

A2A S.p.A.

"Full Year 2019 Results and Strategic Update Conference Call"

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OPERATOR: Good afternoon. This is the Chorus Call conference operator. Welcome, and thank you for joining the A2A Full Year 2019 Results and Strategic Update Conference Call. At this time, I would like to turn the conference over to Ms. Renata Bonfiglio, Head of Investor Relations. Please go ahead, madam.

RENATA BONFIGLIO: Thank you. Good afternoon and welcome to our conference call with A2A CEO and CFO, Valerio Camerano and Andrea Crenna. Due to the current situation, we are located in different places and therefore the call will be carried out with this limit. The material of this call and the press releases will shortly be sent to you. Now, I leave the floor to Valerio Camerano.

VALERIO CAMERANO: Thank you very much, Renata. First of all, I want to apologize with all of you. I'm just stepping out from our Board. The Board went a little bit longer than expected and I think it's the reason why unfortunately we are a little bit late. Again, apologize to all of you. And we will be soon issuing our press release, but we have decided to start the conference call.

Starting at the moment from our general view about the Coronavirus crisis. I know that most of you have delivered the questions over to the team on this topic, and so let me take the chance to go to this general issue by sharing with you what are we doing, and what are our first valuation regarding the impacts and how we are dealing with them and tackling with them. So first of all, we have been rapidly putting together a crisis team on this topic that is constantly monitoring the evolution of the situation. We've also immediately implemented the measures necessary to guarantee our business continuity and operations. Of course, we cannot control the entire situation. We cannot exclude downturn in the volume of certain areas of the company.

Let me drive you a little bit into the main areas of potential impact for us. First of all, Market, the division, Market Division, so we might expect some postponement in the payments of the clients. We're only, at the moment, expecting delays as the Authority also ruled by suspending payments to the next month or something (*IR note: for the so called initial red areas*). But we are already talking at the moment regarding potential postponement of the target date, payment target dates.

So we might expect some due date on this topic. We also expect a contraction in terms of the volumes, the consumption volumes, mostly for big clients, and from a wide reduction in the potential economic and commercial development. Globally, for the Market Division, we expect at the moment impacts in the region of €10 million, but not over. I'm talking about impacts for the overall 2020.

For the Networks, we might get some difficulties in operating conditions, not at the moment. We are on the perfect continuity at the moment. But there may be potentially also here, in this area, some postponement in the payment of distribution fees. The value of the impact at the moment we expect is not bigger than €5 million. So it's not really a big big issue at the moment.

On the BU environment, potentially some reduction on the indifferenced waste and potentially some lower operativity in the glass, plastic treatment. So that in this division, we're not thinking about something much bigger than €5 million. Now we might have some costs, emerging costs for the management of the emergency like DPIs (*IR: protection devices*), or incremental costs for software or PC to ensure that the entire area, entire community of people is in the condition to work for the smart working. We have at the moment, a quite important portion of the company in smart working. It's working pretty well. We have been able to deliver very soon

the infrastructure and the PCs to arrange that. So at the moment, we don't have continuity issues or impact on the productivity.

So globally, we feel we are structured to front this crisis, structured also to monitor and ensure the right continuity in this area. For the time being, we don't expect impacts at the moment bigger than €20 million EBITDA. But of course, we need constantly to monitor the evolution of the scenario. For the cash flow of course the situation may be different. I mean we might expect some impact on cash flow. But at the moment, we don't foresee absolutely any particular issue on this topic.

About the perspective impacts of the operating activity of the company, clearly, we also do see some direct and indirect impacts on the gas market and, consequently, the energy market. At the moment, we're following the evolution. We don't have a crispy idea on the impacts. But certainly, we do see decreasing forward prices on the generation, especially for the open activity. For the generation activity, there might be some impacts. On the other side, you know we do see falling CO2. So maybe we can discuss this a little bit more on our vision on 2020 and potentially going forward 2021 for each of our BU. So I think on the coronavirus topic, we don't see more other issues.

