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Testo del comunicato

Vedi allegato.

PRESS RELEASE

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ENEL INCREASES INVESTMENTS BY 20.4% IN THE FIRST NINE MONTHS OF 2021 TO ACCELERATE GROWTH, YEAR-END TARGETS CONFIRMED

- **Revenues** at 57,914 million euros (49,465[1] million euros in the first nine months of 2020, +17.1%)
  - *the positive change is attributable to higher revenues from all business lines and, in particular, from Thermal Generation and Trading, Enel Green Power and End-User Markets, due to higher volumes of energy sold, from Infrastructure and Networks, due to higher volumes of energy transported, as well as from Enel X. These effects more than offset the negative exchange rate impact in Latin America*

- **Ordinary EBITDA** at 12,631 million euros (13,146 million euros in the first nine months of 2020, -3.9%)
  - *the decrease is due to non-recurring items booked in the first nine months of 2020, such as the change in the energy discount benefit in Spain, mainly in Infrastructure and Networks and in Thermal Generation and Trading, as well as the compensation associated with the resolutions of ARERA n. 50/2018 and n. 461/2020 in Italy. In addition, the first nine months of the year were affected by the adverse exchange rate effect in Latin America and several headwinds associated with business dynamics. These impacts were only partially offset by operating growth in the period, driven by investment in Enel Green Power and improved margin in End-User Markets and in Enel X, as well as by the recognition of the indemnification related to the CO_2 emission rights assigned for free in Spain in Thermal Generation and Trading*

- **EBITDA** at 11,278 million euros (12,705 million euros in the first nine months of 2020, -11.2%)

- **EBIT** at 6,254 million euros (6,975 million euros in the first nine months of 2020, -10.3%)
  - *the change mainly reflects the performance of operations, partially offset by lower depreciation, amortization and impairment recorded in the first nine months of 2021, both on plants and on receivables*

- **Group net ordinary income** at 3,289 million euros (3,593 million euros in the first nine months of 2020, -8.5%)
  - *the decrease is due to the items commented under ordinary EBITDA as well as the effects resulting from the tax reforms in Argentina and Colombia, only partially offset by the results of companies accounted for using the equity method and by a reduction in non-controlling interests*

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[1] The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, in order to take account of the effects of the different classification deriving from the fair value measurement of outstanding contracts at the end of the period for the sale of commodities with physical delivery. This different classification did not have any effects on the margins.

Enel SpA – Registered Office: 00198 Rome – Italy - Viale Regina Margherita 137 – Companies Register of Rome and Tax I.D. 00811720580 - R.E.A. 756032 – VAT Code 15844561009 – Stock Capital Euro 10,166,679,946 fully paid-in.

- **Group net income** at 2,505 million euros (2,921 million euros in the first nine months of 2020, -14.2%)

- **Net financial debt** at 54,389 million euros (45,415 million euros at year-end 2020, +19.8%)
  - *an increase in the first nine months of 2021, mainly due to investments for the period, the acquisition of an additional stake in Enel Américas and the adverse exchange rate effect, partially offset by the positive cash flows generated by operating activities*

- **Capital expenditure** at 7,901 million euros (6,563 million euros in the first nine months of 2020, +20.4%)
  - *the increase is mainly attributable to growth in capital expenditure in Infrastructure and Networks, in Enel Green Power, in End-User Markets and in Enel X*

- **Approval of interim dividend for 2021 of 0.19 euros per share, in payment from January 26th, 2022,** an increase of 8.6% compared with the interim dividend distributed in January this year

  - *the Enel Board of Directors confirms the interim dividend policy for 2021, as provided for in the 2021-2023 Strategic Plan*
  - *envisaged a total dividend of 0.38 euros per share on 2021 results*

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Francesco Starace, Enel Group CEO, stated: "*In the first nine months of 2021, we continued our industrial growth path, recording an improved operating performance across all our business lines. We increased investments by more than 20% compared to the same period last year, investments that will allow us to support growth and seize opportunities in the current recovery. On this basis, for 2021 we are confirming the financial targets for ordinary EBITDA and net ordinary income presented to the markets in the last Strategic Plan. We also confirm our dividend policy, which sees an increase of around 9% in the interim dividend to be distributed in January 2022*."

Rome, November 4th, 2021 - The Board of Directors of Enel S.p.A. ("Enel" or the "Company"), chaired by Michele Crisostomo, examined and approved the Interim Financial Report at September 30th, 2021, as well as Enel's financial statements at the same date and the report, which indicates that the Company's performance and financial position permit the distribution of an interim dividend for 2021 of 0.19 euros per share, which will be paid as from January 26th, 2022.

1) Consolidated financial highlights for the first nine months of 2021

REVENUES

The following table reports revenues by **Business Line**:

Revenues (millions of euros)	9M 2021	9M 2020[2]	Change
Thermal Generation and Trading	23,055	17,741	30.0%
Enel Green Power	6,346	5,284	20.1%
Infrastructure and Networks	14,930	14,270	4.6%
End-User Markets	23,612	21,492	9.9%
Enel X	1,036	756	37.0%
Services	1,352	1,289	4.9%
Other, eliminations and adjustments	(12,417)	(11,367)	-9.2%
TOTAL	**57,914**	**49,465**	**17.1%**

The following table shows detailed information from **Thermal Generation and Trading** relating solely to revenues from thermal and nuclear generation:

Revenues (millions of euros)	9M 2021	9M 2020[3]	Change
Revenues from thermal generation	7,348	5,426	35.4%
of which: coal-fired generation	*1,324*	*1,213*	*9.2%*
Revenues from nuclear generation	1,029	1,015	1.4%

Revenues from thermal generation as a percentage of total revenues	12.7%	11.0%
of which: revenues from coal-fired generation as a percentage of total revenues	2.3%	2.5%
Revenues from nuclear generation as a percentage of total revenues	1.8%	2.1%

- **Revenues in the first nine months of 2021** amounted to 57,914 million euros, an increase of 8,449 million euros (+17.1%) compared with the same period in 2020. The increase in the period is mainly attributable to higher revenues from: (i) **Thermal Generation and Trading** in Italy, Iberia and Latin America due to higher sales and to higher trading activities on commodities relating to contracts with physical delivery; (ii) **Infrastructure and Networks**, mainly in Brazil due to higher

