



## NOTA DE PRENSA

Press Office

T +34 91 213 11 02  
F +34 91 213 90 95  
prensa@endesa.es

endesa.com

### **ENDESA RECORDED AN ORDINARY NET PROFIT OF 491 MILLION IN THE FIRST QUARTER OF 2021 AND CONFIRMED ITS FINANCIAL TARGETS FOR THE YEAR**

**Its EBITDA stands at 1.02 billion, in line with forecasts**

- *Endesa posted net ordinary income of 491 million between January and March, down 41%. Compared to the 564 million in 2020 (minus the net effect of provisions recorded the previous year), the decrease stands at 13%*
- *EBITDA came in at 1.02 billion, in line with forecasts, despite the tightening of energy market conditions at the beginning of 2021. Compared to the 1.12 billion last year, it is down 9%*
- *The economic-financial targets set at Capital Markets Day last November for this financial year have been re-confirmed to the market*
- *By March, the company had surpassed the mainland production free of carbon dioxide target set for 2023 (89%), hitting 91%*
- *The company ended the quarter with all of its bank debt linked to sustainability criteria, including the first credit which incorporates greenhouse gas emission reduction criteria*
- *Cash flow multiplied 2.1 times to 583 million*
- *The solid growth of the network of electric vehicle charging stations in Spain continued, reaching 7,500 by March (7,100 operational at the end of 2020)*

**Madrid, 5 May 2021.** Endesa kicked off 2021 by re-confirming its main business and financial targets to the market, as well as its path to decarbonisation, in the midst of a tightening of rules in the energy business in Spain caused by two factors: firstly, the lingering impact of the Covid 19 pandemic; and, secondly, the bullish scenario of pool and commodity prices, in addition to the effects of Storm Filomena.



The company today reported its results for the first quarter of the financial year, in which it recorded net ordinary income of 491 million euros. This figure represents a 41% decrease compared to the first quarter of 2020, when the result included extraordinary impacts arising mainly from the signing of the new collective agreement, as well as staff restructuring provisions. In comparable terms (excluding these atypical ones), the decline stands at 13%.

Endesa's EBITDA came in at 1.02 billion, down 31%, which stands at 9% in comparable terms excluding extraordinary results recorded in 2020. The company is therefore on track to fulfil the targets previously reported to the market for the whole of 2021.

The company has reiterated its firm commitment to the path to decarbonisation to the market, increasing the percentage of greenhouse gas emission-free generation in mainland Spain to 91%. This surpasses the 89% target set for 2023 and 79% in the same quarter of 2020. This achievement is due to the increased production of renewable sources, mainly wind.

Endesa has raised its total portfolio of renewable projects to 44,400 MW - from 41,800 MW at the end of 2020 - and of these, 6,500MW have access and grid connection rights. The company is currently rolling out 2,300 MW of new renewable power, which augurs well for reaching the goal of connecting 700 MW by 2021. In addition, in the first quarter, Endesa acquired 519 MW of photovoltaic power in Huelva for 350 million euros, including construction costs.

In addition, battery projects, which total 6,000 MW gross, have been identified for the first time, of which 400 MW are at an advanced state of maturity.

In terms of the performance of the electricity supply market, sales fell by 3% compared to the first quarter of 2020. This is mainly due to the full impact in 2021 of the effects of Covid compared to the effect of the pandemic which was mainly recorded in the second half of March last year. Endesa has also launched a number of trade initiatives, based on the advantages of digitising its operations, to face strong competition in the deregulated electricity market.

In terms of electric mobility, the company holds on to its leading position in Spain for the network of charging stations, with 7,500 at the end of the quarter, 6% up compared to 7,100 at the end of 2020. Out of these, 2,000 are publicly accessible charging stations.

In the words of José Bogas, CEO: "We faced a complex and turbulent market situation at the beginning of the year, but we are confident that the situation will return to normal in the coming quarters. Endesa is making progress on its path to decarbonisation and is committed to sustainability. In fact, the recent shareholders' meeting has approved linking the variable remuneration of our management to the deployment of renewable power during the 2021-2023 period (our strategic plan). The extension of ESG criteria across the whole the company is also widely recognised by the market. The latest example in this regard is our inclusion in the ISS Quality Score, which awarded us the highest score in the environmental, social and corporate governance categories".

### **Financial performance**

A further analysis of the different activities reveals that the performance of the regulated market remains stable, and the greater efficiencies allow Endesa to make up for the change in remuneration parameters (both in Distribution and in non-mainland systems).

As regards the deregulated market, Endesa has faced greater competition in electricity supply due to the unique market situation caused by weather conditions at the start of the year and high prices compared to



the previous year, as well as by the Catalan nuclear tax in force since July 2020. It has also faced a harsher context in the gas business resulting from the sharp increase in prices.

