



## *1Q 2020 Results*

14 MAY 2020  
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



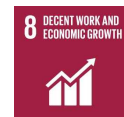
- ❑ 1Q 2020 Highlights
  - ✓ Covid-19: A tough trading Environment
  - ✓ Key Figures
  - ✓ Immediate Reaction towards Covid-19
- ❑ Results Review
  - ✓ Business Environment
  - ✓ 1Q 2020 Group EBITDA
  - ✓ Results by Segments
- ❑ Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement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



## 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**



## ERG's Operations

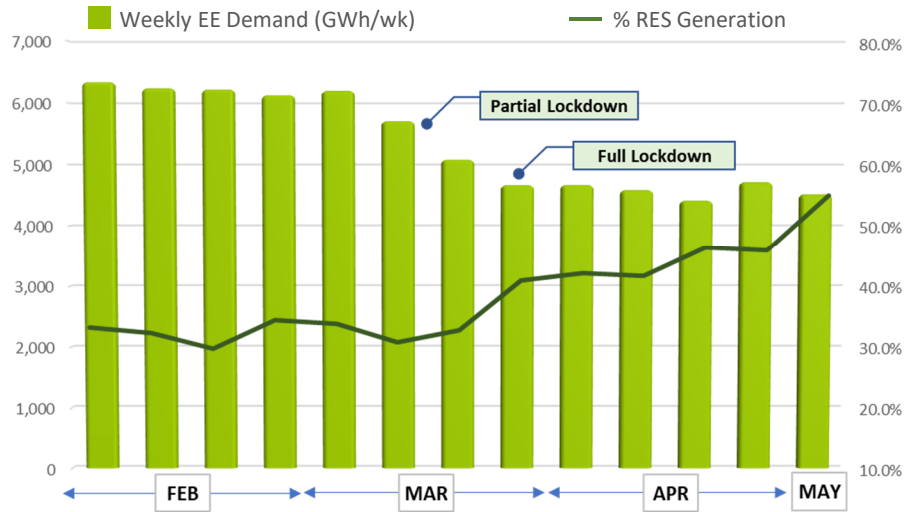
- **Set a Daily WAR-cabinet meeting with top-mgmt to ensuring business continuity**
- **Electricity supply among the essential services** in this period of emergency
- Put in place a set of **measures to guarantee the best-in-class H&S standards for ERG people**
- **Some delays in construction investment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



