

# Capital Markets



November 25<sup>th</sup>, 2020

**Ready for the next decade**

# Agenda



**José Bogas**  
*CEO*

**Endesa @2030**

- ▶▶ Our positioning
- ▶▶ The next 10 years

**Luca Passa**  
*CFO*

**Endesa 2021-23**

- ▶▶ Operative Targets
- ▶▶ Financial Targets

**José Bogas**

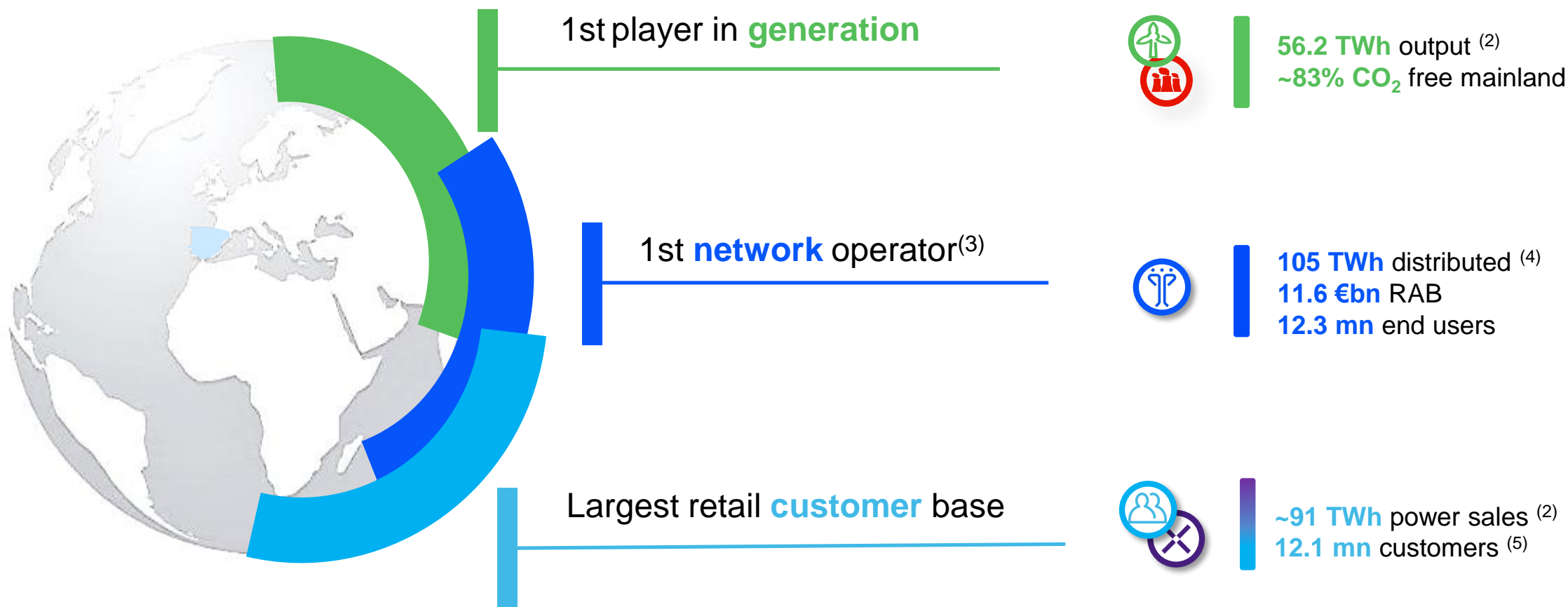
- ▶▶ Closing remarks



# Our positioning

José Bogas  
CEO

# A portfolio of strategic assets<sup>(1)</sup>



**First integrated player leading energy transition in Iberia**

(1) 2020E  
(2) Energy at busbars  
(3) By distributed energy

(4) In supplier busbars  
(5) Electricity & gas clients

# Delivery on 2020-22 Strategic Plan

## Operating targets



### Decarbonization



### Electrification



### Infrastructures & Networks

	2014	2020E	Target 2022 Old plan
RES <sup>(1)</sup>	32%	~45%	~60%
CO2 (%) <sup>(2)</sup>	~50%	~83%	~85%
Coal <sup>(3)</sup> (TWh)	22.2	1.6	0

Ahead of 2022 target old plan

	2014	2020E	Target 2022 Old plan
Power Integrated Margin (€/MWh)	19	~32	~30
Free Power Clients (mn)	4.5	5.7	6.6
Endesa X (k# Charging points)	-	8.0	36.0

	2014	2020E	Target 2022 Old plan
Smart-meters (mn)	5	>12	>12
Distributed energy (TWh) <sup>(4)</sup>	109	105	121
Unitary Opex (€/end user)	59	43	39

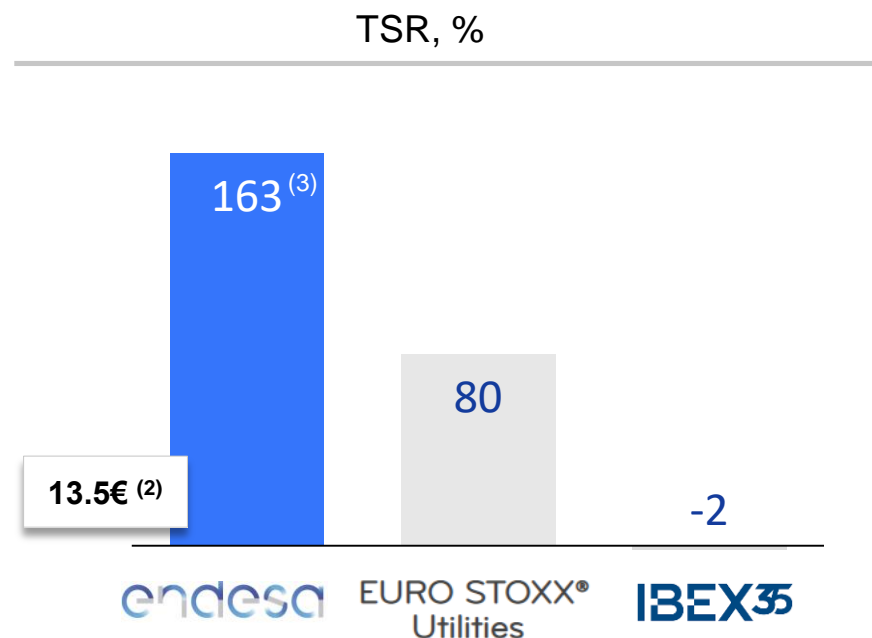
Sound progress on all strategic pillars

(1) % of mainland capacity  
(2) % mainland CO2 emission free generation

(3) Mainland  
(4) In supplier busbars

# Delivery on 2020-22 Strategic Plan

## Financial targets



ESG Investors<sup>(4)</sup> 14.2%

	2014	2020E	CAGR 2014-20E
Net CAPEX (€bn)	0.8	1.5	11%
EBITDA (€bn)	3.1	3.9 <sup>(1)</sup>	4%
Net ordinary income (€bn)	0.9	2.0	14%
Gross DPS (€/sh)	0.76	~1.9	16%

✓ Ahead of 2020 target old plan

**Repositioning through a sustainable strategy led to improved economic results**

(1) Like for like EBITDA excluding +515 €mn of provision reversal from the commitments contained in the new collective agreement, -159 €mn of additional provision recorded for workforce restructuring plans and -213 €mn of initial net accrual personnel costs due to restructuring plans relating to the decarbonization process.

(2) Preferential subscription share price on November 20th, 2014 (latest IPO)

(3) Includes dividends assumed to be re-invested (2020 share price as of Nov 20th: 24.82 €/sh). Calculated with Bloomberg data

(4) Socially Responsible Investors over total Capital as of December 2019 (2019 Sustainability Report)



**Endesa @2030**

**The next 10 years**

# European Green Deal sets the path for carbon neutrality by 2050



## Energy and climate objectives to 2030

	Reduction of GHG emissions	Renewables <sup>(1)</sup>	Energy Efficiency <sup>(2)</sup>	Interconnection <sup>(3)</sup>
Before Green Deal	>40% vs 1990	>32%	-32.5%	15%
Green Deal (pending)	55 / 60% vs 1990	~38 / 40%	~36 / 40%	15%



## Energy and Climate strategic framework

2030 Energy and Climate Integrated National Plan (PNIEC)	-23% vs 1990 @ 2030 CO <sub>2</sub> neutral @ 2050	42%	39.5%	>15%
--	---	-----	-------	------

**Around 240 €bn investment opportunities for the Energy Transition in Spain**

- (1) Renewable energy as % of the total energy consumption  
 (2) Savings in primary/final energy consumption versus reference level  
 (3) Interconnection capacity as % of peak demand



# European Recovery Fund

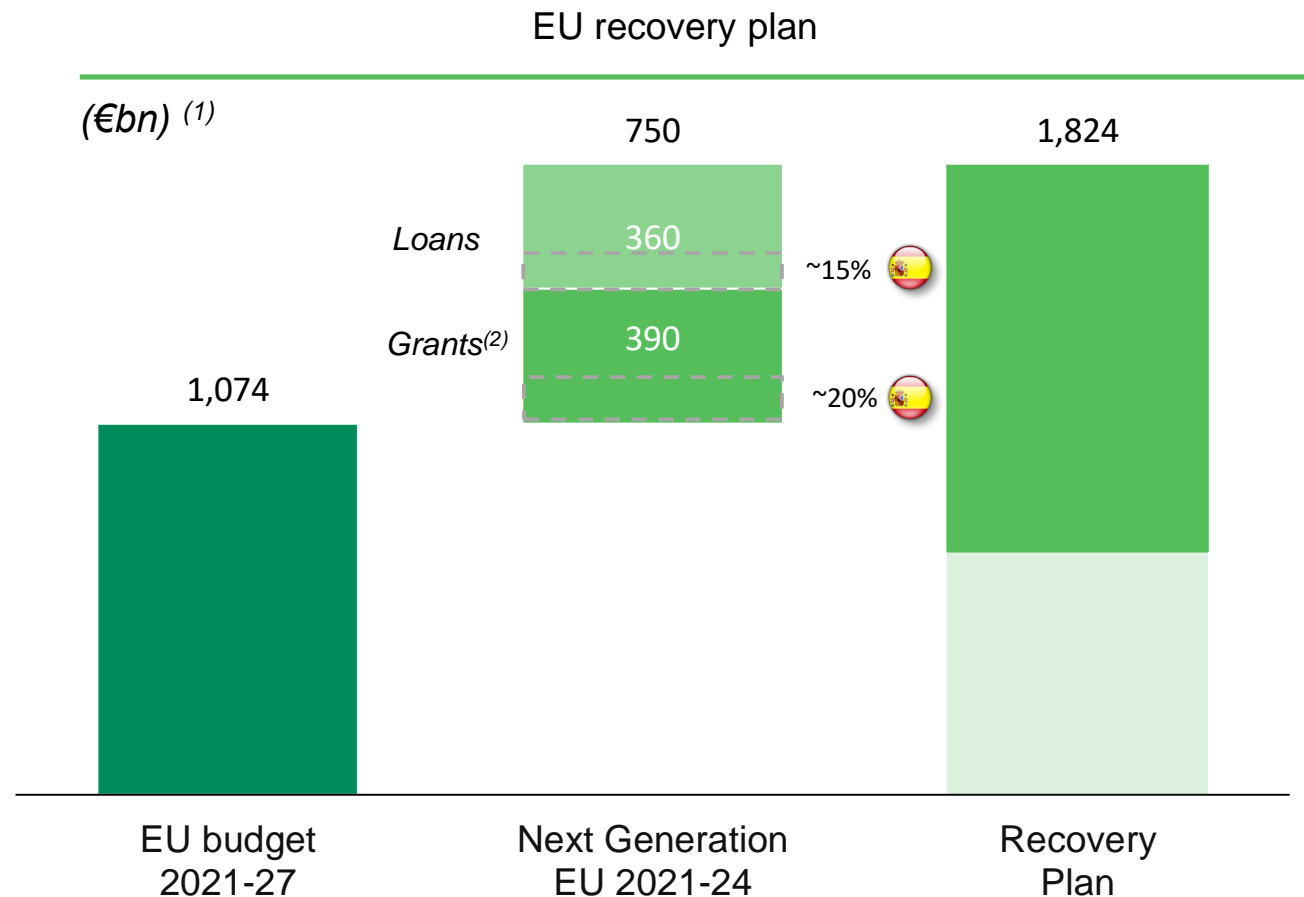


EU Next Generation Fund: +750 €bn  
increase **committed in 2021-24**

**Spain will receive 140 €bn**, 72 €bn in  
grants and 68 €bn in loans  
Minimum of 30% allocated to decarbonize  
the economy

2021 **Spanish state budget** includes  
**27 €bn**

Endesa has identified a **wide range of  
eligible projects**



**Energy Transition, a unique opportunity for an economic relaunch post-COVID**

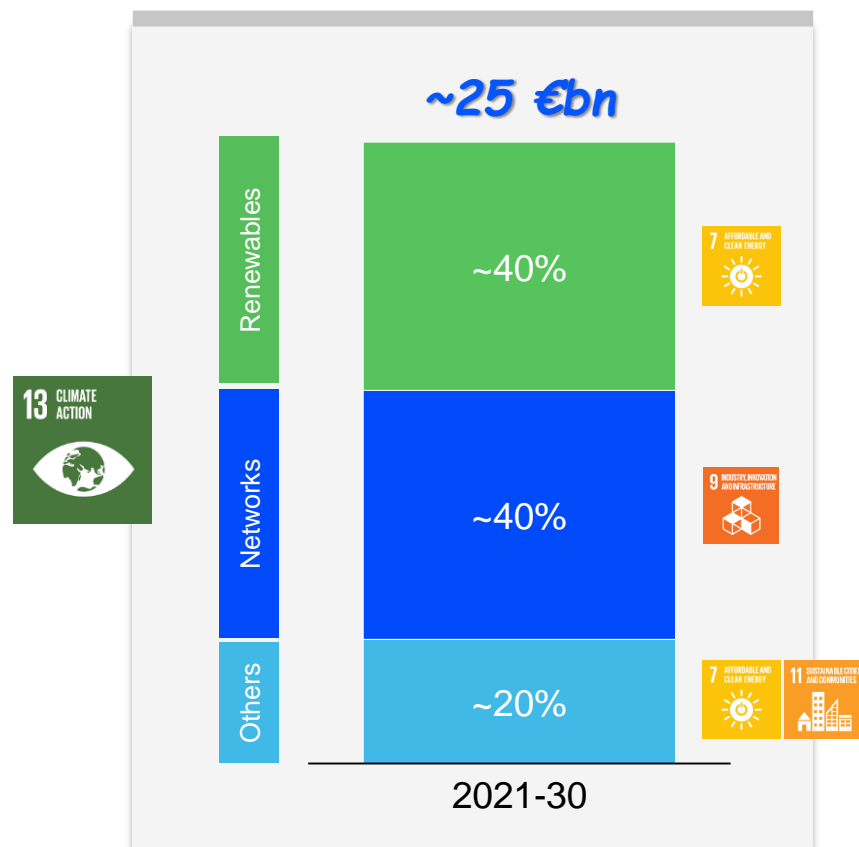
(1) Excludes Innovation and Modernization Fund resources coming from the ETS that are out of MFF and Next GEN EU

(2) Includes 6 €bn of Invest EU guarantees

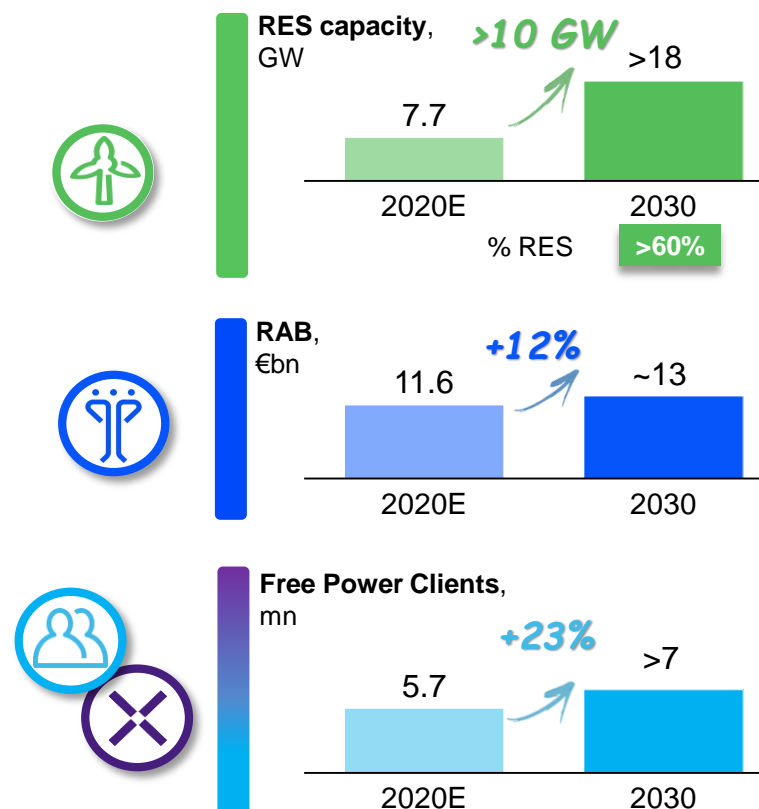
# Leveraging on these opportunities to strengthen our leadership in 2030



2021-30 Estimated Capex plan, €bn

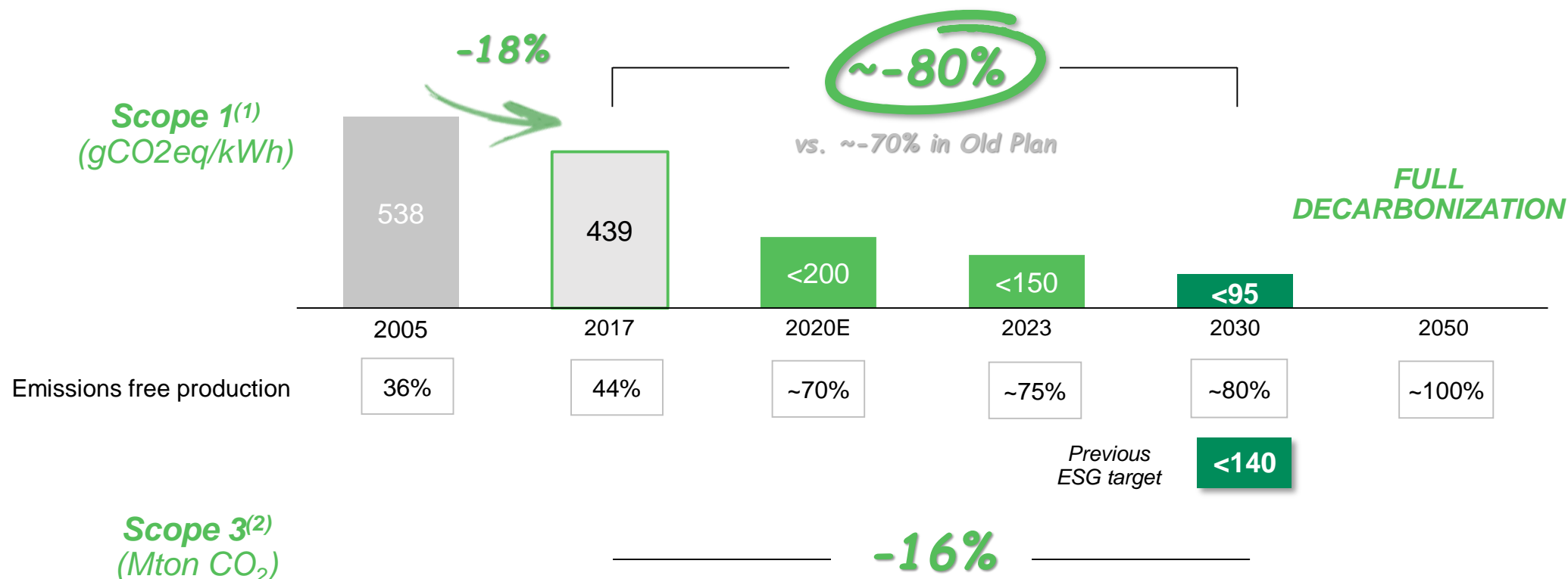


endesa @ 2030



Sustainable and long term value creation vision

# Progressing towards full decarbonization in 2050



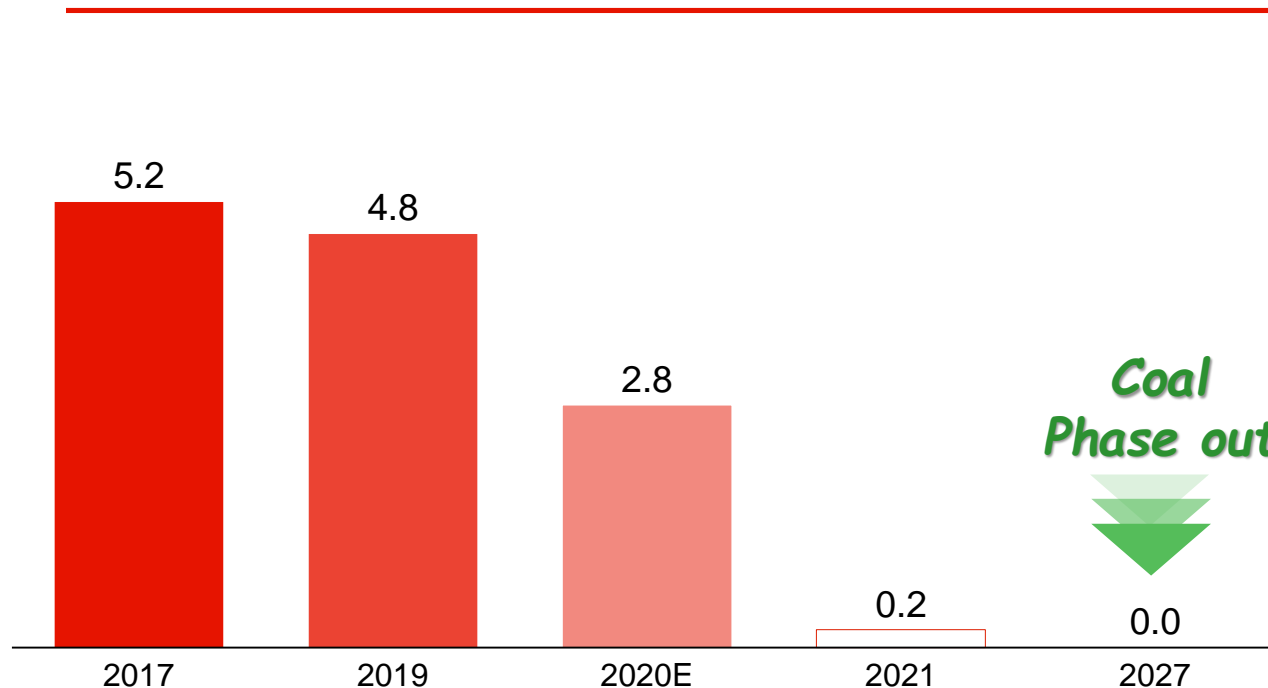
**Boosting our GHG reduction target to 80% by 2030**

