

ENGIE Energía Perú

Results as of June 2017



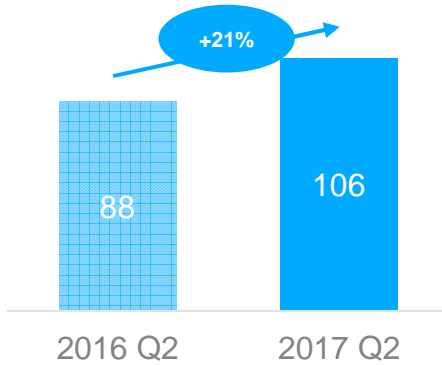
2017 Q2 HIGHLIGHTS

- **Total energy generation (SEIN) grew 2%** compared to H1 2016. During H1 2017, EEP was the first private player of the sector accounting for **21%** of the total capacity and **15%** of the total energy generation of the system.
- **Q2 2017 EBITDA** reached **105.6MUSD** while **Net Result** totalized **54.8MUSD**, growing **21% and 11%** respectively compared to Q2 2016. The increase was mainly explained by an extraordinary income from Las Bambas penalty and the start of Nodo Energetico project; which was partially offset by the end of Southern Peru Copper Corporation (SPCC) PPA.
- H1 2017 EBITDA reached 213.7MUSD while Net Result totalized 109.9MUSD, growing 17% and 7% respectively compared to H1 2016.
- The 20-year PPA with **Southern Peru Copper Corporation (SPCC) ended in April 2017**. As a result, 111.5MW from old units were disconnected from the grid as they will be no longer required. Units disconnection will not have an impact on commercial margin.
- **Las Bambas** confirmed their intention to terminate its PPA at the **end of August 2017**. A **termination penalty of 28 MUSD** is expected to be collected in July.
- EEP successfully issued **~101 MUSD of local corporate bonds** in two tranches (**25MUSD @ 7y & 76MUSD @ 10y**). The bonds were issued in local currency and backed by a cross currency interest rate swap, resulting in a final cost of debt in dollars of **3.15% and 3.55%**, respectively.

