



**Y2017 financial results**

## Y '17: a milestone in Group's history

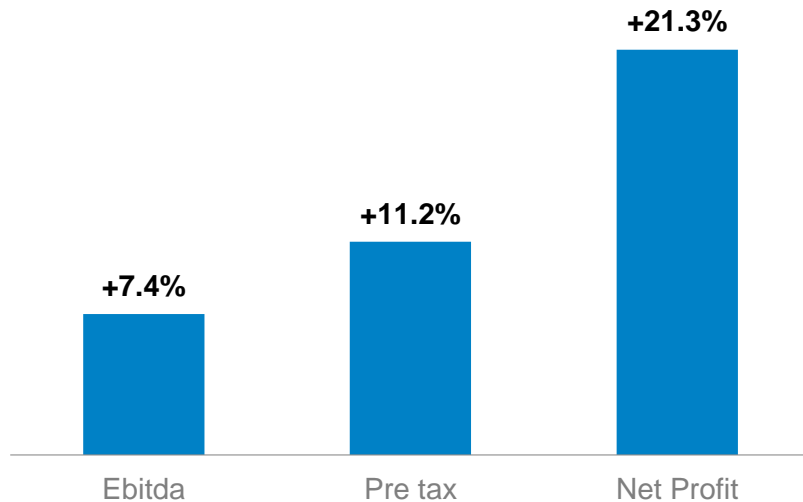


**From local to top national ranking**

# '17 results: outperforming

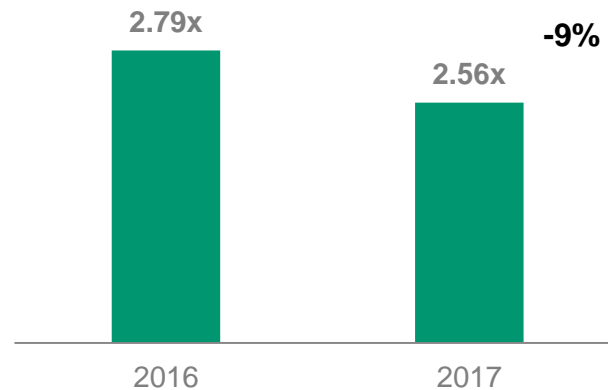
## Financial highlights

(% change)



## Debt / Ebitda

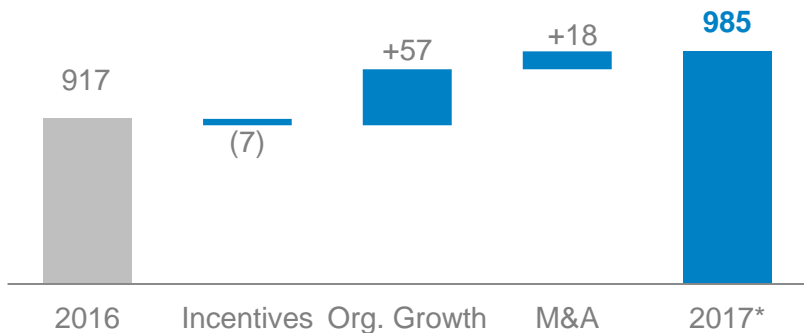
(x)



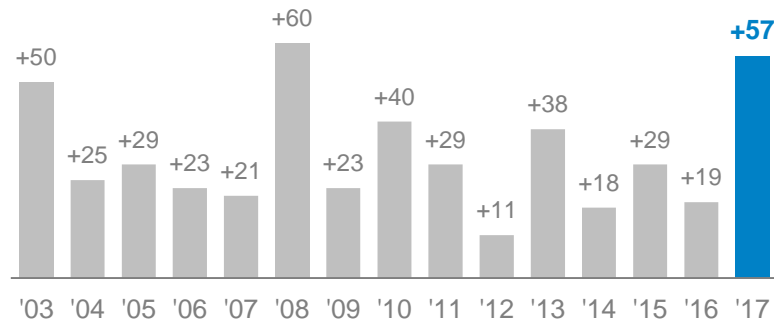
**Growth underpinned by all businesses**

