

# *Acea Group*

## *H1 2016 Results*

Rome, 28 July 2016



# Financial highlights



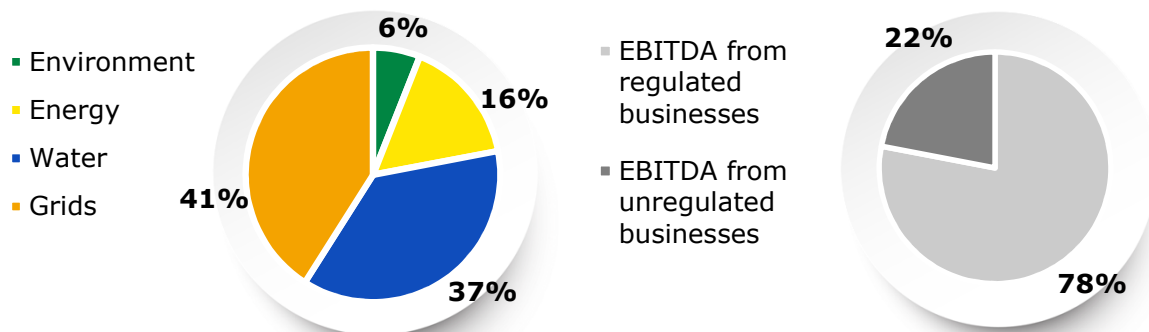
(€m)	H1 2015	H1 2016	% change
Consolidated revenues	1,441.1	1,386.7	-3.8%
EBITDA	353.3	443.7	+25.6%
EBIT	202.7	274.1	+35.2%
Profit/(loss) before tax	156.8	232.3	+48.2%
Net Profit/(Loss)	103.6	154.3	+48.9%
Minority Interest	4.3	4.8	+11.6%
Group net profit/(loss)	99.3	149.5	+50.6%
Capex	167.5	220.8	+31.8%

Impact of accounting for Resolution 654/2015: €63.3m

Impact of accounting for Resolution 654/2015: €41.0m

(€m)	30 June 2015 (a)	31 Dec 2015 (b)	30 June 2016 (c)	Change (c-a)	Change (c-b)
NET DEBT	2,128.9	2,010.1	2,131.9	3.0	121.8
Shareholders' Equity	1,518.6	1,596.1	1,631.4	112.8	35.3
Invested Capital	3,647.5	3,606.2	3,763.3	115.8	157.1

