

ENGIE Energía Perú

Quarterly Results – Q3 2017



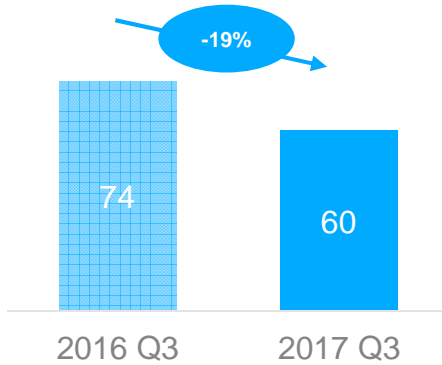
Q3 2017 HIGHLIGHTS

- **Total energy generation (SEIN) grew 2%** compared to Q3 YTD 2016. As of September, EEP was the first private player of the sector accounting for **21%** of the total capacity and **16%** of the total energy generation of the system
- **Q3 YTD 2017 EBITDA** reached **274.7MUSD** while **Net Result** totalized **128.8MUSD**, growing **7%** and decreasing **6%** compared to Q3 YTD 2016
- **Q3 2017 EBITDA** reached **60.4MUSD** decreasing 19% compared to Q3 2016. The decrease was mainly explained by the end of SPCC PPA, and Las Bambas PPA early termination. **Q3 2017 Net Result** reached **18.9MUSD** decreasing 46% mainly due additional depreciation and higher income tax rate
- **New 15 year PPA with Marcobre @ 84MW** to supply electricity demand of Mina Justa mining project subject to final NTP
- PPA with **Las Bambas** finished at the **end of August 2017**. A **termination penalty of 28 MUSD** was collected in July
- **Intipampa solar project at 78%**. Expected to enter into commercial operation in **early 2018**
- End of the **“DU049”** decree on September 30th 2017. Marginal cost will be calculated per node and will include transmission congestion
- **Transmission line 500kv “Mantaro – Montalvo” (ISA)**, which increases the transmission capacity connecting the center and south of the country, is expected in **October 2017**