MAIN FINANCIAL RESULTS Q2 & H1 2017

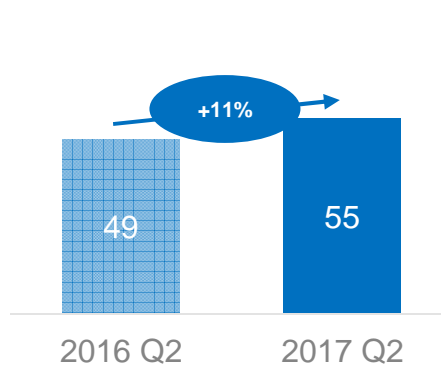
EBITDA Q2

EBITDA MUSD



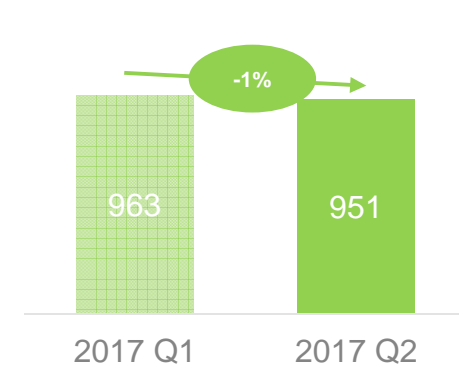
Net Result Q2

Net Result MUSD



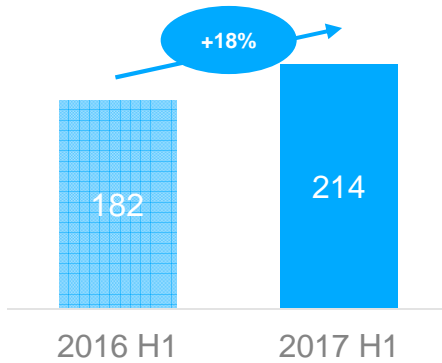
Total Debt Q2

Total Debt MUSD



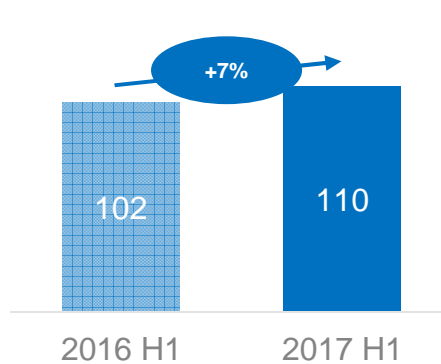
EBITDA H1

EBITDA MUSD



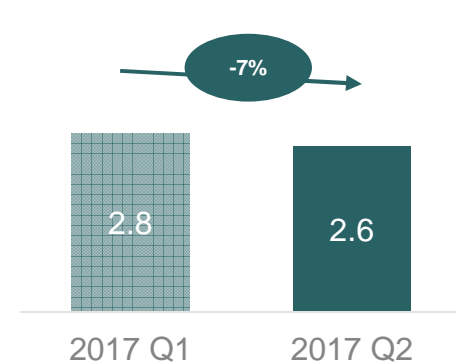
Net Result H1

Net Result MUSD



Net Debt / EBITDA (12m)

Net Debt / EBITDA x



ENERGY PRODUCTION AND BALANCE Q2 2017

Lower thermal generation in second quarter due to higher supply from hydro power plants given a longer than expected rainy season

GWh	2015		2016		1H 2016		1H 2017		1H'17 / 1H'16	2Q 2016		2Q 2017		2Q'17 / 2Q'16
Yuncán HPP	901	10%	760	8%	453	20%	520	22%	15%	176	8%	244	10%	39%
Quitaraca HPP	88	1%	484	5%	302	13%	360	15%	19%	124	5%	157	7%	27%
Chilca1 CCGT	5,838	66%	5,617	63%	2,535	111%	2,275	97%	-10%	1,454	64%	1,140	49%	-22%
Chilca2	0	0%	220	2%	0	0%	22	1%	0%	0	0%	11	0%	0%
Ilo21 (Coal)	248	3%	773	9%	316	14%	371	16%	17%	185	8%	143	6%	-22%
Ilo1 (Diesel)	62	1%	210	2%	112	5%	55	2%	-51%	39	2%	39	2%	-1%
Ilo31 (Cold Reserve)	35	0%	100	1%	42	2%	6	0%	-86%	4	0%	5	0%	17%
NEPI	0	0%	18	0%	0	0%	4	0%	0%	0	0%	3	0%	0%
Importaciones (Ecuador)	0	0%	21	0%	0	0%	0	0%	0%	0	0%	0	0%	0%
Auxiliaries	-100	-1%	-289	-3%	-110	-5%	-95	-4%	-14%	-73	-3%	-58	-2%	-21%
NET GENERATION	7,072	81%	7,914	88%	3,743	164%	3,518	150%	-6%	2,000	88%	1,684	72%	-16%
COES: NET	1,711	19%	1,061	12%	922	40%	1,543	66%	67%	281	12%	1,028	44%	266%
CLIENTS DEMAND	8,783	100%	8,976	100%	4,665	204%	4,688	200%	1%	2,282	100%	2,340	100%	3%

