

The Acea logo is rendered in a white, sans-serif font. The letter 'A' is stylized with a thick, rounded top and a circular cutout on the left side. The letters 'c', 'e', and 'a' are lowercase and follow a clean, modern typeface.

# Acea

# 1Q2024 Results

Rome, 9 May 2024



People for  
sustainable  
infrastructure

# Agenda



**Challenging market environment**



**1Q2024 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 bps.
- **Grids:** application of **new ROSS tariff rules** for the distribution of electricity based on the recognition of Total Spending for the 6<sup>th</sup> regulatory period (2024-2027). Increase in **WACC from 5.2% to 6.0%**.

### Commodity prices and inflation



- **2024 energy price (SNP) falling to 92€/MWh** (approximately -65€/MWh vs 1Q2023).
- Gas price (**PSV index**) down to **29€/MWh** (-28€/MWh vs 2023).
- **March inflation +0.1% on a monthly basis** and **+1.3% on a trend basis**.

### Interest rates



- Increase in short-term rates** and gradual **reduction in long-term rates compared to 1Q2023, in highly volatile context:**
- 6M Euribor 3.9% vs 3.1% in 1Q2023;
  - 8Y Mid-Swap 2.7% vs 2.9% in 1Q2023.

# Agenda



**Challenging Market Environment**



**1Q2024 results**



**Appendix**

# 1Q2024 RESULTS

INCREASING RESULTS, IN LINE WITH 2024 GUIDANCE

**Revenues +1%** vs 2023  
regulated businesses<sup>(1)</sup>

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

**Net profit +17%** vs 2023  
excluding one-offs and changes in scope

**CAPEX -2%** vs 2023  
net of public funding

**OPERATING FCF**  
**-€32M**

**Group revenues equal to €1.0bn**, of which around €0.6bn relating to regulated businesses, up by +1% compared to 2023

**Reported EBITDA amounting to €357m, +€21m compared to 2023** driven by a growth in the regulated businesses, +6% Water Italy and +13% Grids and Public Lighting, and by the Commercial sector, which more than offset the adverse energy scenario

**Reported net profit amounting to €83m**, +14% compared to 2023. The growth in EBITDA and the containment of financial costs more than offset the rise in depreciation linked to the investments in regulated businesses

**Net capex amounting to €242m**, essentially in line with 2023. The net investments in regulated businesses represent approximately 90% of the Group total

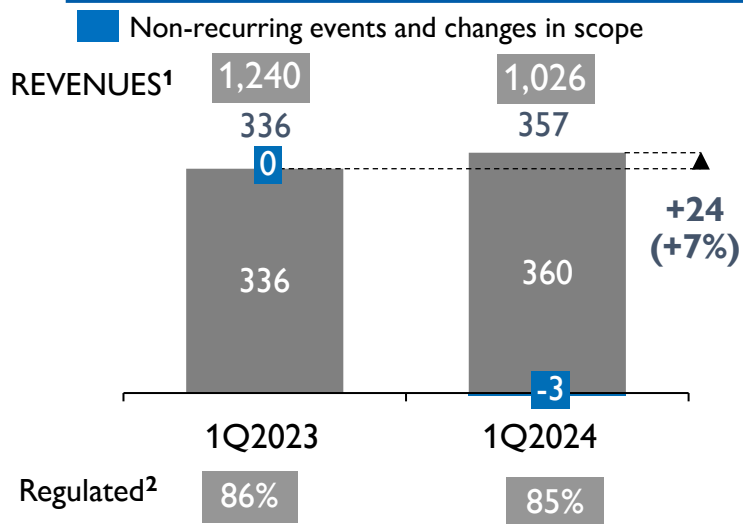
**Negative operating free cash flow equal to -€32m**, making it possible to maintain a sound financial structure with an NFP/EBITDA ratio of 3.48x, fully in line with the guidance and showing a slight improvement compared to 31 December 2023 (3.49x)



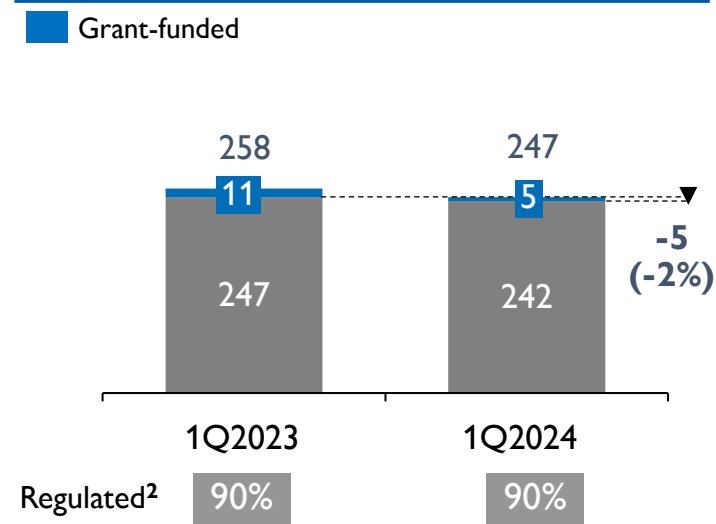
# OVERVIEW OF 1Q2024 RESULTS

## ECONOMIC AND FINANCIAL SOLIDITY

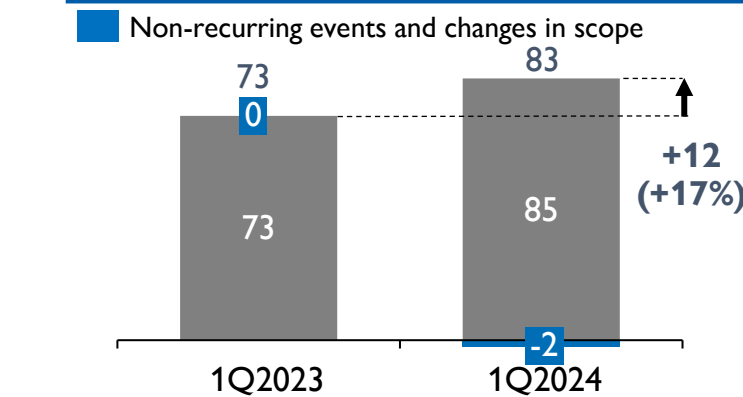
### EBITDA, €m



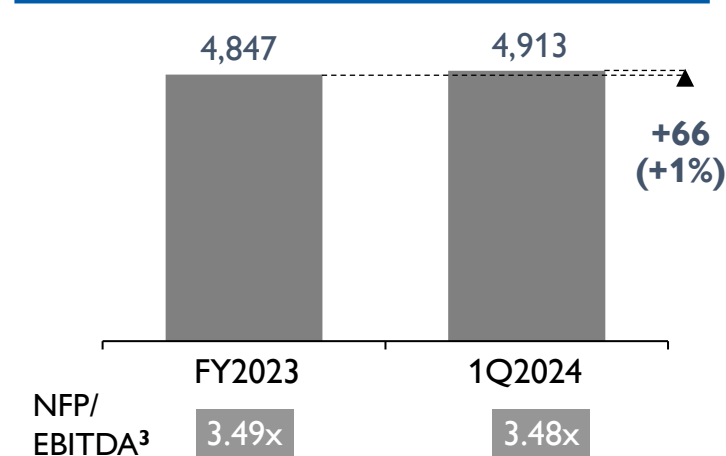
### CAPEX, €m



### Net profit, €m



### NFP, €m



**Increasing EBITDA** due to **organic growth of the regulated businesses** and the performance of the Commercial sector, which offset the negative impact of the energy scenario.

