Enel Chile
1H 2017 results

July 25th, 2017

1H 2017 results

Chilean highlights

Enel Chile

- ✓ EBITDA decreased 19%, amounting to US$ 464 mn, due to our generation business.
- ✓ Net Income attributable to shareholders decreased 4%, amounting to US$ 257 mn.
- ✓ Positive FCF before dividend payment.

Generation Business

- ✓ EBITDA in Generation impacted by exceptionally dry conditions coming from previous year.
- ✓ Lower operating margin of 23%, amounting to US$ 420 mn.
- ✓ Sale of 42.5% ownership in Electrogas, non core business, generating a gain of US$ 118 mn.

Distribution Business

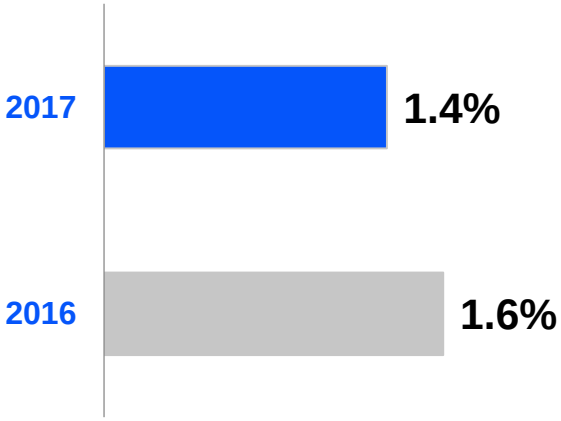
- ✓ Customers increased by more than 52 thousand to 1.9 million.
- ✓ Operating margin increased by 6%, amounting to US$ 207 mn.
- ✓ Non-regulated businesses gross margin increased US$ 3 mn.

* Proforma Financial Statement includes 6 months in 1H16 for a better understanding and only for information purpose.

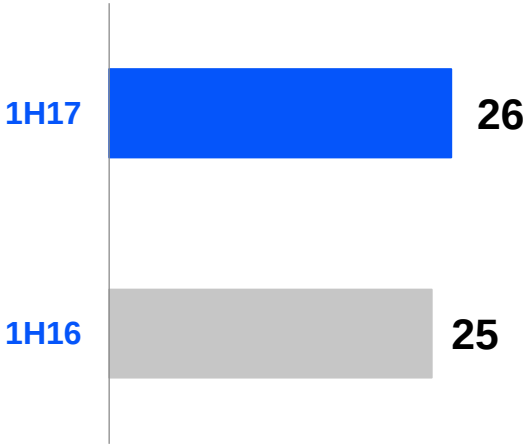
1H 2017 results

Market context in the period

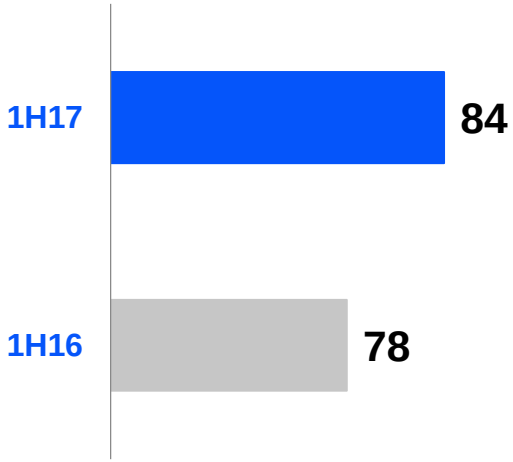
Chile Annual GDP Growth (%)[1]



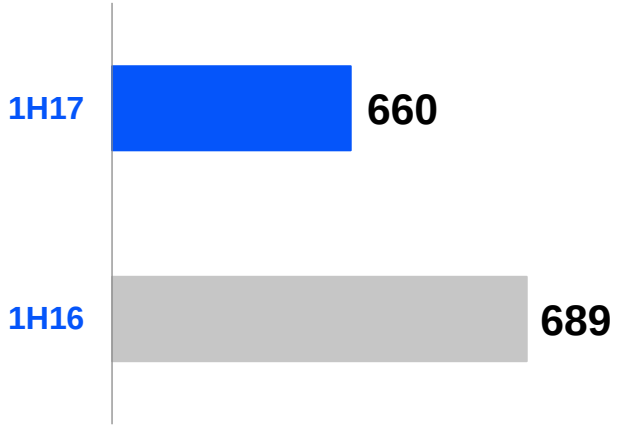
SIC Energy Sales (TWh)



SIC Average Spot Price (USD/MWh)



Average Exchange Rate CLP vs US$[2]



