



# Investor presentation

September 2019



# Investor presentation

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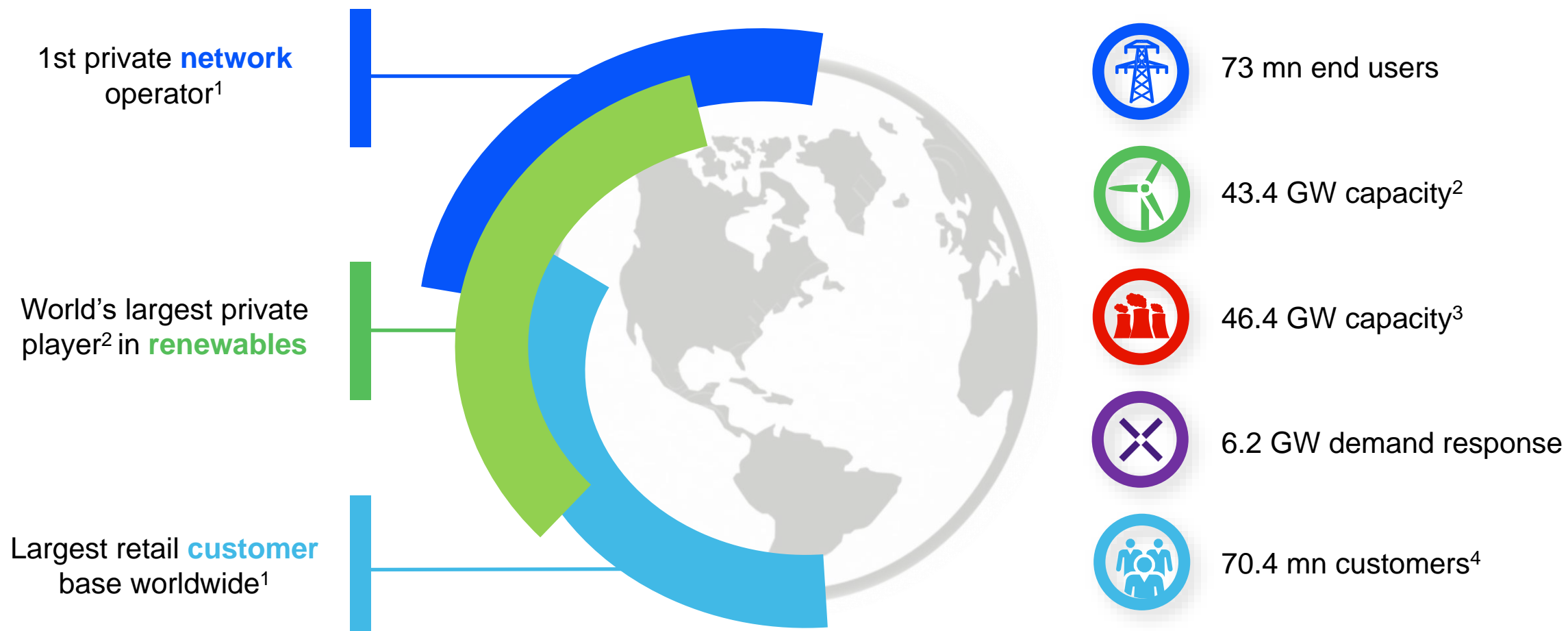
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# We are a leader in the new energy world



1. By number of customers. Publicly owned operators not included
2. By installed capacity. Includes managed capacity for 4.2 GW
3. It includes nuclear
4. Includes customers of free and regulated power and gas markets

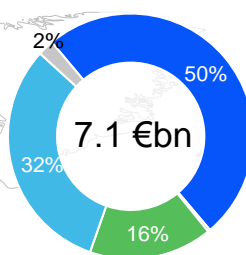
# Our business model is well diversified and provides long term visibility



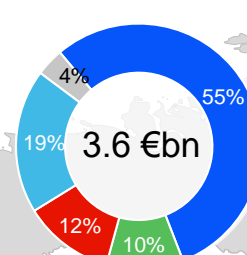
## North & Central America



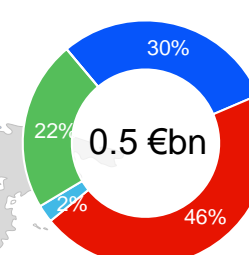
## Italy



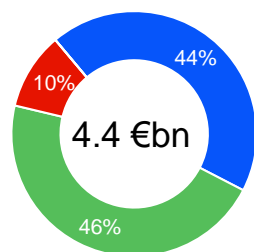
## Iberia



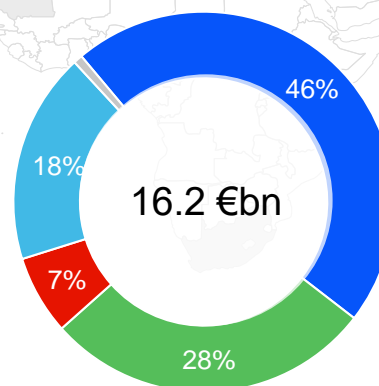
## Rest of Europe



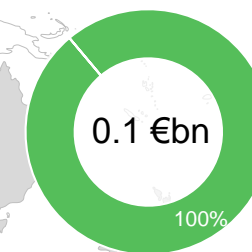
## South America



## 2018 Group EBITDA<sup>1</sup>



## Africa, Asia & Oceania



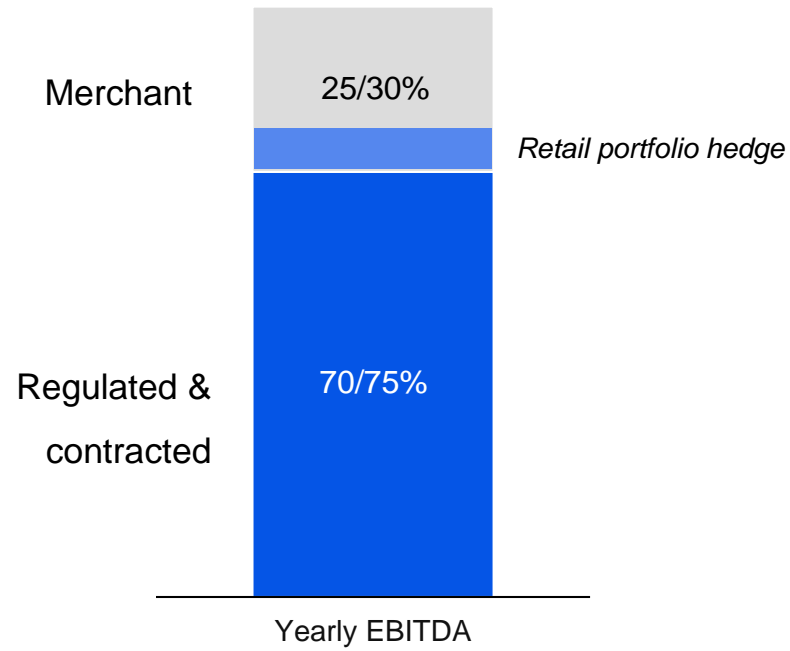
■ Networks ■ Thermal generation ■ Renewables ■ Retail ■ Other

1. As of 2018. Breakdown excludes -0.2 €bn from holding and services Presence with operating assets or through Enel X






# Our EBITDA has a low exposure to merchant risk



EBITDA exposure



Regulated EBITDA by business

	Regulated	~ 100%
	Regulated, contracted under long term PPA, incentivized	~ 65%
	Regulated	~ 45%
	Regulated	~ 25%
	Regulated	~ 20%

# We delivered financial targets

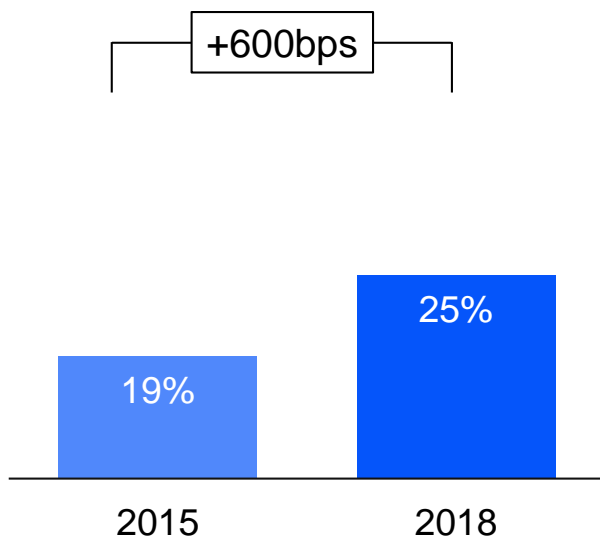


	2018	2018 target	2017	Δ YoY
Ordinary EBITDA (€bn)	16.2 ✓	16.2	15.6	+4%
Net ordinary income (€bn)	4.1 ✓	4.1	3.7	+9%
Dividend per share (€)	0.28 ✓	0.28	0.237	+18%
Net debt (€bn)	41.1 ✓	41-42	37.4	+10%
FFO/Net debt	27% ✓	26.5%	27%	- %