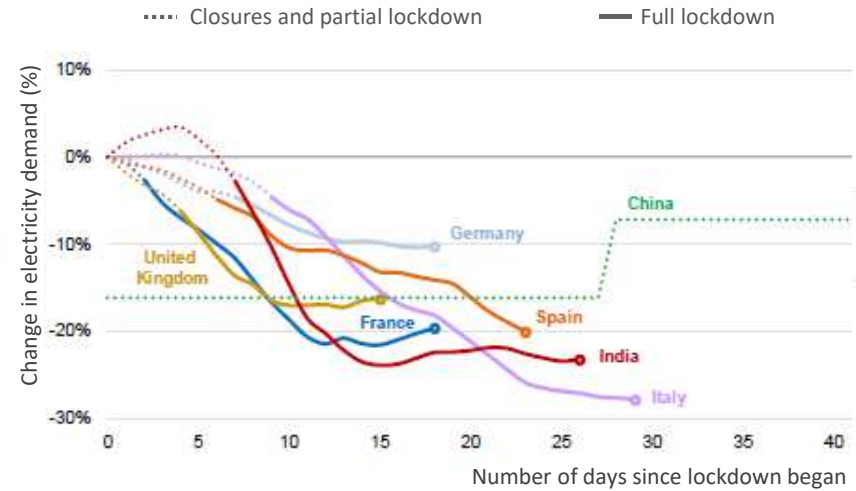
# COVID-19: A TOUGH TRADING ENVIRONMENT



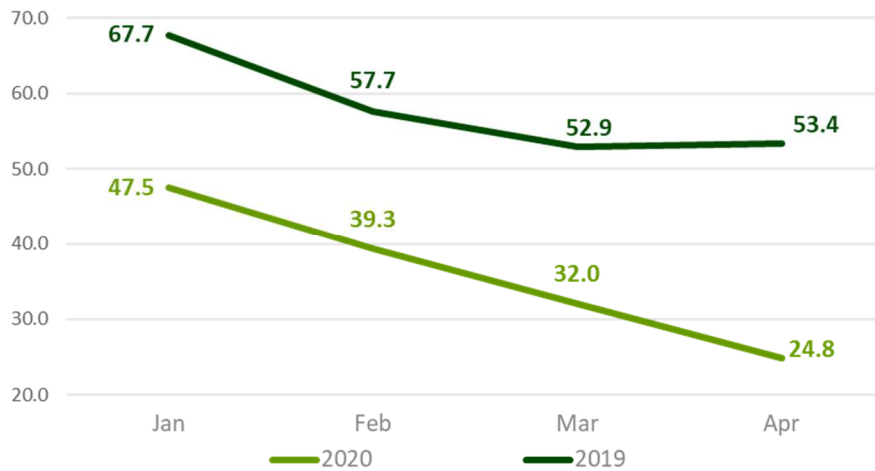
ITALY: downturn of Electricity Demand, higher contribution of RES



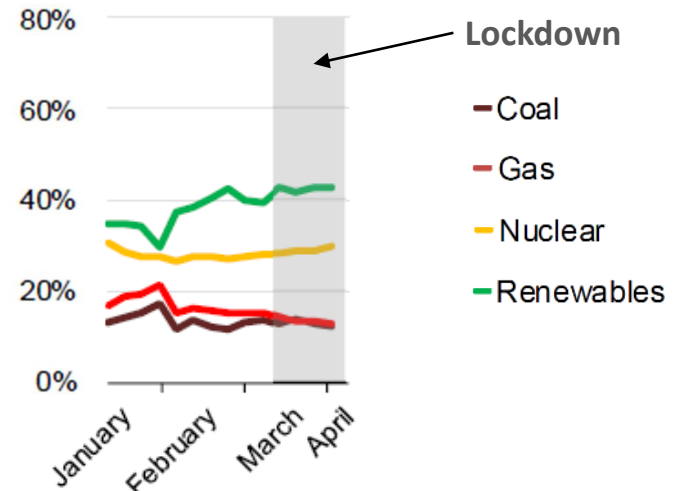
Worldwide collapse in Electricity Demand



Decline in Italian PUN (€/MWh)



