



# **Enersis Américas IR Presentation**

September 2016



**enersis  
américas**

Grupo Enel

# Company Description

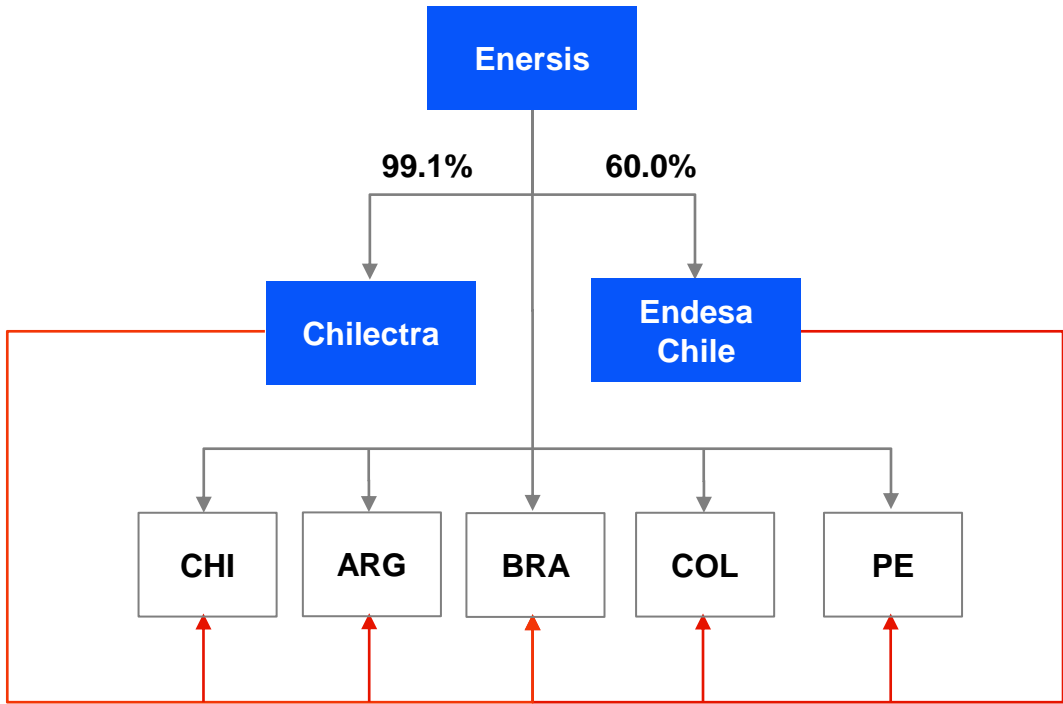


# Reorganization process

A more simple and streamline organization



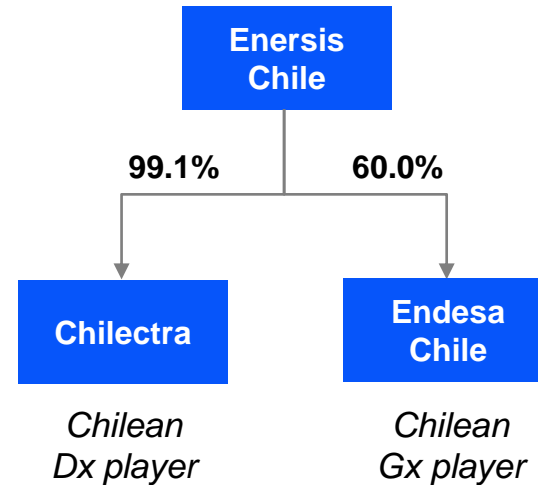
## Previous Structure



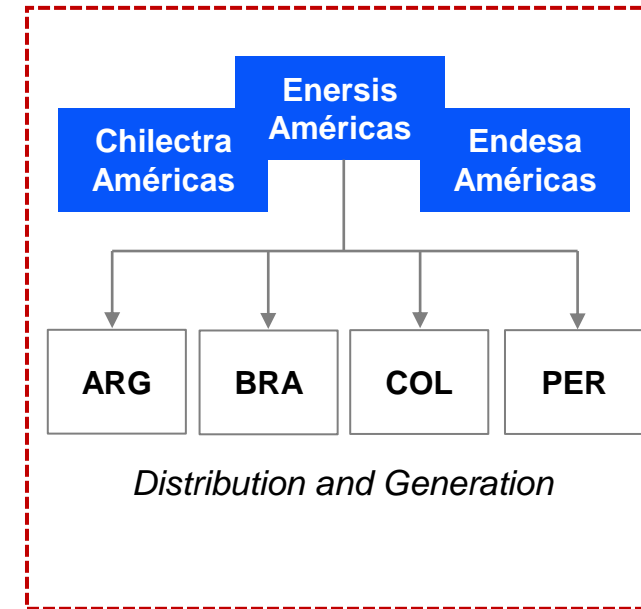
— Cross shareholder participations

## Post Transaction

### Pure Chilean Group



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



■ Listed

**A unique South American footprint**

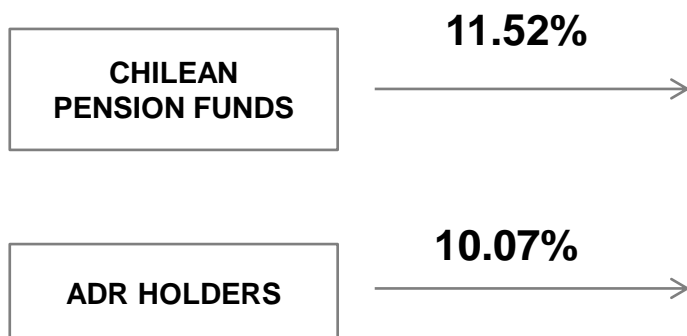
# Ownership profile

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américas

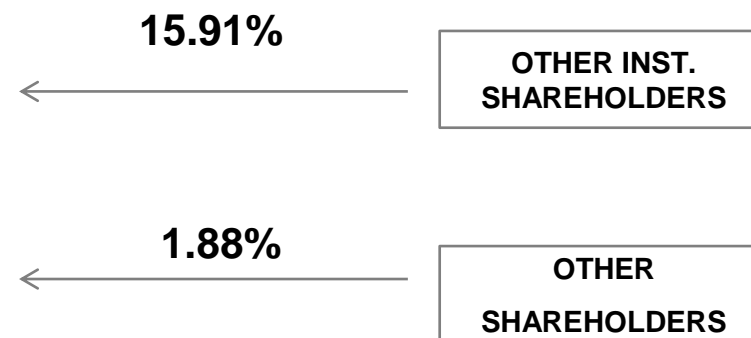
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60.62%



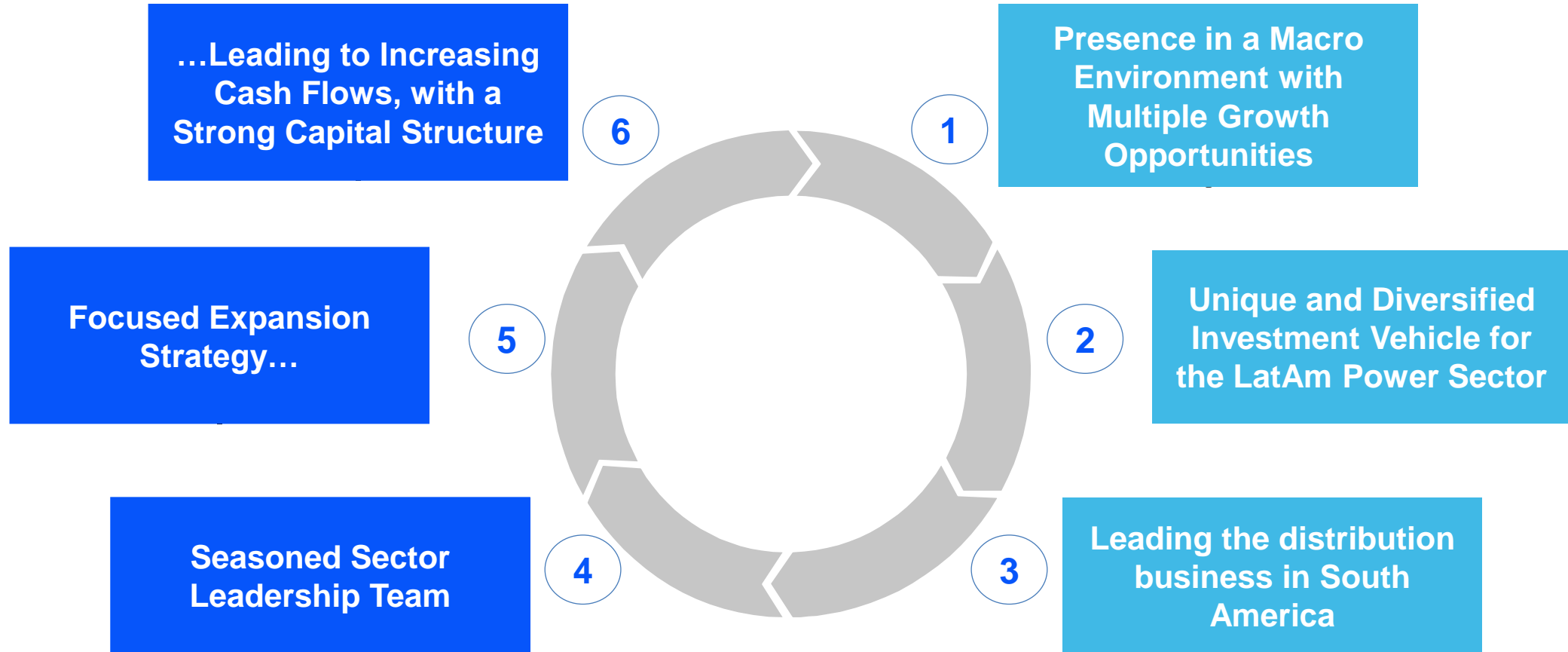
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**Market Cap**

Ch\$ 5,537.66 bn  
US\$ 8,160.79 mn

# Why Enersis Américas



- Current scenario
- New scenario

# Seasoned Sector Leadership Team

enersis  
américas

Grupo Enel



**Borja Acha**  
*Chairman*

25 years of corporate Experience  
4 years of experience in Enel Group  
Graduated in Laws  
Universidad Complutense de Madrid



**Luca  
D'agnese**  
*CEO*

28 years of corporate 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 corporate Experience  
4 years of experience in Enel  
Economist  
Universidad Complutense de 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

Grupo Enel

## Colombia #2

### Generation

3,459 MW  
21% Market Share in Installed capacity  
Net Production 13,705 GWh  
Sales 16,886 GWh  
19% Market Share in Sales



### Distribution

2.9 million clients  
Sales 13,946 GWh  
24% Market Share Dx



## Peru #1

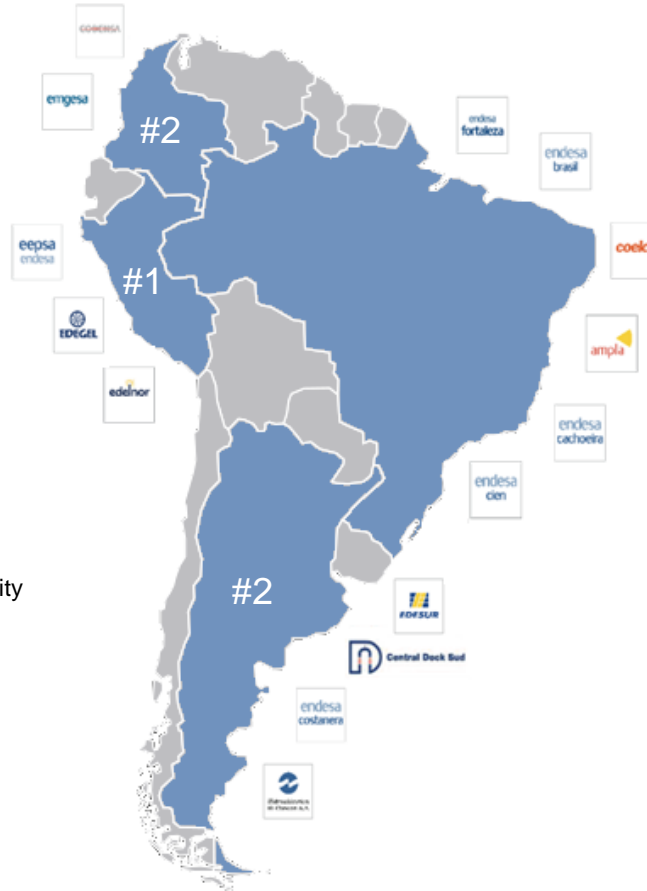
### Generation

1,983 MW  
20% Market Share in Installed capacity  
Net Production 8,801 GWh  
Sales 9,283 GWh  
23% Market Share in Sales



