



1Q18 *Consolidated Results*

GRIDS AND VALUES
POWERING A SUSTAINABLE GROWTH

May 9th 2018

Agenda

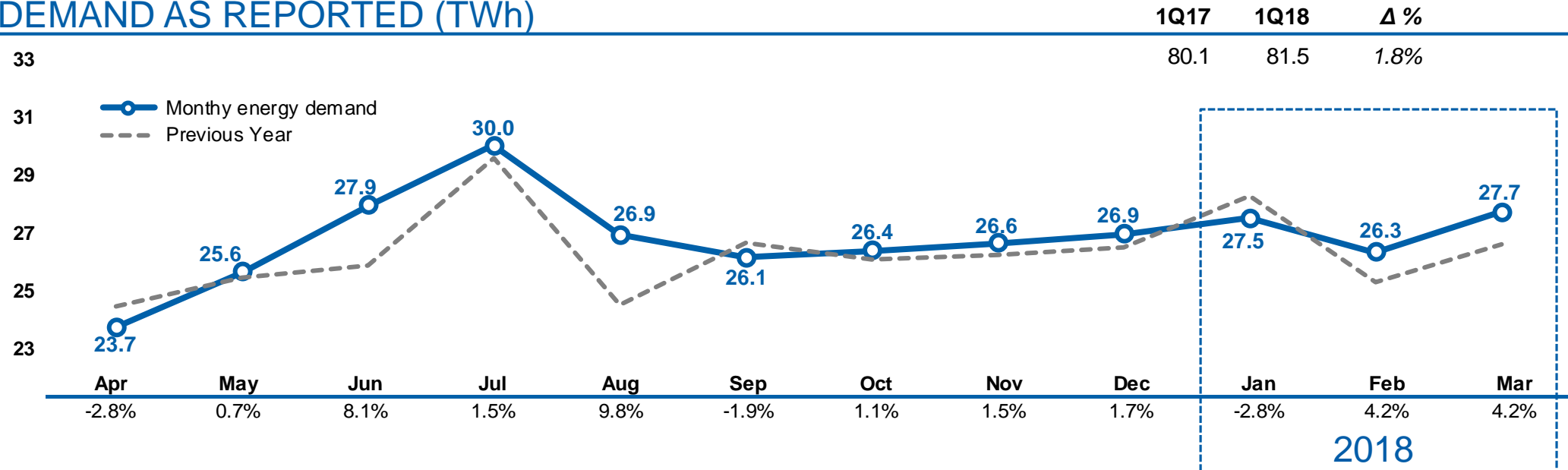
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○ Highlights

Highlights (1/2)

Demand Evolution – Last 12 months

DEMAND AS REPORTED (TWh)



- 1Q18 National Demand at 82 TWh
- Net Total Production at 69 TWh:
 - +15.6% wind production (6.1 TWh)
 - +11.5% hydroelectric production (8.6 TWh)
- RES contribution at 30%

Strong growth in wind and hydro production

Highlights (2/2)

1Q18 Key Numbers

€mn	1Q 2018	1Q 2017	Δ vs 1Q 17
<i>Revenues</i>	538	524	+3%
<i>EBITDA</i>	409	403	+2%
<i>Group Net Income¹</i>	183	179	+2%
<i>Total Group Capex</i>	142	100	+42%

