



Elia Group 1H 2019 results

At the heart of the European Electricity grid

26 July 2019

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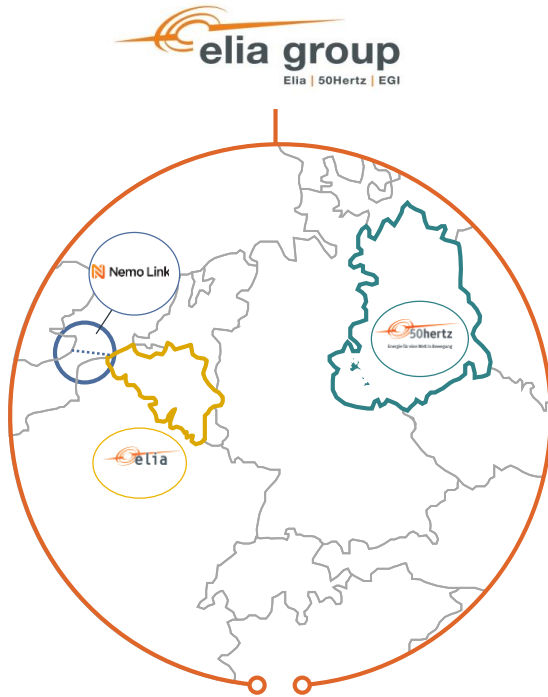
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Elia Group 1H2019 performance



Investments

€ 388 million¹

+13.9% yoy



Grid reliability

99.999 %



Normalised
Net Profit

€ 154.4 million

+8.2% yoy



Reported Net Profit
Elia share²

€ 126.2 million

(11.2%) yoy

¹ Includes 100% of the investments realized by 50Hertz

³ ² Net profit attributable to owners of ordinary shares (post non-controlling interest and post hybrid coupon)
Reported net profit of Elia Group amounts to €152.1 million (+3,1%)

On a transformation journey...

Federal Development Plan 2020-2030 approved – Elia



Additional analysis on the adequacy & flexibility needs 2020-2030 – Elia



IO.Energy ecosystem → 8 projects progress to test phase



Inauguration Arkona Ostwind 1 project - 50Hertz

Go-live NEMO



Successful completion of a €434.8 MIO rights issue



1H2019 Key highlights



Strategic

- Publication of our updated “Adequacy and flexibility study for Belgium 2020-2030” to support policy-makers in the energy debate in the context of a nuclear exit in Belgium and bringing forward of coal exit in neighboring countries
- Launch of IO.Energy, a cross-sectoral ecosystem aimed at optimizing end users’ comfort and energy bills
- Good progress on internal restructuring to separate the regulated activities in Belgium from activities regulated outside Belgium or non-regulated creating a transparent Group structure.



Operational

- Investment program 2019 on track in Belgium and Germany
- Nemo Link put into operation end of January 2019
- Continued very high security of supply and reliability
- Operations performed with safety as a top priority



Regulatory

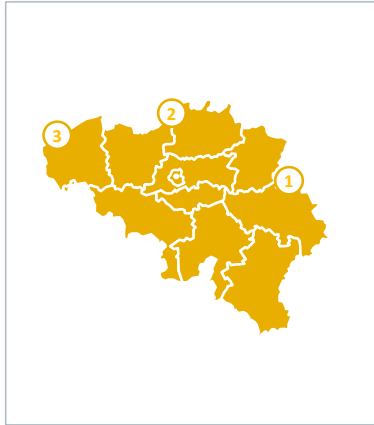
- First year of the new regulatory framework 2019-2023 in Germany
- The license to operate the high-voltage grid in Belgium has been renewed for 20 years
- Nemo Link in operation under a Cap & Floor regulatory framework since end of January 2019



