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Oggetto : Enel: ordinary EBITDA +6.8% thanks to
Group integration and geographic
diversification

Testo del comunicato

Vedi allegato.

PRESS RELEASE

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ENEL: ORDINARY EBITDA +6.8% THANKS TO GROUP INTEGRATION AND GEOGRAPHIC DIVERSIFICATION

- **Revenues** at 34,958 million euros (18,490¹ million euros in the first quarter of 2021, +89.1%)
 - *The positive change occurred in all business segments, mainly due to the higher quantities of electricity produced and sold at increasing average prices. The change was also affected by the gain from the partial sale of the equity investment in Ufinet*
- **Ordinary EBITDA** at 4,486 million euros (4,199² million euros in the first quarter of 2021, +6.8%)
 - *The increased margin reflecting higher output from conventional sources, alongside the positive effects from the new renewable capacity installed and the results deriving from commodity price risk management more than offset the negative effects of hydro generation, due to low water availability, as well as the higher provisioning costs in End-User Markets. The change is also attributable to the gain from the partial sale of the equity investment in Ufinet*
- **EBITDA** at 4,446 million euros (4,131² million euros in the first quarter of 2021, +7.6%)
- **EBIT** at 2,679 million euros (2,565² million euros in the first quarter of 2021, +4.4%)
 - *The change primarily reflects the positive operating performance, only partially offset by higher depreciation and amortization as well as write-downs of receivables*
- **Group ordinary net income** at 1,443 million euros (1,214 million euros in the first quarter of 2021, +18.9%)
 - *The increase is attributable to the positive operating performance which includes the gain from the partial sale of the equity investment in Ufinet, to the lower impact of non-controlling interests, to the positive effects deriving from net financial results and to the income of companies accounted for using the equity method*
- **Group net income** at 1,430 million euros (1,176 million euros in the first quarter of 2021, +21.6%)

¹ The figure for the first quarter of 2021 was adjusted, for comparative purposes only, to take into account the effects of the different classification resulting from the measurement at fair value of outstanding contracts at the end of the period for the purchase and sale of commodities settled with physical delivery. This different classification did not have any effect on the margins recognized. For comparative purposes only, a reclassification from financial income to revenues was made, for an amount of 40 million euros in the first quarter of 2021, of the component recognized in the income statement related to the remeasurement at fair value of financial assets related to service in concession of distribution activities in Brazil falling within the scope of IFRIC 12. This last classification had an effect of the same amount on the margins recognized.

² For comparative purposes only, the figure for the first quarter 2021 was adjusted to reflect the different classification mentioned above concerning the application of IFRIC 12 in Brazil.



- **Net financial debt:** 59,130 million euros (51,952 million euros at the end of 2021, +13.8%)
 - The increase is mainly due to investments in the period, the acquisition of ERG Hydro S.r.l.³ in Italy, the negative cash flow dynamics and the adverse exchange rate effect.
- **Capital expenditure:** 2,533 million euros (2,035 million euros in the first quarter of 2021, +24.5%)
 - The increase is mainly attributable to the growth in capital expenditure in Enel Green Power, Infrastructure and Networks as well as in End-User Markets

"In the first quarter of 2022, the soundness of our business model enabled us to achieve solid results in line with expectations, minimizing risks arising from the difficult geopolitical and economic scenario, also with a view to protecting our stakeholders," stated **Francesco Starace**, CEO of the Enel Group. "Through the Group's integration across the value chain, its geographical and technological diversification, as well as the acceleration of energy transition investments, we can consolidate the implementation of our Strategy in the short, medium and long term, confirming 2022 guidance on EBITDA and net ordinary income."

Rome, May 4th, 2022 - The Board of Directors of Enel S.p.A. ("Enel" or the "Company"), chaired by Michele Crisostomo, examined and approved the interim report at March 31st, 2022.

Consolidated economic and financial data for the first quarter of 2022

REVENUES

The following table shows the revenues by **Business Segment**:

Revenues (millions of euros)	Q1 2022	Q1 2021 ⁴	Change
Thermal Generation and Trading	17,437	7,048	-
Enel Green Power	2,131	1,955	9.0%
Infrastructure and Networks	5,056	4,656	8.6%
End-User Markets	16,000	8,256	93.8%
Enel X	695	291	-
Services, Holding and Other	442	441	0.2%
Eliminations and adjustments	(6,803)	(4,157)	-63.7%
TOTAL	34,958	18,490	89.1%

³ Now Enel Hydro Appennino Centrale S.r.l.

⁴The figure for the first quarter of 2021 was adjusted, for comparative purposes only, to take into account the effects of the different classification resulting from the measurement at fair value of outstanding contracts at the end of the period for the purchase and sale of commodities settled with physical delivery. This different classification did not have any effect on the margins recognized.

For comparative purposes only, a reclassification from financial income to revenues was made, for an amount of 40 million euros in the first quarter of 2021, of the component recognized in the income statement related to the remeasurement at fair value of financial assets related to service in concession of distribution activities in Brazil falling within the scope of IFRIC 12. This last classification had an effect of the same amount on the margins recognized.



