



# Enel Américas FY 2016 results



# FY 2016 results

Highlights of the period and recent events



**EBITDA of US\$ 2.4 bn, an increase of 1.7%,  
excluding fx effects and one-offs increased by 16.1%**

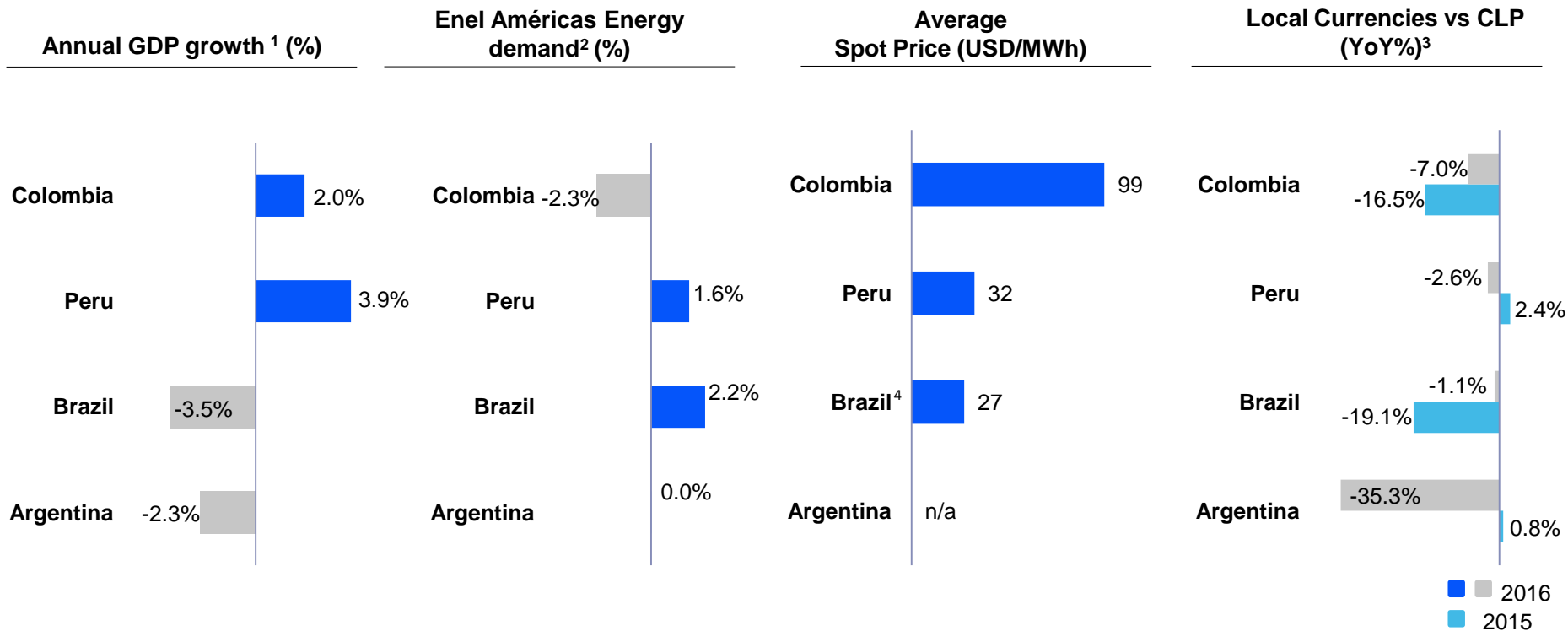
**Net Income without discontinued operations - 24.5%, net of one-offs + 23.6%  
Attributable Net Income of US\$ 0.6 bn, in line with targets**

**Reorganization process completed, efficiencies targets reached**

**Acquisition of 94.8% of Celg-D announced on November 30<sup>th</sup>, 2016 was  
completed on February 14<sup>th</sup>, 2017**

**New tariff scheme in Argentina in place since February 1<sup>st</sup>, 2017**

## Market context in the period

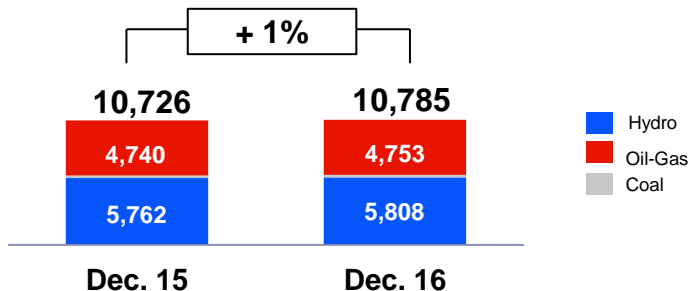


# FY 2016 results

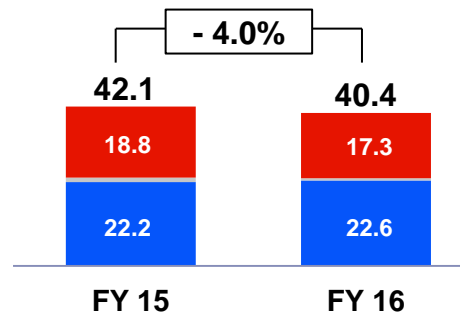
## Operating highlights

Generation

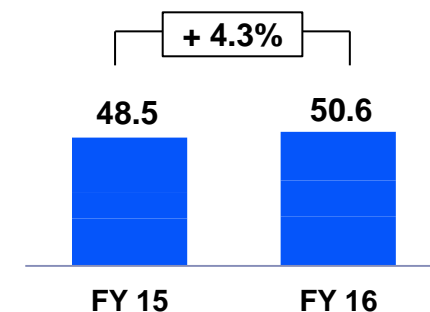
### Net Installed capacity (MW)



### Net production (TWh)

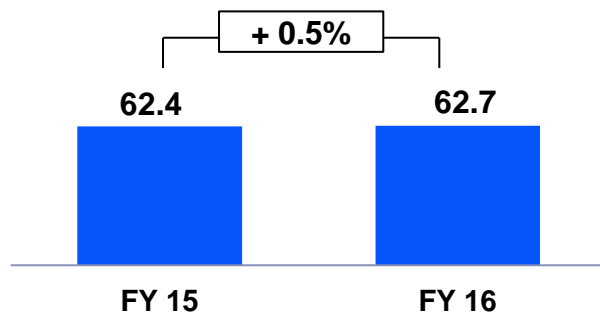


### Electricity sales (TWh)

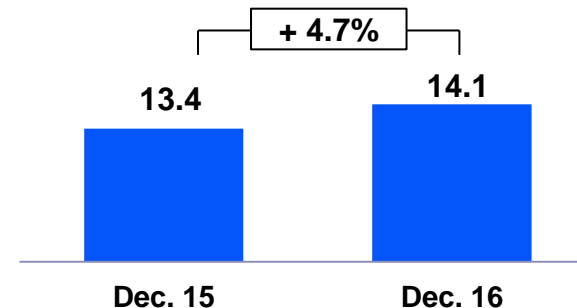


Distribution

### Electricity Distributed (TWh)



### Number of customers (mn) <sup>1</sup>

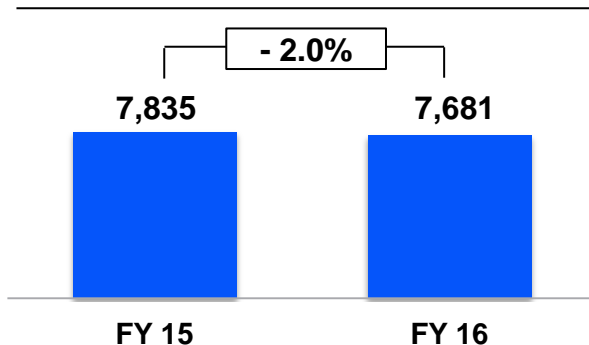


1. On October 1<sup>st</sup>, 2016, Empresa de Energía de Cundinamarca (EEC) merged with Codensa, adding to Codensa 297.606 client.s

