Full Year 2019 Results

11 MARCH 2020

LUCA BETTONTE, CEO

ERG

EVOLVING ENERGIES

DISCLAIMER

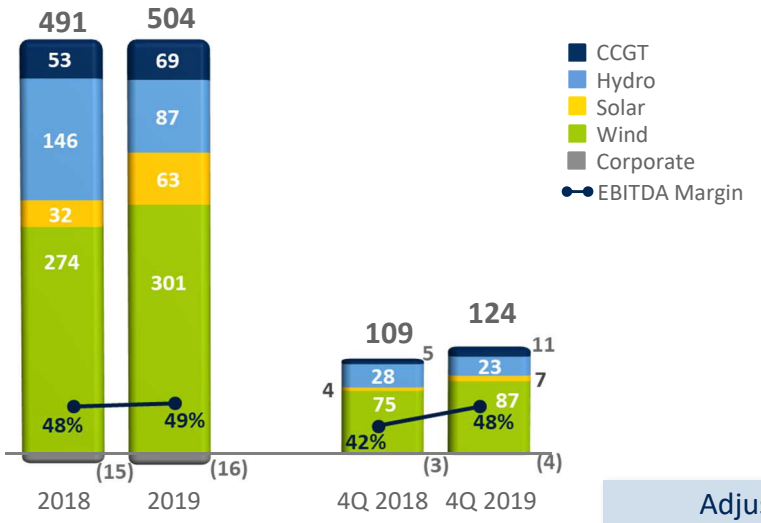
This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.
There can be non assurance that the projections or forecasts will ultimately prove to be accurate; 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

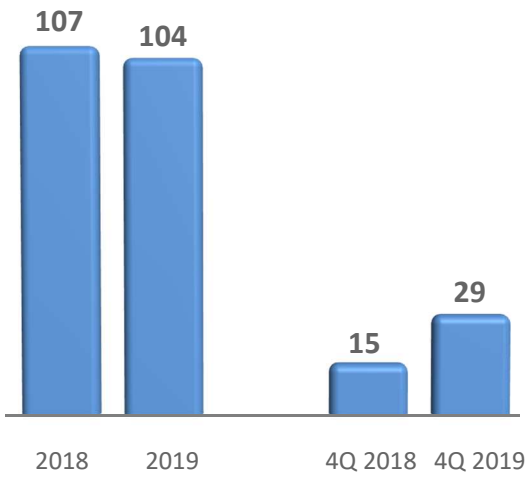
- 4Q 2019 Highlights
  - ✓ Key Figures
  - ✓ 2019 Main Takeways & Recent Developments
- Results Review
  - ✓ Business Environment
  - ✓ 2019 Group EBITDA
  - ✓ Results by Segments
- Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement
- 2020 Guidance and Conclusions
- Appendix

HIGHLIGHTS: KEY FIGURES

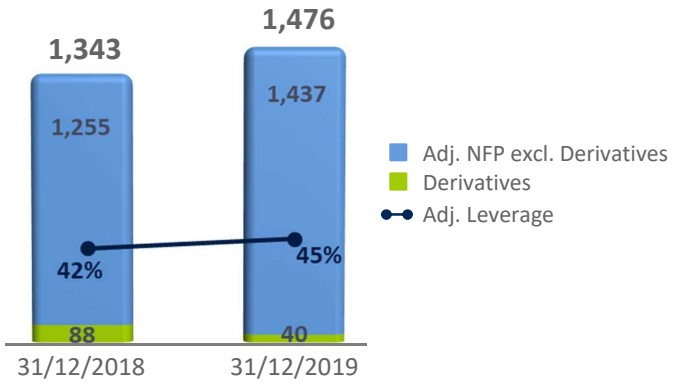
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)

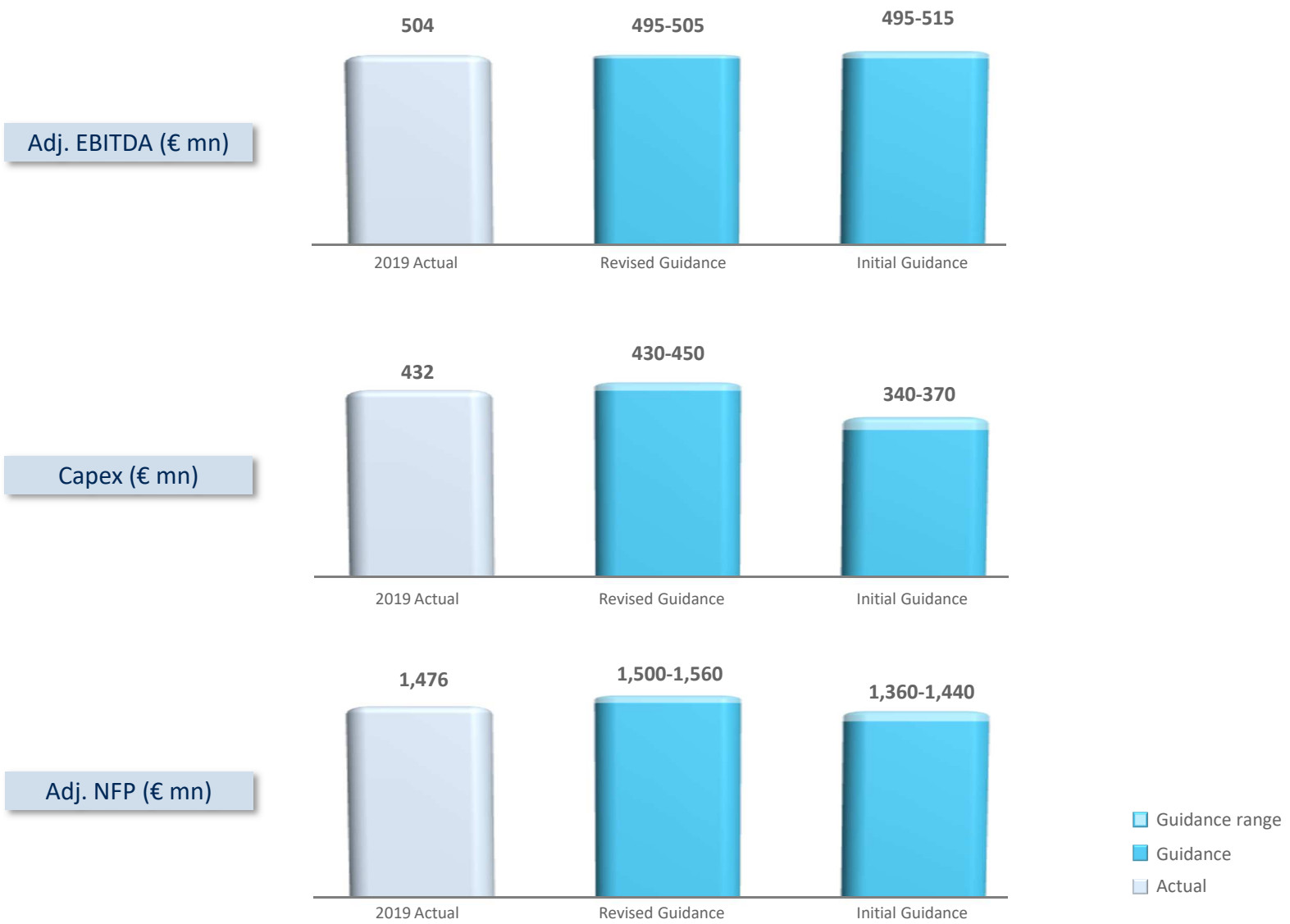


Adjusted NFP (€ mn)



Scarcity of Hydro mitigated by growth and generation mix

FY 2019 RESULTS VS GUIDANCE



2019: A YEAR OF SUSTAINABLE GROWTH

2019 Takeways

GROWING INSTALLED CAPACITY

- Further on-shore wind expansion in France: +90MW. Wind capacity at 400MW.
- Further on-shore wind expansion in Germany: +56MW. Wind capacity at 272MW
- Further PV expansion in Italy: +51MW. PV capacity at 141MW
- Organic growth abroad: overall secured capacity at 100% vs BP target @2022
- Repowering: advanced stage of authorization process for 241MW As-Is

