H1 2024 RESULTS

July 29th, 2024

KEY HIGHLIGHTS

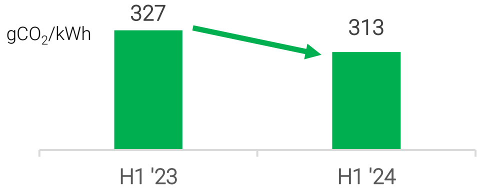
- EBITDA growth (+5% YoY), driven mainly by regulatory framework update and Market BU's profitability increase
- NFP at 4 €B after dividend payment and capex of almost 370€M
- Industrial achievements in renewables capacity
- Business plan update approved
- Guidance confirmed

SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE QUARTER

Green transition

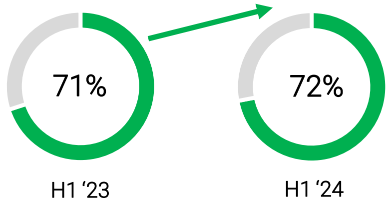
Carbon Intensity

On track



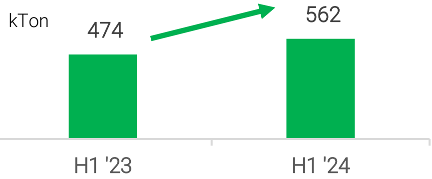
Sorted waste collection

On track



Material recovery from waste

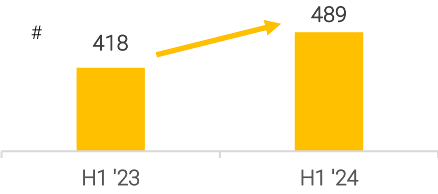
On track



Local presence

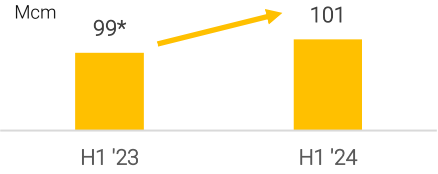
Municipalities served in waste collection

On track



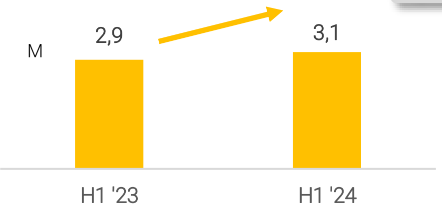
District Heating volumes

On track



Inhabitants served in water services

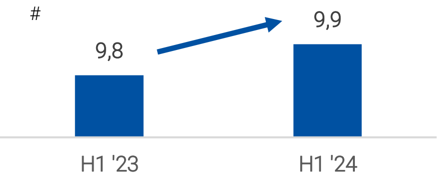
On track



Service quality

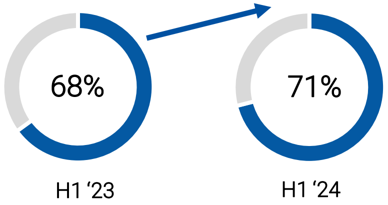
Stores' Customer Satisfaction Index

On track



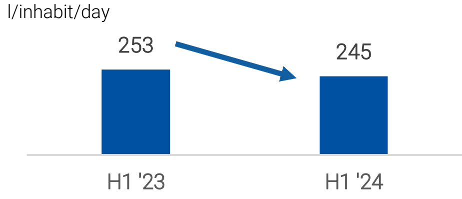
Districtization activities on water cycle

