



# 1Q 2017 Results Emgesa and Codensa

April 27<sup>th</sup>, 2017



Grupo Enel

## Disclaimer



## **IFRS adoption**

- 1. Financial statement figures shown in this presentation as of March 31st, 2017 were prepared in Colombian pesos (COP) under IFRS officially applied in Colombia since January 2015.*
- 2. Some figures have been converted into US Dollars (USD) for presentation purposes, using average and end-of-period FX rates. Percent variations are however calculated in COP. The average exchange rate for the period January-March 2017 was \$2.922,47 COP/USD and the exchange rate as of March 31st, 2017 was \$2.880,24 COP/USD.*

# 1Q 2017 results

## Highlights 1Q 2017

**Aggregated Net Income of USD\$127,6 MM** (Dx:+32.7% and Gx:-1.5%) reflecting EEC merger into Codensa at the end of 2016, as well as stable operating results, efficient cost management and lower financial expenses

**Aggregated CAPEX reached USD\$58,4 MM, (+14% Y/Y)** focused in Dx (USD\$45 MM), and was mainly aimed at telecontrol, quality of service, electrical substations, connections, public lightning and generation plants maintenance.

### **Successful local bond placement by Codensa in March**

USD\$ 145 million equivalent in 2 and 5 year tenors at an average 7,26% fixed rate in pesos.

# 1Q 2017 results

## 1Q Regulation Update - Colombia

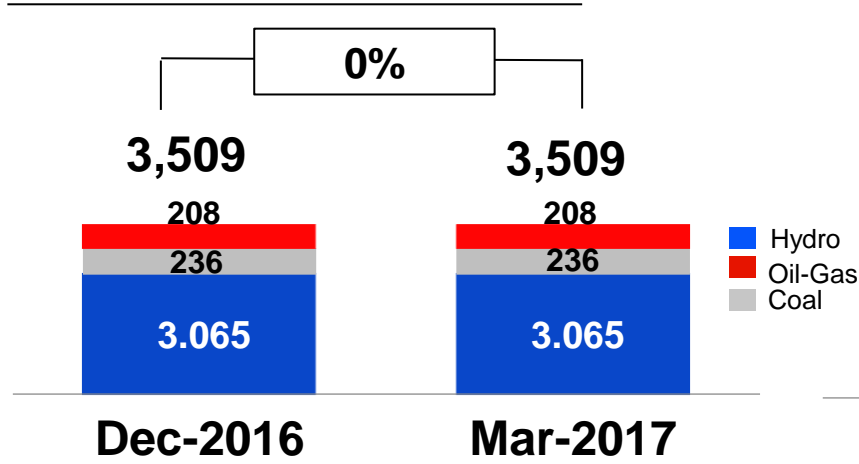
<p><b>Distribution</b></p>	<ul style="list-style-type: none"> <li>▪ <b>CREG Resolution No. 019 / 2017 – Remuneration methodology for distribution business</b> <ul style="list-style-type: none"> <li>✓ Defines the terms of the new remuneration methodology for the distribution business (in consultation).           <ul style="list-style-type: none"> <li>○ Initial RAB: expected adjustment factor of 11%, improving significantly vs Res 176 / 2016</li> <li>○ Investment plan: cap at 8% of gross asset base; changes of investment plan permitted every 2 years; demands an annual execution verification of the investment plan</li> <li>○ WACC for distribution assets = 13.1%</li> <li>○ Losses: Recognition of energy losses based upon the fulfillment of a minimum level of annual investments</li> <li>○ Quality: Starting point based on SAIDI and SAIFI of 2013-2016. Annual reduction of 8%.</li> </ul> </li> </ul> </li> <li>▪ <b>Decree 281/2017 – DNP: Sanctions Methodology for the Superintendence of Public Services:</b> <ul style="list-style-type: none"> <li>✓ Defines the criteria to impose fines, mitigation or aggravation circumstances, as well as the proportionality and reasonableness of the sanction.</li> </ul> </li> </ul>
<p><b>Generation</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Resolution 4 0006 / 2017 – MME: Natural Gas Supply Plan:</b> Ensure the security of supply and reliability of natural gas in Colombia</li> </ul>
<p><b>Generation &amp; Distribution</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Decree 281/2017 – MME:</b> Autogeneration and smart metering       <ul style="list-style-type: none"> <li>✓ Seeks to promote efficient energy management and places MME in charge of the guidelines for smart metering systems in Colombia</li> </ul> </li> </ul>