# '17 Ebitda: multi-growth strategy confirmed

**Ebitda**  
(M€)



**Ebitda “Organic Growth” track record**  
(M€)



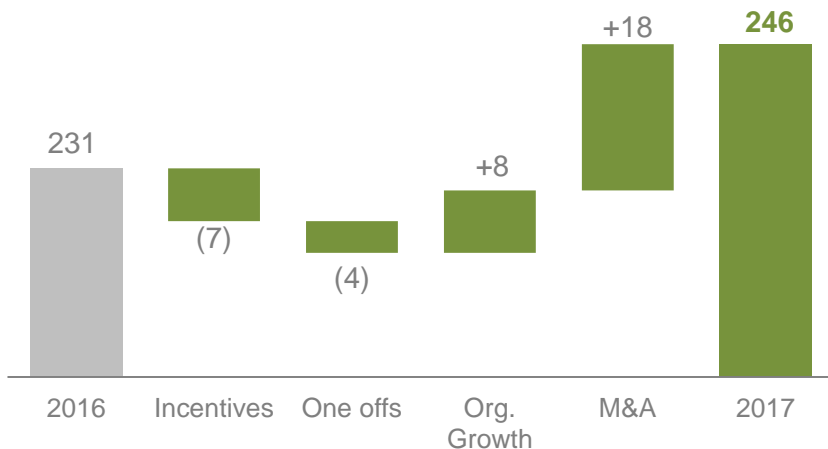
## Robust growth

\* Applying IFRS 15

# WASTE: growing demand, higher results

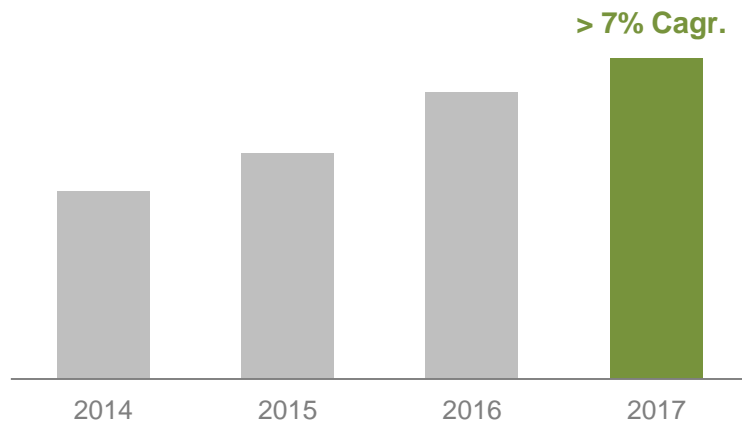
## Ebitda growth drivers

(M€)



## Special waste price trend

(%, dry waste)

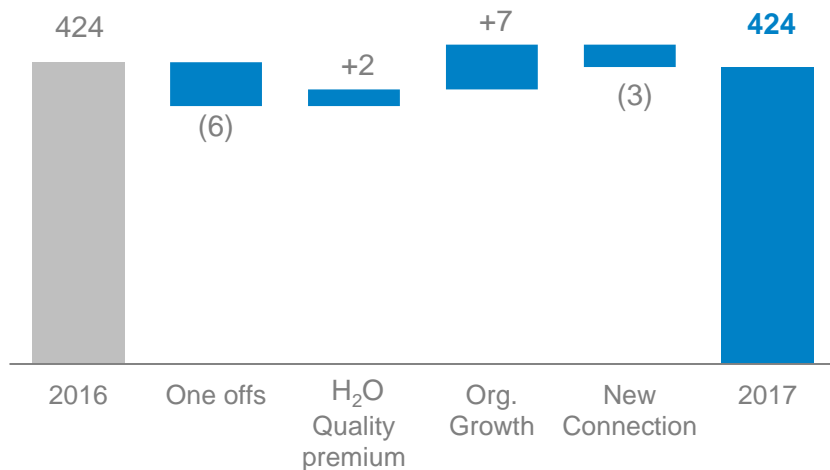


## Bio-methane plant on stream in Q4 18

# NETWORKS: quality pays

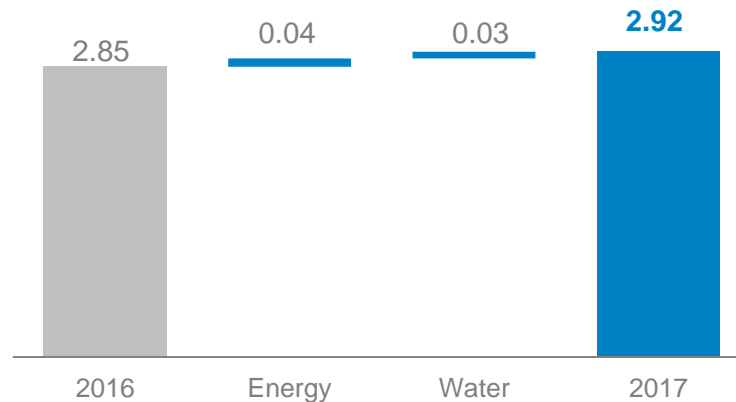
## Ebitda growth drivers

(M€)



