



1H18 *Consolidated Results*

GRIDS AND VALUES
POWERING A SUSTAINABLE GROWTH

July 25th 2018

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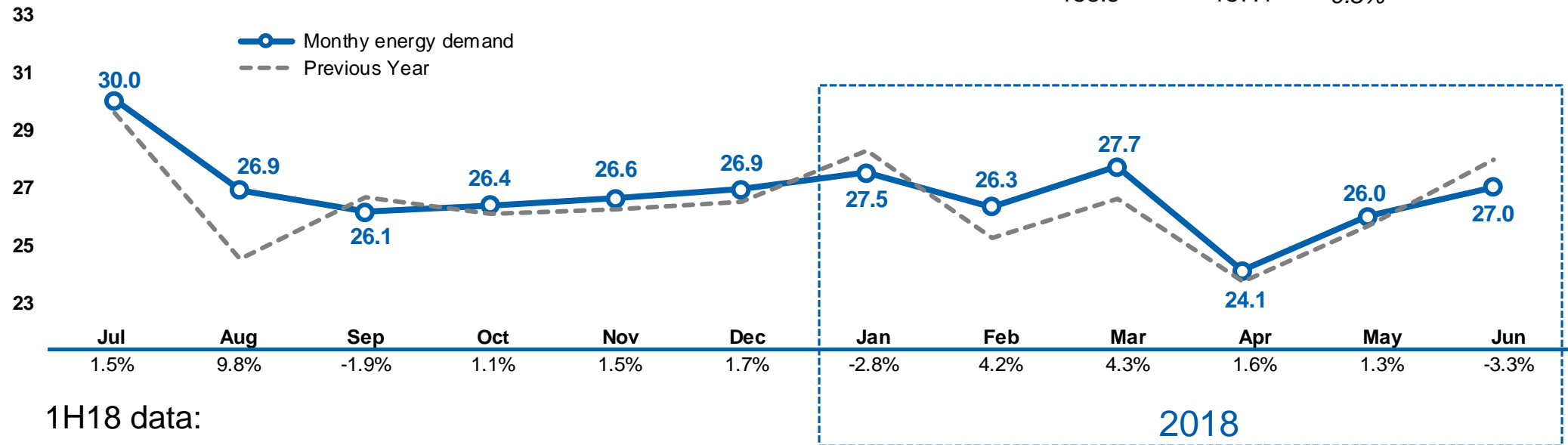
○ Highlights

Highlights (1/3)

Demand Evolution – Last 12 months

DEMAND AS REPORTED (TWh)

1H18	1H17	Δ %
158.6	157.4	0.8%



1H18 data:

- National Demand at 159 TWh
 - o/w 37% covered by RES
- Net Total Production at 136 TWh

Strong contribution from hydro and wind production

Highlights (2/3)

Strategic Overview



Domestic Regulated Operations

Focus on Italian grid reinforcement

- **Capex delivery** well on track



Non Regulated Operations

Non Regulated Activities to serve energy transition

- **Tamini:** positive turnaround ongoing
- **TLC:** commercial agreements deployment
- **ESP:** enhancing integrated energy solutions



International Operations

Limited capital absorption and low risk profile

- **Brazil:** project to be completed by year-end
- **Uruguay and Perù:** ongoing activities in line with Plan

Continued focus on execution

Highlights (3/3)

1H 2018 Key Numbers

€mn	1H 2018	1H 2017	Δ vs 1H 17
<i>Revenues</i>	1,080	1,046	+3%
<i>EBITDA</i>	815	795	+3%
<i>Group Net Income¹</i>	360	351	+3%
<i>Total Group Capex</i>	338	326	+4%