On general side, we're actively committed to try to identify the first mitigation actions on this potential effects. It comes out from the combined effects of recent M&A transaction that we have already closed. For example, the new project or the upside from Electrometal, our recent M&A transaction. We're also defining a program of OPEX containment and also hiring policy, interventions on hiring policies. So these efforts can have important impact in 2020. And we think that to a certain extent, they might mitigate in a satisfactory way the potential impacts that we have identified at the moment on the coronavirus issue.

I think at the moment, you should have received our press release. So if Renata agrees, I will be maybe starting the presentation, the presentation that you already have on the consolidated results 2019 and some considerations on the 2020-'24 Strategic Plan. Then, after this presentation, I will come back to you with our view on what are the main plans and potential guidelines on each of our BUs for 2020. So I go on and I invite you to follow our presentation, 2019 results and then the Strategic plan.

I will start from Page 3. Typically, we recap the main plus and minus trends. On the positive, we had interesting hydro production this year, better than last year. We had the contribution from solar plants in excess of €11 million, additional €11 million versus 2018. So we continue to build up of our photovoltaic plant basis.

We had considerable positive results in retail margins, this is a result of our enlarging market share of big clients / large clients, but also the enlarged customer base in the residential market. We also have positive contribution from Safeguard and some regulatory components that gave also their contribution on the retail businesses. So very good, very good numbers posted on the retail.

On the Waste, we continue to observe waste treatment prices strengthen. So globally, despite the increase in some of the costs, especially for ashes costs, and for example, trends on plastics or paper, globally we had a positive contribution coming from waste treatment as a segment.

Water cycle tariffs and heating prices, positive contribution, both increasing from 2018. And finally, we have the consolidation of ACSM-AGAM on 2019 numbers for a number in the region of €70 million compared to €40 million of 2018. So this is the list of plus.

On the minus, we have the environmental markets, you know, most of you know that we have already anticipated this number, number which is in the region of €100 million - lacking in 2019, we knew that. So it's negative. And on the negative, impact for the Grottaglie landfill closure. That's an impact negative in the region of €18 million. So that's very much regarding highlights.

Then if we go to Page 4, you will see the key financial indicators. Revenue is up mostly for the contribution of the sales, electricity and gas sales in the free market, and increasing volumes in the large account clients.

EBITDA, which is pretty much in line with 2018, despite the missing €100 million of Green certificates and other certificates. So the ordinary EBITDA is in line with 2018.

On net income, we're posting a record year for A2A. So actually, this is the best result ever since creation of A2A. That's also part of the strong contribution of the ordinary business, but also more minor devaluation. Mostly, we had bigger devaluation on Monfalcone in 2018. That's why we're upgrading the value of CCGTs. (Andrea, will come back on this point), as a result of the capacity market results.

So group net income ordinary, if you adjust mostly 2018 for the values of impairment devaluation and EPCG numbers, in 2018, we come with something which is basically, ordinary 2019, in the region of €378 million not far away from the reported Group income.

Net financial position, we have an effect of €100 million related to IFRS 16 adjustments, and then there is a change on perimeter, mostly because in 2019 we had in our books still the EPCG impact. And then we have, of course, the impacts coming from the acquisition of 3 companies, that is

Electrometal and Areslab and 2 acquisitions done in the last part of 2019. And then the acquisition of Biofor. Again, it's a small acquisition for the environment BU. So that's for the net financial position.

If we go to Page 6, we have a representation of the situation for the BUs, as you can see, all the BUs have contributed positively in the organic growth, if you exclude the one-offs '18 and '19, which are pretty much similar, in the region of €40 Million, the generation BU down by €72 million versus the €100 million that we were posting at the beginning of the year for the lack of certificates and feed-in tariff. So the BU has recovered something in the region of €30 million, thanks to the hydro production, thanks to the functioning of the CCGTs and the positive results of the MSD.

