



# Capital Markets Day

November 23<sup>rd</sup> 2022

endesa

# Agenda



## José Bogas, CEO

2023-25  
Strategic Plan

- Endesa in the energy context
- Endesa strategic actions



## Luca Passa, CFO

2023-25  
Strategic Plan

- Financials of integrated strategy
- Financial management



## José Bogas, CEO

- Closing remarks

# Endesa in the energy context

José Bogas  
CEO

The Endesa logo is displayed in the bottom right corner. It consists of the word "endesa" in a lowercase, sans-serif font. The letters are blue, with a white shadow or outline effect that gives the logo a three-dimensional appearance.

# Clean electrification: the solution to tackle ...



**Affordability**



EU electricity price reductions by 2030



**Security**



Reduction of EU gas imports in 2030



**Sustainability**



Reducing EU GHG emissions by 2030

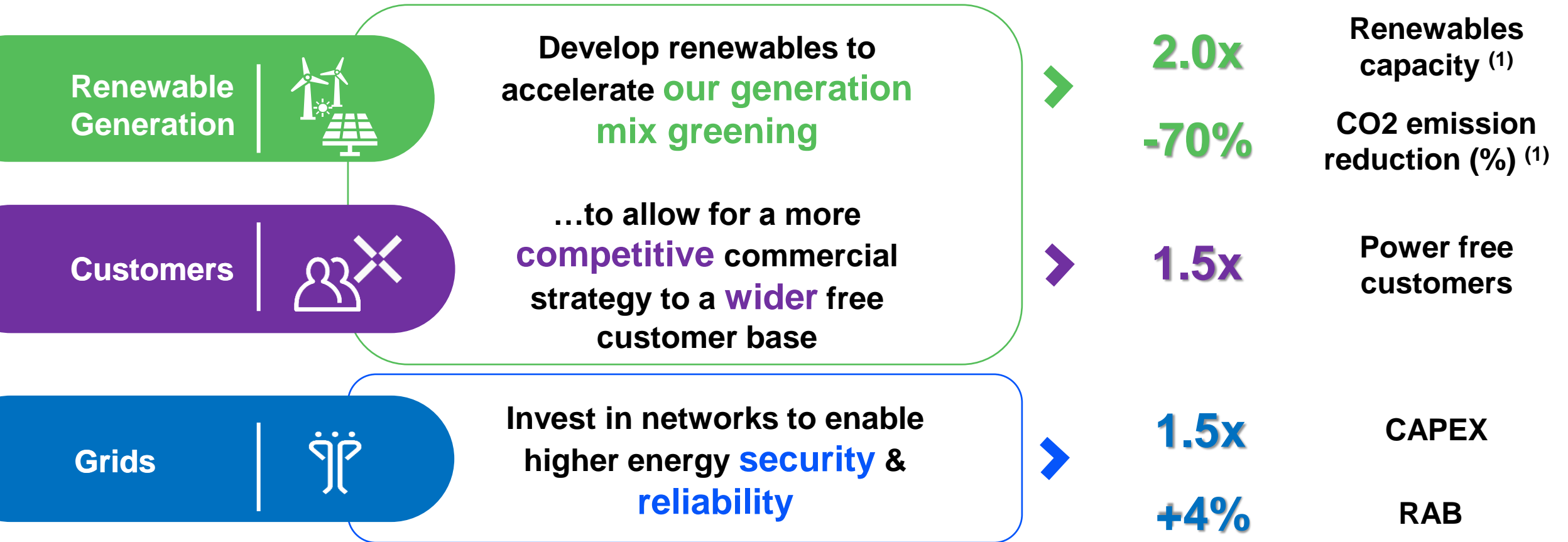
Clean electrification to create **affordable, secure, sustainable** energy systems

Possible extension of the reduction target in the EU to **57%** vs. **55%** in response to the energy crisis

# A unique asset mix to meet the challenges of new business opportunities...



2022E vs 2014

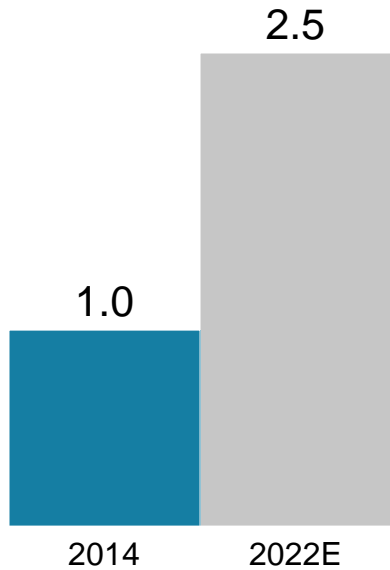


(1) Mainland

# ...as well as solid delivery track record

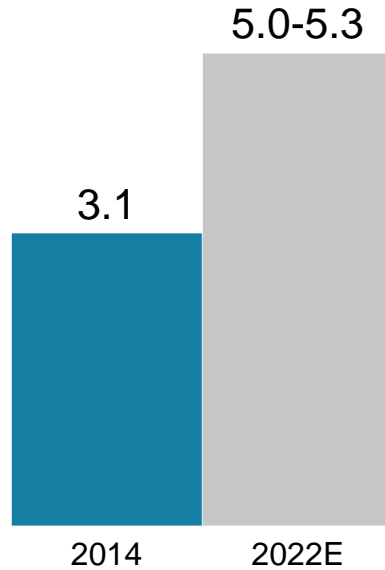


Gross CAPEX (€bn)



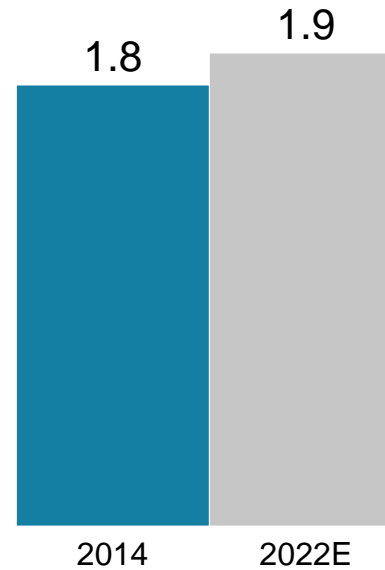
~12%

EBITDA Ifl <sup>(1)</sup> (€bn)



~6%

Net Debt/EBITDA Ifl (x)



~1%

CAGR  
2014-22E

138% Total shareholder return <sup>(2)</sup>

15% ESG investors <sup>(3)</sup>

(1) Excluding 238 €mn effect of Endesa X Way transaction

(2) Starting period: preferential subscription share price on November 20th, 2014 (latest IPO). Includes dividends assumed to be re-invested (2022 share price as of Nov 21st 18.775 €/sh). Calculated with Bloomberg data

(3) Socially Responsible Investors over total Capital as of 31st December 2021 (2021 Sustainability Report)

# Endesa strategic actions





## Endesa strategic actions



**Integrated position  
across the value  
chain to provide a  
value-added  
service to our  
customers**

1

**Improving portfolio mix (sales & generation)  
to optimize the risk/return profile**

2

**Decarbonization key driver to achieve  
competitiveness, sustainability and security**

3

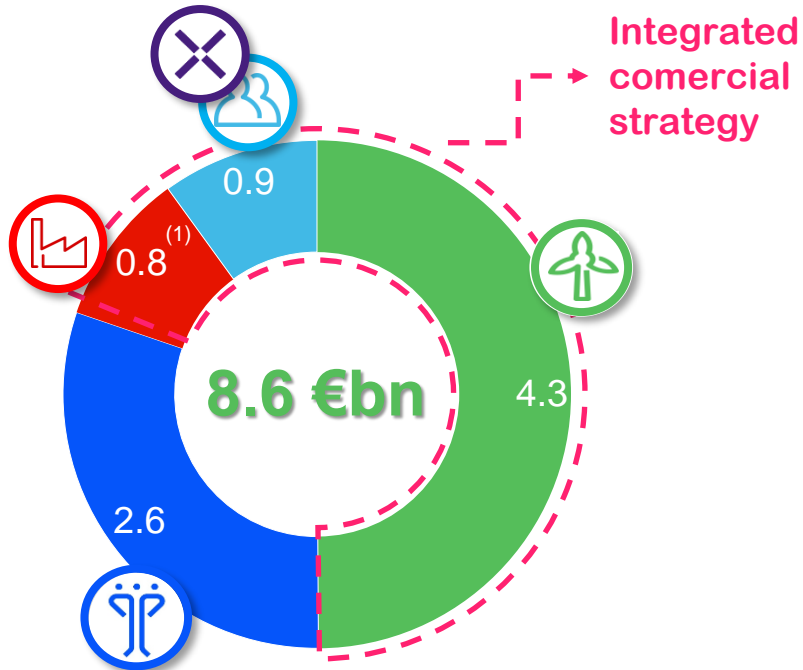
**Reinforcing, growing and digitalizing  
networks to enable the transition**



# An investment plan tailored to the new energy context...



2023-25 Gross capex by business



Investments driven by integrated margin maximization & CO<sub>2</sub> emission reduction

Expanding commodity and services offering

Networks as a key enabler of the electrification

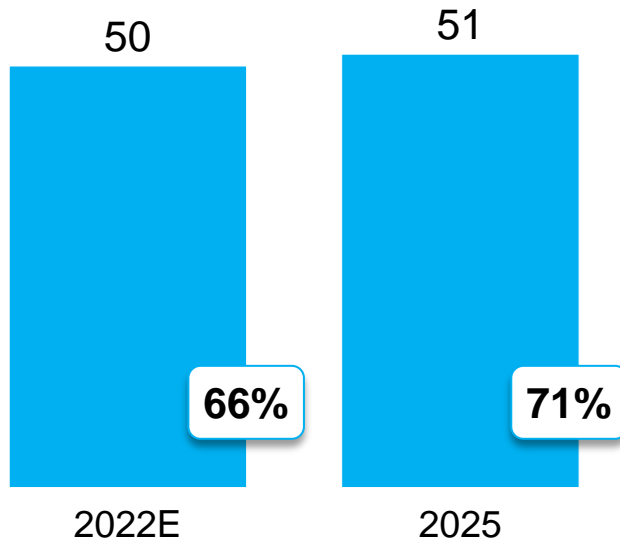
Net Capex (€bn)

7.7

(1) Conventional Gx figure includes CCGT's , nuclear generation, non-mainland businesses, Corporate Structure, Services and Adjustments.

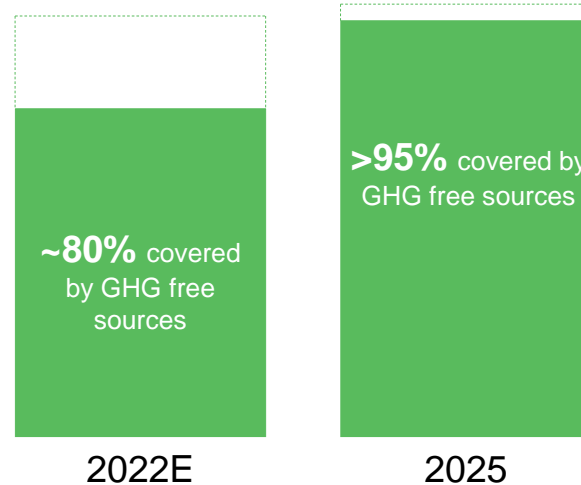
# ...continuously improving sales coverage and supporting affordable prices overtime...

Free fixed price power sales (TWh)



% on total free sales

Fixed price power sales coverage (%)



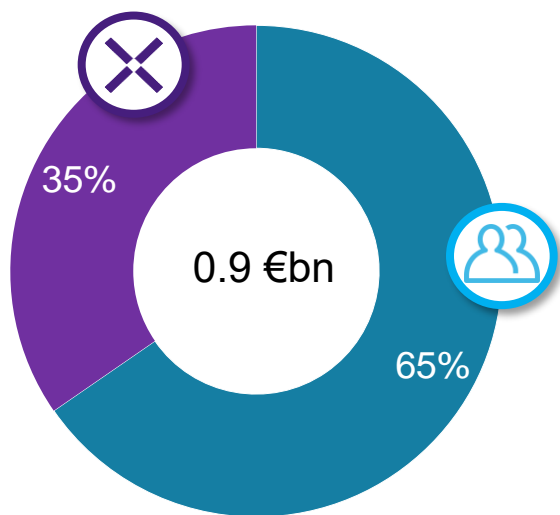
- Higher **sales coverage with GHG free production enhances margins** and drives more sustainable **commercial offering**
- Renewables penetration reduces cost of sourcing down**
- Commercial strategy tailored to customers' needs of clean and affordable energy**

# ...creating value for our customers through a complete range of affordable prices



## Capex by products

2023-25 Customers cumulated capex (€bn)



Commodity  
Services

## Commercial offering

	2022E	2025	
Power customers <sup>(1)</sup> (mn)	6.9	7.3	+6%
Fixed price power sales <sup>(1)</sup> (TWh)	50	51	+2%
Charging points (k)	14	66	5x
E-home contracts (mn)	2.5	2.8	+12%

Selling price <sup>(2)</sup>: -10% 2025 vs 2022

Improve **customer's base** electrification

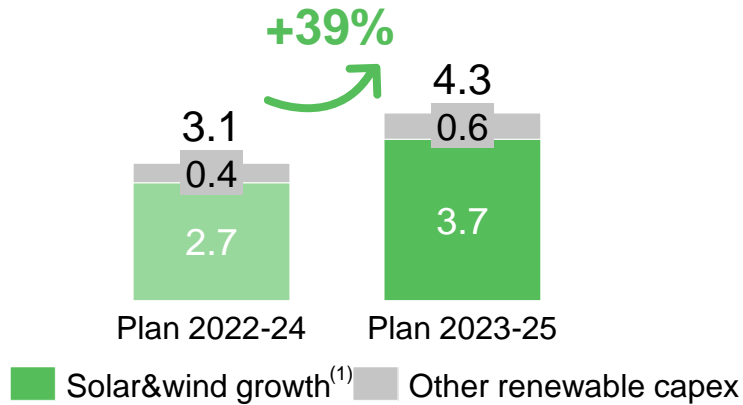
Customers integrated offer of **commodity** and **services**

(1) Free  
(2) Final selling fixed price to customers

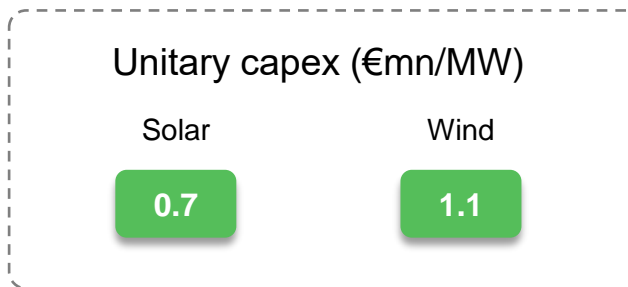
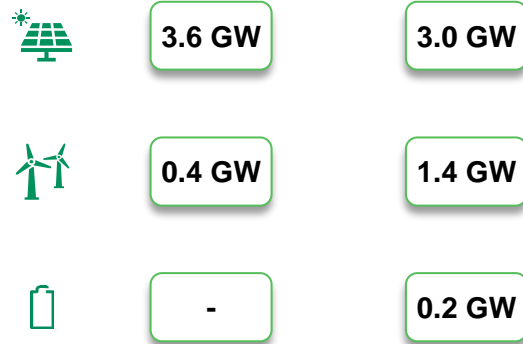
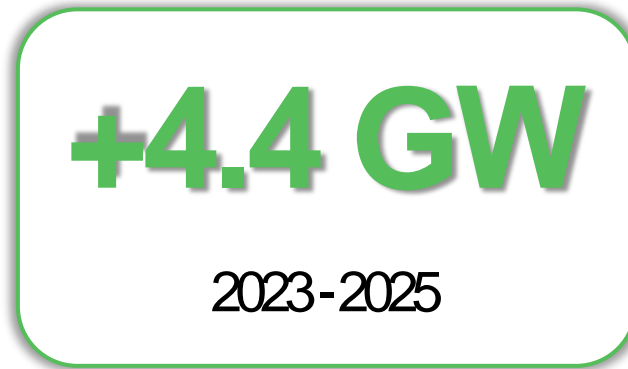
# Progressively decarbonizing our energy mix and optimizing commercial sourcing ...



