



**ACEA GROUP
FY 2022 RESULTS PRESENTATION**

8 MARCH 2023

acea

2022: A «CHALLENGING» MARKET ENVIRONMENT



Energy crunch and war

Since April 2021, the unprecedented volatility of commodity markets has led to record prices (over €300 per MWh for gas, with peak energy prices in excess of €500 per MWh).

A number of European utilities are at risk of default due to the severe contraction in **margins due to wholesale market volatility**.



Rising interest rates

Increase in financing costs due to higher interest rates, which have impacted not only floating rate borrowings, but also the costs linked to the sale of receivables and reverse factoring.



Government & bills

The authorities have taken a series of actions to mitigate the impact on consumers' energy bills. Since July 2021, the Government has spent over €60bn on financial support to help reduce bills and has **halted unilateral changes to contracts in the Aiuti Bis law decree**



Delays to liberalisation

Previously due to start from January 2022 (upselling of gas).

Potential auction for domestic users in 2023 with liberalisation in January 2024



Regulation

Rate of remuneration (WACC) for the electricity sector confirmed as 5.2% and 4.8% for the water sector. Consultation is nearing completion on the determination of allowed costs using an output-based methodology for the electricity and gas sectors, which will lead to new scenarios for the 2024/2031 period. Launch of a new regulatory framework for waste for non-integrated operators (minimum plants) involving four-year financial plans and regulated prices.



Superbonus

Continuous changes to the regulatory and political scenario regarding the Superbonus of 110%.

Higher interest rates have added complexity in managing the pipeline and increased factoring costs

KEY HIGHLIGHTS



A DEVELOPING BUSINESS MIX : KEY TRANSACTIONS IN 2022

March 2022

Closing of sale to **Equitix** of photovoltaic assets

Acea and Suez sign final agreements on partnership for design and commercialisation of digital water metering systems

April 2022

Closing of acquisition, in consortium with Ascopiave and Iren, of certain **gas distribution concessions from A2A**

June 2022

Operations started at the **largest photovoltaic plant in Basilicata** (20 MW), built by Acea Solar and owned by AE Sun Capital (60% Equitix, 40% Acea Produzione)

Acea Ambiente wins the auction for sale of «**Polo Cirsu**» business unit (Abruzzo) operating in waste treatment and storage

ACEA and NTT DATA Italia present the “**Waidy@ Management System (WMS)**”, the native cloud solution for protecting water resources

July 2022

Consent received for a **photovoltaic plant, to be largest in Sardinia** and one of biggest in Italy. Installed capacity ~85MW

October 2022

Acea Ambiente acquires a 70% stake in **Tecnoservizi** (Lazio), operating in the mechanical treatment and recovery of recyclable urban waste and non-hazardous special waste. Authorised treatment capacity: 210k tonnes a year

November 2022

Acea Ambiente acquires **Italmacero** (Marche), operating in the mechanical treatment and recovery of recyclable urban waste and non-hazardous special waste

December 2022

Completion of first phase of business combination with **ASM Terni**



SUSTAINABILITY: ESSENTIAL VALUE

August 2022

First **Green Bond Allocation & Impact Report** published for years 2019 and 2020

June 2022

Acea publishes its first **climate-related disclosure**, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

May 2022

Acea signs **sustainability rating-linked revolving credit facility** with CDP worth €200m and with a 3-year duration, linked to two target ESG ratings

December 2022

ACEA becomes first listed Italian multiutility to obtain RINA **UNI/PdR 125:2022 certification**, the only national standard for gender equality

ACEA'S NEW GOVERNANCE

26 September 2022

Fabrizio Palermo appointed Chief Executive Officer of ACEA.

The new CEO immediately prepared an action plan to bolster the Group's accounts. A series of initiatives have been undertaken to strengthen ACEA's industrial role, with particular attention on cost control. These actions have enabled the Company to offset the one-off impact on net profit in the fourth quarter of the year.

17 February 2023

Barbara Marinali is appointed Chairwoman of ACEA.

