H1 2020 FINANCIAL RESULTS

“Solid resilience”
Last 4 quarters milestones

**Q3 ‘19**
- M&A and Org. Growth
  - Waste Recycling integration in Hasi
  - 2° Green Bond issued
  - Pistoia Ambiente acquisition
  - Worldwide multiutility leader in diversity and inclusion (TR)

**Q4 ‘19**
- Ascopiave deal Closing
  - Ascopiave deal guaranteed +700K energy clients and positive one off results in ‘19

**Q1 ‘20**
- “+” in all P&L lines
  - EstEnergy integration
  - New business plan ‘23
  - 2.5% stake of Ascopiave
  - Warm winter climate
  - 1 month of “lock down”

**Q2 ‘20**
- 100% activity, tackling with “lock down”
  - AGM confirmed DPS 10c€
  - AGM confirms Governance
  - +2% stake of Ascopiave
  - 2 months of “lock down”

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Confirming all commitments and tackling with “lock down”
H1 results

Ebitda (M€)

+2.5%
1H ’19/’20

Ebit (M€)

+2.4%
1H ’19/’20

Net Profit (M€)

Confirmed
1H ’19/’20

Debt/Ebitda (x)
Rolling

524
546
560

274
289
296

158
166
166

2.74x
2.62x
2.35x

Solid resilience to Covid ‘19 “lock down”

* H1 2020 Net profit post minorities is affected by -11.3m€ of «non cash» financial expenses and -9.0m€ of tax-deductible goodwill amortisation related to EstEnergy merger.
^ On like for like basis, not including about 600m€ figurative debt related to put option of EstEnergy deal. From the beginning of year 2020, Debt/Ebitda changed from 3.02x to 2.81x (including Ascopiave deal)
Growth based on organic drivers and coming from all activities

Ebitda growth drivers ($M€$)

+14 $M€$ +2.5%

Negative drivers ($M€$)

All growth drivers at work
Growth despite all

+14 mln

EBITDA increase
COVID ’19 and CLIMATE impacts

Covid 19 effect (Ebitda impact M€)  
1Q: (9.5 m€)  
80% in Energy business

1H: (29.8 m€)  
58% in Energy business

Mild winter effect (Ebitda impact M€)  
1Q: (7.5 m€)  
100% in Energy business

1H: (7.5 m€)  
100% in Energy business

Covid ‘19 impacts mainly affected 2Q results
Networks

Spin off Gas distribution (Ascopiave deal) partially compensated

Ebitda growth (M€)
(7) M€

H1’19 | Negatives | Tariff review | Growth | M&A | H1’20
233.9 | (3.8) | (6.1) | +11.6 | (8.7) | 226.9

Lock down & Climate impact
- Mainly affecting new connections in gas distribution and District Heating

Tariff review
- Mainly related to Gas Distrib. (Opex) and water (Wacc)

Growth
- Efficiency gains and other positives

Spin off gas distribution
- (12.4) M€ following spin off of swapped assets in Ascopiave deal
### Waste

<table>
<thead>
<tr>
<th></th>
<th>H1’19</th>
<th>Covid ’19</th>
<th>Incentives</th>
<th>Org. Growth</th>
<th>M&amp;A</th>
<th>H1’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ebitda growth (M€)</td>
<td>126.3</td>
<td>(9.4)</td>
<td>(2.7)</td>
<td>+3.4</td>
<td>+4.8</td>
<td>122.4</td>
</tr>
</tbody>
</table>

#### Covid ‘19
- Impacts on special waste volumes and electricity prices

#### Incentives
- Expired in Ferrara WTE

#### Organic Growth
- “Special” waste prices trend and confirmed volumes 1H/1H **fully offset** 100k tons reduction short come in “urban” waste volumes

#### M&A
- Pistoia Ambiente plant (acquired in H2’19).

Benefitting from a wide asset platform in a short market

Ebitda growth (M€)  
(3.9) M€
Energy

Covid’19
- Negative impact was significantly reduced from the increase of Ancillary services (“MSD”).

Warm winter
- Impacted during winter season (1Q)

Organic growth
- Underpinned by Electricity customer base expansion (+55.7k in 1H ’20) and synergies

M&A
- Slight increase in Q2 due to low seasonality (80% gas supply clients).

Well on track on EstEnergy integration

Ebitda growth (M€)
+22.6 M€
Sound cash generation

2.35\text{x}

NET DEBT/EBITDA rolling
(without Ascopiave deal)
Good 6 month cash generation

Solid cash generation reduced to 2.35x 1H Debt/Ebitda*

* On like for like basis, not including ~600m€ figurative debt related to put option of EstEnergy deal.
Closing remarks

All the way down to the bottom in 1H P&L
Closing remarks

A solid set of results

Results on track

Deleveraging

Strong cash flows

1H 2020

In H2 EstEnergy will continue to underpin growth

Outperforming Estenergy

Phase 2 of Covid 19

Financial soundness

Q1 2020
Further details on H1 2020 are available in this section.
Annex: P&L

**Profit & Loss**

(M€)

