



# *FY 2018 Results & Strategy Update*

7 MARCH 2019  
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

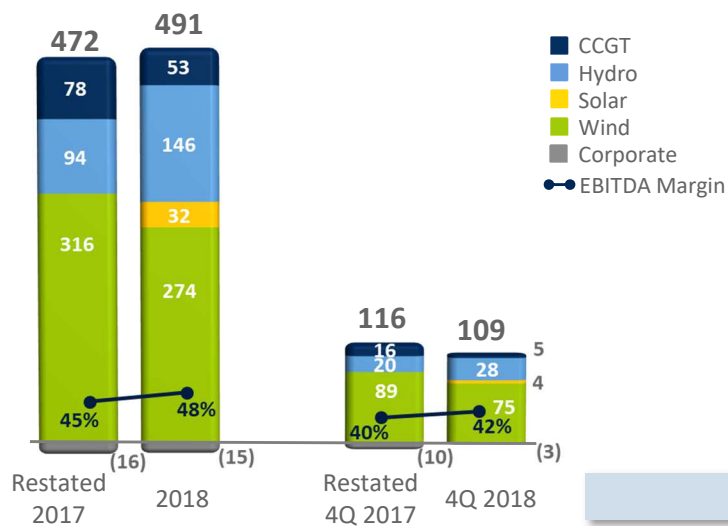


- FY 2018 Results
- 2019 Guidance
- 2018-2022 Business Plan Update
- Appendix

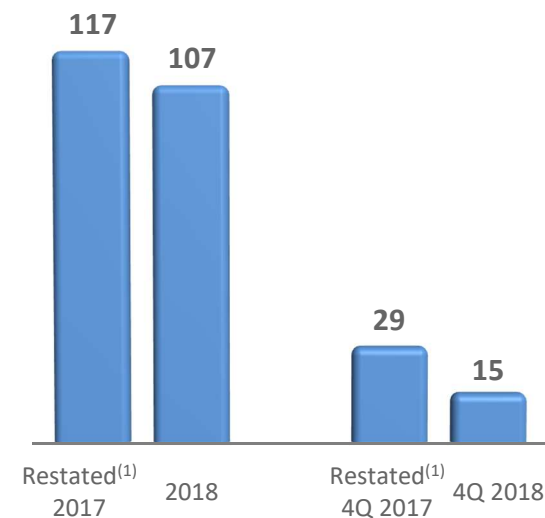


# HIGHLIGHTS: KEY FIGURES

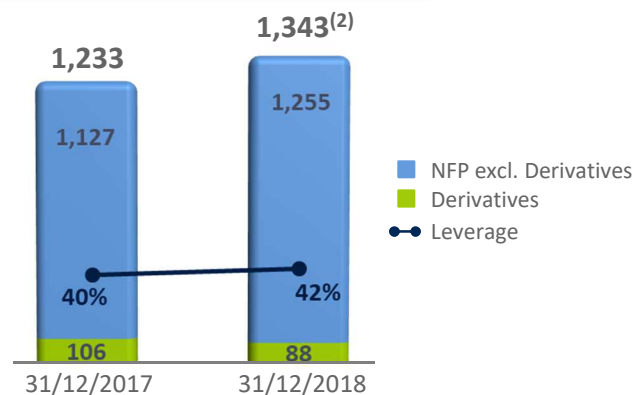
Adjusted EBITDA (€ mn)



Adjusted Net Profit (€ mn)



NFP (€ mn)



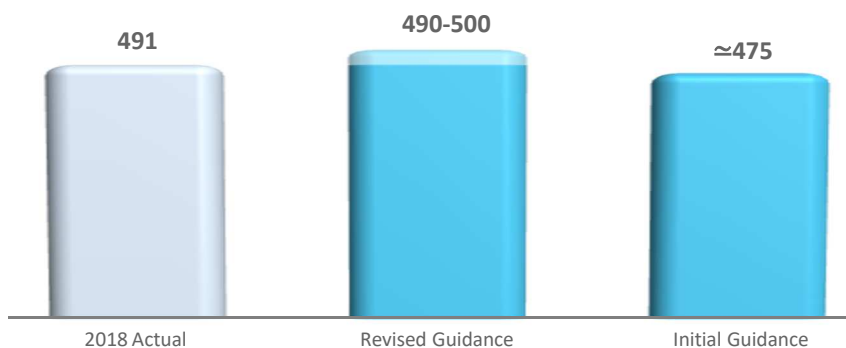
2018: continuing ERG growth path

<sup>(1)</sup> It excludes TotalERG contribution for €1mn in 4Q 2017 and €24mn in 2017

<sup>(2)</sup> It includes Vendor Loan to api for €36mn



# FY 2018 RESULTS VS GUIDANCE



Adj. EBITDA:

✓ Higher than initial Guidance and in the range



- Guidance range
- Guidance
- Actual

CAPEX:

✓ Slightly below Guidance range



NFP:

✓ Consistent with revised Guidance

<sup>(1)</sup> It includes Vendor Loan to api for €36mn



# RESULTS REVIEW

PAOLO MERLI, CFO





# BUSINESS ENVIRONMENT

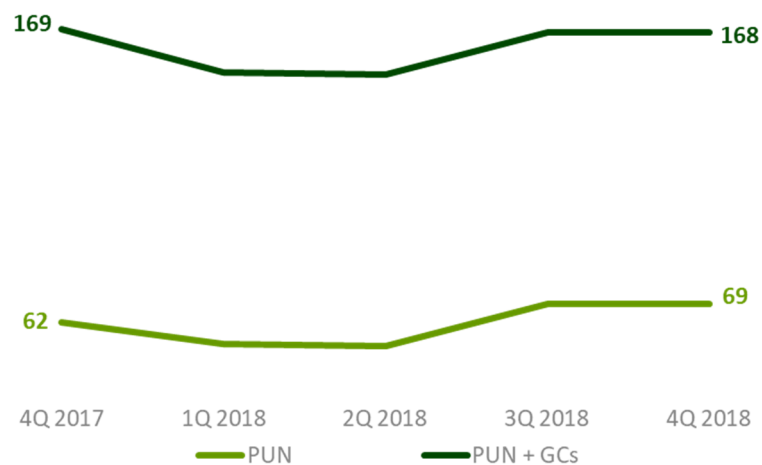
Italy: Electricity Production vs Demand (TWh)

	4Q 2017	4Q 2018	Delta %
Italian Electricity Demand	80	80	0%
Italian Electricity Production	71	70	-1%
<i>of which:</i>			
- Thermo	54	50	-8%
- Hydro	7	11	66%
- Solar	4	3	-6%
- Wind	5	5	-6%
- Other Sources	1	1	-1%

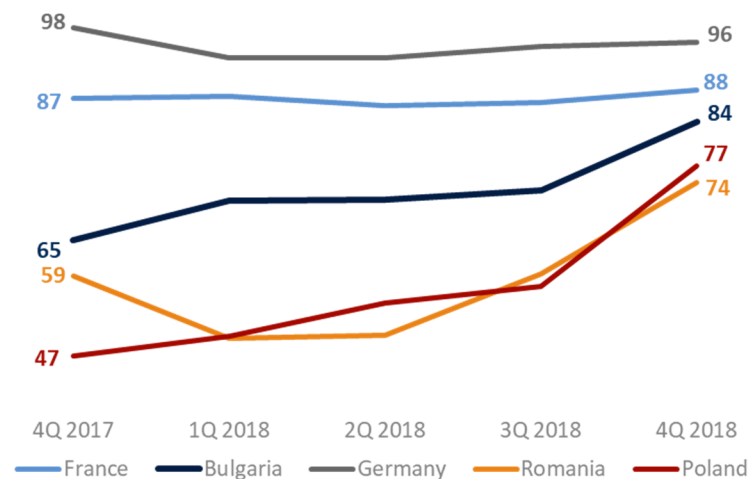
Clean Spark Spread Indicator (€/MWh)



