



# Capital Markets Day 2024

November 18<sup>th</sup> Milan

# Agenda



## Flavio Cattaneo, CEO

2025-27  
Strategic Plan

- The Group in the energy context
- 2025-27 Strategic Plan
- The Group in the next three years



## Stefano De Angelis, CFO

2025-27  
Strategic Plan

- Capital allocation and EBITDA growth
- The financial plan
- Targets



## Flavio Cattaneo, CEO

- Closing remarks



# Flavio Cattaneo

*CEO*

# 2024 results empower us to tackle the next chapter



## Strategic Pillars

1

Profitability, flexibility and resilience

2

Efficiency and effectiveness

3

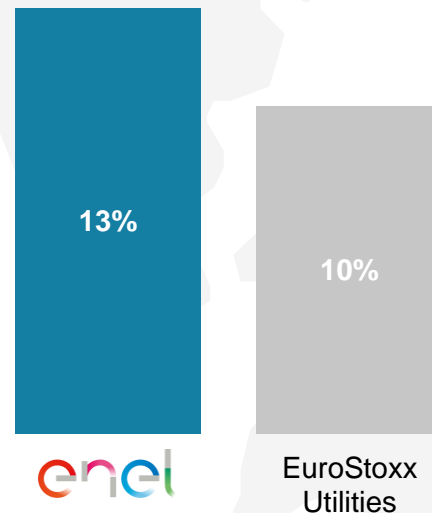
Financial and environmental sustainability

## Delivering on our commitments

- ✓ Well on track to reach all 2024 targets
- ✓ Disposal Plan completed
- ✓ Re-focus on core activities
- ✓ 2024E Net Debt/EBITDA ratio at ~2.4x to fuel future and more profitable growth
- ✓ Ensuring value creation for shareholders: dividend policy for 2024 confirmed

	EBITDA (€bn)	Net Income (€bn)	ND/EBITDA
2024E	22.1-22.8	6.6-6.8	~2.4x

## Total shareholder return 2023-2024<sup>1</sup>



1. From November 22<sup>nd</sup> 2023 to November 15<sup>th</sup> 2024

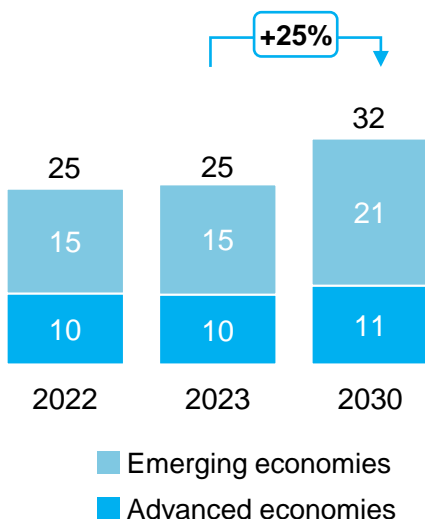


# The Group in the energy context

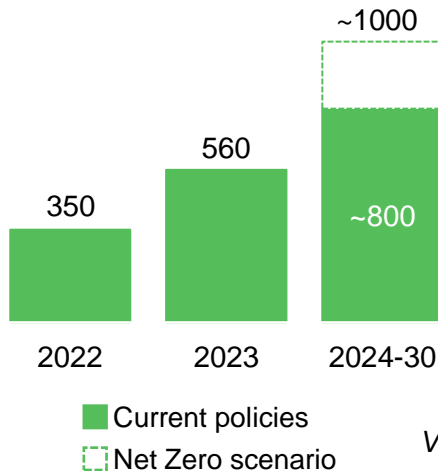
# Advancing energy transition calls for new regulations...



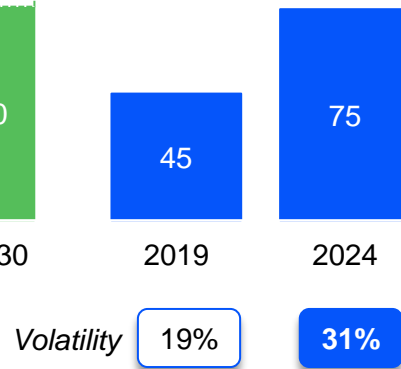
Global electricity Consumption<sup>1</sup> (kTWh)



Global renewables installation<sup>2</sup> (GW/y)



EU power prices<sup>3</sup> (€/MWh)



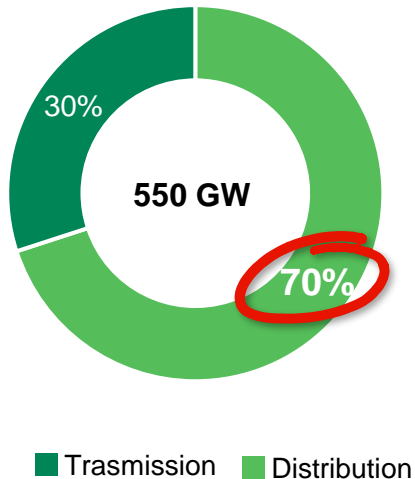
**New market design and regulatory mechanisms** needed for sustainable renewable expansion and to manage **higher volatility**

1. IEA World Energy Outlook 2024 (STEPS scenario)  
 2. IEA 2024, World Energy Outlook. Current policies: IEA STEPS scenario; Net Zero: NZE scenario  
 3. Volatility: average standard deviation of day-ahead wholesale prices of EU countries

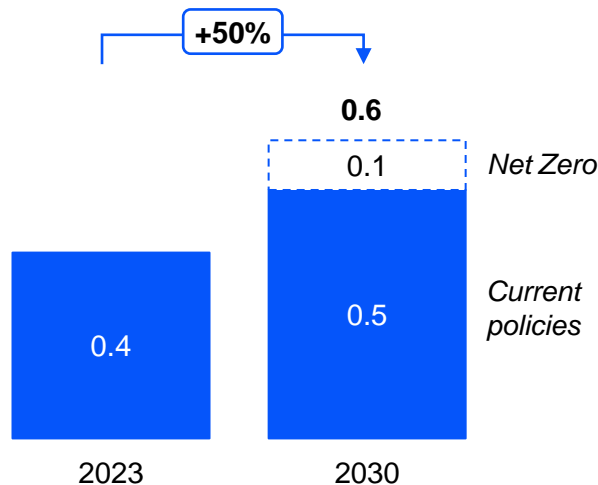
# ...while grids are the backbone of the transition



New RES EU connection 2023-30<sup>1</sup>



Global Investments in grids<sup>2</sup> (k\$/bn/y)



Energy system calls for **increasing investments in distribution grids** to host **growing renewable capacity** and enhance **quality and resilience** to **climate events**

1. IEA World Energy Outlook 2024 (STEPS scenario)  
2. IEA 2024, World Energy Outlook. Current policies: IEA STEPS scenario; Net Zero: NZE scenario



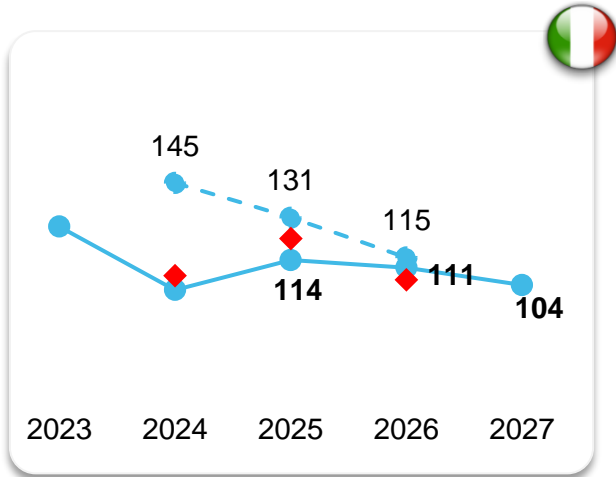
# 2025-27 Strategic Plan



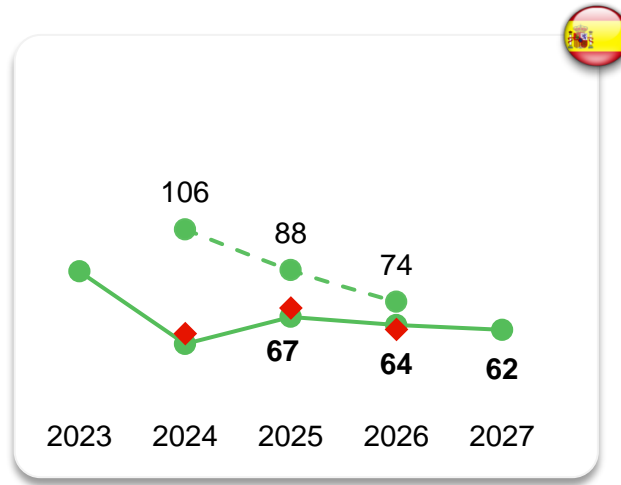
# External context normalization leads to a re-set of plan assumptions



