



aceea

Acea
Business
Plan
2020/24

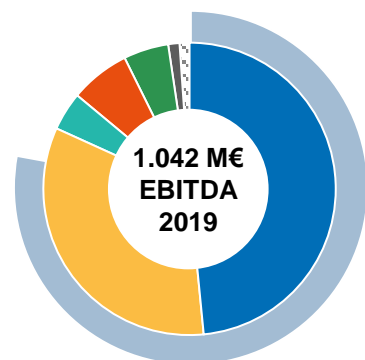
«EV CHARGING INFRASTRUCTURES»

Field Trip

January 12, 2021

Acea is a leading multi-utility player in the Italian market

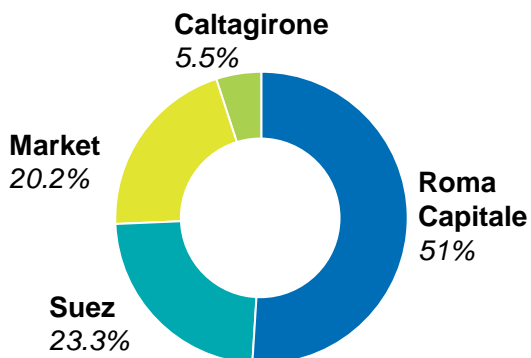
2019 EBITDA



81% regulated

Ownership structure

(Source: CONSOB December 2020)



Water

Leader in the water supply sector in Italy

With **more than 9 M customers** in Lazio, Toscana, Umbria, Molise e Campania



Energy Infrastructure

Leading Italian player in the electricity distribution market

With **10 TWh** of distributed electricity



Commercial & Trading

One of the main players in the Italian energy market

With **6.5 TWh** of electricity sold



Environment

4th player in the Italian waste treatment sector

With **more than 1.3 M tons** of treated / disposed waste



Power generation

Green player in power generation in Italy

With more than **250 MW** of installed capacity¹



Engineering and services

Business line offering **technical services** to the Group

With **more than 100 M€** of **services** every year



Gas distribution

Entry in the gas distribution business with **~100k redelivery points**²



Growth

Growth driven by regulated businesses, with **significant investment** related to **RAB**...

6.7%
EBITDA CAGR
2019-24

5.9 B€
2024 RAB



Renewables

...also supported by **investments in RES**, both industrial scale and consumer

747 MW
Installed PV capacity
in 2024

~1000
Domestic PV plants in
2024



Innovation

...together with investments for **new innovative services** (VAS)

0.6 B€
Innovation capex
2020-24

2200+
EV charging stations
in 2024



Delivery

...proving a consistent track record of **outperforming business plan targets**

>5%
Avg. EBITDA outperformance
vs. plan (last 3 years)