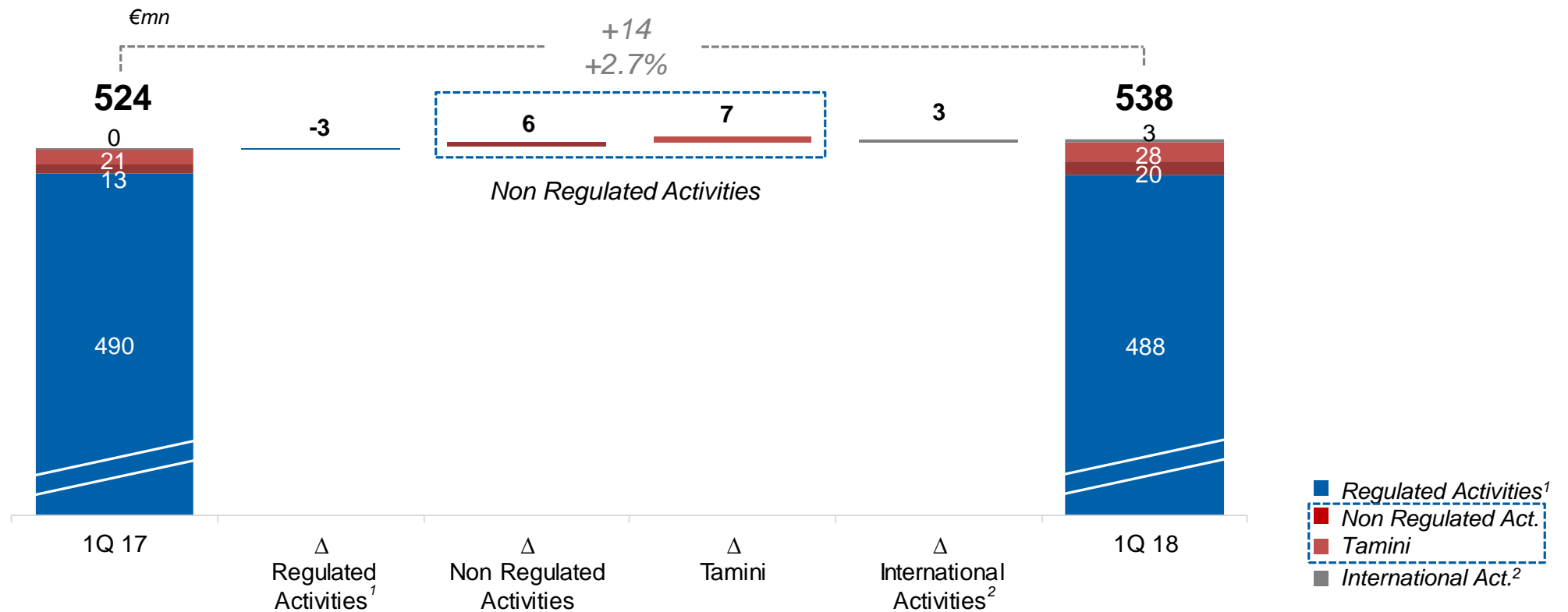
	1Q 2018	FY 2017
<i>Net Debt</i>	7,618	7,796

