

An abstract graphic on the left side of the slide, featuring overlapping, semi-transparent spheres in shades of blue, green, and yellow, with a complex, wireframe-like structure inside them.

# Acea Group Investor Presentation

**“2021 Global Energy  
Conference”**

June 10, 2021

# Agenda



**ACEA GROUP TODAY**



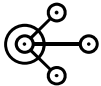
**BUSINESS PLAN 2020-2024**



**STRATEGY AND TARGETS**



**BUSINESS LINE HIGHLIGHTS**



**STRATEGIC OPPORTUNITIES**



**CLOSING REMARKS**



**Q&A**

# Agenda



**ACEA GROUP TODAY**



**BUSINESS PLAN 2020-2024**



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



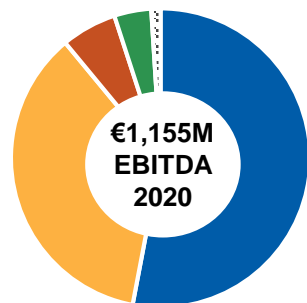
**CLOSING REMARKS**



**Q&A**

# Acea is a leading multi-utility player in the Italian market

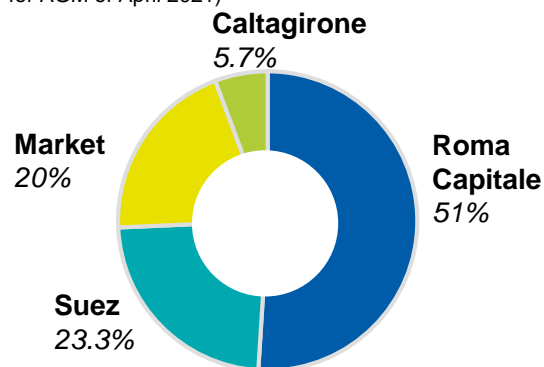
## 2020 EBITDA



85% regulated

## Ownership structure

(Source: based on proof of share ownership filed for AGM of April 2021)



## Water

**Leader** in the water supply sector in Italy

With **more than 9 M customers** in Lazio, Toscana, Umbria, Molise e Campania



## Energy Infrastructure

**Leading** Italian player in the electricity distribution market

With **~9 TWh** of distributed electricity



## Commercial & Trading

**One of the main** players in the Italian energy market

With **7.0 TWh** of electricity sold



## Environment

**4<sup>th</sup> player** in the Italian waste treatment sector

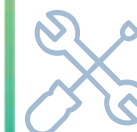
With **~ 1.6 M tons** of treated / disposed waste



## Power generation

**Green player** in power generation in Italy

With **269 MW** of installed capacity<sup>1</sup>



## Engineering and services

Business line offering **technical services** to the Group

With **more than 100 M€** of **services** every year



## Gas distribution

Entry in the gas distribution business with **~100k redelivery points**

# Agenda



ACEA GROUP TODAY



## BUSINESS PLAN 2020-2024



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Q&A



## Growth

**Growth** driven by regulated businesses, with **significant investment** related to **RAB**...

**6.7%**  
EBITDA CAGR  
2019-24

**5.9 B€**  
2024 RAB



## Renewables

...also supported by **investments in RES**, both industrial scale and consumer

**747 MW**  
Installed PV capacity  
in 2024

**~1000**  
Domestic PV plants in  
2024



## Innovation

...together with investments for **new innovative services** (VAS)

**0.6 B€**  
Innovation capex  
2020-24

**2200+**  
EV charging stations  
in 2024



## Delivery

...proving a consistent track record of **outperforming business plan targets**

**>5%**  
Avg. EBITDA outperformance  
vs. plan (last 3 years)

**4.7 B€**  
Capex and M&A 2020-24



## Sustainability

...with increasing focus on **environmental impact** and **circular economy**

**-11 pp**  
Water losses in 2024

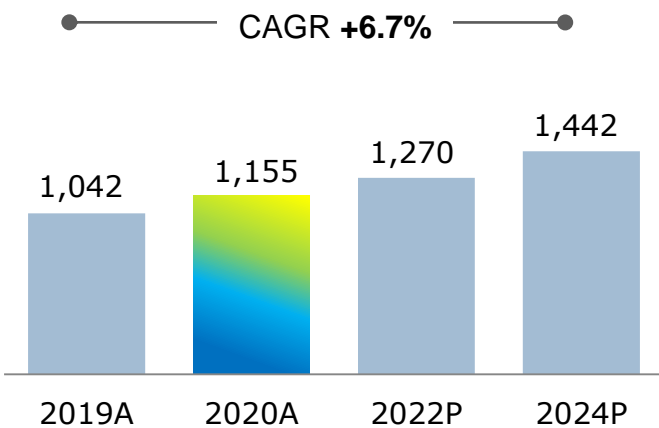
**150+**  
«Smart Comp»  
composters in 2024

***Acea as a leading player in infrastructure and sustainability***

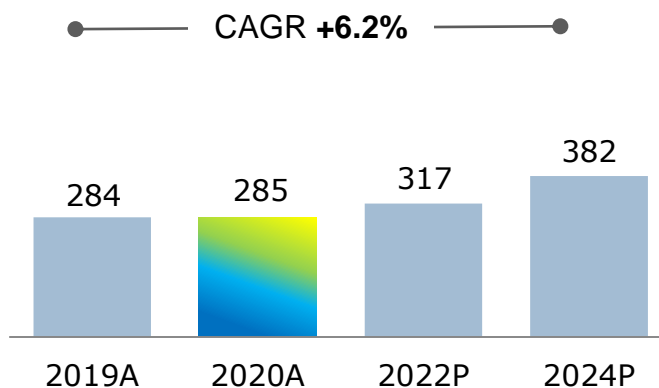
# Strategy and targets

## Key financials

### EBITDA | M€



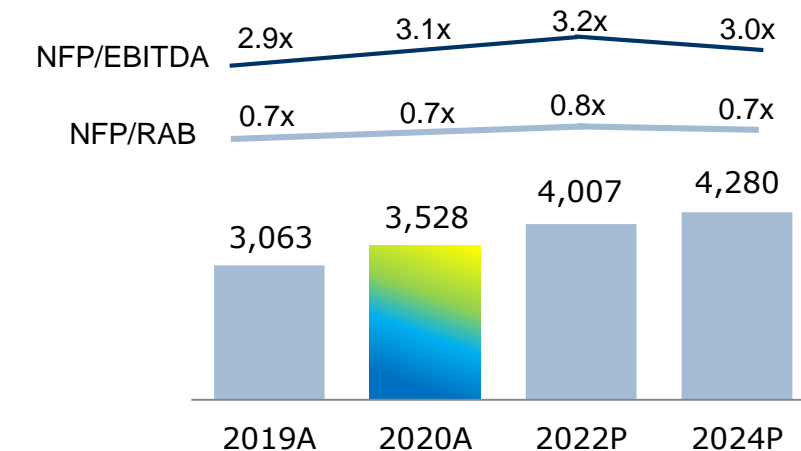
### Net Income | M€



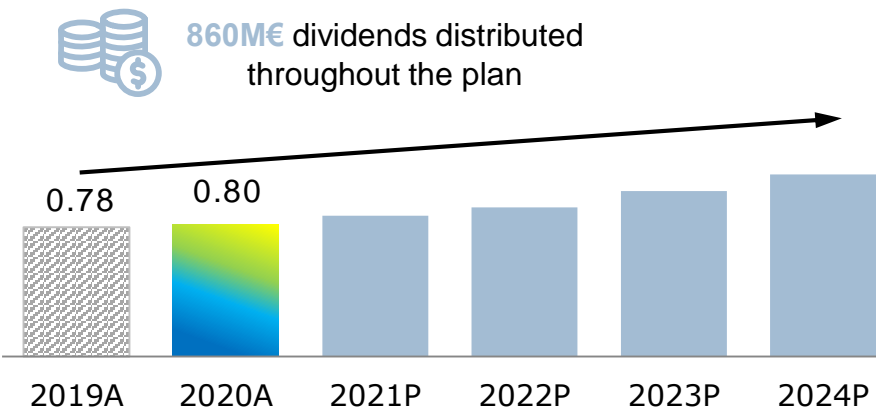
### 2021 GUIDANCE

EBITDA +6%/+8% versus 2020  
 CAPEX ~ €900M  
 NET DEBT: €3.85 ÷ €3.95B

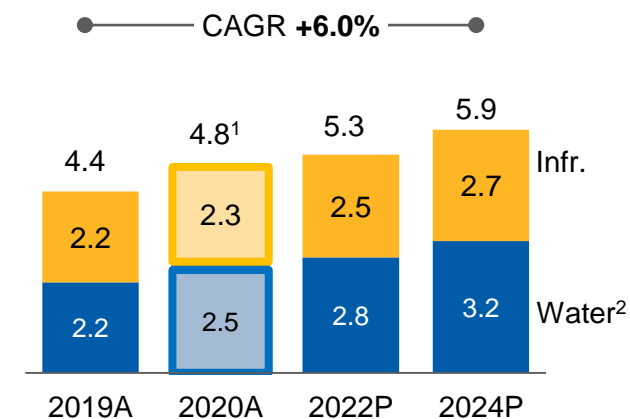
### NFP | M€



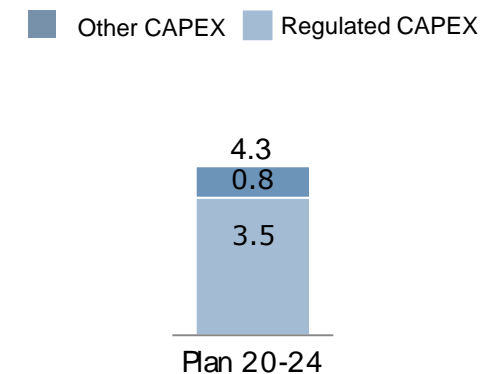
### Dividend per share | € / share



### RAB | B€



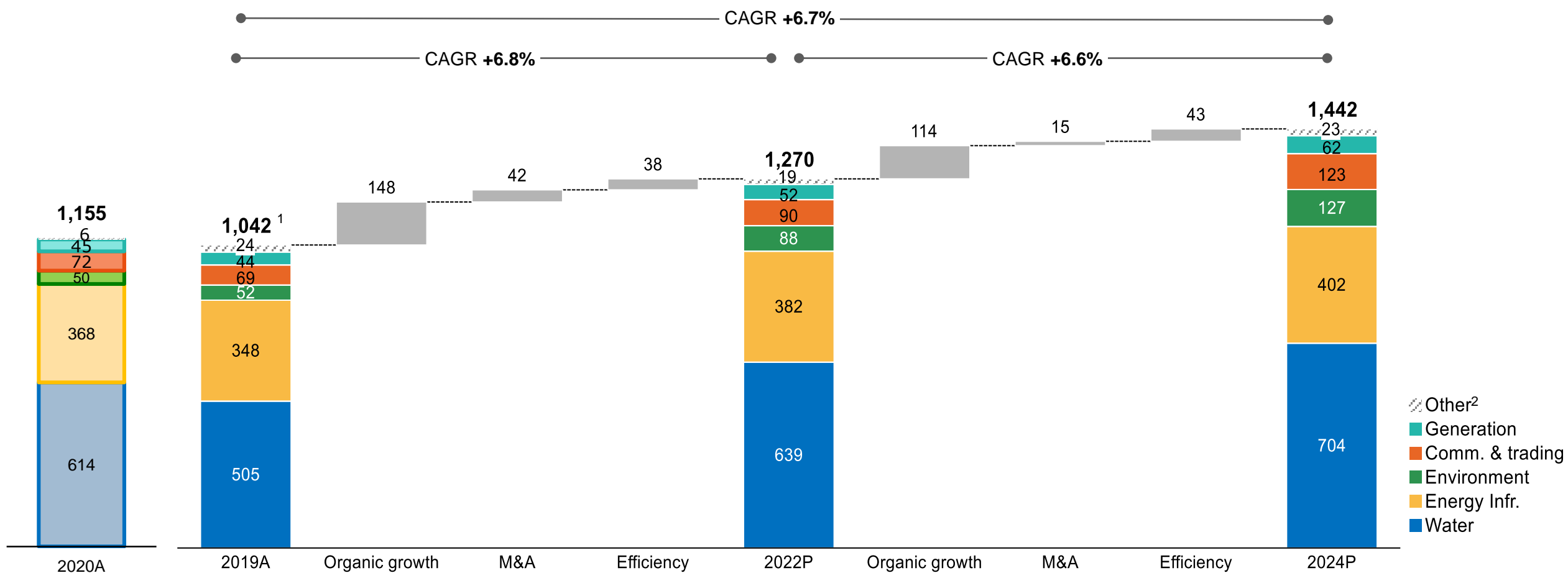
### Cumulative CAPEX | B€



# Strategy and targets

## Key financials

### EBITDA | M€

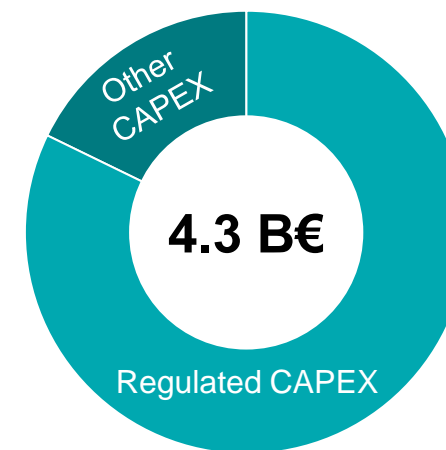
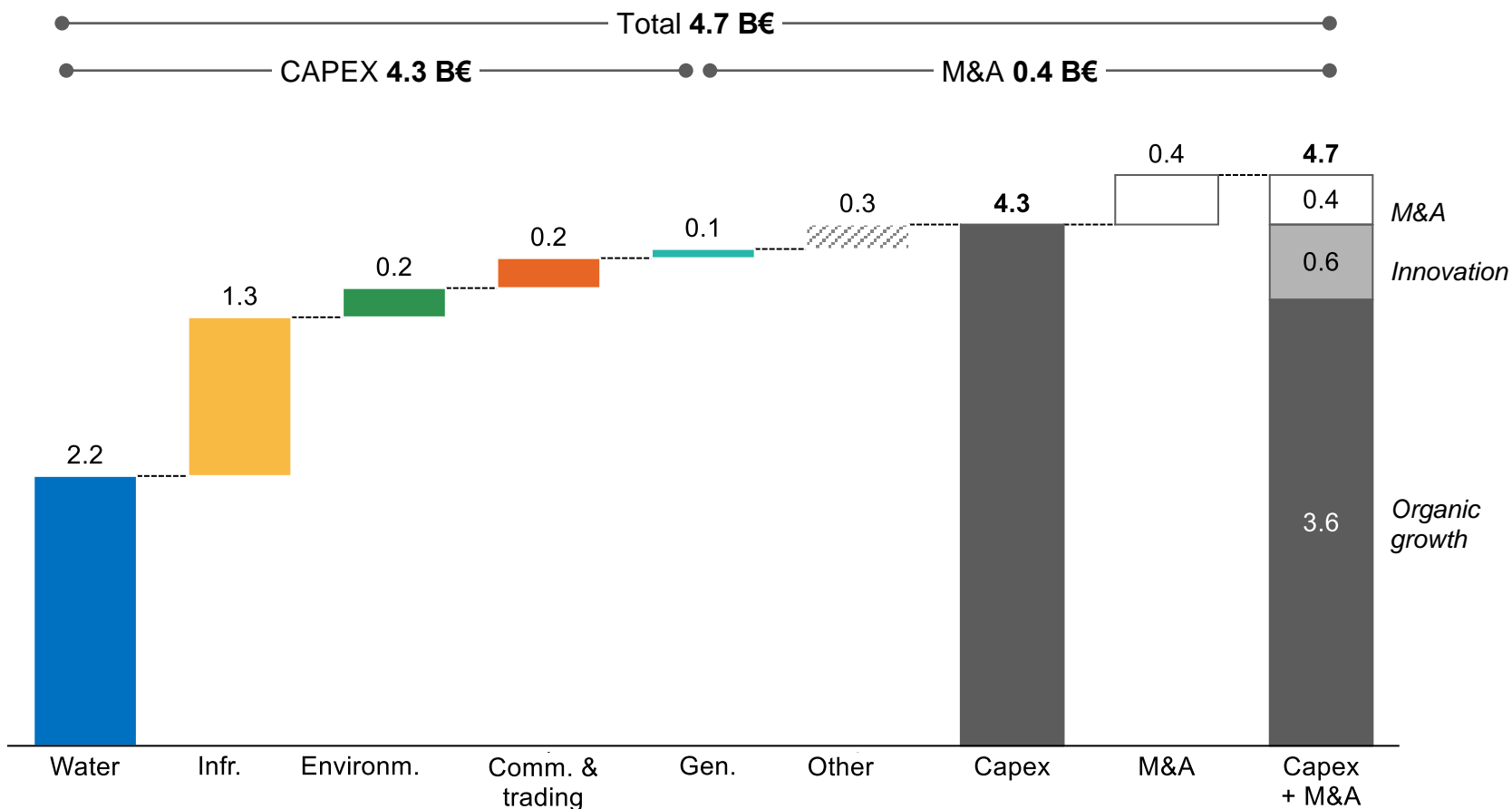




# Strategy and targets

## CAPEX and M&A

### CAPEX e M&A evolution | B€



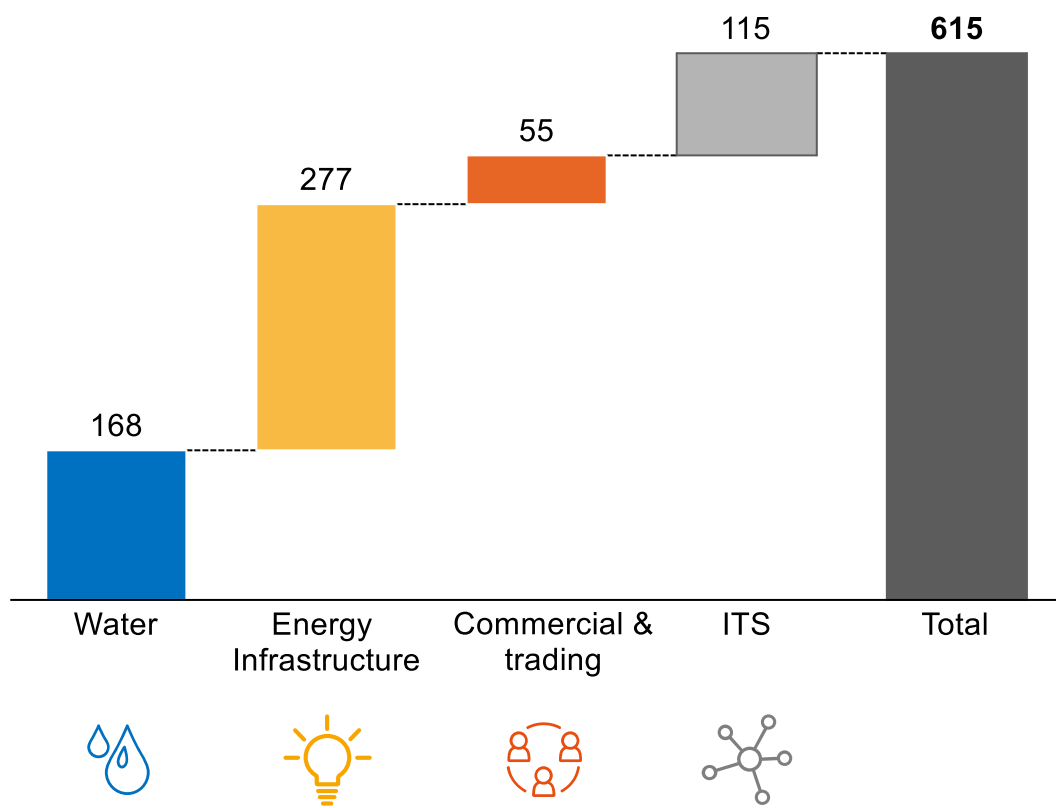
More than 80% RAB investments

# Strategy and targets










## Innovation as a driver for growth

### INNOVATION

#### Capex related to Innovation | M€, 2020-2024



#### Selected initiatives

-  **500k+ smart meters** installed
-  Grids' performance optimization through **Water Management System**
-  **1.3M 2G smart meters** installed
-  New **Control center** for grids' management
-  **+100K digital customers** (acquired through digital channels)
-  **2,200+ EV charging stations** installed
-  **150+ "Smart Comp"** composters installed
-  Corporate **data lake** and **data-driven** asset management (*data-driven company*)
-  Development of new Salesforce **CRM platform**



# More than 2B€ related to specific sustainability targets with highest relevance and priority to the Group

## SUSTAINABILITY

### Sustainable Development Goals (SDGs)

Related to investments in sustainability

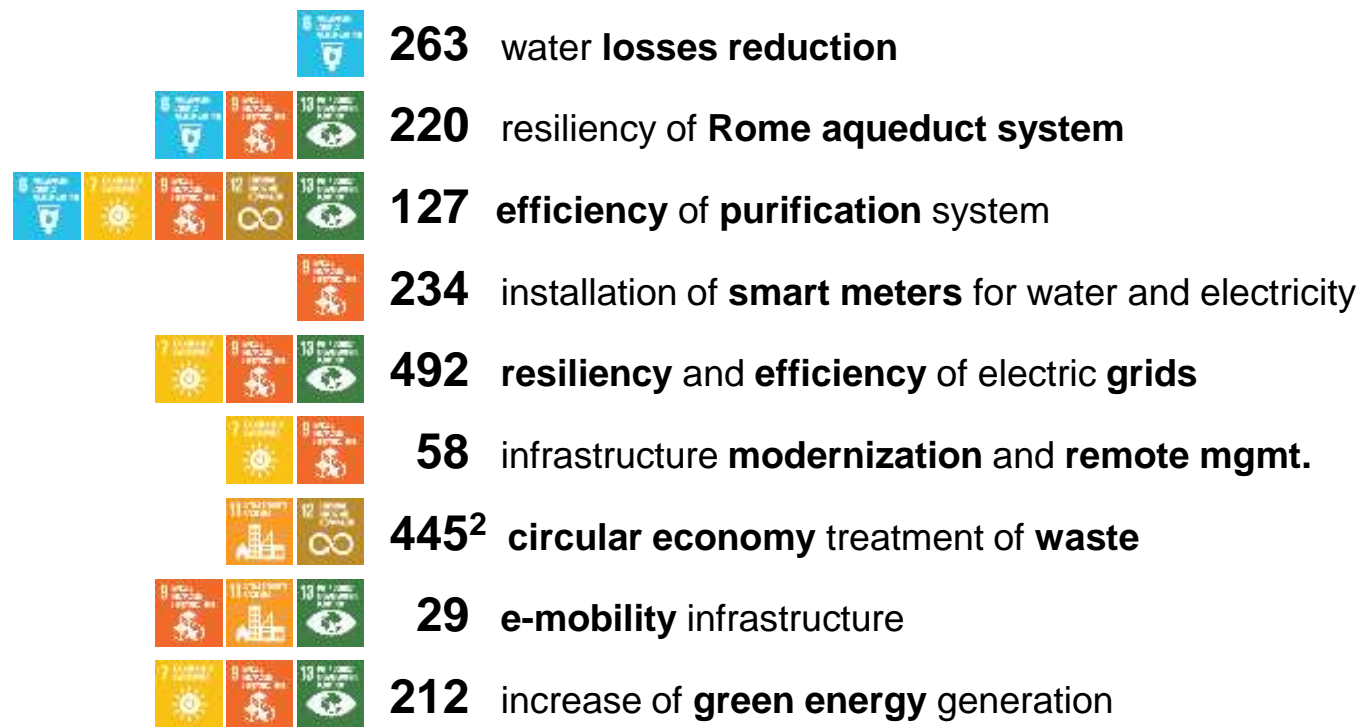


Acea sustainability rating

<b>A-</b> Leadership	<b>EE</b> Positive	<b>78/100</b>

### CAPEX related to sustainability targets | M€, 2020-2024

**2.1B€** of investments related to **sustainability** targets over the plan (+400M€<sup>1</sup> vs. previous Business Plan):