### Power Price Italy (€/MWh)



### Power Price Spain (€/MWh)



— New Plan    - - - Old Plan    ◆ Forward price<sup>1</sup>

A **solid** and **conservative** approach: **power prices scenario fully aligned with current forward curves**

1. As of November 15<sup>th</sup> 2024

# Pillars and key business drivers confirmed



## OUR STRATEGIC PILLARS

1

Profitability, flexibility and resilience

2

Efficiency and effectiveness

3

Financial and environmental sustainability



### Grids

- **Investments** tailored according to **returns**
- Continued enhancement of **grid resilience**, operating **efficiency** and **quality**
- Leverage on **digitalization** and **innovation** to enable the **energy transition**



### Generation

- Selective capital allocation driven by a weighted **risk-reward matrix**
- Greenfield and brownfield assets **opportunities** to **enhance profitability**
- **Optimize LCOE** by improving **supply chain processes**



### Customers

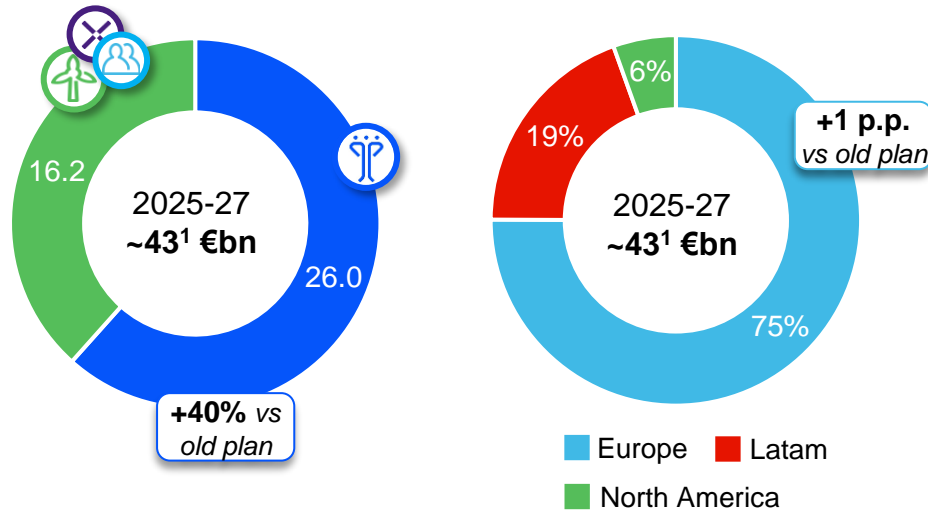
- **Focus on Customers** to **enhance value** of **portfolio** through bundled offers
- **Optimization** of **customer relations management channels** and **acquisitions**
- Rationalization of **product portfolio** and **geographic footprint**

**Risk-return profile optimization and innovative solutions to enhance value creation**



# Higher focus on grids and countries with ample visibility and enhanced risk-return profile

Cumulated gross capex (€bn)



**Boosting investments in grids**

**Investments sized reflecting EBITDA contribution**

## Grids

**7.2%** Blended regulated return<sup>2</sup> over 2025-27  
**+22%** RAB growth **+14 p.p.** vs old plan

## Renewables

**300 bps average** spread IRR-WACC

## Customers

Leverage on **bundled offerings** and **customers loyalty** to expand customer base and marginality

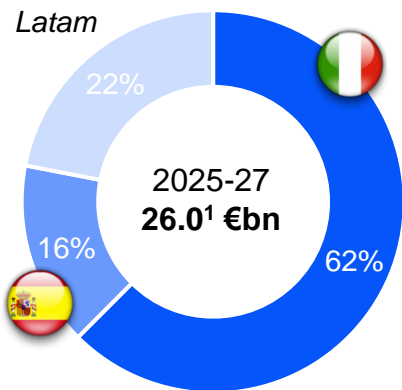
1. Split does not include "Other"  
 2. Real, pre-tax



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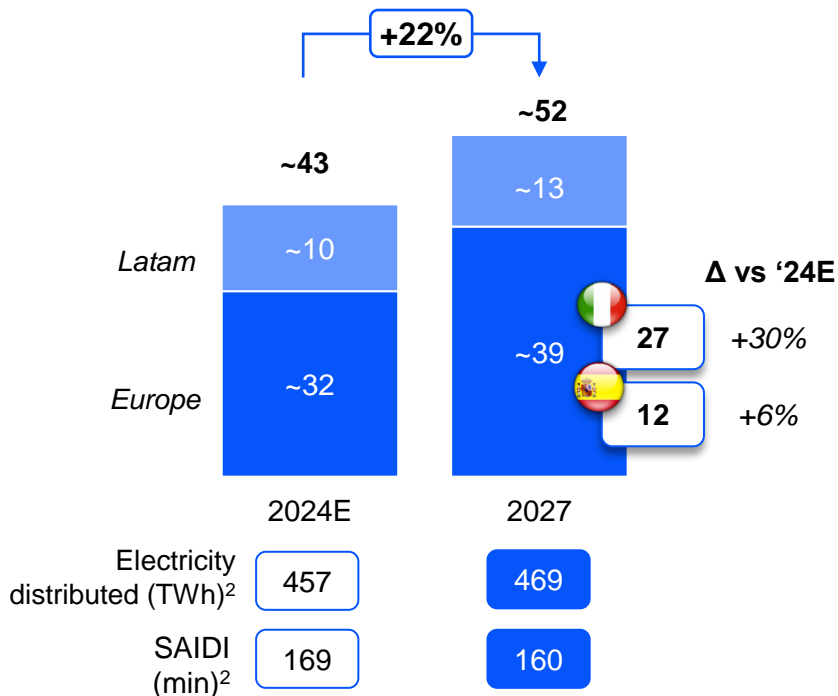
# A capital allocation designed to enhance grids' profitability

## Gross capex



**+40%** vs. old plan

## RAB<sup>2</sup> (€bn)



Investments focused on improving grids' **quality** and **resilience** and designed to **improve** Group's returns

1. Split does not include "Other"  
2. Core countries

# Proactive advocacy activity to support the pivotal role of grids



## Regulatory period



2024 - 2028



Next regulatory period in 2026



**Brazil and Chile:**  
beyond 2027

**Colombia and Argentina** next regulatory period in 2025

## Advocacy priorities

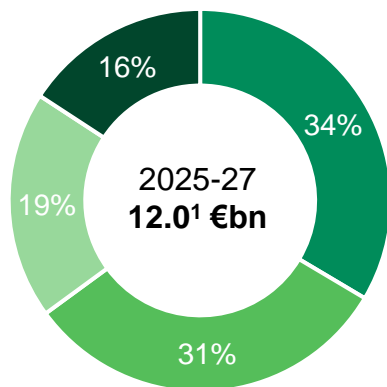
- Regulatory **remuneration rates** even if aligned with macro environment must be **supportive of investments needed by the system**
- Consolidation and simplification of **incentive schemes to support resilience and performance improvement**
- Ongoing advocacy on **concession renewal with enhanced grids quality**
- Definition of **incentive mechanisms for resilience** and massive **deployment of smart meters**
- Revision of **remuneration schemes for quality investments**



1 2 3

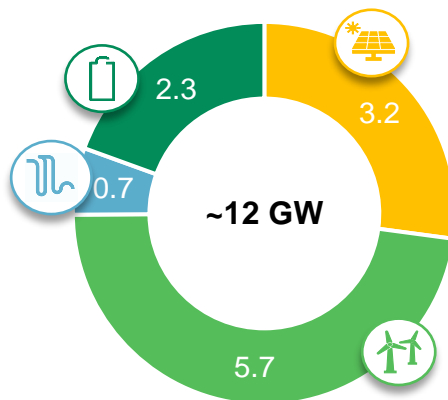
# Selective investments in renewables to support profitability

Gross capex



■ Italy ■ Iberia ■ Latam  
■ North America

Additional capacity



Delta vs  
old plan

-4 GW

+2 GW

2024E

66

Total renewable  
capacity<sup>2</sup> (GW)

83%

Emission free  
production<sup>3</sup>

2027

76

86%

Renewable  
development  
concentrated  
in **core**  
countries,  
**streamlining**  
of assets  
portfolio

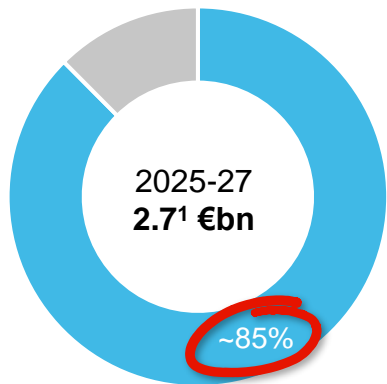
1. It does not include "Other" and 0.4 €bn equity injection
2. It includes managed capacity and BESS
3. It includes renewable managed production and nuclear



