



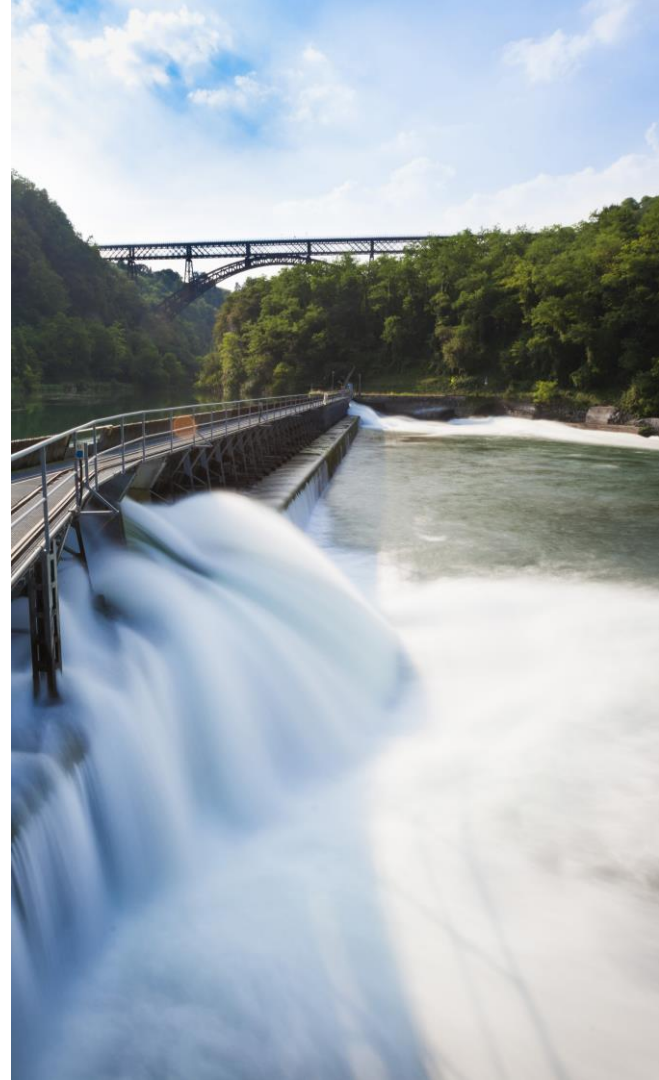
# 9 MONTHS 2019 RESULTS

Milan, October 2019

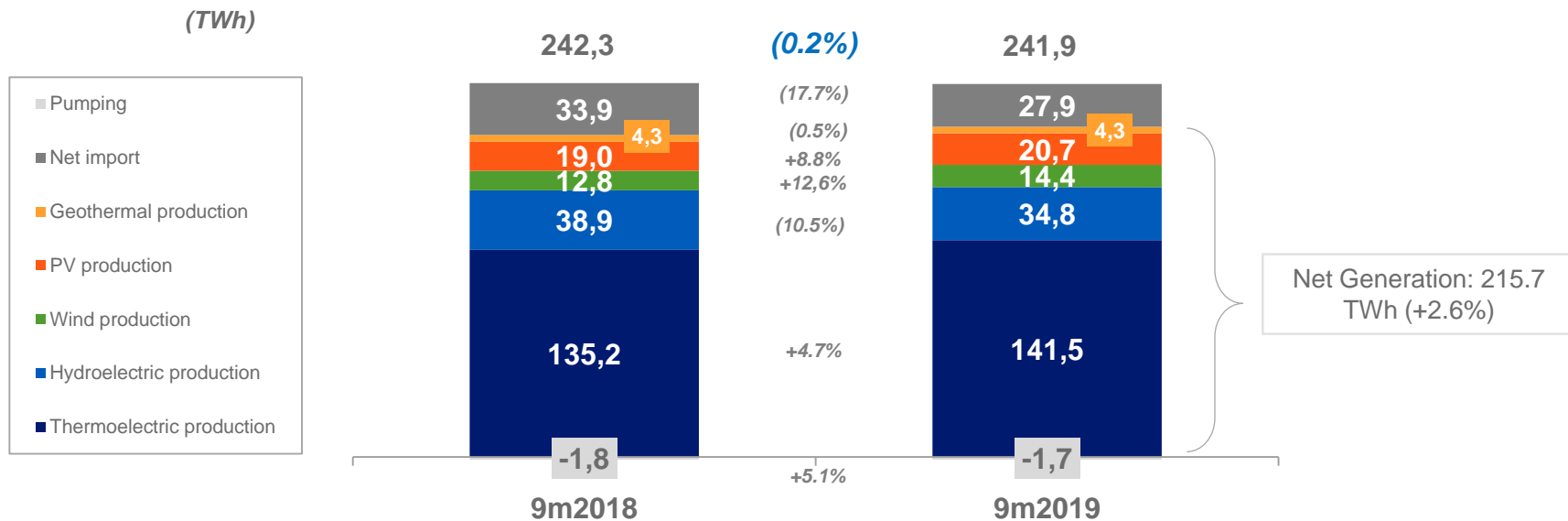


Full Year 2016 results | Feb. 17

# BUSINESS ENVIRONMENT

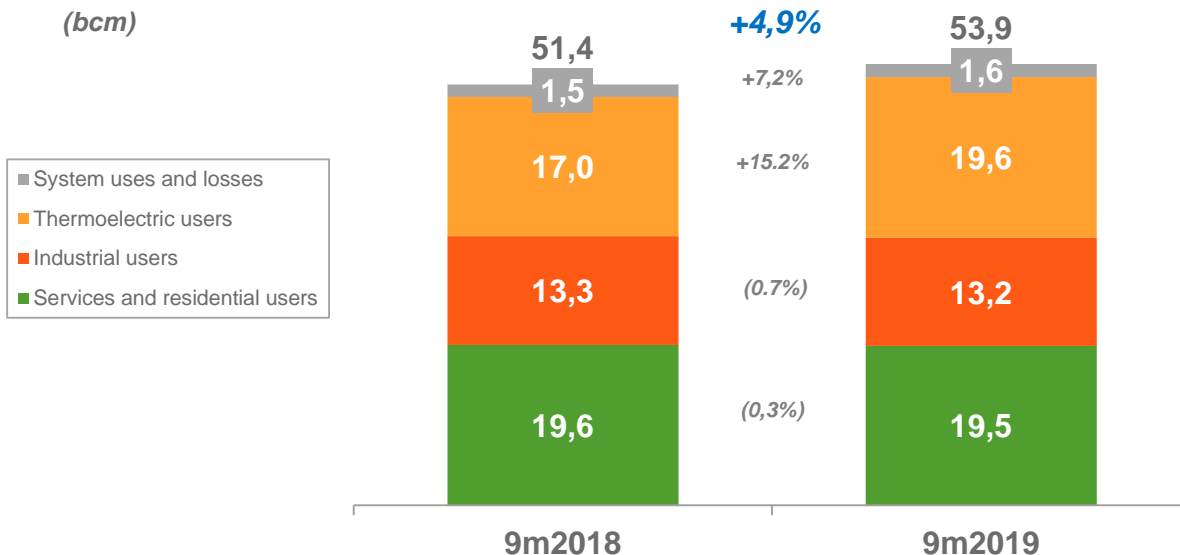


# ELECTRIC POWER AVAILABILITY MIX IN ITALY



Power demand was substantially stable yoy. In 9M2019 net generation increased by 2.6% yoy thanks to higher thermoelectric, wind and solar production, more than compensating for lower hydroelectric generation, affected by adverse weather conditions in the first half of the year.

