

2Q 2019 Results

2 AUGUST 2019

LUCA BETTONTE, CEO

ERG

EVOLVING ENERGIES

DISCLAIMER

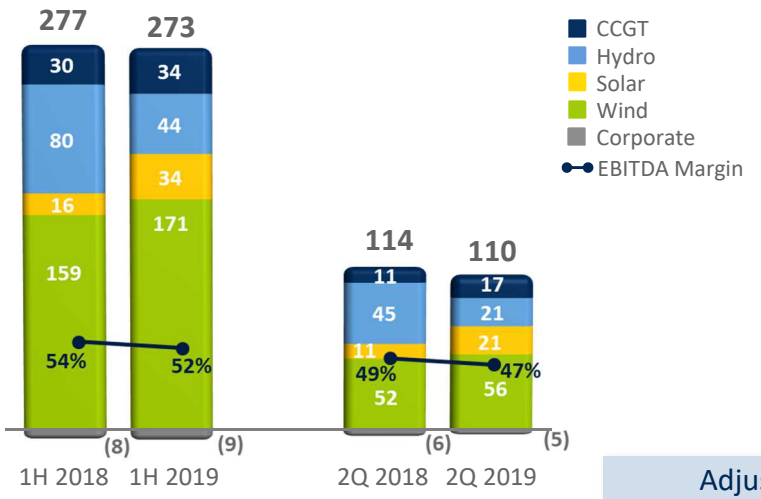
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AGENDA

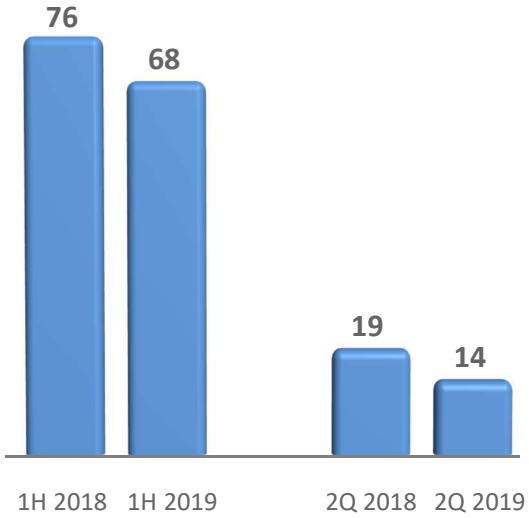
- 2Q 2019 Highlights
  - ✓ Key Figures
  - ✓ Recent Developments
- Results Review
  - ✓ Business Environment
  - ✓ 1H 2019 Group EBITDA
  - ✓ Results by Segments
- Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement
- 2019 Guidance and Conclusions
- Appendix

HIGHLIGHTS: KEY FIGURES

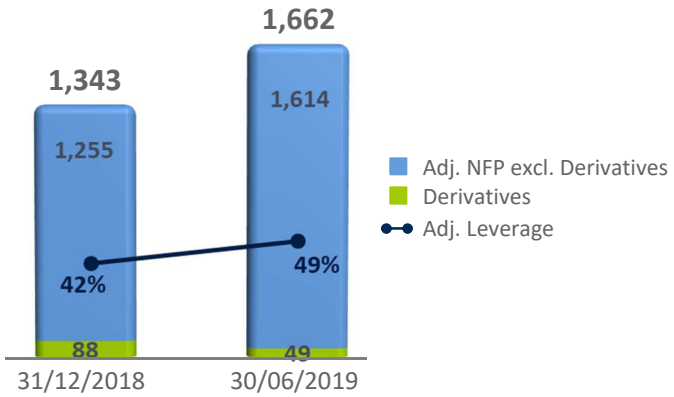
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)



Adjusted NFP (€ mn)



Resilient business performance despite of weak hydro conditions

GREENFIELD DEVELOPMENT WELL ON TRACK

Pipeline included in BP 2018-22

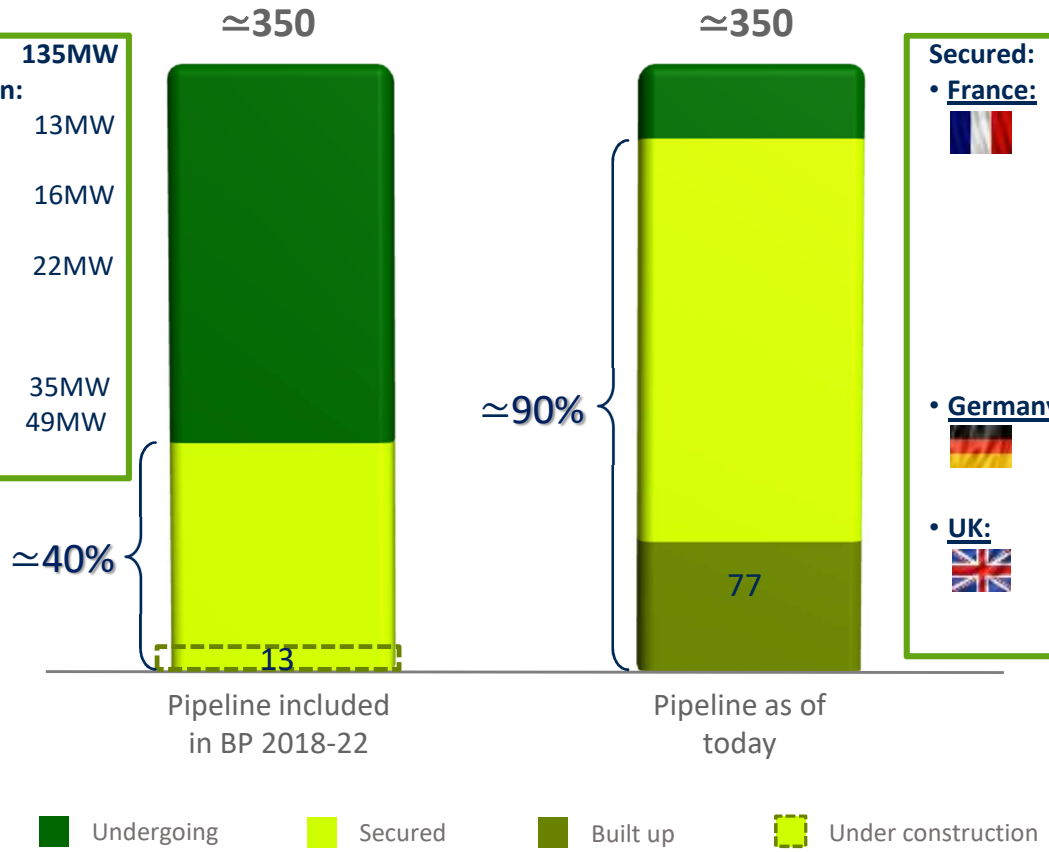
Secured: **135MW**

- **France:**
  - **under construction:**
  - - Vaa2 13MW
  - **in operation:**
  - - Vent D'Est 16MW
- **Germany** - Linda 22MW
- **UK:**
  - - Evishagaran 35MW
  - - Sandy Knowe 49MW