### Distribution

1.3 million clients  
Sales Dx 7,624 GWh  
30.0% Market Share Dx



## Brazil

### Generation

987 MW  
1% Market Share in Installed capacity  
Net Production 4,398 GWh  
Sales 6,541 GWh  
1% Market Share in Sales



### Distribution

6.8 million clients  
Sales Dx 22,776 GWh  
6% Market Share Dx



### Transmission

2,100 MW transmission lines



## Argentina #2

### Generation

4,522 MW  
14% Market Share in Installed capacity  
Net Production 15,204 GWh  
Sales 15,770 GWh  
12% Market Share in Sales



### Distribution

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: 13.5 million  
Energy sales: 62,838 GWh

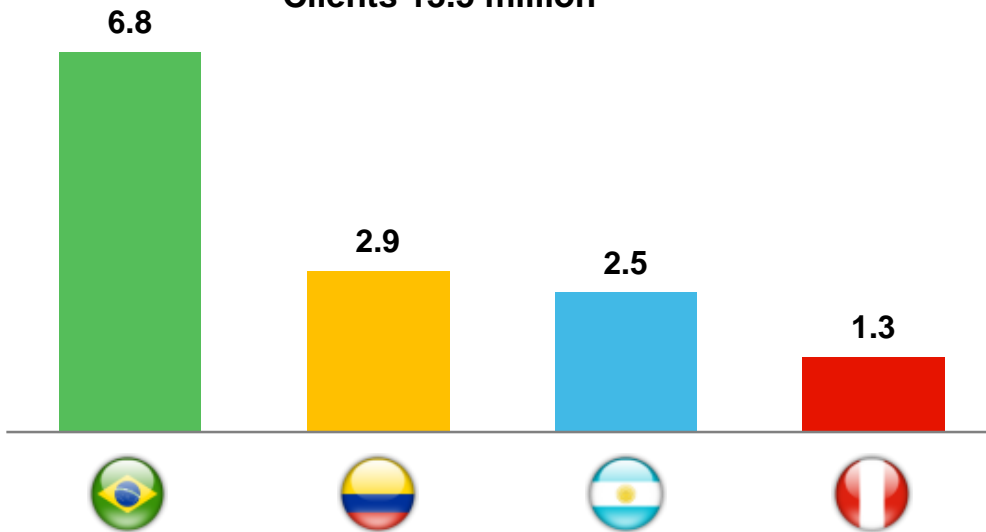
# Enerjis Américas investment highlights

Unique portfolio of assets in the region

## Overview

### Distribution

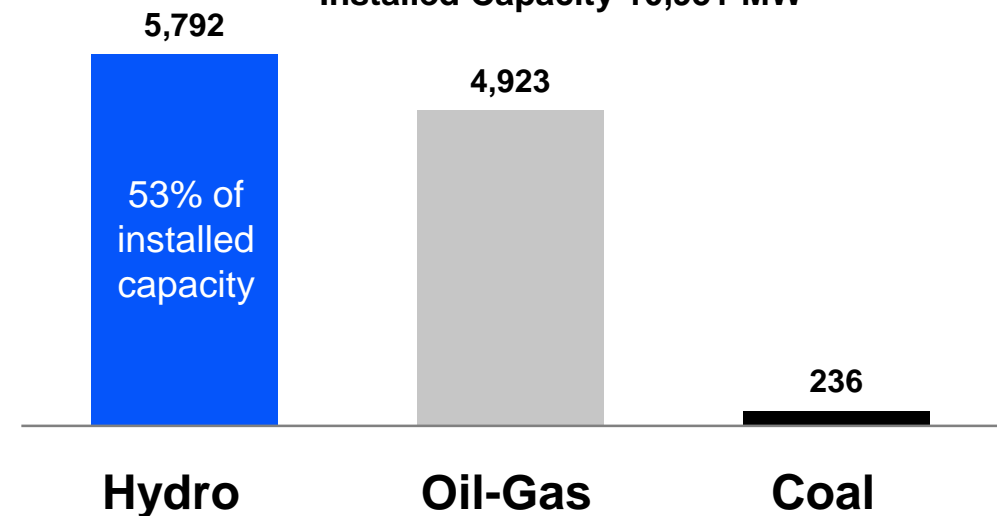
Clients 13.5 million



- 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



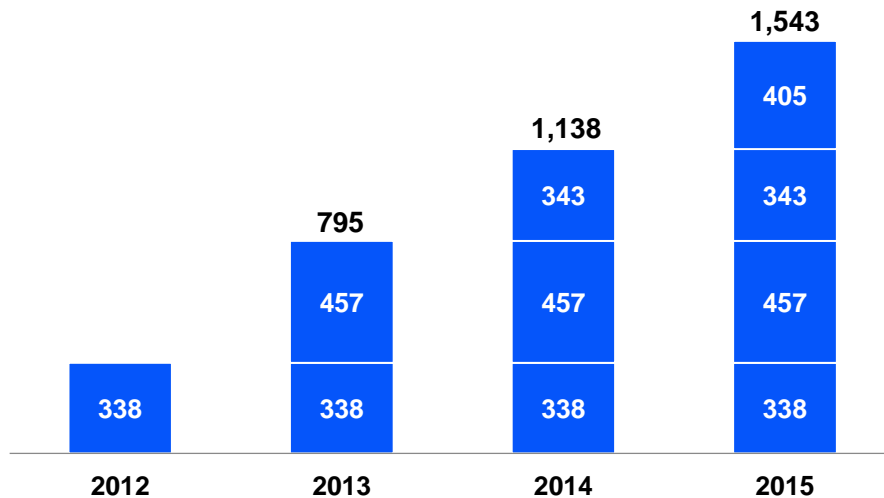
# Enerjis Américas investment highlights

## Outstanding indicators

### Distribution

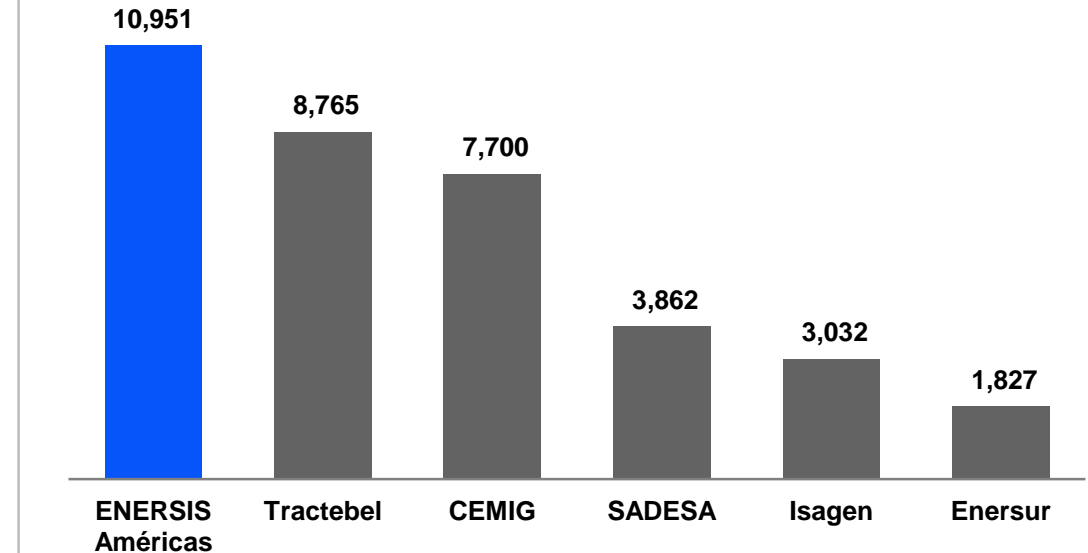
thousand new clients per year

~1.5 million new clients every 4 years



### Generation

Installed MW as of December 31, 2015



✓ In the past 4 years we added a “mid size distribution company” taking into account new clients.

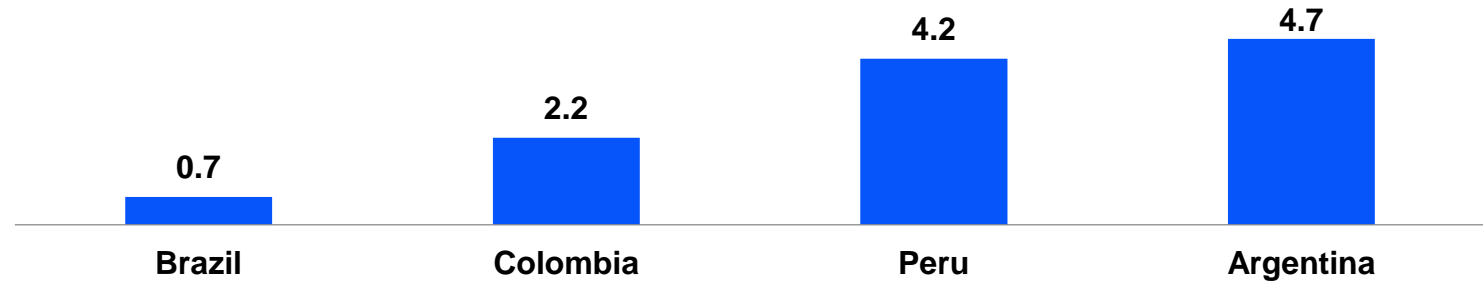
✓ Enerjis Américas is the private company with highest installed capacity in the region

# Enersis Américas investment highlights

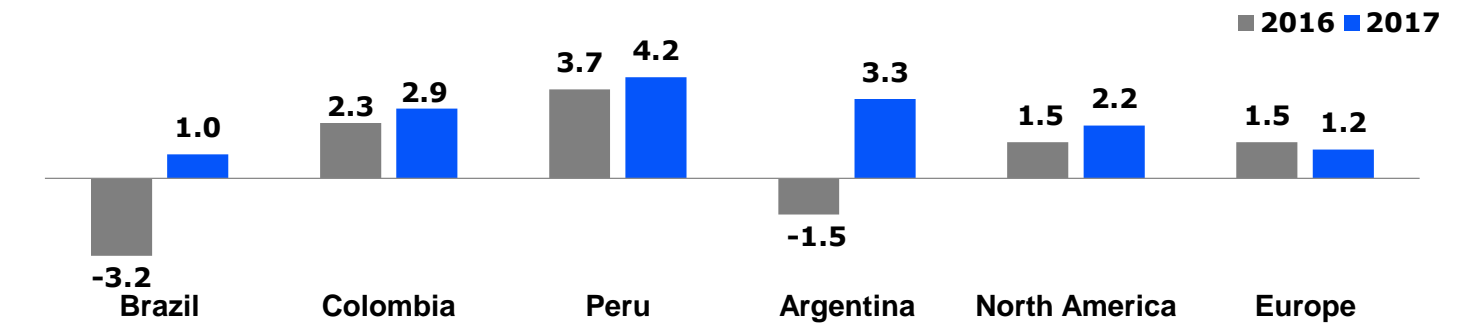
Latin America offers large opportunities for growth