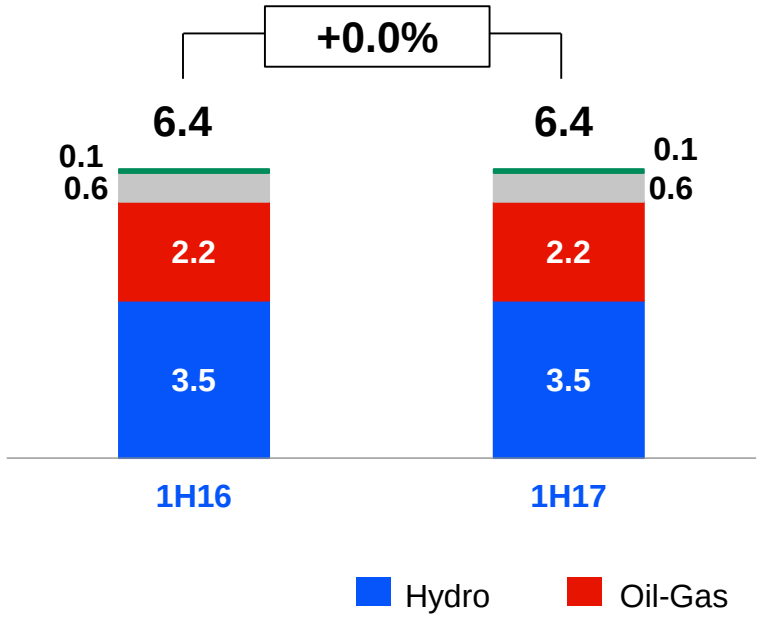
Challenging market scenario

1. Expected GDP for 2017. Source: Latin America Concensus Forecast as of July 2017.
2. Average exchange rate for the period.

