



2018 Results

Rome, 6 March 2019



Group beats targets for 2018

2018
RESULTS

DOUBLE-DIGIT GROWTH EBITDA TOTALS €933m

- **EBITDA** €933m +11% **EBITDA GROWTH AHEAD OF GUIDANCE**
(including line-by-line consolidation of Gori in last two months of 2018 €12m)
- **EBIT** €479m +33%
- **Net profit** €271m +50%

SUBSTANTIAL CAPEX INCREASE, ESPECIALLY IN REGULATED BUSINESSES

- **Capex** €631m +19% (~88% relates to regulated businesses)

NET DEBT FOR 2018 BEATS GUIDANCE THANKS TO POSITIVE WORKING CAPITAL PERFORMANCE

- **Net debt** €2,568m

DIVIDEND TO BE PROPOSED TO THE AGM: €0.71 (UP 13%) PAYOUT* 56%

* Based on consolidated net profit after non-controlling interests

Highlights

Strong commitment to operating performance, further growth expected in 2019

HIGHLIGHTS
2018

AGREEMENT WITH OPEN FIBER (January 2018)

- ✓ Agreement with Open Fiber for the rollout of an ultrafast broadband communications network in the city of Rome.
- ✓ Project to involve the construction of a next generation fibre network, delivering ultrafast connectivity to the inhabitants of Rome in the next five years.

BOND ISSUE (February 2018)

- ✓ Issue of bonds under €1bn EMTN programme, divided into two tranches:
 - €300m, maturing 8 February 2023 and paying coupon interest of 3-month Euribor +0.37%;
 - €700m, maturing 8 June 2027 and paying a fixed rate of 1.5%.

ENTRY INTO GAS DISTRIBUTION MARKET (October 2018)

- ✓ Acquisition of 51% interest in Pescara Distribuzione Gas: first step in delivering strategic initiatives included in business plan.

RATINGS FROM MOODY'S AND FITCH RATINGS CONFIRMED

- ✓ Moody's: Baa2 outlook stable.
- ✓ Fitch Ratings: BBB+ outlook stable.

AGREEMENT BETWEEN GORI, CAMPANIA REGIONAL AUTHORITY AND LOCAL CONCESSION AUTHORITY (November 2018)

- ✓ Agreement establishes terms and conditions for Gori's assumption of full control of plants and the integrated water service in the local area. Line-by-line consolidation of the company.

GUIDANCE
2019

GUIDANCE 2019: FURTHER GROWTH EXPECTED

- ✓ **EBITDA** +5%/6% versus 2018 (€933m).
- ✓ **CAPEX** up by over 10% versus €631m of 2018.
- ✓ **NET DEBT** €2.85-2.95bn.

2 APRIL 2019: PRESENTATION OF NEW BUSINESS PLAN 2019-2022

Double-digit growthEBITDA €933m



45% of consolidated EBITDA

€433m



37% of consolidated EBITDA

€361m



8% of consolidated EBITDA

€76m



7% of consolidated EBITDA

€66m



3% of consolidated EBITDA

Overseas €15m
Eng. & Services €18m

Water

Leading operator in Italy
Lazio, Tuscany, Umbria and Campania

- Water sold: 440m cubic metres
- Customers: approx. 9m

Energy Infrastructure

No. two operator in Italy in electricity distribution

- Electricity distributed: ~ 10TWh in the city of Rome
- Public lighting and floodlighting in Rome: over 224,000 lighting points
- Energy efficiency projects
- Hydroelectric power plants (121 MW)
- Thermo/cogen plants (97 MW)
- Photovoltaic plants (~ 9MWp)

Comm. & Trading

One of the main Italian energy player

- Electricity sold: ~ 6.0 TWh
- Free market customers: ~ 0.3m
- Enhanced protection market customers: ~ 0.8m
- Gas Customers: ~ 0.2m