In addition, financial performance in the deregulated market has been positively impacted by the restatement of various concepts carried over from previous years with a net balance of 150 million. Specifically, in 2021 there was a restatement of 188 million from the reduction in remuneration in 2006, when the CO<sub>2</sub> system allocation entered into force. Endesa does not have a legal obligation to bear this reduction.

The sharp increase in cash flow is noteworthy, which more than doubled (+111%) compared to the same quarter of 2020, reaching 583 million.

The company's net debt reached 7.5 billion euros, an increase of 600 million mainly due to the dividend payment against the 2020 results in January. The leverage ratio (net debt to EBITDA) stands at 1.9x in comparable terms, up from 1.8x at the end of 2020. The cost of debt remains extraordinarily low, with an average interest of 1.7% (same figure as at the end of last year). This places Endesa as the European utility with the lowest cost of debt at the end of the quarter.

Regarding the sustainable finance strategy, Endesa has closed deals worth 2.8 billion in the quarter. Out of the total gross debt (8 billion), 49% includes sustainability criteria, which the company plans to continue to increase to hit the 60% target by the end of 2023.

Luca Passa, the chief financial officer, explains: "At this early stage in the financial year, the renewal of lines of credit worth 2.1 billion with eleven entities is particularly relevant, allowing all the company's debt with banks to be linked to sustainability criteria. Within this commitment to financial sustainability, the signing of the first loan linked to greenhouse gas emission reduction targets of 150 million is especially significant. We will continue to take steps in this regard for all our financial transactions".

	1Q 2021 Mill.€	1Q 2020 Mill.€	Variación (%)	Variación Sin extraordinarios
<b>INGRESOS</b>	4.993	5.069	-1,5%	-
<b>EBITDA</b>	1.019	1.476	-31%	-9% (1)
<b>EBIT</b>	615	1.118	-45%	
<b>BENEFICIO NETO</b>	491	844	-41,8%	
<b>BENEFICIO ORDINARIO NETO(2)</b>	491	831	-40,9%	-13% (3)
<b>CASH FLOW OPERATIVO</b>	583	276	111,2%	
<b>DEUDA FRA. NETA</b>	7.496	6.899(4)	8,7%	
<b>INVERSIONES BRUTAS</b>	283	271	4,4%	

(1) EBITDA excluyendo 515 mill.€ del retorno de la provisión del compromiso del nuevo Convenio Colectivo y sumando 159 mill.€ de una provisión adicional para reestructuración de plantilla.

(2) Beneficio neto ordinario= Beneficio neto reportado (491 mill.€) - Resultado Neto por Deterioro de Activos No Financieros superiores a 10 € mn (0 € mn) - Devenido neto inicial de costes de personal por planes de reestructuración relacionados con el proceso de descarbonización y digitalización (0 € mn) - Costes Netos correspondientes al Plan de Responsabilidad Pública ante la Crisis Sanitaria Covid-19 (0 € mn)= 491 € mn

(3) Resultado Ordinario Neto 1T 2020 *likeforlike*: Resultado Ordinario Neto (831 € mn) - Efecto neto de reversión de provisiones de los compromisos contenidos en el nuevo convenio colectivo (386 € mn) - Provisión adicional registrada para planes de reestructuración de plantilla (-119 € mn) = 564 € mn.

(4) Datos a 31 dic.

	1Q 2021 GWh	1Q 2020 GWh	Variación (%)
<b>PRODUCCIÓN</b>	14.800	15.143	-2,3%
<b>VENTAS MERCADO LIBERALIZADO(1)</b>	15.115	18.608	-5%
<b>VENTAS MERCADO REGULADO(1)</b>	3.058	2.913	5%
<b>ELECTRICIDAD DISTRIBUIDA</b>	32.595	30.557	+0,3%
<b>VENTAS DE GAS (2)</b>	22.491	20.903	+7,6%

(1) Ventas netas a cliente final

(2) Sin consumos propios de generación



### **About Endesa**

Endesa is the largest electricity company in Spain and the second largest in Portugal. The company is also the second largest gas operator in the Spanish market. Endesa operates an end-to-end business from generation to marketing and through Endesa X also offers value-added services aimed at the decarbonisation of energy uses in homes, companies, industries and public administrations. Endesa is firmly committed to the United Nations SDGs and therefore strongly supports the development of renewable energies through Enel Green Power España, the electrification of the economy and Corporate Social Responsibility. The Endesa Foundation is also active in CSR. Our workforce numbers around 9,600 employees. Endesa is a division of Enel, Europe's largest electricity group.