[2] The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, in order to take account of the effects of the different classification deriving from the fair value measurement of outstanding contracts at the end of the period for the sale of commodities with physical delivery. This different classification did not have any effects on the margins.
[3] The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, in order to take account of the effects of the different classification deriving from the fair value measurement of outstanding contracts at the end of the period for the sale of commodities with physical delivery. This different classification did not have any effects on the margins.

quantities of electricity transported; (iii) **End-User Markets** due to higher quantities of electricity sold; (iv) **Enel Green Power**, mainly in Italy due to the higher amount of energy produced as well as in Brazil and North America due to the commissioning of new plants; (v) **Enel X**, related to new commercial initiatives and associated services, mainly in Italy and North America. These effects more than offset the adverse exchange rate trends in Latin America.

Revenues in the first nine months of 2021 from thermal generation alone and included in the results of **Thermal Generation and Trading** amounted to 7,348 million euros, an increase of 1,922 million euros (+35.4%) compared with the same period in 2020. In particular, revenues from coal-fired generation in the first nine months of 2021 stand at 2.3% of total revenues. These increases were affected by the upward trend in spot electricity prices on the market and, to a lesser extent, by the increased use of thermal generation to offset the low production from hydro resources in Spain and Latin America.

- Revenues in the first nine months of **2021** and in the same period in **2020** do not include any non-ordinary items.

ORDINARY EBITDA and EBITDA

The following table reports ordinary EBITDA by **Business Line**:

Ordinary EBITDA (*millions of euros*)	**9M 2021**	**9M 2020**	**Change**
Thermal Generation and Trading	1,709	1,677	1.9%
Enel Green Power	3,046	3,387	-10.1%
Infrastructure and Networks	5,355	5,753	-6.9%
End-User Markets	2,363	2,297	2.9%
Enel X	195	70	-
Services	96	82	17.1%
Other, eliminations and adjustments	(133)	(120)	-10.8%
TOTAL	**12,631**	**13,146**	**-3.9%**

The following table reports EBITDA by **Business Line**:

EBITDA (millions of euros)	**9M 2021**	**9M 2020**	**Change**
Thermal Generation and Trading	1,128	1,341	-15.9%
Enel Green Power	3,001	3,376	-11.1%
Infrastructure and Networks	4,942	5,714	-13.5%
End-User Markets	2,270	2,287	-0.7%
Enel X	183	68	-

Services	(56)	40	-
Other, eliminations and adjustments	(190)	(121)	-57.0%
TOTAL	**11,278**	**12,705**	**-11.2%**

The following tables present the non-ordinary items leading ordinary EBITDA for the first nine months of 2021 and first nine months of 2020 to EBITDA for the same periods.

Millions of EUR				**9M 2021**				
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-User Markets	Enel X	Services	Other, eliminations and adjustments	Total
Ordinary EBITDA	**1,709**	**3,046**	**5,355**	**2,363**	**195**	**96**	**(133)**	**12,631**
Costs for energy transition and digitalization	(575)	(40)	(390)	(92)	(12)	(148)	(57)	(1,314)
Costs related to COVID-19	(6)	(5)	(23)	(1)	-	(4)	-	(39)
EBITDA	**1,128**	**3,001**	**4,942**	**2,270**	**183**	**(56)**	**(190)**	**11,278**

Millions of EUR				**9M 2020**				
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-User Markets	Enel X	Services	Other, eliminations and adjustments	Total
Ordinary EBITDA	**1,677**	**3,387**	**5,753**	**2,297**	**70**	**82**	**(120)**	**13,146**
Impairments	(124)	-	-	-	-	-	-	(124)
Restructuring plans for energy transition and digitalization	(204)	(2)	-	-	-	(7)	-	(213)
Higher costs in application of certain contractual provisions relative to the transfer of EFSI	-	(3)	-	-	-	-	-	(3)
Costs related to COVID-19	(8)	(6)	(39)	(10)	(2)	(35)	(1)	(101)
EBITDA	**1,341**	**3,376**	**5,714**	**2,287**	**68**	**40**	**(121)**	**12,705**

Ordinary EBITDA in the first nine months of 2021 amounted to 12,631 million euros, a decrease of 515 million euros (-3.9%) compared to the same period in 2020. In particular, the decrease is attributable to:

– a negative change in **Infrastructure and Networks**, amounting to 398 million euros, mainly due to: (i) the recognition in Spain, in the first nine months of 2020, of the positive effect resulting from the amendment to the energy discount benefit following the "5th Endesa Collective Bargaining Agreement" , net of the provision for indemnities related to the early voluntary termination of employment relationship recorded in the same period; (ii) higher income, recognized in the first nine months of 2020 in Italy, resulting from the application of Resolutions no. 50/2018 and no. 461/2020 by ARERA, the Italian Regulatory Authority for Energy, Networks and Environment; (iii) the adverse exchange rate effect in Latin America. These negative impacts were partially offset by the improvement of margins (i) in Latin America, net of the negative exchange rate effect, mainly derived from higher volumes of electricity transported; and (ii) in Italy, following the 2021 tariff adjustment on electricity transport;

- a negative change in the activities of **Enel Green Power**, amounting to 341 million euros, mainly due to a reduction in the operating margin: (i) in Latin America due to the adverse exchange rate effect and higher procurement costs incurred in Chile caused by the country's lower hydro availability. The negative change more than offset the improvement in the margin in Brazil due to the entry into operation of new plants, (ii) in Italy mainly due to lower margins in hydropower plants, (iii) in Iberia, mainly due to lower hydro availability, despite the recognition of lower hydroelectric fees following the favorable outcome of a dispute, (iv) in North America, where the positive effects derived from the commissioning of new wind and solar power plants were more than offset by the net negative settlement of some energy sale contracts resulting from an extreme weather event in Texas.