MAIN FINANCIAL RESULTS Q3 & Q3 YTD 2017

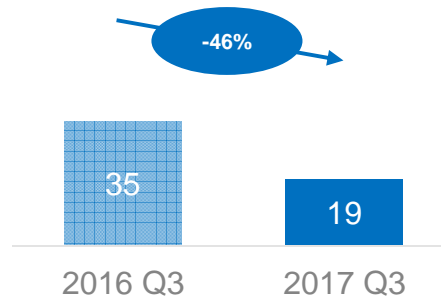
EBITDA Q3

EBITDA MUSD



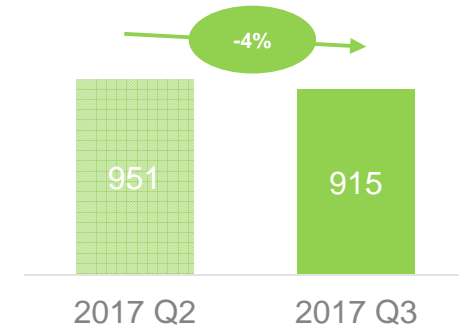
Net Result Q3

Net Result MUSD



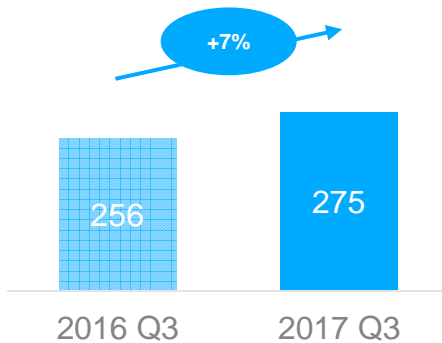
Total Debt Q3

Total Debt MUSD



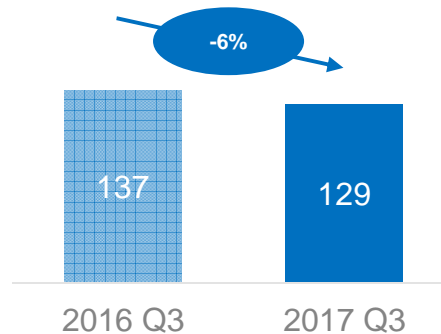
EBITDA Q3 YTD

EBITDA MUSD



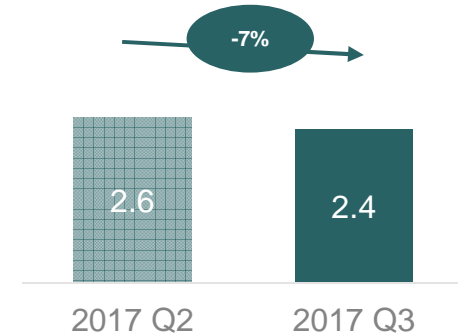
Net Result Q3 YTD

Net Result MUSD



Net Debt / EBITDA (12m)

Net Debt / EBITDA x



ENERGY PRODUCTION AND BALANCE Q3 2017

Lower thermal generation in third quarter due to higher supply from hydro power plants

GWh	2015 FY		2016 FY		2016 Q3 YTD		2017 Q3 YTD			2016 Q3		2017 Q3		Δ Q3
Yuncán HPP	901	10%	760	8%	587	9%	678	10%	16%	134	6%	159	7%	18%
Quitaracsa HPP	88	1%	484	5%	372	5%	430	6%	16%	70	3%	70	3%	0%
Chilca1 CCGT	5,838	66%	5,617	63%	4,101	60%	3,865	56%	-6%	1,566	72%	1,589	72%	2%
Chilca2	0	0%	220	2%	133	2%	153	2%	0%	53	2%	131	6%	0%
Ilo21 (Coal)	248	3%	773	9%	582	9%	651	9%	12%	266	12%	280	13%	5%
Ilo1 (Diesel)	62	1%	210	2%	193	3%	86	1%	-55%	81	4%	31	1%	-61%
Ilo31 (Cold Reserve)	35	0%	100	1%	91	1%	7	0%	-93%	49	2%	1	0%	-98%
NEPI	0	0%	18	0%	13	0%	8	0%	-40%	13	0%	4	0%	-72%
Imports (Ecuador)	0	0%	21	0%	21	0%	0	0%	-100%	8	0%	0	0%	-100%
Auxiliaries	-100	-1%	-289	-3%	-207	-3%	-152	-2%	-27%	-97	-4%	-76	-3%	-21%
NET GENERATION	7,072	81%	7,914	88%	5,886	86%	5,725	83%	-3%	2,143	99%	2,189	100%	2%
COES: NET	1,711	19%	1,061	12%	945	14%	797	12%	-16%	23	1%	-203	-9%	-981%
CLIENTS DEMAND	8,783	100%	8,976	100%	6,831	100%	6,876	100%	1%	2,166	100%	2,196	100%	1%

