



acea

Investor Presentation

Unicredit - Kepler Cheuvreux
“Italian Investment Conference”

17 May 2022



ACEA GROUP



2021 RESULTS



BUSINESS PLAN 2020-2024



BUSINESS LINE HIGHLIGHTS



BUSINESS PLAN 2020-2024 KEY TARGETS



ACEA GROUP



2021 RESULTS



BUSINESS PLAN 2020-2024



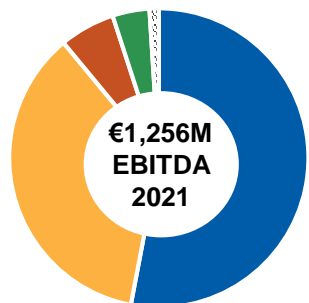
BUSINESS LINE HIGHLIGHTS



BUSINESS PLAN 2020-2024 KEY TARGETS

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

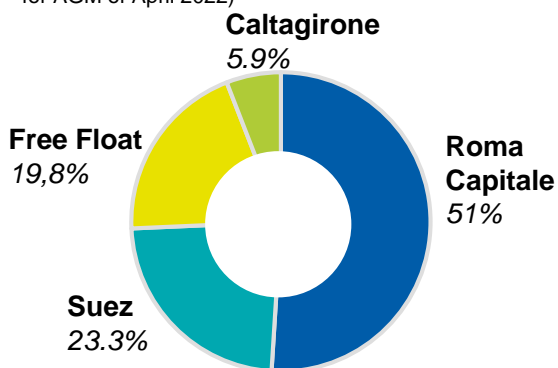
2021 EBITDA



82% regulated

Ownership structure

(Source: based on proof of share ownership filed for AGM of April 2022)



Water

Leader
in the water supply sector in Italy

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



Energy Infrastructure

Leading Italian player in the electricity distribution market

With **more than 9 TWh** of distributed electricity



Commercial & Trading

One of the main players in the Italian energy market

With **more than 8 TWh** of electricity sold



Environment

One of the main players in the Italian waste treatment sector

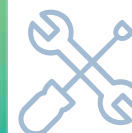
With **more than 1.7 M tons** of treated / disposed waste



Power generation

Green player in power generation in Italy

With **300 MW** of installed capacity¹



Engineering and services

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

With **~ 450k** tests of drinking water
>193k tests of waste water



Gas distribution

Entry in the gas distribution business with **~127k redelivery points**



Growth

Growth driven by regulated businesses, with **significant investment** in 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**

+9.8%
EBITDA CAGR
2019 - 2021

4.7 B€
Capex and M&A
2020-24



Sustainability

...with strong 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

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

| | | |
|---|---|--|
|  A- Leadership |  EE Positive |  82/100 (Jan. 2022) |
|---|---|--|

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

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

-  **263** water losses reduction
-    **220** resiliency of Rome aqueduct system
-     **127** efficiency of purification system
-  **234** installation of **smart meters** for water and electricity
-    **492** resiliency and efficiency of electric grids
-   **58** infrastructure **modernization** and **remote mgmt.**
-   **445²** circular economy treatment of **waste**
-    **29** e-mobility infrastructure
-    **212** increase of **green energy** generation

¹ +180M€ related to the installation of smart water and electric meters, +120M€ related to efficiency and resiliency of electric grids, +100M€ to improve the efficiency of the purification system;

² Includes 206M€ of M&A capex



ACEA GROUP



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BUSINESS PLAN 2020-2024



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BUSINESS PLAN 2020-2024 KEY TARGETS

Performance and delivery

SOLID, EFFECTIVE AND SUSTAINABLE STRATEGY

**SUSTAINABLE
DEVELOPMENT ACROSS ALL
AREAS OF BUSINESS**



**POSITIVE TREND FOR ALL
KEY PERFORMANCE
INDICATORS**

EBITDA

€1,256M +9%

INITIAL GUIDANCE : +6%/+8%
REVISED GUIDANCE: >+8%

NET PROFIT

€313M +10%

VALUE CREATION FOR
SHAREHOLDERS AND
TERRITORIES

CAPEX

€931M* +5%

SELECTIVE
ACCELERATION OF
INVESTMENTS

NET DEBT

€3,977M +13%

GUIDANCE FOR 2021:
€3.85/3.95BN

LEVERAGE

**NET DEBT/
EBITDA**

3.17x

**NET
DEBT/RAB**

0.71x

DPS

0.85€ +6.3%

GUIDANCE FOR 2022

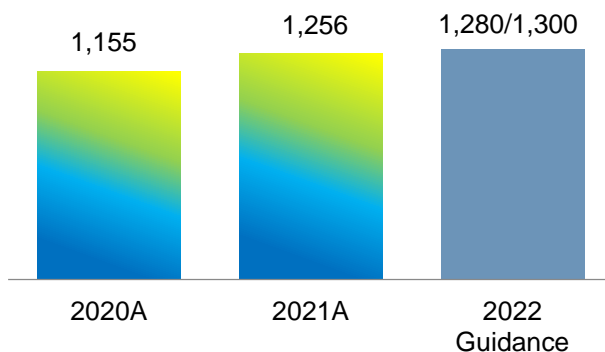
**EBITDA
+2%/+4%
VERSUS 2021**

**CAPEX
BROADLY IN LINE
WITH 2021**

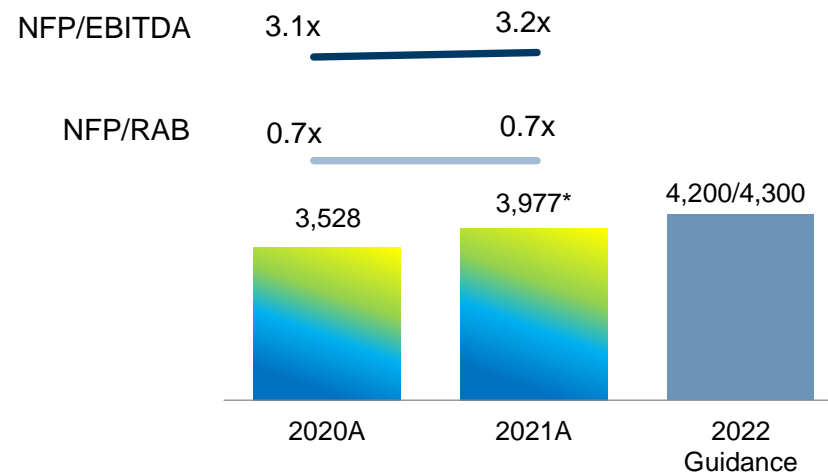
**NET DEBT
€4.2 / 4.3B**

Key financials

EBITDA | M€



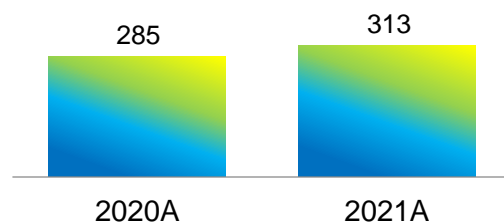
NFP | M€



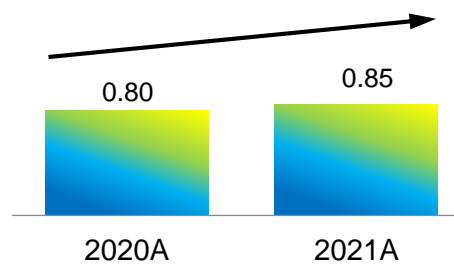
RAB | B€

| | 2021 | 2020 |
|---------------------------|------------------------|------------|
| Water ¹ | 3.1[^] | 2.5 |
| ATO2 | 2.2 | 1.7 |
| ATO5 | 0.2 | 0.1 |
| SII TERNI | 0.1 | 0.1 |
| AdF | 0.3 | 0.2 |
| GORI | 0.3 | 0.3 |
| ARETI | 2.5 | 2.3 |
| Electricity distribution | 2.3 | 2.1 |
| Measurement | 0.2 | 0.2 |

Net Income | M€



Dividend per share | € / share



2022 GUIDANCE

EBITDA +2%/+4% versus 2021= €1,256M
 CAPEX broadly in line with 2021= €931M
 NET DEBT: €4.2B/€4.3B

Results 2021

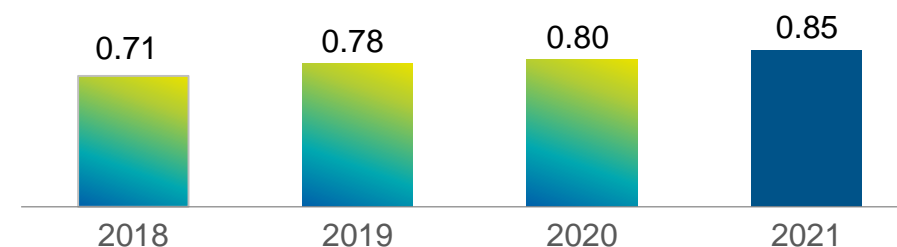
KEY FINANCIAL HIGHLIGHTS

| (€M) | 2021 (A) | 2020 (B) | % CHANGE (A/B) |
|----------------------|-------------|-------------|-------------------|
| CONSOLIDATED REVENUE | 3,972.0 | 3,378.9 | +17.6% |
| EBITDA | 1,256.1 | 1,155.5 | +8.7% |
| EBIT | 581.1 | 535.0 | +8.6% |
| GROUP NET PROFIT | 313.3 | 284.9 | +10.0% |
| DIVIDEND PER SHARE | 0.85 | 0.80 | +6.3% |
| CAPEX | 931* | 886* | +5.1% |

| (€M) | 31 Dec 2021 (A) | 30 Sept 2021 (B) | 31 Dec 2020 (C) | % CHANGE (A/B) | % CHANGE (A/C) |
|--------------------|-----------------------|------------------------|-----------------------|----------------------|----------------------|
| NET DEBT | 3,977.2 | 3,998.3 | 3,528.0 | -0.5% | +12.7% |
| NET DEBT (ESMA) | 3,988.4 | | 3,552.0 | | +12.3% |

STRONG PROFITABILITY AND OPTIMAL CASH FLOW MANAGEMENT

EVOLUTION OF DPS (€)



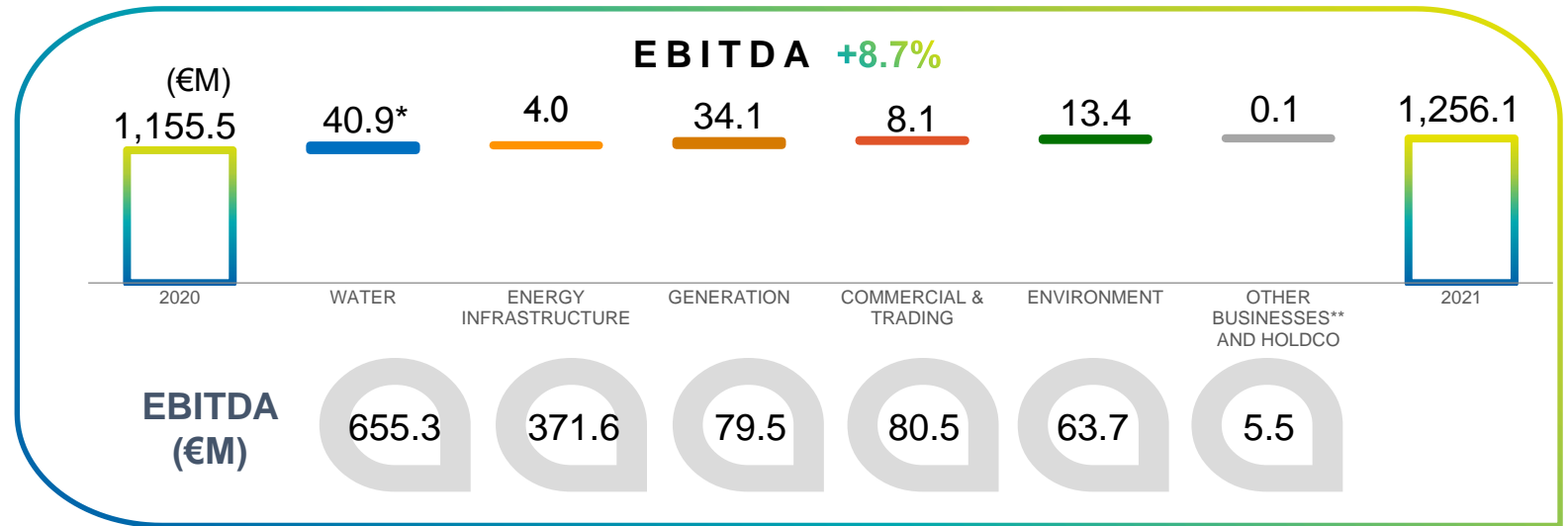
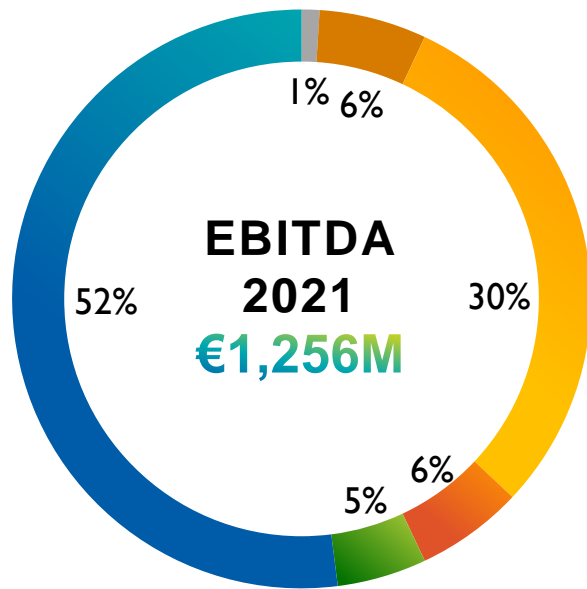
PAY OUT ¹
~58 %

DIVIDEND YIELD ²
5.1%

* Net of investments linked to assets to be deconsolidated (photovoltaic) and grant-funded investments

¹ Based on consolidated net profit after non-controlling interests

² Based on the share price at 11 March 2022.



