

# Q1 2020 FINANCIAL RESULTS

“  
Formula Hera  
”

**SCART** Progetto  
Artistico Gruppo Hera  
IL LATO BELLO E UTILE DEL RIFIUTO



# Main events underpinning Q1 2020

Jan.

- + EstEnergy integration
- + Business plan to '23
- + Top employer
- + Bloomberg Gender Equality index
- + M&A: 2.5% of Ascopiave
- Mild Winter

Feb.

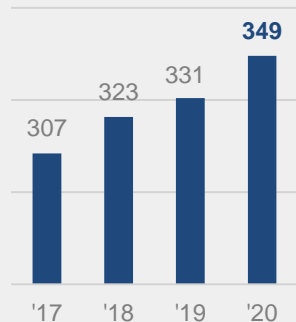
- + Prompt crisis mgmt.
- + 100% service delivery
- Mild Winter
- Covid '19 emergency

Mar.

- + '19 Annual results
- + 100% service delivery
- + Colder Winter
- Covid '19 lock down

- AGM “as usual”
  - DPS confirmed
  - Governance continuity
- 100% service delivery
- Covid '19 mgmt

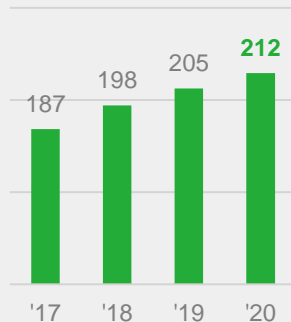
# Q1 results in a snapshot



Ebitda (M€)

**+5.6%**

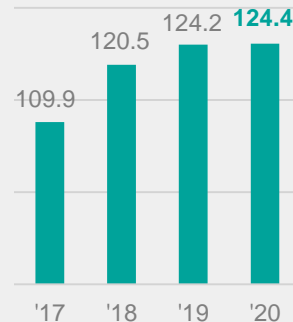
'20/'19



Ebit (M€)

**+3.3%**

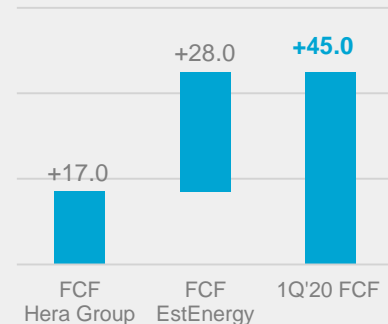
'20/'19



Net Profit (M€)

**+0.2%**

'20/'19



1Q Free C.F. (M€)

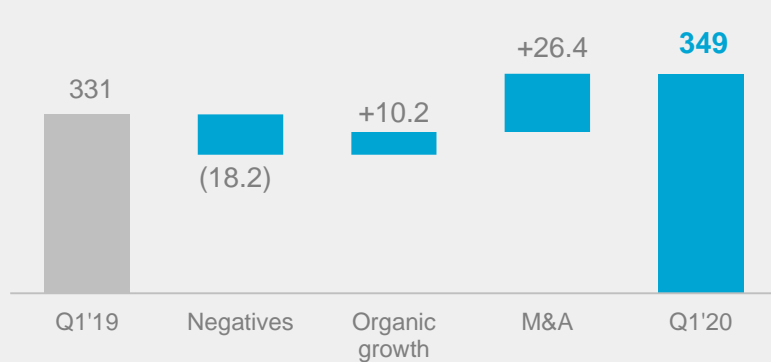
**2.44x\***

Debt/Ebitda

## Resilient growth

\*Debt/Ebitda exclude figurative debt emerging from Ascopiave deal: Debt/Ebitda, including Ascopiave deal, is 2.93x

