



# Enel Américas Capital Increase

February 27<sup>th</sup>, 2019



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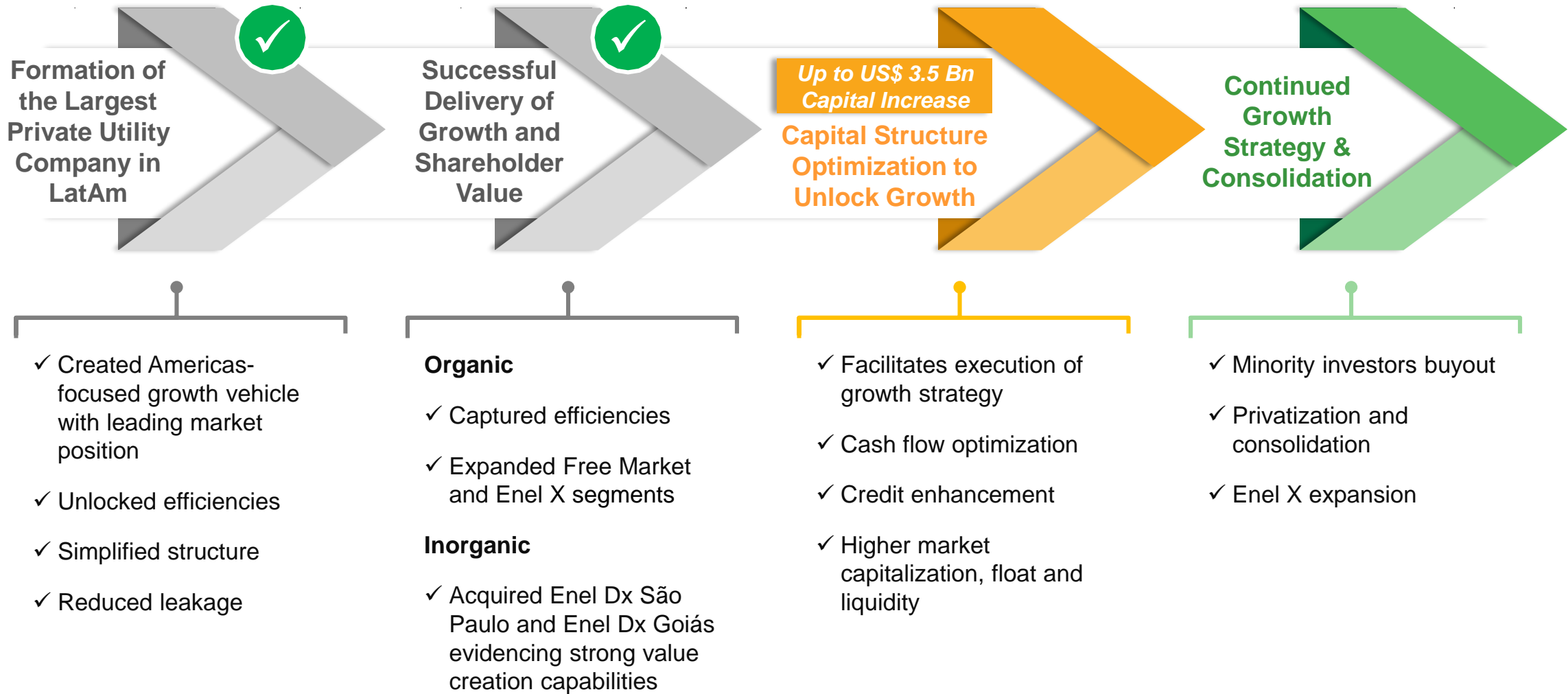
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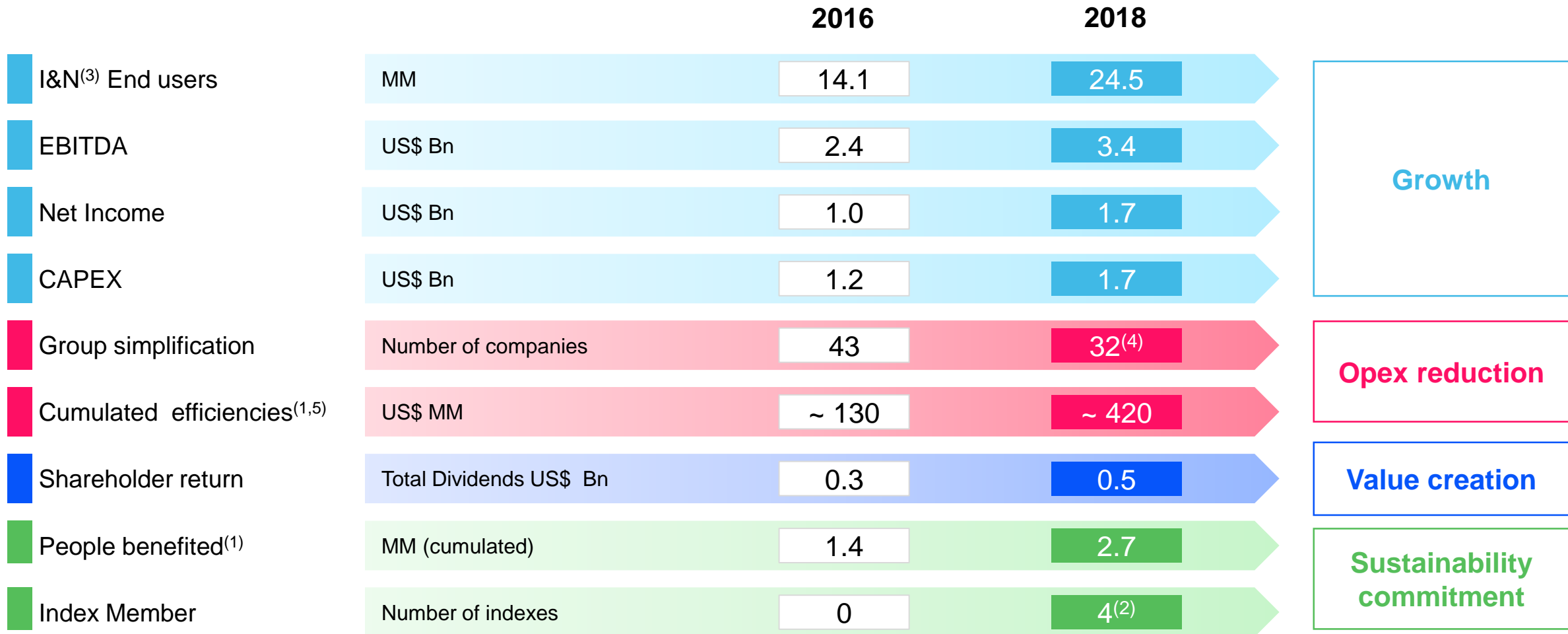
# Our Track Record