**% Growth in electricity demand<sup>1</sup>**



**Expected real GDP growth<sup>2</sup> (%)**



**Enersis Américas Ratings**

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

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

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

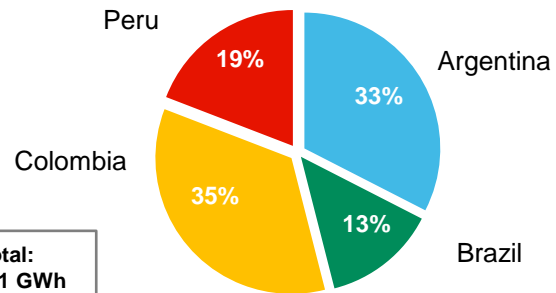
1. FY2015  
2. Latin American Consensus Forecast as of August, 2016

# Enerjis Américas investment highlights

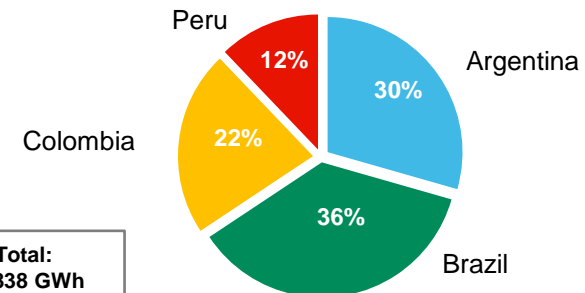
Well diversified by country and type of activity

## Overview (2015)

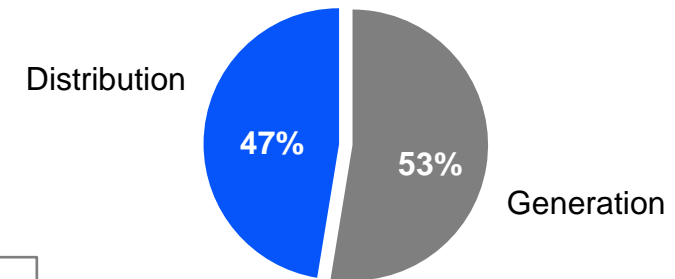
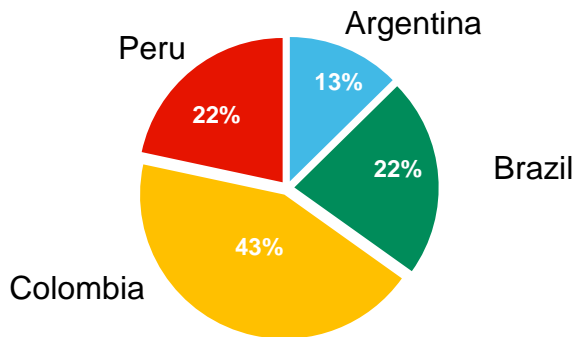
### Generation – energy sales



### Distribution – energy sales



## EBITDA<sup>1</sup>

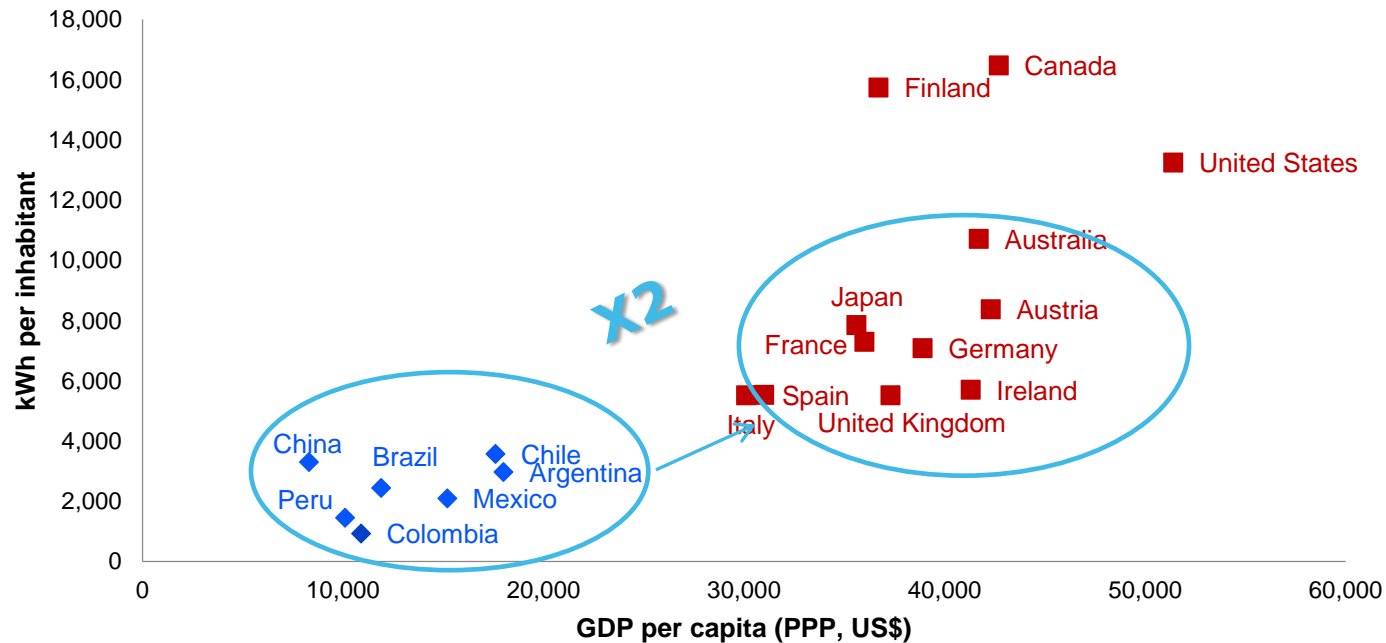


# Enersis Américas investment highlights

## High growth prospects

### Electricity consumption in the world

kWh/GDP (PPP) per capita



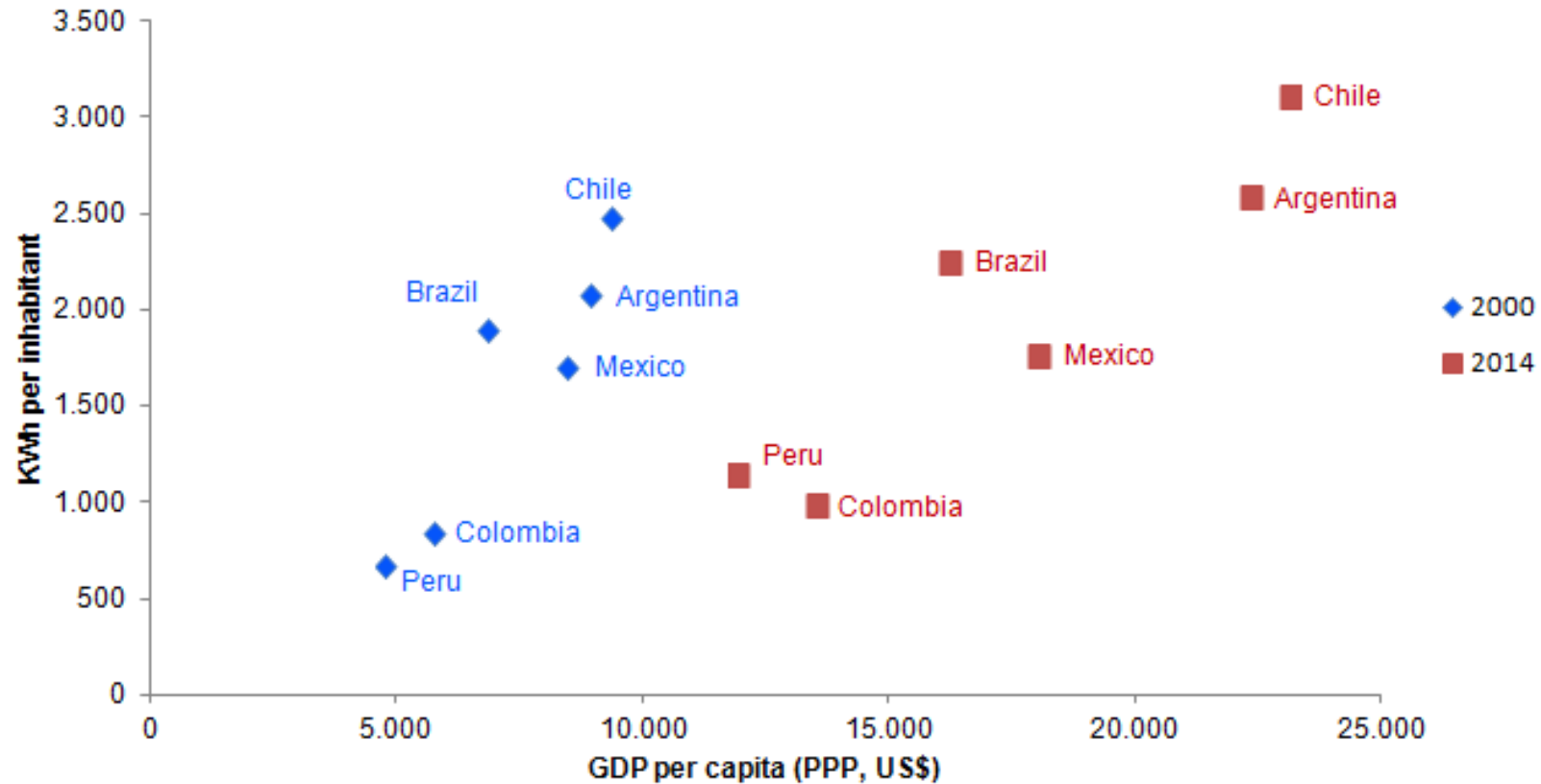
- Energy demand growth is very stable in the countries where we operate, showing a growth average of 3.0% in 2015.
- Compared to developed countries, Enersis Américas is in a very good position for growth.

# Enerjis Américas investment highlights

High growth prospects

### Electricity consumption in LatAm

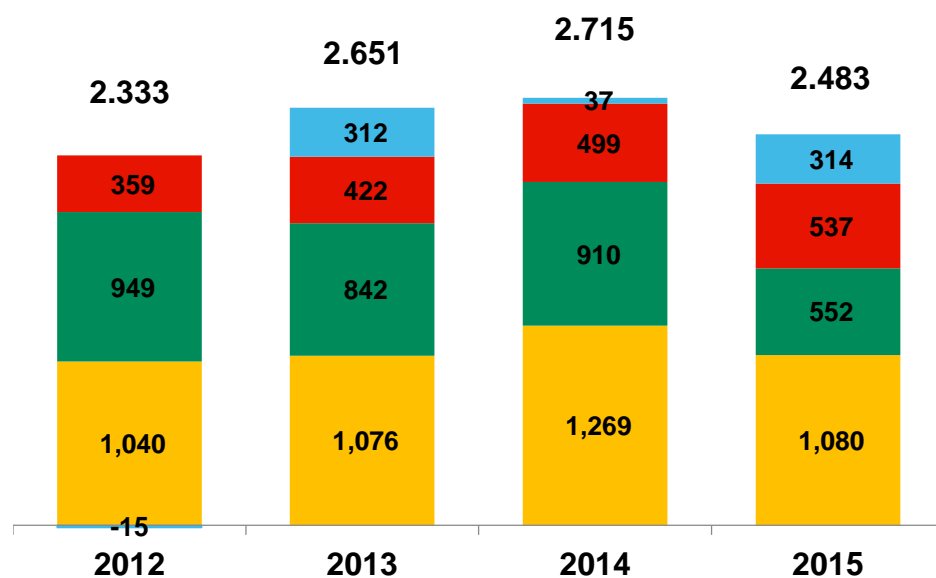
KWh / GDP (PPP). Per capita.