4.7 B€
Capex and M&A 2020-24



Sustainability

...with increasing focus on **environmental impact** and **circular economy**

-11 pp
Water losses in 2024

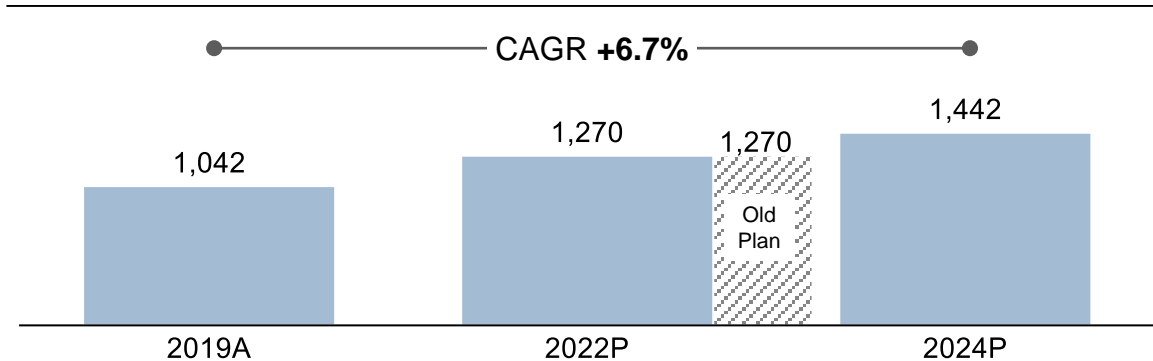
150+
«Smart Comp»
composters in 2024

Acea as a leading player in infrastructure and sustainability

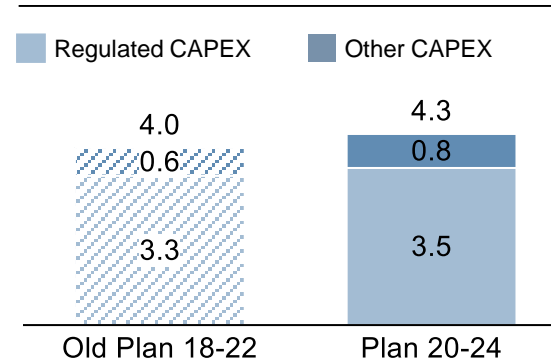
Strategy and targets

Key financials

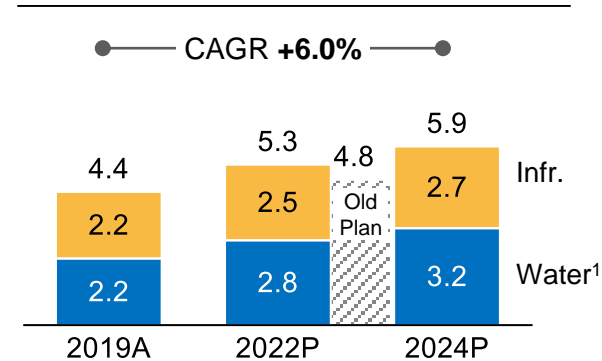
EBITDA | M€



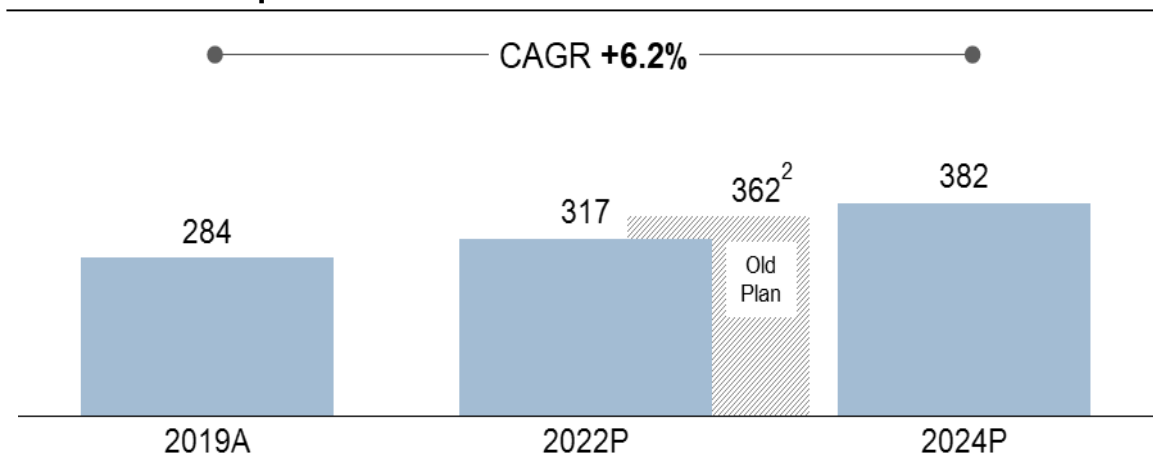
Cumulative CAPEX | B€