ENHANCING REVENUES STABILITY

- Signed 2 PPA with ACEA Energia (1.5TWh over the next 3 years) paving the way for longer duration
- Capacity Market in Italy: awarded 340MW of our CCGT. Secured €11mn/y revenues in 2022 and 2023

ESG REWARD

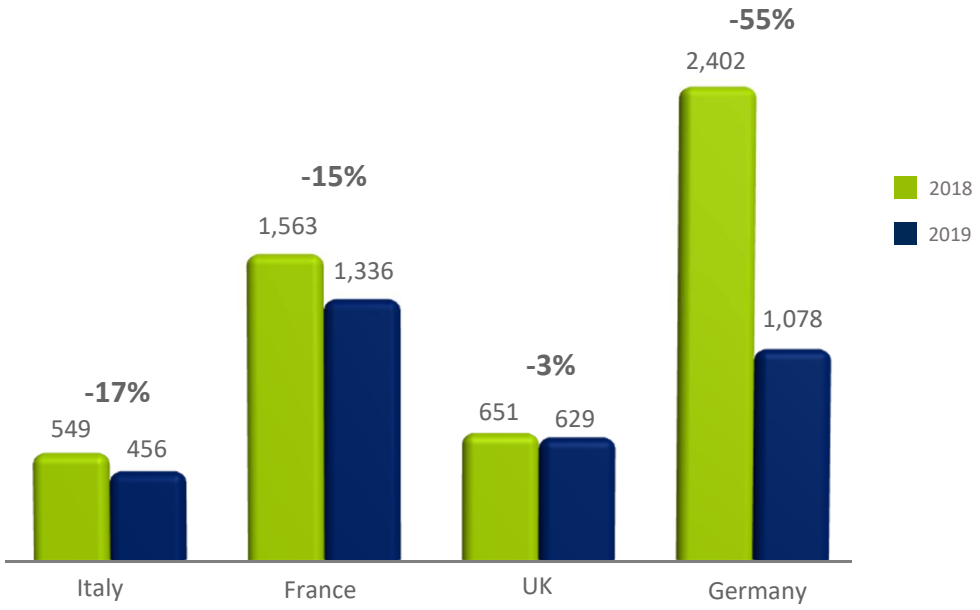
- Achieved ESG rating AA from MSCI
- Ranked 35th worldwide in the Corporate Knights Global 100 Index
- Confirmed rating B from CDP
- Rating from Gaia[1] and included in the Ethibel Excellence Investment and Pioneer Registers

[1] Score 78/100

2019 MAIN TAKEAWAYS & BUSINESS PLAN DEPLOYMENT

DESPITE TOUGH ENVIRONMENT IN CORE COUNTRIES…

On-shore WIND new installed Capacity in ERG core countries (MW)



- Tough and longer permitting (Italy, France and Germany)
- Delay in development of Infrastructures/smart grids/connections (UK and Germany)
- Ambitious national targets @2030 (ie PNIEC) vs. execution of auctions for new capacity

Longer Time-to-Market for New Capacity in Key Countries

ERG KEEPS GROWING ON TRACK WITH BP TARGETS

STRONG EXECUTION FROM 2018 TO DATE

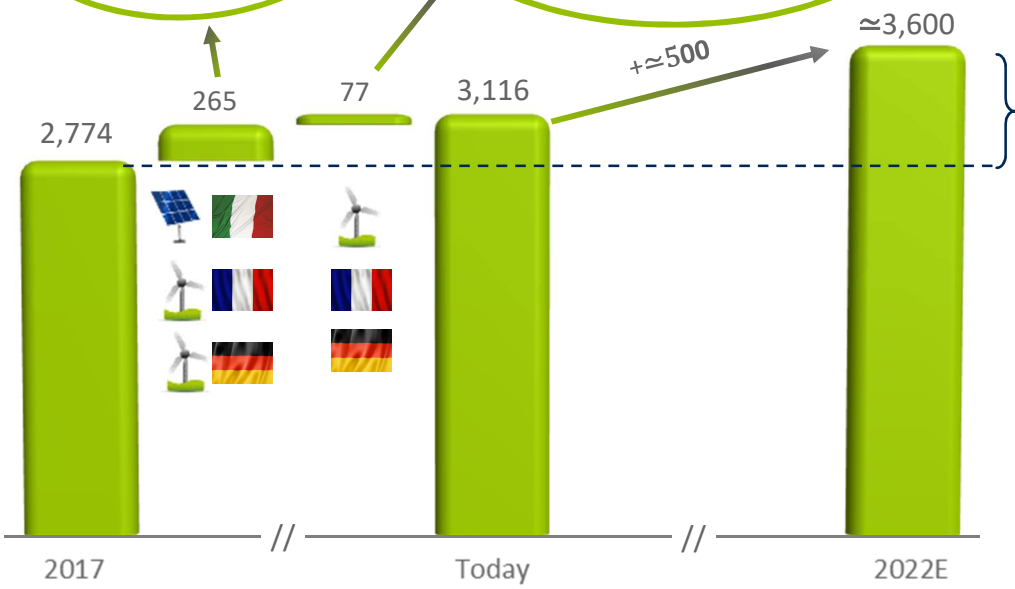
Growth in installed capacity (MW)

M&A

Solar:	**141MW**
ForVei	90MW
Andromeda[1]	51MW
Wind:	**124MW**
Polaris[2]	52MW
Barkow[3]	34MW
Trinity[4]	38MW

Greenfield & CoDev

Wind:	**77MW**
Vent D'Est	16MW
Vaa2	13MW
Le Melier (EPURON)	8MW
Torfou (EPURON)	18MW
Linda	22MW



+≃850MW

M&A:	+250MW
Repowering:	+260MW
Greenfield & Co Dev:	+350MW
	+≃850MW

[1] Closing took place on February 12, 2019
[2] Closing took place on May 6, 2019
[3] Closing took place on September 13, 2019
[4] Closing took place on February 24, 2020

NEW CAPACITY IN SERVICE IN 2019: +198MW

Vaa2[1]	Torfou[1]	Le Melier[1]	Linda
13MW	18MW	8MW	22MW

Andromeda	Polaris	Barkow	Trinity[2]
51MW	52MW	34MW	38MW

All those assets are based on incentivized tariffs with an avg duration of 11 years

[1] Entered into operation as of end of 2018, thus starting to contribute in 2019
[2] Acquired in 2020

PROJECTS UNDER CONSTRUCTION AND/OR RTB

Evishagaran
47MW
- Construction started on January 2020

COD: 1H 2021
Producibility: 3,700 heq

Sandy Knowe
50MW
- Construction to start in 1Q 2020

COD: 4Q 2021
Producibility: 3,100 heq

Craiggore
23MW
- Construction started in 4Q 2019

COD: 2Q 2021
Producibility: 3,400 heq

Creag Riabhach
79MW
- Construction to start in 2Q 2020

COD: 1H 2022
Producibility: 2,900 heq

Laszki
36MW
- Construction to start in 2Q 2020

COD: 4Q 2021
Producibility: 2,500 heq

Limousine I
15MW
- Construction to start in 4Q 2020

COD: 4Q 2021
Producibility: 2,200 heq

Champagne I
22MW
- Construction to start in 4Q 2020

COD: 4Q 2021
Producibility: 2,300 heq

Vaa2
13MW
- Construction to start in 4Q 2020

COD: 4Q 2021
Producibility: 2,100 heq

✓ **285MW to go Under Construction in 2020 in UK, France and Poland**

✓ **Green Field Development well on track: BP Target of 350MW@2022 fully secured[1]**

