# Enel Chile

## Corporate Presentation | NDR June 2020

# Company Representatives

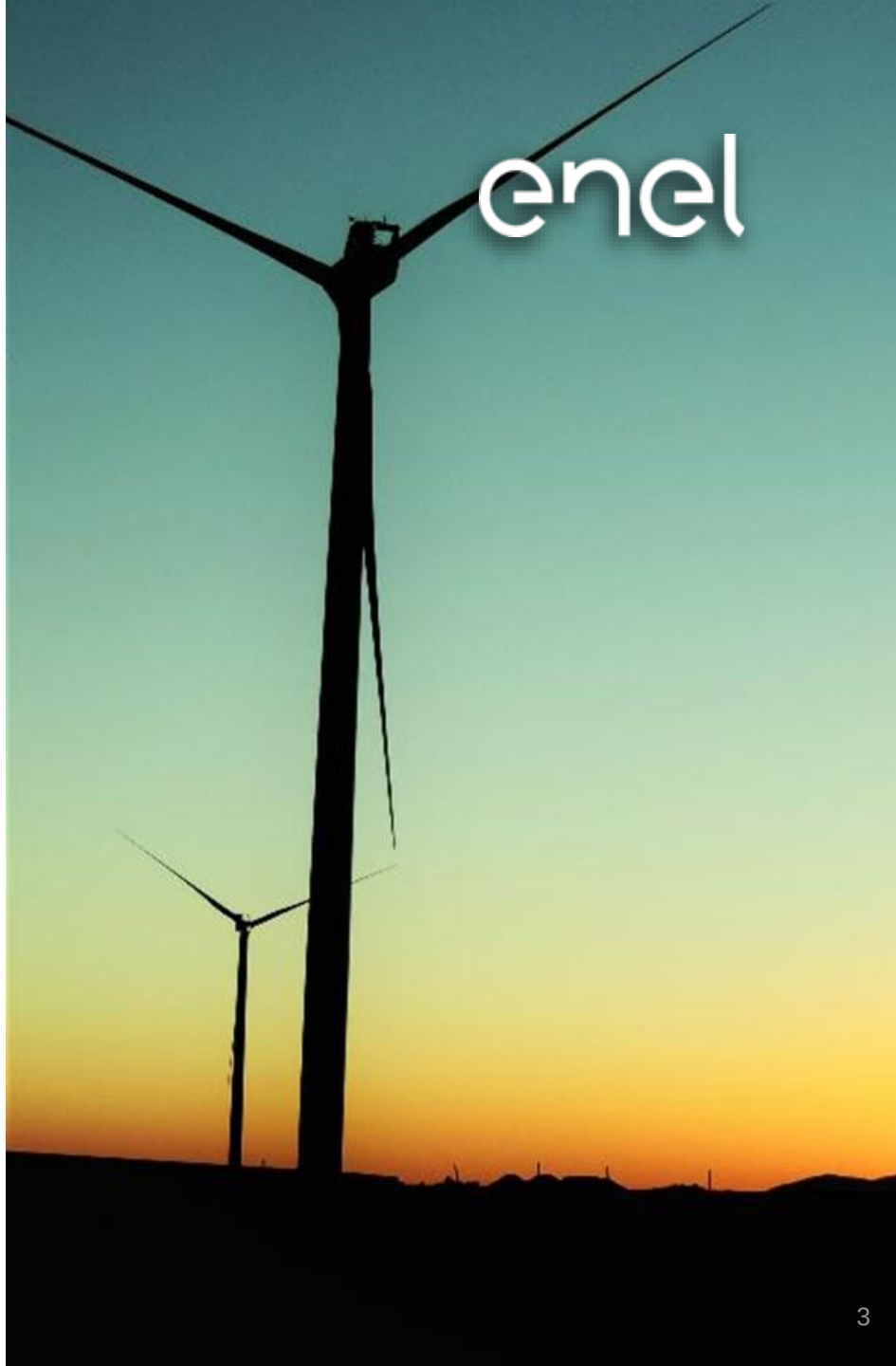
**Paolo Pallotti**
Chief Executive Officer
Enel Chile

**Giuseppe Turchiarelli**
Chief Financial Officer
Enel Chile

**Isabela Klemes**
Head of Investor Relations
Enel Chile

# Key investment considerations

- Diversified and resilient long-term investment vehicle in energy sector in the country
- Leading decarbonization process with no coal exposure by 2022
- First renewable operator in Chile with 76% renewable capacity by 2022
- Diversified long-term contract position
- Boosting energy transition through Enel X business
- ESG integrated into strategy



# Enel Chile

## Diversified long-term investment vehicle

*Lalackama*
*Chile*

# Enel Chile as part of Enel Group

## Enel Group is leading the new energy world…

**1st network operator[1]**

73 mn end users

**46 GW**

**Renewable capacity[2]**

World's largest private player in **renewables**

**39 GW**

**Conventional capacity[3]**

Leading **decarbonization process**, phasing out of coal production

**6.3 GW**

**Demand response**

New services enable decarbonization and electrification of consumption

**70 mn**

**customers[4]**

Largest retail **customer** base in Europe

1. By number of customers. Publicly owned operators not included
2. By installed capacity. Includes managed capacity for 4.2 GW
3. It includes nuclear
4. Includes customers of free and regulated power and gas markets

# We are the largest utility in Chile with a strong, unique and resilient portfolio[1]

**Largest renewable player**
4.7 GW renewable Capacity

**The company is leading the decarbonization**
+2GW new renewable capacity

**Largest electricity distributor**
In terms of energy distributed

**4.7 GW capacity**
*64% emission free*
**13.8 TWh generation**
*66% emission free*

**2.5 GW capacity**
**7.2 TWh generation**
*Highly flexible & efficient*

**Electric mobility**
**285 electric buses**
**454 charging points**
*Growth through new services, products and solutions*

**17.1 TWh energy distributed**
**2.0 mn end users**
**Benchmark in the region**

**12.7 TWh regulated customers**
**10.8 TWh free customers[2]**
*Better positioned to face the liberalization of Chilean market*

| | |
|---|---|
| **EBITDA** 2019 (USD bn) | **1.5** |
| **Market Cap** May 28, 2020 (USD bn) | **5.1** |
| **Strategic plan** 2020-2022 (USD bn) | **2.5** |

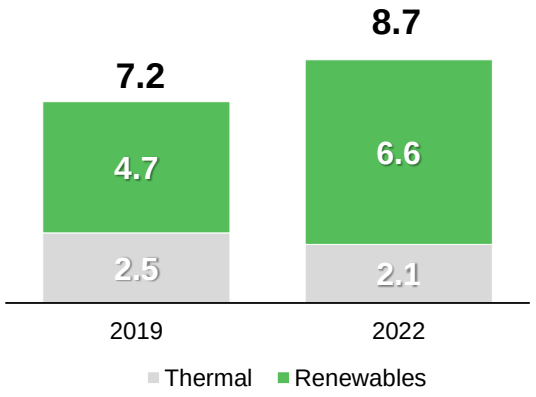
1. As of Dec 31, 2019
2. Only generation business line

