



9M 2024 Results

ROME, 14 NOVEMBER 2024



People for
sustainable
infrastructure

Agenda



Market Environment



9M 2024 Results



Appendix

REGULATORY AND MARKET ENVIRONMENT

DOWNTURN IN THE PRICE OF COMMODITIES, NEW REGULATORY PERIOD TARIFF APPROVALS UNDERWAY

Regulation



- **Water:** application of **Water Service Tariff Method 4 (MTI-4)**, regulatory period 2024-2029) with **an increase in WACC from 4.8% to 6.1%** and higher tariff caps by around 2 pp. **Approval of the ATO2 regulatory scheme by ARERA** (Resolution 381/2024). Negotiations with other Local Authorities for tariff increases are currently underway.
- **Grids: provisional 2024 tariff approved** with resolution 206/2024; application of the ROSS tariff rules for electricity distribution based on the Total Spending mechanism for the 6th regulatory period (2024-2027). Increase in WACC from 5.2% to 6.0%.

Commodity prices and Inflation



- 2024 energy price (SNP) falling to 102€/MWh (approximately -26€/MWh vs 9M 2023).
- Gas price (**PSV index**) down to **34€/MWh** (-10€/MWh vs 9M 2023).
- **Inflation**⁽¹⁾ in **September** was **-0.2%** MoM and **+0.7%** YoY.

Interest rates ⁽²⁾



Over the 9M 2024, the following average rates were recorded:

- Euribor 6M **3.7%** vs 3.6% in 9M 2023
- MidSwap 8Y **2.7%** vs 3.0% in 9M 2023

As expected, after the cut of June, the ECB performed two more interest rate cuts **of 25bps** each, in the months of **September** and **October**.

Agenda



Market Environment



9M 2024 Results



Appendix

9M 2024 Highlights

Revenues +7% vs. 2023
regulated business¹

EBITDA +12% vs. 2023
Excluding one-offs and changes in scope

Net profit +31% vs. 2023
excluding one-offs and changes in scope

CAPEX +13% vs. 2023
net of public grants

OPERATING FCF
-16M€

GROWING RESULTS, FURTHER IMPROVING COMPARED TO H1 2024

Group revenues of €3.1bn, of which approximately €1.9bn related to regulated businesses, up by approximately 7% compared to 2023, mainly due to the investments carried out in the previous years and tariff approvals.

Recurring EBITDA amounting to €1,130m, +€123m compared to 2023 mainly driven by the growth in the regulated businesses, +13% Water Italy and +15% Grids and Public Lighting, which more than offset the adverse energy scenario.

Organic net profit of €274m, +31% compared to 2023.
The growth in EBITDA more than offset the rise in depreciation linked to investments in regulated businesses.

Capex net of public subsidies amounting to €829m², higher than in 2023 (+13%); including the investments financed by grants, the aggregate shows an increase of 22% compared to the previous year.
The net investments in regulated businesses represent approximately 90% of the Group total.

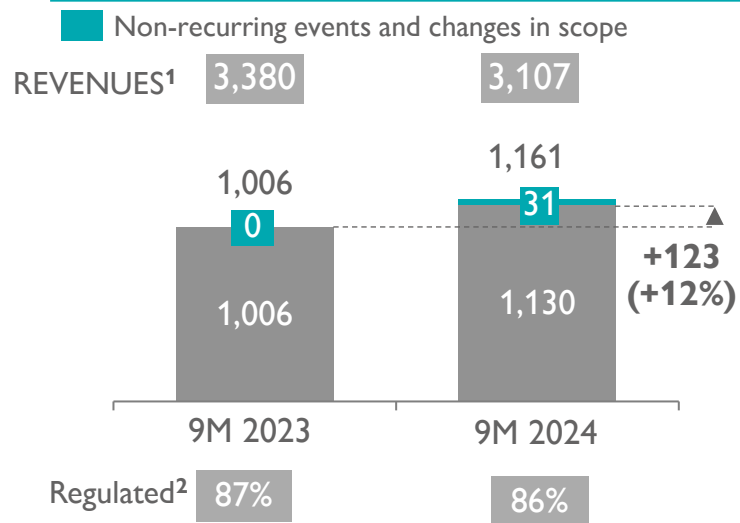
The operating free cash flow was negative for €16m, down compared to 2023 (-40M€), mainly due to higher investments (+96M€). The Group maintained a solid financial structure, with a NFP/EBITDA LTM ratio of 3.39x, down compared to FY 2023 (3.49x).

1. Including, in addition to the Water Italy and Grids regulated businesses, Public Lighting and Environment businesses | 2. Includes the value of advances on tenders, equal to approximately €81m