Solid results in all P&L lines

○ 1Q18 Results

1Q 2018 results

Revenues

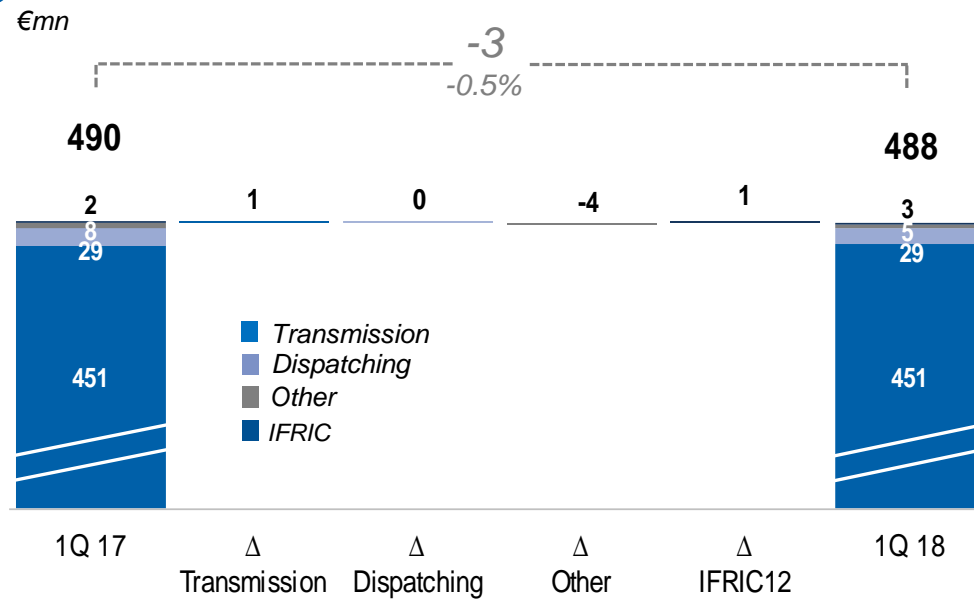


Revenues increase driven by Non Regulated Activities

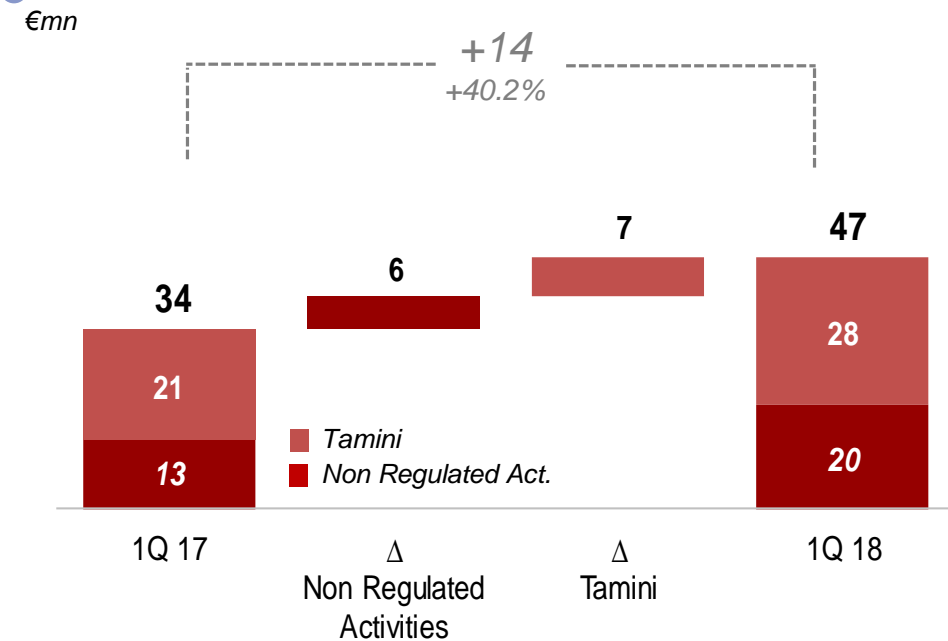
1Q 2018 results

Revenues Analysis

REGULATED ACTIVITIES



