

Ready to
accelerate

Elia Group FY 2019 results

6 MARCH 2020

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accelerate

Achievements 2019

Chris Peeters - Chief Executive Officer Elia Group



”

*Our European Green Deal
is ambitious.
It is designed to be just,
and it is made in
Europe for Europe.*

#EUgreendeal

Ursula von der Leyen

President of the European Commission





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Elia Group FY 2019 performance



Investments

€ 1,212.1 million

+7.4% yoy

RAB

€ 9.1 billion

+9.0% yoy

Adjusted Net Profit¹

€ 306.2 million

+9.0% yoy

Net Profit Elia share²

€ 254.3 million

(7.60%) yoy

RoE Adjusted³

7.66%

(237 bps) yoy

Dividend

€1.69

45.6% payout

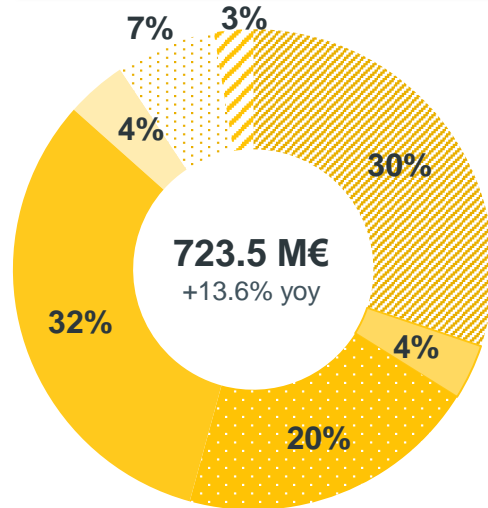
(1) Refers to the net profit of the Elia Group and amended with adjusted items linked to the corporate reorganisation and regulatory compensation linked to prior year acquisition

(2) Refers to the net profit attributable to the ordinary shareholders

(3) Ratio between the net profit attributable to ordinary shareholders and the equity attributable to ordinary shareholders

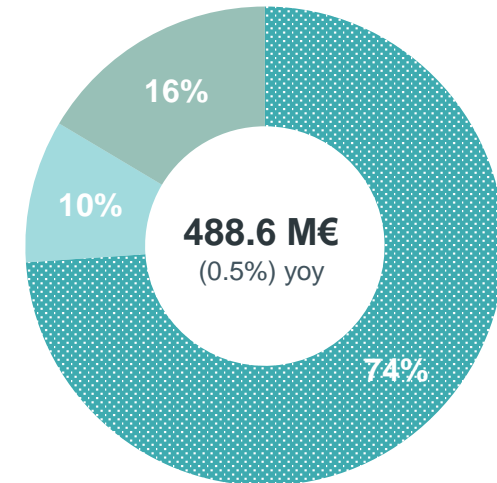
Elia Group's investments in 2019

Elia Transmission



- Mark-up Investments
- Nemo
- Regional reliability of supply
- Renewables Development
- Funct. & tech. conformity and Customers & DSO
- Non-electrical & Other
- Inv. Medium Voltage level
- European Markets and security of supply

50Hertz



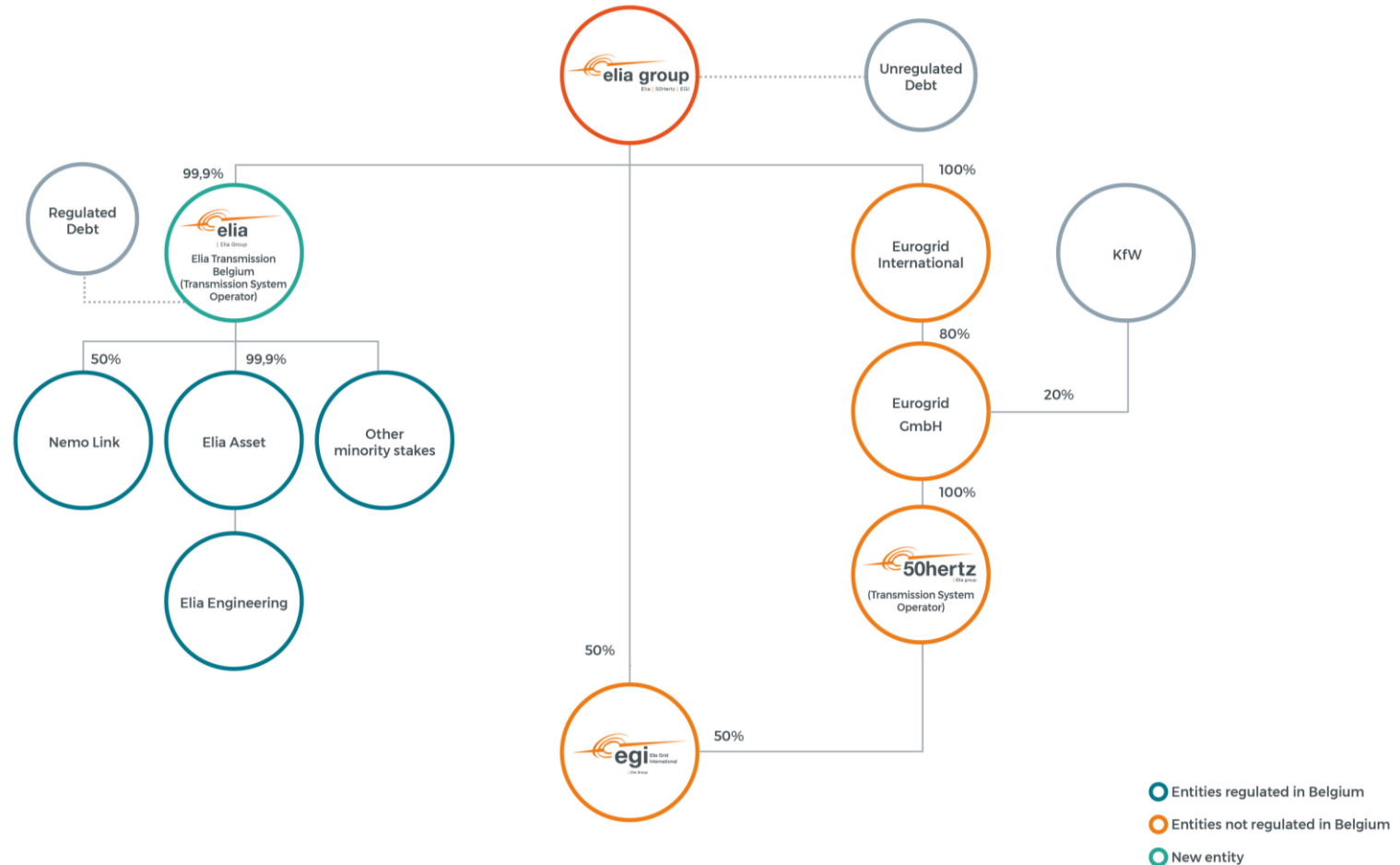
Grid investments to ensure a reliable and sustainable energy system leading to a RAB growth of 9.0%