# 1Q 2017 results

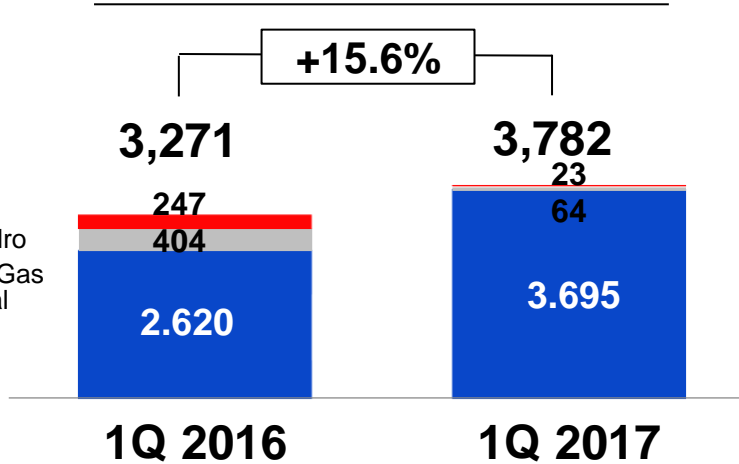
## Operating Highlights

Generation

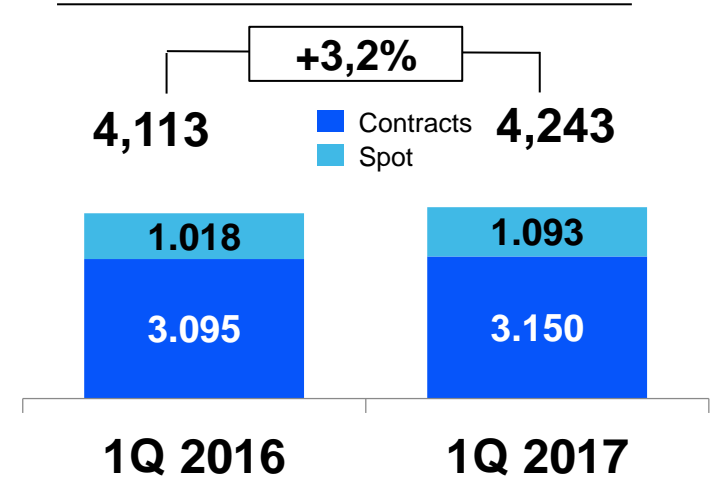
### Installed capacity (MW)



### Net Production (GWh)

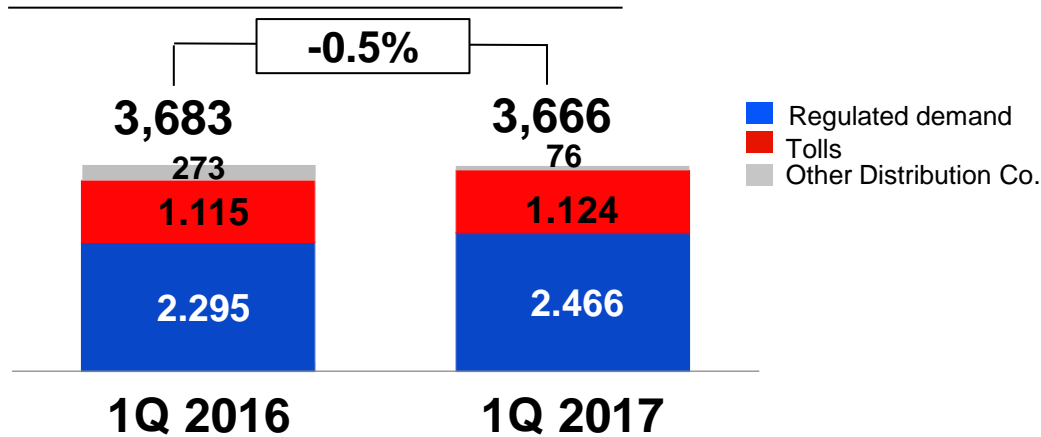


### Electricity Sales (GWh)

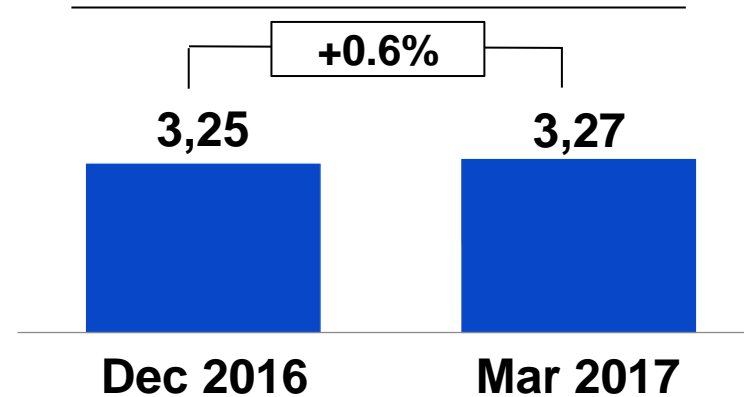


Distribution

### Electricity Distributed (GWh)



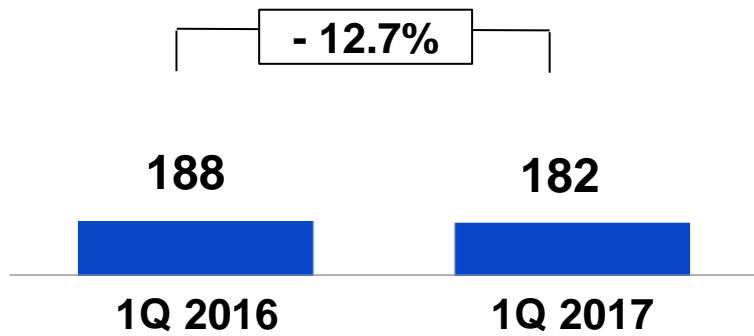
### Number of Customers (Mn)