# The solid improvement in profitability, returns, and credit metrics...

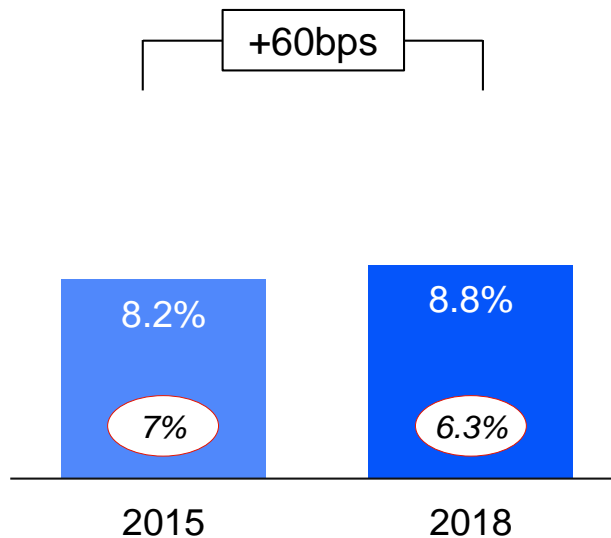


Profitability



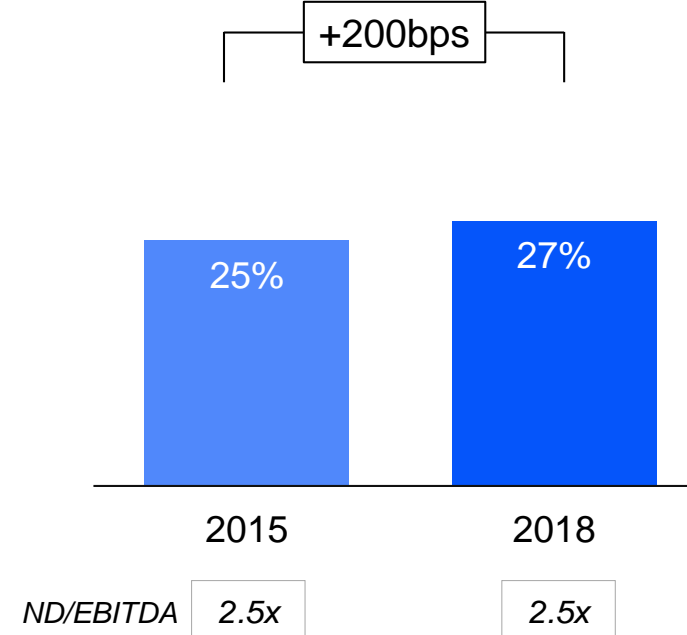
■ Net income/EBITDA

Return on invested capital



■ ROIC ■ WACC

FFO/Net debt



# ...have been recognized by Rating Agencies



## Fitch Ratings

Strong track record of delivery. **Global leadership in networks and renewables.**  
 Large share of regulated and quasi-regulated activities. Positioning at the  
**forefront of innovation and sustainability in the utilities sector.**  
**No automatic link with Italy.<sup>1</sup>**

## S&P Global Ratings

Magnitude of operating scope and diversified portfolio.  
**Well-balanced generation mix**, with a significant share of renewables globally.  
**The company is transforming to become greener and more energy-efficient**  
 by reallocating its growth capex to renewables and networks<sup>2</sup>.

## MOODY'S

Progress in delivering against strategic priorities. Increasing international  
 diversification with corresponding **reduction in the proportion**  
**of earnings from Italy.** Improving business risk profile as a result  
 of **continuing investment in networks and renewables<sup>3</sup>.**

### Enel's LT rating

Rating Outlook

A-

Stable

### Italy's LT rating

Rating Outlook

BBB

Negative

BBB+

Stable

BBB

Negative

Baa2

Positive

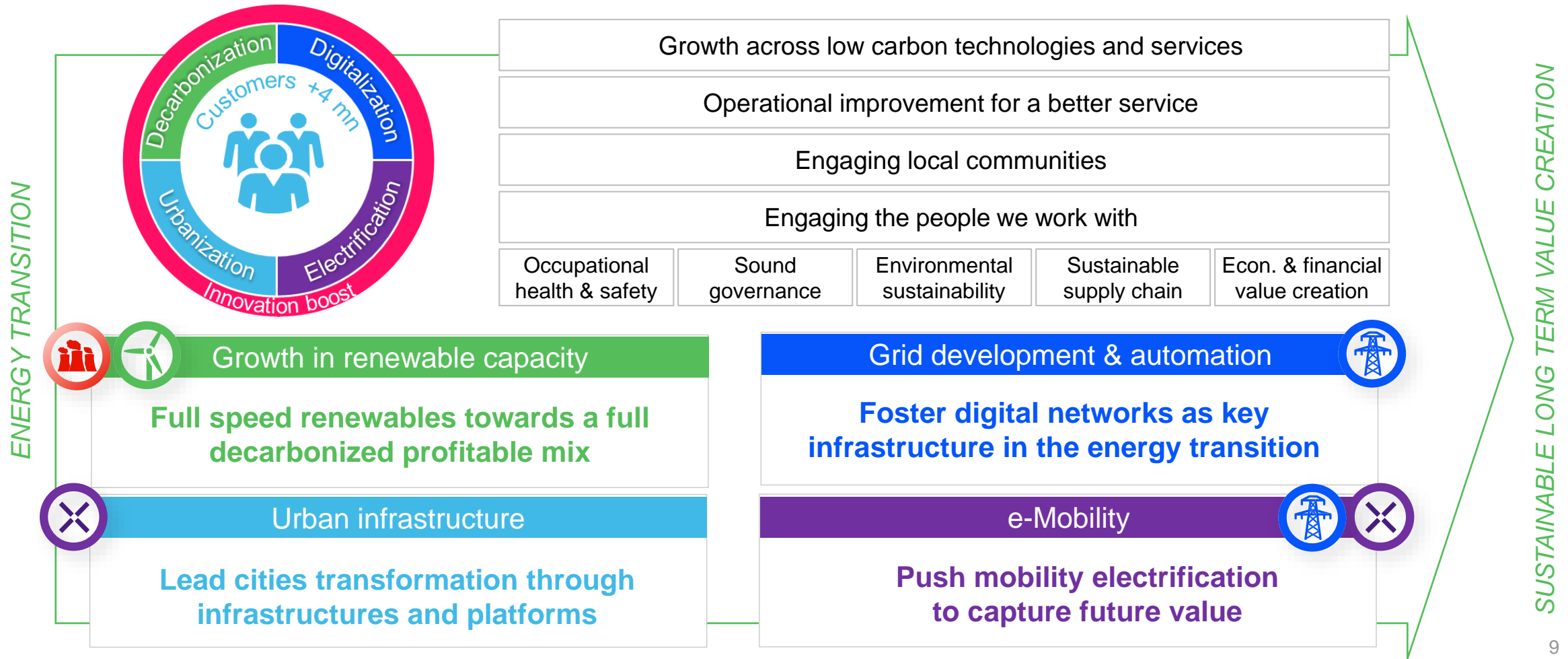
Baa3

Stable

1. Extract from Fitch Press Release dated 27<sup>th</sup> Feb 2019.  
 2. Extract from S&P Research Update dated 2<sup>nd</sup> Aug 2019  
 3. Extract from Moody's Credit Opinion dated 17<sup>th</sup> July 2019.