# Leading energy transition, boosting renewables and electrification at a national level

Capex US$
**+2.5 bn**
2020-2022

## Generation

**+2GW**
**Renewable capacity**




## Distribution

| | 2019 | 2022 |
|---|---|---|
| SAIDI LTM[1] (minutes) | 184 | 160 |
| Telecontrol equipment[3] | 2,148 | 2,969 |
| Energy distributed[2] (TWh) | 17.1 | 17.9 |
| Energy losses (%) | 4.99 | 4.9 |

## Enel X

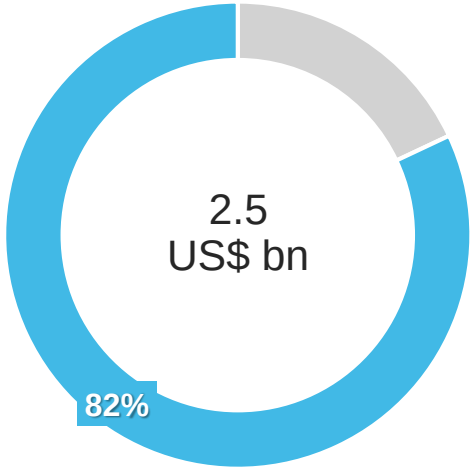
| | 2019 | 2022 |
|---|---|---|
| Charging points[4] | 454 | 2,954 |
| Smart lighting (000') | 277 | 348 |
| E-home services[5] (000') | 78 | 259 |

1. Energy distributed only in Enel Distribución concession area
2. SAIDI LTM: System Average Interruption Duration Index during the last twelve months.
3. Cumulated figures
4. Public and private charging points. Also include e-buses charging points
5. Includes insurance services, air conditioning, and photovoltaic panels

# Capital allocation aiming to reduce time to EBITDA and with direct impact on SDGs

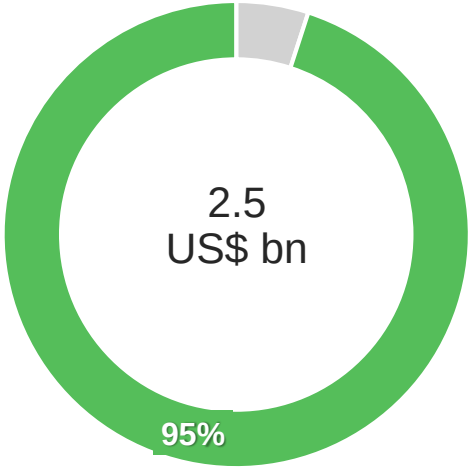
## Capex purposes allocation

*Capex that generates EBITDA by 2022*




82% of our Capex generates 0.25 US$ bn EBITDA by 2022

*Capex to SDGs*




95% of our Capex contributes to SDG

## SDGs impacts at 2022

| | 2019 | 2022 |
|---|---|---|
| Renewable capacity (GW) | 4.7 | 6.6 |
| Coal Thermal capacity (GW) | 0.4 | 0.0 |
| Digitalization (Telecontrol equipment - #) | 2,148 | 2,969 |
| Charging points(#)[1] | 454 | 2,954 |
| Public Lighting (#000) | 277 | 348 |

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

# Enel Chile

## Leading the decarbonization process

# Speeding up decarbonization process

Early disconnection to promote decarbonization of our fleet

**Tarapacá**
**158 MW**

Closed on
**Dec 31st 2019**

**Bocamina I**
**128 MW**

Closure date
**Up to Dec, 2020**

NEW DATE

**Bocamina II**
**350 MW**

Closure date
**Up to May, 2022**

NEW DATE

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

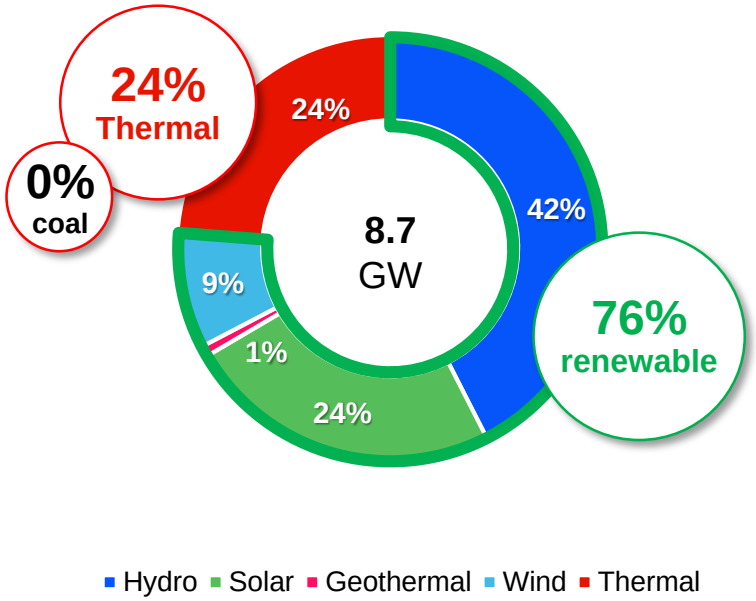
# Coal-free fleet by 2022 (1/3)

## Consolidating our leadership as first renewable operator in Chile

### Positive outlook arising from coal phase out

- Increase **attractiveness** and **visibility** by a new **ESG better profile**
- Potential increase on **liquidity and value**
- **Reduce commodities volatility** and environmental risks, bringing better margins
- New **financing instruments** and better **risk-profile**

### Net installed capacity by 2022



# Coal-free fleet by 2022 (2/3)

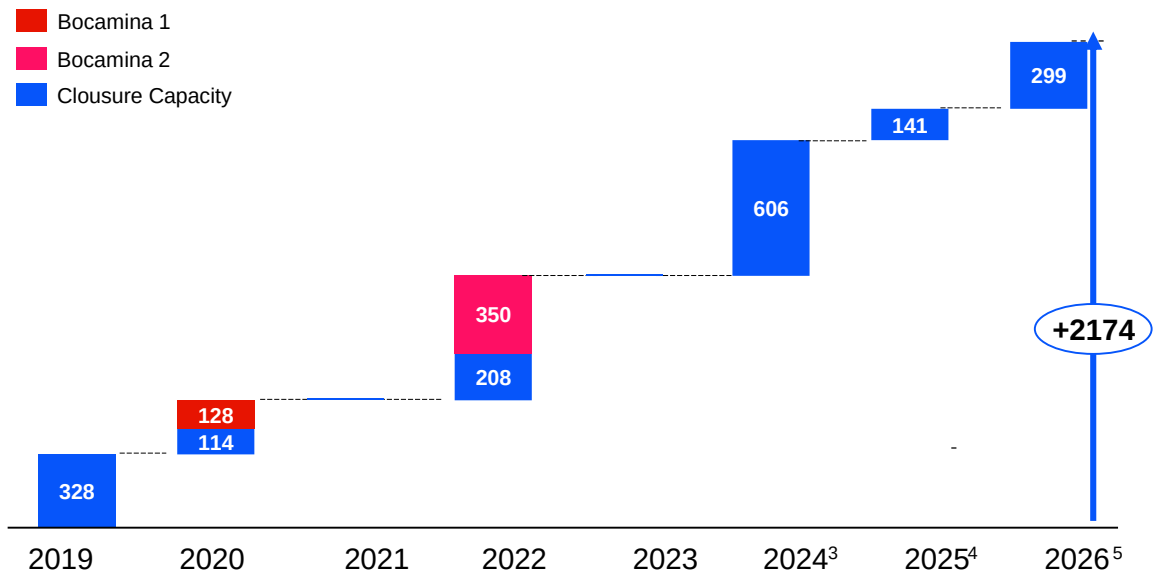
## Consolidating our leadership as first renewable operator in Chile