Environment

No. 6 operator in Italy
Umbria, Lazio and Tuscany

- Waste treated: over 1.1m tonnes
- Electricity produced (WTE): 355 GWh

Overseas

- Presence in Latin America

Eng. & Services

- Engineering, research and innovation

ACEA'S OWNERSHIP

City of Rome	Suez	Caltagirone Group	Other
51.0%	23.3%	5.0%	20.7%

Source: CONSOB, March 2019

2018 financial highlights

Group beats targets for 2018

(€m)	2018 (a)	2017 (b)	% change (alb)
Consolidated revenue	3,028.5	2,797.0	+8.3%
EBITDA	933.2*	840.0	+11.1%
EBIT	478.6	359.9	+33.0%
Group net profit	271.0	180.7	+50.0%
Dividend per share (€)	0.71	0.63	+12.7%
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Capex	631.0	532.3	+18.5%

Organic growth of 7.7% to €905m

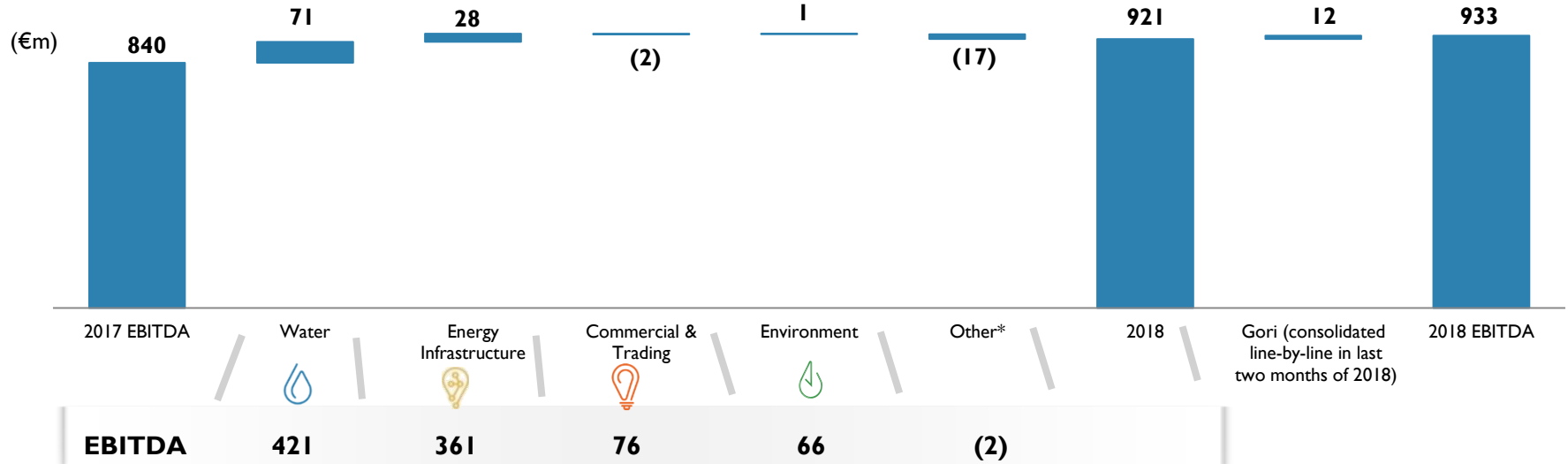
Plan target achieved 12 months earlier than expected

(€m)	31 Dec 2018 (a)	30 Sep 2018 (b)	31 Dec 2017 (c)	% change (alb)	% change (alc)
Net debt	2,568.0	2,631.1	2,421.5	-2.4%	+6.0%
Invested capital	4,471.5	4,387.7	4,232.7	+1.9%	+5.6%