# Integrated model captures opportunities from energy transition



# Our commitment on U.N. SDGs



## *Direct actions*



## *Indirect contribution & behaviors*

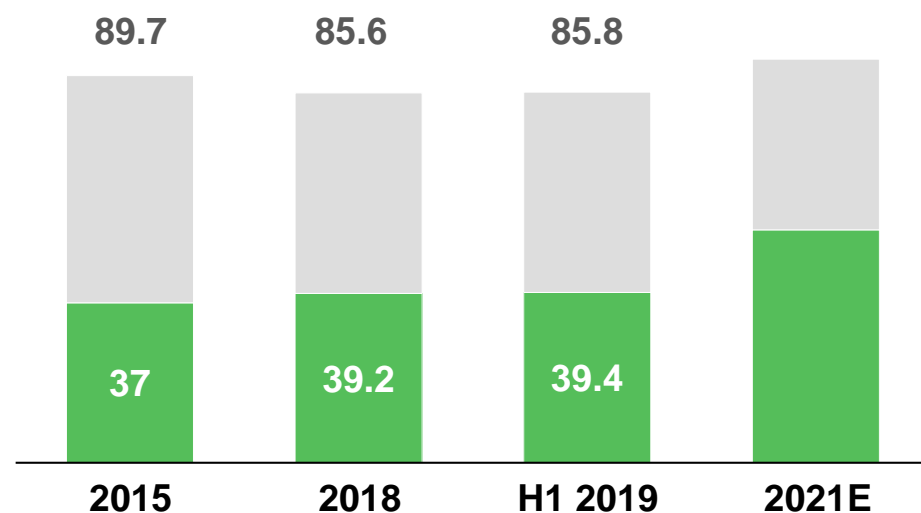


# Our ability to reach the decarbonization target<sup>1</sup>



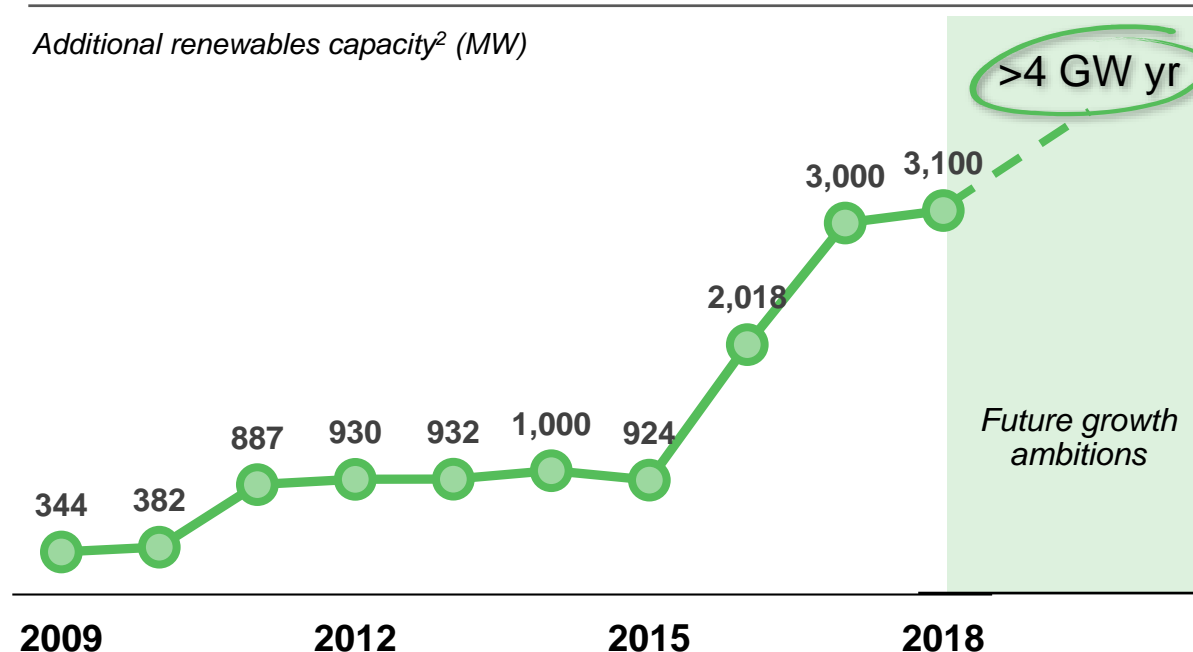
## A greener installed base...

Consolidated Capacity (GW)



## ...thanks to growing execution capability

Additional renewables capacity<sup>2</sup> (MW)



Renewables/  
Total capacity

41%

46%

46%

55%

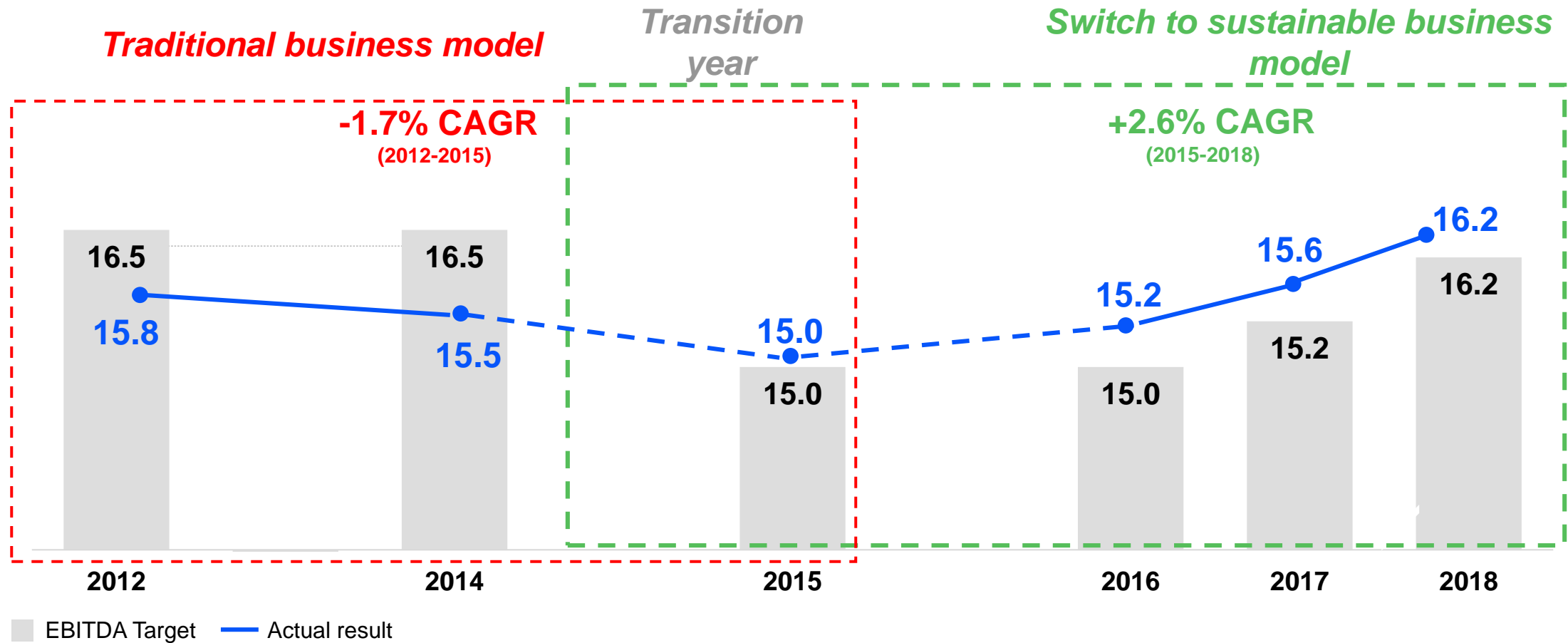


Decarbonization

-7 GW Thermal capacity reduction  
+11.6 GW Renewables commissioning<sup>2</sup>

1. The target is in line with the Strategic Plan 2019-2021 presented in November 2018
2. This includes: capacity built and capacity built and subsequently sell through the BSO model. 70% wind and 30% solar

# Enel's business model supports growth





# Investor presentation

## The offering

# A market solution for sustainable finance



## The Path Ahead

Expand the current reach of sustainable finance

Provide investors with more tools to deploy their capital towards the energy transition

Leverage on an issuer's sustainability strategy

Create a direct link between an issuer's sustainability strategy and its funding strategy

Promote a replicable future issuance framework

- 1 Commitment to sustainability
- 2 Economic incentive to deliver
- 3 Ensuring transparency
- 4 Aligned with sustainable corporate strategy

## Enel's Commitments

Early adopter of the Green bond framework and promoter of sustainable finance growth  
Strong believer in transparency and firm-wide reporting

Strong alignment of corporate strategy with the UN SDGs across all lines of business

- 1 Ambitious SDG 7 target:  $\geq 55\%$  Renewable Installed Capacity Percentage by December 31, 2021<sup>1</sup>
- 2 One-time coupon step-up if SDG 7 not achieved
- 3 Externally verified SDG metric in the context of transparent Sustainability Report
- 4 UoP: General corporate purposes

1. There can be no assurance of the extent to which we will be successful in doing so or that any future investment we make in furtherance of this target will meet investor's expectations or any binding or non-binding legal standards regarding sustainability performance.

# The offering: General Purpose SDG Linked Bond



Issuer	Enel Finance International NV
Guarantor	Enel SpA
Expected Ratings	Baa2/BBB+/A- (Moody's / S&P / Fitch)
Security Type	Senior unsecured
Size / Maturity	\$ Benchmark / 5-years
Format	144A / RegS
Denominations	\$200k x \$1k
Optional redemption	Make-whole call
Use of Proceeds	General Corporate Purposes
Interest rate adjustment	The rate of interest is subject to a one-time adjustment (+25bps) upon the non-satisfaction of the Renewable Installed Capacity Condition
Renewable Installed Capacity Condition	The Renewables Installed Capacity Percentage as of 31 December 2021 being equal to or exceeding 55% <sup>1</sup> , as confirmed by External Verifier

1. There can be no assurance of the extent to which we will be successful in doing so or that any future investment we make in furtherance of this target will meet investor's expectations or any binding or non-binding legal standards regarding sustainability performance.



# Investor presentation

H1 2019 delivery on key pillars



# Key highlights of the period



## Ordinary Group net income +20% yoy



Ordinary EBITDA reached 8.8 €bn (+13% yoy)  
Development capex increased by more than 30% yoy



Efficiencies accelerated reaching c.200 €mn in the semester



Exit from coal in Russia signed and approved by EGM  
Second swap on Enel Americas shares announced, AUCAP in progress



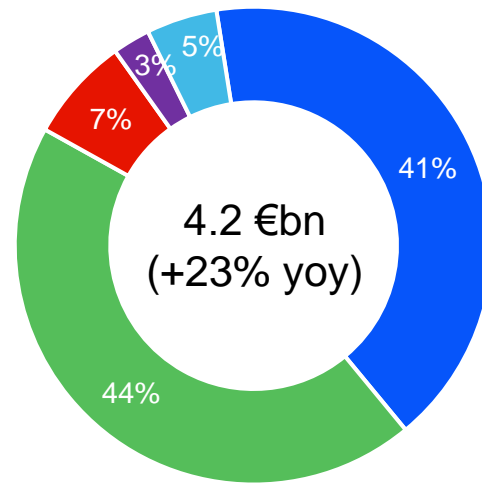
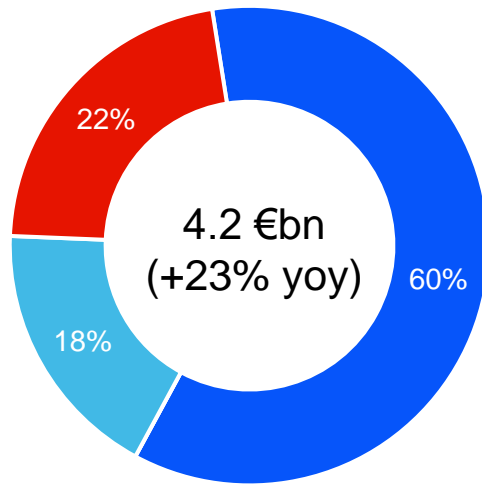
Commitment on U.N. SDGs on track

