Terna
Driving Energy

FY 2022
Consolidated Results

Rome, March 22nd 2023

Agenda

Highlights

Highlights

Latest main achievements

REGULATED ACTIVITIES

- New projects approved for more than €2.5 billion investments during 2022
- Authorization procedure for the Adriatic Link launched

SUSTAINABILITY ACHIEVEMENTS

- Terna confirmed as global sustainability leader

SHAREHOLDERS REMUNERATION

- Proposed 2022 Final Dividend of 20.83 € cents/share

INTERNATIONAL ACTIVITIES

- Second closing for the sale of the Latin American transmission activities completed in December 2022

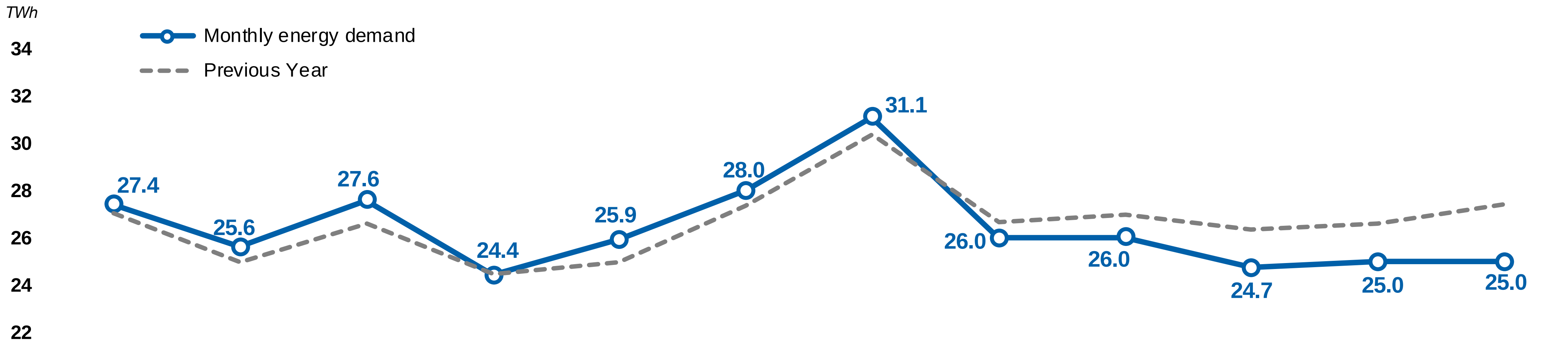
Value creation for all stakeholders

Highlights

Demand Evolution – Last 12 months

DEMAND AS REPORTED (TWh)

	FY22	FY21	Δ %
	316.8	319.9	*-1.0%*



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
YoY Chg%	1.3%	2.7%	3.7%	-0.2%	3.9%	2.3%	2.3%	-2.5%	-3.5%	-6.2%	-6.2%	-9.1%

FY 2022

- National Demand at 317 TWh, o/w ~31% covered by RES
- Net Total Production at 276 TWh, o/w ~36% covered by RES

A secure and resilient system despite the complex scenario

Note: 2021 final figures, 2022 preliminary figures

Highlights

2022 Key Numbers

	FY 2021 Actual €mn	FY 2022 Actual €mn	Δ%	FY 2022 Guidance €bn
Revenues	2,605	2,964	**+13.8%**	2.74 ✓
EBITDA	1,855	2,059	**+11.0%**	2.0* ✓
Group Net Income[1]	789	857	**+8.6%**	
EPS[2]	39.3	42.6		42* ✓
Capex	1,521	1,757	**+15.5%**	1.7 ✓
Net Debt	10,003	8,576		

Strong growth in P&L and Capex

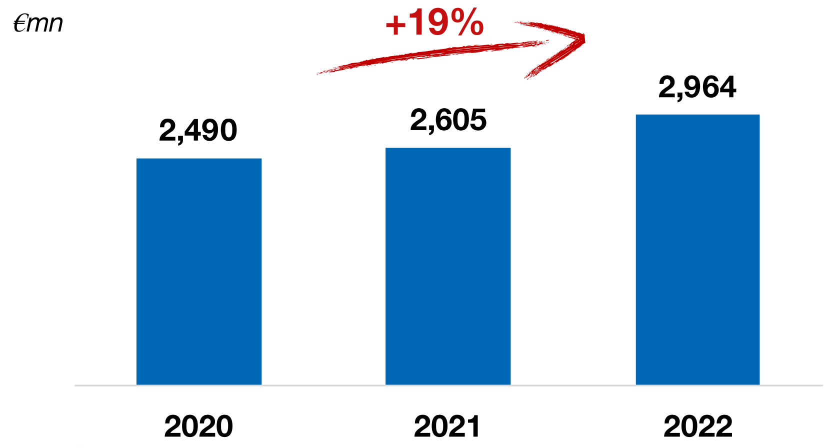
1. *Attributable to Terna*
2. *€/cents per share. Calculated as group net income on total number of shares.*

