



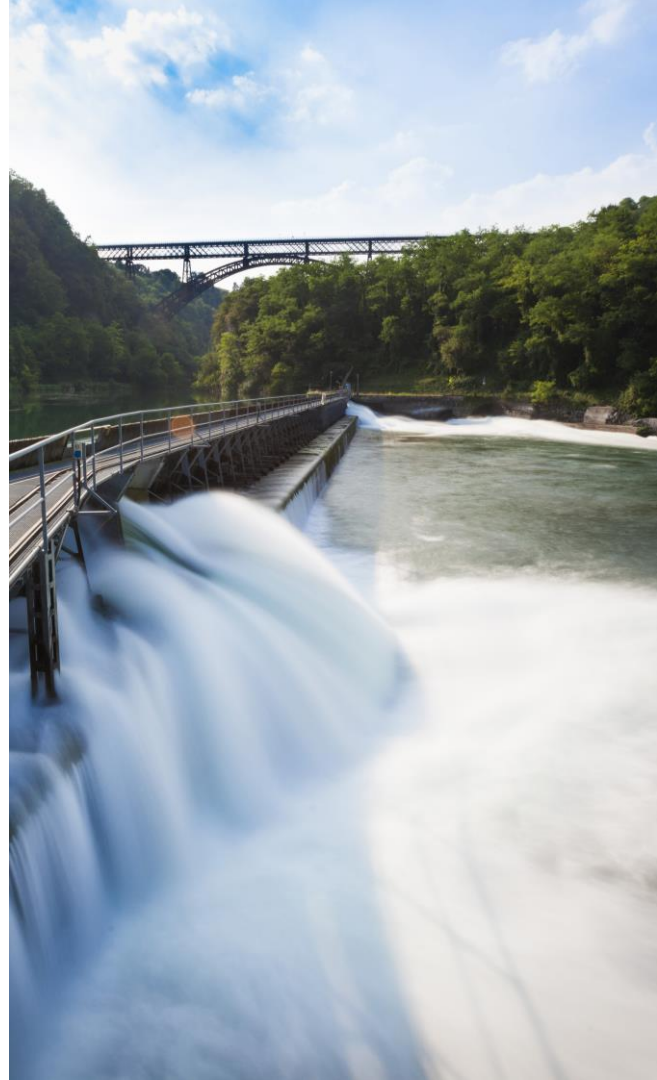
FULL YEAR 2019 RESULTS

Milan, March 2020

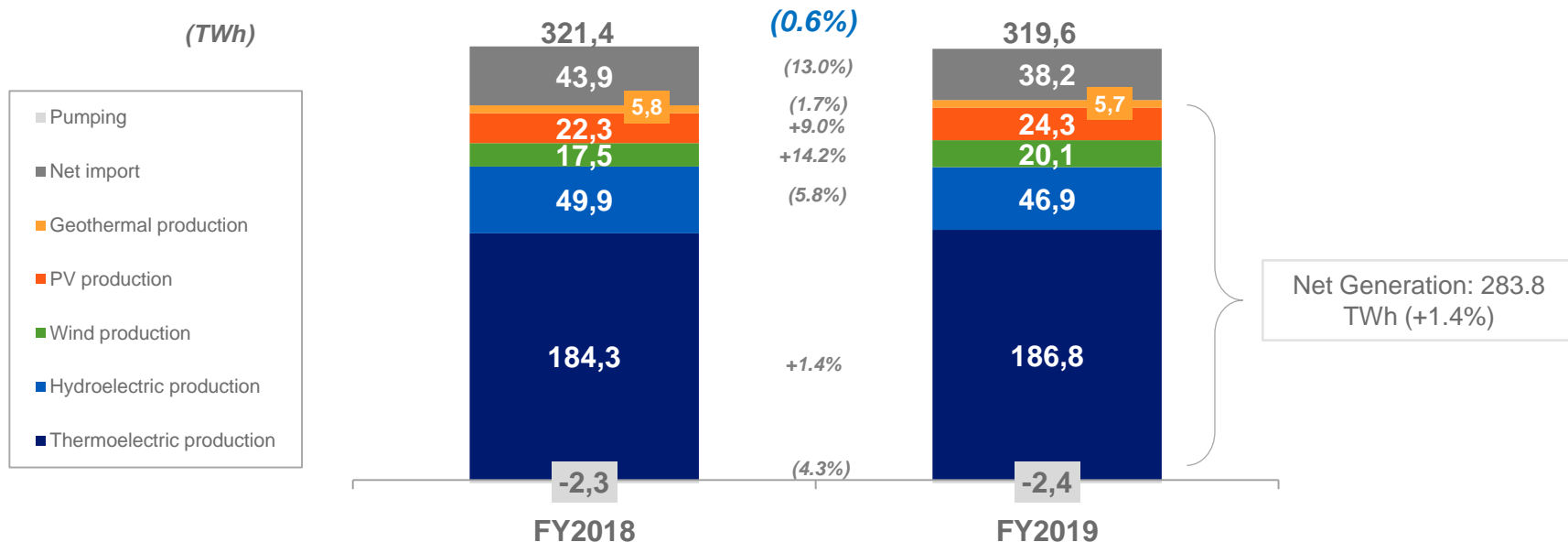


Full Year 2019 results | Feb. 17

BUSINESS ENVIRONMENT

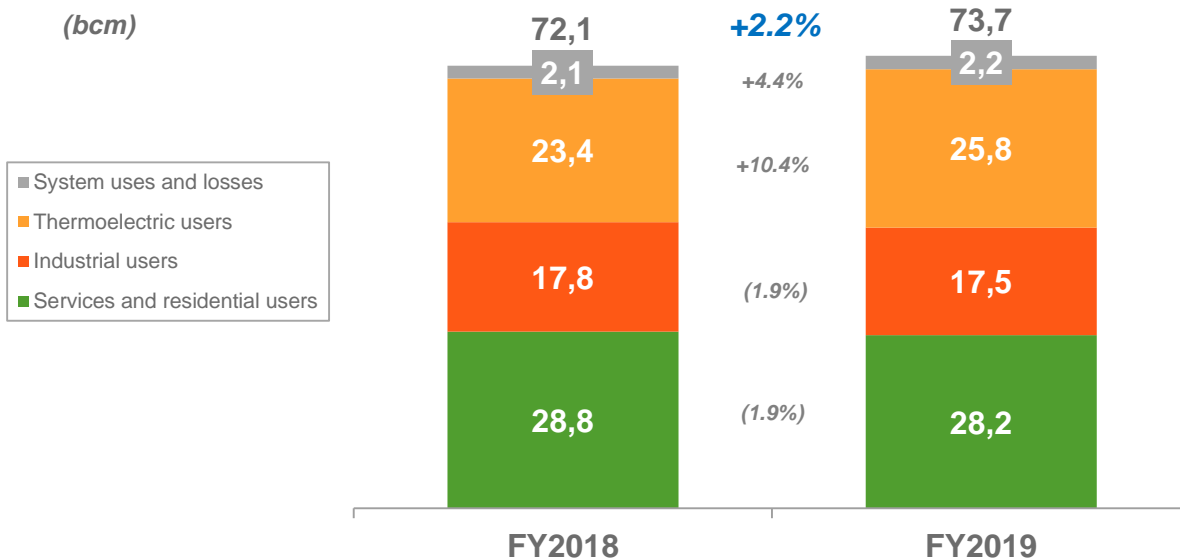


ELECTRIC POWER AVAILABILITY MIX IN ITALY



Power demand was substantially stable yoy. In FY2019 thermoelectric generation increased thanks to lower imports and lower hydroelectric generation, affected by adverse weather conditions in the first half of the year. Wind and solar production were 11% up; total renewable generation¹ represented 34% of national production