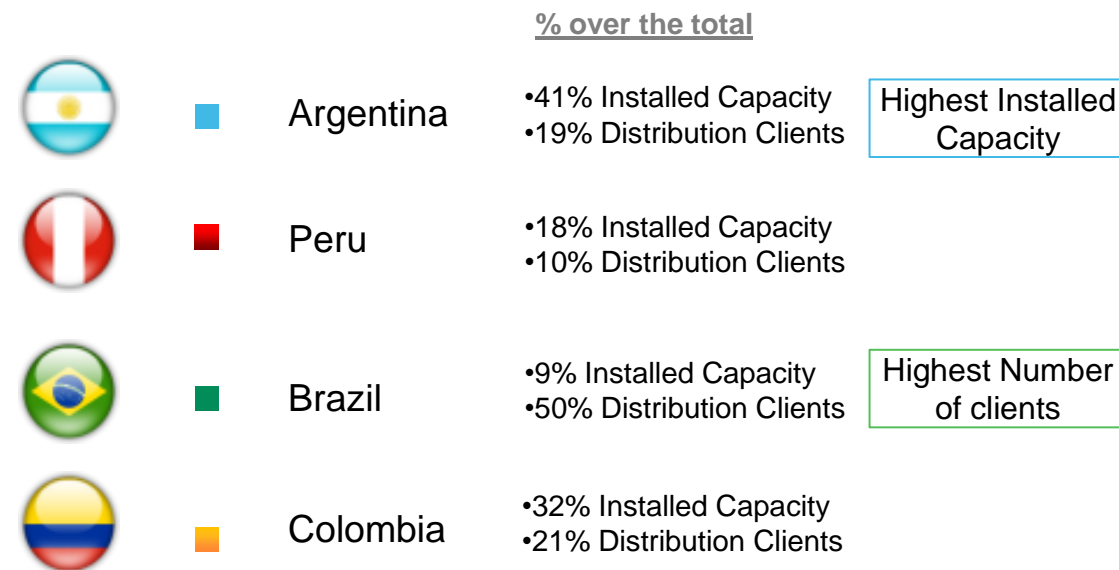
# Enerjis Américas investment highlights

Enerjis has achieved significant profitability among the regions

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



Relative weight on main indicators



1. Using average exchange rate of 2015 (\$654.66) for every year.

# Enersis Americas Investment Highlights

Dividend Yield – Post merger

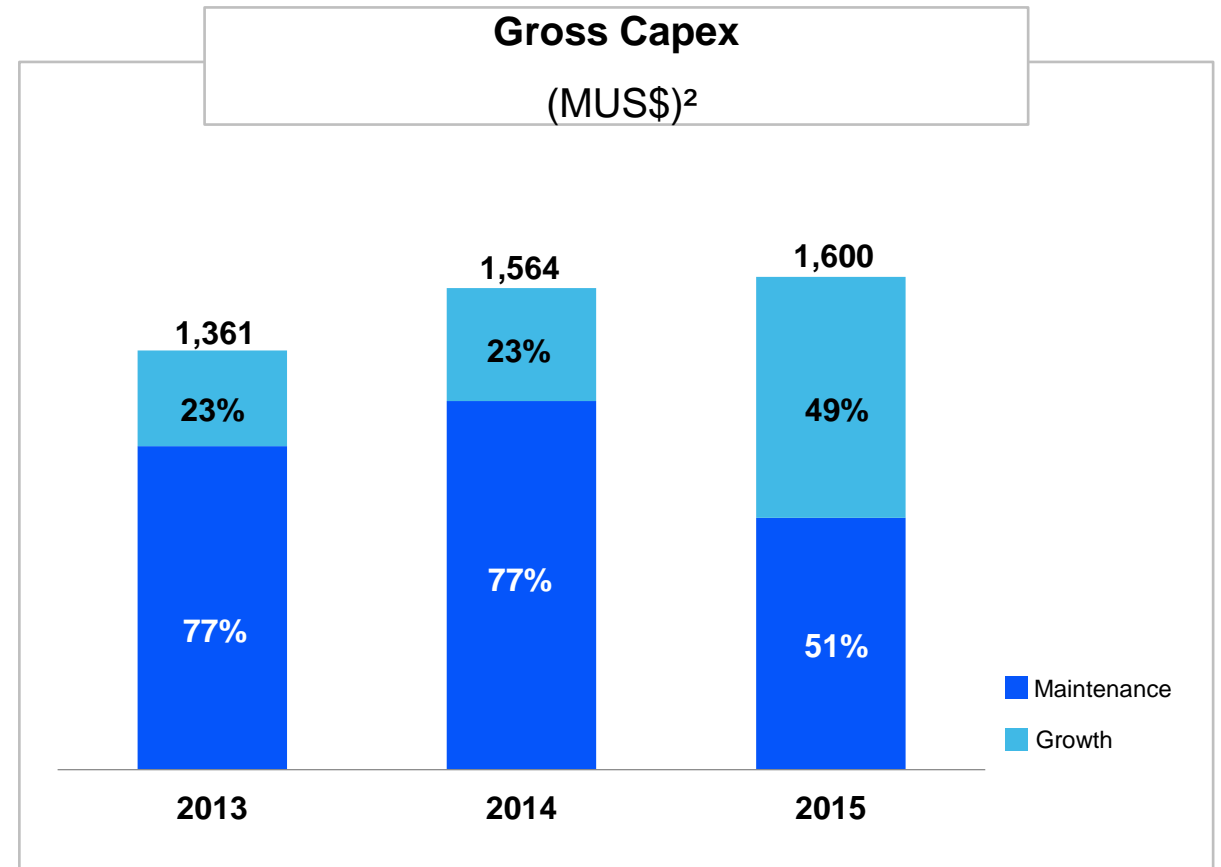
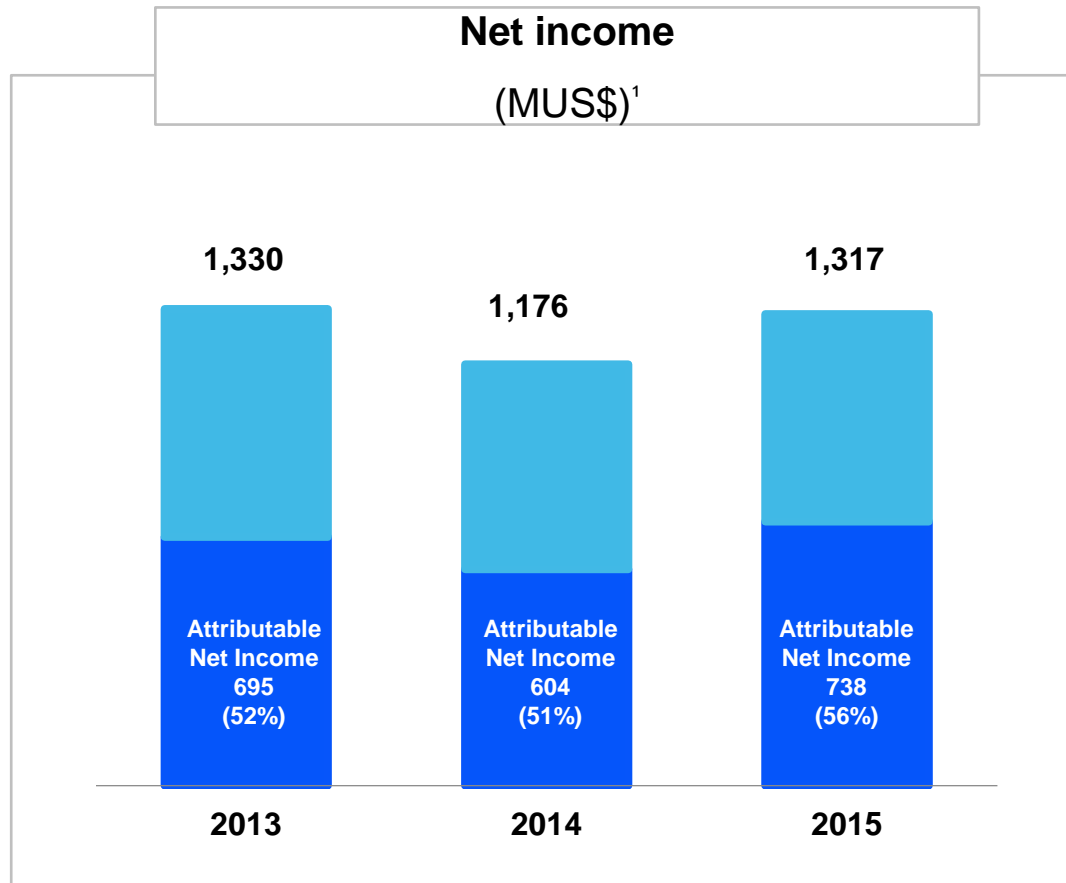
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	2016	2017	2019
EBITDA	2.4	2.8	3.3
EBITDA Margin	33%	36%	37%
Net Income	0.6	0.9	1.1
Dividend Policy	50%	50%	50%
Dividend Yield *	4.0%	6.0%	7.4%
Dividend Yield Growth		50%	85%

# Enerjis Américas investment highlights

## Overview of net income and capex



■ Maintenance  
■ Growth

Source: Company filings and presentations;

1 Refers to total net income, converted to US\$ using 2015 average exchange rate (\$654.66).

2 Includes only purchases of plant, property & equipment



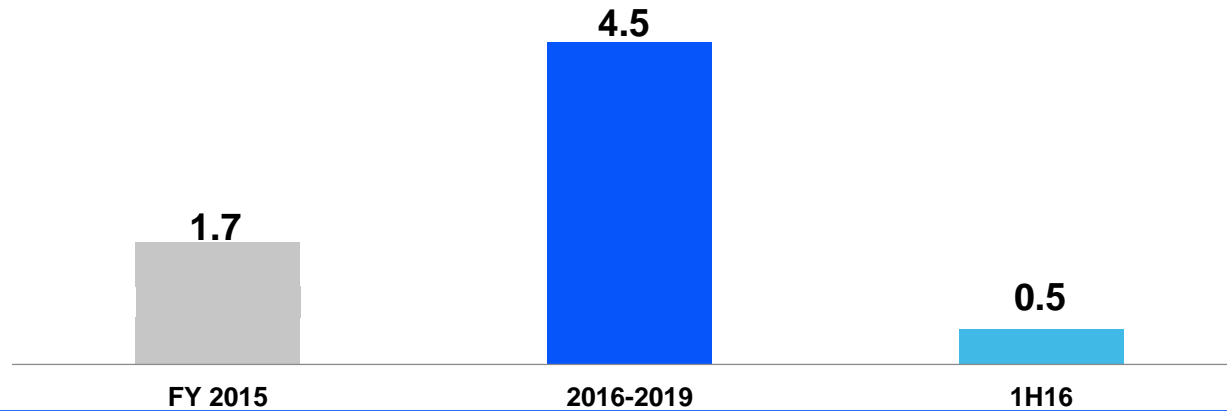
# Enerjis Américas Investment Highlights

Capex (US\$ bn)

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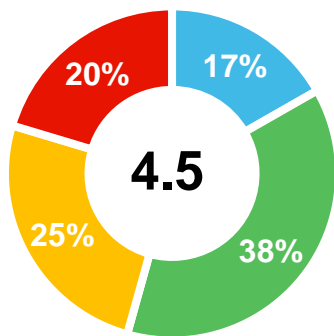
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## 2016-2019 Capex Plan