### Rational arguments[1]

- Higher installed capacity and production of **renewables sources** in the National Electric System
- **Natural gas price reduction** and **availability**
- **Installed capacity available** vs. **projected demand**

### National coal fired power plants closure timeline

*Official decarbonization agreement (1,397[2] MW) and COP25 announcements*

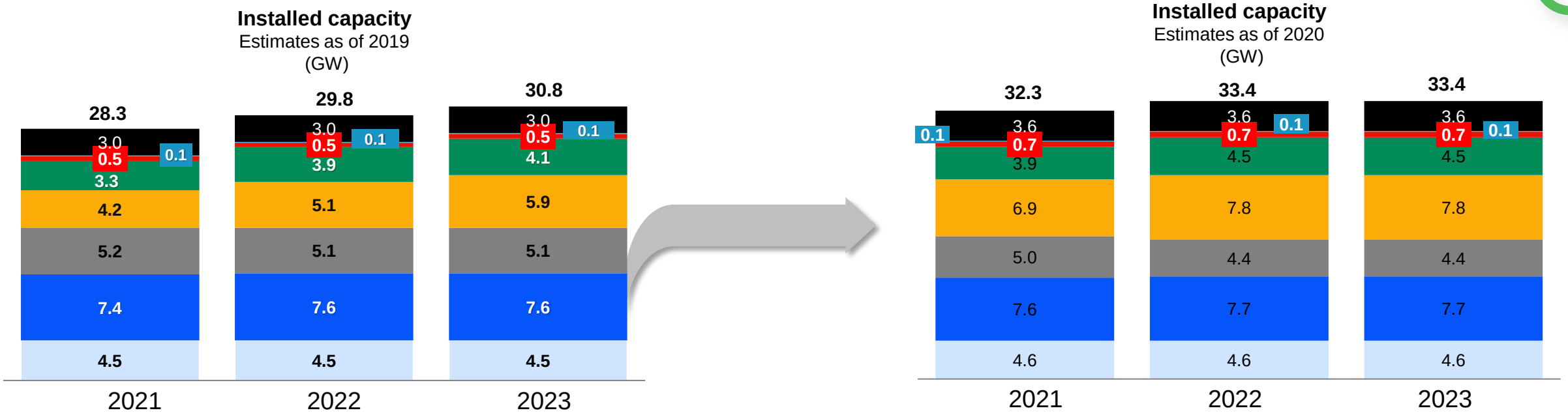



1. Estimated impairment of Bocamina II of 586 US$ mn
2. Official decarbonization agreement (1,047 MW) adds the early closure of Bocamina II (350 MW)
3. Includes: Mejillones 1 (166 MW); Mejillones 2 (172 MW); U14 (136 MW) and U15 (132)
4. Includes: Nueva Tocopilla (141 MW)
5. Includes: Guacolda U1 and U2 (299 MW)

# Coal-free fleet by 2022 (3/3)

## Consolidating our leadership as first renewable operator in Chile

### Higher penetration of renewable energy




**+2.7 GW**
**in additional**
**Solar projects**

Diesel | Biomass | Wind | Solar | Coal | Geo. | Gas | Hydro

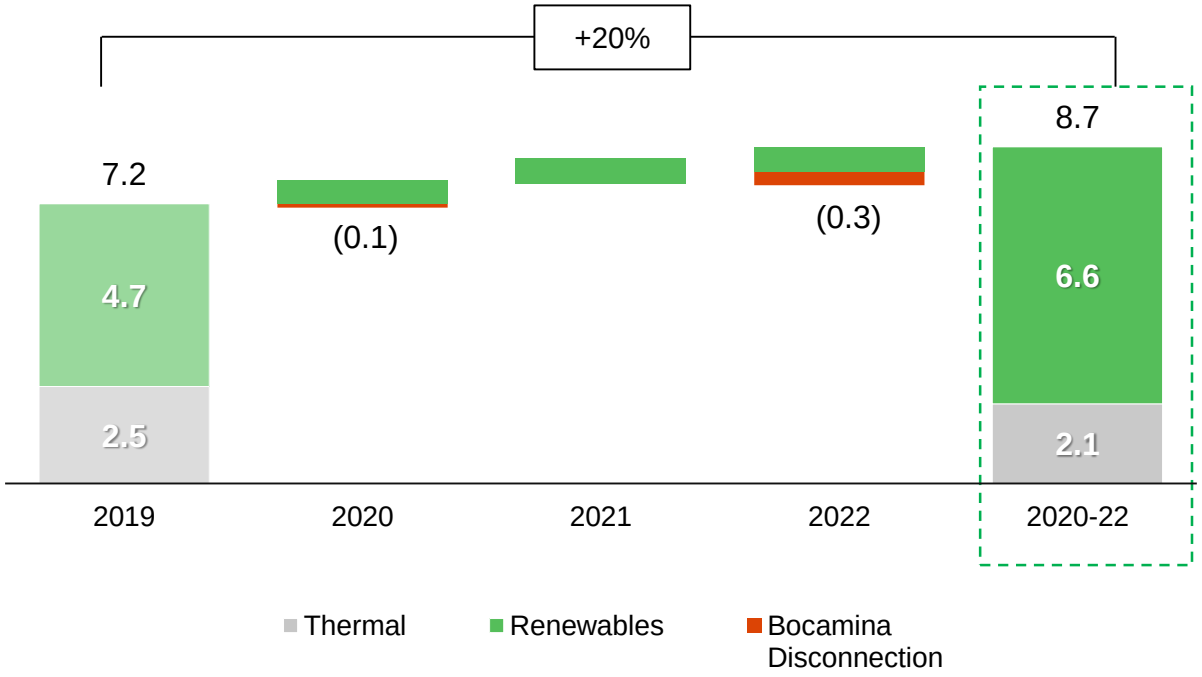
**+0.6 GW**
**in additional**
**Wind projects**

