



Acea Group 2019 Results

Rome, 9 March 2020

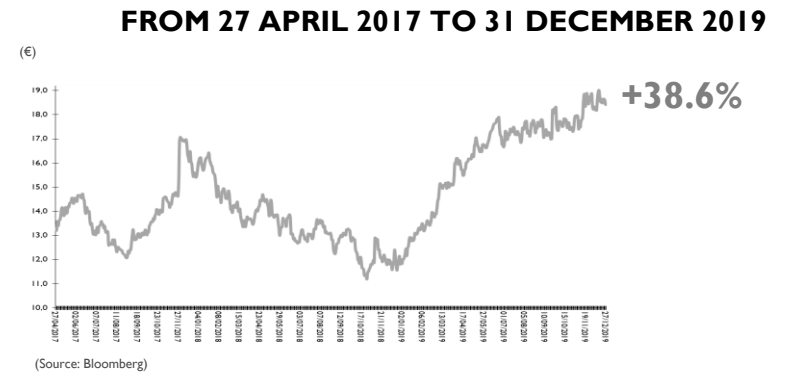
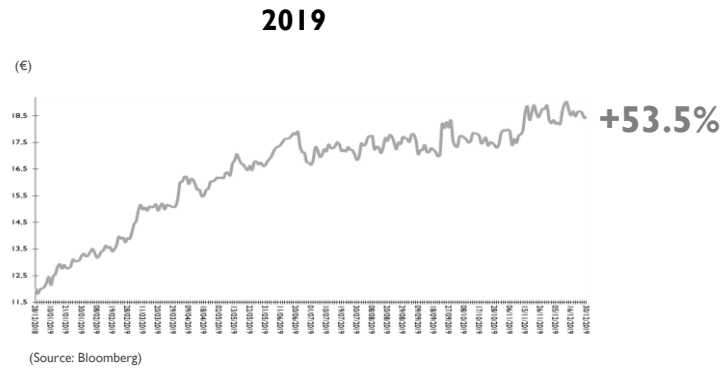
acea

Performance and delivery

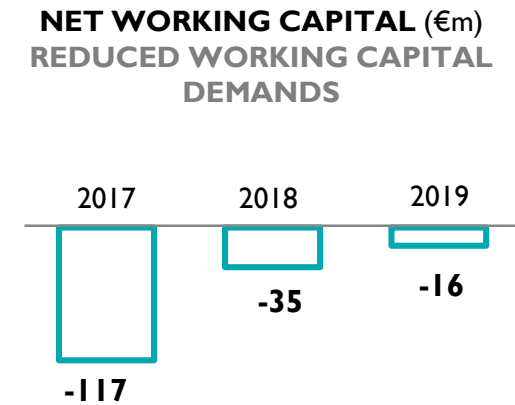
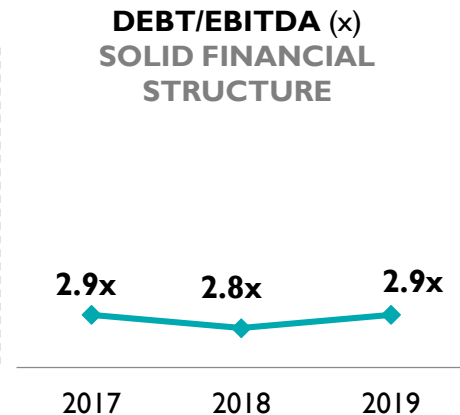
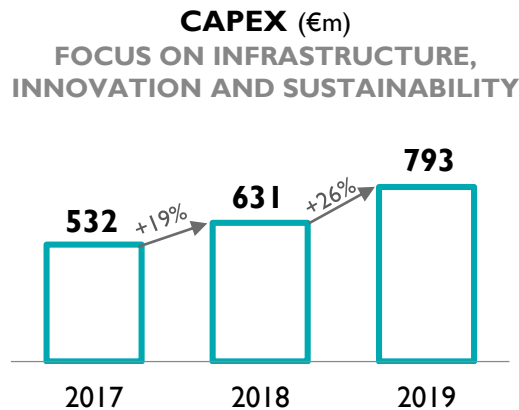
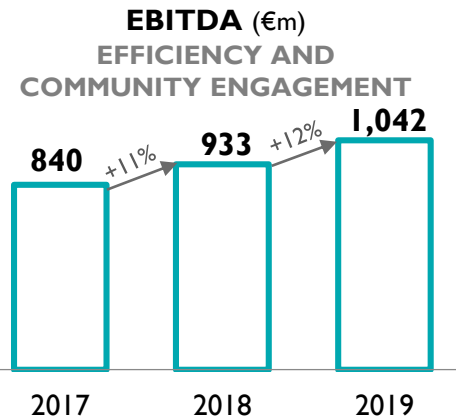
Growth, consistency, reliability, sustainability