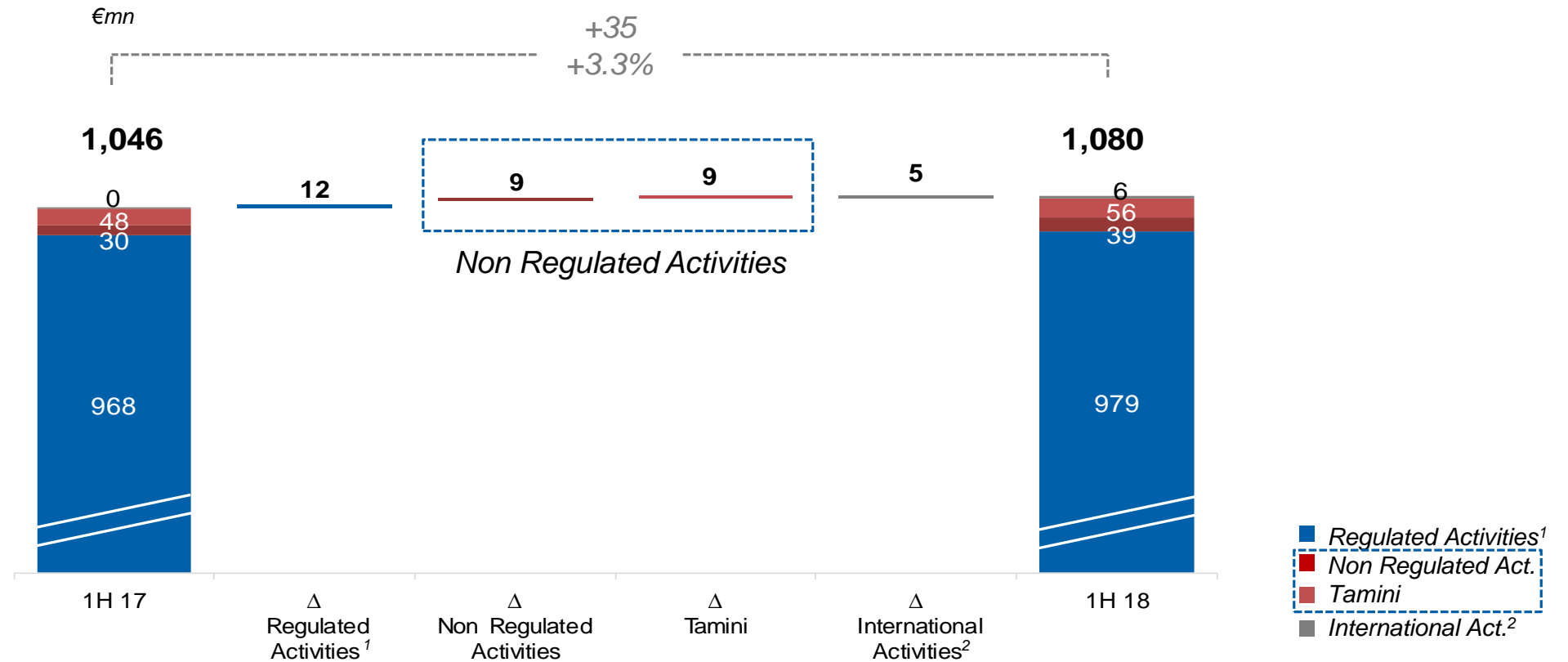
	1H 2018	FY 2017
<i>Net Debt</i>	7,896	7,796