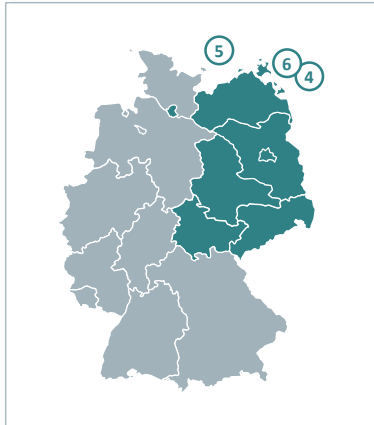
Financial

- Group Normalised Net Profit up 8.2% to €154.4 million driven by the acquisition of Eurogrid in April 2018, timely realization of investments and solid operational performance
- Reported Net Profit Elia share down 11.2% to €126.2 million
- Completion of €434.8 million rights offering and a successful debt capital market transaction by Elia Transmission

Significant progress on strategic investments



Investment 1H 2019: € 274 million



Investment 1H 2019: € 114 million

1H2019 Elia Group results

Key figures

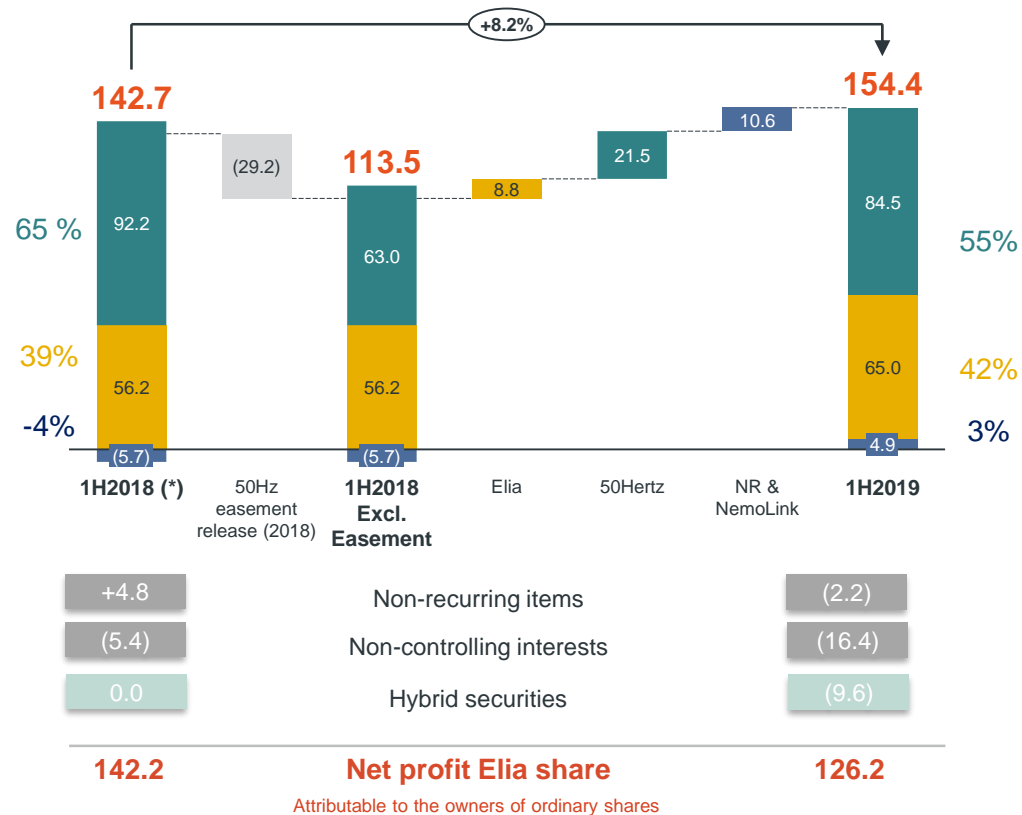
Revenues
€ 1,159.5 million
 +83.4% yoy

EBIT
€ 281.6 million
 +28.5% yoy

Normalised Net profit
€ 154.4 million
 +8.2% yoy

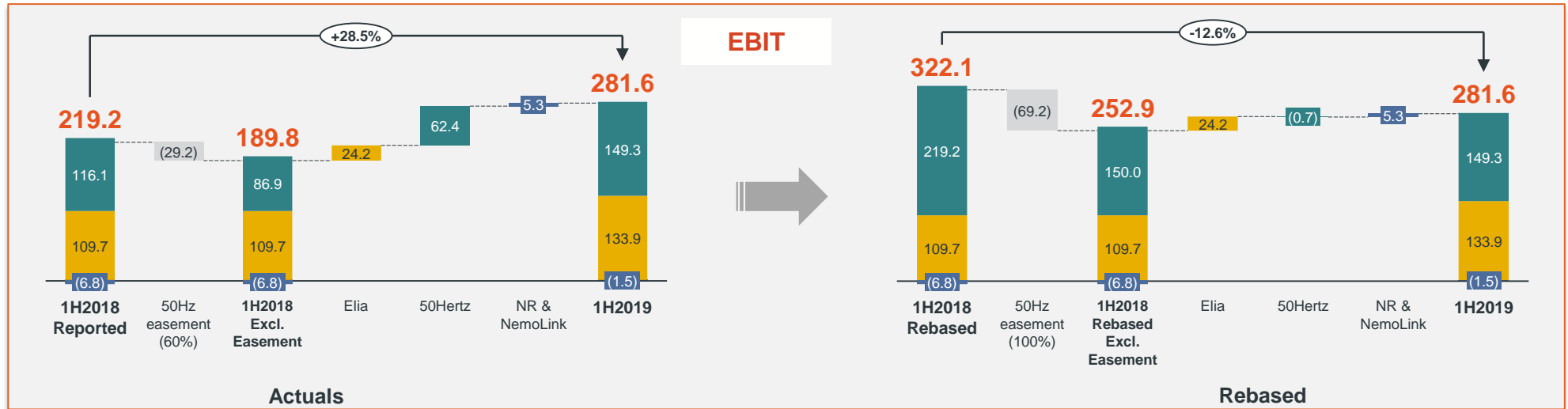
Reported Net Profit
Elia share
€ 126.2 million
 (11.2%) yoy

Normalised net profit (€m)



(*) Segment comparatives revised due to amended segment structure as from second half of financial year 2018.

Elia Group: Solid organic growth in 1H2019



- **EBIT of €281.6 million, +28.5% yoy**, primarily driven by the organic growth in Belgium and the change in consolidation linked to the acquisition of Eurogrid in 2018, and offset by the release of the major part of the easement provision in 2018.
- **On a rebased¹ basis, the EBIT decreases by 12.6% in 2019** and fully attributable to the release of the easement provision in 2018 and offset by the organic growth in Belgium. Germany realised a solid operational performance with an EBIT in line with 2018 despite the lower regulated return on equity.

