

# Enel Chile

## 9M 2020 Consolidated results

October, 30<sup>th</sup> 2020





**9M 2020**

Consolidated results

**Paolo Pallotti**  
CEO



# Key highlights of the period



## *COVID-19*

**Operational  
resilience and  
clients support**

## *Decarbonization*

**1.3GW already in  
construction and  
Bocamina I  
closure in  
2-months**

## *Electrification*

**New alliances to  
boost e-mobility  
in Chile**

## *Innovation*

**First green  
hydrogen pilot  
project in Latam**

# Responding to COVID-19

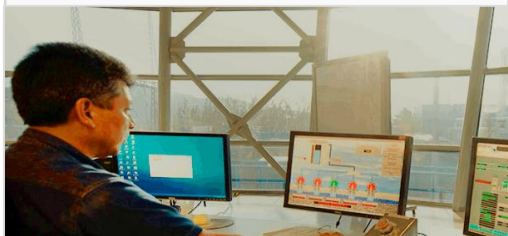
*Measures to ensure the safety of our people and business continuity*



## Our People

# 74%

of Enel Chile total personnel  
working **remotely**<sup>1</sup>



## Our operations

# 100%

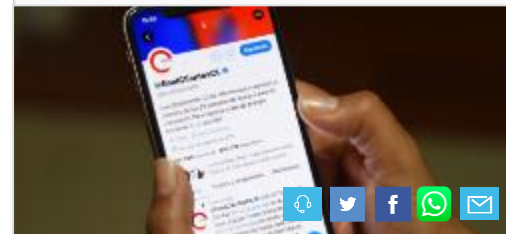
of our plants and networks  
in **operation**



## Our clients

**Boosting digitalization**  
to mitigate impacts in  
collection

**Giving more flexibility**  
to our clients on payments and services



1. As of October 22, 2020

# Responding to COVID-19

*Supporting the economy recovery, guarantying safety conditions*



## Boosting the local economy



**Creation of new temporary jobs**



**Promoting the local hiring**

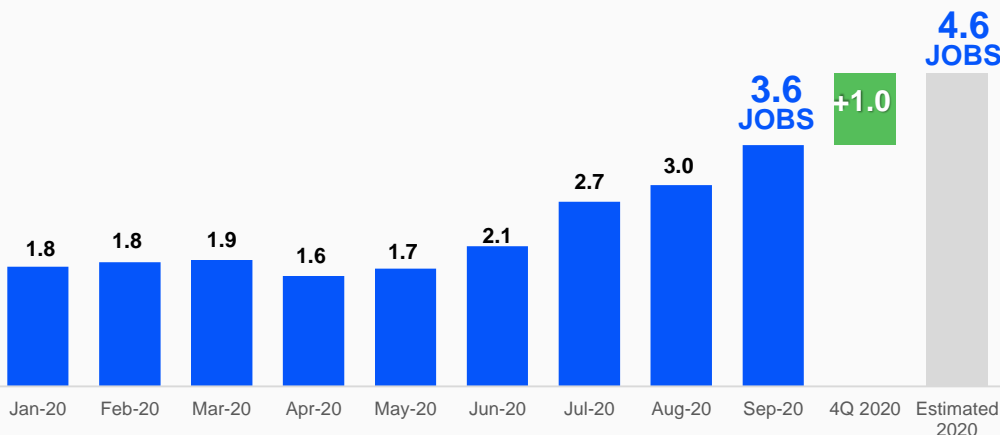


**Job reconversion and skills training**



## Renewables cumulated temporary jobs creation<sup>1</sup>

#'000



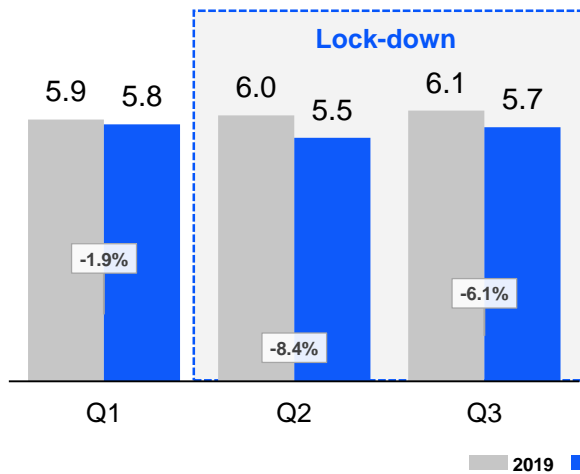
1. Cumulated figures, thousand external jobs created during 2020

# COVID-19 outlook

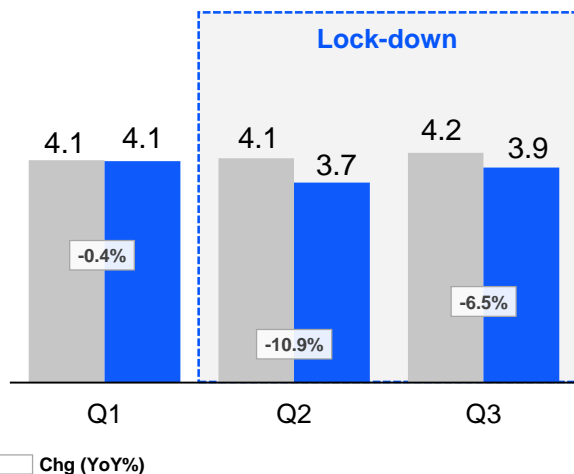
*Temporary demand decrease*



Generation Business Demand<sup>1</sup> (TWh)



Energy distributed<sup>2</sup> (TWh)

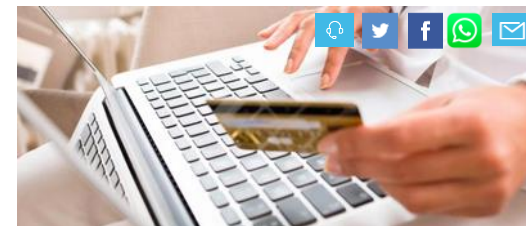
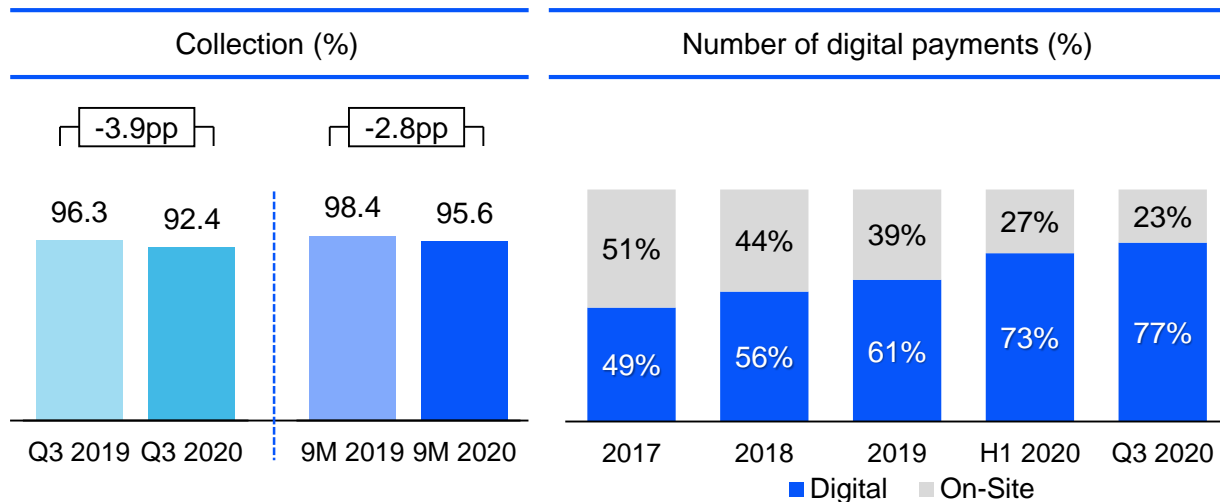


**Electricity demand reflects the COVID-19 outbreak effect and migration to free market; mining and households sustained the figures**