**Focus on INVESTMENTS** in regulated businesses confirmed.

**Improvement in Net Profit** compared to **1Q2023** thanks to operational growth, which more than offset the higher depreciation.

**Slight improvement as regards the NFP/EBITDA ratio compared to 31 December 2023.**

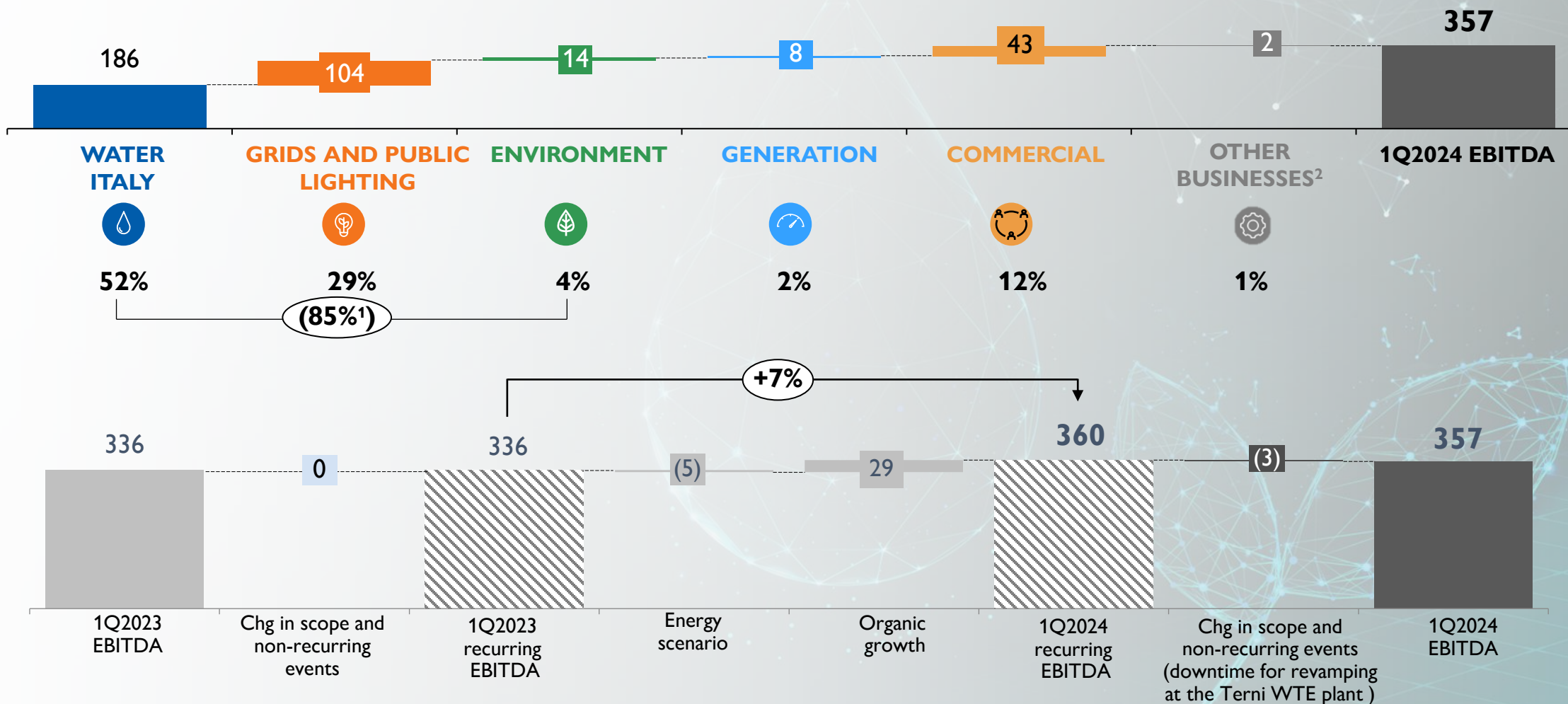
#### 2024 guidance confirmed:

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

# 1Q2024 EBITDA

GROWTH DRIVEN BY ORGANIC DEVELOPMENT OF REGULATED BUSINESSES

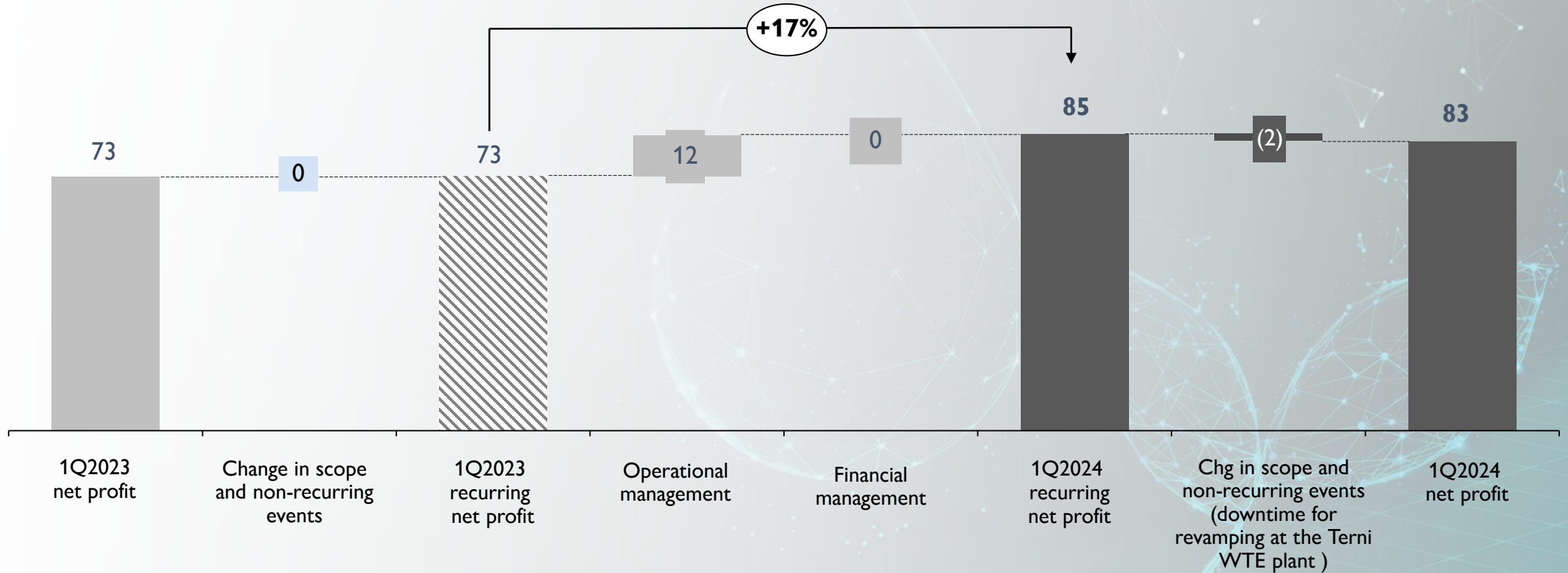
EBITDA, €m



# 1Q2024 NET PROFIT

OPERATIONAL MANAGEMENT DRIVES THE INCREASE IN NET PROFIT

NET PROFIT, €m

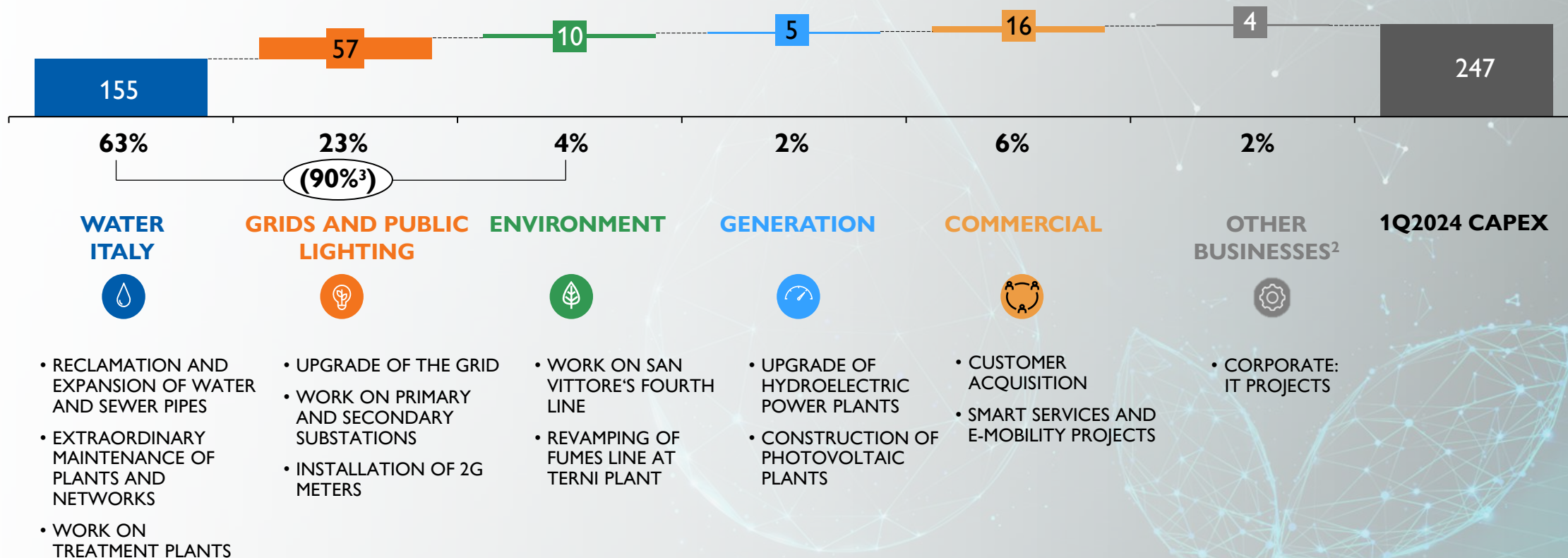




# 1Q2024 CAPEX

INVESTMENT PLAN CONTINUES WITH FOCUS ON REGULATED BUSINESSES

CAPEX<sup>1</sup>, €m



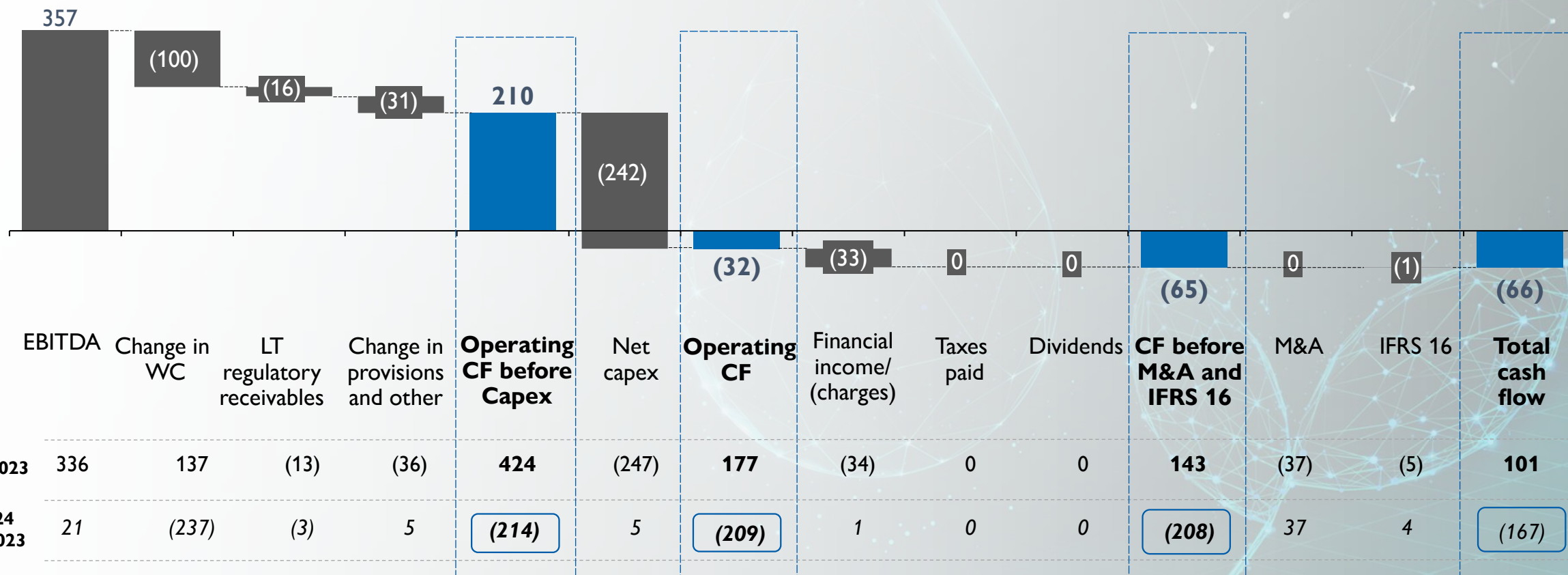
# 1Q2024 CASH FLOW

PERFORMANCE IN LINE WITH FORECASTS AND YEAR-END GUIDANCE

CASH FLOW, €m

1Q2024

**Operating CF (-32M€)** reflects the absorption of working capital mainly due to regulatory items and the lower amount of receivables sold.



# 1Q2024 FINANCIAL STRUCTURE

SLIGHT IMPROVEMENT IN LEVERAGE, AVERAGE COST OF DEBT APPROXIMATELY 2%

## FY23-1Q2024 NFP, €m

|                           | DEC 23       | 1Q2024       | Δ 1Q24 vs DEC 23 |
|---------------------------|--------------|--------------|------------------|