(1) Scope 1, direct emissions  
(2) Scope 3, non direct emission (gas sales and others)

# Coal fully phased out before 2030



Coal capacity evolution (GW)



	2020E	2023	2030
Coal production (TWh)	1.8	0.1	0
Coal production on total (%)	3.2	0.1	0
Coal emissions (mn ton CO <sub>2</sub> )	1.7	0.08	0
Plants (#)	3	1	0

Coal phase out brought forward from 2030

# Developing Just Transition plans on coal sites

Andorra plan



## Future

**1.7 GW RES + BESS and  
synchronous capacity**  
**> 1.4 €bn Capex**  
Timeline 2020 - 2025

## Employment

**100% Reskilling**  
**80% de local employment** for  
dismantling  
**4K FTE** for construction

## Sustainability

**Circular Economy**  
**Sustainable Construction &  
Engineering**

## Value & Innovation

**International recognition**  
**Analysing H<sub>2</sub> project**



**Committed to a sustainable transition in the affected local areas**

# Innovation through Battery Storage & Hydrogen



## BESS<sup>(1)</sup> Hybridization with thermal & RES

Mainland projects (MW) **222** <sup>(2)</sup>

Non- Mainland projects (MW) **55** <sup>(2)</sup>

Mainland Projects

### Incorporate batteries to renewable fleet

Provides flexibility services to the system

Transform to manageable generation

Projects for all mainland plants > 25 MW

Non-Mainland Projects

### Batteries hybridization in Thermal & Renewables Groups

Improve security of supply

Increase reserve

Offers firm capacity



## Green Hydrogen Projects

Number of potentially eligible projects under the EU Recovery Fund

**22**

Potential uses

H<sub>2</sub> Production

Industrial thermal applications

Sustainable mobility

Non mainland generation remodelling

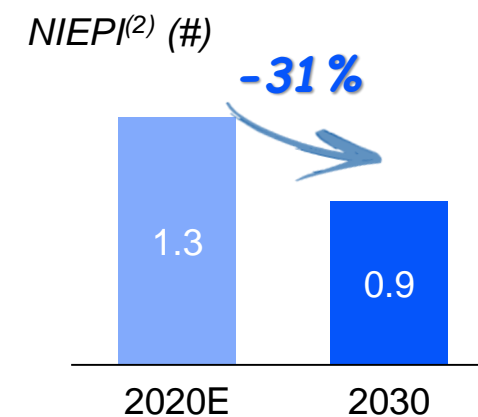
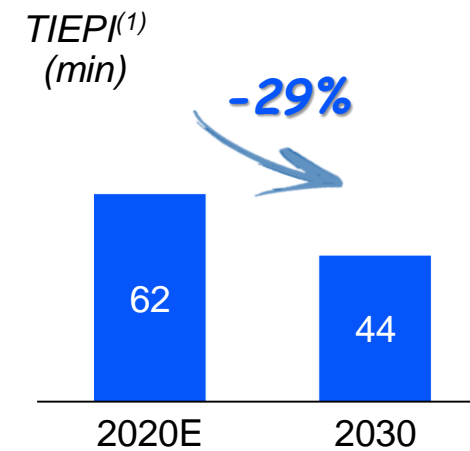
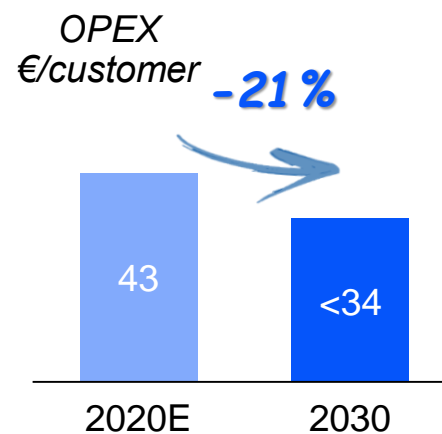
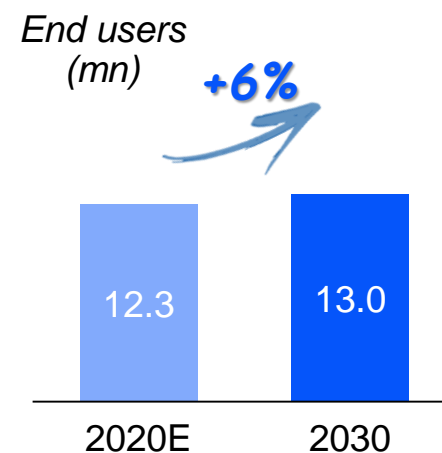
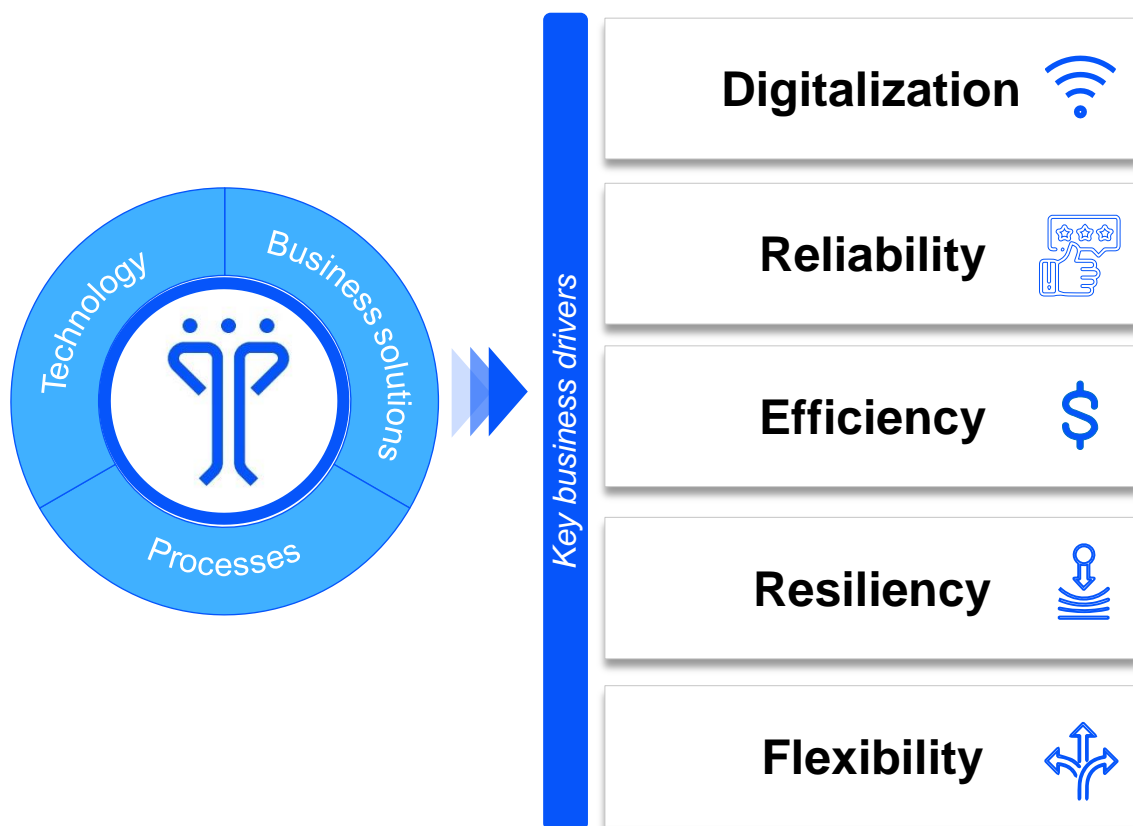
Power generation

**Innovating with battery storage and green hydrogen projects**

(1) Battery Energy Storage System

(2) Included in the 2021-23 Business Plan

# Iberian leadership in Infrastructure & Networks



**New platform operating model to boost quality and resiliency**

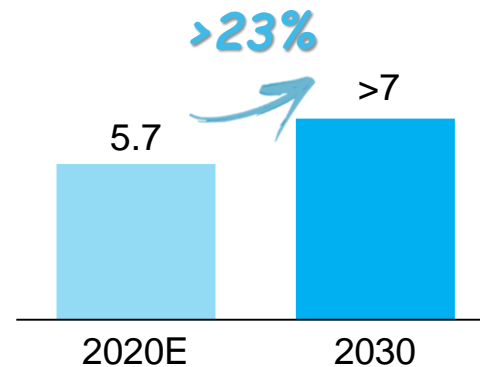
(1) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time)

(2) Número de Interrupciones Equivalente a la Potencia Instalada (Installed Capacity Equivalent Number of Interruptions)

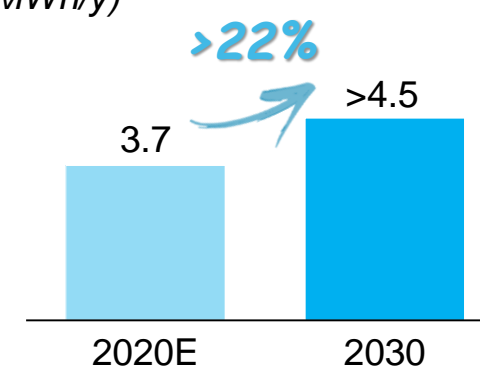
# Customers at the center of our strategy



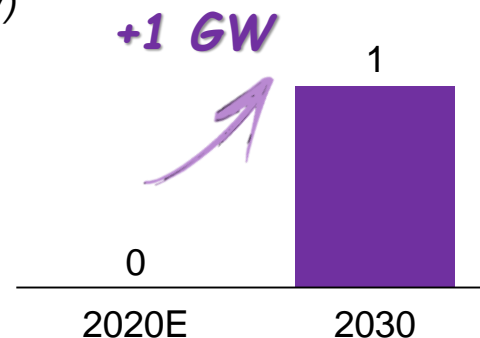
Power Free customers  
(mn)



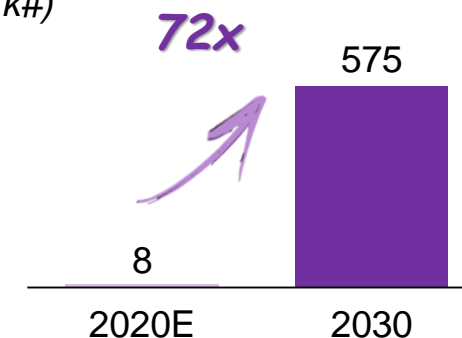
Power free unitary consumption B2C  
(MWh/y)



Demand Response  
(GW)



Charging points  
(k#)



Strategic actions

**Promote electrification of consumption** through integrated offering of commodity and services

**Create additional value through new complementary products & services**

**Digitalization & Platformization key** to enhance customer journey and efficiencies

Reference provider for new energy services and products



# Platforms to manage higher complexity

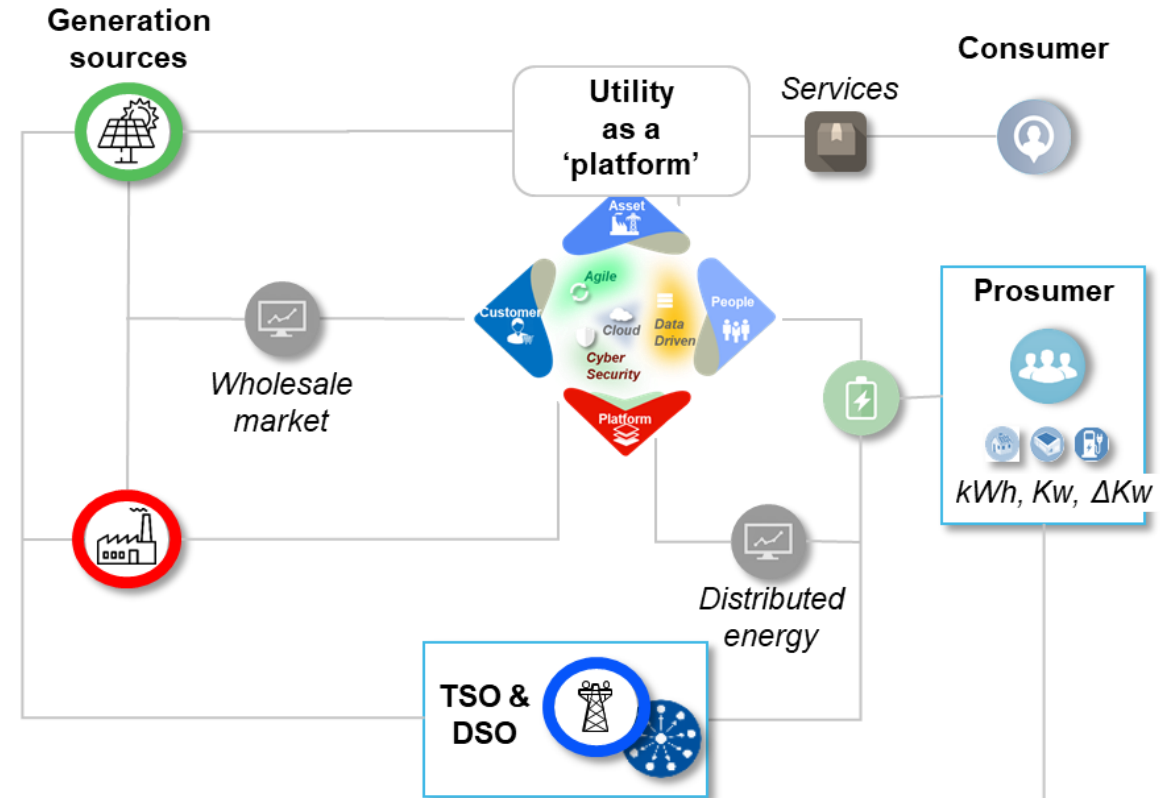
**Platforms**

Enabling **innovation** and extraction of **additional value** from existing assets

- Renewables managed by an **Operating & Maintenance platform** system
- Grid management platforms**

Selling smart services designed around **prosumer**

- Offer to clients** according to a digital platform design



Focusing on a new platform-based business model



# 2021-23 Operative Targets

Luca Passa  
CFO



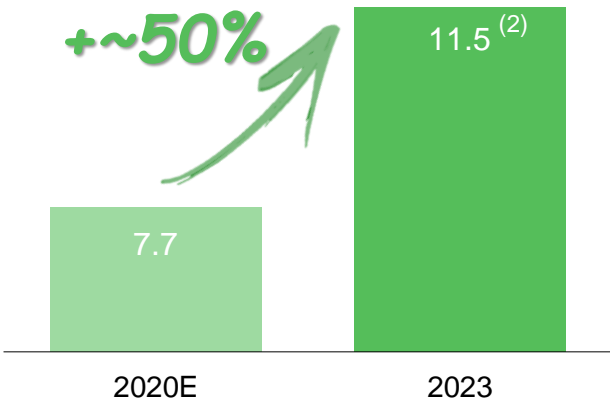
Strategic actions

**Increase by ~50% our renewable capacity by 2023**

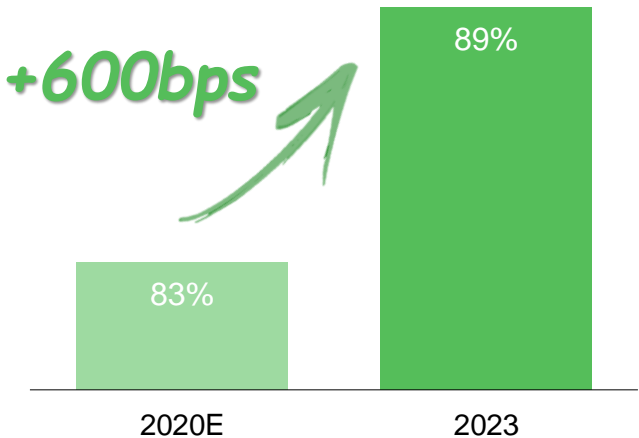
**Building up our pipeline** to enable growth and create value

**Ambitious targets** in terms of CO<sub>2</sub> emissions reduction

RES capacity  
(GW)



CO<sub>2</sub> free emissions output <sup>(1)</sup>  
(%)



**Investment focus on renewable to support long term sustainable growth**

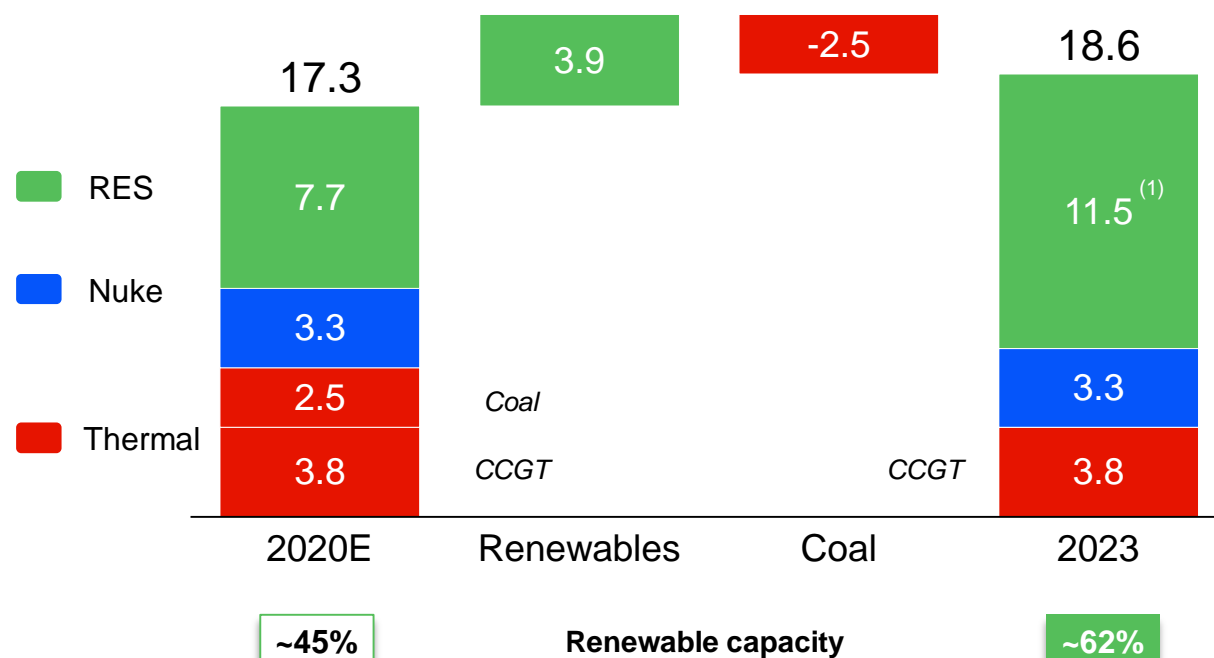
(1) Mainland output

(2) Do not include 0.3 GW of BESS

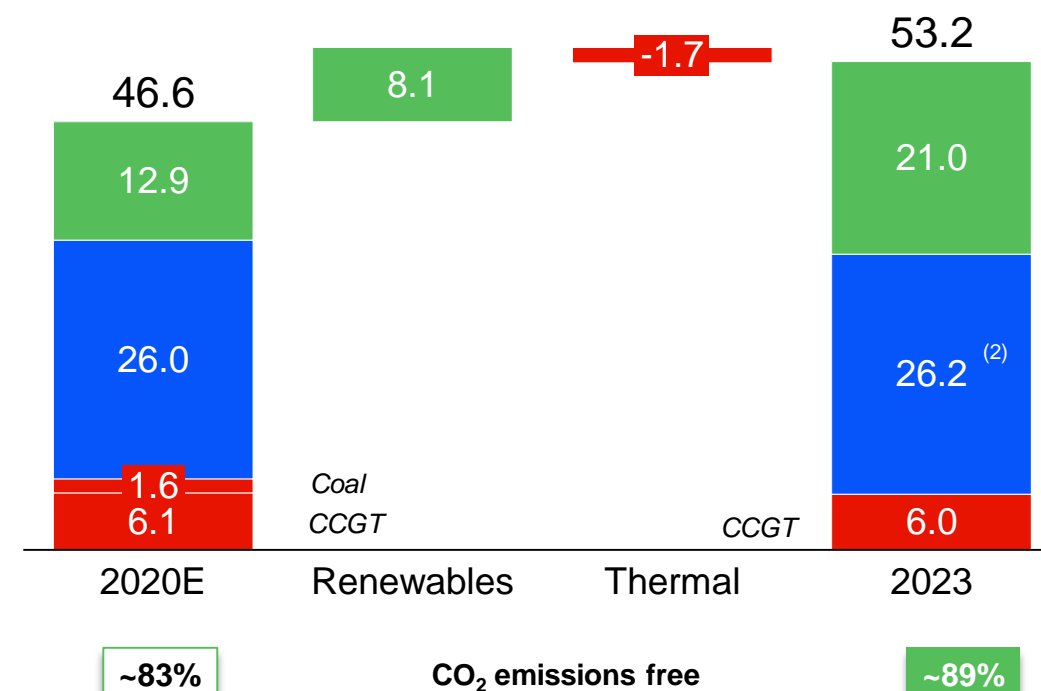
# Reshaping our generation mix



Total mainland capacity, GW



Total mainland output, TWh



**Renewable generation increase more than offset coal phase out**

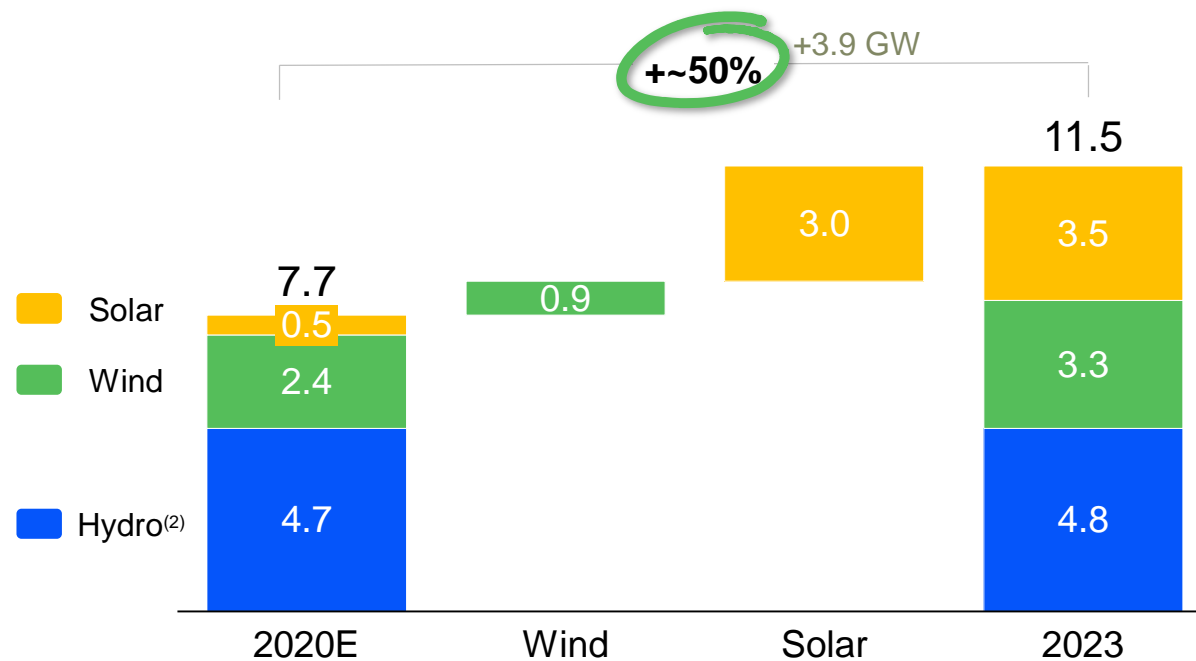
(1) Do not include 0.3 GW of BESS

(2) Load factors increase

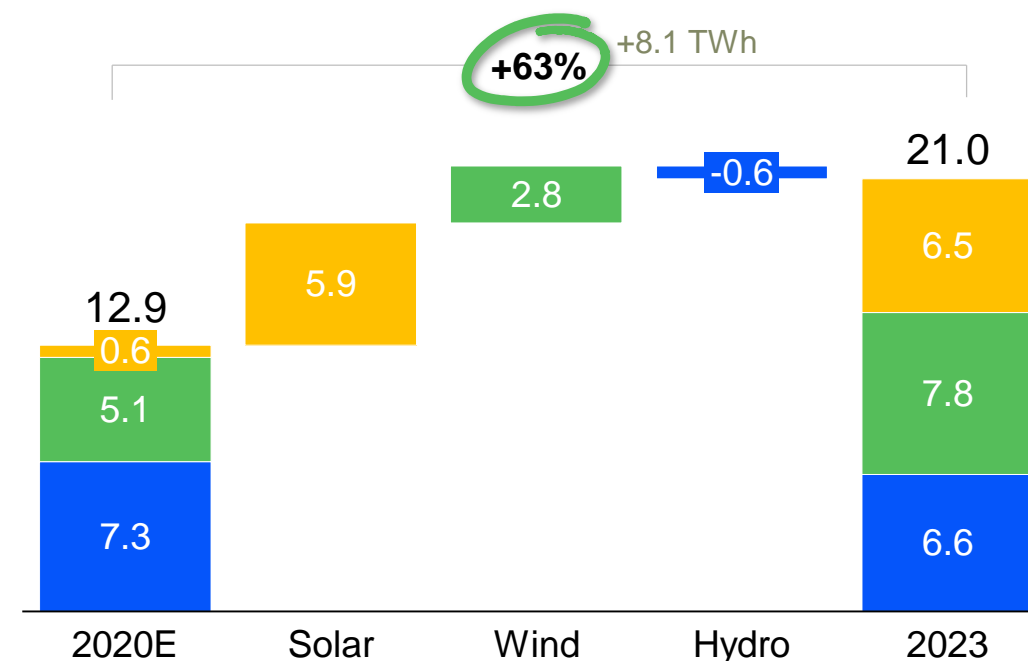
# Renewables as our main growth platform