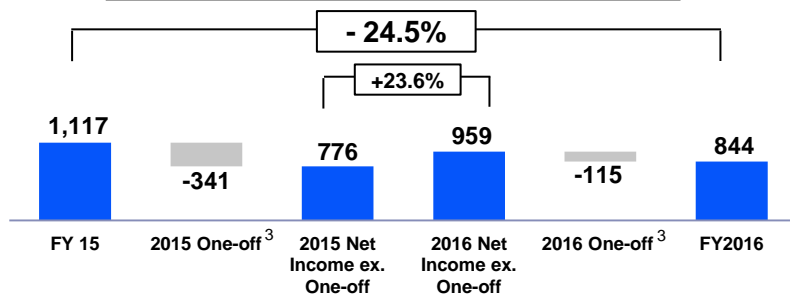
# FY 2016 results

Financial highlights (US\$ mn) <sup>1</sup>

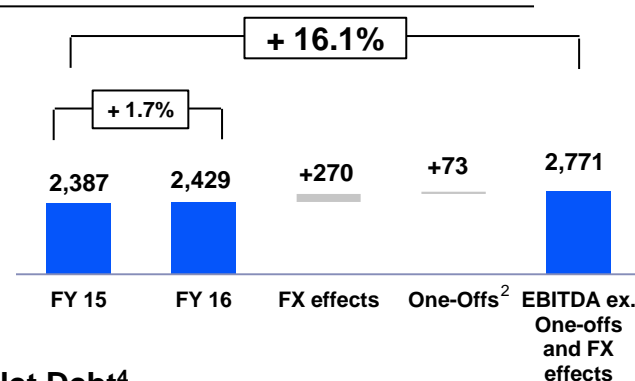
## Revenues



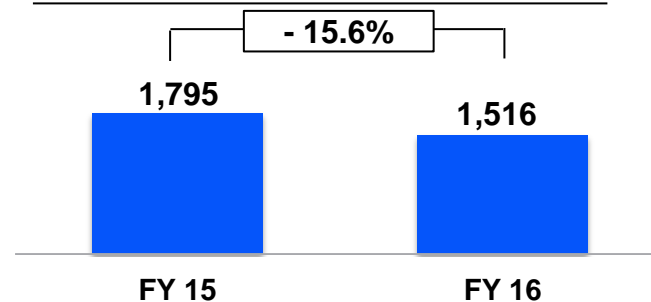
## Net Income (without discontinued operations)



## EBITDA



## Net Debt<sup>4</sup>



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 projects, and clients-related provisions in Perú.

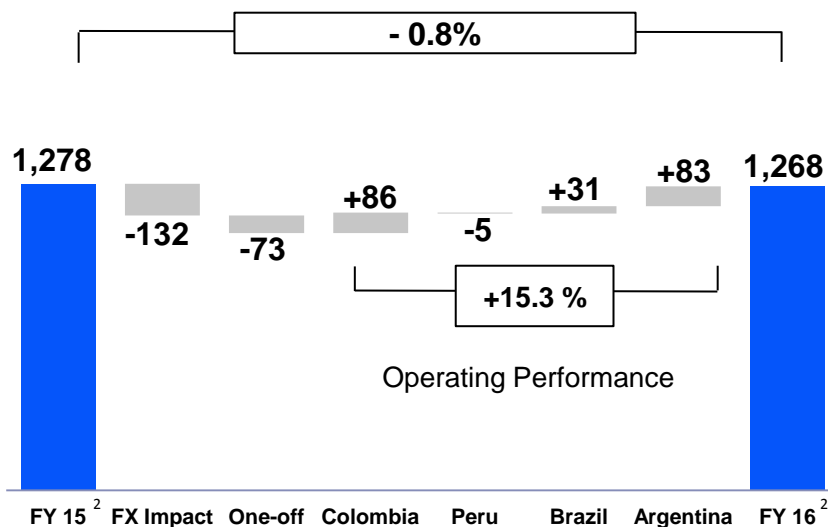
3. 2015: Income from accounts payable to VOSA (USD 294 mn) and waiving of interest in Edesur and Costanera (USD 48 mn). 2016: Financial update of fines in Argentina for an amount of USD 70 mn, Write-off and provisions in Perú for USD 73 mn and sales of high-tension transmission lines in Perú for USD 27 mn.

4. Exchange rate USD/CLP for the Debt as of Dec. 31 2015 was 710.16 CLP and for the Debt as of Dec. 31 2016 was 669.47 CLP.

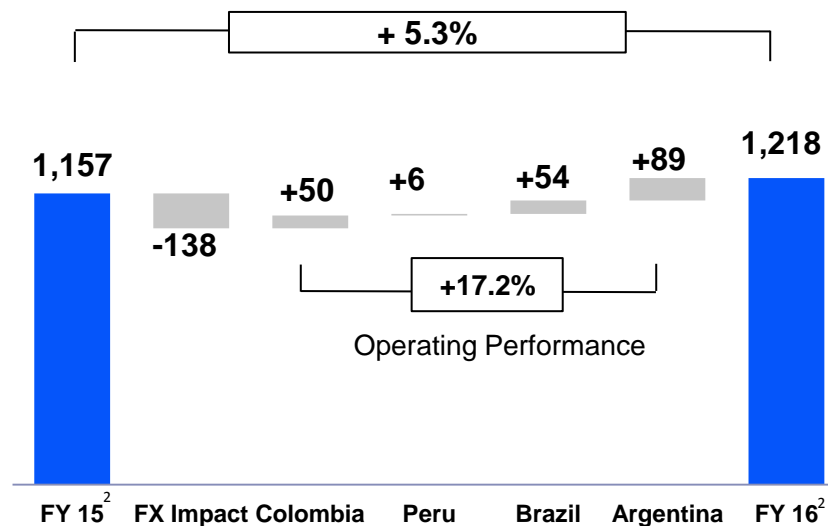
# FY 2016 results

Group EBITDA evolution by business and country (US\$ mn)<sup>1</sup>

## Generation



## Distribution



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.

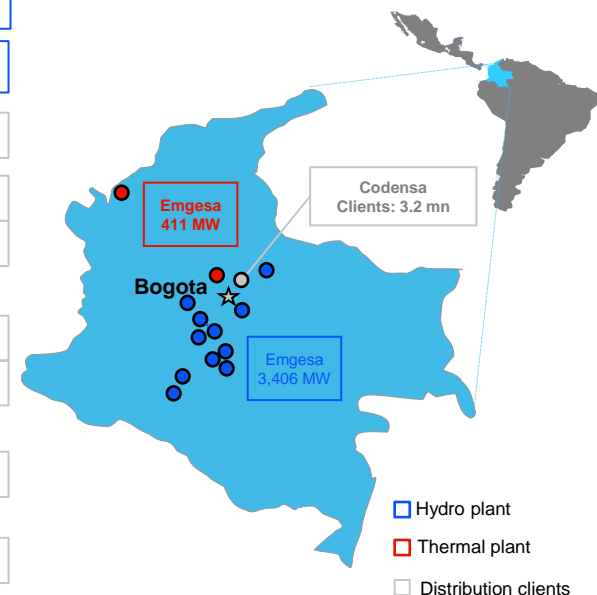
2. Not including Services & Holding.

