



endesa

First Quarter 2022 Consolidated results

May 10th, 2022

1Q 2022

Consolidated results

José Bogas
CEO

endesa

Key highlights of the period



**Further
deterioration in
macro scenario
and energy context**

**EBITDA -10% and
Net Ordinary
Income -31%**

**~+50% capex
acceleration
allocated to core
businesses**

**AGM approved
2021 total dividend
1.437 €/share

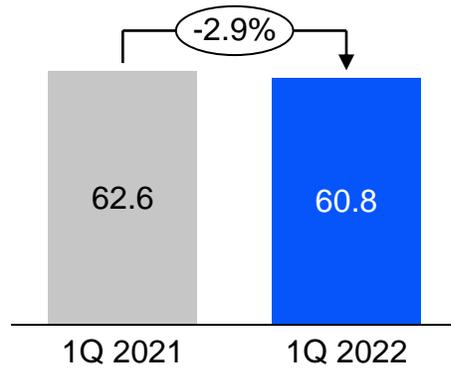
7% Div. Yield**

Market context

Record high power prices driven by gas extreme volatility



Demand in Spain (mainland) (TWh)⁽¹⁾



Endesa's area ⁽²⁾ :

1Q 2022

By segment (Not adjusted):

Adjusted⁽³⁾ -1.1%

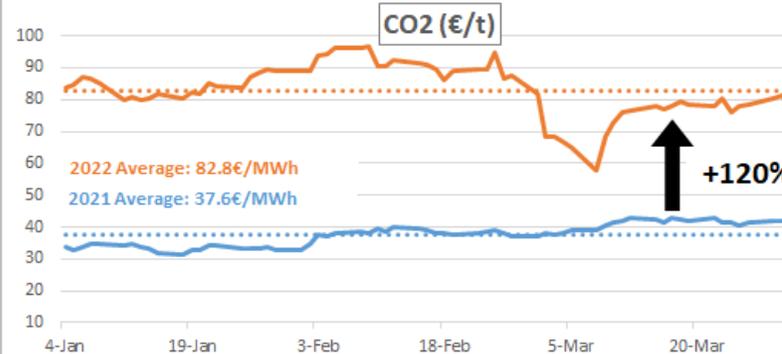
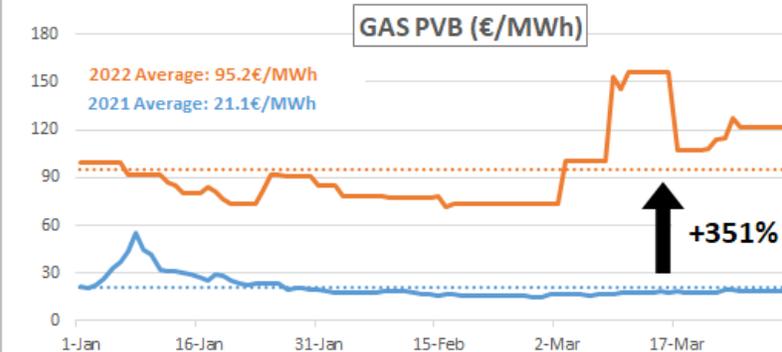
Industry -5.6%

Not adjusted -1.7%

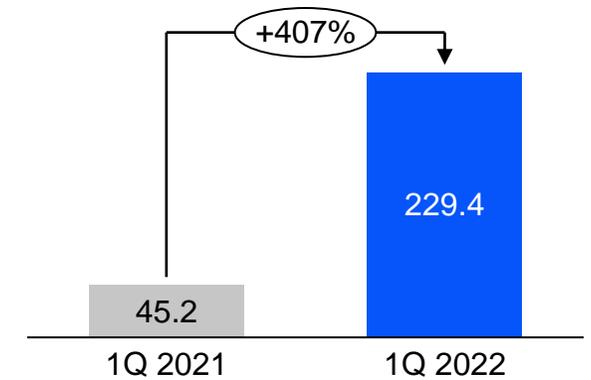
Services +8.4%

Residential -7.9%

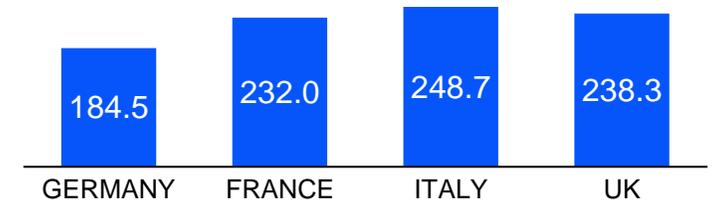
Commodities spot prices



Average pool prices (€/MWh)



1Q 2022 average prices in Europe (€/MWh)



(1) Not adjusted demand in mainland. Source: REE
 (2) Source: Endesa's own estimates in mainland. Variation versus 2021

(3) For weather and working days

Regulatory developments



REPowerEU

- Provides guidance of temporary measures to mitigate the energy crisis impact

RDL 6/2022

- Extension of fiscal measures to 30/06/22
- Modification of RECORE framework
- Further reduction of system charges
- Extension of gas levy till 30/06/22. New scheme
- Extension of social bonus discounts and new financing mechanism
- Measures to promote Renewables and Self-Consumption

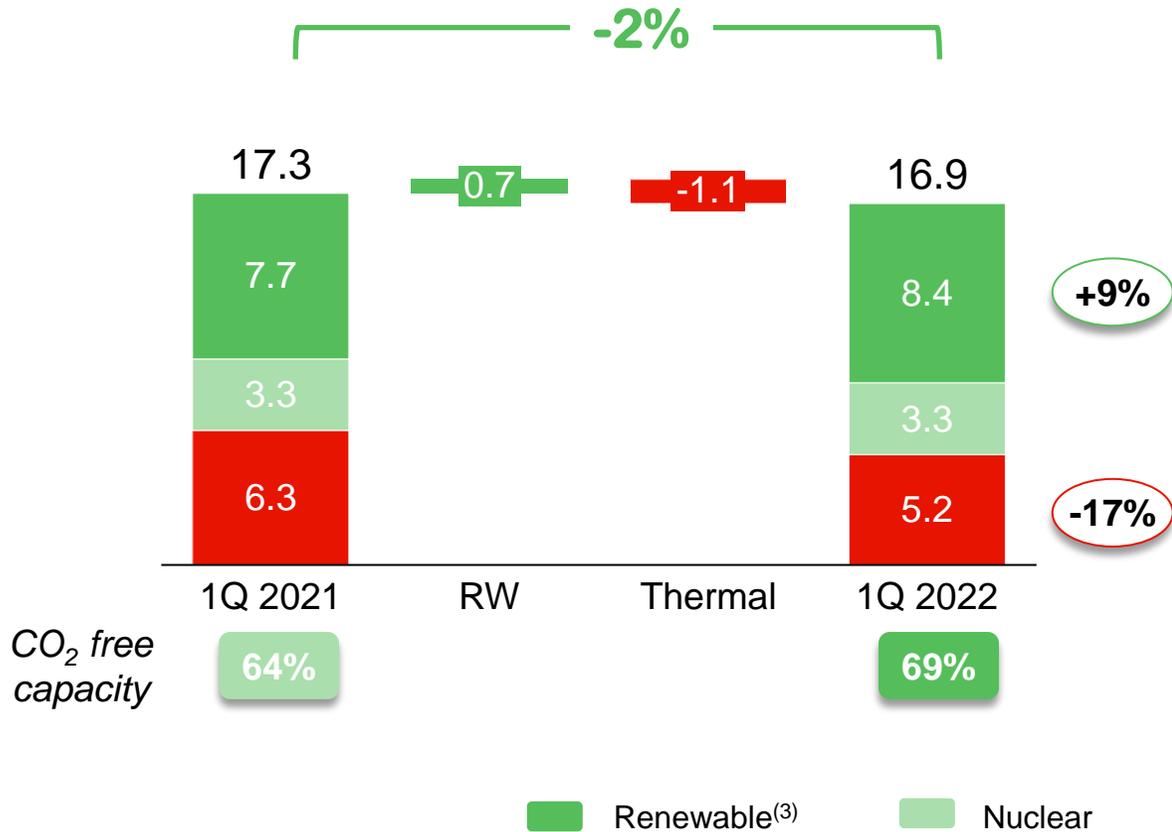
Gas cap proposal

- Average 50 €/MWh gas cap for electricity generation applicable during 12 months
- Final draft initiatives submitted to E.C.