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

CHANGE IN SCOPE OF CONSOLIDATION

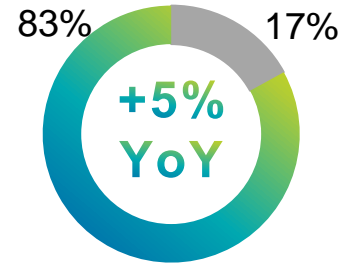
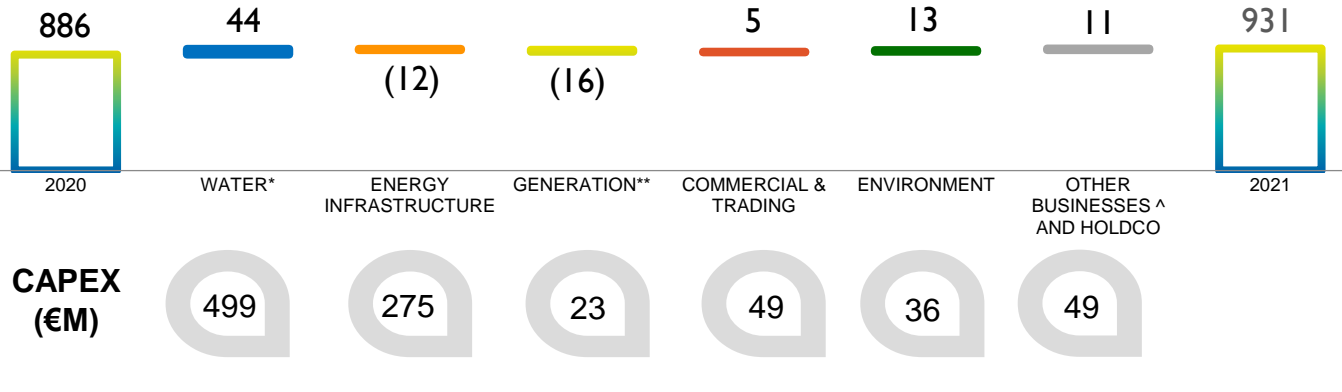
| EBITDA (€M) | Change |
|---------------------------------|--------------|
| SII TERNI | +11.6 |
| ADISTRIBUZIONE GAS [^] | +3.1 |
| FERROCART/CAVALLARI | +2.8 |
| SIMAM | +3.0 |
| MEG | +0.5 |
| DECO/ECOLOGICA SANGRO | +1.1 |
| PHOTOVOLTAIC | +2.8 |
| ACEA AND LIMA NORTE CONSORTIUM | +1.0 |
| TOTAL | +25.9 |

GROWTH ON COMPARABLE PERIMETER

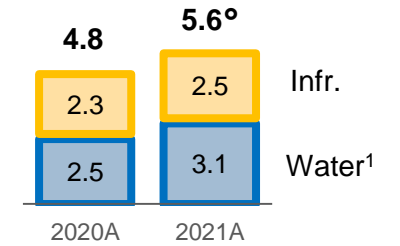
EBITDA +6.5%

* Line-by-line consolidation of SII Terni
 ** Overseas, Engineering & Services
[^] Resulting from the merger of Pescara Distribuzione Gas with Alto Sangro Distribuzione Gas

CAPEX (€M)



RAB (€B)



WATER

- REPAIR AND EXPANSION OF WATER AND SEWER PIPES
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- WORK ON TREATMENT PLANTS
- CHANGE IN SCOPE OF CONSOLIDATION (SII TERNI €8.3M ADISTRIBUZIONE GAS €2.5M)



ENERGY INFRASTRUCTURE

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



GENERATION

- EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS
- CONSTRUCTION OF PHOTOVOLTAIC PLANTS



COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- E-MOBILITY PROJECTS



ENVIRONMENT

- WORK ON ORVIETO LANDFILL
- WORK ON SAN VITTORE PLANT
- REVAMPING OF APRILIA COMPOSTING PLANT
- CHANGE IN SCOPE OF CONSOLIDATION (FERROCART/CAVALLAR I, MEG AND DECO €2.0M)
- BERG: CONSTRUCTION OF A CONCENTRATOR



OTHER

- OVERSEAS: INCREASED INVESTMENT AT THE ACEA LIMA NORTE AND ACEA LIMA SUR CONSORTIA
- ENGINEERING AND SERVICES: CONSOLIDATION OF SIMAM
- HOLDCO: IT PROJECTS

* Net of grant-funded investment (€22.8M)

** Net of investment linked to assets to be deconsolidated (photovoltaic, €16.0M)

^ Overseas, Engineering & Services

¹ Water RAB value does not consider RAB of sub-consolidated companies

^o RAB "accounting" which includes capex until 2021

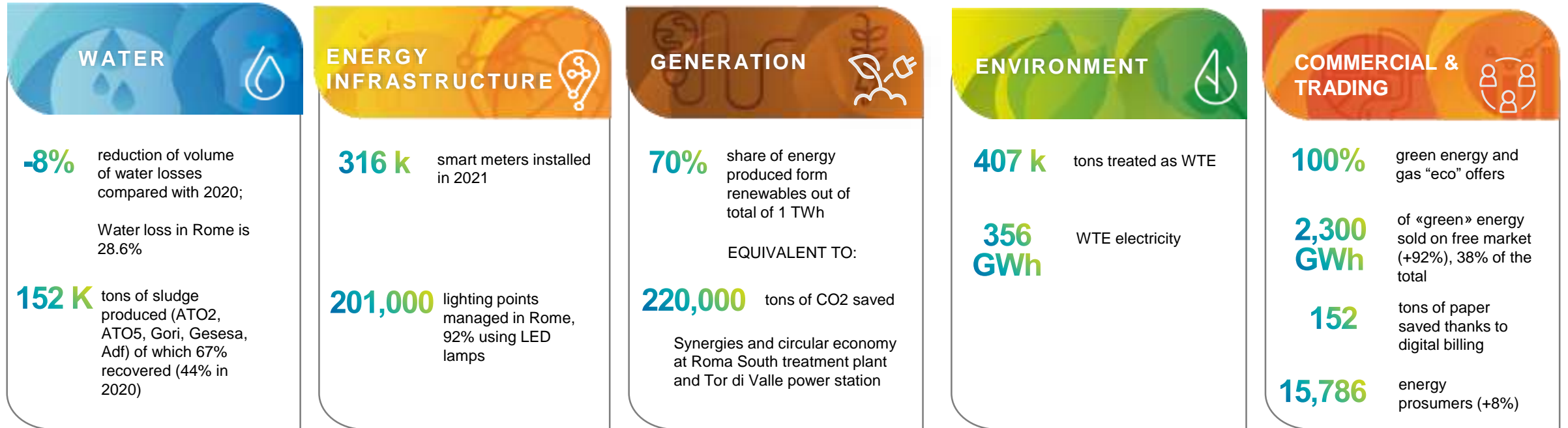
Key ESG Highlights

ACEA: A GENERATOR OF ESG VALUE IN THE AREAS IN WHICH WE OPERATE

SUSTAINABILITY: AT THE HEART OF OUR STRATEGIC DECISIONS AND OUR OPERATIONS

SUSTAINABILITY

WE HAVE BEGUN THE PROCESS OF IDENTIFYING SUSTAINABLE PROJECTS LINKED TO THE ECOLOGICAL TRANSITION. THESE WILL FORM THE BASIS FOR OUR NEXT BUSINESS PLAN



Key ESG Highlights

ACEA: A GENERATOR OF ESG VALUE IN THE AREAS IN WHICH WE OPERATE

SOCIAL



- ACEA vaccination hub



- “social bonus” discounts to help support financially distressed customers with both their electricity/gas and water bills, with savings of €8.8m and €2.4m, respectively



- 80% of **qualified suppliers** have completed a self-assessment questionnaire on aspects relating to sustainability, further rollout of Ecovadis rating
- **15,444 inspections of work sites** conducted



- **Quality employment:** 84% of new hirings on permanent contracts; 39% aged under 30. 98% of employees are permanent
- **~170 thousand hours** of training provided
- **Certification «Top Employers Italia 2022»** (Jan 2022)



- **Diversity & Inclusion Plan**

GOVERNANCE

- **10%** of short and medium/long-term remuneration **linked to** quantitative **sustainability goals**