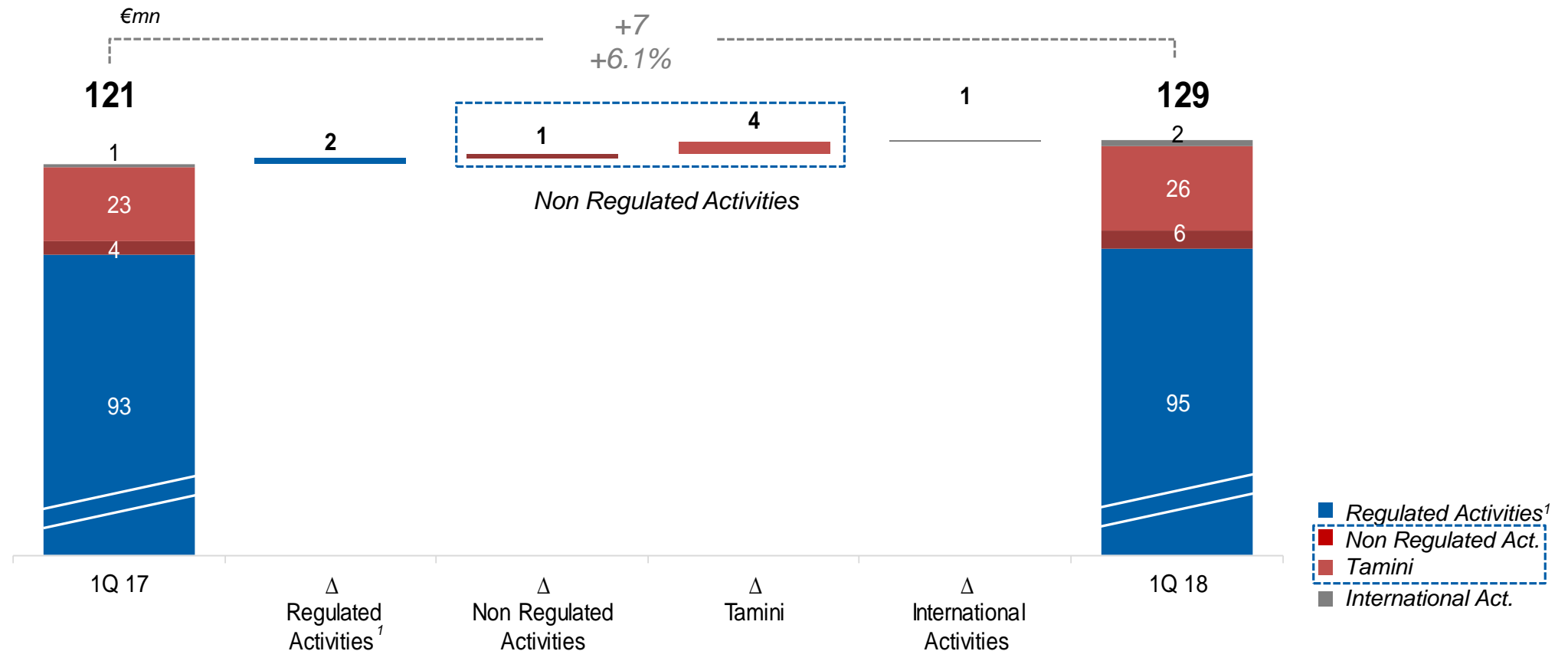
NON REGULATED ACTIVITIES



Positive contribution from Tamini's higher turnover

1Q 2018 results

Opex

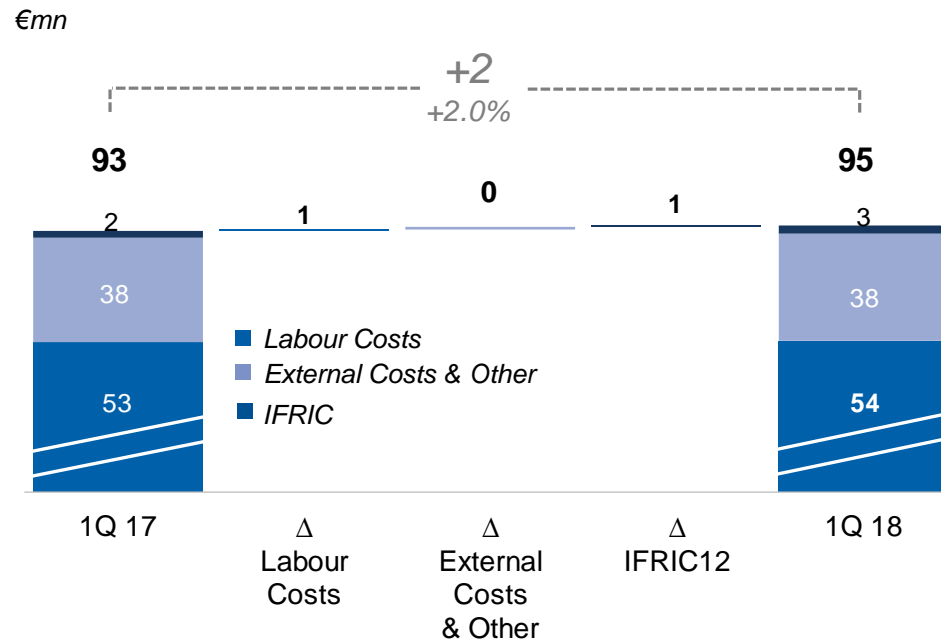


Opex evolution driven by higher volumes in Non Regulated Activities

