

Endesa H1 2020

Consolidated results

July 28, 2020





H1 2020

Consolidated results

José Bogas

CEO



Key highlights of the period



*EBITDA
performance*

**EBITDA
increased by
+22%⁽¹⁾**

Covid-19

**Liberalized
Business
resilient to
Covid-19
implications**

*Push on
decarbonisation*

**Accelerating
coal phase
out**

Low risk profile

**Steady
evolution of
Distribution
business**

Solid results

**Net Income
increases by
+45%⁽²⁾**

(1) EBITDA including +515 €mn of provision reversal from the commitments contained in the new Collective Agreement and -159 €mn of additional provision recorded for workforce restructuring plans

(2) Net Income including +267 €mn net effect of provision reversal from the commitments contained in the new Collective Agreement, and additional provision recorded for workforce restructuring plans

COVID-19

Macroeconomic backdrop



Market context

▶▶ **GDP downturn:** Spanish GDP variation of -22% in H1 2020, adding an economic crisis to the pandemic disease

▶▶ **Collapse in demand:** Mainland demand -8% and -13% in non mainland

▶▶ **Drop in commodities and pool prices:** Average 29 €/MWh in H1 2020 (-44% YoY) as a consequence of falling demand and commodity prices

Business update

▶▶ **Distribution:** Regulated remuneration not affected by volumes. No material disruption in supply chain

▶▶ **Renewables:** No material disruption in supply chain or delays of new renewable projects

▶▶ **Retail:** Adverse market backdrop offset by integrated business model resilience

Financial Highlights

▶▶ **Solid financial Position:** Healthy leverage ratios and limited re-financing needs in the plan period

▶▶ **Dividend policy:** Maintained dividend policy announced in the Strategic Plan

COVID-19

Regulatory update



EU Green Deal

**EU Fair Transition
mechanism**

**Repair and prepare for the Next
Generation**



PNIEC Draft

Climate Change and Energy Transition Law Draft

Other regulatory measures:

- RDL 8 and 11/2020 Urgent measures to mitigate social and economic Covid-19 impact
- RDL 23/2020 Energy transition and economic recovery
- RDL 26/2020 Economic reactivation measures

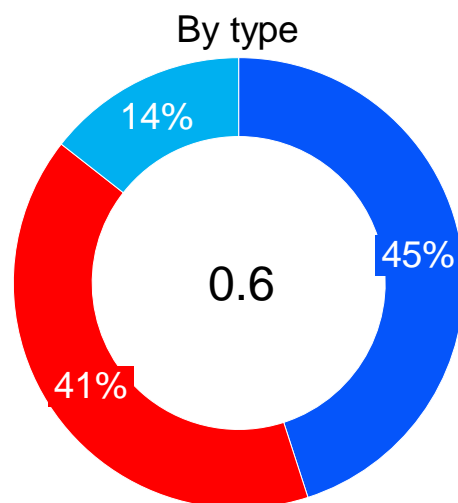
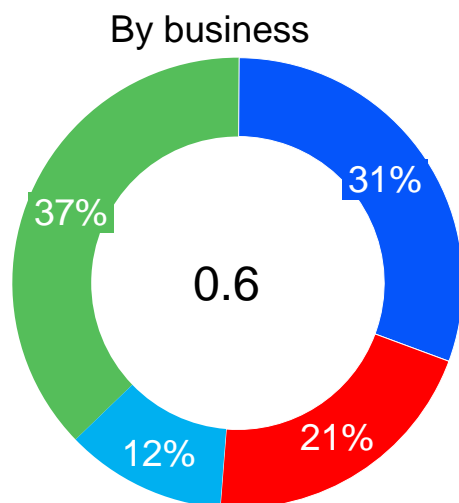
Accelerating Energy Transition, key driver to spark the recovery

Capex

Accelerating renewable development



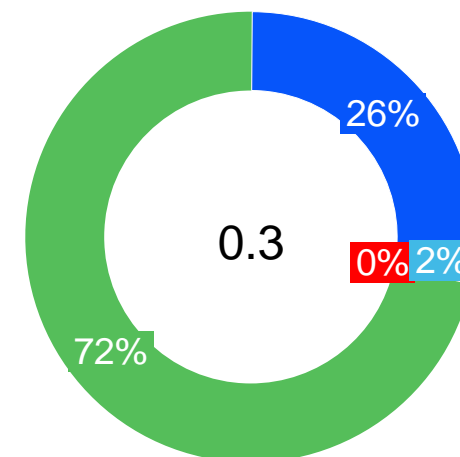
Net capex⁽¹⁾, €bn



■ Conventional Gx⁽²⁾
■ Dx
■ Retail + Endesa X
 ■ Renewables⁽³⁾

■ Asset Management
■ Customers
■ Asset Development

Asset development capex, €bn



■ Renewables
 ■ Dx
■ Conventional Gx
 ■ Retail + Endesa X

~72% of the development capex in renewables

(1) Does not include: Financial investments (8 €mn in H1 2020 and 35 €mn in H1 2019), IFRS 16 effect (140 €mn) nor company acquisitions carried out during the year. Includes structure capex. Total Gross Capex: 0.6 €bn. Rounded figures

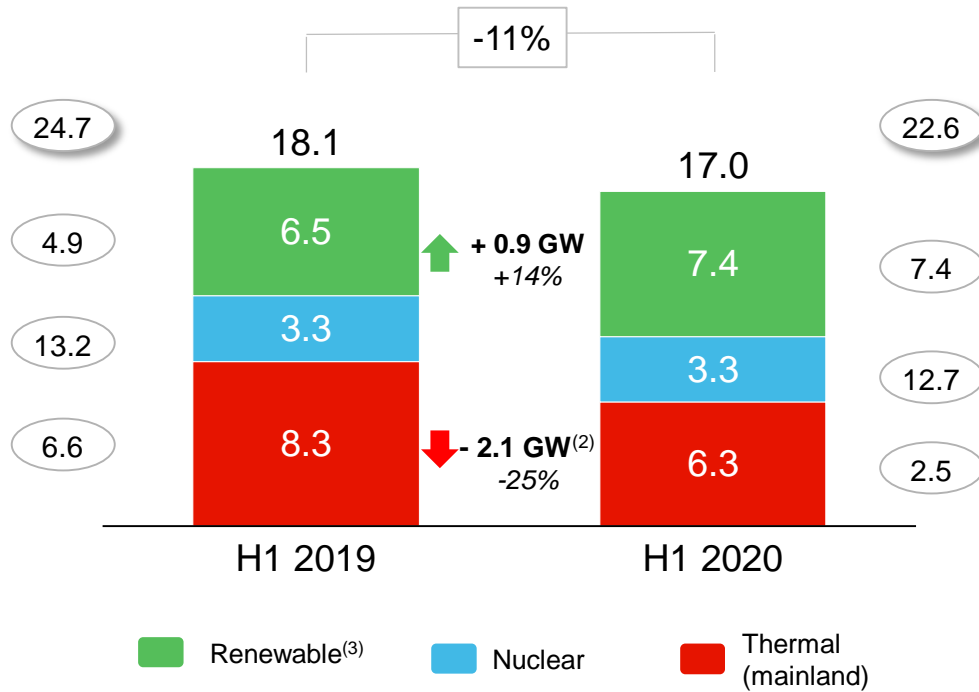
(2) Includes capex in Structure

(3) Figure includes large hydro capex.

Decarbonisation

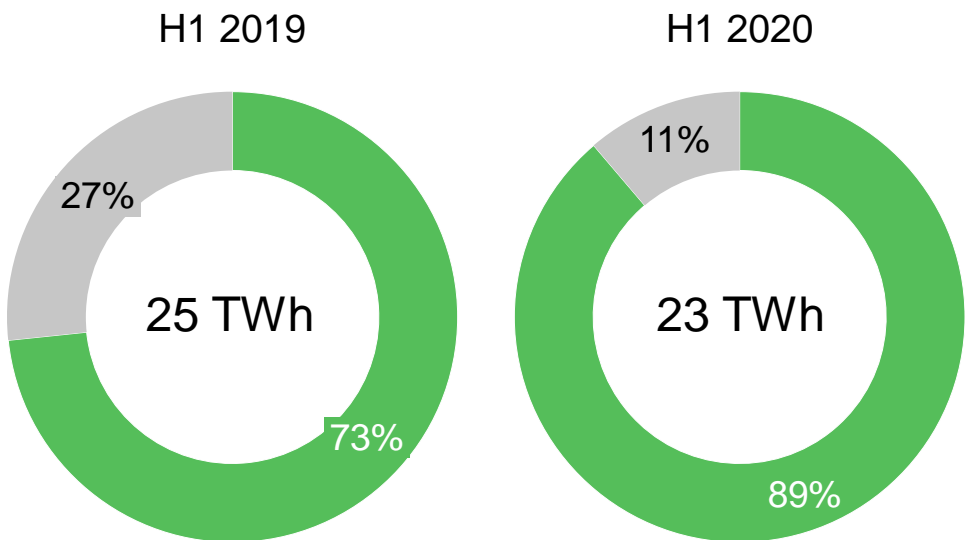


Mainland Installed capacity and production⁽¹⁾, GW



Production (TWh)

Emission free share of production, %



~90% emission free production

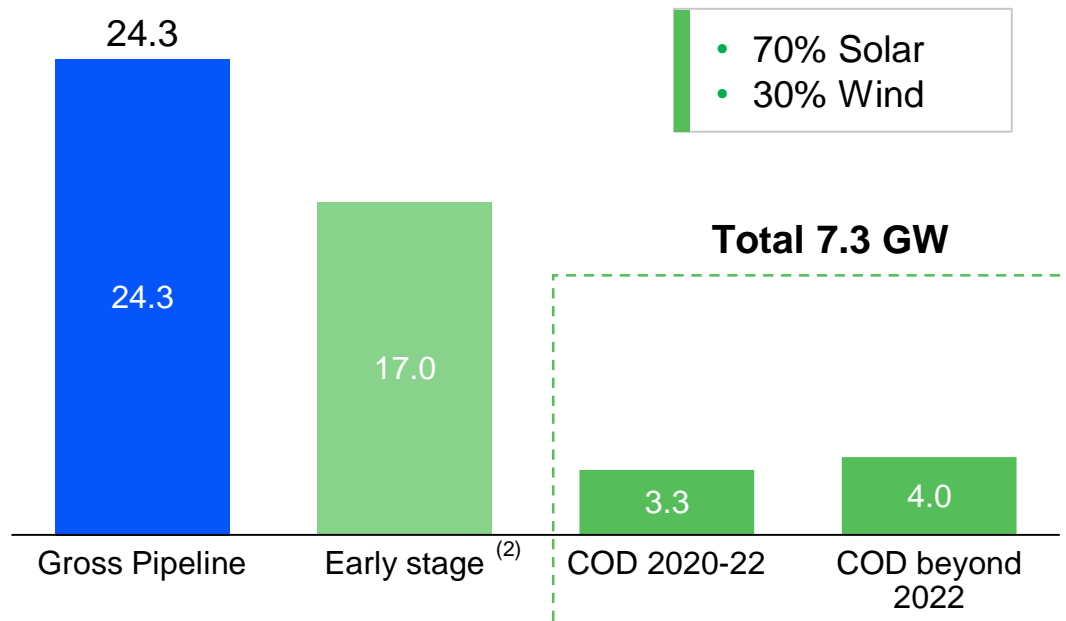
(1) Energy at power plant busbars
 (2) Rounded figure
 (3) Includes large hydro

Decarbonisation

Growth in renewable generation capacity



Gross pipeline⁽¹⁾ of renewable projects, GW



- Pipeline with COD 2020-22 entirely covers the new capacity considered in the Strategic Plan (2.8 GW).
- All the 7.3 GW of this pipeline has already been awarded with connection points.
- 70% of gross pipeline is devoted to solar technology

