1Q 2020 Results

14 MAY 2020

LUCA BETTONTE, CEO

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

- 1Q 2020 Highlights
  - ✓ Covid-19: A tough trading Environment
  - ✓ Key Figures
  - ✓ Immediate Reaction towards Covid-19
- Results Review
  - ✓ Business Environment
  - ✓ 1Q 2020 Group EBITDA
  - ✓ Results by Segments
- Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement
- 2020 Guidance and Conclusions
- Appendix

IMMEDIATE REACTION TOWARDS COVID-19

Employees

- **Smart working** extended, ahead of legal provisions, to over 70% of corporate population, **nearly 100% of office staff**
- Adoption of appropriate **safety measures for employees** in the production sites
- **Reorganization of** O&M **activities and production** plant & Control room
- **Enhanced IT resources :** 10X rise in remote meetings thanks to most advanced platforms
- **Covid-19 health insurance** for all the employees
- **No reduction in staff and no mandatory temporary leaves**

3 GOOD HEALTH AND WEL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Local Communities

- ERG allocated **€2mn to support the healthcare system** where its production sites operate
- ERG's people donated **2,300 hours of their work to the Civil Protection Department**
- ERG's majority shareholder, allocated **€1mn in favour of Genoa's front-line hospitals**

3 GOOD HEALTH AND WEL-BEING

ERG's Operations

- **Set a Daily WAR-cabinet meeting with top-mgmt to ensuring business continuity**
- **Electricity supply among the essential** services in this period of emergency
- Put in place a set of **measures to guarantee the best-in-class H&S standards for ERG people**
- **Some delays in construction investment program and authorization process**
- **Tough trading environment, although most** of the **electricity production already hedged**

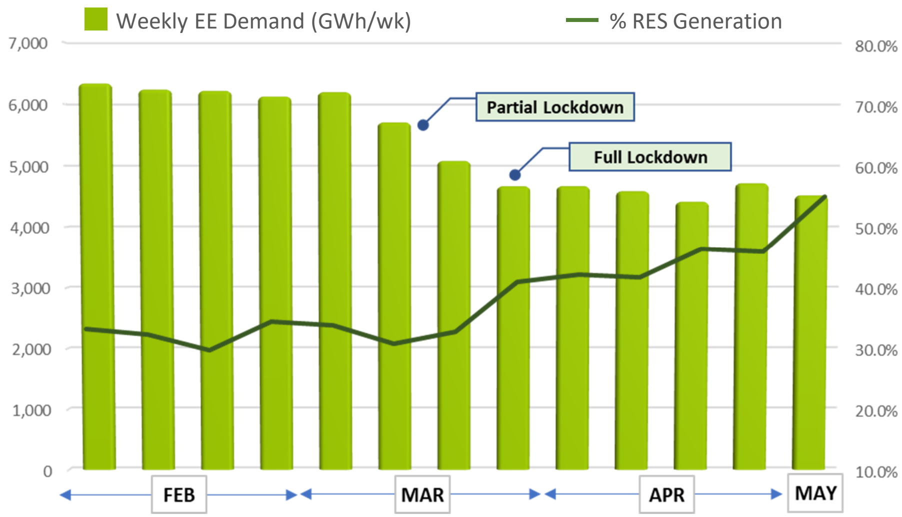
7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

