



Enel Américas

Corporate Presentation, July 2018



Enel Américas Overview

Enel Américas overview¹

Enel Américas is Latin America's largest private power company



Colombia

Generation

3,467 MW
21% Market Share in Installed capacity
Net Production 14,765 GWh
Sales 18,156 GWh
27% Market Share in Sales

Distribution

3.3 million clients
Sales 13,790 GWh
22% Market Share Dx

Peru

Generation

1,979 MW
16% Market Share in Installed capacity
Net Production 7,430 GWh
Sales 10,457 GWh
15% Market Share in Sales

Distribution

1.4 million clients
Sales Dx 7,934 GWh
30% Market Share Dx

Total Generation

Installed capacity: 11,219 MW
Energy sales: 56,051 GWh



Brazil

Generation

1,354 MW
1% Market Share in Installed capacity
Net Production 4,034 GWh
Sales 12,587 GWh
3% Market Share in Sales

Distribution

10.0 million clients+ 7.1 Eletropaulo clients
Sales Dx 34,876 GWh + 42,982 Eletropaulo distributed energy
9% Market Share Dx ~ 20% including Eletropaulo

Transmission

2,100 MW transmission lines

Argentina

Generation

4,419 MW
13% Market Share in Installed capacity
Net Production 14,825 GWh
Sales 14,857 GWh
11% Market Share in Sales

Distribution

2.5 million clients
Sales Dx 17,736 GWh
17% Market Share Dx

Total Distribution

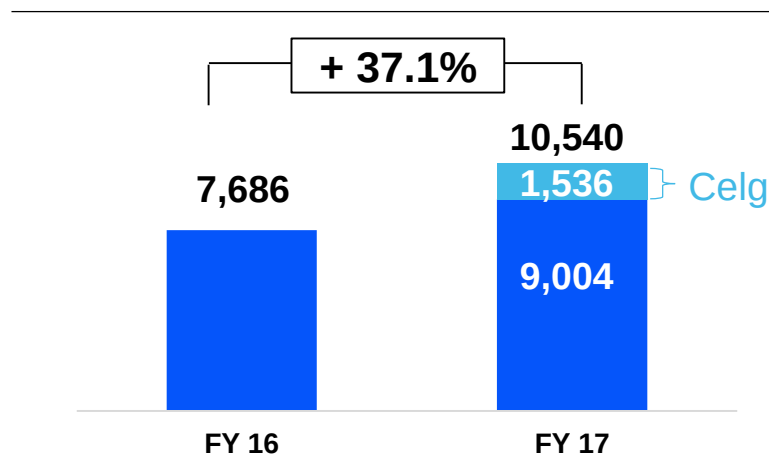
Clients: 17.2 million 24.3 million including Eletropaulo
Energy sales: 74,337 GWh ~ 120 TWh including Eletropaulo

Enel Américas overview

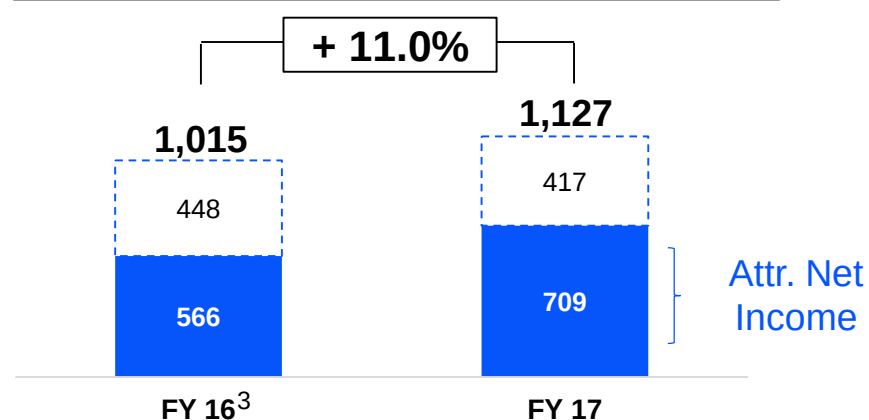
Financial highlights (US\$ mn) FY 2017



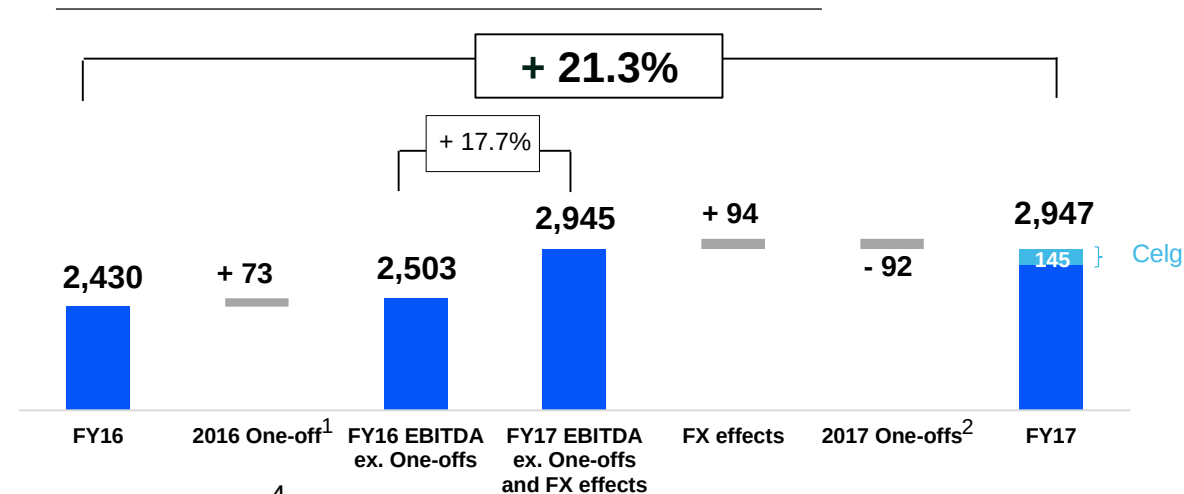
Revenues



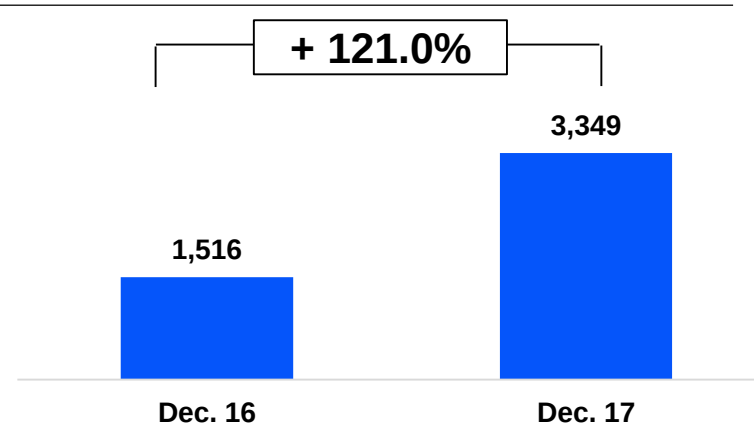
Net Income



EBITDA



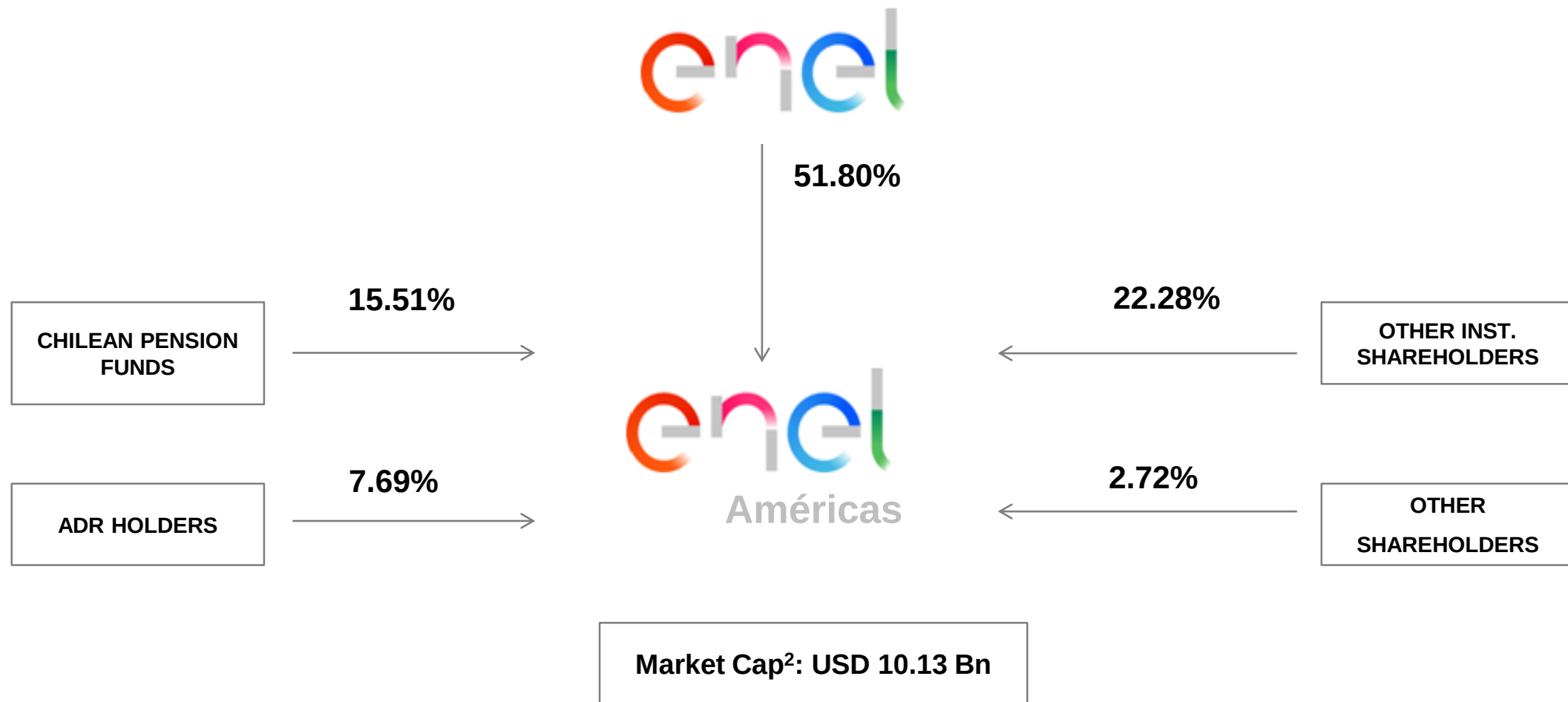
Net Debt⁴



1. Related to write-off of Curibamba and Maraón proyectos, and clients-related provisions in Peru for USD 73 m.
2. Related to voluntary retirement plan provisions in Celg-D for an amount of USD 51 m and update past fines in Argentina for an amount of USD 41 m.
3. Net income includes discontinued operations (170 MUSD).
4. Includes cash and cash equiv. + 90-day cash investments.