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New Company Structure







Elia Group Committee



Chris Peeters, CEO Elia Group



Catherine Vandendorre, CFO Elia Group



Stefan Kapferer, CEO 50Hertz



Peter Michiels, Chief Alignment Officer



Michael von Roeder, Chief Digital Officer

New opportunities



Core business



New opportunities



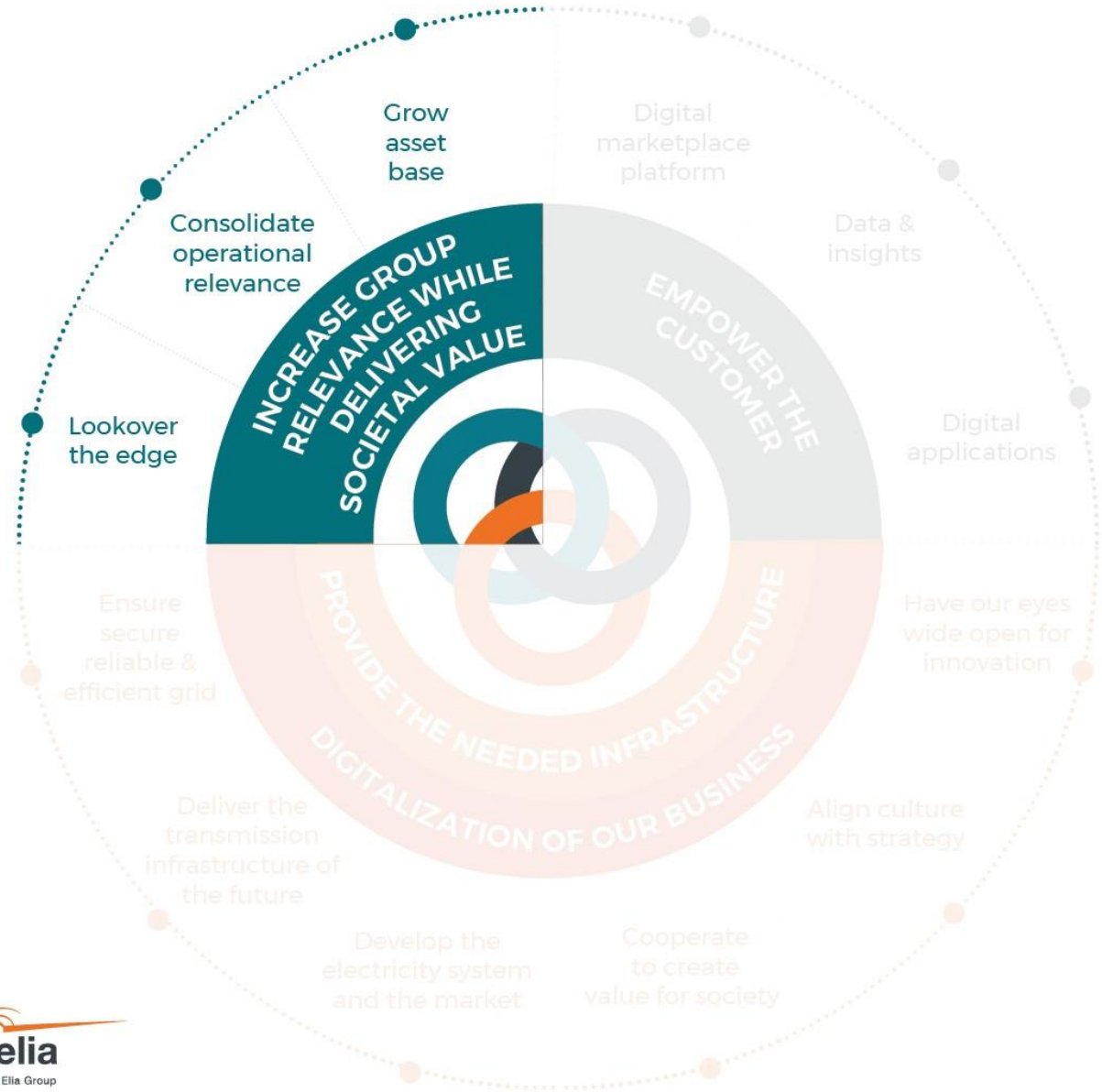
Core business



New opportunities



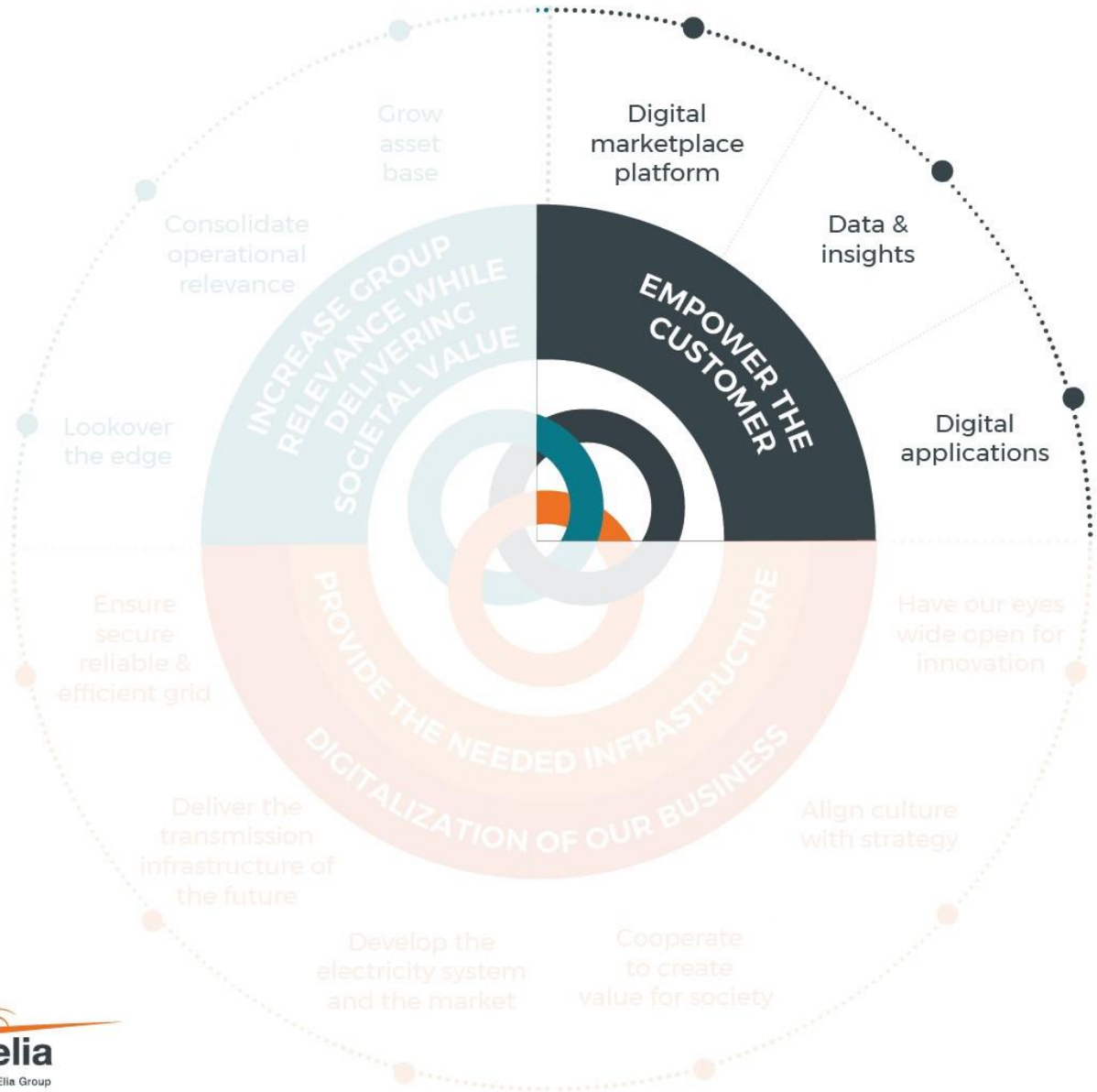
Core business



New opportunities



Core business



New opportunities



Core business





VIDEO Headlines 2019





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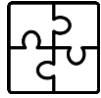


Elia Group

Robust regulated financials

Catherine Vandendorpe - Chief Financial Officer Elia Group

2019 Key highlights



Strategic

- Realisation of a new corporate structure to **increase regulatory transparency** and pursue our **growth strategy**
- Implementation of a Group functional organization to **leverage synergies** and improve services to the **benefit of consumers**
- Empowering customers while transforming towards a **digital TSO**



