



Capital Markets Day

Global Trading

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Integrated model fit for digitalized, low carbon world



Global portfolio optimization
Integrated margin management

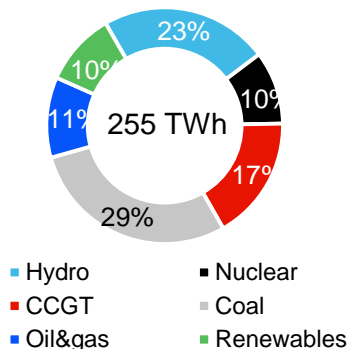
Diversified global portfolio evolution leading to integrated margin optimization

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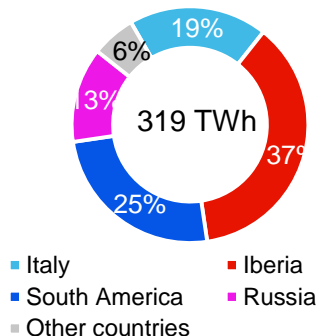
Positioning and 2017 key figures



Net production by technology



Net power sales by destination

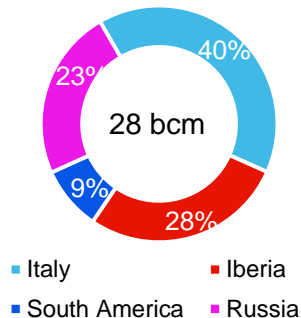


Key figures

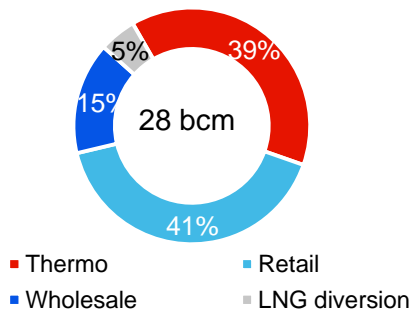
2017

Net power sales (TWh)	319
Net production (TWh)	255
Power purchased (TWh)	64
Coal purchased (Mt)	37
Gas purchased (bcm)	28

Gas purchased by destination



Gas purchased by final use



Key financials (€bn)

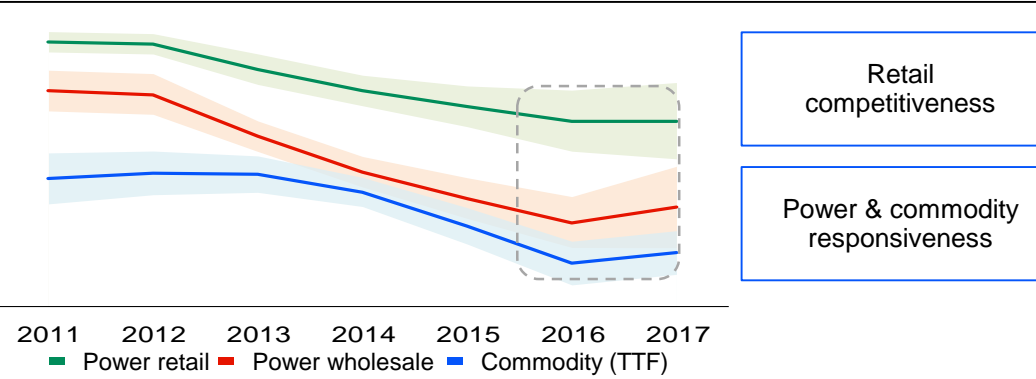
Gross margin	12.3
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Role of energy management



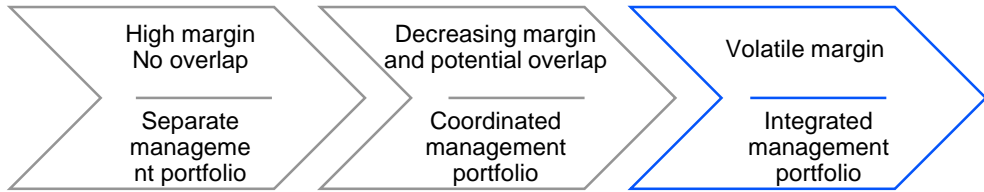
Energy management vs competitive landscape (€/MWh)



Digitalization as a strategic enabler of continuous improvement and more sophisticated approaches

Centralization and integration of activities as a key strategic driver of portfolio management