# Proposed Equity Capital Increase Facilitates Pursuit of Proven Growth Strategy



# Our Track Record

Sustainability, Growth, Efficiencies and Value Creation



**Notes:**

1. Base year 2015
2. Enel Américas is member of 4: DJSI (Chile, EM and MILA) and FTSE4Good

3. Infrastructure & Networks
4. Not including acquired companies
5. 2016 refers only to 2016 while 2018 refers to cumulative efficiencies captured from 2016 to 2018

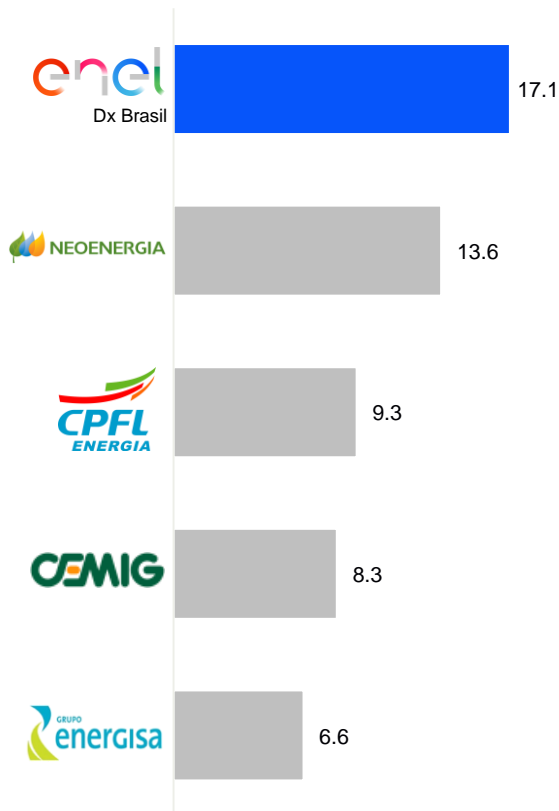
# Enel Américas Today

## LatAm Distribution Sector Landscape<sup>(1)</sup>



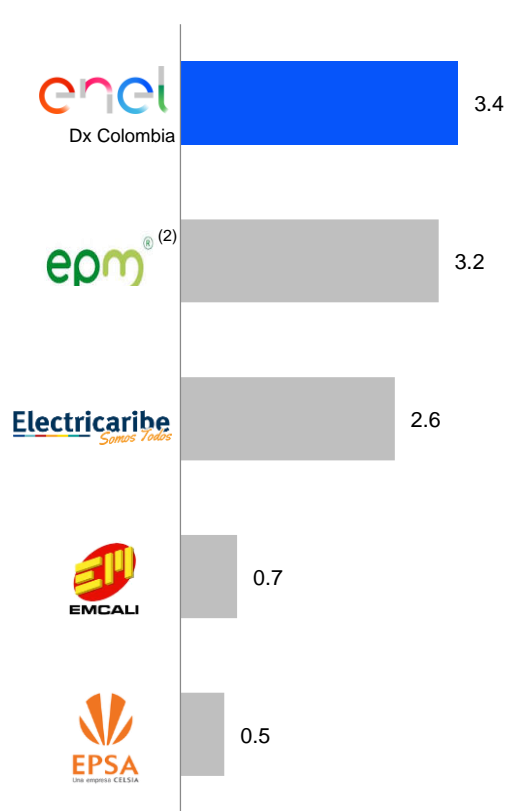
### Brazil

MM Clients in 2017



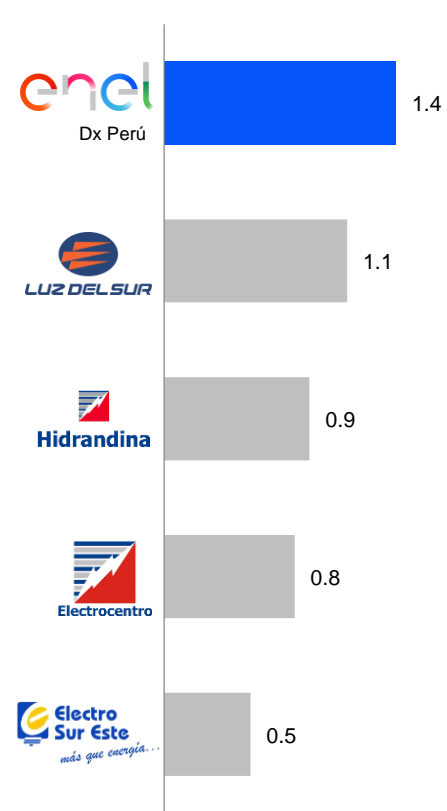
### Colombia

MM Clients in 2018



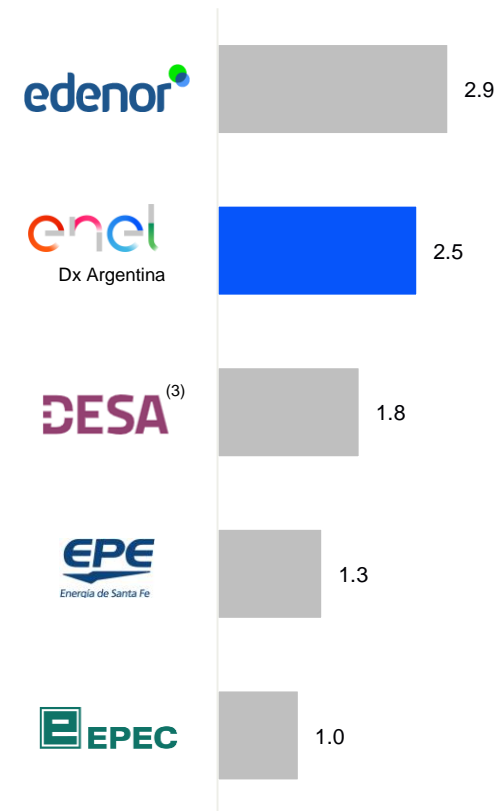
### Peru

MM Clients in 9M18



### Argentina

MM Clients in 2017



Leading share in premium markets positions Company to capture upcoming opportunities

