

A nighttime photograph of Piazza Venezia in Rome, Italy. The Fontana del Gallo is in the foreground, illuminated with blue light. The Via dei Fori Imperiali is visible in the background, with the illuminated facade of the Palazzo Venezia. The sky is dark blue. Overlaid on the image are decorative wavy lines in yellow and cyan. The text 'ACEIA GROUP IQ 2022 RESULTS ROME, 11 MAY 2022' is centered in white.

# ACEIA GROUP IQ 2022 RESULTS

ROME, 11 MAY 2022

# 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<br>(A) | IQ 2021<br>(B) | % CHANGE<br>(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<br>2022<br>(A) | 31 Dec<br>2021<br>(B) | 31 Mar<br>2021<br>(C) | % CHANGE<br>(A/B) | % CHANGE<br>(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<sup>^</sup>

IQ 2022  
**7,197**

IQ 2021  
**7,004**

CHANGE  
**+193<sup>^^</sup>**

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

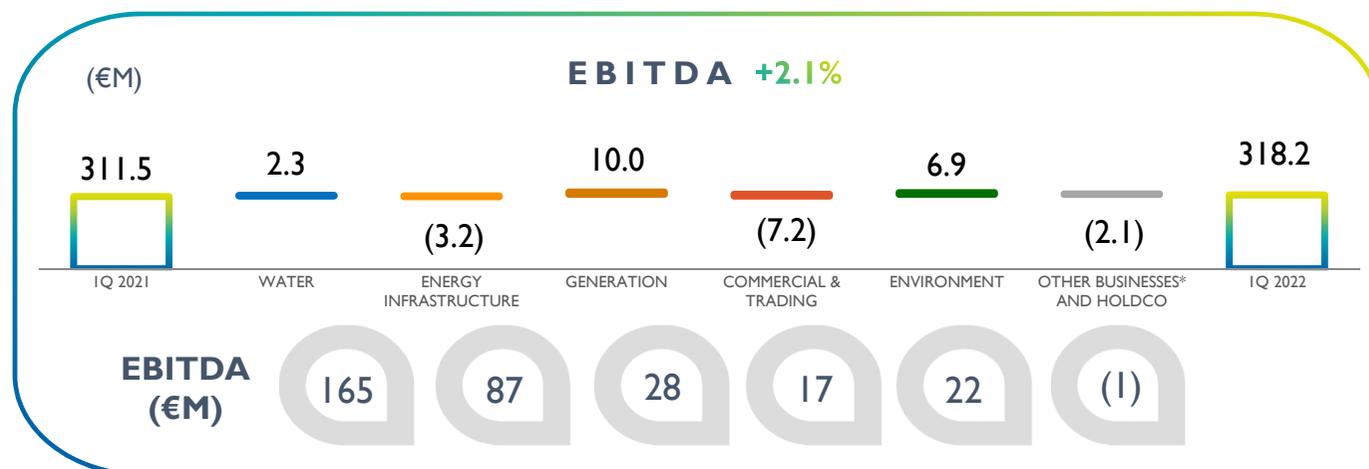
\*\* Net of grant-funded investment

<sup>^</sup> Excluding employees in the Overseas segment.

<sup>^^</sup> 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        |
| <b>TOTAL</b>            | <b>+4.8</b> |

# FINANCIAL HIGHLIGHTS IQ 2022

## HIGHLIGHTS

| (€M)                               | IQ 2022<br>(A) | IQ 2021<br>(B) | % change<br>(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

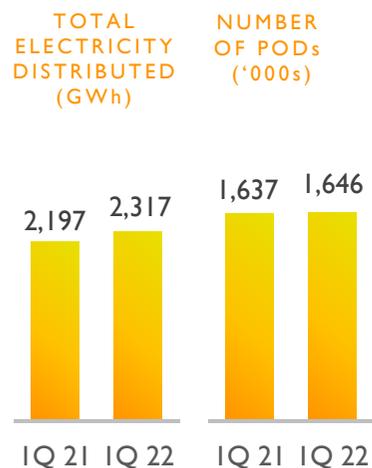
+€2.1M

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<br>(A) | IQ 2021<br>(B) | %change<br>(A/B) |
|-------------------|----------------|----------------|------------------|
| EBITDA            | 86.5           | 89.7           | -3.6%            |
| - areti           | 87.1           | 90.6           | -3.9%            |
| - Public lighting | (0.6)          | (0.9)          | n/s              |
| CAPEX             | 68.7           | 70.1           | -2.0%            |