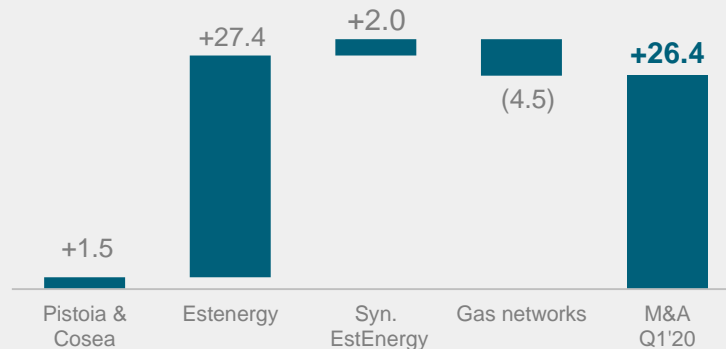
# Main variables impacts on Ebitda



Ebitda drivers (M€)

**+18.4 M€**

**+5.6%**



Focus on M&A (M€)

**Delivering  
value**

**Continuing to pursue organic growth & to benefit from M&A**

Positive growth  
despite all

**+18<sub>mln</sub>**  
EBITDA increase



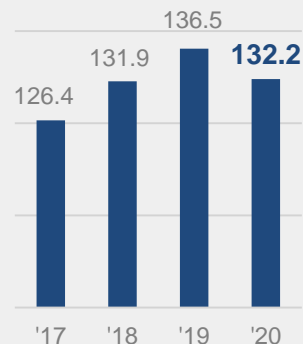
# Q1 results by business in a snapshot



■ Liberalized ■ Regulated

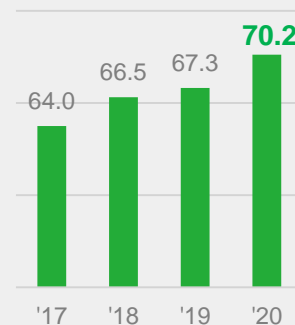
Business mix

**44%**  
regulated



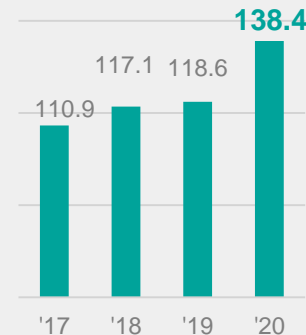
Networks (M€)

**(3.2%)**  
'20/'19



Waste (M€)

**+4.4%**  
'20/'19

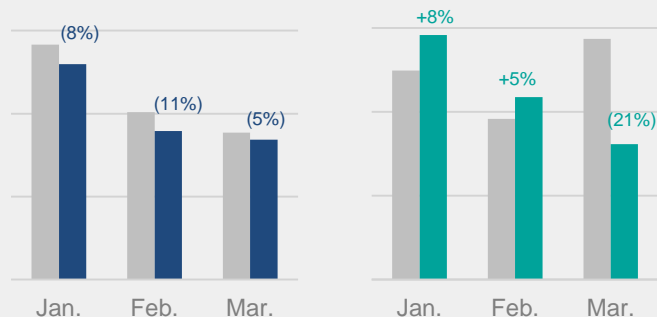


Energy (M€)

**+16.7%**  
'20/'19

**Visible impact from EstEnergy**

# COVID '19 and CLIMATE impacts



Gas volumes\*

**(8%)**  
'20/'19

Electricity volumes\*

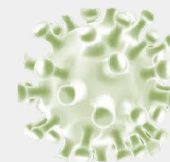
**(4%)**  
'20/'19



**(7.5m€)**

100% in Energy business

Mild winter effect  
(Ebitda impact M€)



**(9.5m€)**

80% in Energy business

Covid 19 effect  
(Ebitda impact M€)

## Effects mainly related to Energy supply business

# Networks



Ebitda growth  
(M€)

