



# Enel Américas

## Strategic Plan 2019-21

Maurizio Bezzeccheri  
CEO

Aurelio Bustilho  
CFO



# Enel Américas' Strategic Plan

## Agenda



Maurizio Bezzeccheri

Delivery 2016-18

Enel Américas today

Energy transition and new opportunities in LatAm: our vision

Maurizio Bezzeccheri and Aurelio Bustilho

Strategic Plan 2019-21

Maurizio Bezzeccheri

Closing remarks



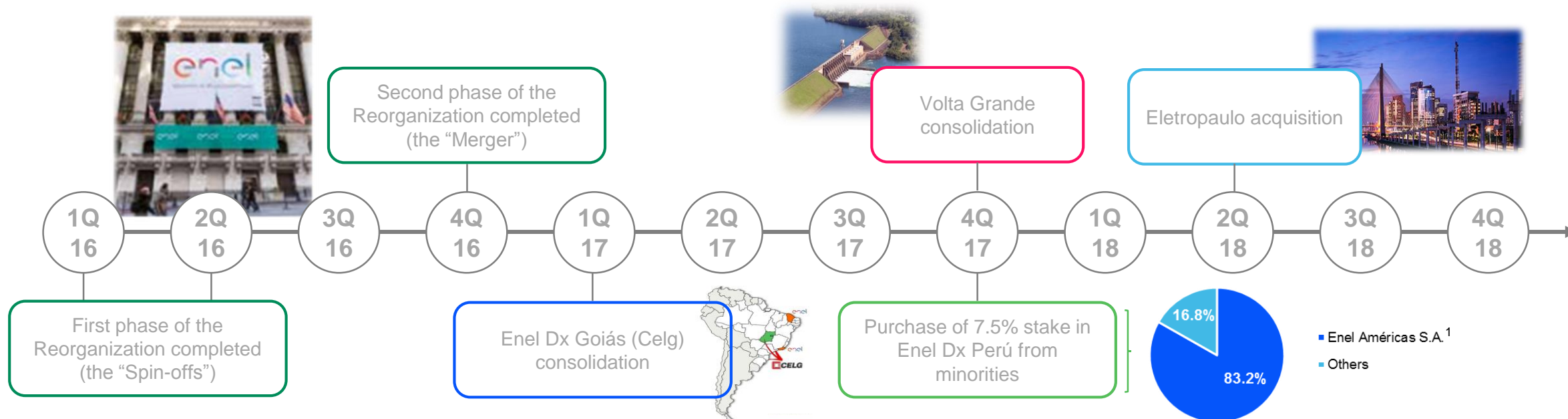
# Delivery 2016-18

# Delivery 2016-18

Main milestones in the period



Total investments of **US\$3.5 bn** in acquisitions



## Key Drivers

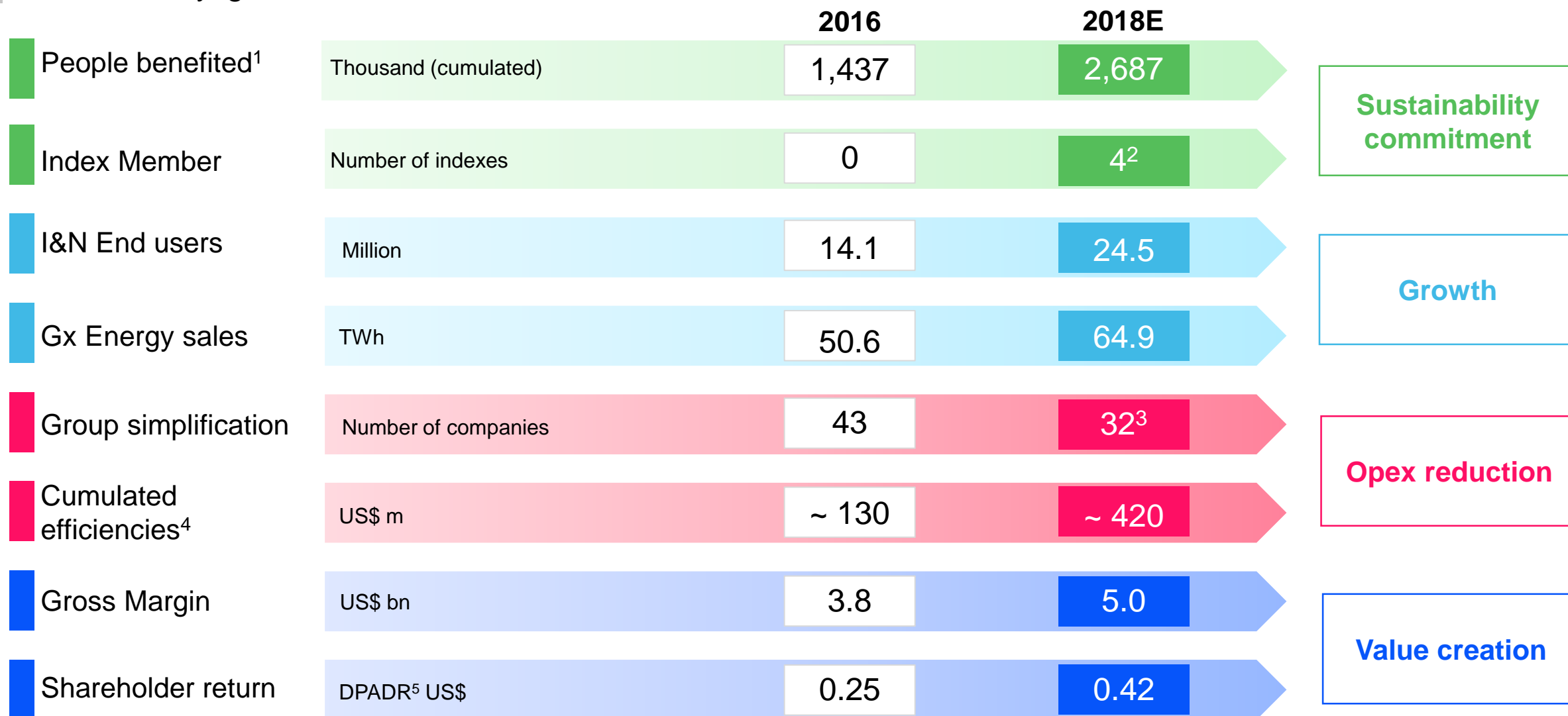


Creating value in every transaction completed since 2016

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

# Delivery 2016-18

Sustainability, growth, efficiencies and value creation

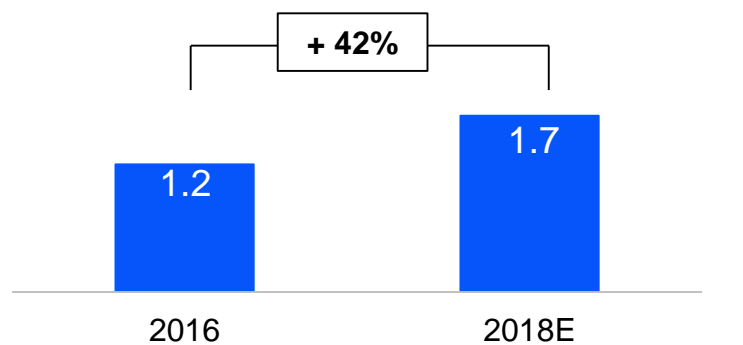


# Delivery 2016-18

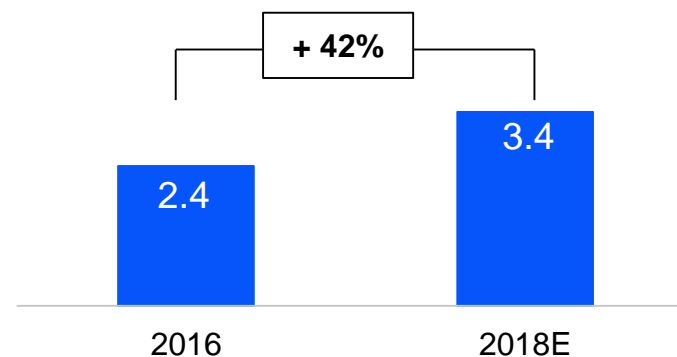
Financial highlights (US\$ bn)



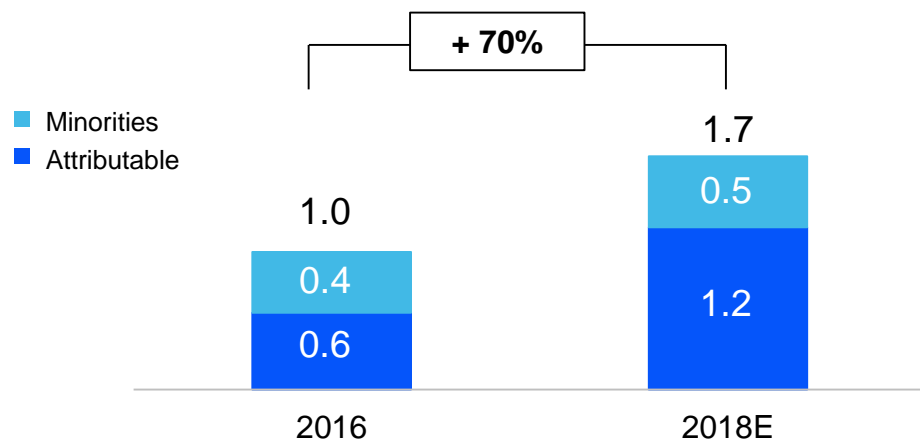
## Gross Capex



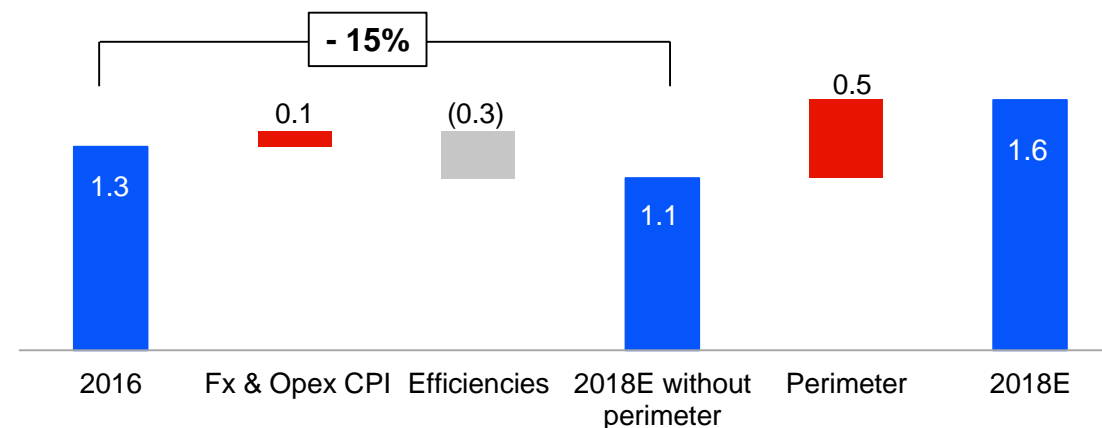
## EBITDA



## Net Income



## Opex evolution



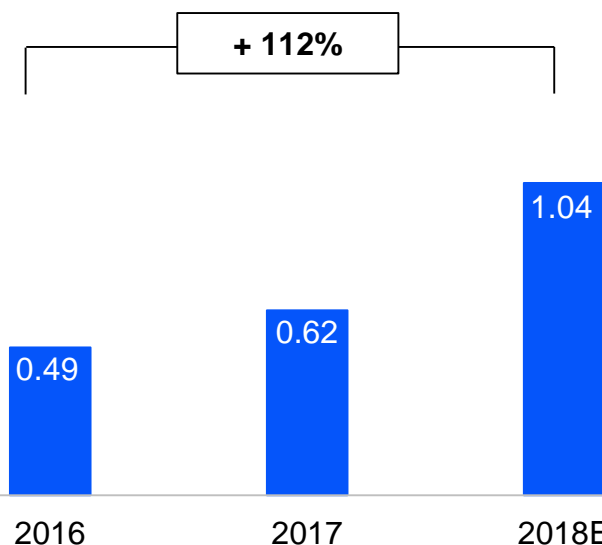
Financial results significantly improved since 2016

