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Oggetto : Enel: results increasing in the first quarter of 2024 compared to first quarter 2023

Testo del comunicato

Vedi allegato



PRESS RELEASE

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ENEL: RESULTS INCREASING IN THE FIRST QUARTER OF 2024 COMPARED TO FIRST QUARTER 2023, WITH ORDINARY EBITDA UP TO 6.1 BILLION EUROS (+11.6%) AND NET ORDINARY INCOME UP TO 2.2 BILLION EUROS (+44.2%). ACCELERATION IN THE ENERGY TRANSITION, WITH ZERO-EMISSION GENERATION EXCEEDING 82%

- **Revenues:** 19,432 million euros (26,414 million euros in the first quarter of 2023, -26.4%)
 - *The change is mainly attributable to the progressive decline in prices between the two periods under consideration, the decrease in quantities of electricity sold on final markets, as well as to lower generation from thermal sources. These effects were partially offset by an increase in revenues from the sale of electricity generated from renewable sources*
- **Ordinary EBITDA:** 6,094 million euros (5,463 million euros in the first quarter of 2023, +11.6%)
 - *The increase is attributable to the positive contribution of the different business units and geographies. Specifically, it is attributable to the positive results of the integrated businesses, thanks to renewable generation, as well as to the optimization of costs of supply which contributed to an improvement in margins on sales. The performance of distribution network management was also positive, net of changes in the scope of consolidation*
- **EBITDA:** 5,892 million euros (4,765 million euros in the first quarter of 2023, +23.7%)
- **Group net ordinary income:** 2,180 million euros (1,512 million euros in the first quarter of 2023, +44.2%)
 - *The increase is mainly attributable to the positive performance of ordinary operations, as well as to the optimization of financial management*
- **Group net income:** 1,931 million euros (1,034 million euros in the first quarter of 2023, +86.8%)
- **Net financial debt:** 60,696 million euros (60,163 million euros at the end of 2023, +0.9%)
 - *The positive cash flow generated by operations partially offset the needs generated by capital expenditure for the period and by the payment of an interim dividend for 2023, which took place this January*



“The solid results in the first quarter of 2024 confirm the effectiveness of the managerial actions we have undertaken with the 2024-2026 Strategic Plan, as well as the resilience of our business model in all the countries in which we operate,” said Enel CFO **Stefano De Angelis**. “In the coming months, Enel will continue to stringently pursue selective capital allocation, maximizing operational efficiency and effectiveness, as well as financial and environmental sustainability. We are therefore confident of our ability to reach all our objectives for 2024, including the reduction of Group net debt, which has already declined to 54 billion euros as of today, also considering disposals currently under completion. The excellent performance registered in the first quarter provides us with clear visibility including on the confirmation of the shareholders’ remuneration policy presented during our Capital Markets Day in November 2023.”

Roma, May 9th, 2024 – The Board of Directors of Enel S.p.A. (“Enel” or the “Company”), chaired by Paolo Scaroni, examined and approved the interim financial report at March 31st, 2024.

Consolidated economic and financial data for the first quarter of 2024

REVENUES

The following table reports revenues by **Business Segment**:

| Revenues (millions of euros) | Q1 2024 | Q1 2023 | Change |
|--------------------------------|---------------|---------------|---------------|
| Thermal Generation and Trading | 5,881 | 12,178 | -51.7% |
| Enel Green Power | 2,998 | 2,563 | 17.0% |
| Enel Grids | 5,189 | 5,128 | 1.2% |
| End-user Markets | 11,907 | 15,116 | -21.2% |
| Holding and Services | 466 | 482 | -3.3% |
| Eliminations and adjustments | (7,009) | (9,053) | 22.6% |
| TOTAL | 19,432 | 26,414 | -26.4% |

The following table shows detailed information from **Thermal Generation** relating solely to revenues from thermal and nuclear generation:

| Revenues (millions of euros) | Q1 2024 | Q1 2023 | Change |
|---|---------|---------|--------|
| Revenues from thermal generation | 1,790 | 4,264 | -58.0% |
| - of which: from coal-fired generation | 191 | 1,312 | -85.4% |
| Revenues from nuclear generation | 480 | 367 | 30.8% |
| Percentage of revenues from thermal generation within total revenues | 9.2% | 16.1% | |
| - of which: revenues from coal-fired generation as a percentage of total revenues | 1.0% | 5.0% | |
| Percentage of revenues from nuclear generation within total revenues | 2.5% | 1.4% | |



Revenues in the first quarter of 2024 amounted to 19,432 million euros, a decrease of 6,982 million euros (-26.4%) compared with the first quarter of 2023. The decrease is mainly attributable to lower revenues from **Thermal Generation** due to the progressive decline in prices between the two periods under consideration as well as to a reduction in the volumes of electricity generated from thermal sources, mainly in Italy and Spain, alongside the decrease in revenues from **End-user Markets** due to a reduction in the quantities of electricity and gas sold in a scenario of declining average prices, mainly in Italy and Spain. These effects were partially offset by an increase in revenues from the sale of electricity in Latin America, mainly in Colombia, Peru and Brazil.

