



ENGIE Energía Perú

Results as of December 2018



PREMIO NACIONAL
Antonio Brack Egg



#ENGIEHarmonyProject

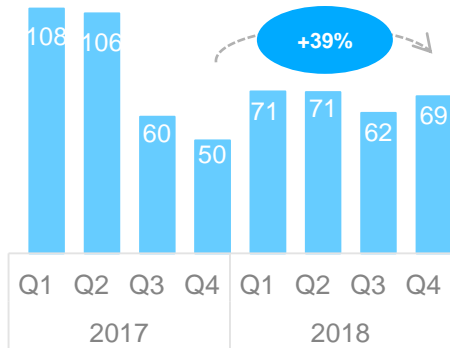
2018 Q4 HIGHLIGHTS

- **Total energy generation (SEIN) grew 3.7% in 2018** compared to 2017. As of December, EEP maintained a leading position in the sector, accounting for **20%** of the total capacity and **10.5%** of the total energy generation of the system
- **Q4 2018 EBITDA** reached **69.4MUSD**, a **39% growth compared to Q4 2017**, due to strong commercial effort to re-contract available efficient capacity and higher services sales
- **Q4 2018 Net Result** reached **26.5MUSD**, **compared to 0.8MUSD in Q4 2017** mainly due to higher EBITDA and lower financial expenses
- **2018 EBITDA** reached **274.1MUSD**, 15% lower than 2017, mainly explained by the end of SPCC PPA, early termination of Las Bambas PPA and lower re-contracting prices given market conditions
- **2018 Net Result** reached **108.3MUSD**, 16% lower than 2017, mainly explained by the lower EBITDA
- The number of free clients in **2018 increased 39%**, to a total of 68 clients
- At the end of 2018 **total debt reached 731MUSD**, a **13% decrease** compared to 2017
- **On 13th November 2018**, the Board of Directors declared **dividends** for **18.1MUSD**, equivalent to a 30% pay out ratio of H1 2018 Net Result

MAIN FINANCIAL RESULTS Q4 2018

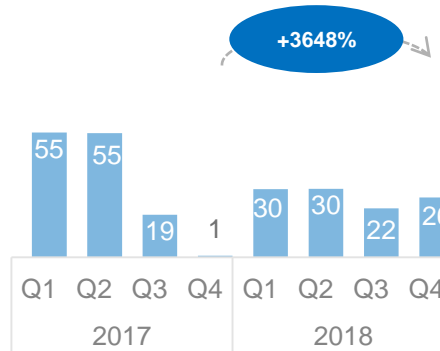
EBITDA Q4

MUSD



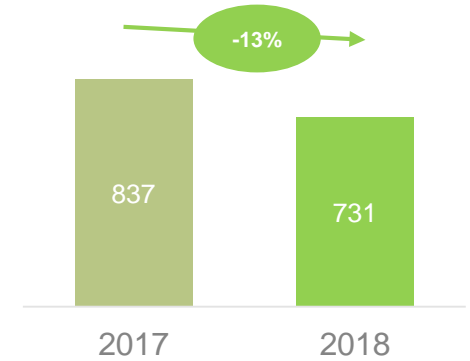
Net Result Q4

MUSD



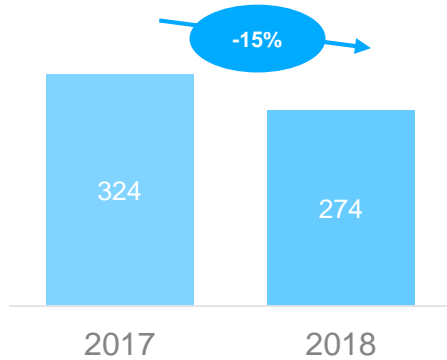
Total Debt

MUSD



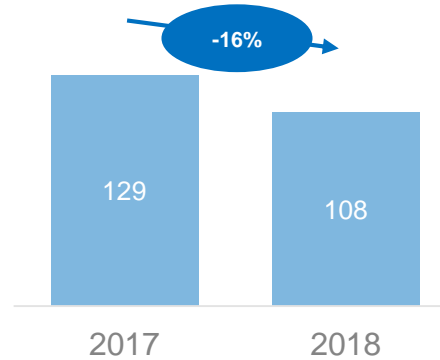
EBITDA YTD

MUSD



Net Result YTD

MUSD



Net Debt ⁽¹⁾ / EBITDA (12m)