# Delivery 2016-18

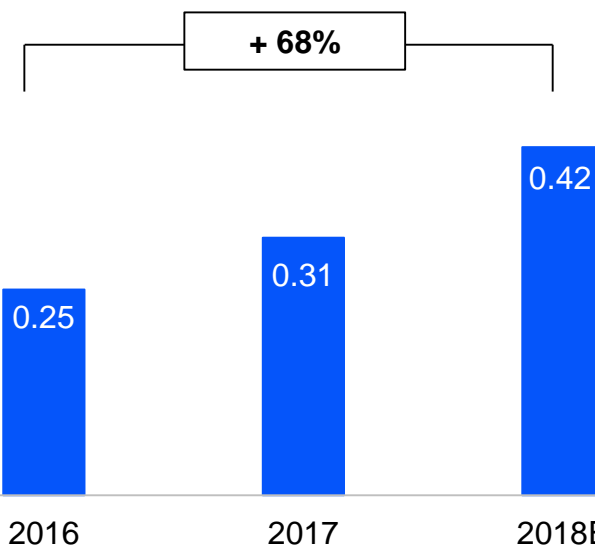
Shareholders return



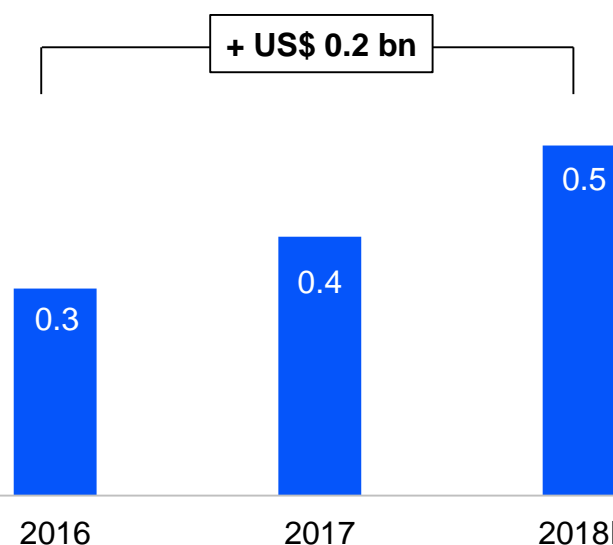
Earnings per ADR<sup>1</sup> (US\$)



Dividend per ADR<sup>1</sup> (US\$)



Total Dividend (US\$ bn)



Total dividend has increased by about 70% since 2016

E: Expected

1. 1 ADR = 50 shares of Enel Américas.



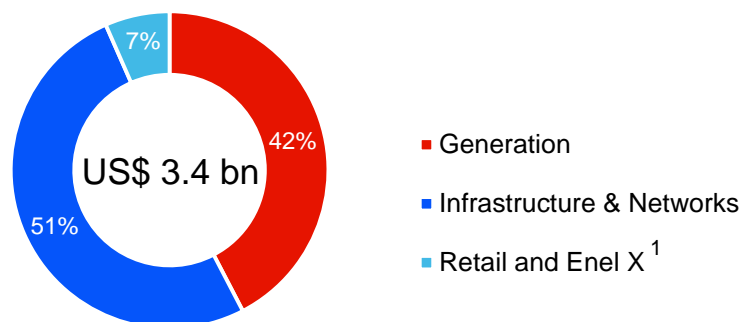
# Enel Américas today

# Enel Américas today

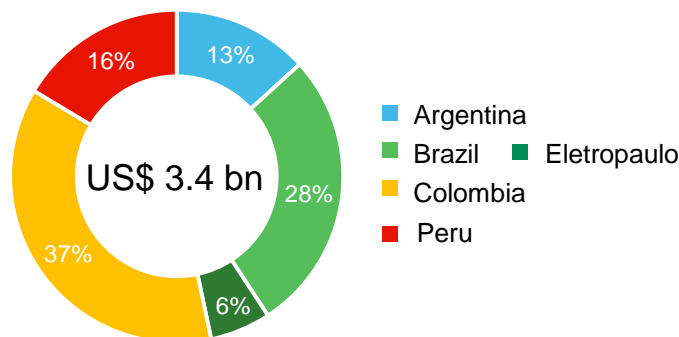
2018E KPIs and Financial numbers (US\$ bn)



## EBITDA by business



## EBITDA by country



■ Argentina  
■ Brazil ■ Eletropaulo  
■ Colombia  
■ Peru

Opex	1.6	Total Net Income	1.7
Asset Management <sup>2</sup>	0.7	Attributable Net Income	1.2
Asset Development <sup>3</sup>	0.6	Net Debt	7.0
Customers <sup>4</sup>	0.4	Market Cap <sup>5</sup>	9.5



I&N:  
24.5 m end users  
US\$ 11.8 bn RAB<sup>6</sup>



Large hydro generation:  
6.2 GW capacity  
55% of total Enel Américas' capacity



Thermal generation:  
5.0 GW capacity  
Highly flexible and efficient assets



Free market:  
1.6 k free customers  
17 TWh energy sales



Enel X:  
421 k Public lighting  
105 Charging infrastructure

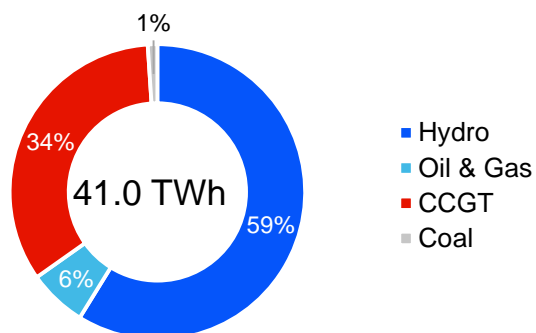
**Enel Américas is the largest private utility company in LatAm**

# Enel Américas today

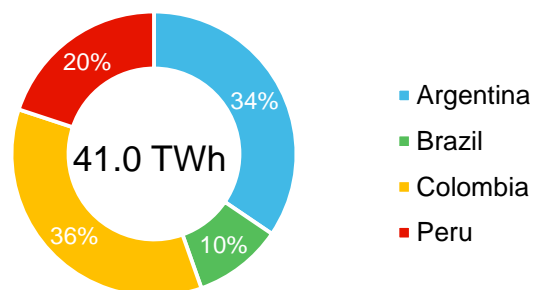
2018E Generation and I&N



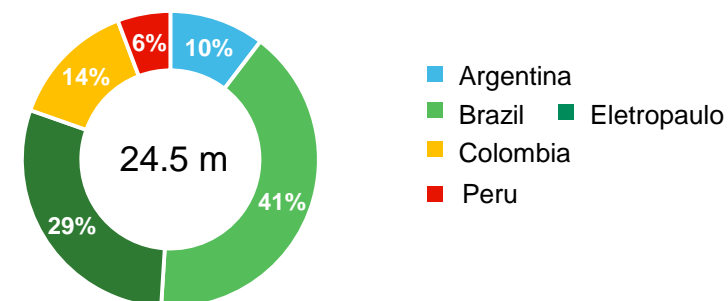
Net production by technology



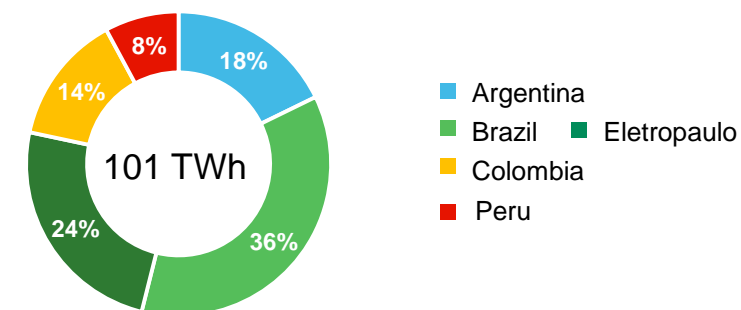
Net production by country



End users by country



Distributed energy by country



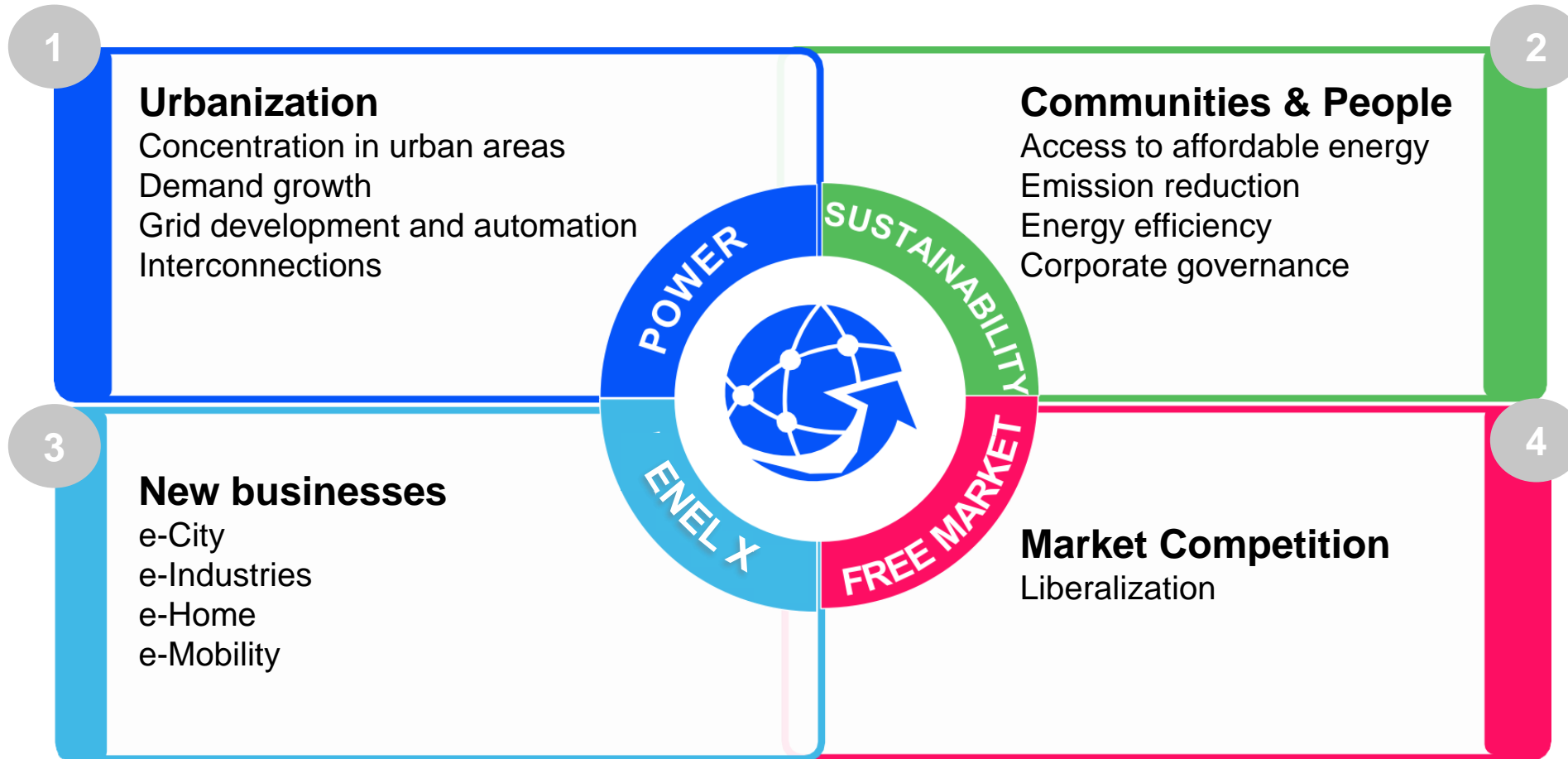
Almost 60% of our generation mix is hydro  
Brazil represents 70% in terms of end users and 60% of the total distributed energy