An increase in revenues was registered by **Enel Green Power** (435 million euros), reflecting an increase in the quantities generated and sold from hydro and solar sources, mainly in Italy, Spain and Chile, and by **Enel Grids**, primarily due to the positive effects of tariff adjustments in Italy and Spain, only partially offset by the recognition in 2023 in Brazil of a concession termination fee related to the transmission company Enel CIEN.

Revenues in the first quarter of 2024 from thermal generation alone included in the results of **Thermal Generation**, amounted to 1,790 million euros, with a decrease of 2,474 million euros (-58%) compared with the same period of 2023. More specifically, revenues attributable to coal-fired generation in the first quarter of 2024 amounted to 1% of total revenues, compared with 5% in the first quarter of 2023.

Revenues in the first quarter of 2024 and the same period of 2023 do not include non-ordinary items.

ORDINARY EBITDA and EBITDA

The following table reports ordinary EBITDA by **Business Segment**:

| Ordinary EBITDA (<i>millions of euros</i>) | Q1 2024 | Q1 2023 | Change |
|--|--------------|--------------|--------------|
| Thermal Generation and Trading | 958 | 1,143 | -16.2% |
| Enel Green Power | 1,685 | 1,059 | 59.1% |
| Enel Grids | 2,060 | 2,211 | -6.8% |
| End-user Markets | 1,431 | 1,096 | 30.6% |
| Holding and Services | (40) | (46) | 13.0% |
| TOTAL | 6,094 | 5,463 | 11.6% |

The following table reports EBITDA by **Business Segment**:

| EBITDA (<i>millions of euros</i>) | Q1 2024 | Q1 2023 | Change |
|-------------------------------------|---------|---------|--------|
| Thermal Generation and Trading | 958 | 980 | -2.2% |
| Enel Green Power | 1,685 | 983 | 71.4% |
| Enel Grids | 2,060 | 1,993 | 3.4% |
| End-user Markets | 1,431 | 1,064 | 34.5% |



| | | | |
|----------------------|--------------|--------------|--------------|
| Holding and Services | (242) | (255) | 5.1% |
| TOTAL | 5,892 | 4,765 | 23.7% |

The following tables show the non-ordinary items leading the ordinary EBITDA for the first quarter of 2024 and the first quarter of 2023 to the EBITDA for the same periods.

| Millions of euros | Q1 2024 | | | | | |
|--|--------------------------------|------------------|--------------|------------------|----------------------|--------------|
| | Thermal Generation and Trading | Enel Green Power | Enel Grids | End-user Markets | Holding and Services | Total |
| Ordinary EBITDA | 958 | 1,685 | 2,060 | 1,431 | (40) | 6,094 |
| Extraordinary solidarity contributions | - | - | - | - | (202) | (202) |
| EBITDA | 958 | 1,685 | 2,060 | 1,431 | (242) | 5,892 |

| Millions of euros | Q1 2023 | | | | | |
|--|--------------------------------|------------------|--------------|------------------|----------------------|--------------|
| | Thermal Generation and Trading | Enel Green Power | Enel Grids | End-user Markets | Holding and Services | Total |
| Ordinary EBITDA | 1,143 | 1,059 | 2,211 | 1,096 | (46) | 5,463 |
| Non-ordinary results of Merger & Acquisitions transactions | (154) | - | - | - | - | (154) |
| Extraordinary solidarity contributions | - | - | - | - | (208) | (208) |
| Ordinary results of Discontinued Operations | (9) | (76) | (218) | (32) | (1) | (336) |
| EBITDA | 980 | 983 | 1,993 | 1,064 | (255) | 4,765 |

Ordinary EBITDA in the first quarter of 2024 amounted to 6,094 million euros, an increase of 631 million euros compared with the first quarter of 2023 (+11.6%) due to the positive contribution of the different business units and geographies. Specifically, it is worth mentioning the positive results of the **integrated businesses (Enel Green Power, Thermal Generation as well as End-user Markets)**, equal to 776 million euros, and the improvement in the margin on **Enel Grids** operations, net of the effects of the changes in the scope of consolidation compared with the same period of 2023.

Specifically, the **ordinary EBITDA** of the integrated businesses in the first quarter of 2024 amounted to 4,074 million euros, with the increase mainly attributable to an increase in renewable generation (+2.8 TWh), primarily reflecting the increase in hydro generation in Italy, Spain and Chile, as well as to the optimization of costs of supply which also contributed to the improvement of margins achieved by End-user Markets, especially in Italy and Spain. These effects more than offset the lower margins from thermal generation due to the reduction in quantities generated and to the decreasing prices of energy commodities.