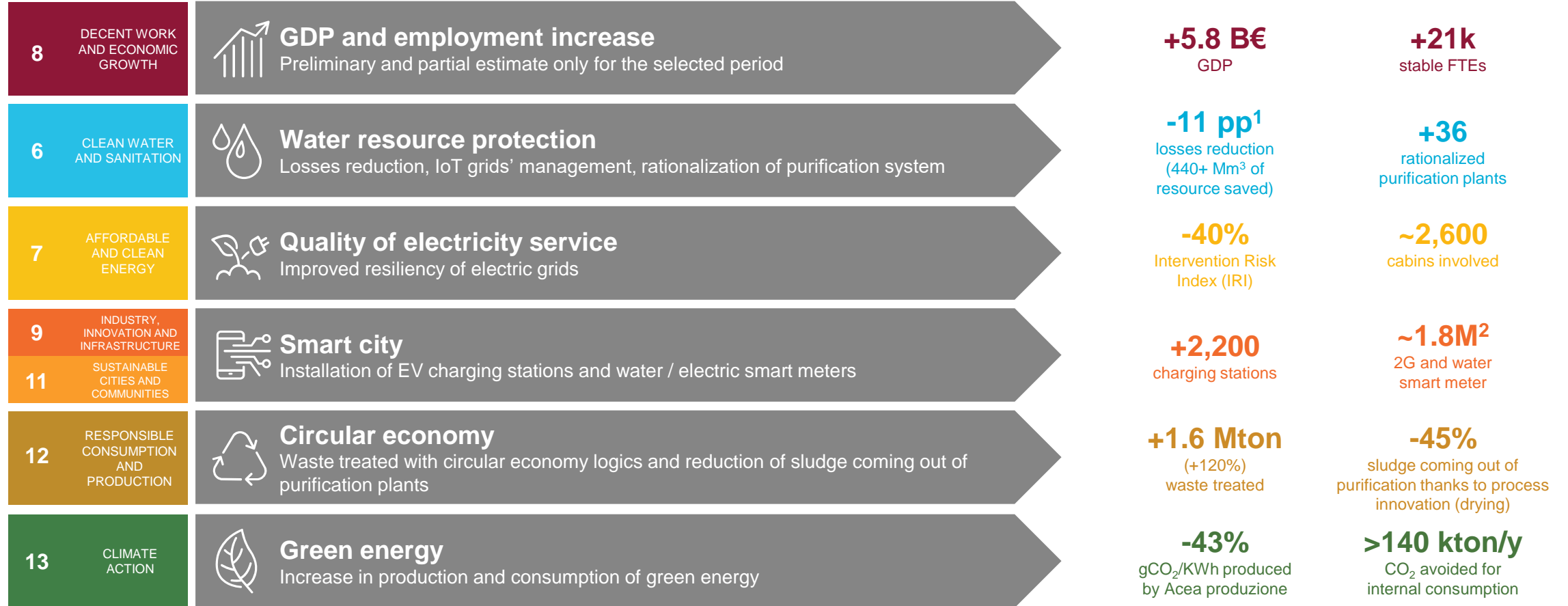




# New and more challenging targets vs previous business plan

## SUSTAINABILITY

### Acea targets at 2024 (vs. 2019)



# Strategy and targets

## Solid financial structure

### Highlights

#### Rating

	
<b>BBB+</b>	<b>Baa2</b>
<i>Outlook stable</i>	<i>Outlook stable</i>

#### Debt

##### As of March 31, 2021

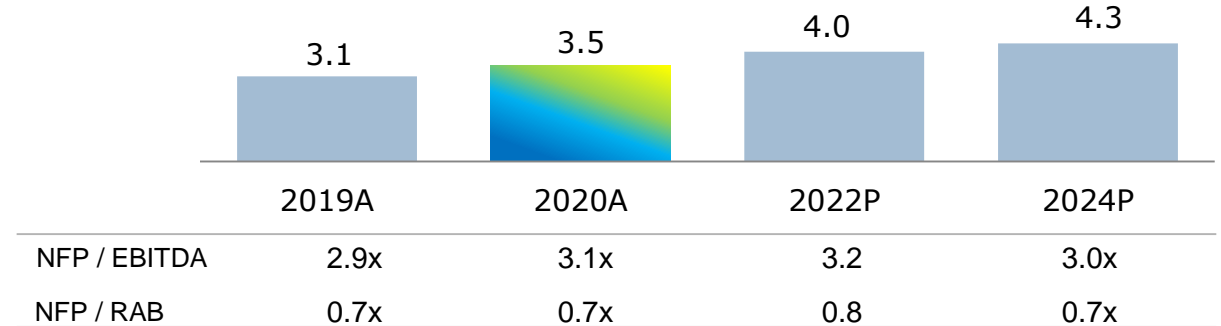
- **5.6 years** average debt duration
- **1.44%** average cost of debt
- **84%** fixed rate debt

#### Green Bond

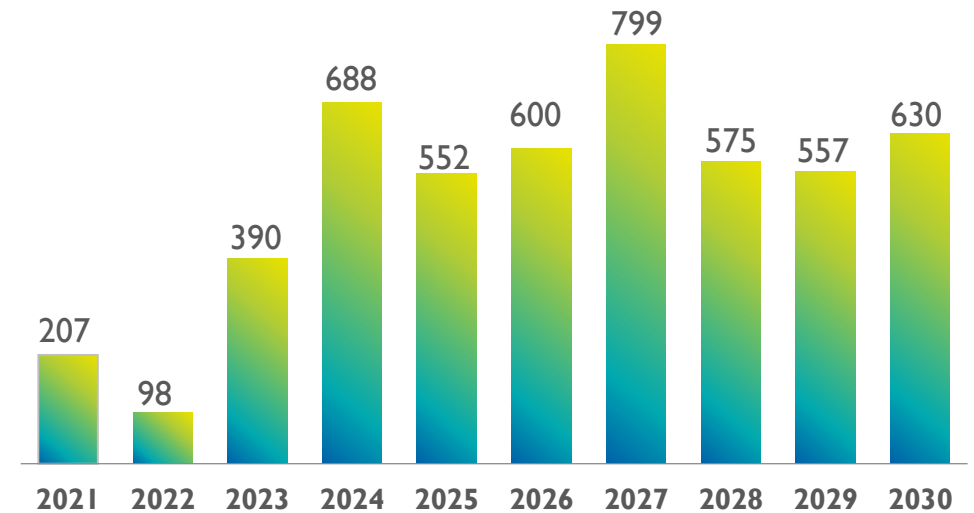
January 21st, 2021 – Acea successfully completed its first green bond issuance worth €900m in two tranches, under the Green Financing Framework and form part of €4bn EMTN programme:

- first tranche of €300m, coupon 0%, maturity September 28th, 2025
- second tranche €600m, coupon 0.25%, maturity July 28th, 2030

#### Net Financial Position | B€



#### Financial maturities as of March 2021 | M€



# Agenda



ACEA GROUP TODAY



## BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



CLOSING REMARKS

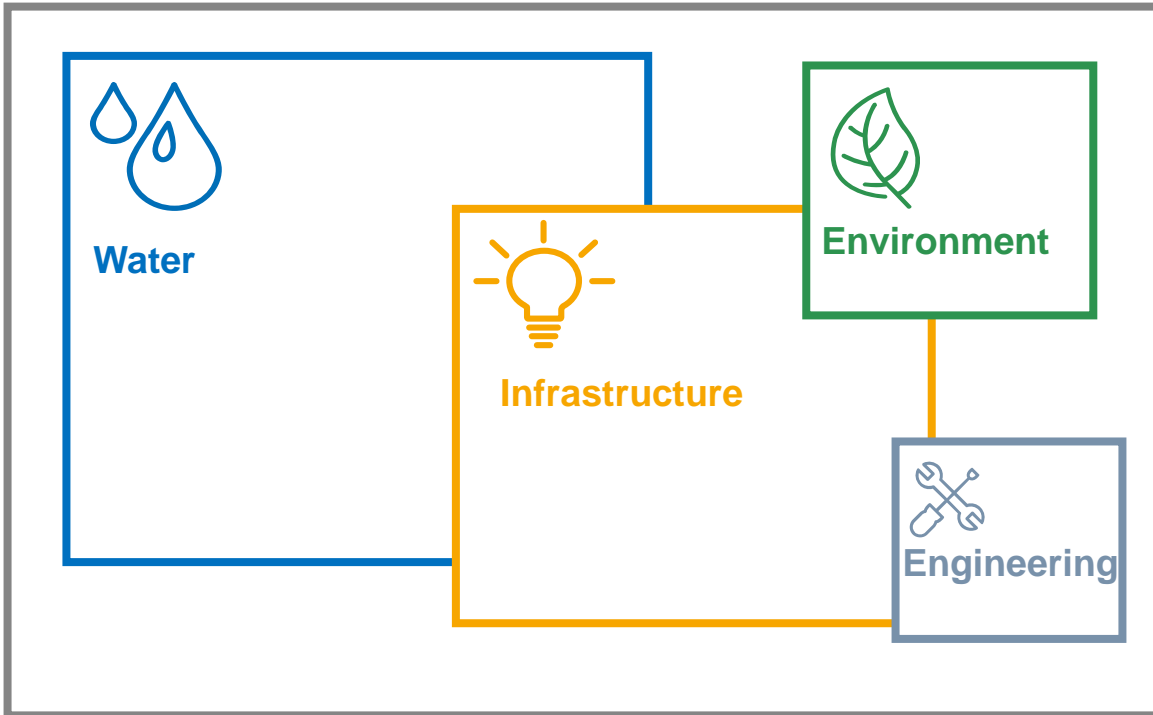


Q&A

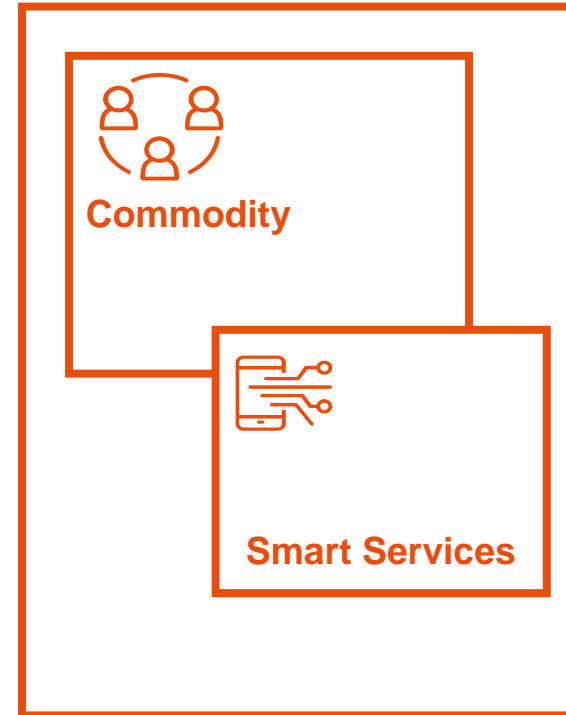
# New organizational structure to maximize the value generated from the portfolio of businesses

## NEW ORGANIZATION

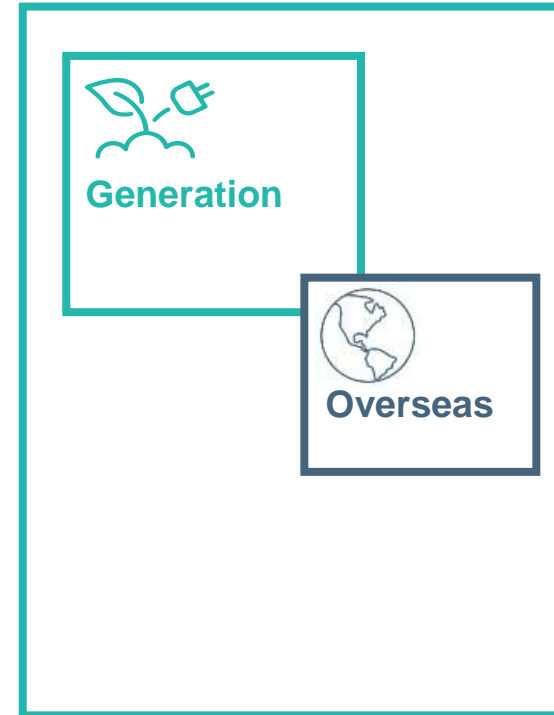
### Operations



### Commercial



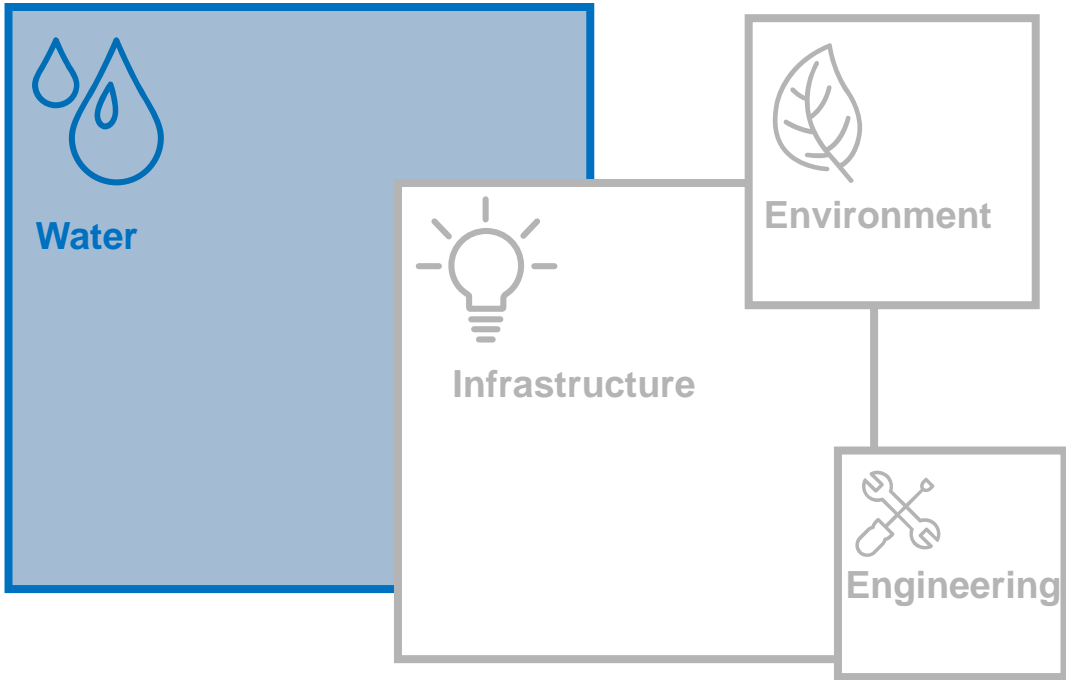
### Generation / overseas



# Agenda

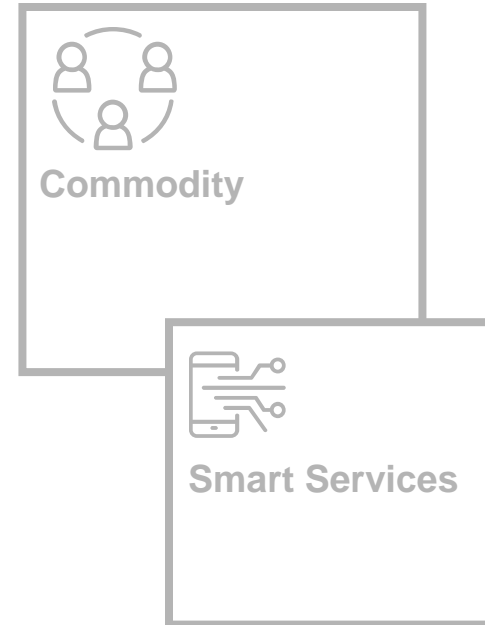
## Operations

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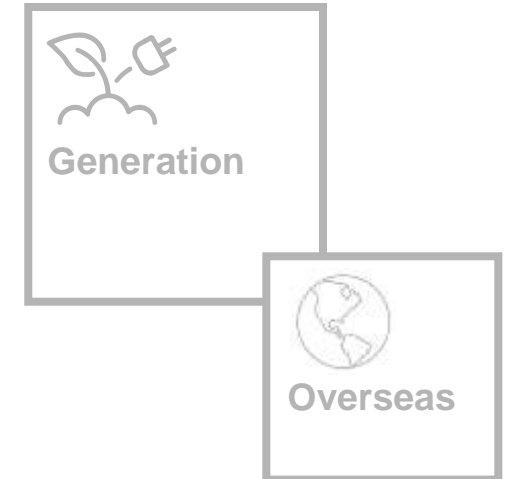
## Commercial

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## Generation / overseas

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Development of a  
**Smart Water Company**  
for the **sustainability** of  
the water resource  
through improved  
**quality** and **efficiency**

**Expansion** through  
**tenders** in new  
territories



**Smart water meters** installation plan and projects for **grids' districtualization**

**+500k**  
Smart meters installed



On-going pursuit of **water resource protection** and **losses reduction**

**-11 pp**  
water losses<sup>1</sup>



Rationalization of small **water purification plants**

**36**  
Rationalized plants



Grids' **performance optimization** through **Water Management System**

**-15 pp**  
Failures incidence



Ensuring **water supply continuity** through the **doubling of Peschiera and Marcio** aqueducts

**170 M€**  
CAPEX

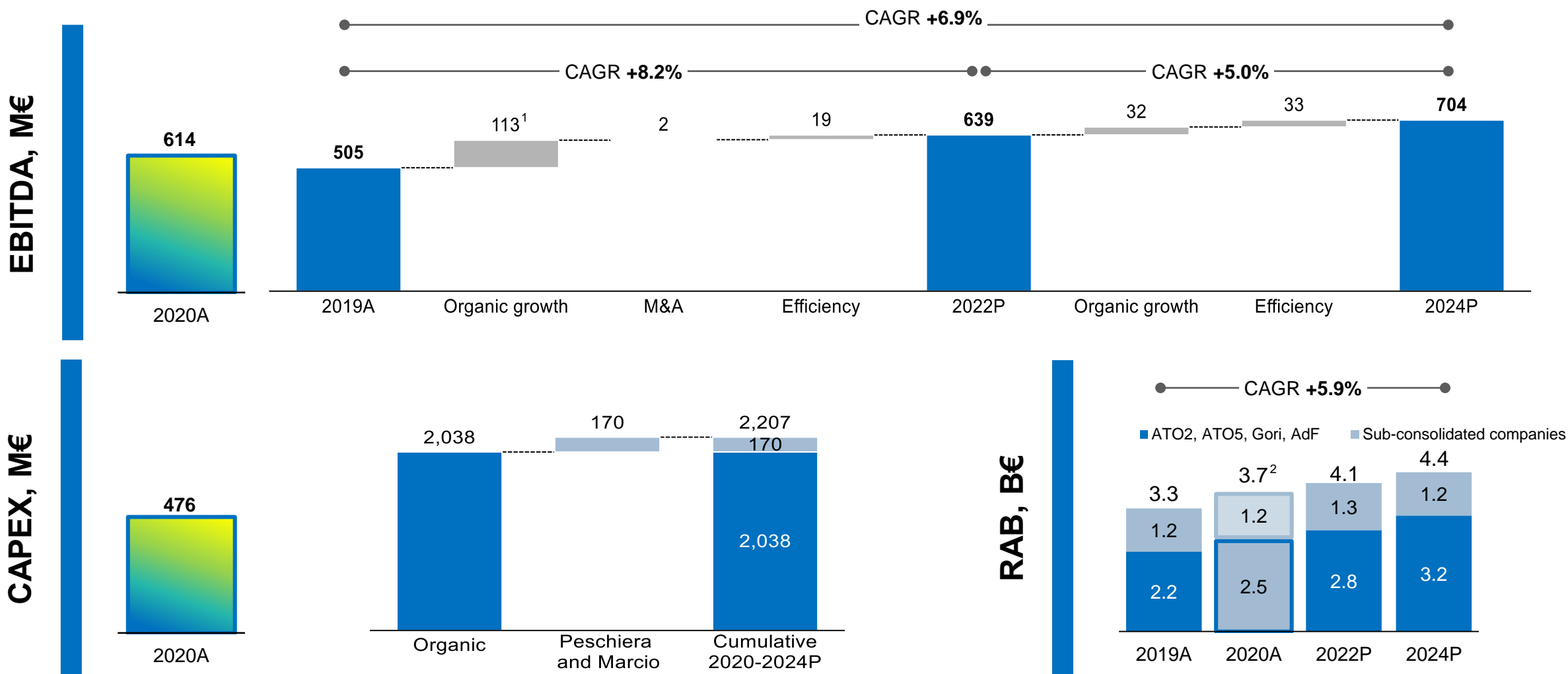


**SII Terni full consolidation** (32 municipalities in the Province of Terni; November 2020)

**>220K**  
CLIENTS SERVED



# Water Key financials

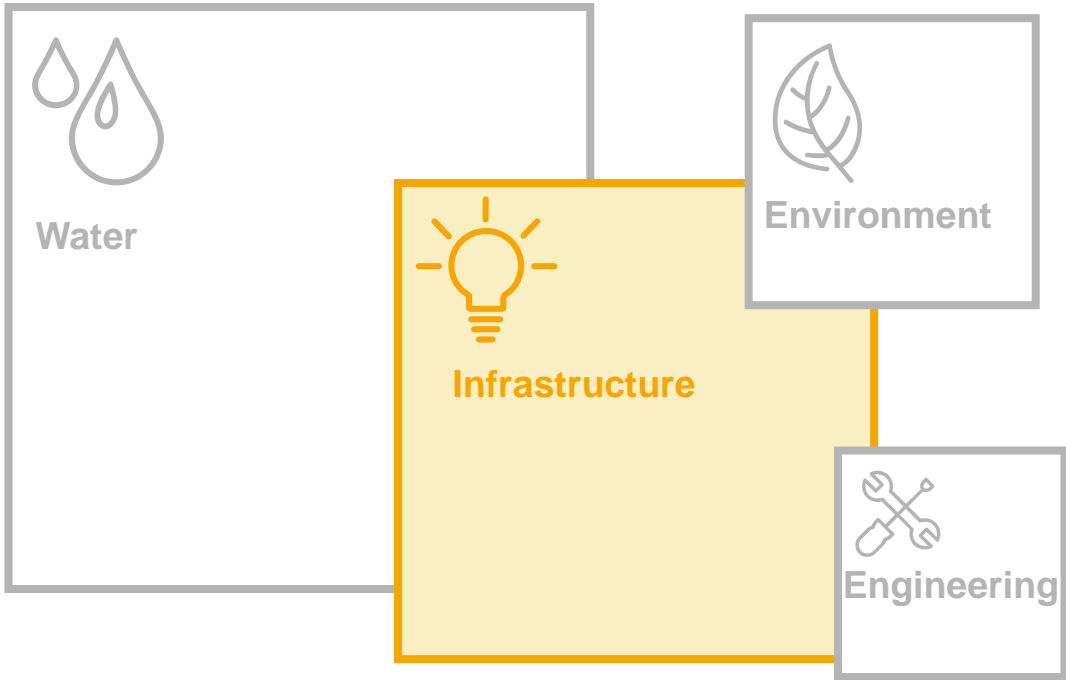


Notes: Key financial also include numbers from the gas distribution business; (1) ~50 M€ related to the changes in the consolidation perimeter of AdF  
(2) Estimated value