On the Market, the €31 million up versus 2018, again, as I said earlier, very good results. That's the effect of consolidation of ACSM AGAM for €17 Million, and the rest pretty much is coming from the growth in retail for €20 million, the retail by which I mean growth on the B2C and the B2B side as well.

Waste is just up by €2 million, which is good, I mean from our perspective. We had up the collection, that's mostly related to the IFRS results. And in fact, we have a good flat zone on the functioning of WTEs which you'll see in a minute from Andrea. So positive growth on Waste.

Networks, very good results for networks, it's up by €35 million. We have allowed revenues, increasing allowed revenues on gas, tariffs up in the Water business. We have a very positive result also on District Heating, that's due to the scenario effects versus 2018. So very good results from the operating side in Networks and District heating BU

I'll think leave the stage now to Andrea to comment on the specific results to each of the Business Units, starting from Page 7. Andrea, just go ahead.

ANDREA CRENNNA: Okay. Page 7, generation was definitely, as Valerio said, a positive year considering where we were starting from. We slowed down in the fourth quarter mostly due to the weak gas prices and bad performance in the coal generation, where basically contribution margin started to be very negative so we stopped producing.

The overall performance on the ancillary markets has been once again very satisfactory. We reached close to €150 million on the full year. And the second point, I want to raise your attention on is the total contributions to our EBITDA in the Business Unit from the renewables, photovoltaic plants, where the EBITDA reached €28 million, €11 million above last year.

If you turn to Page 8, the Market, 4 major drivers of the excellent performance. Customer base on the free market, 200,000 customers more, more or less in line with the past year and a bit more than our budget. The customer base, overall customer base increased a little bit.

The second driver was unit margin; here we have reported slightly decreasing margins on the electric customers and increasing margins on the gas customers. Overall, once again, we have not seen the reductions in the unit margins mass market that we were expecting at the beginning of the year and we plug into our plan, which we have shared with you several times. On the other hand, on the large customers, the B2B, margins have been increasing and likewise, volumes have been strong. Then we have got regulatory components and the Safeguard, which has also been very positive for what, is really a performance much above our planned results.

On the Waste, 2 numbers which are worth to be mentioned. Grottaglie several times explains basically the very, very tiny growth year-on-year. But you will remember that we got 2, actually 50%, 2 out of 4 of our WTEs stopped for plant maintenance. This is all the rest being equal a €7 / 8 million EBITDA shortage. And the second point, which we are keeping on seeing on the market is the increase in the waste prices when they are brought to the WTEs and the other treatment plants, where the increase has been 15% /above 15% for all the cases where we had the possibility to renegotiate the contracts.

On the Network, I think Valerio already explained pretty well. If I move to Page 11, where there is the waterfall of the net income. There is a €9 million net effect on results of our fair value of the asset assessment that we carry out every year. That's the algebraic sum of a revaluation of some of our CCGT plants, in particular, the 400 megawatt groups, which we had completely written-off a few years ago when we mothballed those plants, and now they are back into profitable operations. Coupled with the outcomes of the capacity market, that drove a revaluation of these assets for slightly more than €100 million. And then we, instead, on the other side, have written-off the residual value of the goodwill of the electric distributions for €85 million. Grottaglie was also impaired, but that was already included into our semi-annual results.

CAPEX, which is Page 12, are quite self-explanatory, and the same is on the cash flow. On the cash flow, you will see €76 million of negative net free cash flow. It's a small negative variance, which basically can be explained with the dividends and the CAPEX, which have grown significantly versus last year. And you will also notice a positive €50 million change in perimeter, where the net positive is basically due to the tranches of the EPCG residual shares that we have completely sold out. So,

we have today completely exited the Montenegro story. And then you have separately the impact of the change in the accounting principle IFRS 16.

I will handle the floor back to Valerio for a few final comments on the Strategic Plan. Valerio...