EU Electricity Mix more shifted to Renewables

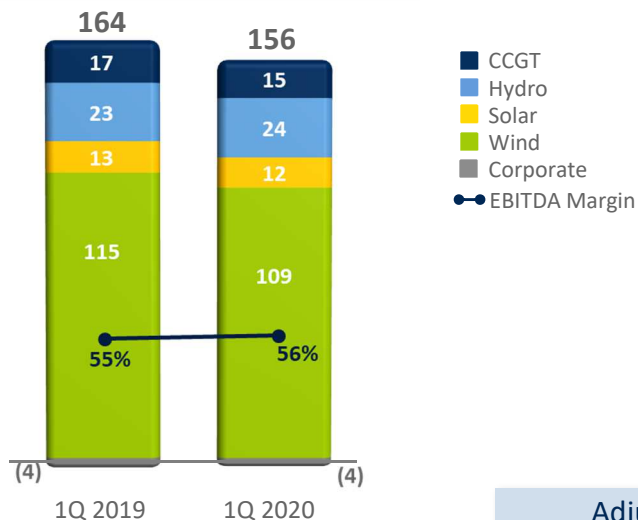


Source: IEA Global Energy Review 2020 and Company Data

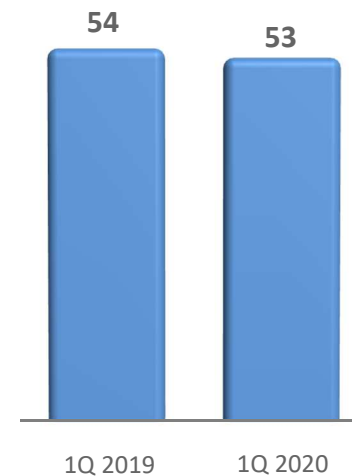


# HIGHLIGHTS: KEY FIGURES

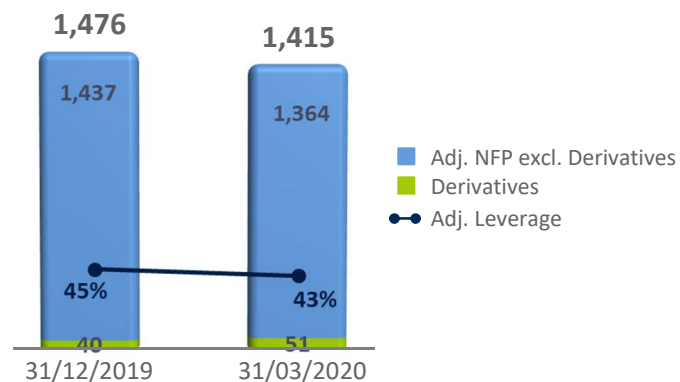
Adjusted EBITDA (€ mn)



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



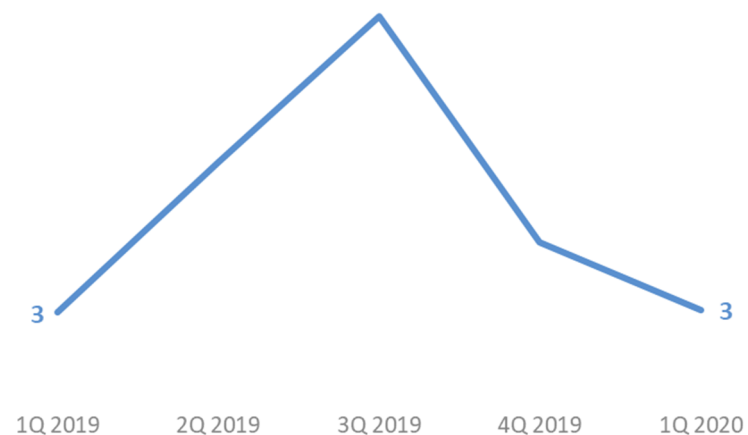


# BUSINESS ENVIRONMENT

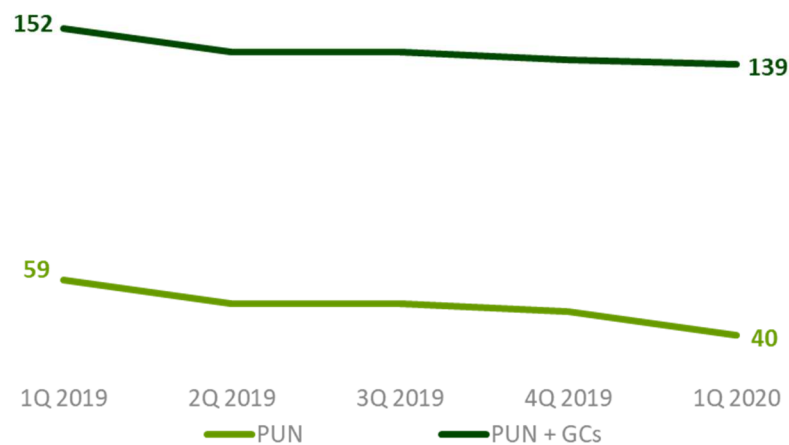
Italy: Electricity Production vs Demand (TWh)