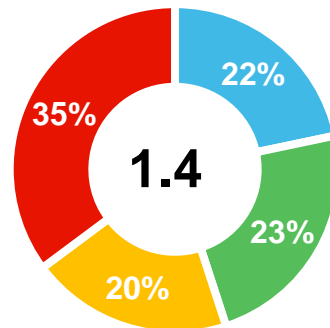
## Total Capex Breakdown 2016-2019

### By Country



Argentina

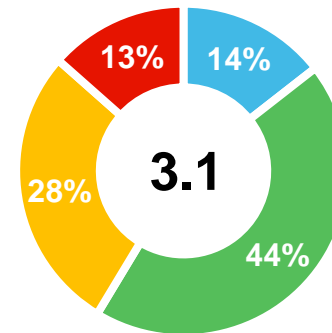
### By Generation



Brazil

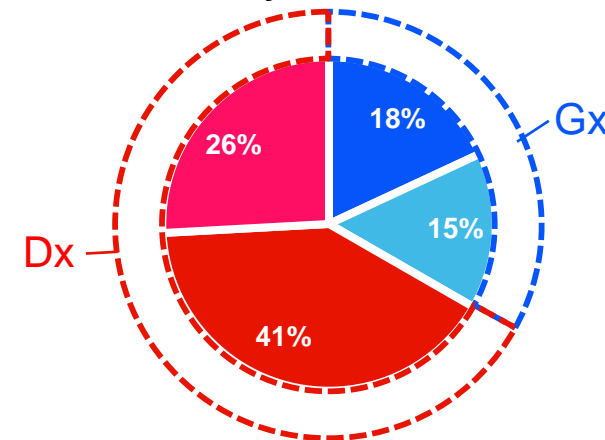
Colombia

### By Distribution



Peru

### By Nature



Gx Maintenance

Gx Growth

Dx Maintenance

Dx Growth

# Focus on Generation Activities



# Enerjis Américas Investment Highlights

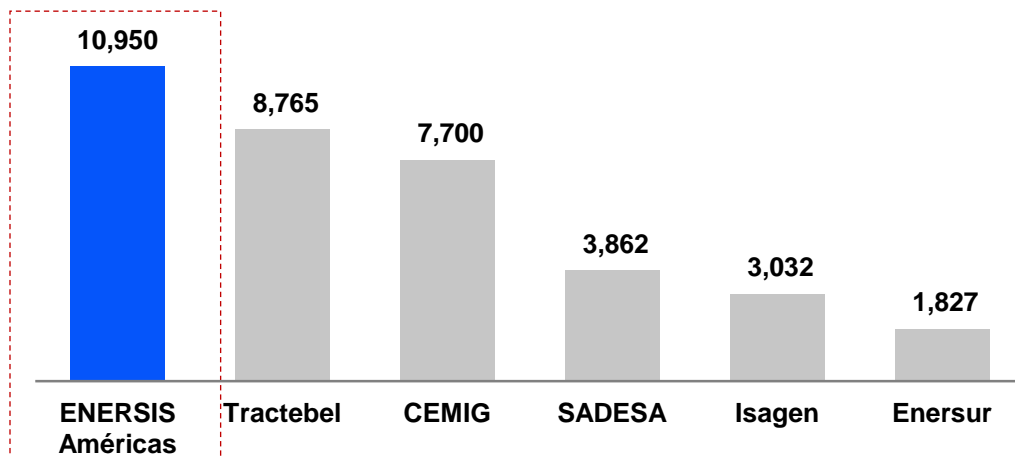
Leading the generation business in South America<sup>1</sup>

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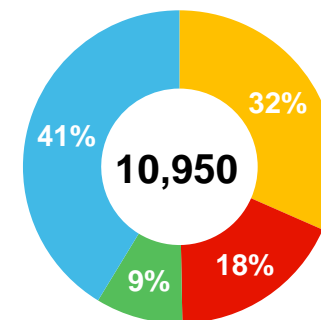
## Competitive Position

### Installed Capacity (MW)

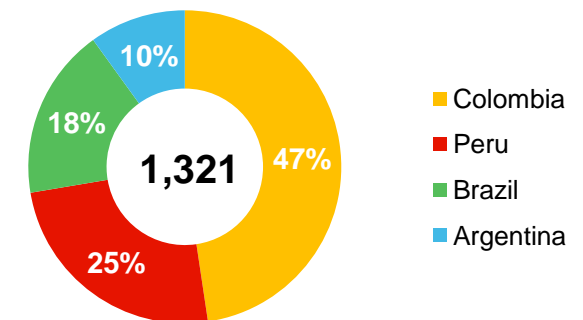


## Overview of Assets

### Installed Capacity (MW)



### EBITDA (US\$mm)



# 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

# Focus on Distribution Activities



# Enerjis Américas Investment Highlights

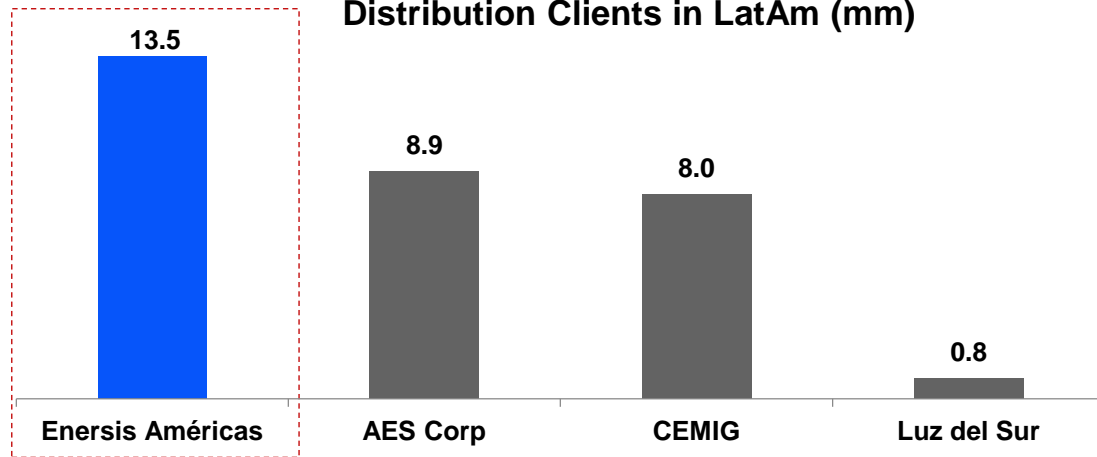
Leading the distribution business in South America<sup>1</sup>

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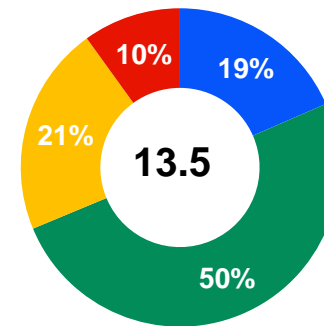
## Competitive Position

Distribution Clients in LatAm (mm)

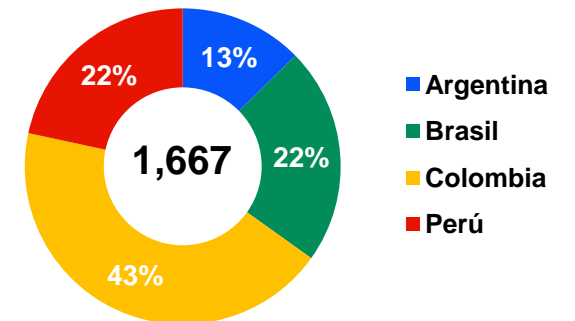


## Overview of Assets

Clients (mn)

















EBITDA (US\$mm)



# Enerjis Américas investment highlights

## Periodic tariff revision processes

				2016	2017	2018	2019	2020
<b>Edelnor</b>			Every 4 years					
<b>Codensa<sup>1</sup></b>			Every 5 years					
<b>Coelce</b>			Every 4 years					
<b>Ampla</b>			Every 5 years					
<b>Edesur<sup>2</sup></b>			To be define					

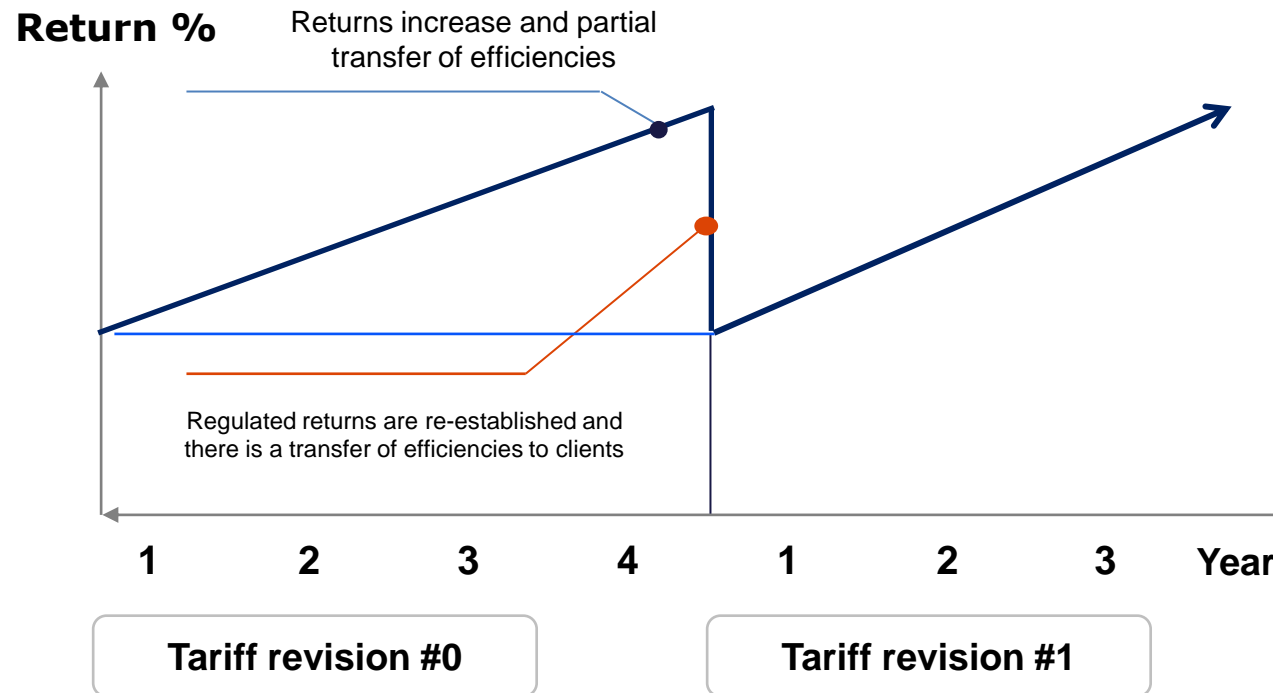
Visibility of cash flows

1. 2014 process is still pending. It is expected to start the process by the end of 2016.  
 2. The Ministry of Energy of Argentina is working on a new Integral Tariff Revision, expected for 4Q 2016.