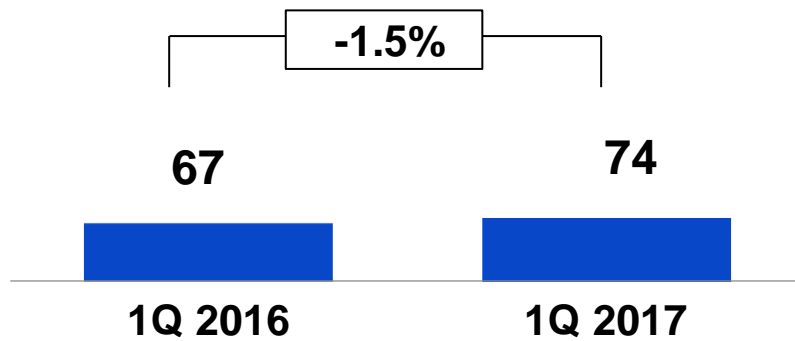
# 1Q 2017 results

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

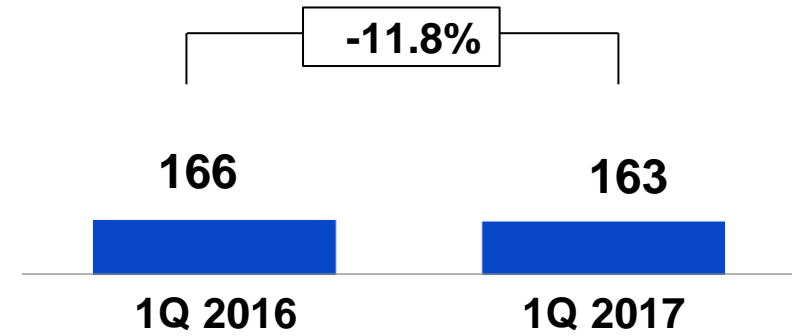
## Gross Margin



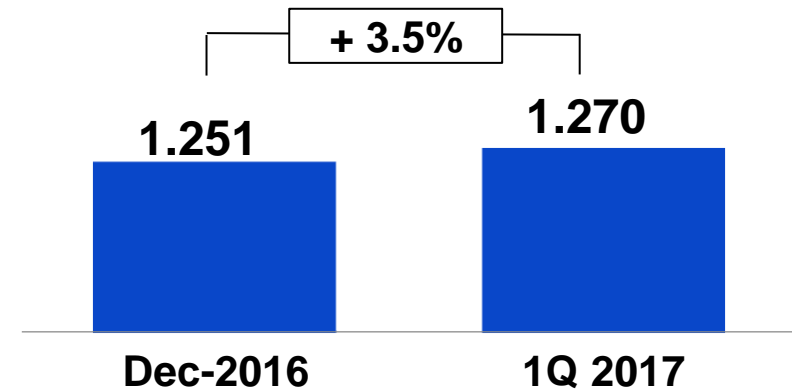
## Net Income



## EBITDA



## Net Debt<sup>2</sup>



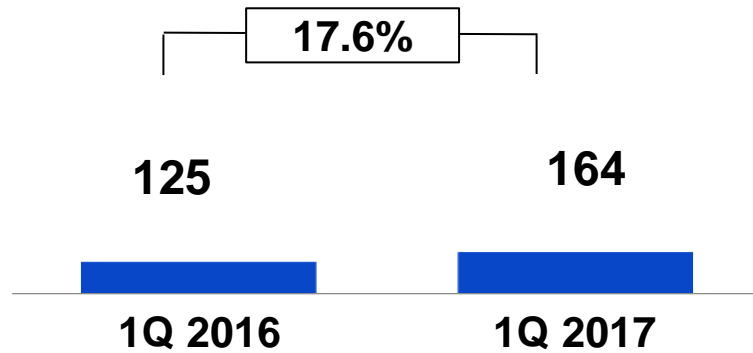
1. The average exchange rate for the period January-December 2016 was \$3050,98 COP/USD and the exchange rate as of December 31<sup>st</sup>,2015 was \$3000,71 COP/USD. The average exchange rate for the period January-March 2017 was \$2922,47 COP/USD and the exchange rate as of March 31<sup>st</sup>,2017 was \$2880,24 COP/USD.