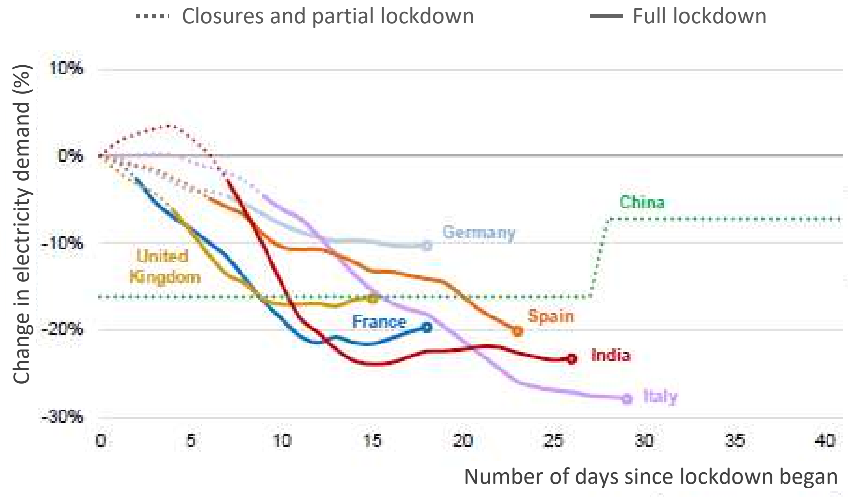
13 CLIMATE ACTION

COVID-19: A TOUGH TRADING ENVIRONMENT

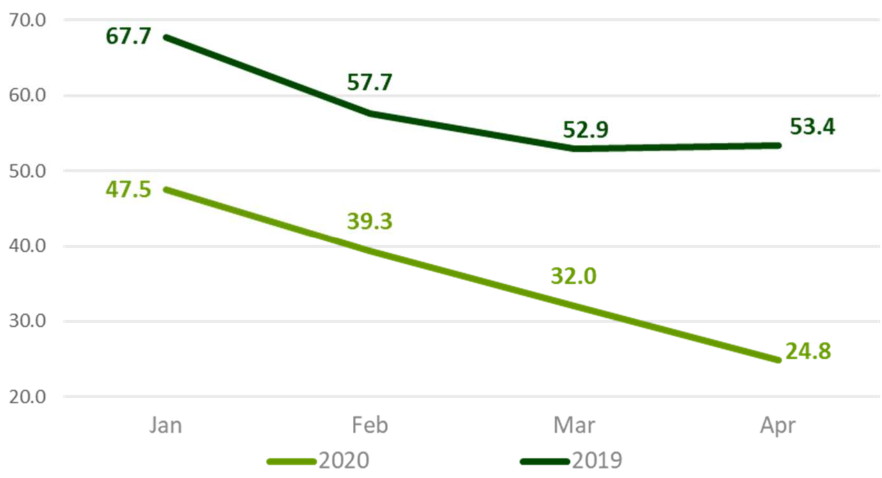
ITALY: downturn of Electricity Demand, higher contribution of RES



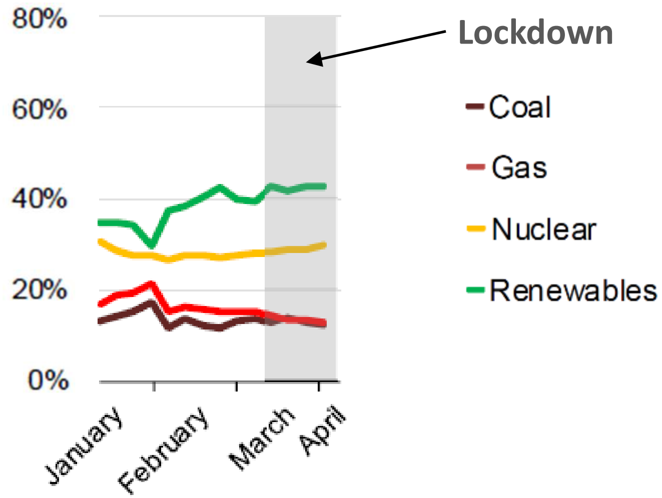
Worldwide collapse in Electricity Demand



Decline in Italian PUN (€/MWh)



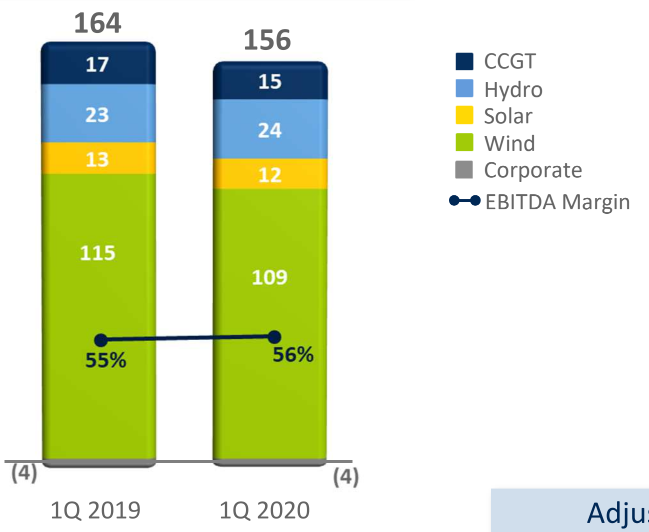
EU Electricity Mix more shifted to Renewables



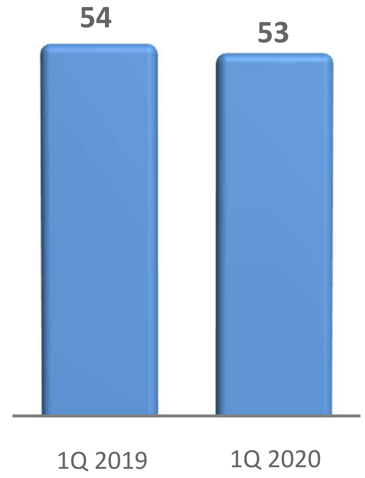
Source: IEA Global Energy Review 2020 and Company Data

HIGHLIGHTS: KEY FIGURES

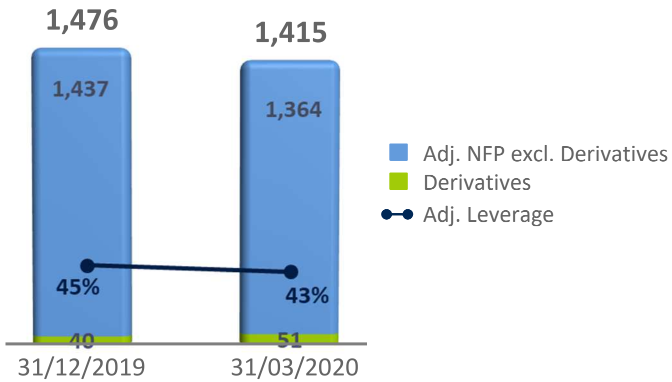
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)



Adjusted NFP (€ mn)



Reduced windiness in Italy partly offset by contribution of new wind assets in FR and GE, against a backdrop of weaker price environment exacerbated by Covid-19