Sources: Companies Filings, Osinergmin and SUI (Sistema Único de Información de Servicios Públicos)

- Notes:
1. Top 5 players by country
  2. Considers figures from EMPRESAS PÚBLICAS DE MEDELLIN E.S.P. and ELECTRICADORA DE SANTANDER S.A. E.S.P.
  3. Includes EDEA, EDELAP, EDEN, EDES and EDESA

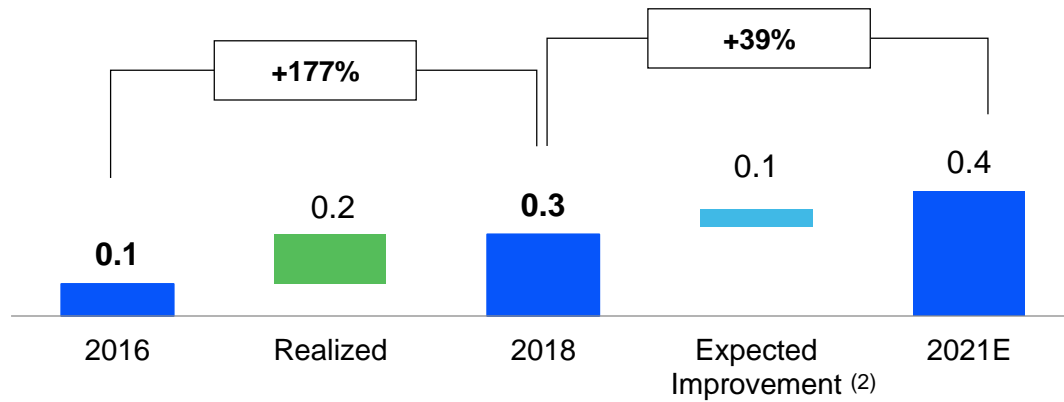
# Proven Track Record Executing Value-Unlocking Investments



Focus on Enel Dx Goiás and Enel Dx São Paulo

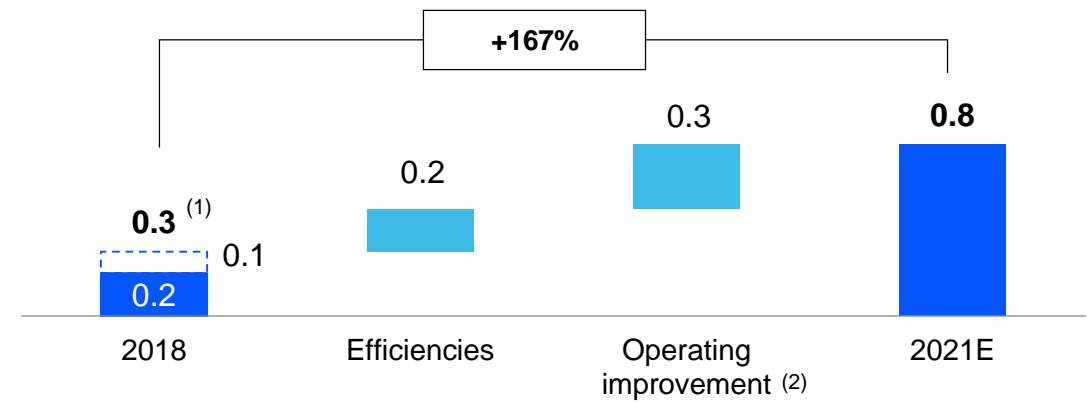
Enel Dx Goiás EBITDA

US\$ Bn



Enel Dx São Paulo EBITDA

US\$ Bn



## Value Drivers



Leverage Enel competences for OPEX reduction and distribution grid digitalization