The **ordinary EBITDA** of **Enel Grids** amounted to 2,060 million euros, a decrease of 151 million euros compared with the first quarter of 2023, essentially reflecting the change in the scope of consolidation between the two periods under comparison resulting from the sale of the distribution activities in Romania and the concession termination indemnity received in the first quarter of 2023 by Enel CIEN, a transmission



company in Latin America. Net of these items, Enel Grids' ordinary EBITDA increased by 163 million euros, mainly due to tariff adjustments in Italy, Latin America and Spain.

EBIT

The following table reports EBIT by **Business Segment**:

| EBIT (millions of euros) | Q1 2024 | Q1 2023 | Change |
|---------------------------------|----------------|----------------|---------------|
| Thermal Generation and Trading | 766 | 783 | -2.2% |
| Enel Green Power | 1,271 | 611 | - |
| Enel Grids | 1,298 | 1,257 | 3.3% |
| End-user Markets | 960 | 614 | 56.4% |
| Holding and Services | (294) | (314) | 6.4% |
| TOTAL | 4,001 | 2,951 | 35.6% |

EBIT in the first quarter of 2024 amounted to 4,001 million euros, an increase of 1,050 million euros (+35.6%) on the same period in 2023.

The change is mainly attributable to the positive performance of operations, which more than offset the increase in depreciation and amortization of tangible and intangible assets recognized during the first quarter of 2024 as a result of capital expenditure in the previous year.

GROUP NET ORDINARY INCOME and NET INCOME

Millions of euros

| | Q1 2024 | Q1 2023 | Change | |
|---|----------------|----------------|---------------|--------------|
| Group net ordinary income | 2,180 | 1,512 | 668 | 44.2% |
| Extraordinary solidarity contributions | (142) | (145) | 3 | 2.1% |
| Writedown of certain assets related to the sale of the investment in Slovenské Elektrárne | (107) | (35) | (72) | - |
| Non-ordinary results of Merger & Acquisitions transactions | - | (131) | 131 | - |
| Non-ordinary results of Discontinued Operations | - | (167) | 167 | - |
| Group net income | 1,931 | 1,034 | 897 | 86.8% |

In the first three months of 2024, **Group net ordinary income** amounted to 2,180 million euros, an increase of 668 million euros compared with the same period of 2023 (+44.2%). The positive performance of ordinary operations, the optimization of financial management and the lower incidence of non-controlling interests on net ordinary income more than offset the higher tax charges attributable to the improvement of financial results.



FINANCIAL POSITION

The financial position shows **net capital employed** at March 31st, 2024, including net assets held for sale of 3,821 million euros (3,603 million euros at December 31st, 2023), of **108,881 million euros** (105,272 million euros at December 31st, 2023).

This amount is funded by:

- **equity**, including non-controlling interests, of **48,185 million euros** (45,109 million euros at December 31st, 2023);
- **net financial debt of 60,696 million euros** (60,163 million euros at December 31st, 2023), not including the net financial debt of “assets classified as held for sale” in the amount of 983 million euros (888 million euros at December 31st, 2023). Specifically, positive cash flow generated by operations partially offset the needs generated by capital expenditure in the period (2,587 million euros¹) as well as by the payment of 2023 interim dividends, which took place in January 2024, and coupon payments to holders of non-convertible, subordinated perpetual hybrid bonds in the total amount of 2,396 million euros.

At March 31st, 2024, the **debt/equity ratio** came to **1.26** (an improvement on 1.33 at December 31st, 2023).

CAPITAL EXPENDITURE

The following table reports capital expenditure by **Business Segment**:

| Capital expenditure (millions of euros) | Q1 2024 | Q1 2023 | Change |
|---|--------------|--------------|---------------|
| Thermal Generation and Trading | 111 | 137 | -19.0% |
| Enel Green Power | 907 | 1,290 | -29.7% |
| Enel Grids | 1,319 | 1,199 | 10.0% |
| End-user Markets | 236 | 227 | 4.0% |
| Holding and Services | 14 | 20 | -30.0% |
| TOTAL* | 2,587 | 2,873 | -10.0% |

* The figure for the first quarter of 2024 does not include 103 million euros regarding units classified as “held for sale” (145 million euros in the first quarter of 2023).

Capital expenditure amounted to 2,587 million euros in the first quarter of 2024, a decrease of 286 million euros compared with the same period of 2023 (-10%). Capital expenditure in the period was focused on **Enel Grids** in particular (1,319 million euros, 51% of total capital expenditure) and **Enel Green Power** (907 million euros, 35% of total capital expenditure). The reduction compared with the first quarter of 2023 is mainly attributable to the improved focus of capital expenditure, in line with the priorities set out in the Strategic Plan 2024-2026, and to the substantial completion of battery storage system activities in Italy.

