PRESS RELEASE

Media Relations

T +39 06 8305 5699
ufficiostampa@enel.com

enel.com

Investor Relations

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

enel.com

ENEL, NET ORDINARY INCOME INCREASES 10.5% IN FIRST QUARTER 2020

- **Revenues:** 19,985 million euros (22,755 million euros in the first quarter of 2019, -12.2%)
  - *the change is mainly attributable to lower volumes of electricity sales in Italy and Spain as well as gas in Spain, to Thermal Generation and Trading in Italy, reflecting a decline in trading activities and the effects connected with the application of IFRIC interpretations*[1]*, on top of adverse exchange rate developments, especially in Brazil, Chile and Colombia*

- **EBITDA**: 4,708 million euros (4,548 million euros in the first quarter of 2019, +3.5%)

- **Ordinary EBITDA**: 4,741 million euros (4,454 million euros in the first quarter of 2019, +6.4%) net of extraordinary items in the two periods under review
  - *the increase was driven by the improved performance of Thermal Generation and Trading, by a larger contribution from Enel Green Power and by the effects of the renewal of the 5th Endesa Collective Bargaining Agreement in Spain, which more than offset adverse exchange rate developments in Latin America*

- **EBIT**: 3,109 million euros (2,981 million euros in the first quarter of 2019, +4.3%)

- **Group net income**: 1,247 million euros (1,256 million euros in the first quarter of 2019, -0.7%)

- **Group net ordinary income**: 1,281 million euros (1,159 million euros in the first quarter of 2019, +10.5%) net of extraordinary items in the two periods under review
  - *the increase was driven by the improvement in ordinary operating performance*

- **Net financial debt:** 47,097 million euros (45,175 million euros at the end of 2019, +4.3%)
  - *the increase also reflects capital expenditure during the period*

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[1] *International Financial Reporting Interpretations Committee.*

Rome, May 6th, 2020 – The Board of Directors of Enel S.p.A. ("Enel"), chaired by Patrizia Grieco, examined and approved the interim financial report at March 31st, 2020.

Consolidated financial highlights for the first quarter of 2020

REVENUES

The following table reports revenues by **business line:**

Revenues *(millions of euros)*	**Q1 2020**	**Q1 2019**	**Change**
Thermal Generation and Trading	8,574	10,068	-14.8%
Enel Green Power	1,819	2,017	-9.8%
Infrastructure and Networks	4,962	5,251	-5.5%
End-user markets	8,361	9,283	-9.9%
Enel X	223	193	15.5%
Services	395	389	1.5%
Other, eliminations and adjustments	(4,349)	(4,446)	2.2%
TOTAL	**19,985**	**22,755**[2]	**-12.2%**

- **Revenues in the first quarter of 2020** amounted to 19,985 million euros, a decline of 2,770 million euros (-12.2%) compared with the same period of 2019. The change mainly reflects (i) a decrease in revenues on **End-user markets,** due to a decline in sales of electricity in Spain and Italy, mainly on the regulated market, and in sales of gas in Spain; (ii) a decrease in revenues from **Thermal Generation and Trading** in Italy, reflecting a decline in trading activities and the application of the IFRIC Agenda Decision of 2019 concerning the sale of energy commodities with physical settlement measured at fair value[2] through profit or loss; (iii) exchange rate losses of 359 million euros, mainly in Brazil, Chile and Colombia.

- Revenues in the **first quarter of 2020** do not include extraordinary items. **Extraordinary items** in revenues in the **first quarter of 2019** included the gain of 108 million euros on the disposal of Mercure S.r.l., a vehicle company to which Enel Produzione had previously transferred the Valle del Mercure biomass plant in Italy.

EBITDA and ORDINARY EBITDA

The following table reports EBITDA by **business line**:

[2] The figures for the first quarter of 2019 have been adjusted to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on reported margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss.