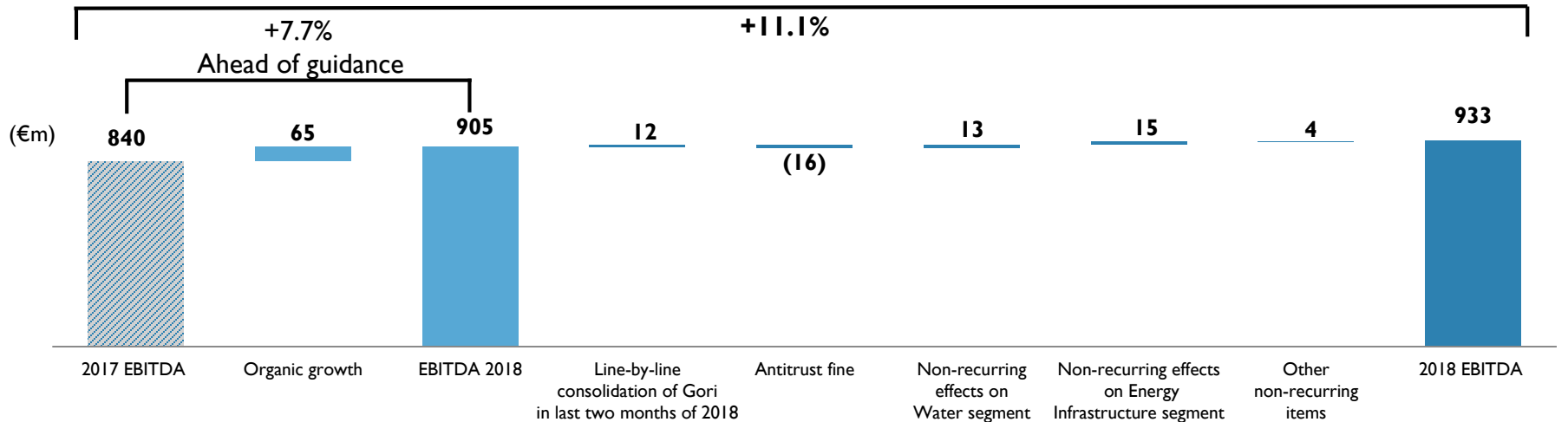
* Effect of consolidation of Gori for two months (€12m)

EBITDA by business segment and EBITDA bridge

EBITDA - Strong growth in regulated businesses



Bridge EBITDA - Significant organic growth



* Overseas, Engineering & Services, Corporate

EBITDA and quantitative data

2018 financial highlights

Water

EBITDA main drivers



STRONG EBITDA GROWTH

- ▲ Acea ATO2: +€50m
- ▲ ATO2: quality bonus €34m
- ▲ Acea ATO5: +€4m
- ▲ Line-by-line consolidation of Gori in last two months of 2018: +€12m
- ▲ Companies consolidated using equity method: +€15.6m



KEY HIGHLIGHTS

- ✓ Tariff reviews completed in most companies
- ✓ Increase in collections at ATO2 due to optimised collection strategy
- ✓ Consolidation of Gori from 8 Nov 2018

(€m)	2018 (a)	2017 (b)	%change (a/b)	Quantitative data	2018	2017
EBITDA	433.0	349.6	+23.9%	Total volume of water sold (Mm³)	440	421
<i>Of which:</i>						
<i>Profit/(Loss) from companies consolidated under IFRS 11</i>	39.7	24.1	+64.7%			
Capex	329.7	271.4	+21.5%			
	2018 (a)	2017 (b)	Change (a-b)			
Average workforce	2,551	1,796	+755*			

* The increase in the workforce primarily reflects the consolidation of Gori (+746 personnel)

EBITDA and quantitative data

2018 financial highlights

Energy Infrastructure

EBITDA main drivers



EBITDA GROWTH

- ▲ Distribution: +€29.8m
- ▲ Generation: +€7.7m increased hydroelectric and thermoelectric production; extraordinary item €5m*
- ▼ Public Lighting: -€9.8m (effect of LED Plan in 2017)



KEY HIGHLIGHTS

- ✓ Improved performance due to regulatory impact
- ✓ Over 500 km of MV/LV grid renewed
- ✓ Increased production from renewable sources (hydroelectric)

(€m)	2018 (a)	2017 (b)	%change (a/b)	Quantitative data	2018	2017
EBITDA	360.7	333.1	+8.3%	Total electricity distributed (GWh)	9,792	10,040
- Distribution	317.1	287.3	+10.4%	Number of customers ('000s)	1,629	1,626
- Generation	49.0	41.3	+18.6%	Total electricity produced (GWh)	550	426
- Public Lighting	(5.4)	4.4	n/s			
Capex	238.3	209.4	+13.8%			
	2018 (a)	2017 (b)	Change (a-b)			
Average workforce	1,387	1,366	+21			

* Result of claim for damages from SASI (water service operator in the Province of Chieti) due to unlawful withdrawal of water from River Verde.