# Decarbonization strategy at a glance

## Driving the create value

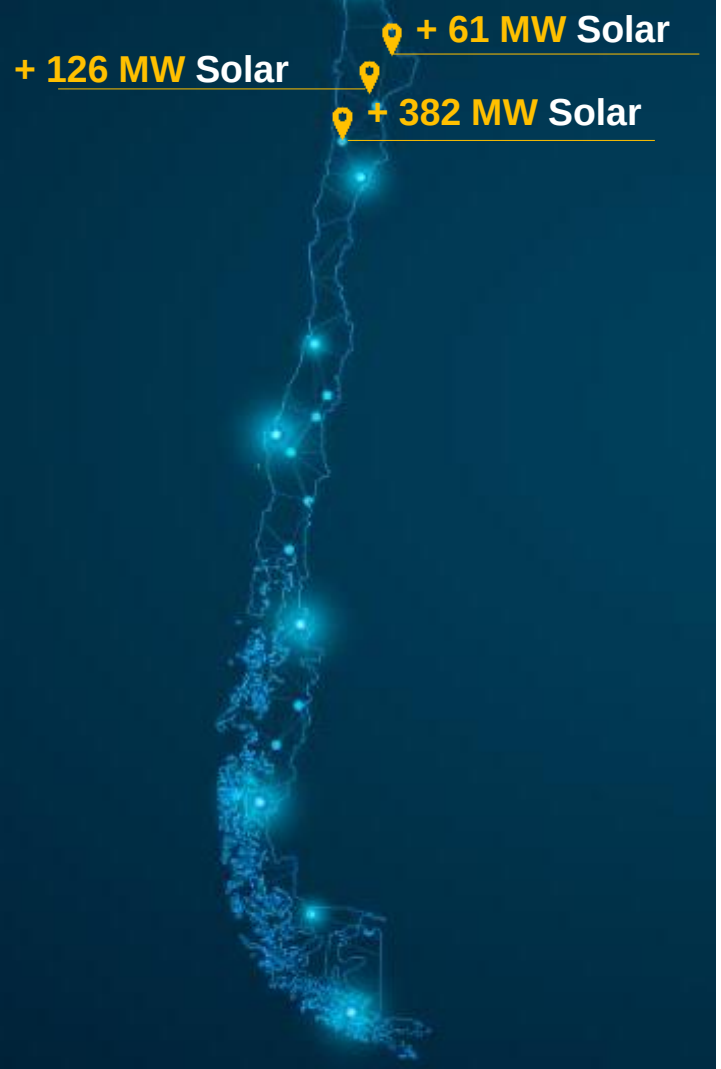
**+2GW**
2020-2022

### Net capacity evolution (GW)



# Renewables expansion

Projects under construction




## Renewables expansion to enhance commercial strategy

### Azabache

Solar power plant. First hybrid plant

61 MW Installed Capacity

### Campos del Sol

Solar power plant

382 MW Installed Capacity

### Finis Terrae

Solar power plant. Capacity expansion

126 MW Installed Capacity

# Renewables expansion

Projects under construction

## Renewables expansion to enhance commercial strategy

### Los Cóndores

Run of the river power plant

**150 MW** Installed Capacity

### Renaico II

Wind farm

**133 MW** Installed Capacity

### Cerro Pabellón III

Geothermal plant expansion

**33 MW** Installed Capacity

# Customer centricity

## Energy transition comes with new consumption trends

**Energy transition sets a new consumption trend**

- **Renewable sources have been demanded by customers**
- **New trends towards a conscientious energy consumption worldwide**
- **Scaling ecosystem by Enel X to drive new revenue streams opportunities**
- **Enel Chile looks to be a customer-engagement platform**

Up to

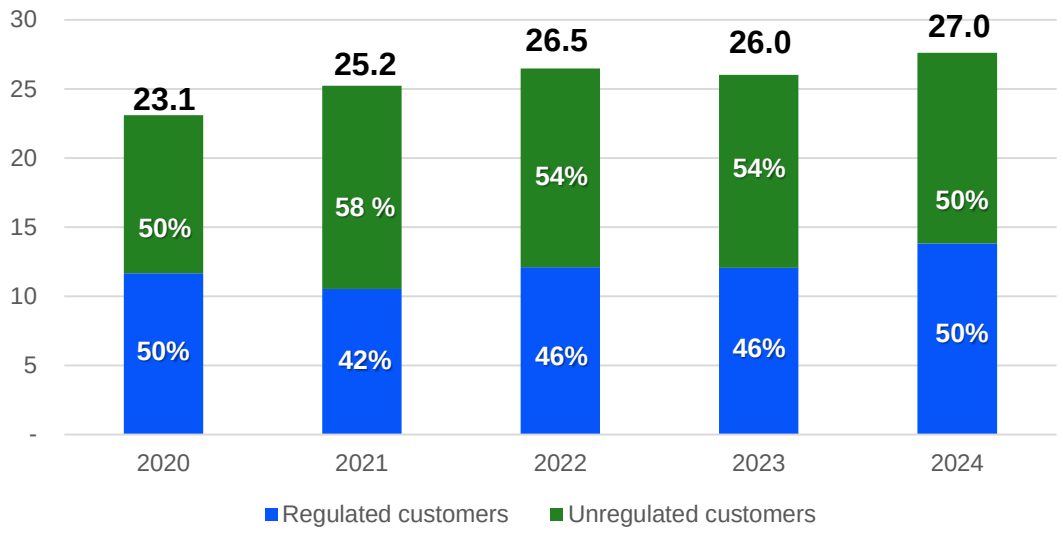
**7 TWh**/year

**100% Renewable PPA's signed with mining companies during 2019**

# Diversified client portfolio

## Commercial strategy leading to margin stability

### Contracts profile (TWh/year)[1]




- Avg. PPA prices US$ 70-75/MWh with an average duration of 11 years
- Active position in unregulated customers to capture all market opportunities leveraging on portfolio flexibility

### Supplying several industries

1. Up to March, 2020

# Enel X business

Boosting energy transition

## Customer centricity and new revenue streams

**National Electric Route**
From Arica to Punta Arenas

**1,200** Charging points

**Electric corridor**
First in Latam

**285** Electric buses in public transportation

**Public lighting**
Efficient and intelligent lighting system

**277k** Public lighting points throughout Chile

**E-buses in Collahuasi**
Promoting electric mobility in mining transport

**2** 100% Electric buses

New growth opportunities through new services, products and solutions.

Roll of opportunities, as Chile is better prepared in Latin America to assimilate the transition of the energy sector

Better positioned to face the liberalization of the Chilean market.

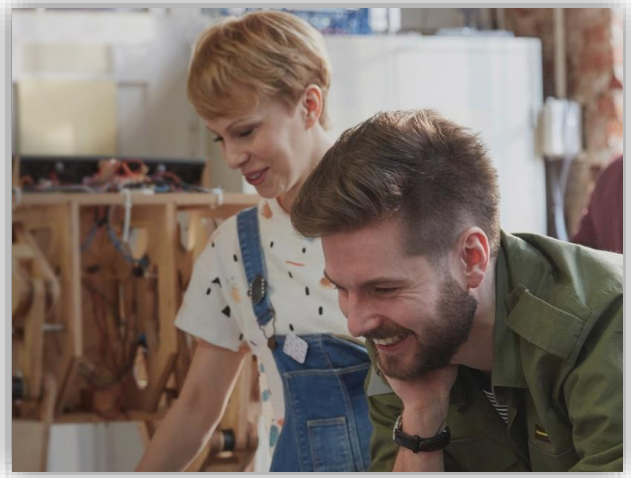
# Distribution business

Enabling infrastructure for the energy transition

## Sustainable and resilient electric system

Energy transition must be accompanied by a **solid electric infrastructure**

Focus on **digitalization as a key element** of infrastructure development, resilience and efficiency