# FY 2016 results

Focus on Colombia (US\$ mn) <sup>1</sup>



	Generation			Distribution			Total <sup>2</sup>		
	FY 15	FY 16	%	FY 15	FY 16	%	FY 15	FY 16	%
Revenues	1,151	<b>1,151</b>	0%	1,307	<b>1,365</b>	4%	2,317	<b>2,266</b>	-2%
EBITDA	609	<b>646</b>	6%	436	<b>452</b>	4%	1,045	<b>1,099</b>	5%
Ex. One-Offs and fx effects			14%			12%			13%
CAPEX	432	<b>83</b>	-81%	166	<b>211</b>	27%	597	<b>294</b>	-51%
Ex. One-Offs and fx effects			-79%			41%			-45%
Net Production (GWh)	13,705	<b>14,952</b>	9%	-	-	-	13,705	<b>14,952</b>	9%
Energy Sales (GWh)	16,886	<b>18,015</b>	7%	13,946	<b>13,632</b>	-2%	-	-	-
Clients (Th)	-	-	-	2,865	<b>3,248<sup>3</sup></b>	13%	2,865	<b>3,248<sup>3</sup></b>	13%



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. "Total" including Holding and Services adjustments.
3. On October 1, 2016, Empresa de Energía de Cundinamarca (EEC) merged with Codensa, adding to Codensa 297.606 clients.

# FY 2016 results

Focus on Brazil (US\$ mn) <sup>1</sup>



	Generation			Distribution			Total <sup>2</sup>		
	FY 15	FY 16	%	FY 15	FY 16	%	FY 15	FY 16	%
Revenues	452	<b>572</b>	27%	2,715	<b>2,489</b>	-8%	2,975	<b>2,778</b>	-7%
EBITDA	226	<b>271</b>	20%	340	<b>414</b>	22%	534	<b>644</b>	21%
Ex. One-Offs and fx effects			21%			23%			22%
CAPEX	34	<b>24</b>	-31%	376	<b>418</b>	11%	411	<b>445</b>	8%
Ex. One-Offs and fx effects			-28%			16%			13%
Net Production (GWh)	4,398	<b>3,665</b>	-17%	-	-	-	4,398	<b>3,665</b>	-17%
Energy Sales (GWh)	6,541	<b>9,448</b>	44%	22,311	<b>22,809</b>	2%	-	-	-
Clients (Th)	-	-	-	6,754	<b>6,944</b>	3%	6,754	<b>6,944</b>	35



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. "Total" including Holding and Services adjustments.

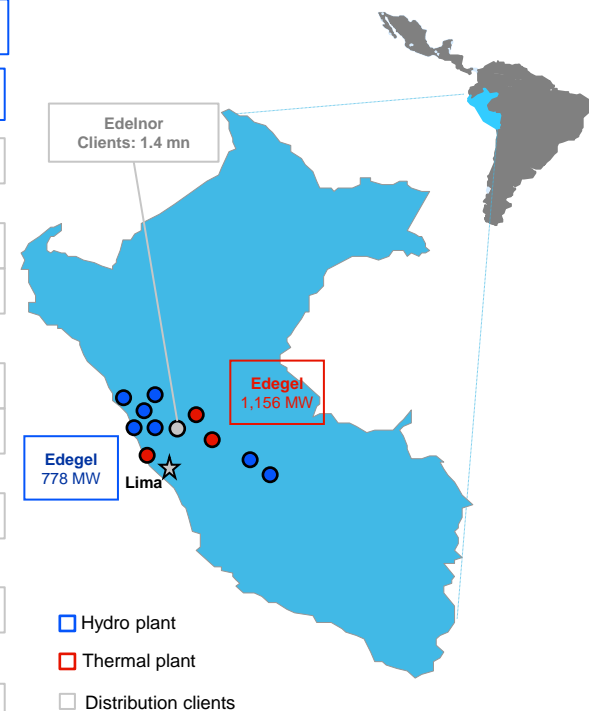


# FY 2016 results

Focus on Peru (US\$ mn)<sup>1</sup>



	Generation			Distribution			Total <sup>2</sup>		
	FY 15	FY 16	%	FY 15	FY 16	%	FY 15	FY 16	%
Revenues	647	<b>678</b>	5%	831	<b>865</b>	4%	1,334	<b>1,339</b>	0%
EBITDA	316	<b>240</b>	-24%	204	<b>211</b>	3%	520	<b>437</b>	-16%
Ex. One-Offs and fx effects			1%			6%			0%
CAPEX	49	<b>99</b>	100%	150	<b>123</b>	-18%	203	<b>223</b>	9%
Ex. One-Offs and fx effects			113%			-13%			16%
Net Production (GWh)	8,801	<b>8,698</b>	-1%	-	-	-	8,801	<b>8,698</b>	-1%
Energy Sales (GWh)	9,283	<b>9,800</b>	6%	7,659	<b>7,780</b>	2%	-	-	-
Clients (Th)	-	-	-	1,337	<b>1,367</b>	2%	1,337	<b>1,367</b>	2%



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.

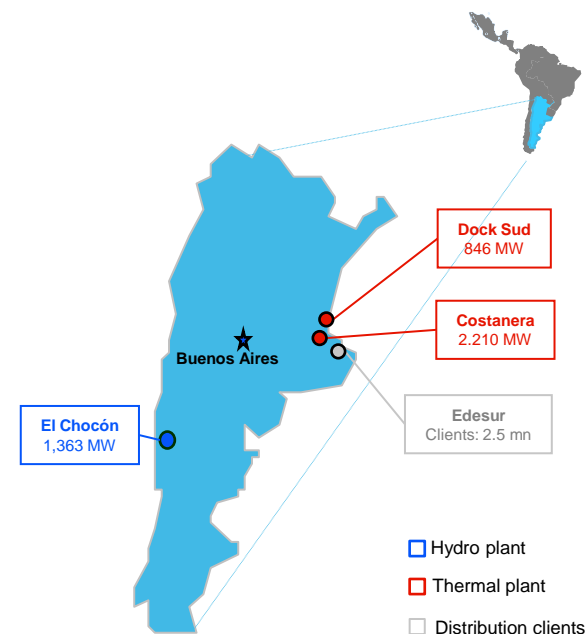
2. "Total" including Holding and Services adjustments.

# FY 2016 results

Focus on Argentina (US\$ mn) <sup>1</sup>



	Generation			Distribution			Total <sup>2</sup>		
	FY 15	FY 16	%	FY 15	FY 16	%	FY 15	FY 16	%
Revenues	314	<b>307</b>	-2%	898	<b>981</b>	9%	1,208	<b>1,286</b>	6%
EBITDA	127	<b>136</b>	7%	176	<b>172</b>	-3%	303	<b>308</b>	1%
Ex. One-Offs and fx effects			65%			51%			57%
CAPEX	167	<b>86</b>	-49%	221	<b>171</b>	-23%	388	<b>257</b>	-34%
Ex. One-Offs and fx effects			-49%			24%			-7%
Net Production (GWh)	15,204	<b>13,124</b>	-14%	-	-	-	15,204	<b>13,124</b>	-14%
Energy Sales (GWh)	15,770	<b>13,312</b>	-18%	18,492	<b>18,493</b>	0%	-	-	-
Clients (Th)	-	-	-	2,480	<b>2,505</b>	1%	2,480	<b>2,505</b>	1%



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.

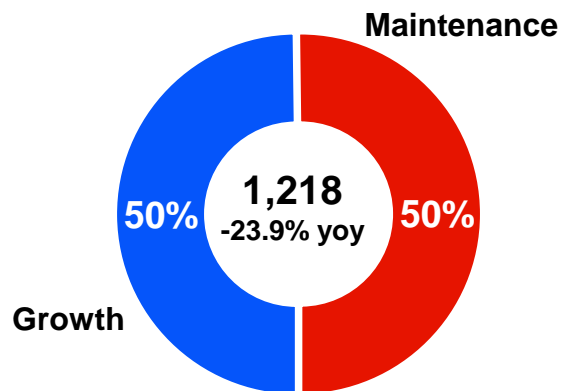
2. "Total" included Holding and Services adjustments.