An increase was registered in capital expenditure in **Enel Grids** in Italy, Chile, Colombia, Spain and Argentina as well as in **End-user Markets**, mainly in the mobility business in Italy and in retail operations in Italy and Spain.

¹ Not including 103 million euros regarding units classified as “held for sale”.



OPERATIONAL HIGHLIGHTS FOR THE FIRST QUARTER OF 2024

| | Q1 2024 | Q1 2023 | Change |
|---|---------|---------|--------|
| Electricity sales (TWh) | 72.9 | 78.2 | -6.8% |
| Gas sales (billions of m ³) | 2.9 | 3.6 | -19.4% |
| Total net efficient installed capacity (GW) | 81.3 | 81.4* | -0.1% |
| – of which renewables (GW) | 55.8 | 55.5* | +0.5% |
| Electricity generated (TWh) | 48.7 | 53.8 | -9.5% |
| Electricity distributed (TWh) | 120.2 | 122.2 | -1.6% |
| Employees (no.) | 60,905 | 61,055* | -0.2% |

* At December 31st, 2023.

Electricity and gas sales

- **Electricity sales** in the first quarter of 2024 amounted to **72.9 TWh**, a decrease of 5.3 TWh (-6.8%, -3.8% on a like-for-like basis) compared with the same period of 2023. Specifically, this reflects an increase in quantities sold in Brazil (+0.8 TWh), Chile (+0.2 TWh), Peru (+0.2 TWh) and Colombia (+0.2 TWh) and lower volumes sold in Italy (-3.6 TWh), Argentina (-0.3 TWh), Spain (-0.5 TWh) and Romania (-2.3 TWh);
- **Natural gas sales** amounted to **2.9 billion cubic meters** in the first quarter of 2024, a decline of 0.7 billion cubic meters (-19.4%) on the same period of 2023.

Total net efficient installed capacity

In the first quarter of 2024, Enel's total net efficient installed capacity amounted to **81.3 GW** (-0.1 GW compared with December 31st, 2023). The decline is attributable to thermal generation (-0.3 GW in Italy) and geothermal generation (-0.1 GW in the United States), partially offset by an increase in net solar capacity (+0.3 GW in Spain, Brazil and Colombia).

Electricity generated

The net electricity generated by the Enel Group in the first quarter of 2024 amounted to **48.7 TWh²**, a decrease of 5.1 TWh on the same period of 2023 (-9.5%; -5.2% on a like-for-like basis). More specifically, this reflects:

² 52.7 TWh including the output from around 4 GW of managed capacity.

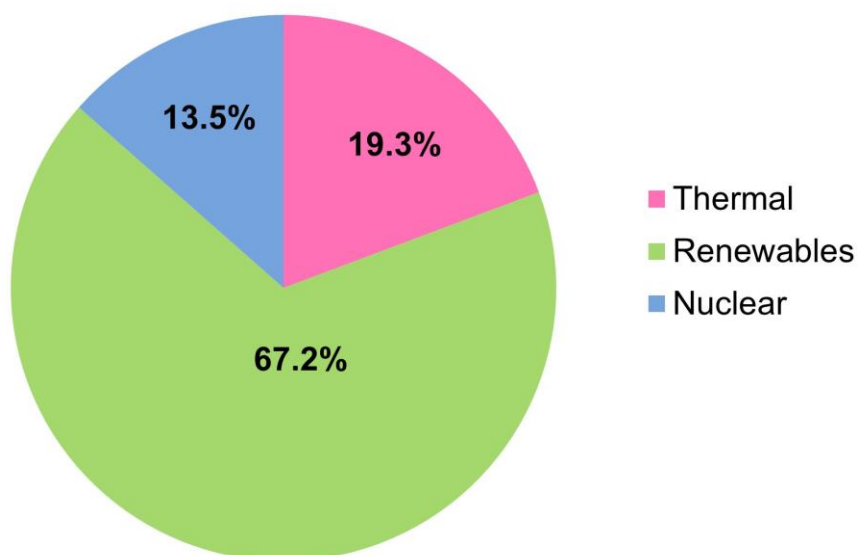


- an increase of 2.8 TWh in generation from renewable sources (+2.8 TWh from hydro power; -0.7 TWh from wind; and +0.7 TWh from solar);
- a decline in the contribution of thermal generation (-7.6 TWh), reflecting a decline in output from coal-fired plants (-4.5 TWh), combined-cycle plants (-2.6 TWh) and Oil & Gas plants (-0.5 TWh);
- a slight decrease in nuclear generation (-0.3 TWh).

Electricity generation from renewable sources, including volumes produced by managed capacity³, far exceeded that from thermal generation, reaching 36.7 TWh (33.1 TWh in the same period of 2023, +10.9%), compared with thermal generation of 9.4 TWh (17 TWh in the same period of 2023, -44.7%).