## Covid '19 & Mild winter

- Affecting mainly District Heating

## Tariff review

- Affecting mainly Gas distribution

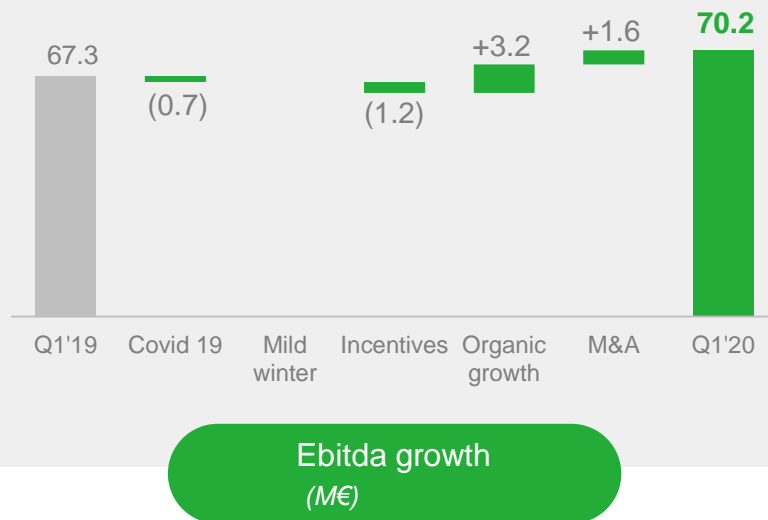
## M&A

- Spin-off networks PD and UD for Ascopiave Deal

**All main Networks confirmed resilient to Covid '19**



# Waste



## New plants

- Bio-methane plant contributed to org. growth

## Volumes

- Household waste: stable (but weak in March)
- Special waste: benefitting from M&A

## Market trends

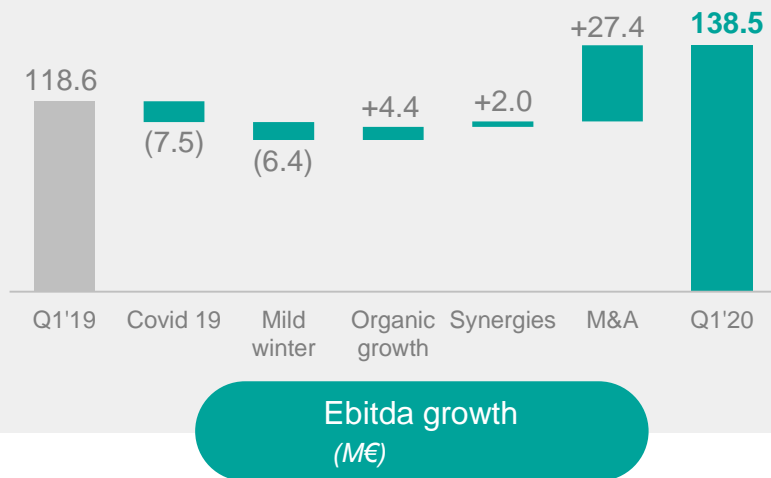
- Positive price and volume trend confirmed

