



# **Enel Chile 9M 2017 results**

November 6, 2017



# 9M 2017 results

## Chilean highlights



### **Enel Chile**

- ✓ EBITDA decreased 12%, amounting to US\$ 770 mn, mainly explained by our performance in the generation business.
- ✓ Net Income attributable to shareholders decreased 21%, amounting to US\$ 378 mn.
- ✓ With regard to the reorganization process Elqui, final reports from Independent experts and appraisers were released. Plan is going on scheduled.

### **Generation Business**

- ✓ EBITDA in Generation impacted by dry conditions.
- ✓ Lower operating margin of 18%, amounting to US\$ 707 mn.
- ✓ On November 2<sup>nd</sup>, 2017 Enel Gx has been awarded the supply of 1.180 TWh/year to meet the energy demand of their regulated customers, starting 2024.

### **Distribution Business**

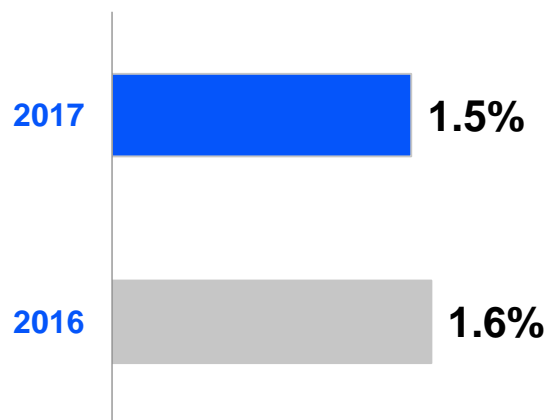
- ✓ Customers increased by more than 55 thousand to 1.9 mn.
- ✓ Operating margin remains stable, amounting to US\$ 316 mn.
- ✓ VAS businesses margin increased by US\$ 3 mn amounting to US\$ 24 mn.

# 9M 2017 results

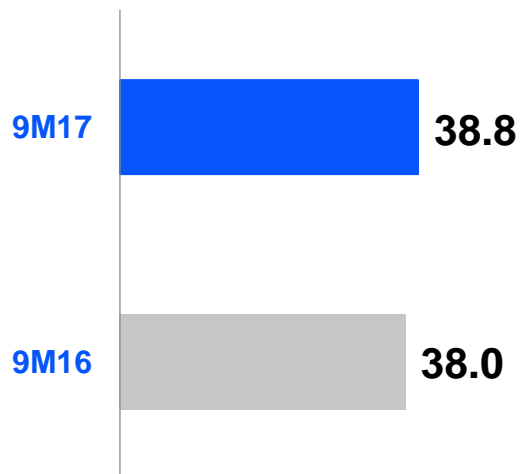
Market context in the period



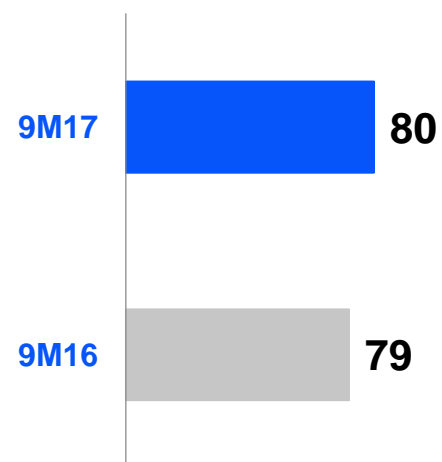
Chile Annual GDP Growth (%)<sup>1</sup>



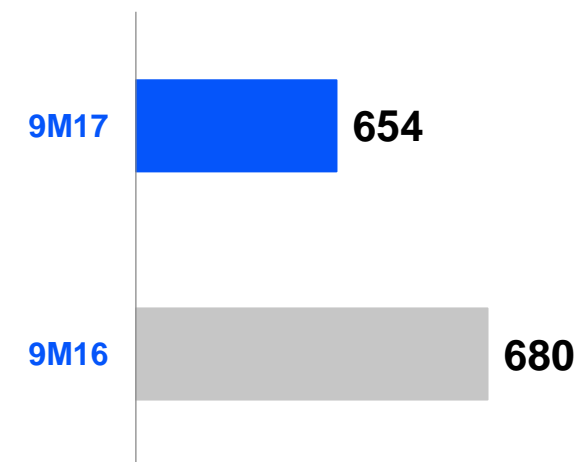
SIC Energy Sales (TWh)



SIC Average Spot Price (USD/MWh)



