Enel Américas

Corporate Presentation, June 2017

Enel Américas Overview and Macro Context

Enel Américas overview[1]

Enel Américas is Latin America´s largest private power company

Colombia

Generation

- 3,467 MW
- 21% Market Share in Installed capacity
- Net Production 7,443 GWh
- Sales 8,690 GWh
- 27% Market Share in Sales

Distribution

- 3.3 million clients
- Sales 6,783 GWh
- 23% Market Share Dx

Peru

Generation

- 1,978 MW
- 16% Market Share in Installed capacity
- Net Production 3,409 GWh
- Sales 5,057 GWh
- 21% Market Share in Sales

Distribution

- 1.4 million clients
- Sales Dx 4,058 GWh
- 29% Market Share Dx

Brazil

Generation

- 974 MW
- 1% Market Share in Installed capacity
- Net Production 1,882 GWh
- Sales 5,505 GWh
- 2% Market Share in Sales

Distribution

- 9.8 million clients
- Sales Dx 16,850 GWh
- 9% Market Share Dx

Transmission

- 2,100 MW transmission lines

Argentina

Generation

- 4,419 MW
- 14% Market Share in Installed capacity
- Net Production 7,779 GWh
- Sales 7,802 GWh
- 12% Market Share in Sales

Distribution

- 2.5 million clients
- Sales Dx 9,090 GWh
- 16% Market Share Dx

Total Generation

Installed capacity: 10,838 MW
Energy sales: 27,054 GWh

Total Distribution

Clients: 17.0 million
Energy sales: 36,781 GWh

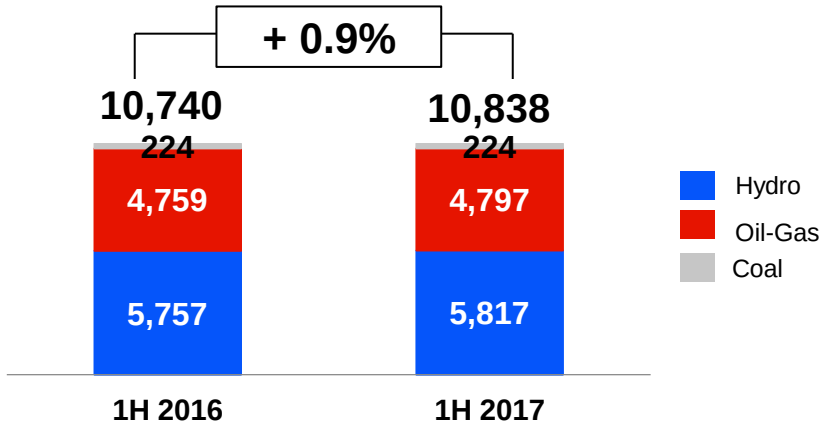
1.- Source: Company filings and presentations, as of June 30, 2017 – CELG is consolidated in these figures.

Enel Américas overview

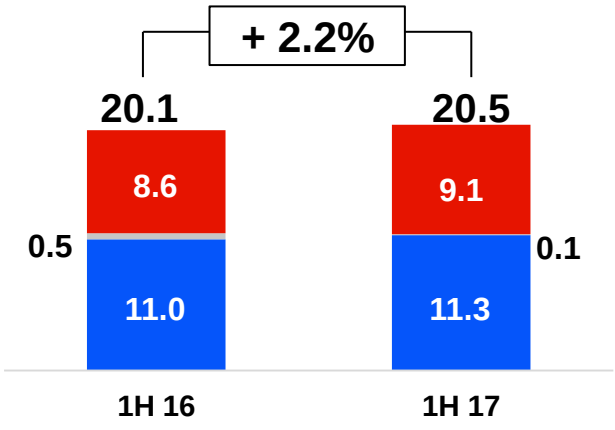
Operating highlights post CELG consolidation (1H 2017)

Generation

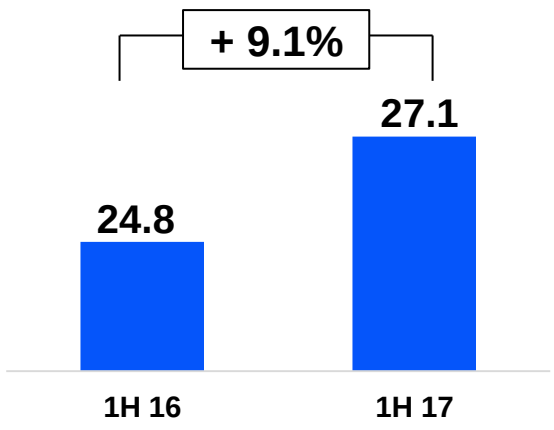
Net Installed capacity (MW)



Net production (TWh)

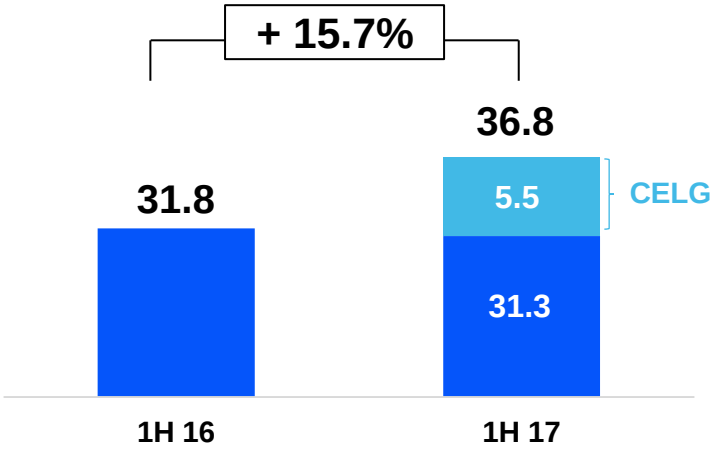


Electricity sales (TWh)

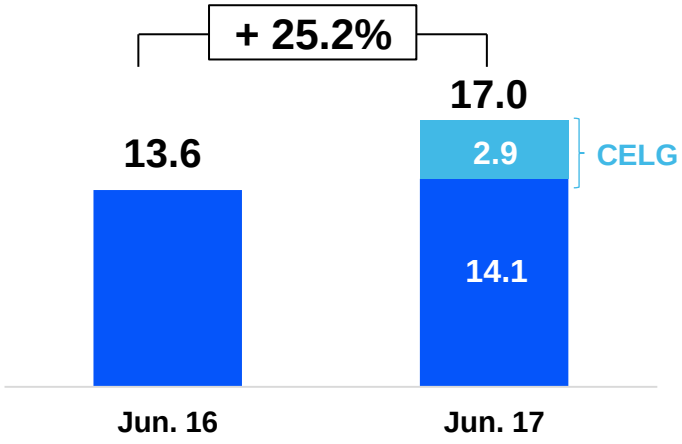


Distribution

Electricity Distributed (TWh)



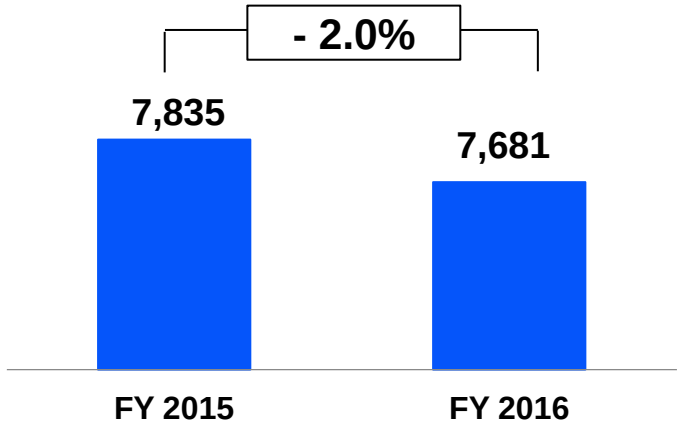
Number of customers (m)



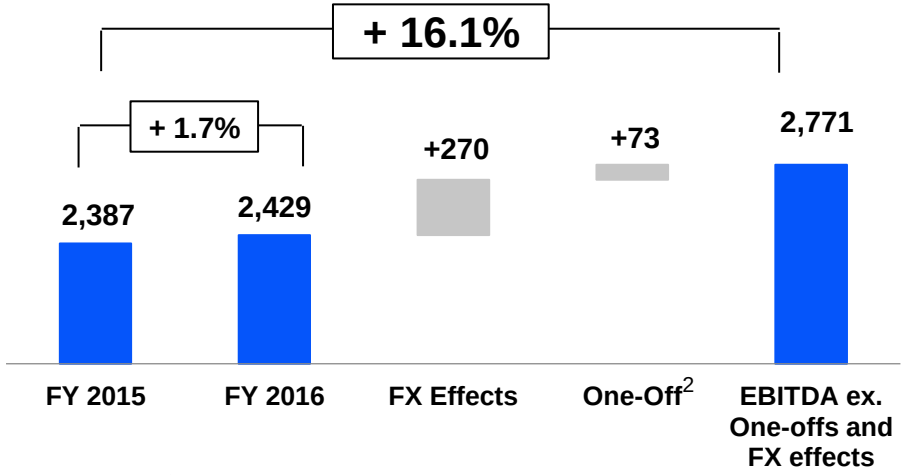
Enel Américas overview

Financial highlights (US$ mn) FY 2016[1]

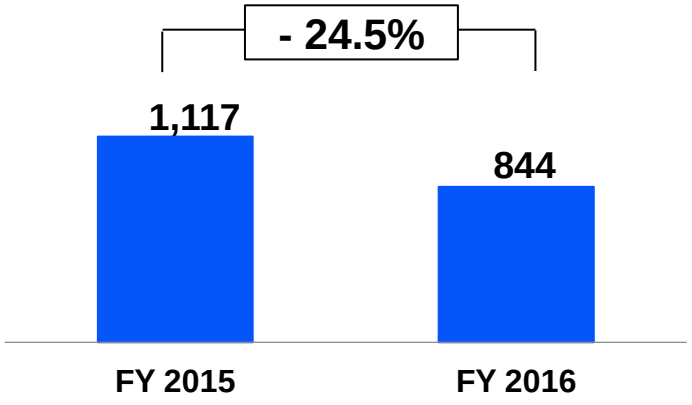
Revenues



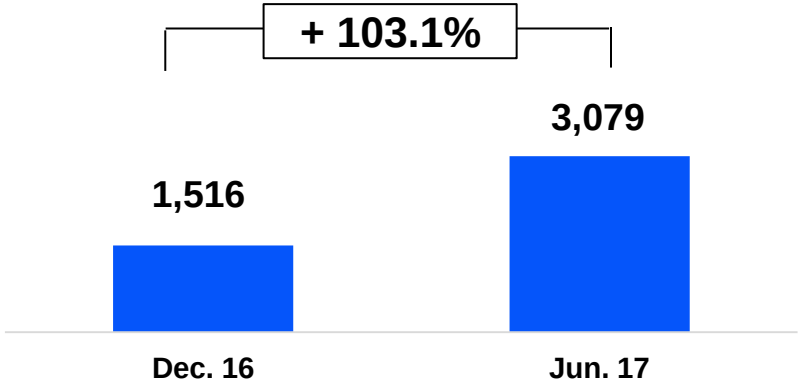
EBITDA



Net Income (without discontinued operations)