EBITDA and quantitative data

2018 financial highlights

Commercial and Trading

EBITDA main drivers



↓ Reduced margin from Free market

= Stable margin from Enhanced Protection market



KEY HIGHLIGHTS

- ✓ Fall in customer base in Enhanced Protection market and growth in Free market customers
- ✓ Reduced inbound calls (-29%) reflecting improved customer experience

(€m)	2018 (a)	2017 (b)	%change (a/b)	Quantitative data	2018	2017
EBITDA	76.1	77.6	-1.9%	Total energy sold (GWh)	6,029	6,843
				<i>Enhanced Protection market</i>	2,344	2,652
				<i>Free market</i>	3,685	4,191
Capex	24.6	19.4	+26.8%	No. of electricity customers ('000s)	1,162	1,213
				<i>Enhanced Protection market</i>	831	893
				<i>Free market</i>	331	320
Average workforce	464	474	-10	Total gas sold (Mm³)	128	103
				No. of gas customers ('000s)	173	167

EBITDA and quantitative data

2018 financial highlights

Environment

EBITDA main drivers



EBITDA SLIGHTLY UP

- ▲ Acea Ambiente: +€2.1m
- ▲ Iseco: +€0.3m
- ▼ Acque Industriali: -€1.0m
- ▼ Aquaser: -€0.4m



KEY HIGHLIGHTS

- ✓ Re-start of Aprilia and Sabaudia plants
- ✓ Work in progress on Monterotondo plant
- ✓ Increased contribution from WTE due to increase in price of electricity sold and fewer shutdowns of San Vittore plant
- ✓ Consents obtained for Orvieto landfill

(€m)	2018 (a)	2017 (b)	%change (a/b)	Quantitative data	2018	2017
EBITDA	65.6	64.5	+1.7%	Treatment and disposal* (Ktonnes)	1,120	1,077
Capex	20.1	15.4	+30.5%	WTE electricity produced (GWh)	355	354
	2018 (a)	2017 (b)	Change (a-b)			
Average workforce	360	355	+5			

*Includes ash disposed of

EBITDA and quantitative data

2018 financial highlights



Overseas ↑ Positive contribution from Aguas de San Pedro



Engineering & Services ↑ Increase in engineering, research and innovation activities for Group companies

(€m)	2018 (a)	2017 (b)	% change (a/b)
EBITDA	14.8	14.4	+2.8%
Capex	6.6	5.2	+26.9%
	2018 (a)	2017 (b)	Change (a-b)
Average workforce	781	595	+186*

(€m)	2018 (a)	2017 (b)	% change (a/b)
EBITDA	18.0	14.5	+24.1%
Capex	1.6	0.8	+100.0%
	2018 (a)	2017 (b)	Change (a-b)
Average workforce	265	319	-54



Holding company

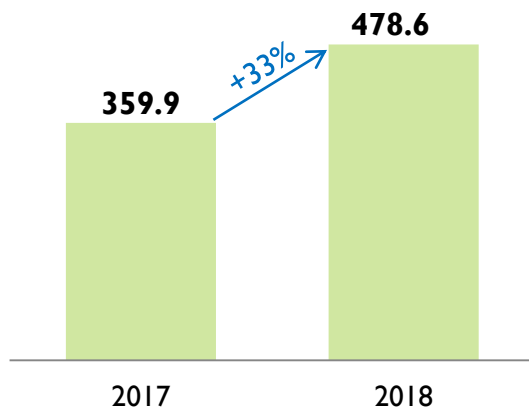
(€m)	2018 (a)	2017 (b)	Change (a/b)
EBITDA	(34.9)**	(13.7)	n/s
Capex	10.0	10.7	-6.5%
	2018 (a)	2017 (b)	Change (a-b)
Average workforce	663	589	+74***

