



1H2024 Results

Rome, 25 July 2024



People for
sustainable
infrastructure

Agenda



Market Environment



1H2024 Results



Appendix

REGULATORY AND MARKET ENVIRONMENT

DOWNTURN IN THE PRICE OF COMMODITIES

Regulation



- **Water:** application of **Water Service Tariff Method 4 (MTI-4)**, for regulatory period 2024-2029) with an **increase in WACC from 4.8% to 6.1%** and higher tariff caps by around 2 pp. **Negotiations** with the Local Authorities **for tariffs increases are currently underway.**
- **Grids:** provisional 2024 tariff approved with resolution 206/2024/R/eel of 28 May 2024; application of **new ROSS tariff rules** for the distribution of electricity based on the Total Spending mechanism for the 6th regulatory period (2024-2027). Increase in **WACC from 5.2% to 6.0%.**

Commodity prices and inflation



- **2024 energy price (SNP) falling to 93€/MWh** (approximately -43€/MWh vs 1H2023).
- Gas price (**PSV index**) down to **31€/MWh** (-16€/MWh vs 2023).
- **Inflation¹ in June was +0.1%** on a MoM basis and **+0.8%** YoY.

Interest rates²



Increase in short-term rates and gradual **reduction in long-term rates** compared to 1H2023:

- Euribor 6M 3.8% vs 3.4% in 1H2023;
 - MidSwap 8Y 2.7% vs 3.0% in 1H2023;
- Market interest rates reflect ECB's first 25 bps cut.

Agenda



Market Environment



1H2024 Results



Appendix

1H2024 RESULTS

INCREASING RESULTS, IN LINE WITH GUIDANCE

Revenues +2% vs. 2023
regulated businesses¹

EBITDA +7% vs. 2023
excluding one-offs and changes in scope

Net profit +18% vs. 2023
excluding one-offs and changes in scope

CAPEX +4% vs. 2023
gross of public funding

**OPERATING FCF
+€25M**

Group revenues equal to €2.0bn, of which around €1.2bn relating to regulated businesses, up by +2% compared to 2023

Recurring EBITDA amounting to €720m, +€50m compared to 2023 driven by a growth in the regulated businesses, +5% Water Italy and +16% Grids and Public Lighting, and by the Commercial sector, which more than offset the adverse energy scenario

Recurring net profit amounting to €168m, +18% compared to 2023. The growth in EBITDA and the improvement of financial management more than offset the rise in depreciation linked to the investments in regulated businesses

Gross Capex amounting to €568m, increasing compared to 2023 (+4%); net of the investments financed by grants, the aggregate shows a decrease of 5% compared to the previous year.

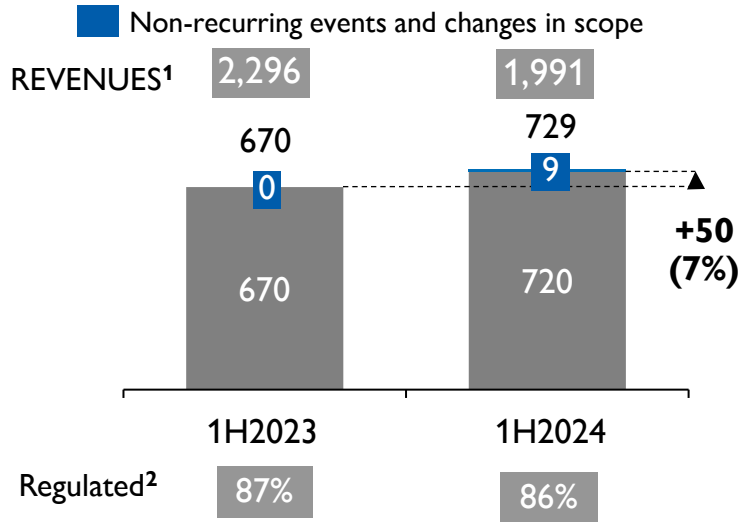
The net investments in regulated businesses represent approximately 90% of the Group total

Operating free cash flow equal to €25m and substantially in line with 1H2023. This enables the Group to maintain a solid financial structure, with a NFP/EBITDA ratio of 3.54x, in line with the guidance.