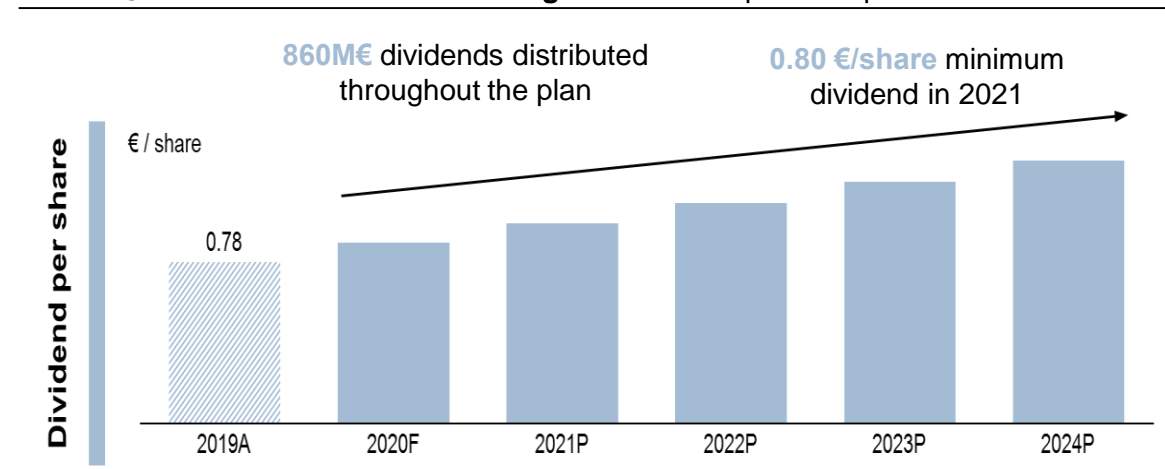
RAB | B€



Net Income | M€



DPS | €



Note: (1) Water RAB value does not consider RAB of sub-consolidated companies; (2) The value does not consider the PV portfolio deconsolidation in 2022 included in the New Business Plan (38M€ EBITDA reduction because of PV deconsolidation in 2022)



More than 2B€ related to specific sustainability targets with highest relevance and priority to the Group

SUSTAINABILITY

Sustainable Development Goals (SDGs)