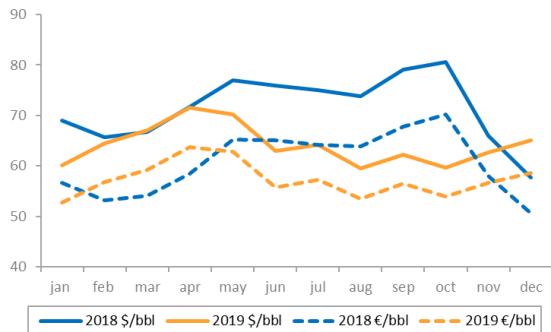
GAS DEMAND IN ITALY



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

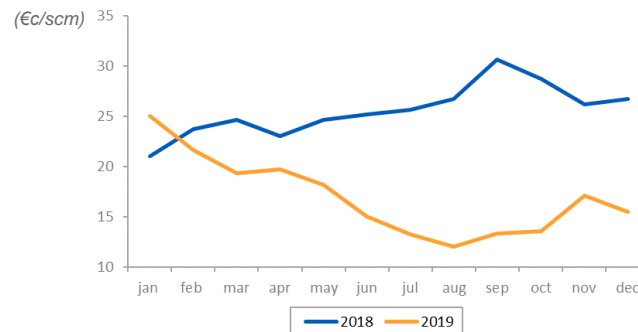
MARKET REFERENCE SCENARIO

BRENT¹



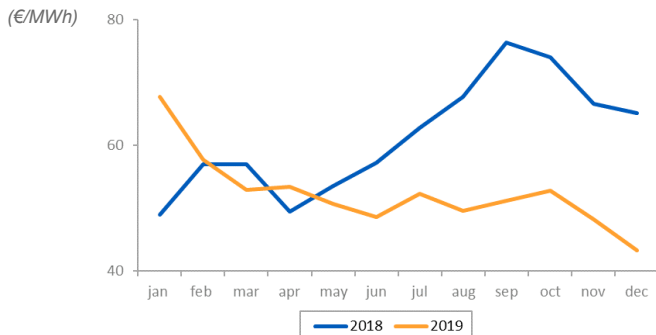
Avg FY2019: 64.1 \$/bbl
57.2 €/bbl
Avg FY2018: 71.5 \$/bbl
60.6 €/bbl

