



Elia Group 2018 results

Time to accelerate

22 February 2019





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Elia Group FY Results 2018

Chris Peeters
Chief Executive Officer



Modular Offshore Grid

Belgian
North Sea

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Agenda

1. FY 2018 Achievements
2. Strong regulated financials
3. Conclusions & outlook

Elia Group FY 2018 performance



Investments

€ 1,128 million¹

+19.1% yoy

RAB*

€ 9.2 billion

+24.3% yoy

Normalised
Net Profit

€ 280.8 million

+38.0% yoy

Net Profit
Elia share²

€ 275.2 million

+32.0% yoy

RoE
Adjusted³

10.0%

+234 bps yoy

Dividend

€1.66

36.8% payout

* Regulated Asset Base (incl. 80% 50Hertz)

¹ Includes 100% of the investments realized by 50Hertz

² Net profit attributable to owners of ordinary shares (post non-controlling interest and post hybrid coupon)

³ RoE for owners of ordinary shares (excluding hybrid securities from equity)

Ownership of 80% in Eurogrid since 26 April 2018



Lars Bespolka
IFM



Chris Peeters
CEO Elia Group



20%



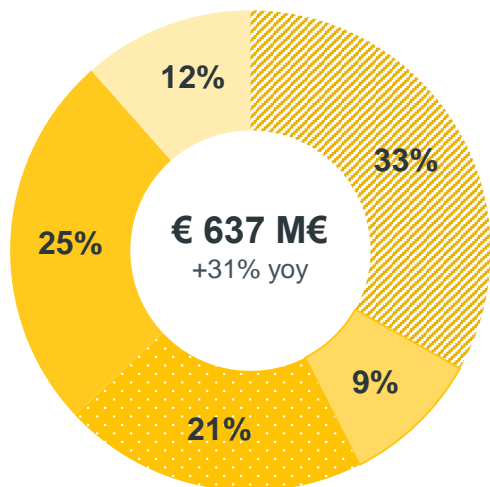
80%

eurogrid
International

Netzquartier 50Hertz Berlin

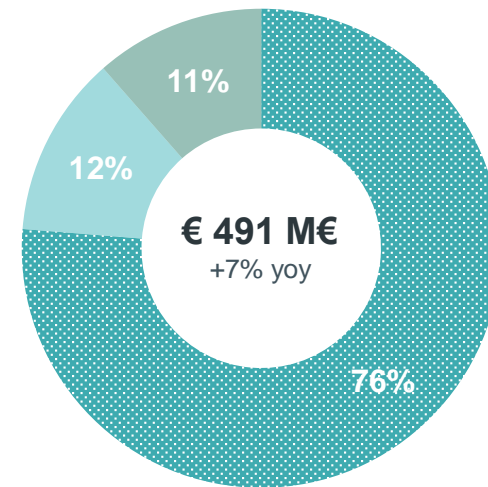
Elia Group's investments in 2018

Elia



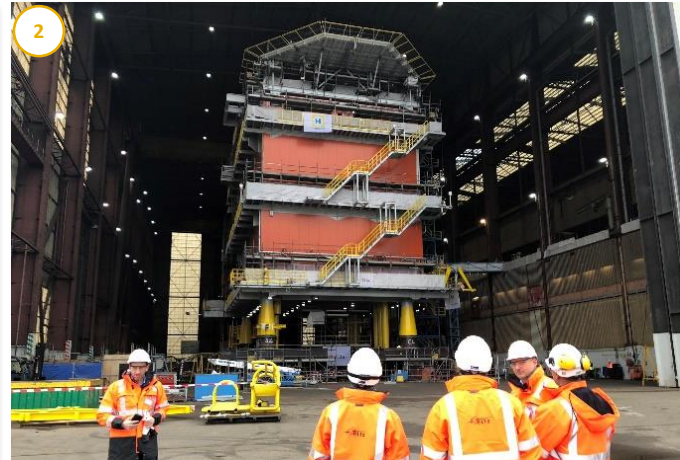
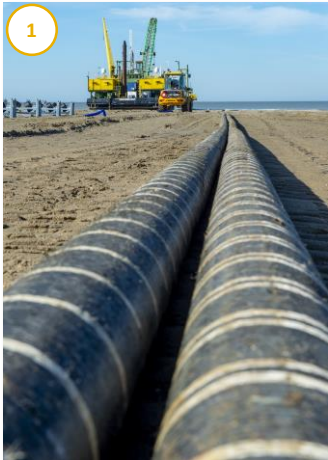
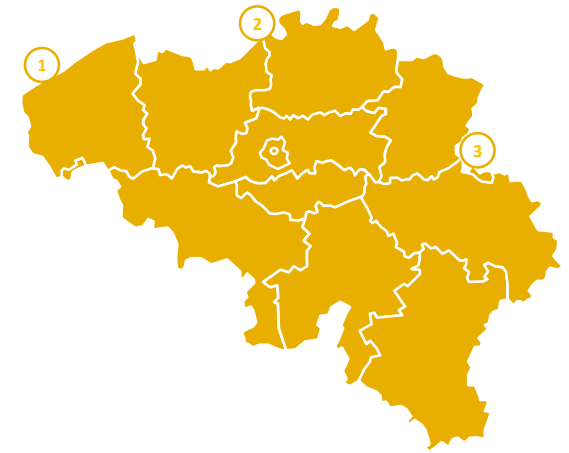
- ▨ Mark-up Investments
- Nemo
- Regional reliability of supply
- Renewables Development
- Funct. & tech. conformity and Customers & DSO
- European Markets and security of supply

50Hertz



Total investment of 1.1 b€ (+19% vs 2017)

Investments Elia 2018: € 637 million

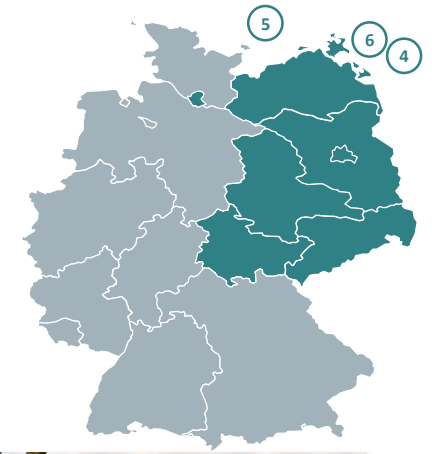


Nemo Link
***Subsea HVDC-interconnection
with UK***

MOG
***Electrical plug at sea to maximise
transmission of renewable production***