On track



Water withdrawals

On track



* Data restated, excluding Ansaldo district heating of 2,1 mcm

HIGHLIGHTS
ESG
KEY FINANCIALS
NETWORKS
WASTE
ENERGY
MARKET
EBITDA - NET PROFIT
NFP
CLOSING REMARKS
ANNEXES

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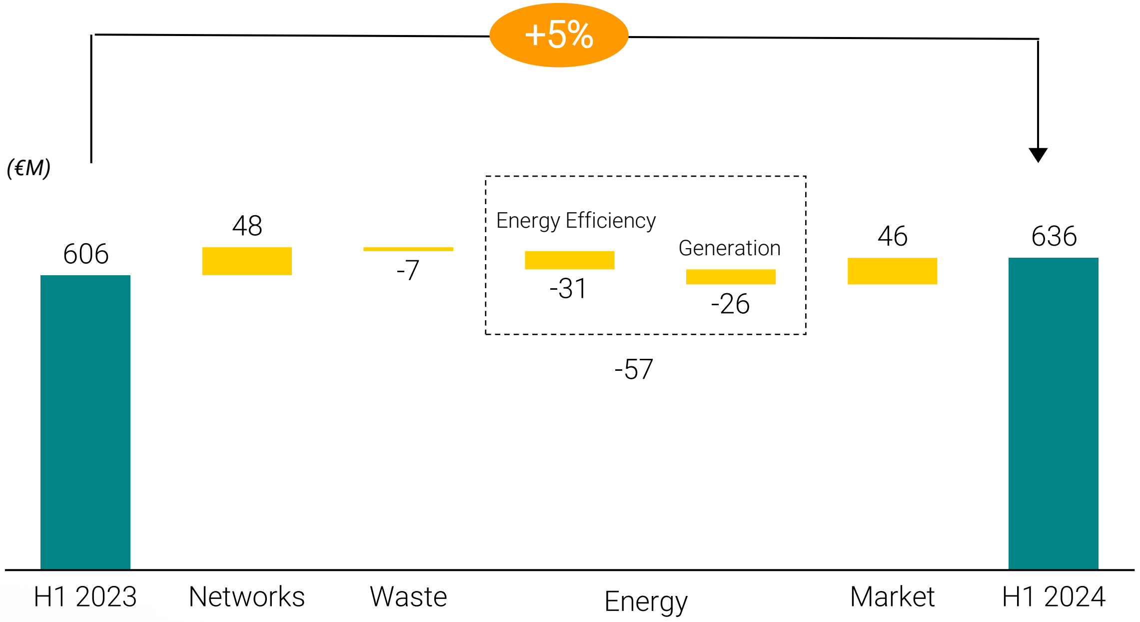
H1 RESULTS AT A GLANCE

€M

	H1 '23	H1 '24	Δ	Δ%
Revenues	3.214	**2.698**	*-516*	*-16%*
EBITDA	606	**636**	*30*	*5%*
EBIT	248	**281**	*33*	*13%*
Group net profit	143	**145**	*2*	*2%*
Capex	402	**369**	*-33*	*-8%*
Net Financial Position	3.932*	**4.013**	*81*	*2%*

EBITDA EVOLUTION



+ **Tailwinds**
- Regulatory framework update
- Market BU profitability increase
- Organic & inorganic growth

- **Headwinds**
- Lower achieved energy prices on RES & WTE
- Works' conclusion after Superbonus incentives
- Waste plants' availability and ramp-up costs

* FY2023

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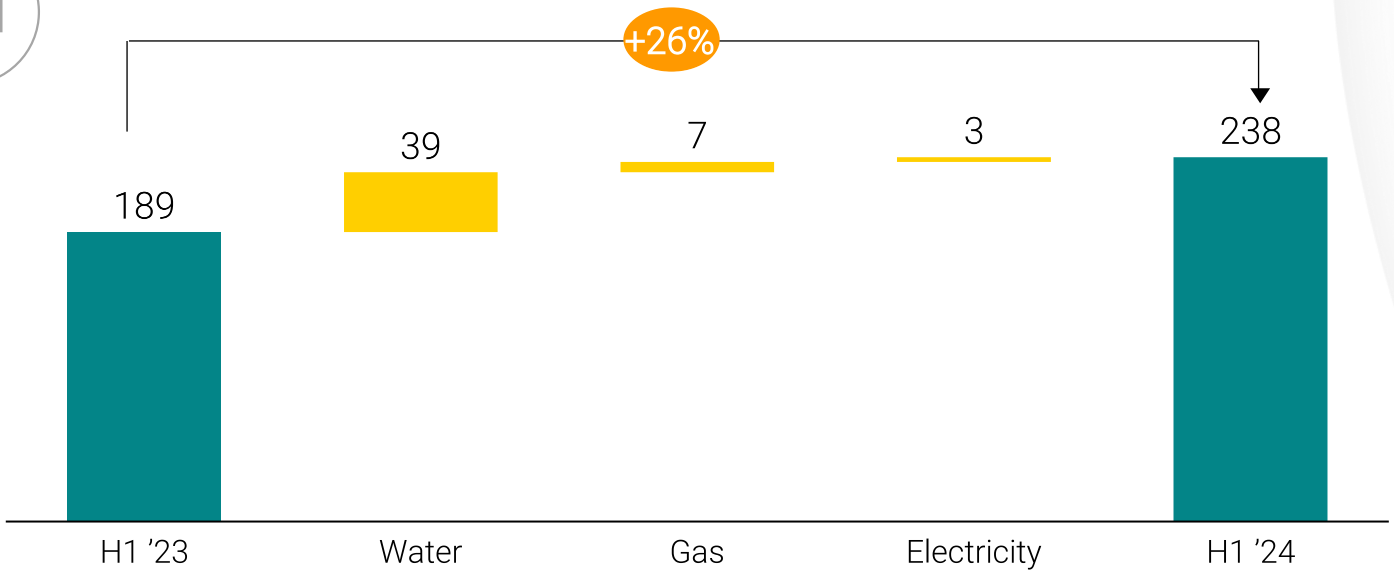
NETWORKS
Growth driven by investments and new regulatory parameters