MAIN RESULTS Q3 2017

Recurrent results negatively affected by end of commercial contracts

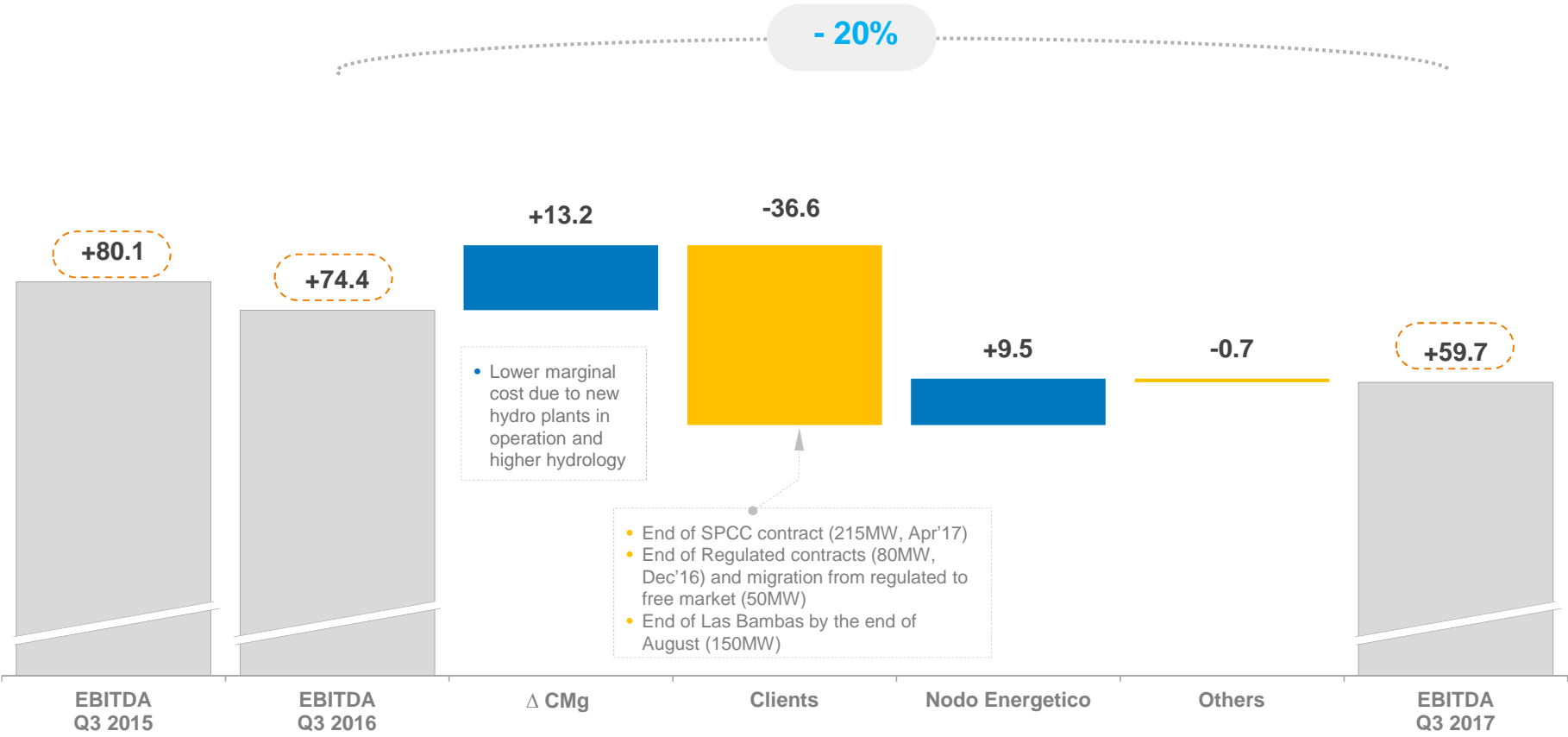
Main Financial Results

(MUSD)	2017 Q3	2016 Q3	Δ Q3	2017 Q3 YTD	2016 Q 3 YTD	Δ YTD
Income	169	186	-9%	539	564	-4%
Recurrent EBITDA*	60	74	-19%	247	256	-4%
EBITDA	60	74	-19%	275	256	7%
Net Recurrent Result*	19	35	-46%	109	137	-21%
Net Result	19	35	-46%	129	137	-6%
Total Debt	915	987	-7%	915	987	-7%
Net Debt	792	898	-12%	792	898	-12%
Net Generation GWh	2,189	2,143	2%	5,725	5,886	-3%
Clients Demand GWh	2,196	2,166	1%	6,876	6,831	1%
Net Debt / EBITDA 12m	2.42	2.76	-12%	2.42	2.76	-12%