# Industrial growth: capex

*Development capex increasing by more than 30% yoy*



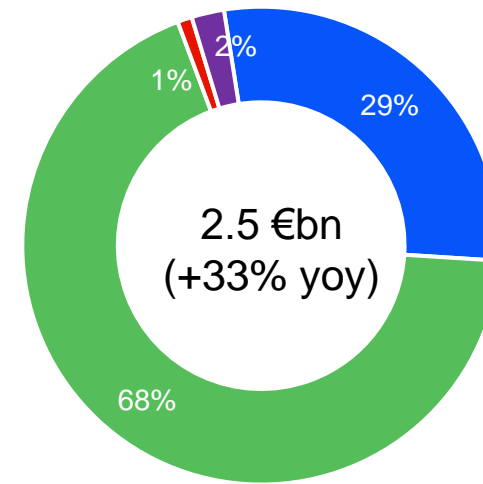
H1 2019 Capex by business and by nature



■ Asset development ■ Customers ■ Asset management

■ Retail ■ Networks ■ EGP  
■ Conventional generation ■ Enel X

H1 2019 Asset Development capex by business



*Capex addressed by year<sup>1</sup>*

2019E ~100%

2020E ~100%

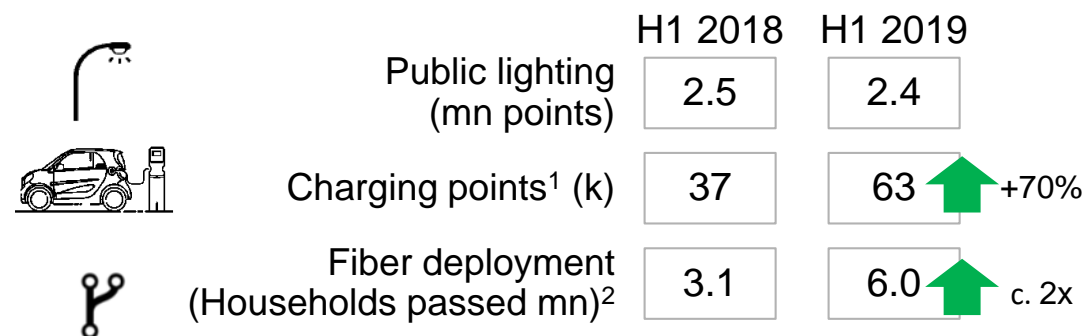
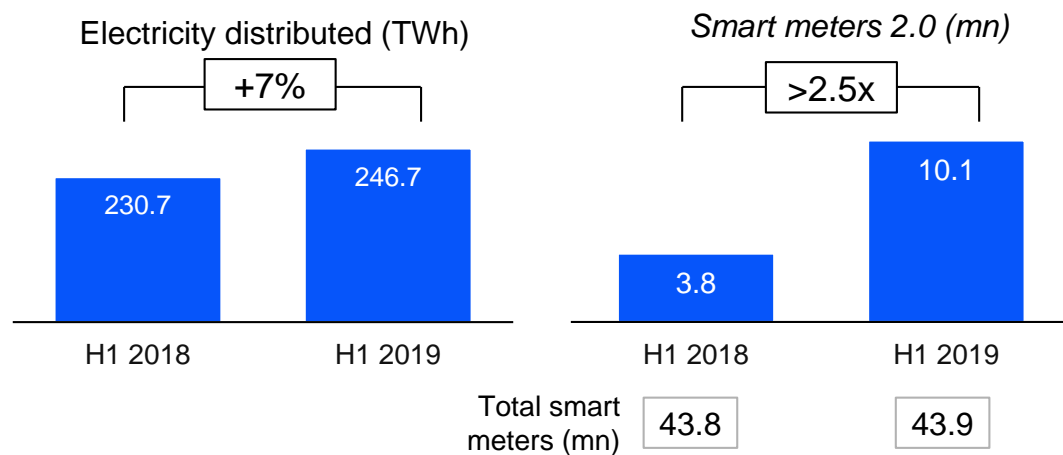
2021E ~ 50%

1. Percentage on capex in execution and committed for each year of the Plan

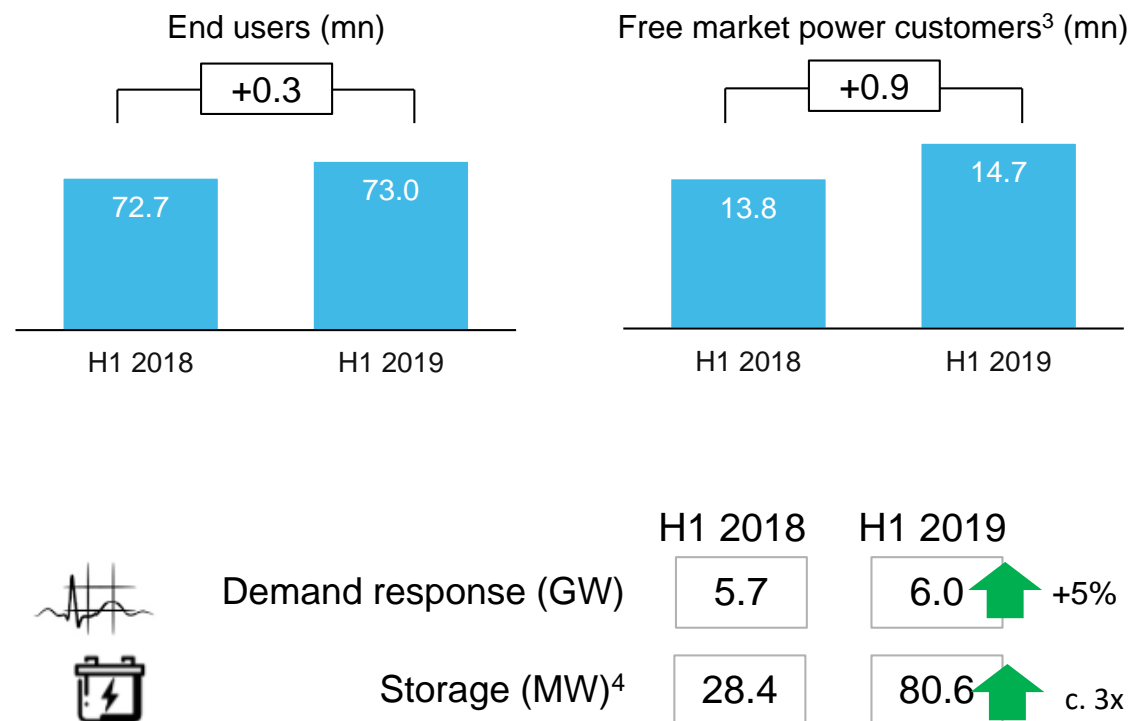
# Group's infrastructure and services



## Infrastructure



## Customer services



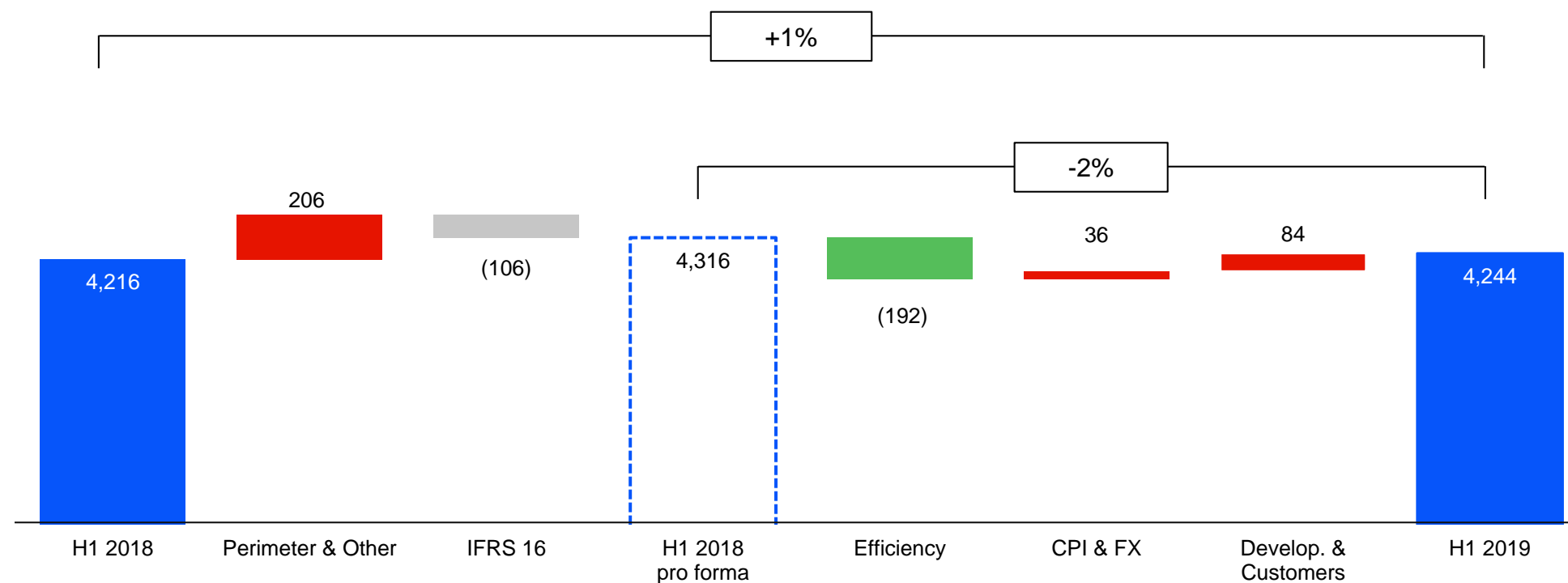
1. Public & private charging points installed (public 2.1 k in H1 2018 and 8.5 k in H1 2019); 2. Including Italy for clusters A&B and C&D; 3. Including only Italy and Iberia figures; 4. Including BESS (Renewables and Conventional) and customer storage