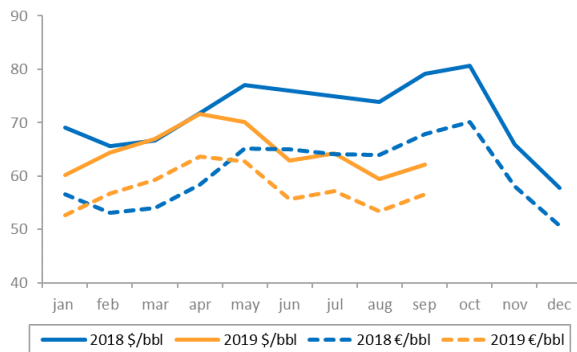
# GAS DEMAND IN ITALY



Gas demand was positively impacted by the increase of gas consumption for thermolectric uses. Industrial and residential consumption slightly decreased, the latter as a result of warm temperatures in February and March.

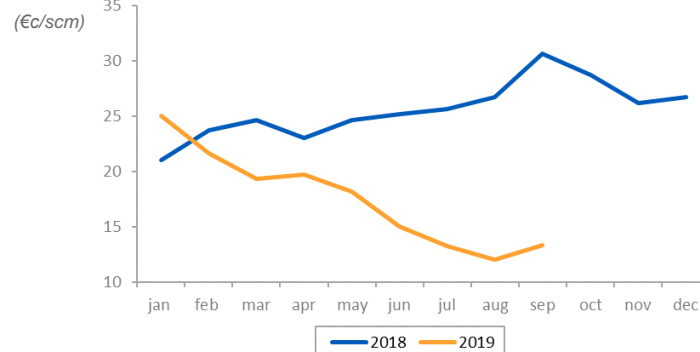
# MARKET REFERENCE SCENARIO

## BRENT<sup>1</sup>



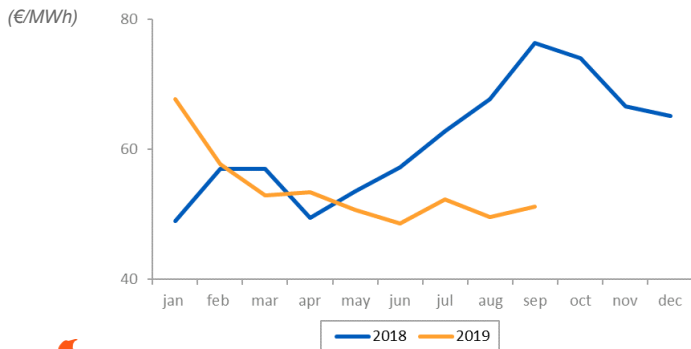
**Avg 9m2019:** 64.7 \$/bbl  
57.6 €/bbl  
**Avg 9m2018:** 72.7 \$/bbl  
60.9 €/bbl  
**Avg FY2018:** 71.5 \$/bbl  
60.6 €/bbl

## PSV



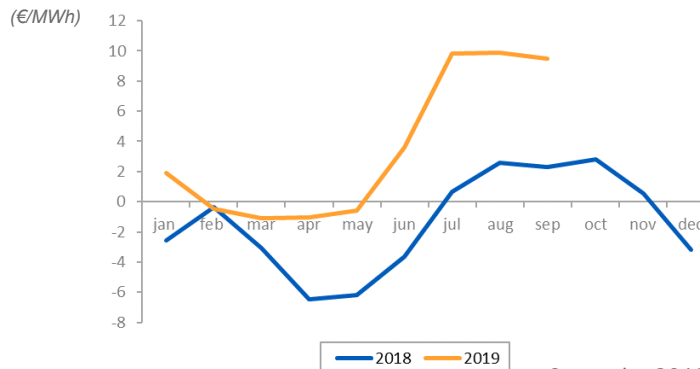
**Avg 9m2019:** 17.5  
**Avg 9m2018:** 25.0  
**Avg FY2018:** 25.6