EBITDA (millions of euros)	Q1 2020	Q1 2019	Change
Thermal Generation and Trading	692	595	16.3%
Enel Green Power	1,138	1,248	-8.8%
Infrastructure and Networks	1,945	1,826	6.5%
End-user markets	933	861	8.4%
Enel X	7	3	-
Services	23	44	-47.7%
Other, eliminations and adjustments	(30)	(29)	-3.4%
TOTAL	**4,708**	**4,548**	**3.5%**

The following table reports ordinary EBITDA by **business line**:

Ordinary EBITDA (millions of euros)	Q1 2020	Q1 2019	Change
Thermal Generation and Trading	695	501	38.7%
Enel Green Power	1,139	1,248	-8.7%
Infrastructure and Networks	1,958	1,826	7.2%
End-user markets	941	861	9.3%
Enel X	8	3	-
Services	29	44	-34.1%
Other, eliminations and adjustments	(29)	(29)	-
TOTAL	**4,741**	**4,454**	**6.4%**

Ordinary EBITDA in the first quarter of 2020 amounted to 4,741 million euros, an increase of 287 million euros compared with the same period of 2019 (+6.4%).
Extraordinary items in the first quarter of 2020 that impact EBITDA include costs of 33 million euros incurred in response to the emergency related to the COVID-19 outbreak for workplace sanitization, personal protective equipment and donations.
In the first quarter of 2019, extraordinary items included the gain on the disposal of Mercure S.r.l. referred to under revenues, net of charges for the reclamation of the plant site in the amount of 14 million euros.

The increase in ordinary EBITDA is mainly attributable to:

- the growth of **Infrastructure and Networks** in the amount of 132 million euros, essentially reflecting the positive effects, for an overall 178 million euros, of the change in the electricity discount benefit in Spain following the 5th Endesa Collective Bargaining Agreement in Spain, net of the provision carried out during the period for early termination benefits; these effects were partially offset by the adverse exchange rate developments, especially in Latin America;

- the increase of 194 million euros posted by **Thermal Generation and Trading** (i) mainly reflecting the rise of 165 million euros in Spain as a result of the change in the abovementioned electricity discount benefit, net of the provision for voluntary early termination benefits, and (ii) for the improved thermal generation margin related to a reduction in supply costs and to operating efficiencies, mainly in Italy and Spain. These positive factors more than offset (i) the decrease in the ordinary EBITDA recorded in Latin America, largely reflecting the effect of income in the first quarter of 2019 from the indemnity for the early withdrawal from an electricity supply contract in Chile, and (ii) the decrease of ordinary EBITDA in Russia attributable to the sale of the Reftinskaya plant in October 2019;
- the increase of 80 million euros in the margin of **End-user markets**, mainly reflecting the improved margins posted in Spain as a result of the increase in unit margins and in Romania. The improvement more than offset a contraction in margins recognized in Italy;
- **Enel Green Power**'s operational performance, up 77 million euros by excluding from the 109 million euro ordinary EBITDA decline the negative effects related to the recognition, in the first quarter of 2019, of the income associated with the indemnity for the early withdrawal from an electricity supply contract in Chile (80 million euros) and the recognition of negative goodwill (106 million euros) for the acquisition by Enel North America (formerly Enel Green Power North America) of a number of companies sold by Enel Green Power North America Renewable Energy Partners LLC ("EGPNA REP").

EBIT

The following table reports EBIT by **business line**

EBIT (millions of euros)	Q1 2020	Q1 2019	Change
Thermal Generation and Trading	475	300	58.3%
Enel Green Power	826	945	-12.6%
Infrastructure and Networks	1,263	1,140	10.8%
End-user markets	627	656	-4.4%
Enel X	(26)	(27)	3.7%
Services	(17)	-	-
Other, eliminations and adjustments	(39)	(33)	-18.2%
TOTAL	**3,109**	**2,981**	**4.3%**

EBIT for the first quarter of 2020 amounted to 3,109 million euros, up 128 million euros (+4.3%) compared with the same period of 2019, in line with the increase in EBITDA, partly offset by an increase of 32 million euros in depreciation, amortization and impairment losses.

GROUP NET INCOME and NET ORDINARY INCOME

	Q1 2020	Q1 2019	Change	
Group net income	**1,247**	**1,256**	**(9)**	**-0.7%**
Disposal of interest in Mercure S.r.l.	-	(97)	97	-
Value adjustment of a number of operations	12	-	12	-
Costs related to COVID-19	22	-	22	-
Group net ordinary income	**1,281**	**1,159**	**122**	**10.5%**

In the first quarter of 2020, **Group net ordinary income** amounted to 1,281 million euros, compared with 1,159 million euros in 2019, an increase of 122 million euros (+10.5%). The change is mainly attributable to the improvement in ordinary operating performance, as well as to:

- a reduction in financial expense, primarily due to the reduction in the cost of debt;
- an improvement in the performance achieved by companies accounted for using the equity method, mainly reflecting the effect of the recognition in the first quarter of 2019 of the capital loss recorded in the United States mainly following the effects of the repurchase of a number of companies from the EGPNA REP joint venture.

