



**ACEA GROUP  
RESULTS PRESENTATION  
Q1 2023**

10 MAY 2023

acea

# ONGOING SOLID OPERATING AND FINANCIAL PERFORMANCE

POSITIVE TREND IN CLOSING MONTHS OF 2022 CONTINUES IN Q1 2023  
IN A MARKET ENVIRONMENT THAT REMAINS CHALLENGING

EBITDA  
+6%



Q1 2023 SAW ACEA **CONTINUE TO DELIVER STRONG OPERATING PERFORMANCE, THANKS TO THE ACTIONS TAKEN – FROM LATE 2022 - TO OPTIMIZE COSTS AND BOOST OPERATIONAL EFFICIENCY. IMPROVEMENT IN MARGINS** IN A «CHALLENGING» MARKET ENVIRONMENT.

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NET  
PROFIT\*  
*in line*



**NET PROFIT AFFECTED BY EXTERNAL FACTORS**, INCLUDING INCREASE IN FINANCE COSTS FOLLOWING A PROGRESSIVE RISE IN INTEREST RATES FROM THE SECOND HALF OF 2022.

THE RESULT FOR Q1 2022 BENEFITTED FROM A GAIN OF €20.7M ON THE SALE OF A MAJORITY STAKE IN ACEA'S PHOTOVOLTAIC ASSETS.

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NET DEBT/  
EBITDA LTM  
3.3 x



**SOLID CAPITAL STRUCTURE** THANKS TO RIGOROUS APPROACH ADOPTED FROM THE END OF 2022.

- *OPTIMISED INVESTMENT AND REVIEW OF PROCUREMENT PROCEDURES.*
- *STRONG CASH COLLECTION IN COMMERCIAL & TRADING SEGMENT, DUE TO CREDIT RISK CONTAINMENT FOLLOWING THE ADOPTION OF PREVENTIVE MEASURES AND CUSTOMER PORTFOLIO MANAGEMENT.*

\* Variation net of the gain of €21m (recognised in Q1 2022 on the sale to Equitix of a majority stake in photovoltaic assets) and the €8m increase in financial costs.

# OPTIMISED OPERATING AND FINANCIAL PERFORMANCE – Q1 2023

CONTINUATION OF THE EFFICIENCY MEASURES LAUNCHED IN THE CLOSING MONTHS OF 2022

<p><b>A MAJOR INDUSTRIAL PLAYER, WITH CONSTANT IMPROVEMENT IN OPERATING PERFORMANCE</b></p>	<p><b>REVENUE</b> <b>€1,240 M</b> +4%</p>	<p><b>EBITDA</b> <b>€336 M</b> +6%</p>	<p><b>NET PROFIT</b> <b>€73 M</b> IN LINE WITH EXPECTATIONS</p>
<p><b>OPTIMISATION OF INVESTMENT, FOCUSING ON REGULATED BUSINESSES</b></p>	<p><b>CAPEX</b> <b>€247 M*</b> +11%</p>	<p><b>NET DEBT</b> <b>€4,339 M</b> -2%</p> <p><i>(versus 31 December 2022)</i></p>	<p><b>LEVERAGE</b> <b>NET DEBT/ EBITDA<sub>LTM</sub></b> 3.3 x</p>



\* Net of grant-funded investment (€11m).

# KEY CORPORATE AND SUSTAINABILITY ACTIONS IN EARLY 2023

## Acquisition of DECO

### January 2023

Completion of the acquisition of the remaining 35% of DECO, operating in waste management in the Abruzzo region.

## Business combination with ASM Terni

### April 2023

Closing of the second phase of the business combination involving ACEA, ASM Terni and the Municipality of Terni.

## New WTE plant in Rome

### March 2023

Expression of interest in bidding for the contract for the new Santa Palomba WTE plant (Rome) submitted together with Suez, Hitachi Zosen Inova and Vianini Lavori.

## Acquisition of SIMAM

### April 2023

Completion of the acquisition of the remaining 30% of SIMAM, specialising in engineering, the construction and operation of water and waste treatment plants and in environmental and remediation projects.