Renewables cumulated capex (€bn)



Additional Wind&Solar capacity (GW)



2025 renewable production up by 85%<sup>(2)</sup> vs 2022E

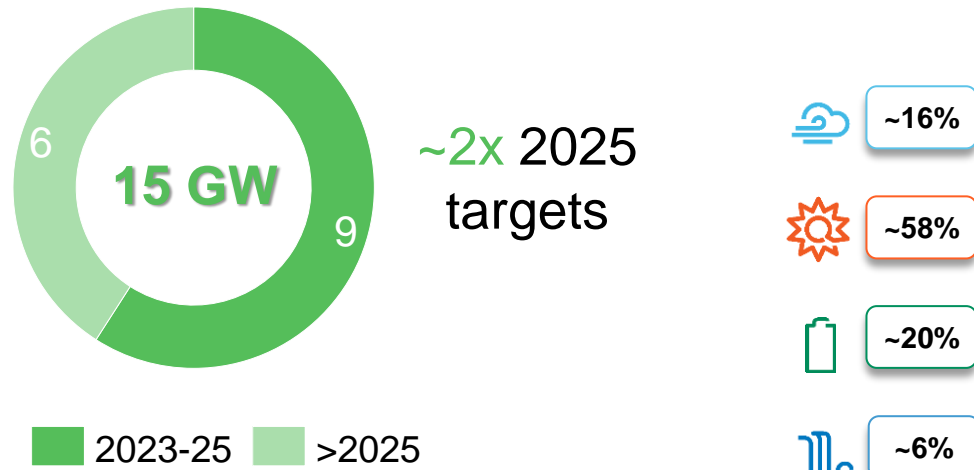
91%<sup>(2)</sup> CO<sub>2</sub> free output in 2025 vs. 72% in 2022E

<50<sup>(2)</sup> gCO<sub>2 eq</sub>/kWh in 2025, down by ~70% vs 2022E

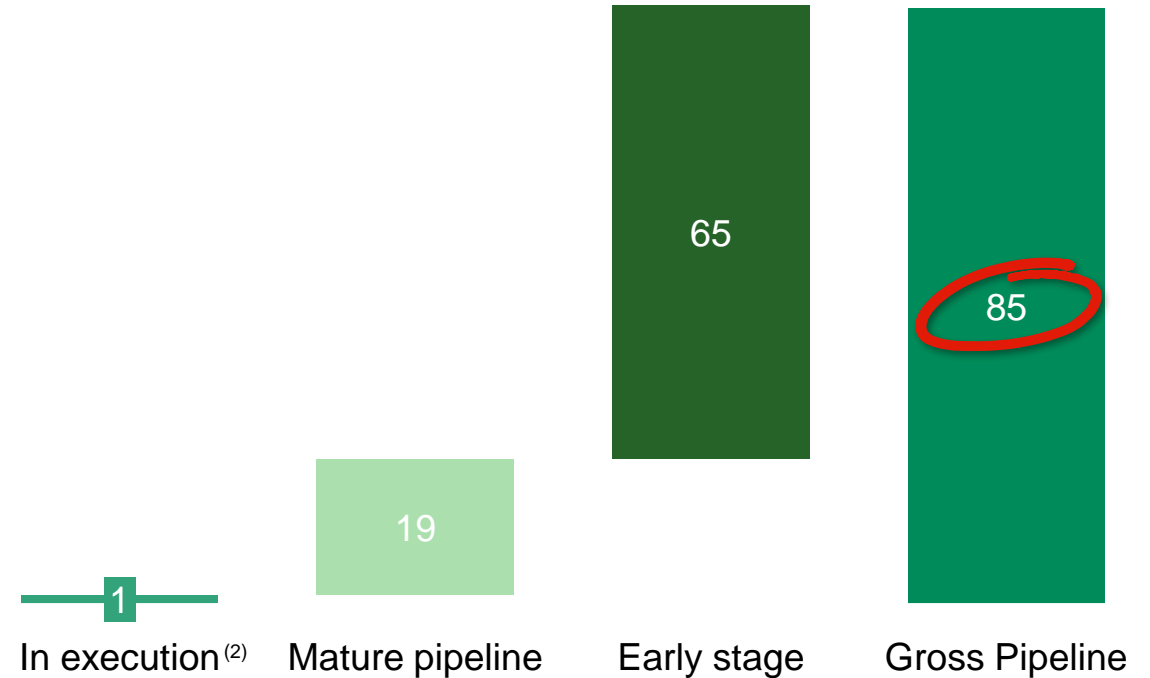
(1) Capex assigned to projects with COD within the plan  
 (2) In mainland

# ...backed on a solid pipeline to support renewable growth...

Mature & In execution pipeline by COD<sup>(1)</sup>



Gross pipeline<sup>(2)</sup> of renewable projects (GW)



Awarded connection points

**9.4 GW**

- ~30% of 2023-25 target additions already in execution
- Mature pipeline covering ~4x residual targets

(1) Not considering BESS (5 GW)  
 (2) As of 31<sup>st</sup> October 2022. BESS included  
 (3) Only considers projects with commissioning date 2023-25



# ...And accelerating the pathway towards zero emission



	2022E	2025	2030	2040
Scope 1 Generation (gCO <sub>2e</sub> /kWh)	216	<145 <sup>(1)</sup>	<95	Zero Emissions
Scope 1 & 3 Integrated Power (gCO <sub>2e</sub> /kWh)	205	<140	<90	CO <sub>2</sub>
Scope 3 Gas Retail <sup>(3)</sup> (MtCO <sub>2</sub> )	12.2	10.7	6.6	No use of carbon removal



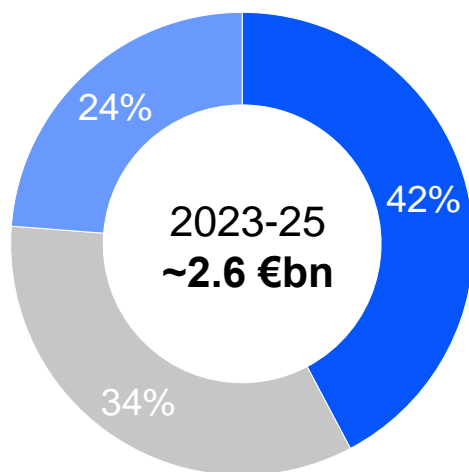
**1.5 °C aligned decarbonization roadmap** covering main direct and indirect emissions<sup>(2)</sup> across the value chain

(1) <50 grCO<sub>2</sub>/kWh in mainland  
 (2) Endesa is committed to mitigate remaining S1+2+3 emissions according to a 1.5 pathway  
 (3) Target does not include M&A operations

# Digitalization in Distribution key enabler for clean electrification and grid resiliency



## Gross capex by nature (€bn)

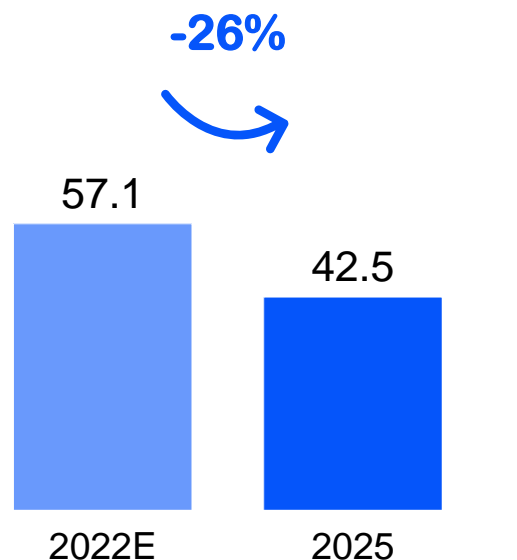


- Digitalisation
- Quality & Resiliency
- Connections

RAB 2025 (€bn)

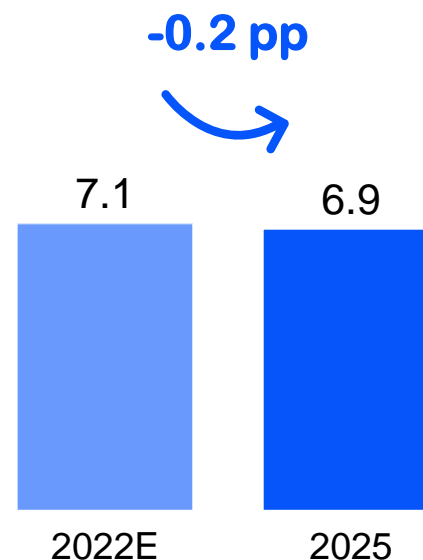
11.3

## TIEPI<sup>(1)</sup> (min)



0.9 NIEPI<sup>(2)</sup> (#) 0.8 -11%

## Losses (%)



132 Electricity distributed (TWh)<sup>(3)</sup> 143 +8%

Focusing on quality, resiliency and digitalization of Distribution grids








Grids to cope with increasing customers needs

Regulatory frameworks must facilitate the transformation towards Net Zero targets

(1) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time). According to Spanish Regulator. Own + Programmed and Transport minutes of interruption  
 (2) Número de Interrupciones Equivalente a la Potencia Instalada (Installed Capacity Equivalent Number of Interruptions)  
 (3) Energy supplied to customers, with or without a contract, auxiliary consumption from generators and outputs to other grids (transmission and distribution).

# An industrial plan to maximize the value of our integrated model...



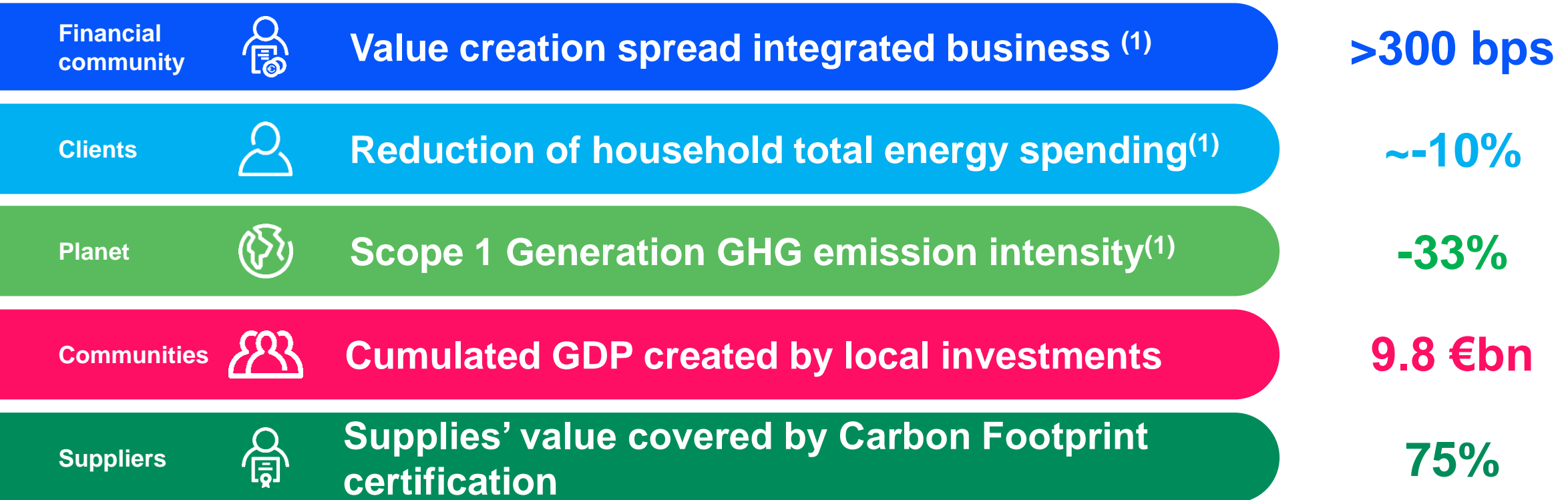
	2022E	2025
 Free power customers	6.9 mn	7.3 mn
 Sales covered by GHG free sources <sup>(1)</sup>	~80%	>95%
 Renewable Capacity <sup>(2)</sup>	9.2 GW	13.9 GW
 Renewable Capacity on total <sup>(2)</sup>	54%	66%
 GHG free production on total <sup>(2)</sup>	72%	91%
 Distribution digitalized CAPEX (2023-25)		42%
 TIEPI	~57 min	~42 min