⁽¹⁾ Total Debt minus Cash

ENERGY PRODUCTION AND BALANCE 2018

Lower thermal generation in 2018 and net buyer position in the spot market

GWh	FY 2016		FY 2017		FY 2018		Δ FY 2018 vs 2017	Q4 2017		Q4 2018		Δ Q4 2018 vs 2017
Yuncán HPP (H)	760	8%	889	11%	890	10%	0%	210	2%	239	11%	14%
Quitaracsa HPP (H)	484	5%	531	6%	519	6%	-2%	101	1%	138	6%	36%
Chilca1 CCGT (T)	5,617	63%	5,303	63%	3,404	40%	-36%	1,439	17%	1,208	56%	-16%
Chilca2 CCGT (T)	220	2%	308	4%	370	4%	20%	155	2%	148	7%	-5%
Ilo21 (Coal) (T)	773	9%	674	8%	43	1%	-94%	23	0%	0	0%	-100%
Ilo1 (Diesel) (T)	210	2%	86	1%	0	0%	-100%	0	0%	0	0%	n.a.
Ilo31 (Cold Reserve) (T)	100	1%	7	0%	3	0%	-54%	0	0%	0	0%	42%
Ilo41 (T)	18	0%	9	0%	18	0%	90%	1	0%	0	0%	-71%
Intipampa (S)	0	0%	0	0%	87	0%	n.a.	0	0%	33	2%	n.a.
Imports (Ecuador)	21	0%	0	0%	0	0%	n.a.	0	0%	0	0%	n.a.
Auxiliaries	-289	-3%	-185	-2%	-108	-1%	-42%	-34	0%	-42	-2%	25%
NET GENERATION	7,914	88%	7,624	91%	5,226	61%	-31%	1,897	22%	1,725	81%	-9%
COES: NET	1,061	12%	734	9%	3,296	39%	349%	-63	-1%	416	19%	-765%
CLIENTS DEMAND	8,976	100%	8,358	100%	8,523	100%	2%	1,834	22%	2,140	100%	17%

(H) Hydro (T) Thermal (S) Solar

MAIN RESULTS 2018

2018 results were lower than 2017 but still robust, in a context of strong competition and excess capacity in the market, thanks to a strong commercial effort and financial discipline

(MUSD)	FY 2018	FY 2017	Δ FY	Q4 2018	Q4 2017	Δ Q4
Revenues*	521	577	-10%	136	113	20%
EBITDA	274	324	-15%	69	50	39%
Net Result	108	129	-16%	26	1	3648%
Recurrent EBITDA**	257	298	-14%	60	52	14%
Net Recurrent Result**	93	110	-15%	19	3	627%
Total Debt	731	837	-13%	731	837	-13%
Net Debt	656	800	-18%	656	800	-18%
Net Generation GWh	5,226	7,624	-31%	1,725	1,897	-9%
Clients Demand GWh	8,523	8,358	2%	2,140	1,834	17%
Net Debt / EBITDA 12m	2.4	2.5	-3%	2.4	2.5	-3%

* Restatement by application of IFRS9 and IFRS15; ** See slide 6

- **Q4 2018 EBITDA 39% growth vs Q4 2017** consolidating the commercial efforts taken during 2018
- **2018 EBITDA decreased 15% compared to 2017**, mainly explained by the **end of SPCC PPA** (April 2017) and early termination of **Las Bambas PPA** (August 2017) which was partially offset by newly contracted PPAs
- **Total debt reached 731MUSD, a 13% decrease** from 2017, following the expected amortization schedule

NON RECURRENT EVENTS IN 2018

1. Dispute resolution

- Favorable decision on a commercial dispute

2. Reversal of provisions

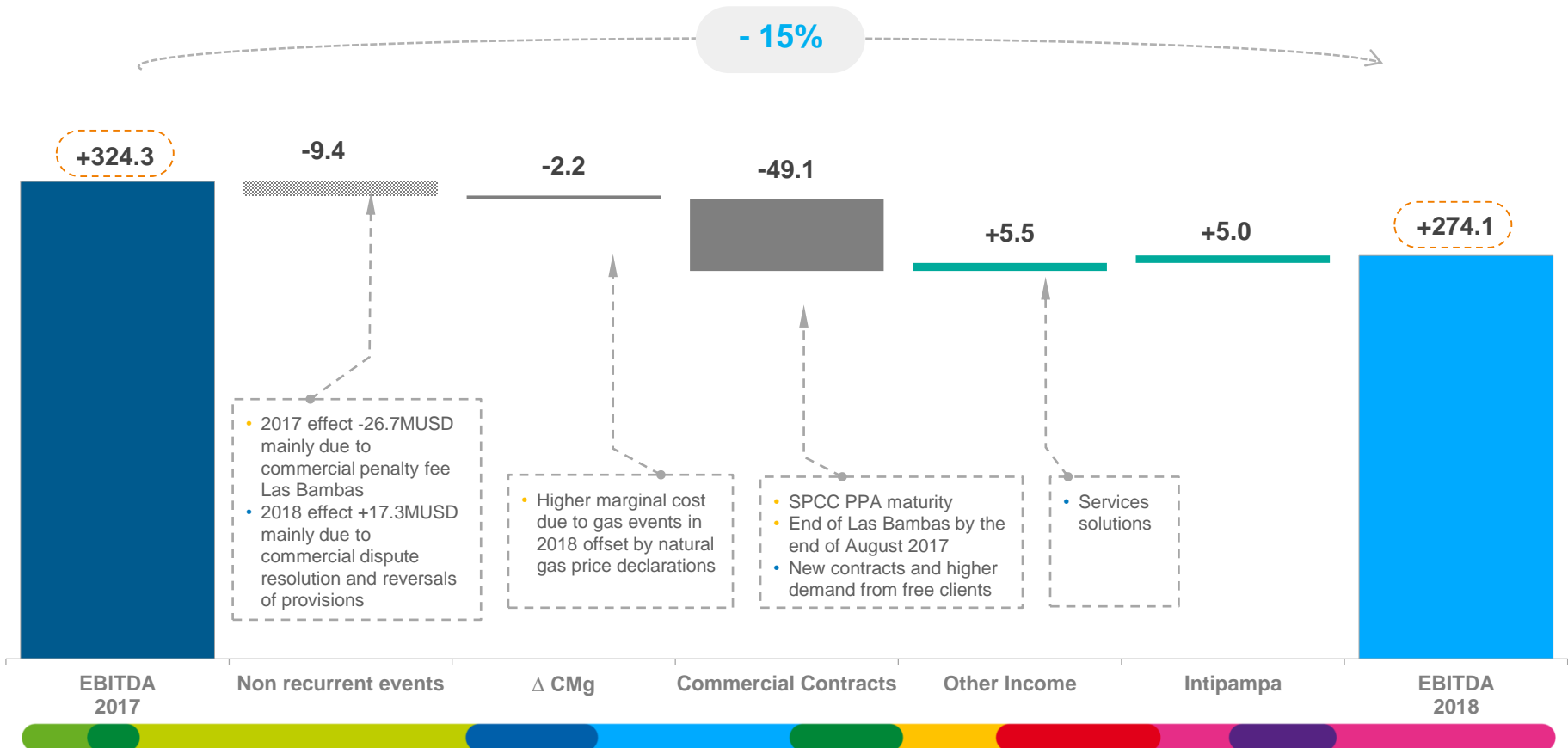
Total non recurrent events (1 + 2)