[1] Including 77MW already brought into operation in 2018-2019

REPOWERING & REBLADING IN PROGRESS

Repowering Project Portfolio in Italy

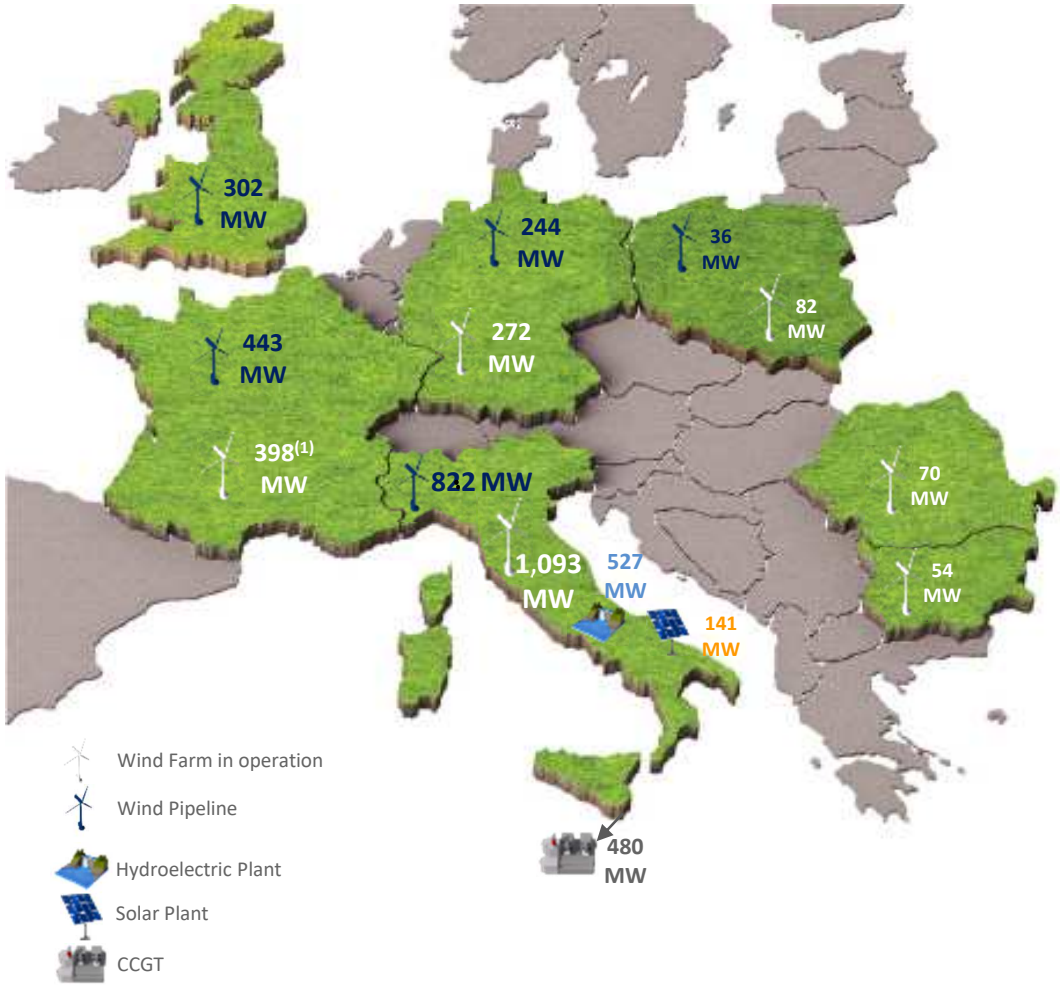
No. of projects	MW AS IS	MW post RPW	Grid Connection	Advancement of Authorization	Expected COD
3	92	218	Secured	Positive opinion Commissione VIA, positive opinion Fine Arts Ministry (F.A.M.)	2022
2	69	146	Secured	Positive opinion Commissione VIA, waiting for F.A.M. opinion	2022
2	21	42	Secured	Waiting for Commissione VIA opinion	2022
7	**182**	**407**	**Secured**	**Projects well advanced with expected COD by 2022**	
1	43	113	Secured	Positive opinion Commissione VIA, F.A.M. negative opinion under recourse	2023+
2	37	67	Applied [1]	Positive opinion Commissione VIA, waiting for F.A.M. opinion	2023+
4	92	195	Secured	Applied for Authorization to Commissione VIA	2023+
1	18	40	Applied [1]	Engineering for Authorization	2023+
8	**190**	**415**		**Projects with expected COD 2023+**	
15	**372**	**822**		**TOTAL**	

Reblading Project Portfolio

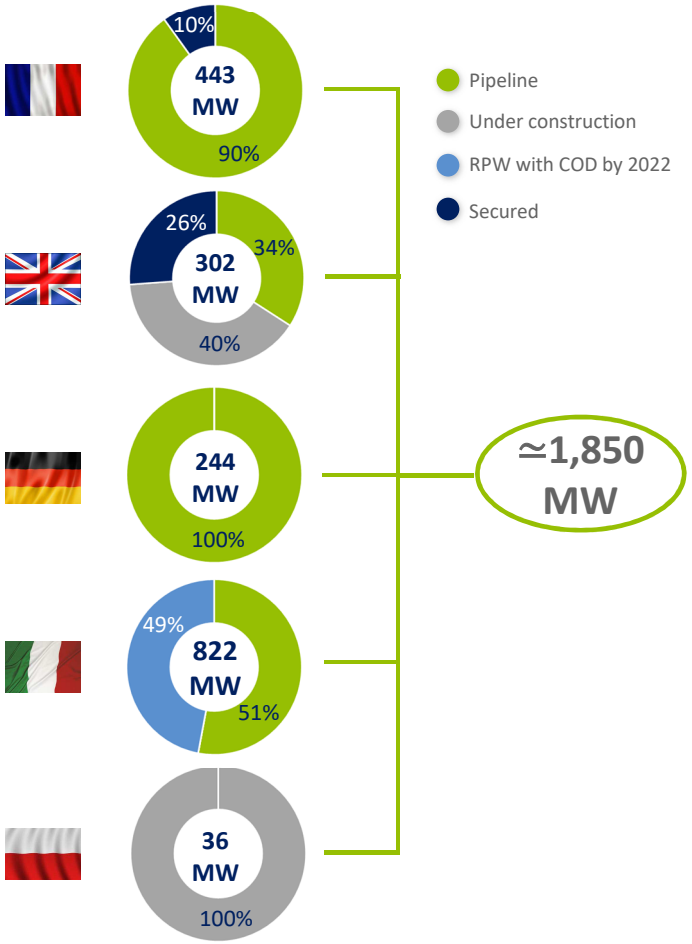
No. of projects	MW		Expected COD
1	13	In operation in 2Q 2019	2Q 2019
1	2	In construction	2Q 2020
1	20	Obtained VIA Decreee	1Q 2021
1	40	Applied for Authorization to Commissione VIA	2Q 2021
4	**75**		

[1] Waiting for TSO confirmation

A SOLID PIPELINE TO BOOST FUTURE GROWTH



Wind Pipeline as of today



(1) It includes Trinity acquisition of 38MW, whose closing took place on February 24, 2020

RESULTS REVIEW

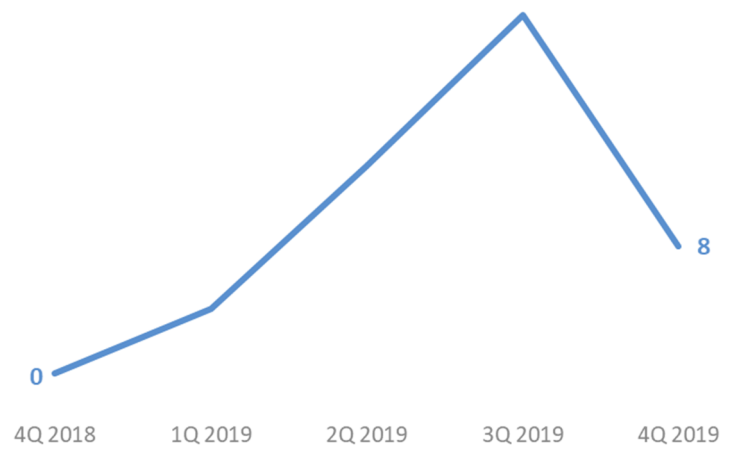
PAOLO MERLI, CORPORATE GENERAL MANAGER & CFO

