



FIRST QUARTER 2018 RESULTS

15 MAY 2018

LUCA BETTONTE, CEO





DISCLAIMER

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.

There can be no assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.

AGENDA

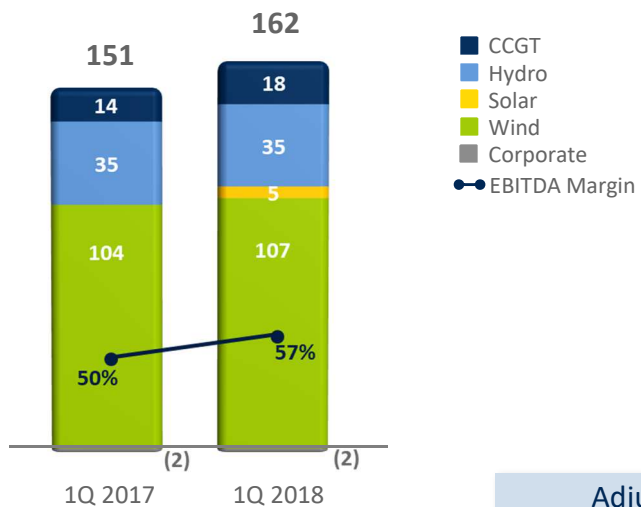


- ❑ 1Q 2018 Highlights
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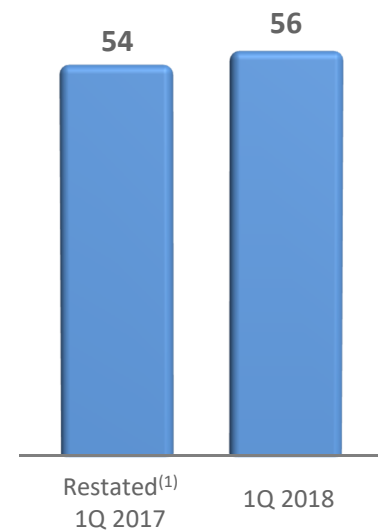


HIGHLIGHTS: KEY FIGURES

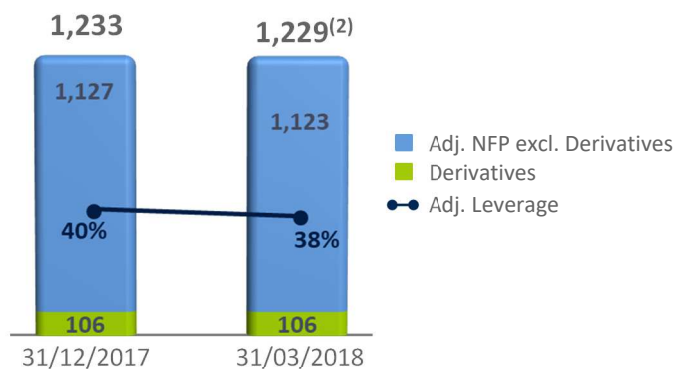
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)



Adjusted NFP (€ mn)



Strong results

⁽¹⁾ It excludes TE contribution for €6.2mn

⁽²⁾ It includes Vendor Loan to api for €36mn.



