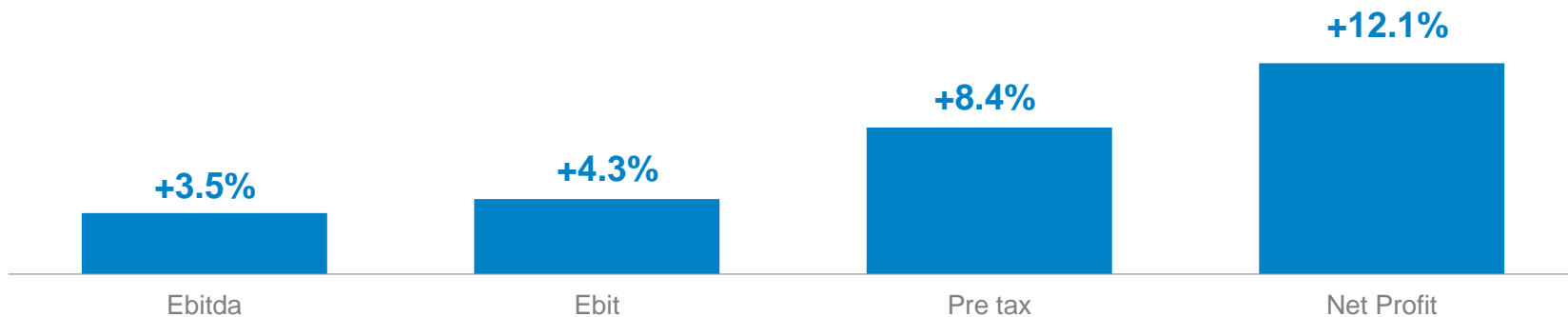




H1 2018 financial results

Highlights on H1 2018 results

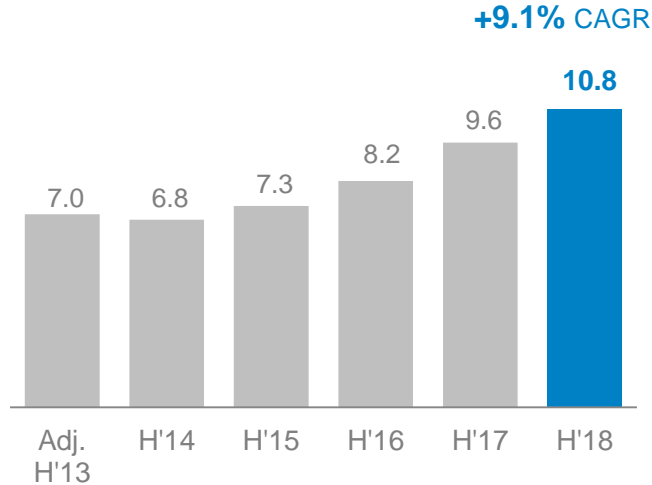
H1 main growth rates
(M€)



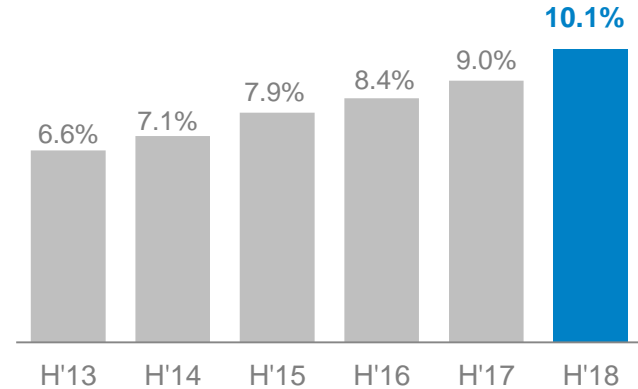
H1 healthy results speed up net profit growth

Resilient growth track record in a turbulent environment

H1 EPS growth of last 5 years
(€c)



