



RED
ELÉCTRICA
CORPORACIÓN

Alternative Performance Measures

January - September 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)

	30/09/2019	30/09/2018
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		
Results from operating activities (EBIT)	803,126	792,514
Amortisation and depreciation	370,887	372,332
Non-financial and other capital grants	(18,239)	(17,472)
Impairment and gains/(losses) on disposal of fixed assets	1	33
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1,155,775	1,147,407
Funds From Operations (FFO)		
Profit before tax	703,697	692,920
Income tax received/(paid)	(68,279)	(69,563)
Amortisation and depreciation	370,887	372,332
Other adjustments	(15,621)	(14,867)
Funds From Operations (FFO)	990,684	980,822
Changes in other assets and liabilities		
Accrual / Payment of financial expenses	(17,955)	(25,612)
Other cash flows from investing activities	25,647	18,481
Proceeds from equity instruments	(9,048)	(11,586)
Effect of changes exchange rates	464	492
Other cash flows used in financing activities	(4,348)	(6,072)
Investment payments in other financial assets	20,453	(13,420)
Changes in other assets and liabilities	15,213	(37,716)
Gross Financial Debt		
Non-current loans and borrowings, bonds and other marketable securities	4,554,701	4,893,738
Current loans and borrowings, bonds and other marketable securities	1,164,191	654,050
- Foreign currency derivatives	(37,242)	(11,042)
- Accrued interest payable	(59,821)	(60,287)
Gross Financial Debt	5,621,829	5,476,459
Net Financial Debt		
Gross Financial Debt	5,621,829	5,476,460
- Cash and cash equivalents	(648,462)	(611,098)
Net Financial Debt	4,973,367	4,865,362



Net Financial cost of the period (%)		30/09/2019	30/09/2018
	Financial cost of the period	111,907	111,935
Financial results excluding capitalised interest	Borrowing costs capitalised	(5,475)	(4,597)
	Financial revenues of the period	(8,055)	(7,938)
		98,377	99,399

Alternative Performance Measures: Ratios

Debt coverage ratios (times)		30/09/2019	30/09/2018
Net Financial Debt / EBITDA	Net Financial Debt	4,973,367	4,865,361
	EBITDA of the last 12 months	1,548,037	1,530,337
Debt coverage ratios (times)		3.2	3.2

Interest coverage ratio (times)		30/09/2019	30/09/2018
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	1,155,775	1,147,407
	Financial result excluding capitalised interest and exchange differences	98,377	99,399
Interest coverage ratio (times)		11.7	11.5

FFO / Net Financial Debt (%)		30/09/2019	30/09/2018
Funds From Operations (FFO) / Net financial debt	Funds From Operations (FFO) of the last 12 months	1,228,792	1,204,772
	Net Financial Debt	4,973,367	4,865,361
FFO / Net Financial Debt (%)		24.7%	24.8%

EBITDA margin (%)		30/09/2019	30/09/2018
EBITDA / Revenue	EBITDA	1,155,775	1,147,407
	Revenue	1,477,199	1,470,184
EBITDA margin (%)		78.2%	78.0%

Return on equity (ROE) (%)		30/09/2019	30/09/2018
Profit for the year / Equity	Profit for the year of the last 12 months	713,049	694,935
	Equity	3,446,126	3,295,834
Return on equity (ROE) (%)		20.7%	21.1%

Leverage (%)		30/09/2019	30/09/2018
Net financial debt /(Net financial debt +Equity)	Net Financial Debt	4,485,942	4,491,225
	Equity	3,305,466	3,120,358
		57.6%	59.0%

(*)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.