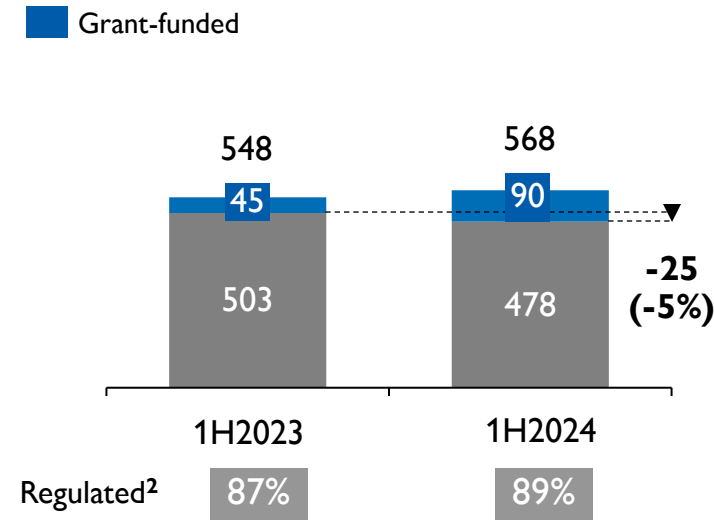
OVERVIEW OF 1H2024 RESULTS

INVESTMENTS AND GROWTH IN REGULATED BUSINESSES CONTINUE

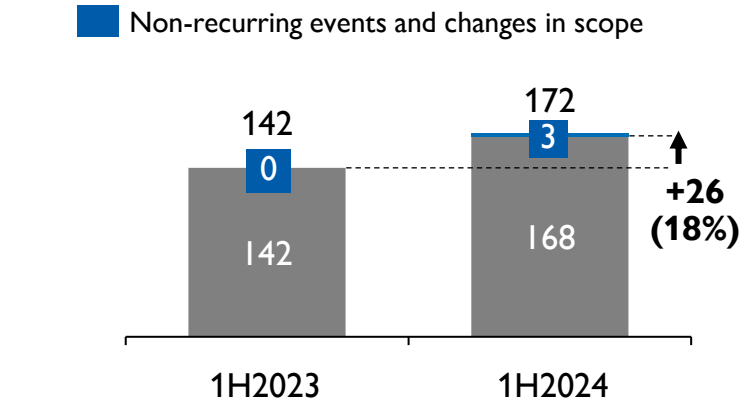
EBITDA, €m



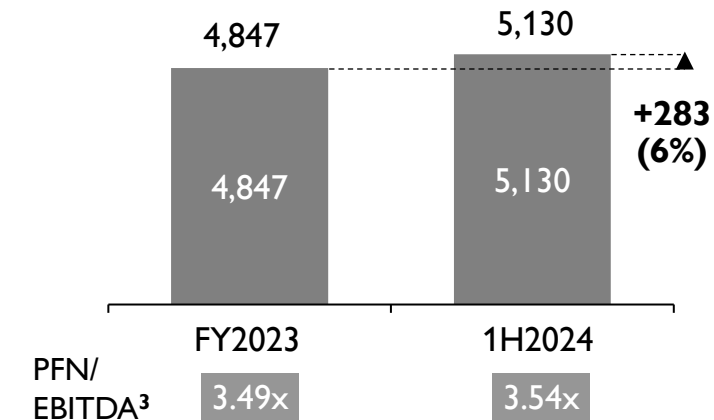
CAPEX, €m



Net profit, €m



NFP, €m



1H2024 confirms the focus on regulated businesses, which account for approximately 86% of the Group's EBITDA and 89% of capex.

The NFP/EBITDA ratio remains around 3.5x, in line with the FY guidance, notwithstanding an increase in net debt of approximately €283m in the first half, mainly driven by the payment of the dividend.

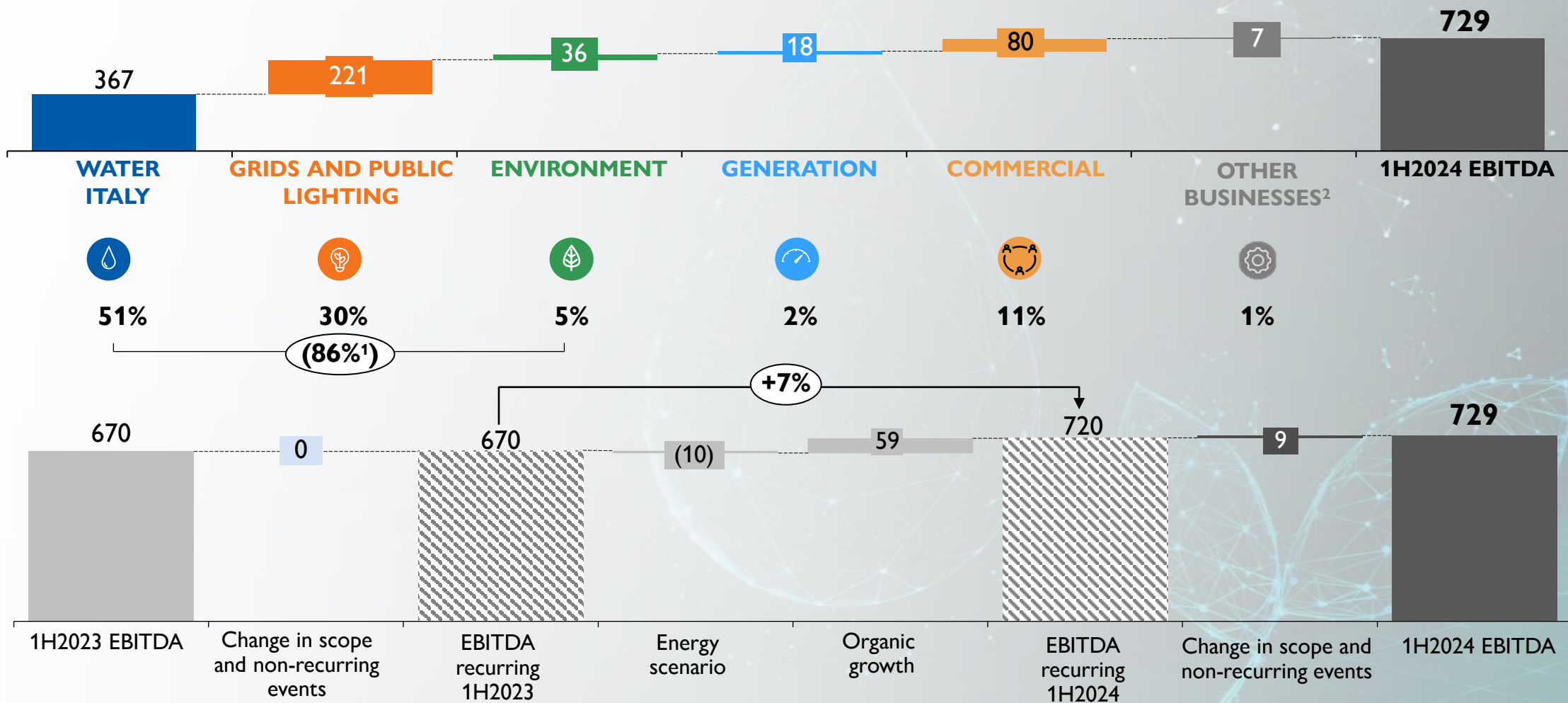
2024 guidance confirmed:

- ✓ EBITDA +3%/+5% vs 2023
- ✓ Investments €1.5bn (€1.1bn net of grants)
- ✓ NFP/EBITDA: ~3.5x