A privileged positioning to play a leading role in the electrification path

(1) Fixed price sales  
 (2) In mainland



# ...and creates value for all of our stakeholders



(1) 2025 vs. 2022

# Financials of integrated strategy

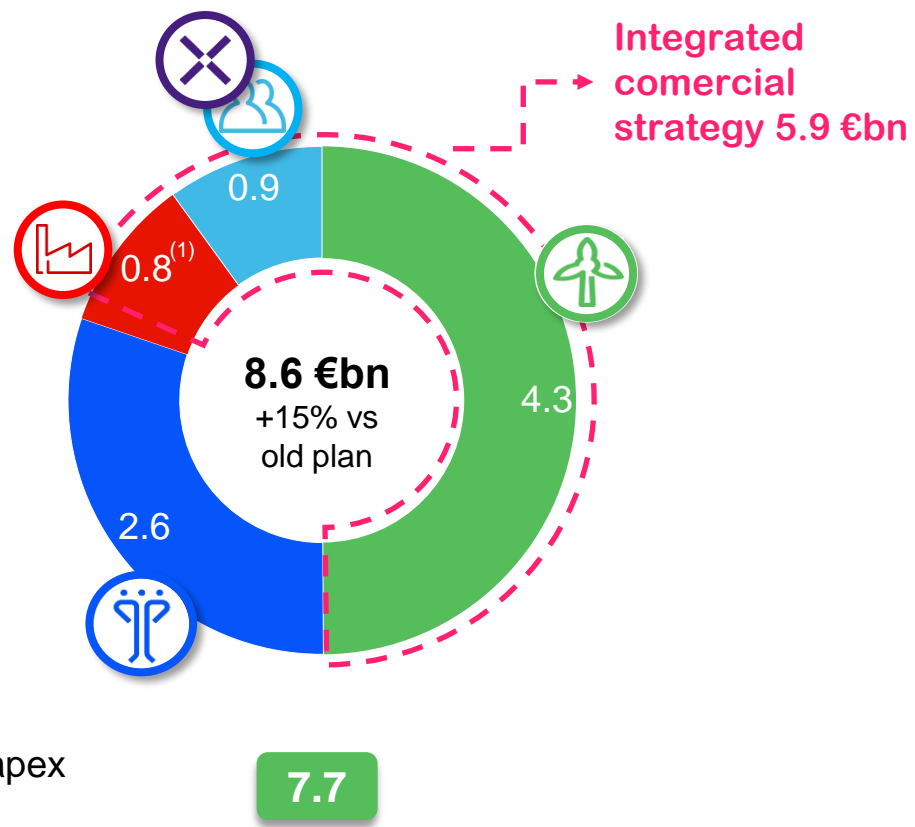
Luca Passa  
CFO



# Our investments in the next three years aligned to SDGs and EU taxonomy



2023-25 Gross capex by business



## SDGs Capex alignment



## EU Taxonomy capex alignment<sup>(2)</sup>



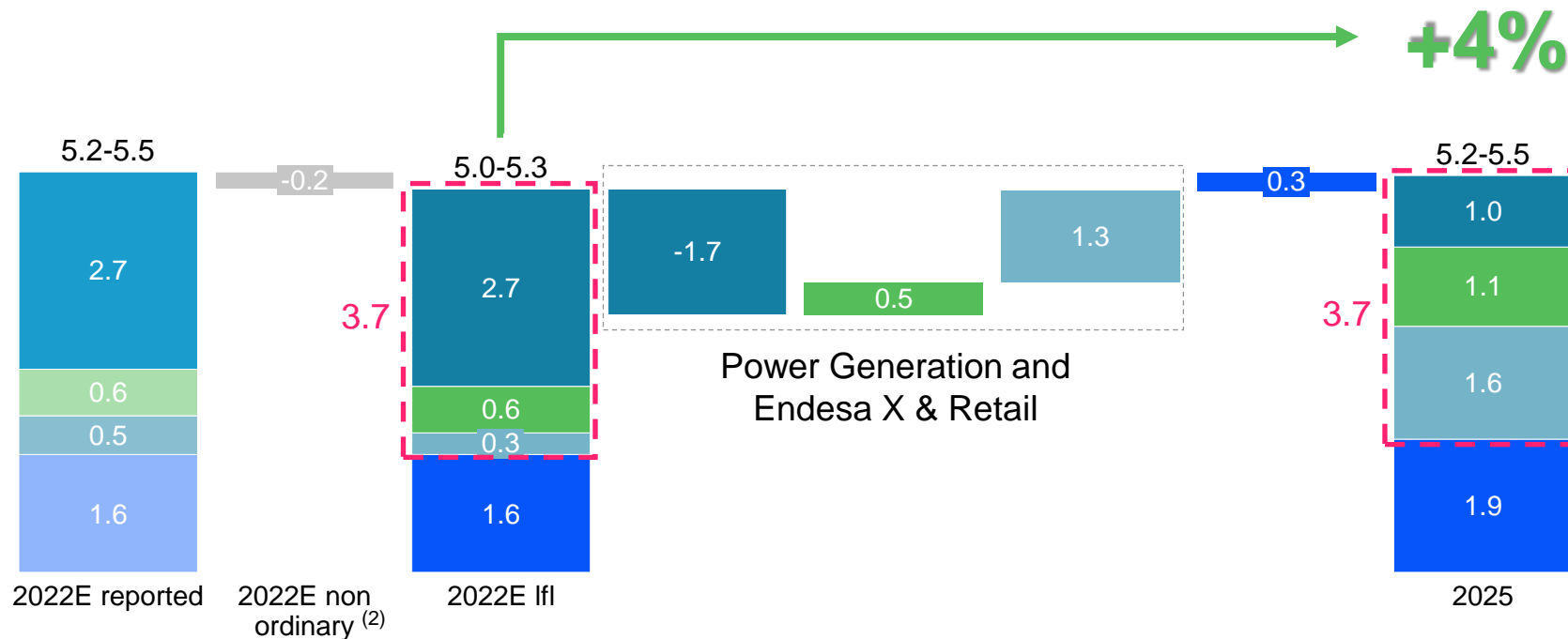
(1) Conventional Gx figure includes CCGT's , nuclear generation, non-mainland businesses, Corporate Structure, Services and Adjustments.

(2) Excluding capex on Conventional Generation, Retail and Other Services

# EBITDA Ifl growth due to investment effort and market context normalization



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



Conventional generation normalization combined with higher renewable contribution

Better integrated evolution driven by lower cost of sourcing

Stable Distribution business ex non recurrent

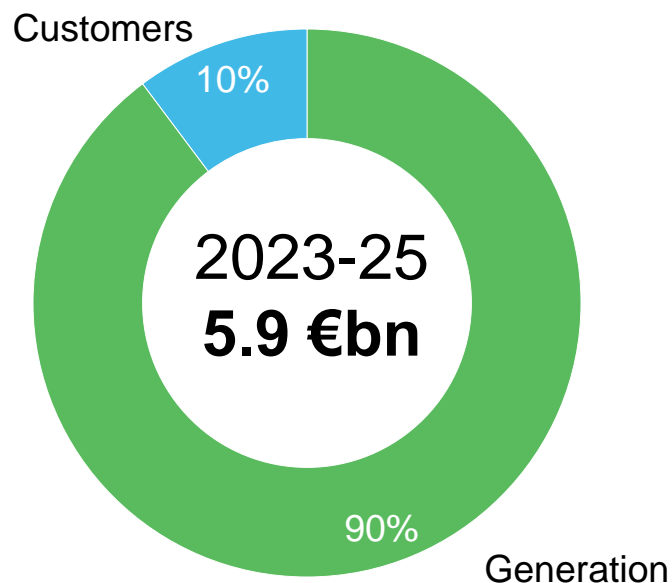
- Conventional Generation&others<sup>(3)</sup>
- Renewables
- Customers (Retail+Endesa X)
- Networks

(1) Rounded figures. Charts based on upper range. Estimated in absence of non recurring  
 (2) Excluding 238 €mn effect of Endesa X Way transaction  
 (3) Includes nuclear, CCGTs, non mainland and others

# Power Generation and Endesa X & Retail



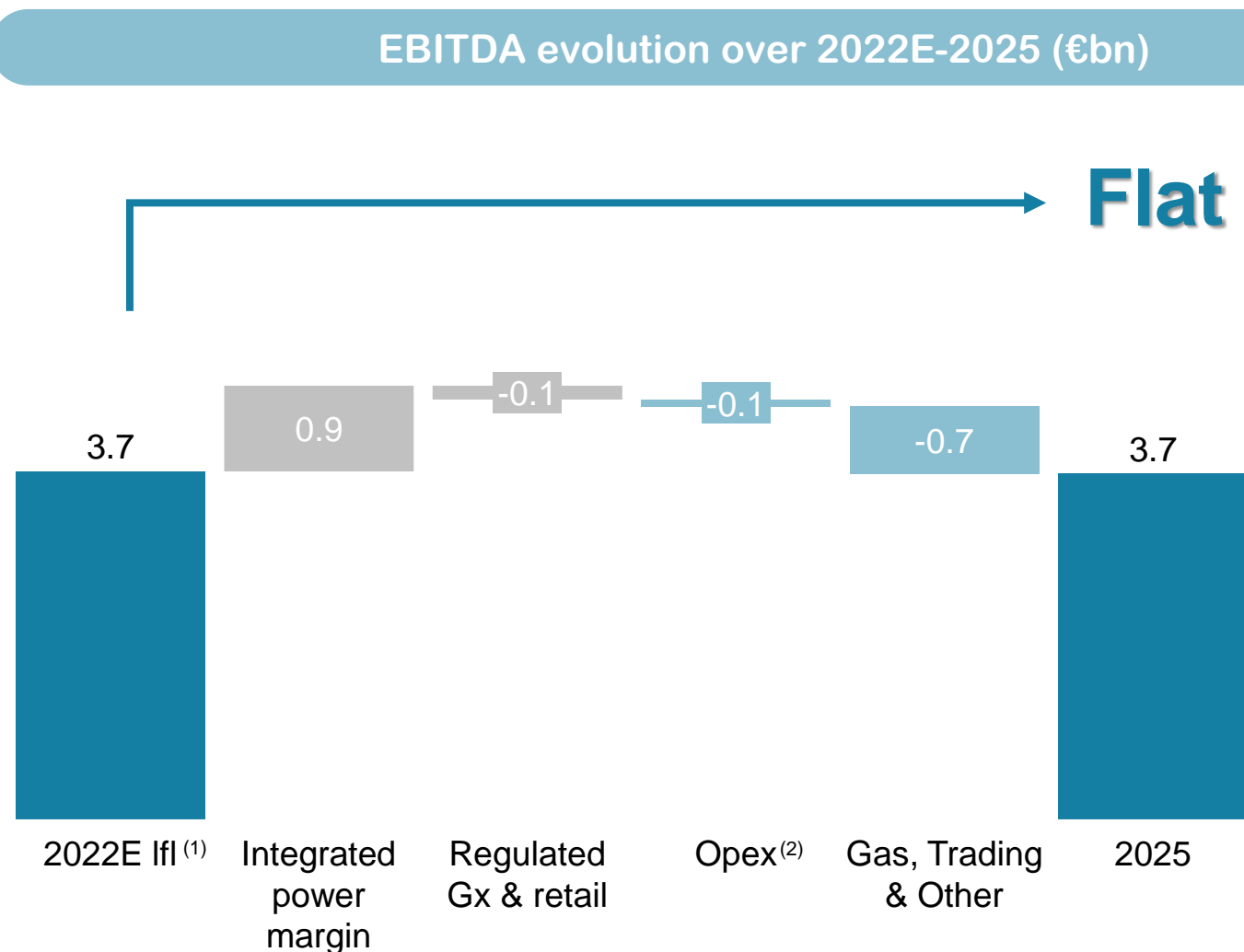
## Cumulated capex



## IRR-WACC SPREAD

>300 bps

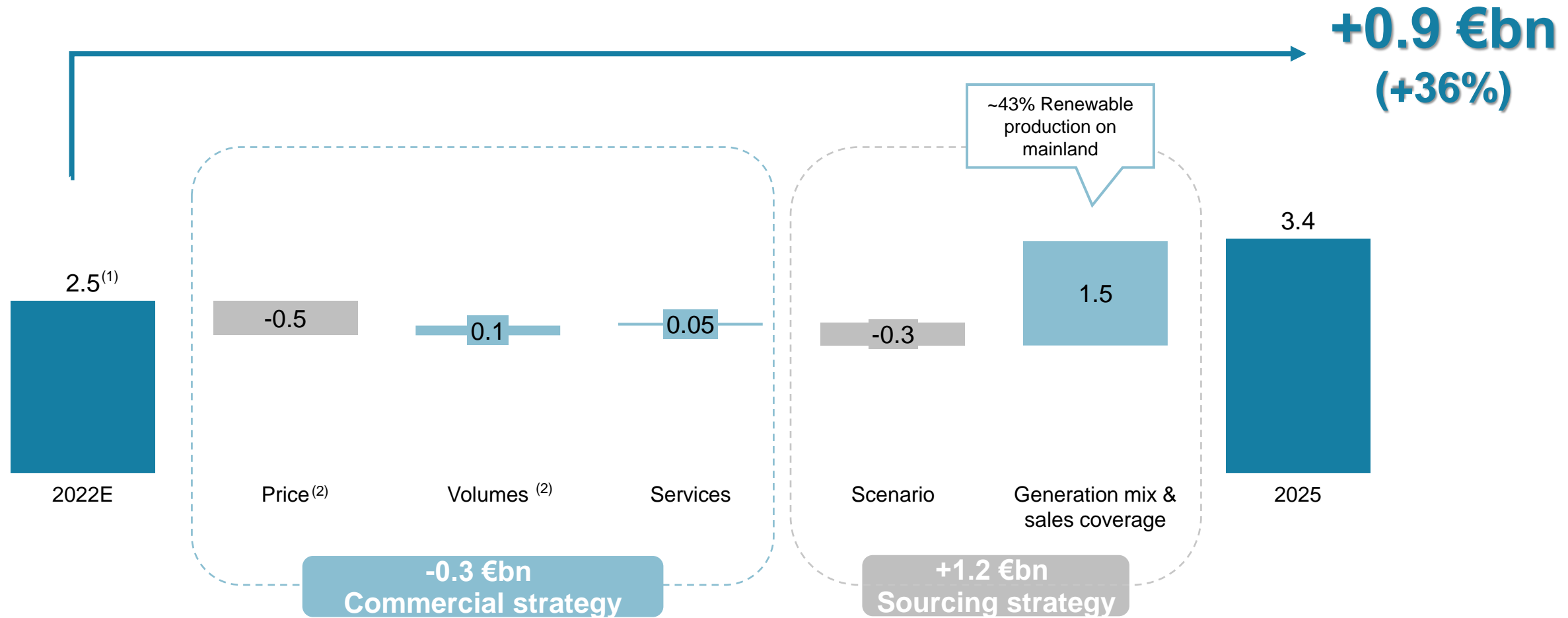
## EBITDA evolution over 2022E-2025 (€bn)



(1) Excluding 238 €mn effect of Endesa X Way transaction

(2) Not including Gx and Endesa X direct costs included in the Integrated power margin

# 2022E-2025 Integrated power margin evolution



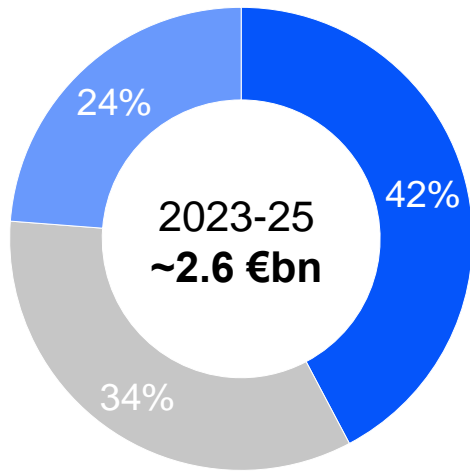
(1) Reconciliation: Free power margin – Short Position – Ancillary Services – Regulated income from Generation + Endesa X + Direct costs from Generation and Endesa X

(2) Effect on fixed price sales

# Grids: Stable recurrent results



Gross capex by nature (€bn)

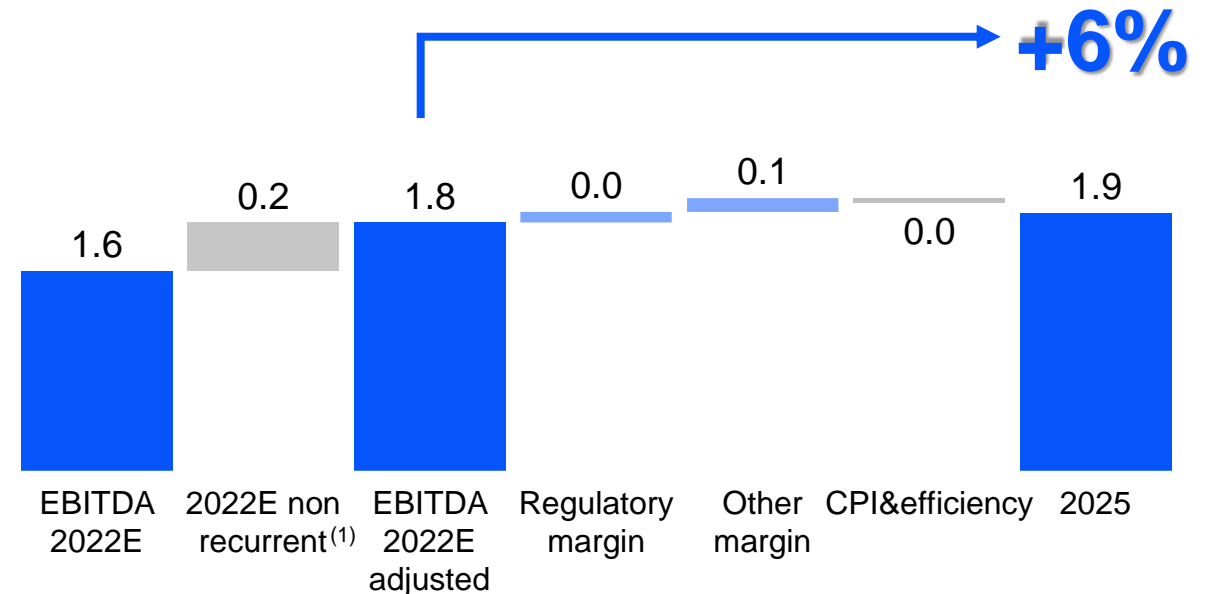


■ Digitalisation 
 ■ Quality & Resiliency 
 ■ Connections

## IRR-WACC SPREAD

~100 bps

EBITDA evolution over 2022E-2025 (€bn)



