



# 1Q19 *Consolidated Results*

**GRIDS AND VALUES**  
ACCELERATING A SUSTAINABLE GROWTH

May 9<sup>th</sup> 2019

# Agenda

|                |    |
|----------------|----|
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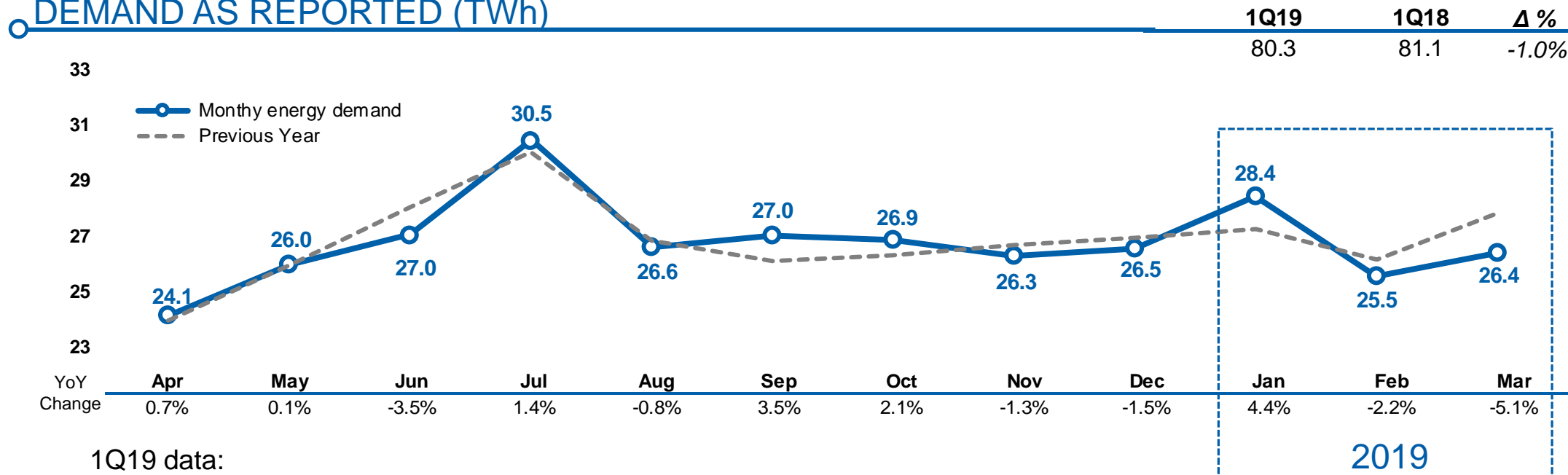
## ○ Highlights

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# Highlights (1/2)

Demand Evolution – Last 12 months

## DEMAND AS REPORTED (TWh)



1Q19 data:

- National Demand at 80 TWh, o/w 32% covered by RES vs 30% in 1Q18
- Net Total Production at 71 TWh
  - PV increased by 36%
  - Wind increased by 16%

**Strong growth in PV and wind production**

# Highlights (2/2)

## 1Q 2019 Key Numbers

| €mn                           | 1Q 2019 | 1Q 2018          | Δ vs 1Q18 |
|-------------------------------|---------|------------------|-----------|
| Revenues                      | 537     | 523 <sup>1</sup> | +3%       |
| EBITDA                        | 420     | 409              | +3%       |
| Group Net Income <sup>2</sup> | 186     | 183              | +2%       |
| Capex                         | 164     | 142              | +16%      |

|          | 1Q 2019 | FY 2018 |
|----------|---------|---------|
| Net Debt | 7,919   | 7,899   |