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

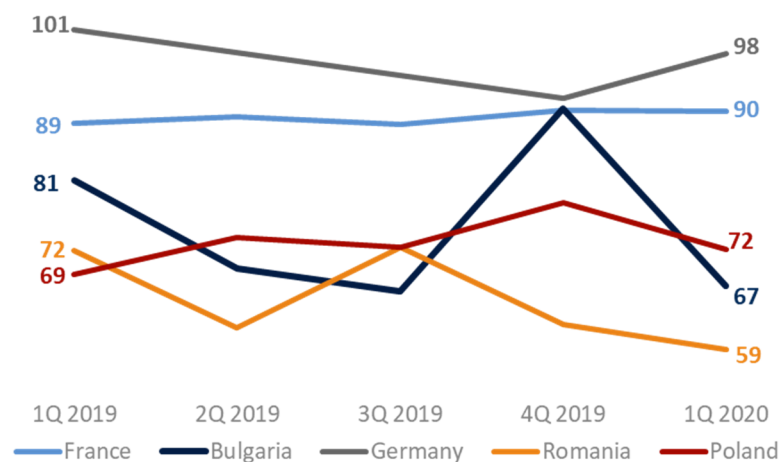
Clean Spark Spread Indicator (€/MWh)



Electricity Prices in Italy (€/MWh)



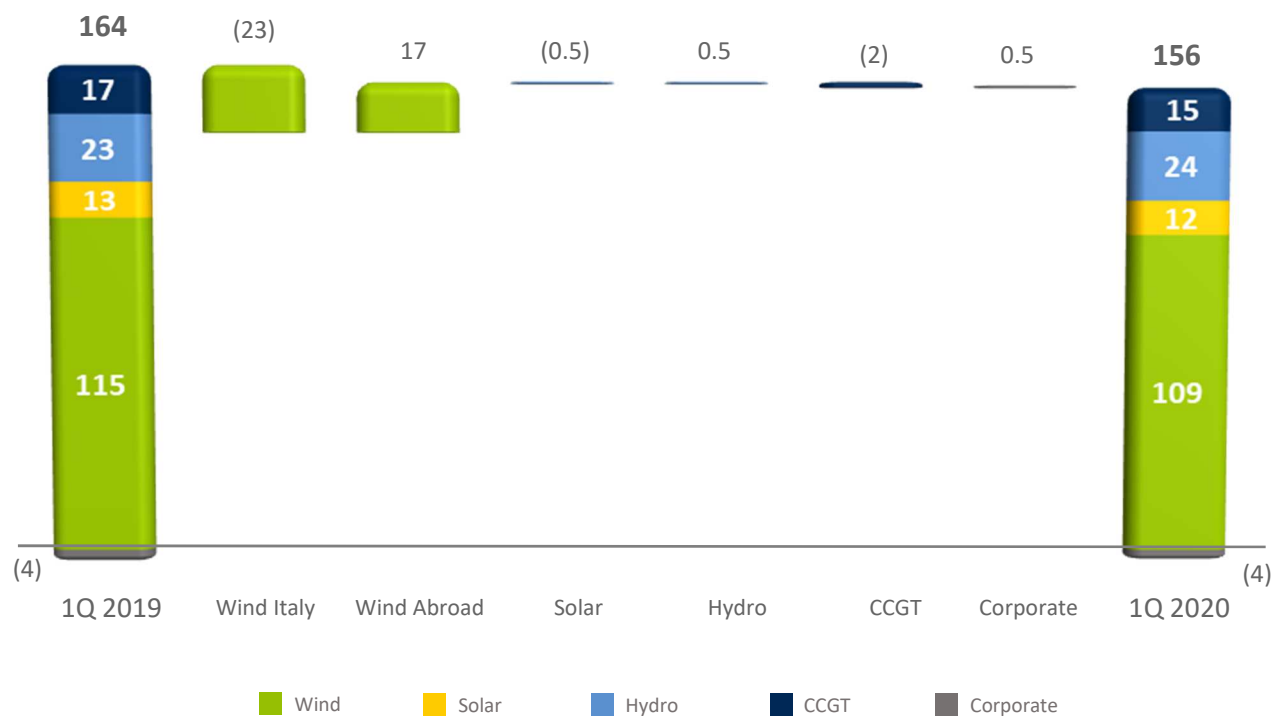
All-in Wind Prices abroad (€/MWh)







