

# CORPORATE PRESENTATION

APRIL 2018



**Fenix**  
OPERADA POR COLBUN

# AGENDA

1. **Company Overview**

2. Market Overview

3. Operations

4. Financial Review



# Company Overview

## Fenix Power: a relevant & efficient CCGT in Peru



### Most efficient CCGT in Peru

Based on Heat Rate



### 40 miles south of Lima

Capital of Peru and largest city of the country



### 565 MW

Gross effective capacity



### 3.5 TWh

Net annual generation



### 3 TWh / year

Long term contracts (~75% capacity)

## SHAREHOLDERS

- 51% Colbún
- 36% ADIA
- 13% Sigma

## KEY FIGURES



LTM EBITDA  
US\$**52** mm



Cash  
US\$**41** mm

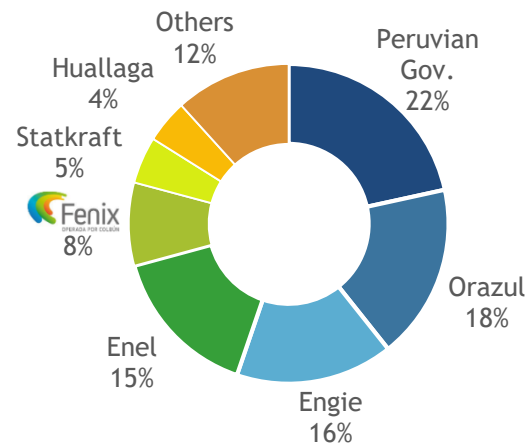
Internacional  
Ratings



**Baa3** Stable  
Moody's

**BBB-** Stable  
S&P/Fitch

## MARKET SHARE<sup>1</sup>



Note: All figures as of Mar18

<sup>1</sup> In terms of generation

# Company Overview

## Highly experienced shareholders



- **Chilean** power generation company
- 3rd largest player in the SEN (Chile's main grid), with **17% of market share**<sup>1</sup> in terms of generation
- **3.282 MW** of installed capacity, 49% hydro and 51% thermal
- **Matte Group** as Controlling shareholder

### MAIN FIGURES

- Mkt. Cap: **US\$4.2 bn**
- Total assets: **US\$7.0 bn**



- One of the largest investment funds managers in Peru
- Mainly dedicated to investments in infrastructure projects
- Total AUM: **~US\$640 Mn**
- **Key investors: 3 private pension funds, a state pension fund and COFIDE**

- **Established by the Government of the Emirate of Abu Dhabi (Aa2/AA/AA)**
- One of the largest global sovereign wealth funds
- **Globally diversified investment portfolio**
- Relevant experience as a partner and financial investor

# AGENDA

1.

Company Overview

2.

Market Overview

3.

Operations

4.