This decrease was partially offset by the improvement in the margins of:

- **Enel X**, for 125 million euros, mainly in Italy and North America as a result of the increase in margins on services associated with the new commercial initiatives and on demand response activities;
- **End-User Markets**, amounting to 66 million euros, mainly due to higher sales on the free market to "business to business" (B2B) customers in Italy and in Latin America;
- **Thermal Generation and Trading**, amounting to 32 million euros, mainly (i) in Italy, due to the higher volumes of energy produced and trading activities, (ii) in Spain, due to the recognition of the indemnification related to the CO_2 emission rights assigned for free by the Plan Nacional de Asignación de Derechos de Emisión (PNA), only partially offset by the aforementioned change in the energy discount benefit, net of the provision for indemnities related to the early voluntary termination of employment relationship recorded in the same period, and (iii) in Latin America, mainly in Colombia and Brazil, only partially offset by the negative exchange rate effect.

EBIT

The following table reports EBIT by **Business Line**:

EBIT (millions of euros)	9M 2021	9M 2020	Change
Thermal Generation and Trading	435	(34)	-
Enel Green Power	1,858	2,408	-22.8%
Infrastructure and Networks	2,979	3,495	-14.8%
End-User Markets	1,360	1,364	-0.3%
Enel X	30	(38)	-
Services	(193)	(78)	-
Other, eliminations and adjustments	(215)	(142)	-51.4%

TOTAL	6,254	6,975	-10.3%

EBIT in the first nine months of 2021 amounted to 6,254 million euros, a decrease of 721 million euros (-10.3%) compared to the same period of 2020. In particular, the negative change in operating performance discussed above was only partially offset by lower depreciation and impairments in the first nine months of 2021, impacted by: (i) the write-downs carried out in 2020 on certain coal-fired plants as part of the decarbonization process undertaken by the Group and (ii) a lower provision for bad debts compared to the same period in 2020. Furthermore, in the first nine months of 2021, the Group recorded a value adjustment (totaling 165 million euros) on the assets associated with the PH Chucas hydro plant in concession in Costa Rica.

GROUP NET ORDINARY INCOME and NET INCOME

	9M 2021	9M 2020	Changes	
Group net ordinary income	**3,289**	**3,593**	**(304)**	**-8.5%**
Costs for energy transition and digitalization	(922)	(527)	(395)	-75.0%
Impairments	(133)	(39)	(94)	-
Costs related to COVID-19	(26)	(66)	40	+60.6%
Impairment of certain assets relating to the sale of the interest in Slovenské Elektràrne	297	(40)	337	-
Group net income	**2,505**	**2,921**	**(416)**	**-14.2%**

In the first nine months of 2021, Group net ordinary income amounted to 3,289 million euros, compared with 3,593 million euros in the same period in 2020, a decrease of 304 million euros (-8.5%). The change is mainly attributable to (i) the negative performance of the result from operations, (ii) the higher level of taxes (170 million euros), mainly due to the effects from tax reforms in Argentina and Colombia as well as the adjustment of deferred taxation in Spain and (iii) financial expenses linked to the early repayment of certain loans replaced by new bond issues at more advantageous rates.
These factors were only partially offset by: (i) better results from companies accounted for under the equity method (76 million euros); (ii) lower minority interests in Enel Américas as a result of the Group's reorganization operations in Latin America.

FINANCIAL POSITION

The financial position shows **net capital employed** at September 30th, 2021, including 719 million euros of net assets held for sale, of **98,469 million euros** (87,772 million euros at December 31st, 2020).
This amount is covered by:

- **equity**, including non-controlling interests, for **44,080 million euros** (42,357 million euros at December 31st, 2020);
- **net financial debt** for **54,389 million euros** (45,415 million euros at December 31st, 2020). The increase of 8,974 million euros in net financial debt (+19.8%) mainly refers to (i) capital expenditure for the period (7,988[4] million euros); (ii) the payment of dividends related to financial year 2020 totaling

[4] Including 87 million euros relating to units classified as assets "held for sale".

4,772[5] million euros, (iii) extraordinary transactions on non-controlling interests for 1,304 million euros, mainly for the acquisition of an additional stake in Enel Américas as a result of the voluntary partial tender offer concluded in April 2021, (iv) the consolidation of the Australian companies' debt for approximately 170 million euros, (v) the increase in debt for leasing transactions (447 million euros) and (vi) the adverse exchange rate effect of approximately 1,557 million euros. The positive cash flow generated by operations (5,067 million euros) and the liquidity generated by the issuance, for 2,214 million euros, of a perpetual non-convertible subordinated hybrid bond, partially offset the financial needs associated with the abovementioned events.

At September 30th, 2021, the **debt/equity ratio** came to **1.23** (1.07 at December 31st, 2020). This change essentially reflected the increase in debt detailed above.

CAPITAL EXPENDITURE

The following table reports capital expenditure by **Business Line**:

CAPITAL EXPENDITURE (millions of euros)	**9M 2021**	**9M 2020**	**Change**
Thermal Generation and Trading	418	376	11.2%
Enel Green Power	3,287	2,964	10.9%
Infrastructure and Networks	3,433	2,691	27.6%
End-User Markets	431	304	41.8%
Enel X	230	159	44.7%
Services	71	47	51.1%
Other, eliminations and adjustments	31	22	40.9%
TOTAL[1]	**7,901**	**6,563**	**20.4%**

[1] The figure for the first nine months of 2021 does not include 87 million euros relating to units classified as assets "held for sale".

Capital expenditure came to at 7,901 million euros in the first nine months of 2021, an increase of 1,338 million euros compared to the same period in 2020 (+20.4%). In particular, the first nine months of 2021 saw the growth of investments: (i) by **Infrastructure and Networks**, mainly in Italy, Spain and Latin America, primarily for the installation of new Smart Meters and for quality remote control activities; (ii) by **Enel Green Power,** mainly in Italy, the United States, Colombia, Chile, Russia, Spain and Panama, which more than offset a decrease in investments in South Africa and Mexico; (iii) in **End-User Markets** in Italy, Spain and Romania; (iv) by **Enel X** in Italy in the e-Home business, in electric mobility and digitalization as well as in North America for the development of storage activities.

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[5] Including 26 million euros in coupons paid to holders of hybrid perpetual bonds.