1 2 3

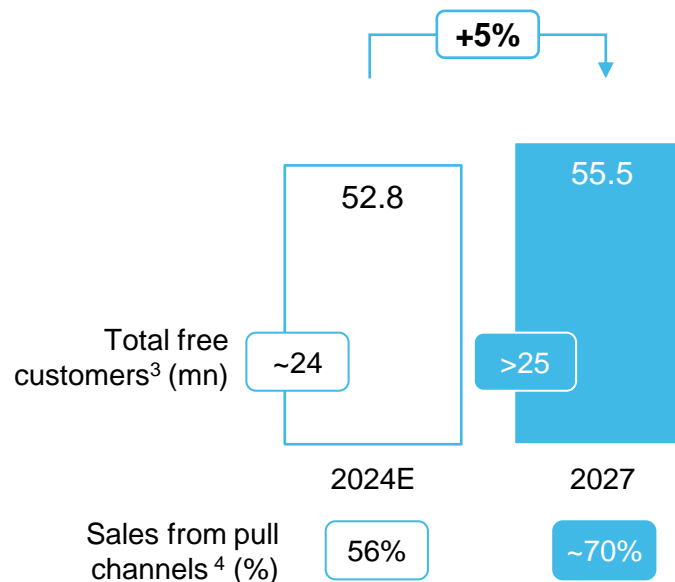
# Investments focused on the most valuable initiatives and geographies

Gross capex



Countries with  
**integrated  
presence**

Customers<sup>2</sup> (mn)



Bundled offers  
**tailored** on  
**customer needs**  
and geographies,  
leveraging on  
**scale-up** and  
**valorization** of  
**new businesses**

1. Split does not include "Other"

2. It includes power customers (liberalized and regulated markets) and gas customers. 2024E net of 'vulnerable' customers in Italy

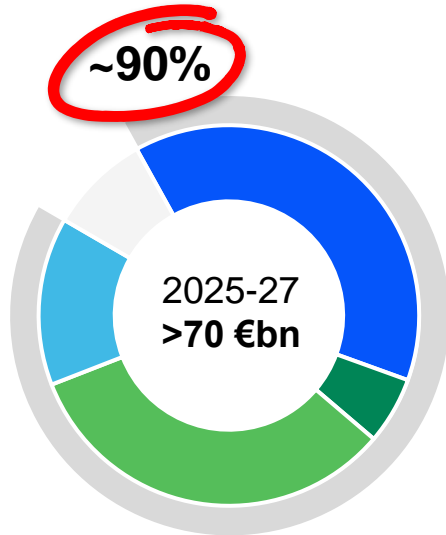
3. Power, gas and fiber customers

4. Italy and Iberia

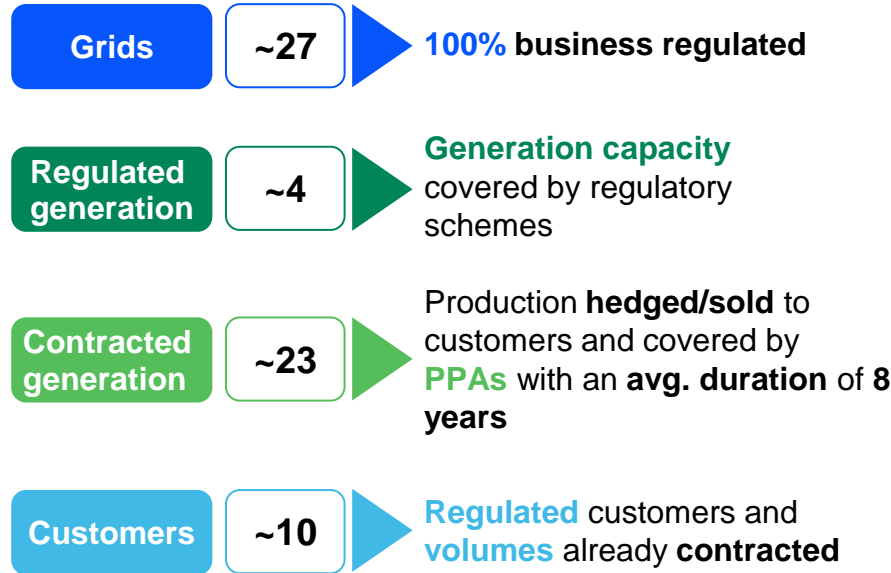
# Reducing risk and increasing visibility



Cumulated EBITDA



Contracted/  
regulated (€bn)



~64 €bn

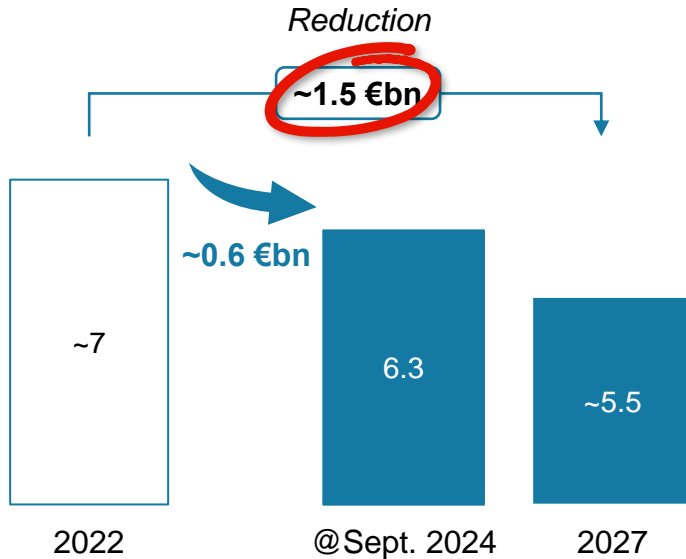
~90% of regulated and contracted EBITDA offers unprecedented visibility on future delivery



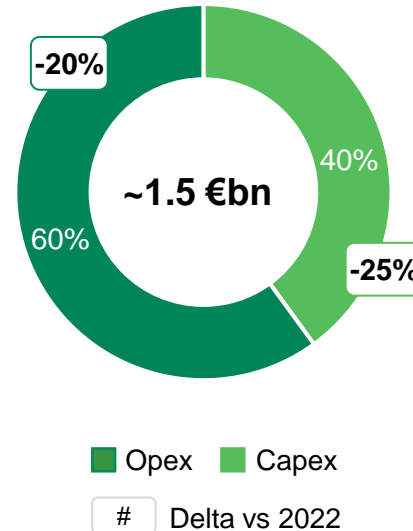
# Raising the bar on efficiencies



Evolution of addressable cash-cost baseline<sup>1</sup> (€bn)



Cash-cost reduction split<sup>2</sup>



Continued optimization effort on **processes** and **activities** also leveraging on **insourcing**

1. Addressable cash-costs exclude new generation asset development, grids regulated totex and perimeter effect.  
 2. In real terms 2022

# Efficiency and value creation enhanced through a new business model for connection assets

## Connection assets

Creation of a **NewCo** focused on **connection assets** to **unlock further value**



**O&M activities** for **existing connection assets**



**Construction and maintenance** of new **connection assets**



**Connection of existing and perspective consumers (Data Centers)**



**Connection of producers**

## Data Centers



Provide **value-added solutions** to **Data centers operators** leveraging on **Enel's global scale and know-how**