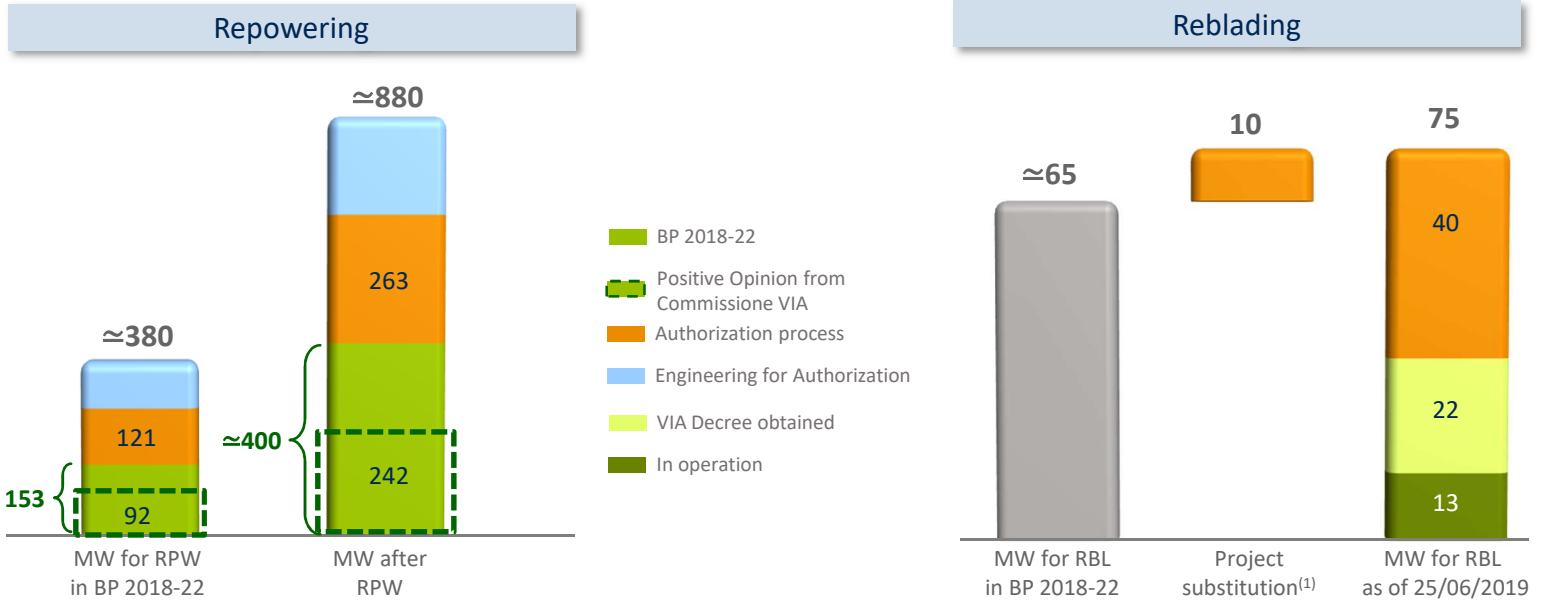
Pipeline as of today

Secured: **317MW**

- **France:**
  - - Vaa2 ext. 7MW
  - - Picardie 18MW
  - - Limousine I 15MW
  - **in operation:**
  - - Vent D'Est 16MW
  - - Vaa2 13MW
  - - Le Melier 8MW
  - - Torfou 18MW
- **Germany** **in operation:**
  - - Linda 22MW
- **UK:**
  - - Evishagaran 47MW
  - - Sandy Knowe 49MW
  - - Creag Riabhach 79MW
  - - Craiggore 25MW



REPOWERING & REBLADING IN PROGRESS



- 153MW (ca. 400MW after RPW) included in BP:
  - 92MW (242MW after RPW) received positive opinion from "Commissione VIA"
- additional 121MW applied for authorization
- additional ca. 100MW in engineering phase

- New capacity under reblading is 75MW
- 13MW (Avigliano) on stream in 2Q 2019
- 22MW received VIA Decree
- additional 40MW applied for authorization
- Reblading of Avigliano wind factory carried out on:
  - April/May 2019
  - Capex €3.1mn
  - Production increased 19%

(1) Substitution of a 30MW project with another 40MW project

RESULTS REVIEW

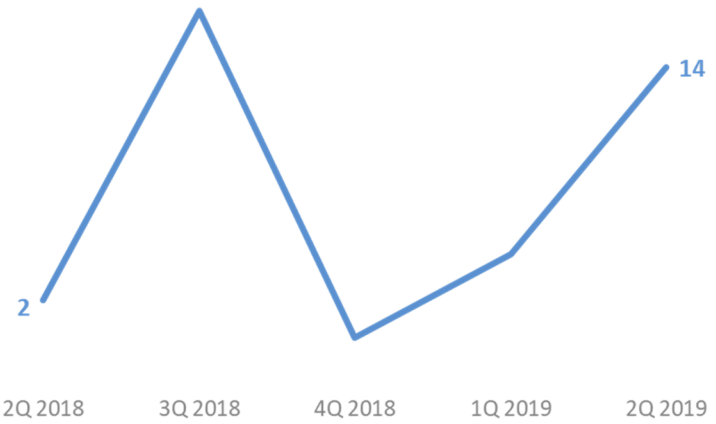
PAOLO MERLI, CORPORATE GENERAL MANAGER & CFO

BUSINESS ENVIRONMENT

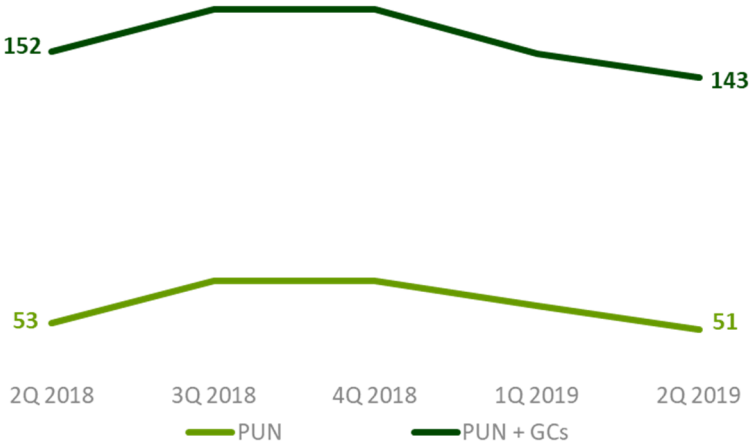
Italy: Electricity Production vs Demand (TWh)

