PRESS RELEASE

Global News Media

T +39 06 8305 5699
ufficiostampa@enel.com
gnm@enel.com
enel.com

Investor Relations

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

enel.com

ENEL GROUP 2024-2026 STRATEGY: OPTIMIZED CAPITAL ALLOCATION, EFFICIENCY AND EFFECTIVENESS, FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY TO MAXIMIZE CASH GENERATION AND PROFITABILITY FOR SOUND SHAREHOLDER RETURNS

- *In the 2024-2026 Plan period, the Enel Group (the "Group") expects to focus on:*
    - ***Profitability, flexibility and resiliency** through selective capital allocation to maximize Group risk/return profile*
    - ***Efficiency and effectiveness** driving Group operations, based on simplified processes, a leaner organization with clear accountability and focus on core geographies as well as cost discipline in order to boost cash generation while compensating for inflationary dynamics alongside rising cost of capital*
    - ***Financial and environmental sustainability** to pursue value creation while addressing the challenges of climate change*

- *Between 2024 and 2026, **the Group has planned a total gross capex of approximately 35.8 billion euros** through higher investments in **grids** where fair and stable regulatory frameworks apply, also leveraging on access to **European grants**, as well as a less capital intensive and less risky approach in **renewables**, also thanks to a **new partnership-based business model**:*
    - ***Around 18.6 billion euros of gross capex in Grids**, focusing on improving quality, resiliency and digitalization, alongside new connections, confirming the centricity of the regulated businesses in Group Strategy*
    - ***Approximately 12.1 billion euros of gross capex in Renewables**, with more selective investment decisions, investing in onshore wind, solar and battery storage while also leveraging on repowering*
    - ***About 3 billion euros of gross capex in Customers**, actively managing Group customer portfolio through multi-play bundled offers, which encompass commodities and services within an integrated portfolio provided through a single touchpoint*

- *The Group plans to focus its investments where returns are visible, regulatory frameworks are remunerative and macro-economic as well as political environments are stable, with 49% of gross capex invested in **Italy**, 25% in **Iberia**, 19% in **Latin America** and 7% in **North America***

- *In 2026, **Group Ordinary EBITDA expected to grow to between 23.6 and 24.3 billion euros** and **Group Net Ordinary Income expected to increase to between 7.1 and 7.3 billion euros***

Enel SpA – Registered Office: 00198 Rome – Italy - Viale Regina Margherita 137 – Companies Register of Rome and Tax I.D. 00811720580 - R.E.A. 756032 – VAT Code 15844561009 – Stock Capital Euro 10,166,679,946 fully paid-in.

- *Simple and appealing dividend policy with* ***0.43 euro fixed minimum Dividend Per Share ("DPS") for 2024-2026****, with a potential increase up to a* ***70% payout on Net Ordinary Income****, if cash flow neutrality*[1] *is achieved*

Financial Targets			
Earnings growth	***2023E***	***2024***	***2026***
Ordinary EBITDA (€bn)	21.5-22.5	22.1-22.8	23.6-24.3
Net Ordinary Income (€bn)	6.4-6.7	6.6-6.8	7.1-7.3
Value creation			
DPS (€/share)	0.43	0.43*	0.43*
		*Increase in DPS up to 70% payout on Net Ordinary Income in case of cash flow neutrality***	

**0.43 euros/year is the fixed minimum DPS.*
***Cash flow neutrality is reached if Funds From Operations (FFO) fully cover Group net capex and dividends on top of the minimum fixed DPS.*

Flavio Cattaneo, CEO of Enel said: "*The Strategy that we are announcing today aims to reshape the Enel Group into a leaner, more flexible and resilient organization, well positioned to face the challenges and seize the opportunities that may arise in the future. In the next three years, we will adopt a more selective approach towards investments in order to maximize profitability while minimizing risks. We will focus on our core countries by implementing integrated strategies, targeting networks, renewables as well as value creation in the customer segment through bundled commercial offers. Financial discipline will be the cornerstone of our Strategy, boosting cash generation and efficiencies, with sustainability continuing to guide our business decisions. By carrying out these actions and reaching our targets, we will be able to further strengthen Group financial position and enhance value creation, ensuring sound returns for our shareholders.*"

Rome, November 22nd, 2023 - The Enel Group (the "Group") is presenting its 2024-2026 Strategic Plan today to the financial markets and the media.