GREEN FINANCING & RATINGS

- **First Green bond** of €900m issued in January 2021

- **Sustainability ratings:**



CDP
confirmed «A-», leadership



Standard Ethics
upgrade to «EE», «positive» outlook



Bloomberg GEI
improved to **80.67**



Gaia Ratings
improved to **82/100**

- **First TCFD report to be published** in May 2022



ACEA GROUP



2021 RESULTS



BUSINESS PLAN 2020-2024



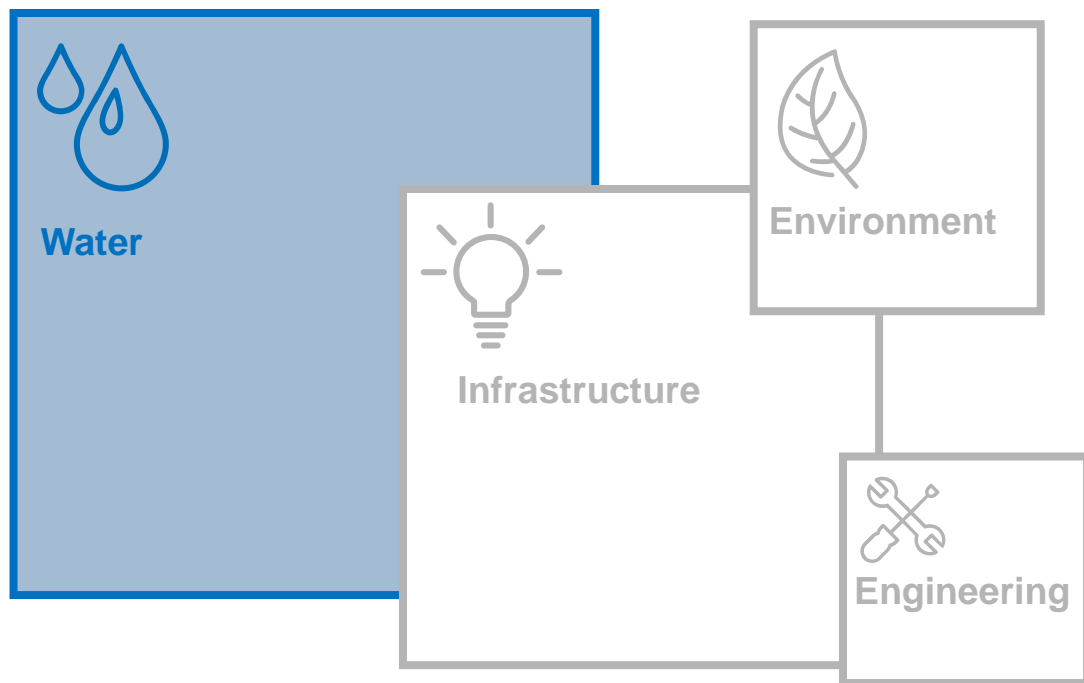
BUSINESS LINE HIGHLIGHTS



BUSINESS PLAN 2020-2024 KEY TARGETS

Agenda

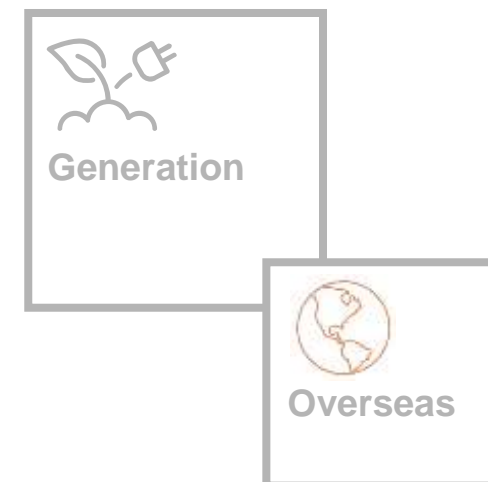
Operations



Commercial



Generation / overseas



Water Main initiatives

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 losses¹



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

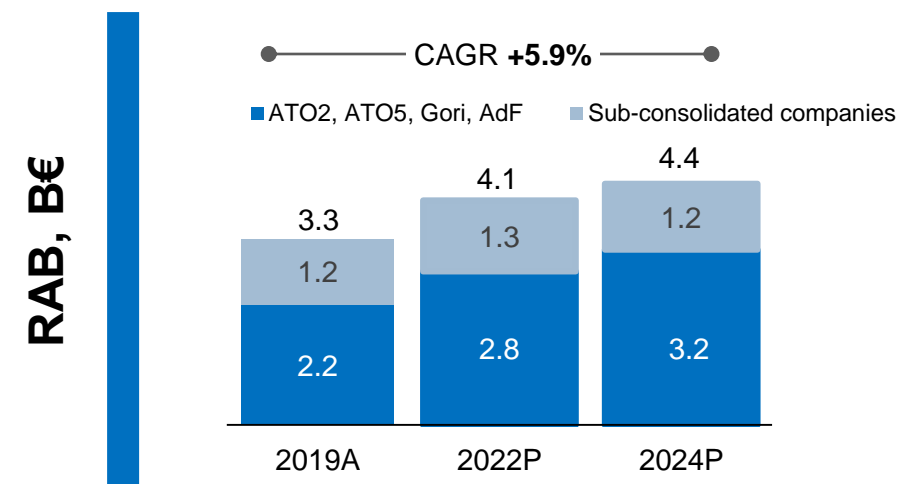
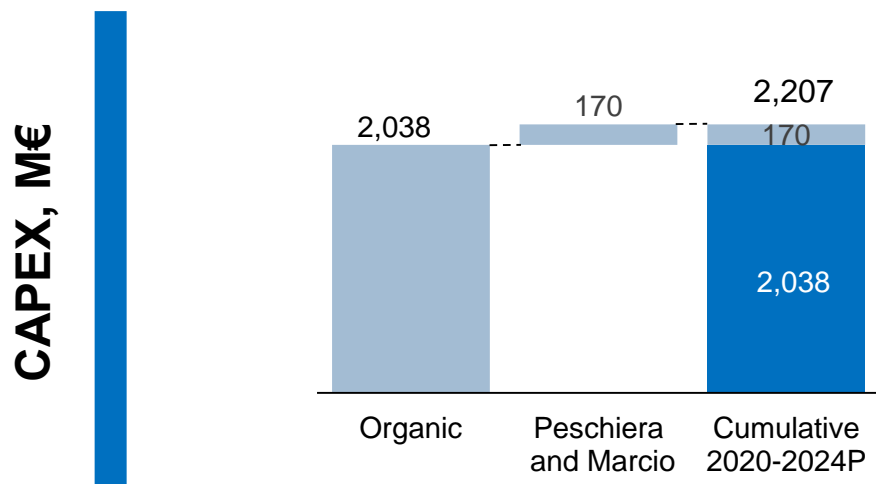
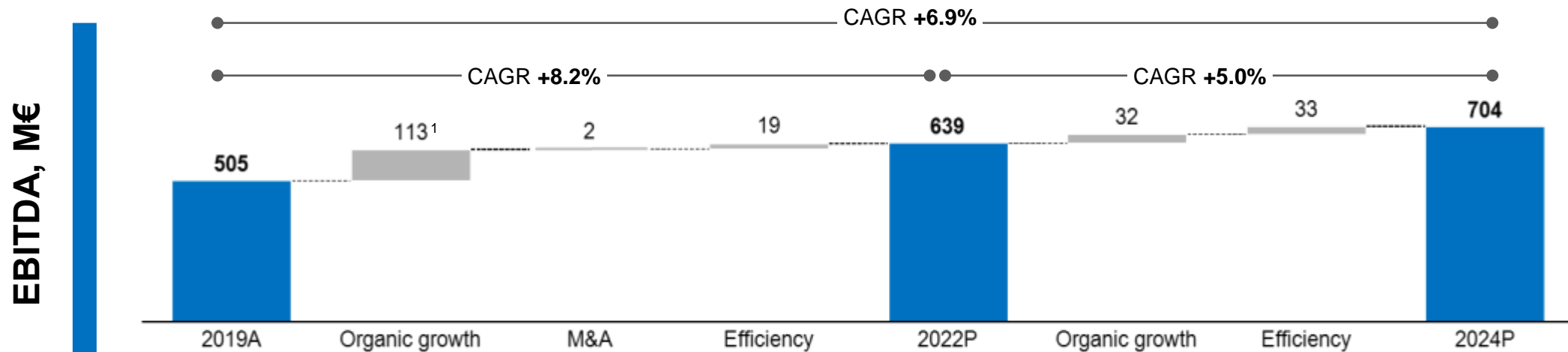


The **Consortium** established by **ACEA, Ascopiave** and **Iren** won bid for **gas distribution assets of A2A**. The assets of interest to ACEA consist of **concessions in 5 ATEM**, including 2 in Abruzzo, 2 in Molise and 1 in Campania.

30,700
POINTS OF REDELIVERY

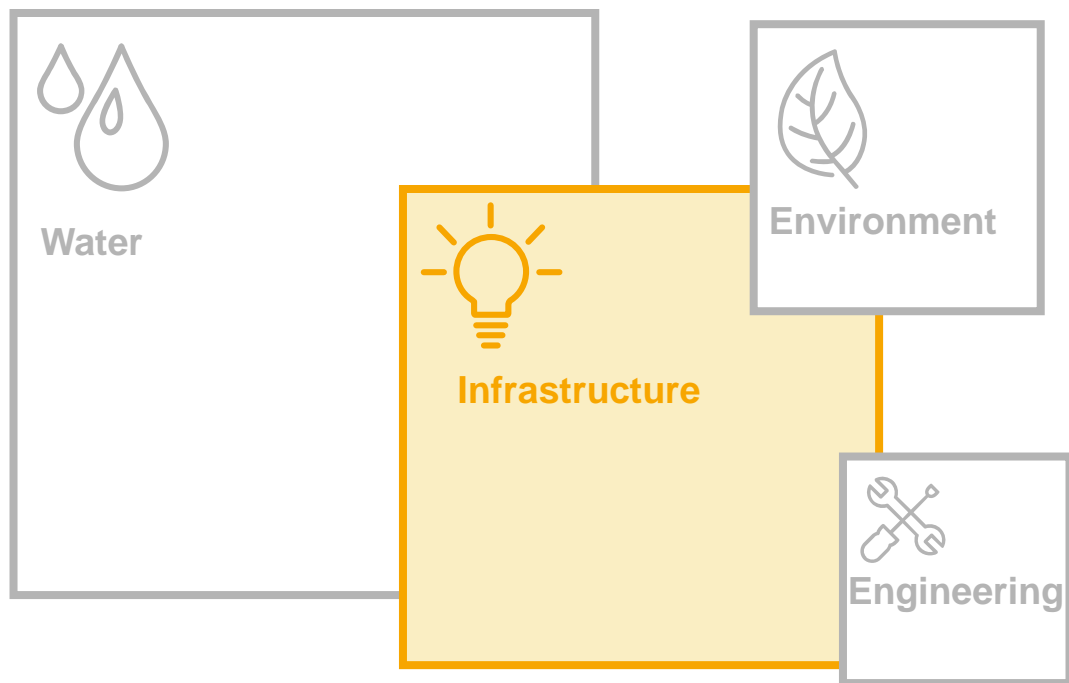
• EV: €35.8M
Closing: April 2022

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

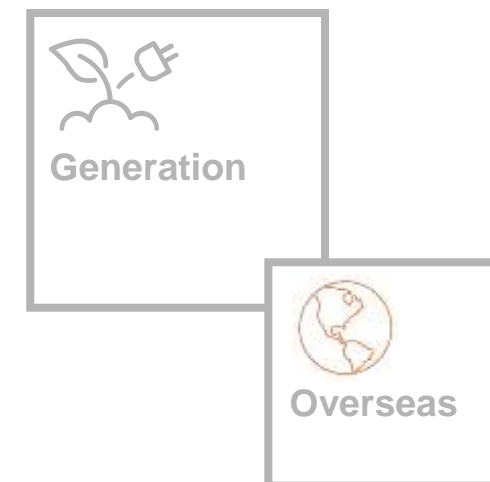
Operations



Commercial



Generation / overseas



Energy Infrastructure Main initiatives



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

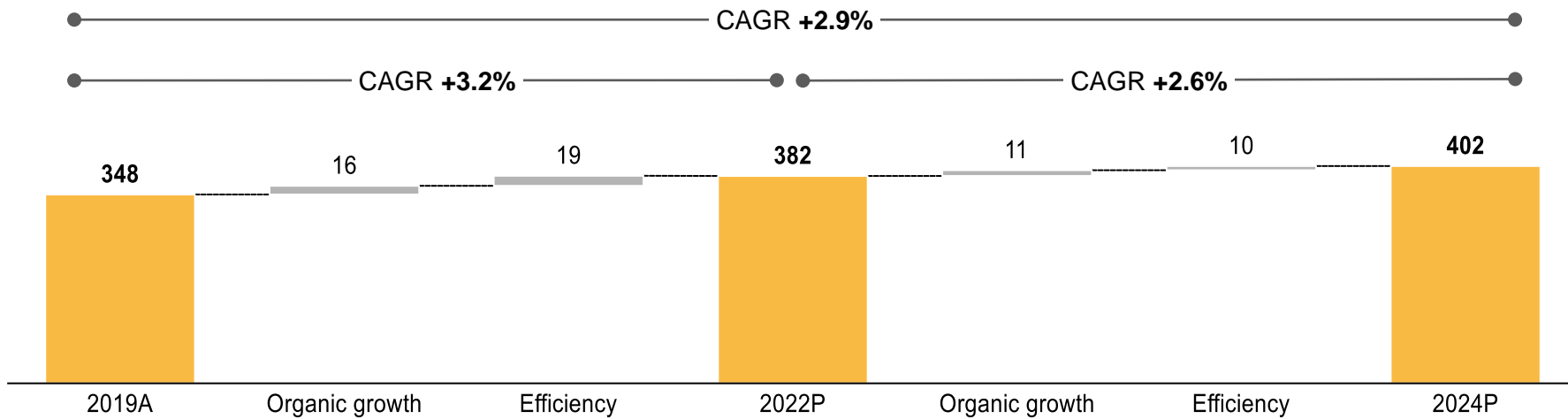
13+ M€
CAPEX

Areti and RSE-Ricerca Sistema Energetico have renewed their partnership agreement for grid modernisation, in line with the decarbonisation goals set in the 2030 Agenda. (March 2022)

Energy Infrastructure Key financials



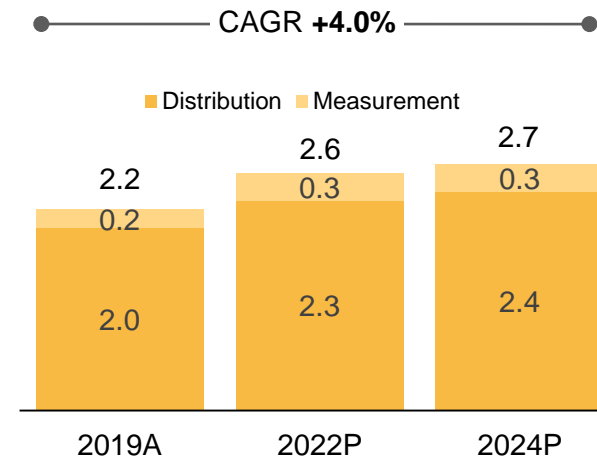
EBITDA, M€



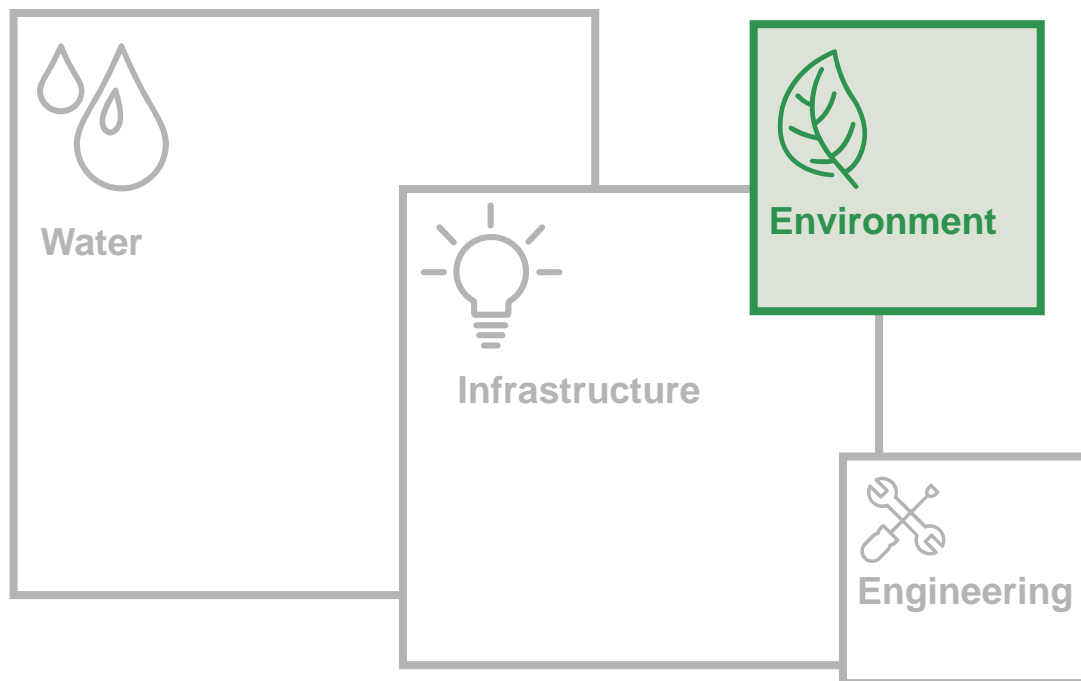
CAPEX, M€



RAB, B€



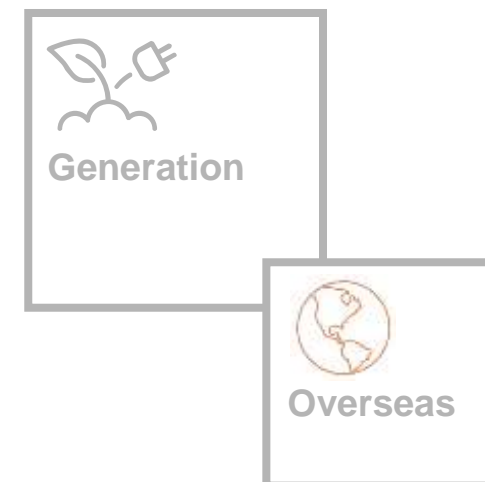
Operations



Commercial



Generation / overseas

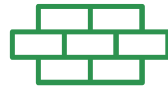


Environment Main initiatives



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



Agreement for the **acquisition of a 70% stake in Serplast (Abruzzo) and a 60% stake in Meg (Veneto)**, companies operating in the plastic recycling sector. EV (100%): €12M

- EBITDA 2021E: €3M
- EV/EBITDA: ~4x
- Volumes treated: ~70,000 Tonnes/year



This acquisition marks a further expansion of ACEA's plastic waste treatment capability, with the entry into a new sector, recycling, which is expected to deliver strong growth in the coming years.