Operational

- Delivered on grid investments to ensure a **reliable** and **sustainable** energy system leading to an **asset growth of 9.0%**
- Commissioning Nemo Link and strengthen interconnection capacities
- Operations performed with safety as a top priority



Regulatory

- Designation of Elia Transmission Belgium as national and regional/local TSO
- First year of the new regulatory framework 2019-2023 in **Germany**
- **Nemo Link** in operation under a Cap & Floor regulatory framework since end of January 2019



Financials

- Adjusted net result up 9.0% to €306.2 million driven by realisation of investments and solid operational performance
- Fully subscribed capital increase to finance the organic growth and a successful debt capital market transaction by Elia Transmission
- Proposed dividend of €1.69 (gross)

2019 Elia Group results

Key figures

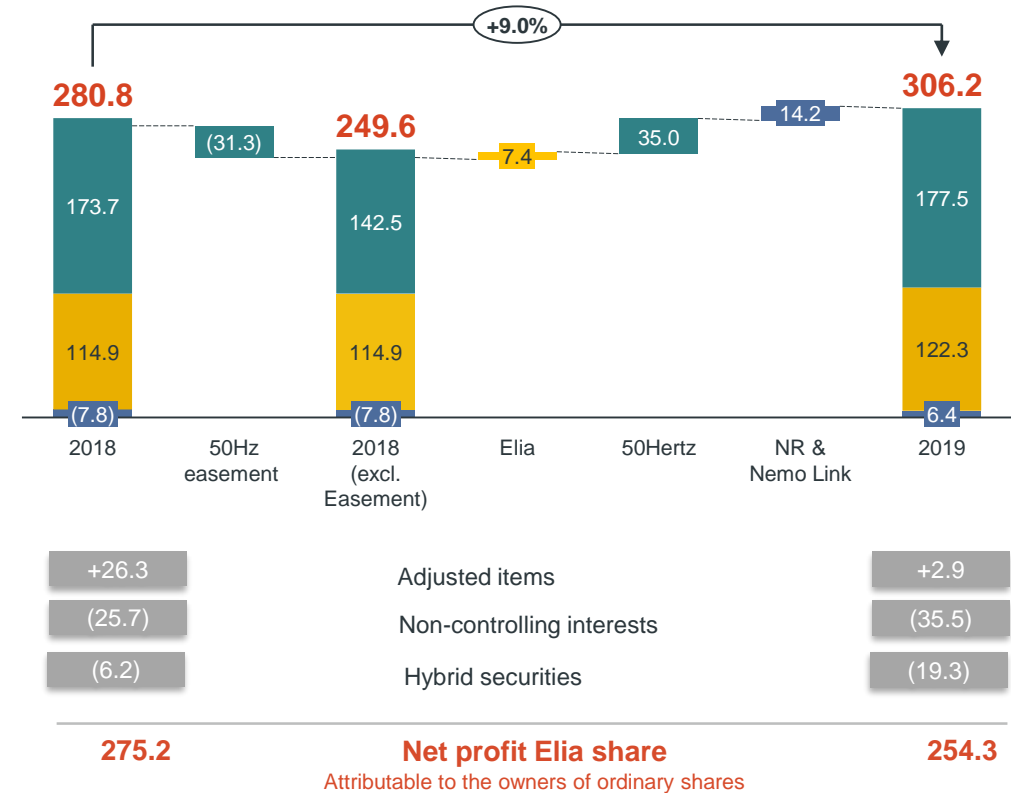
Revenues
€ 2,319.0 million
+20% yoy

Adjusted Net Profit
€ 306.2 million
+9.0% yoy

Net Profit Elia share
€ 254.3 million
(7.6%) yoy

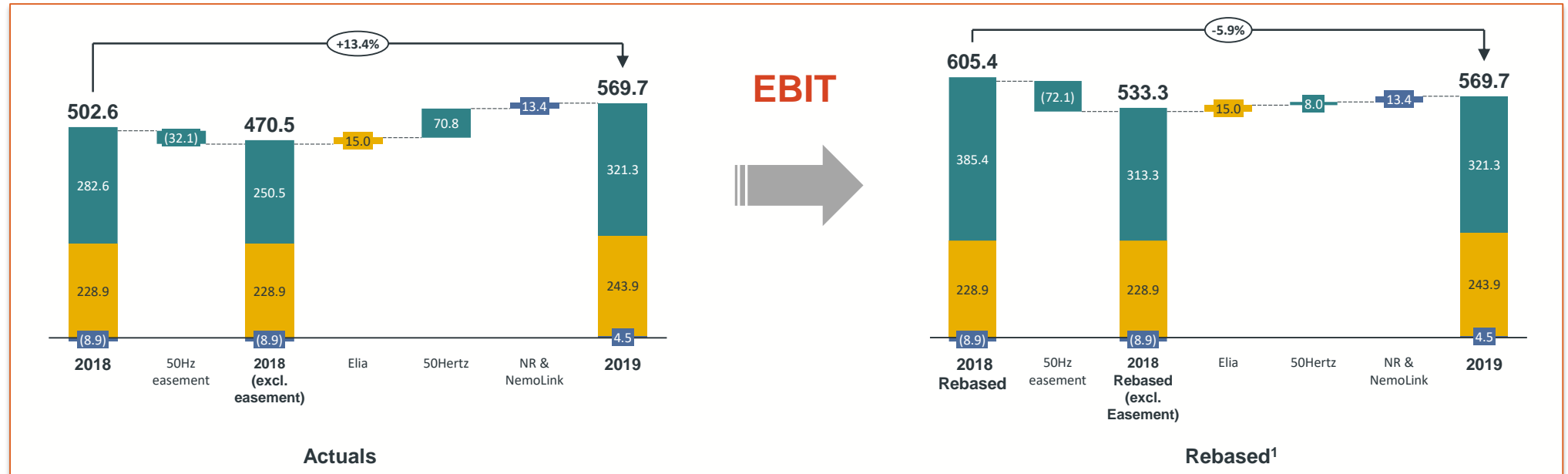
RoE (adj.)¹
7.66%
(237bps)