THE GROUP IN THE ENERGY CONTEXT

Short-term global uncertainties have required power companies to become more flexible and improve visibility on their returns. In the medium- to long-term, grids should be ready to accommodate an increase in electricity demand driven by growing electrification and distributed generation, while the expected growth in renewable capacity will require battery storage to balance demand with supply.

[1] Cash flow neutrality is reached if Funds From Operations (FFO) fully cover Group net capex and dividends on top of the minimum fixed DPS.

Against this backdrop, the Group plans to allocate its investments efficiently. **Regulated businesses will be at the center of Group Strategy** to improve quality and resiliency. Likewise, **renewable** investment decisions will be more selective, diversifying technologies and countries, improving returns and reducing risks, also leveraging on partnerships. Finally, the Group plans to optimize its portfolio of **customers** and end-to-end processes, increasing efficiency in the acquisition and management of clients while increasing their loyalty through bundled offers, alongside promoting the electrification of consumption.

THE 2024-2026 STRATEGIC PLAN

The Group focuses its 2024-2026 Strategic Plan around three pillars:

- **Profitability, flexibility and resiliency** through selective capital allocation to maximize Group risk/return profile;
- **Efficiency and effectiveness** driving Group operations, based on simplified processes, a leaner organization with clear accountability and focus on core geographies as well as cost discipline in order to boost cash generation while compensating for inflationary dynamics alongside rising cost of capital;
- **Financial and environmental sustainability** to pursue value creation while addressing the challenges of climate change.

1. Profitability, flexibility and resiliency

Between 2024 and 2026, **the Group has planned a total gross capex of approximately 35.8 billion euros**. Considering the current scenario, in order to achieve a less capital intensive and less risky model, the Group expects to:

- Increase focus on **networks**, in order to benefit from supportive regulatory frameworks while also having **access to European grants** that are expected to contribute to Group total gross capex for **around 3.5 billion euros**;
- Establish **partnerships in renewable projects**, for a total amount of **around 6.1 billion euros**, to make invested financial resources more flexible.

As a result, **investments are set to require a lower cash-out flow for the Group**, with **net capex expected to amount to approximately 26.2 billion euros**.

The Group plans to focus its investments where returns are visible, regulatory frameworks are remunerative and macro-economic as well as political environments are stable. From a geographical standpoint:

- In **Europe**, the Group plans to focus its investments mainly in grids alongside strengthening its integrated business model, which includes the generation and customer segments. Specifically, **in Italy the Group plans to invest approximately 49% of its overall gross capex**, on the back of a stable and remunerative framework on grids, while **in Iberia the Group plans to invest about 25% of its overall gross capex**, increasing renewable capacity while leveraging on hedged and sustainable investment returns;
- In **Latin America**, **the Group plans to invest around 19% of its overall gross capex**, mainly focusing on networks, while positioning itself at an early stage for the progressive liberalization of the retail business;
- In **North America**, **the Group plans to invest approximately 7% of its overall gross capex** leveraging on the partnership model as well as on cash generation guaranteed by the improvement of profitability of the existing portfolio, in order to fund the development of renewables.

The Group confirms its investment focus on **six core countries** where it can leverage on an integrated position, namely **Italy**, **Spain**, **Brazil**, **Chile**, **Colombia** and the **United States**. Furthermore, the Group plans to actively manage its customer portfolio through **multi-play bundled offers**, a new operating model which encompasses commodities and services within an integrated portfolio provided through a single touchpoint.

Grids

The Group has planned a gross capex of approximately 18.6 billion euros in Grids between 2024 and 2026, of which around 15.2 billion euros net of grants. The capital allocation for grids is tailored to remuneration schemes set for each country, with investments focused on those geographies with the most fair and visible regulatory frameworks, in particular **Italy** where the Group plans to **invest around 12.2 billion euros of gross capex**, +47% on 2021-2023 pro-forma on a like-for-like basis[2]. Investments in networks are expected to focus on improving quality, resiliency and digitalization, as well as on new connections. Over the Plan period, these investments are expected to lead to a reduction of about 4% in System Average Interruption Duration Index (SAIDI), and a higher volume of electricity distributed (from 447 TWh estimated in 2023 to 466 TWh expected in 2026).