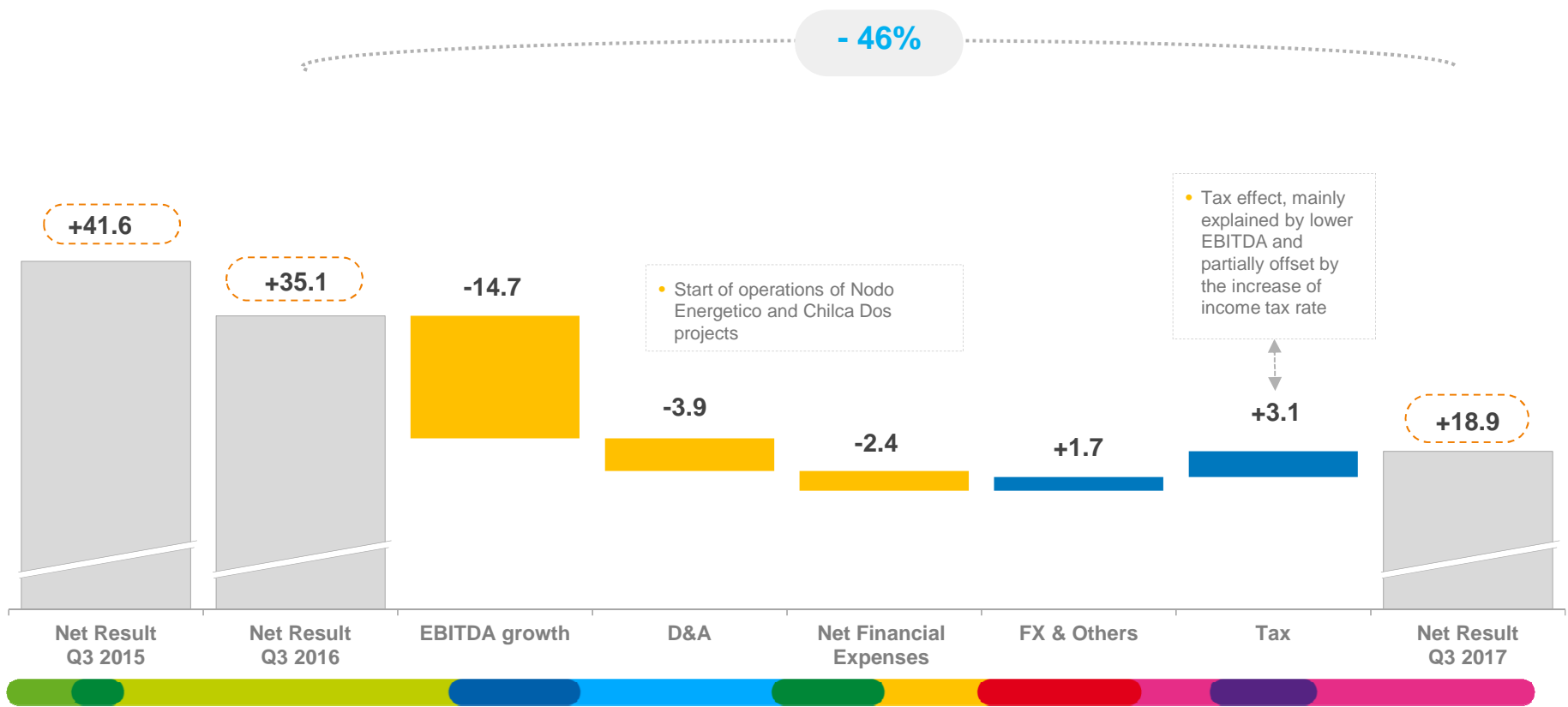
- **Q3 2017 EBITDA decreased 19% to 60MUSD** mainly explained by the end of SPCC PPA; which was partially offset by the start of operations of Nodo Energetico project
- **Q3 2017 Net Result** was affected by higher income tax rate, higher interest expenses due to new projects entering into operation and higher D&A explained by Chilca Uno first major overhaul and COD of Chilca Dos
- **Total debt reached 915MUSD as of September 2017** following the expected amortization schedule and including the latest bond issuance in the local capital markets of ~101MUSD in June