| <b>NFP</b>                | <b>4,847</b> | <b>4,913</b> | <b>66</b>        |
| Long-term debt            | 4,771        | 4,604        |                  |
| Short-term debt           | 923          | 1,077        |                  |
| Cash and cash equivalents | (847)        | (768)        |                  |

## Leverage

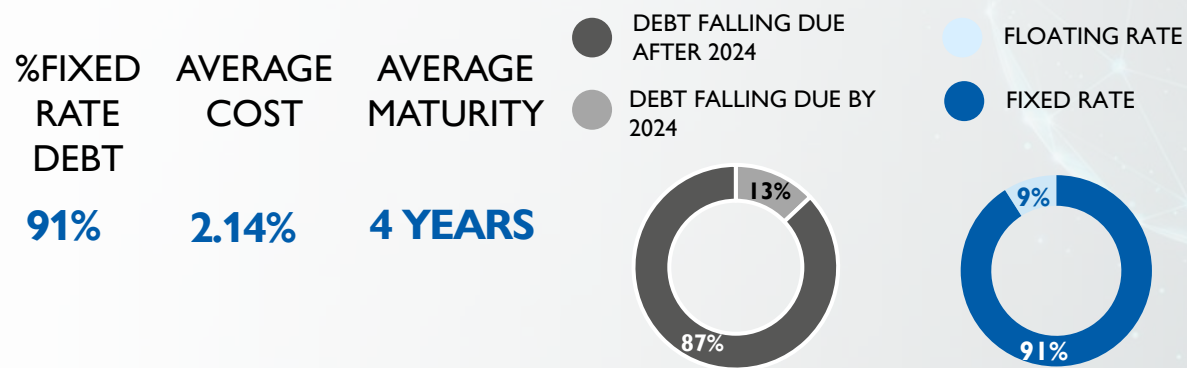
| NET DEBT/EBITDA<br>31/03/2024 | NET DEBT/EBITDA<br>31/12/2023 |
|-------------------------------|-------------------------------|
| <b>3.48x</b>                  | <b>3.49x</b>                  |

## Rating

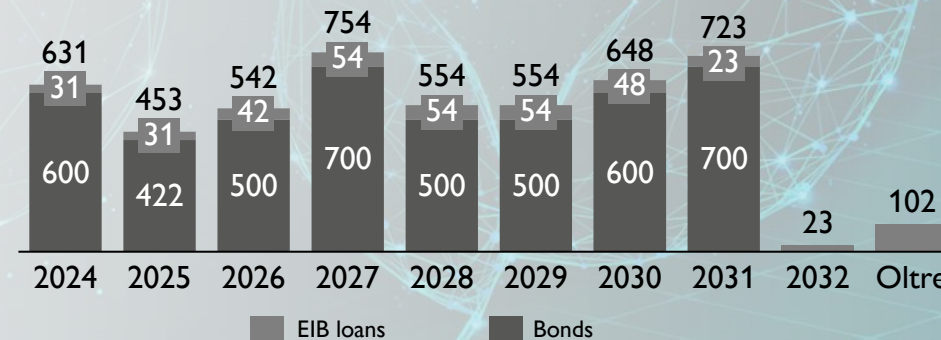
**FitchRatings** «**BBB+**»  
**Stable Outlook**

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

## Debt structure (maturity and interest rates as at 31/3/2024)



## Profile of main long-term maturities, €m

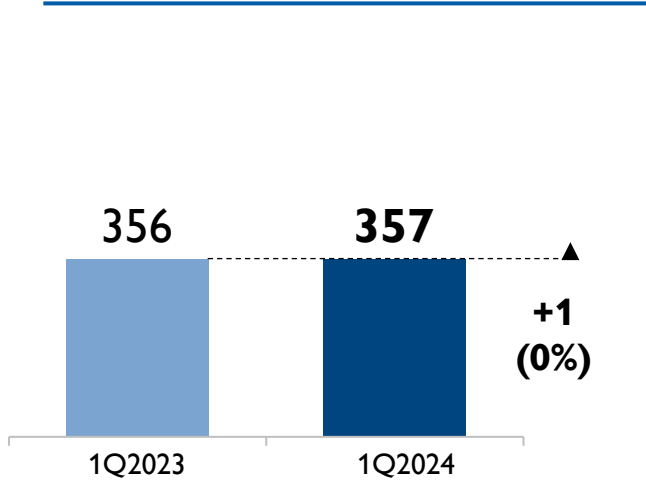




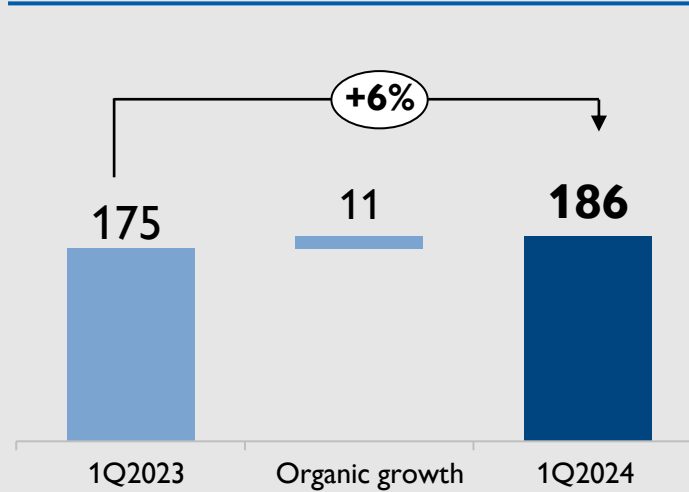
# WATER ITALY<sup>1</sup>: EBITDA GROWTH +6%