Growing pipeline to fulfil and accelerate decarbonization strategy

(1) As of 30.06.2020

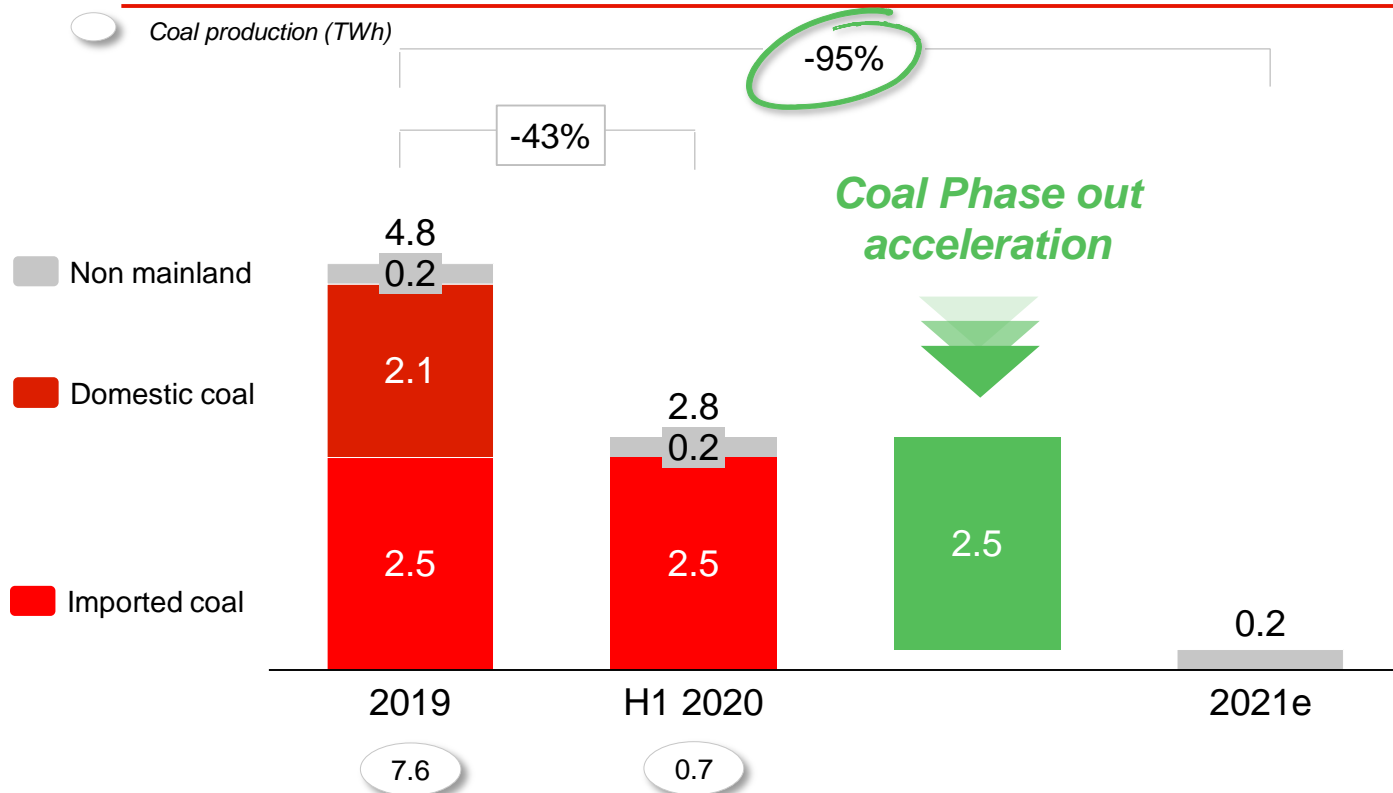
(2) Approved by a Screening Committee, which authorized preliminary works. Initial phase of development

Decarbonisation

Coal phase out



Coal net capacity evolution 2019-2021, GW⁽¹⁾



Closure of domestic coal plants (Compostilla II and Teruel) in June 2020, representing -43% in coal installed capacity

Just transition: Plans to mitigate social impacts in all the affected regions

Revenues from coal ~1% of total

Total mainland coal phase out by 2021, one year ahead of target

Enablers and ecosystems

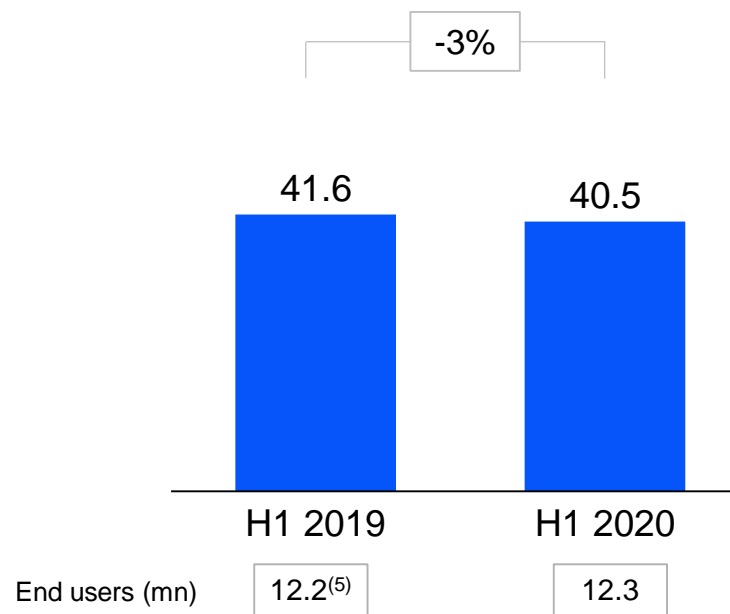
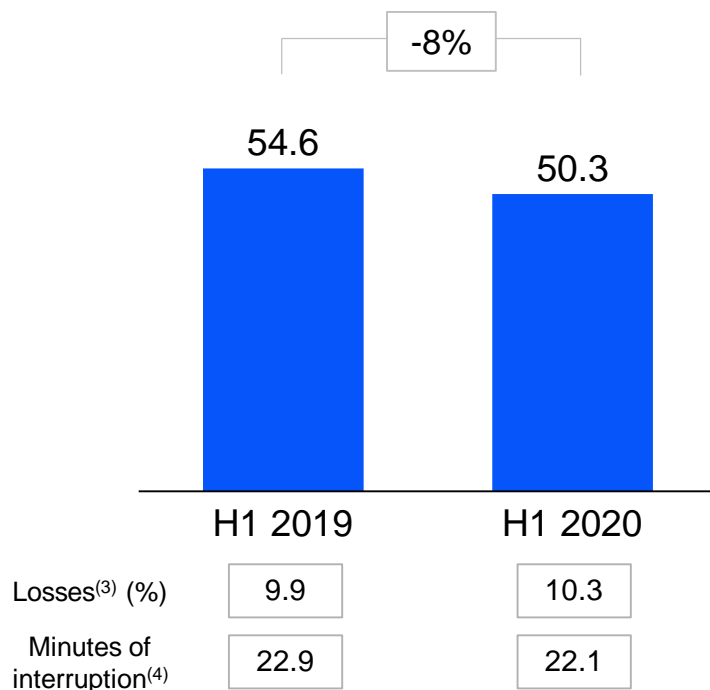
Distribution



Distributed energy⁽¹⁾, TWh



OPEX, €/end user⁽²⁾



Stable regulatory framework

No exposure to volumes

Network digitalization in process

Distribution infrastructure enabling new renewables integration

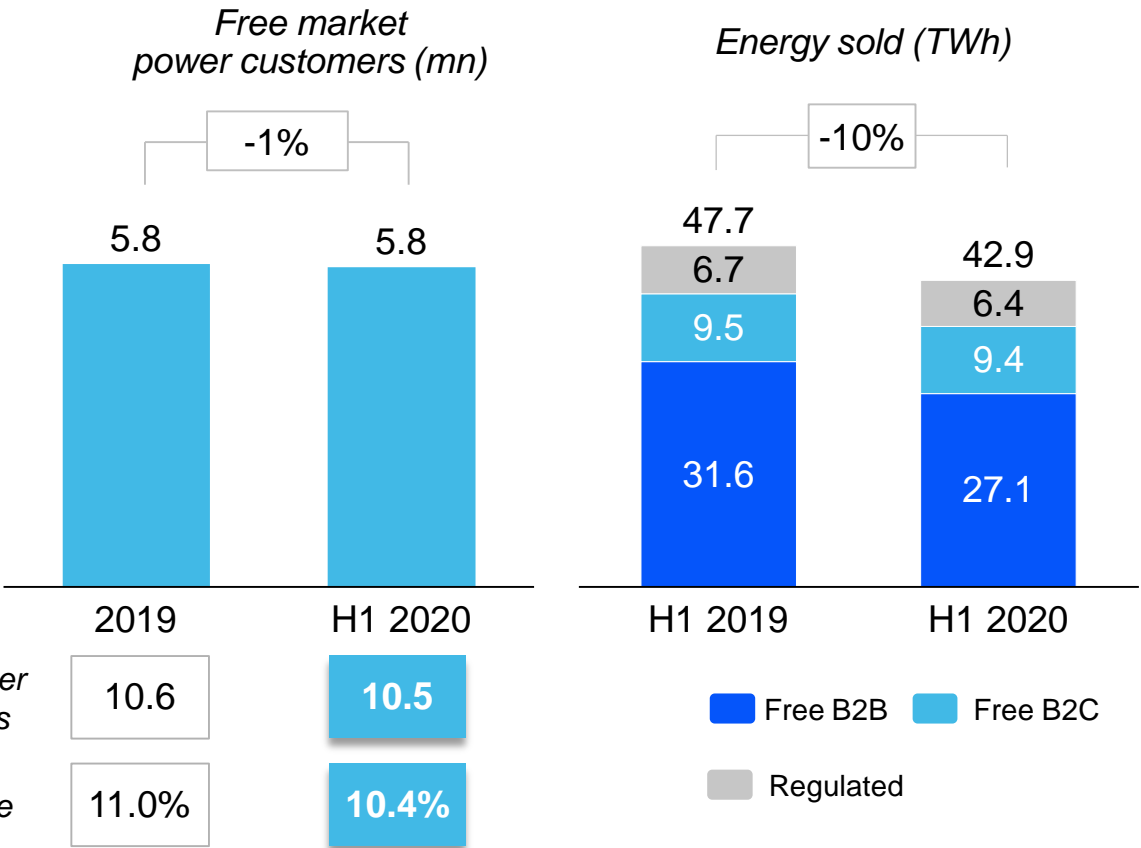
(1) Energy at power plant busbars. Includes mainland and non mainland
 (2) Annualized figure
 (3) System Operator (TSO.) criteria. YTD

(4) According to RD 1995/2000 1st December calculation. 1H2020 figure adjusted by Gloria storm effects (4.0 minutes)
 (5) FY2019 figure

Retail and Endesa X

Client focus

Retail



Endesa X and new infrastructures



Resilient business in a challenging market context



H1 2020

Financial results

Luca Passa
CFO

endesa

Financial highlights (€mn)



	EBITDA	Net Income	FFO	Net Debt
<i>Reported</i>	2,315 +22%	1,128 +45%	995 +10%	7,092 +11%
<i>Like-for-like</i>	1,959⁽¹⁾ +3%	861⁽²⁾ +11%		
<i>H1 2019</i>	1,894	776	907	6,377⁽³⁾

(1) EBITDA excluding +515 €mn of provision reversal from the commitments contained in the new Collective Agreement and -159 €mn of additional provision recorded for workforce restructuring plans