# 1Q 2020 GROUP EBITDA EVOLUTION

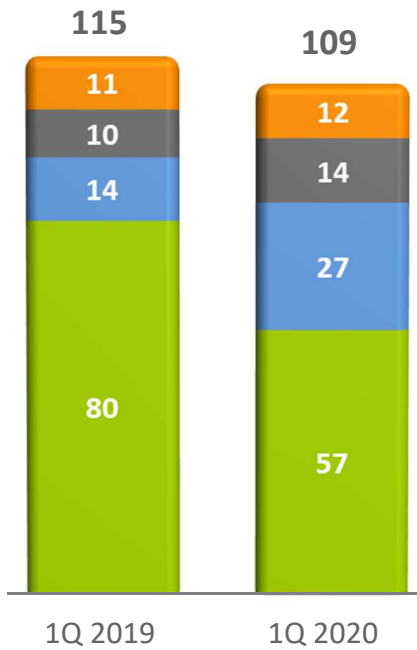


**Weaker Wind in Italy but greater overseas, Hydro in line but still lower vs historical avg  
Period characterized by a poor price environment, exacerbated by Covid-19**

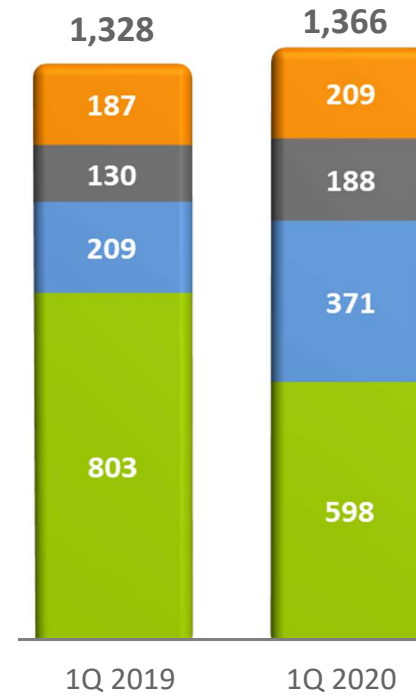
# WIND RESULTS



Adjusted Ebitda (€ mn)



Volumes (GWh)



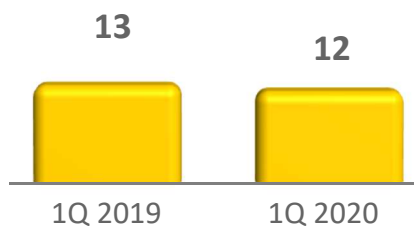
■ Italy   
 ■ France   
 ■ Germany   
 ■ East Europe

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

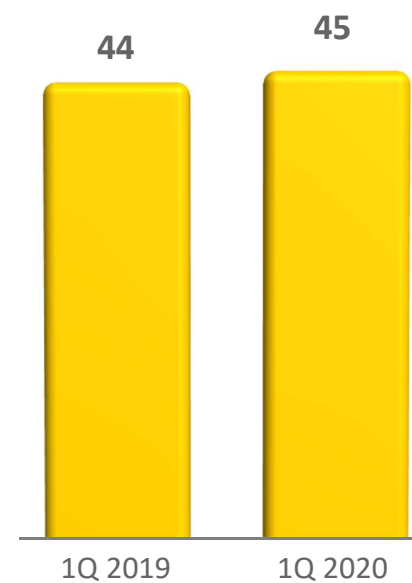


# SOLAR RESULTS

Adjusted Ebitda (€ mn)



Volumes (GWh)