2. Comparisons between periods are made based on figures in Colombian pesos..

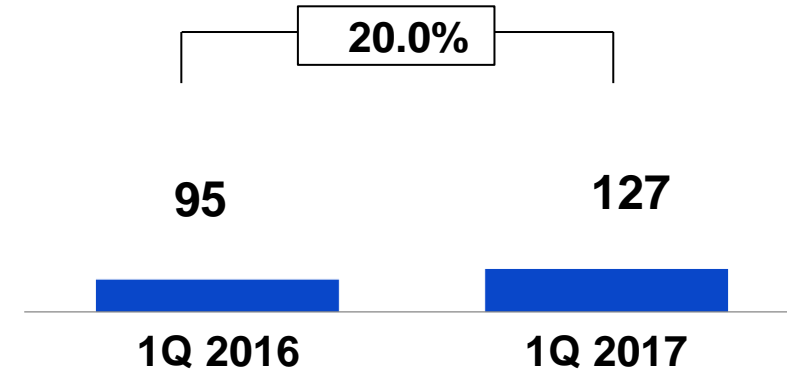
# 1Q 2017 results

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

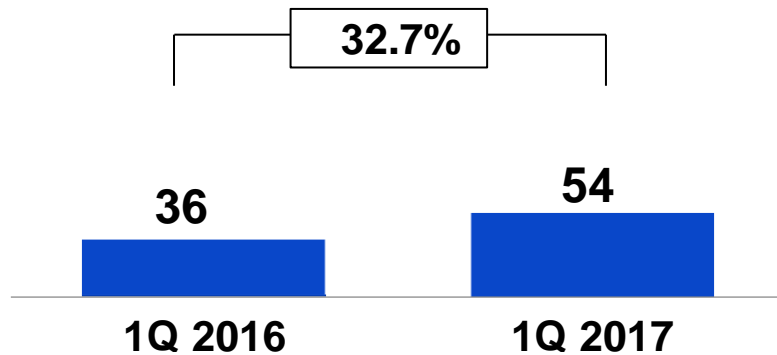
## Gross Margin



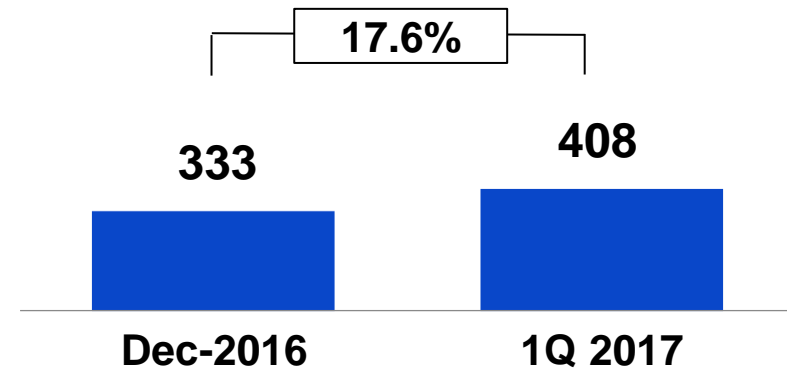
## EBITDA



## Net Income



## Net Debt<sup>2</sup>

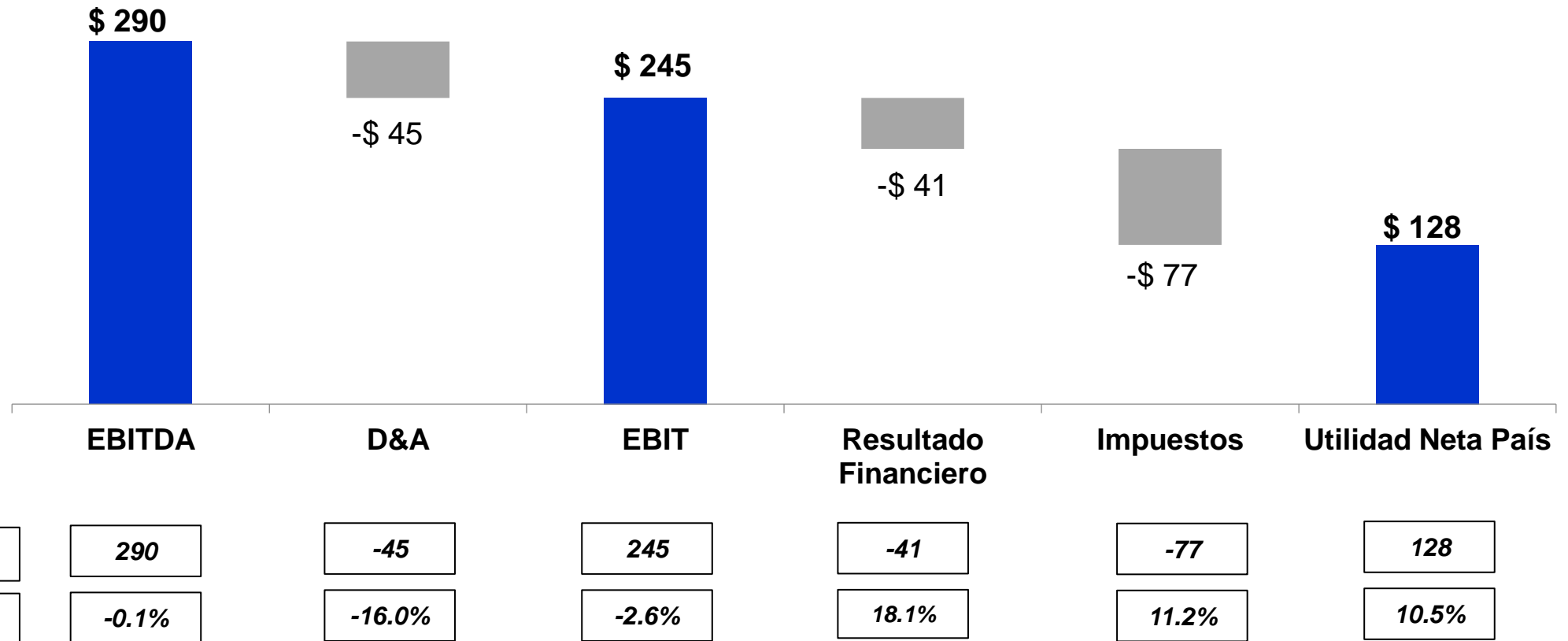


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2. Comparisons between periods are made based on figures in Colombian pesos..