# Agenda

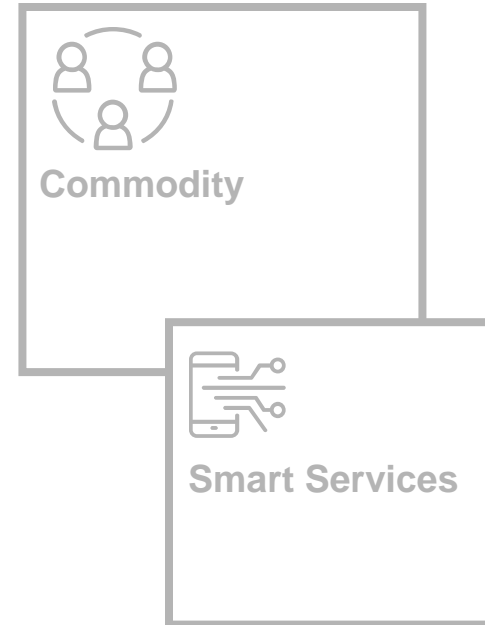
## Operations

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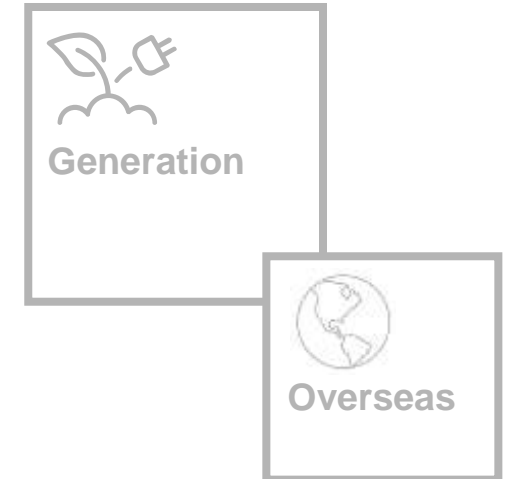
## Commercial

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## Generation / overseas

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A leading player in the  
**energy transition**  
process through  
projects aimed at  
**increasing**  
**electrification** and  
integration of the  
distributed generation



**Investments in grids' resiliency** with upgrades on **specific cabins** rewarded with a premium vs. the reference WACC

**145+ M€**  
CAPEX



**Digitalization** through remote control and **IoT solutions** on private and public grids

**60%+**  
MV/LV cabins



**Development work on grids** to reflect new regulation on **service continuity** (penalty suspension recognized)

**155+ M€**  
CAPEX



Installation of **2G smart meters**

**1.3 M**  
installed meters  
at 2024



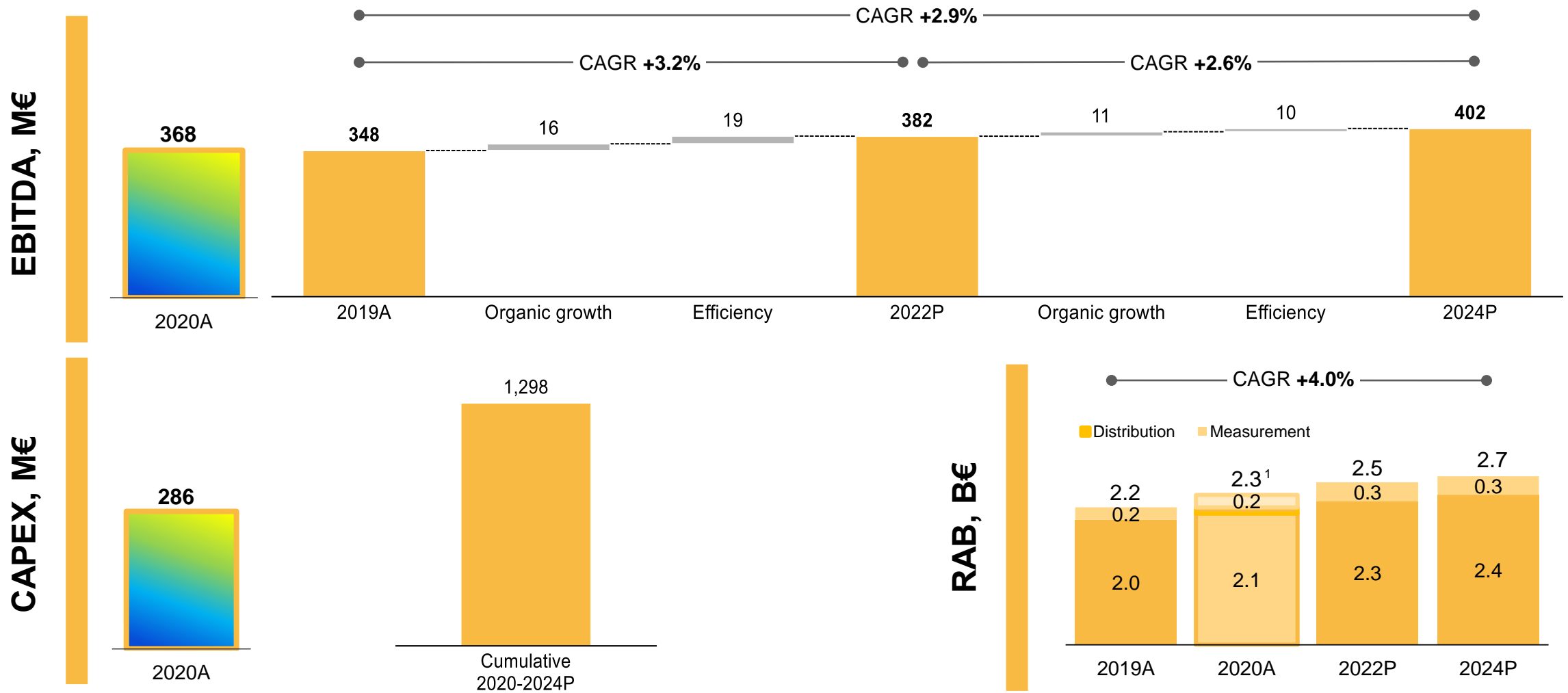
New **Control center** for grids' management

**13+ M€**  
CAPEX



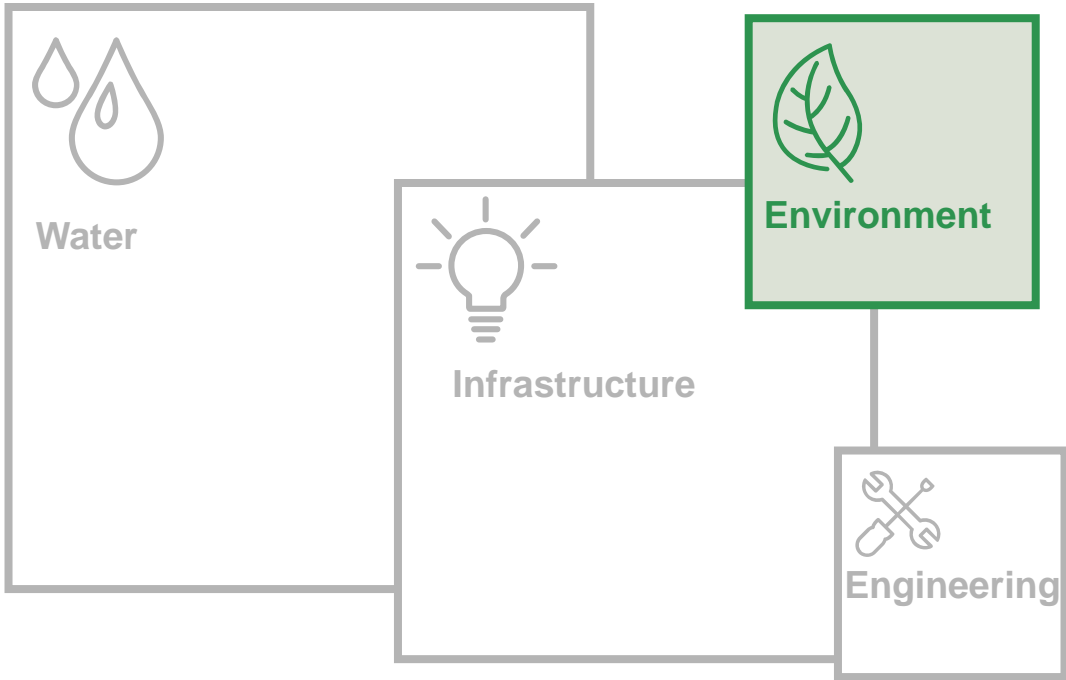
# Energy Infrastructure

## Key financials

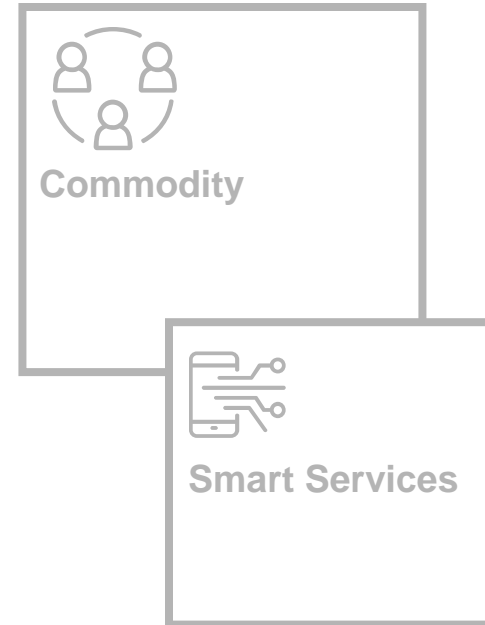


# Agenda

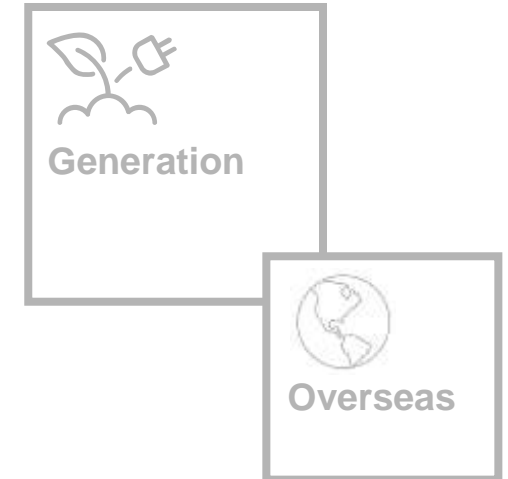
## Operations



## Commercial



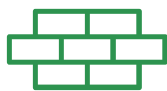
## Generation / overseas





Market consolidation towards **circular economy** also with a «**one-stop-shop**» approach

Acceleration to **close the waste loop** in Central Italy



«**Core business**» consolidation in energy recovery (WtE), disposal of non-separated waste, and disposal / treatment of organic waste

**+0.5 Mt/y**  
added capacity at 2024



Strengthening of the **Waste-to-Material (WtM)** chain with **circular economy approach** (e.g. plastic, paper, ...)

**+0.6 Mt/y**  
added capacity at 2024



**Further development** of the **special waste segment** promoting synergies with Water (e.g. sludge) and WtE (e.g. ashes) segments

**+0.5 Mt/a**  
added capacity at 2024



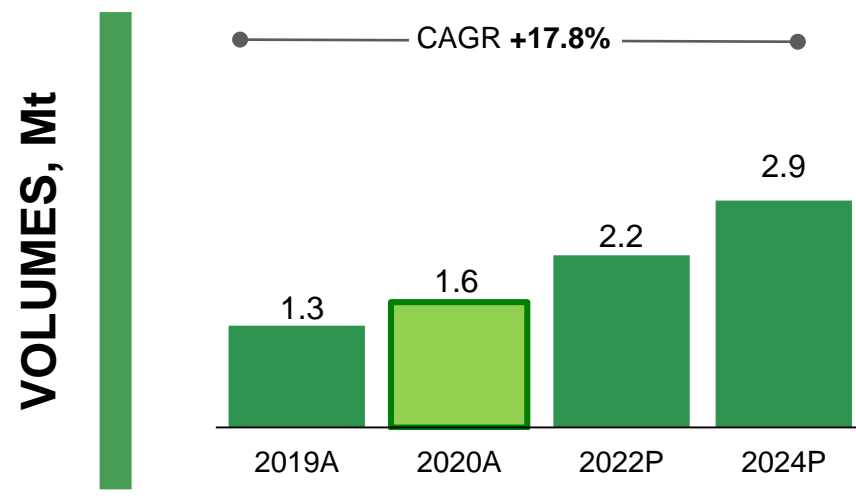
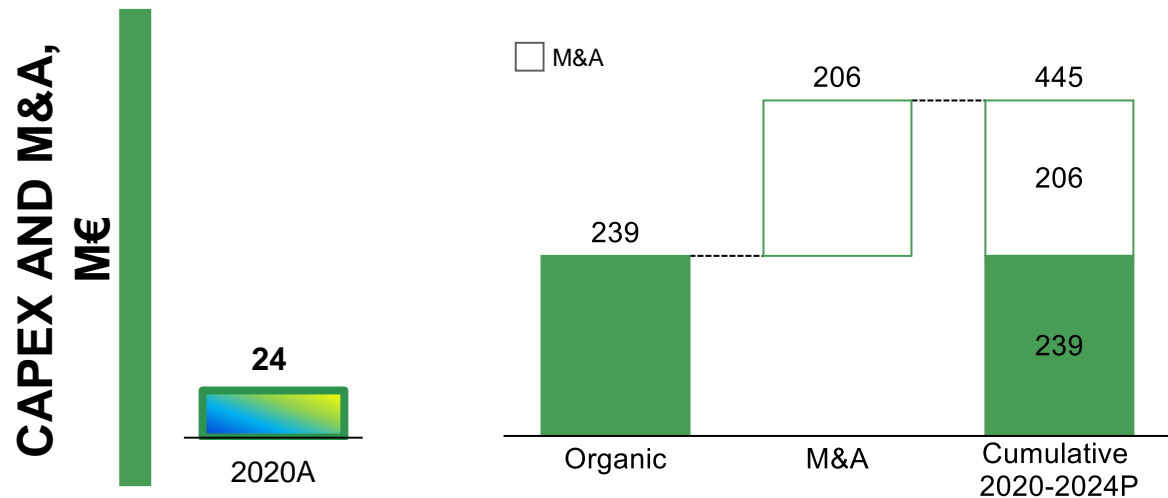
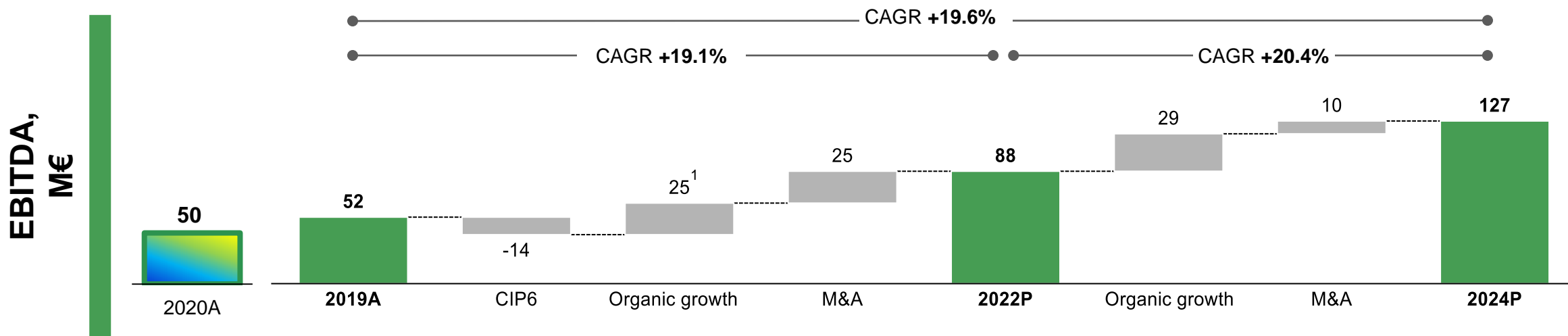
Value creation from the **post-merger integration** of acquired companies and **development of industrial synergies** through operating model commissioning and control systems integration

**15+**  
acquired plants at 2024



# Environment

## Key financials



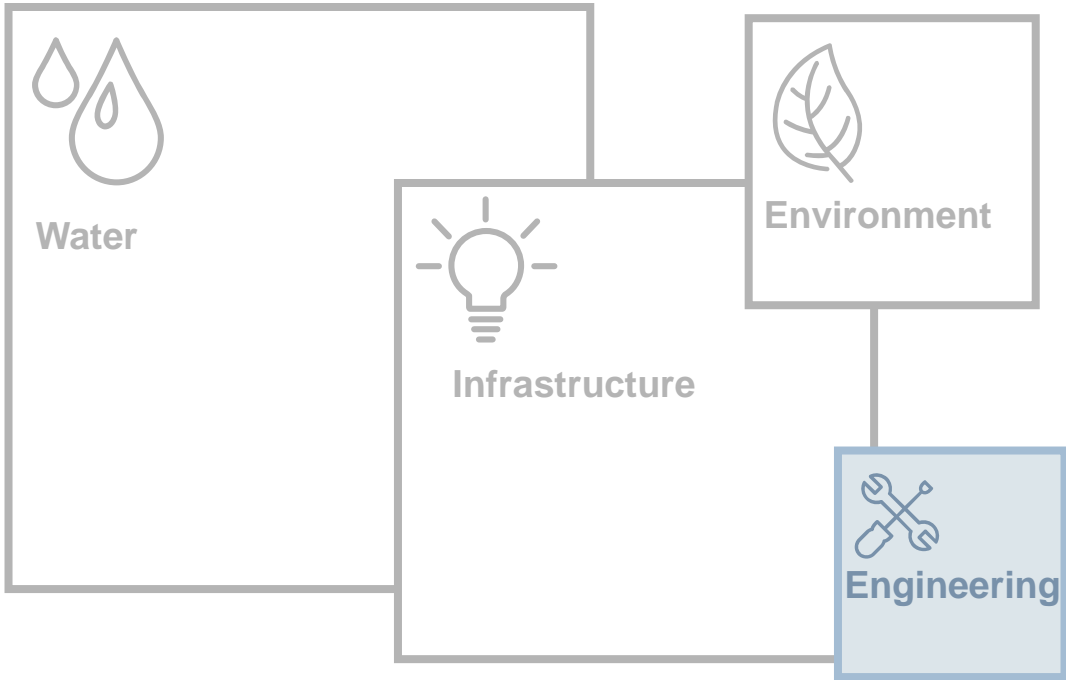
Note: (1) Includes growth related to M&A already closed as of September 2020



# Agenda

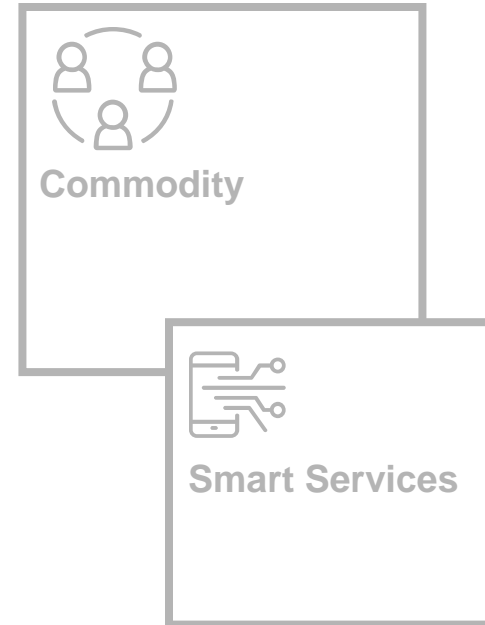
## Operations

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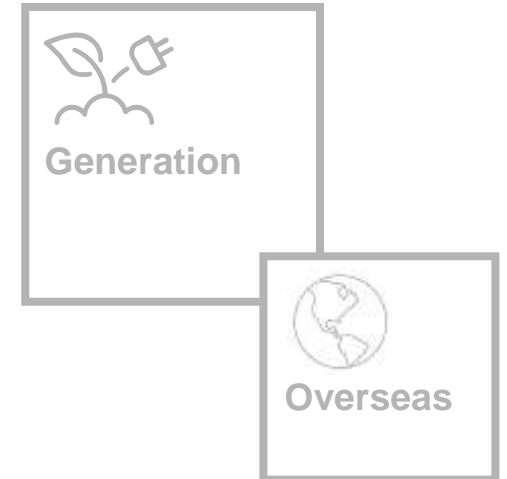
## Commercial

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## Generation / overseas

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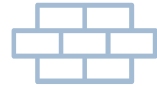




# Engineering & services

## Main initiatives

Development of a **building oriented company** tasked with turnkey management of **construction and engineering** activities



**Integration** of the acquisition of **SIMAM** and focus on core **engineering activities**

**+10 M€**  
2024 EBITDA



Construction of plants through **internalization of construction activities** with an EPC view