** Guidance updated in November 2022*

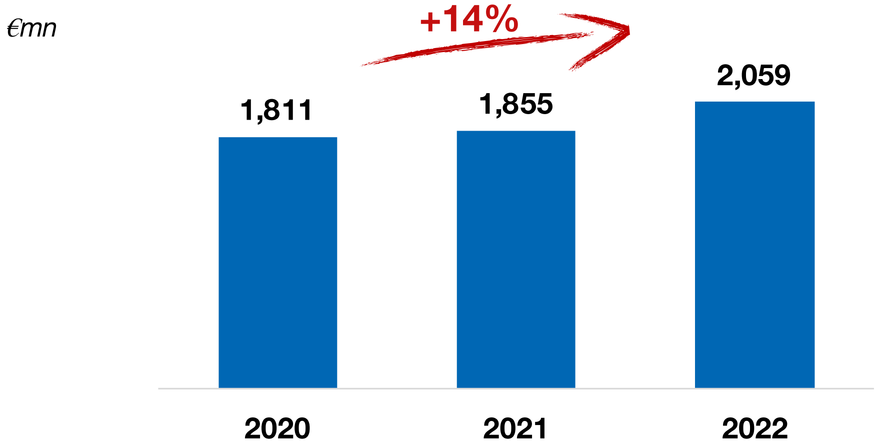
Highlights

2020-2022 main achievements

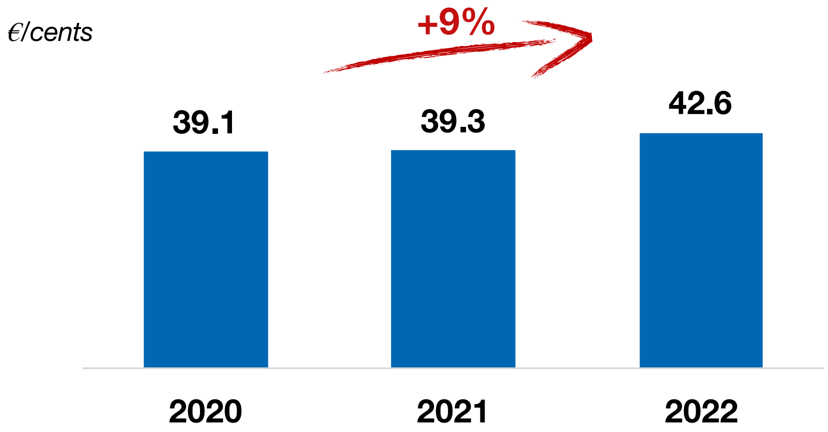
REVENUES



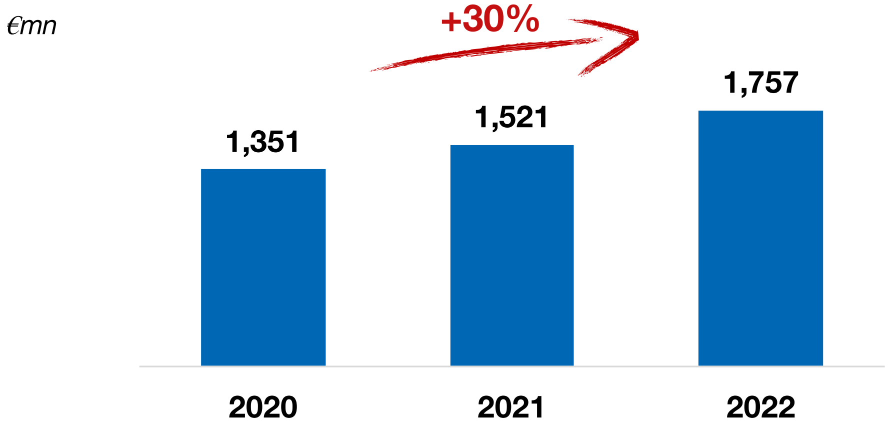
EBITDA



EPS



CAPEX

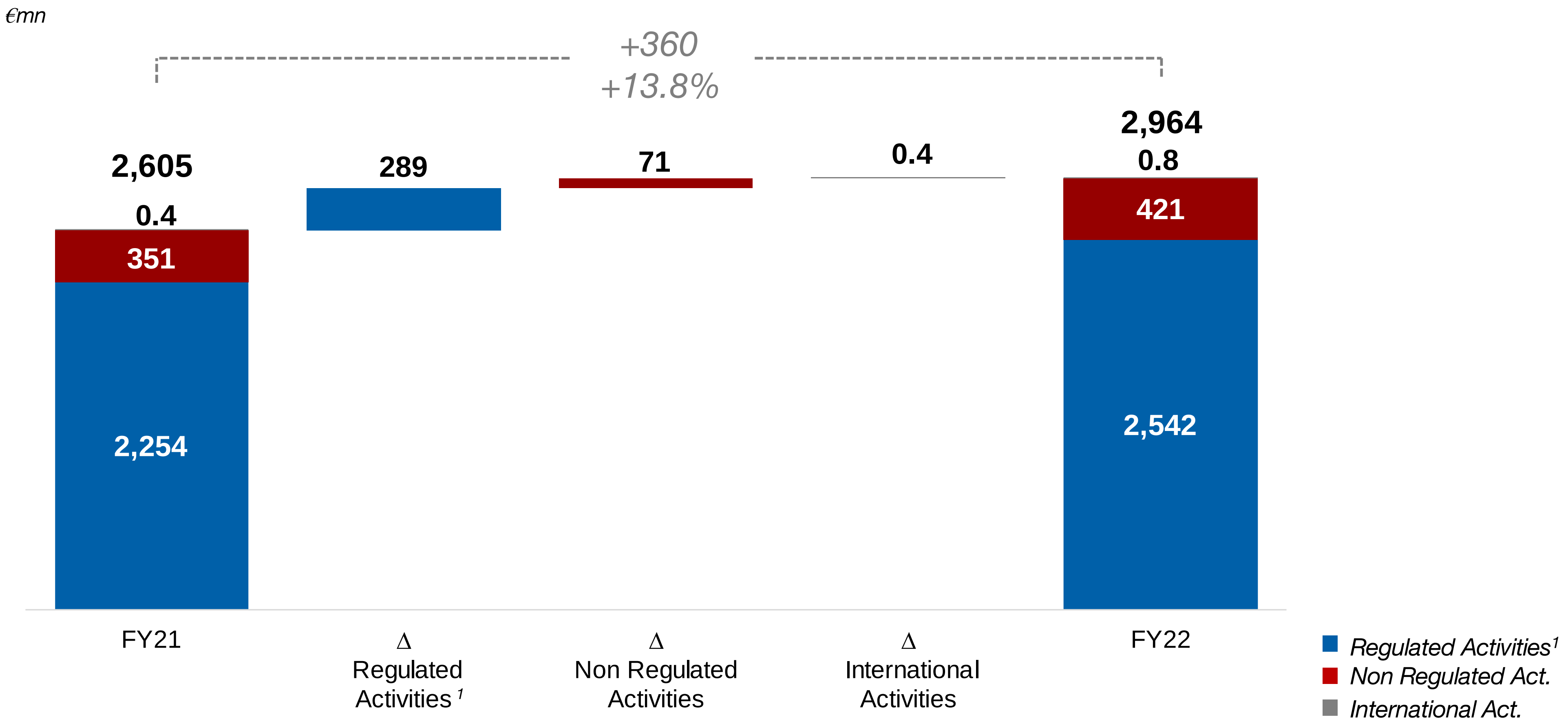


Terna's growth path

FY 2022 Results