Average Exchange Rate CLP vs US\$



**Challenging market scenario**

1. Expected GDP for 2017. Source: Latin America Concensus Forecast as of October 2017.

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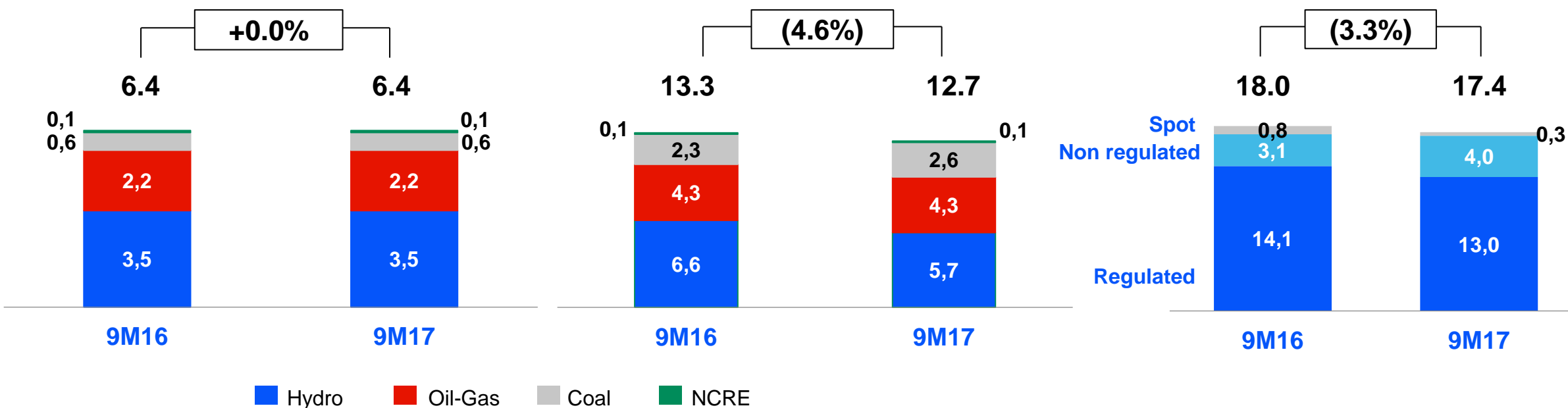
Generation business – Operating highlights



Installed capacity: 6.4 GW

Net production: 12.7 TWh

Energy Sales: 17.4 TWh



**Leveraging on tolling and thermal capacity to offset lower hydro availability**

\* Proforma Financial Statements include 9 months in 9M16 for a better understanding and only for information purposes.

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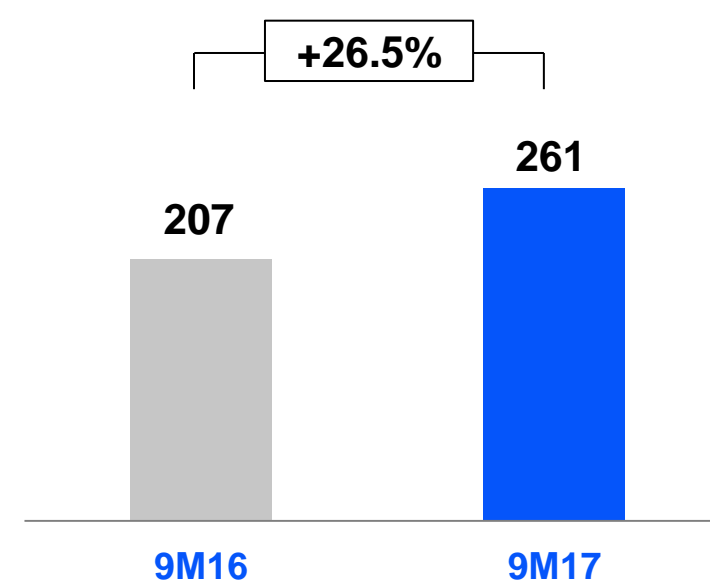
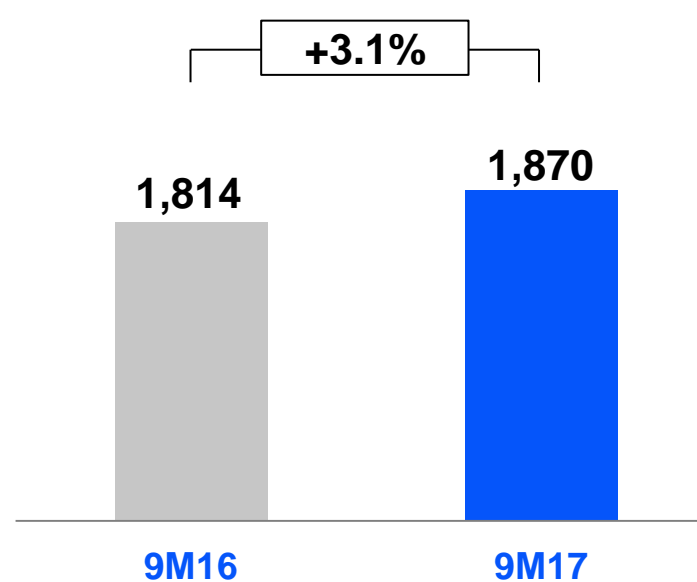
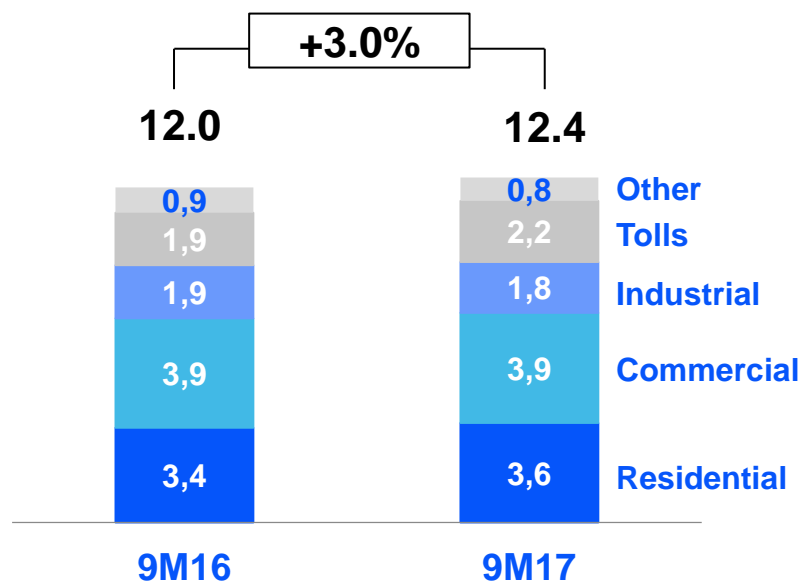
Distribution business - Operating highlights