Focus on **customer journey experience** to **digital** and **innovation**

# Enel Chile

## ESG integrated into strategy

# ESG Focus Indexes and Recognitions

Indexes, recognitions and certifications

Dow Jones Sustainability Indexes

**Chile Index**

**MILA Index**

**Emerging Markets Index**

MSCI

**“A” rate in 2019**

FTSE4Good

**Emerging Market and Latin America Emerging Market Index**

SAM

Now a Part of S&P Global

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

ISO 37001 CERTIFIED

Enel Chile

**ISO 37001 certification**

# A path that shaped the company as a key player in a new energy market

| | | 2018 | 2019 | 2022 |
|---|---|---|---|---|
| Renewable capacity | Owned RES capacity/ Total capacity | 63% | 65% | 76% |
| Coal power plants | # | 3 | 2 | - |
| Clients | # mn | 1.92 | 1.97 | 2.13 |
| Telecontrol | # | 1,733 | 2,148 | 2,969 |
| Charging points | # Charging points | 221 | 454 | 2,954 |

**Decarbonization & renewables**

**Enabling Infrastructure**

**Enabling Ecosystems**

# Chilean market updates

*Headquarters, Chile*

# Responding to COVID-19

Measures to ensure the safety of our people and business continuity

## Main measures already in place

- **Preventive measures and actions in accordance with the WHO[1] and the Chilean Ministry of Health recommendations**
- **Remote working fast implementation and focus on safeguarding our personnel that must go into work, guaranteeing their safety, at first, along with service´ continuity**
- **Temporarily closure of our distribution commercial offices**
- **Enel Group insurance policy for all employees in the event of hospitalization if they contract the COVID-19 virus**

75%

of Enel Chile total personnel

Working **remotely**[3]

100%

of our plants in

**Operation**

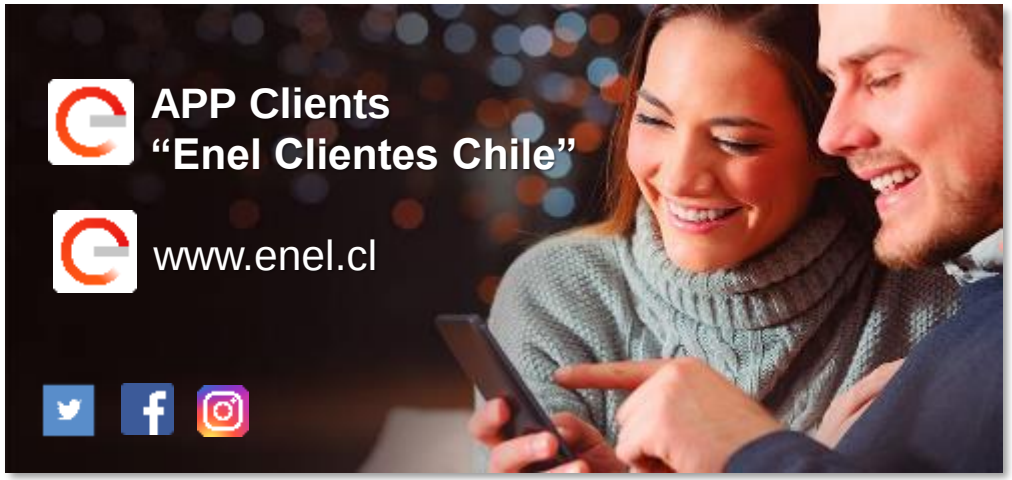
1. World Health Organization
2. Since March 25th, 2020
3. Data base of May, 4th 2020

# Responding to COVID-19

Measures to support our clients services and communities

## Main measures already in place

- **Reinforcement of our digital channels, allowing our clients to manage their bills and to get answers to questions from home**
  - **Special campaigns to increase awareness of our digital platforms**
- **Special payment plans for our most vulnerable customers. There will be no power cuts due to unpaid bills**
- **Campaign to work with our communities to solve urgent needs in health and nutrition**
  - **Donation of two 100% electric ambulances to the Chilean Red Cross and support to public hospital for their most urgent needs**




**292** thousands

users already

Downloaded the **APP**[1]

**Significant improvement**

of total payment made via

**Digital channels**

1. As of March 31st, 2020

# Responding to COVID-19

More power together. Elbow to Elbow

## Initiatives to face the contingence together

- **Electric bus as a mobile laboratory**
- **#CodoACodo at Hospital Calvo Mackenna**
- **Two electric ambulances to the Chilean Red Cross and one for TilTil Community Hospital**
- **The Quillota support bridge, over 200 packages of foodstuffs and toiletries**
- **Chilean University Clinical Hospital: 150,000 face masks for the center's medical staff and four critical care monitors**

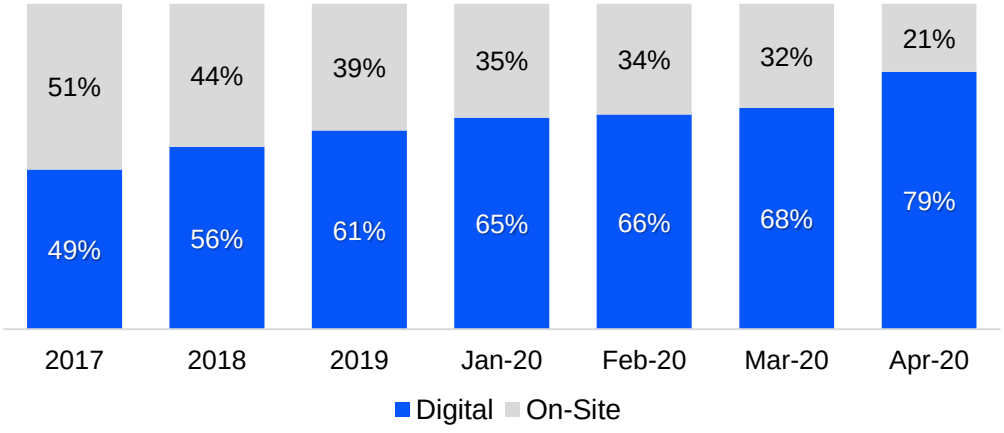
**Ch$1,000** mn

To support the community during the crisis

# Responding to COVID-19

## Evolution on digital and on-site payment and available channels

### Evolution on the total face to face and digital payments




Contracts with the main collectors in the country

### The service company with the largest payment alternatives[1]

**Transactions by channel** (april 2020)

**39%** External Websites — 11 Web portals

**26%** Enel Website

**14%** PAC PAT[2] — 12 channels

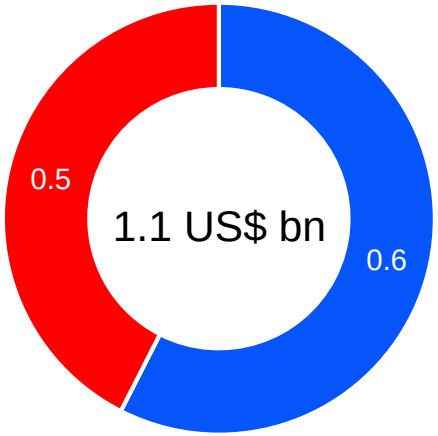
**21%** External on site — + 7.000 points

1. PAC: Automatic Payment with Bank Account (PAC: Pago Automático con Cuenta Corriente): PAT: Automatic Payment with Credit Card (Pago Automático con Tarjeta de Crédito)