These factors more than offset:

- an increase in taxes in the first quarter of 2020, attributable to the increase in pre-tax income and to the recognition in 2019 of the tax benefit relating to the "*revaluo*" for certain generating companies in Argentina;
- an increase in the share of profit attributable to non-controlling interests as a result of the greater contribution of the Spanish companies to Group performance.

FINANCIAL POSITION

The financial position shows **net capital employed** at March 31st, 2020, including net assets held for sale of 9 million euros, equal to **92,920 million euros** (92,113 million euros at December 31st, 2019).
It was funded by:

- **equity** pertaining to shareholders of the Parent Company and non-controlling interests of **45,823 million euros** (46,938 million euros at December 31st, 2019);
- **net financial debt** of **47,097 million euros** (45,175 million euros at December 31st, 2019). The increase of 1,922 million euros in net financial debt (+4.3%) reflects (i) capital expenditure for the period (1,870 million euros) and (ii) the payment of dividends totaling 2,182 million euros.
  Positive operating cash flow generated by operations (2,053 million euros) partially covered the financial needs connected with the factors cited above.

At March 31st, 2020, the **debt/equity ratio** came to **1.03** (0.96 at December 31st, 2019). The change mainly reflected the increase in debt detailed above.

CAPITAL EXPENDITURE

The following table reports capital expenditure by **business line**:

Capital expenditure (millions of euros)	Q1 2020	Q1 2019	Change
Thermal Generation and Trading	82	81	1.2%
Enel Green Power	750	801	-6.4%
Infrastructure and Networks	886	836	6.0%
End-user markets	93	85	9.4%
Enel X	49	52	-5.8%
Services	6	12	-50.0%
Other, eliminations and adjustments	4	4	-
TOTAL[1]	**1,870**	**1,871**	**-0.1%**

[1] The figure for the first quarter of 2019 does not include 1 million euros regarding units classified as "held for sale".

Capital expenditure amounted to 1,870 million euros in the first quarter of 2020, mainly in line with the same period of 2019. More specifically, the first quarter of 2020 registered (i) a reduction in investment in renewable generation plants, mainly in the Iberian peninsula, Mexico, Canada, Greece and Zambia due to the entry into service of projects under construction in the first quarter of 2019, only partly offset by greater investments in Brazil, South Africa and the United States, as well as (ii) an increase in investment for distribution grids in Italy and Romania in connection with service quality initiatives.

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OPERATIONAL HIGHLIGHTS FOR THE FIRST QUARTER OF 2020

	Q1 2020	Q1 2019	Change
Electricity sales (TWh)	**77.7**	82.3[1]	-5.6%
Gas sales (billions of m^3)	**3.7**	4.0	-7.5%
Total net efficient installed capacity (GW)	**84.7**	84.3[2]	+0.5%
• **of which renewables (GW)**[3]	**42.5**	42.1[2]	+0.9%
Electricity generated (TWh)	**51.4**	59.1	-13.0%
Electricity distributed (TWh)	**122.4**	126.6[4]	-3.3%
Employees (no.)	**67,921**	68,253[2]	-0.5%

[1] As volumes also include sales to large customers by generation companies in Latin America, the figure for 2019 has been restated.
[2] At December 31st, 2019.
[3] The net efficient installed capacity from renewables, also including managed capacity, amounts to 46 GW at March 31st, 2020 and 45.8 GW at December 31st, 2019.
[4] The figure for 2019 was restated in 2020.

Electricity and gas sales

- **Electricity sales** in the first quarter of 2020 amounted to **77.7 TWh**, a 4.6 TWh decrease (-5.6%) on the same period of 2019. This change mainly reflects:
  - a decrease in quantities sold in Latin America (-1.7 TWh), mainly in Chile (-0.9 TWh);
  - a decrease in quantities sold in Italy (-2.7 TWh) and Spain (-0.7 TWh), partly offset by an increase in sales in Romania (+0.5 TWh).
- **Natural gas sales** amounted to **3.7 billion cubic meters**, down 0.3 billion cubic meters on the same period of the previous year.