Electricity Prices in Italy (€/MWh)

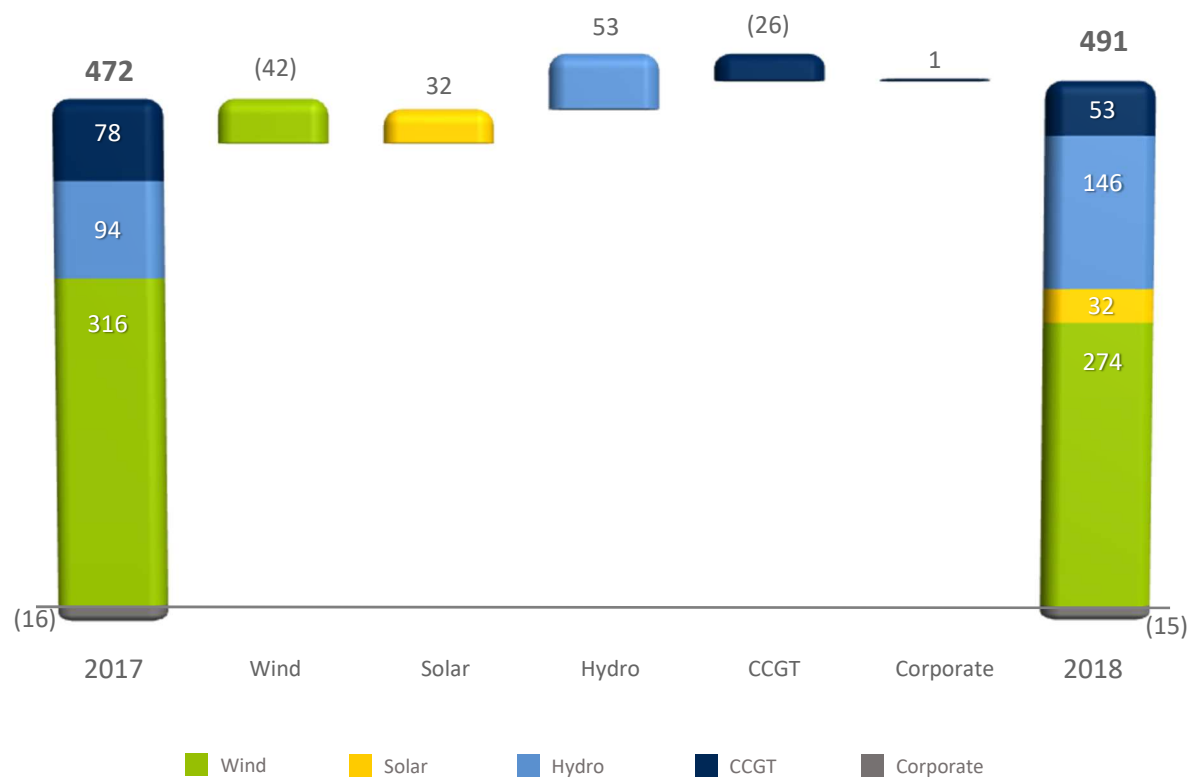


All-in Wind Prices abroad (€/MWh)