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

1H2019 Elia Group: net debt evolution

Key figures

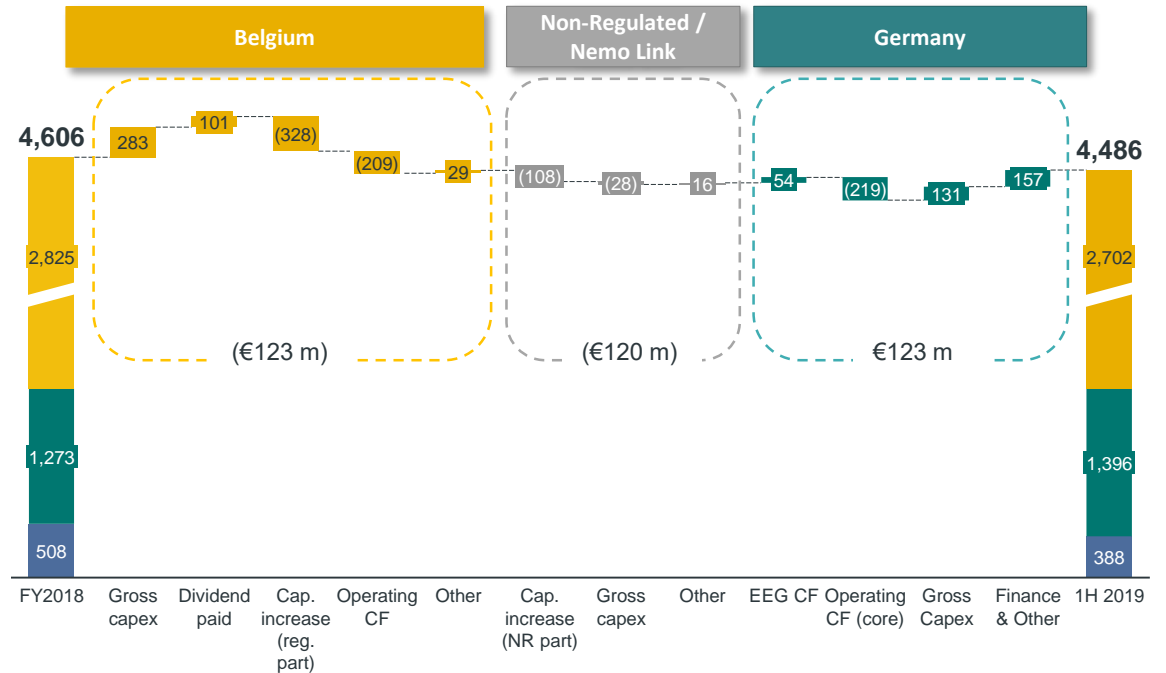
Net debt
€ 4,486.0 million
 (2.6%) yoy

Leverage
1.53
 Debt / Equity (incl. NCI & hybrid)

Fixed debt ratio
98.6%
 Calculated on gross debt

Avg. Cost of Debt
2.42%
 12bps

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

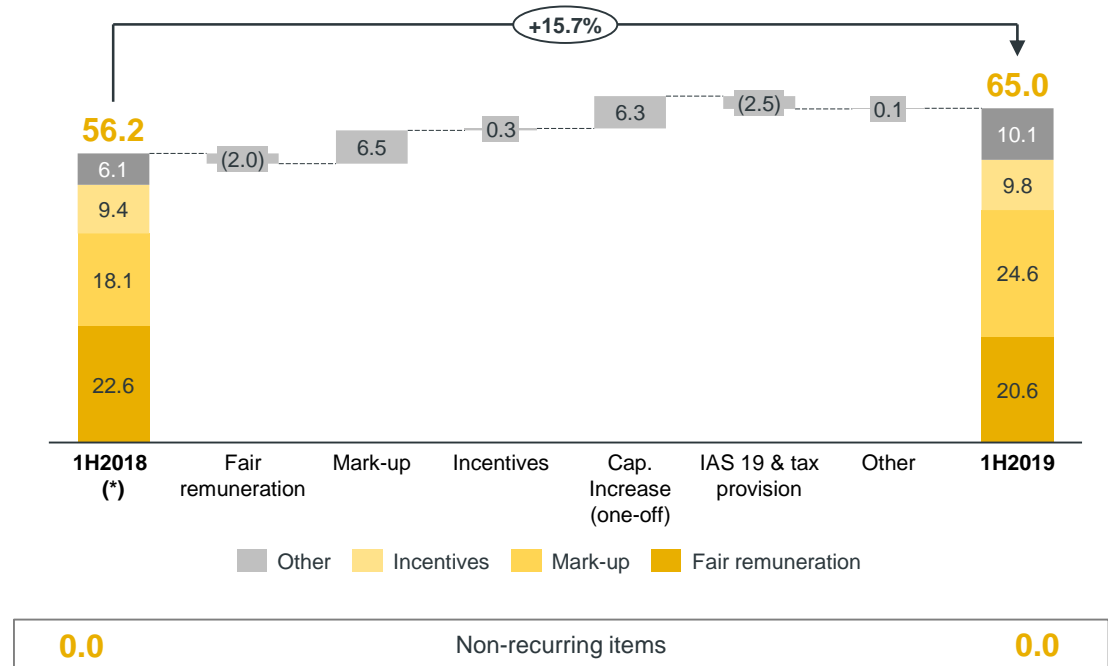
Key figures

Revenues
€ 499.0 million
 +15.2% yoy

Normalised Net profit
€ 65.0 million
 +15.7% yoy

Reported Net profit
€ 65.0 million
 +15.7% yoy

Normalised net profit evolution (€m)