## EBITDA H1 2016

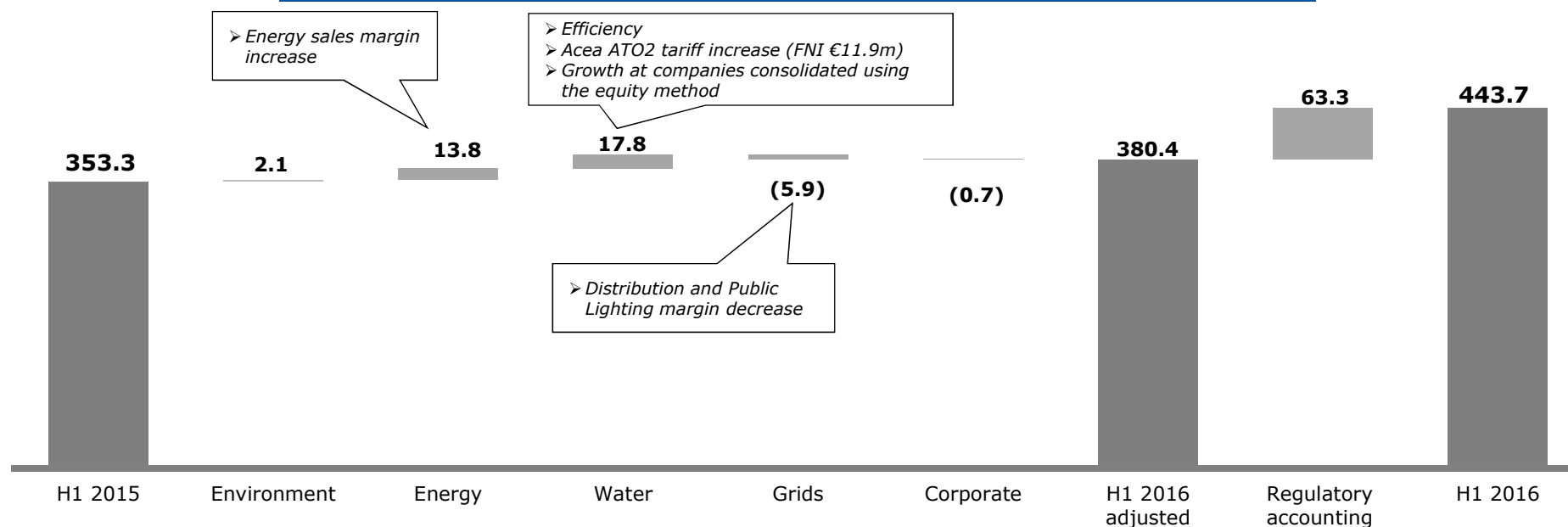


Number of employees	H1 2015	H1 2016
Acea Spa	652	627
Environment	220	231
Energy	541	557
Water °	1,967	1,991
Network	1,344	1,310
<b>Total</b>	<b>4,724</b>	<b>4,716</b>

° Figures do not include:

- H1 2015 Overseas water operations: 264
- H1 2016 Overseas water operations: 285

## EBITDA €m



# EBITDA and Key quantitative data



## Environment

EBITDA main drivers

↑ Aria: +€0.5m

↑ SAO: +€1.4m

(€m)	H1 2015	H1 2016	% change	Key quantitative data	H1 2015	H1 2016
<b>EBITDA</b>	<b>27.1</b>	<b>29.2</b>	<b>+7.7</b>	<b>Treatment and disposal</b> (/000s of tonnes)	<b>380</b>	<b>411</b>
<b>Capex</b>	<b>9.8</b>	<b>8.0</b>	<b>-18.4%</b>	<b>WTE electricity sold (GWh)</b>	<b>132</b>	<b>134</b>



## Energy

EBITDA main drivers

↑ Electricity sales margin increase +€14.6m

↓ Electricity production margin decrease (fall in energy prices and volumes decrease) -€0.8m

(€m)	H1 2015	H1 2016	% change	Key quantitative data	H1 2015	H1 2016
<b>EBITDA</b>	<b>55.9</b>	<b>69.7</b>	<b>+24.7%</b>	<b>Total electricity production (GWh)</b>	<b>282</b>	<b>211</b>
<i>Production</i>	18.3	17.5	-4.4%	<b>Total electricity sold (GWh)</b>	<b>4,793</b>	<b>4,205</b>
<i>Sales</i>	37.6	52.2	+38.8%	<i>Enhanced Protection Market</i>	1,526	1,364
				<i>Free Market</i>	3,267	2,841
<b>Capex</b>	<b>6.6</b>	<b>27.4</b>	<b>+315.2%</b>	<b>Total gas sold (Mm<sup>3</sup>)</b>	<b>78</b>	<b>66</b>

# EBITDA and Key quantitative data



## Water EBITDA main drivers

- ↑ Efficiency
- ↑ Acea ATO2: +€18.5m (FNI €11.9m)^
- ↑ Growth at companies consolidated using the equity method (Toscana, Umbria)+€1.8m
- ↓ Overseas water operations: -€3.5m (primarily due to expiry of the contract in Lima in May 2015)

(€m)	H1 2015	H1 2016	% change	Key quantitative data	H1 2015	H1 2016
<b>EBITDA*</b>	<b>146.7</b>	<b>164.5</b>	<b>+12.1%</b>	<b>Total volume of water sold</b> (Mm <sup>3</sup> )	<b>213</b>	<b>206</b>
<i>Lazio-Campania</i>	<i>128.4</i>	<i>146.5</i>				
<i>Toscana-Umbria</i>	<i>11.1</i>	<i>12.5</i>				
<i>Engineering</i>	<i>2.8</i>	<i>4.7</i>				
<i>Overseas water operations</i>	<i>4.4</i>	<i>0.8</i>				
<b>Capex</b>	<b>74.6</b>	<b>100.6</b>	<b>+34.9%</b>			

^ On 27 July 2016, the Mayors' Conference for the ATO2 concession area approved the tariff determinations for the period 2016-2019. The determinations establish that the tariff increases to be applied in 2016 are to be spread out over time, in return for recognition of a market financial charge as compensation for the deferral.