## RAB breakdown

(B€)



**Resilient in the period**

# ENERGY: lighting up growth

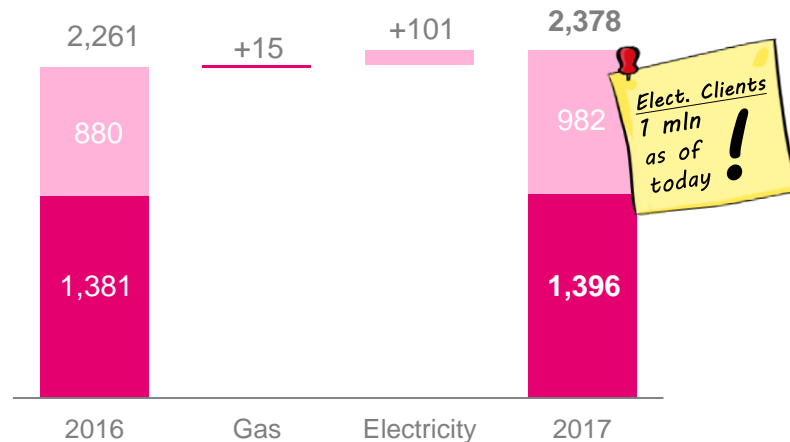
## Ebitda growth drivers

(M€)



## Customer base growth

(K unit)



## Safeguarded clients underpin results

# First sustainability report in CSV “format”

## Smart use of energy



## Sustainable use of resources



## Innovation & G...local development



*Circular economy*

94.6% Waste recovered



68% packaging recycled

*Water resources*

10.3 cm/km/day Water leakage

*Green house Gas emission*

-16% carbon footprint

*Renewable energy*

68% energy produced

*Energy efficiency*

-3.6% Energy consumption

*Employment competence*

238k training hours

*Economic develop. & social inclusion*

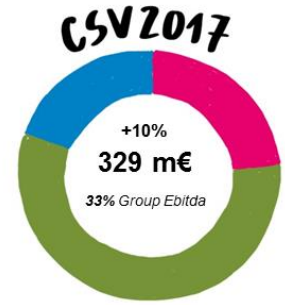
Internship of 140 students from local high schools

*Protect air & soil*

Emissions at 14% of law limit

*Innovation*

13 projects underway

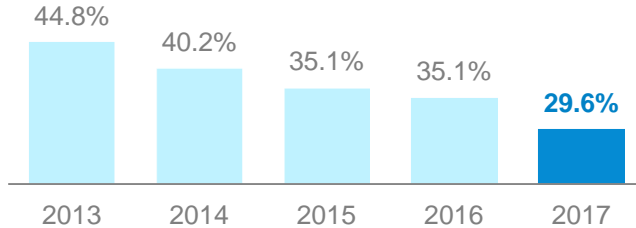


**33% of Group Ebitda aligned to CSV**

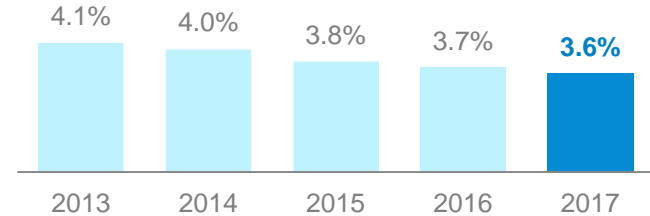


# Growth even below Ebitda

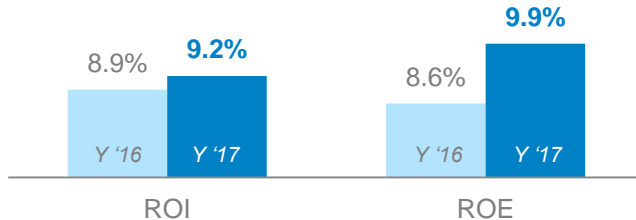
**Tax rate**  
(%)