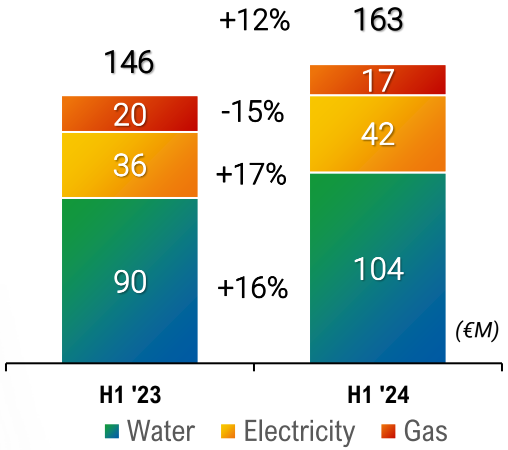
€M

EBITDA EVOLUTION

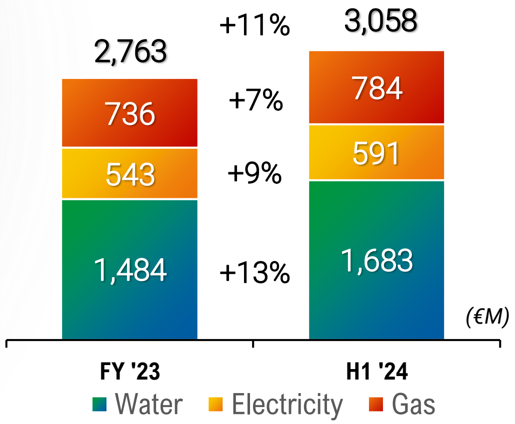


- **Increased allowed revenues (+40€M)** thanks to investments and new regulatory parameters **partially counterbalanced by higher operational costs** (mainly in water)
- Extraordinary **recovery of inflation in water** for 9€M experienced in Q1 and not replicable
- Positive contribution of consolidation (+5€M) through **Acquaenna**, operating in Sicily water service