## M&A

- Pistoia landfill and Cosea Ambiente

**Benefitting from new plant capacity**

# Energy supply



## Covid '19

- 55% impact of Electricity sales, 45% on Gas/Heat. Mgmt supply

## Mild Winter

- Recovery only in March

## Organic Growth

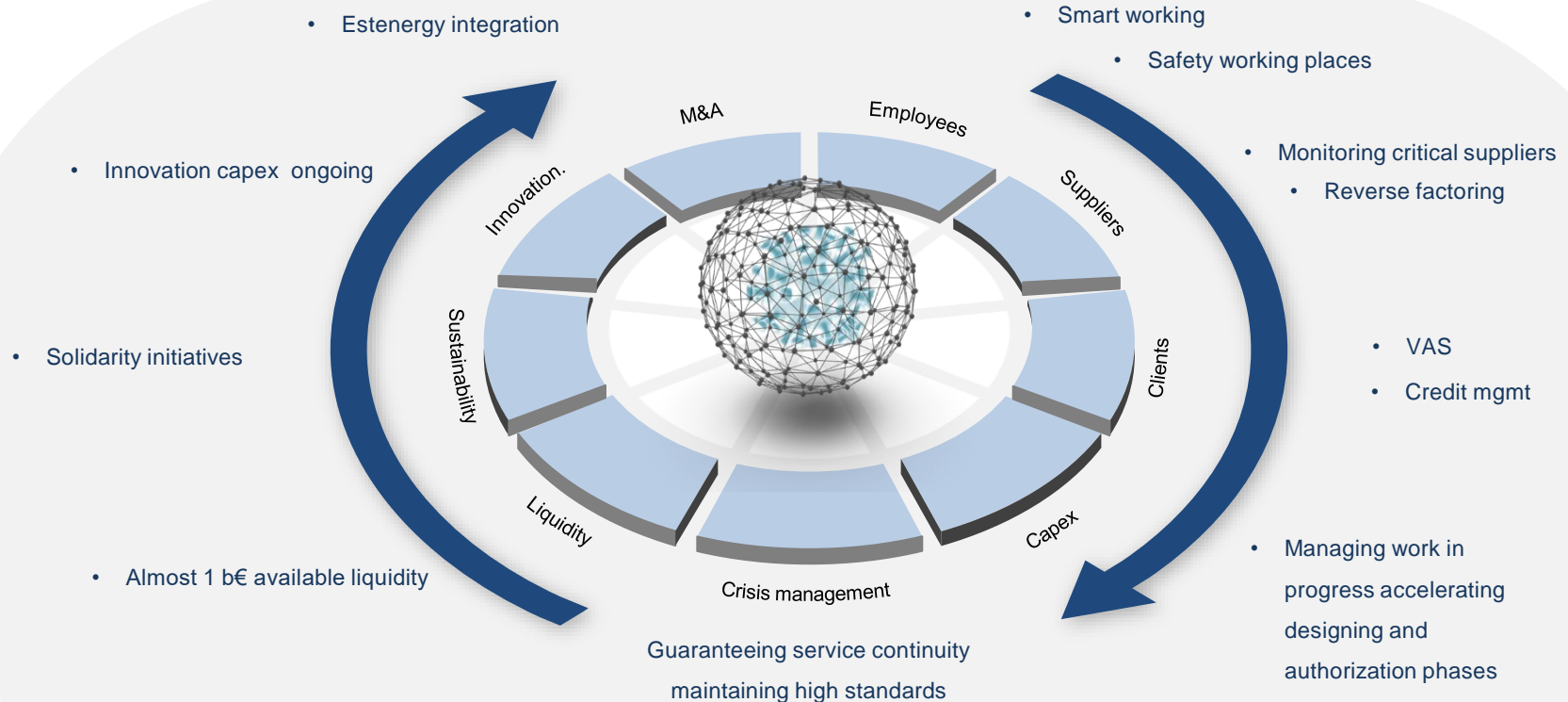
- Power generation benefitted from ancillary services
- +86k customers vs 1Q '19

## M&A

- EstEnergy, consolidated from 1<sup>st</sup> Jan., highlights synergies.

