

PRESS RELEASE – 25 February 2020

A2A's Board of Directors presents the preliminary consolidated results for 2019

**EBITDA totals 1.23 billion euros,
in line with the excellent performance of 2018, despite the lack of approximately 100
million euros generated by green certificates and other incentives**

Strong growth in capex: 627 million euros, up 25% on the previous year

**NFP, including the first-time adoption of IFRS 16, equal to 3.15 billion euros.
The NFP/EBITDA ratio is 2.6x (2.5x in 2018)**

Milan, February 25, 2020 – A2A S.p.A.'s Board of Directors met today and examined the preliminary consolidated results for 2019.

The preliminary figures for 2019 exceed management's performance forecasts and confirm the A2A Group's capacity for organic growth, despite the lack of the significant contribution of green certificates and other incentives in 2019.

The **Gross Operating Profit** (EBITDA) amounts to 1.23 billion euros, in line with the previous year. The net balance of non-recurring items is roughly +40 million euros, in line with the previous year.

Net of the contribution of green certificates and other incentives recognised in 2018, all business units (hereinafter “BUs”), showed an improvement in results on the previous year. This positive trend was partly due to the fact that the ACSM-AGAM group, which is consolidated on a line-by-line basis since July 1, 2018, contributed for the entire year.

Capex of 627 million euros shows a 25% increase on the previous year and mainly concerned projects to promote decarbonization and renew power generation capacity, in addition to improving the efficiency of the distribution networks and expanding waste treatment capacity in order to promote circular economy.

Furthermore, in 2019, A2A completed M&As mainly in the waste treatment sector, the energy retail sector and renewable energies. These deals totalled over 50 million euros.

The **Net Financial Position** amounts to 3.15 billion euros (3.02 billion euros at December 31, 2018). The strong operating cash flow generated in the year was used to finance the significant capex, leading to cash outflows, before the change in the consolidation scope and the effects of the first-time adoption of IFRS 16, of over 70 million euros.

The NFP/EBITDA ratio is 2.6x (2.5x in 2018).

“Our results for 2019 are solid and exceed our expectations, confirming an EBITDA in line with 2018 and fully covering the gap created by the lack of incentives and green certificates, which in 2018 contributed approximately 100 million euros,” noted Chief Executive Officer Valerio Camerano. “We have also reinforced the foundations of our growth with a 25% increase in capex on 2018 and five additional M&As.”

“2019 was a particularly important year for the consolidation of the local partnerships launched in previous years, creating fertile ground for the A2A Group to develop further based on its model of being the local multi-utility company wherever it operates, announced Giovanni Valotti, Chairman of the Group. “This strategy will enable us to generate value, not only for our public shareholders, but for all stakeholders as well”.

The Board of Directors will examine the A2A Group’s draft consolidated financial statements during their meeting on March 19, 2020, according to the financial calendar announced previously.

The preliminary figures reported above do not include tax effects, which are currently being calculated, and are still subject to audit by the audit company.

Alternative performance indicators

Certain alternative performance indicators not envisaged by the International Financial Reporting Standards endorsed by the European Union (IFRS-EU) are presented in the press release to give a better view of the A2A Group's performance. In accordance with the recommendations in the ESMA Guidelines published in October 2015, the indicators are described below, with an explanation of their content and calculation base:

- **Gross operating profit (EBITDA)** is an alternative measure of operating performance, calculated as the sum of the net operating profit and amortization, depreciation and write-downs;
- **Net financial position** is an indicator of financial structure. This indicator corresponds to the financial debts net of liquidity and equivalents and current and non-current financial assets (financial assets and securities other than equity investments).
- **Capex** is an alternative performance indicator used by the A2A Group as a financial target within the scope of internal Group presentations (business plans) and external documents (presentations to financial analysts and investors). It is a useful measure of the resources employed to maintain and develop the A2A Group's investments.

The executive responsible for drawing up A2A S.p.A.'s corporate accounting documents, Andrea Crenna, states – in accordance with article 154-bis, sub-section 2 of the Financial Act (Legislative Decree 58/1998) – that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

For further information:

Media relations: Giuseppe Mariano tel. 02 7720.4583, ufficiostampa@a2a.eu

Investor Relations: tel. 02 7720.3974, ir@a2a.eu