# THIRD QUARTER 2018 RESULTS

14 NOVEMBER 2018

LUCA BETTONTE, CEO

EVOLVING ENERGIES

## DISCLAIMER

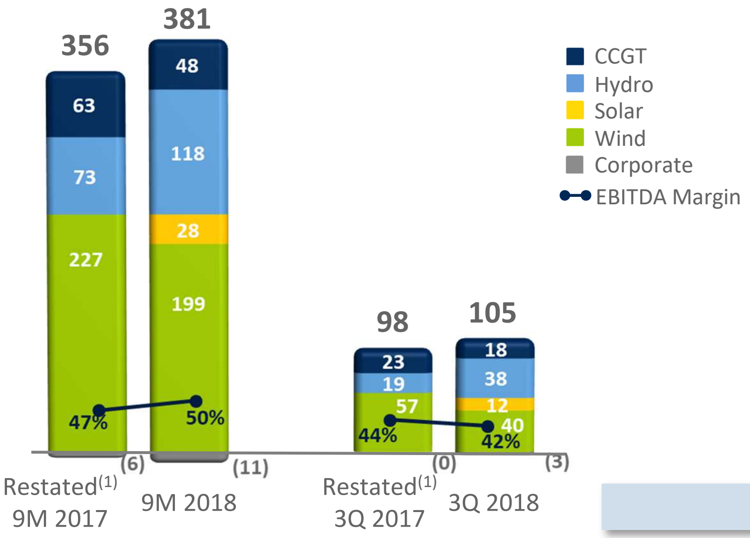
This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.
There can be non assurance that the projections or forecasts will ultimately prove to be accurate;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

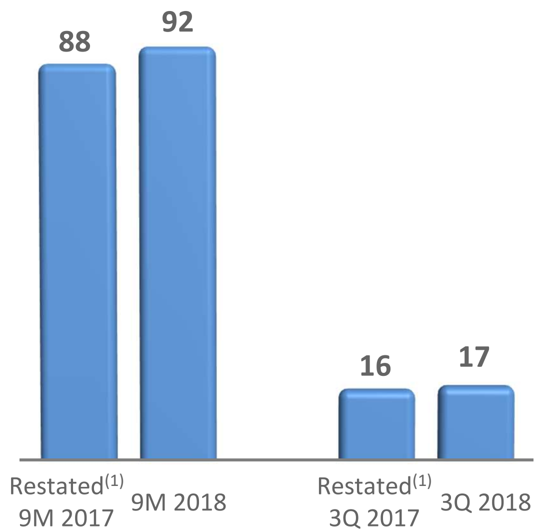
- 3Q 2018 Highlights
  - ✓ Key Figures
- Results Review
  - ✓ Business Environment
  - ✓ 3Q 2018 Group EBITDA
  - ✓ Results by Segments
- Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement
- 2018 Guidance and Conclusions
- Appendix

# HIGHLIGHTS: KEY FIGURES

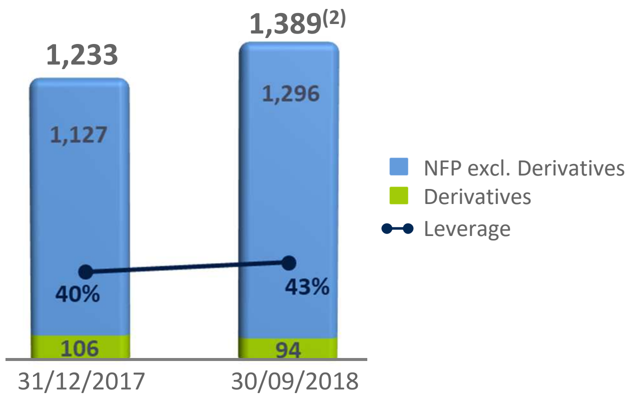
Adjusted EBITDA (€ mn)




Adjusted Net Profit (€ mn)




NFP (€ mn)




