



Investor Presentation

“2024 Italian Excellences Mid Corporate Conference”

Intesa Sanpaolo - Parigi

8 October 2024



People for
sustainable
infrastructures

Agenda

- » **Acea: Infrastructural operator with low leverage**
- » **1H2024 Results**
- » **2023 Results**
- » **Evolving context**
- » **🕒 28: Green Diligent Growth**
- » **Targets 2028**
- » **2023-28 Projections**
- » **Closing remarks**



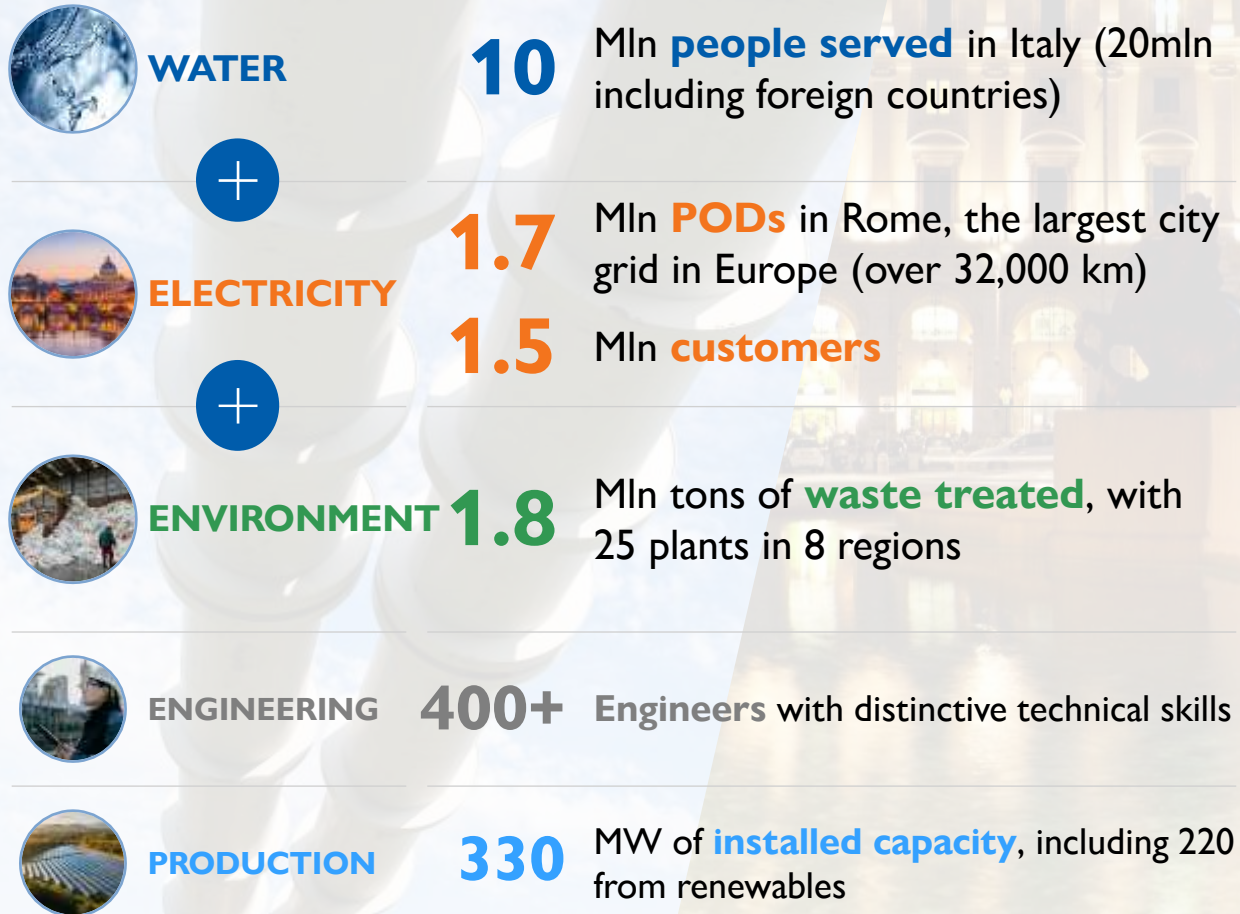
Acea: Infrastructural operator with low leverage



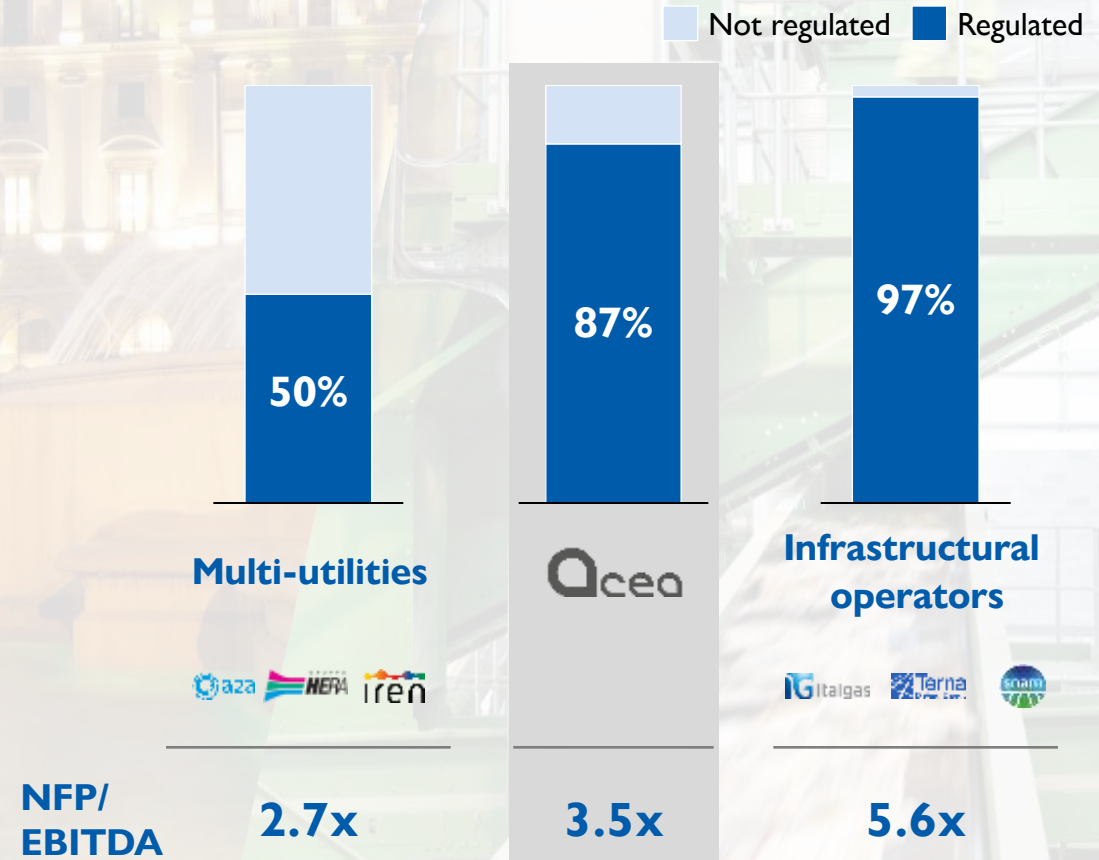
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Acea: Infrastructural operator with low leverage

Key numbers, 2023



Regulated EBITDA¹, % of total



1H2024 Results



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1H2024 RESULTS

INCREASING RESULTS, IN LINE WITH GUIDANCE

Revenues +2% vs. 2023
regulated businesses¹

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

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

CAPEX +4% vs. 2023
gross of public funding

**OPERATING FCF
+€25M**

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

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

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

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

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

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

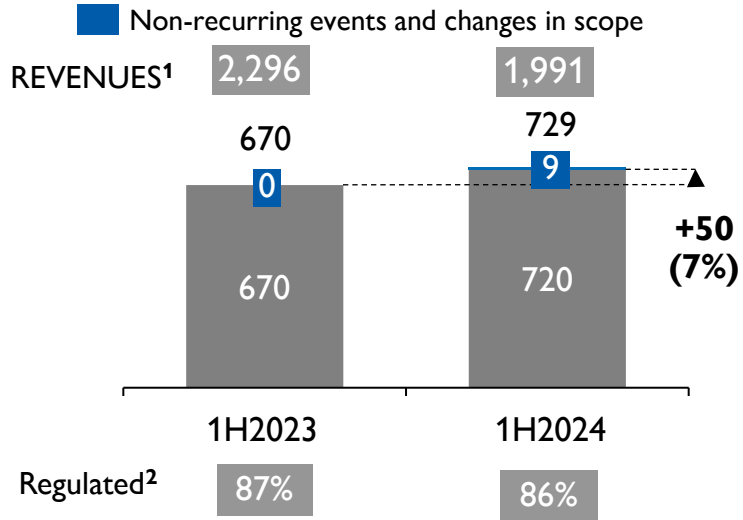


1. Including, in addition to the Water Italy and Grids regulated businesses, Public Lighting and Environment businesses.

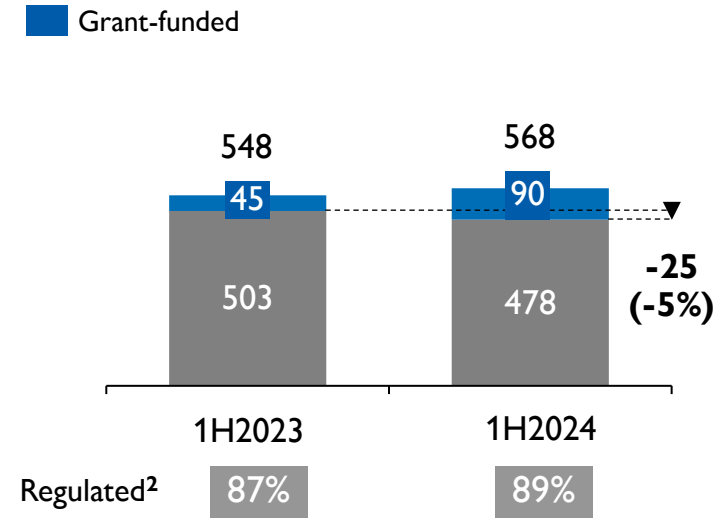
OVERVIEW OF 1H2024 RESULTS

INVESTMENTS AND GROWTH IN REGULATED BUSINESSES CONTINUE

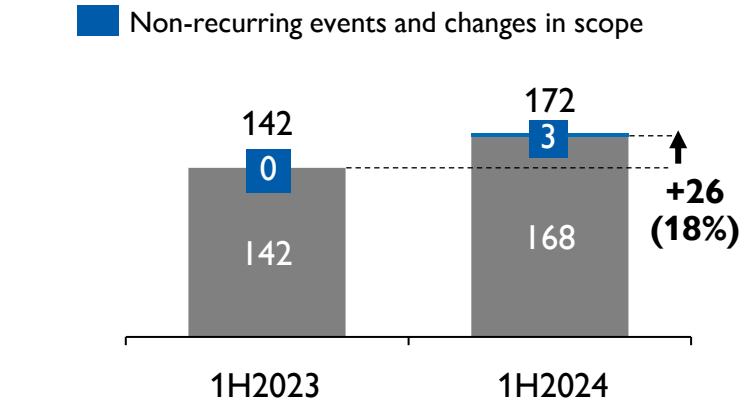
EBITDA, €m



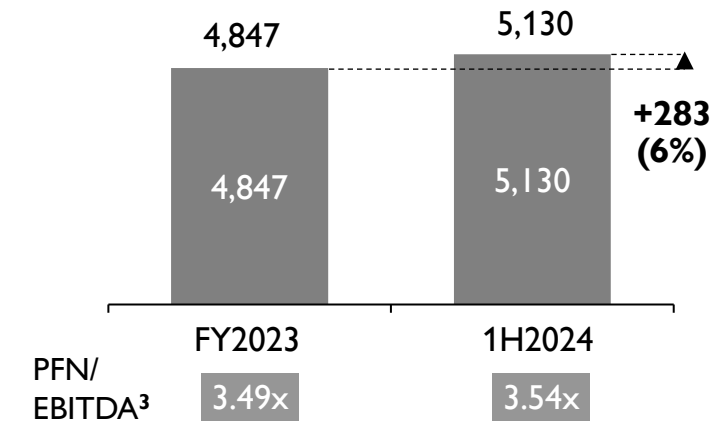
CAPEX, €m



Net profit, €m



NFP, €m



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

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

2024 guidance confirmed:

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

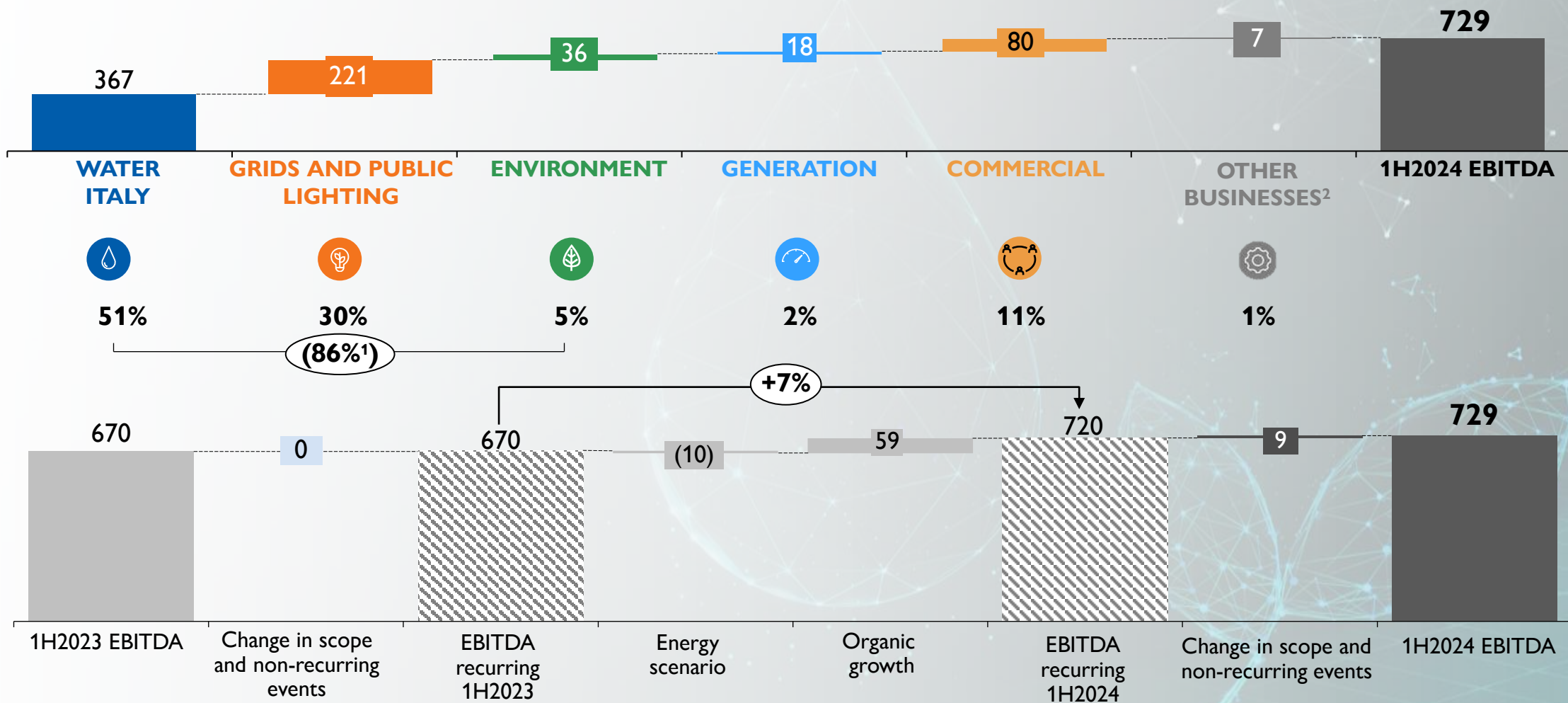


1. Revenues include non-recurring events and changes in scope; 2. Includes, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses; 3. 12-month EBITDA.