Considering only the production from consolidated capacity, zero-emission generation comes to 80.7% of the total generation of the Enel Group, while it is equal to 82.2% if managed generation capacity is also included. The Enel Group's long-term ambition is to achieve zero direct and indirect emissions by 2040.

Generation mix of Enel Group plants



Electricity distributed

Electricity transported on Enel Group distribution grids in the first quarter of 2024 amounted to **120.2 TWh**, of which 53.7 TWh in Italy and 66.5 TWh abroad.

The volume of **electricity distributed in Italy** increased by 0.5 TWh (+0.9%) on the first quarter of 2023. The percentage change in demand on the national market amounted to +0.3% in the North, +2% in the Center, -0.1% in the South and +0.1% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Center and the North, other major operators account for a total of about 15% of electricity volumes distributed.

Electricity distributed outside of Italy amounted to 66.5 TWh, down 2.5 TWh (-3.6%) on the same period of 2023.

³ Capacity not consolidated by the Enel Group but operated under the "Stewardship" model.



EMPLOYEES

At March 31st, 2024, **Group employees** numbered **60,905** (61,055 at December 31st, 2023). The slight change in the period is attributable to the balance between hirings and terminations.

OUTLOOK

In November 2023, the Group presented its new Strategic Plan for the 2024-2026 period, based on three pillars:

- **Profitability, flexibility, and resilience** through selective capital allocation to maximize Group risk/return profile;
- **Efficiency and effectiveness** driving Group operations, based on simplified processes, a leaner organization with focus on core geographies as well as cost discipline;
- **Financial and environmental sustainability** to pursue value creation while addressing the challenges of climate change.

Between 2024 and 2026, **the Group has planned a total gross capex of approximately 35.8 billion euros:**

- **around 18.6 billion euros in Grids**, focusing on improving quality, resilience and digitalization, alongside new connections;
- **approximately 12.1 billion euros in Renewables**, focusing on onshore wind, solar and battery storage while also leveraging on repowering;
- **about 3 billion euros in Customers**, actively managing Group customer portfolio through multi-play bundled offers, which encompass commodities and services within an integrated portfolio provided through a single touchpoint.

As a result of the abovementioned strategic actions, **in 2026** Group ordinary EBITDA is expected to grow to between **23.6 and 24.3 billion euros**, and Group **net ordinary income** is expected to increase to between **7.1 and 7.3 billion euros**.

The dividend policy foresees **a fixed minimum DPS** (“Dividend Per Share”) **of 0.43 euros for the 2024-2026 period** with a potential increase **up to a 70% payout on Net Ordinary Income**, if cash flow neutrality is achieved⁴.

In 2024 Enel plans:

- **investments in distribution networks** focused on geographical areas with a more balanced and clearer regulatory framework, especially in **Italy**;
- **selective investments in renewables**, aimed at maximizing the return on invested capital and minimizing risks;
- **active management of the customer portfolio** through multi-play bundled offers.

⁴ Cash flow neutrality is reached if Funds From Operations (FFO) fully cover Group net capex and dividends on top of the fixed minimum DPS.



In light of the solid performance in the first quarter, the guidance provided to the financial markets during the presentation of the 2024-2026 Strategic Plan in November 2023 is confirmed: in 2024, the Group expects an ordinary EBITDA between 22.1 billion and 22.8 billion euros and a net ordinary income between 6.6 billion and 6.8 billion euros.

RECENT EVENTS

There are no recent events to report subsequent to the press release of March 21st, 2024 on the results for the 2023 financial year.

NOTES

At 6:00 p.m. CET today, May 9th, 2024, a conference call will be held to present the results for the first quarter of 2024 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be made available on the Enel website (www.enel.com) in the "Investors" section from the beginning of the call.

The Condensed Consolidated Income Statement, Statement of Consolidated Comprehensive Income, Condensed Consolidated Statement of Financial Position and Condensed Consolidated Statement of Cash Flows are attached hereto. A descriptive summary of the "alternative performance indicators" used in this press release is also attached.

The officer responsible for the preparation of the corporate financial reports, Stefano De Angelis, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Financial Act, that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

ACCOUNTING STANDARDS, DATA COMPARABILITY AND AMENDMENTS TO THE SCOPE OF CONSOLIDATION

Unless otherwise specified, the balance sheet data at March 31st, 2024 exclude assets and liabilities held for sale attributable: (i) in Peru, to the activities of electricity distribution and generation as well as advanced energy services; (ii) in Italy, to the company 3SUN as well as electricity distribution activities in certain municipalities in the provinces of Milan and Brescia; and, (iii) in Colombia, to a wind farm under construction.

Regarding data reporting by Business Segment, the following adjustments were made:

- the figures for Enel X, that in the first quarter of 2023 were reported separately, are now included in End-user Markets;
- the figures for Enel X Way, that in the first quarter of 2023 were reported under "Holding, Services and Other", are now included in End-user Markets.