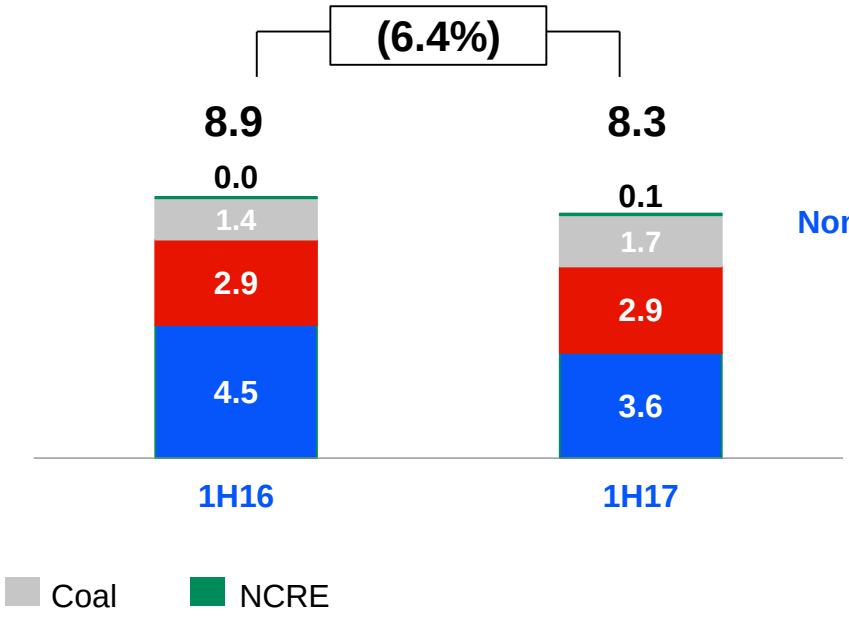
1H 2017 results

Generation business – Operating highlights

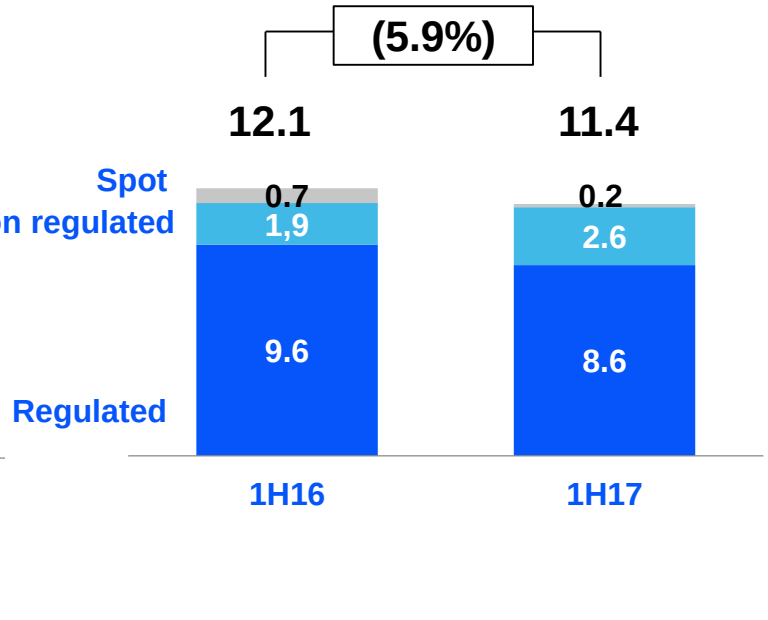
Installed capacity: 6.4 GW

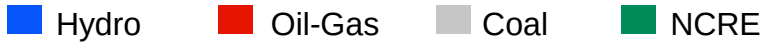


Net production: 8.3 TWh



Energy Sales: 11.4 TWh





Leveraging on thermal capacity to offset lower water availability

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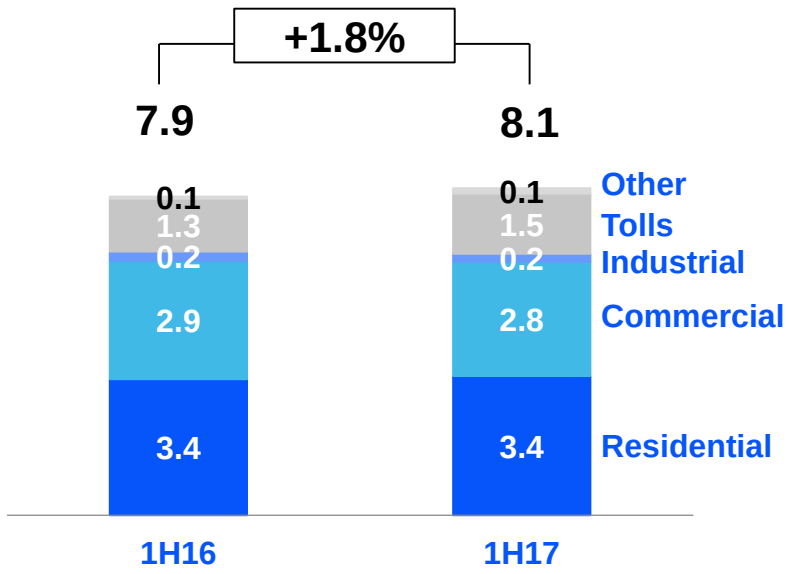
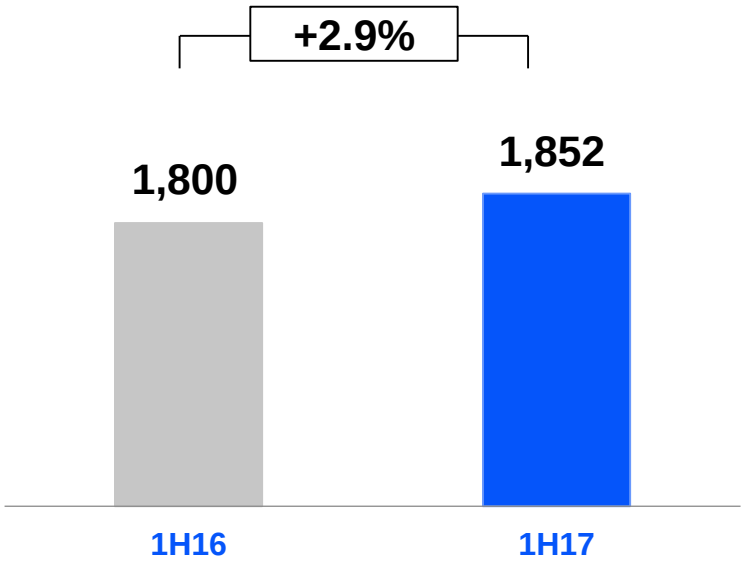
Distribution business - Operating highlights

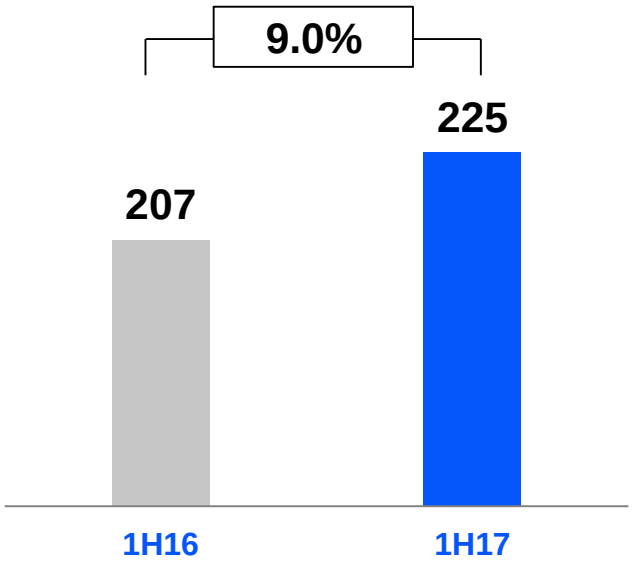
Electricity Distributed: 8.1 TWh



Number of customers: 1.9 mn



SAIDI[1]: 225 minutes



Stable organic growth

1. SAIDI: System Average Interruption Duration Index

* Proforma Financial Statement includes 6 months in 1H16 for a better understanding and only for information purpose.