(2) Net Income excluding +267 €mn net effect of provision reversal from the commitments contained in the new Collective Agreement and additional provision recorded for workforce restructuring plans

(3) As of December 2019

COVID-19 estimated impact on demand and bad debt

€mn



	Like-for-like	Demand	Bad debt	Net of COVID-19
EBITDA	1,959	80		2,039
D&A	(760)		20	
Net Ordinary Income	861	60	15	936
COVID-19 impact				

H1 20 absorbs the majority of Covid-19 effects, not expecting further relevant impacts in H2. Businesses resilience mitigated that impact

Bad debt provisioning amounted to 20 mn€ by IFRS 9

In absence of COVID-19 business effects, like-for-like EBITDA would have increased by 8% and Net Ordinary Income by 21%

Fully committed to our 2020 targets despite Covid-19, mitigated by business resilience

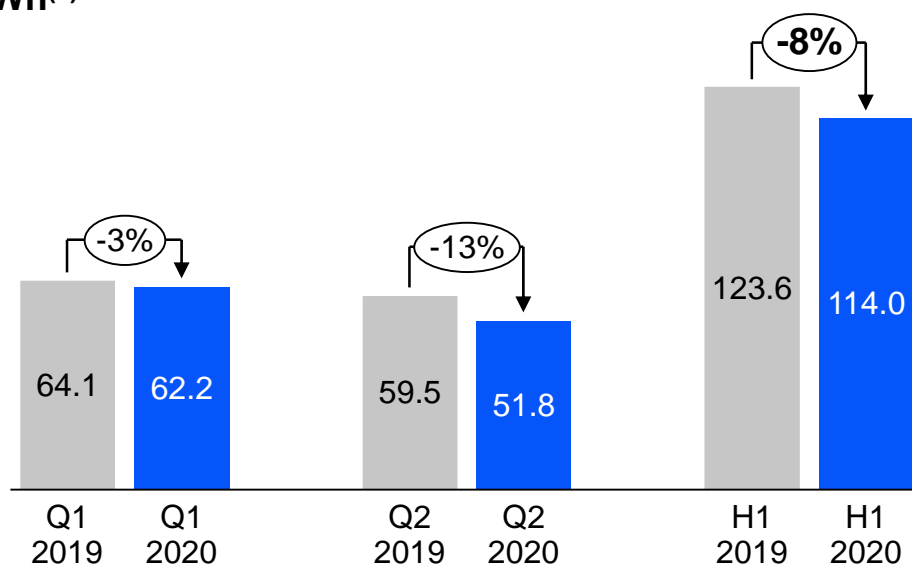
Market context in H1 2020

Demand decrease and declining commodities lead to lower pool prices



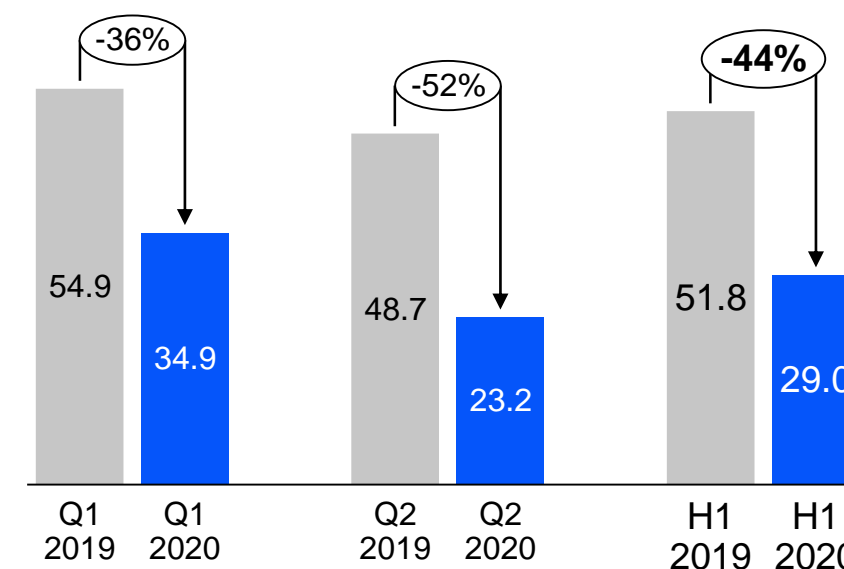
Demand⁽¹⁾

Spain, TWh⁽²⁾



Electricity wholesale prices

Average pool prices Spain, €/MWh



Endesa distribution area⁽³⁾

	Q1 20	Q2 20	H1 20	By segment (Not adjusted):
Adjusted ⁽⁴⁾	-3.9%	-11.3%	-7.4%	Industry -8.8%
				Services -13.1%
Not adjusted	-2.7%	-11.8%	-7.0%	Residential +0.8%

(1) Mainland

(2) Source: REE

(3) Source: Endesa's own estimates. Variation versus H1 2019

(4) For weather and working days

Electrification

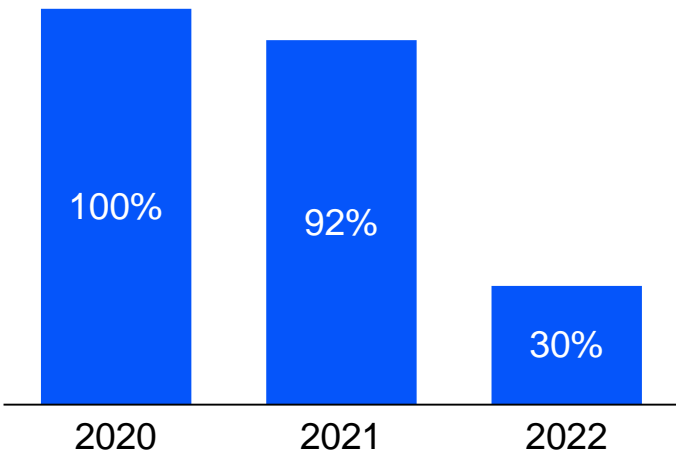
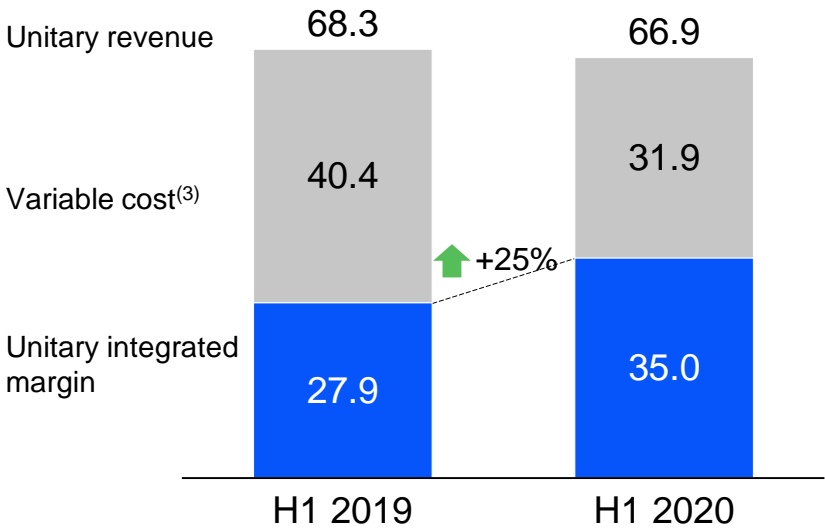
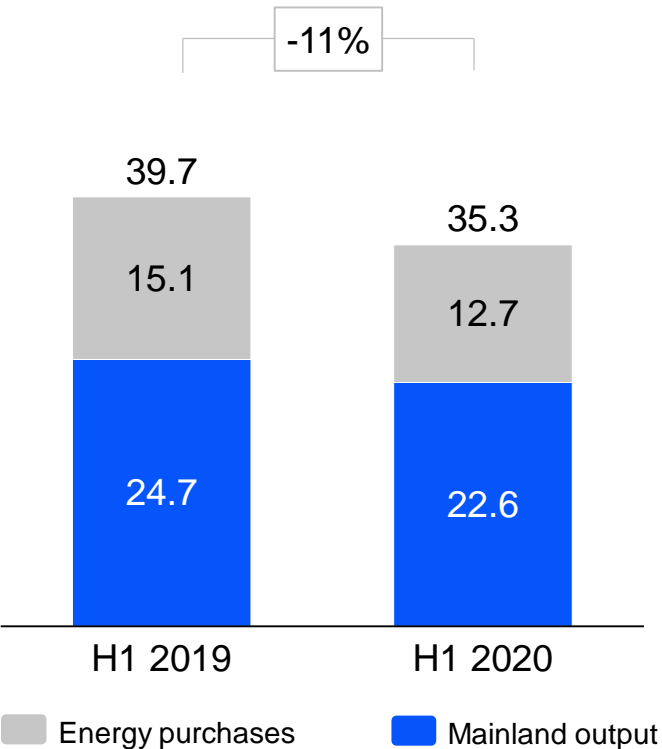
Energy management



Liberalized sales⁽¹⁾, TWh

Power integrated margin⁽¹⁾, €/MWh

Output⁽²⁾ hedged



Integrated margin growth and resilience

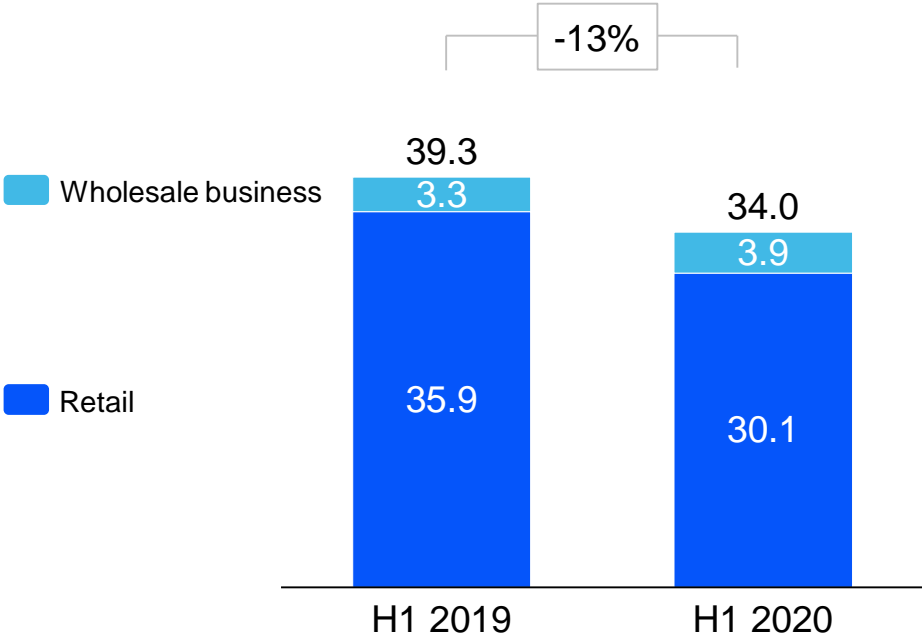
(1) Total free sales excluding international sales and SCVP, not considered in the integrated margin. Unitary integrated margin, both in H1 2019 and H1 2020, includes procurement activities for CCGTs
 (2) Price driven output
 (3) Production cost + energy purchase cost + ancillary services

