

The logo for Redeia, featuring the word "redeia" in a lowercase, sans-serif font. The letter "i" is stylized with a teal dot above it. The background of the slide is a blurred image of hands holding a pen over a document, with overlaid digital graphics like a line graph and a network diagram.

redeia

Valuing the essentials

Alternative Performance Measures January – December 2024

The European Securities and Markets Authority (ESMA) published Guidelines 2015/1415, hereinafter the Guidelines, on Alternative Performance Measures (APMs) of mandatory compliance for all issuers whose securities are admitted to trading on an official market and who are required to publish regulated information under the Transparency Directive 2004/109/EC, in order to improve the comparability, reliability and comprehensibility of these measures. These Guidelines are applicable to any regulated information, such as management reports accompanying the annual accounts or interim financial statements, interim management statements, presentations of results disseminated as other relevant information, inside information, etc.

Redeia presents these APMs to complement the consolidated financial statements presented in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). The APMs are used, together with the other financial measures contemplated in IFRS, to provide greater clarity to budgets and objectives, to evaluate operating and financial performance and to compare such performance with previous periods and with the performance of competitors. The presentation of such measures is useful because they can be used to analyse and compare profitability and solvency levels between companies and industries. These and similar measures are widely used by investors, securities analysts and others as complementary measures of performance and should be considered by the reader as complementary to those presented in accordance with IFRS-EU.

Alternative Performance Measures: Aggregates

(thousands of euros)

Earnings before interest, taxes, depreciation and amortisation (EBITDA)			31.12.2024	31.12.2023 ^(*)
Definition	Purpose	Calculation		
Operating from operating activities + Depreciation and amortization of fixed assets - Allocation of non-financial fixed asset subsidies and other +/- Impairment and gain or loss on disposal of fixed assets.	Alternative performance measure used as an approximation of the financial resources that could be obtained from operating assets before taxes and depreciation.	Results from operating activities (EBIT)	761,360	957,322
		Amortisation and depreciation	461,691	438,744
		Non-financial and other capital grants	(13,284)	(13,007)
		Impairment and gains/(losses) on disposal of fixed assets	349	(1,245)
			1,210,116	1,381,814
Net Profit			31.12.2024	31.12.2023 ^(*)
Definition	Purpose	Calculation		
Corresponds to "Consolidated profit / (loss) Attributable to the Parent Company" in the Consolidated Income Statement.	Indicate consolidated income for the period, excluding income attributable to non-controlling interest.	Consolidated profit/(loss) attributable to the Parent Company	368,438	689,640
			368,438	689,640
Funds From Operations (FFO)			31.12.2024	31.12.2023 ^(*)
Definition	Purpose	Calculation		
Cash Flows from Operating Activities - Changes in working capital.	Indicator of the company's cash generation. Measures the cash generation of the business as a whole without taking into account changes in working capital.	Cash flows from operating activities.	955,629	382,734
		Changes in working capital.	(231,736)	(644,632)
			1,187,365	1,027,366
Changes in other assets and liabilities			31.12.2024	31.12.2023 ^(*)
Definition	Purpose	Calculation		
Variations in the period of other Statement of Financial Position items mostly included in Non-Current Assets and Liabilities such as deferred tax assets and liabilities or Other non-current assets and liabilities.	Measures the effect on the cash generated in the period from the variation period from the variation of these items.	Other cash flows from investing activities	280,555	217,118
		Proceeds from equity instruments	7,275	516,499
		Effect of changes exchange rates	1,397	2,846
		Other cash flows from financing activities	41,529	(8,370)
		Proceeds from divestitures (excluding Temporary Financial Investments) ¹	2,723	1,927
			333,479	730,020