PSV



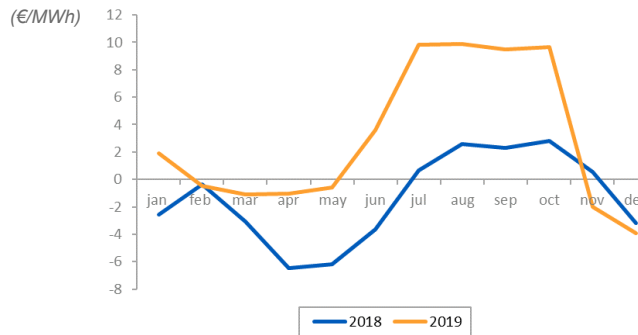
Avg FY2019: 17.0
Avg FY2018: 25.6

PUN TWA



Avg FY2019: 52.3
Avg FY2018: 61.3

CSS²



Avg FY2019: +2.9
Avg FY2018: -1.4

FULL YEAR 2019 RESULTS

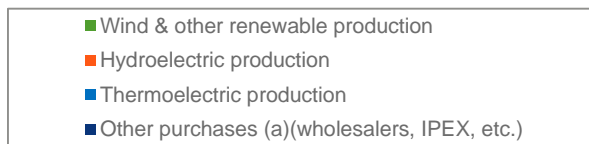
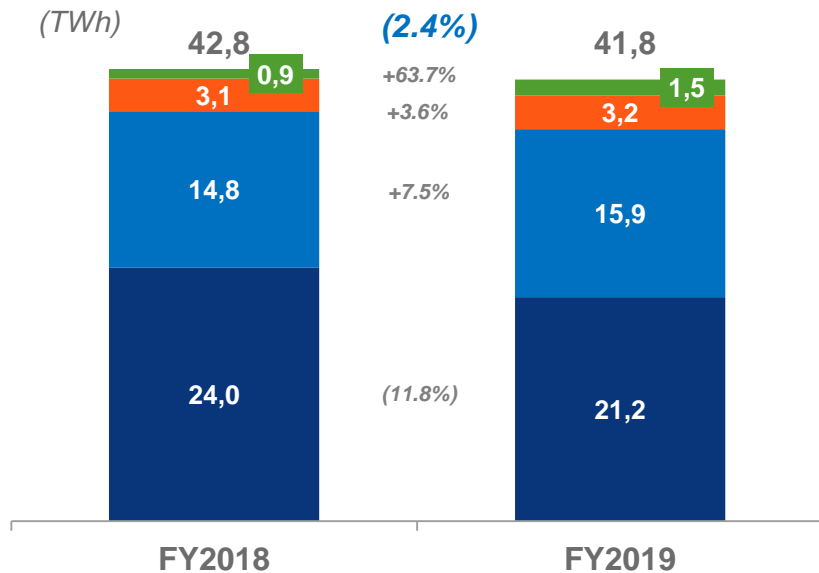
- Edison electric power and gas sources and uses
- Consolidated financial highlights and capital expenditures
- Operating performance
- Net financial debt and cash flow



EDISON ELECTRIC POWER VOLUMES IN ITALY

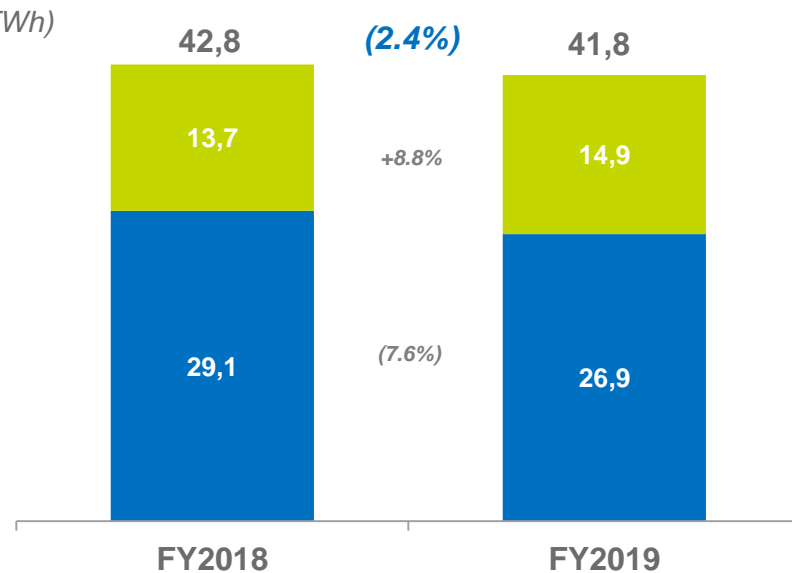
SOURCES

(TWh)