# Operational efficiency

*Efficiencies accelerated reaching c.200 €mn in the semester*



Opex evolution<sup>1</sup> (€mn)



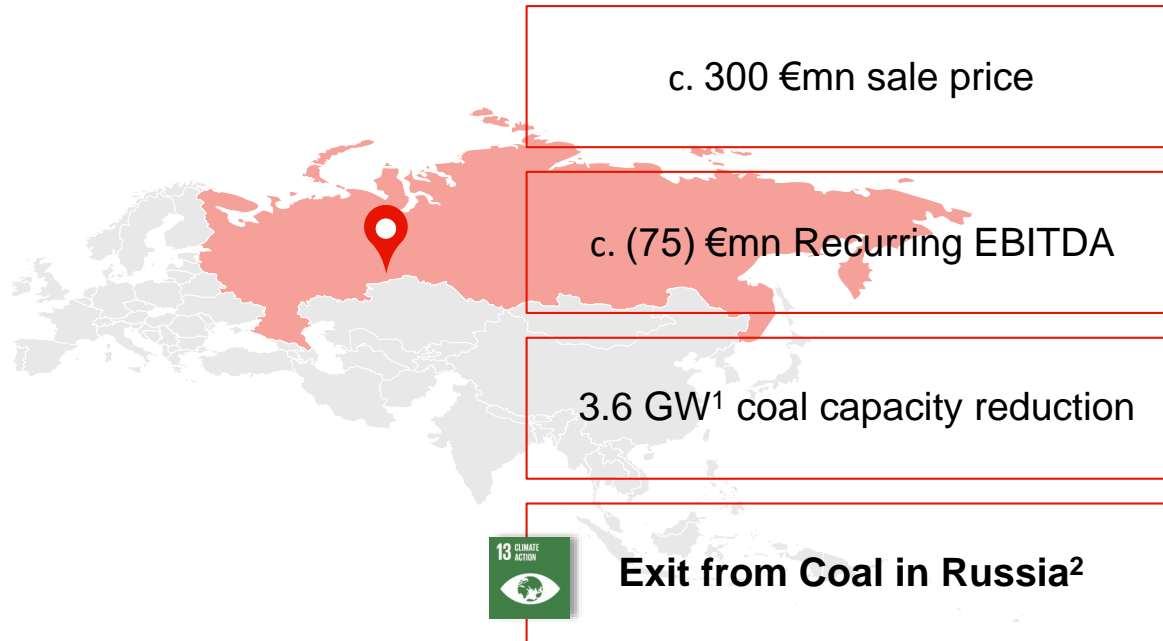
1. Rounded figures

# Portfolio management and simplification

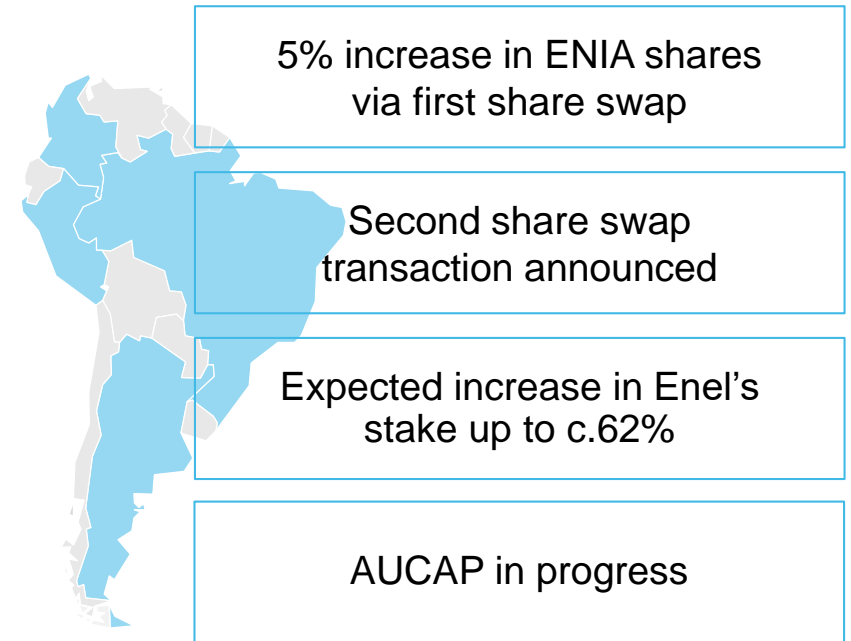
*Acceleration of decarbonisation strategy and minorities buyout*



## Enel Russia Reftinskaya sale process



## Enel Americas simplification process



1. Net capacity
2. Approved by Enel Russia EGM on July 22, 2019

# Progress on U.N. SDGs



## Engaging local communities (*mn beneficiaries*)<sup>1</sup>



High-quality, inclusive and fair education

1.1

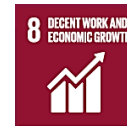
2.5



Access to affordable and clean energy

7.1

10.0



Employment and sustainable and inclusive economic growth

2.0

8.0

## Climate change



Emission free production<sup>2</sup>

56%

62%

1. Cumulated data and targets from 2015 (mn beneficiaries)
2. Including generation from nuclear and renewable managed capacity



# **H1 2019 consolidated results**

## **Financial results**

# Financial highlights (€mn)



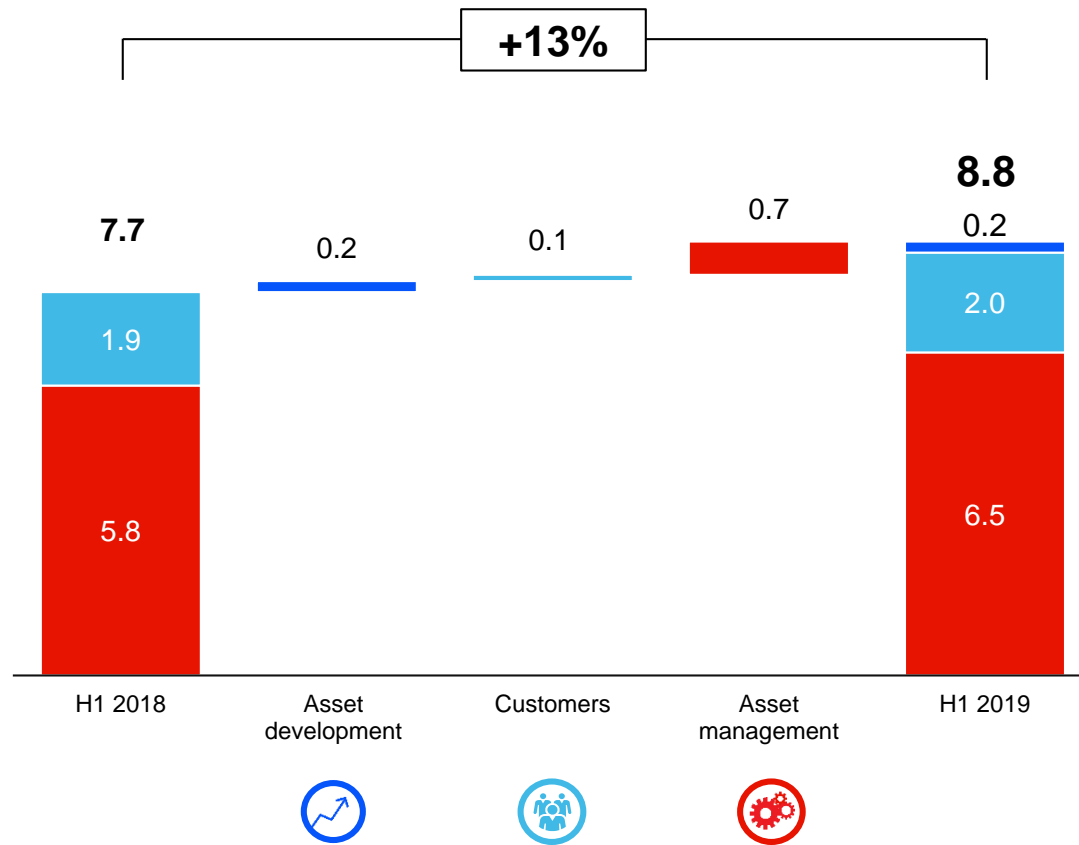
	H1 2019	H1 2018	Δ YoY
Ordinary EBITDA <sup>1</sup>	8,763	7,729	+ 13%
Ordinary Group net income <sup>2</sup>	2,277	1,892	+ 20%
FFO	4,922	4,361	+ 13%
Net debt	45,391	41,089 <sup>3</sup>	+ 10%
<i>Reported EBITDA</i>	<i>8,907</i>	<i>7,857</i>	<i>+13%</i>
<i>Reported Group net income</i>	<i>2,215</i>	<i>2,020</i>	<i>+ 10%</i>

1. Excludes extraordinary items in H1 2018 ( +128 €mn Rete Gas Earn Out) and H1 2019 ( +94 €mn Disposals of Mercure plant, +50 €mn second tranche Rete Gas Earn Out)
2. Excludes extraordinary items in H1 2018 ( +128 €mn Rete Gas Earn-Out) and H1 2019 ( +97 €mn Disposals Mercure plant, +49 €mn Rete Gas Earn-Out; -154 €mn Impairments coal plants Bocamina 1 and Tarapaca; -54 €mn Impairment RGRES)
3. As of December 31st 2018. IFRS 16 impact from January 1, 2019 equal to 1.4 €bn (yearly impact)