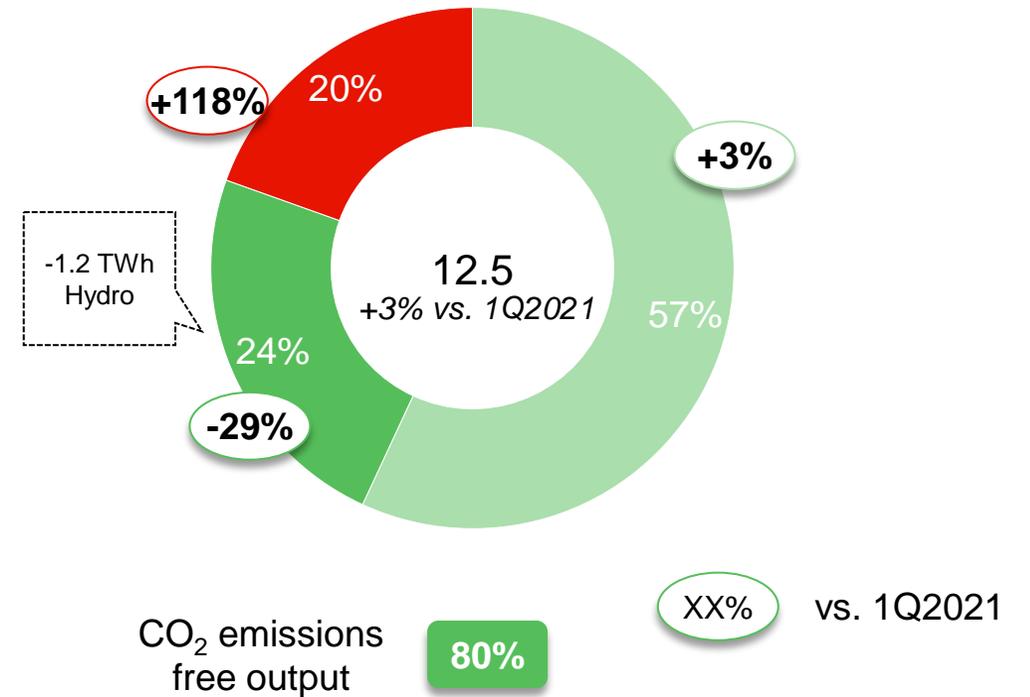
Lower production in Renewable Generation



Installed capacity⁽¹⁾ (GW)



Production⁽²⁾ (TWh)



(1) Mainland net capacity. Does not include 77 MW in 1Q 2022 and 62 MW in 1Q 2021 renewables in non mainland. Rounded figures

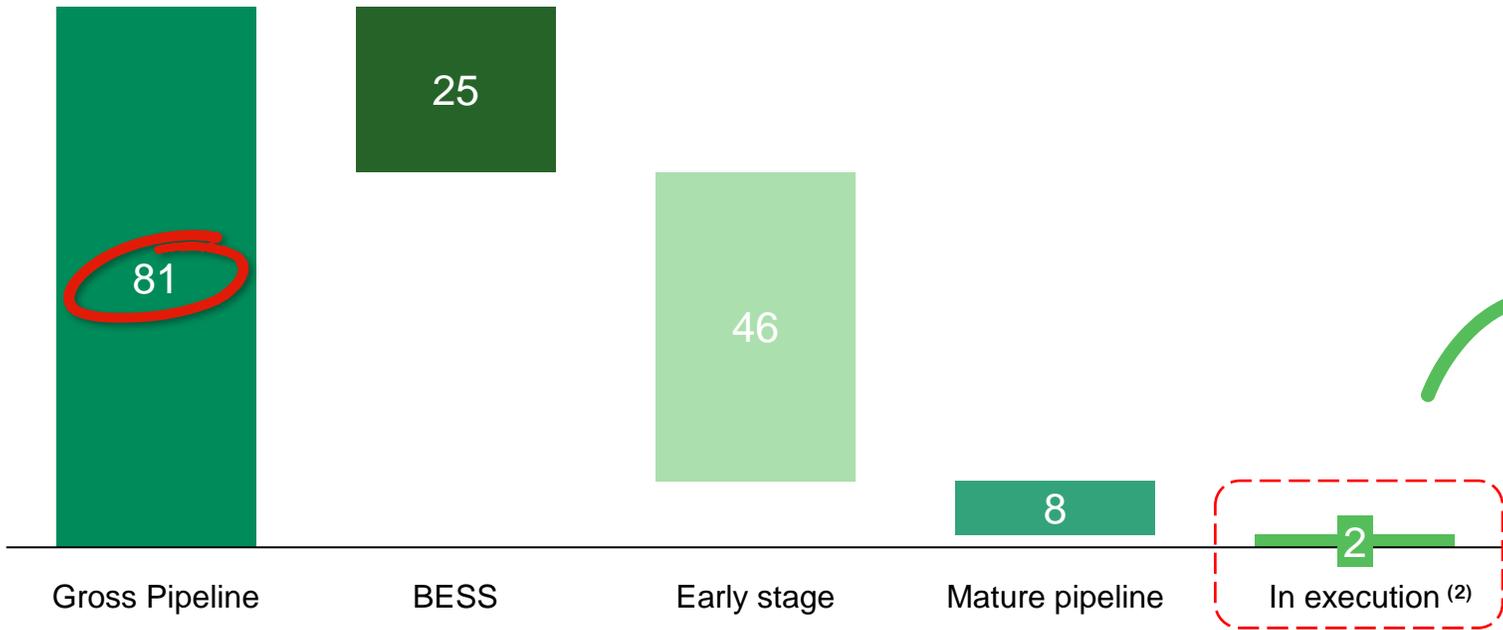
(2) Mainland generation. Energy at power plant busbars. Does not include 32 GWh in 1Q 2022 and 247 GWh in 1Q 2021 renewables in non mainland. Rounded figures

(3) Includes large hydro

More than 80 GW pipeline supporting renewable acceleration



Renewables pipeline⁽¹⁾ (GW)

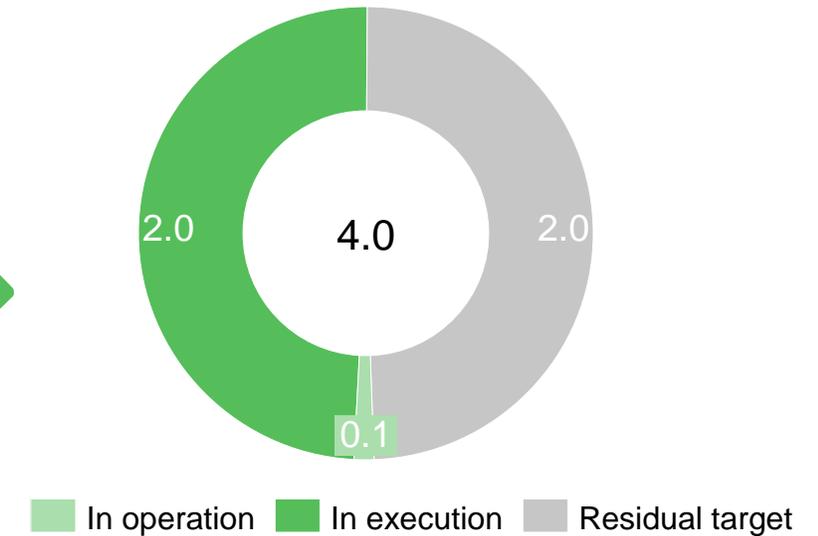


~8 GW with connection points

Developing an innovative renewable model in Portugal

- Winning projects in **Pego Fair Transition competition** and first **PV floating** auction

2022-24 Additional capacity target⁽¹⁾ (GW)



2022 target (in operation & execution)

~90%

2023 target (in operation & execution)

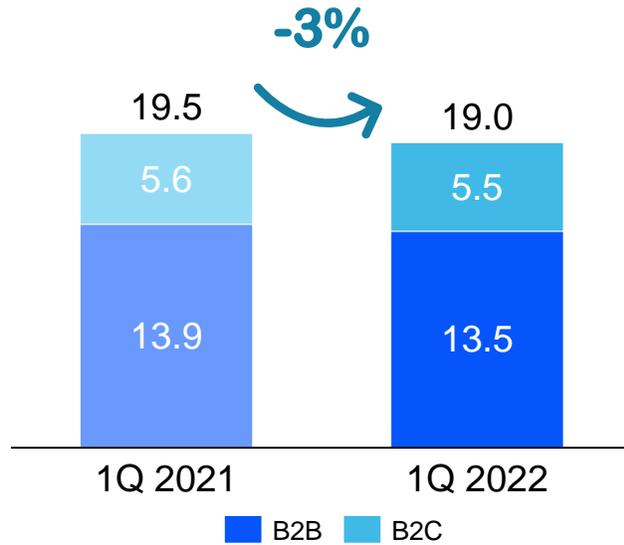
~70%

(1) As of 31st March 2022. Rounded figures
 (2) Only considers projects with commissioning date 2022-24