* The increase in the workforce primarily reflects the consolidation of Consorcio Servicios Sur

** The result is influenced by the antitrust fine of €16m

*** The increase in the workforce is primarily due to the transfer of Facility Management from the Engineering & Services unit

EBIT (€m)



(€m)

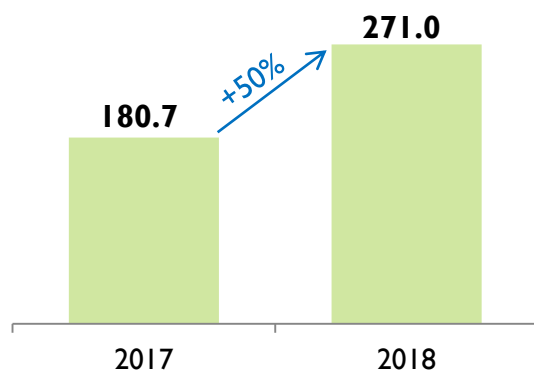
	2018	2017	% change
Depreciation	366.8	328.9	+11.5%
Write-downs	75.1	90.4	-16.9%
Provisions	12.8	60.8	-78.9%
Total	454.7	480.1	-5.3%

- ✓ Increased depreciation linked to increased capex (including IT assets with shorter useful lives)
- ✓ Reduced credit losses, in part due to write-downs of amounts due from Gala in 2017
- ✓ Release of risk provisions for Gori (€44m) following acquisition of sole control of the company

Average Group workforce

2018	2017
6,471 [^]	5,494

NET PROFIT (€m)



DIVIDEND HISTORY

	2014	2015	2016	2017	2018
DPS (€)	0.45	0.50	0.62	0.63	0.71[°]
Total dividend (€m)	95.8	106.5	132.0	134.2	151.2
Dividend yield*	4.6%	4.2%	5.2%	4.7%	5.3%
Payout**	59%	61%	50%	74%	56%

TAX RATE	2017	2018
	33.3%	30.4%

[^] Increase in workforce primarily reflects changes in scope of consolidation (Gori +746; Consorcio Servicios Sur +172)