Electrification

Gas operational highlights



Volumes sold⁽¹⁾, TWh



Key figures

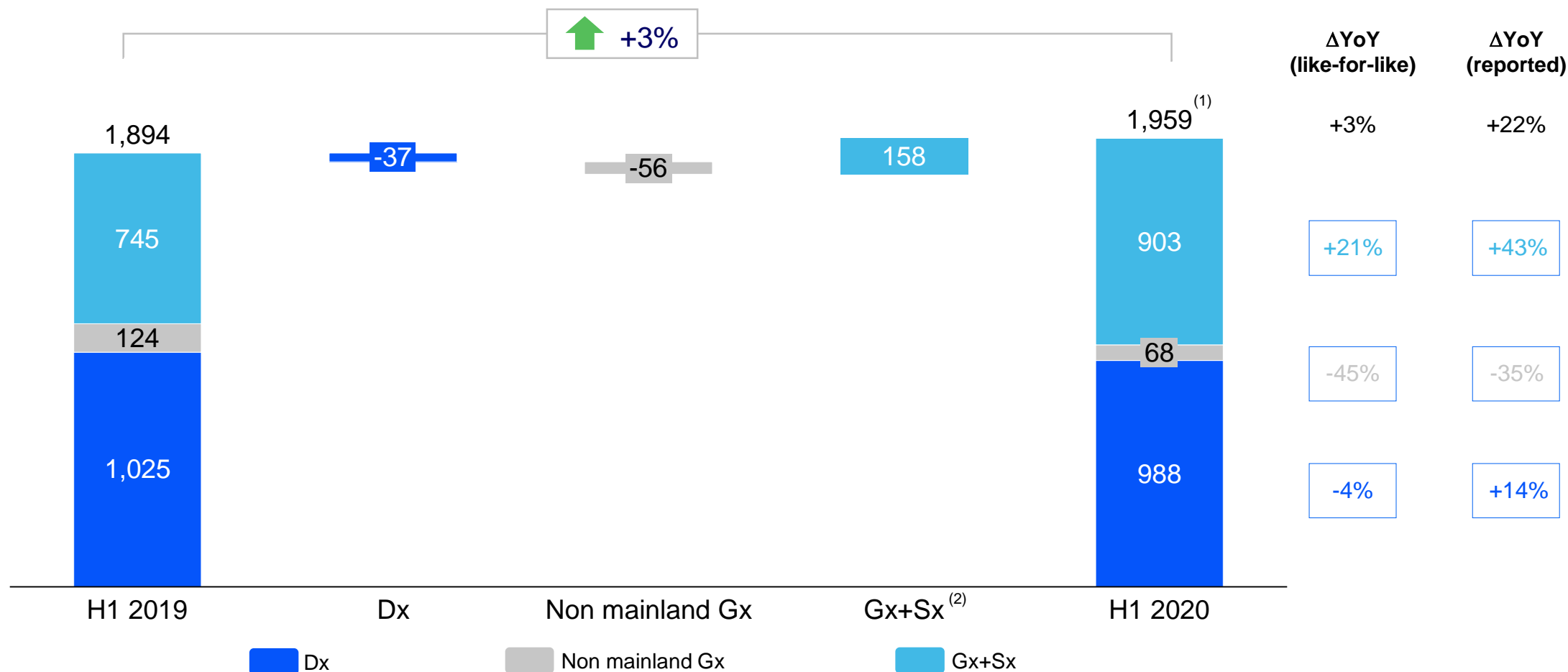
	2019	H1 2020	Var.
Total customers mn	1.65	1.66	+1%
Churn rate (%) ⁽²⁾	9.8%	10.8%	1 PP
Unitary margin ⁽³⁾ €/MWh	1.6	4.1	2.6x

Gas margin benefits from trading opportunities and procurement flexibility

(1) Rounded figures
 (2) Compared H1 2020 vs. H1 2019
 (3) Compared H1 2020 vs. H1 2019. Unitary integrated margin, both in H1 2019 and H1 2020, excludes procurement activities to CCGTs

Like-for-like EBITDA evolution

€mn



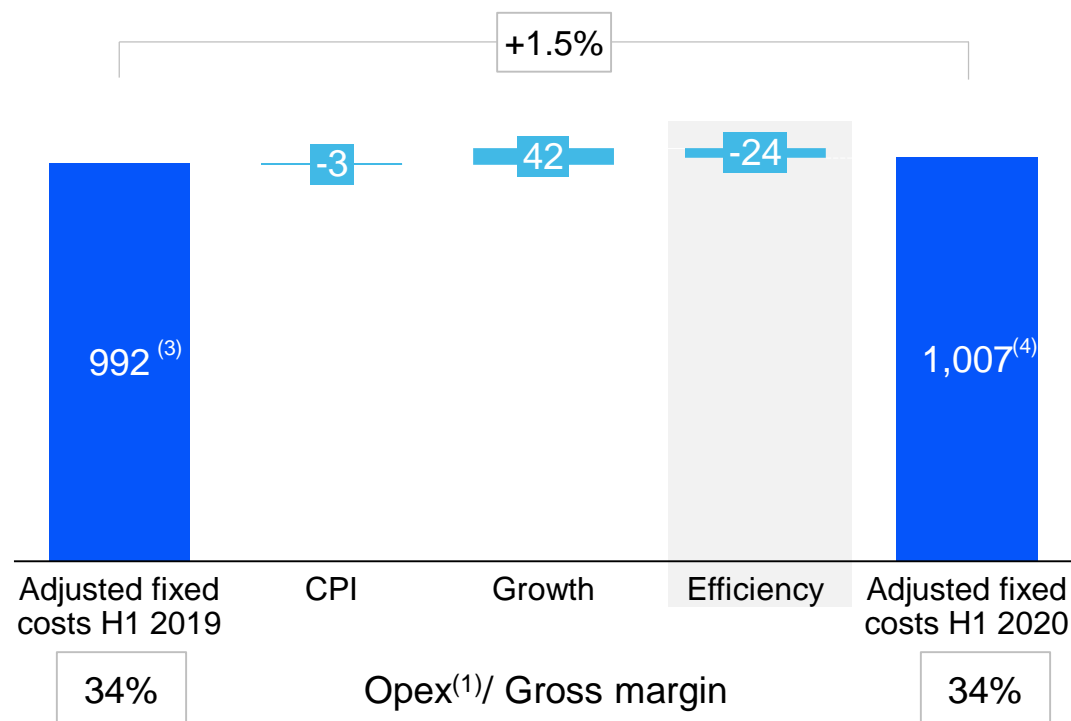
EBITDA improvement mainly supported by liberalized business performance

Efficiency through digitalisation

Efficiency compensates the increase of inflation and growth



Opex⁽¹⁾ evolution, €bn



Unitary cost ^(2,5)
k€/MW

H1 2019 H1 2020 Target 2022

46

47

45



Unitary cost ⁽⁵⁾
€/end user

42

41

39



Cost to Serve ⁽⁵⁾
€/customer

10.6

10.2

9.1

D
i
g
i
t
a
l

e-billing
mn

3.5

4.2

4.5

Digital Sales
% digital

10%

15%

14%

Digital contracts,
mn

4.5

5.1

5.0

(1) Opex: Total adjusted fixed costs in nominal terms (net of capitalizations).

(2) Thermal and renewable costs combined. Includes Corporate fees

(3) H1 2019 Fixed costs adjusted by: updating of provisions for workforce restructuring plans in place (-4 €mn)

(4) H1 2020 Fixed costs adjusted by Net provision release: provision reversal from the commitments contained in the new Collective Agreement (515 €mn), and additional provision recorded for workforce restructuring plans (-159 €mn); and by other adjustments: updating of provisions for workforce restructuring plans in place (44 €mn)

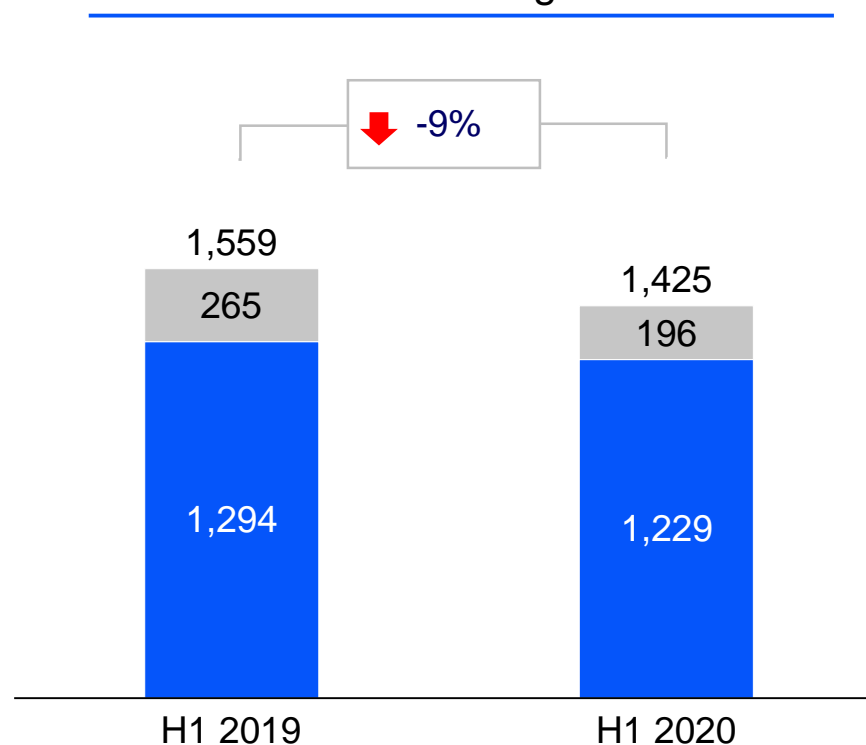
(5) Annualized figures

Regulated business

€mn



Gross margin



Regulated margin: 1,425 €mn
(-134 €mn)

- Dx: -65 €mn, affected by the new retributive parameters

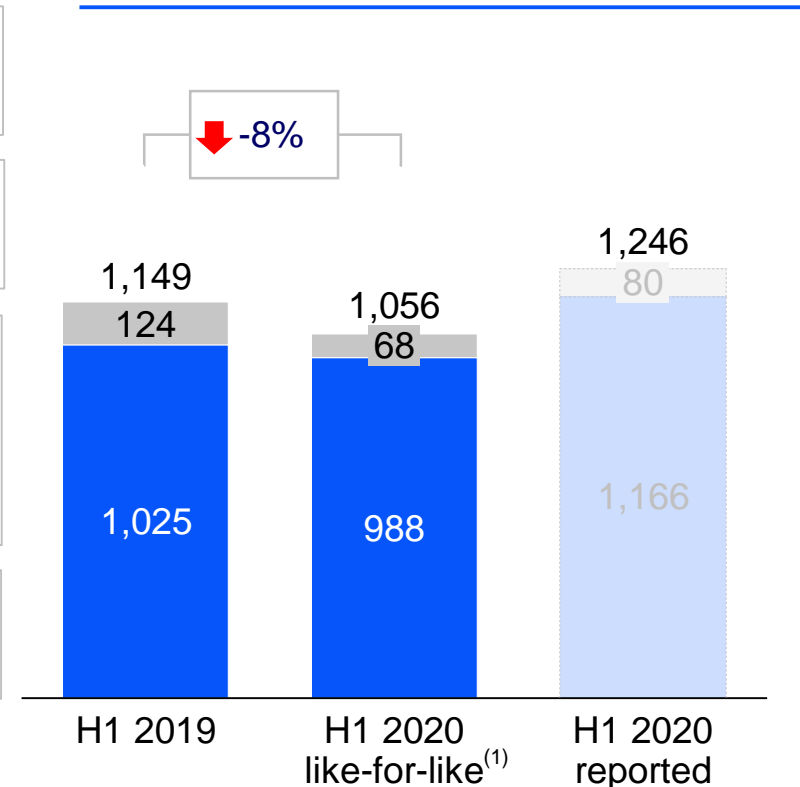
- Non mainland: -69 €mn, affected by regulatory inefficiencies that do not allow full cost recovery in current commodities scenario