## PUN TWA



**Avg 9m2019:** 53.8  
**Avg 9m2018:** 58.9  
**Avg FY2018:** 61.3

## CSS<sup>2</sup>



**Avg 9m2019:** 3.5  
**Avg 9m2018:** -1.9  
**Avg FY2018:** -1.4

# NINE MONTHS 2019 RESULTS

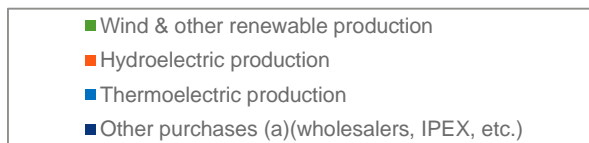
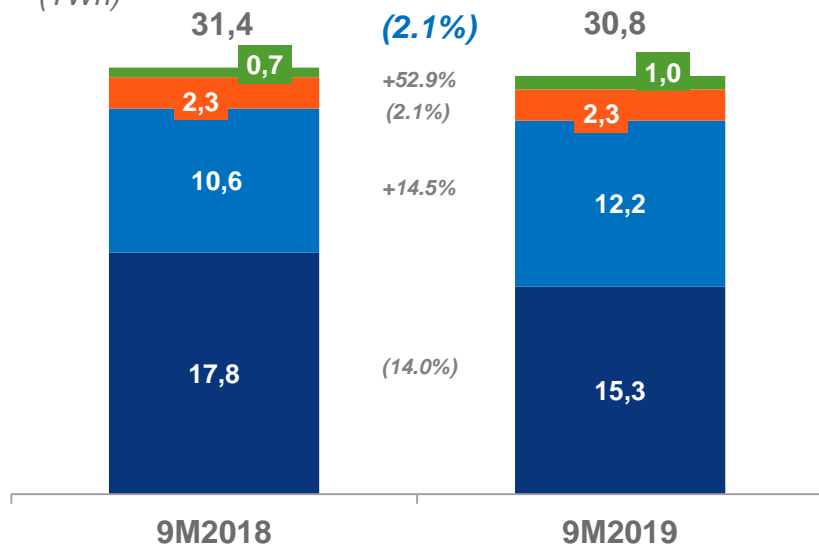
- Edison electric power and gas sources and uses
- Consolidated financial highlights and capital expenditures
- Operating performance
- Net financial debt and cash flow



# EDISON ELECTRIC POWER VOLUMES IN ITALY

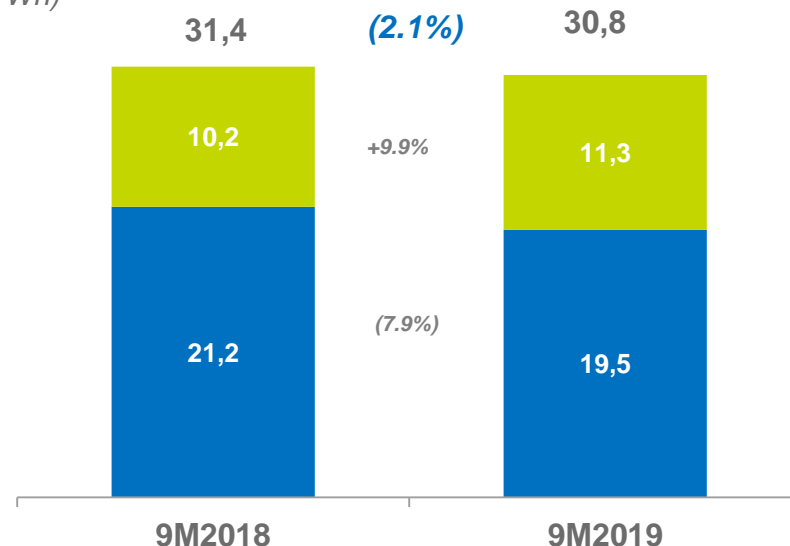
## SOURCES

(TWh)