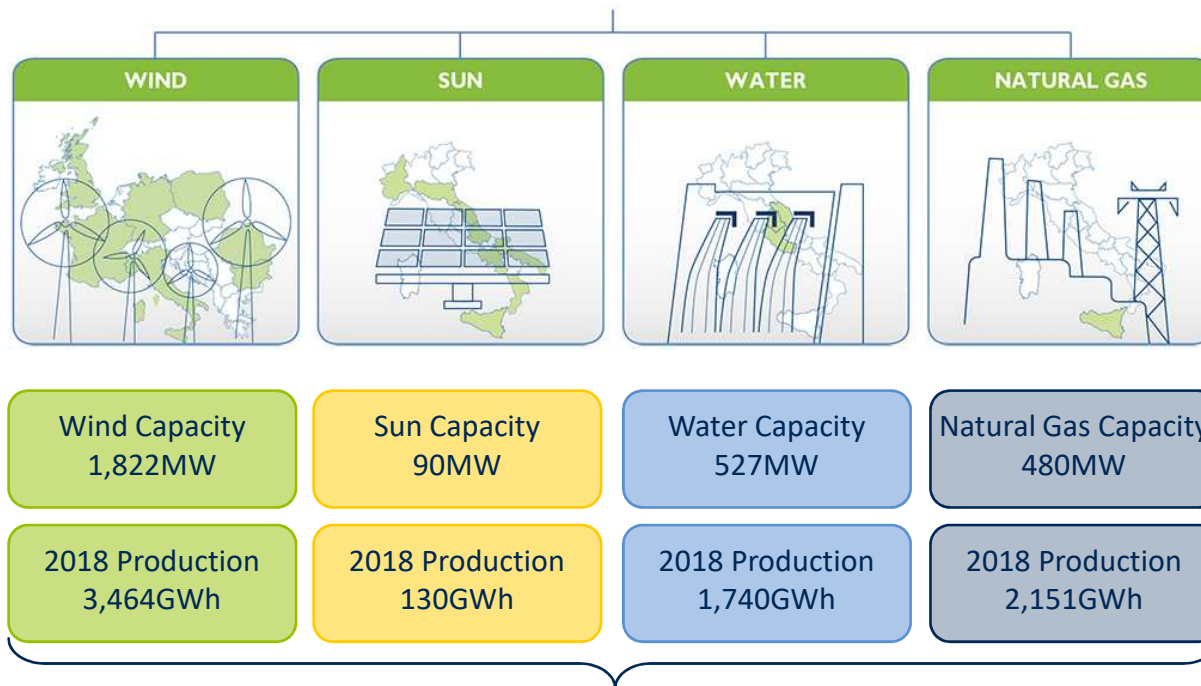
# 2018 GROUP EBITDA EVOLUTION







# ENERGY PORTFOLIO



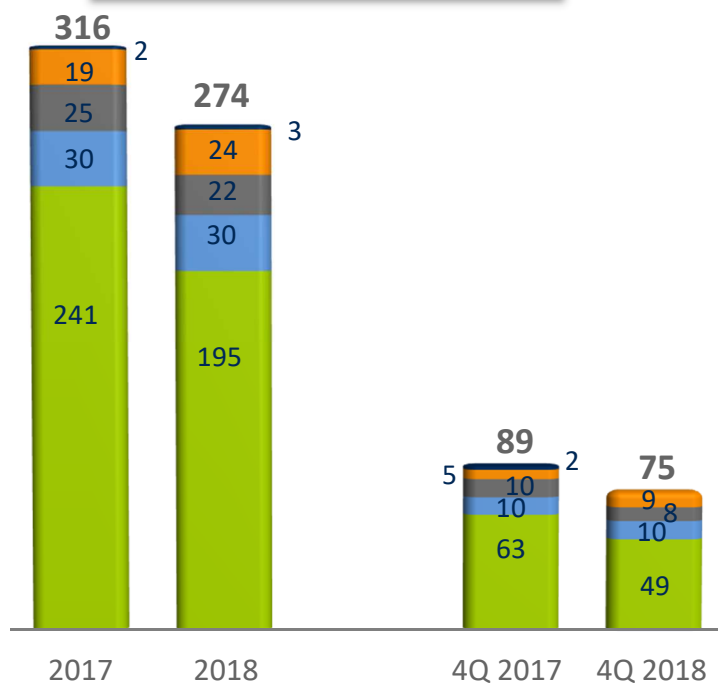
**Total 2018 Production: 7.5TWh**

**Total Energy Portfolio including hedging & other sales: 13.6TWh**

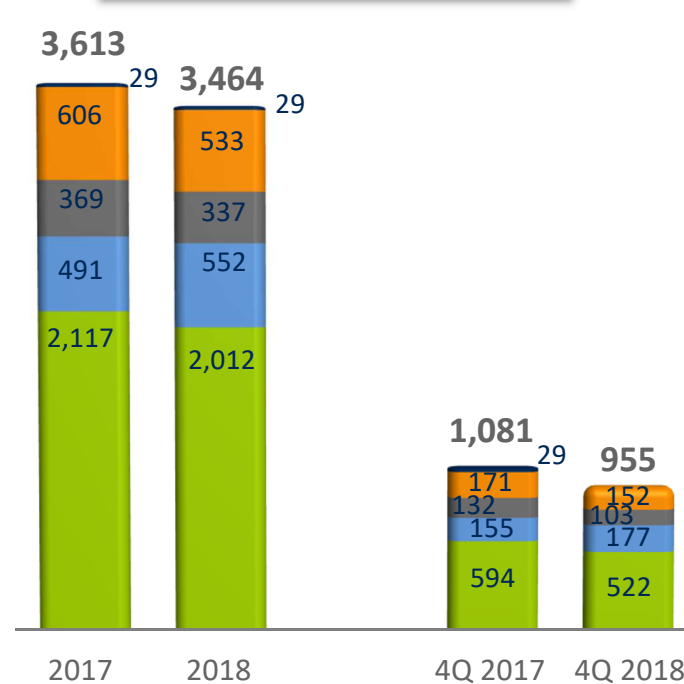


# WIND RESULTS

Adjusted Ebitda (€ mn)



Volumes (GWh)



■ Italy
 ■ France
 ■ Germany
 ■ East Europe
 ■ UK (1)

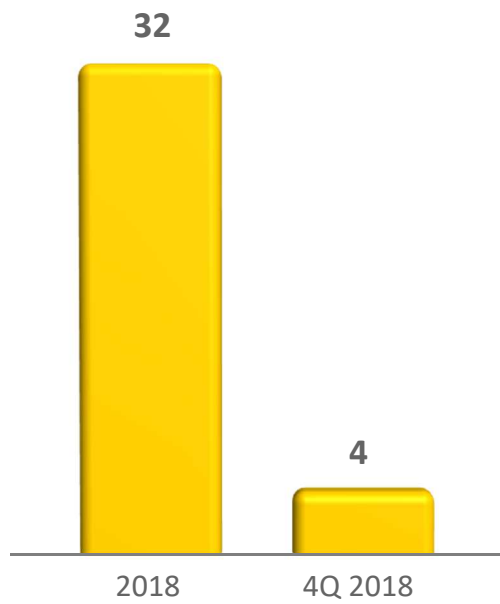
## End of incentives in Italy and weak wind conditions

(1) It refers to Brockaghboy wind farm, which was disposed of on March 8, 2018

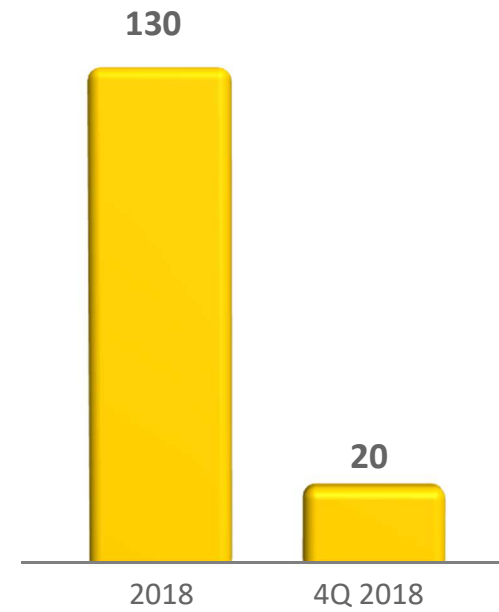
# SOLAR RESULTS



Adjusted Ebitda (€ mn)



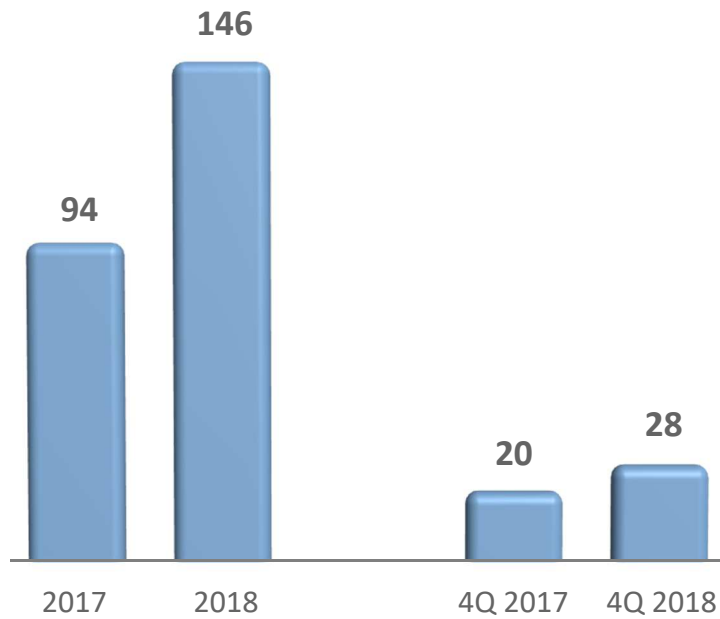
Volumes (GWh)



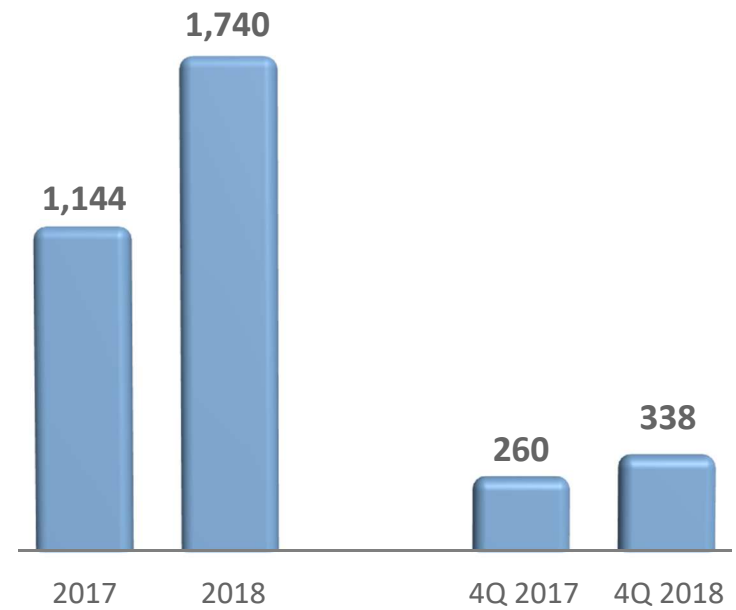
# HYDRO RESULTS



Adjusted Ebitda (€ mn)