# Energy transition and new opportunities in LatAm: our vision

# Energy transition and new opportunities

The role of Enel Américas



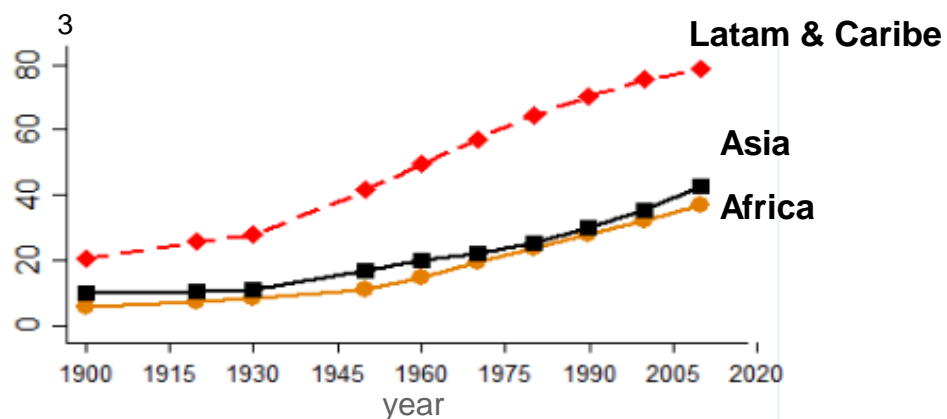
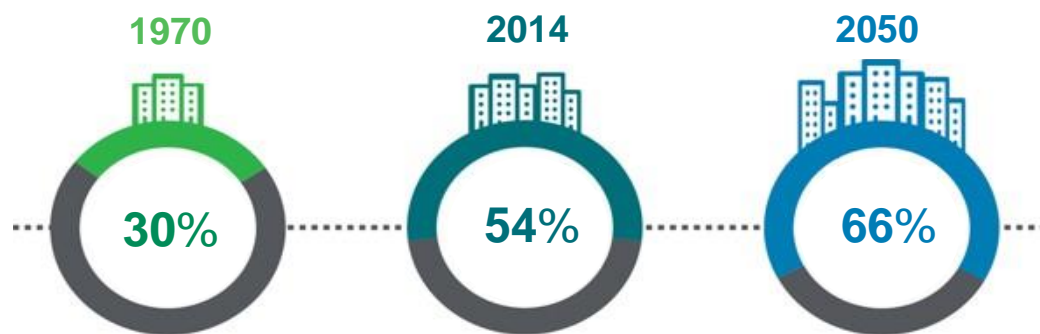
Enel Américas is ready to capture new opportunities in LatAm

# Energy transition and new opportunities

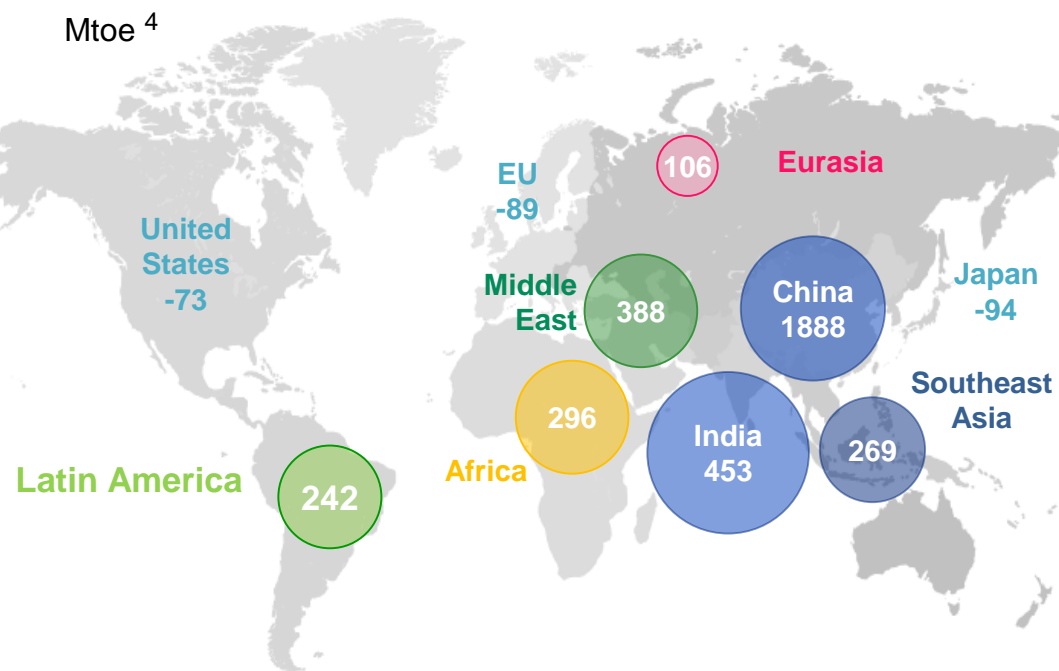


## 1 Urbanization

% of people living in urban areas<sup>1</sup>



Change in primary energy demand 2000-2016<sup>2</sup>








*Emerging economies have increased their energy demand as opposed to mature economies*

A Region in continuous development; population concentrated in megacities and a trend of energy demand increase

# Energy transition and new opportunities

## 2 Communities and people



		Enel Group		Enel Américas	% Enel Américas / Group
Engaging local communities ( <i>m beneficiaries</i> )		2018E <sup>1</sup>	Target 2020	2018E <sup>1</sup>	
	High-quality, inclusive and fair education	0.9 	0.8	0.3	38%
	Access to affordable and clean energy mainly in Africa, Asia and Latin America	2.2 <sup>2</sup>	3.0	2.0	92%
	Employment and sustainable and inclusive economic growth	1.8	3.0	0.3	18%
Climate change		2018E	2020	2018E	2018E
	Reduction of CO <sub>2</sub> specific emissions ( <i>kg/kWh<sub>eq</sub></i> )	0.39	<0.35	0.21	54%

Enel Américas is a constituent of:



MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

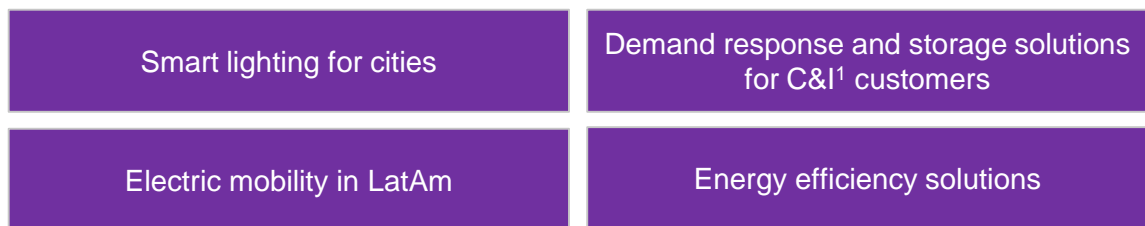
Sustainability commitment is present along the whole business value chain

1. Cumulated figures since 2015. 2. In the whole Group perimeter, 4.9 m beneficiaries were reached.

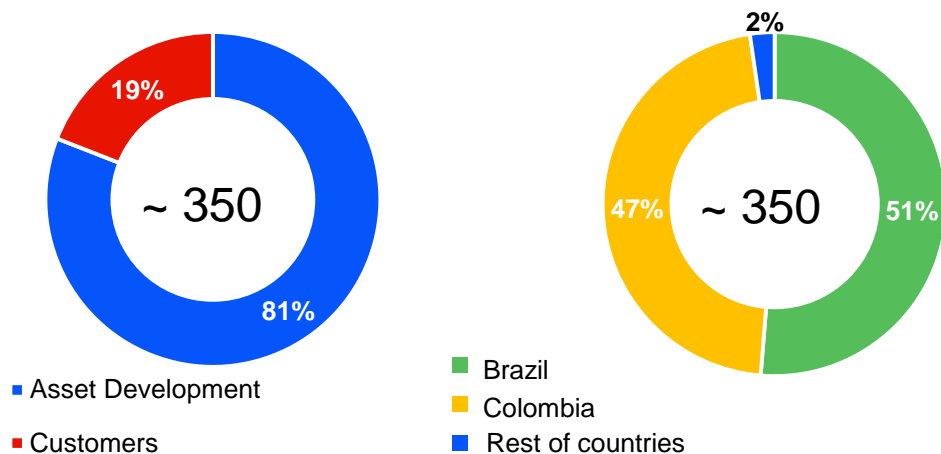
 Target already achieved before 2020

# Energy transition and new opportunities

## 3 Enel X



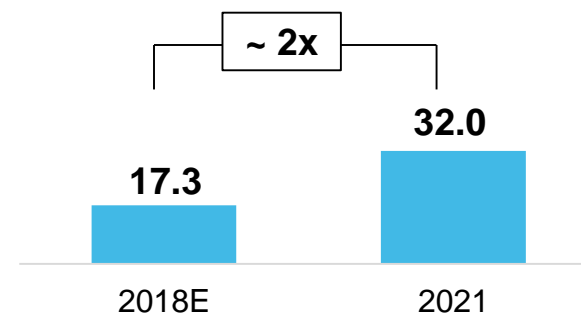
## Enel X Gross capex 2019-21 (US\$ m)



## 4 Market competition



### Energy sales (TWh)



Energy market liberalization

Starting over sales in the free market



Market growth and development of gas free market

Increase of power sales plan and start of gas sales plan



Uncertainty in power prices due to the situation of Ituango P.P.

Opportunities in the new scenario and potential development of gas sales



Low availability of energy for the free market

Commercial strategy redefinition to develop the business

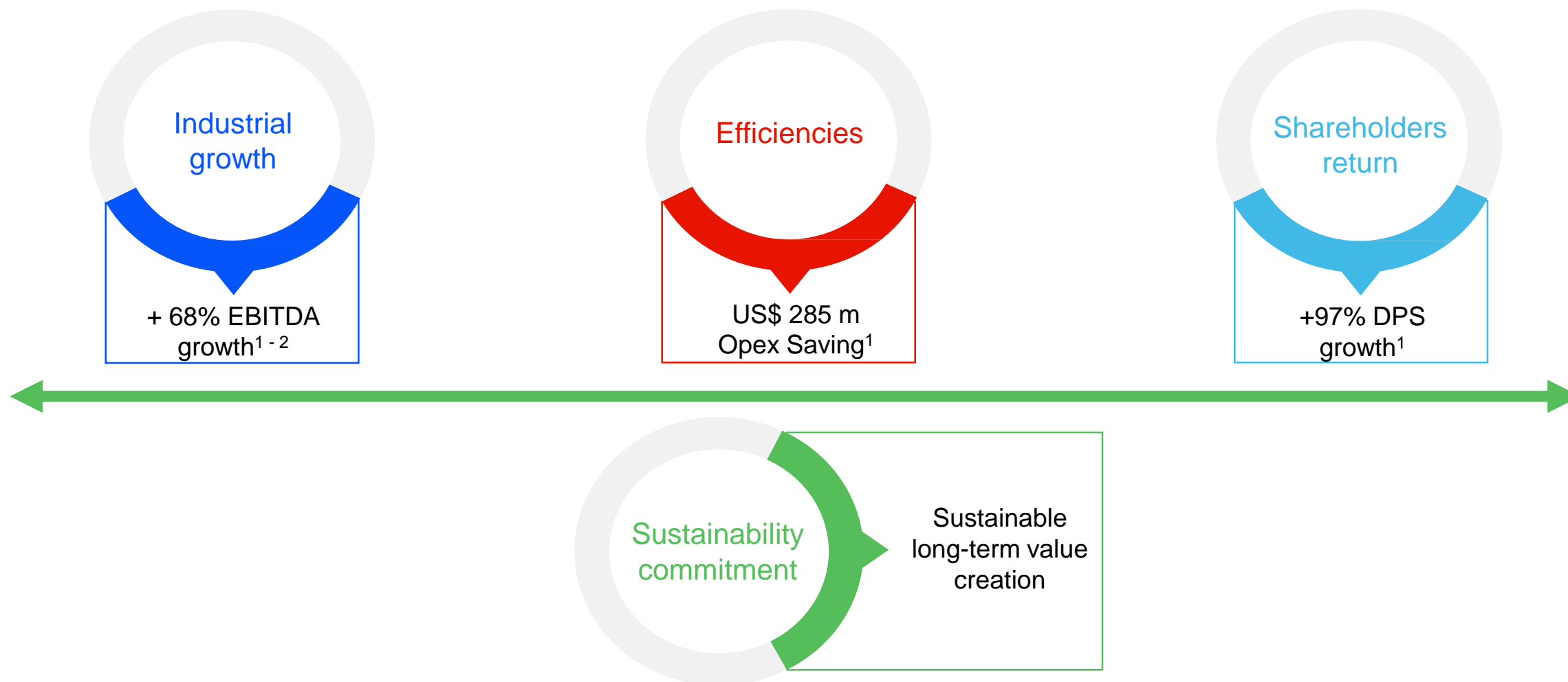
**Growing contribution of Enel X and Retail businesses in Enel Américas' 2019-21 Strategic Plan**