### Solutions provided to Data Centers operators



Interconnection assets



Integrated commodity offering

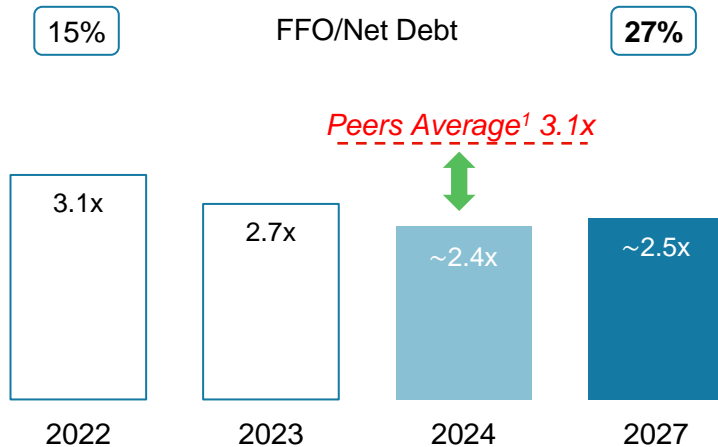


Development of electric infrastructure

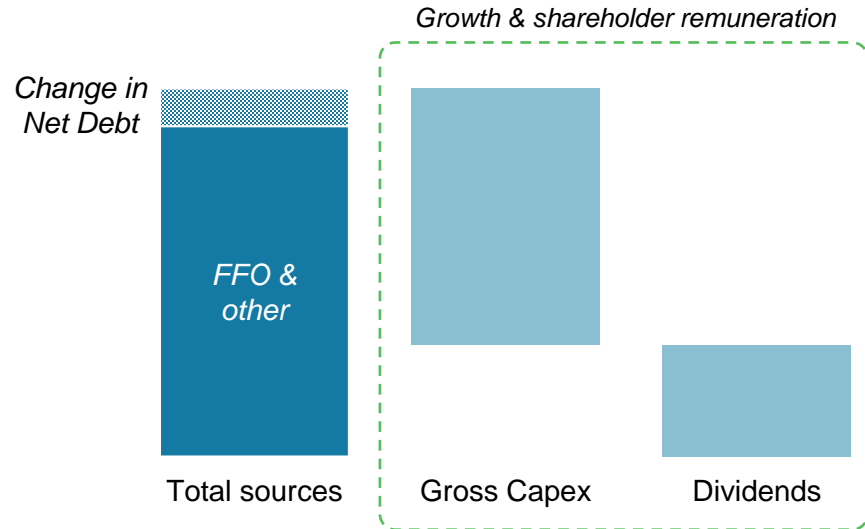
# A solid financial position to fund growth ambitions and shareholder remuneration



Leverage evolution (ND/EBITDA)



2025-27 Funds allocation (€bn)



**De-leverage** achieved through **improvement of results** and **execution of reengineered M&A plan**

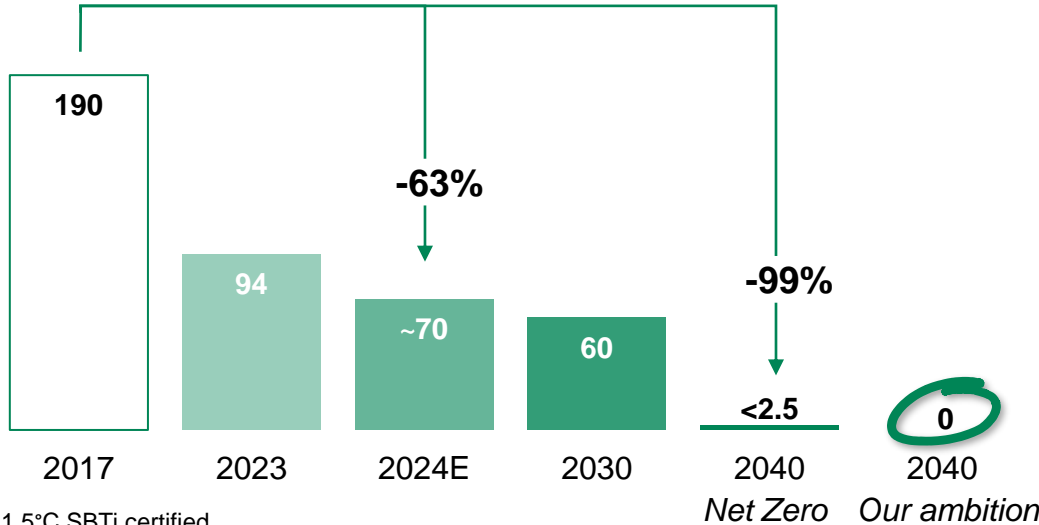
**Delivery, cash generation and financial discipline** enable **growth and shareholder remuneration**

1. Based on publicly available data published by companies

# Well on track to achieve Net Zero



Total absolute emissions (MtCO<sub>2eq</sub>)



1.5°C SBTi certified

**Net Zero - A roadmap aligned with the Paris Agreement (1.5°C pathway)**  
SBTi certification for 2030 and 2040 emission reduction targets across all scopes



2027

Exit coal power generation<sup>1</sup>

2040

Zero GHG emissions from both generation and retail business

Just Transition

A plan that preserves the social and economic context

1. The closure of a coal-fired power plant is not solely the Group's responsibility, but it is subject to an authorization process

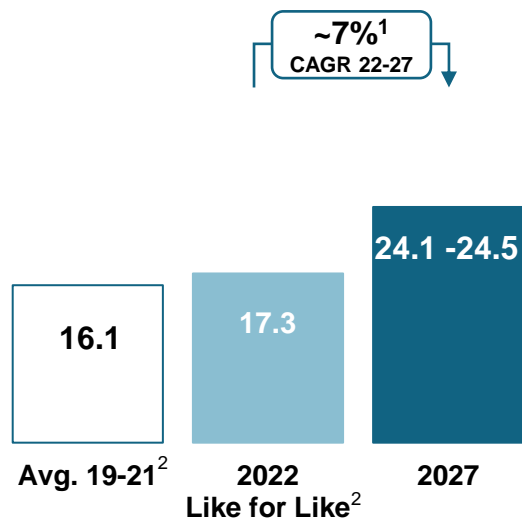


# **The Group in the next three years**

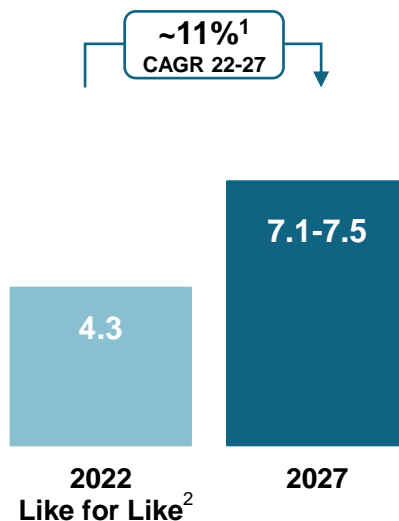
# Plan's targets



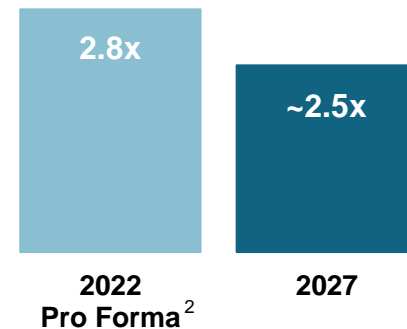
## Ordinary EBITDA (€bn)



## Ordinary Net Income (€bn)

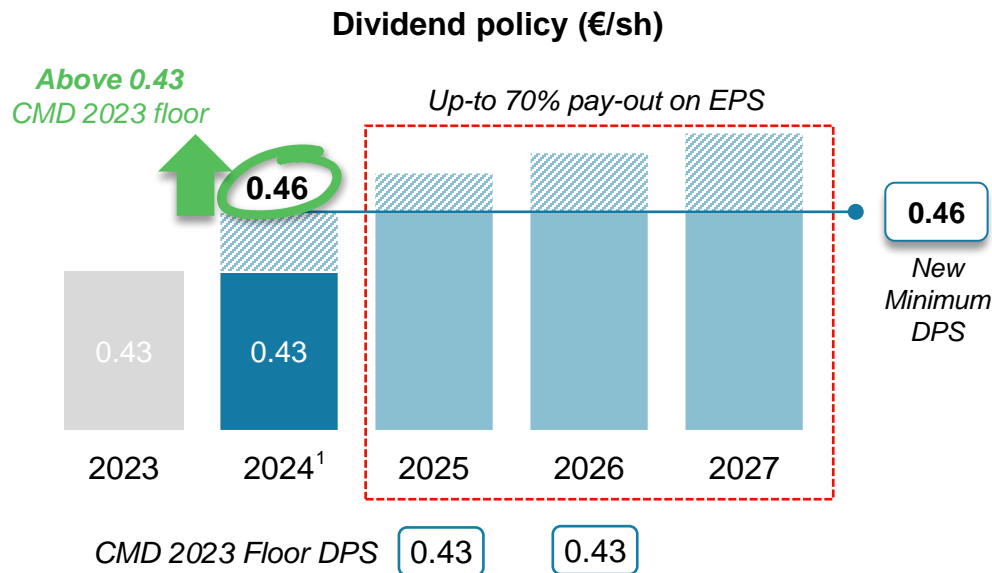


## Net Debt/EBITDA



1. Calculated on mid-point of the guidance range
2. Calculated excluding the impact from disposals and stewardship gains

# A value-driven strategy promotes sustainable value creation for shareholders



## 2025-27 Dividend Policy

- ✓ Step-up of 2024 DPS to 0.46 €/sh
- ✓ Removed cash-flow neutrality gate
- ✓ Increased minimum DPS across plan period vs old plan
- ✓ Upside potential linked to earnings trajectory

**Simple, visible and sustainable shareholder remuneration**  
**Minimum DPS of 0.46 €/sh with upside payment up-to 70% pay-out on Net Ordinary Income**