Closing for Meg: October 2021 – Closing for Serplast: February 2022



Agreement for the **acquisition of a 65% stake in Deco (Abruzzo)**, company that operates in the designing, building and operating facilities used in the treatment, disposal and recovery of solid urban waste.

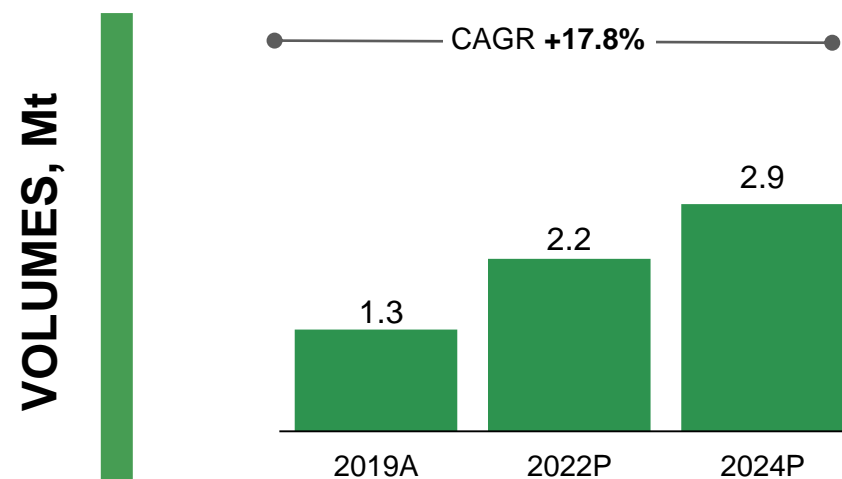
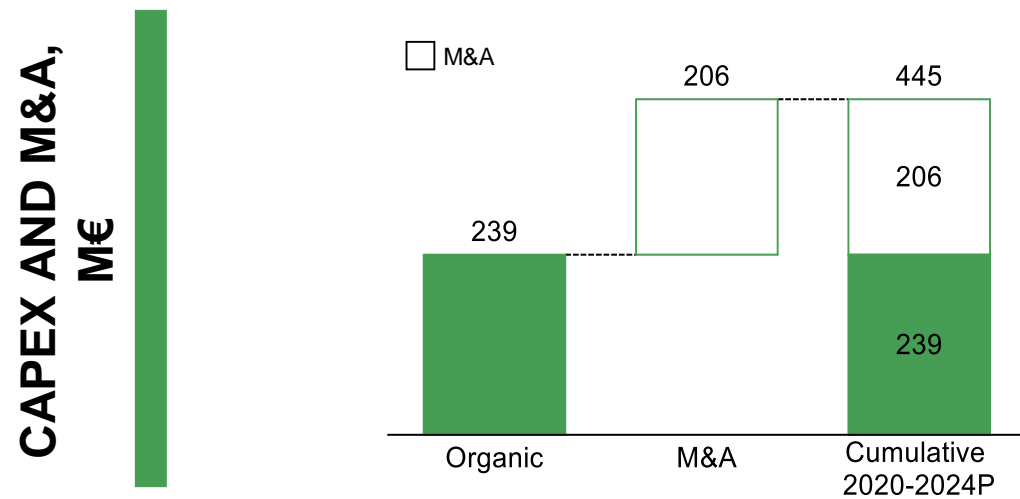
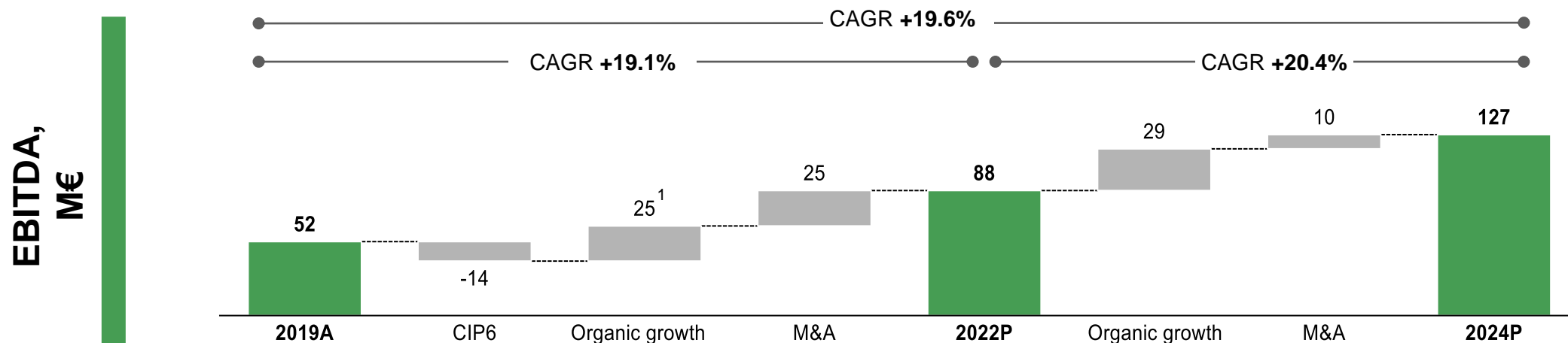
- EV (100%): €68M
- EBITDA 2020: €11M
- EV/EBITDA: 6,2x
- Volumes treated (authorized): ~270,000 Tonnes/year



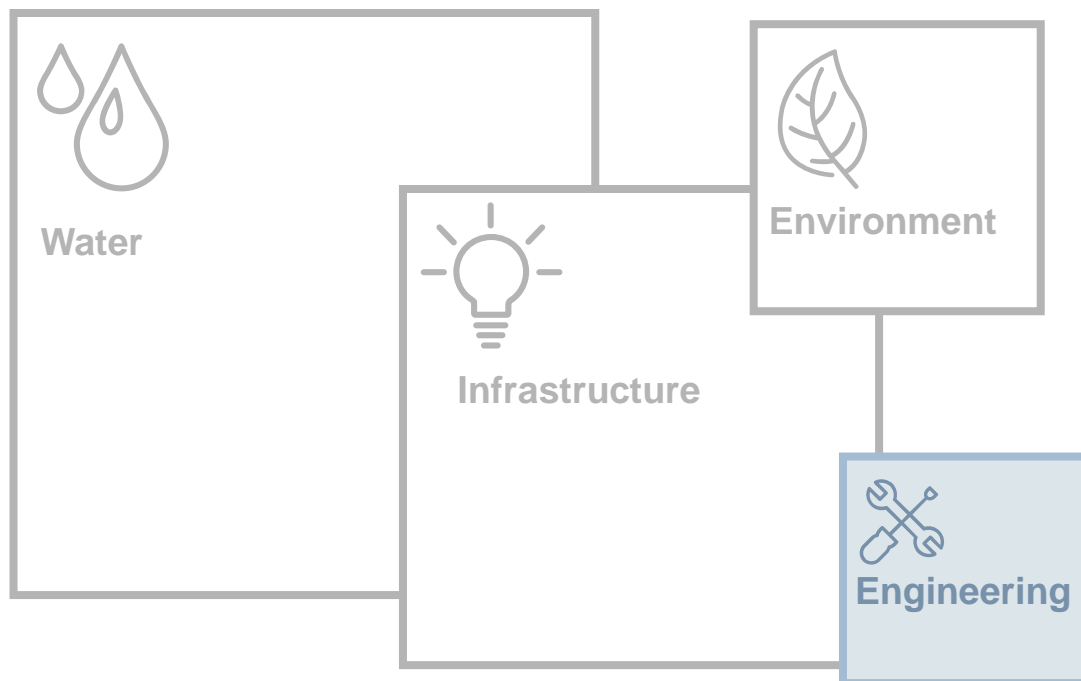
The transaction enables ACEA to further consolidate its extensive presence in Central Italy

Closing: November 2021

Environment Key financials



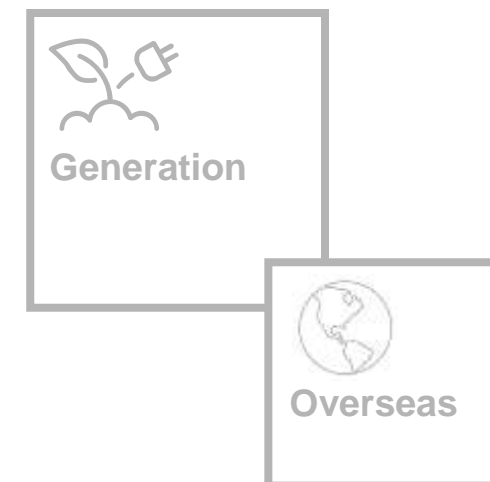
Operations



Commercial



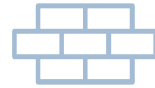
Generation / overseas



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**



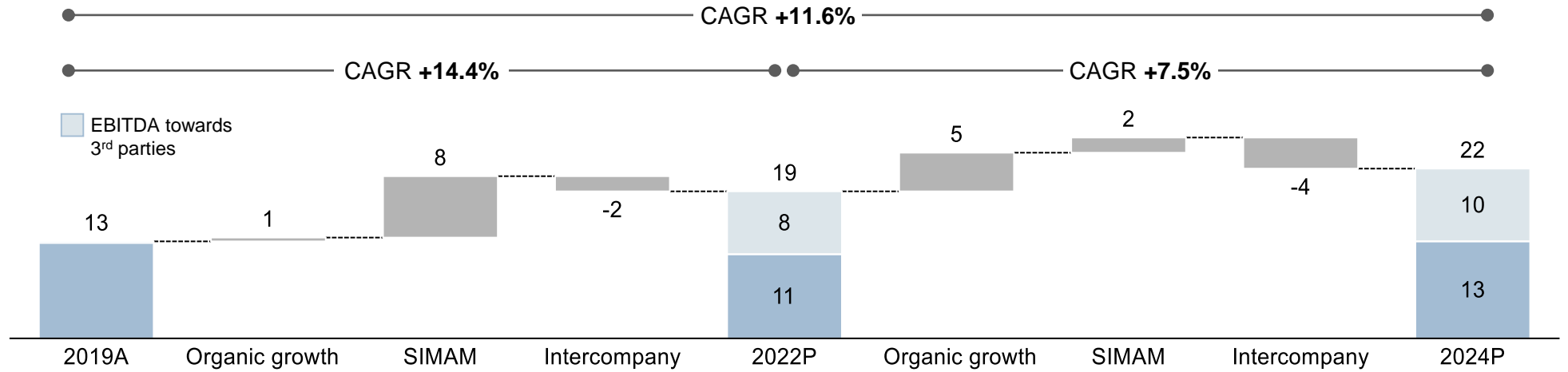
Development of a **commercial unit** to support growth and of a **research center**