Related to investments in sustainability



Acea sustainability rating



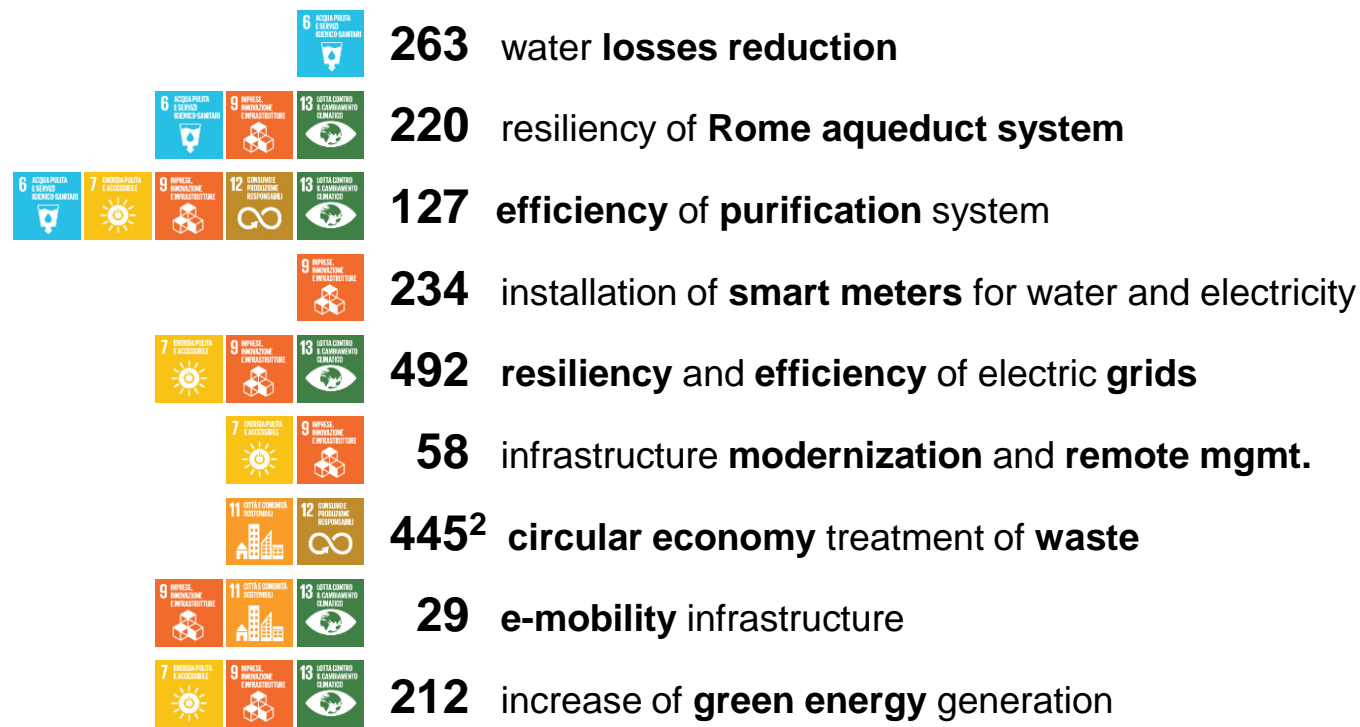
A-
Leadership



EE-
Positive

CAPEX related to sustainability targets | M€, 2020-2024

2.1B€ of investments related to **sustainability** targets over the plan (+400M€¹ vs. previous Business Plan):



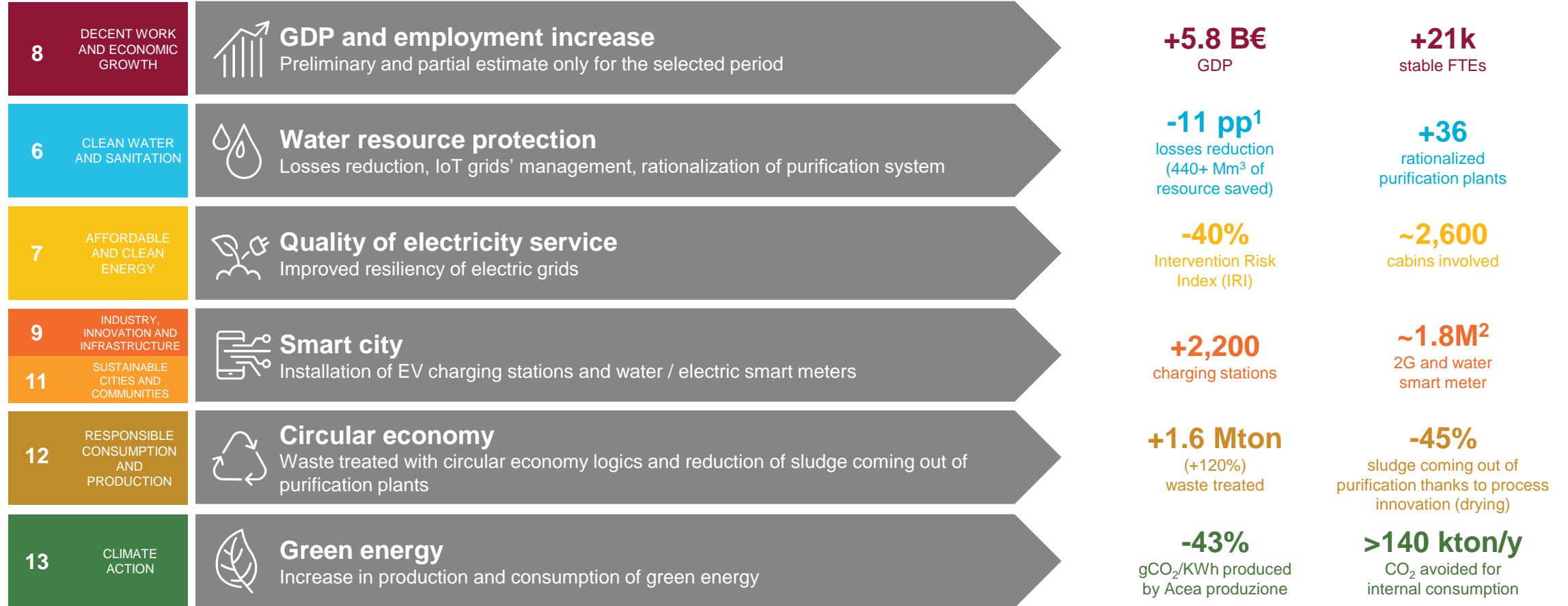
Note: (1) +180M€ related to the installation of smart water and electric meters, +120M€ related to efficiency and resiliency of electric grids, +100M€ to improve the efficiency of the purification system; (2) Includes 206M€ of M&A capex