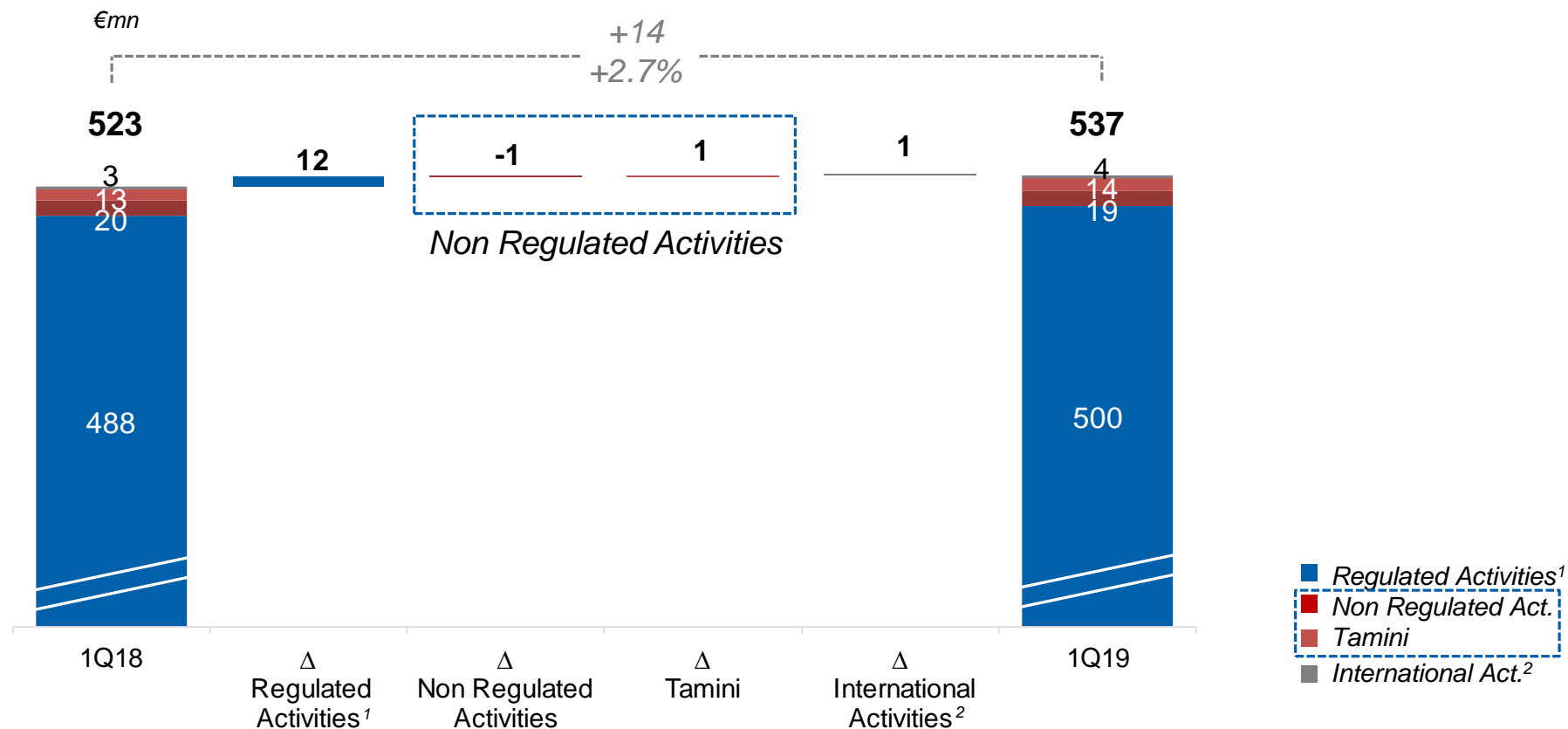
# Solid results in all P&L lines

## 1Q19 Results

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# 1Q 2019 results

## Revenues



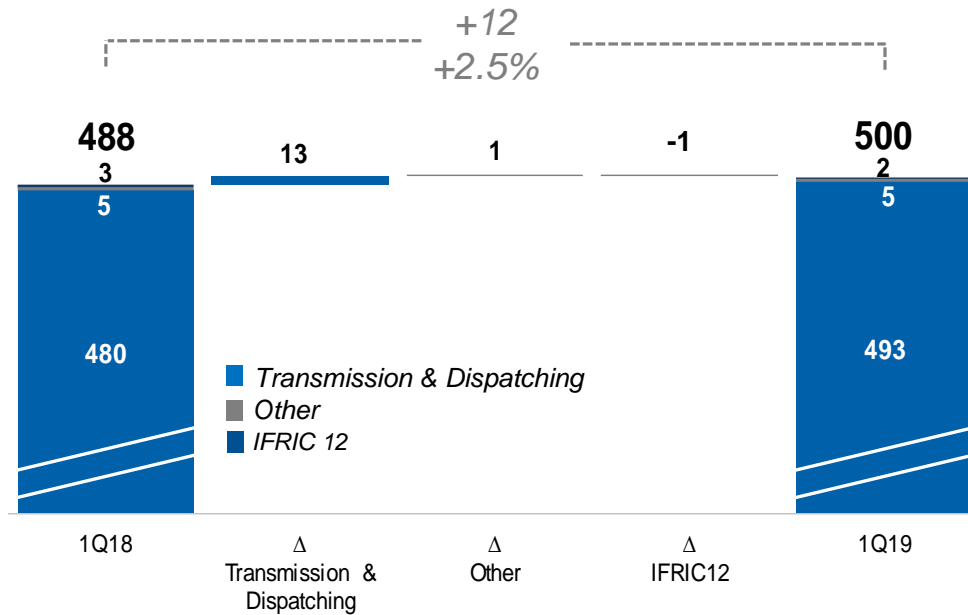
**Revenues increase mainly driven by Regulated Activities**