MAIN RESULTS Q2 2017

Recurrent results negatively affected by end of long term PPA with SPCC

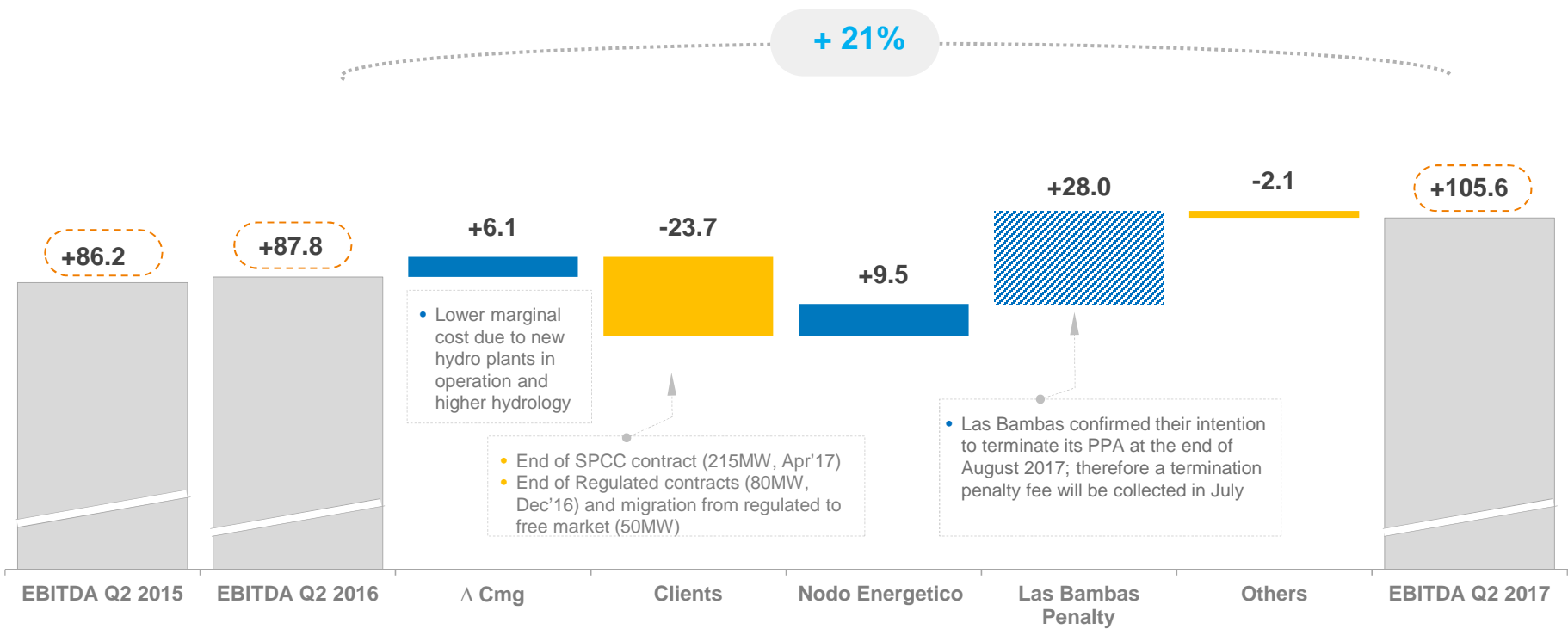
Main Financial Results

(MUSD)	2Q17	2Q16	2Q17 / 2Q16	1H17	1H16	1H17 / 1H16	2016	2015	2016 / 2015
Income	174	179	-3%	370	378	-2%	748	714	5%
Recurrent EBITDA*	78	88	-11%	186	182	2%	330	325	1%
EBITDA	106	88	21%	214	182	18%	309	321	-4%
Net Recurrent Result*	35	49	-29%	90	102	-12%	175	173	1%
Net Result	55	49	11%	110	102	7%	132	181	-28%
Total Debt	951	1,004	-5%			n.a	1,009	1,004	1%
Net Debt	872	926	-6%			n.a	981	951	3%
Net Generation GWh	1,684	2,000	-16%	3,518	3,743	-6%	7,914	7,072	12%
Clients Demand GWh	2,340	2,282	3%	4,688	4,665	1%	8,976	8,783	2%
Net Debt / EBITDA 12m	2.56	2.79	-8%			n.a	3.18	2.97	7%

