

First Half

2023

Consolidated results
July 26th, 2023

endesa

1H 2023

Consolidated results

José Bogas
CEO

endesa

Key highlights of the period



Market scenario and energy context
gradual normalization



EBITDA Ifl

2.5 €bn
+27% vs PY⁽¹⁾

Net Ordinary Income

0.9 €bn
+20% vs PY⁽¹⁾



FFO improvement

1.6 €bn
+1.8 €bn vs PY

Working capital
normalization drives FFO improvement

On track to reach FY2023 guidance

Solid evolution of main KPIs across all businesses



	1H 2022	1H 2023	
 Renewable Capacity ⁽¹⁾	8.5 GW	9.3 GW	+0.8 GW
 GHG free production on total ⁽¹⁾	78%	81%	+3 p.p.
 Sales covered by GHG free sources ⁽²⁾	75%	76%	+1 p.p.
 Free power customers	6.6 mn	6.9 mn	+0.3 mn
 Charging points ⁽³⁾ (k)	11.1	16.6	+5.5k
 TIEPI ⁽⁴⁾	29 min	25 min	-4 min
 RAB	~11.4 €bn	~11.4 €bn	Flat

(1) In mainland

(2) Fixed price sales

(3) Public and private

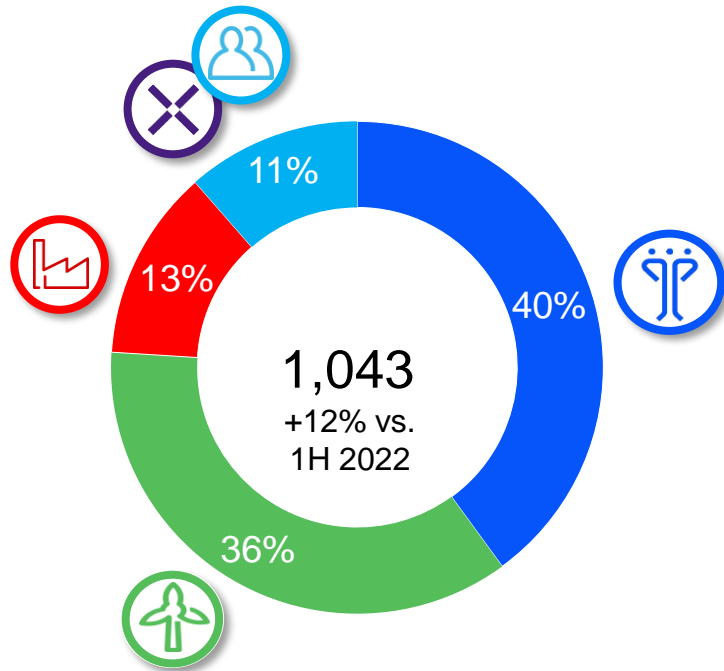
(4) Tiempo de Interrupción Equivalente a la Potencia Instalada (Installed Capacity Equivalent Interruption Time).

+12% Capex increase versus last year

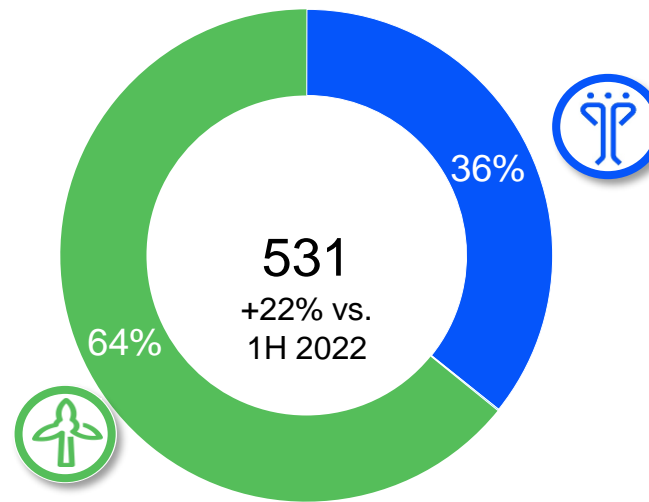
€mn



Gross Capex by business



Development gross Capex



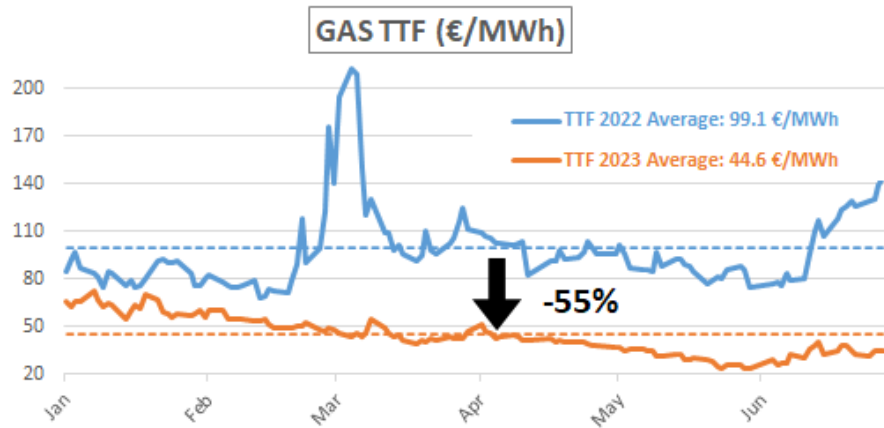
Capex mostly devoted to **energy transition strategic pillars**

Market context

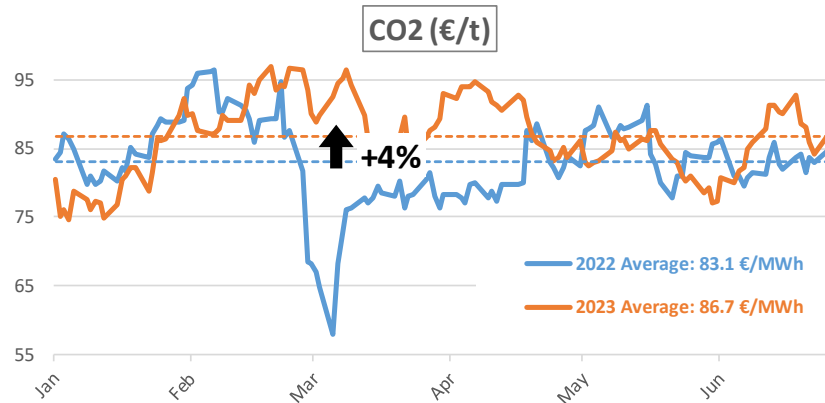
Sustained downward trend on gas and power prices in a demand decline context



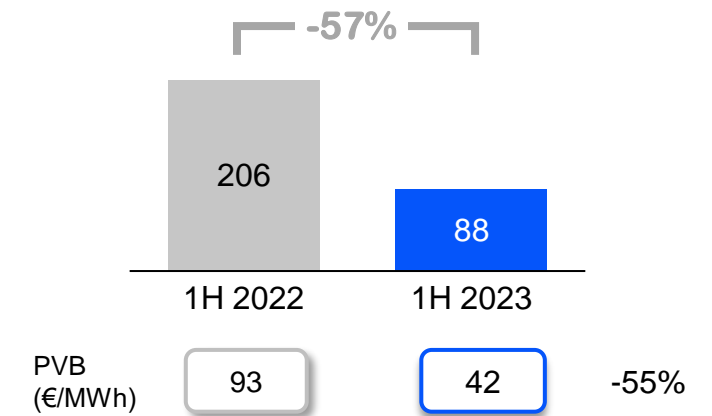
Gas TTF spot prices (€/MWh)



CO₂ spot prices (€/t)



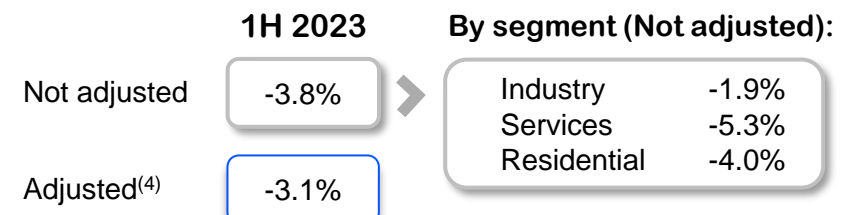
Average Iberian power pool prices (€/MWh)⁽¹⁾



Mainland power demand in Spain (TWh)⁽²⁾



Endesa's mainland area⁽³⁾



(1) Source OMIE (does not include thermal compensation)
 (2) Source: REE. Rounded figures.