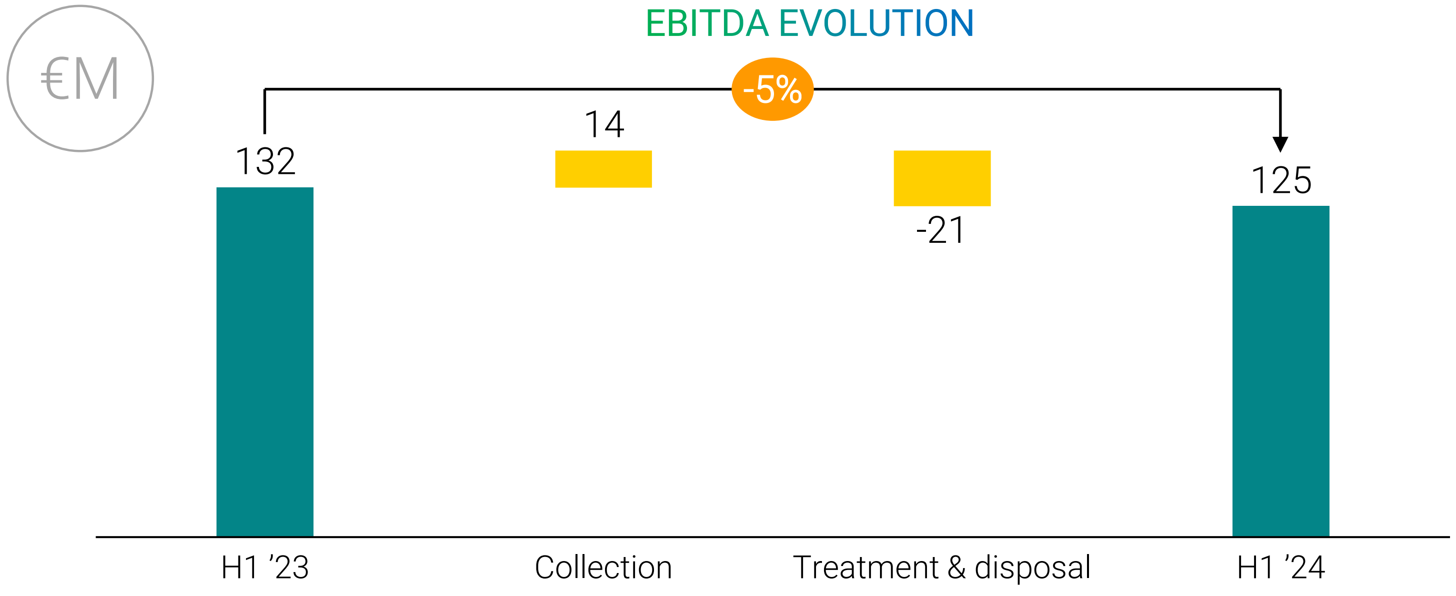
GROSS CAPEX

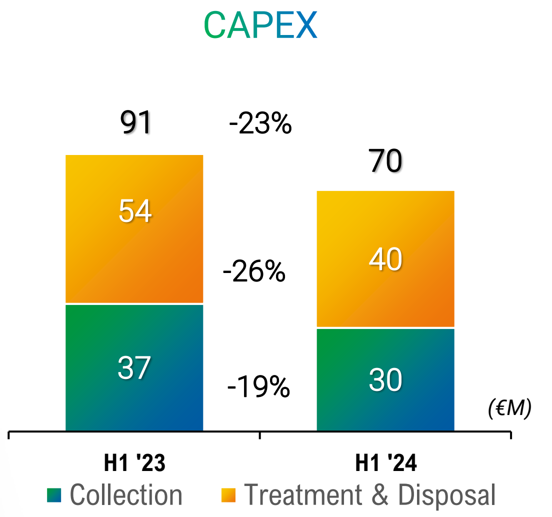


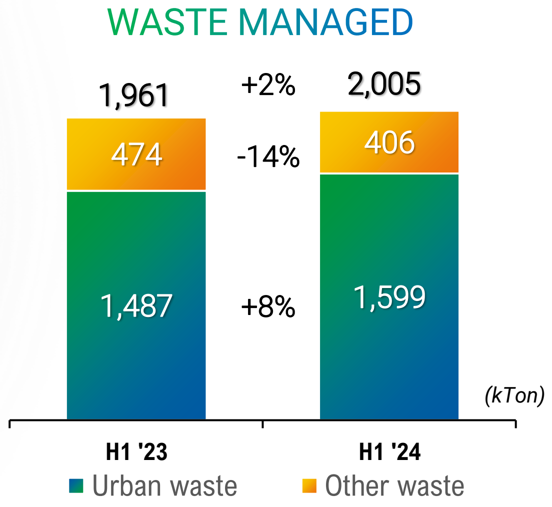
RAB



WASTE
Up in collection and consolidation, down in plants' activities



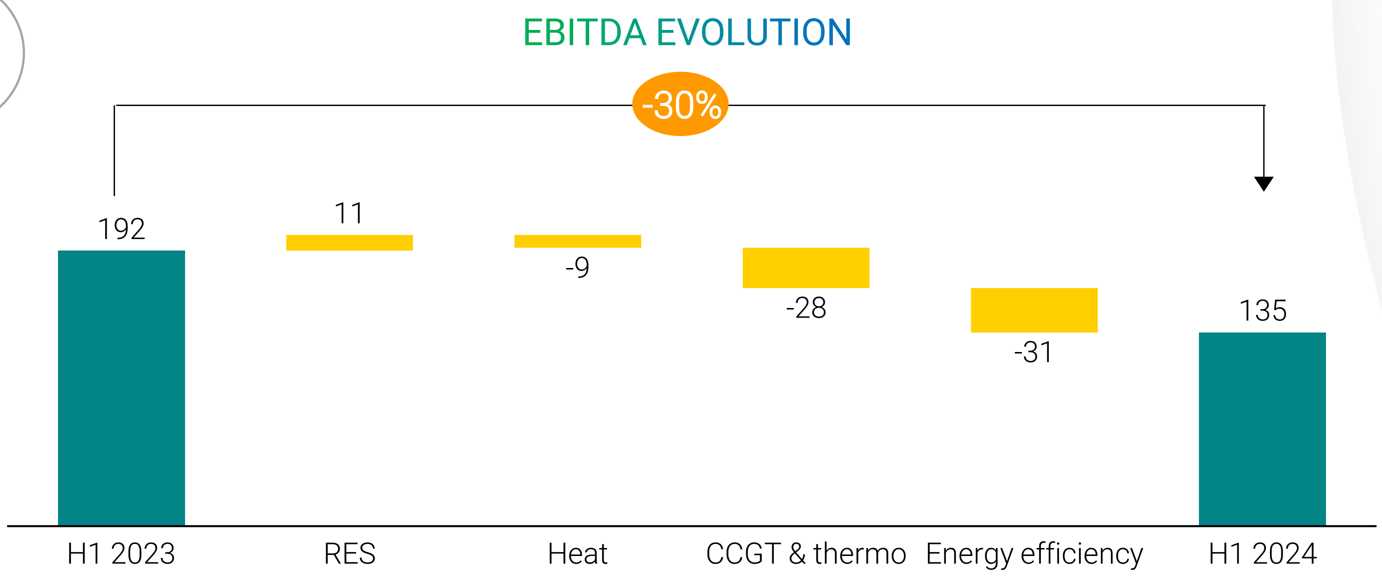


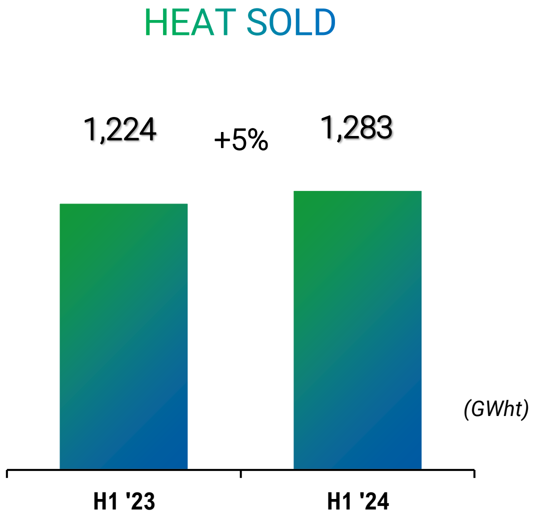


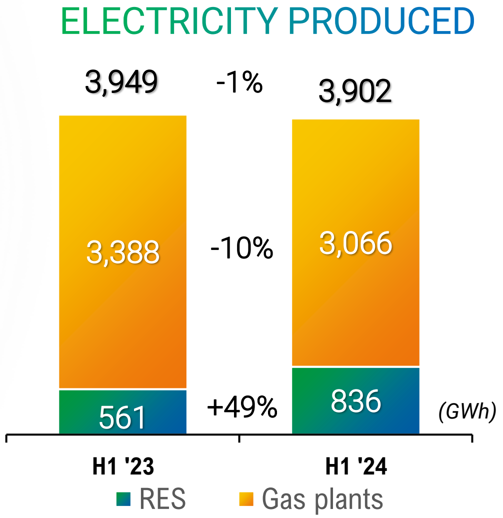
- Positive results in **Collection**, due to the inflation recovery in tariffs and efficiencies
- **Treatment & Disposal** were down, due to lower plants' availability (WTE turbine extraordinary maintenance and WTE failure impacted for 9M€) and high ramp up costs
- Lower energy scenario and minor special waste volumes to landfills (-14%)
- Positive contribution from the consolidation of **Sienambiente** (+6M€)