Growth in Free Market sales and Enel X services for customers

**Notes:**

1. US\$ 0.3 Bn includes annualized pro-forma EBITDA of Enel Dx São Paulo

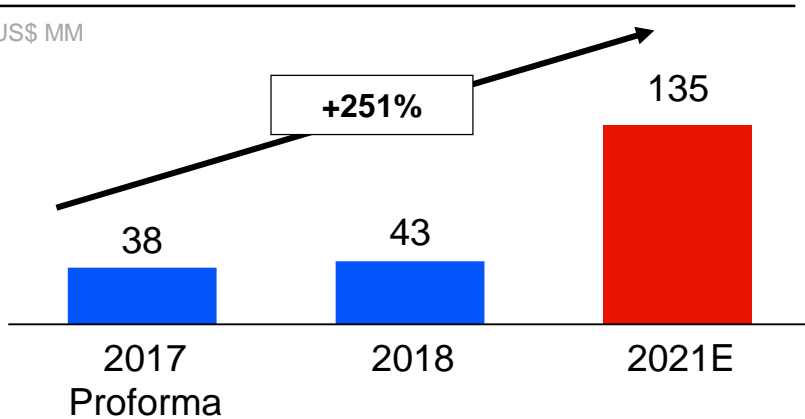
2. Net of Fx & Opex CPI

# Enel X Segment Can Boost Benefits of Consolidation



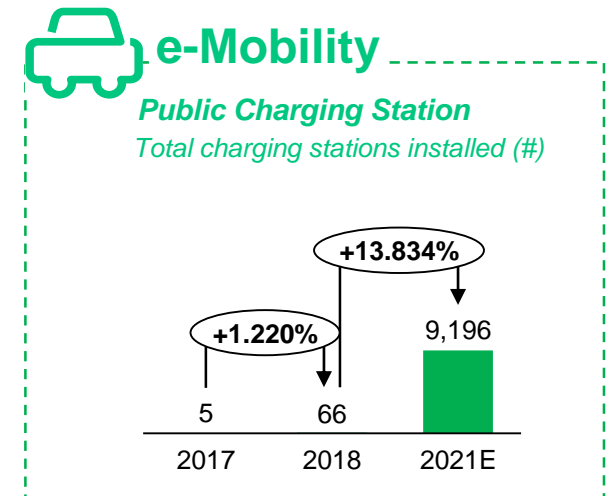
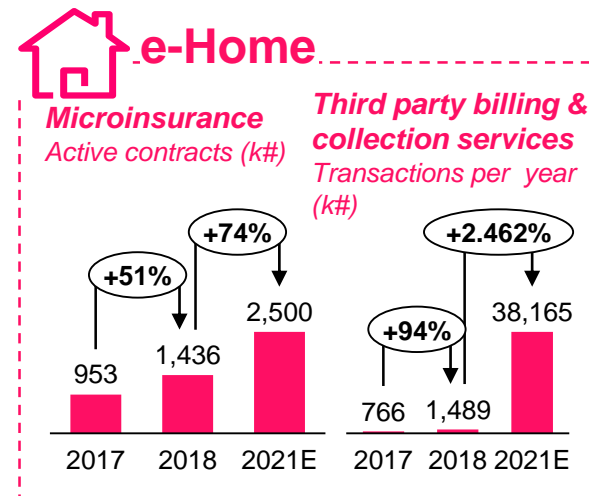
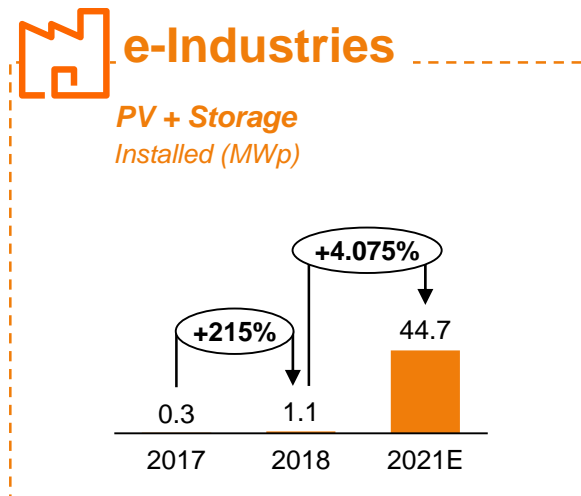
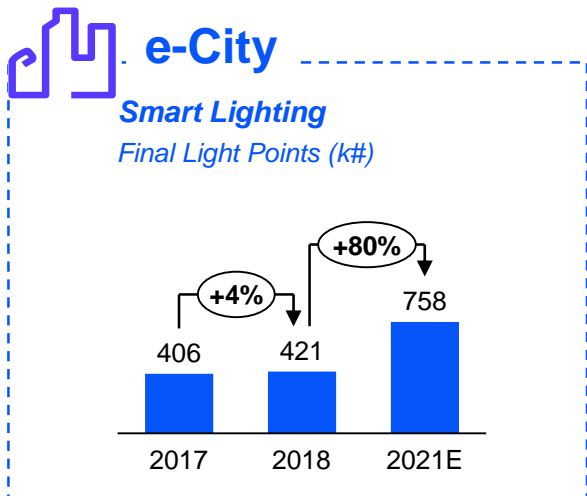
## EBITDA

US\$ MM



Growth based on business in Brazil and Colombia, leveraged on:

- Market opportunities and the experience of Enel Group in public lighting concessions (**Smart Lighting**)
- Commercial position and Dx customer base with financial services connected to electricity bill (**Microinsurance and Third Party Billing and Collection Services**)
- Strategic focus in e-Mobility plan (**Charging Stations**)







# Transaction Rationale

enel

# Transaction Rationale

## Strategic Benefits of the Proposed Transaction



<b>Facilitate Growth Strategy Execution</b>	<ul style="list-style-type: none"><li>• Increased balance sheet capacity to fund strategic investment opportunities<ul style="list-style-type: none"><li>– Minority investors buyouts</li><li>– Privatization and consolidation</li></ul></li></ul>
<b>Cash Flow Optimization</b>	<ul style="list-style-type: none"><li>• Overall net income increase given the reduction of financial expenses and tax optimization</li><li>• Potential increase of dividend payout levels at Enel Brasil from the current 25%, supporting Enel Américas cash flow</li></ul>
<b>Credit Enhancement</b>	<ul style="list-style-type: none"><li>• Capital increase proceeds used to reduce indebtedness of Enel Brasil (from 3.0x to 1.3x)<sup>(1,2)</sup> resulting in a reduction at Enel Américas (from 1.7x to 1.0x)<sup>(1,2)</sup> on a consolidated basis<ul style="list-style-type: none"><li>– Balance sheet to be strongly positioned to capitalize on upcoming opportunities in the sector</li></ul></li></ul>
<b>Higher Market Capitalization, Float &amp; Liquidity</b>	<ul style="list-style-type: none"><li>• Equity offering expected to increase Enel Américas' free float<sup>(2,3)</sup> by up to US\$ 1.7 Bn and market cap<sup>(2,3)</sup> by up to ~30%<ul style="list-style-type: none"><li>– Higher float correlated with increased stock liquidity</li></ul></li></ul>

### Notes:

1. Net Debt / EBITDA as of 2019E,
2. Assuming a US\$ 3.5 Bn capital increase
3. As of Feb 6<sup>th</sup>, 2019

# Facilitate Growth Strategy Execution

Upcoming Growth Opportunities From Minority Investors Buyout, And...



Potential Minority Investors Buyout Investment Opportunity (Equity in US\$ Bn)<sup>(1)</sup>

Colombia	
Distribution	0.5
Generation & Transmission	0.7
<b>Total</b>	<b>1.2</b>

Brazil	
Distribution	0.2

Peru	
Distribution	0.1
Generation & Transmission	0.2
<b>Total</b>	<b>0.3</b>

Argentina	
Distribution	0.1
Generation & Transmission	0.2
<b>Total</b>	<b>0.3</b>



~US\$ 2.0 Bn potential investments in minority investors buyout opportunities

Notes:




1. As of 3Q18

● Generation ● Distribution

# Facilitate Growth Strategy Execution (Cont'd)



... Privatization and Consolidation Transactions in our Chosen Distribution Markets