CONSTANT GROWTH SINCE THE NEW BOARD OF DIRECTORS TOOK OFFICE (27 APRIL 2017)

2019: SHARE PRICE AT ALL-TIME HIGH, AS ACEA OUTPERFORMS THE MARKET (FTSE ITALIA ALL SHARE +27.2%)



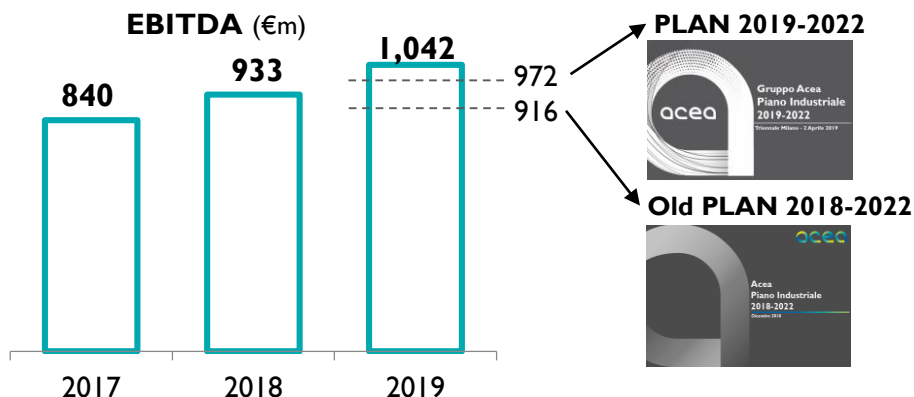
BEST EVER RESULTS, BEATING ALL OUR TARGETS



Delivery

Business Plan and acquisitions

NEW BUSINESS PLAN 2019-2022 APPROVED ON 2 APRIL 2019, BRINGING FORWARD TARGETS ANNOUNCED TO THE MARKET IN NOVEMBER 2017 BY MORE THAN TWELVE MONTHS



Targets in existing Plan:

- **EBITDA** in 2022: €1,270m (+36% versus 2018)
- **RAB** in 2022: €4.8bn (+28% versus 2018)
- **Capex**: €4bn (in the period 2018-2022)
- **Dividends**: €800m over life of the Plan

BUSINESS PLAN CONFIRMS GROWTH IN FUNDAMENTALS ASSOCIATED WITH CONCRETE SUSTAINABILITY GOALS

(environmental impact, circular economy, reduced water loss, customer care.....).

ACEA WAS CREATED TO BE SUSTAINABLE.

ACEA'S CEO WINS TOP UTILITY 2020 AWARD FOR SUSTAINABILITY.

AN EVOLVING BUSINESS MIX: ACQUISITIONS IN THE GAS, ENVIRONMENT AND PHOTOVOLTAIC SECTORS AND CONSOLIDATION OF ACQUEDOTTO DEL FIORA

MARCH 2019

ACQUISITION OF 51% INTEREST IN PESCARA DISTRIBUZIONE GAS COMPLETED

JULY 2019

ACQUISITION OF 90% OF DEMAP, OWNER OF A PLASTIC TREATMENT PLANT

OCTOBER 2019

AGREEMENTS REACHED FOR ACQUISITION OF PHOTOVOLTAIC PLANTS WITH TOTAL CAPACITY OF APPROXIMATELY 25 MW_p

ACQUISITION OF 60% INTEREST IN BERG, A PROVIDER OF LIQUID WASTE TREATMENT SERVICES

AMENDMENT OF ACQUEDOTTO DEL FIORA'S ARTICLES OF ASSOCIATION AND SHAREHOLDER AGREEMENTS TO ENABLE THE COMPANY'S CONSOLIDATION BY THE ACEA GROUP

(€m)	2019 (a)	2018 (b)	% change (a/b)
Consolidated revenue	3,186.1	3,028.5	+5.2%
EBITDA	1,042.3	933.2	+11.7%
EBIT	518.1	478.6	+8.3%
Group net profit	283.7	271.0	+4.7%
Dividend per share (€)	0.78	0.71	+9.9%
Capex	792.8	630.8	+25.7%

EBITDA +12%: well ahead of guidance

- Initial guidance : +5%/+6%
- Guidance provided in H1 2019: $\geq +7\%$
- Guidance provided in 9M 2019: $\geq +10\%$