Installed capacity<sup>(1)</sup>, GW



Output by technology<sup>(1)</sup>, TWh



Wind & Solar growth capex 2021-2023

**3.3€bn<sup>(3)</sup>**

~20% increase vs 2020-2022 plan

**~20% capex increase to boost renewable capacity by 3.9 GW**

(1) Rounded figures  
(2) Includes mini-hydro

(3) Excluding 0.5 €bn of maintenance, BESS and H<sub>2</sub>

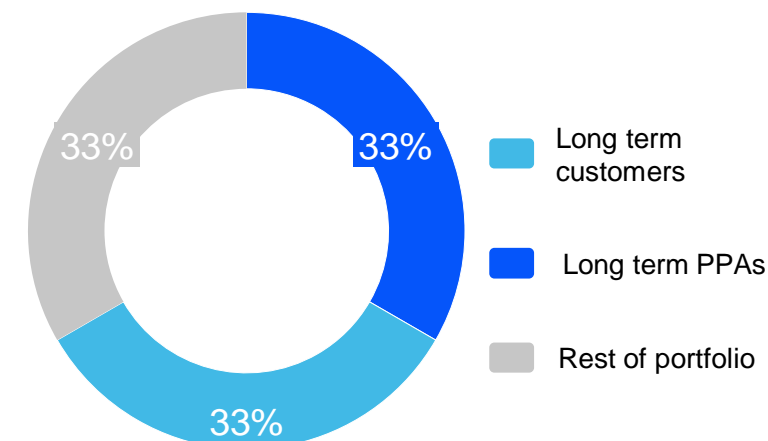
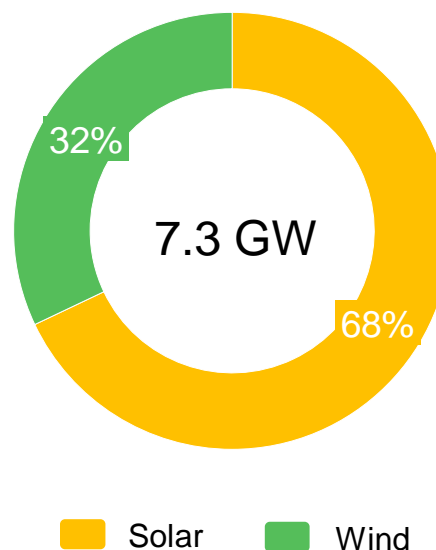
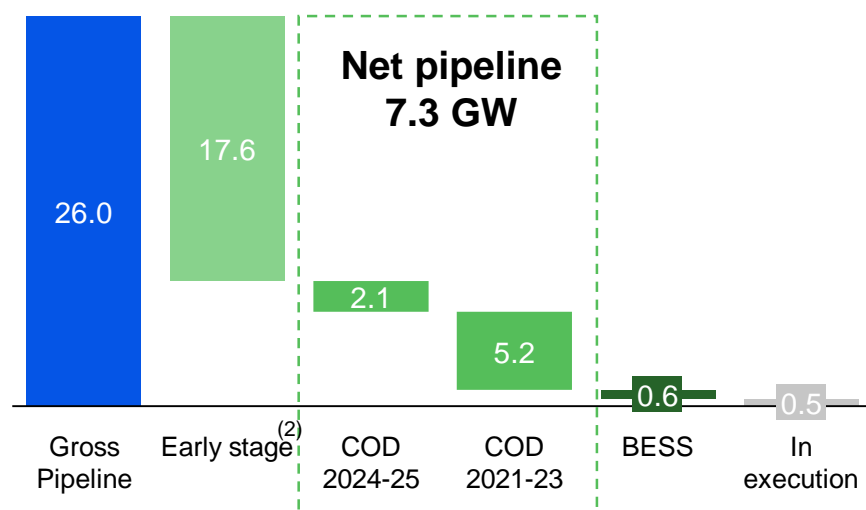
# Solid pipeline to support renewable growth



Renewables pipeline<sup>(1)</sup> (GW)

Net pipeline by technology

Indicative hedging strategy



IRR-WACC spread ~200bps

**Renewables profitability enhanced through our customers base leadership**

(1) As of 31<sup>st</sup> October 2020

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



Strategic actions

B2C

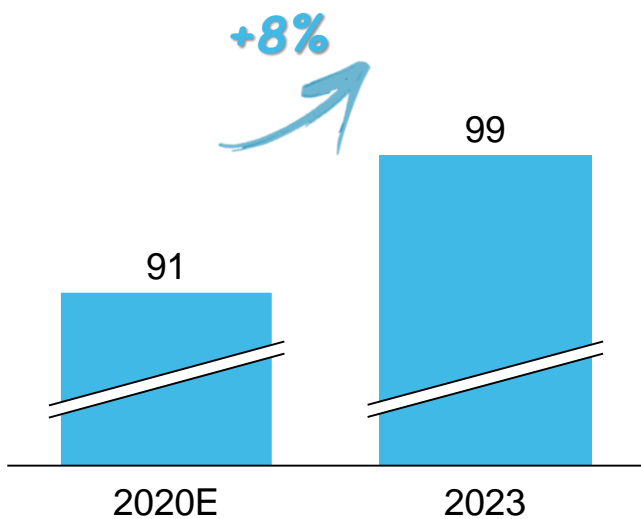
- Focus on **customer loyalty** through digital and analytics capacities
- Maximum **tailoring** of value proposal and “Customer Journey”

B2B

- Expansion of **customization & consulting** model leveraging on digitalization and analytics
- Reinforcing **proximity** and **trust** sentiment

Total energy sales 2020E-23<sup>(1)</sup>

(TWh)



Main KPIs

	2020E	2023	Δ
Free customers (mn)	5.7	6.1	+7%
Regulated cust. (mn)	4.8	4.5	-5%
Churn rate <sup>(2)</sup> (%)	11.7	10.7	-9%
E-home contracts (mn)	1.9	2.7	+42%

Unique energy value proposal, integrated and differential

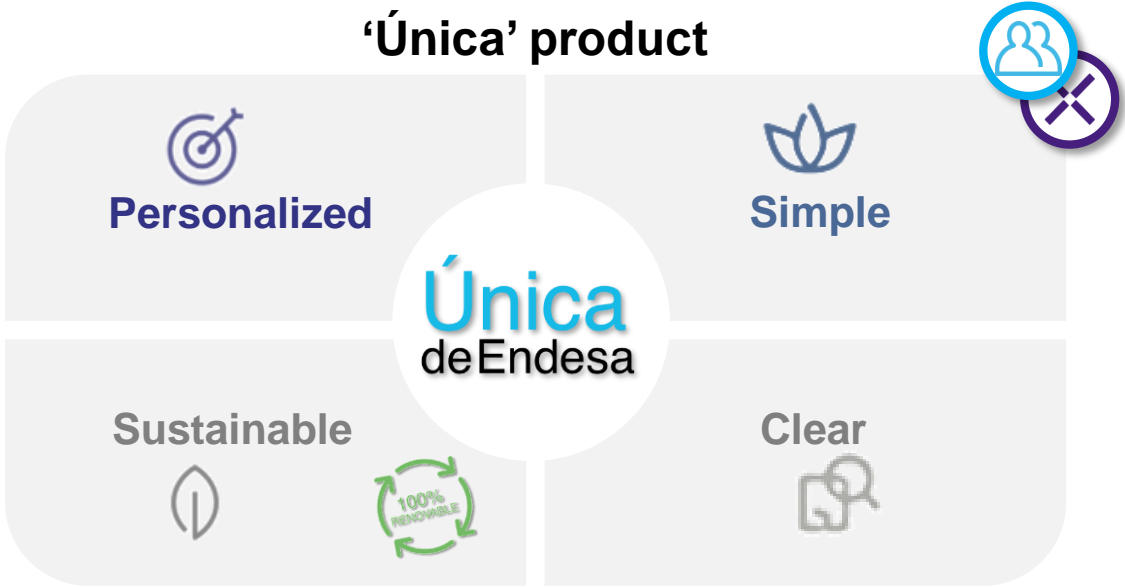
(1) Total sales include international sales (2.6 TWh in 2020E and 2.7 TWh in 2023), not considered in the integrated margin  
(2) Churn rate B2C and B2B free

# Pioneer commercial initiatives

Development of **new value proposals** and **new channels** to increase customer attraction



## ‘Única’ product



## Available proposals

	Única basic	Única plus	Única premium
Energy	✓	✓	✓
360 Protection	✓	✓	✓
Revisions	✗ Optional	✓	✓
Revisions & Repair	✗ Optional	✗	✓



# Demand electrification through Endesa X platform



Value creation through “beyond commodity” **new services and products**

Providing efficient solutions for homes, industry and cities to **pave the way towards the energy transformation**

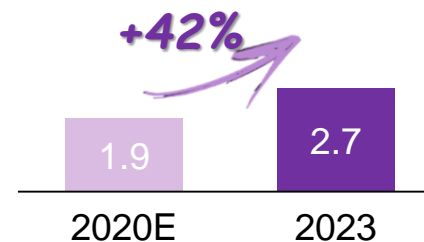
**Reference player in electric mobility**

**Innovative solutions covering all types of customers needs**

## Main operative KPIs



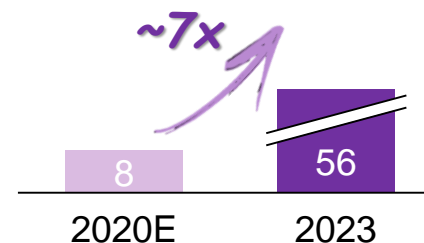
E-home contracts, mn



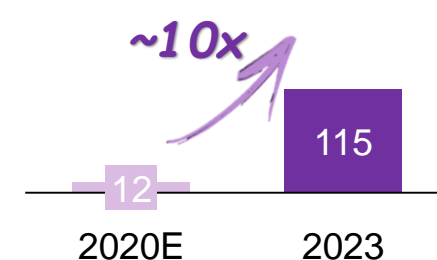
Demand Response, MW<sup>(1)</sup>



Charging points<sup>(2)</sup>, k#



e-bus charging points, #



(1) MW managed  
(2) Public and private



Strategic actions

2.6€bn Capex (+30%)

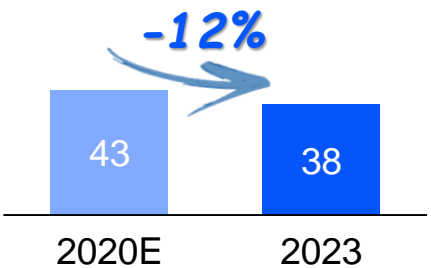
Sound **operational efficiency** to meet regulatory standards

Significant **improvement in service quality** indicators

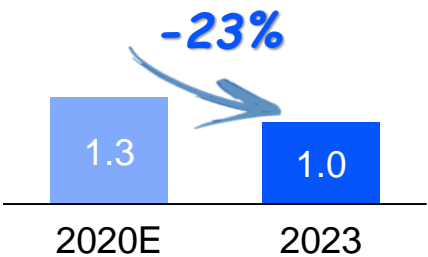
**Reduction of losses** through digitalization

Main operative KPIs

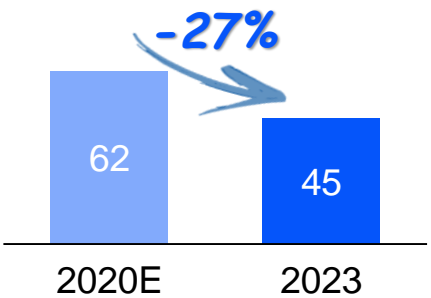
OPEX €/customer



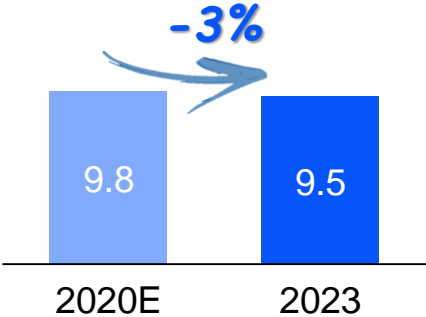
NIEPI<sup>(1)</sup> (#)



TIEPI<sup>(2)</sup> (min)



% Losses OS



Service and quality improvement driven by investment effort

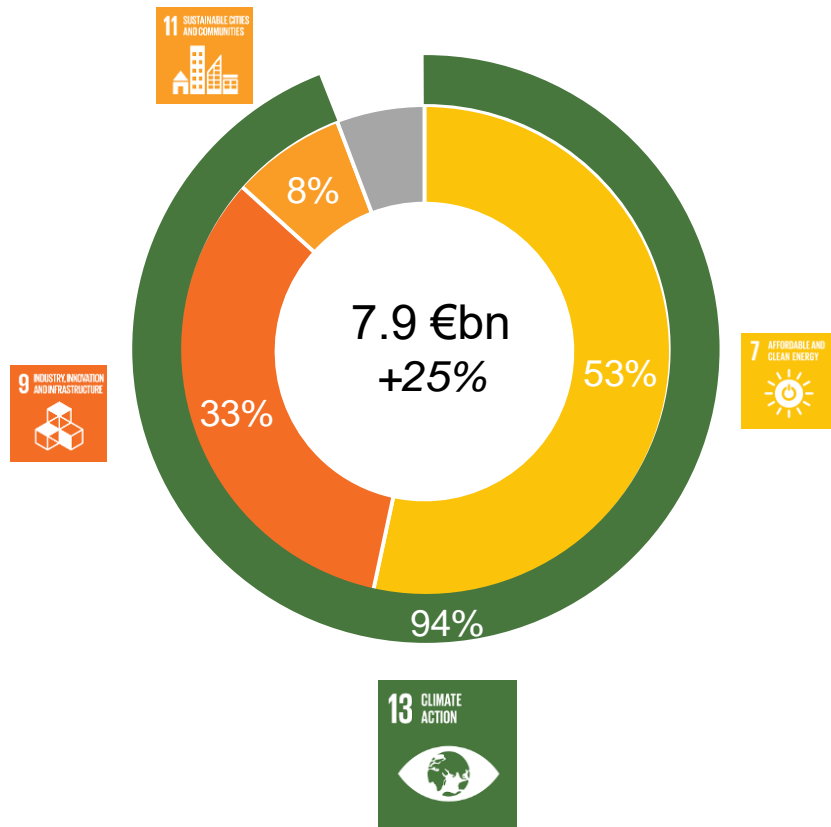
(1) Número de Interrupciones Equivalente a la Potencia Instalada (Installed Capacity Equivalent Number of Interruptions)

(2) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time)

# A fully sustainable business model reflected in SDGs impact



Capital allocation by SDG 2021-23



Circular economy

Circular Inputs	Promotion of circularity in the supply chain
Sharing platforms	Development of ecosystems to electrify civil society
Product as a Service	Boost to electric mobility
Useful life extension	Non mainland decarbonization
New life cycles	Futur-e plans



**94% capex allocated to climate actions**



Endesa @2023

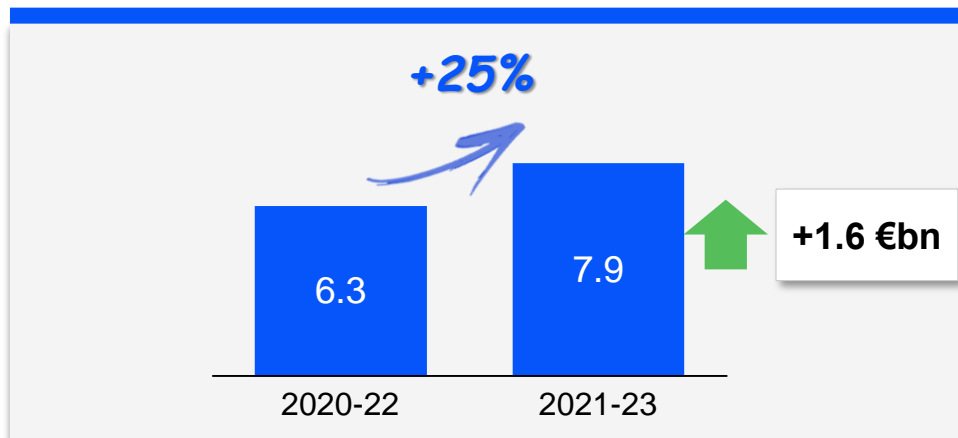
2021-23 Financial Targets

# Strategic plan at a glance

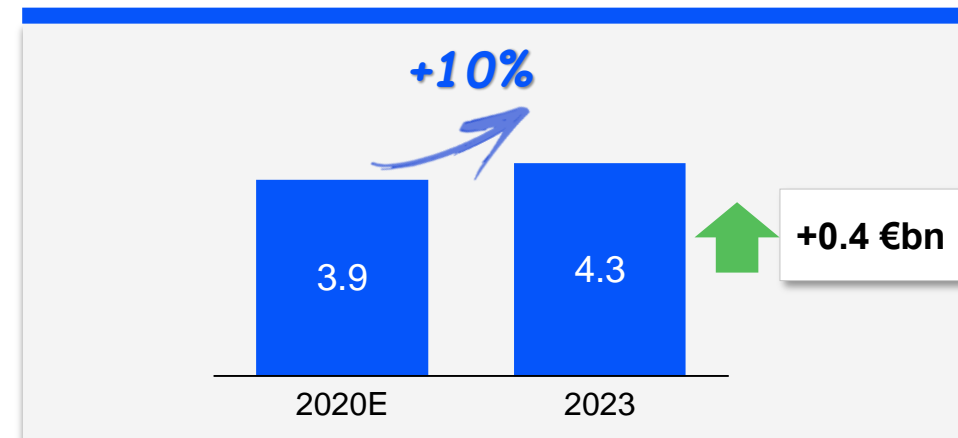
€bn



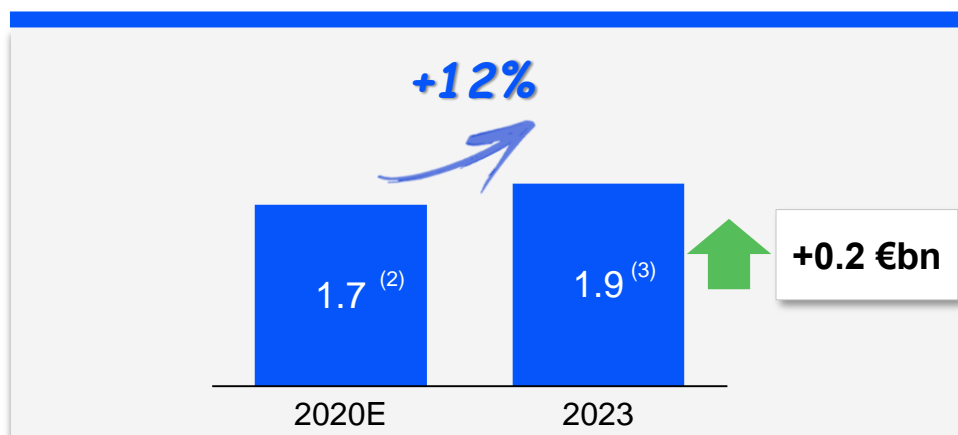
### Cumulated gross capex vs previous plan