BOOSTED GROWTH IN FRANCE

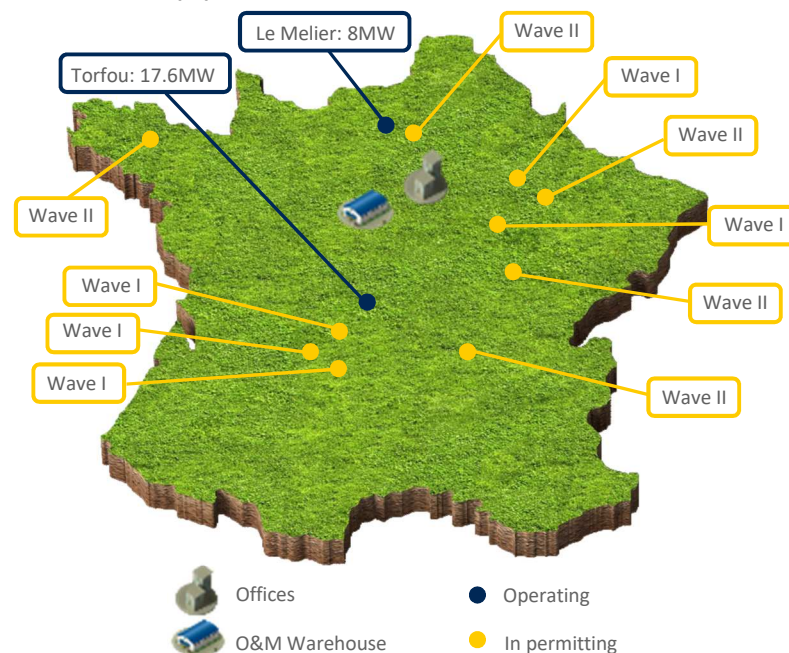
Deal description

On April 6, 2018 ERG reached an agreement with IMPAX Energy Holding Cooperatief for the acquisition of:

- Melier wind farm: 8MW COD November 2016 (estimated annual production = 23GWh)
- Torfou wind farm: 18MW under construction COD expected by 2018 (estimated annual production=48GWh)
- Pipeline of about 750MW made up as follows:
 - Wave I: 101MW at an advanced stage of development, expected on stream in 2H 2021
 - Wave II: 143MW at an intermediate stage of development, on stream in 2H 2022
 - Wave III: 500MW early stage, beyond BP period
- Included in the transaction a team of 12 people with a proven track record in greenfield projects
- EV at €57mn, of which €17mn of PF, plus €5mn earn out related to the pipeline

Strategic rationales

- Boosting ERG growth strategy in France with installed capacity to reach 300MW at Closing
- Internalization of a team of proven experience in the Sector and its know-how
- The pipeline will enable to pursue organic growth as envisaged in ERG's 2018-2022 BP





RESULTS REVIEW

PAOLO MERLI, CFO





BUSINESS ENVIRONMENT

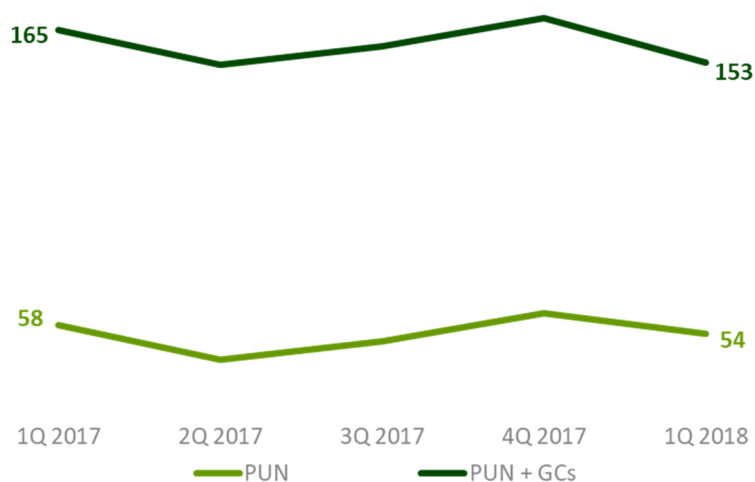
Italy: Electricity Production vs Demand (TWh)

	1Q 2017	1Q 2018	Delta %
Italian Electricity Demand	80	82	2%
Italian Electricity Production	72	69	-4%
<i>of which:</i>			
- Thermo	53	49	-7%
- Hydro	8	9	11%
- Solar	5	4	-18%
- Wind	5	6	16%

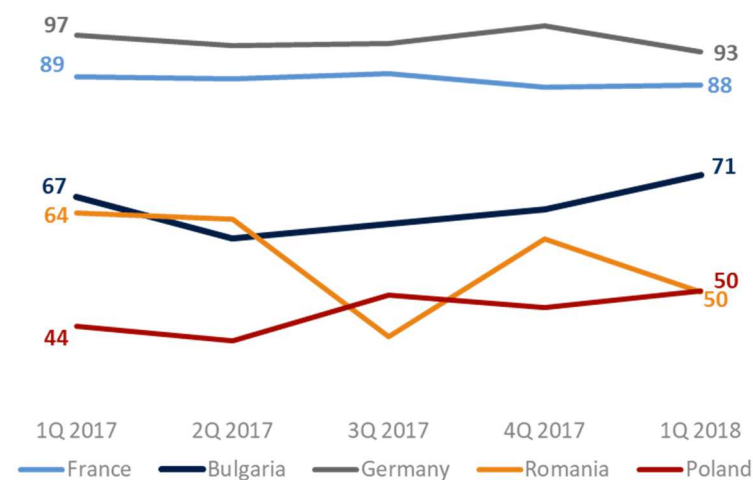
Baseload Spark Spread in Italy (€/MWh)