EBITDA 2018	Net Result 2018
+6.2MUSD	+4.6MUSD
+11.1MUSD	+10.3MUSD
+17.3MUSD	+14.9MUSD

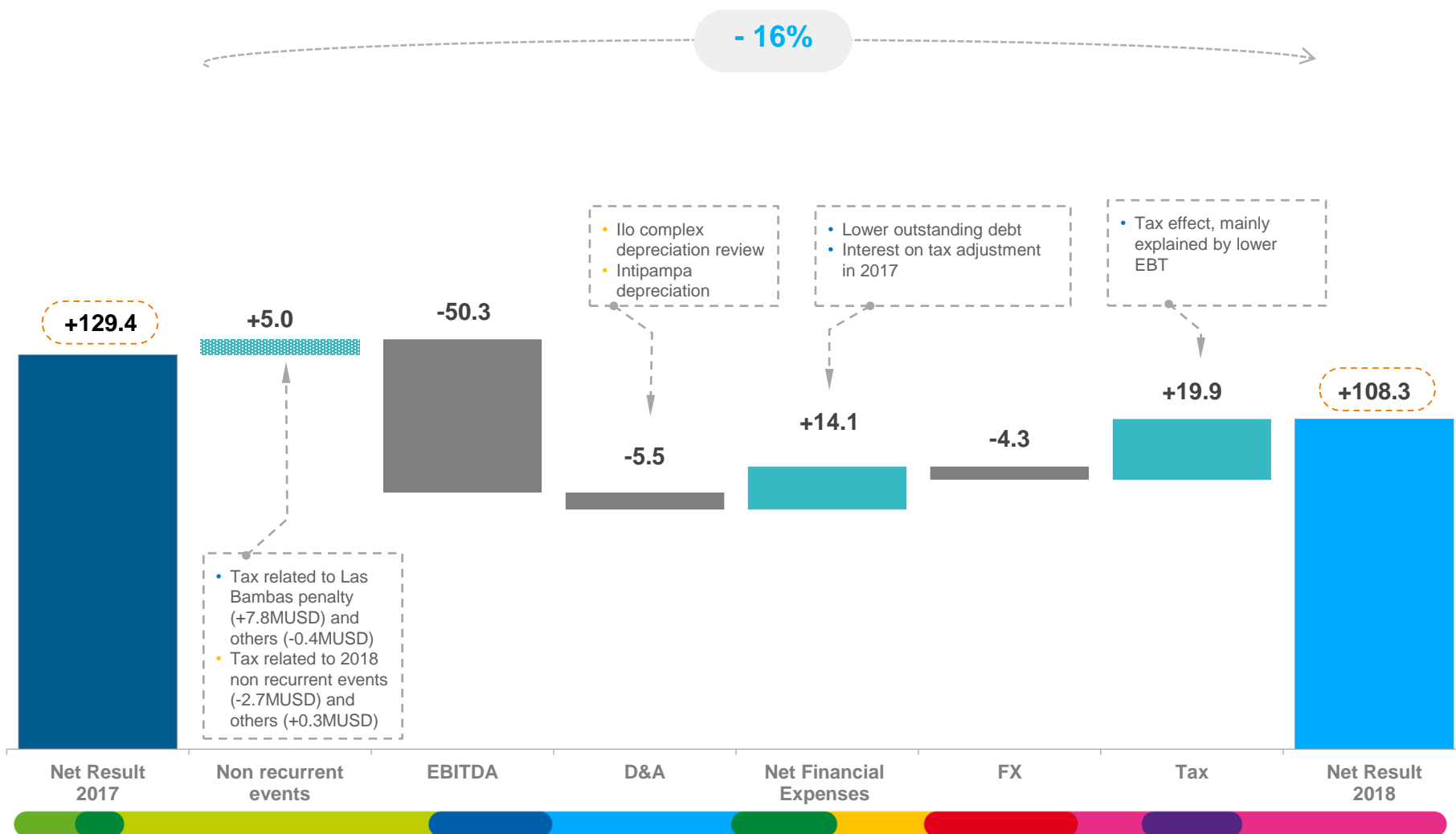
As a result of these non recurrent events, full year Recurrent EBITDA reduces to 257MUSD and Net Recurrent Result to 93MUSD

