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Oggetto : Enel, preliminary results 2022: ordinary EBITDA of 19.7 billion euros, exceeding group guidance, net financial debt at 60.1 billion euros

Testo del comunicato

Vedi allegato.

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ENEL, PRELIMINARY RESULTS 2022: ORDINARY EBITDA OF 19.7 BILLION EUROS, EXCEEDING GROUP GUIDANCE, NET FINANCIAL DEBT AT 60.1 BILLION EUROS, A SHARP DECREASE ON THIRD QUARTER 2022

- Revenues: 140.5 billion euros (85.7¹ billion euros in 2021, +63.9%)
- Ordinary EBITDA: 19.7 billion euros (19.2 billion euros in 2021, +2.6%), exceeding the Group's guidance communicated to financial markets of 19.0-19.6 billion euros
- Net financial debt at 60.1 billion euros (51.7² billion euros at the end of 2021, +16.2%),³ a sharp decrease on September 30th, 2022

Rome, February 9th, 2023 – The Board of Directors of Enel S.p.A., chaired by Michele Crisostomo, met today to review the preliminary consolidated results for 2022.

"The preliminary results for 2022 demonstrate the resilience of the Enel Group, which, thanks to the robustness of its integrated business model, achieved ordinary EBITDA of 19.7 billion euros, exceeding the guidance communicated to the financial markets, despite the adverse geopolitical, energy and economic environment while at the same time shielding our end customers from the energy price shock generated by the gas crisis," said **Francesco Starace**, Enel Group CEO. *"Furthermore, thanks to efficient financial management and the execution of the strategic plan presented to the markets, the Group's net financial debt was significantly reduced in the last quarter of the year and will continue to decrease substantially during 2023 as well, further strengthening our financial solidity. This will enable us to continue to execute on our investments in renewable generation and grids in order to support the transition to increasingly sustainable energy sources and promote energy independence in the countries in which we operate."*

Revenues amounted to 140.5 billion euros, an increase of 54.8 billion euros (+63.9%) compared to the 85.7 billion euros achieved in 2021. The change is mainly attributable, in a context of increasing average prices, to higher volumes of energy produced and traded, to higher volumes sold (mainly in Italy and

¹ The figure for 2021 has been adjusted, for comparative purposes only, to take account of the classification under the item "Profit/(loss) from discontinued operations" of revenues connected with the assets held in Russia (which were sold in the fourth quarter of 2022), Romania and Greece as the requirements of IFRS 5 for their classification as discontinued operations have been met.

² In order to improve the reporting of net financial debt, so as to take account of exchange risk hedging, in its determination the Group has decided to include the fair value of the cash flow hedge and fair value hedge derivatives used to hedge the exchange rate risk on loans. Accordingly, in order to improve the comparability of the figures, it was necessary to recalculate net financial debt at December 31st, 2021, from 52.0 billion euros to 51.7 billion euros.

³ The figures for 2022 and 2021 do not include amounts connected with assets classified under "Assets held for sale" and discontinued operations.

Spain), to tariff adjustments in Brazil, to higher volumes of electricity distributed in Latin America, as well as to positive exchange rate effects.

Revenues for 2022 include the non-recurring income deriving from the sale of the transmission business in Chile, equal to 1.1 billion euros, as well as the ordinary income deriving from the partial sale of the equity interests held in Ufinet and in Gridspertise and from the sale of a number of companies to Mooney Group S.p.A., while revenues for 2021 included the ordinary income, equal to 1.8 billion euros, realized from the sale of the stake held in Open Fiber S.p.A.

Ordinary EBITDA amounted to 19.7 billion euros, an increase of 0.5 billion euros compared to 2021 and exceeding the Group's guidance communicated to the financial markets of 19.0-19.6 billion euros. Net of the effects deriving from Stewardship management which led, in 2021, to the recognition of the capital gain for the sale of the stake held in **Open Fiber S.p.A.** (1.8 billion euros) and, in 2022, of the proceeds from the partial sale of the equity interests held in Ufinet, Gridspertise and from the sale of a number of companies to Mooney Group S.p.A. (for a total of 0.8 billion euros), ordinary EBITDA is up by approximately 1.5 billion euros compared to 2021. This positive result was achieved thanks to the performance of the integrated margin (1.4 billion euros) as a result of the combination of the **Thermoelectric Generation and Trading, Enel Green Power, End-User Markets** and **Enel X** businesses, together with the positive performance of **Enel Grids**.