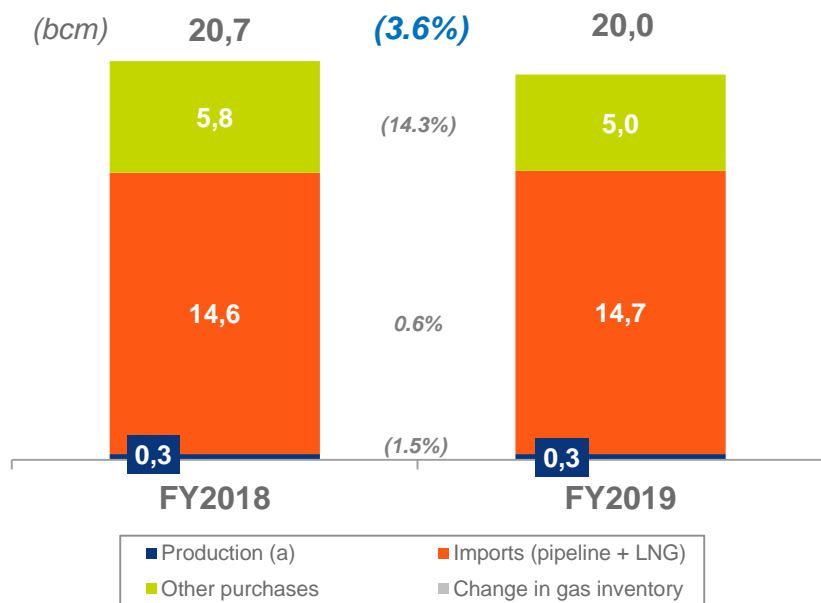
USES

(TWh)

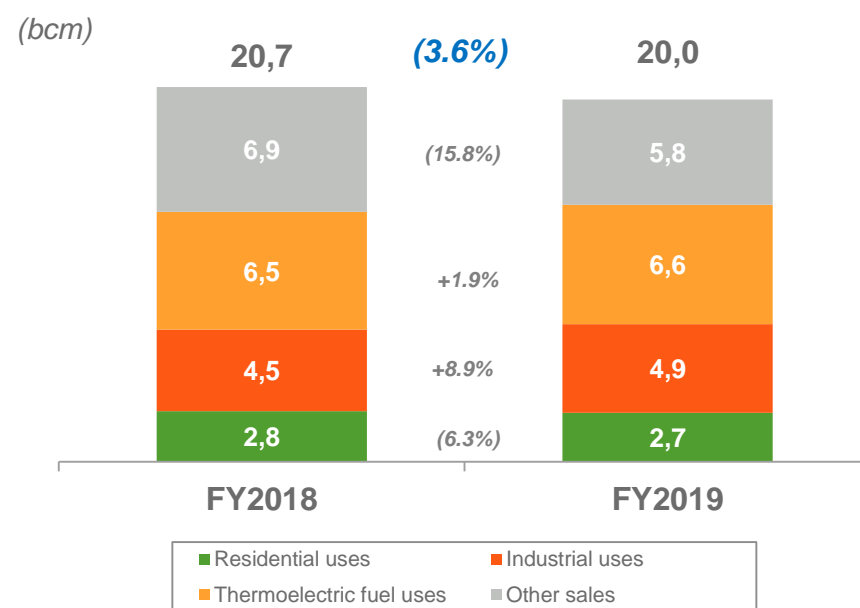


EDISON GAS VOLUMES

SOURCES



USES



GROUP CONSOLIDATED HIGHLIGHTS

(€ mln)

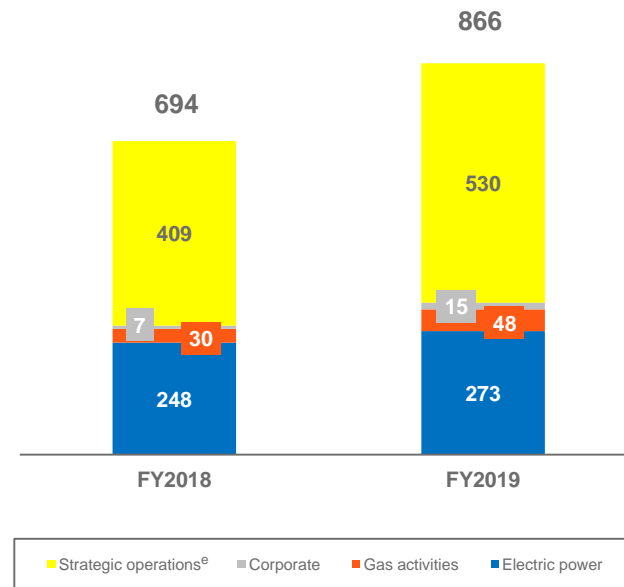
	FY2018 ^{a-b}	FY2019 ^{b-c}	Δ
Sales revenues	8.728	8.168	(6,4%)
EBITDA	426	587	37,8%
EBIT	126	176	39,7%
Profit (loss) from Continuing Operations	93	98	5,4%
Profit (loss) from Discontinued Operations	(26)	(562)	nm
Group net income (loss)	54	(479)	nm