# 1Q 2017 Results

Colombia- From EBITDA to Net Income (US\$ mn<sup>1</sup>)

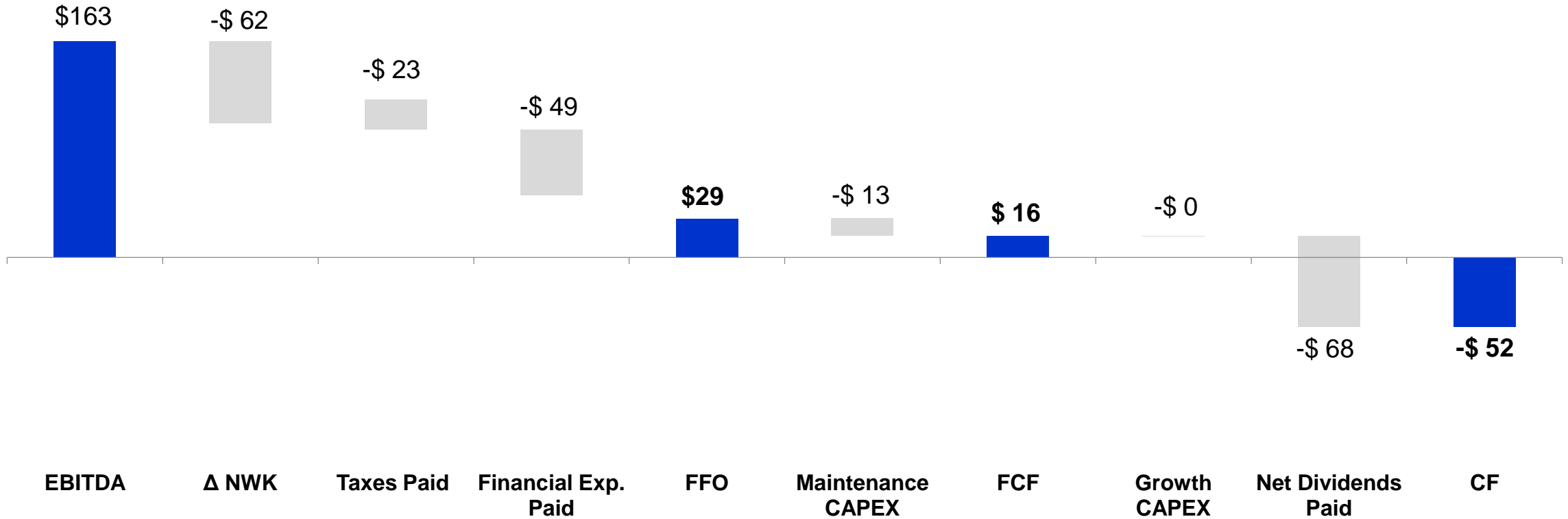


1. Comparisons between periods are made using the average USD FX rate as of March 31<sup>st</sup> 2017 equal to 2.922,47 COP/USD only for information purposes. Original data is in Colombian pesos.



# 1Q 2017 results

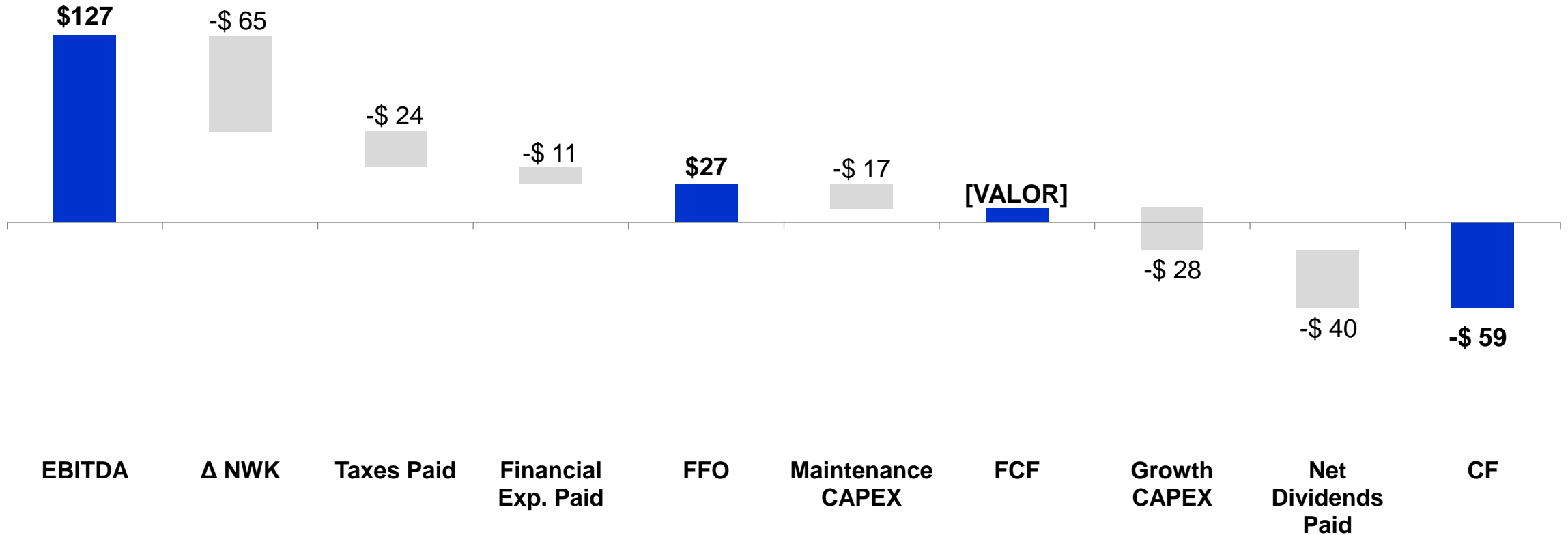
## Emgesa- Cash Flow (US\$ mn)



*FX: \$2,922.47 COP/ USD*

# 1Q 2017 results

Codensa- Cash Flow (US\$ mn)