1H2024 EBITDA

GROWTH DRIVEN BY ORGANIC DEVELOPMENT OF REGULATED BUSINESSES

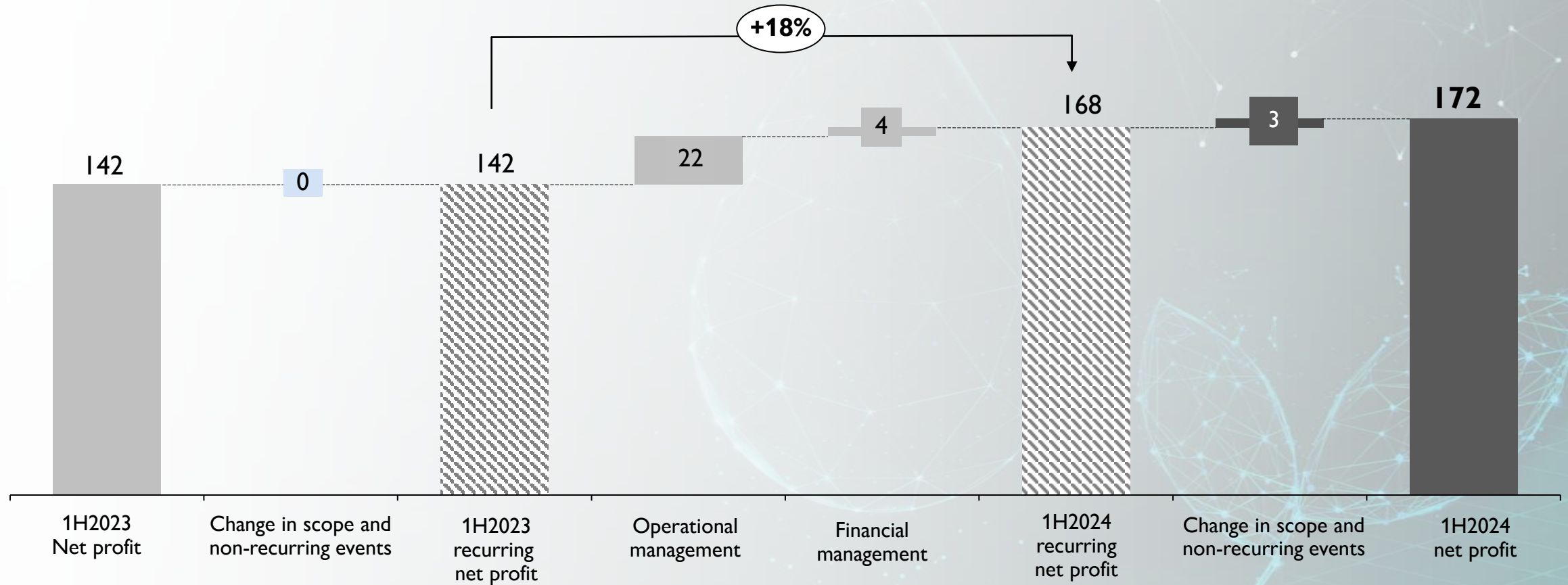
EBITDA, €m



1H2024 NET PROFIT

OPERATIONAL AND FINANCIAL MANAGEMENT DRIVE THE INCREASE IN NET PROFIT

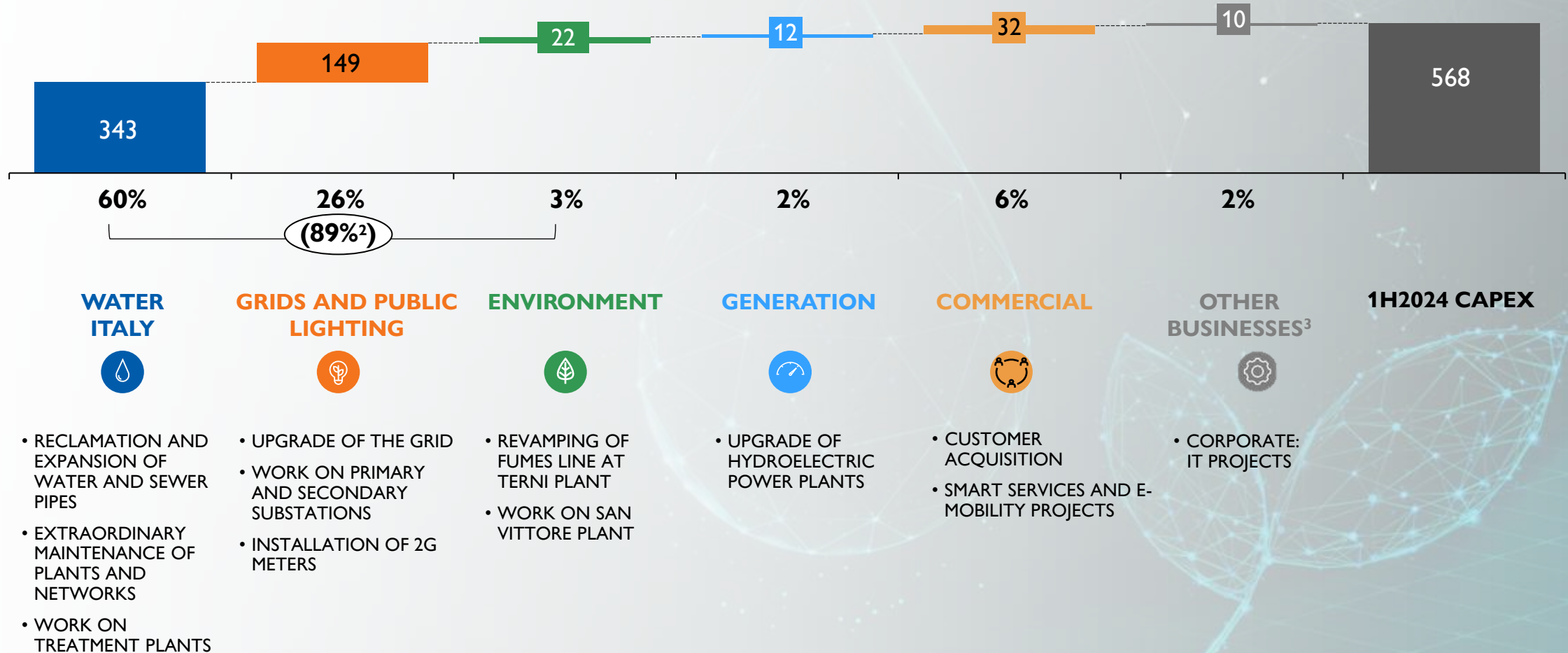
NET PROFIT, €m



CAPEX 1H2024

89% OF INVESTMENTS MADE IN REGULATED BUSINESSES

CAPEX¹, €m



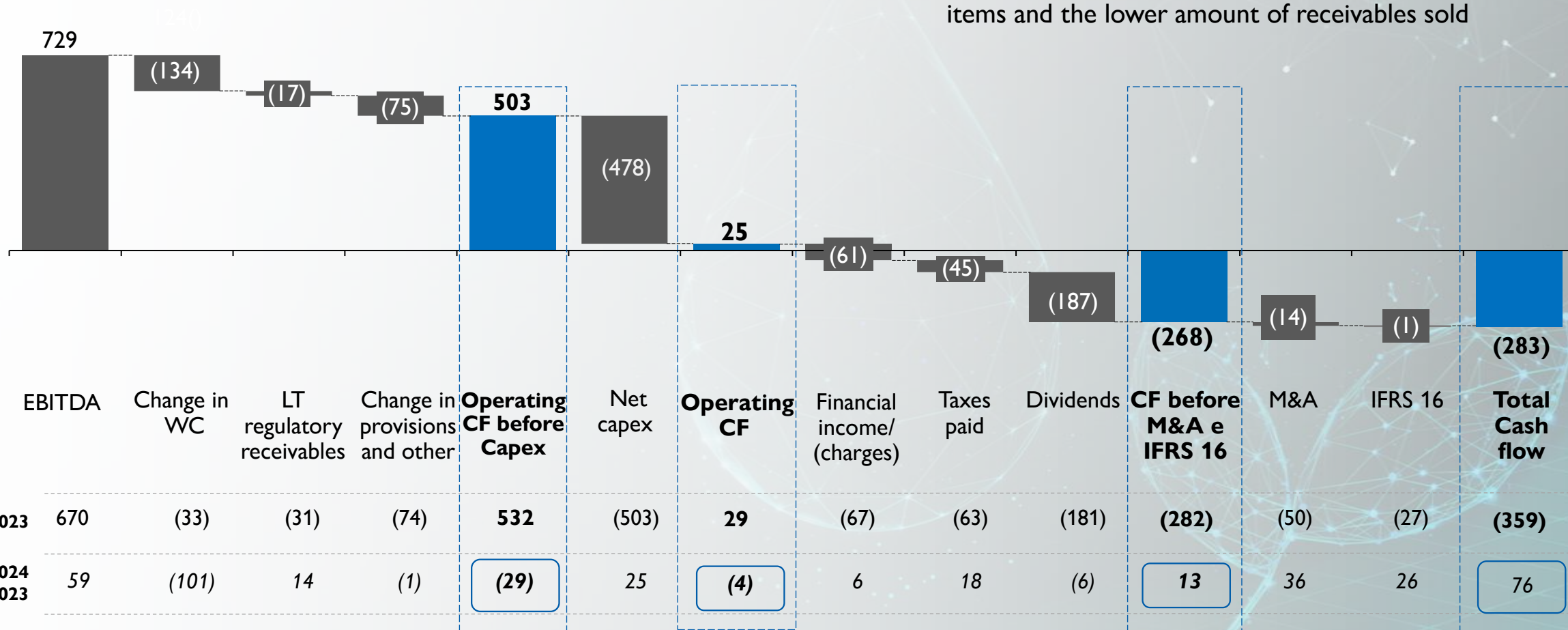
CASH FLOW 1H2024

PERFORMANCE IN LINE WITH THE YEAR-END GUIDANCE

CASH FLOW, €m

1H2024

Operating CF equal to €25M, notwithstanding the absorption of working capital mainly due to the regulatory items and the lower amount of receivables sold