# Ordinary EBITDA evolution<sup>1</sup> (€bn)

+13% increase in EBITDA in line with FY targets



Asset development driven by EGP and I&N



Increased customers number and improving margins



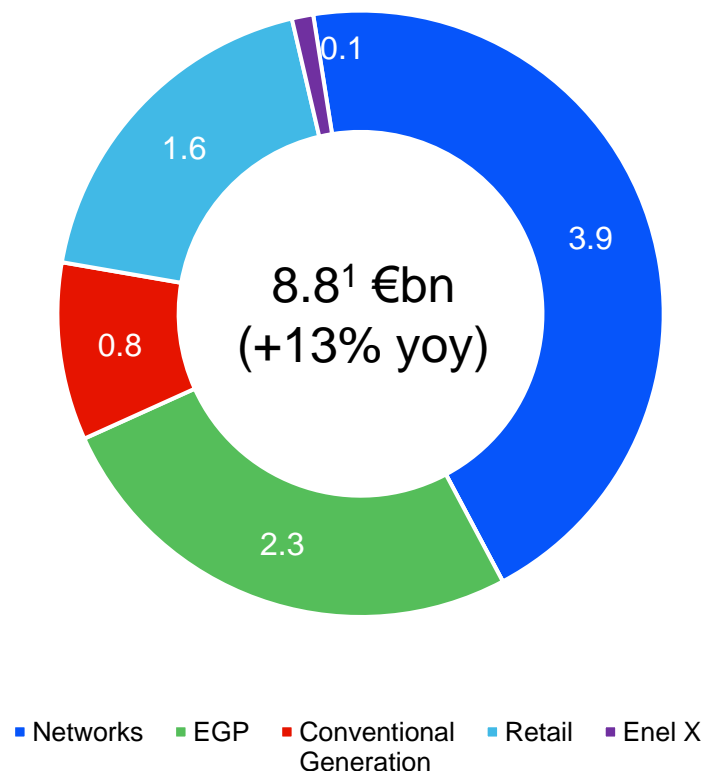
Efficiencies driven by conventional generation and I&N  
Positive regulatory changes in South America  
Price recovery more than compensating lower volumes  
Positive perimeter from consolidation of Enel Dx Sao Paulo  
Fx devaluation mainly in Argentina

# H1 2019 Ordinary EBITDA by business line

*Performance supported by our integrated business model*



Δ YoY



Higher prices and asset rotation

+6%



Efficiencies,  
Constructive regulatory changes & perimeter

+11%



Better free market margins and efficiencies

+4%



Higher efficiencies and improving margins  
on conventional Generation

+78%

1. Rounded figures. Including c.230 €mn regulatory adjustments in Argentina, c.160 €mn from PPA contract early termination, c.60 €mn earn out settlement Enel X

# Cash flow (€bn)

23% increase in capex YoY covered by FFO generation<sup>1</sup>



1. Rounded figures

2. Accruals, releases, utilizations of provisions in EBITDA (i.e. personnel related and risks and charges), accruals of bad debt

3. Includes dividends received from equity investments

4. Funds from operations

5. Gross of BSO capex HFS



# **FY 2018 consolidated results**

## **Financial results**

# Financial highlights (€mn)



	FY 2018	FY 2017	Δ yoy	Net of FX <sup>4</sup>
Revenues	75,672	74,639	+1%	
Reported EBITDA	16,351	15,653	+4%	
<i>Ordinary EBITDA<sup>1</sup></i>	16,158	15,555	+4%	+7%
Reported EBIT	9,900	9,792	+1%	
<i>Ordinary EBIT</i>	9,793	9,736	+1%	
Reported Group net income	4,789	3,779	+27%	
<i>Group net ordinary income<sup>2</sup></i>	4,060	3,709	+9%	+10%
Capex <sup>3</sup>	8,530	8,499	-%	
Net debt	41,089	37,410	+10%	
FFO	11,075	10,126	+9%	

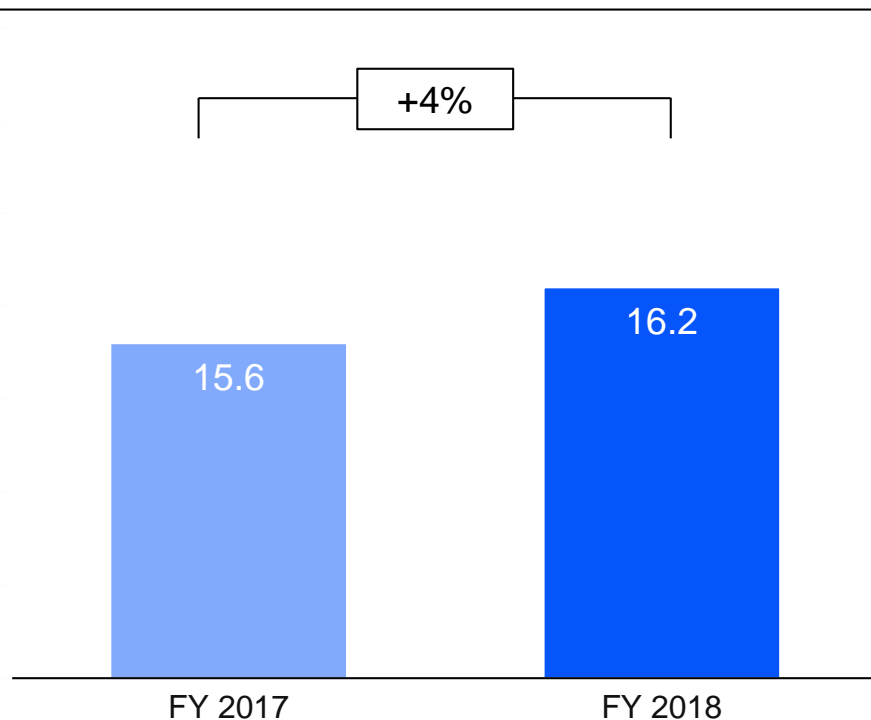
1. Excluding extraordinary items for 98 €mn in FY 2017 and for 193 €mn in FY 2018. Includes hyperinflation in Argentina for 62 €mn
2. Including one off for +161 €mn in FY 2017 and +308 €mn in FY 2018

3. Including 775 €mn for capex related to HFS in FY 2017 and 378 €mn in FY 2018 related to BSO Mexico
4. Includes hyperinflation in Argentina

# Ordinary EBITDA evolution (€bn)



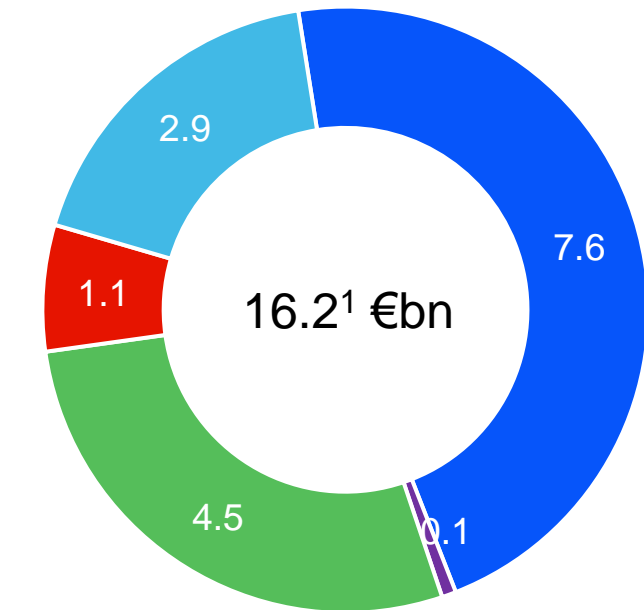
EBITDA evolution<sup>1</sup> (€ bn)



	€ mn
Growth in renewables and networks	1,000
Efficiency	315
Perimeter and One-offs <sup>2</sup>	20
FX <sup>3</sup>	(470)
Scenario and margins	(265)

1. Rounded figures.
2. FY 2017 includes one off for +298 €mn and FY 2018 for +80 €mn. Net delta Perimeter is equal to +238 €mn
3. Includes hyperinflation in Argentina for 62 €mn