ALEGrO
***First electricity interconnector between
Belgium and Germany***

Investments 50Hertz 2018: € 491 million



Ostwind 1
CWA/ Offshore connection in the Eastern German Baltic shore



Kriegers Flak
Combined offshore grid solutions with DK and potentially SWE



Ostwind 2
2nd Offshore connection in the Eastern Germany Baltic shore



Preparation of key expansion project

Like the
HVDC
SuedOstLink

Vision paper on the consumer-centric system



Kick-off IO.Energy ecosystem





Elia Group Robust regulated financials

Catherine Vandenberghe
Chief Financial Officer

2018 Key highlights



Strategic

- Acquisition of an additional 20% stake in Eurogrid International (owning 50Hertz) end of April
- German State-owned bank KfW as a new partner in 50Hertz for the remaining 20% as from August, 22nd
- Publication of our vision “Towards a consumer centric system” and initiation of a cross-sectorial innovation platform IO.Energy



Operational

- Mark-up investments program 2018 reached in Belgium
- Strong operational performance in Germany
- Continued very high security of supply and reliability
- Operations performed with safety as a top priority



Regulatory

- Regulatory allowance for offshore opex changed from an opex lump sum to a pass-through mechanism in Germany
- Confirmation of the regulatory framework 2019-2023 in **Germany**
- Confirmation of the tariff methodology 2020-2023 for **Belgium**
- **NemoLink** operating under Cap & Floor regulatory framework



Financial

- Normalised Net result up 38.0% to €280.8 million driven by the acquisition of Eurogrid, the realisation of strategic investments in Belgium and the strong operational performance combined with the release of a legal claim provision in Germany.
- Acquisition of the additional 20% stake in Eurogrid financed by the issuance of € 700 million hybrid bond and € 300 million senior debt
- Proposed dividend of €1.66 (gross)

2018 Elia Group results

Key figures

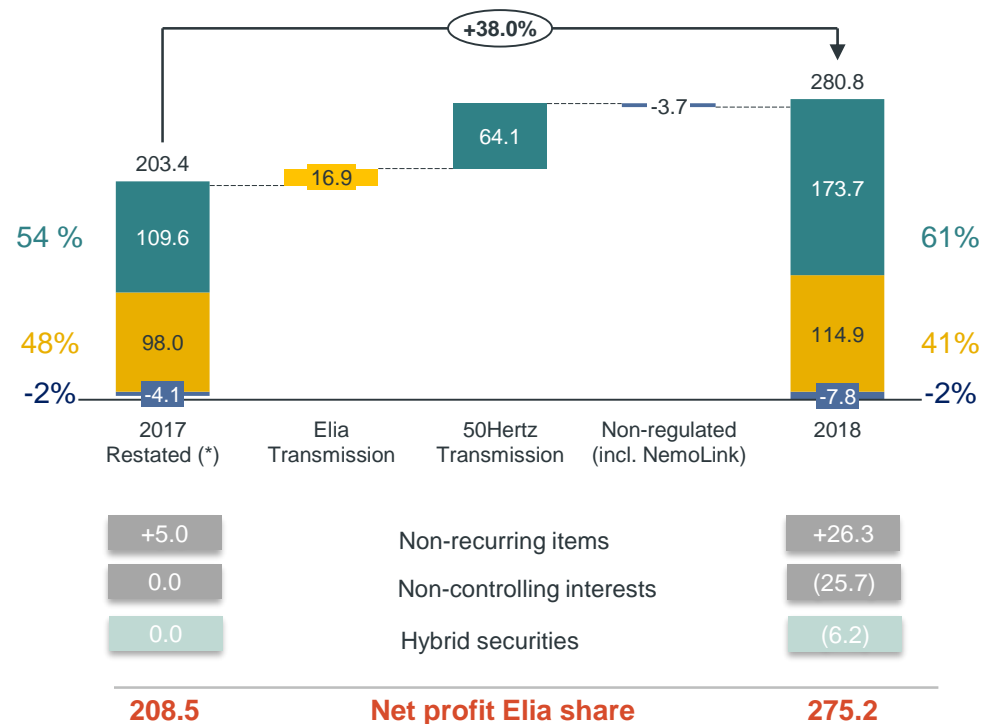
Revenues
€ 1,931.8 million
 +122.8% yoy

Normalised Net Profit
€ 280.8 million
 +38.0% yoy

Net Profit Elia share
€ 275.2 million
 +32.0% yoy

RoE (adj.)**
10.0%
 +234bps

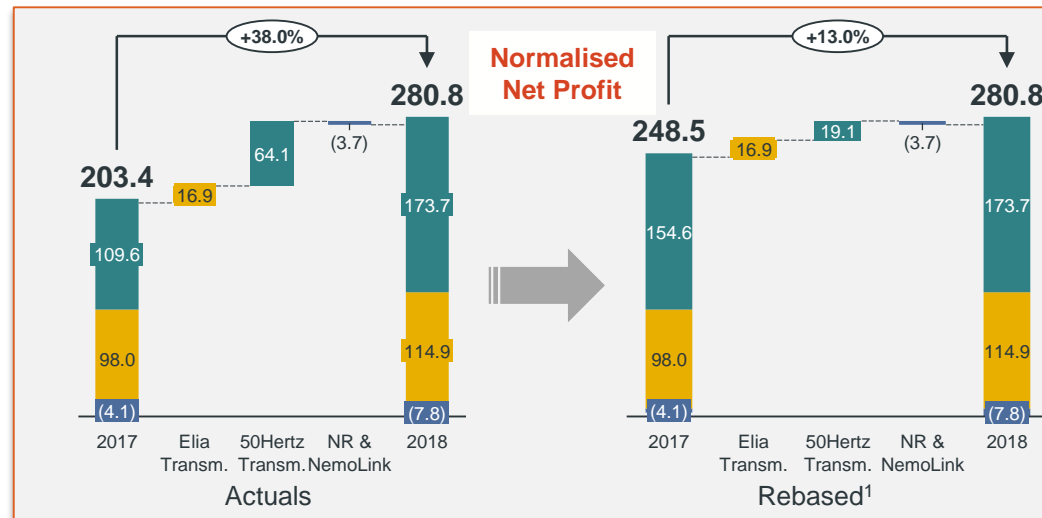
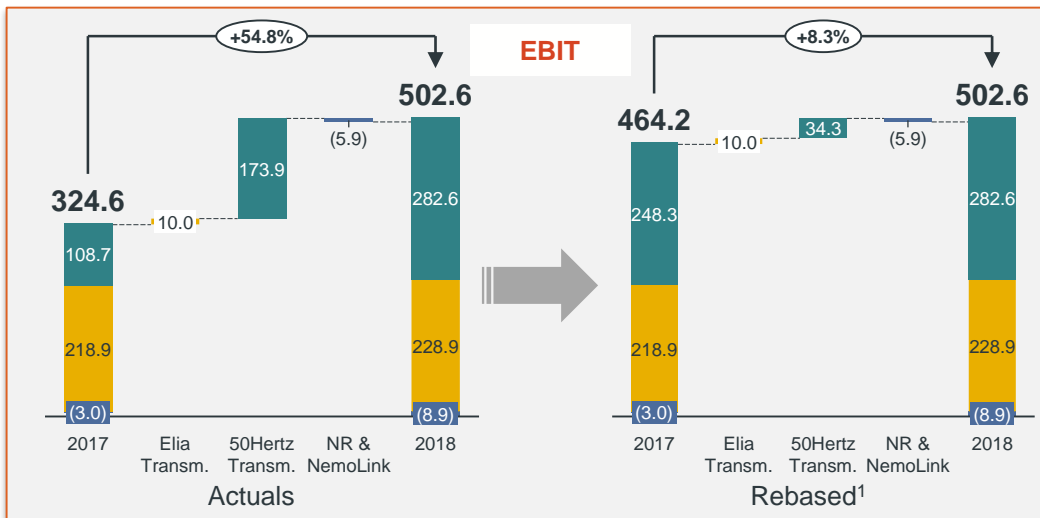
Normalised net profit (€m)