Engineering & services

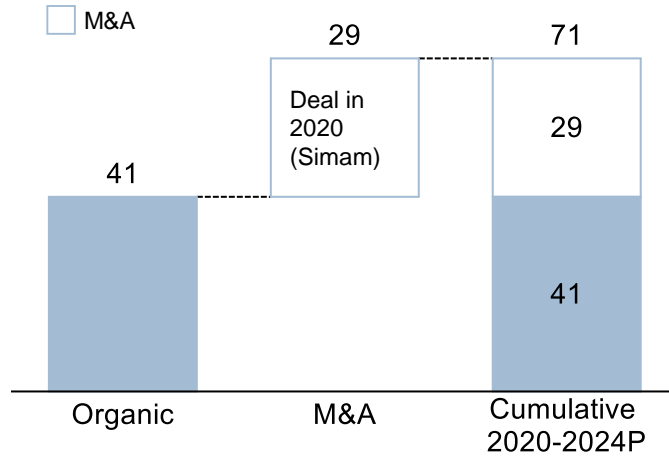
Key financials



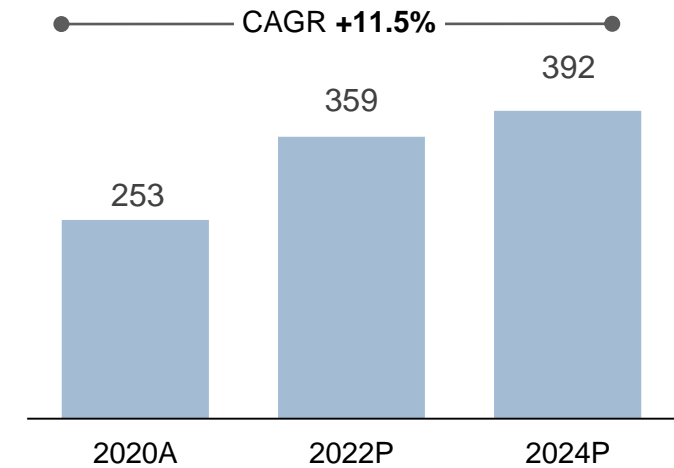
EBITDA,
M€



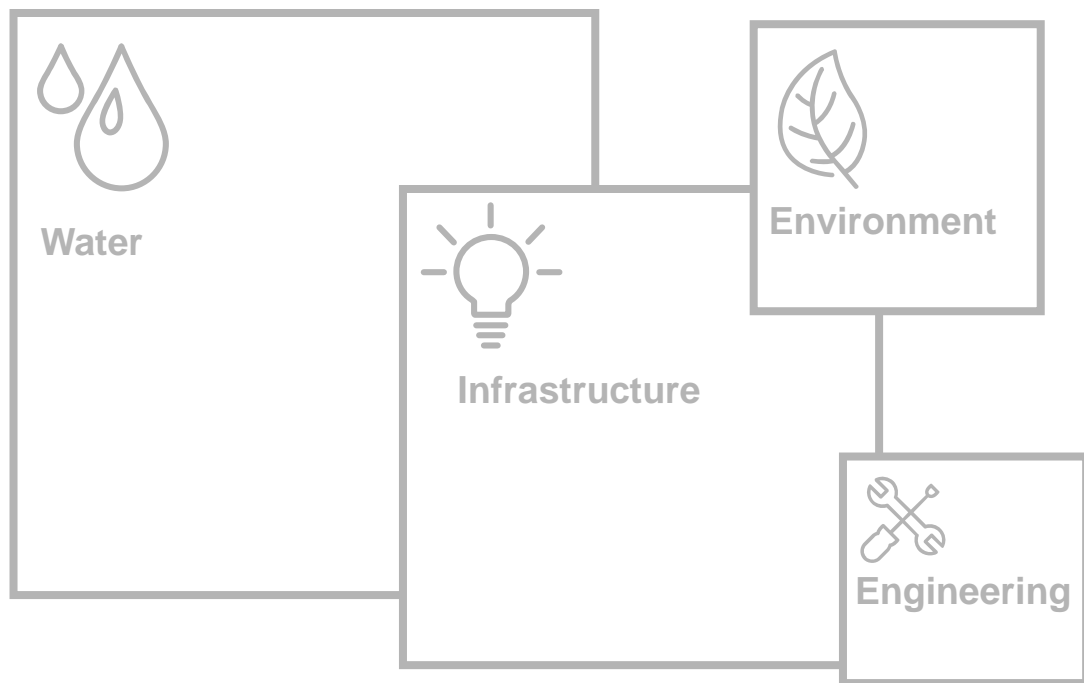
CAPEX AND M&A,
M€



REVENUES
EPC/FTE, K€



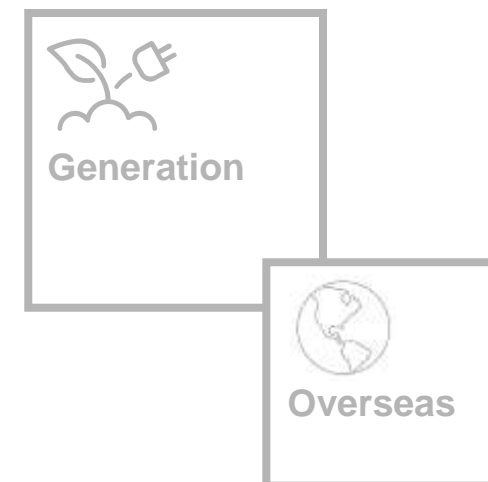
Operations



Commercial



Generation / overseas



Commercial & trading: focus on energy commodity

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

ACEA launches its LUCE 100% GREEN and GAS 0% CO2 offers (June 2021)



Partnership between Acea Energia and Windtre to promote and market the ELECTRICITY AND GAS OFFERING, initially through telecom company's retail outlets in Italy (January 2022)

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**

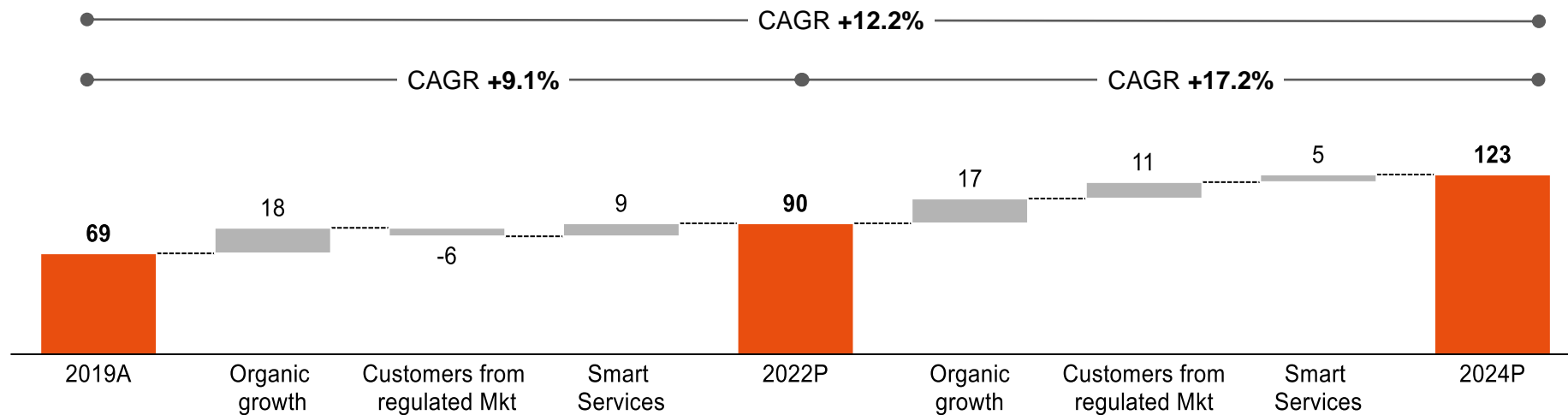
~1,000
plants installed
at 2024

ACEA begins to offer charging services for ELECTRIC-POWERED VEHICLES with the launch of “ACEA E-MOBILITY” app (April 2021)

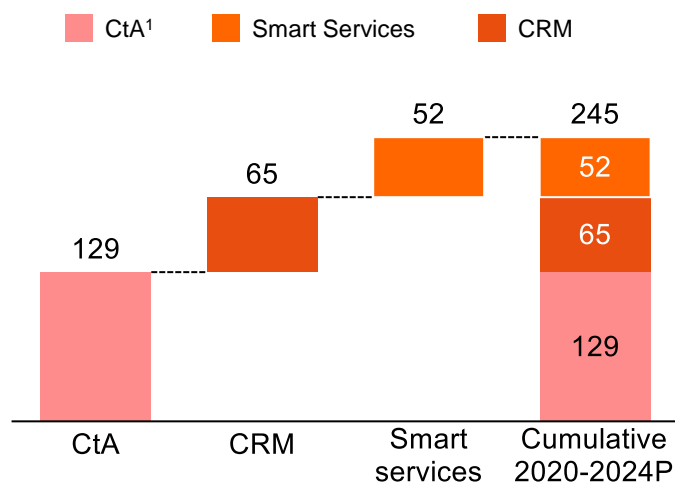
Commercial & trading Key financials



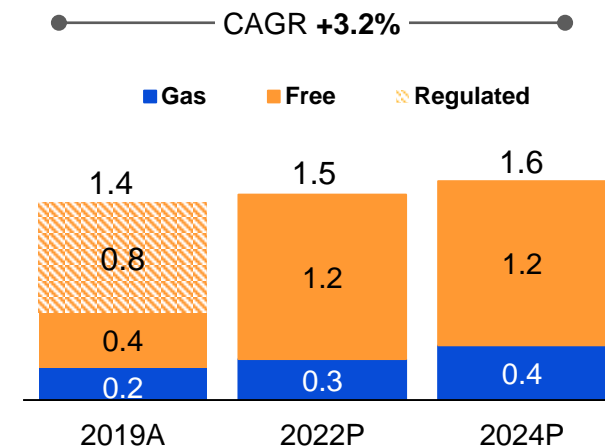
EBITDA, M€



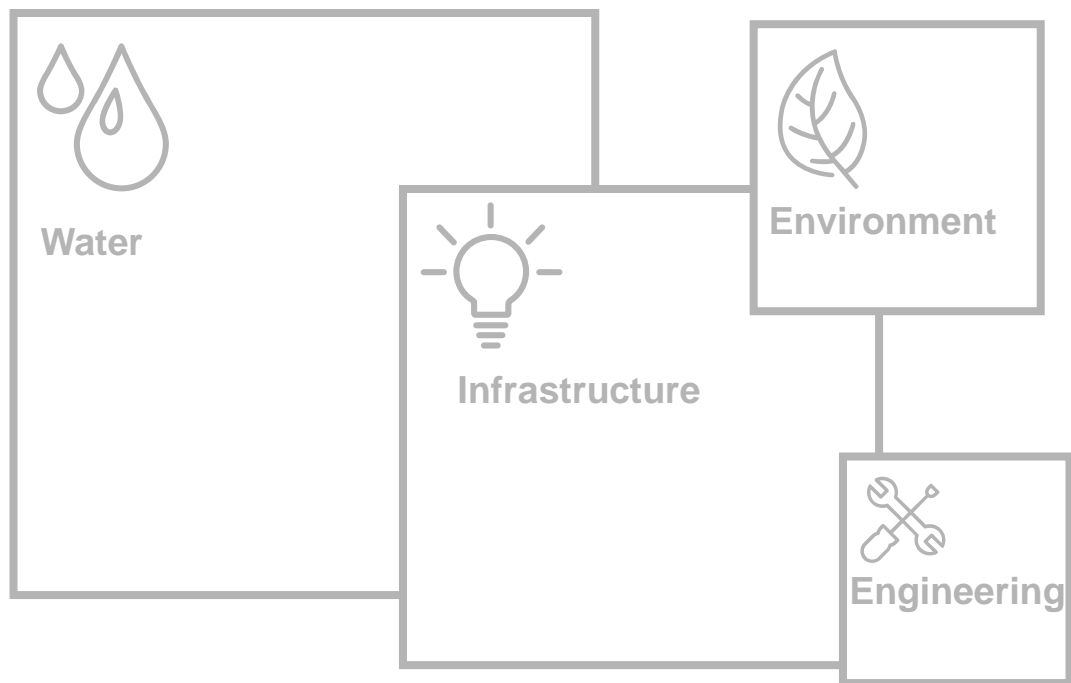
CAPEX, M€



CUSTOMERS, #M



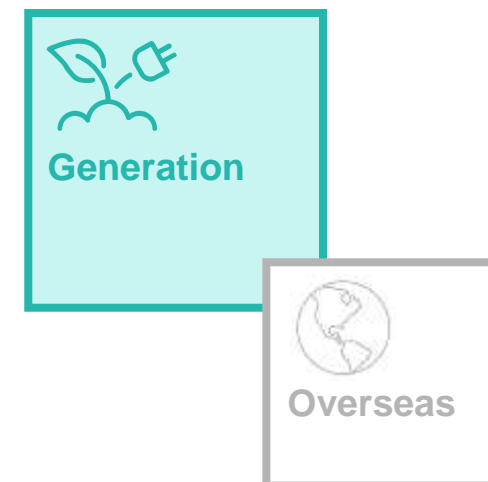
Operations



Commercial



Generation / overseas



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



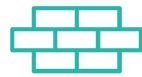
RES growth to exploit **opportunities from the decarbonization process**

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



Photovoltaic plants (as of December 2021)

- Total capacity of 73 MWp.