	Enel Position	Key Market Opportunities
 <b>Brazil</b>	<ul style="list-style-type: none"> <li>✓ #1 market position by number of customers</li> <li>✓ High exposure to urban environments in the largest metropolitan areas in Latin America</li> </ul>	<ul style="list-style-type: none"> <li>▪ Highly fragmented sector with ongoing consolidation</li> <li>▪ Several distribution companies requiring operational and financial restructuring trading attractively</li> <li>▪ Expected new regulatory framework to favor economies of scale</li> </ul>
 <b>Colombia</b>	<ul style="list-style-type: none"> <li>– São Paulo, Rio de Janeiro, Lima and Bogota</li> <li>✓ High density grids supportive of digitalization rollout</li> <li>✓ Enel X deployment catering to premium clients with high relative purchasing power</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government announced intention to privatize selected regional distribution companies</li> <li>▪ Financial sponsor-held assets could eventually trade</li> </ul>
 <b>Peru</b>	<ul style="list-style-type: none"> <li>✓ Proven operational turnaround track-record</li> <li>✓ Ability to replicate Enel Dx Goiás and Enel Dx São Paulo playbook</li> </ul>	<ul style="list-style-type: none"> <li>▪ Substantial footprint of state-owned distribution companies                             <ul style="list-style-type: none"> <li>– Government has previously shown a potential interest in launching a privatization process</li> </ul> </li> <li>▪ Potential strategic exiting the market</li> </ul>

# Cash Flow Optimization

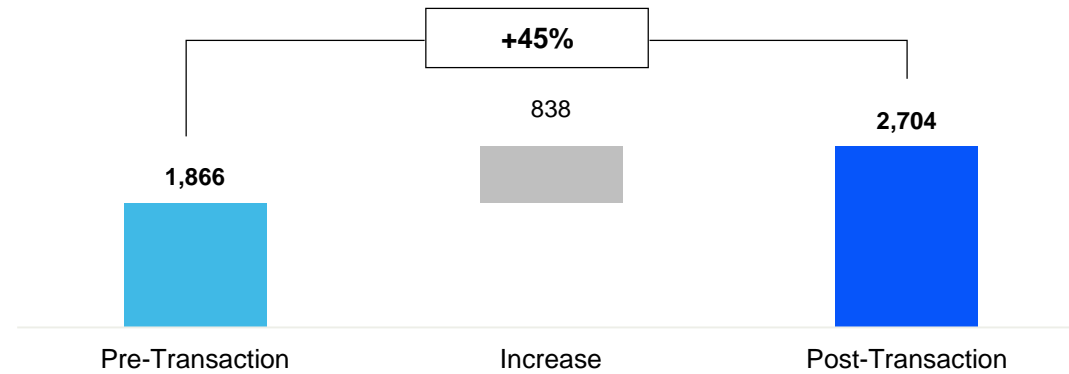


## Net Income and Dividends Paid Pre and Post-Transaction<sup>(1)</sup>

### Total Net Income

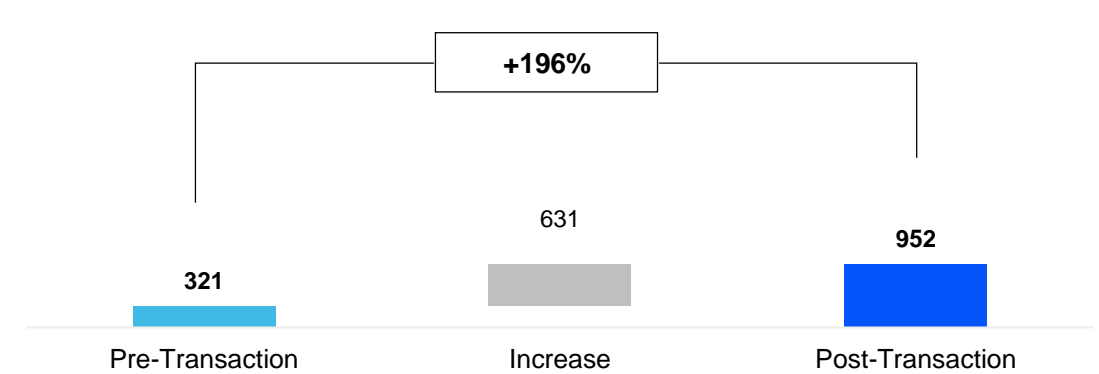
2019E-2021E Cumulative - US\$ MM

Enel Brasil Consolidated

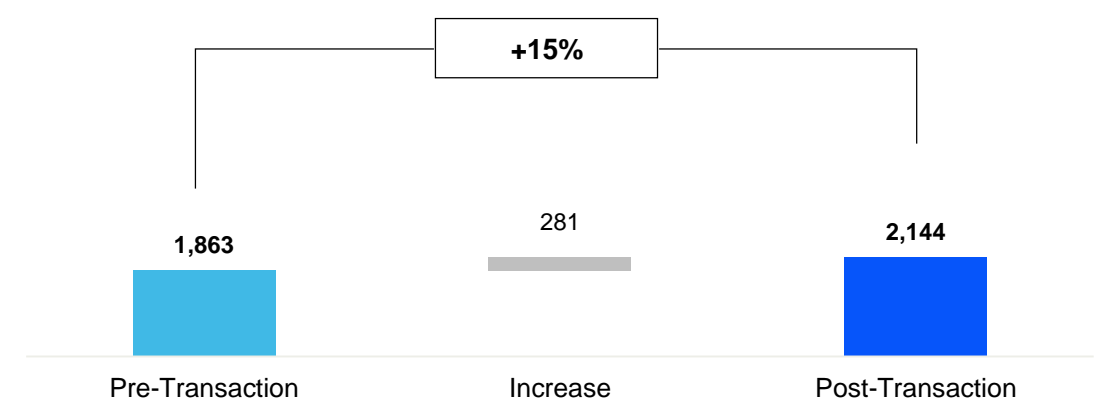
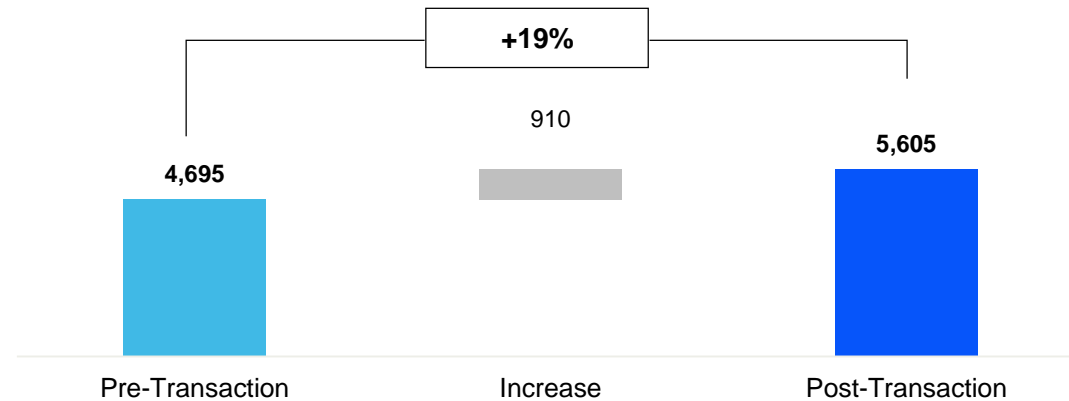


### Total Dividends Paid

2019E-2021E Cumulative - US\$ MM



Enel Américas



**Note:**

1. Assuming a US\$ 3.5 Bn capital increase and Enel Brasil's dividend payout increasing from 25% in the pre-transaction scenario up to 50% in the post-transaction scenario.