(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

(**) RoE adjusted refers the ratio between the net profit attributable to owners of ordinary shares (Net profit Elia share) and the equity attributable to owners of ordinary shares

Elia Group: Solid organic growth in 2018



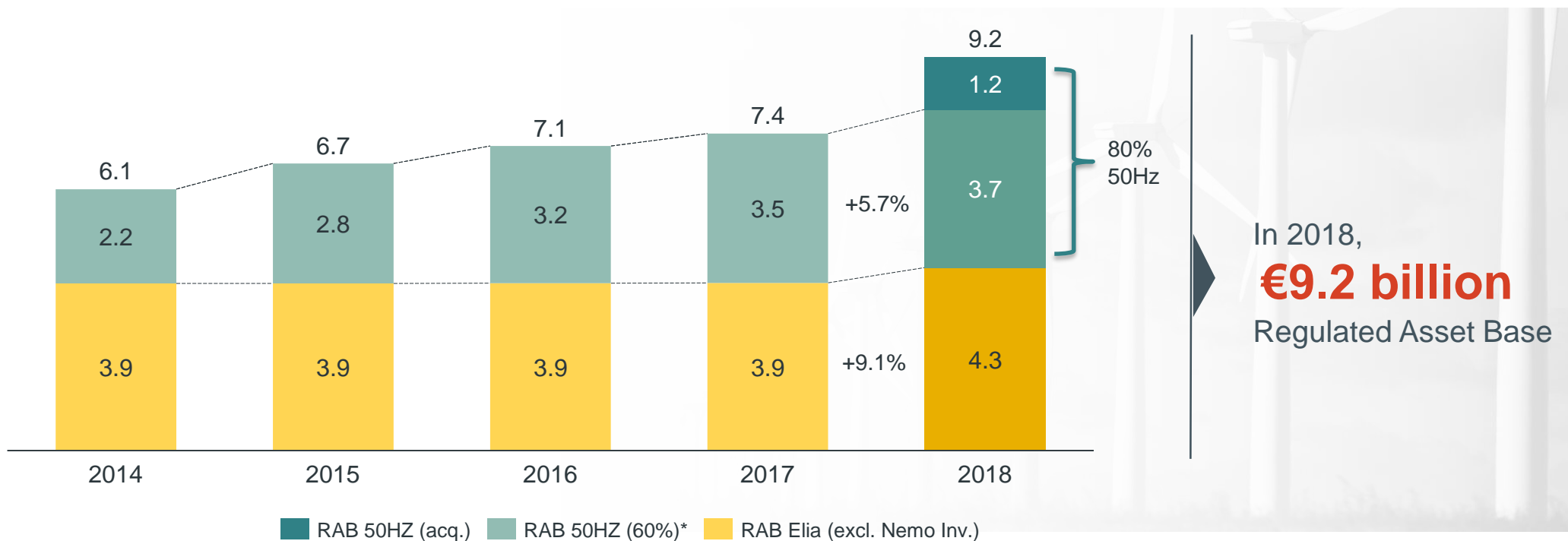
- **EBIT of 502.6 m€ in 2018, +54.8% yoy**, primarily driven by the inorganic movement linked to the additional 20% participation in Eurogrid and the 8 months of full consolidation of Eurogrid.
- **On a rebased¹ basis, the EBIT increased by 8.3% in 2018** supported by the release of the legal claim provision (net contribution of 32.1m€), higher organic EBIT in Belgium and Germany and partly offset by lower contribution from the non-regulated segment.

- **Normalised net profit of 280.8 m€ in 2018, +38.0% yoy**, primarily driven by the inorganic movement linked to the additional 20% participation in Eurogrid and the 8 months of full consolidation of Eurogrid.
- **On a rebased¹ basis, the normalised net profit increased by 13.0% in 2018** supported by the releases of the legal claim provision (net contribution of 32.1m€) in Germany, and the organic growth of both Belgium and Germany driven by the realization of investments and strong operational performance slightly offset by higher financial costs linked to the acquisition.

¹ On a rebased basis – please refer to the glossary of this presentation for definition and additional information.

Rebased figures are only presented as a basis for assessing growth rates on a comparable basis, and not as a measure of our pro forma financial performance

Investments driving the growing Regulated Asset Base (RAB)



(*) RAB 50Hz at 60% until 2017 and 80% as of 2018.