ENERGY
Lower energy prices and energy efficiency works' conclusion

€M





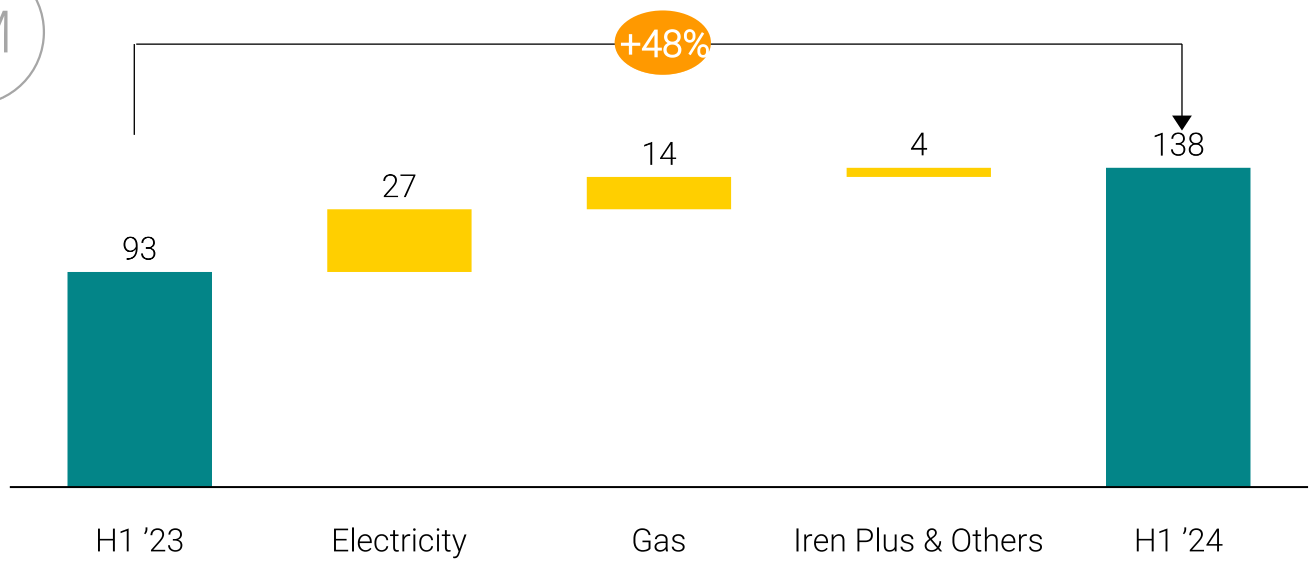


- **RES** benefited from higher volumes (almost +50% YoY) offset by lower energy prices
- Lower **heat** due to the decrease in margins following the gas price trend partially counterbalanced by higher volumes (+5%)
- Lower production hours to capture positive **clean spark spread** combined with a weaker **MSD** (12€M vs. 16€M in H1 2023)
- Works' conclusion after Superbonus incentives

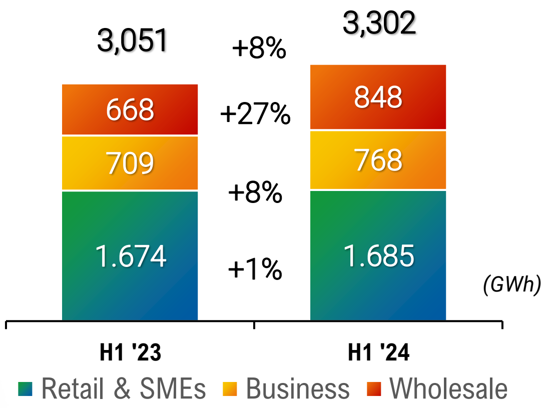
MARKET
Positive increase of value in a more competitive market

EBITDA EVOLUTION

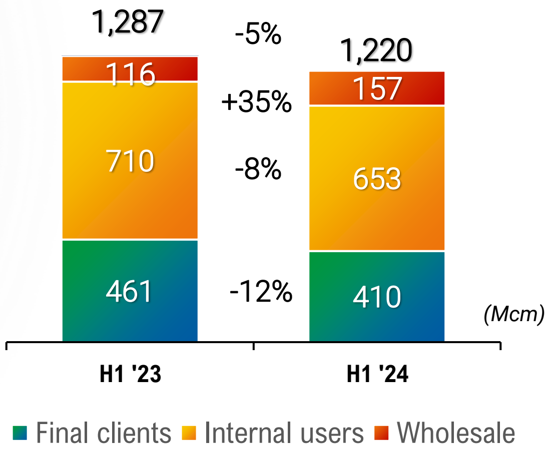
€M



ELECTRICITY SOLD



GAS SOLD



- **Effectiveness commercial policy**
- Margins partially offset by **higher costs** for maintaining the **customer base** in a **competitive market**
- **Retail clients around 2.2M in line** with FY2023
- **Electricity** volumes sold **increased** in all business lines
- Good performance of **Iren Plus & Others services** thanks to bundle offers