Electricity Prices in Italy (€/MWh)

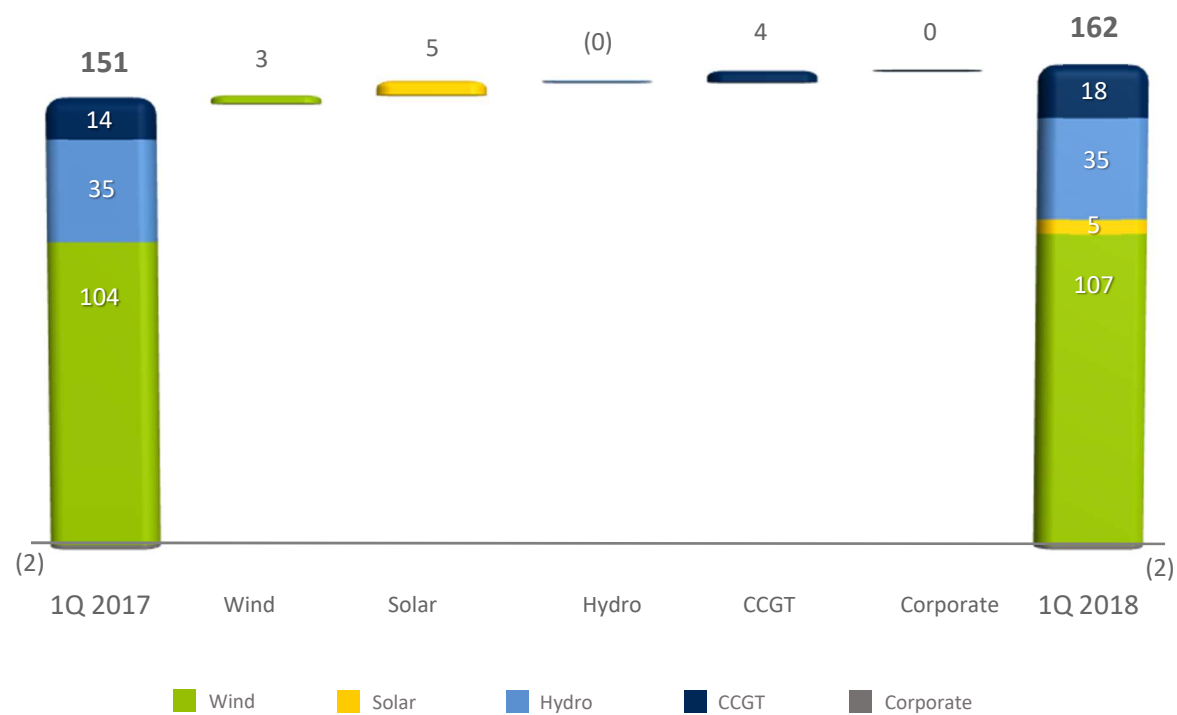


All-in Wind Prices abroad (€/MWh)