2018 Elia Group: net debt evolution

Key figures

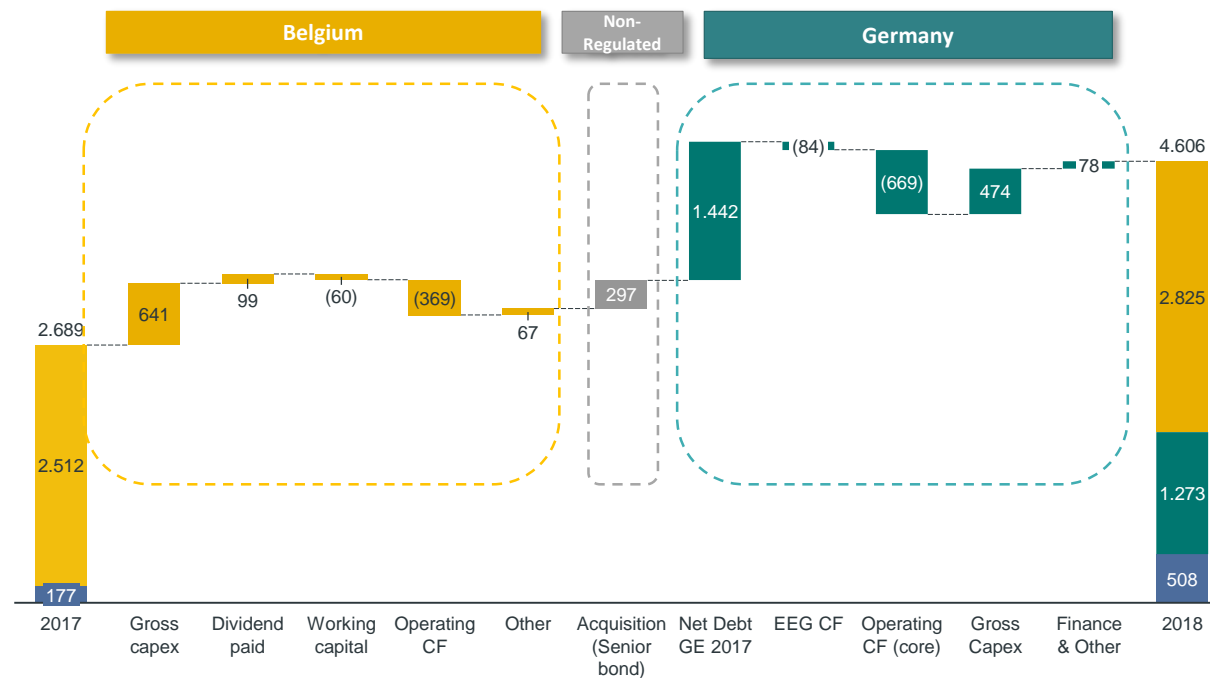
Net debt
€ 4,605.6 million
 +71.3% yoy

Leverage
1.71
 Debt / Equity (incl. NCI & hybrid)

Fixed debt ratio
94.4%
 Calculated on gross debt

Avg. Cost of Debt
2.30%
 (62bps)

Net debt evolution (€m)



S&P rating: BBB+/Stable outlook
Hybrid bond accounted as Equity (50% equity component S&P)