Like-for-like fixed costs⁽¹⁾: 369 €mn
(41 €mn decrease)

■ Distribution

■ Non mainland

EBITDA



Non mainland business affected by conjunctural scenario

(1) EBITDA excluding +289 €mn (+269 €mn Dx and +20 €mn Non mainland) of provision reversal from the commitments contained in the new collective agreement, and -99 €mn (-91 €mn Dx and -8 €mn Non-mainland) of additional provision recorded for workforce restructuring plans

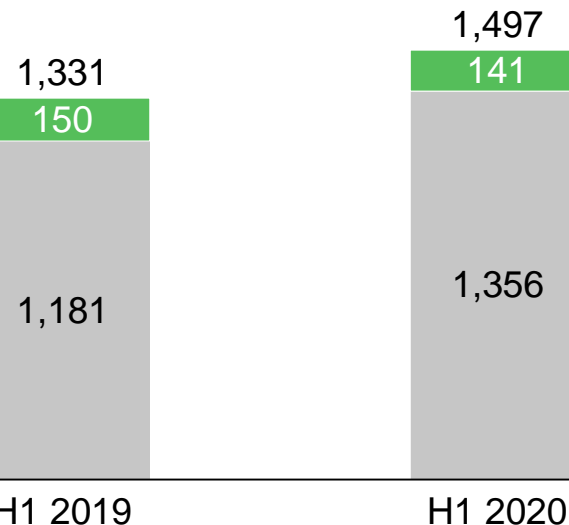
Liberalized business⁽¹⁾

€mn



Gross margin

↑ +12%



Liberalized margin: 1,497 €mn
(+166 €mn)

- Electricity & Others : 1,294 €mn
(+84 €mn)

- Gas ⁽²⁾: 140 €mn (+76 €mn)

- Endesa X : 63 €mn (+6 €mn)

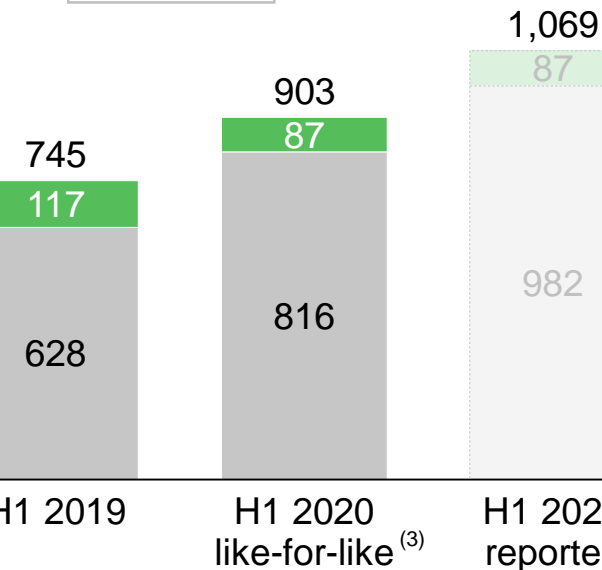
Like-for-like fixed costs⁽³⁾: 594 €mn
(8 €mn increase)

■ Liberalized business
(exEGPE)

■ EGPE

EBITDA

↑ +21%



Remarkable performance of the liberalized business despite backdrop

(1) Liberalized business figures include Generation and Supply business, Corporate Structure, Services and Adjustments and does not include Non-mainland generation

(2) Does not include procurement activities to CCGTs

(3) EBITDA excluding +226 €mn of provision reversal from the commitments contained in the new collective agreement, and -60 €mn of additional provision recorded for workforce restructuring plans

Profit & loss

€mn



	H1 2020	H1 2019	Δyoy
EBITDA	2,315	1,894	+22%
D&A	(760)	(794)	-4%
EBIT	1,555	1,100	+41%
Net Financial Results	(48)	(96)	-50%
Results from equity investments & Others	6	10	-40%
EBT	1,513	1,014	+49%
Income taxes	(382)	(232)	+65%
Non-Controlling Interests	(3)	(6)	-50%
Net Ordinary Income ⁽¹⁾	1,128	776	+45%

EBITDA increase +22%, affected by the new collective agreement application

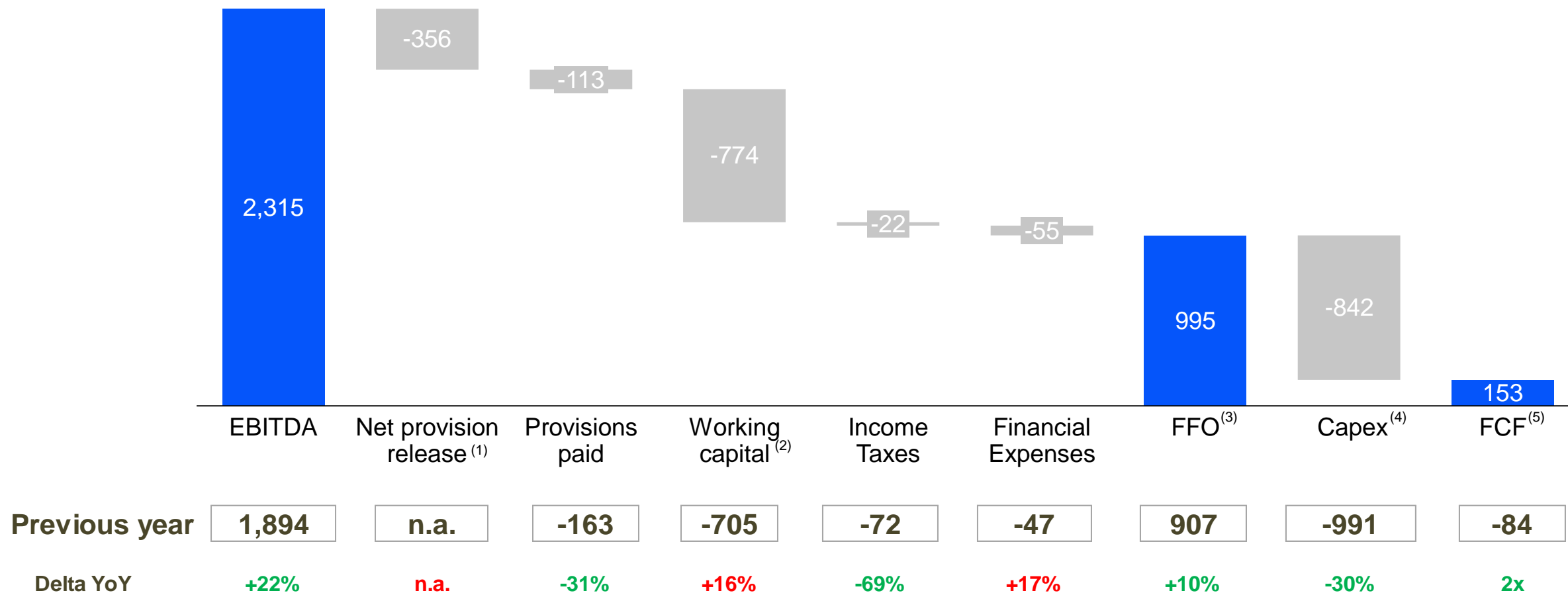
Lower D&A coming from the coal impairments booked in 2019

Lower financial expenses driven by the financial provisions update

Net ordinary income +45%

Cash Flow

€mn



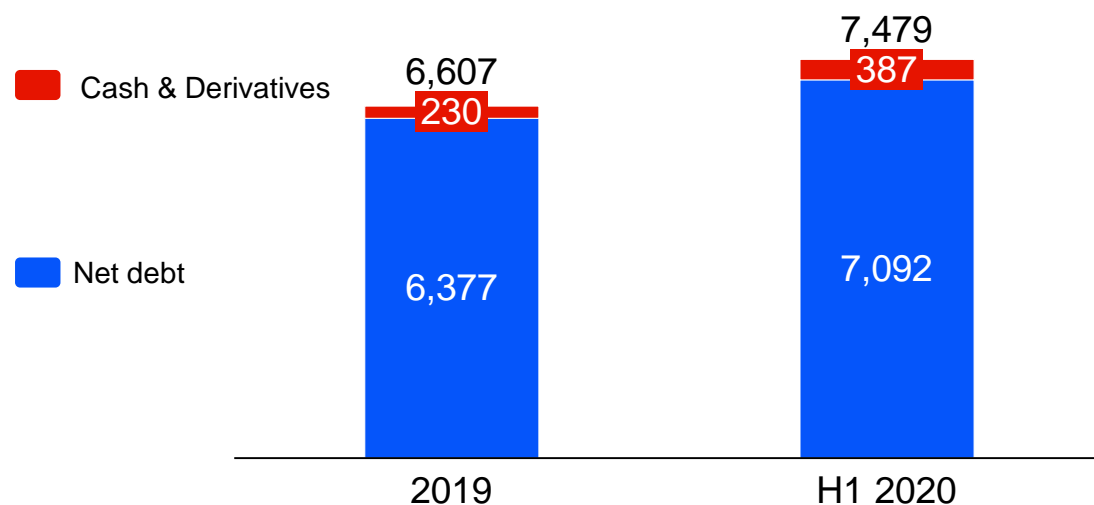
- (1) Net provision release: +515 €mn of provision reversal from the commitments contained in the new Collective Agreement, and -159 €mn of additional provision recorded for workforce restructuring plans
- (2) Net working capital + Regulatory NWC + others
- (3) FFO: Funds from operating activities
- (4) Cash based Capex
- (5) Funds from operations (995 €mn) - Net change of tangible and intangible assets (772 €mn) + Subsidies and other deferred incomes (48 €mn) - Net change of other investments (118 €mn)

Net financial debt analysis

€mn

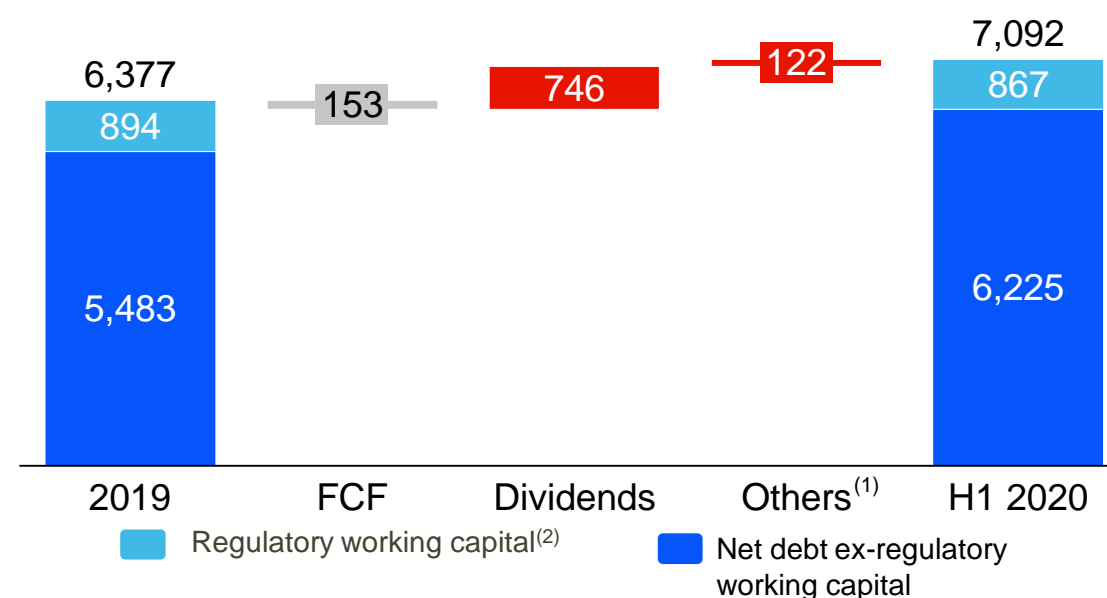


Gross debt



- Cost of Debt 1.8% (vs. 1.8% in FY 2019)
 - Fixed rate 63% of Gross Debt
 - 99% in Euros