# 1Q 2019 results

## Revenues Analysis

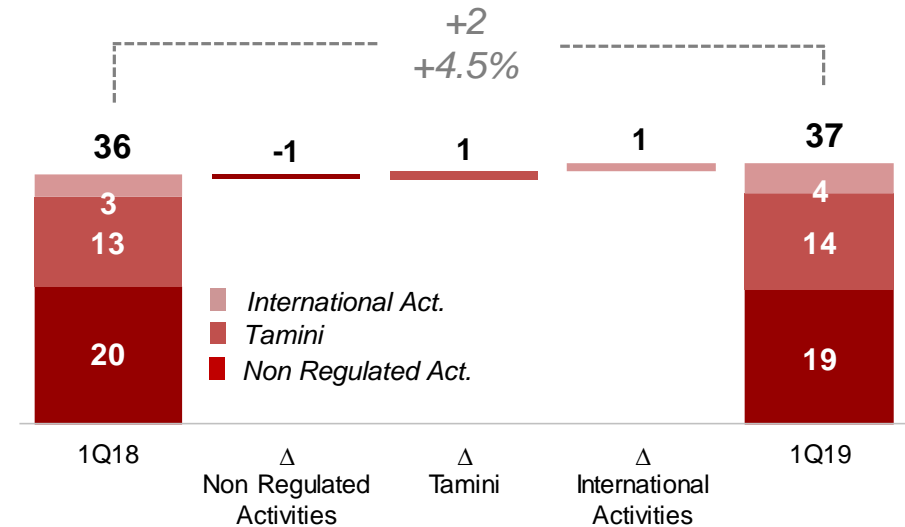
### REGULATED ACTIVITIES

€mn



### NON REGULATED AND INTERNATIONAL

€mn

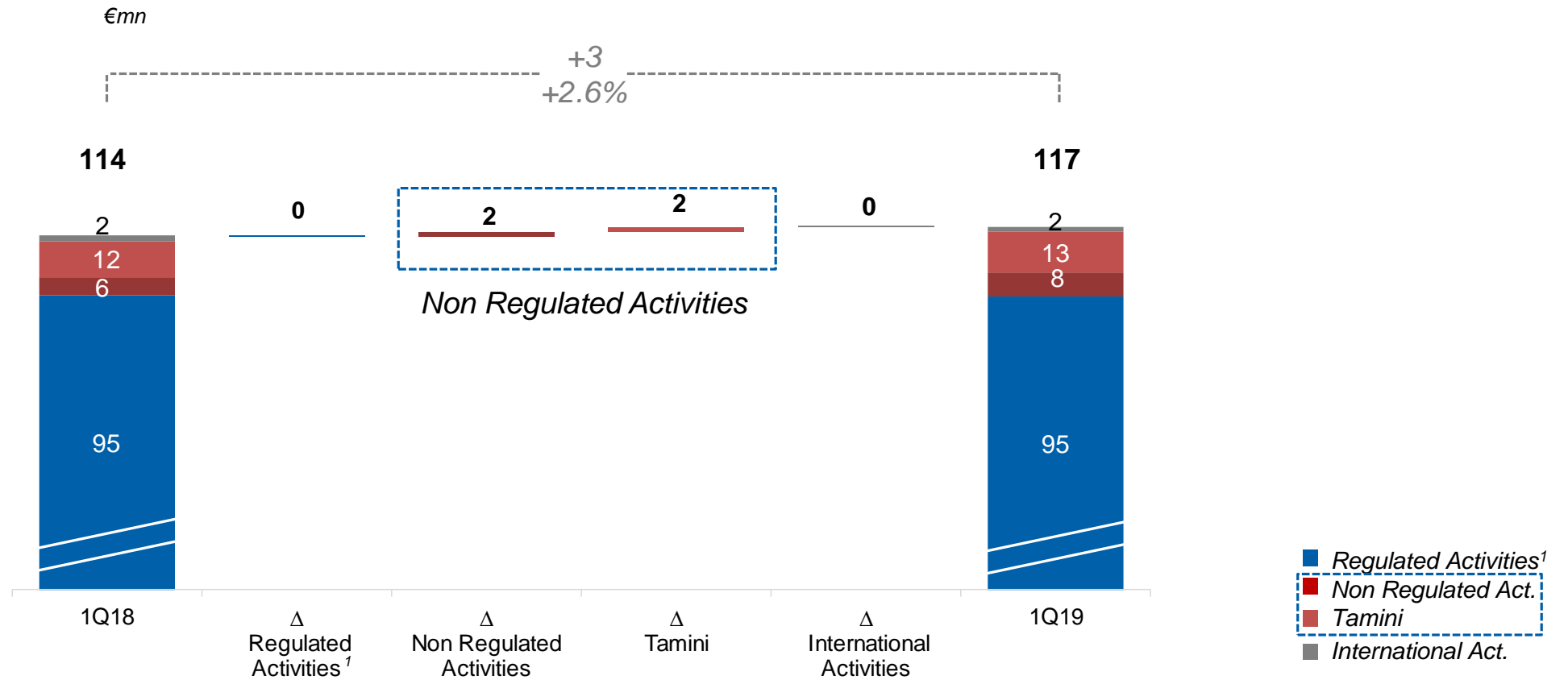


Higher contribution from Regulated, Tamini and International



# 1Q 2019 results

## Opex



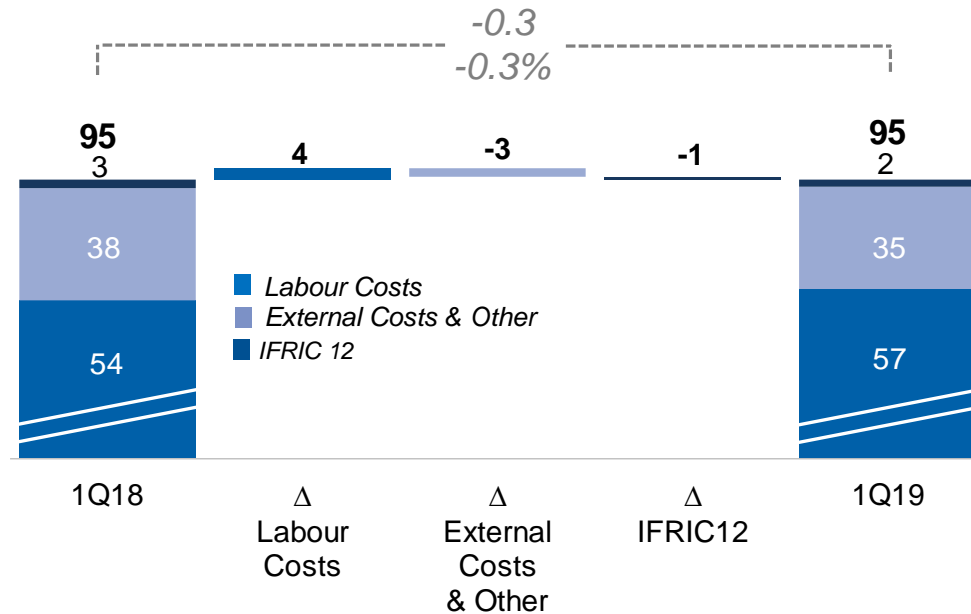