Adjusted net profit (€m)



(1) RoE adjusted refers the ratio between the net profit attributable to ordinary shareholders and the equity attributable to ordinary shareholders

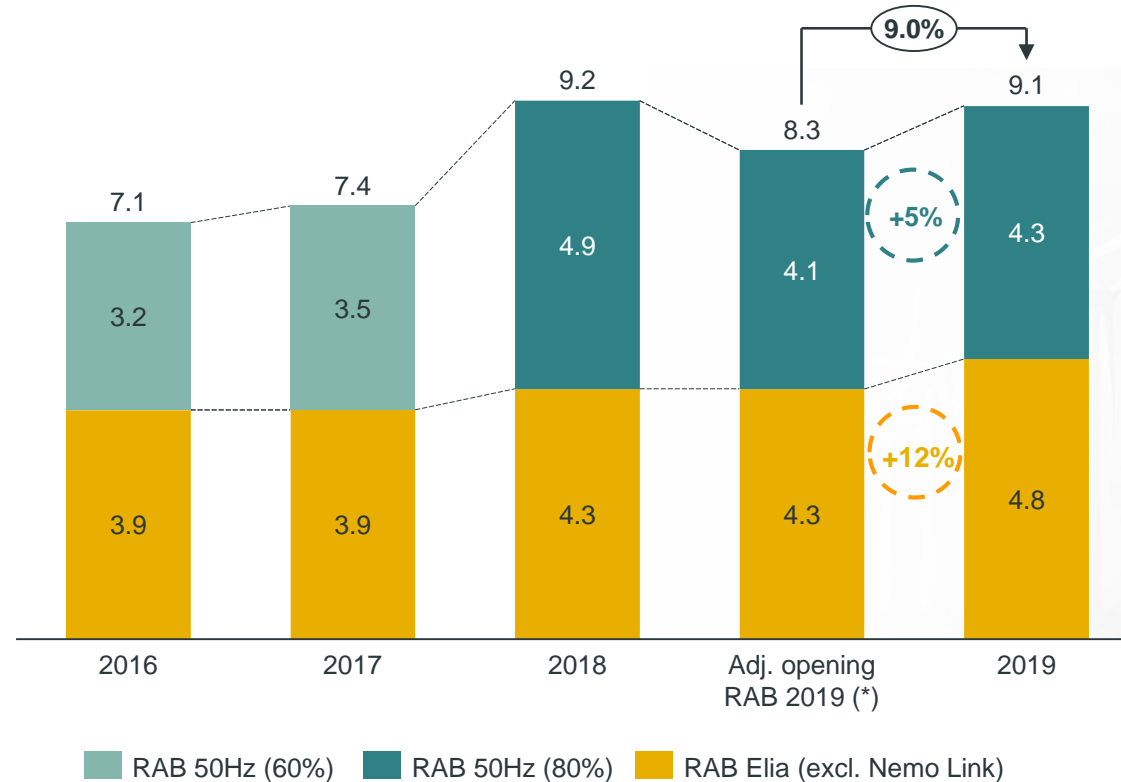
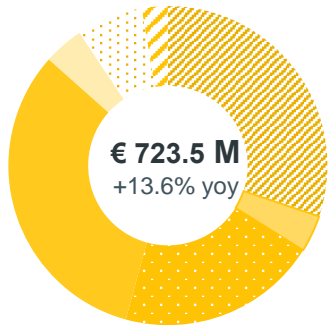
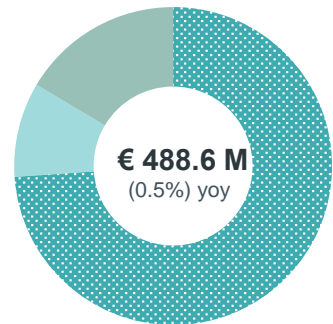
Elia Group: Solid organic growth in 2019



Strong operational performance across all 3 segments

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

Regulatory Asset Base (RAB) growth



€9.1 billion
Regulated
Asset Base

CAPEX execution as driver of the RAB growth in both Belgium and Germany

(*) Composition of the RAB 50Hertz has been changed in 2019 to exclude the EEG and similar surcharges from the RAB.

2019 Elia Group: net debt evolution

Key figures

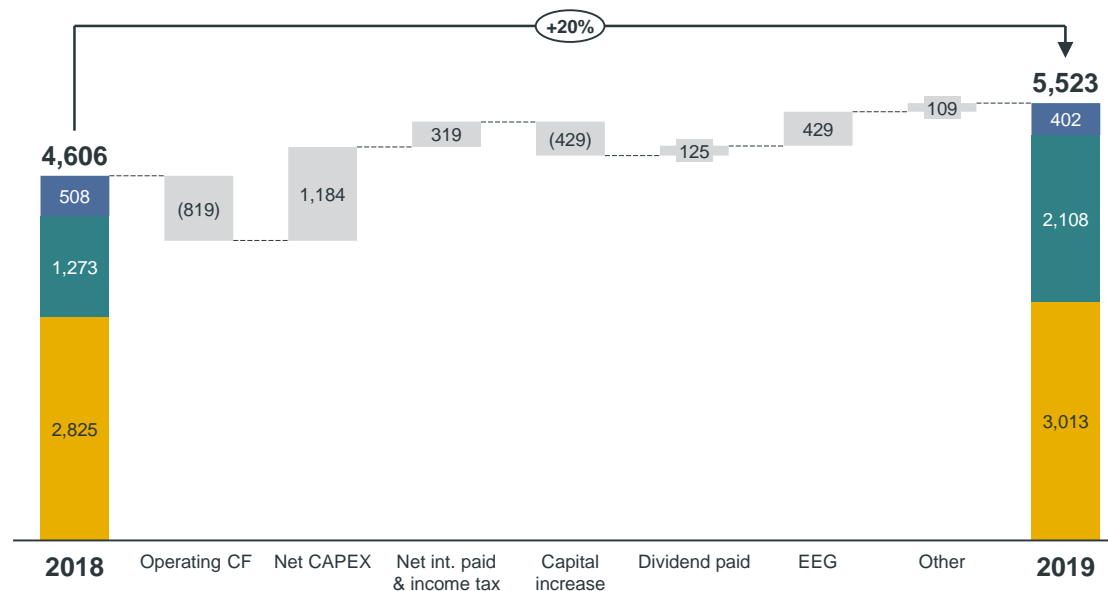
Net debt
€ 5,523.1 million
+19.9% yoy

Leverage
1.5x
Debt / Equity (incl. NCI & hybrid)