## Electricity Distributed: 12.4 TWh

## Number of customers: 1.9 mn

## SAIDI<sup>1</sup>: 261 minutes



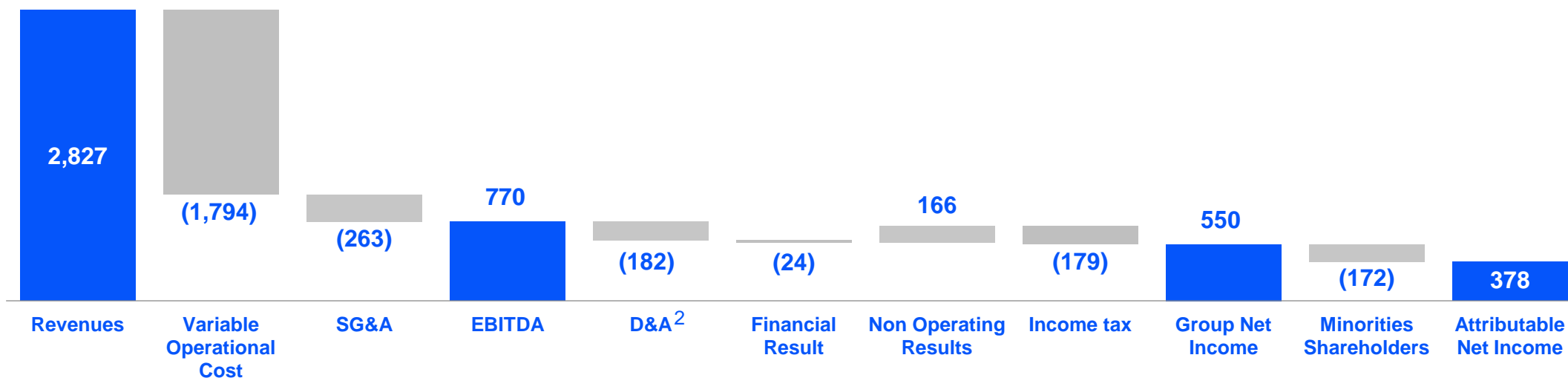
**Stable organic growth driven by residential segment**

1. SAIDI: System Average Interruption Duration Index

\* Proforma Financial Statements include 9 months in 9M16 for a better understanding and only for information purposes.

# 9M 2017 results

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



9M16 (US\$ mn)	2,965	(1,775)	(319)	871	(193)	(18)	196	(148)	709	(227)	481
Change	(4.6%)	1.1%	(17.6%)	(11.6%)	(5.7%)	39.1%	(15.5%)	20.6%	(22.3%)	(24.3%)	(21.4%)