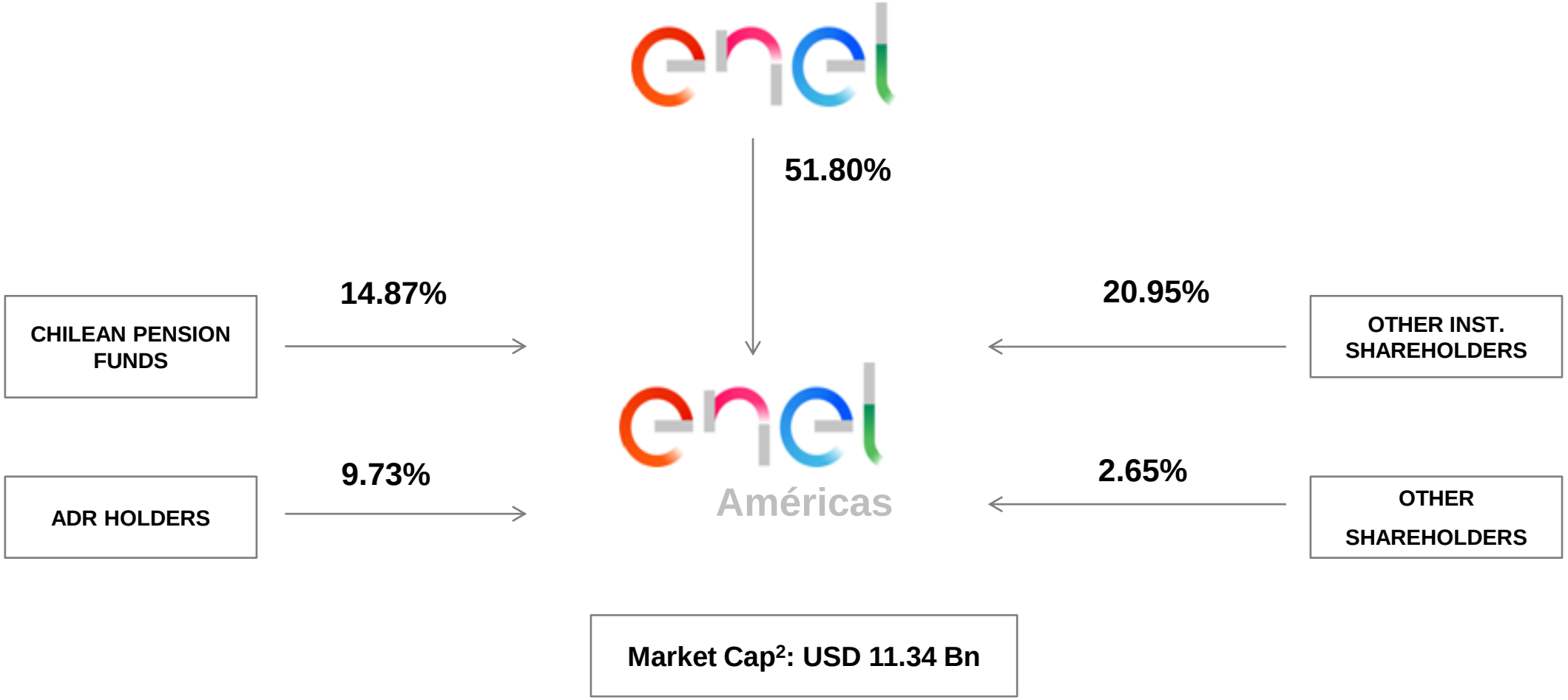
Net Debt[3]



1. Comparisons between periods are made using the average USD FX rate for FY 2016 equal to 676.67 CLP only for information purposes. Original data is in chilean pesos.
2. Related to write-off of Curibamba and Marañón proyects, and clients-related provisions in Peru.
3. Includes cash and cash equiv. + 90-day cash investments.

Enel Américas overview

Ownership profile[1]

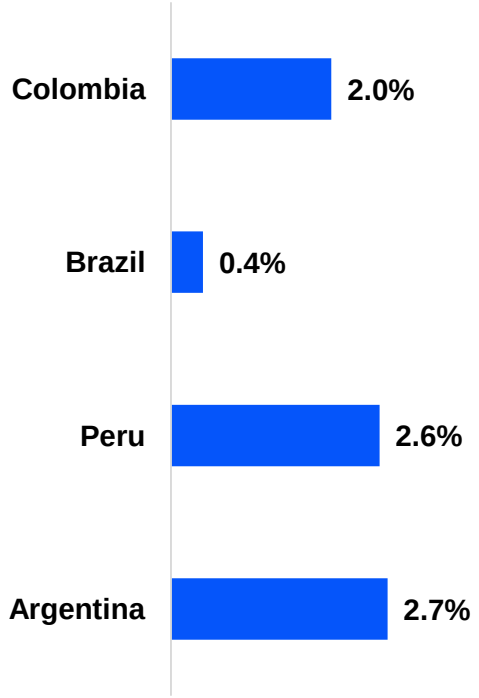


1. As of June 30, 2017.
2. As of August 04, 2017.

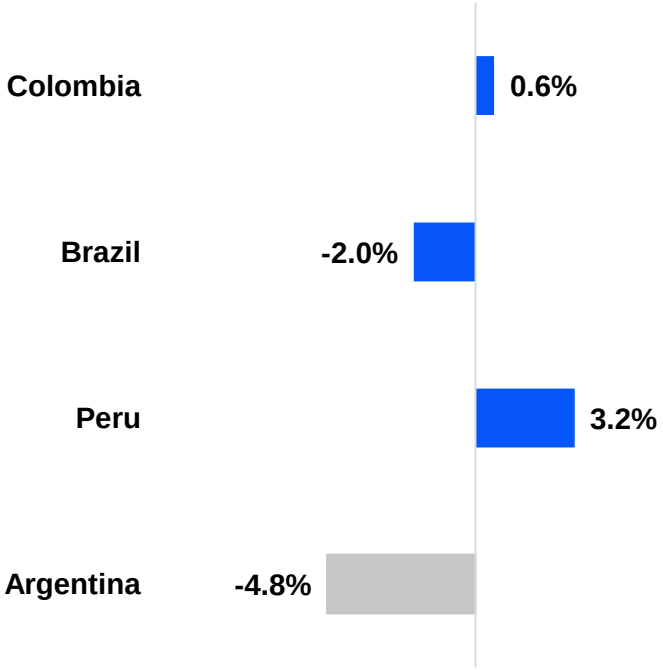
Macro context

Market context in 2Q

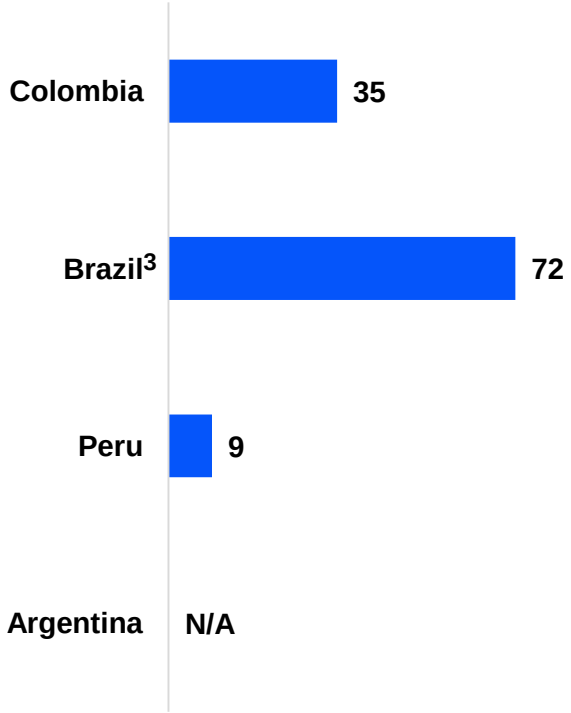
Annual GDP growth [1] (%)



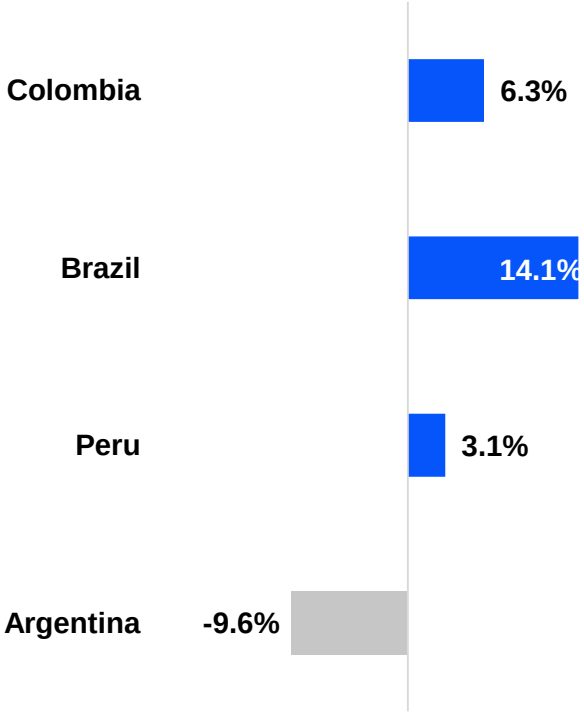
Enel Américas Energy demand[2] (%)



Average Spot Price (USD/MWh)



Local Currencies vs USD (YoY%)[4]



1. GDP (e) for 2017. Source: Latin America Consensus Forecast as of July 2017
2. Cumulative Demand. Brazil: Ampla and Coelce (Brazil Energy demand does not include Celg-D), Colombia: Codensa, Peru: Edelnor, Argentina: Edesur.
3. Southeast / Central-West region.
4. YoY. Source: Internal.

Strategic Plan 2017-2019[1]

1. Strategic Plan does not include Celg-D consolidation effects

Strategic Plan 2017-2019

Industrial and ESG pillars

Digitalization

Industrial pillars

- Operational efficiency
- Industrial growth
- Group simplification

ESG pillars

- Engaging the local communities
- Engaging the people we work with
- Aiming at operating efficiency and innovation
- Decarbonizing the energy mix

Customer Focus

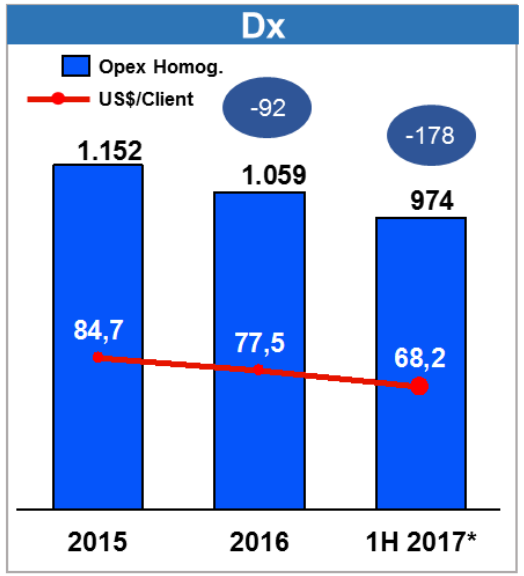
Industrial Pillars

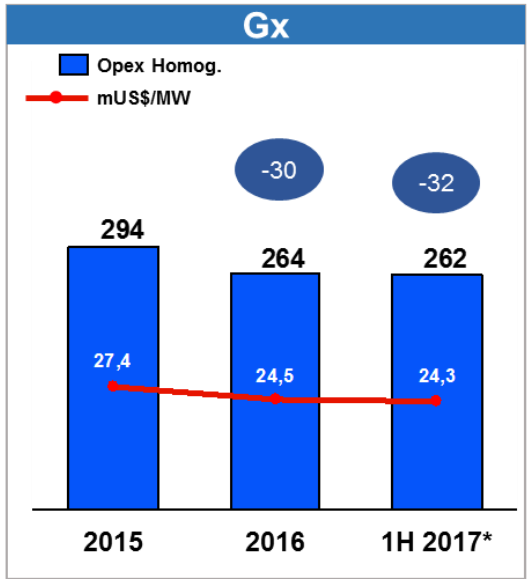
Industrial Pillars

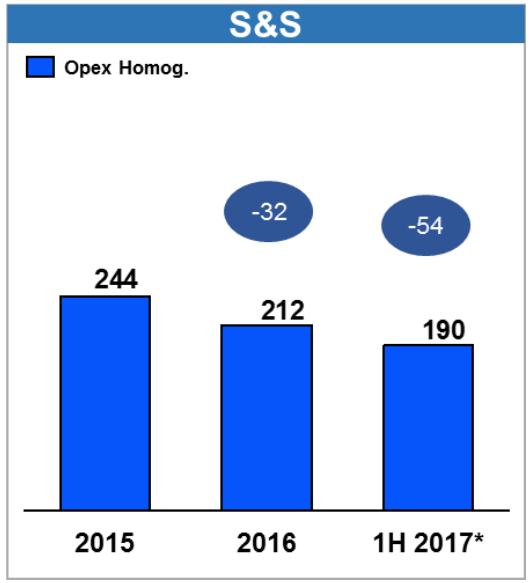
Operational efficiency[1]