	2Q 2018	2Q 2019	Delta %
Italian Electricity Demand	77	77	0%
Italian Electricity Production	67	69	2%
of which:			
- Thermo	38	42	11%
- Hydro	17	14	-20%
- Solar	8	7	-3%
- Wind	4	4	16%
- Other Sources	1	1	0%

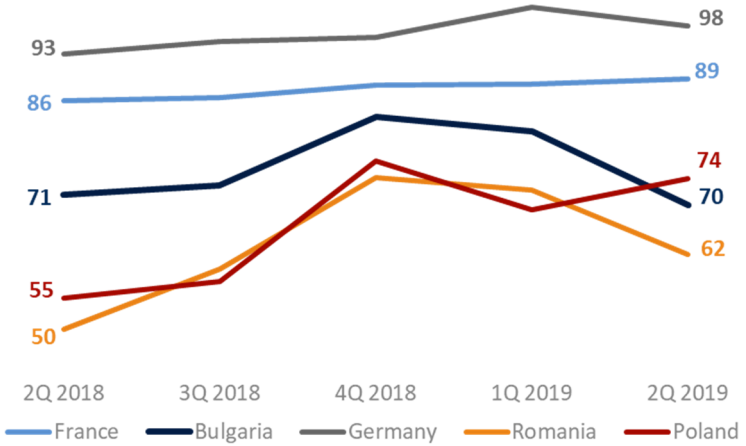
Clean Spark Spread Indicator (€/MWh)



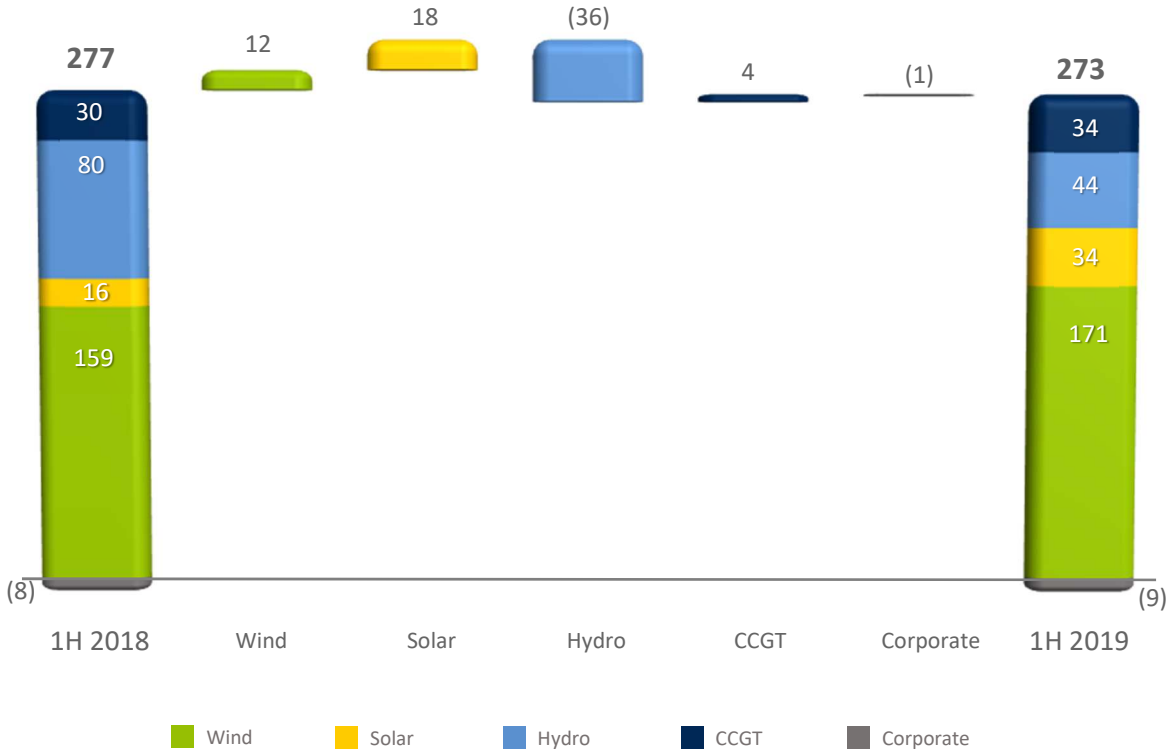
Electricity Prices in Italy (€/MWh)



All-in Wind Prices abroad (€/MWh)