**LEADER IN REGULATED BUSINESSES, A MAJOR PLAYER IN THE ENERGY TRANSITION AND IN LOCAL DEVELOPMENT**

## Top Employers Italia 2023

### January 2023

Acea obtains «Top Employers Italia 2023» certification.

## RSE Top Utility for Research and Innovation

### March 2023

Winner of the award as «RSE Top Utility for Research and Innovation»

## Gender-Equality Index

### January 2023

Confirmation of inclusion in the «Gender Equality Index», with a score of 81.58.

## Charter of the Person and of Participation

### March 2023

Agreement reached with the labour unions: “the Charter of the Person and of Participation”.

**SETTING THE STANDARD FOR OPERATIONAL EXCELLENCE, TECHNOLOGIES AND SUSTAINABILITY**

# EBITDA QI 2023

(€m) **EBITDA +6%**



**ORGANIC GROWTH (+€20m)**

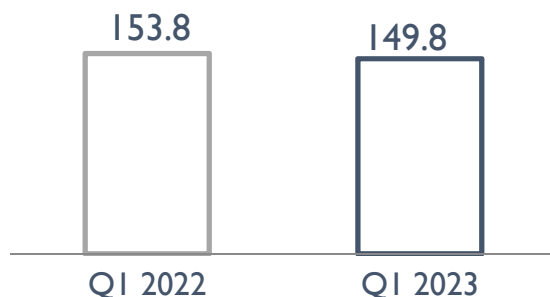


## CHANGES IN SCOPE OF CONSOLIDATION

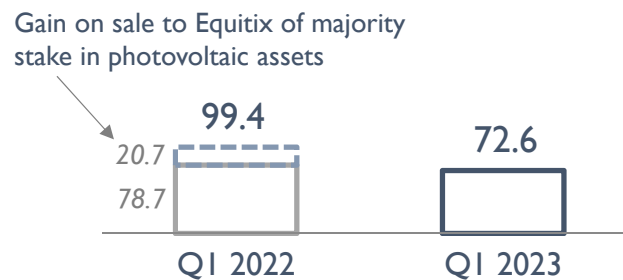
EBITDA (€m)	Change
S.E.R. PLAST	+0.3
TECNOSERVIZI	+0.6
ASM TERNI	+3.0
DECONSOLID. PHOTOVOLTAIC	-4.9
<b>TOTAL</b>	<b>-1.0</b>

# EBIT AND NET PROFIT Q1 2023

## EBIT (€m)



## NET PROFIT (€m)



TAX RATE Q1 2023 30%

## MAIN EFFECTS ON NET PROFIT

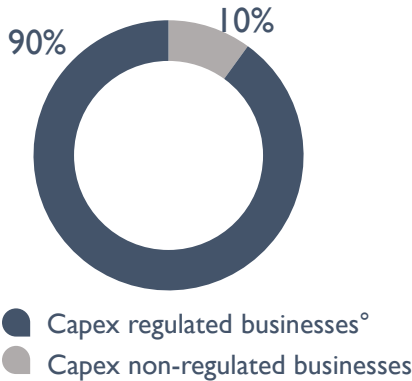
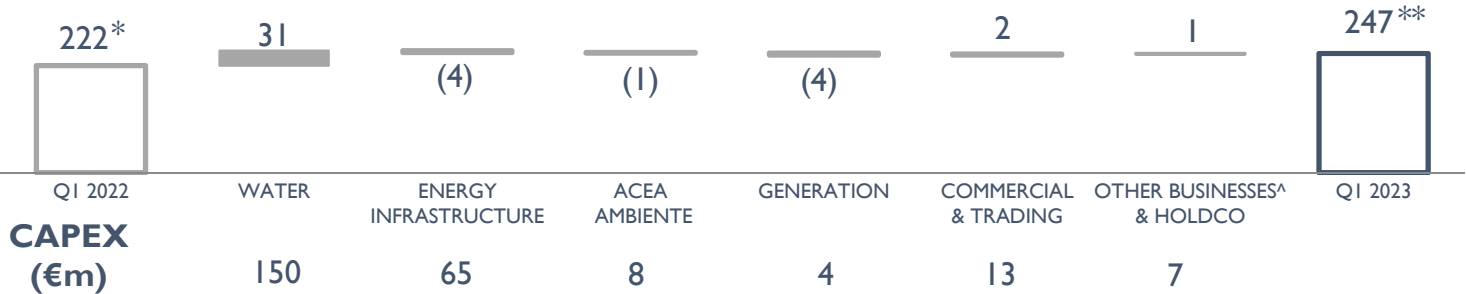
- ✓ EBITDA growth (+€12m)
- ✓ Increased depreciation, risk provisions and credit loss provisions (-€15m)
- ✓ Higher financial costs (-€8m)
- ✓ Recognition in Q1 2022 of the gain on the sale to Equitix of a majority stake in photovoltaic assets (-€21m)