**Good results thanks to ERG generation mix**

(1) It excludes TE contribution for €10.1mn in 3Q 2017 and €25mn in 9M 2017

(2) It includes Vendor Loan to api for €37mn

# RESULTS REVIEW

PAOLO MERLI, CFO

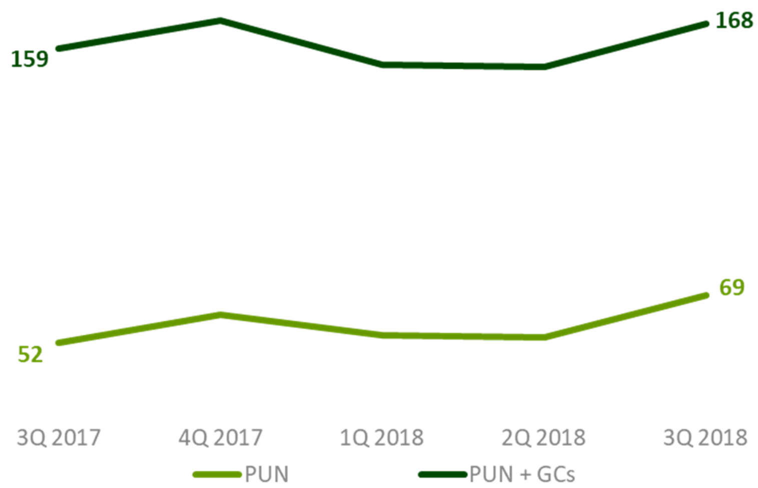
# BUSINESS ENVIRONMENT

## Italy: Electricity Production vs Demand (TWh)

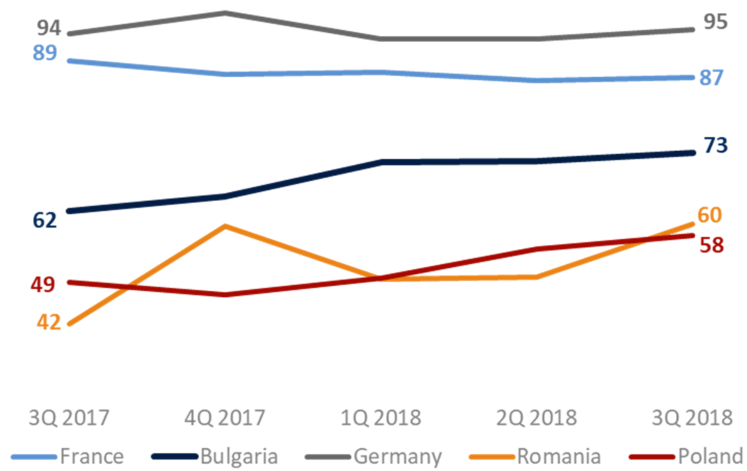
| | 3Q 2017 | 3Q 2018 | Delta % |
|---|---|---|---|
| Italian Electricity Demand | 83 | 84 | 1% |
| Italian Electricity Production | 74 | 74 | 1% |
| *of which:* | | | |
| - Thermo | 49 | 49 | 1% |
| - Hydro | 12 | 13 | 9% |
| - Solar | 8 | 8 | 2% |
| - Wind | 4 | 3 | -21% |
| - Other Sources | 1 | 1 | -2% |