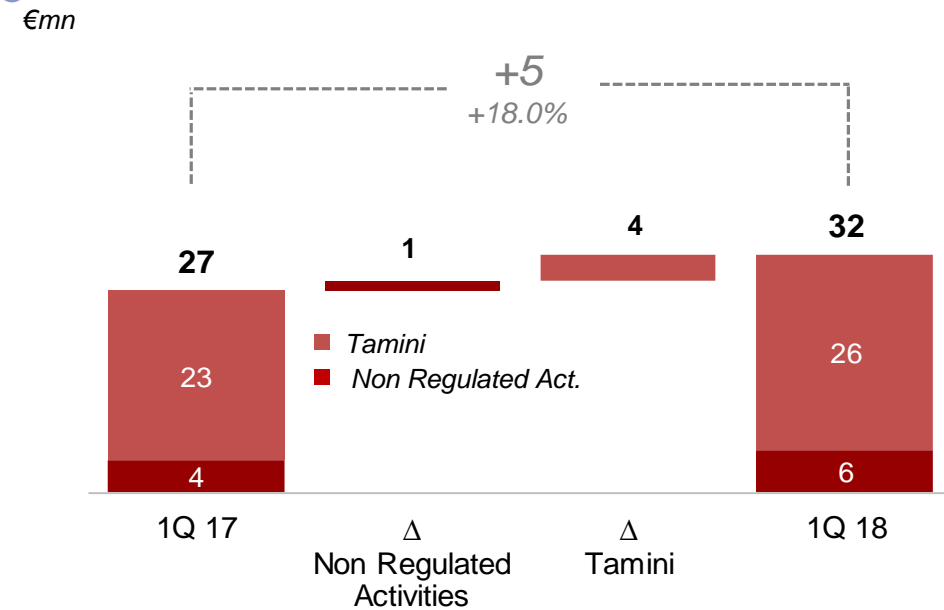
1Q 2018 results

Opex Analysis

REGULATED ACTIVITIES



NON REGULATED ACTIVITIES



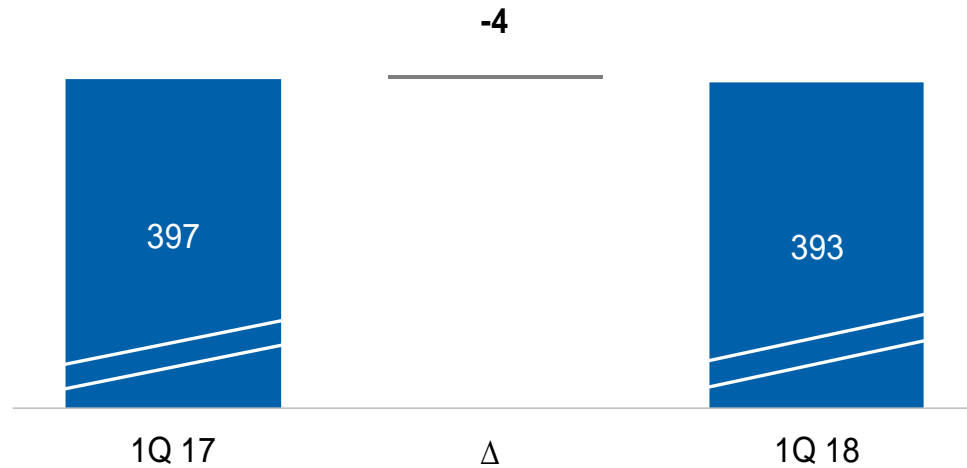
Regulated Activities cost control

1Q 2018 results

EBITDA

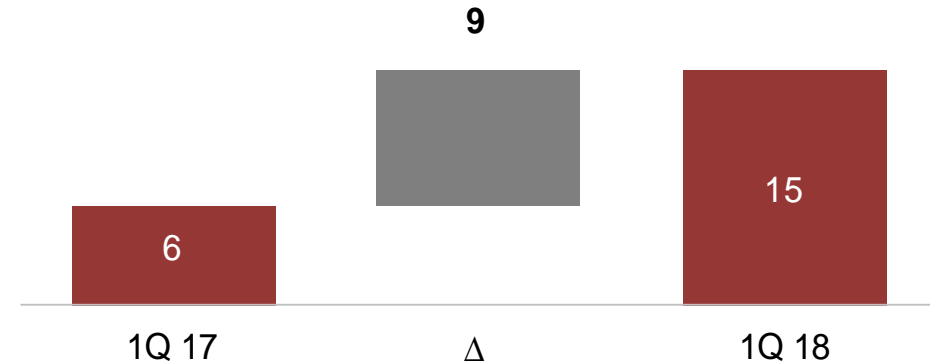