1H2024 EBITDA

GROWTH DRIVEN BY ORGANIC DEVELOPMENT OF REGULATED BUSINESSES

EBITDA, €m

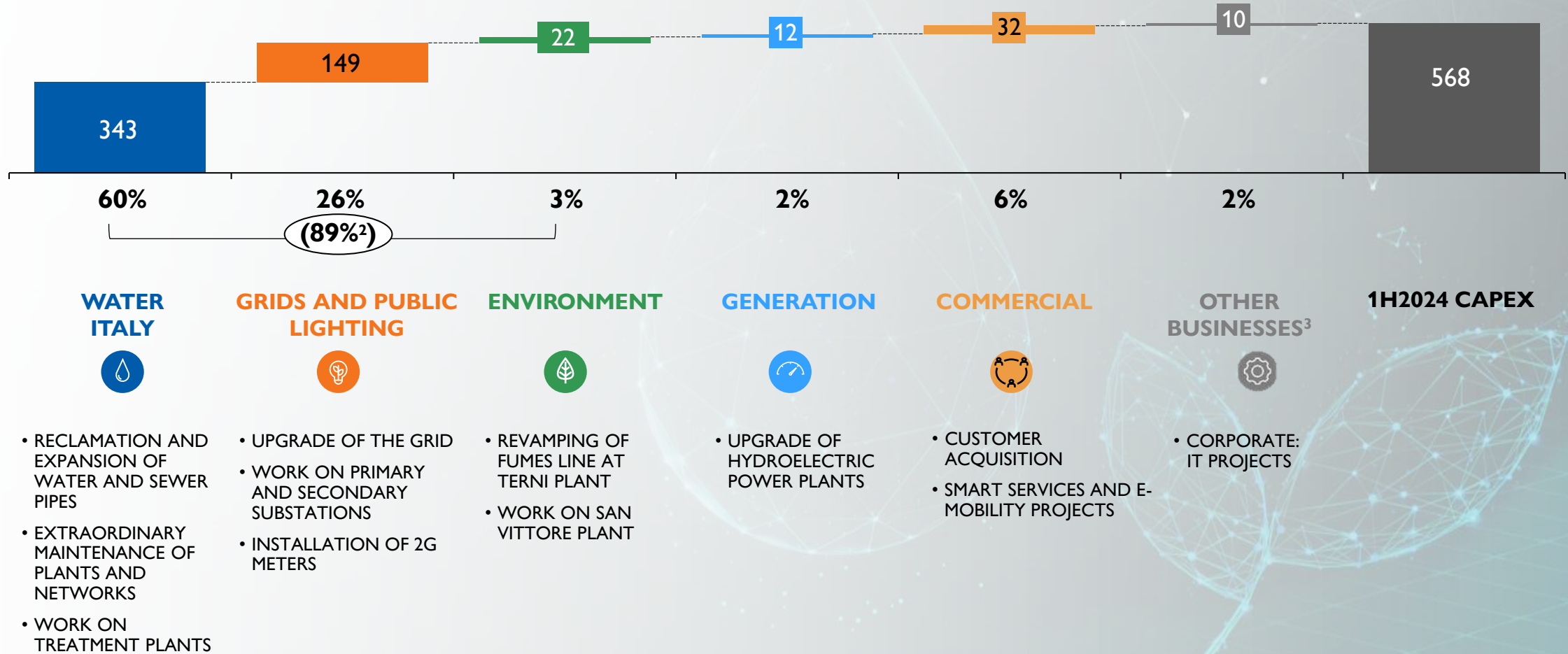


1. Including, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses. The percentage is calculated on the recurring EBITDA | 2. Overseas Water, Engineering & Infrastructure Projects and Corporate

CAPEX 1H2024

89% OF INVESTMENTS MADE IN REGULATED BUSINESSES

CAPEX¹, €m



1. Including financial investments totalling €90m | 2. Including, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses | 3. Water Italy, Engineering & Infrastructure Projects and Corporate

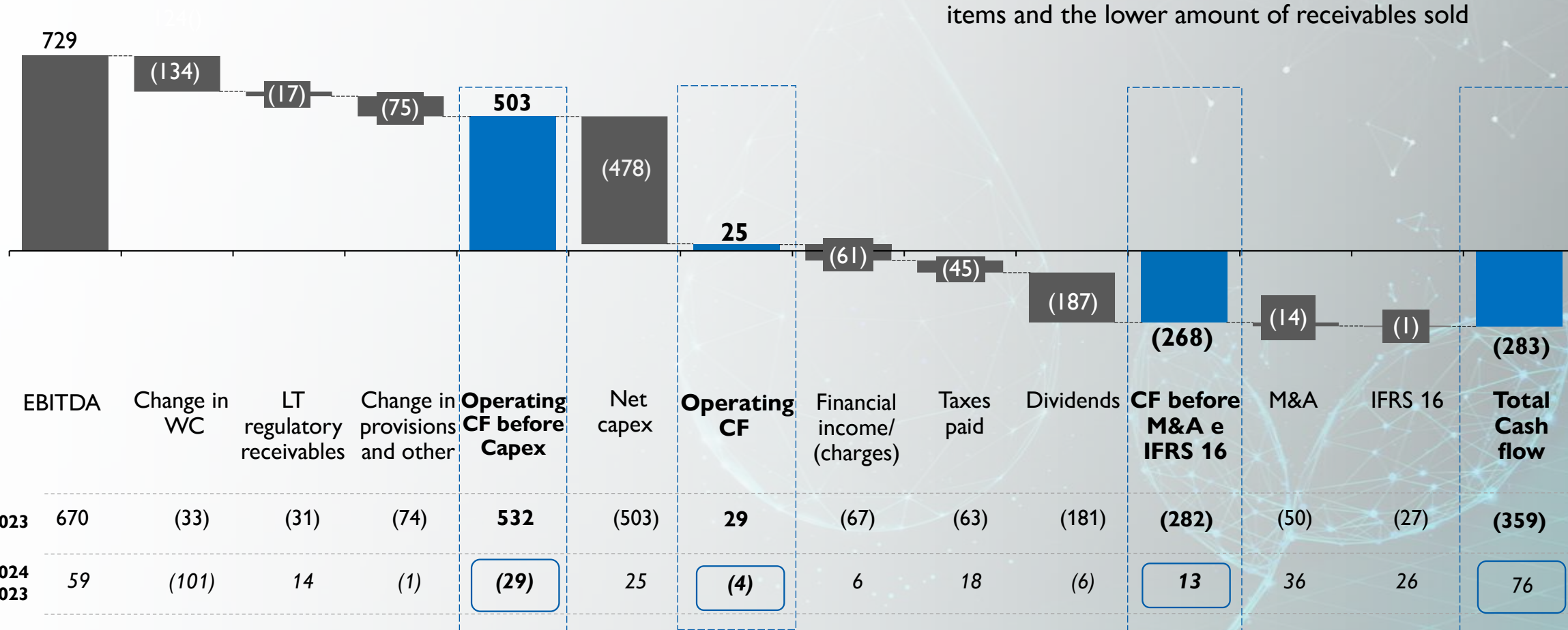
CASH FLOW 1H2024

PERFORMANCE IN LINE WITH THE YEAR-END GUIDANCE

CASH FLOW, €m

1H2024

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



1H2024 FINANCIAL STRUCTURE

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

FY23-1H2024 NFP, €m

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

Leverage

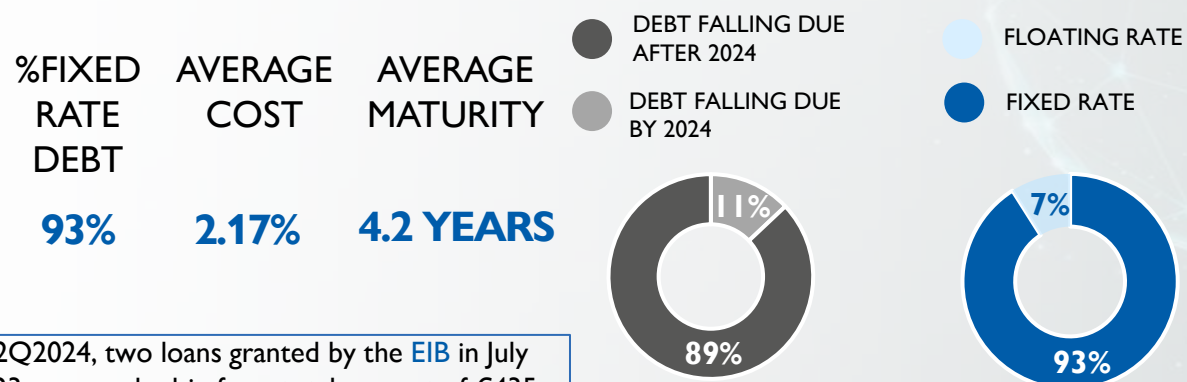
NET DEBT/EBITDA 30/06/2024	NET DEBT/EBITDA 31/12/2023
3.54x	3.49x

Rating

FitchRatings «**BBB+**»
Outlook Stable

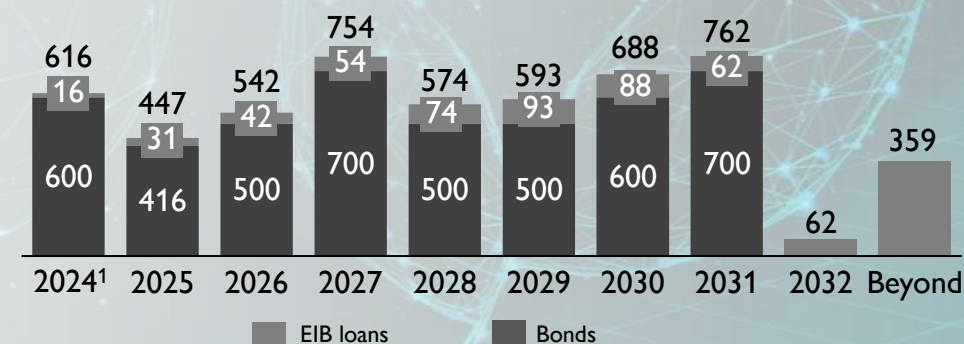
MOODY'S «**Baa2**»
Outlook Stable

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



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

Profile of main long-term maturities, €m



1. The €600m euro bond, expired on July 15th, was repaid through cash and available short/medium-long term credit lines

SUSTAINABILITY RATING



64/100



"EE+"



"A-"
Leadership



"A"



55/100



81.58/100



19.7
ESG risk rating



"Leader ESG
Identity"



B-
(status PRIME)

2023 Results



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2023 Highlights: “The Turning Point”

EBITDA: +7%

vs. 2022

Net Profit: +5%

vs. 2022

NP organic¹: +22%

vs. 2022

Capex: +9%

vs. 2022

Op. CF: 148 mln€

NFP/ EBITDA: 3.49x

EBITDA of 1.4 bn€, +86 mln€ vs. 2022 thanks to growth in regulated business², (+11% Water Italy and +7% Networks and Public Lighting)

EBITDA Margin of 30% (+5 p.p. vs.2022)

Net Profit of 294 mln€ (+5% vs.2022) thanks to EBITDA growth (regulated revenues increase + cost discipline) countering financial expenses and depreciation increase (rates increase + additional investments)

Capex: 1,143 mln€ (1,050 mln€ in 2022)

Regulated Capex²: +95 mln€ vs. 2022 for network enhancement and technical asset quality improvement

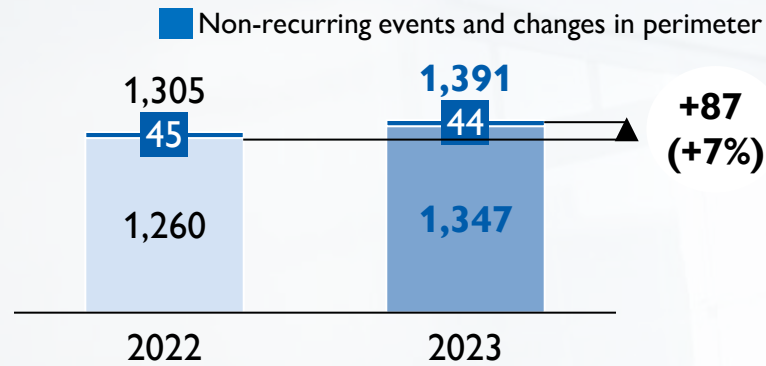
Operating cash flow: 148 mln€ (+129 mln€ vs. 2022) thanks to working capital improvement

NFP/ EBITDA: significant reduction vs. 2023 guidance (<3.8x) thanks to working capital optimization



2023 Results: Improving figures thanks to regulated businesses and efficiency

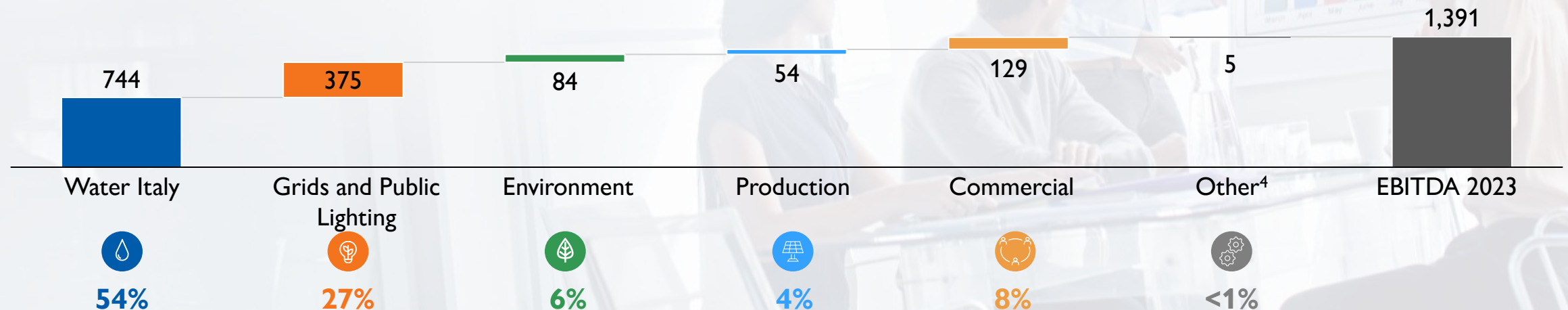
EBITDA, mln€



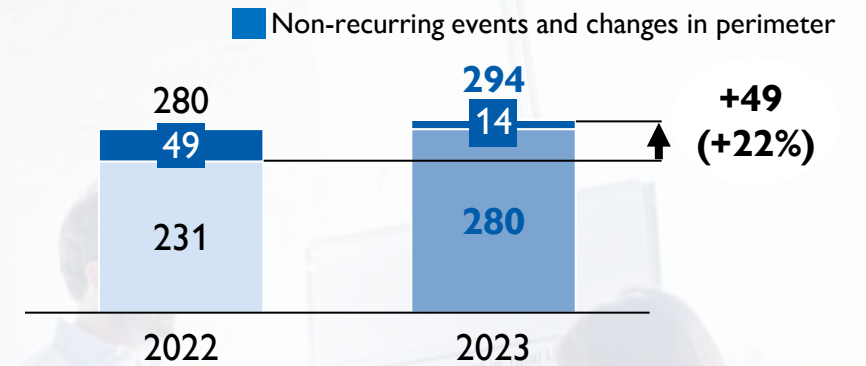
Regulated³

86% 87%

EBITDA, mln€



Net Profit, mln€



Dividends

DPS 2023
0.88€

Payout¹
~64%

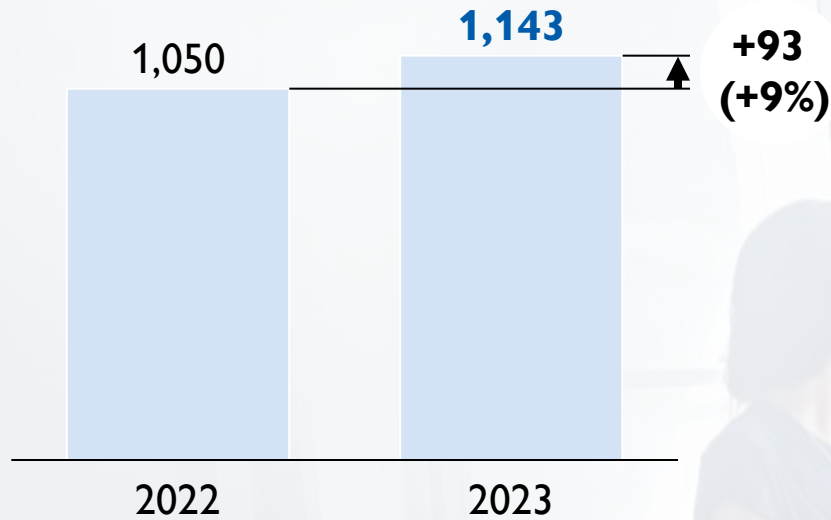
Yield²
6.4%



1. Determined on consolidated net profit after minorities | 2. Determined on the price of 01/03/2024 | 3. Includes, in addition to the regulated businesses Water Italy and Grids, the businesses Public Lighting and Environment | 4. Water International, Engineering and Corporate

2023 Results: Growing Capex in regulated businesses

CAPEX, mln€

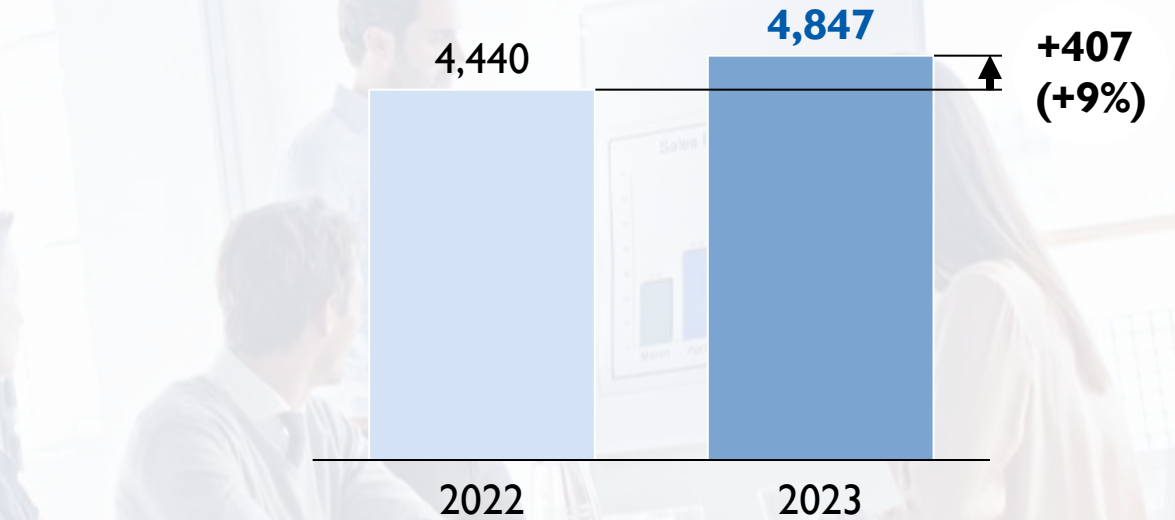


Regulated Capex¹

88%

88%

NFP, mln€



NFP/EBITDA

3.40x

3.49x

1. Includes, in addition to the regulated businesses Water Italy and Grids, the businesses Public Lighting and Environment