Total net efficient installed capacity

Enel's total net efficient installed capacity in the first quarter of 2020 was **84.7 GW**, a 0.4 GW increase mainly due to the installation of new wind capacity in North America (0.2 GW) and solar capacity in Brazil (0.2 GW).

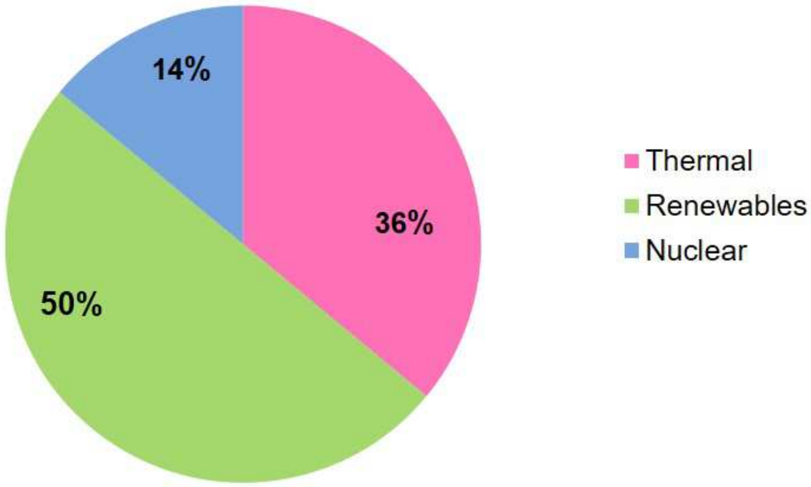
Electricity generated

Net electricity generated by the Enel Group in the first quarter of 2020 amounted to **51.4 TWh**[3], a decrease of 7.7 TWh on the same period of 2019 (-13.0%), mainly attributable to a decline in thermal generation in Spain, Italy and Russia.
More specifically, the period saw:

- an increase in renewable generation (+2.7 TWh, of which: +1.3 TWh of hydropower, +1.1 TWh of wind power and 0.3 TWh of solar and geothermal power);
- a decrease in thermal generation (-10.5 TWh), mainly due to a reduction in coal-fired generation (-10.7 TWh) in Italy, Spain and Russia;
- nuclear generation, equal to 7.2 TWh, was virtually unchanged (+0.1 TWh) on the same period of 2019.

[3] 54 TWh including the output from approx. 3.5 GW of managed renewable capacity.

Generation mix of Enel Group plants



Power generation from renewable sources, including volumes produced by managed capacity, far exceeded thermal generation, reaching 28.0 TWh (25.6 TWh in the first quarter of 2019, +9.3%), compared with 18.8 TWh from thermal generation (29.3 TWh in the first quarter of 2019, -35.9%).

Zero-emission generation reached 64% of the total generation of the Enel Group considering only output from consolidated capacity. It rose to 65% if managed generation capacity [4] is also included. *Decarbonization of the generation mix* by 2050 remains the long-term objective of the Enel Group.

Electricity distributed

- **Electricity transported** on Enel Group distribution networks in the first quarter of 2020 amounted to 122.4 TWh, of which 53.6 TWh in Italy and 68.8 TWh abroad.
- The volume of **electricity distributed in Italy** decreased by 2.8 TWh (-5%) on the same period of 2019:
  - with a slight deterioration compared with electricity demand on the national power grid (-4.5%). The percentage change in demand on the national market amounted to -5.3% in the North, -4.5% in the Center, -4.4% in the South and -0.6% in the Islands. The South and the Islands are mainly served by e-distribuzione; in the Center and North, other major operators account for a total of about 15% of volumes distributed.
- **Electricity distributed outside of Italy** amounted to 68.8 TWh, a decrease of 1.4 TWh (-2.0%) on the same period of 2019, with most of the decline registered in Spain (-0.9 TWh) and Brazil (-0.5 TWh).

[4] Capacity not consolidated by the Enel Group but operated under the "Build, Sell and Operate" model.

EMPLOYEES

The Enel Group workforce at March 31st, 2020 numbered **67,921** (68,253 at December 31st, 2019). The change in the first three months of 2020 (-332) reflects the impact of:

- the balance between new hires and terminations (-278);
- the change in the scope of consolidation (-54), mainly due to the disposal of hydro plants in the United States.