Growth in all P&L lines

○ 1H18 Results

1H 2018 results

Revenues

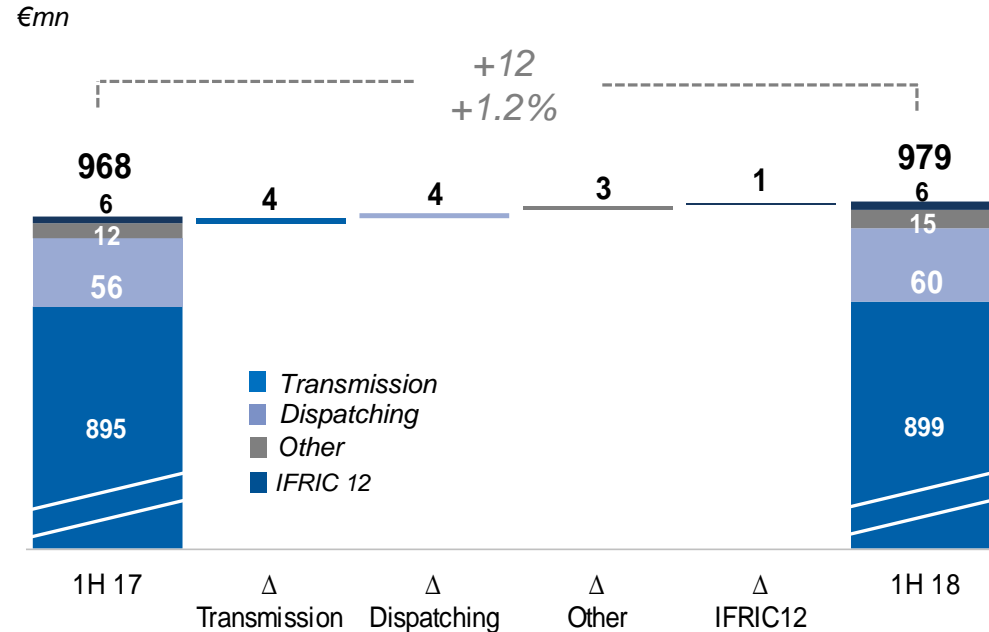


Revenues increase in all business lines

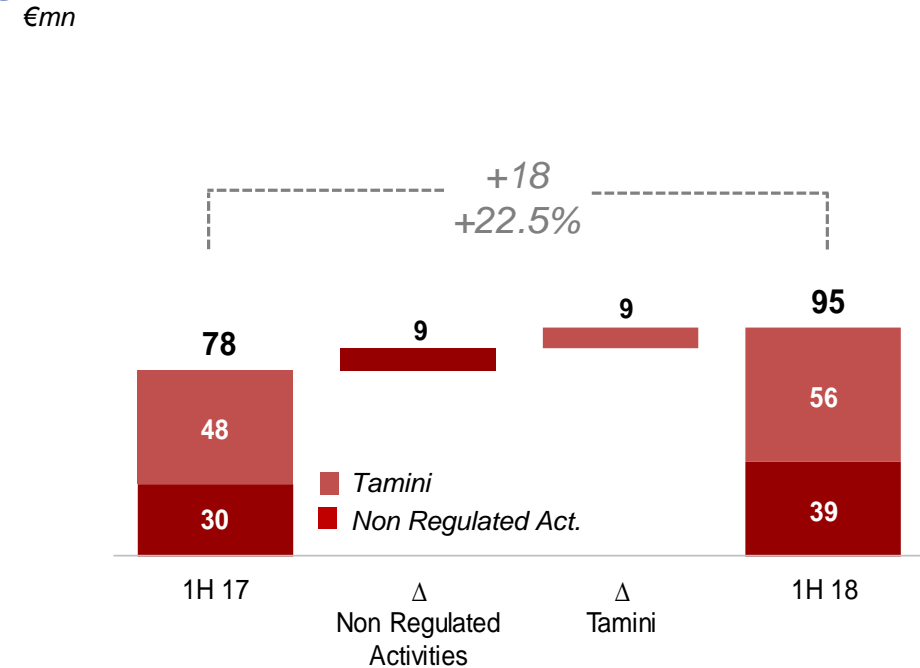
1H 2018 results

Revenues Analysis

REGULATED ACTIVITIES