New and more challenging targets vs previous business plan

SUSTAINABILITY

Acea targets at 2024 (vs. 2019)



Strategy and targets

Solid financial structure

Highlights

Working Capital

Average **working capital** absorption over the plan (~40 M€/year¹)

Rating

FitchRatings

MOODY'S

BBB+

Baa2

Outlook stable

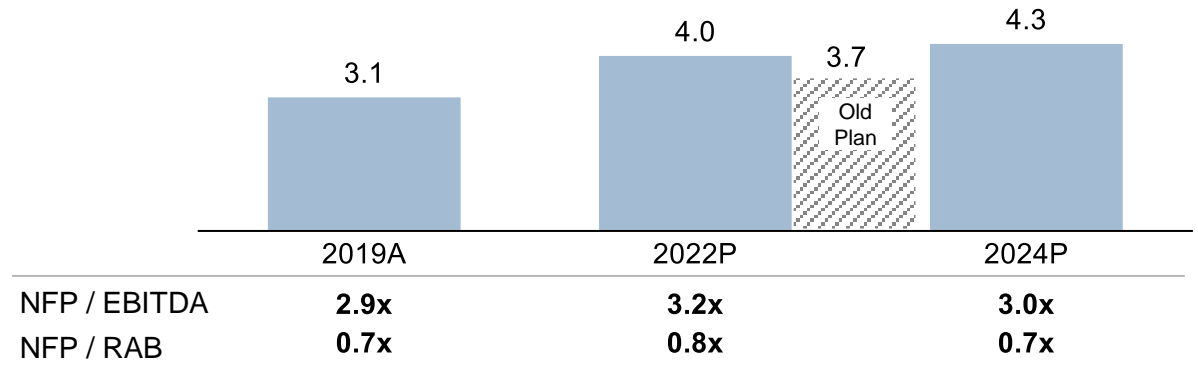
Outlook stable

Debt

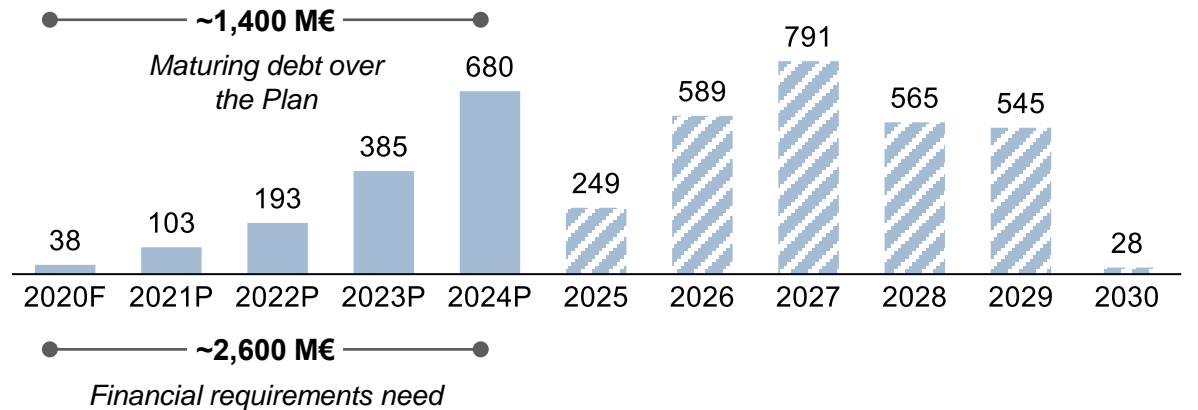
As of September 30, 2020

- **~5.6 years** average debt duration
- **~1.8%** average cost of debt
- **82%** fixed rate debt
- **600 M€** of committed lines (500 M€ undrawn and available until 2023)

Net Financial Position | B€



Financial maturities | M€





Commercial & trading



Commercial & trading Overview – Business Plan 2020-24 targets

Focus on energy commodity: main initiatives and targets

2020-2024 BUSINESS PLAN TARGETS

Commercial expansion in the **Center and South of Italy**, supported by **regulated market phase-out** and **«digital» offerings**