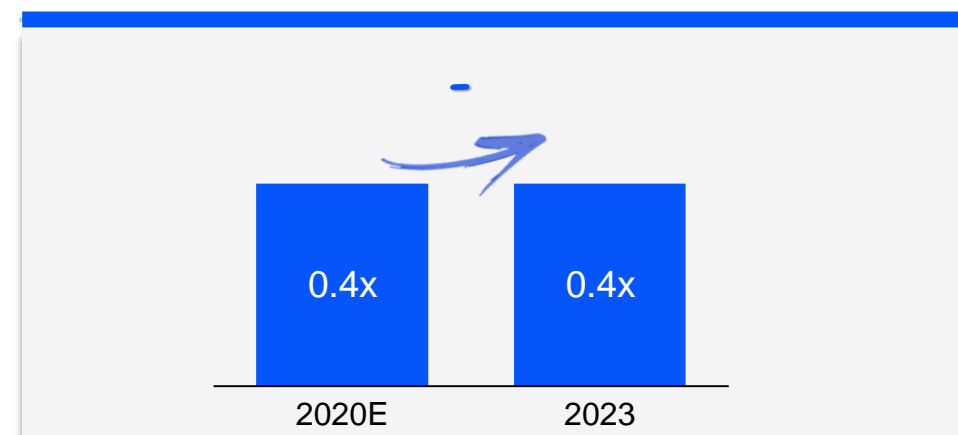
### EBITDA<sup>(1)</sup>



### Net Income



### Net Income / EBITDA<sup>(1)</sup>



(1) 2020E Ebitda like for like net of provisions  
(2) 2020E figure like for like net of provisions

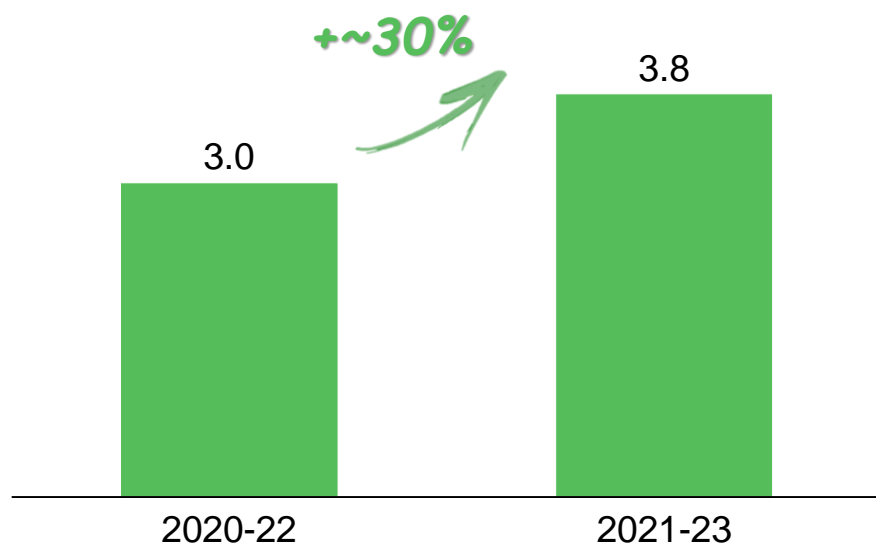
(3) Net Ordinary Income

# Decarbonization

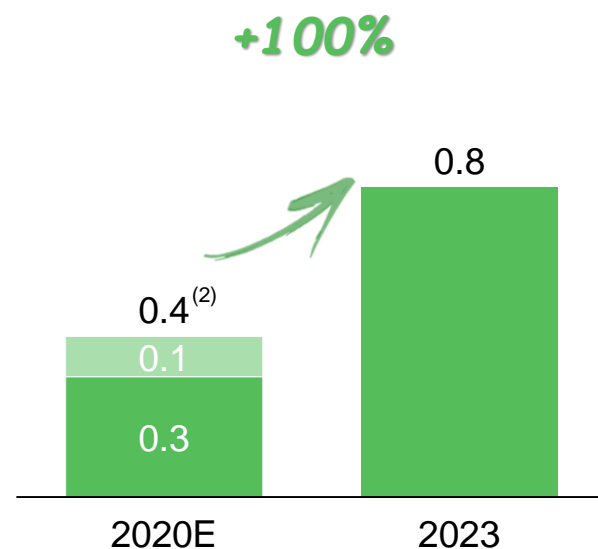
## Renewables



Cumulated capex<sup>(1)</sup>, €bn



EGPE gross margin evolution, €bn



	2020E	2023
Opex/MWh (€/MWh)	16	12
EBITDA/Capex (%)	11%	11%

**Capex acceleration drives gross margin growth and efficiencies**

(1) Includes maintenance capex, BESS and H<sub>2</sub>.

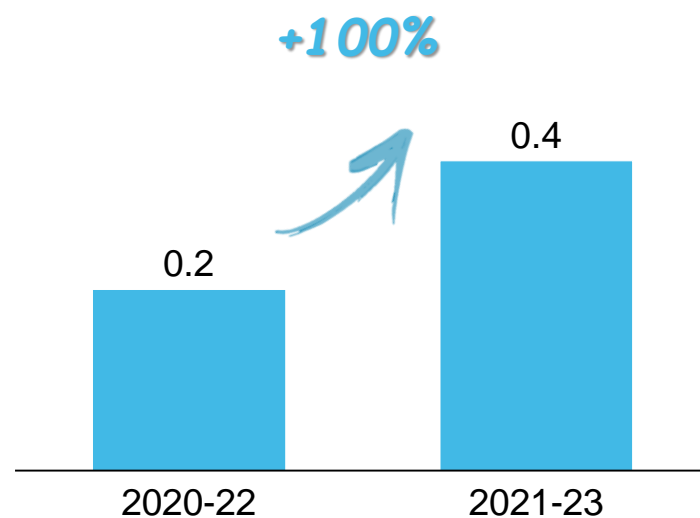
(2) Managerial margin, including 0.1 €bn from renewables contribution to the integrated margin. EGPE includes wind, solar and mini hydro. It excludes large hydro.

# Electrification

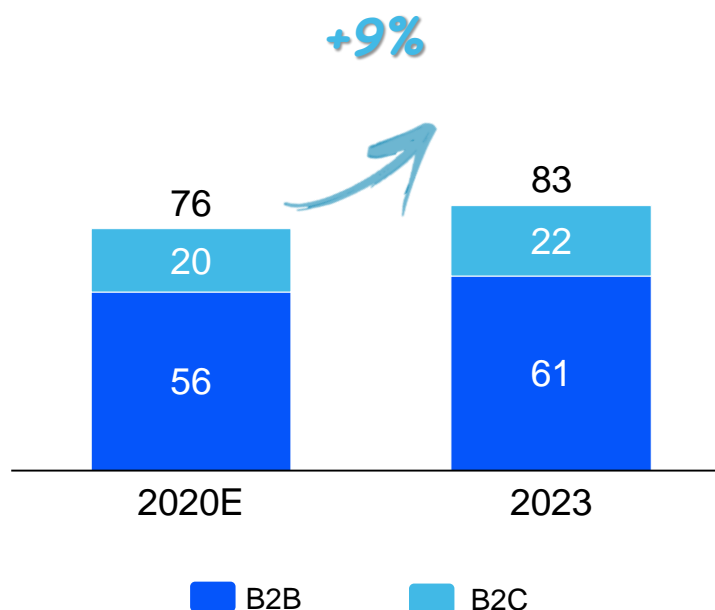
Energy management



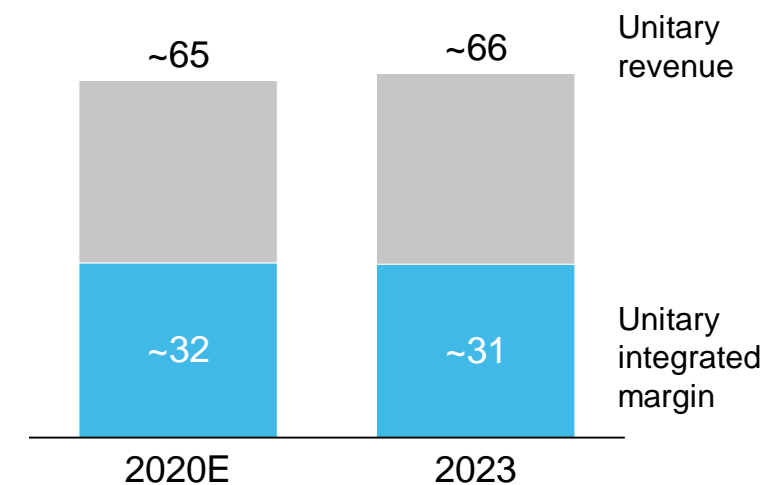
Retail cumulated capex, €bn



Liberalized sales<sup>(1)</sup>, TWh



Power integrated margin<sup>(2)</sup>, €/MWh



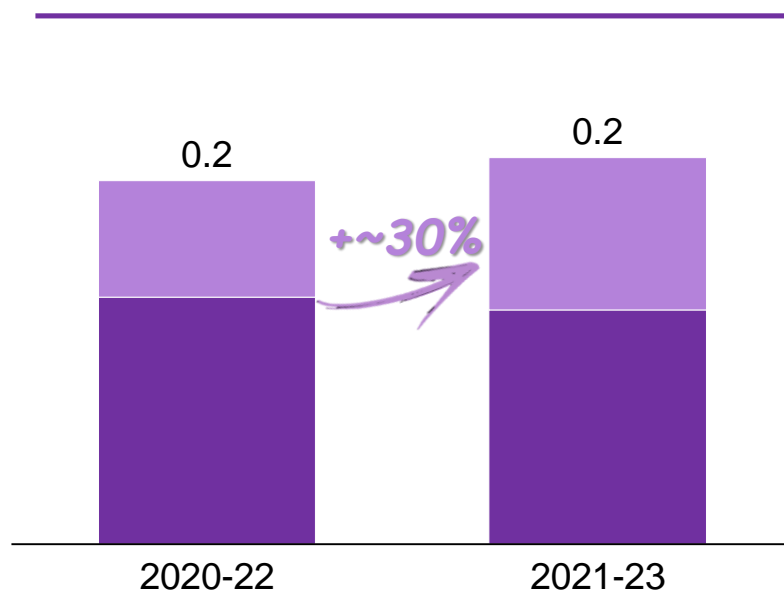
**Customer strategy providing a resilient integrated margin**

(1) Liberalized sales considered in integrated margin. Excluded international sales (2.6 TWh in 2020E and 2.7 TWh in 2023). (2) Includes Generation and Supply margin

# Endesa X

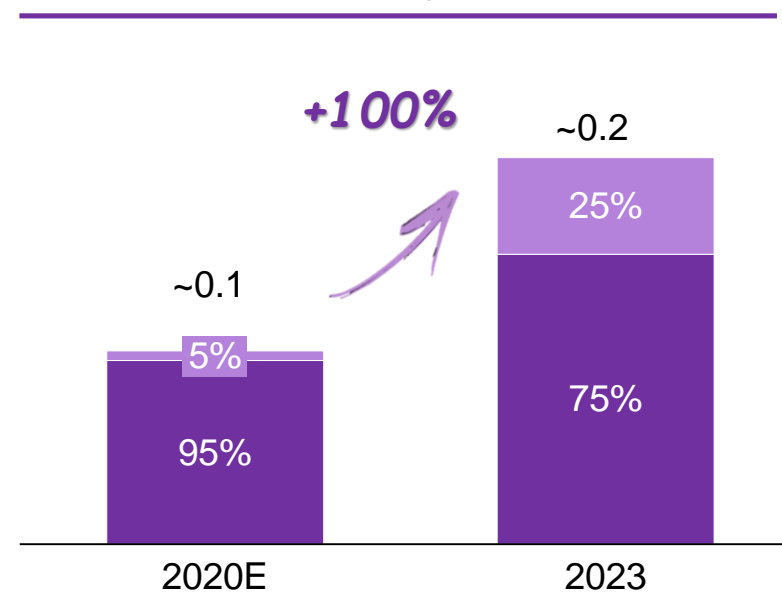


Cumulated capex, €bn



E-mobility capex ~0.1 €bn

Gross margin, €bn



■ Mature business<sup>(2)</sup> ■ Growth business<sup>(1)</sup>

**Evolving towards high potential growth solutions**

(1) Growth business: e-mobility and high potential growth products & services  
(2) Mature business: e-home, e-industry and e-City except products & services with high potential growth



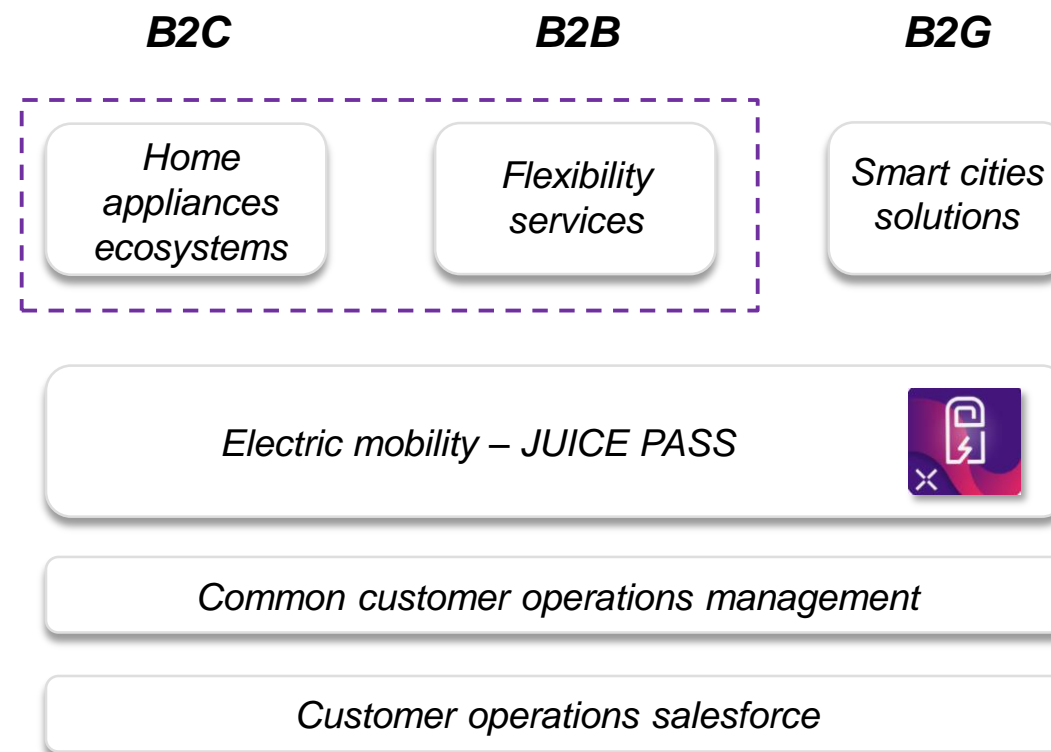
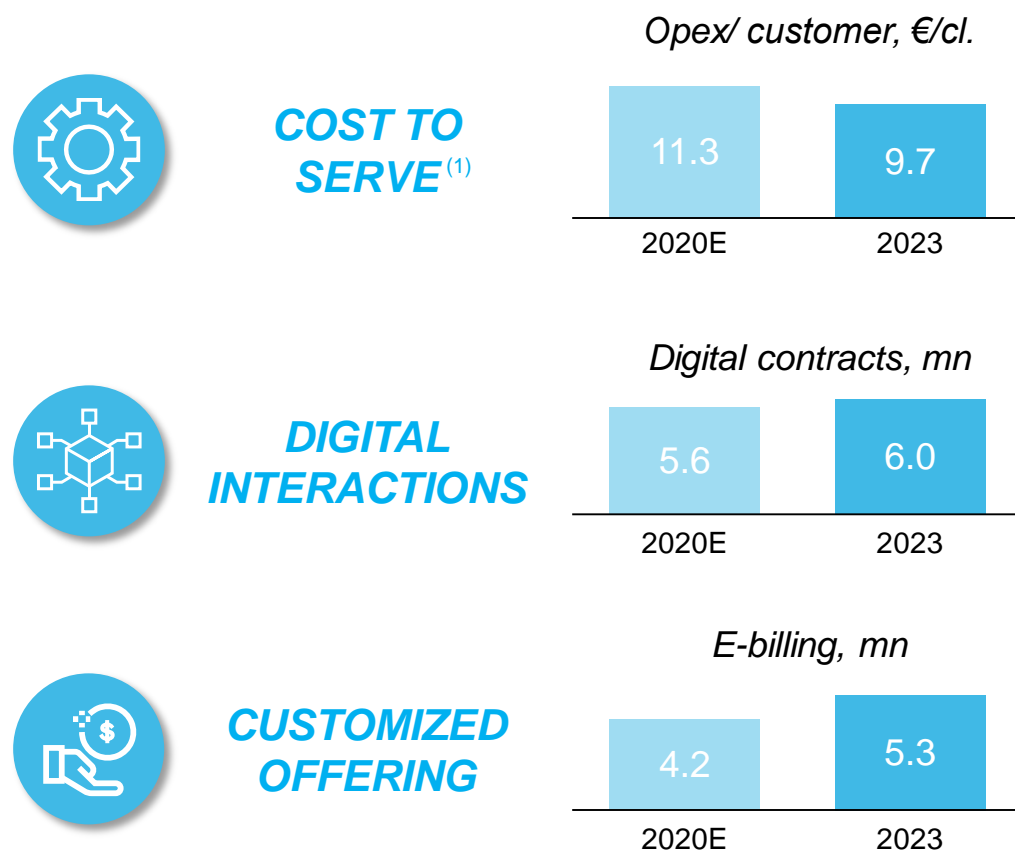
# Electrification

Digital new platforms enhancing interaction with clients



## Operating platform for customers

## Customer segments covered by Endesa X platforms



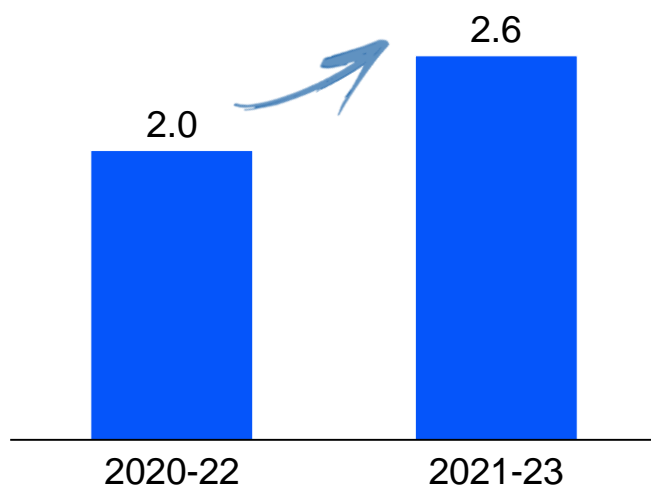
(1) Power and gas. Including Social Bonus (2020E Cost to serve excluding Social Bonus: 10.4 €/customer)

# Infrastructures & Networks



Cumulated Gross Capex<sup>(1)</sup>, €bn

+30%



Net Capex, €bn

1.5

2.2

+47%

Digital Capex, €bn

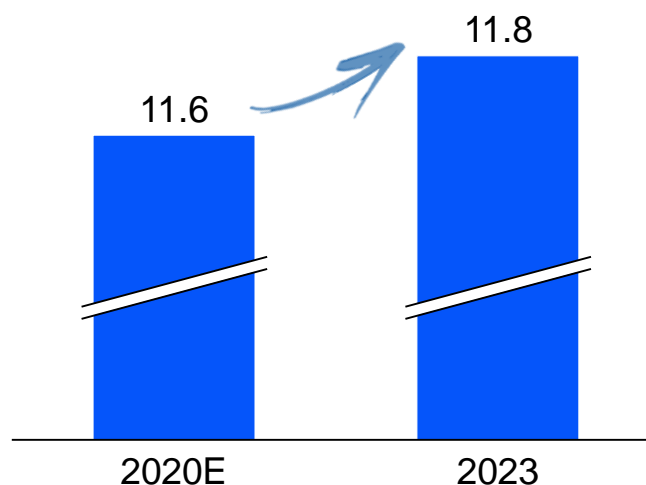
0.8

1.3

+63%

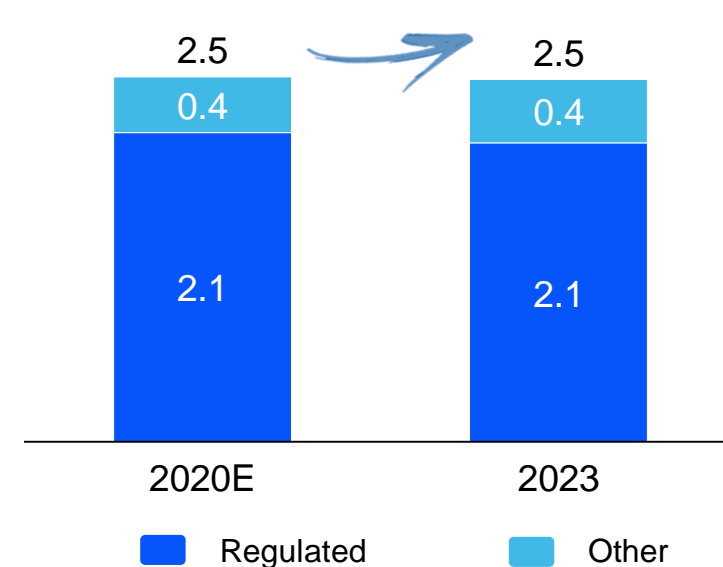
RAB, €bn

+2%



Networks gross margin evolution, €bn

-



**30% capex growth driving RAB increase**

(1) Includes client contributions.