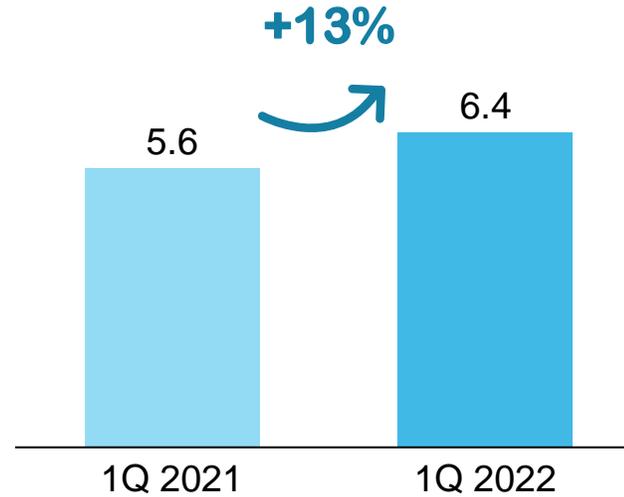
Outstanding increase in liberalized customers (~800k)



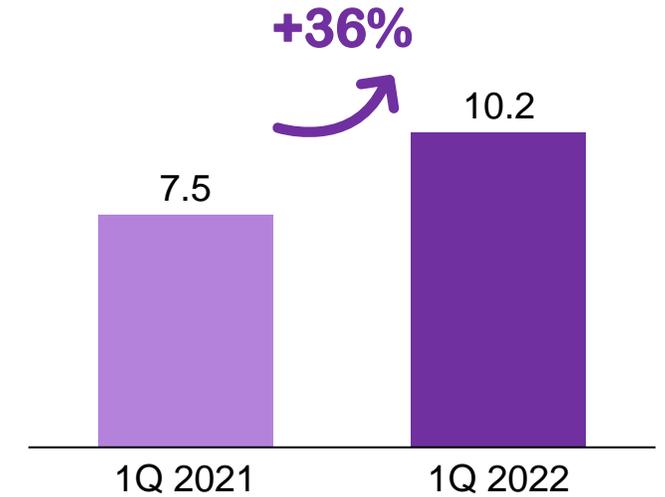
Free power sales⁽¹⁾
(TWh)



Free power customers
(mn)



Charging points⁽²⁾
(k#)



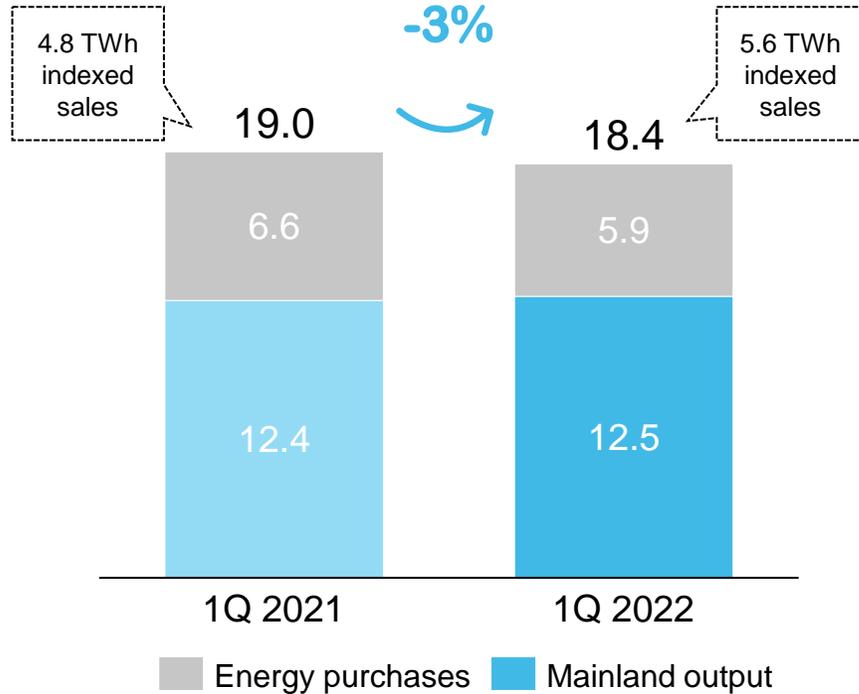
Regulated (TWh)	3.7	3.2	-14%
TOTAL (TWh)	23.2	22.1	-5%

Regulated (mn)	4.7	4.1	-13%
TOTAL (mn)	10.3	10.4	+1%

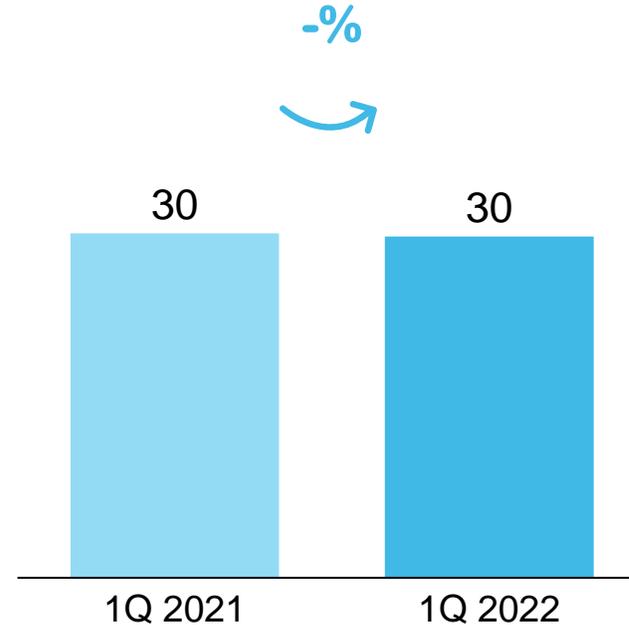
Stable integrated electricity margin despite conjunctural market context



Liberalized sales⁽¹⁾ (TWh)



Integrated margin⁽²⁾ (€/MWh)



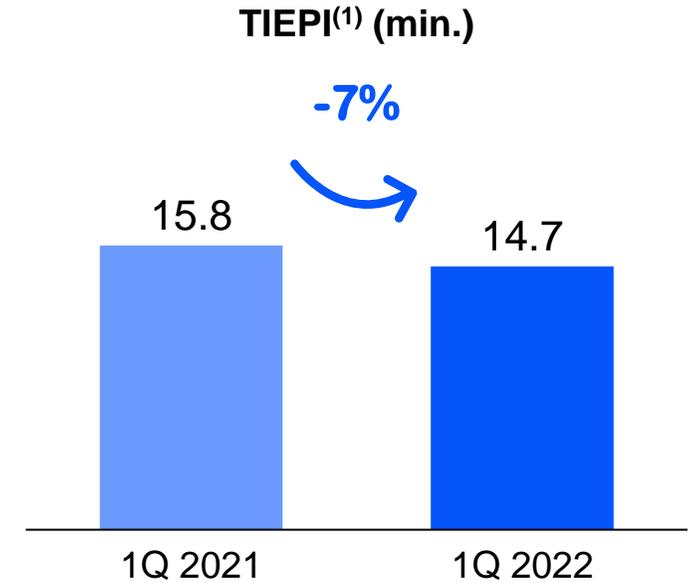
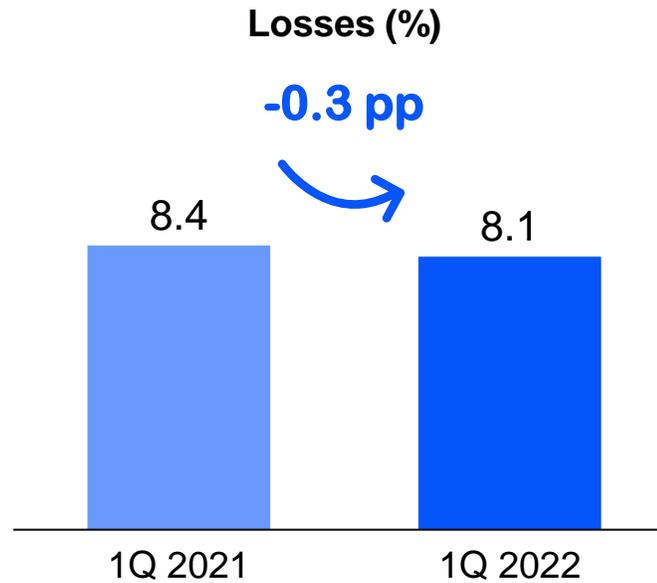
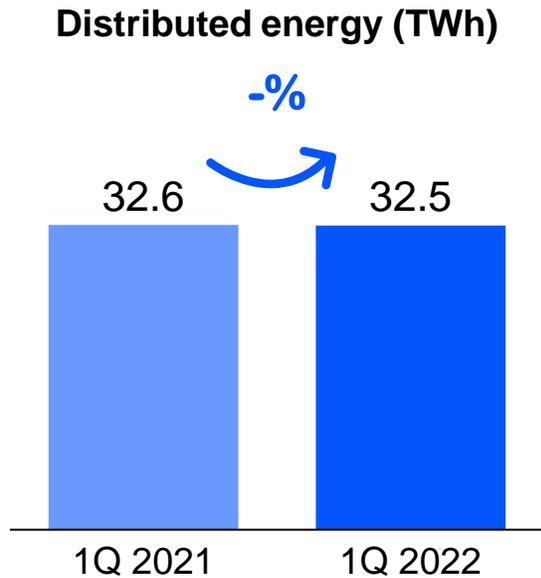
Financial KPIs