## Clean Spark Spread in Italy (€/MWh)

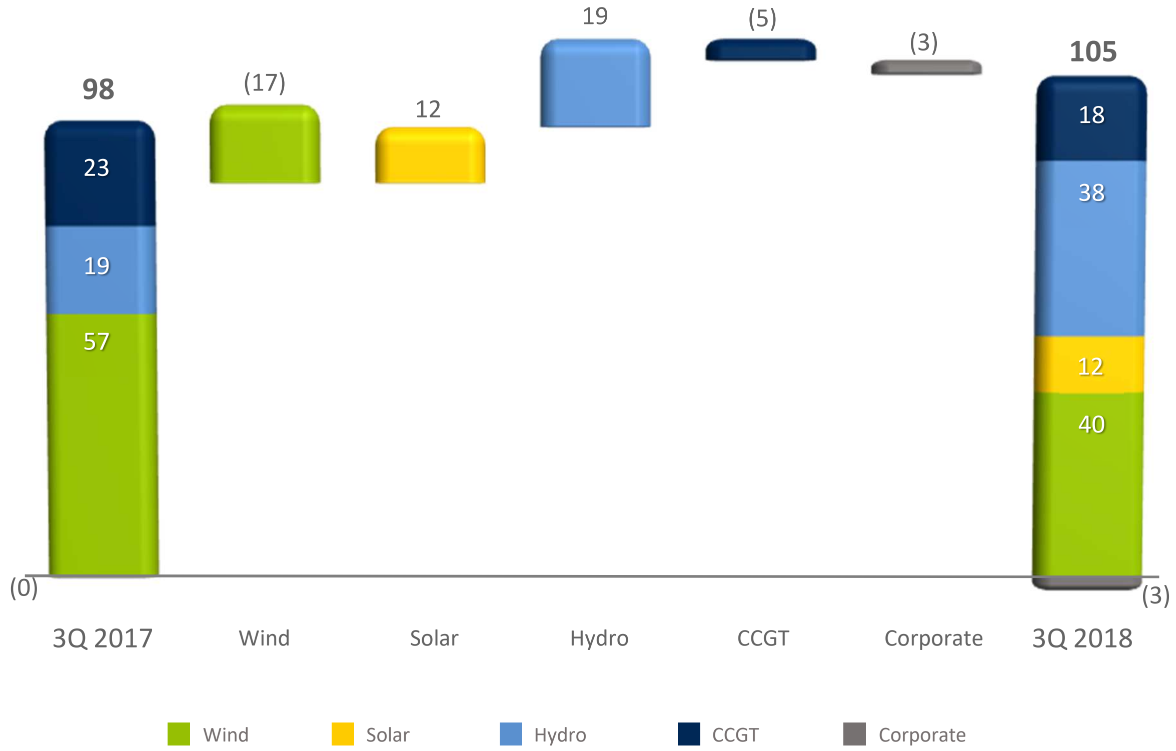

## Electricity Prices in Italy (€/MWh)




## All-in Wind Prices abroad (€/MWh)

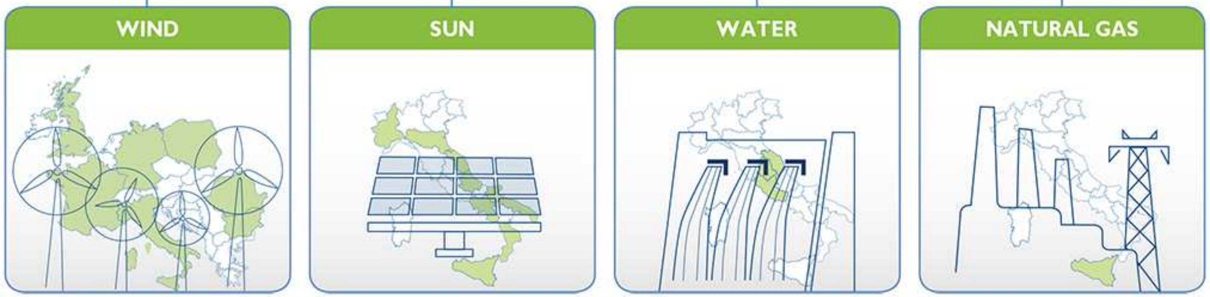


# 3Q 2018 GROUP EBITDA EVOLUTION



# ENERGY PORTFOLIO

EVOLVING ENERGIES

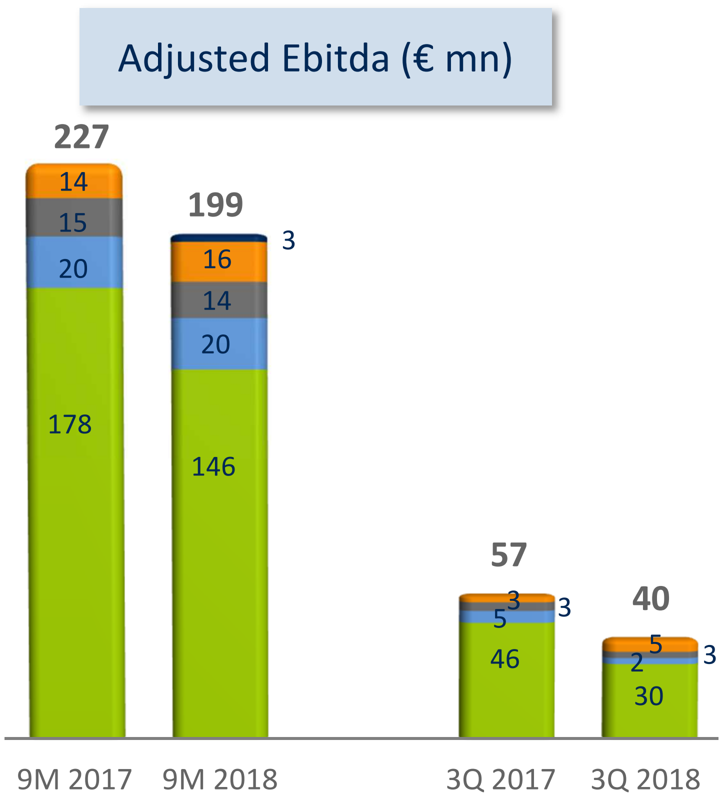


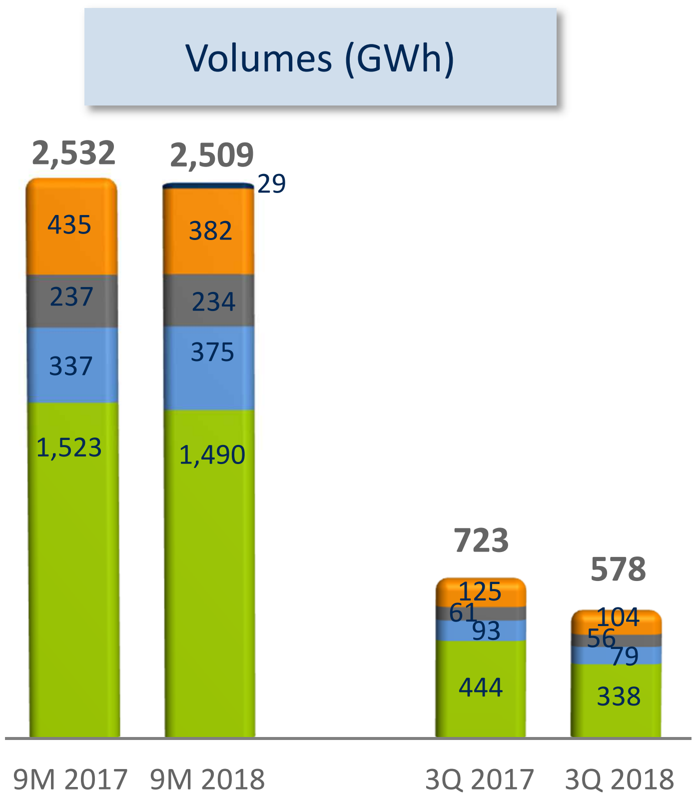

| | | | |
|---|---|---|---|
| Wind Capacity 1,791MW | Sun Capacity 90MW | Water Capacity 527MW | Natural Gas Capacity 480MW |
| 9M 2018 Production 2,509GWh | 9M 2018 Production 109GWh | 9M 2018 Production 1,402GWh | 9M 2018 Production 1,645GWh |