On the back of this capital allocation, **Grids' Ordinary EBITDA is expected to reach around 8.4 billion euros in 2026**, an increase of around 1 billion euros versus the 2023 expected baseline into 2024[3].

Integrated Business

The Group aims to increase margins in the Integrated Business by reducing sourcing costs. Specifically:

- In **Europe**, this will be achieved by increasing the share of fixed sales covered by the Group's own emission-free production, with higher volumes sold in the business-to-consumers ("B2C") segment, where it is possible to leverage on a higher value-added offer, also through bundled offers;
- In **Latin America**, renewable output is complemented by Power Purchase Agreements ("PPAs"), fully hedging Group margins;
- In **North America**, the Group will maintain its balanced position, leveraging on long-term sales to match renewable output.

In **Renewables, the Group has planned a gross capex of approximately 12.1 billion euros between 2024 and 2026**. Specifically, the Group is expected to invest in onshore wind, solar and battery storage. Innovation will be a key driver, leveraging on repowering to increase plant efficiency and reduce generation costs, as well as on battery storage to improve power system flexibility alongside load management. From a geographical standpoint:

- In **Europe**, **the Group plans to invest around 7.2 billion euros of gross capex**, with renewable generation supported by a large customer base that allows the Group to cover output and stabilize returns;
- In **Latin America, the Group plans to invest around 2.6 billion euros of gross capex**, following a flexible approach that leverages on renewable development supported by PPAs;
- In **North America, the Group plans to invest around 2.3 billion euros of gross capex**, with the aim to increase profitability, focusing on cash generation and leveraging on the partnership model.

[2] In order to allow a like-for-like comparison, the cumulated data related to 2021-2023 is pro-forma. Specifically, the 2021-2023 figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.
[3] In order to allow a like-for-like comparison, the data related to 2023 expected "baseline into 2024" is pro-forma. Specifically, the 2023 figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.

In order to increasingly focus on profitability of invested capital, the Group's new approach to renewable investments is based on three different business models:

- An **Ownership** business model, in which the Group's stake is 100%, to be applied mainly in Italy and Iberia, geographies with higher and hedged returns;
- A **Partnership** business model, in which the Group's stake exceeds 50% (and is below 100%), to improve asset risk exposure, while retaining control and maximizing capital productivity as well as flexibility;
- A **Stewardship** business model, in which the Group's stake is equal to or lower than 50%, that will continue to be applied to peripheral geographies, in order to leverage on the Group's high-rated pipeline and global footprint as well as enhancing financial flexibility and capital returns.

Between 2024 and 2026, this new approach is expected to allow the Group to deliver around **13.4 GW of new renewable capacity** in all geographies where it is present on the back of **a robust pipeline of around 450 GW**, of which approximately 160 GW at a mature stage. This sizeable pipeline allows the Group to maximize visibility on returns while minimizing risks, with the possibility to monetize the portion of the pipeline which is not instrumental to its industrial growth.

In 2026, the Group's renewable capacity[4] is expected to reach approximately 73 GW from around 63 GW estimated in 2023, with **emission-free production[5] reaching an approximate 86%** vis-à-vis about 74% estimated in 2023.

In the **Customers**' segment, **the Group has planned a gross capex of approximately 3 billion euros** between 2024 and 2026. Key drivers of the Group's strategy for this segment include a geographical refocus on Italy, Iberia and Latin America, boosting customer centricity through a single touchpoint for B2C and small and medium enterprises ("SMEs"), dedicated key accounts for top business-to-business ("B2B") and business-to-government ("B2G") clients, as well as bundled offers.

On the back of these actions, **Ordinary EBITDA in the Integrated Business is expected to reach around 15.5 billion euros in 2026**, an increase of about 1.5 billion euros versus the 2023 expected baseline into 2024[6], with renewables as the main driver of growth over the Plan period.