# Liquidity position[1]

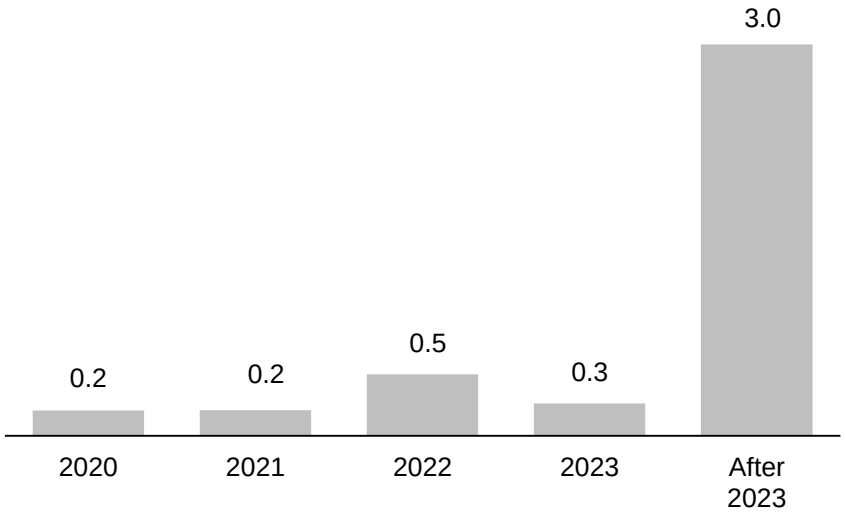
Business continuity supported by liquidity position

## Liquidity Position (US$ Bn)




- Available committed credit lines
- Cash[1]

## Debt maturity (US$ Bn)




Enough liquidity to support the maturities over the plan period

98% of gross debt has a fixed rate

97% of gross debt is USD denominated

Smooth debt maturity profile

Committed credit lines with maturity 2024

1. Figures as of March 31, 2020

# Sector and Regulatory updates

Energy sector framework and next steps

## Contingent matters

Regulatory changes following the global contingency

- **Chilean government announced benefits to most vulnerable population**
  - Bill payment will be deferred in 12 installments without interest
- **Peak hour tariff temporarily suspended during April/20 and May/20**
  - Daily duration reduced in 1 hour: to 6PM - 10PM from 6PM-11PM

## Structural changes

Changes to the national electricity framework

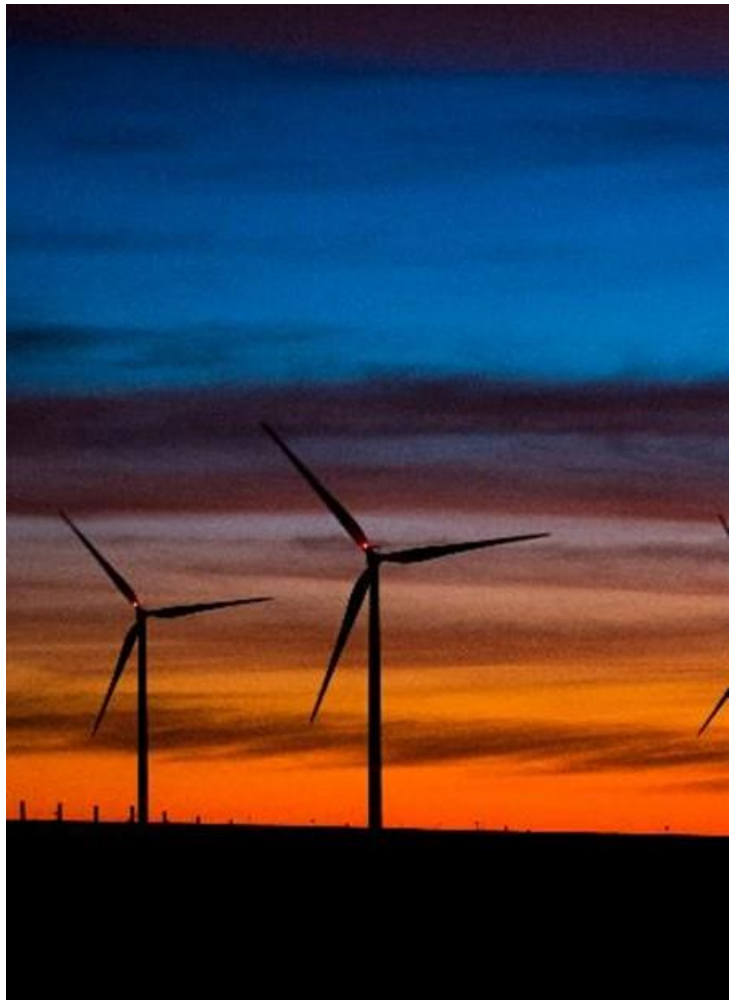
- **"Ley Larga" could be dispatched by 2021**
  - Potential topics to be addressed:
    - Commercialization
    - New elements to better align model and real company conditions
    - Market liberalization
- **New regulatory cycle based on new distribution tariffs defined by CNE (Energy Regulator) and officially published by the Ministry of Energy. Will be in force in November, 2020**

# Enel Chile

## Closing remarks

*Valle de los Vientos, Chile*

# Enel Chile
## Closing Remarks



- Quick management reaction to COVID pandemic supporting business continuity
- Digitalization will be key to meet customers new needs and behavior
- Commercial strategy aligned with decarbonization process and renewables deployment
- Enel X as an agent of to speed up the energy transition and to cope with customer-engagement platform
- Adequate financial liquidity to cope with headwinds

# Investor Relations

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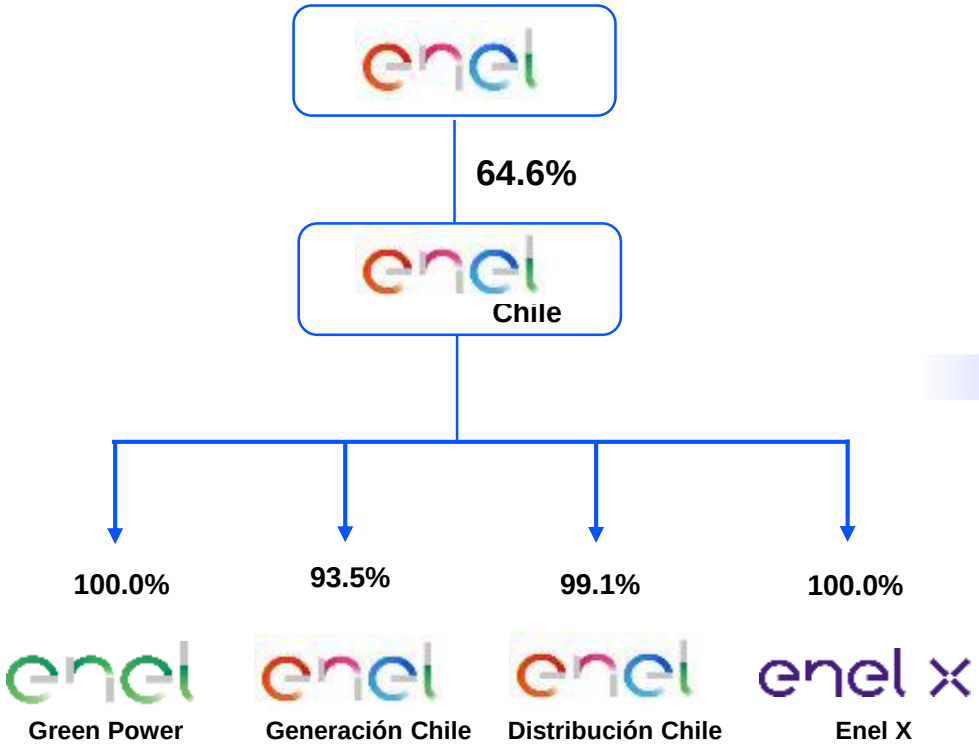
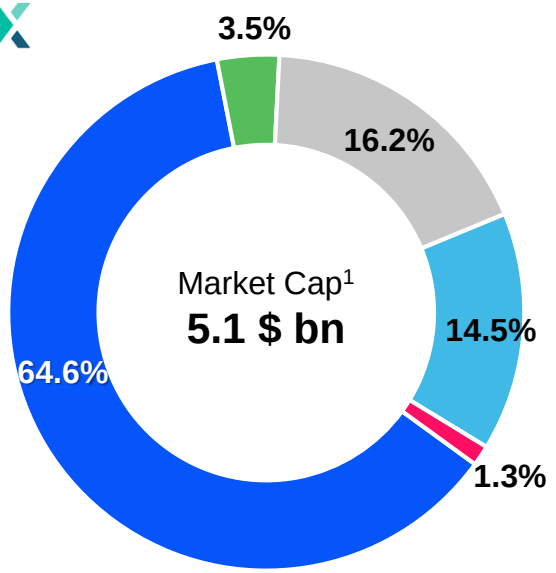
# Enel Chile