	2016	1H 2017	2019	% accomplished as of June, 2017
OPEX	122	210	234	**90%**
SG&A	32	54	59	**92%**
Cash Optimization	4	11	15	**73%**
Tax	50	50	50	**100%**
Total	**208**	**325**	**358**	**91%**

Efficiencies vs 2015







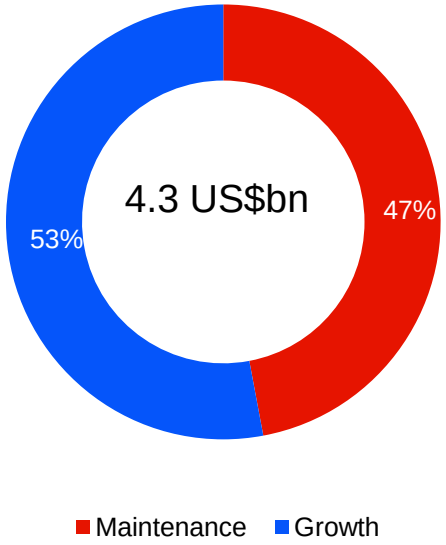
Already accomplished more than 90 % of total efficiencies announced

1.- MUSD net of inflation and Fx changes
* Annualized value.

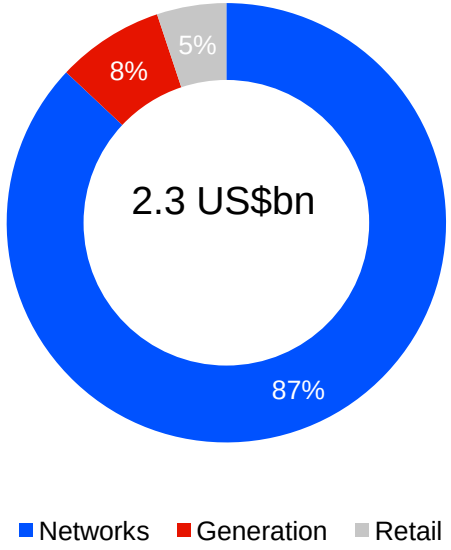
Industrial Pillars

Industrial Growth - Capex 2017 - 2019

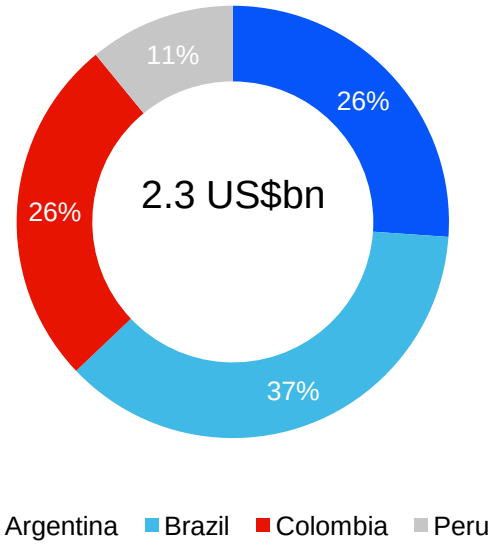
Total capex



Growth capex by business



Growth capex by country



Growth capex concentrated in Networks

Initial Capex estimated for CELG-D USD 0.8 bn on top of the Strategic Plan figures

Industrial Pillars

Industrial Growth - New regulatory cycles

		2016	2017	2018	2019	2020
Enel Distribución Perú	Every 4 years			✓		
Codensa[1]	Every 5 years			✓		
Enel Distribuição Ceará	Every 4 years				✓	
Enel Distribuição Rio	Every 5 years		+ 160 mm USD (3)	✓		
Celg-D	Every 4 years			✓		
Edesur[2]	Every 5 years	+ 440 mm USD (3)	✓			

RTI in Argentina approved

4th regulatory cycle for Enel Dx Rio already signed

1. 2014 process is still pending. It is expected to start the process by 1Q 2018.
2. New tariff scheme in Argentina in place from February 01st, 2017
3. Strategic Plan 2017-2019

Industrial Pillars

Industrial growth – New regulatory cycles

	Regulation @ Strategic Plan 2017-2019	New Regulation expected @ Strategic Plan 2017-2019	2017-19 EBITDA[1] impact
Argentina (Edesur)	▪ Temporary tariff based on historical Opex and Capex from February 2016	▪ Recognized RAB remuneration: Expected RAB 2017 ~ 2.1 bnUSD, WACC 12.5% ▪ Recognized Opex at 2016 level ▪ Depreciation: 2.7% yearly	+ 0.44
Brazil (Enel Dx Rio)	▪ 3rd cycle until 2019 (WACC 11.4%) ▪ Bad debt recognition updated every 5 years ▪ Recognized losses: based on ANEEL model	▪ 4th cycle starting from 2018 (WACC 12.3%) ▪ Recognition of bad debt updated yearly ▪ Recognized losses: new target from 2017	+ 0.16
Colombia (Codensa)	▪ RAB calculation: price cap model ▪ RAB updated every 5 years ▪ Opex connected to quality indicators ▪ WACC: 13.7%	▪ 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

Industrial Pillars

Industrial growth – New regulatory cycles – Argentina (Edesur)

Methodology model

- Price cap model.
- VNR (Valor Neto de Reposiciòn) depreciated according to the lifetime of the assets.

Regulated rate of return

- WACC 12,46%. Real pre-tax.

Regulated Asset Base

- RAB recognition of approximately U$D 2.5 Bn (VNR depreciated model) – Internal source

VAD (*Valor Agregado de Distribución*)

- VAD recognition of approximately U$D ~ 914 Mn.
- Tariff increase will be applied in 3 different steps: February 2017 (42%); November 2017 (12%); February 2018 (12%).
- VAD determined in real terms adjusted by inflation VAD. Adjusted also by an efficiency factor (X) and by investments (Q).

Investments

- FY 2017-2019: U$D 0.9 Bn committed in line with the Company's Strategic Plan presented last November.
- Resolution has established a mechanism of investments control to be periodically monitored by the Regulator.

Economic and Financial impacts

- Upside in EBITDA versus 2017-2019 Strategic Plan
- Improvement also in Cash Flow although lower than effect on EBITDA

Others commitments (Edesur)

- Improve current levels of SAIDI and SAIFI increasing quality and reducing penalties.
- Increase control in energy losses. Regulatory target (10%) to be reached by 2019. Current level of losses 12%.
- Upgrade quality of customers care.

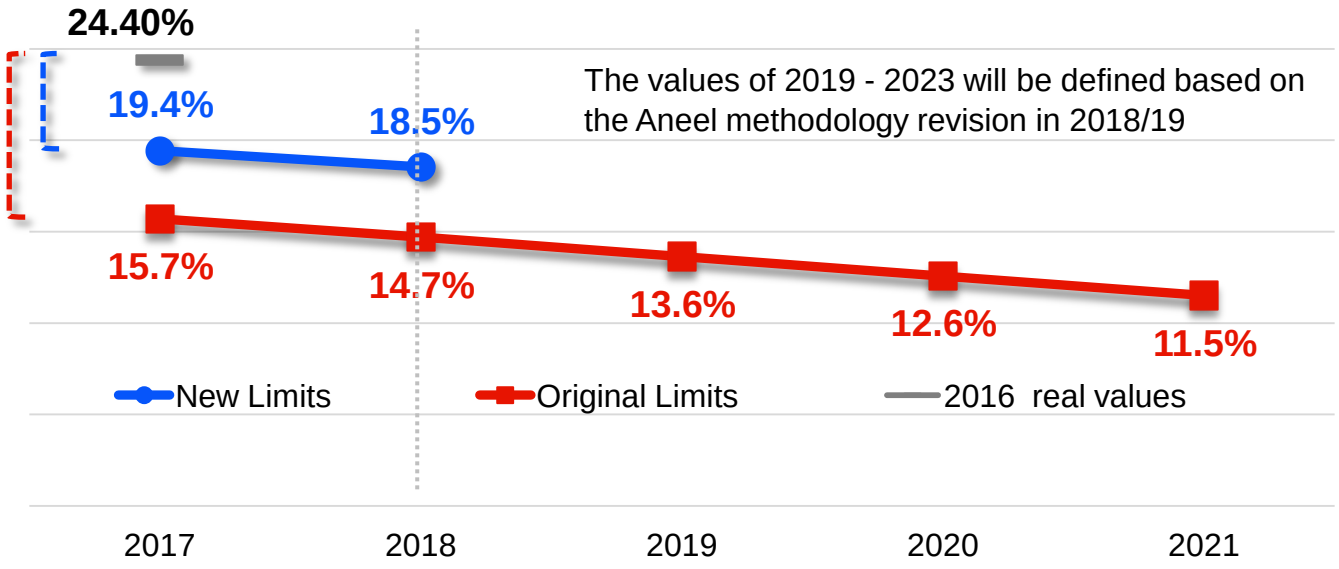
Industrial Pillars

Industrial growth – New regulatory cycles – Brazil (Enel Distribuição Rio)

- **Enel Río Tariff Review anticipation for 2018 (Previous was 2019)**
- **Regulatory non-technical losses review:** new limits for 2017 and 2018, with partial recognition of losses in areas with high criminal levels as an exception of socio-economic model
- **Regulatory Bad Debt:** annual adjustment based on the regulatory revenue requirement established in the tariff readjustment process
- **Components A costs neutrality:** Calculated for energy, transmission, bad debt and other financial costs.
- **Adequacy of quality indicators:** Definition of a path to adapt the DECi / FECi indicators to regulatory limits from 2018 yo 2022
- **Efficiency in economic and financial management:** The establishment of new objectives for economic and financial management
- **The non-compliance for 2 consecutive years or in 2022 of the new quality and economic and financial management objectives, will trigger a process for the termination of the concession**

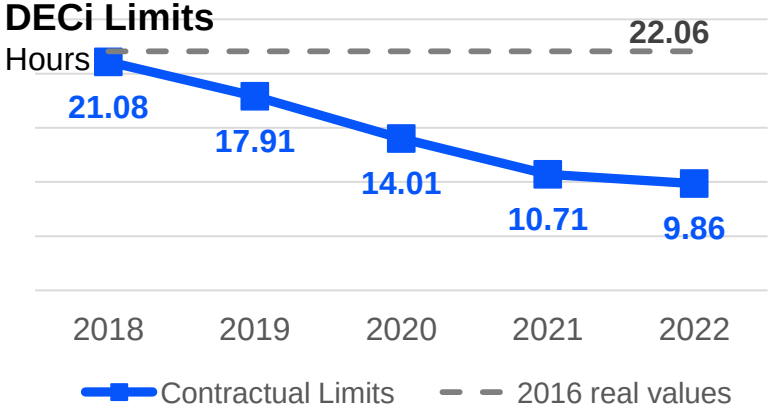
New limits of non-technical losses

% over low tension market



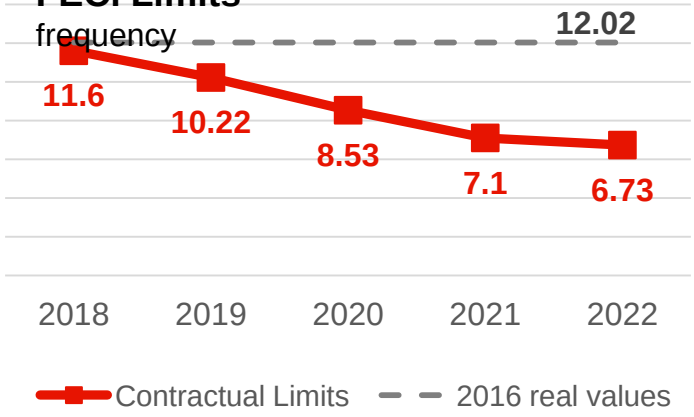
DECi Limits

Hours



FECi Limits

frequency



Industrial Pillars

Industrial growth – New regulatory cycles – Colombia (Codensa)

Current Regulation Represament Value VNR
(MV and LV: Price Cap; HV: Revenue Cap)
= VNR Annuity + Operative Investment HV + O&M + Quality Incentives

CREG Proposal Depreciated Asset Model
(MV, LV , HV: Revenue Cap)
= RAB * WACC + Depreciation + Investment Plan LV, MV, HV + O&M + Quality Incentives

Regulatory Asset Base

- Net Regulatory Asset Base (Net RAB), according to Remaining Capital Factor (-11%)
- WACC 13.1%+CREE, includes income tax path
- Regulated Income includes depreciation of assets and investment plan.