RAB (€bn) **11.6**

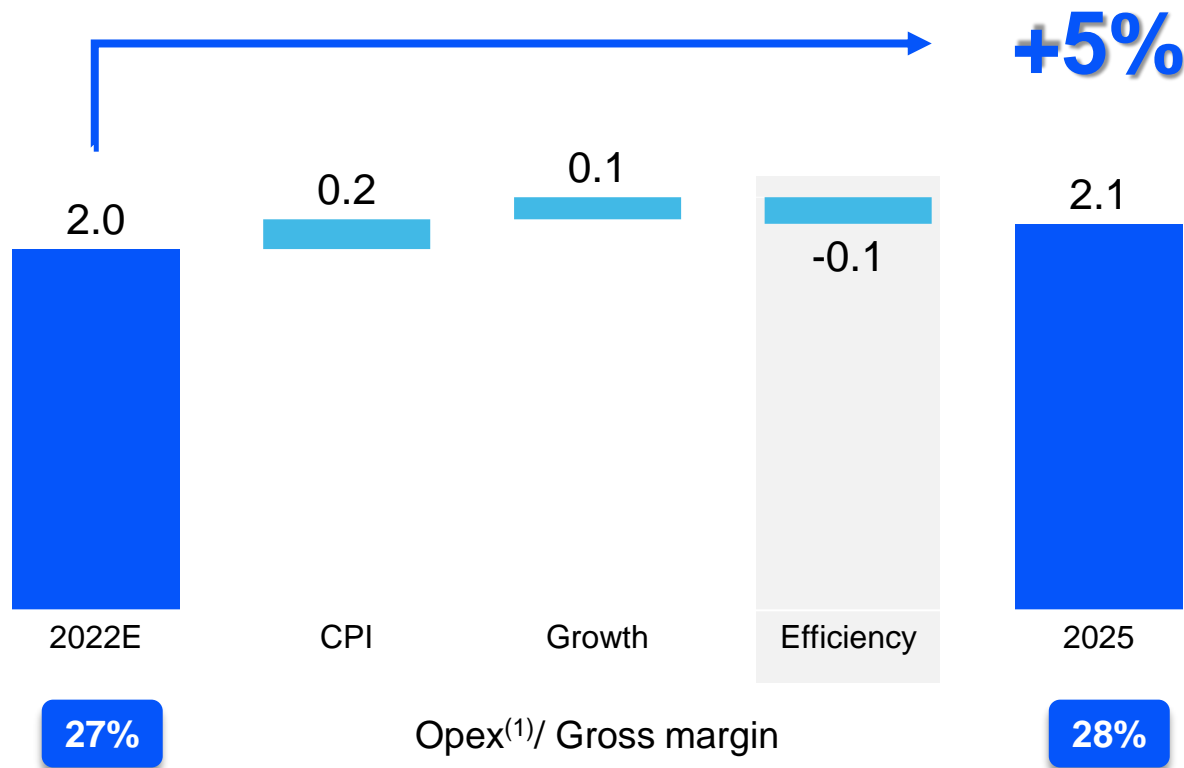
**11.3**

(1) 2022 non recurrent: -180 €mn from the update of the Distribution remuneration activity in 2017-2019

# Fixed costs evolution impacted by high inflation context and growth



Opex<sup>(1)</sup> evolution (€bn)



KPIs

	2022E	2025	Change
<b>Renewables</b>			
<i>Unitary cost</i> €/MWh	19	15	-21%
<b>Networks</b>			
<i>Unitary cost</i> <sup>(2)</sup> €/end user	43	46	+7%
<b>Customers</b>			
<i>Cost to Serve</i> Opex/customer, €/cl.	10.8	11.3	+5%

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

(2) Excluding non recurrent

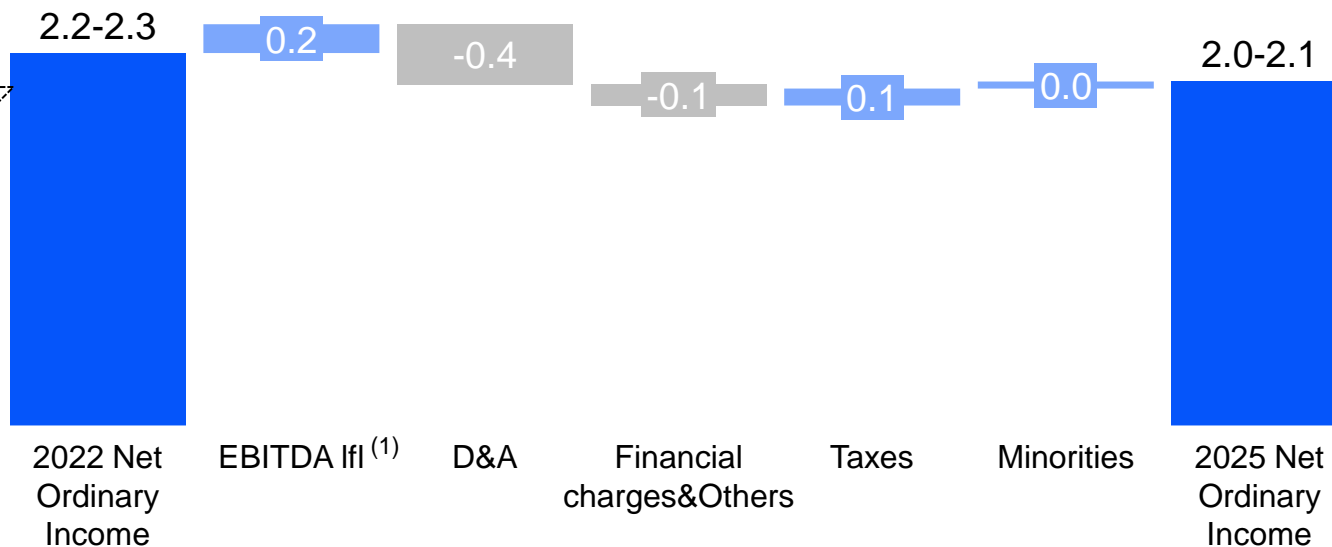


# Net Ordinary Income evolution

€bn



Excluding 182 €mn from Endesa X Way



% Net Ordinary Income / EBITDA Ifl<sup>(1)</sup> ~43%

~38%

- Higher Amortization due to the growth investments increase
- Bad debt remains flat along the period
- Interest expenses increase due to higher cost of debt (2.7%), despite the gross debt normalization
- New tax on Utilities affecting 2023-24 at EBITDA and NOI level

(1) Excluding 238 €mn effect of Endesa X Way transaction

# Financial management

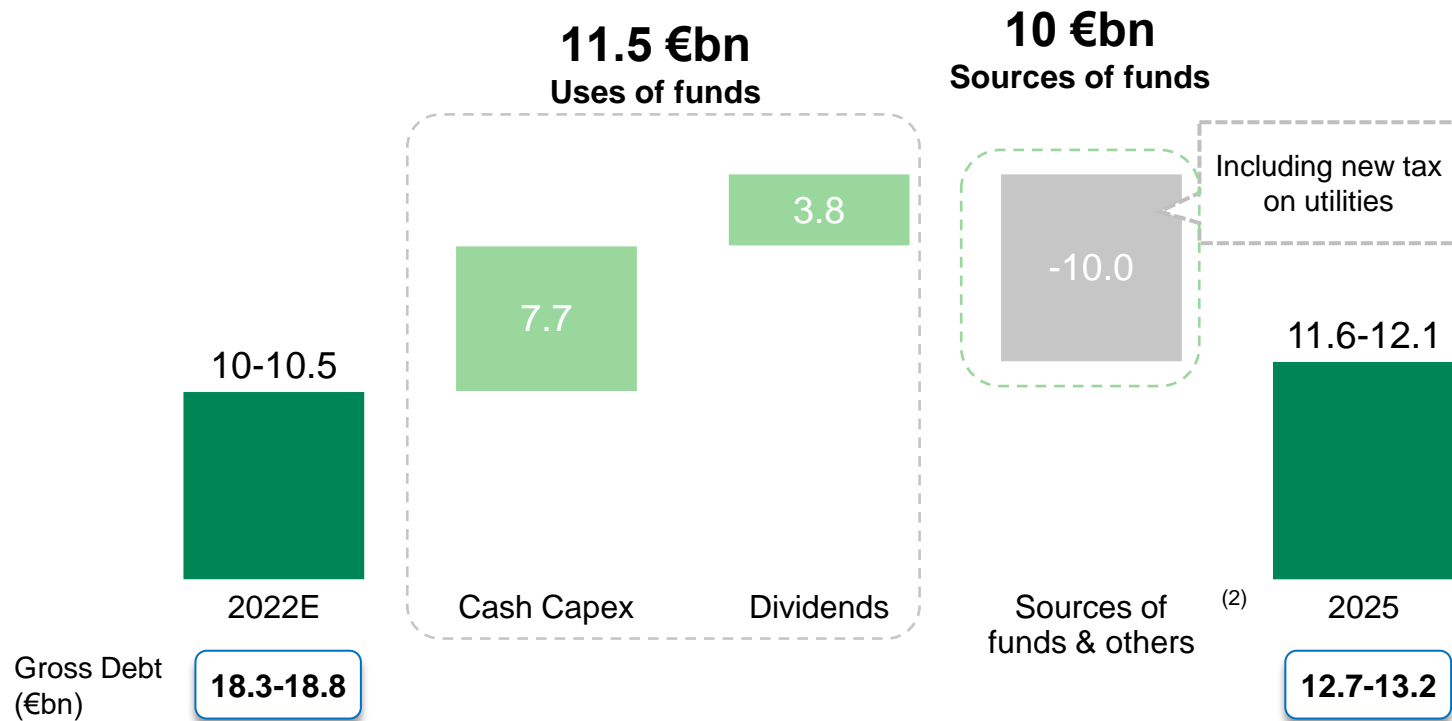
Luca Passa  
CFO

The logo for Endesa, featuring the word "endesa" in a lowercase, sans-serif font. The letters are blue with a white outline, and the "e"s are stylized with a horizontal bar.

# Net debt increase due to investment effort and new tax on utilities



Net debt evolution<sup>(1)</sup> (€bn)



Financial KPIs

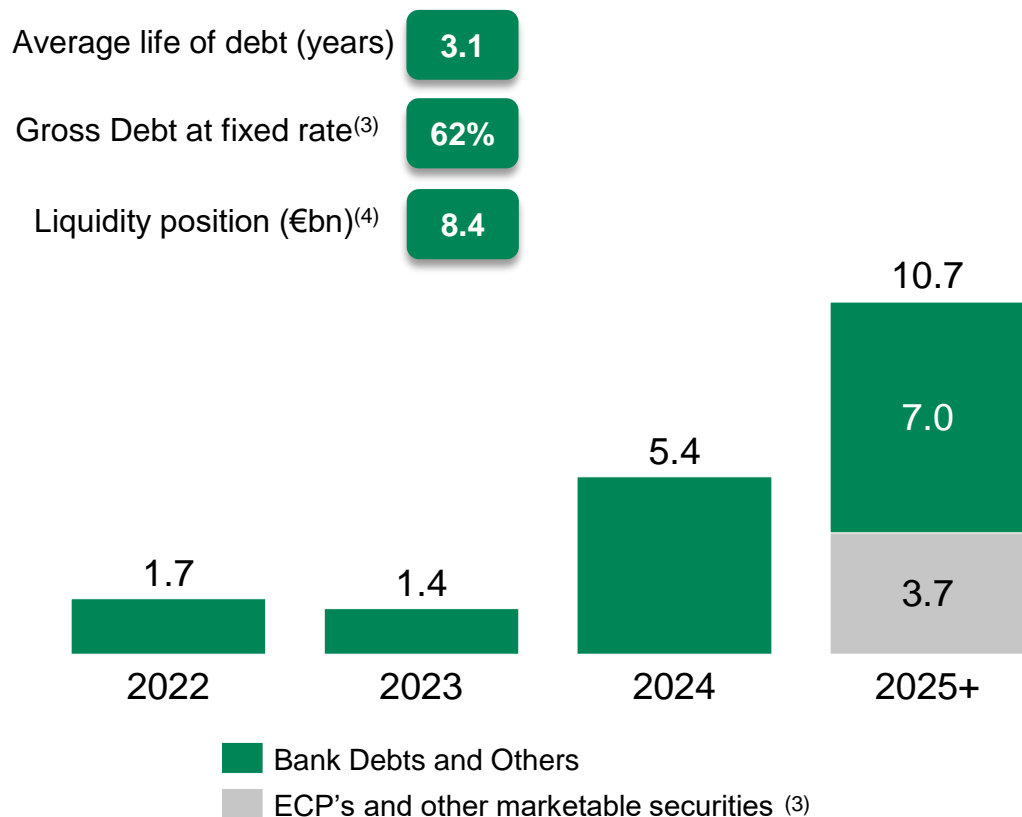
	2022E	2025	Δ
FFO/EBITDA Ifl <sup>(3)</sup>	45%	65%	+20pp
Cost of debt	1.5%	2.7%	+1.2pp

(1) Rounded figures  
 (2) Includes FFO, IFRS 16 effect and Others  
 (3) Excluding 238 €mn effect of Endesa X Way transaction