RESULTS REVIEW

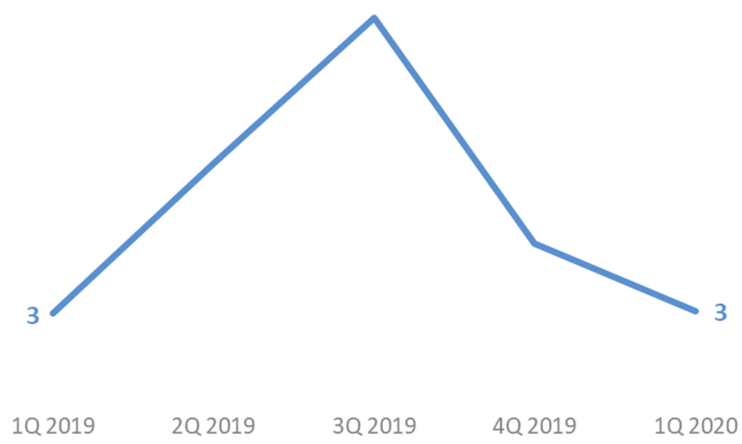
PAOLO MERLI, CORPORATE GENERAL MANAGER & CFO

BUSINESS ENVIRONMENT

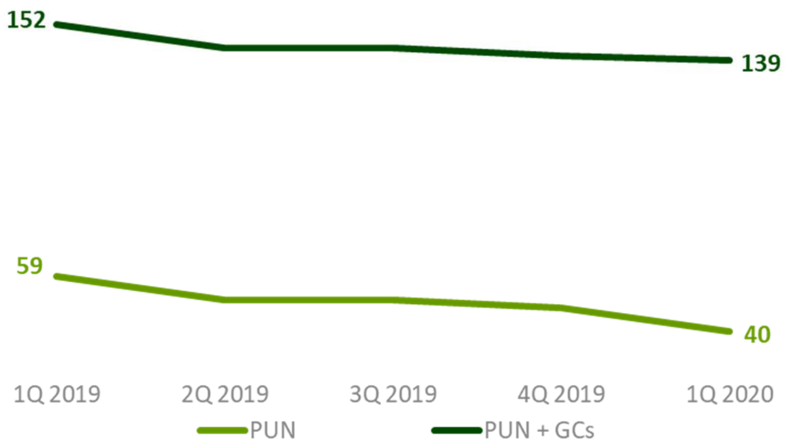
Italy: Electricity Production vs Demand (TWh)

	1Q 2019	1Q 2020	Delta %
Italian Electricity Demand	81	77	-5%
Italian Electricity Production	71	66	-6%
of which:			
- Thermo	50	45	-9%
- Hydro	8	9	17%
- Solar	5	5	0%
- Wind	7	6	-17%
- Other Sources	1	1	2%

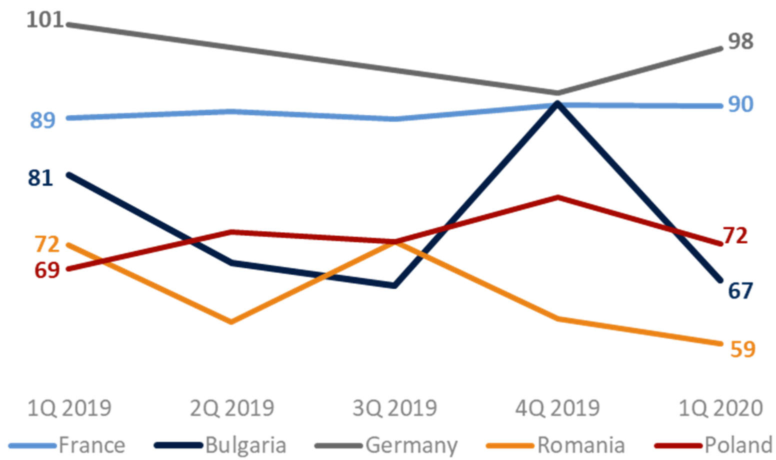
Clean Spark Spread Indicator (€/MWh)