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

Revenues (<i>millions of euros</i>)	Q1 2022	Q1 2021 ⁵	Change
Revenues from thermal generation	4,469	1,928	-
<i>of which: from coal-fired generation</i>	1,378	381 ⁶	-
Revenues from nuclear generation	429	463	-7.3%
Revenues from thermal generation as a percentage of total revenues	12.8%	10.4%	
<i>of which: revenues from coal-fired generation as a percentage of total revenues</i>	3.9%	2.1%	
Revenues from nuclear generation as a percentage of total revenues	1.2%	2.5%	

- **Revenues in the first quarter of 2022** totaled 34,958 million euros, an increase of 16,468 million euros (+89.1%) over the same period in 2021. The change is primarily attributable to higher revenues from: (i) **Thermal Generation and Trading** in Italy and Spain due to an increase in volumes produced and average prices applied; (ii) **End-User Markets**, mainly in Italy, Latin America and Spain, due to the greater quantities of electricity and gas sold at increasing average prices; (iii) **Infrastructure and Networks**, especially in Brazil due to price adjustments and the positive exchange rate effect; (iv) **Enel Green Power**, due to an increase in energy sales mainly in Chile and North America; (v) **Enel X**, primarily due to the recognition of the gain on the partial sale of the equity investment held in Ufinet and to services associated with new commercial initiatives as well as demand response activities.

In **Thermal Generation and Trading**, revenues for the first quarter of 2022 from thermal generation alone totaled 4,469 million euros, an increase of 2,541 million euros over the same period in 2021 due to an increased use of conventional energy sources. Revenues attributable to coal-fired generation activities in the first quarter of 2022 were 3.9% of total revenues (2.1% in the first quarter of 2021). This development reflects the impact from an exceptional situation of low water availability.

- Revenues for the first quarter of **2022** and the comparable period of **2021** do not include non-ordinary items.

⁵ See note 4.

⁶ The figures for 2021 were adjusted to take into account a more accurate calculation.



ORDINARY EBITDA and EBITDA

The following table shows ordinary EBITDA by **Business Segment**:

Ordinary EBITDA (<i>millions of euros</i>)	Q1 2022	Q1 2021 ⁷	Change
Thermal Generation and Trading	1,615	442	-
Enel Green Power	727	1,054	-31.0%
Infrastructure and Networks	1,731	1,773	-2.4%
End-User Markets	124	912	-86.4%
Enel X	300	41	-
Services, Holding and Other	(11)	(23)	52.2%
TOTAL	4,486	4,199	6.8%

The following table shows EBITDA by **Business Segment**:

EBITDA (<i>millions of euros</i>)	Q1 2022	Q1 2021 ⁸	Change
Thermal Generation and Trading	1,595	425	-
Enel Green Power	726	1,052	-31.0%
Infrastructure and Networks	1,725	1,734	-0.5%
End-User Markets	120	908	-86.8%
Enel X	299	41	-
Services, Holding and Other	(19)	(29)	34.5%
TOTAL	4,446	4,131	7.6%

The following tables show the non-ordinary items leading the ordinary EBITDA for the first quarter of 2022 and the first quarter of 2021 to the EBITDA for the same periods.

Millions of euros	Q1 2022						
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-User Markets	Enel X	Services, Holding and Other	Total
Ordinary EBITDA	1,615	727	1,731	124	300	(11)	4,486

⁷ For comparative purposes only, the figure for the first quarter 2021 was adjusted to reflect the different classification mentioned above concerning the application of IFRIC 12 in Brazil.

⁸ For comparative purposes only, the figure for first quarter 2021 was adjusted to reflect the different classification mentioned above concerning the application of IFRIC 12 in Brazil.



Charges for energy transition and digitalization	(19)	-	(2)	(4)	(1)	(5)	(31)
Costs related to COVID-19	(1)	(1)	(4)	-	-	(3)	(9)
EBITDA	1,595	726	1,725	120	299	(19)	4,446

Millions of euros	Q1 2021 ⁹						
	Thermal Generation and Trading	Enel Green Power	Infrastructure and Networks	End-User Markets	Enel X	Services, Holding and Other	Total
Ordinary EBITDA	442	1,054	1,773	912	41	(23)	4,199
Charges for energy transition and digitalization	(15)	-	(32)	(4)	-	(4)	(55)
Costs related to COVID-19	(2)	(2)	(7)	-	-	(2)	(13)
EBITDA	425	1,052	1,734	908	41	(29)	4,131

Ordinary EBITDA in the first quarter of 2022 amounted to 4,486 million euros, an increase of 287 million euros compared to the same period of 2021 (+ 6.8%). The change is mainly attributable to:

- the increase in the **Thermal Generation and Trading** activities, amounting to 1,173 million euros, mainly in Italy and Spain due to the higher production of electricity from conventional sources, as well as to the net result deriving from the hedging strategy on commodity price risk;
- the positive change in **Enel X**, amounting to 259 million euros, mainly due to the already mentioned gain deriving from the partial sale of the equity investment in Ufinet (220 million euros).