Changes in payables to non-current asset suppliers				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ^(*)
Variations in the period of the item in the Statement of Financial Position included in the Liabilities as Suppliers of fixed assets. It is calculated as Payments for investments – Investments.	Measures the variation between investment payments and investment additions.	Investment payments ¹	(1,205,590)	(963,397)
		Investments	1,172,838	876,930
			(32,752)	(86,467)
Gross Financial Debt				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Principal debt at amortized cost of debt with credit institutions and debentures or other marketable securities minus exchange rate derivatives and minus accrued interest not paid.	Gross Financial Debt is a measure used to analyse the Group's level of gross indebtedness. It includes the financial liabilities with cost incurred by the Group.	Non-current loans and borrowings, bonds and other marketable securities	5,131,362	5,166,765
		Current loans and borrowings, bonds and other marketable securities	1,269,950	567,977
		Foreign currency derivatives	(34,708)	(20,313)
		Accrued interest payable 'Other equity instruments'	(23,125)	(23,125)
		Accrued interest payable	(58,990)	(40,455)
			6,284,489	5,650,849
Gross Average Financial Debt				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ^(*)
Corresponds to the arithmetic mean of the Gross Financial Debt balances of all the days that make up the fiscal year. This measure may also be referred to as "Average Gross Debt" or "Average Debt".	Indicates the Group's average indebtedness for the year, related to financial expenses indicates the average cost of the financial debt.	Gross Average Financial Debt	6,197,531	5,649,109
			6,197,531	5,649,109
Net Financial Debt				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Gross Financial Debt - Cash and cash equivalents- Term deposits	Net Financial Debt is a measure used to analyse the Group's level of net indebtedness. It eliminates cash and cash equivalents from the Gross Financial Debt, as well as Term deposits, to try to determine what part of it finances the development of its activities.	Gross Financial Debt	6,284,489	5,650,849
		Cash and cash equivalents	(889,638)	(675,417)
		Term deposits ¹	(25,000)	-
			5,369,851	4,975,432

Net financial cost of the period				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ^(*)
Financial expense - Financial income for the period.	Measures the cost of external financial resources.	Financial expense	(143,572)	(121,170)
		Financial income	59,988	49,049
			(83,584)	(72,121)
Average cost of debt (%)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ^(*)
Interest Expense on Financial Debt / Average Gross Financial Debt.	Measure of the effective rate of the financial debt.	Interest expense on financial debt ²	140,416	119,105
		Average Gross Financial Debt	6,197,531	5,649,109
			2.27%	2.11%
Average term to maturity of drawdown debt (years)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Arithmetic average of the maturities of financial debt weighted by the amounts corresponding to their principal amounts.	Measure to illustrate how long the existing debt matures as of the date of the Financial Statements.	Average term to maturity of drawdown debt	4.7	4.5
			4.7	4.5
Availability of credit lines				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Undrawn credit lines.	Indicates the available credit of the credit lines contracted by the Group.	Total available credit lines	2,013,572	1,676,001
			2,013,572	1,676,001
Cash surplus				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Cash and cash equivalents.	Indicates cash and cash equivalents.	Cash and cash equivalents	889,638	675,417
		Short-term investments in the money market ¹	25,000	-
			914,638	675,417

Investments ⁽³⁾				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ⁽⁴⁾
Additions to property, plant and equipment + Additions to intangible assets + Additions to assets resulting from business combinations or equity method + Additions from Salto Chira project + Additions to equity instruments and other financial assets - Transfers to non-current assets held for sale	Measurement of investment activity. It allows analysing which of the Group's investments will generate future income or dividend collections.	Additions to property, plant and equipment	1,030,298	882,815
		Additions to intangible assets	50,986	37,783
		Additions to assets business combinations or equity method ⁴	1,845	1,082
		Additions from Salto Chira project	93,606	57,846
		Additions to equity instruments and other financial assets ⁵	23,879	16,624
		Transfers to non-current assets held for sale ³	(27,776)	(119,220)
			1,172,838	876,930

Alternative Performance Measures: Ratios

Debt coverage ratio (times)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Net Financial Debt / EBITDA (last 12 months)	This debt coverage ratio relates Net Financial Debt to EBITDA and makes it possible to evaluate the company's capacity to repay external financing in number of years (number of times). It allows the company's evolution to be analysed and facilitates comparison with other companies.	Net Financial Debt	5,369,851	4,975,432
		EBITDA (last 12 months)	1,210,116	1,507,805
			4.4	3.3

