

# Results 1H2015

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**Catherine Vandenberghe**

Chief Financial Officer, Elia

# 1H 2015 Highlights

## Financial

- Reported consolidated net profit down by 1,6% due to disappearance one-offs. Strong normalised results growing by 29,9%
- Slight increased net debt due to investments - stable equity
- Eurogrid GmbH successfully issued Eurobond at 1,875% coupon and renegotiated credit lines totaling €750 m

## Operational

- Investment programs for 2015 are confirmed
- Significant increase in the net imported volumes (10.7 TWh) in Belgium compared to 1H 2014 due to unavailability of Doel 3 and Tihange 2
- Net export of electricity at 50Hertz up from 16.0 TWh to 19.9 TWh
- Generation – load balance for the coming winter considered adequate (compared to legal norm)
- Flow-based market coupling a major success

## Regulation

- Draft agreement on mark-up on strategic investments, open for consultation till September 14

# Mark-up on strategic investments

## INVESTMENTS

- Remuneration based on cumulative actual amount dispensed
- Amounts are capped, mark-up calculated on real investments

## MARK-UP

- Mark-up fixed for the period 2016 – 2019 taking into account an OLO of 0.5%. If OLO is higher than 0.5% part of mark-up needs to be returned
- Calculated as from year of investment
- Contingency of 10% of total mark-up for each investment on timely realization

2016	2017	2018	2019
193	164	221	147

Y1	Y2	Y3	Y4
11.23%	8.42%	5.62%	2.81%



	193	164	221	147
2016	11,23%			
2017	8,42%	11.23%		
2018	5,62%	8.42%	11.23%	
2019	2.81%	5.62%	8.42%	11.23%

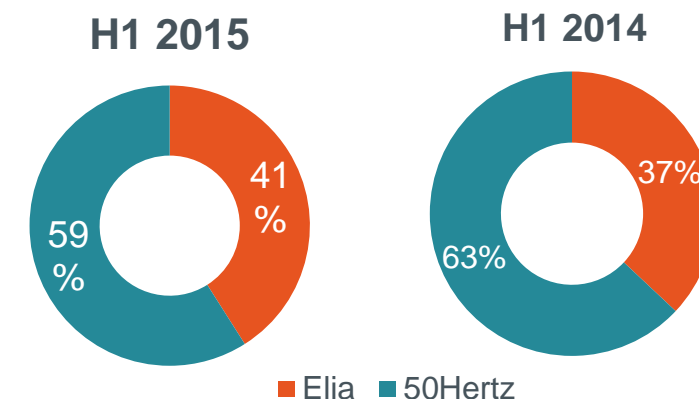
<sup>1</sup>Net profit impact based on full realization of investments.

# 1H 15 Results

## Elia Group : consolidated key figures

(in millions EUR)	30 June 2015	30 June 2014	Difference (%)
Total revenues	383,5	405,5	(5,4%)
Results from operating activities	87,6	93,5	(6,3%)
Share of profit of equity accounted investees (net of income tax)	59,5	61,4	(3,1%)
EBIT	147,1	154,9	(5,0%)
EBITDA	201,3	213,0	(5,5%)
Net finance costs	(44,5)	(53,8)	(17,3%)
Income tax expenses	(9,8)	(6,7)	46,3%
<b>Net profit</b>	<b>93,0</b>	<b>94,5</b>	<b>(1,6%)</b>
Basic earnings per share (EUR)	1,53	1,56	(1,9%)

### Net profit

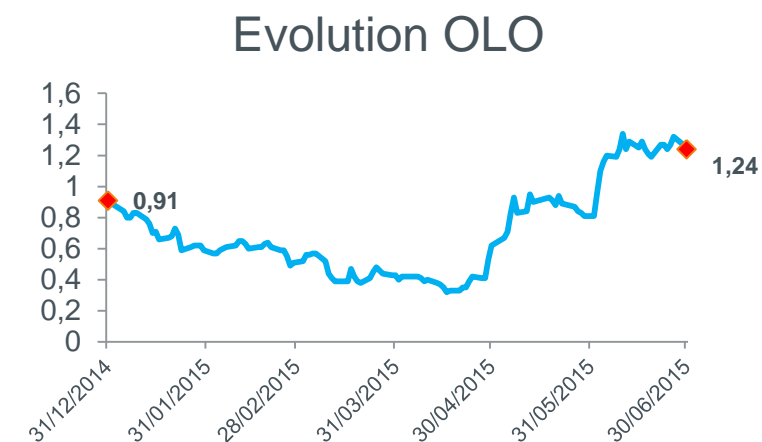


- Decreased contribution of 50Hertz mainly due to disappearance of one-offs and increased reported result of Elia BE

