



Terna 1Q17

Consolidated Results

May 9th, 2017

LUIGI FERRARIS

CHIEF EXECUTIVE OFFICER

TIZIANO CECCARANI

CHIEF FINANCIAL OFFICER

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Highlights

Guidelines

- Maintain our **central role** in enabling energy transition
- Focus on **strategic plan** execution:
 - **continuity** of mission
 - **delivery** of our key strategic pillars
- Continue **our growth** in a **sustainable** way
- Confirm our **low risk profile**



Ongoing strong commitment on shareholders' return

Highlights

	1Q 2016	1Q 2017	Δ % vs 1Q2016
<i>Revenues</i>	517 _{€mn}	524 _{€mn}	+1.3%
<i>EBITDA</i>	395 _{€mn}	403 _{€mn}	+1.9%
<i>Group Net Income</i>	162 _{€mn}	179 _{€mn}	+10.6%
<i>Capex</i>	158 _{€mn}	100 _{€mn}	
	FY 2016	1Q 2017	
<i>Net Debt</i>	7,959 _{€mn}	7,445 _{€mn}	

1Q17 Results

Revenues

KEY FIGURES

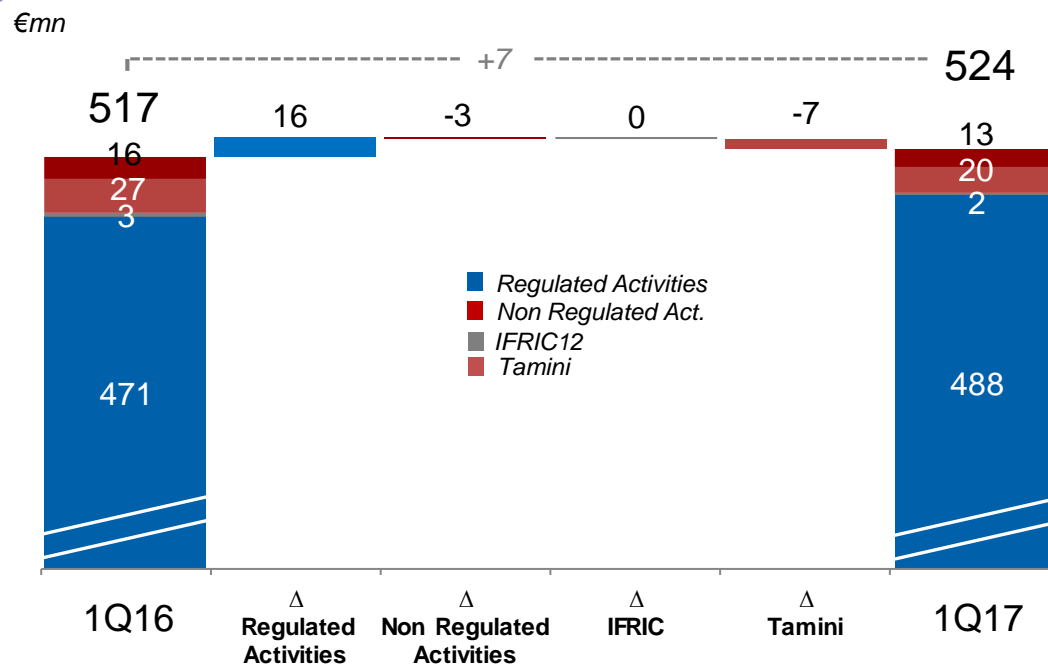
Total Revenues
524 €mn
 +1.3%_{yoy}

of which

Regulated Activities
488 €mn

Non Regulated & Tamini
34 €mn

TOTAL REVENUES EVOLUTION



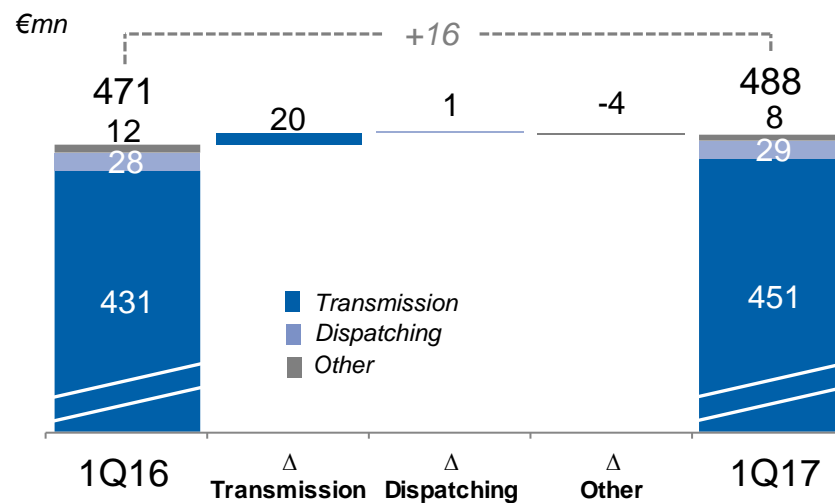
€ mn	1Q16	1Q17	Δ _{yoy}	Δ % _{yoy}
Regulated Activities	471	488	16	3.5%
Non Regulated Act.	16	13	-3	-16%
Tamini	27	20	-7	-25%
IFRIC12	3	2	0	-11%
Total	517	524	7	1.3%

