



SARAS

Second Quarter and First Half 2019 results

30th July 2019

AGENDA

- Highlights
- Segments Review
- Financials
- Outlook
- Additional Information





DISCLAIMER

Certain statements contained in this presentation are based on the belief of the Company, as well as factual assumptions made by any information available to the Company. In particular, forward-looking statements concerning the Company's future results of operations, financial condition, business strategies, plans and objectives, are forecasts and quantitative targets that involve known and unknown risks, uncertainties and other important factors that could cause the actual results and condition of the Company to differ materially from that expressed by such statements



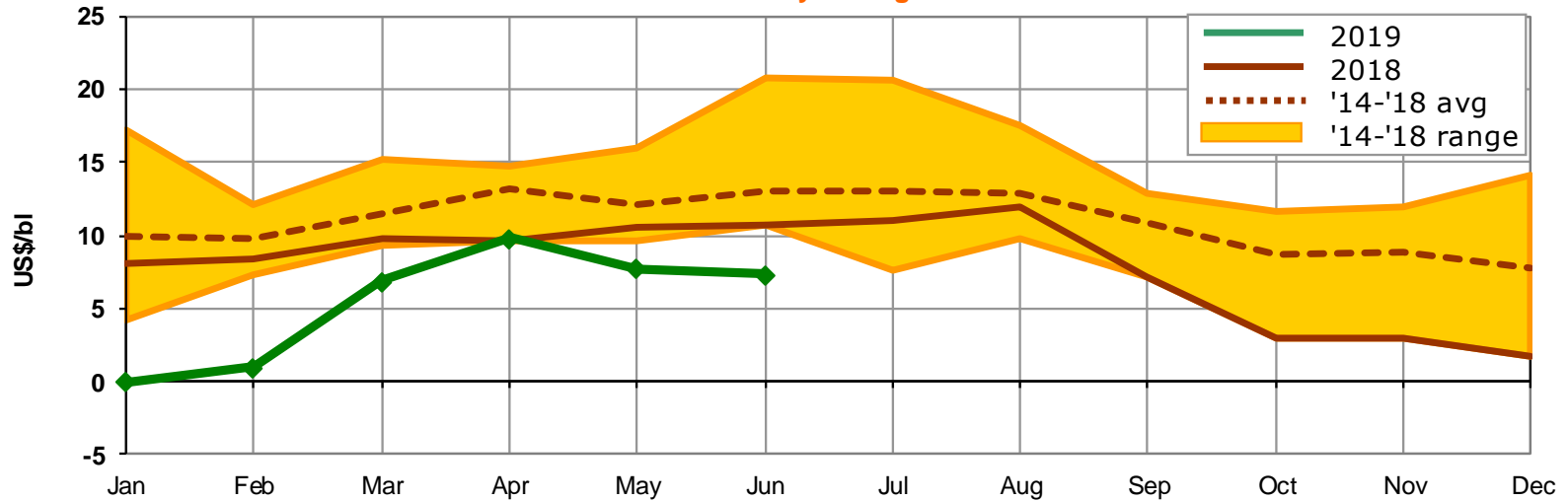
H1/19 & Q2/19 highlights

EUR million	H1/19	H1/18	Change %	Q2/19	Q2/18	Change %
Reported EBITDA	195.7	271.4	-28%	87.2	199.2	-56%
Reported Net Result	24.0	81.4	-70%	28.2	58.9	-52%
Comparable¹ EBITDA	99.7	150.4	-34%	76.9	78.8	-2%
Comparable¹ Net Result	(36.6)	14.9	-346%	4.2	6.3	-34%
EUR million	H1/19	H1/18	FY/18	Q2/19	Q2/18	
Net Financial Position ante IFRS 16	76.5	42.0	46.0	76.5	42.0	
Net Financial Position post IFRS 16	28.0			28.0		

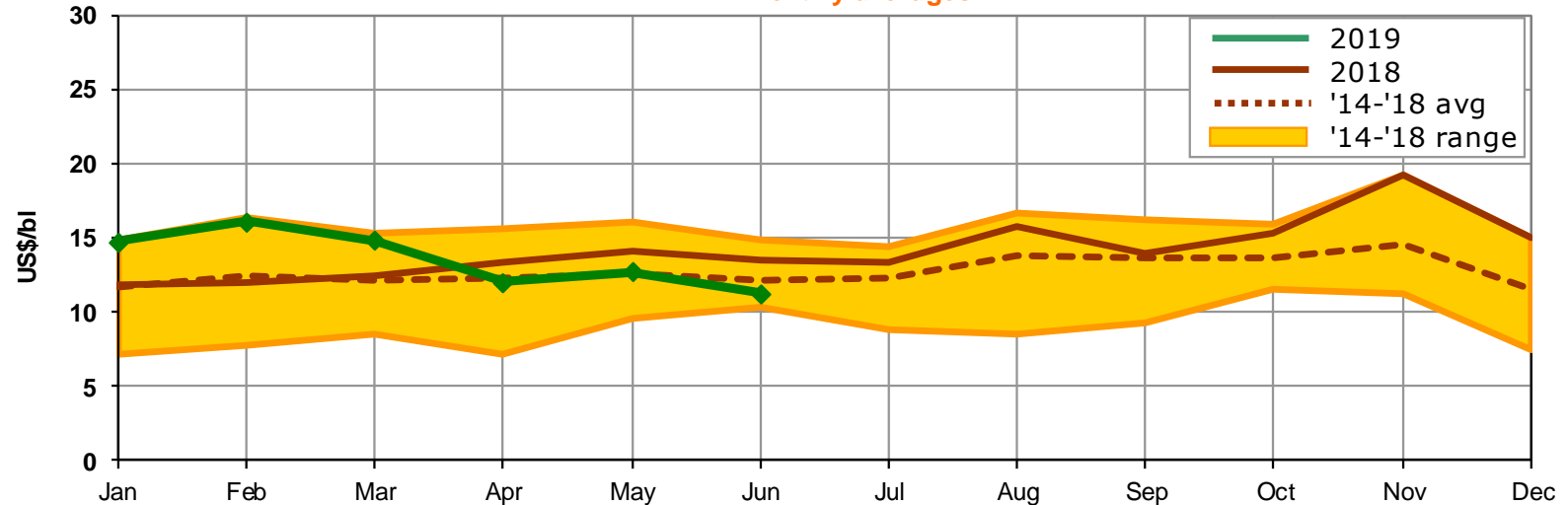
-  **Volatile H1/19 scenario driven by geopolitical and macro concerns. Low heavy-sour grades availability and discounts (US sanctions against Iran and Venezuela and OPEC+ cuts).**
-  **After the successful turnaround completed in Q1/19, the refinery posted an excellent operating performance in Q2/19 which largely offset the weak scenario (EMC at 0.2 \$/bl)**
-  **Q2/19 comparable EBITDA at EUR77M broadly in line with Q2/18 thanks to the strong combined performance of refinery and marketing. Power completed the annual maintenance.**
-  **Strong Net Financial Position at +EUR 77 M, improving compared to FY/18 (+EUR46M) after the payment of dividend in May. Positive at EUR28M post application of the IFRS 16**

