Endesa 2018-2020 Strategic Plan Update

22/11/2017

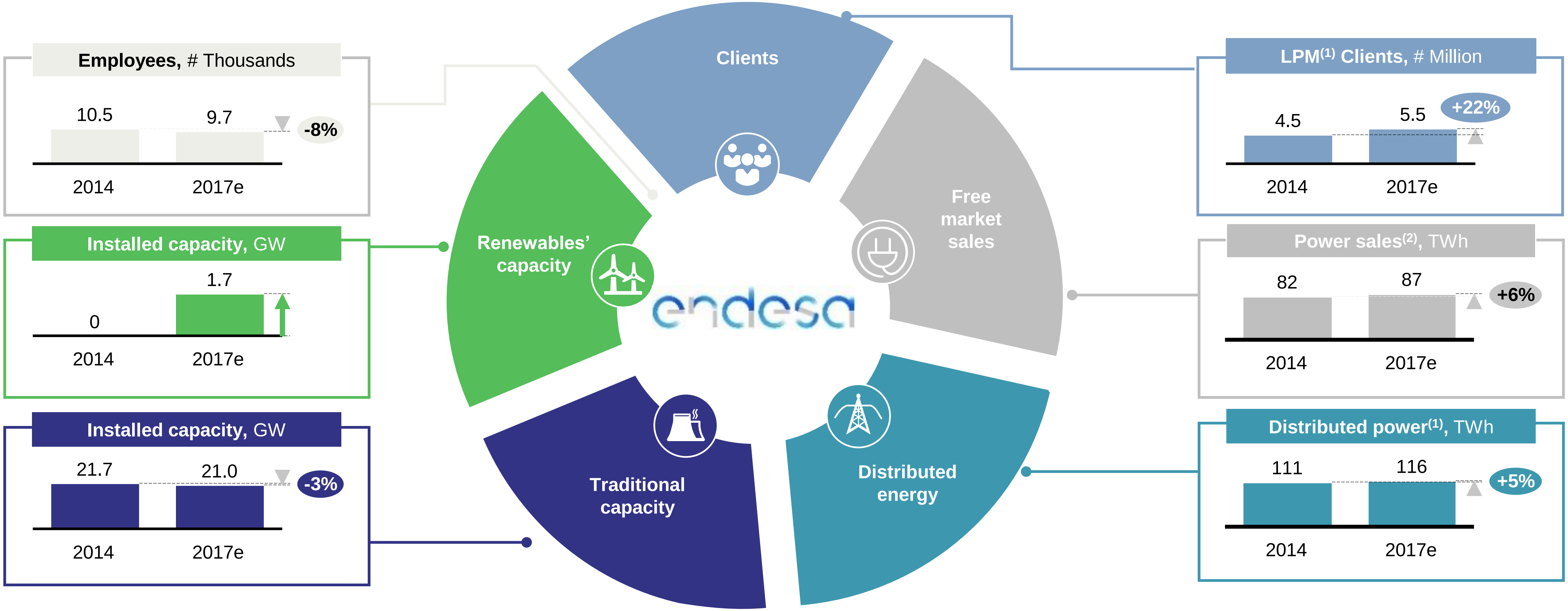
Agenda

1. Endesa's Outstanding Position
2. Context in Europe and Spain
3. Strategic Plan Update
4. Key Financial Indicators
5. Final remarks

Agenda

Endesa's outstanding position

A portfolio of strategic assets



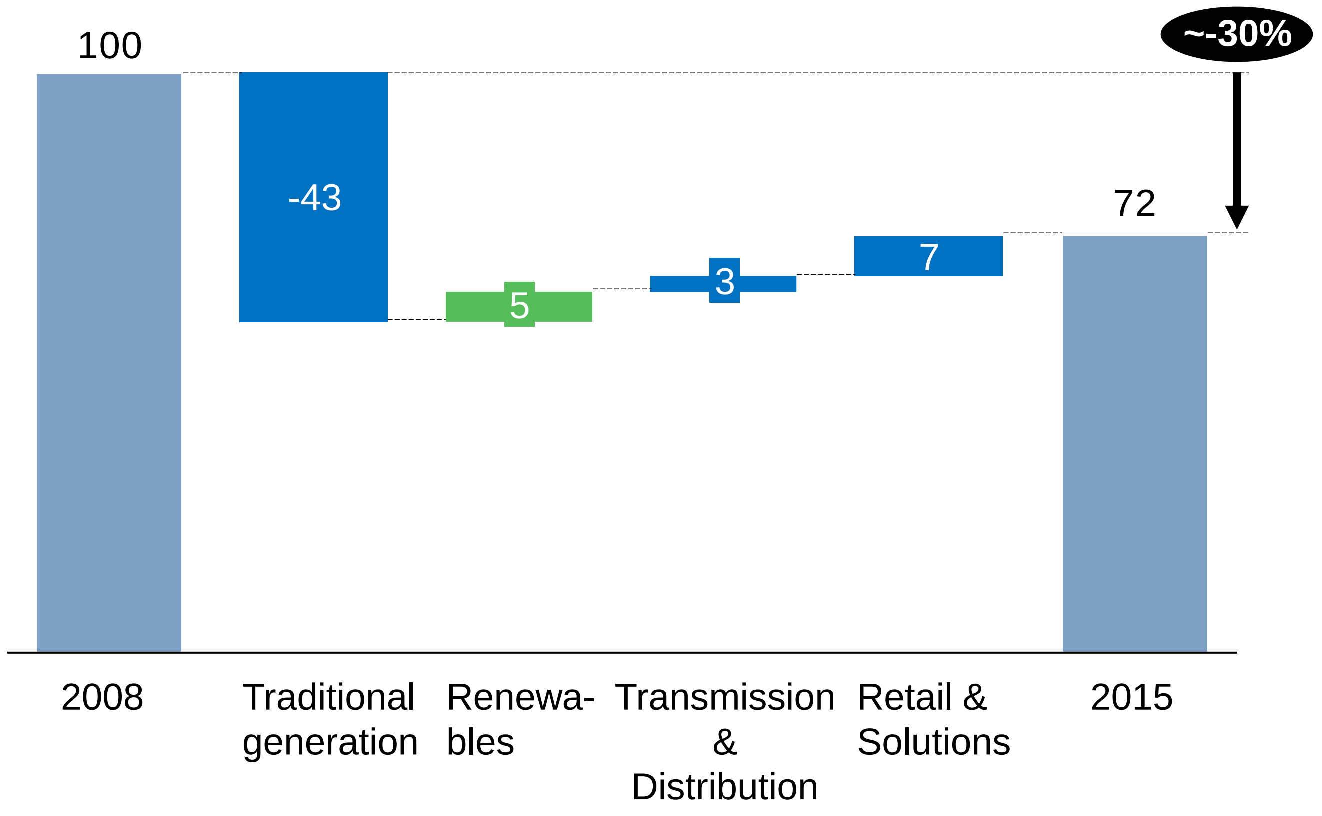
Endesa leads the Iberian market with an outstanding portfolio of assets

(1) Liberalized Power Market
(2) Bus bars

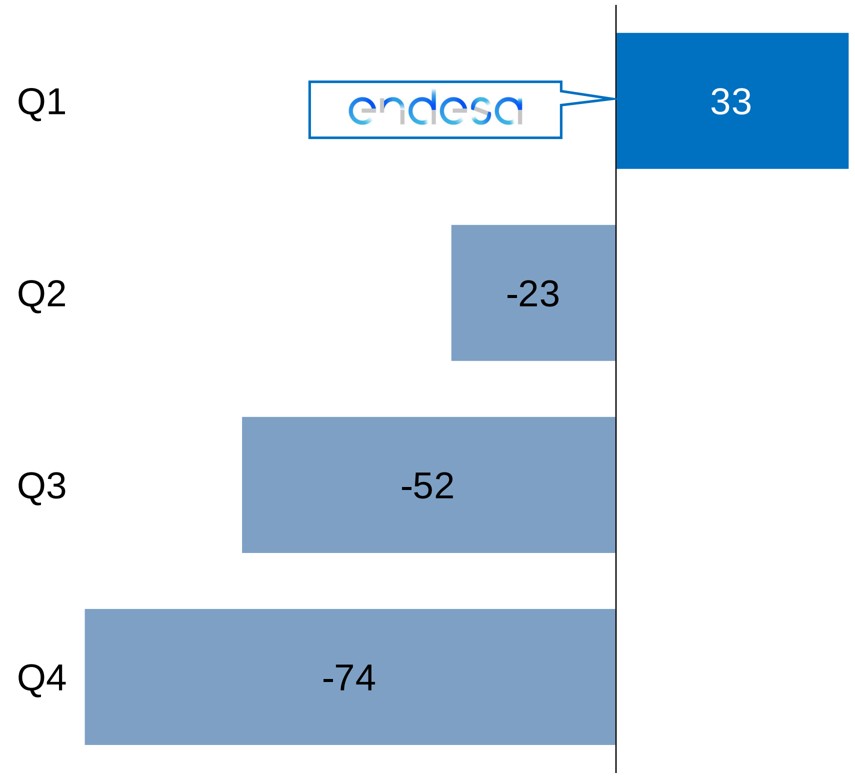
Endesa's outstanding position

Profits and TSR in the European energy sector

European power sector profits (EBIT) evolution 2008-2015



2008-2015 TSR of top-20 players in the EU, %



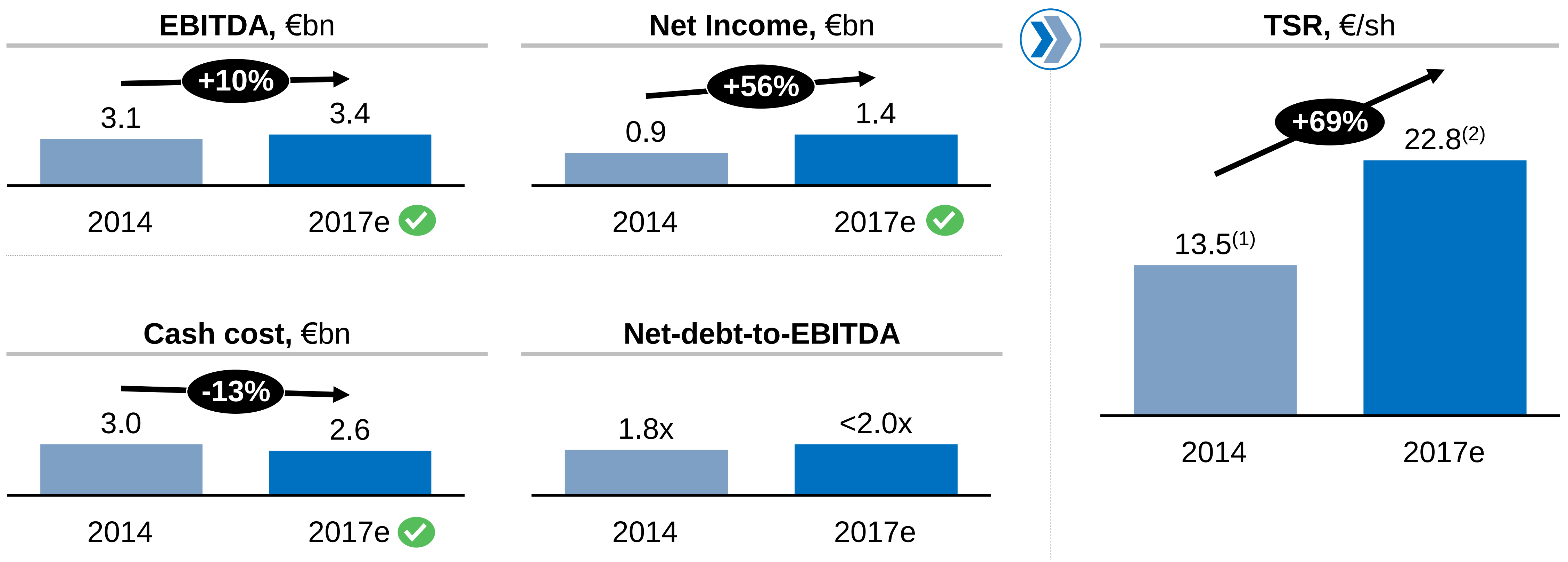
Endesa has consolidated as one of the most attractive European utilities in terms of returns despite the general decline seen in the sector trends

SOURCE: Bloomberg, Endesa internal analysis

Endesa's outstanding position

Endesa's financial strength

2017 target achieved



Endesa has significantly improved its results in recent years, and holds a strong financial position for future growth

(1) Preferential subscription share price on November 20th, 2014 (latest IPO)
(2) Includes dividends assumed to be re-invested (2017 share price as of Nov 7th: 19.3€/sh). Calculated with Bloomberg data

Endesa's outstanding position

A sustainable strategy

Endesa's contribution	Main achievements in 2017
13 CLIMATE ACTION — **100% Energy mix decarbonization by 2050**	13 CLIMATE ACTION — 2017 **Renewable auction** awarded by **879 MW**
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — **~ 1,400 €mn[(1)] to lead the energy future through digitalization and e-Solutions**	**~300 €mn** invested in **2017e** New **e-solutions business** line
7 AFFORDABLE AND CLEAN ENERGY — **Electricity supply to all vulnerable customers**	**230** Agreements signed with Local Public Authorities to guarantee **electricity supply** to **low income customers**

(1) This contribution has been upgraded according to the new 2018-2020 Strategic Plan

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

Agenda

1. Endesa's Outstanding Position
2. **Context in Europe and Spain**
3. Strategic Plan Update
4. Key Financial Indicators
5. Final remarks

Context in Europe and Spain

Macro trends for the power sector in the future

Energy-specific drivers

Penetration of renewables
EU targets forcing changes in energy mix

Electrification
Non-emitting and efficient energy vector

Energy efficiency
Strong support to reduce energy intensity and energy consumption per capita

Growing customer awareness
Increasingly sophisticated and demanding clients

Other significant drivers

Volatility in commodity prices
Forced by climate change, geopolitical conditions, and uncertainty around resource scarcity

Digitalization
Big data, analytics, connectivity, artificial intelligence, new user interfaces, and robotics

New sources of financing
New players and excess liquidity seeking access to regulated income

Cross-sector convergence
Players stepping into adjacent businesses to capture cross-sale opportunity

The energy sector is moving towards a more digital and sustainable business model, with decarbonization as its main driver

Context in Europe and Spain

Energy transition: decarbonization of the economy

GHG emission reduction targets

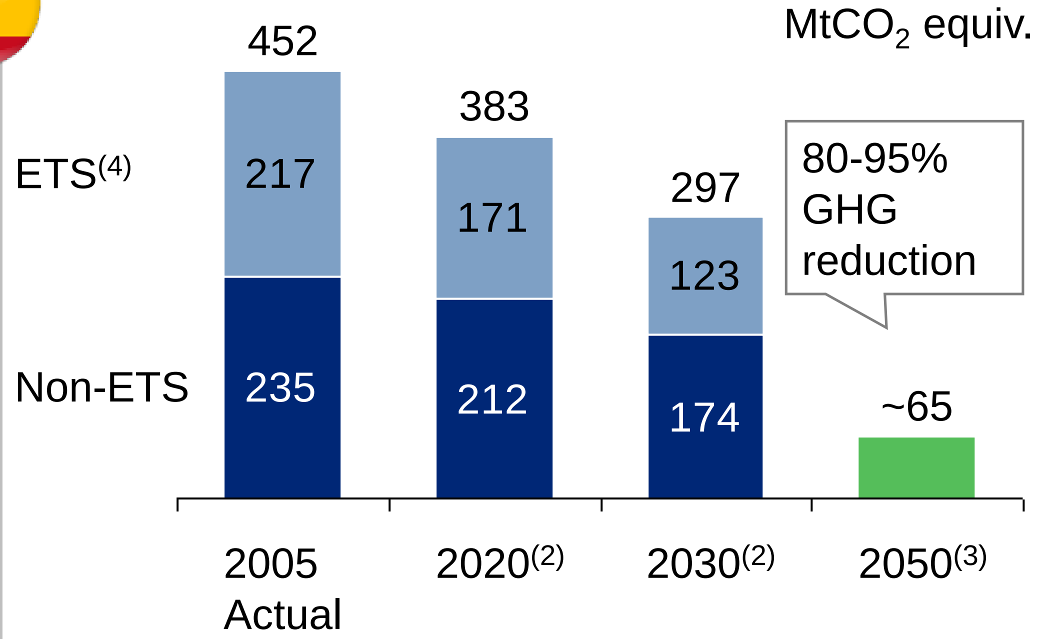
COP 21

- **Carbon neutrality** commitment between **2050 and 2100**

European Union[1]