Fixed debt ratio
96.8%
Calculated on gross debt

Avg. Cost of Debt
2.13%
(17bps)

Net debt evolution (€m)



*Increased net debt due to **strong organic growth**
Credit rating remained unchanged at **BBB+/Stable** outlook by S&P*

Elia Transmission: Adjusted net profit evolution

Key figures

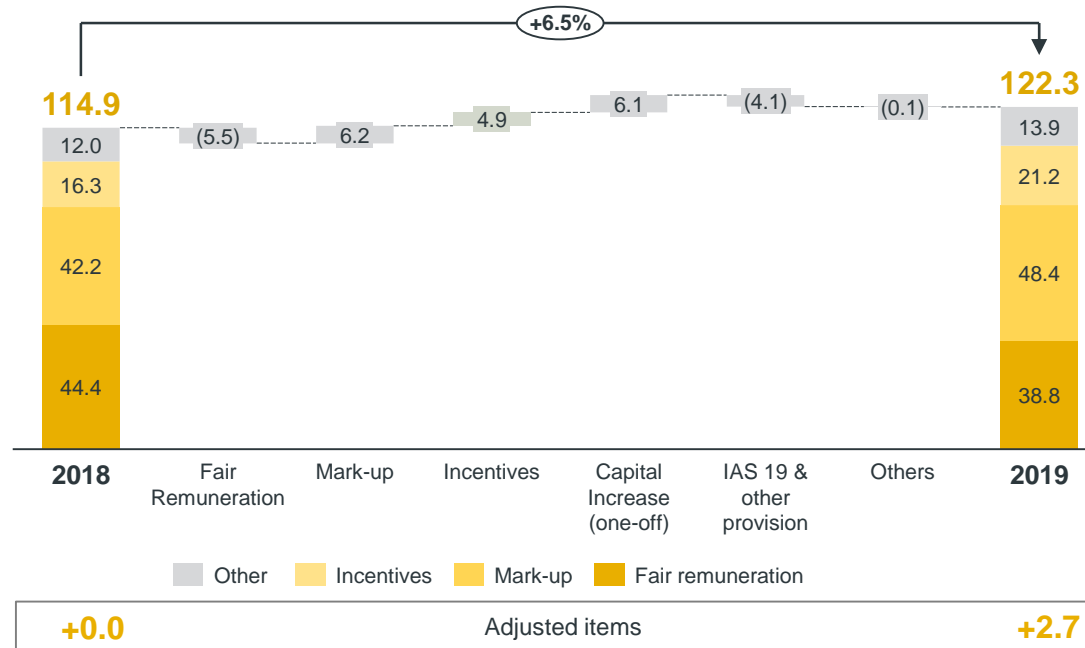
Revenues
€ 948.8 million
(1.1%) yoy

Adjusted Net Profit
€ 122.3 million
+6.4% yoy

Reported Net Profit
€ 125.0 million
+8.8% yoy

RoE¹
5.67%
(87 bps)

Adjusted net profit evolution (€m)

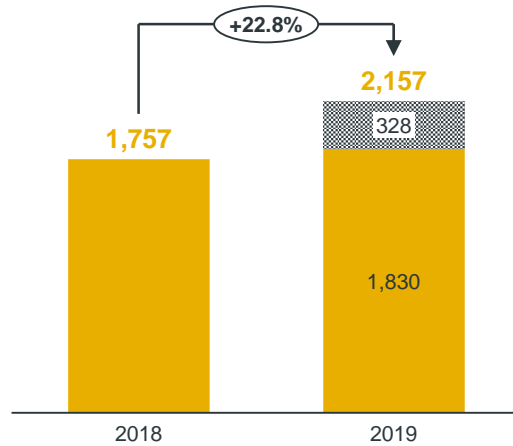


*Realisation of strategic investments and strong operational performance
Offset by declining interest rates*

(1) RoE refers the ratio between the adjusted net profit and the equity

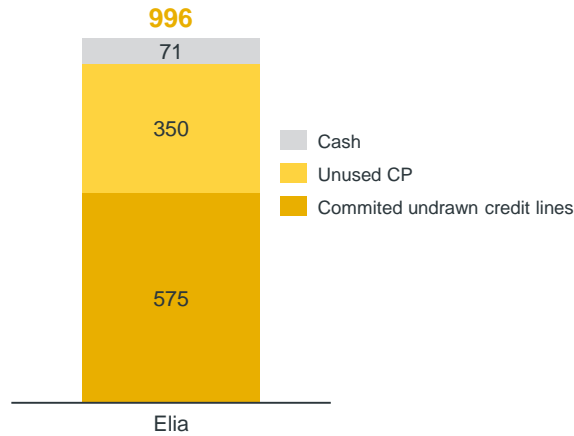
Elia Transmission: Financial Position

EQUITY (€m)



Equity aligned to new tariff methodology (2020)

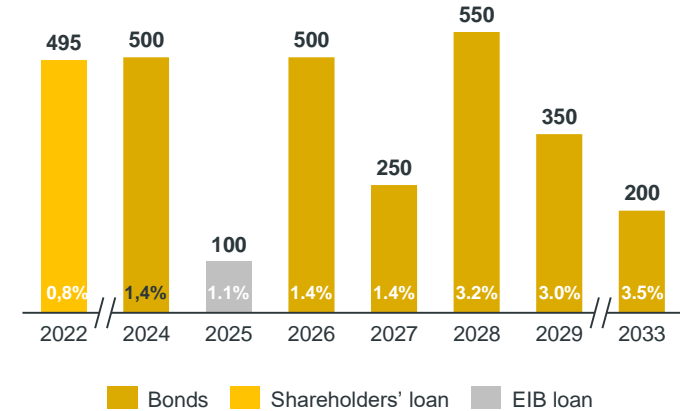
LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)

Weighted debt duration – 7.2 years



S&P rating: BBB+/ Stable outlook

Average cost of debt 2.16% (2.6% in 2018)

*Aligned capital structure to new regulatory framework
Decreasing cost of debt to consumers' benefit*