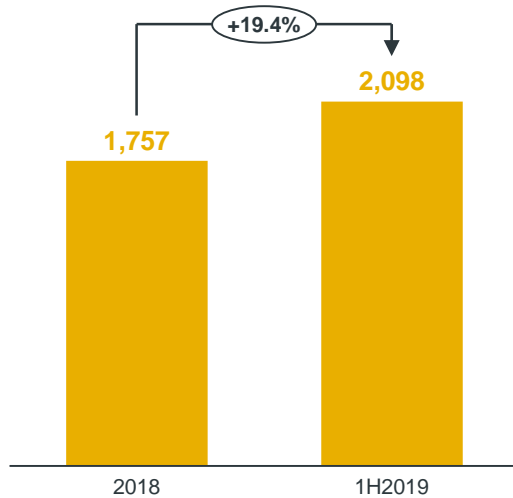


Increase in net profit thanks to realization of investments and one-off effect from equity raise

(*) Segment comparatives revised due to amended segment structure as from second half of financial year 2018.

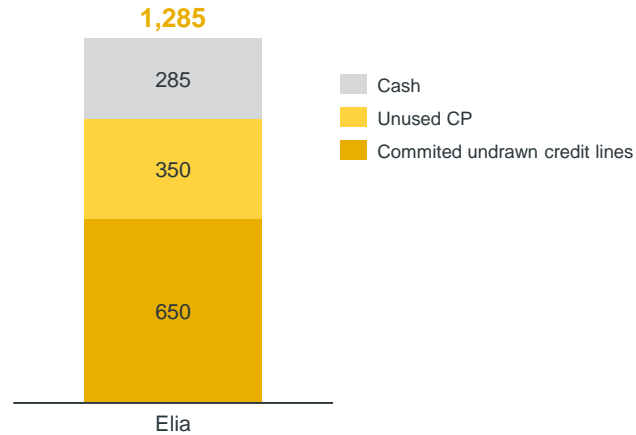
Elia: Balance sheet aligned for next regulatory period (2020)

EQUITY (€m)



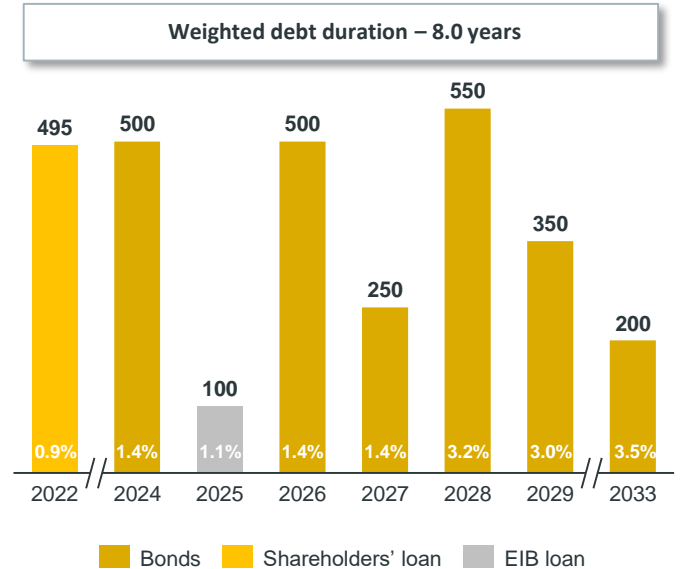
Increasing regulated Equity

LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)