* In 2017 3Q YTD does not include Las Bambas penalty

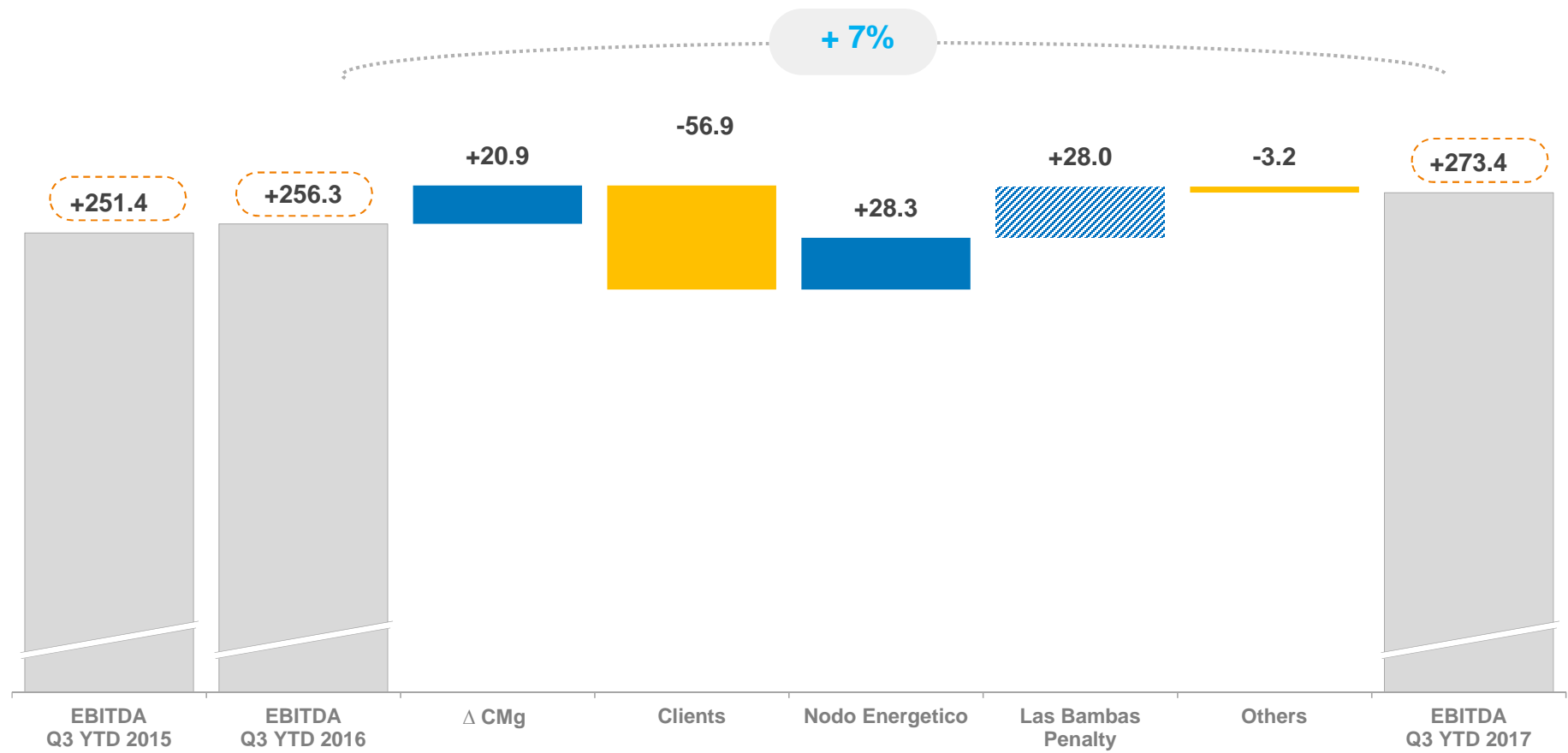
EBITDA Q3: 2017 vs 2016: **-14.7 MUSD**



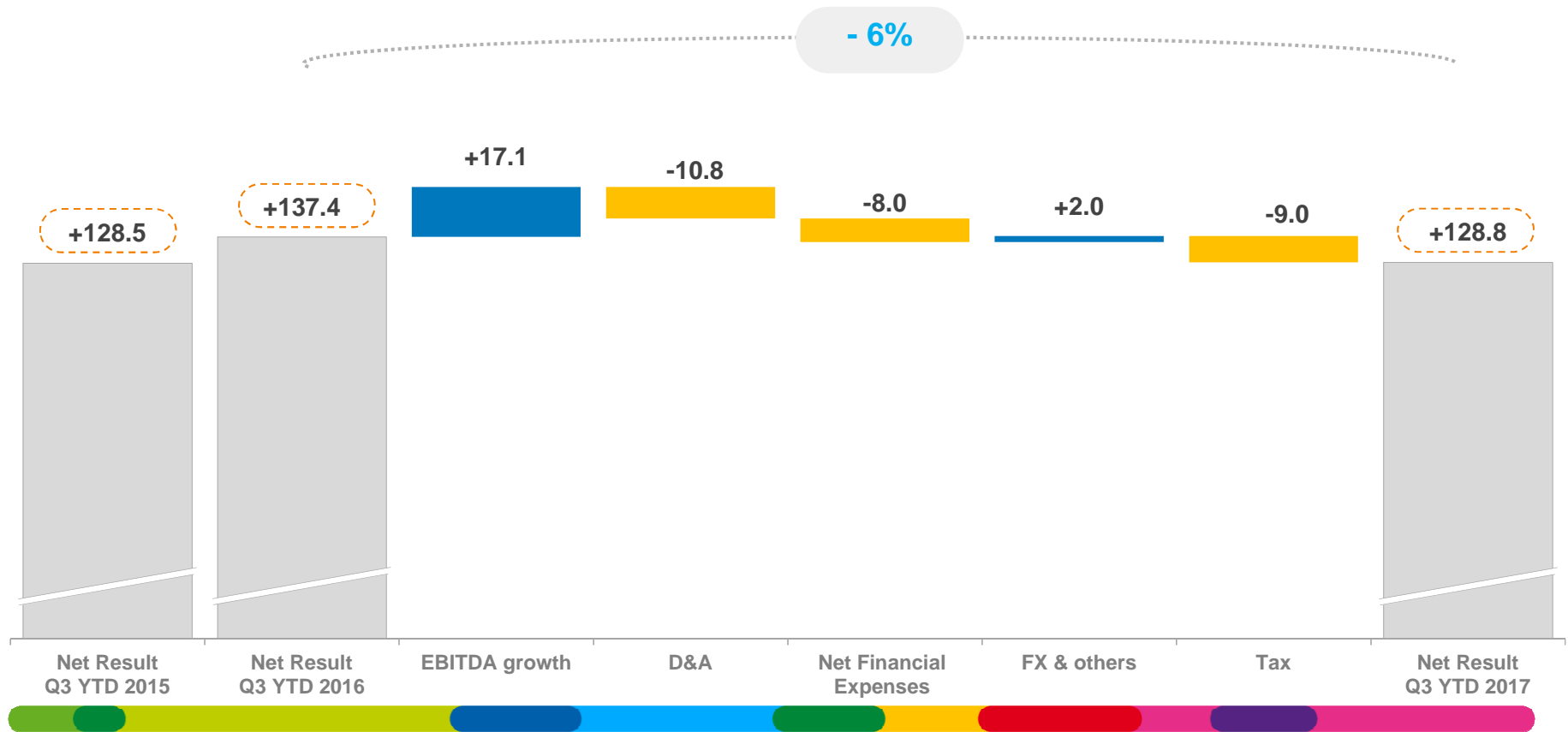
NET RESULT Q3: 2017 vs. 2016: -16.2 MUSD



EBITDA Q3 YTD: 2017 vs 2016: **+17.1 MUSD**



NET RESULT Q3 YTD: 2017 vs. 2016: **-8.6 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 – September 2017

Number of shares issued	601,307,011
Share price (PEN) – 30/09/2017	7.89
VWAP (3m) – (PEN)	7.99
52 week – high – (PEN)	10.08
52 week – low – (PEN)	7.70
Market Cap (MUSD)	1,452
Enterprise Value (EV) (MUSD)	2,244
EV / EBITDA	6.9x
Price to Book Value (P/B)	1.4x
Price / Earnings ratio (P/E)	11.8x
Daily avg. trading volume (mm/sh)	0.1

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 Q3 2017, the share price increased from 7.83 to 7.89 S./sh; (+0.8%); while the exchange rate depreciated slightly against the USD (3.26 PEN/USD). As a result, the Market Cap in USD increased (+0.1%)
- 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

Source: SMV, Lima Stock Exchange, estimated Financial Statements as of September 30th 2017