# FY 2016 results

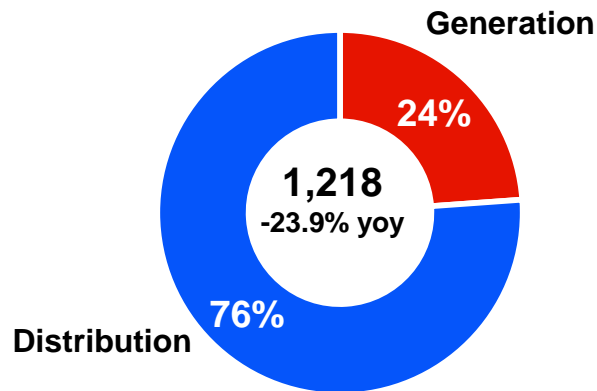
Gross Capex (US\$ mn) <sup>1</sup>



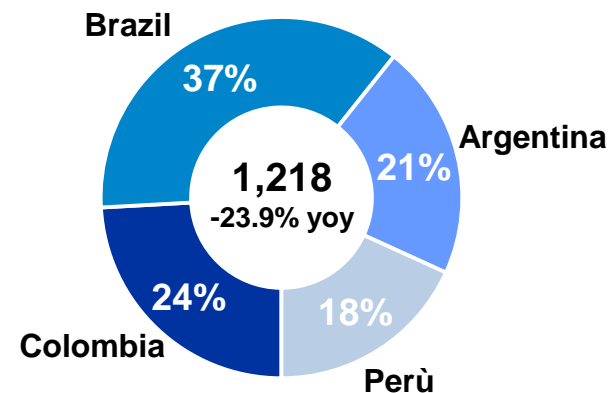
By activity



By business



By country

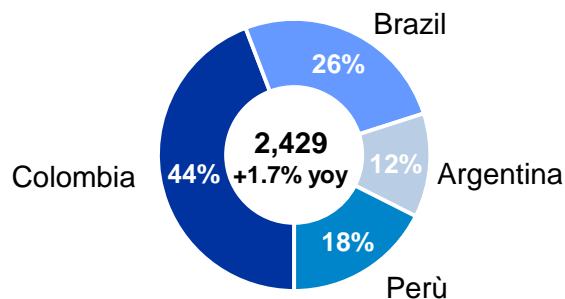


1. Accrued capex during 2016., gross of contributions and connections fees,

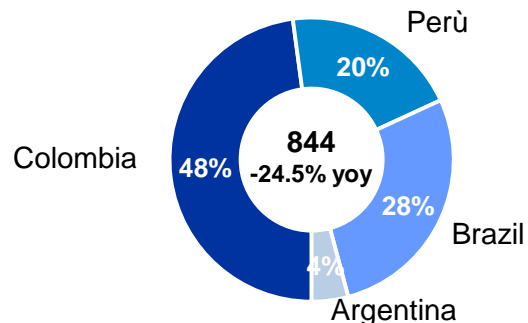
# FY 2016 results

EBITDA and Net Income breakdown (US\$ mn) <sup>1</sup>

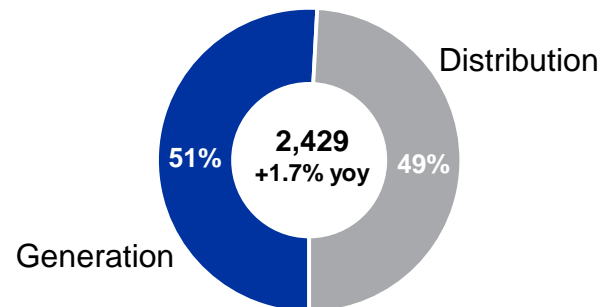
## EBITDA by geography



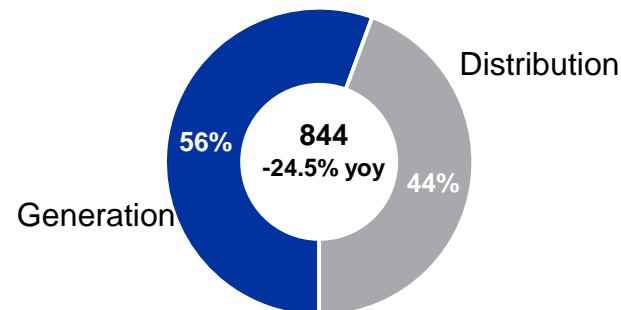
## Net Income<sup>2</sup> by geography



## EBITDA by business



## Net Income<sup>2</sup> by business

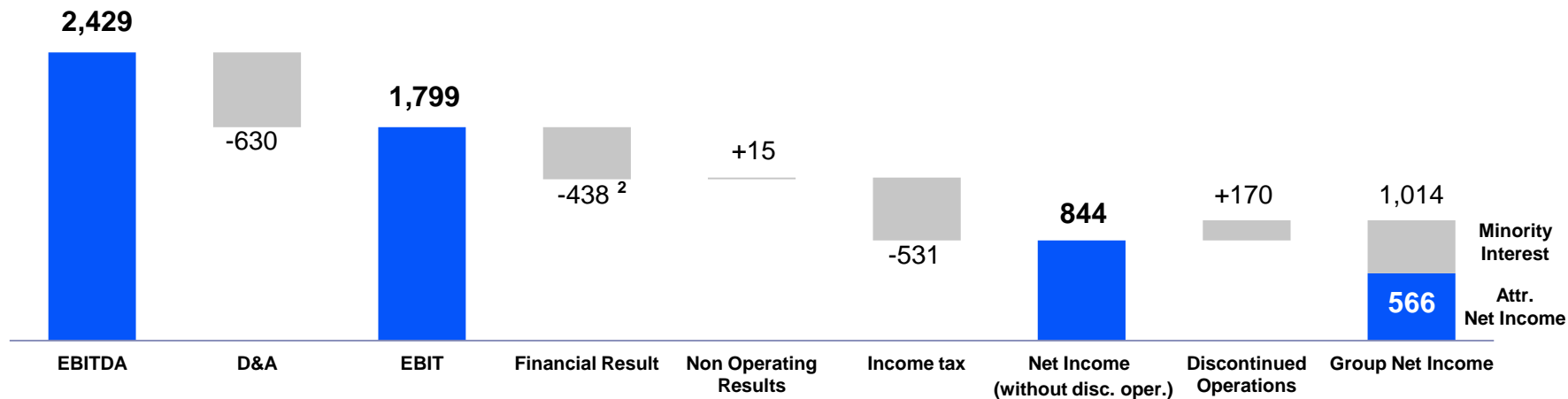


1. Comparisons between periods are made using the average USD fx rate for FY 2016 equal to 676.67 CLP only for information purposes. Original data is in Chilean pesos.