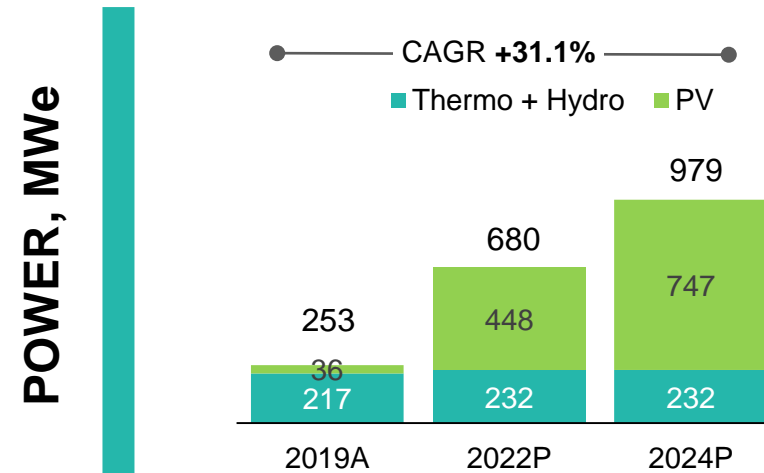
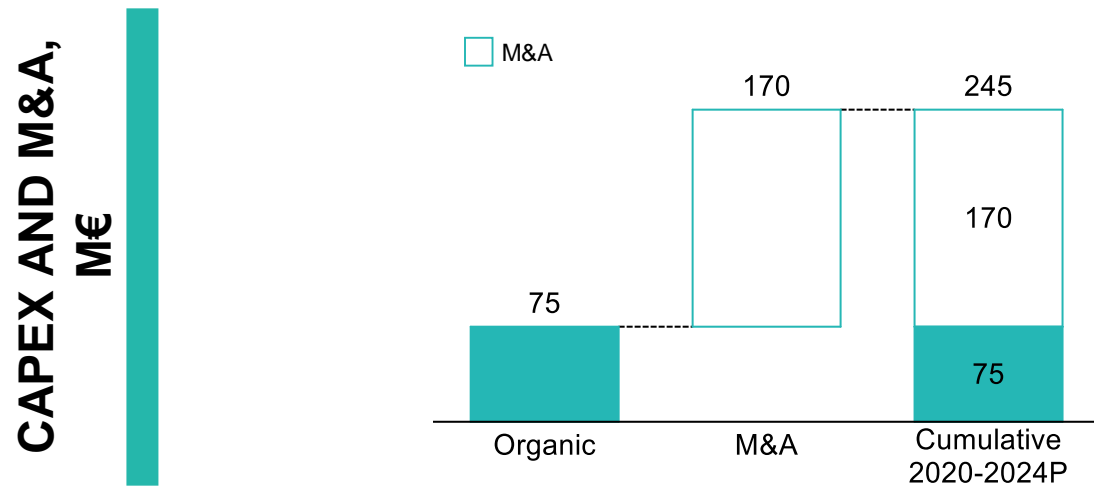
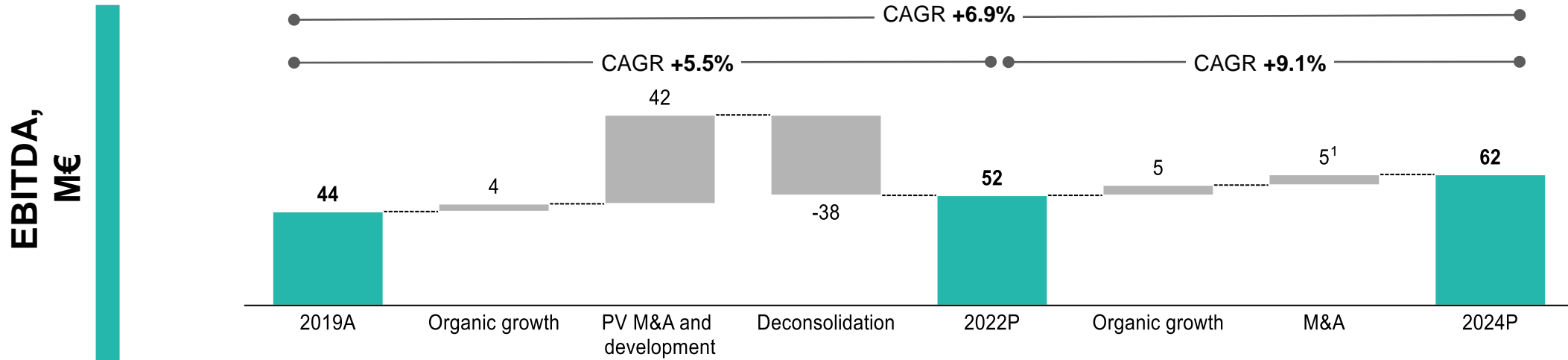


Agreement with Equitix for the **sale of a majority stake in NewCo set to manage photovoltaic assets.**

The newly established company, AE Sun Capital, 60% owned by Equitix and 40% owned by ACEA Produzione, has acquired the ACEA Group's photovoltaic holding company from ACEA Produzione. The holding company is the owner of photovoltaic plants with total installed capacity of 105 MW, including 46 MW qualifying for various feed-in tariffs and 59 MW represented by newly built plants already connected or in the process of being connected to the national grid

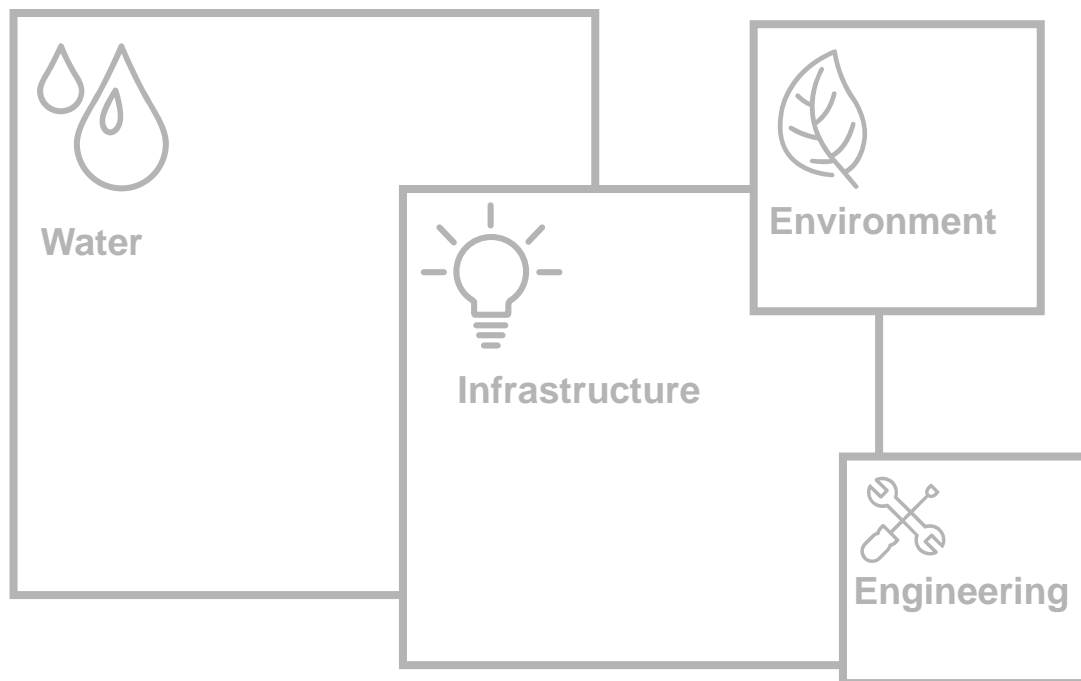
- EV (100%): €220M
 - EV/EBITDA 2022: 10x
- Closing: March 2022**

Generation Key financials

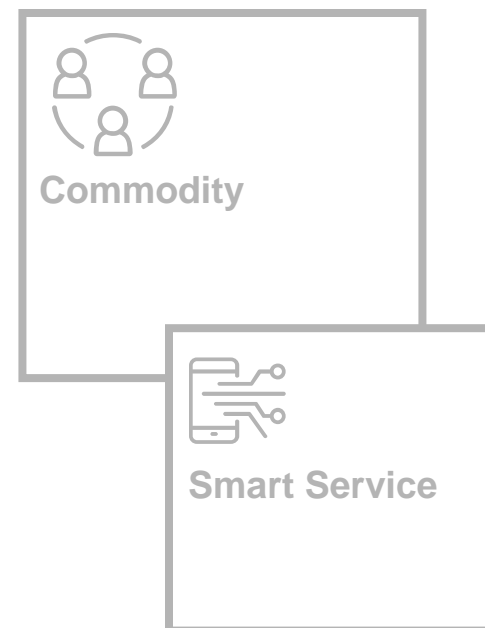


¹ Post deconsolidation the EBITDA value is equal to the Net Income pertaining to the company

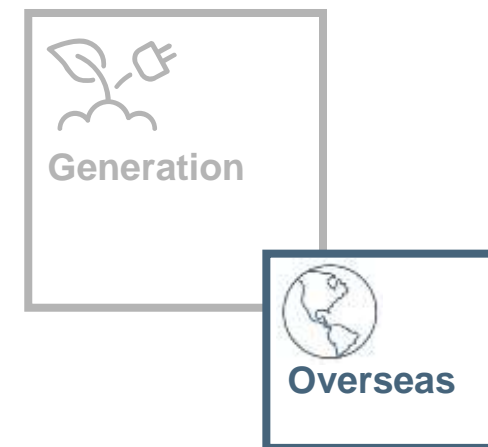
Operations



Market



Generation / overseas



Overseas Current positioning and key financials



Current positioning



Overseas
companies

51%

Aguazul Bogotá

100%

Acea International

100%

Acea Dominicana

44%

Consortio
Agua Azul

61%

Aguas de
San Pedro

100%

Consortio
– Acea Dominicana

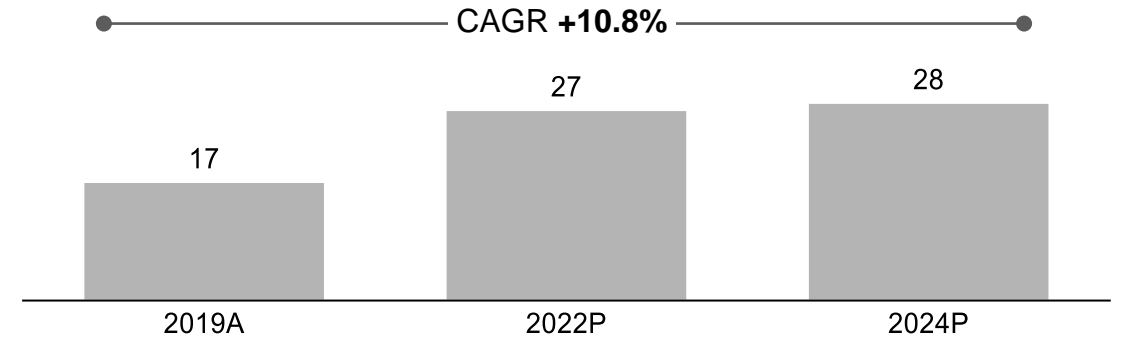
100%

Acea Perù

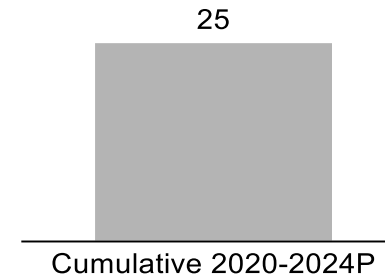
- **Acea International:** overseas holding (management, scouting, tender monitoring)
- **Acea Dominicana:** management of commercial services for the north and east regions of Dominican Republic
- **Consortio Agua Azul:** provision of water and discharge services in the city of Lima
- **Agua de San Pedro:**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

In 2021, Acea entered into three-year contracts to manage fresh water pumping stations and maintain the fresh and waste water network in the city of Lima in Perù.

EBITDA | 2019-2024, M€



CAPEX | M€





ACEA GROUP



2021 RESULTS



BUSINESS PLAN 2020-2024



BUSINESS LINE HIGHLIGHTS



BUSINESS PLAN 2020-2024 KEY TARGETS

Business Plan 2020-2024 Key Targets

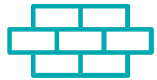
Significant growth at 2024, while maintaining a balanced capital structure



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

APPENDIX

Q1 2022 RESULTS

REGULATORY FRAMEWORK

- Water
 - Electricity distribution
 - Environment
- 

PERFORMANCE AND DELIVERY

A STRONG, RESILIENT BUSINESS MODEL

EBITDA

€318M +2%

NET PROFIT

€99M* +20%

CAPEX

€222M -3%

NET DEBT

€3,890M -3%

LEVERAGE

NET DEBT/ EBITDA LTM 3.08x



2022 GUIDANCE CONFIRMED

EBITDA
+2%/+4%
VERSUS 2021

CAPEX
BROADLY IN LINE
WITH 2021

NET DEBT
€4.2/4.3B

ARERA Resolution 183/2022 (26 April 2022)
Incentive mechanism for technical quality in the integrated water service (years 2018/2019): the water companies fully consolidated in the Acea Group have received ~€26m

RESULTS IQ 2022

KEY FINANCIAL HIGHLIGHTS

| (€M) | IQ 2022 (A) | IQ 2021 (B) | % CHANGE (A/B) |
|----------------------|----------------|----------------|-------------------|
| CONSOLIDATED REVENUE | 1,192.5 | 929.9 | +28.2% |
| EBITDA | 318.2 | 311.5 | +2.1% |
| EBIT | 153.8 | 155.5 | -1.1% |
| GROUP NET PROFIT | 99.4* | 83.1 | +19.6% |
| CAPEX** | 222.4 | 228.7 | -2.8% |

| (€M) | 31 Mar 2022 (A) | 31 Dec 2021 (B) | 31 Mar 2021 (C) | % CHANGE (A/B) | % CHANGE (A/C) |
|----------|-----------------------|-----------------------|-----------------------|-------------------|-------------------|
| NET DEBT | 3,890.3 | 3,988.4 | 3,654.1 | -2.5% | +6.5% |

KEY FINANCIAL INDICATORS CONFIRM
CONSTANT GROWTH TREND

AVERAGE GROUP WORKFORCE[^]

IQ 2022
7,197

IQ 2021
7,004

CHANGE
+193^{^^}

* Includes the capital gain on the sale to Equitix of a majority stake in ACEA's photovoltaic assets (~€21M).