Manageable debt profile

50Hertz Transmission: Asset growth driving result

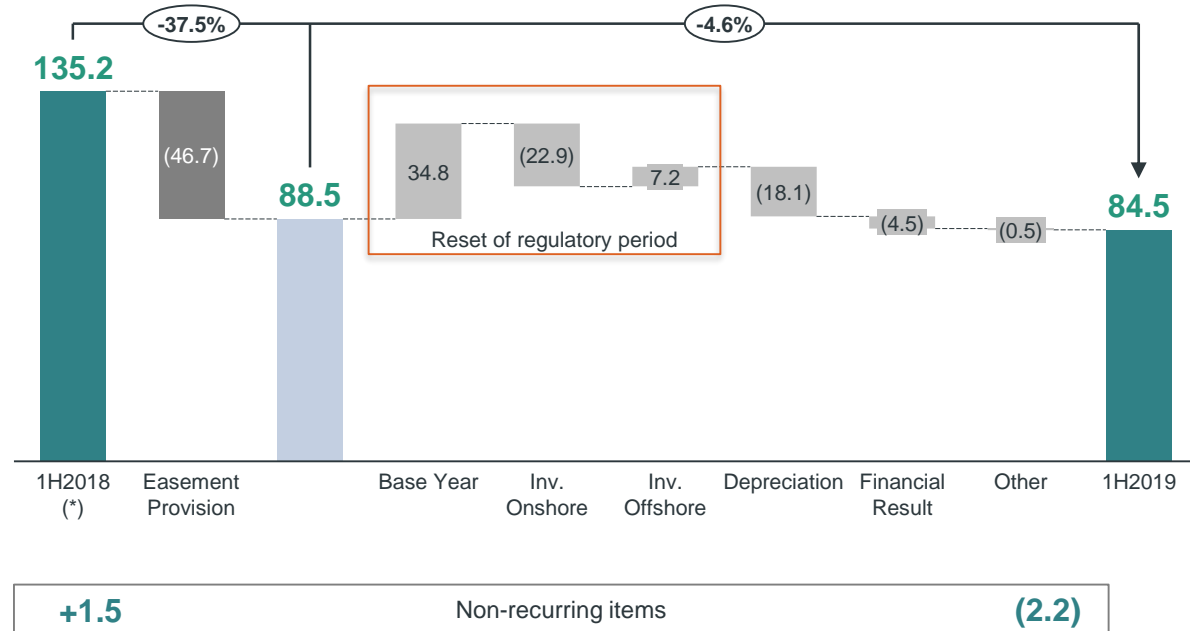
Key figures

Revenues
€ 664.7 million
 +10.9% yoy

Normalised Net profit
€ 84.5 million
 (37.5%) yoy

Reported Net profit
€ 82.3 million
 (39.8%) yoy

Normalised net profit evolution (€m)

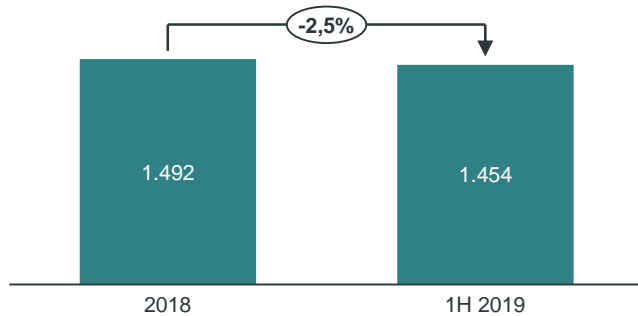


Asset growth and operational performance compensating lower regulatory return

(*) Segment comparatives revised due to amended segment structure as from second half of financial year 2018.

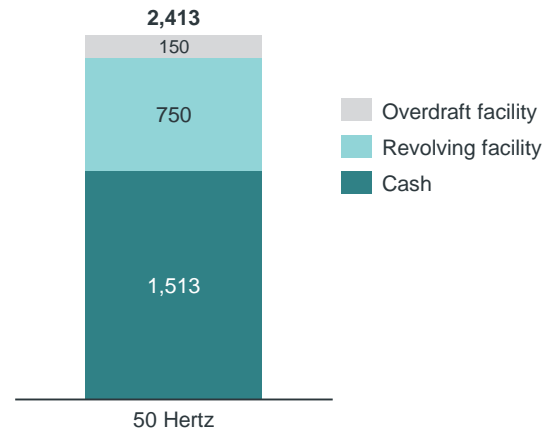
50Hertz Transmission: Strong balance sheet to finance investments

EQUITY (€m)