## ENERGY INFRASTRUCTURE



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

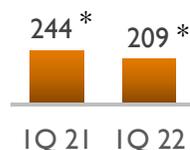
HIGHLIGHTS



## 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

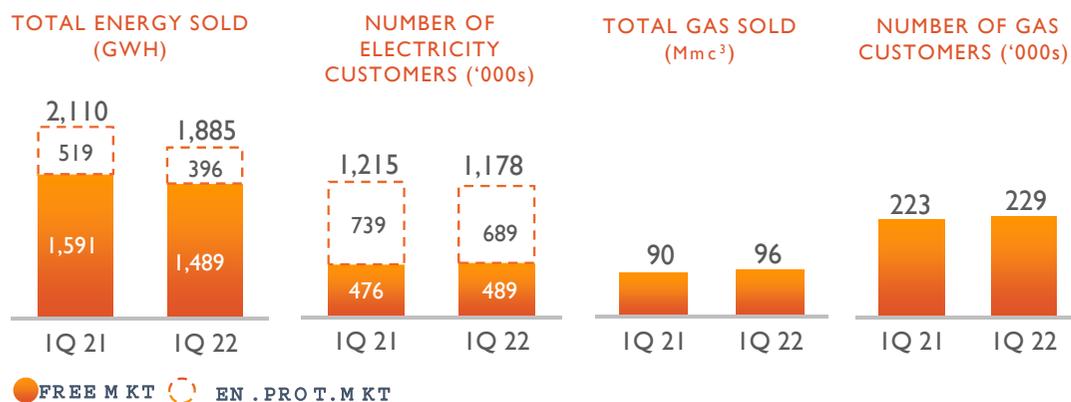
Totale pipeline 640 MW

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

# FINANCIAL AND OPERATIONAL HIGHLIGHTS IQ 2022

HIGHLIGHTS

| (€M)   | IQ 2022<br>(A) | IQ 2021<br>(B) | %change<br>(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<br>(A) | IQ 2021<br>(B) | % change<br>(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

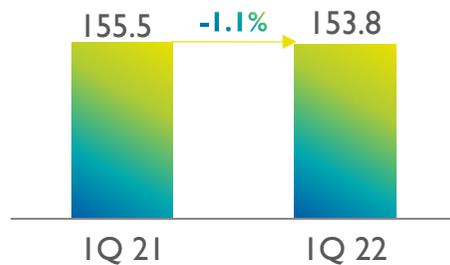
#### REDUCED EBITDA AT DEMAP

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

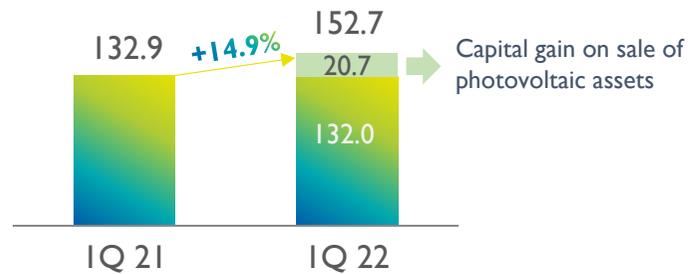
-€1.7M

# EBIT AND NET PROFIT IQ 2022

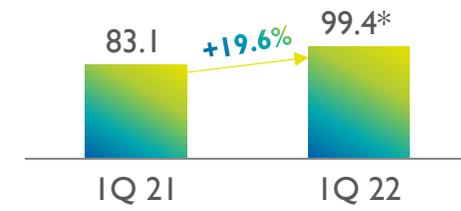
## EBIT (€M)