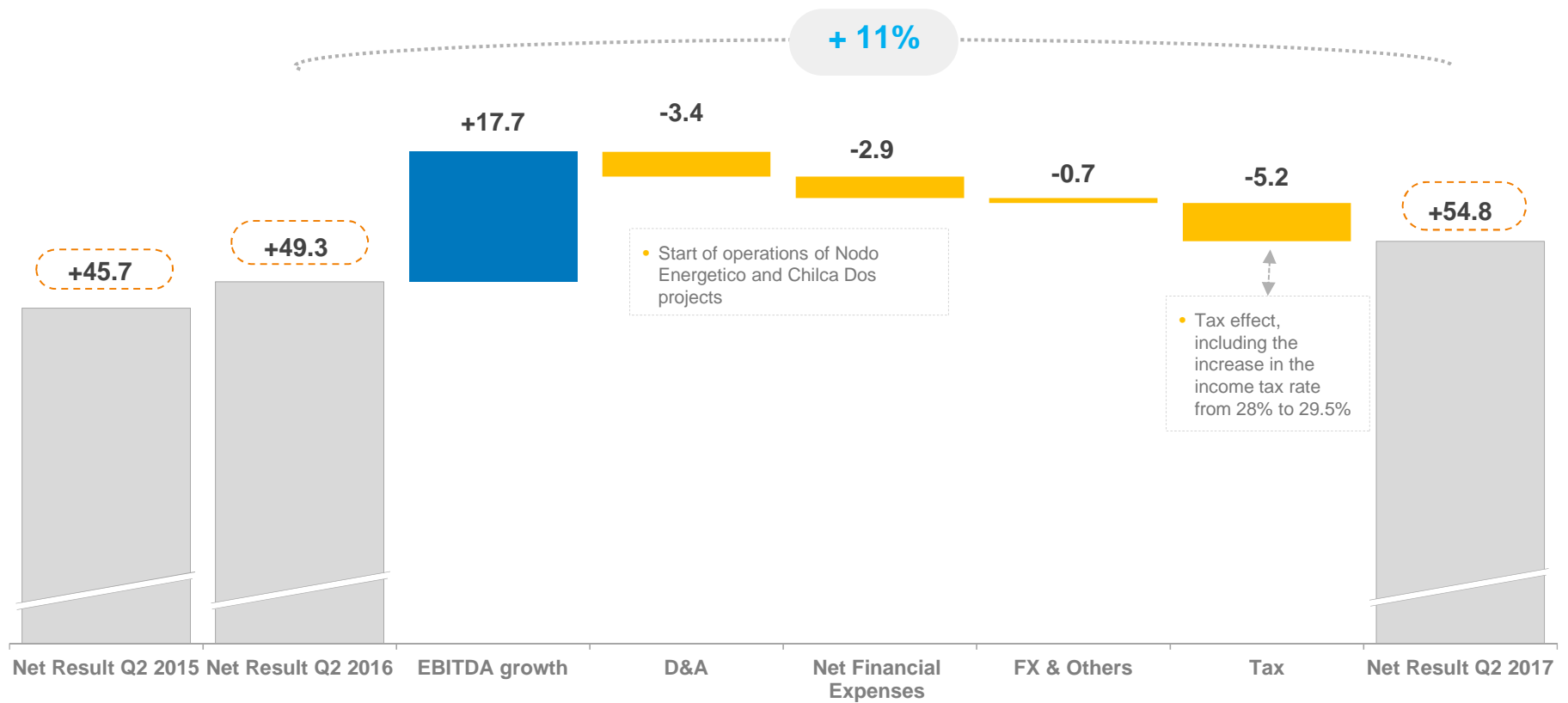
- **Q2 2017 EBITDA grew 21% to 106MUSD** and was positively impacted by non recurrent termination fee from Las Bambas. Recurrent EBITDA decreased by 11% to 78MUSD explained by the end of SPCC PPA; which was partially offset by the start of operations of Nodo Energetico project.
- **Q2 2017 Net Result** was affected by higher D&A and the increase of the income tax rate from 28% to 29.5%.
- **Total debt reached 951MUSD as of June 2017** following the expected amortization schedule and a new issuance in the local capital markets of ~101MUSD.