Elia Transmission: Realisation strategic investments driving results

Key figures

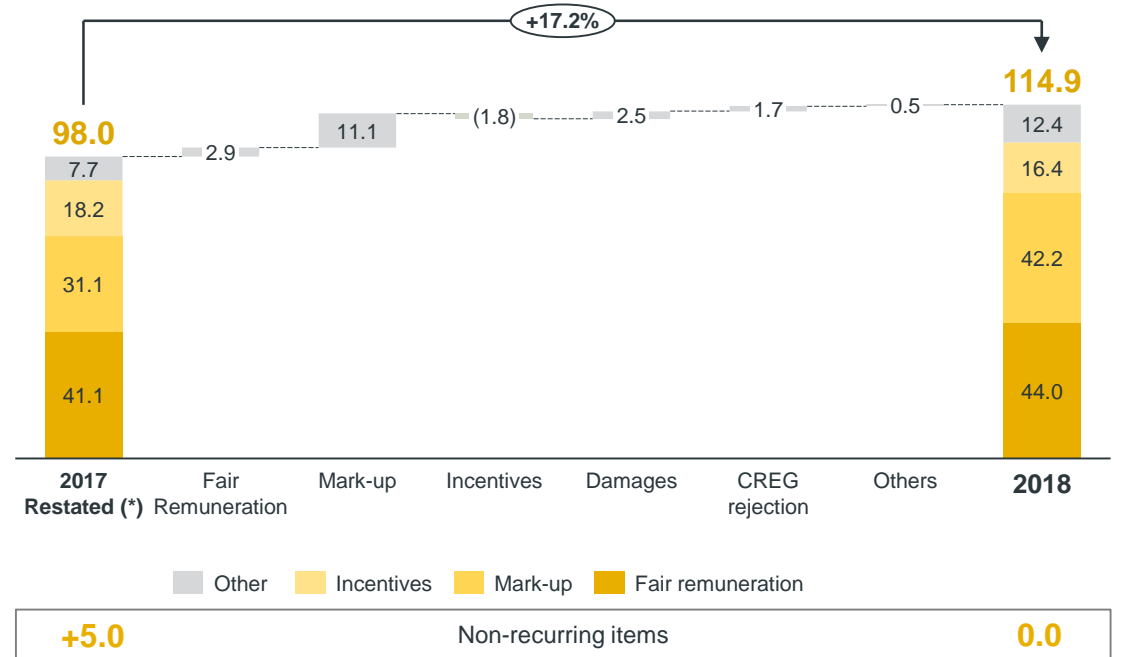
Revenues
€ 959.4 million
+12.7% yoy

Normalised Net Profit
€ 114.9 million
+17.2% yoy

Reported Net Profit
€ 114.9 million
+11.5% yoy

Normalised RoE
6.5%
+73bps

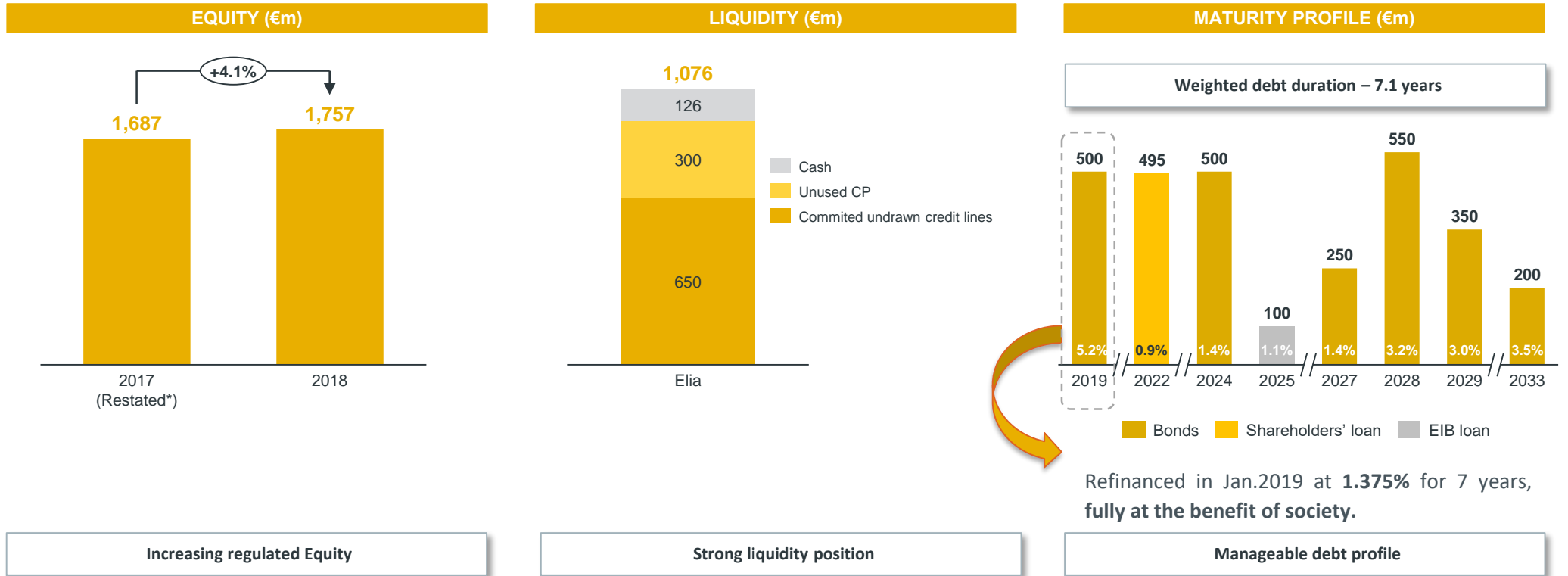
Normalised net profit evolution (€m)



Strong increase in net profit driven by the realisation of strategic investments

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

Elia: balance sheet with a manageable debt maturity profile



(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

50Hertz Transmission: Strong operational performance driving result

Key figures

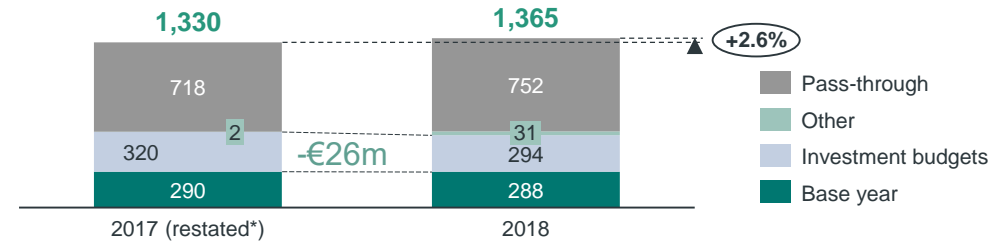
Revenues
€ 1,364.9 million
 +2.6% yoy

Normalised Net Profit
€ 216.3 million
 +18.5% yoy

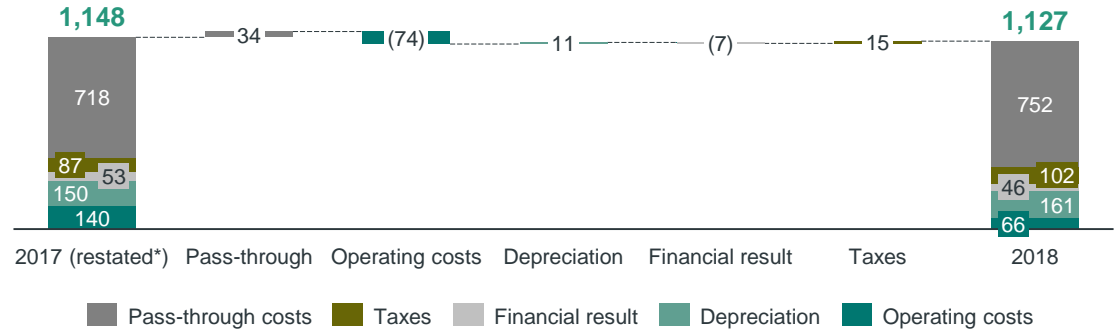
Reported Net Profit
€ 237.9 million
 +30.2% yoy

Normalized RoE
14.5%
 +100bps

Revenues (€m)



Costs (€m)

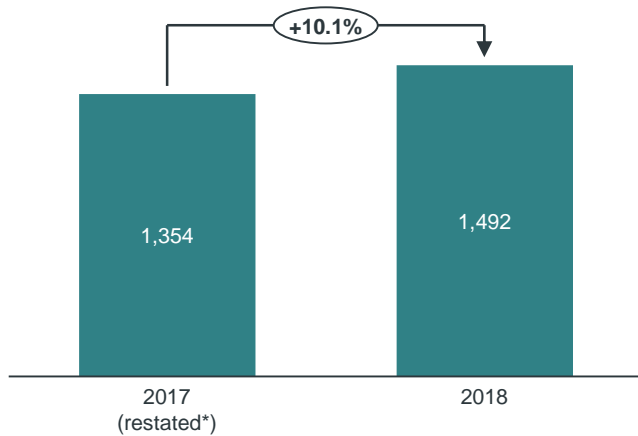


Strong increase net profit driven by release of legal claim provision and lower operational cost

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

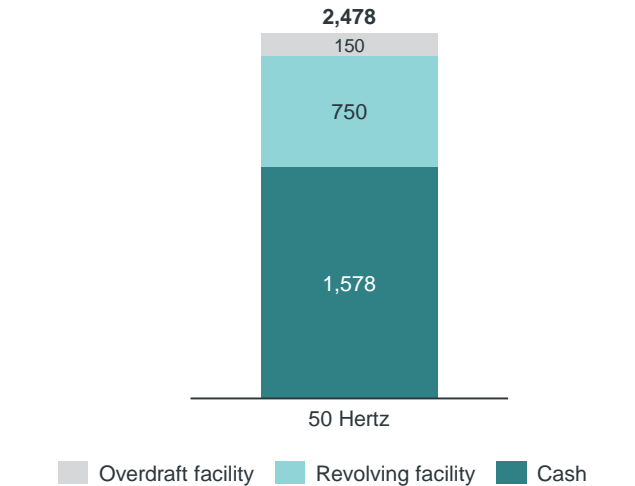
50Hertz Transmission: Strong balance sheet to finance investments

EQUITY (€m)