# 1H 15 Results

## Elia : keyfigures

(in million EUR)	30 June 2015	30 June 2014	Difference (%)
Total revenues	383,5	405,5	(5,4%)
Results from operating activities	87,6	93,5	(6,3%)
Share of profit of equity accounted investees (net of income tax)	4,7	1,7	176,5%
EBIT	92,2	95,2	(3,2%)
EBITDA	146,5	153,3	(4,4%)
Net finance costs	(44,5)	(53,8)	(17,3%)
Income tax expenses	(9,8)	(6,7)	46,3%
<b>Net profit</b>	<b>38,1</b>	<b>34,7</b>	<b>9,8%</b>



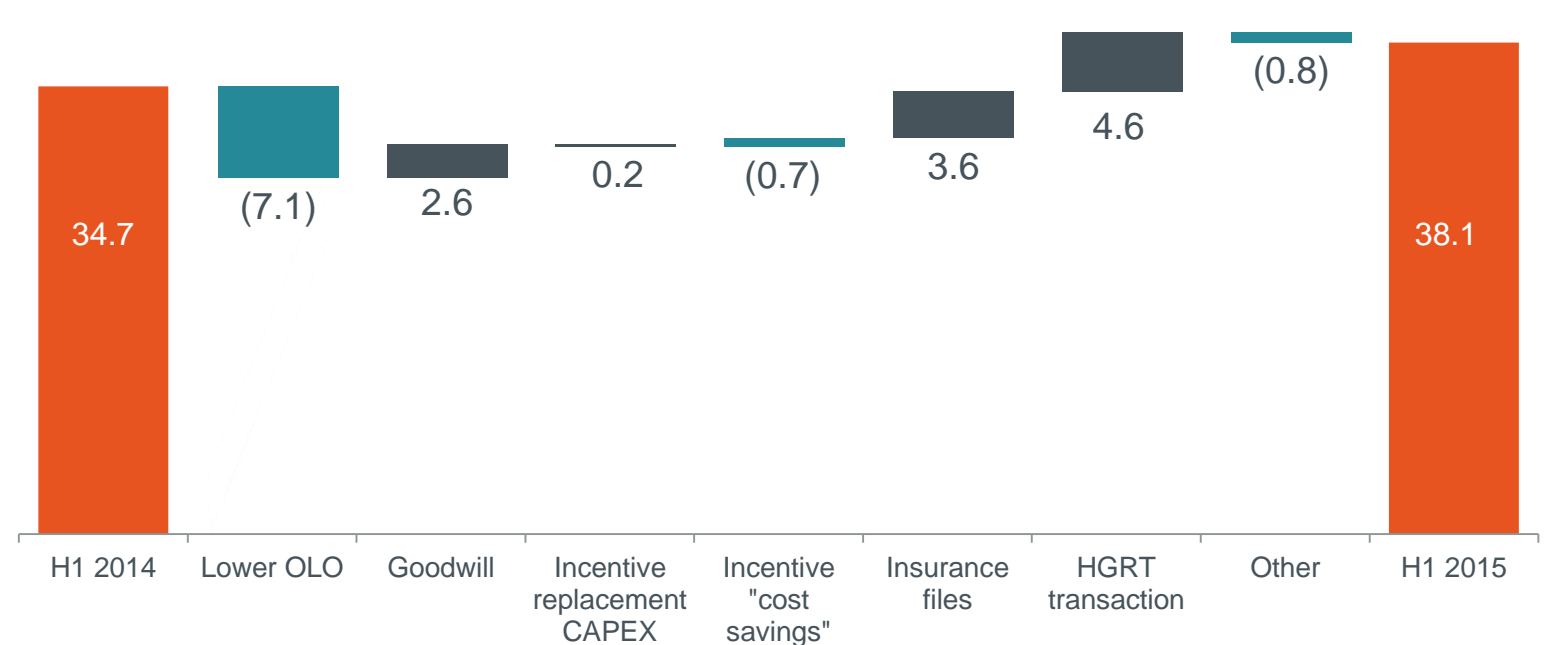
- Revenues, EBIT(DA) in decline due to the decrease in the costs to be covered by the tariffs
- Mainly result of lower financial charges & allowed net profit

# 1H 15 Results

## Elia : net profit

- Avg. OLO comes in at 0.96% vs 2.08% 1H2014
- Compensated by higher goodwill decommissioning, positive effect from insurance and transaction realized at HGRT