ORGANIC GROWTH DRIVEN BY INVESTMENTS

## Revenues, €m



## EBITDA, €m

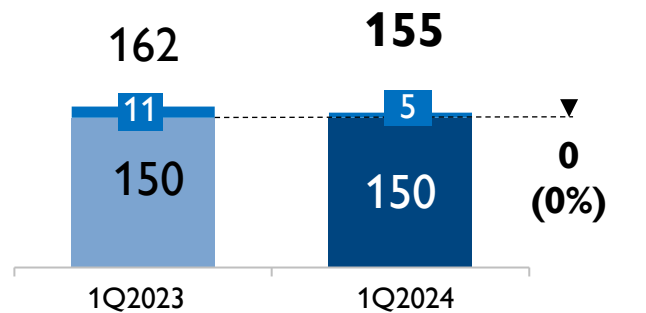


### Increasing EBITDA (+€11m):

- ▲ **Tariff growth (+€14m)** fully consolidated companies, net of components covering pass-through charges)
- ▼ Reduction in results of companies consolidated at equity (-€4m, mainly due to higher depreciation).

## Capex, €m

■ Grant-funded



## RAB, €bn

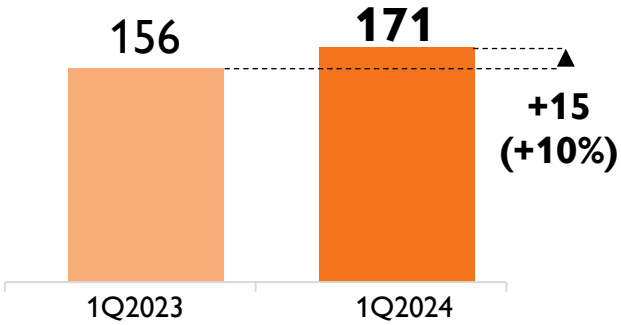
**RAB<sup>2</sup> 31/12/2023:**  
**4,6 MLD€**



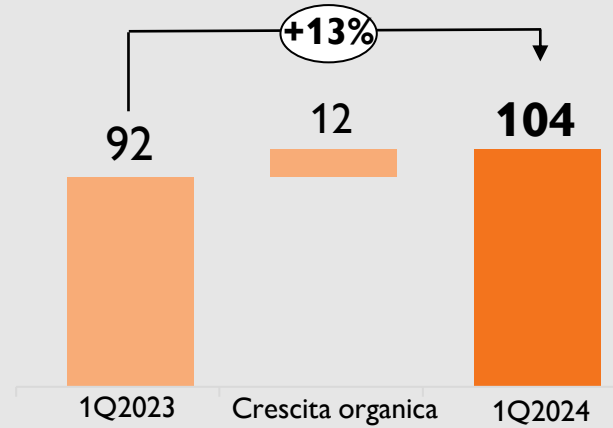
# GRIDS AND PUBLIC LIGHTING: EBITDA GROWTH +13%

ORGANIC GROWTH DRIVEN BY INVESTMENTS

## Revenues, €m



## EBITDA, €m

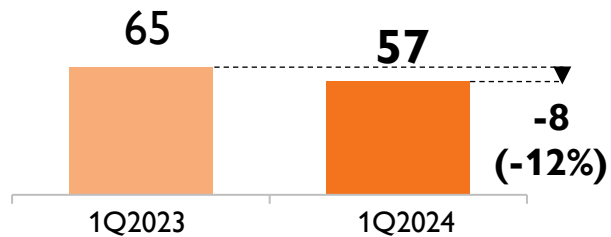


Increasing EBITDA (+€12m):

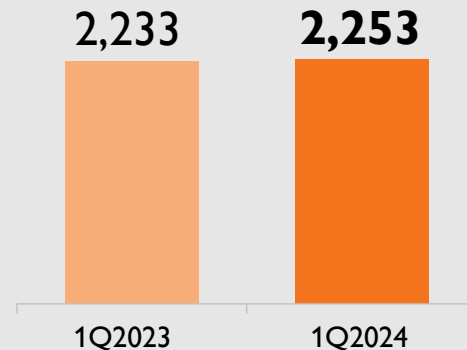
▲ Increase in electricity distribution tariffs (WACC from 5.2% to 6.0%)