(3) Source: Endesa's own estimates. Variation versus 1H2022
 (4) For weather and working days

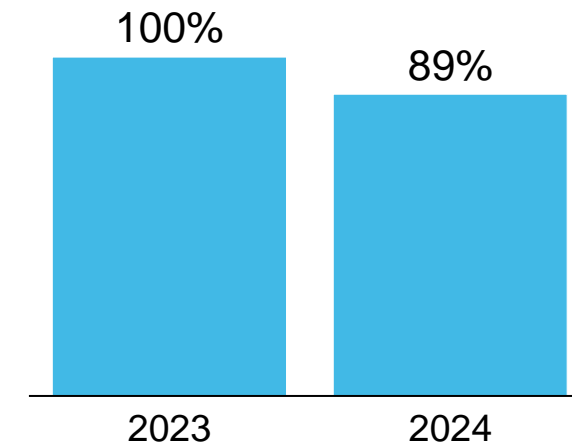
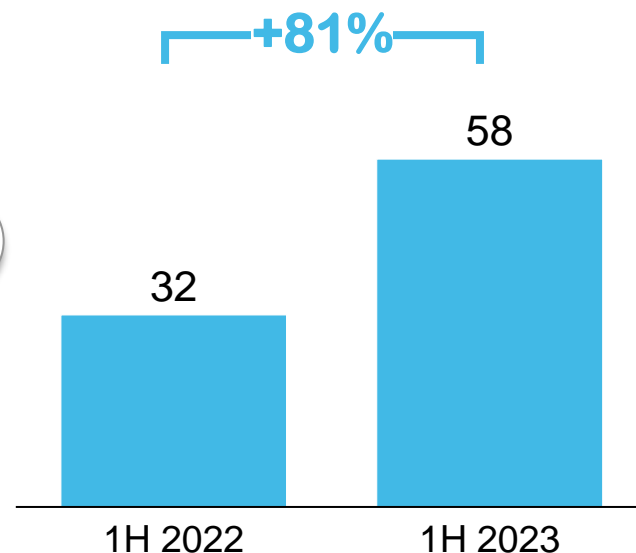
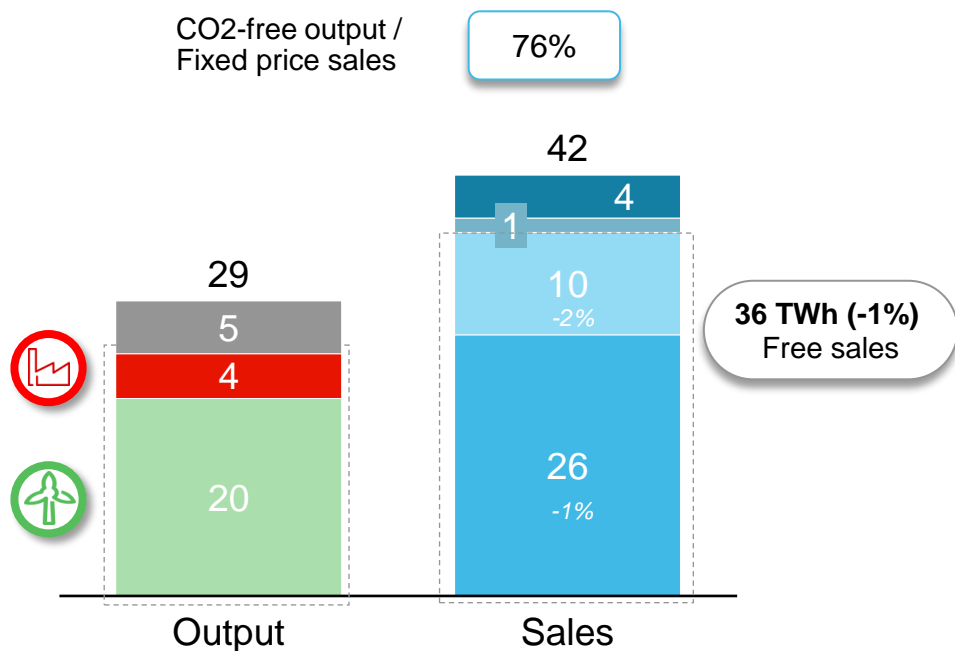
Sound performance of Iberian free power margin gradually returning to normal levels



Output / Sales (TWh)

Free power unitary margin ⁽¹⁾ (€/MWh)

Hedged output ⁽²⁾



- Non mainland
- Thermal
- HNR
- Incl. Free Power margin
- SCVP (regulated)
- International (ex-Iberia)
- Free-indexed price
- Free-fixed price

Supply margin (€/MWh)

2

~12

Bilateral contract transfer price (€/MWh)

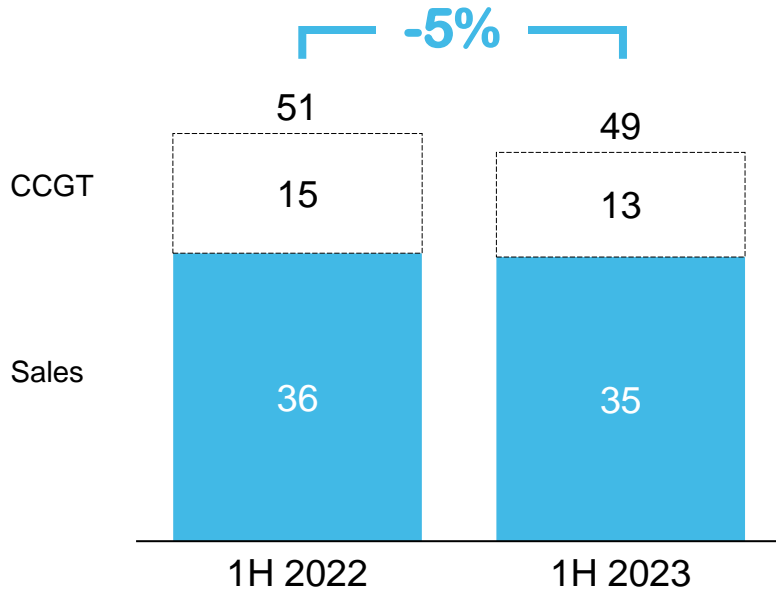
65

65

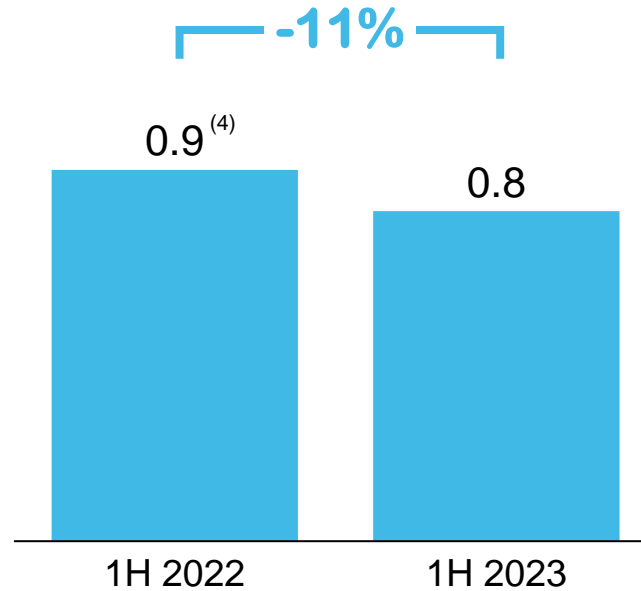
Gas margin impacted by market context



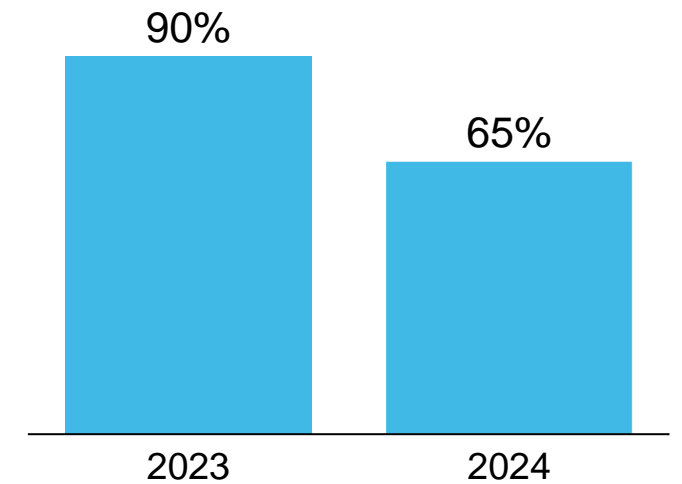
Total volumes ⁽¹⁾ (TWh)



Gas unitary margin ⁽²⁾ (€/MWh)



Volumes hedged ⁽³⁾ (%)



Customers (mn)	1.8	1.8	-%
Liberalized (mn)	1.5	1.4	-7%

(1) Rounded figures.
 (2) Total unitary margin excluding MtM
 (3) Volumes of hedged sourcing contracts
 (4) Unitary margin including MtM: -0.8 €/MWh