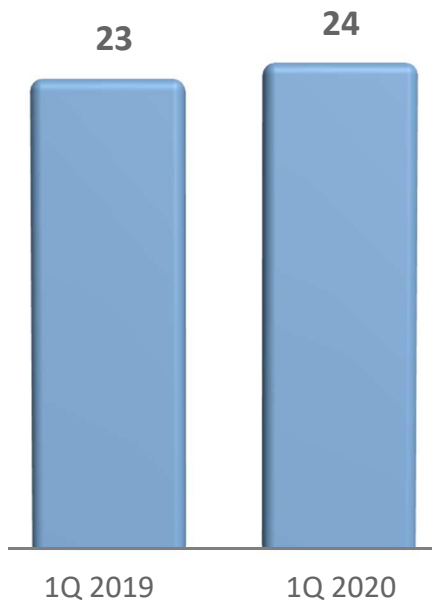


Slightly down YoY due to lower merchant price

# 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



Adjusted Ebitda (€ mn)



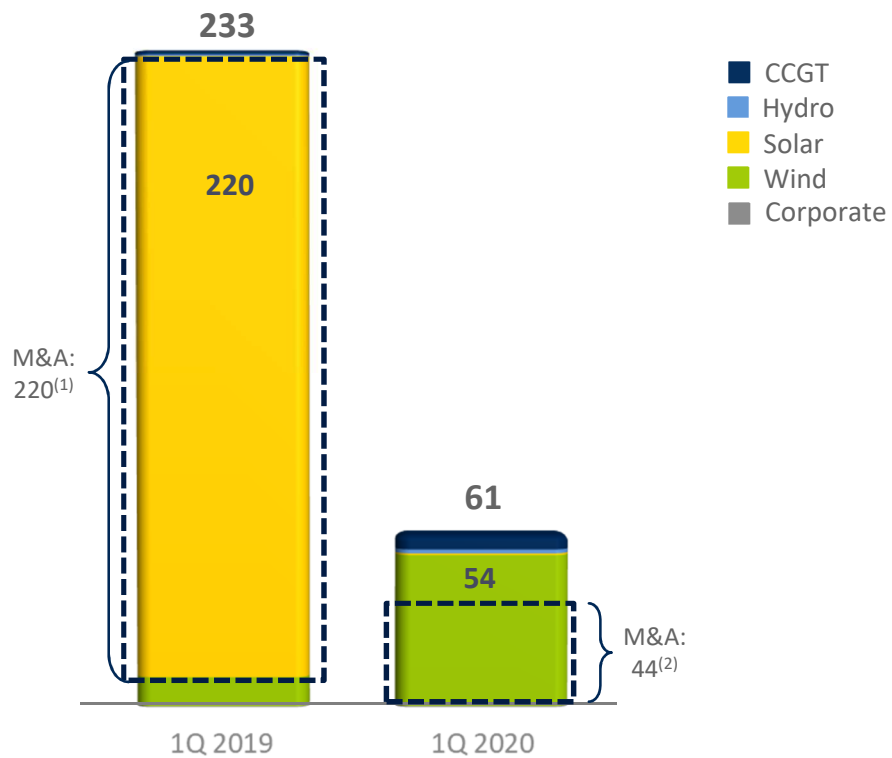
Volumes (GWh)



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



# INVESTMENTS



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

<sup>(2)</sup> 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 acquisition (which took place on March 5, 2020) amounting to €2.4mn