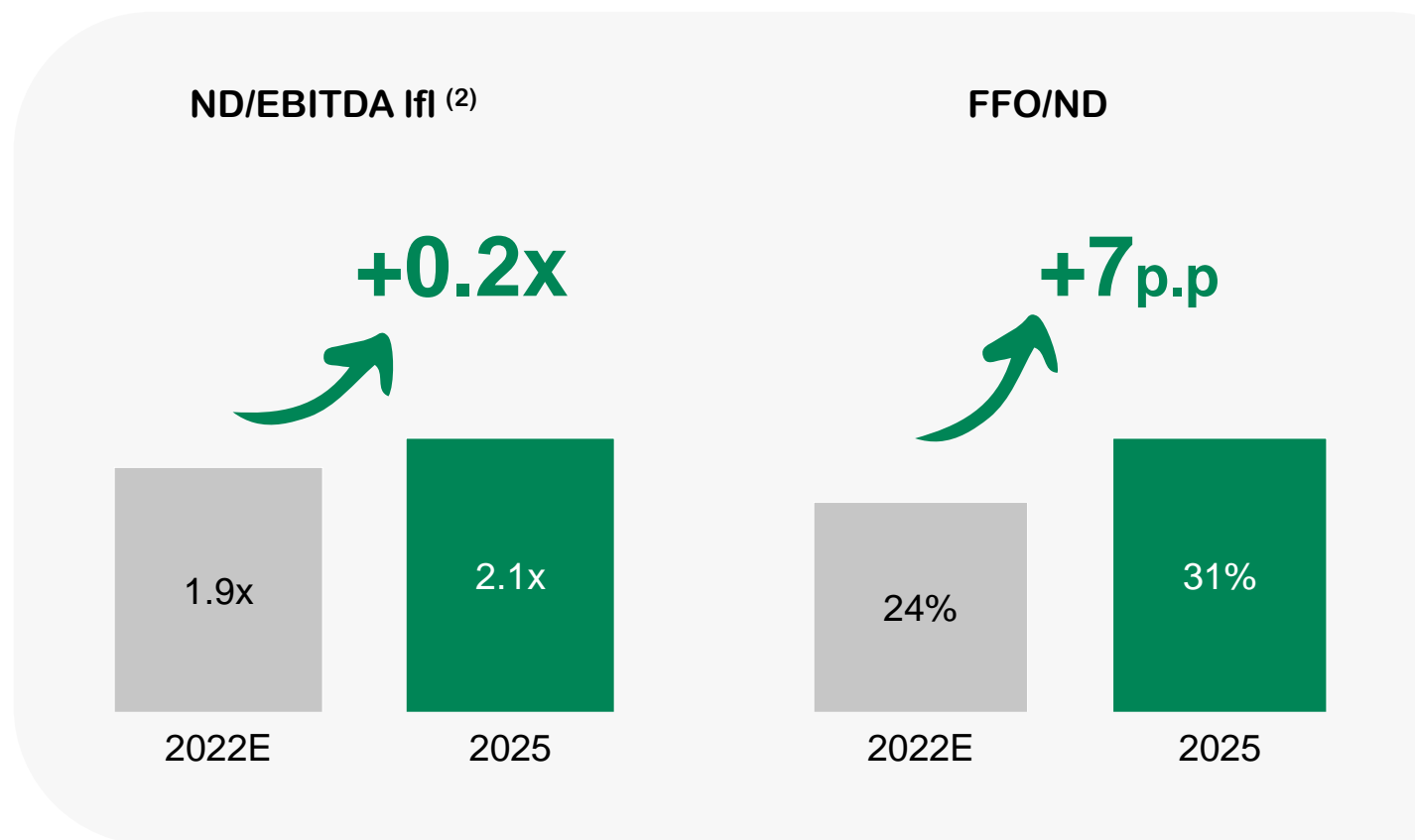
# Sound credit metrics along the plan



## Debt maturity by year<sup>(1)</sup> (€bn)



## Credit metrics



(1) Rounded figures. ECP maturities are shown in 2024/25 as corresponding back up credit lines

(2) Excluding 238 €mn effect of Endesa X Way transaction

(3) Fixed debt ratio calculated net of energy markets cash collaterals

(4) As of November 2002

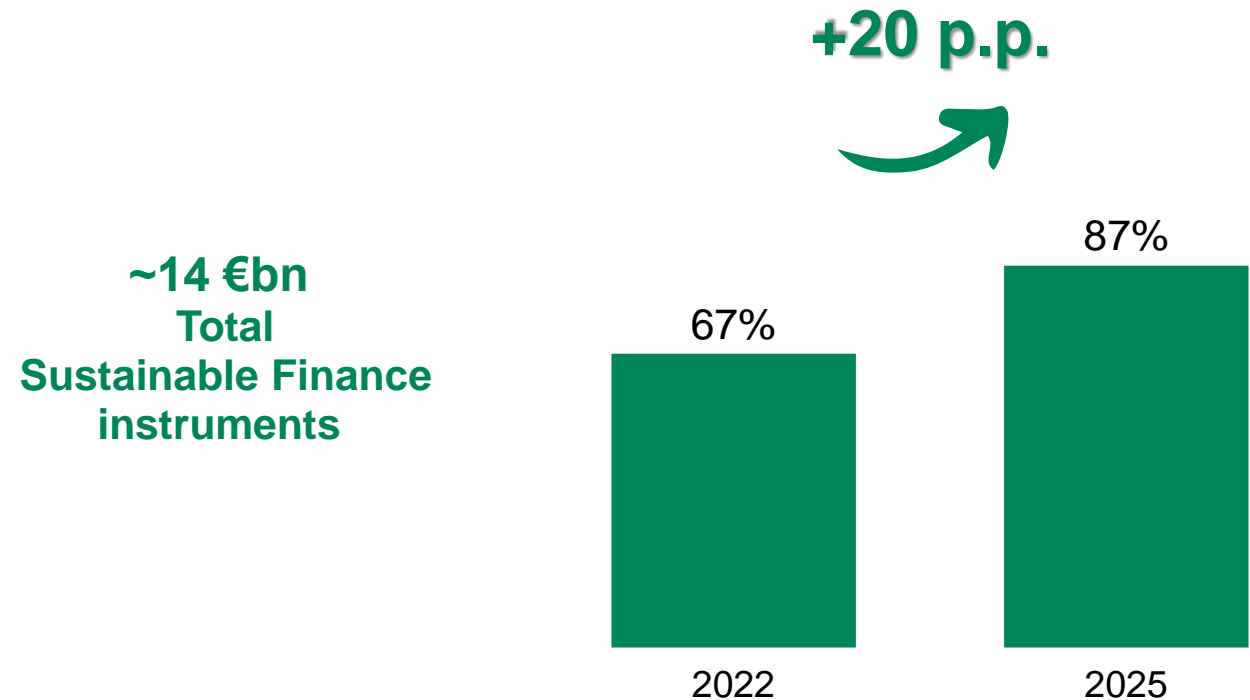
# Maintaining high sustainable finance levels to meet ambitious goals



## Sustainability-Linked instruments (1)

	Amount (€bn)	KPIs
Loans	2.5	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
RCFs (3)	1.0	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
ECPs (4)	5.0	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Guarantees	0.4	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
Other	4.7	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION

## Sustainable finance evolution (2)



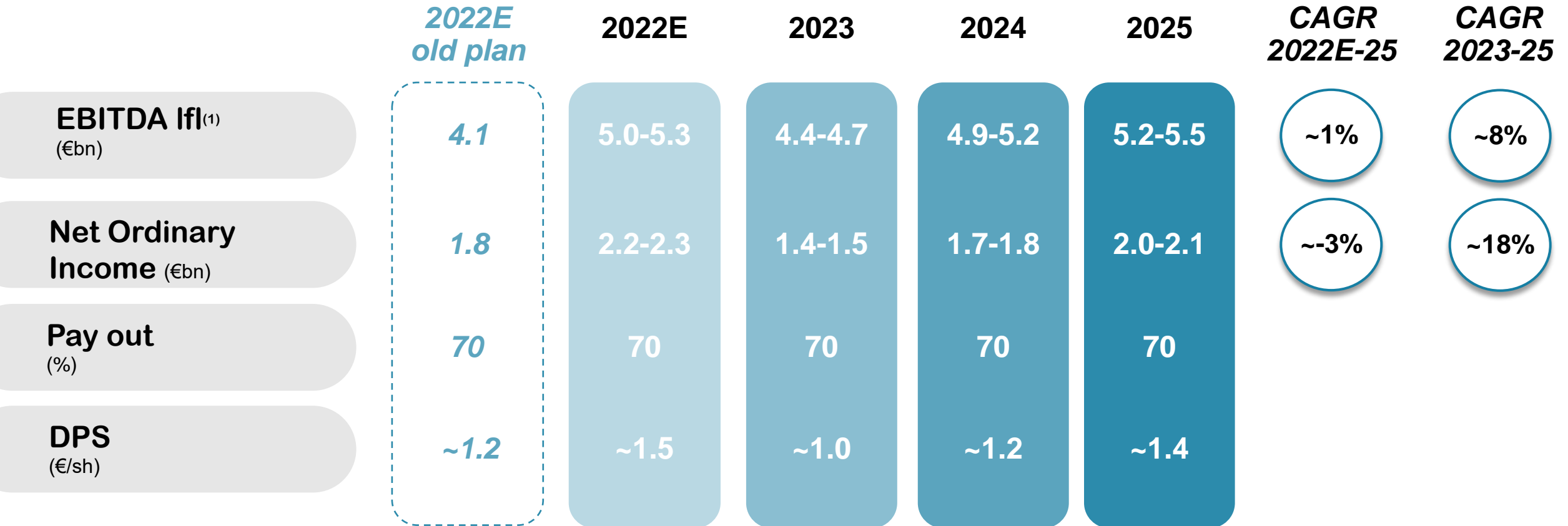
(1) Operations closed during 2022. Nominal values, inclusive of undrawn notional  
 (2) Gross Debt  
 (3) RCF: "Revolving Credit Facility"  
 (4) ECP: "Euro Commercial Paper"

# Closing remarks

**José Bogas**  
**CEO**

The logo for Endesa, featuring the word "endesa" in a lowercase, blue, sans-serif font. The letters are stylized with a slight shadow or gradient effect, giving them a three-dimensional appearance. The logo is positioned in the bottom right corner of the slide.

# 2022-25 financial indicators evolution



(1) Excluding 238 €mn effect of Endesa X Way transaction

## Closing remarks



**Moving towards Net Zero**

**Volatile regulatory and market  
context...**

**... impacting short term financial  
performance**

**Sustainable value through our  
integrated strategy**

**Stakeholders  
value creation**



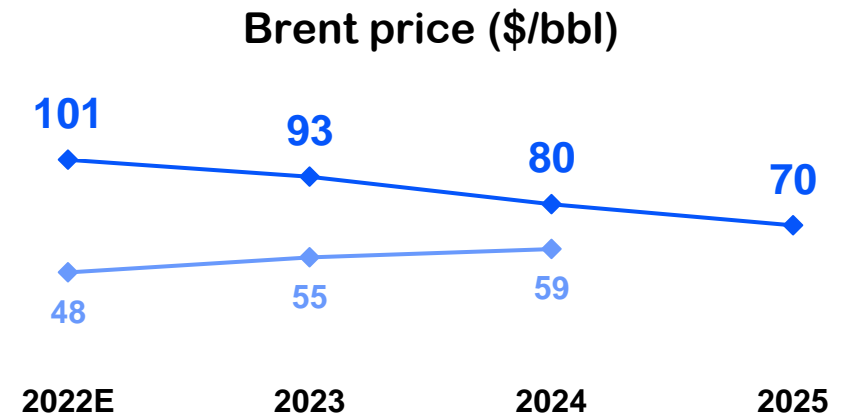
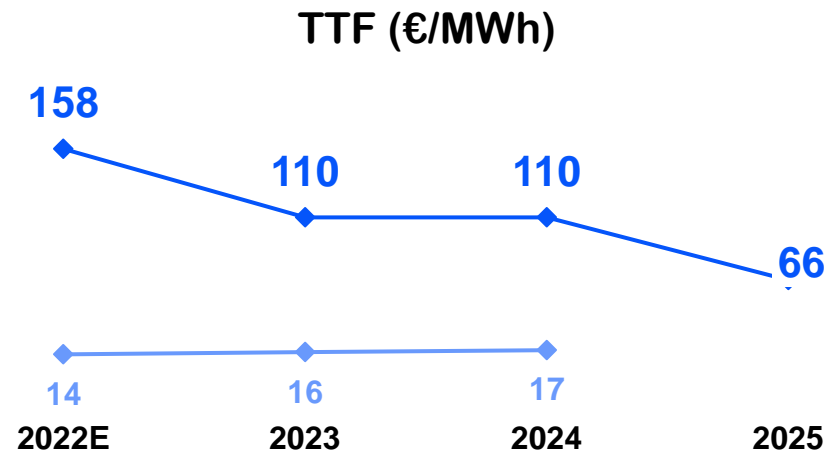
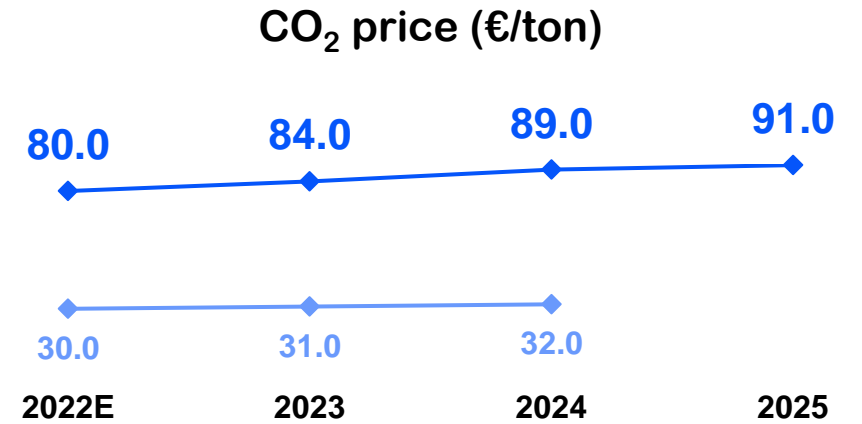
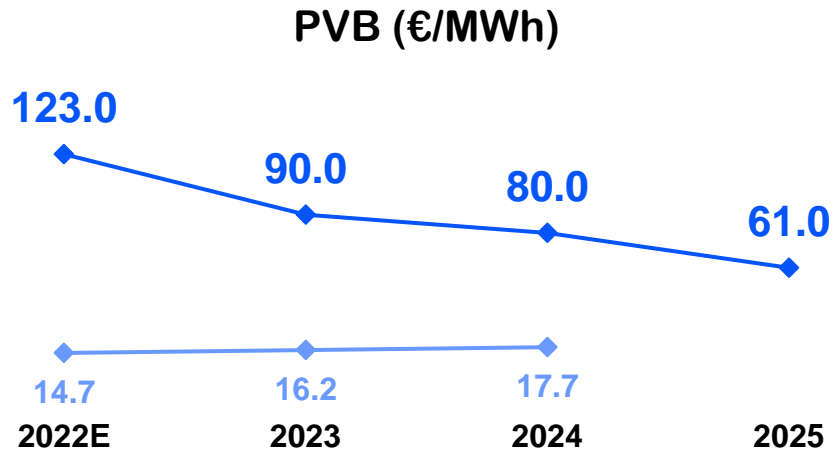
# Appendix

endesa

# Macro context



- 2023-25 plan
- 2022-24 plan

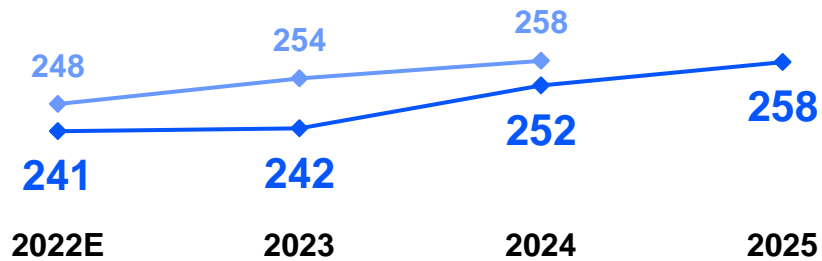


# Macro context

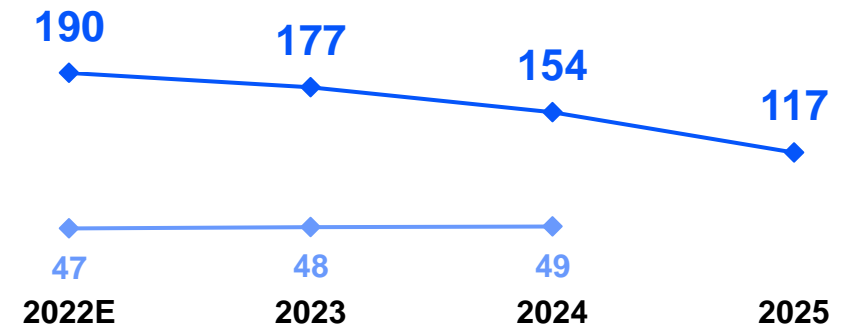


- 2023-25 plan
- 2022-24 plan

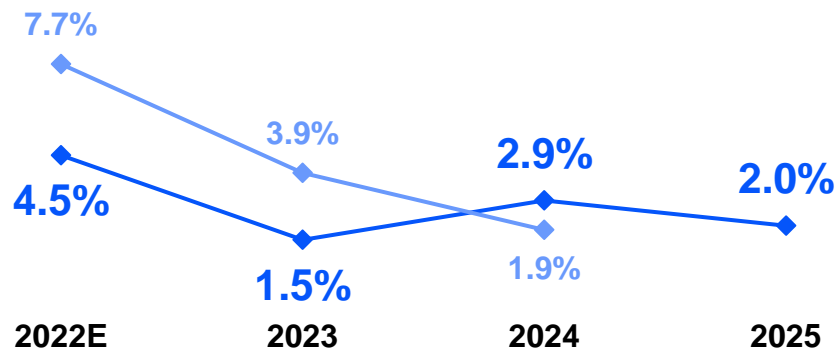
### Mainland Spain demand<sup>(1)</sup> (TWh)