Focus on **core territories** with growth in the **Center and South of Italy**

+240k
customers (net growth vs 2019)



Cross-selling and up-selling opportunities thanks to regulated market phase-out in 2022

~700k
customers switching to free market




Boost of dual fuel penetration (i.e. gas) on the existing customer base

+80k
gas customers vs 2019



Digital Attack through a **new platform** for **customer journey** management

+100k
digital customer vs 2019

 Commercial & trading Overview – Business Plan 2020-24 targets
Focus on Smart services: main initiatives and targets

2020-2024 BUSINESS PLAN TARGETS

Development of a
**Services-Based
Company** to
strengthen the
relationship with
customers and
increase Acea Group
brands franchise



Organic development of e-mobility segment with charging stations increase and value-added services

2,200+
charging stations
at 2024



Push on **energy efficiency services** leveraging on opportunities from **fiscal incentives**

100+
condominiums
at 2024



Installation of «Smart Comp» composters, managed remotely through an IoT platform developed by Acea

150+
composters installed
at 2024



Installation of **residential PV and solar thermal plants**

~1,000
plants installed
at 2024



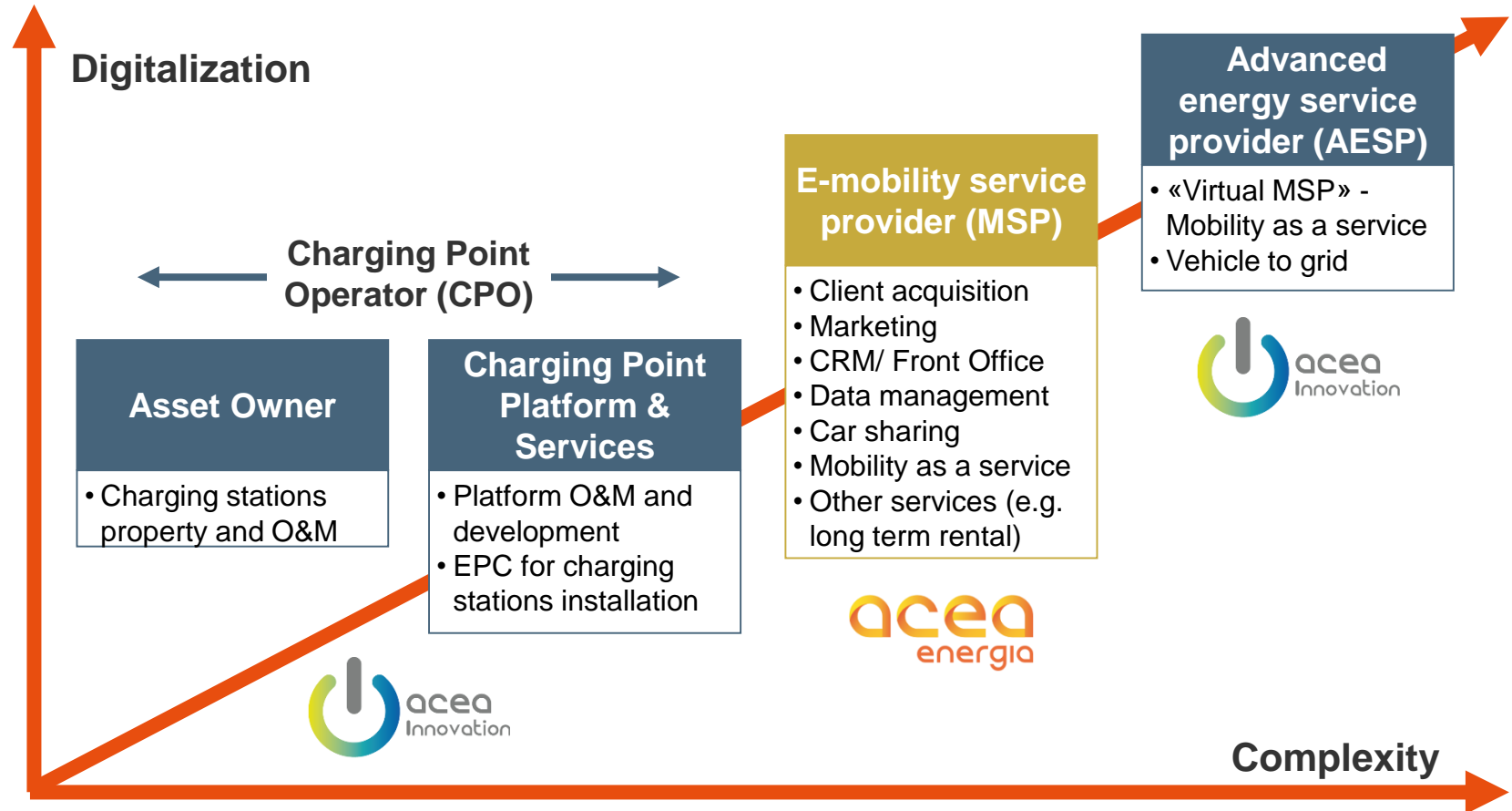
Commercial & trading Overview

E-mobility market overview

Context

- **E-mobility services** can be divided into 2 main areas:
 - **Charging Point Operator (CPO)** which refers to the management of the infrastructure (charging stations) allowing the vehicle recharge
 - **E-mobility Service Provider (MSP)**, regarding the provision of the charging service to the end customer
- **Acea operates both as a CPO and MSP**, but through different legal entities, that are **Acea Innovation** and **Acea Energia**, respectively

Acea positioning on the different business models





Commercial & trading Overview

E-mobility market overview

FOCUS ON E-MOBILITY VALUE CHAIN

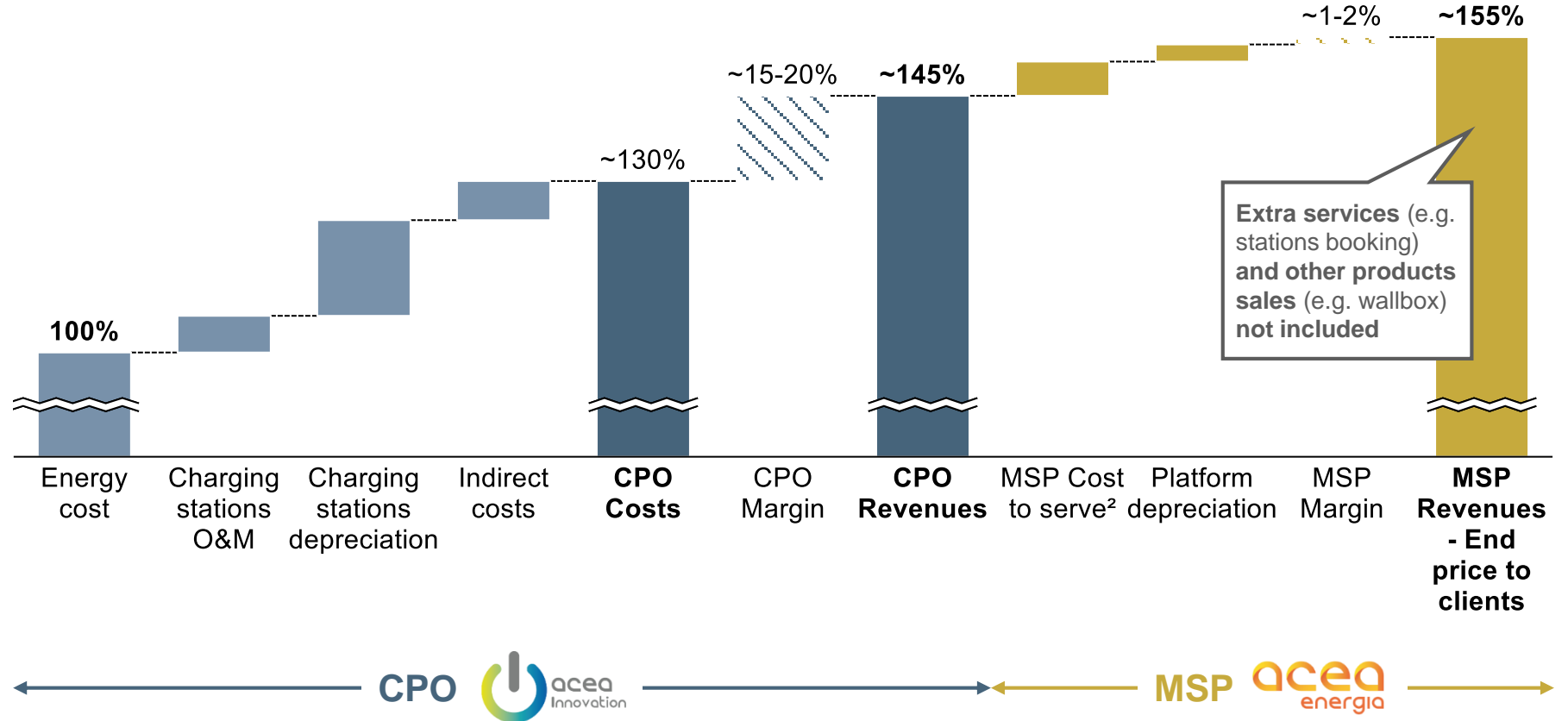
/ ILLUSTRATIVE NUMBERS - VAT EXCL.