1H 2017 results

Financial highlights (constant US$ mn[1])

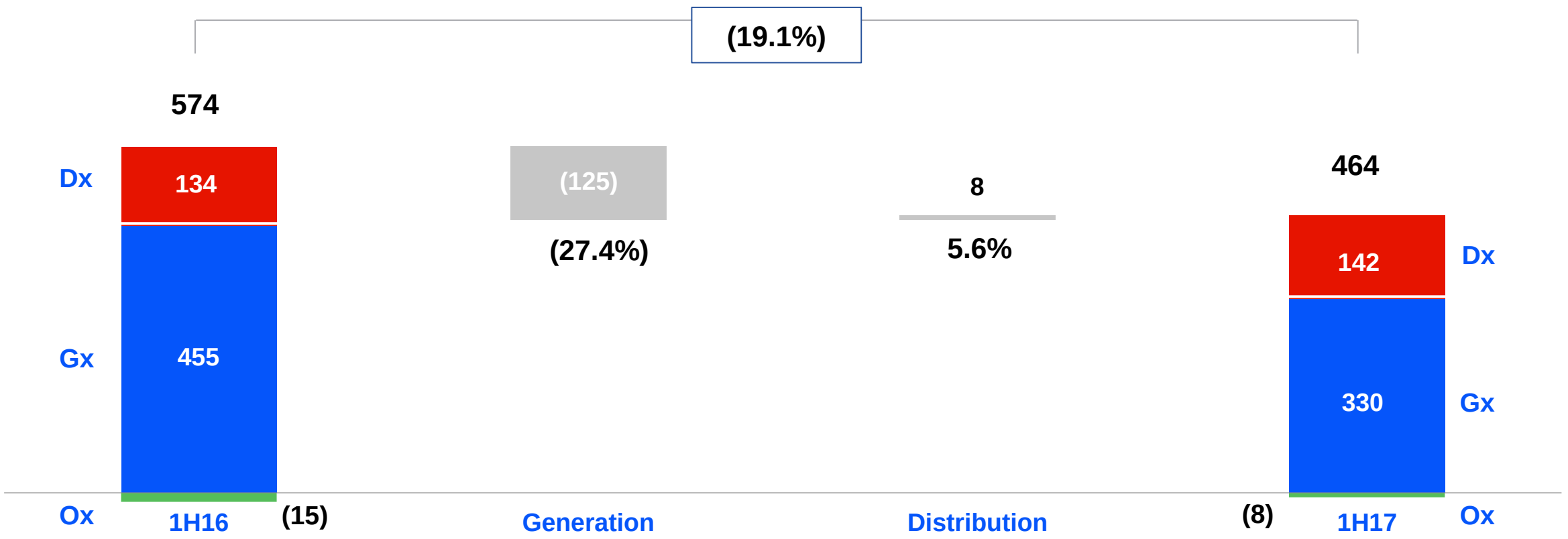
1H16 Financial Statements Proforma

	1H16	1H17	Var.
Revenues	1,943	1,834	(5.6%)
Operating Margin	747	632	(15.4%)
EBITDA	574	464	(19.1%)
EBIT	448	344	(23.1%)
Net Financial Result	1	(15)	n.a.
Related Company Results	8	165	n.a.
Taxes	(63)	(120)	89.9%
Consolidated Net Income	393	374	(4.9%)
Net income attributable to shareholders	267	257	(3.6%)
Gross Capex	162	129	(20.4%)
Net Debt	906	1,075	18.7%

1. Comparisons between periods are made using the average exchange rate for the period 659.98 CLP/USD and for the Balance Sheet using the closing exchange rate 664.29 CLP/USD.

1H 2017 results

EBITDA by business (constant US$ mn[1])



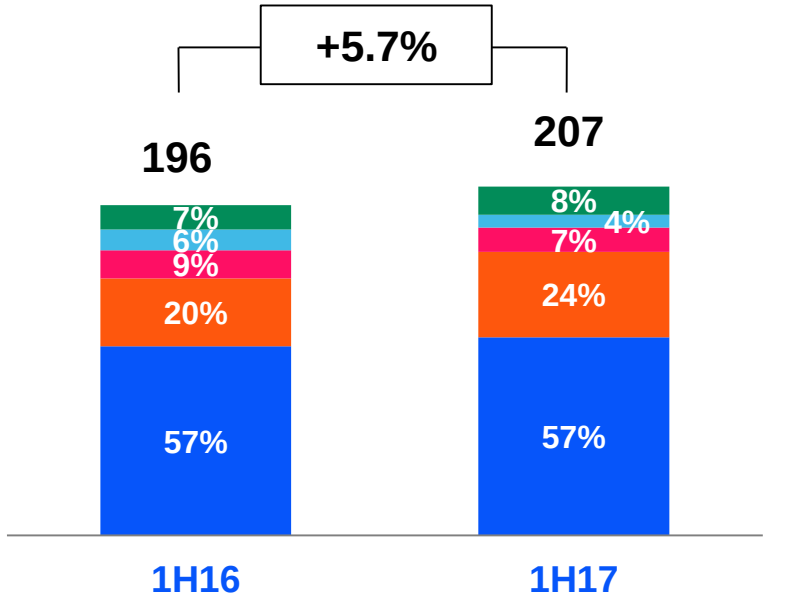
1 Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 659.98 CLP/USD.