1. Includes Regulated, Free Market and Spot Sales
2. Includes Regulated and Free Market clients in Enel Distribución concession area

# COVID-19 outlook

*Digitalization to mitigate impacts in collection*



85% of the collection in September came through digital channels

New payments channels available for clients

23,804 payments agreements signed with vulnerable clients<sup>1</sup>

**Investments on digitalization and campaigns with clients to increase awareness of digital channels**

1. Up to October 22<sup>nd</sup> 2020; includes agreements under the Basic Service Law Agreement and Company's voluntary agreements for vulnerable clients

# Main Regulatory updates (1/2)

*Regulation evolves according to energy transition and COVID-19*



## Basic services Law



### Measures to benefit most vulnerable population

- ▶▶ Companies cannot disconnect defaulting clients until Nov 6<sup>th</sup> 2020
- ▶▶ Unpaid Bills can be deferred in 12 installments

**12.6K**

Agreements under the Basic Services Law<sup>1</sup>

## Distribution updates



### Unbundling

- ▶▶ Starting from Jan 1<sup>st</sup>, 2021 Distribution companies will only perform distribution activity
- ▶▶ Enel Distribution Extraordinary Shareholder's Meeting to be held on Dec 3<sup>rd</sup>, 2020

### New tariff cycle 2020-2024

- ▶▶ New tariff Decree expected to be published by 2H21, with retroactive effect at Nov 2020.
- ▶▶ 6% after taxes discount rate applies
- ▶▶ Once new tariffs will be published, Companies might access to the Expert Panel





# Main Regulatory updates (2/2)

*Regulation evolves according to energy transition*



## Tariff stabilization mechanism



### Mechanism establishes the balance recovery by 2027 at latest

- ▶▶ Gencos receivables shall be accrued until July 2023, capped by US\$ 1,350 mn
- ▶▶ Stabilization mechanism balance for all generators totals USD 842 mn<sup>1</sup> up to Aug 2020
- ▶▶ Enel Chile accounts for USD 320 mn<sup>2</sup>
- ▶▶ CNE<sup>1</sup> estimates a balance of USD 1,169 mn by June 2021

## Bill on Portability Law



### Proposal presented to the Energy Commission of the Lower Chamber

- ▶▶ All clients shall be able to choose their supplier
- ▶▶ Market liberalization by geographic areas, on a gradual pace
- ▶▶ Government has up to 18-months to define implementation rules
- ▶▶ Information system operator and Trading agents operating mechanism to be defined

#### Proposed type of clients

>5,000  
KW

**Large customers**  
(already Free clients)



[20-5,000]  
KW

**Medium Customers**  
(Potentially Free)



<20  
KW

**Small Customers**  
(Potentially Free)



1. Preliminary Report on "Precio Nudo Corto plazo 1H2021" from the CNE (Chilean Energy Commission)  
2. Net effect on receivables as of September 2020



# **9M 2020**

## **Strategy updates**

**Paolo Pallotti**  
CEO



# Speeding up decarbonization process

*Early disconnection to promote decarbonization of our fleet*



Tarapacá  
158 MW



Closed on  
Dec 31<sup>st</sup> 2019



Bocamina I  
128 MW



Closure date  
Dec 31<sup>st</sup>, 2020



Bocamina II  
350 MW



Closure date  
May 31<sup>st</sup>, 2022



**First Chilean  
electric company  
to phase out its  
coal fleet by 2022**

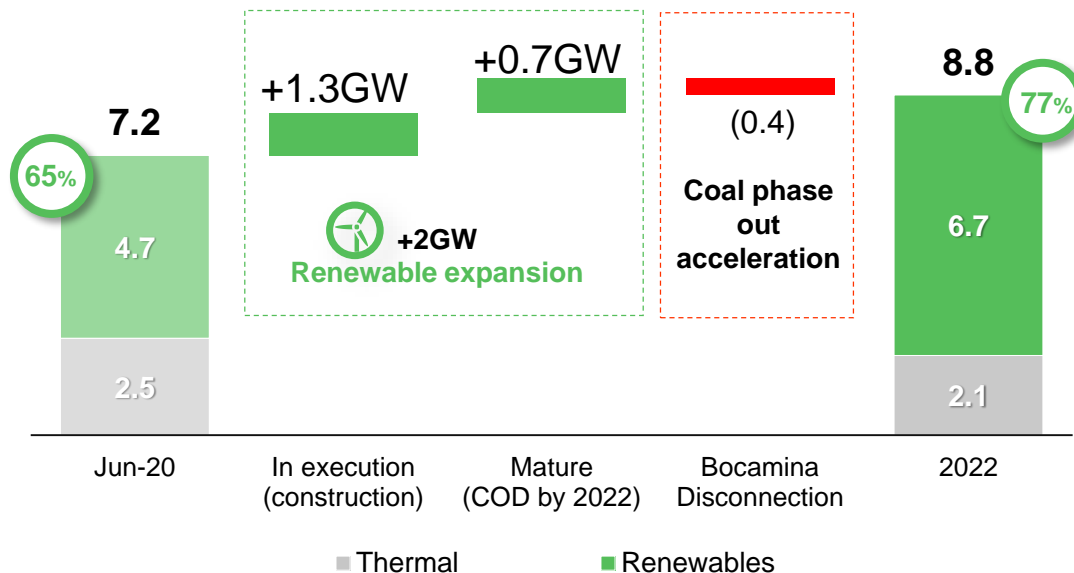
**Voluntary acceleration of exiting coal process, earlier  
than committed in the National Decarbonization Plan**

# Speeding up decarbonization process

## *Renewables expansion to enhance commercial strategy*



Net installed capacity<sup>1</sup> (GW)



Mature pipeline

**+0.7GW** **+3.7GW**  
COD by 2022 Under development

1. Excludes Los Cóndores Hydro Power Plant (150 MW)



# Boosting renewables expansion

Quarter announcements (1/2)



Beginning of  
Construction of  
**Domeyko**  
solar power plant

**204 MW**      **2021**  
Installed capacity      COD

Located in **Antofagasta Region**




First pilot project for  
**green hydrogen**  
production in Chile

JV with AME and **prospective partners**

Electrolyzer fueled by **wind energy**

# Boosting renewables expansion

*Projects under construction (2/2)*


## Campos del Sol

**382 MW**

Recent updates

- Environmental permit already issued
- Photovoltaic (PV) modules and trackers 100% on site
- 44% overall progress

**2020/21**  
COD




## Azabache

**61 MW**

Recent updates

- Environmental license already issued
- 61MW of PV modules already on site
- 38% overall progress

**2020/21**  
COD




## Finis Terrae

**126 MW**

Recent updates

- Environmental license already issued
- Permit on archeological finds, approved
- 28% overall progress

**2021**  
COD




## Renaico II

**144 MW**

Recent updates

- Environmental permit already issued
- First Wind Turbines batch arrived at Chilean port
- 30% overall progress

**2021**  
COD




## Cerro Pabellón III

**28 MW**

Recent updates

- Environmental permit already issued
- All required turbines already on site
- 66% overall progress

