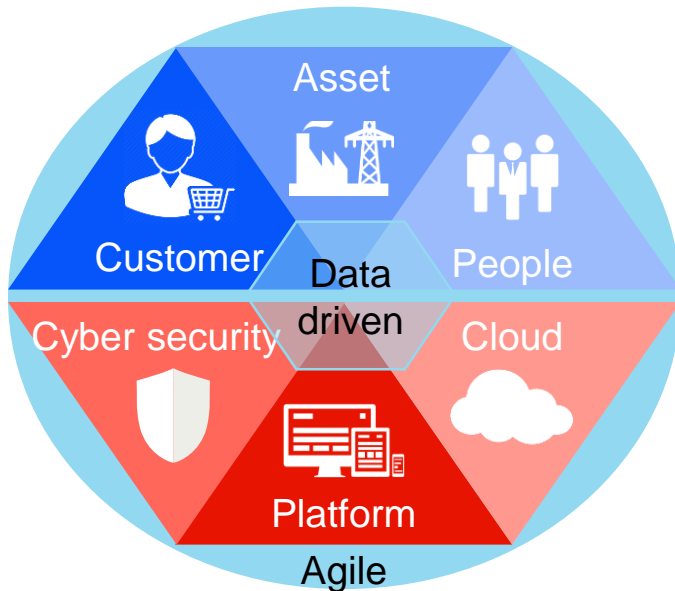
1. Base year 2015
2. Base year 2017
3. Celg efficiencies: 50 mnUSD accomplished as of 2017E.

Digitalization

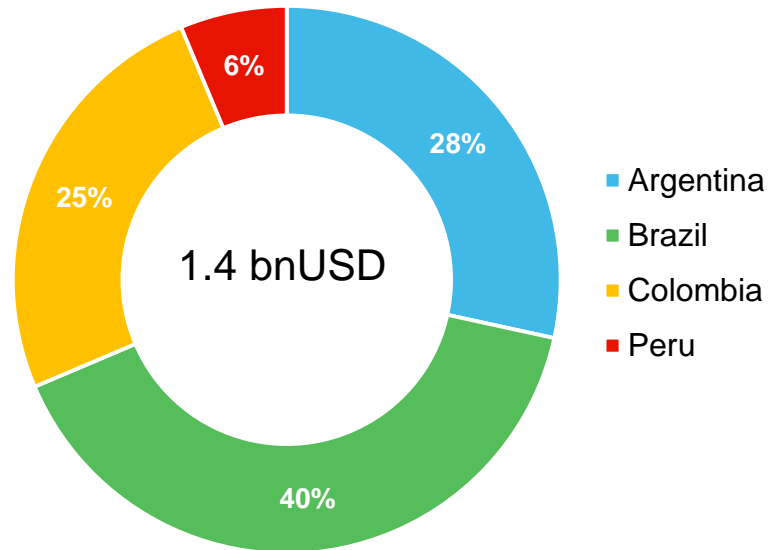
Key levers, capex and main initiatives



Key levers for digitalization



2018-20 digitalization capex



Main initiatives

-  Smart Meters
Global Billing System
Network Automation and Remote Control
E4E, Data Mining, Workforce Management
-  Global Plant Operation System
IoT for Industrial Services
Analytics Services /Big Data
-  Data Analytics
Customer care and Collections through Digital Channels
-  New solutions and services offer