* Proforma Financial Statement includes 6 months in 1H16 for a better understanding and only for information purpose.

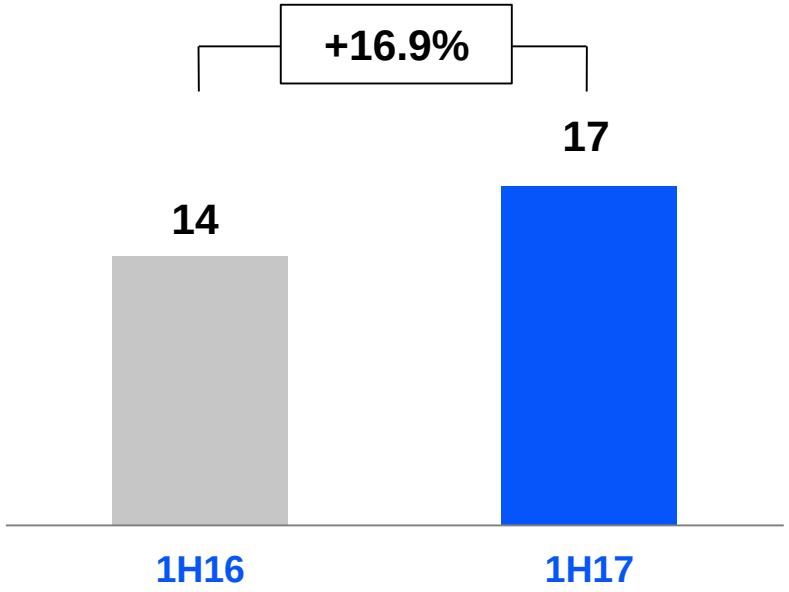
1H 2017 results

Distribution margin breakdown (constant US$ mn[1])

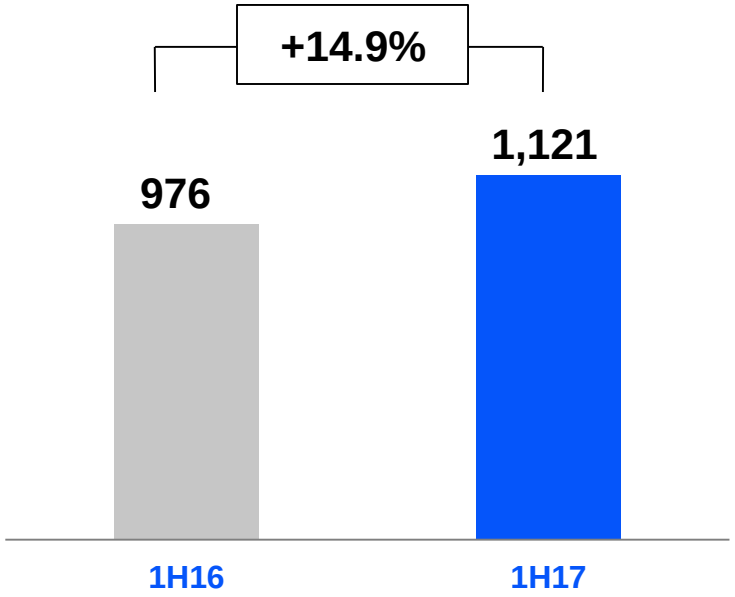
Recurrent Margin



VAS[2] Gross Margin



Free Market Energy Sales (GWh)