**+440 M€**  
realized plants at 2024



**Performance improvement** to reduce unitary costs related to SII

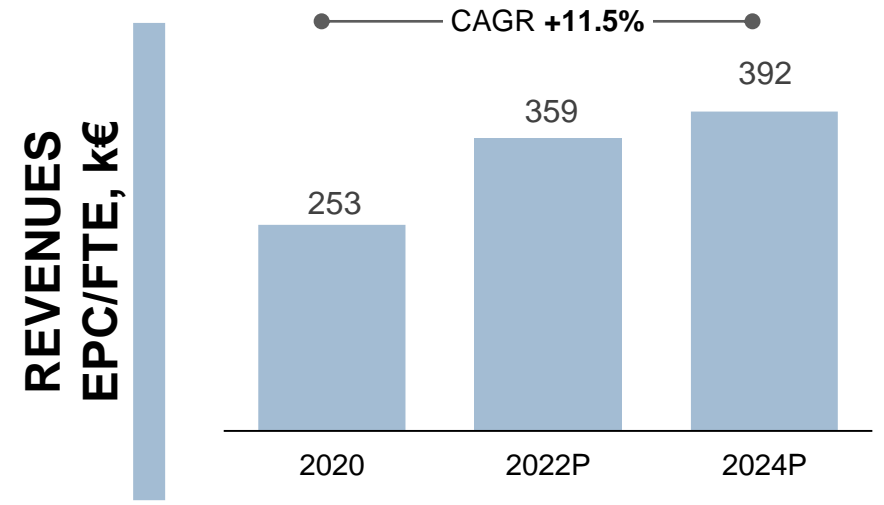
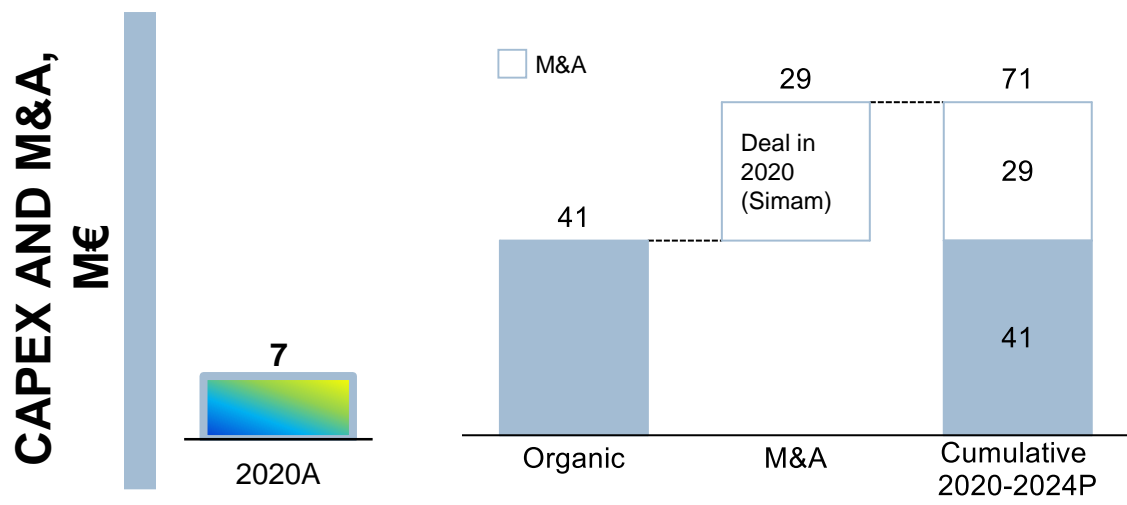
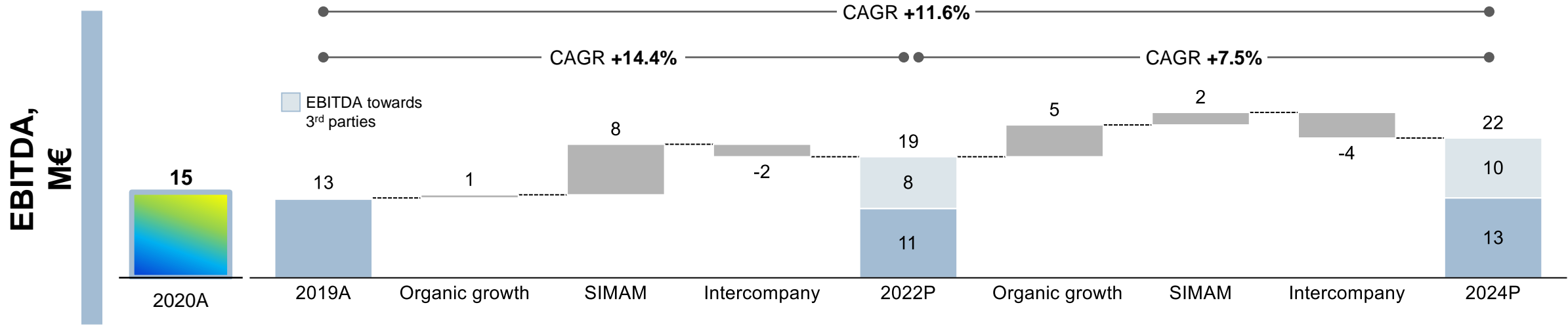
**+20%**  
general contractor margin insourcing



**End-to-end management of investment** with reduction of execution time and strengthening of **laboratory activities**

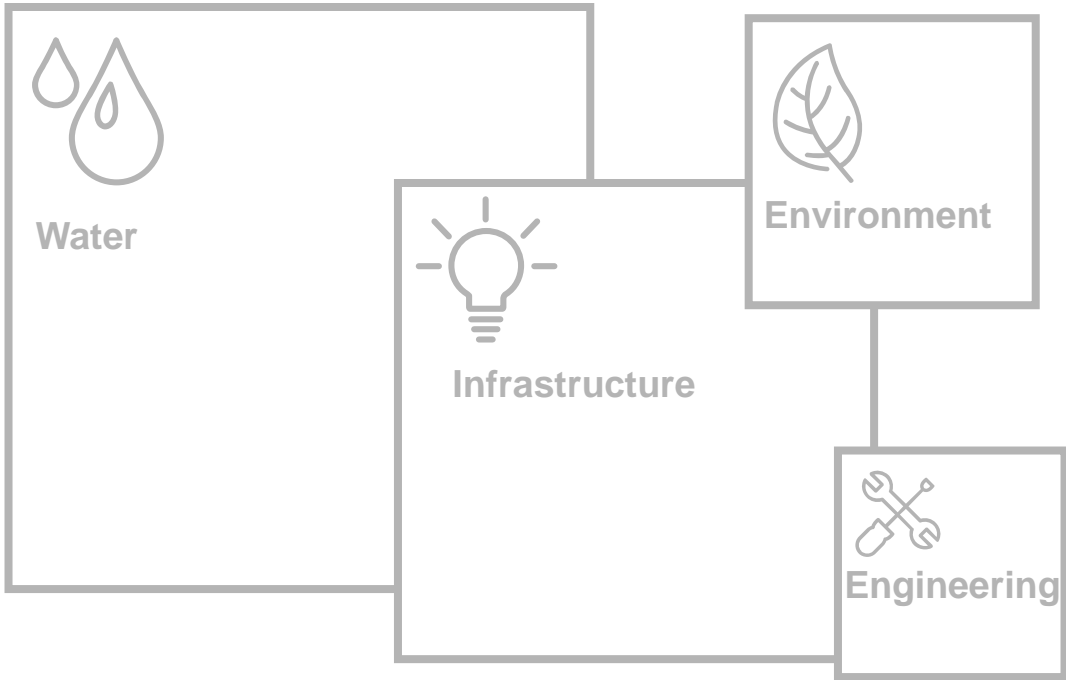


Development of a **commercial unit** to support growth and of a **research center**

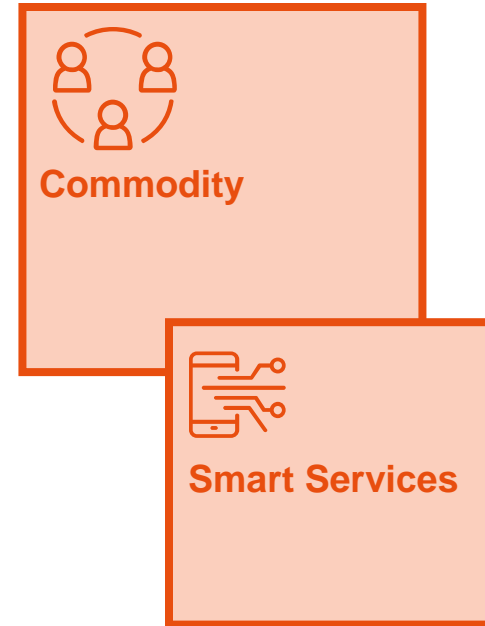


# Agenda

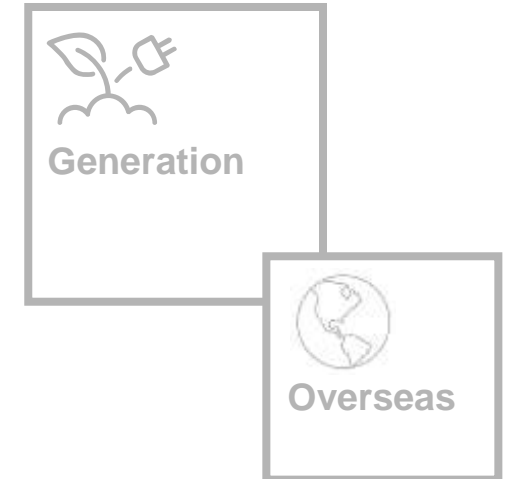
## Operations



## Commercial



## Generation / overseas



## Main initiatives

**Commercial expansion** in the **Center and South of Italy**, supported by **regulated market phase-out** and **«digital» offerings**



Focus on **core territories** with growth in the **Center and South of Italy**

**+240k**  
customers (net growth vs 2019)



**Cross-selling and up-selling opportunities** thanks to regulated market phase-out in 2022

**~700k**  
customers switching to free market



**Boost of dual fuel penetration** (i.e. gas) on the existing customer base

**+80k**  
gas customers vs 2019



**Digital Attack** through a **new platform** for **customer journey** management

**+100k**  
digital customer vs 2019



Commercial & trading: focus on Smart Services

## Main initiatives

Development of a  
**Services-Based  
Company** to  
strengthen the  
relationship with  
customers and  
increase Acea Group  
brands franchise



**Organic development of e-mobility segment** with charging stations increase and value-added services

**2,200+**  
charging stations  
at 2024



Push on **energy efficiency services** leveraging on opportunities from **fiscal incentives**

**100+**  
condominiums  
at 2024



**Installation of «Smart Comp» composters**, managed remotely through an IoT platform developed by Acea

**150+**  
composters installed  
at 2024



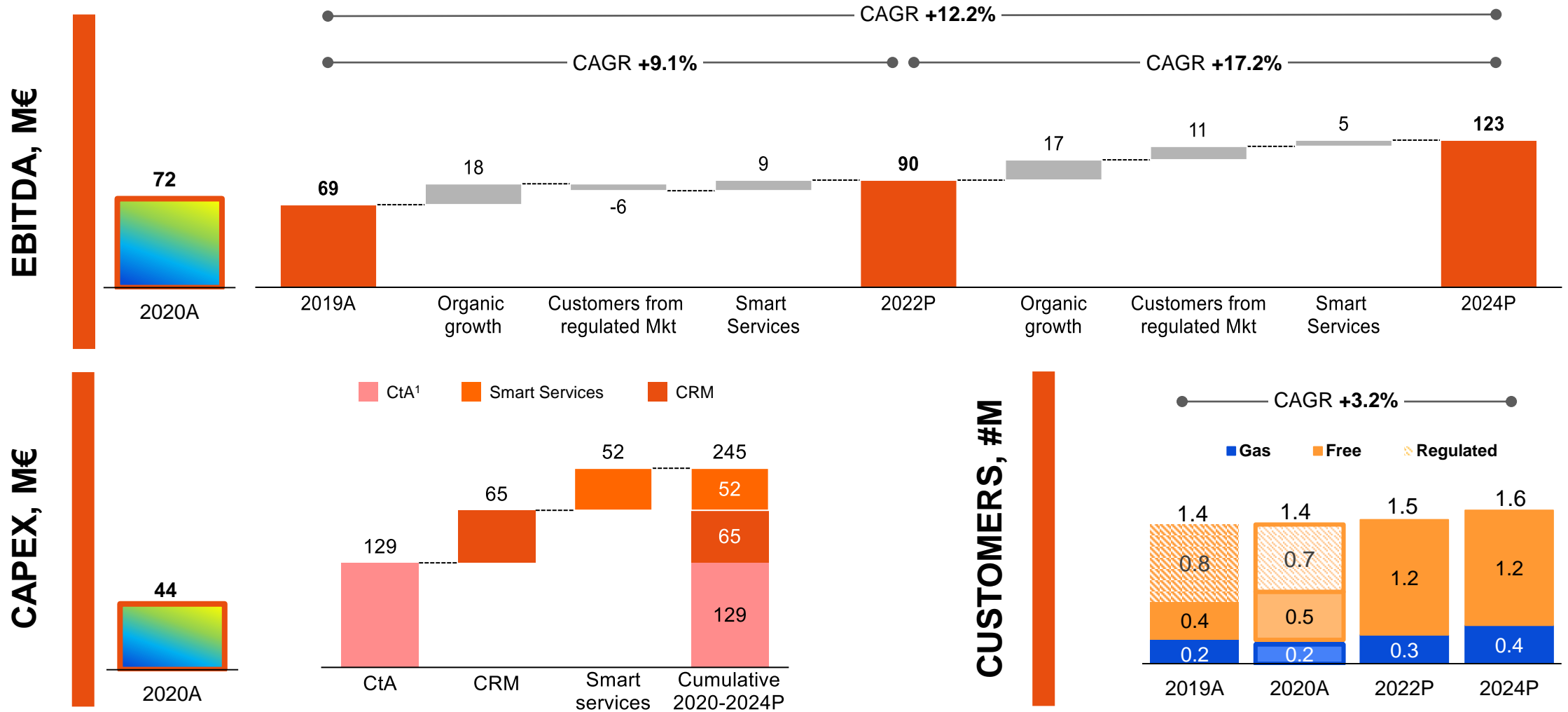
Installation of **residential PV and solar thermal plants**

**~1,000**  
plants installed  
at 2024



# Commercial & trading

## Key financials

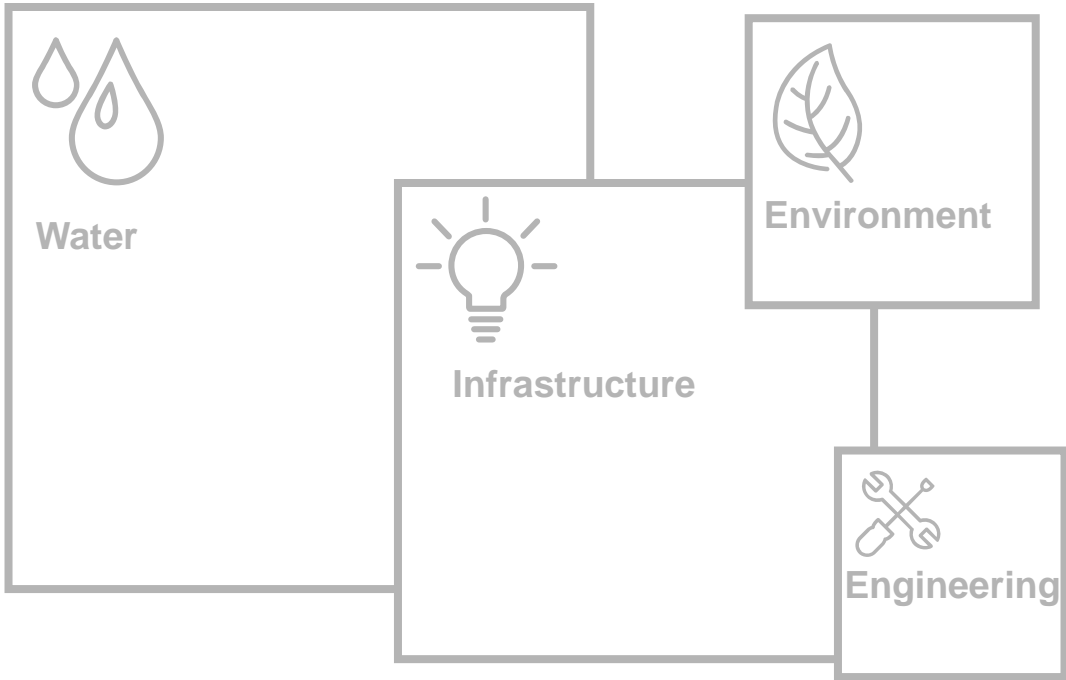


Note: (1) Cost-to-Acquire = cost to acquire new customers

# Agenda

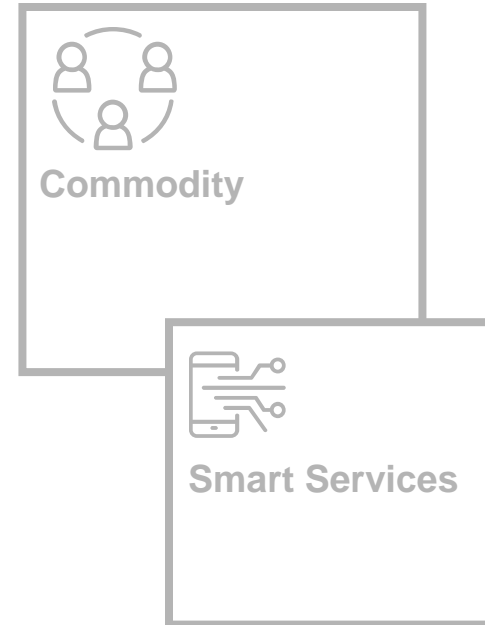
## Operations

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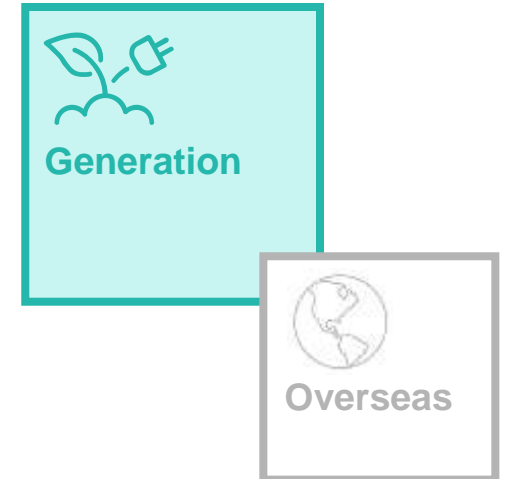
## Commercial

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## Generation / overseas

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**Growth** of **PV** portfolio to exploit opportunities from the **energy transition** and **decarbonization** processes



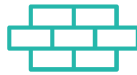
RES growth to exploit **opportunities** from the **decarbonization process**

**747 MW**  
installed at 2024



**Greenfield** development of PV in **industrial and agricultural areas**

**569 MW**  
installed at 2024



**M&A development** to accelerate PV portfolio growth

**178 MW**  
installed at 2024



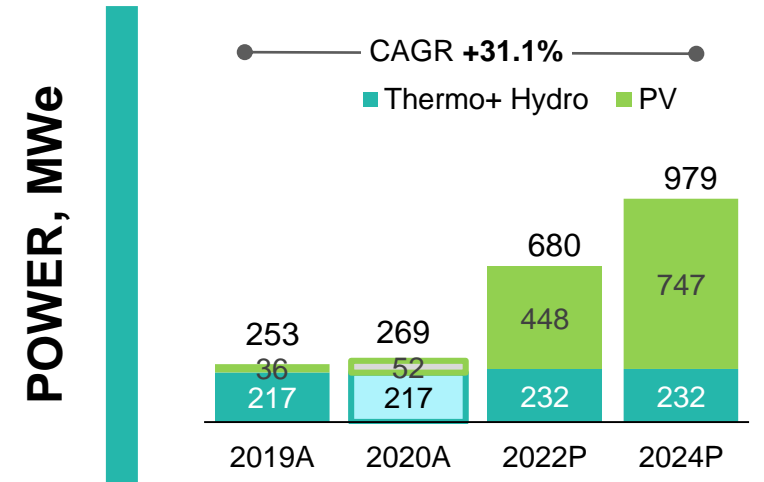
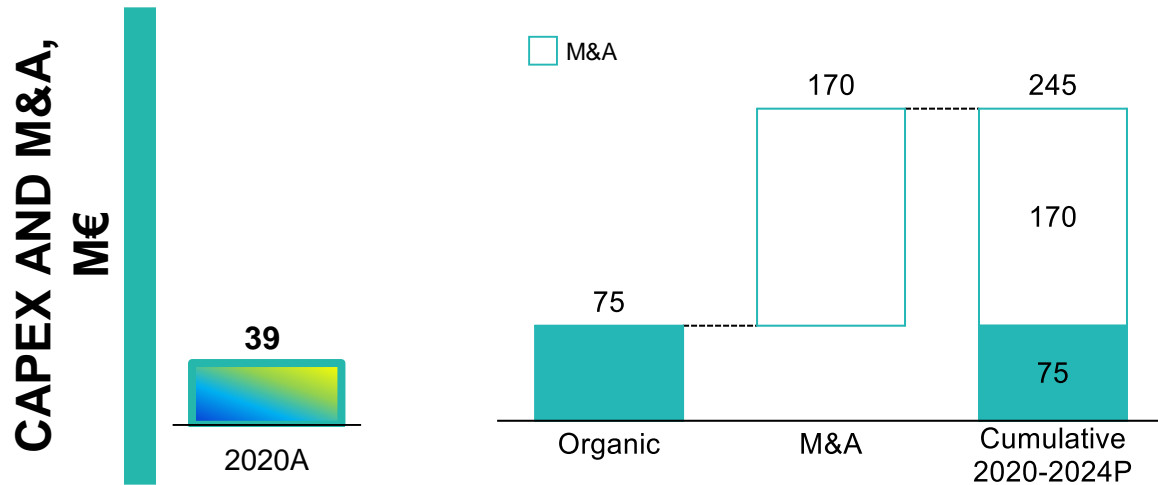
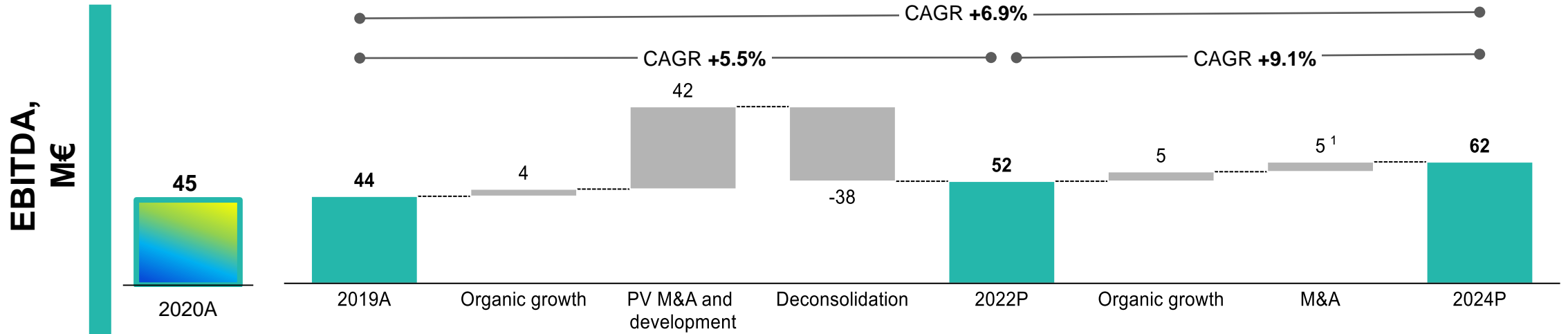
**Deconsolidation** of **PV stake** to reduce financial exposure and focus on PV investments to become one of the **main players** in the sector