PERFORMANCE AND DELIVERY 2022

POSITIVE RESULTS DESPITE THE UNCERTAIN AND VOLATILE SCENARIO

NET PROFIT AFFECTED BY EXTERNAL FACTORS

REVENUE	EBITDA	EBIT	NET PROFIT	 Windfall tax
€5,138m +29%	€1,305m +4%	€566m -3%	€280m -11%	

LEVERAGE IMPACTED BY ENERGY SCENARIO AND WINDFALL TAX

CAPEX	NET DEBT	LEVERAGE
€1,001m* +8%	€4,440m +11%	NET DEBT/ EBITDA 3.4x

DIVIDEND FLAT IN A «CHALLENGING» ENVIRONMENT

DPS 2022[^]	PAY OUT^{**}	DIVIDEND YIELD^{***}
0.85€	~65%	6.6%

GUIDANCE 2023

EBITDA	CAPEX	NET DEBT/EBITDA
+2%/+4% VERSUS 2022	BROADLY IN LINE WITH 2022	Below 3.8X

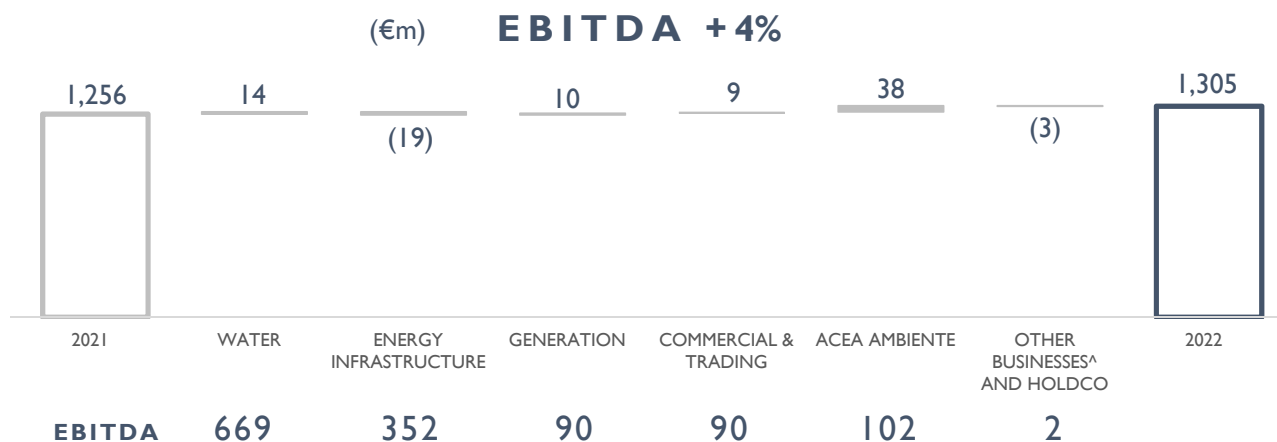
* Net of grant-funded investments (€49m). Includes the impact of Law Decree 50/22 (~€46m).

[^] The Board of Directors will propose payment of the dividend to the Annual General Meeting of shareholders called for 18 April 2023, in first call, and 20 April 2023, in second call.

^{**} Based on consolidated net profit after non-controlling interests.

^{***} Based on the share price at 30 December 2022.

EBITDA 2022

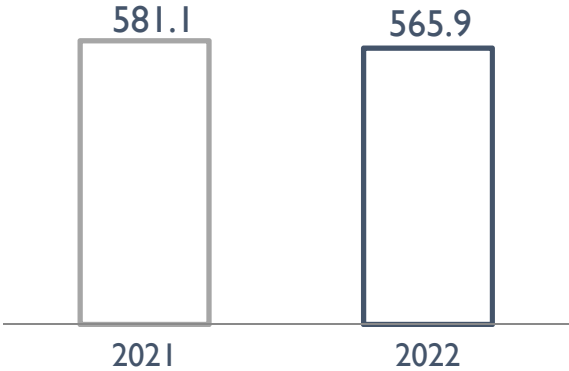


- ### MAIN DRIVERS
- ✓ Impact of electricity distribution regulation (-€26m)
 - ✓ Impact of energy scenario (+€37m)
 - ✓ Technical quality bonus for water services (+€27m)
 - ✓ Release of Terni plant from obligation to purchase CO2 allowances (+€18m)