Net debt evolution



- Leverage⁽³⁾ 1.7x (vs. 1.7x in FY 2019)
- Liquidity 4,469 €mn: 379 €mn in cash and 4,090 €mn available in credit lines

Healthy financial leverage and cost of debt at historical lows

(1) Mainly IFRS 16 and derivatives

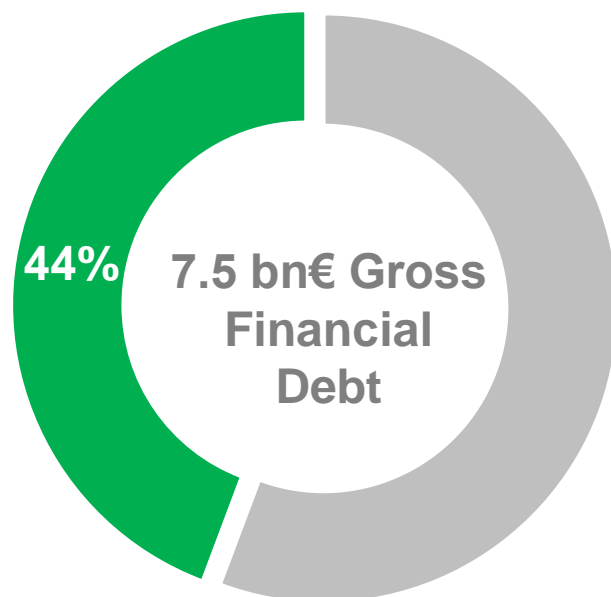
(2) Net balance with CNMC settlements

(3) Calculated as Net Debt / EBITDA (12 last months)

Sustainable Finance



Sustainable finance H1 2020



74% of Third Party Debt

New sustainability linked transactions



Sustainable Finance vision



- Endesa promotes innovative financial solutions and encourages its stakeholders to share the sustainable long term vision.
- Markets appetite ensure competitive terms.

First listed corporate SDG7 ECP Programme in Europe

Sustainable Finance supporting the strategy at competitive terms

Final Remarks



H1 sound
performance
providing **comfort**
towards full year
targets

Resilient **integrated**
business model &
financial strength

Sustainable finance
key to **accelerate**
energy transition

Strongly committed
to our **people** and
communities
through the
pandemic disease



H1 2020

Consolidated results

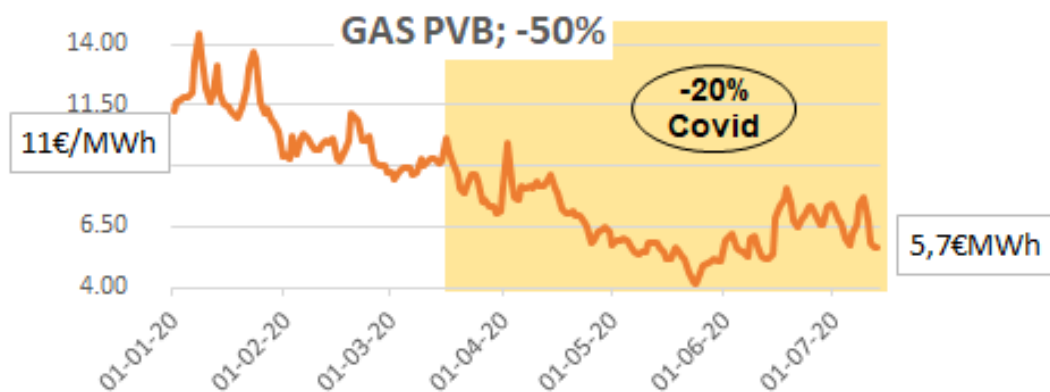
Annexes

endesa

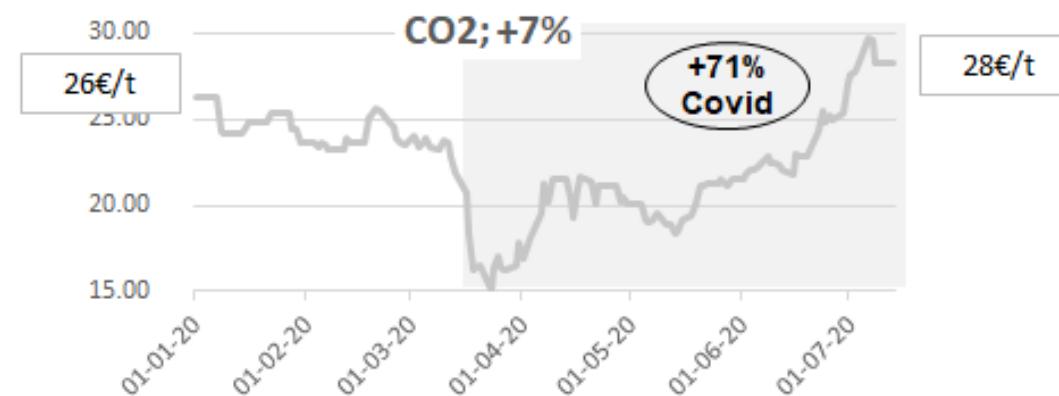
Commodities spot prices⁽¹⁾



Gas PVB, €/MWh



CO₂, €/t



Installed capacity and output



Total net installed capacity, MW

	H1 2020	FY 2019	Var. (%)
Mainland	17,002	19,066	-11%
Renewables	7,405	7,408	0%
Hydro	4,748	4,748	0%
Wind (2)	2,305	2,308	0%
Solar	352	352	0%
Others	0	0	0%
Nuclear	3,318	3,318	0%
Coal	2,523	4,584	-45%
CCGTs	3,756	3,756	0%
Non mainland territories	4,263	4,299	-1%
Coal	241	241	0%
Fuel - Gas	2,334	2,334	0%
CCGTs	1,688	1,724	-2%
Total	21,265	23,365	-9%

Total gross output⁽¹⁾, GWh

	H1 2020	H1 2019	Var. (%)
Mainland	22,601	24,707	-9%
Renewables	7,396	4,923	50%
Hydro	4,714	2,849	65%
Wind	2,424	2,059	18%
Solar	258	14	18x
Others	0	1	-100%
Nuclear	12,672	13,212	-4%
Coal	664	4,116	-84%
CCGTs	1,869	2,456	-24%
Non mainland territories	4,974	5,668	-12%
Coal	-9 ⁽³⁾	871	-100%
Fuel - Gas	2,042	2,890	-29%
CCGTs	2,941	1,907	54%
Total	27,575	30,375	-9%

(1) Output at power plant bus bars (Gross output minus self-consumption)

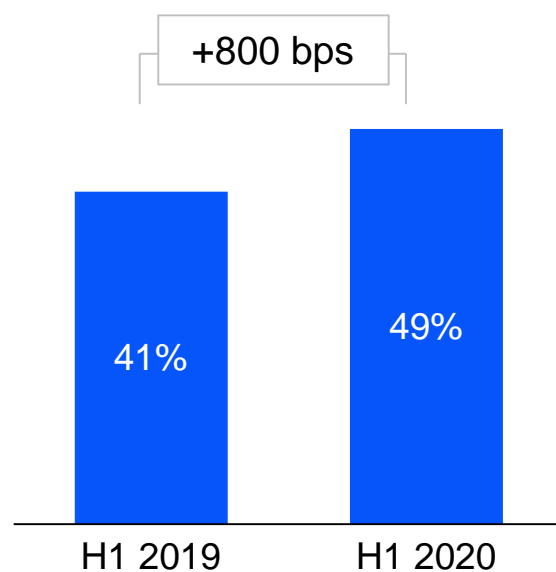
(2) Includes 28 GWh in non-mainland in H1 2020 (40 MW) vs 49 GWh in H1 2019 (40 MW)