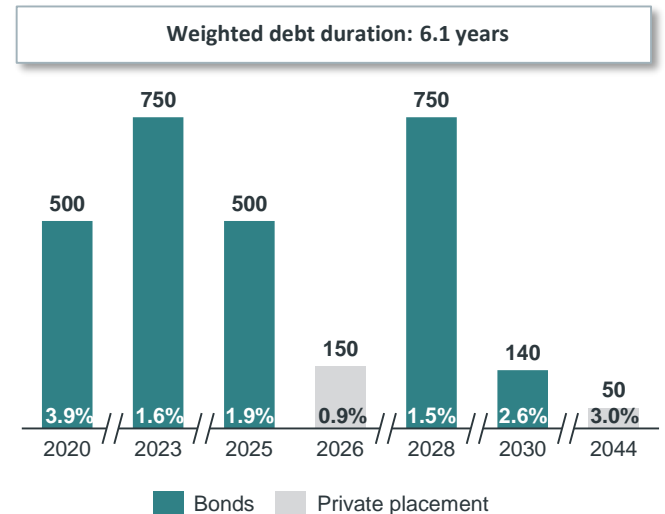
Stable Equity

LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)



Credit rating: BBB+ /Stable

Non-regulated (incl. NemoLink)

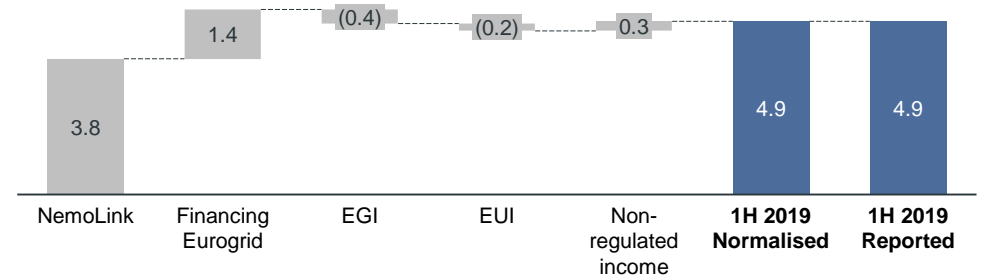
Key figures

Revenues
 € 4.2 million
 (28.8%) yoy

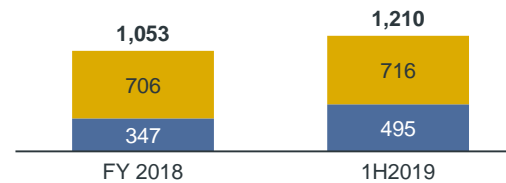
Normalised Net profit
 € 4.9 million

Reported Net profit
 € 4.9 million

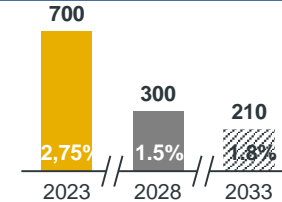
Normalised net profit allocation (€m)



EQUITY (€m)



Maturity profile debt (€m)



Hybrid bond Equity

Hybrid bond Senior bond Nemo dedicated loan

Nemo Link in operation since January 2019 leading to first operational profit
Hybrid security accounted in Equity

NemoLink – 5 months of operations

Com. Flows
into UK
2,732.3 GWh

Com. Flows
into BE
9.8 GWh

Revenue
Elia share (50%)
15.3 m€

Availability
98.5%



FY 2019 outlook reiterated



OUTLOOK 2019

RoE adj. 7%-8%

RAB 2019: 8.9B€

- **Confident to realise a ROE adj. between 7%-8%**
- On track to realise a RAB of €8,9 B€



CAPEX 700 M€

Regulated RoE
between 5%-6%

- **Good progress** on strategic interconnection projects (Brabo, ALEGrO) and MOG.
- Total investment for 2019 around € 700 million
- Expected **regulated return between 5% and 6%** despite the decrease in Belgian 10-year OLO



Capex 420 M€

RoE 8%-10%

- **Capex on track** to achieve the announced € 420 million investment programme
- Confident in our ability to deliver a **return on equity between 8%-10%**

(*) (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



Q&A

Rebased figures

Rebased financial statement – Purely for comparative purposes some key figures of the 2018 financial statements have been rebased like if the acquisition and change in consolidation would have occurred on January 1st 2018, hence a Full Consolidation method for Eurogrid as from this date, identical to the change in consolidation method as applied as from May 1st, 2018. 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 before. 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.

Thank you

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