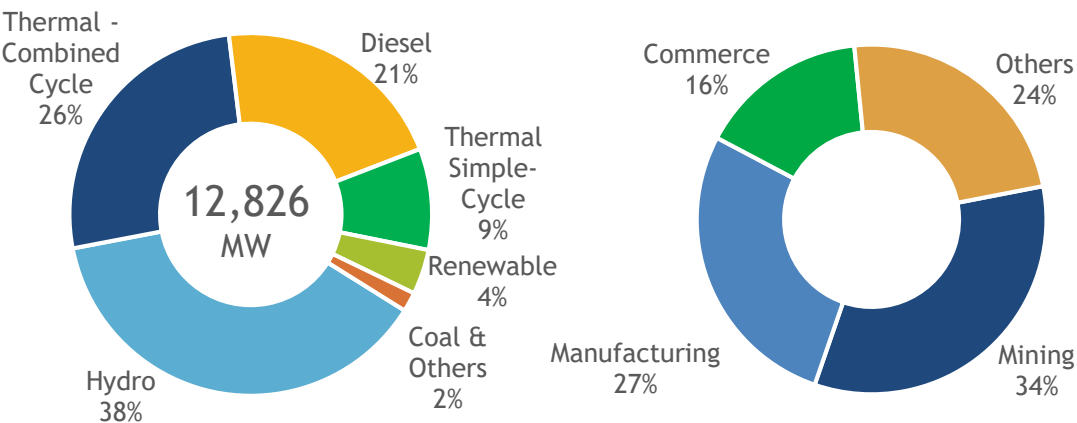
Financial Review



# Market Overview

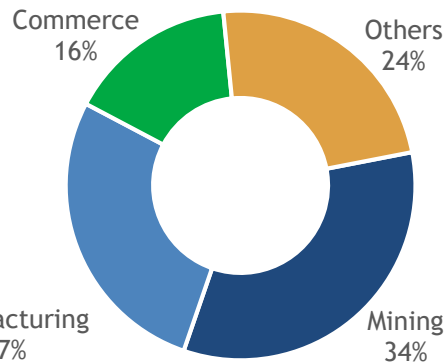
## Power industry dynamics in Peru

### 1 INSTALLED CAPACITY BY TECHNOLOGY. (%)

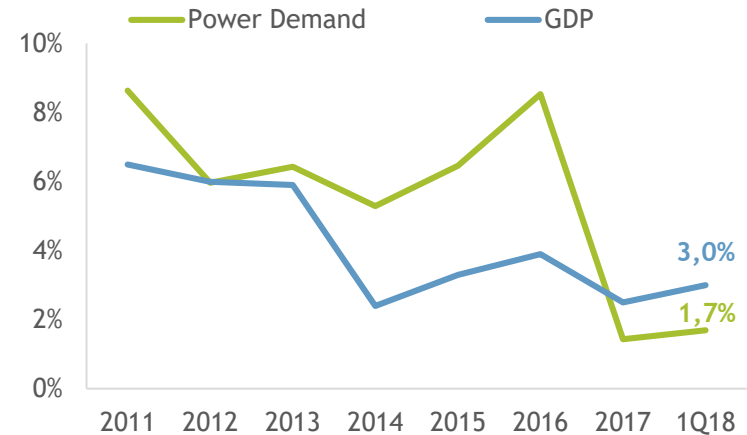


- Stable regulatory framework.
- US\$ currency denominated market.
- Investment grade country.