**Total 9M 2018 Production: 5.7TWh**

**Total Energy Portfolio including hedging & other sales: 10.2TWh**

# WIND RESULTS

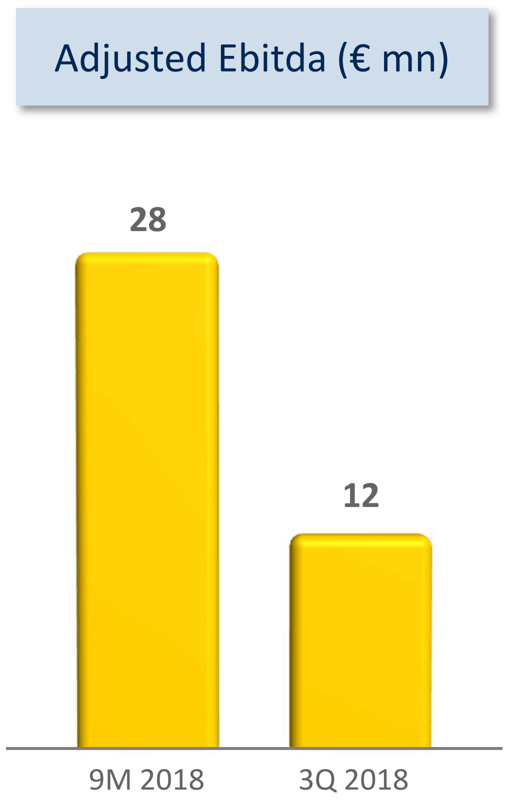


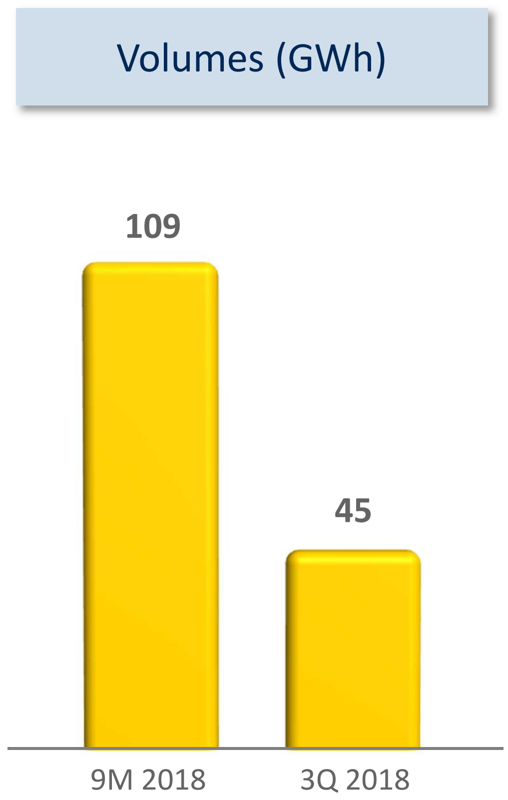




Italy France Germany East Europe U.K.

**Generalized weak wind conditions**

# SOLAR RESULTS

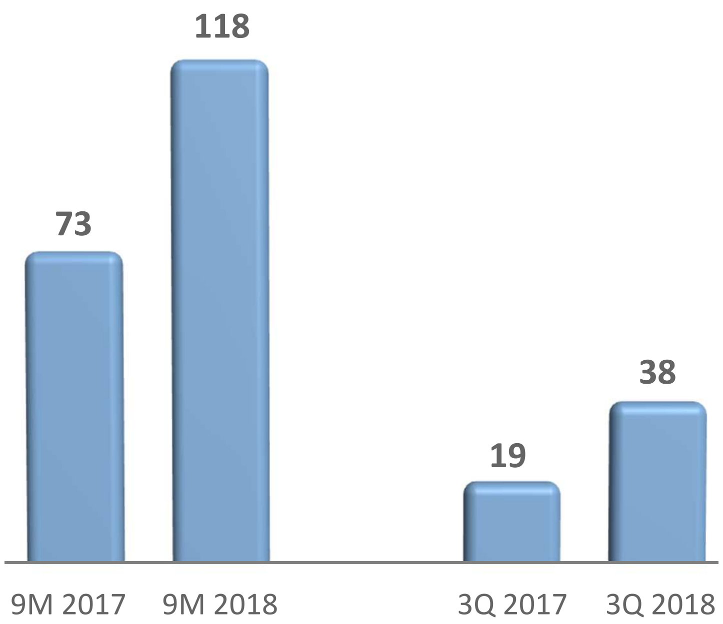


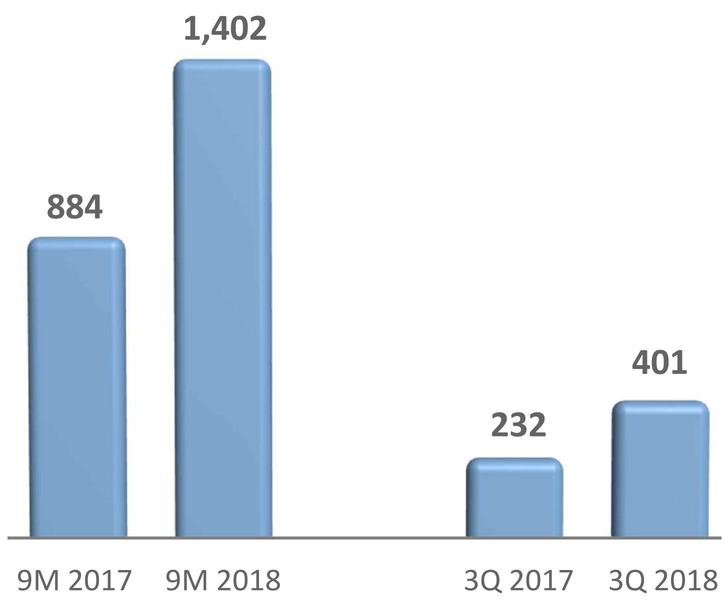

**Solar consolidated as of 01/01/2018**

# HYDRO RESULTS

Adjusted Ebitda (€ mn)