**2021**  
COD



## Los Cóndores

**150 MW**

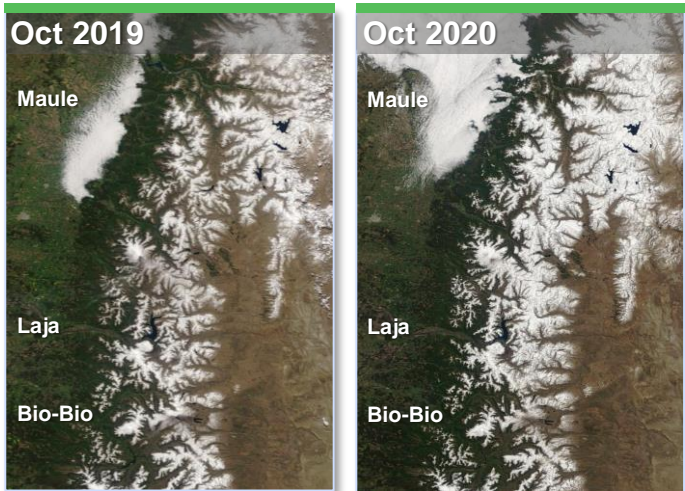
Recent updates

- TBM2 (tunnel boring machine): assembly in progress
- 71% overall progress

**2023**  
End of Construction

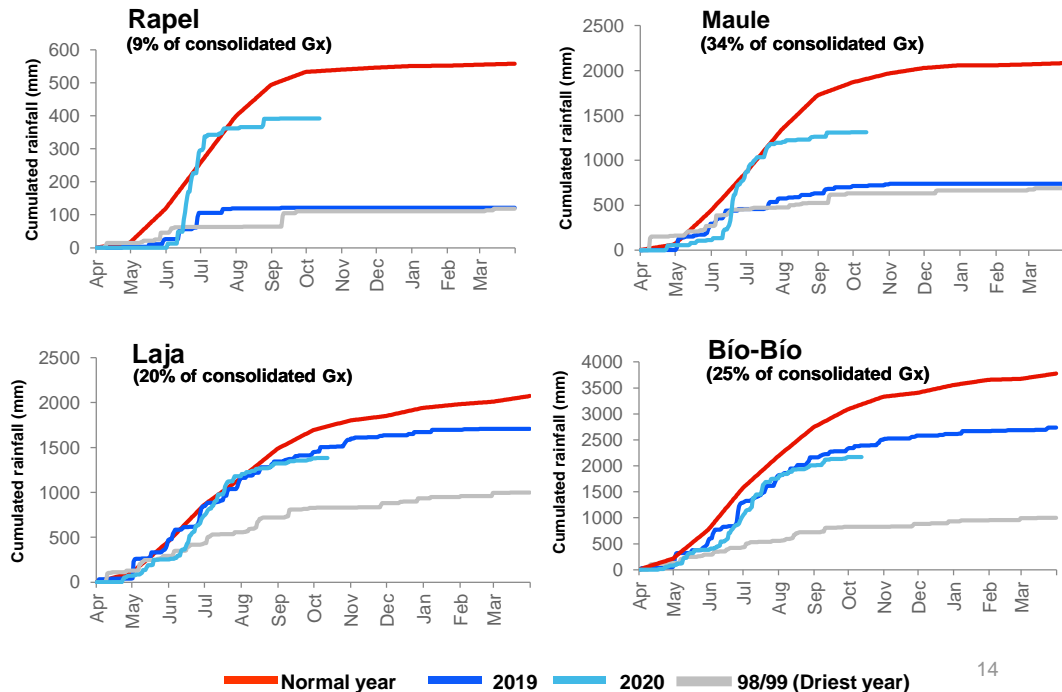
# Hydrology outlook

*Slight recovery during 3Q2020*



During June and July, rainfalls and melting season anticipation in October are driving conditions after a very dry first half.

## Rainfall in our most relevant basins<sup>1</sup>



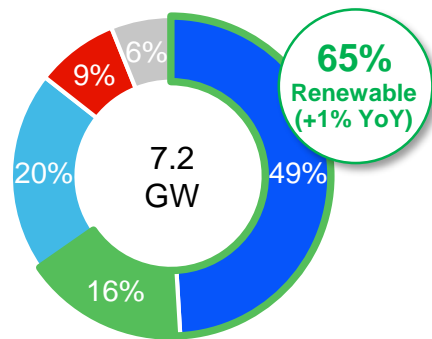
1. As of October 12, 2020

# Generation Business portfolio

## Main KPIs performance

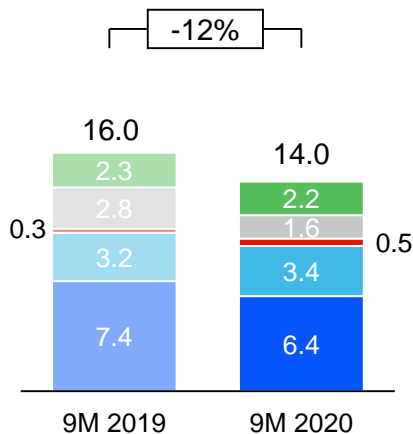


### Net Installed Capacity (GW)



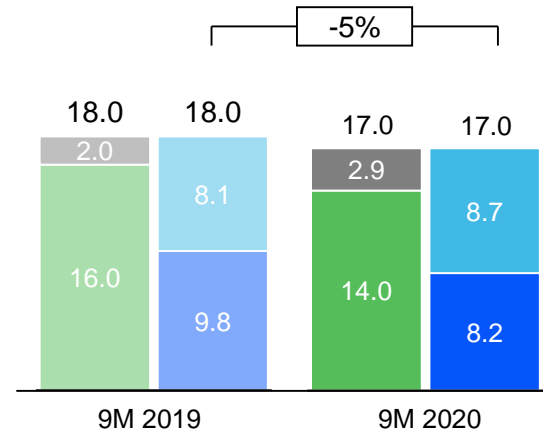
■ Hydro    ■ CCGT<sup>1</sup>    ■ Oil-Gas  
■ Coal    ■ Wind, Solar & Geothermal

### Production (TWh)



■ Hydro    ■ CCGT<sup>1</sup>    ■ Oil-Gas  
■ Coal    ■ Wind, Solar & Geothermal

### Energy balance (TWh)



■ Regulated sales    ■ Free market sales<sup>2</sup>  
■ Production    ■ Purchases

1. Combined Cycle Gas Turbine  
 2. Includes spot sales

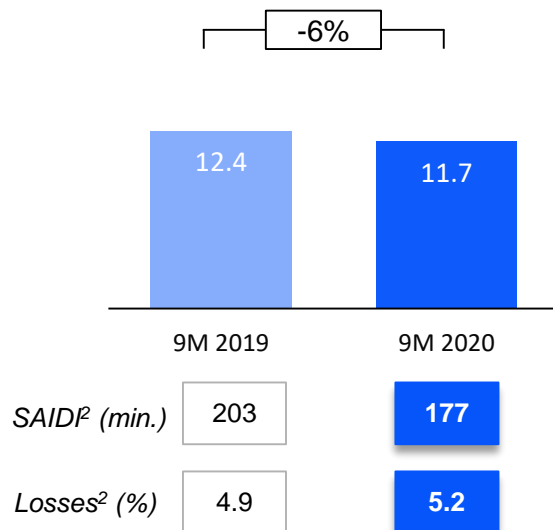


# Infrastructure & Networks portfolio

## *Resilient grids to anchor electrification*



### Energy distributed (TWh)<sup>1</sup>



### Main KPIs

	9M 2019	9M 2020
Clients (million)	2.0	2.0
Client App users (#'000)	233	424
Telecontrol equipments	1,964	2,328

Digitalization to ensure service quality and collections without compromising safety



1. Data only for Enel Distribution concession area  
 2. Average LTM (Last Twelve Months)

# Enel X business portfolio

Scaling ecosystem by Enel X, providing new services to our clients



## Enel X main KPIs

		9M 2019	9M 2020
	Electric buses <sup>1*</sup>	285	435
	Charging Points <sup>1-2</sup> (public and private)	355	677
	Public lighting <sup>1</sup> ('000)	251	279
	e-Home services <sup>3</sup> ('000)	65.0	70.4

Growth opportunities through new products and solutions



Joint Venture with  
AMP to boost  
Electric public  
transportation



Recharging  
solutions for  
Mining sector



Partnership With car  
manufacturers  
(Volvo-Nissan-BMW)



Partnership with Enex  
(Shell) to boost  
ElectroRuta Project

1. Accumulative figures

2. Public and private charging points. Also include e-buses charging points

3. Includes insurance & assistance services, air conditioning and photovoltaic panels

\* Related to the Joint Venture signed with AMP



**9M 2020**

Financial results

**Giuseppe Turchiarelli**

CFO



# 9M 2020 Adjusted Financial highlights (USD mn)<sup>1</sup>



EBITDA

**808<sup>2</sup>**

(-6% yoy)

Net Income

**324<sup>2</sup>**

(-17% yoy)

Capex

**586**

(+132% yoy)

FFO

**566**

(+47% yoy)