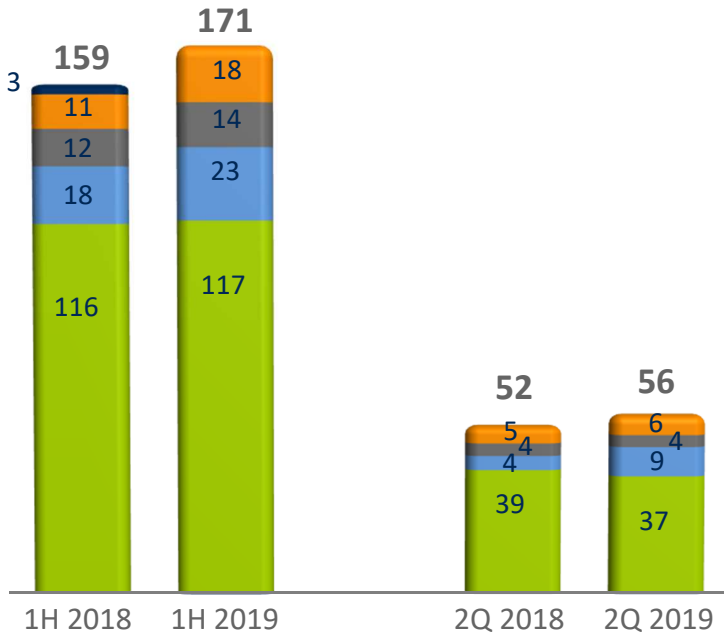


1H 2019 GROUP EBITDA EVOLUTION

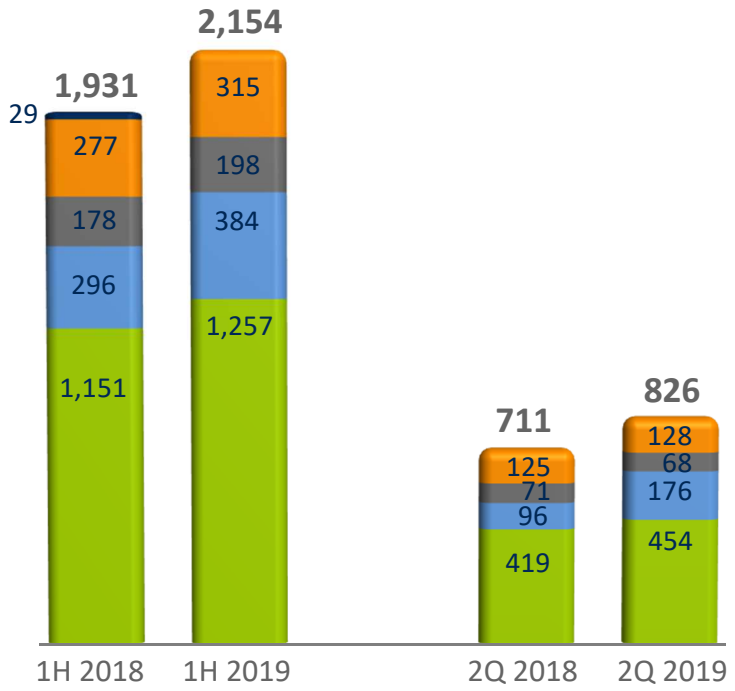


WIND RESULTS

Adjusted Ebitda (€ mn)



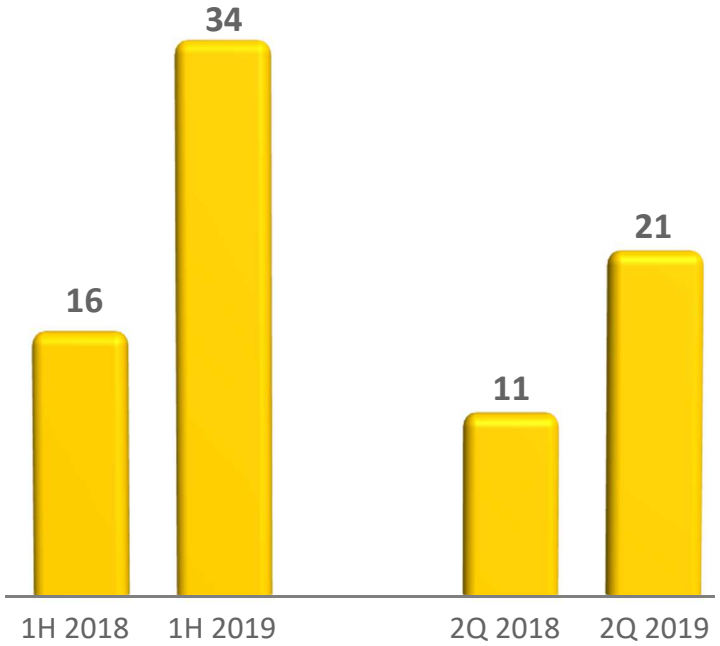
Volumes (GWh)



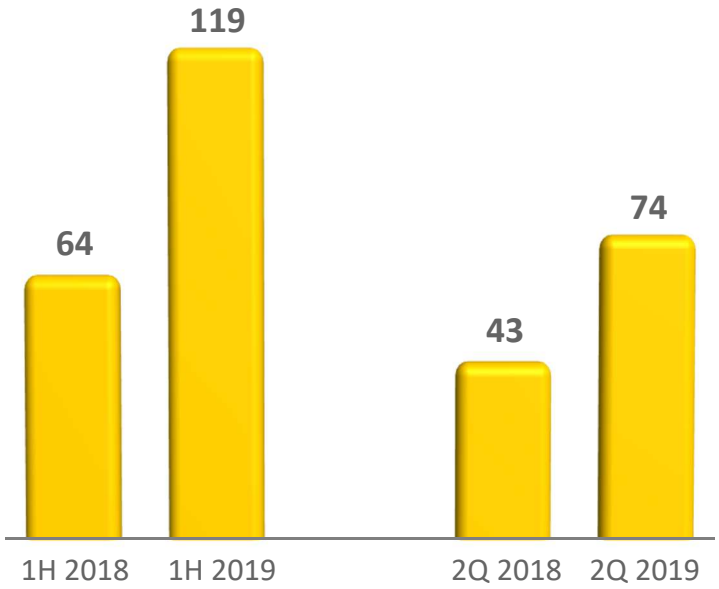
Italy France Germany East Europe UK

SOLAR RESULTS

Adjusted Ebitda (€ mn)

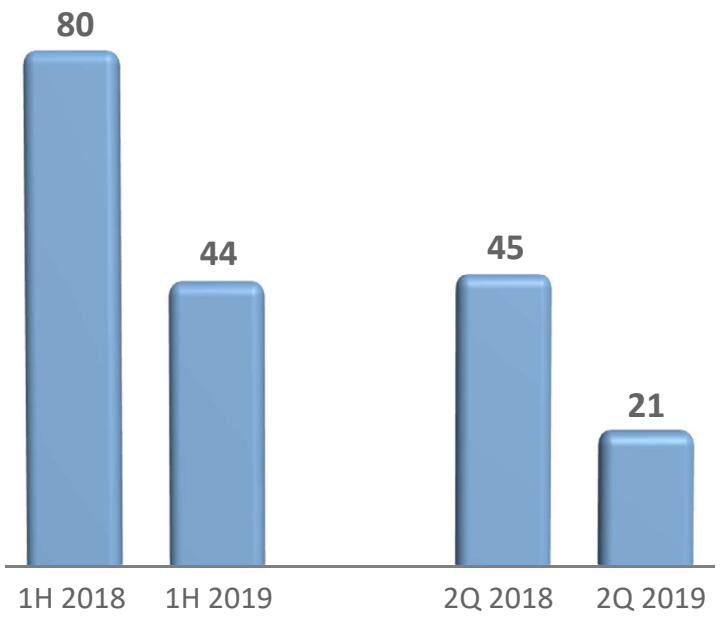


Volumes (GWh)

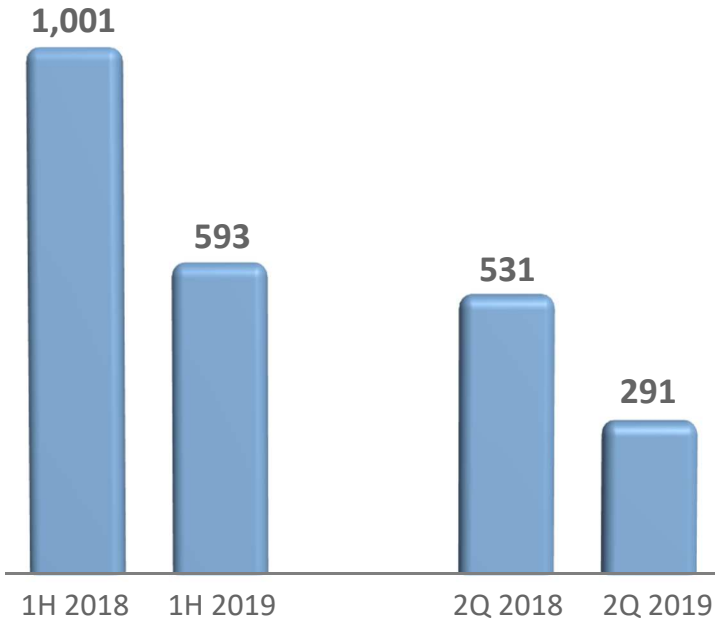


HYDRO RESULTS

Adjusted Ebitda (€ mn)