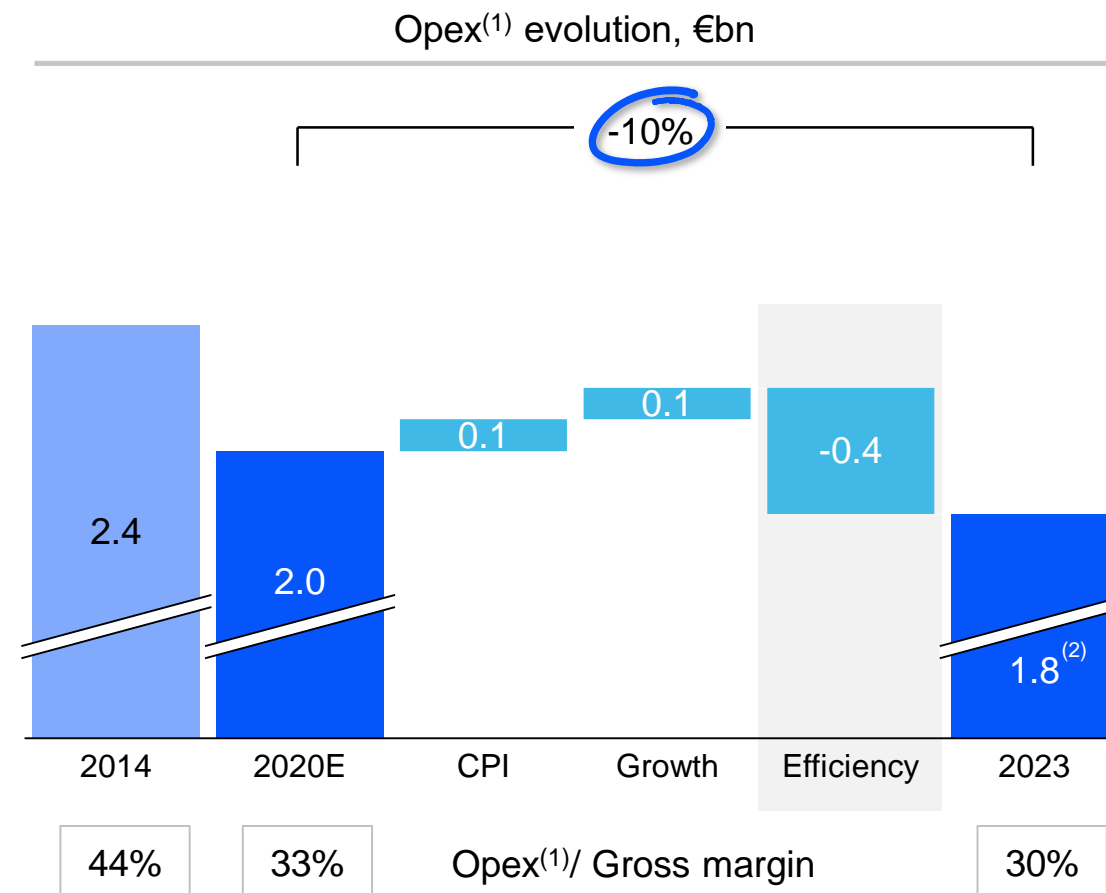
# Efficiency program



Strategic actions

Workforce optimization related to **coal phase out**

Efficiency improvements from **digitalization, platformization** and **process optimization**



**Decarbonization and platformization provide further efficiencies**

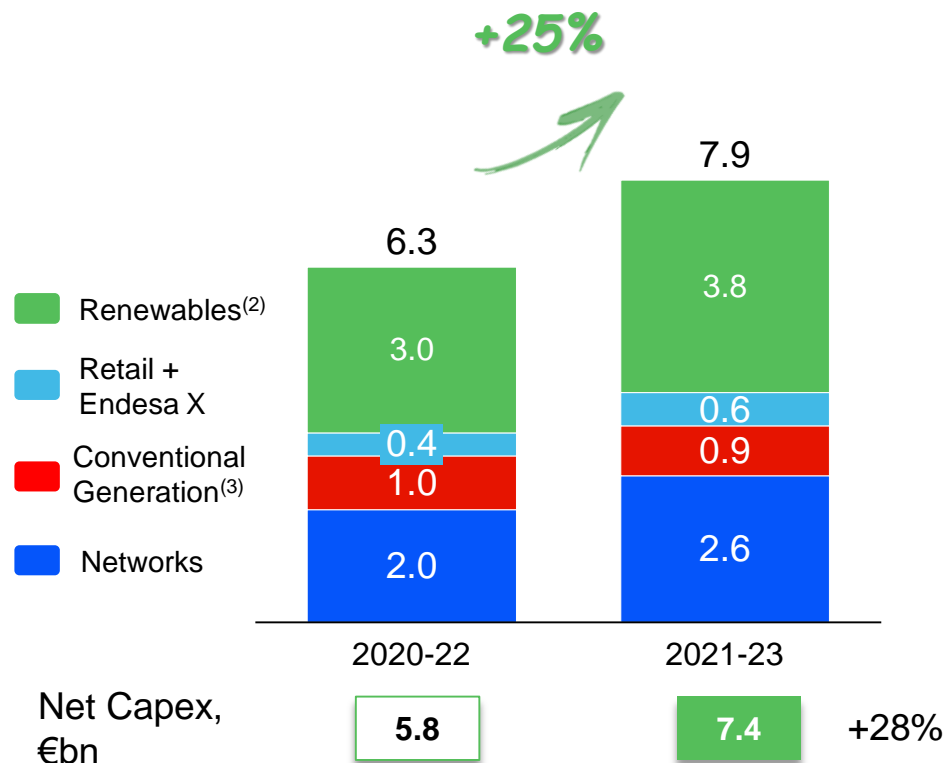
(1) Opex: Total fixed costs in nominal terms (net of capitalizations)

(2) Not including non-recurrent expenses

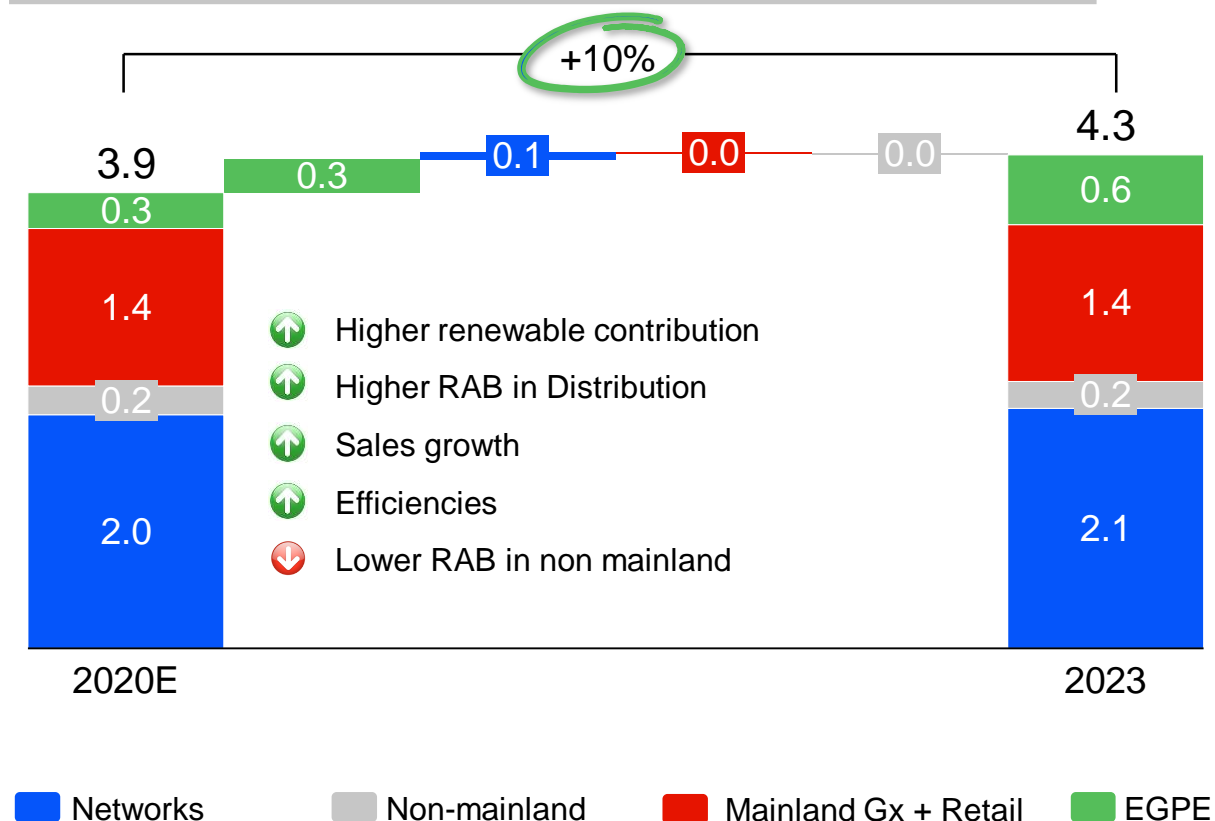
# Key Financial Indicators



Gross capex by business, €bn



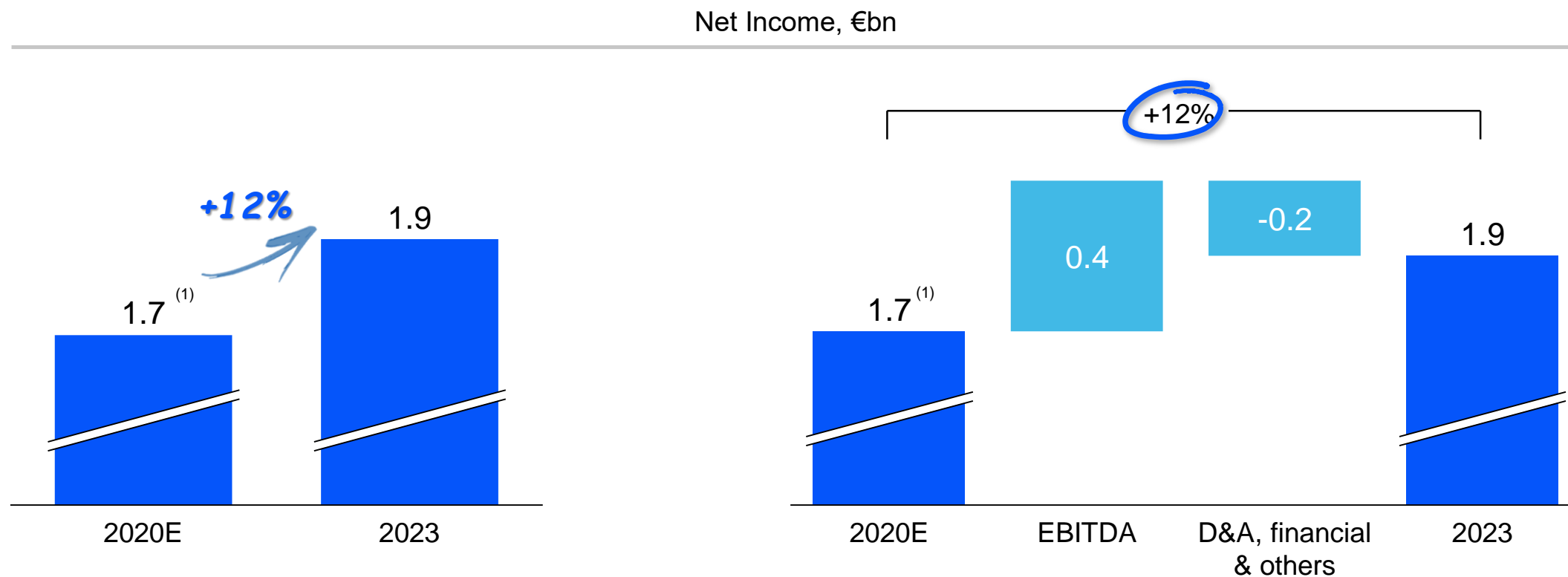
EBITDA<sup>(1)</sup> by business, €bn



**25% increase in total capex supports +10% EBITDA growth**

(1) 2020E Ebitda like for like net of provisions  
 (2) Renewables capex includes maintenance, BESS and H<sub>2</sub> investments  
 (3) Includes Gross Capex in non mainland

# Key Financial Indicators



**12% increase in Net Income supported by EBITDA growth**

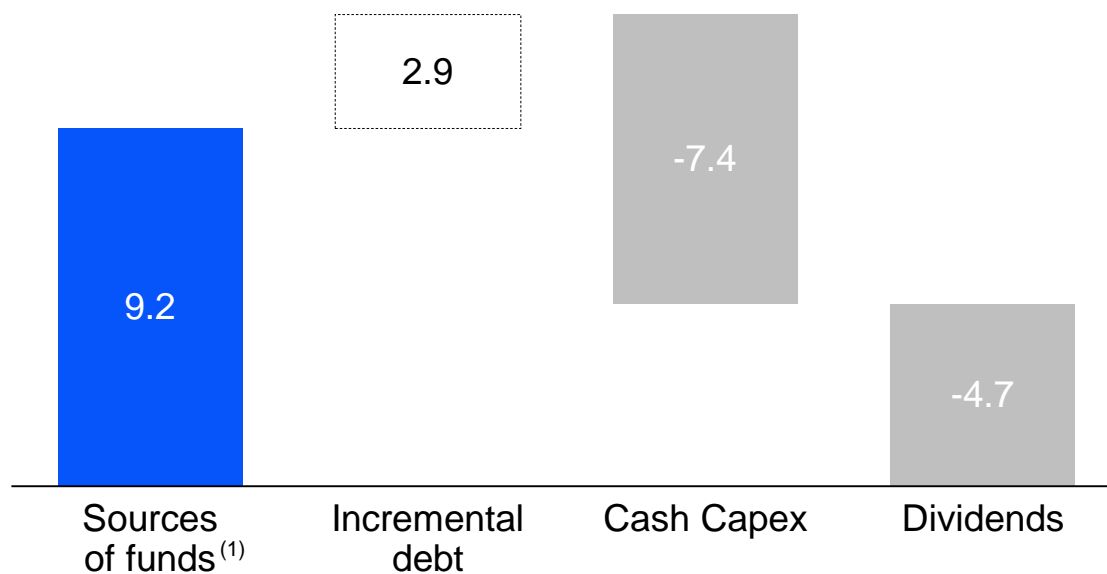
(1) Net of provisions (Provisions: 0.3 €bn)

# Key Financial Indicators

## Debt analysis



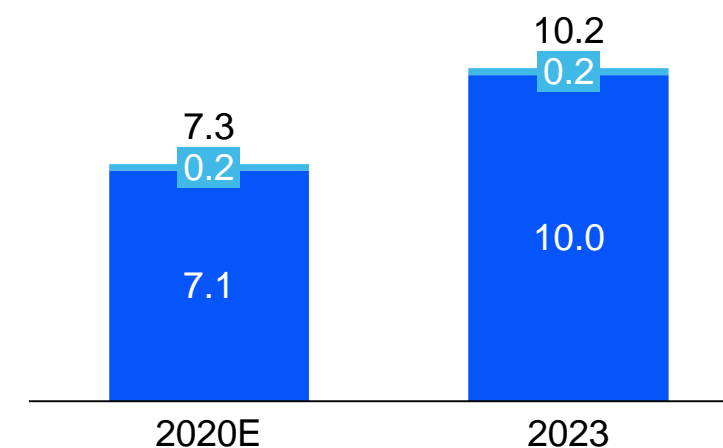
Source of funds allocation 2021-23, €bn



Old plan  
2020-22

Sources of funds <sup>(1)</sup>	Incremental debt	Cash Capex	Dividends
9.1	1.4	-5.8	-4.7

Gross debt, €bn



■ Net Debt ■ Cash & Equivalents

Cost of debt

1.8%

1.4%

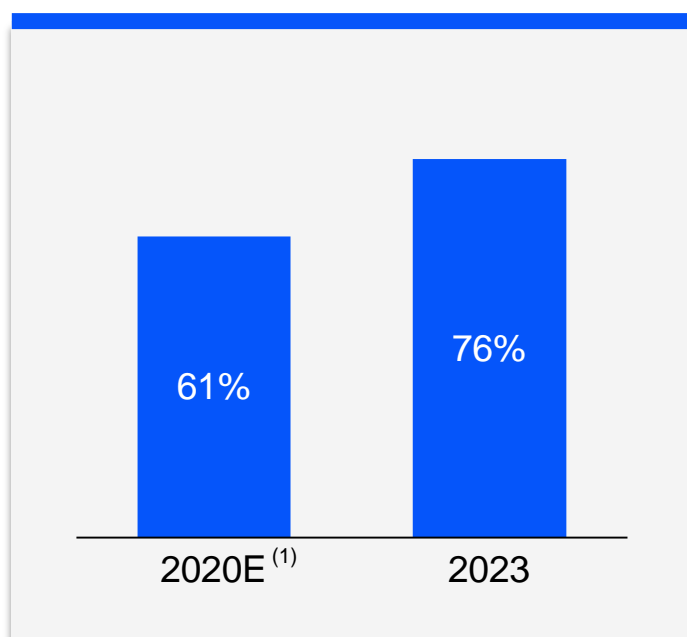
**Increase in net debt to boost growth, leveraging on extremely low cost of debt**

(1) Includes FFO, IFRS 16 effect and Others

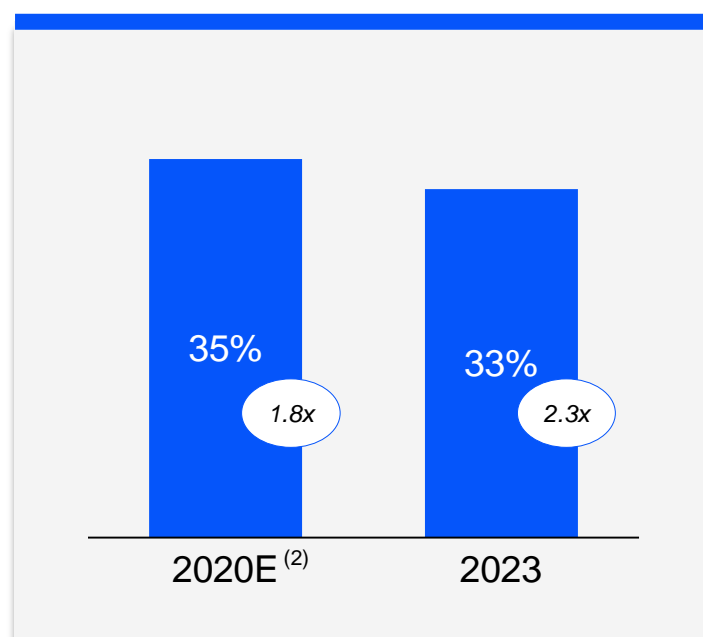
# Credit metrics



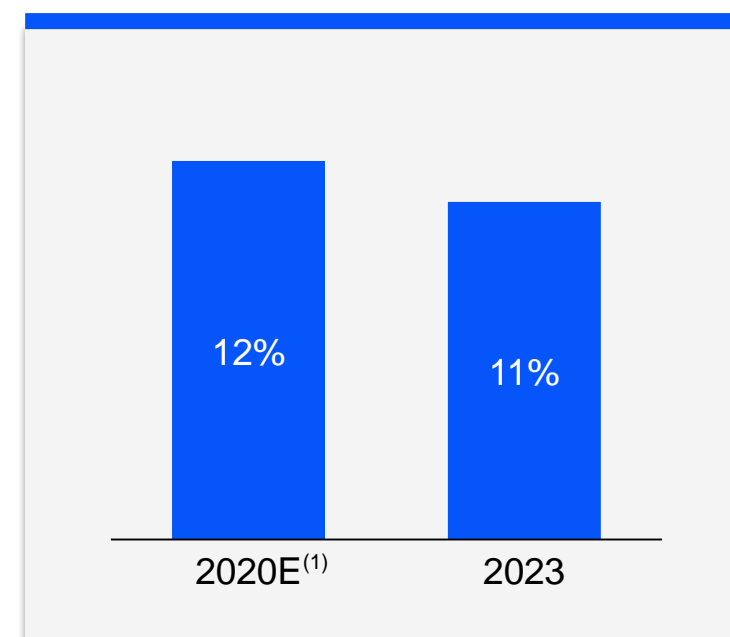
## FFO/EBITDA



## FFO/Net Debt



## Return on invested capital



○ Net debt/EBITDA

**Strong investment effort for long term sustainable value creation**

(1) Calculated on Net Income and EBITDA net of provisions

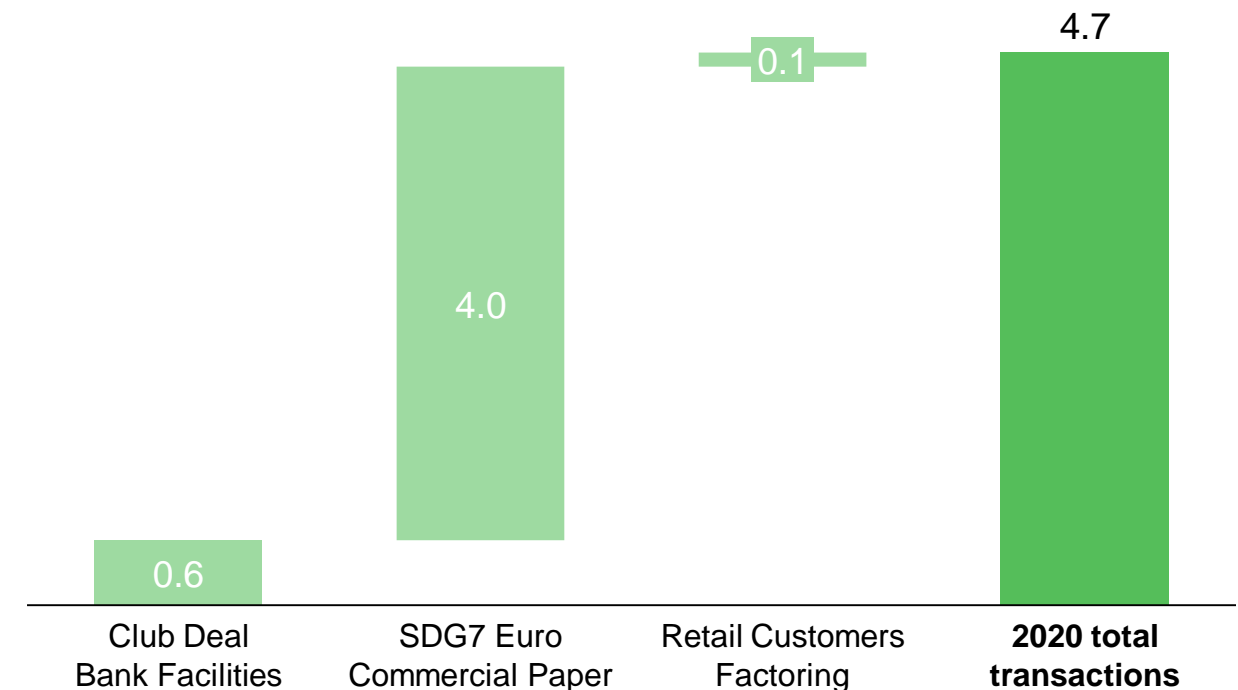
(2) Calculated on EBITDA net of provisions

# Sustainable finance

An ambitious approach to sustainable finance instruments



2020 Sustainability linked transactions, €bn



Strategic actions

First listed sustainable finance corporate ECP Program in Europe

Growing relevance of sustainability linked instruments

Expanding sustainability approach to other short term and working capital instruments