VALERIO CAMERANO: Yes. Thank you, Andrea. And let me dive a little bit into some of the topics that we are reporting in the Strategic Plan. First of all, we're not disclosing today the full content of the Business Plan. This is actually a decision taken by the Board in light of 2 elements. First of all, the potential discontinuity that may happen in the new Board of this company. So, in light of this potential discontinuity, the Board has approved the plan, has approved the numbers underlying the plan and, of course, the strategic guidelines and topics underpinning the plan. At the same time, the Board has decided to submit the plan to the new Board in order for the new Board to evaluate it, reevaluate it under the composition of the new Board. And also...so that's basically the reason why that we'll only share with you today the key messages of the Strategic Plan, and we have reported the key messages of the new Strategic Plan also in our press release.

So, I can say that we have a quite strengthening in our Business Plan. We have decided, first of all, to build a new plan around our DNA, our sustainable DNA. So, we have turned our project, our plan that was designed under the TEC framework, you will remember, into this threefold new strategic pattern, a climate action, the circular economy and smart solutions. So, we have developed the 3 sustainability trends. And under those sustainability trends, we have taken full commitment under 60 different key ESG KPIs.

Beyond that, we have identified a repositioning of the company according to 3 main big trends. First of all, a further and strong increase and

expansion, in renewables for the company. So, actually we are increasing to 500 megawatt by 2024 and up to a minimum level of presence of 1.5 gigawatt installed capacity of renewables mostly solar in our horizon. So, this will be done through M&A and through greenfield, so thanks to our agreement to purchase 1 gigawatt of greenfield potential development with Talesun, so some expansion in renewables.

We confirm the shutdown of our coal, fuel-oil plants by 2025, potentially by 2023, maximum. Also presenting a set of projects of flexibility and reliability supported on storage on ultra-speed plant and on the peakers, gas peakers. So, there's a full cycle of intervention on fuel-oil and on gas flexibility to make, you know, our accomplishment to be fully functional to the development of the new transition, energy transition plan in the country.

On customers, this is a second big news in this plan. We have a challenging growth. We're actually targeting an increase of our target of 10% of full market liberalization, which basically means to get something additional to arrive to 5 million clients at the end of the plan, which is a big push in our customer expansion decision. This will come mostly from three legs: the first one is the existing expansion plan, we've been delivering in the last 5 years; the second leg, which is the participation in the tenders will be auctioned in 2022; and the third leg is the start-up, launch of a new start-up, which will be operating next week in the country, which is called NeN, a new 100% digital native new player in the country. It's going to be one of the first in this country, which is a startup, funded and financed, launched by A2A, but fully independent and autonomous versus the A2A present structure organization.

So on the second point, on customers there's an increasing ambition, and we have set a stronger ambition on the existing customer base, on the tenders and on the digital growth in this country.

Third pillar is recycling, so we will complete our growth with 12 new waste treatment plants. 9 have already been authorized and in construction, and at the end of this process, basically managing something like 60 circular economy plants in this country. So we will accelerate our presence in this segment.

And fourth element, we have decided to step in more consistently on the industrial segment. You may remember that we've been mostly engaged so far in the urban segment. We have taken the decision to accelerate our growth in the industrial segment in the country.

So more renewables, more customers, more recycling capacity. And above that, the strong investments on the networks, mostly on the electricity networks, will enable the company to increase its RAB base and also further development of heat management and water cycle.

So on Page 16, you will see the developments broken down for each single BU. So most of the generation development will come from solar development and the flexibility contribution, the development from the market will come from the 3 main areas of development, as I commented earlier. And the additional €100 million on top of existing EBITDA for waste will come from the completion of our program of treatment plants.

On networks, most of the expansion will be coming from the electricity and district heating and the water cycle.