50Hertz Transmission: Adjusted net profit evolution

Key figures

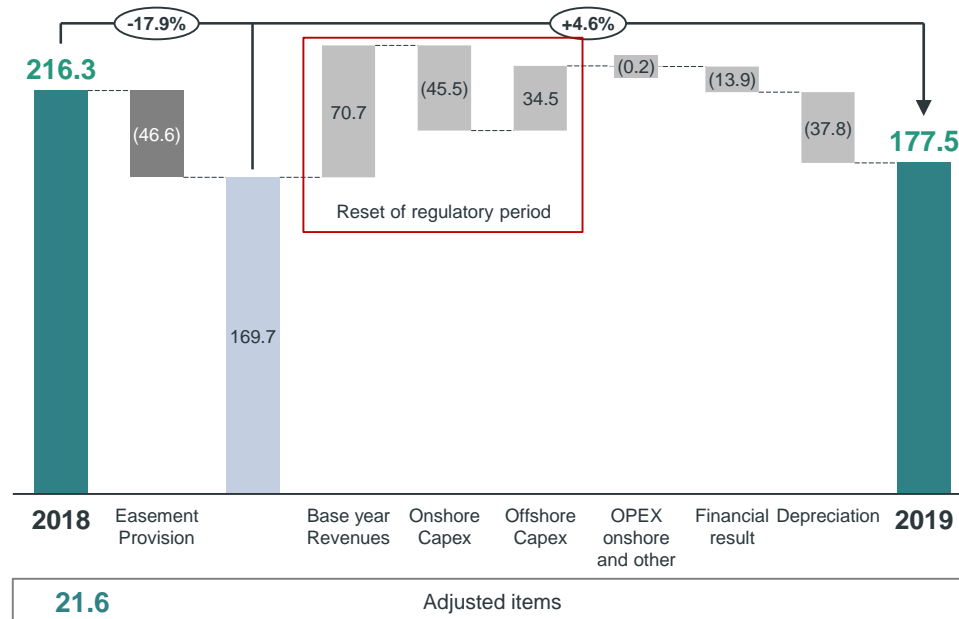
Revenues
 € 1,360.1 million
 (0.4%) yoy

Adjusted Net Profit
 € 177.5 million
 (17.9%) yoy

Reported Net Profit
 € 177.5 million
 (25.4%) yoy

RoE ¹
 11.48%
 (302 bps)

Adjusted net profit evolution (€m)

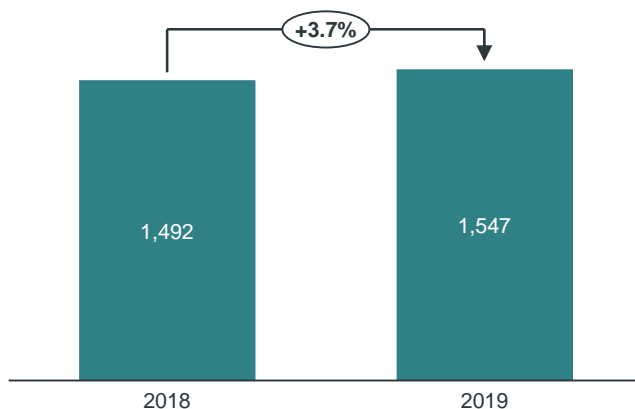


Asset growth and updated Opex revenue base offsetting drop in regulatory RoE

(1) RoE refers the ratio between the adjusted net profit and the equity

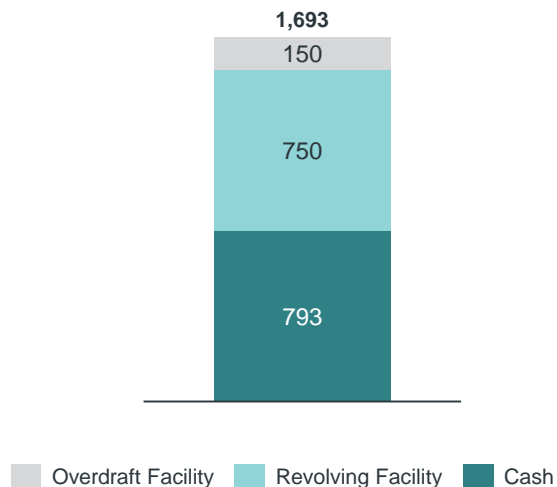
50Hertz Transmission: Financial position

EQUITY (€m)



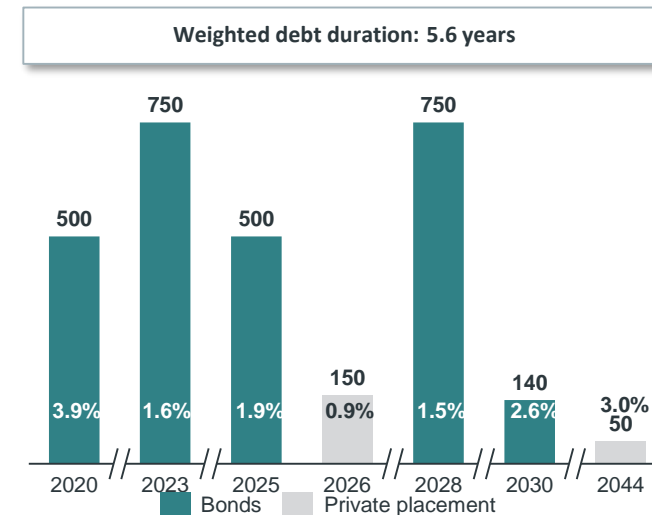
Increasing equity to finance Capex

LIQUIDITY (€m)



Strong liquidity position

MATURITY PROFILE (€m)



S&P rating: BBB+/ Stable outlook

Strong balance sheet to finance the “Energiewende”

Non-regulated & Nemo Link

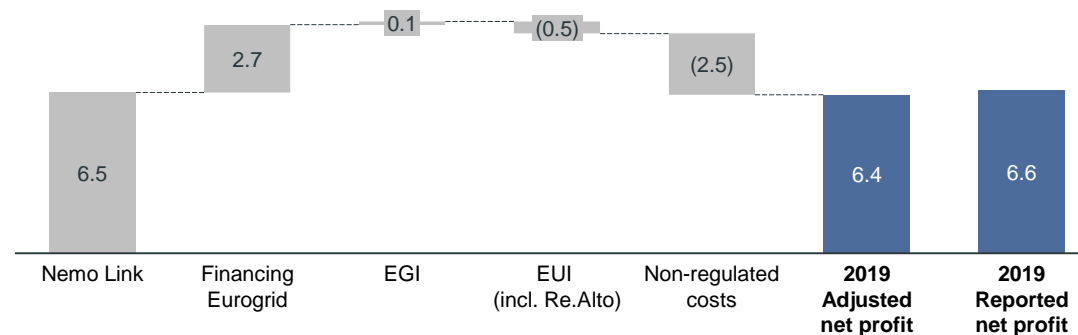
Key figures

Revenues
€ 20.7 million
(48.9%) yoy

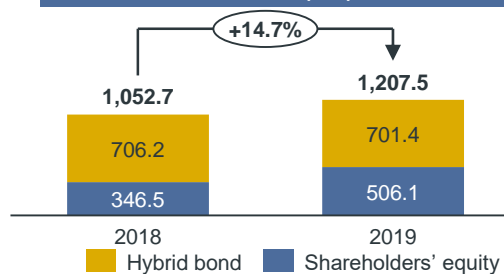
Adjusted Net Profit
€ 6.4 million

Reported Net Profit
€ 6.6 million

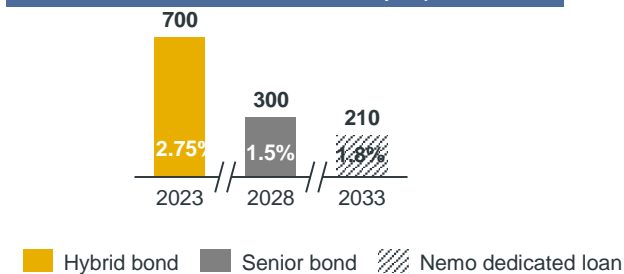
Adjusted net profit allocation (€m)