Investment Plan

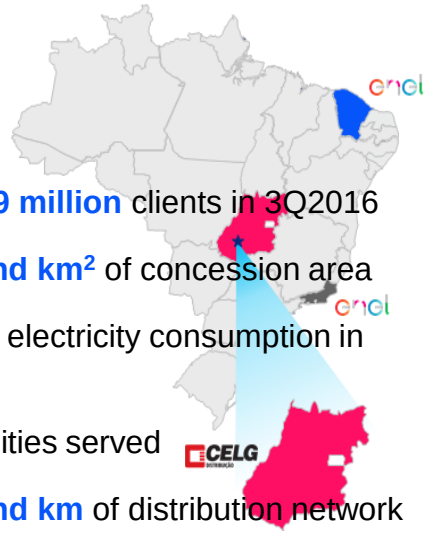
- Investment Plan: Annual planned assets of a 5Y plan are included in RAB. Maximum 8% of the Gross Asset Base (excluding HV investment).
- First year anticipated income.
- WACC 13.1%

O&M and Quality

- **O&M:**
  - AOM of Current asset base: average of historical remuneration (2009-2014).
  - New investment: 4% Level 1,2, 2% Level 3,4
- **Quality:** annual reduction target 8%. Reference avg. SAIDI, SAIFI 2013 to 2016. Quality incentives & compensations.

Industrial Pillars

Industrial growth – CELG-D



Key Highlights

- **More than 2.9 million** clients in 3Q2016
- **~337 thousand km²** of concession area
- **~13.1 TWh** of electricity consumption in 2015
- **237** municipalities served
- **~201 thousand km** of distribution network
  - 70% in rural areas / 30% in urban areas
- Responsible for providing electricity to **97% of the population of Goiás** (State population of 6.5 million as of 2014)
- Concession granted until **2045**

Performance	CELG-D Today
Financial	• EBITDA and OPEX net of one-offs, substantially better than targets.
HR Actions	• 2 Voluntary Plans (Retirement and Dismissal) • Total of 744 (609+135) people joined • Pay-back period: 1 year
Safety after the takeover	• 60% reduction of fatal and severe accidents
Quality KPI's	• DEC[1] TAM[2] Apr/17 29,8 hours vs TAM Apr/16 of 37,3 hours • Effective maintenance plan launched, Telecontrol Project launched, Quality Plan on course
Investments	• Accelerating growth investments vs initial targets • Main growth activities: Connections *(Urban connections, universalization, etc..)* and Quality plan *(MV Telecontrol, 3 new MV/MV substations, etc..)*
CELG 2020 Plan	• 7 working groups making up the project CELG 2020 • Identified 163 ideas and initiatives to date

Addressing the turnaround performance above initial targets

1. DEC: Duração Equivalente de Interrupção por Unidade Consumidora
2. TAM: Termo de Ajustamento de Conduta

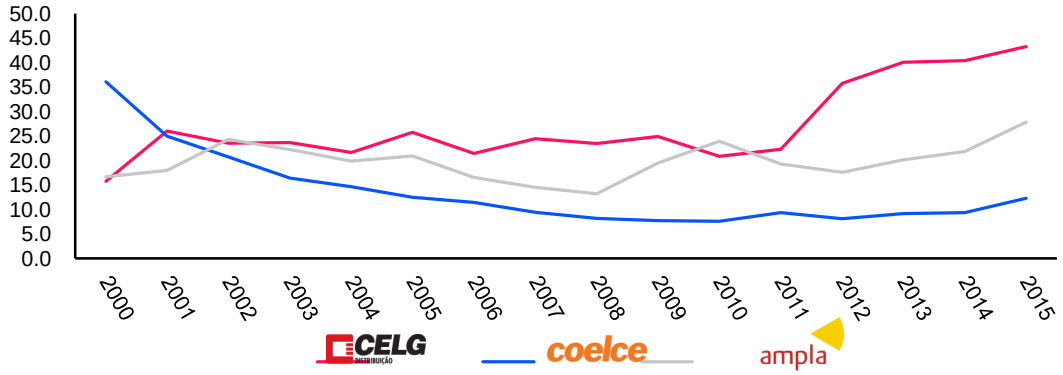
Industrial Pillars

Industrial growth – CELG-D

Américas

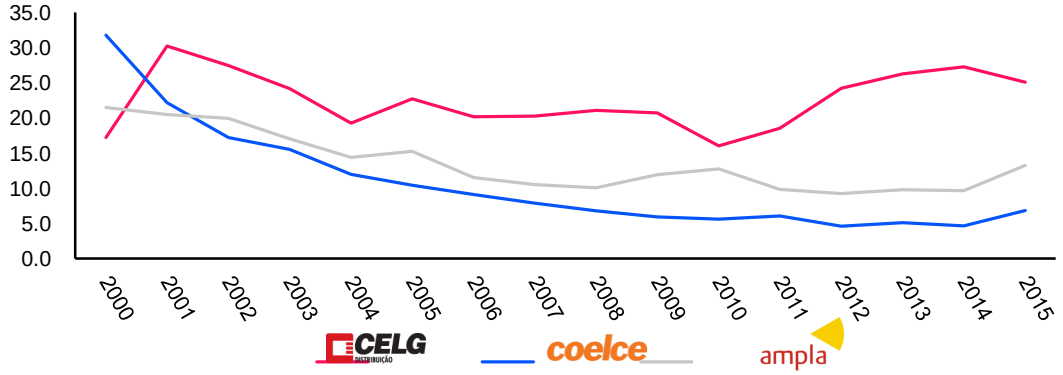
SAIDI - System Average Interruption Duration Index

Hours of Interruption per Year/Client



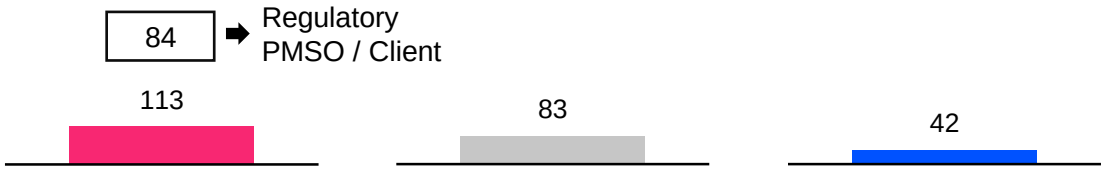
SAIFI - System Average Interruption Frequency Index

Times per Year/Client



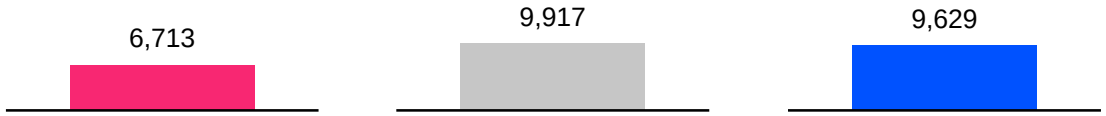
PMSO[1] / Client (2015)

US$/client



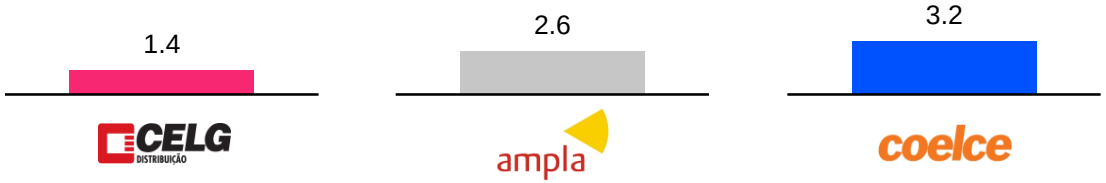
Energy Sold / Employee (2015)

MWh/Employee (Own)



Client / Employee (2015)

'000 Clients/Employee (Own)



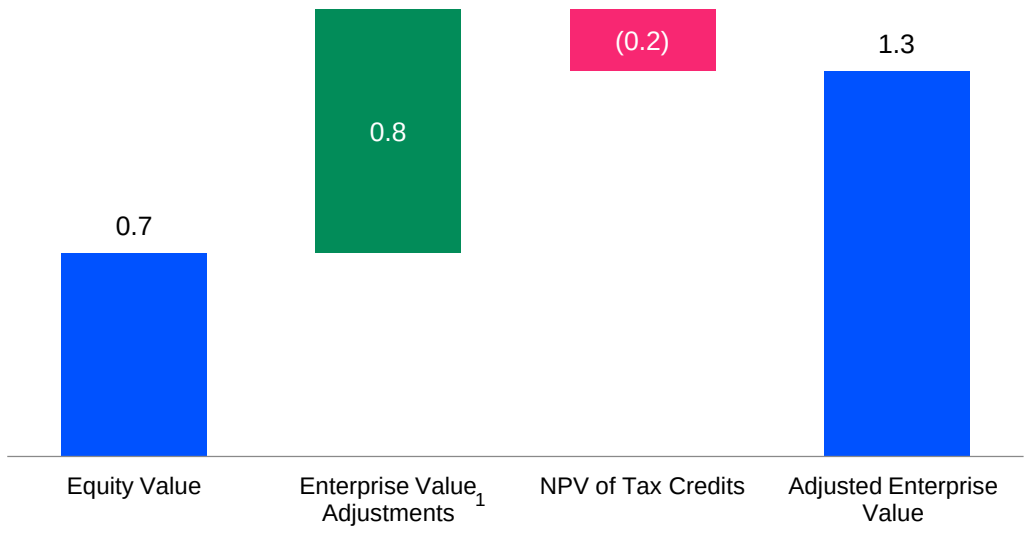
Targeting Coelce as a benchmark in the medium term

Source: ANEEL and public filings
Note: Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016
[1] PMSO: Personnel, Material, Services and Other expense

Industrial Pillars

Industrial growth – CELG-D

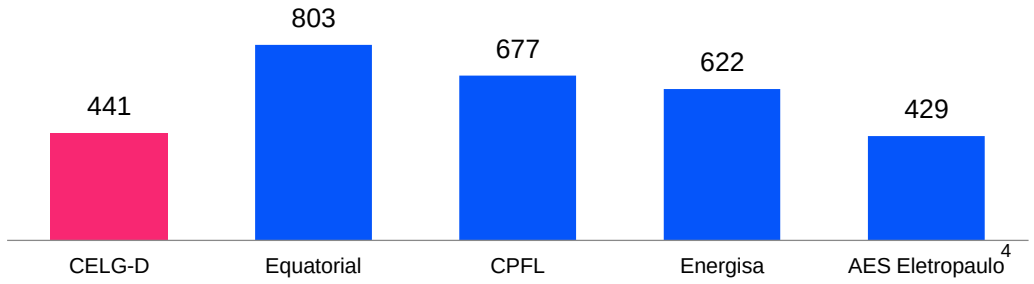
CELG-D: Adjusted Enterprise Value Build-Up (US$ bn)