BUSINESS ENVIRONMENT

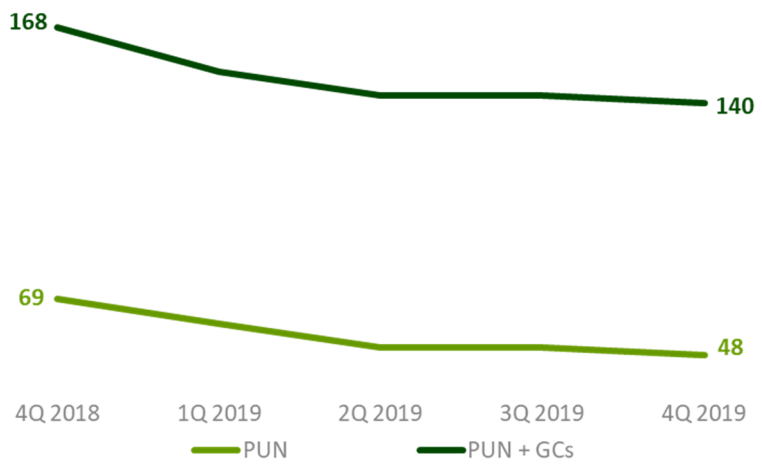
Italy: Electricity Production vs Demand (TWh)

	4Q 2018	4Q 2019	Delta %
Italian Electricity Demand	79	78	-2%
Italian Electricity Production	70	68	-2%
of which:			
- Thermo	49	46	-7%
- Hydro	11	12	9%
- Solar	3	4	11%
- Wind	5	6	18%
- Other Sources	1	1	-3%

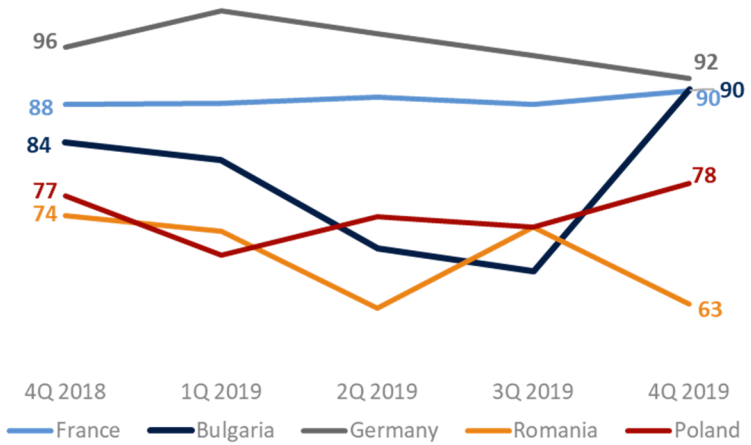
Clean Spark Spread Indicator (€/MWh)



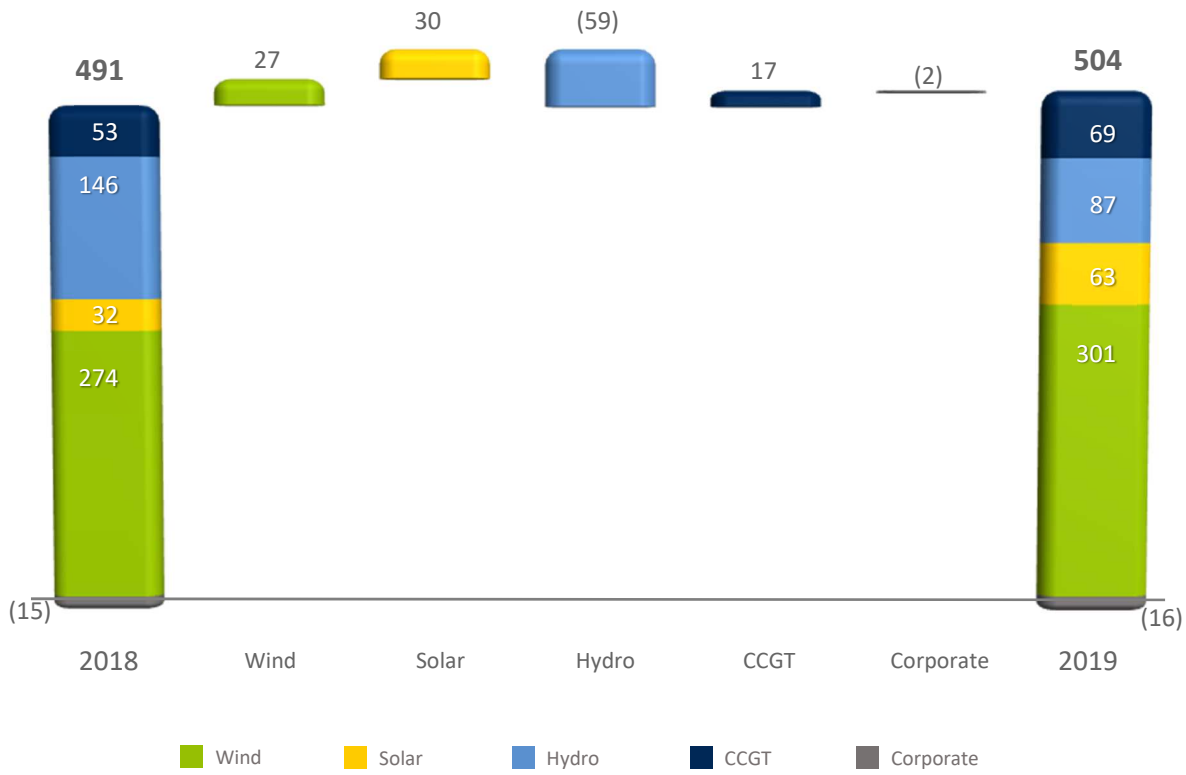
Electricity Prices in Italy (€/MWh)



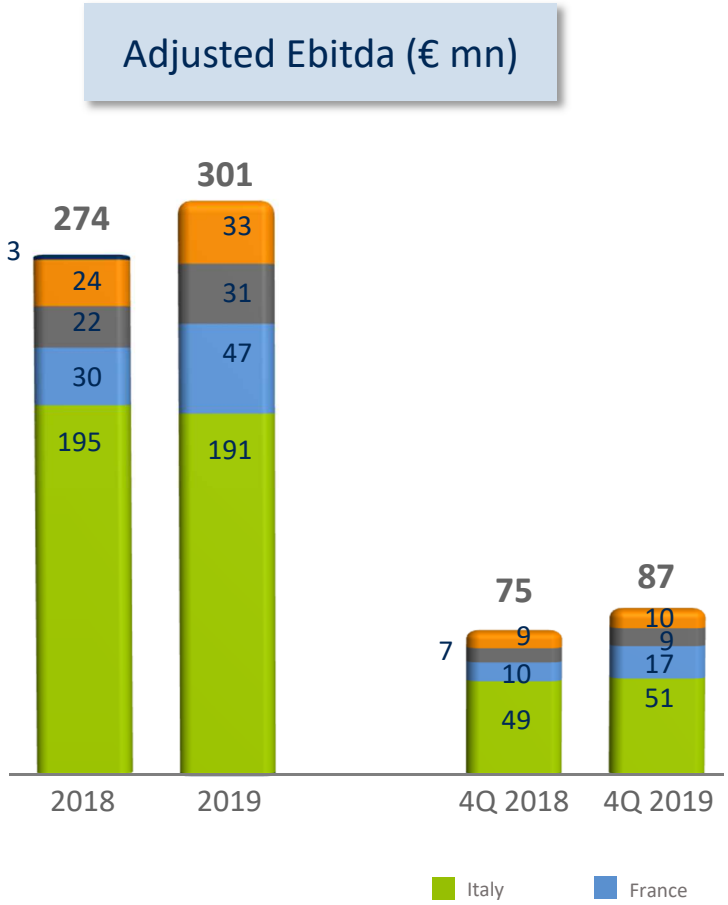
All-in Wind Prices abroad (€/MWh)