1. Dividend policy for 2024 foresees 0.43 €/sh fixed minimum DPS with a potential increase up to 70% pay-out on Net Ordinary Income, if cash flow neutrality is achieved



# **Stefano De Angelis**

*CFO*



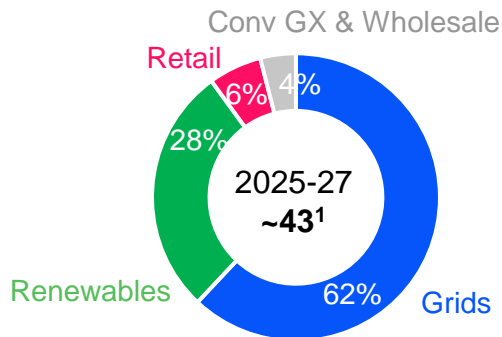


# Capital allocation and EBITDA growth

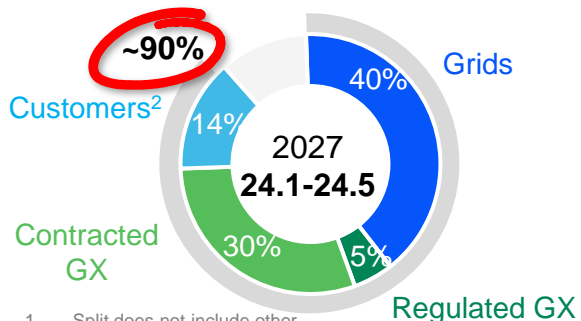
# Capital allocation execution and core operation improvement drive to a more resilient business profile



Gross Capex by business (€bn)

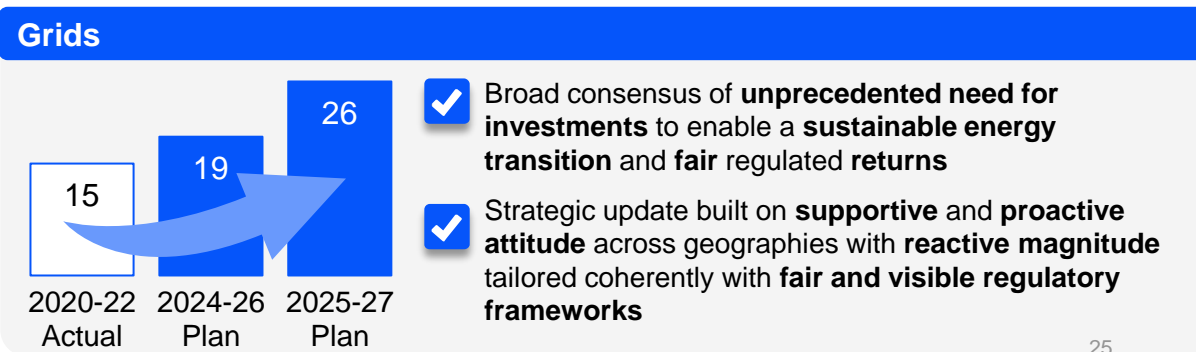
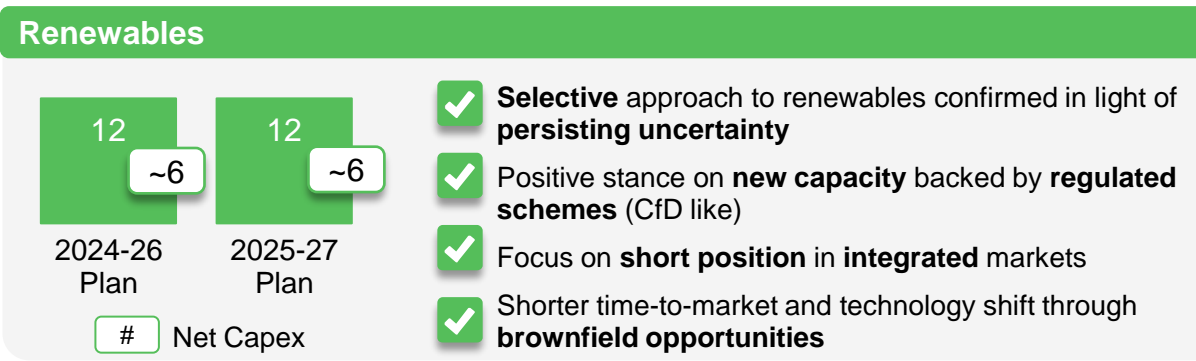


EBITDA coverage (€bn)



1. Split does not include other  
2. Regulated customers and volumes already contracted

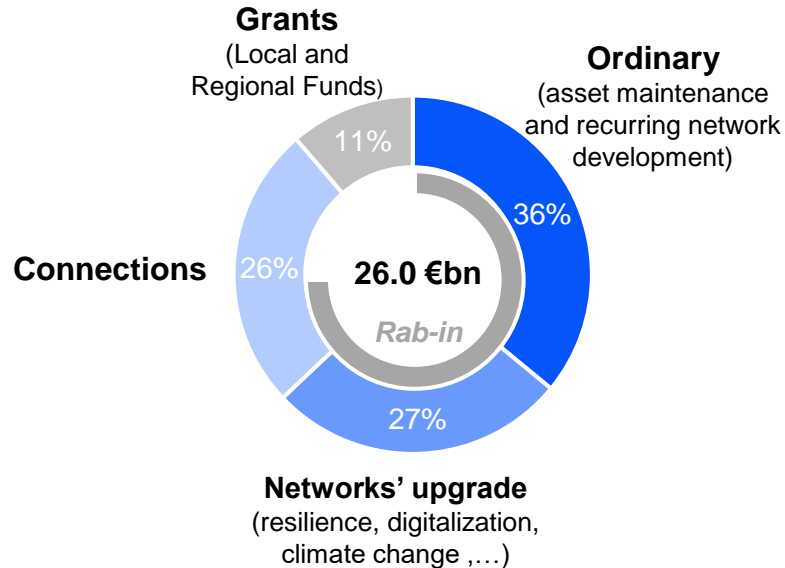
Cumulated Gross Capex (€bn)



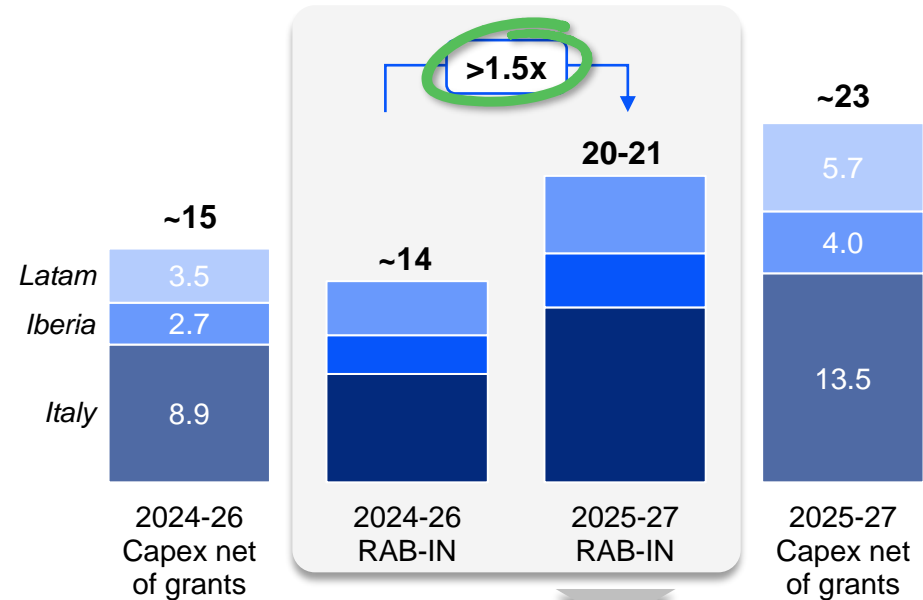
# Proactive attitude across geographies to foster a sustainable network upgrade with fair visible returns