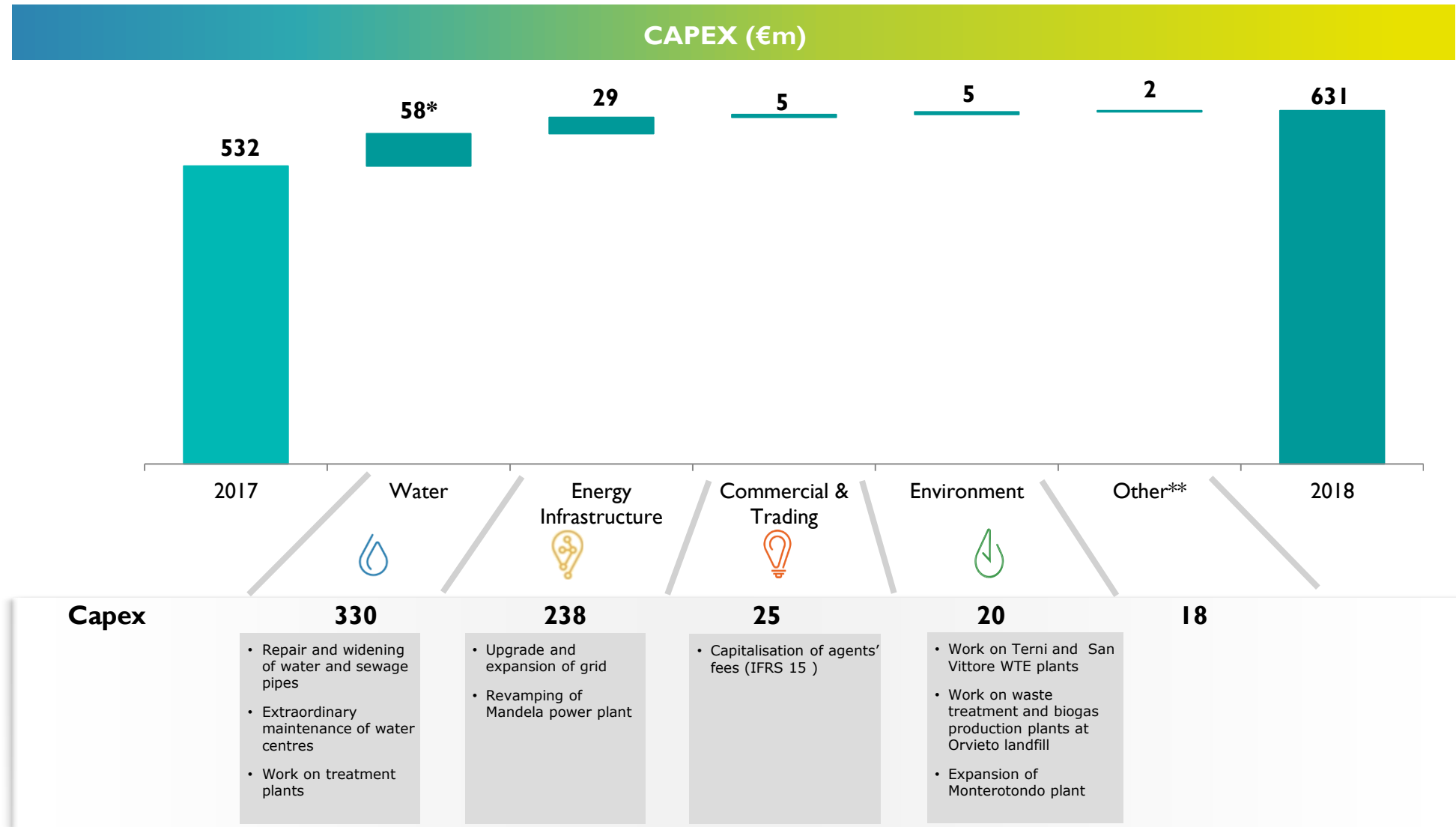
[°] The Board of Directors will propose the dividend for 2018 at the Annual General Meeting called for 17 and 18 April 2019, in first and second call, respectively

* Based on the average price for the year

** Based on consolidated net profit after non-controlling interests

Capex

Strong capex growth, above all in regulated businesses



* Effect of consolidation of Gori for last two months (€10m)

** Overseas, Engineering & Services, Corporate

Cash flow

Significant improvement in working capital in Q4 2018

	2018	2017
EBITDA	933	840
Change in working capital	(37)	(126)
CAPEX	(631)	(532)
FREE CASH FLOW	265	182
Net finance income/(costs)	(83)	(72)
Provisions	(108)	(119)
Taxes paid	(81)	(137)
Dividends	(134)	(132)
Other	(35)	(16)
M&A*	29	0
Total cash flow	(147)	(294)