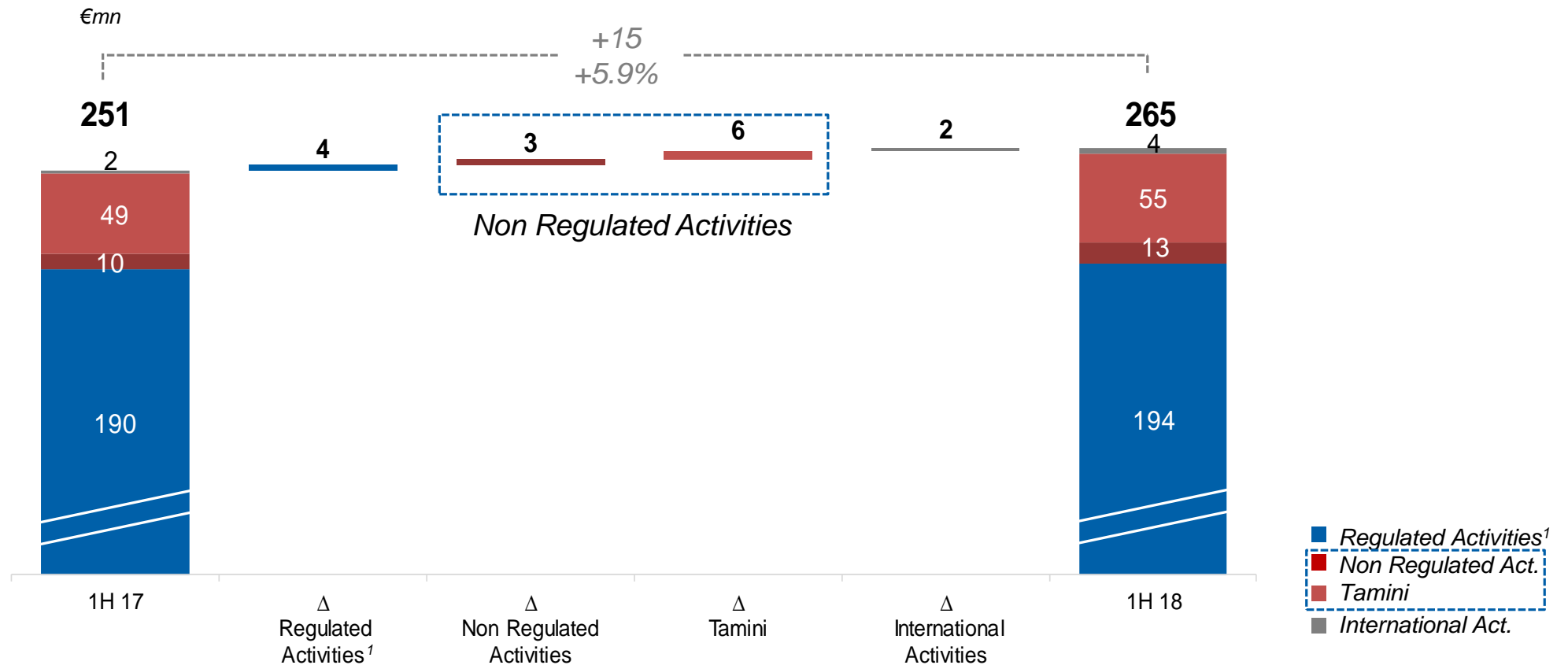
NON REGULATED ACTIVITIES



Higher contribution from Regulated and Non Regulated Activities

1H 2018 results

Opex



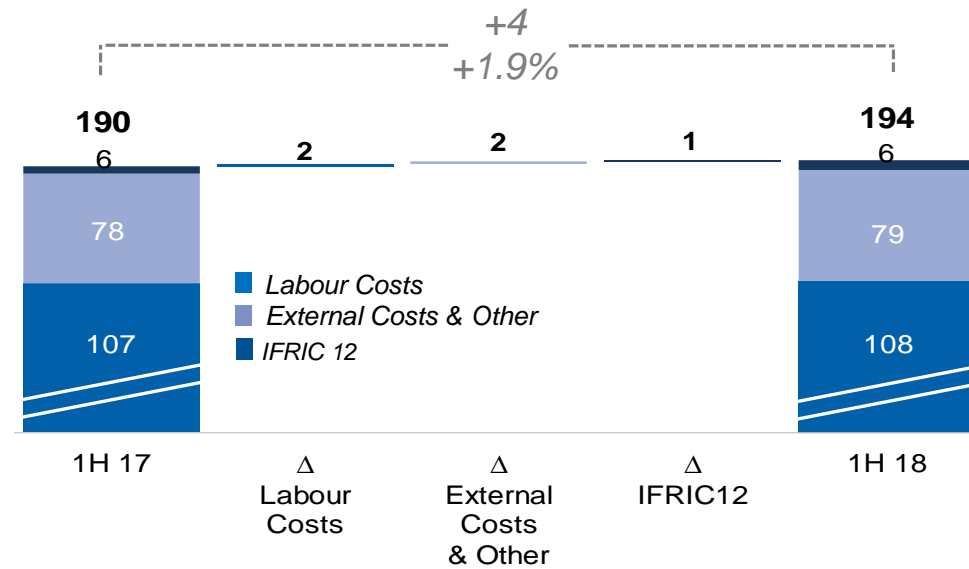
Opex evolution driven mostly by Non Regulated