- **2013-20 Climate Change Package:** -20% GHG emission
- **2030 Framework:** -40% GHG emission (-30% of non-ETS and -43% of ETS vs. 2005)
- **Roadmap 2050:** -80-95% GHG emission

Emission targets for Spain according to EU policies



The EU is leading the fight against global warming, with specific targets towards decarbonization in 2050

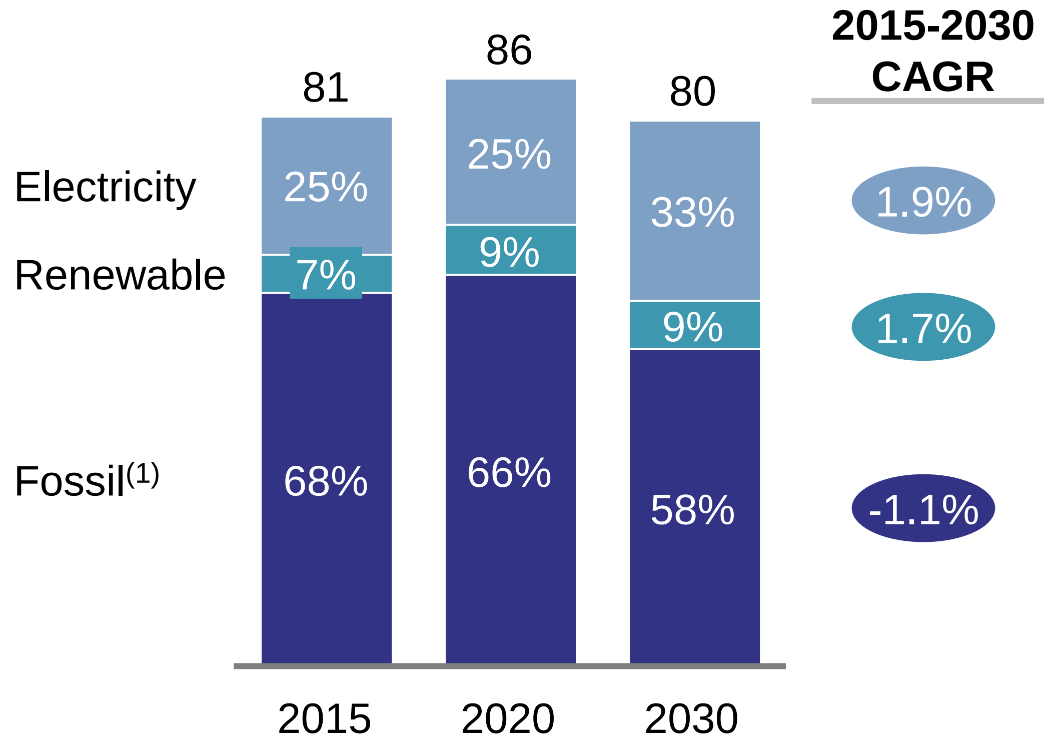
(1) Reduction targets EU compared to 1990 levels
(2) Reduction targets compared to 2005. Non-ETS targets: -10% as for 2020 and -26% as for 2030. ETS targets: -21% and -43% as defined in the UE's scheme. In 2030, NON-ETS target of 300 MtCO2 equiv. (-30%)
(3) Assuming convergence related to tCO2eq per capita with UE
(4) Perimeter calculated including all stationary installations and aviation. ETS covers power generation, oil refining, cement, steel, and other large industries. Non-ETS is mostly transport, residential, services, and small/mid-sized industry

SOURCE: European Commission, Eurostat, EEA, MAGRAMA, UNFCCC, Endesa internal analysis

Context in Europe and Spain

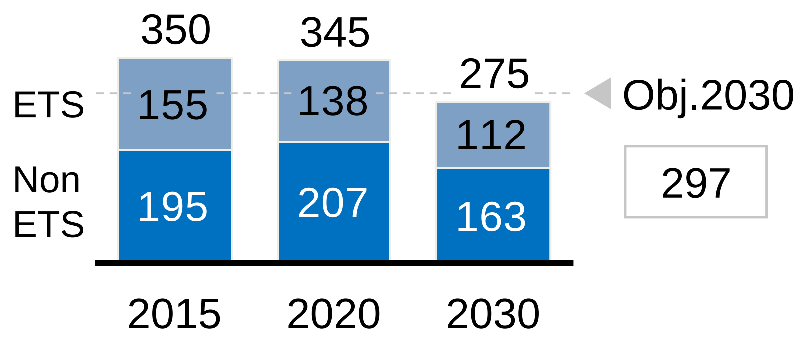
EU targets and Spanish outlook

Final energy consumption in Spain, Mtoe

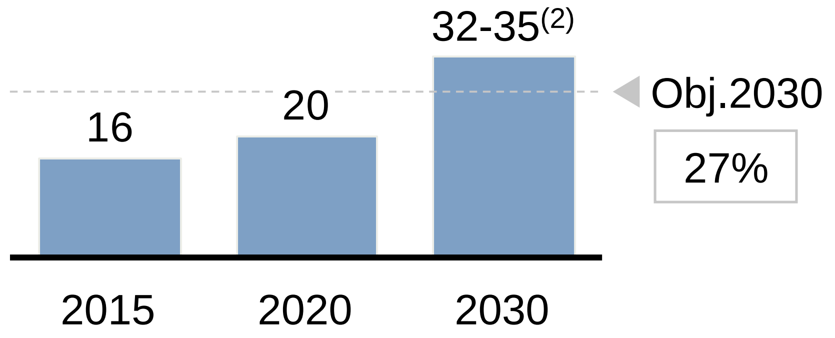


EU objectives assessment for Spain

GHG emissions, Mt CO_2



Renewable source in final consumption, %



An optimal scenario for EU targets accomplishment will require a significant shift from oil to electricty, mainly driven by transport electrification

(1) Includes oil, coal, and natural gas – for 2015 final consumption, oil represents 50% of total, coal 2%, and natural gas the remaining 17%

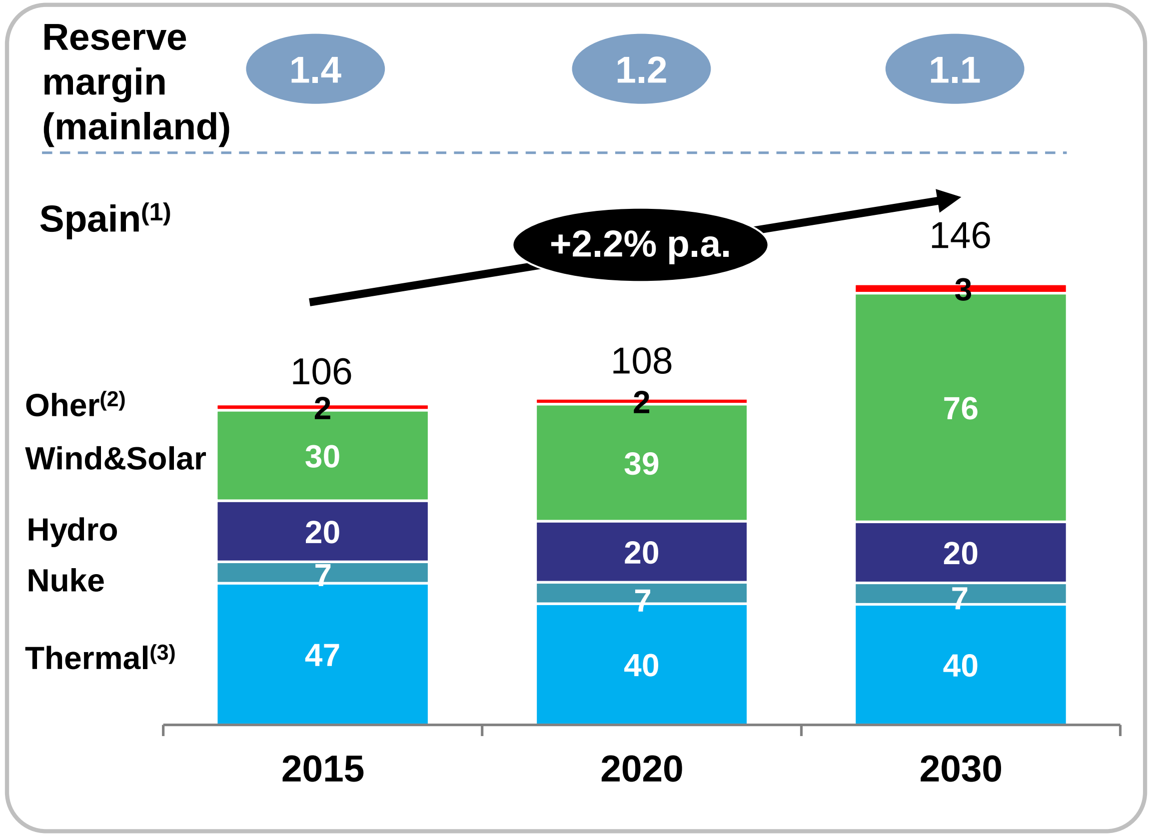
(2) Reaching 35% renewable penetration in 2030 would require a stronger commitment toward the Non-ETS target of up to 30% reduction vs. 2005 levels, requiring higher electrification levels in transport, residential, industry, and services

SOURCE: Endesa internal analysis, EU commission, EUROSTAT

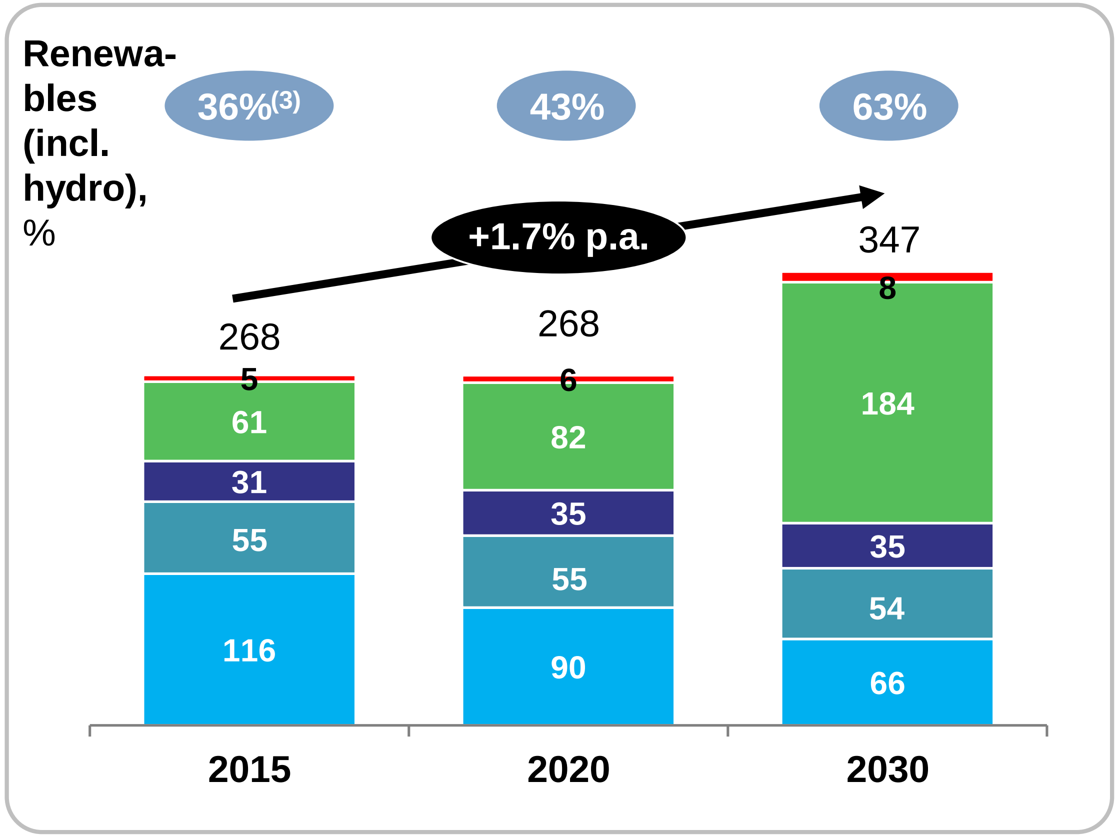
Context in Europe and Spain

Spanish generation mix 2015 - 2030

Capacity mix evolution, GW



Generation mix evolution, TWh



New capacity will be renewable, with nuclear, thermal and interconnections ensuring security of supply

(1) Figures include generation capacity only. In addition, interconnection capacity increase, as foresee by SO, is considered in the reserve margin and energy balance
(2) Including other renewable energy sources.
(3) Including cogeneration, CCGT, national and imported coal
(4) Dry year - 38% in average year

SOURCE: Endesa internal analysis

Context in Europe and Spain

Implications of the EU targets for Spain

Spain accomplishment should be based on the following pillars…

Electrification

Renewables

Energy efficiency in all sectors

Preserving conventional generation

Smart grids

… that would translate into specific policies

- An **environmental tax reform** to **correct** the current **bias against electricity**
- A **boost** to the **electrification** process through
  - A **new electricity tariff** based on actual use of the grid
  - **Deployment** of **infrastructure** for transport electrification, and
  - **Investments** focused on **electrification** in all sectors
- A **well-defined schedule** of **renewable auctions** to **maximize penetration**
- A **capacity market**
- An **efficient grid remuneration** scheme to make the necessary new investments possible

We envision a new energy landscape in order to accomplish EU targets

Context in Europe and Spain

Profit growth in the Spanish power market 2015-2025

Profit growth in Spain power markets

	EBIT contribution, %	**Underlying drivers**
2015 Profit (EBIT)	100	
Traditional generation	10%	▪ Preserve conventional technologies through the transition period to deliver firm capacity to back-up renewables.
Renewables	30-35%	▪ New capacity will be renewable, only limited by market and technology constraints
Transmission & Distribution	25%	▪ New investments to automate grids and facilitate renewables' integration through increased flexibility
Retail and Solutions	30-35%	▪ New products and solutions to serve a more sophisticated customer
Total 2025	~130	

Endesa is well-positioned with a strategic plan focused on the biggest sources of growth

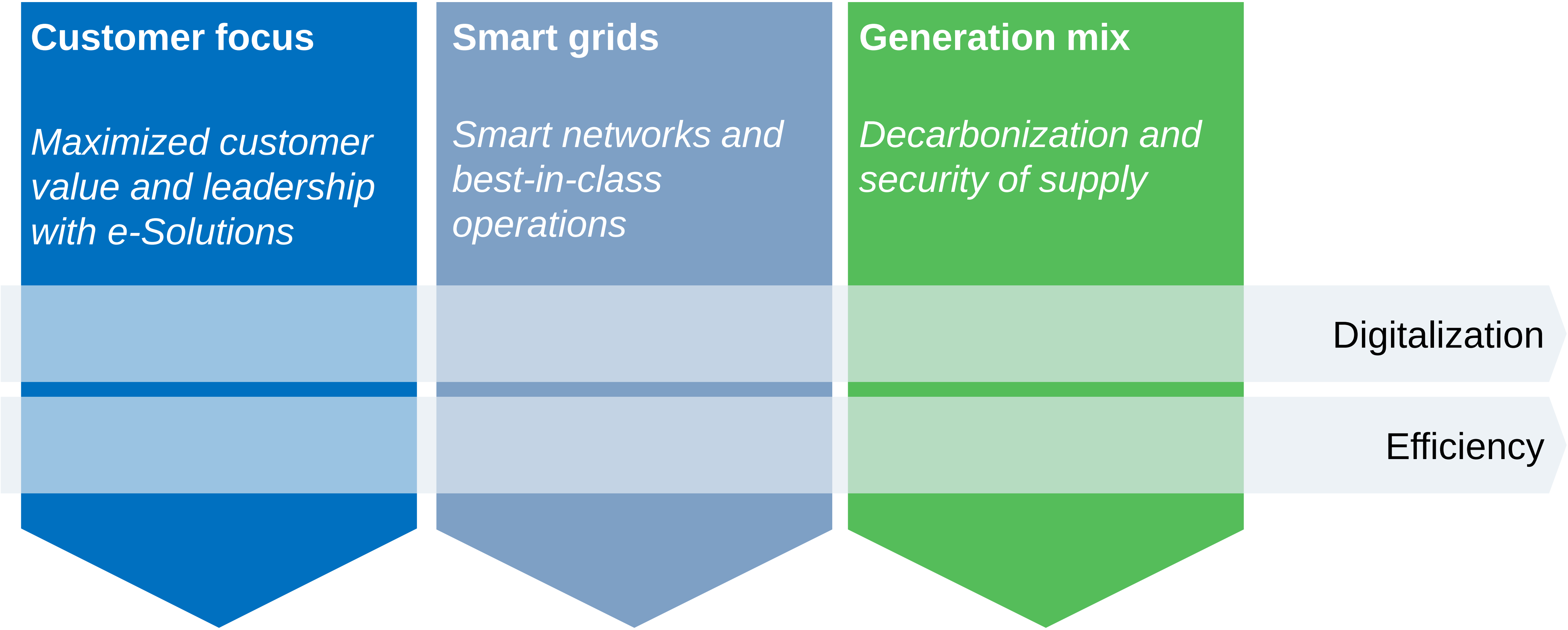
SOURCE: Endesa internal analysis

Agenda

1. Endesa’s Outstanding Position
2. Context in Europe and Spain
3. **Strategic Plan Update**
4. Key Financial Indicators
5. Final remarks