REGULATED ACTIVITIES

€mn



NON REGULATED ACTIVITIES

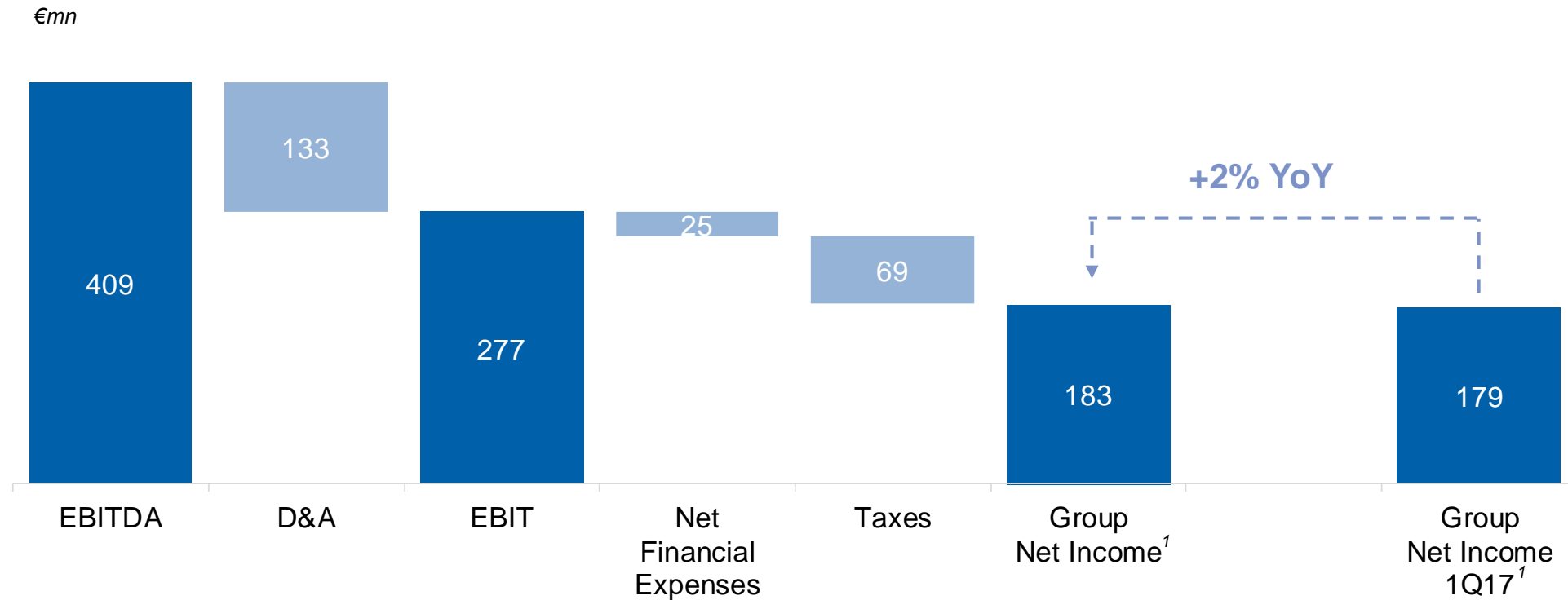
€mn



Positive EBITDA contribution from Tamini and other Non Regulated Activities

1Q 2018 results

From EBITDA to Net Income



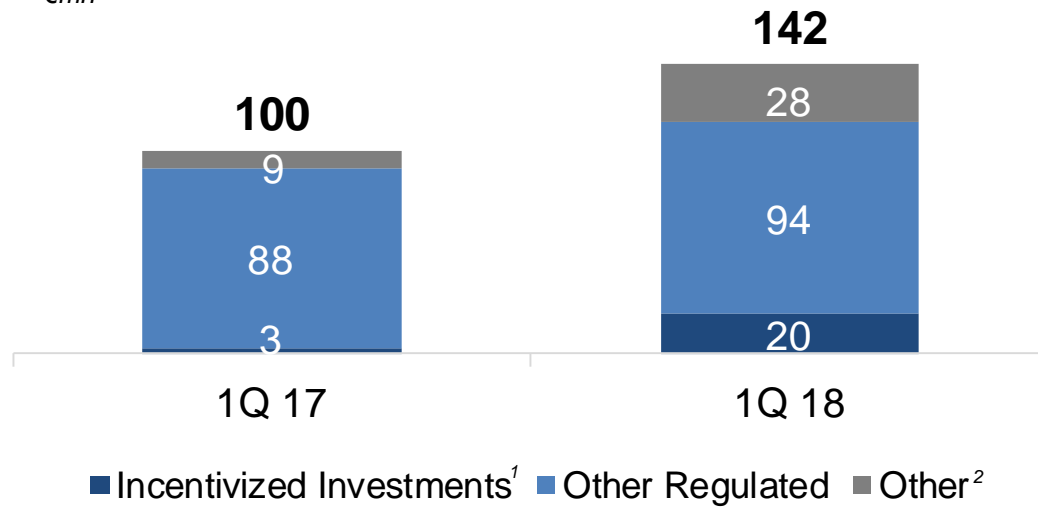
