

# CORPORATE PRESENTATION

MARCH 2019



**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

### THE COMPANY



**One of the 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



**3.9 TWh**

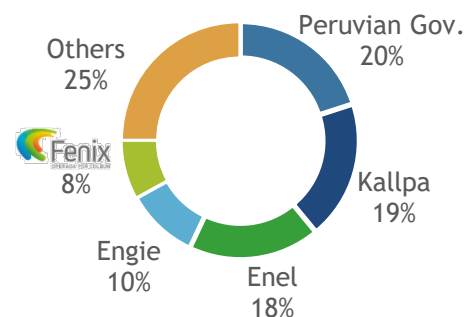
Net annual generation



**3 TWh / year**

Long term contracts (~100% capacity)

### MARKET SHARE



### KEY FIGURES



LTM EBITDA

US\$ **36** mm



Cash

US\$ **24** mm



International Ratings<sup>1</sup>

**Baa3** Negative

Moody's

**BBB-** Stable

S&P

**BB** Negative

Fitch

# Company Overview

## Highly experienced shareholders



51%

- **Chilean** power generation company
- 3rd largest player in the SEN with **17% of market share** in terms of generation
- **3.328 MW** of installed capacity, 49% hydro and 51% thermal
- **Matte Group** as Controlling shareholder

### MAIN FIGURES

- Mkt. Cap: **US\$3.5 bn**
- Total assets: **US\$6.8 bn**



ADIA

36%

- **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

SIGMA

13%

- 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**

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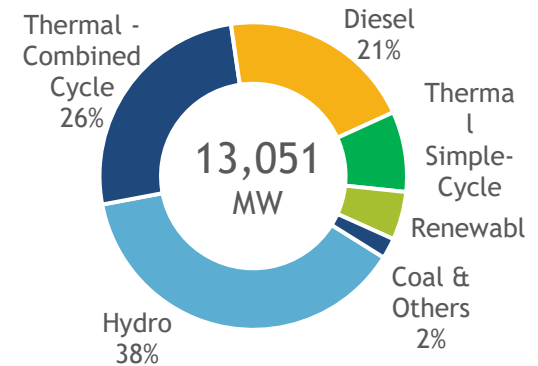


# Market overview

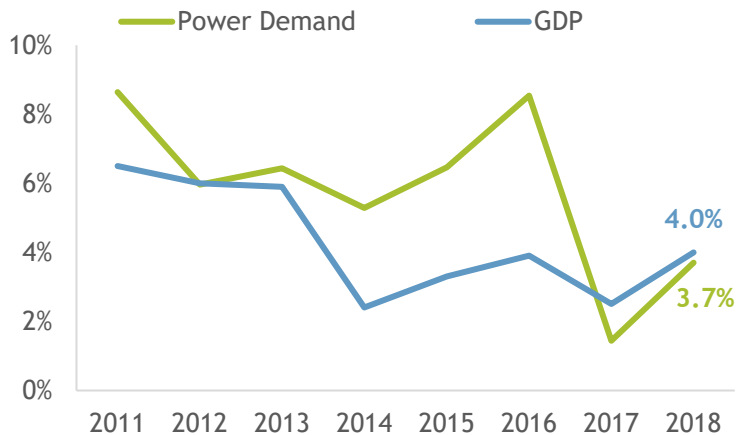
## Power industry dynamics in Peru

- Stable regulatory framework.
- US\$ currency denominated market.
- Investment grade country.
- Expected increases in economic activity and power demand