Continuous re-thinking and improvement of gas & power portfolio management



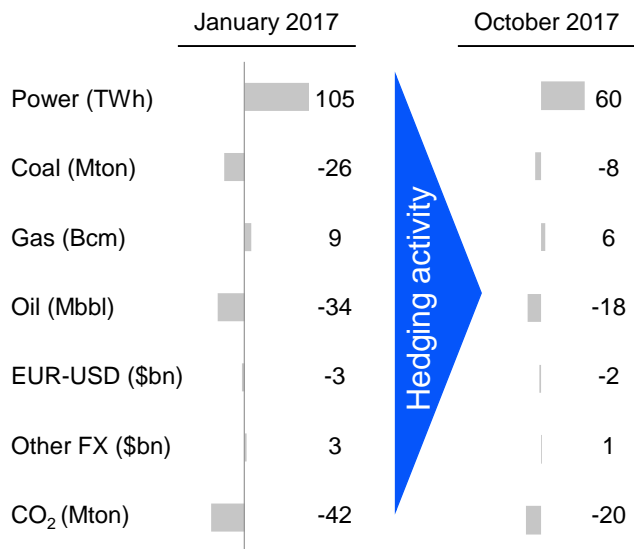
Full integration of conventional generation, renewables and retail gas & power portfolios

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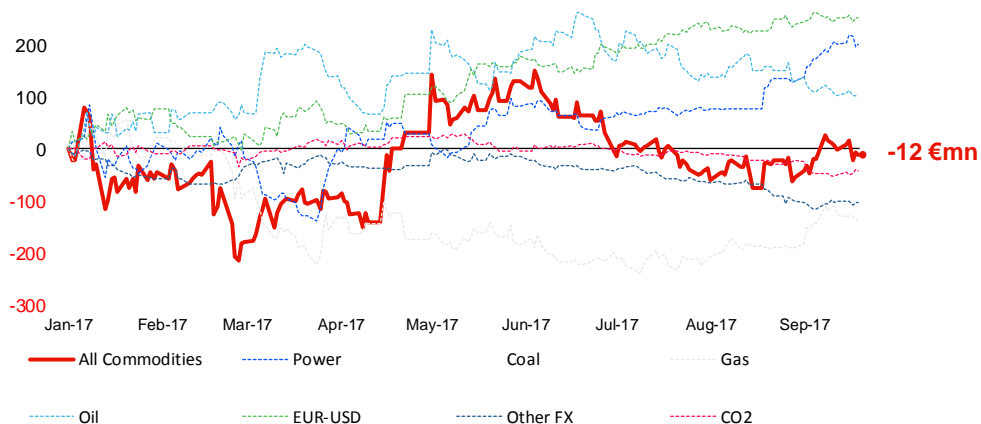
The group's resilience to the volatility of commodity prices



Global exposure year 2018



Commodity price volatility generates significant margin variation



Impact on the overall margin is reduced thanks to combined hedging strategies of individual exposures

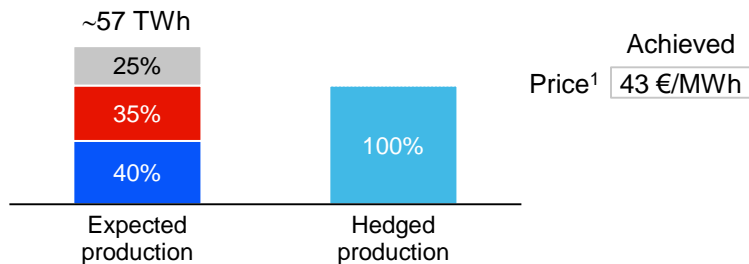
Hedging activities aimed at reducing exposures by maintaining a balanced portfolio

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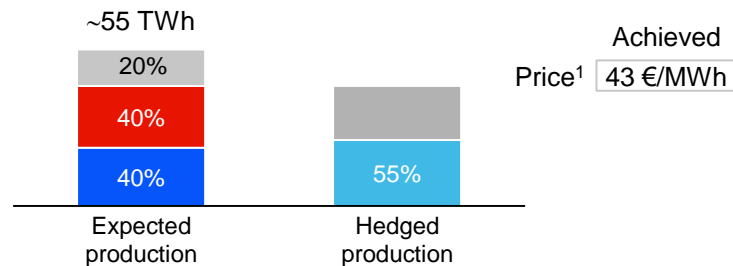
Forward sales Italy and Spain