(€m)	31 Dec 2019 (a)	30 Sept 2019 (b)	31 Dec 2018 (c)	% change (a/b)	% change (a/c)
Net debt	3,062.8	2,960.3	2,568.0	+3.5%	+19.3%

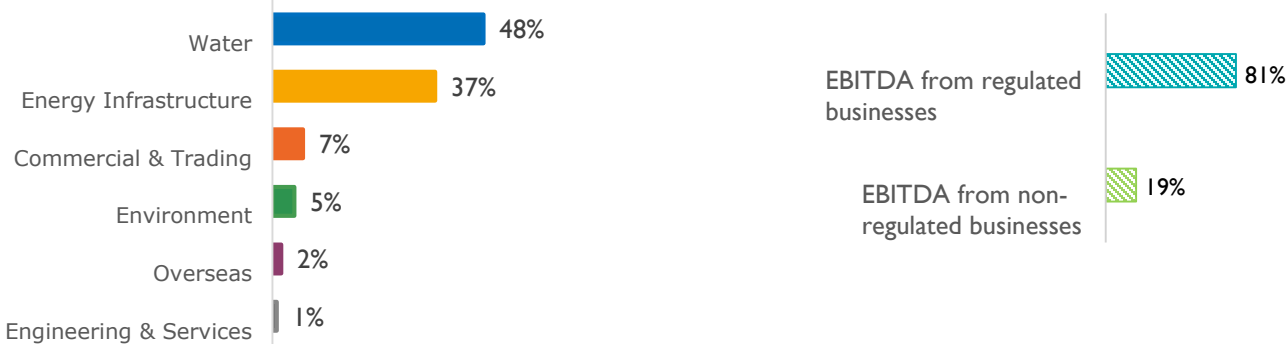
Net debt: below lower end of guidance (€2.85-2.95bn).
 €2.83bn excluding impact of IFRS 16, M&A and consolidation of Acquedotto del Fiora

GUIDANCE 2020: FURTHER GROWTH EXPECTED

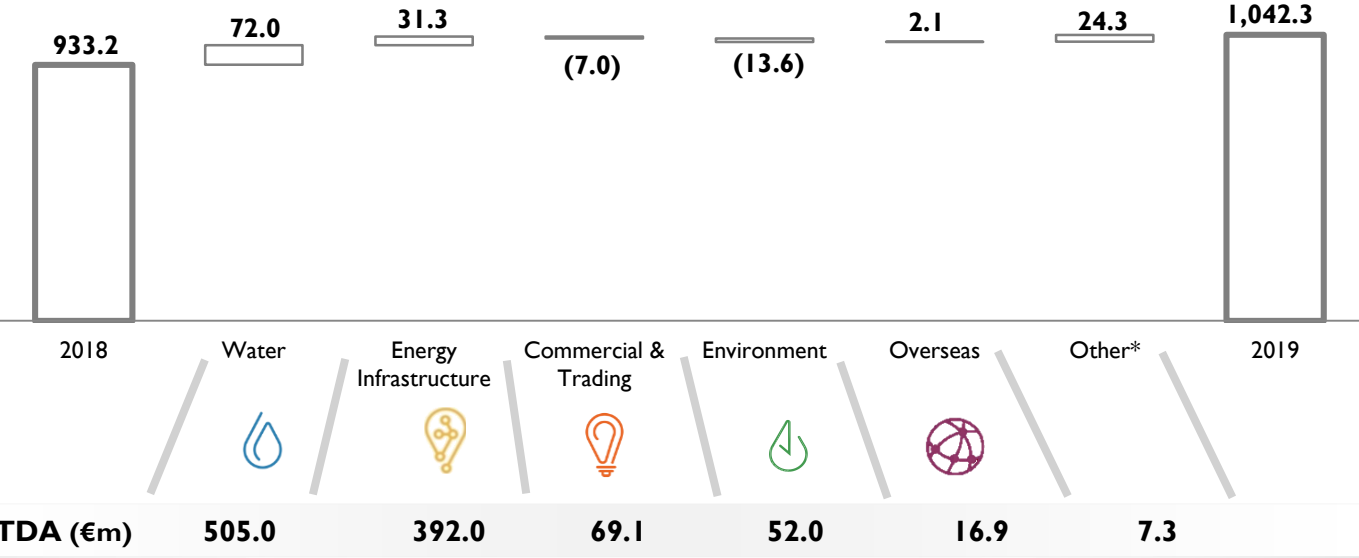
- ✓ **EBITDA** +6%/+8% versus 2019 (€1,042m) in line with the CAGR in Business Plan 2019-2022
- ✓ **CAPEX** broadly in line with 2019 and the Business Plan 2019-2022
- ✓ **NET DEBT** €3.45-3.55bn