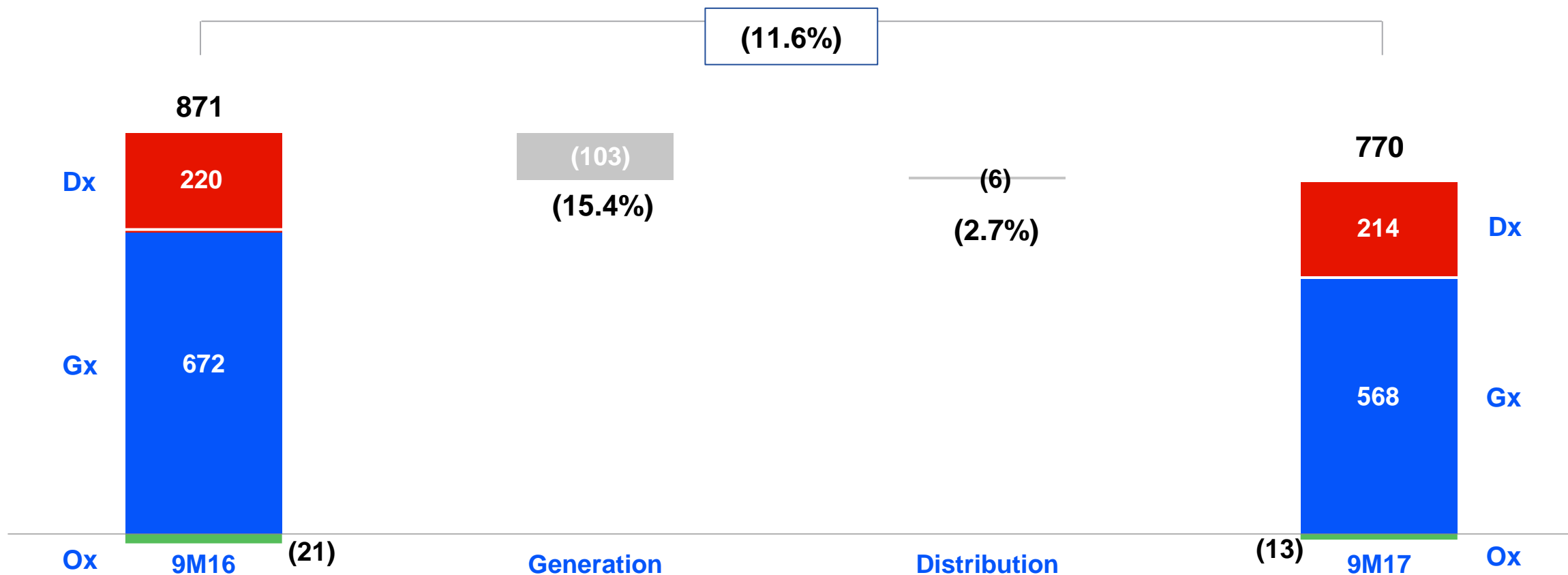
1. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 654.28 CLP/USD.

2. Consider Depreciation, Amortization and Impairment profit (impairment's reversal).

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# 9M 2017 results

EBITDA by business (constant US\$ mn<sup>1</sup>)



<sup>1</sup> Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 654.28 CLP/USD.

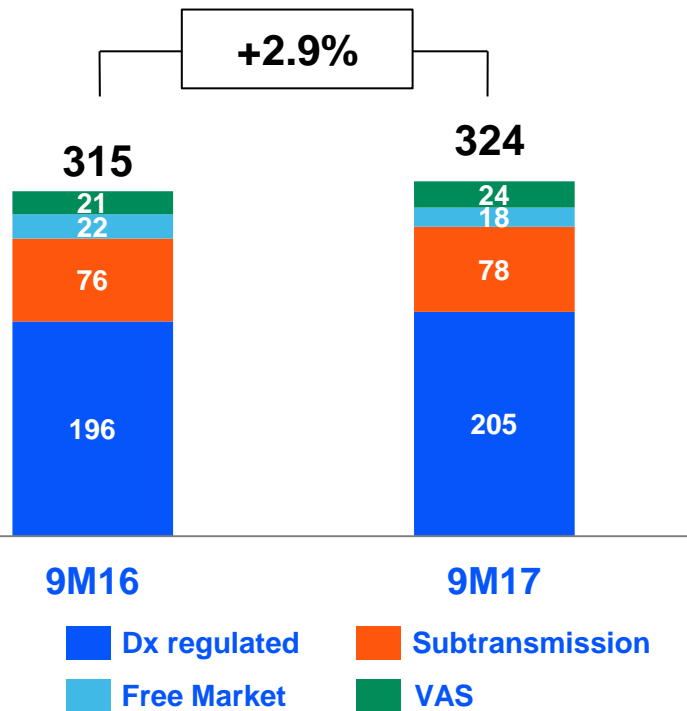
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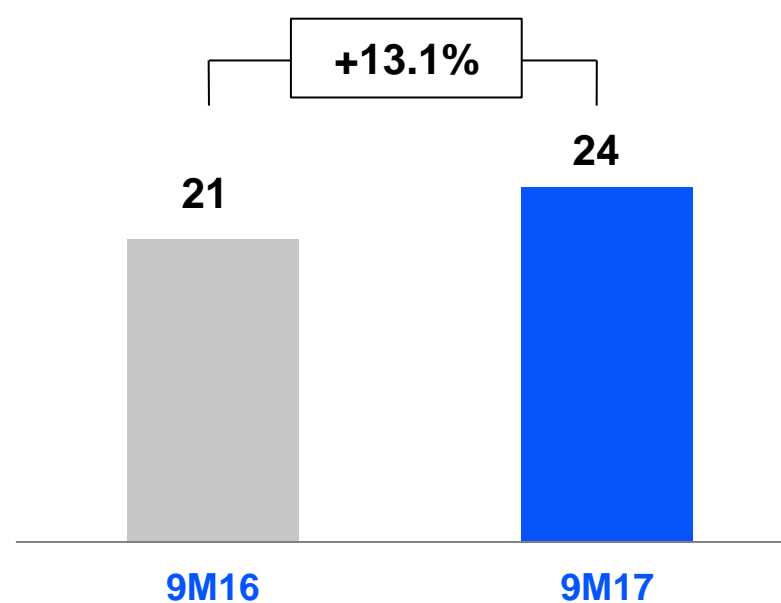
Distribution margin breakdown (constant US\$ mn<sup>1</sup>)