The positive changes highlighted above more than offset:

- the reduction in margins in the **End-User Markets**, amounting to 788 million euros, where increases in electricity and gas sales were more than offset by higher sourcing costs in Italy and Spain, and by unadjusted tariffs in Romania;
- the decreasing margin of **Enel Green Power**, amounting to 327 million euros, which is mainly due to: (i) the lower hydro output due to water scarcity during the period, partially offset by the higher net efficient installed capacity in Italy, and (ii) the lower hydro output due to water scarcity during the period in Spain. These negative effects more than offset the increase in margins in Brazil and North America due to the greater quantities of electricity produced and sold following the commissioning of new plants;
- the negative change in **Infrastructure and Networks**, amounting to 42 million euros, primarily: (i) in Romania, as tariffs were not adjusted; (ii) in Italy, largely due to the impact of the decrease in electricity transport revenues caused by the reduction in tariffs set for 2022, as provided for in ARERA Resolution no. 621/21; (iii) in Spain, following the reduction in volumes distributed. These negative impacts more than offset the increase in margins in Brazil due to tariff adjustments and the positive exchange rate effect.

⁹ For comparative purposes only, the figure for the first quarter 2021 was adjusted to reflect the different classification mentioned above concerning the application of IFRIC 12 in Brazil.



EBIT

The following table shows EBIT by **Business Segment**:

EBIT (millions of euros)	Q1 2022	Q1 2021¹⁰	Change
Thermal Generation and Trading	1,378	202	-
Enel Green Power	372	742	-49.9%
Infrastructure and Networks	1,013	1,079	-6.1%
End-User Markets	(255)	623	-
Enel X	250	1	-
Services, Holding and Other	(79)	(82)	3.7%
TOTAL	2,679	2,565	4.4%

EBIT in the first quarter of 2022 amounted to 2,679 million euros, an increase of 114 million euros (+4.4%) compared to the same period in 2021. The change was mainly due to the positive operating performance, partially offset by (i) higher depreciation and amortization due to the commissioning of new plants built in the last 12 months and (ii) higher write-downs of receivables, mainly reported in Italy and Brazil.

GROUP NET ORDINARY INCOME and NET INCOME

(Millions of euros)

	Q1 2022	Q1 2021	Changes	
Group net ordinary income	1,443	1,214	229	+18.9%
Charges for energy transition and digitalization	(6)	(31)	25	+80.6%
Value adjustments	(1)	(2)	1	+50.0%
Costs related to COVID-19	(6)	(8)	2	+25.0%
Impairment of certain assets relating to the sale of the interest in Slovenské elektrárne	-	3	(3)	-
Group net income	1,430	1,176	254	+21.6%

In the first quarter of 2022, **Group net ordinary income** amounted to 1,443 million euros, a 229 million euro increase over the first quarter of 2021 (+18.9%). The change is mainly attributable to: (i) the positive results of the operating performance, which includes the gain from the partial sale of the equity investment held in Ufinet; (ii) the positive effects deriving from net financial results; (iii) the income of the companies accounted for using the equity method and (iv) the lower non-controlling interests, mainly in

¹⁰ For comparative purposes only, the figure for the first quarter 2021 was adjusted to reflect the different classification mentioned above concerning the application of IFRIC 12 in Brazil.



Enel Américas following the Group's reorganization operations in Latin America.

FINANCIAL POSITION

The financial position shows **net capital employed** at March 31st, 2022, including net assets held for sale of 363 million euros, amounting to **105,042 million euros** (94,294 million euros at December 31st, 2021).

This amount is covered by **equity**, including non-controlling interests, amounting to **45,912 million euros** (42,342 million euros at December 31st, 2021) and by **net financial debt** amounting to **59,130 million euros** (51,952 million euros at December 31st, 2021).

The increase in net financial debt, amounting to 7,178 million euros (+13.8%), is substantially due to: (i) the cash out generated by capital expenditure during the period (2,550¹¹ million euros); (ii) the payment of dividends totaling 2,120¹² million euros; (iii) the acquisition of ERG Hydro S.r.l.¹³ in Italy for 1,196 million euros; (iv) the negative cash flow from operating activities, which was also affected by government measures in the electricity sector and (v) the adverse exchange rate effect.

At March 31st, 2022, the so-called **debt to equity ratio** was **1.29** (1.23 at December 31st, 2021). The change essentially reflected the increase in debt detailed above.

CAPITAL EXPENDITURE

The following table shows capital expenditure by **Business segment**:

Capital expenditure (millions of euros)	Q1 2022	Q1 2021	Change
Thermal Generation and Trading	98	96	2.1%
Enel Green Power	1,095	842	30.0%
Infrastructure and Networks	1,057	910	16.2%
End-User Markets	186	108	72.2%
Enel X	81	53	52.8%
Services, Holding and Other	16	26	-38.5%
TOTAL¹	2,533	2,035	24.5%

¹ The figure for the first quarter of 2022 does not include 17 million euros referring to units classified as "held for sale" (20 million euros at March 31st, 2021).

Capital expenditure amounted to 2,533 million euros in the first quarter of 2022, a 498 million euro increase compared to the same period in 2021 (+24.5%). Specifically, the first quarter of 2022 shows: (i) the growth of **Enel Green Power's** capital expenditure mainly in Italy, the United States, Canada, Spain, India and Australia; (ii) the growth of capital expenditure in **Infrastructure and Networks** mainly in Spain, Brazil and Argentina, to improve network quality; (iii) the increase in capital expenditure in **End-User Markets and in Enel X** in Italy and Spain.