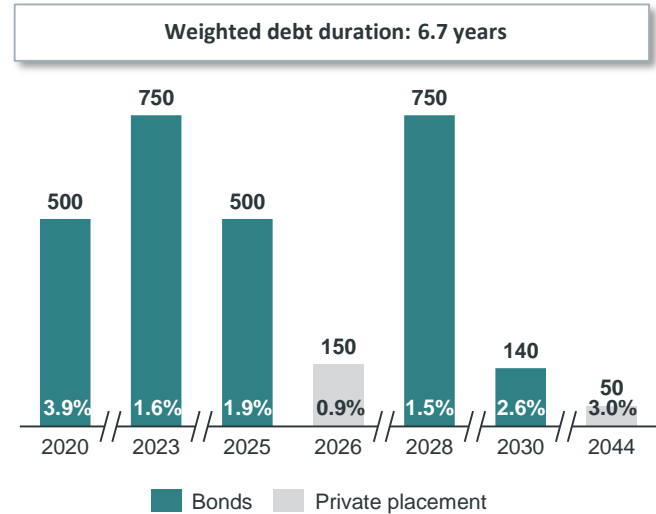
Increasing equity to finance Capex

LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)



BBB+ /Stable (S&P) & Baa1 /Stable (Moody's)

(*) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

Non-regulated (incl. NemoLink)

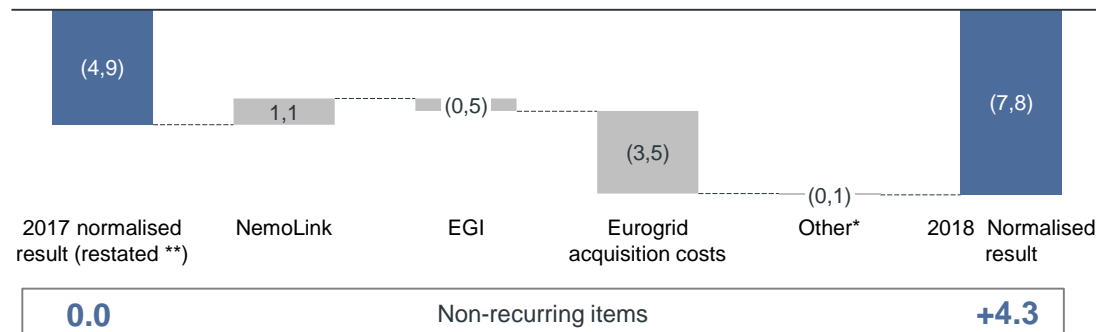
Key figures

Revenues
€ 13.9 million
 (29.9%) yoy

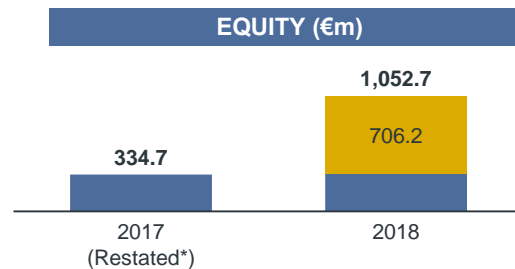
Normalised Net Loss
€ 7.8 million
 +59,7% yoy

Reported Net Loss
€ 3.5 million
 (28.2%) yoy

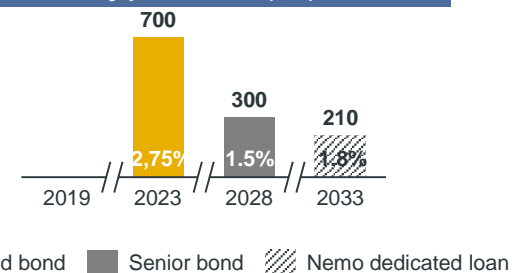
Normalised net profit allocation (€m)



EQUITY (€m)



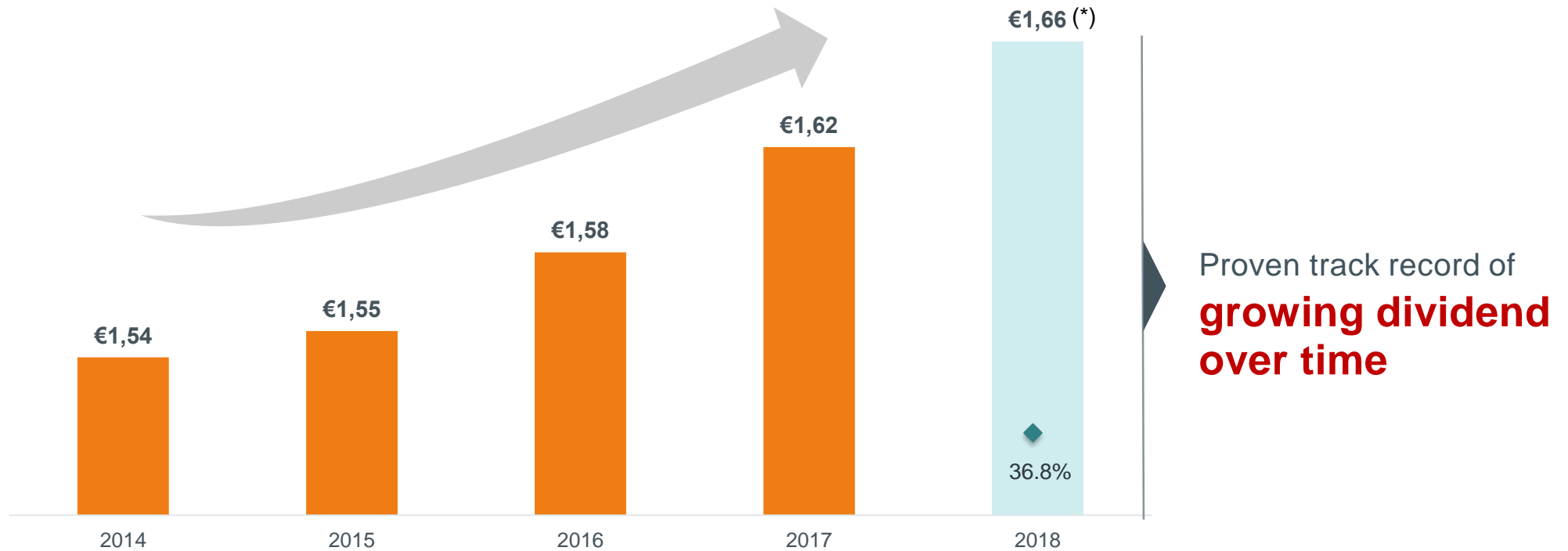
Maturity profile debt (€m)



Net loss driven by non-regulated financing costs and limited contribution NemoLink (in operation end Jan. 2019)
Hybrid securities accounted in Equity

(*) The non-regulated segment (incl. NemoLink), consists out of the non-regulated activities within Elia, financing additional 20% stake in Eurogrid International CVBA, EGI, NemoLink and Atlantic Grid
 (**) The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated.