Net Debt

**3,646**

(+11% yoy)

9M 2019

**859<sup>3</sup>**

**391<sup>3</sup>**

**253**

**385<sup>3</sup>**

**3,271<sup>4</sup>**

1. Reported figures. Average exchange rate for the period of 801.83 CLP/USD. Spot exchange rate for the period of 788.55 CLP/USD
2. Adjusted by the coal stock impairment for Bocamina I and II booked in June 2020. EBITDA (20 USD mn); And Impairment on Bocamina II: Net Income (606 USD mn)
3. Adjusted by the net effect of the PPA early termination and Bocamina I / Tarapacá impairment booked in 2019: EBITDA 151 USD mn; Net income 134 USD mn; FFO USD 174 mn
4. As of Dec 31<sup>st</sup> 2019 Net Debt

# COVID-19 Impacts

## Demand evolution and bad debt



9M 2020 <sup>1</sup> (USD mn)	Adjusted <sup>2</sup>	Demand (net of purchases)	Others	Bad debt	Net of COVID-19 impact
EBITDA	808	(49)	(9)		866
Bad Debt				(13)	
Net Income	324	(36)	(7)	(10)	377
COVID-19 impact					

**Volumes lower than expected**  
for the 9M 2020

**Others costs** mainly in  
Distribution business

**Bad debt provision**  
increased since Q2 2020

1. Average exchange rate for the period 801.83 CLP/USD

2. Adjusted by the coal stock impairment for Bocamina I and II booked in June 2020. EBITDA (20 USD mn); And Impairment on Bocamina II: Net Income (606 USD mn)

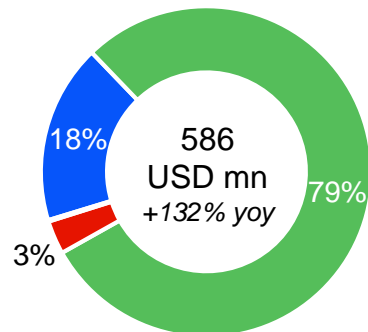


# Business continuity: sustainable capex plan

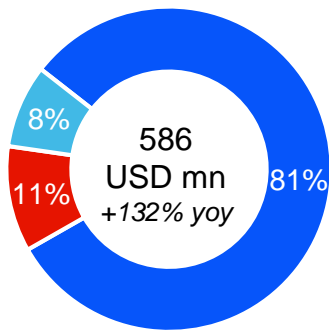
*Execution of our sustainable capex plan, 97% linked to SDGs*



9M 2020 Capex by business and by nature<sup>1</sup>

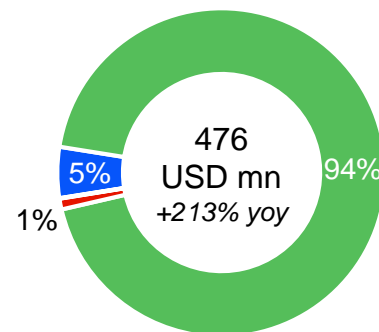


■ Networks & Enel X  
■ Renewable  
■ Thermal



■ Asset development  
■ Customers  
■ Asset management

9M 2020 Capex asset development by business<sup>1</sup>



■ Networks & Enel X  
■ Renewable  
■ Thermal

Capex allocation by  
Quarter (2020)

Q1	11%
Q2	21%
Q3	26%
Q4E	42%

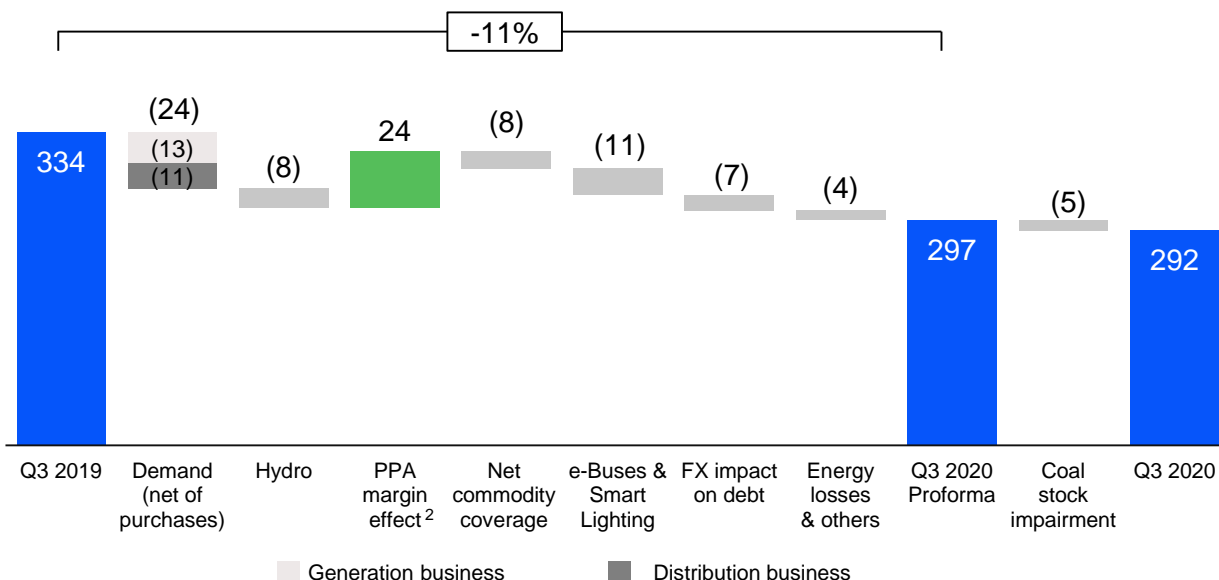
1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD

# Q3 2020 EBITDA evolution

Results mainly driven by hydrology and demand performance



EBITDA evolution (USD mn)<sup>1</sup>



Main KPIs

	Q3 2020	Q3 2019	yoy
Hydrology (TWh)	2.6	2.8	-7%
Gx Sales (TWh)	5.8	6.1	-5%
Dx Sales (TWh)	3.9	4.2	-6%
Quillota Marginal Cost (USD/MWh)	30.0	47.7	-37%

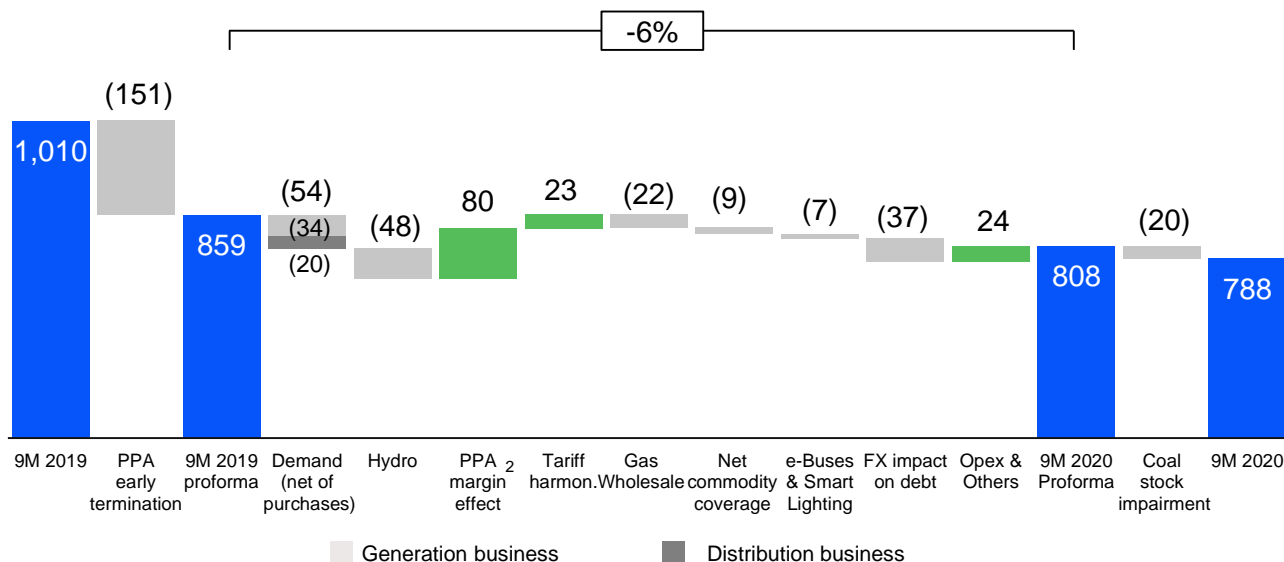
1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD
2. Refers to PPA Indexation (commodities, FX, CPI) and Spot Prices