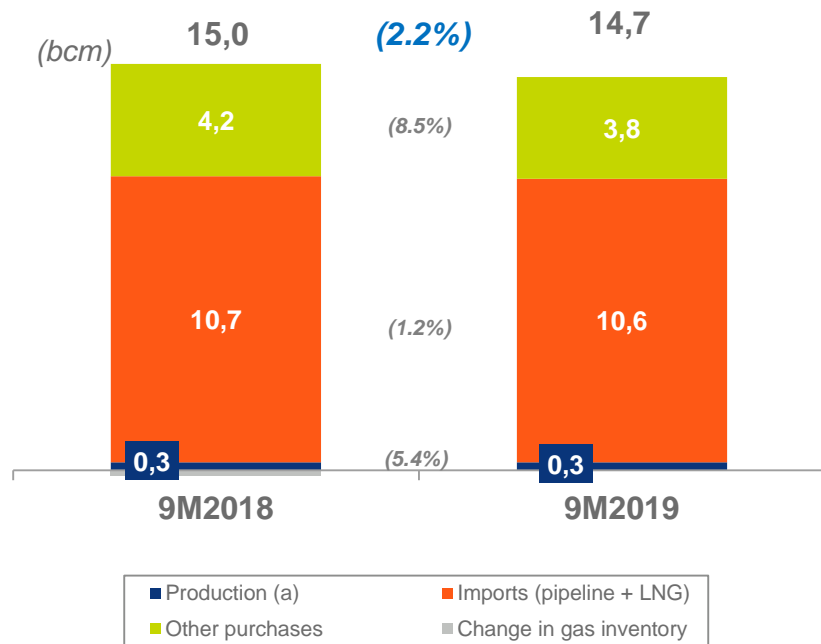
## USES

(TWh)