Evolution 2014 - 2015

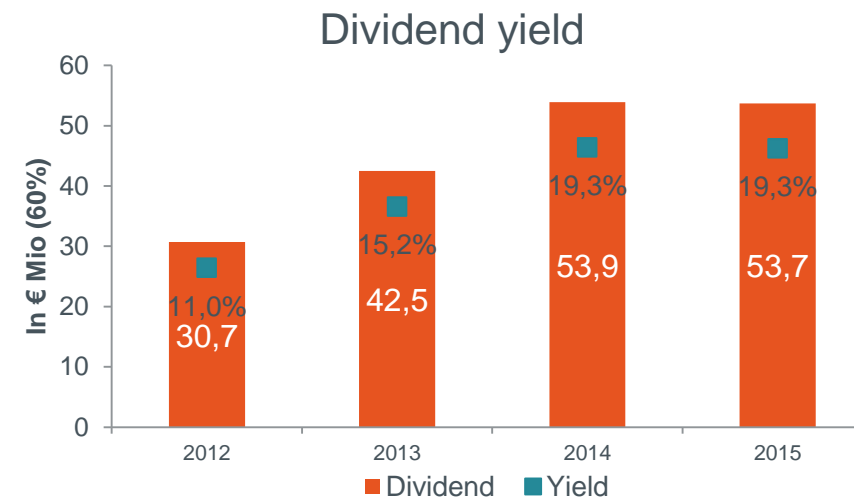




# 1H 15 Results

## 50Hertz : keyfigures

(in millions EUR)	30 June 2015	30 June 2014	Difference (%)
Total revenues	657,9	510,0	29,0%
EBIT	140,4	148,9	(5,7%)
EBITDA	181,3	178,6	1,5%
Net finance costs	(7,5)	(4,6)	n/a
Income tax expenses	(41,5)	(44,9)	(7,6%)
<b>Net profit</b>	<b>91,4</b>	<b>99,4</b>	<b>(8,0%)</b>

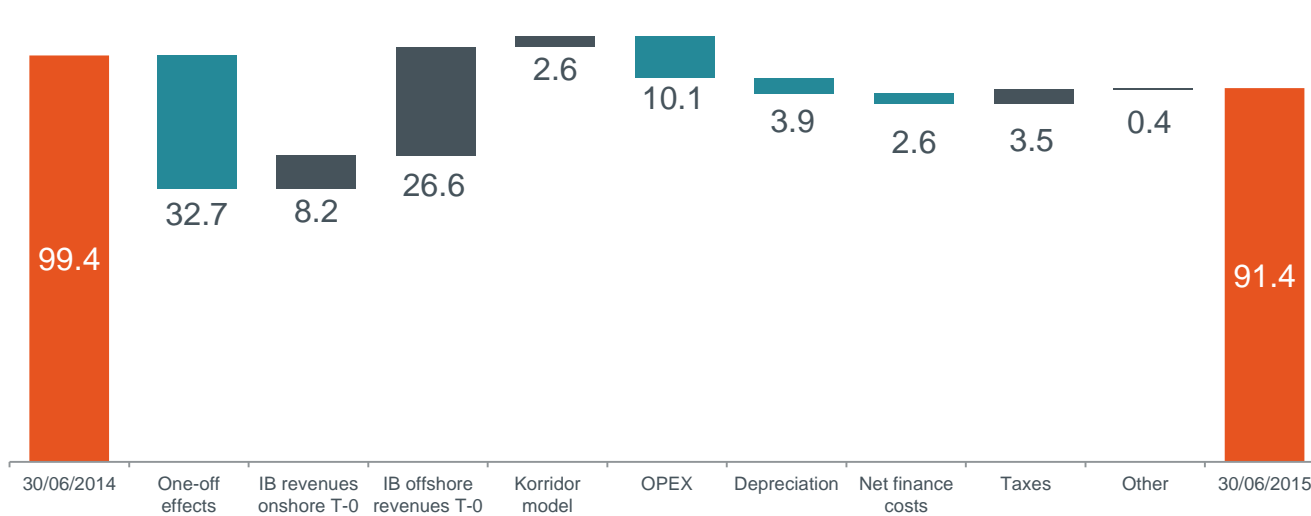


- Reported results impacted by disappearance 2014 one-offs
- Normalized results show again an important increase (EBIT + 20.8% & net profit + 19.5%)
- Paid out dividends remained stable at € 53.7 Mio

