



## PRESS RELEASE

### ENEL GENERACIÓN PERÚ'S POSITIVE FY 2018 RESULTS REFLECT SOUND COMMERCIAL STRATEGY

Lima, February 27<sup>th</sup>, 2019 – Today, Enel Generación Perú S.A.A. published its financial and operating results for 2018.

*“Last year, our commercial strategy coupled with sound financial management allowed us to post a positive performance, withstanding the challenges posed by energy oversupply that have consistently impacted the Peruvian energy sector over the past several years. In 2019, we will continue to implement our commercial strategy, by pursuing large commercial and industrial customers in the free market, as well as continuing to pursue efficiency through digital innovation, including in the management of business operations,”* said **José Manuel Revuelta**, Enel's Country Manager in Peru.

#### MAIN FINANCIAL RESULTS (Millions of Soles)

	FY 2018	FY 2017	Variation
REVENUES	1,439	1,360	+5.8%
EBITDA	947	768	+23.4%
NET INCOME	640	444	+44.0%
DEBT WITH FINANCIAL ENTITIES	145	174	-16.5%
CAPEX	213	150	+41.3%

- **REVENUES:** increased due to higher energy sales (+5.9%), mainly due to the increased volumes of energy sold to new free market customers, mainly from the mining sector, and a favorable outcome of an arbitration proceeding for 53 million PEN. These factors offset a lower average sale price (-2.3%) caused by energy oversupply in the period.
- **EBITDA:** increased in FY 2018 vs. the previous year following higher revenues from: i) capital gains for the sale of shares in Enel Brasil to Enel Américas for 89 million PEN, transaction closed in May 2018, and ii) insurance compensation, mainly associated with the negative effect in 2017 of Niño Costero on Callahuanca hydro plant (82.8 million PEN). Net of these two factors, EBITDA would have increased by 1%.
- **NET INCOME:** increased vis-à-vis the previous year on the back of higher EBITDA and better financial result<sup>1</sup>. The latter includes a tax contingency for 12 million PEN registered in 2017. In

<sup>1</sup> Financial result = financial revenues minus financial expenses.





addition, a positive exchange rate effect for 39 million PEN was posted in FY 2018 due to the appreciation of the US Dollar against the Peruvian Sol. These factors more than offset higher taxes (+32%, for 55 million PEN) resulting from a higher taxable income on the back of increased revenues.

- **DEBT WITH FINANCIAL ENTITIES:** decreased by 29 million PEN reflecting the schedule of payments of financial obligations.
- **CAPEX:** increased by 63 million PEN in FY 2018 due to recovery works at the Callahuanca hydro plant (80.7 million PEN). The works at Callahuanca are in their final stage and the restored plant is expected to be fully commissioned during the first half of the year. The company also invested 10 million PEN in the Evolution for Energy - E4E digital project, a new business system (Enterprise Resource Planning, ERP) that will manage business operations, simplifying the company's processes with the aim to improve efficiency and information security.

## MAIN OPERATING RESULTS

	FY 2018	FY 2017	Variation
NET POWER GENERATION (GWh)	6,263	5,777	+8.4%
ENERGY SALES (GWh)	8,772	8,265	+6.1%

- **NET POWER GENERATION:** increased to meet demand growth mainly from new customers, specifically through thermal generation (+27.4%), which went up to 3,653 GWh in 2018 from 2,867 GWh in 2017, offsetting the lower water availability in the country. On the other hand, hydropower generation decreased by 10.3%, going down to 2,610 GWh in 2018 from 2,911 GWh in 2017, following the unavailability of Callahuanca hydro plant throughout 2018 and the aforementioned lower water availability in the system.
- **ENERGY SALES (GWh):** increased by 507 GWh, reflecting the signing of new agreements with free customers, which came into force in 1Q 2018.