\* The profit on investments consolidated under IFRS11 is up from €13m of H1 2015 to €15m for H1 2016

# EBITDA and Key quantitative data



## Grids

### EBITDA main drivers

- ↑ Recognition of the positive component linked to the regulatory change introduced by AEEGSI Resolution 654/2015: +€63.3m
- ↓ Public Lighting: -€1.1m
- ↓ Areti margin decrease: -€3.5m

(€m)	H1 2015	H1 2016	% change	Key quantitative data	H1 2015	H1 2016
EBITDA	123.3	180.7	+46.6%	Total electricity distributed (GWh)	5,087	4,945
Capex	67.7	80.1	+18.3%			

Impact of accounting for Resolution 654/2015: €63.3m



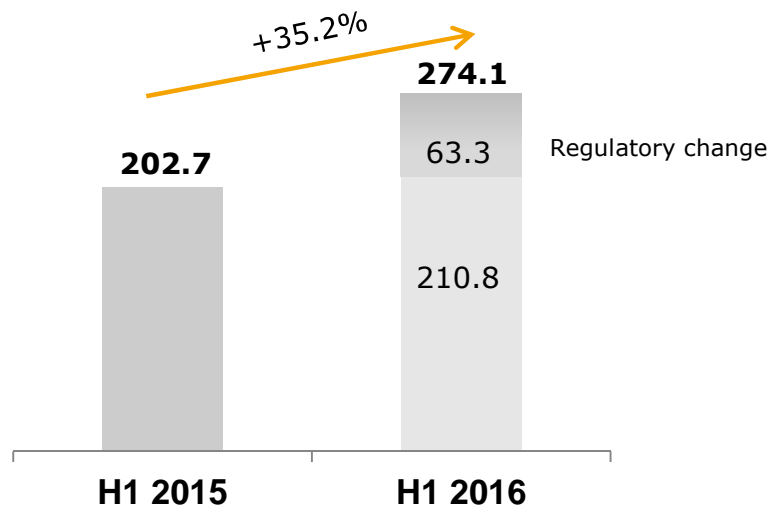
## Corporate

(€m)	H1 2015	H1 2016	% change
EBITDA	0.3	(0.4)	n/m
Capex	8.8	4.7	-46.6%

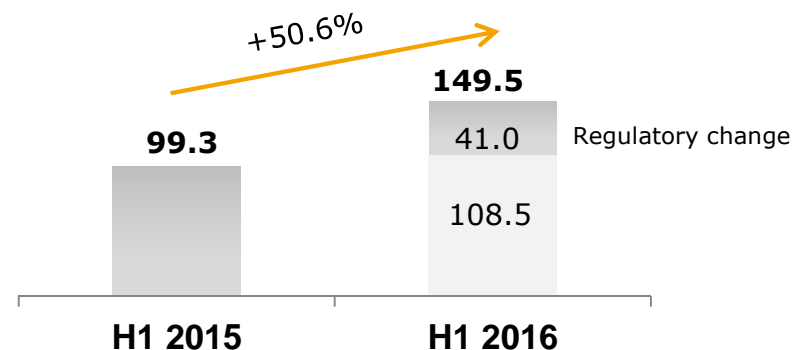
# EBIT and Net Profit



## EBIT (€m)



## NET PROFIT (€m)



(€m)	H1 2015	H1 2016	% change
Depreciation	110.3	117.1	+6.2%
Write-off	32.7	28.5	-12.8%
Provisions	7.6	24.1	n/m
<b>Total</b>	<b>150.6</b>	<b>169.7</b>	<b>+12.7%</b>