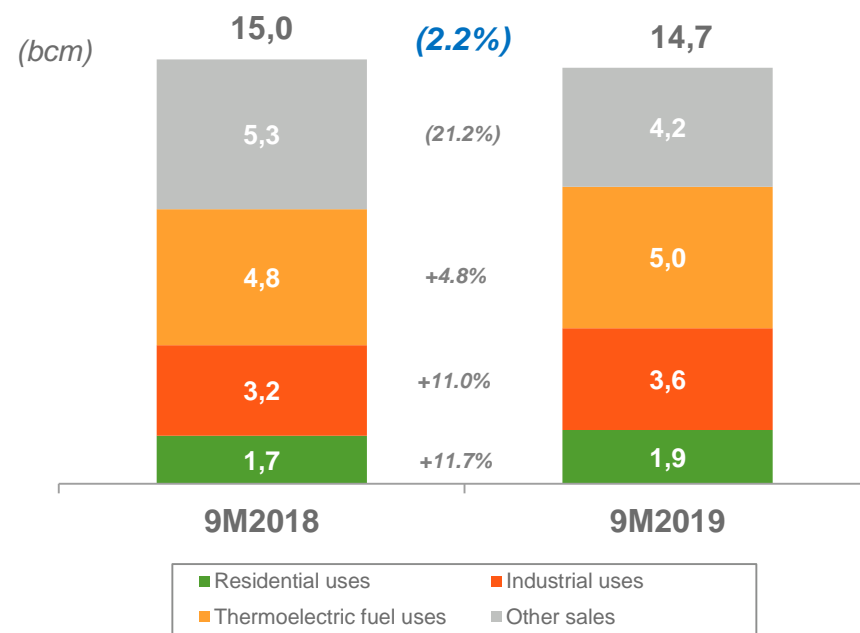


# EDISON GAS VOLUMES

## SOURCES



## USES





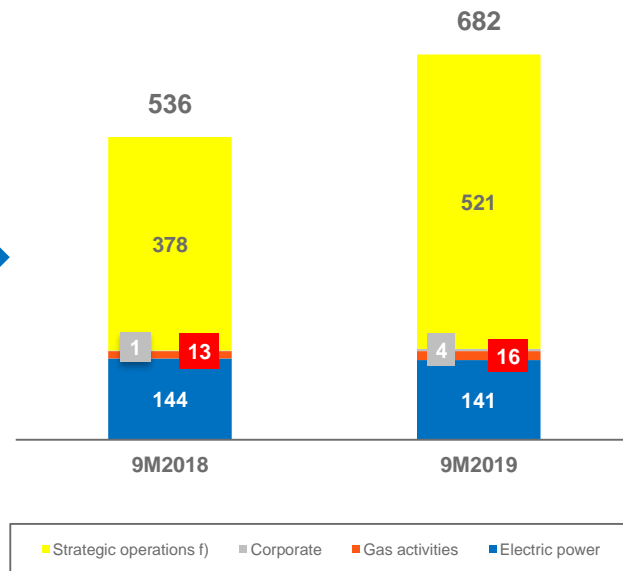
# GROUP CONSOLIDATED HIGHLIGHTS

(€ mln)

FY2018 <sup>a-b</sup>		9M2018 <sup>a-b</sup>	9M2019 <sup>b-c</sup>	Δ
8.728	Sales revenues	6.205	6.092	(1,8%)
426	EBITDA	337	456	35,3%
126	EBIT	134	202	50,7%
93	Profit (loss) from Continuing Operations	92	134	45,7%
(26)	Profit (loss) from Discontinued Operations	6	(511)	nm
54	Group net income (loss)	87	(386)	nm
na	Net capex & net financial investments <sup>d</sup>	536	682	

Dec 31, '18 <sup>b</sup>		Sept. 30, '18 <sup>b</sup>	Sept. 30, '19 <sup>b-c</sup>
6.557	Net invested capital	6.584	6.456
416	Net financial debt	310	779
6.141	Total shareholders' equity	6.274	5.677
5.886	of which Group's net interest	6.004	5.475
0,07	Debt/Equity ratio	0,05	0,14
0,5	Debt/EBITDA <sup>e</sup>	0,7	1.4

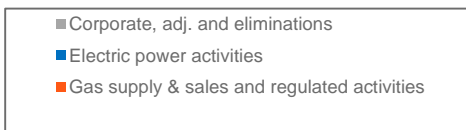
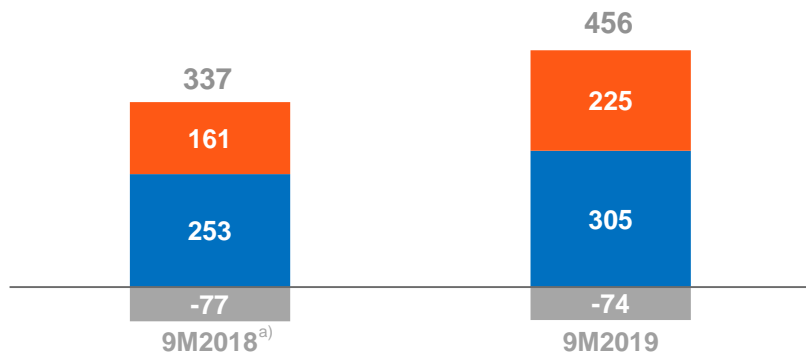
## Net capex & net financial investments<sup>a-d)</sup>



- a) In order to allow homogeneous comparison, 2018 economic values have been restated pursuant to IFRS5 to exclude the contribution of E&P activities classified among Discontinued Operations.
- b) 2018 figures include the acquisition of GNV in March, Attiva in May and Zephyro in July, 2019 figures include the acquisition of EDF EN Italia consolidated since July 1st, 2019.
- c) The new accounting standard IFRS 16 "Leases" has been applied from January 1, 2019 prospectively without restatement of comparative data
- d) Including additions/reductions to non-current financial assets as well as price paid on business combinations, and net of proceeds from the sale of intangibles and property, plant and equipment (respectively €9mln in 9m2018, €8mln in 9m2019)
- e) 9M2018 and 9M2019 ratio calculated with normalized EBITDA over a 12 months period
- f) Including the acquisition of Gas Natural Vendita Italia, Zephyro and Attiva, as well as of the Shah Deniz long term gas import in 2018 and EDF EN Italia in 2019