2. Efficiency and effectiveness

The Group's strategic actions will be guided by **financial equilibrium**. Between 2024 and 2026, the Group plans to boost its cash generation, with a total of **approximately 43.8 billion euros of Funds From Operations ("FFO")** that are expected to fully cover net investments and dividends.

Compared with the cost baseline for 2022, **the Group plans to achieve a total cost reduction of around 1.2 billion euros in 2026**, of which around 1 billion euros of cost efficiencies achieved by re-shaping corporate processes, streamlining the organization, optimizing the mix between insourcing and outsourcing, adopting standards as well as leveraging on improved technologies to be adapted on a country basis. Additional savings of about 0.2 billion euros are expected in regulated business costs.

The above actions are also supported by the disposal plan, which has been partially redefined in order to shift into a value-driven portfolio rotation. The implementation of the disposal plan is expected to deliver **a positive impact on net financial debt estimated at around 11.5 billion euros between 2023 and 2024**,

[4] Including managed capacity and battery storage.
[5] Including managed production.
[6] In order to allow a like-for-like comparison, the data related to 2023 expected "baseline into 2024" is pro-forma. Specifically, the 2023 figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.

with a cash-in of around 8 billion euros that is expected to be achieved in 2024, following mandatory regulatory approvals and the completion of new deals that were identified in the second half of 2023. Disposals are now in various stages of completion. Specifically:

- **Deals already closed this year**, amounting to **approximately 2.8 billion euros** in terms of net debt impact (exit from Romania, sale of Argentina generation assets, sale of 50% of renewable activities in Australia and sale of a solar portfolio in Chile);
- **Signed deals pending closing**, expected to amount to **about 5.4 billion euros** in terms of net debt impact (sale of generation assets in Peru, sale of power distribution and supply in Peru, sale of 50% of Enel Green Power Hellas and sale of a solar and geothermal portfolio in the United States);
- **Deals in advanced negotiation stage**, expected to amount to **around 3.3 billion euros** in terms of net debt impact (asset swap/rotation as well as partnerships and asset rotation in the renewable business).

3. Financial and environmental sustainability

Cash flow generation, cost discipline and process streamlining are expected to result in a more solid credit standing for the Group. Specifically:

- **FFO/Net Financial Debt is expected to increase to approximately 29% in 2026** versus about 15% in 2022 and around 26% expected in 2023 pro-forma[7];
- **Net Financial Debt/EBITDA is expected to drop to around 2.3x in 2026** versus approximately 3.1x in 2022 and 2.4x-2.5x expected in 2023 pro-forma[8], while 2023 expected Net Financial Debt/EBITDA stands at 2.7x-2.8x, with 2023 net financial debt expected to reach between 60 and 61 billion euros.

Sustainable finance sources are expected to reach around 70% of total gross debt by 2026. In the next three years, the Group plans to reduce the average cost of gross debt by 20 bps, despite an environment of rising interest rates, reaching approximately 3.8% in 2026 from around 4.0% estimated at the end of 2023, mainly thanks to centralized refinancing.

When it comes to environmental sustainability, the Group plans to continue reducing its direct and indirect greenhouse gas emissions, in line with the Paris Agreement and compliant with the 1.5°C pathway, as certified by the Science Based Targets initiative (“SBTi”). Specifically, **the Group confirms its target to close all of its remaining coal plants by 2027**, subject to the authorizations of competent authorities. For coal plant reconversion, the Group will evaluate the best available technologies, based on the needs indicated by the transmission grid operators. **The Group confirms its ambition to reach zero emissions across all scopes by 2040**.

FINANCIAL TARGETS

Group Ordinary EBITDA is expected to grow to between 23.6 and 24.3 billion euros in 2026, with a Compound Average Growth Rate (“CAGR”) of around 5% considering a 2023 expected baseline into 2024[9] of between 20.0 and 21.0 billion euros. Expected 2023 Group Ordinary EBITDA stands at 21.5-22.5 billion euros.

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[7] In order to allow a like-for-like comparison, the data related to 2023 is pro-forma. Specifically, the 2023 net financial debt figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.
[8] In order to allow a like-for-like comparison, the data related to 2023 is pro-forma. Specifically, the 2023 net financial debt figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.
[9] In order to allow a like-for-like comparison, the data related to 2023 expected “baseline into 2024” is pro-forma. Specifically, the 2023 figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.