1Q17 Results

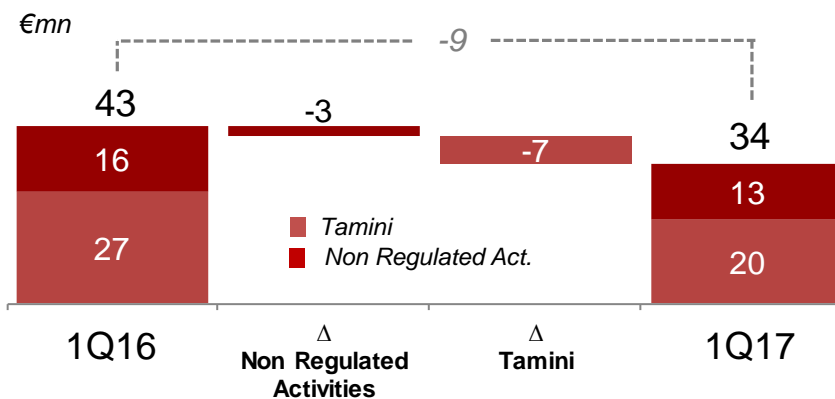
Revenues Analysis

REGULATED ACTIVITIES

Transmission
Full recognition of RHV
Grid acquisition



NON REGULATED ACTIVITIES



1Q17 Results

Opex

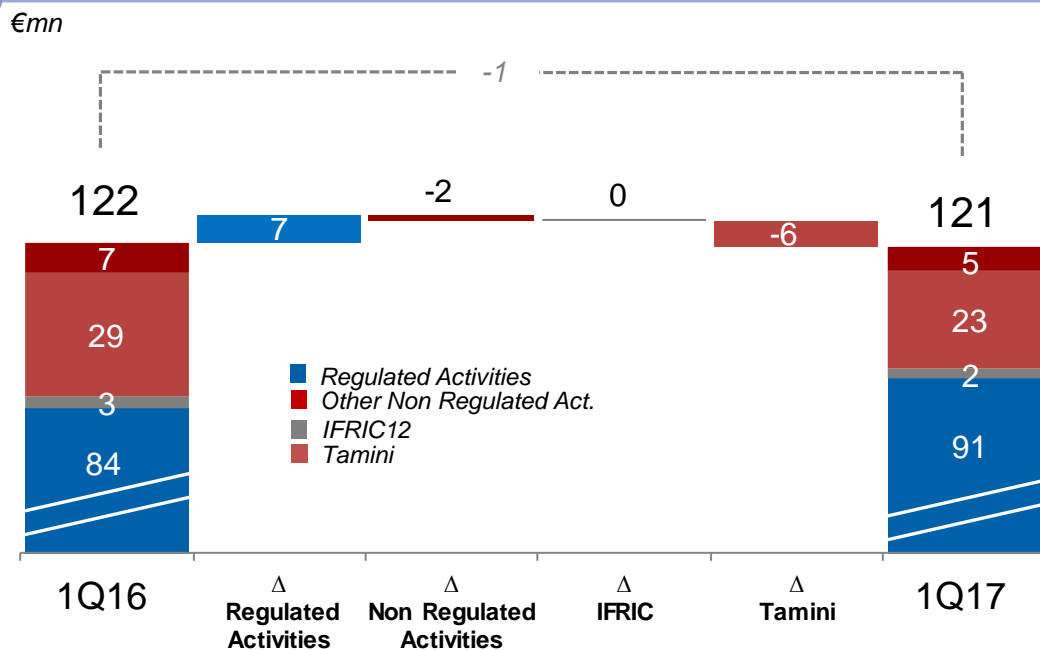
KEY FIGURES

Total Costs
121 €mn

Regulated Activities
91 €mn

Non Regulated Activities
28 €mn

TOTAL COSTS EVOLUTION



€ mn	1Q16	1Q17	Δ _{yoy}	Δ % _{yoy}
Regulated Activities	84	91	7	8.2%
Non Regulated Act.	7	5	-2	-22%
Tamini	29	23	-6	-21%
IFRIC12	3	2	0	-11%
Total	122	121	-1	-0.8%

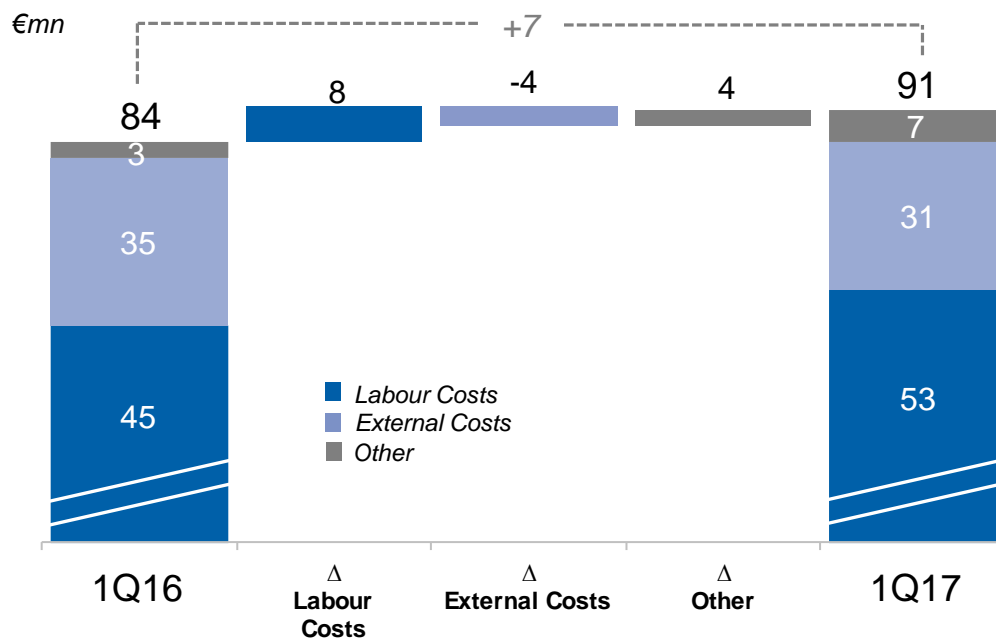
1Q17 Results

Regulated Opex Analysis



RHV Grid

*Activities in-sourcing
on track*



€ mn	1Q16	1Q17	Δ _{yoy}	Δ % _{yoy}
Labour Costs	45	53	8	16%
External Costs	35	31	-4	-12%
Other	3	7	4	112%
Total	84	91	7	8.2%