1H 2023

Financial results

Marco Palermo

CFO

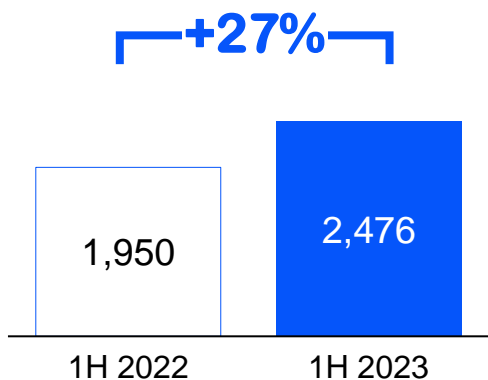
endesa

Key financial highlights

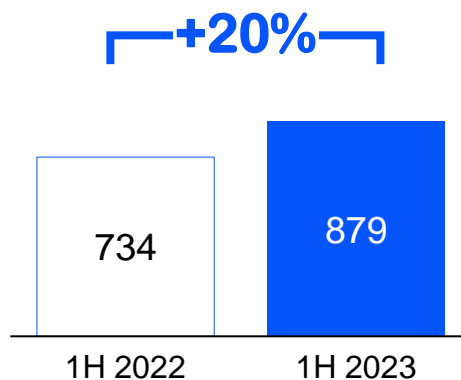
€mn



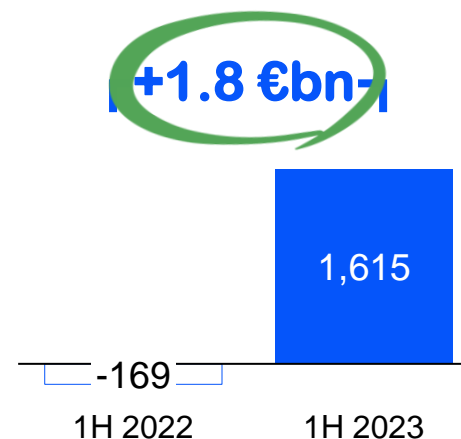
EBITDA Ifl⁽¹⁾



Net Ordinary Income⁽¹⁾



FFO



Reported EBITDA

2,188 2,476 +13%

Reported Net Income

916 879 -4%

Adjusted FFO⁽²⁾

564 1,427 +0.9 €bn

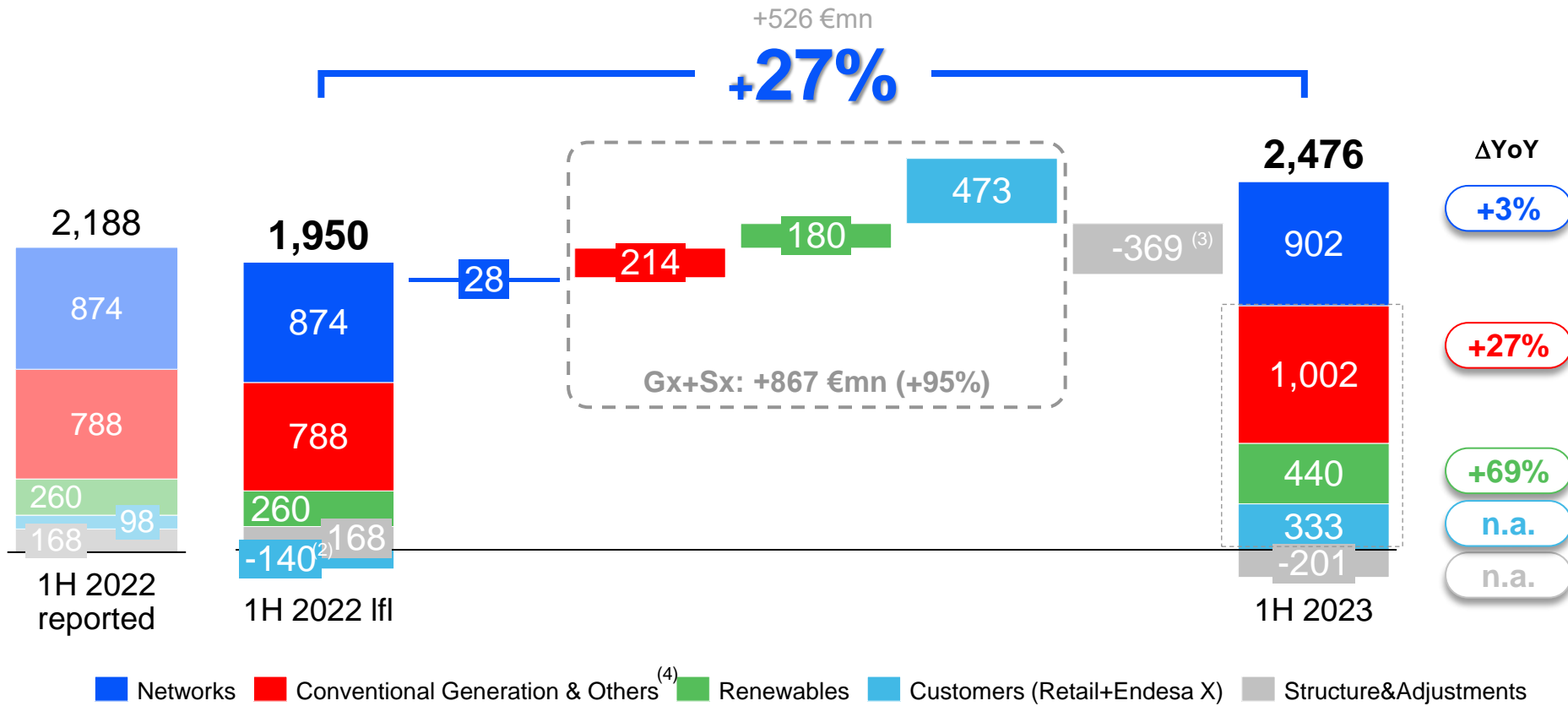
(1) Non recurrent 1H 2022: 238 € mn capital gains in Endesa X Way transaction. 182 € mn at net income level
 (2) Adjusted by the variation of Regulatory working capital in the period (+733 €mn in 1H2022 and -188 €mn in 1H2023)

+27% EBITDA within a context normalization

€mn



EBITDA by business (1)



Sound growth based on our integrated business strategy

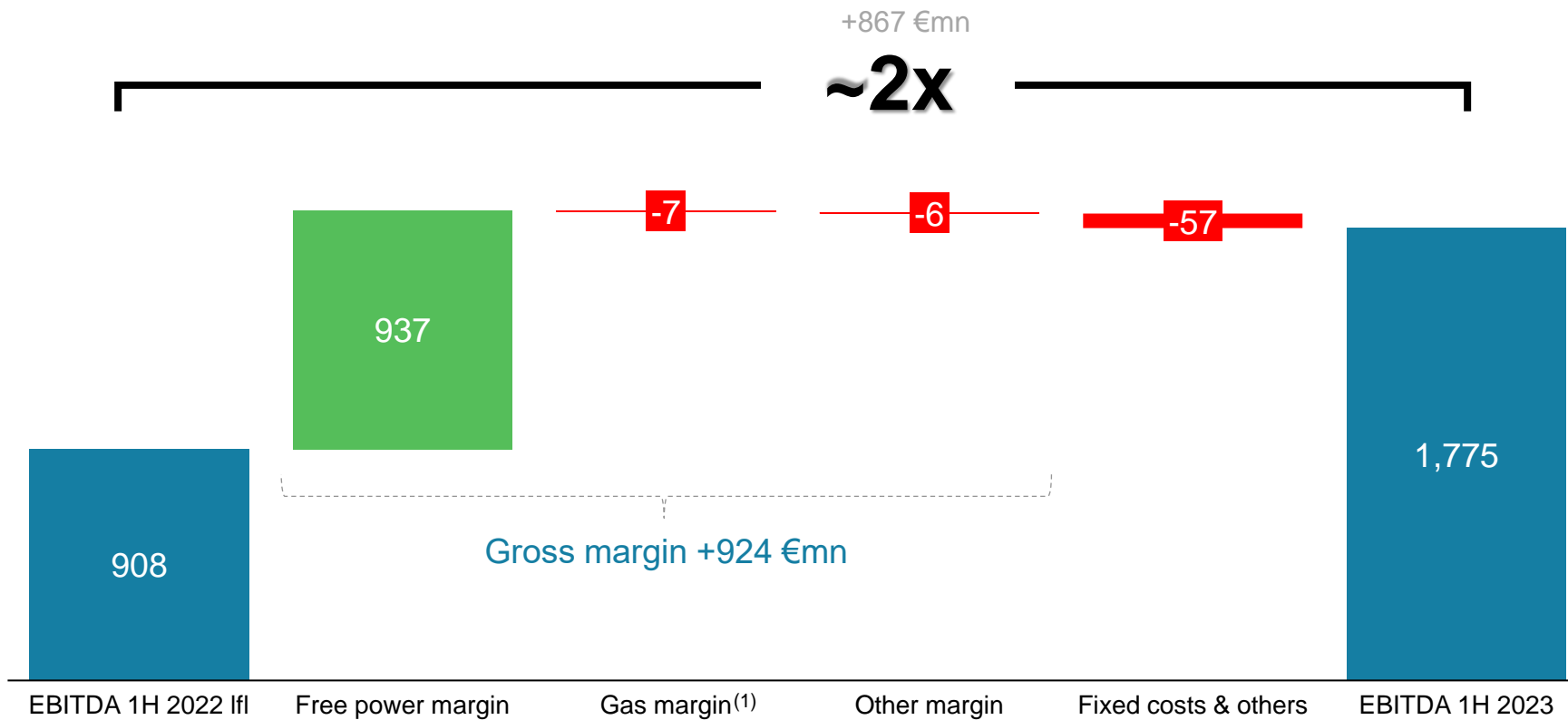
■ Networks
 ■ Conventional Generation & Others⁽⁴⁾
■ Renewables
 ■ Customers (Retail+Endesa X)
 ■ Structure&Adjustments

(1) Rounded figures
 (2) Excluding 238 €mn effect of Endesa X Way transaction
 (3) Includes Social Bonus sentence in 1H2022 (+152 €mn) and 1.2% extraordinary levy in 1H2023 (-208 €mn)
 (4) Includes Thermal Gx, Nuclear, Non mainland and Others