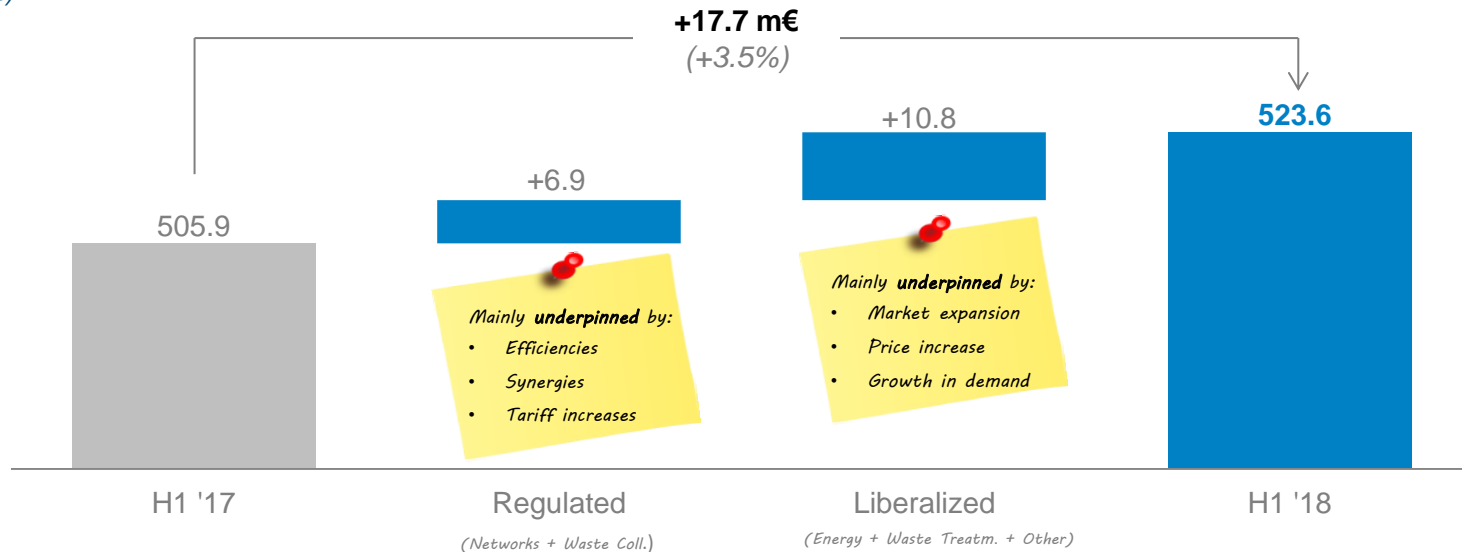
H1 ROE growth of last 5 years
(%)



Higher returns and solid financial structure

H1 2018 EBITDA

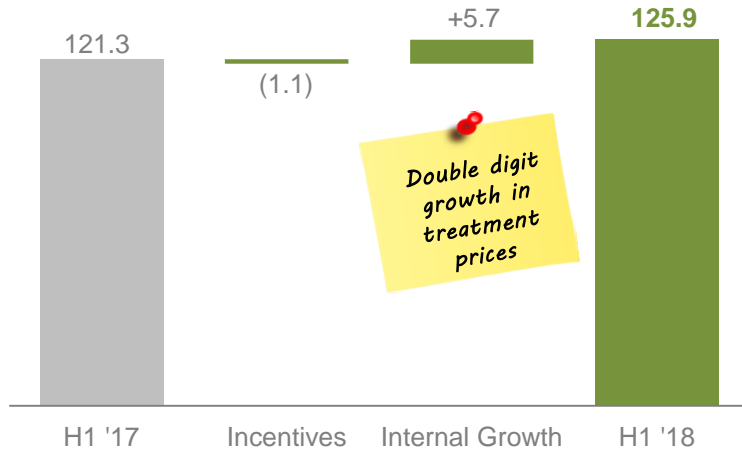
Ebitda growth
(M€)



Growth underpinned by all activities

WASTE: prosecuting growth

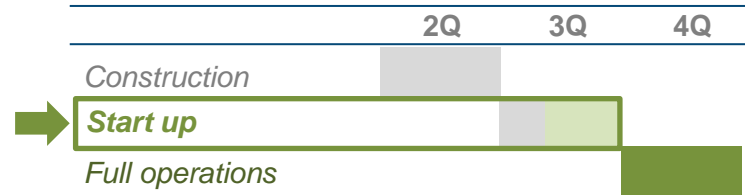
Ebitda growth drivers
(M€)