# Strategic Plan 2019-21

# Strategic Plan 2019-21

## Strategic Pillars



A sustainable and solid growth to increase shareholders return

1. Base year 2018E.  
2. M&A not included.

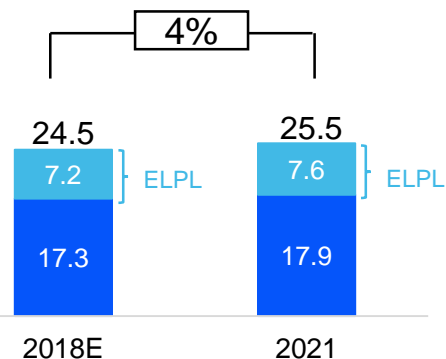
# Industrial growth: Organic growth

## Operational targets by business

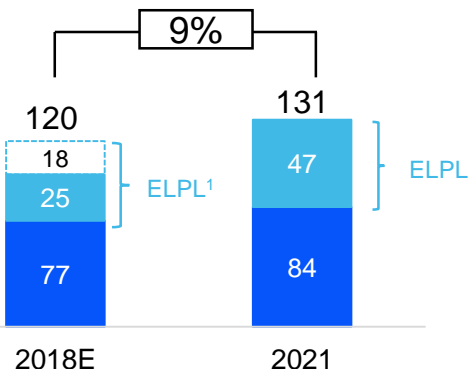


### Infrastructure & Networks

#### End users (m)

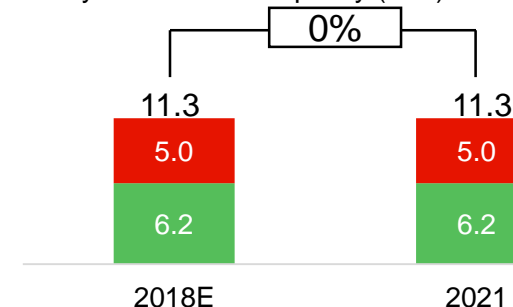


#### Distributed energy (TWh)

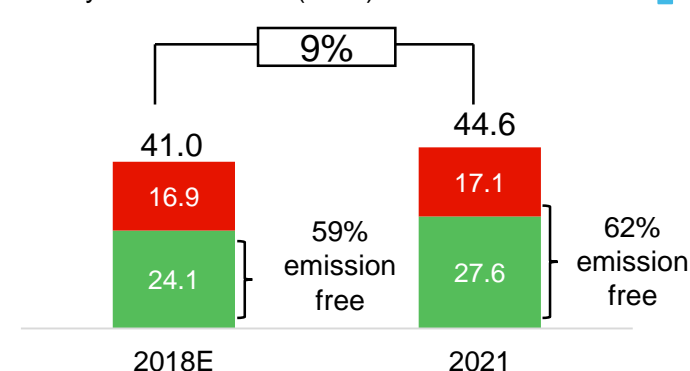


### Generation

#### Thermal Installed Capacity (GW) Hydro Installed Capacity (GW)

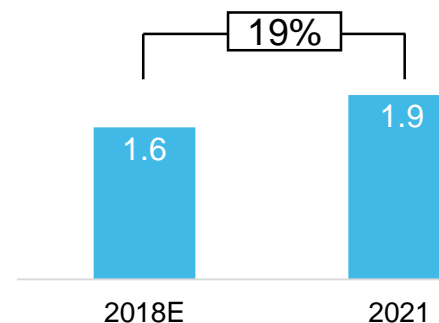


#### Thermal Generation (TWh) Hydro Generation (TWh)

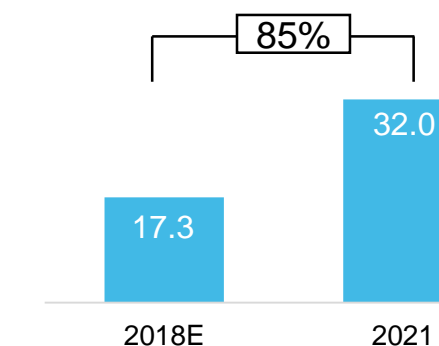


### Free market

#### Free customers power & gas (k)



#### Electricity sales in free market (TWh)

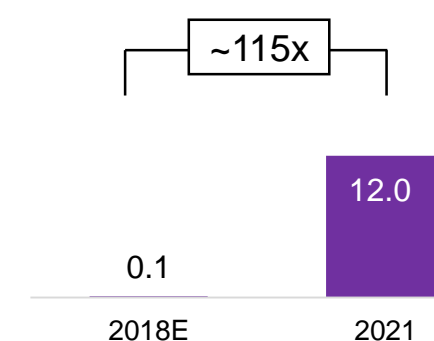


### Enel X

#### Public lighting (m#)



#### Charging stations (k#)



Hydro generation will increase during the period reaching 62% of our total production

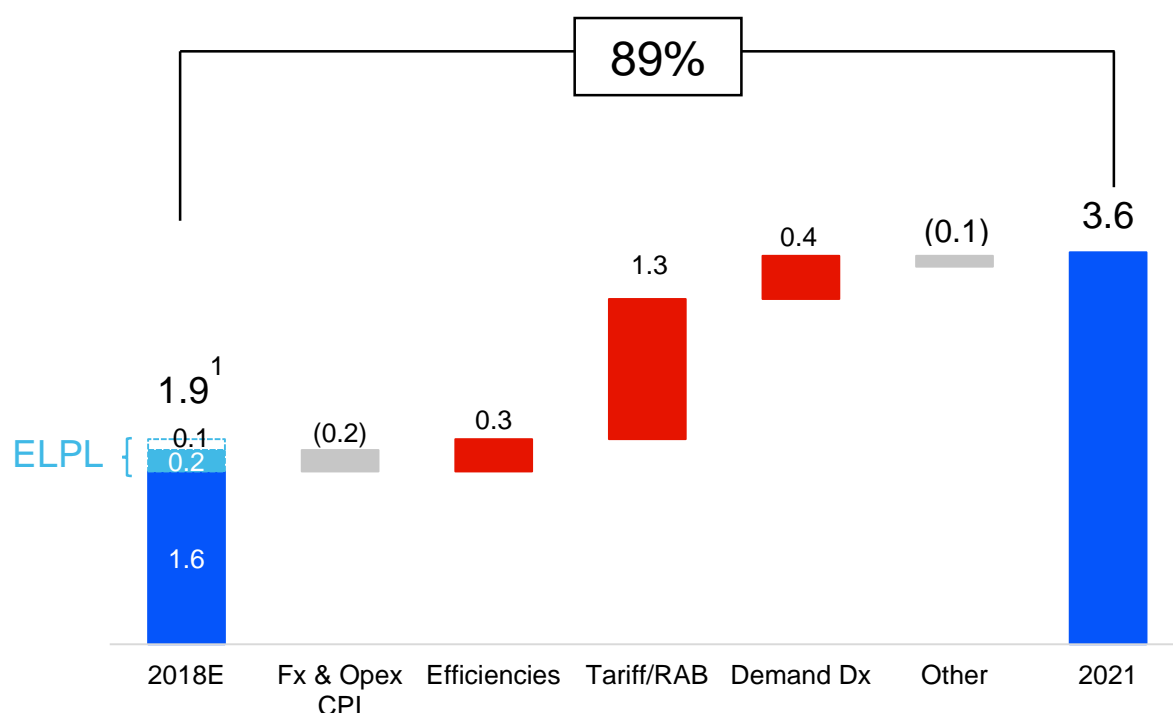
Solid increase in our I&N business, close to double in Retail and relevant expansion of Enel X business in LatAm

# Industrial Growth: Organic growth

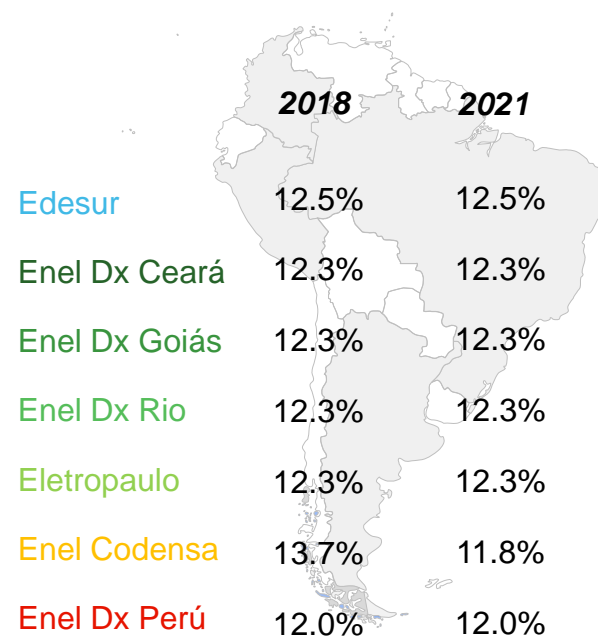
Infrastructure & Networks evolution



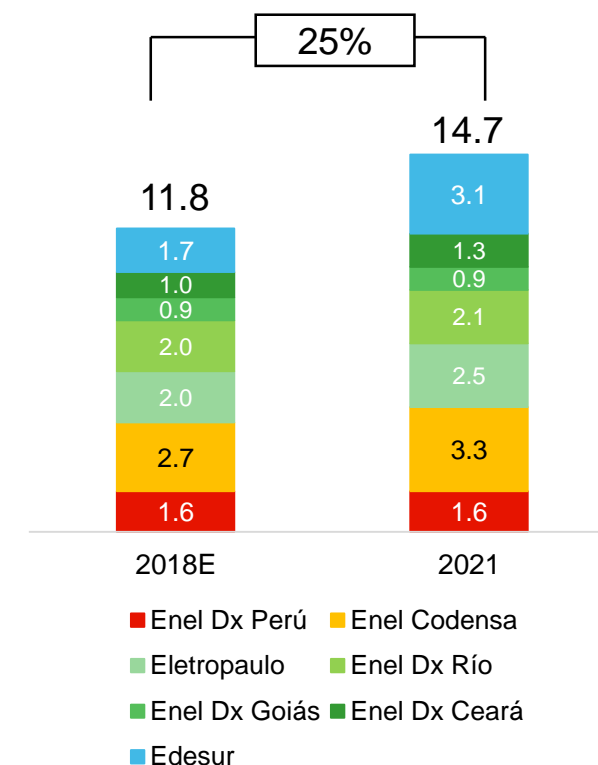
EBITDA (US\$ bn)



WACC<sup>2</sup>



RAB<sup>3</sup> (US\$ bn)



**+89% of EBITDA growth and +25% of potential RAB increase**

# Industrial growth: Non organic growth

Focus Eletropaulo



## Key Drivers

@ 2017

Plan 2021

EBITDA <sup>1</sup>	US\$ 0.3 bn	US\$ 0.8 bn
RAB	US\$ 2.0 bn	US\$ 2.5 bn
Regulatory review	July 2019	
Efficiencies	-	US\$ 207 m
End users	7.2 m	7.6 m
Distributed Energy	43 TWh	47 TWh