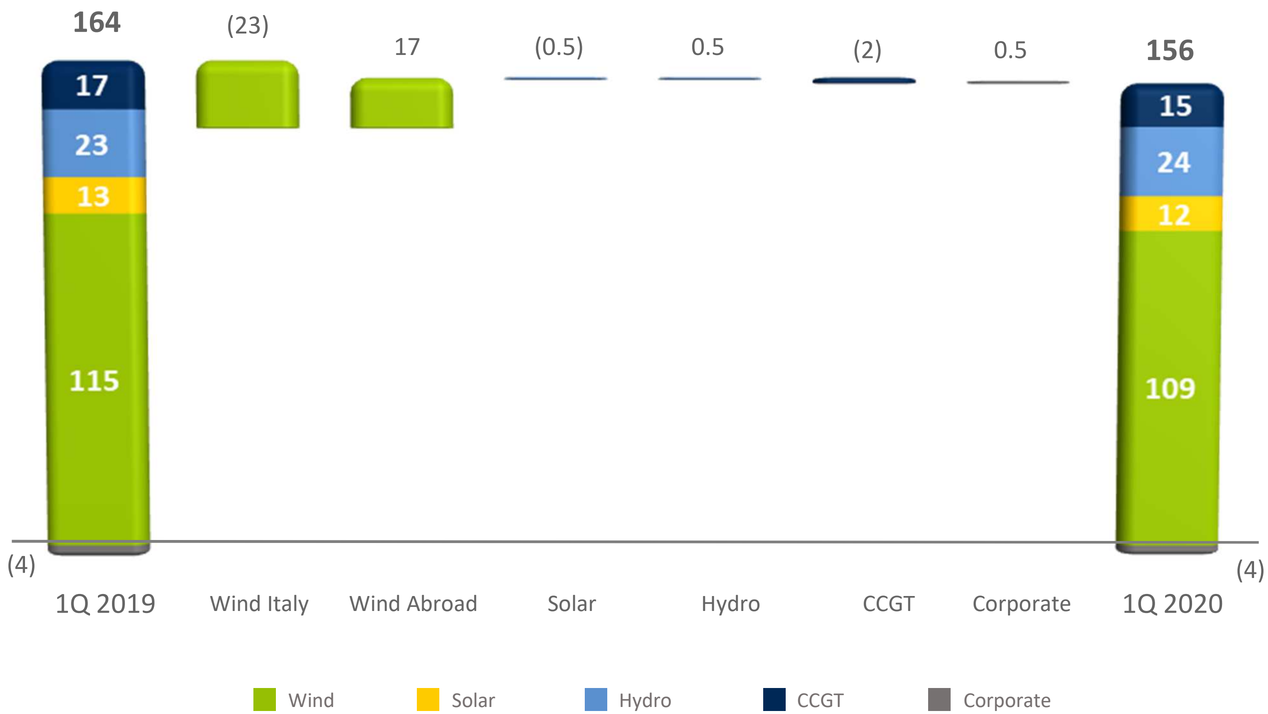
Electricity Prices in Italy (€/MWh)



All-in Wind Prices abroad (€/MWh)