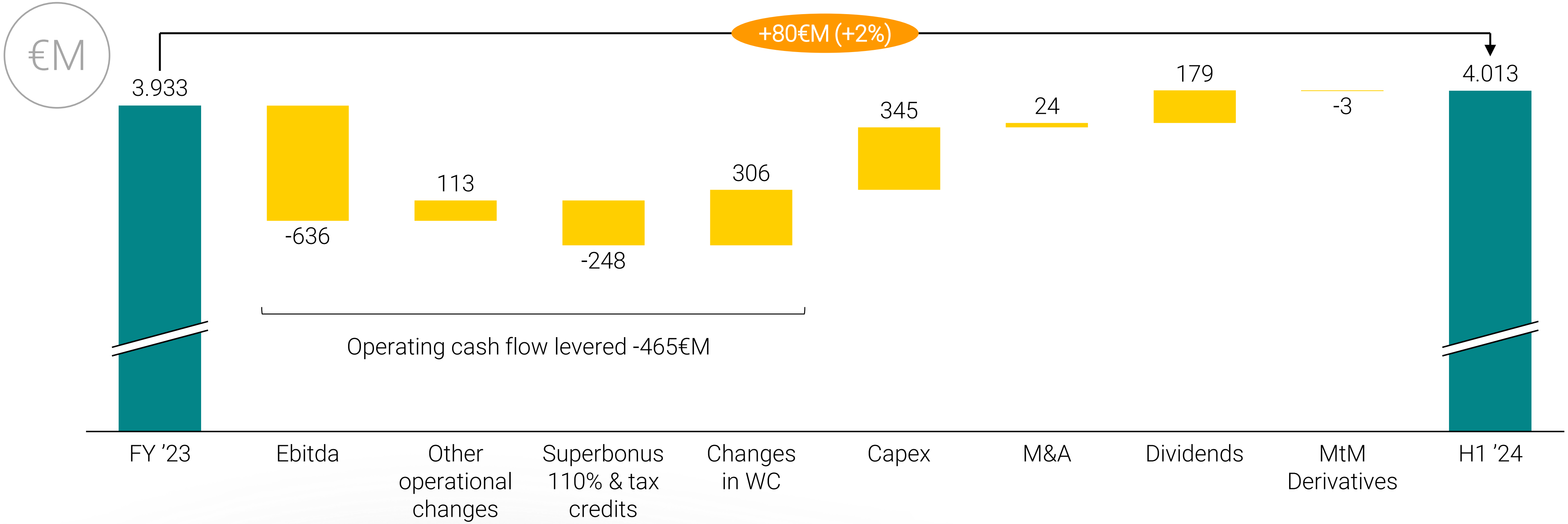
EBITDA TO GROUP NET PROFIT RECONCILIATION

€M

	H1 '23	H1 '24	Δ	Δ%
EBITDA	606	**636**	29	4.8%
D&A	*-287*	***-320***		
Provisions to bad debt	*-36*	***-34***		
Other provisions and write-downs	*-36*	***-1***		
EBIT	248	**281**	33	13.1%
Financial charges	*-41*	***-46***		
Companies consolidated at equity method	*1*	***5***		
Others	*5*	***2***		
EBT	214	**241**	27	12.6%
Taxes	*-56*	***-74***		
Minorities	*-15*	***-22***		
Group net profit	143	**145**	2	1.5%

- Depreciation increase linked to investments made and new companies' integrations (Sienambiente and Acquaenna)
- Other provision one-off for Sostegni ter Decree in 2023 (34€M)
- Cost of debt at 2.1% (vs 1.8% in H1' 23)
- Increased tax rate in 2024, which does not benefit from the tax credit for energy-consuming companies (30.5% vs. 26.1% in the H1 2023).

NET FINANCIAL POSITION EVOLUTION (H1 2024 VS FY2023)



- Operating cash flow completely offset technical investment and M&A outflows
- NWC increase due to the incomplete billing of water clients for tariff updates
- 2024 expected cash-in from the disposal of Superbonus 110% and tax credits completed
- Dividend outflow for 180€M

CLOSING REMARKS

GUIDANCE 2024 CONFIRMED

- EBITDA 1,240M€ (+4% vs. FY2023)
- Net profit 260/270M€ (+4% vs. FY2023)
- Gross Investments: ~1B€ (including EGEA's minority stake cash out)
- NFP/EBITDA: ~3.3x

ANNEXES

H1 2024 BUSINESS UNITS' RESULTS

NETWORKS

€M	H1 '23	H1 '24	Δ	Δ%
Revenues	545	**621**	76	14%
Ebitda	189	**238**	49	26%
Electricity	*41*	***44***	*3*	*7%*
Gas	*41*	***48***	*7*	*17%*
Water	*107*	***146***	*39*	*36%*
Ebit	84	**125**	41	49%
Technical capex	146	**163**	17	12%

WASTE

€M	H1 '23	H1 '24	Δ	Δ%
Revenues	595	**616**	21	4%
Ebitda	132	**125**	-7	-5%
Collection	*38*	***57***	*19*	*50%*
Treatment & disposal	*94*	***68***	*-26*	*-28%*
Ebit	54	**28**	-26	-48%
Technical capex	91	**70**	-21	-23%