# 9M 2020 EBITDA evolution

Results mainly driven by hydrology and demand performance



EBITDA evolution (USD mn)<sup>1</sup>



Main KPIs

	9M 2020	9M 2019	yoy
Hydrology (TWh)	6.4	7.4	-14%
Gx Sales (TWh)	17.0	18.0	-5%
Dx Sales (TWh)	11.7	12.4	-6%
Quillota Marginal Cost (USD/MWh)	41.0	57.6	-29%

1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD  
 2. Refers to PPA Indexation (commodities, FX, CPI) and Spot Prices

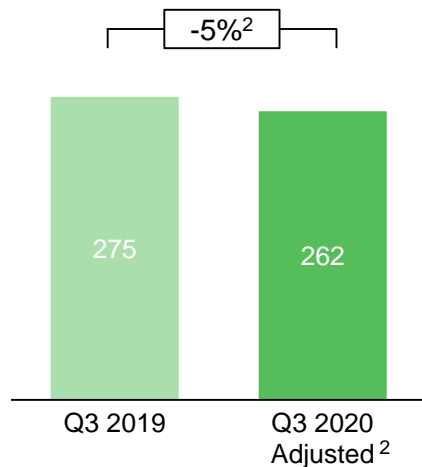


# Generation Business

## EBITDA performance



EBITDA Q3 2020 evolution (USD mn)<sup>1</sup>

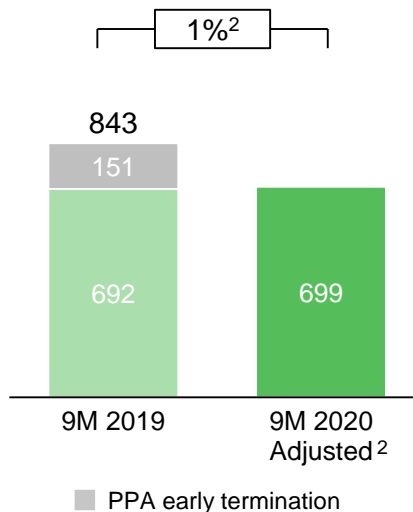


Adj. EBITDA/  
Margin (%)<sup>2</sup>

56%

54%

EBITDA 9M 2020 evolution (USD mn)<sup>1</sup>



46%

47%

Steady EBITDA margins despite demand reduction driven by COVID-19

Lower hydrology generation (-1.0TWh) in the period

PPA margin driven by FX, CPI and commodities price

1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD  
2. Adjusted figures by coal stock impairment (Bocamina I and II) in June and September 2020 and the PPA early termination booked in March 2019

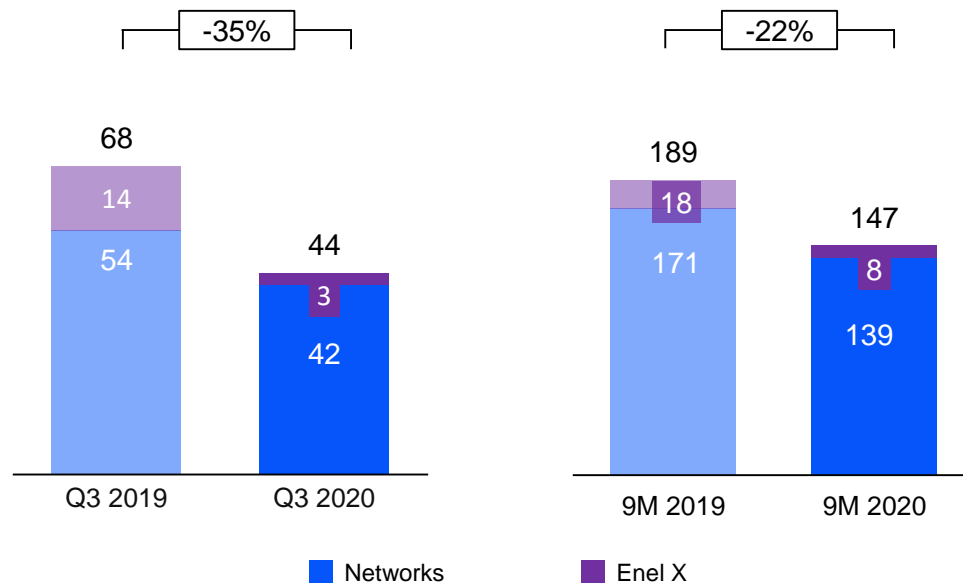
# Networks and Enel X business

## EBITDA performance



EBITDA Q3 2020 (USD mn)<sup>1</sup>

9M 2020 EBITDA (USD mn)<sup>1</sup>



Demand reduction led  
by lockdown measures

Energy losses driven by logistic  
constraints and safety restrictions

E-buses accrued in 2019  
(26 in 1Q19 and 183 buses in 3Q19)

1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD

# 9M Profit & loss (USD mn)



	9M 2020 <sup>1</sup>	9M 2019 <sup>1</sup>	Δ yoy
Adjusted EBITDA <sup>2</sup>	808	859	-6%
Reported EBITDA	788	1,010	-22%
D&A and Bad Debt	(243)	(223)	+9%
Impairment	(868)	(347)	+150%
Reported EBIT	(323)	439	-174%
Financial expenses	(111)	(135)	-18%
Results from equity investments	3	3	+2%
Reported EBT	(431)	308	-240%
Income taxes	132	(34)	-490%
Minorities	17	(17)	-202%
Reported Group net income	(282)	257	-210%
Adjusted Group net income <sup>2</sup>	324	391	-17%

PPA early termination agreement booked in Q1 2019

Lower EBIT due to Bocamina II impairment booked in June 2020

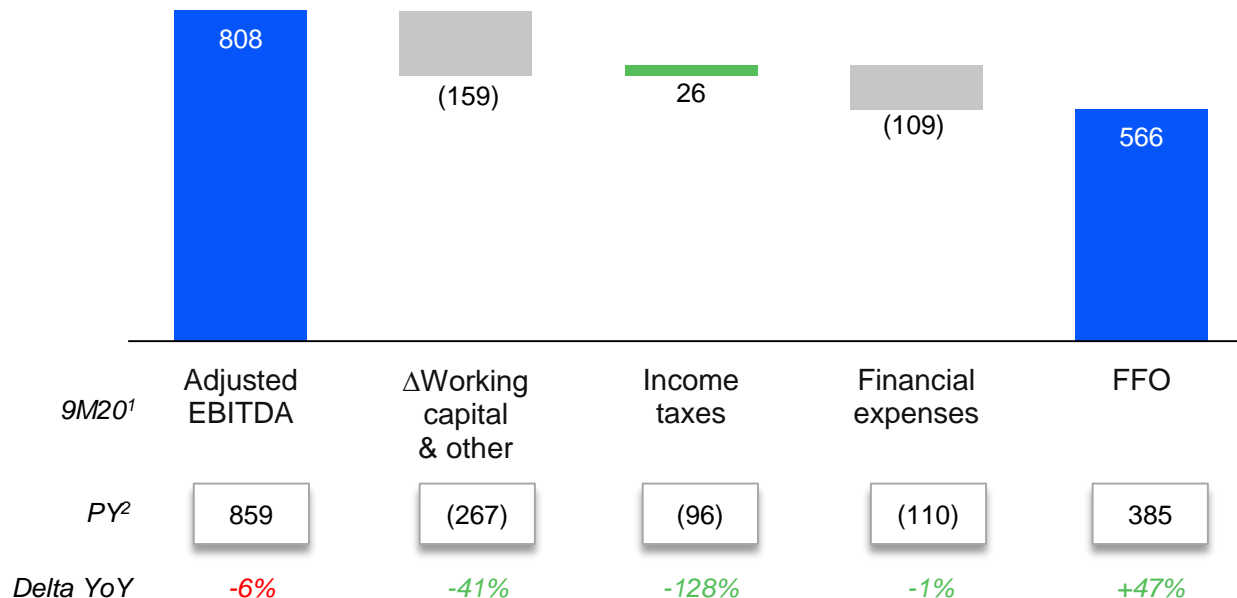
Lower financial expenses due to liability management and tariff stabilization mechanism accounting impact

Income taxes affected by Bocamina's impairments and reorganization at Enel Generación in 2019

- Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD
- Adjusted by the coal stock impairment (20 USD mn) in Ebitda; Net impact of the Bocamina II impairment (606 USD mn) booked in June 2020 and the net impact of the PPA early termination and the impairment of Tarapacá / Bocamina I booked in June 2019 (134 USD mn).