* Does not include Las Bambas penalty

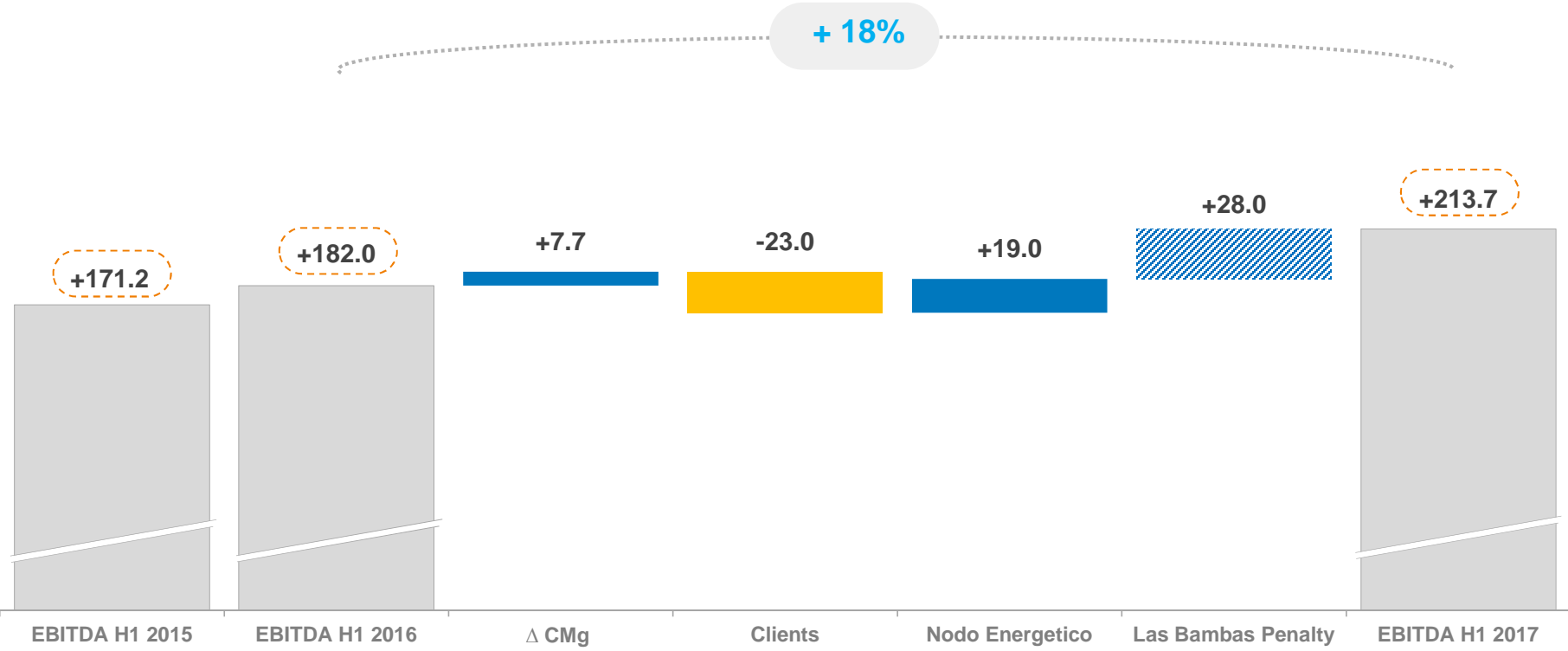
EBITDA: Q2 2017 vs. Q2 2016 +17.7 MUSD



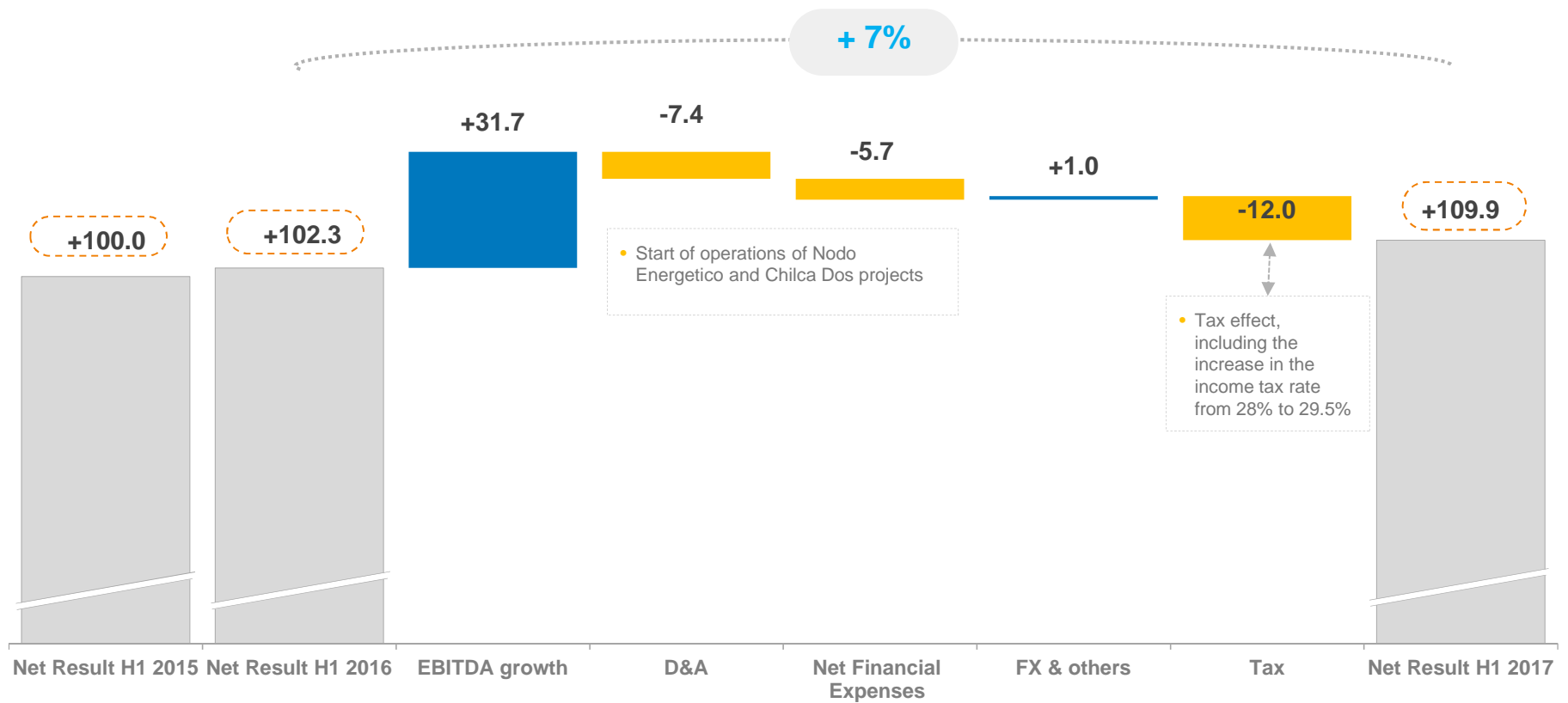
NET RESULT: Q2 2017 vs. Q2 2016 **+5.5 MUSD**