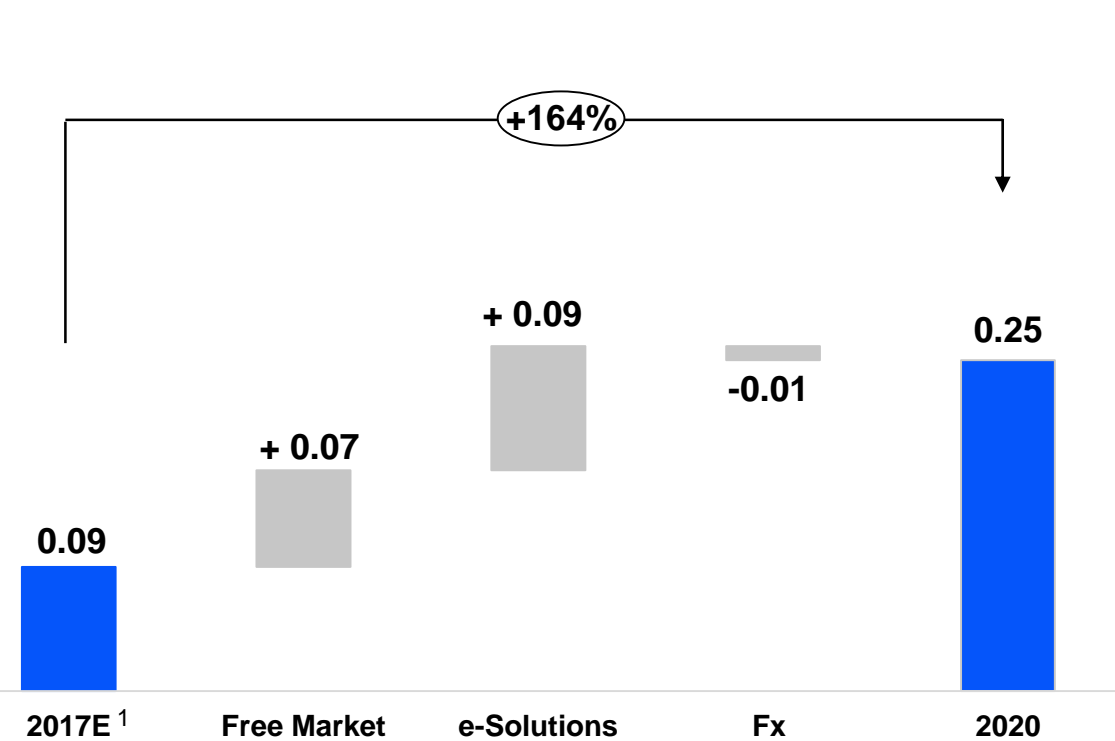
Investments in Digitalization represent more than 40% of Enel Américas' total growth capex

Customer focus

Free market + e-Solutions evolution



EBITDA (bnUSD)



Enel Américas Free energy sold (TWh)

	From 2017E	Market share	To 2020E	Market share
Argentina	0.2	5%	5.0	15%
Brazil	3.2	3%	9.7	7%
Colombia	4.3	20%	5.2	23%
Peru	5.9	24%	7.5	25%
	13.6		27.4	
Customers (k)	1.2		1.9	

Key figures 2020

~1.9 k power customers
~ 0.1 gas customers

EBITDA reaching 250 mnUSD by 2020 due to the new Global Business Line contribution

1. Not including Services & Holding.

Sustainable long-term value creation

A sustainable strategy



Enel Américas

Delivery¹ 2017E (k) 2015-17E (k)

Main projects in SDGs² framework



92

191

Pachacutec Electrotechnical Institute

Access to education for **low-income students** training in the industrial electrotechnical career. The project is implemented in the Pachacutec Institute in Ventanilla, Lima, and results in more than **90% of students inclusion in the labor market** on a total of 200 students involved.



384

1,499

Ecoenel

Access to energy for **low-income clients** that may pay the bill by **selling recycling wastes**. Results 2017: 13,437 tons CO2 avoided, 72,724 clients involved, 5k tons wastes recycled, 300,000 USD total value for clients and consequently for the Company (avoided debt).



Second opportunity

Recycling of industrial wastes like pallets, cable reels, rafts are recycled for different furnitures fabrication like schools desks, resulting in a **benefit for 1,400 people**.



62

207

Innovative rural economic development in El Quimbo

Foster local economic development in the communities by **training entrepreneurs** on fund raising, marketing, management and administration. Project already count about **150 people** setting up their business of 16 already running.