FY 2022 Results

Revenues



Growth driven by Regulated and Non Regulated activities

Note: figures may not add up due to rounding

1. Including IFRIC12

FY 2022 Results

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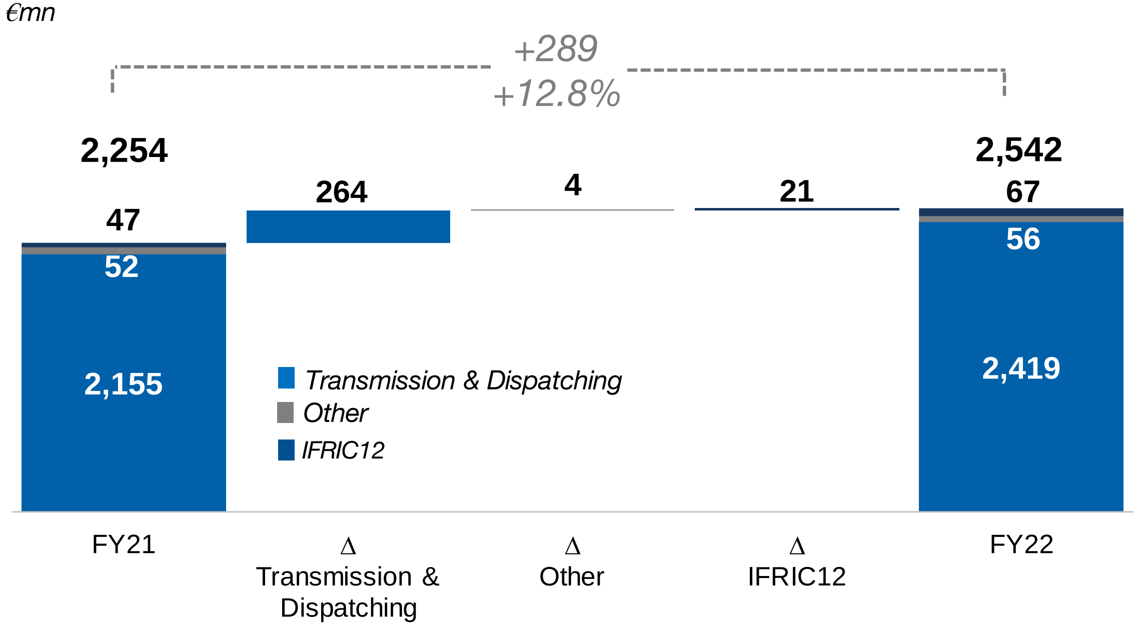
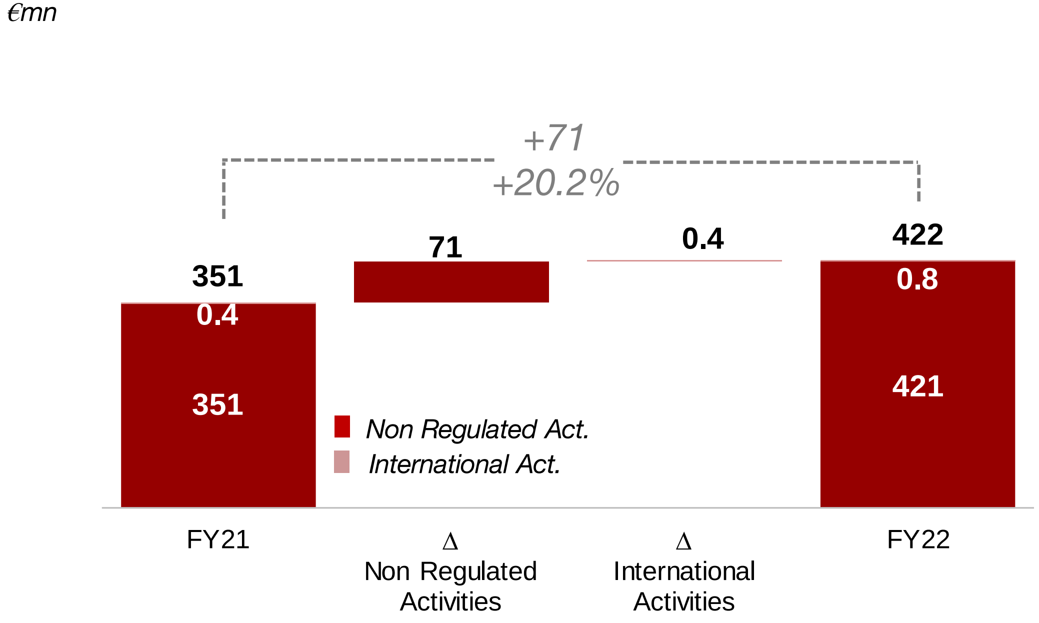
Revenues Analysis