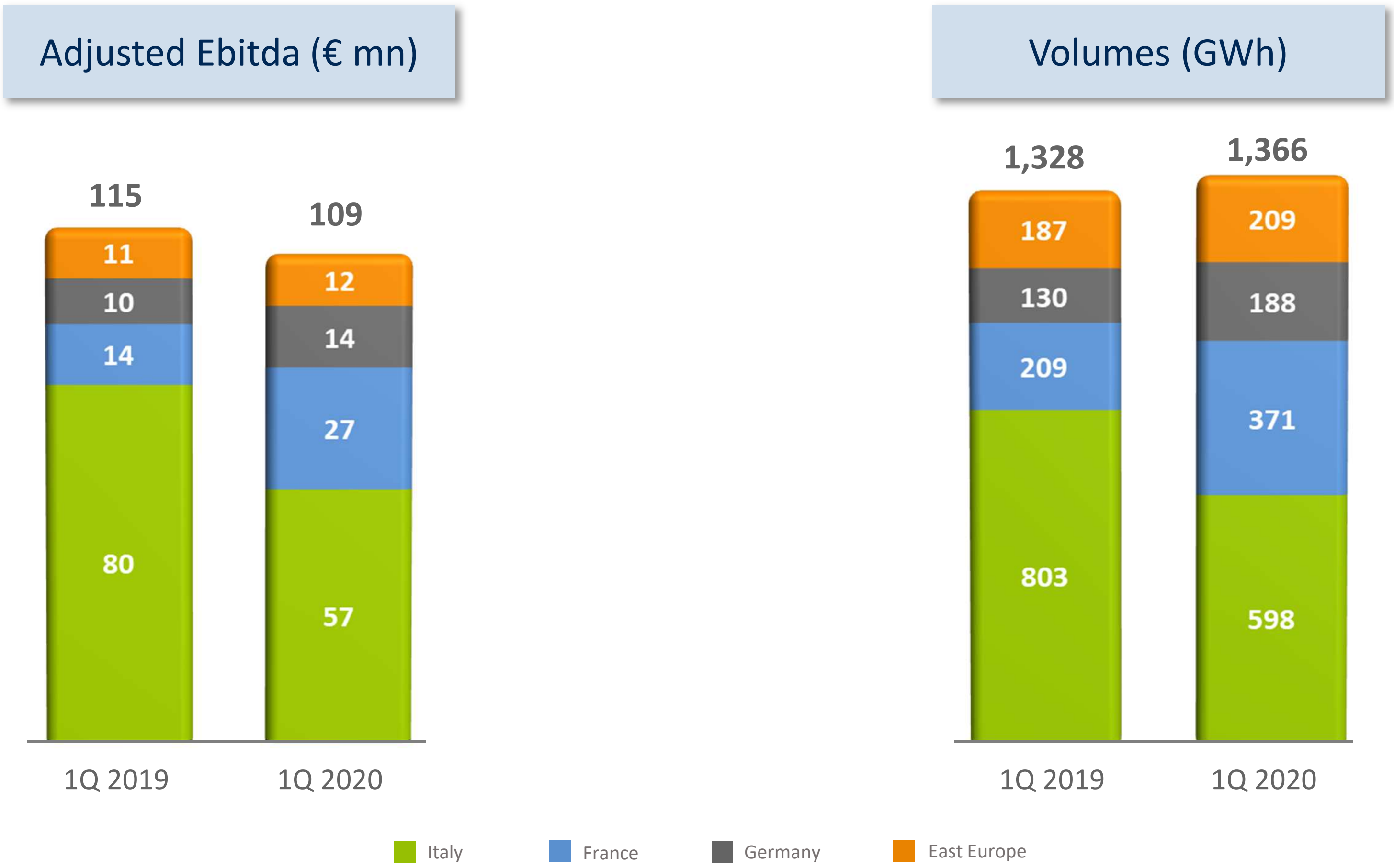


1Q 2020 GROUP EBITDA EVOLUTION



Weaker Wind in Italy but greater overseas, Hydro in line but still lower vs historical avg
Period characterized by a poor price environment, exacerbated by Covid-19

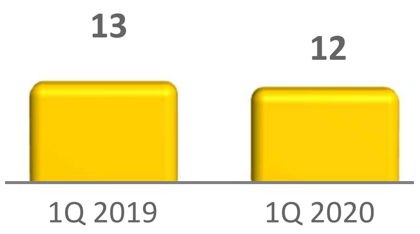
WIND RESULTS



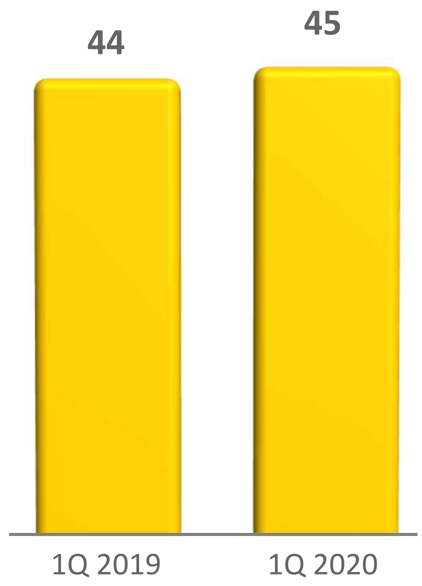
Tough Scenario, reduced windiness in Italy partly offset by contribution of new assets in FR and GE

SOLAR RESULTS

Adjusted Ebitda (€ mn)



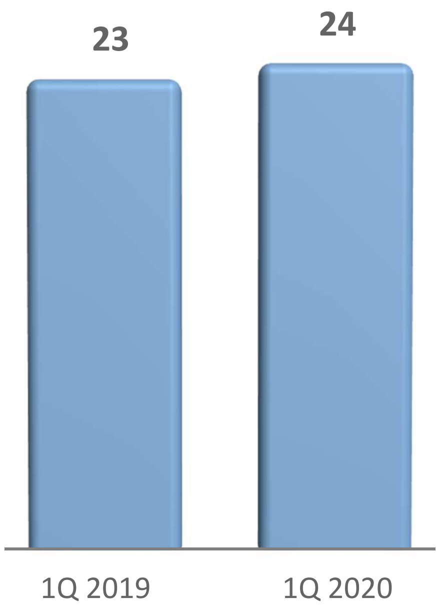
Volumes (GWh)



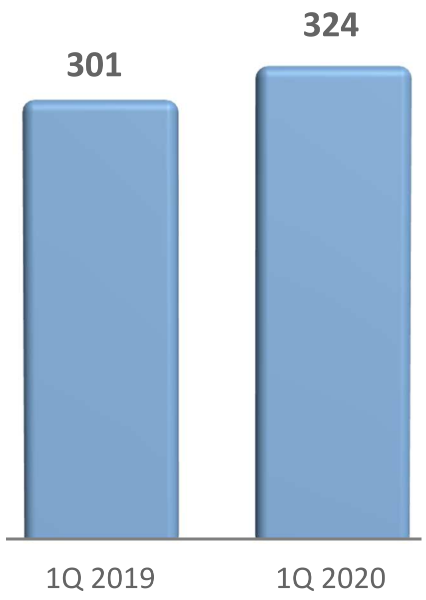
Slightly down YoY due to lower merchant price

HYDRO RESULTS

Adjusted Ebitda (€ mn)