Strategic Plan Update

Endesa updated strategic vision to reinforce our leading position in Iberia



Sustainable long-term shareholder profitability

Strategic Plan Update

Strategic guidelines for customer focus

Customer focus

Maximize customer value through distinctive power and gas supply strategies and lead energy solutions business

- **Consolidate power and gas businesses in Spain** while **growing** in **Portugal and France**
- **Sustain integrated and supply margins** through value-based management
- **Focus on business transformation** through superior customer experience and efficiency
- **Accelerate growth** in home, industry, city and mobility services with **the new e-solutions division**

Smart grids

Increase asset value through smart grid investments and best-in-class operations

Generation mix

Digitalization

Efficiency

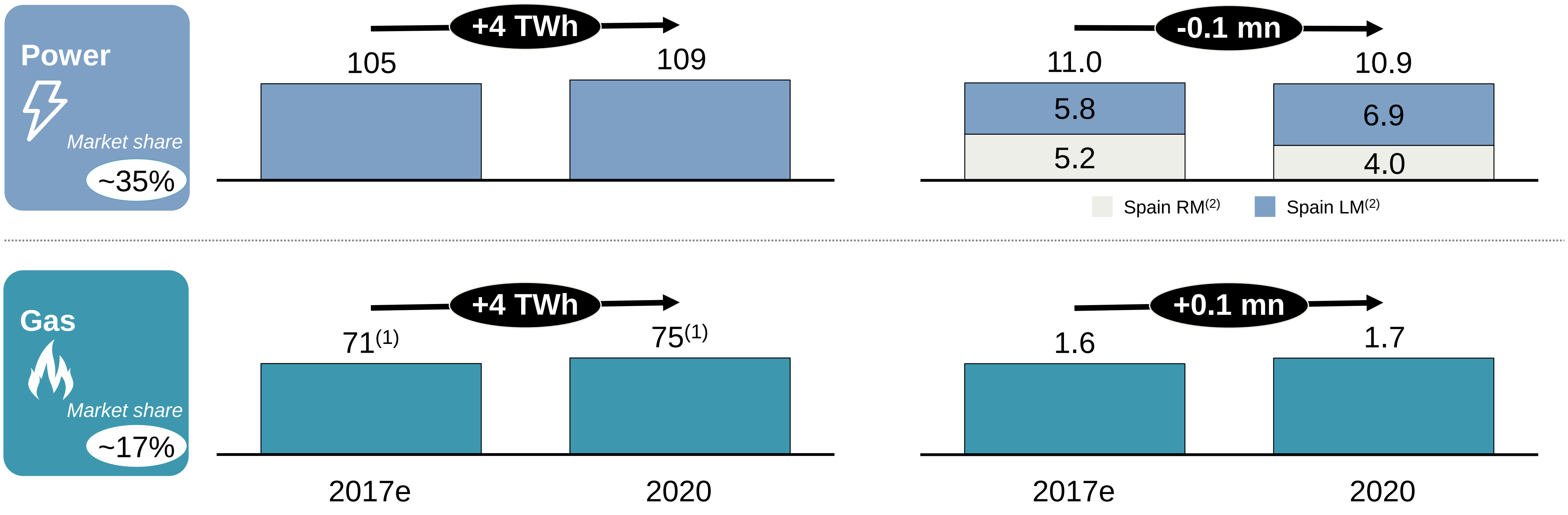
Sustainable, long-term shareholder profitability

Strategic Plan Update

Endesa power & gas position

Sales to final customers, TWh

Customers, #mn



Endesa will maintain its leadership in supply,
taking advantage of growth in liberalized market

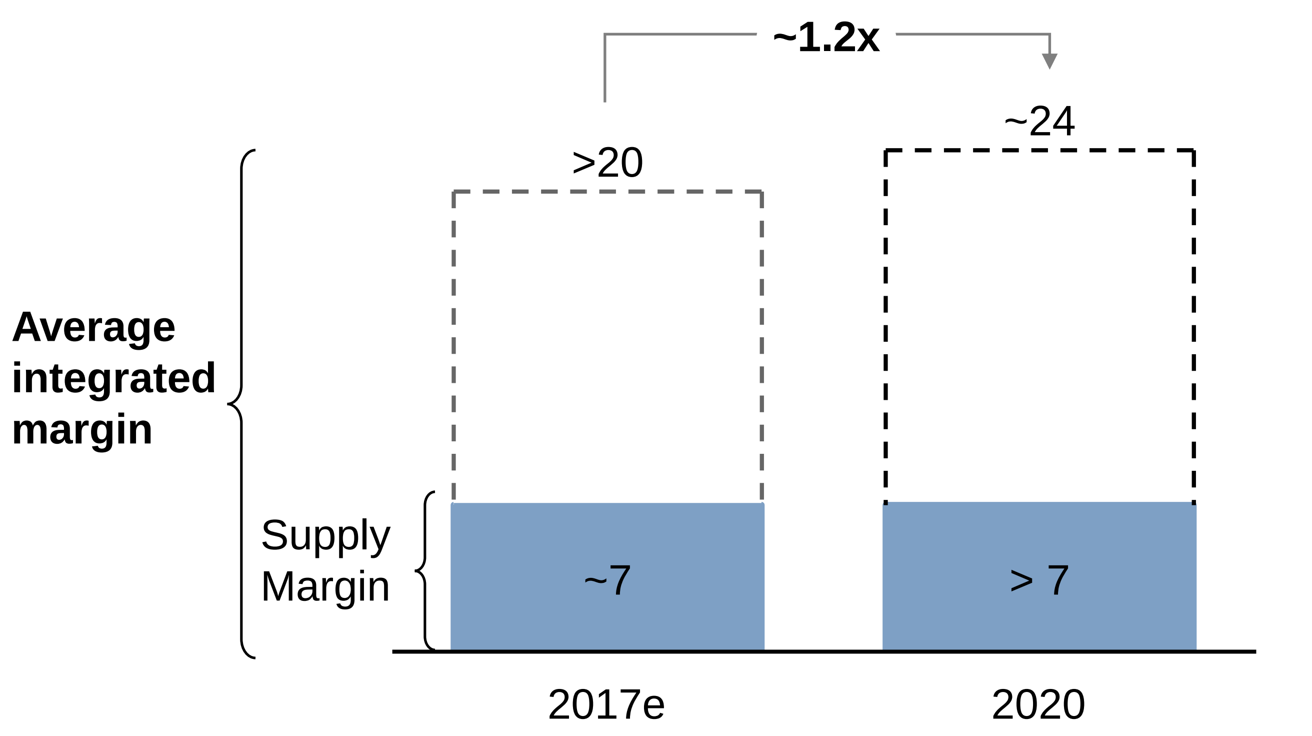
(1) Excludes CCGT consumption and deviations

(2) RM – Regulated Market | LM – Liberalized Market

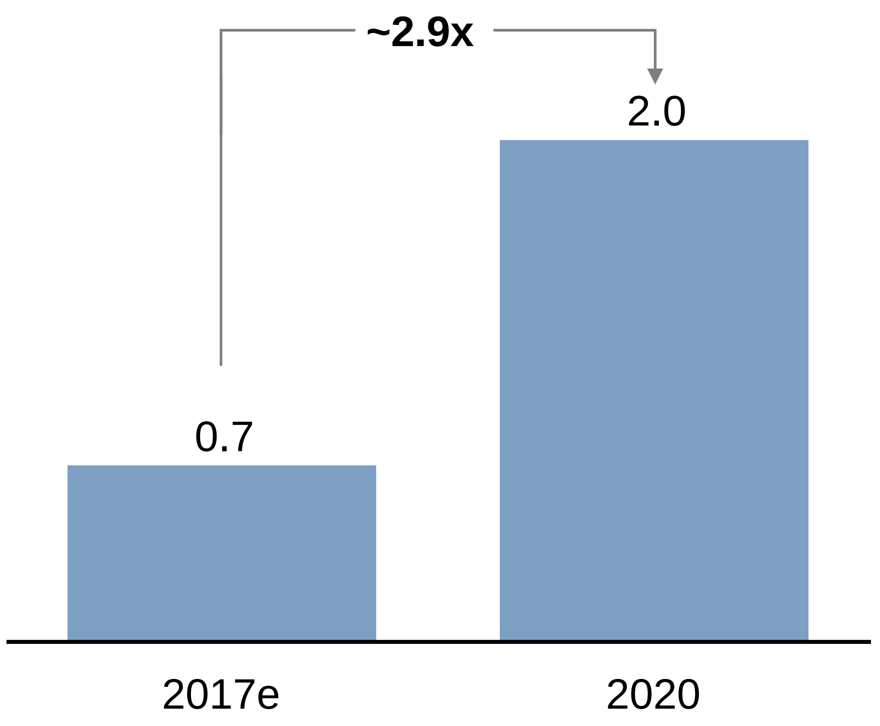
Strategic Plan Update

Endesa power and gas margins

Endesa's power retail margin(1), €/MWh



Endesa's gas retail margin(2), €/MWh



Margins are expected to show sustainable growth in the next years

(1) Power liberalized retail margin
(2) Ordinary margin

Strategic Plan Update

Endesa commercial transformation: Value-based Management and Digitalization

Key initiatives

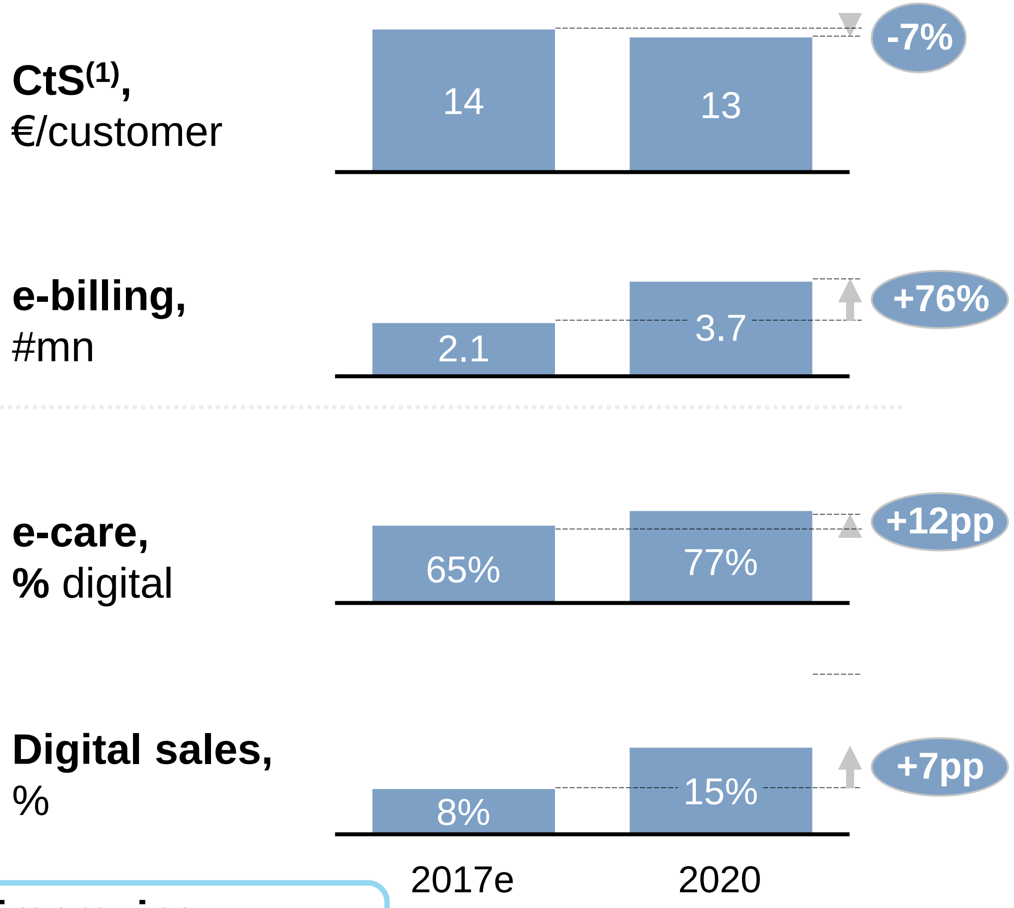
Customer value-based management

- Enhance **customer segmentation**
- Optimize **advisory** products
- Elaborate new data-driven **pricing model**
- Focus on **retention and recuperation**

Customer-centered digitalization

- **Digital customer journeys** and **increased digital interactions**
- **Digital payments**
- **Automate administrative** tasks
- Implement **advanced analytics** tools

Targets



Endesa is transforming its business, improving efficiency and customer experience

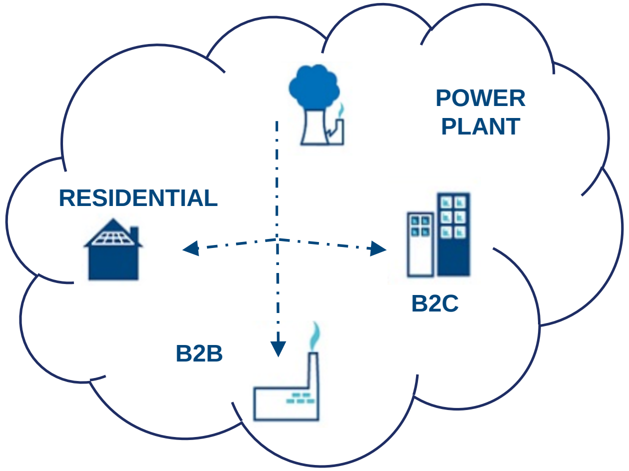
(1) Cost to serve

Strategic Plan Update

Endesa new business line: e-Solutions, from asset-based to service-based

From power and gas provider…

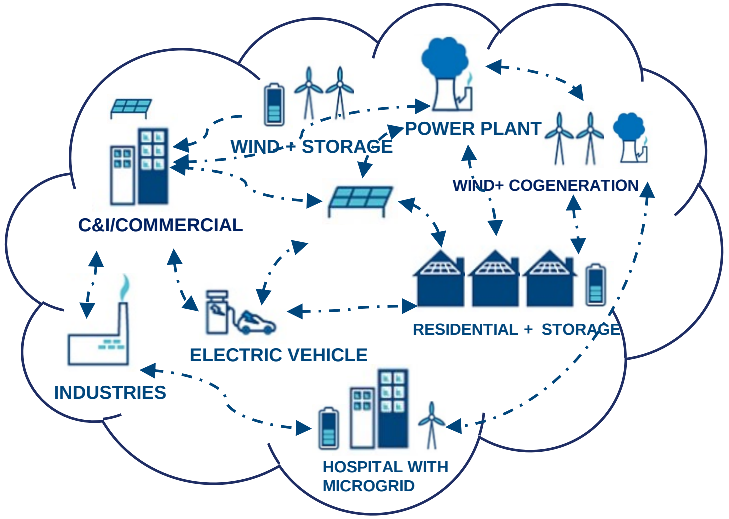
Assets as business base



Intelligence as an instrument to identify efficiencies and reduce costs

…to Energy as a Service provider

Managing third parties assets



Intelligence as core business

A new energy ecosystem

- Service-based
- Economies of scale on demand side
- Downstream focus
- Hyper competition
- GloCal approach
- New business models
- Stay light, open and flexible

e-Solutions are gaining traction and Endesa has positioned itself to capture the opportunities through this new business line