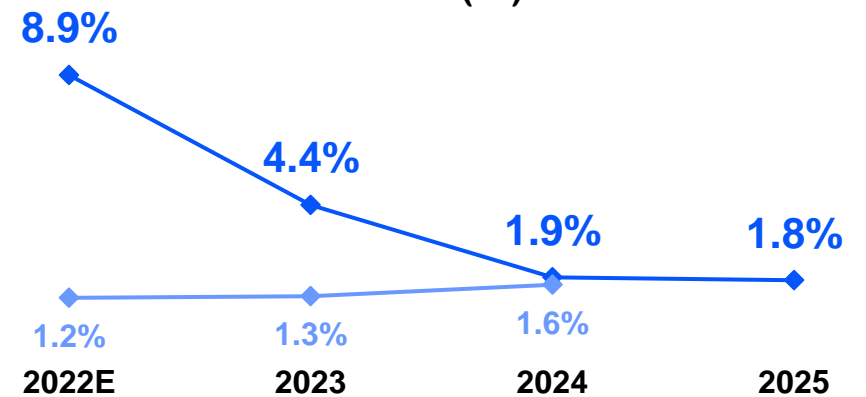
### Average daily market price<sup>(2)</sup> (€/MWh)



### Spain GDP growth (%)



### CPI<sup>(3)</sup> (%)



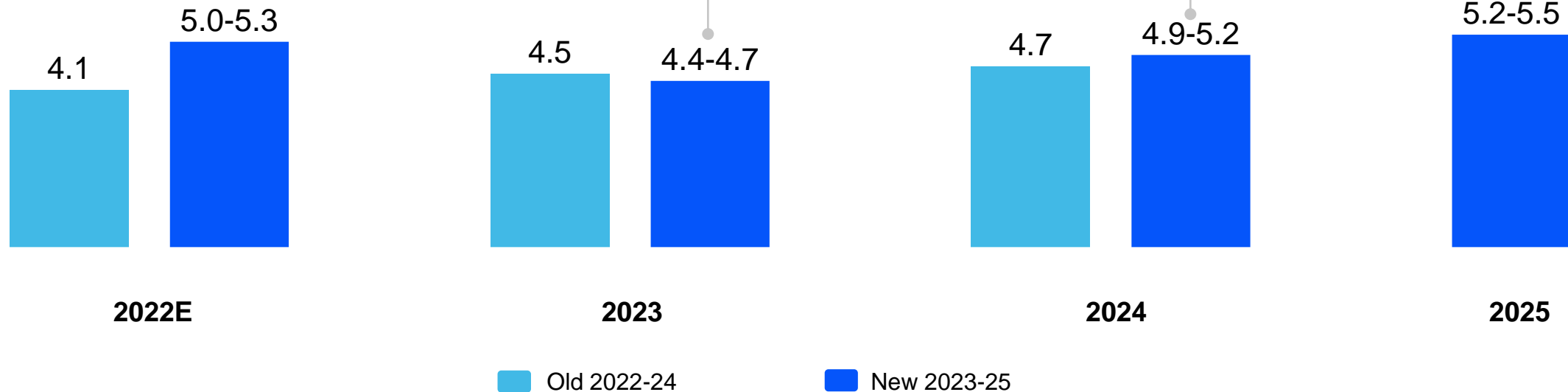
(1) In bus bars  
 (2) Arithmetic power prices  
 (3) Average CPI

# 2023-25 EBITDA comparison vs. 2022-24 plan



EBITDA lfl (€bn)

- + Market context
- + Retail
- Distribution
- Inflationary context
- New energy tax

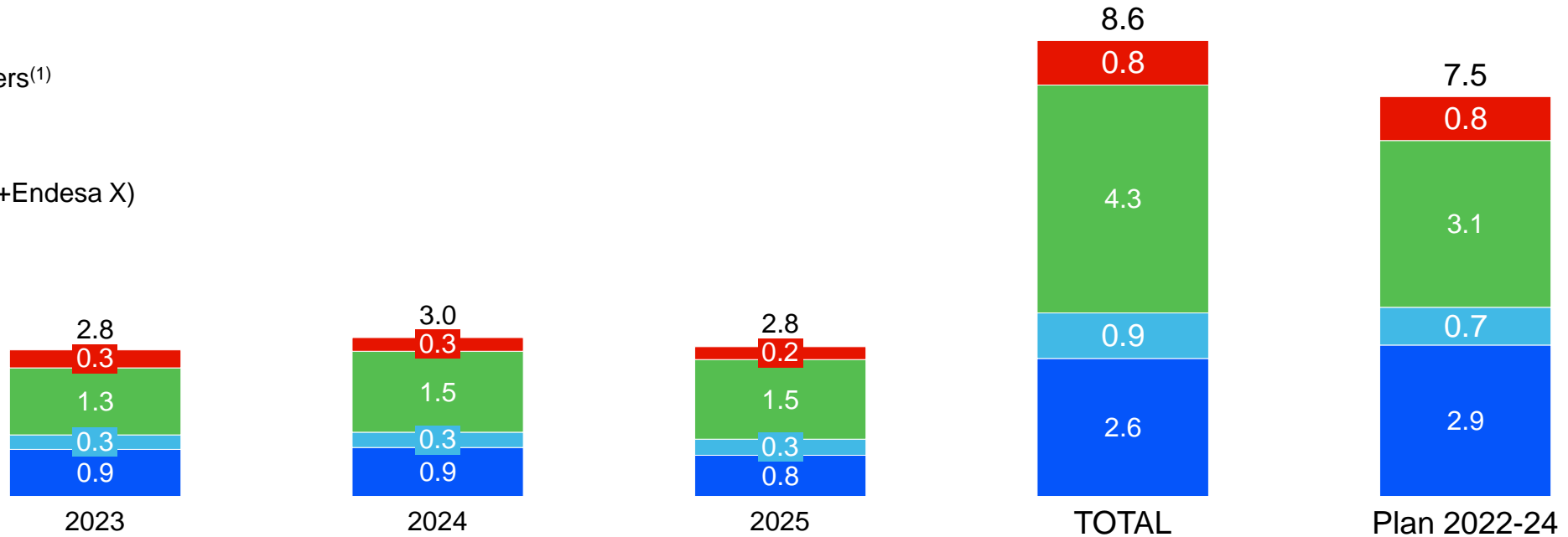


# 2023-25 Gross Capex by business

€bn



- Conventional Generation & Others<sup>(1)</sup>
- Renewables<sup>(2)</sup>
- Customers (Retail+Endesa X)
- Networks<sup>(3)</sup>



Note: Includes client contributions. Rounded figures

(1) Includes Capex in CCGTs, nuclear generation, non-mainland businesses, Corporate Structure, Services and Adjustments.

(2) Renewable capex includes maintenance

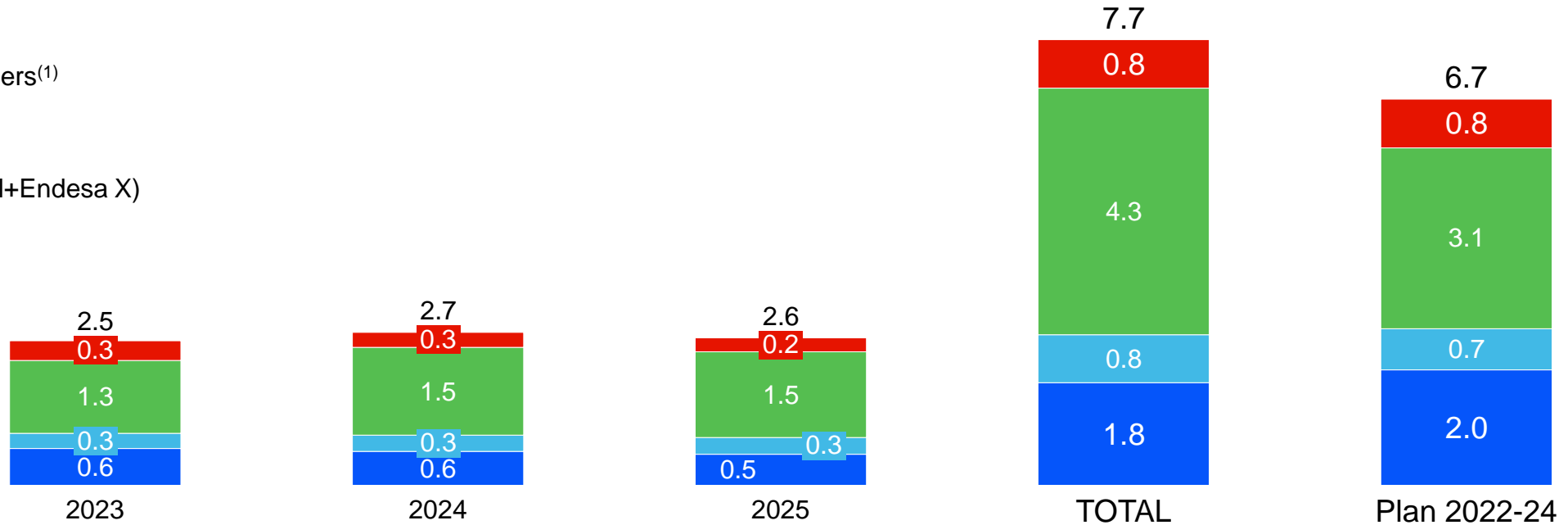
(3) Includes client contributions

# 2023-25 Net Capex by business

€bn



- Conventional Generation & Others<sup>(1)</sup>
- Renewables<sup>(2)</sup>
- Customers (Retail+Endesa X)
- Networks<sup>(3)</sup>



Note: Rounded figures

(1) Includes Capex in CCGTs, nuclear generation, non-mainland businesses, Corporate Structure, Services and Adjustments.

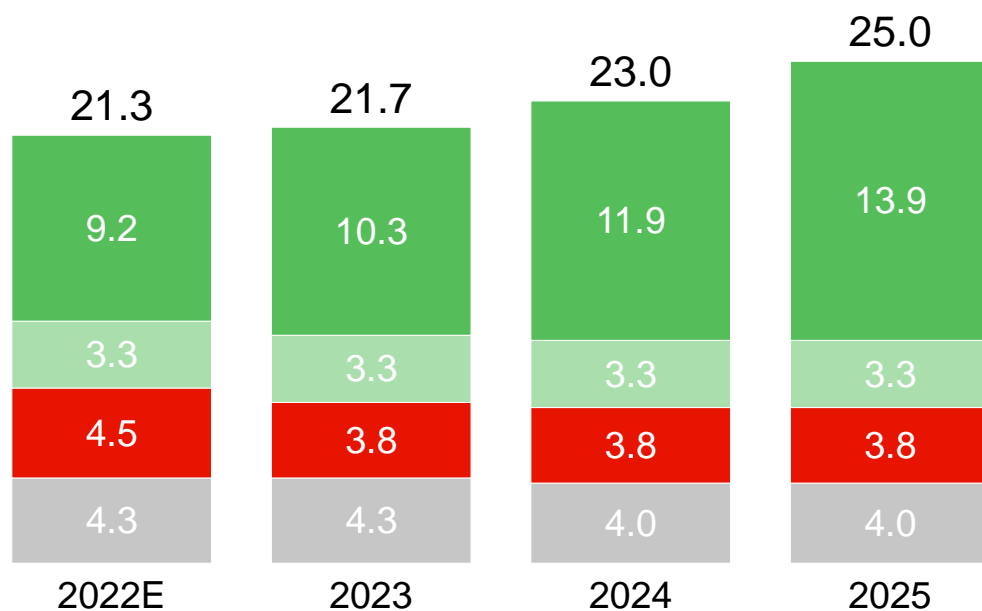
(2) Renewable capex includes maintenance

(3) Not including client contributions

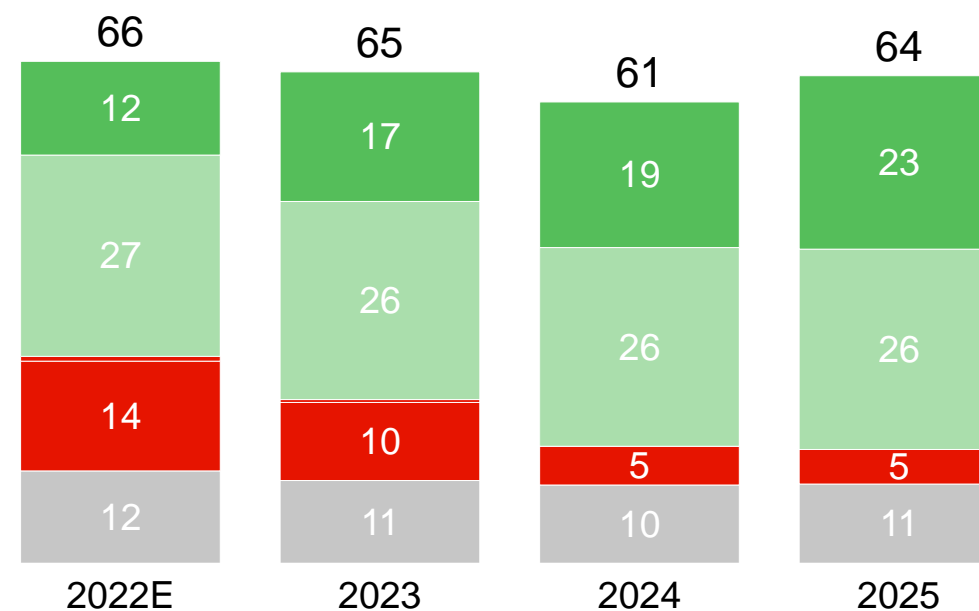
# Net capacity and output evolution



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



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



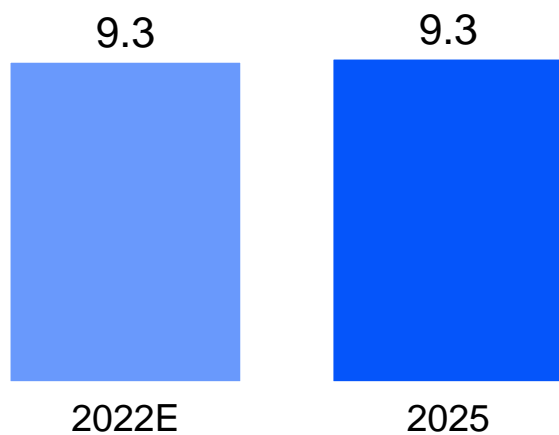
■ Renewables    
 ■ Nuclear    
 ■ Conv. Gx    
 ■ Non mainland

(1) Rounded figures  
 (2) As of September 2022

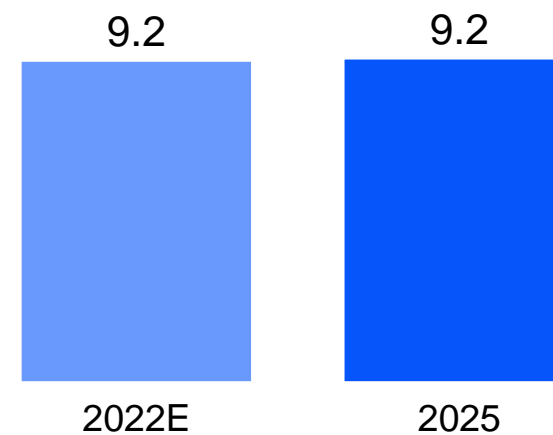
# 2023-2025 headcount evolution



Final headcount (k#)



Average headcount (k#)





# **Environmental, Social and Governance**

## **Annexes**

# Our strategy for sustainable progress



1

We create long-term value with and for all our stakeholders, helping them to grow and meet challenges...