Generation & Supply: strong growth mainly driven by free power margin



Generation & Supply EBITDA Ifl



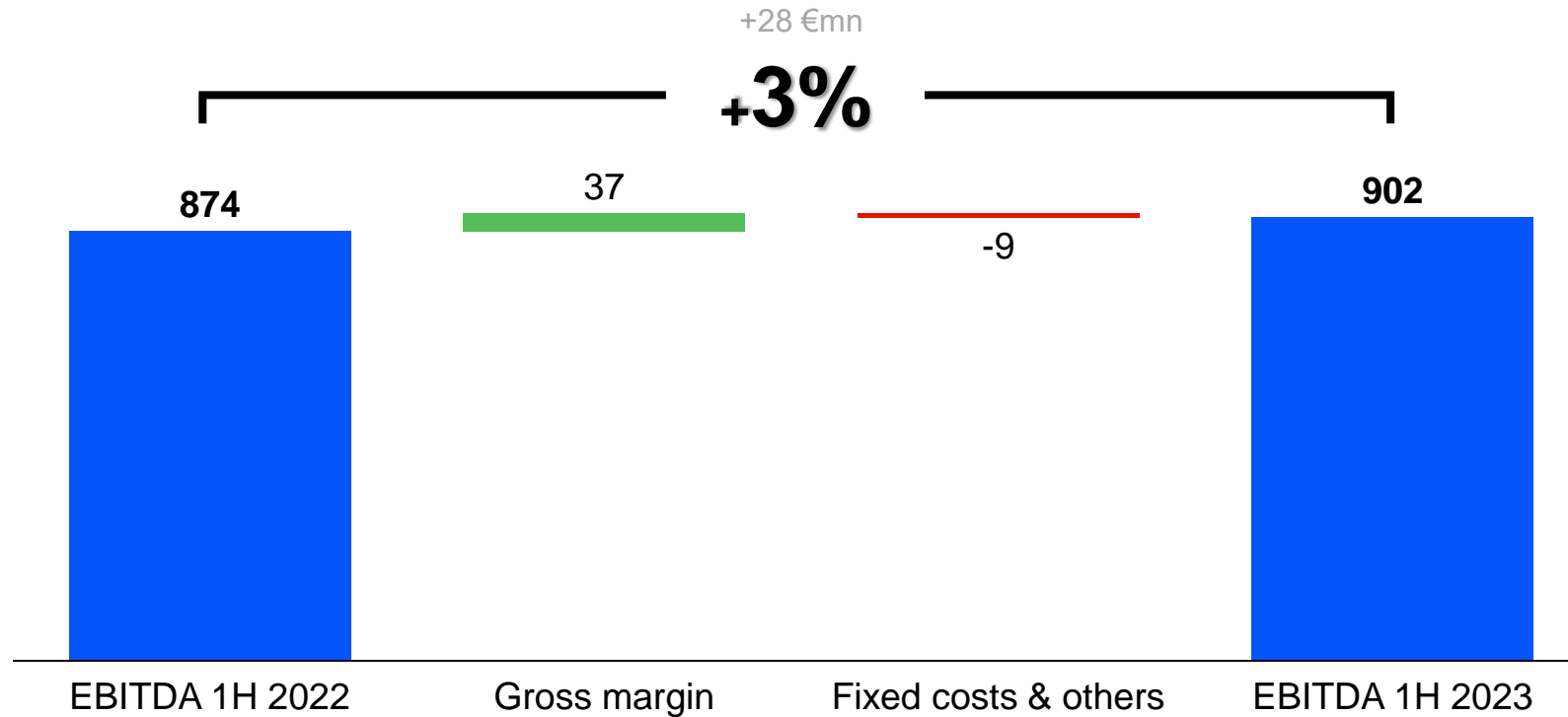
Free power margin +937 €mn:

- Higher thermal margins
- Supply normalization
- Positive short position management

Fixed costs&others: -57 €mn, mainly from inflation effect

Stable Networks EBITDA

Networks EBITDA evolution

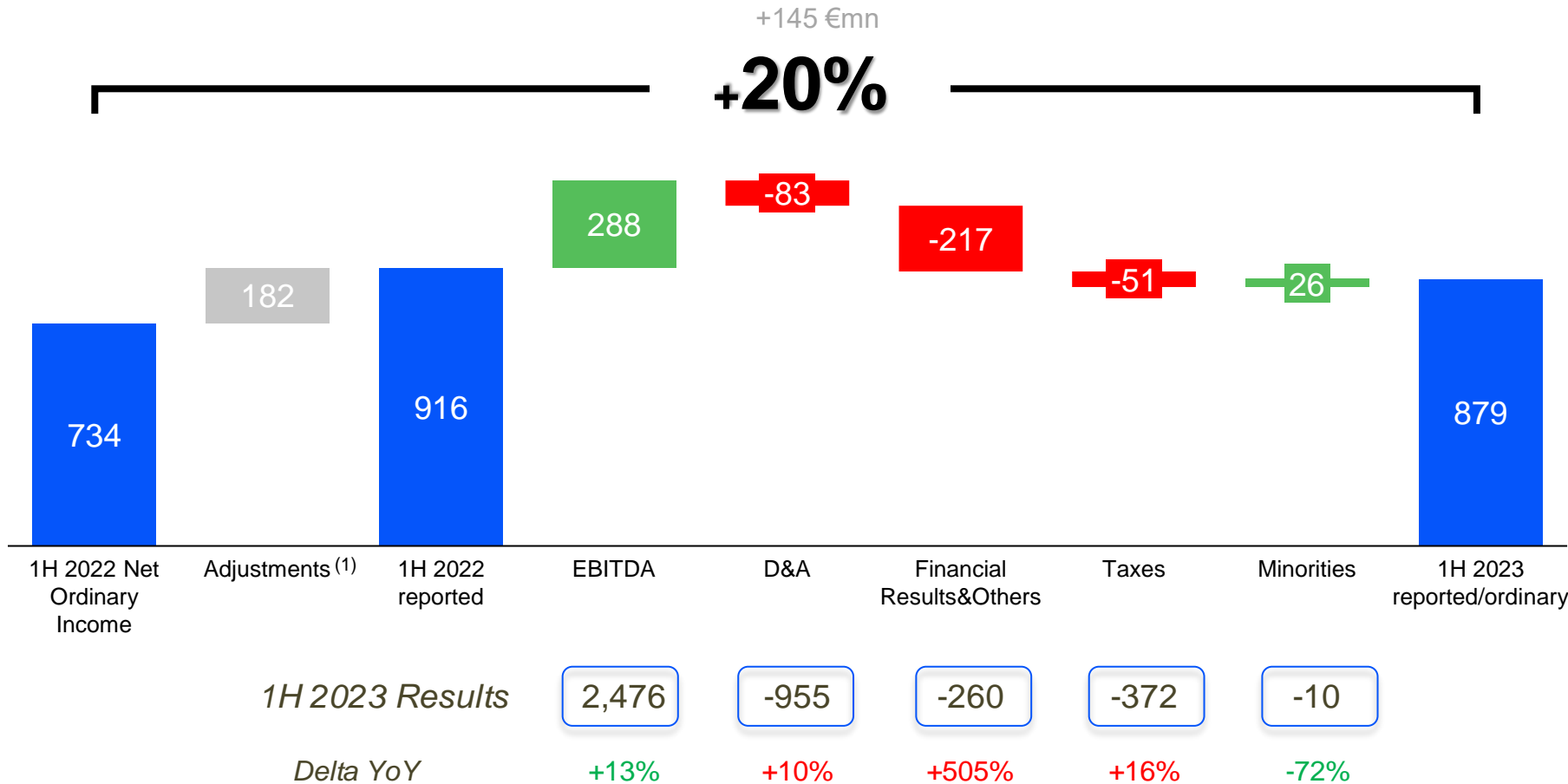


Absence of
**previous year's
negative
resettlements**

Net Ordinary Income up by 20% driven by a strong EBITDA performance



Profit & loss (€mn)



Amortization increase due to **higher investment effort**

Financial results impacted by **cost of debt increase, higher average gross debt and provisions update**

Tax rate **~29.5%** affected by extraordinary levy (~24% adjusted⁽²⁾)

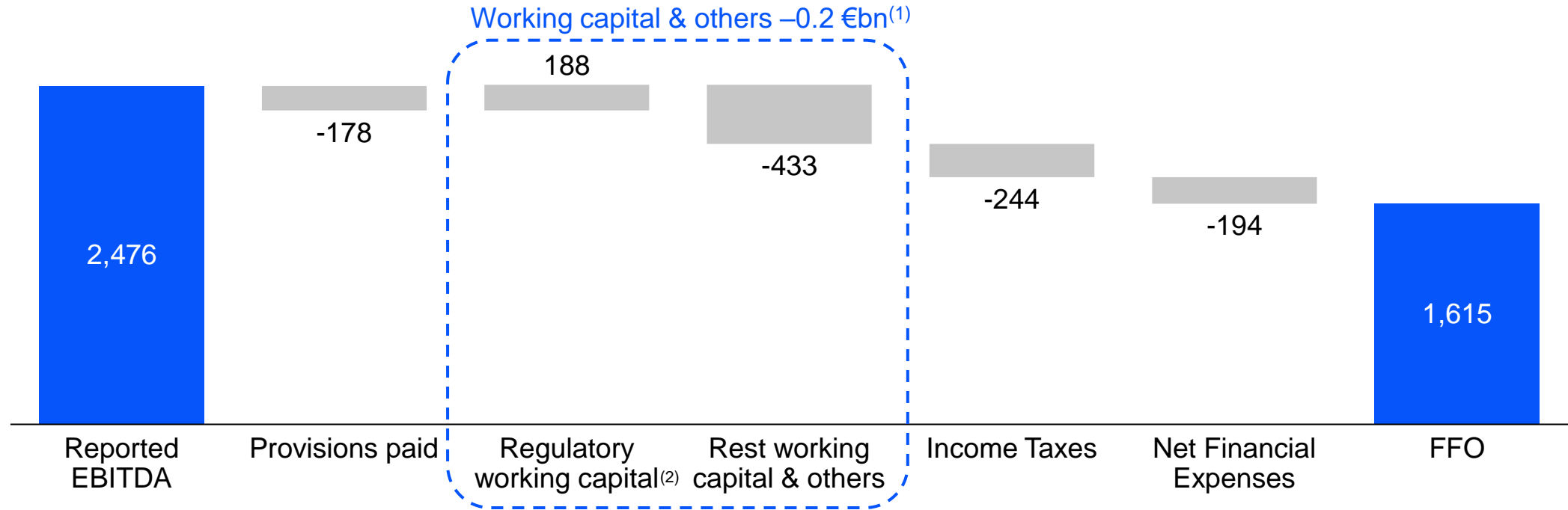
(1) Endesa X Way transaction net effect

(2) Adjusted by non-deductible expense related to the extraordinary levy amounting to 208 €mn and other minor effects

Sound recovery in FFO thanks to working capital successful management



€mn



1H 2022	1,950 ⁽³⁾	-219	-733	-1,066	-53	-48	-169
△ vs 1H 2022	+526	+41	+921	+633	-191	-146	+1,784