Specifically, the improvement in the margin resulting from thermal generation and from trading activities compensated the significant decrease in hydropower production, linked to the low water availability recorded in Italy and Spain during the year, and made it possible to offset the negative change, on end-user markets in Europe, connected to higher sourcing costs not fully passed on to customers. Furthermore, the increase in Ordinary EBITDA was affected by the positive performance of grids, mainly in Latin America, as a result of tariff adjustments and exchange rate developments.

EBITDA, which includes the effects of non-ordinary items⁴, amounted to 18.8 billion euros (17.2⁵ billion euros in 2021, +9.3%).

Net financial debt at the end of 2022 totaled 60.1 billion euros. The increase from the 51.7 billion euros recognized at the end of 2021 (+16.2%) reflects financial needs for capital expenditure in the period, the payment of dividends, the acquisition of ERG Hydro S.r.l. and the negative effect of exchange rates associated with the conversion of debt into foreign currency. Compared with September 30th, 2022, net financial debt significantly declined, reflecting the positive cash flow generated by operations, the partial reabsorption on net working capital of the effects of a number of government measures, the disposal of assets, mainly in Russia, Chile and Brazil, as well as the positive exchange rate developments in the last quarter of 2022.

Employees at the end of 2022 numbered 65,124 (66,279 at the end of 2021).

⁴ Non-ordinary items in 2022:

- charges for the energy transition and digitalization;
- gains, losses and adjustments connected with M&A transactions;
- COVID-19 costs;
- other minor transactions.

Non-ordinary items in 2021:

- charges for the energy transition and digitalization;
- COVID-19 costs.

⁵ The figure for 2021 has been adjusted, for comparative purposes only, to take account of the classification under the item "Profit/(loss) from discontinued operations" of revenues connected with the assets held in Russia (which were sold in the fourth quarter of 2022), Romania and Greece as the requirements of IFRS 5 for their classification as discontinued operations have been met.

In 2022, the Enel Group generated a total of 227.8 TWh of electricity (222.6 TWh in 2021), distributed 507.7 TWh on its grids (510.3 TWh in 2021) and sold 321.1 TWh (309.4 TWh in 2021).

More specifically, in 2022, outside Italy the Enel Group generated 179.3 TWh of electricity (174.6 TWh in 2021), distributed 287.3 TWh (283.5 TWh in 2021) and sold 223.9 TWh (216.7 TWh in 2021).

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Alternative performance indicators

This press release uses a number of “alternative performance measures” not envisaged by the IFRS-EU accounting standards adopted by the European Union, but that management deems useful for the better evaluation and monitoring of the Group’s performance and financial position. With regard to those indicators, on April 29th, 2021, CONSOB issued 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 under Regulation (EU) 2017/1129 (the “Prospectus Regulation”), which took effect on May 5th, 2021.

The Guidelines update the previous CESR Recommendations (ESMA/2013/319, in the revised version of March 20th, 2013) with the exception of those concerning issuers carrying out special activities referred to in Annex no. 29 of Delegated Regulation (EU) 2019/980, which were not converted into Guidelines and remain applicable.

The 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 in order to improve their comparability, reliability and comprehensibility.

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

- **EBITDA** is an indicator of operating performance and is calculated as “EBIT” plus “Depreciation, amortization and impairment losses”;
- **Ordinary EBITDA** is defined as “EBITDA” from core businesses connected with the Ownership and Stewardship business models supplemented by the ordinary operating results of discontinued operations. In addition, it does not include costs connected with corporate restructuring plans and costs directly attributable to the COVID-19 pandemic;
- **Net financial debt** is an indicator of financial structure and is determined by:
 - “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, taking account of “Non-current financial borrowings” included in “Other non-current financial liabilities” and “Current financial borrowings” included in “Other current financial liabilities”;
 - net of “Cash and cash equivalents”;
 - net of “Current portion of long-term loan assets”, “Current securities” and “Other financial assets” included in “Other current financial assets”;
 - net of “Non-current securities” and “Non-current financial assets” included in “Other non-current financial assets”
 - “Derivative assets on exchange rate cash flow hedges connected with borrowings”, “Derivative liabilities on exchange rate cash flow hedges connected with borrowings”, “Derivative assets on exchange rate fair value hedges connected with borrowings” and “Derivative liabilities on exchange rate fair value hedges connected with borrowings”.

More generally, the net financial debt of the Enel Group is reported in accordance with Guideline 39, issued on March 4th, 2021, by ESMA, applicable as from May 5th, 2021, and with the above-mentioned Warning Notice no. 5/2021 issued by CONSOB on April 29th, 2021.

Pursuant to Article 154-bis, paragraph 2, of the Consolidated Financial Act, the officer responsible for the preparation of Enel’s corporate financial reports, Alberto De Paoli, declares that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

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