2. Net Income before discontinued operations.

# FY 2016 results

From EBITDA to Group net income (US\$ mn) <sup>1</sup>

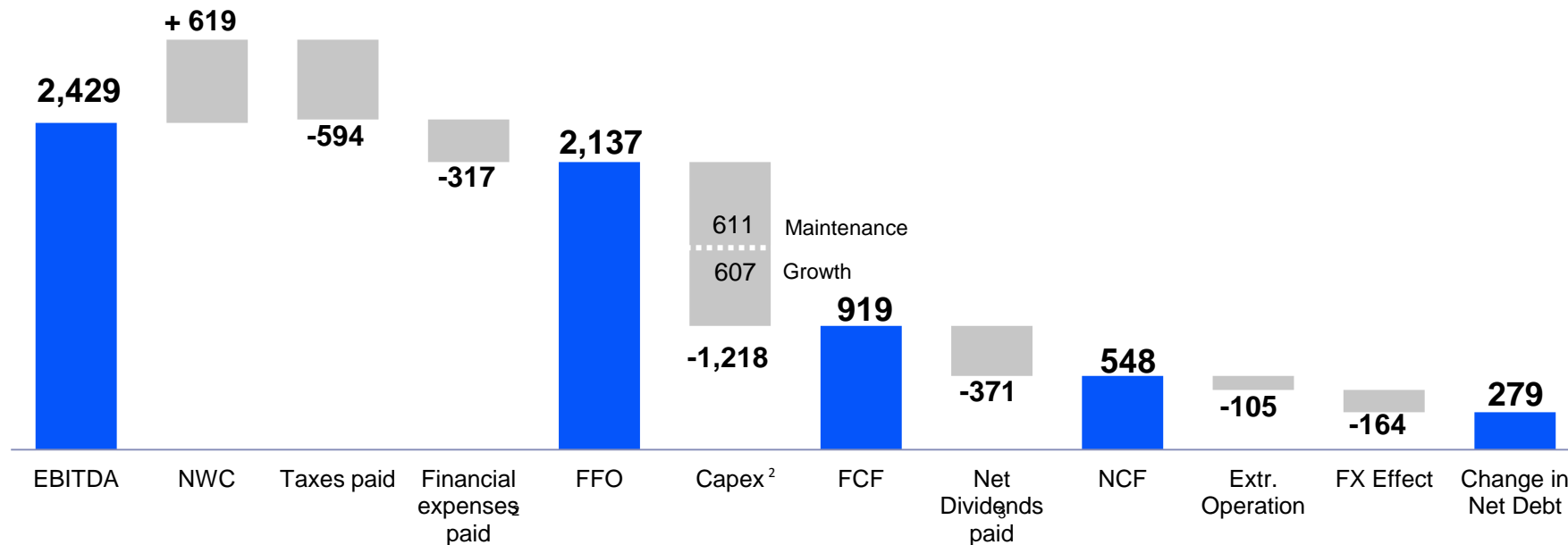


1. Comparisons between periods are made using the average USD fx rate for FY 2016 equal to 676.67 CLP only for information purposes. Original data is in Chilean pesos.

2. Include One-time revaluation effect of past fines in Argentina for 70 mnUSD.

# FY 2016 results

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



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.

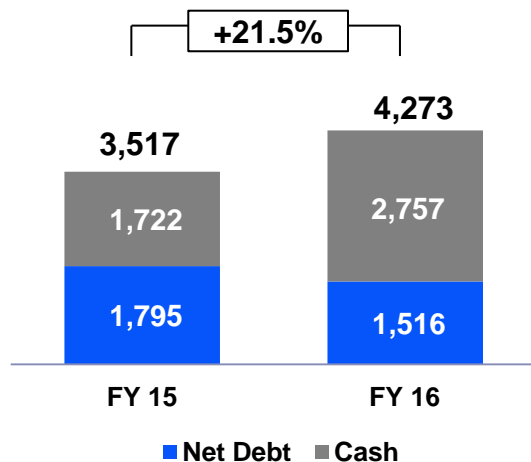
2. Capex accrued gross of contributions and connections fees. Differences between Capex accrued and Capex paid are included in the NWC

# FY 2016 results

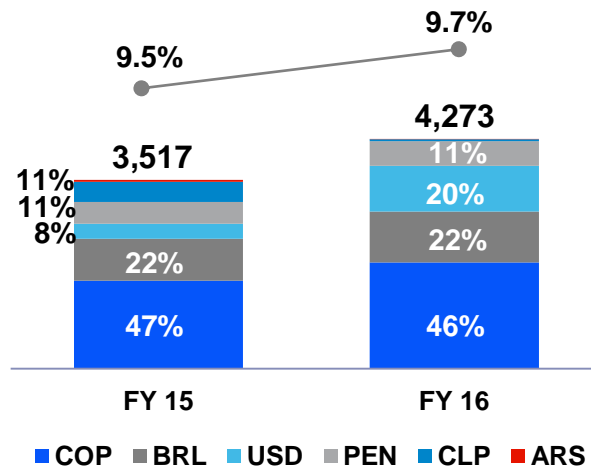
## Gross debt breakdown



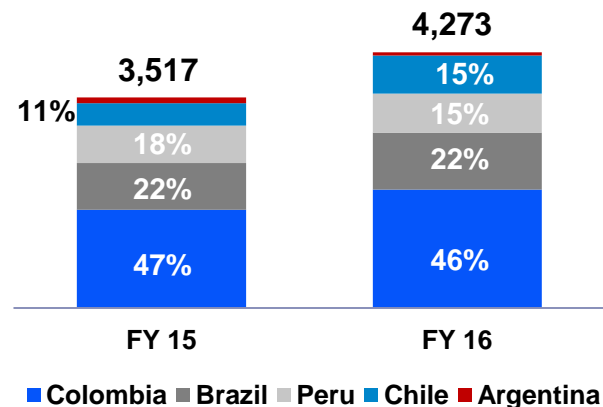
Gross and Net Debt (US\$ mn) <sup>1</sup>



Gross debt breakdown by currency



Gross debt breakdown by country



—●— Cost of gross debt

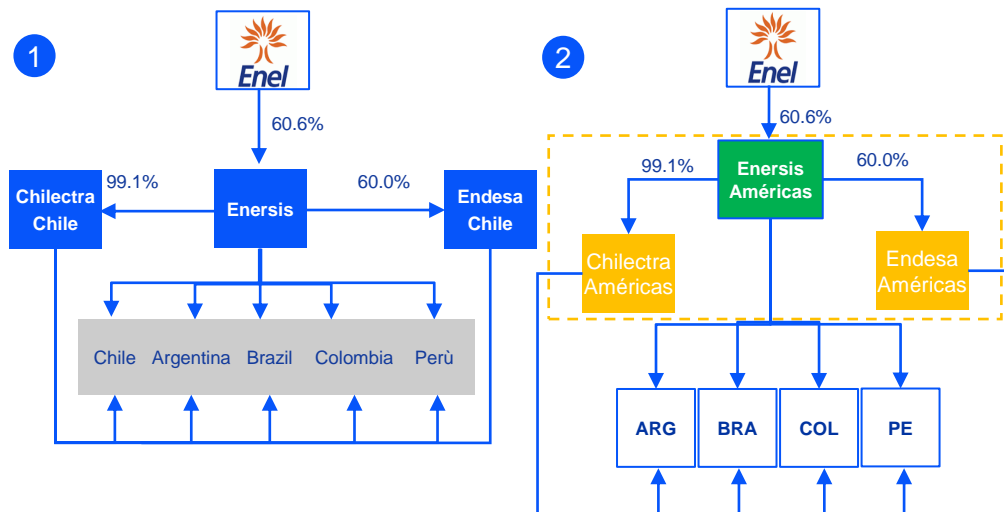
1. Exchange rate USD/CLP for the Debt as of Dec. 31 2015 was 710.16 CLP and for the Debt as of December 31, 2016 was 669.47 CLP.

# FY 2016 results

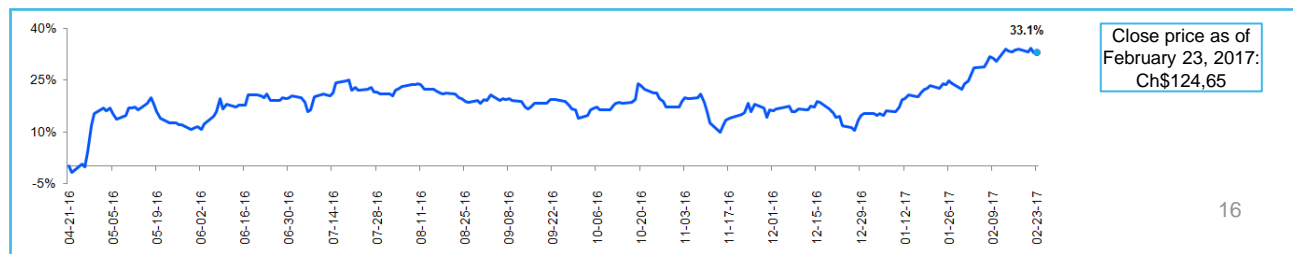
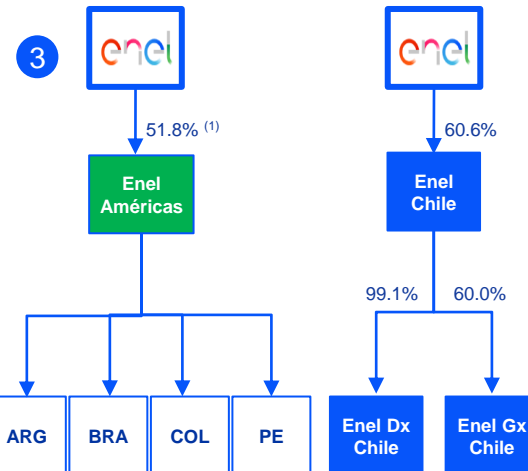
Reorganization process completed