Strategic Plan Update

e-Solutions delivery

The new e-Solutions division is placing Endesa as an early mover

e-Industries
- Maximize potential of current products and evolve portfolio towards platform-based flexibility services

e-Mobility
- Promote electric mobility through recharge solutions and recharge network development

e-City
- Grow in public lighting and develop e-Industry products for public administrations

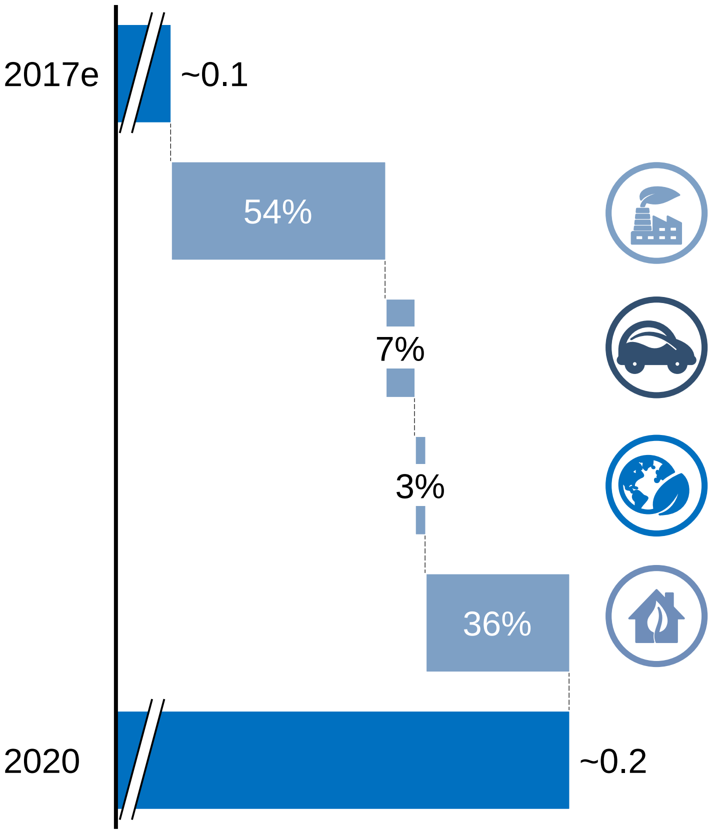
e-Home

Center of excellence, focusing on growth through
- Home services
- Equipment
- Micro-insurance

Main KPIs

	2017e	2020
Projects, k#/year	3.4	4.3
Public charging stations, #	–	~600
Public tenders under management, #	18	23
Maintenance and repair clients, #mn	1.0	1.2

Gross margin from e-Solutions, €bn



e-Solutions area is expected to grow based on Endesa's solid experience, strong brand, and diversified portfolio of products and services

Strategic Plan Update

e-solutions to be

e-Mobility

Quick **Fast** **Ultra fast**

- Integral service, including recharging solutions, installation and maintenance
- Developing massive transport electrification projects
- ecaR and CIRVE as Public Infrastructure Projects

Client

Energy-as-a-Service Provider

Distributed Generation and Storage

- Integral Solutions: advice, installation and maintenance
- Investment based on customer savings
- Early movers in battery storage market, leveraged on DEN capabilities

Demand Management

Commercial & Industrial Clients → Flexibility → Digital Platform → Load Management → Grid Operator / Utility Customers

Grid Operator / Utility Customers → Payment → Digital Platform → Payment → Commercial & Industrial Clients

- Energy Management System/Services for customers
- Demand Response

Providing solutions to customers as a way to become an Energy as a Service Provider leverage on eMotorwerks, Demand Energy and Enernoc capabilities

Strategic Plan Update

Strategic guidelines for smart grids

Smart grids

Increase asset value through smart grid investments and best-in-class operations

- **Priority** on the **digitalization** of the **grid**
- Ensure **sustainability** of **regulated asset base** as well and improve grid quality and reliability
- **Optimization** of **cash cost** and improve efficiency across the grid

Digitalization

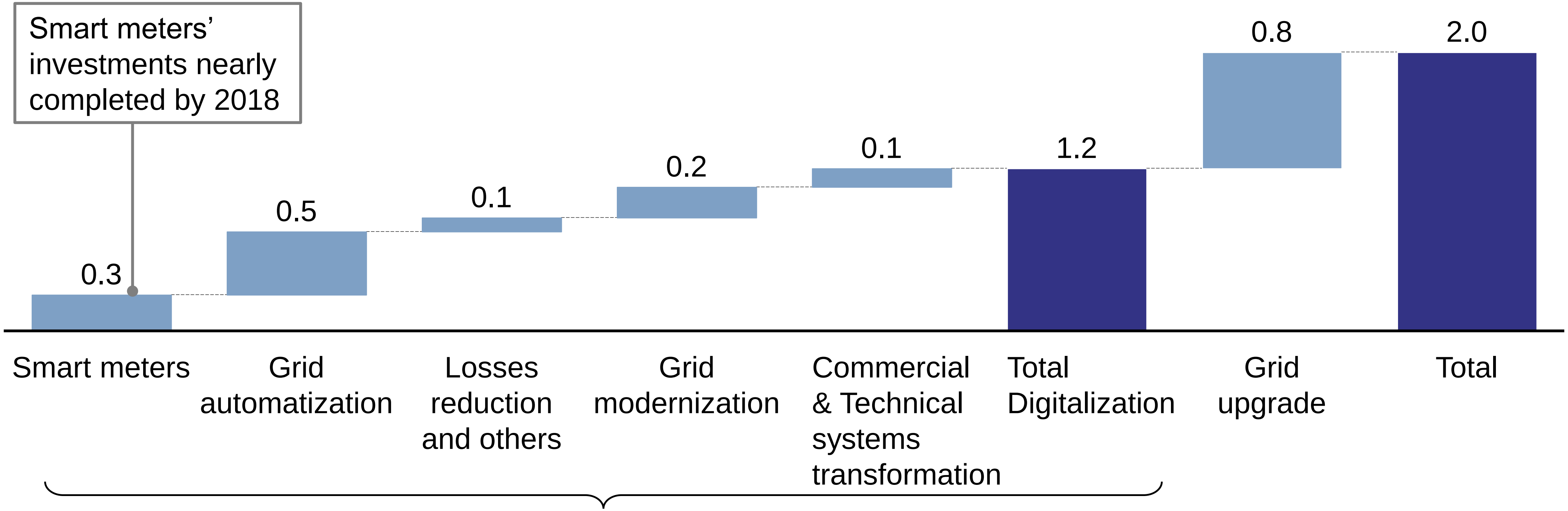
Efficiency

Sustainable, long-term shareholder profitability

Strategic Plan Update

Investments in Networks

Planned Capex, 2017-2020, €bn

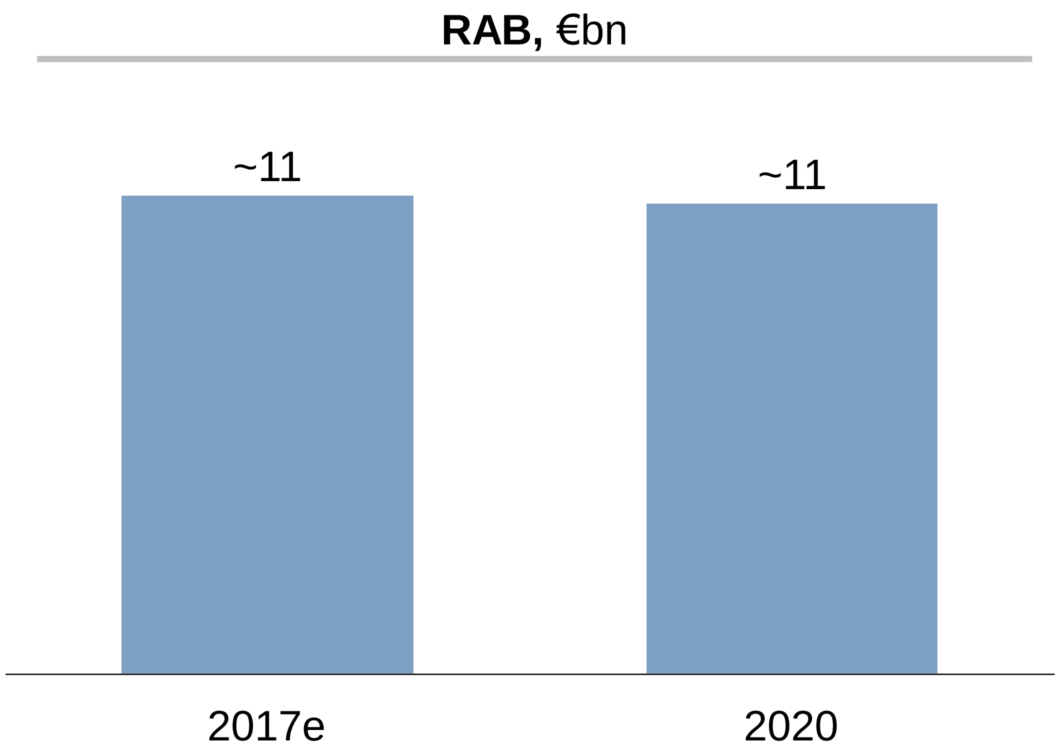


~1,200 €mn capex towards grid digitalization (~+400 €mn vs. old plan)

Endesa is focused on increasing the value of its networks through an increased investment plan (+11% vs. old plan)

Strategic Plan Update

RAB investments for future sustainability



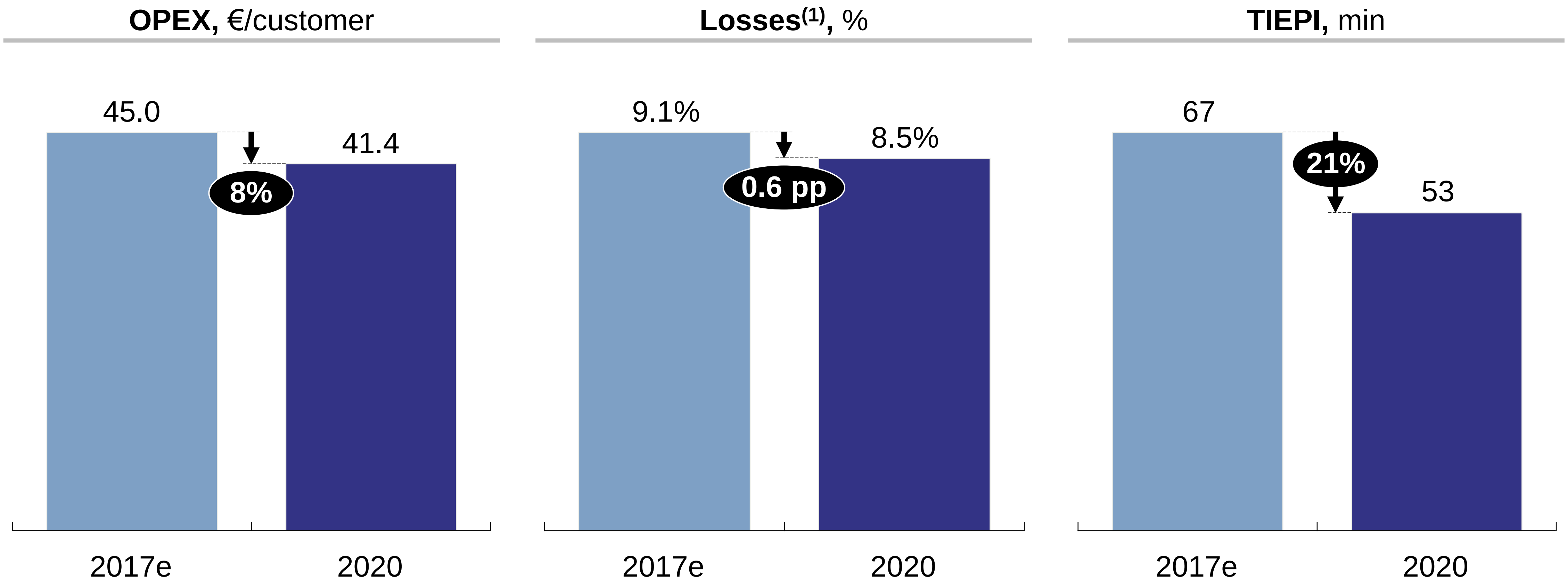
Higher capex volume devoted to **RAB** (~**500 €mn**)

- **0.2bn€ of higher total capex** vs previous plan.
- **Higher growth investments** to **support RAB** : **67%** of total Capex vs. 48% in the previous plan

Significant investment growth to support RAB

Strategic Plan Update

Service quality and operational excellence



New investments will also contribute to a better service quality, reducing interruptions and losses while improving efficiency

(1) SO criteria

Strategic Plan Update

Strategic guidelines for generation mix

Generation mix

Decarbonization of generation mix while ensuring security of supply

- **Significant growth** in renewables with attractive returns
- **Nuclear long-term operation** to ensure security of supply
- **Preserve efficient coal** in order to prevent higher emissions and system costs
- **Non-mainland generation** investment will allow for a growing asset base