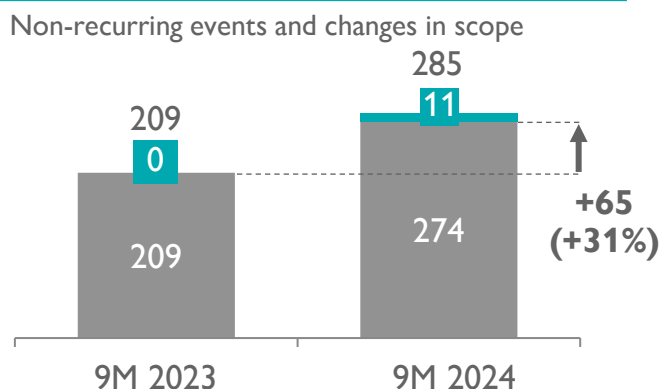
OVERVIEW OF 9M 2024 RESULTS

ECONOMIC AND FINANCIAL SOLIDITY

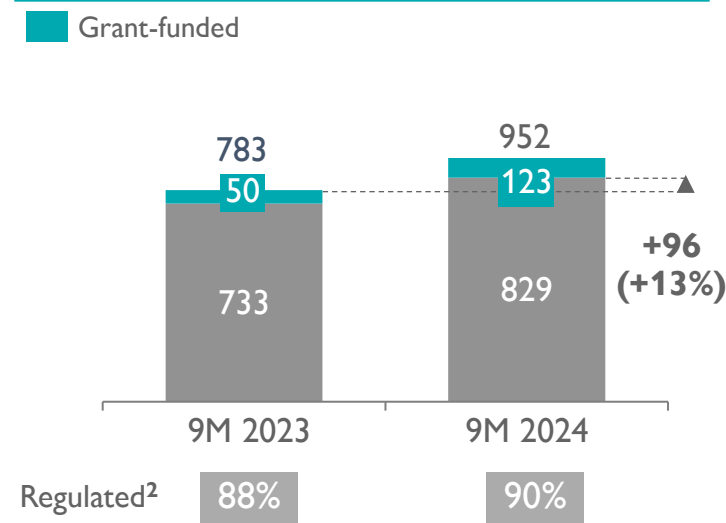
EBITDA, €m



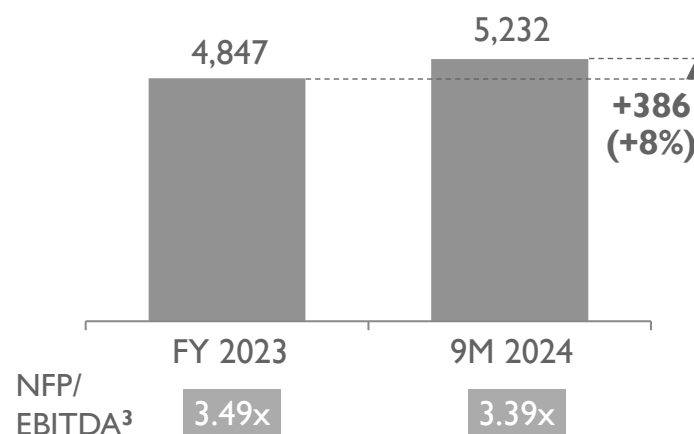
Net profit, €m



CAPEX, €m



NFP, €m



Focus on regulated businesses, which account for approximately **86%** of the **Group's EBITDA** and **90%** of capex net of subsidies

The sizeable increase in Net Profit was mainly driven by the operational performance and by the efficient financial management

NFP/EBITDA LTM ratio **improving vs end of 2023**

2024 GUIDANCE

UPWARD REVISION

	Previous 2024 Guidance	New 2024 Guidance
EBITDA	+3%/5% vs 2023	+7%/+9% vs 2023
NFP/ EBITDA	~3.5x	~3.4x
Capex:		
• Gross	1.5 bn€	CONFIRMED
• Net of subsidies	1.1 bn€	

MAIN DRIVERS:

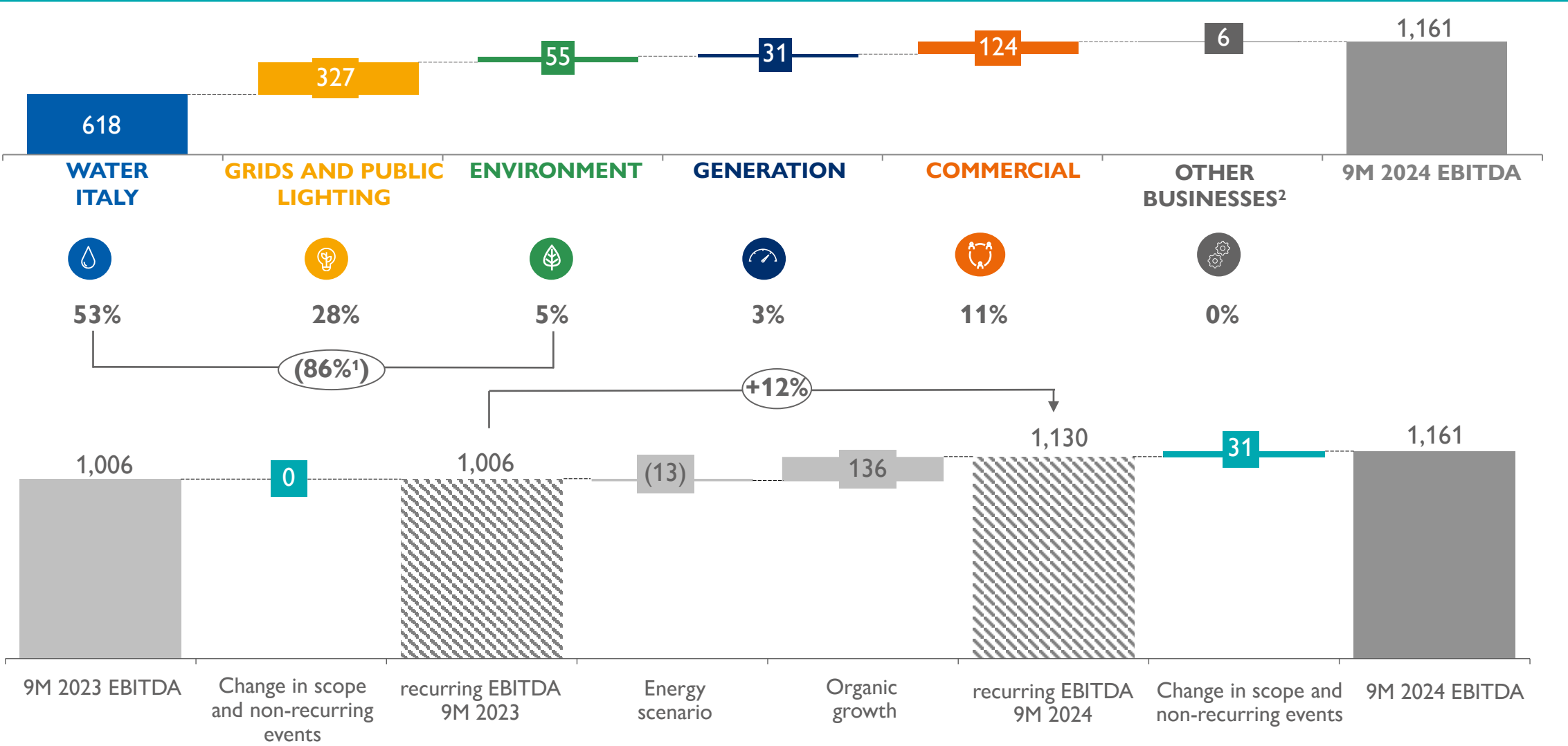


- Higher margins and tariffs in the water sector
- Operational efficiencies

9M 2024 EBITDA

GROWTH DRIVEN BY ORGANIC DEVELOPMENT OF REGULATED BUSINESSES

EBITDA, €m

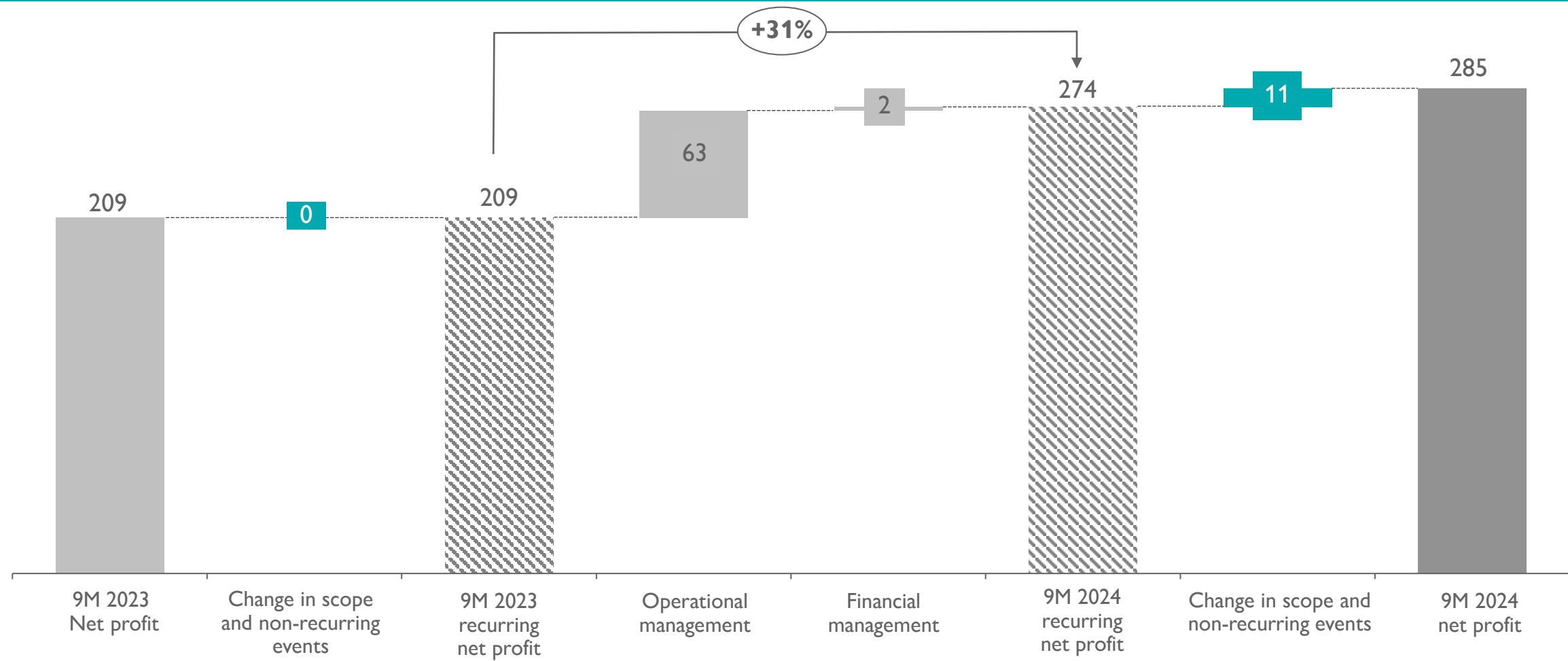


1. Including, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses. | 2. Overseas Water, Engineering & Infrastructure Projects and Corporate

9M 2024 NET PROFIT

OPERATIONAL MANAGEMENT DRIVES THE INCREASE IN NET PROFIT

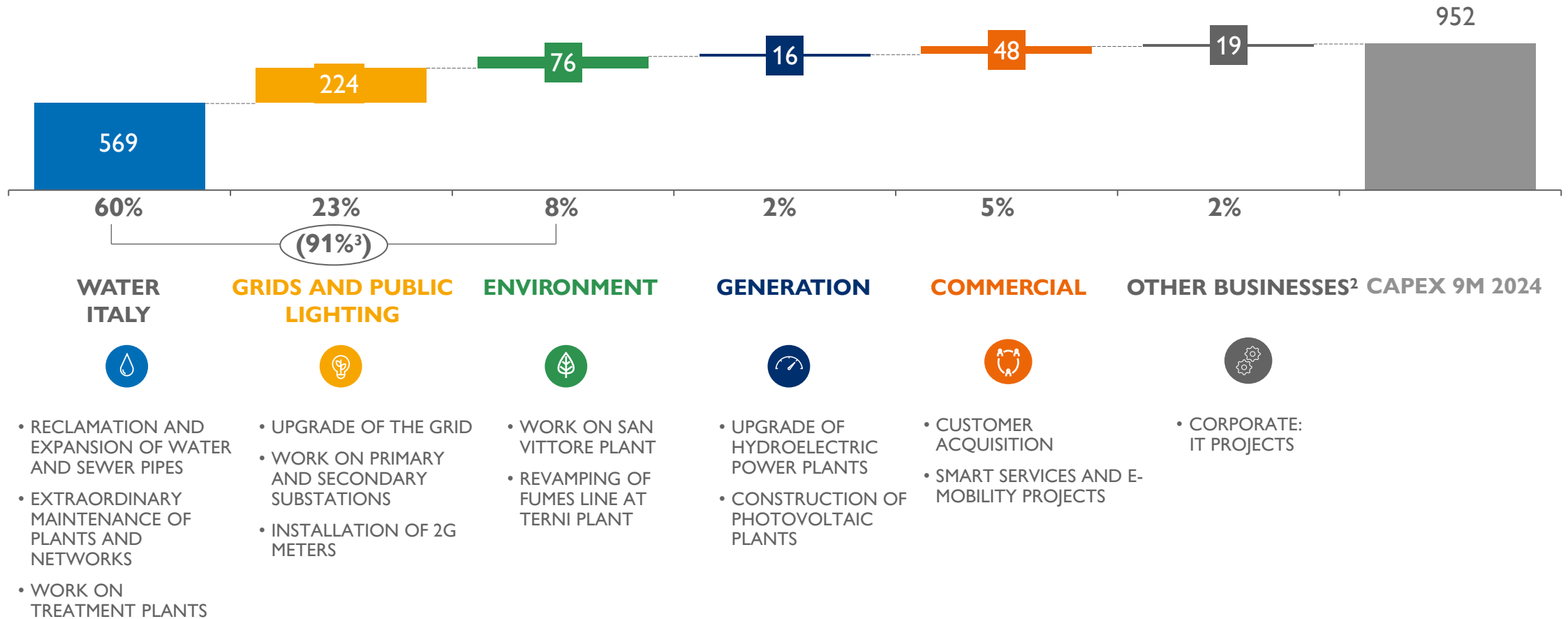
NET PROFIT, €m



CAPEX 9M 2024

THE INVESTMENT PLAN CONTINUES, WITH FOCUS ON REGULATED BUSINESSES

CAPEX¹, €m



1. Including financial investments totalling €123m | 2. Overseas Water, Engineering & Infrastructure Projects and Corporate | 3. Including, in addition to the Water Italy and Grids regulated businesses, the Public Lighting and Environment businesses