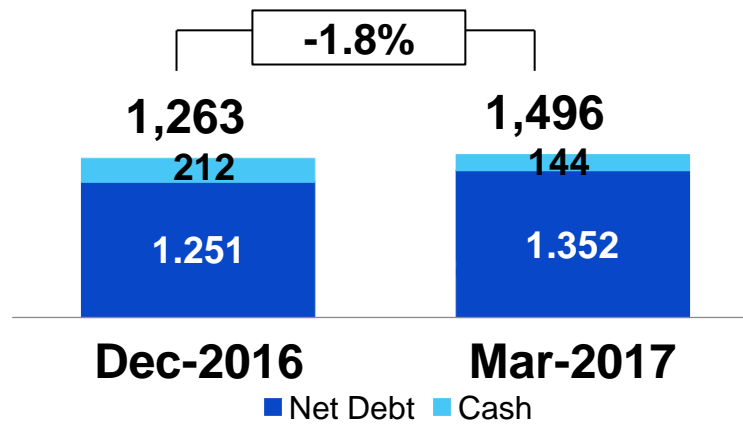
FX: \$2,922.47 COP/ USD

# 1Q 2017 results

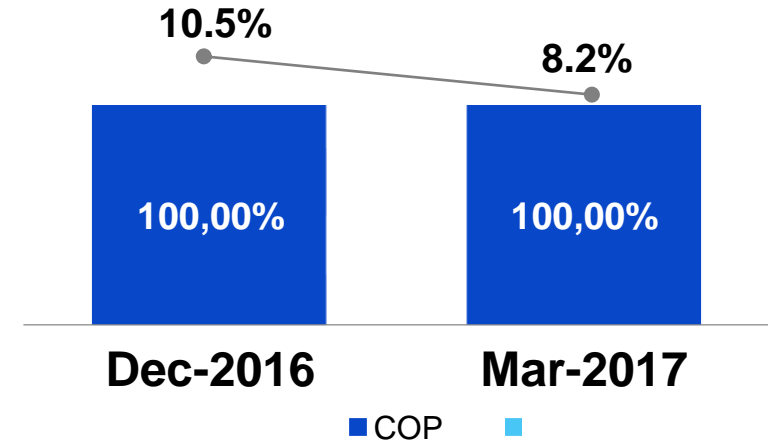
Gross debt breakdown (US\$ mn)

Generation

Gross and Net Debt (US\$ mn)

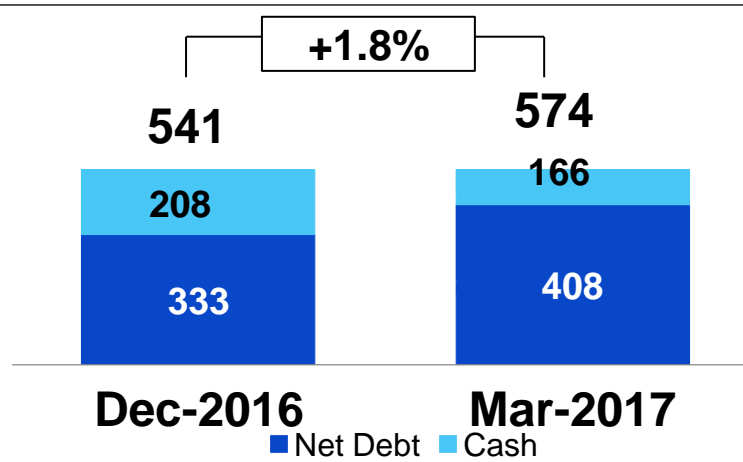


Gross debt breakdown by currency and Average Cost of Debt

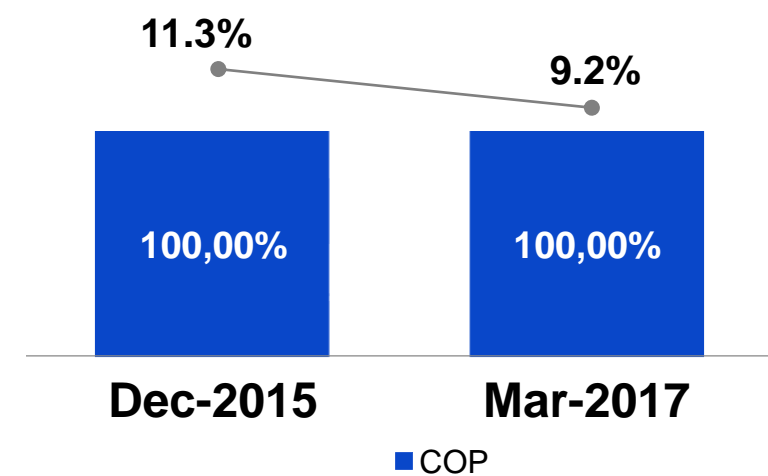


Distribution

Gross and Net Debt (US\$ mn)



Gross debt breakdown by currency and Average Cost of Debt



(1) 100% of principal and interest payments hedged to COP through derivatives

# 1Q 2017 results

## Closing Remarks

**Positive results for Emgesa and Codensa during 1Q 2017**, explained mainly by stability in operating revenues accompanied by a decreased in financial expenses

**Energy demand shows a negative trend for the whole system**, where industry activity in Colombia shows the first signs of deceleration

**CAPEX execution focused on projects from the distribution business**

# Investor Relations Team



Grupo Enel



El Reconocimiento Emisores - IR otorgado por la Bolsa de Valores de Colombia S.A. no es una certificación sobre la bondad de los valores inscritos ni sobre la solvencia del emisor