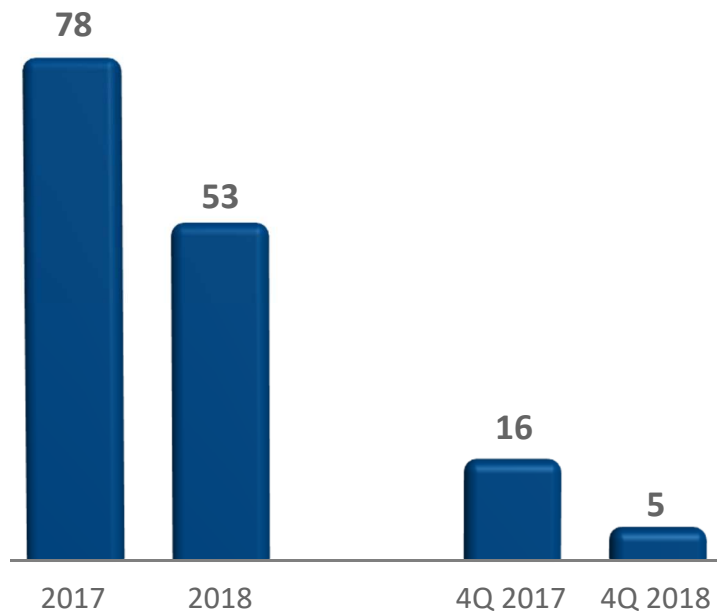
Volumes (GWh)



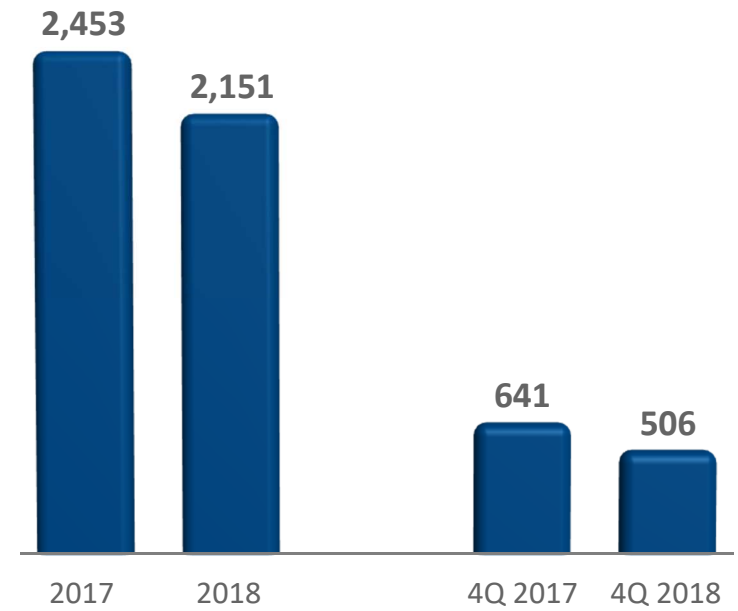
# CCGT RESULTS



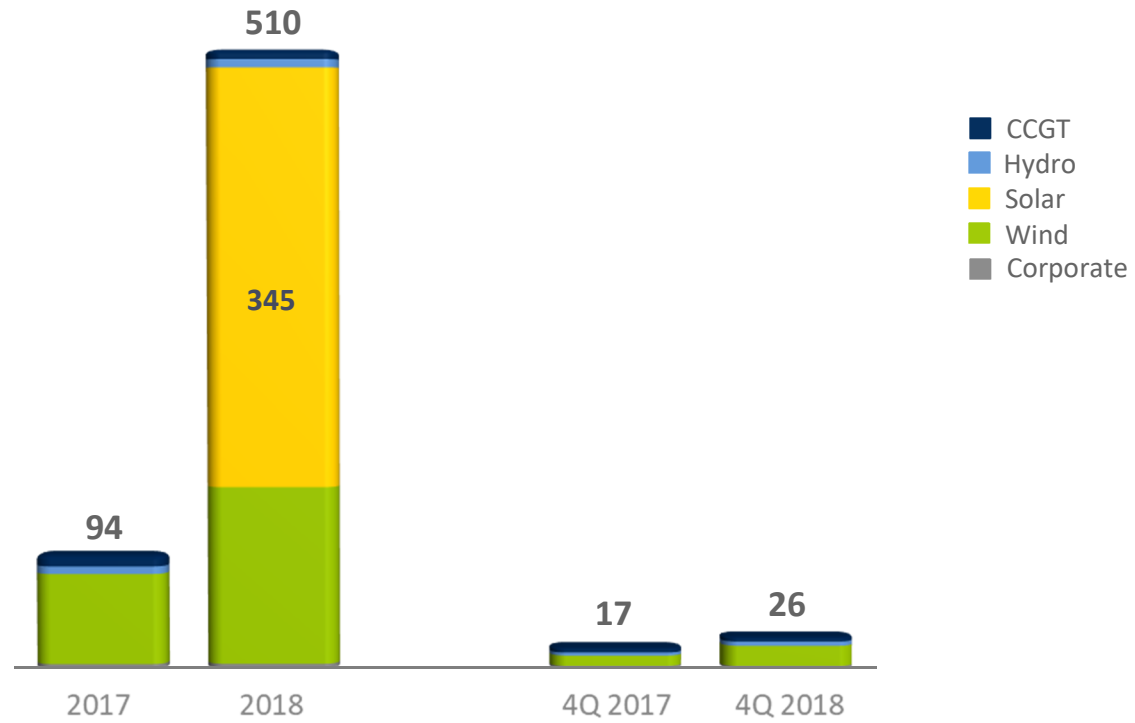
Adjusted Ebitda (€ mn)



Volumes (GWh)



# INVESTMENTS





## KEY FINANCIALS



# ADJUSTED P&L



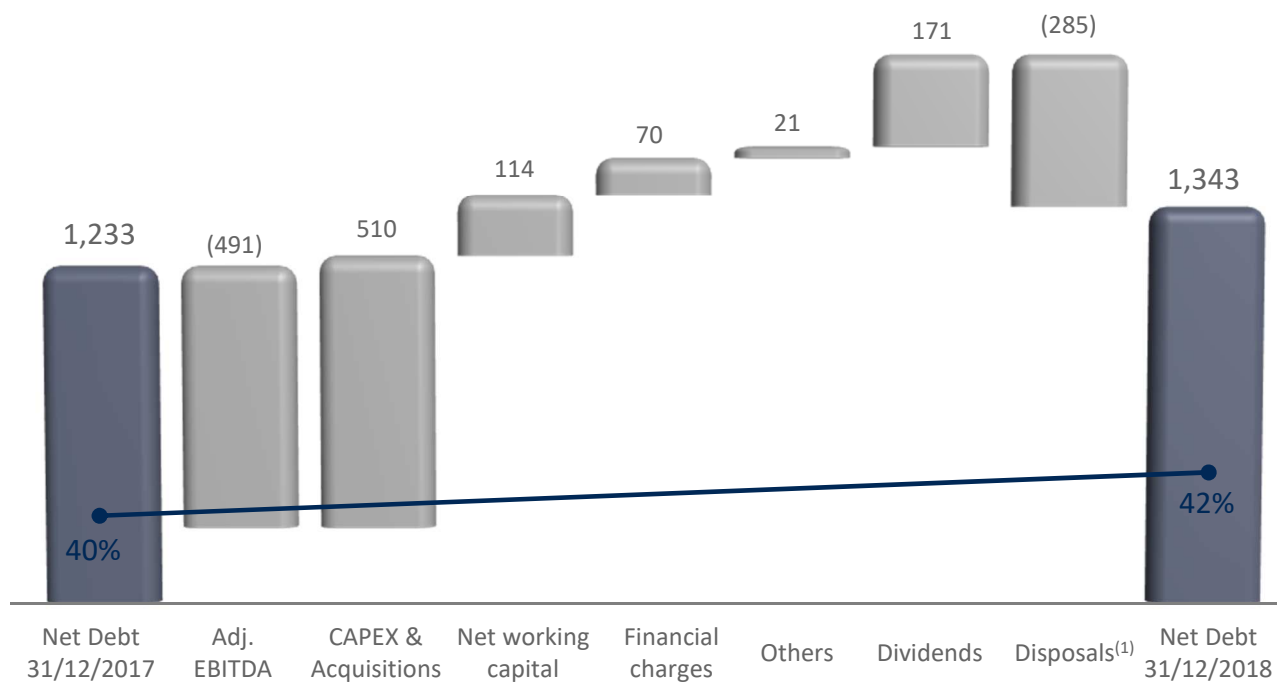
2018	Restated 2017	Euro millions	4Q 2018	Restated 4Q 2017
491	472	Adjusted EBITDA	109	116
(275)	(252)	<i>Amortization and depreciation</i>	(71)	(64)
216	220	Adjusted EBIT	38	52
(70)	(66)	<i>Net financial income (expenses)</i>	(17)	(16)
(0)	(1)	<i>Net income (loss) from equity investments</i>	(0)	(1)
146	153	Adjusted Results before taxes	21	34
(39)	(36)	<i>Income taxes</i>	(6)	(5)
107	117	Adjusted Results for the period	15	29
(0)	0	<i>Minority interests</i>	0	0
107	117	Adjusted Net Profit	15	29
27%	24%	Tax Rate	29%	15%