(€m)	Q1 2023	Q1 2022	% CHANGE
DEPRECIATION	159.0	140.7	+13.0%
CREDIT LOSS PROVISIONS	23.4	21.9	+6.8%
PROVISIONS FOR RISKS	3.7	1.8	n/s
<b>TOTAL</b>	<b>186.1</b>	<b>164.4</b>	<b>+13.2%</b>

- INCREASE IN DEPRECIATION DUE TO HIGHER INVESTMENT
- RATIO OF LOSS PROVISIONS TO REVENUE BROADLY UNCHANGED

# CAPEX Q1 2023

## CAPEX (€m)



WATER	ENERGY INFRASTRUCTURE	ACEA AMBIENTE	GENERATION	COMMERCIAL & TRADING	OTHER
<ul style="list-style-type: none"> <li>REPAIR AND EXPANSION OF WATER AND SEWER PIPES</li> <li>EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS</li> <li>WORK ON TREATMENT PLANTS</li> </ul>	<ul style="list-style-type: none"> <li>UPGRADE OF THE GRID</li> <li>WORK ON PRIMARY AND SECONDARY SUBSTATIONS</li> <li>INSTALLATION OF 2G METERS</li> </ul>	<ul style="list-style-type: none"> <li>WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS</li> <li>CONSTRUCTION OF PLASTIC SORTING PLANT</li> <li>CHANGE IN SCOPE OF CONSOLIDATION</li> </ul>	<ul style="list-style-type: none"> <li>MAINTENANCE OF PRODUCTION PLANTS</li> <li>CONSTRUCTION OF PHOTOVOLTAIC PLANTS</li> </ul>	<ul style="list-style-type: none"> <li>CUSTOMER ACQUISITION</li> <li>SMART SERVICES AND E-MOBILITY PROJECTS</li> </ul>	<ul style="list-style-type: none"> <li>CORPORATE: IT PROJECTS</li> </ul>

\* Net of grant-funded investment of €2.4m.  
 \*\* Net of grant-funded investment of €11.4m.  
<sup>^</sup> Overseas, Engineering & Services.  
<sup>°</sup> Includes investment by Acea Ambiente.