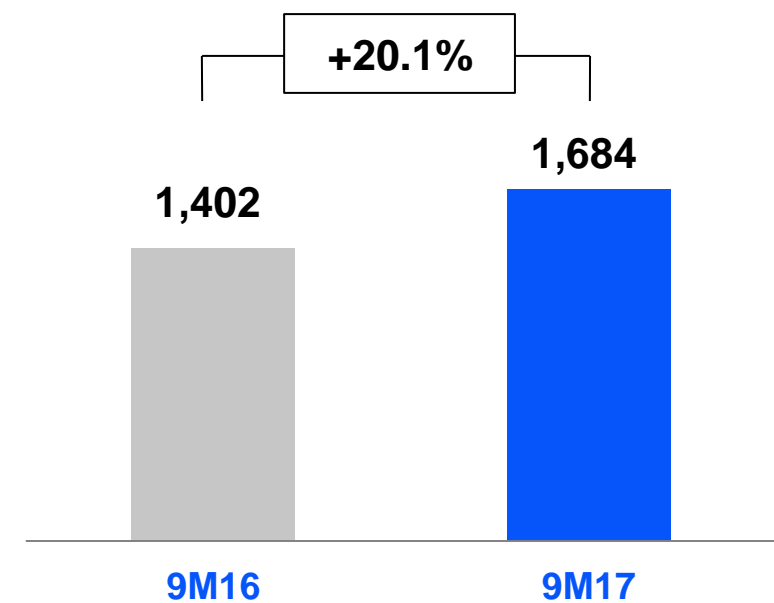
## Recurrent Margin



## VAS<sup>2</sup> Gross Margin



## Free Market Energy Sales (GWh)



**Growing volume in free market energy sales and VAS margin**

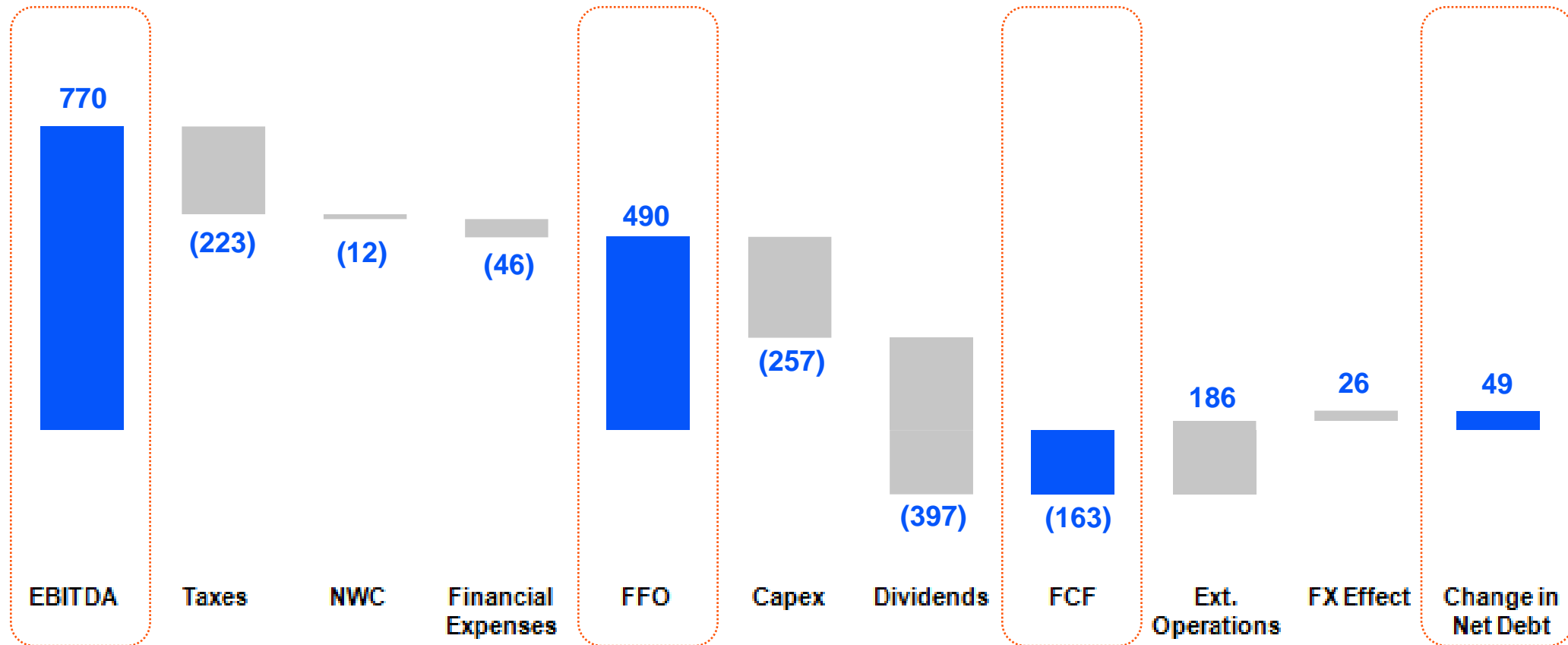
1 Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 654.28 CLP/USD.