Group Net Ordinary Income is expected to increase to between 7.1 and 7.3 billion euros in 2026, with a CAGR of around 6% considering a 2023 expected baseline into 2024[10] of between 5.8 and 6.1 billion euros. Expected 2023 Group Net Ordinary Income stands at 6.4-6.7 billion euros.

The Group confirms a simple and appealing dividend policy with a **0.43 euro fixed minimum DPS for the 2024-2026 period** with a potential **increase up to a 70% payout on Net Ordinary Income**, if cash flow neutrality is achieved. Cash flow neutrality is reached if FFO fully cover Group net capex and dividends on top of the minimum fixed DPS.

KEY PERFORMANCE INDICATORS

This press release uses a number of "alternative performance measures" not envisaged by the IFRS-EU accounting standards adopted by the European Union, but that management deems useful for the better evaluation and monitoring of the Group's economic and financial performance. With regard to those indicators, on April 29th, 2021, CONSOB issued Warning Notice no. 5/21, making applicable the Guidelines issued on March 4th, 2021 by the European Securities and Markets Authority (ESMA) on disclosure requirements under Regulation (EU) 2017/1129 (the "Prospectus Regulation"), which took effect on May 5th, 2021 and replace the references to the CESR Recommendations and those contained in Communication no. DEM/6064293 of July 28th, 2006 regarding the net financial position.
The Guidelines update the previous CESR Recommendations (ESMA/2013/319, in the revised version of March 20th, 2013) with the exception of those concerning issuers carrying out special activities referred to in Annex no. 29 of Delegated Regulation (EU) 2019/980, which were not converted into Guidelines and remain applicable.
The Guidelines are intended to promote the usefulness and transparency of alternative performance indicators included in regulated information or prospectuses within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.
The meaning, content and basis of calculation of these indicators are as follows:

- **EBITDA** is an indicator of operating performance and is calculated as "EBIT" plus "Depreciation, amortization and impairment losses";
- **Ordinary EBITDA** is defined as "EBITDA" attributable to ordinary operations only linked to the business models of Ownership, Partnership and Stewardship, integrated with the Ordinary EBITDA from discontinued operations. It does not include costs connected with corporate restructurings or any extraordinary solidarity contributions imposed on companies operating in the energy industry.
- **Group net ordinary income** is defined as "Group net income" attributable solely to ordinary operations associated with the Ownership, Partnership and Stewardship business models.
  It is equal to "Group net income" adjusted primarily for the extraordinary solidarity contributions imposed on companies operating in the energy industry and the items discussed under "Ordinary EBITDA", net of any tax effects and non-controlling interests;
- **Net financial debt** is an indicator of financial structure and is determined by:
  - "Long-term borrowings", "Short-term borrowings" and "Current portion of long-term borrowings", taking account of "Long-term financial borrowings" included in "Other non-current financial liabilities" and "Short-term financial borrowings" included in "Other current financial liabilities";
  - net of "Cash and cash equivalents";
  - net of "Current portion of long-term financial receivables", "Current securities" and "Other financial receivables" included in "Other current financial assets";
  - net of "Non-current securities" and "Non-current financial receivables" included in "Other non-current financial assets";
  - net of "Cash flow hedge derivative assets on exchange rates connected to loans" and "Fair value hedge derivative assets on exchange rates connected to loans";
  - "Cash flow hedge derivative liabilities on exchange rates connected to loans" and "Fair value hedge derivative liabilities on exchange rates connected to loans".

  More generally, the net financial debt of the Enel Group is reported in accordance with Guideline 39, issued on March 4th, 2021, by ESMA, applicable as from May 5th, 2021, and with the above-mentioned Warning Notice no. 5/2021 issued by CONSOB on April 29th, 2021.

[10] In order to allow a like-for-like comparison, the data related to 2023 expected "baseline into 2024" is pro-forma. Specifically, the 2023 figure has been adjusted to take into consideration the same perimeter of assets included in the 2024-2026 Strategic Plan.