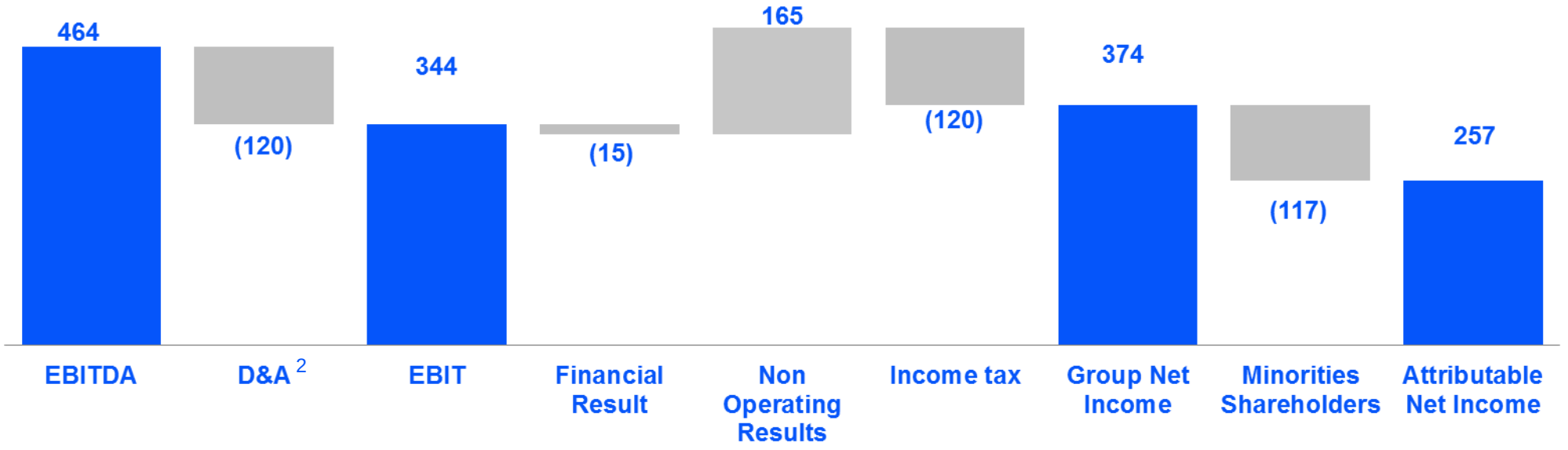
Dx regulated | Subtransmission | Free Market | Other businesses | VAS

Growing volume in free market energy sales and VAS margin

1 Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 659.98 CLP/USD.
2 Value added services.

1H 2017 results

EBITDA to Net Income (constant US$ mn[1])



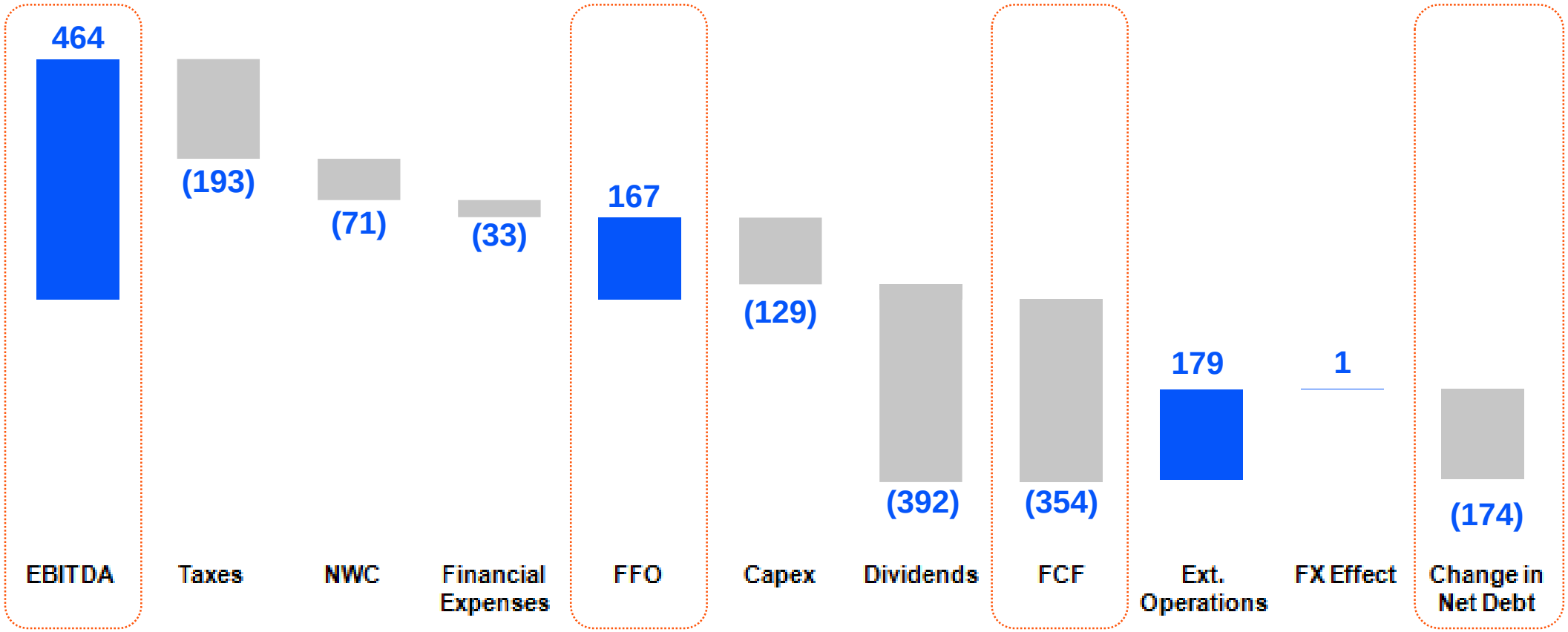
1H16 (US$ mn)	***574***	***(126)***	***448***	***1***	***8***	***(63)***	***393***	***(127)***	***267***
Change	***(19.1%)***	***(4.8%)***	***(23.1%)***	***n.a.***	***n.a.***	***+89.9%***	***(4.9%)***	***(7.8%)***	***(3.6%)***

1. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 659.98 CLP/USD.
2. Consider Depreciation, Amortization and Impairment profit (impairment's reversal).