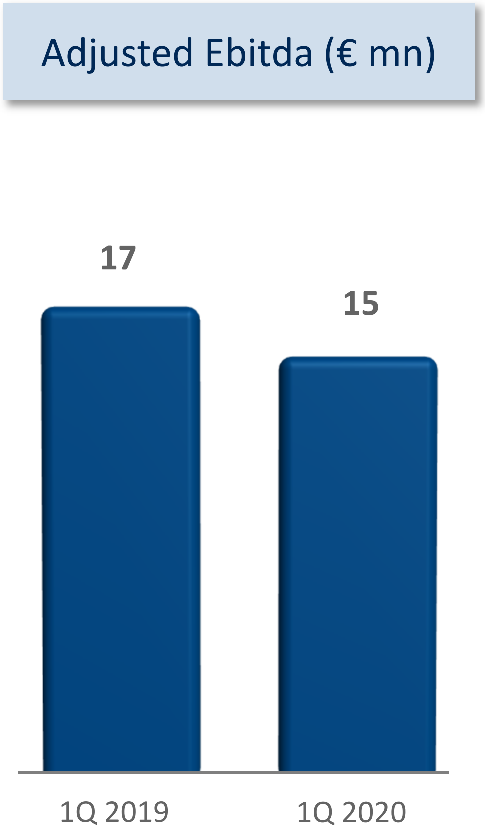


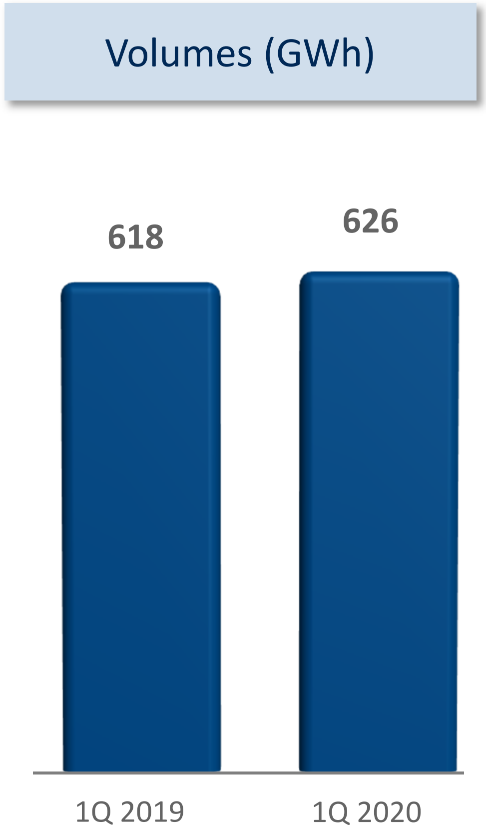
Volumes (GWh)



Results slightly up YoY; volumes higher but still weak vs historical avg due to a persistent dry season

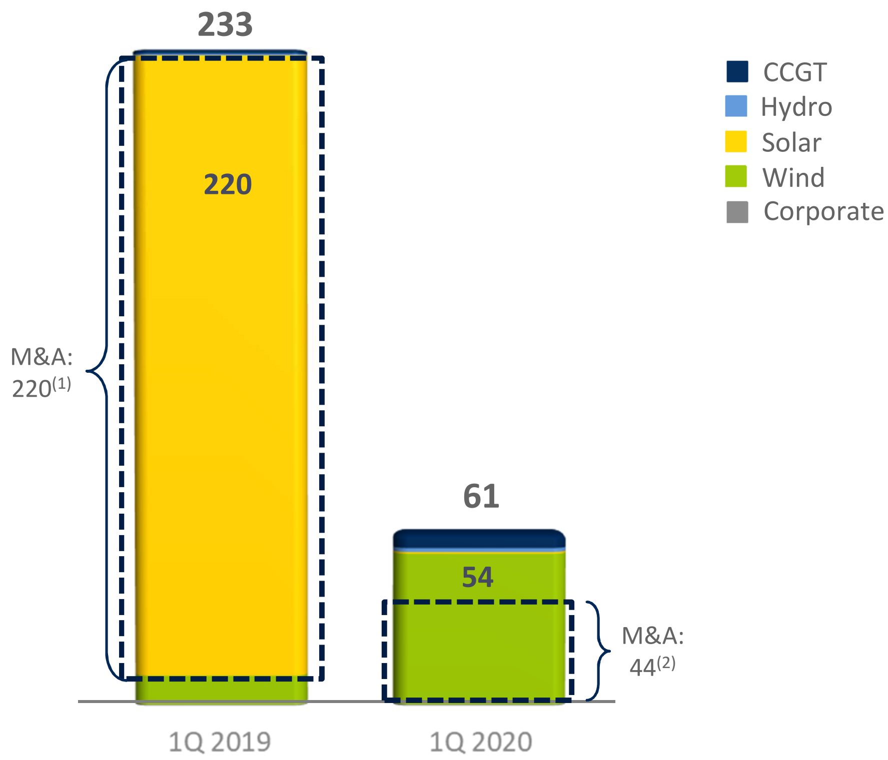
CCGT RESULTS





Tough trading environment in March post Covid-19 and lower White Certificates

INVESTMENTS



[1] M&A CAPEX related to the closing of Andromeda acquisition (which took place on February 12, 2019), amounting to €220mn

[2] M&A CAPEX related to the closing of Trinity acquisition (which took place on February 24, 2020 for an amount of €41.9mn), and of Laszki acquistion (which took place on March 5, 2020) amounting to €2.4mn