Enel Américas overview

Ownership profile¹



1. As of June 30, 2018.

2. As of July 30, 2018.

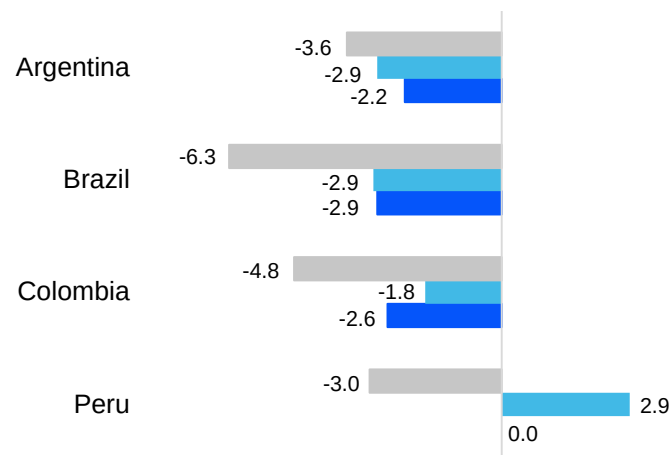
Strategic Plan 2018-20

Macro and energy scenario

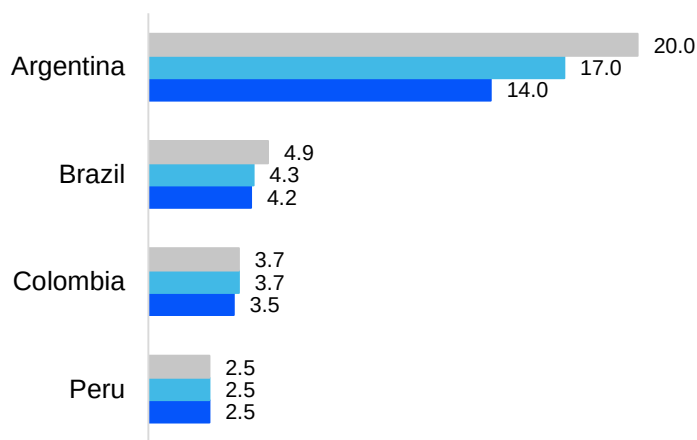
South America Region (%)¹



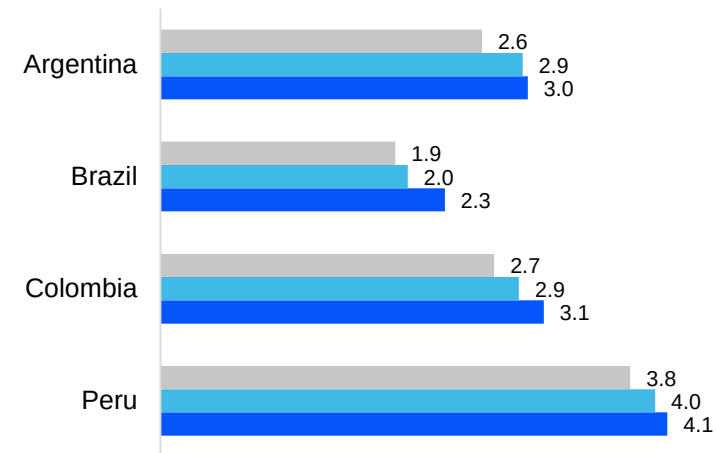
Local currencies vs USD



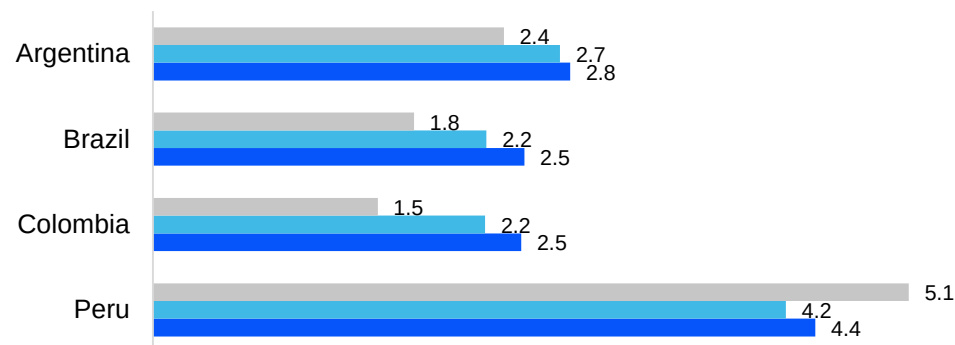
CPI²



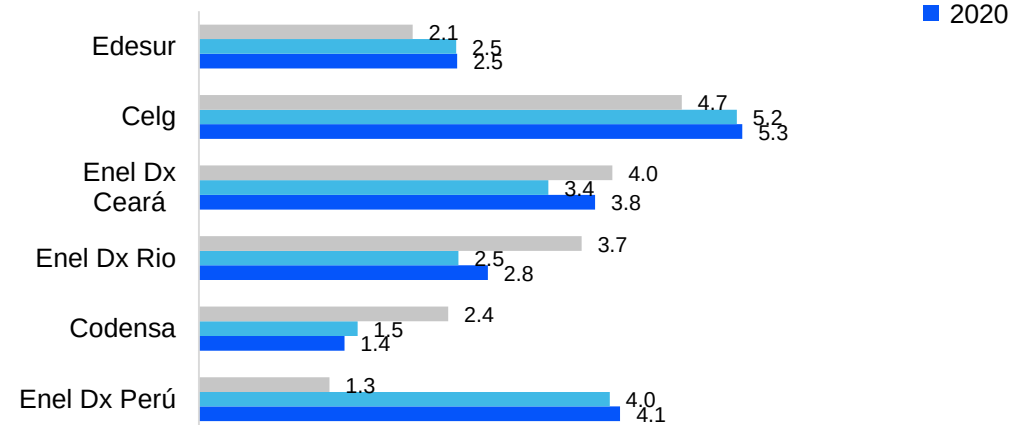
GDP



Energy demand



Enel Américas distributed energy



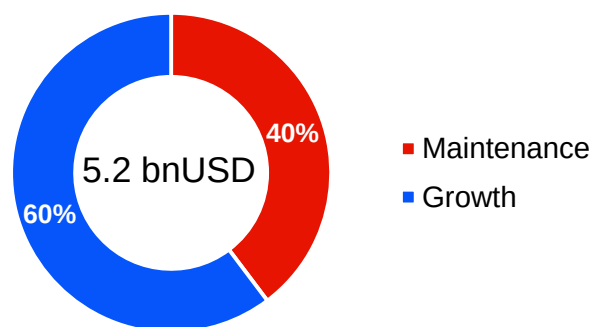
1. Versus previous year.
2. Consumer Prices Index.

Industrial growth: Organic growth

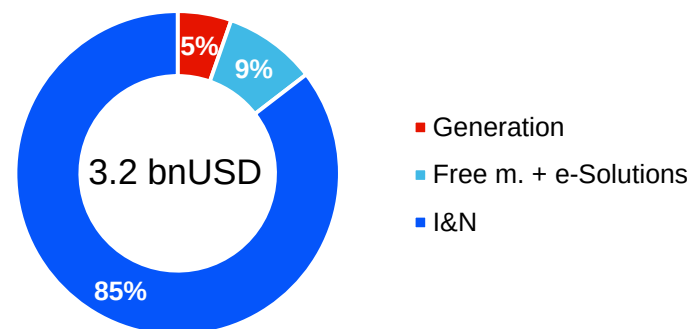
Organic growth - Capex plan 2018-20



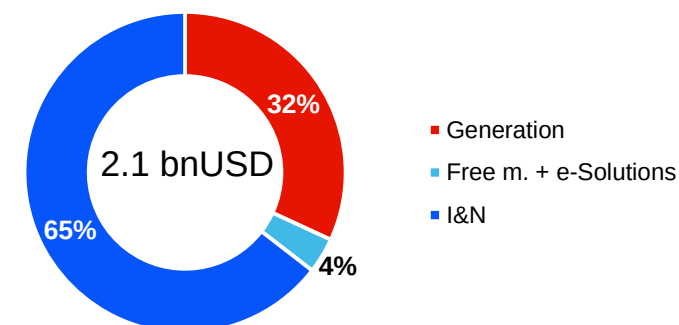
Total capex



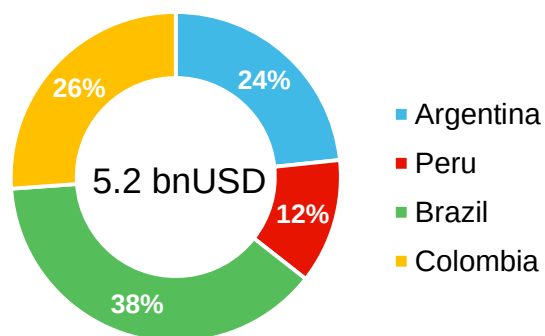
Growth capex by business



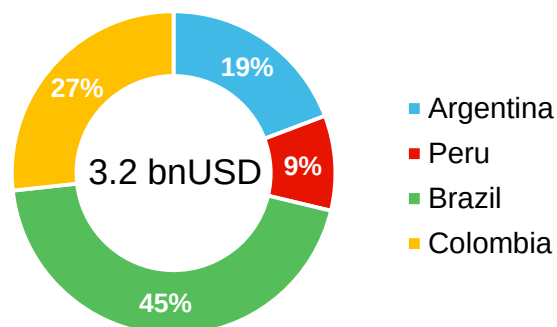
Maintenance capex by business



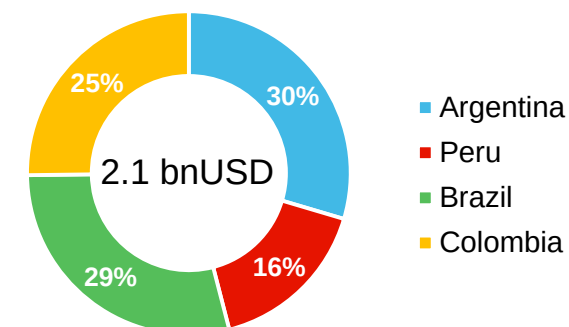
Total capex by country



Growth capex by country



Maintenance capex by country



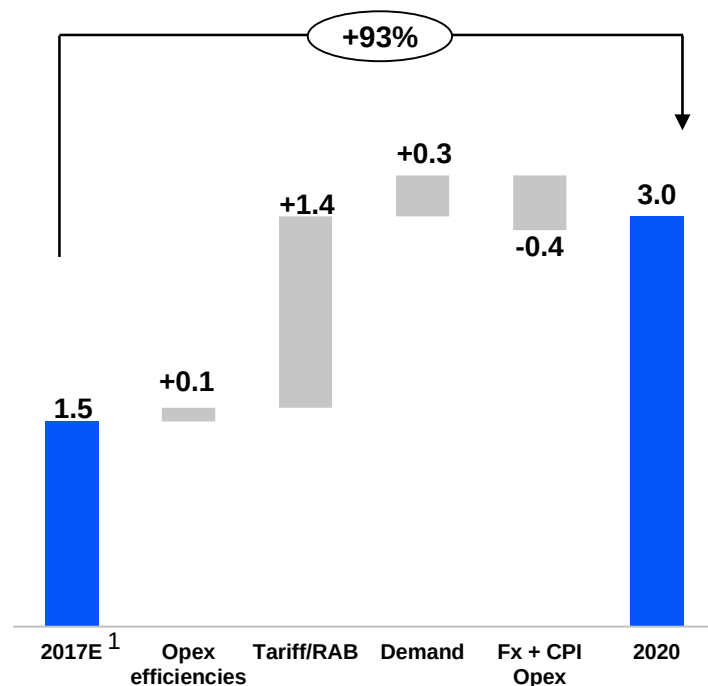
I&N business captures almost 80% of total capex plan

Industrial growth: Organic growth

Infrastructure & Networks evolution



EBITDA (bnUSD)



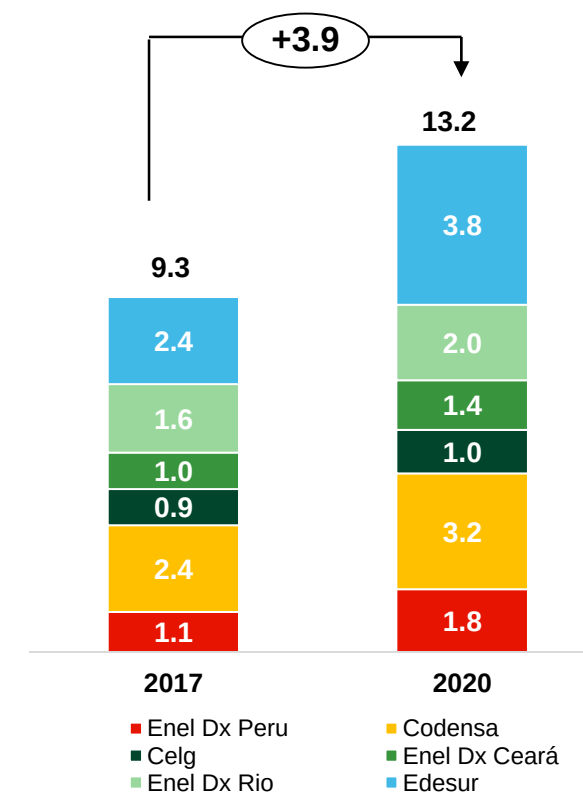
WACC²

Regulatory cycle

Next regulatory cycle

RAB (bnUSD)

		WACC ²		Regulatory cycle	Next regulatory cycle
		2017E	2020		
Argentina		12.5%	12.5%	5 years	2022
Brazil	Rio	11.4%	12.3%	5 years	2018
	Ceará	12.3%	12.3%	4 years	2019
	Celg	11.4%	12.3%	4 years	2018
Colombia		13.7%	12.8%	5 years	2018
Peru		12.0%	12.0%	4 years	2018