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OUTLOOK

Enel's 2020-2022 Strategic Plan, presented in November 2019, is founded on a sustainable and fully integrated business model. The model is designed to seize the opportunities presented by the energy transition and linked to the global trends that are sweeping through the energy industry: decarbonization and electrification. The digitalization of grids and the adoption of platforms for all customer-related activities are enablers of the Group's strategy, which aims to accelerate the development of renewables while at the same time reducing thermal generation. More specifically, the 2020-2022 Investment Plan envisages that:

- investments in **decarbonization** will amount to about 14.4 billion euros (50% of total capital expenditure), aimed at developing new renewable capacity and gradually replacing conventional generation assets. The contribution of decarbonization to EBITDA growth will be equal to 1.4 billion euros over the plan period. Renewable capacity is expected to reach 60% of total capacity in three years, driving the increase in the profitability of generation fleet and increasing zero CO_2 emission output up to 68% in 2022. The sharp acceleration in the growth of renewables will support the Group's pursuit of the goal of reducing emissions of greenhouse gases in line with the Paris Agreement and of achieving total decarbonization of its generation mix by 2050;

- about 1.2 billion euros of investment will be dedicated to the **electrification** of energy consumption, leveraging the growth and diversification of the retail customer base and the efficiencies associated with the transfer of activities to platforms. The expected contribution of these investments to the Group's EBITDA growth amounts to 0.4 billion euros;

- around 13 billion euros will be invested in the enablers of the energy transition, *i.e.* **infrastructure**, to adapt distribution grids to a generation mix based on renewable energy, and **ecosystems and platforms**, to develop new services, such as electric mobility and demand response, which will play an increasing role in the energy transition. The expected contribution to EBITDA growth is about 1.1 billion euros.

Overall, the Group expects to invest 28.7 billion euros over the course of the plan. Investments will directly impact three main SDGs: SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure) and SDG 11 (Sustainable Cities and Communities), therefore contributing to SDG 13 on Climate Action.

Under Enel's dividend policy, over the plan period it will continue to pay out a dividend equal to the greater of 70% of consolidated net ordinary income and a guaranteed minimum dividend per share (DPS), with a compound annual growth rate of 8.6% for the implicit DPS and 7.7% for the minimum DPS.

For 2020, Enel's 2020-2022 Strategic Plan envisages:

- an acceleration of investment in renewable energy, mainly in Latin America and North America, in support of industrial growth and to drive decarbonization;

- further progress in the digitalization of distribution grids, mainly in Italy and Latin America, with the aim of improving service quality and increasing grid flexibility as well as resilience;

- an increase in investments devoted to the electrification of energy consumption, with the aim of leveraging the expansion of the customer base, and to continuous efficiency enhancement, supported by the creation of global business platforms.

With regard to the ongoing emergency related to the COVID-19 outbreak, the Group has issued guidelines aimed at preventing and/or mitigating the effects of contagion in the workplace and at the same time ensuring business continuity. Thanks to the geographical diversification of the Group, its integrated business model along the value chain, a sound financial structure and the level of digitalization achieved, which enables to ensure the continuity of operations with the same level of service, there is no current evidence of significant impacts of the emergency related to the COVID-19 outbreak on the Group itself.
Constant monitoring of the possible impact of the emergency on macroeconomic and business variables has been implemented in order to obtain the best, real-time estimates of potential effects on the Group and enable their mitigation with response or contingency plans.

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RECENT EVENTS

April 3rd, 2020: Enel announced that it had entered into two new share swap transactions (the "Swap Transactions") with a financial institution to increase its shareholding in its listed Chilean subsidiary Enel Américas S.A ("Enel Américas") by up to an additional 2.7% in order to reach the maximum shareholding currently allowed by Enel Américas' bylaws, equal to 65%. The increase will be carried out in view of the expected completion by May 2020 of the ongoing share swap transactions to increase Enel's stake in Enel Américas by up to 5%, reaching up to 62.3% of the company's share capital.
Pursuant to the Swap Transactions, Enel may acquire, on dates that are expected to occur no later than the end of 2020, additional shares of Enel Américas' common stock and American Depositary Shares ("ADSs").
The number of shares of Enel Américas' common stock and Enel Américas' ADSs actually acquired by Enel pursuant to the Swap Transactions will depend on the ability of such financial institution to establish its hedge positions with respect to the Swap Transactions.
The abovementioned transactions are in line with the Enel Group's announced objective to buy out minorities in subsidiaries operating in South America.

More information on these events is available in the associated press releases published in the Enel website at the following address: https://www.enel.com/media/explore/search-press-releases?