2023 Results: Improving cash flow

Cash flow, mln€

			Δ FY2023 VS FY2022
EBITDA		1.391	86
Delta WC ¹		(97)	(10)
Delta Funds and Other ²		(153)	45
Net Capex		(993)	8
Operating CF		148	129
Finance income/ (expenses)		(137)	(40)
Taxes		(148)	31
Dividends		(181)	0
CF before M&A and IFRS 16	(318)		120
M&A and IFRS 16	(89)		(76)
Total cash flow	(407)		44

(A) Operating CF: positive 148 mln€ (+129 mln€ vs. 2022) shows the ability to cover the investments for the period thanks to operating excellence

(B) +120 mln€ (vs. 2022) for higher Operating CF only partially offset by the increase in financial expenses

Cash Flow before M&A and IFRS16 mainly affected by dividends and financial management

2023 Results: Key “milestones”

WATER

- **Major works:** launched **Peschiera Aqueduct** (confirmed 700 mln€) and **PNRR** (invested 450+ mln€)
- **SII¹ tenders:** launched participation in other Italian regions (e.g., Syracuse)
- **International:** renegotiation of concessions + strengthened organization
- **Strategic partnerships:** Acquedotto Pugliese and Bonifiche Ferraresi/Coldiretti (agricultural supply chain)

ELECTRICITY

- **Public Lighting:** resolved multi-year dispute with Rome and submitted PPPs (Rome and Terni)
- **RomeFlex:** launched Flexibility Services market (Rome)

ENVIRONMENT

- **WtE: S. Vittore** expansion and **Rome** project
- **Reorganization of shareholdings:** launched process

People

- **Top employer ‘23**
- **Certification on gender equality** (UNI/PdR 125) and **human rights policy**
- **Carta della Persona e della Partecipazione**
- **New Acea Spa organization and new management**

ESG

- **SBTi targets confirmed** (Scope 1-2-3)
- **Green bonds issued** (700 mln€)

2023 Results: “Overdelivery”

Strong improvement
in EBITDA and
NFP/ EBITDA



	2023 Guidance	2023 Results	
Capex	1.0 bn€	1.1 bn€	↑

EBITDA	+2 / 4%	+7%	↑

NFP/ EBITDA	< 3.8x	3.49x	↓

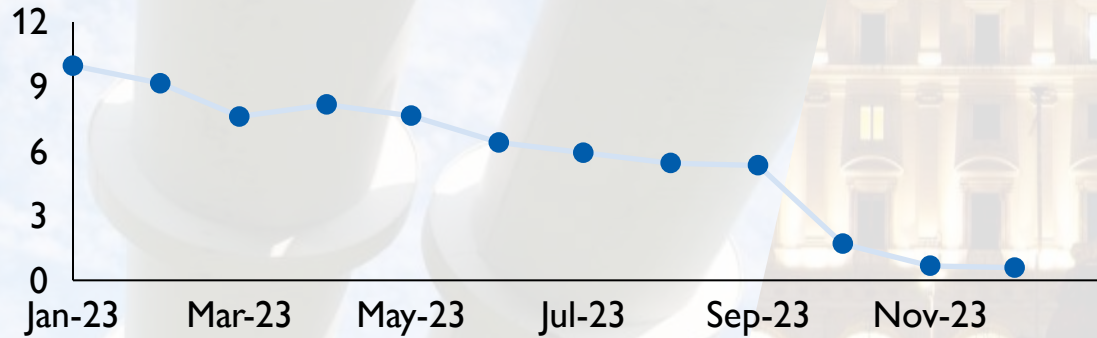
Evolving context



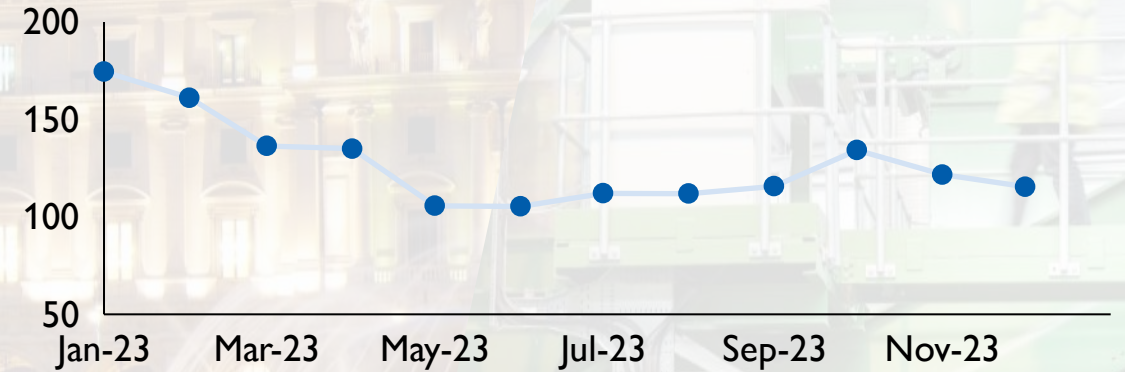
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infrastructures

Volatile macroeconomic context, new regulatory scenario for Water and Grids

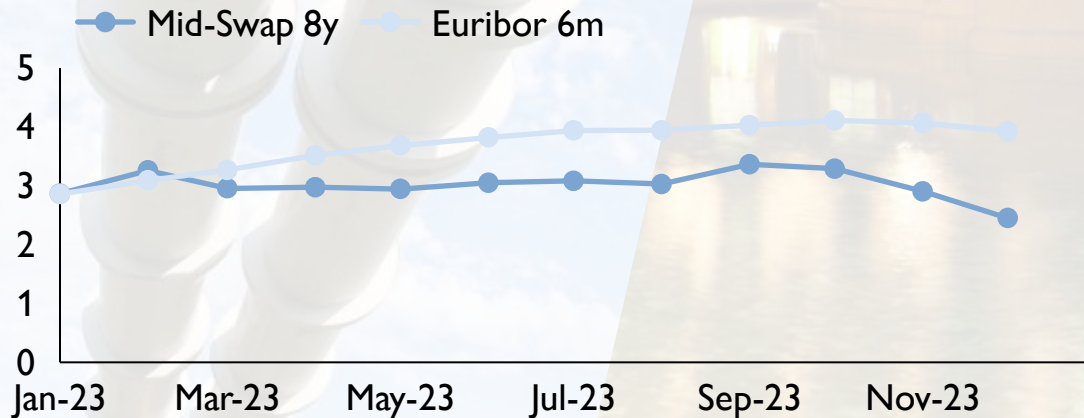
Inflation¹, %



NSP², €/MWh



Interest rates³, %



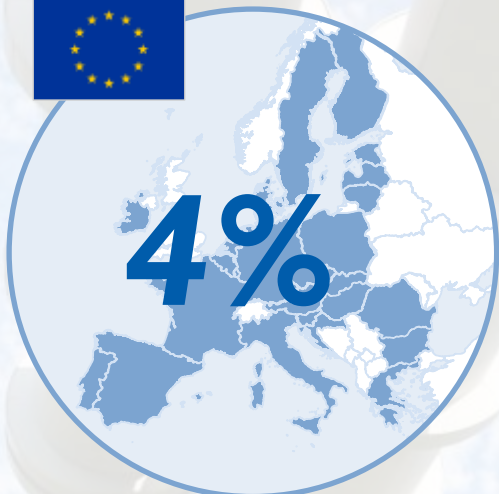
Regulatory scenario

Areas	Indicators	2022	2023
WATER Italy	WACC	4.8%	4.8%
	Deflator	0.4%	3.4%
GRIDS	WACC	5.2%	5.2%
	Deflator	0.4%	2.6%

1. Istat Consumer Price Index for the whole community | 2. GME, National Single Price (average annual purchase price) | 3. Source: Bloomberg



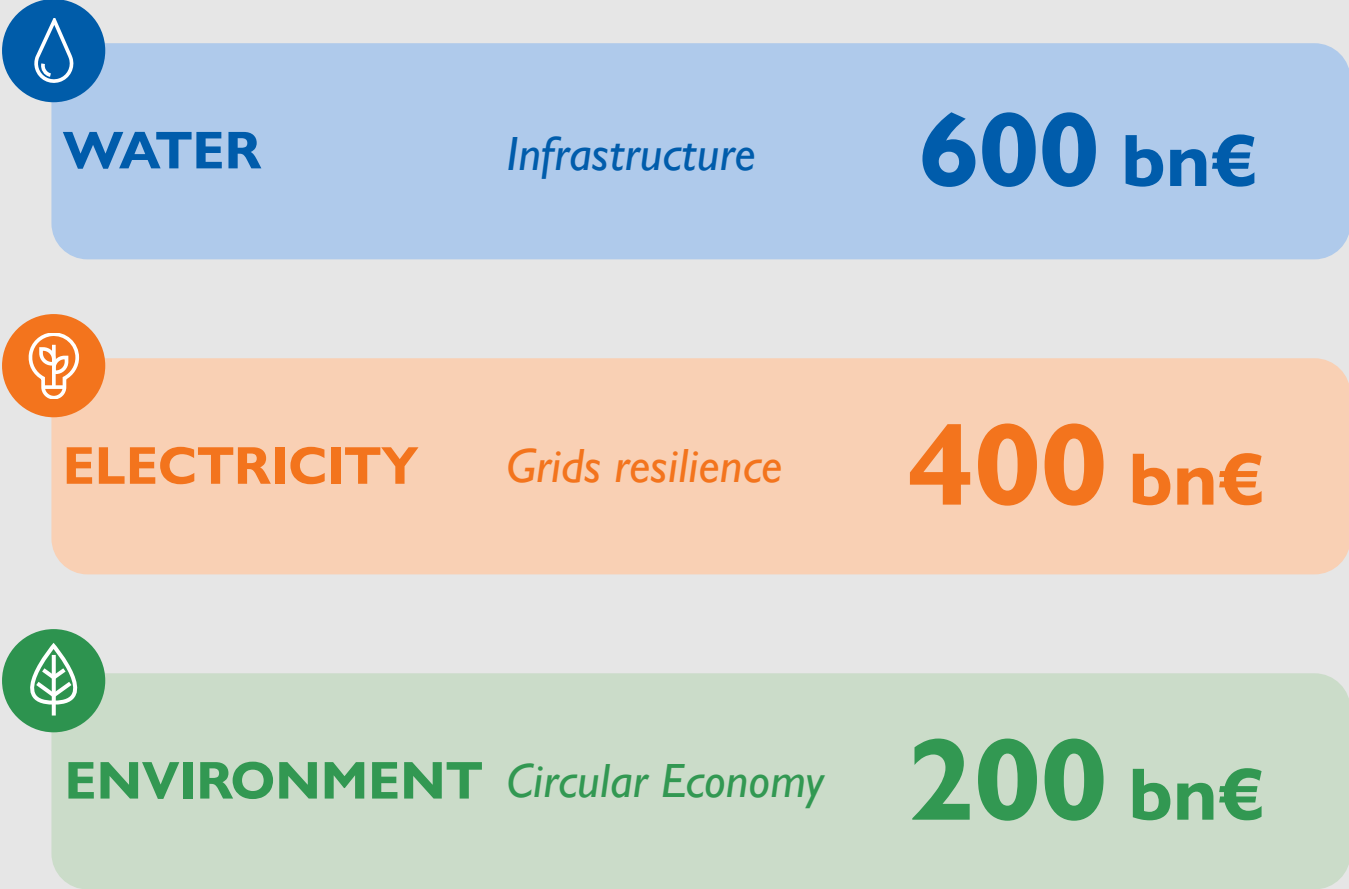
Europe: significant green investments planned...



of European GDP per year in green investments by 2030

... particularly in Acea's businesses

Projected investments until 2030



The delivery of investments requires a deep understanding of a rapidly evolving context

1

“Trilemma” of the energy transition



3

Availability of natural and financial resources

2

Skills and New Technologies



1 "Trilemma" of the energy transition:

Need for operators to ensure availability and quality of resources while meeting sustainability criteria

Perimeter Europe, in 2030



WATER



ELECTRICITY



ENVIRONMENT

Availability

~70%

southern European population subject to seasonal water stress

~450 GW

green capacity to be installed to meet decarbonization target

+330

potential additional WtE facilities in Europe

Quality

+70 mln

new individuals with access to clean water

-60%

power outages thanks to smart grids

~60%

of recycling over municipal waste in Europe (vs. 48%)

Sustainability

~7 bn m³

potentially reusable wastewater in Europe

-55%

CO₂ emissions from electricity production

+22 mln

of people potentially heated by heat produced by WtE

2 Capabilities and New Technologies

New technologies affect asset management, workforce, and customer relations

New capabilities required by the labor market



Engineering and delivery

(gap of ~500k technicians¹ in Europe by 2028)



STEM capabilities (Science, Technology, Engineering, Mathematics)



End-to-end **customer relationship** management

New Technologies



Digitization: digital twin of network assets, **automation** of back-office processes and **digitization of customer experience**



Artificial Intelligence: predictive maintenance, automatic field force **dispatching** and **chatbots** for customer support



Robotics: drones for network monitoring, **robots** for waste separation, **exoskeletons** for construction support



3 Availability of natural and financial resources

Scarcity and increase in the costs of production factors

Natural Resources



Scarcity of primary natural resources such as water and natural gas

Supply chain



Strong supply chain disruptions and implications for pricing and availability of key items for infrastructure delivery

Finance



High cost of debt
(~4% vs. last 10-year average of ~1%¹)



Italy: need for significant investments and technological development



Water



Aging water networks

(60% network: 30+ year old; 25%: 50+ year old)

Significant leakages

(2x European average)



Market fragmentation

(~2.500 operators)

Limited/heterogenous investments

(average investments by inhabitant/year: 56€ large operators, 8€ operators “in economia” and 78€ average EU)



Declining resource availability

(-20% vs. beginning of 20th century)

Expected further reduction due to climate change

(-30/40% by 2050)



Electricity



Under-investment in the grid vs. European peers

(Netherlands/Germany at 3/4x vs. Italy¹)



Lower service levels vs. European peers

(Italy SAIDI² at 3x vs. Germany)



Increase in demand due to electrification of consumption

(1.5x in the next 10 years)



Environment



Infrastructural gap in Central-Southern Italy

(Northern Italy: ~70% WtE plants and biological treatments)



Growth of new waste treatment value chains

(textile polymers, batteries)



Strong regulatory push towards recycling in Italy and EU

(EU: target of 65% recycling by 2035)

Regulation: toward output based models and Totex efficiency targets

From...



Capex

- **Rate of return approach:** tariff recognition of actual Capex (remuneration + depreciation)



Opex

- **Price cap approach:** cost in tariff determined based on historical data and efficiency targets (excluding selected costs, e.g., electricity in Water), sharing efficiencies between operator and user



Incentive

- **Foreseen bonus/malus mechanisms based on quality KPIs**



...to

Electri-
city



- **Price-cap-type efficiency incentives on Opex from 2024 (basic ROSS¹) and expected also on Capex (integral ROSS)**
- **Tariffs based on capitalization rates decided upfront**
- **Service targets integrated in the regulation**

Water



- Rate of return for Capex and price cap for Opex
- **Incentives: extended to reuse and purchased electricity**
- **In other countries, Totex & output-based approach already consolidated (e.g. UK)**



Opportunities

Opportunities for operators which achieve:

- **Operational excellence** in investments plan delivery, operations and financial management
- **Focus/ optimization of spending** aiming at **service quality**

Q28 | Green Diligent Growth



People for sustainable infrastructures

Green Diligent Growth: Mission

“Developing and managing safe and sustainable infrastructures.