**-150 M€**  
NFP deconsolidation



# Generation

## Key financials

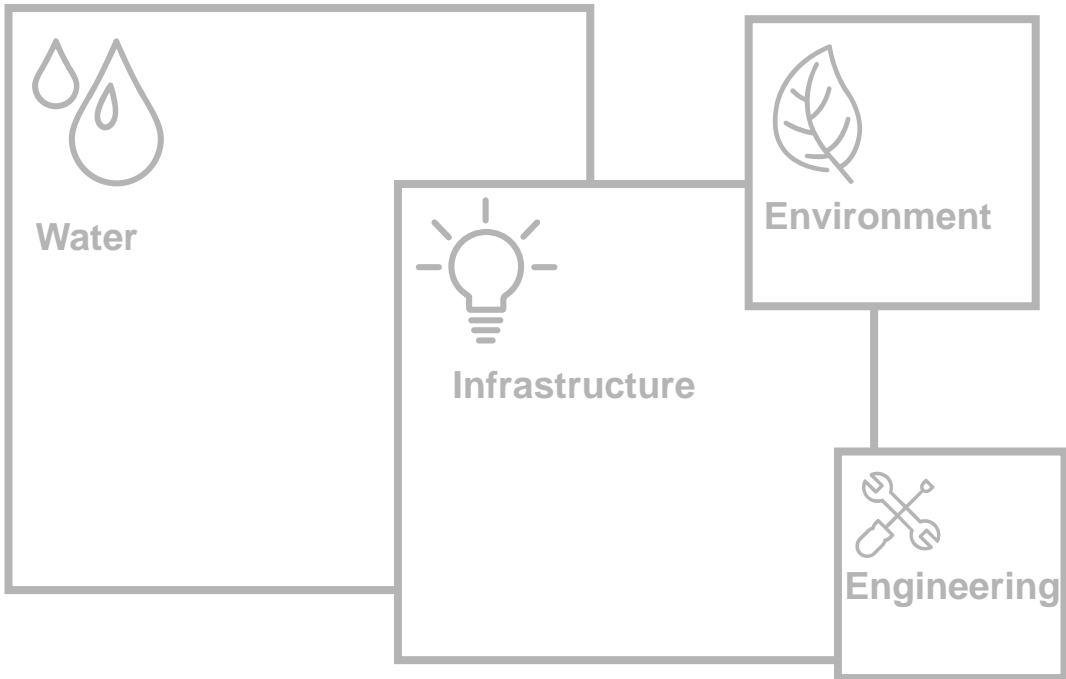


Fonte: (1) Post deconsolidation the EBITDA value is equal to the Net Income pertaining to the company

# Agenda

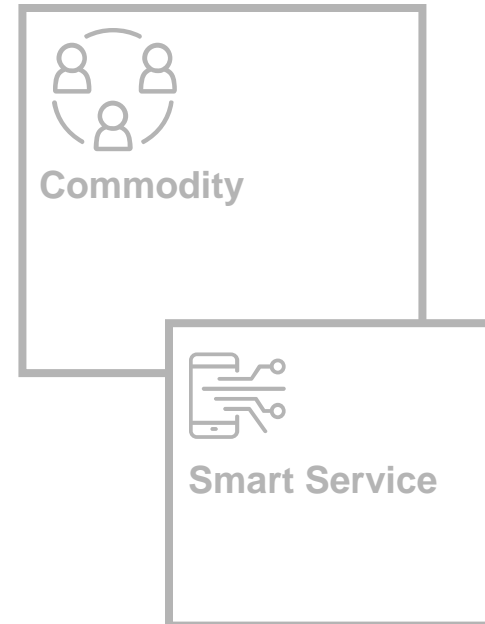
## Operations

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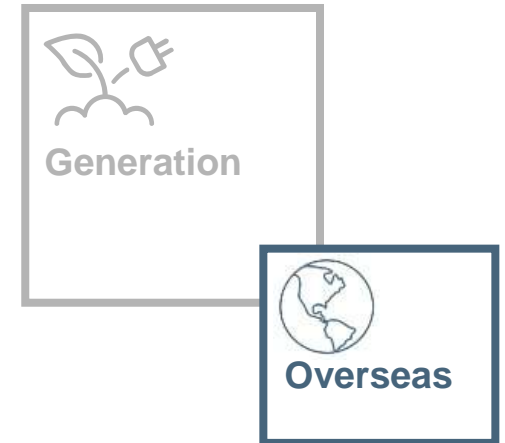
## Market

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## Generation / overseas

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# Overseas

## Current positioning and key financials

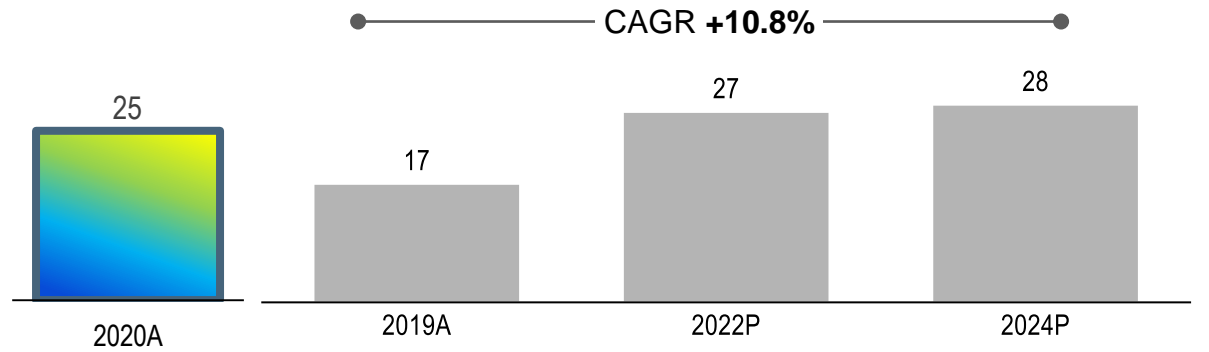
### Current positioning



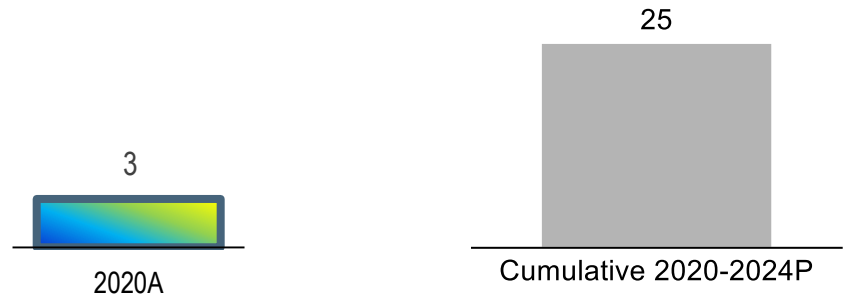
- **Acea International:** overseas holding (management, scouting, tender monitoring)
- **Acea Dominicana:** management of commercial services for the north and east regions of Dominican Republic
- **Consortio Agua Azul:** provision of water and discharge services in the city of Lima
- **Agua de San Pedro:** management of water services for the city of San Pedro Sula in Honduras
- **Acea Peru:** subsidiary established to scout and develop opportunities in the country



### EBITDA | 2019-2024, M€



### CAPEX | M€



Organic growth on the same perimeter

# Agenda



ACEA GROUP TODAY



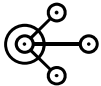
## **BUSINESS PLAN 2020-2024**



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



**STRATEGIC OPPORTUNITIES**







CLOSING REMARKS



Q&A

# Strategic opportunities

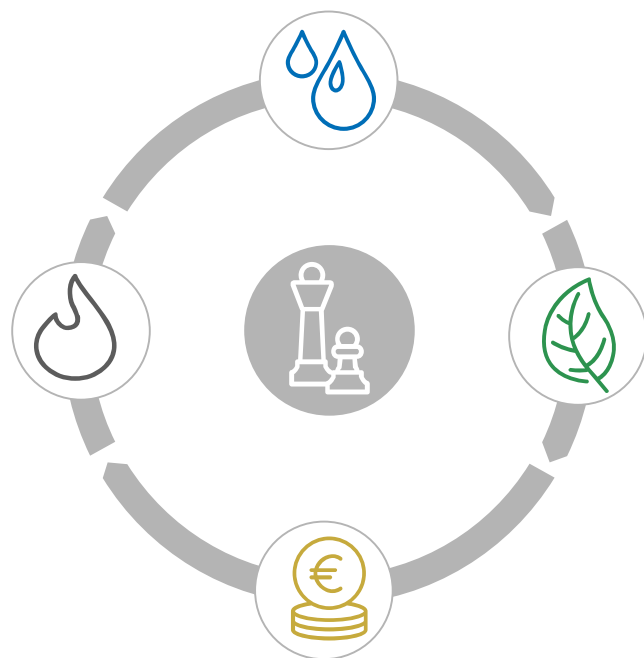
## Additional potential upsides

Selected strategic opportunities			EBITDA 2024   M€	CAPEX 2020-24   M€
Water consolidation		<ul style="list-style-type: none"> <li>• <b>Consolidation of existing concessions</b> in which Acea has a minority stake</li> <li>• <b>Expansion</b> within <b>regions of interest</b></li> </ul>	+100	+400
Gas portfolio expansion		<ul style="list-style-type: none"> <li>• Growth in gas distribution through <b>tender participation in relevant territories (big cities/ ATEM)</b>, leveraging on the first «tactical» acquisitions</li> </ul>	+10-20	+50-130
Boost M&A - Waste		<ul style="list-style-type: none"> <li>• <b>Acceleration of market consolidation</b> through further M&amp;A transactions on segments / geographies considered strategic for Acea</li> </ul>	+25-50	+200-400
Recovery Fund		<ul style="list-style-type: none"> <li>• Opportunity for Acea to play an active role in the development of <b>major projects</b> financed by the “Recovery Fund” <b>to close the infrastructural gap</b> in areas where it is not possible to invest with tariff incentives</li> </ul>	-	-

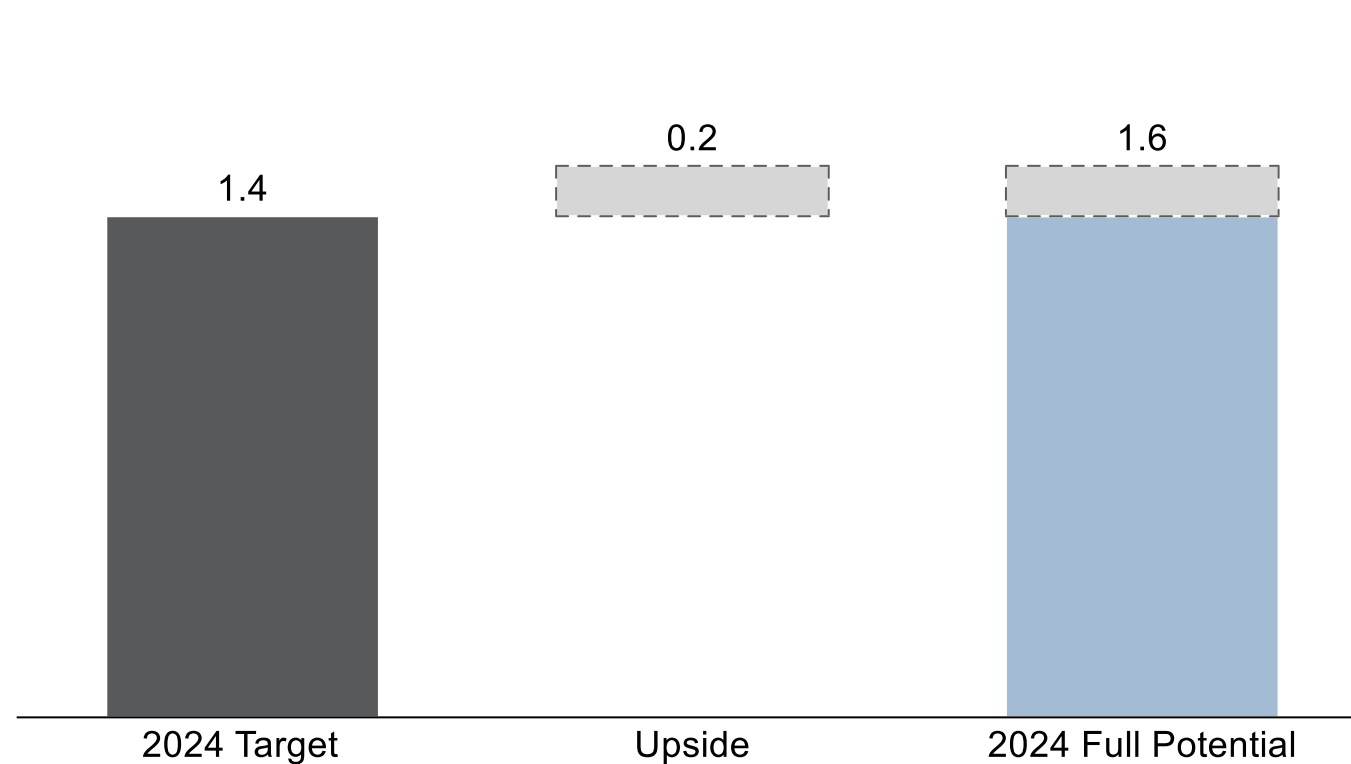
# Strategic opportunities and upsides

## Full potential EBITDA

### Strategic opportunities



### Target full potential EBITDA upside at 2024 | B€



# Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



**CLOSING REMARKS**



Q&A



## Closing remarks

Significant growth at 2024, while maintaining a balanced capital structure



**6.7%** of **EBITDA CAGR** with a **2024 target** of **1.4 B€**



Group **net profit** growing to **0.38 B€** in 2024



**4.3 B€** of organic **CAPEX** (~850 M€ / year) and **0.4B€** capex from M&A (~80 M€ / year)



**RAB** growing to **5.9 B€** in 2024



Balanced **NFP / EBITDA** ratio over the plan reaching **3.0x** in 2024 and **NFP/RAB of 0.7x** in 2024



**860 M€** of dividends to be distributed throughout the plan

# Agenda



ACEA GROUP TODAY



BUSINESS PLAN 2020-2024



STRATEGY AND TARGETS



BUSINESS LINE HIGHLIGHTS



STRATEGIC OPPORTUNITIES



CLOSING REMARKS



Q&A

# Q&A

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Appendix

acea



# Q1 2021 Results

acea

# CONTINUED FOCUS ON EFFICIENCY AND RESILIENCE

THE FUTURE IS OUR ENVIRONMENT

THE FULL INTEGRATION OF SUSTAINABILITY IN OUR STRATEGY  
GUIDES THE MANAGEMENT OF OUR BUSINESSES

EBITDA

€312M

+13%

NET  
PROFIT

€83M

+18%

CAPEX

€231M

+21%

NET  
DEBT

€3,634M

LEVERAGE

NET  
DEBT/  
EBITDA  
LTM

3.05X

2021 GUIDANCE

EBITDA

+6% / +8%    **VERSUS 2020**

CAPEX

~€900M

NET DEBT

€3.85/3.95BN



**OPPORTUNITIES: National Recovery and Resilience Plan – NRRP  
TO RELAUNCH ITALY'S ECONOMY IN A SUSTAINABLE WAY**

- ✓ Investment in water infrastructure
- ✓ Development of renewable sources, decarbonisation and e-mobility

# DELIVERY

STRATEGICALLY WELL-POSITIONED TO PURSUE BUSINESS PLAN GOALS

## WATER



## RATINGS



## GREEN BOND



## E-MOBILITY



SUSTAINABILITY REPORT 2020

The steps taken to **PROTECT WATER RESOURCES** have enabled us to cut the water loss rate in Rome from 43.2% in 2017 to 29.5% in 2020 (compared with a national average of about 42%)

JANUARY 2021

**FITCH RATINGS** has confirmed our Long-Term Issuer Default Rating as “BBB+” with a “Stable” outlook

JANUARY 2021

Successful placement of first **GREEN BOND** of €900m

APRIL 2021

Acea launches charging services for **ELECTRIC-POWERED VEHICLES** throughout Italy through its “ACEA E-MOBILITY” app

# COVID-19 HEALTH EMERGENCY

INVESTMENT IN DIGITALISATION ENABLED US TO ENSURE THE CONTINUITY OF ALL OUR PROCESSES

**WE ARE CONTINUING TO TAKE ALL THE STEPS NECESSARY TO GUARANTEE THE SAFETY OF OUR PEOPLE AND THE CONTINUITY OF THE SERVICES PROVIDED TO OUR COMMUNITIES**, WHILST MAINTAINING QUALITY AND EFFICIENCY.

WE HAVE OBTAINED **BIOSAFETY TRUST CERTIFICATION** FOR THE PREVENTION AND CONTROL OF THE SPREAD OF INFECTIONS.

ACEA WILL HELP TO ACCELERATE THE VACCINATION PROGRAMME, SETTING UP A **VACCINATION HUB IN ROME** TO DELIVER VACCINES TO THE GENERAL PUBLIC, AS WELL AS TO THE GROUP’S PERSONNEL.

# RESULTS Q1 2021

KEY FINANCIAL HIGHLIGHTS

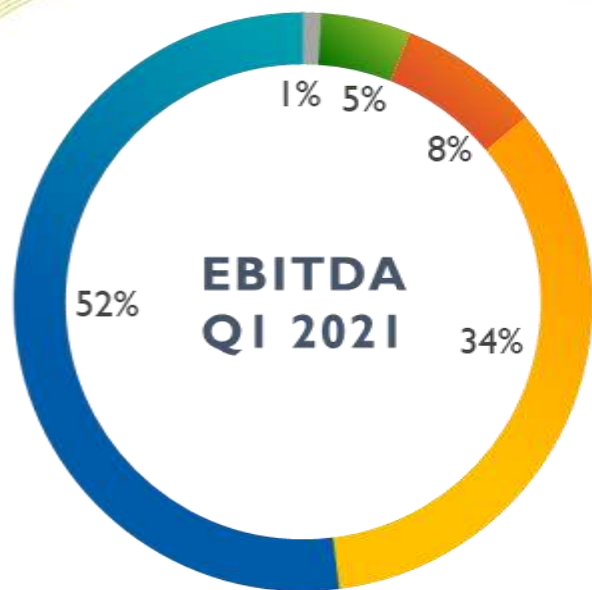
(€M)	Q1 2021 (A)	Q1 2020 (B)	% CHANGE (A/B)
REVENUE	930.0	833.5	+11.6%
EBITDA	311.5	276.4	+12.7%
EBIT	155.5	138.5	+12.3%
GROUP NET PROFIT	83.1	70.6	+17.7%
CAPEX	230.5	190.0	+21.3%

(€M)	31 Mar 2021 (A)	31 Dec 2020 (B)	31 Mar 2020 (C)	% CHANGE (A/B)	% CHANGE (A/C)
NET DEBT	3,634.1	3,528.0	3,184.4	+3.0%	+14.1%

**RESILIENCE, OPERATIONAL FOCUS AND FINANCIAL STRENGTH** CONFIRMED BY **EXCELLENT QUARTERLY RESULTS**

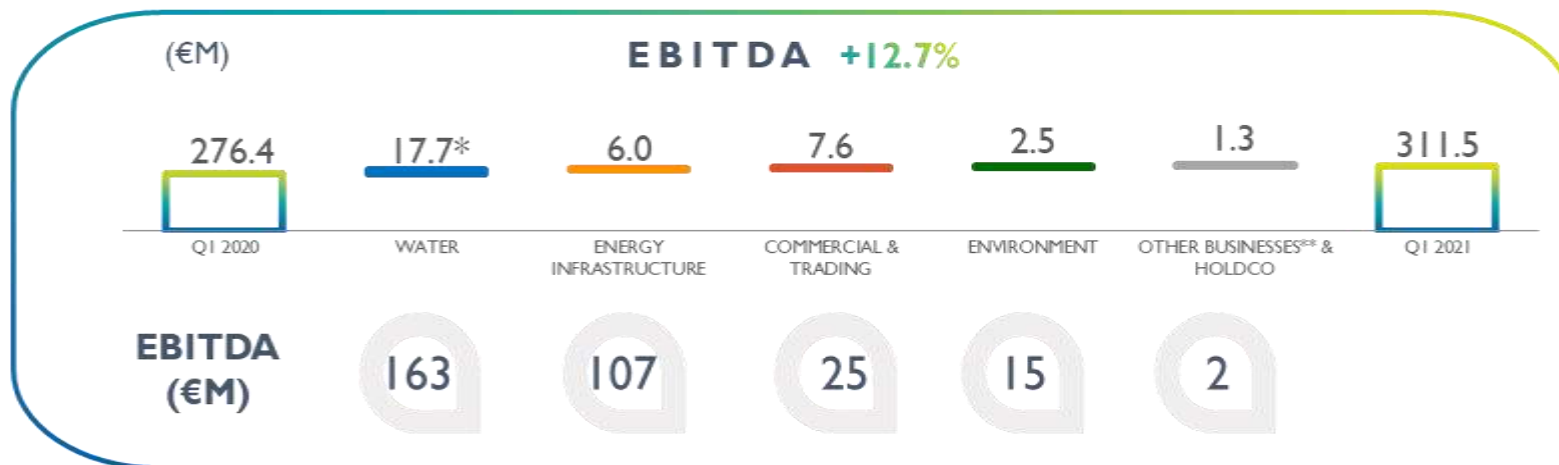
**CONTINUING TO INVEST IN KEY SECTORS** TO IMPROVE THE QUALITY OF LIFE FOR OUR TERRITORIES AND COMMUNITIES