Digitalization

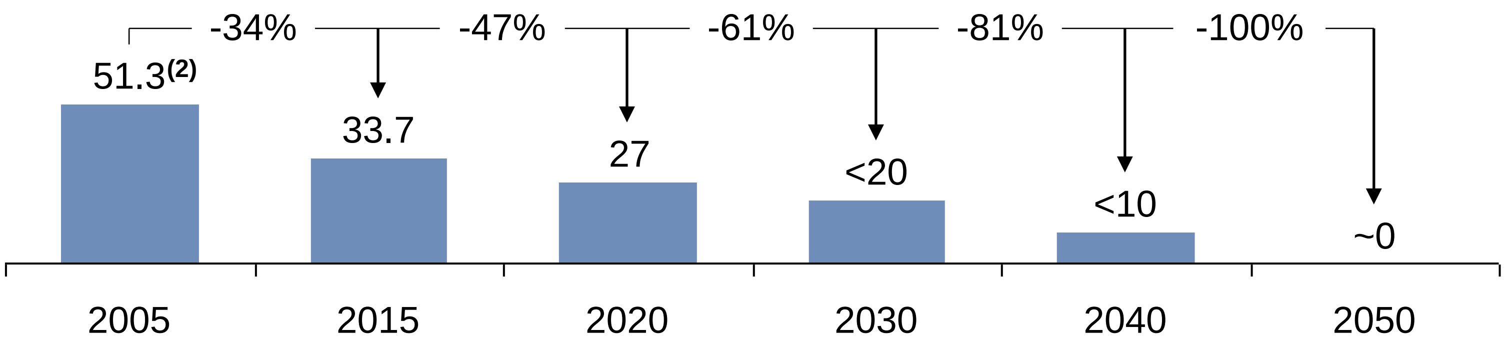
Efficiency

Sustainable, long-term shareholder profitability

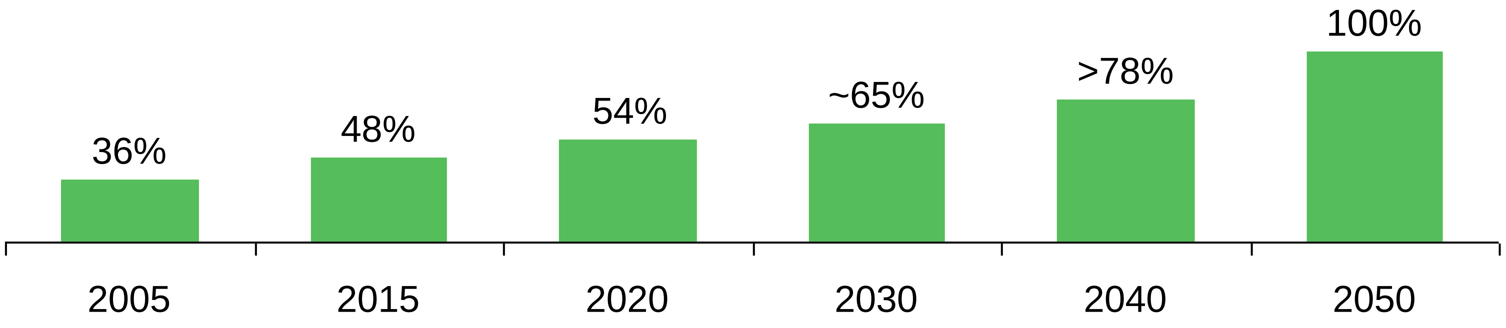
Strategic Plan Update

Decarbonization of generation mix

Endesa's CO_2 emissions(1), MtCO$_2$, % reduction vs. 2005



Endesa's CO_2 emission-free generation, %



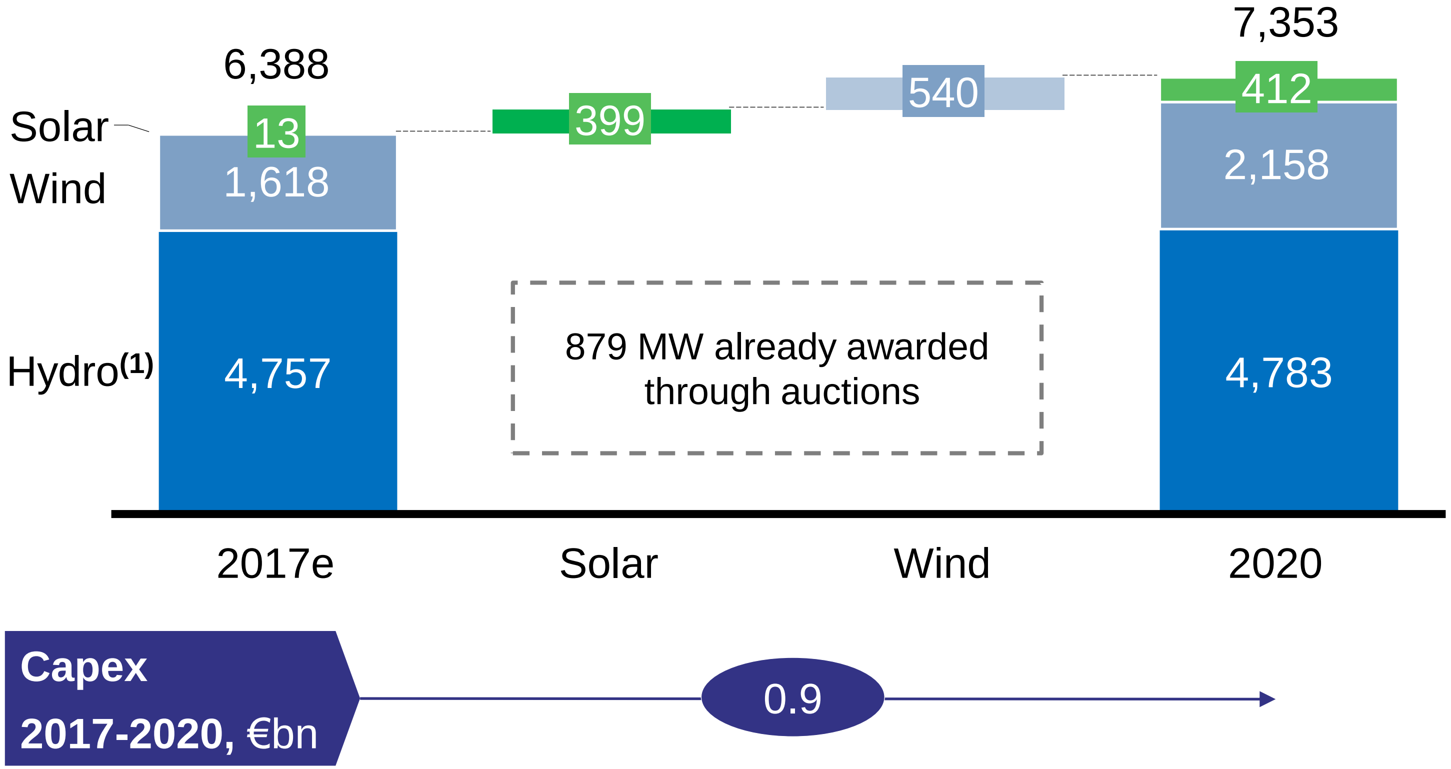
Endesa is on track towards total decarbonisation in 2050

(1) Estimated considering net Endesa production (mainland and non mainland)
(2) 48.1 MtCO$_2$ in 2007

Strategic Plan Update

Renewable generation

Installed capacity by technology 2017-2020, MW



Renewables' value drivers

- **Equity IRR of >11%**
- **Renewables as part of the integrated management strategy**
- **Significant synergies**
- **Competitive procurement costs**
- **Mitigated regulatory risks** and diversified generation mix
- **Expected EBITDA** contribution of ~80 €mn from 2020 from new investments

Significant investments with visible and attractive returns and additional M&A opportunities under analysis

(1) Includes mini-hydro

Strategic Plan Update

Traditional generation

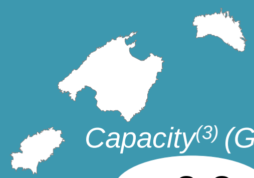
	Key actions	Capex[1] 2017-2020
Nuclear Capacity[4] (GW) ~3.3	▪ **Long-term, safe and cost-effective operation** by continuous improvement of plant safety and efficiency in order to ensure a competitive, emission-free and firm supply	▪ Safety and long term operation: ~0.4 €bn
Thermal Capacity[4] (GW) ~8.3	**Adapt coal to environmental Directive requirements** by: ▪ IED[2]/BREF[3] investments in imported coal plants ▪ **Become early movers in storage technologies** development (e.g., new batteries in Litoral and As Pontes) ▪ Digitalization: **Internet of Things and Big Data**	▪ Environmental investments: ~0.3 €bn

Operating nuclear long-term and preserving efficient thermal capacity will ensure security of supply and avoid additional costs to the system while reducing emissions

(1) Gross investments
(2) Industrial Emissions Directive
(3) BREF: Best Available Techniques Reference
(4) Net capacity
NOTE: Total capex in mainland generation is 1.1 €bn

Strategic Plan Update

Non-mainland generation

	Key actions	Capex 2017-2020
Canary Islands  *Capacity[3] (GW)* ~2.6	▪ Environmental investments in Gran Canaria and Tenerife (320MW) to guarantee sustainable operations in mid and long term ▪ Closing of 307 MW and 290 MW[1] of new capacity ▪ Pilot projects of new storage technologies (batteries)	▪ IED investments: ~0.1 €bn ▪ Investments in new capacity: ~0.3 €bn
Balearic  *Capacity[3] (GW)* ~2.3	▪ IED/BREF investments in Mallorca and Ibiza ▪ Closing of 111 MW in 2018-2020[2]	▪ IED investments: ~0.1 €bn

Endesa will commit +20% Capex investments vs previous plan in order to maintain RAB and strengthen regulated EBITDA

(1) Until 2021, with facilities closing after end of useful lives
(2) After end of useful life
(3) Net capacity
NOTE: Total capex in non-mainland generation is 0.7 €bn

Strategic Plan Update

Strategic guidelines for digitalization and efficiency

Client-focus

Digitalization

- **Digitalization** as main objective, with first initiatives already launched
- **1.3 €bn investments** in digitalization planned for 2017-20 providing savings of **250 €mn**

Efficiency

- **Outstanding cost-reduction track record** with a clear vision for the future

Sustainable, long-term shareholder profitability

Strategic Plan Update

Key pillars of the digitalization process

Clients

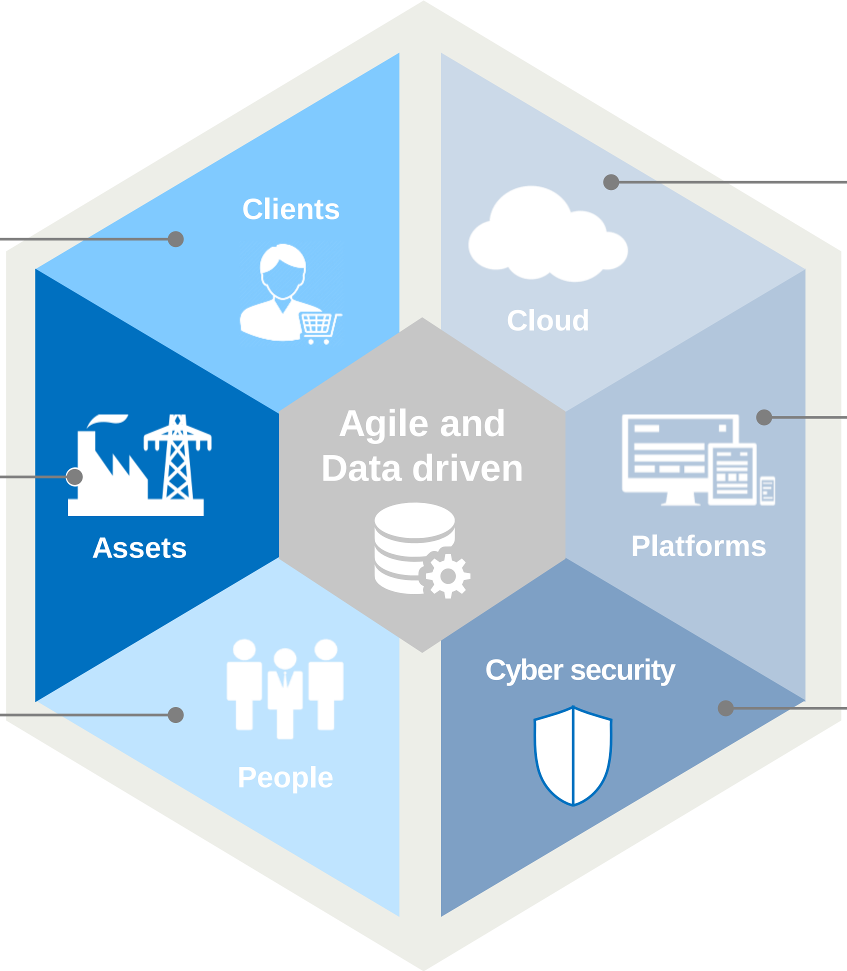
- 3.7 mn customers with e-billing in 2020 (+76%)
- 77% digital interactions in 2020 (+12pp)
- 15% digital sales in 2020 (+7pp)

Assets

- Implementation of IoT and Big Data in generation
- Grid automation and smart meters

People

- Redefine employee journey through “People Digital Transformation” program



Cloud

- All ICT Infrastructure being migrated to the cloud, implanting pay-per-use models and capturing synergies from Group contracts

IT platforms

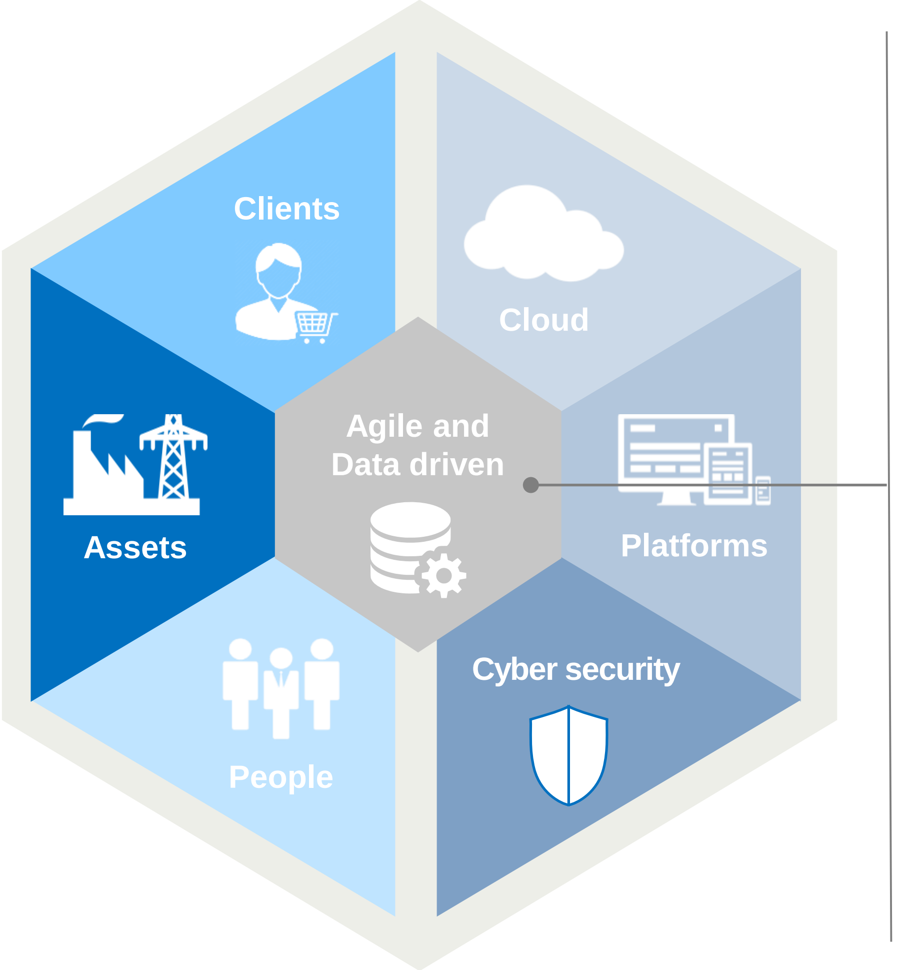
- New state-of-the art global ICT platforms for main business processes
- Best practices in business process with a “customer journey” and employee-focused philosophy

Cybersecurity

- SCADA Centric Cybersecurity program
- Cyber Emergency Readiness Team (CERT)

Strategic Plan Update

Data driven and agile methodologies



Data Driven

	INTERVENTION AREA	TECHNOLOGY
Quantify data	Definition & Data governance	Blockchain, Naas, Cloud, IoT, ERP…
Decide	Data interpretation, scenarios simulation & decision making	Advanced analytics, enhanced virtual reality
Automate	Automatization & new services development	Artificial Intelligence, API, Robotic automatization processes,

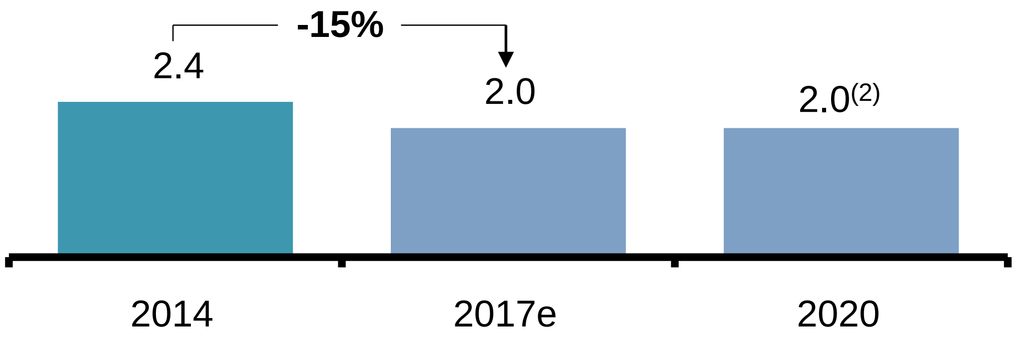
Agile

VALUE	NEW APPROACH
People: Individuals & interactions	Enhance long term open interactions
Results	Working software as opposed to comprehensive documentation
Collaboration	Customer cooperation
Responsiveness	Responding to change