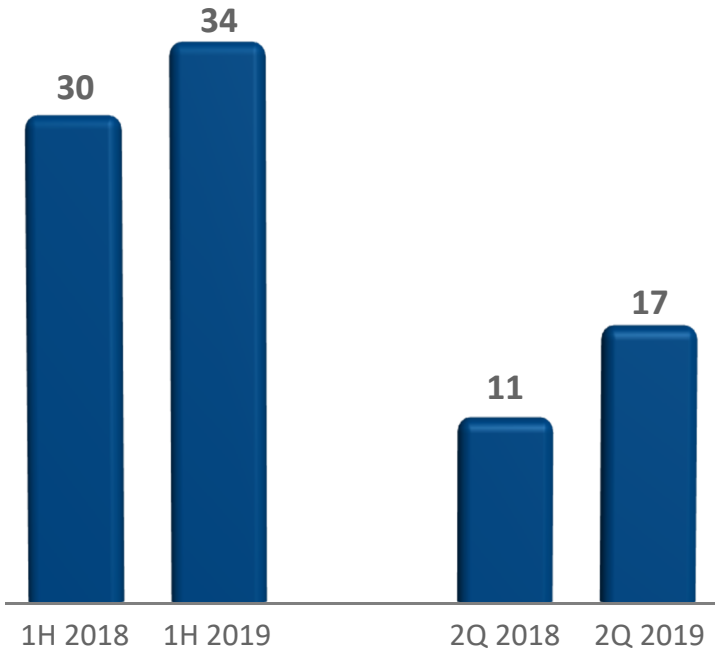


Volumes (GWh)

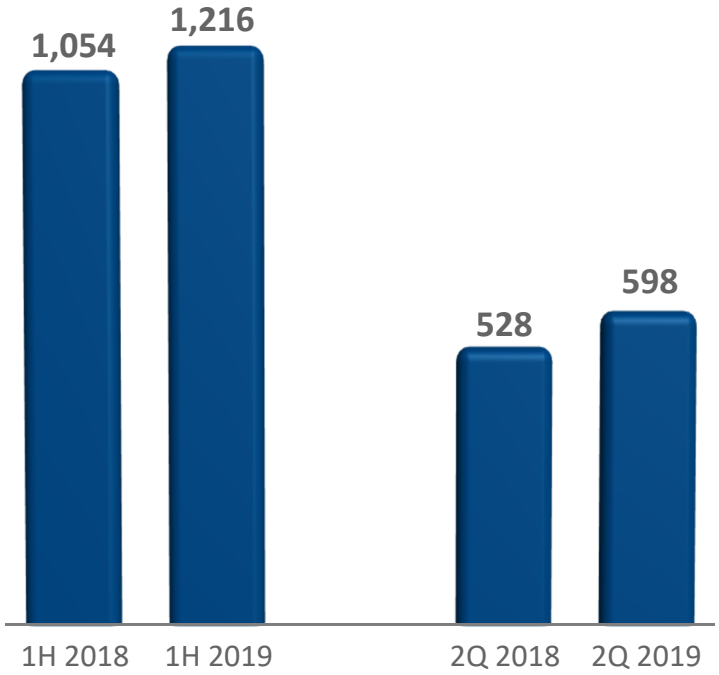


CCGT RESULTS

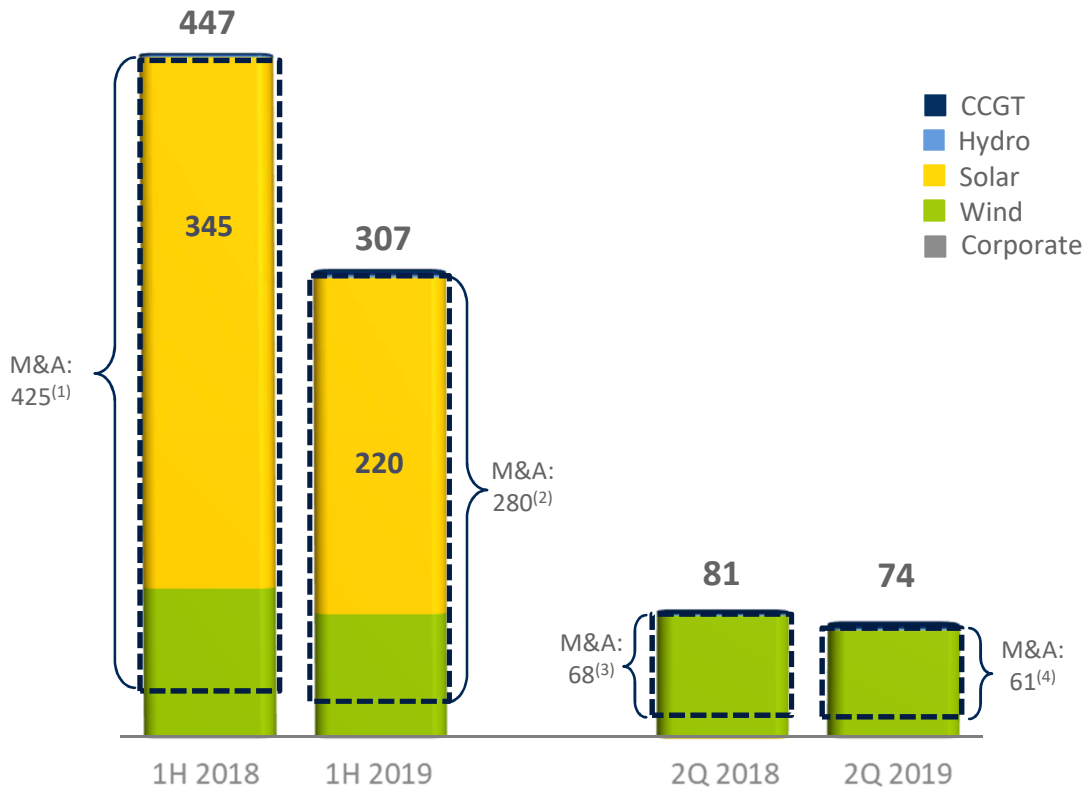
Adjusted Ebitda (€ mn)