Aprox. 538 k total people benefited in 2017
SDG initiatives execution in all the countries of presence

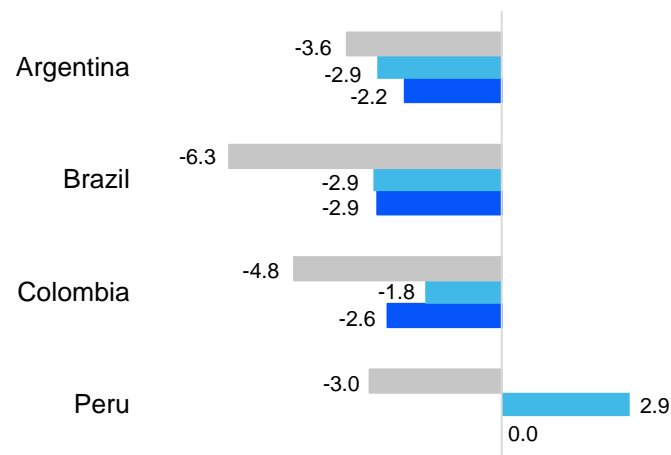
1. Number of people benefited. 2. Sustainable Development Goals.

Macro and energy scenario

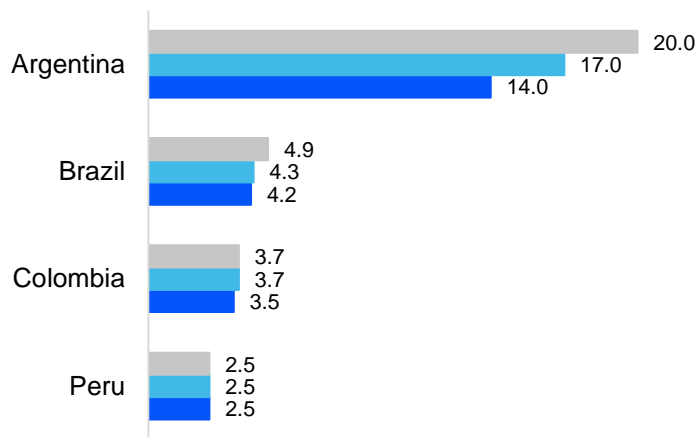