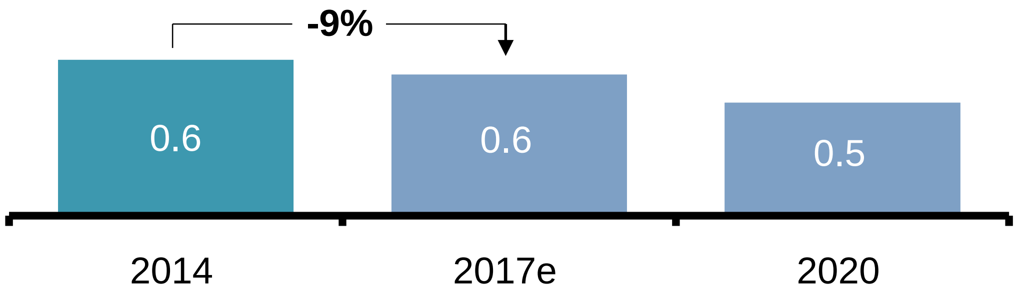
Strategic Plan Update

Efficiency Plan: cash costs optimization

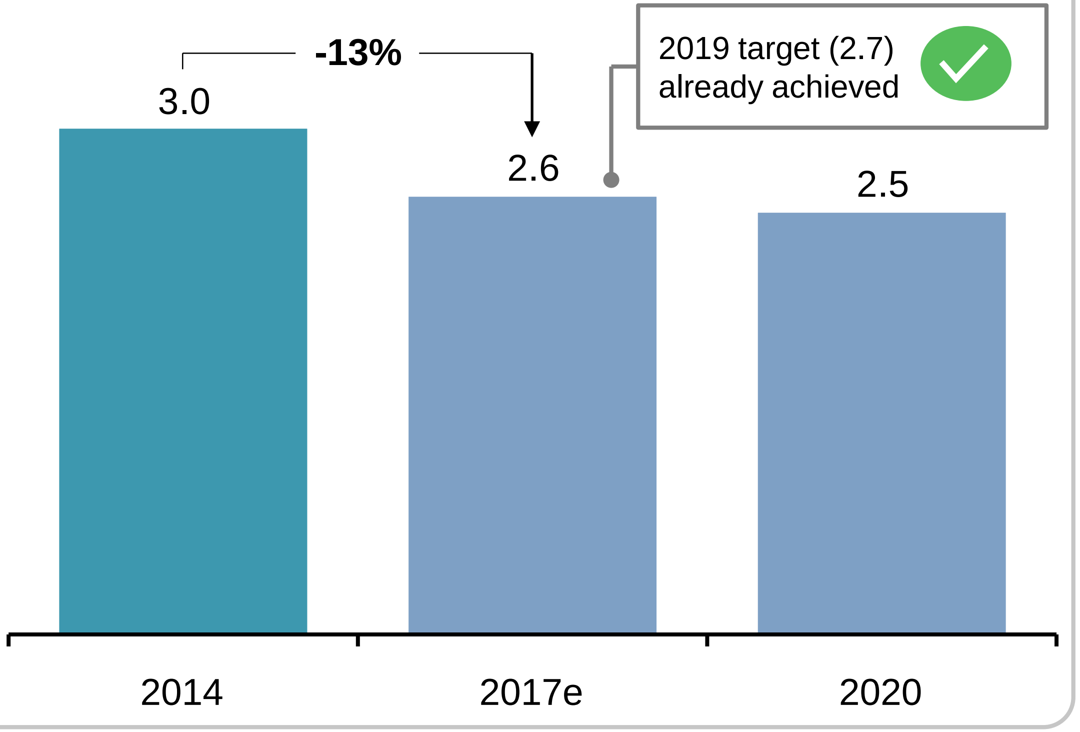
Opex[1], €bn



Maintenance capex[3], €bn



Cash costs[4], €bn



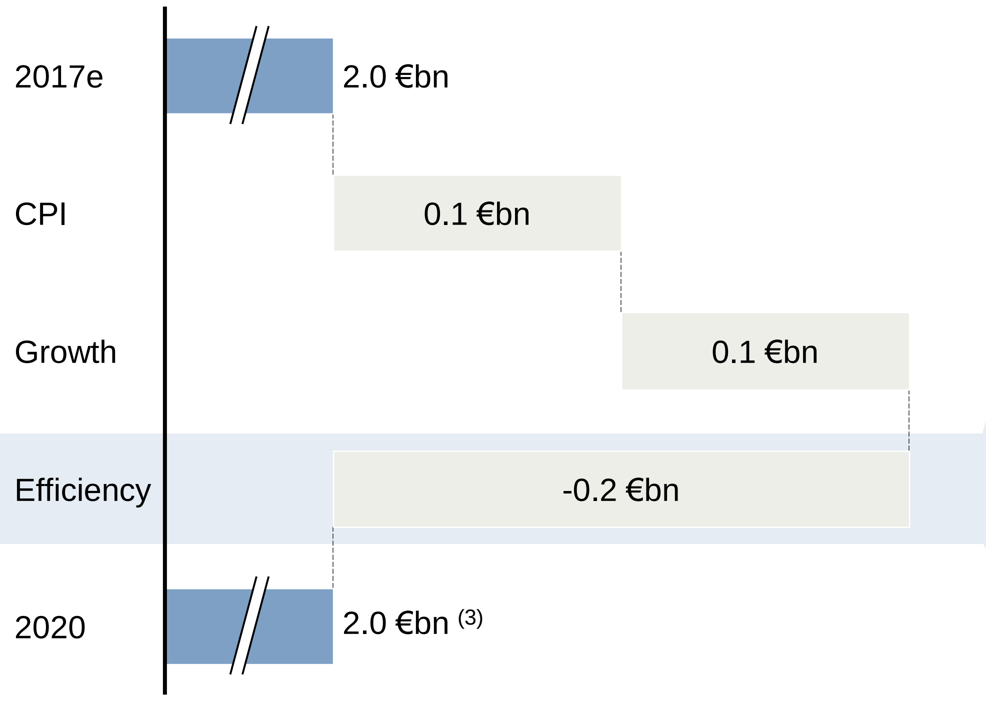
Efficiency Plan on track: significant cash costs reduction since 2014, with 2019 targets already achieved

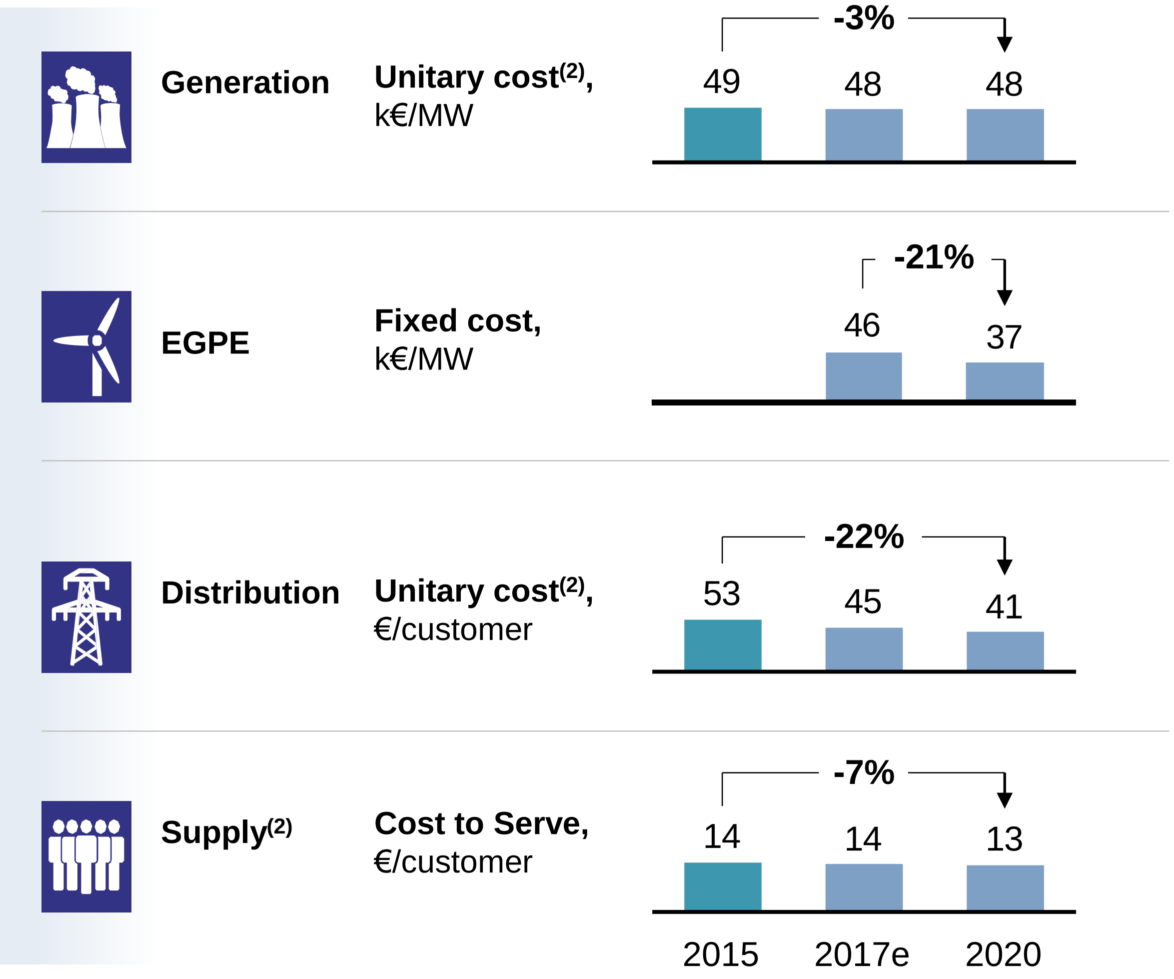
(1) Total fixed costs in nominal terms (net of capitalizations)
(2) Not including non-recurrent expenses
(3) Net capex
(4) Opex + maintenance capex

Strategic Plan Update

Unitary KPIs of the Efficiency Plan per area

Opex[1] evolution





(1) Opex Total fixed costs in nominal terms (net of capitalizations);
(2) Includes Large Hydro and Corporate fees
(3) Not including non-recurrent expenses

Strategic Plan Update

Focus on people

Local Communities

	2015-2017e	2020 Targets
Access to affordable and clean energy(1)	760,000	1,370,000
Employment and sustainable and inclusive economic growth	130,000	240,000
High quality, inclusive and fair education	61,300	164,000

Our people

		2020 Targets(2)
Talent Attraction & Retention	Appraise performance of our people	**100%** eligible people **99%** of TP[2] appraised **93%** of TP[1] interviewed
	Climate Corporate survey	**100%** eligible people **84%** of TP[2] participating
Diversity & Inclusion	Implementation of the diversity & inclusion policy	**46%** women in job hiring processes **39%** women new hires
Training	Enable digital skills among our people	**100%** of people involved
Sustainable Mobility	Promote e-mobility among our people	**> 1,000** people own an electric vehicle (>10% of staff)

(1) Includes projects to minimize economic barriers to energy access, responsible energy consumption awareness, and energy efficiency capacity-building programs, among others
(2) Cummulative target 2015-2020
(3) TP: Target Population

Agenda

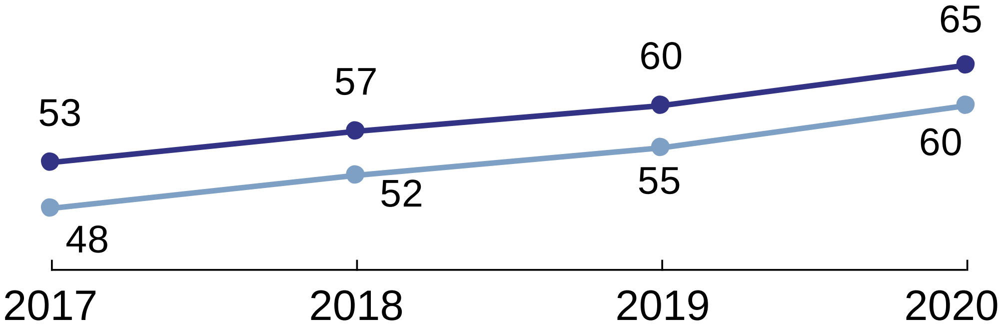
1. Endesa's Outstanding Position
2. Context in Europe and Spain
3. Strategic Plan Update
4. **Key Financial Indicators**
5. Final remarks

Key Financial Indicators

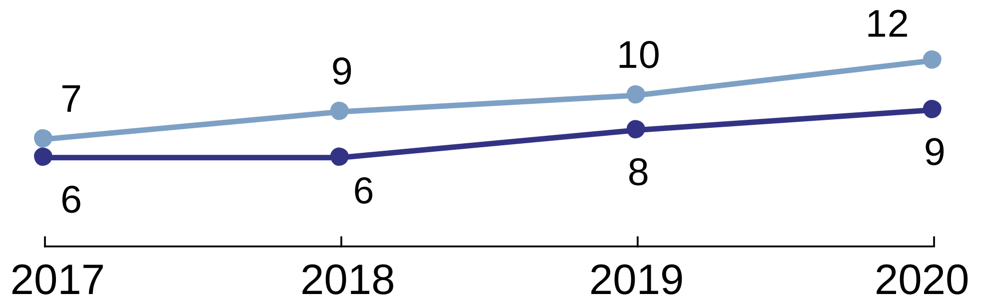
Commodity overview and update to latest market consensus