## 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%       |
| <b>TOTAL</b> | <b>164.4</b> | <b>156.0</b> | <b>-5.4%</b> |

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

# CAPEX IQ 2022

INVESTMENT IN INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE



- |  |   |   |   |   |  |
|--|---|---|---|---|--|
|  <h4>WATER</h4> <ul style="list-style-type: none"> <li>• REPAIR AND WIDENING OF WATER AND SEWER PIPES</li> <li>• EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS</li> <li>• WORK ON TREATMENT PLANTS</li> </ul> |  <h4>ENERGY INFRASTRUCTURE</h4> <ul style="list-style-type: none"> <li>• UPGRADE OF THE GRID</li> <li>• "RESILIENCE" PLAN WITH WORK ON PRIMARY AND SECONDARY SUBSTATIONS AND THE MV AND LV NETWORK</li> <li>• INSTALLATION OF 2G METERS</li> </ul> |  <h4>GENERATION</h4> <ul style="list-style-type: none"> <li>• EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS</li> <li>• CONSTRUCTION OF PHOTOVOLTAIC PLANTS</li> </ul> |  <h4>COMMERCIAL &amp; TRADING</h4> <ul style="list-style-type: none"> <li>• CUSTOMER ACQUISITION</li> <li>• E-MOBILITY PROJECTS</li> </ul> |  <h4>ENVIRONMENT</h4> <ul style="list-style-type: none"> <li>• WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS</li> <li>• CHANGE IN SCOPE OF CONSOLIDATION</li> </ul> |  <h4>OTHER</h4> <ul style="list-style-type: none"> <li>• HOLDCO: IT PROJECTS</li> </ul> |
|--|---|---|---|---|--|

# CASH FLOW IQ 2022

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

**POSITIVE FREE CASH FLOW: €15M**  
**IMPROVED WORKING CAPITAL MANAGEMENT**

**TOTAL CASH FLOW: €98M**  
**BENEFITTING FROM IMPACT OF PHOTOVOLTAIC ASSETS TRANSACTION**



# RESULTS IQ 2022

## SOLID FINANCIAL STRUCTURE

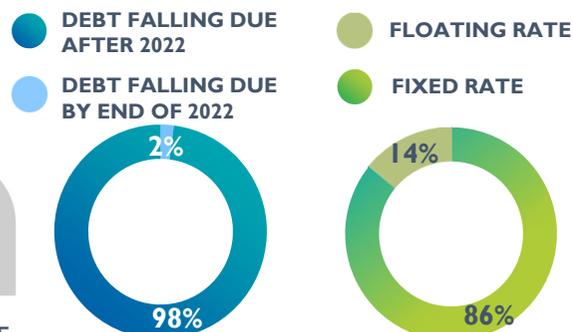
| (€M)             | 31 Mar 2022<br>(A) | 31 Dec 2021<br>(B) | 31 Mar 2021<br>(C) | CHANGE<br>(A-B) | CHANGE<br>(A-C) |
|------------------|--------------------|--------------------|--------------------|-----------------|-----------------|
| Net debt/(funds) | 3,890.3            | 3,988.4            | 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/<br>EBITDA LTM<br>31 Mar 2022 | NET DEBT/<br>EBITDA<br>31 Dec 2021 |
| <b>3.08x</b>                           | <b>3.17x</b>                       |

### STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 MARCH 2022)



86%

FIXED RATE

1.40%

AVERAGE COST

4.8 YEARS

AVERAGE TERM

98%

86%

### RATINGS

FitchRatings **BBB+**  
Stable Outlook

Moody's **Baa2**  
Stable Outlook

### SUSTAINABILITY RATINGS

CDP  
«A-», leadership confirmed

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



Bloomberg GEI improved to **80.67**



Gaia Ratings improved to **82/100**



aceo

# Q&A SESSION

ACEA GROUP  
IQ 2022 RESULTS

ROME, 11 MAY 2022



## DISCLAIMER

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY MATERIALLY DIFFER FROM THOSE EXPRESSED THEREIN OR IMPLIED THEREBY DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY FRAMEWORK, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

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