# Cash flow

USD bn



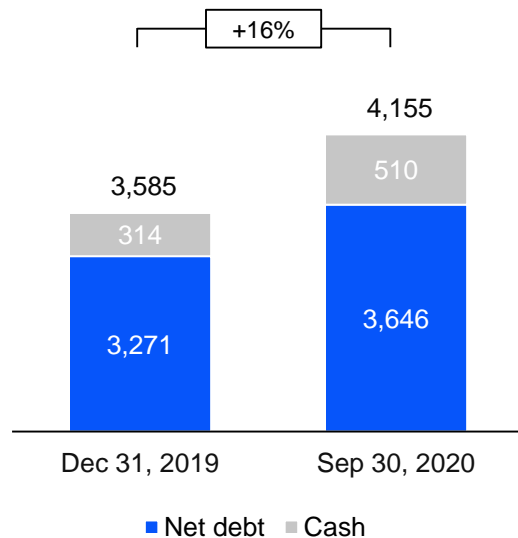
1. Adjusted figures by coal fuel impairment on 9M 2020 (20 USD mn). Average exchange rate for the period 801.83 CLP/USD and Spot exchange rate for the period of 788.55 CLP/USD
2. Adjusted figures by the net effect of the PPA early termination in FFO (174 USD mn). Average exchange rate for the period 685.61 CLP/USD, as reported in the 9M 2019

# Debt (USD mn)

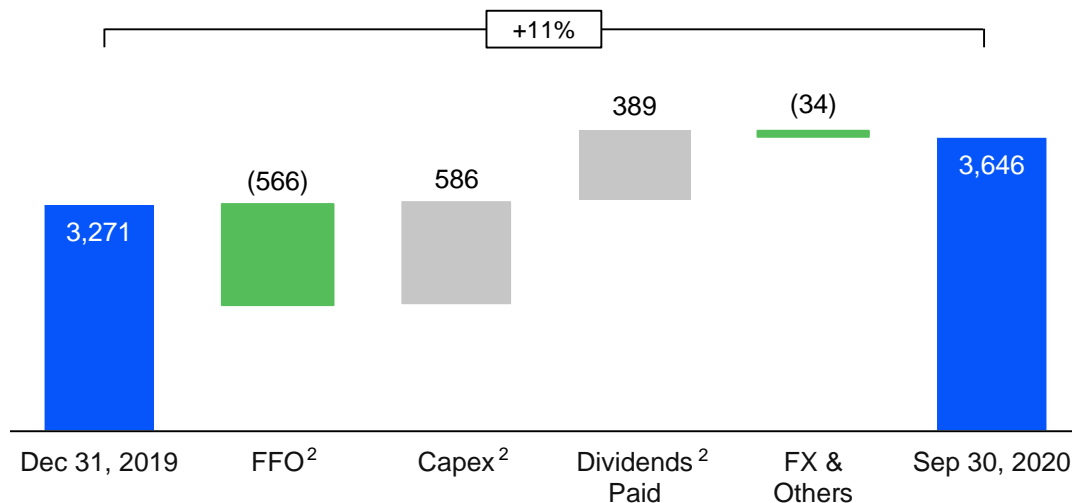
Cost of debt declined by 60 bps



Gross debt<sup>1</sup>



Net debt evolution<sup>1</sup>



Cost of gross debt<sup>3</sup>: 4.6% (vs 5.2% Dec 2019)

Average Maturity: 6.3 years

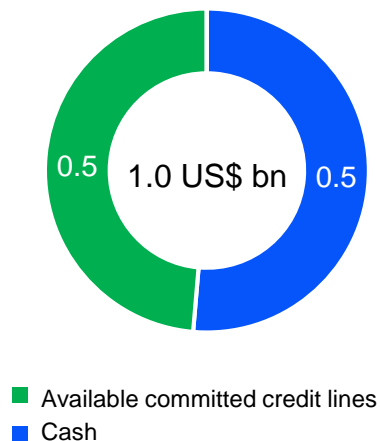
1. Exchange rate at the end of the period: Dec/20 (751.65 CLP/USD); Sep/20 (788.55 CLP/USD)
2. The average exchange rate for the period 801.83 CLP/USD
3. Cost of gross debt refers to the average cost of debt of each year

# Liquidity position

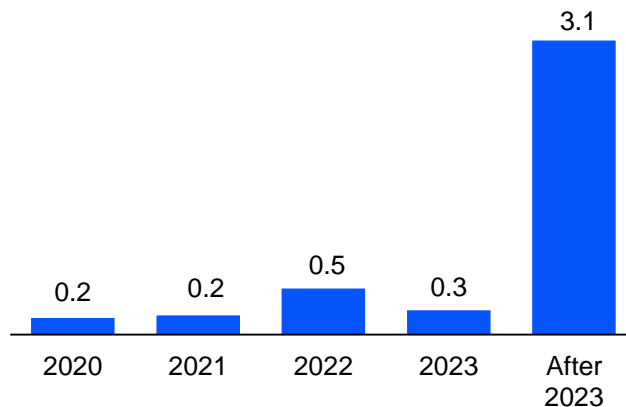
*Business continuity supported by liquidity position*