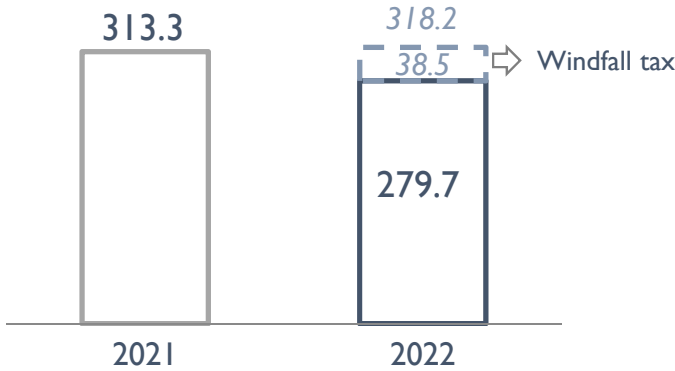


EBIT AND NET PROFIT 2022

EBIT (€m)



NET PROFIT (€m)



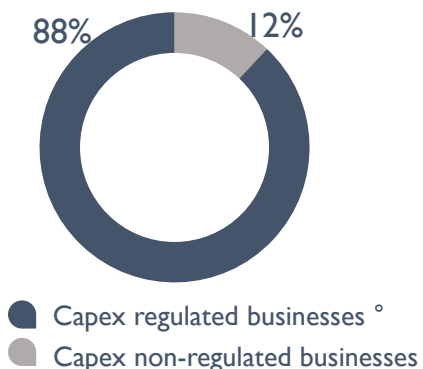
(€m)	2022	2021	% CHANGE
DEPRECIATION	594.6	546.6	+8.8%
CREDIT LOSS PROVISIONS	113.4	86.2	+31.6%
PROVISIONS FOR RISKS	31.2	42.1	-25.9%
TOTAL	739.2	675.0	+9.5%

INCREASE IN PROVISIONS FOR POTENTIAL DETERIORATION IN THE ECONOMIC SITUATION

TAX RATE 2022 37.6%
(tax rate 2021: 30.0%)

NORMALISED TAX RATE FOR 2022, AFTER ADJUSTING FOR WINDFALL TAX: 29.8 %

CAPEX 2022



WATER	ENERGY INFRASTRUCTURE	GENERATION	COMMERCIAL & TRADING	ACEA AMBIENTE	OTHER
<ul style="list-style-type: none"> • MAINTENANCE AND EXPANSION OF WATER AND SEWER PIPES • EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS • WORK ON TREATMENT PLANTS 	<ul style="list-style-type: none"> • UPGRADE OF THE GRID • WORK ON PRIMARY AND SECONDARY SUBSTATIONS • INSTALLATION OF 2G METERS 	<ul style="list-style-type: none"> • EXTRAORDINARY MAINTENANCE OF PRODUCTION PLANTS • CONSTRUCTION OF PHOTOVOLTAIC PLANTS 	<ul style="list-style-type: none"> • CUSTOMER ACQUISITION • E-MOBILITY PROJECTS 	<ul style="list-style-type: none"> • WORK ON SAN VITTORE, TERNI AND MONTEROTONDO MARITTIMO PLANTS • CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> • CORPORATE: IT PROJECTS

* Net of grant-funded investments of €23m and investment linked to deconsolidated photovoltaic assets, totalling €16m.

** Net of grant-funded investments of €49m.

[^] Overseas, Engineering & Services.