New plan
Old plan

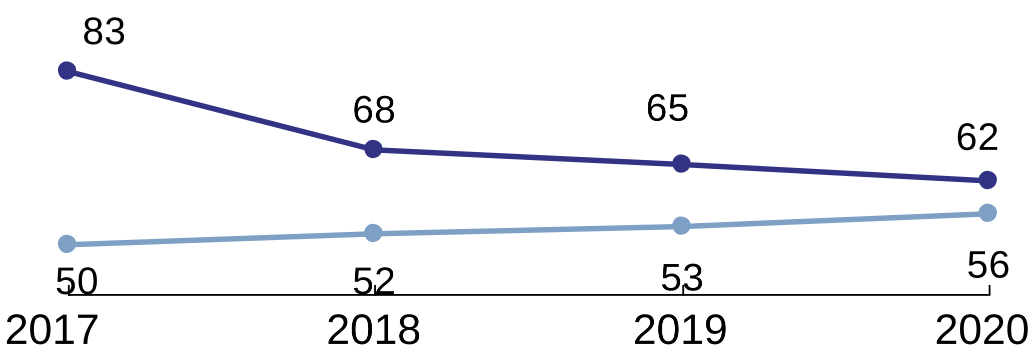
Brent price, $/bbl



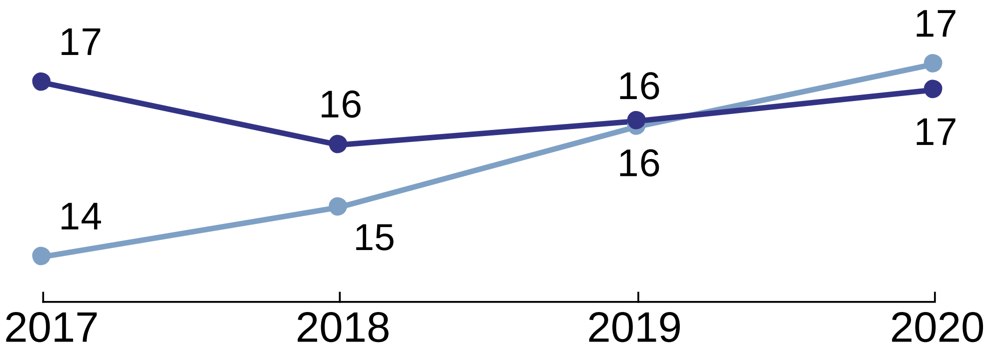
CO_2 price, €/ton



Coal API2, $/ton



TTF, €/MWh

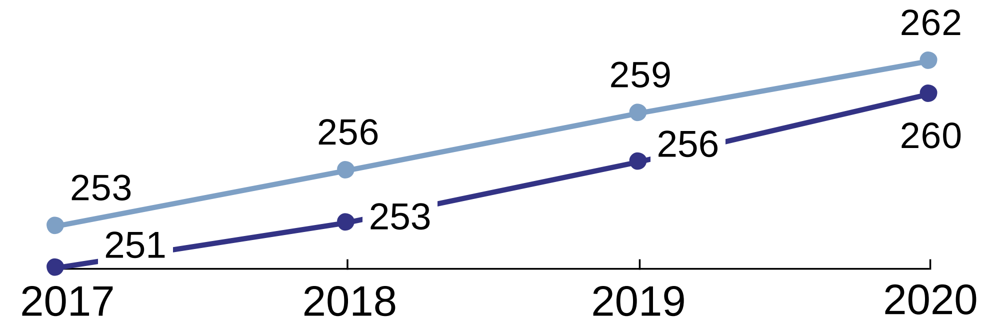


More conservative macro scenario assumptions

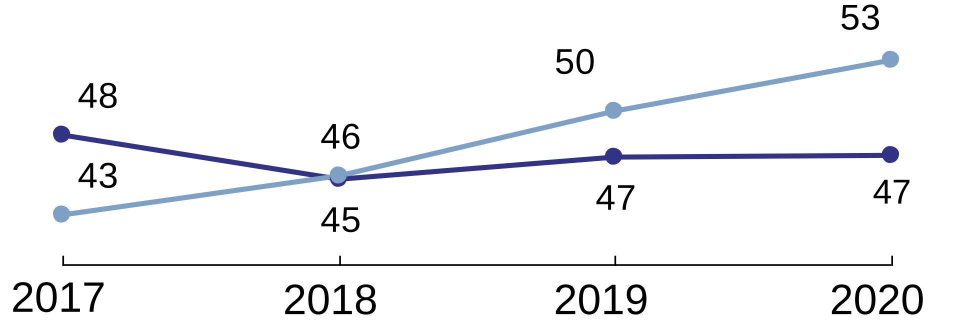
Key Financial Indicators

Power market overview and update to latest market consensus

Mainland Spain demand[1], TWh

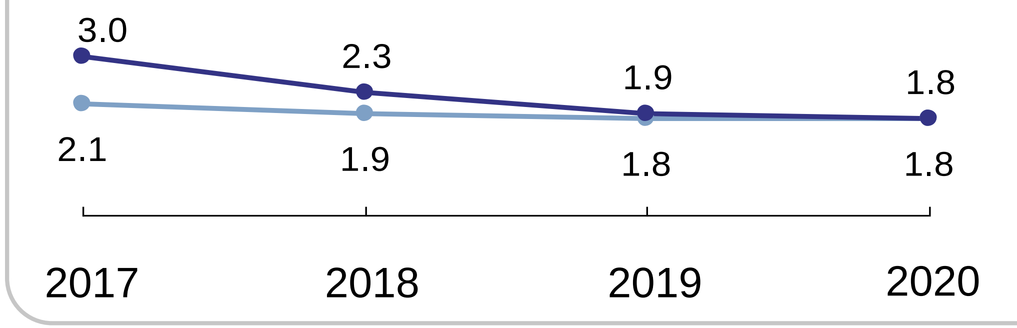


Average daily market price, €/MWh

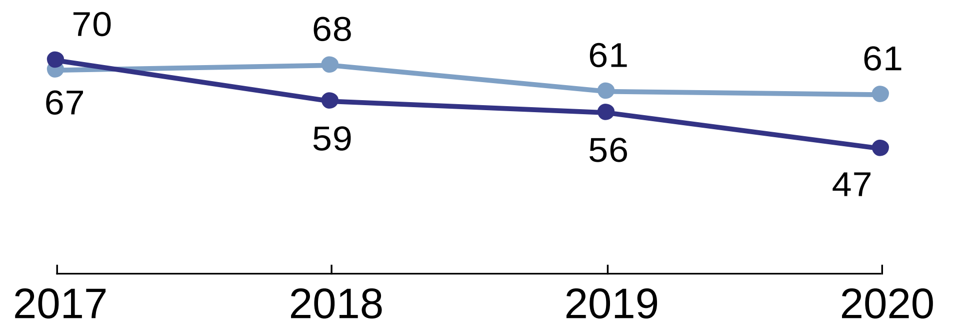


New plan
Old plan

Spain GDP growth, %



Thermal gap, TWh



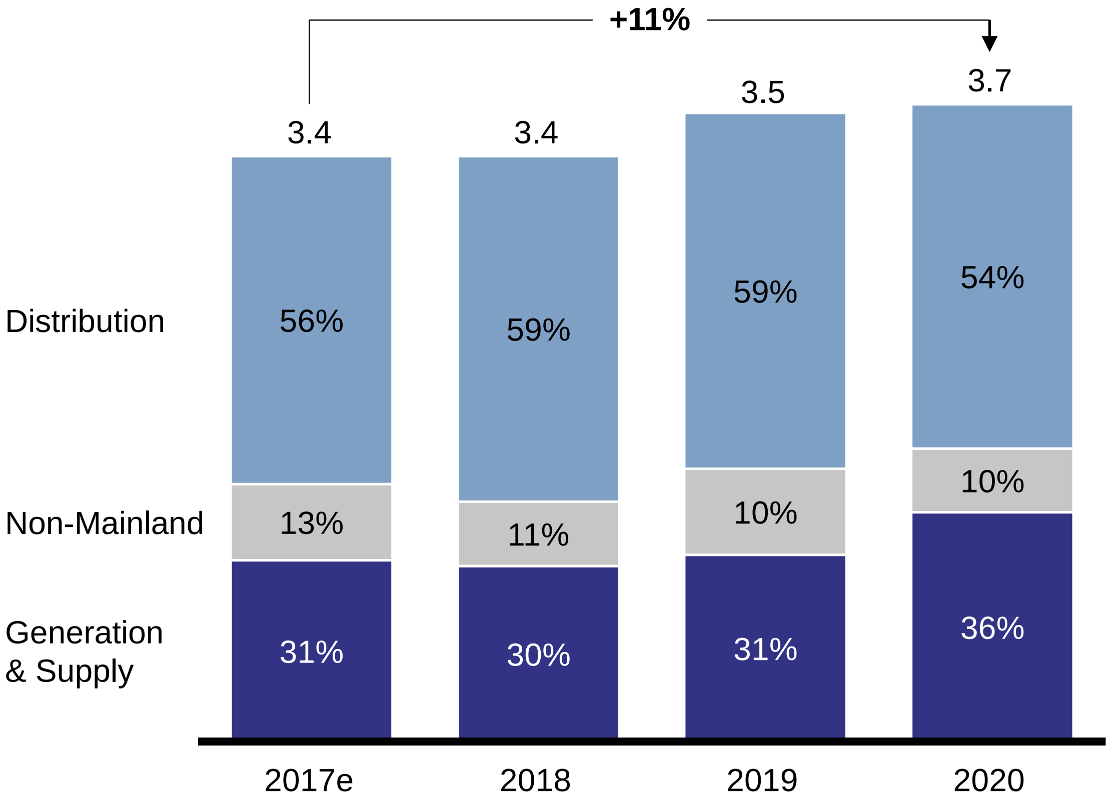
More conservative macro scenario assumptions

(1) In bus bars

Key Financial Indicators

Endesa's 2017-2020 EBITDA analysis

EBITDA by business, €bn and %



Main drivers

2018

- **Distribution:** Higher regulated margins and positive loss incentives
- **Gx & Sx:** Normalization of market conditions, absence of non-recurring items, improvement of gas and e-solutions growth
- **Non mainland:** Absence of non-recurrent items

2019

- **Distribution:** Higher efficiencies and regulated margins on new investments
- **Gx &Sx**: Growth of integrated, gas and e-Solutions margins

2020

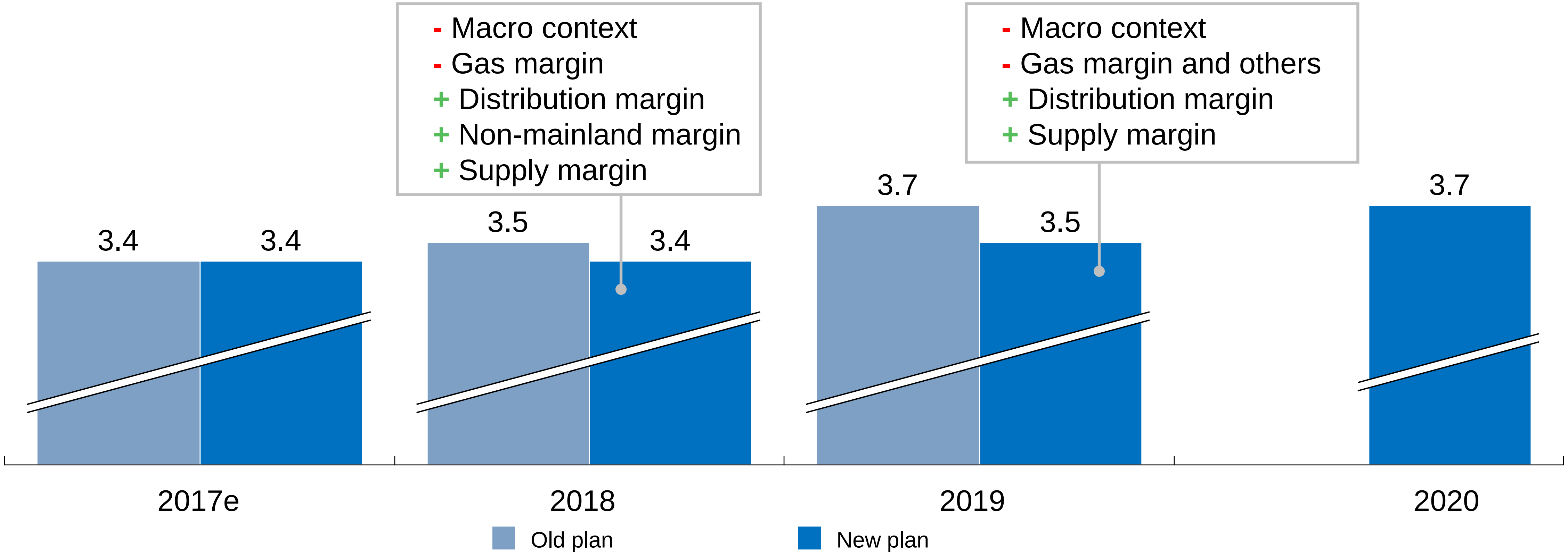
- **Distribution :** 50 bps decrease in financial remuneration
- **Gx & Sx**: Growth of integrated and gas margins. Impact of new renewables capacity
- **Non-mainland:** New investments offset the 50 bps decrease in financial remuneration

EBITDA is expected to grow at 4% annual growth, with renewables increasing their share and regulated business contributing to ~70% of EBITDA

Key Financial Indicators

Comparison of old plan vs. updated plan

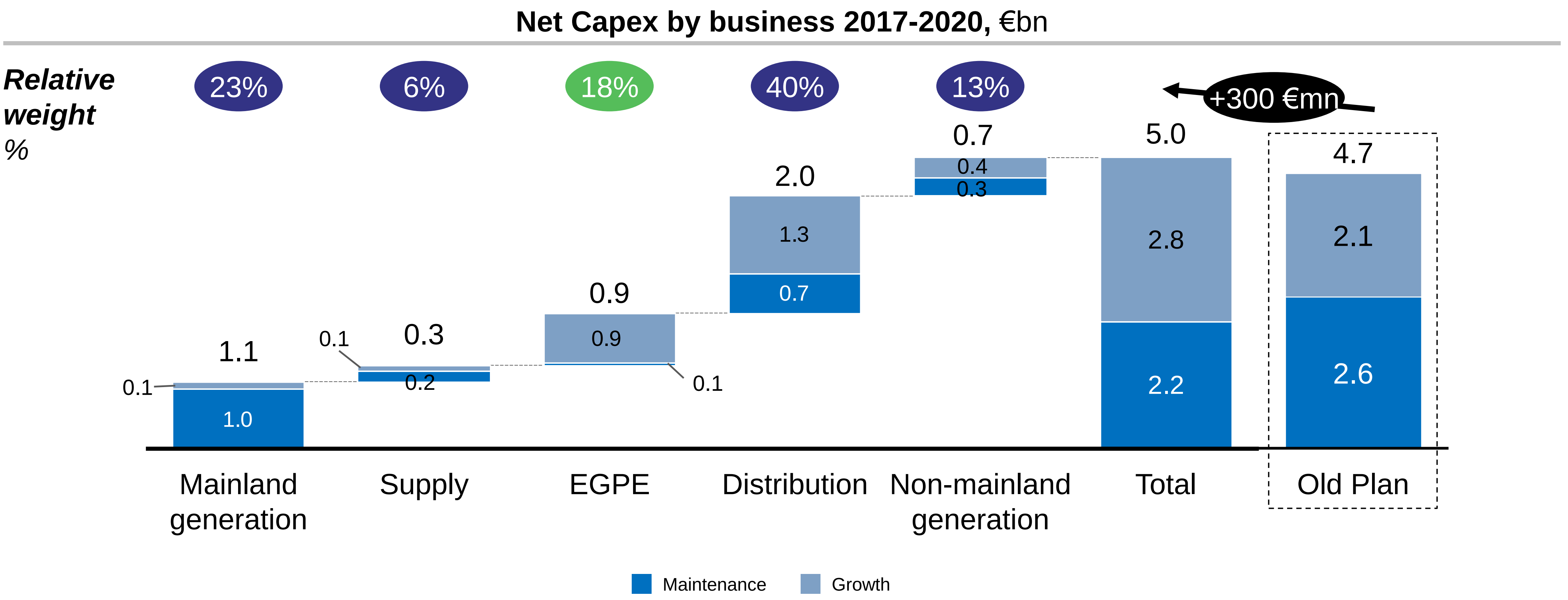
EBITDA projections, €bn



New market conditions have led to an adjustment in 2018 and 2019 expected EBITDA

Key Financial Indicators

Endesa's 2017-2020 capex analysis

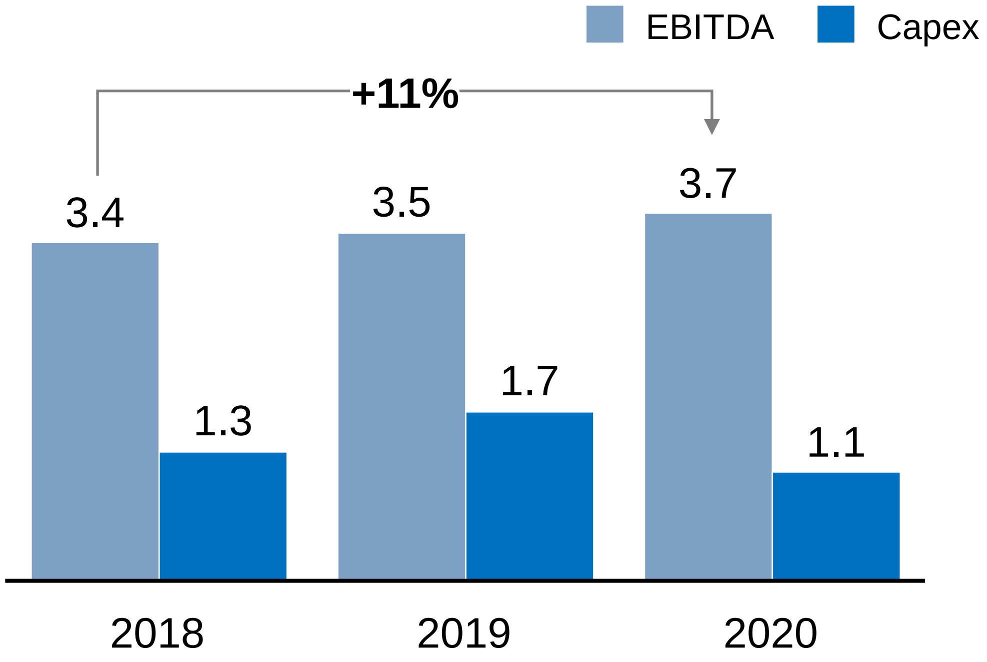


56% of Capex devoted to growth vs 44% in previous plan

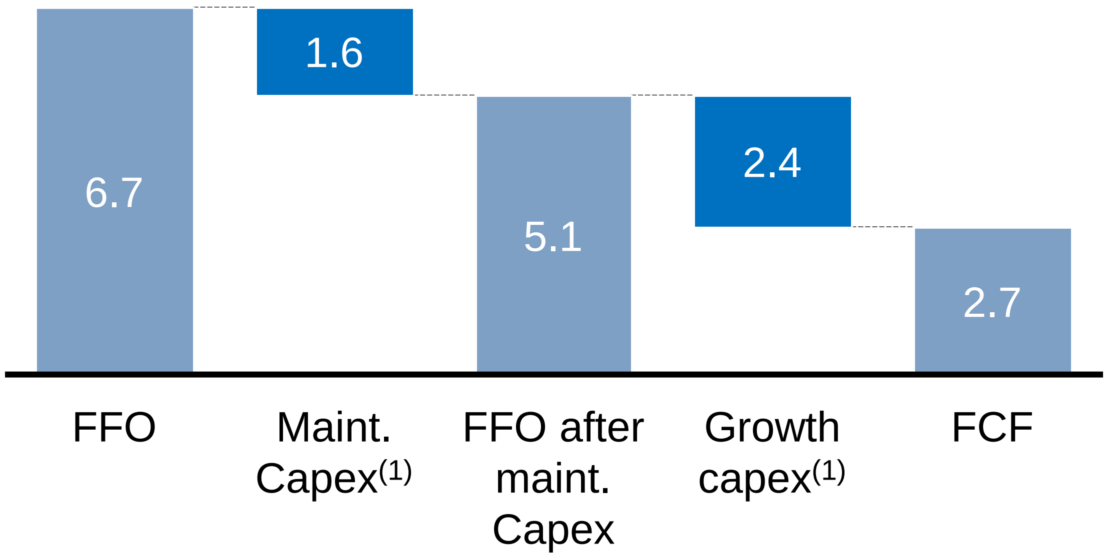
Key Financial Indicators

Endesa's 2018-2020 cash flow generation

EBITDA and Capex[1], €bn



2018-2020 Cash flow generation, €bn



Strong cash flow generation is expected to support future growth and dividend policy