Yesterday



Today

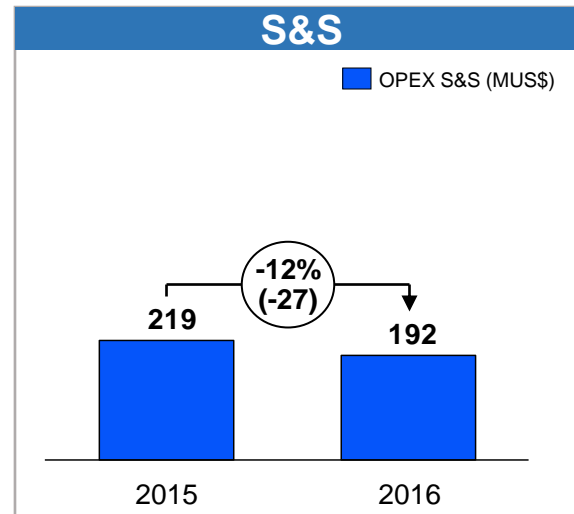
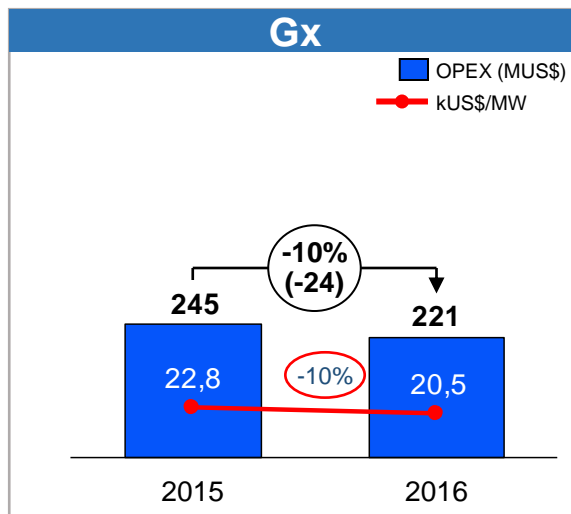
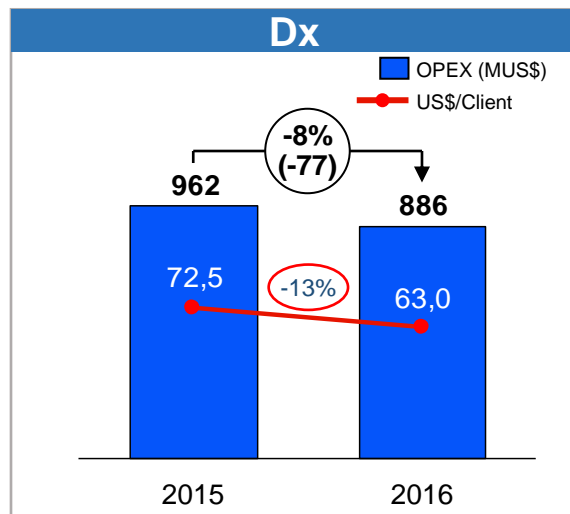


1. Including treasury shares in Enel Américas



# FY 2016 results

## Efficiencies



# FY 2016 results

## Celg-D<sup>1</sup> acquisition



### Key Drivers

### @ Bid

### After Takeover



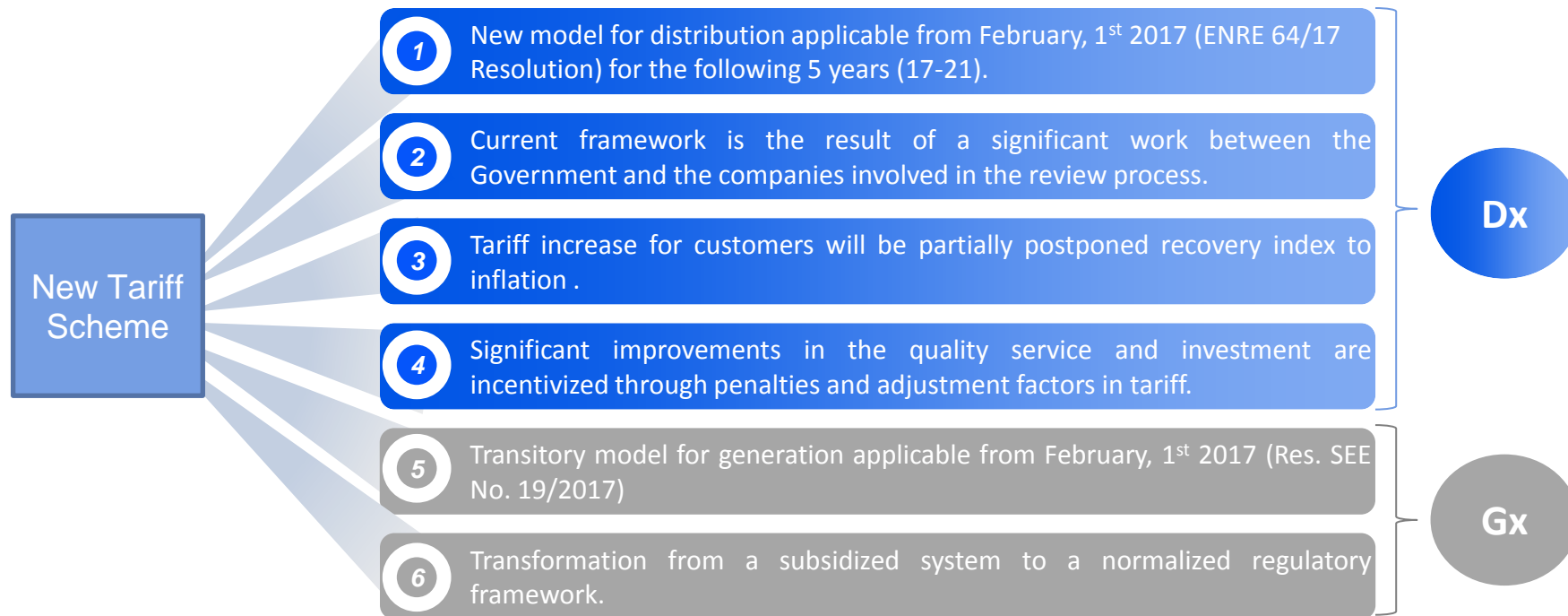
RAB 2016
Clients growth 17-19
Regulatory review
Efficiencies 17-19
Energy Losses @ 16
Quality @ 16
Investments 17-19
EBITDA @ 2019

U\$D 0.8 bn	Lower due to lower capex executed in 2016	Orange
+ 275K (+3% yearly)	Confirmed	Green
2017	New tariff cycle postponement of 1 year	Green
Opex improvement	Further improvements under analysis	Green
12,91%	Better Starting point: 12,84%	Green
SAIDI: 36,24 / SAIFI: 22,24	SAIDI: 29,70 / SAIFI: 19,70 Improvement starting point	Green
U\$D 0.8 bn	Under review	Yellow
U\$D ~ 250 mn	Confirmed / Potential upside	Green

1.- CELG is the distribution concession in the State of Goiás with a concession area of 337 thousand KM<sup>2</sup> (99% of the state) that covers 237 municipalities, 2.9 M clients / 15Twh of energy distributed and EBITDA in 2016 of ~ U\$D 56 mn

# FY 2016 results

Regulatory framework and legal updates: focus on Argentina



# FY 2016 results

## Regulatory framework and legal updates: focus on Argentina

### Methodology model

- Price cap model.
- VNR (*Valor Neto de Reposición*) 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 USD 2.5<sup>1</sup> Bn (VNR depreciated model).