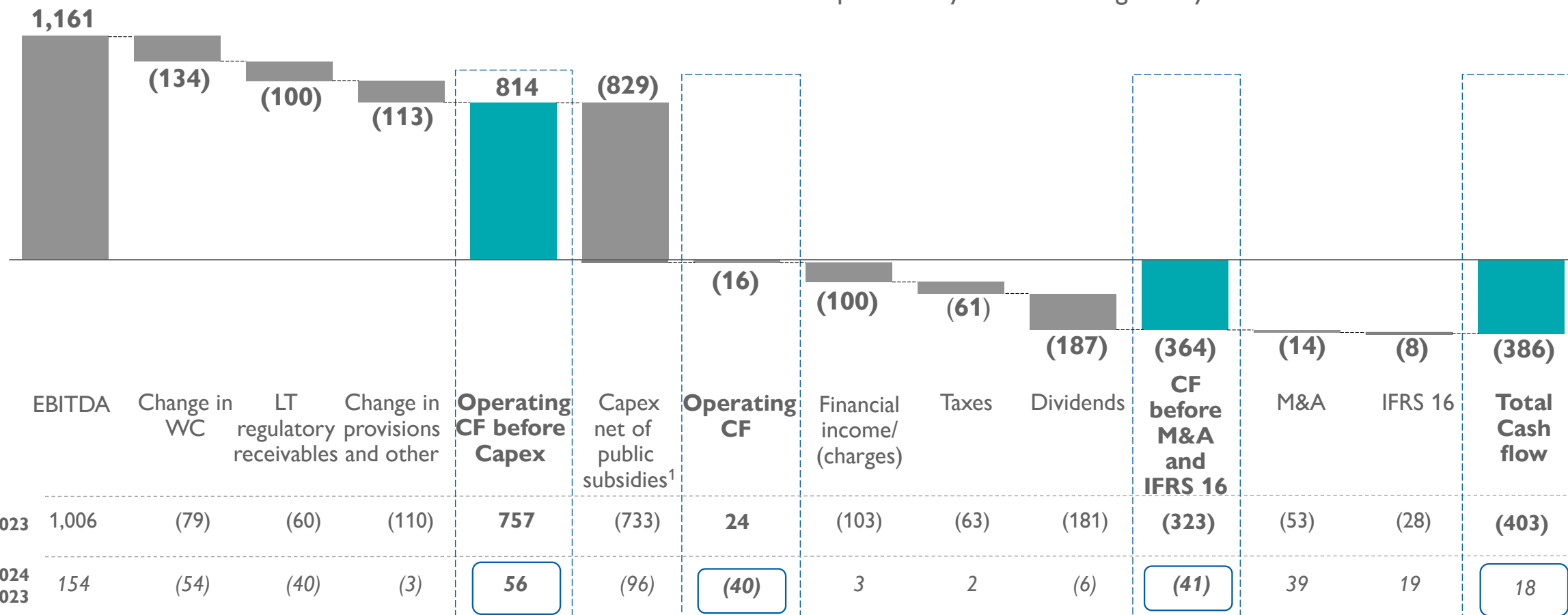
CASH FLOW 9M 2024

PERFORMANCE IN LINE WITH OUR EXPECTATIONS, IMPROVING VS 9M 2023

CASH FLOW, €m

9M 2024

Operating CF (-16€m) reflects the absorption of working capital mainly due to the regulatory items.



1. Includes the value of advances on tenders, equal to approximately €81m

9M 2024 FINANCIAL STRUCTURE

LEVERAGE SLIGHTLY IMPROVING, AVERAGE COST OF DEBT AROUND 2%

NFP FY 2023-9M 2024 €m

	DIC 23	9M 2024	Δ9M 24vs DIC 23
NFP	4,847	5,232	386
Long-term debt	4,771	4,686	
Short-term debt	923	1,046	
Cash and cash equivalents	(847)	(500)	

Leverage

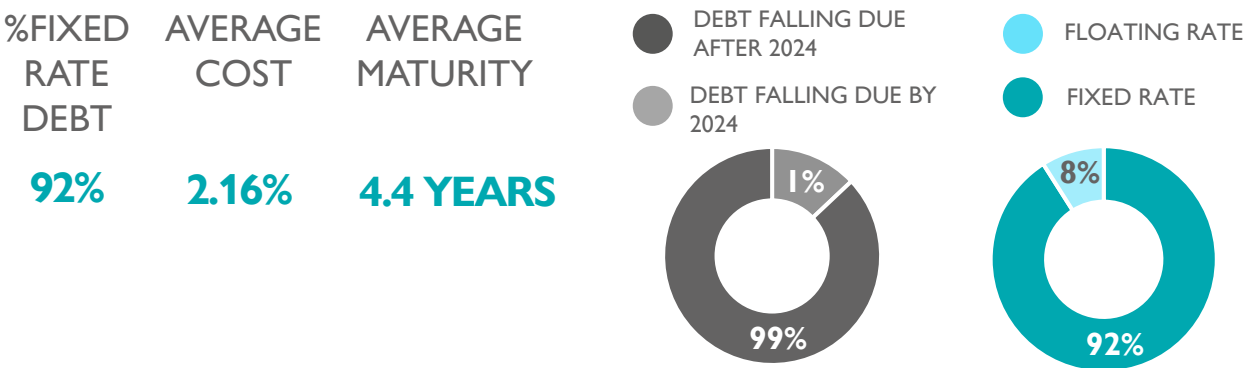
NET DEBT/EBITDA LTM 30/09/2024	NET DEBT/EBITDA 31/12/2023
3.39x	3.49x

Rating

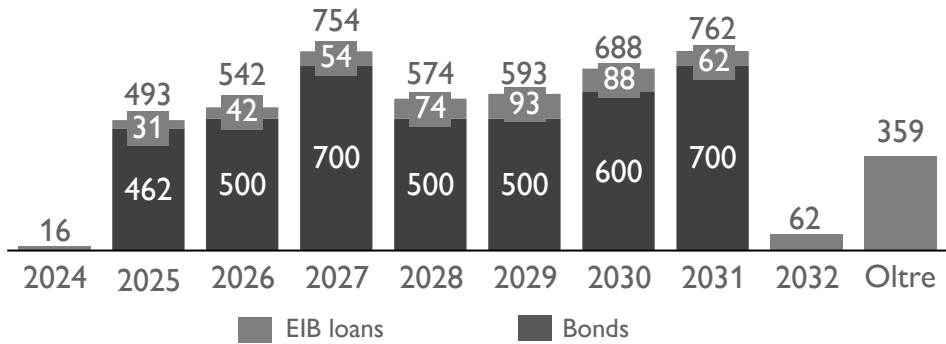
FitchRatings «BBB+»
Stable Outlook

MOODY'S «Baa2»
Stable Outlook

Debt structure (maturity and interest rates as at 30/9/2024)



Profile of main long-term maturities¹, €m



In the third quarter of 2024, the €600 million bond was repaid upon maturity (15 July)