## Annexes

# Organization structure




## Enel Chile shareholders[1]




Enel SpA · ADRs · Institutional Investors · Pension Funds · Retail

1. As of May 31
2. Market cap as of May 31, 2020

# Credit Rating

## Enel Chile and Enel Generación Chile

### International market

**Enel Chile**

| Standard & Poor's | Moody's |
|---|---|
| BBB+ Stable | Baa2 Stable |
| **Affirmed** Oct/19 | **Affirmed** Jun/19 |

**Enel Generación**

| Standard & Poor's | Moody's | Fitch Ratings |
|---|---|---|
| BBB+ Stable | Baa1 Stable | A- Stable |
| **Affirmed** Oct/19 | **Affirmed** Jun/19 | **Upgraded** Jan/20 |

### Chilean market

**Enel Chile**

| Fitch Ratings | Feller Rate |
|---|---|
| AA+(cl) Stable | AA(cl) Stable |
| **Upgrade** Jan/20 | **Affirmed** Jul/19 |

**Enel Generación**

| Fitch Ratings | Feller Rate |
|---|---|
| AA+(cl) Stable | AA (cl) Stable |
| **Upgrade** Jan/20 | **Affirmed** Jul/19 |

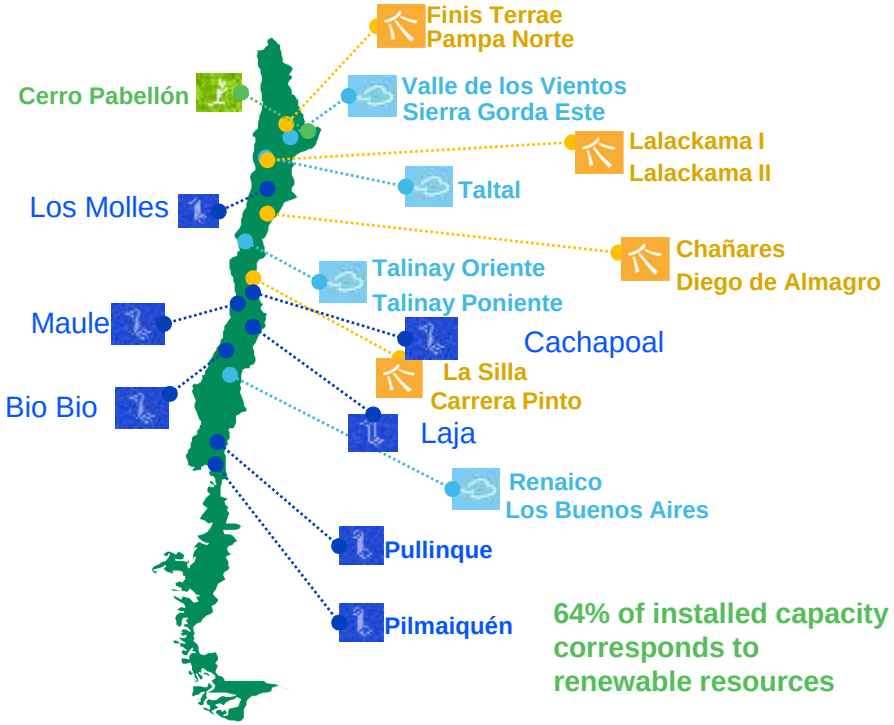
# Enel Chile

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

### THERMAL GENERATION

| | |
|---|---|
| Total installed capacity | 2.5 GW |
| Generation | 7.2TWh |

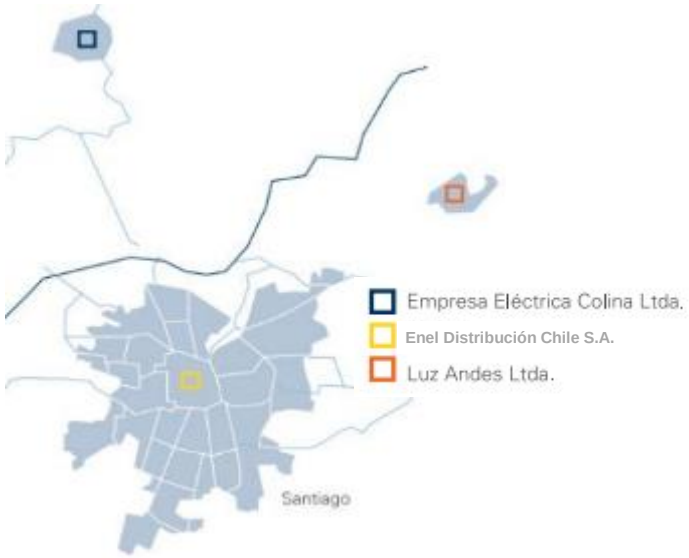
### RENEWABLES GENERATION




64% of installed capacity corresponds to renewable resources

| | |
|---|---|
| Total installed capacity | 4.7 GW |
| Generation | 13.8 TWh |

### POWER DISTRIBUTION



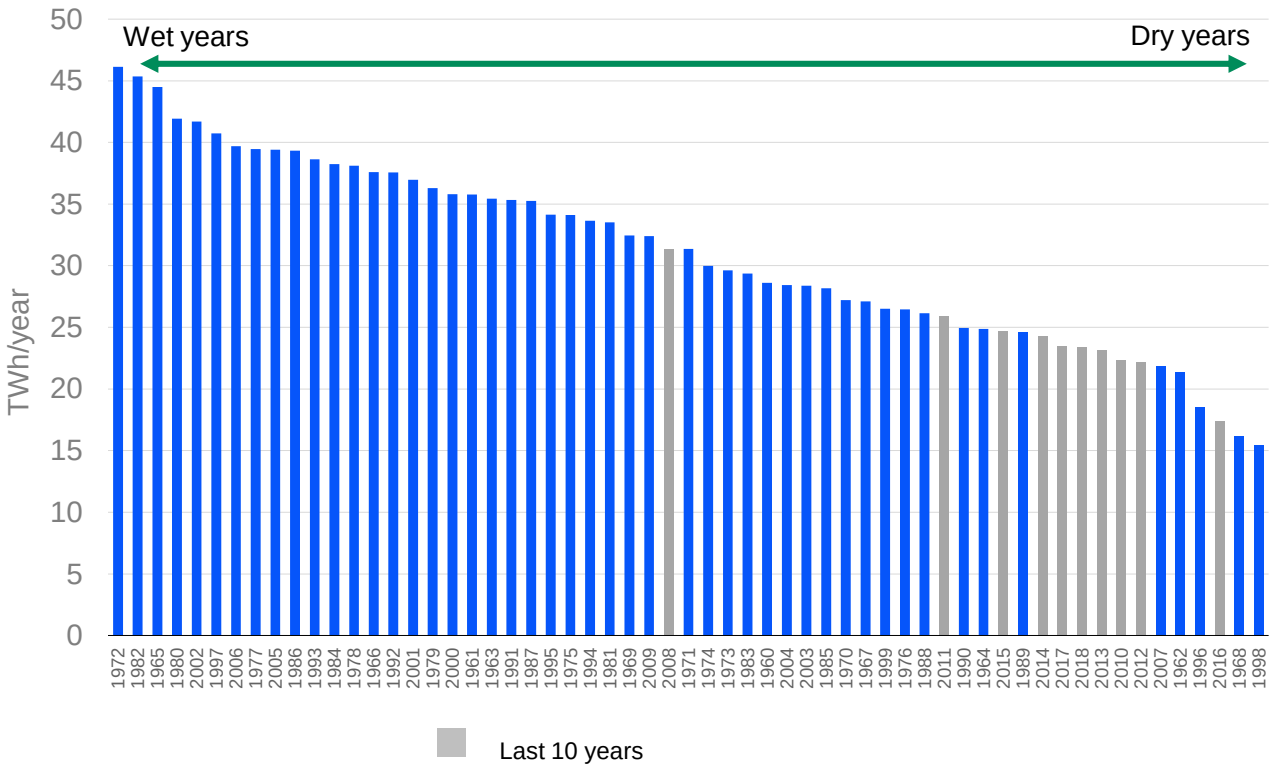

| | |
|---|---|
| Clients | 2.0 million |
| Market share | >40% |
| Concession period | Indefinite |
| Energy distributed | 17.1 TWh |
| Energy losses | 5.0% |

1. Data as of 2019

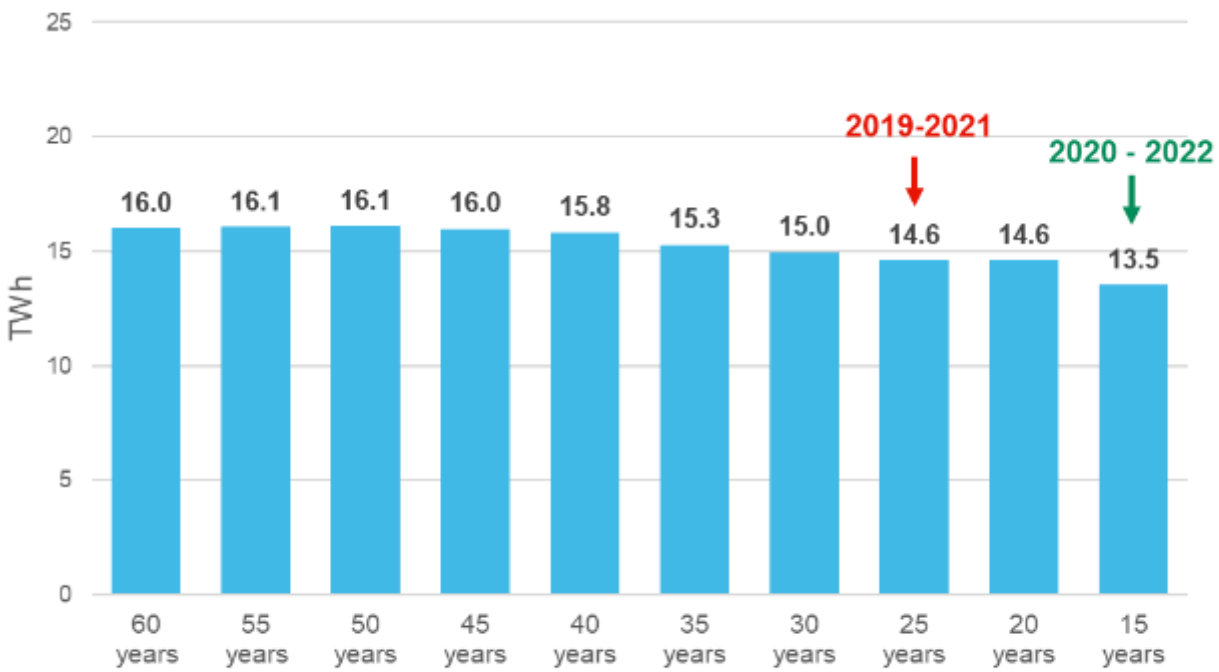