(3) Self consumption

Profitability and credit metrics

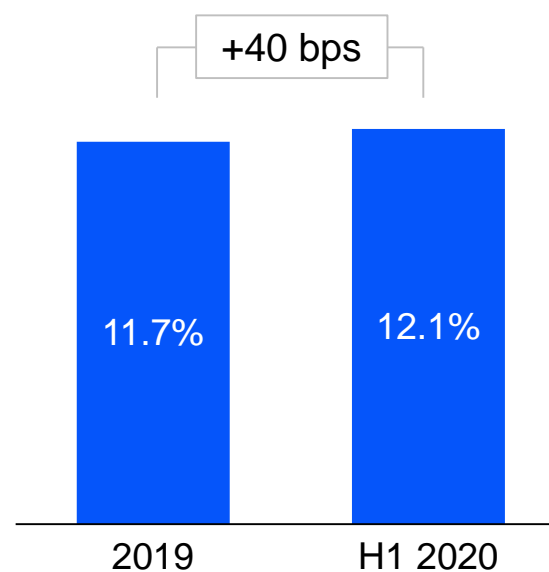


Profitability⁽¹⁾



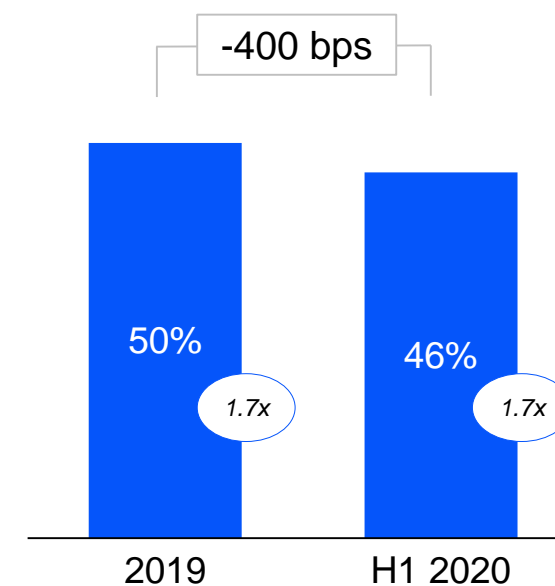
■ Net Income/EBITDA

Return on invested capital



■ ROIC⁽²⁾

Credit metrics

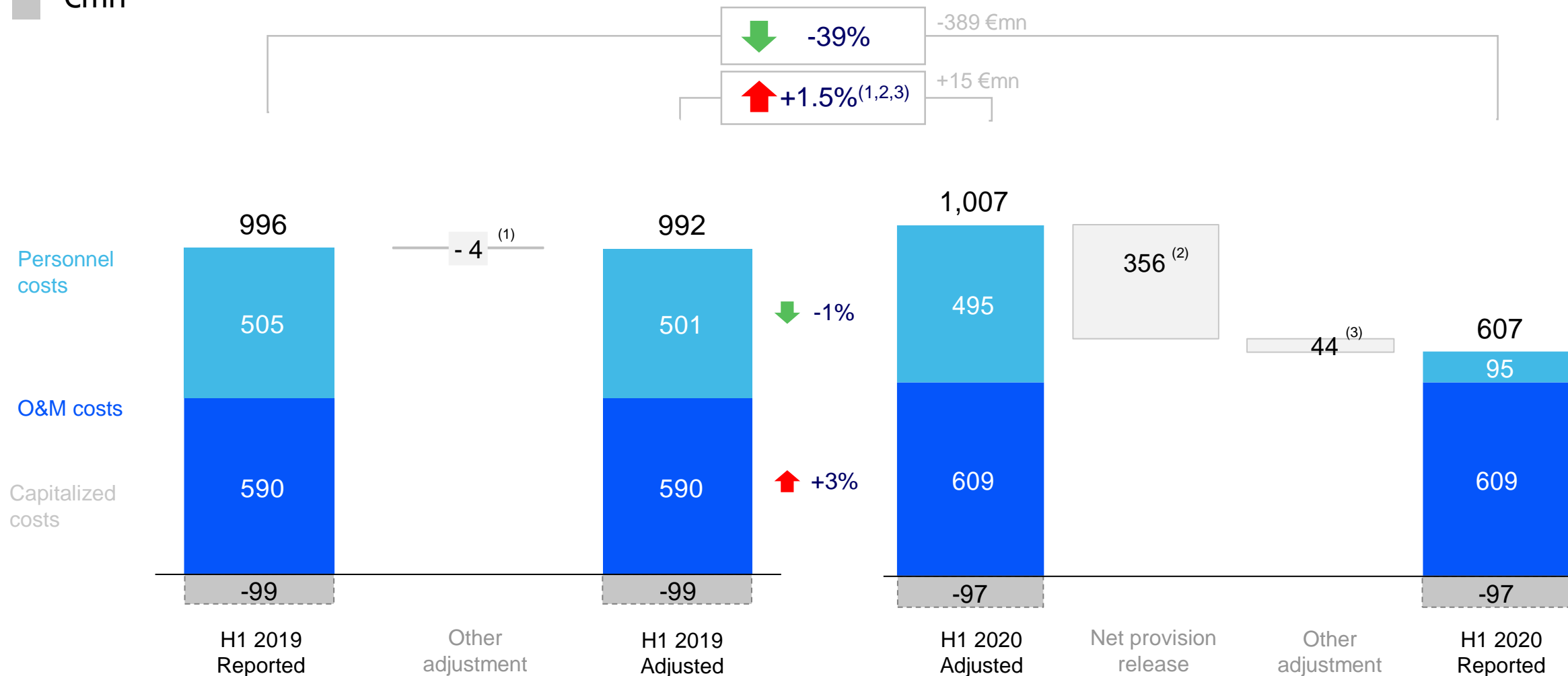


■ FFO⁽³⁾/Net Debt ○ Net debt/EBITDA

(1) Calculated on Net Ordinary Income
(2) Calculated on a like-for-like basis
(3) FFO last 12 months

Fixed costs evolution

€mn

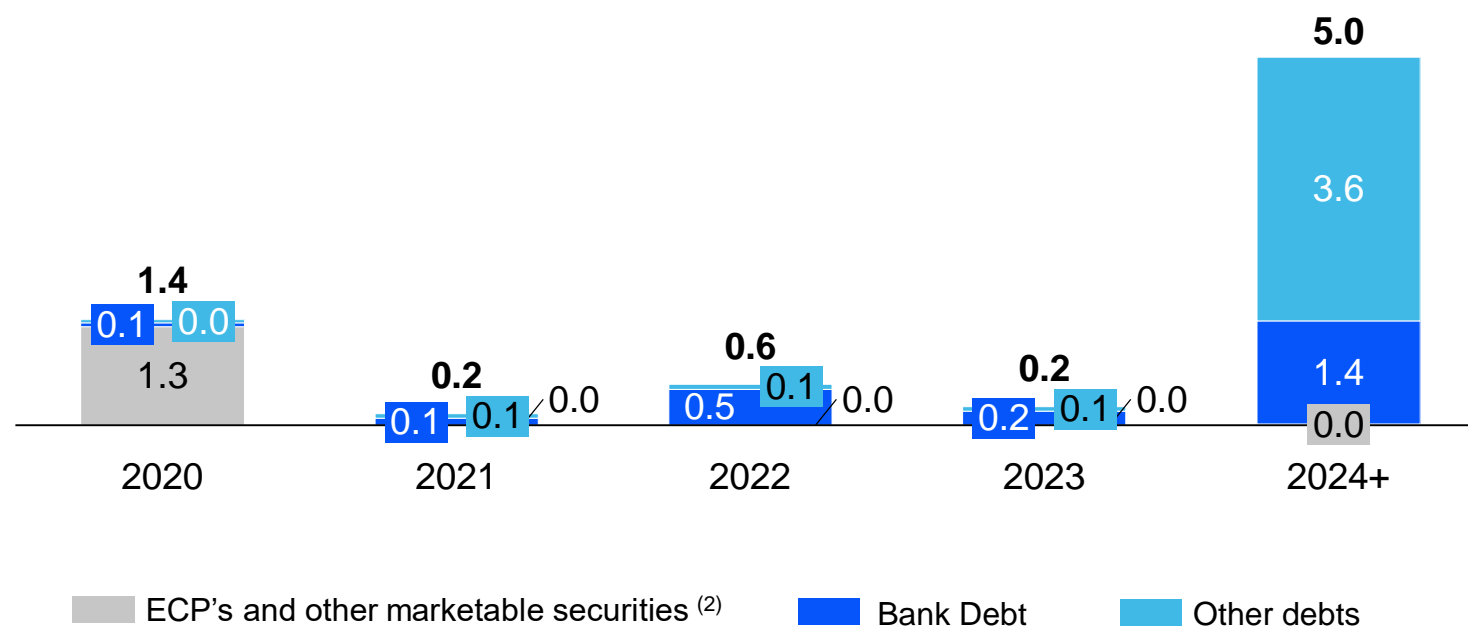


Financial debt maturity calendar

€bn



Gross balance of maturities⁽¹⁾



- Average life of debt: 4.9 years
- Coverage of 23 months of debt maturities
- Liquidity additional strengthening by 1,250 €mn through 3 operations in Q2 2020

Sound financial strength

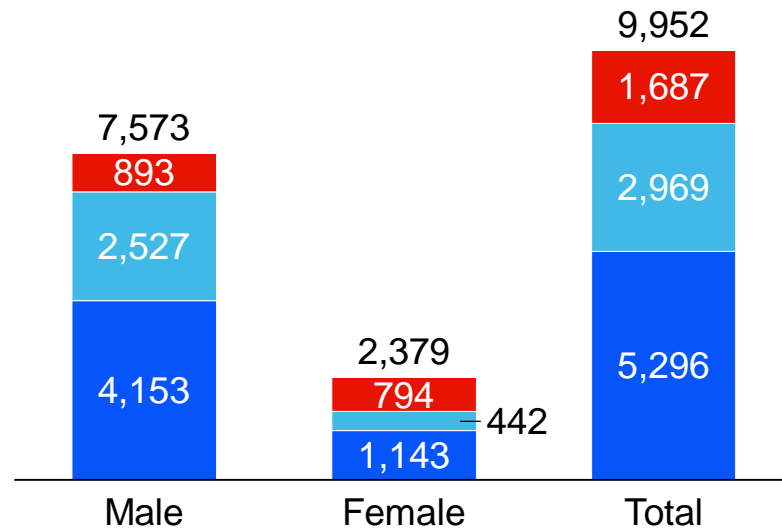
(1) Outstanding at 30 June 2020. Rounded figures. Does not include financial derivatives.

(2) Notes issued are backed by long-term credit lines and are renewed on a regular basis.

Headcount



2019

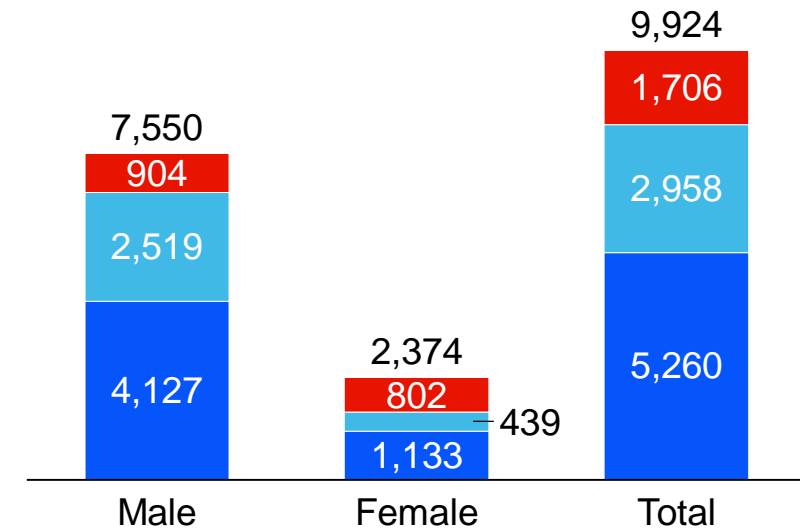


Generation & Supply

Distribution

Structure & others

H1 2020

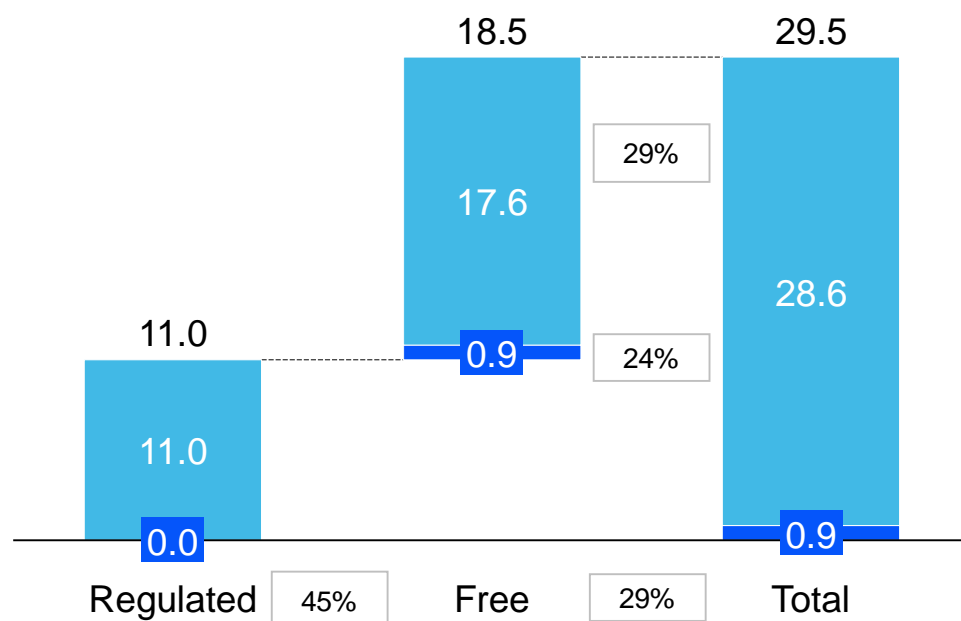


Spanish power market

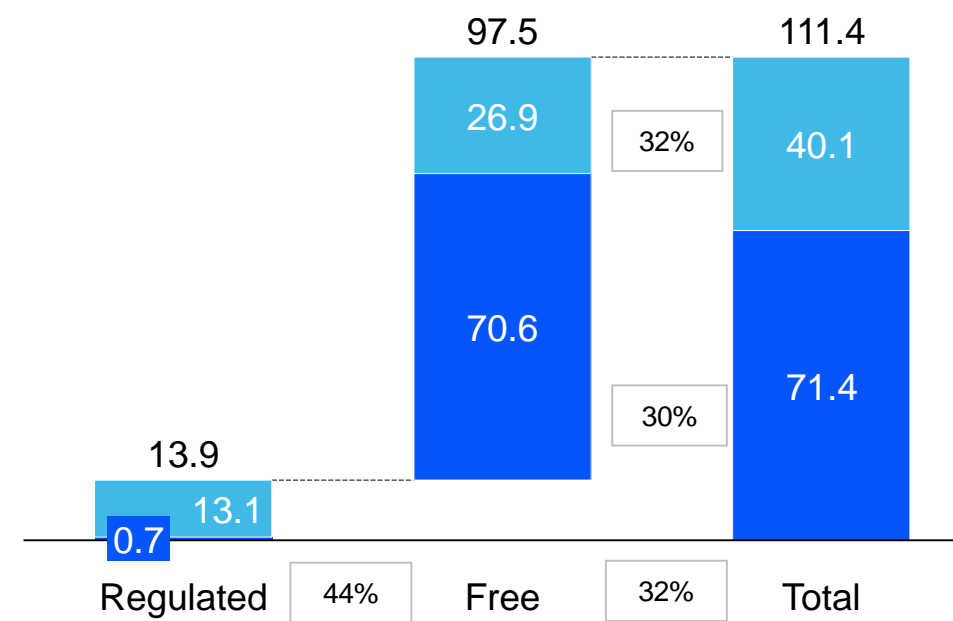
H1 2020



Customers⁽¹⁾, mn



Energy sold⁽²⁾, TWh



Residential

Business

XX%

Endesa market share

(1) Customers: CNMC "Informe de supervision de los cambios de comercializador 3Q-19 published 28/04/20

(2) Energy sold: Internal estimation based on "sectorial energy daily forecast system". Rounded figures

Commitment to SDGs



SDGs

	Target 2020
~73% Energy production CO2 free	60%
	Target 2020
~87 mn€ to lead the energy future through digitalization & Endesa X	~302 mn€
	Target 2020
~195,000 beneficiaries of Energy Access projects	300,000

Local communities

Agreement for a Just Transition signed between Ministry/Trade Unions/Endesa.