ENERGY

€M	H1 '23	H1 '24	Δ	Δ%
Revenues	1.615	**895**	-720	-45%
Ebitda	192	**135**	-57	-30%
Hydro&Renewables	*51*	***62***	*11*	*22%*
Thermo/Coge, DH	*108*	***71***	*-37*	*-34%*
Energy eff. & others	*33*	***2***	*-31*	*-94%*
Ebit	74	**49**	-25	-35%
Technical capex	41	**52**	11	26%

MARKET

€M	H1 '23	H1 '24	Δ	Δ%
Revenues	2.128	**1.556**	-572	-27%
Ebitda	94	**139**	45	48%
Electricity	*33*	***60***	*27*	*82%*
Gas	*58*	***72***	*14*	*24%*
Iren Plus & others	*2*	***7***	*5*	*(*)*
Ebit	36	**78**	42	(*)
Technical capex	43	**38**	-5	-12%

Energy includes others: 2€M in 2024 and 2€M in 2023

(*) Variation greater than 100%

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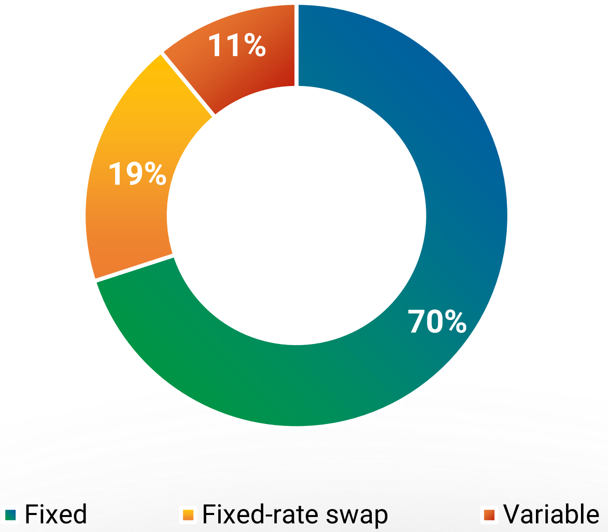
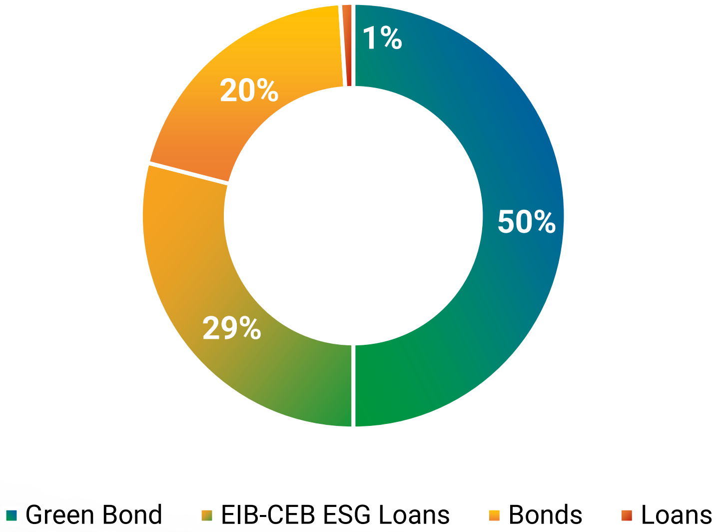
A SOUND AND SUSTAINABLE DEBT STRUCTURE

INTEREST RATE



DEBT STRUCTURE



89%
Fixed rate debt

4.6 years
Average duration

2.1%
Average cost

79%
Sustainable debt

INDUSTRIAL KPIS

	H1 '23	H1 '24	Δ%
Electricity distributed (GWh)	1,756	**1,748**	-0%
Gas distributed (mcm)	601	**593**	-1%
Water sold (mcm)	87	**88**	+1%
Waste collected (Kton)	1,053	**1,149**	+9%
Waste treated (Kton)	1,383	**1,463**	+6%
WTE's electricity sold (GWh)	243	**237**	-3%
WTE's heat produced (GWht)	193	**181**	-6%
Renewables production (GWh)	561	**836**	+49%
Hydro production (GWh)	463	**691**	+49%
Solar production (GWh)	98	**145**	+48%

SCENARIO

	H1 '23	H1 '24	Δ%
PSV *€/000 scm*	50	33	-34%
PUN *(€/MWh)*	136	93	-32%
CO2 *€/Ton*	87	64	-26%
Green Cert. Hydro *(€/MWh)*	0	42	n.s.
Clean spark spread (€/MWh)	-1.6	-6.1	n.s.

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