EBITDA: H1 2017 vs. H1 2016 +31.7 MUSD

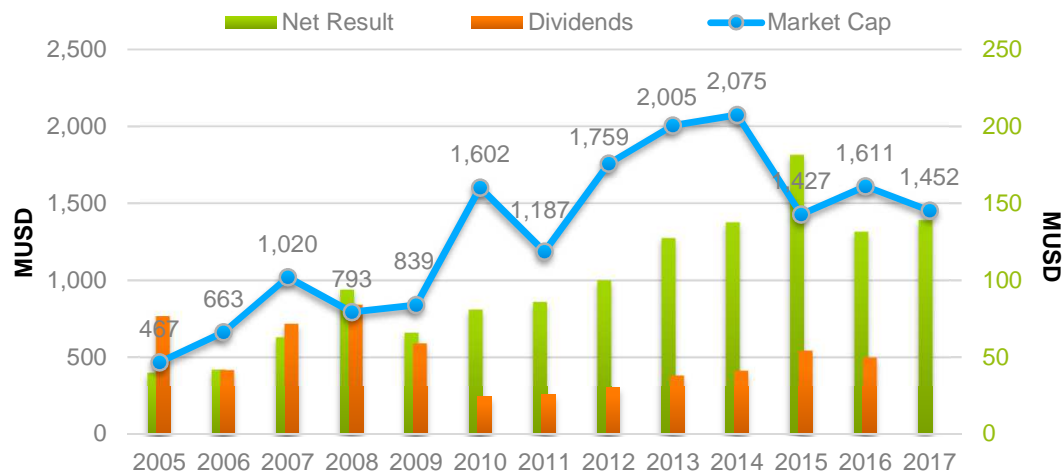


NET RESULT: H1 2017 vs. H2 2016 **+7.6 MUSD**



STOCK PRICE PERFORMANCE

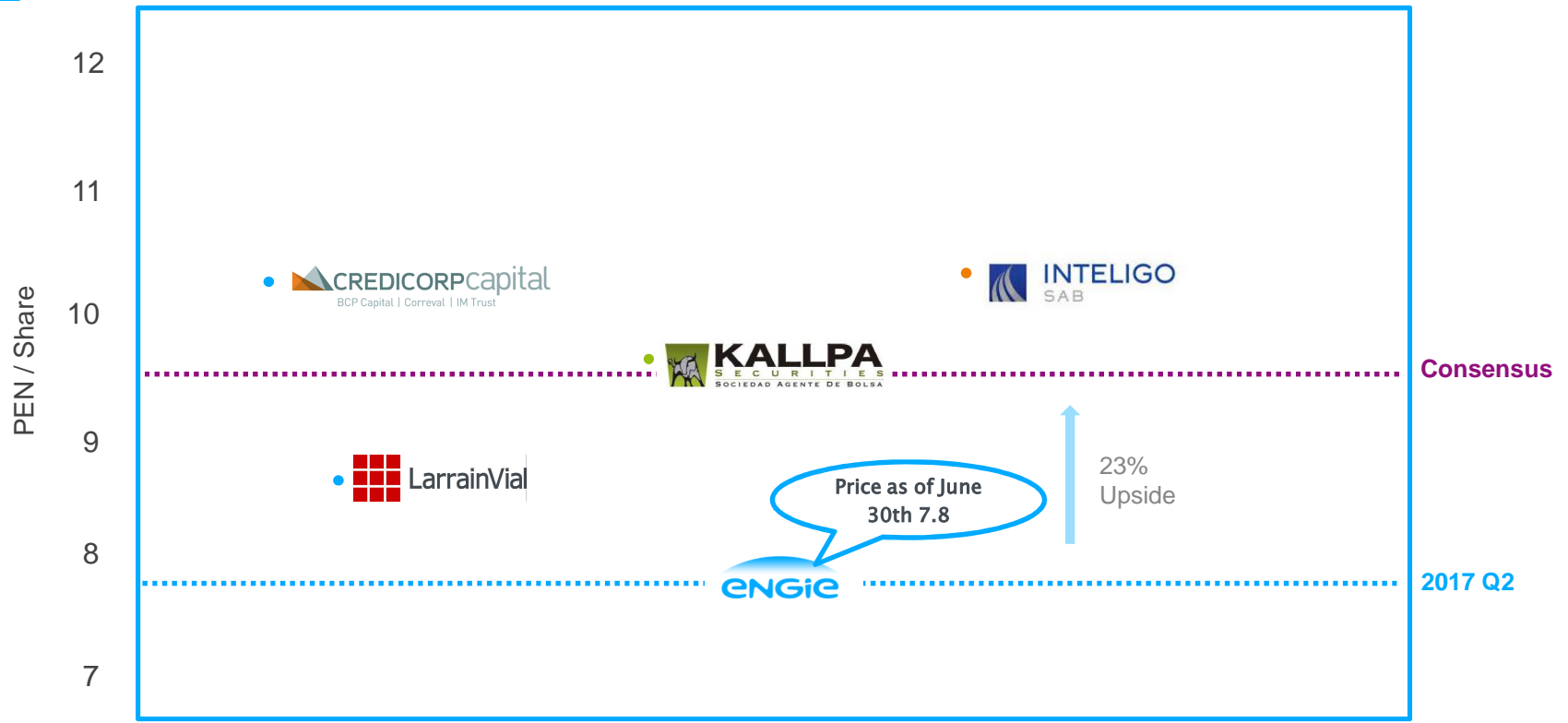
Sound financial results and value creation due to its financial, commercial and development strategy, generating 3x increase in market value since IPO



Financial Market Data – June 2017	
Number of shares issued	601,307,011
Share price (PEN) – 30/06/2017	7.83
VWAP (3m) – (PEN)	8.02
52 week – high – (PEN)	10.15
52 week – low – (PEN)	7.70
Market Cap (MUSD)	1,452
Enterprise Value (EV) (MUSD)	2,324
EV / EBITDA	6.8x
Price to Book Value (P/B)	1.4x
Price / Earnings ratio (P/E)	10.5x
Daily avg. trading volume (mm sh)	0.18
EV: Market Cap + Net Debt	
P/B: Market Cap / Book Value of Equity	

- Market Cap changes in USD is affected by share price movements and FX changes
- In Q2 2017, the share price decreased from 8.2 to 7.83 S/./sh; (-4.5%); while the exchange rate was relatively stable at 3.25. The Market Cap decreased (-4.4%)
- Market Cap variation in 2015 is mainly explained by portfolio rebalance of an institutional investor and subsequent potential reclassification of Peru from Emerging Markets (“EM”) to Frontier market due to its low liquidity.