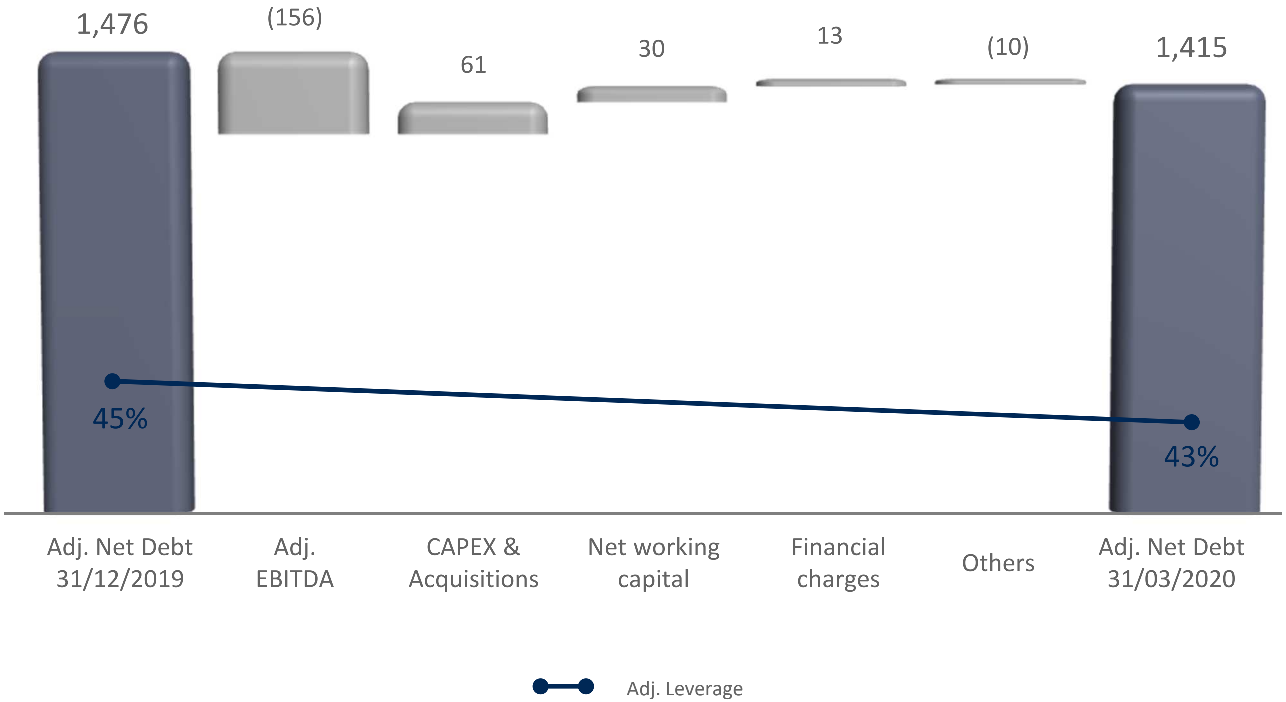
KEY FINANCIALS

ADJUSTED P&L

4Q 2019	Euro millions	1Q 2020	1Q 2019
124	Adjusted EBITDA	156	164
(76)	*Amortization and depreciation*	*(75)*	*(72)*
48	Adjusted EBIT	82	92
(13)	*Net financial income (expenses)*	*(13)*	*(18)*
0	*Net income (loss) from equity investments*	*0*	*0*
34	Adjusted Results before taxes	68	74
(6)	*Income taxes*	*(15)*	*(20)*
29	Adjusted Results for the period	53	54
0	*Minority interests*	*0*	*0*
29	Adjusted Net Profit	53	54
16%	Tax Rate	22%	27%

Note: figures based on NO GAAP measures

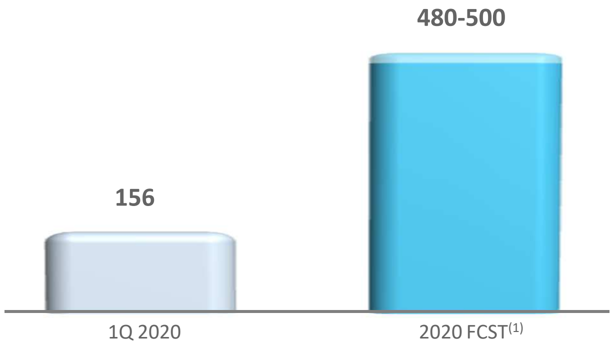
1Q 2020 CASH FLOW STATEMENT



2020 GUIDANCE

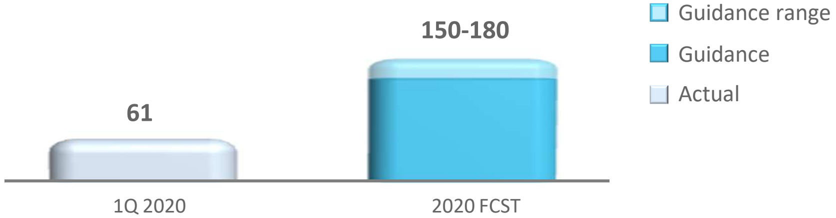
LUCA BETTONTE, CEO

2020 GUIDANCE



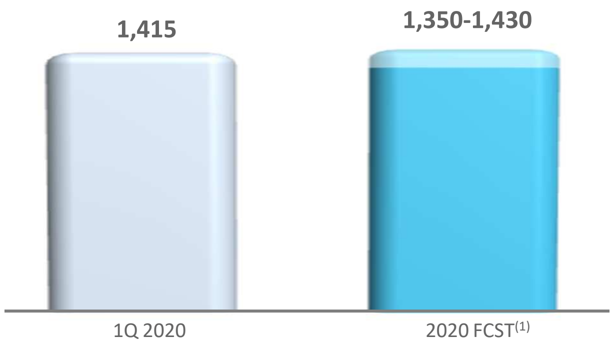
Adj. EBITDA:

✓ Guidance revised from €500-520mn to €480-500mn
- Tough price scenario since Covid-19
- Weak wind and Hydro conditions in April



CAPEX:

✓ Guidance revised from €185-215mn to €150-180mn to include some delays in investment programme due to lockdown



Adj. NFP:

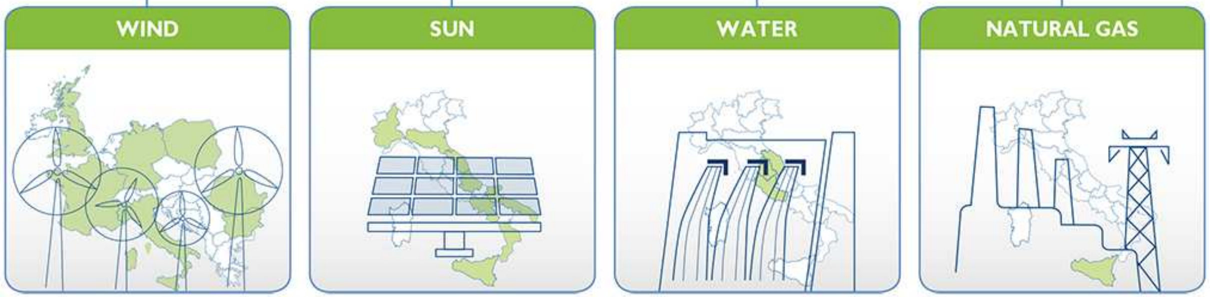
✓ Guidance revised from €1.36-1.44bn to €1.35-1.43bn

(1) 2020 Guidance does not include IFRS 16 effects

APPENDIX

ENERGY PORTFOLIO

ERG
EVOLVING ENERGIES



Wind Capacity 1,967MW	Sun Capacity 141MW	Water Capacity 527MW	Natural Gas Capacity 480MW
1Q 2020 Production 1,366GWh	1Q 2020 Production 45GWh	1Q 2020 Production 324GWh	1Q 2020 Production 626GWh

Total 1Q 2020 Production: 2.4TWh

Total Energy Portfolio including hedging & other sales: 4.2TWh

WIND: KEY FIGURES (1/2)

4Q 2019		1Q 2020	1Q 2019
1,929	Installed capacity (end-period, MW)	1,967	1,822
	of which:		
1,093	*- Italy*	*1,093*	*1,093*
359	*- France*	*397*	*307*
272	*- Germany*	*272*	*216*
82	*- Poland*	*82*	*82*
70	*- Romania*	*70*	*70*
54	*- Bulgaria*	*54*	*54*
1,155	Electricity Production (GWh)	1,366	1,328
	of which:		
587	*- Italy*	*598*	*803*
267	*- France*	*371*	*209*
138	*- Germany*	*188*	*130*
76	*- Poland*	*91*	*82*
52	*- Romania*	*64*	*56*
35	*- Bulgaria*	*55*	*49*

WIND: KEY FIGURES (2/2)

4Q 2019	Euro millions	1Q 2020	1Q 2019
	Unitary Revenues (€/MWh):		
115	*- Italy*	*121*	*120*
90	*- France*	*90*	*89*
92	*- Germany*	*98*	*101*
78	*- Poland*	*72*	*69*
63	*- Romania*	*59*	*72*
90	*- Bulgaria*	*67*	*81*
	Adjusted EBITDA:		
51	*- Italy*	*57*	*80*
17	*- France*	*27*	*14*
9	*- Germany*	*14*	*10*
5	*- Poland*	*6*	*5*
2	*- Romania*	*3*	*3*
2	*- Bulgaria*	*3*	*4*
87	Total Adjusted EBITDA	109	115
(42)	Depreciation	(42)	(40)
44	Adjusted EBIT	67	75

SOLAR: KEY FIGURES

4Q 2019	Euro millions	1Q 2020	1Q 2019
32	Electricity Prodution (GWh)	45	44
302	Unitary Revenues (€/MWh)	310	327
7	Adjusted EBITDA	12	13
(11)	Depreciation	(10)	(10)
(4)	Adjusted EBIT	2	3

HYDRO: KEY FIGURES

4Q 2019	Euro millions	1Q 2020	1Q 2019
361	Electricity Prodution (GWh)	324	301
94	Unitary Revenues (€/MWh)	102	108
23	Adjusted EBITDA	24	23
(14)	Depreciation	(14)	(14)
9	Adjusted EBIT	9	9

CCGT: KEY FIGURES

4Q 2019	Euro millions	1Q 2020	1Q 2019
563	Electricity Prodution (GWh)	626	618
40	Unitary Revenues (€/MWh)	28	35
11	Adjusted EBITDA	15	17
(7)	Depreciation	(7)	(7)
3	Adjusted EBIT	8	10

INVESTMENTS

4Q 2019	Euro millions	1Q 2020	1Q 2019
16	Wind	54(1)	10
1	Solar	1	220(2)
3	Hydro	1	1
10	CCGT	5	2
1	Corporate	0	0
31	Total	61	233

(1) M&A CAPEX related to the closing of Trinity acquisition (which took place on February 24, 2020 for an amount of €41.9mn), and of Laszki acquistion (which took place on March 5, 2020) amounting to €2.4mn

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