1Q17 Results

From EBITDA to Net Income

KEY FIGURES

Group EBITDA Margin
76.9%

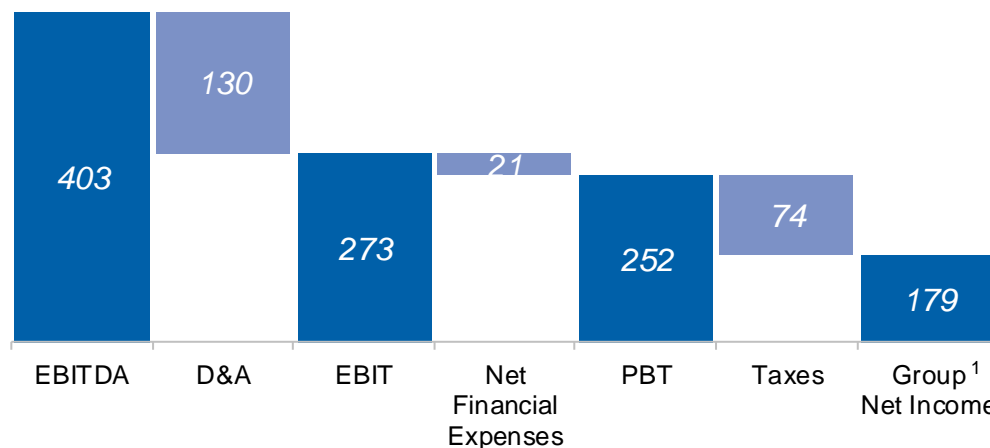
of which

Regulated
81.4%

Non Regulated
59.4%

PROFIT & LOSS

€mn



€ mn	1Q16	1Q17	Δ	Δ %
EBITDA	395	403	8	1.9%
<i>Ebitda %</i>	76.4%	76.9%		
D&A	131	130	-1	-0.9%
EBIT	264	273	9	3.4%
Net Financial Expenses	19	21	1	6.6%
PBT	245	252	8	3.1%
Tax Rate	34%	29%		
Taxes	83	74	-10	-12%
Group Net Income¹	162	179	17	11%

1Q17 Results

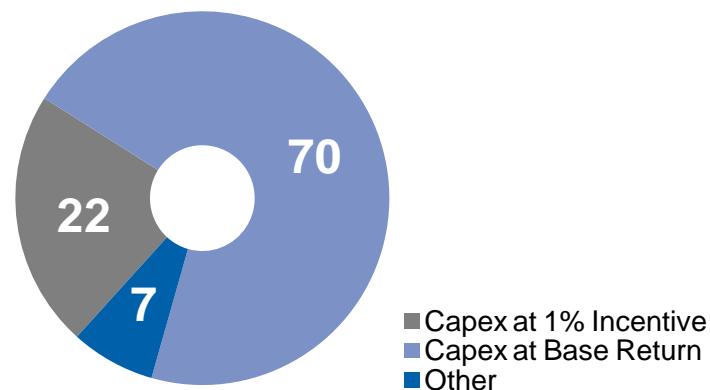
Capex

KEY FIGURES

Total Capex
100 €mn

BREAKDOWN

€mn

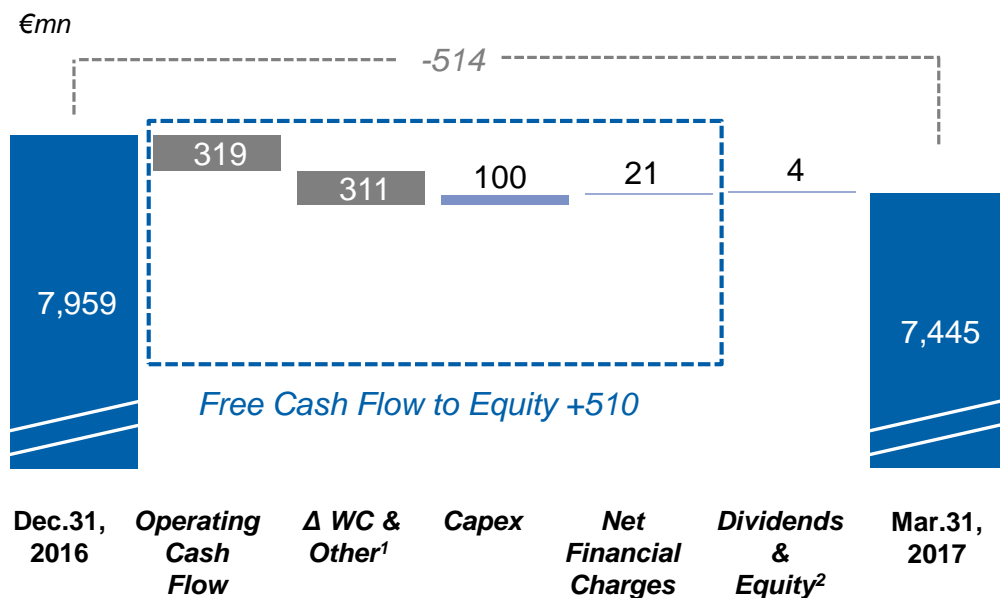


Category (€mn)	1Q16	1Q17	Δ_{YOY}	$\Delta \%_{\text{YOY}}$
Capex at 1% Incentive	43	22	-20	-48%
Capex at Base Return	107	70	-37	-35%
Regulated Capex	150	92	-58	-38%
Other	8	7 ¹	-1	-7.6%
Total Group Capex	158	100	-58	-37%