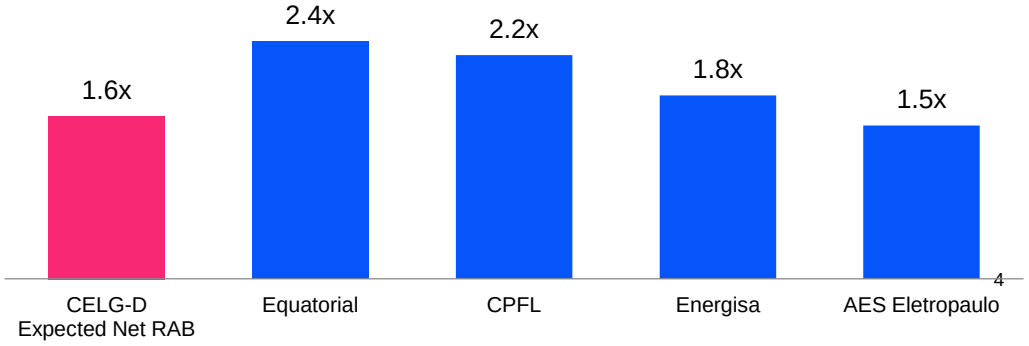
# of Clients:
2.9 mn

Expected Net RAB[2]:
US$ 0.8 bn

EV / 3Q16 Clients (US$ / client)



EV / 16E RAB

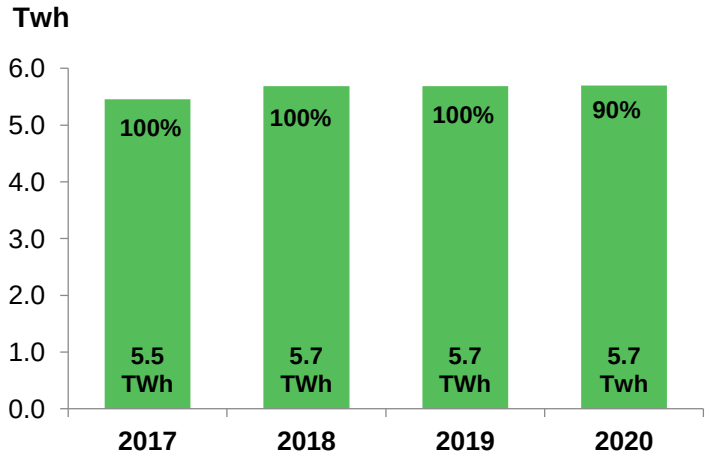


Note: Reference USDBRL FX rate: 1 US$ = 3.41 R$ as of November 25, 2016
[1] Considers debt and debt-like items, non-operational assets / liabilities, cash and cash equivalents as per Accenture's Valuation Report as of Sep/2016
[2] Expected Net RAB for 2016.
[3] Adjusted to consider power distribution segment only
[4] Includes the pension fund liabilities (incl. account corridor) and Eletrobras dispute liability according to AES estimates.

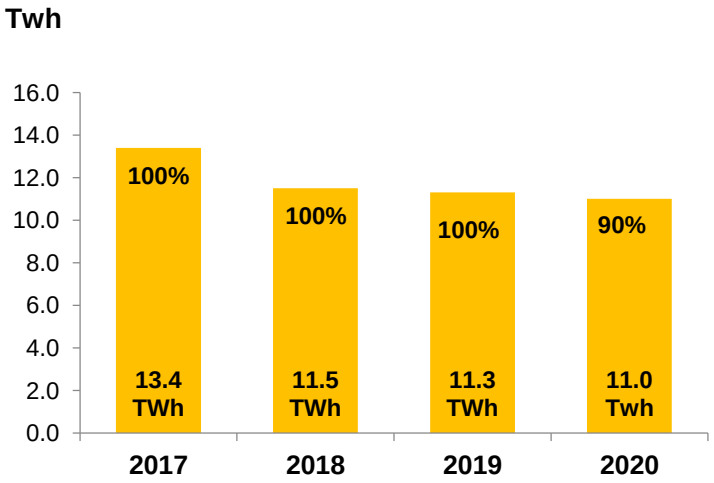
Industrial Pillars

Industrial growth - Contracted energy

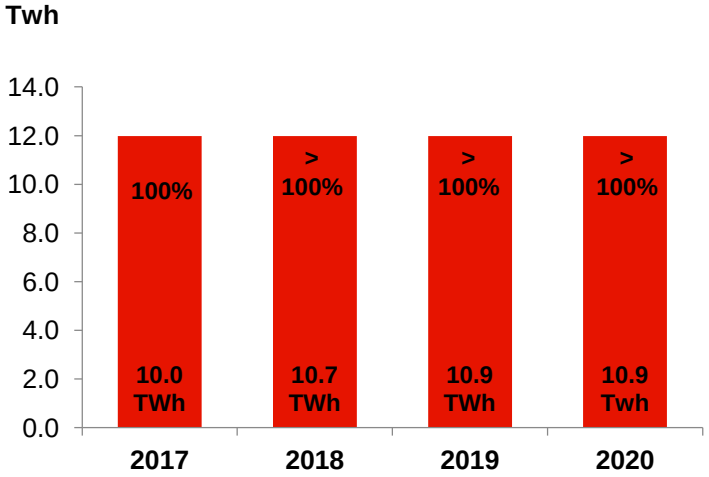
Brazil



Colombia



Peru



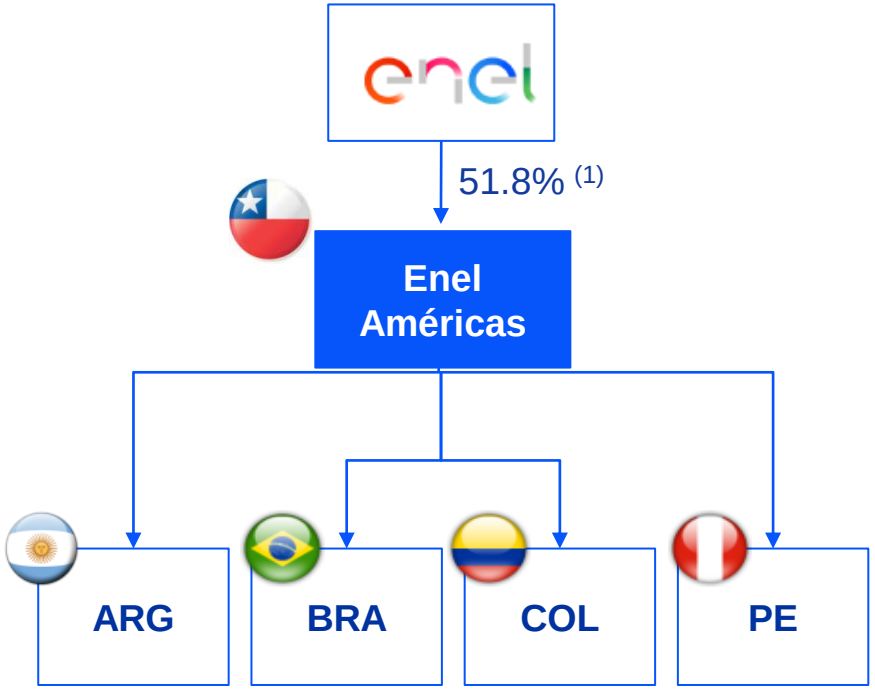
Average duration of contracts	7 years
Brazil 4-5 years	Colombia 4-5 years
Peru 10-12 years	

Securing profitability trough long-term PPAs

Industrial Pillars

Group simplification

Today



Further simplification at country level

- Nr. of companies in Americas at December 2016: 43
- Target to reduce the number of companies below 21
- Creation of sub holdings at country level

A leaner, more agile and simplified structure

1. After the cancellation of own issuance shares acquired in the merger of Endesa Américas and Chilectra Américas into Enel Américas valid as of the 1st of December

ESG Pillars

Sustainability Plan 2017-2019

Pillars and backbones

ESG Pillars

Engaging the local communities - Enel Américas contribution to the Sustainable Development Goals

Enel commitments to the global SDGs

4 QUALITY EDUCATION	400,000 people by 2020
7 AFFORDABLE AND CLEAN ENERGY	3 million of people, mainly in Africa, Asia and Latin America by 2020
8 DECENT WORK AND ECONOMIC GROWTH	1.5 million people by 2020[1]

Contribution of Enel Américas to Enel target on SDGs [1]

	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	4 QUALITY EDUCATION
Total Enel Américas [2]	1.1	0.23	0.10

Significant contribution of ENEL Américas to the global SDGs commitments

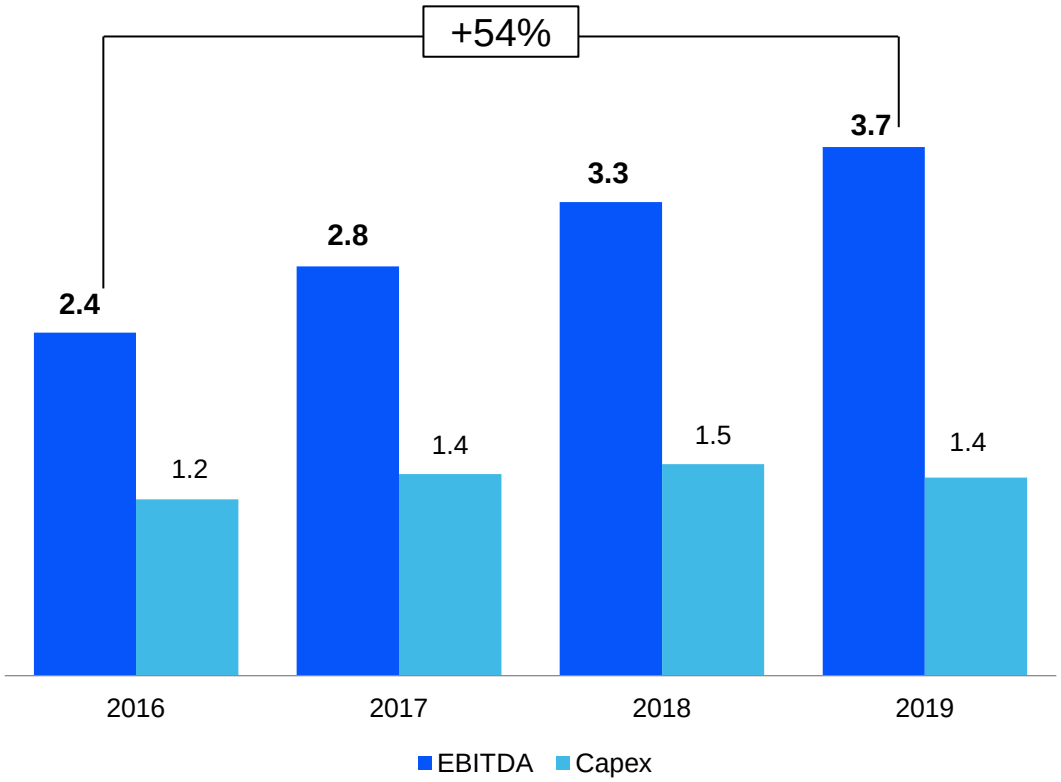
1. Beneficiaries @ closing 2016 / Cumulated since 2015
2. Figures in mm