EBITDA: 2018 vs. 2017 **-50.3 MUSD**

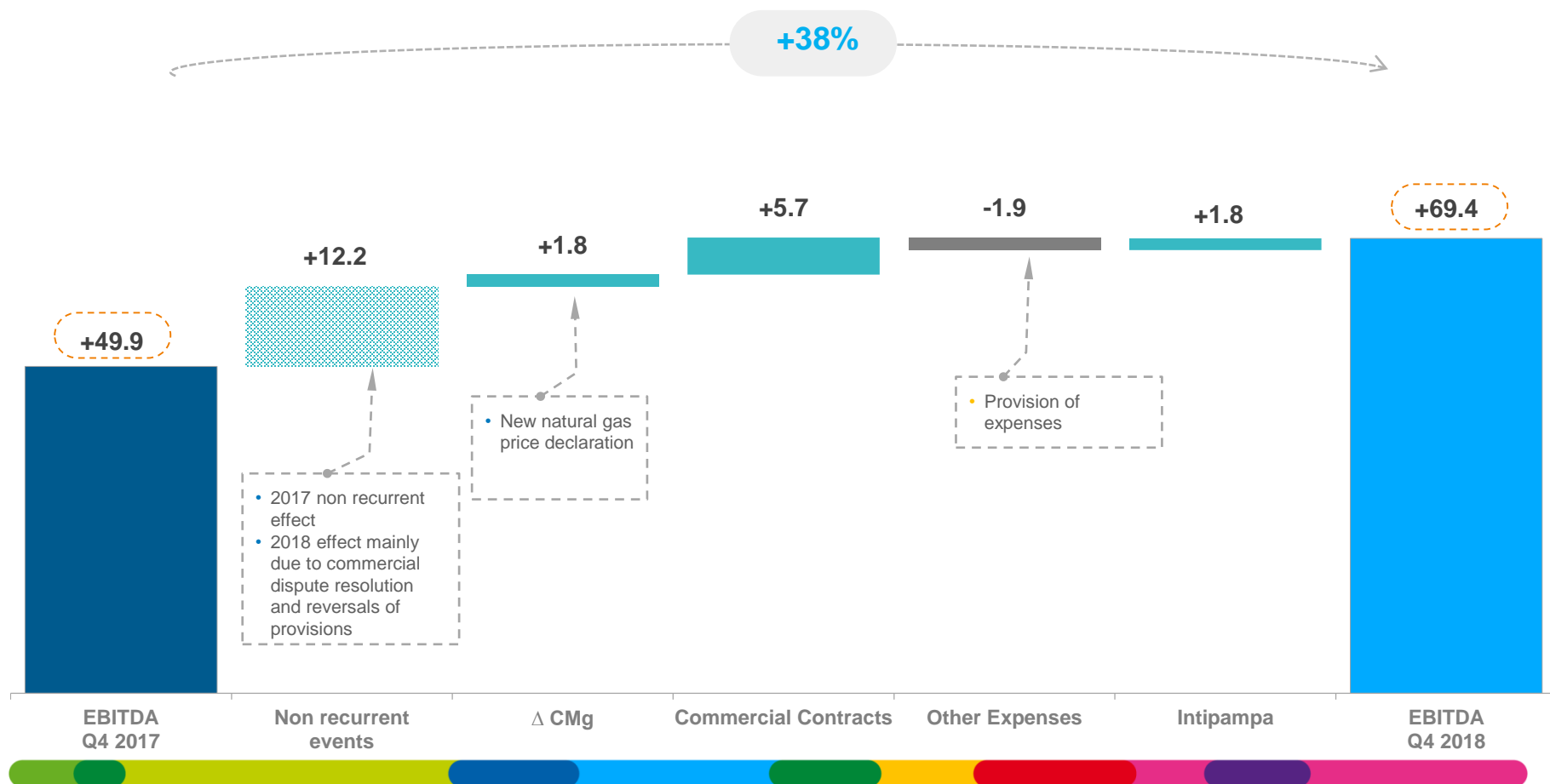
Impact of the end of PPAs in 2017 partially offset by commercial effort driving 2018