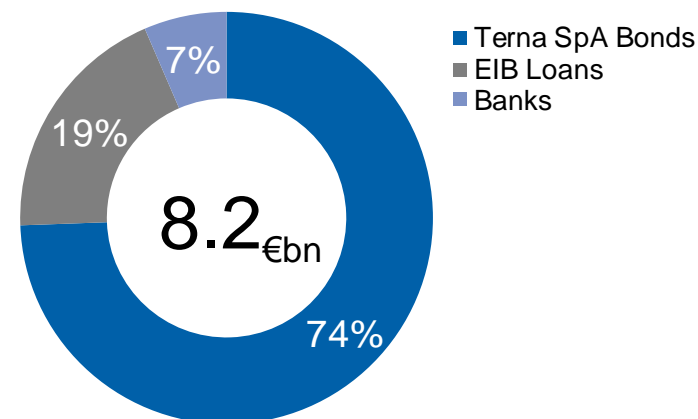
1Q17 Results

Net Debt Evolution & Financial Structure

FCF AND NET DEBT EVOLUTION



GROSS DEBT BREAKDOWN³



Rating	M/L Term	Outlook
S&P	BBB	Stable
Moody's	Baa1	Negative
Fitch	BBB+	Stable

> **THANK YOU.**
> QUESTIONS?