1H2024 FINANCIAL STRUCTURE

LEVERAGE IN LINE WITH 2024 GUIDANCE, AVERAGE COST OF DEBT AROUND 2%

FY23-1H2024 NFP, €m

	DEC 23	1H2024	Δ 1H24 vs DEC 23
NFP	4,847	5,130	283
Long-term debt	4,771	4,991	
Short-term debt	923	1,120	
Cash and cash equivalents	(847)	(981)	

Leverage

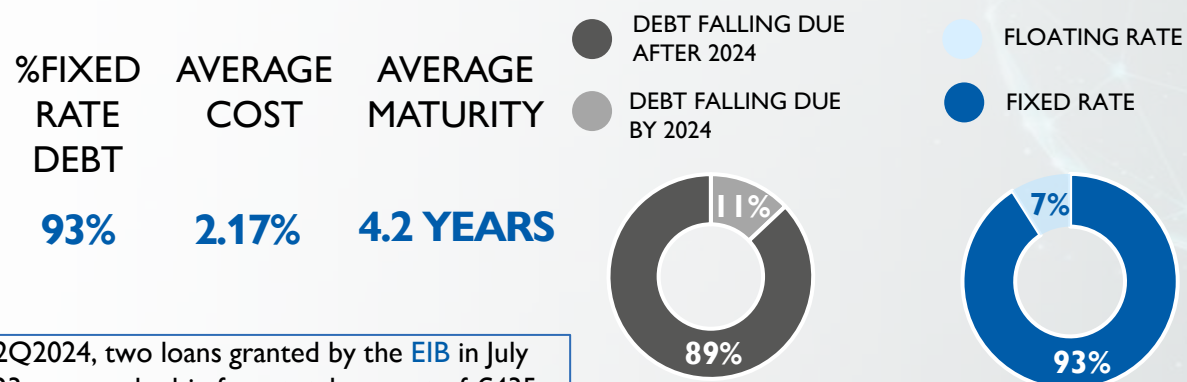
NET DEBT/EBITDA 30/06/2024	NET DEBT/EBITDA 31/12/2023
3.54x	3.49x

Rating

FitchRatings «**BBB+**»
Outlook Stable

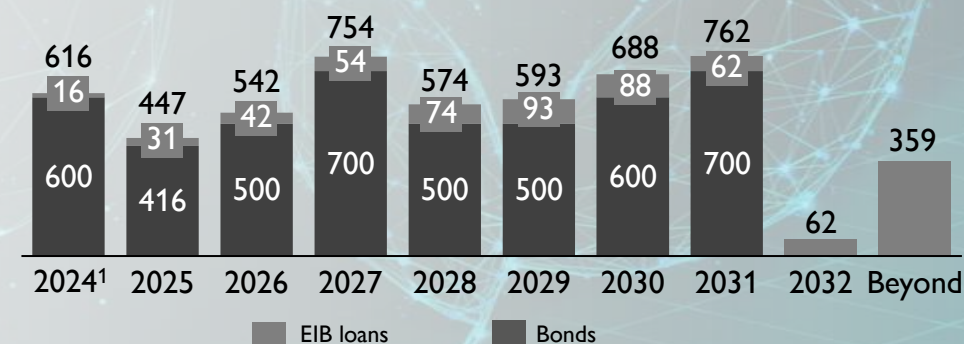
MOODY'S «**Baa2**»
Outlook Stable

Debt structure (maturity and interest rates as at 30/6/2024)



In 2Q2024, two loans granted by the EIB in July 2023 were cashed-in for a total amount of €435m