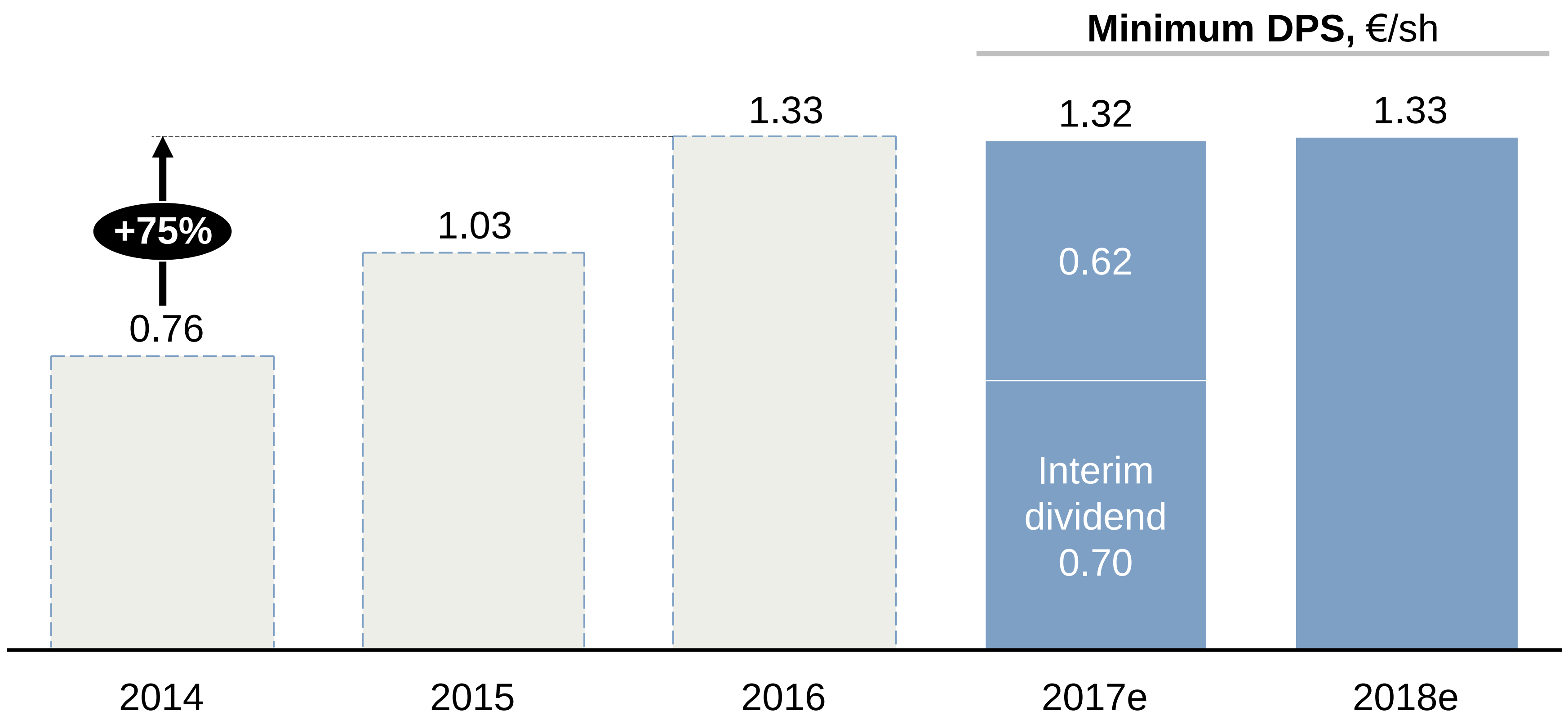
(1) Net Capex = Gross Capex - assets from clients' contributions - subsidies

Agenda

1. Endesa's Outstanding Position
2. Context in Europe and Spain
3. Strategic Plan Update
4. Key Financial Indicators
5. **Final remarks**

Final remarks

Endesa dividend policy



2017-2020

100% Pay-out on ordinary net income

One of the most attractive dividend policies in the utility sector

Final remarks

Closing overview

	2017e	2018	2019	2020	CAGR 2017-2020
EBITDA €bn	*~ 3.4*	*~ 3.4*	*~ 3.5*	*~ 3.7*	*~ +4%*
Net Income, €bn	*~ 1.4*	*~ 1.4*	*~ 1.5*	*~ 1.6*	*~ +6%*
Minimum DPS[1], €/sh	*1.32*	*1.33*			
Cummulative FCF[2]		*2.7 €bn*			

Endesa holds a strong financial position for a sustainable shareholder profitability

(1) DPS calculated according to Net Income guidance
(2) FCF = Funds from Operations (FFO) – Maintenance & Growth Net investments

Final remarks

1. Strong resilience and profitability in spite of adverse market conditions
2. First-class asset base in Iberia
3. New opportunities to grow opened by decarbonization
4. Strategic vision and healthy financials to capture additional value
5. Sustainable business model allowing for best-in-class shareholder remuneration

Back-up

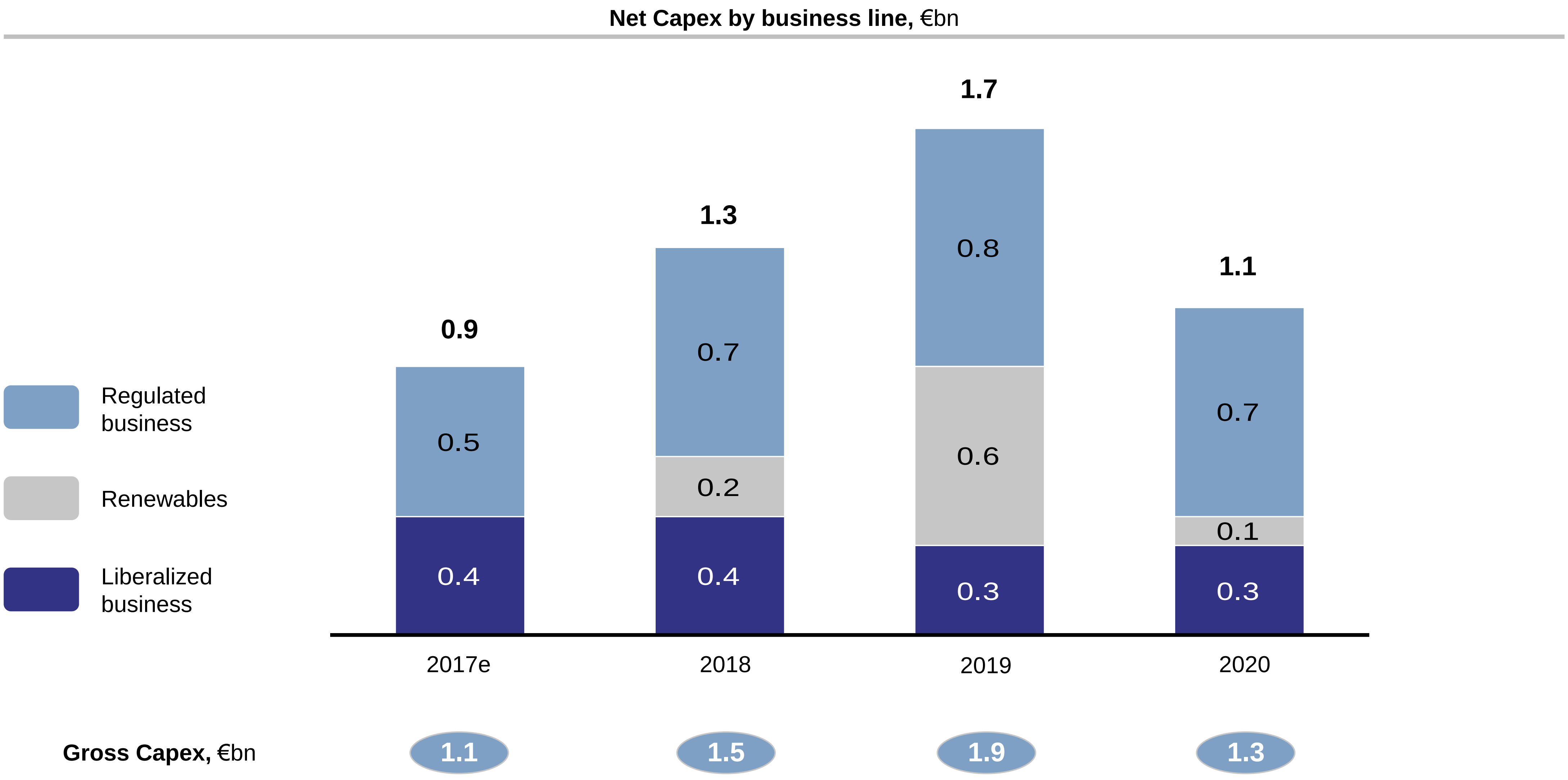
1. Key Financial Indicators
2. Digitalization
3. E-Solutions
4. Sustainability

Back-up

1. Key Financial Indicators
2. Digitalization
3. E-Solutions
4. Sustainability

Key Financial Indicators

Endesa's 2017-2020 Net Capex analysis



Back-up

1. Key Financial Indicators
2. **Digitalization**
3. E-Solutions
4. Sustainability

Efficiency through digitalization

Digital plan main initiatives

	Key initiatives	Capex 2017-2020	Savings 2017-2020
Generation	▪ Deployment of new IT infrastructure ▪ Integration of digital field services new tools for optimizing workforce management ▪ Big Data analytics for predictive maintenance ▪ Integration of new advanced process control to optimize plants operation	~40 €mn	~30 €mn
Distribution	▪ Smart meters ▪ Automation & modernization of the network ▪ System digitalization ▪ Losses reduction	~1,160 €mn	~130 €mn
Supply(2)	▪ Digital customer journeys and increased digital interactions ▪ Digital payments ▪ Automate administrative tasks ▪ Implement advanced analytics tools	~130 €mn	~90 €mn
	Total 2017-2020	**~1.3 €bn**	**~250 €mn**

Back-up

1. Key Financial Indicators
2. Digitalization
3. **E-Solutions**
4. Sustainability

Strategic Plan Update

e-Solutions products

e-Industries	e-Mobility	e-City	e-Home
Consulting, auditing and monitoring services	Public charging network	Smart lighting	Maintenance and repair services
Energy infrastructure	Private charging stations and maintenance	Artistic lighting	Micro-insurances
Distributed generation on/off site	Charging B2B fleets	Ultra Broad Band services	Appliances and maintenance
Demand reponse and demand side management	E-Bus	Facility infrastructure and management	Smart home solutions

Back-up

Strategic Plan Update – ESG annexes

Endesa´s Sustainability priorities

Digitalization

Customer focus

Growth across low carbon technologies and services

Assets optimization and innovation

Engaging local communities

Engaging the people we work with

for a data-driven Company

for more shared value

Sustainable long-term value creation

Strategic Plan Update - ESG annexes

Endesa´s Sustainability priorities linked to UN SDGs

		1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH & WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER & SANITATION	7 AFFORDABLE & CLEAN ENERGY	8 DECENT WORK & ECONOMIC GROWTH	9 INDUSTRY, INNOVATION & INFRA-STRUCTURE	10 REDUCED INEQUA-LITIES	11 SUSTAINABLE CITIES & COMMUNITIES	12 RESPONSIBLE CONSUMP-TION & PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE & STRONG INSTITUTIONS	17 PARTNER-SHIPS FOR THE GOALS
Pillars	Growth across low carbon technologies and services							●						⬤				
Pillars	Assets optimization and Innovation							●		●		●						●
Pillars	Engaging local communities	●		●	⬤	●		⬤	⬤		●							●
Pillars	Engaging the people we work with			●	●	●			●									
Enablers	Customer focus							●		●		●						
Enablers	Digitalization									●		●	●					
Backbones	Occupational Health & Safety			●														
Backbones	Sound governance																●	
Backbones	Environmental sustainability						●						●	●	●	●		
Backbones	Sustainable supply chain												●					
Backbones	Economic and financial value creation								●									

⬤ Endesa´s contribution to Enel´s public commitment with United Nations

Strategic Plan Update - ESG annexes

Growth across low carbon technologies and services

Main actions	Main 2020 targets
Development of renewable capacity	+939 MW of additional renewable capacity
Absolute CO_2 emissions reduction	~27 Mton (-47% base year 2005)
Specific CO_2 emissions reduction	< 367 gCO_2 /KWh (-32% base year 2005)
Implementation of environmental international best practices to selected coal plants	~300 €mn of investment

Strategic Plan Update - ESG annexes

Assets optimization and innovation

Main actions	2020 targets
Large scale infrastructure innovation mostly in grid digitization and smart meters	+12.3 mn smart meters installed (LV)
	~ 24,000 smart remotes installed (MV)
	100% technological update (HV)
	20% improvement of electricity distribution service quality (vs 2017e) (TIEPI)
Digitally integrated smart plants	Implementation of IoT and Big Data in generation
e-mobility charging stations	~600 public charging stations

Strategic Plan Update - ESG annexes

Engaging local communities

Main actions	2020 targets
High-quality, inclusive and fair education	240,000 people[1]
Access to affordable and clean energy	1,370,000 people [1]
Employment and sustainable and inclusive economic growth	164,000 people[1]

1. 2015-20 cumulated target

Strategic Plan Update - ESG annexes

Engaging the people we work with

Main actions	2020 targets
Appraise performance of people we work with[1]	100% of people[1] involved 99% of people[1] appraised 93% of people[1] interviewed (feedback)
Survey corporate climate with a focus on safety	2020: 100% of people[1] involved 2020: 84% of target people[1] participating
Global implementation of the diversity and inclusion policy	46% women in job hiring processes 39% women new hires
Enable digital skills diffusion among people we work with	100% of people involved in digital skills training
Sustainable Mobility	>1,000 people own an electric vehicle (10% of staff)

1. Eligible and reachable people having worked in Endesa for at least 3 months

Strategic Plan Update - ESG annexes

Environmental sustainability

Main actions	2020 targets
Reduction of SO_2 specific emissions	-55% by 2020 (vs 2015) // <0,56 g/kwh
Reduction of NO_x specific emissions	-25% by 2020 (vs 2015) // <0,94 g/kwh
Reduction of particulates specific emissions	-10% by 2020 (vs 2015) // <0,027 g/kwh
Reduction of water specific consumption in electricity generation activities	-7% by 2020 (vs 2015) // <0,87m^3/MWh

Disclaimer

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

Forward-looking statements include, but are not limited to, information regarding: estimated future earnings; anticipated 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.