REGULATED



NON REGULATED AND INTERNATIONAL



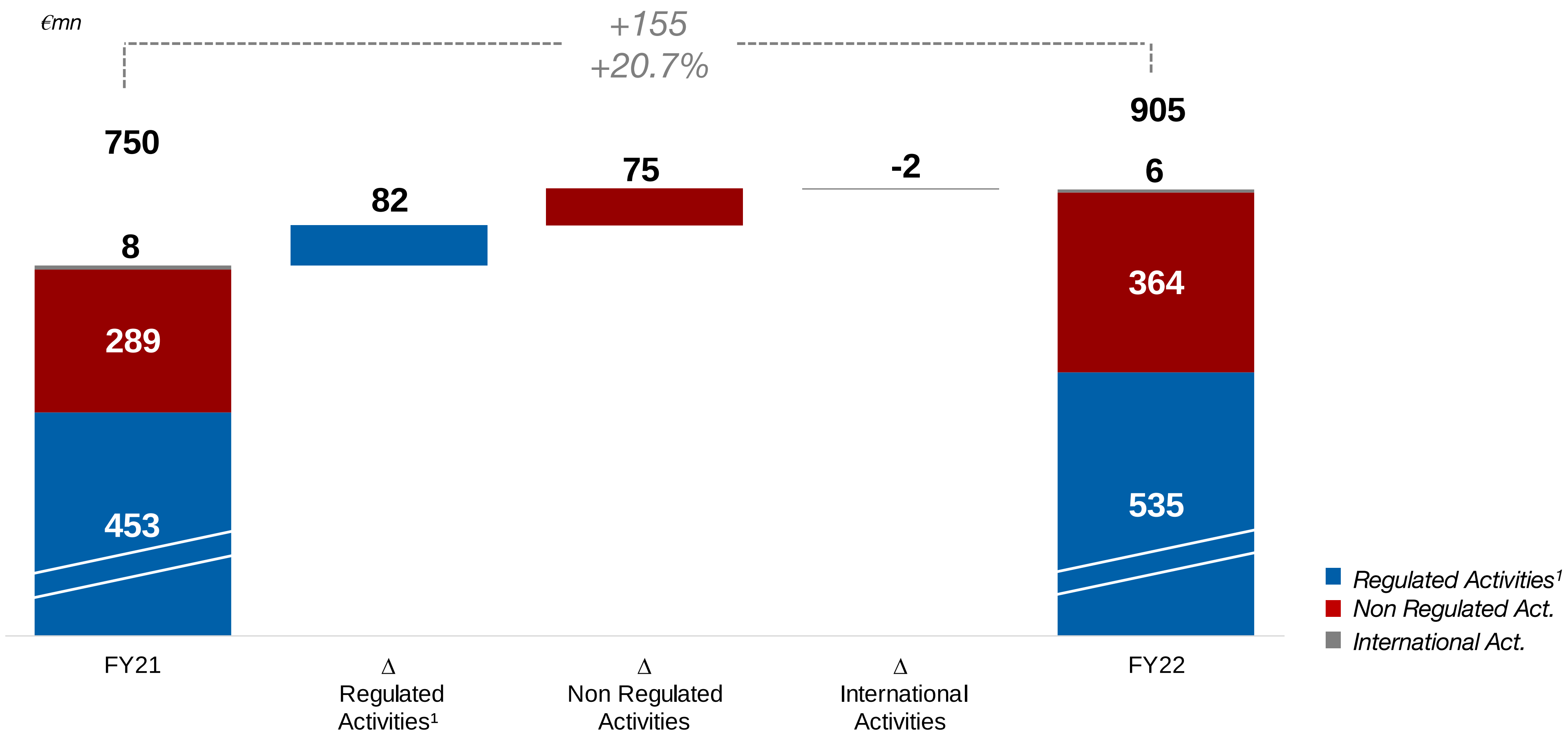
Higher contribution from Regulated Activities

Terna Driving Energy

Note: figures may not add up due to rounding

FY 2022 Results

Opex



Operating cost evolution driven by organic activities increase

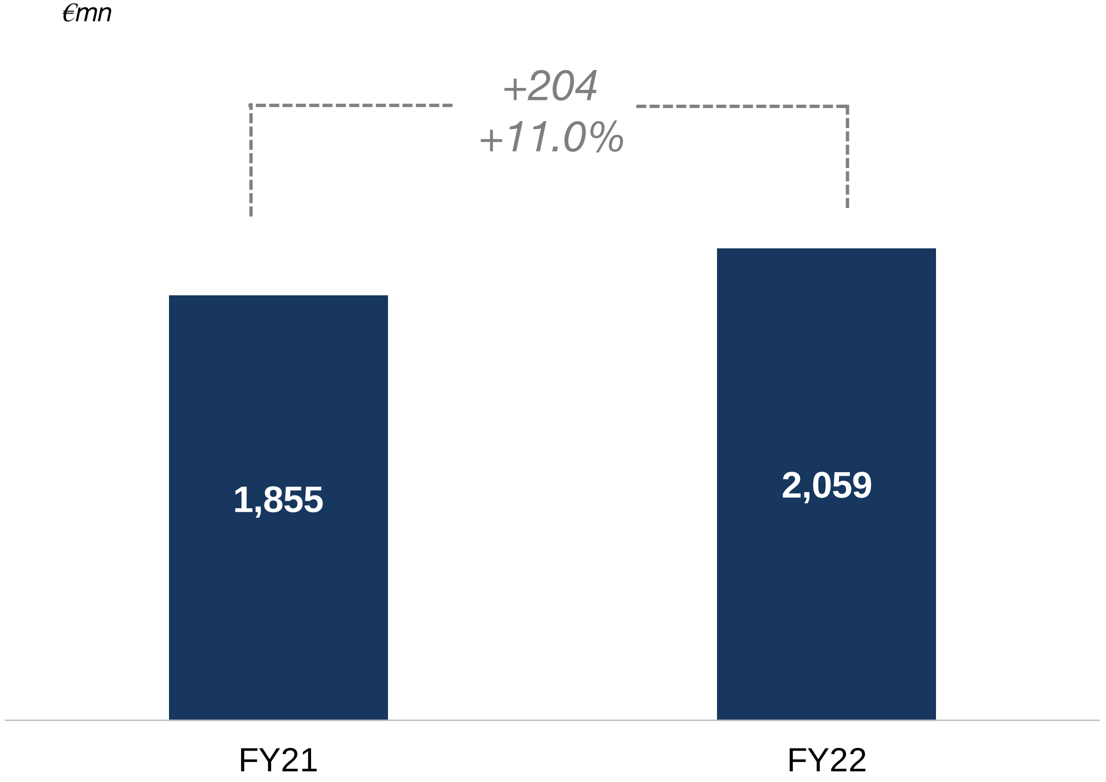
Note: figures may not add up due to rounding