Profile of main long-term maturities, €m

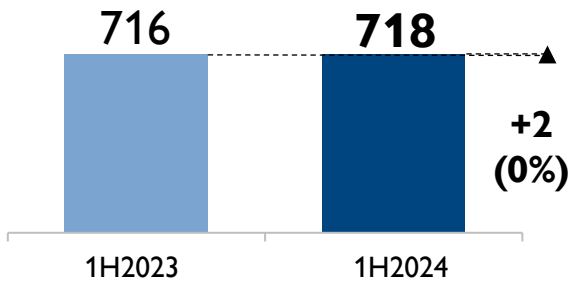




WATER ITALY¹: EBITDA GROWTH +5%

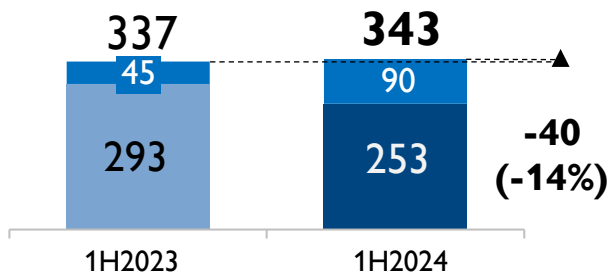
ORGANIC GROWTH DRIVEN BY INVESTMENTS

REVENUES, €m

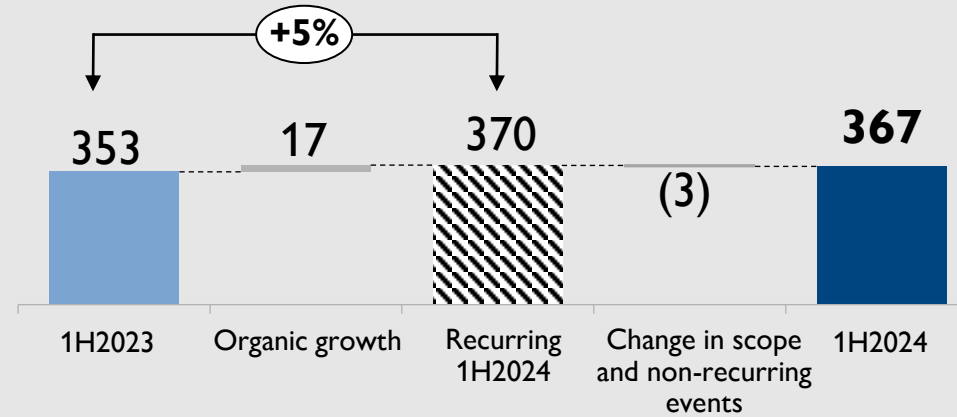


Capex, €m

■ Grant-funded



EBITDA, €m



RAB, €bn

RAB² 31/12/2023:
€4.6BN

Growing recurring EBITDA (+€17m):

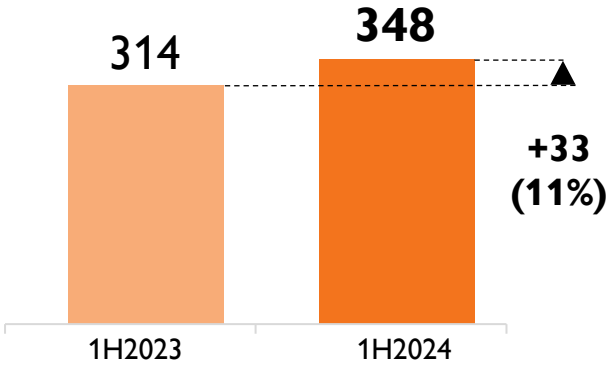
- ▲ **Tariff growth (+€27m fully consolidated companies, net of pass-through charges)**
- ▼ **Lower results of companies consolidated at equity (-€3m, mainly due to higher depreciation)**
- ▼ **Lower contribution from Gori (-€4m)**
- ▼ **Higher maintenance and disposal costs (-€3m)**



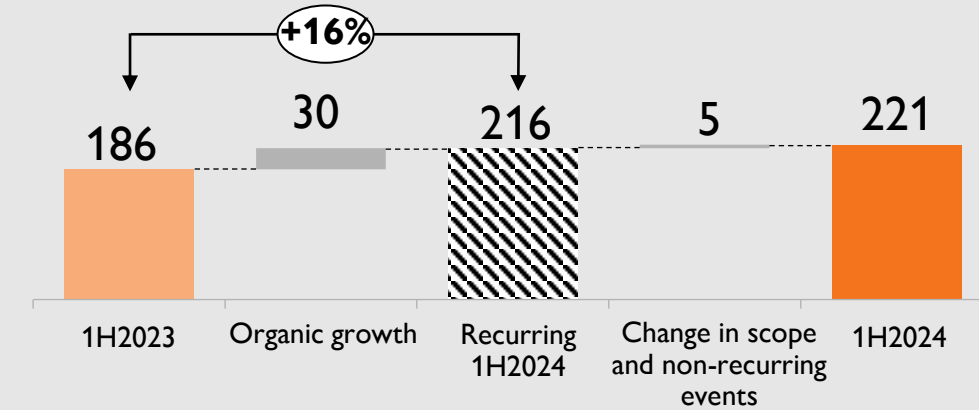
GRIDS AND PUBLIC LIGHTING: EBITDA GROWTH +16%

ORGANIC GROWTH DRIVEN BY INVESTMENTS

Revenues, €m



EBITDA, €m

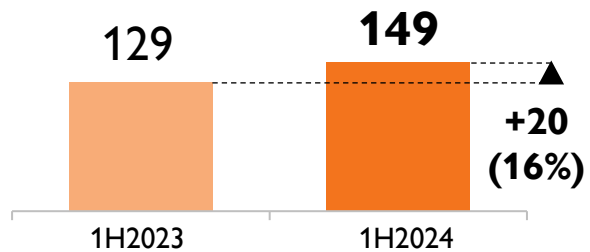


Increasing EBITDA (+€30m):

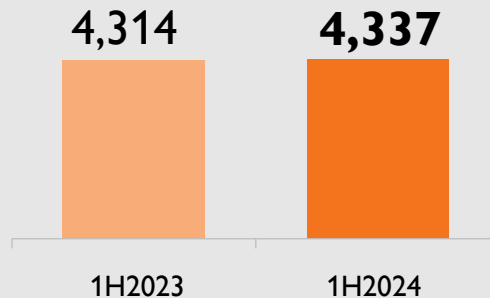
▲ Increase in electricity distribution tariffs (WACC from 5.2% to 6.0%)