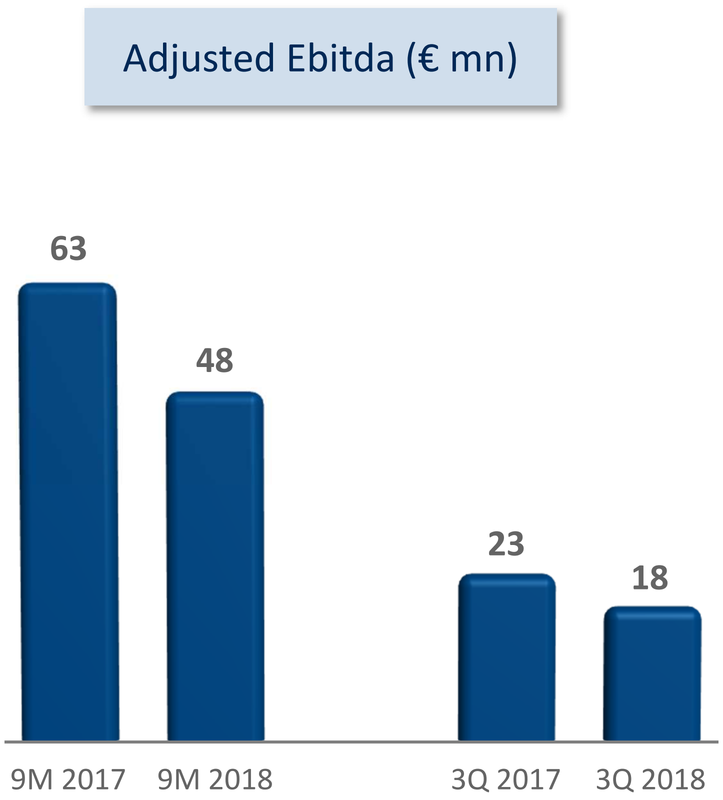


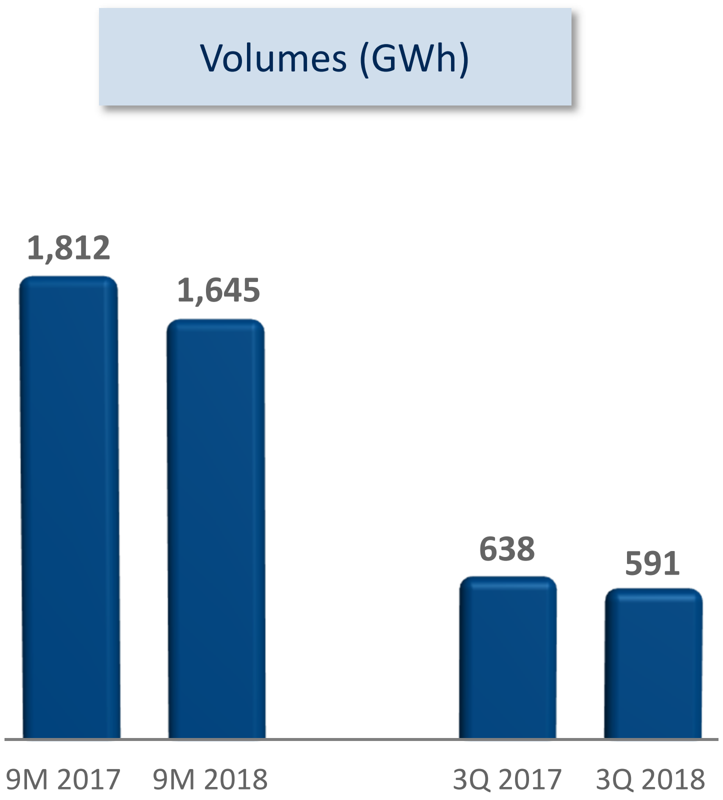

Volumes (GWh)