^{^^} Figure includes the impact of Law Decree 50/22





[°] Figure includes investments in the Environment business

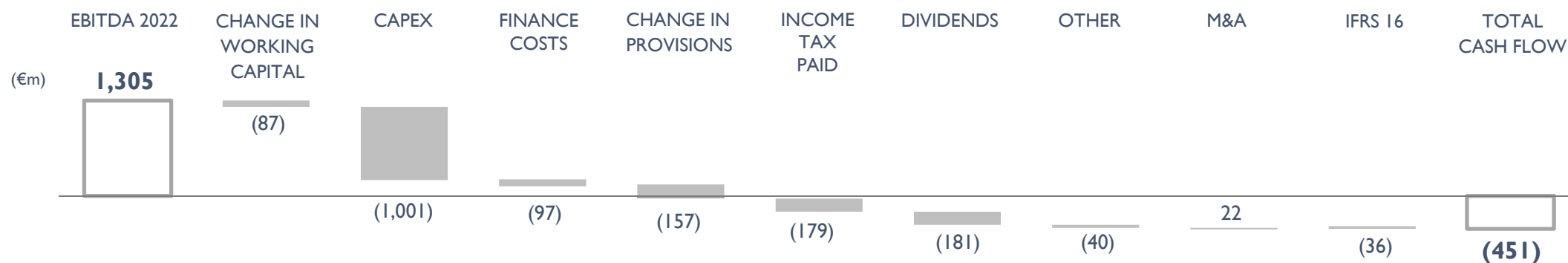
CASH FLOW 2022

CASH FLOW (€m)

	2022	2021
EBITDA	1,305	1,256
CHANGE IN WORKING CAPITAL	(87)	(95)
CAPEX*	(1,001)	(931)
FREE CASH FLOW	217	230
FINANCE INCOME/(COSTS)	(97) [°]	(86)
CHANGE IN PROVISIONS	(157)	(127)
INCOME TAX PAID	(179)	(180)
DIVIDENDS	(181)	(170)
OTHER	(40)	(43)
M&A	22 [^]	(69)
IFRS 16	(36)	(15)
TOTAL CASH FLOW	(451)	(460)

FREE CASH FLOW

-  SALE OF PHOTOVOLTAIC ASSETS
-  COLLECTION OF TECHNICAL QUALITY BONUS (WATER)
-  EFFECT OF ENERGY SCENARIO
-  WINDFALL TAX



* Net of grant-funded investments and investments linked to deconsolidated photovoltaic assets.

[°] This figure excludes income from the discounting of Gori's debt (€11m).

[^] This figure reflects proceeds from the sale to Equitix of a majority stake in ACEA's photovoltaic assets (~€150m).

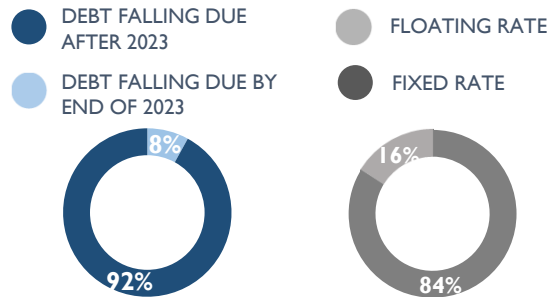
FINANCIAL STRUCTURE 2022

(€m)	31 Dec 22 (A)	31 Dec 21 (B)	30 Sept 22 (A)	Change (A-B)	Change (A-C)
NET DEBT	4,439.7	3,988.4	4,393.0	451.3	46.7
Medium/long-term	4,722.3	4,792.0	4,706.2	(69.7)	16.1
Short-term	(282.6)	(803.6)	(313.2)	521.0	30.6

STRUCTURE OF DEBT

(MATURITY AND INTEREST RATES AT 31 DECEMBER 2022)

FIXED RATE	AVERAGE COST	AVERAGE TERM
84%	1.44%	4.4 YEARS



LEVERAGE

NET DEBT/ EBITDA	NET DEBT/ EBITDA	NET DEBT/ RAB	NET DEBT/ RAB
31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
3.4x	3.2x	0.69	0.65

RATINGS

FitchRatings **BBB+**
Stable Outlook
(rating and outlook affirmed in July 2022)