1H 2018 results

Opex Analysis

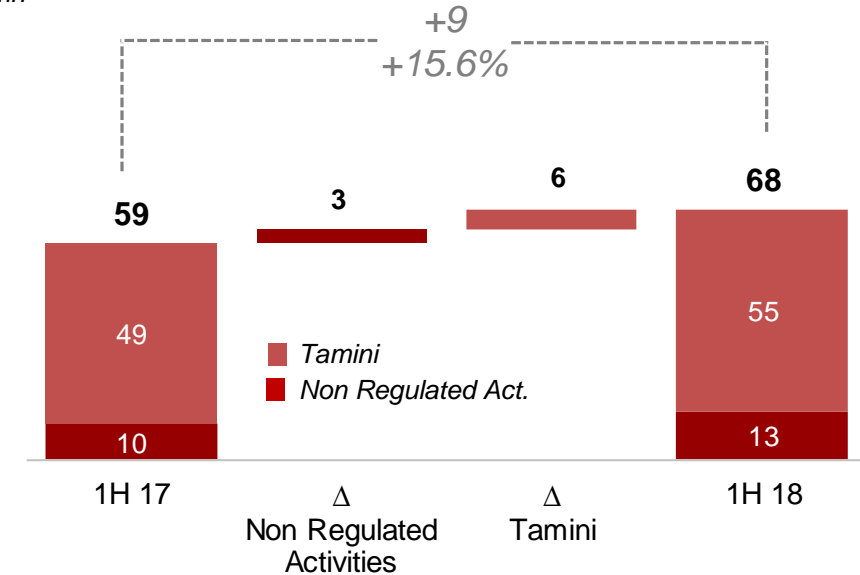
REGULATED ACTIVITIES

€mn



NON REGULATED ACTIVITIES

€mn



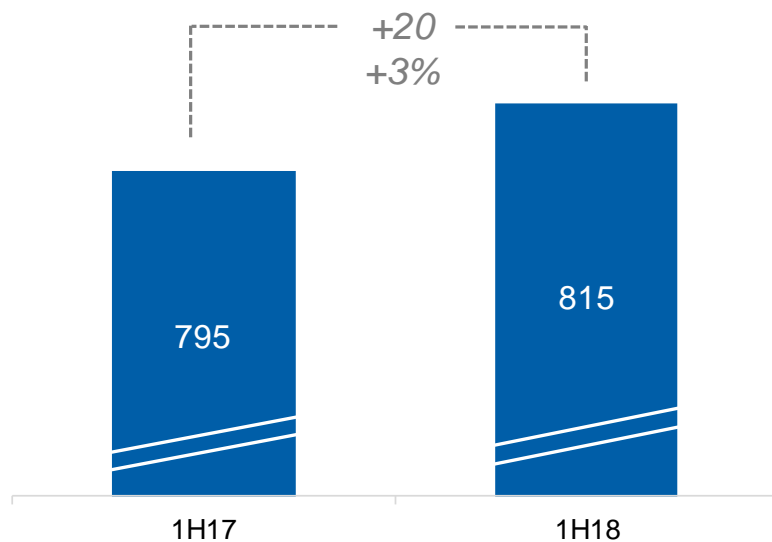
Higher volumes of activities

1H 2018 results

EBITDA

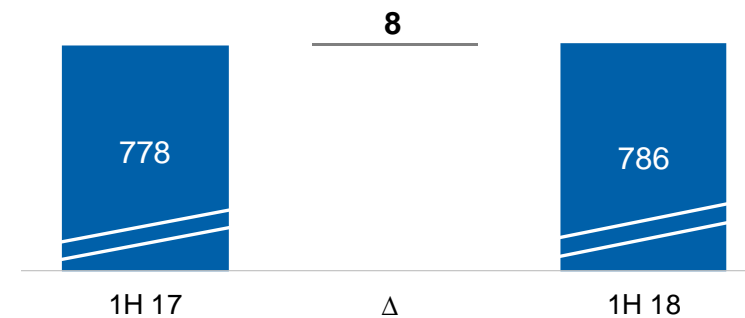
TOTAL EBITDA

€mn



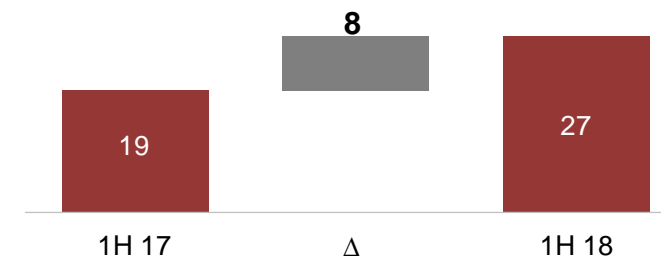
REGULATED ACTIVITIES

€mn



NON REGULATED ACTIVITIES

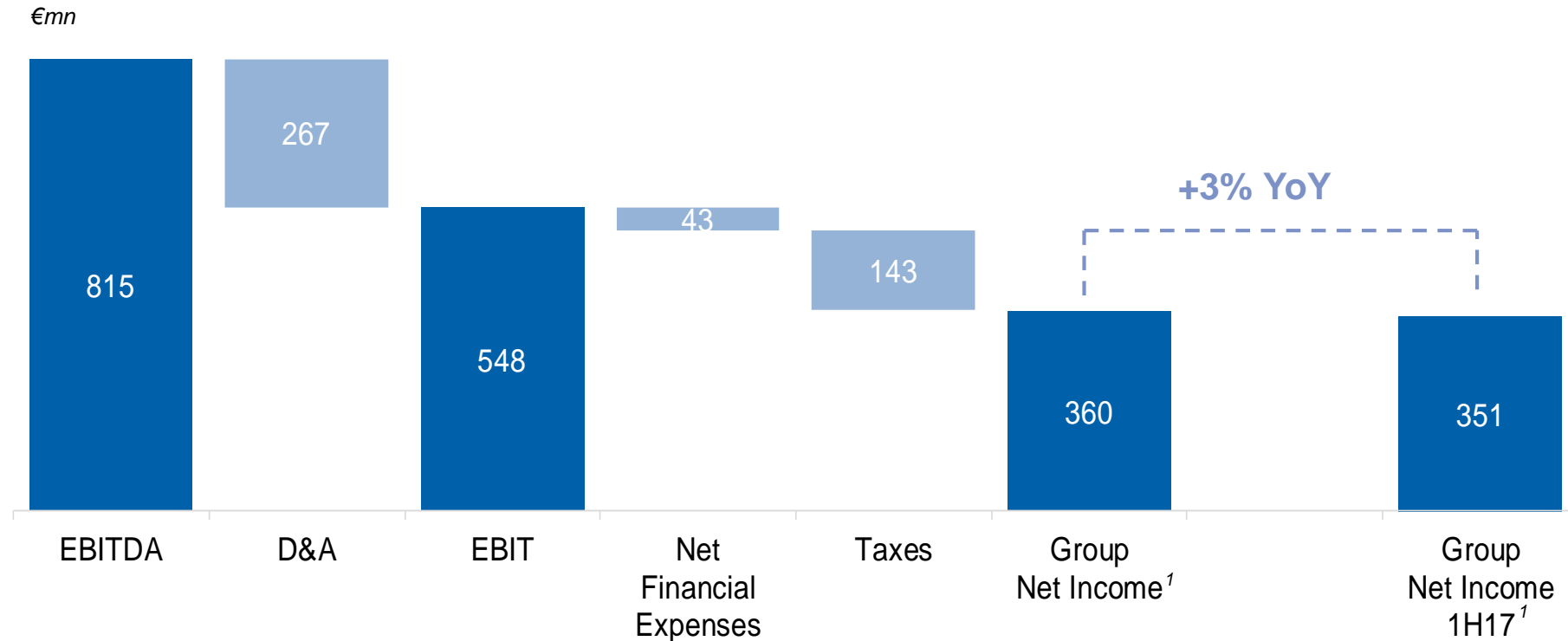
€mn



3% growth at EBITDA level

1H 2018 results

From EBITDA to Net Income



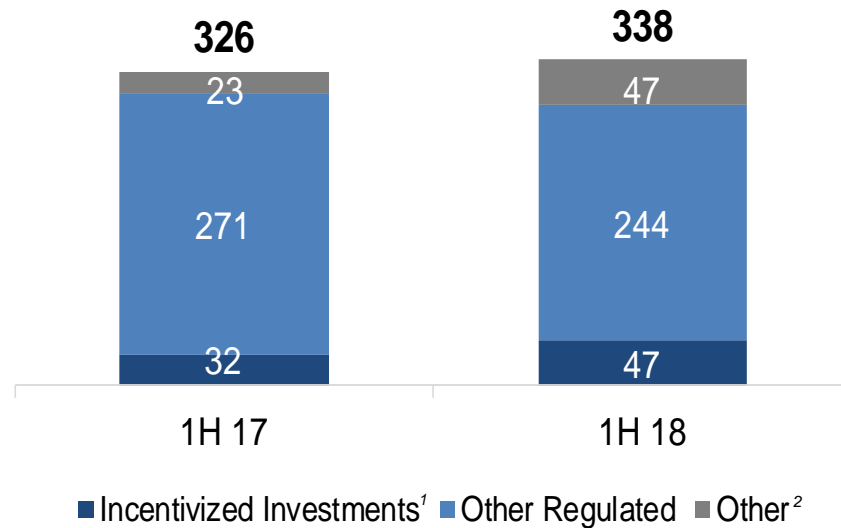
3% growth at Net Income level

1H 2018 results

Capex

TOTAL CAPEX

€mn



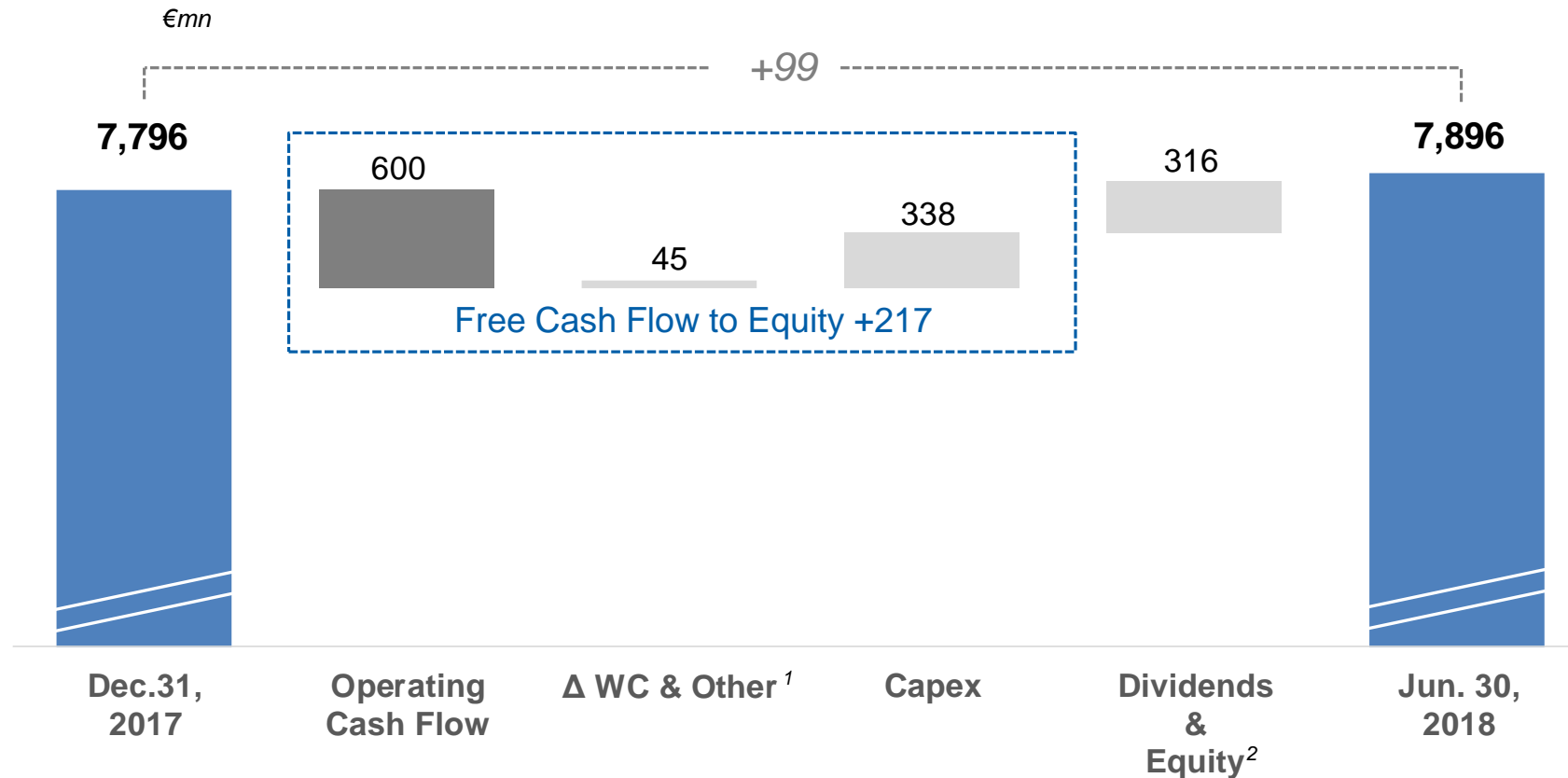
REGULATED CAPEX

291 €mn

2018 Capex well on track

1H 2018 results

Cash Flow & Net Debt Evolution



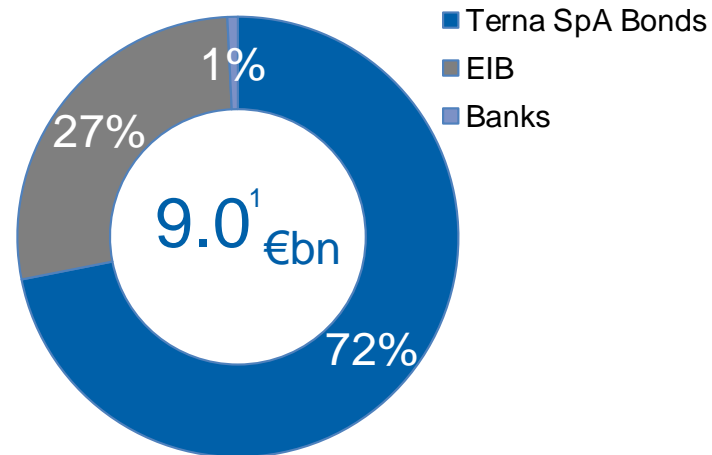
600 €mn of Operating Cash Flow

1H 2018 results

Net Debt Evolution & Financial Structure

GROSS DEBT BREAKDOWN²

€mn



KEY RATIOS²

€mn

Fixed/Floating Ratio

~100% Fixed*Calculated on Gross Debt*

Maturity

5.6 years

Maintaining a solid balance sheet