The data reported and commented on above are therefore homogenous and comparable in the two periods reported.



KEY PERFORMANCE INDICATORS

This press release uses some “alternative performance indicators” that are not envisaged by the international accounting standards adopted by the European Union – IFRS-EU, but which management deems useful for the better evaluation and monitoring of the Group's economic and financial performance. With regard to these indicators, on April 29th, 2021, CONSOB issued Warning Notice no. 5/21 making applicable the Guidelines issued on March 4th, 2021 by the European Securities and Markets Authority (ESMA) on disclosure requirements pursuant to EU Regulation 2017/1129 (the so-called “Prospectus Regulation”), which are applicable from May 5th, 2021 and replace the references to the CESR recommendations and those in Communication no. DEM/6064293 of July 28th, 2006 on net financial position.

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

These Guidelines are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC, in order to improve their comparability, reliability and comprehensibility.

In line with the abovementioned communications, the criteria used for the construction of these indicators for the Enel Group are provided below:

- **EBITDA** is an indicator of Enel's operating performance, calculated as “EBIT” plus “Depreciation, amortization and impairment” included in “Costs”;
- **Ordinary EBITDA** is defined as the “EBITDA” attributable to ordinary operations only, linked to the business models of Ownership, Partnership and Stewardship according to which the Group operates, integrated with the ordinary EBITDA attributable to discontinued operations, if present. It also excludes costs associated with corporate restructuring plans and “extraordinary solidarity contributions” established by local governments abroad to be paid by companies in the energy sector;
- **Group net ordinary income** is determined by rectifying “Group net income” from the items previously commented on in “Ordinary EBITDA”, net of Depreciation, amortization and impairment, taking into account any tax effects and non-controlling interests. Furthermore, it excludes: (i) items related to significant impairments and/or related reversals of impairment loss, recognized on assets and/or groups of assets, following the outcome of the evaluation process regarding the recoverability of their book value, based on the “IAS 36 – Impairment of assets” or “IFRS 5 – Non-current assets held for sale and discontinued operations”; (ii) certain financial components not strictly attributable to the Group's core operations.
- **Net financial debt** is an indicator of the financial structure, determined by:
 - “Long-term borrowings”, “Short-term borrowings” and “Current portion of long-term borrowings”, “Other non-current financial liabilities” included in “Other non-current liabilities” and “Other current financial debt” included in the “net financial debt” entry included in “Other financial liabilities”;
 - net of “Cash and cash equivalents”;
 - net of “Current financial assets included in net financial debt”, included in “Other current assets”, which includes: (i) the current portion of long-term financial receivables; (ii) securities; (iii) current financial receivables;
 - net of “Other non-current financial assets included in net financial debt” included in “Other non-current assets” which includes: (i) securities; (ii) financial receivables.



More generally, the Enel Group's net financial debt is reported in accordance with the provisions of Guideline no. 39, issued on March 4th, 2021 by ESMA, applicable as from May 5th, 2021, and with the above Warning Notice no. 5/21 issued by CONSOB on April 29th, 2021.

- **Net capital employed** is calculated as the algebraic sum of “Net non-current assets”⁵ and “Net current assets”⁶, “Provisions for risks and charges (non-current and current)”, “Employee benefits”, “Deferred tax liabilities”, “Deferred tax assets”, and “Net assets held for sale”⁷.

⁵ Determined as the difference between “Non-current assets” and “Non-current liabilities”, with the exception of: 1) “Deferred tax assets” included in “Other non-current assets”; 2) “Other non-current financial assets included in net financial debt” included in “Other non-current assets”; 3) “Long-term borrowings”; 4) “Employee benefits” included in “Sundry provisions and deferred tax liabilities”; 5) “Provisions for risks and charges (non-current portion)” included in “Sundry provisions and deferred tax liabilities”; 6) “Deferred tax liabilities” included in “Sundry provisions and deferred tax liabilities”; and 7) “Other non-current financial liabilities” included in “Other non-current liabilities”.

⁶ Determined as the difference between “Current assets” and “Current liabilities”, with the exception of: 1) “Current financial assets included in net financial debt” included in “Other current assets”; 2) “Cash and cash equivalents”; 3) “Short-term borrowings and current portion of long-term borrowings”; 4) “Provisions for risks and charges (current portion)” included in “Other current liabilities”; and 5) “Other current financial liabilities included in net financial debt” included in “Other current liabilities”.

⁷ Determined as the algebraic sum between “Assets classified as held for sale” and “Liabilities included in disposal groups classified as held for sale”.