# FY 2018 Ordinary EBITDA by business line



■ Networks
 ■ Enel X
 ■ Renewables  
■ Thermal Generation
 ■ Retail



Performance driven by growth and volume/prices

Δ YoY

+12%



Growth and efficiencies

+3%



Higher margins across all markets

+20%



Focus on new infrastructures and services

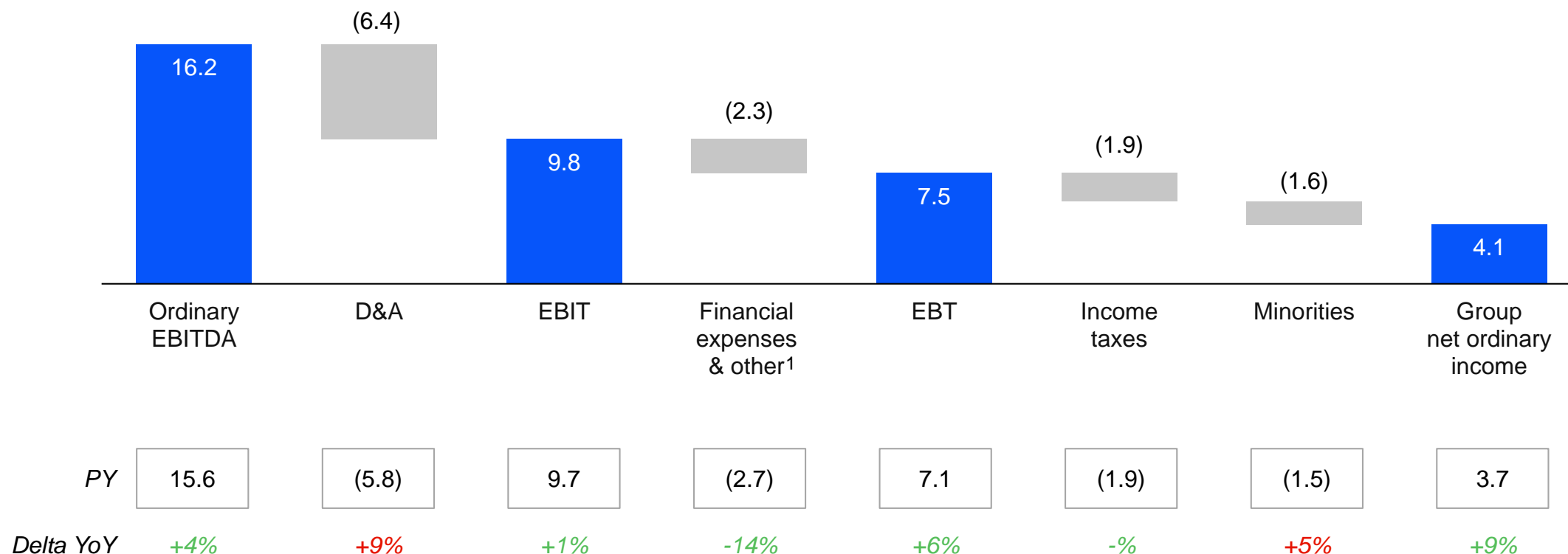
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Normalization of market environment and thermal gap

(40%)

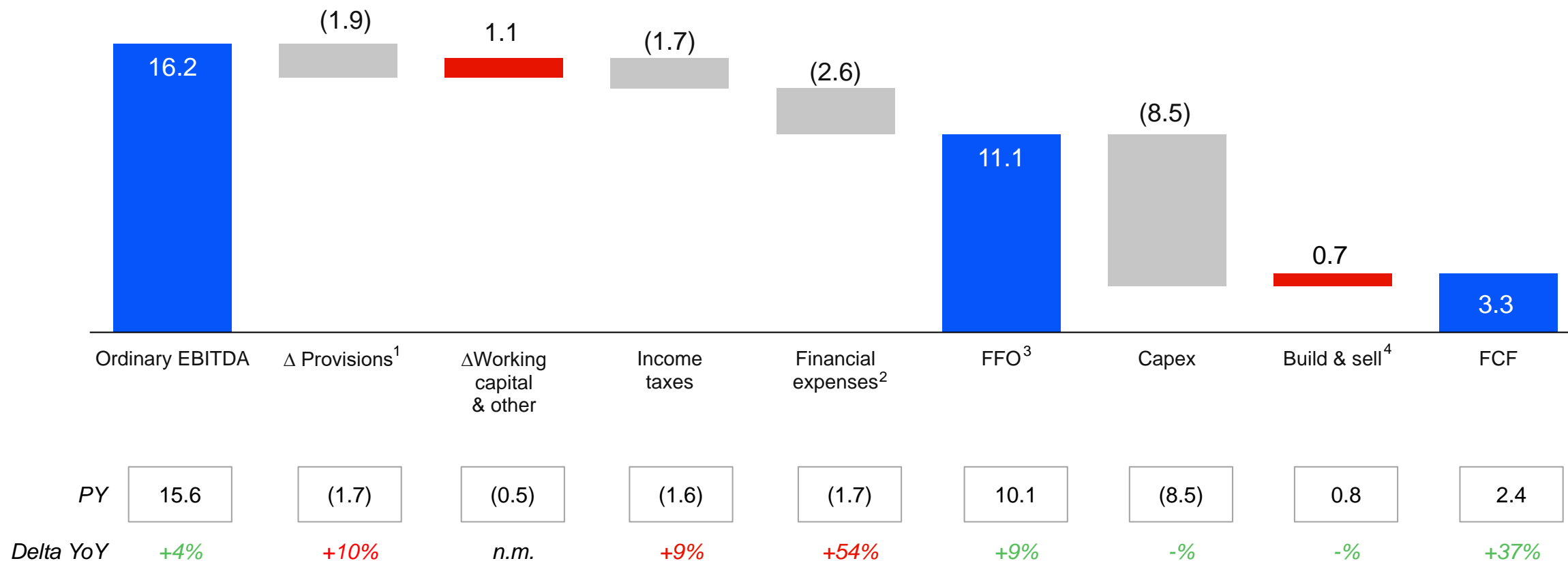
# From Ordinary EBITDA to Net Ordinary Income



1. Includes other financial expenses (-439 €mn for FY 2017, -102 €mn for FY 2018) and results from equity investments (+118 €mn for FY 2017, +81 €mn for FY 2018)



# Cash flow (€bn)



1. Accruals, releases, utilizations of provisions in EBITDA (i.e. personnel related and risks and charges)  
 2. Includes dividends received from equity investments  
 3. Funds from operations

4. EGP Brazilian assets classified in HFS for 362 €mn and capex related to BSO Mexico for 378 €mn



# Investor presentation

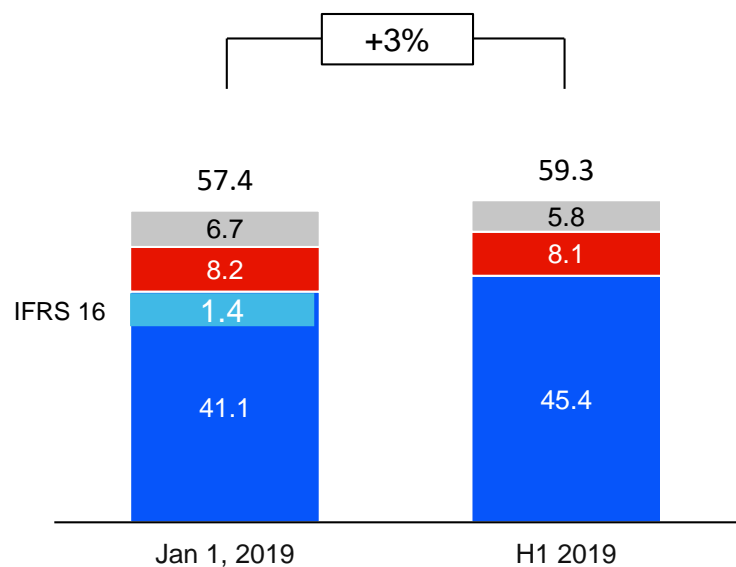
## Liabilities structure

# Debt (€bn)

*Cost of gross debt declined 30bps vs. PY, Net Debt increase due to IFRS16 and Active Portfolio Management*