- > Just Transition for Endesa's People
- > Inclusion & Uniqueness
- > Wellbeing & Welfare
- > Sustainable Supply Chain
- > Sustainability initiatives with communities
- > Human Rights Policy

4

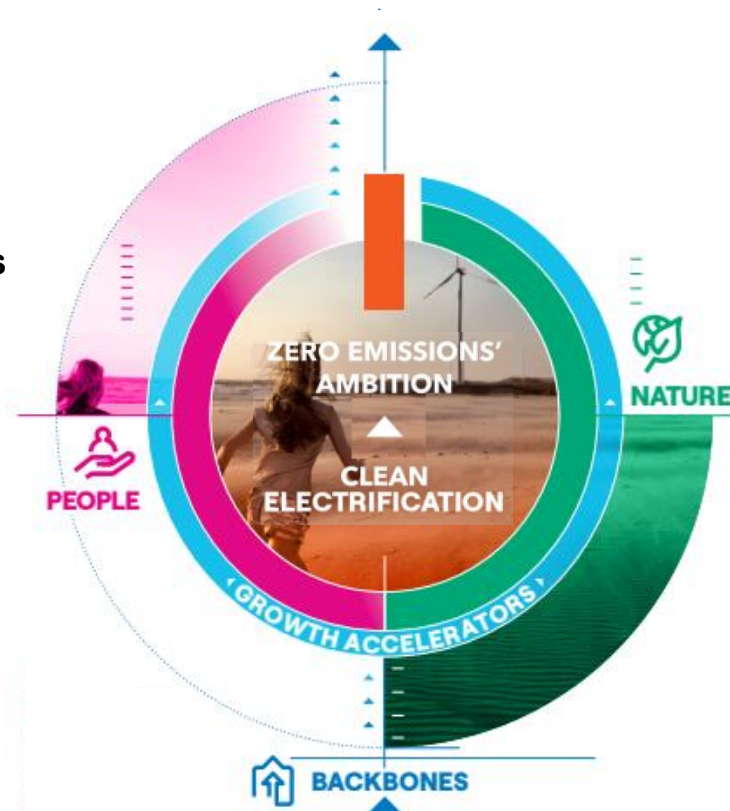
...supporting sustainable progress through innovation, digitalization and the circular economy

- > Circular economy
- > Cyber Security
- > Innovation

Sustainable development along the entire value chain



Sustainable Value Creation in the long term



...promoting the protection of natural capital and biodiversity...

2

- > Long-term climate strategy
- > Biodiversity
- > Water
- > Pollutants and waste

...with continuous improvement in health and safety objectives...

3

- > Health & Safety

**Focus on**

- > Advocacy for Climate
- > Endesa position in main ESG ratings
- > Net Zero Company Benchmark

# People

endesa



# Just Transition

Endesa’s strategy for a Just Transition promotes a highly sustainable program to increase people’s skills and improve its stakeholder engagement

## People centricity

- > Internal redeployment and upskilling/reskilling processes for people working in coal generation, which is being phased out, enabling them to work in other units, ensuring knowledge transfer
- > Voluntary early retirement plans
- > Hiring and upskilling/reskilling programs to acquire new skills and to support the generational mix and the sharing of knowledges



Human Rights Policy

## 1202 MW in Mudejar (Spain)<sup>1</sup>

- > Promote employment and training.
- > Opportunities for local/regional industrial value chain.
- > Energy communities & local equity participation.
- > Generation of municipal income.

## 628 MW in Pego (Portugal)

- > Job creation and maintenance of existing wage levels for coal plant’s workers
- > Training Fund (500k - 1M)€.
- > Energy for the municipality & E-Mobility.
- > Sustainable management of endogenous resources.

## Just transition capacity tenders

1. Provisional award



# Inclusion & uniqueness



Inclusion of people multiple and unique talents is an essential factor in Endesa approach to create long term value for all stakeholders

## Purpose

Endesa puts in place an organic set of actions aimed at:

- > Allowing expression of **people uniqueness** ensuring nondiscrimination, equal opportunities, equal dignity, and inclusion of every person regardless to **any form of diversity**
- > Promoting cultural conditions for an **inclusive and unbiased workplace** that ensures a coherent mix of diversity in terms of skills, qualities and experiences that create value for people and business



*Human Rights Policy*  
*Global Diversity & Inclusion Policy*  
*Global Workplace Harassment Policy*  
*Statement against harassment*

## Actions

- 1 Empower the growth and increase representation of **women** in the organization
- 2 Promote the inclusion of **people with disability**: implement inclusive work services and direct talent hiring.
- 3 Promote initiatives to spread **intercultural** inclusion culture

	2022E	2025
Female managers (%)	18.7	20.2
Female middle managers (%)	34.4	35.0
Women in selection processes <sup>1</sup> (%)	50.0	50.0

1. Selection processes excluding blue collars or similar roles



# Sustainability and Innovation in the Procurement Process - Suppliers and Contractors



Human Rights Policy  
Code of Ethics

Health & Safety  
Environment Circular Economy  
Human Rights & Social

Partnerships  
with suppliers



+ Innovation by vendors  
Procurement involves  
suppliers in some innovation  
challenges



Scouting

Qualification

Tender

Contract

Performance Mgmt

Human Rights & Ethics  
Health & Safety  
Environment  
Integrity

Sustainability K-factors  
Requirements  
Circular by design  
Material Passport  
Targets

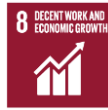
Human Rights & Ethics  
HSE attachment  
Additional obligations from  
sustainability

Vendor rating  
Consequence management

Pre-tender workshops  
Design to Value

## Targets

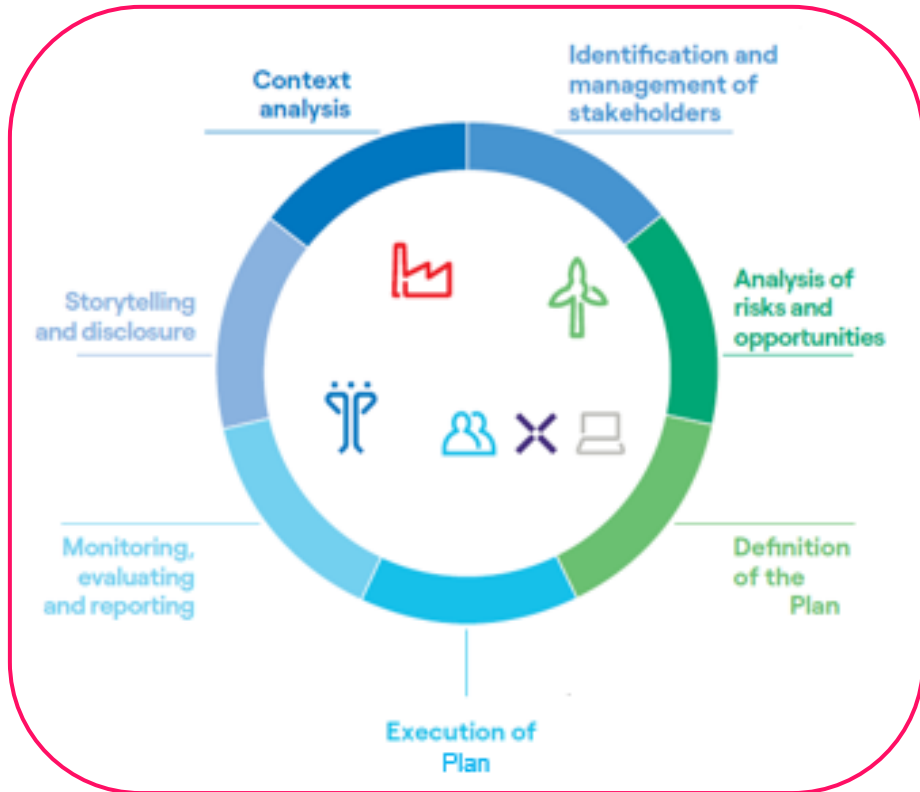
	2022E	2025		2022E	2025
Qualified supplier assessed for ESG performance <sup>2</sup> (%)	99	100	Supplies' tenders amount covered by ranking/target based on carbon footprint values (%)	70	>70
Supplies' value covered by Carbon Footprint certification (%)	62	75			



# Sustainability initiatives with local and global communities



Key pillar of our strategy is to establish solid, long-lasting relationships with local communities, integrating socio-economic factors within business processes with a participatory approach.



An approach that extends along the entire value chain: business development, supply chain & design, engineering and construction, operation and maintenance up to the end of life through:

- > Proactive stakeholder engagement and addressing community needs in the design phase of our initiatives.
- > Sustainable and circular approach embedded along the entire value chain.
- > Promoting inclusive business initiatives for vulnerable clients (both physical, social and economic).

## Value created for communities

2022E

2030



Quality education<sup>1</sup>

0.5

0.9



Affordable and clean energy<sup>1</sup>

2.3

4.1



Decent work, inclusive and sustainable economic growth<sup>1</sup>

1.0

2.1

1. Mn beneficiaries from Sustainability Initiatives. Cumulated figures since 2015

# Nature

endesa





# Environmental Sustainability

## Biodiversity

Endesa is committed to apply the Mitigation Hierarchy principle to avoid and prevent negative impacts respecting the No Net Loss principle when building new infrastructures



Biodiversity Policy

- > Including **Biodiversity Risks Assessment** to evaluate company-wide risk.
- > Developing a **Biodiversity Action Plan** taking into account the specific aspects of local environments.
- > **Minimizing the impact of Endesa sites on habitats and species** included on the Red List of the IUCN<sup>1</sup> (+ Natura 2000 Network in Iberia).

2022E

2023-25

- > Improving processes for **risk assessment and biodiversity management**.
- > Implementation of the **Biodiversity performance monitoring** on significant projects.
- > Participation to **Business for Nature Coalition**, to **SBTN's Corporate Engagement Program**, to TNFD Forum and piloting activities.

- > Incorporation of **nature-related risk and opportunity assessment** into all company activities.
- > Assessment of all relevant assets and revision of **Nature restoration Plan** on infrastructure.
- > Enlarge and consolidate **scientific and industrial partnership**.

**Our commitment**

- > **No Go in UNESCO areas** <sup>1</sup>
- > **Biodiversity No Net Loss** implementation on selected projects in highly importance biodiversity areas starting from 2025
- > **Biodiversity No Net Loss** for new infrastructures by 2030
- > **No Net Deforestation** by 2030

1. In any case Endesa commits to comply to service obligation with the best adequate and feasible solutions

# Backbones

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# Health & safety



- Human Rights Policy
- Health & Safety Policy
- Extra checking on site Policy

Health & Safety Management system is based on hazard identification, on qualitative and quantitative risk analysis. Certification of the whole Group according to ISO 45001 and relative implementation

## Data driven performance evaluation

- > **Data-driven approach** based on digital tools, dashboard and analytics, used both for prevention and **Consequence Management**.
- > Focus on **serious injuries** (absence from work of more than 3 days) and **dangerous events** (High Potential).

## Culture dissemination

- > A specific function (**SHE Factory**) promotes the dissemination of a different cultural approach to **Health, Safety, Environment** issues by everyone.

## Safety on supplier management

- > Integration into the procurement processes. Suppliers are monitored both in qualification system, and in the contract execution phase through a control system (e.g. **Supplier Performance Management (SPM)**, **Contractor Safety Assessments**, **Evaluation Groups**, operational controls in the field).

	2022E	2025
Lost Time Injury Frequency Rate <sup>1</sup>	0.51	-1% reduction year-on-year
More than 3 days Frequency Rate <sup>2</sup>	0.53	-1% reduction year-on-year
High Potential Accident FR <sup>3</sup>	0.300	-1% reduction year-on-year

1. Number of accident with at least one day of absence from work / million worked hours.  
 2. Number of accident with more than three days of absence from work / million worked hours. The 2025 data is to be considered a projection and not a target.  
 3. An accident whose dynamic, independently from the damage, could have resulted in a Life Changing Accident or in a Fatal Accident. The 2025 data is to be considered a projection and not a target.

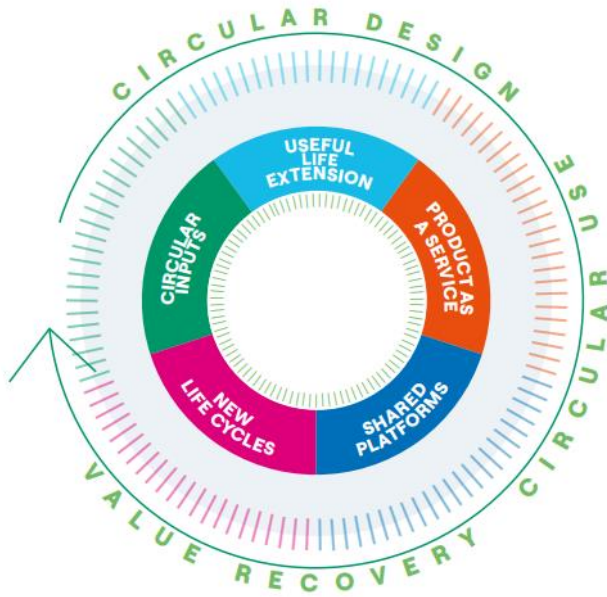
# Growth Accelerators

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# Circular economy



Endesa's vision of the circular economy stands on five pillars that define the related context and methods of application



The 5 pillars

- Circular Inputs** > Production and use model based on renewable inputs or previous life cycles (**reuse and recycling**)
- Life extension** > Approach to the design and management of an asset or product in order to **extend its useful life**
- Product as a Service** > Business model in which the **customer purchases a service** for a limited time while the **company maintains the properties** of the product, maximizing the utilization factor and useful life
- Shared Platforms** > Management systems in common **among multiple users**
- New life cycle** > Any solution to **preserve the value** of an asset at the **end of a life cycle** through reuse, regeneration, upcycling or recycling

## Circularity improvement<sup>1</sup>

2022E

2030

67%

91%

In 2023 Endesa will define a new target which considers the resources used by all the business lines compared to EBITDA generated<sup>2</sup>

1. Materials and fuel consumption reduction of the Endesa's power fleet throughout the life cycle, compared to 2015  
 2. It will consider all the resource consumed (tons of materials and fuel) related to asset for energy production and distribution, energy sold to customer, technology and solution for the customers compared with the Group EBITDA



# Circular economy – Focus Wind



## Inputs Material

- > Main materials used:
  - > Steel
  - > Concrete
  - > Fiberglass
  - > Copper
  - > Aluminium

## Useful Life

- > 25 years average lifetime
- > Expected volume at end of life considering the installed capacity<sup>1</sup>:
  - ~ 630 MW before 2030
  - ~ 800 MW 2031-35
  - ~ 330 MW 2036-40
  - ~ 860 MW after 2040

## New Life Cycle

- > Current recyclability of WTGs ~ 80% (steel, aluminium, copper already fully recycled)
- > Estimated recyclability of WTGs at 2025 ~ 90% (improvement in the recycling of fiberglass)

## KEY INITIATIVES (examples)

### New solutions for wind



Development of new materials more sustainable, performing and recyclable through collaboration with start-ups and major players (e.g. wood based tower with a potential CO2 reduction per kWh of 90%)

### Recycling plant for wind blades > In Spain (capacity 6.000 tons/year)



With the aim of reusing recycled fiberglass back into the wind energy sector and other sectors that may require such composites



# Circular economy – Focus Solar



## Inputs Material

- > Main materials used:
  - > Aluminium
  - > Glass
  - > Copper
  - > Steel
  - > Concrete
  - > Silicon
  - > Silver

## Useful Life

- > 25 years average lifetime
- > No significant volume at the end of life expected before 2040 considering the installed capacity<sup>1</sup>



## New Life Cycle

- > Current recyclability ~ 80% (steel, aluminium, copper, glass already fully recycled)
- > Estimated recyclability ~ 95% (improvement in the recycling rate of precious materials (silicon, silver etc))

## KEY INITIATIVES (examples)

### PV Circular Design (3SUN)



Evaluation of the possibility to introduce recycled materials into the production process, such as replacing the glass of the panels with recycled plastic.