1. Including IFRIC12

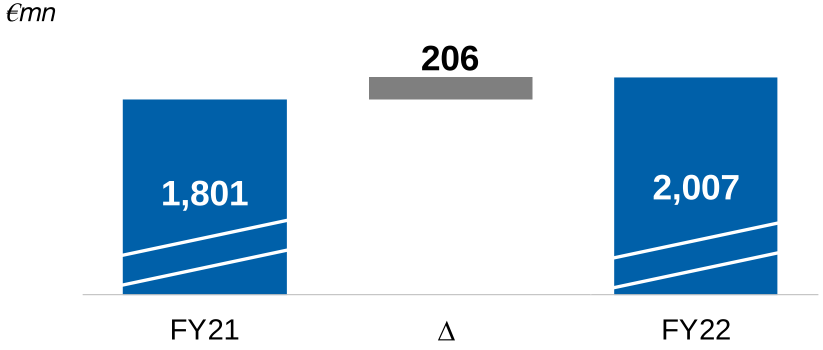
FY 2022 Results

EBITDA

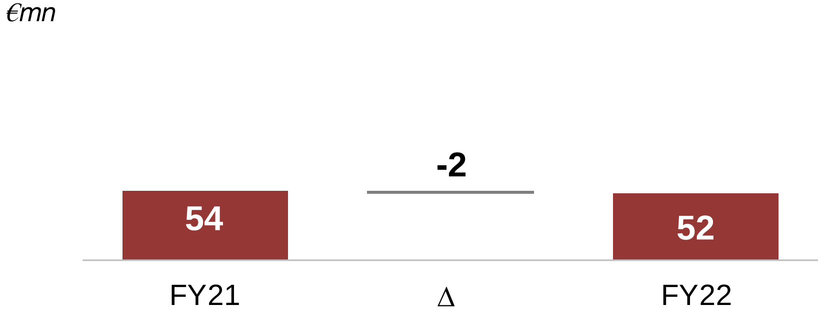
GROUP



REGULATED



NON REGULATED AND INTERNATIONAL

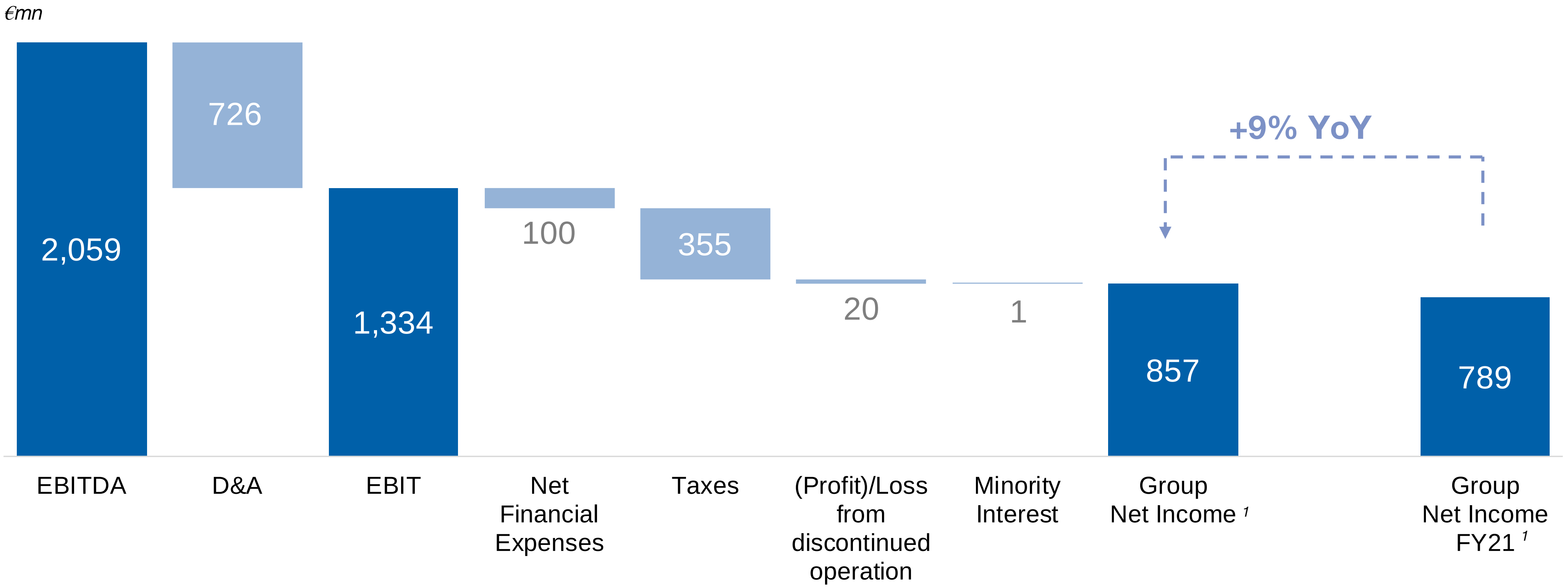


Regulated Activities as EBITDA growth driver

Note: figures may not add up due to rounding

FY 2022 Results

From EBITDA to Net Income



+9% increase in Group Net Income

Note: figures may not add up due to rounding

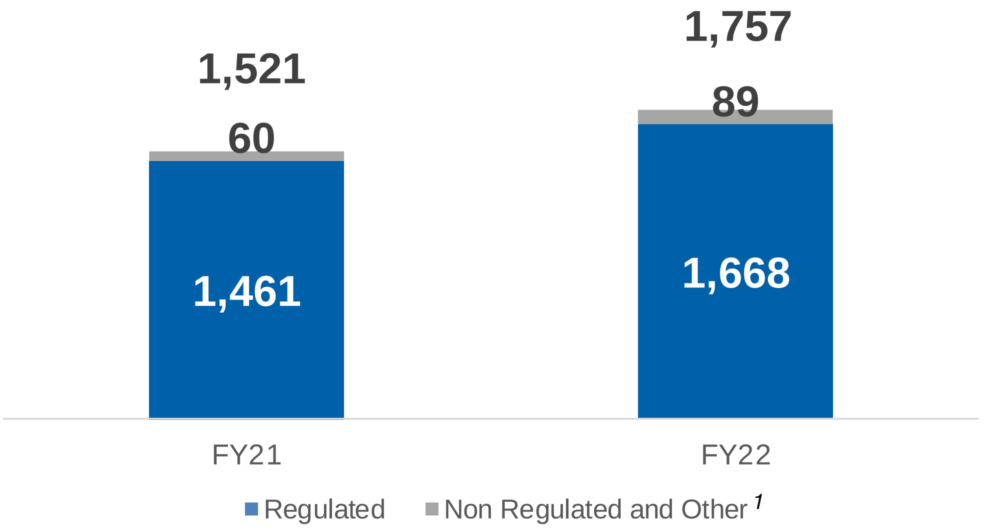
1. *Attributable to Terna.*

FY 2022 Results

Capex