EQUITY (€m)



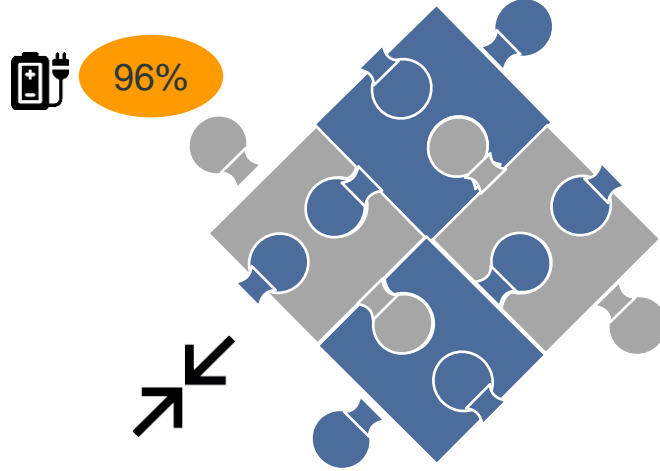
MATURITY PROFILE (€m)



First year of operations for Nemo Link

Nemo Link – 12 months of operations and 6,065 GWh transferred

Availability





Average Day Ahead Market Price

 37.5 €/MWh
 46.7 €/MWh

Energy flow



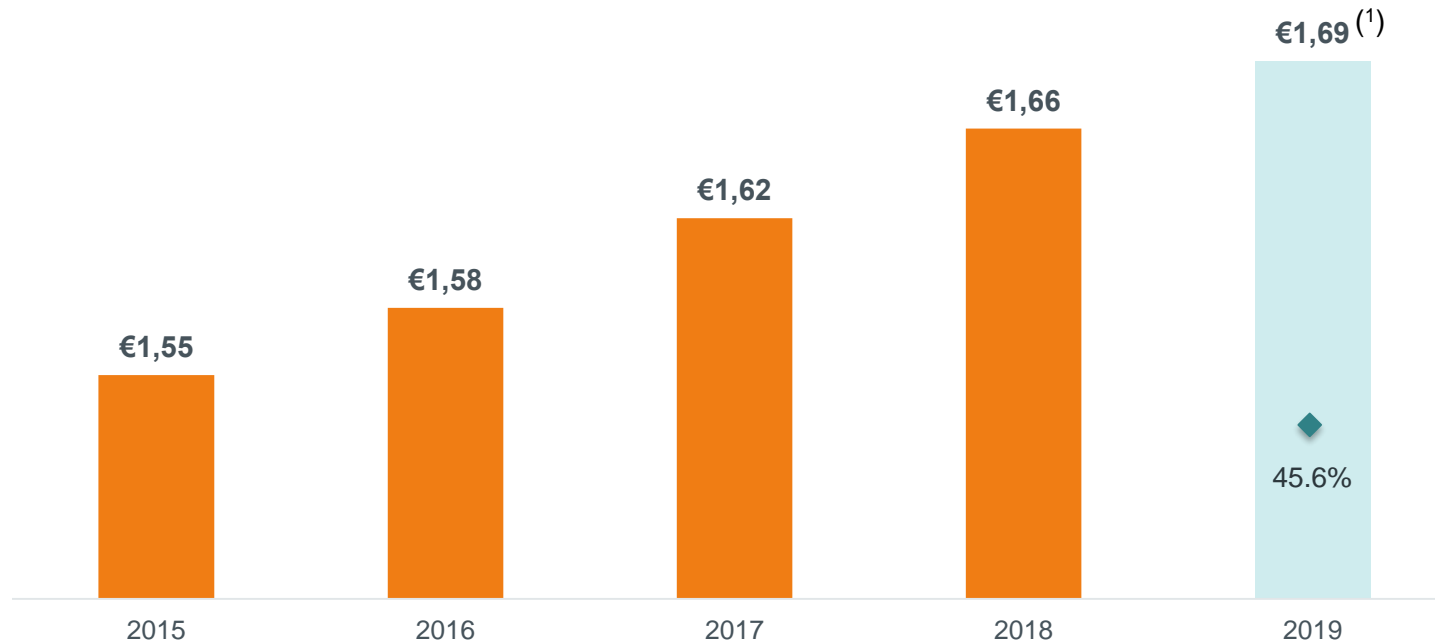
Financials

 Net profit
 Net contribution to the Group



1st Channel Interconnector with 24 intraday hourly nominations gates

Dividend policy



Elia Group to propose a €1.69 dividend per share for 2019

⁽¹⁾ Proposed dividend for 2019 AGM planned on 19 May 2020
◆ Based on IFRS result attributable to equity holders of ordinary shares



Elia Group Conclusion and outlook

FY 2020 outlook



OUTLOOK 2020

RoE (adj.)*
6.5%-7.5%

RAB 9.7 B€

- Adjusted return on equity (RoE adj.) of between 6.5% - 7.5%
- RAB 2020 of 9.7B€

CAPEX 340 M€

RoE 5%-6%

- First year new regulatory period 2020-2023 with mark-up on investments being replaced by higher equity-based remuneration and incentives
- Total investment amount for 2020 of around €340 million
- Return on equity between 5% and 6%