# 1H 15 Results

## 50Hertz : net profit

Evolution 2014 - 2015

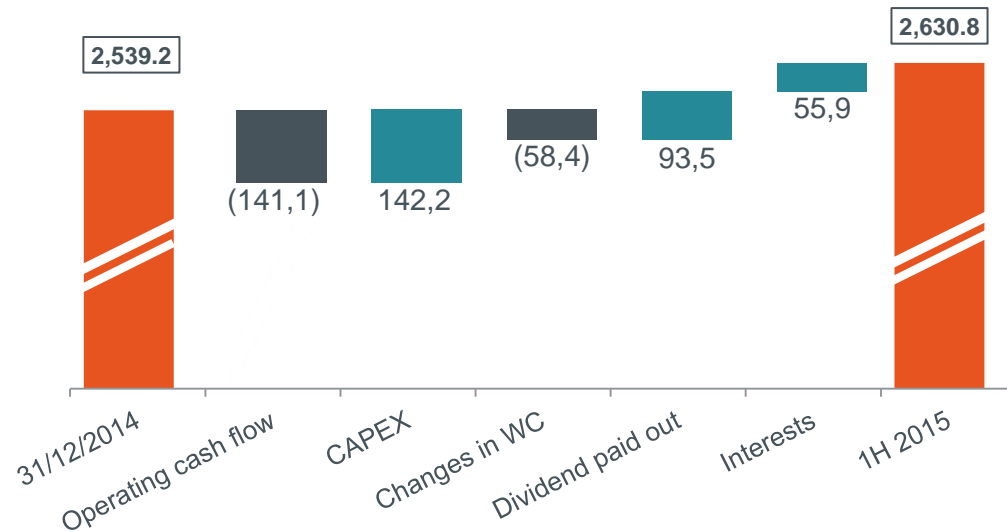


- Disappearance of one-off effects realized in 1H2014
- Strong performance realized through the investments and outperformance OPEX

# 1H 15 Results

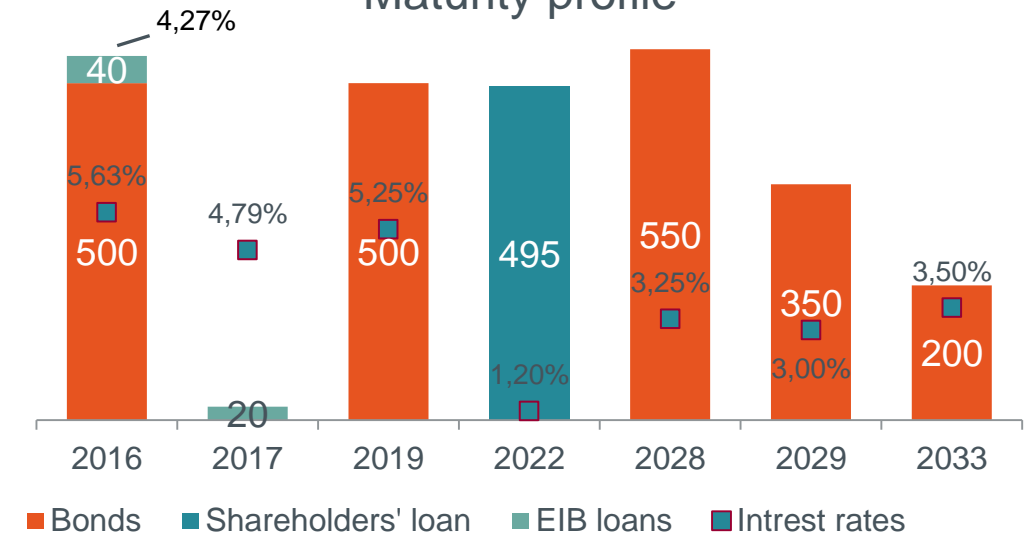
## Elia : Net debt evolution – financial structure

Net debt evolution



- Decreased free cash flow as a result of increasing investments
- Commercial paper amounting to €50 Mio was temporary used. In July Solar Chest transaction resulted in inflow of €221 Mio