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NOTES

At 18:00 CET today, May 6th, 2020, a conference call will be held to present the results for the first quarter of 2019 to financial analysts and institutional investors. Journalists are also invited to listen in on the call. Documentation relating to the conference call will be available on Enel's website (www.enel.com) in the Investor section from the beginning of the call.
The condensed income statement, statement of comprehensive income, condensed balance sheet and condensed cash flow statement for the Enel Group on a consolidated basis are attached below. A descriptive summary of the alternative performance indicators is also attached.

The officer responsible for the preparation of the corporate financial reports, Alberto de Paoli, certifies, pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Financial Intermediation that the accounting information contained in this press release corresponds with that contained in the accounting documentation, books and records.

ACCOUNTING STANDARDS AND CHANGES IN SCOPE OF CONSOLIDATION

Unless otherwise specified, the balance sheet figures at March 31st, 2020 exclude assets and liabilities held for sale, mainly connected with a number of plants held for sale in the Enel Produzione business unit.

The representation of performance by business area presented here is based on the approach used by management in monitoring Group performance for the two periods under review, taking account of the operational model adopted by the Group.
With regard to operating segment disclosures, note that as of the reporting date of September 30th, 2019, and including the comparative figures, the Enel Group has modified its primary and secondary segments in accordance with the provisions of IFRS 8. Specifically, bearing in mind that in 2019, management, understood as the highest level of operational decision-making for the purpose of adopting decisions on the resources to be allocated to the sector and for measuring and assessing results, has begun to disclose its results to the market on the basis of business areas, the Enel Group has consequently adopted the following segment approach:

- primary sector: business area; and
- secondary sector: geographical area.

The business area is therefore the prime discriminant and is the predominant focus of the analyses performed and decisions taken by the management of the Enel Group. This is fully consistent with the internal reporting prepared for these purposes since the results are measured and evaluated primarily for each business area and only subsequently are broken down by country.
In addition, as from March 31st, 2020, in Latin America the data for large customers managed by the generation companies have been reallocated to the End-user markets business line.

In its Agenda Decision of 2019, IFRIC clarified the proper recognition of contracts entered into to buy or sell fixed-price non-financial items, accounted for at fair value through profit or loss under IFRS 9 and physically settled, including energy commodities.

On that basis, from 2019 the Group changed its accounting policy, modifying the classification of the effects of contracts for the purchase or sale of commodities measured at fair value through profit or loss, with no impact on the margins recognized.
The current treatment of such contracts for non-financial items that do not meet the requirements for the own use exemption envisages the recognition:

- under revenues, of changes in fair value on outstanding sale contracts as well as, at the settlement date, of the associated revenues together with the effects in profit or loss of the derecognition of the assets/liabilities deriving from the fair value measurement of those contracts;
- under costs, of changes in fair value on outstanding purchase contracts and, at the settlement date, of the associated purchase costs as well as the effects in profit or loss from derecognition of the assets/liabilities deriving from the fair value measurement of those contracts.

Accordingly, the figures for 2019 were also adjusted to take account, for comparative purposes only, of the impact of the clarification.

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KEY PERFORMANCE INDICATORS

This press release uses a number of "alternative performance indicators" not envisaged in the IFRS-EU accounting standards but which management feel can facilitate the assessment and monitoring of the Group's performance and financial position. In line with CONSOB Communication no. 0092543 of December 3rd, 2015 and the Guidelines issued on October 5th, 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, amortization and impairment losses";
- **Ordinary EBITDA**: is calculated by excluding from EBITDA all items associated with non-recurring transactions such as acquisitions or disposals of companies (for example, capital gains and losses), with the exception of those registered in the renewable energy development sector under the "Build, Sell Operate" model initiated in the fourth quarter of 2016, in which the proceeds of disposals of projects represent the result of ordinary activities for the Group. As a result of the emergency related to the COVID-19 outbreak, as from the First Quarter of 2020 extraordinary items also include costs incurred in responding to the COVID-19 pandemic (such as, for example, for workplace sanitization, personal protective equipment and donations);
- **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";
  - net of "Cash and cash equivalents";
  - net of "Current portion of long-term financial receivables", "Factoring receivables", "Cash collateral" and "Other financial receivables" included in "Other current financial assets";
  - net of "Securities" and "Other financial receivables" included in "Other non-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 26th, 2007, for the definition of net financial position net of financial receivables and long-term securities;

- **Net capital employed**: calculated as the algebraic sum of "Net non-current assets"[5], "Net current assets"[6] and "Provisions for risks and charges", "Deferred tax liabilities", "Deferred tax assets" and "Net assets held for sale"[7];
- **Group net ordinary income**: defined as that part of "Group net income" generated from ordinary business operations. It is equal to "Group net income" excluding all non-recurring transactions discussed under "Ordinary EBITDA", significant impairment losses and reversals of such losses recognized on assets (including equity-accounted investments and financial assets) following impairment testing as well as the associated tax effects and non-controlling interests.