With our people, ensuring access and circularity to critical resources for Citizens, Businesses, and Communities”



Q28 | Green Diligent Growth: Strategy



Green

Focus on regulated infrastructure businesses by strengthening positioning and expanding into adjacent segments
ESG across businesses



Diligent

People at the center
Operation excellence with strong cost and investment discipline to sustain cash generation
Optimization of financial structure and capital allocation



Growth

Capex increase (also in innovation)
Shareholder value growth (RAB/ Net Profit/ Dividends)

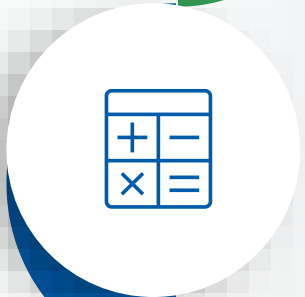
Q28 | Green Diligent Growth: Targets

From (2020-2023)..... to (2028)



Green

% regulated EBITDA ¹	87%	90%	» Focus on regulated infrastructures
ESG linked Capex (yearly)	0.4 bn€	1.0 bn€	» ESG across businesses



Diligent

EBITDA margin	30%	43%	» Operational excellence
NFP/ EBITDA	3.5x	3.1x	» Optimization of financial structure

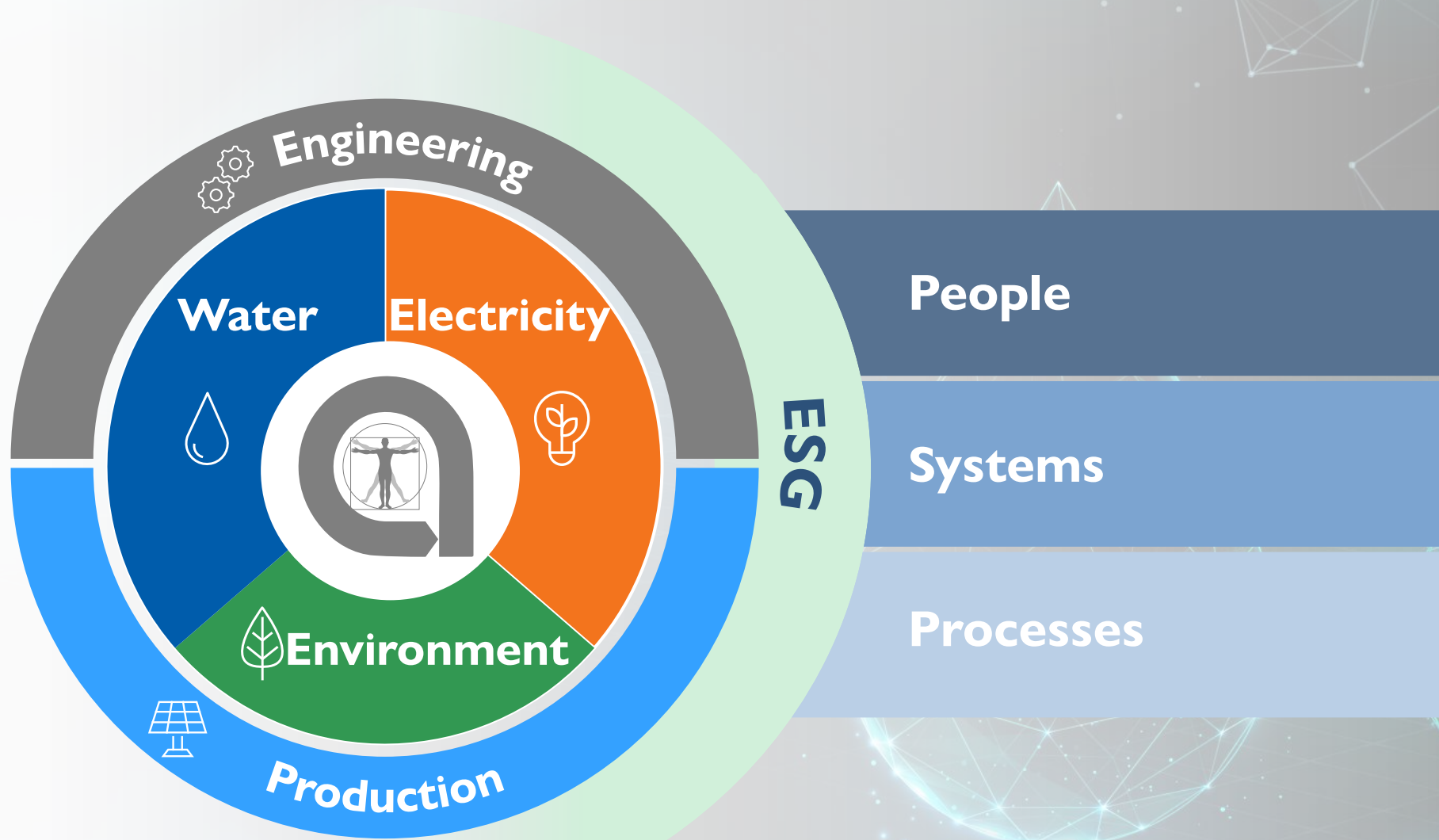


Growth

Total Capex (yearly)	1.0 bn€	1.5 bn€	» Capex increase
Net Profit (CAGR)	1%	5%	» Shareholder value growth


1. Regulated Includes, in addition to the regulated businesses Water Italy and Networks, the Public Lighting and Environment businesses





Q28 | Green Diligent Growth: Operational framework



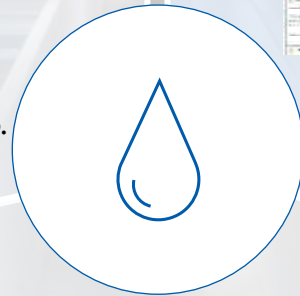


20 mln clients served...

Customers **10** mln  **10** mln

  Peru
 Honduras
 Dominican Rep.

EBITDA **780** mln€



...with innovative skills...



“**Waidy - Water Management System**”: platform for network analysis, monitoring and intervention planning



“**Workforce Management System**”: platform for dispatching / field force routing optimization



“**Calix - Smart Meter**”: for real-time measurement of water consumption and pressure

...and across the entire value chain

Capture and potabilization



~ 1.3 bn m³ of drinkable water

Distribution and adduction



56,000+ km of water network

Wastewater collection



23,000+ km of sewage network

Treatment and purification



~900 mln m³ of wastewater treated

Re-introduction in the environment



Reuse of purified water in agriculture

River water



Distinctive competencies in restoration

Industrial water



Distinctive competencies in treatment

WATER: Our vision

International
diversified
operator



Water net zero

- Ensuring the **availability** of the resource
- Monitoring/increasing the **quality** of the resource

Local approach and leadership in innovation

- Aspiring to be the:
 - **Go-to operator** at **local** level, ensuring **maximum attention** to **local communities** and **people**
 - Leading operator in terms of **innovation**, **research** and **development**



Weight on EBITDA '28

57%

Q28 | WATER: Our strategy

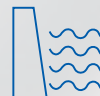


Strengthening

**SERVICE LEVEL
INCREASE IN ITALY**



Increasing water systems' resilience



Optimizing and innovating network management



Developing collection and potabilization processes



Simplifying the Water's corporate structure to promote higher operational efficiencies (via a new sub-holding)

Development¹

**SELECTIVE GROWTH IN
ITALY AND ABROAD**



Growing via tenders and partnerships aiming at aggregating local water utilities
(leveraging on distinctive capabilities in concession management)



Consolidating activities in Peru and Honduras
Valuating growth opportunities in Europe, Africa, Middle East, also via partnerships
(design, construction, and operation of networks/plants for potabilization/depuration/treatment of municipals, industrial and agricultural water)

Q28 | WATER: Main lines of intervention

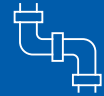


Increase in water system resilience



- **Implementation of strategic infrastructure works** – Peschiera and large aqueducts
- Implementation of aqueduct **interconnection systems** within and between areas
- Engineering of a **vulnerability model** for **climate risk** assessment of the entire water system

Optimization and innovation of water network management



- **Districtualization of the water network**
- **Implementation of network efficiency measures** – PNRR and REACT EU
- **Increase in automation and machine learning** in water volume management
- **Implementation of technology for predictive maintenance**
- **Development of water quality monitoring systems** also adopting new filtration systems
- **Development of innovative systems for desalination and potabilization**

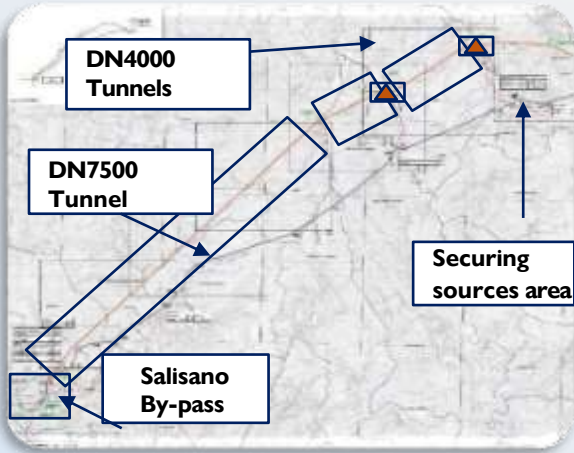
Development of collection and purification processes



- Districtualization of **sewerage network**
- **Centralization** of **purification** plants
- Reduction of **sewage sludge** produced
- Reuse of **wastewater**



Major works



NEW PESCHIERA ALTO

Securing Rome's water supply

Purification/sludge treatment



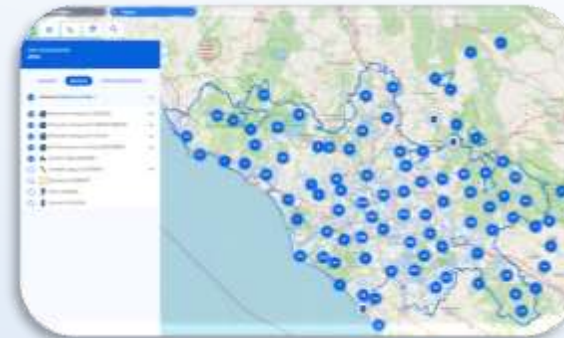
Circular sludge management

Centralization of sewage treatment plants



Laboratory/reuse

Fregene: reuse wastewater, purifier



Water Management System, network digitization and smart metering

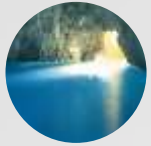
Q28 | WATER: Major works examples



Intervention

Description

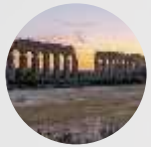
KPIs



Peschiera Aqueduct

Construction of an upper section **second line** with **high anti-seismic** standards and possibility of **maintenance without flow discontinuity** (~10 m³/sec)

- Length: **~25 km**
- Population served: **>2 mln**
- Investment: **~0.7 bn€** during plan period



Marcio Aqueduct

Upgrade of Rome's **second adduction** system for **greater resilience**, possibility of **inspection/maintenance activities**, and **sanitary protection** of the resource

- Length: **~7.5km**
- Population served : **<1 mln**
- Investment: **~0.2 bn€**



Ottavia-Trionfale

Creation of **new connection line** to ensure **alternatives** for **water supply** to Rome and replenishment of Monte Mario reservoir

- Length: **~5km**
- Population served: **<1 mln**
- Investment: **~0.1 bn€**

Q28 | WATER: Partnership examples in agriculture



Bonifiche Ferraresi example

A

Optimizing water use in agriculture



- Identify **new technologies**, including artificial intelligence, to **improve water use in agriculture**
- Focus on **sustainable irrigation practices** based on EU, national and regional regulations

B

Synergies in water and energy



Develop synergies in water and energy, for example:

- **Recovery consortia**: design, implementation and management of infrastructural works and actions for environmental protection and disaster prevention
- **Storage and pumping reservoirs**: including installation of renewable electricity generation plants

C

International expansion



Explore **new opportunities in foreign markets** with a focus on:

- **Technologies and know-how** with high growth potential
- **Spillovers on local** agricultural, water and energy **communities**
- **Support for institutions** (central and local)

D

Circular economy



Promoting circular economy models, aimed at:

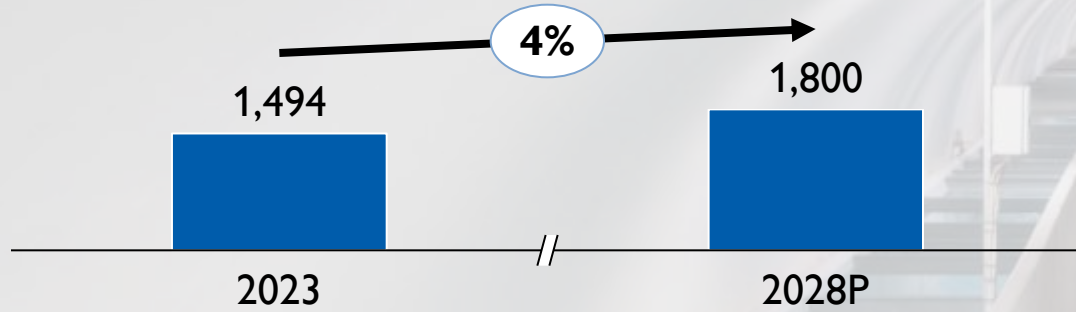
- Recovering **resources from Acea supply chain** (e.g., wastewater treatment and composting plants) with **applications in the agricultural supply chain**
- Recovering **byproducts from the agricultural supply chain to feed Acea's plants**

Q28 | WATER Italy: 2023-28 Projections

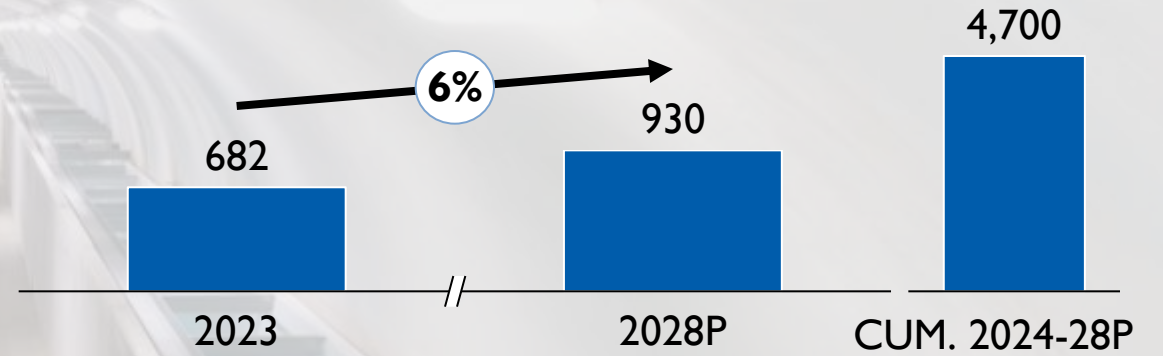


xx% CAGR '23-'28

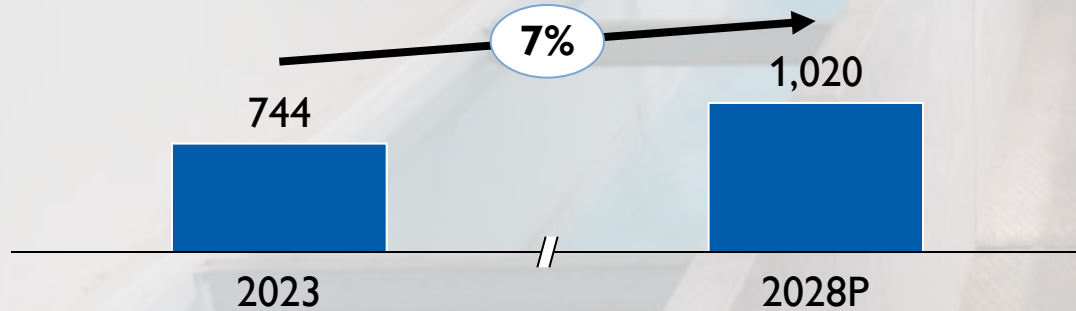
Revenues¹, mln€



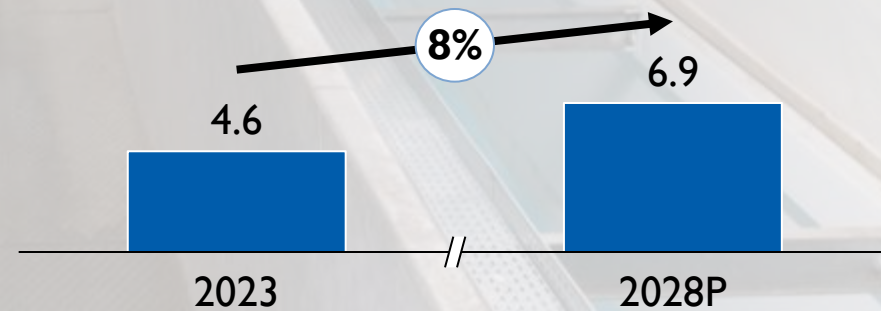
Capex², mln€



EBITDA, mln€



RAB³, bn€



1. Includes the synthetic result of non-financial participation consolidated by the equity method | 2. Gross of public contributions (e.g., PNRR) | 3. Includes the pro-rata value of RABs of companies consolidated by the equity method



Q28 | ELECTRICITY: Infrastructural operator active in three areas

1. Grids (Rome)

2nd Italian distributor for POD

1.7 mln PODs in Rome

Managed with innovative solutions

Rome Flex: distributed flexibility management systems for smart grids

2. Public Lighting (Rome and Terni)

Italy's largest city grid (Rome)

250,000 light points

5,000 installations



3. Commercial

7th operator by energy sold

1.5 mln customers¹

800+ charging stations authorized in 2023



2nd operator in Italy
focused on grid management and innovative services



ELETRICITY: Our vision

Service quality

- **Ensuring an orderly energy transition** aiming at a significant strengthening and modernization of the grid
- **Promoting the decentralization and smartization** of the grid also via Artificial Intelligence

Resilience and safety

- **Maximizing the investments on grid resilience** to support the electrification of consumptions
- **Protecting the grid from any threat**, physical and virtual



Weight on EBITDA '28

31%

Q28 | ELECTRICITY: Our strategy



Strengthening

INCREASE IN SERVICE LEVEL

Networks/ Public Lighting: "Rome ready for 2030" by:



Upgrading Rome's LV grid

(increase resilience, available power and hosting capacity of 800MW)



Modernizing the MV/LV grid to increase safety

(advanced diagnostics, remote control and automation)



Smarting the grid for dynamic management, control over PODs with 2G smart meters, and large-scale demand response via AI and IoT)



Developing Smart Public Lighting

Commercial: strengthening positioning by increasing performance and service level

Development¹

DEVELOPMENT OF SMART CITY SERVICES AND SELECTIVE GROWTH ON GRIDS



Developing other smart city infrastructures

(surveillance infrastructure, environmental sensing, artistic lighting)



Aggregating, where possible, **distribution grids in small municipalities**



Promoting an Extraordinary Plan for Rome

(including electrification of public services, cyber security, advanced connectivity)

Q28 | ELECTRICITY: "Rome ready for 2030", major investments



Rome LV network upgrading



- **Increased power available** to customers
- **LV network reinforcement** - 230 V vs. 400 V grid transformation for 70k POD (PNRR scope)
- **Hosting Capacity increase of 800 MW** (PNRR Scope)

Modernization of MV/ LV grid to increase security



- Maximizing **telecontrol and automation**
- **Increased "meshing" of MV and LV grid** - closure of LV network in antenna
- **Reduction in customers served for MV line**
- **MV cable diagnostics**
- **MV and LV grid Asset Management**
- **Selective modernization of MV and LV** grid with increasing volumes during plan period