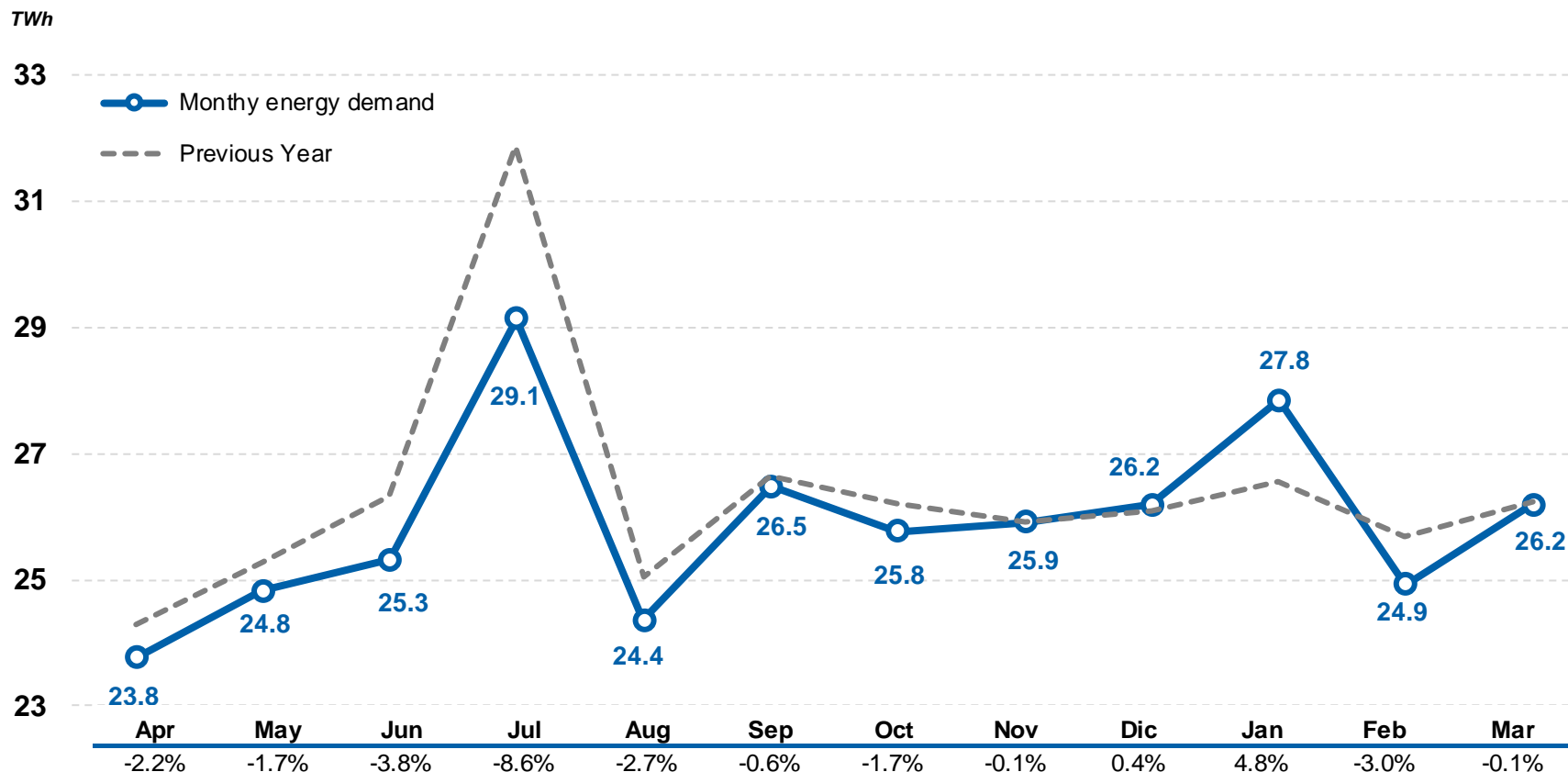
> Annexes

Annex

Electricity Market Trends – Last 12 Months

DEMAND AS REPORTED (TWh)

1Q16	1Q17	Δ %
78.5	79.0	0.6%



Annex

Consolidated Income Statement¹

€ mn	1Q16	1Q17	Δmn	Δ%
<i>Transmission</i>	431	451	20	4.5%
<i>Dispatching</i>	28	29	1	2.9%
<i>Other ²</i>	12	8	-4	-34%
Regulated Activities	471	488	16	3.5%
Non Regulated Act.	43	34	-9	-22%
IFRIC12	3	2	0	-11%
Total Revenues	517	524	7	1.3%
<i>Labour Costs</i>	45	53	8	16%
<i>External Costs</i>	35	31	-4	-12%
<i>Other</i>	3	7	4	112%
Regulated Activities	84	91	7	8.2%
Non Regulated Act.	36	28	-7	-21%
IFRIC12	3	2	0	-11%
Total Costs	122	121	-1	-0.8%
EBITDA	395	403	8	1.9%
<i>D&A</i>	131	130	-1	-0.9%
EBIT	264	273	9	3.4%
<i>Net Financial Charges</i>	19	21	1	6.6%
Pre Tax Profit	245	252	8	3.1%
<i>Taxes</i>	83	74	-10	-12%
<i>Tax Rate (%)</i>	34%	29%		
Total Net Income	161	179	17	11%
<i>Minority Interest</i>	-1	-1	0	
Group Net Income	162	179	17	11%

Annex

Consolidated Balance Sheet

€ mn	Dec. 31,2016	Mar. 31,2017	Δmn
<i>PP&E</i>	12,386	12,363	-23
<i>Intangible Asset</i>	516	508	-8