2G power meters installed in 1Q2024: ~ 94K

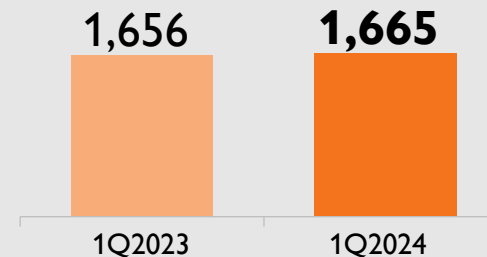
## Capex, €m



## Total electricity distributed, GWh



## Number of PODs ('000)



## RAB, €bn

RAB<sup>1</sup> 31/12/2023: €2.8bn



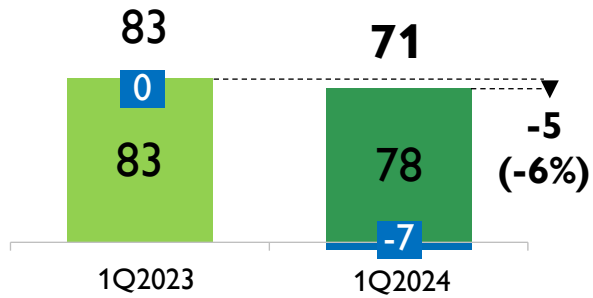


# ENVIRONMENT: GROWTH IN INVESTMENTS

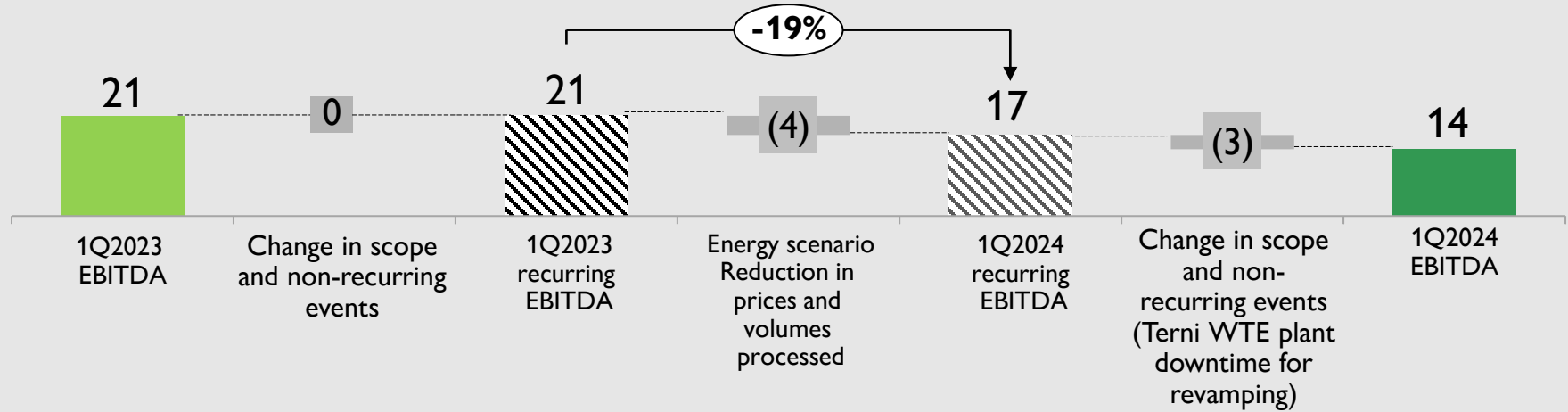
MARGINS AFFECTED BY THE ENERGY SCENARIO

## Revenues, €m

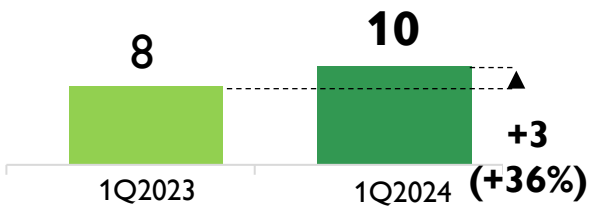
■ Non-recurring events and changes in scope



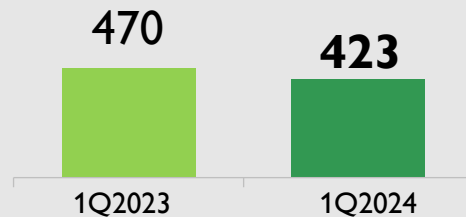
## EBITDA main drivers, €m



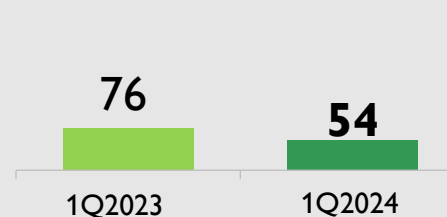
## Capex, €m



## Treatment and disposal, (Ktonnes)



## Wte electricity sold, (GWh/year)

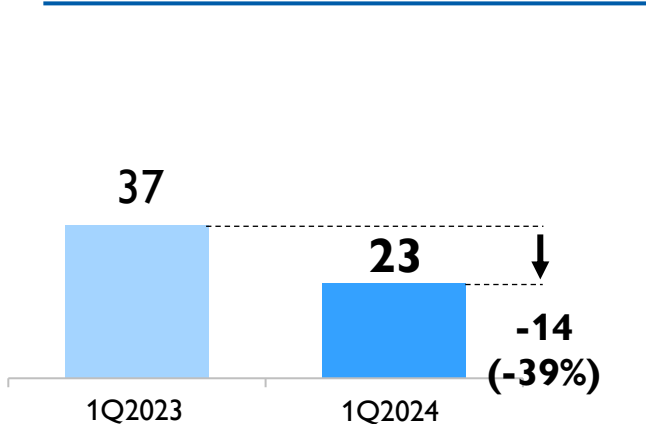




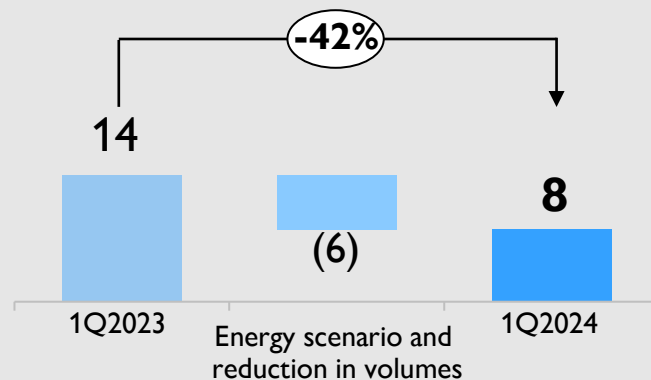
# GENERATION: ENERGY SCENARIO AND LOWER VOLUMES

MARGINS ARE AFFECTED BY LOWER HYDROELECTRIC PRODUCTION AND THE ENERGY SCENARIO

## Revenues, €m



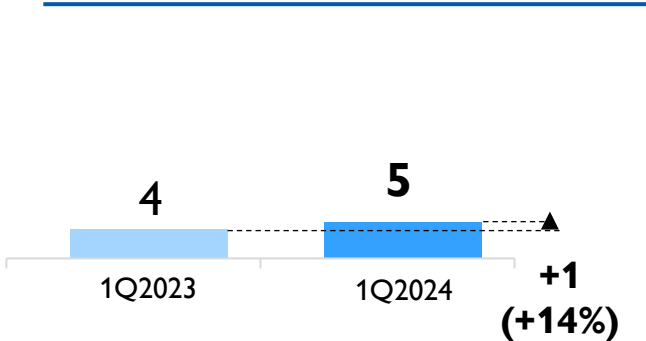
## EBITDA, €m



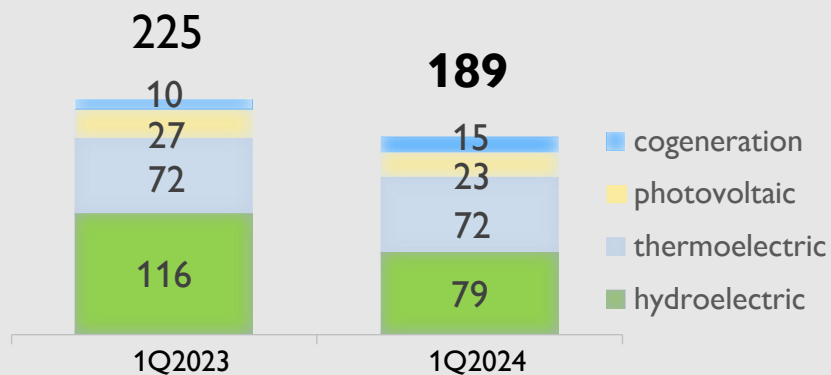
Decreasing **EBITDA (-6M€):**

▼ **Reduction in energy market prices** (SNP -65€/MWh vs 1Q2023) **and lower hydroelectric volumes** (approx. -32% vs 1Q2023)