¹¹ It includes 17 million euros relating to units classified as "held for sale".

¹² Including 30 million in coupons paid to holders of perpetual hybrid bonds.

¹³ Now Enel Hydro Appennino Centrale S.r.l.



OPERATIONAL HIGHLIGHTS FOR FIRST QUARTER 2022

	Q1 2022	Q1 2021	Change
Electricity sales (TWh)	79.9	78.8	+1.4%
Gas sales (billions of m ³)	4.0	3.7	+8.1%
Total net efficient installed capacity (GW)	88.1	87.1 ¹	+1.1%
• of which renewables (GW)	51.1	50.1 ¹	+2.0%
Electricity generated (TWh)	59.2	53.7	+10.2%
Electricity distributed (TWh) ²	126.7	126.6 ²	+0.1%
Employees (no.)	66,867	66,279 ¹	+0.9%

¹ At December 31st, 2021.

² The figure for the first quarter of 2021 takes into account a more accurate calculation.

Electricity and gas sales

- **Electricity** sales in the first quarter of 2022 amounted to **79.9 TWh**, with an increase of 1.1 TWh (+1.4%) over the same period of the previous year. Specifically, this reflects: (i) higher quantities sold in Latin America (+1.4 TWh), primarily in Chile (+1.1 TWh); in Italy (+0.5 TWh), as well as in Romania (+0.3 TWh); (ii) lower quantities sold in Iberia (-1.1 TWh).
- **Natural gas** sales totaled **4.0 billion cubic meters** for the first quarter of 2022, an increase of 0.3 billion cubic meters (+8.1%) over the same period of the previous year.

Total net efficient installed capacity

Enel's total net efficient installed capacity in the first quarter of 2022 amounted to 88.1 GW¹⁴, an increase of 1.0 GW from December 31st, 2021, mainly due to the installation of new solar (+0.5 GW) and wind (+0.08 GW) capacity. In addition, new hydro plants were acquired in Italy (+0.5 GW), and a fuel oil plant in Chile was decommissioned (-0.03 GW).

Electricity generated

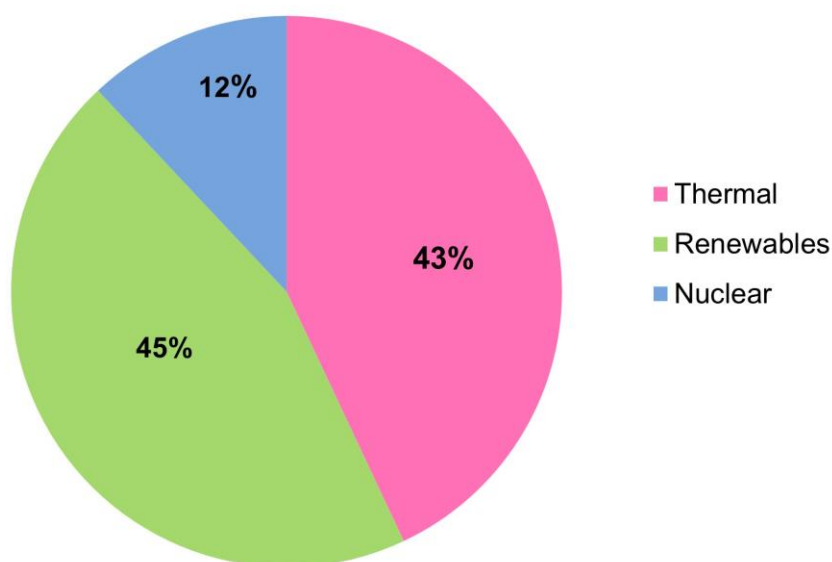
¹⁴ 91.4 GW including managed renewable capacity of approximately 3.3 GW.



The net energy generated by the Enel Group in the first quarter of 2022 amounted to **59.2 TWh¹⁵**, an increase of 5.5 TWh compared to the figure for the same period of 2021 (+10.2%). Specifically, this reflects:

- a decrease in renewable generation (-0.8 TWh), caused by lower hydro production (-3.2 TWh), due to the low water availability during the period, which more than offset production from wind (+1.6 TWh), solar (+0.7 TWh) and geothermal (+0.1 TWh);
- a higher contribution from thermal sources (+6.1 TWh), due to greater output from combined cycle plants (+3.2 TWh), coal (+2.1 TWh), fuel oil and turbogas (+0.8 TWh);
- an increase in nuclear generation of 0.2 TWh.

Generation mix of Enel Group plants



Generation from renewable sources, including volumes from managed capacity, was higher than from thermal generation, reaching 29.4 TWh (30.1 TWh in the same period of 2021, -2.3%), compared with 25.3 TWh from thermal generation (19.2 TWh in the same period of 2021, +31.8%).

Considering production from consolidated capacity alone, zero-emission generation reaches 57.3% of Enel Group's total generation while it totals 59.1%, if managed generation capacity is also included¹⁶. The long-term objective of the Enel Group remains the achievement of "Net Zero" by 2040, both for direct and indirect emissions.

Electricity distributed

Electricity transported on the Enel Group's distribution networks in the first quarter of 2022 amounted to 126.7 TWh, of which 55.8 TWh in Italy and 70.9 TWh abroad.