	1Q 2021	1Q 2022	Change
Unitary revenue (€/MWh)	67	141	+110%
Variable cost ⁽³⁾ (€/MWh)	37	111	+201%

	2022	2023
Output hedged ⁽⁴⁾	100%	82%

(1) Liberalized sales exclude international sales and SCVP, not considered in the integrated margin.
 (2) See details on slide 28
 (3) Production cost + energy purchase cost + ancillary services
 (4) Price driven output

Continued improvement in network quality



Energy to grid customers⁽²⁾ (TWh) **27.5** **27.3** -1%

(1) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time). According to Spanish Regulator. Own + Programmed and Transport minutes of interruption
(2) At busbars (REE criteria)

1Q 2022

Financial results

Luca Passa

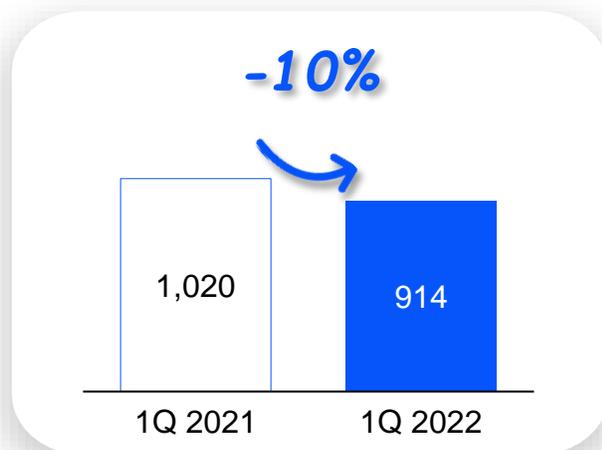
CFO

endesa

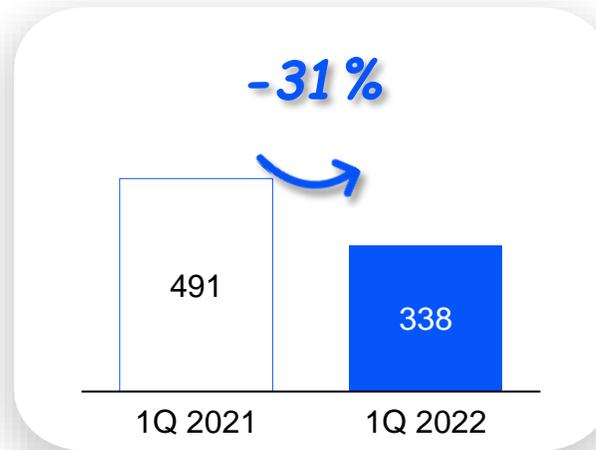
Financial highlights (€mn)



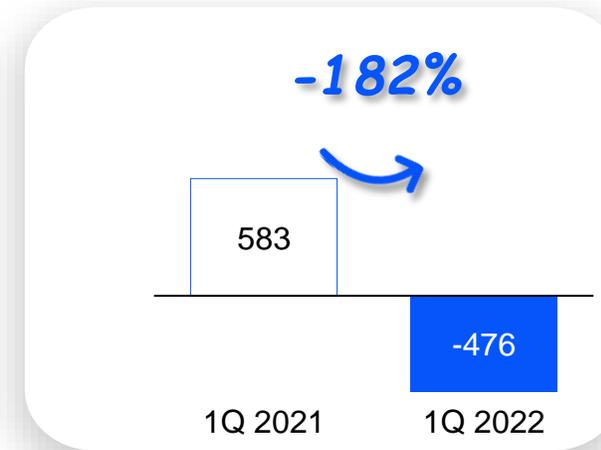
EBITDA



Net Ordinary Income



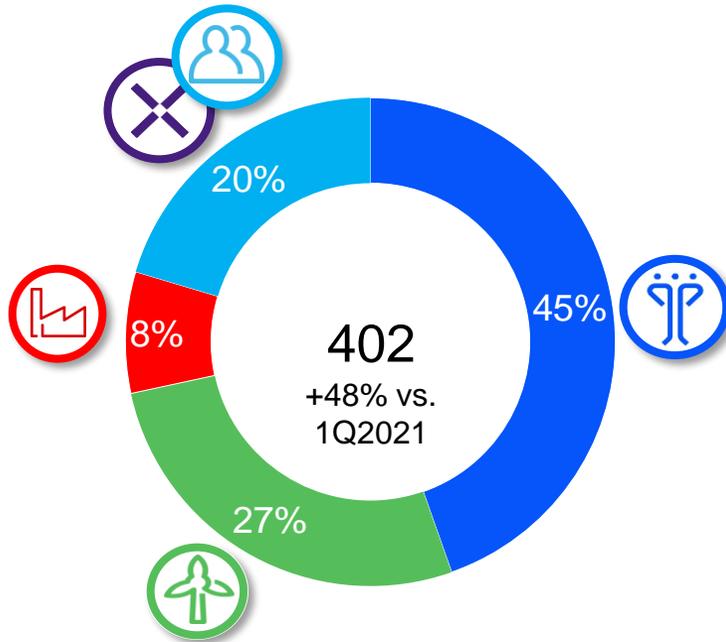
FFO



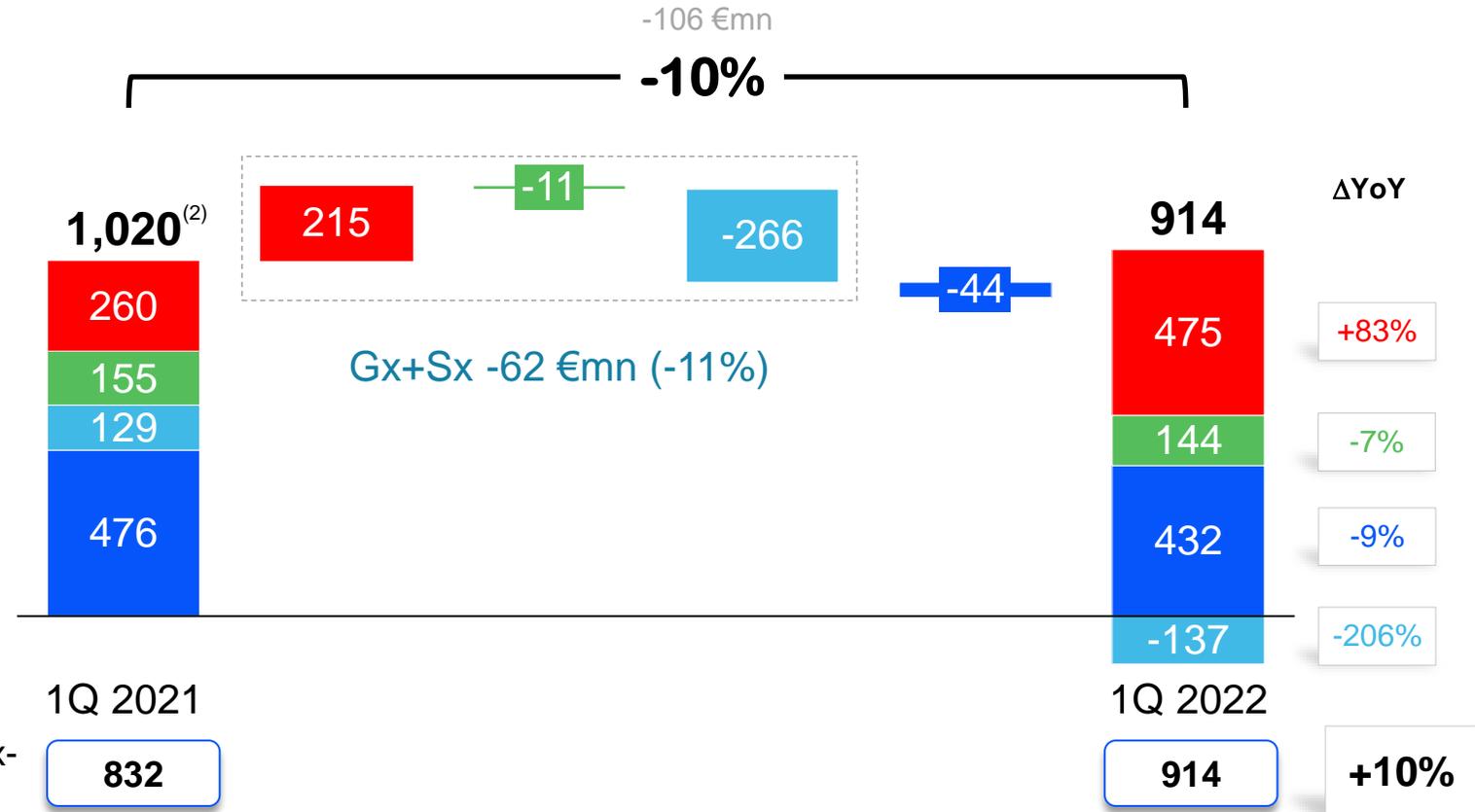
EBITDA ex-one offs grows despite headwinds