Note: figures based on NO GAAP measures





# 2018 CASH FLOW STATEMENT



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



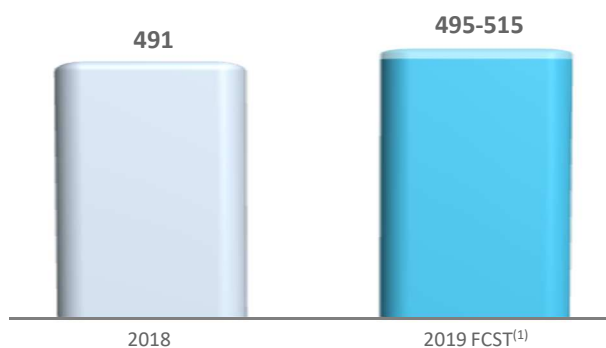
# 2019 GUIDANCE

LUCA BETTONTE, CEO

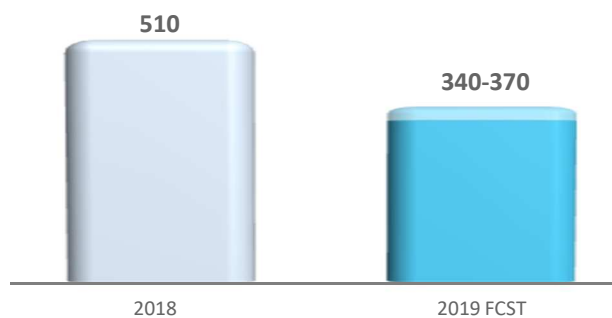




# 2019 GUIDANCE

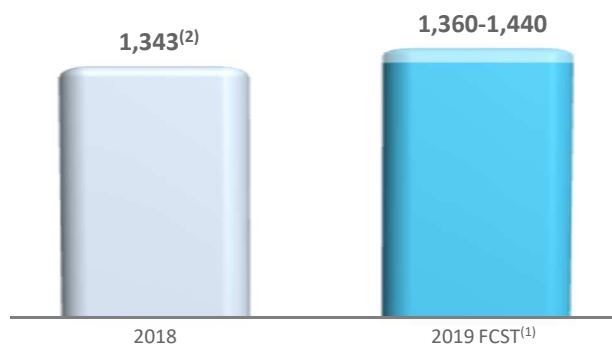


Adj. EBITDA:  
✓ Guidance range at €495-515mn



■ Guidance range  
■ Guidance  
■ Actual

CAPEX:  
✓ Guidance range at €340-370mn



NFP:  
✓ Guidance range at €1.36-1.44bn

<sup>(1)</sup> 2019 Guidance does not include IFRS 16 effects

<sup>(2)</sup> It includes Vendor Loan to api for €36mn



## 2018-2022 BUSINESS PLAN UPDATE



# 2018: A BIG STEP FORWARD IN THE BP EXECUTION



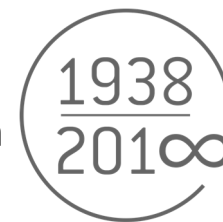
## Business Achievements

- 1 Full exit from oil through the sale of TotalERG
- 2 Enhanced technological diversification in 2 steps: +141MW<sup>(1)</sup> high quality solar
- 3 Expansion in France 55MW installed and 750MW of pipeline
- 4 Auction won in Germany: 21.6MW in construction
- 5 Pursue growth in UK: new authorisation for 49MW and new project for 79.5MW
- 6 Fitch assigned a BBB-Investment grade rating
- 7 Launched a Euro medium term notes programme up to €1bn

## ESG Achievements

- 1 ERG included in the ECPI Global Clean Energy Index
- 2 Achieved rating B from CDP
- 3 Ranked 16<sup>th</sup> in the Corporate Knights Global 100 Index - Worldwide
- 4 Obtained ESG rating from Vigeo, IGI, Ethibel and Oekom
- 5 Signed 2 ESG Loans for €240mn