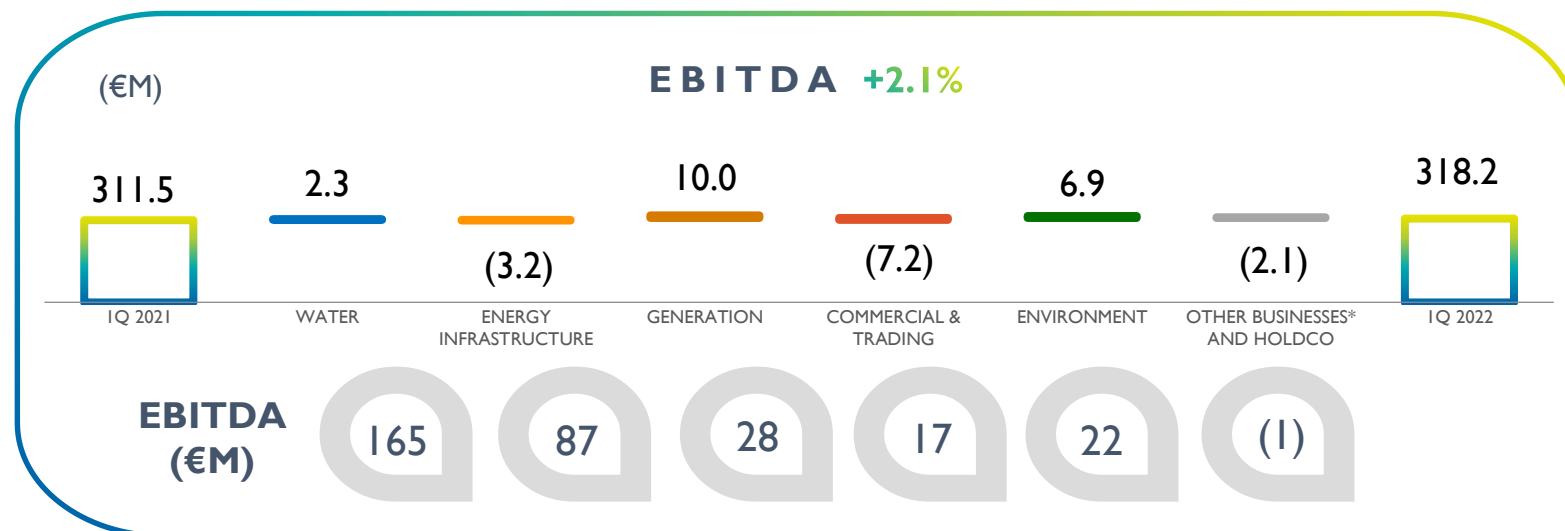
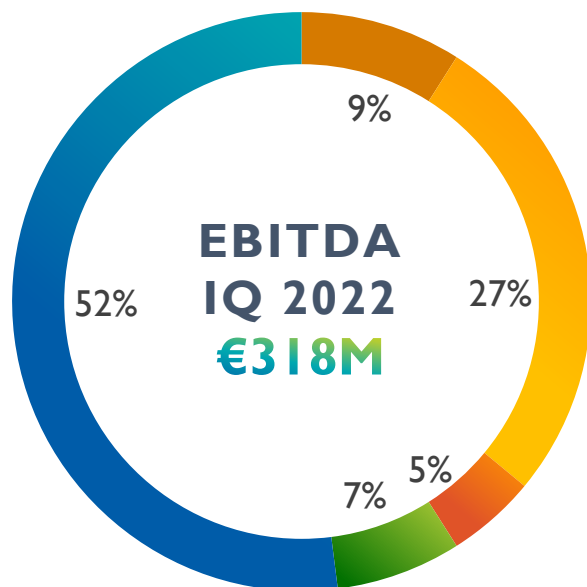
** Net of grant-funded investment

[^] Excluding employees in the Overseas segment.

^{^^} Increase primarily due to wider scope of consolidation in the Environment segment.

RESULTS IQ 2022

EBITDA



- WATER
- ENERGY INFRASTRUCTURE
- ENVIRONMENT
- GENERATION
- COMMERCIAL & TRADING

CHANGES IN SCOPE OF CONSOLIDATION

| EBITDA (€M) | Change |
|-------------------------|-------------|
| MEG | +0.5 |
| S.E.R.PLAST | +0.1 |
| DECO | +1.8 |
| ECOLOGICA SANGRO | +1.1 |
| PHOTOVOLTAIC | +1.2 |
| CONSORCIO ACEA LIMA SUR | +0.1 |
| TOTAL | +4.8 |

FINANCIAL HIGHLIGHTS IQ 2022

HIGHLIGHTS

| (€M) | IQ 2022 (A) | IQ 2021 (B) | %change (A/B) |
|------------------------------------|----------------|----------------|------------------|
| EBITDA | 165.2 | 163.0 | +1.3% |
| ACEA ATO2 | 109.9 | 105.9 | +3.8% |
| ACEA ATO5 | 8.6 | 8.9 | -3.4% |
| Gori | 17.7 | 21.2 | -16.5% |
| Adf | 16.3 | 16.2 | +0.6% |
| SII Terni | 3.4 | 3.3 | +3.0% |
| Equity-accounted water companies | 6.7 | 4.6 | +45.7% |
| Other consolidated water companies | 1.1 | 1.3 | -15.4% |
| Gas distribution | 1.5 | 1.6 | -6.3% |
| CAPEX* | 119.4 | 117.9 | +1.3% |



✓ Closing of agreement between the Consortium established by Ascopiave, Acea and Iren and the A2A Group for the acquisition of certain gas distribution concessions.
 Concessions of interest to ACEA: concessions in 5 ATEMs, including 2 in Abruzzo, 2 in Molise and 1 in Campania (April 2022).



EBITDA GROWTH
+1.3%

EBITDA
 main drivers

GROWTH AT ACEA ATO2
 Higher capex
 Operational efficiency
 +€4.0M

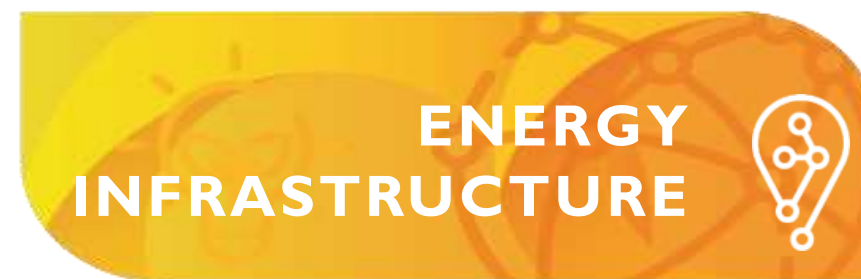
DECLINE AT GORI
 Increased maintenance costs
 and regulatory effects
 -€3.5M

INCREASED CONTRIBUTION
 FROM EQUITY-ACCOUNTED
 COMPANIES
 +€2.1M

Technical quality reward (years 2018/2019): ~€26m for the water companies fully consolidated in the Acea Group (including ~€24m to ATO2)

FINANCIAL AND OPERATIONAL HIGHLIGHTS IQ 2022

HIGHLIGHTS



| (€M) | IQ 2022 (A) | IQ 2021 (B) | %change (A/B) | TOTAL ELECTRICITY DISTRIBUTED (GWh) | NUMBER OF PODs (‘000s) |
|-------------------|----------------|----------------|------------------|--|------------------------------|
| EBITDA | 86.5 | 89.7 | -3.6% | 2,197 | 1,637 |
| - areti | 87.1 | 90.6 | -3.9% | 2,317 | 1,646 |
| - Public lighting | (0.6) | (0.9) | n/s | | |
| CAPEX | 68.7 | 70.1 | -2.0% | | |



CHANGE IN EBITDA
-3.6%

EBITDA main drivers

ELECTRICITY DISTRIBUTION ARETI

Negative impact of 70 bps reduction in WACC by from 5.9% to 5.2% (down €6.7m), partially offset by improved operational efficiency
-€3.5M

2G ELECTRICITY SMART METERS

installed as of 31 March 2022
 ~ 450,000

INSTALLATIONS OF CHARGING POINTS CONNECTED TO THE GRID

653

FINANCIAL AND OPERATIONAL HIGHLIGHTS IQ 2022

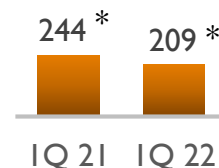
HIGHLIGHTS



GENERATION

✓ Closing of agreement with Equitix for the sale of a majority stake in the holding company to which Acea's photovoltaic assets have been transferred (total installed capacity of 105 MW, including 46 MW eligible for feed-in tariffs and 59 MW newly built) (March 2022).

TOTAL ELECTRICITY PRODUCED (GWh)



| (€M) | IQ 2022 (A) | IQ 2021 (B) | % change (A/B) |
|--------|-------------|-------------|----------------|
| EBITDA | 27.7 | 17.7 | +56.5% |
| CAPEX | 8.4 | 11.0 | -23.6% |



EBITDA GROWTH
+56.5%

EBITDA main drivers

PRICE AND VOLUME EFFECTS

↑ Effect of energy prices, partially offset by reduction in volume of hydroelectricity produced due to low rainfall (-35%)

+€8.4M

PHOTOVOLTAIC

↑ Change in scope of consolidation

+€1.2M

PHOTOVOLTAIC PLANTS PIPELINE

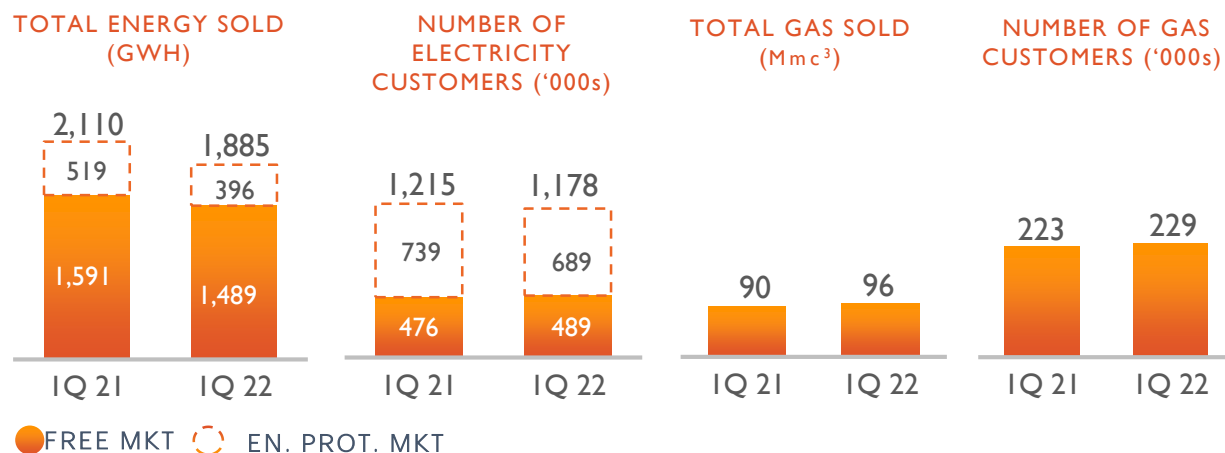
Totale pipeline 640 MW

- 190 MW approved (under construction & ready to build)
- 450 MW awaiting approval

FINANCIAL AND OPERATIONAL HIGHLIGHTS IQ 2022

HIGHLIGHTS

| (€M) | IQ 2022 (A) | IQ 2021 (B) | %change (A/B) |
|--------|----------------|----------------|------------------|
| EBITDA | 17.5 | 24.7 | -29.1% |
| CAPEX | 10.7 | 16.1 | -33.5% |



COMMERCIAL & TRADING



CHANGE IN EBITDA
-29.1%

The reduction in EBITDA reflects exceptional circumstances, marked by high levels of energy price volatility. The general drop in electricity consumption is due to the higher proportion of consumers in the customer mix. The performance also reflects the challenging comps vs the particularly strong results achieved in IQ 2021.

EBITDA main drivers

FREE MARKET EBITDA

↓ Lower consumption and decline in unit margin on sales to retail and business customers
-€1.3M

ENHANCED PROTECTION MARKET EBITDA

↓ **-€1.1M**

GAS SALES EBITDA

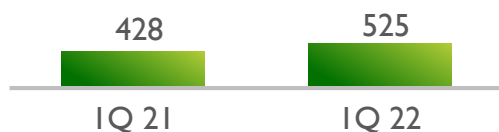
↓ Reduced unit margin on sales to retail and business customers
-€2.7M

FINANCIAL AND OPERATIONAL HIGHLIGHTS IQ 2022

HIGHLIGHTS

| (€M) | IQ 2022 (A) | IQ 2021 (B) | %change (A/B) |
|--------|----------------|----------------|------------------|
| EBITDA | 21.9 | 15.0 | +46.0% |
| CAPEX | 8.5 | 6.9 | +23.2% |

TREATMENT AND DISPOSAL
(KTONNES)



ELECTRICITY SOLD
(GWh)



ENVIRONMENT



- ✓ Acquisition of 70% of S.E.R.Plast and 60% of Meg, companies operating in the plastic recycling sector – volumes handled ~70k tonnes per year. Closing for Meg in October 2021, closing for S.E.R.Plast in February 2022.
- ✓ Acquisition of 65% of Deco, a company that designs, builds and operates plants involved in treatment, disposal and recovery of solid urban waste – volumes handled ~270k tonnes per year. Closing November 2021.