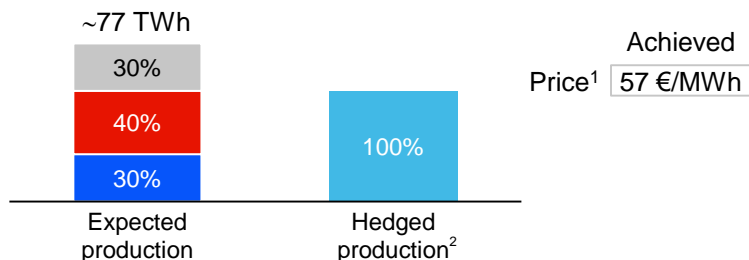
Italy 2017



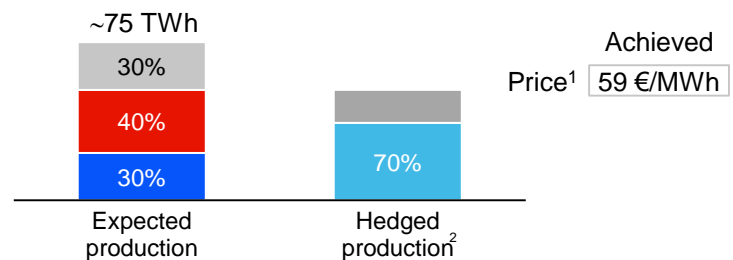
Italy 2018



Spain 2017



Spain 2018



■ Spread driven ■ Price driven ■ Regulated / quasi regulated

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1. Average hedged price. Wholesale price for Italy, Retail price for Spain

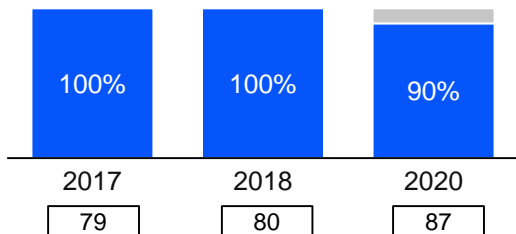
2. Including only mainland production

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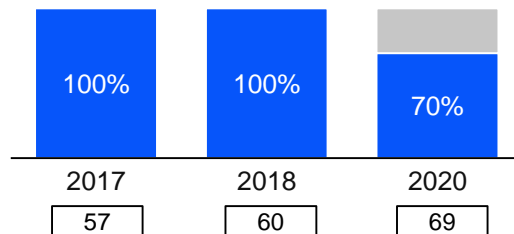
Forward sales South America



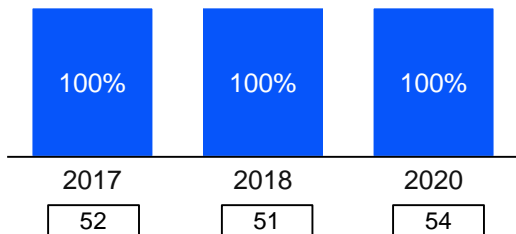
Chile



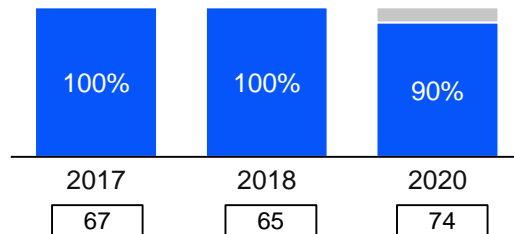
Colombia



Peru



Brazil



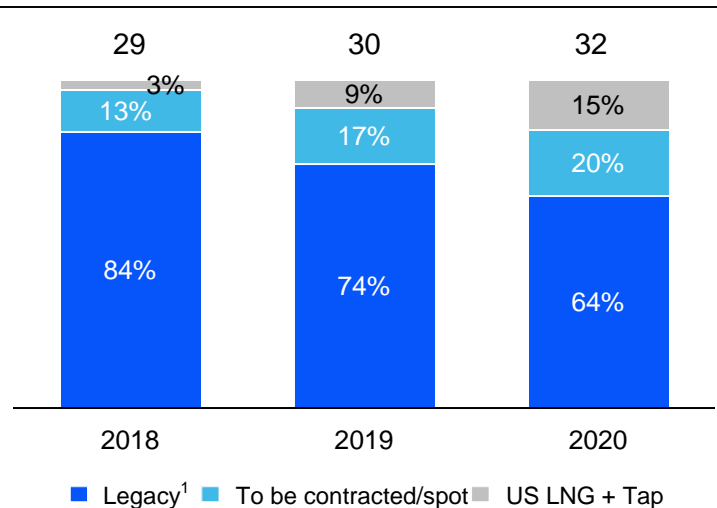
■ Hedged production ■ Unhedged production □ - Average price (USD/MWh)

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Delivery on gas contract renegotiation