# OPERATING PERFORMANCE BREAKDOWN

(€ mln)	Electric Power			Hydrocarbons (Gas supply & sales and regulated activities)			Corporate and eliminations			Total Edison Group		
	9M2018	9M2019	Δ	9M2018 <sup>a</sup>	9M2019	Δ	9M2018 <sup>a</sup>	9M2019	Δ	9M2018 <sup>a</sup>	9M2019	Δ
Sales revenues	2.742	3.077	12,2%	3.957	3.665	(7,4%)	(494)	(650)	(31,6%)	6.205	6.092	(1,8%)
EBITDA	253	305	20,6%	161	225	39,8%	(77)	(74)	3,9%	337	456	35,3%



EBITDA increased mainly thanks to the effect of:

- higher wind power generation (operation start of new plants and acquisition of EDF EN Italia<sup>b</sup>),
- positive performance of hydroelectric business
- higher margins of thermoelectric generation
- exploitation of the flexibility of certain gas import contracts through pipeline
- adverse climate events affecting gas activities performance in IQ2018
- the acquisition of Gas Natural Vendite Italia and Attiva

# FROM CONSOLIDATED EBITDA TO NET RESULT

(€ mln)	9M2018 <sup>a-b)</sup>	9M2019 <sup>b-c)</sup>	Δ
<b>EBITDA</b>	<b>337</b>	<b>456</b>	<b>119</b>
Depreciation and amortization	(192)	(235) <sup>d)</sup>	(43)
Writedowns	(2)	0	2
Net change in fair value of commodity derivatives	6	(3)	(9)
Other income (expense) from Non Energy activities, net	(15)	(16)	(1)
<b>EBIT</b>	<b>134</b>	<b>202</b>	<b>68</b>
Net financial income (expense)	(2)	(23) <sup>e)</sup>	(21)
Income from (Expense on) equity investments	5	3	(2)
<b>Profit (loss) before taxes</b>	<b>137</b>	<b>182</b>	<b>45</b>
Income taxes	(45)	(48)	(3)
<b>Profit (loss) from Continuing Operations</b>	<b>92</b>	<b>134</b>	<b>42</b>
Profit (loss) from Discontinued Operations	6	(511) <sup>f)</sup>	(517)
<b>Profit (loss)</b>	<b>98</b>	<b>(377)</b>	<b>(475)</b>
<i>of which:</i>			
Minority interest in profit (loss)	11	9	(2)
<b>Group interest in profit (loss)</b>	<b>87</b>	<b>(386)</b>	<b>(473)</b>

- The **key business segments** of the electric power and natural gas operations recorded a positive performance with a **45.7% increase of the Profit from Continuing Operations**
- **E&P business** being divested was accounted among Discontinued Operations, which recorded a **€511mln net loss** also due to the value adjustments mainly deriving from:
  - Brent and gas scenario evolution
  - Changes in regulatory framework in 2019 and capex phasing

a) In order to allow homogeneous comparison, 2018 economic values have been restated pursuant to IFRS5 to exclude the contribution of E&P activities classified among Discontinued Operations.

b) 2018 figures include the acquisition of GNVI from March, Attiva in May and Zephyro in July; 2019 figures include the consolidation of EDF EN Italia since July 1st

c) The new accounting standard IFRS 16 "Leases" has been applied from January 1, 2019 prospectively without restatement of comparative data