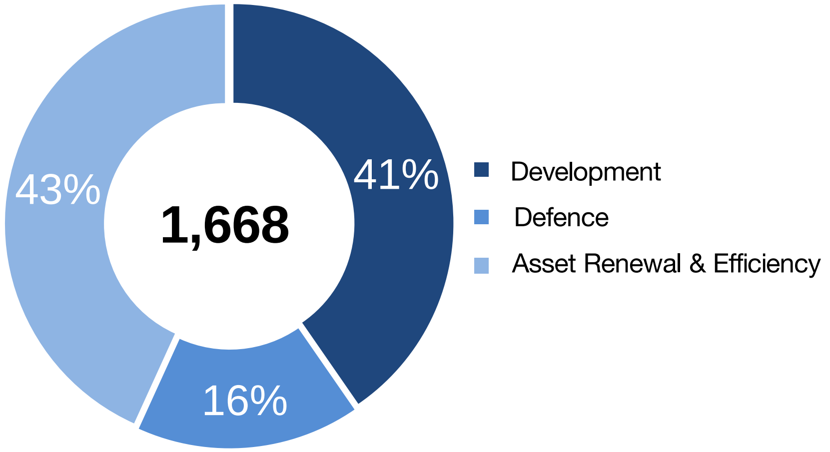
TOTAL CAPEX

€mn



REGULATED CAPEX

€mn



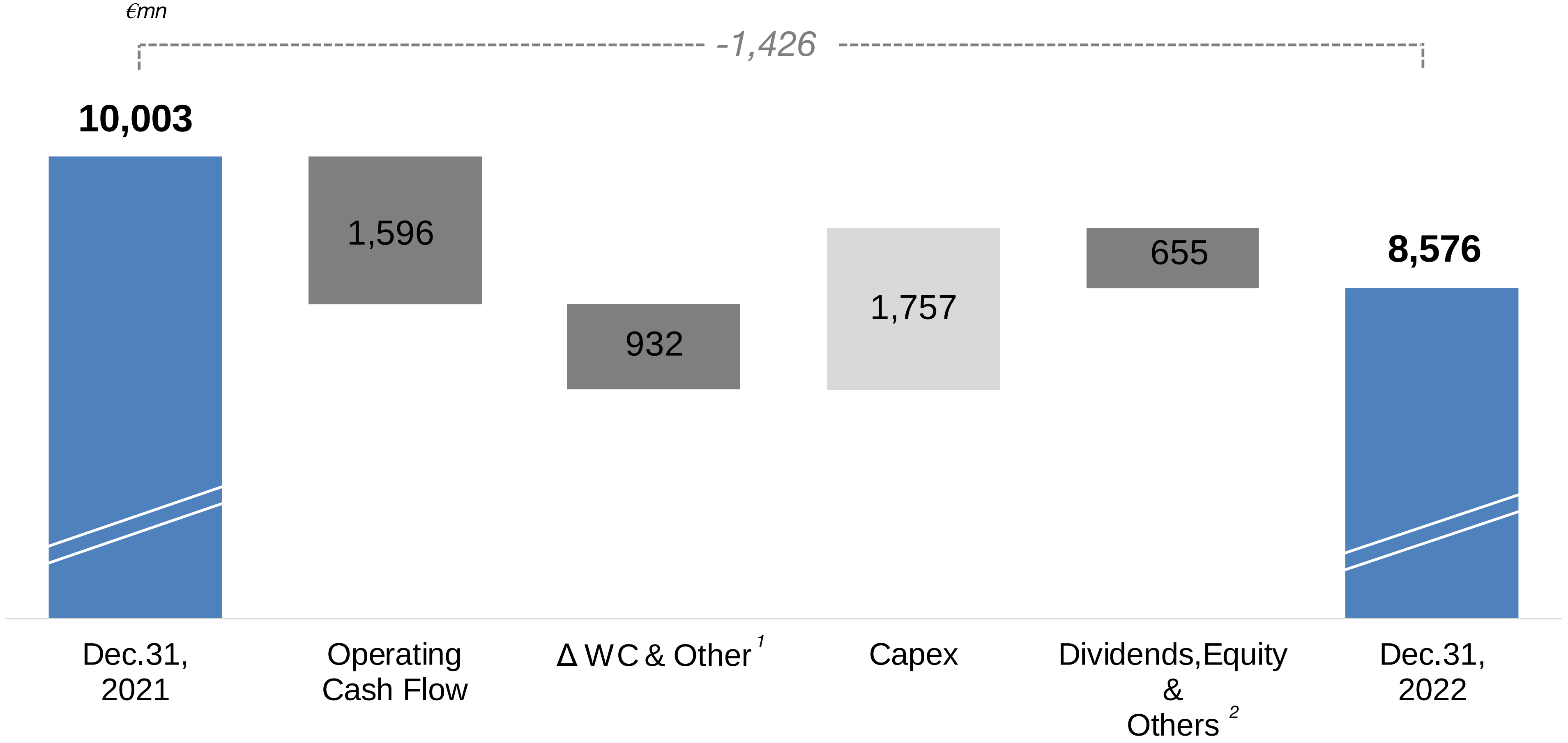
Enabling the energy transition

Note: figures may not add up due to rounding

1. Of which about 25 €mn of Capitalized Financial Charges in 2022 and 11 €mn in 2021

FY 2022 Results

Cash Flow & Net Debt Evolution



Operating cash flow supports investments need

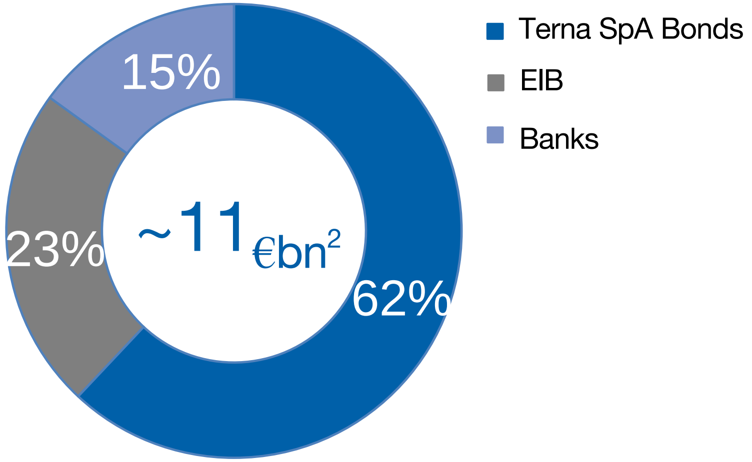
1. *Including Other Fixed Assets Changes*
2. *Including Assets Held for Sale, Cash Flow Hedge reserve, Hybrid Green Bond and other*