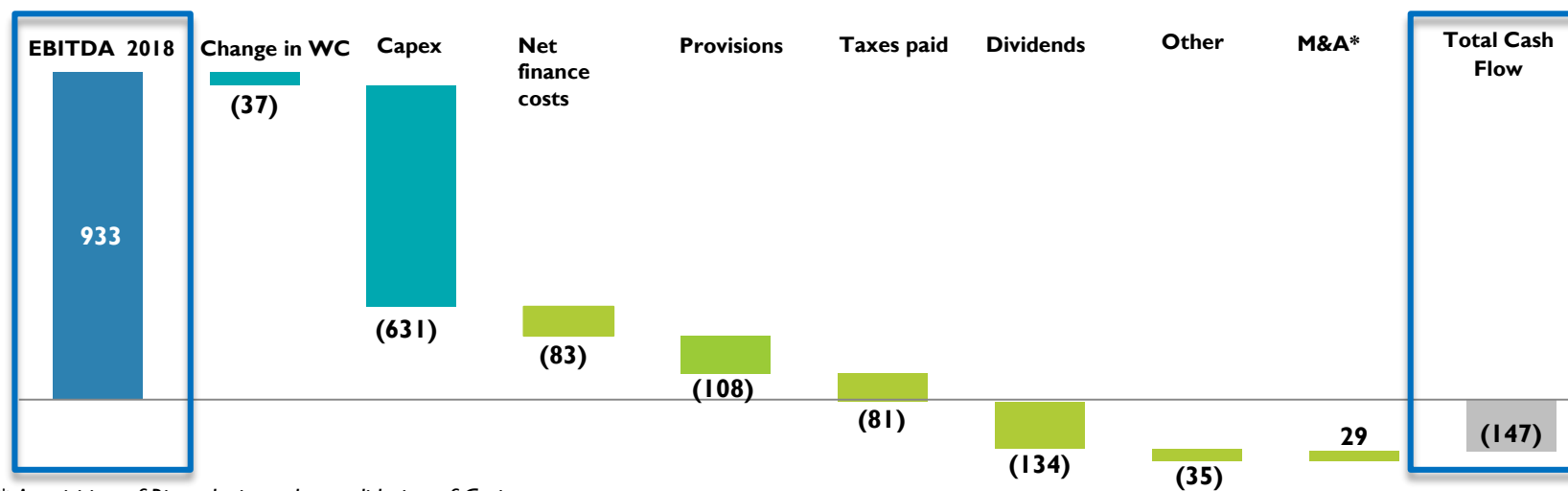
Excellent credit collection performance

Measures designed to optimise working capital

Q4 2018 registered following improvements in cash flow from working capital:

- ✓ ~ €170m versus Q3 2018
- ✓ ~ €40m versus Q4 2017

The change in working capital in 2018 (an outflow of €37m) reflects the consolidation of Gori (€19m)



* Acquisition of Bioecologia and consolidation of Gori

Net debt Ahead of guidance

(€m)	31 Dec 2018 (a)	30 Sep 2018 (b)	31 Dec 2017 (c)	Change (a-b)	Change (a-c)
Net debt	2,568.0	2,631.1	2,421.5	(63.1)	146.5
Medium/Long-term	3,341.4	3,359.9	2,706.6	(18.5)	634.8
Short-term	(773.4)	(728.8)	(285.1)	(44.6)	(488.3)

NET DEBT/ EQUITY
31 DEC 2018

1.3x

NET DEBT/ EQUITY
31 DEC 2017

1.3x

NET DEBT/ EBITDA
31 DEC 2018

2.8x

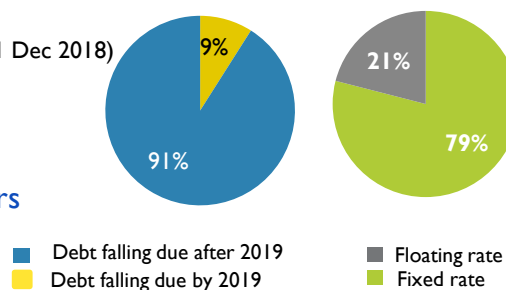
NET DEBT/ EBITDA
31 DEC 2017

2.9x

Debt structure

(maturity and interest rates at 31 Dec 2018)

- > Fixed rate **79%**
- > Average cost **2.21%**
- > Average term **5.8 years**



Ratings

FitchRatings

BBB+

Stable Outlook

MOODY'S

Baa2

Stable Outlook



ACEA Group 2018 Results

Rome, 6 March 2019

Q&A session



THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY MATERIALLY DIFFER FROM THOSE EXPRESSED THEREIN OR IMPLIED THEREBY DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY FRAMEWORK, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY.

PURSUANT TO ART. 154-BIS, PAR. 2, OF THE LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, GIUSEPPE GOLA – CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.