Grid digitization for dynamic management



- **100% of PODs equipped with 2G smart meters**
- **100% MV lines with automation** by 2026
- **100% telecontrol of MV-side secondary cabins** by 2028
- **40% telecontrol of LV-side secondary cabins** to 2028
- Implementation **optimized dynamic network management and massive demand response** via AI and IoT platform

Smart Public Lighting Development



- **Projects development for "smart" Public Lighting** to serve cities

Q28 | ELECTRICITY: Project examples (1/2)



Grids



Telecontrol



Resilience



2G meter installation



Innovation

Artistic lighting



Piazza della Repubblica



Domus Tiberiana



Romeflex









Drones: grid inspection



Q28 | ELECTRICITY: Project examples (2/2)



Illustrative

-  **Remote control**
granular on all light points
-  **Smart sensors**
for adoptive public lighting
-  **Surveillance cameras**
for video-streaming and video analysis
-  **Video-mapping**
for promotional and awareness campaigns
-  **Environmental sensors**
aimed at measuring pollution levels
-  **Fiber optics**
for low-latency service delivery and free WiFi connection



Q28 | ELECTRICITY: Growth in performance and service level of commercial business



Performance
growth in
Retail market



- Increased **commercial push to support a full transition** of AceaEnergia **towards the free market**
- **Profound business transformation** with channel remix and strong push on pull and partnership channels

Service level
growth



- **Optimization of the customer management model** by ensuring an effective customers' transition to the deregulated market

E-mobility



- **Completion of the installation of charging stations**

Q28 | ELECTRICITY: 2023-28 Projections

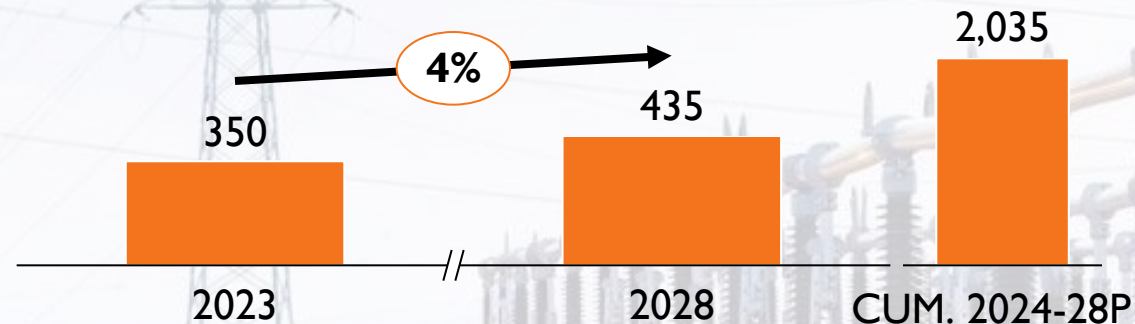


xx% CAGR '23-'28

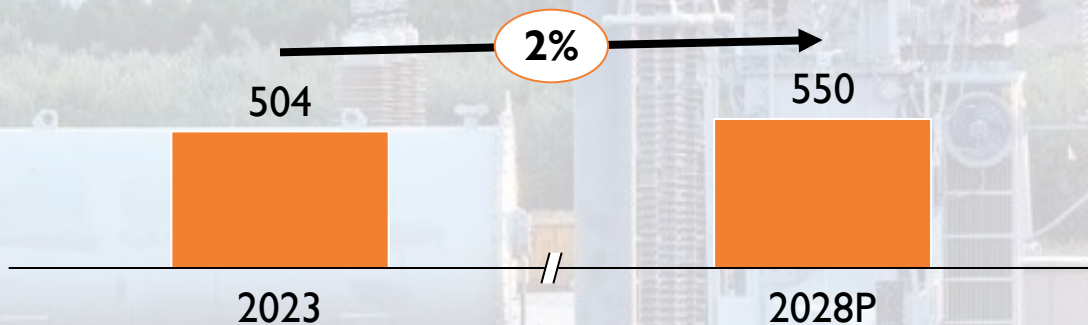
Revenues, mln€



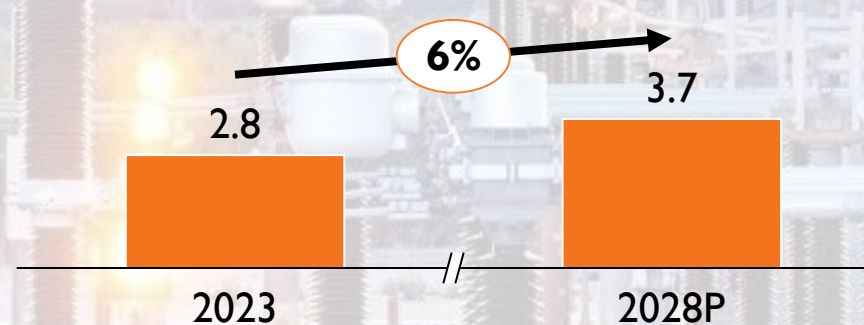
Capex¹, mln€



EBITDA, mln€



RAB², bn€



1. Gross of government contributions (e.g., PNRR) | 2. Represented the value of RAB accounting



Q28 | ENVIRONMENT: 5th operator in Italy



Presence in segments with high margins...

25

Facilities

1.8

Mton of waste managed

25%

EBITDA Margin



...in 8 regions...



Valle d'Aosta



Lombardy



Tuscany



Marche



Veneto



Lazio



Umbria



Abruzzo

... and along the entire waste chain



Midstream (Waste treatment)

Collection

ASM Terni only



Pre-processing

Drying, sorting, separation, granulation, pelletizing



Waste-to-Material

Conversion of waste into **recycled materials** and composting



Waste-to-Energy

Conversion of waste in **energy and/or heat/steam/gas**



Waste-to-Chemical

Conversion of waste to **gas, fuel, chemicals** (in development)



Waste-to-Landfill

Waste discharge and **landfill gas** recovery

Operator of
increasing
national
relevance



ENVIRONMENT: Our vision

Increased coverage of the entire waste cycle

- **Maximizing circularity** focusing on the **re-use of resources**
- **Designing and managing new plants end-to-end** with the highest industry standards

Simplification and synergies

- **Simplifying the organization** to maximize efficiency and efficacy
- **Maximizing the synergies** in the management of facilities



Weight on EBITDA '28

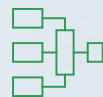
9%

Q28 | ENVIRONMENT: Our strategy



Strengthening

REORGANIZATION OF WASTE TREATMENT ACTIVITIES



Simplifying the corporate structure in 5 treatment activities

(Waste-to-Energy, Composting, Landfills and TMB, Plastic Sorting and Recycling, and Industrial Waste)



Expanding and revamping the existing plants

(WtE, other plants)



Closing the treatment cycle with EoW (End-of-Waste) initiatives

(Heavy ashes of San Vittore, HTC, sludge, products from plastic synthesis)



Consolidating the plastic supply chain aiming at increasing marginality

(partnership to ensure the offtake of products generated by plants)

Development¹

SELECTIVE GROWTH IN ITALY AND ABROAD



Developing and managing, also in partnership, new plants with the highest industry standards



Promoting new advanced technologies

(CO₂ capture/ storage and recovery of heavy ashes)

Q28 | ENVIRONMENT: Project examples



WtE – Energy recovery

Expansion of Waste-to-Energy activities (~200 kton)

San Vittore: IV line construction + II line revamping

Terni: revamping fumes line



Recycling – Material recovery

Consolidation of the plastics supply chain (~170 kton)

JV with chemical partner to ensure plant output products sales



Innovative plants (circular economy)

Valle d'Aosta: hydrothermal carbonization with End-of-Waste biolignite production



Q28 | ENVIRONMENT: New ancillary plants example (WtE)



Illustrative

Ancillary plants



WtE

Moving grate incineration technology



Carbon Capture

Experimental plants for **CO2 capture** and **CO2 storage** through specific partnerships with external operators



Heavy ash Recovery

Heavy ash recovery plant
Dry treatment (metal separation, size reduction, sorting, mixing with concrete and water, finalized to End-of-Waste)



District heating

Construction of a district heating network aimed at providing thermal energy for the local community (civilian use) and potential steam for industrial use



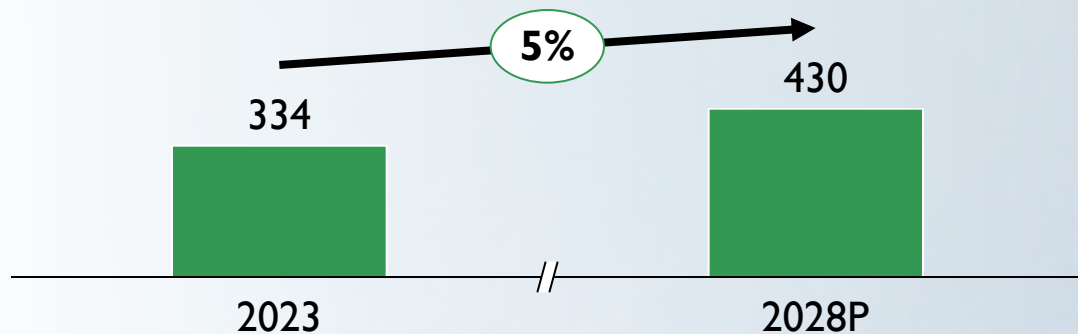
Photovoltaic Plant

Photovoltaic plant, aimed at **producing renewable energy** and developing a Renewable Energy Community for local utilities

Q28 | ENVIRONMENT: 2023-28 Projections

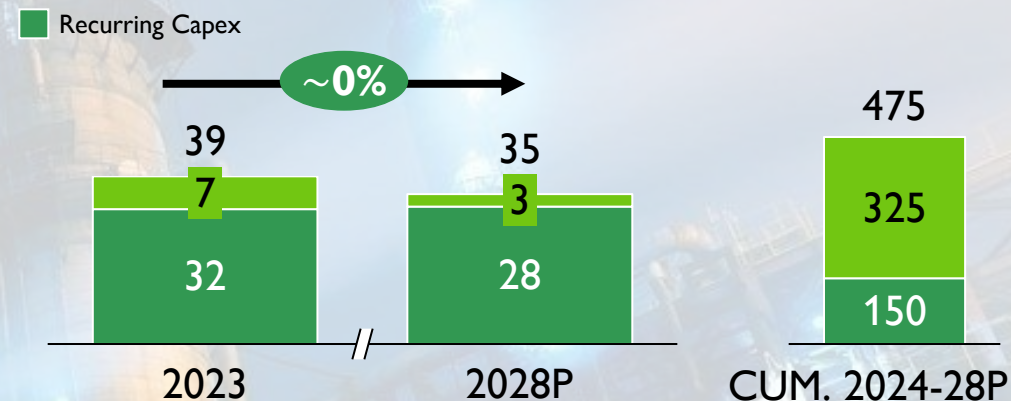


Revenues¹, mln€

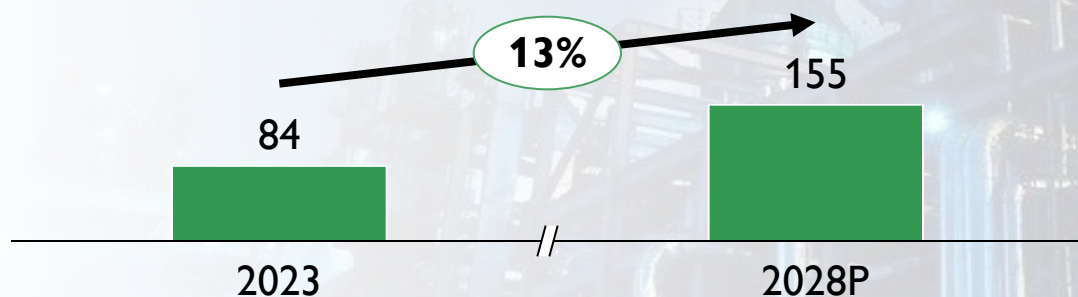


Capex², mln€

xx% CAGR '23-'28



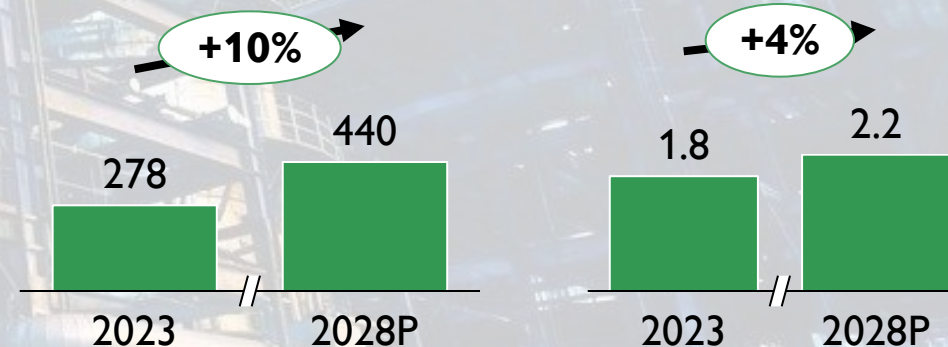
EBITDA, mln€



Operational KPIs

Energy produced by WtE³, GWh/year

Waste treated Mton/year



1. Includes the synthetic result of non-financial participation consolidated by the equity method | 2. Gross of public contributions (e.g., PNRR); major investments for interventions on the WTE of San Vittore and Terni in 2026, not on Rome WTE | 3. Value expressed net of self-consumption

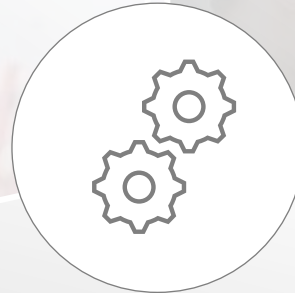


Q28 | ENGINEERING: 1st operator in Acea's "core sectors"



Highly specialized center of excellence...

400+ Engineers
3 Companies¹
116 mln€ Revenues



... with strong internal R&D...

National leadership in the water sector in testing methods and advanced instruments for laboratory analysis

... and focus on design/studies in the captive market

Positioning along the value chain

■ Acea focus



Laboratory tests



Design

>60 projects for 200 mln€ value of works



Studies, permits and research

>200 specialized assignments for studies, permits and researches



Construction management & safety

>20 Construction sites and >500 Safety controls >16,000 inspections



Delivery

>40 construction sites (40 mln€ revenues)

34,000 tests with mobile laboratories
 30,000 samples analyzed



ENGINEERING: Our vision



Internal competences and partnerships

- Growing internal competencies in advanced technologies/engineering
- Strategic partnerships with industry leaders for know-how development

Internal support and services

- Maximizing the control on the entire life cycle of major projects
- Increasing quality assurance services also externally



Center of
excellence in
Engineering



Strengthening

SINGLE CENTER OF EXCELLENCE WITH FOCUS ON MAJOR PROJECTS



Acea Infrastructure: integrating different companies in a unique center of excellence to manage major works:

- **Water:** Peschiera (130 km), PNRR projects
- **Environment:** revamping current plants and new VVtE (*upgrading S. Vittore in Lazio: ~500 kton at full production*)
- **Production:** photovoltaic pipeline (*870 MW in development*)

Development¹

ENHANCEMENT OF INTERNAL COMPETENCES AND SERVICE DEVELOPMENT



Expanding specialized internal skills along the investment lifecycle, also via partnerships with industry operators
(*Engineering, tender management, project and construction management*)



Increase in laboratory services also for third parties to guarantee quality
Water/Environment

Q28 | PRODUCTION: Highly specialized operator



Good mix of renewables...

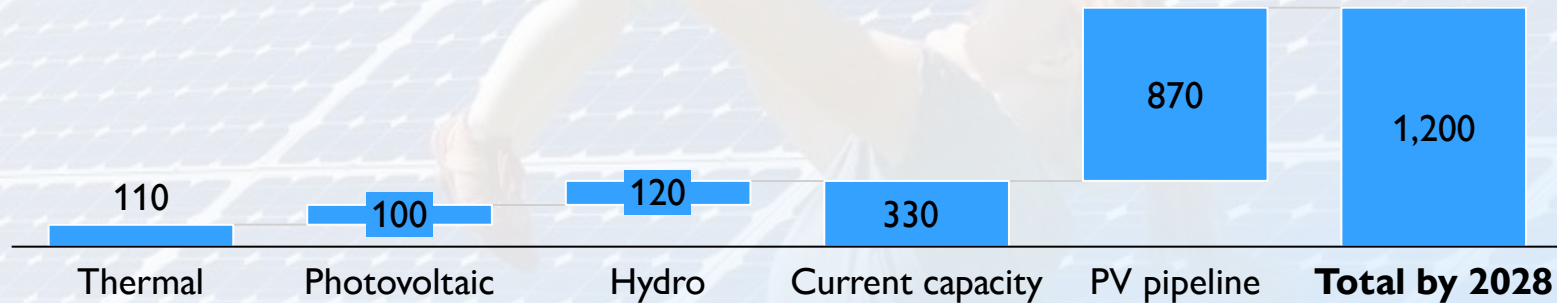
	<u>Current capacity¹, %</u>
Hydroelectric	37%
Photovoltaic	30%
Thermoelectric	33%

... to cover internal consumption...