Note: figures may not add up due to rounding

FY 2022 Results

Net Debt Evolution & Financial Structure

GROSS DEBT BREAKDOWN[1]



KEY RATIOS[1]

Fixed/Floating Ratio

~ 87% Fixed

Calculated on Gross Debt

Maturity

~ 5 years

Efficient and proactive debt management approach

1. *Percentages and key ratios calculated on Gross Debt nominal value*
2. *IAS value*

Closing Remarks

Closing remarks

2023 Guidance

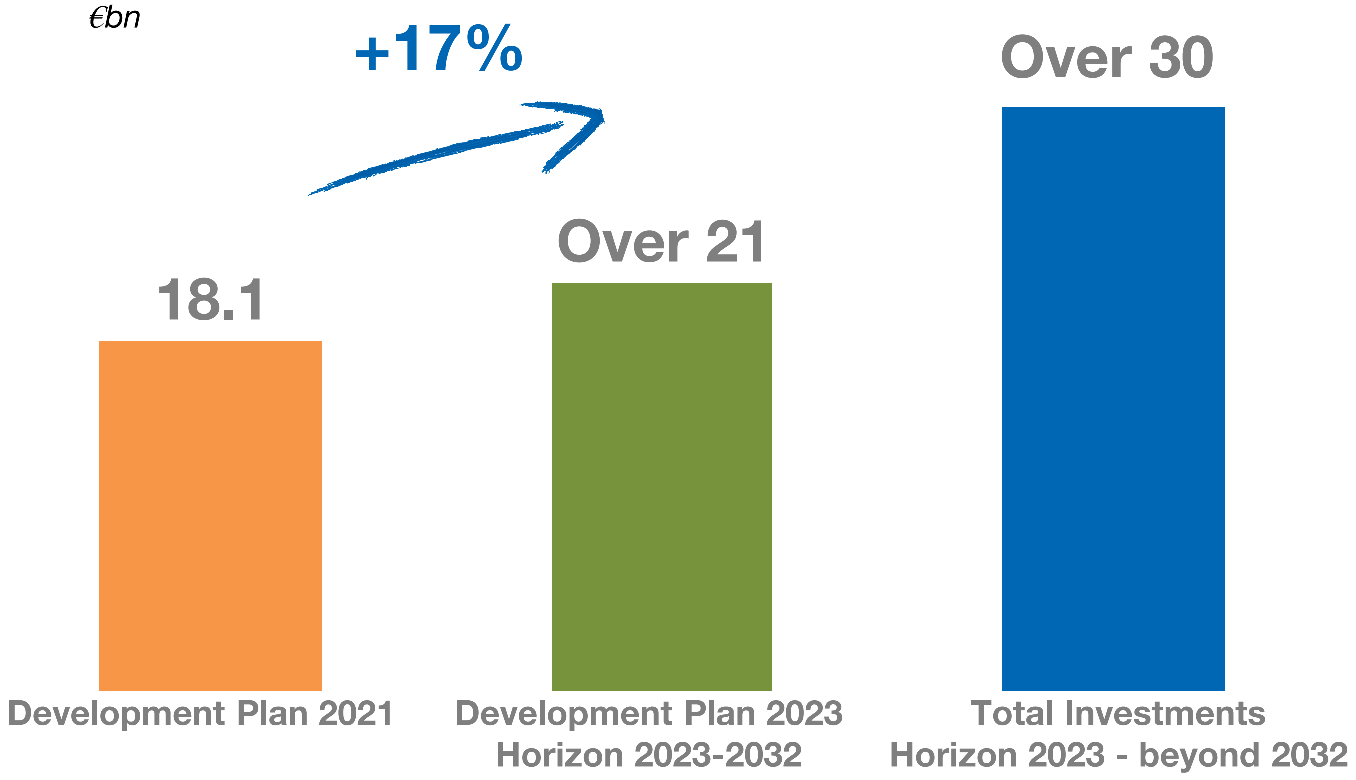
	FY 2022 Actual €mn	FY 2023 Guidance €bn
Revenues	2,964	3.11
EBITDA	2,059	2.12
EPS[1]	42.6	43
Capex	1,757	2.2