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

1. Not including Services & Holding.

2. WACC: real before tax

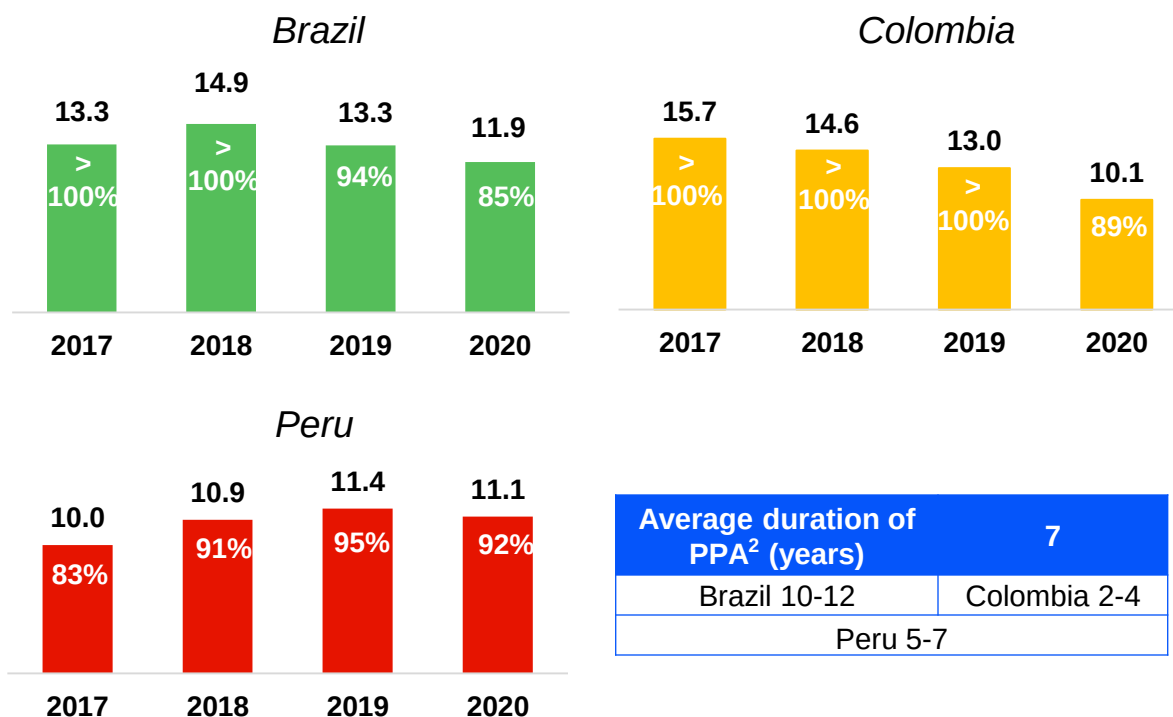
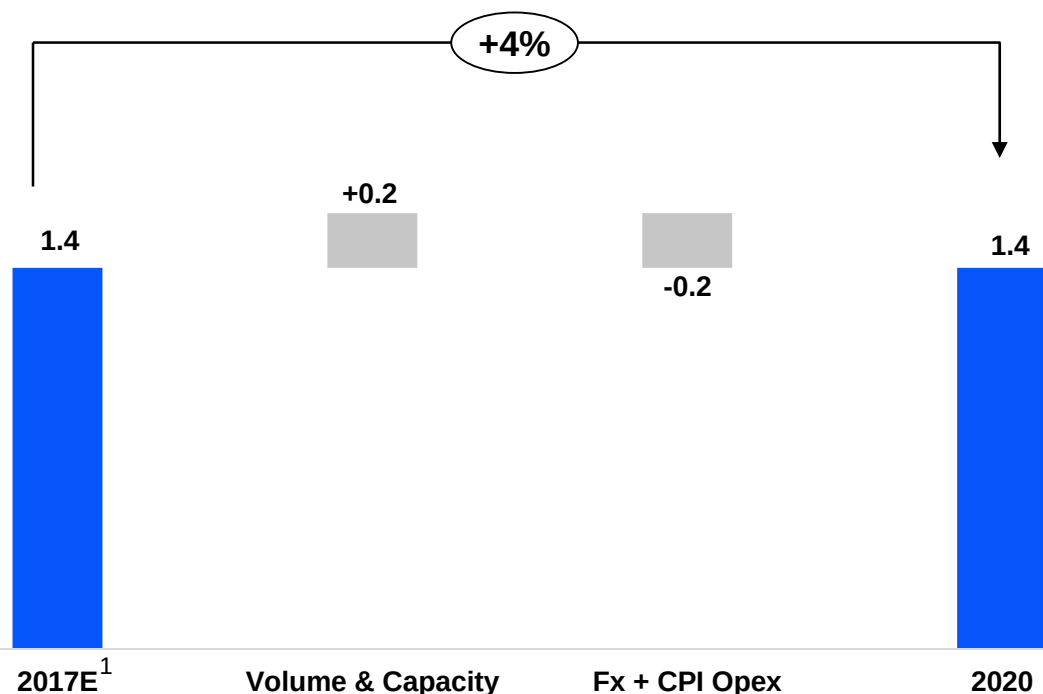
Industrial growth: Organic growth

Generation evolution



EBITDA (bnUSD)

Contracted Energy (TWh)



Securing profitability through long-term PPAs

1. Not including Services & Holding

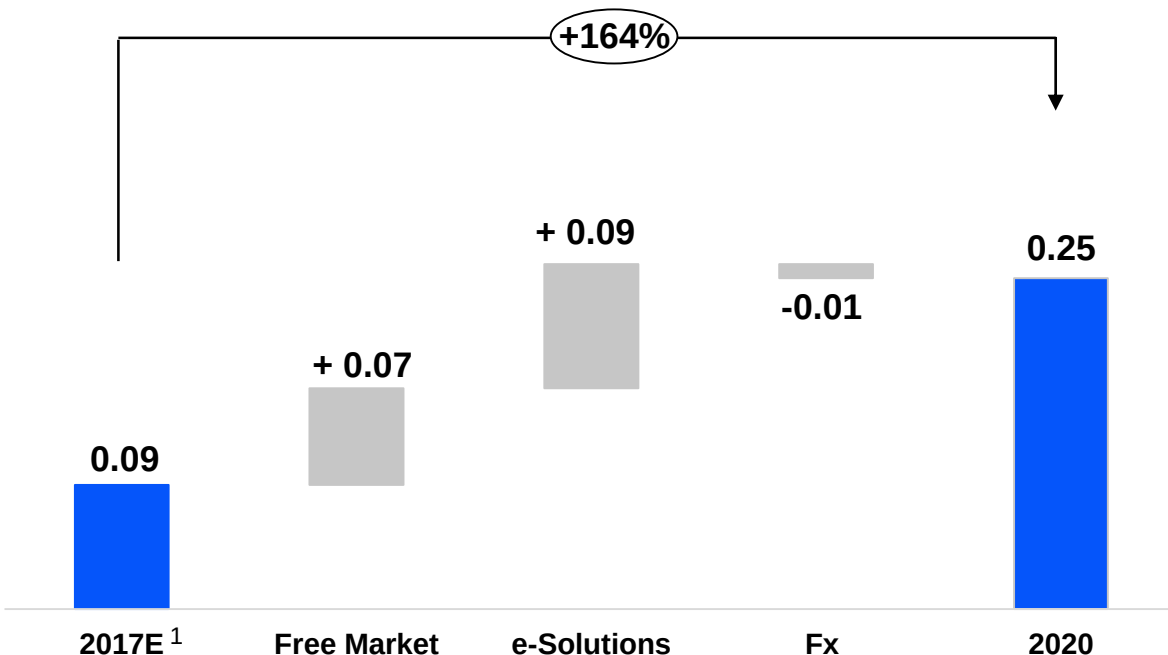
2. Power Purchase Agreement.

Industrial growth: Organic growth

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

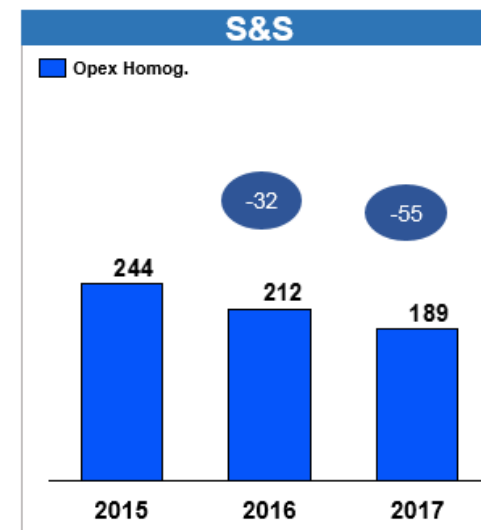
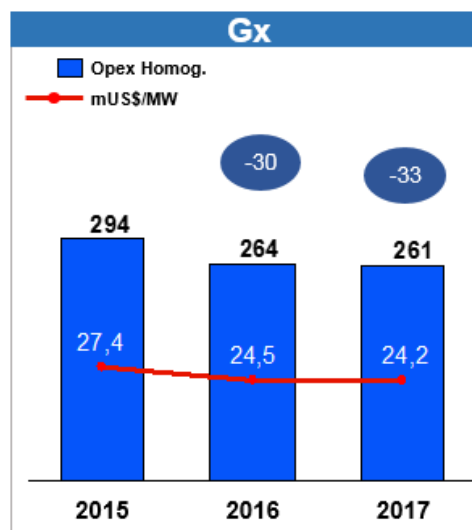
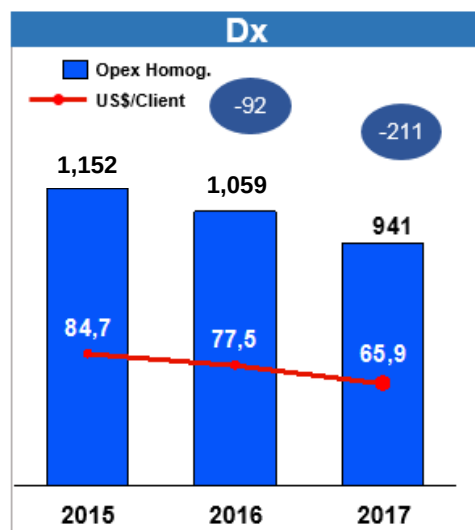
Efficiencies

Operational efficiency¹



	Previous Plan 2019 ³	Accomplished 2017 ³	% accomplished as of 2017	New Plan 2020 ⁴
OPEX	234	244	104%	90
S&S ²	59	55	93%	12
Cash Optimization	15	15	100%	-
Tax	50	50	100%	-
New Perimeter	-	-	100%	97
Total	358	364	102%	199

Efficiencies vs 2015



Efficiencies plan 2017-19 completed.