* Proforma Financial Statement includes 6 months in 1H16 for a better understanding and only for information purpose.

1H 2017 results

Free cash flow (constant US$ mn[1])



1. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 659.98 CLP/USD.

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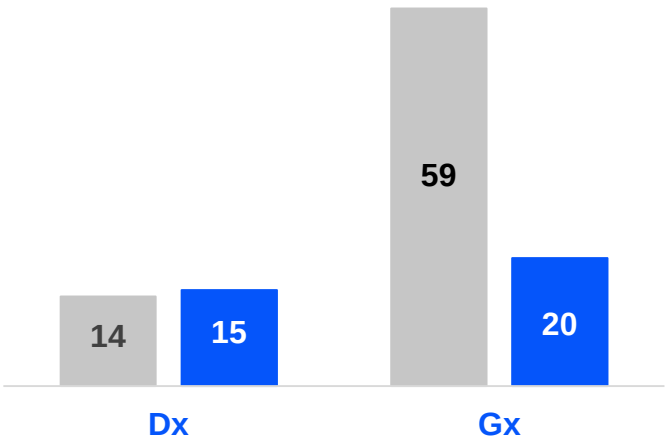
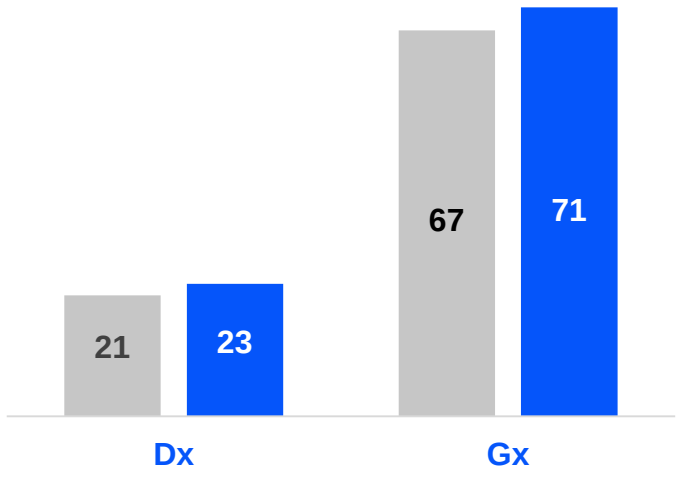
Gross Capex[1] (constant US$ mn[2])