2% growth YoY at net income level

1Q 2018 results

Capex

TOTAL CAPEX

€mn



REGULATED CAPEX

114€mn



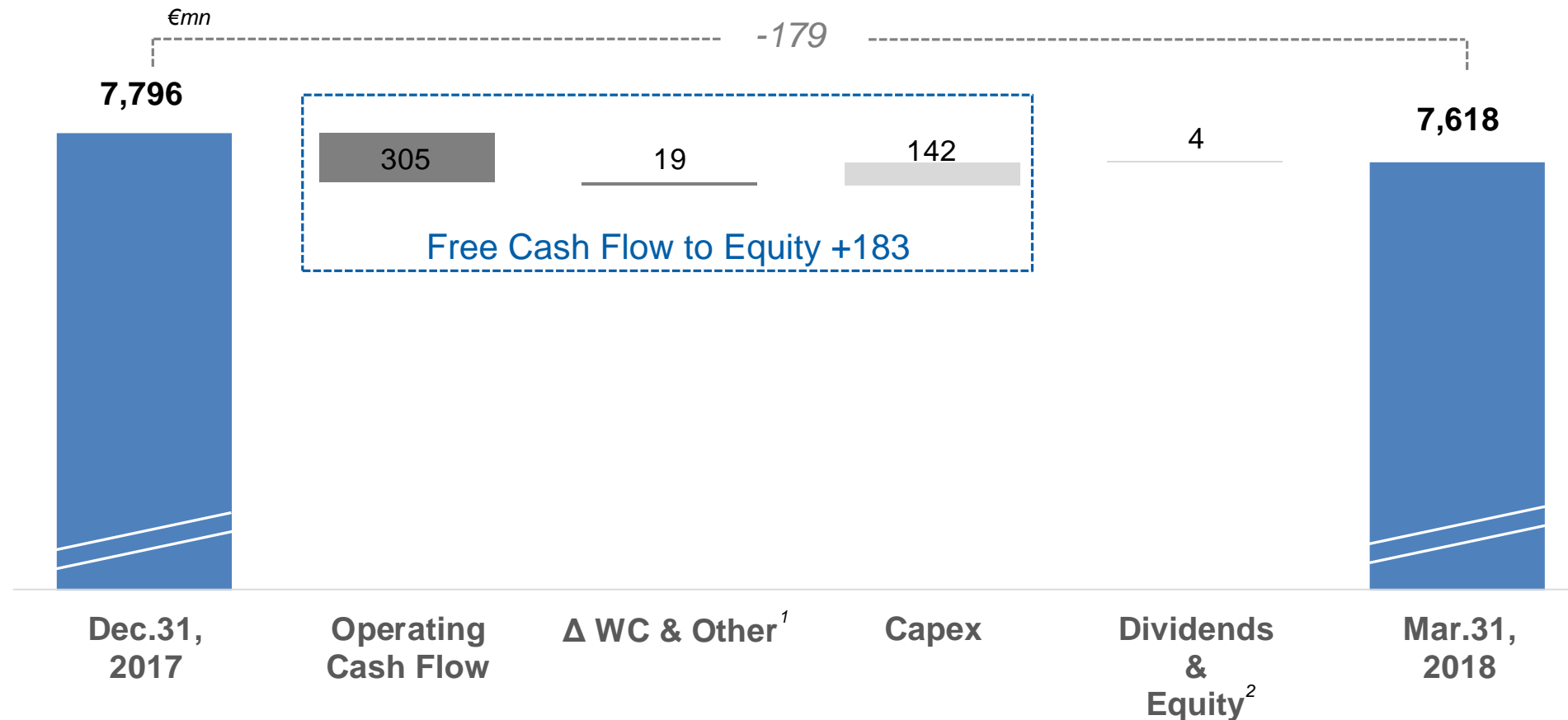
Main Projects:

- Italy-Montenegro interconnection
- Capri-Sorrento connection
- Italy-France interconnection