1. In order to give a better representation of the Group's operating performance, and in line with the standard practice in the oil industry, EBITDA and the Net Result are displayed valuing inventories with FIFO methodology, excluding unrealised inventories gain and losses, due to changes in the scenario, by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realised and unrealised differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results, as they are related to the Group industrial performance, even if non accounted under the hedge accounting principles. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded by the operating results and the Net Result. EBITDA and Net Result calculated as above are called "comparable"

Med: Gasoline Crack spread vs Brent
monthly averages



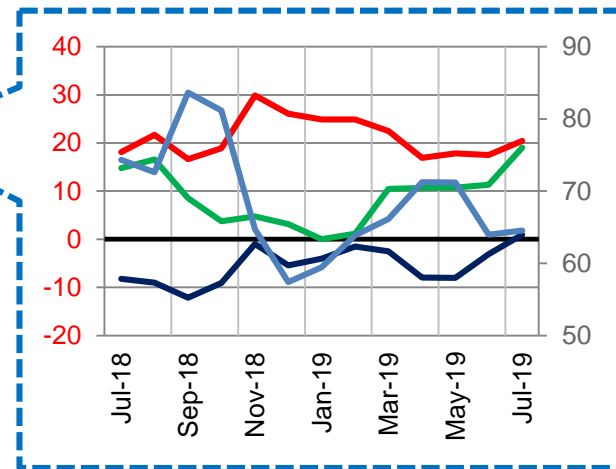
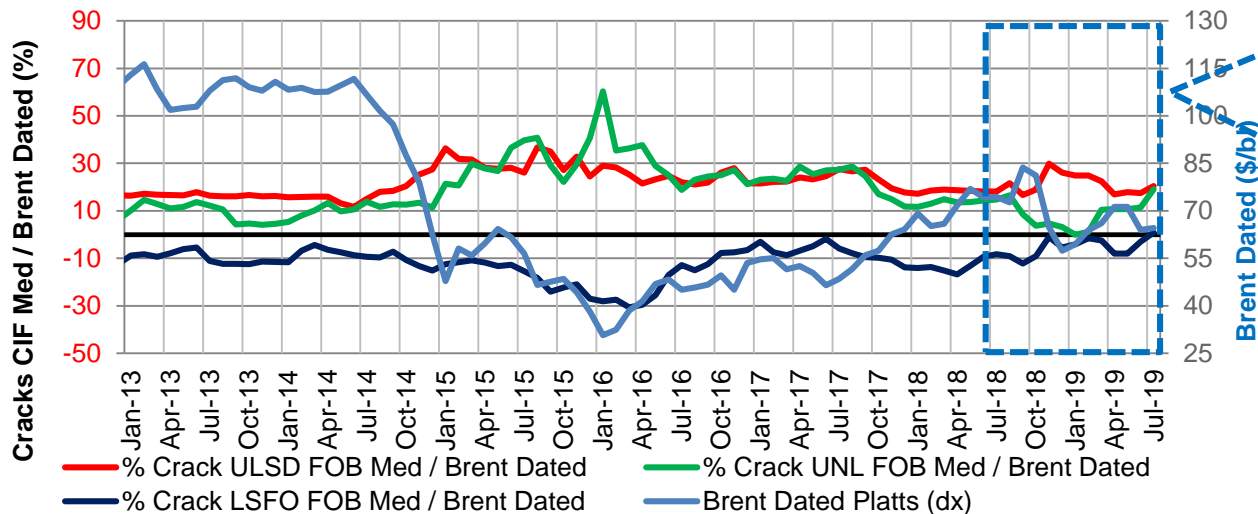
Med: Diesel Crack spread vs Brent
monthly averages



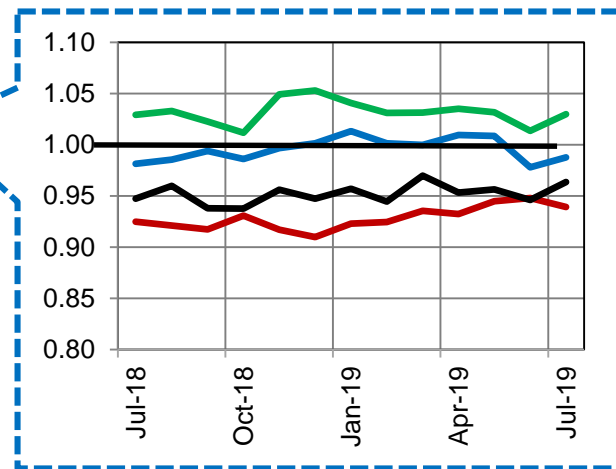
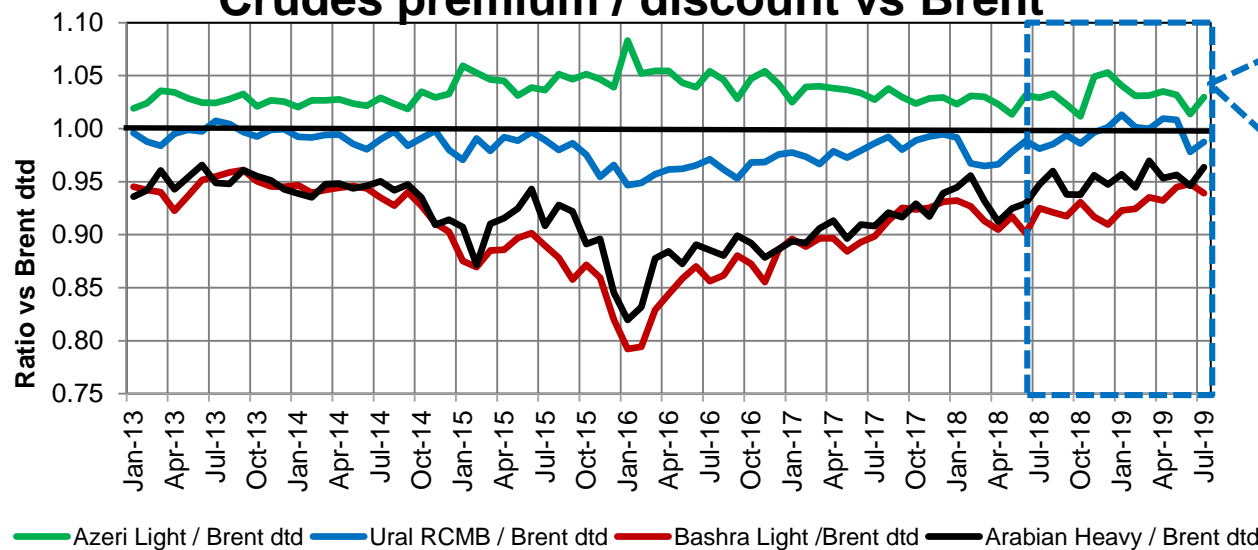