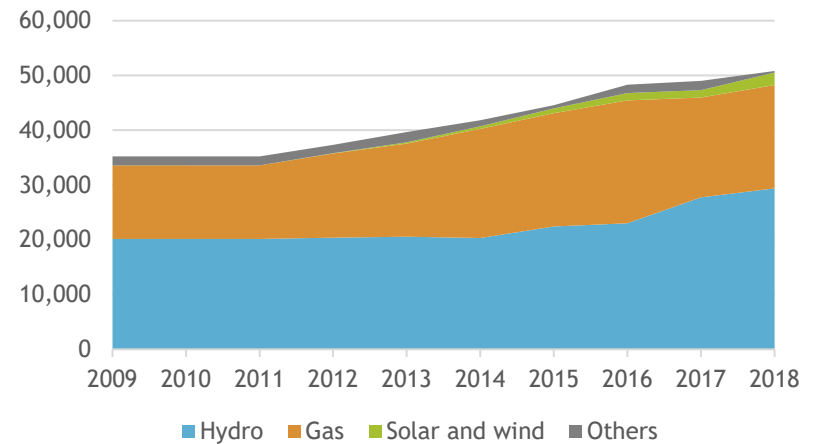
### 1 INSTALLED CAPACITY BY TECHNOLOGY (%)



### 2 SEIN DEMAND GROWTH & GDP (%)



### 3 SEIN'S HISTORICAL GENERATION (GWh)

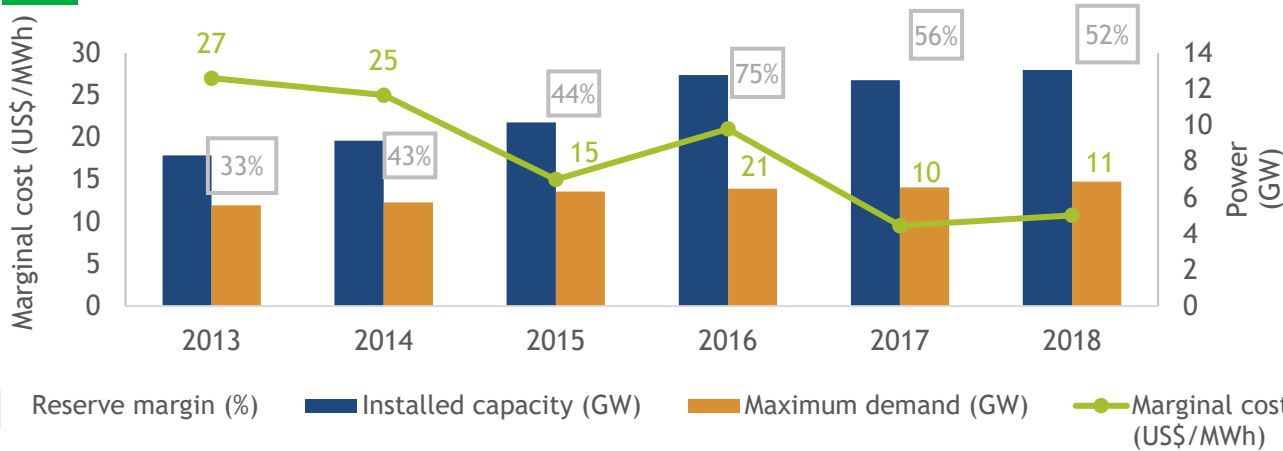


# Market overview

## Marginal costs expected to increase

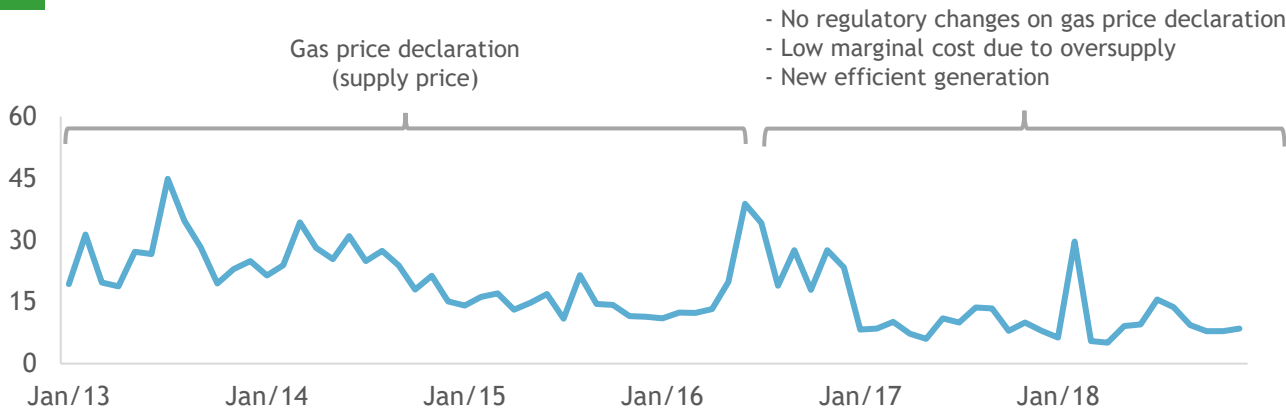
- Spot prices affected by i) take or pay scheme of gas contracts ii) price declaration strategies iii) currently oversupplied market.