New Strategic Plan envisages additional efficiencies for ~ 200 mnUSD

1. MUSD net of inflation and Fx changes.

2. Staff and Services.

3. Base year 2015.

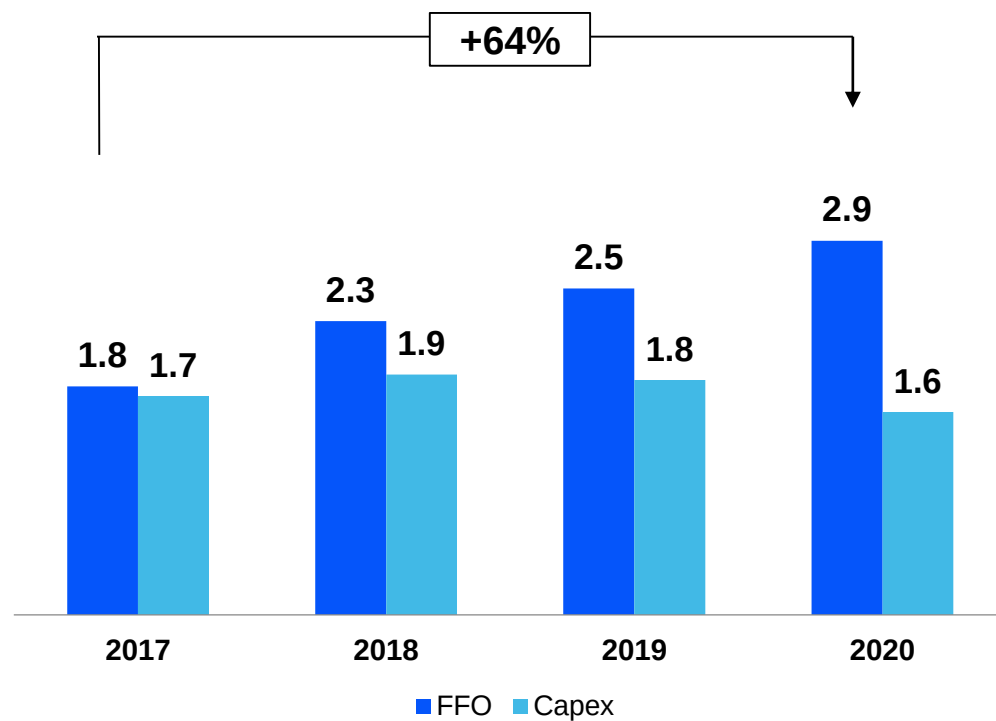
4. Base year 2017,

Financial targets

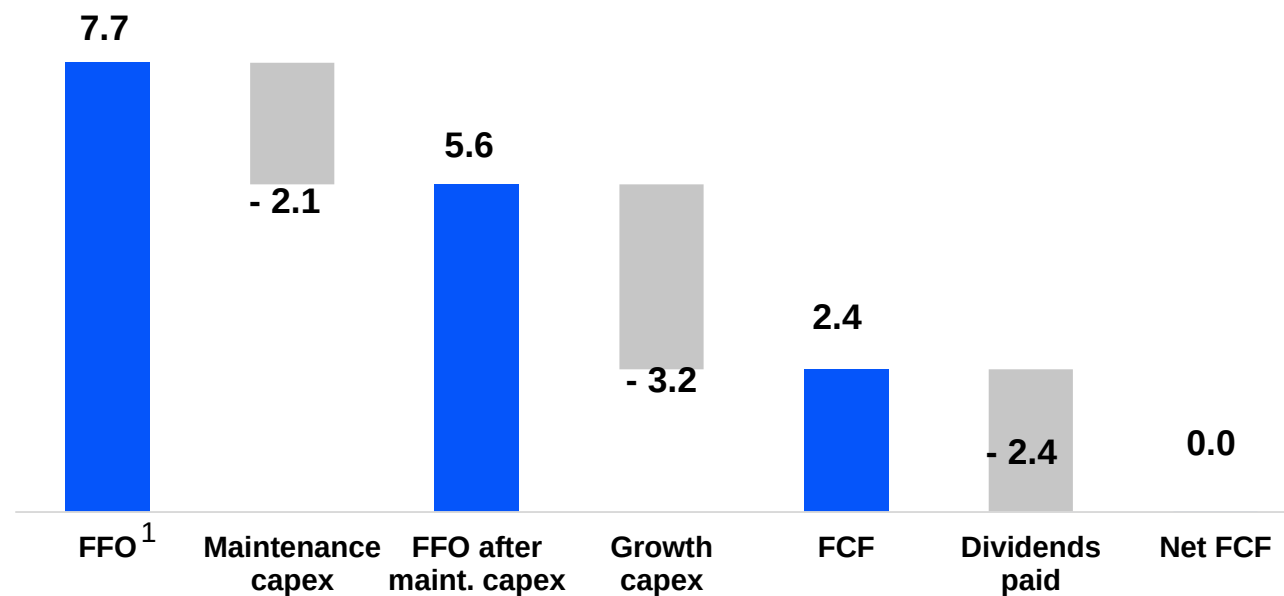
FFO¹, Capex and Cash flow 2018-20



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

Guidance 2018-20 (bnUSD)



	Previous Plan		New Plan		New Plan vs Previous Plan	
	2018	2019	2018	2019	2020	2018-19
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 Income ¹	1.1	1.3	1.4	1.4	1.6	+16.7%

Substantial Net Income growth ensures remuneration to our shareholders

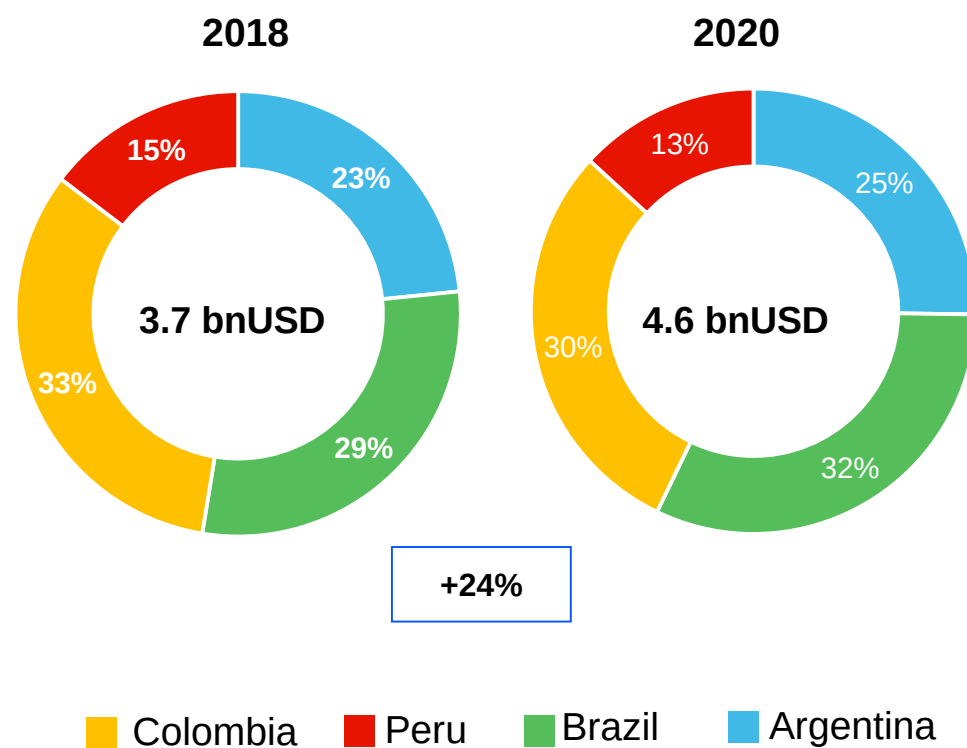
1. Attributable Net Income to the controller shareholders.

Financial Targets

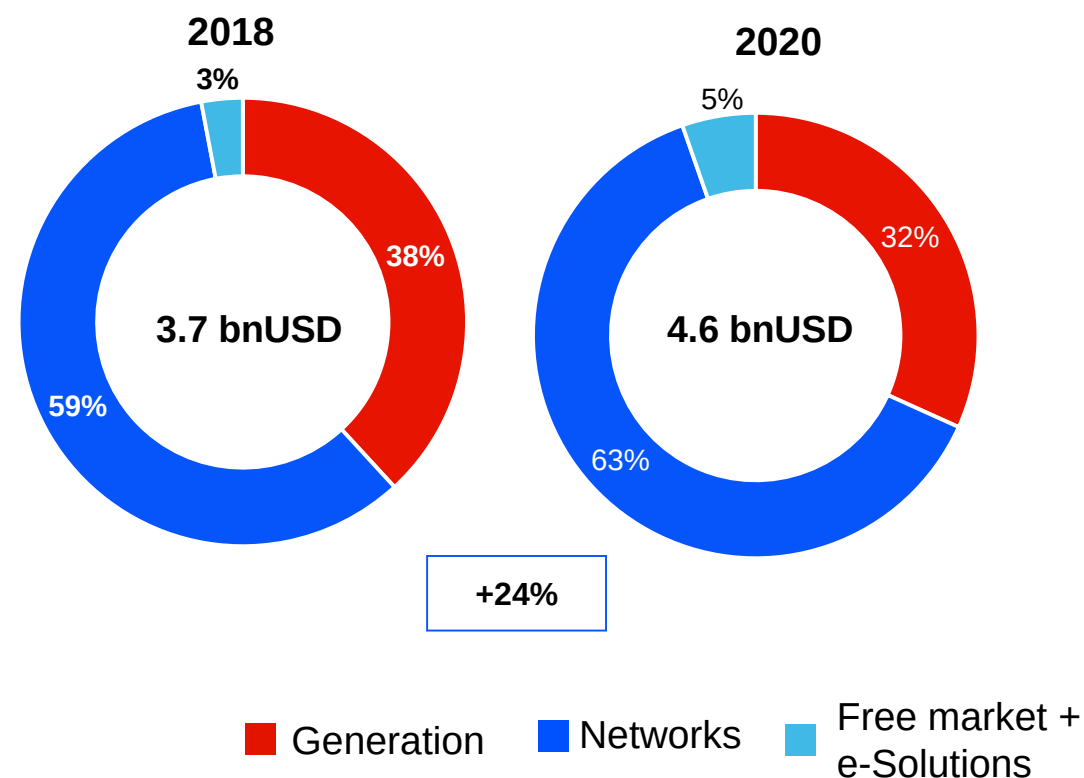
Targets - EBITDA by country and by business



EBITDA by Country



EBITDA by Business



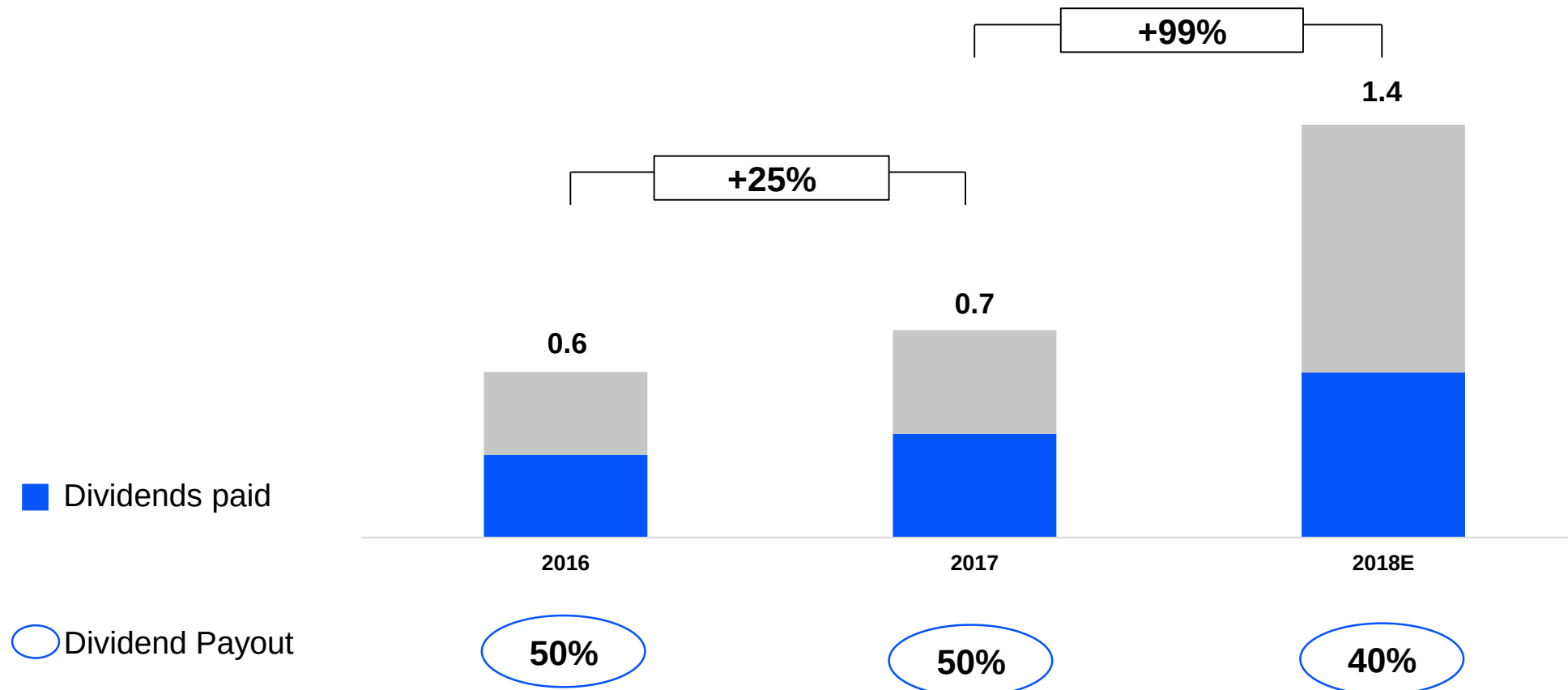
+24% of EBITDA increase by 2018 vs 2020

Financial targets

New Dividend Policy

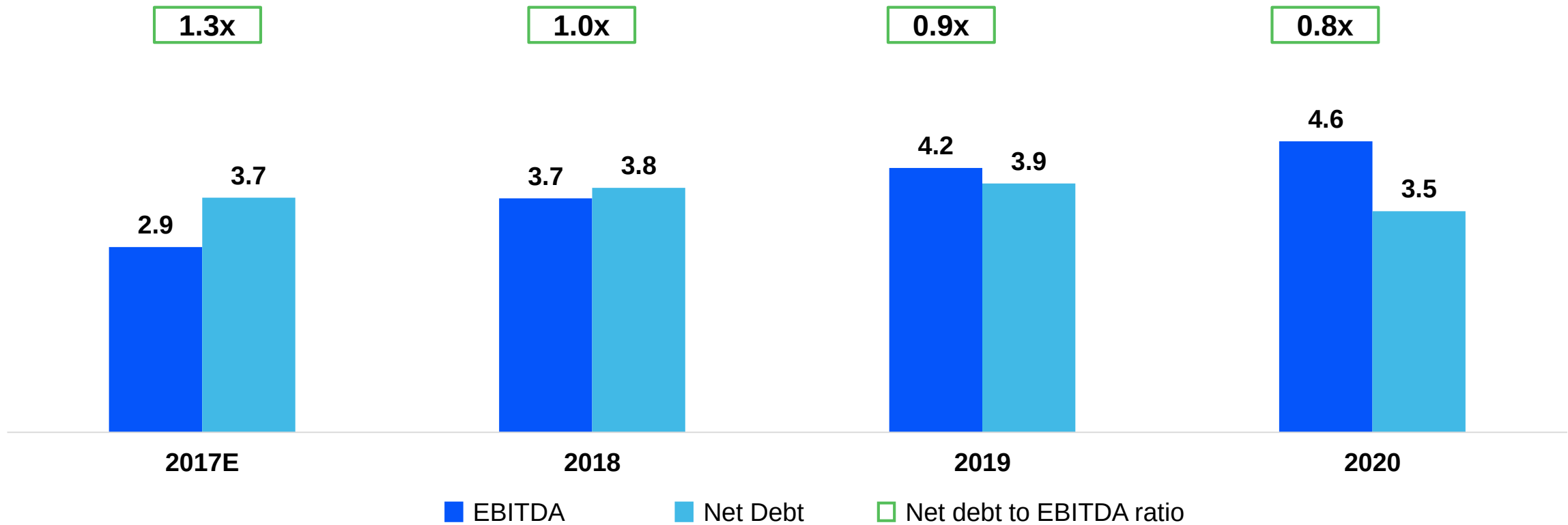


Attributable Net Income (US\$ bn) and paid dividends



Financial targets

Net debt evolution (bnUSD)