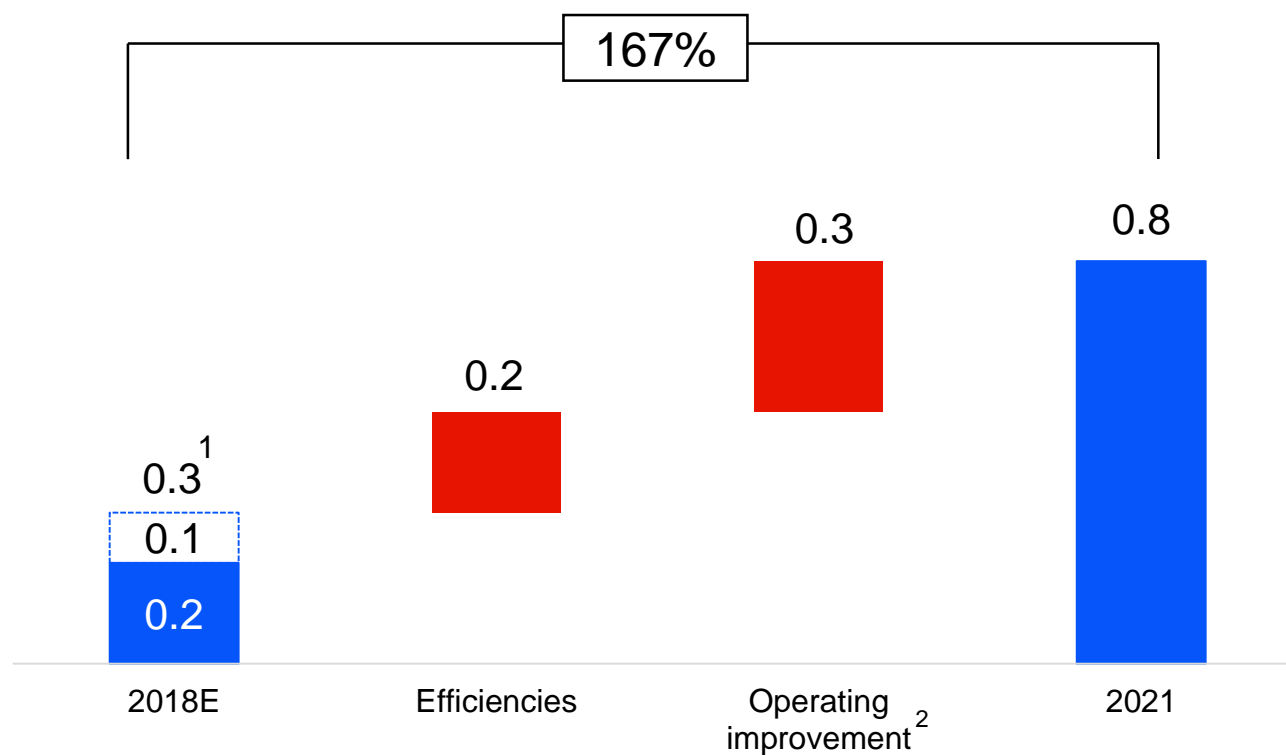
Total capex invested during the period will amount to US\$ 0.9 bn

# Industrial growth: Non organic growth

Focus Eletropaulo



EBITDA (US\$ bn)



Eletropaulo operational KPIs

	2018E <sup>3</sup>	2021
Energy distributed (TWh)	43	47
EBITDA/Customer (US\$)	42	108
OPEX/Customer (US\$)	77	46

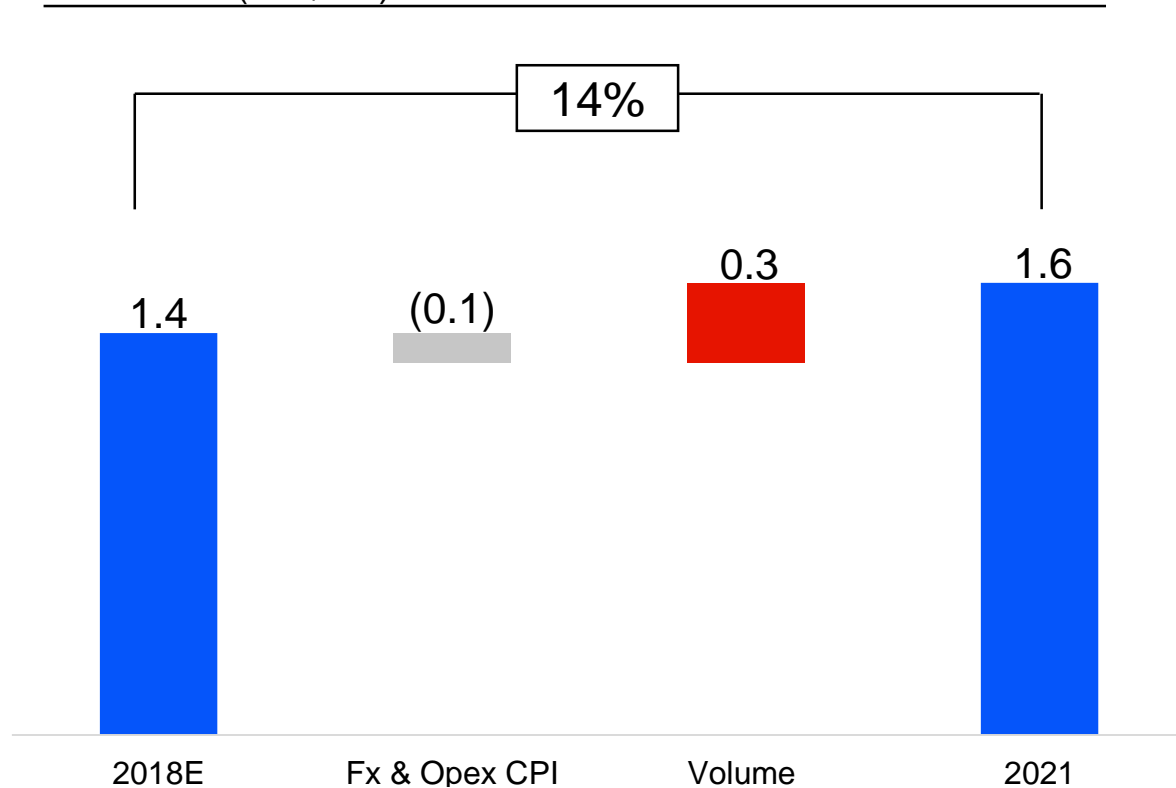
Financial and operational key drivers will improve over the period

# Industrial Growth: Organic growth

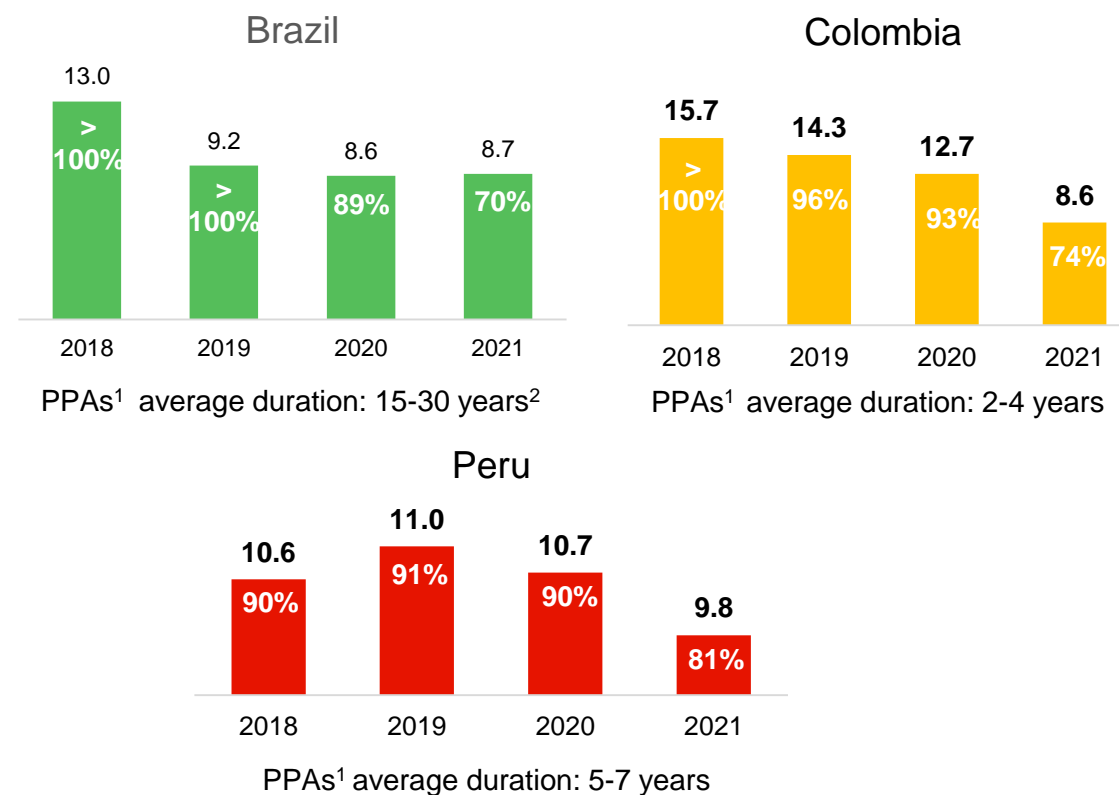
Generation evolution



EBITDA (US\$ bn)



Contracted Energy (TWh)



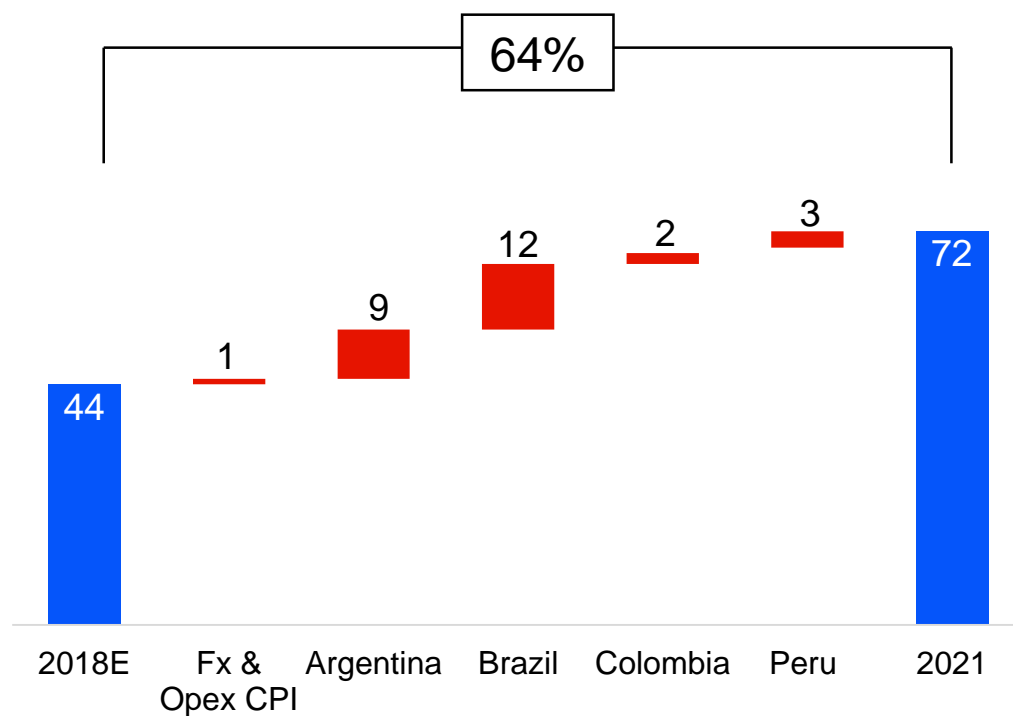
Securing profitability through long-term PPAs