Opex under control

# 1Q 2019 results

## Opex Analysis

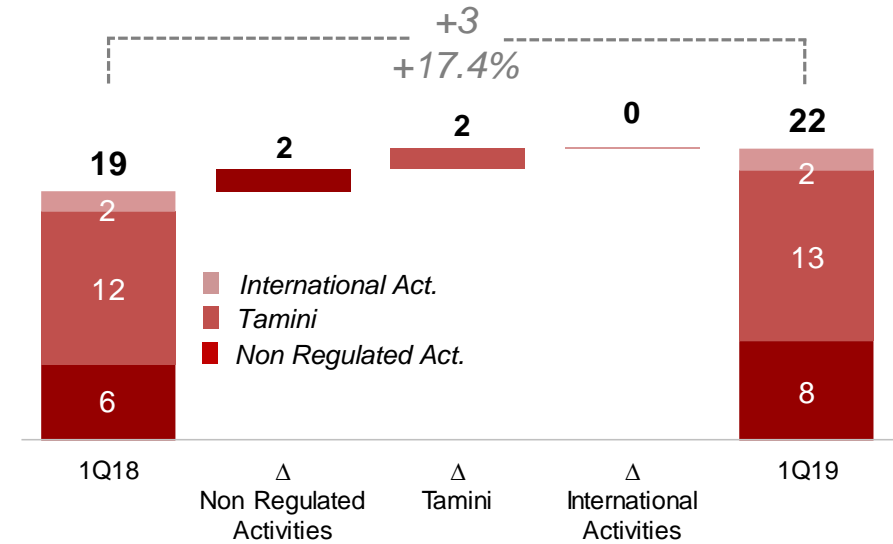
### REGULATED ACTIVITIES

€mn



### NON REGULATED AND INTERNATIONAL

€mn



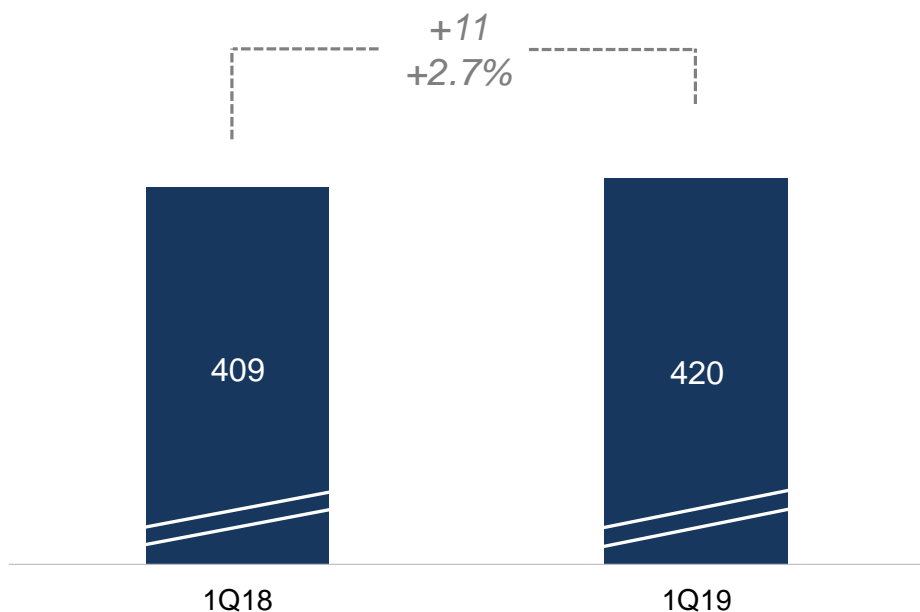
**Non Regulated Opex driven by higher volumes of activity**