**Strong hydro results**

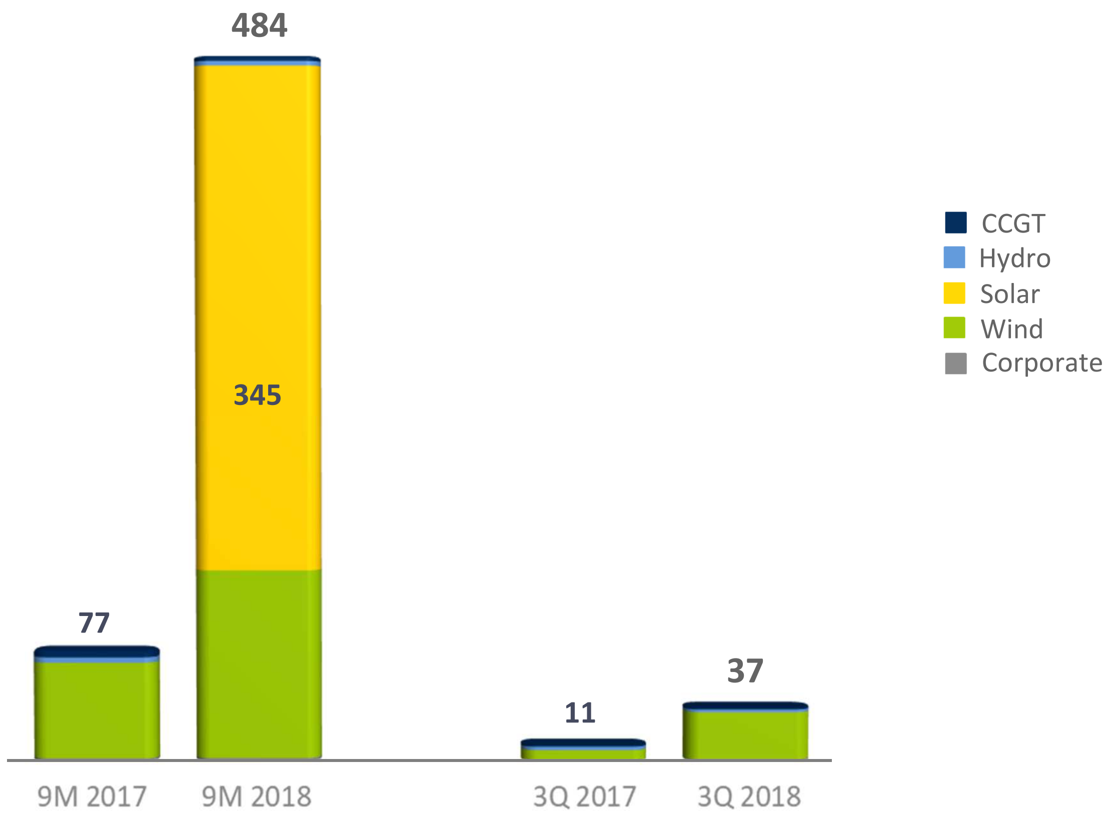
# CCGT RESULTS




**Still solid results**

# INVESTMENTS



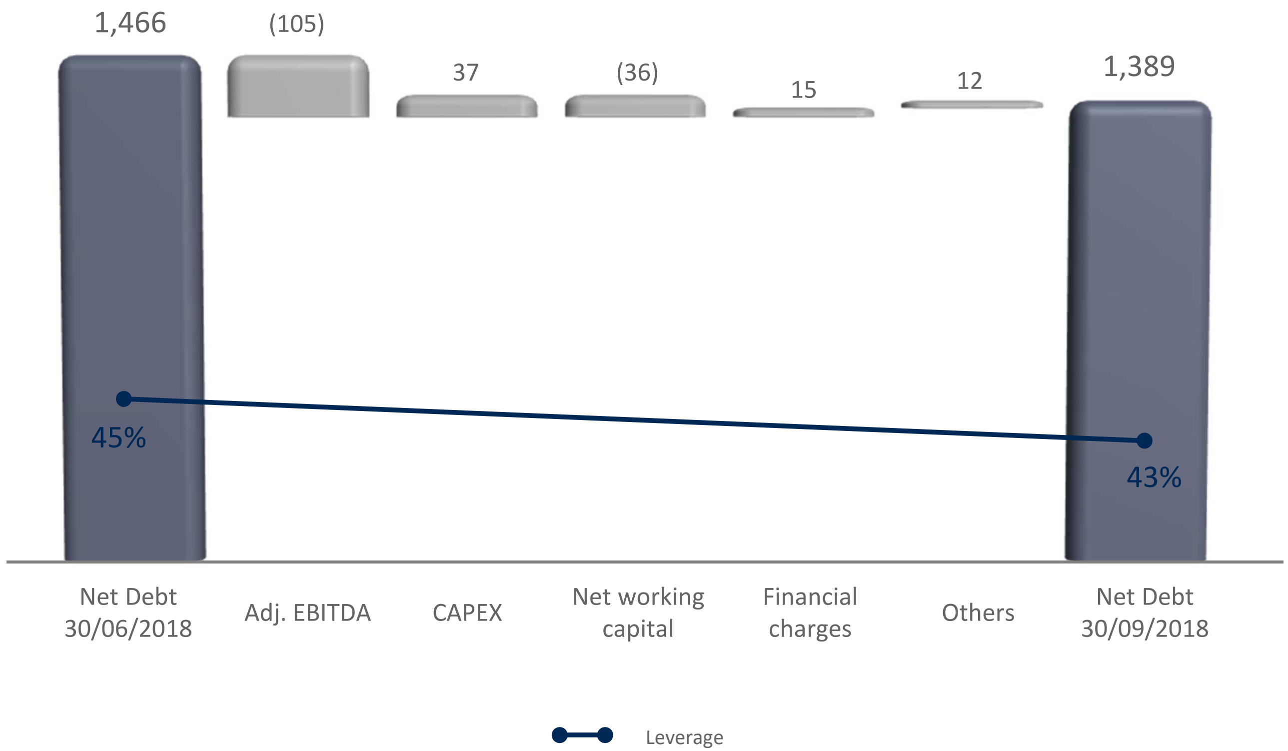
# KEY FINANCIALS

# ADJUSTED P&L

| 9M 2018 | Restated 9M 2017 | Euro millions | 3Q 2018 | Restated 3Q 2017 |
|---|---|---|---|---|
| 381 | 356 | Adjusted EBITDA | 105 | 98 |
| *(203)* | *(188)* | *Amortization and depreciation* | *(67)* | *(62)* |
| 178 | 168 | Adjusted EBIT | 38 | 36 |
| *(53)* | *(49)* | *Net financial income (expenses)* | *(15)* | *(15)* |
| *0* | *0* | *Net income (loss) from equity investments* | *0* | *0* |
| 125 | 119 | Adjusted Results before taxes | 22 | 21 |
| *(33)* | *(31)* | *Income taxes* | *(6)* | *(5)* |
| 92 | 88 | Adjusted Results for the period | 17 | 16 |
| *(0)* | *0* | *Minority interests* | *(0)* | *0* |
| 92 | 88 | Adjusted Net Profit | 17 | 16 |
| 26% | 26% | Tax Rate | 26% | 24% |

Note: figures based on NO GAAP measures

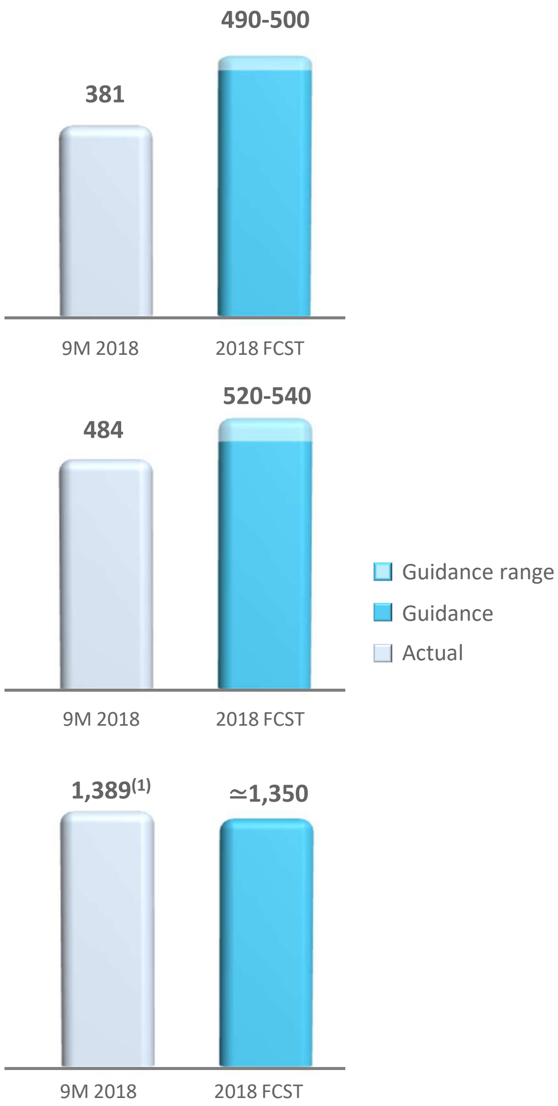
# 3Q 2018 CASH FLOW STATEMENT



# 2018 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE, CEO

# 2018 GUIDANCE




Adj. EBITDA:

✓ Guidance range confirmed at €490-500mn

CAPEX:

✓ Guidance range confirmed at €520-540mn

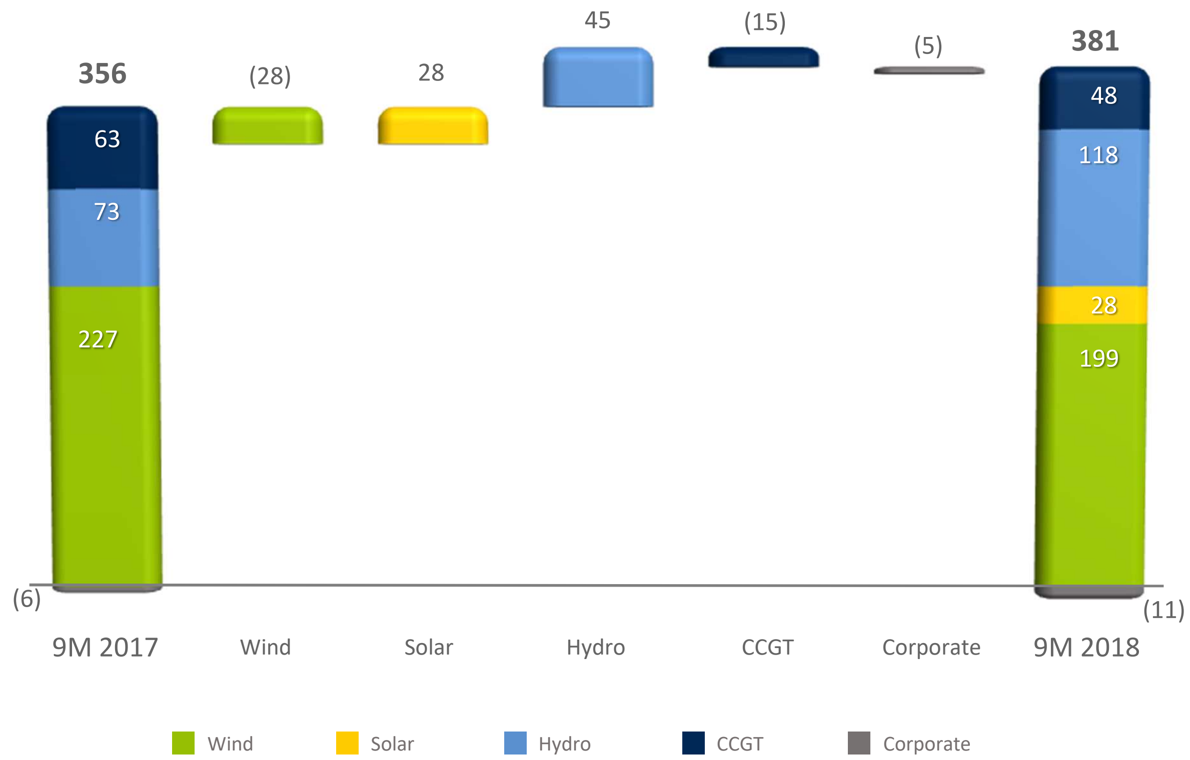
NFP:

✓ Guidance confirmed at €1.35bn

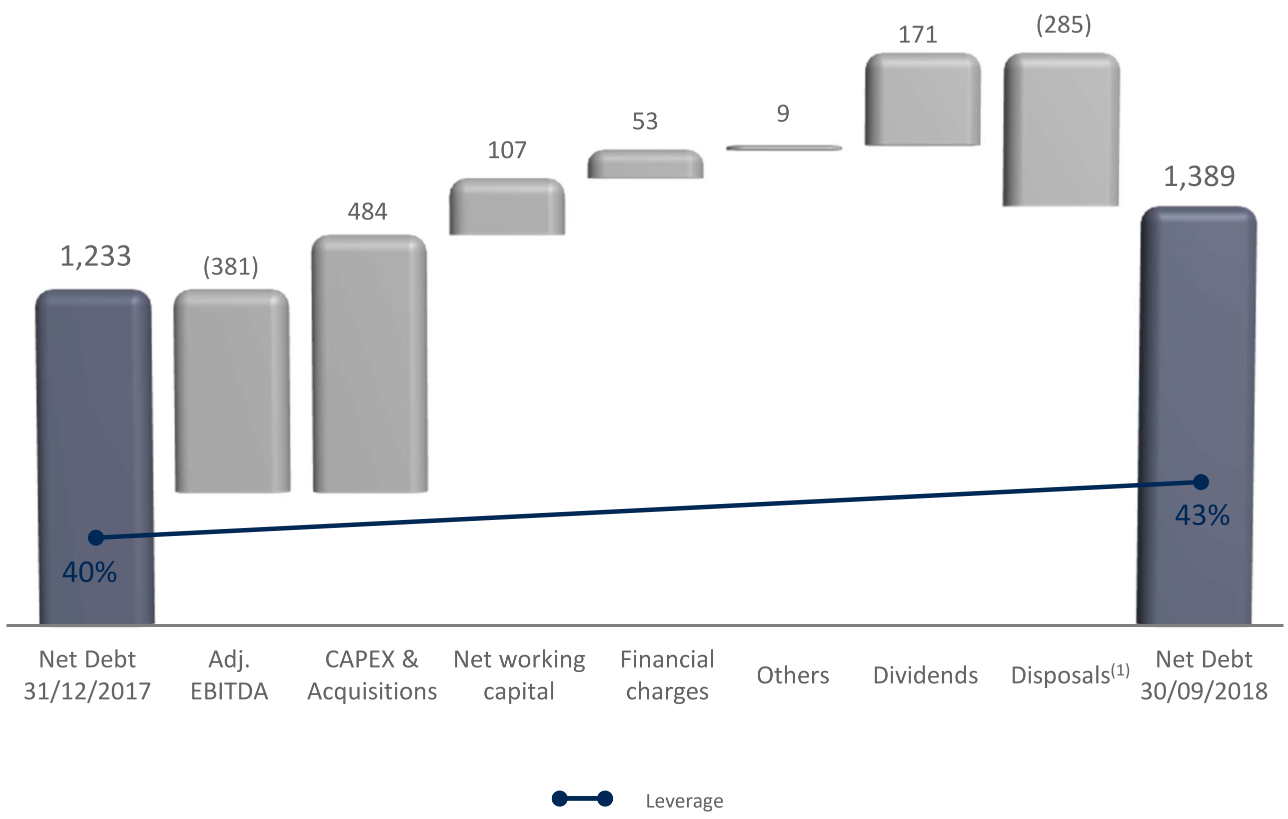
(1) It includes Vendor Loan to api for €37mn