### 1 INSTALLED CAPACITY BY TECHNOLOGY (%)



- Oversupplied market in the last years has pushed down marginal cost.
- As demand resumes its growth path and supply remains relatively stable, Reserve Margin is expected to reach 37% in 2022.

### 2 MARGINAL COST<sup>1</sup> (USD/MWh)



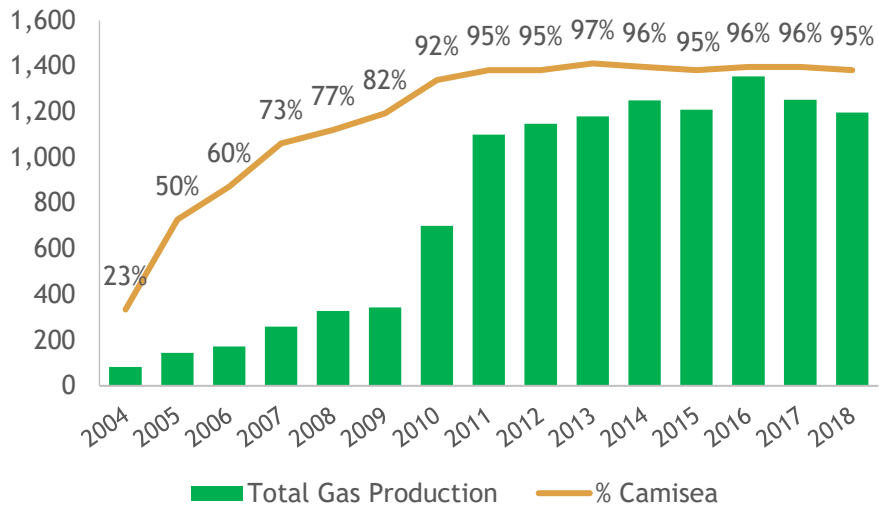
# Market Overview

## Positive gas industry trends in Peru

### 1 GAS RESERVES.

- Current proven reserves of 16 trillion cubic feet (“TCF”)
- Expected possible gas potential of 42 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