Financial Strategy

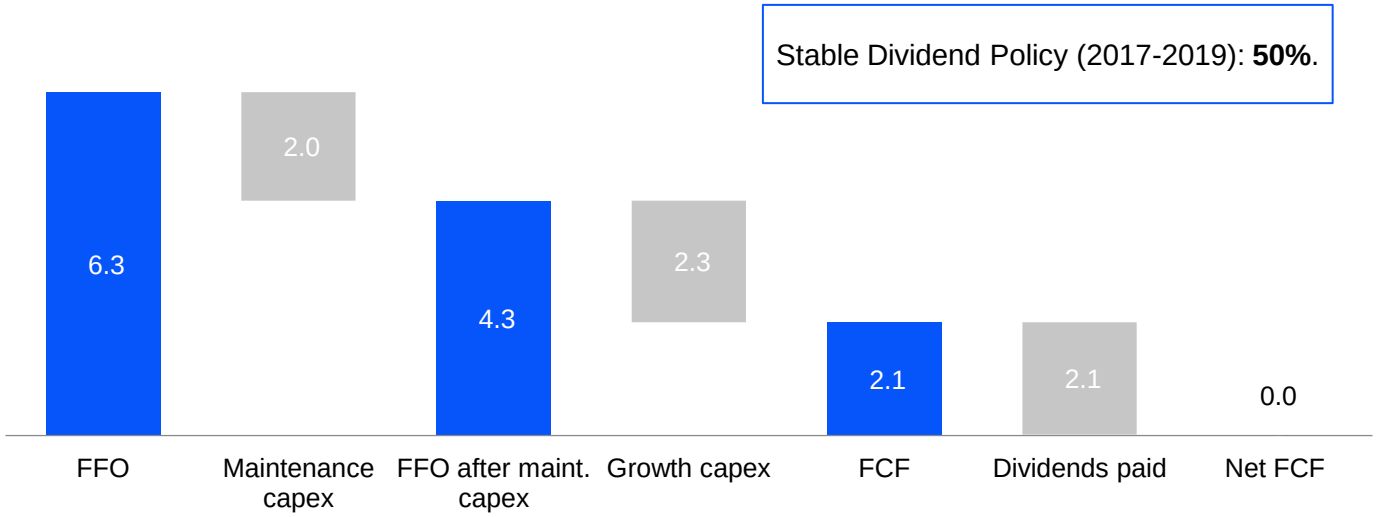
Financial Strategy

Targets - EBITDA, capex and cash flow 2017-19

EBITDA and CAPEX (bnUSD)



2017-19 Cash flow generation (bnUSD)[1]



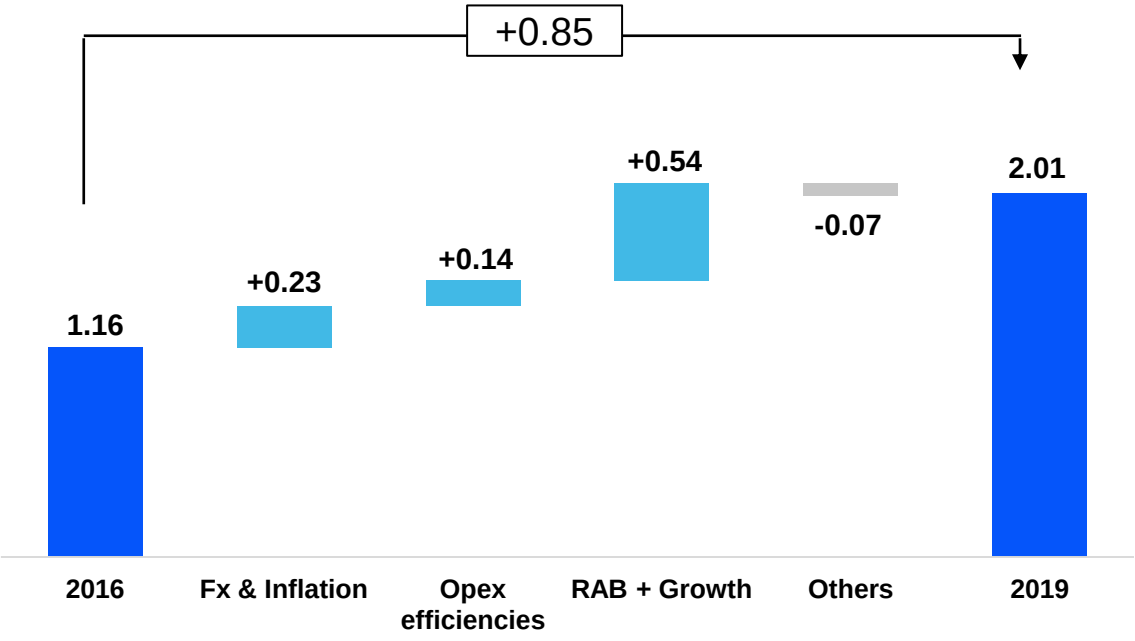
A sound EBITDA performance and cash generation

1. Opportunities in M&A and minorities buy-out not included.

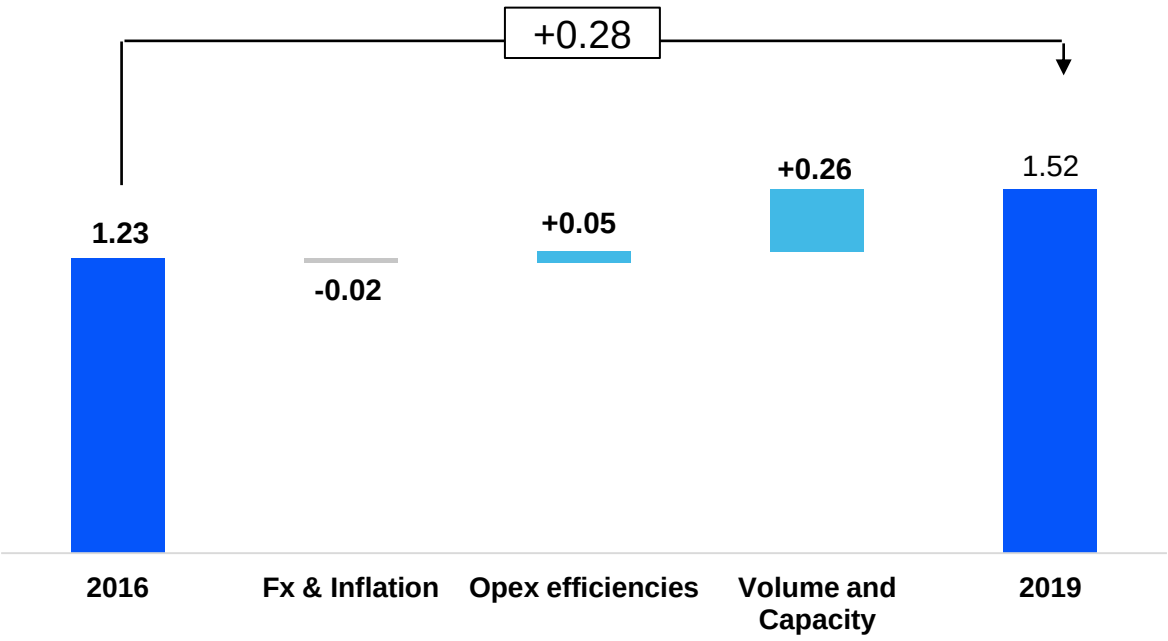
Financial Strategy

Targets - Networks and Generation EBITDA

EBITDA Evolution in Networks (bnUSD)



EBITDA Evolution in Generation (bnUSD)



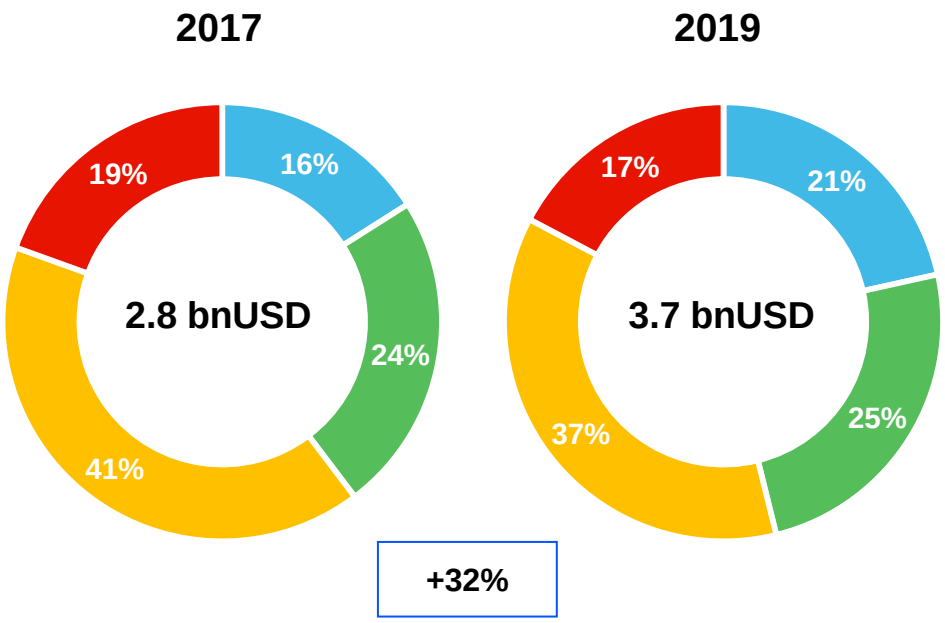
Solid growth mainly in Networks
In addition, Free Market[1] will add 210 MUSD by 2019

1. Including VAS and Public Lighting.

Financial Strategy

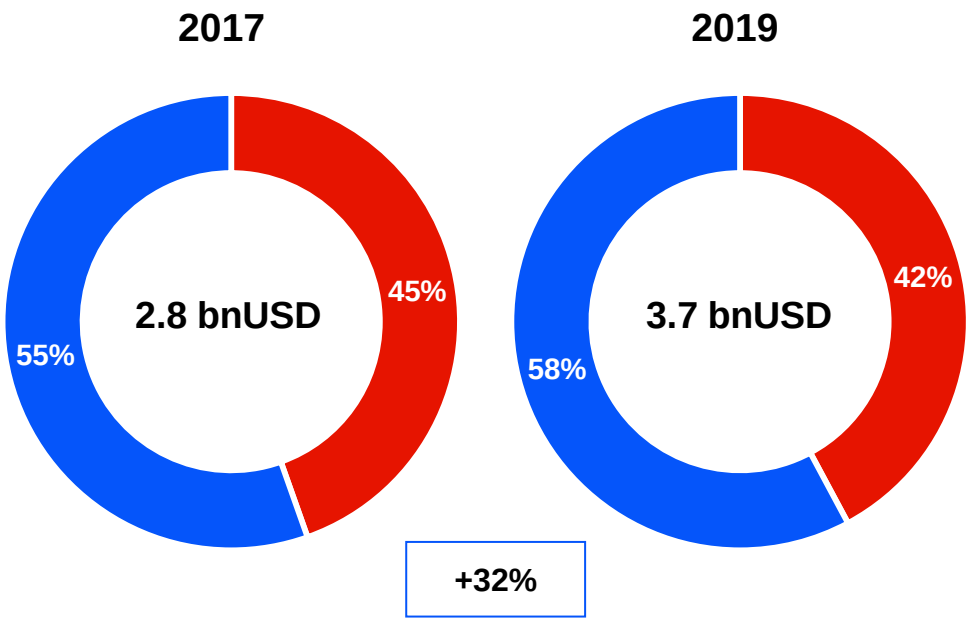
Targets - EBITDA by country and by business