1. Maturities refer to Acea S.p.A.

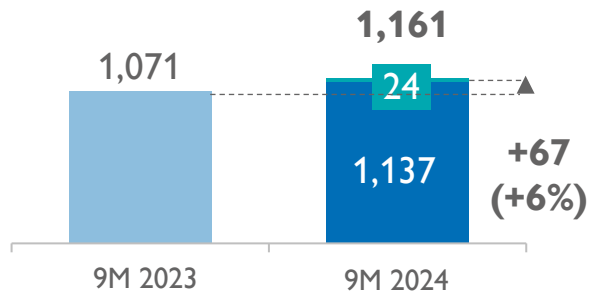
WATER ITALY¹: ORGANIC EBITDA GROWTH +13%

ORGANIC GROWTH DRIVEN BY INVESTMENTS AND TARIFF APPROVALS

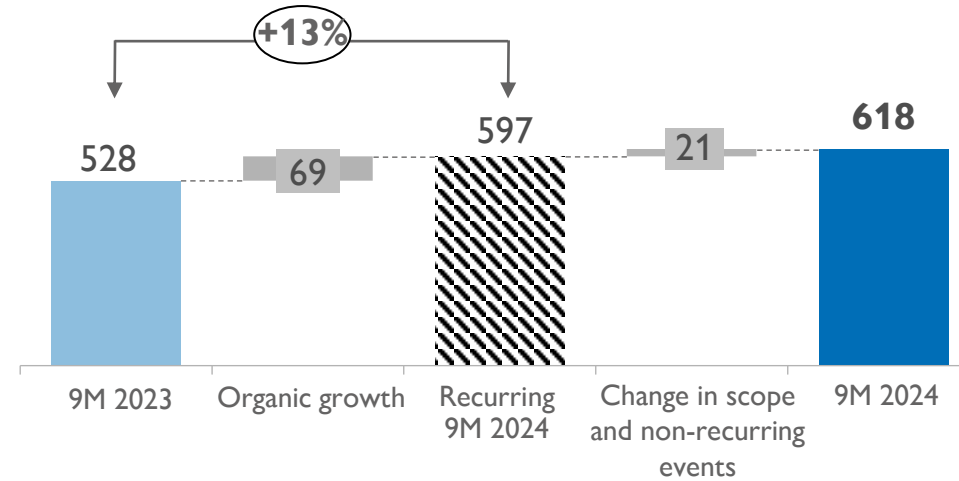


Revenues, €m

■ Non-recurring events and changes in scope



EBITDA, €m

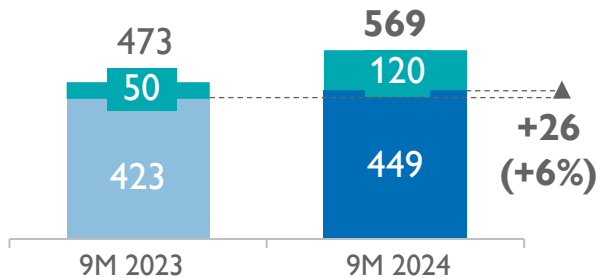


Growing recurring EBITDA (+€69m):

- ▲ **Tariff growth (+€74m)** fully consolidated companies, net of pass-through charges
- ▼ **Lower results of companies consolidated at equity (-€4m)**, mainly due higher depreciations
- ▼ **Other (-€1m)**

Capex, €m

■ Grant-funded



RAB, €bn

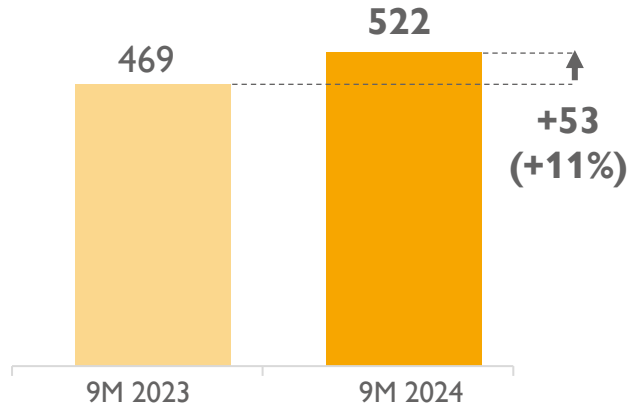
RAB² 31/12/2023:
€4.6BN

GRIDS AND PUBLIC LIGHTING: ORGANIC EBITDA GROWTH +15%

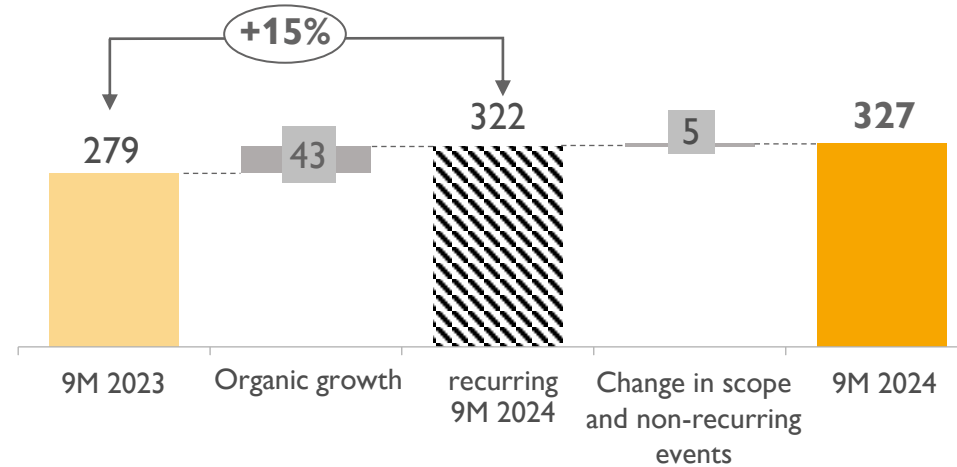
ORGANIC GROWTH DRIVEN BY REGULATORY UPDATES AND INVESTMENTS



Revenues, €m



EBITDA, €m

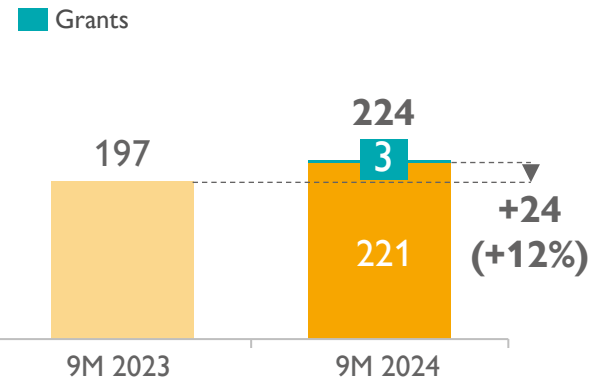


Growing recurring EBITDA (+€43m):