# Enerjis Américas 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

Reduction of losses



Continuous efficiency plans to maintain solid operating standards



Optimizing investments and increasing useful life



Developing unregulated new products and services



Synergies between the different companies of the Group

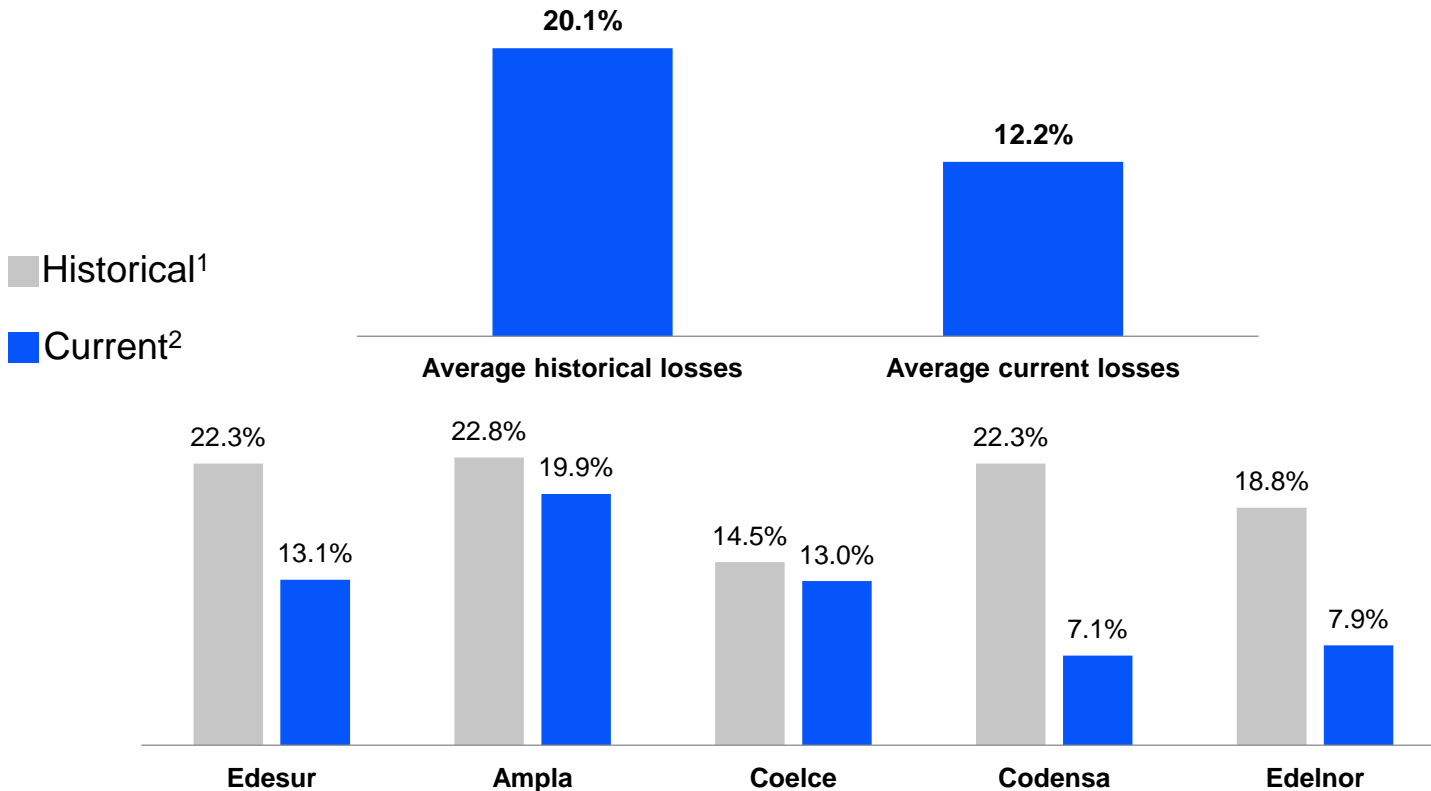
— Regulatory profitability for an efficient company



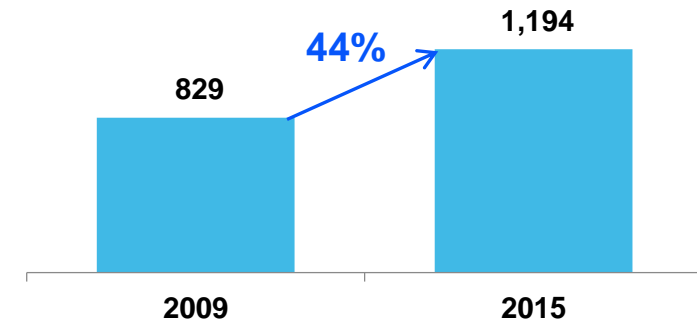
# Enerjis Américas investment highlights

Proven experience in controlling energy losses

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



EBITDA in Distribution MUSD



New Technologies

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



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

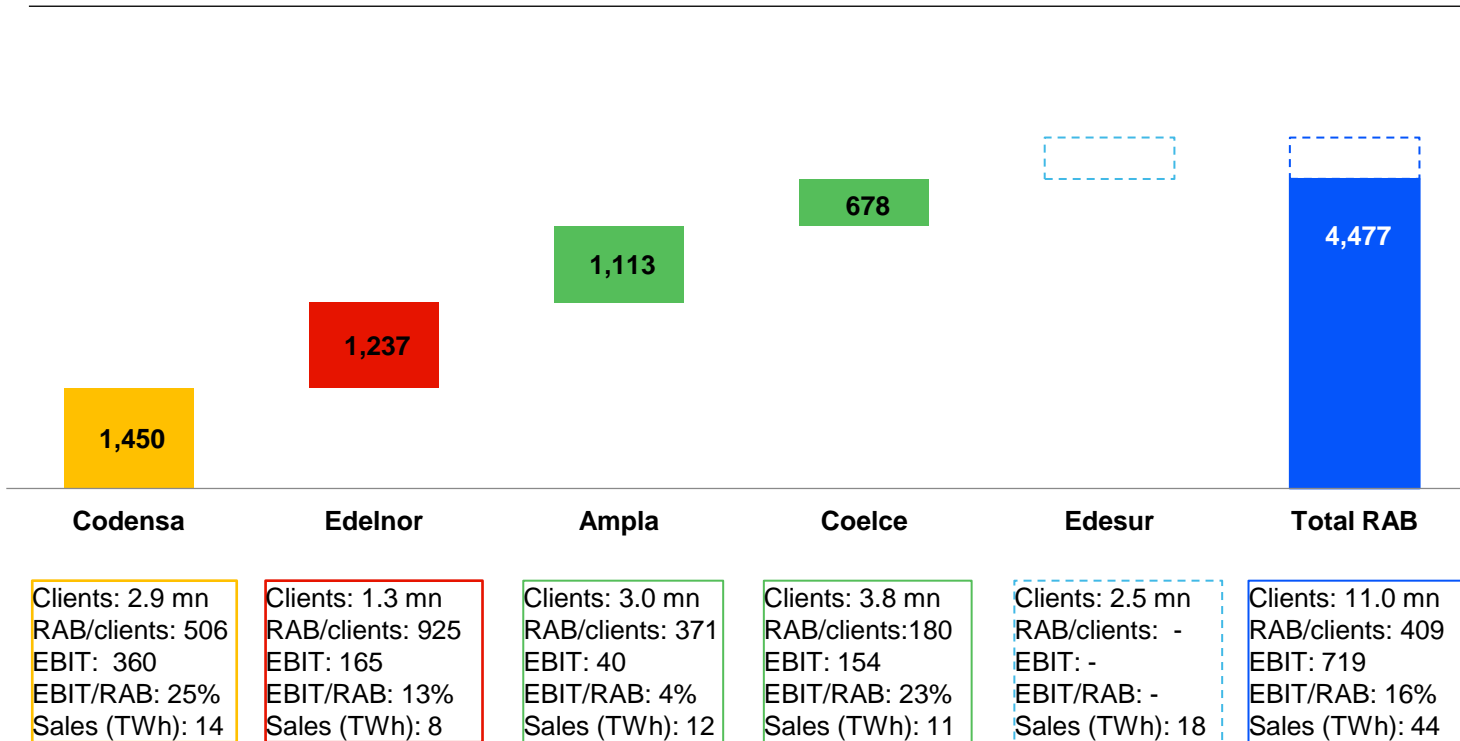
1. Average losses at the moment Enerjis Américas took control of the companies.  
2. As of June 30, 2016.

# Enerjis Américas 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%**

Clients: 2.9 mn RAB/clients: 506 EBIT: 360 EBIT/RAB: 25% Sales (TWh): 14	Clients: 1.3 mn RAB/clients: 925 EBIT: 165 EBIT/RAB: 13% Sales (TWh): 8	Clients: 3.0 mn RAB/clients: 371 EBIT: 40 EBIT/RAB: 4% Sales (TWh): 12	Clients: 3.8 mn RAB/clients: 180 EBIT: 154 EBIT/RAB: 23% Sales (TWh): 11	Clients: 2.5 mn RAB/clients: - EBIT: - EBIT/RAB: - Sales (TWh): 18	Clients: 11.0 mn RAB/clients: 409 EBIT: 719 EBIT/RAB: 16% Sales (TWh): 44
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**RAB and allowed return will be defined in Argentina after the Integral Tariff Revision expected for this year**

# Enerjis Américas 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	•New replacement •value based on real •network
<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.

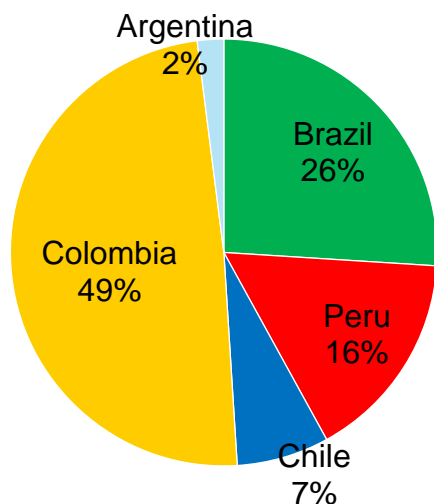
# Capital Structure Focus on Debt



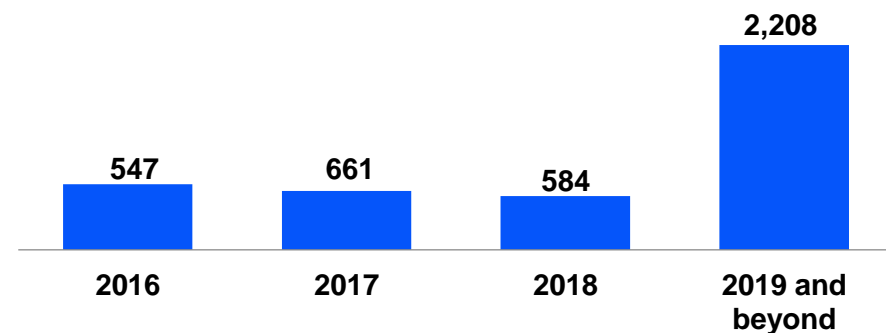
# Energis Américas investment highlights

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

Total debt as of June 30, 2016: 4,000 (MUS\$)



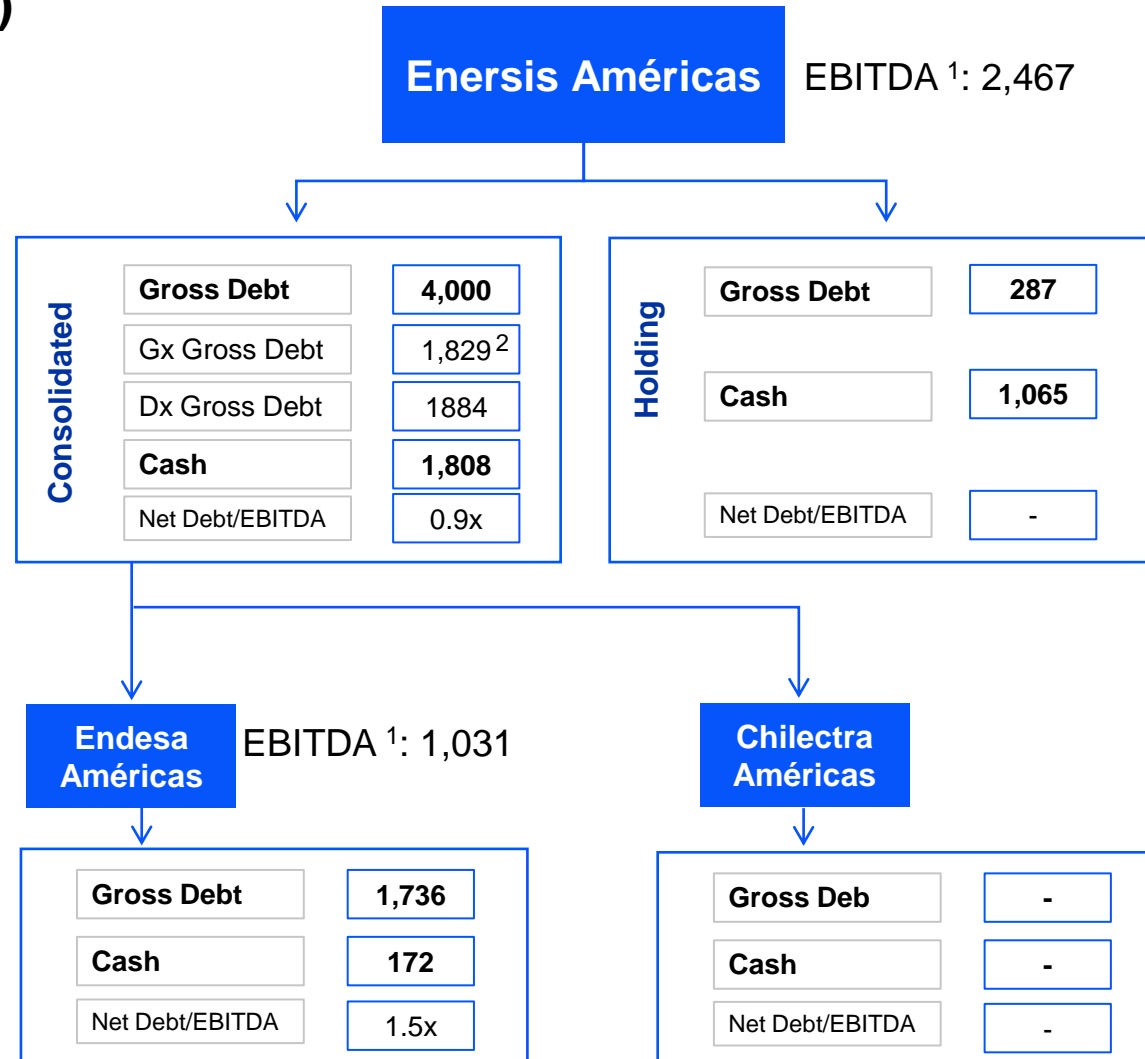
Debt profile as of June 30, 2016 (MUS\$)