South America Region (%)¹



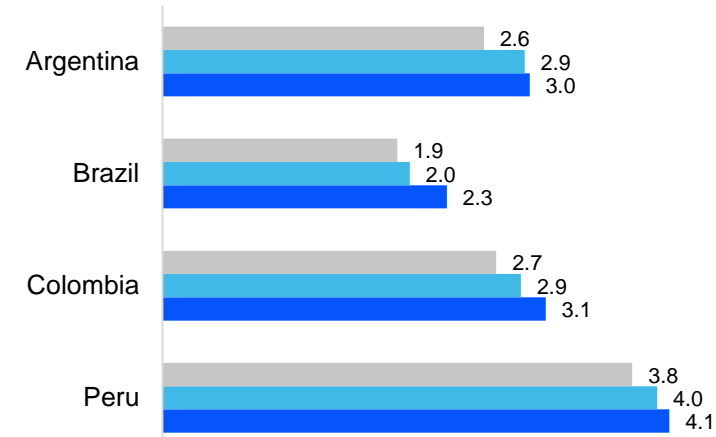
Local currencies vs USD



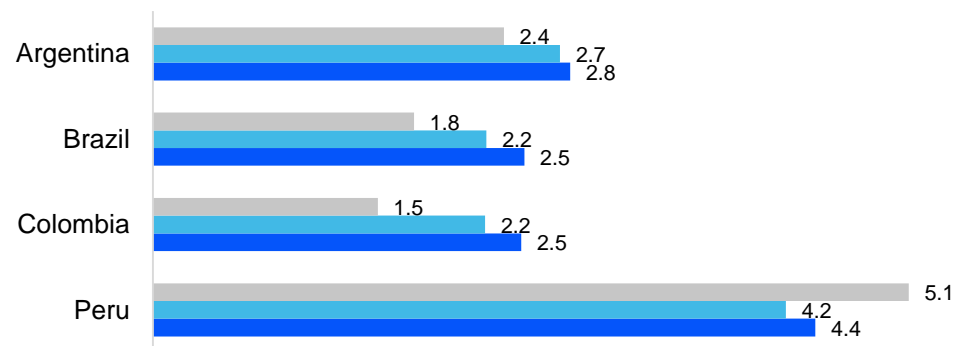
CPI²



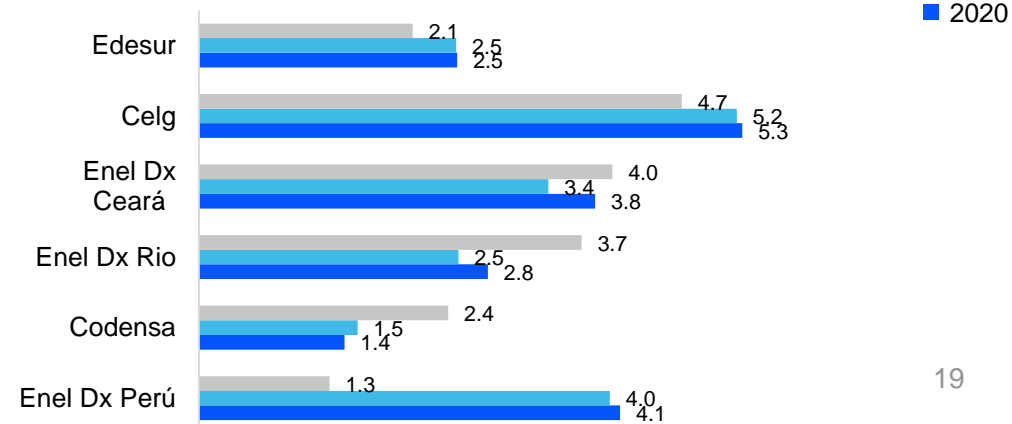
GDP



Energy demand



Enel Américas distributed energy

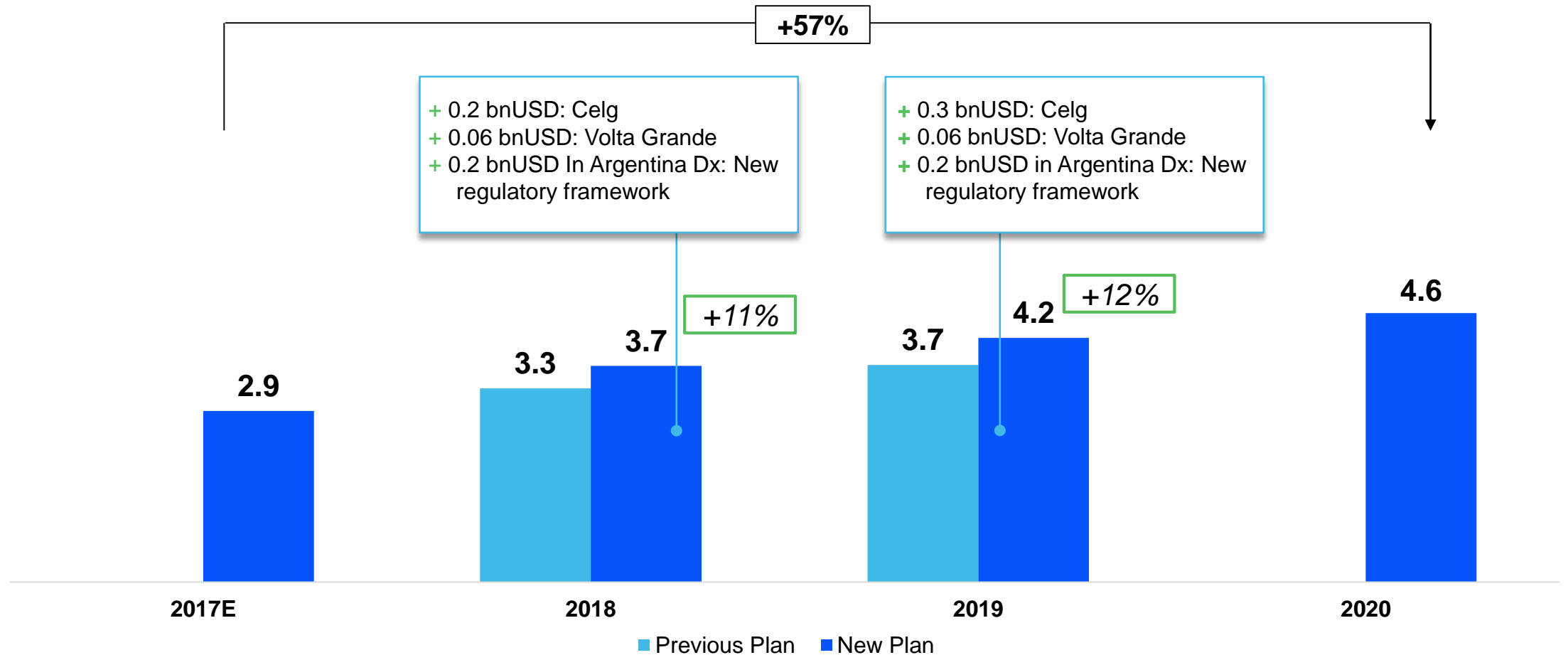


■ 2018