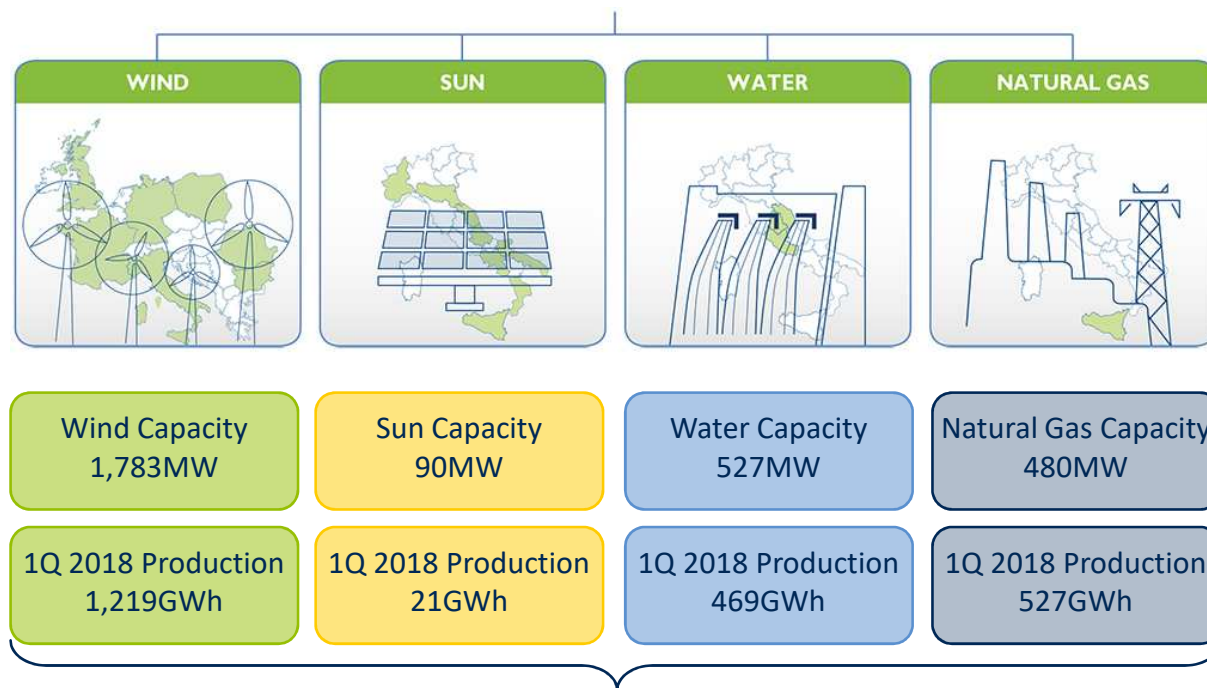


1Q 2018 GROUP EBITDA EVOLUTION





ENERGY PORTFOLIO



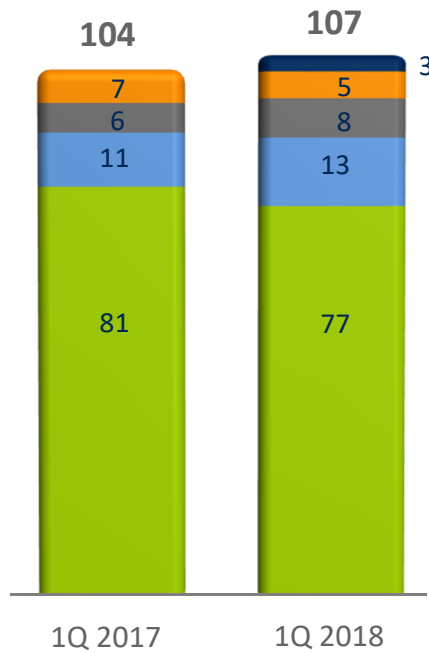
Total 1Q 2018 Production: 2.2TWh

Total Energy Portfolio including hedging & other sales: 3.7TWh

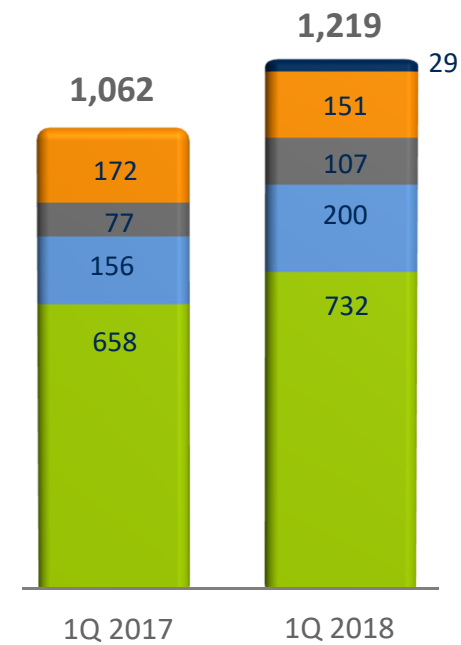
WIND RESULTS



Adjusted Ebitda (€ mn)



Volumes (GWh)