Closing Remarks



Domestic Regulated Activities capex on track



Supportive Non Regulated Activities



Delivering International Projects



Strongly focused on Plan execution

○ Annexes

Annex

Consolidated Income Statement¹

€ mn	1H18	1H17 ²	Δmn	Δ%
Total Revenue	1,080	1,046	35	3.3%
<i>Regulated Activities</i>	979	968	12	1.2%
<i>Transmission</i>	899	895	4	0.4%
<i>Dispatching</i>	60	56	4	7.7%
<i>Other³</i>	15	12	3	25.6%
<i>IFRIC12</i>	6	6	1	12.5%
<i>Non Regulated Activities</i>	95	78	18	22.5%
<i>International Activities</i>	6	0	5	n.m.
Total Costs	265	251	15	5.9%
<i>Regulated Activities</i>	194	190	4	1.9%
<i>Labour Costs</i>	108	107	2	1.4%
<i>External Costs</i>	71	66	6	8.4%
<i>Other³</i>	8	12	-4	-33.3%
<i>IFRIC12</i>	6	6	1	12.5%
<i>Non Regulated Activities</i>	68	59	9	15.6%
<i>International Activities</i>	4	2	2	100.0%
EBITDA	815	795	20	2.5%
<i>D&A</i>	267	261	7	2.5%
EBIT	548	534	13	2.5%
<i>Net Financial Charges</i>	43	40	3	7.8%
Pre Tax Profit	505	494	10	2.1%
<i>Taxes</i>	143	144	-1	-0.8%
<i>Tax Rate (%)</i>	28.3%	29.1%	-0.8 pp	