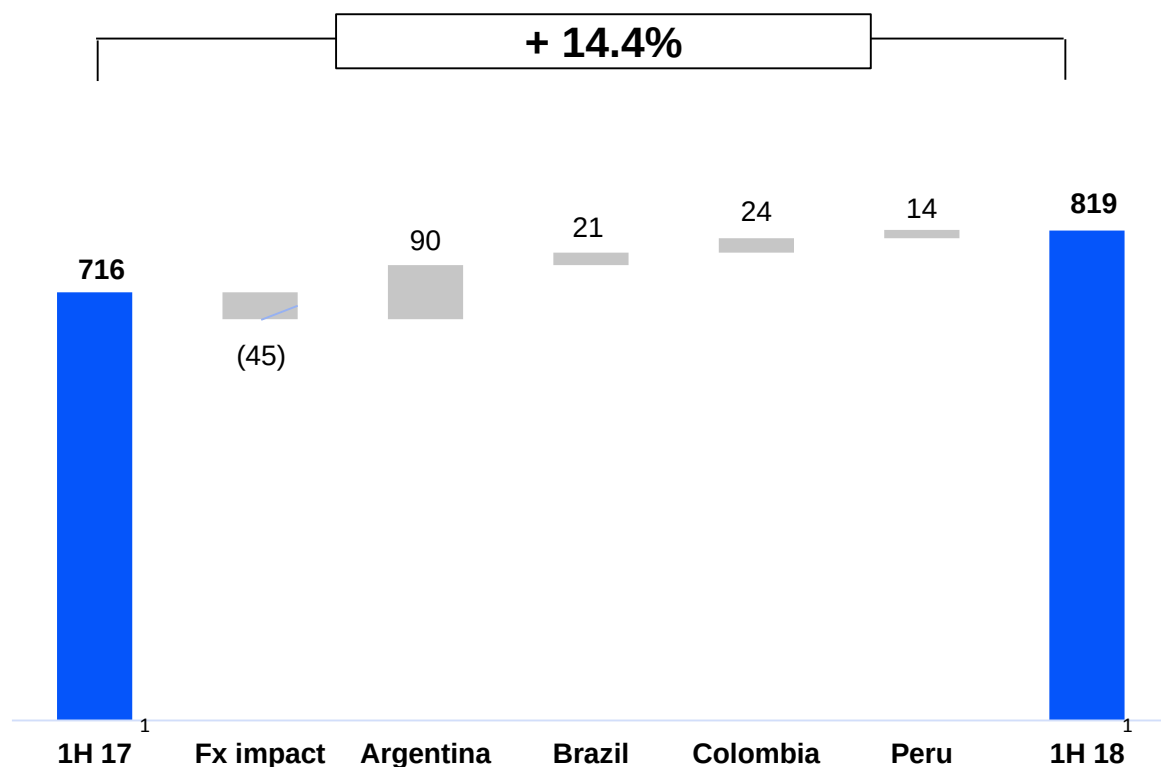
Low ratio net debt to EBITDA leaves room to additional growth

1H2018 results

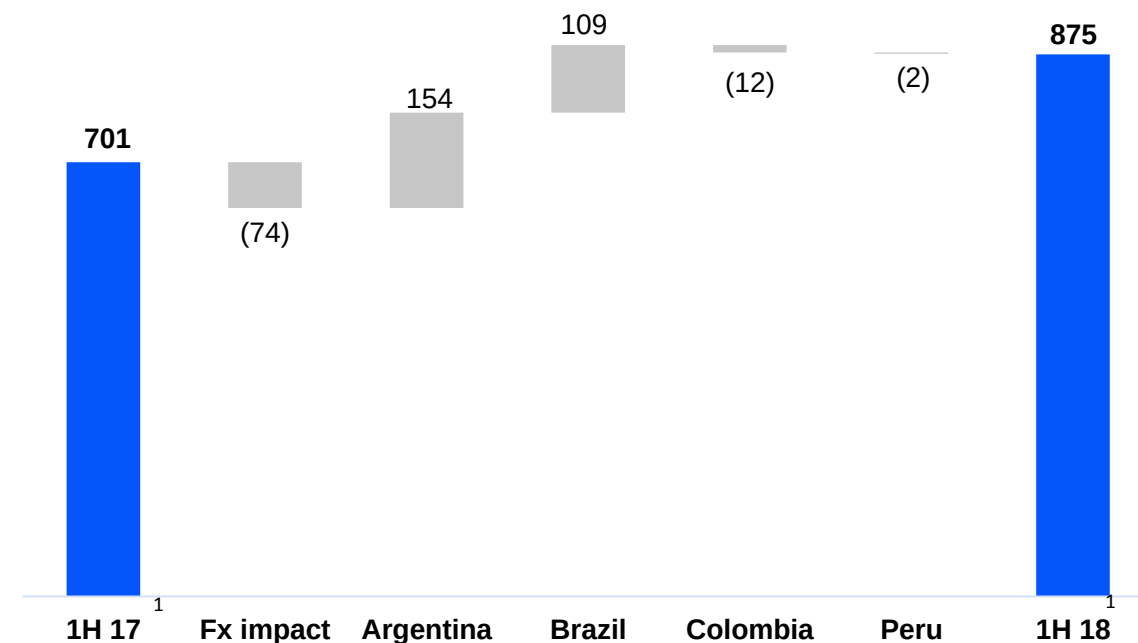
1H 2018 results

Group EBITDA evolution by business and country (US\$ m)

Generation



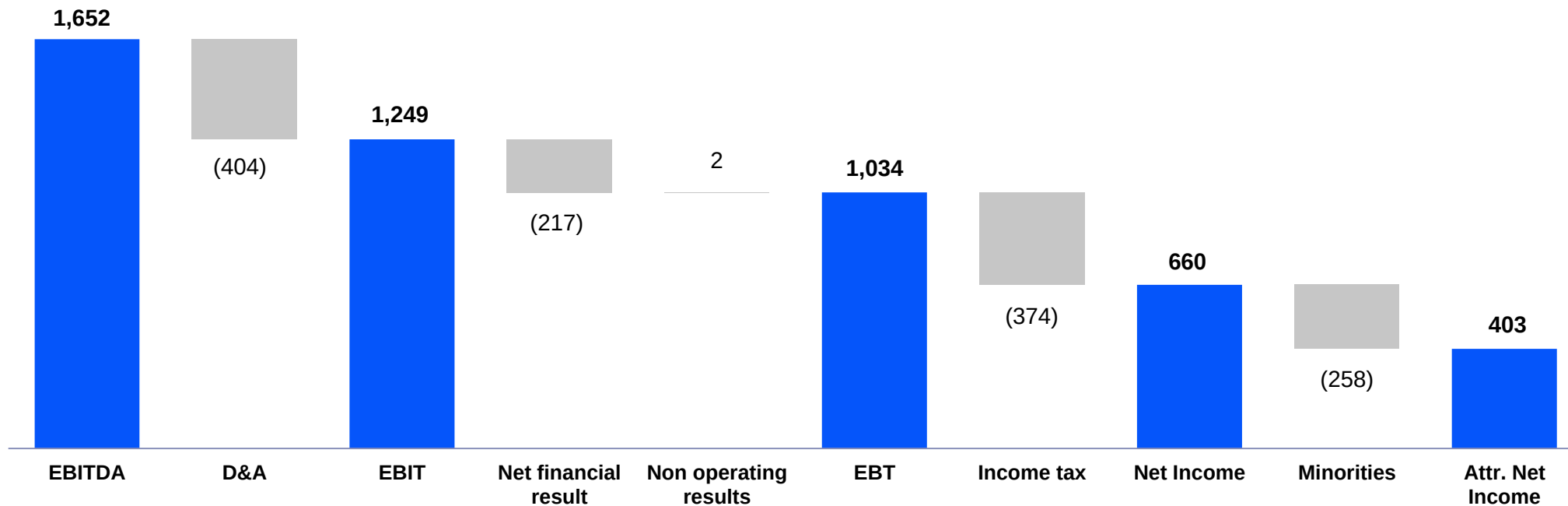
Distribution



1. Not including Services & Holding (USD -42 m in 2018 and USD -32 m in 2017).

1H 2018 results

From EBITDA to Net income (US\$ m)

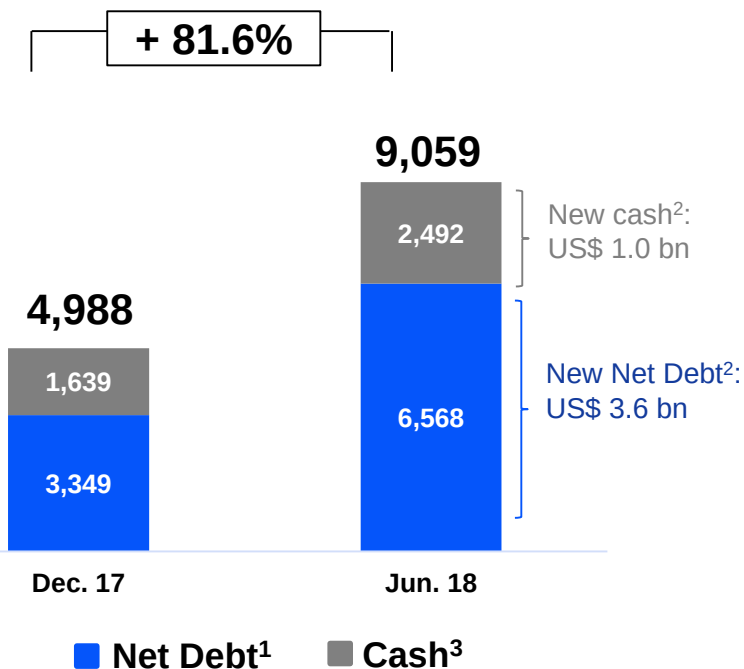


1H 17	1,385	- 401	984	- 342	5	647	- 273	374	- 168	206
Δ yoy	19.3%	0.6%	26.9%	36.6%	-54.1%	59.9%	36.8%	76.7%	53.3%	95.8%

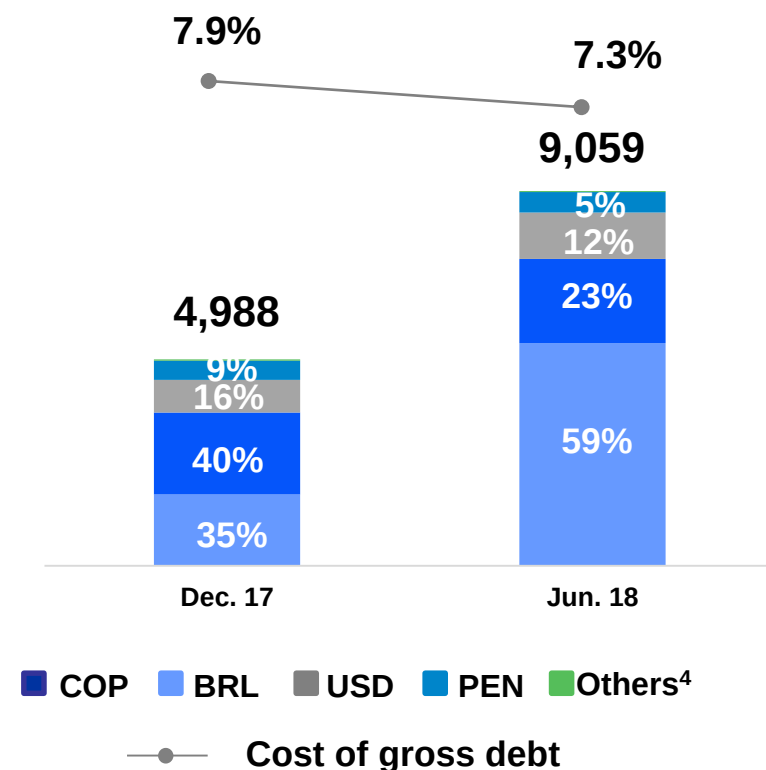
1H 2018 results

Gross debt breakdown¹ (US\$ m)