### 2025-27 Gross capex by nature



### From Gross to "RAB-in" eligible Capex<sup>1</sup> (€bn)

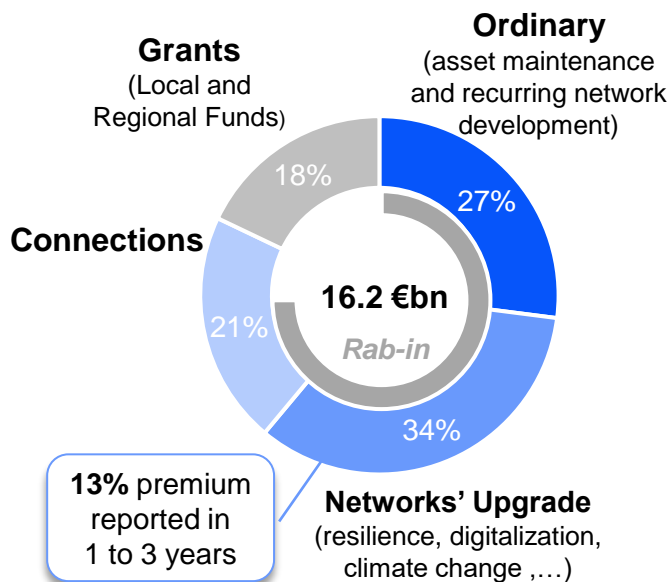


**~90%** of net capex flows into RAB

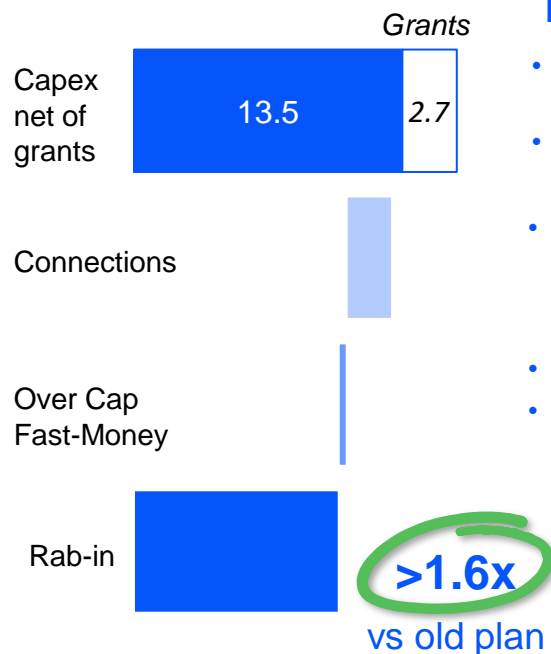
# Grids' capex remuneration scheme: focus on Italy



## 2025-27 Gross capex by nature



## Capex break-down (€bn)



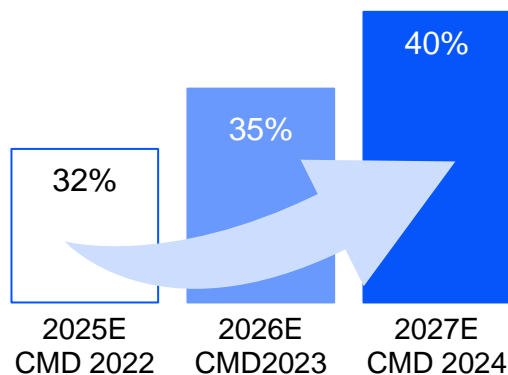
## Non-RAB regulated Incentive schemes

- According to **IFRS**, **Grants** are **deducted** from related asset when **cash-in**
- **10% premium** on gross investment to **EBITDA**
- **Connection contribution paid** by the customers is **excluded** from **RAB-in** and accounted at **P&L**
- New **ROSS** regulatory scheme introduced
- **Fast-Money** and **efficiency premium (EBITDA)** applied to **Capex** exceeding regulatory **Cap**

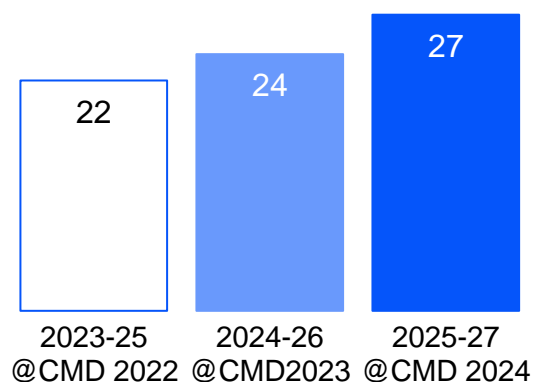


# Networks' contribution to the Group has been restored with improved business and risk profile

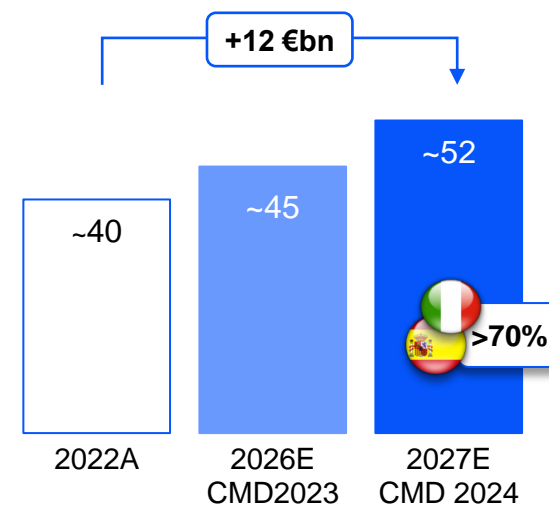
Grids share on Group EBITDA



Grids 3Y cumulated EBITDA (€bn)



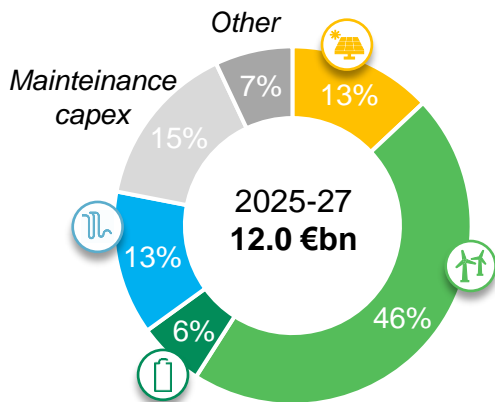
RAB evolution<sup>1</sup> (€bn)



**CMD 2024 cumulated EBITDA to exceed by more than 20% vs the target set in CMD 2022**

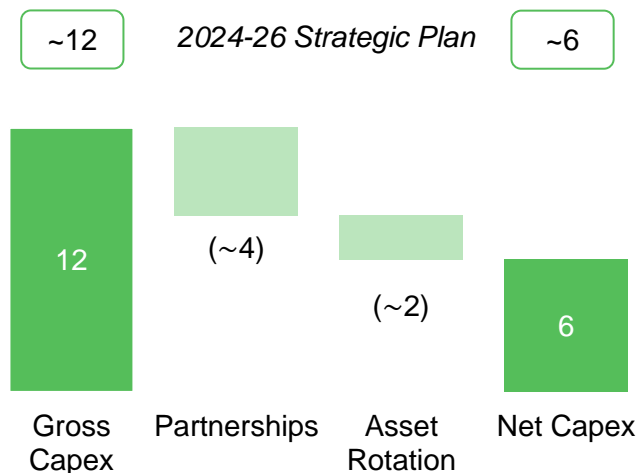
# New renewable capacity: shift in technology mix to further improve returns' risk profile

## Gross capex (€bn)



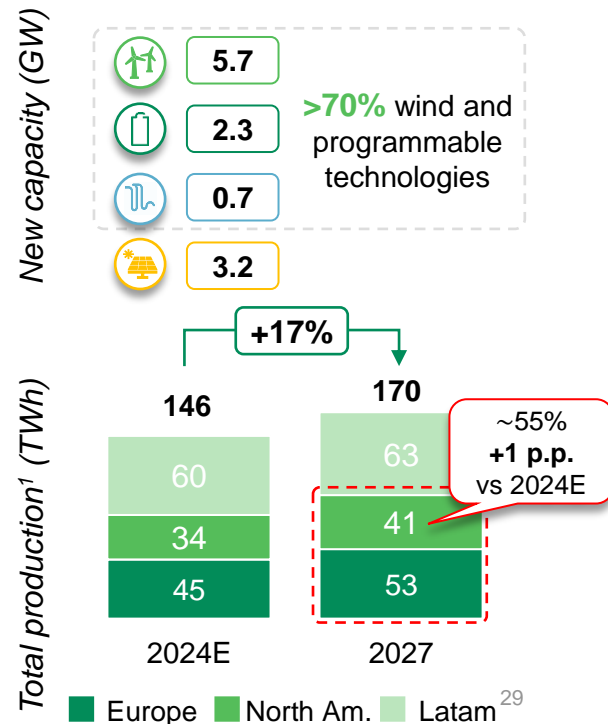
**0.4 €bn** equity injections  
(Mainly Australia and Greece)

## From Gross to Net Capex (€bn)



**Net Capex** in line with previous plan,  
with substantial improvement in  
**technology mix**

## Key operational



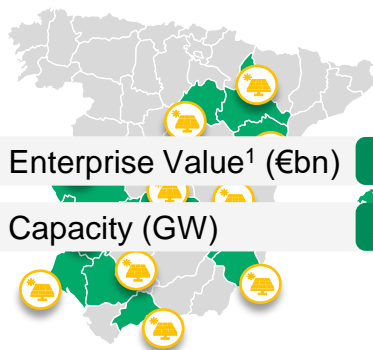
1. It includes managed production (~17 TWh in 2024E and ~18 TWh in 2027). Totals include 'Other countries'