- 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



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3. Commercial Strategy

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# Commercial Strategy

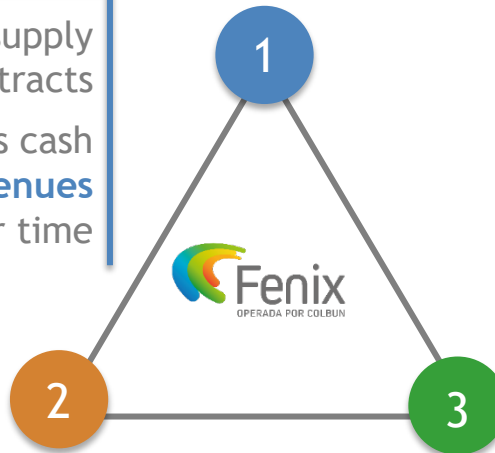
## Commercial policy

### 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

### 1 NATURAL GAS SUPPLY.

- Counterparty: Camisea Consortium
- Expiration: August 2022

### 2 NATURAL GAS TRANSPORT.

- Counterparty: TGP
- Expiration: May 2032

### 3 GAS DISTRIBUTION & O&M.

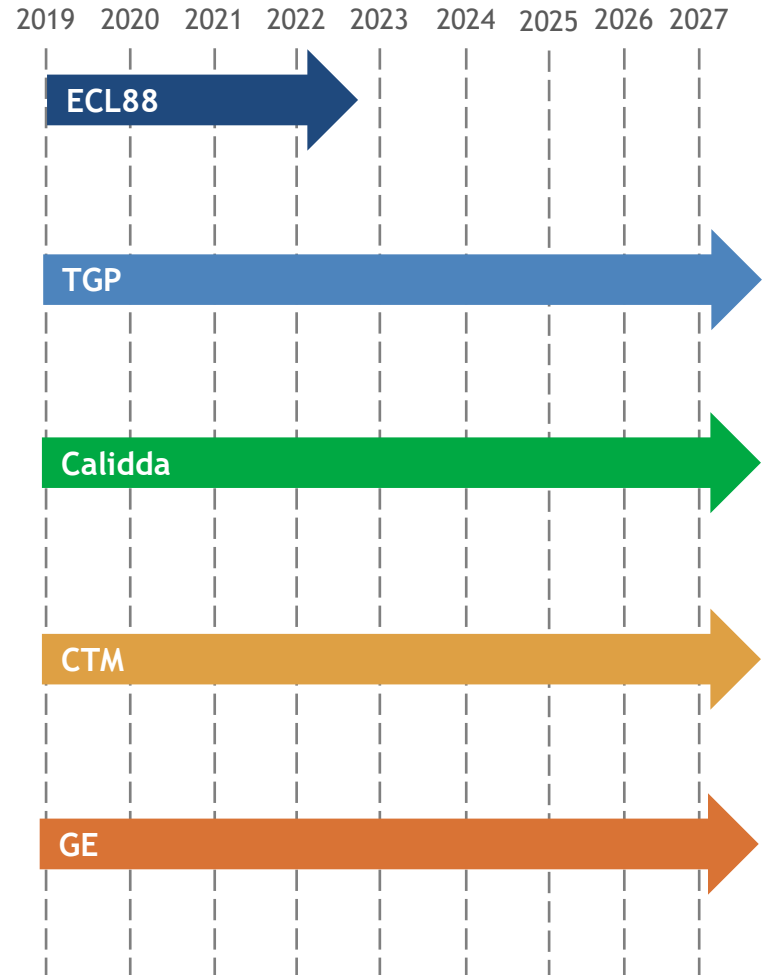
- Counterparty: CALIDDA
- Expiration: March 2035