2018 Capex well on track

1Q 2018 results

Cash Flow & Net Debt Evolution



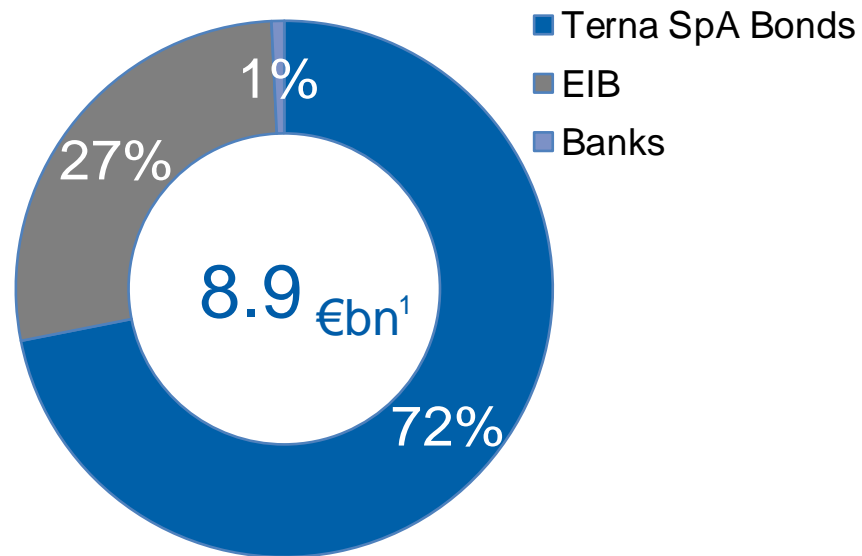
Positive operating cash flow generation

1Q 2018 results

Net Debt Evolution & Financial Structure

GROSS DEBT BREAKDOWN²

€mn



KEY RATIOS²

€mn

Fixed/Floating Ratio
~100% Fixed
Calculated on Gross Debt

Maturity
5.9 years

Rock-solid financial structure

Closing Remarks

1Q18 ACHIEVEMENTS

Growth in all P&L lines

2018 Capex well on track

Robust cash flow generation

○ Annexes

Annex

Consolidated Income Statement¹

€ mn	1Q18	1Q17 ²	Δmn	Δ%
Total Revenue	538	524	14	2.7%
<i>Regulated Activities</i>	488	490	-3	-0.5%
<i>Transmission</i>	451	451	1	0.1%
<i>Dispatching</i>	29	29	0	-1.0%
<i>Other³</i>	5	8	-4	-43.2%
<i>IFRIC 12</i>	3	2	1	29.2%
<i>Non Regulated Activities</i>	47	34	14	40.2%
<i>International Activities</i>	3	0	3	n.m.
Total Costs	129	121	7	6.1%
<i>Regulated Activities</i>	95	93	2	2.0%
<i>Labour Costs</i>	54	53	1	0.9%
<i>External Costs</i>	34	31	3	11.1%
<i>Other³</i>	4	7	-3	-39.7%
<i>IFRIC 12</i>	3	2	1	29.2%
<i>Non Regulated Activities</i>	32	27	5	18.0%
<i>International Activities</i>	2	1	1	60.0%
EBITDA	409	403	7	1.6%
<i>D&A</i>	133	130	3	1.9%
EBIT	277	273	4	1.5%
<i>Net Financial Charges</i>	25	21	4	20.0%
Pre Tax Profit	252	252	0	0.0%
<i>Taxes</i>	69	74	-5	-7.1%
<i>Tax Rate (%)</i>	27.2%	29.2%	-2.1 pp	
Total Net Income	184	179	5	2.9%
<i>Minority Interest</i>	1	-1	2	n.m.
Group Net Income	183	179	3	1.9%

Annex

2017 Restated P&L Quarterly Figures¹

€ mn	1Q17	2Q17	3Q17	4Q17	FY17
Total Revenue	524	522	525	592	2,163
<i>Regulated Activities</i>	490	477	490	510	1,967
Transmission	451	444	453	457	1,804
Dispatching	29	27	29	27	112
Other ²	8	4	4	15	31
IFRIC12	2	3	4	11	21
Non Regulated Act.	34	44	34	77	189
International Activities ³	0	1	1	5	7
Total Costs	121	130	112	196	560
<i>Regulated Activities</i>	93	97	82	154	426
Labour Costs	53	54	46	65	218
External Costs	31	35	30	59	155
Other ²	7	5	1	19	32
IFRIC12	2	3	4	11	21
Non Regulated Act.	27	32	29	39	127
International Activities	1	1	2	3	7
EBITDA	403	392	412	397	1,604
D&A	130	131	129	137	527
EBIT	273	261	283	260	1,077
Net Financial Charges	21	19	28	21	89
Pre Tax Profit	252	242	255	240	989
Taxes	74	70	78	72	294
Tax Rate (%)	29.2%	29.0%	30.5%	30.2%	29.7%
Total Net Income	179	172	176	167	694
Minority Interest	-1	0	-1	8	6
Group Net Income	179	172	178	159	688

Annex

Consolidated Balance Sheet

€ mn	Mar. 31,2018	Dec. 31,2017	Δmn
<i>PP&E</i>	12,770	12,753	17
<i>Intangible Asset</i>	507	506	1
<i>Financial Inv. and Other</i>	231	208	23
Total Fixed Assets	13,507	13,466	41
Net WC	-1,535	-1,485	-50
Funds	-345	-356	10
Net Capital Invested	11,627	11,625	1
<i>Financed by:</i>			
Consolidated Net Debt	7,618	7,796	-179
Total Shareholder's Equity	4,009	3,829	180
Total	11,627	11,625	1
D/E Ratio	1.9	2.0	
D/D+E Ratio	0.7	0.7	
Number of Shares (mn)	2,010	2,010	

Annex

Consolidated Cash Flow

€ mn	1Q18
<i>Total Net Income</i>	184
<i>D&A¹</i>	132
<i>Net Change in Funds</i>	-10
Operating Cash Flow	305
<i>Δ Working Capital & Other²</i>	19
Cash Flow from Operating Activities	324
<i>Capital Expenditures</i>	-142
Free Cash Flow to Equity	183
<i>Dividends & Equity³</i>	-4
Change in Net Cash (Debt)	179

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