2) Financial highlights of the Parent Company at September 30th, 2021

The Parent Company Enel, in its capacity as an industrial holding company, sets the strategic objectives at Group level and coordinates the activities of its subsidiaries. The activities that Enel performs in respect to the other Group companies as part of its management and coordination role are Holding activities (coordination of governance processes).
Within the Group, Enel also directly performs the role of central treasury, ensuring access to the money and capital markets, and provides coverage of insurance risks.

Millions of euros	9M 2021	9M 2020	Change
Revenues	88	87	1.1%
EBITDA	(179)	(120)	-49.2%
EBIT	(205)	(263)	22.1%
Net financial expense and income from equity investments	3,835	2,151	78.3%
Income for the period	3,677	1,964	87.2%
Net financial debt at September 30th	17,569*	18,683**	-6.0%

** at September 30th, 2021*
*** at December 31st, 2020*

Revenues, which mainly relate to services rendered to subsidiaries as part of the parent company's management and coordination role, amounted to 88 million euros in the first nine months of 2021, substantially in line with the same period of the previous year.

EBITDA was a negative 179 million euros, a decrease of 59 million euros compared to the first nine months of 2020, mainly due to an increase in personnel costs as a result of early retirement plans adopted by the company.

EBIT, including depreciation, amortization and impairment losses of 26 million euros, was a negative 205 million euros, an increase of 58 million euros compared to the first nine months of 2020. In 2020, the item "Impairment" included a 122 million euro value adjustement on investments held in Romania.

Net financial expenses and income from equity investments in the first nine months of 2021 was a positive 3,835 million euros overall, including dividends received from subsidiaries, associates and other entities of 4,067 million euros (2,611 million euros in the first nine months of 2020) and net financial expenses of 232 million euros (460 million euros in the first nine months of 2020).
Compared to the same period in the previous year, the increase of 1,456 million euros in income from equity investments was mainly due to the distribution of higher dividends by Enel Italia SpA, following the contribution to Enel Italia SpA of the equity investments held in the Italian subsidiaries as part of the reorganization of the Italian equity investments carried out at the beginning of 2020.
Net financial expenses improved by 228 million euros, attributable to the increase in net financial income from derivatives (425 million euros), partially offset by the increase in other net financial expenses (197 million euros).

Net Income for the first nine months of 2021 amounted to 3,677 million euros, compared to 1,964 million euros for the corresponding period of the previous year. The positive change of 1,713 million euros was mainly due to an increase in income from equity investments and a decrease in net financial expenses, in addition to net operating income.

Net financial debt at September 30th, 2021 amounted to 17,569 million euros, a decrease of 1,114 million euros compared to the figure at year-end 2020, as a result of lower net short-term financial debt of 1,244 million euros and higher net long-term debt exposure of 130 million euros.

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OPERATIONAL HIGHLIGHTS FOR THE FIRST NINE MONTHS OF 2021

	9M 2021	9M 2020	Change
Electricity sales (TWh)	**232.6**	222.0	+4.8%
Gas sales (billions of m^3)	**6.8**	6.8[1]	-
Total net efficient installed capacity (GW)	**86.5**	84.0[2]	+3.0%
• **of which renewables (GW)**[3]	**47.5**	45.0[2]	+5.6%
Electricity generated (TWh)	**164.2**	152.4	+7.7%
Electricity distributed (TWh)	**381.5**	360.3[4]	+5.9%
Employees (no.)	**66,021**	66,717[2]	-1.0%

[1] Since volumes also include sales to large customers by generation companies in Latin America, the figure for 2020 has been restated.
[2] At December 31st, 2020.
[3] It should be noted that net efficient installed capacity from renewables, also including managed capacity, amounted to 50.8 GW at September 30th, 2021 and 48.6 GW at December 31st, 2020.
[4] The figure for the first nine months of 2020 was recalculated in 2021.

Electricity and gas sales

- **Electricity sales** for the first nine months of 2021 amounted to **232.6 TWh**, an increase of 10.6 TWh (+4.8%) on the same period in the previous year. In particular, this reflects:
  - an increase in volumes sold in Italy (+2.8 TWh) and Latin America (+8.0 TWh), mainly in Brazil (+4.5 TWh), Chile (+2.2 TWh) and Peru (+0.7 TWh);
  - lower volumes sold in Iberia (-0.5 TWh);
- **Natural gas sales** in the first nine months of 2021 amounted to **6.8 billion cubic meters**, in line with the same period of the previous year.

Total net efficient installed capacity

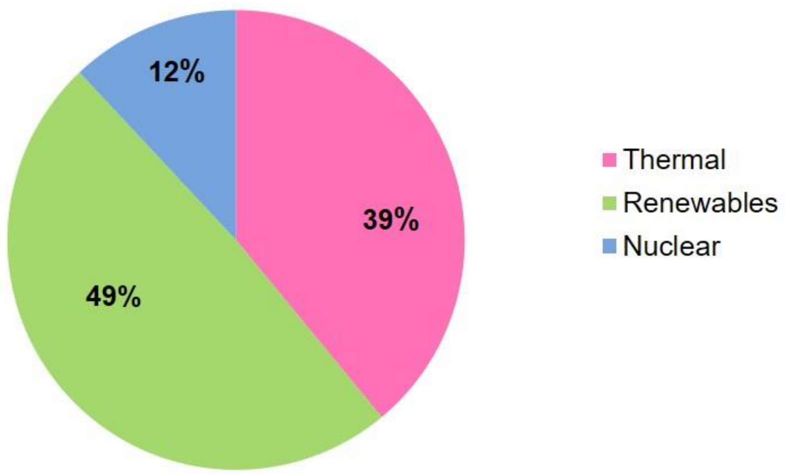
The Enel Group's total net efficient installed capacity comes to **86.5 GW**, an increase of 2.5 GW in the first nine months of 2021, mainly as a result of additional wind capacity installed in Brazil (0.5 GW) and South Africa (0.3 GW), and solar capacity in Chile (0.6 GW), the United States (0.5 GW), Brazil (0.2 GW) and Panama (0.1 GW), as well as due to the line-by-line consolidation of certain companies in Australia previously accounted for under the equity method (0.3 GW).