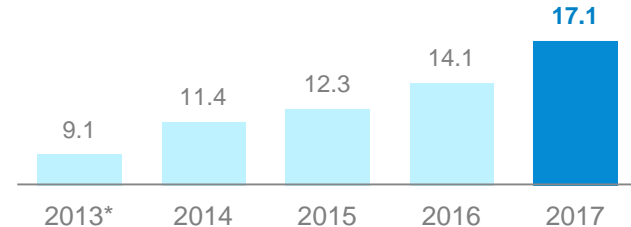
**Cost of Debt**  
(%)



**ROI & ROE**  
(%)



**EPS**  
(c€)



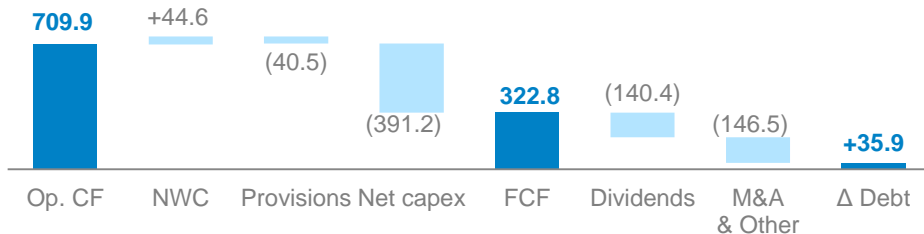
**Continuing to pursue all optimization potentials**

\*Adjusted and fully diluted

# Cash flow: un-interrupted improvements

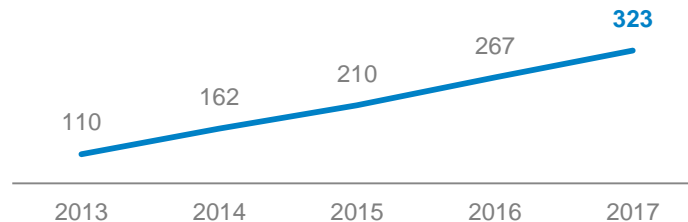
## 2017 Cash Flow

(M€)



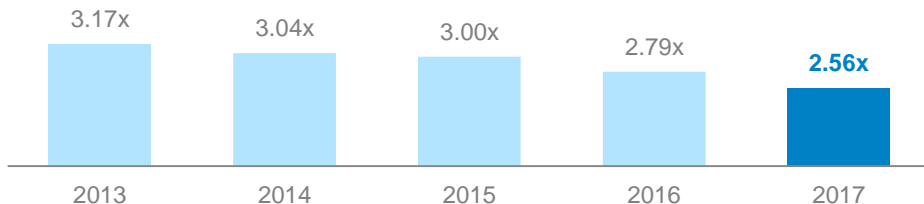
## 5 year FCF: +31% Cagr

(M€)



## 5 year Debt/Ebitda

(x)



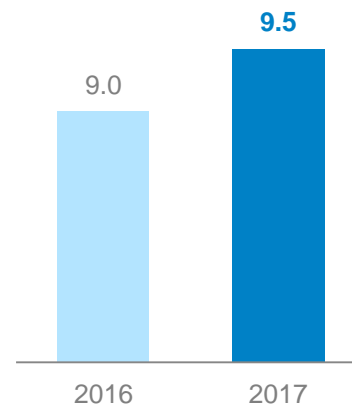
- NWC benefits from enhanced macro scenario and more effective collection procedures (>12 month old receivables of energy retail below 1%)
- Duration above 7 years
- Interest rates: 86% fixed, 14% variable

**S&P's changed outlook to Positive**

# Closing remarks

- 2017 results strengthened Group's financial flexibility to address further investment opportunities not included in the Business plan to 2021.
- Robust Ebitda growth benefit also from positive market trends underpinned by a better macro environment.
- DPS proposed at 9.5 euro cents (+5.6%) in line with commitments of our Business plan.