Highlights: Historical Crack Spreads Ratios to Brent and crude differentials

Ratios of Product Cracks FOB Med to Brent Dated

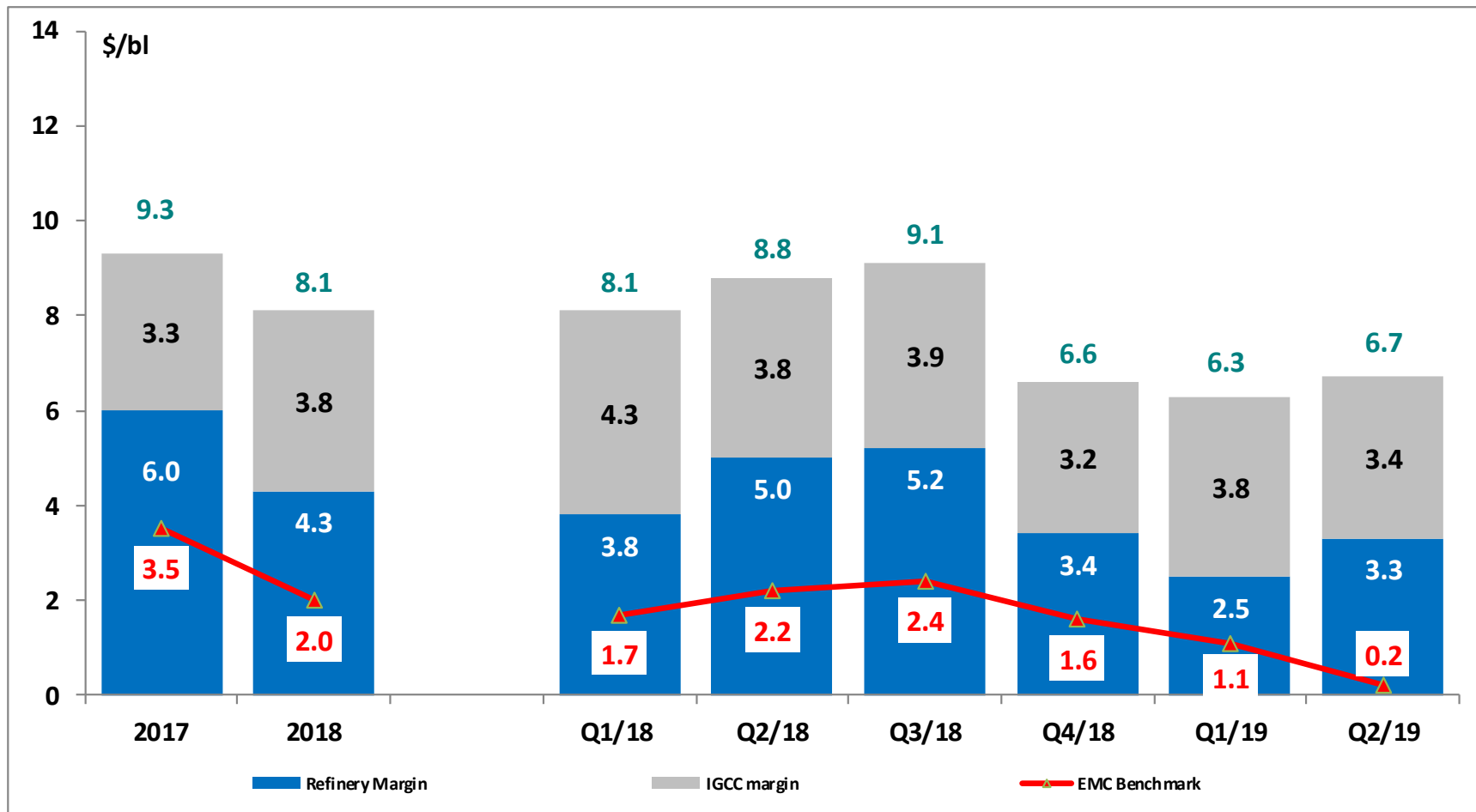


Crudes premium / discount vs Brent





Highlights: Refining and Power Generation Margins



Refinery margins: (comparable Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period

IGCC margin: (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period

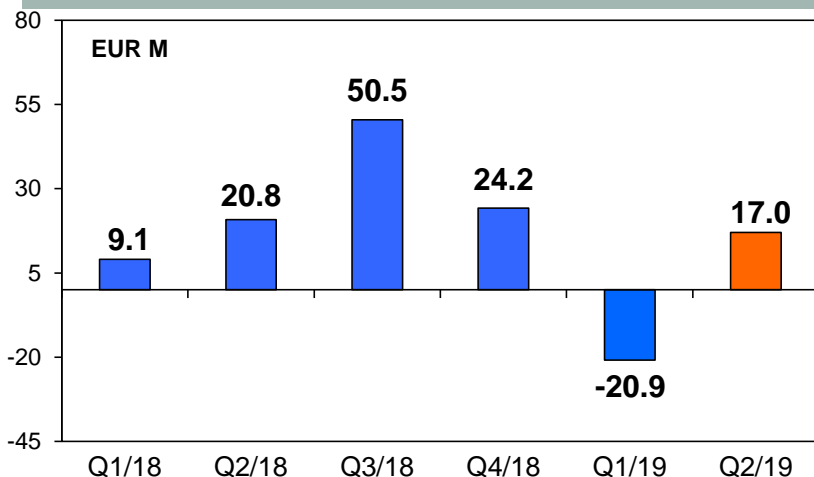
EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent



➤ **Segments Review**



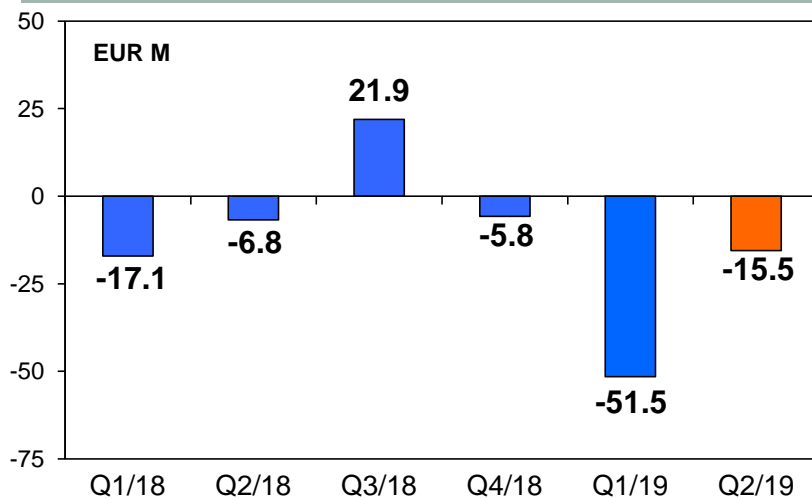
Comparable EBITDA



Q2/19

- **Comparable EBITDA at EUR 17.0M** (vs. EUR 20.8M in Q2/18)
 - ✓ Crude throughput at 26.1Mbl (+8% vs. Q2/18) thanks to lack of maintenance in the quarter and sound operating performance
 - ✓ **Challenging reference scenario:** weaker middle and light distillates and low discounts on heavy-sour grades
 - ✓ **Production execution led to an EBITDA EUR 25M higher than in Q2/18**
 - ✓ **Positive contribution of supply chain and trading (+EUR10M)**
 - ✓ **Lower fixed costs**

Comparable EBIT



H1/19

- **Comparable EBITDA at EUR -3.9M** (vs. EUR 29.9M in H1/18)
 - ✓ Crude refinery runs during H1/19 stood at 6.23 million tons down by 5% compared to H1/18. In the first months of 2019, one of the main turnaround of the last 5 years was carried out. Topping "T2", Vacuum "V2", CCR and MHC1 that were stopped for about 60 days.

EUR million	Q2/19	Q2/18	H1/19	H1/18
Comparable EBITDA	17.0	20.8	(3.9)	29.9
Comparable EBIT	(15.5)	(6.8)	(67.0)	(23.9)



Segment Review: Refining – Crude Oil Slate and Production

REFINERY RUNS		Q2/19	H1/18	H1/19
Crude oil	<i>K tons</i>	3,571	6,528	6,225
Complementary feedstock	<i>K tons</i>	270	577	551

CRUDE OIL SLATE		Q2/19	H1/18	H1/19
Light extra sweet		34%	37%	38%
Light sweet		15%	13%	19%
Medium sweet/extra sweet		2%	0%	1%
Medium sour		35%	35%	37%
Heavy sour/sweet		14%	16%	13%
Average crude gravity	<i>° API</i>	34.9	33.7	34.6

PRODUCTION (From crude runs and feedstock)		Q2/19	H1/18	H1/19
LPG	<i>k tons</i>	88	145	162
	Yield	2.3%	2.0%	2.4%
Naphtha + gasoline	<i>k tons</i>	1,082	2,058	1,924
	yield	28.2%	29.0%	28.4%
Middle distillates	<i>k tons</i>	1,936	3,509	3,440
	yield	50.4%	49.4%	50.8%
Fuel oil & others	<i>k tons</i>	247	408	298
	Yield	6.4%	5.7%	4.4%
TAR	<i>k tons</i>	241	512	506
	yield	6.3%	7.2%	7.5%

Balance to 100% are Consumption & Losses

Lower crude runs due the turnaround successfully completed in Q1/19

Lighter crude slate (more light sweet and less heavy sour/sweet) due heavy maintenance in Q1/19 and to different supply mix on the market

Stable gasoline and diesel

Low fuel oil yield due to maintenance on T2/V2 in Q1/19

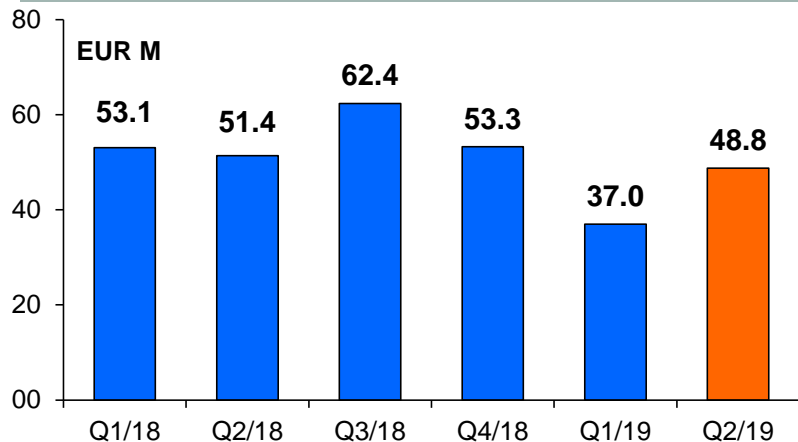


Segment Review: Refining – Fixed & Variable costs

		Q2/19		H1/18	H1/19
Refinery RUNS	Million barrels	26.1		47.7	45.4
<i>Exchange rate</i>	<i>EUR/USD</i>	1.12		1.21	1.13
Fixed costs	EUR million	60		143	124
	\$/bl	2.6		3.6	3.1
Variable costs	EUR million	51		86	89
	\$/bl	2.2		2.2	2.2

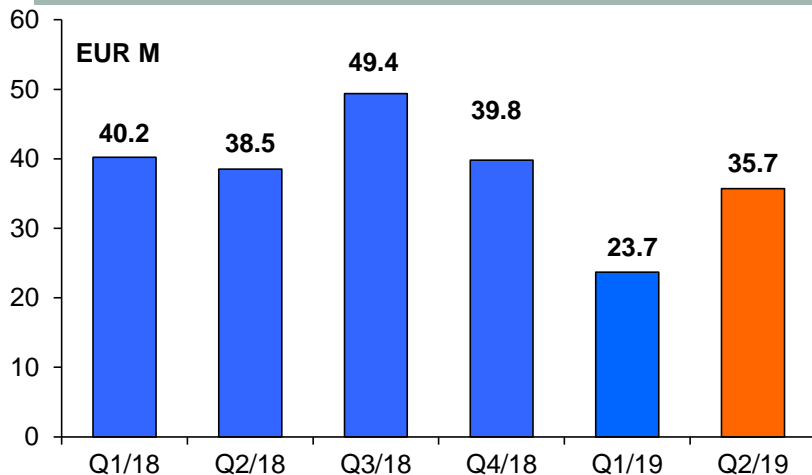


Comparable EBITDA (*)



(*) The difference between the comparable EBITDA and the reported EBITDA is attributable to the result of the hedging derivatives on the CO2 and in Q4/18 the write-down of receivables related the past.