Elia Group to propose a €1.66 dividend per share for 2018



* Proposed dividend for 2019 AGM planned on 21 May 2019

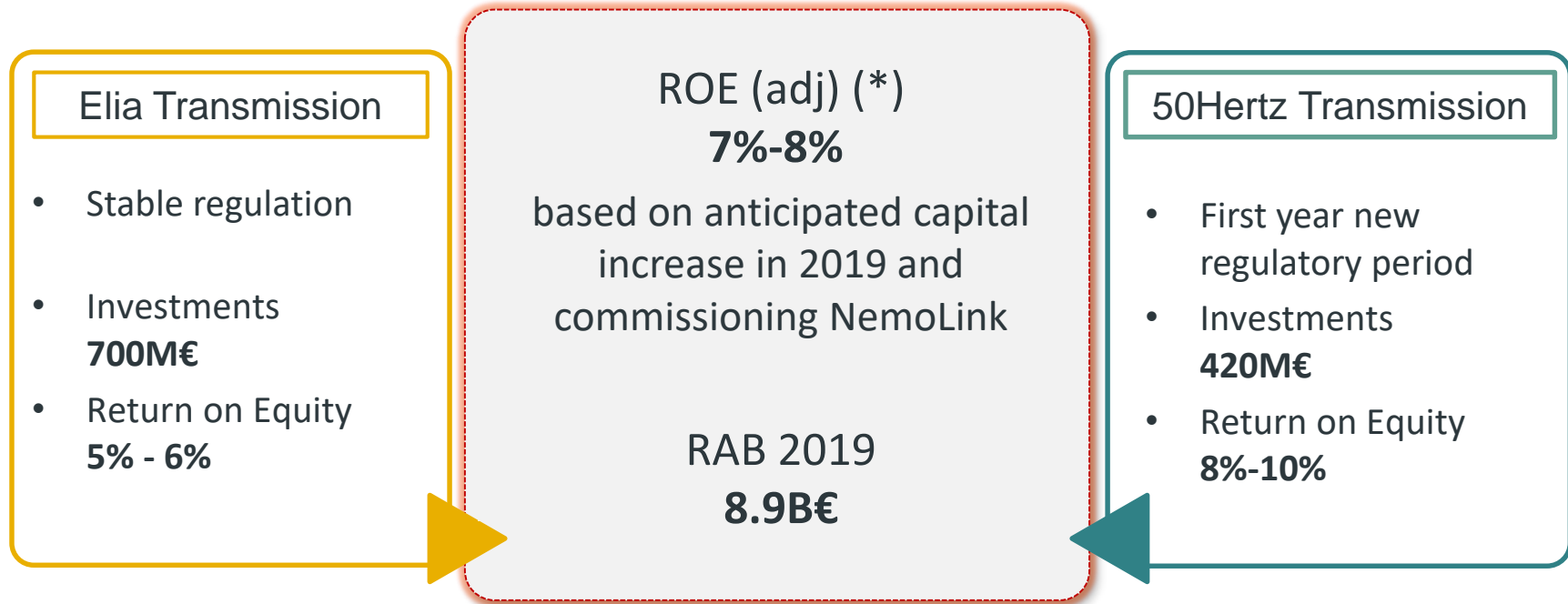
◆ Pay-out ratio based on IFRS result attributable to equity holders of ordinary shares



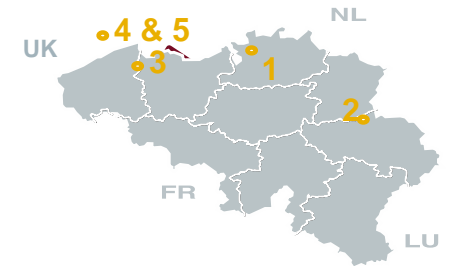
Elia Group Conclusion and outlook

Chris Peeters
Chief Executive Officer

FY 2019 outlook

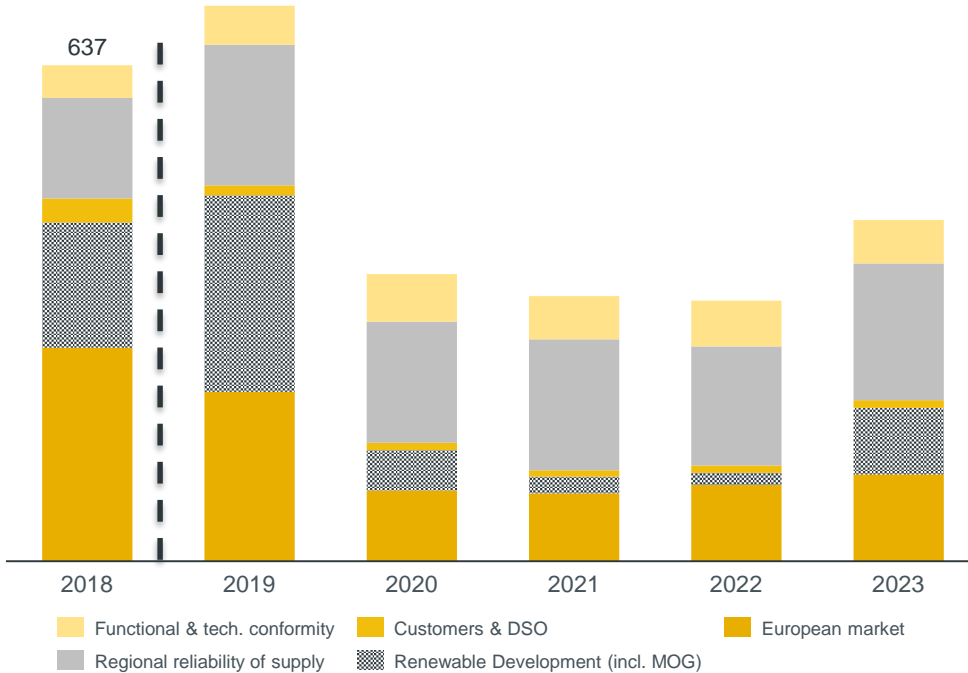


(*) (ROE adj.) refers the ratio between the net profit attributable to owners of ordinary shares (Net profit Elia share) and the equity attributable to owners of ordinary shares