- 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 Energis Américas' debt contracts
- All projects are executed directly by operating companies and funded with their own cash flow and debt capacity

# Enerjis Américas investment highlights

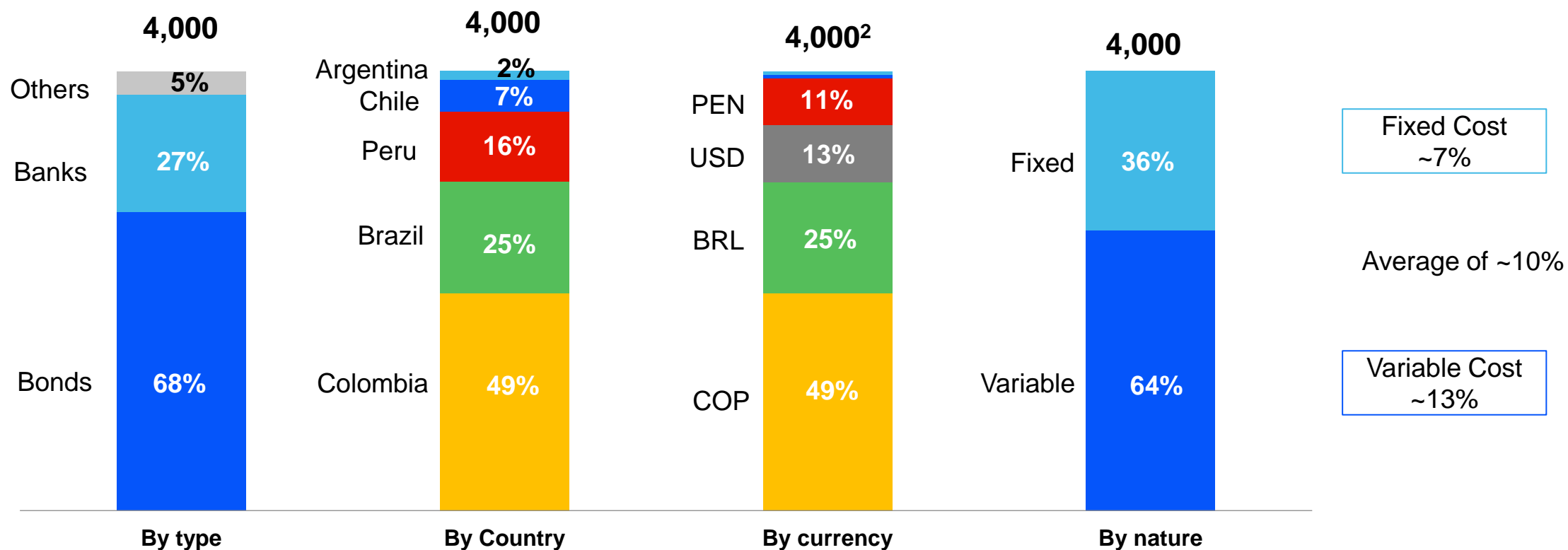
Gross Debt<sup>1</sup> (US\$ mn)



1. Gross Debt as of June 30, 2016 and EBITDA as of December 31, 2016.. 2. Gx Gross Debt including 86 mnUSD of Piura.

# Enersis Américas investment highlights

## Gross Debt Breakdown<sup>1</sup> (US\$ mn)

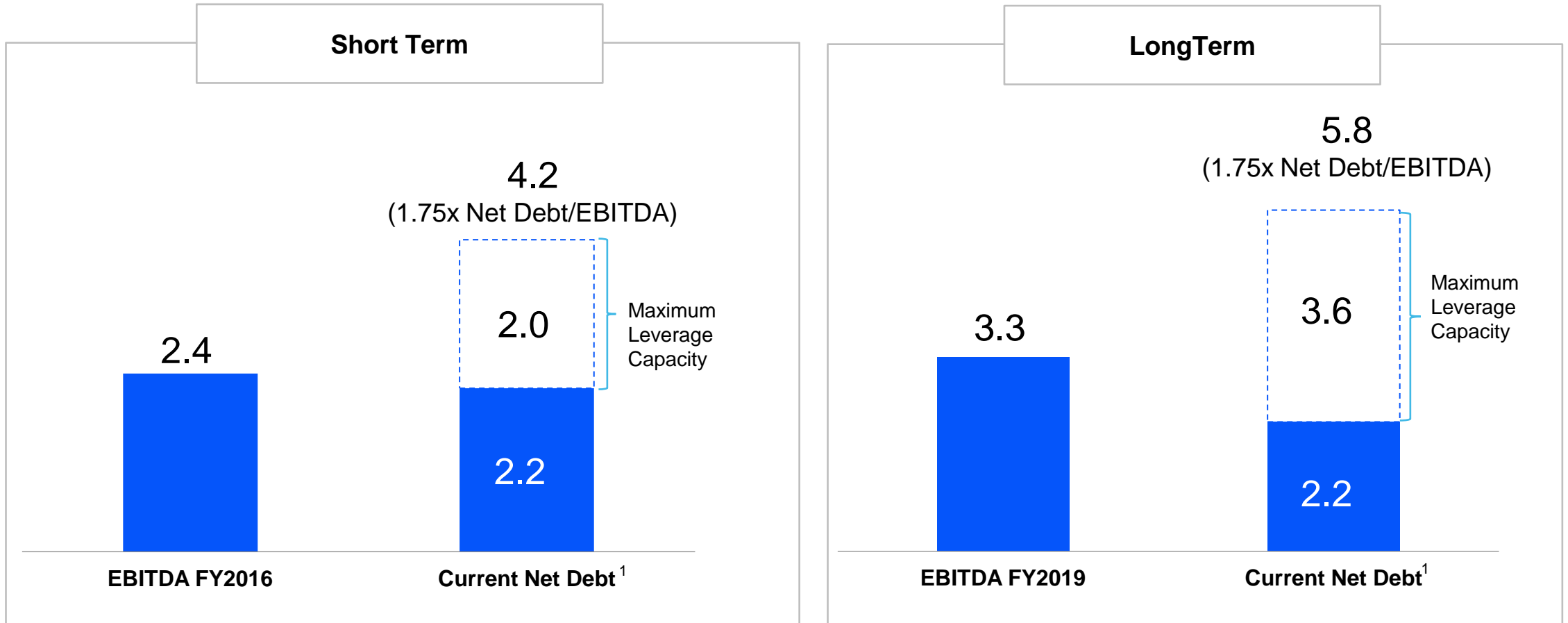


1. Gross Debt as of June 30, 2016.

2. Chilean and Argentine pesos represent 2% of Gross Debt.

# Enerjis Américas investment highlights

## Maximum Leverage Capacity (US\$ Bn)



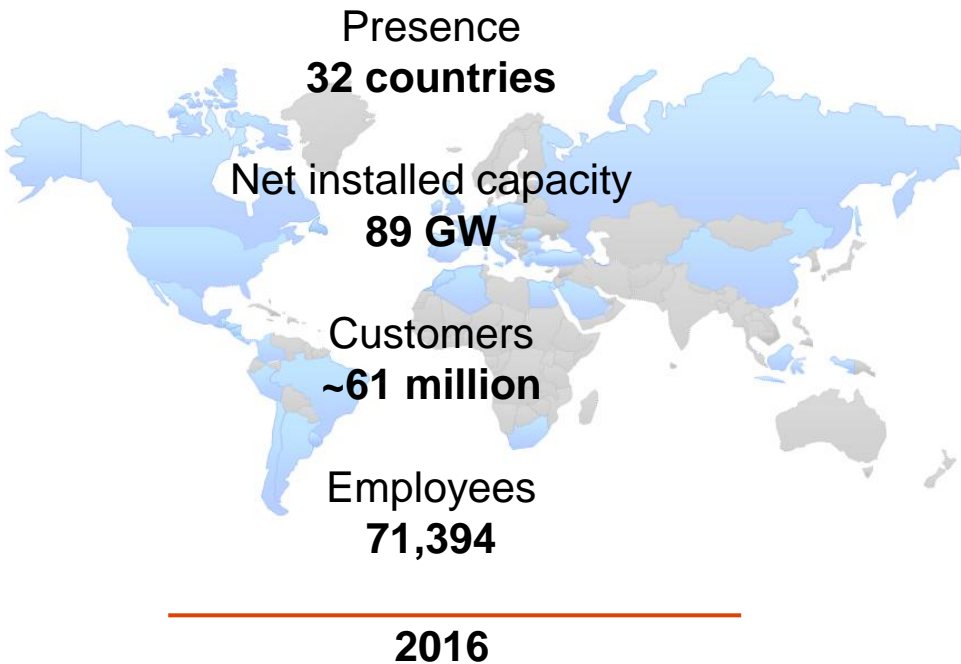




# Annexes

# Enerjis Américas investment highlights

Taking advantage of Enel platform



Commodities sourcing

Suppliers management

IT synergies

R&D transfer

Energy management

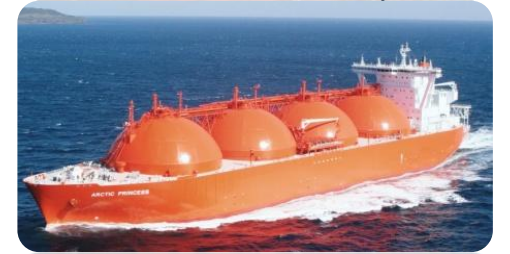
Ancillary services/businesses  
development