EBITDA

EBITDA 2019



EBITDA (€m)



Contribution to EBITDA from consolidation of Gori, Acquedotto del Fiora and new acquisitions (€m)

	2019	2018
Gori	68.6	14.7°
Acquedotto del Fiora	18.1	4.6°°
Pescara Distribuzione Gas	1.7	-
Fotovoltaico	3.6	-
Demap	1.8	-
Berg	0.5	-

* Engineering & Services, Corporate
 ° Includes contribution from consolidation of equity-accounted investments, totalling €3m
 °° Contribution from consolidation of equity-accounted investments

EBITDA and quantitative data

2019 financial highlights

Water

Including gas distribution business

KEY HIGHLIGHTS

- October 2019: line-by-line consolidation of Acquedotto del Fiora
- March 2019: acquisition of Pescara Distribuzione Gas

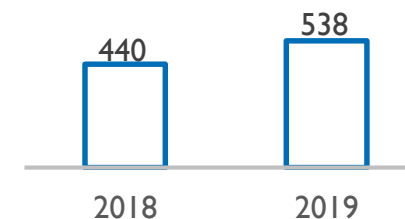
EBITDA GROWTH

- Line-by-line consolidation of Gori (from November 2018): +€53.9m
- Line-by-line consolidation of Acquedotto del Fiora (from October 2019): +€13.5m
- Acquisition of Pescara Distribuzione Gas (March 2019): +€1.7m
- ATO2: commercial quality bonus +€2.2m
- Equity-accounted companies: -€3.7m

EBITDA
main
drivers

(€m)	2019 (a)	2018 (b)	%change (a/b)
EBITDA	505.0	433.0	+16.6%
Acea ATO2	356.1	357.4	-0.4%
Acea ATO5	24.4	20.8	+17.3%
Gori	68.6	11.7	n/s
Acquedotto del Fiora	18.1	-	n/s
Equity-accounted water companies	36.2	39.9	-9.3%
Other consolidated water companies	(0.1)	3.2	n/s
Pescara Distribuzione Gas	1.7	-	n/s
Capex	380.1	329.7	+15.3%

Volumes of water distributed (Mm³)



EBITDA and quantitative data

2019 financial highlights

Energy Infrastructure

KEY HIGHLIGHTS

- Acquisition of new photovoltaic plants with total capacity of 28MWp

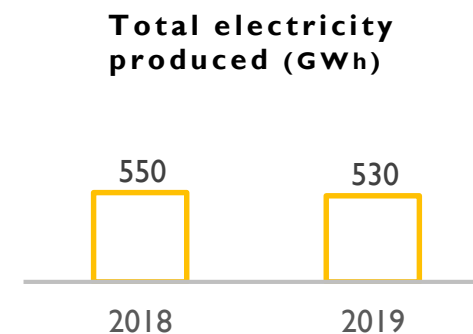
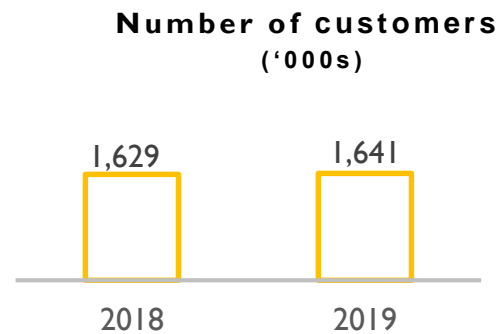
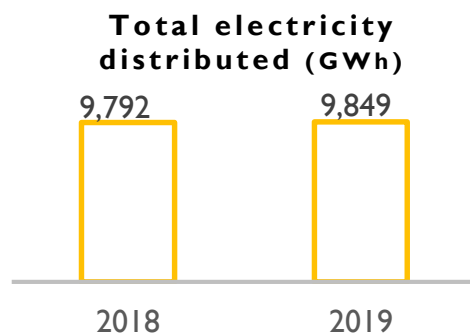
EBITDA GROWTH

- Distribution: +€28.3m
- Public Lighting: +€7.3m (new lighting points and cuts to external costs)
- Generation: -€4.4m:
 - photovoltaic contribution +€3.6m
 - recognition in 2018 of an extraordinary component of €5m
 - reduction in volume produced and less price