# Industrial Growth: Organic growth

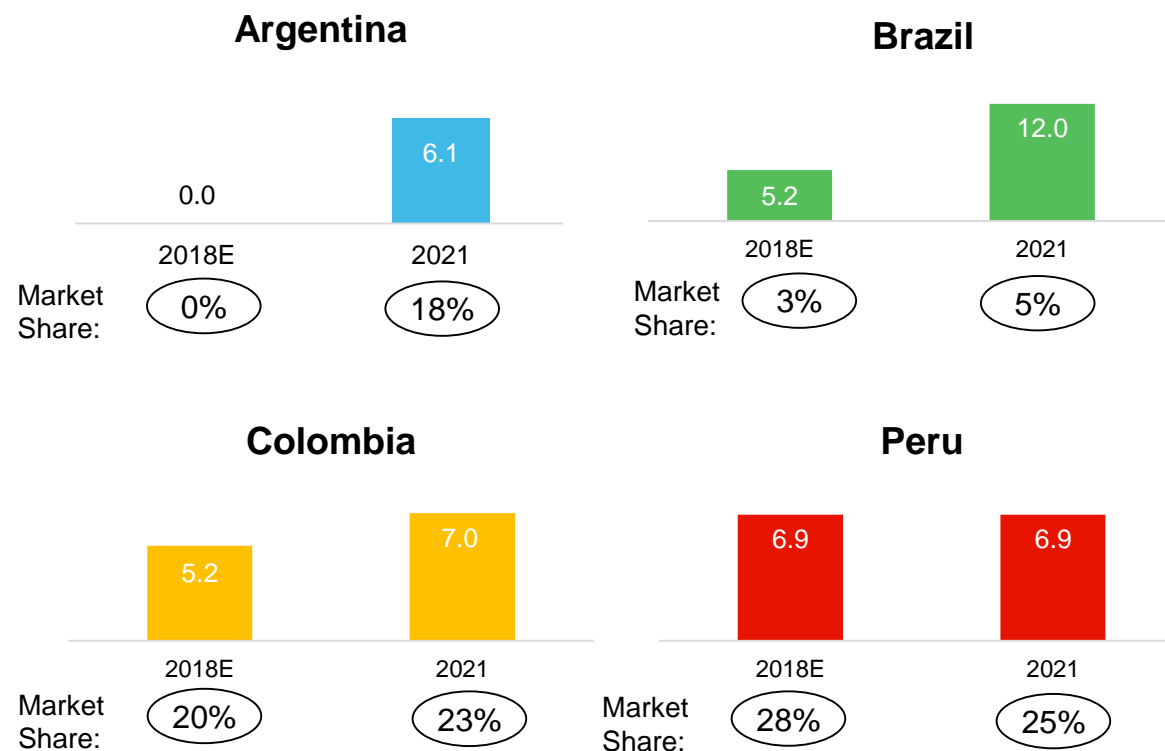
Free market: positioning & market liberalization



EBITDA evolution (US\$ m)



Enel Américas free energy sales (TWh)



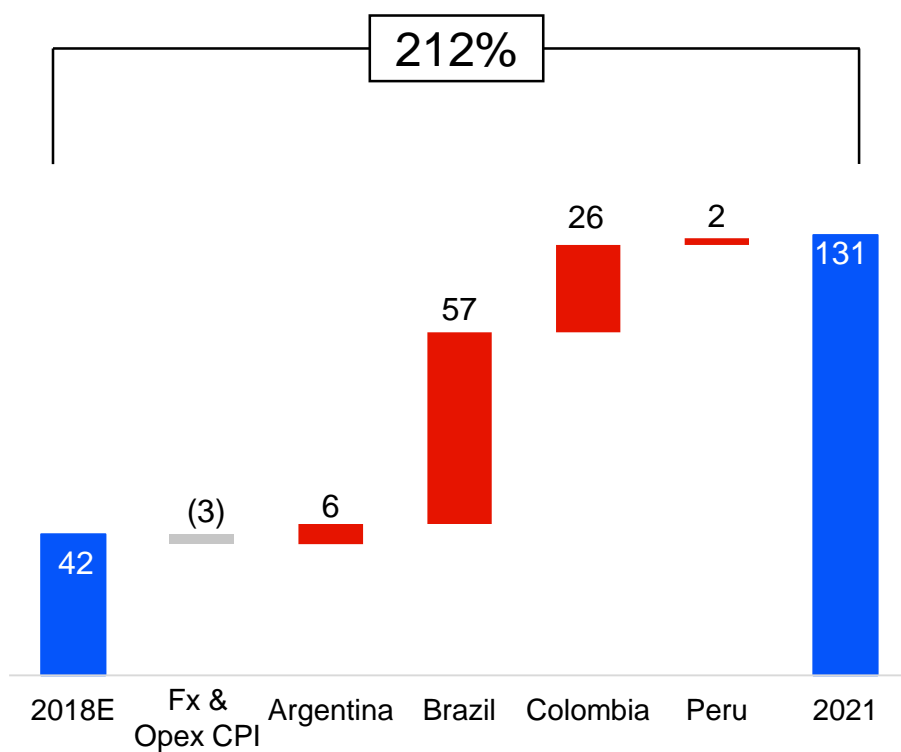
Market liberalization addressing our growth in the free market business

# Industrial Growth: Organic growth

Enel X 



EBITDA evolution (US\$ m)



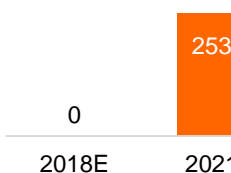
## e-City

### Public lighting (spots, m#)

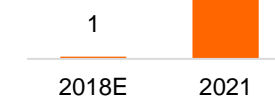


## e-Industries

### Demand response (MW delivered/year)



### PV (MW installed/year)



## e-Home

### Collection services (transaction, m#)



### Financial services (transaction, m#)

#### Credit card

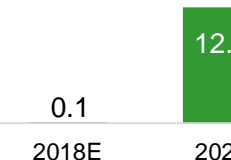


#### Micro insurance

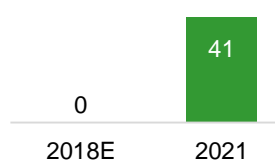


## e-Mobility

### Charging station (cumulated facilities, k#)



### e-Buses (cumulated sales, #)



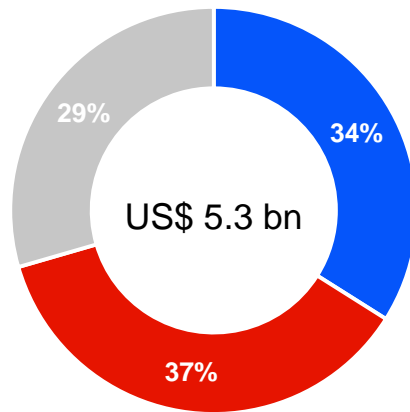
Significant expansion of the Enel X business along the period

# Industrial growth: Organic growth

Capex plan 2019- 21

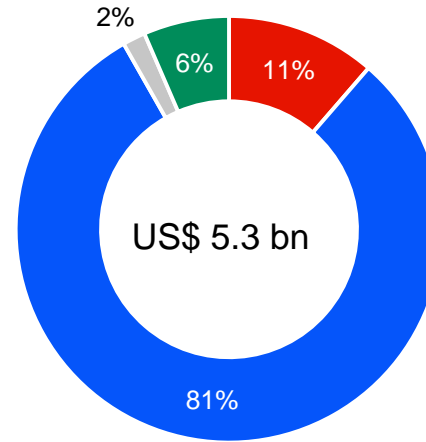


Total capex



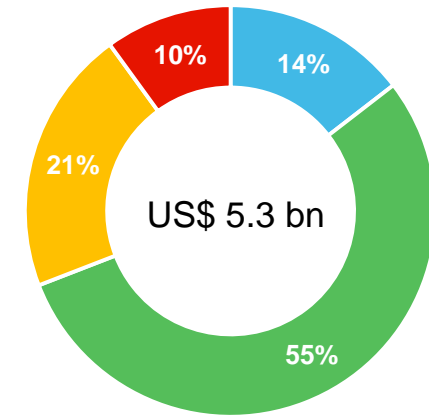
■ Asset Development ■ Asset Management ■ Customers

Total capex by business



■ Gx ■ I&N ■ Retail<sup>1</sup> ■ Enel X

Total capex by country



■ Argentina ■ Brazil ■ Colombia ■ Peru

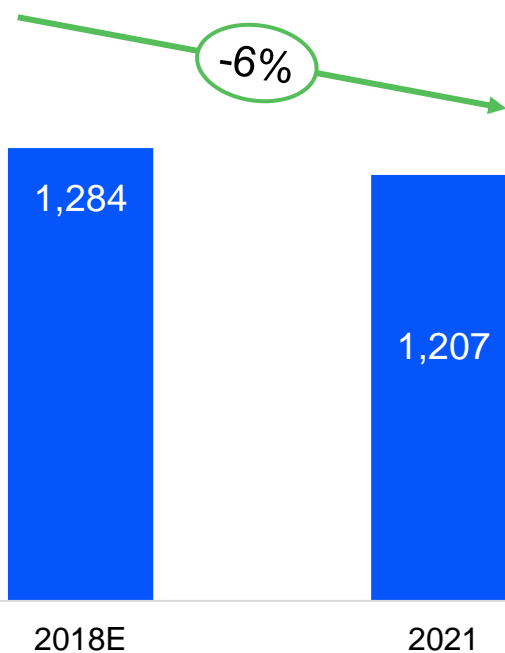
I&N business captures more than 80% of total capex plan

# Efficiencies

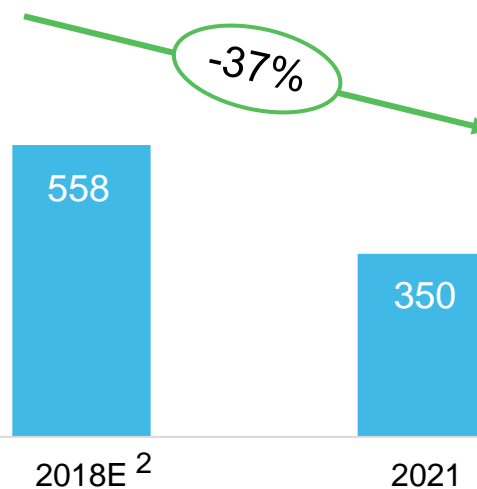
Further efficiencies 2019-21<sup>1</sup>



Enel Américas' opex exc. Eletropaulo (US\$ m)



Eletropaulo's opex (US\$ m)