### 2 LARGE CUSTOMERS BREAKDOWN. (%)



### 3 SEIN DEMAND GROWTH & GDP. (%)

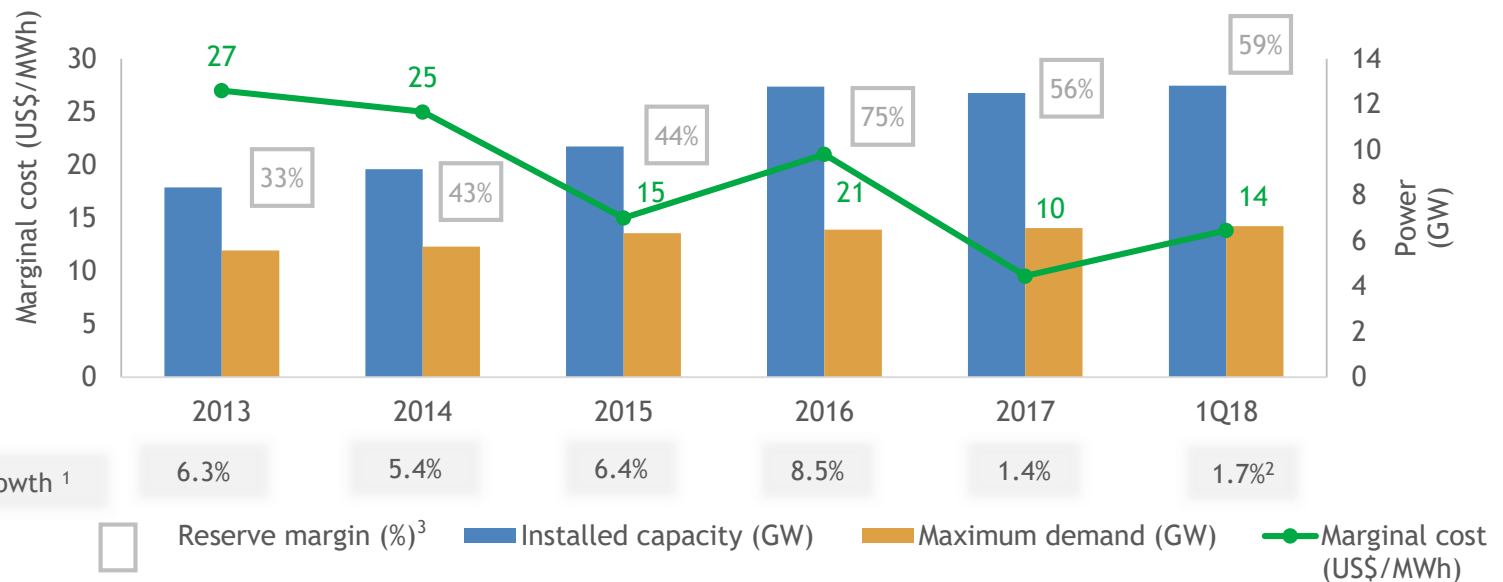


- Power demand highly correlated with Peru's GDP.
- High growth potential: per capita energy consumption in Peru is 1.3 MWh; while the average for OECD countries is 8.0 MWh. <sup>1</sup>

# Market overview

## Marginal costs & demand in Peru

- Currently in a situation of **oversupply and low prices**.
  - Spot prices affected by take or pay scheme of gas contracts and by price declaration strategies.



Source: COES

<sup>1</sup> In GWh. <sup>2</sup> According to the latest monthly report of COES - March 2018. <sup>3</sup> Considers firm capacity, according to Coes methodology.

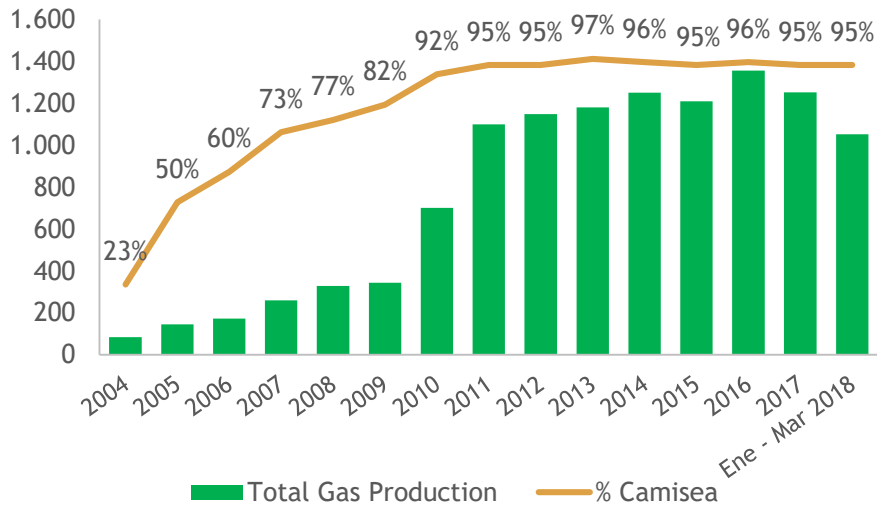
# Market Overview

## Positive gas industry trends in Peru

### 1 GAS RESERVES.

- Current proven reserves of 15 trillion cubic feet (“TCF”)
- Expected possible gas potential of 27 TCF
- Camisea represents ~95.0% of total natural gas reserves in Peru

### 2 GAS PRODUCTION. (MMCFD)



### 3 REGULATED GAS SUPPLY TARIFFS: OVERVIEW

- **Camisea Consortium** is a joint venture of six companies that produce and process natural gas at the Malvinas and Pisco facilities



### 4 REGULATED GAS SUPPLY TARIFFS: OVERVIEW

$$\text{Final price} = \text{Well Price} + \text{Transport. Fee} + \text{Single Dist. Fee}$$

- Well gas price applied to electricity generation and adjusted through O&G indexes
- **Regulated** gas distribution and transportation segments
  - Rates adjusted every two and four years for transport and distribution, respectively
- PPAs energy contracts **indexed to variations** in natural gas prices



# AGENDA

1.

Company Overview

2.

Market Overview

3.

Commercial Strategy

4.