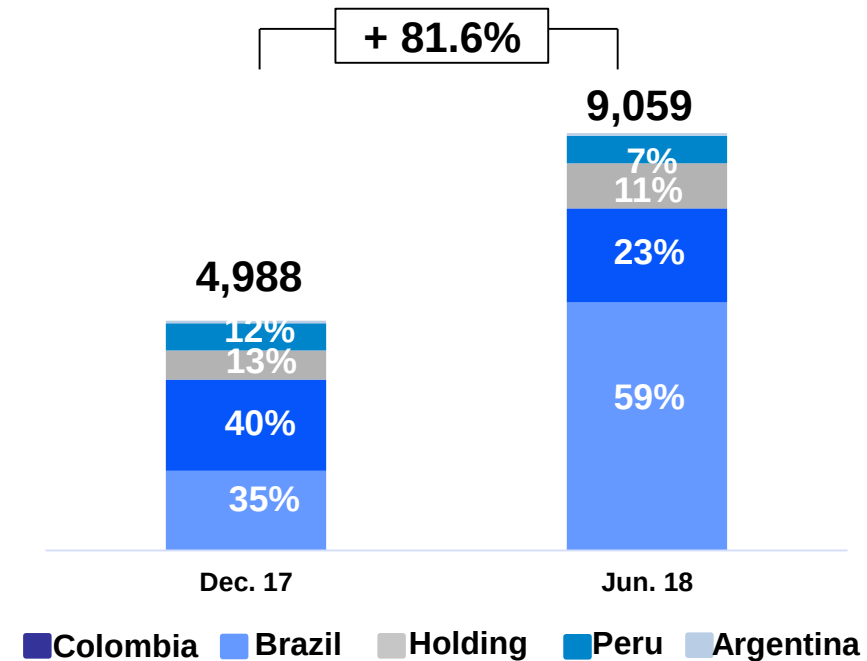
Gross and Net Debt



Gross debt breakdown by currency



Gross debt breakdown by country



1. Gross and net debt exclude accrued interests and adjustments after derivatives.
2. Increase in cash and debt mainly due to Eletropaulo purchase.
3. Cash and cash equiv. + 90-day cash investments.
4. Others: UF. Dec. 17: 0.64%; Jun. 18: 0.30%.



Sustainability

enel

Sustainable long-term value creation

A sustainable strategy



Enel Américas

Delivery¹ 2017 (k) 2015-17E (k)

Main projects in SDGs² framework



188

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.



455

1,499

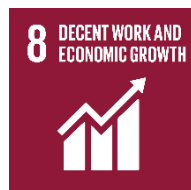
Ecoenel

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**.



98

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. 741 k total people benefited in 2017

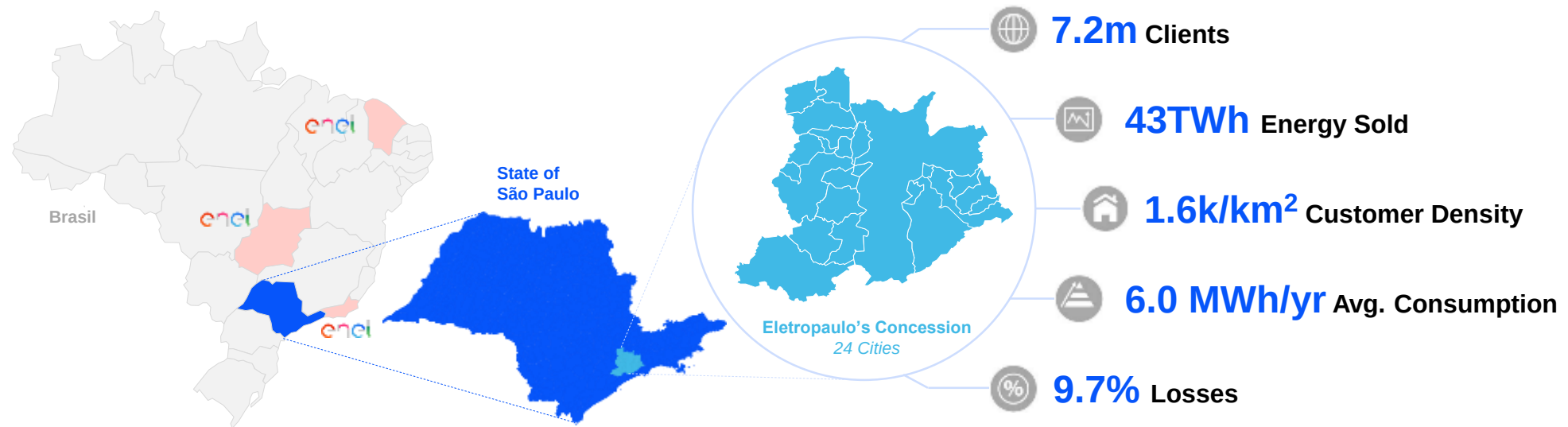
SDG initiatives execution in all the countries of presence

Enel Américas confirmed as FTSE4Good Index Series constituent for a second consecutive year

Acquisition of Eletropaulo

Eletropaulo at a Glance

Largest Metropolitan Area of the Most Developed and Industrialized State in Brazil



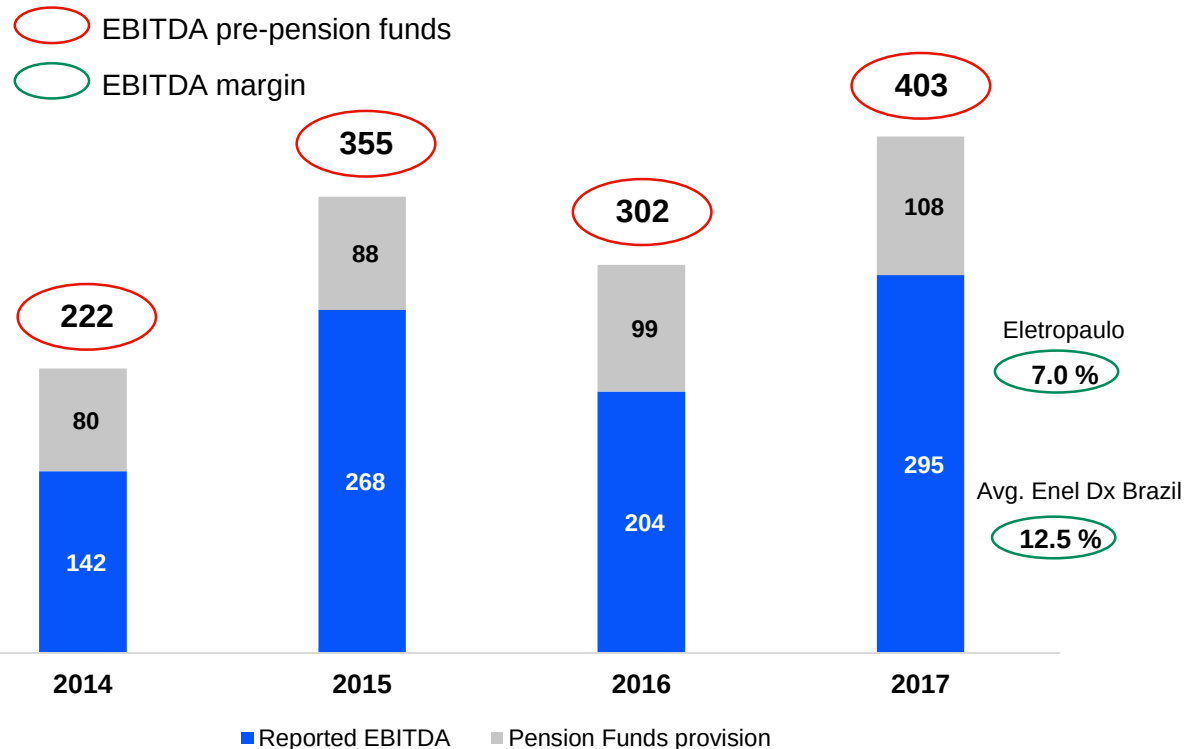
Eletropaulo is a distribution company in the State of Sao Paulo with a concession area of 4.5 thousand km² (2% of the state), covering 24 municipalities

Eletropaulo at a glance

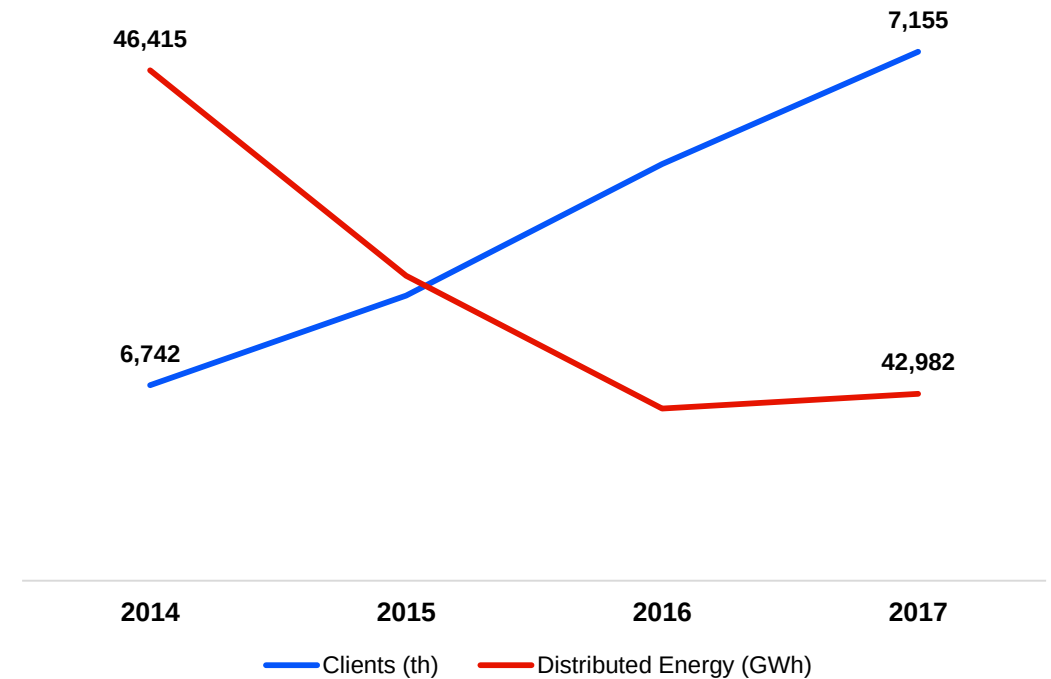
Eletropaulo's historical EBITDA, Clients and Distributed Energy evolution



EBITDA (US\$m)



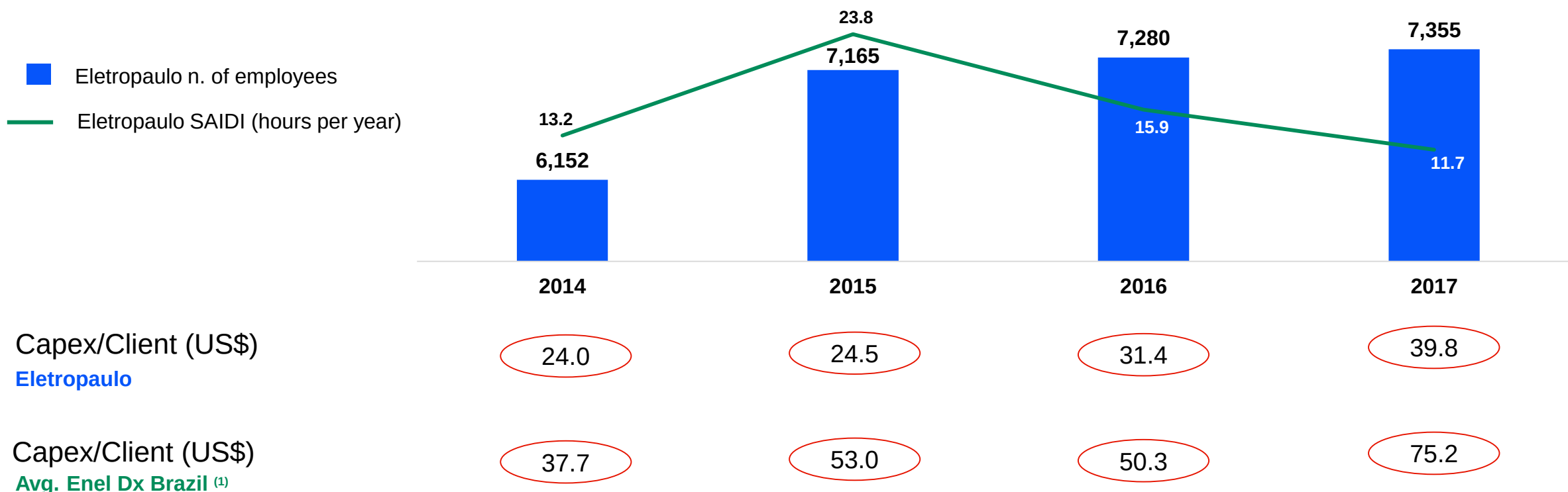
Clients and Distributed Energy



Historical performance affected by Pension Funds contribution and volume contraction due to recession

Eletropaulo at a glance

Eletropaulo Capex by clients



Recent increase in headcount with investment level staying low

1. Enel Dx Rio and Enel Dx Ceará. Excluding Enel Dx Goiás
Original values in BRL translated into USD using an Exchange rate of 3.60 BRL/USD. Source: Eletropaulo public information.