■ 2019
■ 2020

1. Versus previous year.
2. Consumer Prices Index.

Financial targets

EBITDA (bnUSD): Guidance vs previous Strategic Plan



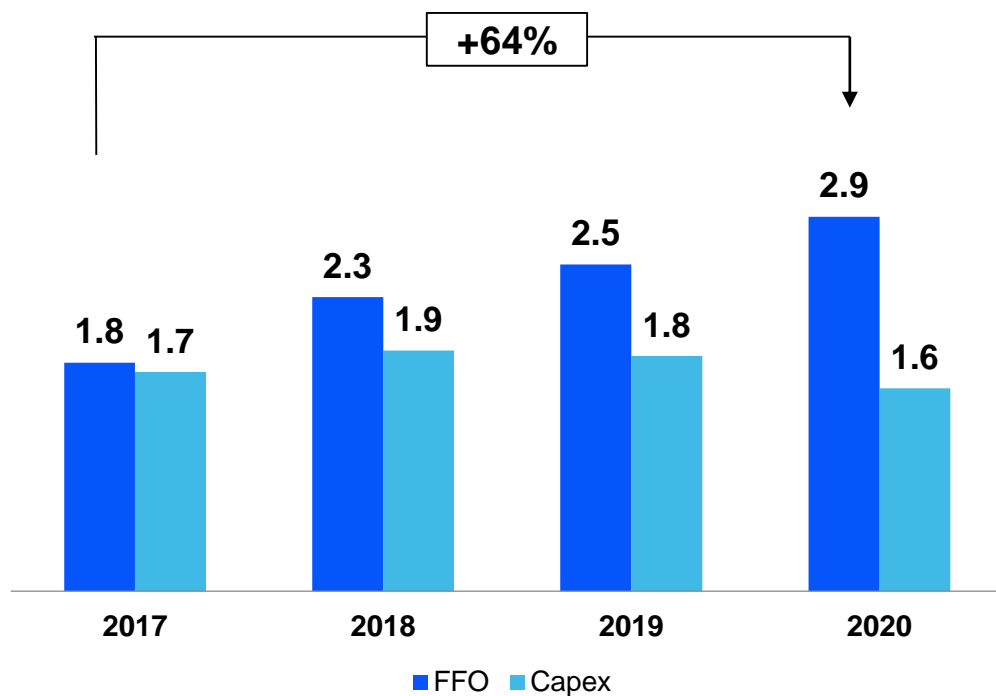
Recent acquisitions in Brazil and new framework in Dx Argentina allow to improve our previous estimations