Gross capex by business (€mn)



EBITDA by business⁽¹⁾ (€mn)



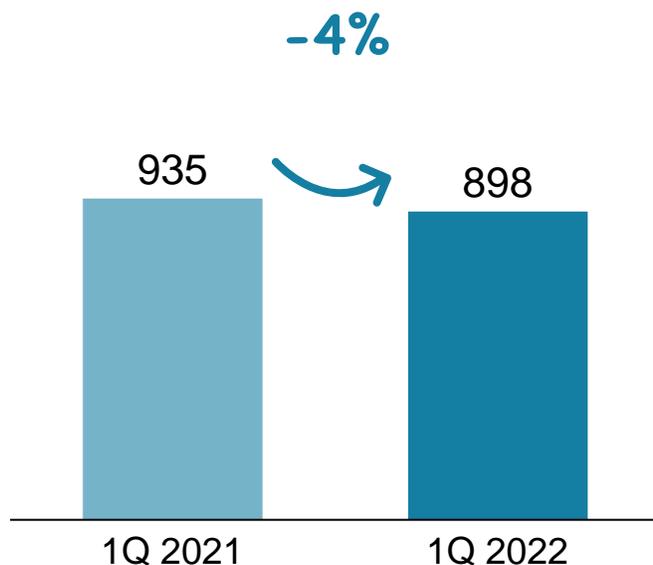
■ Networks
 ■ Customers (Retail+Endesa X)
 ■ Renewables
 ■ Conventional Generation & Others⁽³⁾

(1) Rounded figures
 (2) One off 1Q 2021: +188 €mn CO2 sentence
 (3) Includes thermal Gx, Non mainland and Others

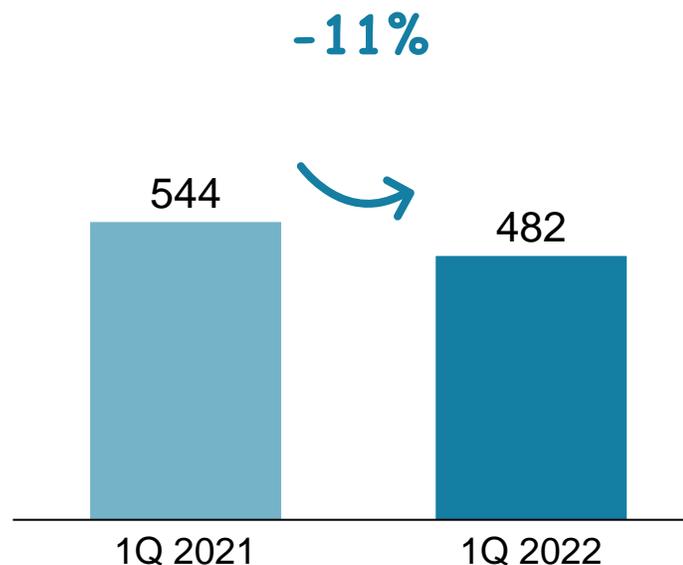
Generation+Supply⁽¹⁾: integrated business model drives EBITDA ex-one offs increase



Gross margin (€mn)



EBITDA (€mn)



EBITDA ex-one offs

356

482

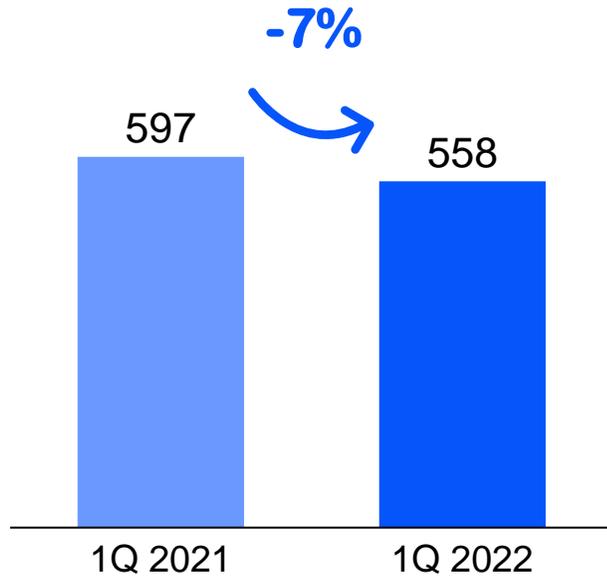
+35%

- Gross margin: 898 €mn (-37 €mn)
 - CO₂ sentence in 2021: -188 €mn
 - Gx & Sx: +151 €mn
 - ✓ Management of commodities: +160 €mn
 - ✓ Integrated margin: -21 €mn
 - ✓ Endesa X: +19 €mn
 - ✓ Others: -7 €mn
- Fixed costs and others: 416 €mn (25 €mn increase)

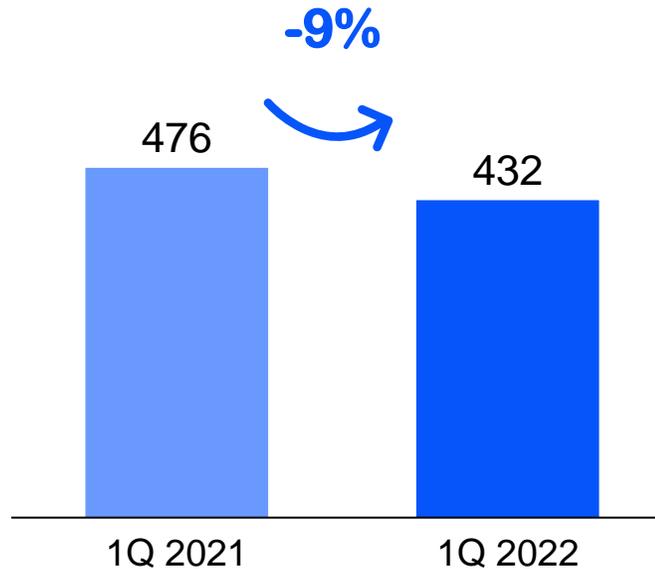
Networks: stable results excluding previous year resettlement



Gross margin (€mn)



EBITDA (€mn)