Investment Rationale

Eletropaulo Represents an Attractive Investment, Operating in Brazil's Most Important Region

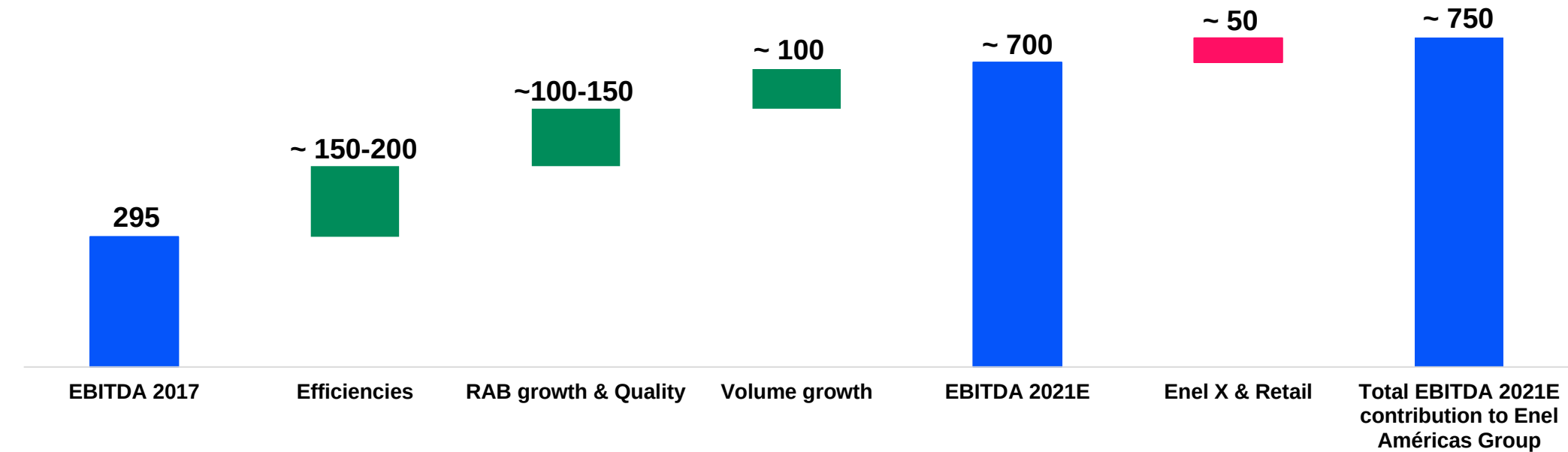


- Opportunity to **consolidate Enel Américas' presence in Brazil becoming a leading integrated player in that country**
- Leverage on Enel competences for **opex reduction and digitalization of distribution grids**
- **RAB growth opportunity:** RAB recovery opportunity to capture additional growth, maximize returns and improve quality indicators
- Best way to **increase Customer Base** with additional **~7 mn** premium customers
- Unique opportunity to boost Enel Américas growth in **free market** and in the **new digital energy services for customers**
- Potential for volume growth with economic recovery

Major potential to increase profitability

Investment Rationale

Eletropaulo EBITDA evolution 2017-2021 (US\$m)



EBITDA/MWh
Eletropaulo

6.86

2017

EBITDA/MWh
Avg. Dx Brazil

20.13

2017

24.78

Average 2018-20

Investment Rationale

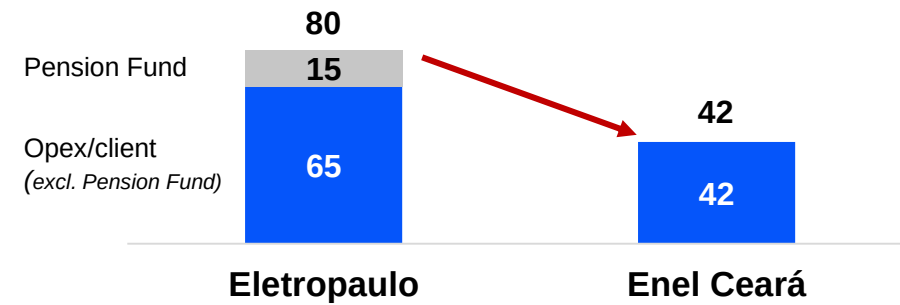
Potential efficiencies



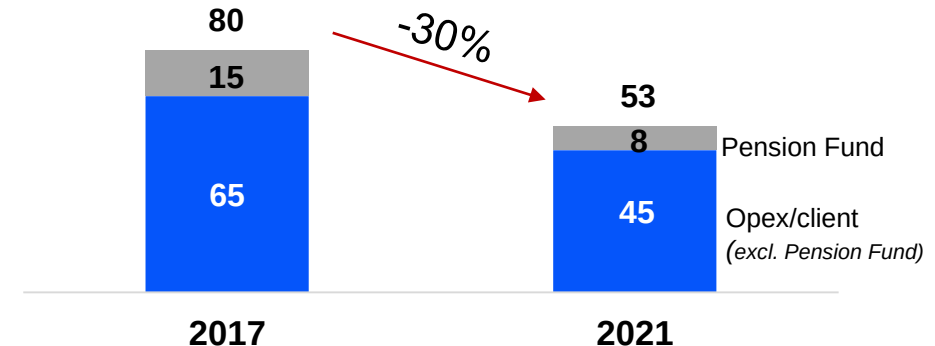
Main initiatives

- **Leverage on global procurement**
- **Alignment in service contracts to Enel's standard procedures**
- **Deployment of smart technologies**
- **Technical Opex:** Convergence towards Enel best practices:
 - Faults reduction for improved preventive maintenance and investment plan
 - Technical Staff optimization
 - Efficiency gain for remote control and processes
- **Commercial Opex** starting from the baseline (2017) applying efficiency due to IT and process convergence:
 - Meter reading service outsourcing
 - Meter reading process improvement
 - Retail Cost Optimization

Opex/client¹ benchmark (US\$)



Eletropaulo real Opex/client evolution (US\$)



1. Values as of December 2017.

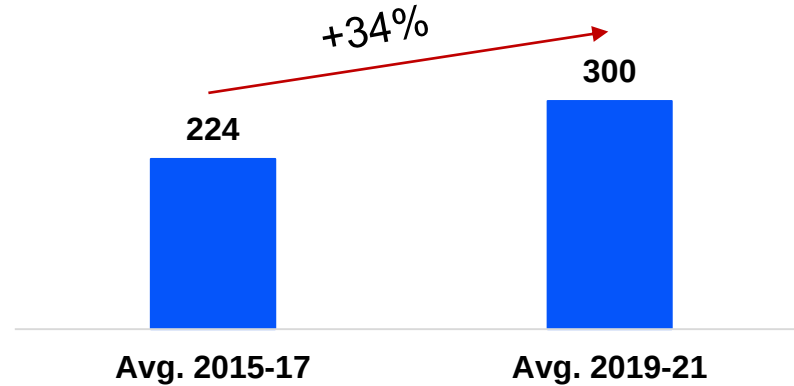
Original values in BRL translated into USD using an Exchange rate of 3.60 BRL/USD. Source: Internal estimates.

Investment Rationale

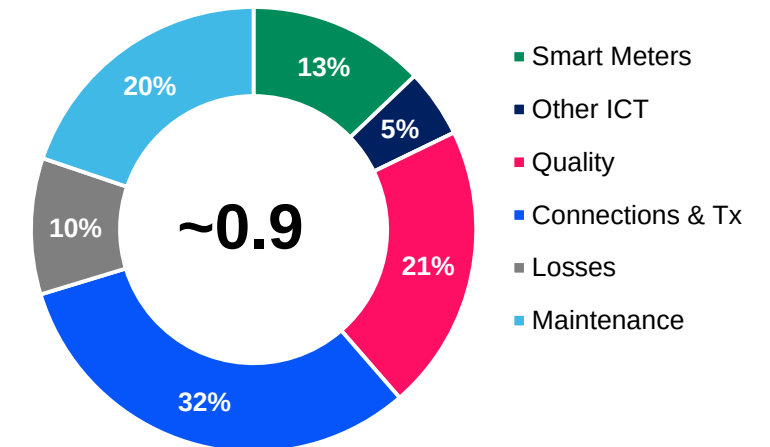
RAB growth opportunity



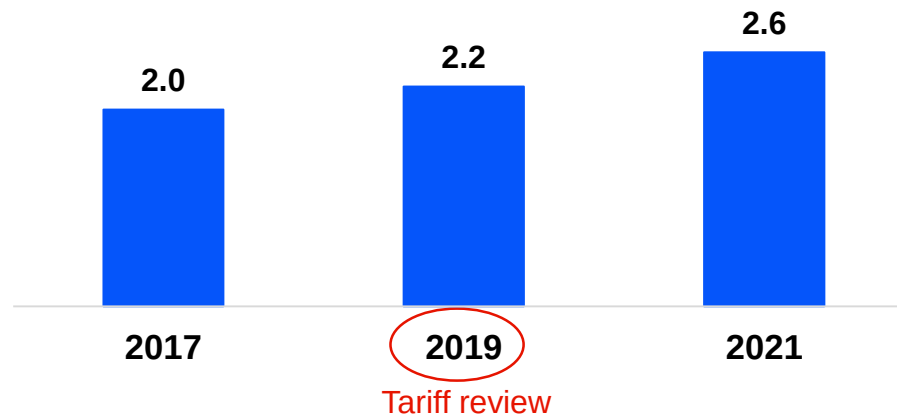
Capex evolution (US\$m)



Total Capex 2019-21 (US\$bn)

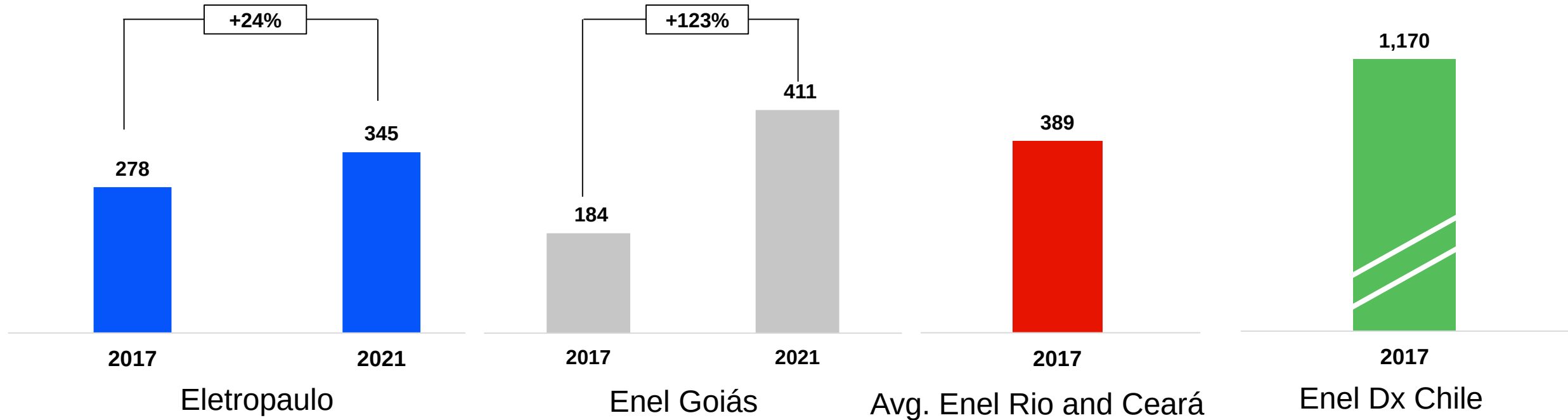


RAB evolution (US\$bn)



Investment Rationale

RAB per client evolution (US\$)



High potential value creation from RAB increase

Investment Rationale

Additional contributions to the Enel Americas' EBITDA



enel x



- Distributed Generation / Storage



- Financial services connected to electricity bill



- Green products for the home



- Infrastructure projects for industrial / commercial customers

- E-Mobility

EBITDA @ 2021: ~ US\$30 m

Energy sales to free market

- Presence in key markets for commercial / industrial clients
- Additional opportunities from potential market liberalization of MV clients
- Continuing migration to free market driven by price differential between regulated and free market
- Leverage vertical integration with hydro assets

