



Enel Energie Budget 2021

March, 2021



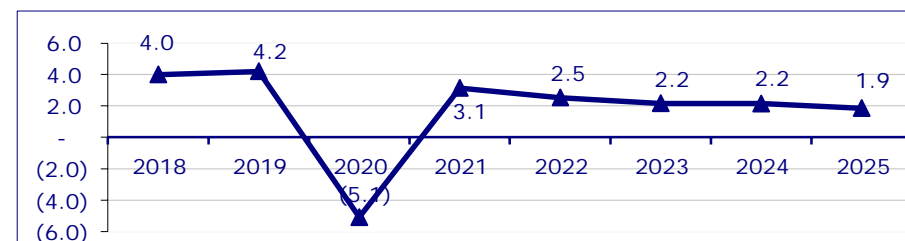
Romania – Macroeconomics



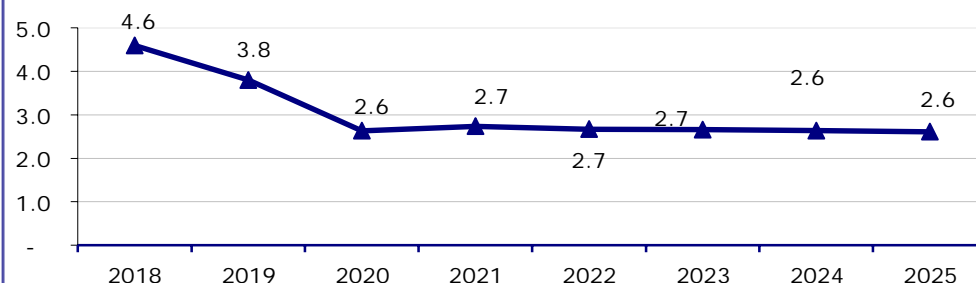
General

GDP per capita (PPS) (****)	70
Population (Mil) (*)	19.4
Rating (Moody's)(**)	Baa3
Income tax rate	16%
Member EU from	2007

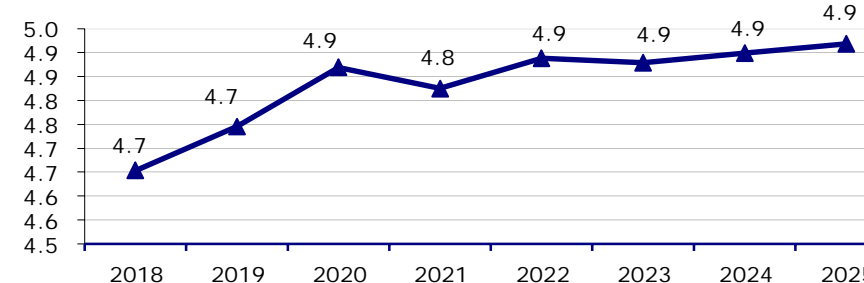
GDP evolution (%) (***)



Inflation rate (%) (***)



Average exchange rate RON/EUR (***)



* Source: Eurostat last estimation

** Source: Moody's rating Baa3 negative from 24 April 2020 and confirmed in October

*** Source: Eurostat last estimation summer 2020

**** Source: Eurostat, amounts of 2019 in purchasing power standards

Strategy, Market and Regulatory



Strategy

- We will continue to grow, especially on New Enel areas and Gas; on Enel areas reactive approach
 - Pressure on margin due to regulations, especially on Universal Service - develop initiatives to mitigate the risk
 - Protect our customer base – churn prediction and anti churn initiatives
 - Develop new business with Enel X with the support of the Global Business Line of the Group
-

Market

- Campaign & communication strategy adapted to leveraging the buzz around Market liberalization and increased focus on digital channels including social media
 - Reshape the Shops model and channel mix to address challenges (Covid 19) and to capture the opportunities from the liberalization of the market
 - Re-design door to door model closing strategic partnerships with biggest market players.
-

Regulatory

- On 20th January new Order (5/20th Jan 2021) has been released, related to the Market liberalization according to which suppliers can apply a commercial reduction:
 - from 1st of January until at least 30th of June 2021 with the difference between the price from Universal Service and the lowest free market offer (without subscription);
 - Until the customer is choosing a free market offer
- For the customers who did not choose a free market offer, they will be invoiced at a universal price valid from 1st of July. (Subject to be confirmed at the end of June)
- Suppliers have the obligation to inform during 2021 the customers on Universal Service in regards with free market offers and the right of the customer to sign a contract with any licensed supplier.

Operational strategy Enel Energie



Commercial Operations

Ongoing

- Manage the liberalization process with minimum impact for the final customer, using automation and increasing the human resources
- Implement Salesforce (new CRM-T) by the end of Q1'21
- Increase customer experience and efficiency through new – one interaction solution
- Continuous improvements in the current IT systems for a higher customer satisfaction
- Focus on process automation for a better customer experience and higher operational efficiency (automatic flows, RPA, etc.)