- WATER
- ENVIRONMENT
- COMMERCIAL & TRADING
- ENERGY INFRASTRUCTURE
- OTHER BUSINESSES\*\* AND HOLDCO

\* Line-by-line consolidation of SII Terni  
 \*\*Overseas, Engineering & Services



## CHANGES IN SCOPE OF CONSOLIDATION

EBITDA (€M)	Change
SII TERNI	+3.0
ALTO SANGRO DISTRIBUZIONE GAS	+1.1
FERROCARD/CAVALLARI	+1.7
SIMAM	+1.7
PHOTOVOLTAIC	+1.2
CONSORCIO ACEA E LIMA NORTE	+0.1
<b>TOTAL</b>	<b>+8.8</b>

ORGANIC GROWTH IN **EBITDA** ~+10%

# EBITDA AND KEY DATA Q1 2021

## FINANCIAL HIGHLIGHTS



(€M)	Q1 2021 (A)	Q1 2020 (B)	% change (A/B)
<b>EBITDA</b>	163.0	145.3	+12.2%
Acea Ato2	105.9	99.4	+6.5%
Acea Ato5	8.9	5.4	+64.8%
Gori	21.2	17.0	+24.7%
ADF	16.2	15.1	+7.3%
SII Terni	3.0	0	n/s
Equity-accounted water companies	4.6	6.9	-33.3%
Other consolidated water companies	1.6	1.0	+60.0%
Gas distribution	1.6	0.5	n/s
Capex	119.6	104.0	+15.0%

## KEY HIGHLIGHTS

LINE-BY-LINE  
CONSOLIDATION OF  
SII TERNI

EBITDA  
main  
drivers



EBITDA  
GROWTH  
**+12%**

Application of tariff regime for third regulatory period 2020-2023 (ARERA Resolution 580/2019):

- effect of increased investment

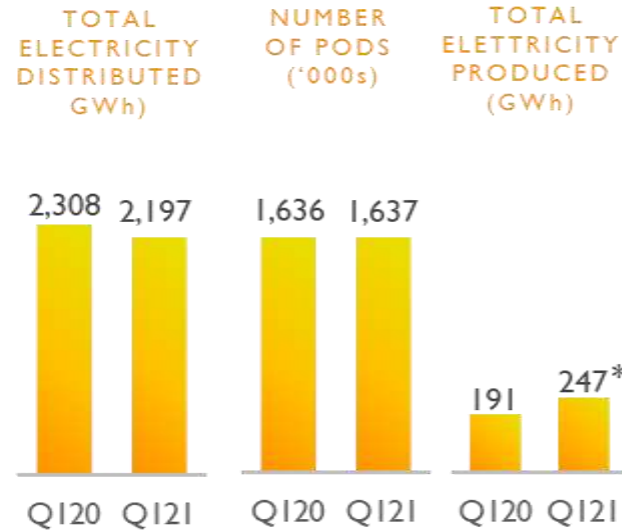
Line-by-line consolidation of SII Terni (November 2020)  
**+€3.0M**

Acquisition of Alto Sangro Distribuzione Gas (August 2020)  
**+€1.1M**

# EBITDA AND KEY DATA Q1 2021

## FINANCIAL HIGHLIGHTS

(€M)	Q1 2021 (A)	Q1 2020 (B)	%change (A/B)
EBITDA	107.4	101.4	+5.9%
- Distribution	90.6	91.0	-0.4%
- Public lighting	(0.9)	(0.6)	ns
- Generation	17.7	11.0	+60.9%
CAPEX	81.2	66.2	+22.7%
- Distribution	69.4	61.9	+12.1%
- Public lighting	0.8	0.8	-
- Generation	11.0	3.5	+214.3%



## KEY HIGHLIGHTS

### NEW PHOTOVOLTAIC PLANTS:

- Secondary market – total capacity of 52 MWp reached.
- Primary market – construction of plants with capacity of ~60 MWp underway.

INSTALLATION OF 2G SMART METERS ONGOING

### EBITDA main drivers



### GENERATION: **+€6.7M**

Price effect on energy market and increased volumes of hydroelectric energy produced  
**+€5.5M**

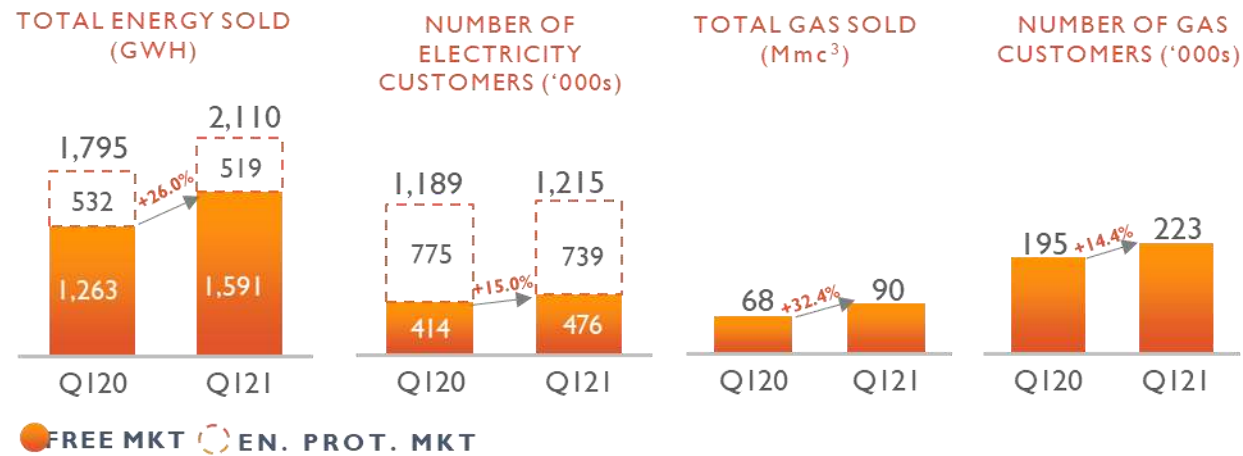
Photovoltaic **+€1.2M**

\* of which photovoltaic 13 GWh

# EBITDA AND KEY DATA Q1 2021

## FINANCIAL HIGHLIGHTS

(€M)	Q1 2021 (A)	Q1 2020 (B)	% change (A/B)
EBITDA	24.7	17.1	+44.4%
Capex	16.1	9.0	+78.9%



## KEY HIGHLIGHTS

INCREASE IN FREE MARKET CUSTOMER BASE WITH IMPROVED MARGIN

EBITDA  
main  
drivers



EBITDA  
GROWTH  
**+44%**



STRUCTURAL  
IMPROVEMENT IN  
COMMERCIAL ACTIVITIES,  
with acquisition of new  
customers leading to  
increased investment



IMPROVED MARGIN  
ON FREE MARKET:  
increases in volume of  
electricity sold and  
number of customers  
**+€5.7M**



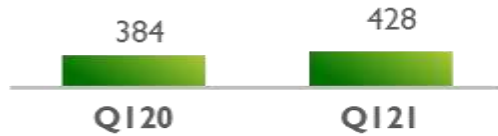
IMPROVED  
MARGIN ON GAS  
SALES:  
**+€4.0M**

# EBITDA AND KEY DATA Q1 2021

FINANCIAL HIGHLIGHTS

(€M)	Q1 2021 (A)	Q1 2020 (B)	%change (A/B)
EBITDA	15.0	12.5	+20.0%
of which: Demap	0.8	1.2	-33.3%
Berg	0.8	0.6	+33.3%
Ferrocart/Cavallari	1.7	-	n/s
Capex	6.9	3.9	+76.9%

TREATMENT AND DISPOSAL  
(KTONNES)



ELECTRICITY SOLD  
(GWh)



## ENVIRONMENT

## KEY HIGHLIGHTS

ACQUISITION OF 60% STAKE IN  
FERROCART/CAVALLARI

EBITDA  
main  
drivers



EBITDA  
GROWTH  
**+20%**

(organic growth **+6.4%**)

INCREASED VOLUMES  
(+11.5%) AND IMPROVED  
MARGINS ON LIQUID  
WASTE TREATMENT

**+€0.8M**

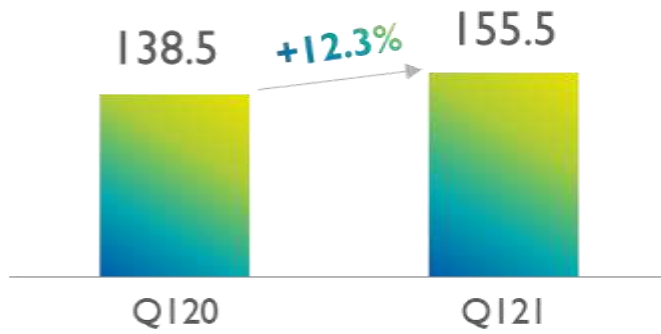
CHANGE IN SCOPE OF  
CONSOLIDATION:

**+€1.7M**

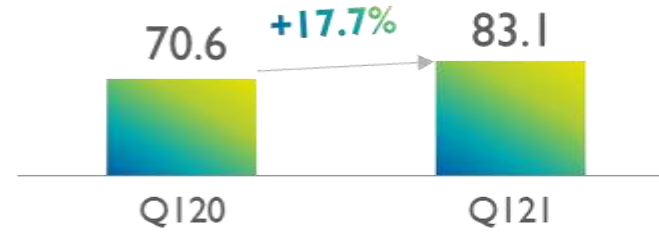
Acquisition of Ferrocart / Cavallari  
(April 2020)

# EBIT AND NET PROFIT Q1 2021

## EBIT (€M)



## NET PROFIT (€M)



**TAX RATE 30.0%**  
(30.0% in Q1 2020)

(€M)	Q1 2021	Q1 2020	% CHANGE
DEPRECIATION	130.4	117.1	+11.4%
IMPAIRMENTS	23.4	18.3	+27.9%
PROVISIONS	2.2	2.6	-15.4%

### DEPRECIATION

Increased investment across all areas of business and changes in scope of consolidation

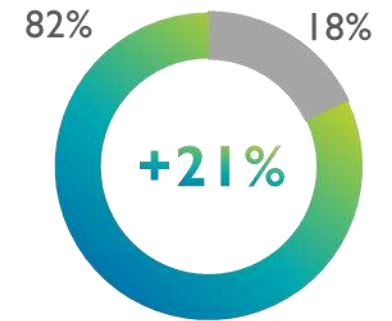
### IMPAIRMENTS

Primarily due to growth in Commercial & Trading business

# CAPEX Q1 2021

DELIVERY OF CAPEX PLAN CONTINUES

## CAPEX (€M)



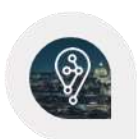
Investment in regulated businesses  
Investment in non-regulated businesses



### WATER

- REPAIR AND WIDENING OF WATER AND SEWER PIPES
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- WORK ON TREATMENT PLANTS
- CONSOLIDATION OF SII TERNI (€1.9M)

\* Overseas, Engineering & Services



### ENERGY INFRASTRUCTURE

- UPGRADE AND EXPANSION OF THE GRID
- "RESILIENCE" PLAN WITH WORK ON SECONDARY SUBSTATIONS AND THE MV AND LV NETWORK
- INSTALLATION OF 2G METERS
- EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS
- CONSTRUCTION OF PHOTOVOLTAIC PLANTS



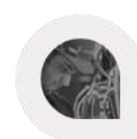
### COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- INFORMATION SYSTEMS



### ENVIRONMENT

- SAN VITTORE PLANT
- WORK ON ORVIETO LANDFILL
- CHANGE IN SCOPE OF CONSOLIDATION (FERROCART/CAVALLARI €0.8M)



### OTHER

- OVERSEAS: INCREASED INVESTMENT AT AGUAS DE SAN PEDRO
- ENGINEERING AND SERVICES: CONSOLIDATION OF SIMAM (€0.5m)
- HOLDCO: IT PROJECTS

# RESULTS Q1 2021

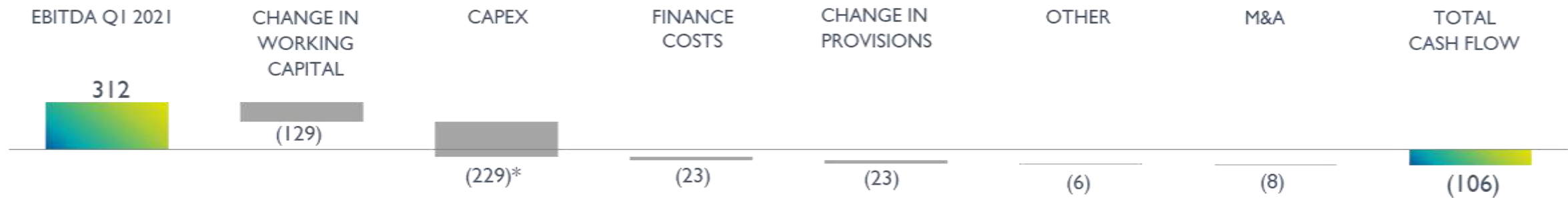
FOCUS ON IMPROVEMENTS TO WORKING CAPITAL

## CASH FLOW

(€M)	Q1 2021	Q1 2020
EBITDA	312	276
CHANGE IN WORKING CAPITAL	(129)	(146)
CAPEX	(229)*	(190)
<b>FREE CASH FLOW</b>	<b>(46)</b>	<b>(60)</b>
FINANCE INCOME/(COSTS)	(23)	(22)
CHANGE IN PROVISIONS	(23)	(23)
INCOME TAX PAID	-	(4)
OTHER	(6)	(7)
M&A AND FIRST-TIME CONSOLIDATIONS	(8)	(4)
IFRS 16	-	(2)
<b>TOTAL CASH FLOW</b>	<b>(106)</b>	<b>(122)</b>

## WORKING CAPITAL IMPROVES BY €16M

The positive performance of collections in the Water and Commercial & Trading segments has helped to improve working capital over LTM from -€73M at 31 March 2020 to -€22M at 31 March 2021 (~€51M)



\* Net of grant-funded investment



# RESULTS Q1 2021

FINANCIAL PERFORMANCE AHEAD OF GUIDANCE

(€M)	31 Mar 2021 (A)	31 Dec 2020 (B)	31 Mar 2020 (C)	CHANGE (A-B)	CHANGE (A-C)
Net debt	3,634.1	3,528.0	3,184.4	106.1	449.7
Medium/long-term	4,929.1	4,130.2	4,026.5	798.9	902.6
Short-term	(1,295.0)	(602.2)	(842.1)	(692.8)	(452.9)

## LEVERAGE

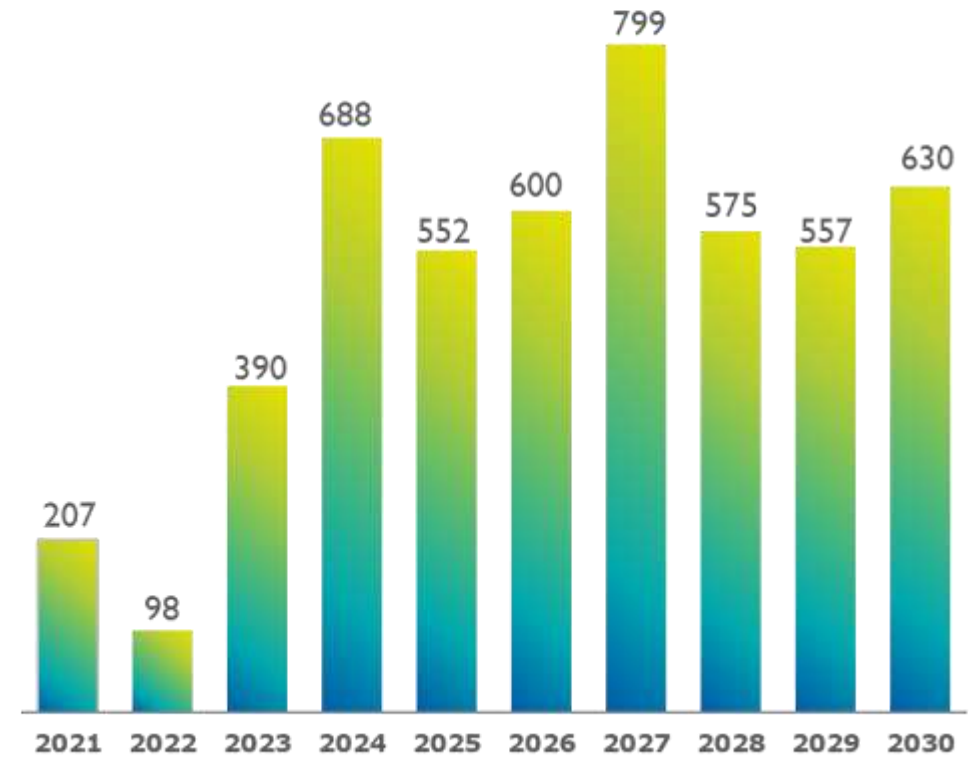
NET DEBT / EBITDA LTM  
31 Mar 2021

**3.05x**

NET DEBT / EBITDA  
31 Dec 2020

**3.05x**

## DEBT MATURITIES (€M)



### RATINGS

**FitchRatings**

BBB+  
STABLE  
OUTLOOK

**MOODY'S**

Baa2  
STABLE  
OUTLOOK

### GREEN BOND

21 JANUARY 2021

Placement of first GREEN BOND worth €900m successfully completed. Issue in two tranches:

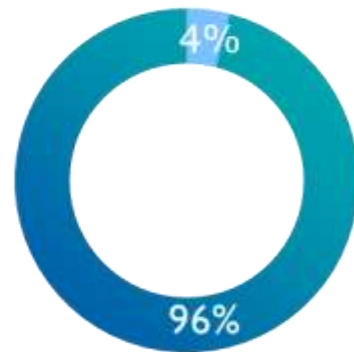
- first €300m tranche, 0% rate, maturing 28 September 2025 (first corporate issue in Italy with negative yield);
- second €600m tranche, 0.25% rate, maturing 28 July 2030

### STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 MAR 2021)



● DEBT FALLING DUE AFTER 2021  
● DEBT FALLING DUE BY END OF 2021



● FLOATING RATE  
● FIXED RATE



### SUSTAINABILITY RATINGS



A-  
LEADERSHIP



EE-<sup>^</sup>  
POSITIVE



78/100  
IMPROVEMENT IN RATING  
FOR THIRD YEAR RUNNING



## 2020 Results

acea

# PERFORMANCE AND DELIVERY

SUSTAINABILITY AS A DRIVER OF GROWTH AND VALUE CREATION



REGULATED BUSINESSES SHOW  
EXTRAORDINARY RESILIENCE  
IN A CHALLENGING  
ENVIRONMENT

LIMITED IMPACT ON  
ACTIVITIES MOST  
EXPOSED TO THE CRISIS

EBITDA

NET PROFIT

CAPEX

NET DEBT

LEVERAGE

GUIDANCE 2021

€1,155M

€285M

€907M

€3,528M

Net Debt/  
EBITDA  
3.05X

EBITDA

+6%/+8% VERSUS 2020

CAPEX

~ €900M

NET DEBT

€3.85 ÷ 3.95B

+11%

STRONG  
ORGANIC  
GROWTH

+0.4%

(~+22% normalised)  
ONGOING  
VALUE  
CREATION

+14%

84% ON  
REGULATED  
ASSETS

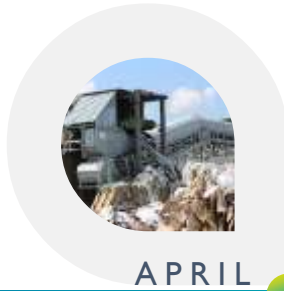
IN LINE WITH  
GUIDANCE,  
DESPITE IMPACT  
OF THE  
PANDEMIC AND  
WIDER  
PERIMETER

Net Debt/  
RAB  
0.74X

# PERFORMANCE AND DELIVERY

DEVELOPMENT OF THE BUSINESS MIX: ACQUISITIONS IN ENVIRONMENT AND PHOTOVOLTAIC SECTORS, CONSOLIDATION OF SII TERNI

## ACEA CONSOLIDATES ITS POSITION IN WASTE MANAGEMENT AND TREATMENT SECTOR



APRIL 2020

ACQUISITION OF 60% OF “FERROCART” AND “CAVALLARI” 4 waste storage, treatment and sorting plants (paper, steel, wood, plastic and metals), handling 145k tonnes per year



MAY 2020

ACQUISITION OF 70% OF SIMAM leader in design, construction and operation of liquid waste treatment plants, and in the delivery of environmental and remediation projects, offering integrated high-technology solutions

## ACEA EXPANDS FURTHER IN PHOTOVOLTAIC SECTOR



ACQUISITION OF PHOTOVOLTAIC PLANTS with total installed capacity of up to 52 MWp. Development of projects on primary market, 41 MWp already authorised out of a pipeline of > 300 MWp

## BUSINESS PLAN 2020-2024



OCTOBER 2020

SUSTAINABILITY AT THE HEART OF BUSINESS AND OPERATIONAL STRATEGY  
EBITDA CAGR: ~ 7%  
CAPEX: €4.7bn in 2020-2024 over €2bn linked to specific sustainability targets

## ACEA CONSOLIDATES SII TERNI ON LINE-BY-LINE BASIS



NOVEMBER 2020

LINE-BY-LINE CONSOLIDATION OF SERVIZI IDRICI INTEGRATI DI TERNI following changes to articles of association and increase in interest held by Umbriadue (a subsidiary of Acea) from 25% to 40%

# 2020 KEY ESG HIGHLIGHTS

SUSTAINABILITY AT THE HEART OF ACEA'S STRATEGY

## ACEA'S BUSINESSES ARE BY DEFINITION «STRUCTURALLY SUSTAINABLE»



**WATER**

**-3p.p.** WATER LOSSES

**30,000** SMART METERS INSTALLED (ACEA ATO2)

**ENERGY INFRASTRUCTURE**

**~60,000** 2G SMART METERS INSTALLED

**-25%** OUTAGE RISK INDICATOR

**GENERATION**

**~70%** ELECTRICITY PRODUCED FROM RENEWABLE SOURCES\*, EQUIVALENT TO

**210k** TONNES OF CO2 SAVED

**ENVIRONMENT**

**1.9M** TONNES OF WASTE TREATMENT CAPACITY

**85%** MATERIALS RECOVERED OUT OF TOTAL INCOMING WASTE

**COMMERCIAL & TRADING**

**1,363 GWh**

OF GREEN «G.O.» ELECTRICITY SOLD ON FREE MARKET (+20.3%), EQUAL TO 30% OF TOTAL ELECTRICITY SOLD ON FREE MARKET

### SOCIAL AND GOVERNANCE

**over 44%** OF ACEA BOARD MEMBERS ARE WOMEN

**105.5 Tonn.** OF PAPER A YEAR SAVED (+92%) THANKS TO E-BILLING

### SUSTAINABILITY RATINGS



A- LEADERSHIP

EE-<sup>^</sup> POSITIVE

\* WTE and biogas included



<sup>^</sup> On June 7th, 2021 Standard Ethics has upgraded Acea's Corporate Rating to "EE" from the previous "EE-".