### 4 ELECTRIC TRANSMISSION & O&M.

- Counterparty: Consorcio Transmantaro S.A.
- Expiration: February 2033

### 5 CONTRACT SERVICE AGREEMENT.

- Counterparty: GE.
- Expiration: 3 major inspections over 25 years



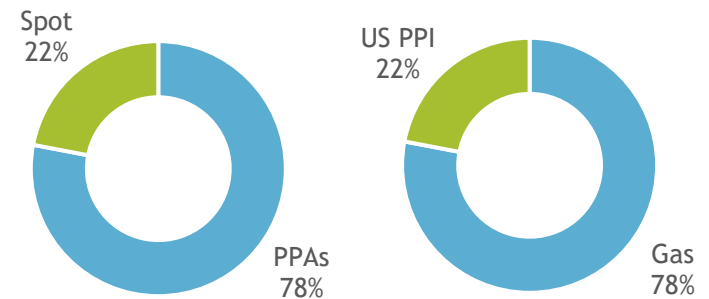
# Commercial Strategy

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

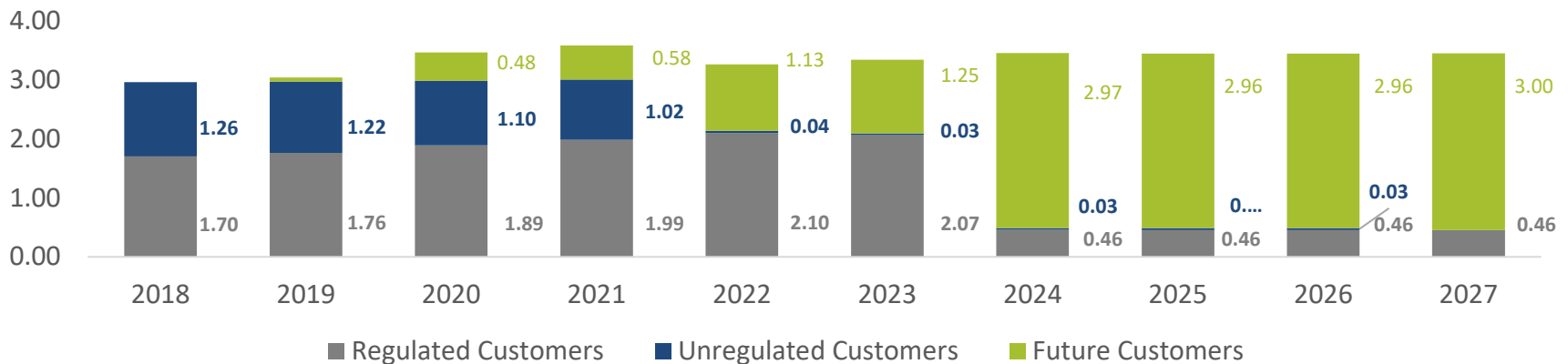
### 1 PPA PROFILE.

- Average life of long-term PPAs of **6 years**
- **US\$ FX** adjusted and US\$ denominated capacity payments
- **~77%** contracted through 2023
- Strong **AAA** locally-rated off takers

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



### 3 PPA PORTFOLIO. (TWh)



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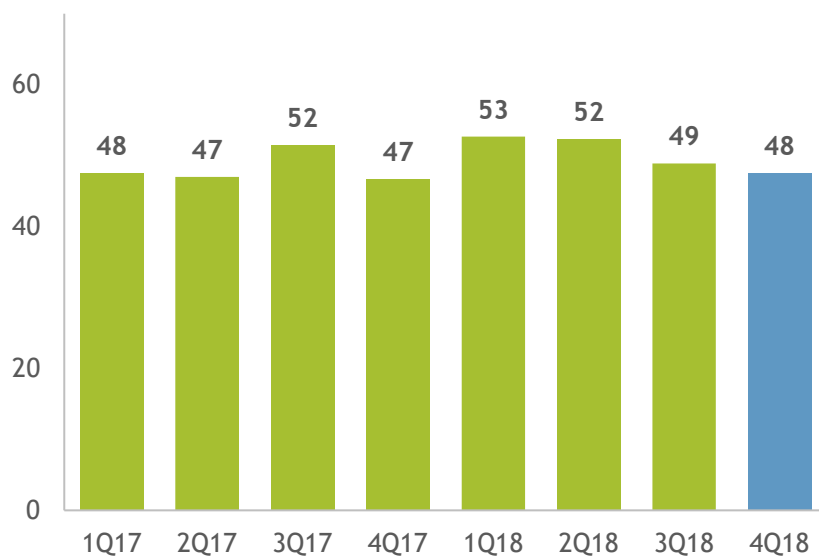
4. Financial Review