## KEY FINANCIALS



# ADJUSTED P&L



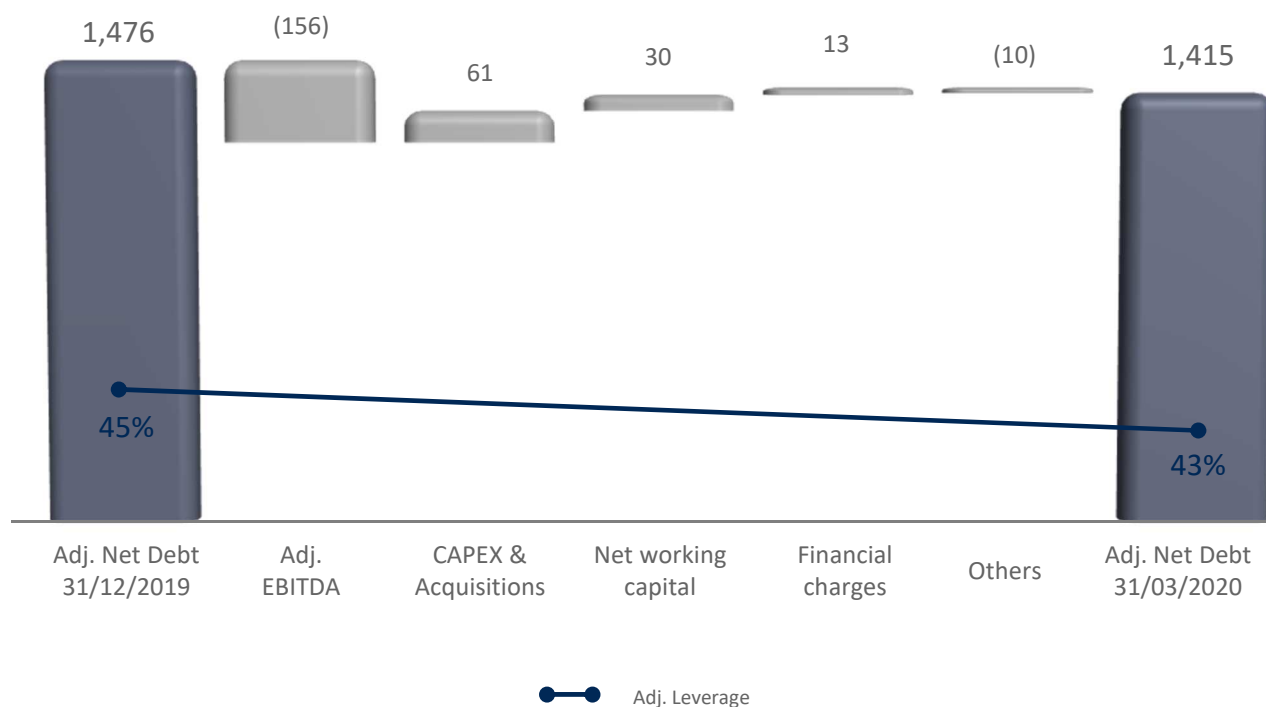
4Q 2019	Euro millions	1Q 2020	1Q 2019
124	Adjusted EBITDA	156	164
(76)	<i>Amortization and depreciation</i>	(75)	(72)
48	Adjusted EBIT	82	92
(13)	<i>Net financial income (expenses)</i>	(13)	(18)
0	<i>Net income (loss) from equity investments</i>	0	0
34	Adjusted Results before taxes	68	74
(6)	<i>Income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