# 1Q 2019 results

## EBITDA

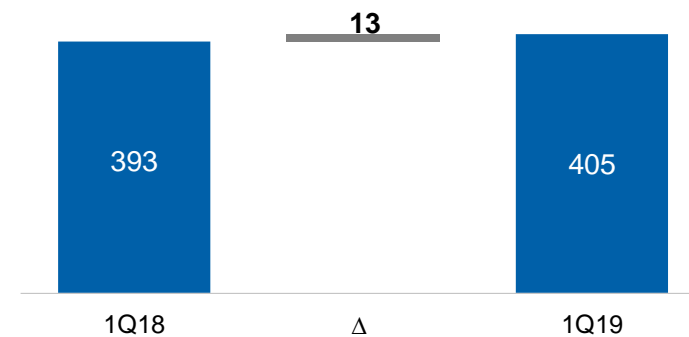
### TOTAL EBITDA

€mn



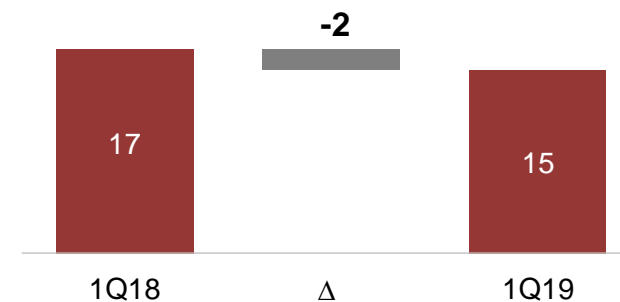
### REGULATED ACTIVITIES

€mn



### NON REGULATED AND INTERNATIONAL

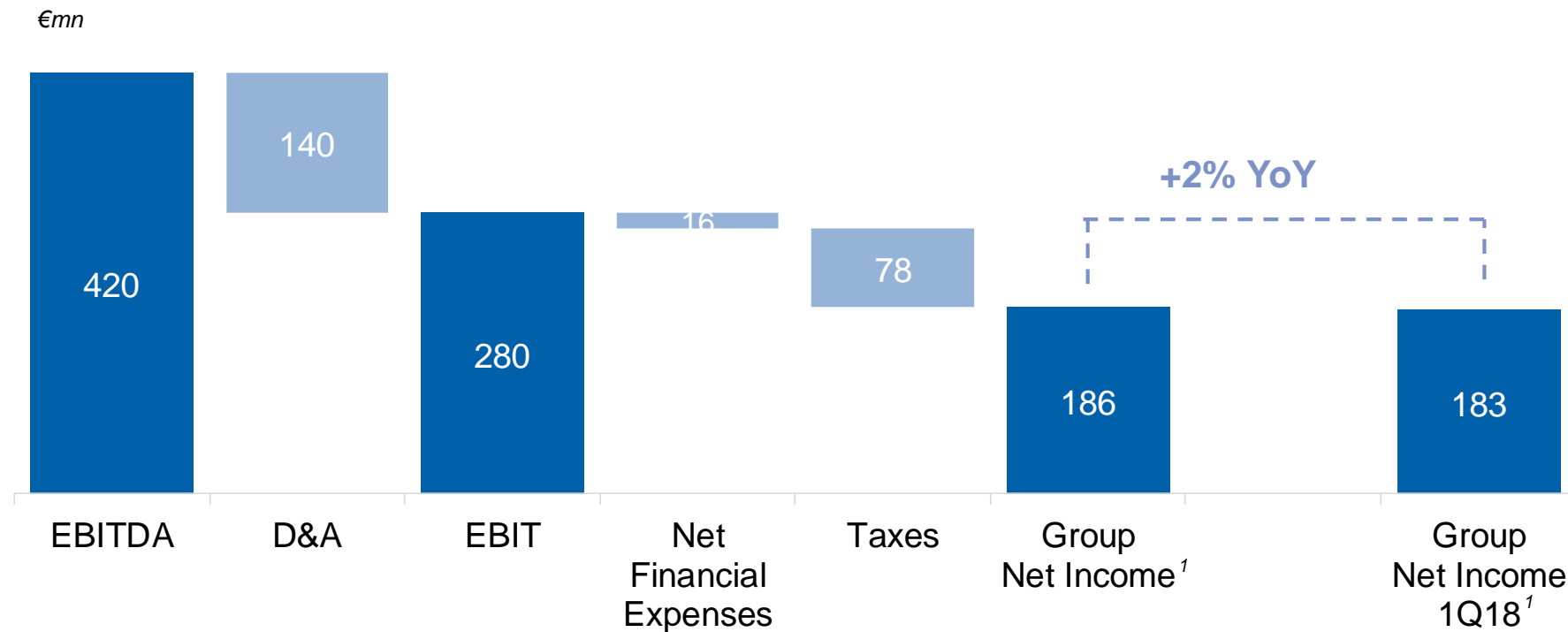
€mn



**3% growth at EBITDA level**

# 1Q 2019 results

From EBITDA to Net Income



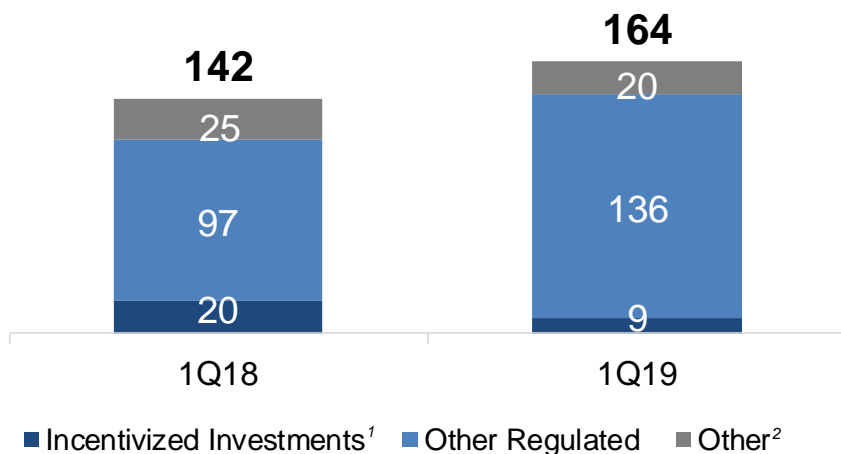
2% growth at Net Income level

# 1Q 2019 results

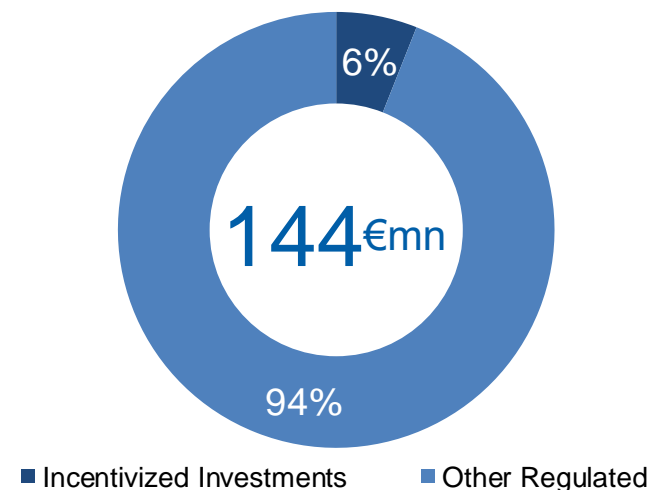
## Capex

### TOTAL CAPEX

€mn



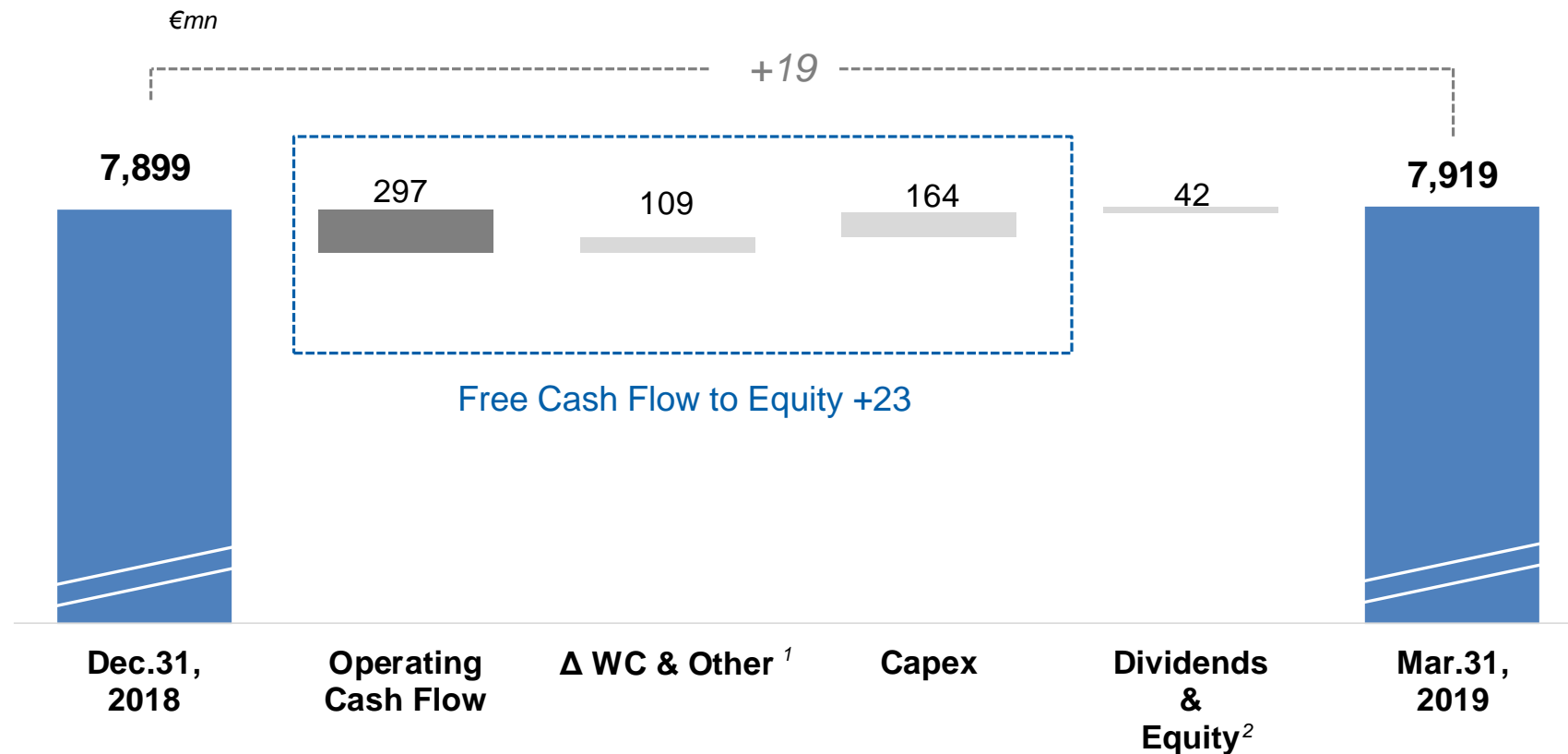
### REGULATED CAPEX



**2019 Capex well on track**

# 1Q 2019 results

## Cash Flow & Net Debt Evolution

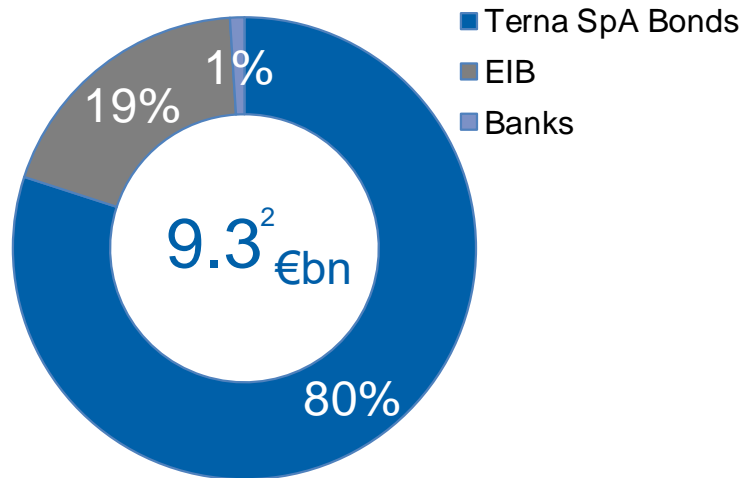


# Strong operating cash flow generation

# 1Q 2019 results

## Net Debt Evolution & Financial Structure

### GROSS DEBT BREAKDOWN<sup>1</sup>



### KEY RATIOS<sup>1</sup>

Fixed/Floating Ratio

**~100% Fixed**

*Calculated on Gross Debt*

Maturity

**5.2 years**

Maintaining a solid financial structure

## ○ Annexes

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## Annex

Consolidated Income Statement<sup>1</sup>

| € mn                     | 1Q19       | 1Q18 <sup>2</sup> | Δmn       | Δ%          |