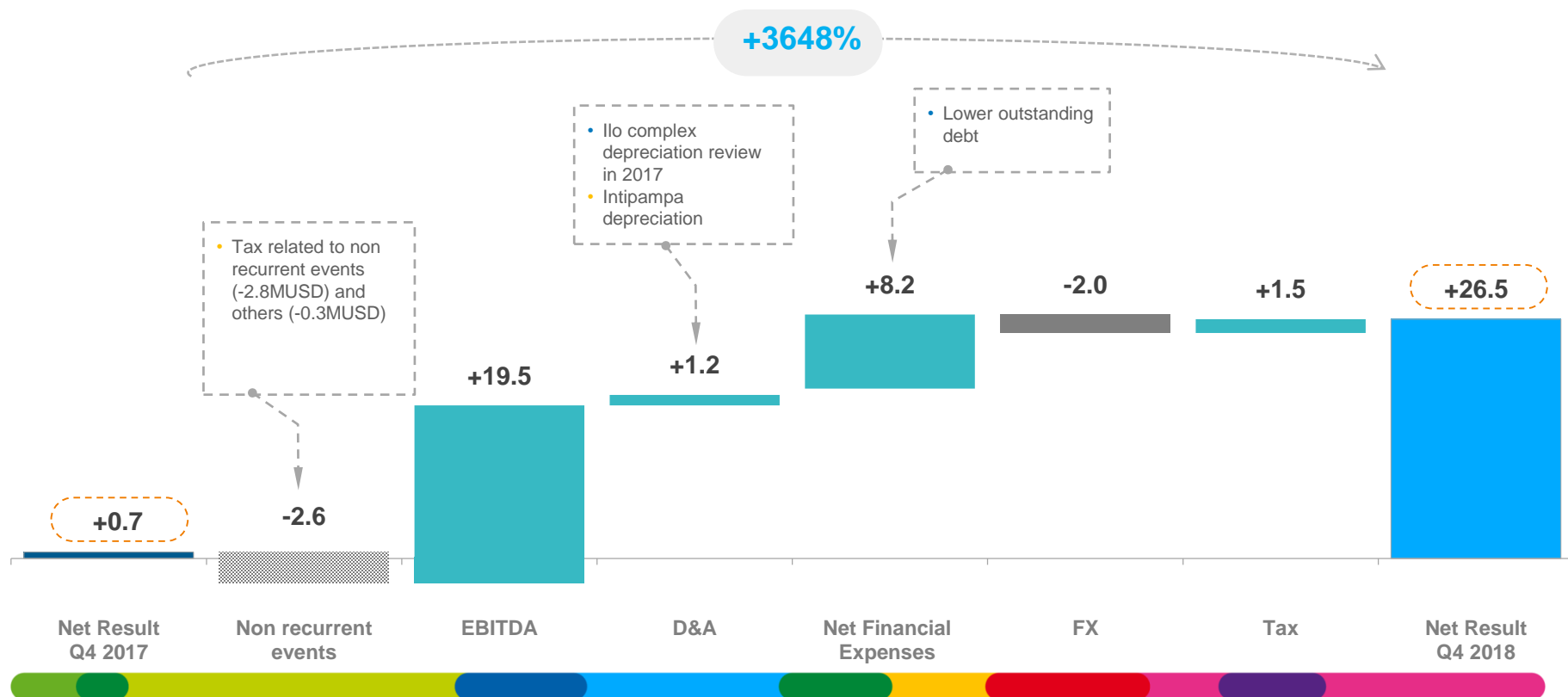
NET RESULT: 2018 vs. 2017 **-21.1 MUSD**



EBITDA Q4: 2018 vs. 2017 **+19.5 MUSD**



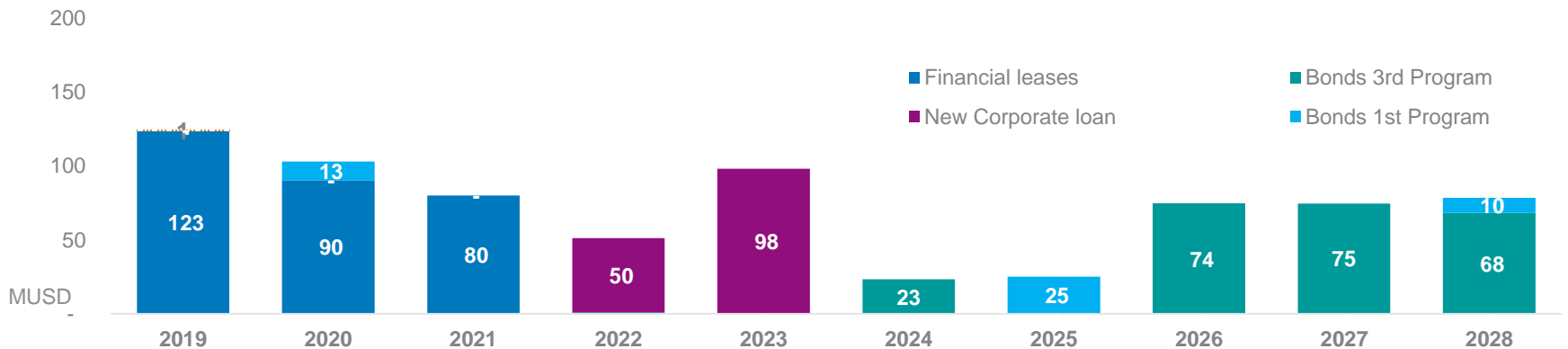
NET RESULT Q4: 2018 vs. 2017 **+25.8 MUSD**



