



**RED**  
ELÉCTRICA  
CORPORACIÓN

## Alternative Performance Measures

January - September 2020


**Alternative Performance Measures: Aggregates (\*)** *(in thousand of euros)*

<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Results from operating activities (EBIT)	770,085	803,126
Amortisation and depreciation	407,650	370,887
Non-financial and other capital grants	(22,786)	(18,239)
Impairment and gains/(losses) on disposal of fixed assets	123	1
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>766,249</b>	<b>1,155,072</b>

<b>Funds From Operations (FFO)</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Profit before tax	670,177	703,697
Income tax received/(paid)	(70,609)	(68,279)
Amortisation and depreciation	407,650	370,887
Other adjustments	(32,570)	(15,621)
<b>Funds From Operations (FFO)</b>	<b>974,648</b>	<b>990,684</b>

<b>Changes in other assets and liabilities</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Accrual / Payment of financial expenses	105,342	106,432
Payment of financial expenses	(127,617)	(124,387)
Other cash flows from investing activities	20,317	25,647
Proceeds from equity instruments	(4,892)	(9,048)
Effect of changes exchange rates	(5,958)	464
Other cash flows used in financing activities	(21,230)	(4,348)
Investment payments in other financial assets	8,735	20,453
<b>Changes in other assets and liabilities</b>	<b>(25.303)</b>	<b>15.213</b>

<b>Gross Financial Debt</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Non-current loans and borrowings, bonds and other marketable securities	6,487,235	4,554,701
Current loans and borrowings, bonds and other marketable securities	488,204	1,164,191
- Foreign currency derivatives	(12,068)	(37,242)
- Accrued interest payable	(52,066)	(59,821)
<b>Gross Financial Debt</b>	<b>6,911,305</b>	<b>5,621,829</b>

<b>Net Financial Debt</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Gross Financial Debt	6,911,305	5,621,829
- Cash and cash equivalents	(422,410)	(648,463)
<b>Net Financial Debt</b>	<b>6,488,895</b>	<b>4,973,366</b>



<b>Net Financial cost of the period (%)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
	Financial cost of the period	110,975	111,907
Financial results excluding capitalised interest	Borrowing costs capitalised	(5,633)	(5,475)
	Financial revenues of the period	(9,305)	(8,055)
		<b>96,036</b>	<b>98,377</b>

### Alternative Performance Measures: Ratios

<b>Debt coverage ratios (times)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
Net Financial Debt / EBITDA	Net Financial Debt	6,488,895	4,973,366
	EBITDA of the last 12 months	1,582,955	1,548,037
<b>Debt coverage ratios (times)</b>		<b>4.1</b>	<b>3.2</b>

<b>Interest coverage ratio (times)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	1,155,072	1,155,775
	Net financial cost for the period	96,036	98,377
<b>Interest coverage ratio (times)</b>		<b>12.0</b>	<b>11.7</b>

<b>FFO / Net Financial Debt (%)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
Funds From Operations (FFO) / Net financial Debt	Funds From Operations (FFO) of the last 12 months	1,241,781	1,228,792
	Net Financial Debt	6,488,895	4,973,366
<b>FFO / Net Financial Debt (%)</b>		<b>19.1</b>	<b>24.7</b>

<b>EBITDA margin (%)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
EBITDA / Revenue	EBITDA	1,155,072	1,155,775
	Revenue	1,465,850	1,477,199
<b>EBITDA margin (%)</b>		<b>78.8</b>	<b>78.2</b>

<b>Return on equity (ROE) (%)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
Profit for the year / Equity	Profit for the year of the last 12 months	692,486	713,049
	Equity	3,542,710	3,446,126
<b>Return on equity (ROE) (%)</b>		<b>19.5</b>	<b>20.7</b>

<b>Leverage (%)</b>		<b>30/09/2020</b>	<b>30/09/2019</b>
Net financial debt /(Net financial debt +Equity)	Net Financial Debt	6,488,895	4,973,366
	Equity	3,542,710	3,446,126
<b>Leverage ratio (%)</b>		<b>64.7</b>	<b>59.1</b>



(\*) 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,