So the breakdown of CAPEX. There's a big CAPEX program, almost €4.5 billion. 2/3^{ds} of this CAPEX program will be dedicated to development program which is in all 4 areas of presence for our company. By the way,

at the end of this program, the company will be even stronger, will enjoy a stronger balance and productivity in terms of business areas.

We will have almost 100% in natural hedging between clients and fleet. So just basically 20 terawatt hour of production, 20 terawatt hour of consumption. We will have more predictable power generation. So we'll go from 32% to 52% of regulated business in the generation. And we will have a much better asset balancing.

So we do see, also thanks to this plan, not only a strengthening in our core competence of the company, the customers, waste, tender and generation, in particular, new generation, but also a quite significant de-risking in our profile.

So Page 17, the dividend policy. So we have approved, the Board today approved the dividend per share, which is €7.75, which basically means an increase by 10.7% versus 2018. So we confirm our growth dividend policy in 2020. And from 2021 on, we confirm the minimum growth of 5%.

So that's basically what we have wanted to share with you in terms of presentation, so 2019 results, the main topics of 2020-2024 Industrial Plan.

I would now turn on a list of other topics that we have recalled from your questions. And so, at least some of the questions came from the analysts and investors. So I'm now going through some of the issues or topics that you have raised. And hopefully, we'll be able to cover the most and the majority of them. And of course, in case we will not be able to do it, the entire IR team is available for further comments.

So the first topic I would like to discuss with you is the 2020 environment. So how we are dealing with 2020 environment? What are the main topics

that we are now tackling? So let me start from generation. Well, the energy scenario has clearly worsened starting from November. So we have gas prices going down due to the TTF decrease.

So that's basically the result of certainly a warm winter. So we have experienced a higher than average temperatures, and also some international developments like oil price crisis between Russia and Saudi Arabia. We do start to see also now some first impacts from the coronavirus that we are actually following, okay.

This contraction has impacted clearly the PUN, the power prices. Historically it's very linked to lower gas prices. So we have now some impacts especially on the PUN. You will see that you know, we have already hedged more than 50% in 2020. So a big portion of our result is not open yet, but we have to deal with decreasing PUN scenario.

On the contrary, we still see quite strong spark spreads. So spark spreads are still quite high, by the way one of the highest of the last years. But that's due to the fact that the fall in the power price is more than offset by the price contractions in gas and CO2, mostly on CO2.

So if from one side, we do see decrease in power price affecting our potential hydro production, on the other side we still see positive evolution of spark spread and not only in 2020, but also in 2021.

Today, we have an hedge ratio on WTE and on hydro, which is something around 55%, with a sell price around €59 per megawatt hour. So probably, we still have not hedged volumes in the region of 1.9 terawatt hour. So that's, you know, our main level focus at the moment.

On Market, we expect...we will continue to pursue an expansion in the free markets. Something which is not far from what we already accomplished 2018-2019, which is basically additional 200,000 new free market clients. And we are also helped by the acquisition we have made of ASM Energia, the utility of Vigevano.

And also, we do expect already in 2020 some positive effects coming from our new startup (NEN), there is a focus on digital work that will start delivering results, including 2020.

If I move to Waste, we had a positive contribution at the end of the year, as I commented earlier, from M&A. So we have something around €6 million coming from the acquisition of Electrometal. And we do expect and we confirm that we do expect further growth on treatment prices in 2020.

As far as the Authority regulation impact, most of you, some of you put two questions on this point. We have no impacts on collection in 2020, and we have no impacts on treatment in 2020. So, no special assumptions have been made from our side on this topic. We do see a steady state in terms of collection and treatment in 2020.

On networks, we are actually reporting the regulatory effects coming from the revision of the regulation on gas networks between €6 million and €7 million down versus 2018. Water will benefit from tariff increase in 2020. We are reporting also quite small decrease on the recognized OPEX level on the electricity. So we can see some negative effects from gas and electricity with some positive effects coming from water. That's pretty much regarding the networks.