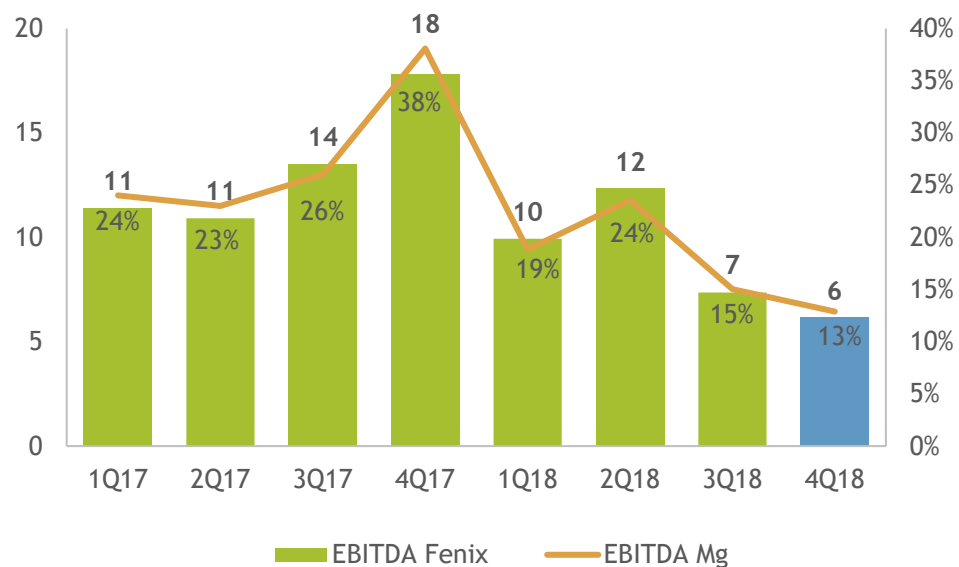
# Financial Review

## Financial results

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



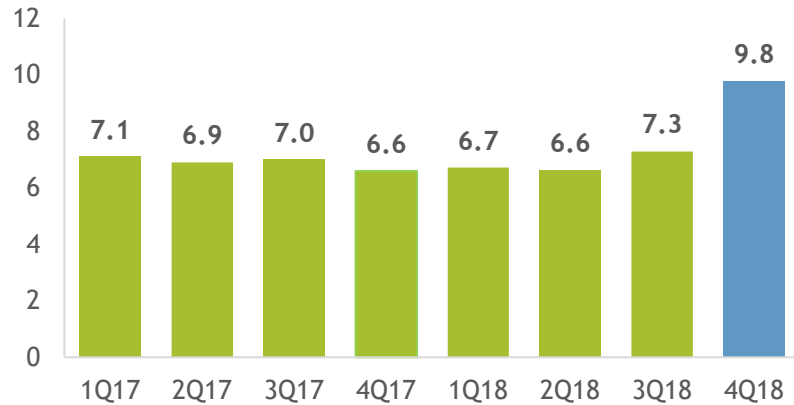
### 2 EBITDA & EBITDA MG. (US\$ million & %)



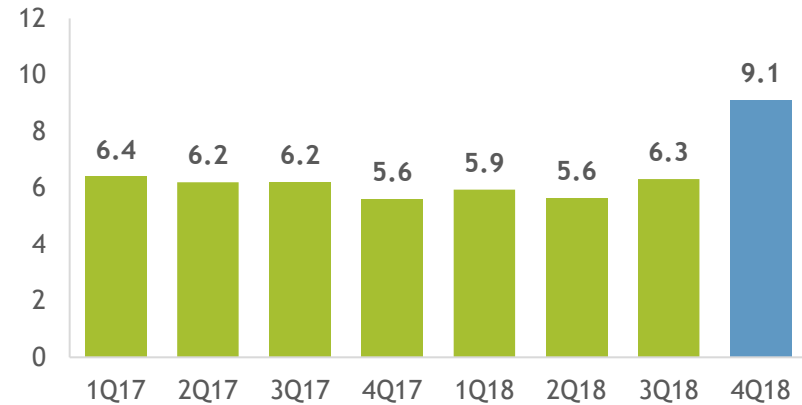
# Financial Review

## Financial results

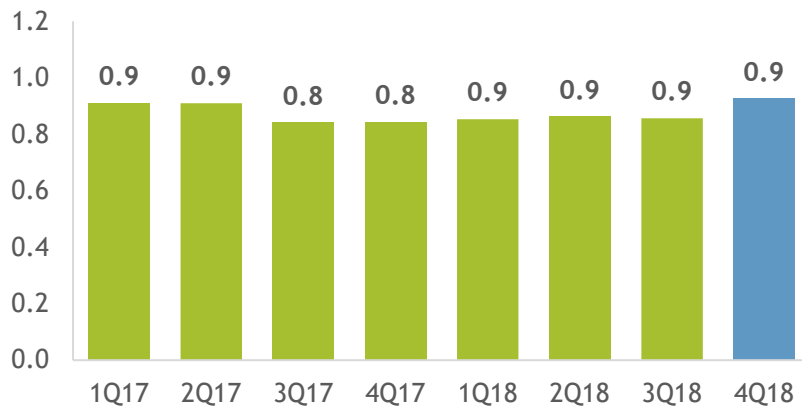
### 1 GROSS DEBT/EBITDA LTM. (X)