Liquidity Position (US\$ Bn)<sup>1</sup>



Debt maturities (US\$ Bn)<sup>1</sup>



98% of gross debt has a fixed rate

97% of gross debt is USD  
denominated

Smooth third party debt  
maturity profile

Enough liquidity to support the maturities over the plan period

1. Exchange rate at the end of the period: September/2020 (788.55 CLP/USD)

## Closing remarks

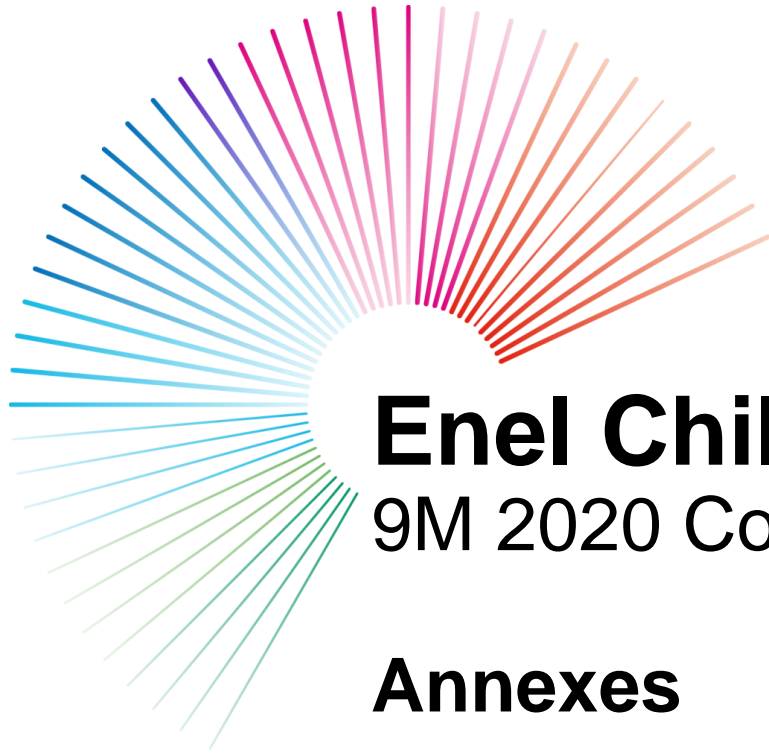


**Focus on the  
sustainability of  
our long-term  
strategy**

**Customer centricity  
to support our  
clients' needs and  
quality of services**

**Accelerated  
Decarbonization  
plan, fully on-track**

**Financial solidity  
to continue  
supporting the  
energy transition**



# **Enel Chile**

9M 2020 Consolidated results

**Annexes**





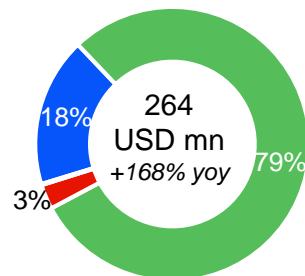
# 3Q2020 main figures



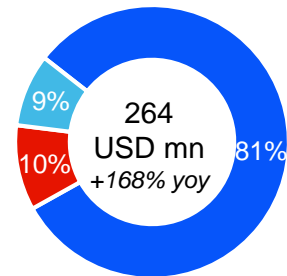
3Q20 P&L (USD mn)

	3Q 2020 <sup>1</sup>	3Q 2019 <sup>1</sup>	Δ yoy
Adjusted EBITDA <sup>2</sup>	297	334	-11%
Reported EBITDA	292	334	-13%
D&A and Bad Debt	(75)	(73)	+3%
Reported EBIT	217	261	-17%
Financial expenses	(36)	(40)	-11%
Results from equity investments	3	0	n.a.
Reported EBT	184	221	-17%
Income taxes	(47)	(13)	+274%
Minorities	(10)	(13)	-20%
Reported Group net income	127	196	-35%
Adjusted Group net income <sup>2</sup>	130	196	-34%

3Q 2020 Total Capex by business and by nature<sup>1</sup>



■ Networks & Enel X  
■ Renewable  
■ Thermal



■ Asset development  
■ Asset management  
■ Customers



1. Reported figures. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 801.83 CLP/USD  
 2. Adjusted by the coal stock impairment (5 USD mn) in Ebitda; Net impact of the coal stock impairment (3 USD mn)

# ESG Focus Indexes and Recognitions

*Indexes, recognitions and certifications*



Dow Jones  
Sustainability Indexes

Chile Index

MILA Index

Emerging Markets Index



"A" rate in 2019



FTSE4Good

Emerging  
Market and  
Latin America Emerging  
Market Index



Now a Part of **S&P Global**

Enel Chile is part of the  
Robeco SAM  
Sustainability Yearbook  
2020 (Bronze class)



Enel Chile

ISO 37001

certification

informe**reporta**

Enel Chile  
reached third place in  
the 2020 Informe  
Reporta

# Credit Rating

*Enel Chile and Enel Generación Chile*



International market

## Enel Chile

**Standard & Poor's**

**BBB+ Stable**

**Affirmed Aug/20**

**Moody's**

**Baa2 Stable**

**Affirmed Jun/20**

**Fitch Ratings**

**A- Stable**

**Rated Jul/20**

## Enel Generación

**Standard & Poor's**

**BBB+ Stable**

**Affirmed Aug/20**

**Moody's**

**Baa1 Stable**

**Affirmed Jun/20**

**Fitch Ratings**

**A- Stable**

**Upgraded Jan/20**

Chilean market

## Enel Chile

**Fitch Ratings**

**AA+(cl) Stable**

**Upgraded Jan/20**

**Feller Rate**

**AA(cl) Stable**

**Affirmed Jul/19**

## Enel Generación

**Fitch Ratings**

**AA+(cl) Stable**

**Upgraded Jan/20**

**Feller Rate**

**AA (cl) Stable**

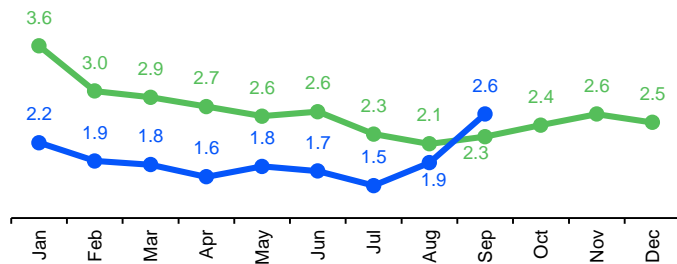
**Affirmed Jul/19**

# Commodities and Fx outlook

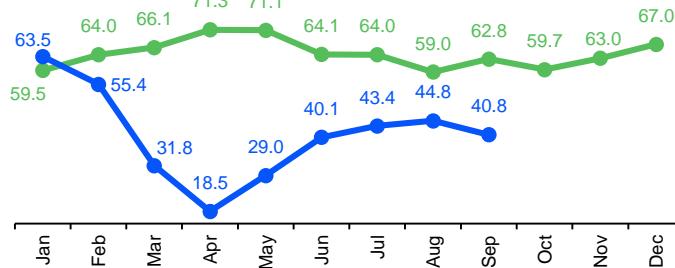
*Volatility on commodity prices and FX depreciation*



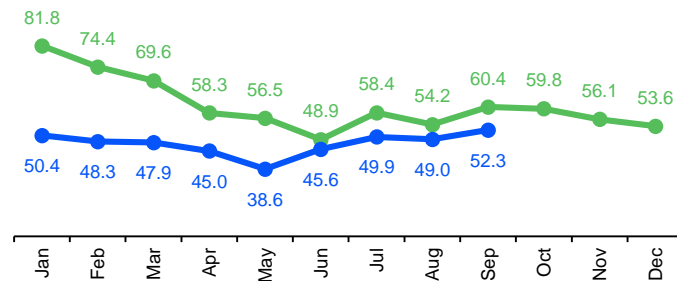
Henry Hub (US\$/mmbtu)



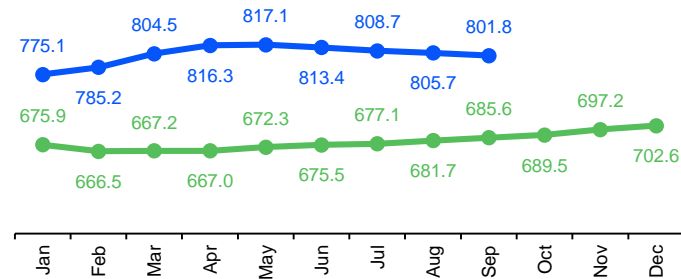
Brent (US\$/bbl)



API 2 (US\$/Ton)



Foreign Exchange (CLP/ US\$)