Electricity generated

The net electricity generated by the Enel Group in the first nine months of 2021 amounted to **164.2 TWh**[6], an increase of 11.8 TWh compared to the value recorded in the same period in 2020 (+7.7%). In particular, this reflects:

- an increase in renewable generation (+3.3 TWh, of which: +5.2 TWh of wind power and +1.4 TWh of solar power, which offset a 3.2 TWh decrease in production from hydro sources);
- a higher contribution from thermal sources (+8.1 TWh), mainly due to the increase in production from combined cycle plants (+5.5 TWh) and Oil & Gas (+2.6 TWh);
- a production from nuclear generation of 19.9 TWh, a slight increase (+0.4 TWh) compared to the figure registered in the same period in 2020.

Generation mix of Enel Group plants



Generation from renewable sources, including volumes produced by managed capacity, far exceeded that from thermal generation, reaching 88.1 TWh (84.8 TWh in the first nine months of 2020, +4.0%), compared with thermal generation of 63.5 TWh (55.3 TWh in the first nine months of 2020, +14.7%).

[6] 171.5 TWh including output from around 3.3 GW of managed renewable capacity.

Considering only the production from consolidated capacity, zero-emission generation comes to 61% of total generation of the Enel Group while it is equal to 63% if managed generation capacity is also included[7]. "*Decarbonization of the generation mix*" by 2050 remains the long-term objective of the Enel Group.

Electricity distributed

- **Electricity transported** on Enel Group distribution networks in the first nine months of 2021 amounted to 381.5 TWh, of which 169.1 TWh in Italy and 212.4 TWh abroad.
- The volume of **electricity distributed in Italy** increased by 10.1 TWh (+6.3%) versus the figure recorded for the same period in 2020:
  - with a performance in line with electricity demand on the national power grid (+6.2%). The percentage change in demand on the national market amounted to +6.4% in the North, +6.1% in the Center, +5.2% in the South and +6.6% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Center and the North, other major operators account for a total of about 15% of energy volumes distributed.
- **Electricity distributed outside Italy** amounted to 212.4 TWh, an increase of 11.1 TWh (+5.5%) on the same period in 2020, with most of the increase posted in Spain (+5.5 TWh) and Brazil (+2.9 TWh).

EMPLOYEES

At September 30th, 2021, the **Group workforce numbered 66,021** (66,717 at December 31st, 2020). The change in the first nine months of 2021 (-696 units) reflects the impact of:

- the balance between new hires and terminations (-719 units);
- changes in the scope of consolidation (+23 units), due to the sale of the company Enel Green Power Bulgaria and the acquisition of the company Cityposte Payment S.p.A. in Italy.

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OUTLOOK

In the first nine months of the year, the gradual spread of COVID-19 vaccines laid the foundations for a substantial return to growth at a global level; in this context, the Group saw a solid recovery in operating indicators, not only in terms of generation, distribution and sale of electricity to end customers, but also in terms of an acceleration in the deployment of new renewable capacity.
At the same time, the macroeconomic context in recent months has been strongly influenced by a significant increase in the prices of raw materials such as gas and coal, which has a direct impact on the price of electricity. This has led to the intervention of the authorities in some European countries in an attempt to smooth the increase in electricity prices for end consumers, also with measures that penalize companies operating in the electricity generation and sales sector.
In this context, the Enel Group has proved its significant resiliency, thanks to its integrated business model along the value chain, its geographical diversification and a solid financial structure.
The Enel Group has therefore been able to pursue the implementation of its strategy outlined in the Strategic Plan for the 2021-2023 period and the ten-year strategy to 2030, presented to financial markets in November 2020.

[7] Capacity not consolidated by the Enel Group, but operated under the "Build, Sell and Operate" model.

In particular, the Strategic Plan envisages the adoption of two business models: the traditional model, known as "Ownership", in which digital platforms are business enablers supporting the profitability of investments, and the "Stewardship" model, which catalyzes third-party investments made in collaboration with Enel, or within business-generating platforms.
Through these two business models, the Group plans to invest more than 160 billion euros over the 2021-2030 period, while mobilizing an additional amount of approximately 30 billion euros from third parties.
In the 2021-2023 period, the Group plans to invest around 40 billion euros directly, while mobilizing an amount of 8 billion euros from third parties.
Furthermore, over the plan period, Enel has defined a simple, predictable and attractive dividend policy: shareholders will receive a fixed dividend per share ("DPS"), guaranteed and increasing with the aim of reaching 0.43 euros per share by 2023.
In line with the medium- and long-term targets, for the last quarter of 2021 the following are expected:
- the acceleration of investments in renewable energies to support industrial growth and as part of the decarbonization policy that has been adopted;
- further progress in the digitalization of distribution networks, especially in Italy and Latin America, with the aim of improving service quality and increasing network flexibility and resilience;
- increased investments dedicated to (i) the electrification of consumption, with the aim of enhancing the value of the customer base's growth, as well as (ii) continuous efficiency gains, supported by the development of global business platforms.
The guidance provided to financial markets during the presentation of the Strategic Plan in November 2020, is confirmed: in 2021, the company expects ordinary EBITDA to be in a range between 18.7 and 19.3 billion euros, net ordinary income to be in a range between 5.4 and 5.6 billion euros and a guaranteed dividend per share equal to 0.38 euros.

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2021 INTERIM DIVIDEND

The 2021-2023 Strategic Plan, whose guidelines were presented to the financial community in November 2020, confirmed, among the measures aimed at optimizing shareholder return, the payment - reintroduced as of 2016 results - of an interim dividend. It is planned that dividends will be paid to shareholders in two instalments during each financial year, in January as an interim dividend and in July as the balance.

Taking account of the above and the fact that in the first nine months of 2021 the Parent Company registered a net income for the period equal to 3,677 million euros, the Board of Directors, also in light of the outlook for operations in the last quarter of the current year, resolved to distribute an interim dividend of 0.19 euros per share.