DEBT PROFILE

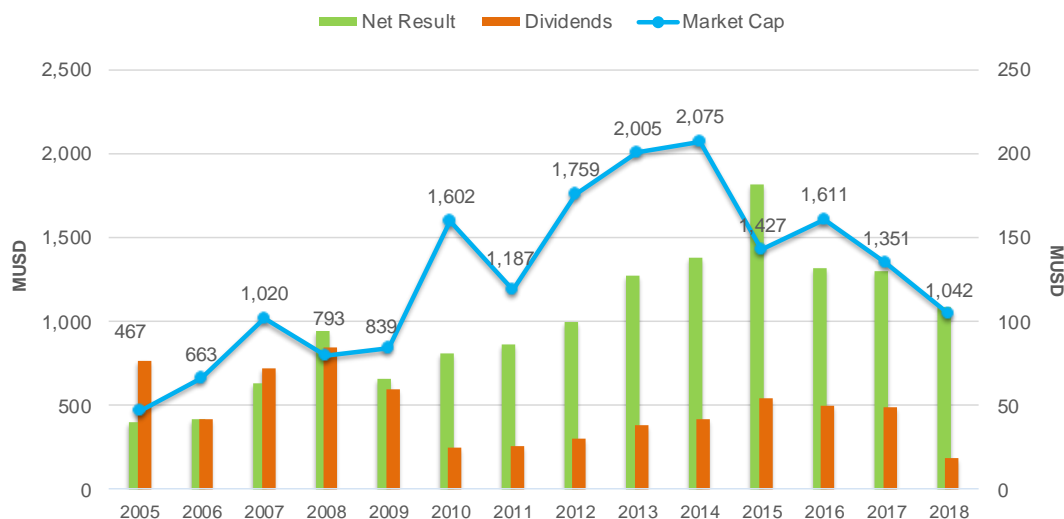
- **Total debt reached 731MUSD as of December 2018**, decreasing 13% YoY following expected amortization schedule
- **In 2018 EEP successfully closed financial conditions for up to 120MUSD of debt for an average fixed cost of 4.17% (USD) and average life of 7.5 years**, issuing 70MUSD in local capital markets (**10 year bonds**) and 50MUSD through a **5 year Corporate Loan**. EEP financial plan has been executed throughout 2017/2018 and has enable to:
 1. **Optimize cost**, reducing average long term cost from 4.7% (early 2017) to 4.3%
 2. **Improve debt structure**, increasing debt duration from 2.7 years (early 2017) to 4.0 years
 3. **Eliminate interest rate risk**
 4. **Maintain flexibility** to continue looking for costs optimizations

As of December 2018*



*USDPEN @ 3.369

STOCK PRICE PERFORMANCE



- Market Cap changes in USD is affected by share price movements and FX changes
- In Q4 2018, the share price decreased from 6.70 to 5.84 S/ per sh; (-12.8%); while the exchange rate depreciated slightly against the USD (3.369 PEN/USD).
- In December, EEP paid 18MUSD of dividends with a payout of 30% correspondent to H1 2018

Financial Market Data – December 2018

Number of shares issued	601,307,011
Share price (PEN) – 31/12/2018	5.84
VWAP (3m) – (PEN)	6.32
52 week – high – (PEN)	7.35
52 week – low – (PEN)	5.84
Market Cap (MUSD)	1,042
Enterprise Value (EV) (MUSD)	1,698
EV / EBITDA	6.2x
Price to Book Value (P/B)	0.9x
Price / Earnings ratio (P/E)	9.6x
Daily avg. trading volume (Msh)	0.05