Sales

- Manage the process of contracting in the store using various way to decrease the waiting time and a fast process: scheduling in the store or/and remote contracting.
- Increase the gas penetration using the traffic already generated in physical locations
- Boost Enel expansion towards New areas via local partnerships focused on all channels (D2D/telesales/shops)

Short-term objectives

- Improved contract activation flow and reduction of complaints due to the transition to Salesforce (new CRM-T) minimizing operational impact and capitalize on improved system capabilities and interface
 - New tools to manage customer interactions: chatbot
 - Optimize claims management using automatization
 - Increase the one interaction solution
 - Focus on end-to-end solving of the customers requests
 - Credit rating and dunning strategy based on credit worthiness and payment behavior
-
- Full deployment of queuing system together with customers feedback on the location
 - Launch new partnerships to increase our footprint at local level
 - Continue sales process digitalization for a better customer experience and cost reduction

Performance indicators		2020 Actual	2021 MBDG
Energy sold (TWh)	➔	4.3	4.7
Net profit (Mil RON)	➔	138	80
Clients Power and Gas (no/000)	➔	1,655	1,690

Profit and loss



Enel Energie		ACT 2020	MBDG 2021
Profit and Loss			
REVENUES - TOTAL	Mil RON	2,905.5	2,933.9
Operating revenues	Mil RON	2,822.2	2,799.6
Energy revenues	Mil RON	2,821.7	2,799.1
Connection fees	Mil RON	0.5	0.6
Other income	Mil RON	83.3	134.3
COST of purchased power	Mil RON	2,490.1	2,549.8
MARGIN	Mil RON	415.4	384.2
Personnel expenses	Mil RON	32.9	38.0
Services and materials costs	Mil RON	140.1	180.0
Materials costs	Mil RON	11.9	29.0
Services costs	Mil RON	128.2	151.1
Other operational costs	Mil RON	16.4	16.6
OPEX	Mil RON	189.5	234.7
EBITDA	Mil RON	225.9	149.5
Depreciation and Amortization	Mil RON	7.7	13.6
Bad Debt	Mil RON	58.7	39.1
EBIT	Mil RON	159.5	96.8
Financial income and expenses	Mil RON	(0.2)	2.0
Financial income	Mil RON	0.5	2.0
Financial expenses	Mil RON	0.7	(0.0)
EBT (Earning before taxes)	Mil RON	159.3	98.8
Income taxes	Mil RON	21.6	19.1
NET INCOME	Mil RON	137.8	79.7

OPEX

Materials and service costs



Enel Energie		ACT 2020	MBDG 2021
Materials and Services Costs			
Materials and consumables	Mil RON	11.9	29.0
Services	Mil RON	128.2	151.1
Services connected with the management of electricity and gas supplies (printing invoices, call center etc)	Mil RON	75.5	78.3
Intercompany Services	Mil RON	27.8	38.6
Comissions	Mil RON	1.9	1.6
Advertising, promotional services, canvassing and printing	Mil RON	8.7	14.4
IT services	Mil RON	5.6	8.5
Services - Others	Mil RON	0.3	0.6
Insurance premiums	Mil RON	0.9	1.1
Telephone, post office and data transmission expenses	Mil RON	3.6	3.3
Other costs related to personnel (e.g. travel)	Mil RON	2.8	3.4
Property costs	Mil RON	0.8	0.7
Technical services	Mil RON	0.2	0.3
Maintenance and repairs	Mil RON	0.2	0.3

Enel Energie		ACTUAL 2020	BUGET 2021
Number and cost of labour			
Average number - total	nr.	250	250
Number at the end of the period	nr.	263	250
Manager/ Executive	nr.	1	1
Middle management	nr.	54	55
Salaried	nr.	208	194
Hourly+temporary	nr.	-	-
Total Employment cost	Mil RON	32.9	38.0

Balance sheet



Enel Energie		ACTUAL 2020	BUGET 2021
ASSETS	Mil RON	66.5	79.0
Net tangible assets	Mil RON	12.4	18.2
Net intangible assets	Mil RON	49.8	56.8
Other non current assets	Mil RON	4.3	4.0
Net working capital	Mil RON	361.8	394.7
Inventories	Mil RON	20.7	9.3
Trade receivables	Mil RON	778.8	814.4
S/t financial receivables	Mil RON	0.0	0.0
Other current assets	Mil RON	6.5	0.0
Net tax receivables/(tax payables)	Mil RON	0.0	0.0
Trade payables	Mil RON	268.9	275.4
S/t financial payables	Mil RON	21.2	1.4
Other current liabilities	Mil RON	154.2	152.3
Invested Capital	Mil RON	428.4	473.7
Provisions and deferred revenue	Mil RON	11.1	10.8
TFR (staff leaving indemnity) provisions and other	Mil RON	7.2	5.2
Deferred tax liabilities net advanced tax assets	Mil RON	0.0	0.0
L/t future risks and charges	Mil RON	7.7	5.6
Deferred revenue			
Net invested capital	Mil RON	417.3	462.9
Cash and cash equivalents	Mil RON	130.1	164.6
Cash and cash equivalents	Mil RON	130.1	164.6
Equity	Mil RON	547.4	627.5
Group equity	Mil RON	547.4	627.5