30%
Internal
consumption
coverage (current)



... and with a strong PV pipeline, MW



Operator
highly focused
on renewables

PRODUCTION: Our vision



Carbon neutrality

- Reducing **CO₂** emissions to meet SBTi targets

Energy Balance

- Achieving **full balance** of Group energy **production/**
consumption



Q28 | PRODUCTION: Our strategy



Strengthening

DEVELOPMENT AND MANAGEMENT OF PV PLANTS



Deploying the existing solar pipeline also leveraging on financial partners
(870 MW, of which 210 already authorized)

Development¹

SELF-CONSUMPTION SOLUTIONS AND ACHIEVEMENT OF SBTi TARGETS



Implementing self-consumption solutions: installation (for the Group/third parties) of stations for the water distribution pressure reduction for energy recovery, and installation of in-situ or rooftop photovoltaic fields



Increasing generation capacity also from other renewable sources
(market and/or tenders)



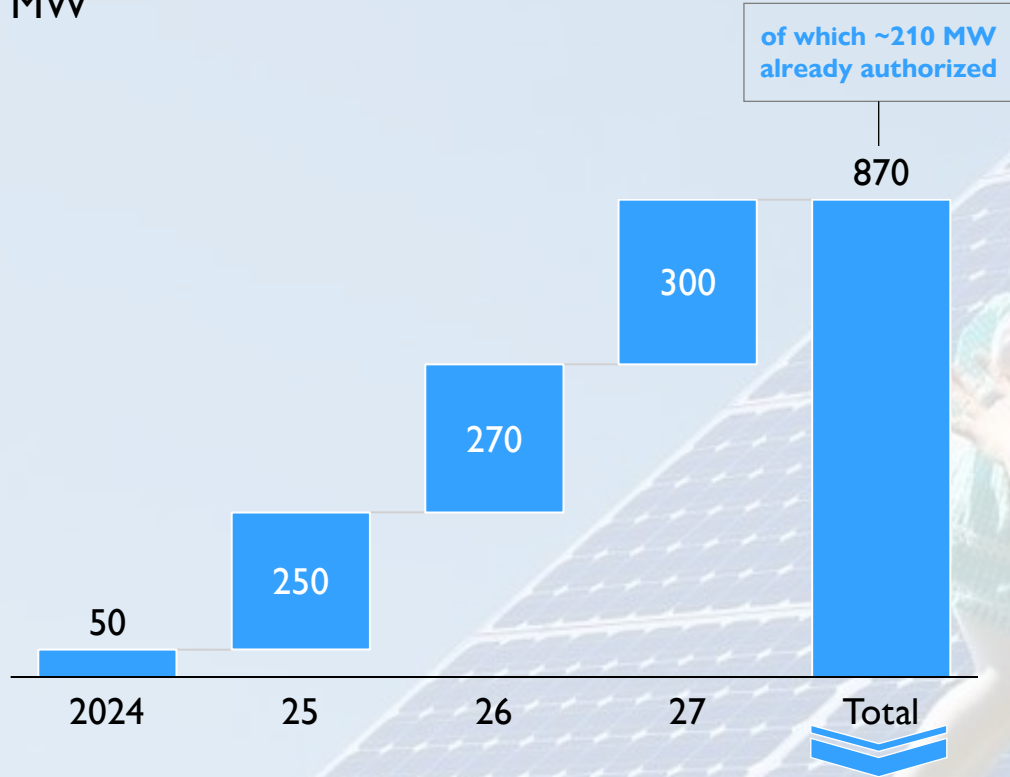
Asset management: strengthening skills for facilities under management

Q28 | PRODUCTION: Launched projects



Pipeline as of 31.12.2023

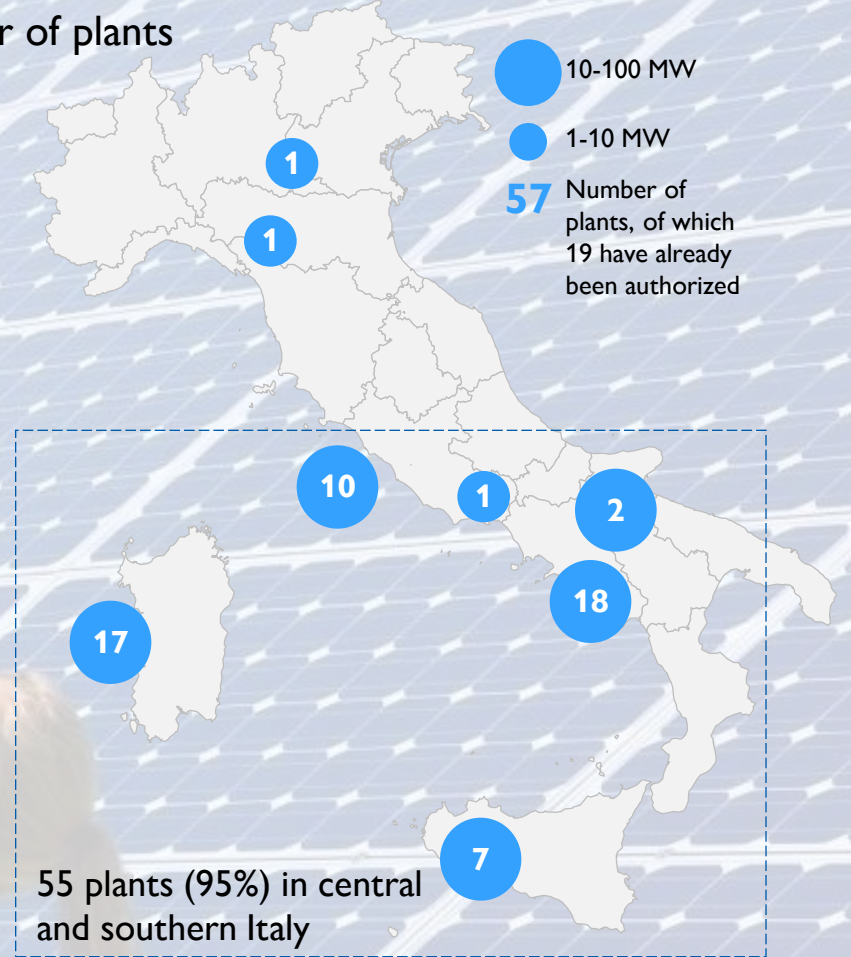
MW



Facilities prepared to **add storage systems** even at a later stage

Geographical distribution

Number of plants



Pipeline sufficient to meet SBTi targets by 2032 (without considering impact of WtE Rome)



ESG across corporate businesses



E

- **SBTi targets of emission reduction in 2032** (Scope 1, 2, 3)
- Focus on **"green" funding**
- Strengthening policy on **biodiversity**



S

- Strengthening commitment on **people development**
- Introduction of **social impact assessment** on **welfare** initiatives
- Formalization **of a Group policy on human rights**



G

- **Management incentive scheme** with increased focus on ESG
- Full integration of **ESG criteria** into **Risk and Compliance** processes
- Promoting **ESG performance** along the **supply chain**

Q28 | ESG: SBTi targets 2032¹



Scope

SBTi targets 2032

Scope 1	-56% ²	emission intensity reduction (tCO2/MWh)
Scope 2	-32% ³	absolute emissions reduction (tCO2)
Scope 1 + Scope 3	-56% ⁴	emission intensity reduction from energy production and sale (tCO2/MWh)
Scope 3	-30% ⁵	absolute emissions reduction from gas distribution and sales (tCO2)



Enabling levers

Confirmed SBTi commitment for CO₂ emissions reduction to be achieved also through:

- Green energy **generation** and **management**/ development of renewable energy plants
- **Green** energy **sales** and progressive electrification of consumption

1. vs Baseline 2020. | 2. Baseline 2020 equal to 0.70 tCO2/MWh. | 3. Baseline 2020 equal to 301,000 tCO2. | 4. Baseline 2020 equal to 0.42 tCO2/MWh. | 5. Baseline 2020 equal to 440,000 tCO2.





SDG Goals of the Plan



Investments related to sustainability targets¹, 2024-2028

Around 5.5 bn€² of investments related to sustainability targets aligned with SDGs during the plan period:

SDGs related to investment in business

1,210 mln€ water loss reduction, modernization, energy efficiency, digitization



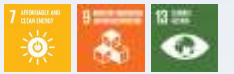
1,270 mln€ resilience of the aqueduct system



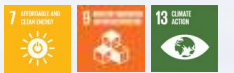
1,050 mln€ optimization of sewage-depuration sector



90 mln€ electric smart meter installation (2G)



1,000 mln€ resilience, modernization, efficiency of power grids and innovation in a smart city logic



470 mln€ increase in treated waste from a circular economy perspective



10 mln€ infrastructure for electric mobility



370 mln€ increase in green power generation



1. Capex of the Group main Companies (Acea Ato 2, Environment business, Areti, Acea Produzione, including photovoltaic development, Acea Innovation) associated with sustainability targets
 | 2. Gross of public contributions (e.g. PNRR) and M&A for photovoltaic

Main strategy enablers



People

- **New Carta della Persona e della Partecipazione**
- **Introduction of new skills**
- **Strengthening of training and career paths**
- **Enhancement of corporate welfare**

Systems

- **Focus on digitization, GenAI and robotics** also to support service quality and on field safety
- **Industrial, financial and technological partnerships** to accelerate growth on regulated businesses

Processes

- **Business process redesign**
- **Procurement review**
- **Working capital optimization**
- **Strengthening of governance**

Q28 | People: Main actions



1. New *Carta della Persona e della Partecipazione*

***Carta della Persona e della Partecipazione* signed** between Acea and labor unions

2. Introduction of new skills

Development of a **structured talent management** to ensure **attraction** and **retention** of the best skills, through:

- Dedicated recruitment programs (such as graduate program)
- Up-skilling and re-skilling programs

3. Strengthening training and career paths

Continuous training and **growth paths with innovative programs** (e.g., networking, development, innovation, career, rewarding and benefit programs) to cultivate the Group's talents

4. Enhancement of corporate welfare

Launch of **enhanced welfare programs**, focused on 6 areas (health, mental and physical well-being, family, economic benefits, work-life balance, and pension)

Q28 | Systems: Main actions



Digitization

E2E process automation of Corporate/
operating companies

Data Governance strategy to develop
a Data Driven company

Robotics/ drones

Networks **inspection/ monitoring**

Precision **installation** of components

Plants surveillance

Anomalies/ water leaks detection



Artificial Intelligence

Predictive maintenance through

Smart Metering

IoT for plants and networks

Telecontrol

Networks planning

Workforce management

Gen AI

Customer Operations
transformation into a **full assisted**
self-service logic

Virtual workforce development
through Co-pilot tools

Q28 | Systems: Partnership network development



Industrial partnership

WATER

Development of projects to support **water resources security**

ELECTRICITY

Co-development of **photovoltaic generation** facilities

ENVIRONMENT

Co-development of facilities for **Waste-to-Chemical** technologies

Financial partnerships

Focus on WATER

Medium-long term financing for the supply chain

Incentive scheme for lower interest rates

Focus on green products

Reverse factoring

Ad-hoc financing for **SMEs**

Improvement of ESG

sustainable indexes of the supply chain



Adoption of innovative **technologies** (e.g., Gen AI)

Technology partnership



- 1. Business process redesign**
Redesign of all major processes through data mining in favor of higher value-added activities and better interaction between business units and functions, to improve operational management and service quality
- 2. Procurement review**
Strategic management of Group **procurement** and application of **optimization levers** (such as unbundling, standardization, should-cost methodologies)
Revised Make vs. Buy strategy, insourcing strategic, low-availability, quality-impacting activities
- 3. Working Capital optimization**
Innovative strategies along the entire credit management and recovery chain, through data quality improvement, partnerships with specialized operator, and Artificial Intelligence
- 4. Strengthening governance**
Sub-holding by business and **renewed top management**

Q28 | Processes: Operational efficiencies



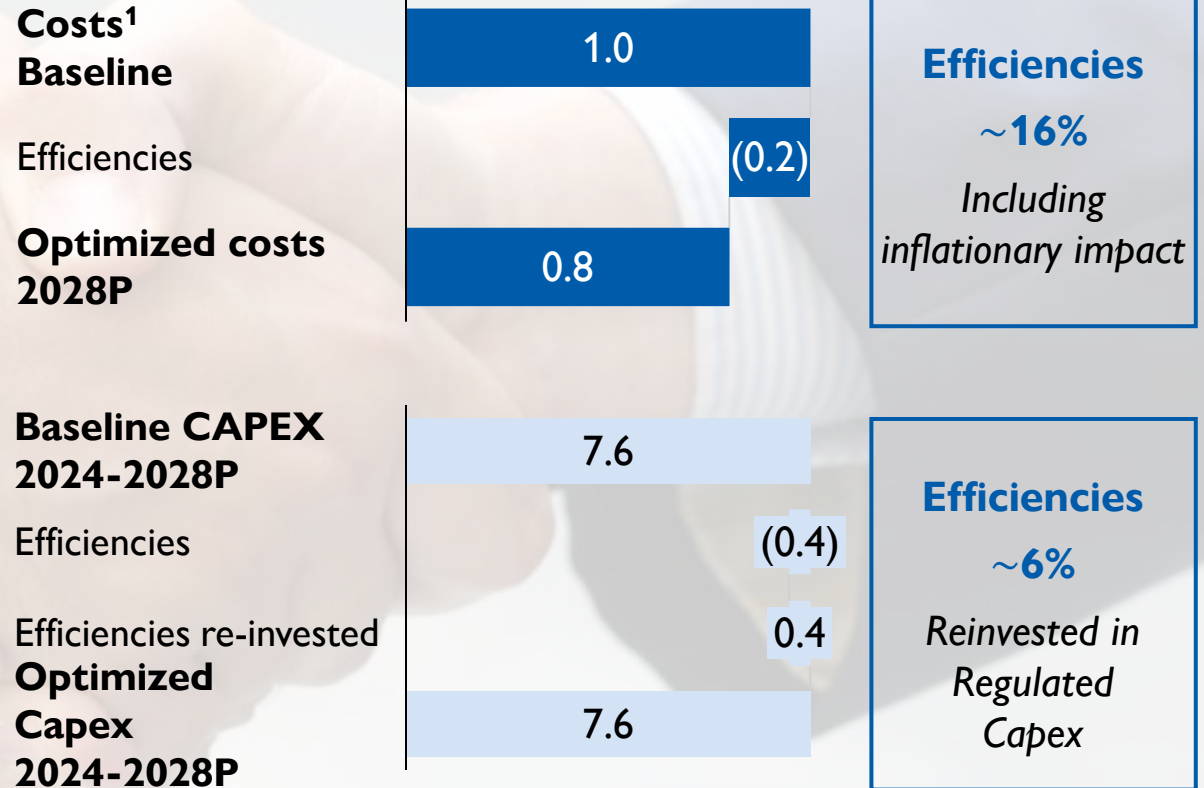
Key levers

Continuous cash-cost optimization through:

- **Procurement optimization** (supply unbundling, planning and standardization, should-cost...)
- **New technologies** (AI and genAI, process mining, automation...)
- **Process optimization and simplification**
- **Corporate simplification** (e.g., plastics supply chain consolidation)

Capex efficiencies re-invested in regulated businesses to support growth and improve technical and contractual quality

Cash-cost with efficiency potential, bn€



Q28 | Processes: Credit efficiencies



Key levers



Clustering and dunning

Development of differentiated routing paths for customer clusters via AI, enhancing dunning strategies



Reduction of inaccessible customers

Implementation of interventions to improve meters' access



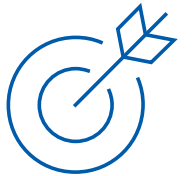
Increase of tax injunction

Use of tax injunction on clearly identified client clusters



Improvement bank domiciliation

Increase of bank domiciliation rate on new acquisitions and existing customer base