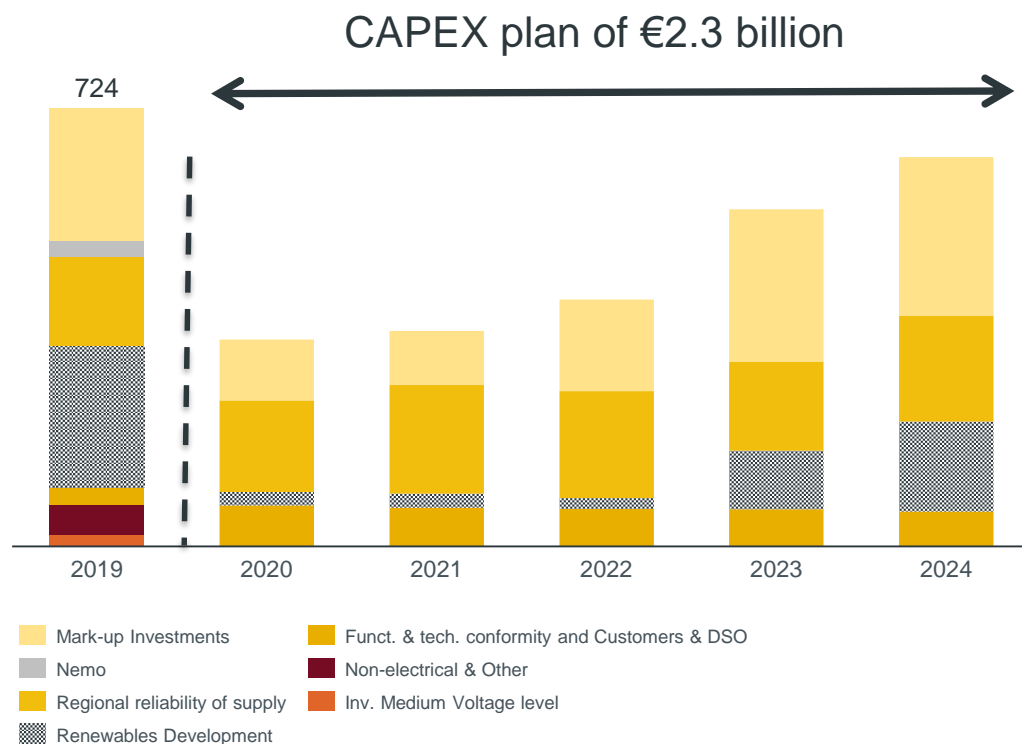
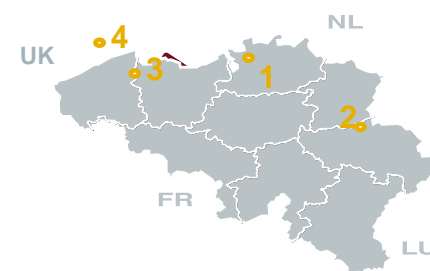
Capex 680 M€

RoE 9%-11%

- Stable regulation in 2020
- Total investment amount for 2020 of around €680 million
- Return on equity between 9% - 11%

(*) RoE (adj.) refers to the ratio between the net profit attributable to owners of ordinary shares and the equity attributable to owners of ordinary shares

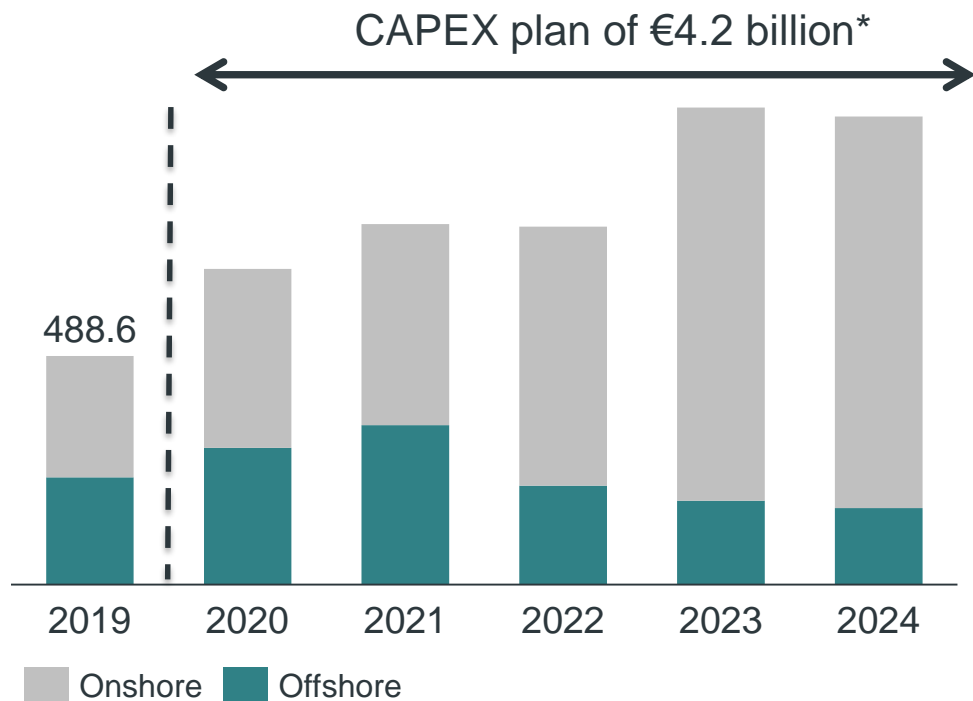
Elia's Transmission: investment programme 2020-2024



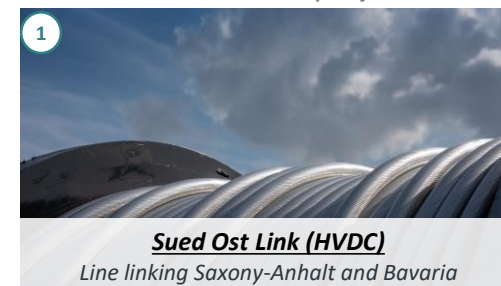
Selected investment projects



50Hertz German grid expansion plan 2020-2024



Selected investment projects



CAPEX acceleration driven by both offshore and onshore

(*) Elia Group owns 80% of 50 Hertz. These numbers represent 100% of 50 Hertz

Financial calendar

13 April 2020

19 May 2020

20 May 2020

01 June 2020

29 July 2020

25 November 2020

Publication of Annual Report

General meeting of shareholders

Interim statement Q1 2020

Payment of 2019 dividend

Publication of 2020 half-yearly results

Interim statement Q3 2020



Q&A

Reporting changes and Rebased figures

Rebased financial statement – Purely for comparative purposes the 2018 financial statements were rebased as if the acquisition and change in consolidation had occurred in 2018 by (1) increasing the stake in Eurogrid from 60% to 80% as from 1st January 2018 and (2) applying a full consolidation method for Eurogrid as from 1st January 2018, identical to the change in consolidation method applied from the acquisition date. The rebased figures are only presented so that growth rates on a comparable basis not as a measure of the Group's 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 ordinary shareholders Hence this is post deduction of NCI and coupon attributable to hybrid securities holders
Adjusted items	<p>Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frame-works applicable to the Group and its subsidiaries.</p> <p>Adjusted items relate to:</p> <ul style="list-style-type: none">• Income and expenses resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary)• changes to the measurement of contingent considerations in the context of business combinations• Restructuring costs linked to the corporate reorganisation of the Group (i.e. reorganisation project to isolate and ring-fence the regulated activities of Elia in Belgium from the non-regulated activities and regulated activities outside Belgium)
Adjusted net profit	Adjusted net profit is defined as net profit excluding the adjusted items
Payout ratio	Based on IFRS result attributable to the owners 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 attributable to ordinary shareholders and equity attributable to ordinary shareholders. The return on equity is adjusted to exclude the accounting impact of hybrid securities in IFRS (i.e. exclude the hybrid security from equity and consider the interest costs as part of comprehensive income). The RoE provides an indication of the ability of the Group to generate profits relative to its invested equity

Thank you

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