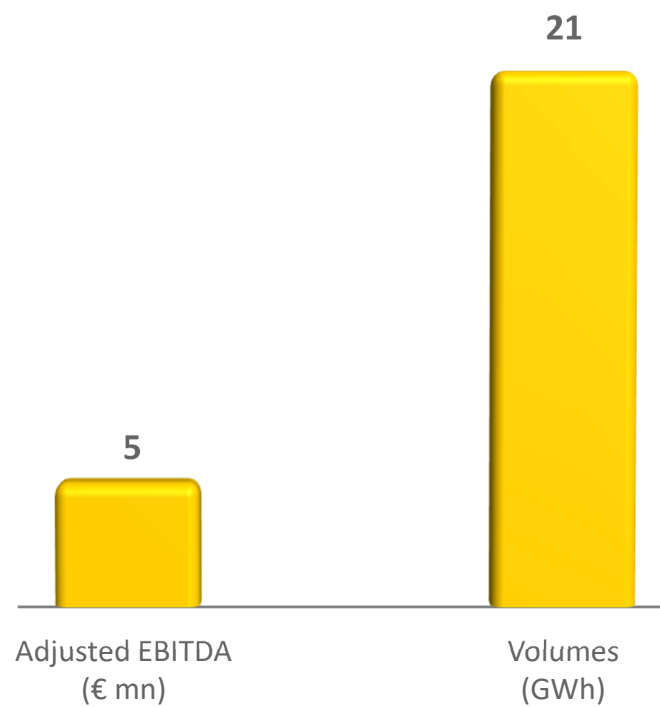
■ Italy
 ■ France
 ■ Germany
 ■ East Europe
 ■ U.K.

Strong wind conditions in Italy and abroad, offset by lower incentivized power in Italy



SOLAR RESULTS

1Q 2018 Results

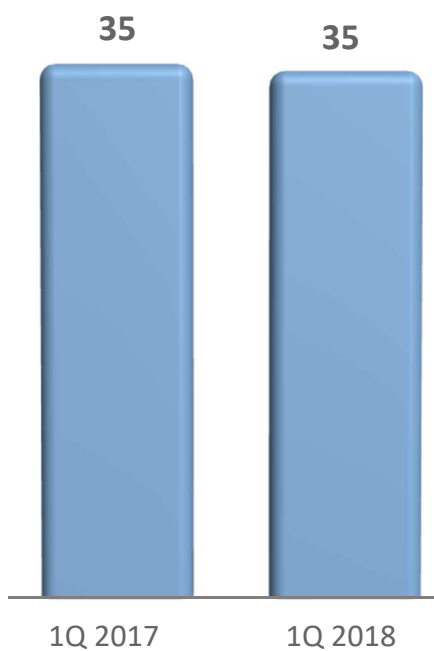


Solar consolidated as of 1/1/2018

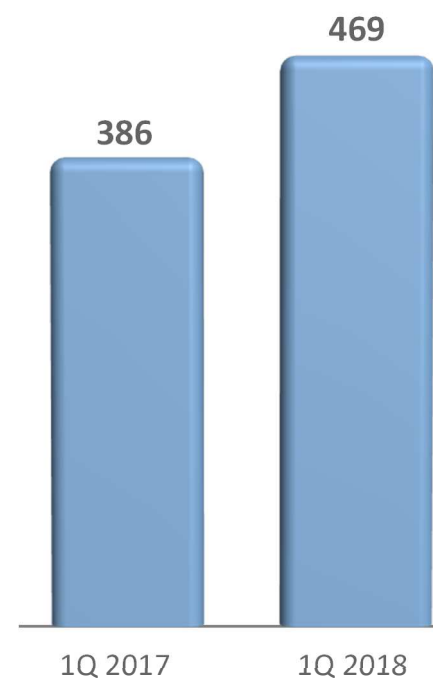


HYDRO RESULTS

Adjusted Ebitda (€ mn)



Volumes (GWh)

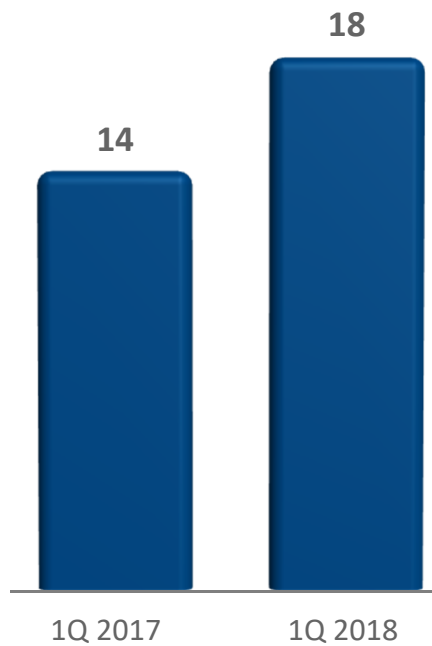


Sound hydro conditions

CCGT RESULTS



Adjusted Ebitda (€ mn)