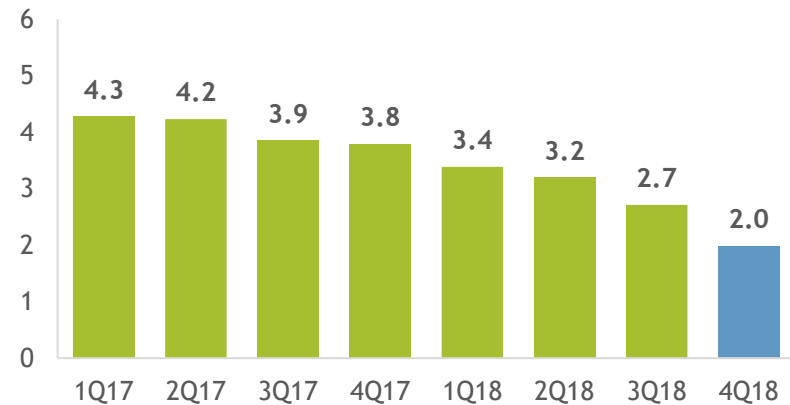
### 2 NET DEBT/EBITDA LTM. (X)



### 3 LIABILITIES / EQUITY. (X)



### 4 INTEREST COVERAGE. (x)

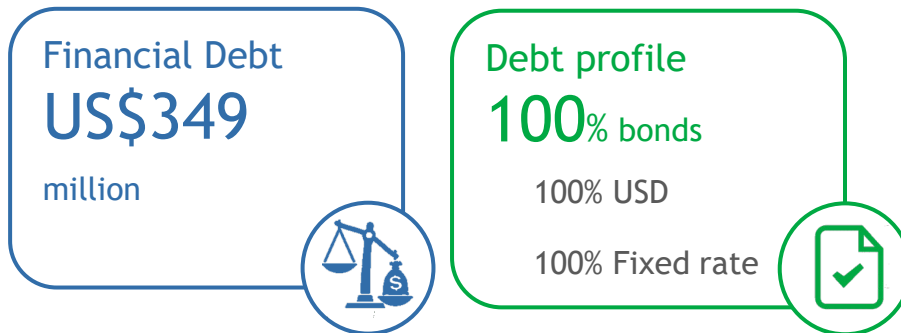


Note: as of December 18

# Financial Review

## Debt profile

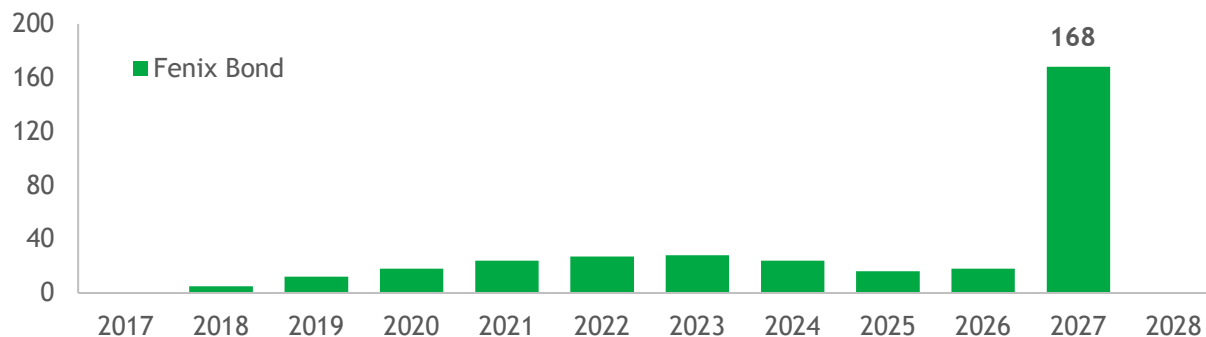
### 1 DEBT PROFILE.



### 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 5<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 6.0 years

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