|--------------------------|------------|-------------------|-----------|-------------|
| <b>Total Revenue</b>     | <b>537</b> | <b>523</b>        | <b>14</b> | <b>2.7%</b> |
| Regulated Activities     | 500        | 488               | 12        | 2.5%        |
| Transmission             | 464        | 451               | 13        | 2.9%        |
| Dispatching              | 28         | 29                | 0         | -1.1%       |
| Other <sup>3</sup>       | 5          | 5                 | 1         | 15.2%       |
| IFRIC12                  | 2          | 3                 | -1        | -35.5%      |
| Non Regulated Activities | 33         | 32                | 1         | 1.5%        |
| International Activities | 4.2        | 3                 | 1         | 35.5%       |
| <b>Total Costs</b>       | <b>117</b> | <b>114</b>        | <b>3</b>  | <b>2.6%</b> |
| Regulated Activities     | 95         | 95                | 0         | -0.3%       |
| Labour Costs             | 57         | 54                | 4         | 7.3%        |
| External Costs           | 34         | 34                | 0         | -1.2%       |
| Other <sup>3</sup>       | 1          | 4                 | -3        | -65.9%      |
| IFRIC12                  | 2          | 3                 | -1        | -35.5%      |
| Non Regulated Activities | 21         | 17                | 3         | 18.4%       |
| International Activities | 2          | 2                 | 0         | 6.2%        |
| <b>EBITDA</b>            | <b>420</b> | <b>409</b>        | <b>11</b> | <b>2.7%</b> |
| D&A                      | 140        | 133               | 8         | 6.0%        |
| <b>EBIT</b>              | <b>280</b> | <b>277</b>        | <b>3</b>  | <b>1.1%</b> |
| Net Financial Charges    | 16         | 25                | -9        | -35.4%      |
| <b>Pre Tax Profit</b>    | <b>264</b> | <b>252</b>        | <b>12</b> | <b>4.6%</b> |
| Taxes                    | 78         | 69                | 9         | 13.7%       |
| Tax Rate (%)             | 29.5%      | 27.2%             | +2.4 pp   |             |
| <b>Total Net Income</b>  | <b>186</b> | <b>184</b>        | <b>2</b>  | <b>1.3%</b> |
| Minority Interest        | 0          | 1                 | -1        | -100.0%     |
| <b>Group Net Income</b>  | <b>186</b> | <b>183</b>        | <b>3</b>  | <b>1.8%</b> |