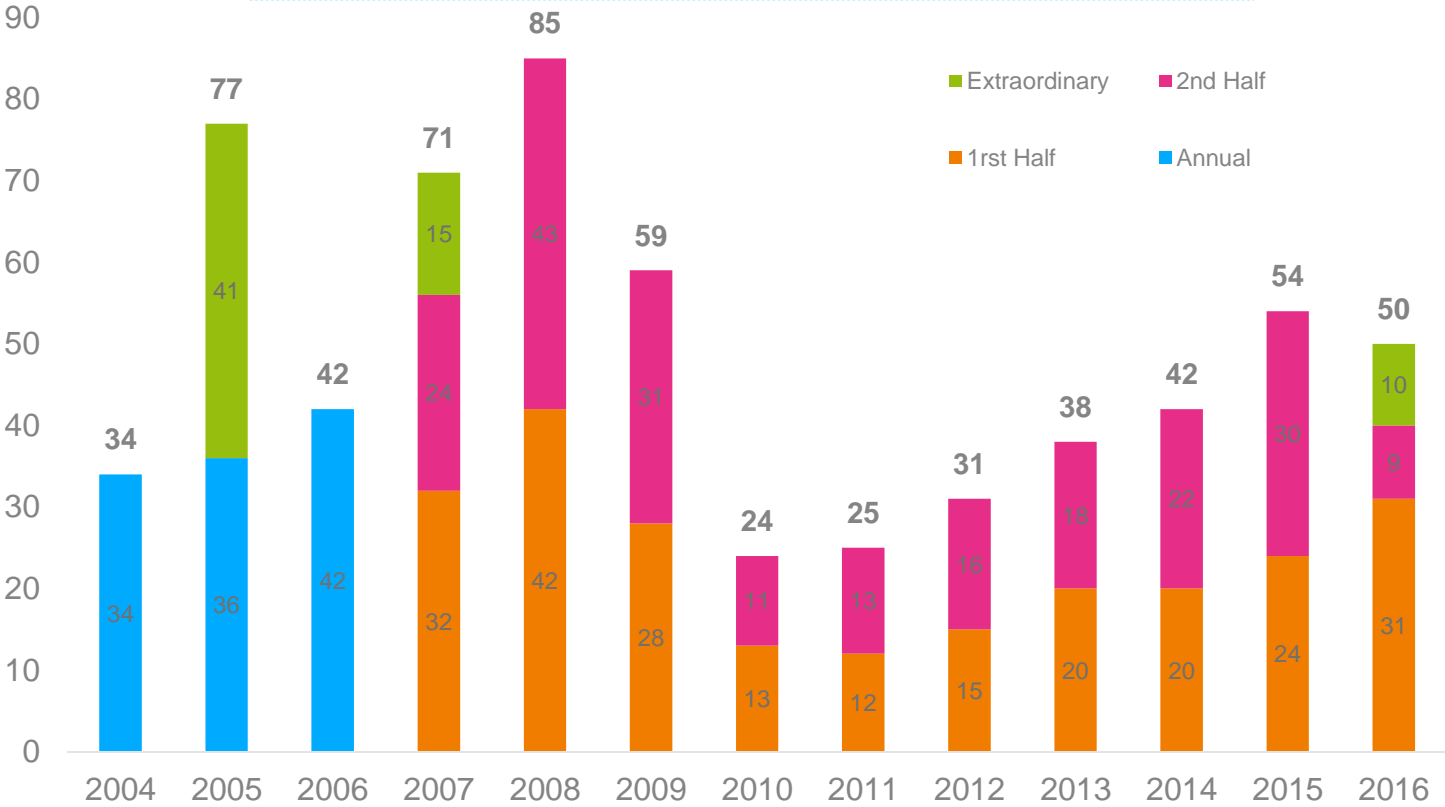
EQUITY ANALYST VIEW



	Credicorp	Larrain	Kallpa	Inteligo	Consensus
Target price	8.4	8.8	9.7	9.2	9.0
Recommendation	Underperform ●	Sell ●	Maintain ●	Buy ●	

DIVIDEND PAYMENTS: 622 MUSD since 2004

Dividend Policy since 2010: Minimum 30%



THANKS

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FOR MORE INFORMATION ABOUT ENGIE ENERGIA PERU

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APPENDIX

ENGIE Energia Peru overview

Largest private electricity generation company in Peru

2,562 MW of installed capacity & ~8,000 GWh of annual generation

Low Co2 generation base

Diversified & decentralized portfolio of generation sources

20 years operating in the country & listed since 2005

519 employees

Strong financials to support ambitions, **AAA** local rating

Sponsored by a global leader