[5] Determined as the difference between "Non-current assets" and "Non-current liabilities" with the exception of: 1) "Deferred tax assets"; 2) "Securities", "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"; 3) "Long-term borrowings"; 4) "Employee benefits"; 5) "Provisions for risks and charges (non-current portion)"; and 6) "Deferred tax liabilities".

[6] Defined as the difference between "Current assets" and "Current liabilities" with the exception of: 1) "Current portion of long-term financial receivables", "Factoring receivables", "Securities", "Cash collateral" and "Other short-term financial receivables" included in "Other current financial assets"; 2) "Cash and cash equivalents"; 3) "Short-term borrowings" and the "Current portion of long-term borrowings"; 4) "Provisions for risks and charges (current portion)"; and 5) "Other financial payables" included in "Other current liabilities".

[7] Determined as the difference between "Assets held for sale" and "Liabilities held for sale".

Condensed Consolidated Income Statement

Millions of euro	1st Quarter	
	2020	2019
Total revenue [1]	19,985	22,755
Total costs [1]	16,084	19,488
Net income/(expense) from commodity risk management [1]	(792)	(286)
Operating income	**3,109**	**2,981**
Financial income	1,439	1,251
Financial expense	2,075	1,922
Net income/(expense) from hyperinflation	18	24
Total net financial income/(expense)	**(618)**	**(647)**
Share of income/(losses) from equity investments accounted for using the equity method	**(3)**	**(63)**
Income before taxes	**2,488**	**2,271**
Income taxes	801	621
Net income from continuing operations	**1,687**	**1,650**
Net income from discontinued operations	**-**	**-**
Net income for the period (shareholders of the Parent Company and non-controlling interests)	**1,687**	**1,650**
Attributable to shareholders of the Parent Company	1,247	1,256
Attributable to non-controlling interests	440	394
Basic earnings/(loss) per share attributable to shareholders of the Parent Company (euro) [2]	*0.12*	*0.12*

(1) The first quarter 2019 figures have been represented to take account of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) contained in the Agenda Decision of 2019, which involved changes in the classification, with no impact on margins, of the effects of purchase and sales contracts for commodities measured at fair value through profit or loss (for more details, see note 2 of consolidated quarterly financial statements at March 31, 2020)

(2) Diluted earnings/(loss) per share are equal to basic earnings/(loss) per share.

Statement of Consolidated Comprehensive Income

Millions of euro	1st Quarter	
	2020	2019
Net income for the period	**1,687**	**1,650**
Other comprehensive income recyclable to profit or loss (net of taxes):		
Effective portion of change in the fair value of cash flow hedges	1,002	364
Change in fair value of hedging costs	(107)	28
Share of the other comprehensive income of equity investments accounted for using the equity method	(20)	1
Change in the fair value of financial assets at FVOCI	(9)	5
Change in translation reserve	(2,765)	461
Other comprehensive income not recyclable to profit or loss (net of taxes):		
Remeasurements in net liabilities (assets) for defined benefits	10	-
Change in fair value of equity investments in other entities	**-**	-
Other comprehensive income/(loss) for the period	**(1,889)**	**859**
Comprehensive income for the period	**(202)**	**2,509**
Attributable to:		
- shareholders of the Parent Company	615	1,886
- non-controlling interests	(817)	623