EBITDA margin (%)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023 ⁽⁴⁾
EBITDA / Revenue	A measure of the company's degree of efficiency by calculating the EBITDA as a percentage of net sales. It allows to analyse the evolution of the company's efficiency and facilitates the comparison with other companies.	EBITDA	1,210,116	1,381,814
		Revenue	1,594,204	1,818,791
			75.9%	76.0%

Working balance				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Current assets – Current liabilities	A measure of the company's ability to meet its short-term obligations with its current assets.	Current Assets	3,542,795	2,222,097
		Current Liabilities	3,009,786	2,102,904
			533,009	119,193
Leverage (%)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Net financial debt / (Net financial debt +Equity)	This ratio measures the proportion of Financial Debt over total cost resources used by the company. It allows the analysis of the company's evolution and facilitates comparison with other companies.	Net Financial Debt	5,369,851	4,975,432
		Equity	5,260,068	5,529,057
			50.5%	47.4%
FFO / Net Financial Debt (%)				
Definition	Purpose	Calculation	31.12.2024	31.12.2023
Funds from Operations (FFO) (12 months) / Net Financial Debt	This financial debt coverage ratio relates Net Debt to FFO and makes it possible to evaluate the company's ability to repay borrowed funds as a percentage of external financing. It allows the analysis of the company's evolution and facilitates comparison with other companies.	Funds from Operations (FFO) last 12 months	1,187,365	1,156,311
		Net Financial Debt	5,369,851	4,975,432
			22.1%	23.2%

(*) Figures restated considering the impact of the classification of discontinued operations in application of IFRS 5, as indicated in Notes 1 and 5 of the Consolidated Financial Statements for the 2024 financial year. The non restated figures are included on the January - December 2023 APMs.

¹ As of 31st December 2024 investments in short-term money market securities (ITFS) amount to EUR 25 million (31st December 2023: EUR 0 million) and have been considered within 'net financial debt'. Investments and divestments that have been made in ITFS are included in the Consolidated Statement of Cash Flows as:

- 'payments for investments' of EUR 1,544,691 thousand at 31 December 2024 (EUR 600,000 thousand at 31 December 2023) and
- 'divestment proceeds' of EUR 1,519,627 thousand at 31 December 2024 (EUR 1,315,000 thousand at 31 December 2023).

These amounts have not been considered in the calculation of the MARs 'changes in other assets and liabilities' and 'changes in fixed asset suppliers'.

² The heading 'Financial expenses' in the consolidated income statement in 2024, amounting to 143,572 thousand euros (121,170 thousand euros in 2023), includes 140,416 thousand euros of interest expenses on financial debt (119,105 thousand euros in 2023). Additionally, amounts for formalisation expenses and availability commissions are included.

³ Due to the impact of the classification of discontinued operations in 2024 with effect from 31st December 2024, the definition of 'Investments' has been updated to include transfers to 'Non-current assets held for sale' by reducing this alternative performance measure. The reclassification amounting to EUR -27,776 thousand (EUR -119,220 thousand in 2023) consists of EUR 26,041 thousand of additions to property, plant and equipment and EUR 1,735 thousand of additions to intangible assets (EUR 115,530 thousand of additions to property, plant and equipment and EUR 3,690 thousand of additions to intangible assets).

⁴ Additions to assets due to business combinations or the equity method consist of EUR 1,095 thousand from the investment in COIESA as well as EUR 750 thousand of additions from investments in significant influence holdings in Elewit (EUR 1,082 thousand in 2023). These amounts are disclosed in the columns 'Capital increase' and 'Change in scope of consolidation' of the movement in investments accounted for using the equity method in Note 10 to the consolidated financial statements.

⁵ Additions to equity instruments and other financial assets consist of additions from Elewit amounting to EUR 5,401 thousand (EUR 2,310 thousand in 2023) as well as investments in Economic Interest Groupings amounting to EUR 18,478 thousand (EUR 14,314 thousand in 2023).

The APMs are used to provide greater clarity regarding financial performance of , and compare this performance with previous periods and with that of Redeia. 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 Redeia defines and calculates these APMs may differ from other entities that use similar measures and, therefore, may not be comparable among them.

redeia

Valuing the essentials