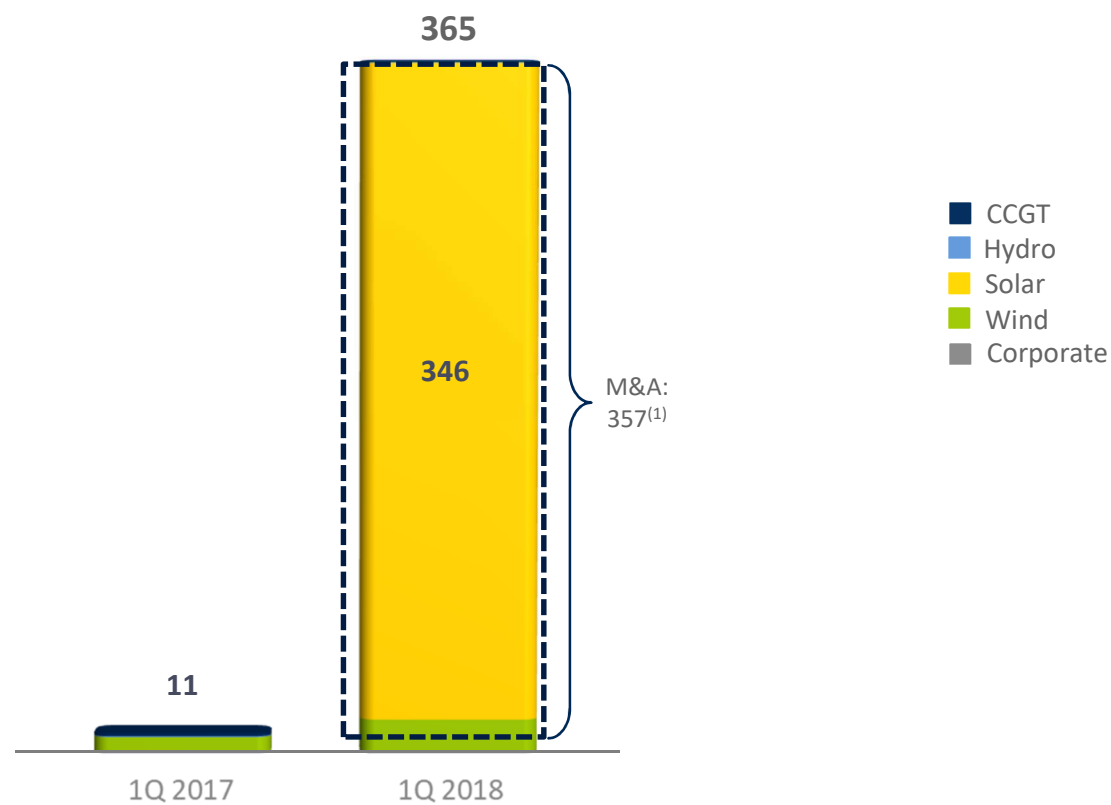


Volumes (GWh)



Good operating performance in a still positive trading environment

INVESTMENTS



⁽¹⁾ M&A CAPEX related to the closing of Vent d'Est acquisition (which took place on March 22, 2018 amounting to €12mn) and ForVEI consolidation (whose acquisition took place on January 12, 2018) for €346mn thus including €10.5mn of FV relative to the leasing contract.