Financial Review



# Commercial Strategy

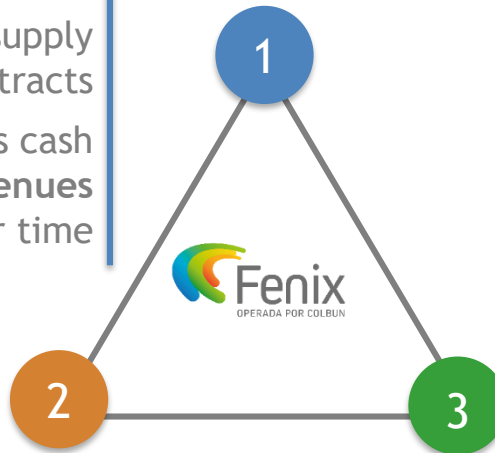
## Commercial policy that aims to provide competitive, secure and sustainable energy

### Contracting a relevant portion of capacity

- Fenix maintains **long-term** power supply contracts
- Significant base of PPAs that reduces cash flow volatility, ensuring **stable revenues** over time

### Solid customers base

- **Creditworthy counterparties**
- Most of Fenix PPAs are signed with the main distribution companies of Peru

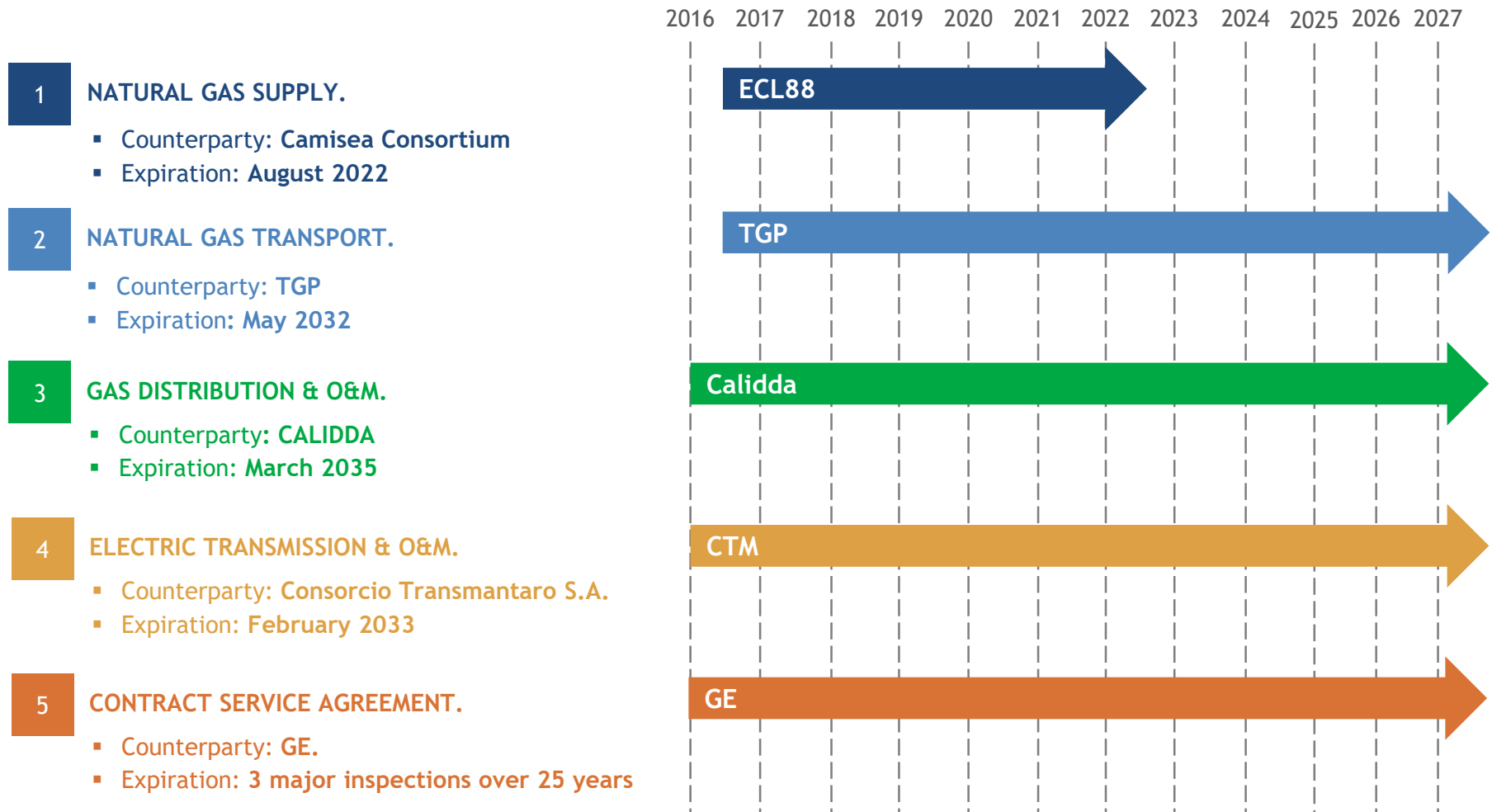


### Indexation formulas

- **PPAs indexed to dollar**, in order to mitigate its foreign Exchange risk