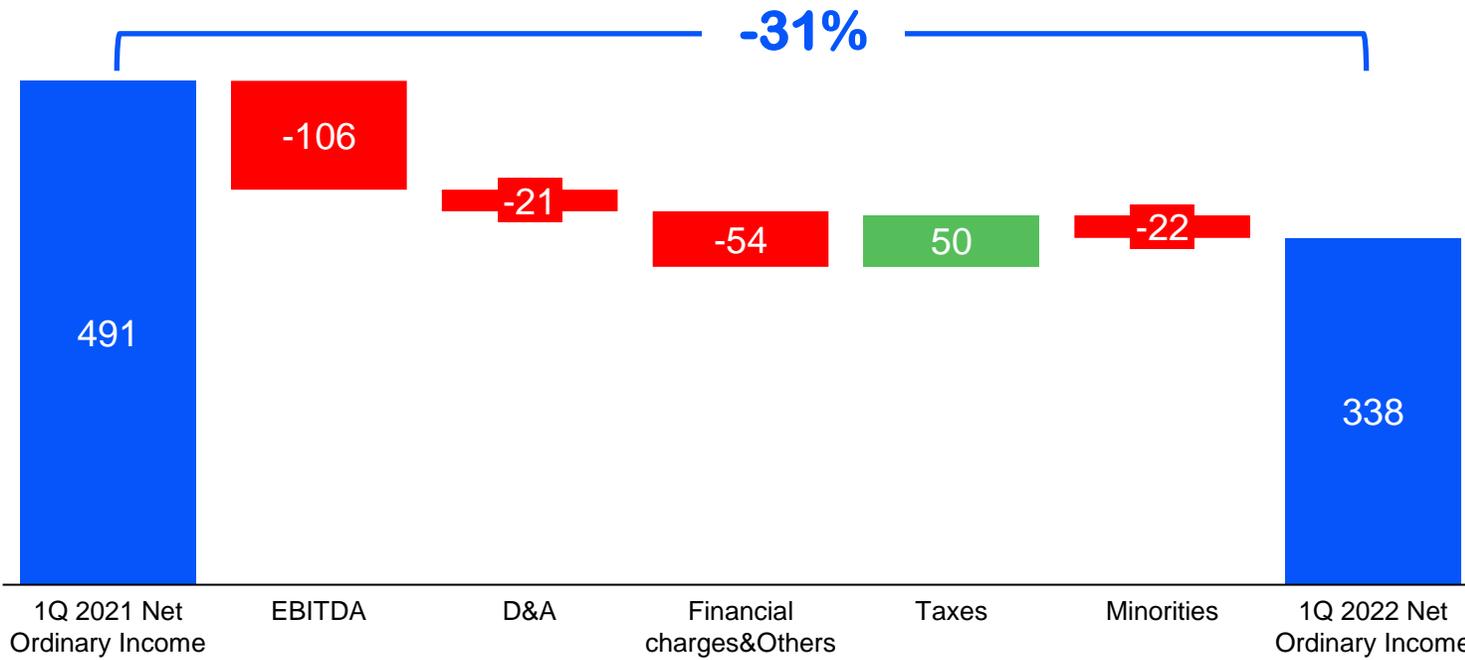


- Gross margin: 558 €mn (-39 €mn)
 - Previous year resettlement: -32 €mn
- Fixed costs and others: 126 €mn (5 €mn increase)

Net Ordinary Income evolution



€mn



- **Net Ordinary Income -31%**, net of one offs **+14%**
- EBITDA -10%
- D&A +5%
- Lower financial results driven by the last year CO₂ sentence interests (-70 €mn)
- Effective tax rate 23.1% (vs. 24.4% adjusted in 1Q2021)

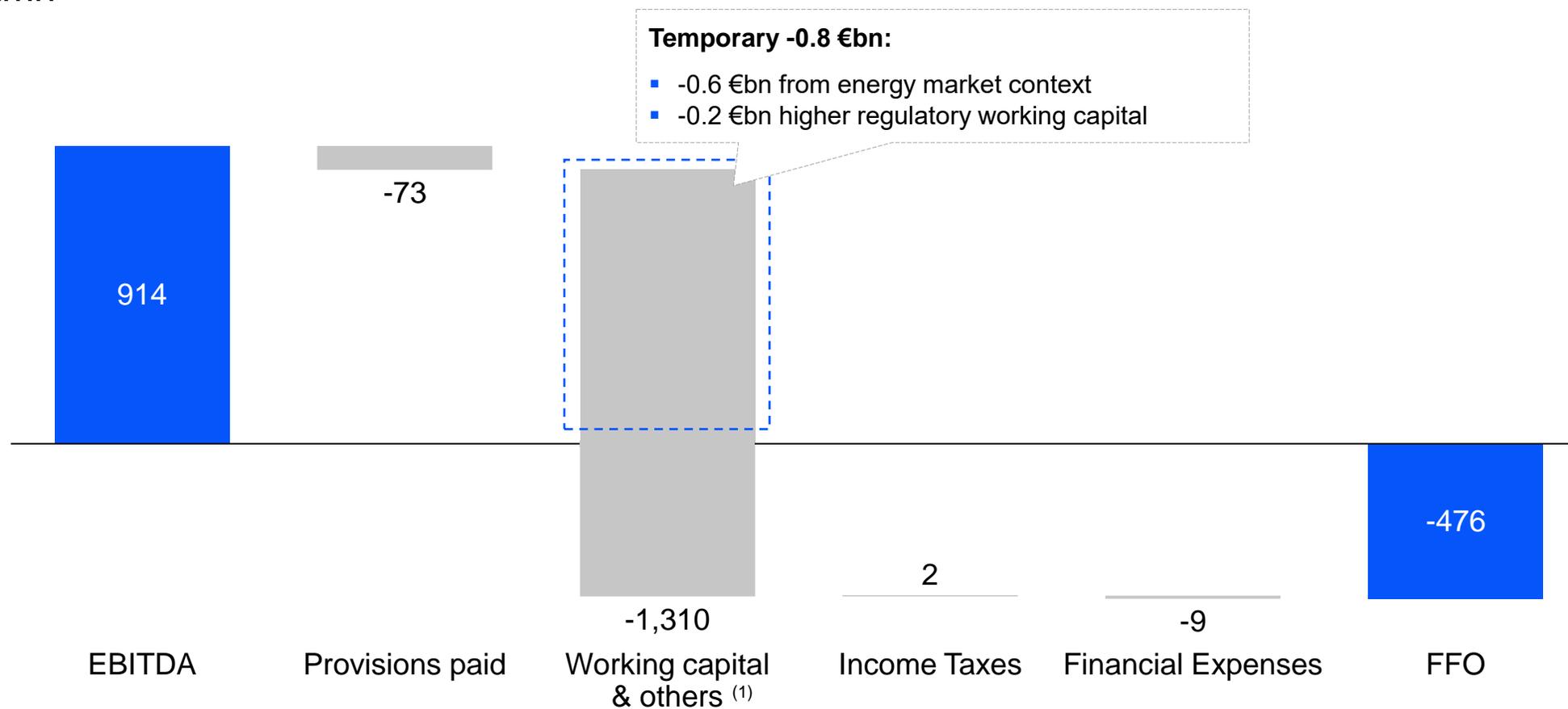
Net Ord. Income ex-one offs	297						
1Q 2022 Results	914	-425	-17	-109	-25		
Delta YoY	-10%	+5%	+146%	-31%	+733%		

338 **+14%**

FFO affected by temporary current commodities scenario and regulatory working capital increase



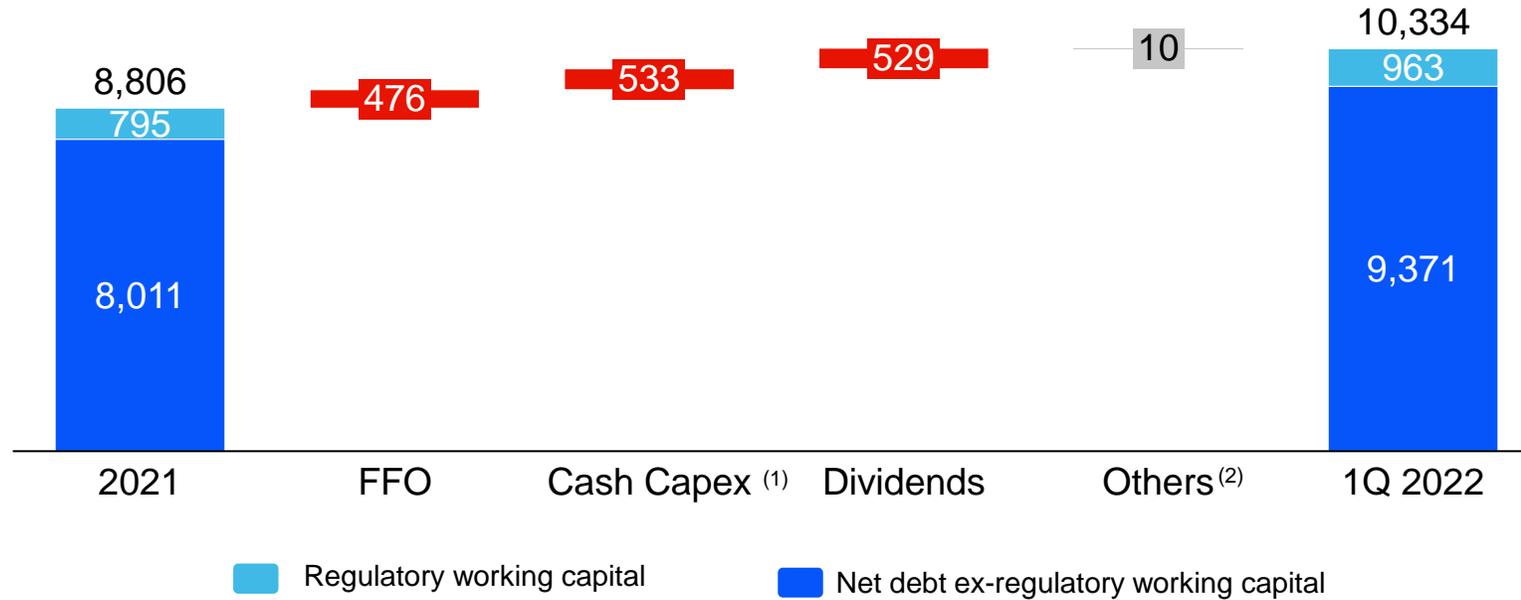
€mn



Cost of debt at historical minimum level



Net debt evolution (€mn)