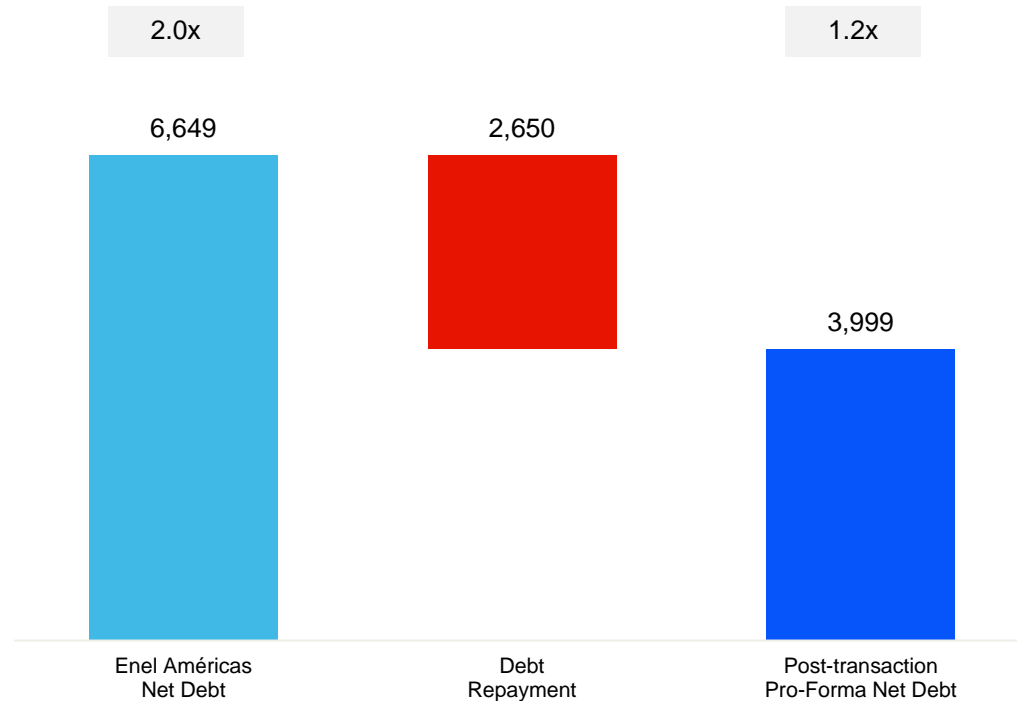
# Credit Enhancement

The Transaction Could Strengthen Enel Américas' Credit Profile, Balance Sheet and Capital Structure<sup>(1)</sup>



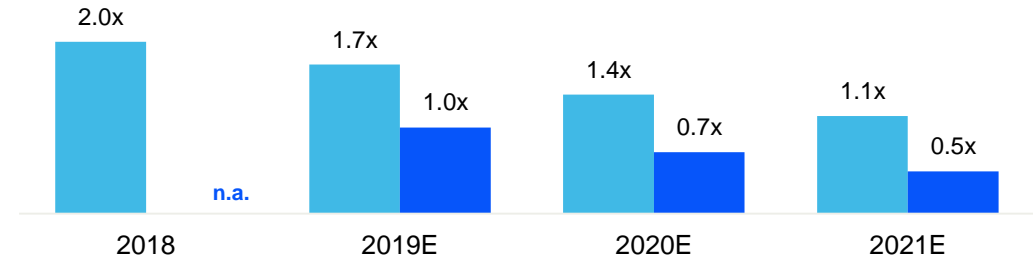
## 2018 Net Debt

US\$ MM



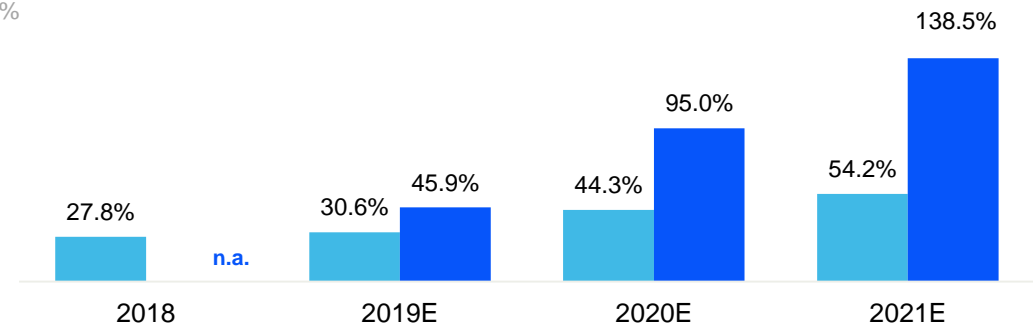
## Net Debt / EBITDA

x



## FFO<sup>(2)</sup> / Net Debt

%



Balance sheet to be strongly positioned to capitalize on upcoming opportunities in the sector

Pre-Transaction

Post-Transaction

Net Debt / EBITDA

**Note:**

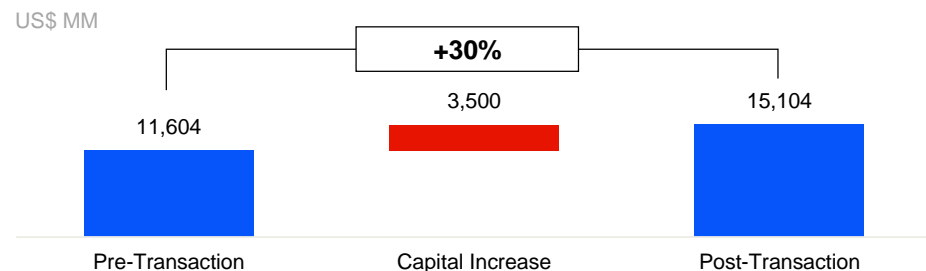
1. Post-transaction figures assumes a US\$ 3.5 Bn capital increase
2. Funds from Operations