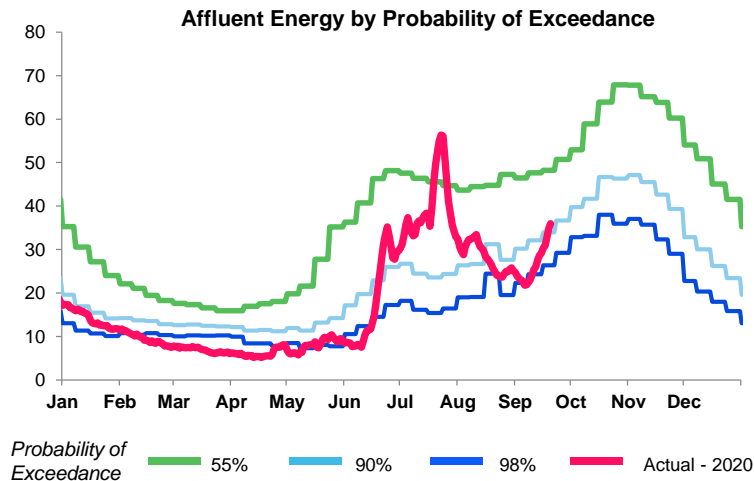


# Hydrology outlook

*Slight recovery during 3Q2020*



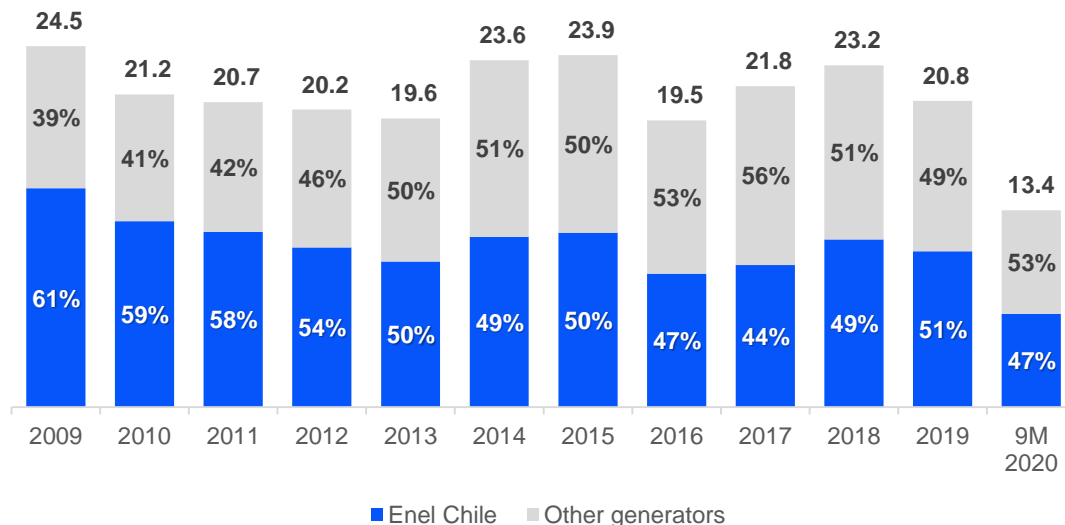
## National Hydro production (GWh/day)<sup>1</sup>



Probability of exceedance improved to 66% in July, then turned back to 90% in Aug and Sept

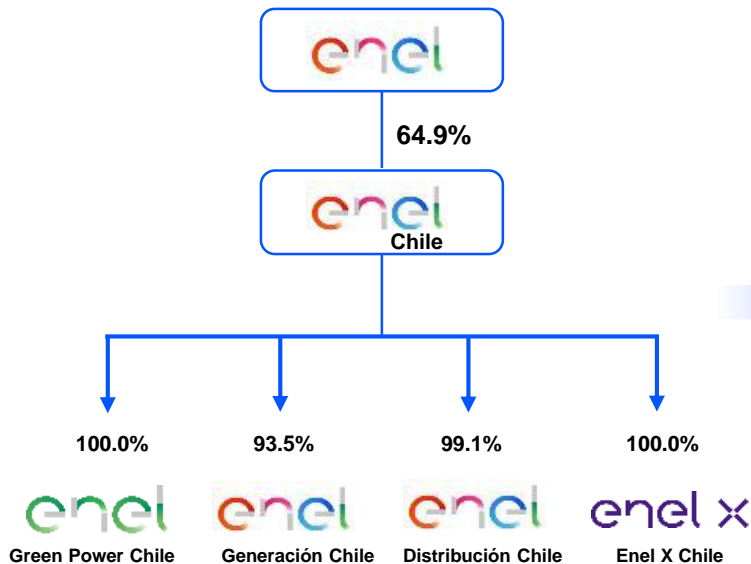
1. As of September 20, 2020

## Historic hydro generation in the SEN system (GWh)



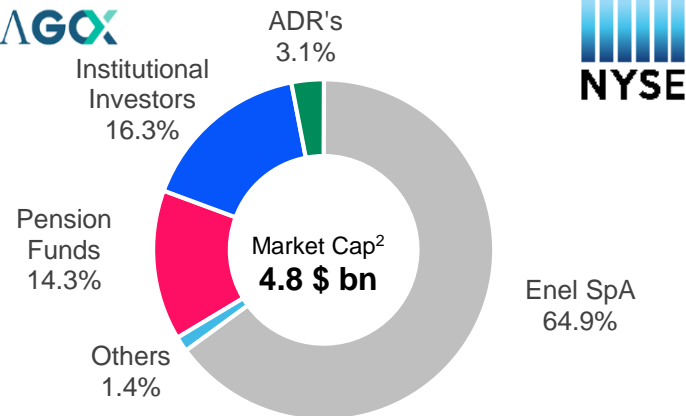
Enel Chile as the main contributor to the national hydro production in every scenario

# Organization structure



## Enel Chile shareholders<sup>1</sup>

BOLSA  
SANTIAGO



1. As of September 30, 2020  
2. Market cap as of October 20, 2020



FTSE4Good

MSCI



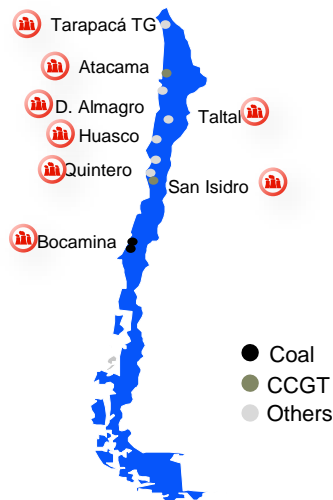
vigeo eiris

# Enel Chile

Largest Utility player in Chile in installed capacity and number of clients



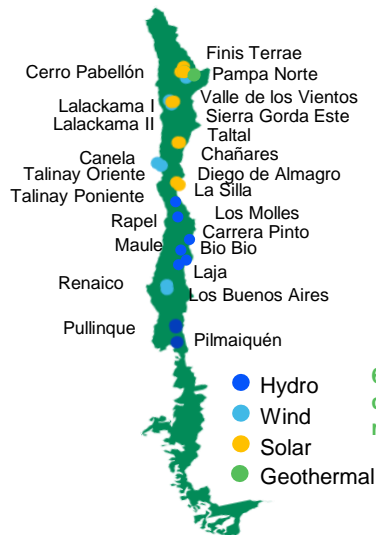
## Thermal generation



### 2.5 GW Thermal net installed Capacity

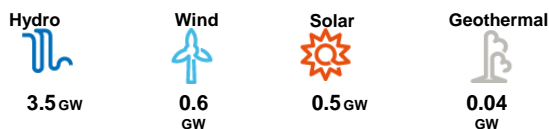


## Renewables generation

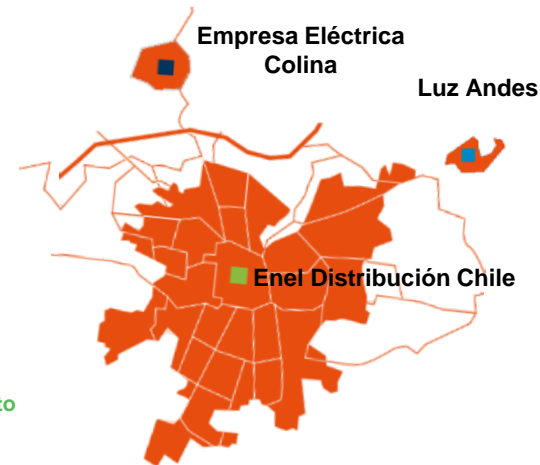


65% of installed capacity corresponds to renewable resources

### 4.7 GW Renewable net installed Capacity



## Distribution area



End users  
~2 million

Indefinite  
concession period

# 9M 2020 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 Chile and its management with respect to, among other things: (1) Enel Chile's business plans; (2) Enel Chile's cost-reduction plans; (3) trends affecting Enel Chile's 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 Chile's 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 Chile undertakes no obligation to release publicly the result of any revisions to these forward-looking statements. This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Enel Chile or any of its subsidiaries.*



# 9M 2020 consolidated results

Contact us



## Isabela Klemes

Head of Investor Relations Enel Chile

## Investor Relations team

Catalina González

Claudio Ortiz

Pablo Contreras

Francisco Basauri

Gonzalo Juarez



## Contacts

Email [ir.enelchile@enel.com](mailto:ir.enelchile@enel.com)

Phone +56 2 2630 9606

## Channels



Website  
Enel.cl



Mobile App  
Enel Investors

## Follow us



## Download app

iOS



Android

