



RED
ELÉCTRICA
CORPORACIÓN

Alternative Performance Measures

January - March 2020



Alternative Performance Measures: Aggregates (*)

(in thousand of euros)

Earnings before interest, taxes, depreciation and amortisation (EBITDA)	31/03/2020	31/03/2019
Results from operating activities (EBIT)	274,803	289,032
Amortisation and depreciation	134,883	122,916
Non-financial and other capital grants	(7,577)	(6,051)
Impairment and gains/(losses) on disposal of fixed assets	(140)	-
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	401,969	405,897

Funds From Operations (FFO)	31/03/2020	31/03/2019
Profit before tax	231,218	253,928
Income tax received/(paid)	4,174	(3,260)
Amortisation and depreciation	134,883	122,916
Other adjustments	(3,413)	(5,600)
Funds From Operations (FFO)	366,862	367,984

Changes in other assets and liabilities	31/03/2020	31/03/2019
Accrual / Payment of financial expenses	41,494	37,154
Payment of financial expenses	(36,667)	(42,645)
Other cash flows from investing activities	(101)	3,257
Proceeds from equity instruments	(4,300)	(2,814)
Effect of changes exchange rates	(2,233)	198
Other cash flows used in financing activities	(18,511)	(1,321)
Investment payments in other financial assets	5,141	16,125
Changes in other assets and liabilities	(15,177)	9,954

Gross Financial Debt	31/03/2020	31/03/2019
Non-current loans and borrowings, bonds and other marketable securities	5,950,046	4,944,278
Current loans and borrowings, bonds and other marketable securities	977,845	952,767
- Foreign currency derivatives	(44,576)	(25,490)
- Accrued interest payable	(70,619)	(71,214)
Gross Financial Debt	6,812,696	5,800,341

Net Financial Debt	31/03/2020	31/03/2019
Gross Financial Debt	6.812.696	5,800,341
- Cash and cash equivalents	(436.344)	(1,216,161)
Net Financial Debt	6,376,352	4,584,180



Net Financial cost of the period (%)		31/12/2020	31/03/2019
	Financial cost of the period	43.548	37.154
Financial results excluding capitalised interest	Borrowing costs capitalised	(2.054)	(1.563)
	Financial revenues of the period	(1.186)	(480)
		40,308	35,110

Alternative Performance Measures: Ratios

Debt coverage ratios (times)		31/03/2020	31/03/2019
Net Financial Debt / EBITDA	Net Financial Debt	6,376,352	4,584,180
	EBITDA of the last 12 months	1,578,490	1,543,153
Debt coverage ratios (times)		4.0	3.0

Interest coverage ratio (times)		31/03/2020	31/03/2019
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	401,969	405,897
	Financial result excluding capitalised interest and exchange differences	40,308	35,110
Interest coverage ratio (times)		10.0	11.6

FFO / Net Financial Debt (%)		31/03/2020	31/03/2019
Funds From Operations (FFO) / Net financial Debt	Funds From Operations (FFO) of the last 12 months	1,256,685	1,221,621
	Net Financial Debt	6,376,352	4,584,180
FFO / Net Financial Debt (%)		19.7%	26.6%

EBITDA margin (%)		31/03/2020	31/03/2019
EBITDA / Revenue	EBITDA	401,969	405,898
	Revenue	500,473	499,738
EBITDA margin (%)		80.3%	81.2%

Return on equity (ROE) (%)		31/03/2020	31/03/2019
Profit for the year / Equity	Profit for the year of the last 12 months	699,841	706,438
	Equity	3,733,685	3,157,972
Return on equity (ROE) (%)		18.7%	22.4%

Leverage (%)		31/03/2020	31/02/2019
Net financial debt /(Net financial debt +Equity)	Net Financial Debt	6,376,352	4,584,180
	Equity	3,733,685	3,157,972
Leverage ratio (%)		63.1%	59.2%



(*) Includes other adjustments to profit and loss not reflected in the foregoing lines, such as the result of investments accounted for using the equity method, financial income, provisions reversed; Gain/Loss on disposal/impairment of non-current assets and valuation of financial instruments, capital subsidies and other prepaid expenses transferred to profit and loss, income from dividends and interest and other operating income or payments, all of which are included in the Consolidated Statement of Cash Flows.

The APMs are used to provide greater clarity regarding financial performance of , and compare this performance with previous periods and with that of Red Eléctrica Corporación, S.A These measures must be considered by the reader as supplementary with regard to those presented in accordance with EU-IFRSs, although they are not considered a substitute. Also, the way in which Red Eléctrica Corporación, S.A. defines and calculates these APMs may differ from other entities that use similar measures and, therefore, may not be comparable among them.