Total Net Income	362	351	12	3.3%
<i>Minority Interest</i>	2	-1	3	n.m.
Group Net Income	360	351	9	2.5%

Annex

P&L Quarterly Analysis

€ mn	1Q18	1Q17 ¹	Δ	2Q18	2Q17 ¹	Δ
Total Revenue	538	524	14	543	522	21
<i>Regulated Activities</i>	488	490	-2	492	477	14
<i>Transmission</i>	451	451	1	447	444	3
<i>Dispatching</i>	29	29	0	31	27	5
<i>Other²</i>	5	8	-4	10	4	7
<i>IFRIC12</i>	3	2	1	3	3	0
<i>Non Regulated Act.</i>	47	34	13	48	44	4
<i>International Activities³</i>	3	0	3	2	0	2
Total Costs	129	121	7	137	130	7
<i>Regulated Activities</i>	95	93	2	99	97	2
<i>Labour Costs</i>	54	53	0	55	54	1
<i>External Costs</i>	34	31	3	37	35	2
<i>Other²</i>	4	7	-3	4	5	-1
<i>IFRIC12</i>	3	2	1	3	3	0
<i>Non Regulated Act.</i>	32	27	5	36	32	4
<i>International Activities</i>	2	1	1	2	1	1
EBITDA	409	403	7	406	392	14
<i>D&A</i>	133	130	2	135	131	4
EBIT	277	273	4	271	261	9
<i>Net Financial Charges</i>	25	21	4	18	19	-1
Pre Tax Profit	252	252	0	253	242	10
<i>Taxes</i>	69	74	-5	74	70	4
<i>Tax Rate (%)</i>	27.2%	29.2%	-2.0 pp	29.4%	29.0%	0.4 pp
Total Net Income	184	179	5	178	172	7