Condensed Consolidated Income Statement

| Millions of euro | 1st Quarter | |
|---|--------------|--------------|
| | 2024 | 2023 |
| Total revenue | 19,432 | 26,414 |
| Total costs | 15,024 | 22,823 |
| Net results from commodity contracts | (407) | (640) |
| Operating profit | 4,001 | 2,951 |
| Financial income | 1,492 | 1,672 |
| Financial expense | 2,342 | 2,604 |
| Net income/(expense) from hyperinflation | 116 | 67 |
| Total net financial income/(expense) | (734) | (865) |
| Share of profit/(loss) of equity-accounted investments | 1 | 12 |
| Pre-tax profit | 3,268 | 2,098 |
| Income taxes | 1,024 | 704 |
| Profit from continuing operations | 2,244 | 1,394 |
| Attributable to owners of the Parent | 1,931 | 1,024 |
| Attributable to non-controlling interests | 313 | 370 |
| Profit/(Loss) from discontinued operations | - | 51 |
| Attributable to owners of the Parent | - | 10 |
| Attributable to non-controlling interests | - | 41 |
| Profit for the period (owners of the Parent and non-controlling interests) | 2,244 | 1,445 |
| Attributable to owners of the Parent | 1,931 | 1,034 |
| Attributable to non-controlling interests | 313 | 411 |
| Earnings per share | | |
| Basic earnings per share | | |
| <i>Basic earnings per share</i> | <i>0.19</i> | <i>0.10</i> |
| <i>Basic earnings per share from continuing operations</i> | <i>0.19</i> | <i>0.10</i> |
| <i>Basic earnings/(loss) per share from discontinued operations</i> | <i>-</i> | <i>-</i> |
| Diluted earnings per share | | |
| <i>Diluted earnings per share</i> | <i>0.19</i> | <i>0.10</i> |
| <i>Diluted earnings per share from continuing operations</i> | <i>0.19</i> | <i>0.10</i> |
| <i>Diluted earnings/(loss) per share from discontinued operations</i> | <i>-</i> | <i>-</i> |



Statement of Consolidated Comprehensive Income

| Millions of euro | 1st Quarter | |
|--|--------------|--------------|
| | 2024 | 2023 |
| Profit for the period | 2,244 | 1,445 |
| Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes) | | |
| Effective portion of change in the fair value of cash flow hedges | 125 | 1,557 |
| Change in the fair value of hedging costs | 60 | (31) |
| Share of the other comprehensive expense of equity-accounted investments | 6 | 65 |
| Change in the fair value of financial assets at FVOCI | 1 | 1 |
| Change in translation reserve | (184) | 59 |
| Cumulative other comprehensive income that may be subsequently reclassified to profit or loss in respect of non-current assets and disposal groups classified as held for sale/discontinued operations | (2) | 8 |
| Other comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes) | | |
| Remeasurement of net liabilities/(assets) for defined-benefit plans | 10 | (9) |
| Change in the fair value of investments in other companies | 14 | (4) |
| Cumulative other comprehensive income that may not be subsequently reclassified to profit or loss in respect of non-current assets and disposal groups classified as held for sale/discontinued operations | - | - |
| Total other comprehensive income/(expense) for the period | 30 | 1,646 |
| Comprehensive income/(expense) for the period | 2,274 | 3,091 |
| Attributable to: | | |
| - owners of the Parent | 1,981 | 2,321 |
| - non-controlling interests | 293 | 770 |



Condensed Consolidated Statement of Financial Position

Millions of euro

| | at Mar. 31, 2024 | at Dec. 31, 2023 |
|--|------------------|------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment and intangible assets | 108,300 | 106,953 |
| Goodwill | 13,038 | 13,042 |
| Equity-accounted investments | 1,685 | 1,650 |
| Other non-current assets ⁽¹⁾ | 23,406 | 23,044 |
| Total non-current assets | 146,429 | 144,689 |
| Current assets | | |
| Inventories | 3,598 | 4,290 |
| Trade receivables | 15,574 | 17,773 |
| Cash and cash equivalents | 6,696 | 6,801 |
| Other current assets ⁽²⁾ | 15,869 | 15,752 |
| Total current assets | 41,737 | 44,616 |
| Assets classified as held for sale | 6,134 | 5,919 |
| TOTAL ASSETS | 194,300 | 195,224 |
| LIABILITIES AND EQUITY | | |
| Equity attributable to owners of the Parent | 34,549 | 31,755 |
| Non-controlling interests | 13,636 | 13,354 |
| Total equity | 48,185 | 45,109 |
| Non-current liabilities | | |
| Long-term borrowings | 62,351 | 61,085 |
| Provisions and deferred tax liabilities | 16,552 | 16,555 |
| Other non-current liabilities | 13,108 | 13,360 |
| Total non-current liabilities | 92,011 | 91,000 |
| Current liabilities | | |
| Short-term borrowings and current portion of long-term borrowings | 12,782 | 13,855 |
| Trade payables | 12,918 | 15,821 |
| Other current liabilities | 26,091 | 27,123 |
| Total current liabilities | 51,791 | 56,799 |
| Liabilities included in disposal groups classified as held for sale | 2,313 | 2,316 |
| TOTAL LIABILITIES | 146,115 | 150,115 |
| TOTAL LIABILITIES AND EQUITY | 194,300 | 195,224 |

(1) Of which long-term financial receivables and other securities at March 31, 2024 for €3,286 million (€3,332 million at December 31, 2023) and €552 million (€505 million at December 31, 2023), respectively.