EBITDA GROWTH
+46.0%

EBITDA main drivers

INCREASED EBITDA FOR WTE PLANTS

↑ Higher prices received for
electricity produced

+€6.0M

CHANGE IN SCOPE OF CONSOLIDATION

↑ +€3.5M

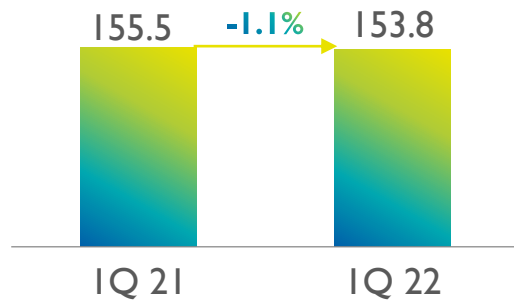
REDUCED EBITDA AT DEMAP

↓ Lower volumes handled and higher costs,
partly due to plant stoppage in December
2021 (plant restarted in February 2022)

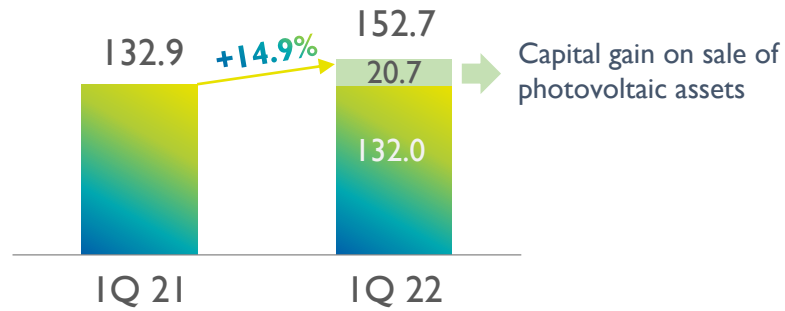
-€1.7M

EBIT AND NET PROFIT IQ 2022

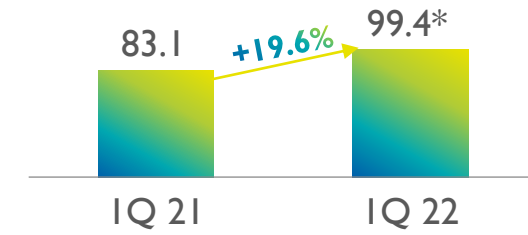
EBIT (€M)



PRE-TAX PROFIT (€M)



NET PROFIT (€M)



TAX RATE 30%
(in line with IQ 2021)

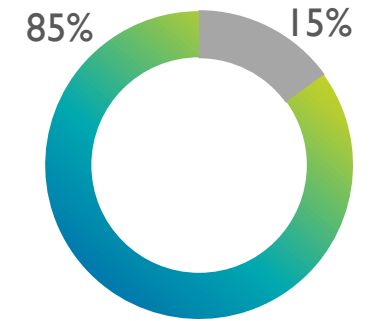
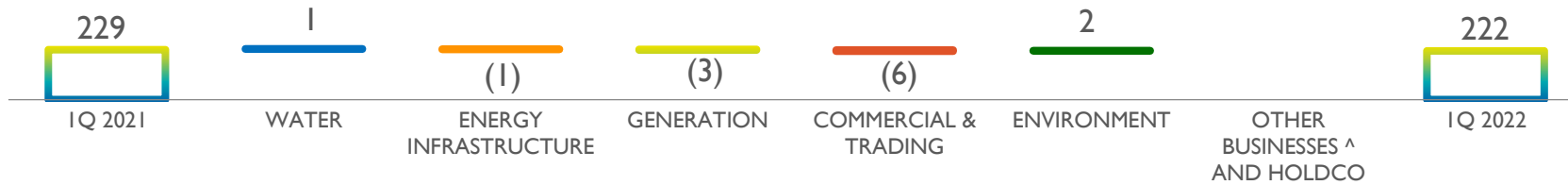
| (€m) | IQ 2022 | IQ 2021 | % CHANGE |
|--------------|--------------|--------------|--------------|
| DEPRECIATION | 140.7 | 130.4 | +7.9% |
| IMPAIRMENTS | 21.9 | 23.4 | -6.4% |
| PROVISIONS | 1.8 | 2.2 | -18.2% |
| TOTAL | 164.4 | 156.0 | -5.4% |

➔ **HIGHER CAPEX AND CHANGES IN SCOPE OF CONSOLIDATION**

CAPEX IQ 2022

INVESTMENT IN INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE

CAPEX (€M)



Investment in regulated businesses
 Investment in non-regulated businesses

CAPEX (€M)



WATER

- REPAIR AND WIDENING OF WATER AND SEWER PIPES
- EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS
- WORK ON TREATMENT PLANTS



ENERGY INFRASTRUCTURE

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



GENERATION

- EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS
- CONSTRUCTION OF PHOTOVOLTAIC PLANTS



COMMERCIAL & TRADING

- CUSTOMER ACQUISITION
- E-MOBILITY PROJECTS



ENVIRONMENT

- WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS
- CHANGE IN SCOPE OF CONSOLIDATION



OTHER

- HOLDCO: IT PROJECTS

CASH FLOW IQ 2022

CASH FLOW (€M)

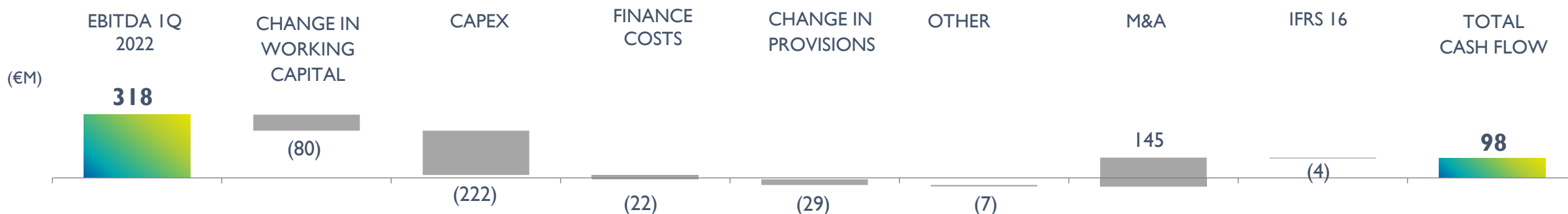
| | IQ 2022 | IQ 2021 |
|---------------------------|-----------|--------------|
| EBITDA | 318 | 312 |
| CHANGE IN WORKING CAPITAL | (80) | (128) |
| CAPEX | (222) | (229) |
| FREE CASH FLOW | 15 | (46) |
| FINANCE INCOME/(COSTS) | (22) | (23) |
| CHANGE IN PROVISIONS | (29) | (23) |
| OTHER | (7) | (6) |
| M & A | 145* | (8) |
| IFRS 16 | (4) | - |
| TOTAL CASH FLOW | 98 | (105) |

POSITIVE FREE CASH FLOW: €15M

IMPROVED WORKING CAPITAL MANAGEMENT

TOTAL CASH FLOW: €98M

BENEFITTING FROM IMPACT OF PHOTOVOLTAIC ASSETS TRANSACTION



* This figure reflects proceeds from the sale to Equitix of a majority stake in Acea's photovoltaic assets (~€150M).

RESULTS IQ 2022

SOLID FINANCIAL STRUCTURE

| (€M) | 31 Mar 2022 (A) | 31 Dec 2021 (B) | 31 Mar 2021 (C) | CHANGE (A-B) | CHANGE (A-C) |
|------------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| Net debt/(funds) | 3,890.3 | 3,988.4 | 3,654.1 | (98.1) | 236.2 |
| Medium/long-term | 4,484.6 | 4,792.0 | 4,949.2 | 307.4 | (464.6) |
| Short-term | (594.3) | (803.6) | (1,295.1) | (209.3) | 700.8 |

LEVERAGE

NET DEBT/
EBITDA LTM
31 Mar 2022

3.08x

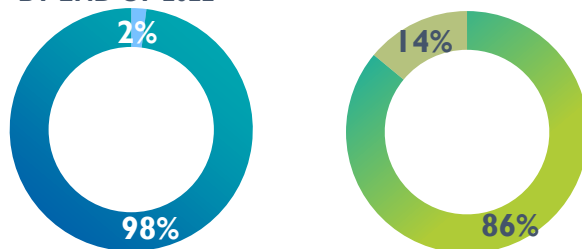
NET DEBT/
EBITDA
31 Dec 2021

3.17x

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT
31 MARCH 2022)

- DEBT FALLING DUE AFTER 2022
- DEBT FALLING DUE BY END OF 2022
- FLOATING RATE
- FIXED RATE



RATINGS

FitchRatings

BBB+

Stable Outlook

MOODY'S

Baa2

Stable Outlook

SUSTAINABILITY RATINGS



CDP

«A-», leadership confirmed



Standard Ethics upgrade to «EE», «positive» outlook



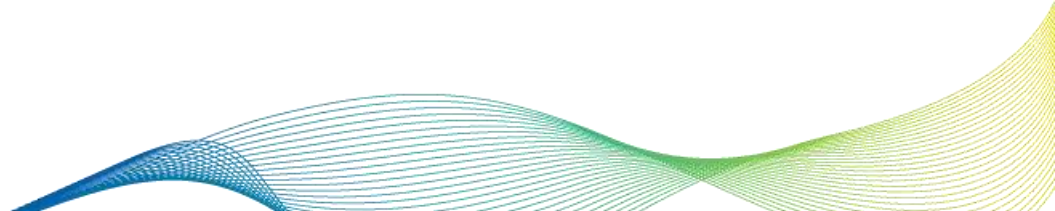
Bloomberg GEI improved to 80.67



Gaia Ratings improved to 82/100

REGULATORY FRAMEWORK

- Water
 - Electricity distribution
 - Environment
-



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

ARERA Resolution 639/2021 – 2022/2023 period

- **WACC: 4.8% (previously 5.2%)**
- **Real risk-free rate cut from 0.5% to 0.13%.**
- **Water Utility Risk Premium held at 1.7%.**
- **Cost of Debt reduced from 2.8% to 2.4%.**
- **Level of inflation to be applied to allowed costs in 2021 equal to 0.1% and in 2022 equal to 0.2%.**
- **RAB deflator for 2021 is 0.5% and 0.4% for 2022.**

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) | 2031 |
| ATI4 Umbria (Umbriadue Servizi Idrici) | 2031 |

Energy Infrastructure Electricity distribution: regulation



ARERA Resolution 614/2021 – “Rate of return on invested capital for infrastructure services in the electricity and gas sectors for the period 2022-2027»

- Confirmation of regulatory period of 6 years (2022-2027), with an interim review after 3 years.
- Increase in Beta for electricity distribution and transmission and gas transmission.
- Increase in taxation from 28% to 29.5%.
- Reduction in weight of new Debt in the period 2022-2024 from 50% to 33.3% and from 2025 from 75% to 66.6%.
- Revised method for calculating Risk-Free Rate.

Areti's concession expires in 2030

ELECTRICITY DISTRIBUTION REGULATORY PERIOD WACC: SIX YEARS 2022-2027

- **WACC FOR 2022-2024: 5.2%**

REGULATORY PERIOD WACC: SIX YEARS 2016-2021

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

WACC FOR OTHER ACTIVITIES

ELECTRICITY TRANSMISSION

Electricity transmission WACC 2019-2021: 5.6% **WACC 2022-2024: 5.0%**

GAS NETWORKS

Gas transport WACC 2020-2021: 5.7% **WACC 2022-2024: 5.1%**

Gas distribution WACC 2020-2021: 6.3% **WACC 2022-2024: 5.6%**

Gas storage WACC 2020-2021: 6.7% **WACC 2022-2024: 6.0%**

MAIN ARERA RESOLUTIONS:

614/2021 Rate of return on invested capital for infrastructure services in the electricity and gas sectors for the 2022-2027

635/2021 Determination of tariff components for general system costs for 2022 + Warm home discount scheme and related additional component Jan-Mar 2022

536/2021 Work on improving the resilience of distribution networks eligible for rewards and penalties (2021-2023 Plan)

537/2021 Rewards and penalties for work on improving the resilience of electricity distribution networks completed in 2020

604/2021 Method of compensating for settlement items deriving from objections to two-year statute of limitations raised by final users and sellers

358/2021 Confirmation of cap of €250 per EEC and additional payment of €10 per EEC.

547/2021 Determination of the additional one-off component of €7.26 per EEC for each certificate handed over at the end of the year of obligation 2020



ARERA RESOLUTION 363/2021 (MTR-2) – REGULATORY PERIOD 2022-2025

- The earlier method has been confirmed for the regulatory period 2022-2025, after a number of changes designed to encourage its application, promote economic and environmental efficiency targets and limit discretionary behaviour by local authorities. The changes have introduced an **initial attempt to regulate access plants involved in closure of the cycle**.
- The scope of application covers **treatment plants used in the «recovery and disposal» of all urban waste**, regardless of how it is subsequently classified. **Recycling chains**, managed by recycling consortia and other entities, are, on the other hand, **not addressed**.
- **Regional planning** has been given a decisive role in **defining plants involved in closure of the cycle**, operating in structurally rigid markets (insufficient capacity to meet demand for treatment), **as «minimum»**. These plants will be subject to **revenue caps**: the prices applied in 2021 (which will form the basis for the entire regulatory period) will be adjusted on the basis of allowable costs in accordance with ARERA's method. A cap on annual tariff increases has also been introduced.
- Vice versa, plants not classified as «minimum» as part of the planning process will be considered **«additional»**: these plants **will not be subject to regulated tariffs**, but will only be subject to disclosure requirements.
- In order to drive development of the circular economy, MTR-2 also introduces a number of **environmental components targeting waste producers**, with incentives to reduce waste flows and penalties for waste sent to landfill.
- In a later resolution (68/2022/R/rif dated 22 February 2022), ARERA determined, in line with the approach adopted when setting the TIWACC for the energy sectors, the WACC for the regulatory period 2022-2025 – save for any intra-period adjustments – as 6% for facilities not integrated into the waste cycle (the WACC for the integrated cycle is instead 5.6%).

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