## Extracting value from EstEnergy

# Facing Covid-19 effects leveraging on a multi-stakeholders approach



**Proactively contrasting Covid '19 at 360°**

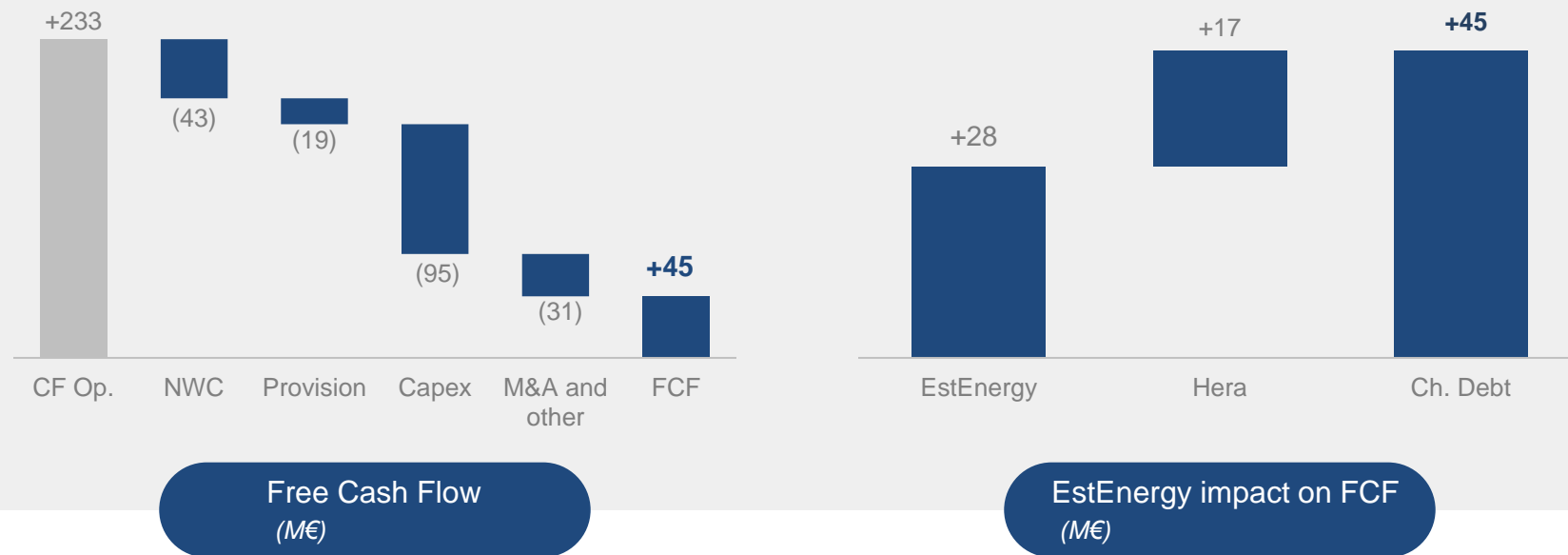
# Sound cash generation

## 2.44x

NET DEBT/EBITDA rolling  
(without Ascopiave deal)