2018: strong execution and 80 years of energy celebration



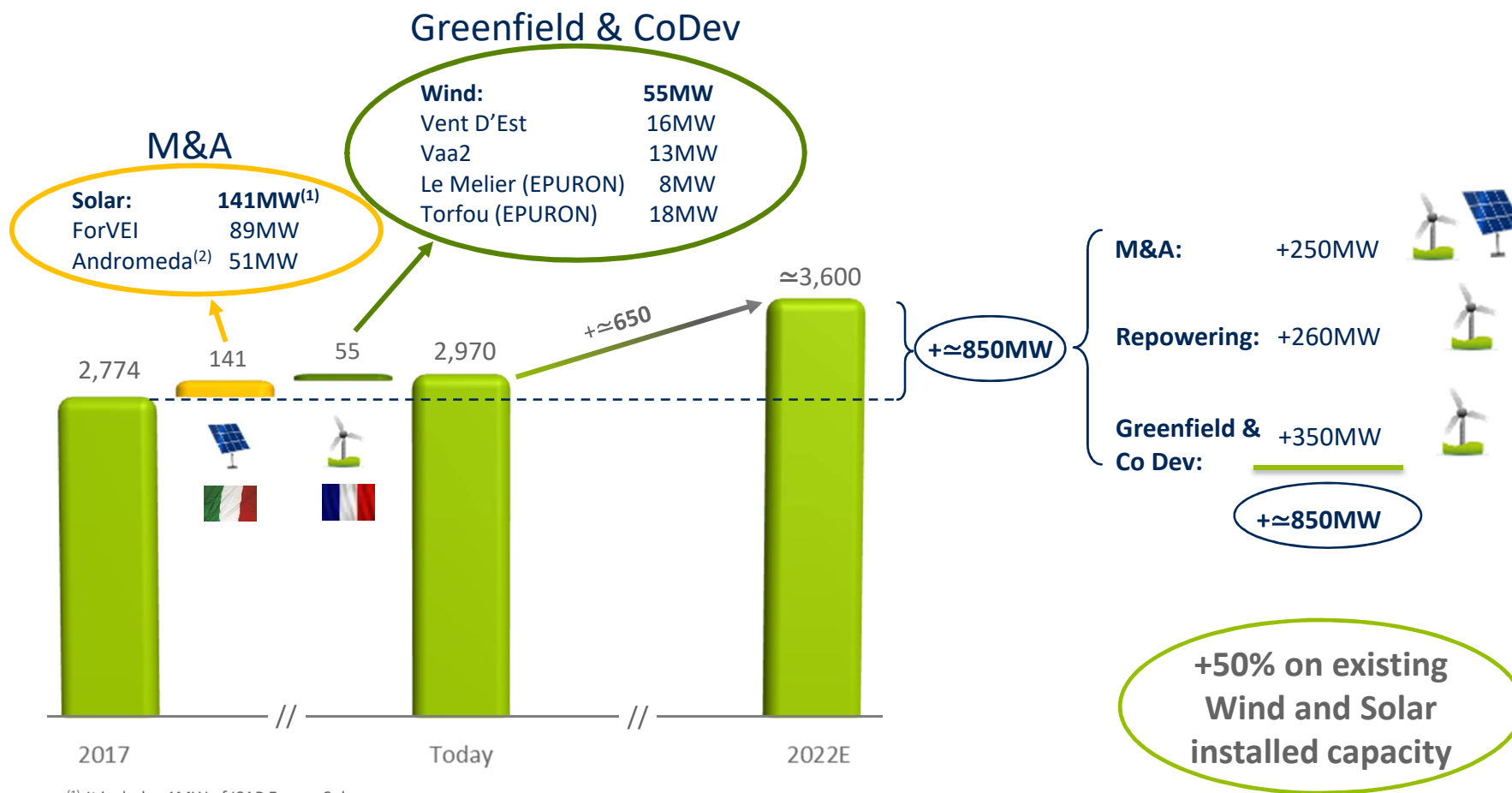
<sup>(1)</sup> It includes 89MW of ForVEI and 51.4MW of Andromeda



# ERG 2018-2022 CAPACITY EVOLUTION

## STRONG EXECUTION IN 2018

Growth in installed capacity (MW)



<sup>(1)</sup> It includes 1MW of ISAB Energy Solare

<sup>(2)</sup> Closing took place on February 12, 2019

# GREENFIELD DEVELOPMENT WELL ON TRACK

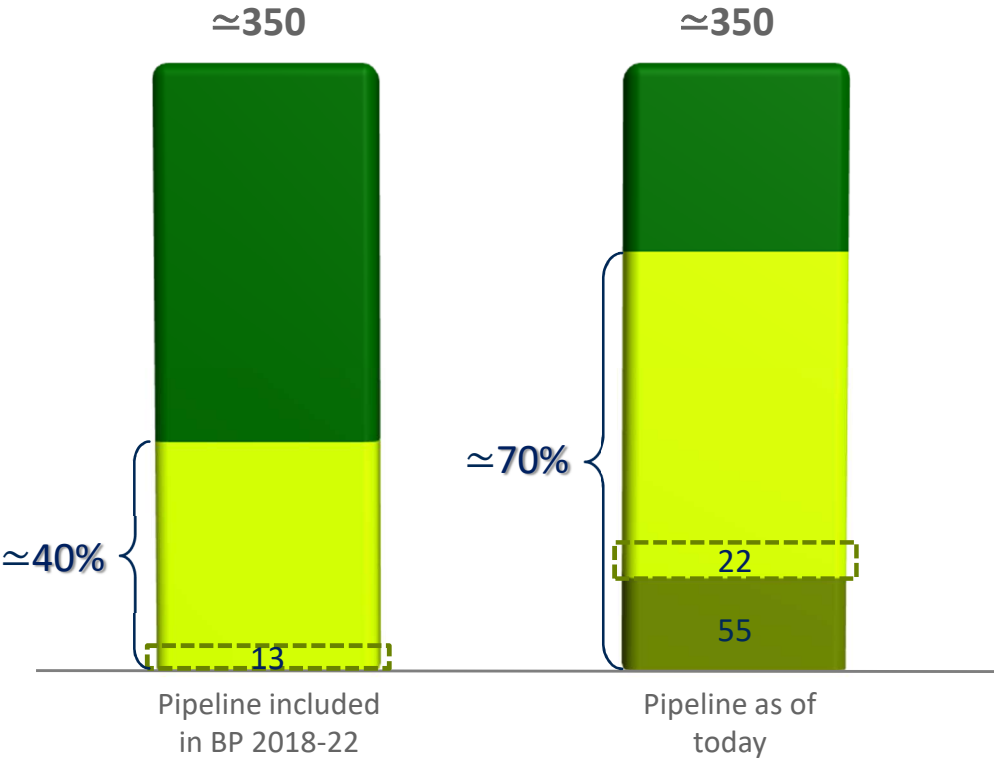


Pipeline included in BP 2018-22

Pipeline as of today

<b>Secured:</b>	<b>135MW</b>
• <u>France</u>	
- Vent D'Est <sup>(2)</sup>	16MW
- Vaa2 <sup>(1)</sup>	13MW
• <u>Germany</u>	
- Linda	22MW
• <u>UK</u>	
- Evishagaran	35MW
- Sandy Knowe	49MW

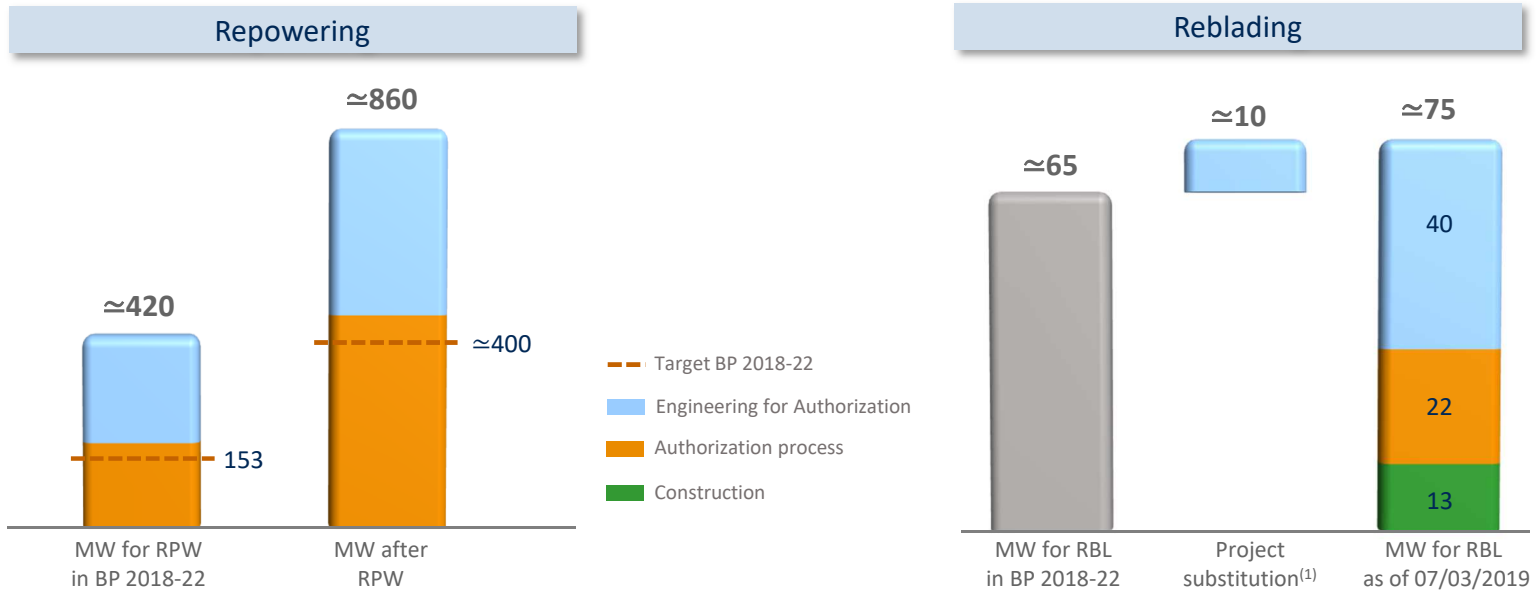
<b>Secured:</b>	<b>247MW</b>
• <u>France</u>	
- Vent D'Est <sup>(2)</sup>	16MW
- Vaa2 <sup>(2)</sup>	13MW
- Vaa2 ext.	7MW
- Le Melier <sup>(2)</sup>	8MW
- Torfou <sup>(2)</sup>	18MW
• <u>Germany</u>	
- Linda <sup>(1)</sup>	22MW
• <u>UK</u>	
- Evishagaran	35MW
- Sandy Knowe	49MW
- Creag Riabhach	79MW