Financial targets

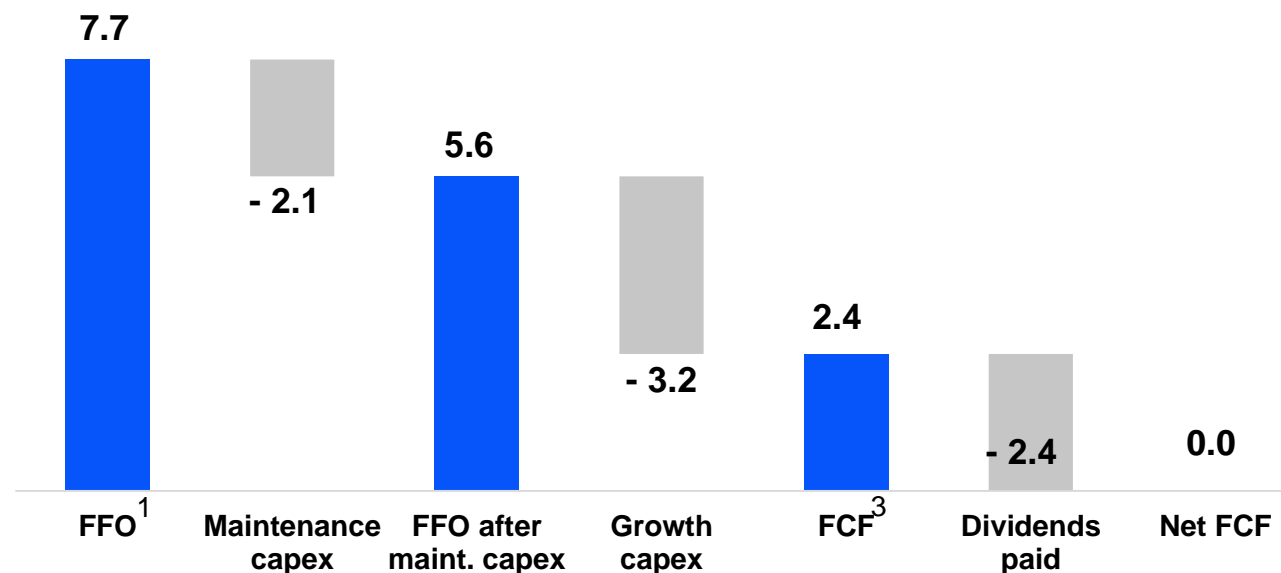
FFO¹, Capex and Cash flow 2018-20



FFO and Capex (bnUSD)