# Cash flows: Solid free cash flows from EstEnergy

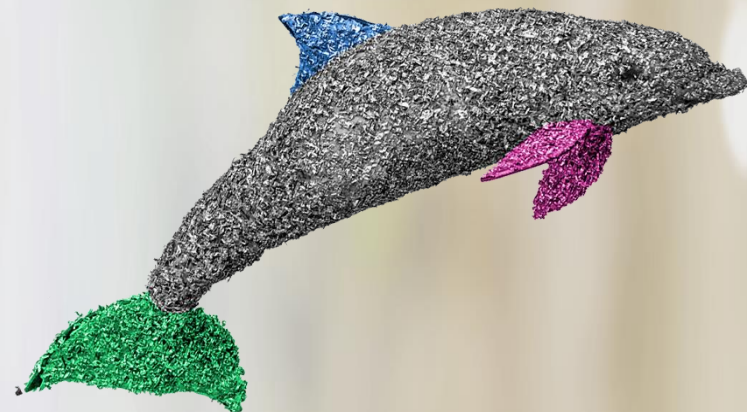


**Further strengthening financial leverage down to 2.44x\***

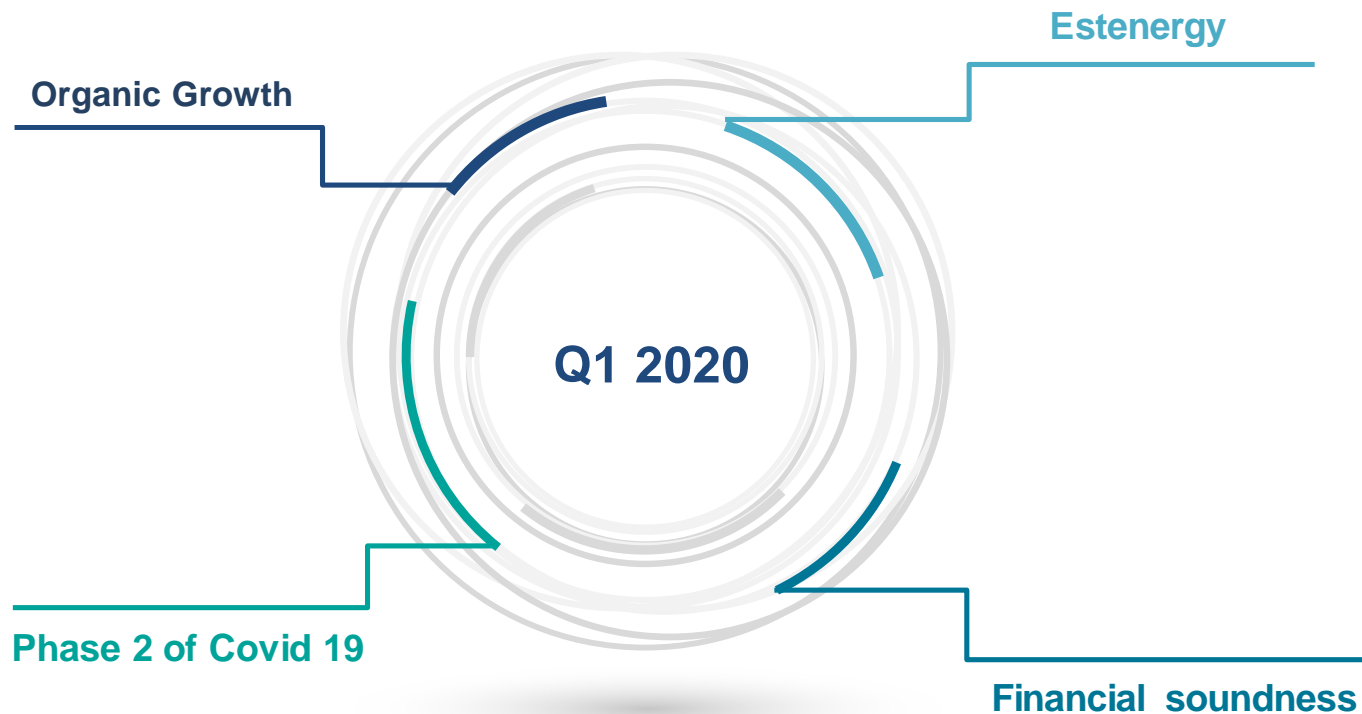
# Closing remarks

10c€

DPS approved by AGM  
that confirmed also  
Executives for further  
3 years mandate



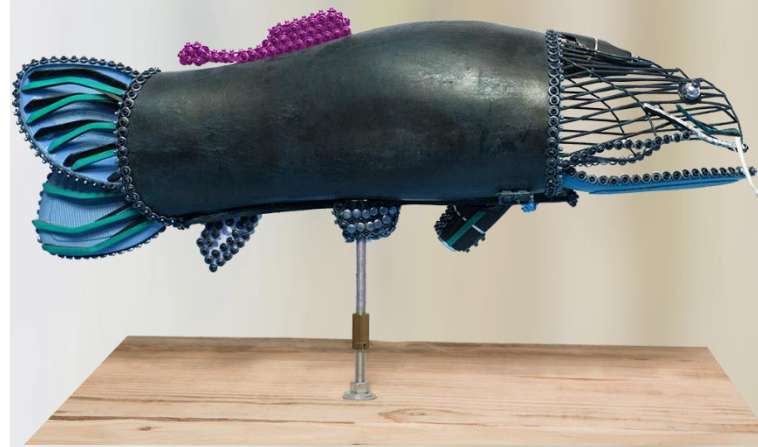
## Closing remarks



**A strong platform to face the further evolutions of Covid '19**

# Q&A and Appendix

Further details on  
Q1 2020  
are available in  
this section





# Annex: P&L

## Profit & Loss

(M€)