Volumes (GWh)



INVESTMENTS



(1) M&A CAPEX include: Vent d'Est acquisition for €12mn, Epuron acquisition for €67mn, Valle de l'AA extension acquisition for €1mn and ForVEI consolidation for €345mn

(2) M&A CAPEX related to the closing of Andromeda acquisition (which took place on February 12, 2019), amounting to €220mn, Polaris acquisition for €52mn, Craiggore and Windwarts acquisitions, respectively for €6mn and €2mn

(3) M&A CAPEX mainly referred to Epuron acquisition (€67mn) and Valle de l'AA extension acquisition (€1mn)

(4) M&A CAPEX related to Polaris acquisition for €52mn, plus Craiggore and Windwarts acquisitions, respectively for €6mn and €2mn

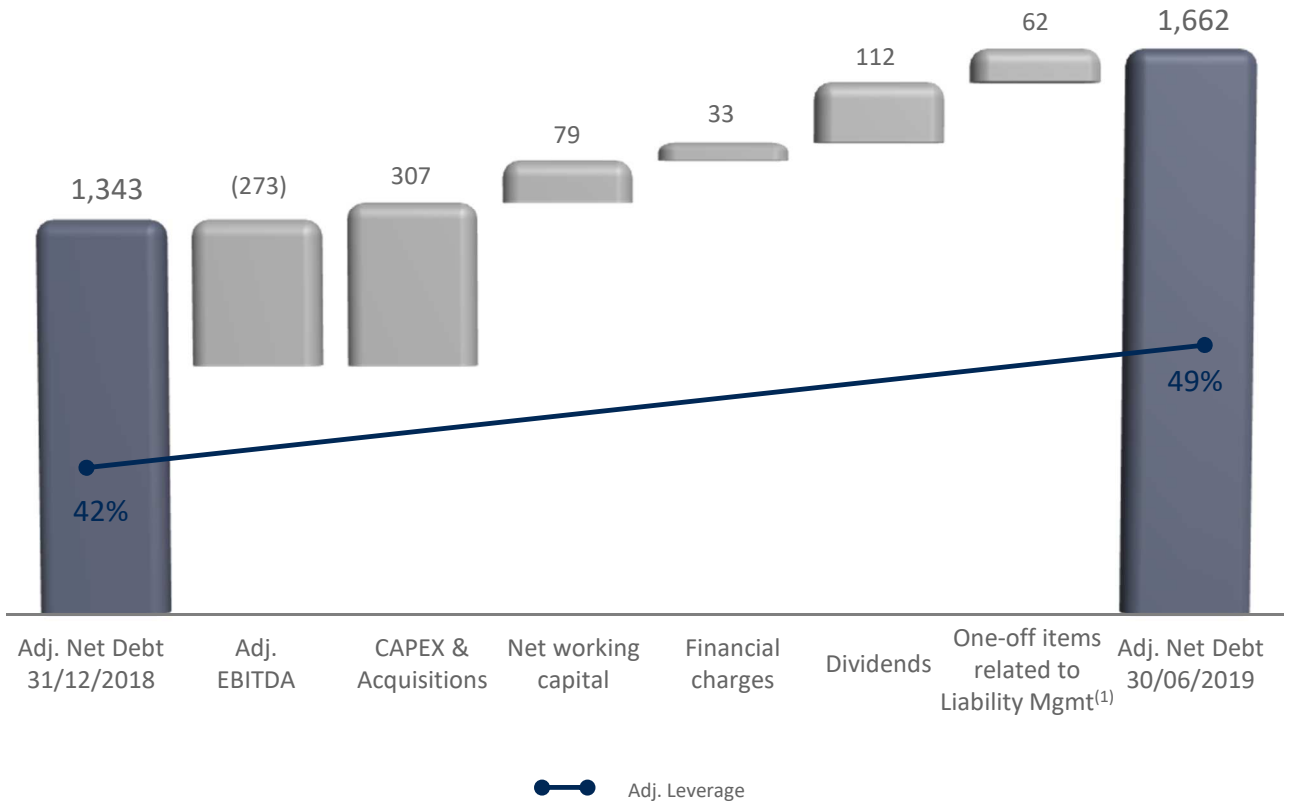
KEY FINANCIALS

ADJUSTED P&L

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
273	277	Adjusted EBITDA	110	114
(145)	*(136)*	*Amortization and depreciation*	*(73)*	*(68)*
128	140	Adjusted EBIT	36	47
(33)	*(38)*	*Net financial income (expenses)*	*(15)*	*(20)*
0	*0*	*Net income (loss) from equity investments*	*0*	*(0)*
95	103	Adjusted Results before taxes	21	27
(27)	*(27)*	*Income taxes*	*(7)*	*(8)*
68	76	Adjusted Results for the period	14	19
(1)	*(0)*	*Minority interests*	*(1)*	*(0)*
68	76	Adjusted Net Profit	14	19
29%	26%	Tax Rate	33%	28%

Note: figures based on NO GAAP measures

1H 2019 CASH FLOW STATEMENT

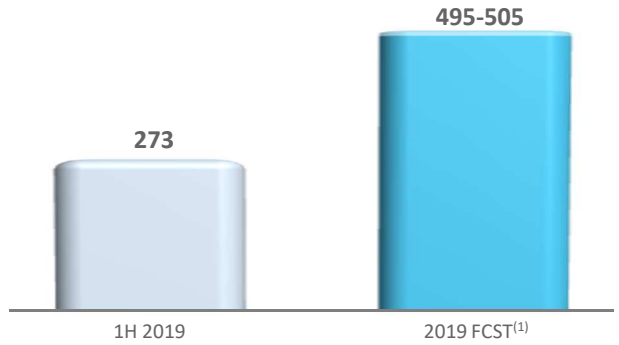


(1) Out of which €43mn is a non-cash item linked to the write-off of a positive FV associated to Erg Wind Project Financing, while the remainder is mainly linked to the IRS unwinding of the same Project Financing