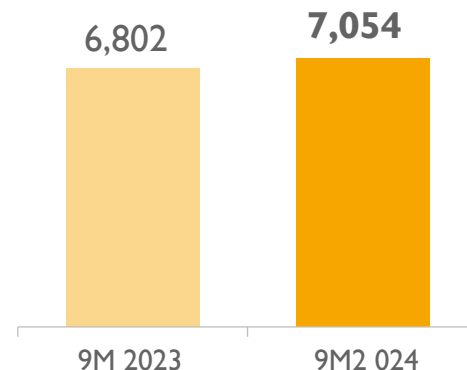
▲ Increase in electricity distribution tariffs (WACC from 5.2% to 6.0%)

2G power meters installed in 9M 2024: ~ 340K

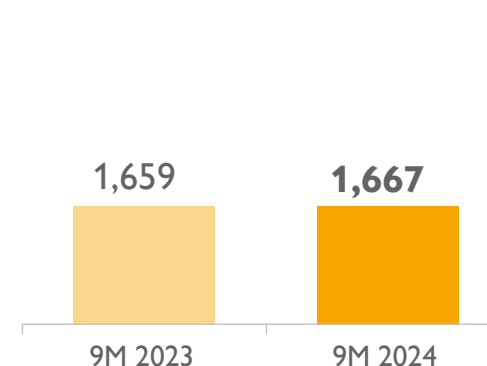
Capex, €m



Total Electricity Distributed, GWh



Number of PODs, '000



RAB, €bn

RAB¹ 31/12/2023: €2.8BN

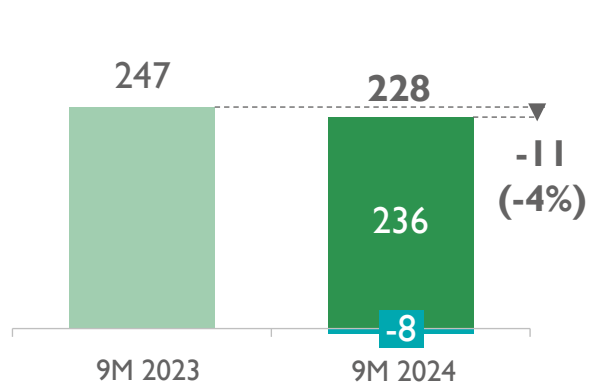
ENVIRONMENT: GROWTH IN INVESTMENTS

MARGINS AFFECTED BY THE ENERGY SCENARIO

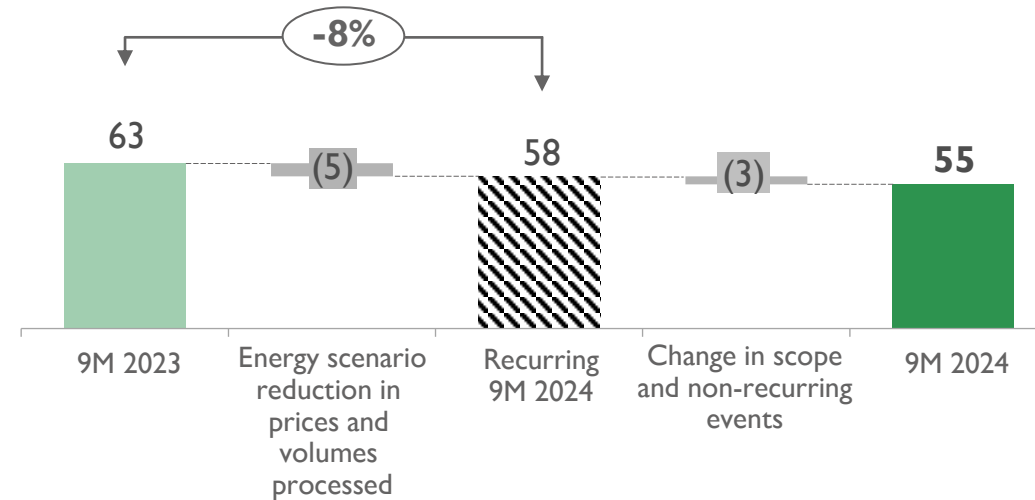


Revenues, €m

■ Non-recurring events and changes in scope



Main EBITDA drivers, €m

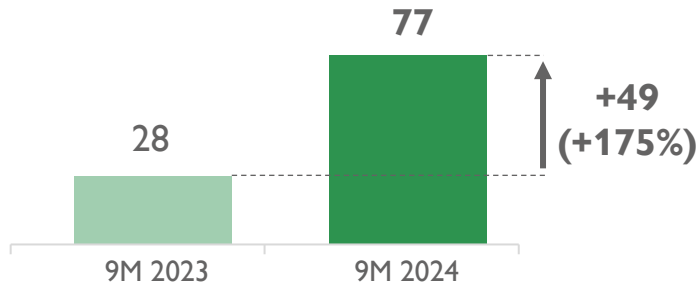


Lower recurring EBITDA (-€5m):

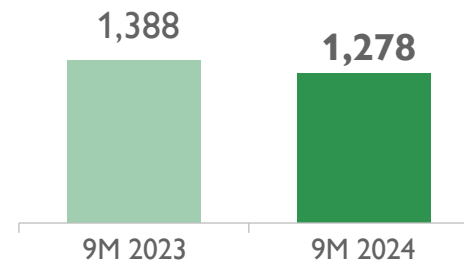
▼ Energy scenario (-€7m)

▲ Higher margins from WTE and compost, partially compensated by lower recycling and liquids treatment margins (+€2m)