Waste volumes from third parties
(kton)



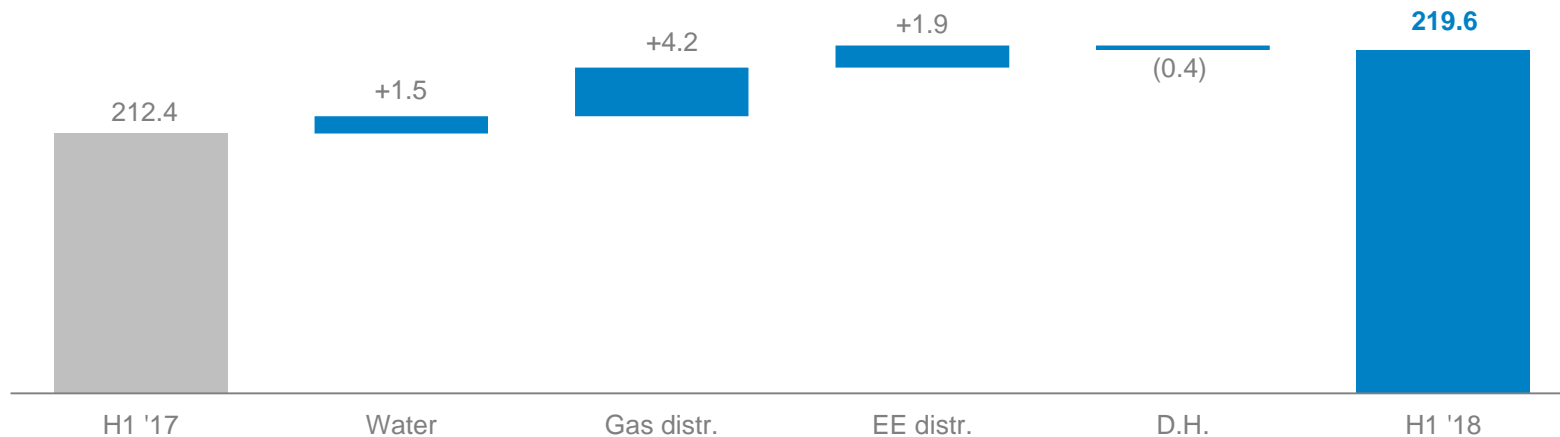
Bio-methane plant construction on schedule



Attractive incentives for Bio-methane

NETWORKS: tariffs and cost savings progressing

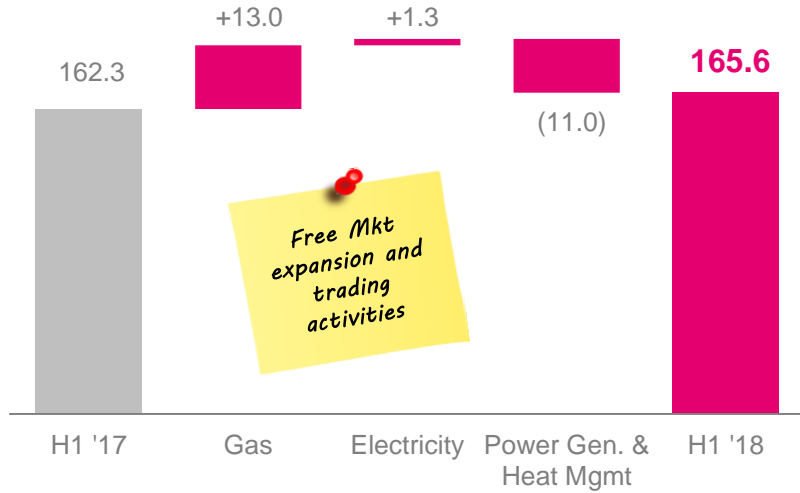
Ebitda breakdown by business
(M€)