Target of **160-180 mln€** of **extra-cash collection** during plan horizon

Targets 2028

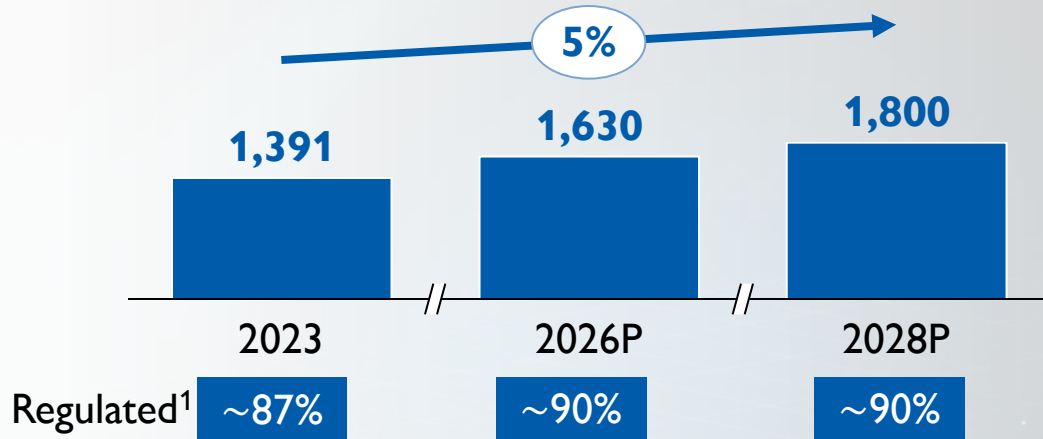


People for
sustainable
infrastructures

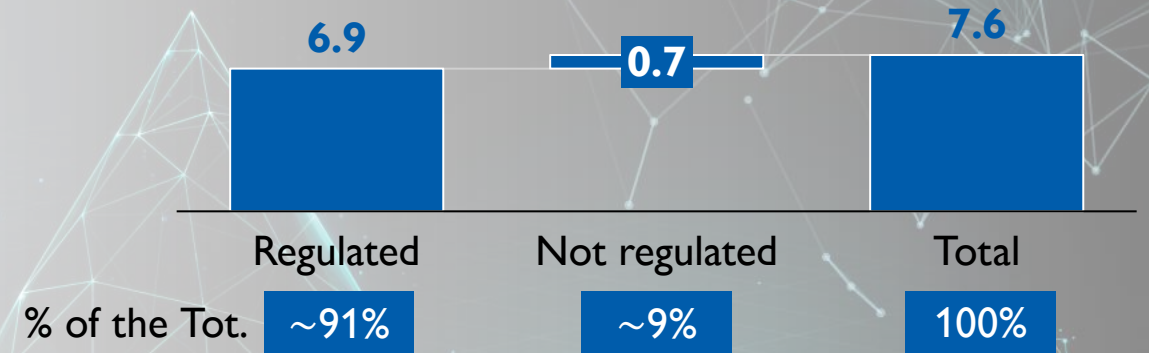
Targets 2028: “Steady growth”

xx% CAGR '23-'28

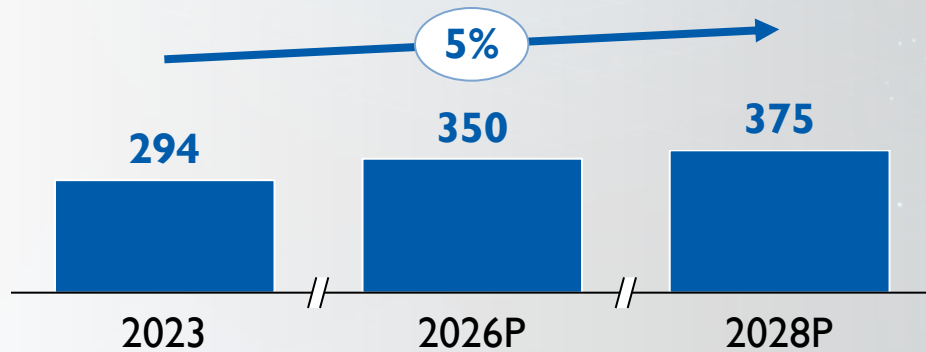
EBITDA, mln€



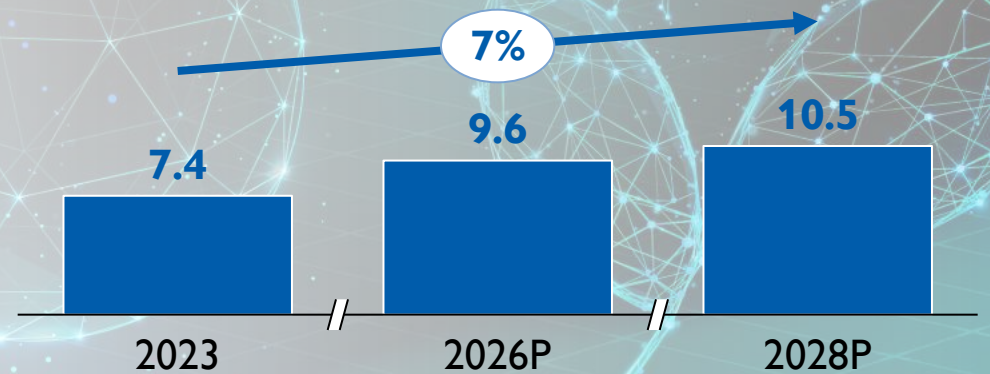
Cumulated Capex² 2024-28P, bn€



Net profit, mln€



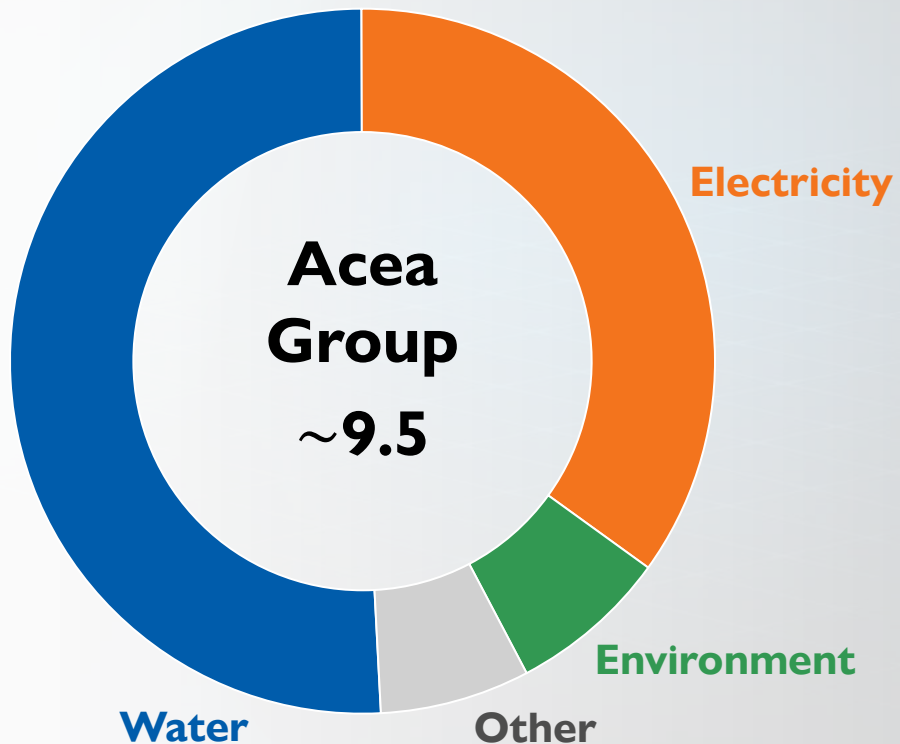
RAB³, bn€



1. Regulated includes, in addition to the regulated businesses Water in Italy and Grids, the Public Lighting and Environment businesses | 2. Gross of public contributions (e.g., PNRR) | 3. Includes the pro-rata value of the RAB of the companies consolidated using the equity method.

Targets 2028: Returns by business

Invested Capital¹, bn€



ROIC², pre-tax

From (2022-23) ... A (2028)

Acea Group >>> **7.9%** ... **8.4%**

Water² >>> **7%** ... **9%**

Electricity³ >>> **8%** ... **9%**

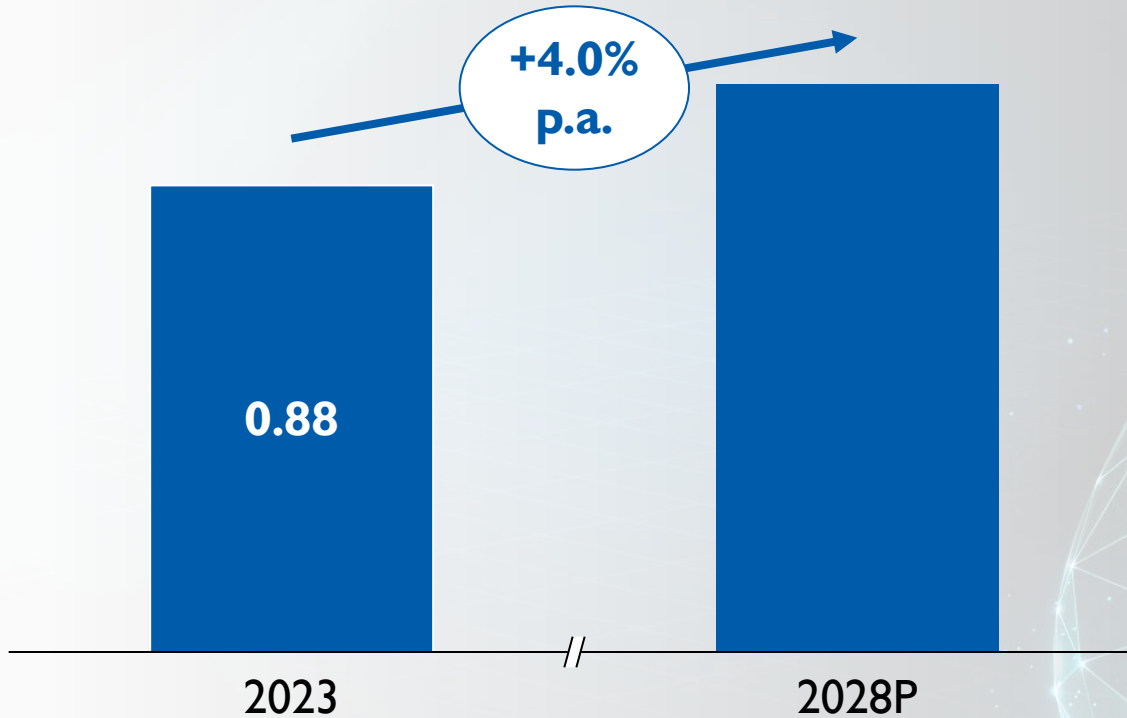
Environment >>> **10%** ... **12%**



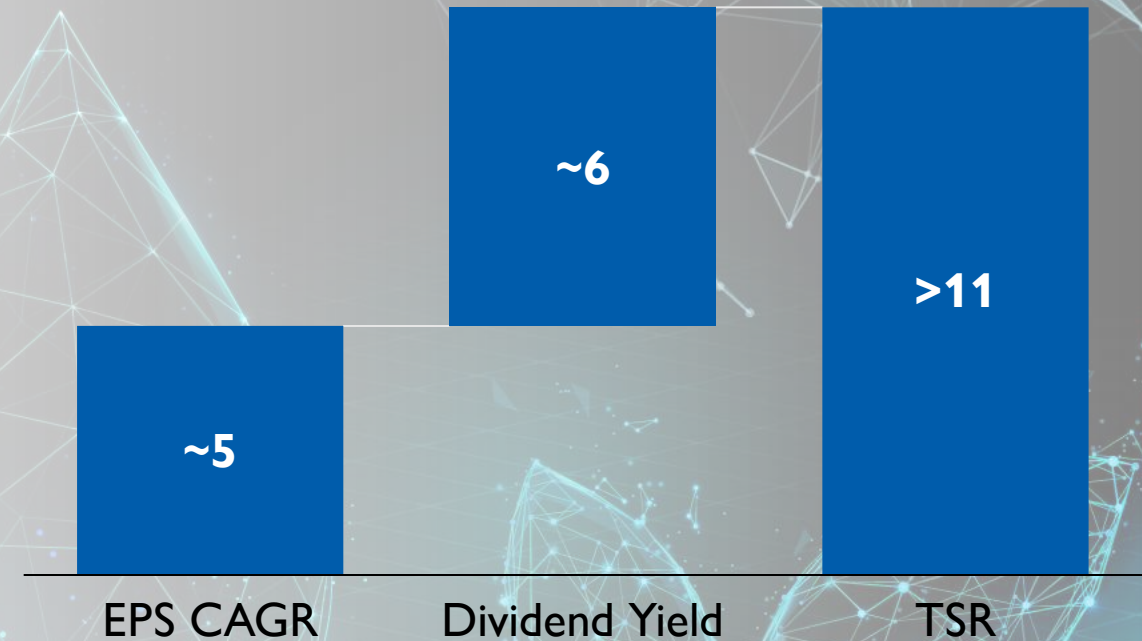
1. Shareholders Equity + NFP | 2. The regulated WACC has been considered for regulated businesses Grids and Water Italy; Water refers to activities in Italy | 3. Includes Grids, Public Lighting, Commercial Area excluding Acea Innovation

Targets 2028: More value to shareholders

DPS¹, €



Average annual TSR, %



Annual dividend growth = 4.0%
Over 1 bn€ in dividends throughout the business plan horizon

Average annual return for shareholders exceeding 11%

1. Expressed on an accrual basis (e.g., the DPS 2023 is calculated based on the distribution of profits in 2023, which will occur in 2024)

Potential further strategic upside from asset rotation



Asset disposal/ partnership

- **Disposal of non-core** assets characterized by **higher** result volatility, **limited cash conversion, regulatory incentives for sale**
- Set-up of **partnerships** and potential **opening of capital to partners** in selected businesses, while maintaining control and operational management



Selective allocation of proceeds to core and regulated sectors



New tenders and agreements in the management of the **integrated water service, selective growth abroad** and in **new segments**



Consolidation as DSO and **growth** in **public lighting** and **smart city services**



Growth in WtE and **new acquisitions** for closing the **treatment** cycle and **new technologies**



Internalization of **engineering / EPC expertise** and **partnerships in renewables**



**Potential
additional
EBITDA
+
safeguarding
NFP
improvement**

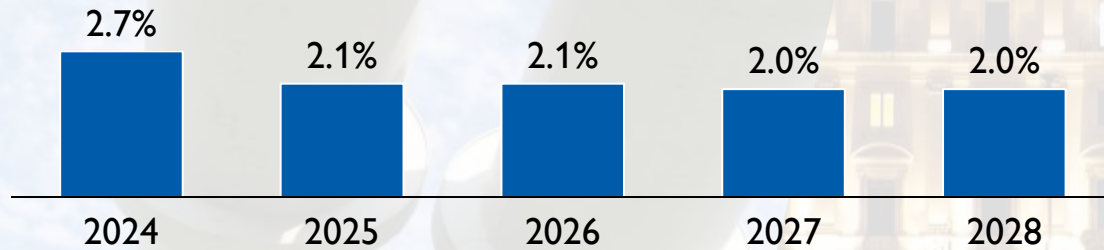
2023-28 Projections



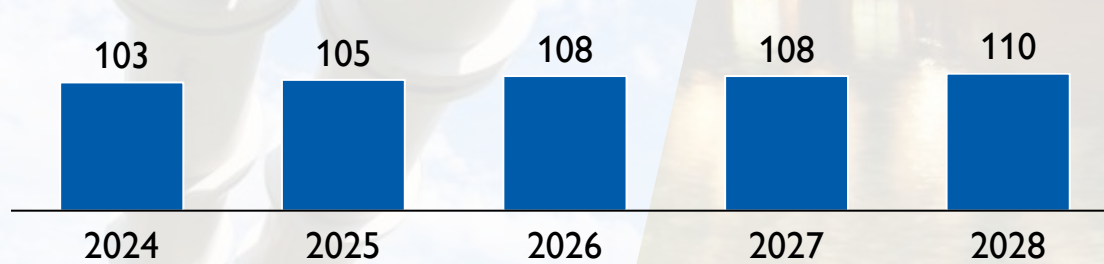
People for
sustainable
infrastructures

Key assumptions of the Plan

Inflation¹, %



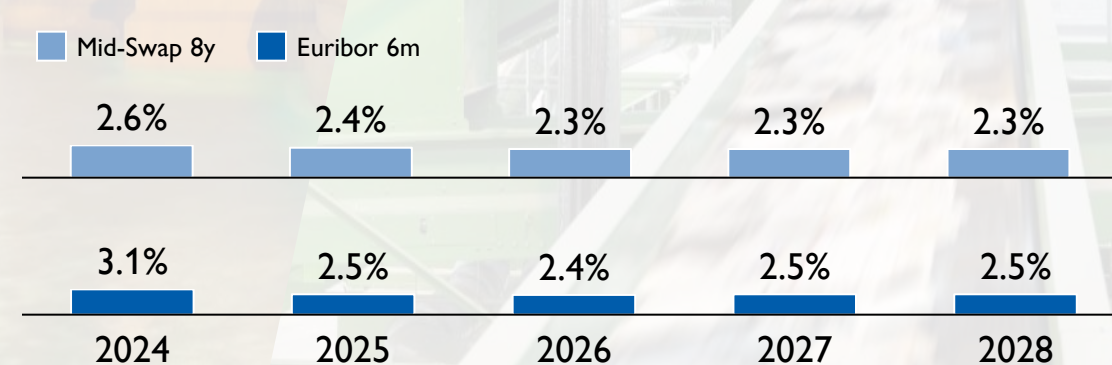
NSP², €/ MWh



Regulatory scenario

Areas	Indicators	2024	2025-28
WATER Italy	WACC	6.1%	6.1%
	Deflator	2.8%	0%
GRIDS	WACC	6.0%	5.7%
	Deflator	5.9%	1%

Interest rates³, %

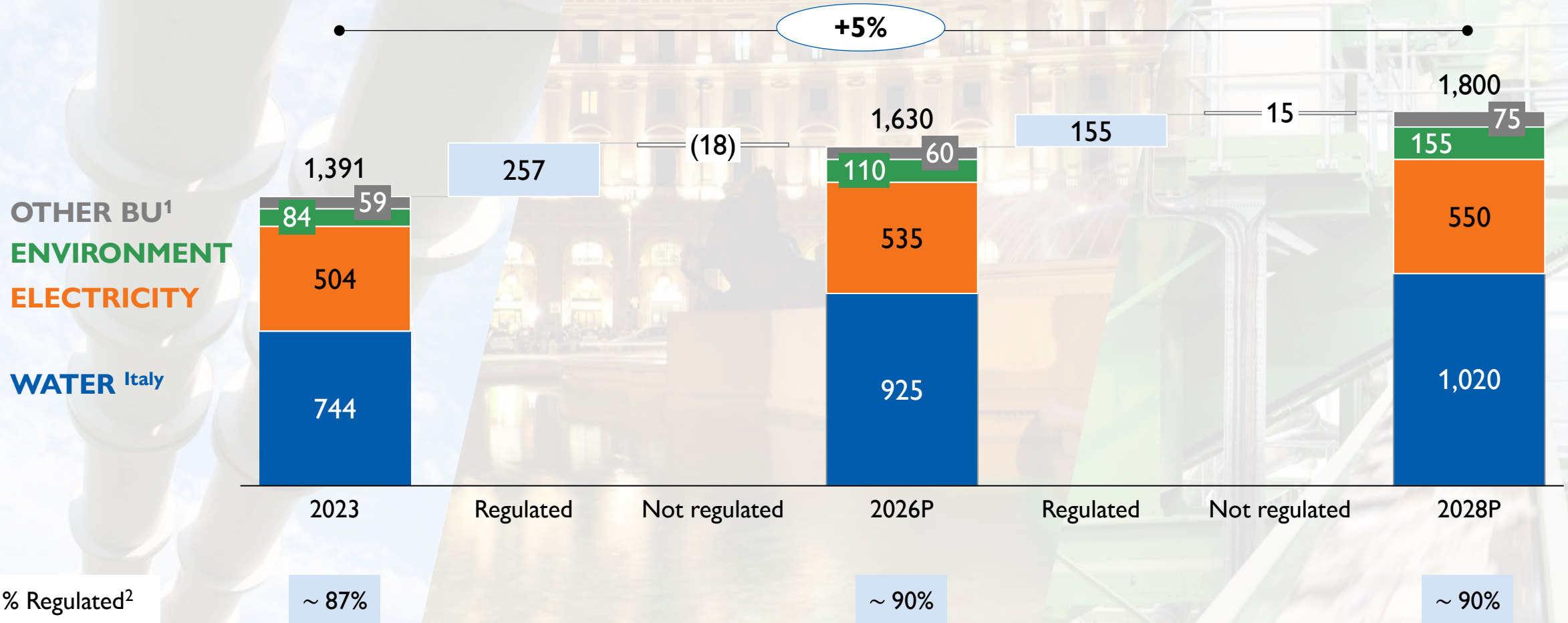


1. AFRY source, Q4-2023 update | 2. Forecasts for 2024 and 2025 based on forward prices observed in December 2023 @European Energy Exchange, (ii) forecast for 2026-2028 based on AFRY Q4-23 projections (weighted average 85% central scenario and 15% low scenario) | 3. Forecasts for 2024 - 2028 based on forward prices observed in December 2023 @Bloomberg