This interim dividend, gross of any withholding tax, will be paid as from January 26th, 2022, with an ex-dividend date for coupon no. 35 of January 24th, 2022 and a record date of January 25th, 2022. In line with legislation in force, treasury shares in Enel's portfolio at record date will not be accounted for in the interim dividend.

The amount of the interim dividend in question is consistent with the dividend policy set out in the 2021-2023 Strategic Plan, which provides for the payment of a fixed dividend on the 2021 results of 0.38 euros per share.

The opinion of the audit firm KPMG S.p.A. required by Article 2433-bis of the Italian Civil Code was issued today.

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RECENT EVENTS

August 2nd, 2021: Enel announced that its subsidiary Enel Produzione S.p.A. has signed an agreement with ERG Power Generation S.p.A. (a wholly owned subsidiary of ERG S.p.A.) for the acquisition of the entire share capital of ERG Hydro S.r.l., held by ERG Power Generation S.p.A. The agreement provides for recognition of a consideration of 1,039 million euros, for an enterprise value of 1,000 million euros, and a subsequent price adjustment mechanism at closing, based mainly on the changes in net working capital and net financial position of ERG Hydro S.r.l. In line with the Group's current Strategic Plan, the transaction contributes to increasing Enel's installed renewable capacity in Italy. Following completion of the transaction, the Enel Group will indeed reach approximately 13 GW of installed hydro capacity in Italy, for a total renewable capacity, including geothermal, wind and photovoltaic, of approximately 14.5 GW. Completion of the transaction is subject to the fulfillment of certain conditions precedent in line with normal market practice for this type of transaction.

August 5th, 2021: Following what was previously disclosed to the market on December 17th, 2020 and April 30th, 2021, Enel announced that the contracts relating to the sale of its entire stake held in Open Fiber S.p.A. ("Open Fiber"), equal to 50% of Open Fiber's share capital, have been signed. In particular, the contract relating to the sale of 40% of the share capital of Open Fiber to Macquarie Asset Management provides for a consideration of 2,120 million euros and includes the transfer of 80% of Enel's portion of the "shareholders' loan" granted to Open Fiber, including accrued interest. The contract provides for the above consideration to be increased at a rate of 9% per year calculated from July 1st, 2021 and up to the closing of the transaction. The contract relating to the sale of 10% of the capital of Open Fiber to CDP Equity S.p.A. ("CDPE") in turn provides for a consideration of 530 million euros and includes the transfer to CDPE of 20% of Enel's portion of the shareholders' loan granted to Open Fiber, including accrued interest. The above contracts also provide for the recognition in favor of Enel of the earn-outs, linked to future and uncertain events, described in the press releases of December 17th, 2020 and April 30th, 2021.

September 21st, 2021: Enel announced that its Dutch subsidiary Enel Finance International N.V. has launched a multi-tranche "Sustainability-Linked bond" in the Eurobond market, totaling 3.5 billion euros, intended for institutional investors as well as for listing on the regulated Euronext Dublin market. The bond, guaranteed by Enel, has been oversubscribed more than three times, with total orders of approximately 11 billion euros and a significant participation of Socially Responsible Investors (SRI), allowing the Enel Group to continue diversifying its investor base. The three tranches of the bond are linked to the Key Performance Indicator (KPI) of Direct Greenhouse Gas Emissions (Scope 1) at Group level, measured in grams of CO_{2eq} per kWh, contributing to the achievement of United Nations Sustainable Development Goal 13.
The emission is structured in the following three tranches:
- 1,250 million euros at a fixed rate of 0.000%, maturing on May 28th, 2026;
- 1,000 million euros at a fixed rate of 0.375%, maturing on May 28th, 2029;
- 1,250 million euros at a fixed rate of 0.875%, maturing on September 28th, 2034.

On **October 5th, 2021**, Enel announced the results at the Early Expiry Date of October 4th, 2021 of the non-binding voluntary offer ("Tender Offer"), launched by Enel Finance International N.V. on September 21st, 2021. In particular, it announced the repurchase and subsequent cancellation of part of the following series of outstanding conventional bonds denominated in US dollars by Enel Finance International N.V., following the tenders received and not validly withdrawn by the Early Expiry Date:
- 2.00 billion US dollar bonds issued on May 22nd, 2017, maturing on May 25th, 2027 and coupon 3.625% (ISIN 144A: US29278GAA67; ISIN Reg S: USN30707AC23);

- 1.25 billion US dollar bonds issued on September 11th, 2018, maturing on June 14th, 2029 and coupon 4.875% (ISIN 144A: US29278GAK40; ISIN Reg S: USN30707AL22).
The tenders received and not validly withdrawn at the Early Expiry Date amount to approximately 2.2 billion US dollars. Following said tenders, Enel Finance International N.V. accepted and repurchased in cash conventional bonds for a total nominal amount of 1,471,703,000 US dollars.
The successful result of the Tender Offer concludes the 2021 program aimed at repurchasing Enel Finance International N.V. conventional bonds, which had an average cost of 1.5%, with the program having an overall amount equivalent to approximately 7.6 billion euros. In line with the Group's current Strategic Plan, the transactions described above further accelerate the achievement of the Group's targets of sustainable finance sources on Group's total gross debt, set at 48% in 2023 and more than 70% in 2030.

October 28th, 2021: Enel announced the launch of a consent solicitation addressed to the holders of a subordinated, non-convertible hybrid bond issued by the Company in order to align its terms and conditions with those of perpetual subordinated, non-convertible hybrid bonds launched by Enel in 2020 and 2021. To this end, the Company has called, at first and single call on December 9th, 2021, the Meeting of the noteholders of the 900,001,000 euros bond maturing May 25th, 2080 with 900,001,000 euros in circulation (ISIN: XS2000719992) (the "Bond"). The proposed changes to the terms and conditions of the Bond, submitted for approval by the aforementioned Meeting, establish that: (i) the Bond, which currently has a specified long-term maturity date, would become due and payable and hence have to be repaid by the Company only in the event of winding up or liquidation of the Company; (ii) the events of default, envisaged in the terms and conditions and additional documentation that regulate the Bond, would be eliminated.

More information on these events is available in the related press releases published on the Enel website at the following address: https://www.enel.com/media/explore/search-press-releases?