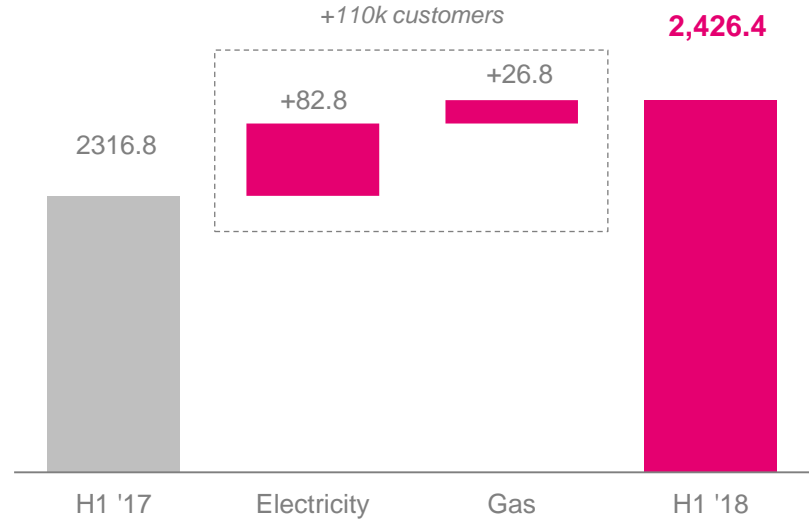
Continuous efficiency improvement

ENERGY: enhancing “the” intangible asset

Ebitda growth by activities
(M€)



Customer base growth
(‘000)

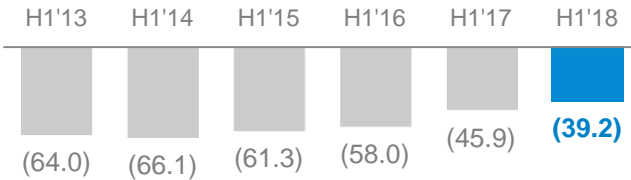


Sales and trading main growth driver

Enhanced both financial and tax profile

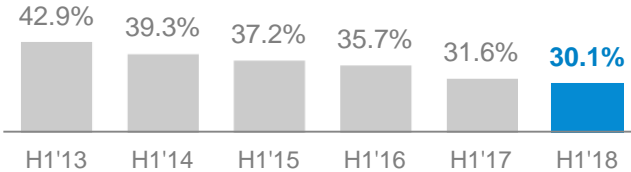
H1 Financial Inc./(Expenses)

(M€)



H1 Tax rate

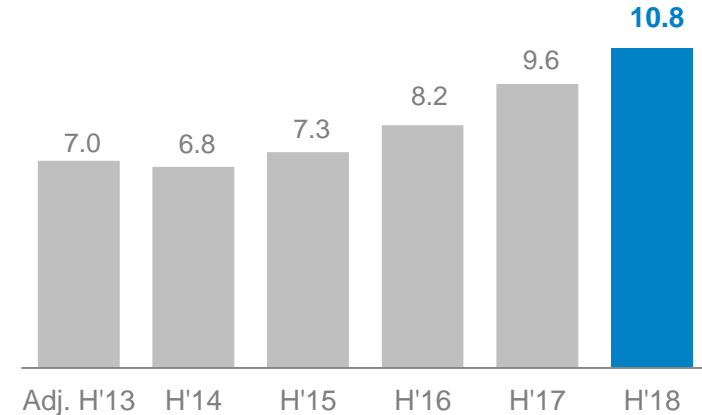
(%)



H1 EPS growth

(c€)

