Q1 2017 Results

26 April 2017

Q1 2017 financial highlights

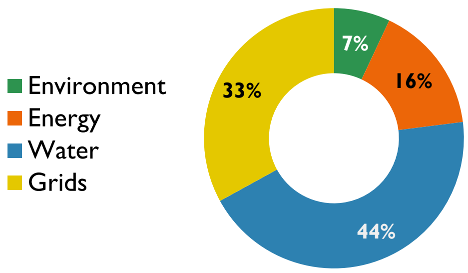
(€m)	Q1 2016 a	Q1 2016 adjusted* b	Q1 2017 c	% Change c/a	% Change c/b
Consolidated revenue	**713.7**	*691.2*	**725.5**	**+1.7%**	+5.0%
EBITDA	**207.2**	*184.7*	**214.4**	**+3.5%**	+16.1%
EBIT	**123.6**	*101.1*	**117.2**	**-5.2%**	+15.9%
Profit/(Loss) before tax	**103.0**	*80.5*	**98.3**	**-4.6%**	+22.1%
Net Profit/(Loss)	**69.2**	*54.0*	**68.5**	**-1.0%**	+26.9%
Group net profit/(loss)	**66.9**	*51.7*	**65.7**	**-1.8%**	+27.1%
Capex	**97.0**		**126.4**	**+30.3%**	

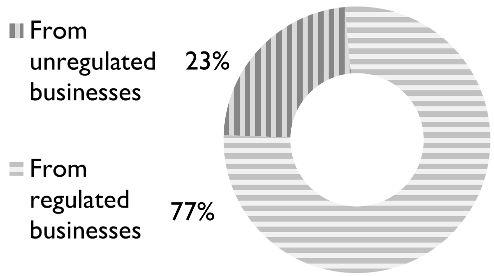
* Adjusted amounts for Q1 2016 do not include the positive impact of elimination of the "regulatory lag" (€22.5m pre-tax)

(€m)	31 March 2016 (a)	31 Dec 2016 (b)	31 March 2017 (c)	Change (c-a)	Change (c-b)
NET DEBT	**2,173.9**	**2,126.9**	**2,234.8**	**60.9**	**107.9**
Equity	**1,656.4**	**1,757.9**	**1,838.2**	**181.8**	**80.3**
Invested Capital	**3,830.3**	**3,884.8**	**4,073.0**	**242.7**	**188.2**

EBITDA

EBITDA Q1 2017

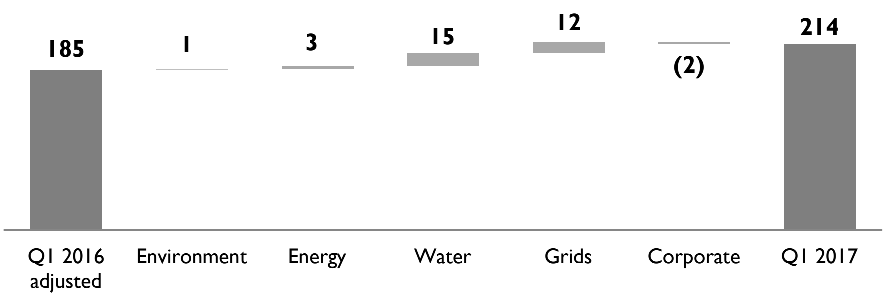




Total number of employees (average)	Q1 2016	Q1 2017
Acea Spa	636	579
Environment	228	302
Energy	553	554
Water	2,252	2,782
Grids	1,316	1,281
Total*	**4,985**	**5,498**

* Figure does not include employees of companies consolidated using the equity method.

EBITDA (€m)



Scope of consolidation: changes compared with 2016

Environment | Water

(€m)	Acque Industriali	GEAL	TWS (ex Severn Trent)	Aguas de San Pedro	AguaAzul Bogotà	Total
Date	1 Jan. 2017	8 Feb 2017	23 Feb 2017	Last quarter 2016	2016	
% acquired	51.0%	19.2%	100%	29.7%	Changes in BoD composition	
% held at 31 March 2017	51.0%	48.0%	100%	60.7%		
Method of consolidation	Line-by-line	Equity	Line-by-line	Line-by-line	Equity	
EBITDA Q1 2017	(0.4)	0.3	0.1	2.8	0.0	2.8