Net capex & net financial investments ^{a-d}	694	866
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	FY2018 ^b	FY2019 ^{b-c}
Net invested capital	6.557	6.029
Net financial debt	416	516
Total shareholders' equity	6.141	5.513
of which Group's net interest	5.886	5.327
Debt/Equity ratio	0,07	0,09
Debt/EBITDA	1,0	0,9

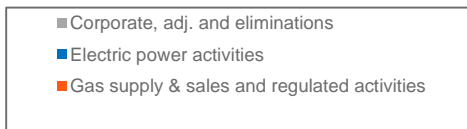
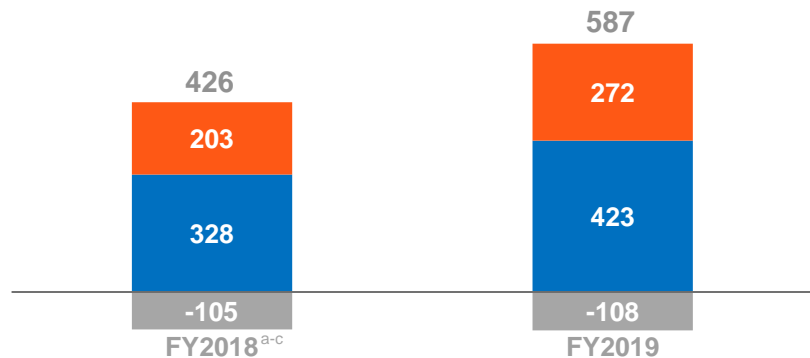
Net capex & net financial investments^{a-d}



- 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 GNV1 in March, Attiva in May and Zephyro in July; 2019 figures include mainly the acquisition of EDF EN Italia consolidated since July 1st, 2019 and EDF EN Services Italia since end of December 19.
- 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 FY2018, €8mln in FY2019)
- e) 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 and EDF EN Services Italia in 2019

OPERATING PERFORMANCE BREAKDOWN

	Electric Power			Hydrocarbons (Gas supply & sales and regulated activities)			Corporate and other			Total Edison Group		
(€ mln)	FY2018	FY2019	Δ	FY2018 ^a	FY2019	Δ	FY2018 ^a	FY2019	Δ	FY2018 ^a	FY2019	Δ
Sales revenues	3.768	4.159	10,4%	5.657	4.862	(14,1%)	(697)	(853)	(22,4%)	8.728	8.168	(6,4%)
EBITDA	328	423	29,0%	203	272	34,0%	(105)	(108)	(2,9%)	426 ^c	587	37,8%



EBITDA increased mainly thanks to the effect of:

- higher wind power generation (operation start of 165 MW of new plants and acquisition of EDF EN Italia^b)
- 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 in 2018 of Zephyro, Gas Natural Vendite Italia and Attiva

FROM CONSOLIDATED EBITDA TO NET RESULT

(€ mln)	FY2018 ^{a-b}	FY2019 ^{b-c}	Δ
EBITDA	426	587	161
Depreciation, amortization and writedowns	(270)	(374) d	(104)
<i>of which: writedowns</i>	(3)	(33)	(30)
Net change in fair value of commodity derivatives	(7)	3	10
Other income (expense) from Non Energy activities	(23)	(40)	(17)
EBIT	126	176	50
Net financial income (expense)	(8)	(42) e	(34)
Income from (Expense on) equity investments	4	6	2
Profit (loss) before taxes	122	140	18
Income taxes	(29)	(42)	(13)
Profit (loss) from continuing operations	93	98	5
Profit (loss) from discontinued operations	(26)	(562) f	(536)
Profit (loss)	67	(464)	(531)
Minority interest in profit (loss)	13	15	2
Group interest in profit (loss)	54	(479)	(533)