Comparable EBIT



Q2/19

- **Comparable EBITDA at EUR 48.8M** (vs. EUR 51.4M in Q2/18)
 - ✓ **Heavy maintenance in the period:** work on two gasifier – combined cycle Turbines and one of the two gas washing line trains. The annual planned maintenance program was completed.
 - ✓ Lower volumes produced by 19% y-o-y
 - ✓ **Less favorable scenario:** lower value of the CIP6/92 tariff (-3%), higher TAR cost and lower revenues from hydrogen sale
 - ✓ Positive effect of CO₂ hedging derivatives in the quarter (which offset negative Q1/19 effect)

H1/19

- **Comparable EBITDA at EUR 85.8M** (vs. EUR 104.5M in H1/18)
 - ✓ **Havier maintenance concentrated in H1:** work on three “Gasifier–combined cycle Turbine” and on one the two “gas washing line trains
 - ✓ **Less favorable scenario**

EUR million	Q2/19	Q2/18	H1/19	H1/18
Comparable EBITDA	48.8	51.4	85.8	104.5
Comparable EBIT	35.7	38.5	59.4	78.7
IT GAAP EBITDA with CO2 derivatives	1.3	38.4	33.3	56.3

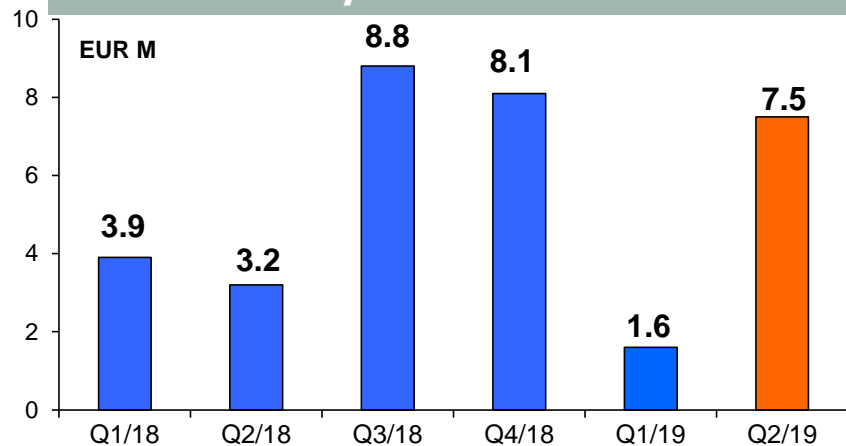


Segment Review: Power Generation – Fixed & Variable costs (IT GAAP)

		Q2/19	H1/18	H1/19
Refinery RUNS	Million barrels	26.1	47.7	45.4
Power production	MWh/1000	883	1,975	1,870
<i>Exchange rate</i>	<i>EUR/USD</i>	1.12	1.21	1.13
Fixed costs	EUR million	30	55	58
	\$/bl	1.3	1.4	1.4
	EUR/MWh	34	28	31
Variable costs	EUR million	20	29	35
	\$/bl	0.9	0.7	0.9
	EUR/MWh	23	15	19



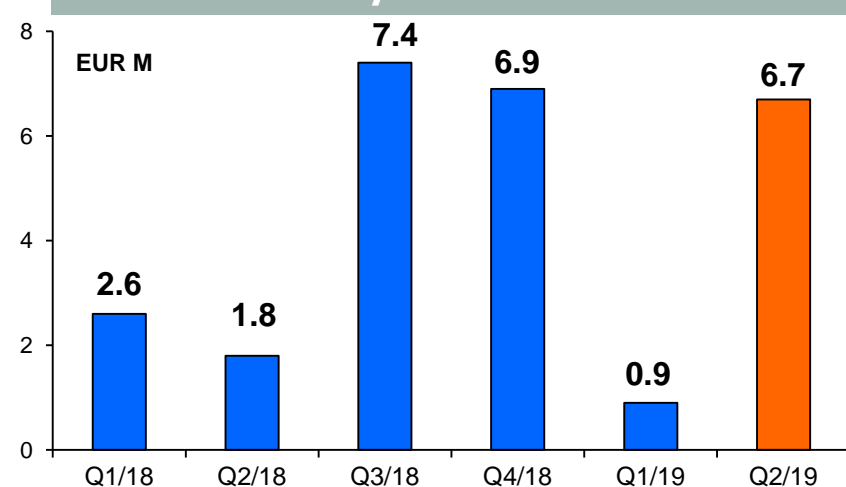
Comparable EBITDA



Q2/19

- **Comparable EBITDA at EUR +7.5M** (vs. EUR 3.2M in Q2/18)
 - ✓ Demand declining by about 2% in Italy and up 2% in Spain
 - ✓ Group sales volumes down 8% y-o-y
 - ✓ Higher profitability thanks to better wholesale margins and lower fixed costs

Comparable EBIT



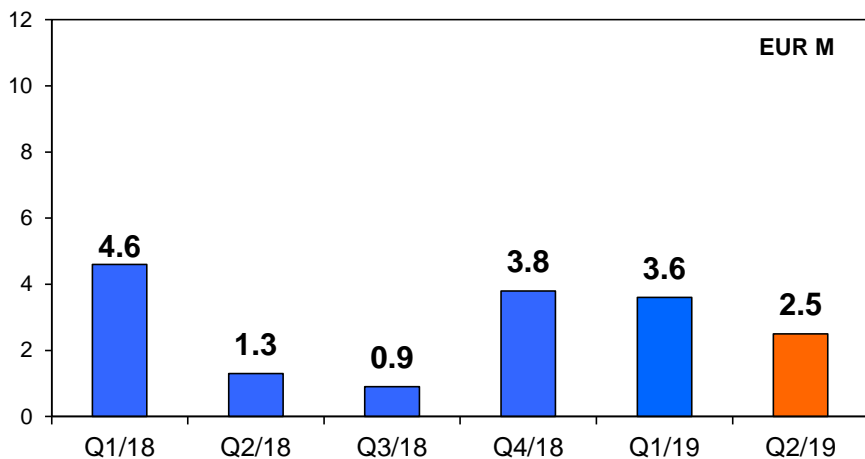
H1/19

- **Comparable EBITDA at EUR +9.2M** (vs. EUR 7.2M in H1/18)
 - ✓ Demand declining by 2% in Italy and up by 1% in Spain
 - ✓ Group sales volumes down 6% y-o-y
 - ✓ Better wholesale margins and lower costs

EUR million	Q2/19	Q2/18	H1/19	H2/18
Comparable EBITDA	7.5	3.2	9.2	7.2
Comparable EBIT	6.7	1.8	7.6	4.5

