

TERNA: 2019 PRELIMINARY CONSOLIDATED RESULTS APPROVED

Significant growth in EBITDA and Capex

- **Revenues** at € 2.3 billion (€ 2.2 billion in 2018)
- **EBITDA** at € 1.74 billion (€ 1.65 billion in 2018)
- **Capex** at € 1.26 billion (€ 1.09 billion in 2018)
- **Net Debt** at € 8.3 billion (€ 7.9 billion as of 31 December 2018)

Rome, 19 February 2020 – During today's meeting chaired by Catia Bastioli, the Board of Directors of Terna SpA approved the 2019 preliminary consolidated results, that were presented by the Chief Executive Officer and General Manager Luigi Ferraris. The 2019 preliminary consolidated results are still subject to statutory audit.

Consolidated **Revenues** stood at € 2.3 billion, showing an increase compared to the € 2.2 billion of 2018. The change is mainly attributable to the increase in revenues of Regulated Activities and to the contribution of Non Regulated Activities.

The **EBITDA (Gross Operating Margin)** stood at € 1.74 billion, showing an increase compared to the result of 2018 (€ 1.65 billion), as direct consequence of the better result of Regulated Activities.

The Group's **Capex** amounted to € 1.26 billion, increased compared to € 1.09 billion of 2018.

Net Financial Debt amounted to € 8.3 billion, compared to the € 7.9 billion as of 31 December 2018.

In this release, some "alternative performance measures" (EBITDA and Net Debt) are used, which are not provided for in the IAS/IFRS accounting standards; their meaning and contents are explained below pursuant to the ESMA/2015/1415 guideline published on 3 December 2015:

- **EBITDA (Gross Operating Margin)**: this is a measure of operating performance; it is calculated as "Net profit for the year" before "Income taxes for the year", "Financial income/(expense)" and "Amortisation, depreciation and impairment losses";
- **Net Financial Debt**: this is a measure of the company's financial structure. It is determined as the sum of the short-term ("Short-term loans", "Current portion of long-term loans" and "Current financial liabilities") and long-term debt ("Long-term loans") and the related derivative instruments ("Non-current financial liabilities"), net of "Cash and cash equivalents", "Current financial assets" and "Non-current financial assets" for the value of hedging derivatives on bonds. It should be noted that the net financial debt of the Terna Group is in compliance with the provisions of ESMA Recommendation no. 319 of 2013 regarding the definition of the net financial position, less "Non-current financial assets".

The Financial Reporting Manager, Agostino Scornajenchi, pursuant to paragraph 2 of Art. 154-bis of the Consolidated Law on Finance, declares that the accounting information included in this press release corresponds to the evidence in the documents, books and accounting records.