EBITDA
main
drivers



(€m)	2019 (a)	2018 (b)	% change (a/b)
EBITDA	392.0	360.7	+8.7%
- Distribution	345.4	317.1	+8.9%
- Generation	44.6	49.0	-9.0%
➤ of which: Photovoltaic	3.6	-	n/s
- Public Lighting	1.9	(5.4)	n/s
Capex	287.8	238.3	+20.8%



EBITDA and quantitative data

2019 financial highlights

Commercial & Trading

KEY HIGHLIGHTS

- Improvement in sales channels with resulting increase in number of free market customers for electricity (+20.5%) and gas (+11.0%)
- Improvement in collections

EBITDA

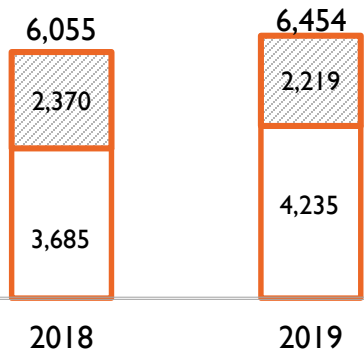
- Increased sales of electricity and gas to free market customers
- Reduced margins essentially due to revised mechanism for compensating for delinquent accounts and to cut in enhanced protection market tariff (RCV component)

EBITDA
main
drivers



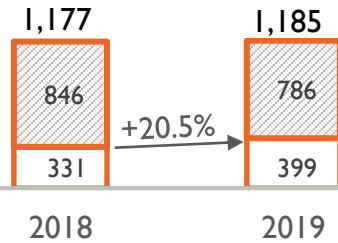
(€m)	2019 (a)	2018 (b)	% change (a/b)
EBITDA	69.1	76.1	-9.2%
Capex	42.5	24.6	+72.8%

Total energy sold (GWh)

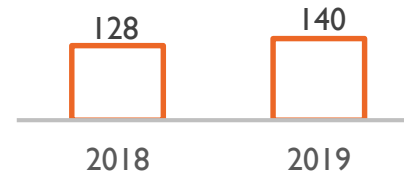


Enhance...

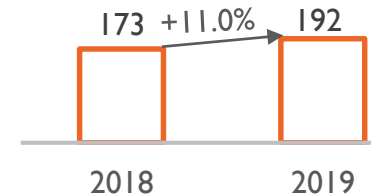
Number of electricity customers ('000s)



Total gas sold (Mm³)



Number of gas customers ('000s)



EBITDA and quantitative data

2019 financial highlights

Environment

KEY HIGHLIGHTS

- July 2019: acquisition of Demap (plastics treatment)
- October 2019: acquisition of Berg (liquid waste treatment)
- October 2019: Monterotondo Marittimo composting plant opened

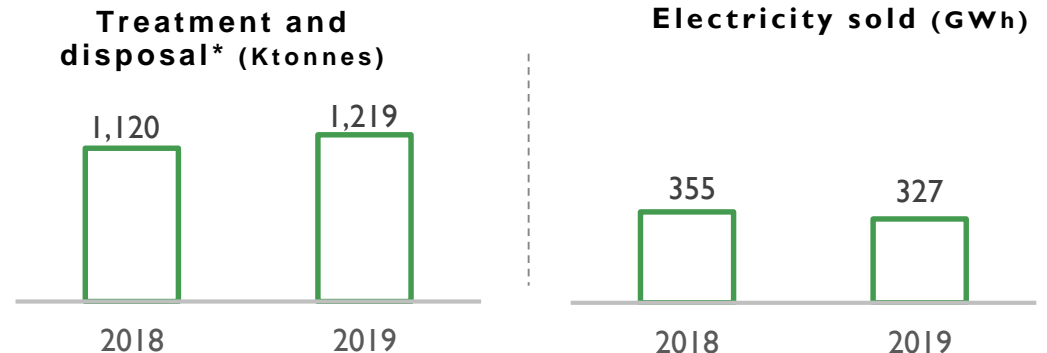
EBITDA

- Acquisitions of Demap and Berg (+€2.3m)
- End of CIP6 incentives from 1 August 2019 (-€16.7m)