**Strategy alignment and active role in promoting sustainability**

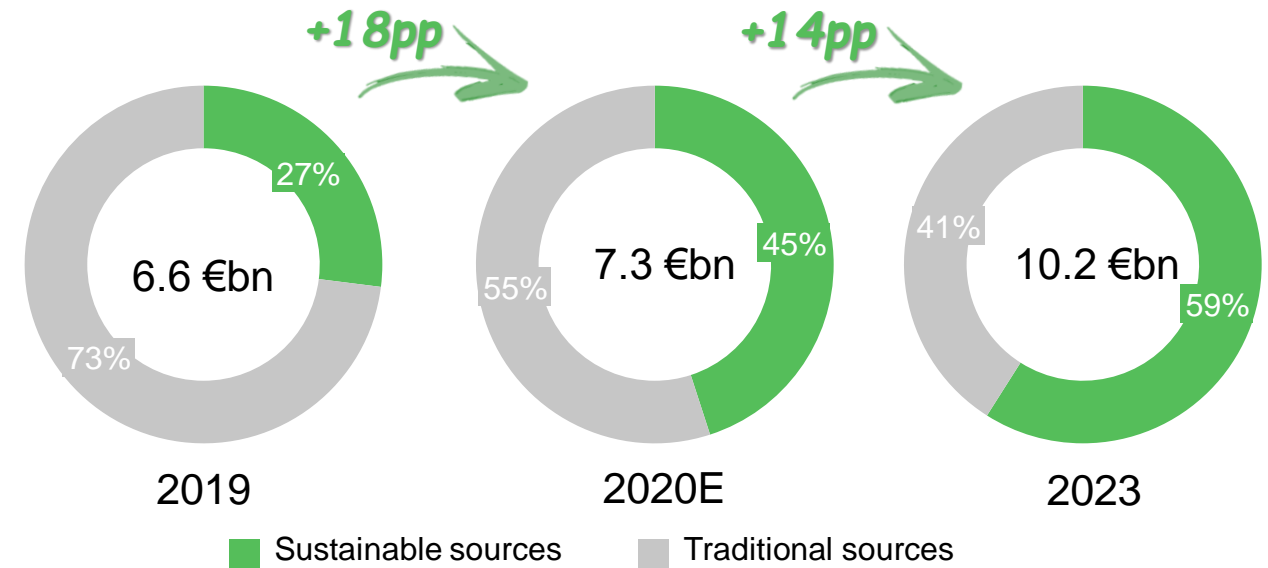


# Sustainable finance

Growing weight of sustainable debt



Share of sustainable debt



Strategic actions

Sustainable finance as an instrument to engage **stakeholders**

Expanding initiatives across diverse **ESG goals**

Potential opportunities from **EU recovery plan**

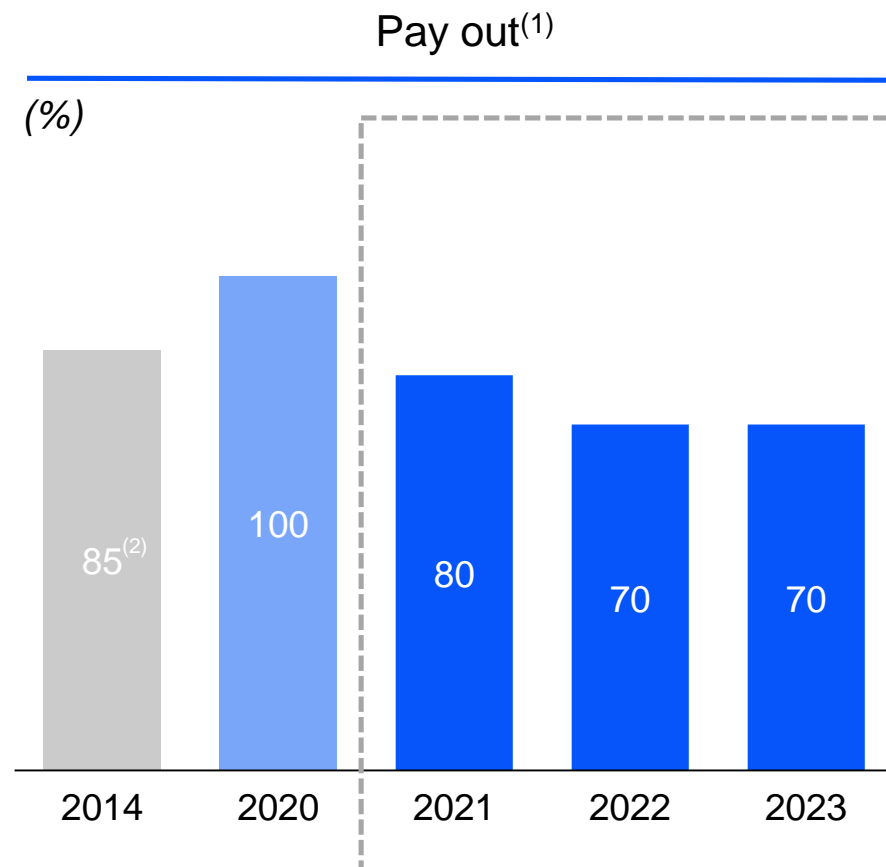
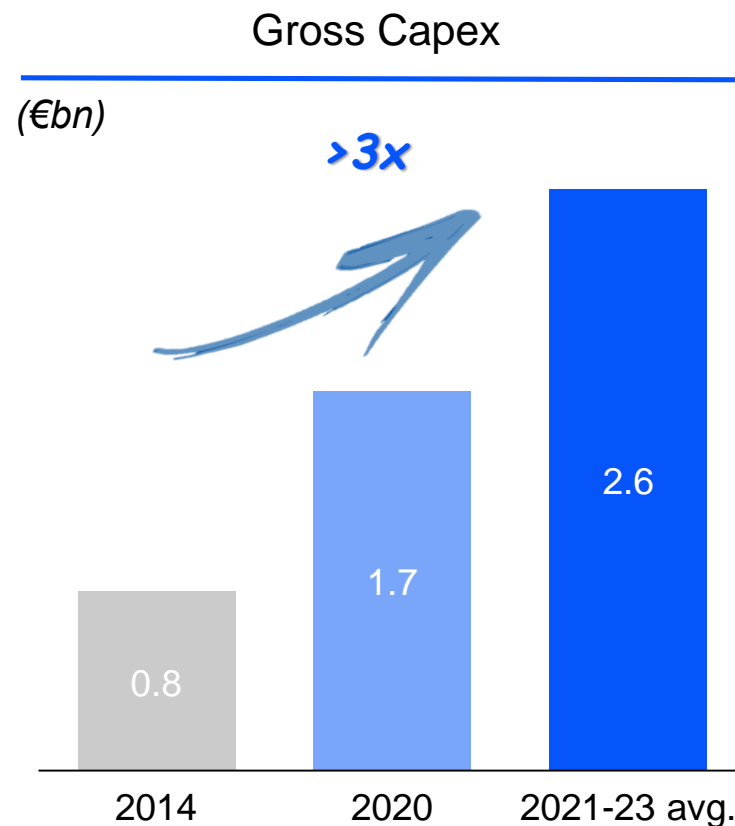
**Sustainable finance representing ~60% of total gross debt by 2023**



# Closing remarks

José Bogas  
CEO

# Creating value for our shareholders



**Dividend policy confirmed and in line with a more ambitious growth profile**

(1) On Net Ordinary Income

(2) Equivalent pay out referenced to 2014 Net Income from ongoing activities

# Closing Remarks

## Financial Targets



	2020E	2021	2022	2023	CAGR 2020E-23
<b>EBITDA</b> lfl (€bn)	3.9 <sup>(1)</sup>	4.0	4.1	4.3	+3%
<b>Net Ordinary Income</b> <sup>(2)</sup> (€bn)	2.0	1.7	1.8	1.9	
<i>Net income</i> lfl <sup>(3)</sup> (€bn)	1.7	1.7	1.8	1.9	+4%
<b>Pay out</b> (%)	100%	80%	70%	70%	
<b>Implicit DPS</b> (€/share)	~1.9 <sup>(4)</sup>	~1.3	~1.2	~1.3	
<b>Implicit Dividend Yield</b> <sup>(5)</sup>	7.8%	5.4%	5.0%	5.4%	
<b>Gross Capex</b> (€bn)		2.0	3.0	2.9	<b><u>Σ 2021-23</u></b> <b>7.9</b>

- (1) 2020E like for like EBITDA excluding +515 €mn of provision reversal from the commitments contained in the new collective agreement, -159 €mn of additional provision recorded for workforce restructuring plans and -213 €mn of initial net accrual personnel costs due to restructuring plans relating to the decarbonization process.
- (2) Reported Net Income - Net Results on Impairment of Non-Financial Assets over 10 €mn – Initial net accrual of personnel costs due to restructuring plans relating to the decarbonization process - Net Costs corresponding to the Public Responsibility Plan for the Health Crisis COVID-19.
- (3) Estimated Reported Net Income adjusted by net provisions effect (107 €mn)
- (4) 2020E implicit DPS corresponding to a Net Ordinary income of 2.0 €bn: ~1.9 €/share
- (5) Share price as of 18/11/20: 24.23€

# Closing Remarks



**Annual targets achieved since 2014**

**2030 vision focused on decarbonization, enabling infrastructures, electrification and customer centricity**

**Digital platform development for a unique energy value proposal**

**Sound investment acceleration into the Energy Transition**

**Sustainability and circular strategy delivering long term value creation**



# Appendix

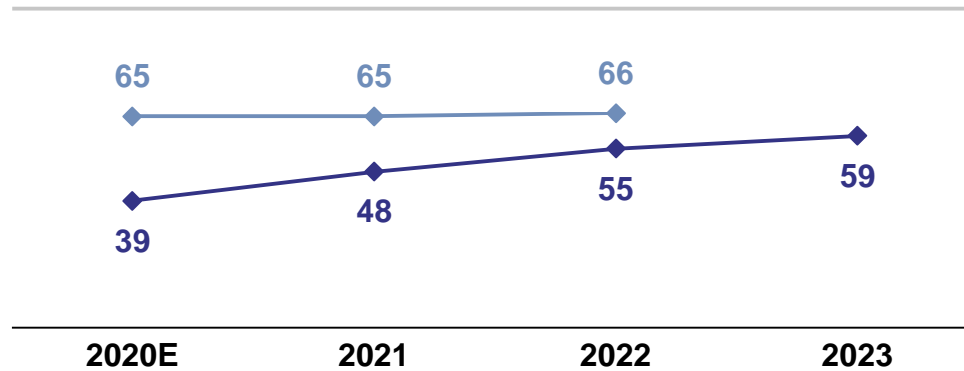
# Key Financial Indicators

Commodity overview and update to latest market consensus

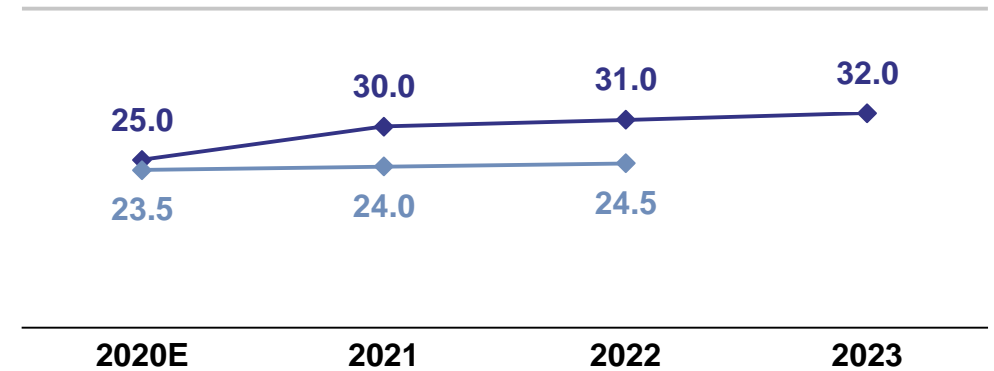


◆ 2021-23 plan  
◆ 2020-22 plan

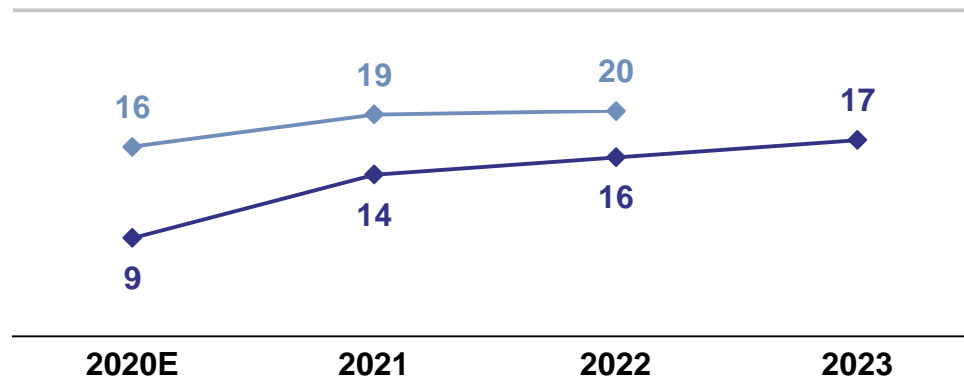
Brent price, \$/bbl



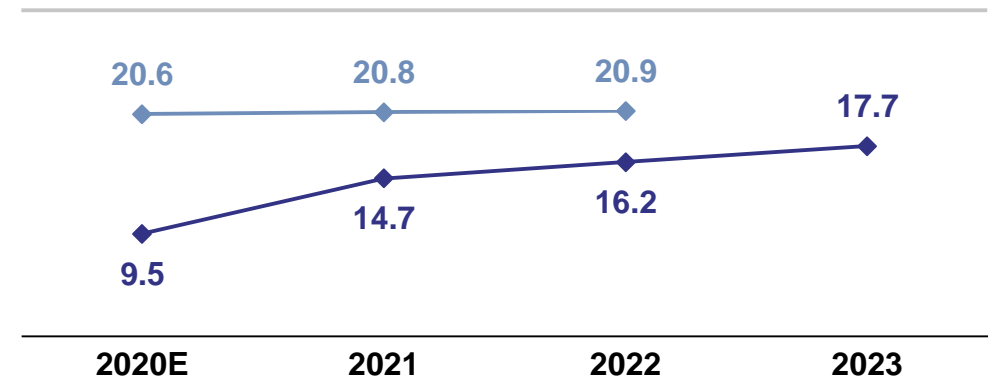
CO<sub>2</sub> price, €/ton



TTF, €/MWh



PVB, €/MWh

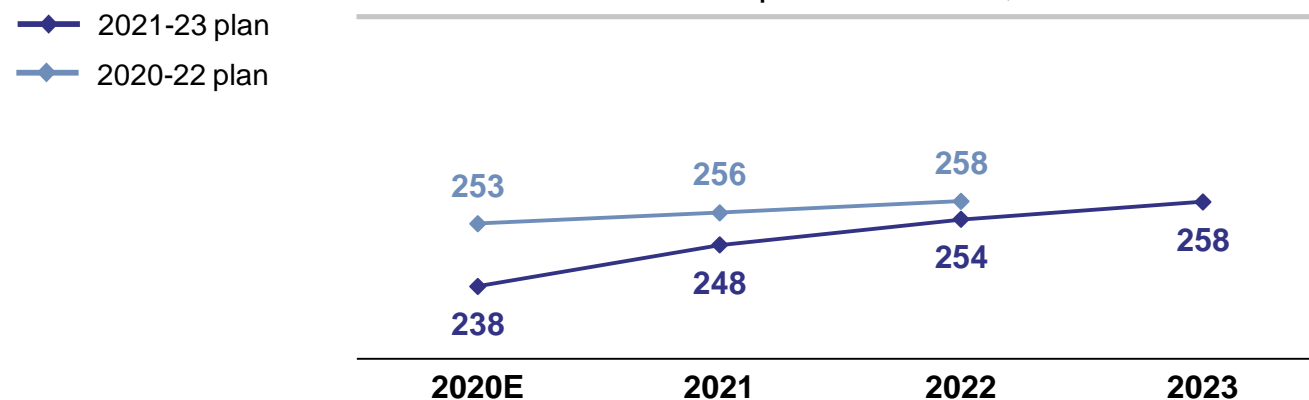


# Key Financial Indicators

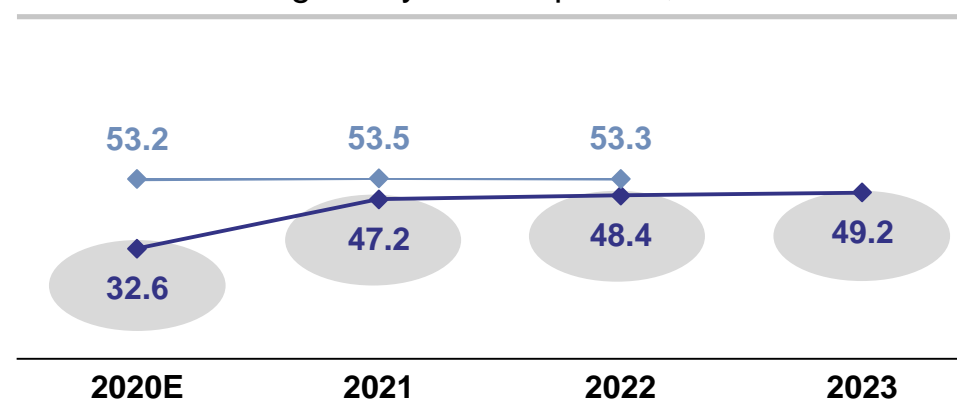
Power market overview and update to latest market consensus



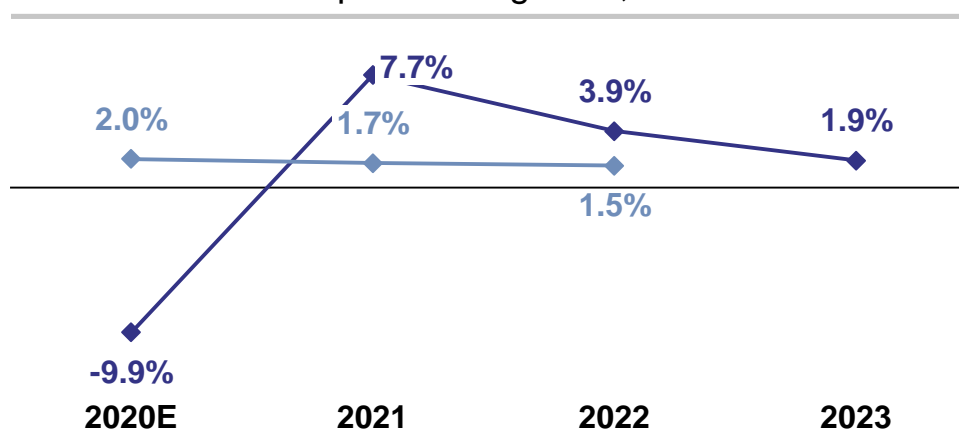
Mainland Spain demand<sup>(1)</sup>, TWh



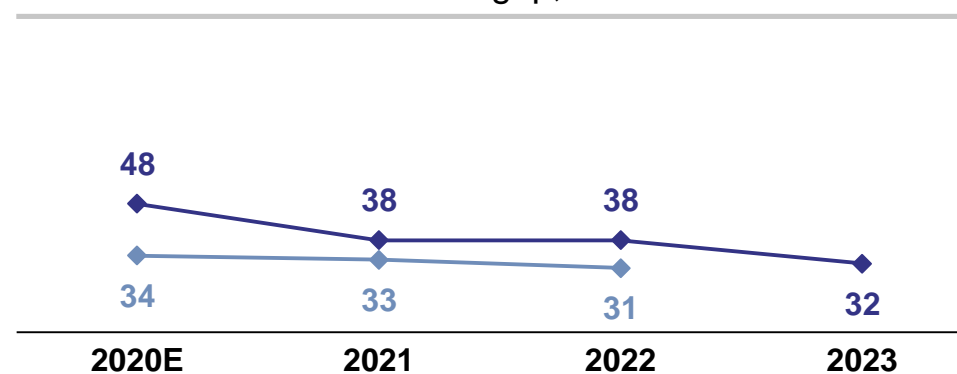
Average daily market price<sup>(2)</sup>, €/MWh



Spain GDP growth, %



Thermal gap, TWh



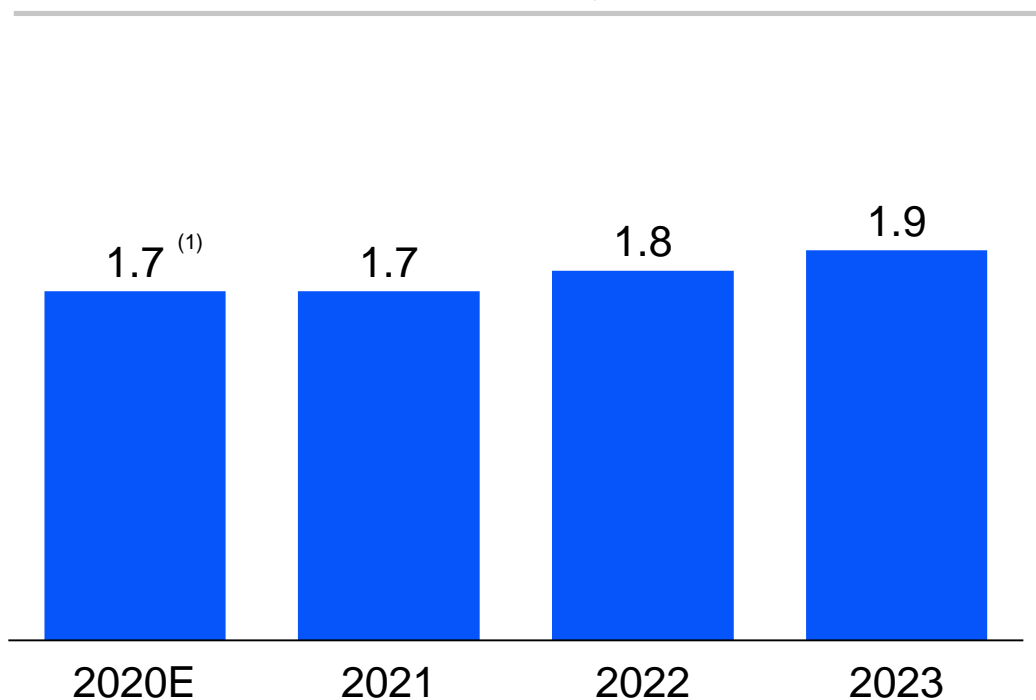
(1) In bus bars  
(2) Arithmetic power prices