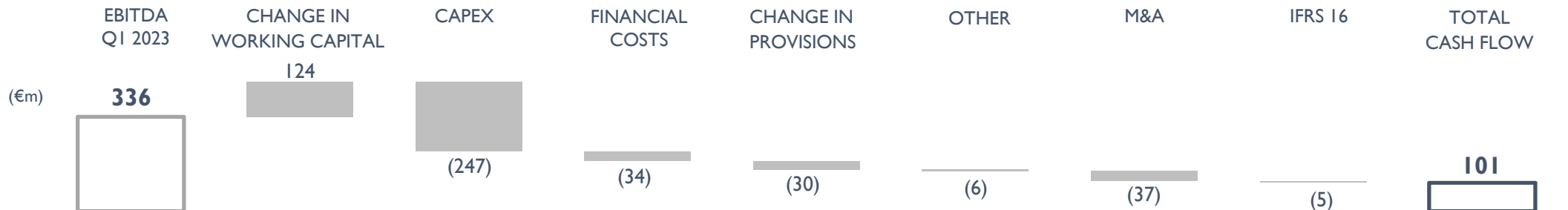
# CASH FLOW Q1 2023

## CASH FLOW (€m)

	Q1 2023	Q1 2022
EBITDA	336	318
CHANGE IN WORKING CAPITAL	124	(81)
CAPEX*	(247)	(222)
<b>FREE CASH FLOW</b>	<b>213</b>	<b>15</b>
FINANCE INCOME/(COSTS)	(34)	(22)
CHANGE IN PROVISIONS	(30)	(29)
OTHER	(6)	(7)
M&A	(37)	145 <sup>^</sup>
IFRS 16	(5)	(4)
<b>TOTAL CASH FLOW</b>	<b>101</b>	<b>98</b>

## TOTAL CASH FLOW: €101m

- 🏠 REDUCED COMMODITY COSTS AND TURNOVER AT ACEA ENERGIA (SNP down)
- 🏠 REINTRODUCTION OF GENERAL SYSTEM COSTS
- 📉 INCREASE IN FINANCIAL COSTS
- 📉 CHANGES IN SCOPE OF CONSOLIDATION



\* Net of grant-funded investment.

<sup>^</sup> This figure reflects proceeds from the sale to Equitix of a majority stake in ACEA's photovoltaic assets (~€150m).



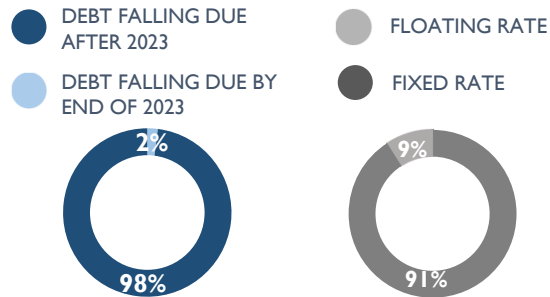
# CAPITAL STRUCTURE Q1 2023

(€m)	31 Mar 2023 (A)	31 Dec 2022 (B)	31 Mar 2022 (C)	Change (A-B)	Change (A-C)
NET DEBT	4,338.6	4,439.7	3,890.3	(101.1)	448.3
Medium/long-term	5,425.2	4,722.3	4,484.6	702.9	940.6
Short-term	(1,086.6)	(282.6)	(594.3)	(804.0)	(492.3)

## STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 MARCH 2023)

FIXED RATE: 91%  
 AVERAGE COST: 1.98%  
 AVERAGE TERM: 4.8 YEARS



### 17 JANUARY 2023

Successful placement of a €500m GREEN BOND, paying coupon interest of 3.875% and maturing on 24 January 2031

### 3 FEBRUARY 2023

Successful completion of the €200m TAP ISSUE of the GREEN BOND launched on 17 January 2023 (coupon interest of 3.875% and maturing on 24 January 2031)



## LEVERAGE

NET DEBT / EBITDA LTM 31 Mar 2023	NET DEBT / EBITDA 31 Dec 2022
<b>3.3x</b>	<b>3.4x</b>

## RATINGS

**FitchRatings** «BBB+»  
 Negative Outlook

**MOODY'S** «Baa2»  
 Negative Outlook

## SUSTAINABILITY RATINGS

**Gaia**  
 62 / 100

**standard ethics**  
 «EE»  
 Positive Outlook

**CDP**  
 «B»  
 Management Level

**Bloomberg**  
 81.58 / 100

**INTEGRATED GOVERNANCE INDEX**  
 «Leader ESG Identity»

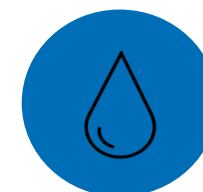
**SUSTAINALYTICS**  
 20.1  
 ESG risk rating