Regarding 2020 overview. Just 2 months, we're not really far away from what we've already done in 2019, 2018. So first 2 months are quite in line

with the previous months. But clearly, we will have to deal with the decreasing prices on energy for the rest of the year.

On the M&A side, let me give some update on the main dossier open. Let me start from AEB-Gelsia. So we are now very close to the finalization of the transaction. So the Board will be approving in the next weeks, 2 or 3 weeks and also cities now will be approving their transaction. We expect the transaction will be completed there in the month, clearly, literally, in the end of March, beginning of April. In terms of accomplishment of the formal signing, that will clearly take more time.

The impact of this is something like 18,000 of gas distribution points, of PODs. We will be contributing our 250,000 lighting points of A2A public lighting. So we're actually entering in the group with the holding in the region of 33% of the newly created JV. But A2A will certainly play the role of industrial partner. So with the relative governance that we will be able to negotiate, we will be able to consolidate the numbers of AEB in A2A. What are the key numbers of AEB? Revenues of €220 million; EBITDA, around €35 million; and the net income of AEB for 2018 in the region of €12 million. So that's the numbers.

AEB has practically no debt, €2 million of debt. So it's a company sitting on cash. So I think we're expecting again by the end of the month / the beginning of April the approval by the shareholder general meetings, both from AEB and from A2A. Not really A2A, I mean, UNARETI will be actually the shareholder contributing some points of delivery. And then therefore, we just need to wait for the Antitrust clearance, which is expected from May-June. So if all this plan is respected, we expect the company, the new JV, which will be consolidated by A2A with our CEO, will be effective on July 1, 2020.

On the M&A on Veneto. we're actually working out the JV. So we will try to close as much as we can over the next month, so which means basically delivering a common industrial plan by the end of March. And then eventually working out the potential governance and structure of the deal in April. So we actually are targeting potentially the end of June as a target date to complete this deal in terms of signing. The combined effect, of course, this is still open. Though it's not certain, we are working to make that to happen, but it's still ongoing. The combined entity Verona-Vicenza has an aggregated EBITDA in the region of €150 million and aggregated net income of €30 million. The aggregated net financial position of Verona-Vicenza will be the region of €280 million.

A few comments on the acquisition of the Ascopiave shares. It's something that some of you have been asking. So the reason why we wanted to buy because we were offered to buy this package of shares by the exiting private shareholder. This is not a conflict contest with Ascopiave, so we will not be a hostile shareholder of Ascopiave, we already made clear that. Our aim will be to contributing this participation into the Verona-Vicenza JV. So, beyond the acquisitions of our assets, we are discussing with the companies, with those 2 companies, so we're discussing some regional assets that we'll be contributing in the company in order to get a participation in the future JV. We want to contribute also this portion of shares.

We believe that this will make possible to renew, to entertain a dialogue with Verona, Vicenza and Ascopiave to potentially develop some strategy, common strategy, Verona, Vicenza, Ascopiave and A2A in Veneto. Of course, this is our wish. Before buying the shares we have tested the interest from Verona, Vicenza. The answer was positive so Verona, Vicenza themselves, they look at this potential Ascopiave shares contribution as a way to reopen the discussion on the network side, of course, with Ascopiave.

So the rationale behind the purchase of these Ascopiave shares are mostly related to our ability and our willingness to regenerate a dialogue with Ascopiave through a newly created JV with Vicenza and Verona.

A few words on the other potential deals we're looking at. We have strived virtually, we were submitting an offer on Unieco, which is the major acquisition on the environment. We're looking at specific assets, we're not looking at the entire going concern. We will be looking at the treatment plants. And we also will be looking at other M&A deals on renewables, in particular, on solar portfolio. Always with the objective to enlarge our market shares but to continue to be financially disciplined on this front.