- Additionally, the Company indexes the prices of its contracts to fuel prices, in order to reduce the volatility of its cash flows

# Commercial Strategy

## Operational long-term contracts



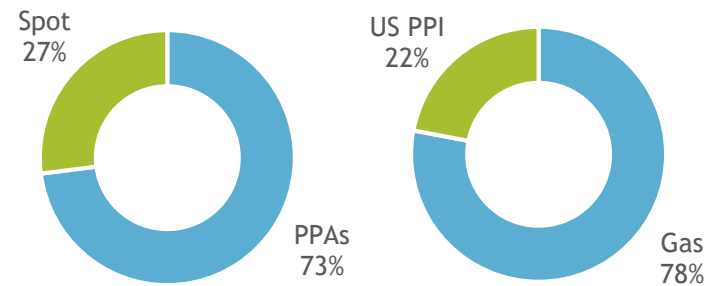
# Company Overview

## Stable cash flow profile supported by long-term PPAs

### 1 PPA PROFILE.

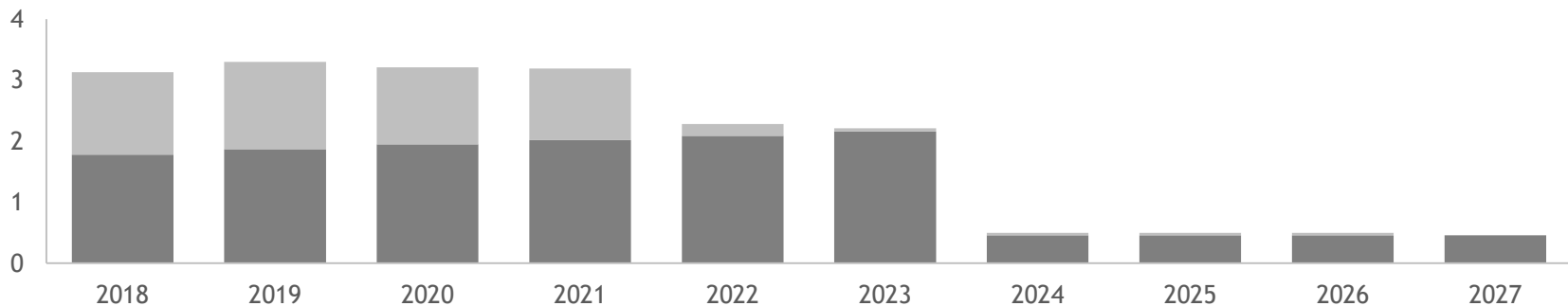
- Average life of long-term PPAs of ~6 years.
- US\$ FX adjusted and US\$ denominated capacity payments.
- ~75% contracted through 2023.
- Strong AAA locally-rated off takers.

### 2 ENERGY SALES & INDEXATION. (%)



### 3 PPA PORTFOLIO. (TWh)

■ Regulated Customers    ■ Unregulated Customers



# AGENDA

1.

Company Overview

2.

Market Overview

3.

Operations

4.