EBITDA
main
drivers

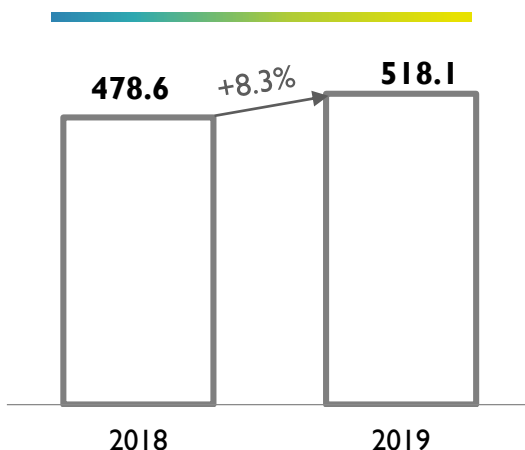


(€m)	2019 (a)	2018 (b)	% change (a/b)
EBITDA	52.0	65.6	-20.7%
Demap	1.8	-	n/s
Berg	0.5	-	n/s
Capex	51.9	20.0	+159.5%

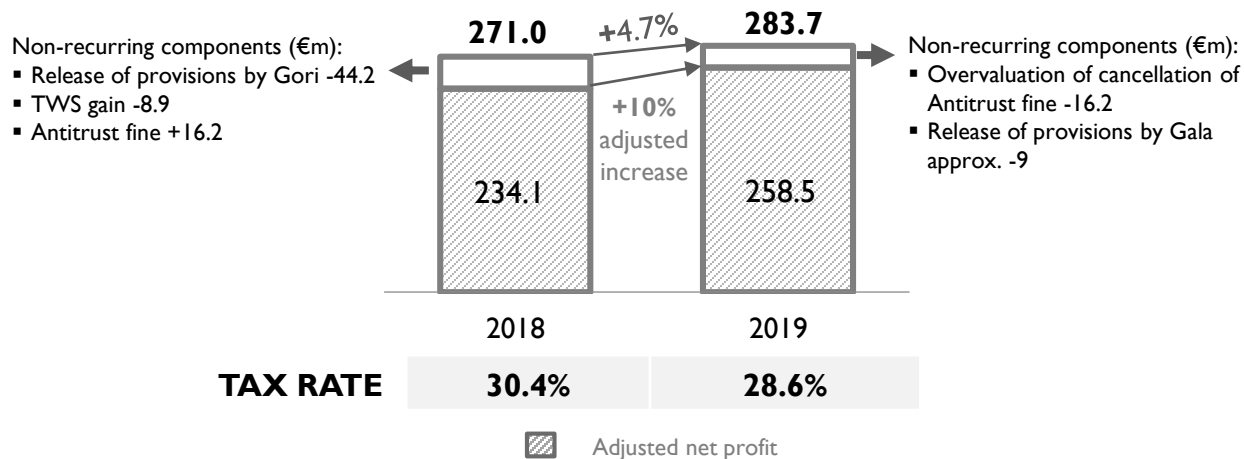


* Includes ash disposed of

EBIT (€m)



NET PROFIT (€m)



(€m)	2019	2018	% change
Depreciation	409.6	366.8	+11.7%
Write-downs	66.8	75.1	-11.1%
Provisions	47.8	12.8	n/s
Total	524.2	454.7	+15.3%

Consolidation of Gori and Acquedotto del Fiora
Increased capex
Impact of IFRS 16

Release in 2018 of provisions for risks by Gori (€44m)

DIVIDEND HISTORY

	2017	2018	2019
DPS (€)	0.63	0.71	0.78 [^]
Total dividend (€m)	134.2	151.2	166.1
Dividend yield*	4.7%	5.3%	4.7%
Payout**	74%	56%	59%

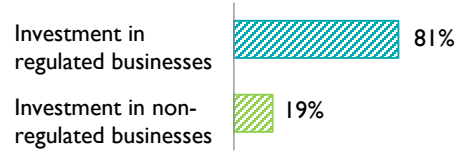
* Based on the average price for the year