DPS (proposal)  
(c€)



**Fit to keep on surfing through opportunities**

# Q&A session



**Annex Y2017**

**Investor relations team:**  
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Tel.+39 051 287737

# Annex: P&L

## Profit & Loss

(M€)

	Y '16 <sup>^</sup>	Y '17	
<b>REVENUES</b>	<b>5,561.4</b>	<b>6,136.8</b>	<b>+10.3%</b>
<b>EBITDA</b>	<b>916.6</b>	<b>984.6</b>	<b>+7.4%</b>
<i>Ebitda margin</i>	<i>16.5%</i>	<i>16.0%</i>	
Depreciation and provisions	(459.6)	(505.3)	
<b>EBIT</b>	<b>457.1</b>	<b>479.3</b>	<b>+4.9%</b>
Financial costs	(114.8)	(98.0)	
Figurative interests (IAS)	(16.4)	(18.2)	
Income from Associates & J.V.	13.8	14.7	
<b>PRETAX PROFIT</b>	<b>339.7</b>	<b>377.8</b>	<b>+11.2%</b>
Tax	(119.3)	(111.8)	
<i>Tax rate</i>	<i>35.1%</i>	<i>29.6%</i>	
Special items*	0.0	0.8	
Minorities	(13.1)	(15.3)	
<b>NET PROFIT POST MINORITIES</b>	<b>207.3</b>	<b>251.5</b>	<b>+21.3%</b>

<sup>^</sup> Revenues restated including 698 m€ revenues related to «oneri di sistema»

\* Special items are the sum of positive effects generated by the release of goodwill through a substitute tax payment and negative effects related to goodwill write-offs

# Annex: Waste



## Leveraging on market expansion and M&A

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Revenues	235.4	240.2	+4.8	256.0	306.2	+90.8	236.2	257.4	+21.1	239.7	280.1	+40.4	967.3	1,083.8	+116.6
Ebitda	62.4	64.0	+1.5	54.0	57.3	+2.4	55.8	60.1	+4.3	58.5	64.6	+6.1	230.7	246.0	+15.3
Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Urban W. Volumes (Kton)	471.0	471.7	+0.7	536.6	541.7	+5.1	525.8	508.8	(16.9)	514.3	518.4	+4.1	2,048	2,040.7	(7.1)
Special W. Volumes (Kton)	581.0	627.0	+46.0	597.1	627.4	+30.3	569.5	661.0	+91.5	593.0	611.0	+18.0	2,341	2,526.4	+185.8
<b>Waste from third parties</b>	<b>1,052.0</b>	<b>1,098.7</b>	<b>+46.7</b>	<b>1,133.8</b>	<b>1,169.2</b>	<b>+35.4</b>	<b>1,095.2</b>	<b>1,169.8</b>	<b>+74.6</b>	<b>1,107.3</b>	<b>1,129.4</b>	<b>+22.1</b>	<b>4,388</b>	<b>4,567.1</b>	<b>+178.7</b>
Internal W. Volumes (Kton)	625.7	588.3	(37.4)	650.6	714.7	+64.0	593.6	328.0	(265.6)	609.4	603.6	(5.9)	2,479	2,234.5	(244.8)
<b>Total Volumes Treated</b>	<b>1,677.7</b>	<b>1,687.0</b>	<b>+9.3</b>	<b>1,784.4</b>	<b>1,883.8</b>	<b>+99.4</b>	<b>1,688.8</b>	<b>1,497.8</b>	<b>(191.0)</b>	<b>1,716.8</b>	<b>1,733.0</b>	<b>+16.2</b>	<b>6,868</b>	<b>6,801.6</b>	<b>(66.0)</b>

# Annex: Water



## Solid results in Water

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Revenues	179.4	201.8	+22.5	194.7	205.0	+10.2	220.3	219.9	(0.4)	213.4	233.2	+19.8	807.7	859.9	+52.2
<b>Ebitda</b>	<b>49.8</b>	<b>53.3</b>	<b>+3.4</b>	<b>56.8</b>	<b>58.1</b>	<b>+1.0</b>	<b>67.1</b>	<b>66.9</b>	<b>(0.1)</b>	<b>55.1</b>	<b>51.6</b>	<b>(3.5)</b>	<b>228.8</b>	<b>229.9</b>	<b>+1.1</b>

Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
<b>Aqueduct (mm3)</b>	<b>69.8</b>	<b>71.1</b>	<b>+1.3</b>	<b>73.2</b>	<b>75.6</b>	<b>+2.4</b>	<b>85.1</b>	<b>86.6</b>	<b>+1.5</b>	<b>71.9</b>	<b>69.6</b>	<b>(2.3)</b>	<b>300.0</b>	<b>302.8</b>	<b>+2.9</b>
Sewerage (mm3)	57.3	54.8	(2.5)	60.8	67.0	+6.2	70.5	72.1	+1.6	59.3	57.6	(1.7)	247.9	251.5	+3.6
Purification (mm3)	56.8	54.6	(2.2)	60.3	66.1	+5.8	69.9	71.5	+1.5	60.2	57.3	(2.9)	247.2	249.5	+2.3