<i>Minority Interest</i>	1	-1	2	1	0	1
Group Net Income	183	179	3	178	172	6

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	0	1	5	6
Total Costs	121	130	113	196	559
<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	Jun. 30,2018	Dec. 31,2017	Δmn
<i>PP&E</i>	12,840	12,753	87
<i>Intangible Asset</i>	501	506	-5
<i>Financial Inv. and Other</i>	253	208	45
Total Fixed Assets	13,594	13,466	127
Net WC	-1,496	-1,485	-11
Funds	-327	-356	28
Net Capital Invested	11,770	11,625	145
<i>Financed by:</i>			
Consolidated Net Debt	7,896	7,796	99
Total Shareholder's Equity	3,875	3,829	46
Total	11,770	11,625	145
D/E Ratio	2.0	2.0	
D/D+E Ratio	0.7	0.7	
Number of Shares (mn)	2,010	2,010	

Annex

Consolidated Cash Flow

€ mn	1H18
<i>Total Net Income</i>	362
<i>D&A¹</i>	266
<i>Net Change in Funds</i>	-28
Operating Cash Flow	600
<i>Δ Working Capital & Other²</i>	-45
Cash Flow from Operating Activities	555
<i>Capital Expenditures</i>	-338
Free Cash Flow to Equity	217
<i>Dividends & Equity³</i>	-316
Change in Net Cash (Debt)	-99

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