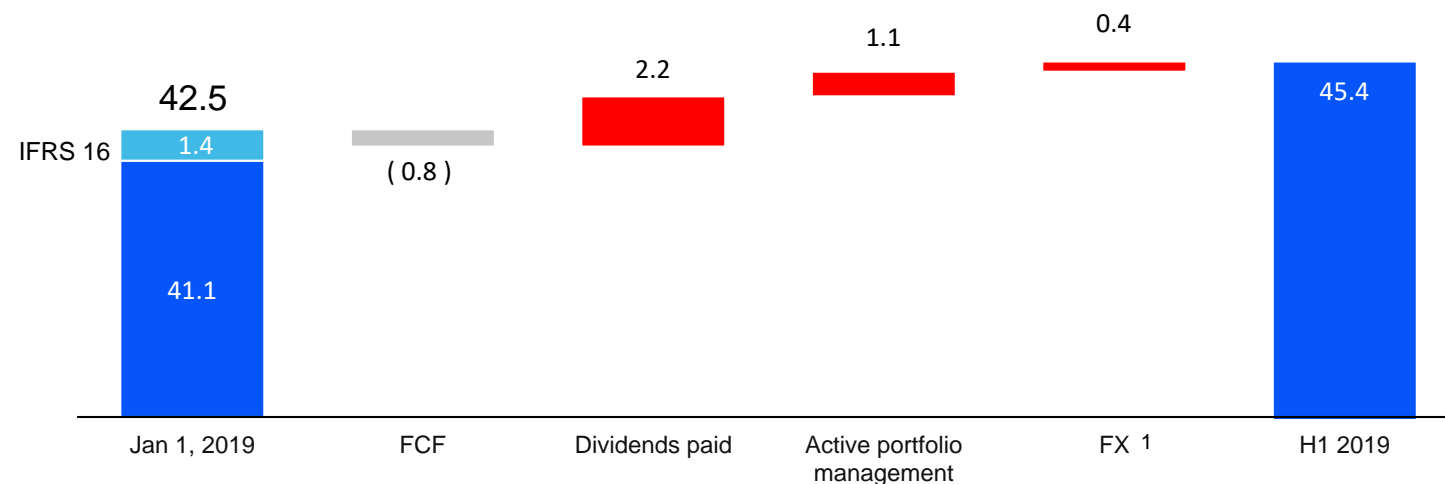


Gross debt



■ Net debt ■ Financial receivables ■ Cash

Net debt evolution

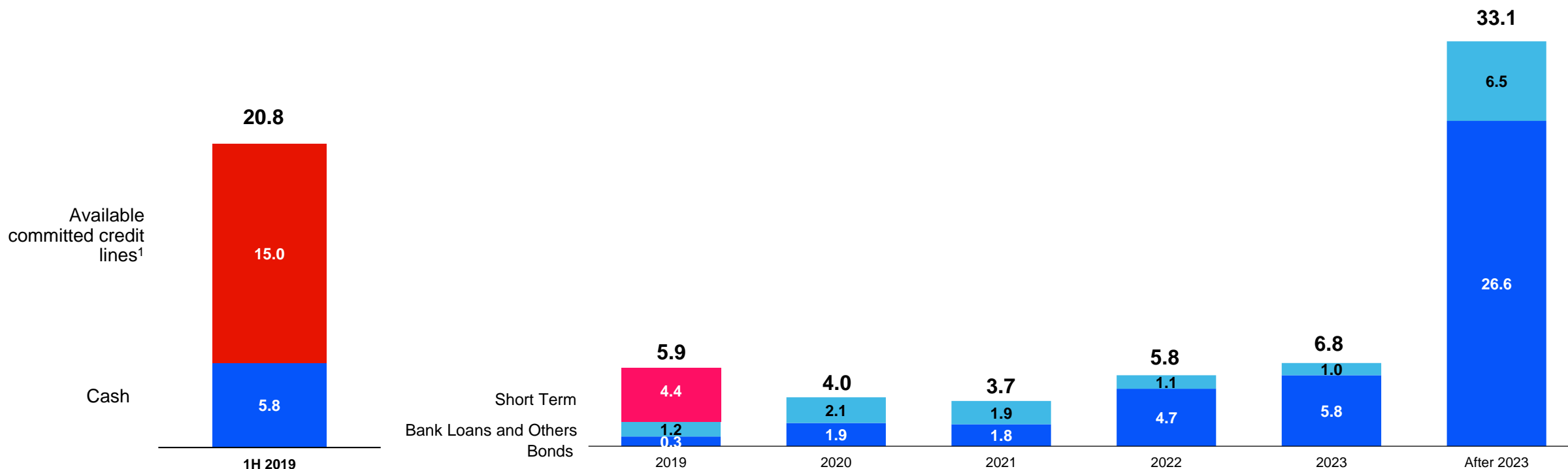


Financial expenses on debt: 1.17 €bn (in line with PY)

Cost of gross debt: 4.4% (-30 bps vs. 2018)

# 1H 2019 consolidated results

Debt maturity coverage split by typology (€bn)



1. Of which 14.4 €bn of long term committed credit lines with maturities beyond June 2020

# H1 2019: liquidity position (€bn)



	Amount as of June 30, 2019	Outstanding	Available	Available Dec. 2018
Committed credit lines	<b>16.2</b>	<b>1.2</b>	<b>15</b>	<b>14.5</b>
<i>of which long term committed credit lines (beyond     June 2020)</i>	-		14.4	13.8
Enel Spa	6.3	0.5	5.8	
EFI	5.0	-	5.0	
Iberia	2.1	-	2.1	
Latam	1.6	0.3	1.3	
Other	1.2	0.4	0.8	
Cash	<b>5.8</b>	-	<b>5.8</b>	<b>6.7</b>
<b>Total</b>	<b>22.0</b>	<b>1.2</b>	<b>20.8</b>	<b>21.2</b>
Uncommitted Lines	1.0	-	1.0	0.4
Commercial paper	11.8	3.0	8.8	7.0
<b>Total liquidity</b>	<b>34.8</b>	<b>4.2</b>	<b>30.6</b>	<b>28.6</b>

# H1 2019: debt maturity profile (€mn)

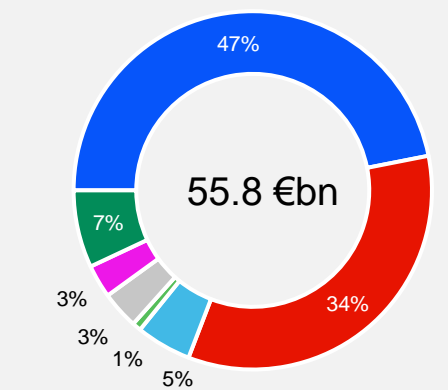


Enel	2019	2020	2021	2022	2023	After 2023
Bond	147	1,552	1,196	4,114	5,207	23,021
Bank Loans	-	650	400	1	-	1
Other Loans	1	1	-	-	-	-
Short term Debt	1,758	-	-	-	-	-
<b>Total</b>	<b>1,906</b>	<b>2,203</b>	<b>1,596</b>	<b>4,115</b>	<b>5,207</b>	<b>23,020</b>
Iberia	2018	2019	2020	2021	2022	After 2022
Bond	15	-	-	-	-	20
Bank Loans	46	58	91	173	190	1,408
Other Loans	26	54	52	48	35	418
Short term Debt	1,631	-	-	-	-	-
<b>Total</b>	<b>1,718</b>	<b>112</b>	<b>143</b>	<b>221</b>	<b>225</b>	<b>1,846</b>
South America	2018	2019	2020	2021	2022	After 2022
Bond	150	318	552	553	675	3,533
Bank Loans	655	554	616	233	92	453
Other Loans	41	98	64	45	31	104
Short term Debt	534	-	-	-	-	-
<b>Total</b>	<b>1,380</b>	<b>970</b>	<b>1,232</b>	<b>831</b>	<b>798</b>	<b>4,090</b>
Other	2018	2019	2020	2021	2022	After 2022
Bond	-	-	42	28	-	-
Bank Loans	228	540	479	426	470	3,188
Other Loans	149	211	238	214	86	949
Short term Debt	446	-	-	-	-	-
<b>Total</b>	<b>823</b>	<b>751</b>	<b>759</b>	<b>668</b>	<b>556</b>	<b>4,137</b>

# H1 2019: gross debt<sup>1</sup> structure

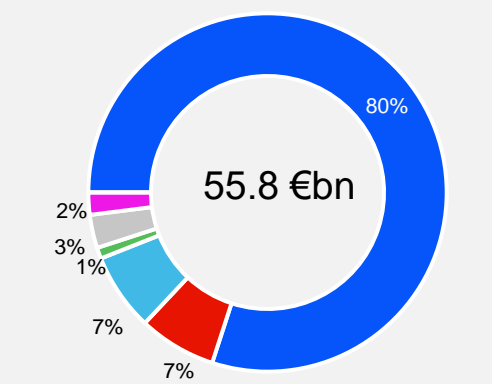


Long term debt by currency



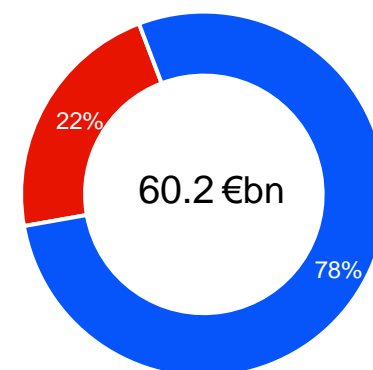
■ EUR ■ USD ■ BRL ■ CLP  
■ COP ■ Other ■ GBP

After swap



■ EUR ■ USD ■ BRL ■ CLP ■ COP ■ Other

Interest rate composition



■ Floating ■ Fixed + Hedged

# H1 2019 consolidated results

## Debt structure by instrument (€bn)



Debt by instrument	Enel Spa	EFI	EFA and Central Others	Italy	Iberia	South America	North & Central America	Europe and Euro-Mediterranean Affairs	Africa, Asia and Oceania	Total
Bonds	8.52	26.72	-	-	0.04	5.77	-	0.07	-	41.12
Bank Loans	1.05	-	-	4.42	1.97	2.60	0.11	0.32	0.48	10.95
Tax Partnership	-	-	-	-	-	-	0.73	-	-	0.73
Other Loans	-	-	-	0.64	0.63	0.39	0.39	0.08	0.01	2.14
Other short term debt	0.29	0.11	-	0.36	0.08	0.41	-	-	0.09	1.34
Commercial Paper	-	0.50	0.86	-	1.55	0.12	-	-	-	3.03
<b>Gross debt</b>	<b>9.86</b>	<b>27.33</b>	<b>0.86</b>	<b>5.42</b>	<b>4.27</b>	<b>9.29</b>	<b>1.23</b>	<b>0.47</b>	<b>0.58</b>	<b>59.31</b>
Financial Receivables	-0.20	-0.69	-0.43	-0.95	-0.52	-1.09	-0.02	-	-0.02	-3.92
Tariff Deficit	-	-	-	-	-1.16	-	-	-	-	-1.16
Other short term financial receivables	-1.51	-1.10	-	-0.31	-0.06	-	-0.02	-	-0.04	-3.04
Cash and cash equivalents	-1.31	-0.17	-0.20	-0.23	-0.45	-1.88	-0.15	-1.22	-0.19	-5.80
<b>Net Debt – Third Parties</b>	<b>6.84</b>	<b>25.37</b>	<b>0.23</b>	<b>3.93</b>	<b>2.08</b>	<b>6.32</b>	<b>1.04</b>	<b>-0.75</b>	<b>0.33</b>	<b>45.39</b>
Net Debt – Intercompany	10.37	-28.02	3.08	5.98	3.01	3.58	1.68	0.25	0.07	-
<b>Net Debt – Group View</b>	<b>17.21</b>	<b>-2.65</b>	<b>3.31</b>	<b>9.91</b>	<b>5.09</b>	<b>9.90</b>	<b>2.72</b>	<b>-0.50</b>	<b>0.40</b>	<b>45.39</b>



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