



**RED**  
ELÉCTRICA  
CORPORACIÓN

## Alternative Performance Measures

January - June 2019

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.


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

	<b>30/06/2019</b>	<b>30/06/2018</b>
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		
Results from operating activities (EBIT)	544.707	540.985
Amortisation and depreciation	246.757	247.354
Non-financial and other capital grants	(12.104)	(11.556)
Impairment and gains/(losses) on disposal of fixed assets	1	23
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>779.361</b>	<b>776.806</b>
<b>Funds From Operations (FFO)</b>		
Profit before tax	480.881	475.736
Income tax received/(paid)	(68.112)	(67.507)
Amortisation and depreciation	246.757	247.354
Other adjustments	(11.660)	(10.978)
<b>Funds From Operations (FFO)</b>	<b>647.866</b>	<b>644.606</b>
<b>Changes in other assets and liabilities</b>		
Accrual / Payment of financial expenses	(34.016)	(44.404)
Other cash flows from investing activities	18.977	9.244
Proceeds from equity instruments	(804)	(12.775)
Effect of changes exchange rates	207	397
Other cash flows used in financing activities	(3.323)	(6.072)
Investment payments in other financial assets	24.549	(2.238)
<b>Changes in other assets and liabilities</b>	<b>5.590</b>	<b>(55.847)</b>
<b>Gross Financial Debt</b>		
Non-current loans and borrowings, bonds and other marketable securities	4.396.749	4.983.097
Current loans and borrowings, bonds and other marketable securities	1.006.188	460.732
- Foreign currency derivatives	(25.792)	(13.320)
- Accrued interest payable	(37.583)	(38.832)
<b>Gross Financial Debt</b>	<b>5.339.562</b>	<b>5.391.677</b>
<b>Net Financial Debt</b>		
Gross Financial Debt	5.339.562	5.391.677
- Cash and cash equivalents	(853.620)	(900.452)
<b>Net Financial Debt</b>	<b>4.485.942</b>	<b>4.491.225</b>



<b>Net Financial cost of the period (%)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
	Financial cost of the period	71.004	72.101
Financial results excluding capitalised interest	Borrowing costs capitalised	3.485	3.001
	Financial revenues of the period	(6.667)	(7.021)
		<b>67.822</b>	<b>68.081</b>

### Alternative Performance Measures: Ratios

<b>Debt coverage ratios (times)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
Net Financial Debt / EBITDA	Net Financial Debt	4.485.942	4.491.225
	EBITDA of the last 12 months	1.542.224	1.526.601
<b>Debt coverage ratios (times)</b>		<b>2,9</b>	<b>2,9</b>

<b>Interest coverage ratio (times)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	779.361	776.806
	Financial result excluding capitalised interest and exchange differences	67.822	68.081
<b>Interest coverage ratio (times)</b>		<b>11,5</b>	<b>11,4</b>

<b>FFO / Net Financial Debt (%)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
Funds From Operations (FFO) / Net financial debt	Funds From Operations (FFO) of the last 12 months	1.222.188	1.189.546
	Net Financial Debt	4.485.942	4.491.225
<b>FFO / Net Financial Debt (%)</b>		<b>27,2%</b>	<b>26,5%</b>

<b>EBITDA margin (%)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
EBITDA / Revenue	EBITDA	779.361	776.806
	Revenue	993.074	990.317
<b>EBITDA margin (%)</b>		<b>78,5%</b>	<b>78,4%</b>

<b>Return on equity (ROE) (%)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
Profit for the year / Equity	Profit for the year of the last 12 months	709.742	686.682
	Equity	3.305.466	3.120.358
<b>Return on equity (ROE) (%)</b>		<b>21,5%</b>	<b>22,0%</b>

<b>Leverage (%)</b>		<b>30/06/2019</b>	<b>30/06/2018</b>
Net financial debt / (Net financial debt + Equity)	Net Financial Debt	4.485.942	4.491.225
	Equity	3.305.466	3.120.358
		<b>57,6%</b>	<b>59,0%</b>

(\*)On 1st January 2019, RE Group has applied NIIF 16. During this period, this issue has implied amortisation costs of 2,160,000 euros, and financial expenses of 55,000 euros.