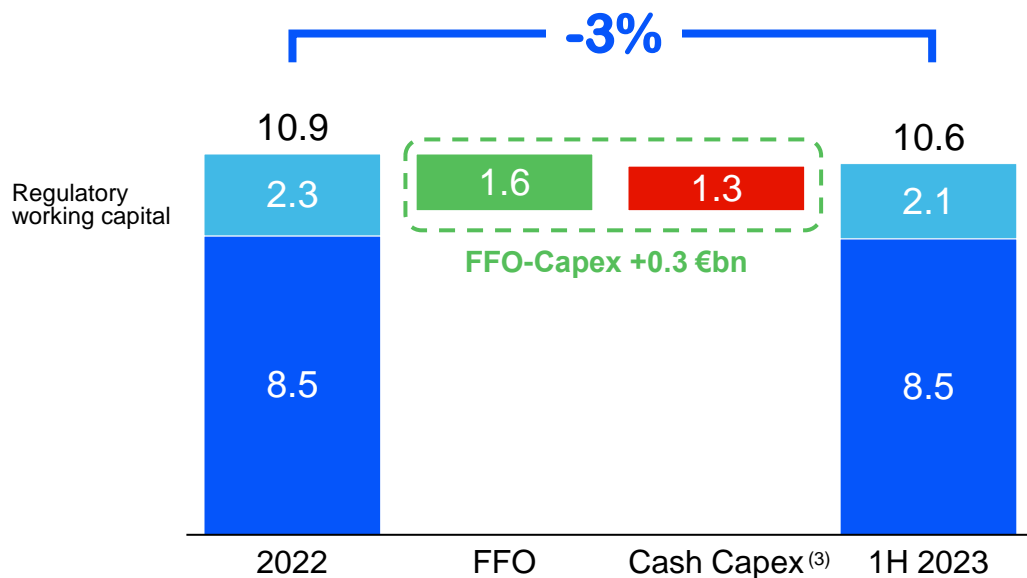
(1) Balance variation year to date
 (2) CNMC settlements balance
 (3) EBITDA like-for-like

Credit metrics improvement



€bn

Net debt evolution ⁽¹⁾



Net Debt / EBITDA IfI⁽⁴⁾

2.0x

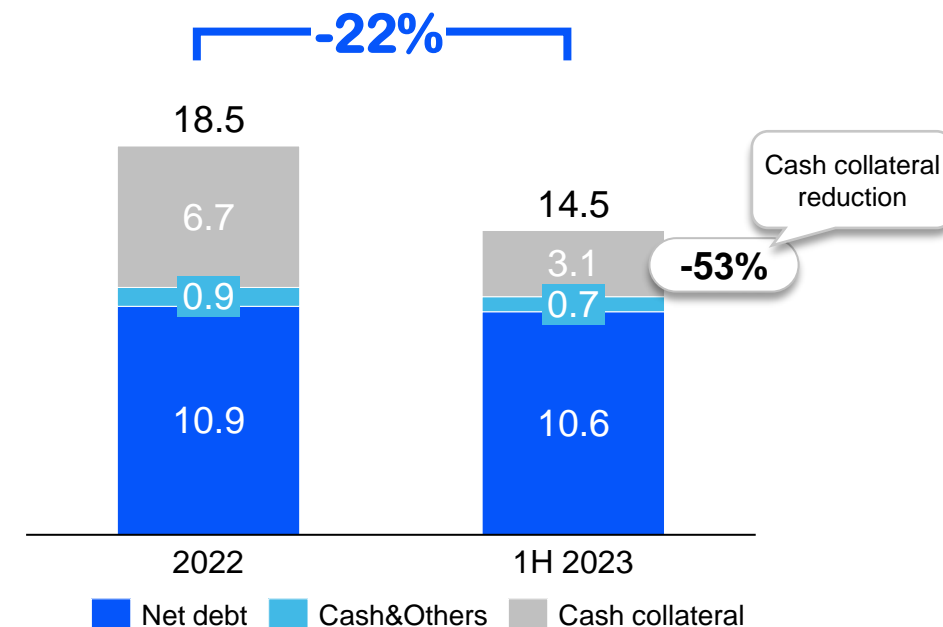
1.8x

FFO⁽⁵⁾ / Net Debt

15%

33%

Gross debt ⁽²⁾



Cost of debt

1.4%

3.0%

(1) Rounded figures

(2) Rounded figures. Cash collateral accounted as Gross Financial Guarantees

(3) Cash basis Capex: Net acquisitions of fixed assets (1,074 €mn) + Acquisitions and disposals of other investments (190 €mn)

(4) Last 12 months. Excluding 238 €mn effect of Endesa X Way transaction in 2022

(5) Last 12 months

1H 2023

Closing remarks

José Bogas

CEO

endesa

Closing Remarks



Delivering solid results based on our integrated business model....

...translating into a sound improvement in FFO

Confidence to achieve 2023 guidance

**A successful
business model
fostering
leadership in
energy transition**

1H 2023

Annexes

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 have a unique design with a horizontal bar.

P&L 1H 2023 vs. 1H 2022

€mn



	1H 2023	1H 2022	% Var.
Income	13,121	14,851	-12%
Procurements and services	-8,057	-10,956	-26%
Income and expenses from energy derivatives	-1,506	-923	+63%
Gross margin	3,558	2,972	+20%
Fixed operating costs and other results	-1,082	-784	+38%
EBITDA	2,476	2,188	+13%
D&A	-955	-872	+10%
EBIT	1,521	1,316	+16%
Net financial results	-270	-56	+382%
Net results from equity method	10	13	-23%
PROFIT BEFORE TAX	1,261	1,273	-1%
Income Tax Expense	-372	-321	+16%
Non-Controlling Interests	-10	-36	-72%
NET ATTRIBUTABLE INCOME	879	916	-4%
NET ORDINARY INCOME	879	734	+20%

Endesa: 1H 2023 P&L

€mn



	Conventional Gx	Renewables	Retail	Endesa X	Gx+Sx adjustments ⁽¹⁾	Dx	Structure	Adjustments	TOTAL
Income	5,627	629	10,470	190	-4,964	1,261	233	-325	13,121
Procurements and services	-3,039	-63	-9,584	-110	4,948	-77	-209	77	-8,057
Income and expenses from energy derivatives	-1,183	8	-331	0	0	0	0	0	-1,506
Gross margin	1,405	574	555	80	(16)	1,184	24	(248)	3,558
Fixed operating costs and other results	-403	-134	-258	-44	16	-282	-225	248	-1,082
EBITDA	1,002	440	297	36	-	902	(201)	-	2,476
D&A	-261	-127	-181	-21	0	-342	-23	0	-955
EBIT	741	313	116	15	-	560	(224)	-	1,521
Net financial results									-270
Net results from equity method									10
PROFIT BEFORE TAX									1,261
Income Tax Expense									-372
Non-Controlling Interests									-10
NET ATTRIBUTABLE INCOME									879
NET ORDINARY INCOME									879

Endesa: 1H 2022 P&L

€mn



	Conventional Gx	Renewables	Retail	Endesa X	Gx+Sx adjustments ⁽¹⁾	Dx	Structure	Adjustments	TOTAL
Income	6,250	501	12,861	158	-6,051	1,222	217	-307	14,851
Procurements and services	-4,098	-92	-12,867	-77	6,013	-75	170	70	-10,956
Income and expenses from energy derivatives	-983	-24	83	0	0	0	1	0	-923
Gross margin	1,169	385	77	81	(38)	1,147	388	(237)	2,972
Fixed operating costs and other results	-381	-125	-254	194	38	-273	-220	237	-784
EBITDA	788	260	(177)	275	-	874	168	-	2,188
D&A	-259	-122	-109	-27	0	-329	-26	0	-872
EBIT	529	138	(286)	248	-	545	142	-	1,316
Net financial results									-56
Net results from equity method									13
PROFIT BEFORE TAX									1,273
Income Tax Expense									-321
Non-Controlling Interests									-36
NET ATTRIBUTABLE INCOME									916
NET ORDINARY INCOME									734

Installed capacity and output



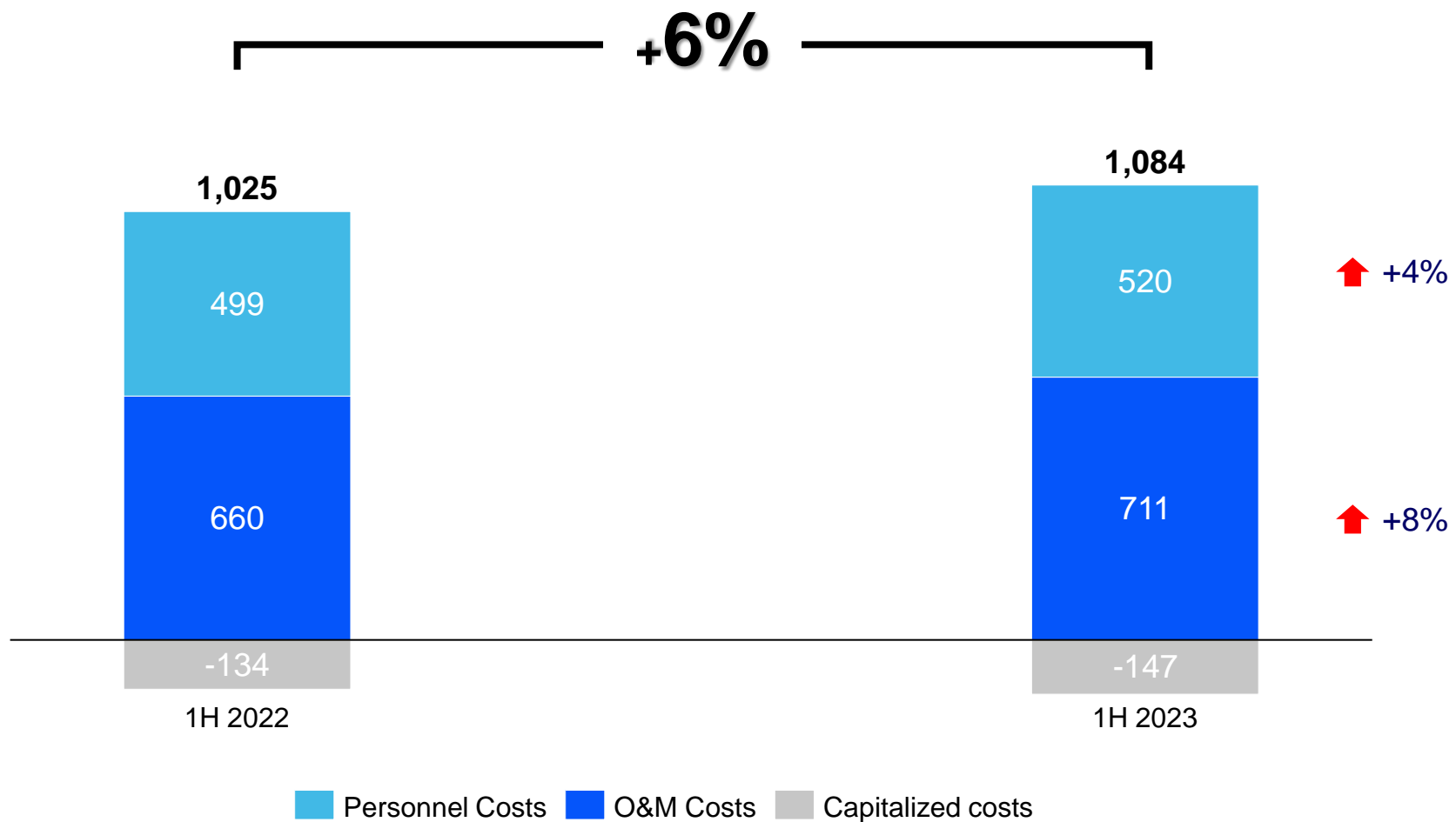
	Total net installed capacity (MW)			Total gross output ⁽¹⁾ (GWh)		
	1H 2023	2022	Var. (%)	1H 2023	1H 2022	Var. (%)
Mainland	17,781	17,781	+0%	24,211	25,251	-4%
Renewables ⁽²⁾	9,293	9,293	+0%	7,291	6,215	17%
Hydro	4,746	4,746	+0%	2,627	2,480	6%
Wind	2,882	2,882	+0%	3,307	2,831	+17%
Solar	1,665	1,665	-0%	1,357	904	+50%
Others	0	0	0%	0	0	0%
Nuclear	3,328	3,328	0%	12,441	13,447	-7%
Coal	1,403	1,403	0%	305	670	-54%
CCGTs	3,756	3,757	0%	4,174	4,919	-15%
Non mainland territories	4,263	4,263	+0%	5,279	5,889	-10%
Coal	241	241	0%	6	28	-79%
Fuel - Gas	2,334	2,334	0%	2,104	2,082	+1%
CCGTs	1,688	1,688	0%	3,169	3,779	-16%
Total	22,044	22,044	+0%	29,490	31,140	-5%