# COVID-19 HEALTH EMERGENCY

EVERYDAY ESSENTIAL SERVICES TO OUR COMMUNITIES GUARANTEED  
DELIVERING CONTINUITY AND EFFICIENCY EVEN AT THE HEIGHT OF THE PANDEMIC



ESTABLISHMENT OF A **COMMITTEE TO MANAGE COVID-19 PREVENTIVE MEASURES**



ADOPTION OF **BIO SAFETY TRUST CERTIFICATION**, AN INNOVATIVE CERTIFICATION SCHEME AIMED AT PREVENTING AND CONTROLLING THE SPREAD OF INFECTIONS



REORGANISATION OF WORK WITH **EXPANDED USE OF DIGITAL TOOLS** AND THE LARGE-SCALE ADOPTION OF **REMOTE WORKING** ARRANGEMENTS (WITH OVER 85% OF STAFF WORKING FROM HOME)



INTRODUCTION OF **SPECIAL INSURANCE COVER** FOR THE GROUP'S EMPLOYEES AND THEIR FAMILIES



GUARANTEED **CONTINUITY AND EFFICIENCY OF ALL THE SERVICES PROVIDED**



- TWO ROUNDS OF **SEROLOGICAL TESTING** (OVER 4,000 CARRIED OUT)
- **FLU VACCINATIONS** PROVIDED (OVER 400)
- **MOLECULAR, RAPID ANTIGEN AND SALIVA-BASED TESTS** (OVER 1,000)



ONGOING **DIALOGUE WITH LOCAL COMMUNITIES AND ALL THE GROUP'S STAKEHOLDERS**



OVER **12,000 HOURS OF TRAINING** ON THE COVID EMERGENCY PROVIDED TO EMPLOYEES

# RESULTS 2020

## KEY FINANCIAL HIGHLIGHTS

(€ M)	2020 (A)	2019 (B)	% CHANGE (A/B)
CONSOLIDATED REVENUE	3,379.4	3,186.1	+6.1%
EBITDA	1,155.5	1,042.3	+10.9%
EBIT	535.0	523.2	+2.3%
GROUP NET PROFIT	284.9	283.7	+0.4%
DIVIDEND PER SHARE (€)	0.80	0.78	+2.6%
CAPEX	907.0	792.8	+14.4%

(€ M)	31 Dec 2020 (A)	30 Sept 2020 (B)	31 Dec 2019 (C)	% CHANGE (A/B)	% CHANGE (A/C)
NET DEBT	3,528.0	3,535.4	3,062.8	-0.2%	+15.2%

**EBITDA +11%**

**WELL AHEAD OF GUIDANCE**

INITIAL GUIDANCE: +6%/+8%

GUIDANCE IN JULY 2020:  $\geq$  +8%

ORGANIC GROWTH  $>$ +10%

**NET PROFIT NORMALISED**  
**~ +22%**

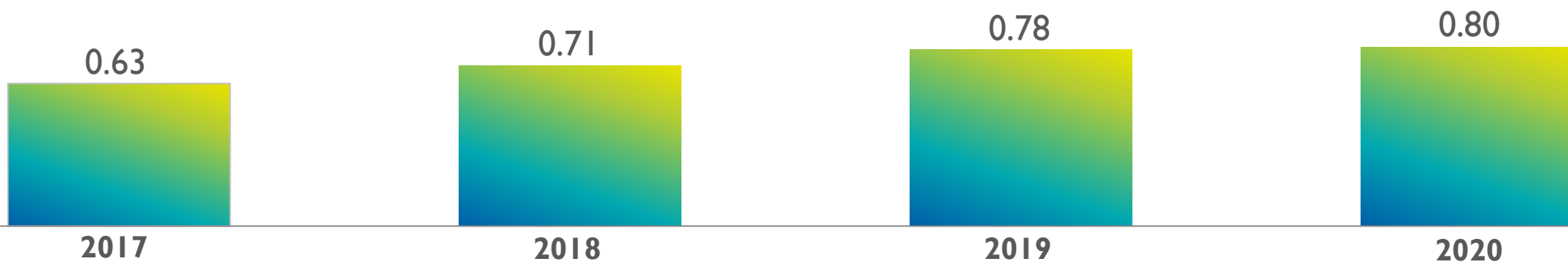
**NET DEBT**

IN LINE WITH GUIDANCE DESPITE  
IMPACT OF FIRST-TIME  
CONSOLIDATION OF SII TERNI



# SHAREHOLDER RETURN

## DPS EVOLUTION (€)



### PAYOUT\*

~60 %

### DIVIDEND YIELD\*\*

4.6%

### DIVIDEND POLICY

€860m

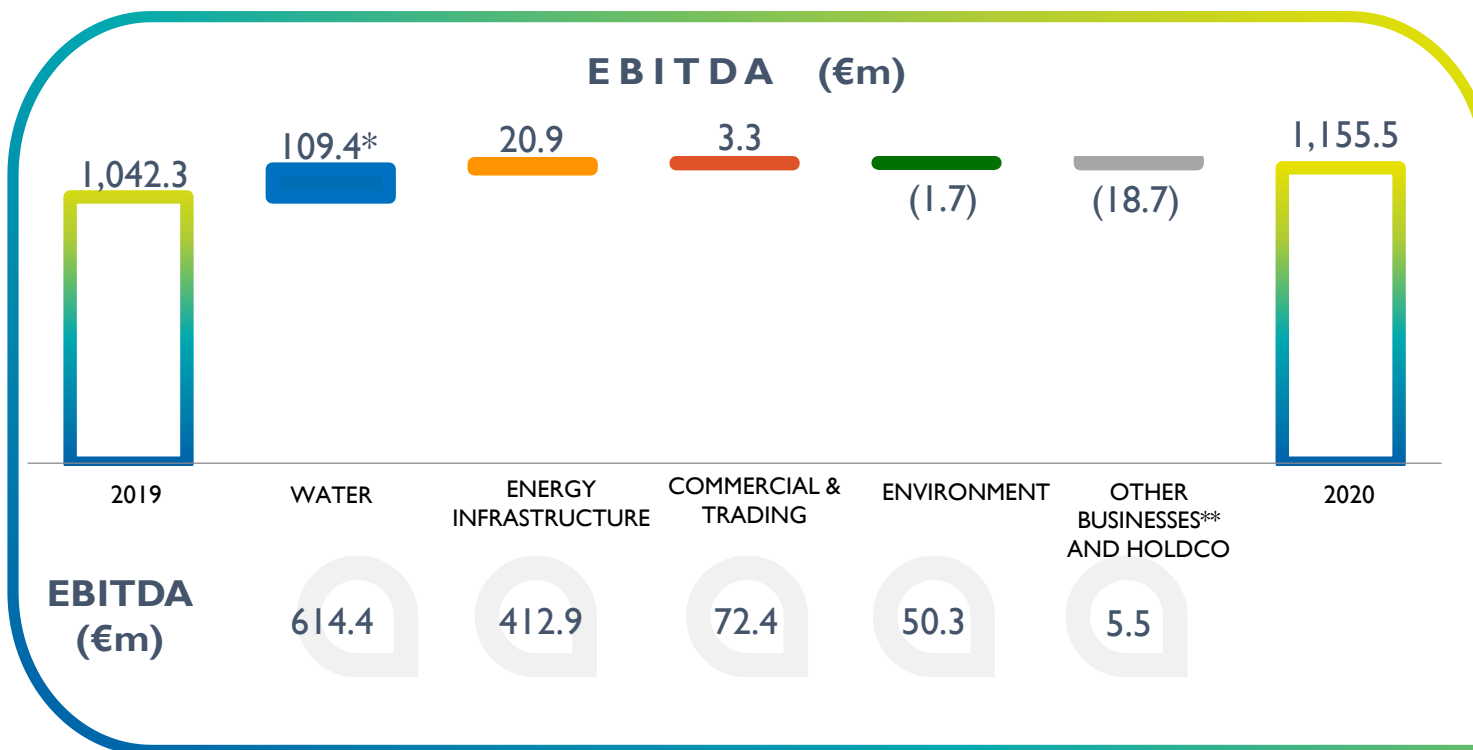
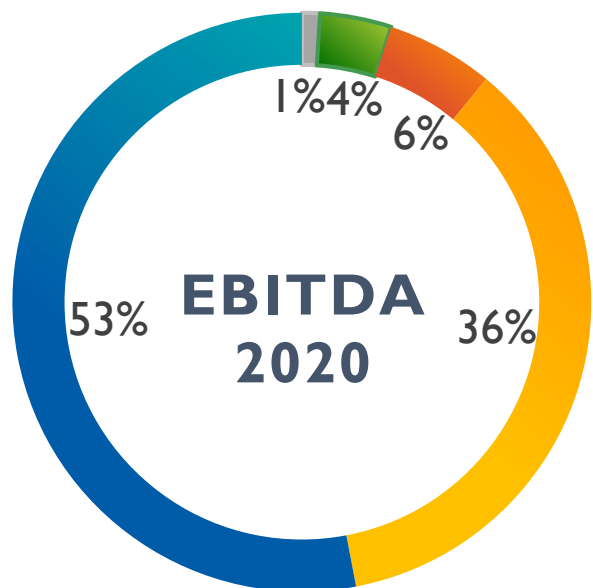
IN THE PERIOD 2020-2024

\* Based on consolidated net profit after non-controlling interests

\*\* Based on the average price for 2020

# RESULTS 2020

## EBITDA BY BUSINESS AREA



- WATER
- ENVIRONMENT
- COMMERCIAL & TRADING
- ENERGY INFRASTRUCTURE
- OTHER BUSINESSES\*\* AND HOLDCO

### AVERAGE GROUP WORKFORCE

2020  
**7,697**

2019  
**7,070**

CHANGE  
**+627<sup>^</sup>**

\* Line-by-line consolidation of AdF and SII Terni

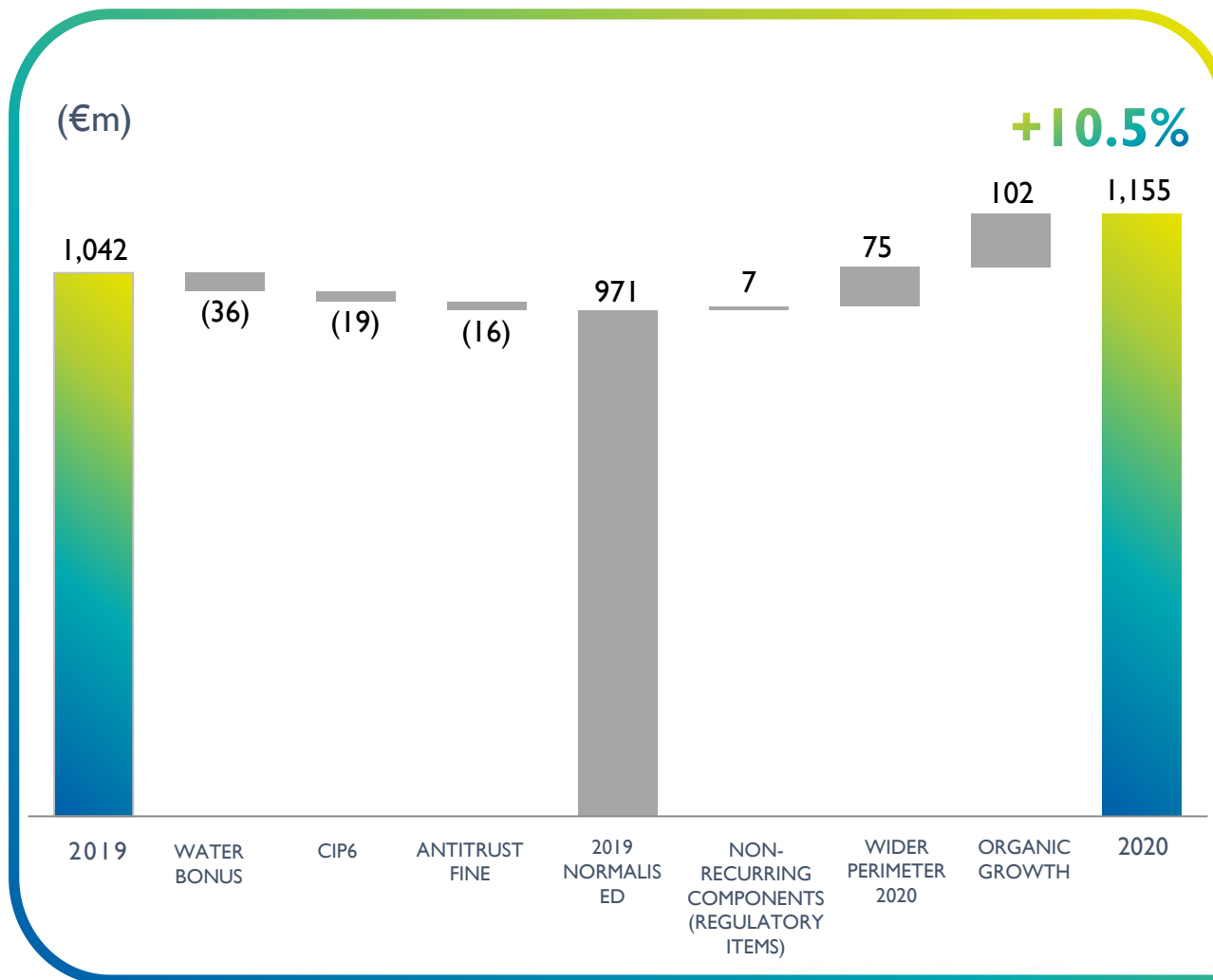
\*\* Overseas, Engineering & Services

<sup>^</sup> Increase in workforce mainly reflects Group's expansion (SII Terni, ACEA Perù, Environment, Simam)

# RESULTS 2020

## ORGANIC EBITDA GROWTH

### WIDER PERIMETER OF THE GROUP CONTRIBUTION TO EBITDA FOLLOWING CONSOLIDATION OF ADF, SII TERNI, CONSORCIO AGUA AZUL AND NEW ACQUISITIONS



(€m)	2020	2019	Change
ADF	60.4	18.1	+42.4
SII TERNI	2.2	0.9	+1.3
CONSORCIO AGUA AZUL LIMA	8.9	1.1	+7.8
PESCARA DISTRIBUZIONE GAS	2.2	1.7	+0.5
ALTO SANGRO DISTRIBUZIONE GAS	1.7	-	+1.7
DEMAP	4.0	1.8	+2.2
BERG	2.0	0.5	+1.4
FERROCART/CAVALLARI	4.3	-	+4.3
SIMAM	5.2	-	+5.2
PHOTOVOLTAIC	12.1	3.6	+8.5
<b>TOTAL</b>	<b>103.0</b>	<b>27.7</b>	<b>+75.3</b>

# EBITDA AND KEY INDICATORS

## FINANCIAL HIGHLIGHTS

(€m)	2020 (A)	2019 (B)	%change(A/B)
<b>EBITDA</b>	<b>614.4</b>	<b>505.0</b>	<b>+21.7%</b>
Acea Ato2	410.0	356.1	+15.1%
Acea Ato5	26.7	24.4	+9.4%
Gori	78.7	68.6	+14.7%
ADF	60.4	18.1	N.S.
SII Terni	2.2	0.9	N.S.
Equity-accounted water companies	28.7	37.2	-22.8%
Other consolidated water companies	3.8	(2.0)	N.S.
Gas distribution	3.9	1.7	N.S.
<b>Capex</b>	<b>476.0</b>	<b>380.1</b>	<b>+25.2%</b>



## KEY HIGHLIGHTS

LINE-BY-LINE CONSOLIDATION  
OF ACQUEDOTTO DEL FIORA

LINE-BY-LINE  
CONSOLIDATION OF SII  
TERNI

**EBITDA  
main  
drivers**



EBITDA  
GROWTH  
**+21.7%**

Application of tariff regime  
for third regulatory period  
2020-2023

(Arera Resolution 580/2019):

- effect of increased investment
- no award of bonus for commercial quality (€35.8m), offset by recognition of new cost components (including those relating to sludge disposal)

Line-by-line  
consolidation of AdF  
(October 2019)

**+€42.4m**

Line-by-line  
consolidation of SII Terni  
(November 2020)

**+€1.3m**

Acquisition of Alto Sangro  
Distribuzione Gas (August  
2020)

**+€1.7m**

# EBITDA AND KEY INDICATORS

## FINANCIAL HIGHLIGHTS

(€m)	2020 (a)	2019 (b)	% change (a/b)	TOTAL ELECTRICITY DISTRIBUTED (GWh)	NUMBER OF PODS (‘000S)	TOTAL ELECTRICITY PRODUCED (GWh)
EBITDA	412.9	392.0	+5.3%	9,849	1,641	650
- Distribution	369.6	345.4	+7.0%	9,096	1,644	626*
- Public lighting	(2.0)	1.9	N.S.			
- Generation	45.4	44.6	+1.8%			
CAPEX	325.1	287.8	+13.0%			
- Distribution	282.5	265.7	+6.3%			
- Public lighting	3.6	3.3	+9.1%			
- Generation	39.0	18.8	+107.4%			



## KEY HIGHLIGHTS

ACQUISITION OF NEW PHOTOVOLTAIC PLANTS: total installed capacity of 52 MWp

INSTALLATION OF 2G SMART METERS (~60,000 installed)

EBITDA main drivers

↑  
EBITDA GROWTH  
**+5.3%**

↑  
DISTRIBUTION: **+€24.2m**  
Tariff and regulatory factors  
Installation of 2G smart meters  
Reduction in electricity grid losses

↓  
PUBLIC LIGHTING: **-€3.9m**  
Fewer new PODs and increase in maintenance costs

↑  
GENERATION: **+€0.8m**  
Photovoltaic **+€8.5m**  
(twice the volumes of 2019)  
↓  
Hydroelectric: decrease in prices and lower volumes  
**-€6.4 m**

# EBITDA AND KEY INDICATORS

FINANCIAL HIGHLIGHTS

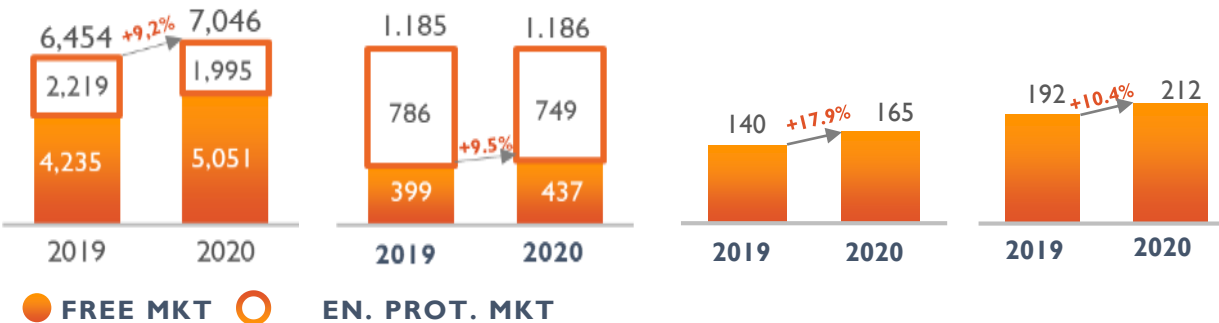
(€m)	2020 (A)	2019 (B)	%change(A/B)
EBITDA	72.4	69.1	+4.8%
Capex	44.1	43.1	+2.3%

**TOTAL ENERGY SOLD (GWH)**

**NUMBER OF ELECTRICITY CUSTOMERS ('000s)**

**TOTAL GAS SOLD (Mmc<sup>3</sup>)**

**NUMBER OF GAS CUSTOMERS ('000s)**



**COMMERCIAL & TRADING**

## KEY HIGHLIGHTS

INCREASED FREE MARKET CUSTOMER BASE WITH GREATER MARGIN

**EBITDA main drivers**



**EBITDA GROWTH**

**+4.8%**

**INCREASED FREE MARKET MARGIN:** greater number of mass market customers and increased volumes of electricity sold



**REDUCED MARGIN IN ENHANCED PROTECTION MARKET:**

lower number of customers and revised mechanism for compensating for delinquent accounts (ARERA Resolution 100/2020)

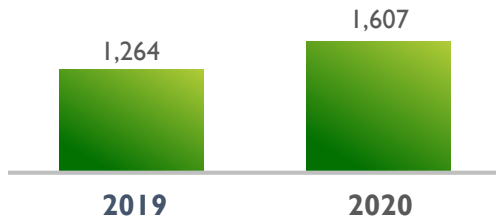
**PRICE EFFECT** on energy purchased and not sold to customers  
**~ -€4m**

# EBITDA AND KEY INDICATORS

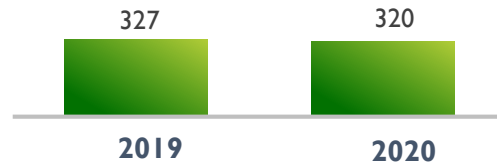
## FINANCIAL HIGHLIGHTS

(€m)		2020 (A)	2019 (B)	% change (A/B)
EBITDA		50.3	52.0	-3.3%
of which:	Demap	4.0	1.8	N/S
	Berg	2.0	0.5	N/S
	Ferrocart/Cavallari	4.3	-	N/S
Capex		23.6	51.9	-54.5%

TREATMENT AND DISPOSAL (KTONNES)



ELECTRICITY SOLD (GWh)