ANALYSTS: Q2 2017

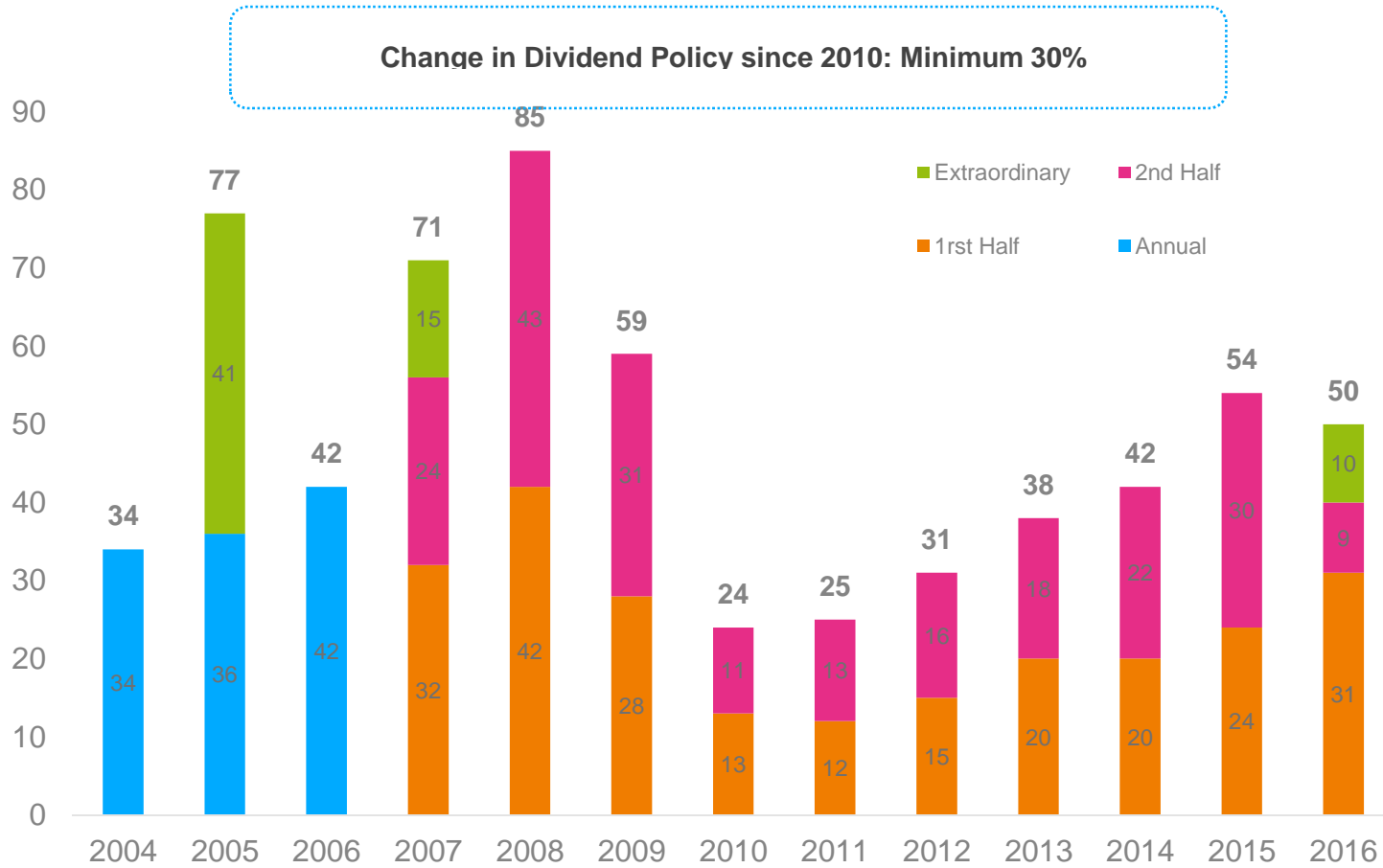


● Sell - Underperform ● Neutral - Market Perform ● Buy - Outperform

	Inteligo	Credicorp	Larrain	Kallpa	Consensus
Target price	9.2	10.7	8.8	9.7	9.6
Recommendation	Buy	Underperform	Sell	Maintain	



DIVIDEND PAYMENTS: 622 MUSD since 2004



THANKS

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