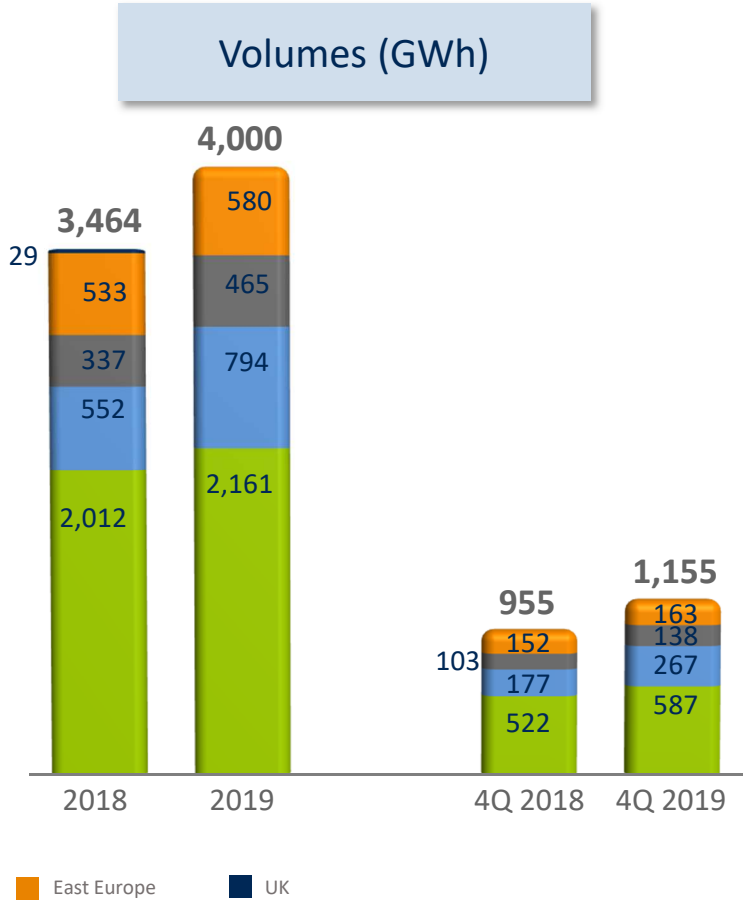


2019 GROUP EBITDA EVOLUTION



WIND RESULTS

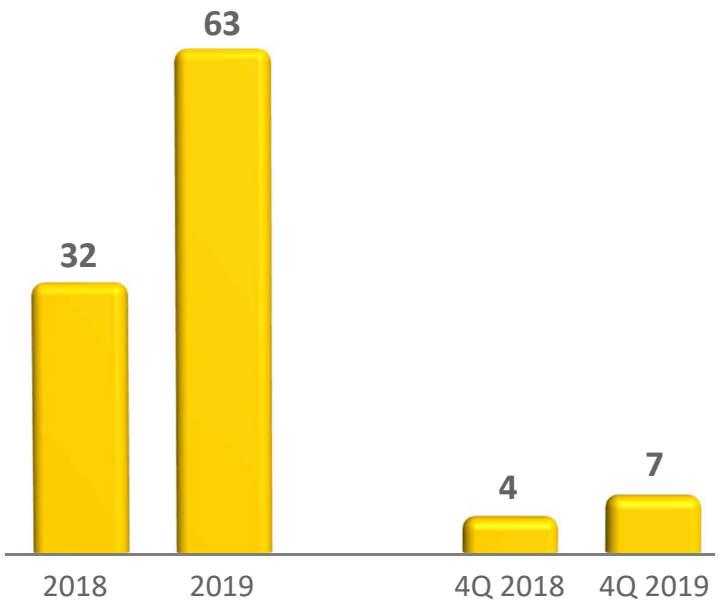




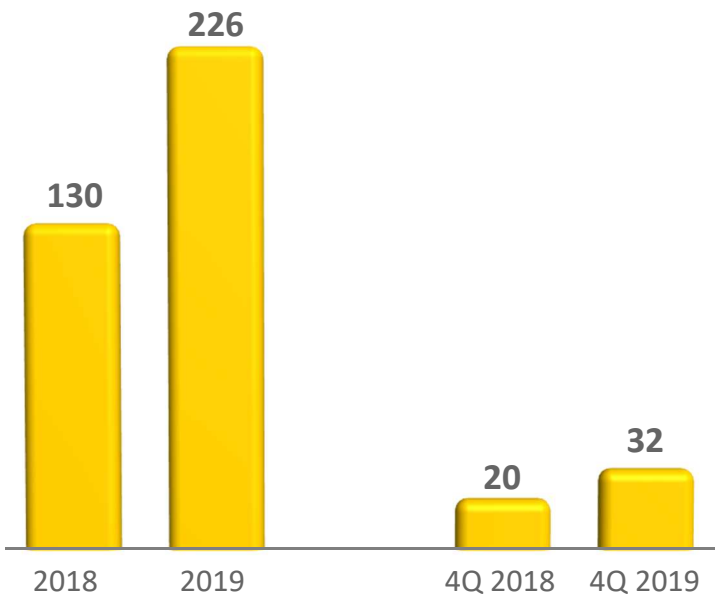
Italy France Germany East Europe UK

SOLAR RESULTS

Adjusted Ebitda (€ mn)

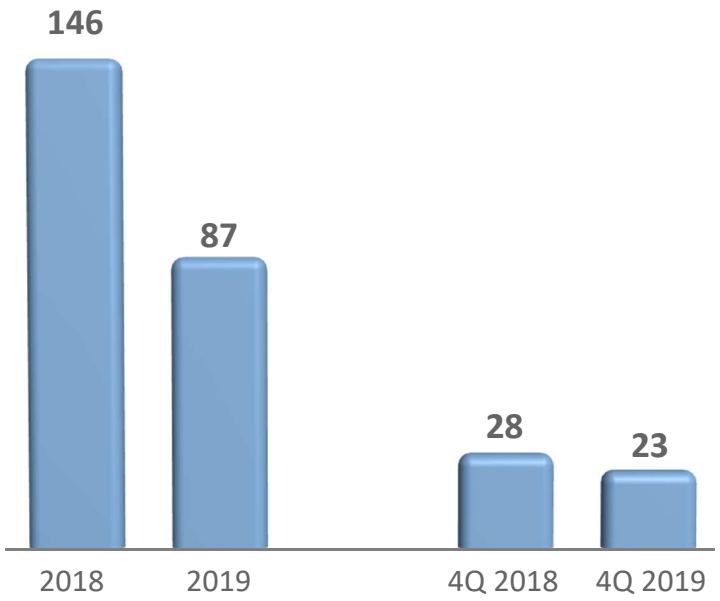


Volumes (GWh)

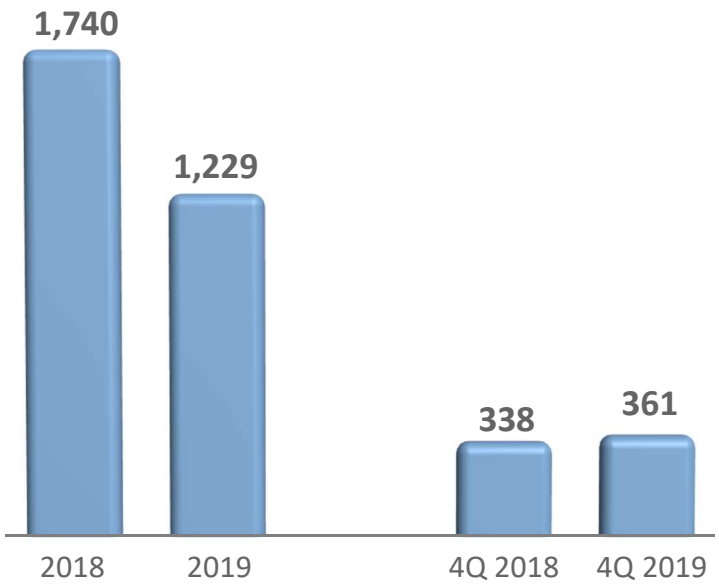


HYDRO RESULTS

Adjusted Ebitda (€ mn)

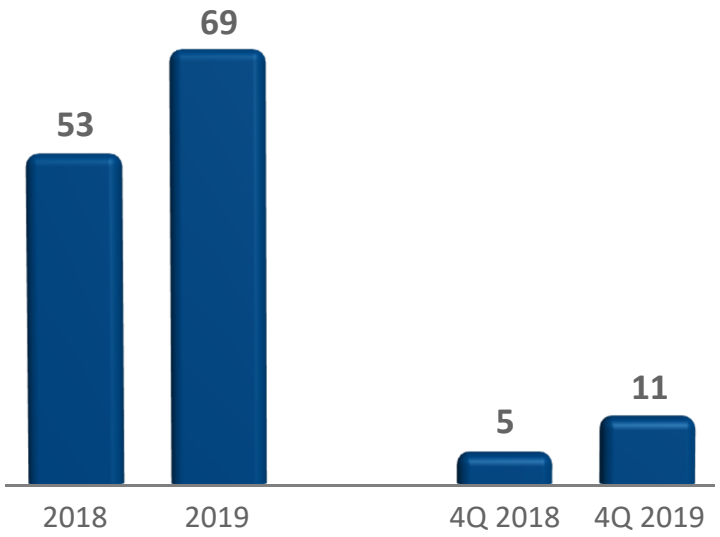


Volumes (GWh)