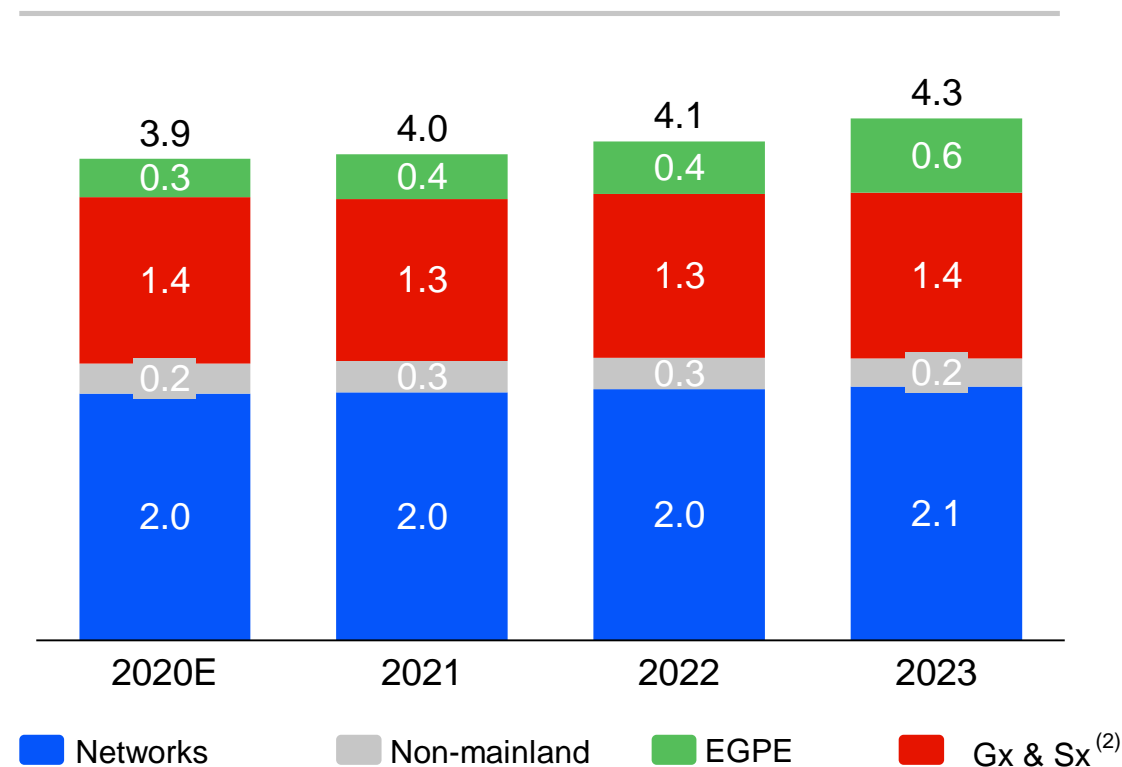
# Key Financial Indicators



Net Income per year, €bn



EBITDA per year<sup>(1)</sup>, €bn



(1) 2020E like for like EBITDA and Net Income. Rounded figures

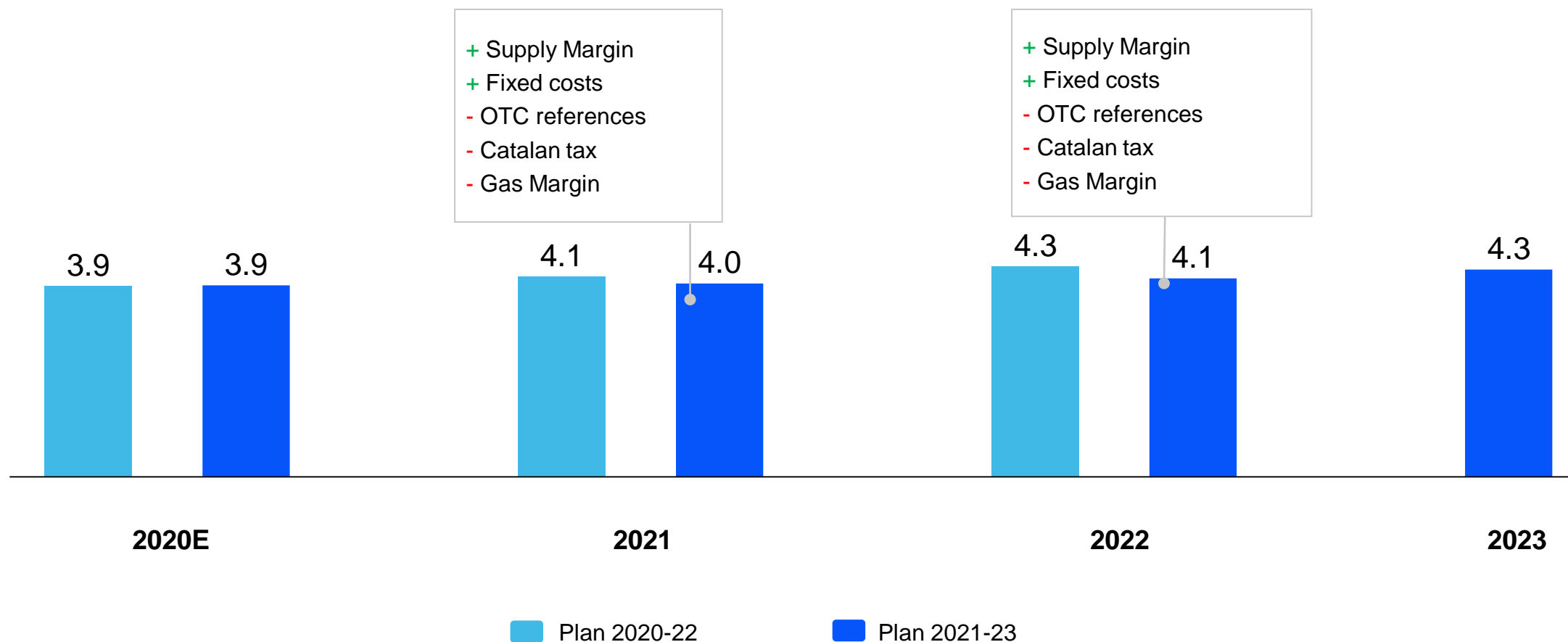
(2) Gx & Sx EBITDA figure includes Generation and Supply business, Corporate Structure, Services and Adjustments and does not include Non-mainland generation

# Key Financial Indicators

Comparison of old plan vs. updated plan



EBITDA, €bn

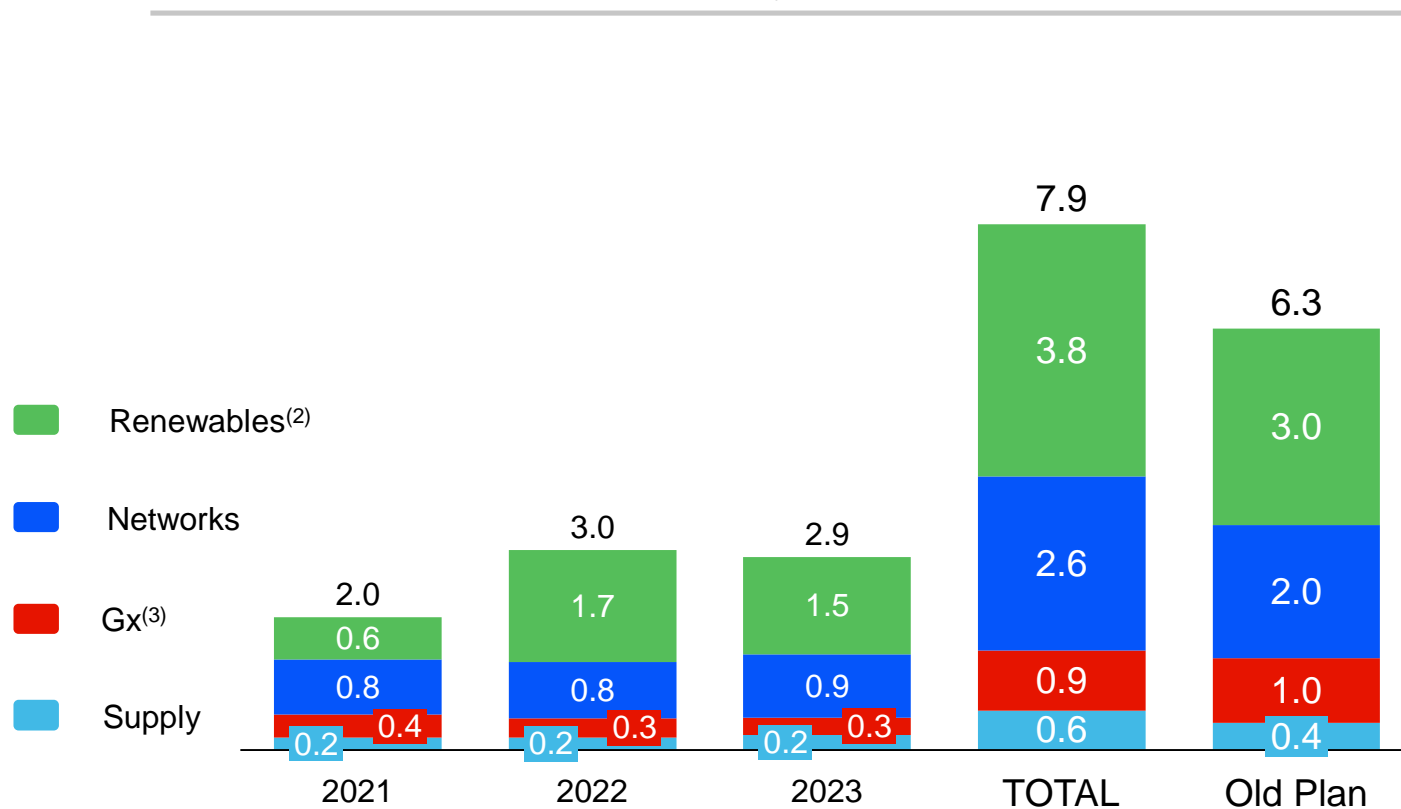


# Key Financial Indicators

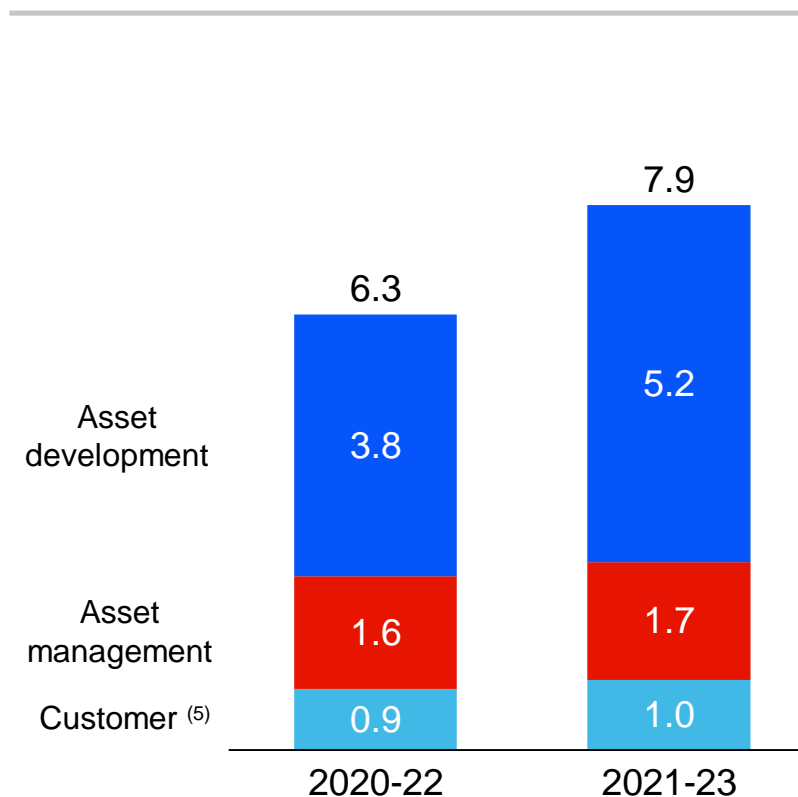
## Gross<sup>(1)</sup> Capex analysis



Gross Capex by business, €bn



Gross Capex by nature<sup>(2)</sup>, €bn



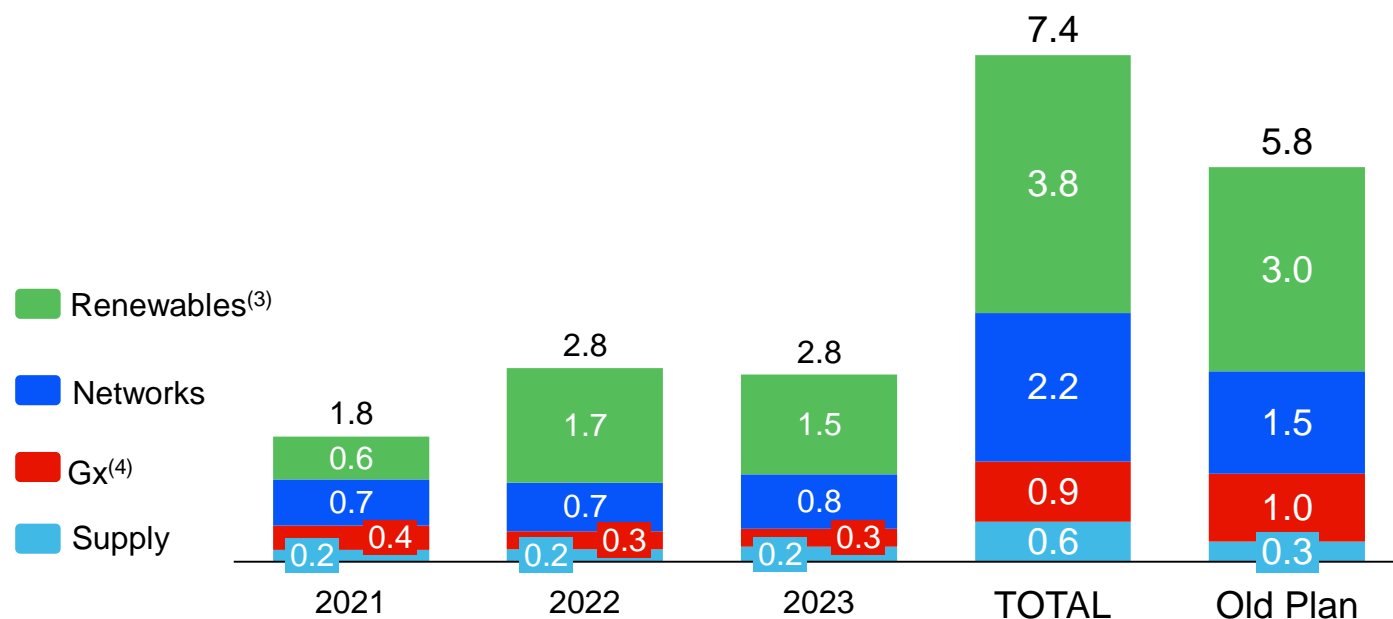
- (1) Includes client contributions
- (2) Rounded figures
- (3) Renewables capex includes maintenance, BESS and H<sub>2</sub> investments
- (4) Includes Capex in non mainland
- (5) Customer capex includes Cost to Acquire new customers, Connections and Investments associated with new services.

# Key Financial Indicators

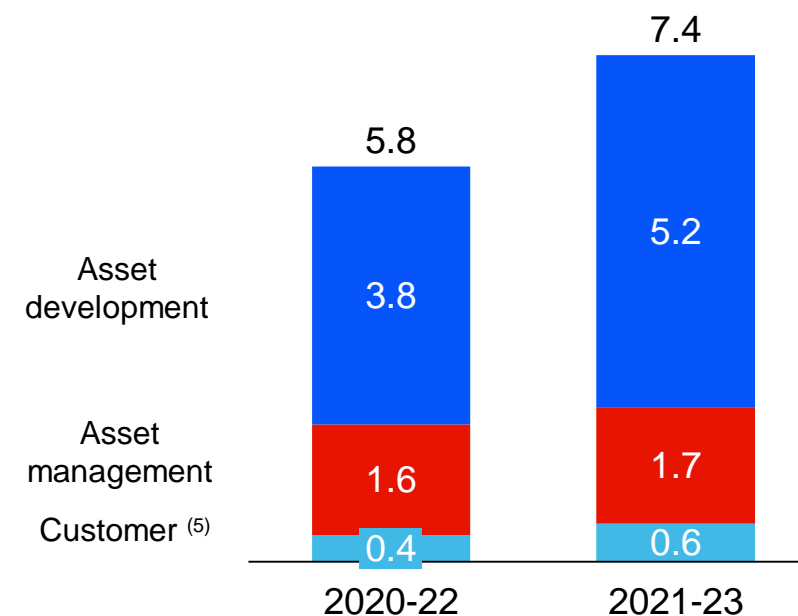
## Net<sup>(1)</sup> Capex analysis



Net Capex by business<sup>(2)</sup>, €bn



Net Capex by nature<sup>(2)</sup>, €bn



(1) Not including client contributions

(2) Rounded figures

(3) Renewables capex includes maintenance, BESS and H<sub>2</sub> investments

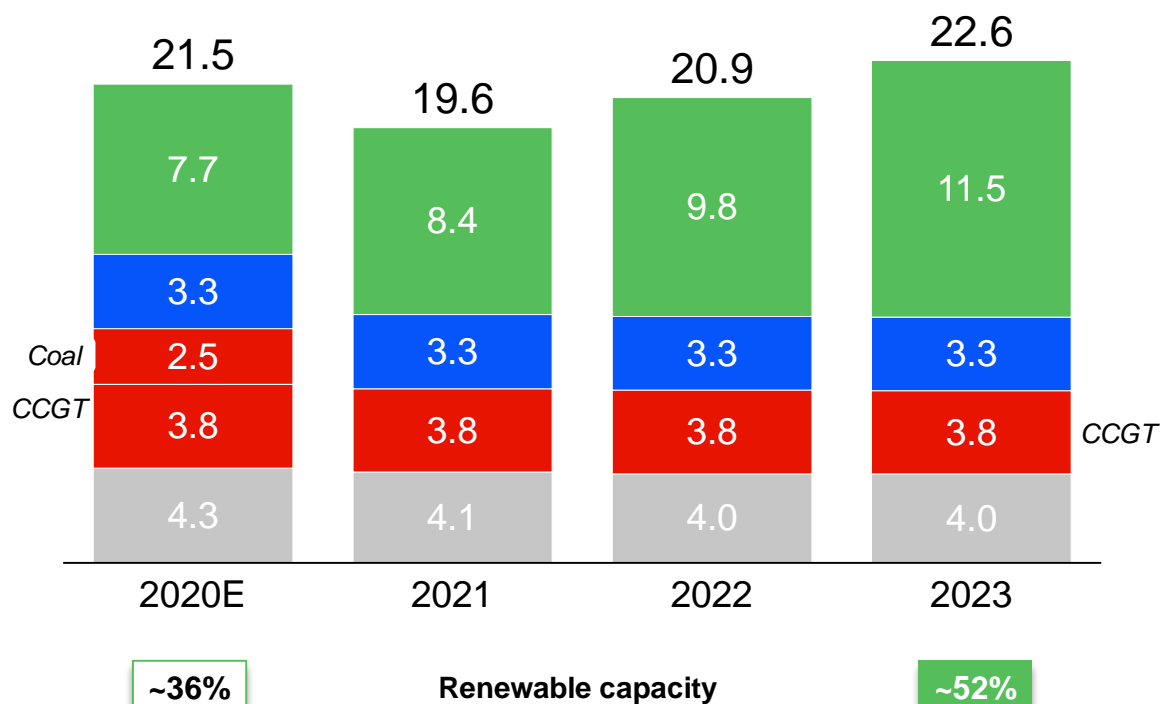
(4) Includes Capex in non mainland

(5) Customer capex includes Cost to Acquire new customers, Connections and Investments associated with new services.

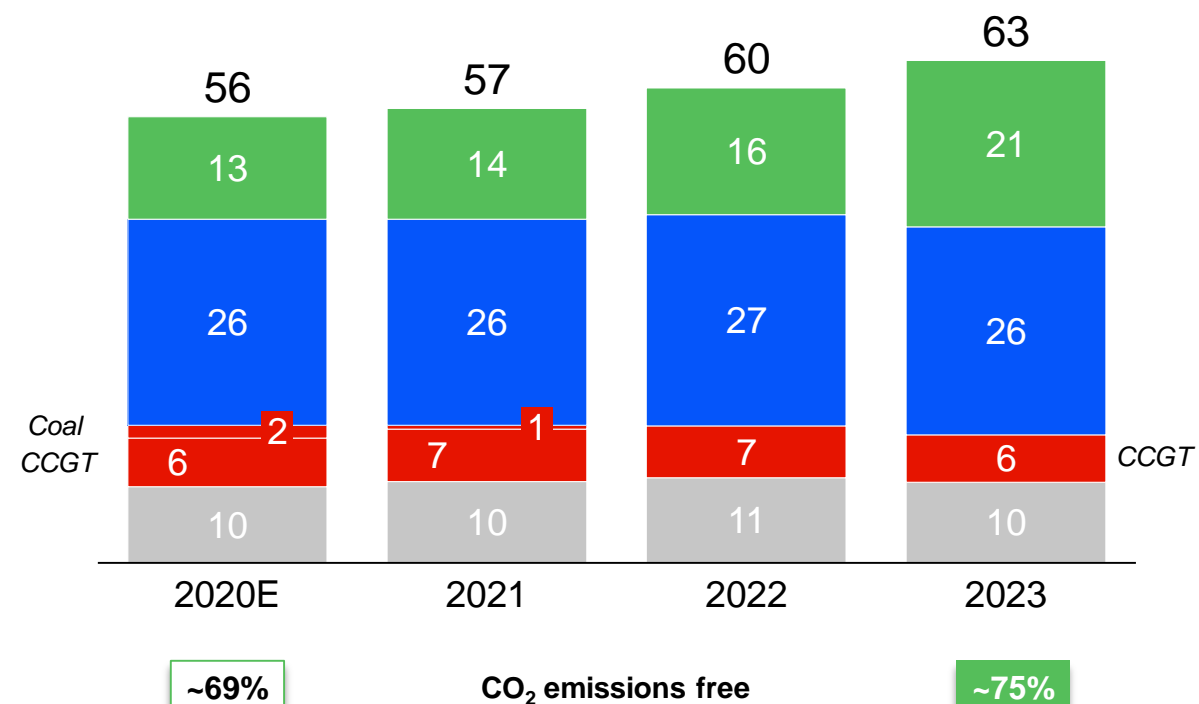
# Net capacity and output evolution



Total capacity<sup>(1, 2)</sup>, GW



Total output<sup>(1)</sup>, TWh



RES Nuke Thermal Non mainland

(1) Rounded figures  
(2) BESS capacity not included (0.3 GW)