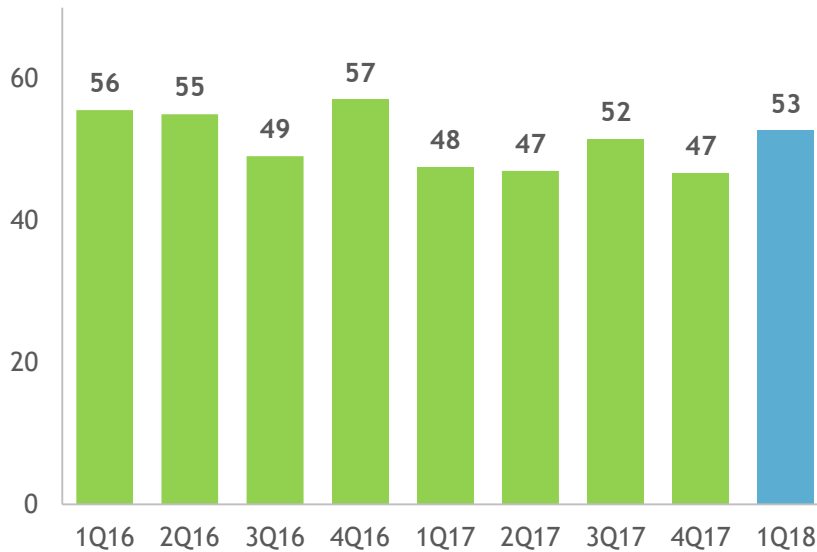
Financial Review



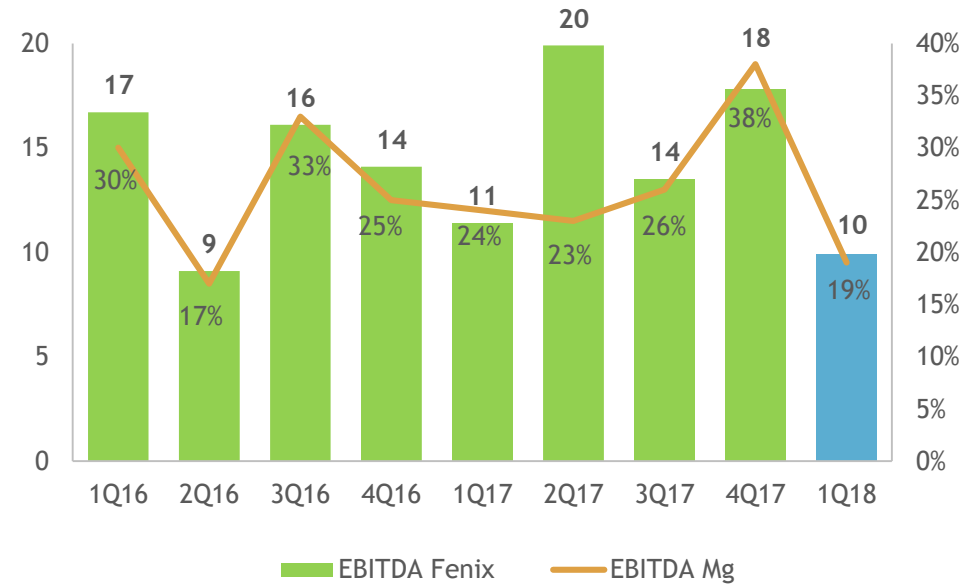
# Financial Review

## Financial results

### 1 OPERATING REVENUES. (US\$ million)



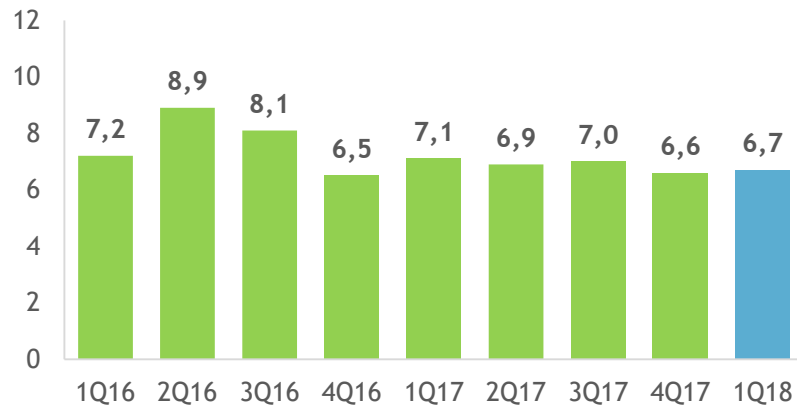
### 2 EBITDA & EBITDA MG. (US\$ million & %)