EBITDA by Country



Colombia Peru Brazil Argentina

EBITDA by Business



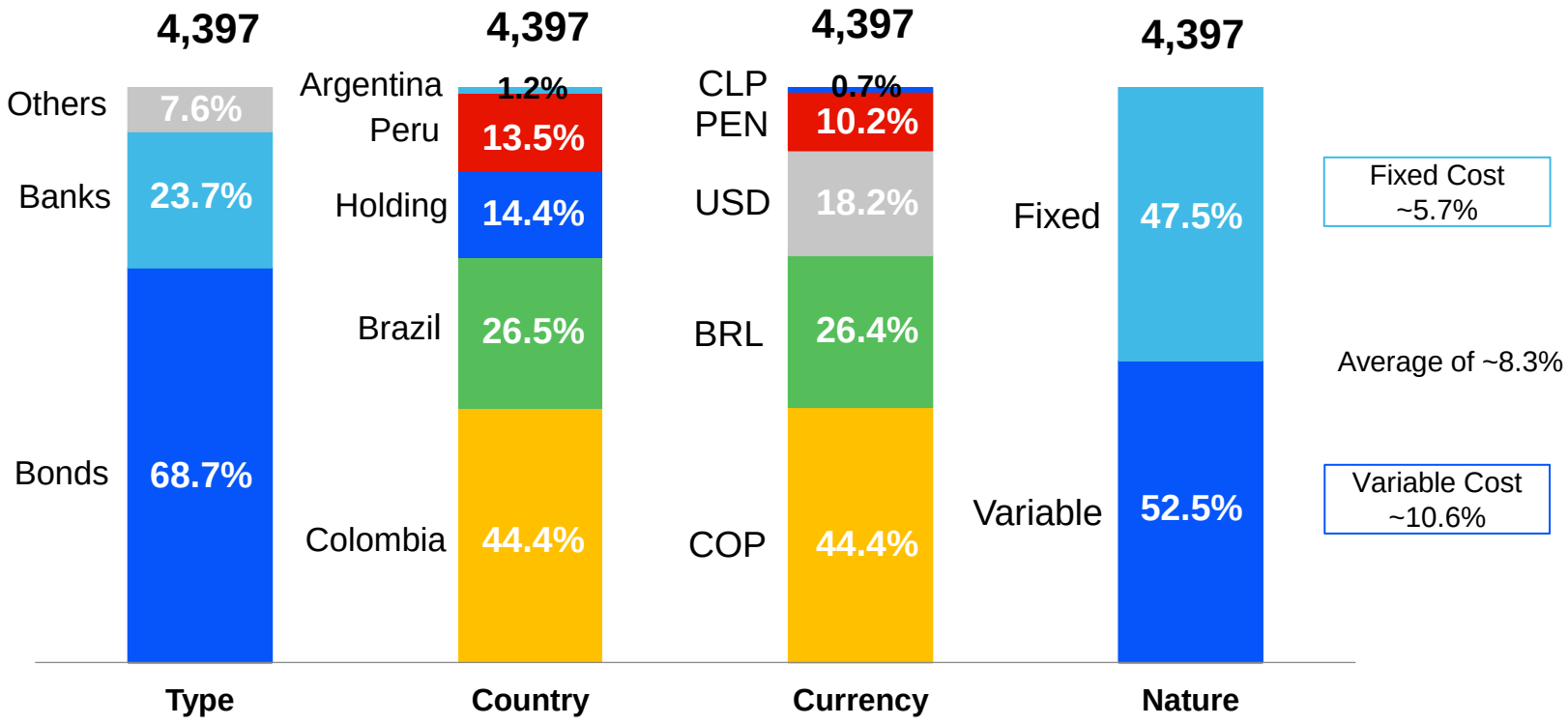
Generation Networks

+32% of EBITDA increase by 2019 vs 2017

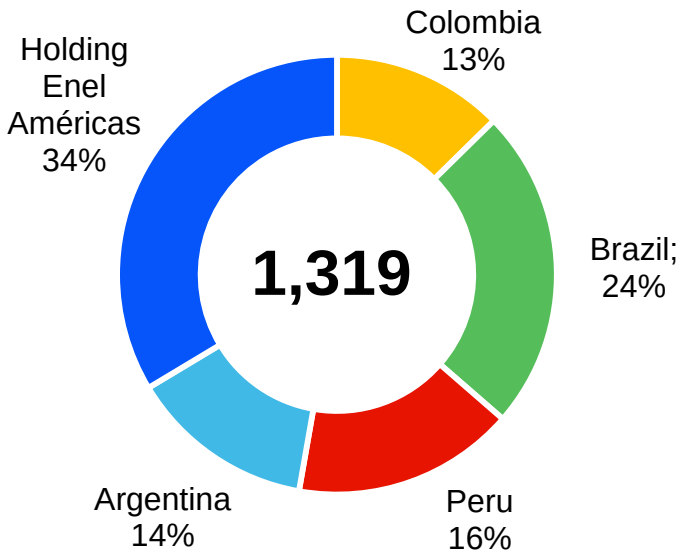
Financial Strategy

Gross debt and cash allocation as of June 30, 2017

Gross Debt (MUSD)



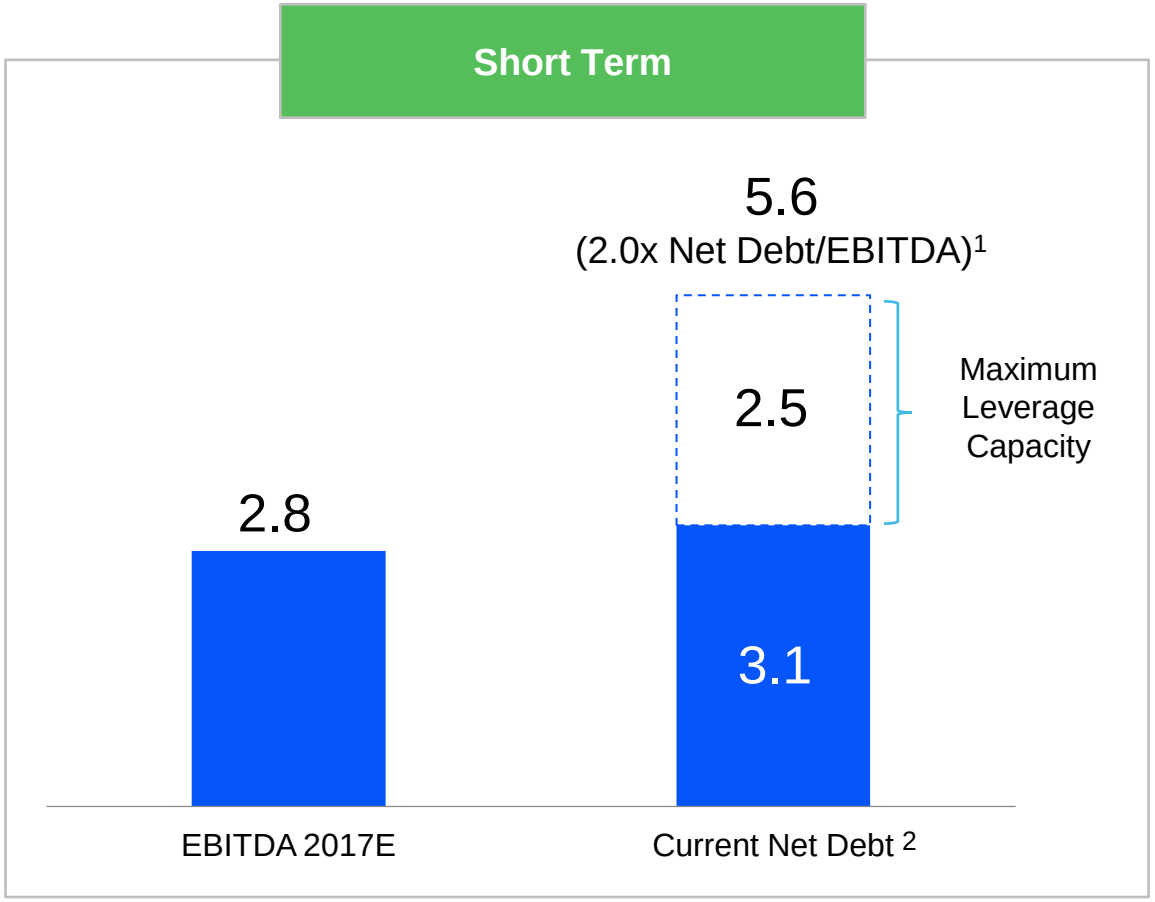
Cash allocation (MUSD)

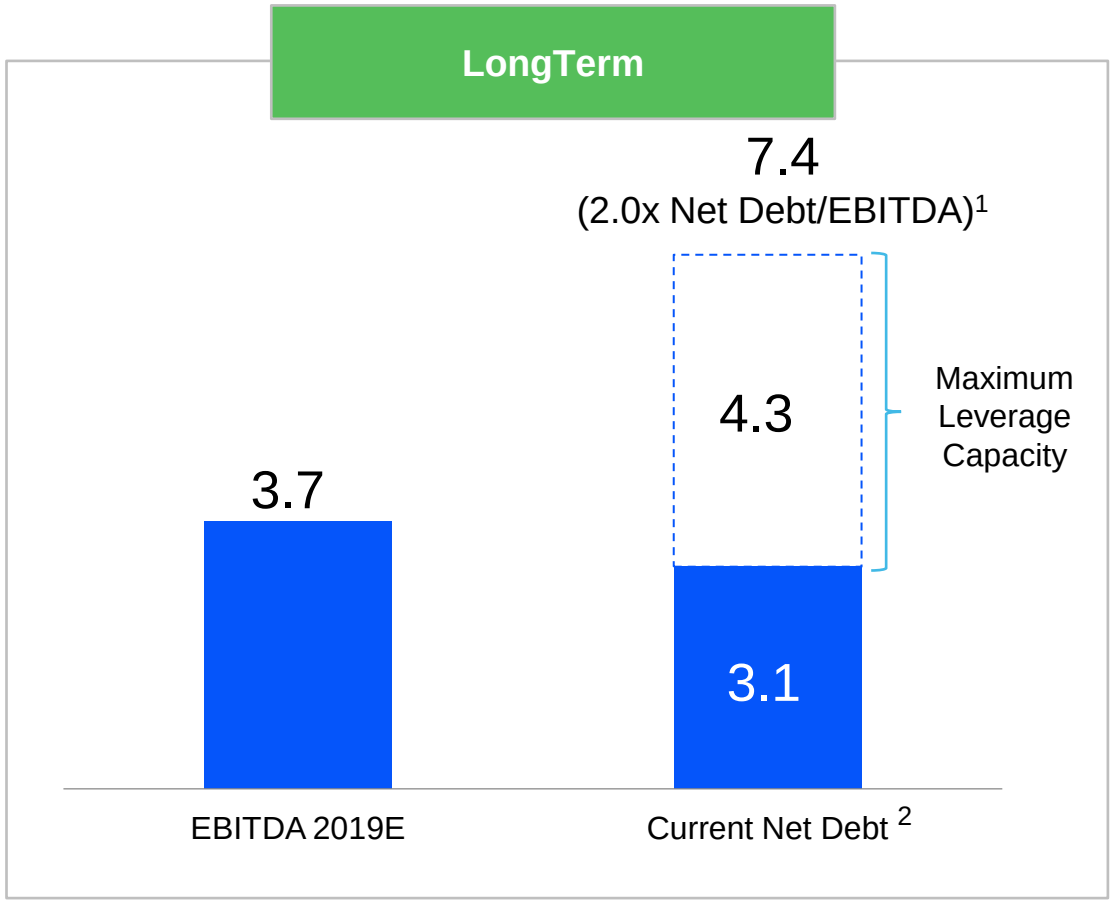


Operating companies fund project execution through their own cash-flow and debt capacity

Financial Strategy

Maximum leverage capacity (BnUSD)