(1) Output at power plant bus bars (Gross output minus self-consumption). Rounded figures

(2) Includes 132 GWh in non-mainland in 1H 2023 (97 MW) vs 80 GWh in 1H 2022 (77 MW in 1H 2022)

Fixed costs evolution

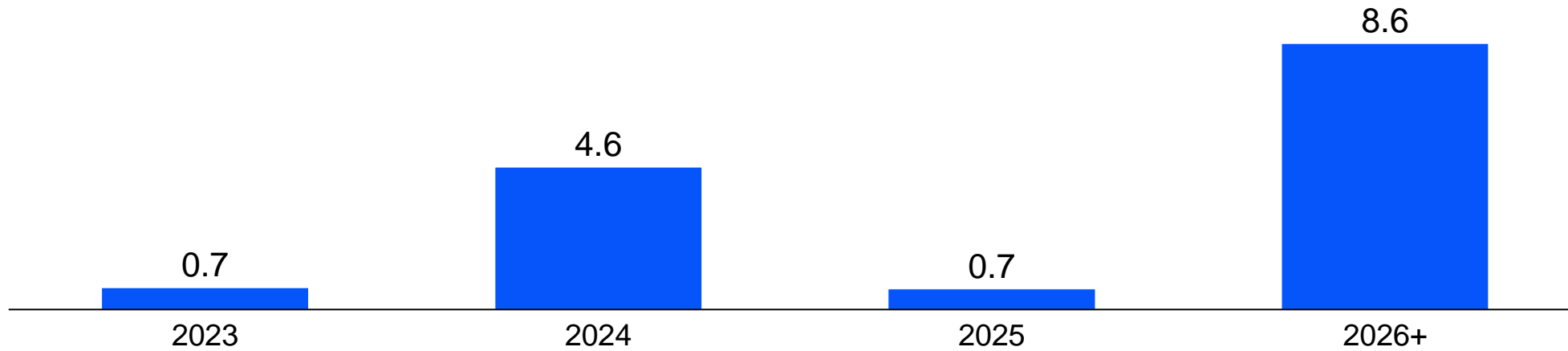
€mn



Debt maturity



Debt maturity by year⁽¹⁾ (€bn)



Debt average life (years)

3.8

Liquidity position (€bn)

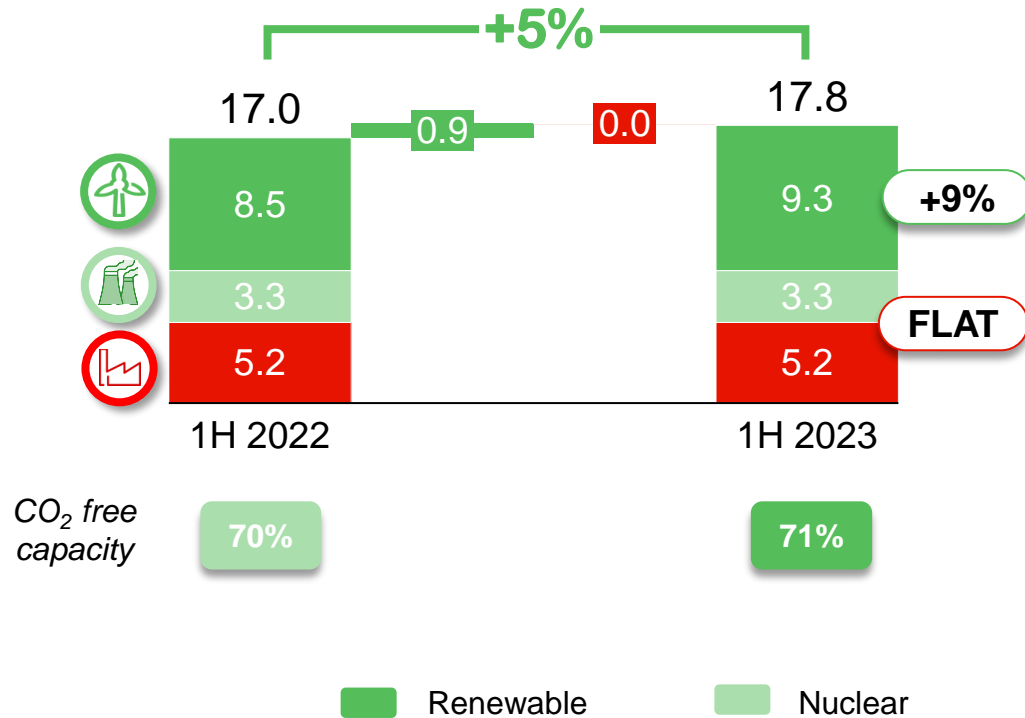
8.5

Sustainable Gross Debt

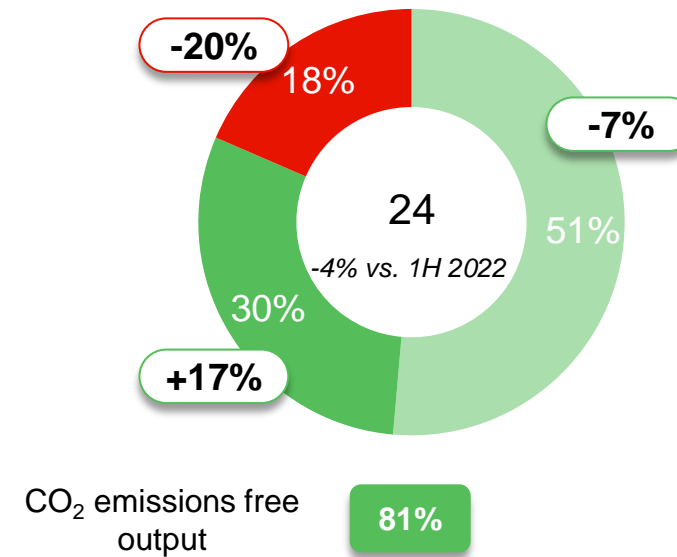
64%

Mainland installed capacity and production

Installed capacity⁽¹⁾ (GW)



Production⁽²⁾ (TWh)