	Q1 '19	Q1 '20	
<b>REVENUES</b>	<b>2,061.4</b>	<b>2,164.8</b>	
<b>EBITDA</b>	<b>330.8</b>	<b>349.2</b>	<b>+5.6%</b>
<i>Ebitda margin</i>	<i>16.0%</i>	<i>16.1%</i>	
Depreciation and provisions	(125.8)	(137.5)	
<b>EBIT</b>	<b>205.0</b>	<b>211.7</b>	<b>+3.3%</b>
Financial costs	(21.8)	(21.4)	
Figurative interests (IAS)	(5.0)	(10.3)	
Income from Associates & J.V.	5.7	3.0	
<b>PRETAX PROFIT</b>	<b>183.9</b>	<b>183.0</b>	
Tax	(54.2)	(52.7)	
<i>Tax rate</i>	<i>29.5%</i>	<i>28.8%</i>	
Minorities	(5.5)	(5.9)	
<b>NET PROFIT POST MINORITIES</b>	<b>124.2</b>	<b>124.4</b>	<b>+0.2%</b>

# Annex: Waste and Water

## Waste: Profit & Loss

(m€)	Q1 2019	Q1 2020	Ch.
Revenues	284.7	294.0	+9.3
<b>Ebitda</b>	<b>67.3</b>	<b>70.2</b>	<b>+2.9</b>

## Waste: KPIs

Data	Q1 2019	Q1 2020	Ch.
Urban W. Volumes (Kton)	521.6	513.4	(8.1)
Special W. Volumes (Kton)	488.6	579.2	+90.6
<b>Waste from third parties</b>	<b>1,010.2</b>	<b>1,092.7</b>	<b>+82.5</b>

## Water: Profit & Loss

(m€)	Q1 2019	Q1 2020	Ch.
Revenues	203.9	199.2	(4.8)
<b>Ebitda</b>	<b>58.9</b>	<b>57.2</b>	<b>(1.7)</b>

## Water: KPIs

Data	Q1 2019	Q1 2020	Ch.
<b>Aqueduct (mm3)</b>	<b>66.3</b>	<b>66.0</b>	<b>(0.3)</b>
Sewerage (mm3)	55.8	56.4	+0.6
Purification (mm3)	54.9	55.5	+0.7

# Annex: Gas and Electricity

## Gas: Profit & Loss

(m€)	Q1 2019	Q1 2020	Ch.
Revenues	981.3	1,117.7	+136.5
<b>Ebitda</b>	<b>151.0</b>	<b>160.9</b>	<b>+9.9</b>

## Gas: KPIs

Data	Q1 2019	Q1 2020	Ch.
Volumes distrib. (mm3)	1,327.5	1,127.3	(200.2)
Volumes sold (mm3)	2,537.1	3,580.3	+1,043.2
<i>of which trading (mm3)</i>	<i>1,467.0</i>	<i>2,231.3</i>	<i>+764.3</i>
District Heating (GWht)	237.1	217.9	(19.2)
Final retail volumes (mm3)	1,070.1	1,349.0	+278.9
Clients ('000 unit)	1,467.0	2,038.9	+571.9

## Electricity: Profit & Loss

(m€)	Q1 2019	Q1 2020	Ch.
Revenues	653.9	616.2	(37.6)
<b>Ebitda</b>	<b>45.2</b>	<b>52.5</b>	<b>+7.3</b>

## Electricity: KPIs

Data	Q1 2019	Q1 2020	Ch.
Volumes sold (GWh)	3,254.2	3,295.6	+41.3
<i>of which Salvaguardia (GWh)</i>	<i>917.5</i>	<i>565.6</i>	<i>(351.9)</i>
Volumes distrib. (GWh)	791.3	744.8	(46.5)
Clients ('000 unit)	1,110.9	1,303.7	+192.9