# Higher Market Capitalization, Float and Liquidity

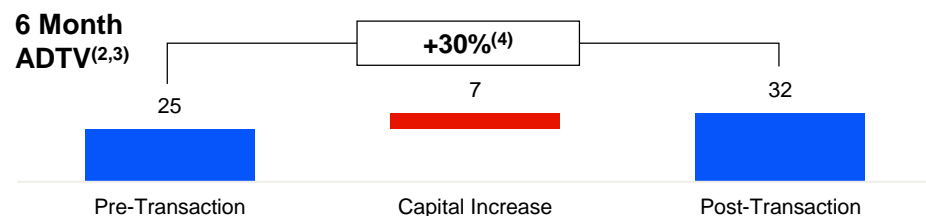
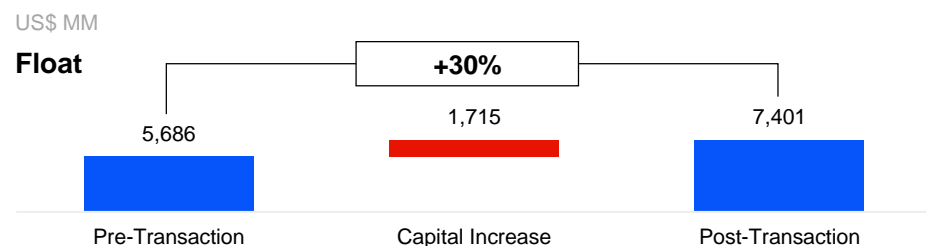
Reinforcing Enel Américas as a Preeminent Investment Vehicle



## Higher Market Capitalization<sup>(1,3)</sup>



## Larger Free Float<sup>(1,3)</sup> and Liquidity<sup>(1,3)</sup>



## Top 10 Largest Chilean Companies by Market Capitalization

Pre-Transaction			Post-Transaction <sup>(1)</sup>		
#	Company	Market Cap <sup>(3)</sup> (US\$ MM)	#	Company	Market Cap <sup>(3)</sup> (US\$ MM)
1	SACI Falabella	19,336	1	SACI Falabella	19,336
2	Empresas COPEC	17,690	2	Empresas COPEC	17,690
3	Banco de Chile	15,957	3	Banco de Chile	15,957
4	Banco Santander-Chile	14,895	4	<b>Enel Américas</b>	<b>15,104</b>
5	<b>Enel Américas</b>	<b>11,604</b>	5	Banco Santander-Chile	14,895
6	SQ y Minera de Chile	10,895	6	SQ y Minera de Chile	10,895
7	Empresas CMPC	8,864	7	Empresas CMPC	8,864
8	Banco de Crédito e Inversiones	8,648	8	Banco de Crédito e Inversiones	8,648
9	Enel Chile	7,390	9	Enel Chile	7,390
10	LATAM Airlines Group	7,001	10	LATAM Airlines Group	7,001

Source: Bloomberg, Enel Américas's Filings

Notes:

1. Assumes a US\$ 3.5 Bn capital increase and that all shareholders subscribe in the proportion of their current stakes
2. Average daily traded volume
3. As of Feb 6<sup>th</sup>, 2019
4. Assumes that, post-transaction, ADTV will represent same percentage of float as pre-transaction



# Transaction Structure



# Enel Américas Proposed Capital Increase

## Transaction Terms and Conditions



### Offering Structure

- Registration of common shares in the Santiago Stock Exchange, Electronic Stock Exchange and CMF<sup>(1)</sup>
- Concurrent SEC<sup>(2)</sup> registration of ADSs for trading in NYSE

### Pricing Mechanism

- Price setting mechanism: Rights Offer Price = 5 Day VWAP<sup>(3)</sup> of Common Shares minus 5% discount

### Capital Increase Size

- Up to US\$ 3,500 MM

### Use of Proceeds

- Up to US\$ 2,650 MM<sup>(4)</sup> for providing its subsidiary Enel Brasil S.A. with funds which will be transferred through a capital increase in Enel Brasil S.A. and/or a loan granted to the latter in order to permit Enel Brasil S.A. the payment of its own debts with Enel Finance International, which replaced the original debts of Enel Brasil S.A. with banks issued in the context of Enel Dx São Paulo acquisition
- Up to US\$ 850 MM<sup>(4)</sup> for restructuring of pension funds and reduction of other contingencies in Brazil

### Preemptive Rights Period (PRP)

- Mandatory 30-day PRP in Chile
- Remaining unsubscribed shares: additional voluntary PRP, followed by market offering (in case of remaining shares after the voluntary PRP)

### Timing

- ESM on April 30<sup>th</sup>, 2019
- Launch of 1<sup>st</sup> PRP: Expected at the end of June 2019

#### Notes:

1. Comisión para el Mercado Financiero
2. Securities and Exchange Commission
3. Volume weighted average price
4. Debt with Enel Finance totals BRL 9,400 MM. Use of proceeds are BRL-denominated and the US\$ 2,650 MM assumes BRL/USD exchange rate of 3.71 (as of February 12<sup>th</sup>, 2019) and that repayment takes place after finishing the first round of preemptive rights, amount may increase if debt repayment occurs later

# Transaction Structure

## Preemptive Right Periods (PRP) in both Chile and the United States



1

### Mandatory PRP

- Mandatory Preemptive Rights Period (PRP) to be held for **30 days** in Chile
  - Enel Américas extends the PRP to ADR holders as well
- All existing shareholders will have the preemptive right to subscribe a number of shares proportional to their ownership **5 business days prior to the launch of the PRP** (“Chile Record Date”)
  - In the case of ADR holders, the record date is the business day prior to the launch of the PRP
- During the PRP, subscription rights will trade publicly in both Chile and the US
- Shareholders/ADS holders can:
  - Exercise their rights and subscribe for shares at the Rights Offering price;
  - Sell their rights; or
  - Take no action, which results in the shares being unsubscribed

2

### Additional Voluntary PRP

- With the remaining shares after the Mandatory PRP, Enel Américas plans to hold one additional 24-day Voluntary PRP that will provide certain shareholders with another opportunity to participate in the capital increase
- Shareholders that exercised their rights during the Mandatory PRP will be eligible to participate in the Additional Voluntary PRP in proportion with shares subscribed in the Mandatory PRP
- The terms and conditions of the Additional Voluntary PRP will be the same as that of Mandatory PRP