# APPENDIX

# 9M 2018 GROUP EBITDA EVOLUTION



# 9M 2018 CASH FLOW STATEMENT




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

# WIND: KEY FIGURES (1/2)

| 9M 2018 | 9M 2017 | | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| 1,791 | 1,768 | Installed capacity (end-period, MW) | 1,791 | 1,768 |
| | | *of which:* | | |
| *1,093* | *1,094* | *- Italy* | *1,093* | *1,094* |
| *276* | *252* | *- France* | *276* | *252* |
| *216* | *216* | *- Germany* | *216* | *216* |
| *82* | *82* | *- Poland* | *82* | *82* |
| *70* | *70* | *- Romania* | *70* | *70* |
| *54* | *54* | *- Bulgaria* | *54* | *54* |
| *0* | *0* | *- UK* | *0* | *0* |
| 2,509 | 2,532 | Electricity Production (GWh) | 578 | 723 |
| | | *of which:* | | |
| *1,490* | *1,523* | *- Italy* | *338* | *444* |
| *375* | *337* | *- France* | *79* | *93* |
| *234* | *237* | *- Germany* | *56* | *61* |
| *151* | *166* | *- Poland* | *39* | *45* |
| *130* | *153* | *- Romania* | *39* | *42* |
| *101* | *116* | *- Bulgaria* | *26* | *38* |
| *29* | *0* | *- UK* | *0* | *0* |

# WIND: KEY FIGURES (2/2)

| 9M 2018 | 9M 2017 | Euro millions | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| | | Unitary Revenues (€/MWh): | | |
| *125* | *147* | *- Italy* | *131* | *140* |
| *87* | *89* | *- France* | *87* | *90* |
| *94* | *95* | *- Germany* | *95* | *94* |
| *58* | *44* | *- Poland* | *58* | *49* |
| *53* | *58* | *- Romania* | *60* | *42* |
| *72* | *63* | *- Bulgaria* | *73* | *62* |
| *100* | *n.a.* | *- UK* | *n.a.* | *n.a.* |
| | | Adjusted EBITDA: | | |
| *146* | *178* | *- Italy* | *30* | *46* |
| *20* | *20* | *- France* | *2* | *5* |
| *14* | *15* | *- Germany* | *3* | *3* |
| *6* | *2* | *- Poland* | *2* | *1* |
| *4* | *6* | *- Romania* | *2* | *1* |
| *5* | *5* | *- Bulgaria* | *1* | *1* |
| *3* | *(0)* | *- UK* | *0* | *(0)* |
| 199 | 227 | Total Adjusted EBITDA | 40 | 57 |
| (120) | (119) | Depreciation | (39) | (40) |
| 79 | 108 | Adjusted EBIT | 1 | 17 |

# SOLAR: KEY FIGURES

| 9M 2018 | 9M 2017 | Euro millions | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| 109 | n.a. | Electricity Prodution (GWh) | 45 | n.a. |
| 295 | n.a. | Unitary Revenues (€/MWh) | 302 | n.a. |
| 28 | n.a. | Adjusted EBITDA | 12 | n.a. |
| (15) | n.a. | Depreciation | (5) | n.a. |
| 13 | n.a. | Adjusted EBIT | 7 | n.a. |

# HYDRO: KEY FIGURES

| 9M 2018 | 9M 2017 | Euro millions | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| 1,402 | 884 | Electricity Prodution (GWh) | 401 | 232 |
| 105 | 107 | Unitary Revenues (€/MWh) | 119 | 122 |
| 118 | 73 | Adjusted EBITDA | 38 | 19 |
| (43) | (44) | Depreciation | (14) | (15) |
| 74 | 29 | Adjusted EBIT | 23 | 4 |

# CCGT: KEY FIGURES

| 9M 2018 | 9M 2017 | Euro millions | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| 1,645 | 1,812 | Electricity Prodution (GWh) | 591 | 638 |
| 39 | 46 | Unitary Revenues (€/MWh) | 43 | 44 |
| 48 | 63 | Adjusted EBITDA | 18 | 23 |
| (23) | (23) | Depreciation | (8) | (7) |
| 25 | 39 | Adjusted EBIT | 11 | 16 |

# INVESTMENTS

| 9M 2018 | 9M 2017 | Euro millions | 3Q 2018 | 3Q 2017 |
|---|---|---|---|---|
| 130 | 66 | Wind | 32 | 7 |
| 345 | n.a. | Solar | 0 | n.a. |
| 3 | 4 | Hydro | 2 | 2 |
| 4 | 5 | CCGT | 2 | 2 |
| 2 | 1 | Corporate | 1 | 0 |
| 484 | 77 | Total | 37 | 11 |