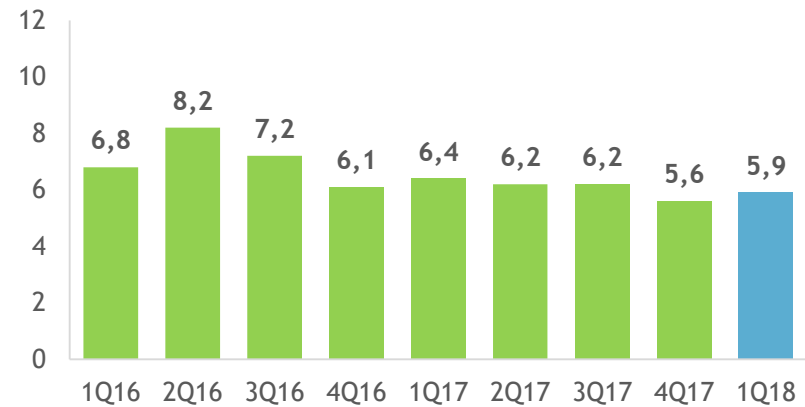
# Financial Review

## Financial results

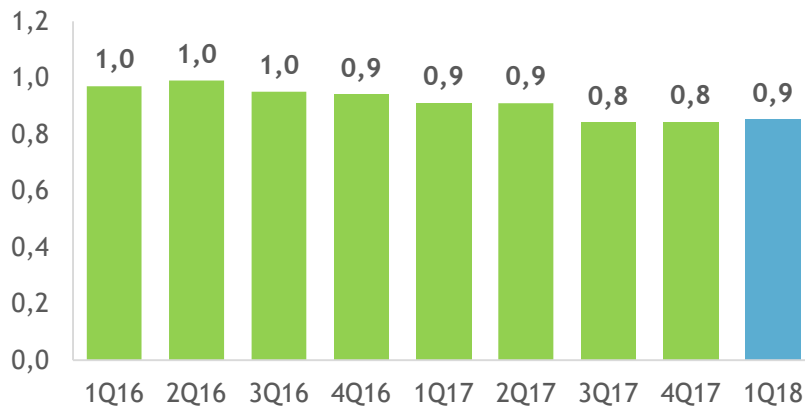
### 1 GROSS DEBT/EBITDA LTM. (X)



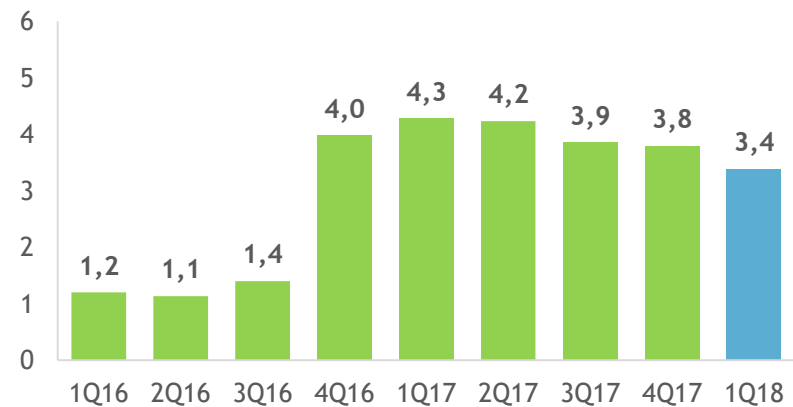
### 2 NET DEBT/EBITDA LTM. (X)