2G power meters installed in 1H2024: ~ 219K

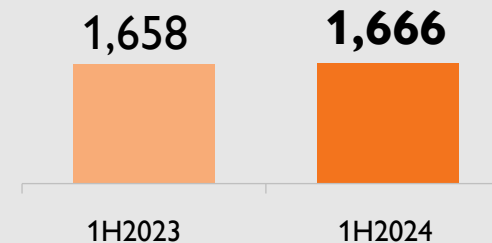
Capex, €m



Total Electricity Distributed, GWh



Number of PODs, '000



RAB, €bn

RAB¹ 31/12/2023: €2.8BN

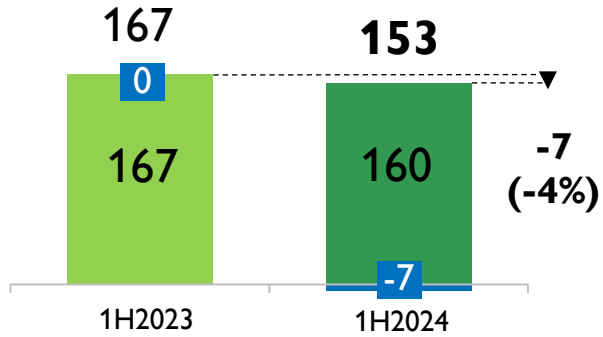


ENVIRONMENT: GROWTH IN INVESTMENTS

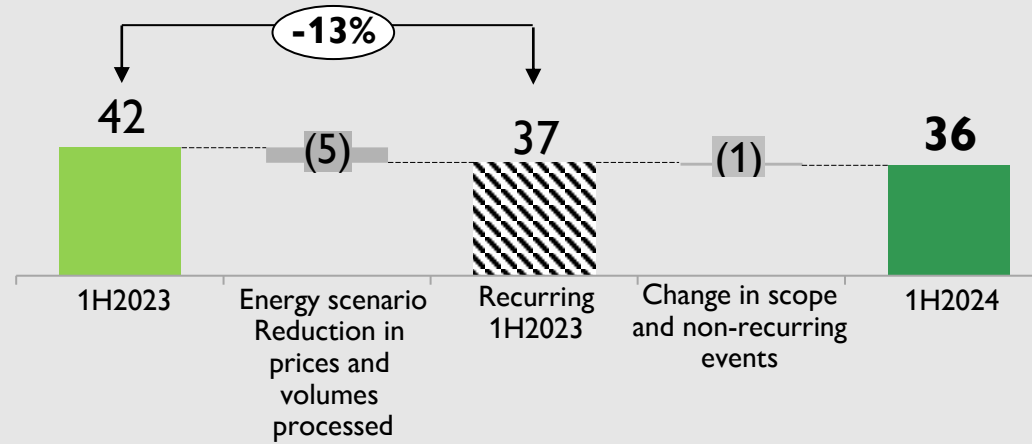
MARGINS AFFECTED BY THE ENERGY SCENARIO

Revenues, €m

■ Change in scope and non-recurring events



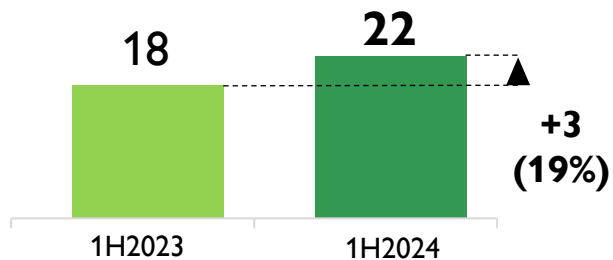
EBITDA, €m



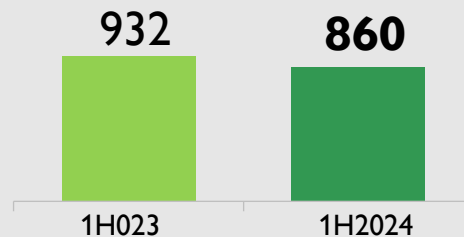
Decreasing EBITDA (-€5m):

- ▼ Energy scenario (-€4m)
- ▼ Lower recycling and liquids treatment margins, partially offset by results of MBT-WTL (-€1m)

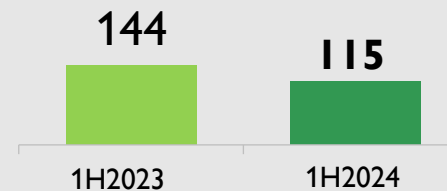
Capex, €m



Treatment and disposal, Kton



Wte electricity sold, GWh/year

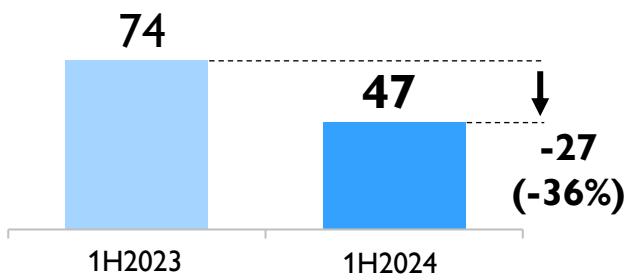




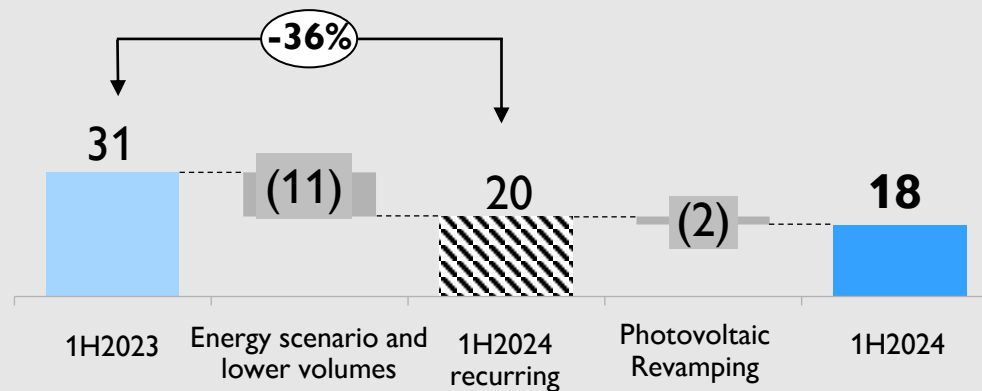
GENERATION: ENERGY SCENARIO AND LOWER VOLUMES PRODUCED