## Annex

2017 Restated P&L Quarterly Figures<sup>1</sup>

| € mn                                  | 1Q17         | 2Q17         | 3Q17         | 4Q17         | FY17         |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Revenue</b>                  | <b>524</b>   | <b>522</b>   | <b>525</b>   | <b>592</b>   | <b>2,163</b> |
| Regulated Activities                  | 490          | 477          | 490          | 510          | 1,967        |
| Transmission                          | 451          | 444          | 453          | 457          | 1,804        |
| Dispatching                           | 29           | 27           | 29           | 27           | 112          |
| Other <sup>2</sup>                    | 8            | 4            | 4            | 15           | 31           |
| IFRIC12                               | 2            | 3            | 4            | 11           | 21           |
| Non Regulated Act.                    | 34           | 44           | 34           | 77           | 189          |
| International Activities <sup>3</sup> | 0            | 0            | 1            | 5            | 6            |
| <b>Total Costs</b>                    | <b>121</b>   | <b>130</b>   | <b>113</b>   | <b>196</b>   | <b>559</b>   |
| Regulated Activities                  | 93           | 97           | 82           | 154          | 426          |
| Labour Costs                          | 53           | 54           | 46           | 65           | 218          |
| External Costs                        | 31           | 35           | 30           | 59           | 155          |
| Other <sup>2</sup>                    | 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            |
| <b>EBITDA</b>                         | <b>403</b>   | <b>392</b>   | <b>412</b>   | <b>397</b>   | <b>1,604</b> |
| D&A                                   | 130          | 131          | 129          | 137          | 527          |
| <b>EBIT</b>                           | <b>273</b>   | <b>261</b>   | <b>283</b>   | <b>260</b>   | <b>1,077</b> |
| Net Financial Charges                 | 21           | 19           | 29           | 21           | 89           |
| <b>Pre Tax Profit</b>                 | <b>252</b>   | <b>242</b>   | <b>254</b>   | <b>240</b>   | <b>988</b>   |
| Taxes                                 | 74           | 70           | 78           | 72           | 294          |
| <b>Tax Rate (%)</b>                   | <b>29.2%</b> | <b>29.0%</b> | <b>30.6%</b> | <b>30.2%</b> | <b>29.8%</b> |
| <b>Total Net Income</b>               | <b>179</b>   | <b>172</b>   | <b>177</b>   | <b>167</b>   | <b>694</b>   |
| Minority Interest                     | -1           | 0            | -1           | 8            | 6            |
| <b>Group Net Income</b>               | <b>179</b>   | <b>172</b>   | <b>178</b>   | <b>159</b>   | <b>688</b>   |

# Annex

## Consolidated Balance Sheet

| € mn                            | Mar. 31,2019  | Dec. 31,2018  | Δmn        |
|---------------------------------|---------------|---------------|------------|
| <i>PP&amp;E</i>                 | 13,268        | 13,244        | 23         |
| <i>Intangible Asset</i>         | 511           | 519           | -8         |
| <i>Financial Inv. and Other</i> | 333           | 320           | 13         |
| Total Fixed Assets              | 14,112        | 14,084        | 28         |
| Net WC                          | -1,717        | -1,823        | 106        |
| Funds                           | -279          | -308          | 29         |
| <b>Net Capital Invested</b>     | <b>12,117</b> | <b>11,954</b> | <b>163</b> |
| <i>Financed by:</i>             |               |               |            |
| Consolidated Net Debt           | 7,919         | 7,899         | 19         |
| Total Shareholder's Equity      | 4,198         | 4,054         | 144        |
| <b>Total</b>                    | <b>12,117</b> | <b>11,954</b> | <b>163</b> |
| <b>D/E Ratio</b>                | <b>1.9</b>    | <b>1.9</b>    |            |
| <b>D/D+E Ratio</b>              | <b>0.7</b>    | <b>0.7</b>    |            |
| <b>Number of Shares (mn)</b>    | <b>2,010</b>  | <b>2,010</b>  |            |

# Annex

## Consolidated Cash Flow

| € mn   | 1Q19       |
|--|------------|
| <i>Total Net Income</i>                          | 186        |
| <i>D&amp;A<sup>1</sup></i>                       | 140        |
| <i>Net Change in Funds</i>                       | -29        |
| <b>Operating Cash Flow</b>                       | <b>297</b> |
| <i>Δ Working Capital &amp; Other<sup>2</sup></i> | -109       |
| <b>Cash Flow from Operating Activities</b>       | <b>187</b> |
| <i>Capital Expenditures</i>                      | -164       |
| <b>Free Cash Flow to Equity</b>                  | <b>23</b>  |
| <i>Dividends &amp; Equity<sup>3</sup></i>        | -42        |
| <b>Change in Net Cash (Debt)</b>                 | <b>-19</b> |

# Annex

## Capex

| € mn                                       | 1Q18       | 1Q19       | Δ mn      | Δ%         |
|--|------------|------------|-----------|------------|
| <i>Incentivized Investment<sup>1</sup></i> | 20         | 9          | -11       | -54%       |
| <i>Other Reguleted</i>                     | 97         | 136        | 38        | 39%        |
| <b>Regulated Capex</b>                     | <b>117</b> | <b>144</b> | <b>28</b> | <b>24%</b> |
| <i>Other<sup>2</sup></i>                   | 25         | 20         | -5        | -19%       |
| <b>Total Group Capex</b>                   | <b>142</b> | <b>164</b> | <b>23</b> | <b>16%</b> |

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