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NOTES

At 6:00 p.m. CET today, November 4th, 2021, a conference call will be held to illustrate the results of the first nine months of 2021 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be made available on the Enel website www.enel.com in the "Investors" section from the beginning of the conference call.
Tables are attached below reporting the condensed consolidated income statement, statement of consolidated comprehensive income for the period, condensed consolidated statement of financial position and condensed consolidated statement of cash flows. A descriptive summary of the "alternative performance indicators" is also attached.
The officer responsible for the preparation of the company's financial reports, Alberto De Paoli, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

ACCOUNTING STANDARDS, DATA COMPARABILITY AND AMENDMENTS TO THE SCOPE OF CONSOLIDATION

The balance sheet figures at September 30th, 2021 exclude (unless otherwise indicated) values relating to assets and liabilities held for sale, attributable to certain renewable energy companies held for sale in South Africa and the stake in Open Fiber valued using the equity method.
The data reported and commented on above are therefore homogeneous and comparable in the two periods under comparison.

Up until June 30th, 2021, the Group presented in its Income Statement the valuations of commodity contracts settled with physical delivery but measured at fair value, as they do not reflect the requirements for the own use exemption, among Revenues and Expenses.
It should be noted that IFRS 7 'Financial Instruments: Disclosures' permits the presentation of derivatives measured at fair value through profit or loss or in the notes to the financial statements, net of measurement. In this regard, for the purposes of the Interim Report at September 30th, 2021, the Group opted for the net presentation in the Income Statement.
Specifically, the Group has decided to present revenues and expenses arising from the fair value measurement of outstanding contracts on a net basis in the Income Statement line item 'Net income/(expenses) from commodity management'.
This change in presentation constitutes a change in accounting policy, in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
Therefore, it was necessary to re-present only for comparative purposes the income statement balances referring to previous periods, without impacting neither the net income nor the shareholders' equity.
The following table shows the reclassifications made to revenues, costs and net income/expenses from commodity management for the restatement of comparative figures:

Millions of euros		First nine months
		2020
Results from measurement of sales contracts with physical delivery (IFRS 9)		1,415
A - Overall effect on the item “revenues”		**1,415**
Results from measurement of purchase contracts with physical delivery (IFRS 9)		1,297
B - Overall effect on the item “costs”		**1,297**
C - Net income/(expenses) from commodity management		**(118)**
Effect on EBIT	**A – B + C**	**-**

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KEY PERFORMANCE INDICATORS

This press release uses a number of “alternative performance indicators” not envisaged by the IFRS-EU accounting standards adopted by the European Union, but that management feels can facilitate the assessment and monitoring of the Group’s performance and financial position. In line with CONSOB Communication no. 0092543 of December 3rd, 2015 and with the Guidelines published on October 5th, 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/ EU, the meaning, content and calculation basis of these indicators are shown below:

- **EBITDA** is an indicator of operating performance and is calculated by adding “EBIT” to “Depreciation, amortization and impairment losses”;
- **Ordinary EBITDA** is defined as the “EBITDA” attributable to ordinary operations only, linked to the business models of Ownership and Stewardship. It excludes costs associated with corporate restructuring plans and costs directly related to the COVID-19 outbreak;
- **Net financial debt** represents an indicator of the financial structure and is determined by:
  - “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, taking into account “Short-term financial payables” included in “Other current liabilities”;
  - net of “Cash and cash equivalents”;
  - net of “Current portion of long-term financial receivables”, “Current securities” and “Other financial receivables” included in “Other current financial assets”;
  - net of “Non-current securities” and “Other non-current financial receivables” included in “Other non-current financial assets”.

  The Enel Group’s net financial debt is determined in accordance with the provisions of Guideline No. 39, issued on March 4th, 2021, by ESMA, applicable from May 5th, 2021, and in line with the related Warning Notice No. 5/21 issued by CONSOB on April 29th, 2021.
  It should be noted that the references to the CESR recommendations contained in the previous CONSOB communications are to be understood as having been replaced by the aforementioned ESMA guidance, including the references in Communication no. DEM/6064293, of July 28th, 2006, concerning net financial position;
- **Net capital employed** is calculated as the algebraic sum of “Net fixed assets”[8] and “Net working capital”[9], “Provisions for risks and charges”, “Deferred tax liabilities” and “Deferred tax assets”, and “Net assets held for sale”[10];
- **Group net ordinary income:** defined as that part of “Group net income” attributable only to ordinary operations linked to the Ownership and Stewardship business models.
  It is equal to the “Group net income” adjusted by, mainly, the previously commented items under “Ordinary EBITDA”, net of possible tax effects and non-controlling interests.

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[9] Determined as the difference between “Non-current assets” and “Non-current liabilities” with the exception of: 1) “Deferred tax assets”; 2) “Securities”, “Financial investments in funds or portfolio management products measured at fair value through profit or loss”, and “Other financial receivables” included in “Other non-current financial assets”; 3) “Long-term borrowings”; 4) “Employee benefits”; 5) “Provisions for risks and charges (non-current portion)”; 6) “Deferred tax liabilities”.

[9] Defined as the difference between “Current assets” and “Current liabilities” with the exception of: 1) “Current portion of long-term financial receivables”, “Factoring receivables”, “Securities”, “Cash collateral” and “Other short-term financial receivables” included in “Other current financial assets”; 2) “Cash and cash equivalents”; 3) “Short-term borrowings” and “Current portion of long-term borrowings”; 4) “Provisions for risks and charges (current portion)”; 5) “Other financial payables” included in “Other current liabilities”.

[10] Determined by the difference between “Assets held for sale” and “Liabilities held for sale”.