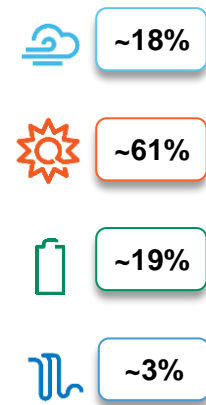
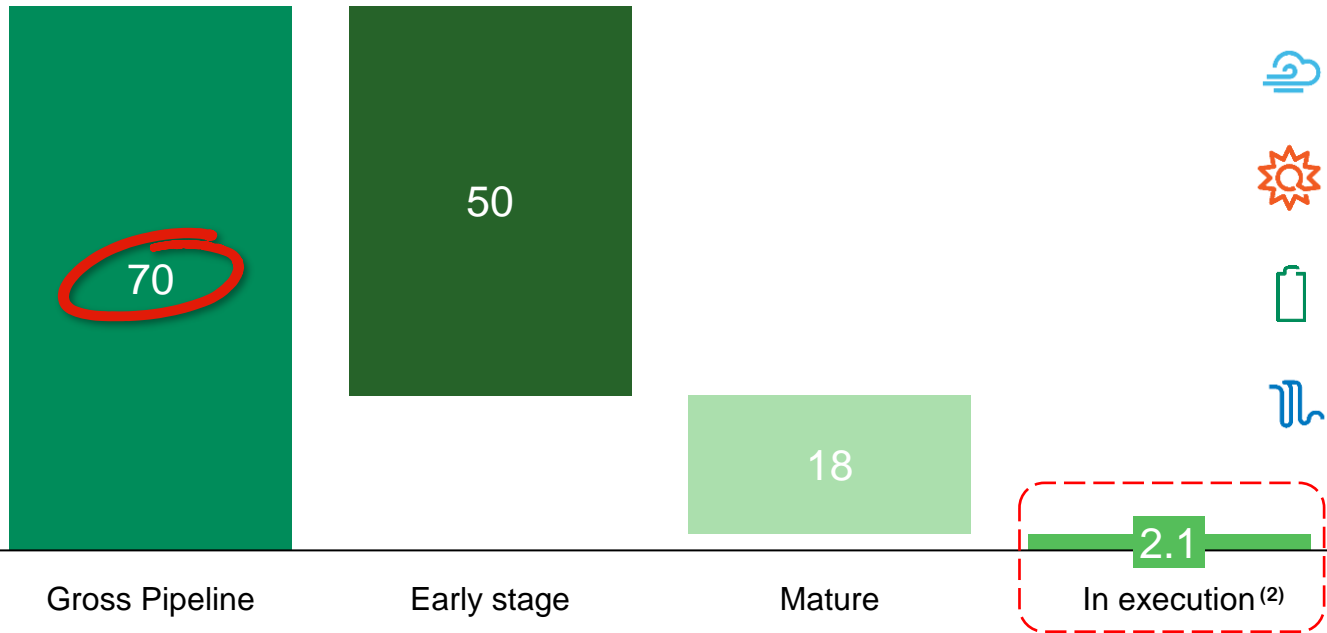
(1) Mainland net capacity. Including 97 MW in 1H 2023 and 77 MW in 1H 2022 renewables in non mainland. Rounded figures

(2) Mainland generation. Energy at power plant busbars. Including 132 GWh in 1H 2023 and 80 GWh in 1H 2022 renewables in non mainland. Rounded figures

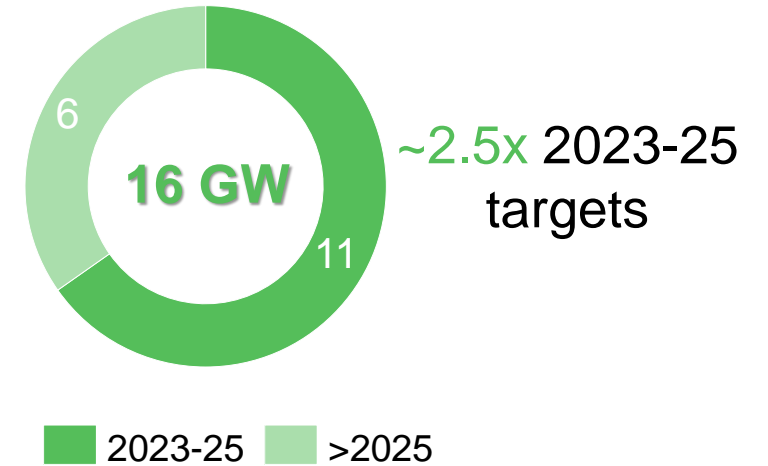
70 GW pipeline supporting further renewable acceleration



Renewables pipeline⁽¹⁾ (GW)



Mature & In execution pipeline by COD⁽³⁾ (GW)



~50% of 2023-25 target additions already in execution

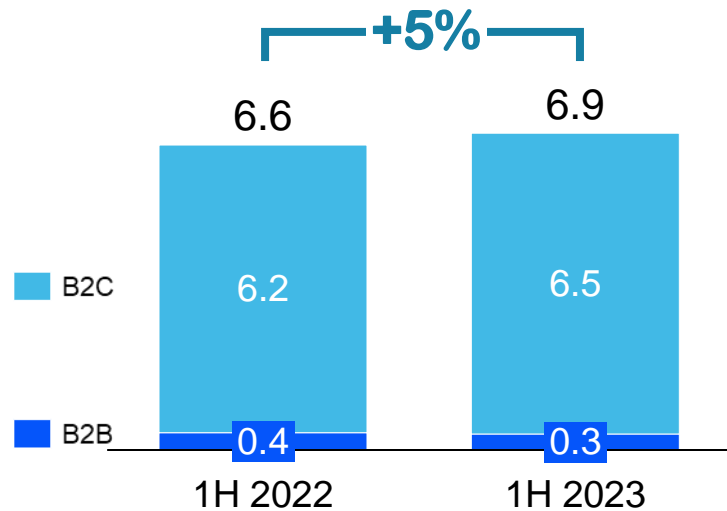
~7 GW with TSO⁽⁴⁾ awarded connection points

(1) As of 30th June 2023. Rounded figures. BESS projects included in each stage
 (2) Only considers projects with commissioning date 2023-25
 (3) Not considering BESS (3 GW)
 (4) Transmission System Operator

Liberalized power sales and customers

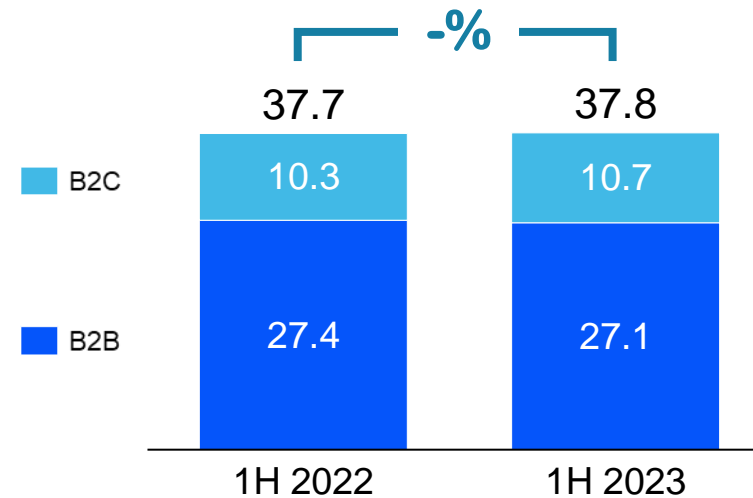


Liberalized power customers⁽¹⁾
(mn)



Regulated (mn)	3.9	3.7	-5%
TOTAL (mn)	10.5	10.5	-%

Liberalized power sales⁽²⁾ (TWh)

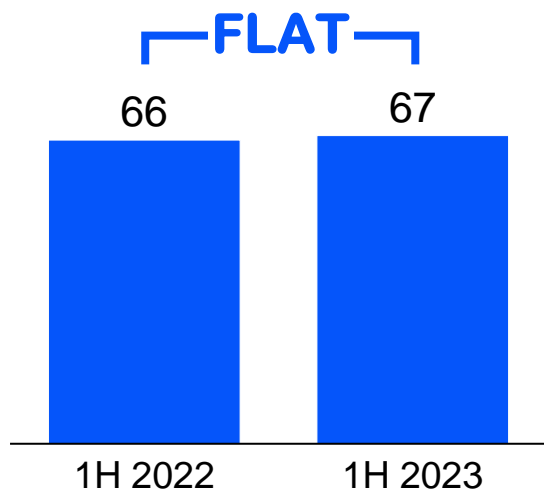


Regulated (TWh)	5.2	4.3	-17%
TOTAL (TWh)	42.9	42.1	-2%

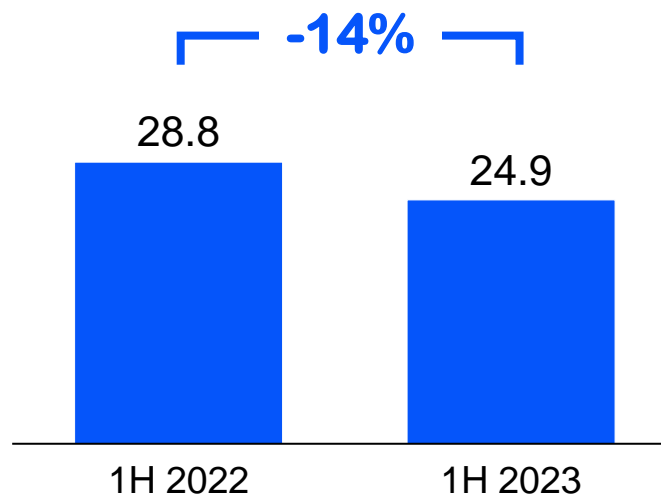
Networks: operational parameters



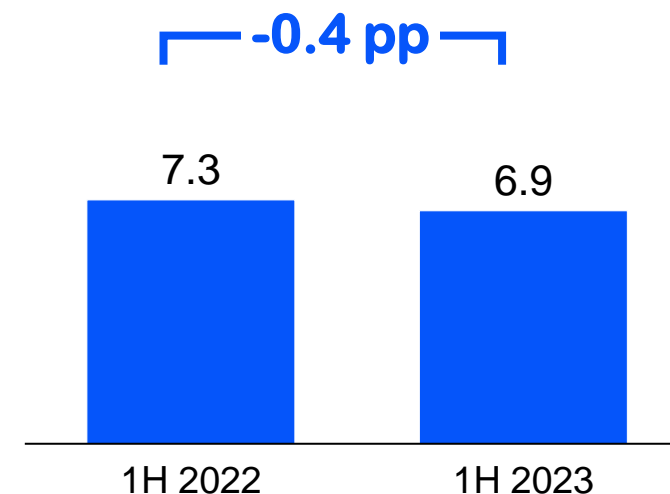
Distributed energy (TWh)



TIEPI ⁽¹⁾ (min.)