<i>Financial Inv. and Other</i>	89	90	1
Total Fixed Assets	12,991	12,962	-29
Net WC	-1,093	-1,404	-312
Funds	-385	-375	10
Total Net Invested Capital	11,514	11,182	-332
<i>Financed by</i>			
Consolidated Net Debt	7,959	7,445	-514
Total Shareholder's Equity	3,555	3,738	183
Total	11,514	11,182	-332
D/E Ratio	2.2	2.0	
D/D+E Ratio	0.7	0.7	
Number of Shares ('000)	2,010	2,010	

Annex

Consolidated Cash Flow

€ mn	1Q16	1Q17	Δmn
<i>Total Net Income</i>	161	179	17
<i>D&A¹</i>	131	130	-1
<i>Net Financial Charges</i>	19	21	1
<i>Net Change in Funds</i>	-17	-10	7
Operating Cash Flow	295	319	24
<i>Δ Working Capital & Other²</i>	211	311	100
Cash Flow from Operating Activities	506	630	124
<i>Capital Expenditures</i>	-158	-100	58
<i>Net Financial Charges</i>	-19	-21	-1
Free Cash Flow to Equity	329	510	181
<i>Dividends & Equity³</i>	-14	4	17
Change in Net Cash (Debt)	315	514	199

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investor.relations@terna.it | +39 06 8313 9041 | www.terna.it

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