<table>
<thead>
<tr>
<th></th>
<th>H1 '19</th>
<th>H1 '20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td>3,620.6</td>
<td>3,620.6</td>
<td>+0.1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>545.9</td>
<td>559.7</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Ebitda margin</td>
<td>15.1%</td>
<td>15.4%</td>
<td></td>
</tr>
<tr>
<td>Depreciation and provisions</td>
<td>(257.0)</td>
<td>(264.0)</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>288.9</td>
<td>295.7</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Financial costs</td>
<td>(40.6)</td>
<td>(37.9)</td>
<td></td>
</tr>
<tr>
<td>Figurative interests (IAS) &amp; Leasing</td>
<td>(10.8)</td>
<td>(22.0)</td>
<td></td>
</tr>
<tr>
<td>Income from Associates &amp; J.V.</td>
<td>6.5</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>PRETAX PROFIT</td>
<td>244.0</td>
<td>239.5</td>
<td>(1.8%)</td>
</tr>
<tr>
<td>Tax</td>
<td>(70.1)</td>
<td>(64.6)</td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>28.7%</td>
<td>27.0%</td>
<td></td>
</tr>
<tr>
<td>Special items</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Minorities</td>
<td>(7.7)</td>
<td>(8.7)</td>
<td></td>
</tr>
<tr>
<td>NET PROFIT POST MINORITIES</td>
<td>166.2</td>
<td>166.2</td>
<td>+0.0%</td>
</tr>
</tbody>
</table>
## Annex: Waste and Water

### Waste: Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>595.1</td>
<td>580.0</td>
<td>(15.1)</td>
</tr>
<tr>
<td>Ebitda</td>
<td>126.3</td>
<td>122.4</td>
<td>(3.9)</td>
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</table>

### Waste: KPIs

<table>
<thead>
<tr>
<th>Data</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban W. Volumes (Kton)</td>
<td>1,149.3</td>
<td>1,030.6</td>
<td>(118.8)</td>
</tr>
<tr>
<td>Special W. Volumes (Kton)</td>
<td>1,110.4</td>
<td>1,111.6</td>
<td>+1.3</td>
</tr>
<tr>
<td>Waste from third parties</td>
<td>2,259.7</td>
<td>2,142.2</td>
<td>(117.5)</td>
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</tbody>
</table>

### Water: Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>430.8</td>
<td>415.6</td>
<td>(15.3)</td>
</tr>
<tr>
<td>Ebitda</td>
<td>122.8</td>
<td>122.7</td>
<td>(0.1)</td>
</tr>
</tbody>
</table>

### Water: KPIs

<table>
<thead>
<tr>
<th>Data</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
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<tbody>
<tr>
<td>Aqueduct (mm3)</td>
<td>137.7</td>
<td>137.5</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Sewerage (mm3)</td>
<td>116.7</td>
<td>116.6</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Purification (mm3)</td>
<td>115.0</td>
<td>114.8</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>
### Annex: Gas and Electricity

#### Gas: Profit & Loss

<table>
<thead>
<tr>
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<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,502.0</td>
<td>1,634.6</td>
<td>+132.6</td>
</tr>
<tr>
<td>Ebitda</td>
<td>195.6</td>
<td>200.8</td>
<td>+5.2</td>
</tr>
</tbody>
</table>

#### Gas: KPIs

<table>
<thead>
<tr>
<th>Data</th>
<th>H1 2019</th>
<th>H1 2020</th>
<th>Ch.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes distrib. (mm3)</td>
<td>1,784.9</td>
<td>1,449.5</td>
<td>(335.5)</td>
</tr>
<tr>
<td>Volumes sold (mm3)</td>
<td>4,215.2</td>
<td>5,996.4</td>
<td>+1,781.2</td>
</tr>
<tr>
<td>of which trading (mm3)</td>
<td>2,833.2</td>
<td>4,253.8</td>
<td>+1,420.6</td>
</tr>
<tr>
<td>District Heating (GWht)</td>
<td>303.8</td>
<td>262.8</td>
<td>(41.1)</td>
</tr>
<tr>
<td>Final retail volumes (mm3)</td>
<td>1,382.0</td>
<td>1,742.6</td>
<td>+360.6</td>
</tr>
<tr>
<td>Clients ('000 unit)</td>
<td>1,469.9</td>
<td>2,028.4</td>
<td>+558.5</td>
</tr>
</tbody>
</table>

#### Electricity: Profit & Loss

<table>
<thead>
<tr>
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<th>H1 2020</th>
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</tr>
</thead>
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<tr>
<td>Revenues</td>
<td>1,208.4</td>
<td>1,097.3</td>
<td>(111.1)</td>
</tr>
<tr>
<td>Ebitda</td>
<td>86.3</td>
<td>97.0</td>
<td>+10.7</td>
</tr>
</tbody>
</table>

#### Electricity: KPIs

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<th>H1 2020</th>
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<tr>
<td>Volumes sold (GWh)</td>
<td>6,124.5</td>
<td>6,130.7</td>
<td>+6.2</td>
</tr>
<tr>
<td>of which Salvaguardia (GWh)</td>
<td>1,420.1</td>
<td>1,080.9</td>
<td>(339.1)</td>
</tr>
<tr>
<td>Volumes distrib. (GWh)</td>
<td>1,508.7</td>
<td>982.7</td>
<td>(526.1)</td>
</tr>
<tr>
<td>Clients ('000 unit)</td>
<td>1,148.1</td>
<td>1,308.5</td>
<td>+160.5</td>
</tr>
</tbody>
</table>