2019 GUIDANCE

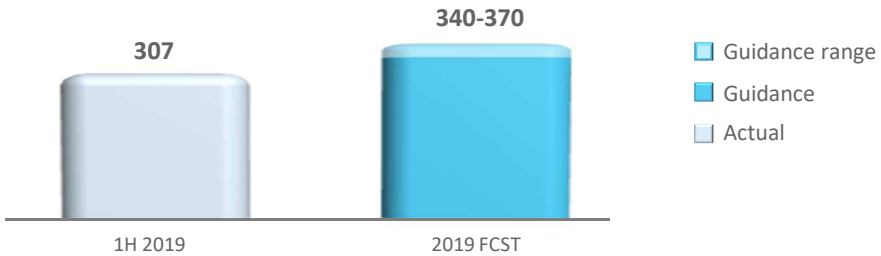
LUCA BETTONTE, CEO

2019 GUIDANCE



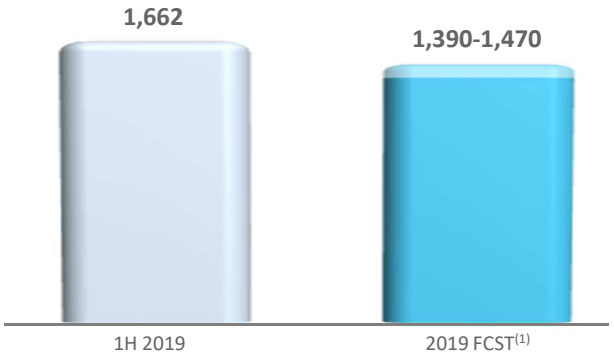
Adj. EBITDA:

✓Guidance fine-tuned at €495-505mn



CAPEX:

✓Guidance confirmed at €340-370mn



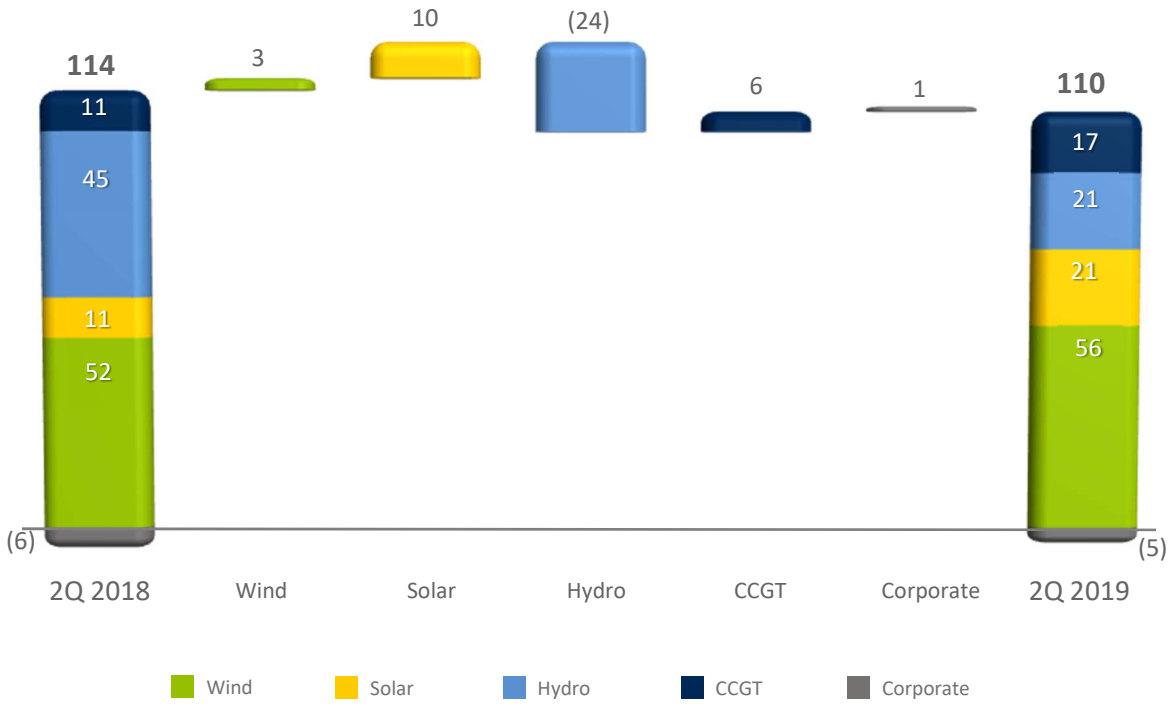
Adj. NFP:

✓Guidance revised at €1.39-1.47bn

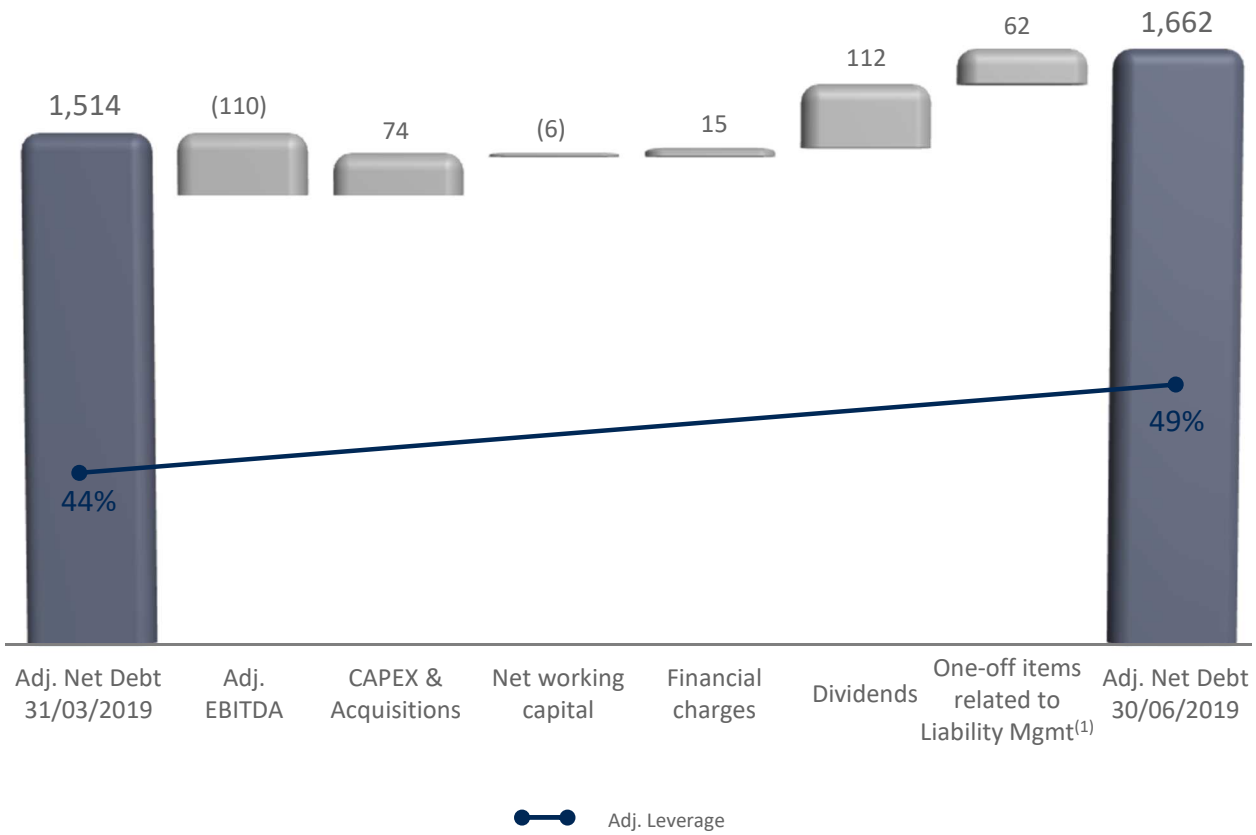
(1) 2019 Guidance does not include IFRS 16 effects