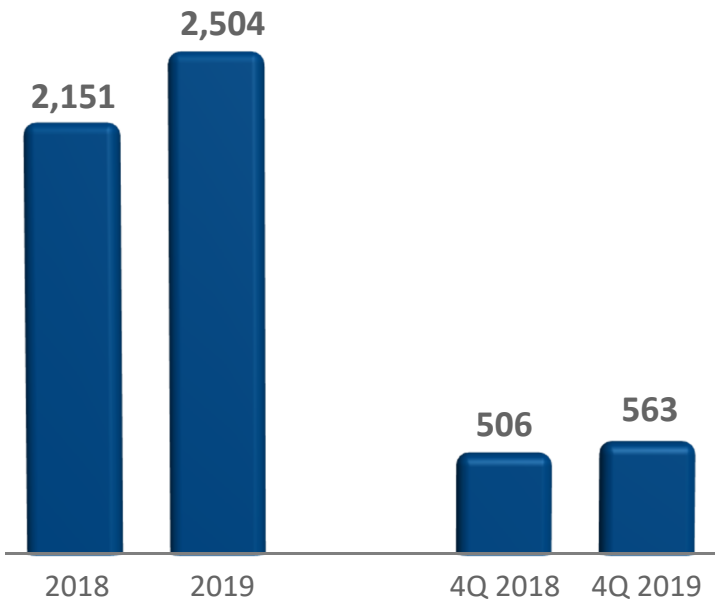


CCGT RESULTS

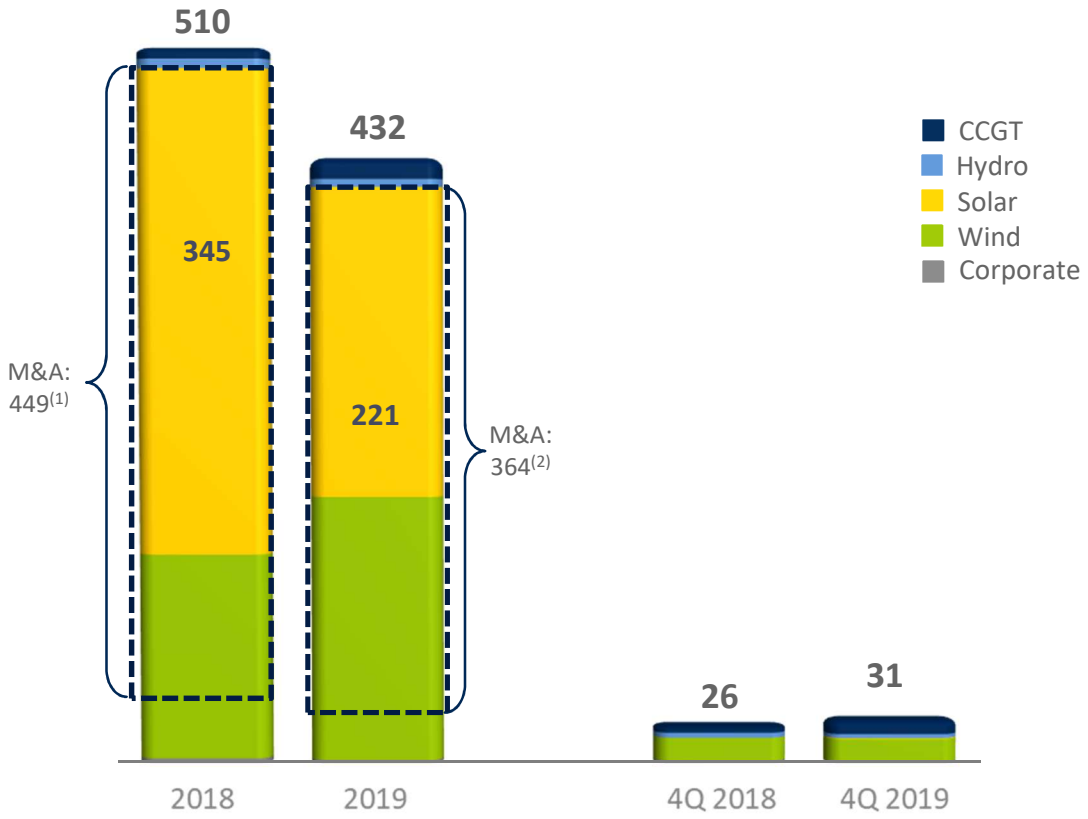
Adjusted Ebitda (€ mn)



Volumes (GWh)



INVESTMENTS



(1) M&A CAPEX include: Vent d'Est acquisition for €13.5mn, Epuron acquisition for €67mn, Valle de l'AA extension acquisition for €1mn, Creag Riabhach for €22.5mn, and ForVEI consolidation for €345mn

(2) M&A CAPEX related to the closing of Andromeda acquisition for €220mn, Polaris acquisition for €52mn, Craiggore and Windwarts acquisitions - respectively for €6mn and €2mn - and Barkow acquisition (which took place on September 13, 2019) for €84mn