Condensed Consolidated Income Statement

Millions of euro	First nine months	
	2021	2020
Total revenue [1]	57,914	49,465
Total costs [1]	52,749	41,820
Net expense from commodity management [1]	1,089	(670)
Operating profit	**6,254**	**6,975**
Financial income	3,651	2,886
Financial expense	5,476	4,655
Net income from hyperinflation	73	44
Total net financial income/(expense)	**(1,752)**	**(1,725)**
Share of profit/(losses) of equity-accounted investments	**428**	**5**
Pre-tax profit	**4,930**	**5,255**
Income taxes	1,662	1,576
Profit from continuing operations	**3,268**	**3,679**
Profit/(Loss) from discontinued operations	**-**	**-**
Profit for the period (owners of the Parent and non-controlling interests)	**3,268**	**3,679**
Attributable to owners of the Parent	2,505	2,921
Attributable to non-controlling interests	763	758
Basic earnings/(loss) per share attributable to owners of the Parent (euro)	*0.25*	*0.29*

[1] The figures for the first nine months of 2020 have been adjusted, for comparative purposes only, in order to take account of the effects of the different classification deriving from the fair value measurement of outstanding contracts at the end of the period for the sale of commodities with physical delivery. This different classification did not have any effects on the margins.

Statement of Consolidated Comprehensive Income

Millions of euro	First nine months	
	2021	2020
Profit for the period	**3,268**	**3,679**
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes)		
Effective portion of change in the fair value of cash flow hedges	35	226
Change in fair value of hedging costs	299	28
Share of the other comprehensive expense of equity-accounted investments	(392)	(4)
Change in the fair value of financial assets at FVOCI	1	(1)
Change in translation reserve	(45)	(4,708)
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes)		
Remeasurement of liabilities (assets) for employee benefits	237	(53)
Change in fair value of equity investments in other companies	-	4
Total other comprehensive income (expense) for the period	**135**	**(4,508)**
Comprehensive income/(expense)for the period	**3,403**	**(829)**
Attributable to:		
- owners of the Parent	2,591	143
- non-controlling interests	812	(972)

Condensed Consolidated Statement of Financial Position

Millions of euro

	at Sep. 30, 2021	at Dec. 31, 2020
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	100,912	96,489
- Goodwill	13,837	13,779
- Equity-accounted investments	790	861
- Other non-current assets [(1)]	24,231	17,771
Total non-current assets	**139,770**	**128,900**
Current assets		
- Inventories	3,534	2,401
- Trade receivables	14,573	12,046
- Cash and cash equivalents	5,936	5,906
- Other current assets [(2)]	42,681	12,784
Total current assets	**66,724**	**33,137**
Assets classified as held for sale	**1,572**	**1,416**
TOTAL ASSETS	**208,066**	**163,453**
LIABILITIES AND EQUITY		
- Equity attributable to the owners of the Parent	30,484	28,325
- Non-controlling interests	13,596	14,032
Total equity	**44,080**	**42,357**
Non-current liabilities		
- Long-term borrowings	53,699	49,519
- Provisions and deferred tax liabilities	18,205	16,535
- Other non-current liabilities	18,152	13,255
Total non-current liabilities	**90,056**	**79,309**
Current liabilities		
- Short-term borrowings and current portion of long-term borrowings	13,879	9,513
- Trade payables	12,917	12,859
- Other current liabilities	46,281	18,607
Total current liabilities	**73,077**	**40,979**
Liabilities included in disposal groups classified as held for sale	**853**	**808**

TOTAL LIABILITIES	**163,986**	**121,096**
TOTAL LIABILITIES AND EQUITY	**208,066**	**163,453**

(1) Of which long-term financial receivables and other securities at September 30, 2021 for €2,407 million (€2,337 million at December 31, 2020) and €426 million (€408 million at December 31, 2020), respectively.
(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at September 30, 2021 for €1,555 million (€1,428 million at December 31, 2020), €2,859 million (€3,476 million at December 31, 2020) and €86 million (€67 million at December 31, 2020), respectively.

Condensed Consolidated Statement of Cash Flows

Millions of euro	First nine months	
	2021	2020
Pre-tax profit	**4,930**	**5,255**
Adjustments for:		
Net impairment losses on trade receivables and other financial assets	696	941
Depreciation, amortization and other impairment losses	4,328	4,789
Net Financial expense	1,752	1,725
Net gains from equity-accounted investments	(428)	(5)
Changes in net working capital:	*(3.307)*	*(2.974)*
- Inventories	*(1,141)*	*(253)*
- Trade receivables	*(3,036)*	*(467)*
- Trade payables	*361*	*(2,323)*
- Other contract assets	*(23)*	*(12)*
- Other contract liabilities	*(58)*	*(260)*
- Other assets/liabilities	*590*	*341*
Interest income/(expense) and other financial income/(expense) and income paid and collected	(2,091)	(1,664)
Other changes	(813)	(1,507)
Cash flows from operating activities (A)	**5,067**	**6,560**
Investments in property, plant and equipment, intangible assets and non-current contract assets	(7,988)	(6,563)
Investments in entities (or business units) less cash and cash equivalents acquired	(277)	(29)
Disposals of entities (or business units) less cash and cash equivalents sold	61	153
(Increase)/Decrease in other investing activities	(25)	(43)
Cash flows used in investing activities (B)	**(8,229)**	**(6,482)**
New long-term borrowings	12,579	2,124
Repayments of borrowings	(8,903)	(2,850)
Other changes in net financial debt	3,408	2,877
Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests	(1,304)	(482)
Issues/(Redemptions) of hybrid bonds	2,214	-
Sale/(Purchase) treasury shares	(13)	(9)
Coupons paid to owner of hybrid bonds	(26)	-
Dividends and interim dividends paid	(4,746)	(4,632)
Cash flows from/(used in) financing activities (C)	**3,209**	**(2,972)**
Impact of exchange rate fluctuations on cash and cash equivalents (D)	**(10)**	**(548)**
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	**37**	**(3,442)**
Cash and cash equivalents at beginning of the period (1)	6,002	9,080
Cash and cash equivalents at the end of the period (2)	6,039	5,638

(1) Of which cash and cash equivalents equal to €5,906 million at January 1, 2021 (€9,029 million at January 1, 2020), short-term securities equal to €67 million at January 1, 2021 (€51 million at January 1, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €29 million at January 1, 2020.
(2) Of which cash and cash equivalents equal to €5,936 million at September 30, 2021 (€5,568 million at September 30, 2020), short-term securities equal to €86 million at September 30, 2021 (€70 million at September 30, 2020) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €17 million at September 30, 2021.

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