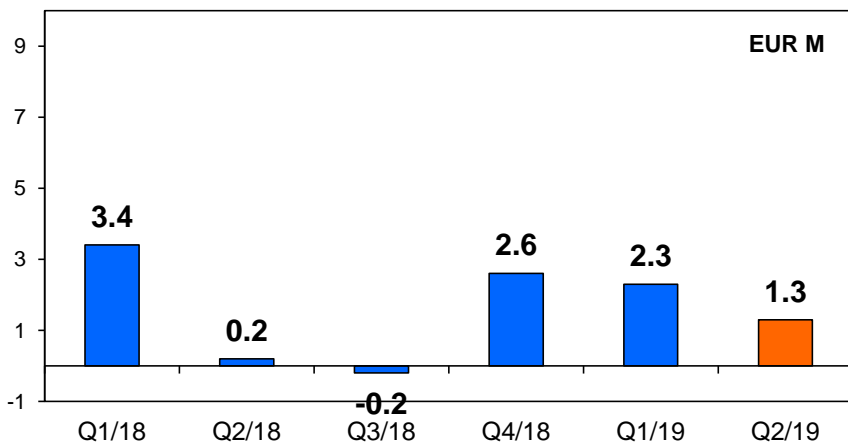


Comparable EBITDA(*)



(*): Comparable EBITDA of Wind segment is often coincident with reported EBITDA, but it does not include non-recurring items

Comparable EBIT



Q2/19

- **Comparable EBITDA at EUR 2.5M** (vs. EUR 1.3M in Q2/18)
 - ✓ Volumes increased by 37% due to very favorable wind conditions
 - ✓ The Power Tariff posted a decline of 0.5 EURcent/kWh
 - ✓ The Incentive Tariff decreased by 0.7 Eurocent/kWh compared to Q2/18 and the incentivised production represented 10% of the volumes (compared to 16% in Q2/18).

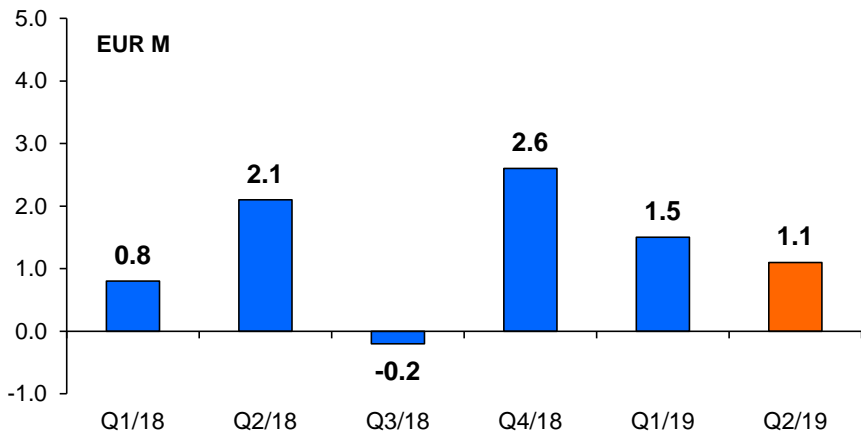
H1/19

- **Comparable EBITDA at EUR 6.1M** (vs. EUR 5.9M in H1/18)
 - ✓ Volumes up by 10% (wind conditions)
 - ✓ The Power Tariff was flat y-o-y
 - ✓ The Incentive Tariff decreased by 0.7 Eurocent/kWh compared to H1/18 and the incentivised production represented 10% of the volumes (compared to 30% in H1/18).

EUR million	Q2/19	Q2/18	H1/19	H1/18
Comparable EBITDA	2.5	1.3	6.1	5.9
Comparable EBIT	1.3	0.2	3.6	3.6



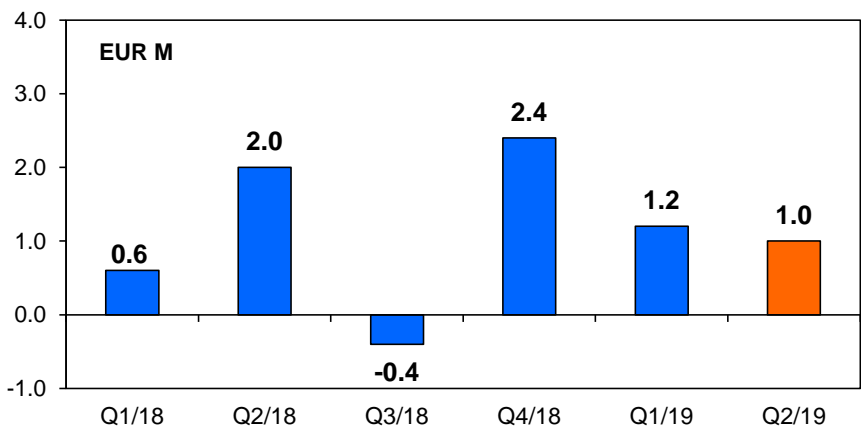
Comparable EBITDA



Q2/19

- Comparable EBITDA at EUR 1.1M (vs. EUR 2.1M in Q2/18)

Comparable EBIT



H1/19

- Comparable EBITDA at EUR 2.6M (vs. EUR 2.9M in H1/18)

EUR million	Q2/19	Q2/18	H1/19	H1/18
Comparable EBITDA	1.1	2.1	2.6	2.9
Comparable EBIT	1.0	2.0	2.2	2.6

A grayscale photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns, complex piping systems, and structural steel frameworks against a bright sky. The scene is filled with industrial equipment, including ladders, walkways, and various tanks.