KEY FINANCIALS





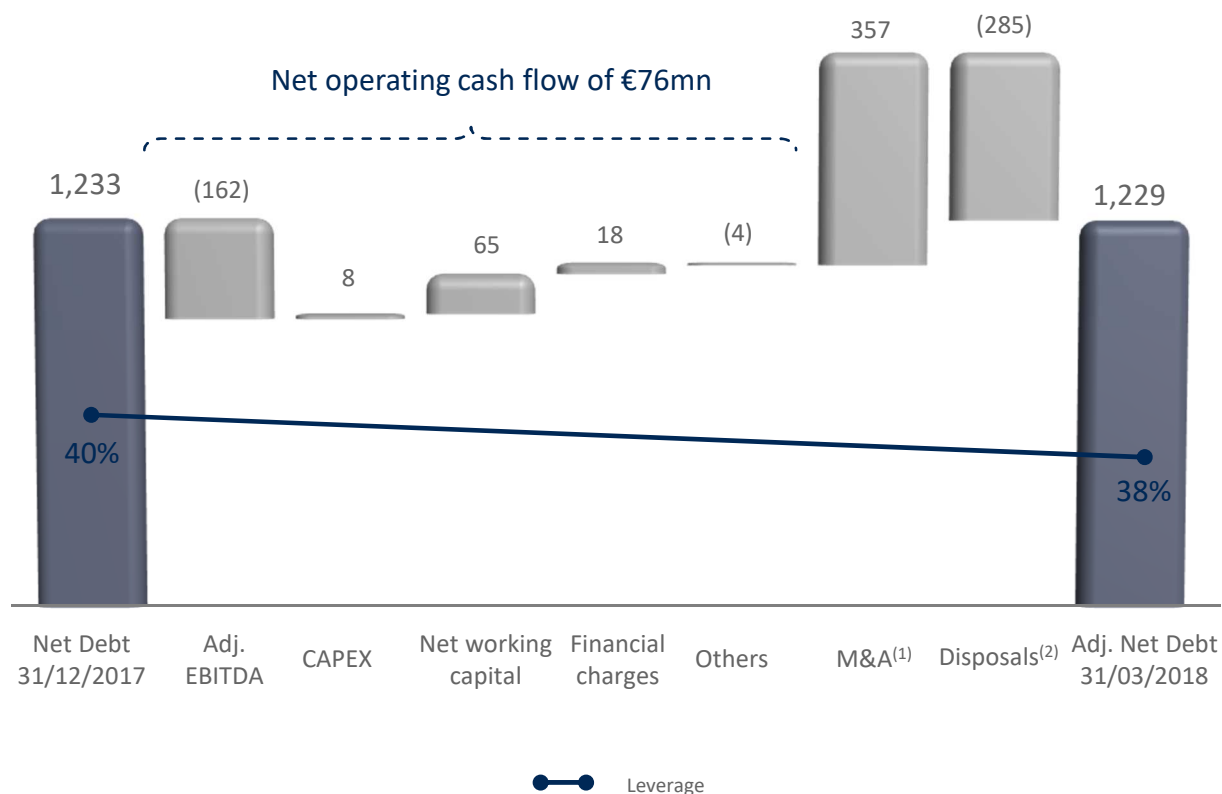
ADJUSTED COSTS P&L

4Q 2017	Euro millions	1Q 2018	Restated 1Q 2017
116	Adjusted EBITDA	162	151
(64)	<i>Amortization and depreciation</i>	(69)	(62)
52	Adjusted EBIT	94	90
(16)	<i>Net financial income (expenses)</i>	(18)	(16)
(2)	<i>Net income (loss) from equity investments</i>	0	0
34	Adjusted Results before taxes	76	73
(5)	<i>Income taxes</i>	(19)	(19)
28	Adjusted Results for the period	56	54
0	<i>Minority interests</i>	(0)	0
28	Adjusted Net Profit	56	54
16%	Tax Rate	26%	26%

Note: figures based on NO GAAP measures



1Q 2018 CASH FLOW STATEMENT



⁽¹⁾ Acquisitions related to the closing of Vent d'Est (which took place on March 22, 2018 amounting to €12mn) and ForVEI consolidation (whose acquisition took place on January 12, 2018) for €346mn including also €10.5mn of FV relative to the leasing contract.

⁽²⁾ It includes €179mn referred to TotalERG disposal (on January 10, 2018), and €106mn referred to Brockaghboy disposal (on March 8, 2018)



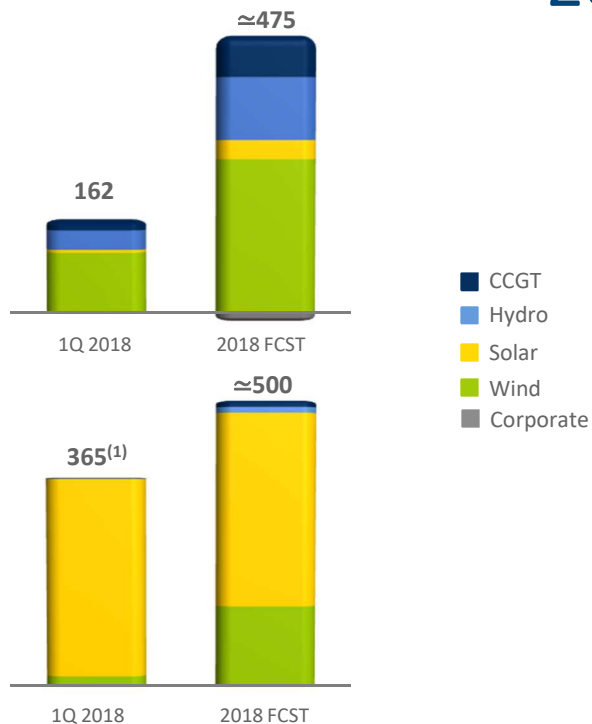
2018 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE, CEO