¹⁵ 61.8 TWh including generation from managed renewable capacity.

¹⁶ Capacity not consolidated by the Enel Group but operated under the Stewardship model.



The volumes of **electricity distributed in Italy** increased by 0.1 TWh (+0.1%) over the figure reported in the same period of 2021, in line with the demand for electricity on the national grid (+2.6%). The percentage change in demand on the national market was +2.1% in the North, +2.9% in the Center, +3.0% in the South and +3.4% on the Islands. The South and the Islands are mainly served by e-distribuzione; in the Centre and North, other major operators account for about 15% of volumes distributed.

Electricity distributed abroad amounted to 70.9 TWh, broadly in line with the same period in 2021.

EMPLOYEES

At March 31st, 2022, **the Group's employees totaled 66,867** (66,279 at December 31st, 2021). The change in the first quarter of 2022 (+588) is attributable to:

- the balance between new hires and terminations (+475);
- changes in the scope of consolidation (+113), due to the purchase of the company ERG Hydro S.r.l.¹⁷ in Italy.

OUTLOOK

In the first quarter of 2022, the macroeconomic context was deeply impacted by the ongoing geopolitical crisis, with increased uncertainty around the continued global recovery that was made possible by the deployment of COVID-19 vaccines. The first months of this year, like the latter part of 2021, featured a significant increase in the market prices of raw materials, such as gas and coal, with a direct impact on the price of electricity. Therefore, in some European countries the authorities continued to adopt policies to contain electricity prices for end consumers, with measures that in some cases penalize companies operating in the electricity generation and retail sector.

In this context, the Group showed significant resilience, reflected in its economic and financial results for the first quarter of 2022 and deriving from its geographical diversification, business model integrated along the value chain, a solid financial structure and a high level of digitalization.

The Group's operations continue along the lines outlined in the Strategic Plan presented to financial markets in November 2021:

- **Allocating capital to support a decarbonized electricity supply:** between 2021 and 2030 the Enel Group has planned to mobilize capital expenditure for a total of 210 billion euros, making it possible to achieve a total renewable capacity of around 154 GW by the end of the decade;
- **Enabling electrification of customer energy demand:** the Group's strategic actions will aim to increase value for customers in the Business to Consumer (B2C), Business to Business (B2B) and Business to Government (B2G) segments, by increasing the level of electrification of these customers and simultaneously improving the services offered;
- **Leveraging full value chain's value creation:** the Group created the Enel X Global Retail business line to strengthen the strategy of focusing on final customers;

¹⁷ Now Enel Hydro Appennino Centrale S.r.l.



- **Bringing forward Sustainable “Net Zero”:** The Group has moved its “Net Zero” commitment forward by 10 years, from 2050 to 2040, for all emissions along the value chain.

As a result of the strategic lines described above, between 2020 and 2030, the Group's ordinary EBITDA is expected to increase by 5-6% in terms of compound annual growth rate (“CAGR”), against a Group's net ordinary income expected to rise by 6-7%, again in terms of CAGR.

In reference to the 2022-2024 Plan period, Group ordinary EBITDA is expected to reach 21.0-21.6 billion euros in 2024, compared to 19.2 billion euros in 2021.

The Group's net ordinary income is expected to increase to 6.7-6.9 billion euros in 2024, compared to 5.6 billion euros in 2021.

Enel's dividend policy for 2022-2024 remains simple, predictable and attractive. Shareholders are expected to receive a fixed dividend per share (DPS), expected to grow by 13% from 2021 to 2024, to 0.43 euros per share.

In 2022 Enel plans:

- to accelerate capital expenditure in renewables to support industrial growth and in the framework of the Group's decarbonization policy;
- greater capital expenditure in distribution networks to further improve service quality and increase network flexibility and resilience;
- the increase in capital expenditure dedicated to the electrification of consumption, with the aim of leveraging the expansion of its customer base, as well as investments focused on continuous efficiency enhancement, supported by the creation of global business platforms.

The guidance provided to the financial markets at the presentation of the 2022-2024 Strategic Plan in November 2021 is confirmed: in 2022, the Group forecasts ordinary EBITDA of between 19.0 and 19.6 billion euros alongside net ordinary income of between 5.6 and 5.8 billion euros.

RECENT EVENTS

March 24th, 2022: Following its press release of December 21st, 2021, Enel announced that it had finalized, through Enel X International S.r.l. (“Enel X International”), a wholly-owned subsidiary of Enel X S.r.l. (“Enel X”), the agreement with a holding company controlled by Sixth Cinven Fund and a holding company controlled by Seventh Cinven Fund – funds both managed by the international private equity firm Cinven – through which it indirectly acquired, through a holding company, around 79% of the share capital of Ufinet Latam S.L.U. (“Ufinet”) from Sixth Cinven Fund and simultaneously sold 80.5% of Ufinet's share capital to Seventh Cinven Fund. As a result of the agreement, Enel X International holds an indirect 19.5% interest in the capital of Ufinet. Specifically, Enel X International, which previously indirectly held around 21% of Ufinet's capital, exercised its call option to acquire around 79% of the latter's capital for a consideration of 1,320 million euros. Enel X International received around 207 million euros by way of distribution of Ufinet's available reserves and, at the same time, sold 80.5% of the capital of the latter company to Seventh Cinven Fund for a consideration of approximately 1,186 million euros.