## Capex, €m



## Total energy output, GWh

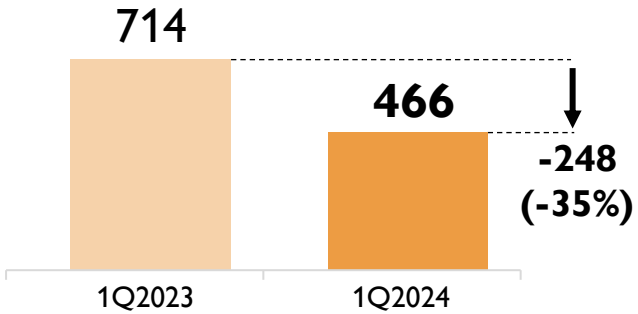




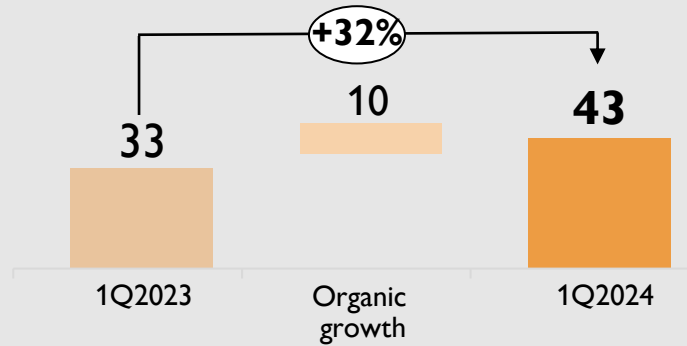
# COMMERCIAL: EBITDA GROWTH +32%

## GROWTH IN FREE MARKET CUSTOMER BASE

### Revenues, €m

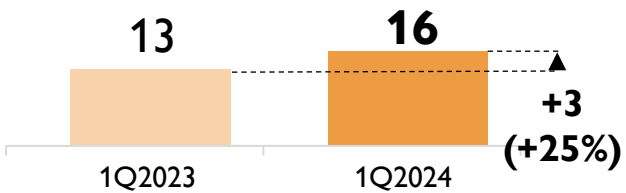


### EBITDA, €m

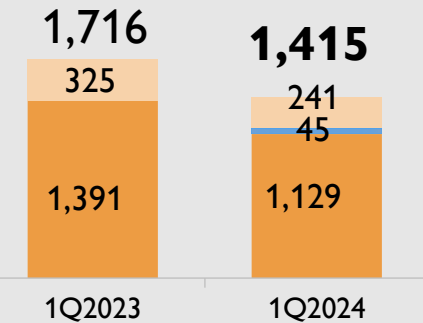


**EBITDA increasing (+10M€):**  
 ▲ Increase in margins and customer base

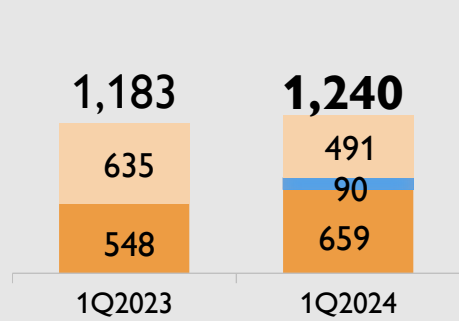
### Capex, €m



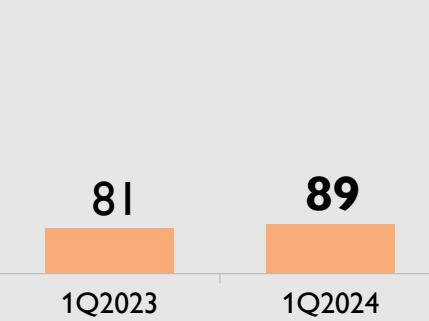
### Total electricity sold (GWh)



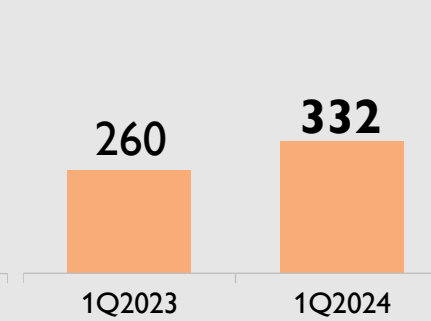
### Number of electricity customers ('000)