EV: Market Cap + Net Debt
P/B: Market Cap / Book Value of Equity

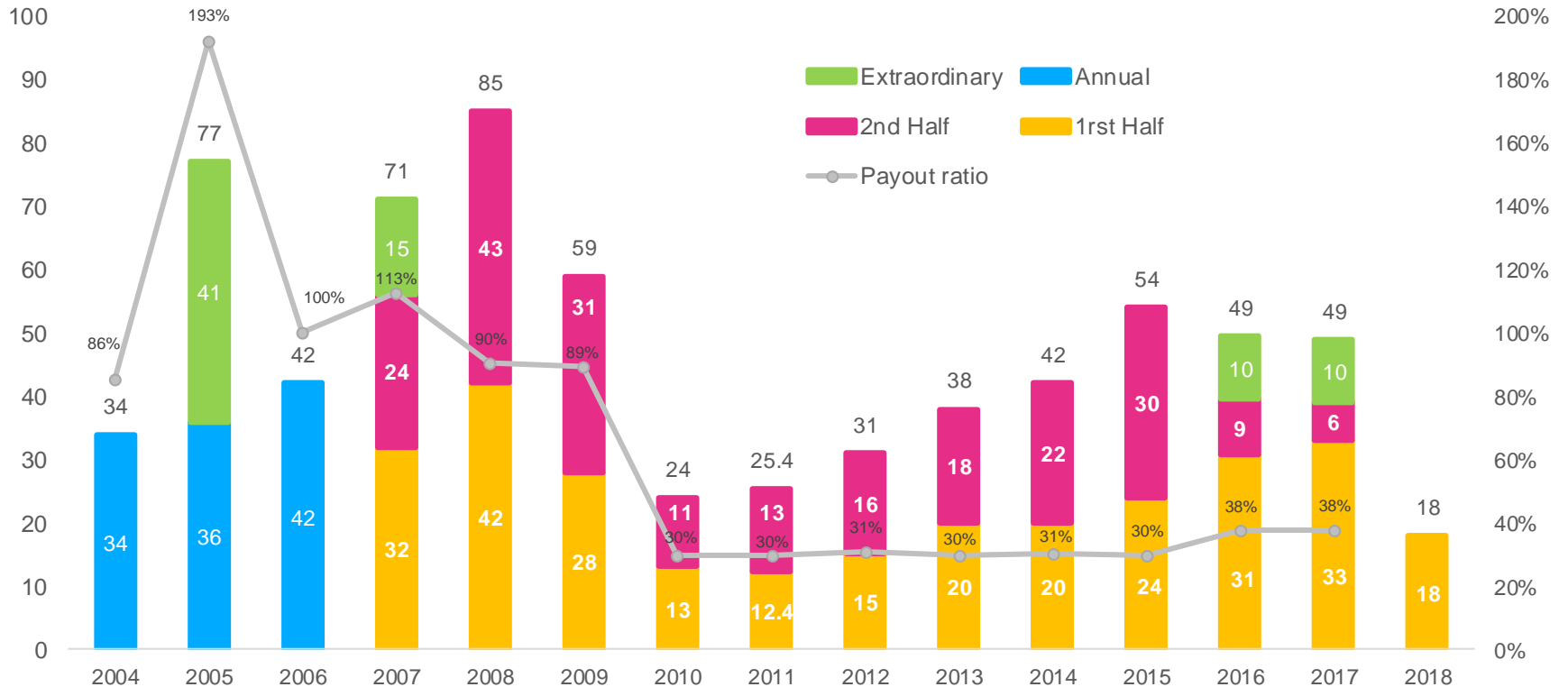
EQUITY ANALYST VIEW



	Credicorp	Larrain	Kallpa	Inteligo	Seminario	Consensus
Target price	7.8	8.2	8.9	8.5	8.4	8.4
Recommendation	● Mantain	● Buy	● Buy	● Buy	● Buy	
Date	September 2018	July 2018	October 2018	October 2018	September 2018	

DIVIDEND PAYMENTS: 698 MUSD since 2004

Dividend Policy: Minimum payout ratio of 30%



APPENDIX

ENGIE Energia Peru overview

Largest private electricity company in Peru in terms of capacity

2,497 MW of installed capacity

Low Co2 generation base

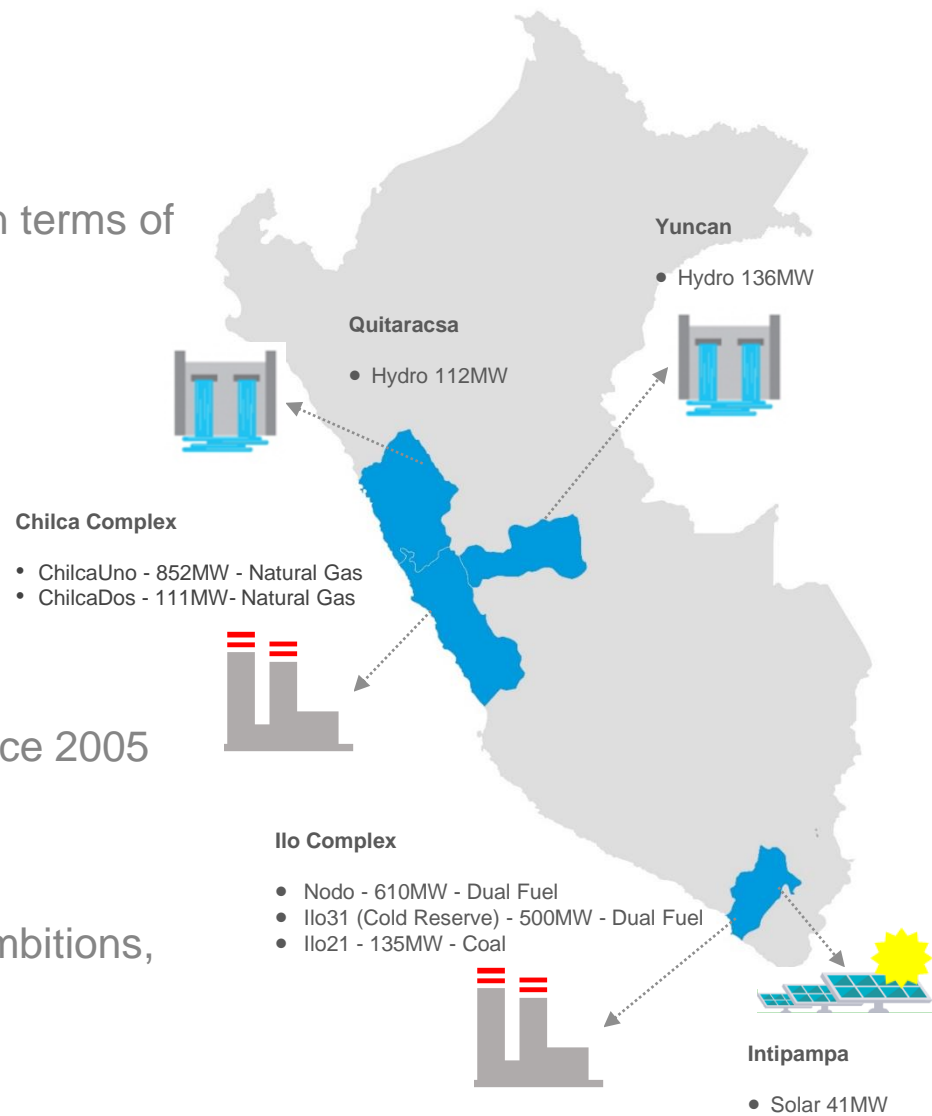
Diversified & decentralized portfolio of generation sources