**MSCI**  
 «A»

# FINANCIAL HIGHLIGHTS Q1 2023

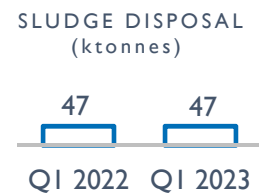
HIGHLIGHTS

**WATER**  
INCLUDING GAS  
DISTRIBUTION



## BUSINESS COMBINATION WITH ASM TERNI

- ✓ closing of first phase (6 December 2022)
  - ✓ closing of second phase completing the transaction (20 April 2023)
- Acea's stake in ASM Terni rises to 45%



(€m)	Q1 2023 (A)	Q1 2022 (B)	% change (A/B)
EBITDA	174.7	165.2	+5.8%
- ACEA ATO2	113.3	109.9	+3.1%
- ACEA ATO5	7.9	8.6	-8.1%
- Gori	20.5	17.7	+15.8%
- Adf	16.5	16.3	+1.2%
- SII Terni	3.8	3.4	+11.8%
Other consolidated water companies	**4.3	1.1	n/s
Equity-accounted water companies	6.3	6.7	-6.0%
Gas distribution	2.1	1.5	+40.0%
CAPEX*	150.1	119.5	+25.6%

## EBITDA

### Main drivers



+6%

ACEA ATO2  
↑ Organic growth  
+€3.4m

GORI  
↑ Organic growth  
+€2.8m

CHANGE IN SCOPE OF CONSOLIDATION  
↑ ASM Terni  
+€3.0m



\* Net of grant-funded investment of €2.4m Q1 2022 and €11.4m in Q1 2023.

\*\* Includes the change in the scope of consolidation relating to ASM Terni.

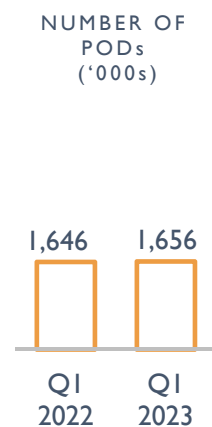
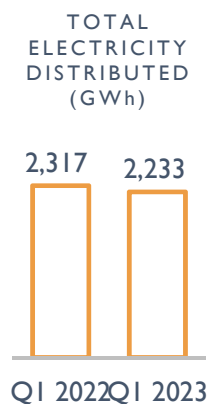
# FINANCIAL AND OPERATIONAL HIGHLIGHTS QI 2023

HIGHLIGHTS

## ENERGY INFRASTRUCTURE



(€m)	QI 2023 (A)	QI 2022 (B)	%change (A/B)
EBITDA	92.4	86.5	+6.8%
- Distribution	91.8	87.1	+5.4%
- Public lighting	0.6	(0.6)	n/s
CAPEX	64.5	68.7	-6.1%



### EBITDA Main drivers



+7%



### ELECTRICITY DISTRIBUTION

Organic growth

+€4.7m

### 2G ELECTRICITY METERS

Installed at 31 March 2023

~ 725k

# FINANCIAL AND OPERATIONAL HIGHLIGHTS QI 2023

HIGHLIGHTS

**ACEA  
AMBIENTE**

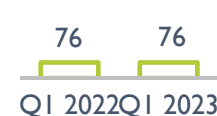


(€m)	QI 2023 (A)	QI 2022 (B)	%change (A/B)
EBITDA	20.8	21.9	-5.0%
CAPEX	7.6	8.5	-10.6%

TREATMENT AND DISPOSAL (KTONNES)



WTE ELECTRICITY SOLD (GWh)



### ACQUISITION OF 35% OF DECO

✓ ACEA has increased its stake in Deco, a waste management company in Abruzzo, to 100% (23 January 2023)

### ACQUISITION OF 70% OF TECNOSERVIZI

✓ Tecnoservizi (province of Rome) operating in the mechanical treatment and recovery of urban waste and non-hazardous special waste (3 October 2022)

### EBITDA Main drivers



### ENERGY MARKET SCENARIO

↓ Lower prices for WTE electricity  
-€1.9m

### CHANGE IN SCOPE OF CONSOLIDATION

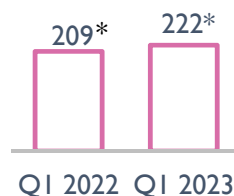
↑ SerPlast (Feb 2022) +€0.3m  
Tecnoservizi (Oct 2022) +€0.6m  
+€0.9m