✓ Higher depreciation as a result of increased investment



✓ Write-off decrease mainly in Water, Energy and Grids segments

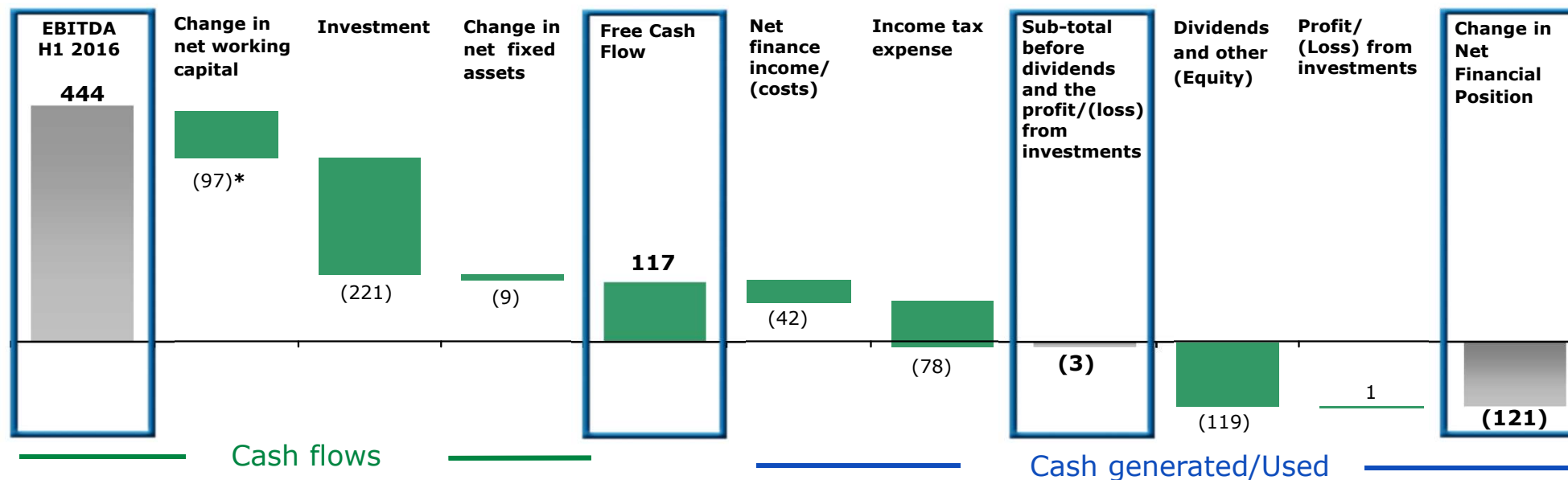


✓ Increased provisions for early retirement and redundancy schemes

# Cash flow



CASH FLOW ANALYSIS (€m)	1H15	2015	1H16
<b>EBITDA</b>	<b>353</b>	<b>732</b>	<b>444</b>
Change in net working capital	(23)	113	(97)
Investment	(168)	(423)	(221)
Change in net fixed assets	(17)	(51)	(9)
<b>Free Cash Flow 1</b>	<b>145</b>	<b>371</b>	<b>117</b>
Net finance income/(costs)	(45)	(90)	(42)
Income tax expense	(53)	(115)	(78)
<b>Free Cash Flow 2</b>	<b>47</b>	<b>165</b>	<b>(3)</b>
Dividends and other (Equity)	(86)	(87)	(119)
Profit/(loss) from investments	(1)	1	1
<b>Change in Net Financial Position</b>	<b>(40)</b>	<b>79</b>	<b>(121)</b>



\* Before impairment losses on receivables



# Net Debt



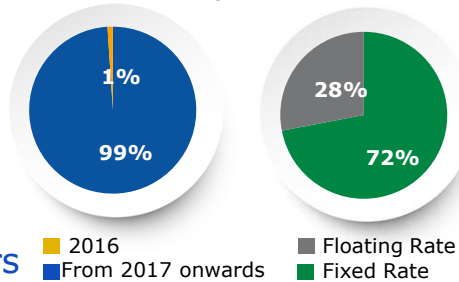
(€m)	30 June 2015 (a)	31 Dec 2015 (b)	30 June 2016 (c)	Change (c-a)	Change (c-b)
<b>NET DEBT</b>	<b>2,128.9</b>	<b>2,010.1</b>	<b>2,131.9</b>	<b>3.0</b>	<b>121.8</b>
Medium/Long-term	2,671.2	2,657.0	2,637.4	(33.8)	(19.6)
Short-term	(542.3)	(646.9)	(505.5)	36.8	141.4

NET DEBT/ EQUITY 31 Dec 2015	NET DEBT/ EQUITY 30 June 2016
<b>1.3x</b>	<b>1.3x</b>

## Debt structure

(maturity and interest rates at 30 June 2016)

- > 72% Fixed rate
- > Average overall cost 3.18%
- > Average term to maturity ~ 6.4 years



## Rating

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*Stable Outlook*

*Stable Outlook*

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY THESE STATEMENTS DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY ENVIRONMENT, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY.

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PURSUANT TO ART. 154-BIS, PAR. 2, OF THE UNIFIED FINANCIAL ACT OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, DEMETRIO MAURO – CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.