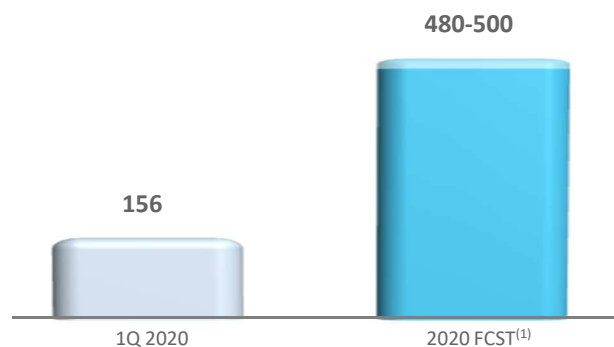
# 2020 GUIDANCE

LUCA BETTONTE, CEO



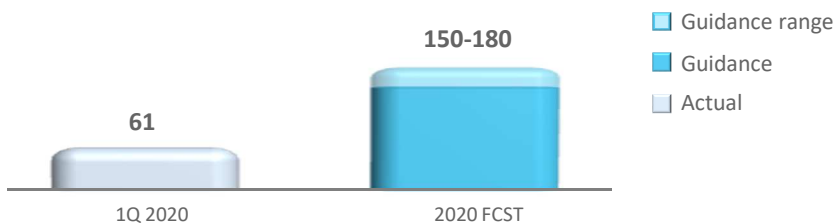


# 2020 GUIDANCE



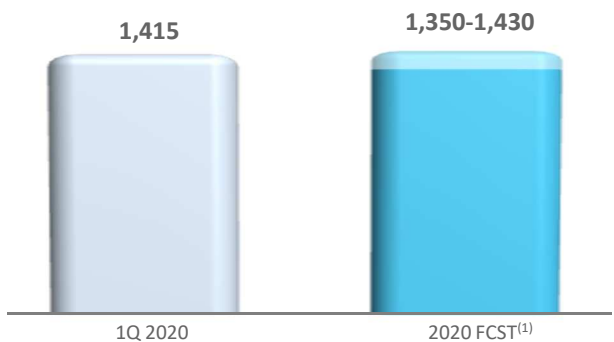
## Adj. EBITDA:

- ✓ 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

<sup>(1)</sup> 2020 Guidance does not include IFRS 16 effects

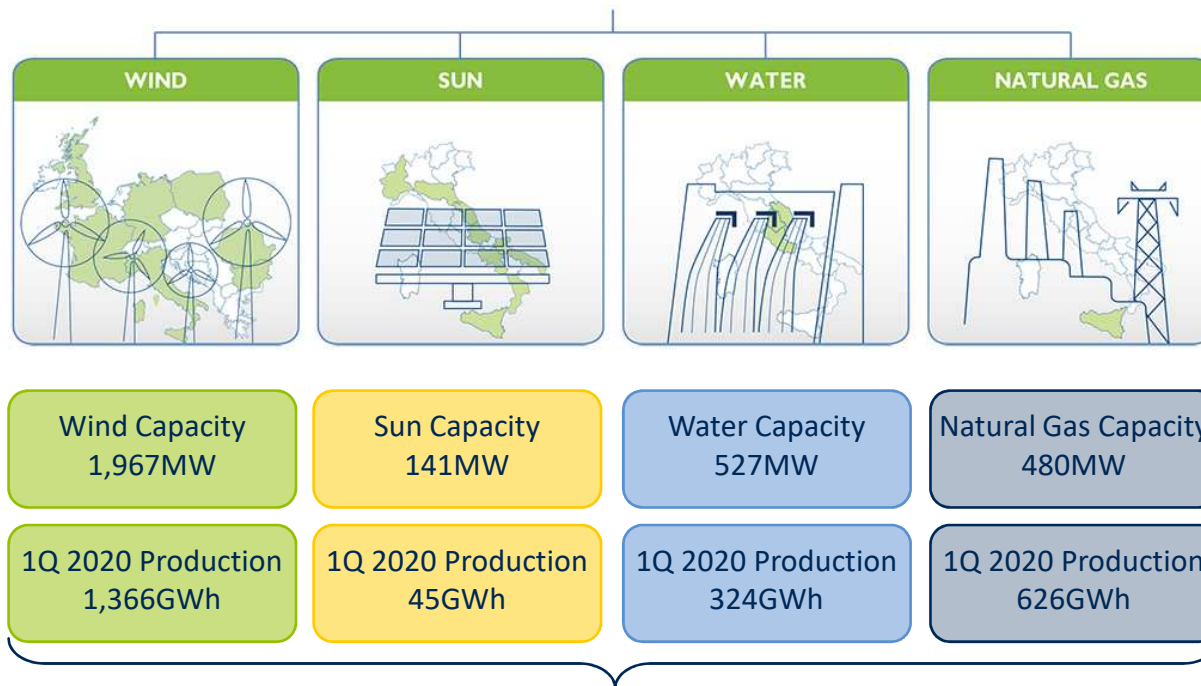


## APPENDIX





# ENERGY PORTFOLIO



**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
	<i>of which:</i>		
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
	<i>of which:</i>		
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 Production (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 Production (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 Production (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 <sup>(1)</sup>	10
1	Solar	1	220 <sup>(2)</sup>
3	Hydro	1	1
10	CCGT	5	2
1	Corporate	0	0
31	Total	61	233

<sup>(1)</sup> 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 acquisition (which took place on March 5, 2020) amounting to €2.4mn

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