2 Value added services.



# 9M 2017 results

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



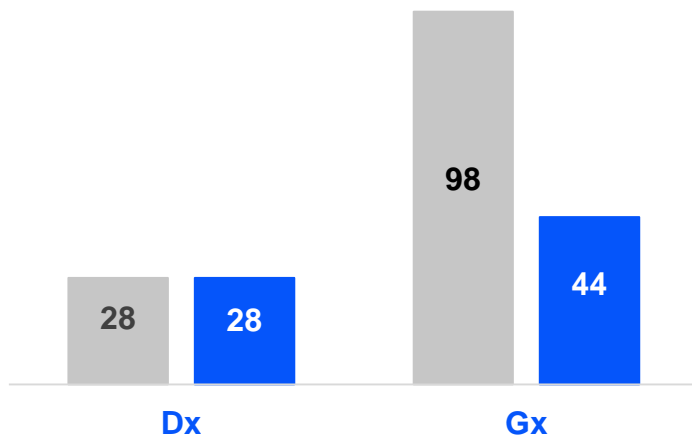
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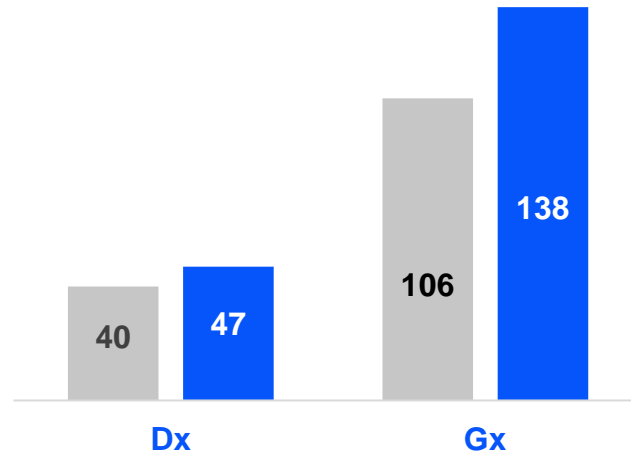
Gross Capex<sup>1</sup> (constant US\$ mn<sup>2</sup>)