April 1st, 2022: Enel Green Power S.p.A. (“EGP”) announced that Enel Green Power Italia S.r.l. had signed a grant agreement with the European Commission, under the first call of the European Innovation Fund for large-scale projects. This will contribute to the development of TANGO (iTaliAN pv Giga factOry), an industrial-scale facility for the manufacturing of innovative, sustainable and high-performance photovoltaic modules at the “3Sun” solar panel factory in Catania, Sicily. The factory's expansion is set to



result in a 15-fold increase in its generating capacity, to 3 GW per year from the current 200 MW. The 3 GW factory is expected to be fully operational by July 2024. This will make 3Sun Europe's largest gigawatt-scale facility for the production of high-performance, bifacial photovoltaic modules. Its construction will involve investments of around 600 million euros. EGP's commitment will be matched by European Union funding of almost 118 million euros.

April 5th, 2022: Enel announced that its Dutch subsidiary Enel Finance International N.V. ("EFI") had launched in the market a single-tranche pounds sterling "Sustainability-Linked Bond", intended for institutional investors as well as for listing on the Euronext Dublin regulated market, for a total of 750 million pounds sterling, equal to approximately 900 million euros. The issue is linked to the achievement of Enel's sustainability objective related to the reduction of direct greenhouse gas emissions (Scope 1), contributing to the United Nations Sustainable Development Goal 13 and in compliance with the Group's Sustainability-Linked Financing Framework. The issue, guaranteed by Enel, was almost three times oversubscribed, with total orders of around 2.1 billion pounds sterling and significant participation of Socially Responsible Investors (SRI), enabling the Enel Group to continue to diversify its investor base. The bond, intended to fund the Group's ordinary financing needs, is linked to the Key Performance Indicator (KPI) of the intensity of direct greenhouse gas emissions (Scope 1) and the achievement of a Sustainability Performance Target ("SPT") equal to or less than 140gCO_{2eq}/kWh at December 31st, 2024. The issuance is structured in a single tranche of 750 million pounds sterling at a rate of 2.875%, maturing on April 11th, 2029. The issue price was set at 99.947% with an effective yield at maturity of 2.883%. The interest rate will remain unchanged to maturity, subject to the achievement of an SPT equal to or lower than 140gCO_{2eq}/kWh at December 31st, 2024. If the SPT is not achieved, a step-up mechanism will be applied, increasing the rate by 25 bps from the first interest period following publication of the report issued by an external expert verifier in respect of the intensity of direct greenhouse gas emissions and the methodology for measuring CO_{2eq} emissions applied by the Group.

April 11th, 2022: Enel announced that it had reached an agreement with the European Investment Bank (EIB) for a sustainability-linked framework loan of up to 600 million euros - with a multi-country, multi-business and multi-currency structure - under which a guarantee from SACE is envisaged. The framework loan aims to promote investments in the renewable energy and energy efficiency sectors in Latin America. It is linked to Enel's ability to achieve the direct greenhouse gas emissions target (Scope 1), measured in grams of CO_{2eq}/kWh, equal to or less than 148gCO_{2eq}/kWh by 2023, thus contributing to the United Nations Sustainable Development Goal (SDG) 13 (Climate Action). Depending on the level of achievement of this target, the agreement provides for a step-up/step-down mechanism that will result in a margin adjustment.

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

NOTES

At 6pm CET today, May 4th, 2022, a conference call will be held to present the results for the first quarter of 2022 to financial analysts and institutional investors. Journalists may also connect to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the "Investor" section from the beginning of the conference call.

Please find attached the condensed consolidated income statement, the statement of consolidated comprehensive income for the period, the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows. A descriptive summary of the 'alternative performance indicators' used in this press release 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 Financial Act, 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 March 31st, 2022 exclude (unless otherwise indicated) amounts relating to assets and liabilities held for sale attributable to certain renewable companies held for sale in South Africa, certain Enel X companies in Italy and the Spanish company Tecnatom S.A.

Therefore, the data reported and commented on above are homogeneous and comparable in the two periods under comparison.

To improve the presentation of contracts entered into for the purchase or sale of commodities with physical delivery (which do not qualify for the “own use exemption”) measured at fair value through profit or loss (within the scope of IFRS 9), the Group changed their presentation in the consolidated financial statements in the third quarter of 2021.

Specifically, in the first quarter of 2021:

- the unrealized results of changes in the fair value of energy commodity sales contracts still outstanding at the balance sheet date were presented under the item “Revenue from sales and services”;
- the unrealized results of changes in the fair value of energy commodity purchase contracts still outstanding at the balance sheet date were presented under the items “Electricity, gas and fuel” as well as “Services and other materials”.

In the first quarter of 2022, the unrealized results of changes in the fair value of contracts for the purchase or sale of energy commodities still outstanding at the balance sheet date are recognized on a net basis in “Net results from commodity contracts”.

The new presentation method constitutes a change in accounting policy according to “IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors”.

Therefore, it was necessary to resubmit only for comparative purposes the income statement balances referring to previous periods without impacting either the net result or the equity.

