PRESS RELEASE – February 26, 2019

A2A's Board of Directors presents the preliminary consolidated results for 2018.

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The Gross Operating Margin is up 3% on 2017 to 1.23 billion euros, with growth of 5% before non-recurring items

Capex amounts to 500 million euros, up 11% on the previous year and acquisitions in renewables energy sector totalling 116 million euros

Net Financial Position has improved to 3.02 billion euros (3.23 billion euros at December 31, 2017).

The NFP / EBITDA ratio down to 2.5x

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Milan, February 26, 2019 – A2A S.p.A.'s Board of Directors met today and examined the preliminary consolidated results for 2018.

The preliminary data for 2018 confirm the company's organic growth capacity in the sectors where it has traditionally operated, are affected by the first-time consolidation of the ACSM-AGAM group, the result of the continued partnership with public utilities that began in previous years and highlight the Group's solar power operations following the M&As completed in the year.

The **Gross Operating Margin** (EBITDA) amounts to 1.23 billion euros, up 3% on the previous year.

Before net non-recurring items of approximately 40 million euros in 2018 (2017: net non-recurring items of 64 million euros), the gross operating margin amounts to roughly 1.19 billion euros (2017: 1.14 billion euros), up 5%.

All A2A's business units ("BUs") have shown a year-on-year improvement in ordinary result, with the sole exception of the Electricity and Gas Networks BU. The contribution of the ACSM-AGAM group, which is consolidated on a line-by-line basis since July 1, 2018, has also contributed to this positive trend.

Capex amounts to 500 million euros, a 11% increase on the previous year. This growth is mainly due to the Networks & District Heating BU (+14%) and the consolidation of the ACSM-AGAM group investments in the second half of the year.

Furthermore, in 2018, A2A has completed M&As in renewable energy sector totalling 116 million euros (impact on consolidated net financial position). The Group has acquired (from a fund Impax Limited and from a Chinese group Talesun) solar power plants to expand its renewable source energy production capacity, which totals approximately 98MW at the end of 2018.

Finally, in 2018, the Group launched a takeover bid on ACSM-AGAM shares and then restored the free-float: as a consequence, A2A's stake in ACSM-AGAM is equal to 41.34% (+2.43% versus December 31, 2017) with a total net investment of 21 million euros, as of December 31, 2018.

Net Financial Position amounts to 3.02 billion euros (3.23 billion euros at December 31, 2017). Net cash flows of over 200 million euros were generated in the year.

The NFP/EBITDA ratio has decreased from 2.7x to 2.5x.

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"*We are genuinely satisfied with this year's results, both overall and considering each individual business unit,"* **announced CEO Valerio Camerano.** *"This was another year in which we managed to simultaneously improve profitability, capex and our capital structure, confirming the soundness of the strategic direction we took five years ago".*

"2018 marks another step forward in the strengthening of our company and lays the foundation for additional future development," **added Giovanni Valotti, President of the Group**. *"Other companies with which we have forged significant partnerships understand and share our strategic vision".*

The Board of Directors will examine the A2A Group's draft consolidated financial statements during the meeting on April 3, 2019, 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.

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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 margin (EBITDA)** is an alternative measure of operating performance, calculated as the sum of the net operating margin and amortization, depreciation and write-downs;
- the **Gross operating margin before non-recurring items** is an alternative performance indicator calculated as the gross operating margin described above by excluding non-recurring transactions or operations (e.g., adjustments relating to previous years, extraordinary redundancy plans, etc.);
- **Net financial position** is an indicator of financial structure. It corresponds with financial liabilities, net of cash and cash 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.

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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 del (Legislative Decree 58/1998) – that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

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