Condensed Consolidated Balance Sheet

Millions of euro

	at Mar. 31, 2020	at Dec. 31, 2019
ASSETS		
Non-current assets		
- Property, plant and equipment and intangible assets	95,938	99,010
- Goodwill	14,146	14,241
- Equity investments accounted for using the equity method	1,647	1,682
- Other non-current assets (1)	20,707	19,689
Total non-current assets	**132,438**	**134,622**
Current assets		
- Inventories	2,559	2,531
- Trade receivables	12,527	13,083
- Cash and cash equivalents	7,642	9,029
- Other current assets (2)	19,023	12,060
Total current assets	**41,751**	**36,703**
Assets held for sale	**12**	**101**
TOTAL ASSETS	**174,201**	**171,426**
LIABILITIES AND SHAREHOLDERS' EQUITY		
- Equity attributable to the shareholders of the Parent Company	30,855	30,377
- Non-controlling interests	14,968	16,561
Total shareholders'equity	**45,823**	**46,938**
Non-current liabilities		
- Long-term borrowings	54,595	54,174
- Provisions and deferred tax liabilities	16,161	17,409
- Other non-current liabilities	12,714	12,414
Total non-current liabilities	**83,470**	**83,997**
Current liabilities		
- Short-term borrowings and current portion of long-term borrowings	8,367	7,326
- Trade payables	11,043	12,960
- Other current liabilities	25,495	20,202
Total current liabilities	**44,905**	**40,488**

Liabilities held for sale	**3**	**3**
TOTAL LIABILITIES	**128,378**	**124,488**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**174,201**	**171,426**

(1) Of which long-term financial receivables and other securities at March 31, 2020 for €2,787 million (€2,769 million at December 31, 2019) and €400 million (€416 million at December 31, 2019), respectively.

(2) Of which current portion of long-term financial receivables, short-term financial receivables and other securities at March 31, 2020 for €1,674 million (€1,585 million at December 31, 2019), €3,340 million (€2,522 million at December 31, 2019) and €59 million (€51 million at December 31, 2019), respectively.

Condensed Consolidated Statement of Cash Flows

Millions of euro	1st Quarter	
	2020	2019
Income before taxes	**2,488**	**2,271**
Adjustments for:		
Net impairment losses /(reversals) trade receivables and other receivables	232	144
Depreciation, amortization and impairment losses	1,367	1,423
Financial (income)/expense	618	647
Net income from equity investments accounted for using the equity method	3	63
Changes in net working capital:		
- Inventories	(106)	15
- Trade receivables	(472)	(1,974)
- Trade payables	(1,617)	(912)
- Other contract assets[(1)]	(9)	4
- Other contract liabilities[(1)]	(181)	168
- Other assets and liabilities	946	1,461
Interest and other financial expense and income paid and received	(375)	(467)
Other changes	(841)	(465)
Cash flows from operating activities (a)	**2,053**	**2,378**
Investments in property, plant and equipment, intangible assets and non-current contract assets	(1,870)	(1,872)
Investments in entities (or business units) less cash and cash equivalents acquired	(4)	(223)
Disposals of entities (or business unit) less cash and cash equivalents sold	39	166
(Increase)/Decrease in other investing activities	12	5
Cash flows from investing/disinvesting activities (b)	**(1,823)**	**(1,924)**
New issues of long-term financial debt	1,511	1,945
Financial debt (repayments) [(1)]	(1,123)	(820)
Financial debt (other net changes)[(1)]	602	2,002
Receipts from disposal of equity investments without loss of control[(1)]	-	-
Payments from acquisition of equity interests without takeover of control[(1)]	(130)	(10)
Sale/(Purchase) treasury shares	-	-
Dividends and interim dividends paid	(2,182)	(1,757)
Cash flows from financing activities (c)	**(1,322)**	**1,360**
Impact of exchange rate fluctuations on cash and cash equivalents (d)	**(287)**	**34**
Increase/(Decrease) in cash and cash equivalents (a+b+c+d)	**(1,379)**	**1,848**
Cash and cash equivalents at beginning of the period [(2)]	9,080	6,714
Cash and cash equivalents at the end of the period [(3)]	7,701	8,562

(1) For a better presentation, these items have been further detailed and in order to ensure the homogeneity and comparability of the data with the previous year, the data referred to 2019 have been reclassified.

(2) Of which cash and cash equivalents equal to €9,029 million at January 1, 2020 (€6,630 million at January 1, 2019), short-term securities equal to €51 million at January 1, 2020 (€63 million at January 1, 2019) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €21 million at January 1, 2019.

(3) Of which cash and cash equivalents equal to €7,462 million at March 31, 2020 (€8,471 million at March 31, 2019), short-term securities equal to €59 million at March 31 2020 (€59 million at March 31, 2019) and cash and cash equivalents pertaining to "Assets held for sale" in the amount of €32 million at March 31, 2019.