Financial KPIs

	2021	1Q 2022	Δ
Net debt/EBITDA	2.1x	2.5x	+0.4x
Cost of debt	1.5%	1.0%	-0.5 bp
Sustainable debt	60%	65%	+5 pp

Gross Debt (€mn) **10,378**

13,484

Liquidity 4,403 €mn covering 23 months of debt maturities

(1) Cash based Capex: Net change of tangible and intangible assets (473 €mn) + Net change of other investments (60 €mn)
 (2) Mainly rights of use, changes in perimeter and others

Closing Remarks



**Leveraging
on integrated
business
model in an
extremely
volatile
energy
scenario**

**Committed to
our customers
in a high pool
price context**

**~90% 2022
renewables
target already
in execution**

**FY 2022
guidance
confirmed**

1Q 2022

Annexes

The Endesa logo is located in the bottom right corner of the page. It consists of the word "endesa" in a lowercase, sans-serif font. The letters are primarily blue, with a gradient effect that transitions to a lighter blue or white at the bottom of each character. The letters are closely spaced and have a modern, clean appearance.

Endesa: 1Q 2022 P&L

€mn



	Conventional Gx	Renewables	Retail	Endesa X	Dx	Structure	Adjustments	TOTAL
Income	2,689	284	6,400	89	593	96	-2,555	7,596
Procurements and services	-1,598	-53	-6,719	-41	-35	0	2,431	-6,015
Income and expenses from energy derivatives	-407	-14	296	0	0	0	0	-125
Gross margin	684	217	(23)	48	558	96	(124)	1,456
Fixed operating costs and other results	-206	-73	-138	-24	-126	-99	124	-542
EBITDA	478	144	(161)	24	432	(3)	-	914
D&A	-130	-60	-42	-10	-170	-13	0	-425
EBIT	348	84	(203)	14	262	(16)	-	489
Net financial results								-22
Net results from equity method								5
PROFIT BEFORE TAX								472
Income Tax Expense								-109
Non-Controlling Interests								-25
NET ATTRIBUTABLE INCOME								338

Endesa: 1Q 2021 P&L

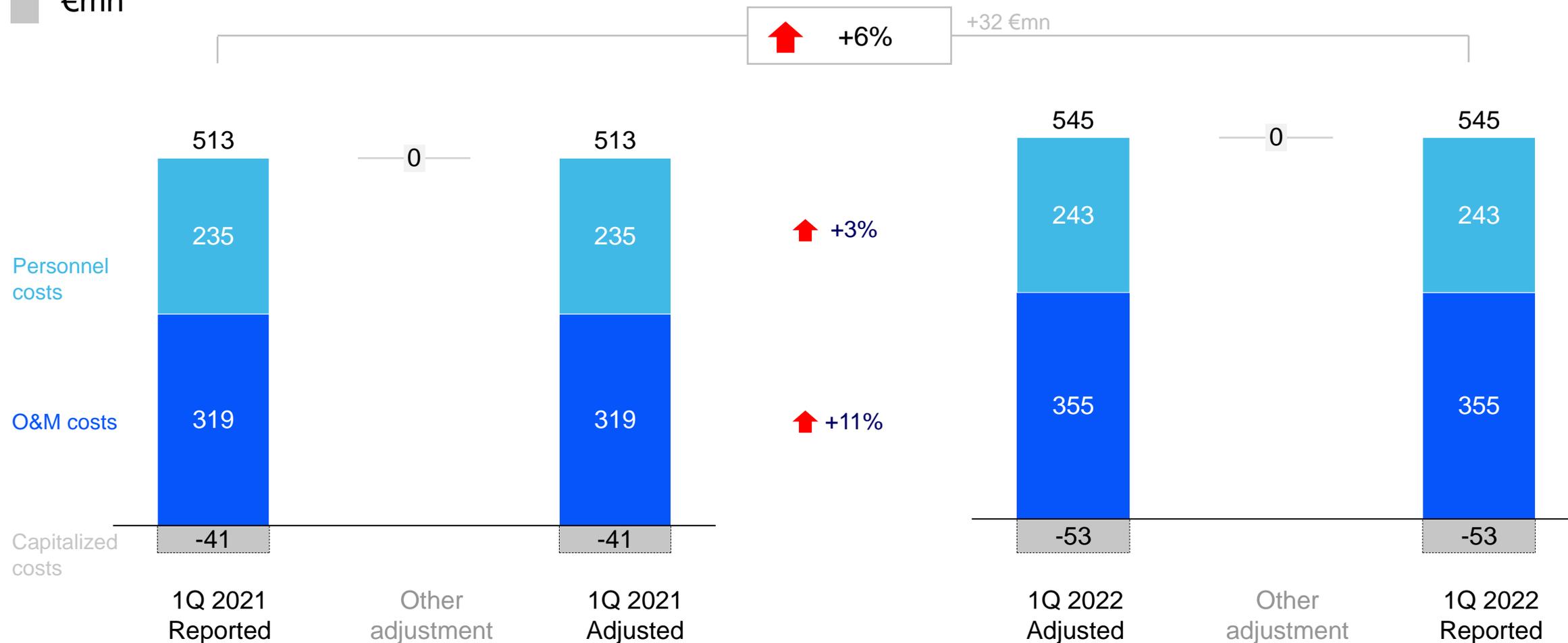
€mn



	Conventional Gx	Renewables	Retail	Endesa X	Dx	Structure	Adjustments	TOTAL
Income	1,276	266	3,341	59	641	105	-914	4,774
Procurements and services	-842	-53	-3,000	-30	-44	-11	774	-3,206
Income and expenses from energy derivatives	28	0	-66	0	0	0	2	-36
Gross margin	462	213	275	29	597	94	(138)	1,532
Fixed operating costs and other results	-191	-58	-159	-16	-121	-103	136	-512
EBITDA	271	155	116	13	476	(9)	(2)	1,020
D&A	-114	-48	-63	-2	-162	-15	0	-404
EBIT	157	107	53	11	314	(24)	(2)	616
Net financial results								32
Net results from equity method								5
PROFIT BEFORE TAX								653
Income Tax Expense								-159
Non-Controlling Interests								-3
NET ATTRIBUTABLE INCOME								491

Fixed costs evolution

€mn



Installed capacity and output



	Total net installed capacity (MW)			Total gross output ⁽¹⁾ (GWh)		
	1Q 2022	2021	Var. (%)	1Q 2022	1Q 2021	Var. (%)
Mainland	16,933	16,877	+0%	12,533	12,351	+1%
Renewables (2)	8,445	8,389	+1%	2,980	4,360	-32%
Hydro	4,746	4,746	-0%	1,137	2,356	-52%
Wind	2,602	2,546	+2%	1,551	1,855	-16%
Solar	1,097	1,097	0%	292	149	96%
Others	0	0	0%	0	0	0%
Nuclear	3,328	3,328	0%	7,113	6,909	3%
Coal	1,403	1,403	0%	250	214	17%
CCGTs	3,757	3,757	0%	2,190	868	152%
Non mainland territories	4,263	4,263	+0%	2,929	2,449	+20%
Coal	241	241	0%	-1	0	n.a.
Fuel - Gas	2,333	2,334	0%	1,048	966	8%
CCGTs	1,689	1,688	0%	1,882	1,483	27%
Total	21,196	21,140	+0%	15,462	14,800	+4%

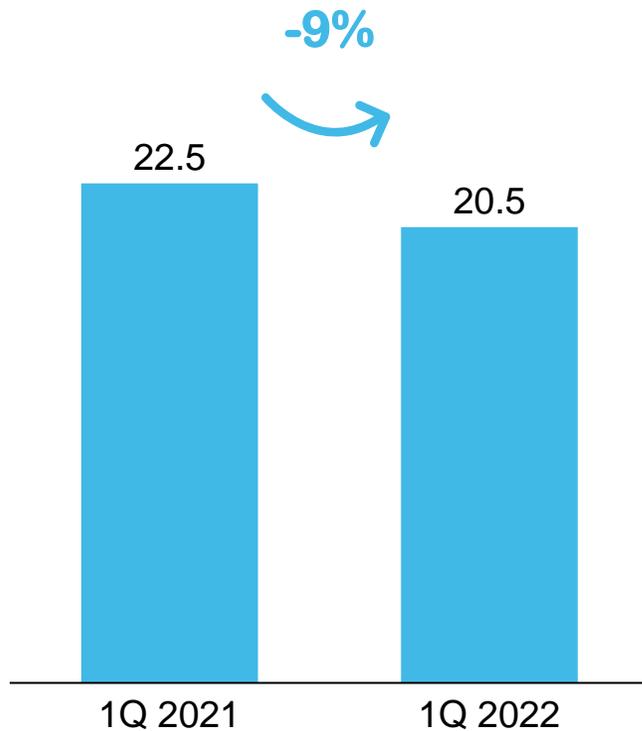
(1) Output at power plant bus bars (Gross output minus self-consumption)