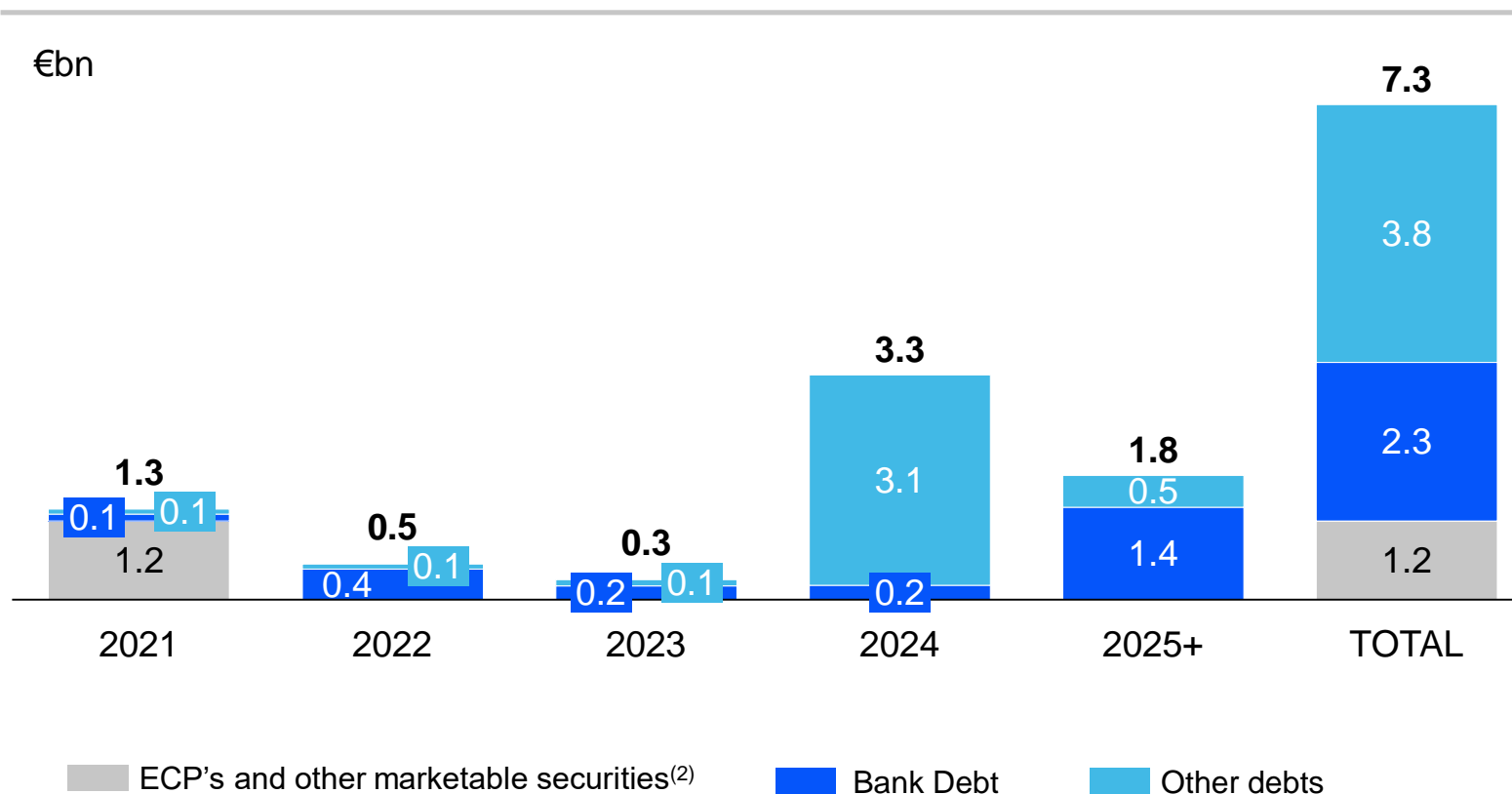
# Key Financial Indicators

## Financial debt maturity calendar



Gross balance of maturities<sup>(1)</sup>

€bn



- Average life of debt: 4.1 years
- Coverage of 15 months of debt maturities

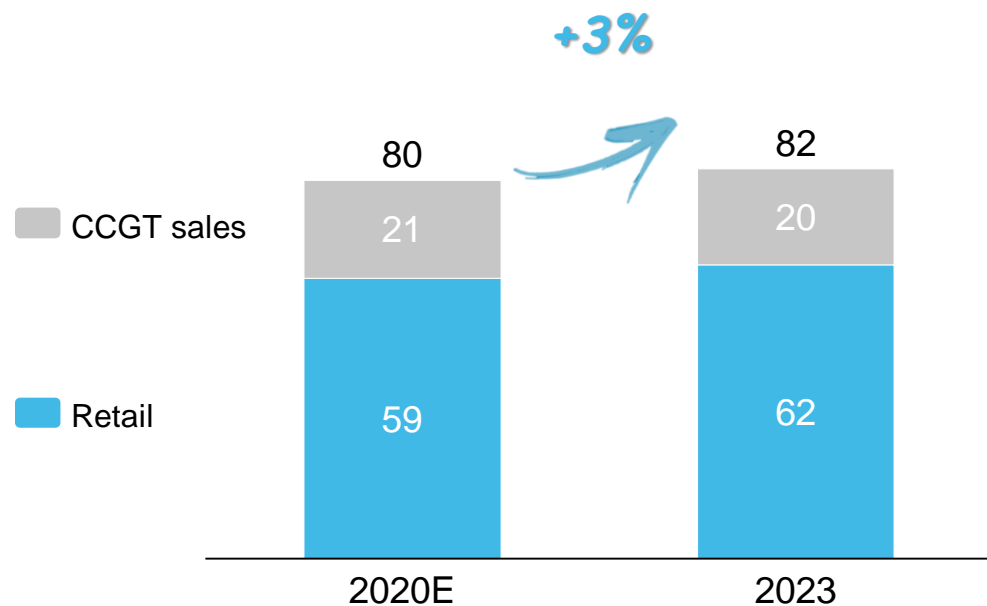
(1) Outstanding 2020E. Rounded figures.

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

# Gas business



Volumes sold 2020E-23<sup>(1)</sup>, TWh



Key figures<sup>(2)</sup>

	2020E	2023	Δ
Free customers (mn)	1.4	1.6	+14%
Regulated cust. (mn)	0.2	0.2	-
<b>Total customers (mn)</b>	<b>1.7</b>	<b>1.8</b>	<b>+6%</b>
Churn rate <sup>(3)</sup> (%)	10.9%	10.4%	-0.5 PP

(1) Not included Wholesale business

(2) Rounded figures

(3) Churn rate B2C and B2B free

# 2020E Spanish power market



## Customers

	Customers (mn)			Endesa market share <sup>(1)</sup>
	Regulated	Free	Total	
Business	0.3	0.8	1.1	34%
Residential	10.8	17.6	28.4	34%
Total	11.0	18.4	29.4	

Endesa Market Share<sup>(1)</sup>

43%

29%

## Energy sold

	Energy sold (TWh)			Endesa market share <sup>(1)</sup>
	Regulated	Free	Total	
Business	1.4	151.1	152.5	30%
Residential	26.1	54.7	80.8	32%
Total	27.5	205.8	233.3	

Endesa Market Share<sup>(1)</sup>

47%

33%

Internal estimate based on Forecast 2020 Regulated; % calculated on Total Regulated Market

Internal estimate based on Forecast 2020 Free; % calculated on Total Free Market.

(1) Portugal is not included





# Environmental, Social and Governance annexes



# Sustainability Plan

# Sustainable business model, driving change through growth accelerators



## 2021 – 2023 Sustainability Plan



\* Growth accelerators include innovation, digital supports, circular economy and sustainable finance



# Focus on People Centricity

# People we work with



## Plan actions

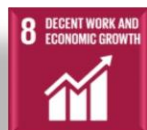
## 2020E

## 2021-23 targets

Gender - % of women in selection processes<sup>(1)</sup>

36% women involved in recruiting processes

50% women involved in recruiting processes



Climate survey<sup>(2)</sup>

- 100% of people involved
- 86% of people participating

- 100% of people involved
- 87% of people participating



Performance appraisal<sup>(2)</sup>

- 8,567 people involved
- 100% of eligible people

100% of people involved



Reskilling and upskilling – Promote and plan reskilling and upskilling programs for Endesa people in order to support the energy transition

(1) It excludes the selection processes involving the blue collars

(2) Eligible and reachable people having worked in the Group for at least 3 months during 2020

# Local and global communities



## Plan actions

2020E<sup>(1)</sup>

2030 targets<sup>(1)</sup>

High-quality, inclusive and fair education

0.3 mn beneficiaries

0.7 mn beneficiaries in 2030



Access to affordable and clean energy

1.9 mn beneficiaries

4.8 mn beneficiaries in 2030



Employment and sustainable and inclusive economic growth

0.6 mn beneficiaries

1.9 mn beneficiaries in 2030

(1) Cumulated figures since 2015

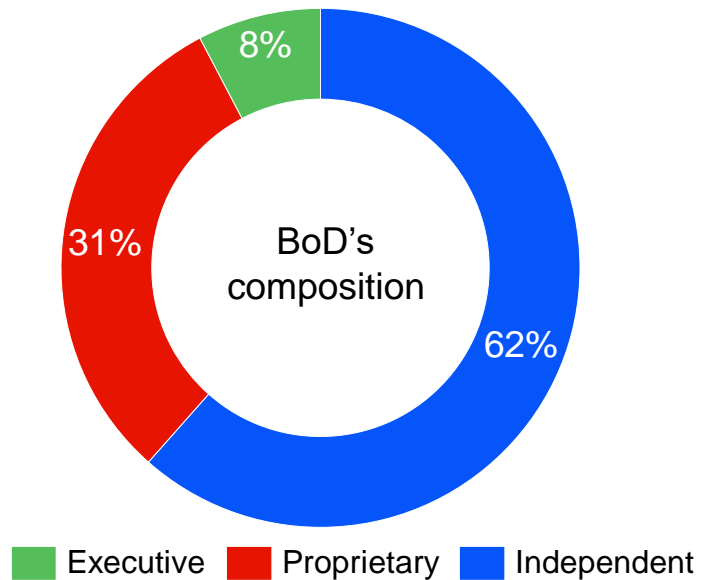


# Focus on Corporate Governance

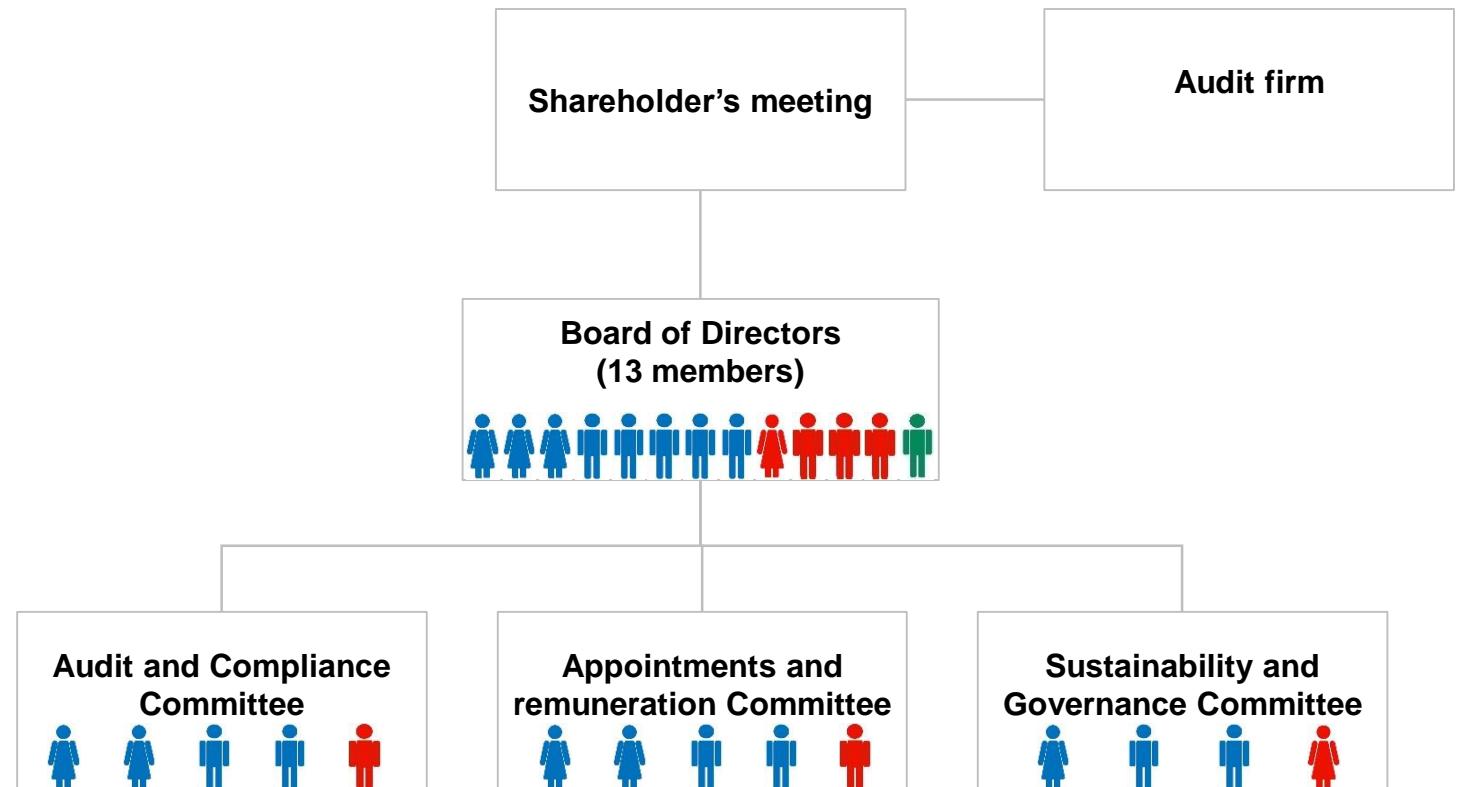
# Corporate governance structure



Composition



BoD and Committees





# Board of Directors composition

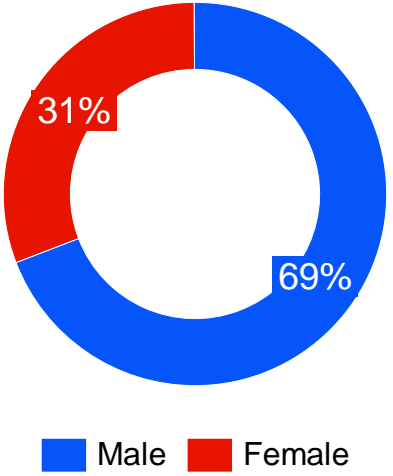


## Board of Directors

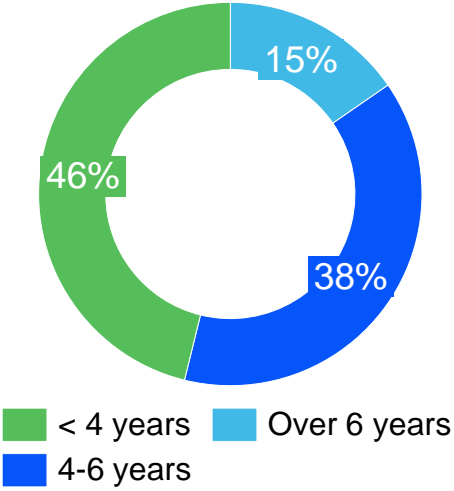
J. Sánchez-Calero	Chairman Sustainability & Governance C.	Proprietary
J. Bogas	CEO	Executive
P. Grieco	Sustainability & Governance C.	Proprietary
F. Starace	Vice Chairman	Proprietary
A. de Paoli	Audit & Compliance C.	Proprietary
A. Cammisecra	Appointments & Remuneration C.	Proprietary
M. Roca	Audit & Compliance C. Sustainability & Governance C.	Independent
A. Echevarría	Appointments & Remuneration C.	Independent
I. Garralda	Appointments & Remuneration C.	Independent
F. de Lacerda	Audit & Compliance C.	Independent
P. González	Audit & Compliance C. Appointments & Remuneration C.	Independent
E. Bieto	Audit & Compliance C. Appointments & Remuneration C.	Independent
A. Koplowitz	Sustainability & Governance C.	Independent

## Board of Directors' diversity

By gender



By tenure



Equality gender policies reaching 30% women already in 2020

# Short-term variable remuneration<sup>(1)</sup>

2020 Objective

Type of target



Macro objective

	Range	Weight		
Net ordinary income	Maximum 120%	25%	Economic	Profitability
FFO	Maximum 120%	15%	Financial	Cash and debt management
Fixed costs	Maximum 120%	20%	Economic	Efficiency
Decarbonization & Digitalization	Maximum 120%	20%	Business	Environmental
Safety in the workplace	Maximum 120%	20%	ESG	Safety

(1) 2020 executive director variable remuneration

# Long-term variable remuneration<sup>(1)</sup>



	Objective				Type of target	
	(0%)	Entry (100%)	Over I (150%)	Over II (180%)		
<div>TSR<sup>(2)</sup></div> <div>50%<sup>(3)</sup></div>	Endesa's TSR <100% of TSR	Endesa's TSR from 100 % to 110% of TSR	Endesa's TSR from 110 % to 115% of TSR	Endesa's TSR > 115% of TSR	Market	Performance
<div>ROACE<sup>(4)</sup></div> <div>40%<sup>(3)</sup></div>	≤49,3%	49,3%	50%	≥50,7%	Financial	Profitability
<div>CO<sub>2</sub> emissions reduction (gCO<sub>2</sub>/KWh)<sup>(4)</sup></div> <div>10%<sup>(3)</sup></div>	≥171,5	171,5	166,4	≤162,9	ESG	Environmental

(1) Executive director Long Term Incentive Plan (LTI) 2020-2022. 30 % payment (if any) in the 4th year. 70% payment (if any) in the 5th year (deferred payment)

(2) Average TSR Endesa compared to average TSR EUROSTOXX Utilities Index EMU.

(3) (%) Weight in the variable remuneration

(4) The target has been defined for a thermal gap of 31 TWh in 2022, as foreseen in the BIP 2020-2022. In the event that the thermal gap varies, it will be adjusted using the following formula:  $E_{(Ht)} = (1,6 \times Ht) + 122$





Focus on Innovation & Cybersecurity





# Innovation & Cybersecurity



## Innovation

Plan actions	2021-23 targets
Promoting innovation culture	1000 people involved in promotional innovation actions (workshops, trainings, intrapreneurship)
	3 projects approved Make it Happen!
 	

## Cybersecurity<sup>(1)</sup>

Plan actions	2021-23 targets
Execution of cyber exercises involving industrial plants/sites	36 cyberexercises executed on industrial plants/sites
Disseminating the IT security culture and changing people's behaviour in order to reduce risks	15 cyber security knowledge sharing events held each year
   	

(1) Group targets

# Glossary of terms (I/II)



Item	Definition
Average cost of debt (%)	Cost of gross financial debt / gross average financial debt
Average life of debt (number of years)	(Principal x number of days of term) / (Principal in force at the end of the period x number of days of the period)
Cash flow from operations (€mn)	Net cash provided by operating activities
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available
EBITDA (€mn)	Revenues – Purchases and Services + Work performed by the entity and capitalized – Personnel expenses – Other fixed operating expenses
EBIT (€mn)	EBITDA - Depreciation and amortization
Fixed costs (Opex) (€mn)	Personnel expenses + Other fixed operating expenses - Work performed by the entity and capitalized
Gross margin (€mn)	Revenues – Purchases and Services
Leverage (times)	Net financial debt / EBITDA
Net Capex (€mn)	Gross tangible and intangible Capex - assets from clients' contributions and subsidies
Funds from Operations (FFO, €mn)	The higher profit before tax and non-controlling interests net of depreciation and amortisation and other adjustments + Change in Net Working Capital + Variation in the payment of the Income Tax

# Glossary of terms (II/II)



Item	Definition
Net financial debt (€mn)	Long and short term financial debt - Cash and cash equivalents – Derivatives recognized as financial assets
Net financial results (€mn)	Financial Revenues - Financial Expenses - Foreign Exchanges
Revenues (€mn)	Sales + Other operating revenues
Electric Integrated Margin (€mn)	Contribution margin Gx+Sx - Margin SENP - Margin SCVP - Margin gas - Margin Endesa X - Others
Unitary electric integrated margin (€/MWh)	Electric Integrated Margin / Electric sales in the liberalized market in Spain and Portugal
Gas retail unitary margin (€/MWh)	Gas margin from retail sales / Gas Retail sales
Endesa X Gross Margin (€mn)	Gross margin generated by the added value products and services commercialized by the Endesa X unit

# Disclaimer



In accordance with the provisions of Article 226 of the Spanish Securities Market Act, this document includes Insider Information.

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 increases in generation and market share; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures and other investments; estimated increases in capacity and output and changes in capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are based are related to the regulatory setting, exchange rates, increases in production and installed capacity in markets where ENDESA operates, increases in demand in these markets, assigning of production amongst different technologies, 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 we avail ourselves 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 actual financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Economic and industry conditions: significant adverse changes in the conditions of the industry, the general economy or our markets; the effect of the prevailing regulations or changes in them; tariff reductions; the impact of interest rate fluctuations; the impact of exchange rate fluctuations; the impact of energy commodities price fluctuations; natural disasters; the impact of more restrictive environmental regulations and the environmental risks inherent to our activity; potential liabilities relating to our nuclear facilities.

Transaction or commercial factors: any delays in or failure to obtain necessary regulatory, antitrust and other approvals for our proposed acquisitions or asset disposals, or any conditions imposed in connection with such approvals; our ability to integrate acquired businesses successfully; the challenges inherent in diverting management's focus and resources from other strategic opportunities and from operational matters during the process of integrating acquired businesses; the outcome of any negotiations with partners and governments. Delays in or impossibility of obtaining the pertinent permits and rezoning orders in relation to real estate assets. Delays in or impossibility of obtaining regulatory authorisation, including that related to the environment, for the construction of new facilities, repowering or improvement of existing facilities or its closure or decommissioning; shortage of or changes in the price of equipment, material or labour; opposition of political or ethnic groups; adverse changes of a political or regulatory nature in the countries where we or our companies operate; adverse weather conditions, natural disasters, accidents or other unforeseen events, defaults quantifiable of monetary obligations by the counterparties to which the Company has effectively granted net credit and the impossibility of obtaining financing at what we consider satisfactory interest rates.

Regulatory, environmental and political/governmental factors: political conditions in Spain and Europe generally; changes in Spanish, European and foreign laws, regulations and taxes.

Operating factors: technical problems; changes in operating conditions and costs; capacity to execute cost-reduction plans; capacity to maintain a stable supply of coal, fuel and gas; acquisitions or restructuring; capacity to successfully execute a strategy of internationalisation and diversification.

Competitive factors: the actions of competitors; changes in competition and pricing environments; the entry of new competitors in our markets.

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.

This presentation does not constitute a recommendation regarding the securities of Endesa, S.A.. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Endesa, S.A. or any of its subsidiaries or affiliates.



# IR Team

Contact us



**Mar Martinez**

Head of Investor Relations

## Investor Relations team

Isabel Permuy

Javier Hernandez

Francesc Trilla

Juan Carlos Jimenez

Sonia Herranz

Paloma de Miguel



Discover the new [endesa.com](https://endesa.com), a website open to everybody

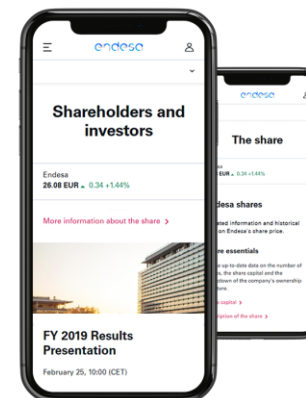


**New design**, clearer and more intuitive.



**All your content**, just one click away:

- Results.
- Financial information.
- Annual reports.
- Events calendar.



**Alert service** to receive the main news from the company on your mobile.



Plus, all the **information about our products and services**, including access to the Endesa Customer Area.

Visit [endesa.com/shareholdersandinvestors](https://endesa.com/shareholdersandinvestors): a new way to get to know us

## Contacts

Email: [ir@endesa.es](mailto:ir@endesa.es)

Phone: + 34 91 213 15 03  
+ 34 91 213 90 49

Website: [www.endesa.com](https://www.endesa.com)