** Based on consolidated net profit after non-controlling interests

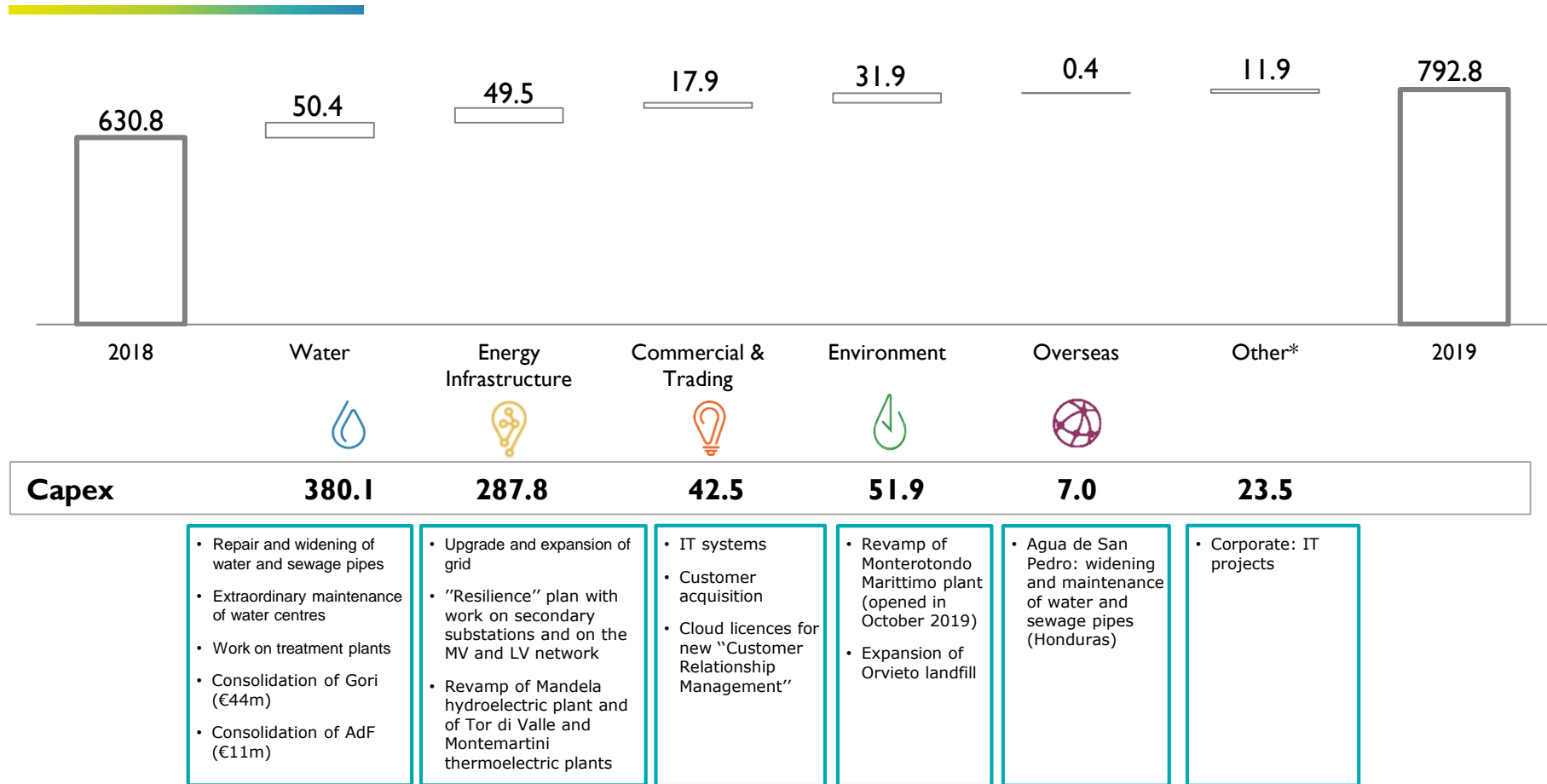
[^] The Board of Directors will propose the dividend for 2019 at the Annual General Meeting called for 28 and 29 April 2020, in first and second call, respectively

Capex

Strong capex growth across all areas of business, with focus on regulated activities



