



## PRESS RELEASE

### Media Relations

T +39 06 8305 5699  
F +39 06 8305 3771  
ufficiostampa@enel.com

enel.com

### Investor Relations

T +39 06 8305 7975  
F +39 06 8305 7940  
investor.relations@enel.com

enel.com

## ENEL 2018 PRELIMINARY RESULTS: EBITDA UP IN LINE WITH YEAR'S TARGET

- Revenues: 75.6 billion euros (74.6 billion euros in 2017, +1.3%)
- Ordinary EBITDA: 16.2 billion euros (15.6 billion euros in 2017, +3.8%)
- EBITDA: 16.3 billion euros (15.7 billion euros in 2017, +3.8%)
- Net financial debt: 41.1 billion euros (37.4 billion euros at the end of 2017, +9.9%)<sup>1</sup>

**Rome, February 6<sup>th</sup>, 2019** – The Board of Directors of Enel SpA, chaired by Patrizia Grieco, met today to review the preliminary consolidated results for 2018.

**Francesco Starace**, Enel's CEO and General Manager, said: *"We closed 2018 with excellent results, whereby we hit our EBITDA target for the year. We will continue to work towards the targets set by the Group's strategic plan, focusing on the sustainability of our actions on the markets aimed at growth in renewables, distribution and advanced energy services. In 2018 we connected over 3 GW of renewable capacity to grids around the world and we posted an increase in revenues driven by renewables and acquisitions in distribution, including Enel Distribuição São Paulo which established us as Brazil's leading electricity distributor. Enel X's advanced energy services further contributed to the increase in Group's revenues. By improving our cash generating ability, we contained net financial debt, against higher Group's resource commitments in organic growth and acquisitions, as well as persisting foreign exchange headwinds."*

**Revenues** amounted to 75.6 billion euros, a 1 billion euro increase (+1.3%) compared with the 74.6 billion euros posted in 2017. The positive performance is mainly attributable to changes in the scope of consolidation, following the acquisitions of Enel Distribuição São Paulo in Brazil in June 2018 and of Enel X North America<sup>2</sup> in August 2017, as well as to an increase in sales of energy from renewable generation in Italy, Spain and South America, and to an increase in free market sales in Italy. These positive factors more than offset the adverse exchange rate developments, mainly due to the depreciation of South American currencies.

In addition, revenues for 2018 include the proceeds from the sale, within the framework of the Build, Sell and Operate (BSO) model, of 80% of the capital of eight project companies in Mexico, as well as the disposal of the stake in EF Solare Italia and the indemnity related to the sale of the Group's stake in Enel Rete Gas.

**Ordinary EBITDA** amounted to 16.2 billion euros, up 3.8% compared with 15.6 billion euros in 2017. The increase mainly reflects the improved margin registered on the renewable business in Italy, Spain and South America and on the free market in Italy, as well as the effect of the acquisition of Enel Distribuição

<sup>(1)</sup> Not including the debt of "Assets held for sale".

<sup>(2)</sup> Enel Distribuição São Paulo and Enel X North America were called Eletropaulo and EnerNOC respectively, prior to their entry into the Enel Group.



São Paulo. These positive factors more than offset the adverse exchange rate developments mentioned above.

**EBITDA**, which includes the effects of extraordinary transactions,<sup>3</sup> amounted to 16.3 billion euros, increasing in line with ordinary EBITDA.

**Net financial debt** at the end of 2018 amounted to 41.1 billion euros, up 9.9% compared with 37.4 billion euros at the end of December 2017. The increase largely reflects the acquisition of Enel Distribuição São Paulo, the public tender offer for the purchase of all the shares of the subsidiary Enel Generación Chile held by minority shareholders, the payment of 2017 dividends, investments during 2018 and adverse exchange rate developments. The growing cash flow from operations only partially offset the abovementioned factors.

**Employees** at the end of 2018 numbered 69,272 (62,900 at the end of 2017). The increase mainly results from the acquisitions of international companies, mainly Enel Distribuição São Paulo.

In 2018, the Enel Group generated a total of 250.3 TWh of electricity (249.9 TWh in 2017), distributed 485.4 TWh on its networks (460.7 TWh in 2017<sup>4</sup>) and sold 295.4 TWh (284.8 TWh in 2017).

More specifically, in 2018 the Enel Group generated 197.1 TWh of electricity (196.4 TWh in 2017), distributed 257.7 TWh (232.2 TWh in 2017) and sold 191.1 TWh (181.6 TWh in 2017) outside Italy.

\* \* \*

#### Alternative performance indicators

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

- EBITDA: an indicator of Enel’s operating performance, calculated as “EBIT” plus “Depreciation, amortisation and impairment losses”;
- Ordinary EBITDA: an indicator defined as EBITDA generated from ordinary business operations, therefore excluding all items associated with non-recurring transactions such as acquisitions or disposals of companies.
- Net financial debt: an indicator of Enel’s financial structure, determined by “Long-term borrowings” and “Short-term borrowings and the current portion of long-term borrowings”, taking account of “Short-term financial payables” included in “Other current liabilities”, all net of “Cash and cash equivalents” and “Securities held to maturity”, “Financial investments in funds or portfolio management products measured at fair value through profit or loss” and “Other financial receivables” included in “Other non-current financial assets”, as well as the “Current portion of long-term financial receivables”, “Factoring receivables”, “Cash collateral” and “Other financial receivables” included in “Other current financial assets”. More generally, the net financial debt of the Enel Group is calculated in conformity with paragraph 127 of Recommendation CESR/05-054b implementing Regulation (EC) no. 809/2004 and in line with the CONSOB instructions of July 26<sup>th</sup>, 2007, net of financial receivables and long-term securities.

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

---

<sup>(3)</sup> 2018 extraordinary items are related to:

- the gain from the settlement of the indemnity related to the 2009 sale of e-distribuzione’s stake in Enel Rete Gas;
- the gain from the sale of the stake in EF Solare Italia.

In 2017, the extraordinary items solely included the gain from the disposal of Electrogas in Chile.

<sup>(4)</sup> The figure for electricity distributed in 2017 reflects a more accurate calculation of quantities transported.