MOODY'S **Baa2**
Negative Outlook
(rating affirmed and outlook downgraded from Stable to Negative in August 2022)

17 JANUARY 2023

Successful placement of a €500m GREEN BOND, with coupon of 3.875% and maturing on 24 January 2031

3 FEBRUARY 2023

Successful completion of the €200m TAP ISSUE of the GREEN BOND launched on 17 January 2023 (coupon of 3.875% and maturing on 24 January 2031)

FINANCIAL HIGHLIGHTS 2022

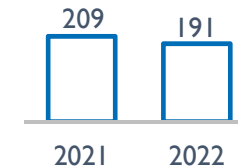
HIGHLIGHTS

WATER
INCLUDING GAS
DISTRIBUTION



(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	669.0	655.3	+2.1%
- ACEA ATO2	452.3	436.6	+3.6%
- ACEA ATO5	30.2	33.7	-10.4%
- Gori	70.5	79.0	-10.8%
- Adf	63.5	62.8	+1.1%
- SII Terni	14.4	13.8	+4.3%
Equity-accounted water companies	25.6	16.7	+53.3%
Other consolidated water companies	5.8	5.8	=
Gas distribution	6.7	6.9	-2.9%
CAPEX*	562.1	499.3	+12.6%
RAB	3,886	3,670	+5.9%

SLUDGE DISPOSED
OF (ktonnes)



EBITDA main drivers



↑ TECHNICAL
QUALITY BONUS
(years 2018/2019)
+€26.9m

↑ ACEA ATO2
Operational efficiency
Technical quality bonus
(€23.6m)
+€15.7m

↑ EQUITY-
ACCOUNTED
WATER COMPANIES
+€8.9m

↓ GORI
Increased sludge disposal
costs and absence of
tariff increase
-€8.5m



* Net of grant-funded investment of €49m in 2022 and €23m in 2021.
The increase in investment reflects the price adjustments in public tenders provided for in Law Decree 50/2022 (the *Aiuti* Decree).

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

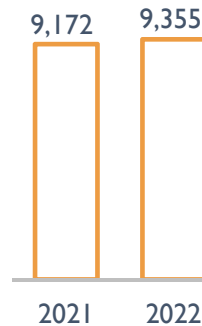
HIGHLIGHTS

ENERGY INFRASTRUCTURE

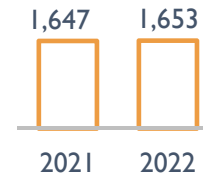


(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	352.2	371.6	-5.2%
- areti	351.3	374.6	-6.2%
- Public lighting	0.9	(3.0)	n/s
CAPEX	268.8	274.5	-2.1%
RAB	2,539	2,464	+3.0%

TOTAL ELECTRICITY DISTRIBUTED (GWh)



NUMBER OF PODs ('000s)



EBITDA main drivers



ELECTRICITY DISTRIBUTION ARETI

70-bps reduction in WACC from 5.9% to 5.2%
-€26m

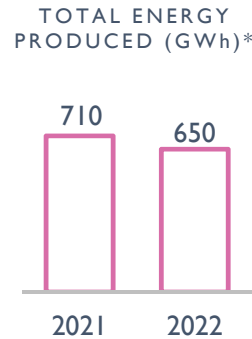
2G ELECTRICITY METERS

Number installed at 31 December 2022
~ 650k

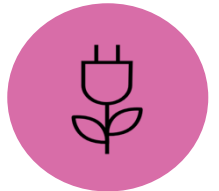
FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

HIGHLIGHTS

(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	89.8	79.5	+13.0%
CAPEX	30.3	**23.4	+29.5%




GENERATION



EBITDA main drivers



 **PRICE AND VOLUME EFFECTS**
Effect of energy price rises (+€298/MWh), partly offset by reduction in hydroelectric volumes (-95 GWh)
+€21.0m

 **DECONSOLIDATION OF PHOTOVOLTAIC ASSETS**
-€10.2m

Situation of photovoltaic plants:

Total pipeline: 1,070 MW

- consents obtained for 211 MW (under construction + ready to build)

- 859 MW awaiting consents

Installed capacity: 96 MW

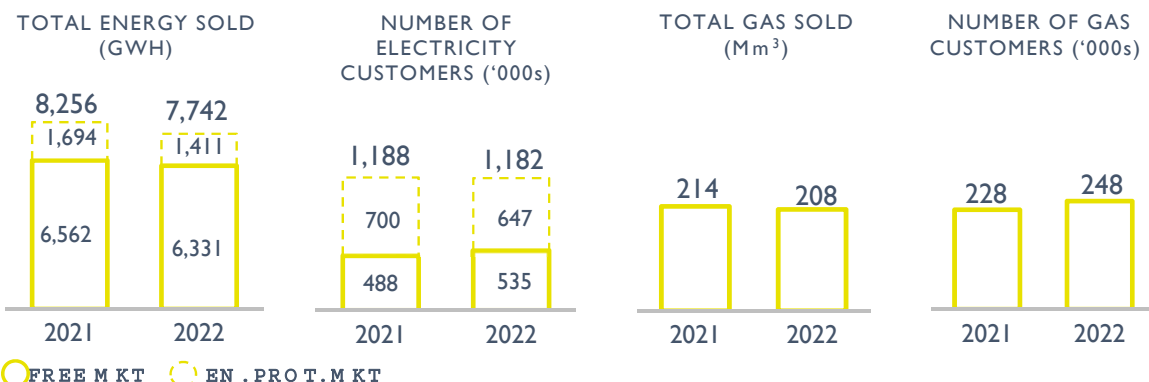
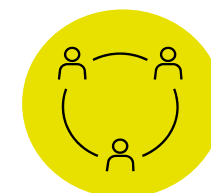
 **SOSTEGNI TER LAW DECREE**
Introduction of cap on sale price of electricity. Impact on Sant'Angelo power plant
-€18.3m

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

HIGHLIGHTS

(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	90.0	80.5	+11.8%
CAPEX	49.6	49.4	+0.4%

COMMERCIAL & TRADING



EBITDA Main drivers



ACEA ENERGIA
 Small reduction in energy margin (-€0.8m) and increase in VAS (up €4.1m)
+€3.6m

ACEA INNOVATION
 Increased revenue from Energy Efficiency projects
+€5.8m

CUSTOMERS LOST
 Result of auction for “small” and “micro” enterprises on enhanced protection mkt
-18k CUSTOMERS

CUSTOMER ACQUISITIONS (effect to be seen in 2023)
 Result of auction for “small” and “micro” enterprises on enhanced protection mkt
+148k CUSTOMERS

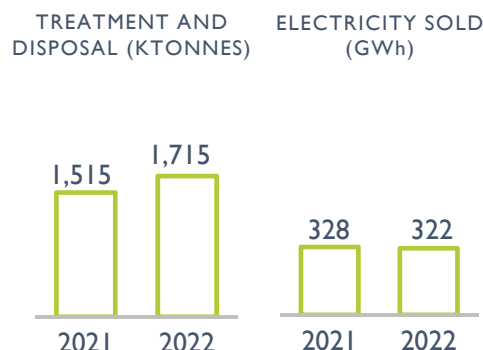
FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

HIGHLIGHTS

**ACEA
AMBIENTE**



(€m)	2022 (A)	2021 (B)	% change (A/B)
EBITDA	101.6	63.7	+59.5%
CAPEX	46.2	36.1	+28.0%



EBITDA Main drivers



EBITDA FROM WTE PLANTS

Higher prices received for electricity produced by San Vittore and Terni plants

+€16.0m

CHANGE IN SCOPE OF CONSOLIDATION

Deco group (Nov 2021) €8.9m
Meg (Oct 2021) €1.6m
SerPlast (Feb 2022) +€0.9m
Italmacero (Nov 2022) +€1.0m