### Total gas sold (Mmc)



### Number of gas customers ('000)



■ FREE MARKET ■ GRADUAL PROTECTION ■ PROTECTED MARKET

# Agenda



**Challenging market environment**



**1Q2024 results**



**Appendix**

# Sustainability rating



**64/100**



**"EE+"  
Positive Outlook**



**"A-"  
Leadership**



**"A"**



**81.58/100**



**19.7  
ESG risk  
rating**



**INTEGRATED  
GOVERNANCE  
INDEX**

**"ESG  
Identity  
Leader"**



# CONSOLIDATED INCOME STATEMENT AS AT 31/03/24

## Consolidated Income Statement (€/000)

|  | 31/03/2024       | 31/03/2023       | Increase/(Decrease) |
|--|------------------|------------------|---------------------|
| Sales and service revenues   | 1,003,278        | 1,216,006        | (212,728)           |
| Other operating income   | 23,036           | 23,859           | (823)               |
| <b>Consolidated net revenue</b>  | <b>1,026,314</b> | <b>1,239,864</b> | <b>(213,550)</b>    |
| Staff costs  | 89,432           | 86,914           | 2,518               |
| Cost of materials and overheads  | 582,638          | 823,310          | (240,672)           |
| <b>Consolidated operating costs</b>  | <b>672,070</b>   | <b>910,223</b>   | <b>(238,154)</b>    |
| Net profit/(loss) from commodity risk management   | 0                | 0                | 0                   |
| Profit/(loss) on non-financial investments   | 2,701            | 6,255            | (3,554)             |
| <b>Gross Operating Profit</b>  | <b>356,945</b>   | <b>335,896</b>   | <b>21,049</b>       |
| Net impairment losses/(reversals of impairment losses) on trade receivables                  | 19,723           | 23,357           | (3,634)             |
| Amortisation, Depreciation and Provisions  | 168,931          | 162,747          | 6,185               |
| <b>Operating Profit/(Loss)</b>   | <b>168,291</b>   | <b>149,792</b>   | <b>18,498</b>       |
| Finance income   | 11,135           | 7,683            | 3,452               |
| Finance costs  | (44,162)         | (41,366)         | (2,796)             |
| Profit/(Loss) on investments   | 410              | 216              | 194                 |
| <b>Profit/(Loss) before tax</b>  | <b>135,673</b>   | <b>116,326</b>   | <b>19,348</b>       |
| Income tax expense   | 42,194           | 34,898           | 7,296               |
| <b>Net Profit/(Loss)</b>   | <b>93,480</b>    | <b>81,428</b>    | <b>12,052</b>       |
| Net Profit/(Loss) from Discontinued Operations   |                  |                  |                     |
| <b>Net Profit/(Loss)</b>   | <b>93,480</b>    | <b>81,428</b>    | <b>12,052</b>       |
| <b>Net Profit/(Loss) attributable to non-controlling interests</b>                           | <b>10,915</b>    | <b>8,829</b>     | <b>2,085</b>        |
| <b>Net Profit/(Loss) attributable to the Group</b>   | <b>82,565</b>    | <b>72,599</b>    | <b>9,966</b>        |
| <b>Earnings/(Loss) per share attributable to owners of the Parent</b>                        |                  |                  |                     |
| <i>Basic</i>   | <i>0.38769</i>   | <i>0.34089</i>   | <i>0.04680</i>      |
| <i>Diluted</i>   | <i>0.38769</i>   | <i>0.34089</i>   | <i>0.04680</i>      |
| <b>Earnings/(Loss) per share attributable to owners of the Parent net of Treasury Shares</b> |                  |                  |                     |
| <i>Basic</i>   | <i>0.38845</i>   | <i>0.34156</i>   | <i>0.04689</i>      |
| <i>Diluted</i>   | <i>0.38845</i>   | <i>0.34156</i>   | <i>0.04689</i>      |

# CONSOLIDATED BALANCE SHEET AS AT 31/03/24

## Consolidated Statement of Financial Position (€/000)

|  | 31/03/2024        | 31/12/2023        | Increase/(Decrease)        |
|--|-------------------|-------------------|----------------------------|
| Property, plant and equipment                                    | 3,358,255         | 3,334,868         | 23,387                     |
| Investment property  | 1,977             | 1,990             | (13)                       |
| Goodwill   | 254,719           | 254,626           | 93                         |
| Concessions and infrastructure rights                            | 3,848,657         | 3,787,263         | 61,395                     |
| Intangible assets  | 400,679           | 413,162           | (12,483)                   |
| Right-of-use assets  | 89,515            | 93,284            | (3,769)                    |
| Investments in unconsolidated subsidiaries and associates        | 364,126           | 359,281           | 4,845                      |
| Other investments  | 8,029             | 8,029             | 0                          |
| Deferred tax assets  | 209,914           | 205,065           | 4,849                      |
| Financial assets   | 21,257            | 18,852            | 2,405                      |
| Other non-current assets   | 734,971           | 716,582           | 18,389                     |
| <b>Non-current assets</b>  | <b>9,292,100</b>  | <b>9,193,002</b>  | <b>99,098</b>              |
| Inventories  | 97,872            | 97,843            | 29                         |
| Trade receivables  | 1,223,798         | 1,213,200         | 10,597                     |
| Other current assets   | 429,105           | 405,026           | 24,079                     |
| Current tax assets   | 8,634             | 13,075            | (4,442)                    |
| Current financial assets   | 417,462           | 487,251           | (69,789)                   |
| Cash and cash equivalents  | 350,793           | 359,379           | (8,586)                    |
| <b>Current assets</b>  | <b>2,527,663</b>  | <b>2,575,774</b>  | <b>(48,112)</b>            |
| Non-current assets held for sale                                 | 18,387            | 18,288            | 99                         |
| <b>TOTAL ASSETS</b>  | <b>11,838,149</b> | <b>11,787,064</b> | <b>51,085</b>              |
|  | <b>31/03/2024</b> | <b>31/12/2023</b> | <b>Increase/(Decrease)</b> |
| Share capital  | 1,098,899         | 1,098,899         | 0                          |
| Legal reserve  | 157,838           | 157,838           | 0                          |
| Other reserves   | 84,773            | 73,697            | 11,076                     |
| Retained earnings/(accumulated losses)                           | 1,039,144         | 752,940           | 286,204                    |
| Net profit/(loss) for the year                                   | 82,565            | 293,908           | (211,343)                  |
| <b>Total equity attributable to the Group</b>                    | <b>2,463,219</b>  | <b>2,377,281</b>  | <b>85,937</b>              |
| Equity attributable to non-controlling interests                 | 457,807           | 445,803           | 12,004                     |
| <b>Total equity</b>  | <b>2,921,026</b>  | <b>2,823,084</b>  | <b>97,942</b>              |
| Staff termination benefits and other defined-benefit obligations | 105,774           | 109,895           | (4,121)                    |
| Provisions for liabilities and charges                           | 261,046           | 224,276           | 36,770                     |
| Borrowings and financial liabilities                             | 4,604,232         | 4,770,436         | (166,205)                  |
| Other non-current liabilities                                    | 514,810           | 510,871           | 3,938                      |
| <b>Non-current liabilities</b>                                   | <b>5,485,862</b>  | <b>5,615,479</b>  | <b>(129,618)</b>           |
| Borrowings   | 1,077,177         | 922,950           | 154,227                    |
| Trade payables   | 1,654,417         | 1,750,473         | (96,057)                   |
| Tax liabilities  | 15,461            | 13,032            | 2,429                      |
| Other current liabilities  | 684,008           | 661,857           | 22,151                     |
| <b>Current liabilities</b>                                       | <b>3,431,063</b>  | <b>3,348,313</b>  | <b>82,750</b>              |
| Liabilities related directly to assets held for sale             | 198               | 188               | 11                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              | <b>11,838,149</b> | <b>11,787,064</b> | <b>51,085</b>              |



# Q&A



People for  
sustainable  
infrastructure

# DISCLAIMER

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.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DOCUMENT, WHICH ARE MADE ONLY AS OF THE DATE OF PUBLICATION HEREOF.

ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO THE AFORESAID FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE PURCHASE OF SECURITIES ISSUED BY ACEA S.P.A., NOR DOES IT CONTAIN AN OFFER TO SELL OR A SOLICITATION TO OFFER TO BUY SECURITIES ISSUED BY ACEA S.P.A. OR ANY OF ITS SUBSIDIARIES.

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PURSUANT TO ART. 154-BIS, SECTION 2, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, THE EXECUTIVE RESPONSIBLE FOR ACEA'S FINANCIAL REPORTING, SABRINA DI BARTOLOMEO – CHIEF FINANCIAL OFFICER OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN IS CONSISTENT WITH THE UNDERLYING ACCOUNTING RECORDS.