■ Undergoing   
 ■ Secured   
 ■ Built up   
  Under construction

<sup>(1)</sup> Under Construction  
<sup>(2)</sup> In exercise

# REPOWERING & REBLADING IN PROGRESS



- 184MW applied for authorization:
  - 6 projects included in BP for 153MW
  - Additional 3 projects for 31MW

- New capacity under reblading is 75MW
- 13MW under construction and on stream in 2Q 2019
- Expected rise in production from 16% to 20%

<sup>(1)</sup> Substitution of a 30MW project with another 40MW project



# DRIVING INTO 2023



## Pros

- Exploiting full potential of Repowering: focus on all the 500MW eligible in Italy
- Boosting growth abroad leveraging on more than 700MW of pipeline in France and of the co-development agreements under negotiation in UK and Germany
- Work in progress for a new cogeneration project at CCGT eligible for white certificates
- Keeping a sound and diversified financial structure aiming to confirm IG rating in the long term

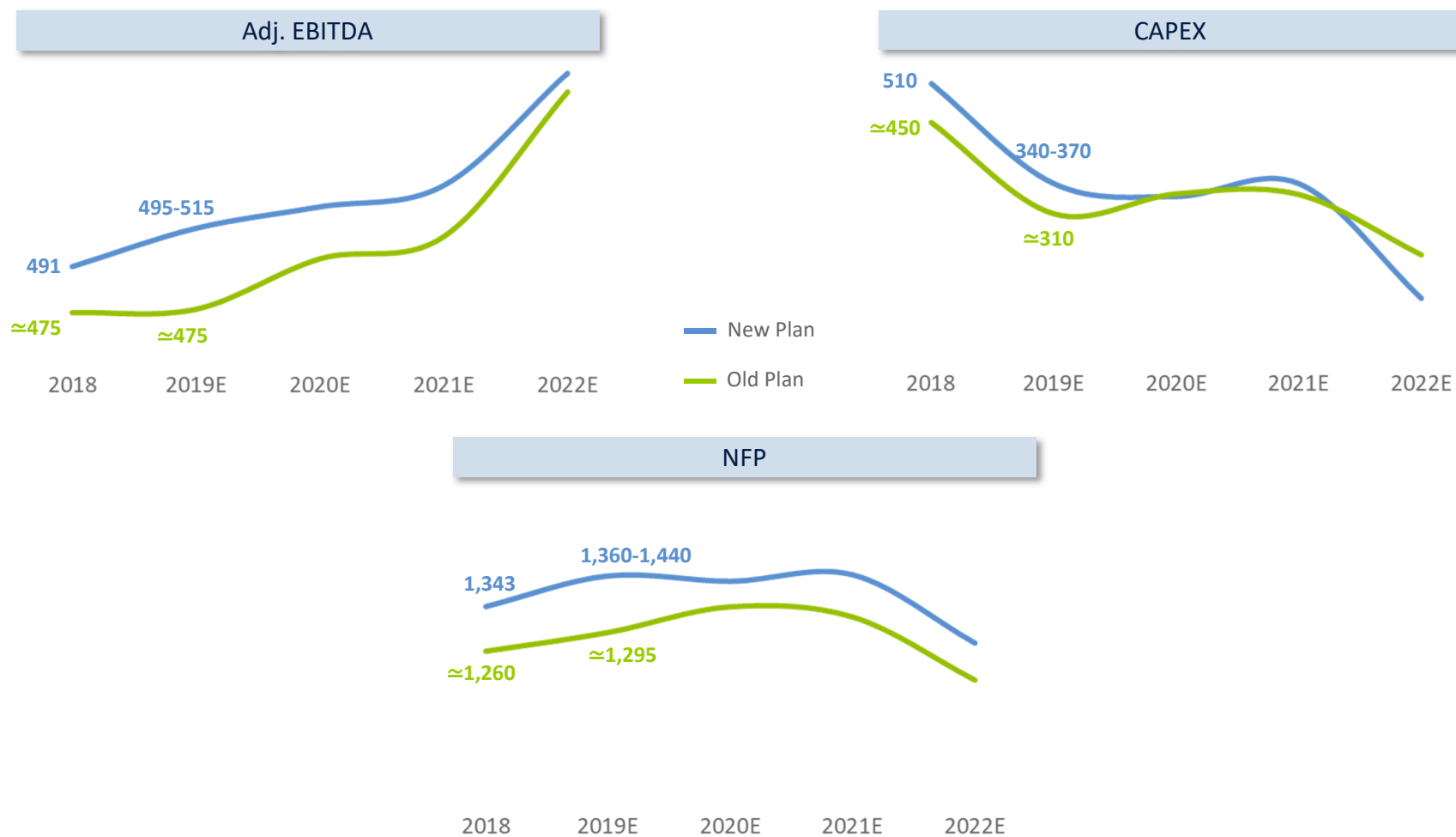
## Cons

- Phase out of incentives will progressively continue beyond BP horizon (2023 +)