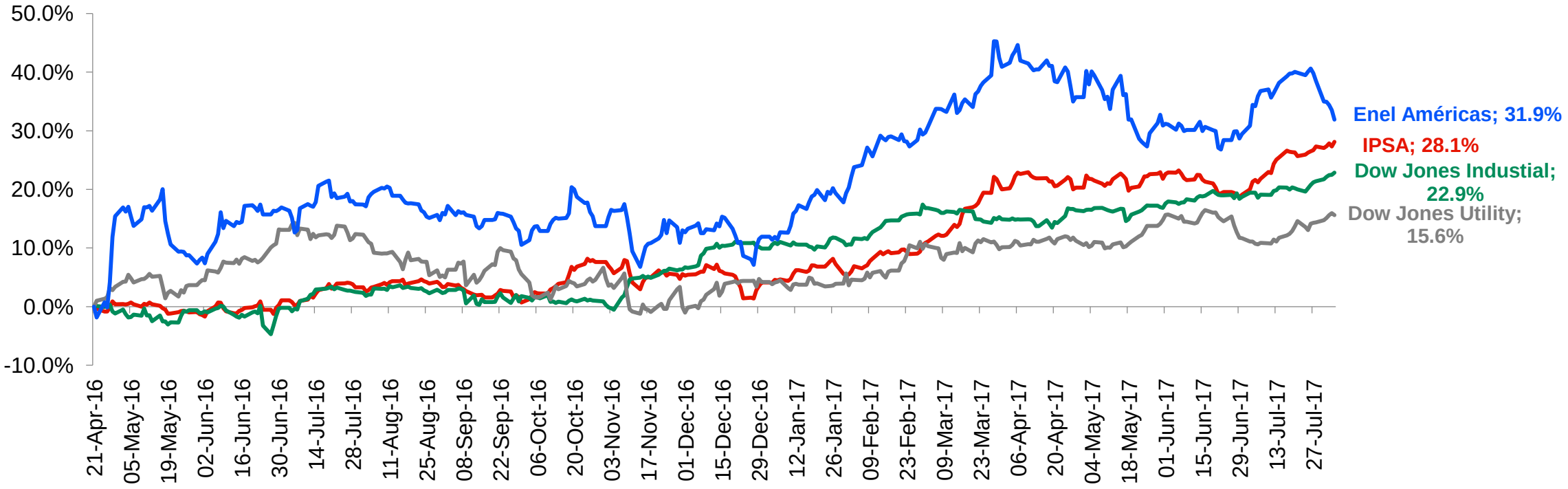
Relevant leverage capacity to continue growing

1. Max. capacity to keep current level of rating.
2. Net Debt as of June 30, 2017.

Share Performance Consensus

Share performance

Stock price evolution and liquidity vs IPSA and Dow Jones Industrial / Utility[1]



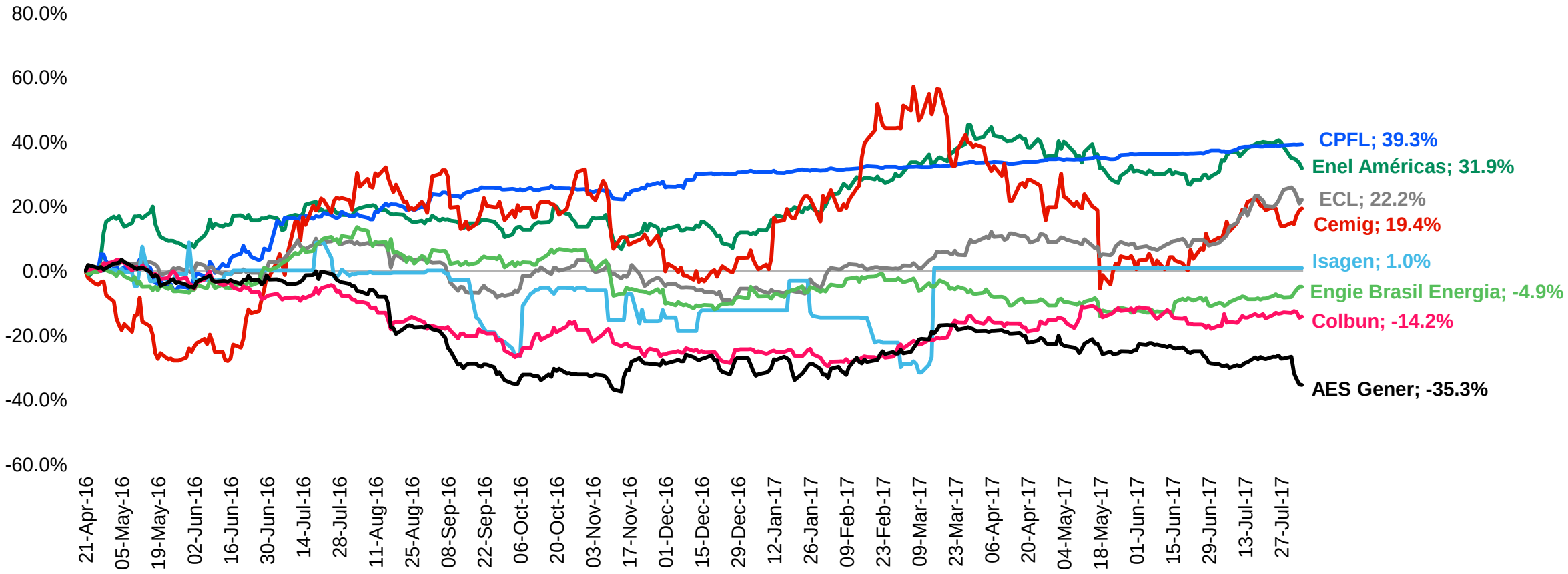
	BCS	NYSE	Total
Average daily traded volume last 12 months (US$)	6,144,649	7,950,660	14,095,309
%	44%	56%	100%

Enel Americas' share performance + 3.8% above the IPSA

1. From April 21, 2016 to August 04, 2017.

Share performance

Stock price evolution vs peers[1]



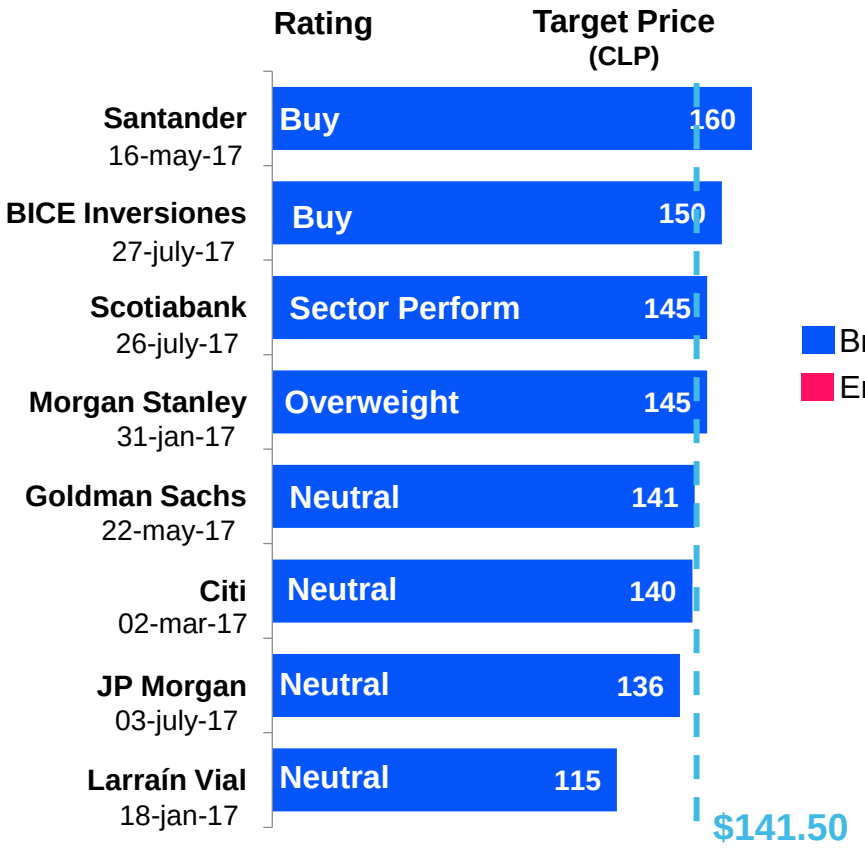
Enel Americas' among the top performers in the 2st Q 2017

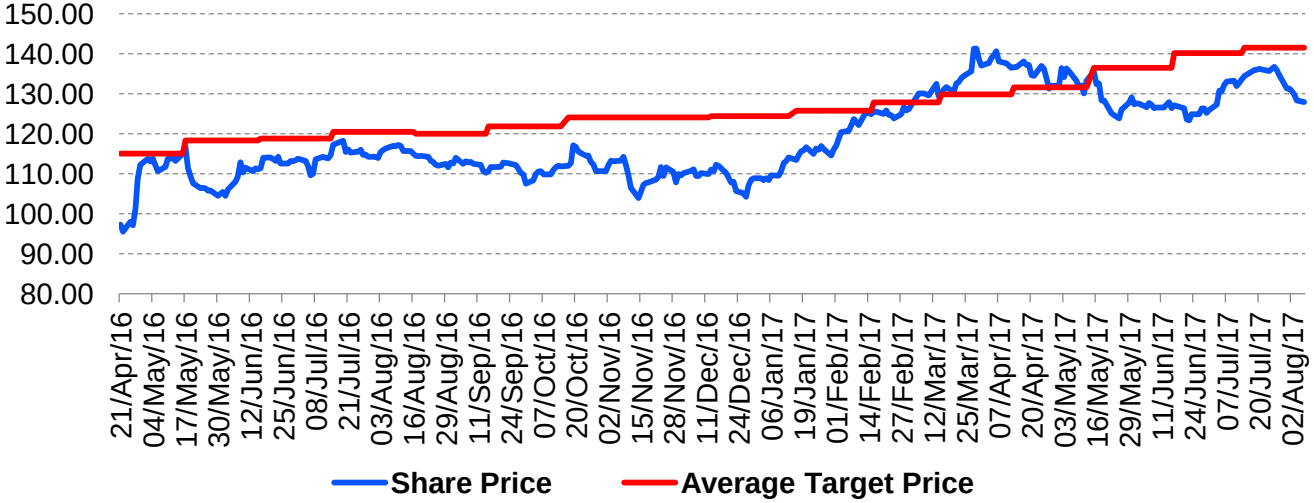
1. From April 21, 2016 to August 04, 2017.

Share performance

Market consensus analysis

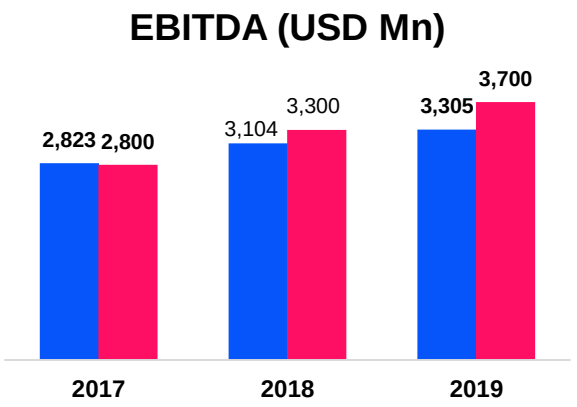
	CLP/Sh	USD/ADR
Share price as of 04-aug-17	**128.30**	**9.8**
Average target price as of 04-aug-17	**141.50**	
Current share price upside vs target price	**+10.29%**	

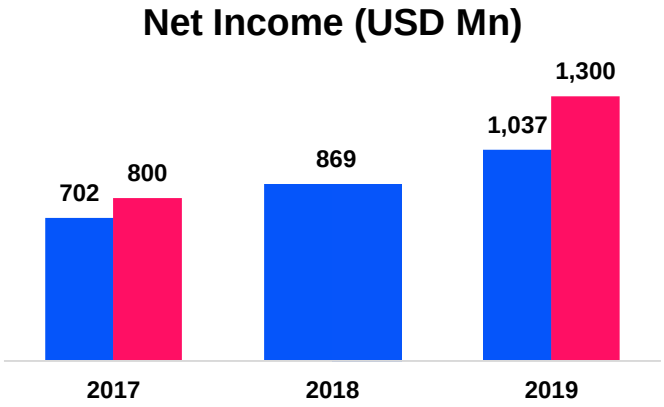




Broker's average

Enel Américas guidance





Enel Americas' share among the Latam top picks for analysts

Corporate Presentation

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Thank you.

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