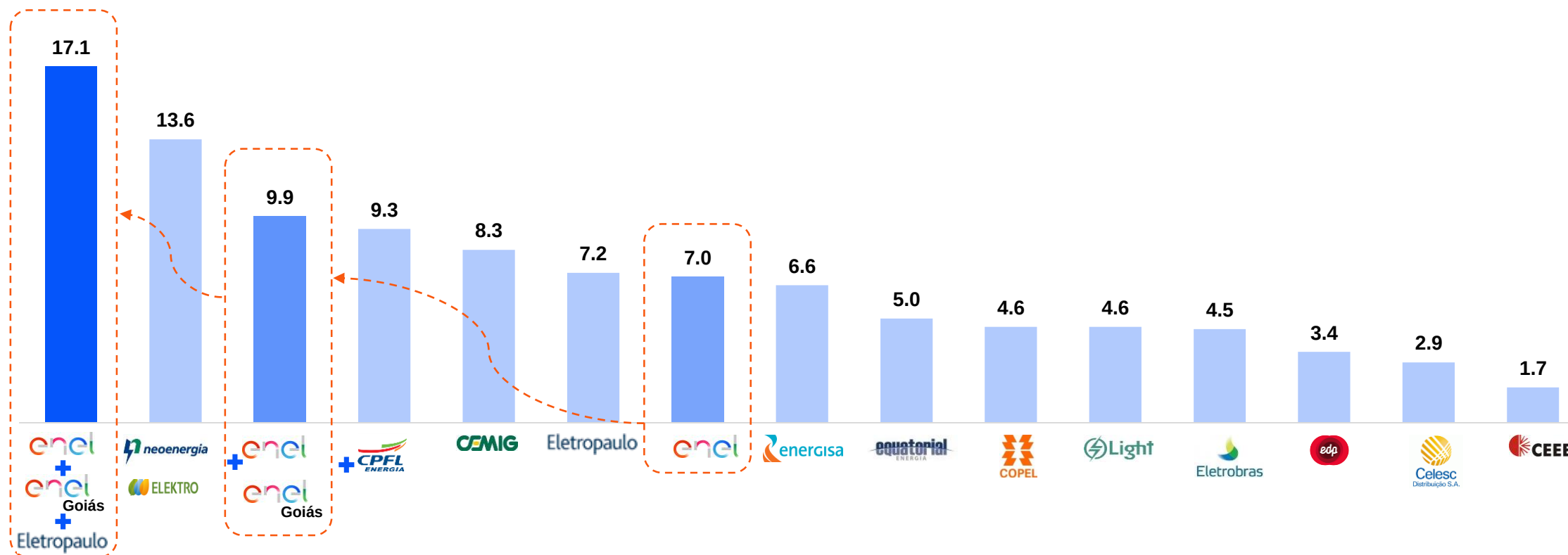
EBITDA @ 2021: ~ US\$20 m

Enel Américas Positioning

Strategically Positioned as Largest Dx player in Brazil



Number of Customers (m)



Enel Américas would become the first Brazilian distributor by number of End Users

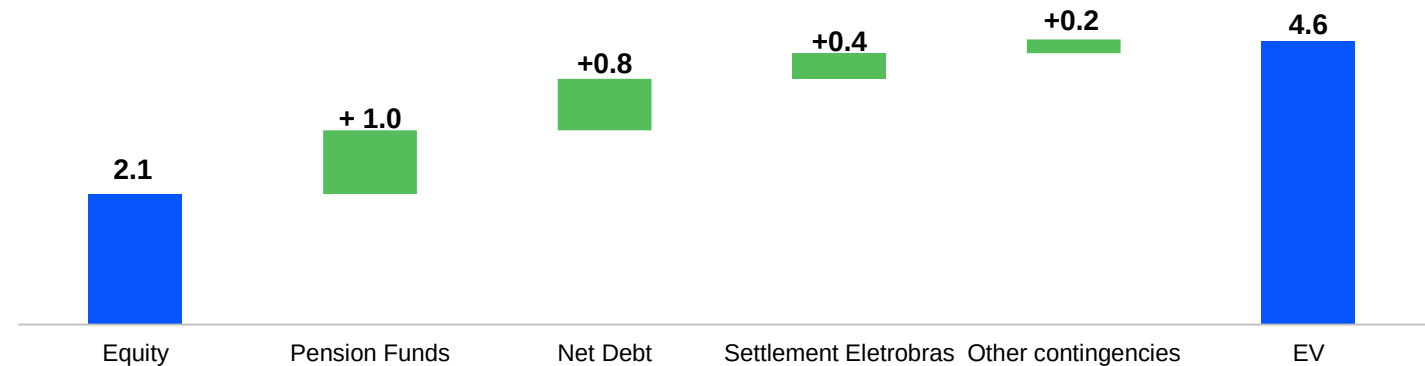
Main Transaction Terms

Tender Offer for Eletropaulo

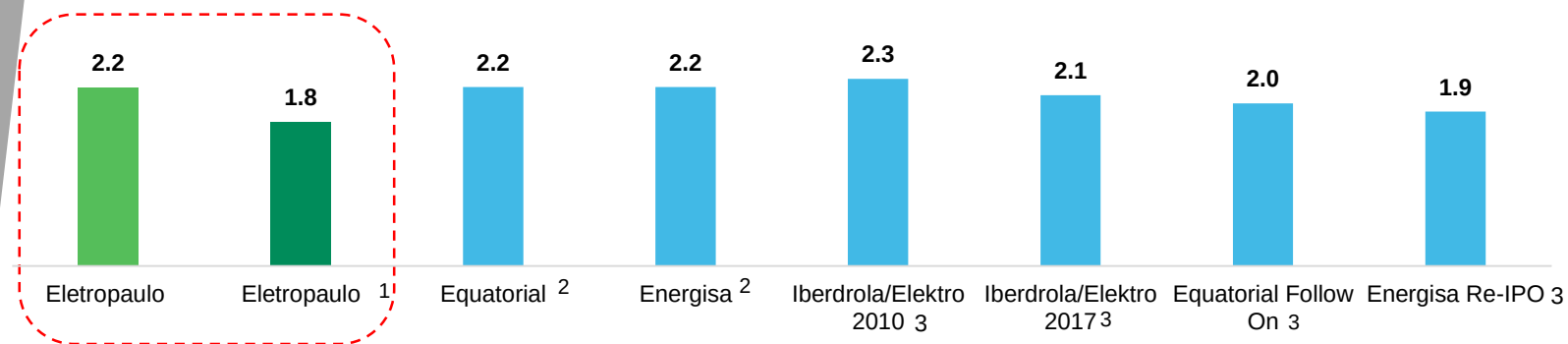


- Enel Américas has made the best offer to acquire Eletropaulo
- Final price: 45.22 BRL per share
- Enterprise Value of US\$ 4.6 bn
- Tender offer successfully finalized (reached more than 50% of the shares of Eletropaulo)
- Shareholders have an additional period of 30 days to sell their shares
- Committed Capital increase in Eletropaulo of at least BRL 1.5 bn (~US\$ 400 m).

Eletropaulo Enterprise Value Build-Up (US\$ bn)



EV/RAB



Multiple in line with comparable peers and historical M&A transactions

Eletropaulo Acquisition Financing



Cash Needs ¹ (US\$bn)	• Tender Offer: ~ 2.1 • K Increase in Eletropaulo: ~ 0.4 • Total: ~2.5
Instrument	• Bridge financing (<i>Promissory notes</i>) signed with 3 banks
Borrowers	• Enel Brasil • Enel Sudeste
Guarantors	• Enel Américas • Enel Brasil
Disbursement date	• June, 7th

Bridge financing to be replaced by the most adequate financing structure

100% financing in local currency covering fx risks

Closing remarks



Largest individual distribution concession in Brazil located in the most developed and industrialized state in the Country



Enel Américas would become the market leader in the distribution business in Brazil



Key value driver: Opportunity to increase efficiency and improve EBITDA rapidly



Synergies with Enel Américas, Enel X and free market



Enel Américas' plan allows substantial value creation over the investment





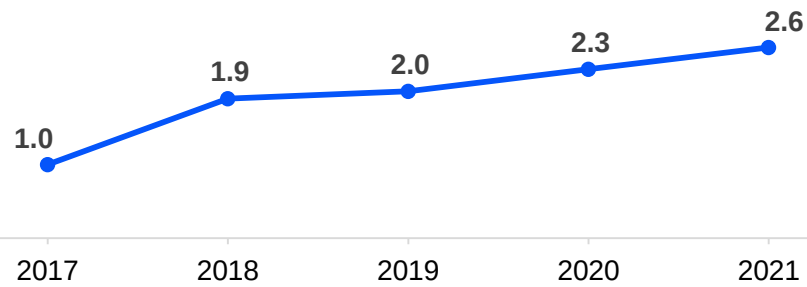
Exhibits

Main Macro assumptions

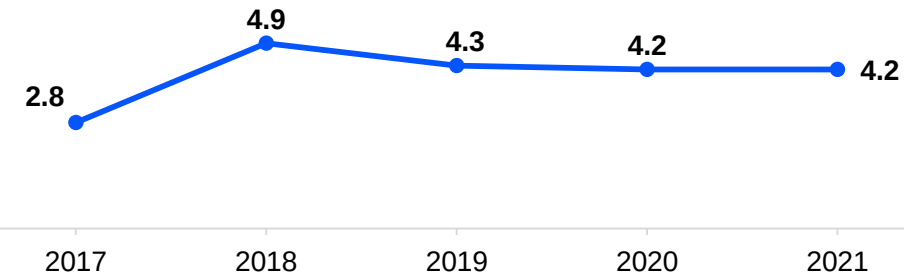
Favorable Macro and Sector Dynamics



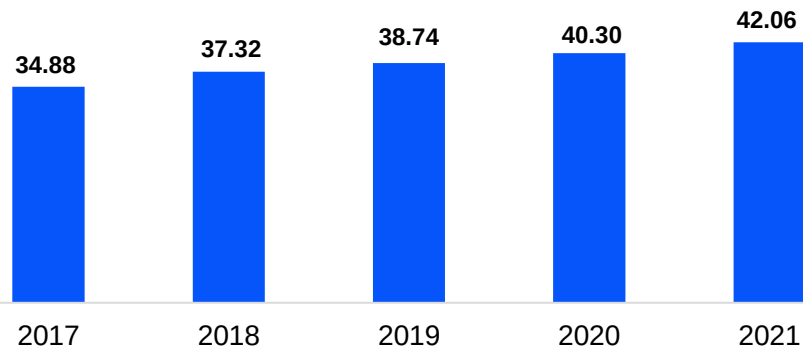
GDP Brazil (% YoY)



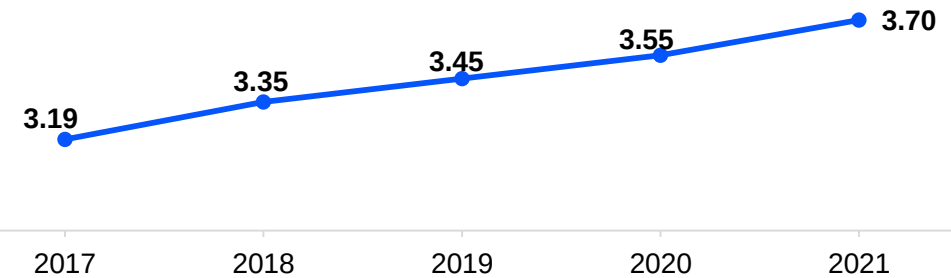
CPI (%)



Energy Distributed¹ (TWh)



Fx Rate BRL/USD



—●— Enel Américas macro scenario 18-21

AES Eletropaulo

Historical Data



Historical Data: Financials

(US\$m)	2014	2015	2016	2017	CAGR
EBITDA (pre-pension fund)	222	355	302	403	+22.0%
Pension Fund Provision	80	88	99	108	+10.5%
EBITDA (Local GAAP)	142	268	204	295	+27.6%
Net Income	(36)	28	6	(235)	-86.9%
Net Financial Debt*	601	853	612	824	+11.1%
CAPEX	162	168	220	285	+20.7%

* Net Financial Debt do not consider Pension Fund deficit adjustment

Historical Data: Operational

KPIs	2014	2015	2016	2017	CAGR
Customers (th)	6,742	6,853	7,016	7,155	+2.0%
Distributed Energy (GWh)	46,415	44,237	42,826	42,982	-2.5%
Energy Demand (GWh)	42,757	42,534	43,632	44,311	+1.2%
SAIDI (h/y)	13.2	23.8	15.9	11.7	-3.9%
SAIFI (x/y)	5.3	6.6	6.9	6.2	5.4%
Losses (%)	9.7%	9.4%	9.6%	9.7%	-0.0%

Corporate Presentation

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Thank you.

enel