### VAD (*Valor Agregado de Distribución*)

- VAD recognition of approximately USD ~ 914 Mn.
- Tariff increase will be applied in 3 different steps:
  1. February 2017 (42%)
  2. November 2017 (12%)
  3. February 2018 (12%)

*Delayed tariff increase will be collected in 48 months starting from February, 2018, indexed to inflation.*
- VAD is determined in real terms and will be adjusted by inflation
- VAD will be also adjusted by an efficiency factor (X) and by the investments realized (Q).

# FY 2016 results

Regulatory framework and legal updates: focus on Argentina

## 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.
- New regulation creates the "Q" factor which incentivizes the investments that exceed regulatory depreciation.

## 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%.
- Expand preventive maintenance and safety of installations in public places.
- Upgrade quality of customers care.

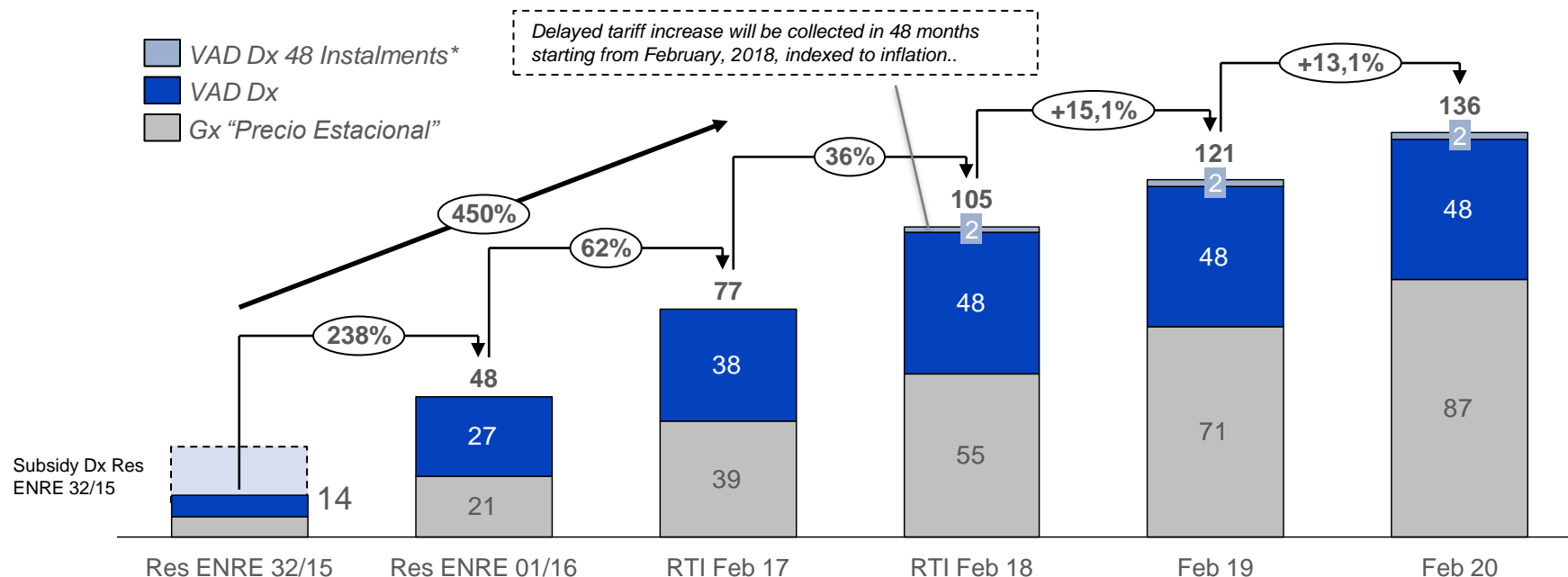
## Economic and Financial impacts

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

# FY 2016 results

## Evolution average Tariff to final client - Edesur

In U\$D/MWh (without taxes)



- Current Generation cost (2017) 86 U\$D/MWh of which 39 U\$D/CI are included in the Tariff to the final client and 47 U\$D/MWh are subsidized by the "Tesoro Nacional".
  - Generation costs subsidies would be gradually reduced in the following 3 years up to totally transfer to the final client the total generation costs (86 U\$D/MWh).
- TC 16,3 \$/U\$D

# **FY 2016 results**

Closing remarks: highlights



**Results in line with 2016 targets**

**Solid EBITDA and a robust cash generation**

**Significant efficiencies from the reorganization process**

**Celg-D acquisition process closed in february**

**New tariff scheme in Argentina already in force. Brazil well on track**



# Exhibits



# FY 2016 results

Financial Statements Pro-forma and reported to SVS (US\$ mn) <sup>1</sup>

Financial Statements (pro-forma)

	FY 2015	FY 2016	Δ YoY
Revenues	7,835	7,681	-2.0%
Contribution Margin	3,730	3,772	1.1%
EBITDA	2,387	2,429	1.7%
EBIT	1,854	1,799	-3.0%
Net Financial Income	42	-438	-1,148.9%
Others	-5	15	-410.5%
Taxes	-774	-531	-31.4%
Group Net Income (before dis.)	1,117	844	-24.5%
Gross Capex	1,600	1,218	-23.9%
Net Debt <sup>3</sup> (FY 2015 VS FY 2016)	1,795	1,516	-15.6%

Financial Statements reported to SVS

	FY 2015	FY 2016	Δ YoY
Revenues	7,835	7,681	-2.0%
Contribution Margin	3,730	3,772	1.1%
EBITDA	2,387	2,429	1.7%
EBIT	1,854	1,799	-3.0%
Net Financial Income	42	-438	-1,148.9%
Others	-5	15	-410.5%
Taxes	-774	-531	-31.4%
Profit after taxes	1,117	844	-24.5%
Discontinued operations	574	170	-70.4%
Américas Group Net Income	1,691	1,014	-40.0%
Attributable to Shareholders	978	566	-42.1%

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. Exchange rate USD/CLP for the Debt as of Dec. 31 2015 was 710.16 CLP and for the Debt as of December 31, 2016 was 669.47 CLP.