# Main assumptions

## Hydro conditions

### National system hydro generation (TWh/year)




### Enel Chile average hydro generation (TWh/year)



# Engaging local Communities

| Plan actions | 2019[1] | 2020-2022 targets[1] |
|---|---|---|
| • High-quality, inclusive and fair education | • 79,800 beneficiaries | • 139,000 beneficiaries in 2022[1] |
| • Access to affordable and clean energy | • 198.900 beneficiaries | • 200,000 beneficiaries in 2022[1] |
| • Employment and sustainable and inclusive economic growth | • 371,400 beneficiaries | • 447,000 beneficiaries in 2022 |

1. Cumulated figures since 2015

# Corporate governance structure

## Board of Directors

| | | |
|---|---|---|
| H. Chadwick | | Chairman of the Board |
| G. Fazio | | Director |
| S. Bernabei | | Director |
| F. Gazmuri | | Director |
| D. Caprini | | Director |
| G. Jofré | | Director |
| P. Cabrera | | Director |

Independent  Non independent

# Management of the company

## Management Team

| | |
|---|---|
| P. Pallotti | Chief Executive Officer |
| G. Turchiarelli | Chief Financial Officer |
| L. Schnaidt | People and Organization |
| M. De Martino | Regulation |
| E. Belinchón | Internal Audit |
| P. Urzúa | Institutional Affairs Officer |
| A. Pinto | Safety |
| D. Valdés | Counsel |
| C. Vera | Communication |
| A. Pellegrini | Sustainability &Community Relations |
| R. Puentes | Procurement |
| A. Barrios | Digital Solutions |
| A. Dunsmore | Services |
| Karla Zapata | Enel X |
| J. Stancampiano | Enel Green Power |
| R. Castañeda | Infrastructure & Networks |
| M. Siciliano | Enel Generación |