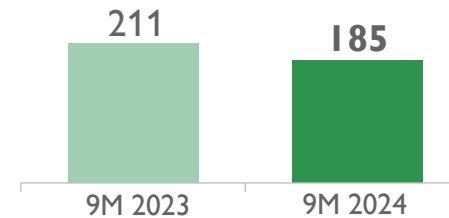
Capex, €m



Treatment and disposal, Kton



Wte electricity sold, GWh/y

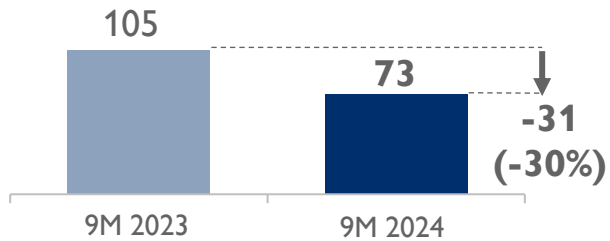


GENERATION: ENERGY SCENARIO AND LOWER VOLUMES PRODUCED

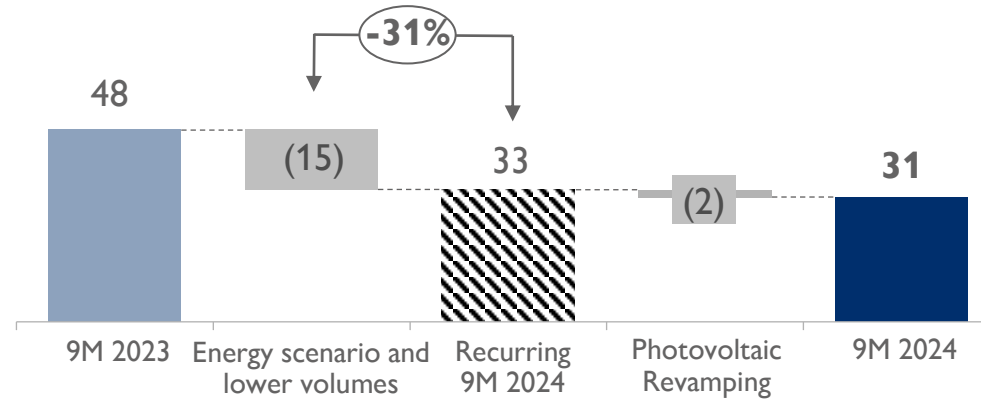


MARGINS AFFECTED BY LOWER HYDROELECTRIC VOLUMES AND THE ENERGY SCENARIO

Revenues, €m



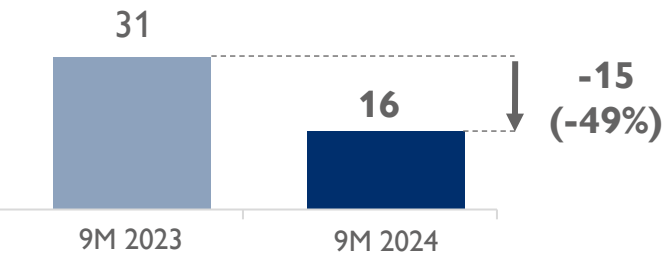
EBITDA, €m



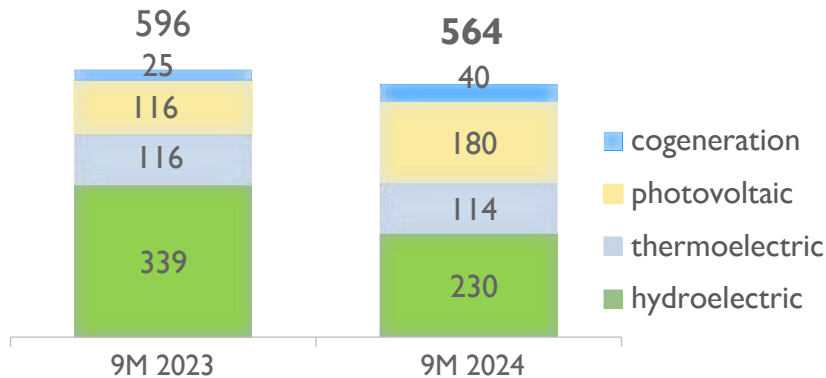
Lower recurring EBITDA (-€15m):

▼ **Lower prices on the energy markets** (SNP -26€/MWh vs 9M 2023) and **lower hydroelectric volumes** (-32% vs 9M 2023)

Capex, €m



Total energy output, GWh



➤ **37 MW of photovoltaic capacity entered into operation in 9M 2024**

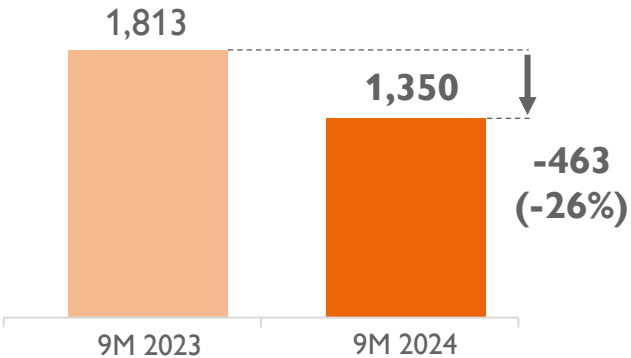
➤ **138 MW of installed photovoltaic capacity reached**

COMMERCIAL: INCREASING EBITDA

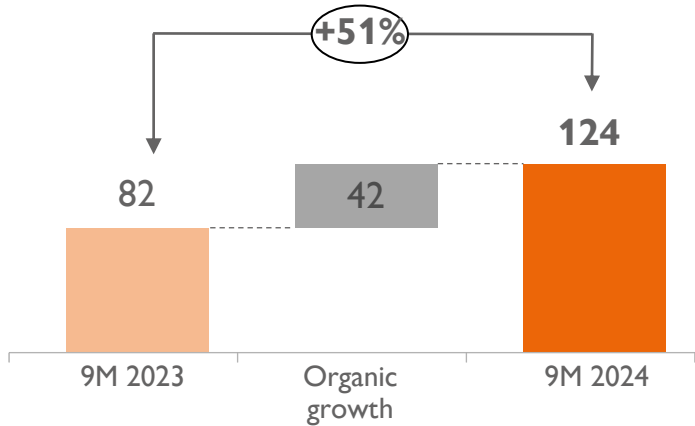
GROWING MARGINS ON THE FREE MARKET



Revenues, €m



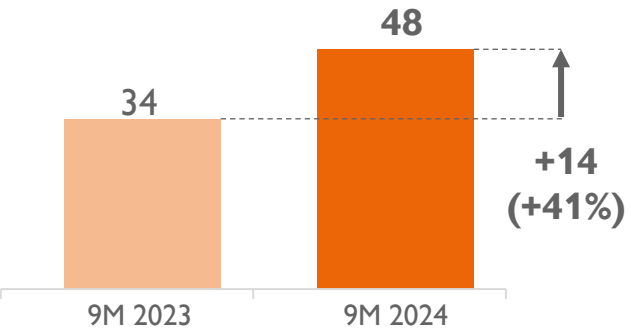
EBITDA, €m



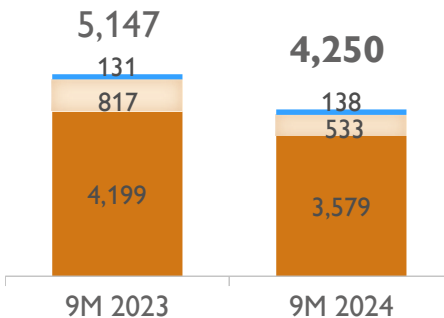
Increasing EBITDA (+€42m):