## Maintenance

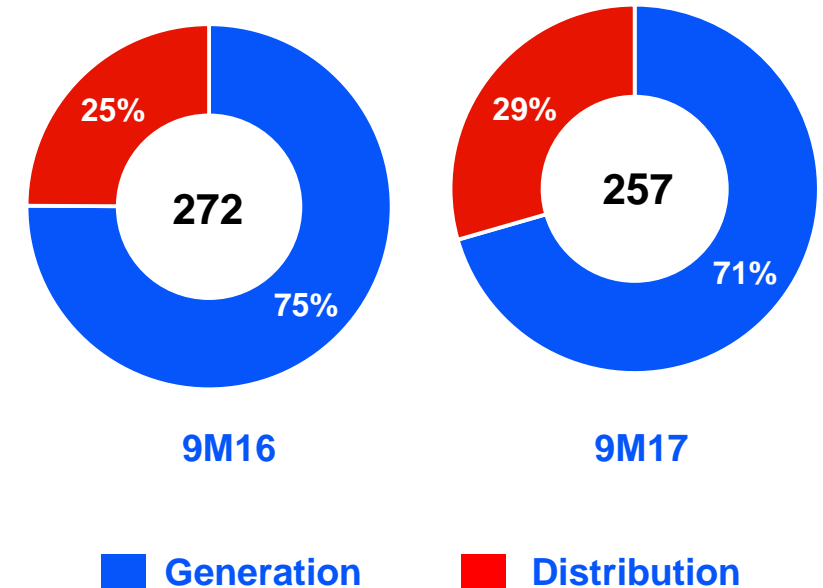


## Growth



■ 9M16 ■ 9M17

## Total



**Progressive shift of Capex from Generation to Distribution business**

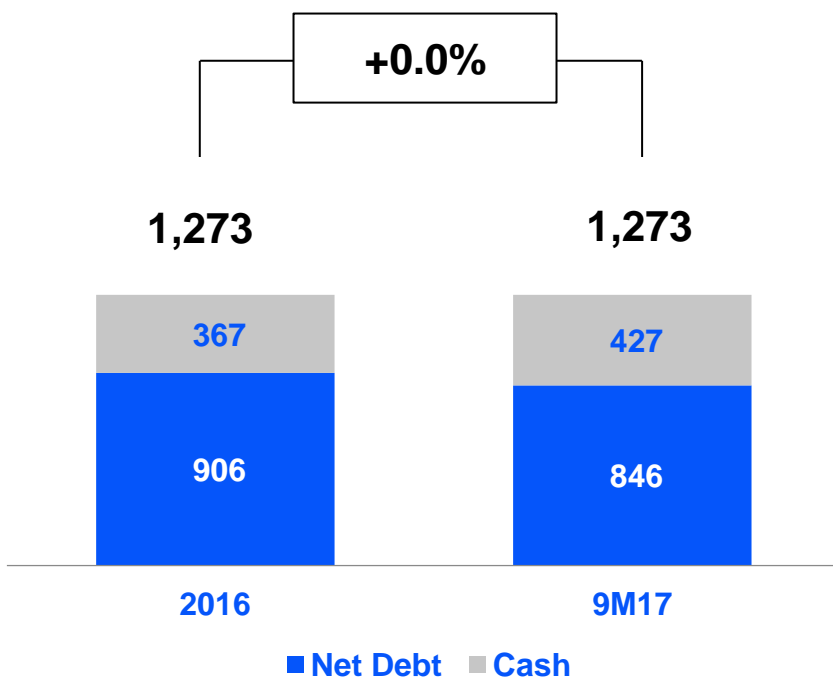
1. Gross of contributions and connections fees, accrued capex during 2016, including FX conversion effects.  
 2. Comparisons between periods in the Financial Income Statements are made using the average exchange rate for the period 654.28 CLP/USD.

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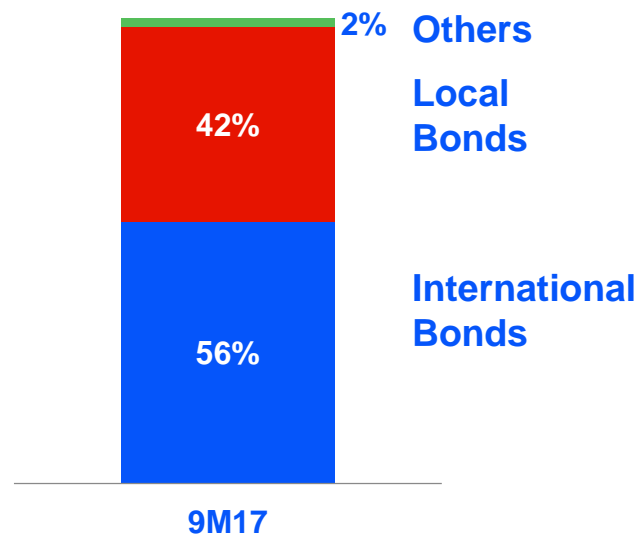
Financial situation (US\$ mn)