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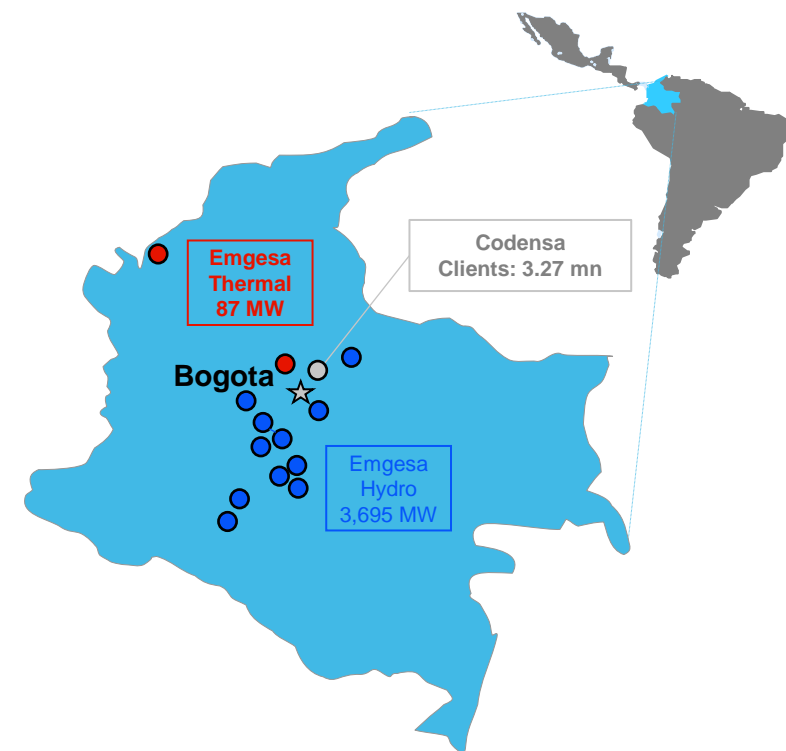


# Exhibits

# 1Q 2017 results

Snapshot of Operating and Financial results (US\$ mn) <sup>(1)</sup>

	Generation			Distribution			Total		
	1Q 16	1Q 17	% <sup>(2)</sup>	1Q 16	1Q 17	% <sup>(2)</sup>	1Q 16	1Q 17	% <sup>(2)</sup>
Revenues	340	<b>272</b>	-27,9	312	<b>377</b>	8,6	652	<b>649</b>	-10,4
EBITDA	166	<b>163</b>	-11,8	95	<b>127</b>	20,0	261	<b>290</b>	-0,2
CAPEX	7	<b>13</b>	76,6	39	<b>45</b>	3,0	46	<b>58</b>	13,8
Net Production (GWh)	3,271	<b>3,782</b>	15,6	-	-	-	3,271	<b>3,782</b>	15,6
Energy Sales (GWh)	4,113	<b>4,243</b>	3,2	3,683	<b>3,666</b>	-0,5	-	-	-
Clients (mn)	-	-	-	3.25 <sup>(3)</sup>	<b>3.27 <sup>(4)</sup></b>	0.6	3.25 <sup>(3)</sup>	<b>3.27 <sup>(4)</sup></b>	0.6



(1) The average exchange rate for the period January-March 2016 was \$3249,04 COP/USD and the exchange rate as of March 31<sup>st</sup>,2016 was \$3022,35 COP/USD. The average exchange rate for the period January-March 2017 was \$2922,47 COP/USD and the exchange rate as of March 31<sup>st</sup>,2017 was \$2880,24 COP/USD.

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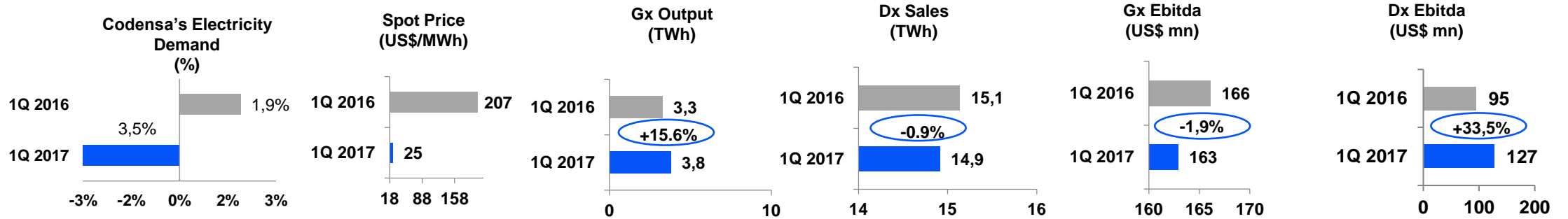
(3) As of December 31, 2016.

(4) As of March 31, 2017

# Operating Exhibits 1Q 2017

Business context 1Q2017 v/s 1Q2016

Colombia



	Net installed capacity Generation (MW)			Total Net Production (GWh)
	GW	Hydro	Oil-Gas/ Coal	Jan-Mar/17
Guavio		1.250		1.620
Pagua		600		812
Cartagena			187	23
Termozipa			224	64
Minor/ Run of the river		270		233
Betania		540		629
Quimbo		396		401
<b>Total</b>		<b>3.056</b>	<b>411</b>	<b>3.782</b>



# Financial Exhibits 1Q 2017

Debt structure, liquidity and credit profile- Emgesa + Codensa

Liquidity (US\$ mn)	Amount	Outstanding	Available
Committed credit lines	-	-	-
Cash and cash equivalents <sup>1</sup>	305	n.a.	305
Uncommitted lines	1.585	345	1.240
<b>Total liquidity</b>	<b>1.891</b>	<b>345</b>	<b>1.545</b>