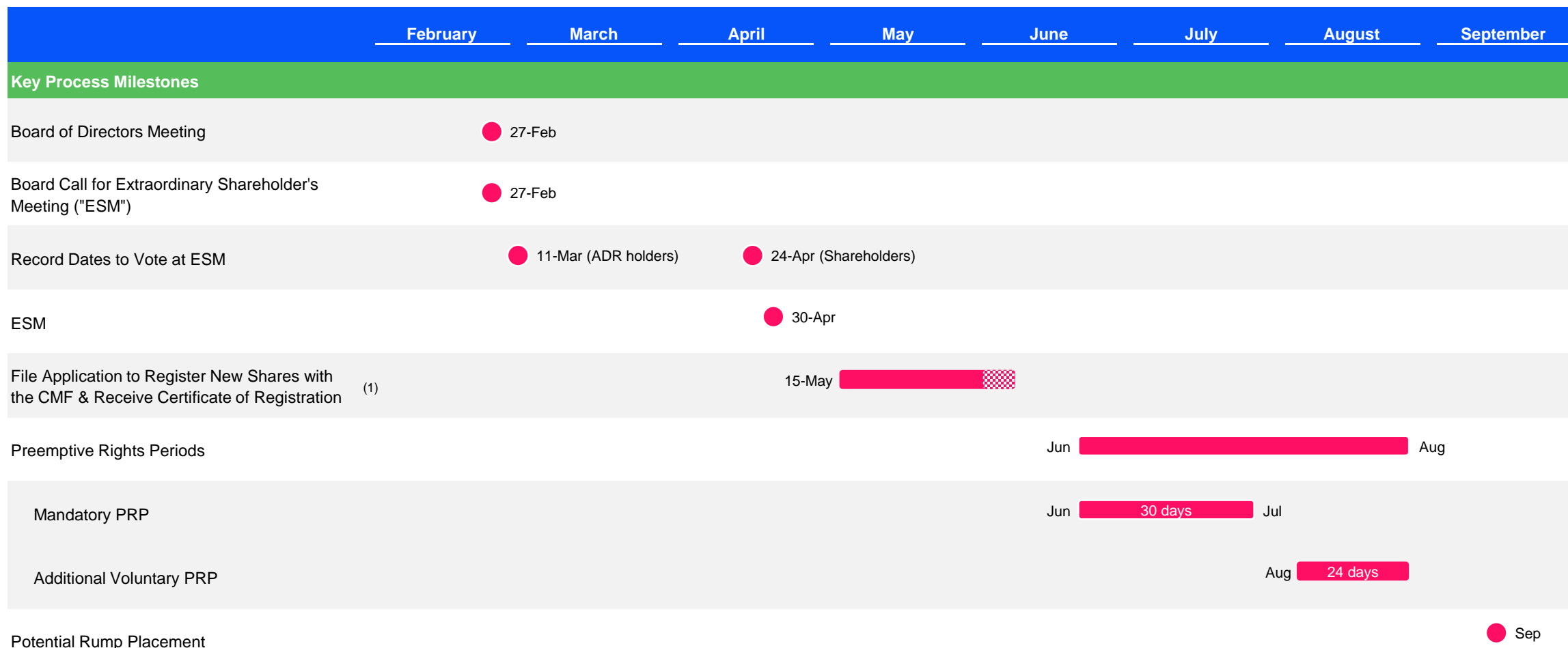
3

### Rump Auction

- Should there be unsubscribed shares after the two PRPs, Enel Américas may consider a market offering in order to place the remaining shares via a mechanism to be defined

# Timing Considerations

Comprehensive Market Communication Process for ESM with AFPs and Other Local Investors, Global Accounts, and Ratings Agencies



**Notes:**

1. Timing is dependent on share registration with CMF

# Price-Setting Mechanism

## Fixed Price Set by Pre-Determined Formula



### Description

- The price for the proposed Rights Offering will be determined by a price-setting formula calculated prior to the Mandatory PRP commencement
- The Board of Directors will propose a formula (detailed below) for approval by the ESM on April 30th
- This is in line with Chile and Latin America market precedents

### Proposed Price-Setting Formula

- The proposed price-setting-formula is defined as the 5 day VWAP<sup>(1)</sup> of Enel Américas' common stock previous to the start of the PRP, minus a fixed discount of 5%

The formula is a transparent price setting mechanism:

*Rights Offer Price = 5 Day VWAP<sup>(1)</sup> of Common Stock minus 5% discount*

#### Notes:

1. Volume weighted average price

# Closing Remarks

# Closing Remarks



A

Enel Américas is the largest private utility company in South America and has delivered against its stated goals since the 2016 reorganization



B

Successful delivery since 2016 evidences Enel América's capacity for creating long term value through organic and in-organic means



C

Additionally, the proposed transaction unlocks the Company's ability to pursue upcoming value-creating minority investors buyout, privatization and consolidation opportunities as well as Enel X deployment consistent with its recent trajectory



D

The proposed transaction optimizes the company's cash flow, enhances its incremental leverage profile and reinforces its status as a preeminent investment vehicle



# Disclaimer



## Important Legal Information

This presentation does not constitute an offer to sell securities and is not soliciting an offer to buy any securities in any jurisdiction.

This presentation should in no way be deemed to be an offer or an invitation to participate in the proposed capital increase described in this presentation. Such capital increase is subject to certain corporate, shareholder and regulatory approvals and to corporate and securities laws and other regulations applicable in Chile, the United States of America and other relevant jurisdictions.

This presentation contains statements that may constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements appear throughout this presentation and include statements regarding the intent, belief or current expectations of Enel Américas and its management with respect to, among other things: (i) Enel Américas' business plans, including the proposed capital increase; (ii) trends affecting Enel Américas' financial condition or results of operations, including market trends in the electricity sector in Argentina, Brazil, Colombia and Peru; (iii) the impact of competition and regulation in the electricity sector in Argentina, Brazil, Colombia and Peru; (iv) political and economic conditions in the countries in which Enel Américas and its affiliates operate; and (v) other statements included in this presentation regarding matters that are not historical facts. Such forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties. Actual results may differ materially from those provided in the forward-looking statements as a result of various risks and uncertainties, including those described in Enel Américas' Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission.

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# Enel Américas Capital Increase

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**Thank you.**



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