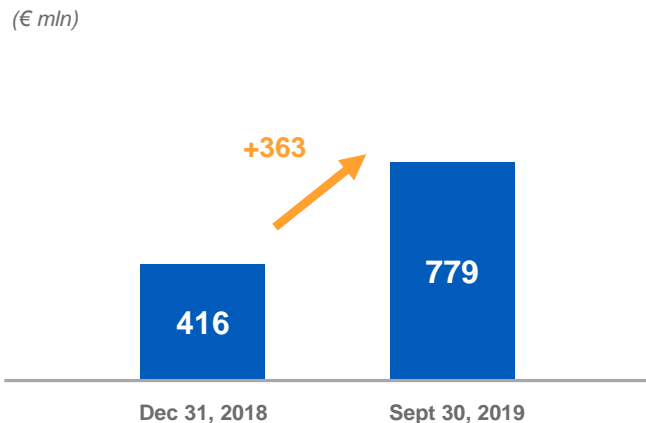
d) Higher D&A mainly referred to the power sector (as a result of wind power generation investments and acquisitions), perimeter effect and IFRS 16

e) Increase mainly due to the cost of the assignment of retail receivables started in July 2018 and higher cost of debt of EDF EN Italia, which ensured financial resources through project finance and leasing

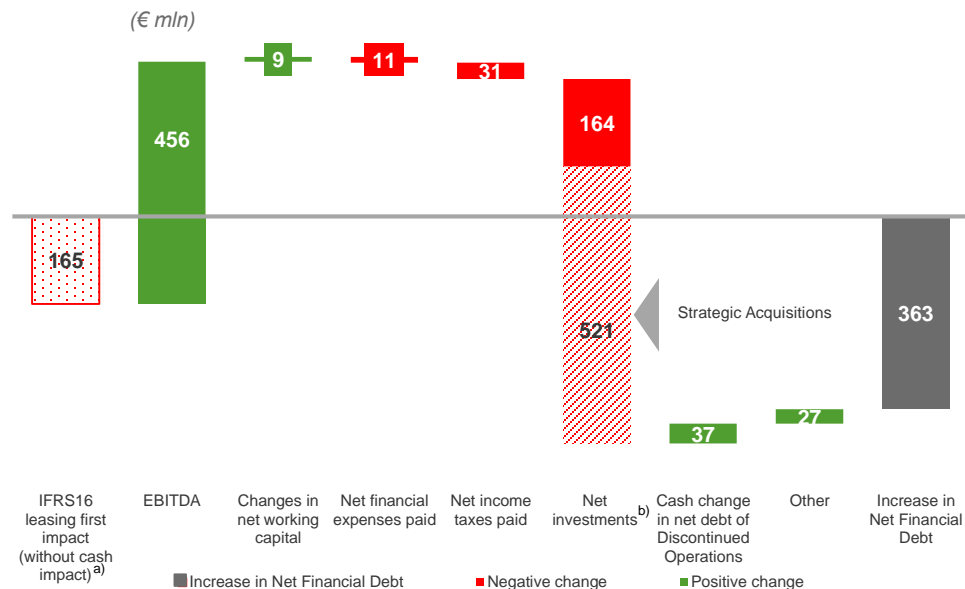
f) Related to E&P activities being divested. Net effect of net profit for €24mln and value adjustments to discontinued operations for €535mln

# NET FINANCIAL DEBT AND CASH FLOW

## NET FINANCIAL DEBT



## NET CASH FLOW OF THE PERIOD



Net financial debt increased to €779 mln due to the strategic investment in EDF EN Italia and the application of the new accounting standard IFRS 16 from January 1, 2019 (€165 mln).

# STATEMENT

As required by Article 154-bis, Section 2, of the Uniform Finance Law (Legislative Decree No 58/1998), Didier Calvez and Roberto Buccelli, in their capacity as “Dirigenti preposti alla redazione dei documenti contabili societari” of Edison S.p.A., attest that the accounting information contained in this presentation is consistent with the data in the Company’s documents, books of accounts and other accounting records.