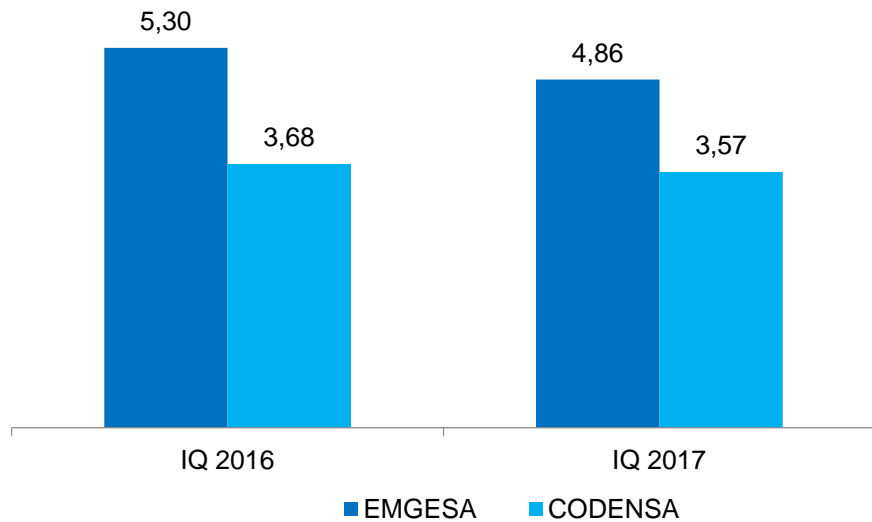
Company	Credit Profile as of Mar. 2017	S&P	Fitch
Emgesa	LT international debt	BBB	BBB
	LT local debt	-	AAA(cl)
	Outlook (Int'l)	Negative	Stable
	Local Bonds Issuances		AAA(cl)
Codensa	LT local debt	-	AAA(cl)
	Local Bonds Issuances		AAA(cl)

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

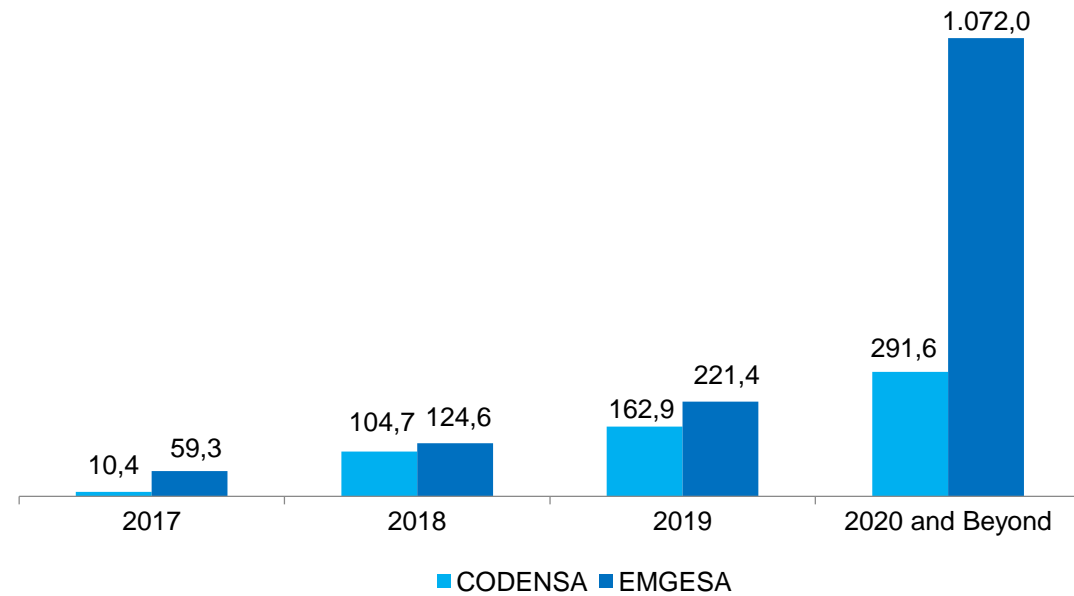
# Financial Exhibits 1Q 2017

## Debt maturity

Average residual maturity (years)



Debt profile (US\$ Mn)



## Disclaimer

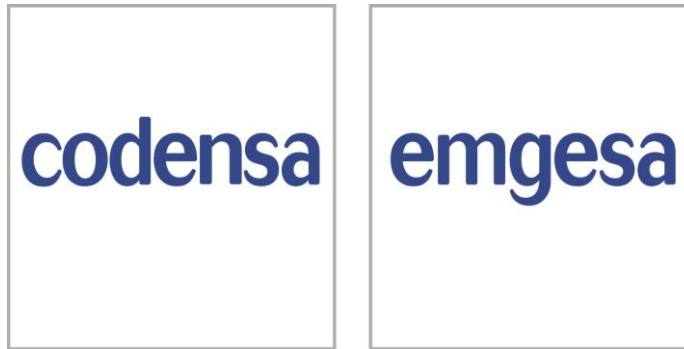


## **IFRS adoption**

- 1. Figures of the financial statements used in this presentation as of March 31st, 2017 were prepared in Colombian pesos under IFRS officially applied in Colombia since January 2015.*
- 2. The average exchange rate for the period January-March 2017 was \$2.922,47 COP/USD and the exchange rate as of March 31st, 2017 was \$2.880,24 COP/USD.*



Grupo Enel



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