2018 GUIDANCE



Adj. EBITDA:

✓ Guidance confirmed at €475mn

CAPEX:

✓ Guidance increased at €500mn to include Epuron acquisition

Adj. NFP:

✓ Guidance increased at €1.3bn to include Epuron acquisition

⁽¹⁾ CAPEX include the closing of Vent d'Est acquisition (which took place on March 22, 2018 amounting to €12mn), and ForVEI consolidation (whose acquisition took place on January 12, 2018) for €346mn thus including €10.5mn of FV relative to the leasing contract

⁽²⁾ It includes Vendor Loan to api for €36mn



APPENDIX





WIND: KEY FIGURES (1/2)

4Q 2017	Euro millions	1Q 2018	1Q 2017
1,814	Installed capacity (end-period, MW)	1,783	1,720
	<i>of which:</i>		
1,093	- Italy	1,093	1,094
252	- France	268	252
216	- Germany	216	168
82	- Poland	82	82
70	- Romania	70	70
54	- Bulgaria	54	54
48	- UK	0	0
1,081	Electricity Production (GWh)	1,219	1,062
	<i>of which:</i>		
594	- Italy	732	658
155	- France	200	156
132	- Germany	107	77
82	- Poland	61	63
48	- Romania	47	60
41	- Bulgaria	43	49
29	- UK	29	0



WIND: KEY FIGURES (2/2)

4Q 2017	Euro millions	1Q 2018	1Q 2017
Unitary Revenues (€/MWh):			
144	- Italy	126	145
96	- France	88	89
88	- Germany	93	97
46	- Poland	50	44
58	- Romania	50	64
63	- Bulgaria	71	67
98	- UK	100	n.a.
Adjusted EBITDA:			
63	- Italy	77	81
10	- France	13	11
10	- Germany	8	6
2	- Poland	2	1
2	- Romania	1	3
1	- Bulgaria	3	3
2	- UK	3	0
89	Total Adjusted EBITDA	107	104
(41)	Depreciation	(41)	(38)
49	Adjusted EBIT	66	65

SOLAR: KEY FIGURES



4Q 2017	Euro millions	1Q 2018	1Q 2017
n.a.	Electricity Production (GWh)	21	n.a.
n.a.	Unitary Revenues (€/MWh)	289	n.a.
n.a.	Adjusted EBITDA	5	n.a.
n.a.	Depreciation	(5)	n.a.
n.a.	Adjusted EBIT	0	n.a.

HYDRO: KEY FIGURES



4Q 2017	Euro millions	1Q 2018	1Q 2017
260	Electricity Production (GWh)	469	386
109	Unitary Revenues (€/MWh)	94	95
20	Adjusted EBITDA	35	35
(15)	Depreciation	(15)	(15)
6	Adjusted EBIT	20	21

CCGT: KEY FIGURES



4Q 2017	Euro millions	1Q 2018	1Q 2017
641	Electricity Production (GWh)	527	600
46	Unitary Revenues (€/MWh)	51	44
16	Adjusted EBITDA	18	14
(8)	Depreciation	(8)	(8)
8	Adjusted EBIT	11	7

INVESTMENTS



4Q 2017	Euro millions	1Q 2018	1Q 2017
9	Wind	17 ⁽¹⁾	8
n.a.	Solar	346 ⁽²⁾	n.a.
3	Hydro	0	1
4	CCGT	2	2
1	Corporate	1	0
17	Total	365	11

⁽¹⁾ It includes €12mn referred to Vent d'Est acquisition, whose closing took place on March 22, 2018

⁽²⁾ It includes ForVEI consolidation (whose acquisition took place on January 12, 2018) for €346mn thus including €10.5mn of FV relative to the leasing contract.