Elia's investment programme for the next 5 years

← CAPEX plan of €2.2 billion →



Selected investment projects



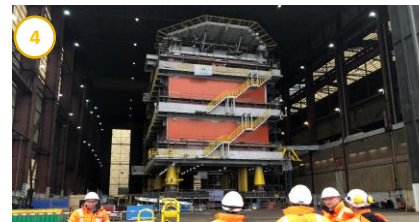
1
Brabo
Reinforce the Port of Antwerp & increase cross-border capacity with NL



2
ALEGrO
Increase cross-border capacity with Germany with the first HVDC on land



3
Mercator-Avelin
Strengthen the backbone to increase integration of offshore renewables

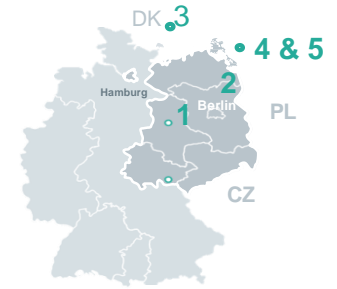


4
Mod. Offshore Grid I
Electrical plug at sea to maximize transmission of renewable production

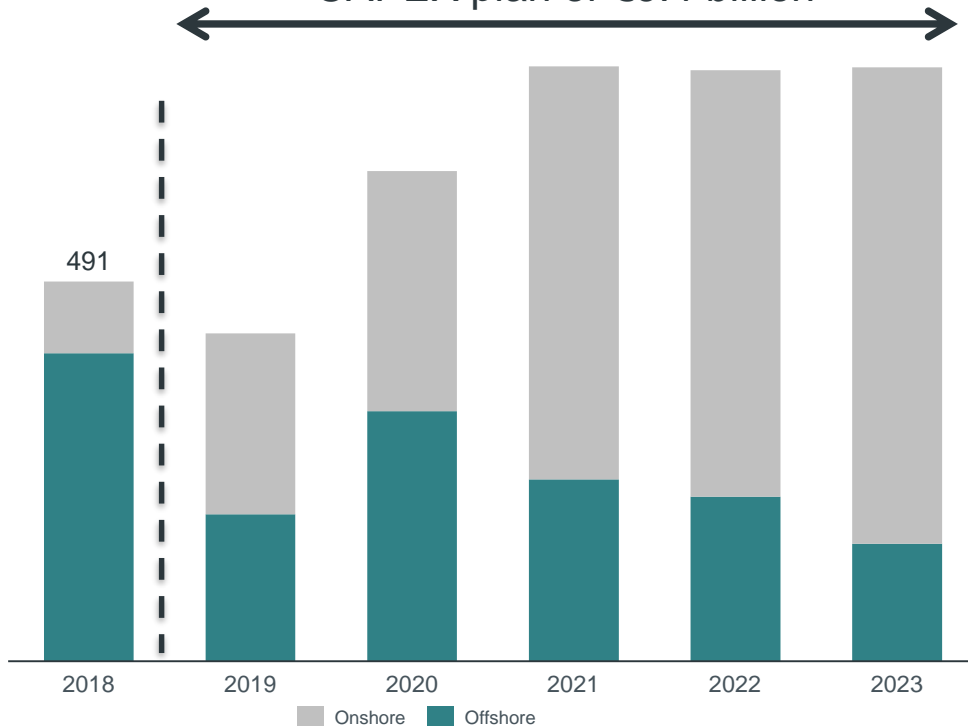


5
Modular Offshore Grid II
Connection of wind farms in North Sea with the onshore grid

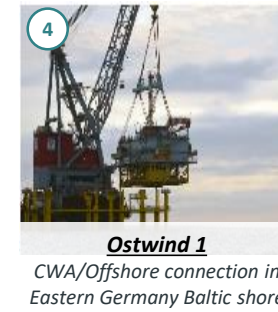
50Hertz German grid expansion plan 2019-2023



CAPEX plan of €3.4 billion



Selected investment projects



Increasing investment program driven by both offshore and onshore

Nb: Elia Group owns 80% of 50 Hertz. These numbers represent 100% of 50 Hertz

Financial calendar

Early April 2019

21 May 2019

22 May 2019

End May 2019

26 July 2019

29 November 2019

Publication of Annual Report

2019 General meeting

Interim statement Q1 2019

Payment of 2018 dividend

Publication of 2019 half-yearly results

Interim statement Q3 2019



Q&A

Reporting changes and Rebased figures

Restated financial statement – The Group applies IFRS 15 under the full retrospective method under which comparative figures for financial year 2017 have been restated. IFRS 15 establishes a new comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18: Revenue, IAS 11: Construction Contracts, IFRIC 18: Transfers of Assets from Customers, and IFRIC 13: Customer Loyalty Programmes. The Group completed its assessment of the impact of the adoption of IFRS 15 on its consolidated financial statements and only identified an impact as a result of the application of IFRIC 18. The Group also used the practical expedients for completed contracts, meaning that completed contracts that began and ended in the same comparative period, as well as those that are completed at the beginning of the earliest period presented, were not restated.

Rebased financial statement – Purely for comparative purposes some key figures of the 2017 financial statements have been rebased like if the acquisition and change in consolidation would have occurred in May 2017 by (1) increasing the participation in Eurogrid from 60% to 80% as from May 1st 2017, (2) applying a Full Consolidation method for Eurogrid as from May 1st, 2017 identical to the change in consolidation method as applied as from May 1st, 2018 and (3) considering IFRS 15 as if it had been implemented on January 1, 2017. We have not adjusted pre-acquisition periods (i) with effects directly related to the transaction (e.g. purchase cost, financing, goodwill, business combination impacts (IFRS 3)...) (ii) to eliminate non-recurring items or give retro-active effect to any changes in estimates that might have been implemented in 2018, but not known in 2017. The rebased figures are only presented as a basis for assessing growth rates on a comparable basis, and not as a measure of our pro forma financial performance.

Glossary

Leverage	Ratio between financial debt and total equity (including Hybrid and Non-controlling interest)
Net debt	Difference between Elia Group debt (long and short term) and cash & cash equivalents Hybrid is not included in the net debt as accounted under equity according to IFRS requirements
Net profit Elia share	Net profit attributable to the owners of Elia Group's ordinary shares. Hence this is post deduction of NCI and coupon attributable to hybrid securities holders
Normalized net profit	The term “normalised” refers to performance measures before non-recurring items. Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the company due to their size or nature.
Payout ratio	Based on IFRS result attributable to equity holders of ordinary shares
RAB Elia Group	Includes both the RAB of Elia Transmission and 50Hertz Transmission. RAB Germany presented at 80%
RoE (adj.)	Ratio between Net profit Elia share and Equity attributable to owners of ordinary shares

Thank you

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