# Brownfield deal in Spain proves the potential value creation upside of the new capital allocation strategy

July 2024

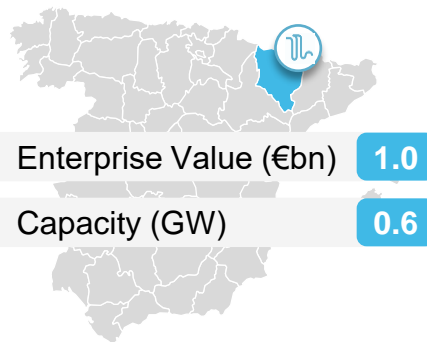
Sale of 49.99% of solar assets



- **Partnership Model:** improve financial flexibility retaining **control** in **core integrated** countries
- Improved project's **IRR**
- **Hedging risk** in the most **volatile** technologies

November 2024

Acquisition of 100% hydro assets



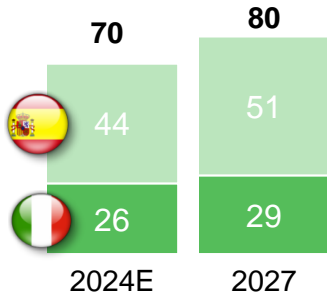
- **Ownership Model:** full control in core integrated markets and resilient technologies
- **Fully funded** by the partnerships and renewables industrial plan model
- **IRR-WACC** in line with plan's ambition

- ✓ **Reduce portfolio exposure** to most **volatile** assets while strengthening **readily available resilient capacity**
- ✓ Unique opportunity to add ready to go **flexible resources** to the asset base
- ✓ Exploit additional value generated by our **solid integrated presence** in the Country

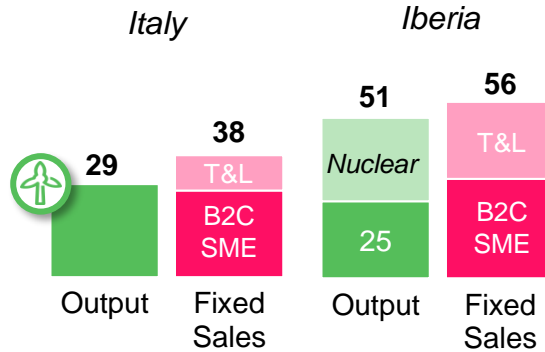
# A strategy tailored to fit market and country specifics



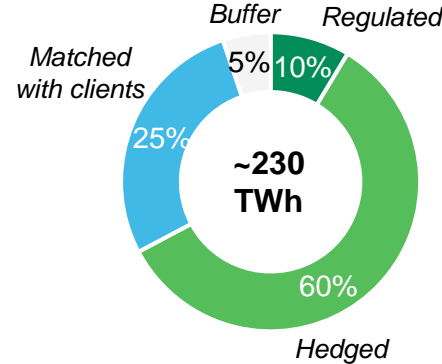
RES and Nuclear production (TWh)



Coverage @2027

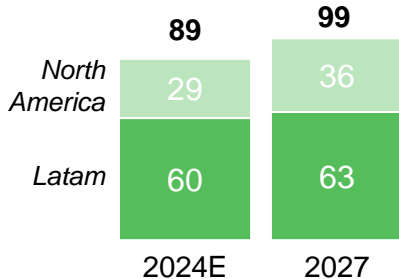


2025-27 production mix

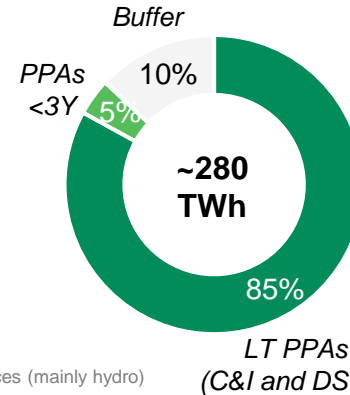
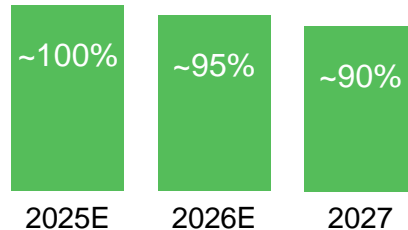


- **Limited PPA** demand for both **volumes** and **duration**
- Substantial coverage from **solid** and **resilient** customer base

Renewable production (TWh)



Contracted Revenues (% on RES Production<sup>1</sup>)



- Markets with **limited** or **absent B2C/SME** segment
- **LT PPAs** coverage as **pre-FID** condition
- **BESS** and **flexible** production to **secure** **wind/PV** and **optimize** **marginality**

1. Do not include long-term Production buffer secured as protection from short positions due to low availability of resources (mainly hydro)



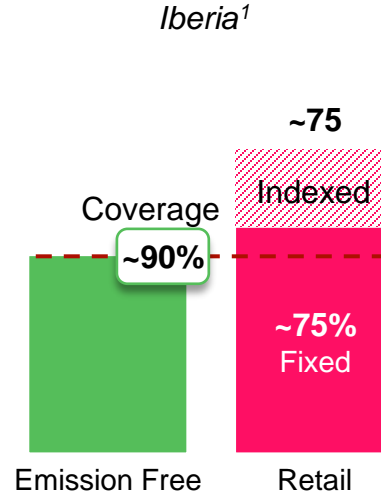
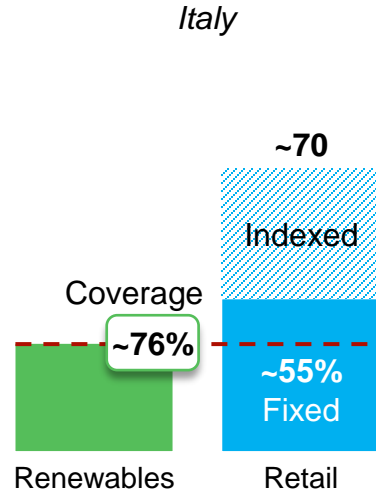
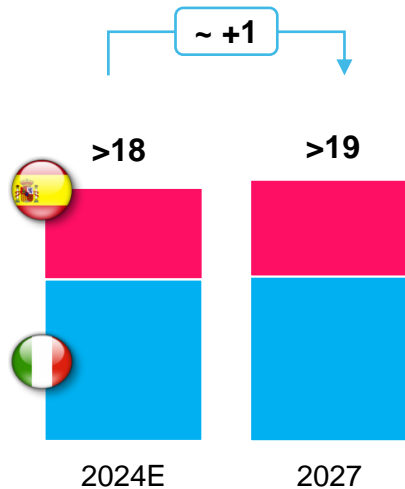
# A strategy tailored to fit market and country specifics: focus on Europe



Free power customers (mn)

Free power sales coverage @2027 (TWh)

Unique Service Platform



✓ **Integrated** sourcing-sales management improve **renewable coverage** and **E2E profitability**

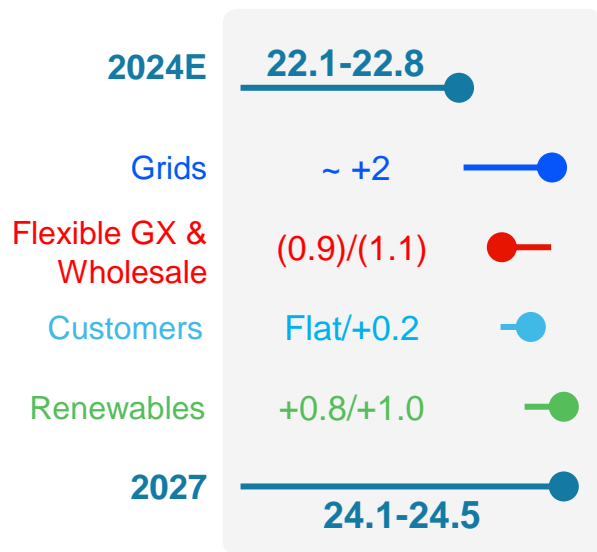
✓ Leveraging on a **solid** and **resilient B2C/SMEs** customer base and distinctive offering portfolio

1. Iberia power sales include international sales

# EBITDA growth leveraging on a consistent, solid and visible asset portfolio strategy



## EBITDA evolution<sup>1</sup> (€bn)



### Grids



- +7 €bn RAB and WACC updates drives **EBITDA growth**
- Extra remuneration on **networks upgrade, resilience projects** and **grants** compensation close the bridge to 2027 EBITDA

### Generation



- EBITDA growth from added **renewable capacity** and further **optimization** of the **integrated energy management** is partially offset by pool price reduction
- Conservative scenario on **conventional capacity** progressively limited to **flexible and regulated services generation**
- Reduced exposure (economic and financial) to **Long Term gas contracts**