EBITDA and Key quantitative data

Q1 2017 financial highlights

Environment

EBITDA main drivers

Higher quantity of electricity sold by Terni and San Vittore plants

(€m)	Q1 2016	Q1 2017	% change
EBITDA	13.3	14.5	+9.0%
Capex	1.6	5.5	n/m

Key quantitative data	Q1 2016	Q1 2017
Treatment and disposal* (‘000s of tonnes)	197	274
WTE electricity produced (GWh)	66	82

*Includes ash disposed of

EBITDA and Key quantitative data

Q1 2017 financial highlights

Energy

EBITDA main drivers

Electricity production (increased quantity of electricity produced)

(€m)	Q1 2016	Q1 2017	% change
EBITDA	**32.6**	**35.8**	**+9.8%**
Production	9	13	+44.4%
Sales	23	23	-
Capex	**11.8**	**9.1**	**-22.9%**

Key quantitative data	Q1 2016	Q1 2017
Total Electricity production (GWh)	**108**	**131**
Total Electricity sold (GWh)	**2,171**	**1,813**
Enhanced Protection Market	737	730
Free Market	1,434	1,083
Total Gas sold (Mm^3)	**55**	**51**

EBITDA and Key quantitative data

Q1 2017 financial highlights

Water

EBITDA main drivers

- Acea ATO2: +€12.9m (quality reward €6.9m)
- Change in scope of consolidation
- Overseas water operations: +€2.8m

(€m)	Q1 2016	Q1 2017	% change
EBITDA	**80.7**	**95.9**	***+18.8%***
of which: Profit/(Loss) on investments consolidated under IFRS 11	*6.9*	*5.2*	*-24.6%*
Capex	**41.7**	**57.8**	***+38.6%***

Key quantitative data	Q1 2016	Q1 2017
Total volume of water sold (Mm^3)	**103**	**103**

EBITDA and Key quantitative data

Q1 2017 financial highlights

Grids

EBITDA main drivers

- ↑ Operational efficiency and new technologies
- ↓ Impact of fifth regulatory cycle

(€m)	Q1 2016 a	*Q1 2016 adjusted* *b*	Q1 2017 c	% change c/a	*% change* *c/b*
EBITDA	**80.6**	*58.1*	**70.6**	**-12.4%**	*+21.5%*
Capex	**39.6**		**50.6**	**+27.8%**	

Key quantitative data	Q1 2016	Q1 2017
Total Electricity distributed (GWh)	**2,536**	**2,509**

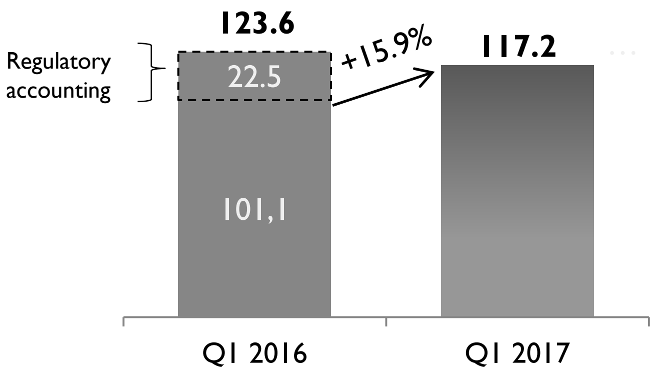
* After positive impact of regulatory accounting (€22.5 m)

Corporate

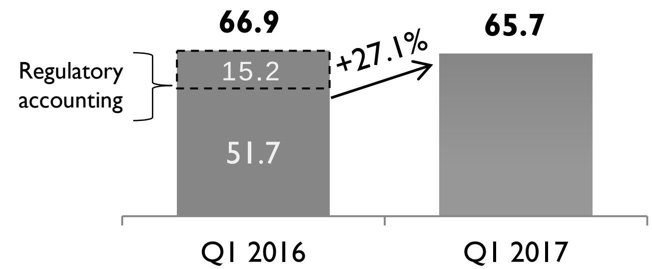
(€m)	Q1 2016	Q1 2017	% change
EBITDA	**0**	**(2.4)**	***n/m***
Capex	**2.3**	**3.4**	***+47.8%***

EBIT and Net Profit

EBIT (€m)



NET PROFIT (€m)