2018-20 Cash flow generation (bnUSD)²

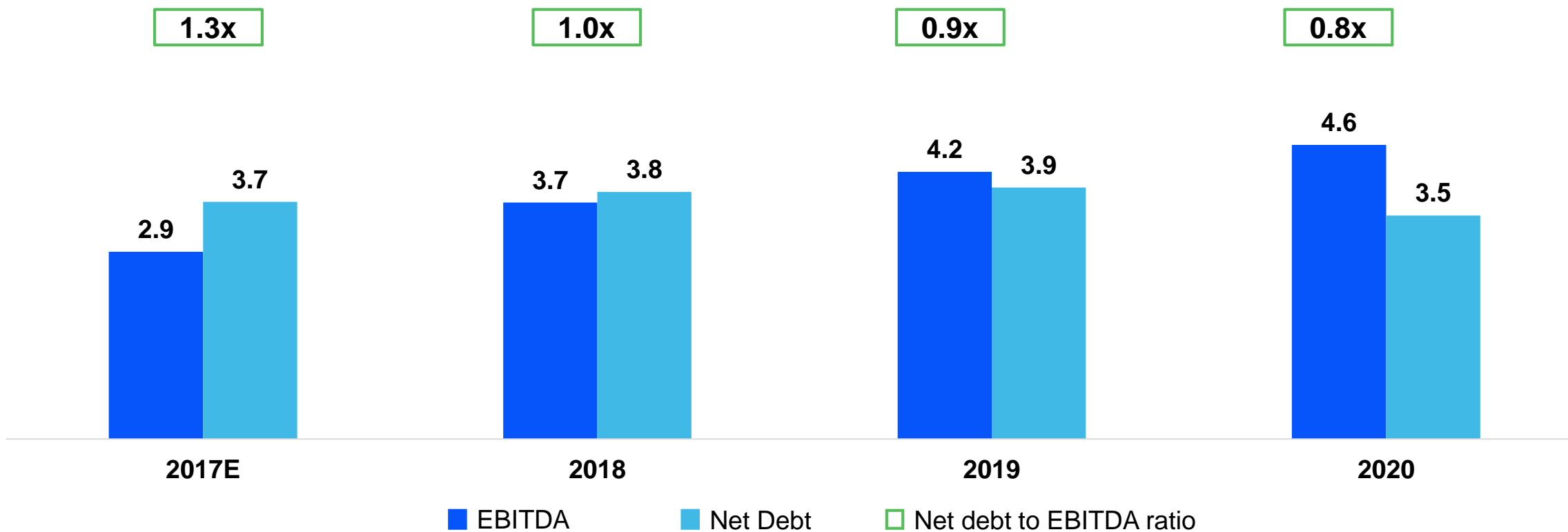


Solid cash flow generation

1. Funds From Operations. 2. Opportunities in M&A and minorities buy-out not included. 3. Free Cash Flow.

Financial targets

Net debt evolution (bnUSD)



Low ratio net debt to EBITDA leaves room to additional growth

Financial targets

Guidance 2018-20 (bnUSD)



	Previous Plan		New Plan			New Plan vs Previous Plan
	2018	2019	2018	2019	2020	
EBITDA	3.3	3.7	3.7	4.2	4.6	+12.9%
Capex	1.5	1.4	1.9	1.8	1.6	+27.6%
Net Income¹	1.1	1.3	1.4	1.4	1.6	+16.7%
Dividend Policy	50%		50%			

Substantial Net Income growth ensures remuneration to our shareholders

1. Attributable Net Income to the controller shareholders.

Closing remarks



1

Execution on all strategic pillars allows us to raise targets

2

Consolidation of regulatory scenarios will ensure accelerated growth

3

Digitalization and customer focus enablers of our strategy

4

Upgrade of financial targets

5

Capital structure leaves room to continue growing through M&A and Minorities buy-out

6

Sustainable long-term business model to deliver shared value to our stakeholders

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This presentation contains certain “forward-looking statements” regarding anticipated financial and operating results and statistics and other future events relating to Enel Américas S.A. These statements are not guarantees of future performance and are subject to material risks, uncertainties, changes and other factors which may be beyond Enel Américas’ control or may be difficult to predict. These statements may constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. The inclusion of these forward-looking statements should not be regarded as an indication that Enel Américas or any other person considers such projections to be material or to be a reliable prediction of actual future results. These forward-looking statements are subjective in many respects and there can be no assurance that they will be realized or that actual results will not be significantly higher or lower than described. As a result, the inclusion of any forward-looking statements in this presentation should not be relied on as necessarily predictive of actual future events. The projections and other forward-looking statements were based on numerous variables and assumptions that are inherently uncertain. Actual results may differ materially from those projected as a result of such risks and uncertainties. In addition, the financial projections do not necessarily reflect revised prospects, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur and that was not anticipated at the time the projections were prepared.

Forward looking statements include, but are not limited to, information regarding: Enel Américas' business plans, Enel Américas' cost reduction plans, trends affecting Enel Américas' financial condition or results of operations including market trends in the electricity sector in Chile or elsewhere, supervision and regulation of the electricity sector in Chile or elsewhere, and the future effect of any changes in the laws and regulations applicable to Enel Américas' or its affiliates. The principal assumptions underlying these forecasts and targets relate to: Economic and Industry Conditions, Commercial Factors, Political/Governmental Factors, Operating Factors, and Competitive Factors.

The following important factors, in addition to those discussed elsewhere in this presentation, could cause actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements, including but not limited to: changes or developments regarding the applicable regulations (which may affect the investment plan of Enel Américas regarding the regulated activities), legal restrictions applicable to the implementation of the dividends policy, environmental regulations and other legal issues; price of electricity; price and supply of raw materials; interest rates or exchange rates; availability of fuel; ability to maintain relationship with suppliers, customers and consumer and user protection groups; changes in climate conditions; widespread adoption energy efficiency measures; inherent risks in the construction of new power generation and distribution facilities; changes in general economic, political, administrative and business conditions; operating hazards and risks; tax risks; loss of senior management and key personnel; insufficiency of insurance coverage or increase of insurance costs; failure of systems and information technology and processing; inability to access the capital markets to refinance its debt and finance its capital expenditures; and other factors that could adversely affect the business and financial results of the Company.

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Strategic Plan 2018-20

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