APPENDIX

2Q 2019 GROUP EBITDA EVOLUTION



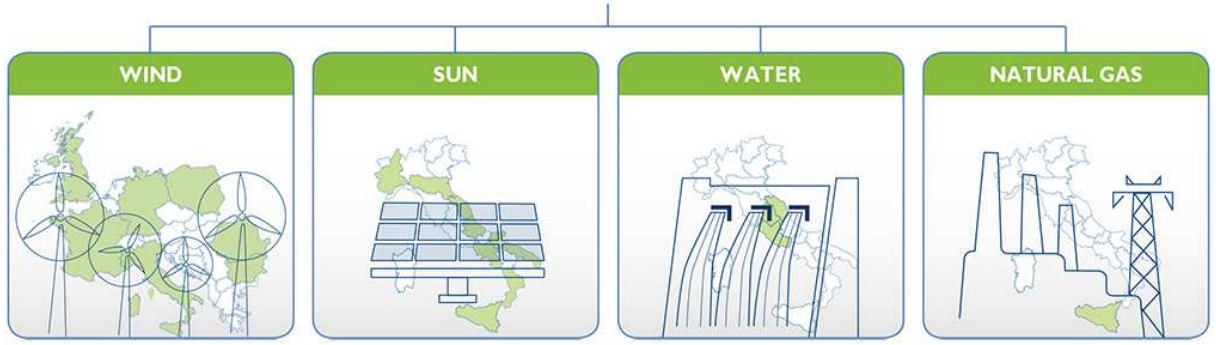
2Q 2019 CASH FLOW STATEMENT



(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 linked to the IRS unwinding of the same Project Financing

ENERGY PORTFOLIO

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Wind Capacity 1,895MW	Sun Capacity 141MW	Water Capacity 527MW	Natural Gas Capacity 480MW
1H 2019 Production 2,154GWh	1H 2019 Production 119GWh	1H 2019 Production 593GWh	1H 2019 Production 1,216GWh

Total 1H 2019 Production: 4.1TWh

Total Energy Portfolio including hedging & other sales: 7.6TWh

WIND: KEY FIGURES (1/2)

1H 2019	1H 2018		2Q 2019	2Q 2018
1,895	1,791	Installed capacity (end-period, MW)	1,895	1,791
		of which:		
1,093	*1,093*	*- Italy*	*1,093*	*1,093*
359	*276*	*- France*	*359*	*276*
238	*216*	*- Germany*	*238*	*216*
82	*82*	*- Poland*	*82*	*82*
70	*70*	*- Romania*	*70*	*70*
54	*54*	*- Bulgaria*	*54*	*54*
0	*0*	*- UK*	*0*	*0*
2,154	1,931	Electricity Production (GWh)	826	711
		of which:		
1,257	*1,151*	*- Italy*	*454*	*419*
384	*296*	*- France*	*176*	*96*
198	*178*	*- Germany*	*68*	*71*
135	*112*	*- Poland*	*53*	*51*
104	*91*	*- Romania*	*48*	*43*
75	*74*	*- Bulgaria*	*27*	*31*
0	*29*	*- UK*	*0*	*0*

WIND: KEY FIGURES (2/2)

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
		Unitary Revenues (€/MWh):		
119	*123*	*- Italy*	*117*	*118*
89	*87*	*- France*	*89*	*86*
100	*93*	*- Germany*	*98*	*93*
71	*52*	*- Poland*	*74*	*55*
67	*50*	*- Romania*	*62*	*50*
77	*71*	*- Bulgaria*	*70*	*71*
n.a.	*100*	*- UK*	*n.a.*	*n.a.*
		Adjusted EBITDA:		
117	*116*	*- Italy*	*37*	*39*
23	*18*	*- France*	*9*	*4*
14	*12*	*- Germany*	*4*	*4*
8	*4*	*- Poland*	*3*	*2*
5	*3*	*- Romania*	*2*	*2*
5	*4*	*- Bulgaria*	*1*	*2*
0	*3*	*- UK*	*0*	*0*
171	159	Total Adjusted EBITDA	56	52
(82)	(81)	Depreciation	(42)	(40)
89	78	Adjusted EBIT	14	13

SOLAR: KEY FIGURES

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
119	64	Electricity Prodution (GWh)	74	43
314	290	Unitary Revenues (€/MWh)	306	291
34	16	Adjusted EBITDA	21	11
(20)	(10)	Depreciation	(10)	(5)
14	6	Adjusted EBIT	11	6

HYDRO: KEY FIGURES

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
593	1,001	Electricity Prodution (GWh)	291	531
105	99	Unitary Revenues (€/MWh)	102	104
44	80	Adjusted EBITDA	21	45
(29)	(29)	Depreciation	(14)	(14)
16	51	Adjusted EBIT	7	31

CCGT: KEY FIGURES

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
1,216	1,054	Electricity Prodution (GWh)	598	528
38	41	Unitary Revenues (€/MWh)	39	30
34	30	Adjusted EBITDA	17	11
(14)	(15)	Depreciation	(7)	(8)
20	14	Adjusted EBIT	10	4

INVESTMENTS

1H 2019	1H 2018	Euro millions	2Q 2019	2Q 2018
81 (1)	97 (2)	Wind	71 (5)	80 (6)
220 (3)	345 (4)	Solar	0	(1)
2	1	Hydro	1	1
4	2	CCGT	2	1
1	1	Corporate	0	0
307	447	Total	74	81

(1) It includes: Polaris acquisition for €52mn, plus Craiggore and Windwarts acquisitons, respectively for €6mn and €2mn
(2) It includes: Vent d'Est acquisition for €12mn, Epuron acquisition for €67mn, and Valle de l'AA extension acquisition for €1mn
(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)
(5) It includes: Polaris acquisition for €52mn, plus Craiggore and Windwarts acquisitions, respectively for €6mn and €2mn
(6) It includes: Epuron acquisition for €67mn, and Valle de l'AA extension acquisition for €1mn