➤ Financials



Financials: Key Income Statement Figures

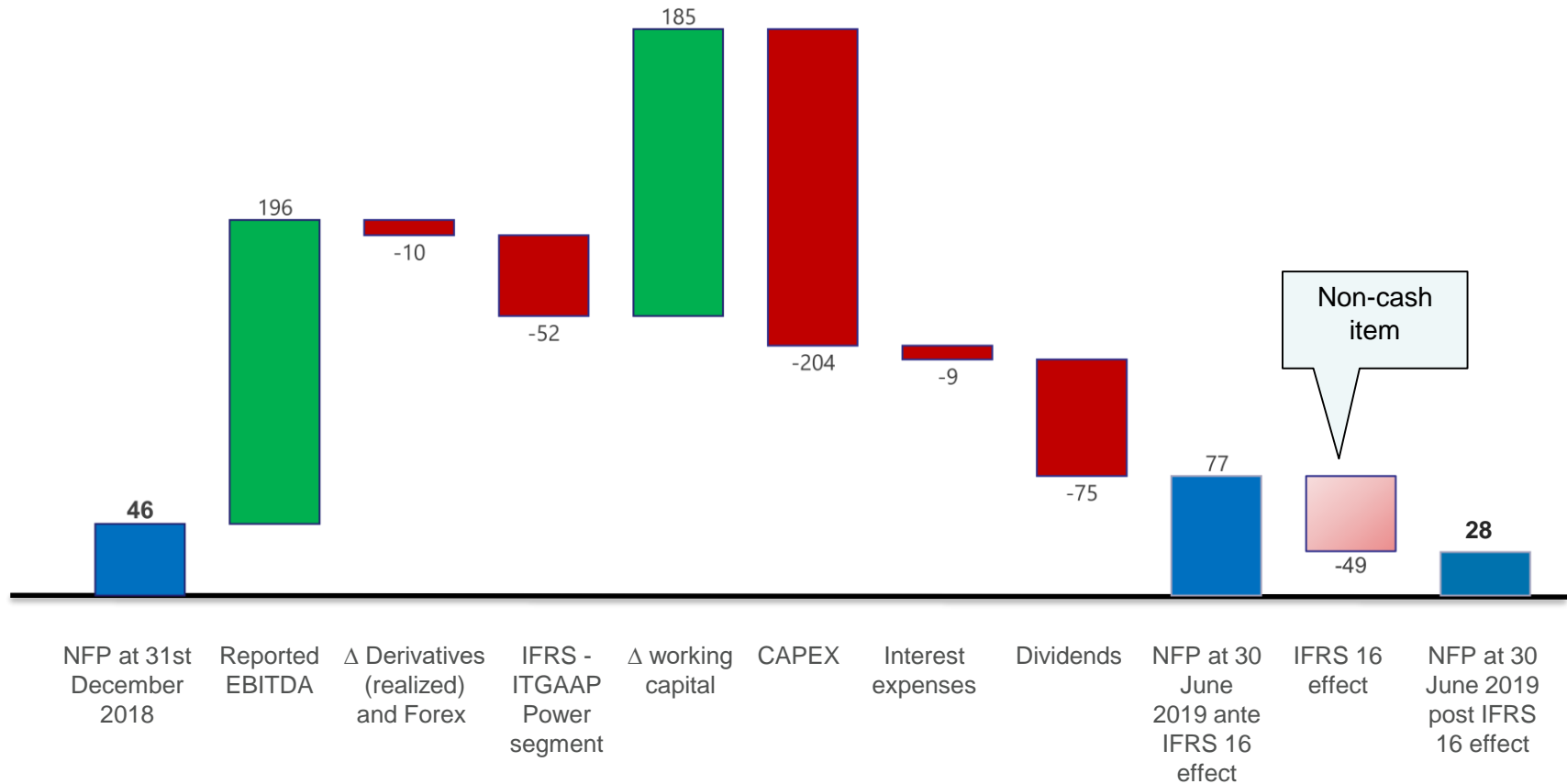
KEY INCOME STATEMENT (EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19	H1/19
EBITDA	72.2	199.2	176.6	(124.3)	323.7	108.5	87.2	195.7
<i>Comparable EBITDA</i>	71.6	78.8	122.4	92.0	364.8	22.8	76.9	99.7
D&A	(41.8)	(43.1)	(44.3)	(49.7)	(178.7)	(46.2)	(47.8)	(94.0)
EBIT	30.4	156.1	132.3	(174.0)	144.8	62.3	39.4	101.7
<i>Comparable EBIT</i>	29.8	35.7	78.1	46.0	189.6	(23.4)	29.2	5.8
Interest expense	(3.5)	(3.2)	(5.5)	(4.4)	(16.5)	(5.6)	(3.2)	(8.8)
Other	3.4	(69.0)	(24.5)	147.3	57.2	(63.7)	10.0	(53.7)
Financial Income/Expense	(0.1)	(72.2)	(30.0)	142.9	40.7	(69.3)	6.8	(62.5)
Profit before taxes	30.3	83.9	102.3	(31.0)	185.5	(7.0)	46.2	39.2
Taxes	(7.8)	(25.0)	(29.6)	17.4	(45.1)	2.8	(18.0)	(15.2)
Net Result	22.5	58.9	72.7	(13.7)	140.4	(4.1)	28.2	24.0
Adjustments	(14.0)	(52.6)	(28.5)	87.3	(7.8)	(36.7)	(23.9)	(60.7)
<i>Comparable Net Result</i>	8.5	6.3	44.1	73.6	132.6	(40.8)	4.2	(36.6)

EBITDA Adjustment (EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19	H1/19
EBITDA	72.2	199.2	176.6	(124.3)	323.7	108.5	87.2	195.7
Gain / (Losses) on inventories	(20.1)	(93.1)	(47.4)	85.7	(74.9)	(51.9)	(34.2)	(86.1)
Non-recurring items	-	11.4	7.0	42.1	60.5	-	-	-
Realized and unrealized hedging derivatives and net Forex	19.4	(38.7)	(13.8)	88.5	55.5	(33.8)	23.9	(9.9)
Comparable EBITDA	71.6	78.8	122.4	92.0	364.8	22.8	76.9	99.7

Net Result Adjustment (EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19	H1/19
Net Result	22.5	58.9	72.7	(13.7)	140.4	(4.1)	28.2	24.0
Gain / (Losses) on inventories net of taxes	(14.5)	(67.1)	(34.2)	61.8	(54.0)	(37.5)	(24.6)	(62.1)
Non-recurring items net of taxes	-	11.0	8.7	29.4	49.1	-	-	-
Derivatives related to future deals	0.5	3.6	(3.0)	(3.9)	(2.9)	0.7	0.7	1.4
Comparable Net Result	8.5	6.3	44.1	73.6	132.6	(40.8)	4.2	(36.6)



Cash flow H1/19 (EUR million)





CAPEX BY SEGMENT (EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
REFINING	41.5	33.8	40.6	97.5	213.4	102.7	67.2
POWER GENERATION	7.2	1.8	3.8	7.9	20.7	10.8	2.8
MARKETING	0.2	0.1	1.2	(0.2)	1.3	0.4	0.2
WIND	0.1	0.0	0.1	6.7	6.9	0.9	18.9
OTHER ACTIVITIES	0.2	0.1	0.2	0.2	0.6	0.2	0.1
TOTAL CAPEX	49.1	35.9	45.9	112.1	243.0	115.0	89.2



➤ **Outlook**



- **Refining:**
 - **Expected better refining margins in H2/19** when the effect of the new IMO–Marpol VI regulation will start to have effect (especially in Q4/19 when the global bunkering logistics should prepare for the new regulation).
 - Relevant maintenance cycle in 2019. Turnaround carried out successfully and on time in Q1/19. The refinery is ready to capture better market opportunities arising from IMO in H2/19. Remaining maintenance in Q4/19 on North Plants, “RT2”, Vacuum “V1” and VisBreaking “VSB”.
 - Authorization for bunkering activity obtained. Operations to start on August.
 - **Saras expects to deliver an average premium above the Benchmark of 2.4 ÷ 2.8 \$/bl (net of maintenance)**
- **Power:** Annual maintenance activity completed in H1/19. FY volumes expected broadly in line with 2018. CIP6 tariff influenced by lower gas prices.
- **Marketing:** consolidation of strong results achieved. Sale of retail network in Spain to Kuwait Petroleum successfully closed on 25 July.
- **Wind:** installation of 9 new turbines underway, expected to start operations in Q4/19.