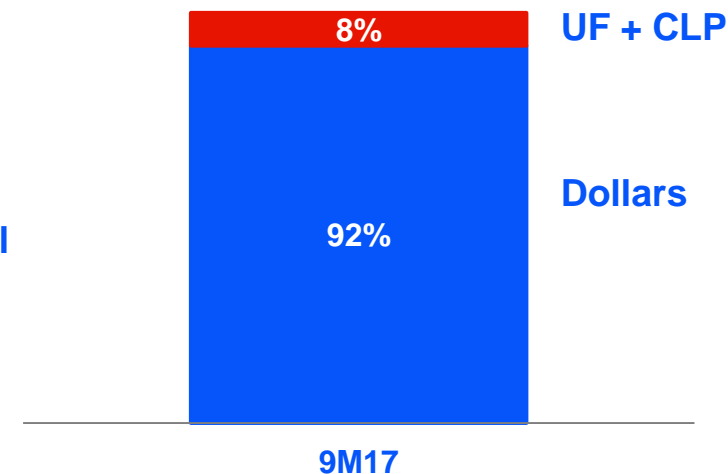
## Gross and Net Debt



## Gross Debt<sup>1</sup> by type



## Gross Debt by currency<sup>2</sup>



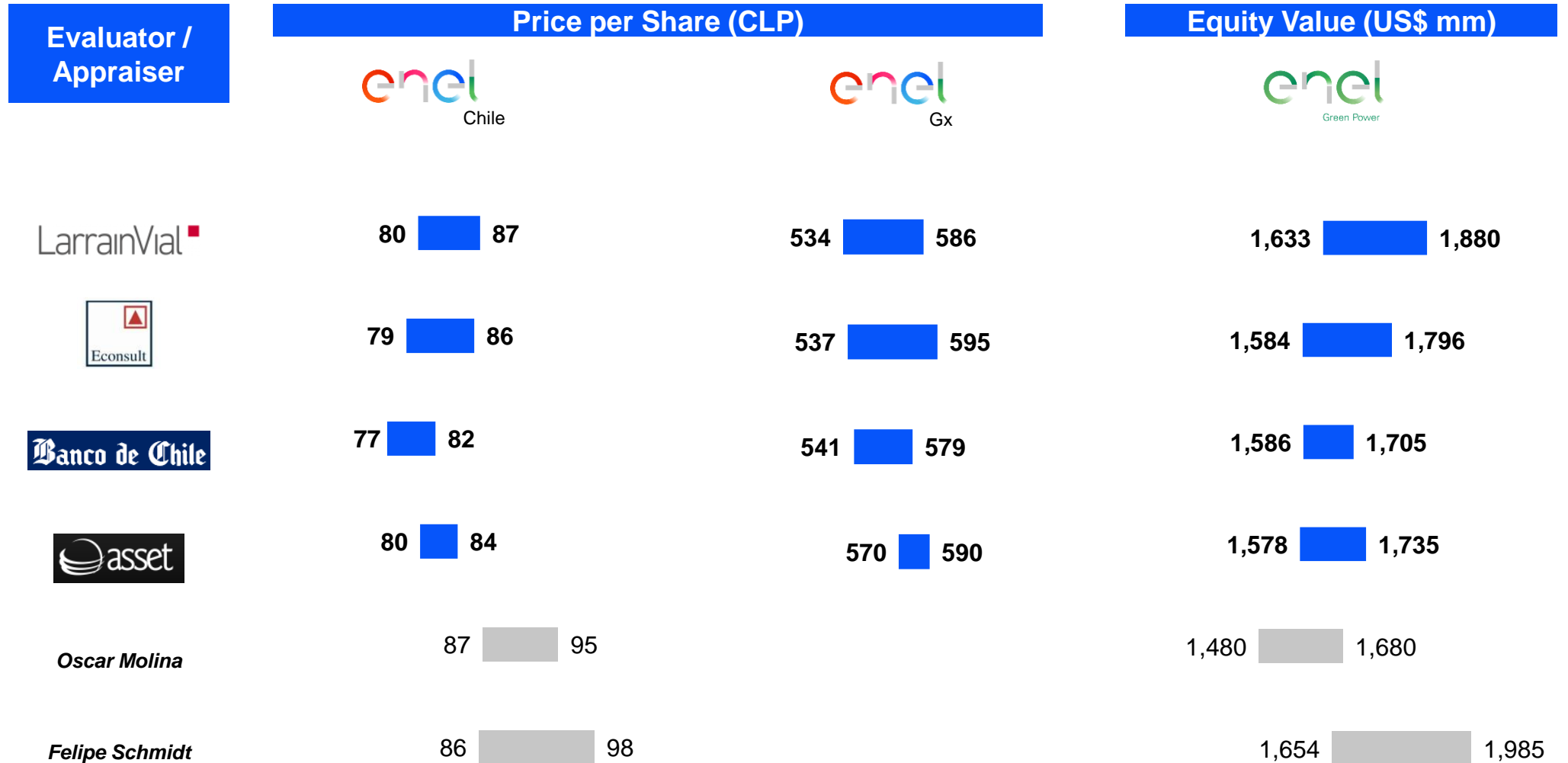
### Liquidity breakdown;

- Cash: US\$ 427 mn
- Committed Credit Lines: US\$ 319 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 9M17 closing exchange rate 637.93 CLP/USD.

# Restructuring transaction update

Summary of valuers and appraisers key outcomes (1/2)



Note: In all the cases, the main methodology used by Independent experts and appraisers was DCF.

# Restructuring transaction update

Summary of valuers and appraisers key outcomes (2/2)



Evaluator / Appraiser	EGC / EC Ratio (x)	EGPL / EC Ratio (x)	Cash / Stock (% cash)
LarrainVial	6,4  7,0	15,0  17,3	57,0%  62,6%
Econsult	6,6  7,1	14,6  17,1	60,0%  65,0%
Banco de Chile	6,6  7,5	14,9  17,2	60,0%  65,0%
asset	7,2  8,5	15,1  19,0	63,0% <sup>(2)</sup> 65,0% <sup>(2)</sup>
Oscar Molina		12,5  15,8	
Felipe Schmidt		14,0  16,2	

(1) Range based on 100% stock based transaction and different acceptance scenarios

(2) Implied range consistent with Asset Chile suggested EGC OPA price range

# Restructuring transaction update

Transaction indicative timetable



Transaction approval (2017)

Transaction execution (2018)

10 November  
2017

20 December  
2017

By Mid  
February 2018

By Mid  
March 2018

By the end of  
1H 2018

Board of  
Director of  
Enel Chile  
presents  
Transaction  
Proposal and  
summons  
EGM

Board of  
Director of  
Enel  
Generación  
Chile  
summons  
EGM

Enel Chile  
EGM to  
approve  
Merger and  
Capital  
Increase

Enel  
Generación  
Chile EGM to  
approve  
change in  
Bylaws

PTO starts

PTO ends

PTO settlement  
and merger  
effectiveness  
upon verification  
of CPs

Under the proposed Transaction structure the OPA and the Merger will occur simultaneously with the aim of completing the Transaction during first half of 2018

# 9M 2017 results

Closing remarks



EBITDA in Generation affected by poor hydrology coming from 2016

In terms of hydrology, 4Q17 began with better expectations

Stable EBITDA in Distribution, net from extraordinary costs

Growing trend in free market volume sales

Reorganization transaction process under schedule

New long term contract awarded in the last bidding process

# 9M 2017 Results

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