- The **key business segments** of the electric power and natural gas activities recorded a positive performance with a **5% increase of the Profit from Continuing Operations**
- **E&P business** being divested was accounted among Discontinued Operations, which recorded a **€562 mln net loss** also due to the value adjustments mainly deriving from:
 - Brent and gas scenario evolution
 - Changes in regulatory framework (including the Simplification Decree) 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 in 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, higher write-downs and IFRS 16

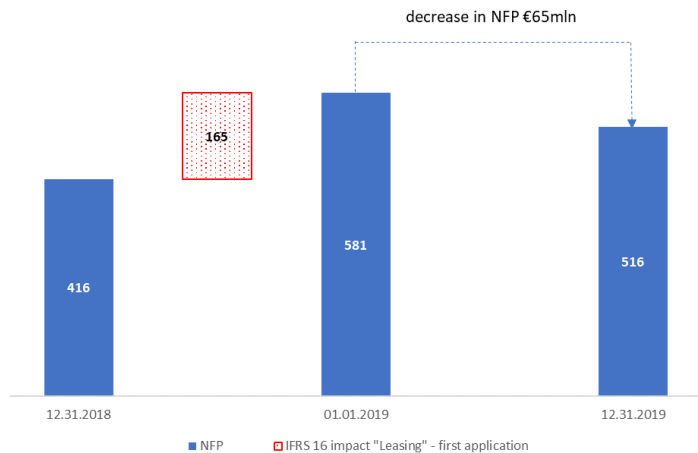
e) Increase mainly due to the cost of the assignment of retail receivables started in July 2018, as well as higher cost of debt of EDF EN Italia, which ensured financial resources through project finance and leasing, and the one-off refinancing costs of some of its subsidiaries.

f) Related to E&P activities being divested.

NET FINANCIAL DEBT AND CASH FLOW

NET FINANCIAL DEBT

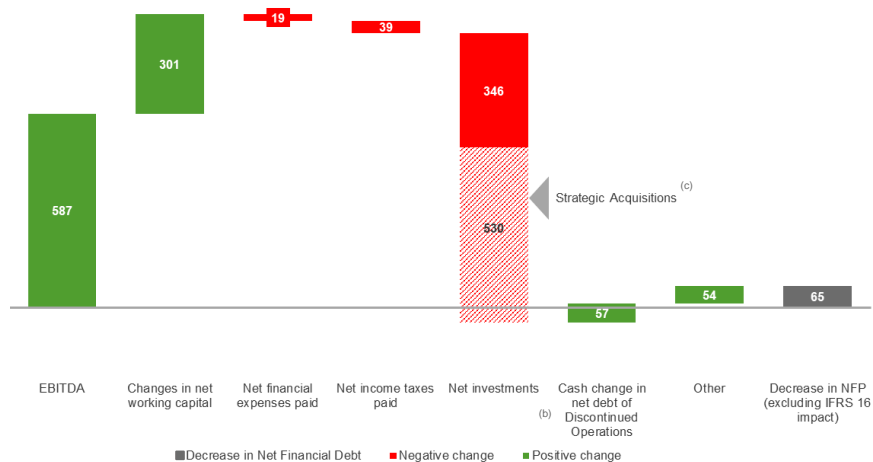
(€ mln)



(a)

NET CASH FLOW OF THE YEAR

(€ mln)



(c)

(b)

Edison maintained a solid financial profile.
Growth in renewables was favoured by cash flow generation from industrial activities and working capital optimisation actions.

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.