### 3 LIABILITIES / EQUITY. (X)



### 4 INTEREST COVERAGE. (x)

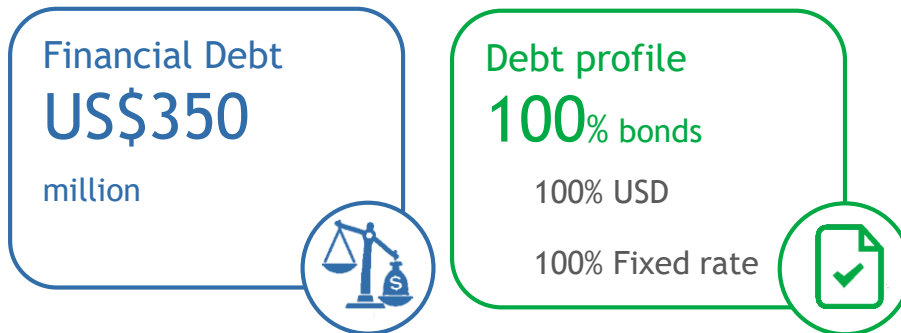


Note: as of Mar18

# Financial Review

## Debt profile

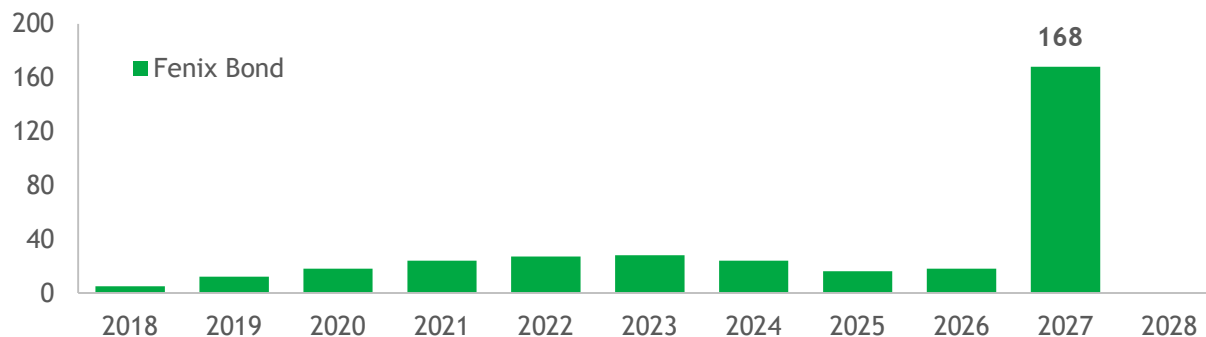
### 1 DEBT PROFILE.



### 2 FENIX BOND ISSUANCE.

- Amount: US\$340 mm
- Term: 10 years
- Coupon: 4.317%
- Date of issuance: 09-20-2017
- Format: 144A/Reg S
- Ratings (Moody's/S&P/Fitch): Baa3 / BBB- / BBB-
- Repayment profile: Amortizing, Bullet 44%
- Use of proceeds: Bank debt prepayment
- Oversubscription: 4 x

### 3 AMORTIZATION STRUCTURE. (US\$ million)





## KEY TAKEAWAYS

1

**Attractive Long-term Growth Prospects**

- Peru's power generation industry currently affected by short-term transitory factors, but continues to exhibit high growth potential in the medium / long term

2

**Highly Efficient CCGT**

- State-of-the-art combined-cycle dual-fueled power plant with 565 MW of effective capacity
- Strategically located asset, close to demand hubs and to the SEIN substation (Chilca)
- Highly efficient plant with low and flexible variable costs

3

**Relevant Asset for Peru**

- Fenix is the 4<sup>th</sup> largest power generator of Peru
- Critical power plant for the country
- Strategic for its shareholders

4

**Strategic investment for shareholders**

- Strong sponsorship from highly experienced shareholders, including a key power generation player in Chile and leading asset managers (Peru and internationally), over all long-term investors

5

**Highly-Experienced Management**

- Management with vast knowledge in the power industry

6

**Stable Revenues from Long-Term PPAs & Operational Contracts**

- Attractive long-term PPA contracts with creditworthy counterparties providing stable cash flow generation; weighted average remaining life of our long-term PPAs is 7.2 years