(2) Of which short-term portion of long-term financial assets, short-term financial assets and other securities at March 31, 2024 equal respectively to €1,251 million (€1,007 million at December 31, 2023), €2,581 million (€3,060 million at December 31, 2023) and €81 million (€81 million at December 31, 2023).



Condensed Consolidated Statement of Cash Flows

| Millions of euro | 1st Quarter | |
|--|----------------|----------------|
| | 2024 | 2023 |
| Profit for the period | 2,244 | 1,445 |
| Adjustments for: | | |
| Net impairment losses/(reversals) on trade receivables and other receivables | 284 | 294 |
| Depreciation, amortization and other impairment losses | 1,607 | 1,781 |
| Net financial (income)/expense | 734 | 877 |
| Net (gains)/losses from equity-accounted investments | (1) | (13) |
| Income taxes | 1,024 | 702 |
| Changes in net working capital: | | |
| - inventories | 657 | 817 |
| - trade receivables | 1,758 | (1,293) |
| - trade payables | (2,931) | (2,233) |
| - other contract assets | (7) | (8) |
| - other contract liabilities | (16) | (83) |
| - other assets/liabilities | 788 | 1,723 |
| Interest expense and other financial expense and income paid and received ⁽¹⁾ | (739) | (509) |
| Other changes | (763) | (18) |
| Cash flows from operating activities (A) ⁽¹⁾ | 4,639 | 3,482 |
| of which <i>discontinued operations</i> | - | (132) |
| Investments in property, plant and equipment, intangible assets and non-current contract assets | (2,690) | (3,018) |
| Capital grants received | 1 | |
| Disposals of entities (or business units) less cash and cash equivalents sold | 265 | 34 |
| (Increase)/Decrease in other investing activities | (11) | 180 |
| Cash flows used in investing activities (B) | (2,435) | (2,804) |
| of which <i>discontinued operations</i> | - | (65) |
| New long-term borrowing | 1,973 | 1,598 |
| Repayments of borrowings | (571) | (977) |
| Other changes in net financial debt | (1,970) | (722) |
| Collections/(Payments) associated with derivatives connected with borrowings ⁽¹⁾ | - | - |
| Payments for acquisition of equity investments without change of control and other transactions in non-controlling interests | 1 | - |
| Issues/(Redemptions) of hybrid bonds | 593 | 986 |
| Sale/(Purchase) of treasury shares | (1) | |
| Coupons paid to holders of hybrid bonds | (30) | (33) |
| Dividends and interim dividends paid | (2,366) | (2,074) |
| Cash flows used in financing activities (C) ⁽¹⁾ | (2,371) | (1,222) |
| of which <i>discontinued operations</i> | - | 136 |
| Impact of exchange rate fluctuations on cash and cash equivalents (D) | (29) | 57 |
| Increase/(Decrease) in cash and cash equivalents (A+B+C+D) | (196) | (487) |
| Cash and cash equivalents at the beginning of the period ⁽²⁾ | 7,143 | 11,543 |
| Cash and cash equivalents at the end of the period ⁽³⁾ | 6,947 | 11,056 |



(1) For better representation, for comparative purposes only, realized financial income and expenses related only to borrowings have been reclassified from "Collections/(Payments) associated with derivatives connected with borrowings," included in the Cash Flow from Financing Activities section to "Interests and other financial income/expense collected/paid" included in Cash flows from operating activities section.

(2) Of which cash and cash equivalents equal to €6,801 million at January 1, 2024 (€11,041 million at January 1, 2023), short-term securities equal to €81 million at January 1, 2024 (€78 million at January 1, 2023), cash and cash equivalents pertaining to "Assets held for sale" in the amount of €261 million at January 1, 2024 (€98 million at January 1, 2023) and cash and cash equivalents of "discontinued operations" equal to €326 million at January 1, 2023.

(3) Of which cash and cash equivalents equal to €6,696 million at March 31, 2024 (€10,388 million at March 31, 2023), short-term securities equal to €81 million at March 31, 2024 (€84 million at March 31, 2023), cash and cash equivalents pertaining to "Assets held for sale" in the amount of €170 million at March 31, 2024 (€320 million at March 31, 2023) and cash and cash equivalents pertaining to "Discontinued operations" equal to €264 million at March 31, 2023.

Fine Comunicato n.0116-37-2024

Numero di Pagine: 19