# Annex: Gas



## Resilient results in Gas

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Revenues	561.0	650.4	+89.4	273.7	287.5	+28.1	231.4	346.8	+115.4	589.2	695.5	+106.3	1,655.3	1,980.3	+324.9
<b>Ebitda</b>	<b>130.3</b>	<b>135.6</b>	<b>+5.4</b>	<b>35.0</b>	<b>36.2</b>	<b>+1.2</b>	<b>21.3</b>	<b>29.6</b>	<b>+8.3</b>	<b>114.0</b>	<b>100.3</b>	<b>(13.7)</b>	<b>300.6</b>	<b>301.7</b>	<b>+1.2</b>

Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Volumes distrib. (mm3)	1,313.3	1,367.1	+53.8	361.6	368.2	+6.5	243.5	249.7	+6.2	1,047.5	1,032.7	+84.4	2,965.9	3,017.7	+435.6
Volumes sold (mm3)	1,261.2	1,596.2	+335.0	701.8	661.6	(40.2)	563.4	995.3	+431.9	1,387.4	1,963.6	+576.2	3,913.8	5,216.6	+1,302.9
<i>of which trading (mm3)</i>	<i>324.0</i>	<i>585.8</i>	<i>+261.8</i>	<i>416.2</i>	<i>383.1</i>	<i>(33.1)</i>	<i>361.2</i>	<i>780.4</i>	<i>+419.2</i>	<i>612.9</i>	<i>1,216.4</i>	<i>+603.4</i>	<i>1,714.3</i>	<i>2,965.7</i>	<i>+1,251.3</i>
District Heating (GWht)	238.9	243.9	+5.0	44.6	47.7	+3.2	26.3	29.9	+3.6	187.2	184.5	(2.8)	497.0	506.0	+9.0
Final retail volumes (mm3)	937.2	1,010.4	+73.2	285.6	278.5	(7.1)	202.2	214.9	+12.7	774.4	747.2	(27.2)	2,199.4	2,251.0	+51.6
Clients ('000 unit)	1,327.1	1,383.2	+56.1	1,339.2	1,386.0	+46.8	1,338.4	1,390.9	+52.5	1,381.4	1,396.3	+14.9	1,381.4	1,396.3	+14.9



# Annex: Electricity



*Safeguarded clients underpinned margins*

(m€)	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Revenues	359.8	634.1	+274.4	647.0	513.4	+186.8	545.5	627.6	+82.0	(28.8)	605.0	+633.9	1,523.5	2,380.2	+856.7
<b>Ebitda</b>	<b>31.6</b>	<b>48.4</b>	<b>+16.8</b>	<b>41.5</b>	<b>43.1</b>	<b>+22.8</b>	<b>31.2</b>	<b>55.8</b>	<b>+24.7</b>	<b>31.0</b>	<b>37.1</b>	<b>+6.0</b>	<b>135.3</b>	<b>184.5</b>	<b>+49.2</b>
Data	Q1 2016	Q1 2017	Ch.	Q2 2016	Q2 2017	Ch.	Q3 2016	Q3 2017	Ch.	Q4 2016	Q4 2017	Ch.	Y 2016	Y 2017	Ch.
Volumes sold (GWh)	2,524.2	2,478.9	(45.3)	1,142.6	1,333.9	+191.3	3,402.2	3,927.8	+525.6	2,344.1	2,776.7	+432.7	9,577.8	10,517.3	+939.5
<i>of which Salvaguardia (GWh)</i>	656.5	507.1	(149.4)	520.3	486.0	(34.3)	520.5	745.6	+225.1	470.5	676.6	+206.1	2,167.8	2,415.3	+247.5
Volumes distrib. (GWh)	747.6	751.2	+3.6	699.4	716.5	+17.1	850.8	802.2	(48.5)	778.1	776.0	(2.1)	2,994.0	3,046.0	+52.0
Clients ('000 unit)	862.6	911.3	+48.6	855.6	930.8	+75.2	863.8	964.1	+100.3	880.2	981.6	+101.3	880.2	981.6	+101.3