**Keep growing leveraging on assets rejuvenation, larger capacity abroad and high quality financial structure**



# FINANCIALS – UPDATED PROJECTIONS



Acceleration of targets in the first years of BP

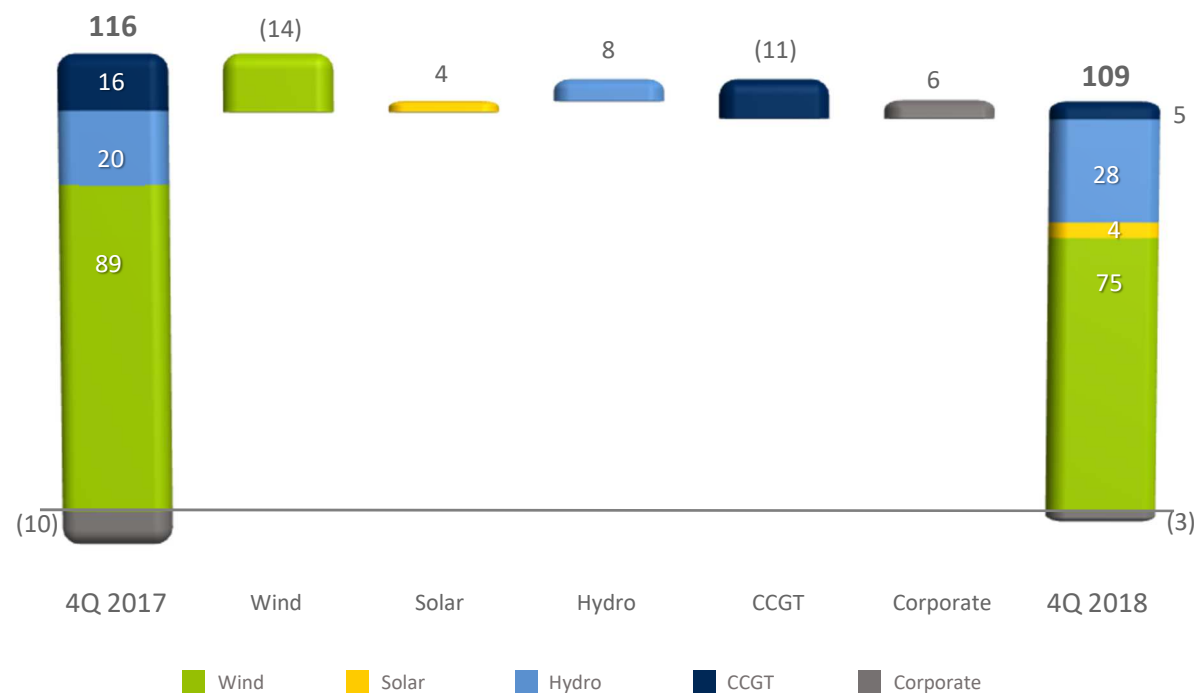


## APPENDIX

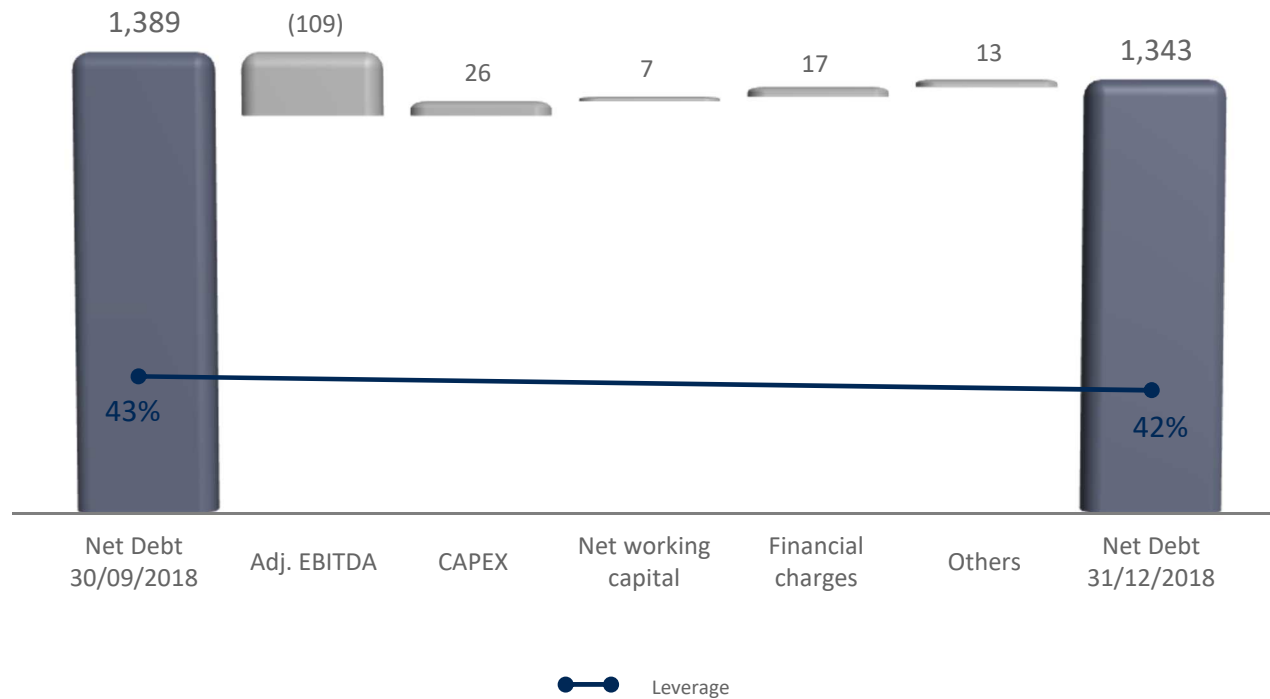




# 4Q 2018 GROUP EBITDA EVOLUTION



# 4Q 2018 CASH FLOW STATEMENT





## WIND: KEY FIGURES (1/2)

2018	2017		4Q 2018	4Q 2017
1,822	1,814	Installed capacity (end-period, MW)	1,822	1,814
		<i>of which:</i>		
1,093	1,093	- Italy	1,093	1,093
307	252	- France	307	252
216	216	- Germany	216	216
82	82	- Poland	82	82
70	70	- Romania	70	70
54	54	- Bulgaria	54	54
0	48	- UK	0	48
3,464	3,613	Electricity Production (GWh)	955	1,081
		<i>of which:</i>		
2,012	2,117	- Italy	522	594
552	491	- France	177	155
337	369	- Germany	103	132
219	248	- Poland	68	82
176	201	- Romania	46	48
138	157	- Bulgaria	38	41
29	29	- UK	0	29



## WIND: KEY FIGURES (2/2)

2018	2017	Euro millions	4Q 2018	4Q 2017
Unitary Revenues (€/MWh):				
125	144	- Italy	124	138
87	88	- France	88	87
95	96	- Germany	96	98
64	45	- Poland	77	47
58	58	- Romania	74	59
75	64	- Bulgaria	84	66
Adjusted EBITDA:				
195	241	- Italy	49	63
30	30	- France	10	10
22	25	- Germany	8	10
10	5	- Poland	4	2
7	8	- Romania	2	2
8	6	- Bulgaria	3	1
3	2	- UK	(0)	2
274	316	Total Adjusted EBITDA	75	89
(159)	(160)	Depreciation	(39)	(41)
115	156	Adjusted EBIT	36	49

# SOLAR: KEY FIGURES



2018	2017	Euro millions	4Q 2018	4Q 2017
130	n.a.	Electricity Production (GWh)	20	n.a.
294	n.a.	Unitary Revenues (€/MWh)	284	n.a.
32	n.a.	Adjusted EBITDA	4	n.a.
(24)	n.a.	Depreciation	(9)	n.a.
8	n.a.	Adjusted EBIT	(5)	n.a.



# HYDRO: KEY FIGURES



2018	2017	Euro millions	4Q 2018	4Q 2017
1,740	1,144	Electricity Production (GWh)	338	260
107	110	Unitary Revenues (€/MWh)	114	122
146	94	Adjusted EBITDA	28	20
(58)	(58)	Depreciation	(15)	(15)
88	35	Adjusted EBIT	14	6

# CCGT: KEY FIGURES



2018	2017	Euro millions	4Q 2018	4Q 2017
2,151	2,453	Electricity Production (GWh)	506	641
41	46	Unitary Revenues (€/MWh)	37	46
53	78	Adjusted EBITDA	5	16
(31)	(31)	Depreciation	(8)	(8)
22	48	Adjusted EBIT	(3)	8

# INVESTMENTS



2018	2017	Euro millions	4Q 2018	4Q 2017
146	75	Wind	17	9
345	n.a.	Solar	0	n.a.
7	6	Hydro	4	3
8	10	CCGT	4	4
3	3	Corporate	1	1
510	94	Total	26	17