MARGINS AFFECTED BY LOWER HYDROELECTRIC VOLUMES AND THE ENERGY SCENARIO

Revenues, mln€



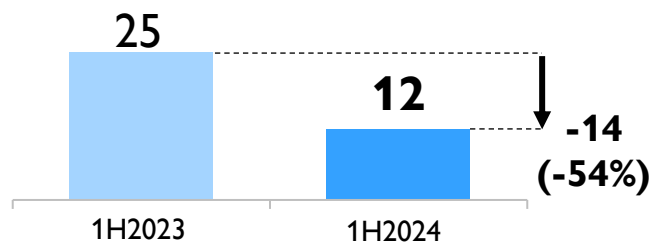
EBITDA, mln€



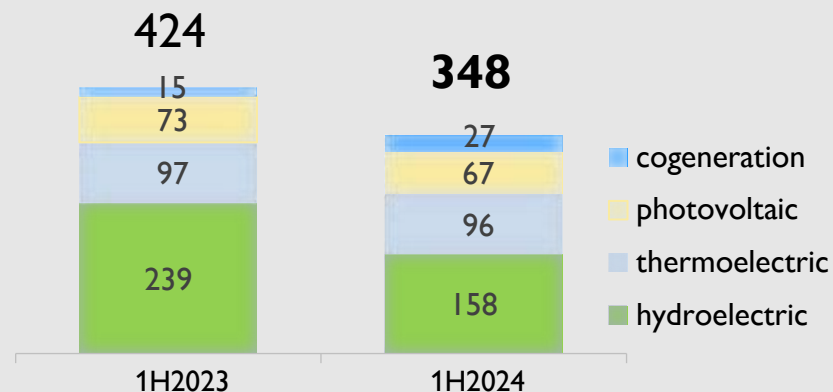
Decreasing EBITDA (-€11m):

Lower prices on the energy markets (SNP -43€/MWh vs 1H2023) and lower hydroelectric volumes (ca. -34% vs 1H2023)

Capex, mln€



Total energy output, GWh

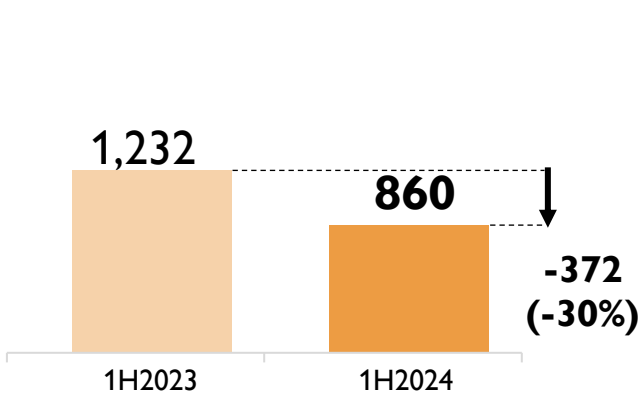




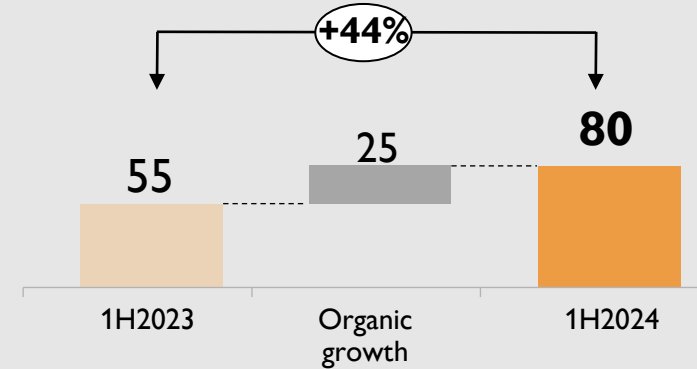
COMMERCIAL: EBITDA GROWTH +44%

GROWTH IN MARGINS AND FREE MARKET CUSTOMER BASE

Revenues, €m



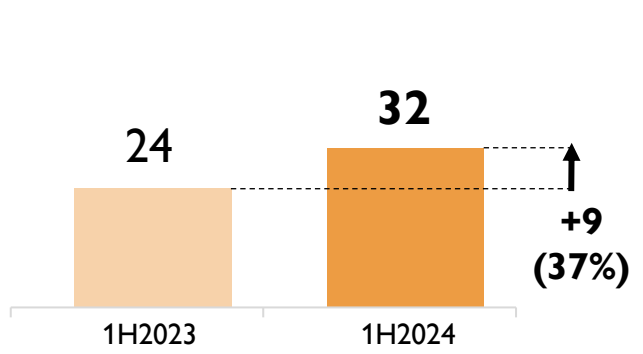
EBITDA, €m



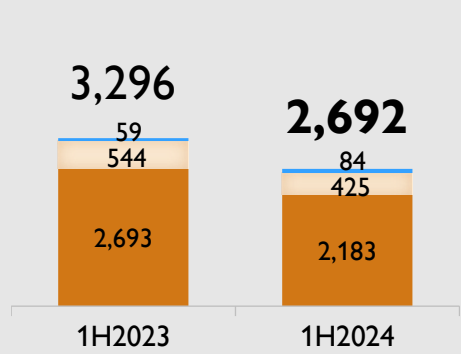
Increasing EBITDA (+€25m):

▲ Increase in margins and customer base

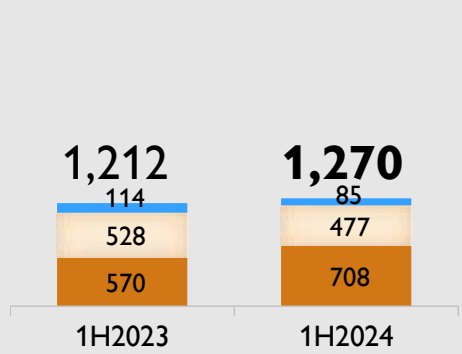
Capex, €m



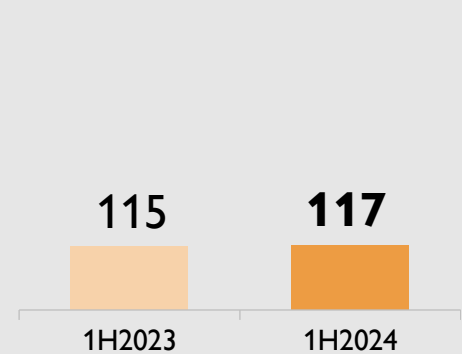
Total electricity sold (GWh)