So I think, maybe a few other comments on the Business Plan. Roughly, I'm looking through the questions that you have submitted us. Let me go to some of the other information to you. Capacity market: so we successfully delivered our offer for capacity markets. And we are assuming that we will get lower revenues on MSD, but we assume that there will be continuity on the capacity market beyond 2023.

So why we have this view, because we think that the market will be short after 2025, when potentially other plants will be realized. I'm talking about gas plants, potentially we are making the hypothesis that the existing plants will obtain less than what we have already obtained in the existing capacity market. So, something which is basically equal to 50% of what we got on 2022 and 2023.

A few comments on what is already authorized, as I mentioned the fact that out of the 12 new plants of the environment 9 had been already authorized. What are the 3 plants not yet authorized? These plants are in the organic treatment, so basically 3 plants. We got 1 plant already authorized.

On distribution, very quickly, I mean, as far as the Milano tender is concerned, we are waiting you know, for the potential movement of this tender. We have appealed against the decision of the Regional Administrative Court. As you know, the next hearing is scheduled for July, so we will look after that.

We've made a couple of expression of interest into two ATEMs, but the publication in the short term appears quite low (probability). So we've taken the decision regarding the Business Plan assumptions: all the tenders have been rescheduled to more realistic dates, pushing them beyond 2024. So, in our plan, we are all envisaging at the moment the Milano tender. The other tenders prudentially have been postponed beyond the 2024. I think that's pretty much what I wanted to tell.

Maybe a few other more comments regarding the renewable generation. So as I said, we're looking to the M&A. But also, we look into the grid parity plants. As you know, we're developing a plant of 10 megawatt fully on grid parity. We have already signed a few PPAs with other few companies. So we'll continue to look at this source of growth. I can confirm you that we'll predominantly look at solar, though wind would be also an area of interest from our company.

Biogas and the hydro will be areas of growth, mostly for Linea Group, given the presence in some of the markets where these 2 technologies have been already developed. We are talking about the minor portion of the investments if you look at the global investments of the company.

So that's pretty much what I wanted to tell you regarding 2020, our sentiment on 2020, a few comments on the M&A, on the territorial aggregation and on the generation side. I would like to hand over now the

stage to Andrea. Andrea is also going to go over some of the topics that he already submitted us. So Andrea, please go ahead.

ANDREA CRENNNA: thank you, Valerio. I hear one question, I think, I already answered in my presentation before about the amount of the ancillary market in 2019, which I confirm was €150 million and €24 million we got out of the capacity payment system which is still up and running. So for the 2...accumulated amount to 175 million, basically.

Let me read here. Yes, free market, I think there's a question on the dynamic of the performance in the market. I think I touched the 4 drivers behind the excellent performance, same as on the impact of the waste-to-energy maintenance, €7 million to €8 million. We should, of course, all the rest being equal, recover all this year when these 2 WTE, which have been Acerra and Brescia will be running at full potential in 2020, and the same Milan.

I think there is only one question I haven't answered, and it's about the evolution of the cost of debt. We ended up the year with an overall cost of debt to 2.8%. The average life of our debt is 5 years now.

Clearly, the cost of debt that we have on the marginal indebtedness is much lower. It's still much lower despite the spikes, both in the mid-swaps and in the credit-spreads that we are experiencing these days due to the coronavirus and especially the impacts on the Italian market on the spreads, I mean.

So we can assume that over the Strategic Plan windows, our cost of debt will head down. The first maturity is January/February 2021 for €500 million. And then progressively, if the market conditions remain the same, or more less the same, we will reduce the impact of our cost of debt. I think,

I've answered all the questions I got here on my side. Renata, is there anything more else we can do?

RENATA BONFIGLIO: Well, I think we will be able to deal with some incoming questions, I think the most relevant questions asked by the analysts and investors have been addressed. We, therefore thank you all for the time. We are sorry for the inconveniences in this call. Investor relations is available for follow-up. We wish you all the best to you and your family. Thank you very much. Bye-bye.

VALERIO CAMERANO: Goodbye.