Main initiatives

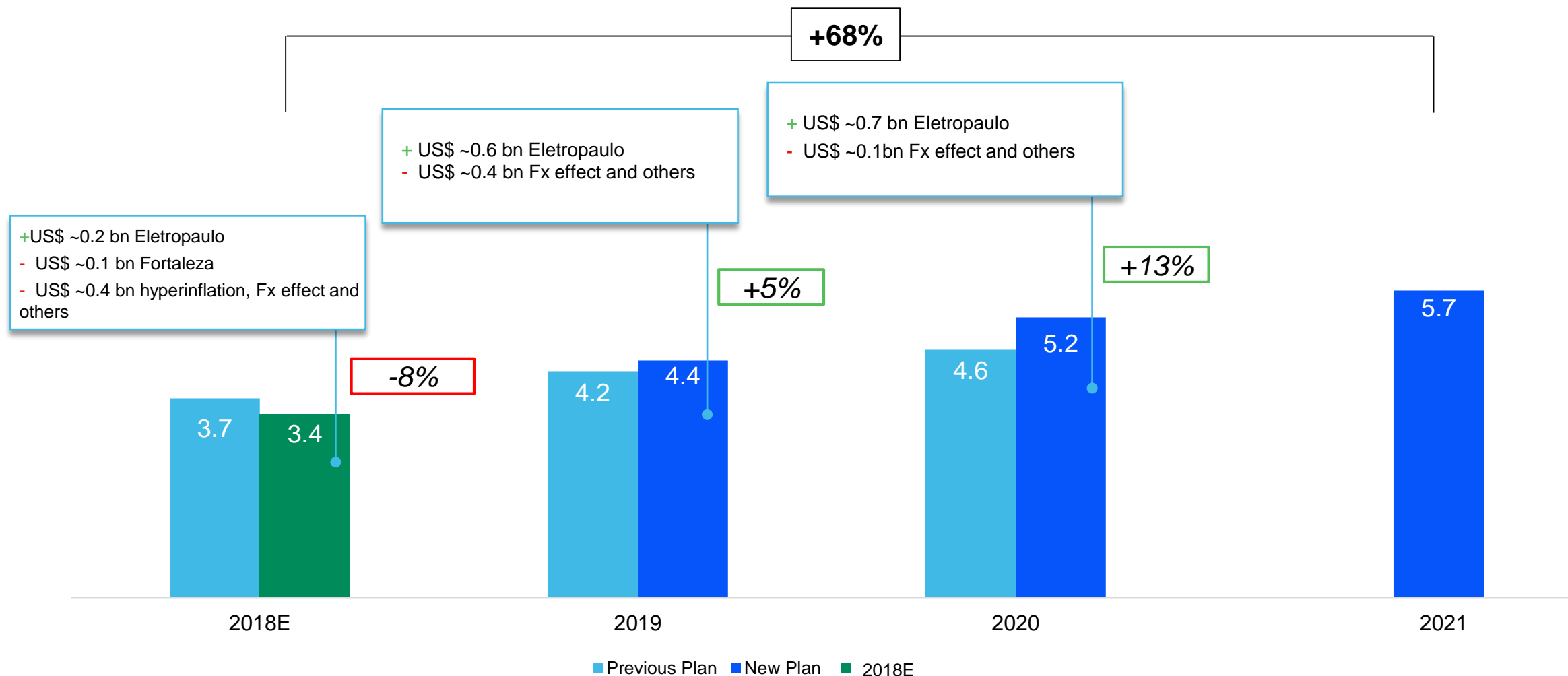
- ✓ Digitalization
- ✓ Apply Group standards in technical maintenance
- ✓ Efficiency in purchasing
- ✓ Quality of service: Reduced costs due to low quality
- ✓ Technological and functional convergence of systems
- ✓ Reducing external costs, mainly services, travel, introduction of surveillance technology

Efficiencies at all levels

New Strategic Plan envisages additional efficiencies for US\$285 m

# Financial targets

EBITDA<sup>1</sup> (US\$ bn): Guidance vs previous Strategic Plan



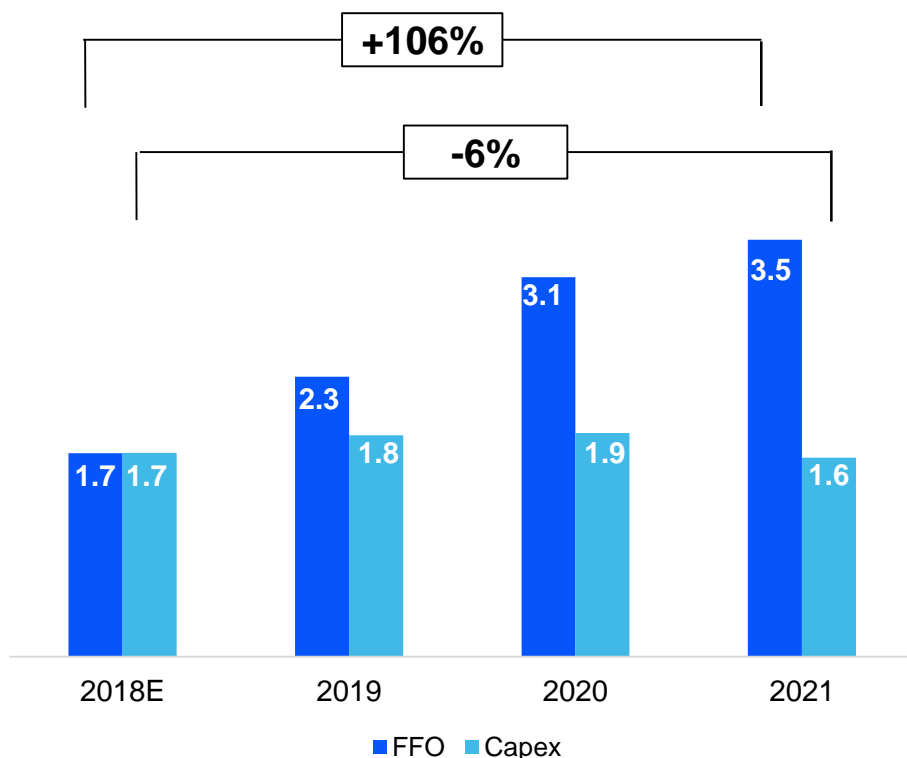
Improved EBITDA in the coming years mainly due to Eletropaulo's contribution

# Financial targets

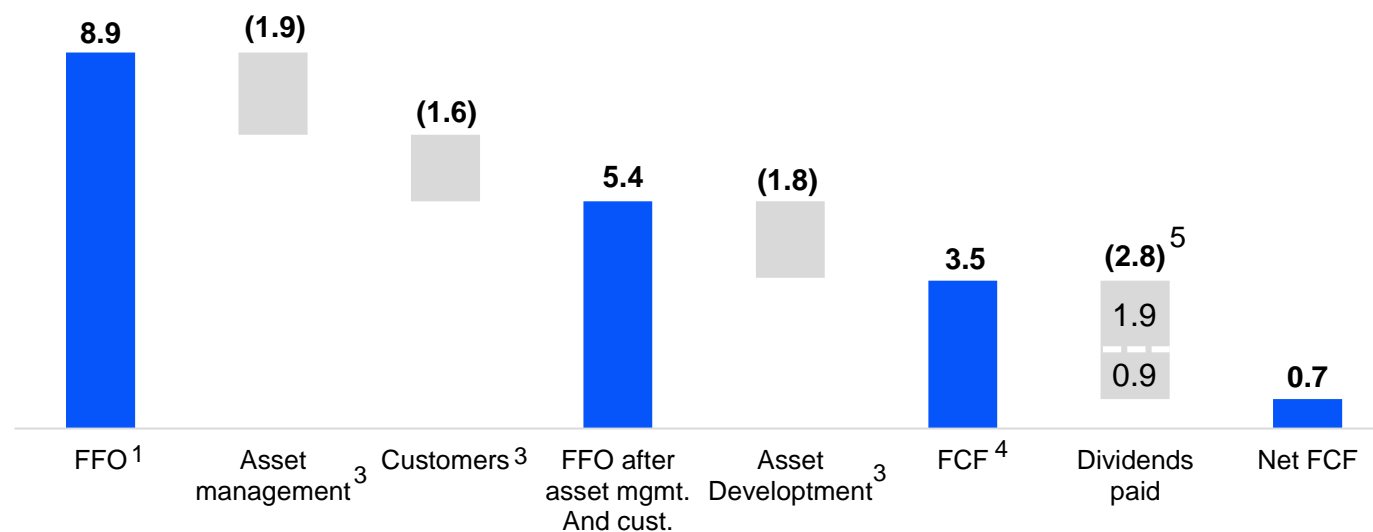
FFO<sup>1</sup>, capex and cash flow 2019-21



FFO and capex (US\$ bn)



Cash flow generation (US\$ bn)<sup>2</sup>



**Positive Net Free Cash Flow leaves room for a relevant capex plan and attractive dividend payout**

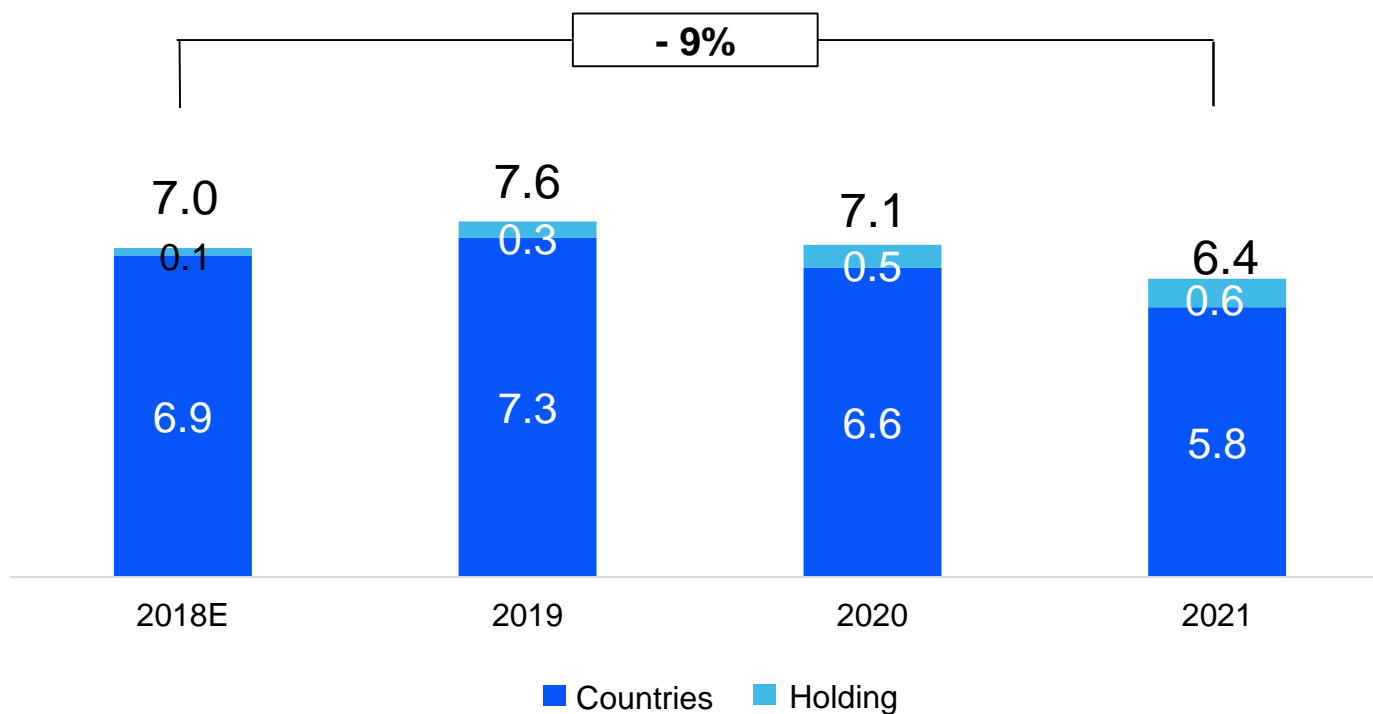
1. Funds From Operations. 2. M&A and minorities opportunities not included. 3. Capex. 4. Free Cash Flow. 5. Including US\$1.9 bn paid to shareholders of Enel Américas and US\$0.8 bn dividends distributed from subsidiaries to minorities.