Cagr: +9.1%

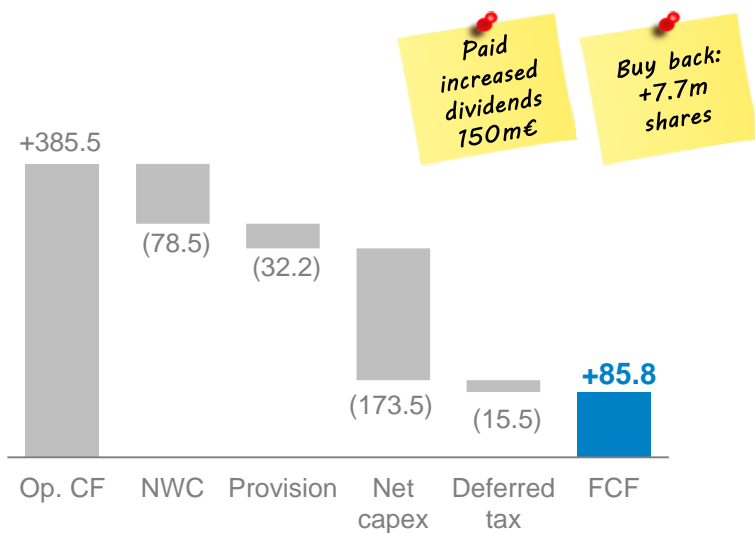


Further financial and tax enhancements helped EPS growth

Cash flows

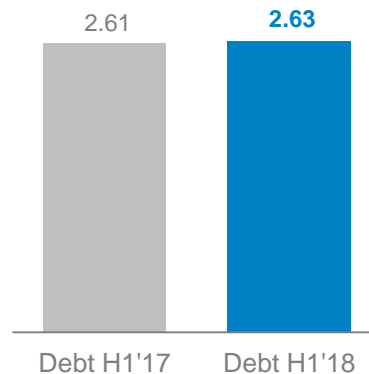
Free cash flows H1 2018

(M€)

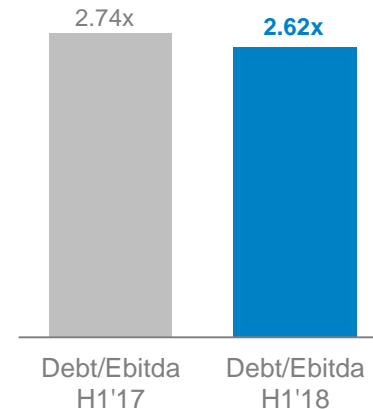


Comparison with data as at 30th June 2017

Financial debt (B€)



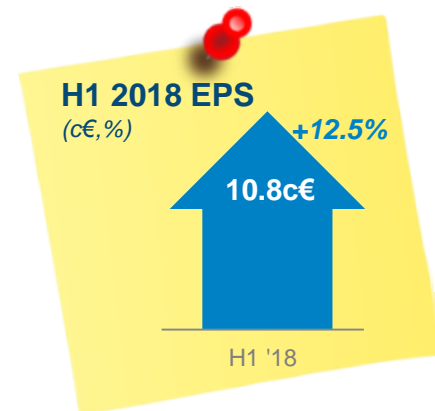
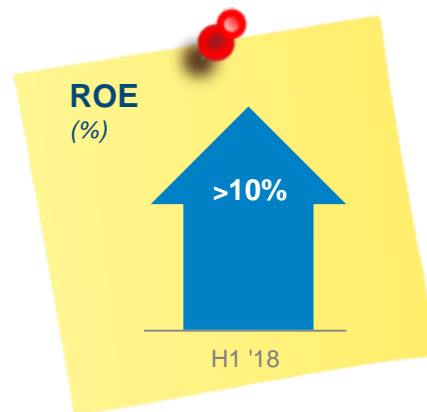
Debt/Ebitda (12 months rolling)



More with less

Closing remarks

- **Resilient and solid growth** in a turbulent environment enhanced Return on Equity.
- DPS of 9.5 Euro cents paid in June and **DPS 2019**, as promised, **will move up to 10.0c€**.
- **H1 EPS at 10.8** Euro cents is **slightly ahead** of our business plan expectations and **fully covers DPS promised** on the full year.



Comfortable visibility on year end



Annex

ir@gruppohera.it

Annex: P&L

H1 Profit & Loss

(M€)

	H1 '17	H1 '18	
REVENUES	2,956.3	3,176.5	+7.4%
EBITDA	505.9	523.6	+3.5%
<i>Ebitda margin</i>	<i>17.1%</i>	<i>16.5%</i>	
Depreciation and provisions	(243.7)	(250.0)	
EBIT	262.2	273.6	+4.3%
Financial costs	(43.5)	(38.8)	
Figurative interests (IAS)	(10.6)	(9.0)	
Income from Associates & J.V.	8.2	8.6	
PRETAX PROFIT	216.3	234.4	+8.4%
Tax	(68.3)	(72.0)	
<i>Tax rate</i>	<i>31.6%</i>	<i>30.1%</i>	
Special items*	0.0	4.8	
Minorities	(7.0)	(9.1)	
NET PROFIT POST MINORITIES	141.0	158.1	+12.1%