Moreover, for better representation, the economic item relating to the remeasurement at fair value of the financial assets related to services under concession falling within the scope of IFRIC 12 in Brazil, starting from the fourth quarter of 2021, was reclassified from financial income to revenues from contracts with customers (IFRS 15). This is because it refers to the remeasurement at fair value of contractual assets. To make the data comparable and homogeneous, it was also necessary to reclassify the data for the first quarter of 2021.

KEY PERFORMANCE INDICATORS



This press release uses some “alternative performance indicators” that are not envisaged by the international accounting standards adopted by the European Union - IFRS-EU, but which management deems useful for the better evaluation and monitoring of the Group's economic and financial performance. Regarding these indicators, on April 29th, 2021, CONSOB issued the Warning Notice no. 5/21, making applicable the Guidelines issued on March 4th, 2021 by the European Securities and Markets Authority (ESMA) on disclosure requirements pursuant to EU Regulation 2017/1129 (the so-called “Prospectus Regulation”), which are applicable from May 5th, 2021.

The Guidelines update the previous CESR Recommendations (ESMA/2013/319, as revised on March 20th, 2013) except for those concerning issuers carrying out special activities set out in Annex no. 29 of Delegated Regulation (EU) 2019/980, which have not been converted into Guidelines and still remain applicable.

These Guidelines are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC to improve their comparability, reliability and comprehensibility.

The meaning, content and basis of calculation of these indicators are as follows:

- **EBITDA**: an indicator of Enel’s operating performance, calculated as “EBIT” plus “Depreciation, amortization and impairment losses”;
- **Ordinary EBITDA** is defined as the “EBITDA” attributable to ordinary operations only, linked to the new business models of Ownership and Stewardship. It excludes charges associated with corporate restructuring plans and costs directly attributable to the COVID-19 outbreak;
- **Net financial debt**: an indicator of the financial structure, determined by:
 - “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, taking account of “Long-term and short-term debt” included in “Other non-current financial liabilities” and “Other current financial liabilities”, respectively;
 - 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”.

More generally, 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 aforementioned Warning Notice n. 5/21 issued by CONSOB on April 29th, 2021.

- **Net capital employed** is calculated as the algebraic sum of “Net non-current assets”¹⁸ and “Net working capital”¹⁹, “Provisions for risks and charges”, “Deferred tax liabilities” and “Deferred tax assets”, as well as “Net assets held for sale”²⁰;
- **Group net ordinary income** is defined as the “Group's net income” attributable solely to ordinary operations associated with 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.

¹⁸ Determined as the difference between “Non-current assets” and “Non-current liabilities” with the exception of: 1) “Deferred tax assets”; 2) “Securities” 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)”; and 6) “Deferred tax liabilities”.

¹⁹ 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 financial receivables” included in “Other current financial assets”; 2) “Cash and cash equivalents”; 3) “Short-term borrowings” and the “Current portion of long-term borrowings”; 4) “Provisions for risks and charges (current portion)”; and 5) “Other financial liabilities”.

²⁰ Determined by the difference between “Assets held for sale” and “Liabilities held for sale”.



Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2022	2021
Total revenue ⁽¹⁾⁽²⁾	34,958	18,490
Total costs ⁽¹⁾	33,435	15,844
Net results from commodity contracts ⁽¹⁾	1,156	(81)
Operating profit ⁽²⁾	2,679	2,565
Financial income ⁽²⁾	1,662	2,007
Financial expense	2,104	2,483
Net income/(expense) from hyperinflation	31	15
Total financial income/(expense) ⁽²⁾	(411)	(461)
Share of profit/(loss) of equity-accounted investments	43	34
Pre-tax profit	2,311	2,138
Income taxes	661	643
Profit from continuing operations	1,650	1,495
Profit/(Loss) from discontinued operations	-	-
Profit for the period (owners of the Parent and non-controlling interests)	1,650	1,495
Attributable to owners of the Parent	1,430	1,176
Attributable to non-controlling interests	220	319
Earnings per share		
Basic earnings per share		
<i>Basic earnings per share</i>	<i>0.14</i>	<i>0.12</i>
<i>Basic earnings per share from continuing operations</i>	<i>0.14</i>	<i>0.12</i>
<i>Basic earnings/(loss) per share from discontinued operations</i>	<i>-</i>	<i>-</i>
Diluted earnings per share		
<i>Diluted earnings per share</i>	<i>0.14</i>	<i>0.12</i>
<i>Diluted earnings per share from continuing operations</i>	<i>0.14</i>	<i>0.12</i>
<i>Diluted earnings/(loss) per share from discontinued operations</i>	<i>-</i>	<i>-</i>

(1) The figures for the first three months of 2021 have been adjusted, solely for comparative purposes, to take into account the effects of the different classification resulting from the measurement at fair value, at the end of the period, of outstanding contracts for the purchase and sale of commodities settled with physical delivery; this different classification did not affect the Operating profit.

(2) For comparative purposes only, a reclassification was made from financial income to revenues for an amount of 40 million euros in first quarter 2021 of the component recognized in the income statement linked to the remeasurement at fair value of financial assets related to the service in concession of distribution activities in Brazil falling within the scope of IFRIC 12. This last classification had an effect of the same amount on the Operating profit.



Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2022	2021
Profit for the period	1,650	1,495
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	10	59
Change in fair value of hedging costs	(60)	169
Share of the other comprehensive expense of equity-accounted investments	(211)	(17)
Change in the fair value of financial assets at FVOCI	-	4
Change in translation reserve	2,422	(208)
Other comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes)		
Remeasurement of net liabilities/(assets) for defined benefit plans	2	-
Total other comprehensive income/(expense) for the period	2,163	7
Comprehensive income/(expense) for the period	3,813	1,502
Attributable to:		
- owners of the Parent	3,214	1,231
- non-controlling interests	599	271



Condensed Consolidated Statement of Financial Position

Millions of euro

	at Mar. 31, 2022	at Dec. 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment and intangible assets	107,476	102,733
Goodwill	14,566	13,821
Equity-accounted investments	590	704
Other non-current assets ⁽¹⁾	27,290	23,308
Total non-current assets	149,922	140,566
Current assets		
Inventories	3,414	3,109
Trade receivables	18,959	16,076
Cash and cash equivalents	6,373	8,858
Other current assets ⁽²⁾	50,138	37,089
Total current assets	78,884	65,132
Assets classified as held for sale	1,438	1,242
TOTAL ASSETS	230,244	206,940
LIABILITIES AND EQUITY		
Equity attributable to owners of the Parent	32,648	29,653
Non-controlling interests	13,264	12,689
Total equity	45,912	42,342
Non-current liabilities		
Long-term borrowings	57,571	54,500
Provisions and deferred tax liabilities	20,598	19,180
Other non-current liabilities	16,665	14,198
Total non-current liabilities	94,834	87,878
Current liabilities		
Short-term borrowings and current portion of long-term borrowings	18,452	17,337
Trade payables	17,480	16,959
Other current liabilities	52,491	41,462
Total current liabilities	88,423	75,758
Liabilities included in disposal groups classified as held for sale	1,075	962
TOTAL LIABILITIES	184,332	164,598
TOTAL LIABILITIES AND EQUITY	230,244	206,940

(1) Of which long-term financial receivables and other securities at March 31, 2022 for €2,432 million (€2,289 million at December 31, 2021) and €414 million (€403 million at December 31, 2021), respectively.

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2022 for €1,746 million (€1,538 million at December 31, 2021), €5,932 million (€6,481 million at December 31, 2021) and €75 million (€88 million at December 31, 2021), respectively.



Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2022	2021
Pre-tax profit	2,311	2,138
Adjustments for:		
Net impairment/(reversals) of trade receivables and other receivables	288	195
Depreciation, amortization and other impairment losses	1,479	1,371
Net financial (income)/expense ⁽¹⁾	411	461
Net (gains)/losses from equity-accounted investments	(43)	(34)
Changes in net working capital:		
- inventories	(259)	(311)
- trade receivables	(2,264)	(568)
- trade payables	122	(161)
- other contract assets	(14)	(50)
- other contract liabilities	(73)	(97)
- other assets/liabilities ⁽¹⁾	(2,268)	167
Interest income/(expense) and other financial income/(expense) and income paid and collected	(326)	(400)
Other changes	(71)	(162)
Cash flows from operating activities (A)	(707)	2,549
Investments in property, plant and equipment, intangible assets and non-current contract assets	(2,550)	(2,055)
Investments in entities (or business units) less cash and cash equivalents acquired	(1,223)	(208)
Disposals of entities (or business units) less cash and cash equivalents sold	21	51
(Increase)/Decrease in other investing activities	127	28
Cash flows used in investing activities (B)	(3,625)	(2,184)
New long-term borrowing	3,959	272
Repayments of borrowings	(1,603)	(606)
Other changes in net financial debt	1,406	(944)
Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests	15	(1)
Issues/(Redemptions) of hybrid bonds	-	2,214
Coupons paid to holders of hybrid bonds	(30)	(8)
Dividends and interim dividends paid	(2,090)	(2,048)
Cash flows from / (used in) financing activities (C)	1,657	(1,121)
Impact of exchange rate fluctuations on cash and cash equivalents (D)	201	(12)
Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	(2,474)	(768)
Cash and cash equivalents at the beginning of the period ⁽²⁾	8,990	6,002
Cash and cash equivalents at the end of the period ⁽³⁾	6,516	5,234



(1) For comparative purposes only, in first quarter 2021 the component recognized through profit or loss deriving from the remeasurement at fair value of the financial assets connected with service concession arrangements involving distribution operations in Brazil falling within the scope of IFRIC 12 was reclassified from financial income to revenue. The latter classification did not have an impact on cash flows from operating activities.

(2) Of which cash and cash equivalents equal to €8,858 million at January 1, 2022 (€5,906 million at January 1, 2021), short-term securities equal to €88 million at January 1, 2022 (€67 million at January 1, 2021) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €44 million at January 1, 2022 (€29 million at January 1, 2021).

(3) Of which cash and cash equivalents equal to €6,373 million at March 31, 2022 (€5,138 million at March 31, 2021), short-term securities equal to €75 million at March 31, 2022 (€74 million at March 31, 2021) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €68 million at March 31, 2022 (€22 million at March 31, 2021).

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