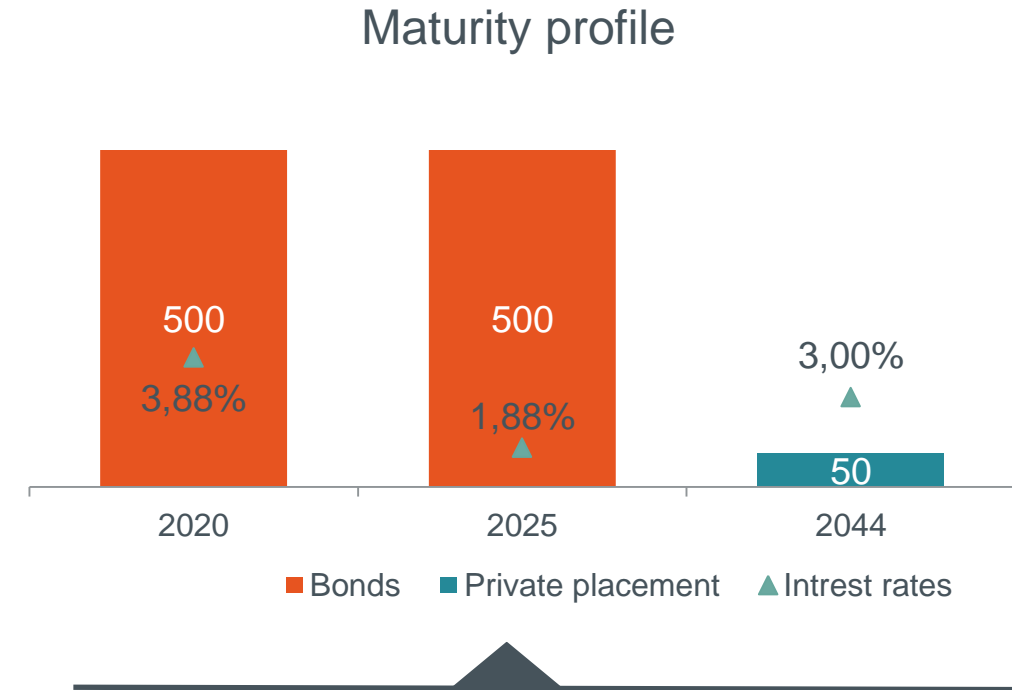
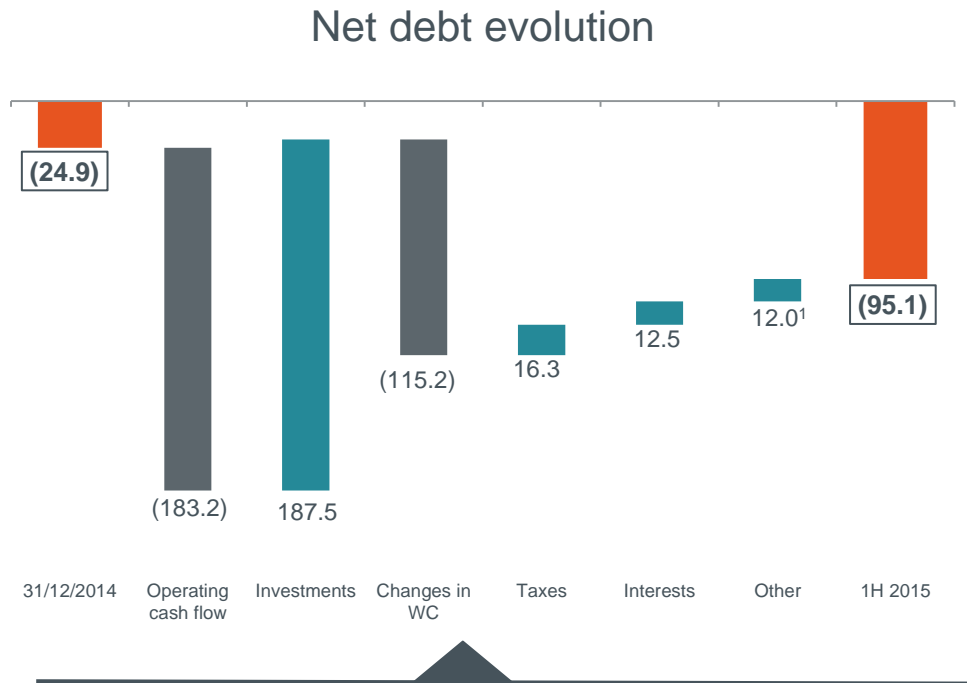
Maturity profile



- Refinancing need of € 540 Mio in 2016
- Positive evolution in cost of debt thanks to the 2013 & 2014 issuances

# 1H 15 Results

## 50Hertz : Net debt evolution – financial structure



- Strong FCF despite important increase in the investments
- Negative net debt as a result of the temporary EEG surplus amounting to €852 Mio

- Issuance of €500 Mio at very attractive pricing
- Next transaction foreseen in 2H 2015

<sup>1</sup> Mainly comprised of a capital reduction at the level of Eurogrid International

QUESTIONS ?

# Many thanks for your attention!

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