Losses (%)



Energy to own customers⁽²⁾ (TWh)



RAB (€bn)



(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

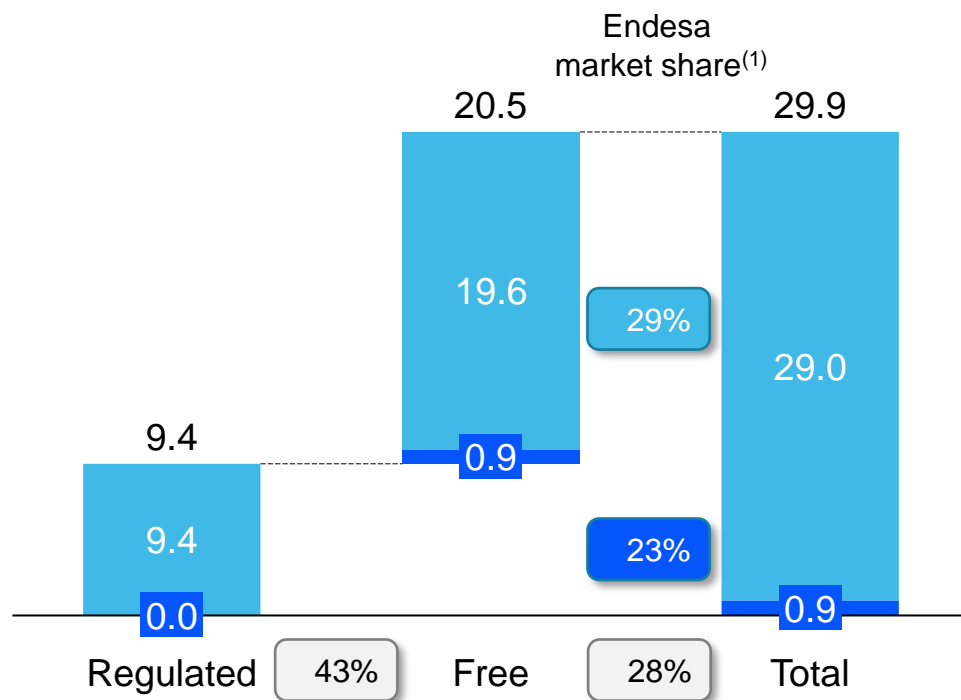
(2) At busbars (REE criteria). Country level. Not adjusted

Spanish power market

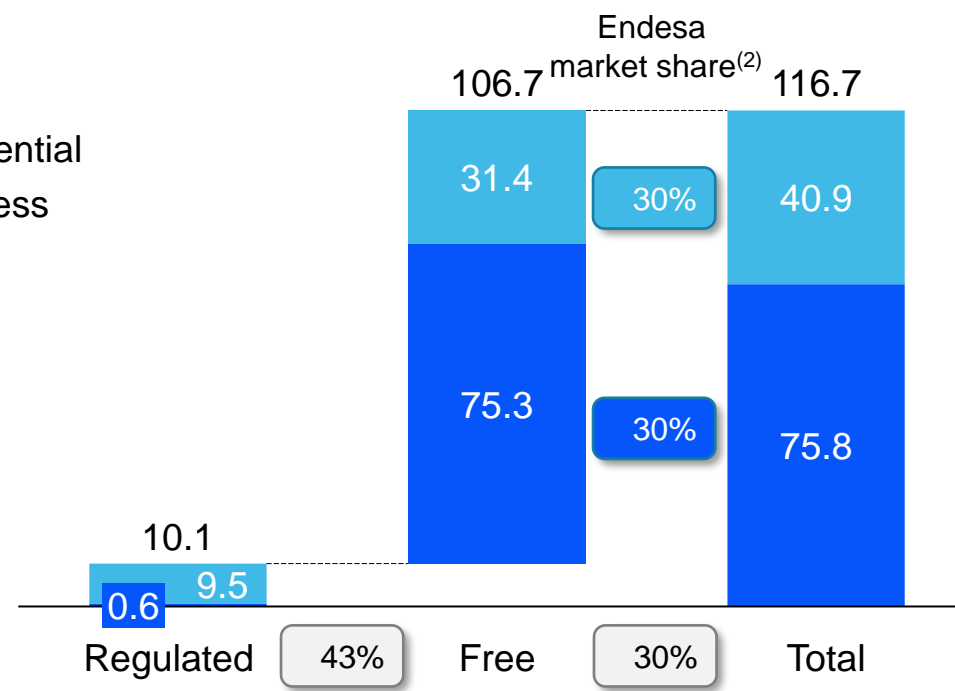
1H 2023



Customers (mn)



Energy sold (TWh)



(1) Customers: CNMC "Informe de supervision de los cambios de comercializador" published 13/04/2023

(2) Energy sold: Internal estimation based on "sectorial energy daily forecast system"

Glossary of terms (I/II)



Item	Calculation	Reference note of Consolidated Management Report
Average cost of debt (%)	Cost of gross financial debt / gross average financial debt: $(239 \text{ €mn} \times (12 \text{ months} / 6 \text{ months})) / 16,128 \text{ €mn} = 3.0\%$	9
Average life of debt (number of years)	$(\text{Principal} \times \text{number of days of term}) / (\text{Principal in force at the end of the period} \times \text{number of days of the period})$: $55,302 / 14,556 = 3.8 \text{ years}$	9
FFO (€mn)	Net cash flows from operating activities (1,615 €mn)	9
FFO / Net debt 1H 2023	$\text{FFO from 3Q \& 4Q 2022 (1,841 €mn) + FFO from 1H 2023 (1,615 €mn)} / \text{Net financial debt (10,597 €mn)} = 33\%$	n/a
Debt maturities coverage (months)	Maturity period (months) for vegetative debt that could be covered with the liquidity available: 20 months	9
EBITDA (€mn)	Revenues (13,121 €mn) – Purchases and Services (8,057 €mn) + Income and expenses from energy derivatives (-1,506 €mn) + Work performed by the entity and capitalized (147 €mn) – Personnel expenses (520 €mn) – Other fixed operating expenses (711 €mn) + Results on disposal of assets (2 €mn) = 2,476 €mn	11
EBIT (€mn)	$\text{EBITDA (2,476 €mn) - Depreciation and amortization (955 €mn)} = 1,521 \text{ €mn}$	11
Fixed costs (Opex) (€mn)	Personnel expenses (520 €mn) + Other fixed operating expenses (711 €mn) - Work performed by the entity and capitalized (147 €mn) = 1,084 €mn	11
Gross margin (€mn)	Revenues (13,121 €mn) – Purchases and Services (8,057 €mn) + Income and expenses from energy derivatives (-1,506 €mn) = 3,558 €mn	11
Leverage (times)	$\text{Net financial debt (10,597 €mn)} / \text{EBITDA (3,377 €mn from 3Q \& 4Q 2022 + 2,476 €mn from 1H 2023)} = 1.8x$	n/a

Glossary of terms (II/II)



Item	Calculation	Reference note of Consolidated Management Report
Gross Capex (€mn)	Gross tangible (909 €mn) and intangible (195 €mn) Capex - rights of use (59 €mn) + Others (-2 €mn) = 1,043 €mn	n/a
Net financial debt (€mn)	Long and short term financial debt (13,151 €mn + 1,314 €mn) - Cash and cash equivalents (697 €mn) - Derivatives recognized as financial assets (23 €mn) - Financial guarantees (3,148 €mn) = 10,597 €mn	9
Net financial results (€mn)	Financial Revenues (25 €mn) - Financial Expenses (318 €mn) - Net results from Derivative Financial Instruments (3 €mn) + Foreign Exchanges (20 €mn) = -270 €mn	11
Income (€mn)	Sales and Services (12,895 €mn) + Other operating revenues (226 €mn) = 13,121 €mn	11
Net ordinary income 1H 2023 (€mn)	Reported Net Income (879 €mn) - Gains/(losses) on disposals of non-financial assets of over 10 €mn (0 €mn) - Net Impairment losses on non-financial assets of over 10 €mn (0 €mn) = 879 €mn	11
Net ordinary income 1H 2022 (€mn)	Reported Net Income (916 €mn) - Gains/(losses) on disposals of non-financial assets of over 10 €mn (182 €mn) - Net Impairment losses on non-financial assets of over 10 €mn (0 €mn) = 734 €mn	11
Free power margin (€mn)	Conventional Gx margin contribution (1,405 €mn) + Renewables margin (574 €mn) + Power retail margin (555 €mn) - Non mainland margin (160 €mn) - SCVP margin (24 €mn) - Gas margin exMtM (41 €mn) - Others (194 €mn) = 2,115 €mn	n/a
Free power unitary margin (€/MWh)	Liberalized power margin / Electric sales in the liberalized market in Spain and Portugal: 2,115 €mn / 36.3 TWh = €58.2/MWh	n/a
Gas unitary margin exMtM (€/MWh)	Gas margin exMtM / Gas sales : 41 €mn / 48.5 TWh = €0.8/MWh	n/a

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 changes in generation and market share; expected changes in demand for gas and gas sourcing; management strategy and goals; estimated cost reductions; tariffs and pricing structure; estimated capital expenditures; estimated asset disposals; estimated changes in capacity and capacity mix; repowering of capacity and macroeconomic conditions. The main assumptions on which these expectations and targets are related to the regulatory framework, exchange rates, commodities, counterparties, divestments, increases in production and installed capacity in markets where Endesa operates, increases in demand in these markets, allocation of production amongst different technologies, increases in costs associated with higher activity that do not exceed certain limits, electricity prices not below certain levels, the cost of CCGT plants, 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, Endesa avails itself 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 financial and operating results and statistics to differ materially from those expressed in our forward-looking statements:

Economic and industry conditions; factors related to liquidity and financing; operating factors; strategic and regulatory, legal, fiscal, environmental, political and governmental factors; reputational factors and transaction and commercial factors.

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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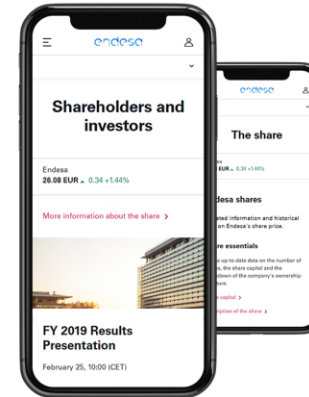


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