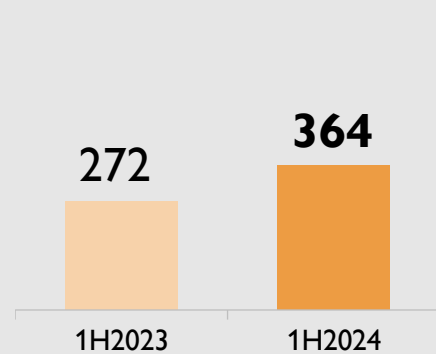
Number of electricity customers ('000)



Total gas sold (Mmc)



Number of gas customers ('000)



■ FREE MARKET
 ■ PROTECTED MARKET
 ■ GRADUAL MARKET

Agenda



Market Environment



1H2024 Results



Appendix



Sustainability rating



64/100



"EE+"



**"A-"
Leadership**



"A"



81.58/100



**19.7
ESG risk
rating**



**INTEGRATED
GOVERNANCE
INDEX**

**"Leader
ESG
Identity"**

CONSOLIDATED INCOME STATEMENT AS AT 30/06/24

Consolidated Income Statement (€/000)

	30 June 2024	30 June 2023	Increase/(Decrease)
Sales and service revenues	1,928,457	2,219,783	(291,326)
Other operating income	62,769	76,387	(13,618)
Consolidated net revenue	1,991,226	2,296,170	(304,944)
Staff costs	160,169	174,787	(14,618)
Cost of materials and overheads	1,104,525	1,464,003	(359,478)
Consolidated operating costs	1,264,694	1,638,790	(374,097)
Net profit/(loss) from commodity risk management	0	0	0
Profit/(loss) on non-financial investments	2,536	13,002	(10,466)
Gross Operating Profit	729,068	670,381	58,687
Net impairment losses/(reversals of impairment losses) on trade receivables	40,634	43,865	(3,232)
Amortisation, Depreciation and Provisions	349,834	326,487	23,348
Operating Profit/(Loss)	338,600	300,029	38,571
Finance income	26,500	18,174	8,326
Finance costs	(87,828)	(85,563)	(2,264)
Profit/(Loss) on investments	734	723	11
Profit/(Loss) before tax	278,006	233,363	44,644
Income tax expense	85,349	71,215	14,133
Net Profit/(Loss)	192,658	162,148	30,510
Net Profit/(Loss) from Discontinued Operations			
Net Profit/(Loss)	192,658	162,148	30,510
Net Profit/(Loss) attributable to non-controlling interests	20,953	19,696	1,258
Net Profit/(Loss) attributable to the Group	171,705	142,452	29,253
Earnings/(Loss) per share attributable to owners of the Parent			
<i>Basic</i>	0.80626	0.66890	0.13736
<i>Diluted</i>	0.80626	0.66890	0.13736
Earnings/(Loss) per share attributable to owners of the Parent net of Treasury Shares			
<i>Basic</i>	0.80784	0.67021	0.13763
<i>Diluted</i>	0.80784	0.67021	0.13763

CONSOLIDATED BALANCE SHEET AS AT 30/06/24

Consolidated Statement of Financial Position (€/000)

ASSETS	30 June 2024	31 December 2023	Increase/(Decrease)
Property, plant and equipment	3,414,415	3,334,868	79,547
Investment property	1,964	1,990	(26)
Goodwill	254,596	254,626	(30)
Concessions and infrastructure rights	3,949,466	3,787,263	162,204
Intangible assets	401,544	413,162	(11,619)
Right-of-use assets	88,708	93,284	(4,576)
Investments in unconsolidated subsidiaries and associates	357,369	359,281	(1,913)
Other investments	8,023	8,029	(6)
Deferred tax assets	225,072	205,065	20,007
Financial assets	19,446	18,852	595
Other non-current assets	734,752	716,582	18,171
Non-current assets	9,455,355	9,193,002	262,353
Inventories	109,550	97,843	11,708
Trade receivables	1,102,338	1,213,200	(110,862)
Other current assets	533,664	405,026	128,638
Current tax assets	44,945	13,075	31,870
Current financial assets	571,199	487,251	83,948
Cash and cash equivalents	409,993	359,379	50,614
Current assets	2,771,691	2,575,774	195,917
Non-current assets held for sale	18,363	18,288	75
TOTAL ASSETS	12,245,409	11,787,064	458,345
LIABILITIES AND EQUITY	30 June 2024	31 December 2023	Increase/(Decrease)
Share capital	1,098,899	1,098,899	0
Legal reserve	167,986	157,838	10,148
Other reserves	150,961	73,697	77,264
Retained earnings/(accumulated losses)	767,684	752,940	14,744
Net profit/(loss) for the year	171,705	293,908	(122,203)
Total equity attributable to the Group	2,357,234	2,377,281	(20,047)
Equity attributable to non-controlling interests	460,688	445,803	14,885
Total equity	2,817,922	2,823,084	(5,162)
Staff termination benefits and other defined-benefit obligations	83,155	109,895	(26,740)
Provisions for liabilities and charges	312,033	224,276	87,757
Borrowings and financial liabilities	4,991,313	4,770,436	220,877
Other non-current liabilities	534,524	510,871	23,652
Non-current liabilities	5,921,025	5,615,479	305,546
Borrowings	1,119,526	922,950	196,576
Trade payables	1,592,025	1,750,473	(158,448)
Tax liabilities	17,608	13,032	4,576
Other current liabilities	777,051	661,857	115,194
Current liabilities	3,506,209	3,348,313	157,897
Liabilities related directly to assets held for sale	253	188	65
TOTAL LIABILITIES AND EQUITY	12,245,409	11,787,064	458,345

Q&A



People for
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infrastructure

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THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE CURRENT VIEWS OF THE MANAGEMENT WITH REGARD TO FUTURE EVENTS AND THE FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND THE GROUP.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON 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 HEREIN 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 REFERENCE REGULATORY FRAMEWORK, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND ENERGY AND OTHER RISKS.

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