# Financial targets

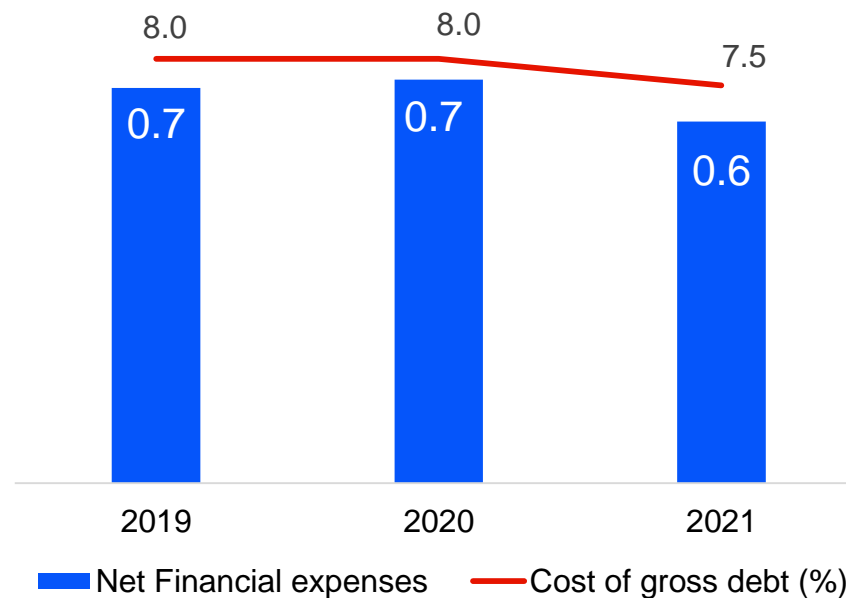
Net debt evolution 2019-21



Net debt breakdown (US\$ bn)



Net financial expenses on debt (US\$ bn)

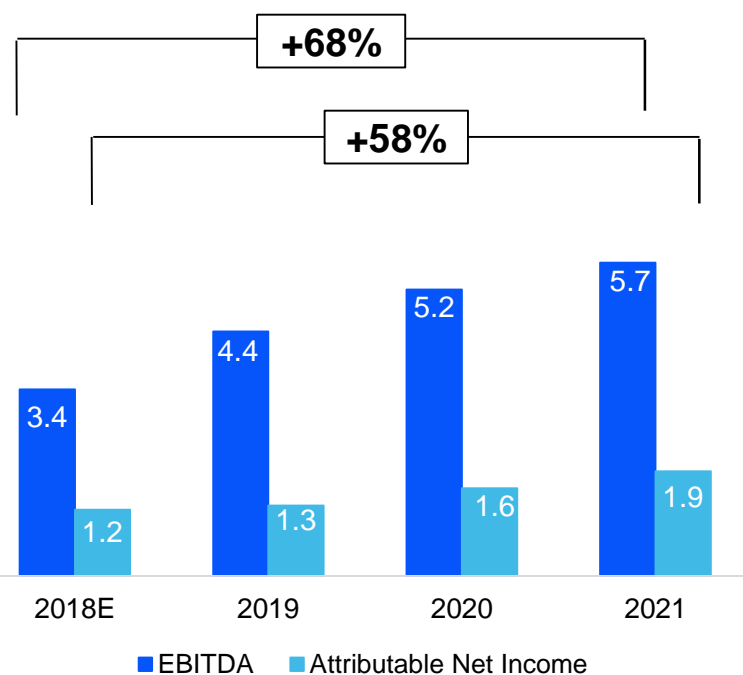


# Financial targets

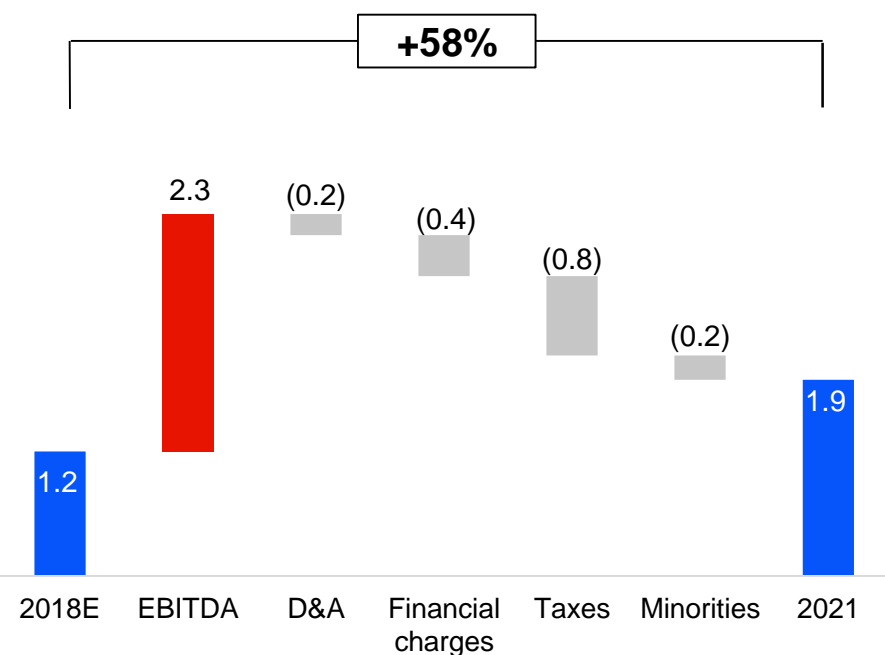
Guidance 2019-21



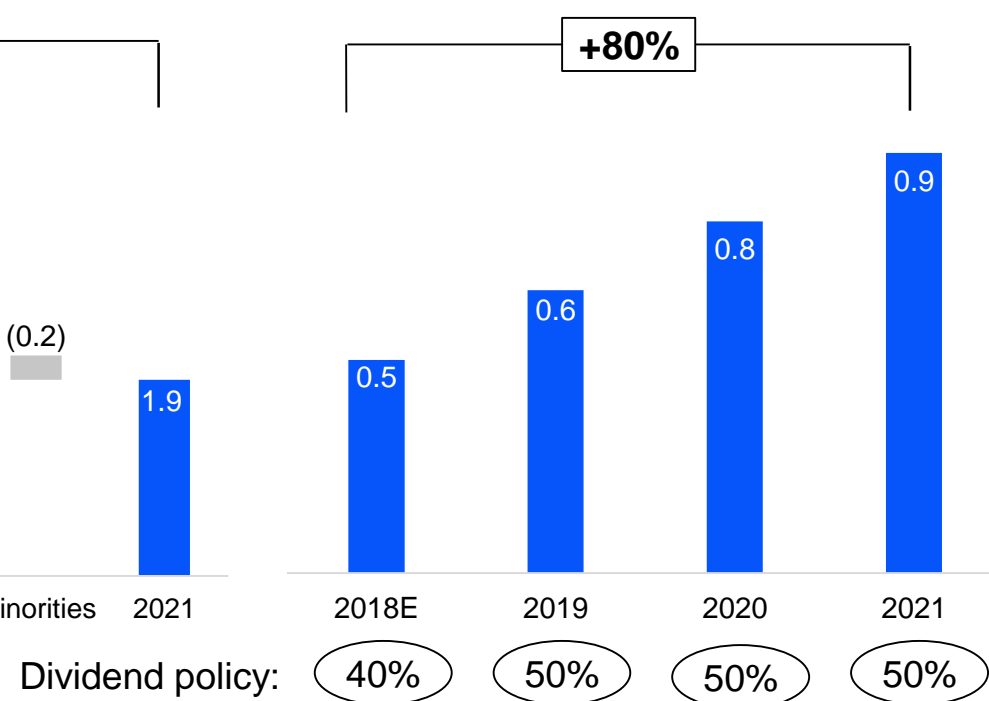
EBITDA and Net Income (US\$ bn)



Net Income evolution (US\$ bn)



Dividends paid (US\$ bn)



Solid EBITDA and Net Income with a 50% Dividend Policy along the period



# Closing remarks

# Closing remarks



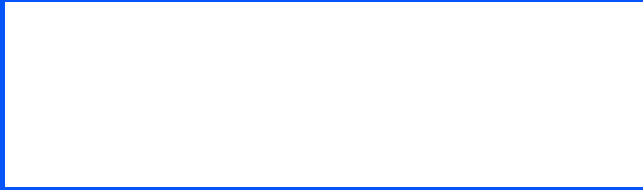
1 Successful delivery in the period 2016-18

2 Enel Américas is now a stronger leader in the utilities sector in the Region

3 The Company is well positioned to face the energy transition and new opportunities in LatAm creating long term value

4 Financial targets reviewed upwards versus the previous plan

5 Relevant contribution to the people and communities where we operate with clear environmental, economic, and social goals



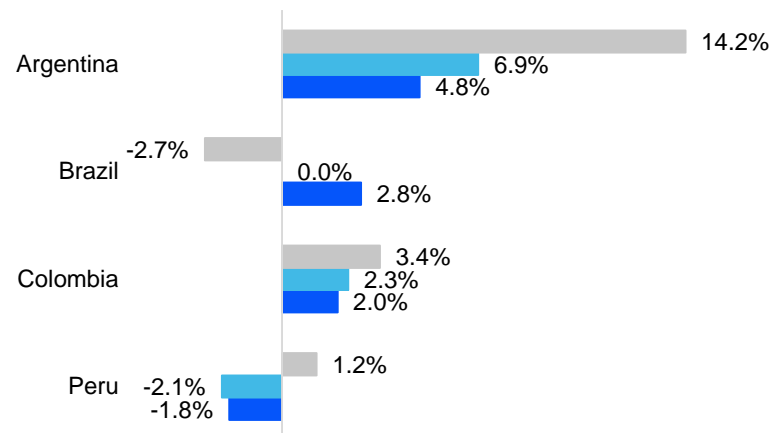
# Exhibits

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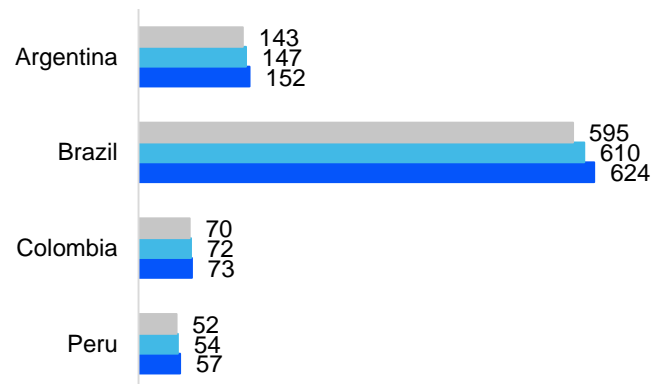
## Macro and energy scenario



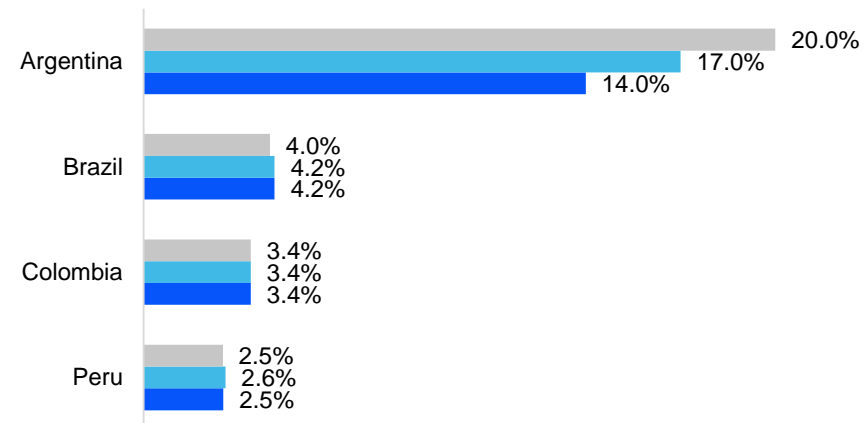
Local currency vs USD



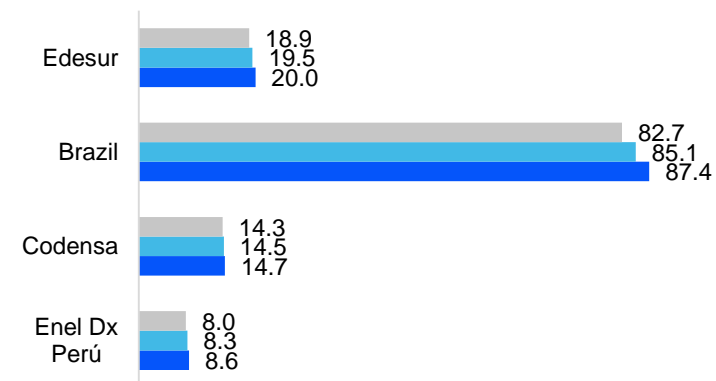
Energy demand (TWh)



CPI<sup>1</sup>



Enel Américas distributed energy (TWh)



■ 2019  
■ 2020  
■ 2021

# Exhibits

## Regulatory cycle of Distribution Companies

Company	Regulatory cycle	Next regulatory cycle
Edesur	5 years	2022
Enel Dx Ceará	4 years	2019
Enel Dx Goiás	4 years	2023
Enel Dx Rio	5 years	2023
Eletropaulo	4 - 5 years	2019 (3Q)
Enel Codensa	5 years	2019 (1Q)
Enel Dx Perú	4 years	2022



# Disclaimer



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

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

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

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

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# Strategic Plan 2019-21

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# Thank you.

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