Solid base growth for the future

1. €/cents per share. Calculated as group net income on total number of shares.

Closing remarks

2023 Ten-year National Development Plan



Strong acceleration in grid investments, in order to achieve climate and energy targets

Over 21€bn of investments foreseen in the 2023-2032 period aimed at increasing transport capacity, security and resiliency of the system

Enhancing long-term growth

Closing remarks

Value creation for all stakeholders

Low risk profile and financial stability

Focus on execution

Annexes

Annexes

Consolidated Income Statement[1]

€ mn	2022	2021	Δmn	Δ%
Total Revenue	**2,964**	**2,605**	**360**	**13.8%**
Regulated Activities	*2,542*	*2,254*	*289*	*12.8%*
Transmission	*1,969*	*2,041*	*-72*	*-3.5%*
Dispatching	*450*	*114*	*336*	*295.4%*
Other[2]	*56*	*52*	*4*	*8.7%*
IFRIC12	*67*	*47*	*21*	*43.7%*
Non Regulated Activities	*421*	*351*	*71*	*20.1%*
International Activities	*1*	*0*	*0*	*100.0%*
Total Costs	**905**	**750**	**155**	**20.7%**
Regulated Activities	*535*	*453*	*82*	*18.2%*
Labour Costs	*266*	*227*	*39*	*17.3%*
External Costs	*177*	*157*	*20*	*12.5%*
Other[2]	*25*	*22*	*3*	*12.7%*
IFRIC12	*67*	*47*	*21*	*43.7%*
Non Regulated Activities	*364*	*289*	*75*	*25.9%*
International Activities	*6*	*8*	*-2*	*-22.8%*
EBITDA	**2,059**	**1,855**	**204**	**11.0%**
D&A	*726*	*654*	*71*	*10.9%*
EBIT	**1,334**	**1,200**	**133**	**11.1%**
Net Financial Charges	*100*	*79*	*21*	*26.9%*
Pre Tax Profit	**1,233**	**1,121**	**112**	**10.0%**
Taxes	*355*	*318*	*37*	*11.8%*
Tax Rate (%)	*28.8%*	*28.3%*	*-*	*0.5 pp*
Net Income	**878**	**804**	**74**	**9.3%**
Profit/(Loss) From Discontinued Operations	*-20*	*-13*	*-8*	*58.6%*
Total Net Income	**858**	**791**	**67**	**8.5%**
Minority Interest	*1*	*1*	*-1*	*-50.0%*
Group Net Income	**857**	**789**	**68**	**8.6%**

1. *Managerial Accounting*
2. *Including Quality of Service*

Note: figures may not add up due to rounding

Annexes

Consolidated Balance Sheet

€ mn	Dec. 31,2022	Dec. 31,2021	Δmn
PP&E	*16,201*	*15,317*	*884*
Intangible Asset	*776*	*657*	*119*
Financial Inv. and Other	*509*	*380*	*129*
Total Fixed Assets	17,485	16,353	1,132
Net WC	-2,733	-1,707	-1,026
Funds	-68	-48	-20
Net Capital Invested	**14,684**	**14,598**	**87**
Net Assets Held for Sale	61	118	-57
Total Net Capital Invested	**14,745**	**14,716**	**30**
Financed by:			
Consolidated Net Debt	8,576	10,003	-1,426
Total Shareholder's Equity	6,169	4,713	1,456
Total	**14,745**	**14,716**	**30**

Annexes

Consolidated Cash Flow

€ mn	**2022**	**2021**
Total Net Income	*858*	*791*
D&A[1]	*719*	*641*
Net Change in Funds	*20*	*-73*
Operating Cash Flow	**1,596**	**1,359**
Δ Working Capital & Other[2]	*932*	*-57*
Cash Flow from Operating Activities	**2,528**	**1,302**
Capital Expenditures	*-1,757*	*-1,521*
Free Cash Flow to Equity	**771**	**-219**
Net Assets Held for Sale	*57*	*-118*
Dividends & Equity[3]	*598*	*-494*
Change in Net Cash (Debt)	***1,426***	***-830***

Note: figures may not add up due to rounding
1. Net of assets' disposal
2. Including Other Fixed Assets Changes
3. Including Cash Flow Hedge accruals, Hybrid Green Bond and other

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Notes

Terna - Rete Elettrica Nazionale S.p.A.
Electric Utilities

Top 1%
S&P Global ESG Score 2022

91 /100

As of February 9, 2023.
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at spglobal.com/esg/yearbook

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