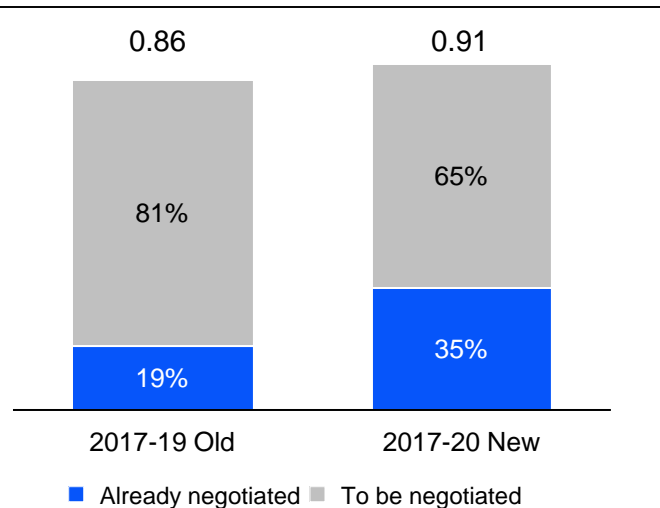


Portfolio evolution (bcm, %)



Increasing flexibility over the plan period

Price review impact (€bn)



Improved renegotiation targets and reduced execution risk

1. Mainly oil-linked take or pay contracts

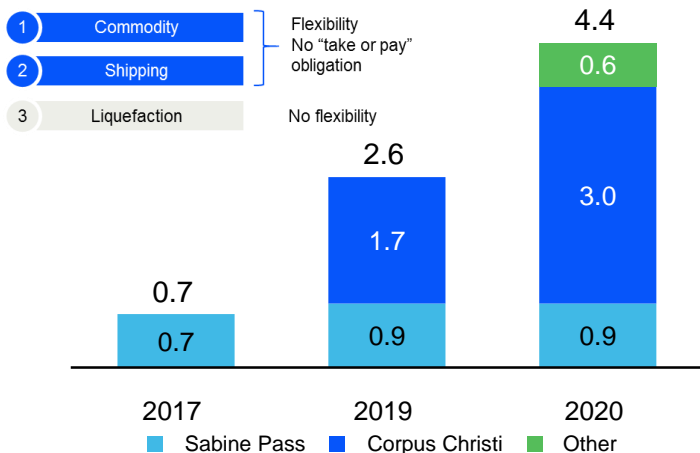
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US LNG gas portfolio

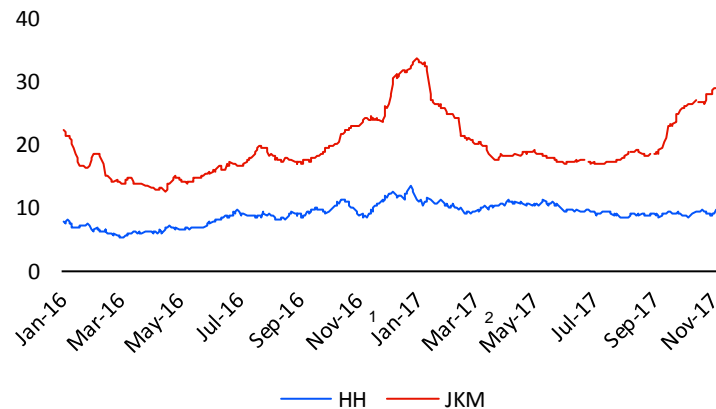


Portfolio evolution (bcm)

Typical long term LNG contracts exposure



LNG (€/cm)



High price volatility enhances value of US LNG optionality

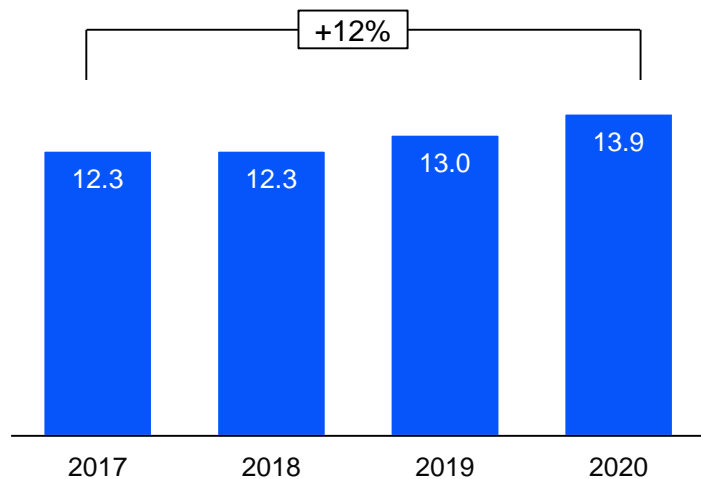
1. Henry Hub natural gas spot price
2. Far East LNG price reference

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Financial targets



Gross Margin (€bn)



Key drivers

Generation: enhanced results mainly due to renewables growth

Gas: increasing gross margin thanks to price review and portfolio optimization actions

Power Retail: positive trend in power retail activities in all regions

Growth and portfolio optimization leading to gross margin increase