* Capital gains related to the Medea disposal

Annex: Waste



P&L

(m€)	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Revenues	240.2	271.1	+31.0	306.2	290.3	(15.9)	546.4	561.4	+15.1
Ebitda	64.0	66.5	+2.5	57.3	59.4	+2.1	121.3	125.9	+4.6

Volumes

Data	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Urban W. Volumes (Kton)	527.7	523.8	(4.0)	603.5	596.4	(7.1)	1,131.2	1,120.2	(11.1)
Special W. Volumes (Kton)	571.0	551.5	(19.5)	565.7	626.0	+60.4	1,136.6	1,177.5	+40.8
Waste from third parties	1,098.7	1,075.2	(23.5)	1,169.2	1,222.4	+53.3	2,267.9	2,297.6	+29.8
Internal W. Volumes (Kton)	588.3	846.3	+258.0	714.7	714.6	(0.0)	1,303.0	1,560.9	+258.0
Total Volumes Treated	1,687.0	1,921.5	+234.5	1,883.8	1,937.0	+53.2	3,570.8	3,858.6	+287.8

Benefitting from increase in market prices

Annex: Water



P&L

(m€)	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Revenues	201.8	193.2	(8.7)	205.0	219.1	+14.1	406.9	412.3	+5.5
Ebitda	53.3	55.6	+2.3	58.1	57.3	(0.8)	111.3	112.8	+1.5

Volumes

Data	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Aqueduct (mm3)	71.1	68.9	(2.2)	75.6	73.9	(1.7)	146.7	142.8	(3.9)
Sewerage (mm3)	54.8	57.2	+2.4	67.0	63.7	(3.3)	121.8	120.9	(0.9)
Purification (mm3)	54.6	56.7	+2.2	66.1	63.1	(3.0)	120.7	119.8	(0.8)

Next quarter seasonality might underpin further growth

Annex: Gas



P&L

(m€)	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Revenues	650.4	780.0	+129.6	287.5	348.8	+61.3	937.9	1,128.8	+190.9
Ebitda	135.6	148.2	+12.5	36.2	40.2	+4.0	171.8	188.4	+16.5

Volumes

Data	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Volumes distrib. (mm3)	1,367.1	1,470.6	+103.5	368.2	356.6	(11.5)	1,735.3	1,827.3	+92.0
Volumes sold (mm3)	1,596.2	2,058.3	+462.1	661.6	800.4	+138.8	2,257.7	2,858.7	+601.0
<i>of which trading (mm3)</i>	<i>585.8</i>	<i>1,025.8</i>	<i>+440.0</i>	<i>383.1</i>	<i>461.2</i>	<i>+78.1</i>	<i>968.9</i>	<i>1,487.0</i>	<i>+518.1</i>
District Heating (GWht)	243.9	264.1	+20.2	47.7	43.7	(4.1)	291.7	307.8	+48.4
Clients ('000 unit)	1,383.2	1,399.0	+15.9				1,386.0	1,412.8	+26.8

Results pushed by cold winter season

Annex: Electricity



P&L

(m€)	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Revenues	634.1	648.0	+13.9	513.4	536.2	+22.7	1,147.6	1,184.2	+36.7
Ebitda	48.4	45.3	(3.2)	43.1	38.7	(4.4)	91.6	84.0	(7.6)

Volumes

Data	Q1 2017	Q1 2018	Ch.	Q2 2017	Q2 2018	Ch.	H1 2017	H1 2018	Ch.
Volumes sold (GWh)	2,478.9	3,067.2	+588.3	2,327.0	2,799.3	+472.3	4,805.9	5,866.5	+1,060.6
<i>of which Salvaguardia (GWh)</i>	<i>507.1</i>	<i>735.2</i>	<i>+228.1</i>	<i>486.0</i>	<i>536.9</i>	<i>+50.9</i>	<i>993.1</i>	<i>1,272.1</i>	<i>+279.0</i>
Volumes distrib. (GWh)	751.2	775.8	+24.6	716.5	739.0	+22.5	1,467.7	1,514.7	+47.0
Clients ('000 unit)	911.3	1,007.5	+96.2	19.5	6.1	(13.4)	930.8	1,013.6	+82.8

The stop of Teverola plant affected results