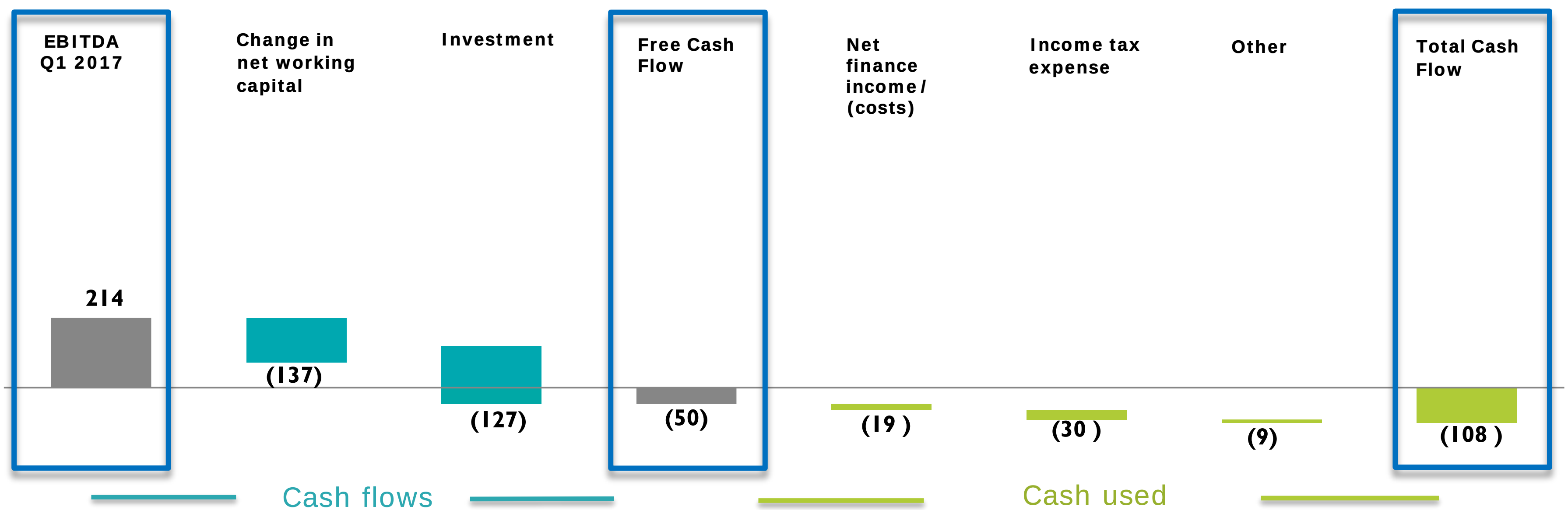


(€m)	Q1 2016	Q1 2017	% change
Depreciation	58.6	68.8	+17.4%
Impairments	13.2	18.7	+41.7%
Provisions	11.8	9.8	-16.9%
Total	**83.6**	**97.3**	**+16.4%**

✓ Higher depreciation due to increased capex

Cash flow

CASH FLOW ANALYSIS (€m)	Q1 2016	Q1 2017
EBITDA	**207**	**214**
Change in net working capital	(188)	(137)
Investment	(97)	(127)
Free Cash Flow	**(78)**	**(50)**
Net finance income/(costs)	(21)	(19)
Income tax expense	(34)	(30)
Dividends	0	0
Other	(31)	(9)
Total Cash Flow	**(164)**	**(108)**



* Before impairment losses on receivables

Net Debt

(€m)	31 Mar 2016 (a)	31 Dec 2016 (b)	31 Mar 2017 (c)	*Change (c-a)*	*Change (c-b)*
NET DEBT	**2,173.9**	**2,126.9**	**2,234.8**	***60.9***	***107.9***
Medium/Long-term	2,648.8	2,769.4	2,742.6	*93.8*	*(26.8)*
Short-term	(474.9)	(642.5)	(507.8)	*(32.9)*	*134.7*

NET DEBT/ EQUITY 31 Dec 2016	NET DEBT/ EQUITY 31 Mar 2017
1.2x	1.2x

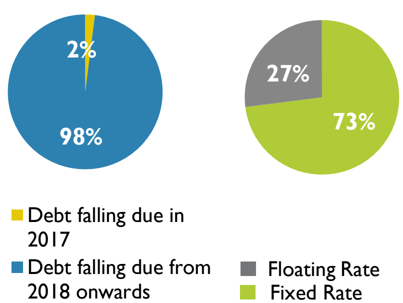
Debt structure

(maturity and interest rates at 31 March 2017)

>Fixed rate 73%

>Average overall cost 2.6%

>*Average term to maturity* ~6.8 years



Ratings

FitchRatings	MOODY'S
BBB+	**Baa2**
Stable Outlook	*Stable Outlook*

Disclaimer

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, DEMETRIO MAURO – CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.