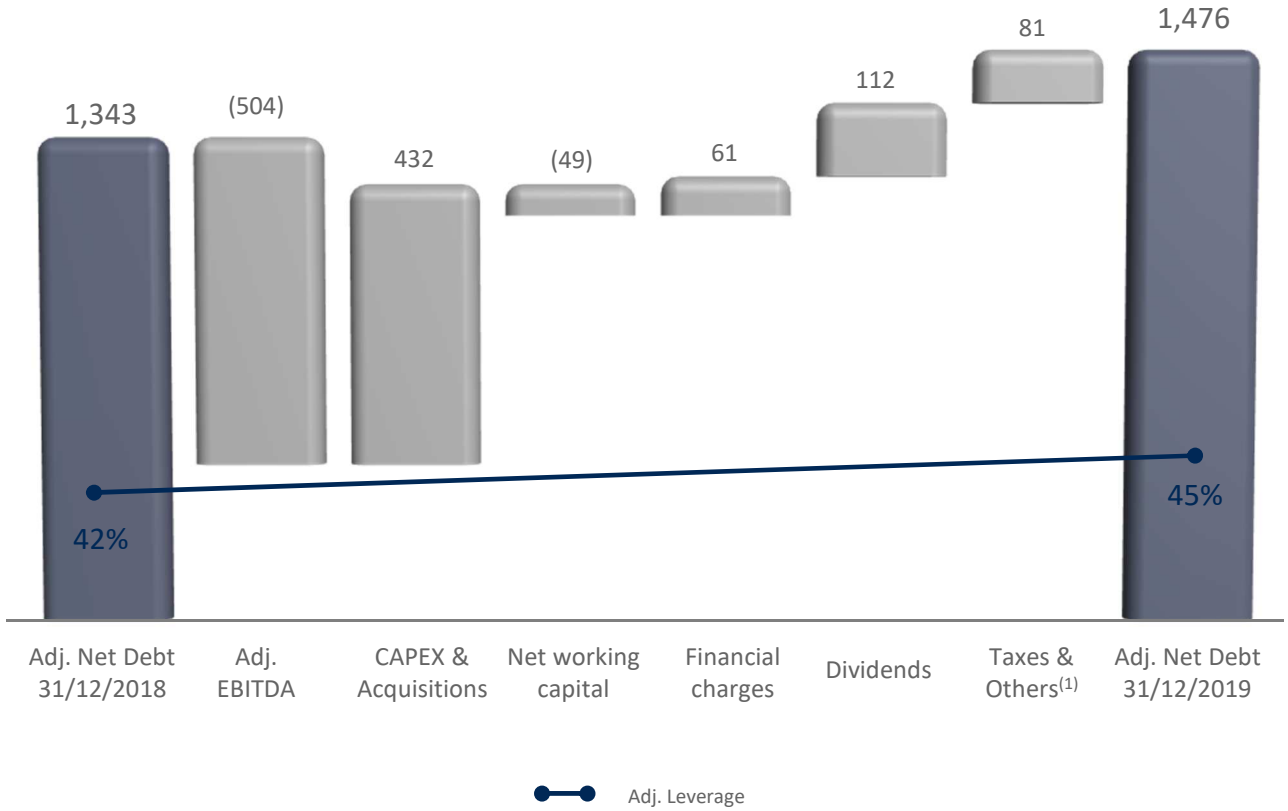
KEY FINANCIALS

ADJUSTED P&L

2019	2018	Euro millions	4Q 2019	4Q 2018
504	491	Adjusted EBITDA	124	109
(299)	*(275)*	*Amortization and depreciation*	*(76)*	*(71)*
205	216	Adjusted EBIT	48	38
(61)	*(70)*	*Net financial income (expenses)*	*(13)*	*(17)*
0	*(0)*	*Net income (loss) from equity investments*	*0*	*(0)*
144	146	Adjusted Results before taxes	34	21
(39)	*(39)*	*Income taxes*	*(6)*	*(6)*
105	107	Adjusted Results for the period	29	15
(1)	*(0)*	*Minority interests*	*0*	*0*
104	107	Adjusted Net Profit	29	15
27%	27%	Tax Rate	16%	29%

Note: figures based on NO GAAP measures

2019 CASH FLOW STATEMENT

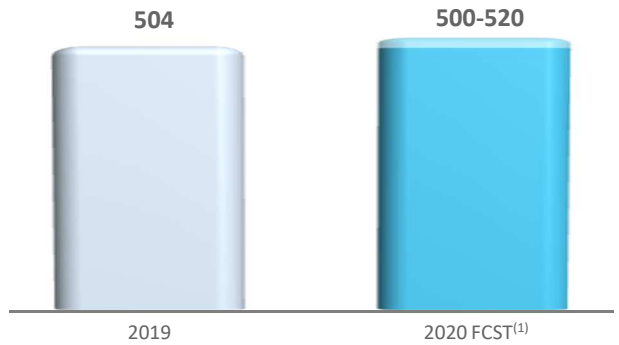


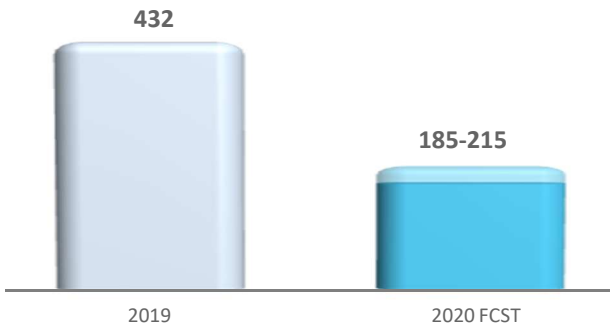
(1) Out of which €43mn is a non-cash item linked to the write-off of a positive FV associated to Erg Wind Project Financing, while the remainder is mainly relates to taxes paid in 2H2019

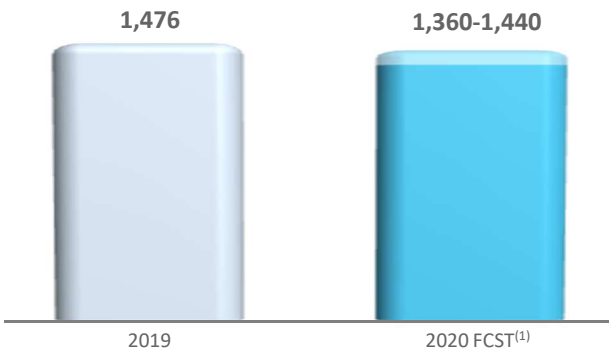
2020 GUIDANCE

LUCA BETTONTE, CEO

2020 GUIDANCE







(1) 2020 Guidance does not include IFRS 16 effects

Guidance range
Guidance
Actual

Adj. EBITDA:

✓ Expected to be higher than last year
- Wind and Solar in line with 2019
- Hydro better for larger production
- Thermal lower due to progressive phasing out from White Certificate Program

CAPEX:

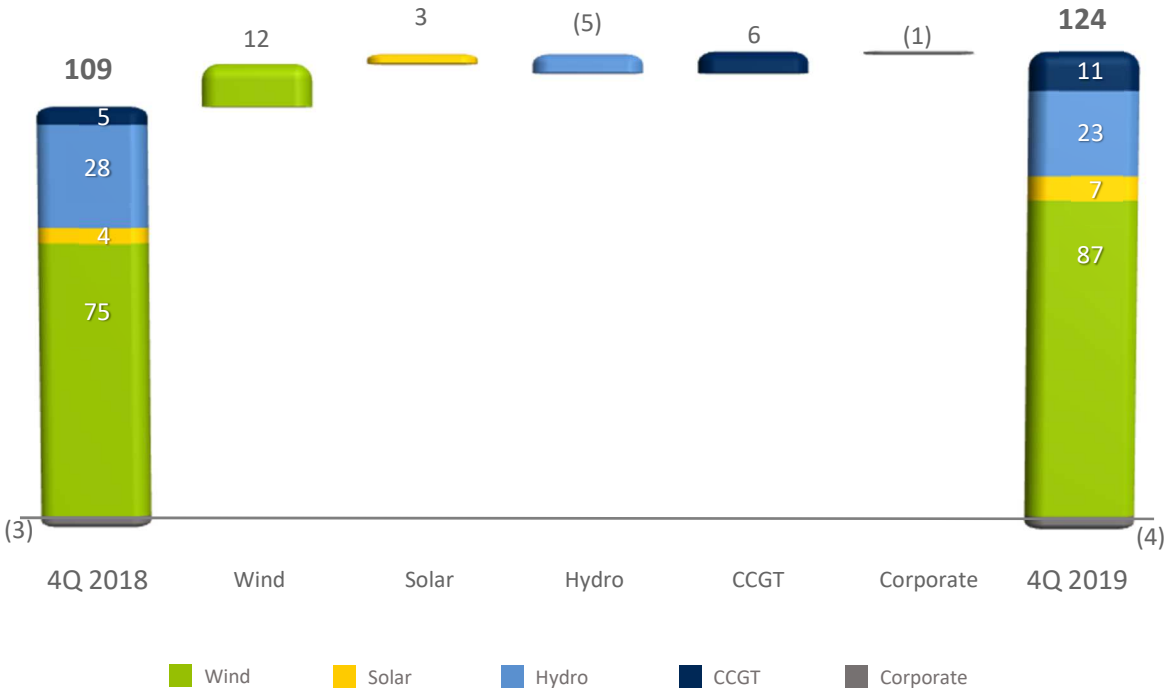
✓ To build Greenfield projects: 200MW in UK, 36MW in Poland, 50MW in France
✓ To acquire 38MW in France
✓ To keep developing Repowering and Reblading

Adj. NFP:

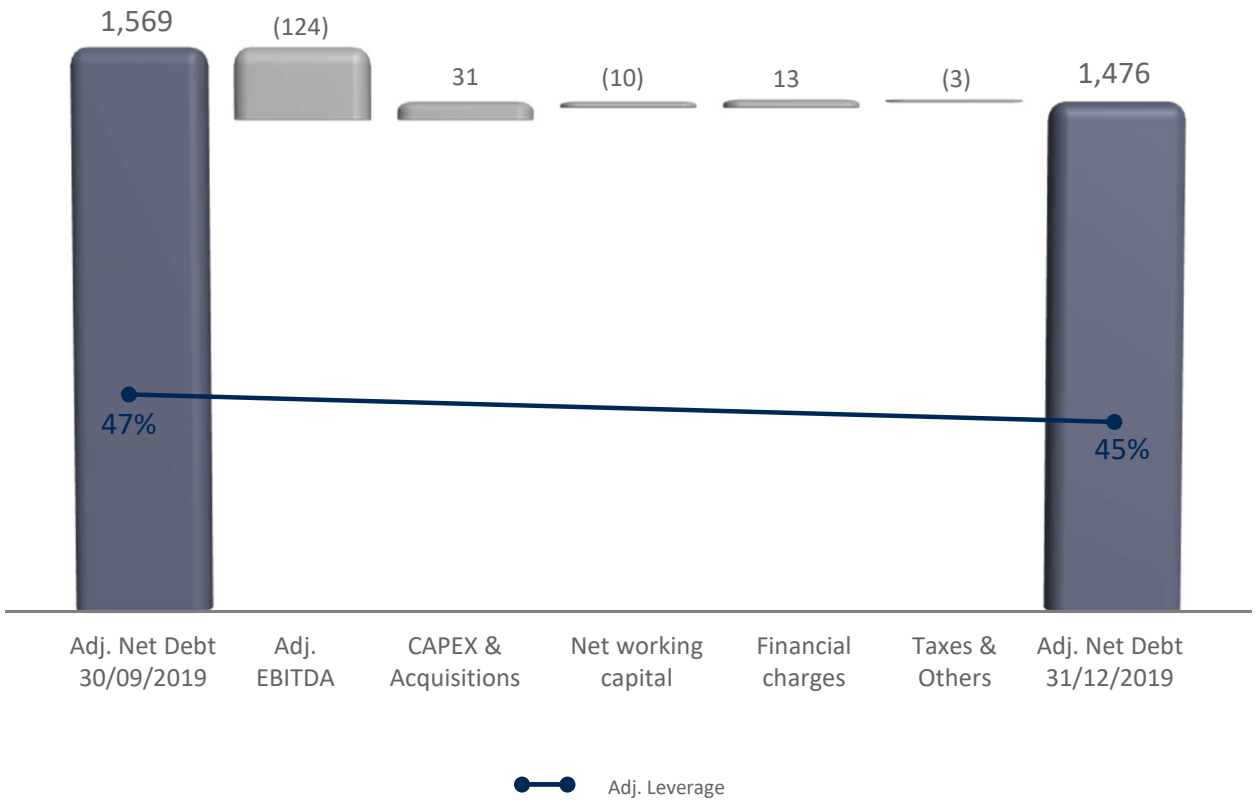
✓ Higher EBITDA
✓ Lower Capex
✓ Lower Financial Charges

APPENDIX

4Q 2019 GROUP EBITDA EVOLUTION

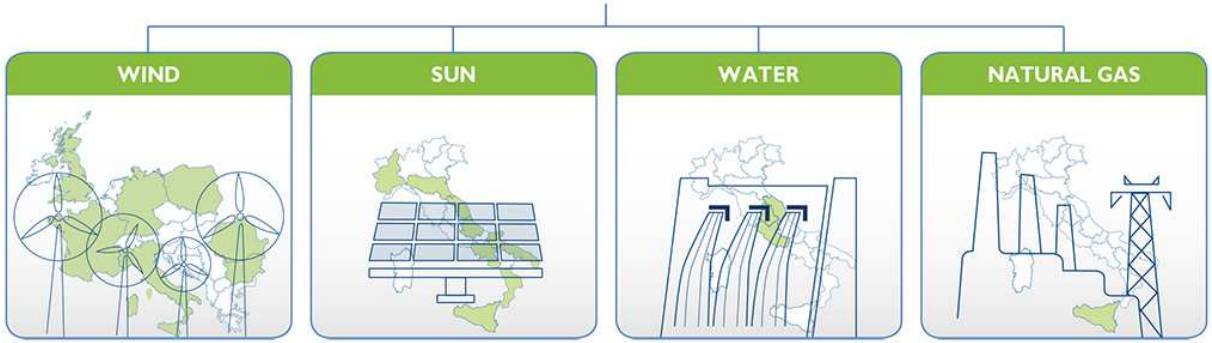


4Q 2019 CASH FLOW STATEMENT



ENERGY PORTFOLIO

ERG
EVOLVING ENERGIES



Wind	Sun	Water	Natural Gas
Capacity 1,929MW	Capacity 141MW	Capacity 527MW	Capacity 480MW
2019 Production 4,000GWh	2019 Production 226GWh	2019 Production 1,229GWh	2019 Production 2,504GWh

Total 2019 Production: 8.0TWh

Total Energy Portfolio including hedging & other sales: 15.1TWh

WIND: KEY FIGURES (1/2)

2019	2018		4Q 2019	4Q 2018
1,929	1,822	Installed capacity (end-period, MW)	1,929	1,822
		of which:		
1,093	*1,093*	*- Italy*	*1,093*	*1,093*
359	*307*	*- France*	*359*	*307*
272	*216*	*- Germany*	*272*	*216*
82	*82*	*- Poland*	*82*	*82*
70	*70*	*- Romania*	*70*	*70*
54	*54*	*- Bulgaria*	*54*	*54*
0	*0*	*- UK*	*0*	*0*
4,000	3,464	Electricity Production (GWh)	1,155	955
		of which:		
2,161	*2,012*	*- Italy*	*587*	*522*
794	*552*	*- France*	*267*	*177*
465	*337*	*- Germany*	*138*	*103*
255	*219*	*- Poland*	*76*	*68*
190	*176*	*- Romania*	*52*	*46*
135	*138*	*- Bulgaria*	*35*	*38*
0	*29*	*- UK*	*0*	*0*

WIND: KEY FIGURES (2/2)

2019	2018	Euro millions	4Q 2019	4Q 2018
		Unitary Revenues (€/MWh):		
118	*125*	*- Italy*	*115*	*124*
89	*87*	*- France*	*90*	*88*
96	*95*	*- Germany*	*92*	*96*
73	*64*	*- Poland*	*78*	*77*
67	*58*	*- Romania*	*63*	*74*
79	*75*	*- Bulgaria*	*90*	*84*
		Adjusted EBITDA:		
191	*195*	*- Italy*	*51*	*49*
47	*30*	*- France*	*17*	*10*
31	*22*	*- Germany*	*9*	*7*
15	*10*	*- Poland*	*5*	*4*
10	*7*	*- Romania*	*2*	*2*
8	*8*	*- Bulgaria*	*2*	*2*
(1)	*3*	*- UK*	*(0)*	*(0)*
301	274	Total Adjusted EBITDA	87	75
(169)	(159)	Depreciation	(42)	(39)
132	115	Adjusted EBIT	44	36

SOLAR: KEY FIGURES

2019	2018	Euro millions	4Q 2019	4Q 2018
226	130	Electricity Production (GWh)	32	20
314	294	Unitary Revenues (€/MWh)	302	284
63	32	Adjusted EBITDA	7	4
(41)	(24)	Depreciation	(11)	(9)
22	8	Adjusted EBIT	(4)	(5)

HYDRO: KEY FIGURES

2019	2018	Euro millions	4Q 2019	4Q 2018
1,229	1,740	Electricity Production (GWh)	361	338
102	107	Unitary Revenues (€/MWh)	94	114
87	146	Adjusted EBITDA	23	28
(57)	(58)	Depreciation	(14)	(15)
30	88	Adjusted EBIT	9	14

CCGT: KEY FIGURES

2019	2018	Euro millions	4Q 2019	4Q 2018
2,504	2,151	Electricity Production (GWh)	563	506
40	42	Unitary Revenues (€/MWh)	40	37
69	53	Adjusted EBITDA	11	5
(28)	(31)	Depreciation	(7)	(8)
41	22	Adjusted EBIT	3	(3)

INVESTMENTS

2019	2018	Euro millions	4Q 2019	4Q 2018
189 [1]	146 [2]	Wind	16	17
221 [3]	345 [4]	Solar	1	0
6	7	Hydro	3	4
15	8	CCGT	10	4
2	3	Corporate	1	1
432	510	Total	31	26

[1] It includes: Polaris acquisition for €52mn, plus Craiggore and Windwarts acquisitions - respectively for €6mn and €2mn - and Barkow acquisition (which took place on September 13, 2019) for €84mn
[2] It includes: Vent d'Est acquisition for €13.5mn, Epuron acquisition for €67mn, Valle de l'AA extension acquisition for €1mn, and Creag Riabhach acquisition for €22.5mn
[3] It refers to the closing of Andromeda acquisition (which took place on February 12, 2019)
[4] It refers to ForVEI consolidation (whose acquisition took place on January 12, 2018)