21 years operating in the country & listed since 2005

506 employees

Financial discipline to support future growth ambitions,
AAA local rating

Sponsored by a global leader, ENGIE S.A.*

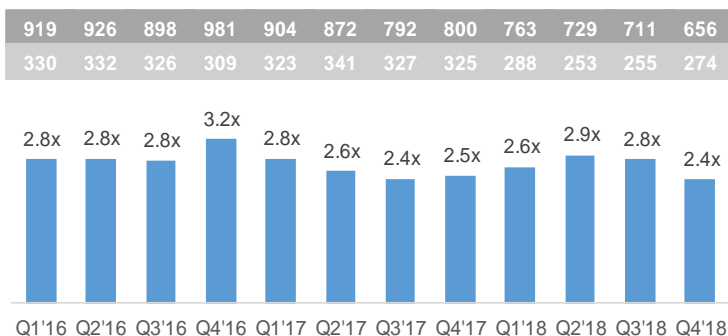


Solid financial discipline

optimizing costs, diversifying financial sources & limiting risks

Net debt / EBITDA

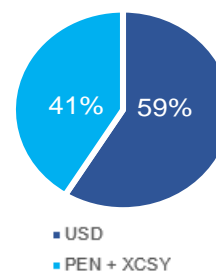
■ Net Debt/EBITDA ■ Net Debt ■ EBITDA LTM



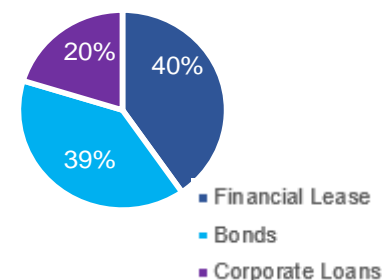
Debt Breakdown - As of December 2018

731 MUSD

By Currency



By Source



Credit Rating – Nov 2018



FitchRatings

AAA.pe
Stable
28/11/2018



MOODY'S

AAA.pe
Stable
28/11/2018

Local capital market as an important partner

- First program for up to 400MUSD started in 2007 with total issuances of ~150MUSD (outstanding ~75MUSD)
- Third program for up to 500MUSD started in 2015 :
 - 2016 → 1st issuance of 250MPEN @ 7.125% (10 yr)
 - 2017 → 2nd issuance of 79MPEN @ 6.0% (7 yr)
 - 2017 → 3rd issuance of 250MPEN @ 6.53% (10 yr)
 - 2016-2017 issuances ~2x times over subscribed

THANKS

This presentation may contain certain forward-looking statements and information relating to ENGIE Energía Perú S.A. (“Engie Energía Perú” or the “Company”) that reflect the current views and/or expectations of the Company and its management with respect to its business plan. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe”, “anticipate”, “expect”, “envisage”, “will likely result”, or any other words or phrases of similar meaning. Such statements are subject to a number of significant risks, uncertainties and assumptions. We caution that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation. In any event, neither the Company nor any of its affiliates, directors, officers, agents or employees shall be liable before any third party (including investors) for any investment or business decision made or action taken in reliance on the information and statements contained in this presentation or for any consequential, special or similar damages. The Company does not intend to provide eventual holders of shares with any revised forward-looking statements of analysis of the differences between any forward-looking statements and actual results. There can be no assurance that the estimates or the underlying assumptions will be realized and that actual results of operations or future events will not be materially different from such estimates.

This presentation and its contents are proprietary information and may not be reproduced or otherwise disseminated in whole or in part without ENGIE Energía Perú prior written consent.

FOR MORE INFORMATION ABOUT ENGIE ENERGIA PERU

Ticker: **ENGIEC1**



+51 1 616 79 79



New: investorrelations.eep@engie.com



Av. República de Panamá 3490, Lima 27, Peru



www.engie-energia.pe



Adriana Burneo, Head of Corporate Finance & Investor Relations – adriana.burneo@engie.com



Marcelo Soares, Chief Financial Officer – marcelo.soares@engie.com