(2) Includes 32 GWh in non-mainland in Q1 2022 (77 MW) vs 247 GWh in Q1 2021 (77 MW in FY2021)

Gas operational highlights



Volumes sold⁽¹⁾ (TWh)



Key figures

	2021	1Q 2022	Δ
Total customers (mn)	1.7	1.7	-%

	1Q 2021	1Q 2022	Δ
Total Gas margin (€mn)	11	72	+6x
Total unitary margin (€/MWh)	0.5	3.5	+7x

Of which:

Margin Retail (€mn)	59	-26	-145%
Retail unitary margin (€/MWh)	3.1	-1.3	-143%

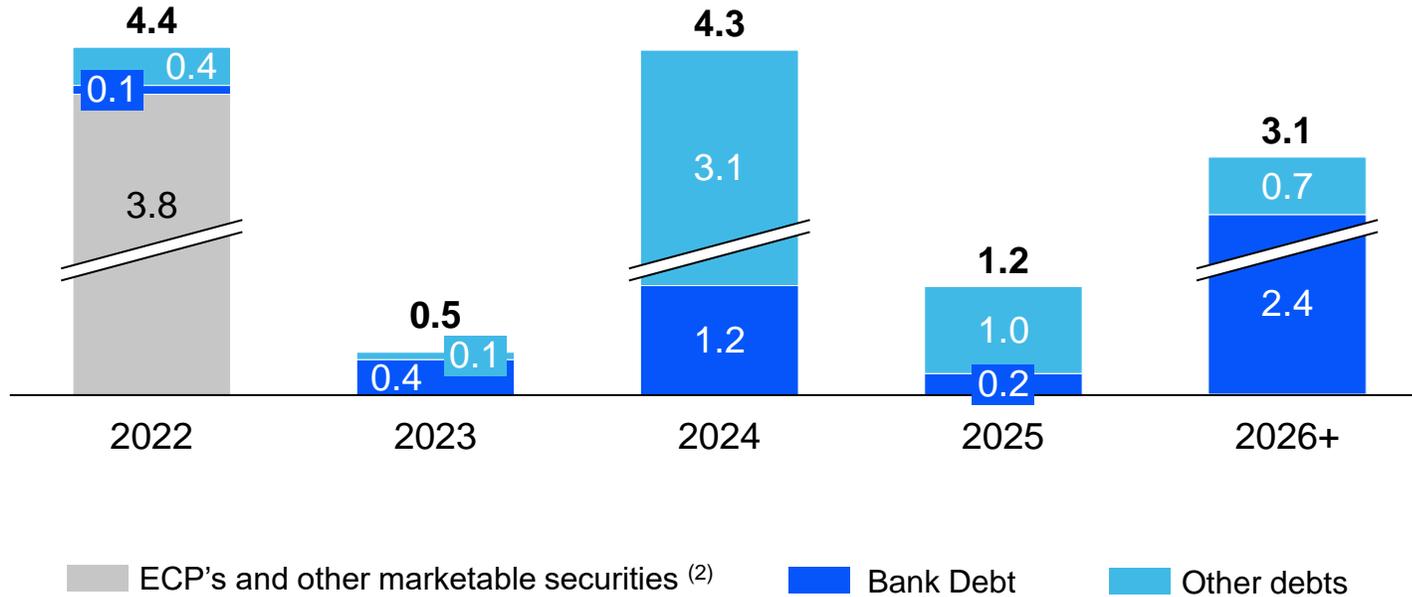
(1) Rounded figures. Do not include procurement activities to CCGTs
 (2) Unitary integrated margin excludes procurement activities to CCGTs and MtM effect

Financial debt maturity calendar

€bn



Gross balance of maturities⁽¹⁾



- Average life of debt: 4.0 years
- Fixed rate 40% of Gross Debt
- 99% in Euros

(1) Outstanding on 31 March 2022. Rounded figures.

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

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: $(31 \text{ €mn} \times (360/90)) / 12,616 \text{ €mn} = 1.0\%$	6.2
Average life of debt (number of years)	$(\text{Principal} \times \text{number of days of term}) / (\text{Principal in force at the end of the period} \times \text{number of days of the period})$: $54,155 / 13,491 = 4 \text{ years}$	6.2
Cash flow from operations (€mn)	Net cash provided by operating activities (-476 €mn)	6.5
Free cash flow (€mn)	Cash flow from operations (-476 €mn) - Net change of tangible and intangible assets (490 €mn) + Subsidies and other deferred incomes (17 €mn) - Net change of other investments (1,745 €mn) + Net change of financial asset guarantees (1,685 €mn) = -1,009 €mn	n/a
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available: 23 months	6.2
EBITDA (€mn)	Revenues (7,596 €mn) – Purchases and Services (6,015 €mn) + Income and expenses from energy derivatives (-125 €mn) + Work performed by the entity and capitalized (53 €mn) – Personnel expenses (243 €mn) – Other fixed operating expenses (355 €mn) + Results on disposal of assets (3 €mn) = 914 €mn	5.2
EBIT (€mn)	EBITDA (914 €mn) - Depreciation and amortization (425 €mn) = 489 €mn	5.2
Fixed costs (Opex) (€mn)	Personnel expenses (243 €mn) + Other fixed operating expenses (355 €mn) - Work performed by the entity and capitalized (53 €mn) = 545 €mn	5.2
Gross margin (€mn)	Revenues (7,596 €mn) – Purchases and Services (6,015 €mn) + Income and expenses from energy derivatives (-125 €mn) = 1,456 €mn	5.2
Leverage (times)	Net financial debt (10,334 €mn) / EBITDA (3,258 €mn from 2Q, 3Q & 4Q 2021 + 914 €mn from 1Q 2022) = 2.5x	n/a

Glossary of terms (II/II)



Item	Calculation	Reference note of Consolidated Management Report
Gross Capex (€mn)	Gross tangible (312 €mn) and intangible (92 €mn) Capex - rights of use (1 €mn) + Others (-1 €mn) = 402 €mn	n/a
Net financial debt (€mn)	Long and short term financial debt (8,823 €mn + 4,661 €mn) - Cash and cash equivalents (565 €mn) - Derivatives recognized as financial assets (24 €mn) - Financial guarantees (2,561 €mn) = 10,334 €mn	6.2
Net financial results (€mn)	Financial Revenues (49 €mn) - Financial Expenses (50 €mn) - Net results from Derivative Financial Instruments (15 €mn) - Foreign Exchanges (6 €mn) = -22 €mn	5.2
Income (€mn)	Sales and Services (7,508 €mn) + Other operating revenues (88 €mn) = 7,596 €mn	5.2
Net ordinary income 1Q 2022 (€mn)	Reported Net Income (338 €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) - Initial Net Provision for Personnel Costs due to Restructuring Plans relating to the Decarbonisation Process (0 €mn) - Net Costs corresponding to the Public Responsibility Plan for the Health Crisis COVID-19 (0 €mn) = 338 €mn	5.2
Net ordinary income 1Q 2021 (€mn)	Reported Net Income (491 €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) - Initial Net Provision for Personnel Costs due to Restructuring Plans relating to the Decarbonisation Process (0 €mn) - Net Costs corresponding to the Public Responsibility Plan for the Health Crisis COVID-19 (0 €mn) = 491 €mn	5.2
Electric Integrated Margin (€mn)	Contribution margin conv. Gx (656 €mn) + Margin Renewables (217 €mn) + Margin Retail (-23 €mn) - Margin SENP (41 €mn) - Margin SCVP (16 €mn) - Margin gas (72 €mn) - Margin Endesa X (48 €mn) - Others (122 €mn) = 551 €mn	n/a
Unitary electric integrated margin (€/MWh)	Electric Integrated Margin / Electric sales in the liberalized market in Spain and Portugal: 551 €mn / 18.4 TWh = €29.9/MWh	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.

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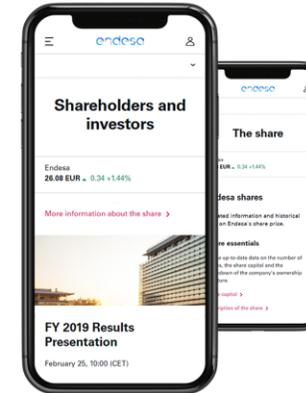


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