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ENEL 2019 PRELIMINARY RESULTS UP, ORDINARY EBITDA AT 17.9 BILLION EUROS, OUTPERFORMING TARGET

- Revenues: 80.3 billion euros¹ (75.7 billion euros in 2018, +6.1%)
- Ordinary EBITDA: 17.9 billion euros (16.2 billion euros in 2018, +10.5%)
- Net financial debt: 45.2 billion euros (41.1 billion euros at the end of 2018, +10.0%)²

Rome, February 6th, 2020 – The Board of Directors of Enel SpA, chaired by Patrizia Grieco, met today to review the preliminary consolidated results for 2019.

Francesco Starace, Enel CEO and General Manager, said: *"In 2019 we continued along our growth path, once again achieving the targets we set for ourselves, with ordinary EBITDA of 17.9 billion euros. This indicator outperformed the target we had already revised upwards, as announced at the end of 2019. EBITDA growth was mostly driven by distribution networks, mainly thanks to Enel Distribuição São Paulo in Brazil, and by sales on end-user markets in Italy and Brazil. At the same time, in line with the Group's decarbonization target, we continue to strengthen our global leadership in renewables with over 3 GW of capacity built during the year around the world, once again beating our own record set in the previous year. The excellent performance registered in 2019 represents further progress towards reaching our objectives, therefore placing us in a strong position to achieve the targets set in our 2020-2022 Strategic Plan as well as the United Nations' Sustainable Development Goals to which we have committed."*

Revenues amounted to 80.3 billion euros, up 4.6 billion euros (+6.1%) compared with the 75.7 billion euros posted in 2018. The increase is attributable to the positive performance of: (i) **Infrastructure and Networks**, notably in Latin America, mainly through the contribution of Enel Distribuição São Paulo in Brazil and the settlement of outstanding regulatory items in Argentina; and (ii) to **Thermal Generation and Trading** in Italy due to the increase in trading activities and the effects of the application of the recent interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These positive factors were only partly offset by lower revenues from sales on **End-user Markets** in Spain and Italy.

Ordinary EBITDA amounted to 17.9 billion euros, up 10.5% compared with the 16.2 billion euros registered in 2018. The increase is mainly due to: (i) the growth in **Infrastructure and Networks** in Latin America, mainly attributable to the contribution of Enel Distribuição São Paulo, as well as to the improvement in regulatory and tariff conditions in Brazil and in Argentina, the latter reflecting an agreement between Edesur and the local government to settle a number of outstanding regulatory items; (ii) the growth in **Thermal Generation and Trading**, which was mainly attributable to activities in Spain, Latin America and Italy. More

¹ Includes around 3 billion euros connected with the effects of the application of the recent interpretations of the International Financial Reporting Interpretations Committee (IFRIC) concerning contracts to buy or sell commodities measured at fair value through profit or loss. The interpretations changed the classification of revenues and costs without impacting Group EBITDA.

² Not including the debt of "Assets held for sale".

specifically, the increase in Spain mainly reflected greater output from nuclear and the positive effects of the suspension of a number of taxes on conventional generation, while in Latin America the change reflected the improvement in margins achieved by the Fortaleza plant in Brazil and the recognition of an indemnity for the early withdrawal from an electricity supply contract in Chile; and (iii) the improvement in the EBITDA posted in **End-user Markets**, essentially a consequence of the acquisition of Enel Distribuição São Paulo and the expansion in the free market in Italy, whose effects were only partly offset by a contraction in the regulated market.

EBITDA, which includes the effects of extraordinary transactions,³ amounted to 17.7 billion euros (16.3 billion euros in 2018, +8.6%), largely in line with the increase in ordinary EBITDA.

Net financial debt at the end of 2019 amounted to 45.2 billion euros, up 10.0% compared with 41.1 billion euros at the end of December 2018. The rise largely reflects (i) the cash needs for investment in the period, (ii) the first-time application of IFRS 16, (iii) the acquisition of a number of companies from the EGPNA REP joint venture, (iv) adverse exchange rate developments and (v) the payment of dividends.

The increase in borrowing was partly offset by positive cash flow generated by operations and by the disposal of a number of Enel Green Power companies in the United States and Brazil and of companies in the Thermal Generation segment in Italy and Russia (the Reftinskaya plant).

Employees at the end of 2019 numbered 68,253 (69,272 at the end of 2018).

In 2019, the Enel Group generated a total of 229.1 TWh of electricity (250.3 TWh in 2018), distributed 504.0 TWh on its networks (484.4 TWh⁴ in 2018) and sold 301.7 TWh (295.4 TWh in 2018).

Over the course of the year, the Enel Group generated 182.2 TWh of electricity (197.1 TWh in 2018), distributed 279.4 TWh (257.9 TWh⁵ in 2018) and sold 204.2 TWh (191.1 TWh in 2018) outside Italy.

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Alternative performance indicators

This press release uses a number of “alternative performance indicators” not provided for in the IFRS-EU accounting standards but which management feels are useful in assessing and monitoring the Group’s performance and financial position. In line with CONSOB Notice no. 0092543 of December 3rd, 2015 and with the Guidelines issued on October 5th, 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation (EU) no. 1095/2010, the content and basis of calculation of these indicators are as follows:

- EBITDA: an indicator of Enel’s operating performance, calculated as “EBIT” plus “Depreciation, amortisation and impairment losses”;
- Ordinary EBITDA: an indicator defined as EBITDA generated from ordinary business operations, therefore excluding all items associated with non-recurring transactions such as acquisitions or disposals of companies;
- Net financial debt: an indicator of the financial structure, determined by “Long-term borrowings” and “Short-term borrowings

³ The extraordinary items for 2019 are the following:

- revenues from the payment of the second indemnity connected with the sale in 2009 of e-distribuzione’s interest in Enel Rete Gas;
- the gain on the sale of Mercure Srl by Enel Produzione;
- price adjustment on the acquisition of some renewable plants in Greece;
- a number of writedowns of fuel, materials and spare part inventories connected with the operation of certain coal-fired plants that underwent impairment testing.

The extraordinary items for 2018 included:

- revenues from the payment of the first indemnity connected with the sale in 2009 of the stake held by e-distribuzione in Enel Rete Gas;
- the gain from the sale of the investment in EF Solare Italia held by Marte Srl.

⁴ The figure for electricity distributed in 2018 reflects a more accurate calculation of quantities transported.

⁵ The figure for electricity distributed abroad in 2018 reflects a more accurate calculation of quantities transported.



and the current portion of long-term borrowings", taking account of "Short-term financial payables" included in "Other current liabilities", all net of "Cash and cash equivalents", the "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other current financial assets", "Securities" and "Other financial receivables" included in "Other non-current financial assets". More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26th, 2007 for the definition of the net financial debt, net of financial receivables and long-term securities.

Pursuant to Article 154-bis, paragraph 2, of the Consolidated Finance Act, the officer responsible for the preparation of Enel's corporate financial reports, Alberto De Paoli, declares that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.