Accompaniment plan for a Fair Transition on Compostilla and Teruel plants phase out:

- **Compostilla:** Second life project based on FuturE methodology (Circular Economy)
 - 32 expressions of interest received
 - 10 projects presented
- **Teruel:** Biggest solar plant in Europe (1,700 MW)
- Training programs for local communities to improve its employability.

Promotion of local employment in renewable projects from auctions

Our employees

Diversity	Achieved	Target 2020
Women in new hires	31%	38%
Appraisal performance	Achieved	Target 2020
Number of feedbacks on the new methodology Open Feedback	13,957	7,000
Sustainable Mobility	Achieved	Target 2020
Employees owning an electric vehicle	10%	10%
Health & Safety	Achieved	Target 2020
Accident frequency combined rate	0.44	0.67

Maintaining our contribution to United Nations SDGs

Note: Endesa also contributes to commitments set out by Enel on SDG 4 (Education) and SDG 8 (socioeconomic development) through the social initiatives performed by the Company and its Foundation

ESG

Main initiatives



Environment

- **Authorization to close the Compostilla II and Andorra thermal power plants**
- **First utility to achieve for the second consecutive year the triple seal** (calculation + reduce + offset) in the registration of the **carbon footprint** in the OECC (Spanish Office for Climate Change)
- Publication of the **Biodiversity Policy**.

Social

- **Endesa creates a 25 million fund and activates a plan to provide material, services, equipment and infrastructure in the fight against COVID-19.**
- **1,145 Jobs generated** by works on **12 Endesa photovoltaic & wind plants** in Andalucía, Extremadura, Castilla la Mancha and Aragón

Governance

- **Independent Board Members:** 61.5%
- **Women in the Board Members:** 31%
- Targets for **CO2 emissions reduction** included in executive directors' long-term remuneration and also targets for **accident frequency reduction** in all personnel MBO compensation
- **Best Company on Tax Transparency in Spain for the second consecutive year**

Renewed presence in FTSE4Good (4 consecutive years) improving scores (4.9/5) and included in the Standard Ethics European Utilities index and Bloomberg Gender Equality Index

First Spanish corporate to register a SDG Euro Commercial Paper Programme with the National Securities Commission – CNMV (4 bn€) and sign of two SDG linked facilities (550 mn€)

Endesa leads the ranking of the CSR annual reports of IBEX-35 companies carried out by the CSR Observatory

Endesa: H1 2020 P&L

€mn



	Gx+Sx	Dx	Structure	Adjustments	TOTAL
Income	7,661	1,309	252	-339	8,883
Procurements and services	-5,933	-80	-20	72	-5,961
Gross margin	1,728	1,229	232	(267)	2,922
Self-constructed assets	32	58	7	0	97
Personel expenses	-59	57	-98	5	-95
Other fixed operating expenses	-534	-178	-156	259	-609
EBITDA	1,167	1,166	(15)	(3)	2,315
D&A	-421	-313	-26	0	-760
EBIT	746	853	(41)	(3)	1,555
Net financial results	-38	-17	7	0	-48
Net results from equity method	10	1	0	0	11
Results from other investments	0	0	914	-914	0
Results on disposal of assets	-11	6	0	0	-5
PROFIT BEFORE TAX	707	843	880	(917)	1,513
Income Tax Expense	-178	-209	5	0	-382
Non-Controlling Interests	-2	-1	0	0	-3
NET ATTRIBUTABLE INCOME	527	633	885	(917)	1,128

Endesa: H1 2019 P&L

€mn



	Gx+Sx	Dx	Structure	Adjustments	TOTAL
Income	8,520	1,377	279	-385	9,791
Procurements and services	-6,893	-83	-16	91	-6,901
Gross margin	1,627	1,294	263	(294)	2,890
Self-constructed assets	27	65	7	0	99
Personel expenses	-260	-141	-110	6	-505
Other fixed operating expenses	-525	-193	-157	285	-590
EBITDA	869	1,025	3	(3)	1,894
D&A	-465	-300	-29	0	-794
EBIT	404	725	(26)	(3)	1,100
Net financial results	-54	-36	-6	0	-96
Net results from equity method	18	-1	0	0	17
Results from other investments	0	0	327	-327	0
Results on disposal of assets	-7	0	0	0	-7
PROFIT BEFORE TAX	361	688	295	(330)	1,014
Income Tax Expense	-68	-165	1	0	-232
Non-Controlling Interests	-6	0	0	0	-6
NET ATTRIBUTABLE INCOME	287	523	296	(330)	776

Glossary of terms (I/II)



Item	Calculation	Reference note (#) of Consolidated Management Report
Average cost of debt (%)	Cost of gross financial debt / gross average financial debt: $(68 \text{ €mn} \times (360/180) + 1 \text{ €mn}) / 7,822 \text{ €mn} = 1.8\%$	4.1
Average life of debt (number of years)	$(\text{Principal} \times \text{number of days of term}) / (\text{Principal in force at the end of the period} \times \text{number of days of the period})$: $36,232 / 7,441 = 4.9$ years	4.1
Cash flow from operations (€mn)	Net cash provided by operating activities (995 €mn)	4.2
Free cash flow (€mn)	Cash flow from operations (995 €mn) - Net change of tangible and intangible assets (772 €mn) + Subsidies and other deferred incomes (48 €mn) - Net change of other investments (118 €mn) = 153 €mn	n/a
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available: 23 months	4.1
EBITDA (€mn)	Revenues (8,883 €mn) – Purchases and Services (5,961 €mn) + Work performed by the entity and capitalized (97 €mn) – Personnel expenses (95 €mn) – Other fixed operating expenses (609 €mn) = 2,315 €mn	1.3
EBIT (€mn)	EBITDA (2,315 €mn) - Depreciation and amortization (760 €mn) = 1,555 €mn	1.3
Fixed costs (Opex) (€mn)	Personnel expenses (95 €mn) + Other fixed operating expenses (609 €mn) - Work performed by the entity and capitalized (97 €mn) = 607 €mn	1.3
Gross margin (€mn)	Revenues (8,883 €mn) – Purchases and Services (5,961 €mn) = 2,922 €mn	1.3
Leverage (times)	Net financial debt (7,092 €mn) / EBITDA (1,947 €mn from 3Q & 4Q 2019 + 2,315 €mn from H1 2020) = 1.7x	n/a

Glossary of terms (II/II)



Item	Calculation	Reference note (#) of Consolidated Management Report
Net Capex (€mn)	Gross tangible (717 €mn) and intangible (72 €mn) Capex - IFRS 16 effect (140 €mn) - assets from clients' contributions and subsidies (69 €mn) = 580 €mn	4.3
Net financial debt (€mn)	Long and short term financial debt (5,952 €mn + 1,527 €mn) - Cash and cash equivalents (379 €mn) - Derivatives recognized as financial assets (8 €mn) = 7,092 €mn	4.1
Net financial results (€mn)	Financial Revenues (27 €mn) - Financial Expenses (77 €mn) + Foreign Exchanges (2 €mn) = -48 €mn	1.3
Revenues (€mn)	Sales (8,265 €mn) + Other operating revenues (618 €mn) = 8,883 €mn	1.3
Net ordinary income (€mn)	Reported Net Income (1,128 €mn) – Gains/(losses) on disposals of non-financial assets of over 10 €mn (0 €mn) – Net Impairment losses on non-financial assets of over 10 €mn (0 €mn) = 1,128 €mn	1.1
Electric Integrated Margin (€mn)	Contribution margin Gx+Sx (1,728 €mn) - Margin SENP (196 €mn) - Margin SCVP (37 €mn) - Margin gas (140 €mn) - Margin Endesa X (63 €mn) - Others (56 €mn) = 1,236 €mn	n/a
Unitary electric integrated margin (€/MWh)	Electric Integrated Margin / Electric sales in the liberalized market in Spain and Portugal: 1,236 €mn / 35.3 TWh = €35.0/MWh	n/a
Gas unitary margin (€/MWh)	Manageable gas margin / Gas sales : 140.3 €mn / 34.0 TWh = €4.1/MWh	n/a
Endesa X Gross Margin (€mn)	Gross margin generated by the added value products and services commercialized by the Endesa X unit = 63 €mn	n/a

Disclaimer



This document contains certain "forward-looking" statements regarding anticipated financial and operating results and statistics and other future events. These statements are not guarantees of future performance and they are subject to material risks, uncertainties, changes and other factors that may be beyond ENDESA's control or may be difficult to predict.

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated changes in generation and market share; expected changes in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures; estimated asset disposals; estimated changes in capacity and capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are related to the regulatory framework, exchange rates, commodities, counterparties, divestments, increases in production and installed capacity in markets where ENDESA operates, increases in demand in these markets, allocation of production amongst different technologies, increases in costs associated with higher activity that do not exceed certain limits, electricity prices not below certain levels, the cost of CCGT plants, and the availability and cost of the gas, coal, fuel oil and emission rights necessary to run our business at the desired levels.

In these statements, ENDESA avails itself of the protection provided by the Private Securities Litigation Reform Act of 1995 of the United States of America with respect to forward-looking statements.

The following important factors, in addition to those discussed elsewhere in this document, could cause financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Economic and industry conditions; factors related to liquidity and financing; operating factors; strategic and regulatory, legal, fiscal, environmental, political and governmental factors; reputational factors and transaction and commercial factors.

Further details on the factors that may cause actual results and other developments to differ significantly from the expectations implied or explicitly contained in this document are given in the Risk Factors section of the current ENDESA regulated information filed with the Comisión Nacional del Mercado de Valores (the Spanish securities regulator or the "CNMV" for its initials in Spanish).

No assurance can be given that the forward-looking statements in this document will be realised. Except as may be required by applicable law, neither Endesa nor any of its affiliates intends to update these forward-looking statements.

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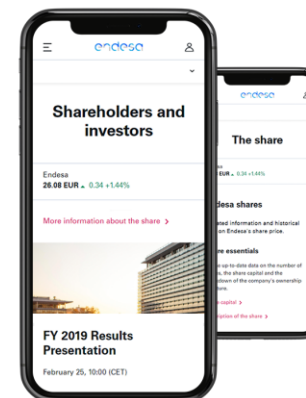


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