▲ Increase in margins on the free market

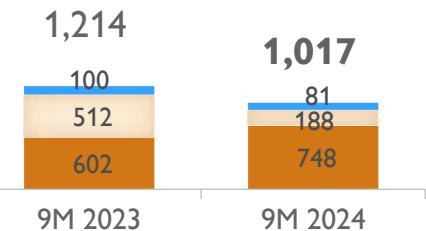
Capex, €m



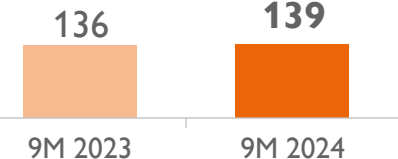
Total electricity sold, GWh



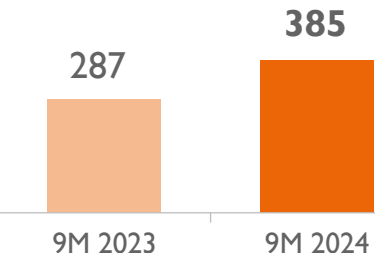
Number of electricity customers, '000



Total gas sold (Mmc)



Number of gas customers, '000



FREE MARKET PROTECTED MARKET GRADUAL PROTECTION MARKET

Agenda



Market Environment



9M 2024 Results



Appendix

SUSTAINABILITY RATING (updated as at September 2024)



64/100



"EE+"



"A - "
Leadership



"A"



55/100



81,58/100



15,4
ESG risk rating



INTEGRATED
GOVERNANCE
INDEX

"Leader ESG
Identity"



B -
(status PRIME)

CONSOLIDATED INCOME STATEMENT AS AT 30/09/24

Consolidated Income Statement (€/000)

	30 September 2024	30 September 2023	Increase/(Decrease)
Sales and service revenues	2,984,474	3,271,212	(286,739)
Other operating income	122,870	108,882	13,988
Consolidated net revenue	3,107,343	3,380,094	(272,751)
Staff costs	246,360	259,276	(12,916)
Cost of materials and overheads	1,709,244	2,133,898	(424,653)
Consolidated operating costs	1,955,604	2,393,174	(437,569)
Net profit/(loss) from commodity risk management	0	0	0
Profit/(loss) on non-financial investments	9,077	19,462	(10,385)
Gross Operating Profit	1,160,816	1,006,382	154,434
Net impairment losses/(reversals of impairment losses) on trade receivables	62,937	64,060	(1,124)
Amortisation, Depreciation and Provisions	542,566	499,656	42,910
Operating Profit/(Loss)	555,313	442,666	112,647
Finance income	34,396	28,241	6,155
Finance costs	(134,345)	(131,467)	(2,878)
Profit/(Loss) on investments	1,106	1,064	43
Profit/(Loss) before tax	456,471	340,504	115,967
Income tax expense	140,582	103,854	36,728
Net Profit/(Loss)	315,889	236,650	79,238
Net Profit/(Loss) from Discontinued Operations			
Net Profit/(Loss)	315,889	236,650	79,238
Net Profit/(Loss) attributable to non-controlling interests	30,903	27,225	3,678
Net Profit/(Loss) attributable to the Group	284,986	209,425	75,560
Earnings/(Loss) per share attributable to owners of the Parent			
<i>Basic</i>	<i>1.33818</i>	<i>0.98338</i>	<i>0.35480</i>
<i>Diluted</i>	<i>1.33818</i>	<i>0.98338</i>	<i>0.35480</i>
Earnings/(Loss) per share attributable to owners of the Parent net of Treasury Shares			
<i>Basic</i>	<i>1.34081</i>	<i>0.98531</i>	<i>0.35550</i>
<i>Diluted</i>	<i>1.34081</i>	<i>0.98531</i>	<i>0.35550</i>

CONSOLIDATED BALANCE SHEET AS AT 30/09/24

Consolidated Statement of Financial Position (€/000)

	30 September 2024	31 December 2023	Increase/(Decrease)
Property, plant and equipment	3,499,137	3,334,868	164,269
Investment property	1,951	1,990	(39)
Goodwill	254,559	254,626	(67)
Concessions and infrastructure rights	4,071,884	3,787,263	284,621
Intangible assets	395,476	413,162	(17,687)
Right-of-use assets	87,061	93,284	(6,223)
Investments in unconsolidated subsidiaries and associates	364,130	359,281	4,849
Other investments	8,023	8,029	(6)
Deferred tax assets	229,718	205,065	24,653
Financial assets	16,930	18,852	(1,922)
Other non-current assets	819,586	716,582	103,004
Non-current assets	9,748,455	9,193,002	555,453
Inventories	121,474	97,843	23,632
Trade receivables	1,149,067	1,213,200	(64,133)
Other current assets	538,537	405,026	133,511
Current tax assets	57,497	13,075	44,422
Current financial assets	183,539	487,251	(303,712)
Cash and cash equivalents	316,565	359,379	(42,814)
Current assets	2,366,679	2,575,774	(209,095)
Non-current assets held for sale	18,400	18,288	112
TOTAL ASSETS	12,133,534	11,787,064	346,471
	30 September 2024	31 December 2023	Increase/(Decrease)
Share capital	1,098,899	1,098,899	0
Legal reserve	167,986	157,838	10,148
Other reserves	145,739	73,697	72,042
Retained earnings/(accumulated losses)	764,644	752,940	11,704
Net profit/(loss) for the year	284,986	293,908	(8,922)
Total equity attributable to the Group	2,462,253	2,377,281	84,972
Equity attributable to non-controlling interests	463,383	445,803	17,580
Total equity	2,925,636	2,823,084	102,552
Staff termination benefits and other defined-benefit obligations	82,754	109,895	(27,141)
Provisions for liabilities and charges	365,315	224,276	141,039
Borrowings and financial liabilities	4,686,061	4,770,436	(84,375)
Other non-current liabilities	542,999	510,871	32,127
Non-current liabilities	5,677,129	5,615,479	61,650
Borrowings	1,046,540	922,950	123,590
Trade payables	1,651,376	1,750,473	(99,097)
Tax liabilities	16,189	13,032	3,157
Other current liabilities	816,411	661,857	154,554
Current liabilities	3,530,517	3,348,313	182,204
Liabilities related directly to assets held for sale	252	188	65
TOTAL LIABILITIES AND EQUITY	12,133,534	11,787,064	346,471

Q&Q

9M 2024 Results



*Persone per
infrastrutture
sostenibili*



DISCLAIMER

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE CURRENT VIEWS OF THE MANAGEMENT WITH REGARD TO FUTURE EVENTS AND THE FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND THE GROUP.

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

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

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

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

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