		Q1/19A	Q2/19A	Q3/19E	Q4/19E	2019E
REFINERY						
Crude runs	Tons (M) Barrels (M)	2.7 19.4	3.6 26.1	3.5 ÷ 3.7 26.0 ÷ 27.0	3.4 ÷ 3.6 25.0 ÷ 26.0	13.2 ÷ 13.6 96 ÷ 99
IGCC						
Power production	MWh (M)	1.00	0.90	1.10 ÷ 1.20	1.10 ÷ 1.20	4.10 ÷ 4.30

A silhouette of an industrial refinery or chemical plant against a bright, overcast sky. The image shows several tall distillation columns, a complex network of pipes, and structural steel frameworks. The scene is captured from a low angle, emphasizing the height and scale of the industrial structures.

➤ Additional Information



Additional information: Refining

EUR million	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
EBITDA	19.6	142.0	121.2	(140.2)	142.6	49.9	48.2
Comparable EBITDA	9.1	20.8	50.5	24.2	104.6	(20.9)	17.0
EBIT	(6.6)	114.4	92.6	(173.8)	26.6	19.3	15.7
Comparable EBIT	(17.1)	(6.8)	21.9	(5.8)	(7.8)	(51.5)	(15.5)
CAPEX	41.5	33.8	40.6	97.5	213.4	102.7	67.2
REFINERY RUNS							
Crude oil (ktons)	3,207	3,320	3,354	3,631	13,512	2,653	3,571
Crude oil (Mbl)	23.4	24.2	24.5	26.5	98.6	19.4	26,1
Crude oil (bl/d)	260	269	266	288	270	215	290
Complementary feedstock (ktons)	262	315	388	355	1,319	281	270
REFINERY MARGINS							
EMC benchmark	1.7	2.2	2.4	1.6	2.0	1.1	0.2
Saras margin	3.8	5.0	5.2	3.4	4.3	2.5	3.3



Additional information: Power Generation

EUR million	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
Comparable EBITDA	53.1	51.4	62.4	53.3	220.2	37.0	48.8
Comparable EBIT	40.2	38.5	49.4	39.8	167.9	23.7	35.7
EBITDA IT GAAP	8.2	34.2	28.4	(3.1)	67.7	44.1	(16.3)
EBIT IT GAAP	3.7	29.8	23.8	(8.1)	49.1	39.2	(21.0)
CAPEX	7.2	1.8	3.8	7.9	20.7	10.8	2.8
POWER PRODUCTION <small>MWh/1000</small>	886	1,089	1,170	1,218	4,363	988	883
POWER TARIFF <small>€cent/KWh</small>	9.7	9.7	9.7	9.7	9.7	10.1	9.4
POWER IGCC MARGIN <small>\$/bl</small>	4.3	3.8	3.9	3.2	3.8	3.8	3.4



EUR million	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
EBITDA	3.8	6.6	9.5	4.4	24.3	4.4	4.2
Comparable EBITDA	3.9	3.2	8.8	8.1	24.1	1.6	7.5
EBIT	2.5	5.2	8.1	3.2	19.0	3.7	3.4
Comparable EBIT	2.6	1.8	7.4	6.9	18.8	0.9	6.7
CAPEX	0.2	0.1	1.2	(0.2)	1.3	0.4	0.2
SALES							
<small>(THOUSAND TONS)</small>							
ITALY	499	538	556	526	2,119	505	522
SPAIN	401	383	386	393	1,564	371	324
TOTAL	901	921	942	919	3,682	876	845



Additional information: Wind and Others

Wind	(EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
Comparable EBITDA		4.6	1.3	0.9	3.8	10.6	3.6	2.5
Comparable EBIT		3.4	0.2	(0.2)	2.6	6.0	2.3	1.3
POWER PRODUCTION	MWh	67,777	32,120	19,593	50,321	169,811	66,054	43,852
POWER TARIFF	€cent/kWh	5.1	5.0	6.7	6.6	5.7	5.6	4.5
INCENTIVE	€cent/kWh	9.9	9.9	9.9	9.9	9.9	9.2	9.2
CAPEX		0.1	0.0	0.1	6.7	6.9	0.9	18.9

Others	(EUR million)	Q1/18	Q2/18	Q3/18	Q4/18	2018	Q1/19	Q2/19
Comparable EBITDA		0.8	2.1	(0.2)	2.6	5.3	1.5	1.1
Comparable EBIT		0.6	2.0	(0.4)	2.4	4.6	1.2	1.0
CAPEX		0.2	0.1	0.2	0.1	0.6	0.2	0.1



Additional information: Key Balance Sheet Figures

EUR million	31/03/2018	30/06/2018	30/09/2018	31/12/2018	31/03/2019	30/06/2019
Trade receivables	339	414	462	290	252	264
Inventories	1,129	970	1,132	862	1,019	1.063
Trade and other payables	(1,192)	(1,179)	(1,380)	(1,043)	(1,217)	(1.414)
Working Capital	277	205	214	109	54	(87)
Property, plants and equipment	1,036	1,036	1,046	1,087	1,166	1.212
Intangible assets	144	136	128	112	101	94
Right of use (IFRS 16)	0	0	0	0	51	50
Other investments	1	1	1	1	1	1
Other assets/liabilities	(49)	(31)	2	(49)	(4)	13
Tax assets / liabilities	(192)	(217)	(171)	(23)	(86)	(132)
Other Funds	(118)	(128)	(176)	(214)	(214)	(163)
Assets held for sale	0	0	0	35	35	39
Total Net Capital Invested	1,098	1,002	1,043	1,058	1,104	1.026
Total equity	1,096	1,044	1,117	1,104	1,100	1,054
Net Financial Position pre IFRS 16	(1)	42	74	46	48	77
IFRS 16 effect					(52)	(49)
Net Financial Position post IFRS 16					(4)	28