Maintenance

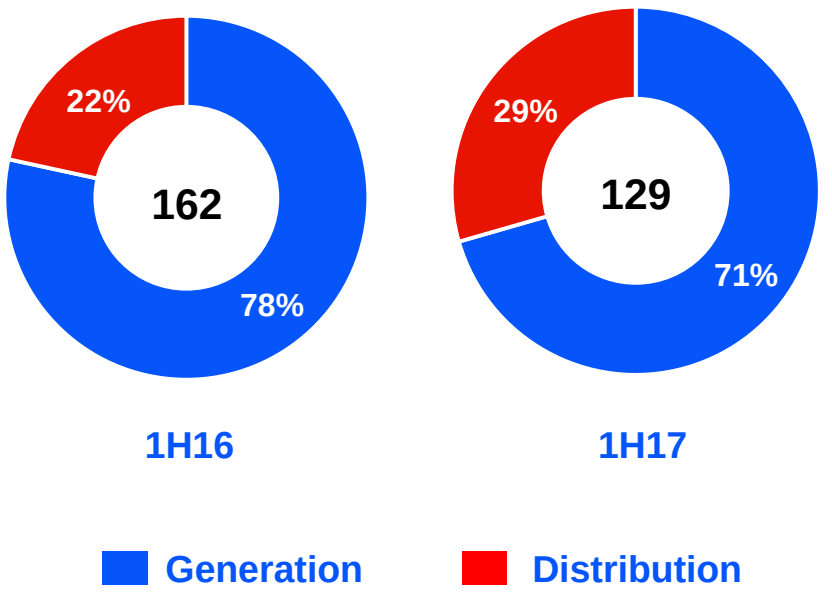


Growth



1H16 1H17

Total



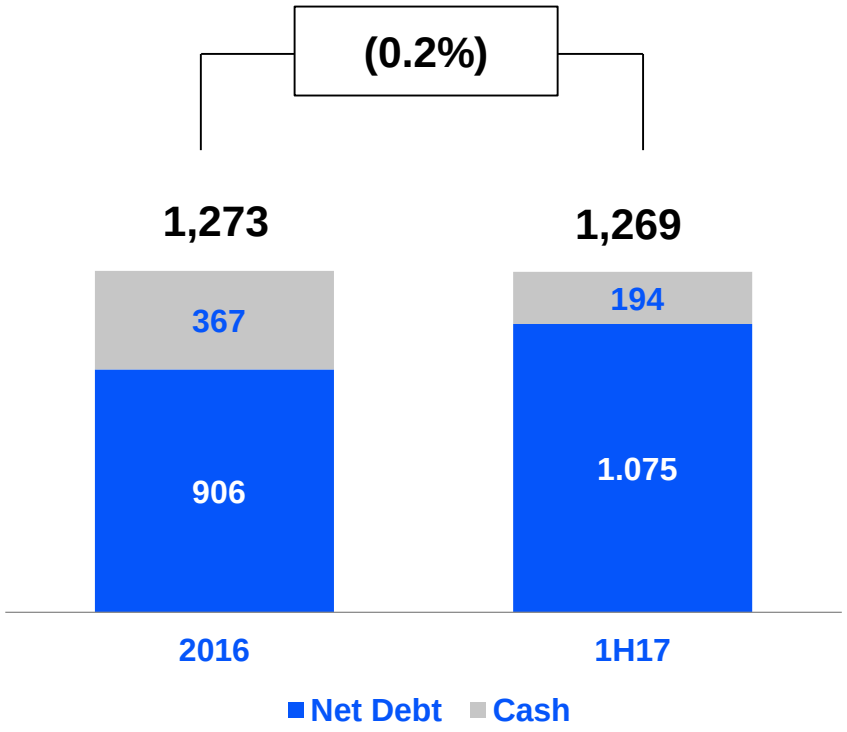
Progressive shift of Capex from Generation to Distribution business

1. Gross of contributions and connections fees, accrued capex during 2016, including FX conversion effects.
2. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 659.98 CLP/USD.

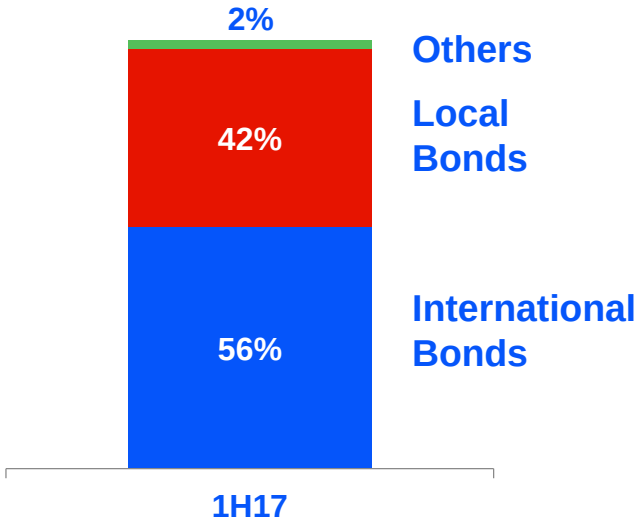
1H 2017 results

Financial situation (US$ mn)

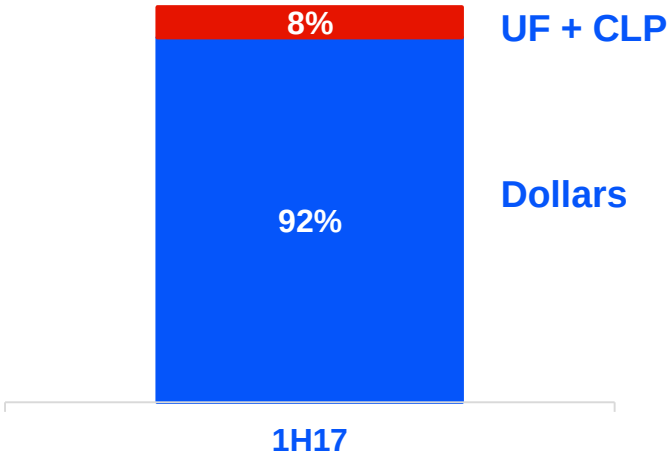
Gross and Net Debt



Gross Debt[1] by type



Gross Debt by currency[2]



Liquidity breakdown;

- **Cash:** **US$ 194 mn**
- **Committed Credit Lines:** **US$ 314 mn**
- **Average life of debt:** **10 years**

1. Financial debt includes financial expenses, derivatives and other consolidation adjustments.
2. Debt in UF and CLP its converted to US Dollars using the 1H17 closing exchange rate 664.29 CLP/USD.

1H 2017 results
Closing remarks

EBITDA in Generation affected by poor hydrology coming from 2016

Availability of energy generation in our reservoirs, as of June, is better than our expectation

Stable EBITDA in Distribution due to organic growth

Growing trend in free market volume sales

Solid financial position

1H 2017 Results

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