# FINANCIAL AND OPERATIONAL HIGHLIGHTS Q1 2023

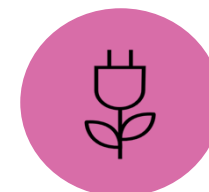
HIGHLIGHTS

(€m)	Q1 2023 (A)	Q1 2022 (B)	% change (A/B)
EBITDA	13.6	27.7	-50.9%
CAPEX	4.4	8.4	-47.6%

TOTAL ELECTRICITY PRODUCED (GWh)\*



## GENERATION



### EBITDA Main drivers



**-51%**



#### ACEA PRODUZIONE

- Effect of lower energy prices, partly offset by increase in volumes produced
- Impact of «Sostegni» Decree on Sant'Angelo hydroelectric plant

**-€8.6m**



#### DECONSOLIDATION OF PHOTOVOLTAIC ASSETS

**-€4.9m**

#### STATUS OF PHOTOVOLTAIC PLANTS

Total pipeline of 877 MW

- authorizations obtained for 210 MW (under construction + ready to build)
- 667 MW awaiting authorization

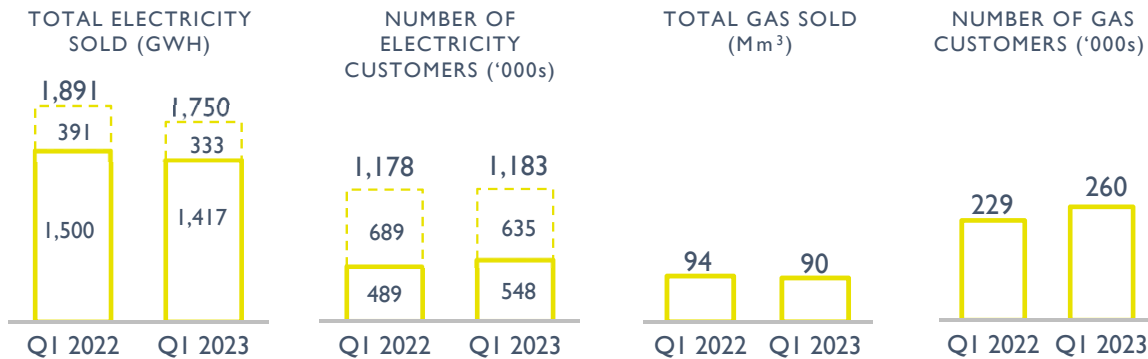
Installed capacity: 97 MW

# FINANCIAL AND OPERATIONAL HIGHLIGHTS QI 2023

HIGHLIGHTS

(€m)	QI 2023 (A)	QI 2022 (B)	% change (A/B)
EBITDA	32.8	17.5	+87.4%
CAPEX	12.5	10.7	+16.8%

## COMMERCIAL & TRADING



○ FREE M KT    ◌ EN . PROT . M KT

### EBITDA Main drivers



**+87%**



### ACEA ENERGIA

Increased EBITDA from free electricity market (+€3.3m)  
Increased EBITDA from gas (+€7.5m)  
Energy Management (+€3.9m)

**+€14.7m**



### ACEA INNOVATION

Increased revenue from Energy  
Efficiency projects

**+€1.1m**



# **Q&A SESSION**

**ACEIA GROUP  
RESULTS Q1 2023**

ROME, 10 MAY 2023



## DISCLAIMER

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY MATERIALLY DIFFER FROM THOSE EXPRESSED THEREIN OR IMPLIED THEREBY DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY FRAMEWORK, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY. THIS PRESENTATION DOES NOT CONTAIN AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES ISSUED BY ACEA S.P.A. OR ANY OF ITS SUBSIDIARIES.

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PURSUANT TO ART. 154-BIS, PAR. 2, OF THE LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, FABIO PARIS - CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.