+€12.4m

CO2 ALLOWANCES

Release from obligation to purchase CO2 allowances for Terni plant
Allowances sale in 2022 (€12m) and avoided cost versus 2021 (€6m)

+€18m

KEY ESG HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ECONOMIC PERFORMANCE



WATER

8.6m

Inhabitants served, Italy's largest water company

30 Mm3

Water loss reduction (-6%)



ENERGY INFRASTRUCTURE

9,355

GWh of electricity distributed

~605k

2G smart meters installed



GENERATION*

941

GWh of electricity gross production, 68% from renewable sources

18k

Prosumers (+14%) with **97.3 GWh** of energy produced and fed into the grid, 74% from PTV



ACEA AMBIENTE

36

GWh of energy produced (+16%) from approx. 20,027 kNm³ of biogas produced

37,000

Tonnes of quality compost produced (+31%)



COMMERCIAL & TRADING

42%

Green energy sold out of total energy sold on free market



ENGINEERING & SERVICES

365k

Analytical determinations on drinking water at ATO 2

KEY ESG HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, GOVERNANCE AND ECONOMIC PERFORMANCE

COMMUNITY



- ACEA'S Covid-19 **VACCINATION HUB** delivered over 171k doses (closed from 1 January 2023)
- **166 WATER KIOSKS**, over 37.8m litres of water dispensed, saving 774 tonnes of plastic per year, equal to 2,000 tonnes of CO₂ not emitted into the atmosphere

WORKFORCE



- **QUALITY JOBS'**:
 - 99% of employees are permanent
 - 427 new recruits in 2022, 43% aged 30 or under.
- **CERTIFIED «Top Employers Italia 2023»** (January 2023)
- **DIVERSITY & INCLUSION**
 - An Equality, Diversity & Inclusion Committee set up and an Equality, Diversity & Inclusion policy adopted
 - First listed Italian multiutility to obtain UNI/PdR 125: 2022 certification of gender equality

SUPPLIERS



- **78% of QUALIFIED SUPPLIERS** have completed a self-assessment questionnaire on aspects relating to sustainability
- **339 SUPPLIERS** rated by **ECOVADIS** (+129%)
- **Over 14,700 INSPECTIONS** of work sites conducted

SUSTAINABLE FINANCE



- Issuance of €500m **GREEN BOND**, with a coupon of 3.875%, maturing 24 January 2031 (January 2023)
- **TAP ISSUE** of €200m, with coupon of 3.875%, yield 3.820%, maturing 24 January 2031 (February 2023)
- **SUSTAINABILITY RATING LINKED REVOLVING CREDIT FACILITY** for €200m, with a 3-year duration, linked to two target ESG ratings assigned by Standard Ethics and EticaNews (August 2022)

KEY ESG HIGHLIGHTS

RATINGS CONFIRM ACEA'S SOLID ESG POSITION

SUSTAINABILITY RATINGS



January 2023

UPGRADED TO 81.58/100

Acea's presence in Bloomberg GEI confirmed



January 2023

UPGRADED TO 62/100

The agency rated the Company based on 75 indicators and 4 areas of assessment (environment, social, governance and stakeholder relations)



July 2022

«EE» rating, OUTLOOK upgraded to «POSITIVE»



December 2022

«B», Management Level

CDP: an international organisation that promotes a global focus on risk management and the effects of climate change



June 2022

«Leader ESG Identity», further improving position to 16/86 companies



June 2022

ESG Risk rating: 20.1



June 2022

Rating: «A»

MIB ESG

December 2022

MIB ESG Index

Acea has been included in the "MIB ESG Index" for Italian blue-chips. The index measures both financial performance and ESG impacts, in line with the UN Global Compact principles.



Q&A SESSION

**ACEIA GROUP
FY 2022 RESULTS**

ROME, 8 MARCH 2023



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.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY. THIS PRESENTATION DOES NOT CONTAIN AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES ISSUED BY ACEA S.P.A. OR ANY OF ITS SUBSIDIARIES.

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, FABIO PARIS - CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.