Capex (€m) +25.7%



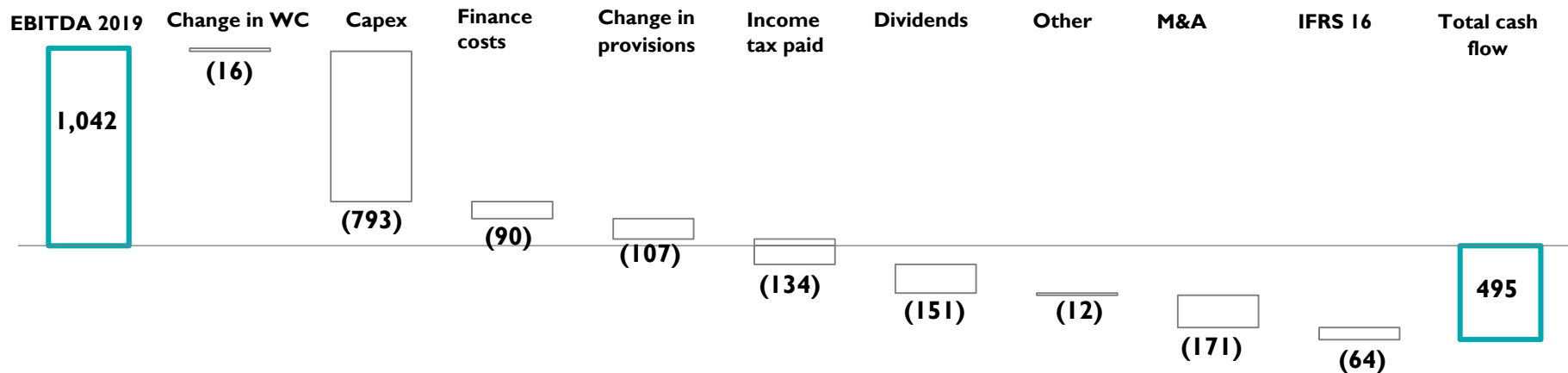
* Engineering & Services, Corporate

Cash flow

Continued improvement in working capital

	2019	2018
EBITDA	1,042	933
Change in working capital	(16)	(35)
Capex	(793)	(631)
FREE CASH FLOW	233	267
Net finance income/(costs)	(90)	(83)
Change in provisions	(107)	(108)
Income tax paid	(134)	(81)
Dividends	(151)	(134)
Other	(12)	(35)
M&A and consolidations	(171)	29
IFRS 16	(64)	-
TOTAL CASH FLOW	(495)	(146)

- ✓ Excellent performance of collections with regard to Acea Energia
- ✓ Working capital demands due to regulatory impact: €41m
- ✓ Excluding regulatory impact, working capital generated a cash inflow

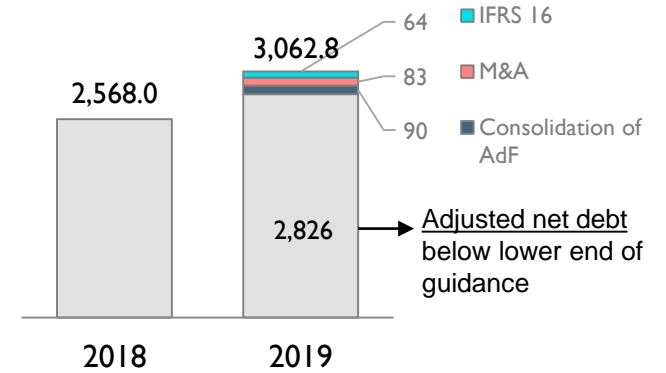


Net debt

Below lower end of guidance

(€m)	31 Dec 2019 (a)	30 Sept 2019 (b)	31 Dec 2018 (c)	Change (a-b)	Change (a-c)
Net debt	3,062.8	2,960.3	2,568.0	102.5	494.8
Medium/long-term	3,523.3	3,467.5	3,341.4	55.8	181.9
Short-term	(460.5)	(507.2)	(773.4)	46.7	312.9

Net debt



NET DEBT/ EBITDA 31 DECEMBER 2019	NET DEBT/ EBITDA 31 DECEMBER 2018
2.9x	2.8x

16 May 2019 - Issue of bonds worth €500m under EMTN. Bonds have a 9 year term and pay a fixed rate of 1.75%

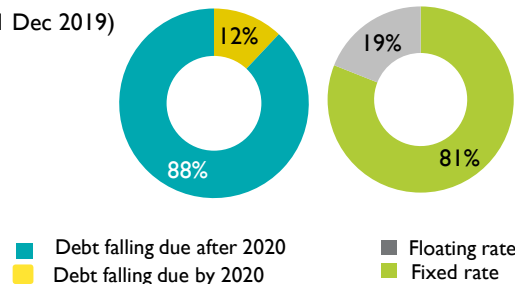
29 January 2020 - Issue of bonds worth €500m under EMTN. Bonds have a 9-year term and pay a fixed rate of 0.50%

July 2019 - Ceiling for EMTN programme raised to €4bn

Structure of debt

(maturity and interest rates at 31 Dec 2019)

- > Fixed rate 81%
- > Average cost 2.15%
- > Average term 5.3 years



Ratings

FitchRatings	BBB+
	Stable Outlook
MOODY'S	Baa2
	Stable Outlook



Acea Group

2019 Results

Rome, 9 March 2020

Q&A session



Disclaimer

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 MATERIALLY DIFFER FROM THOSE EXPRESSED THEREIN OR IMPLIED THEREBY 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 FRAMEWORK, 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. THIS PRESENTATION DOES NOT CONTAIN AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES ISSUED BY ACEA S.P.A. OR ANY OF ITS SUBSIDIARIES.

PURSUANT TO ART. 154-BIS, PAR. 2, OF THE LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, GIUSEPPE GOLA - CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.