# Operating Exhibits FY 2016

Business context in FY 2016 v/s FY 2015



# Operating Exhibits FY 2016



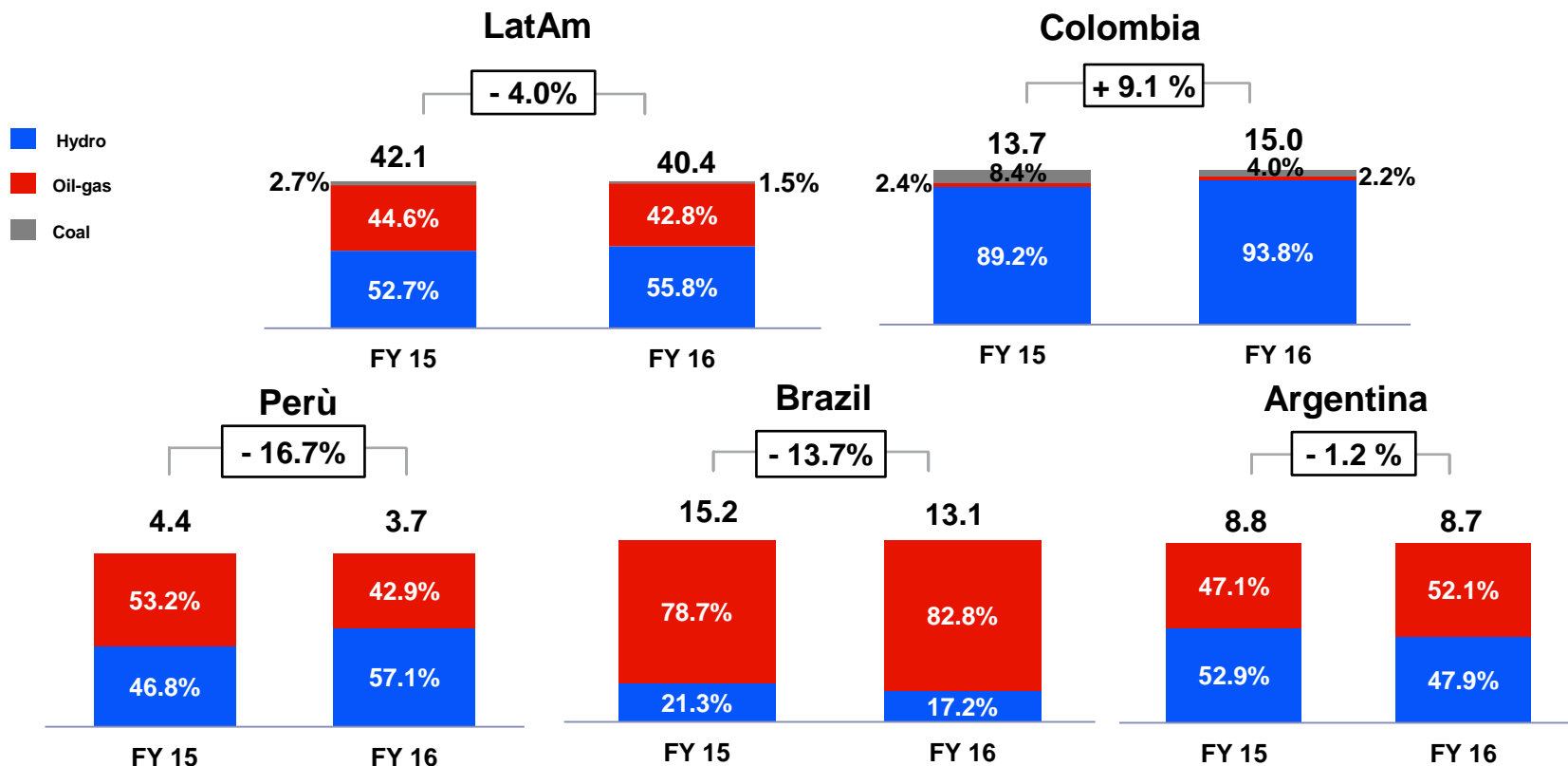
Net installed capacity and Total net production : Breakdown by source and geography

Net installed capacity (GW)				
GW	Hydro	Oil-Gas	Coal	Total
Colombia	3.0	0.2	0.2	3.4
Perù	0.7	0.3	0.0	1.0
Brazil	1.3	3.1	0.0	4.0
Argentina	0.8	1.2	0.0	4.4
<b>Total</b>	<b>5.8</b>	<b>4.8</b>	<b>0.2</b>	<b>10.7</b>

Total net production (TWh)				
TWh	Hydro	Oil-Gas	Coal	Total
Colombia	14.0	0.3	0.6	15.0
Perù	4.2	4.5	0.0	8.7
Brazil	2.1	1.6	0.0	3.7
Argentina	2.3	10.9	0.0	13.1
<b>Total</b>	<b>22.6</b>	<b>17.3</b>	<b>0.6</b>	<b>40.4</b>

# Operating Exhibits FY 2016

Production mix (TWh)



# Operating Exhibits FY 2016

## Distribution companies



Distributor	Clients	Energy sold (GWh)	Energy losses (%)	City, Country	Concession area (km <sup>2</sup> )	Next tariff revision
Codensa	3,248,447	13,632	7.1%	Bogota, Colombia	14,456	2017 <sup>1</sup>
Ampla	3,053,695	11,181	19.4%	Niteroi, Brazil	32,615	2018
Coelce	3,889,905	11,628	12.5%	Fortaleza, Brazil	148,825	2019
Enel Dx Perú	1,367,044	7,780	7.8%	Lima, Perú	1,517	2018
Edesur	2,504,558	18,493	12.0%	Buenos Aires, Argentina	3,309	2017

1. Revision expected in 2016 and implementation expected for 1Q 2017.

# Financial Exhibits FY 2016

## Liquidity and credit profile



Liquidity (US\$ mn)	Amount	Outstanding	Available
Committed credit lines	255	0	255
Cash and cash equivalents <sup>1</sup>	2,757	n.a.	2,757
Uncommitted lines	379	0	379
<b>Total liquidity</b>	<b>3,392</b>	<b>0</b>	<b>3,392</b>

Credit Profile as of Dec. 2016	S&P	Fitch	Moody's
LT international debt	BBB	BBB	Baa3
LT local debt	-	AA -(cl)	-
Outlook (Int'l)	Negative	Stable	Stable
Shares	-	1st Class Level 1	-

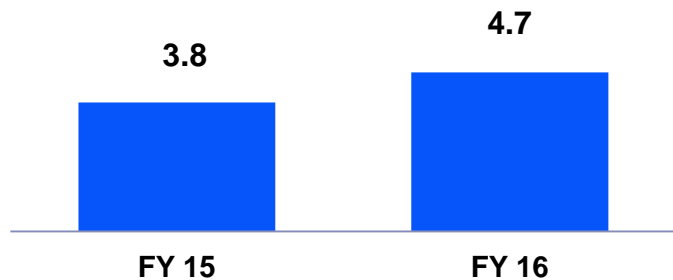
1. Include cash and cash equivalence for more than 90 days

# Financial Exhibits FY 2016

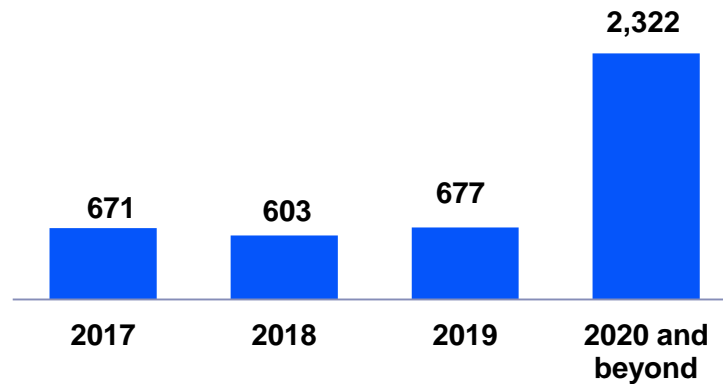
## Debt maturity



Average residual maturity (years)



Debt profile (US\$ Mn)



# FY 2016 Results

## Disclaimer



*This presentation contains statements that could constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this announcement and include statements regarding the intent, belief or current expectations of Enel Américas and its management with respect to, among other things: (1) Enel Américas' business plans; (2) Enel Américas' cost-reduction plans; (3) trends affecting Enel Américas' financial condition or results of operations, including market trends in the electricity sector in Chile or elsewhere; (4) supervision and regulation of the electricity sector in Chile or elsewhere; and (5) the future effect of any changes in the laws and regulations applicable to Enel or its subsidiaries. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of various factors. These factors include a decline in the equity capital markets of the United States or Chile, an increase in the market rates of interest in the United States or elsewhere, adverse decisions by government regulators in Chile or elsewhere and other factors described in Enel Américas' Annual Report and Form 20-F. Readers are cautioned not to place undue reliance on those forward-looking statements, which state only as of their dates. Enel Américas undertakes no obligation to release publicly the result of any revisions to these forward-looking statements.*



# FY 2016 Results

IR Team



- **Rafael De La Haza, Head of IR** **+56 2 2353 4682**
- Jorge Velis **+56 2 2353 4552**
- Itziar Letzkus **+56 2 2353 4681**
- María Luz Muñoz **+56 2 2353 4682**

**[ir.enersis@enel.com](mailto:ir.enersis@enel.com)**

**For further information, visit our IR site at:**

**[www.enelamericas.com](http://www.enelamericas.com)**