### Photorama project for PV Recycling



EU Funded projects in collaboration with 14 partners with the aim to identify a suitable treatment for the recovery of precious materials reaching a total recycling rate of 95 %.



# Circular economy – Focus BESS



## Inputs Material

- > Main materials used:
  - > Lithium
  - > Graphite
  - > Iron
  - > Phosphorus
  - > Steel
  - > Concrete
  - > Aluminium
- > Copper

## Useful Life

- > 15 years average lifetime
- > No significant volume at the end of life expected before 2040 considering the installed capacity<sup>1</sup>

## New Life Cycle

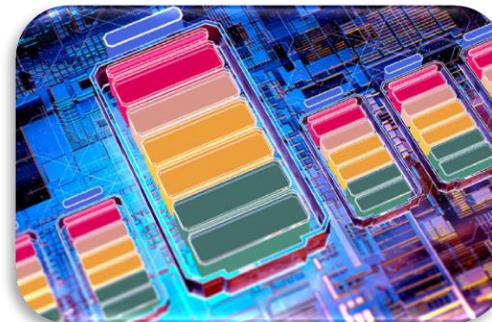
- > Current recyclability ~ 50% (steel, copper fully recycled)
- > Estimated recyclability ~ 70% (improvement in the recycling of cells material)

## KEY INITIATIVES (examples)

### New materials and solutions for storage



For example, thermal storage that use materials (rocks, pipes and casings) that are to be considered environmentally sustainable and not critical



**Second life solutions for EV Batteries** to be reused as storage systems (Melilla, Pioneer) and **Battery recycling plant in Spain** (8.000 tons/year) to recover precious materials as lithium etc



# Cyber security



*Cyber Security Framework*

## Cyber Security Framework

> The Policy, adopted in 2017, addresses the principles and operational processes that support a global strategy of cyber risk analysis, prevention and management. Such Framework is **fully applicable** to the complexity of regular Information Technology (IT), industrial Operational Technology (OT) and Internet of Things (IoT) environments

## Cyber Security Structure and Governance

> From the **organizational point of view**, Enel Group has set up, since September 2016, within the **Global Digital Solutions Function**, a “**Cyber Security**” unit, committed to guarantee **governance, direction and control of cyber security topics**. The Head of Cyber Security unit, which is also the Enel Group **CISO**, directly reports to the Head of Global Digital Solutions function (**CIO**).

> Furthermore, the **Cyber Security Committee**, chaired by the Group’s CEO and made up of his/her front lines, addresses/approves the cyber security strategy and periodically checks the progress of its implementation

## Cyber Emergency Readiness Team CERT

> Enel disposes of its own **CERT**, whose mission is to protect the Group's constituency, i.e., all employees and assets (instrumental to Enel's business that could be compromised by cyber threats), promoting a proactive approach based on

**"incident readiness"** rather than **"incident response"**. **Incident Response, Threat Intelligence and Information Sharing** are the processes the unit operates with, also exchanging information within a network of accredited international partners

## People cyber empowerment journey

> The journey drives Enel people to be the first line of cyber defense and is powered by an **Awareness Development**

**Program** and an **Anti-Phishing Program** that leverage on different communication channels and diffusion tools

	2022 planned	2022E <sup>1</sup>	2025
Cyber exercises involving industrial plants/site (#)	12	54	64
Information security verification activities (#)	800	1,400	1,400
Knowledge sharing events (#)	15	19	15

# Focus on...

The Endesa logo is located in the bottom right corner of the slide. It consists of the word "endesa" in a lowercase, sans-serif font. The letters are blue, and there is a subtle shadow or gradient effect behind the text, giving it a three-dimensional appearance.

# Consolidated position in main ESG Ratings focused **enx** on covering most material issues for the Energy sector



- Third position** among electric utilities in the S&P CSA rating
- Sector leader** in the FTSE Russell ESG rating
- Reconfirmed** the qualification AAA by MSCI

Industry average

1. 2022 Evaluation is ongoing.

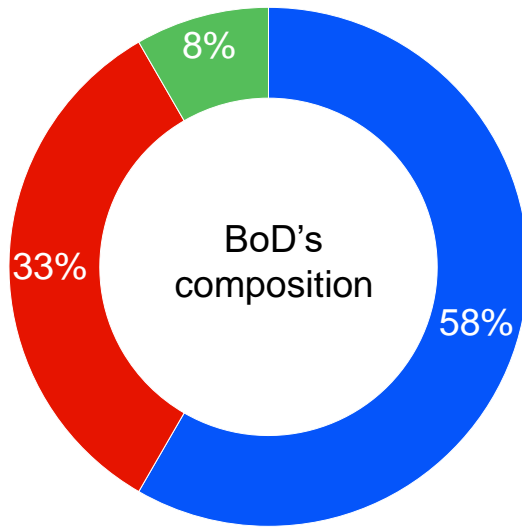
# Focus on Corporate Governance

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# Corporate governance structure<sup>(1)</sup>

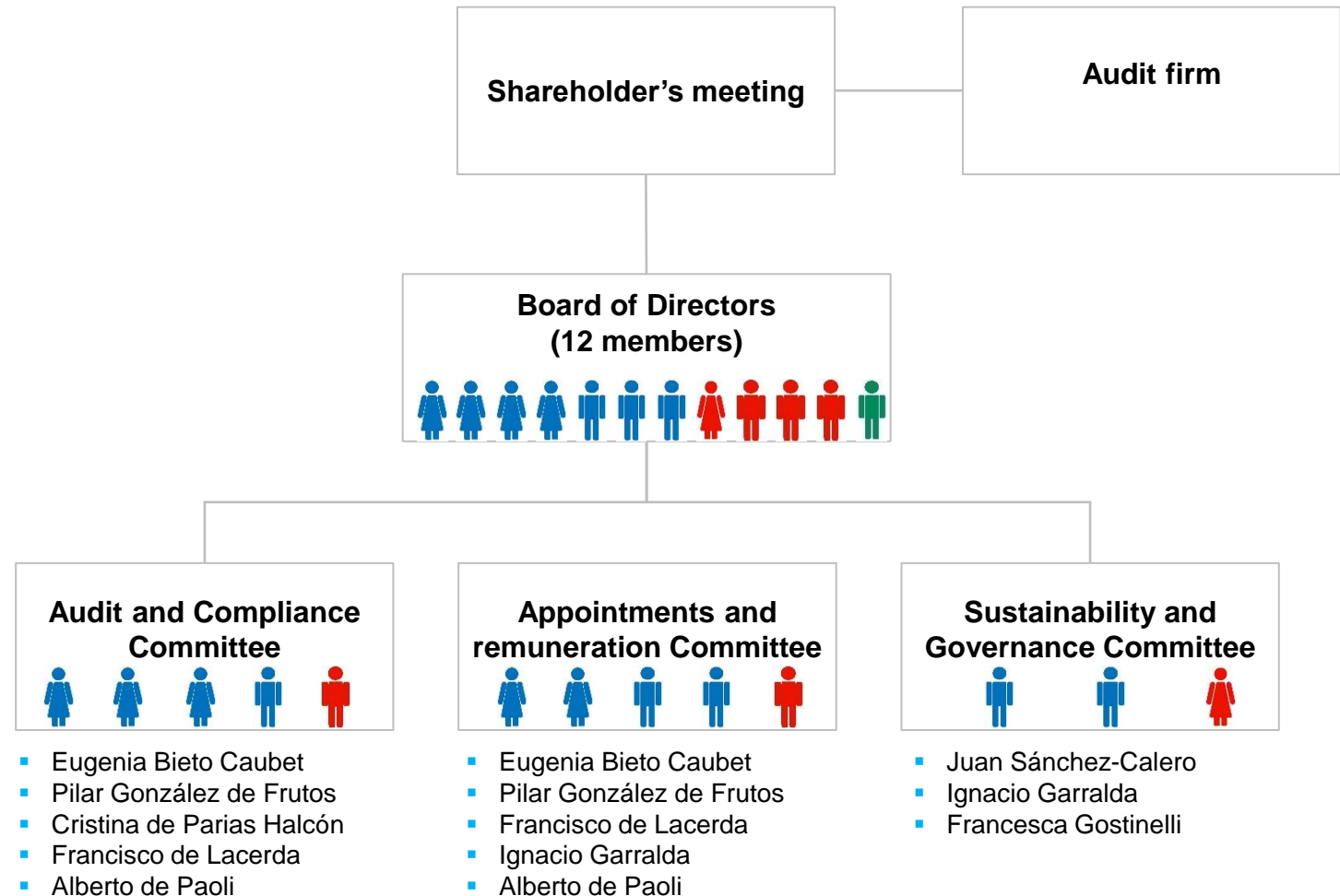


## Composition



■ Executive 
 ■ Proprietary 
 ■ Independent

## BoD and Committees



(1) Since 2022 Ordinary General Shareholders' Meeting (29/04/2022)

# Board of Directors composition

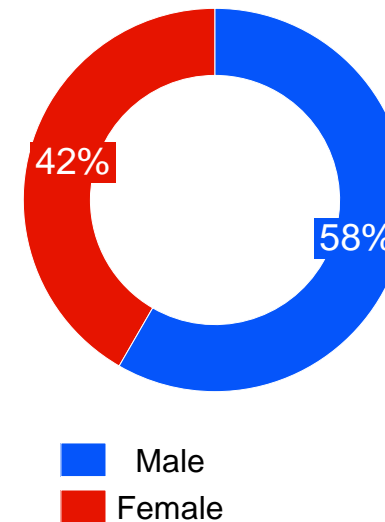


## Board of Directors

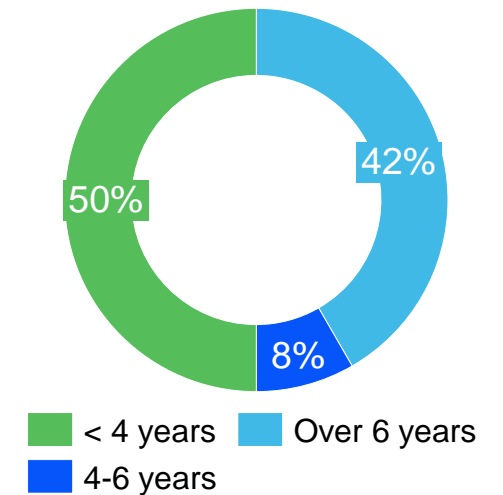
J. Sánchez-Calero	Chairman Sustainability & Governance C.	Proprietary
J. Bogas	CEO	Executive
F. Gostinelli	Sustainability & Governance C.	Proprietary
F. Starace	Vice Chairman	Proprietary
A. de Paoli	Audit & Compliance C.	Proprietary
A. Cammisecra	Appointments & Remuneration C.	Proprietary
I. Garralda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

## Board of Directors' diversity

By gender



By tenure



Equality gender policies result in an 42% participation of women in the BoD

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



## 2022 Objective

## Type of target

## Macro objective

	Range	Weight		
Net ordinary income	Maximum 120%	15%	Economic	Profitability
FFO	Maximum 120%	20%	Financial	Cash and debt management
Integrated Margin	Maximum 120%	25%	Business	Profitability
Integrated Margin management & resolution of billing issues	Maximum 120%	20%	Business	Efficiency
Safety in the workplace	Maximum 120%	20%	ESG	Safety

(1) 2022 executive director variable remuneration

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



	Objective				Type of target	
	(0%)	Entry (100%)	Over I (150%)	Over II (180%)		
<b>TSR<sup>(2)</sup></b> 50% <sup>(2)</sup>	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
<b>ROACE<sup>(3)</sup></b> 25% <sup>(3)</sup>	<49.4%	49.4%	50.1%	≥50.9%	Financial	Profitability
<b>Net Installed Capacity in renewable sources<sup>(4)</sup></b> 10% <sup>(4)</sup>	<52,6%	52,6%	52,8%	≥53,1%	ESG	Environmental
<b>CO<sub>2</sub> emissions reduction (gCO<sub>2</sub> /KWh)<sup>(5)</sup></b> 10% <sup>(5)</sup>	>134	134	130	≤127	ESG	Environmental
<b>% of women in management succession plans<sup>(6)</sup></b> 5% <sup>(6)</sup>	<45%	45%	47%	≥50%	ESG	Governance

(1) Executive director Long Term Incentive Plan (LTI) 2022-2024. 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) Represented by the ratio between the Ordinary Operating Income (Ordinary EBIT) and the average Net Invested Capital cumulative over the accrual period

(4) Defined as the ratio between the net installed capacity of renewable sources and ENDESA's total cumulative net installed capacity in 2024.

(5) The target has been defined for a thermal gap of 14.4 TWh in 2024, as foreseen in the BIP 2022-2024. In the event that the thermal gap varies, it will be adjusted using the following formula:  $E(Ht) = (1,43 \times Ht) + 113$

(6) Measured as the total number of women in manager succession plans (Manager+Top200), divided by the total number of ENDESA successors in 2024.



# 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
Integrated power margin (€mn)	Contribution margin Gx+Sx - Margin gas – Short Position – Ancillary Services – Regulated income from Generation + Endesa X + Direct costs from Generation and Endesa X - Others
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.

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# IR Team

Contact us



**Mar Martinez**

Head of Investor Relations

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Juan Carlos Jimenez

Sonia Herranz

Paloma de Miguel



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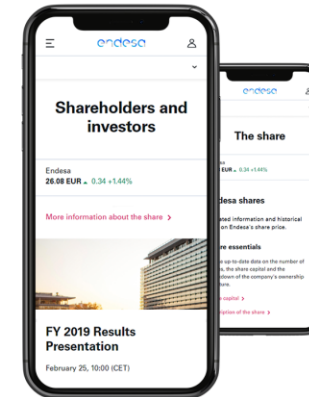


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