### Customers



- Deployment of the **multi-service bundled** commercial strategy in a **normalized commodity** market leveraging on a **fully repositioned customer base** (Italy)
- Profitability supported by **productivity** gains in physical and digital channels

1. Calculated on mid-point of the guidance range

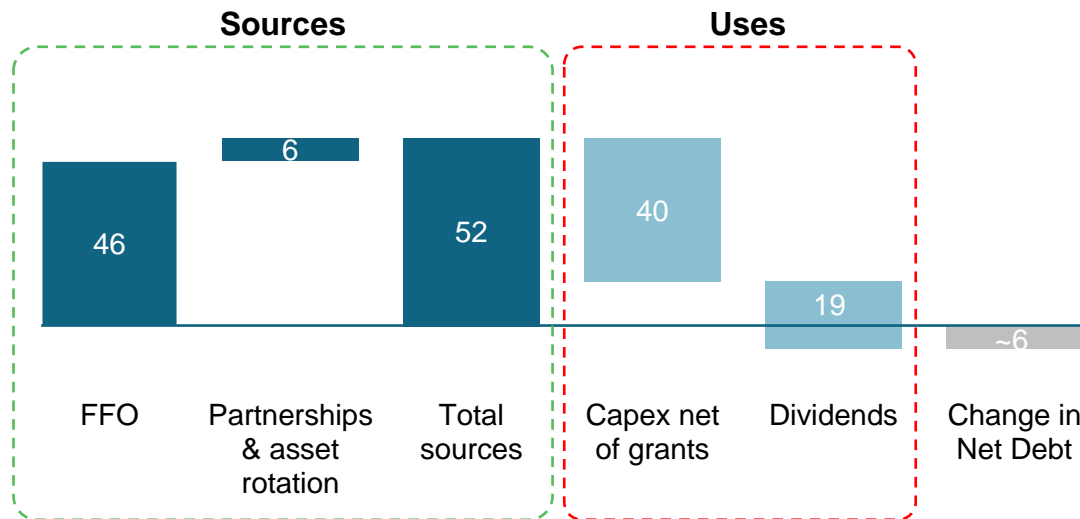


# The financial plan

# Industrial growth and shareholder remuneration fueled by a solid financial position



2025-27 Funds allocation (€bn)



Leveraging on **financial flexibility** and **cash generation** to fund **growth ambitions**

- Average **EBITDA conversion** into FFO with an increasing trend reaching **65%** at end of plan period
- **Grants** contribution and **partnership model** to **lower risk** and **optimize financial effort**

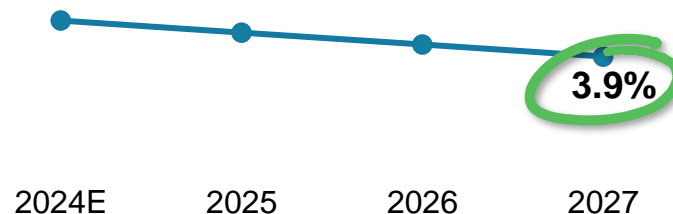
# Refinancing strategy and cost of debt evolution



## Financial strategy for 2025-27

	Amount (€bn)	Expected cost <sup>1</sup>
Centralized	26.9	3.6%
Countries	3.8	8.2%
<b>Total</b>	<b>30.7</b>	<b>4.1%</b>

## Cost of debt evolution 2024E-27



## Financial expenses (€bn)

	2024E	2025	2026	2027
On debt	2.8	2.7	2.9	3.1
Other	0.4	0.4	0.4	0.3
<b>Total</b>	<b>3.2</b>	<b>3.1</b>	<b>3.3</b>	<b>3.4</b>

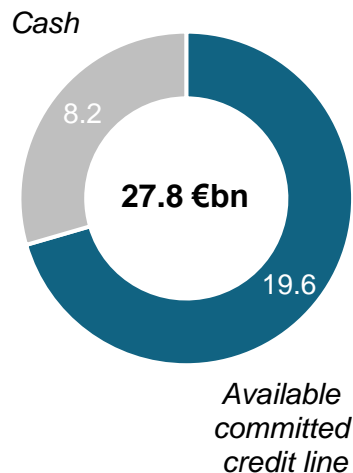
@ 2027 Centralized finance **~90%** Sustainable finance **75%** Fixed gross debt<sup>2</sup> **78%**

1. Enel estimates on current cost associated with financial instruments  
 2. Fixed rate or swapped to fixed rate

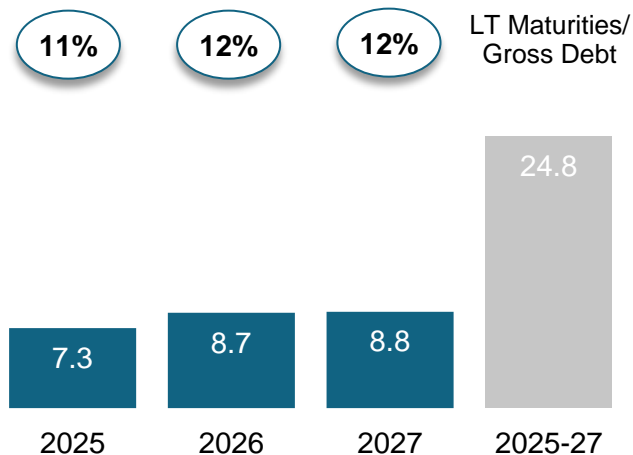
# Solid liquidity position to cover long term maturities



Liquidity available<sup>1</sup>



LT Debt maturity by year (€bn)



**Ample liquidity** available covers **> 100% debt maturities** over the period 25-27

**Average yearly refinancing** on gross debt **in line** versus last three years



1. As of September 30<sup>th</sup>

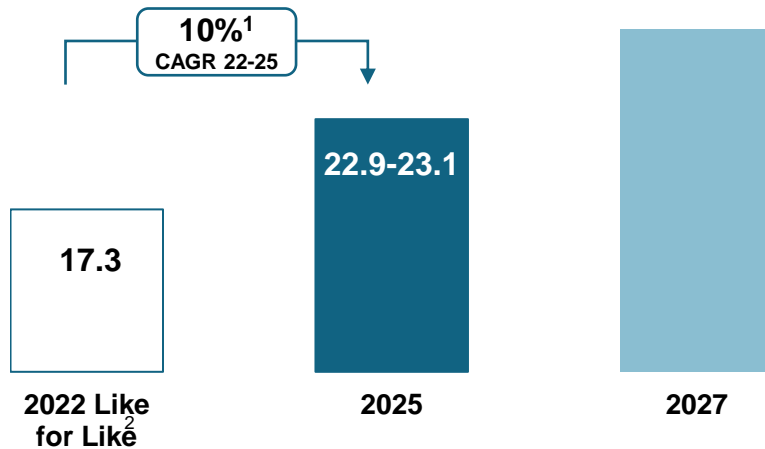


# Targets

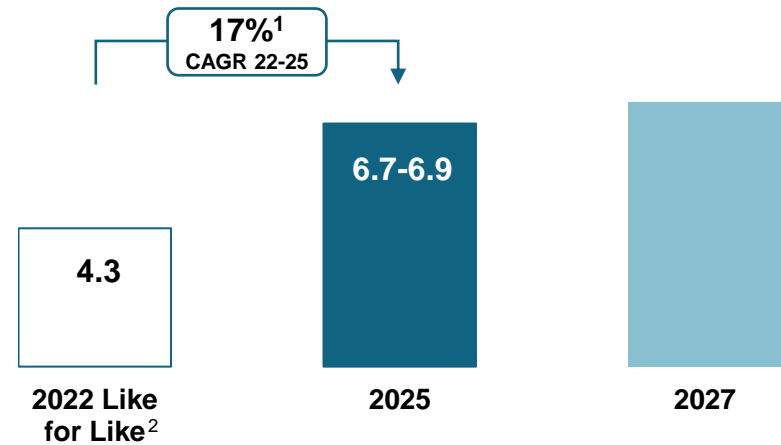
# Plan's targets for 2025



## Ordinary EBITDA (€bn)



## Ordinary Net Income (€bn)



1. Calculated on mid-point of the guidance range  
2. Calculated excluding the impact from disposals and stewardship gains





# Closing remarks

## Closing remarks



A **solid** Strategic Plan centered on **core activities**, open to **innovation** to unlock further **value**

**Optimization** of the **risk-return** profile of the Group, boosting **investments** on **regulated assets** with **stable returns**

**Continued** maximization of **cash generation** to maintain a **solid financial position** while improving **shareholder remuneration**

**Focus** on **core businesses** and **geographies** to enhance **visibility** and **value creation**

**Optimizing risk-return profile while maximizing total shareholder return**

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