## ENVIRONMENT



## KEY HIGHLIGHTS

ACQUISITION OF 60% OF FERROCART/CAVALLARI

EBITDA  
main  
drivers



HIGHER TREATED VOLUMES (+27%) AND INCREASE IN DISPOSAL TARIFFS:  
**+€14m**

M&A:  
**+€7.9m**

Acquisition of Demap (July 2019):  
**+€2.2m**

Acquisition of Berg (October 2019):  
**+€1.4m**

Acquisition of Ferrocart/Cavallari (April 2020):  
**+€4.3m**

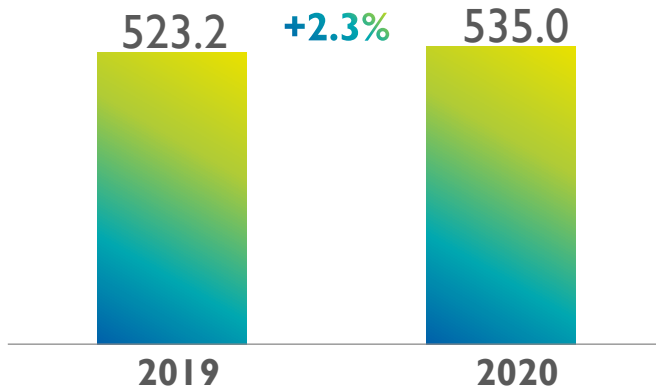


END OF CIP6 FEED-IN TARIFFS FROM 1 AUGUST 2019  
**-€19.6m**

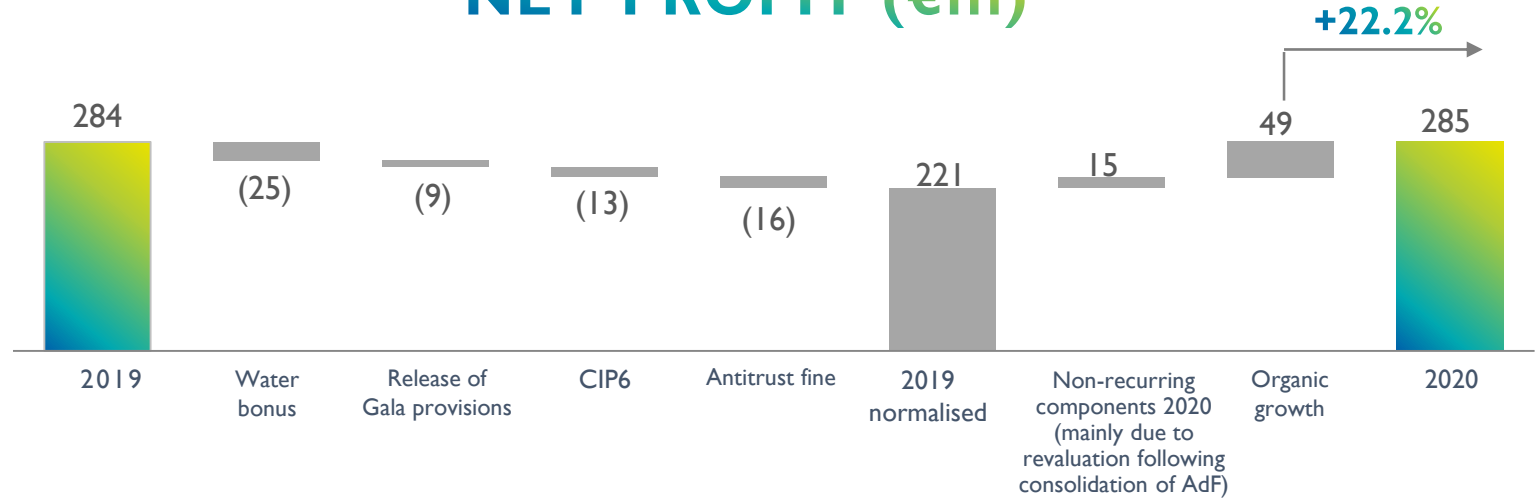
REDUCTION IN PRICES OF ENERGY SOLD  
**-€4m**

# EBIT AND NET PROFIT

## EBIT (€m)



## NET PROFIT (€m)



(€m)	2020	2019	% CHANGE
DEPRECIATION	498.3	409.6	+21.7%
IMPAIRMENTS	79.4	61.7	+28.7%
PROVISIONS	42.8	47.8	-10.5%

### DEPRECIATION

Increased investment across all areas of business and first-time consolidations (primarily AdF +€20.8m)

### IMPAIRMENTS

Release of provisions of €13.5m for Gala in 2019

### NET PROFIT NORMALISED

~ **+22%**

### TAX RATE

**29.2%**

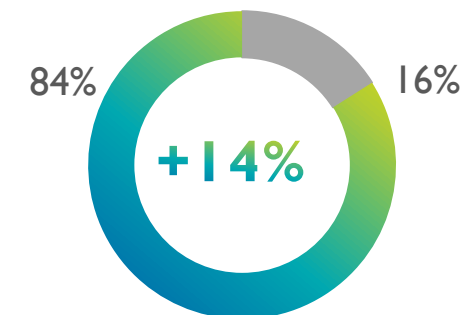
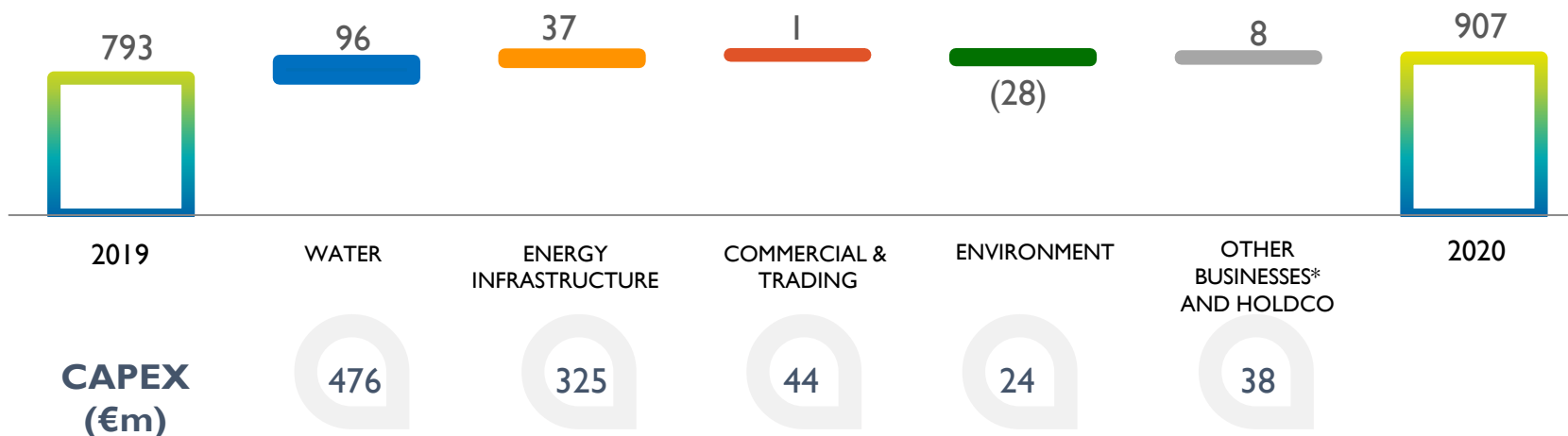
(28.6% in 2019)



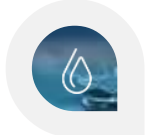
# CAPEX

FURTHER ACCELERATION IN INVESTMENTS FOCUSING ON REGULATED ACTIVITIES

## CAPEX (€m)

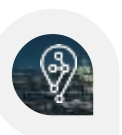


Investments in regulated businesses  
Investments in non-regulated businesses



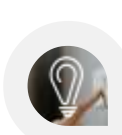
### WATER

- MAINTENANCE AND EXPANSION OF WATER AND SEWAGE NETWORK
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- OPTIMIZATION OF TREATMENT PLANTS
- CONSOLIDATION OF ADF (€26.2m)



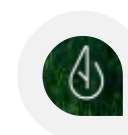
### ENERGY INFRASTRUCTURE

- GRID UPGRADE AND EXPANSION
- "RESILIENCE" PLAN WITH WORK ON SECONDARY SUBSTATIONS AND MV AND LV NETWORK
- INSTALLATION OF 2G SMART METERS



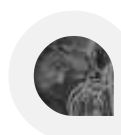
### COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- INFORMATION SYSTEMS



### ENVIRONMENT

- SAN VITTORE PLANT
- WORK ON ORVIETO LANDFILL



### OTHER

- OVERSEAS: REDUCED INVESTMENT AT AGUAS DE SAN PEDRO
- ENGINEERING AND SERVICES: CONSOLIDATION OF SIMAM (€2.4m)
- HOLDCO: IT PROJECTS

# RESULTS 2020

FOCUS ON IMPROVEMENTS IN WORKING CAPITAL

## CASH FLOW

(€ m)	2020	2019
EBITDA	1,155	1,042
CHANGE IN WORKING CAPITAL	(38)	(16)
CAPEX	(886)*	(793)
<b>FREE CASH FLOW</b>	<b>231</b>	<b>233</b>
FINANCE INCOME/(COSTS)	(88)	(90)
CHANGE IN PROVISIONS	(112)	(107)
INCOME TAX PAID	(123)	(134)
DIVIDENDS	(166)	(151)
OTHER	(47)	(12)
M&A AND FIRST-TIME CONSOLIDATIONS	(154)	(171)
IFRS 16	(7)	(64)
<b>TOTAL CASH FLOW</b>	<b>(465)</b>	<b>(495)</b>

## WORKING CAPITAL +€22M

**INCREASE €73M**

REGULATORY FACTORS: €63m

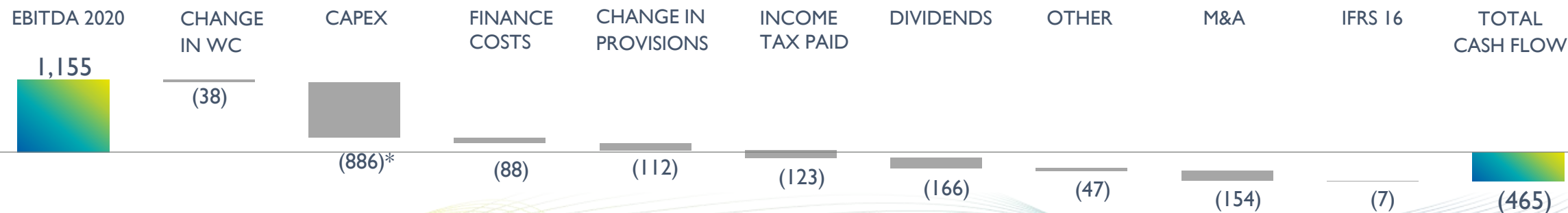
IMPACT OF COVID-19 ON COLLECTIONS: €10m

**REDUCTION ~€50M**

INCREASED CAPITAL EXPENDITURE IN Q4 2020 (CASH EFFECT IN 2021)

INCREASED FACTORING OF RECEIVABLES (INSTALMENT PLANS)

INCREASED REVERSE FACTORING



\* Net of financed capex and other non-cash items

# RESULTS 2020

NET DEBT BETTER THAN GUIDANCE

(€m)	31 Dec 2020 (a)	30 Sept 2020 (b)	31 Dec 2019 (c)	Change (a-b)	Change (a-c)
Net debt	3,528.0	3,535.4	3,062.8	(7.4)	465.2
Medium/long-term	4,130.2	4,116.9	3,523.3	13.3	606.9
Short-term	(602.2)	(581.5)	(460.5)	(20.7)	(141.7)

## LEVERAGE

NET DEBT/EBITDA  
31 Dec 2020

**3.05x**

NET DEBT/RAB  
31 Dec 2020

**0.74x**

NET DEBT/EBITDA  
31 Dec 2019

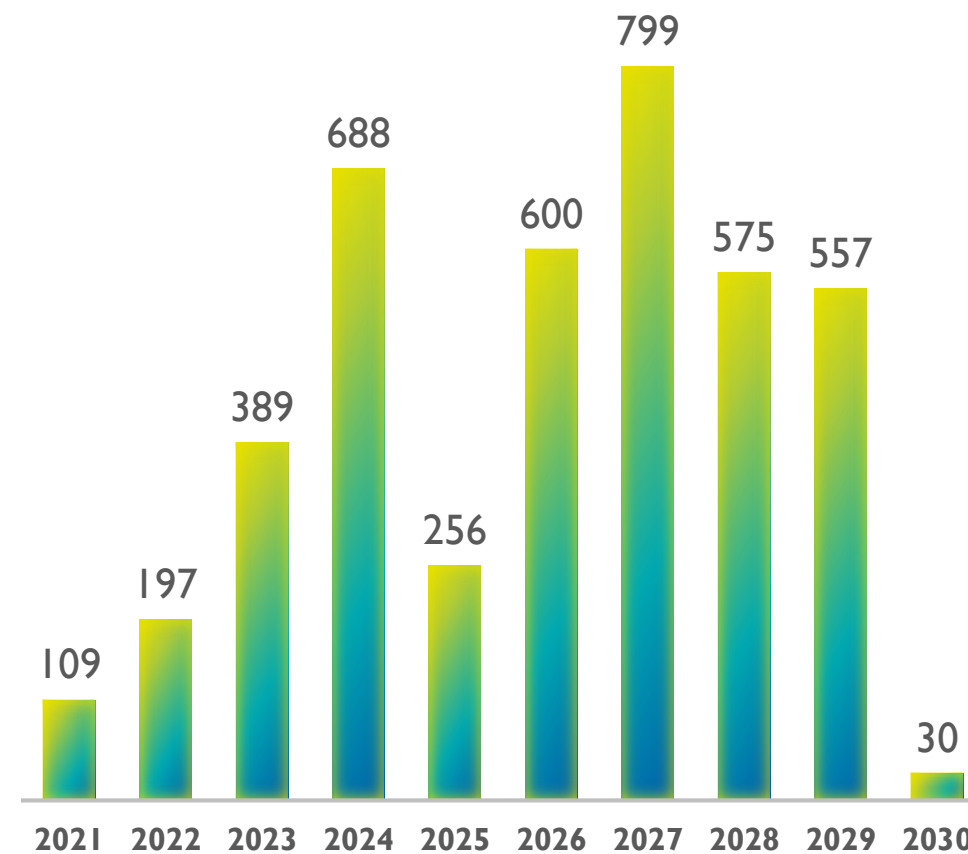
**2.94x**

NET DEBT/RAB\*  
31 Dec 2019

**0.70x**

\* Estimated value

## DEBT (€m)



# RESULTS 2020

FINANCIAL PERFORMANCE AHEAD OF GUIDANCE

## BONDS

29 JANUARY 2020

Placement of bonds worth €500m under EMTN programme. Bonds have a 9-year term and pay a fixed rate of 0.50%

## GREEN BOND

21 JANUARY 2021

Placement of first GREEN BOND of €900m successfully completed. Issue under Green Financing Framework and EMTN programme in two tranches:  
€300m tranche, 0% coupon, maturing 28 September 2025 (first ever Italian corporate bond issued with a negative yield);  
€600m tranche, 0.25% coupon, maturing 28 July 2030

## STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 DEC 2020)

- DEBT FALLING DUE AFTER 2021
- DEBT FALLING DUE BY 2021

- FLOATING RATE
- FIXED RATE

81%

FIXED RATE

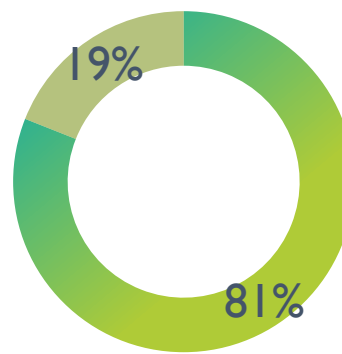
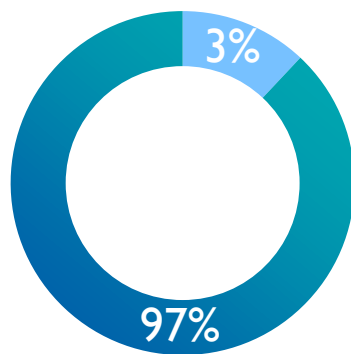
1.74%

AVERAGE COST

5.4

YEARS

AVERAGE TERM



## RATINGS

FitchRatings

BBB+

Stable outlook

MOODY'S

Baa2

Stable outlook



## Regulatory framework

- *Water*
- *Electricity distribution*
- *Environment*

## TARIFF REGIME FOR THE THIRD REGULATORY PERIOD (2020-2023)

### Delibera ARERA 580/2019

- WACC: 5.24% (previously 5.3%)
- WACC on fixed assets in progress: 3.92% (provision amended by ARERA in Resolution 235/2020/R/idr of 23 June 2020)
- Increase in inflation rate (from 1.5% to 1.7%)
- The limits on annual growth of the tariff multiplier linked to classification in the matrix of regulatory frameworks have been reduced
- Reduction in standard coverage for late payments in Central Italy from 3.8% to 3%

EXPIRY OF CONCESSIONS	
ATO2 Lazio Centrale (Acea ATO2)	2032
ATO5 Frosinone (Acea ATO5)	2033
ATO3 Regione Campania (Gori)	2032
ATO4 Alto Valdarno (Nuove Acque)	2027
ATO2 Basso Valdarno (Acque)	2031*
ATO3 Medio Valdarno (Publiacqua)	2024**
ATO6 Ombrone (Acquedotto del Fiora)	2031*
Municipality of Lucca (Geal)	2025
ATO1 Perugia (Umbra Acque)	2027
ATI4 Umbria (Umbriadue Servizi Idrici)	2032

\* Extension of the concession approved by the concession authority at the time of the biennial review 2018-2019 (also approved by ARERA).

\*\* Extension of the concession approved by the concession authority at the time of the biennial review 2018-2019, yet to be approved by ARERA.

## **ARERA RESOLUTION 235/2020**

### **«Adoption of urgent measures for the integrated water service, in response to the Covid-19 emergency»**

- Deferral of deadlines for meeting tariff and technical quality requirements.
- Recognition in allowed costs of 0.6% of turnover to cover late payments caused by restrictions linked to the spread of Covid-19
- Assessment of quality performance based on cumulative data for the two-year period 2020-2021
- Amendment of cost recognition criteria (on a forecast basis, with any gaps to be made up through back-billing) linked to the Covid-19 emergency
- Selective measures for financial sustainability of concessions during the emergency (advance payments to be applied for to CSEA – Cassa Servizi Energetici e Ambientali only for concessions where tariffs are approved by 30 September 2020)
- Increase in returns on WIP (Work In Progress): 3.73% in the first two years of the regulatory cycle and 2.77% in the subsequent years (previously 3.58%, 3.31%, 3.04% and 2.77%)

# Regulation

## Electricity distribution (1/2)

### ARERA RESOLUTION:

- **568/2019** tariffs for electricity distribution (**TIT**) and metering (**TIME**) revised for the sub-period 2020-2023
- **646/2015** "Quality of electricity distribution and metering services and output-based regulation" (**TIQE**) amended and supplemented by RESOLUTION **566/2019/R/eel** for the sub-period 2020-2023
- **534/2019** Initiatives designed to boost the resilience of electricity distribution networks, Areti plan for 2019-2021.
- **467/2019** experimental regulation for the upgrade of aging plumbing risers in buildings
- **306/2019** Revision for the three-year period 2020-2022 of the recognition of 2G smart metering costs
- **583/2015 TIWACC** supplemented by resolutions 639/2018/R/com and 570/2019/R/gas

**REGULATORY PERIOD: EIGHT YEARS 2016-2023** divided into two sub-periods, each lasting four years:

- 2016-2019
- 2020-2023

### **REGULATORY PERIOD WACC: SIX YEARS 2016-2021**

- WACC for 2016-2018 5.6%
- WACC for 2019-2021 5.9%

**ARERA RESOLUTION 380/2020: "Launch of the process of adopting provisions regarding the methods and criteria for determining and revising the rate of return on invested capital in the electricity and gas sectors for the second regulatory period".**

**Areti's concession expires in 2030**

### **WACC FOR OTHER ACTIVITIES**

#### **ELECTRICITY TRANSMISSION**

Electricity transmission WACC for 2019-2021 : 5.6%

#### **GAS NETWORKS**

Gas transport	WACC for 2019: 5.7%	WACC for 2020-2021: 5.7%
Gas distrib	WACC for 2019: 6.3%	} WACC for 2020-2021: 6.3%
Gas metering	WACC for 2019: 6.8%	
Gas storage	WACC for 2019: 6.7%	WACC for 2020-2021: 6.7%



# Regulation

## Electricity distribution (2/2)

### MAIN REGULATORY CHANGES IN 2020

#### **Urgent measures linked to the COVID-19 epidemic**

The regulator urgently issued a series of resolutions designed to mitigate, as far as possible, the difficulties faced by final consumers and certain businesses connected with the rules governing the response to non-payment by customers, with specific regard to the process for cutting off the supply of electricity.

#### **ARERA Resolution 60/2020/R/com – Managing non-payments**

In this Resolution, the regulator suspended application of the procedure for managing non-payments set out in supply contracts with final customers until 17 May of the current year.

#### **Resolution ARERA 116/2020/R/com – Billing for transmission services**

In Resolution 116/2020/R/com, ARERA suspended the application of default procedures in the event of non-payment by traders of transmission service charges due for payment in April 2020. This reflects potential for non-payment by customers who have benefitted from the above Resolution 60/2020/R/com.

More specifically, the regulator has suspended the above procedures where the transmission service user has paid at least 70% of the total amount billed for LV withdrawal points. At the same time, given the fact that the measures introduced could make it difficult for distributors to pay general system charges to the CSEA and GSE, the regulator has given distributors the option of making a payment in proportion to the amount effectively collected. This payment must, in any event, be within the minimum amount (80%) needed to ensure the system is fully funded.

#### **Resolution ARERA 248/2020/R/com – Procedures for recovering unpaid amounts**

The measures introduced by Resolution 116/2020/R/com were extended on a number of occasions by the regulator, up to and including bills falling due in June 2020. As a result, the later Resolution 248/2020/R/com set out the procedures for recovering unpaid amounts payable to distributors by transmission users and general system charges not paid by the former to the CSEA and GSE.

#### **Resolution ARERA 213/2020/R/eel – Temporary changes to the 2G directives**

Within the above context, Resolution 213/2020/R/eel introduced, for 2020, a series of changes to the regulations governing the rollout of 2G smart metering systems with the aim of avoiding penalties to be paid by distribution companies as a result of factors beyond their control linked to the epidemic.

The main changes introduced regard the preparation of detailed plans for the mass phase of the rollout, the suspension of penalties for falling behind the schedule set out in the plan and a halt to application of the “Information Quality Incentive” matrix.

The regulator has reserved the right to extend, in full or in part, the measures adopted in this Resolution into 2021 depending on how the health emergency evolves.

## ARERA RESOLUTION 443/2019

- Regulatory period 2018-2021, structured in line with the previous tariff regulation (Presidential Decree 158/99), with the introduction of certain elements such as sharing arrangements for revenue from the sale of material and energy derived from waste and the related CONAI revenue.
- Real pre-tax WACC: 6.3% for the period 2020-2021, with an additional 1% for the 2-year time lag between capex being carried out and its recognition in RAB.
- Determination of four different regulatory frameworks, limiting the annual rise in the tariff to reflect the quality of service provided and changes in the scope of operations.
- Cost recognition on the basis of accurate ex post data based on reliable accounting records for the previous two years and no longer on forecasts.
- Identification of efficient costs and subsequent adjustments for 2018 and 2019 (introduced on a progressive basis and recognisable over no more than 4 years).
- Whilst awaiting determination of the tariffs for incoming waste (to be determined by 31 December 2020), the charges covering the costs of disposal and treatment and of treatment and recovery are determined on the basis of approved and/or negotiated tariffs.

# 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.