Innovation synergies

Regulatory experience

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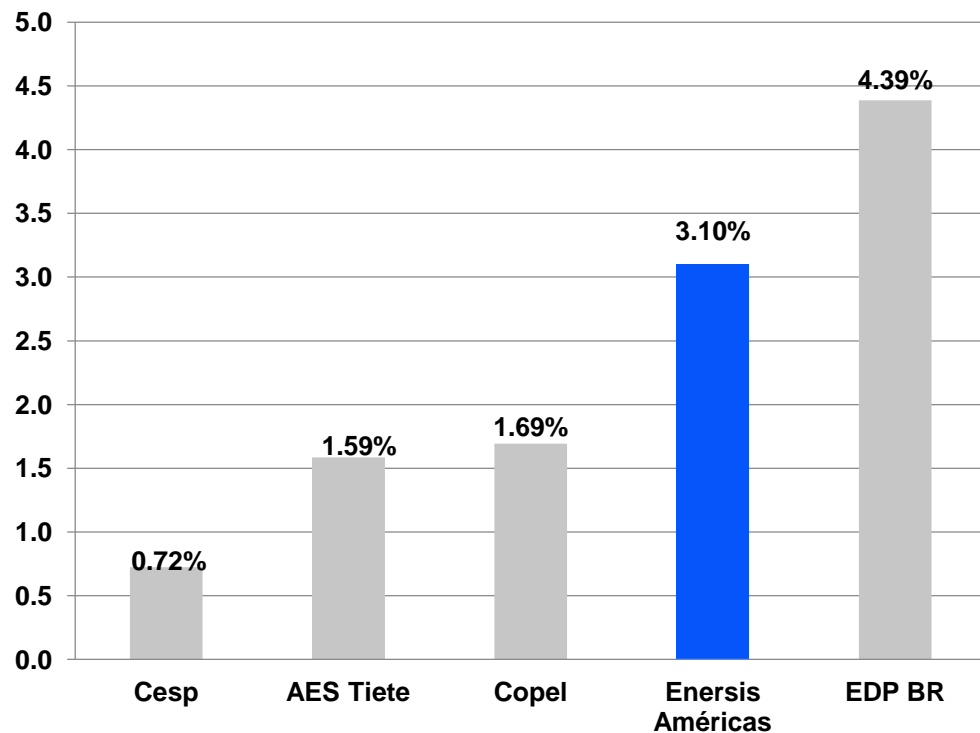
# EV/EBITDA and Dividend Yield

Energis Américas and Peers

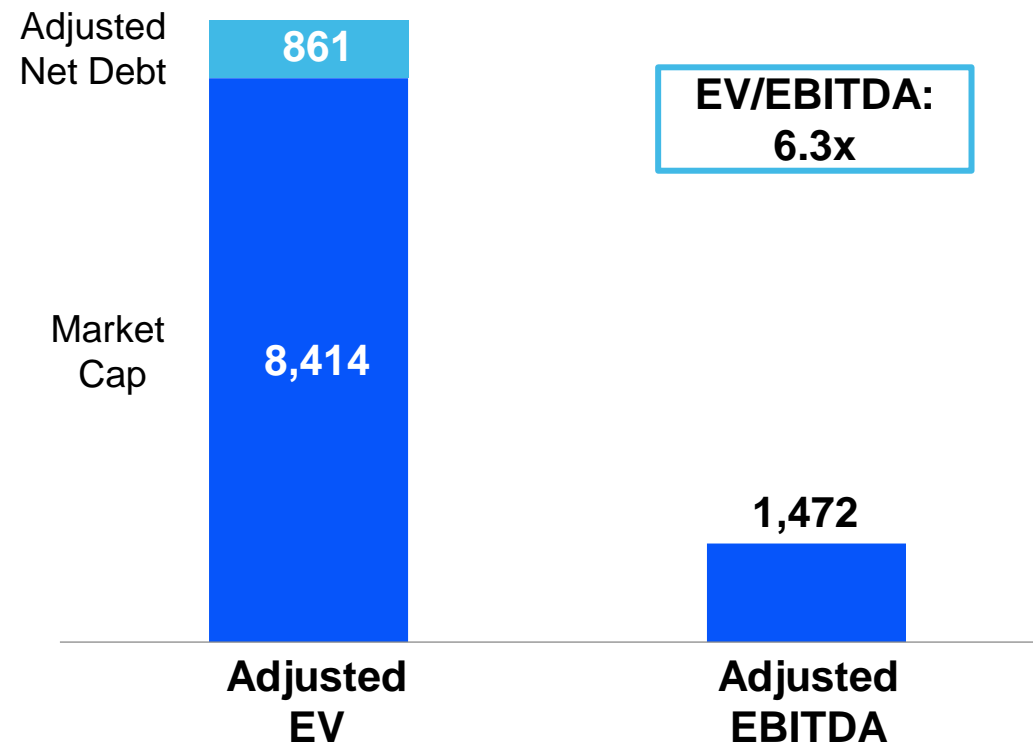
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américas

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## Dividend Yield



## Energis Américas EV/EBITDA (US\$ mn)



Note: Adjusted EBITDA as of December 31, 2015. Dividend Yield, Net Debt and Market Cap as of June 30, 2016.

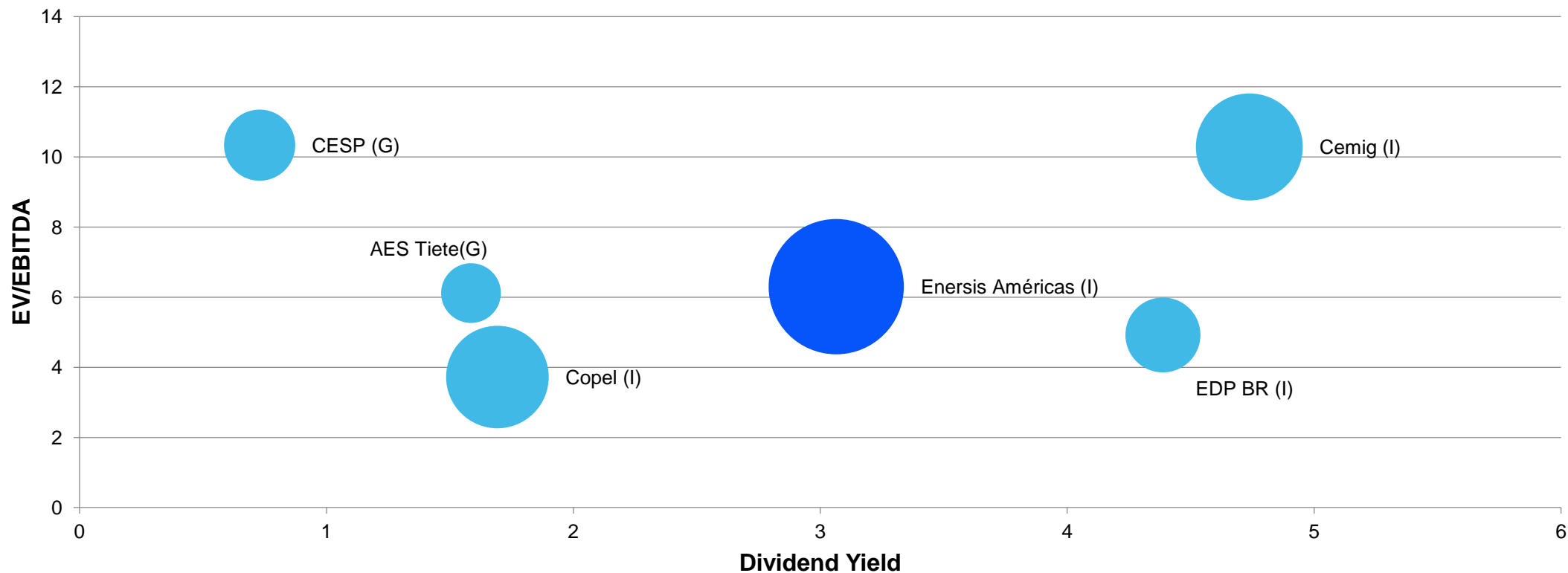
Source: Bloomberg and internal data.

# EV/EBITDA and Dividend Yield

Energis Américas and Peers

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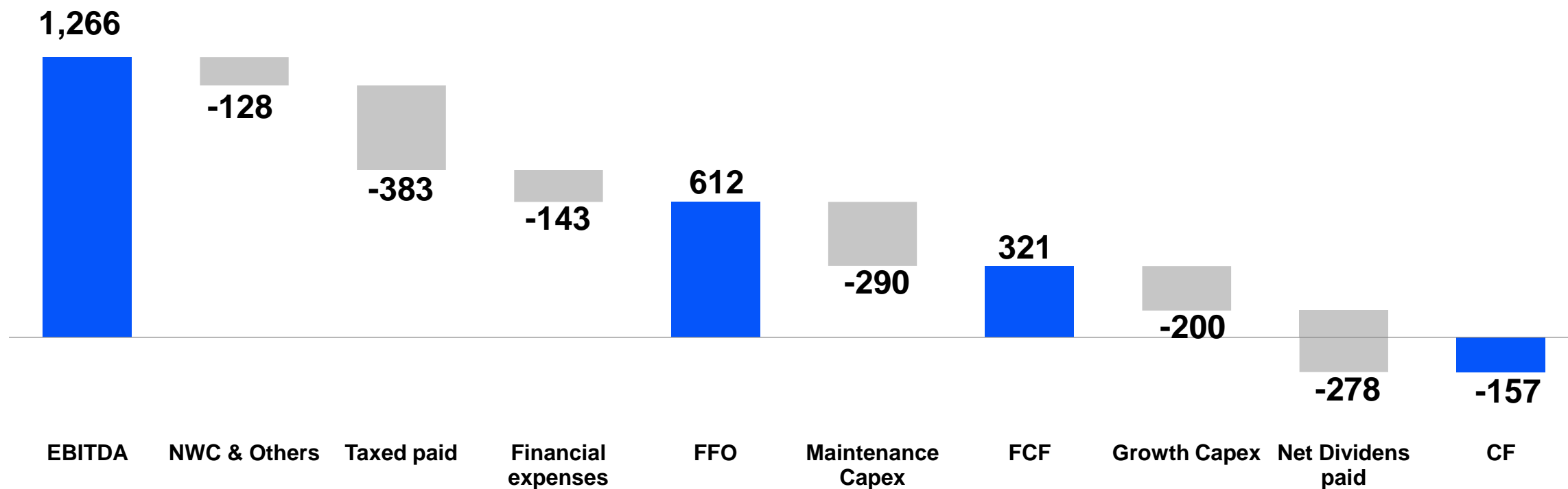
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The size of the circles represents liquidity. Liquidity defined as % of free float on Market cap.

# Enersis Américas Investment Highlights

Enersis Américas 1H16 Free cash flow (US\$ mn<sup>1</sup>)



1. Comparisons between periods are made using the average USD Fx rate for 1H 2016 equal to 701.43 CLP only for information purposes. Original data is in Chilean pesos.
2. Effective tax paid during June 2016.
3. Gross of contributions and connections fees.
4. Net Dividends received by Endesa Chile and Chilectra.

# Board of Directors

## Non-Independent Directors



**F. de Borja Acha**  
President  
Lawyer  
Spanish



**Enrico Viale**  
Director  
Hidraulic Engineer  
Italian



**José Antonio Vargas**  
Vice President  
Lawyer  
Colombian



**Livio Gallo**  
Director  
Electronic Engineer  
Italian

## Independent Directors



**Hernán Somerville**  
Directors' Committee President  
Lawyer  
Chilean



**Patricio Gómez Sabaini**  
Director  
Bachelor Business Administration  
Argentinian

## Independent Director



**Domingo Cruzat Amunátegui**  
Director  
Industrial Engineer  
Chilean

Controlling shareholder

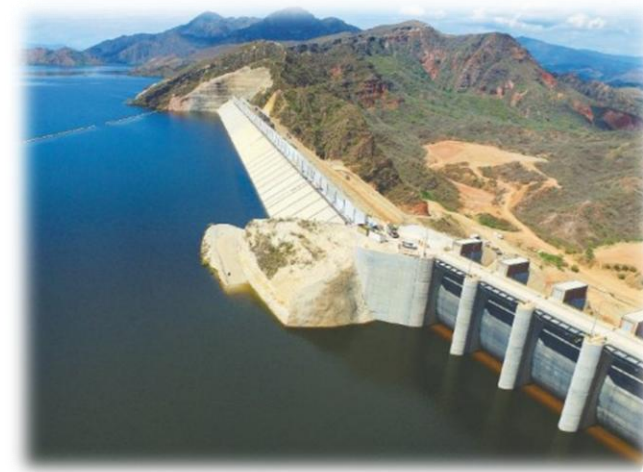
Minorities

# 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.**




# Enerjis Américas investment highlights

## Interconnections in LatAm






### Symbology

#### Interconnections Lines

-  Operative
-  Under Construction
-  Project

#### Gas

-  Gas pipeline
-  Liquefaction terminal
-  Regasification terminal



# Disclaimer

**enersis  
américas**

Grupo Enel

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