Growth driven by regulated business...

xx% CAGR '23-'28

EBITDA, mln€



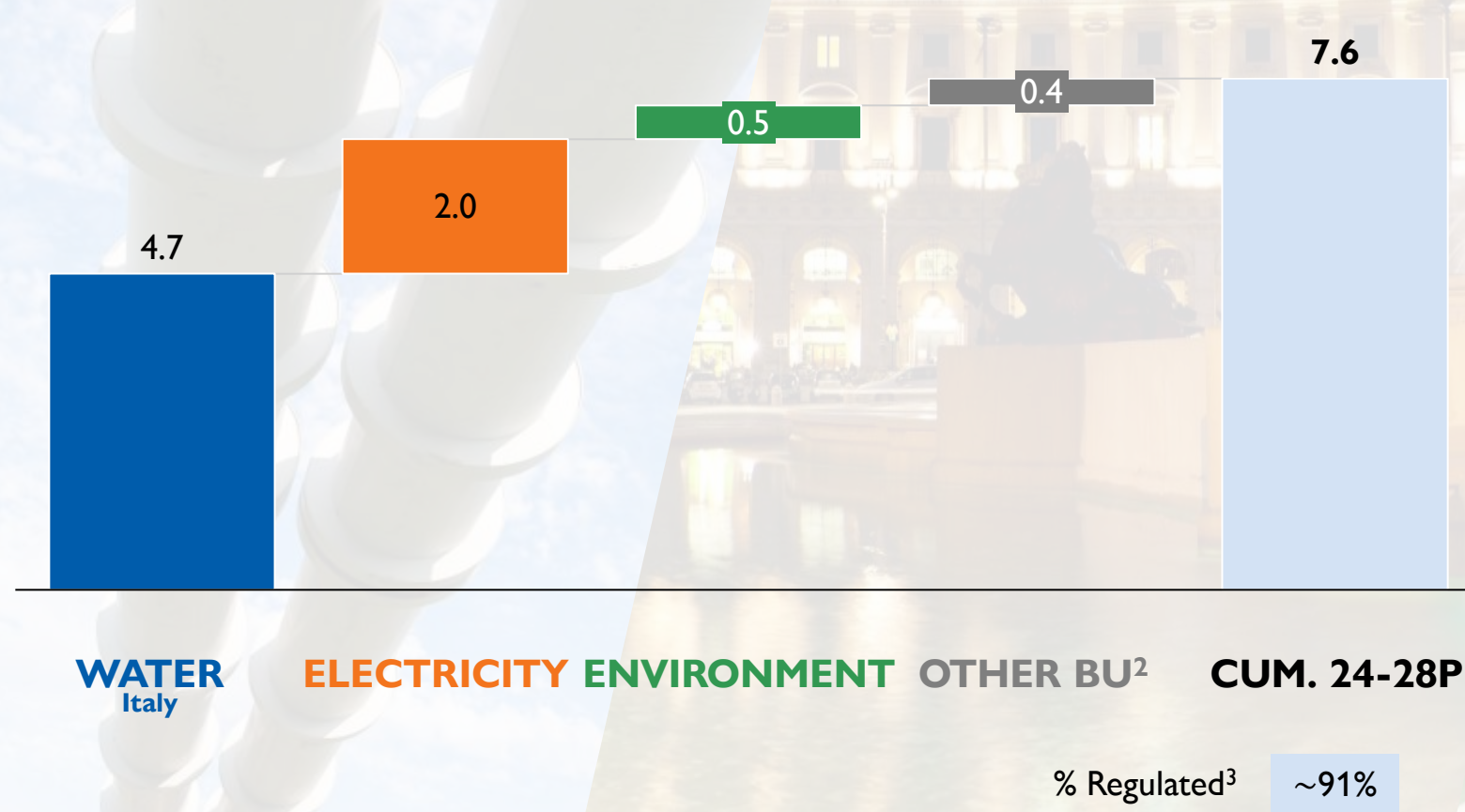
OTHER BU¹
 ENVIRONMENT
 ELECTRICITY
 WATER Italy

1. Other Business Units (BUs) includes Production, Water International, Engineering and Corporate | 2. Regulated Includes, in addition to the regulated businesses Water Italy and Networks, the Public Lighting and Environment businesses

...and from investments in infrastructures...

Cumulated capex¹ 2024-28P, bn€

RAB⁴, bn€



Areas	2023	2028P
WATER Italy	4.6	6.9
GRIDS	2.8	3.7
TOTAL	7.4	10.5

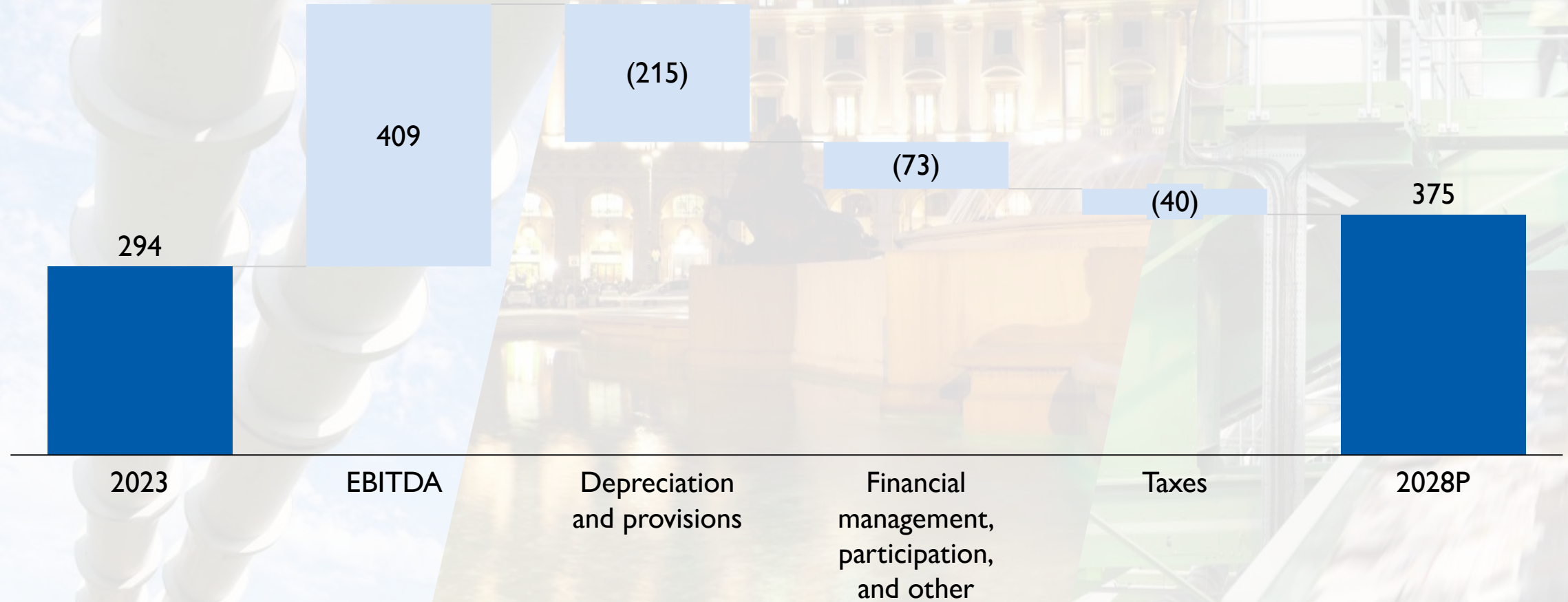
% Regulated³ ~91%

1. Gross of public contribution (e.g., PNRR) | 2. Includes Production, Water International, Engineering and Corporate | 3. Regulated includes, in addition to the regulated businesses Water in Italy and Grids, the Public Lighting and Environment businesses | 4. Values expressed gross of public contribution. Acqua Italia includes the pro-rata value of the RAB of the companies consolidated using the equity method; for GRIDS it represents the accounting value of RAB | Note: values subject to rounding



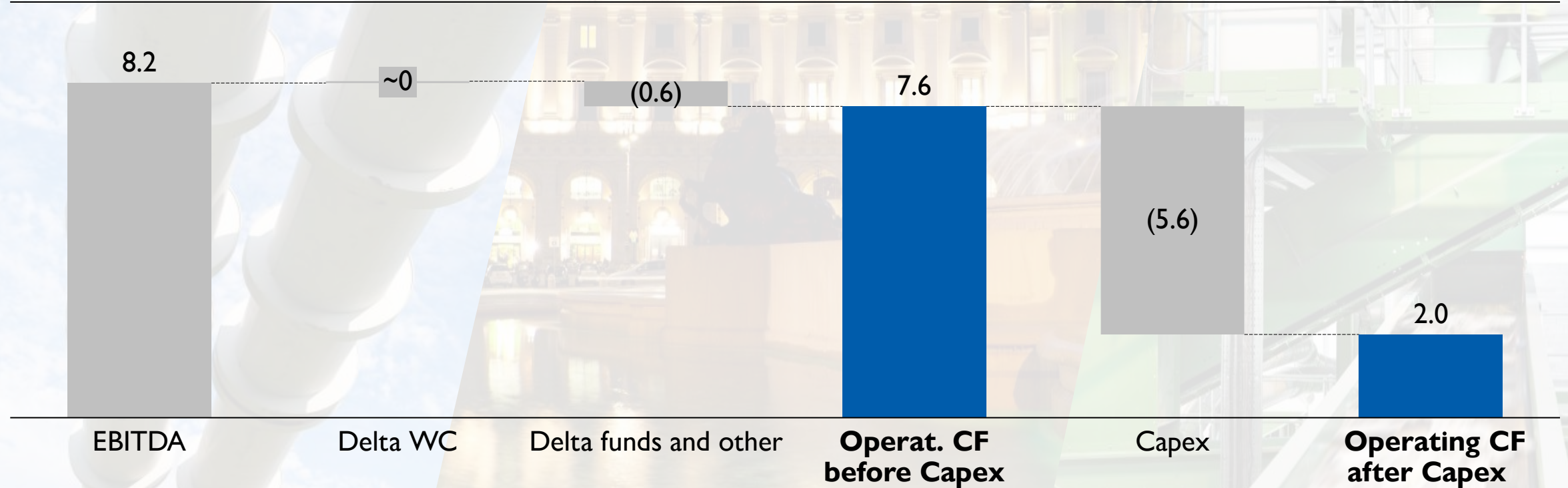
...ensures value creation for shareholders

Net profit, (Δ 2023-28P) mln€



Robust and improving financial structure (1/3)

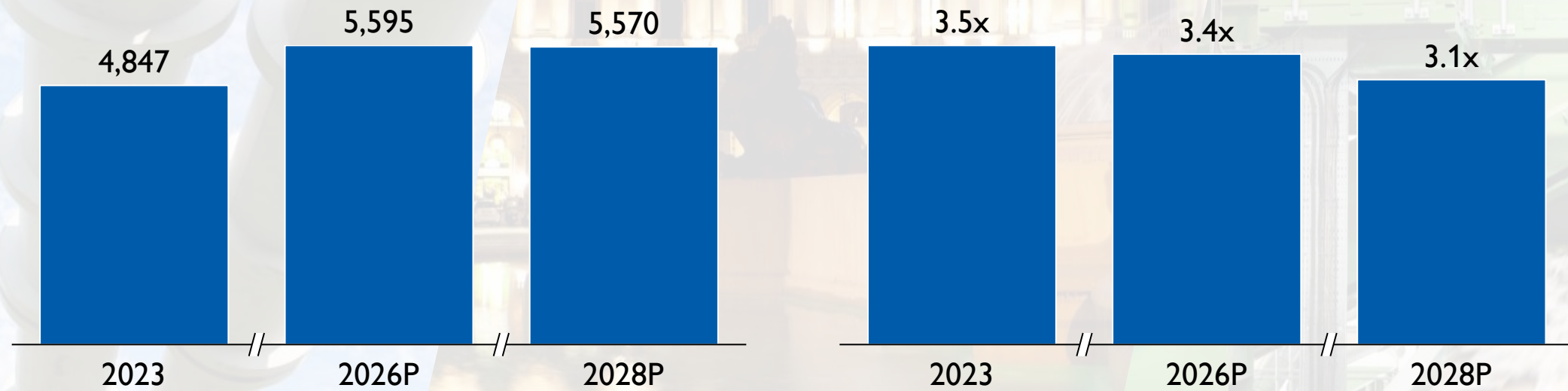
Operating Cash Flow (2024-28P), mln€



Robust and improving financial structure (2/3)

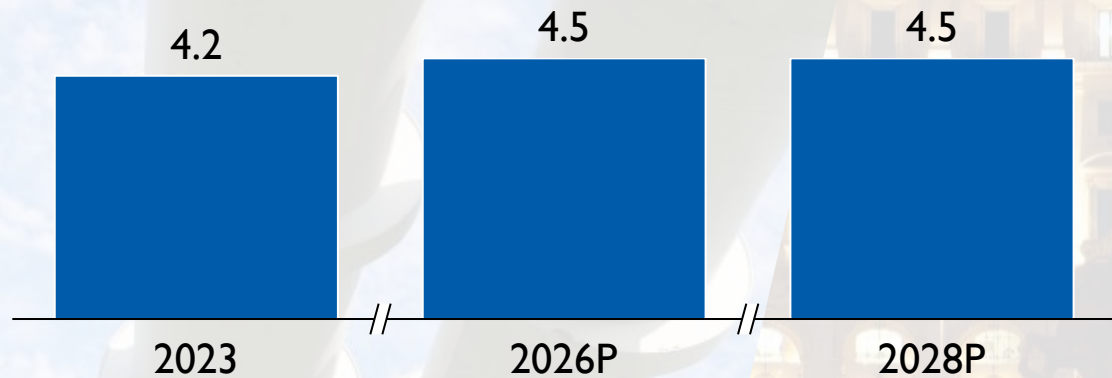
NFP, mln€

NFP/ EBITDA



Robust and improving financial structure (3/3)

Average duration of debt, years

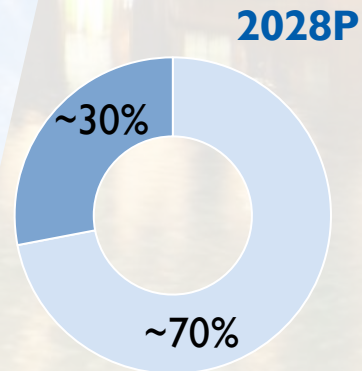
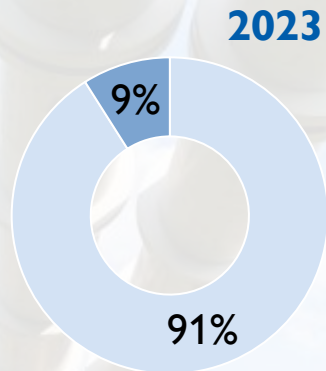


Key Optimization Levers

- **Increase of the average duration of debt** through **refinancing** of expiring debt with:
 - bond issues (~8 years bullet) and
 - **long-term** financing (~15 years amortizing)
- **Reduction of the fixed-rate component in line with the changed market context**
 - interest rates steadily rising since late 2020, with an expectation of reduction in the coming years

Debt structure

■ Fixed ■ Variable



Closing remarks



People for
sustainable
infrastructures

Q28 | Closing remarks



Green

Focus on regulated infrastructure businesses by strengthening positioning and expanding into adjacent segments

ESG across businesses

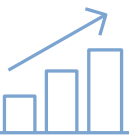


Diligent

People at the center

Operation excellence with strong cost and investment discipline to sustain cash generation

Optimization of financial structure and capital allocation



Growth

Capex increase (also in innovation)

Shareholder value growth (RAB/ Net Profit/ Dividends)

Key numbers

- EBITDA '28: ~1.8 bn€ (90% regulated¹)
- Net Profit '28: ~375 mln€
- NFP/ EBITDA '28: ~3.1x
- Capex: ~1.5 bn€/year
- Dividends: >1 bln€ cumulated in the plan horizon

1. Regulated Includes, in addition to the regulated businesses Water Italy and Networks, the Public Lighting and Environment businesses

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/OR ENERGY AND OTHER RISKS.

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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 PIER FRANCESCO RAGNI – CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.

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sustainable
infrastructures*

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