E-mobility value chain

- The **CPO** buys and **installs the charging stations** (Capex)
- CPO **manages and monitor the charging stations** through a dedicated platform
- **MSP players provide end users** the opportunity to **recharge their e-vehicles**, generally through a **Mobile App or RFID cards**
- The **MSP pays the energy** consumed by its clients **to the CPO**, which gets the **energy from the DSO³**

CPO / MSP revenues breakdown on a «Quick» charging station (€/MWh – VAT excl.)¹

Index at 100% for Energy Cost



¹Revenues and costs breakdown considering a Quick (22kW) charging point at 2024

²Includes marketing costs and call-center costs

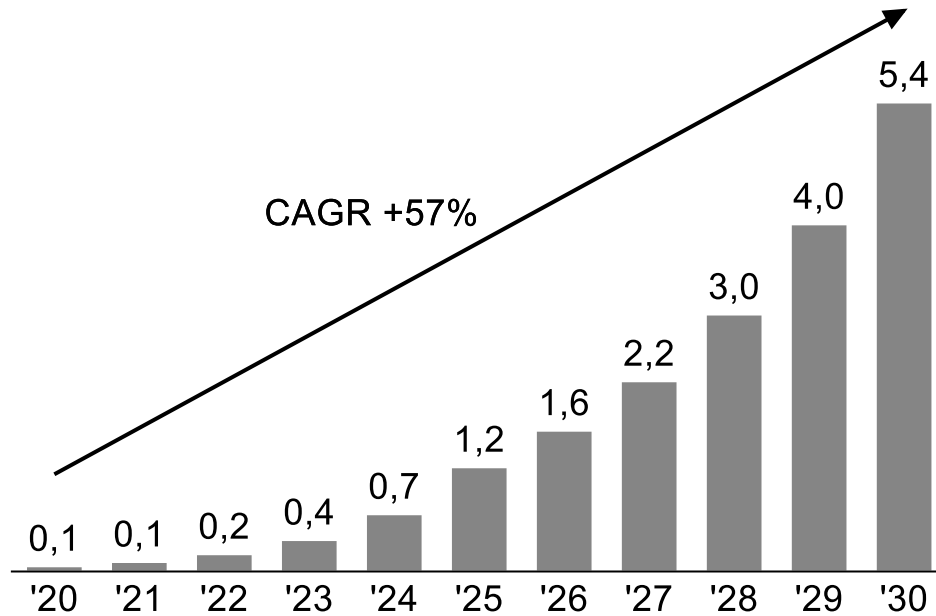
³DSO: Distribution System Operator, meaning the entity managing energy distribution networks operating at low and medium voltage



Commercial & trading Overview

E-mobility market overview

Number of electric vehicles in Italy 2020-30 (M)¹



Market Trends

- **Market growth boost** from the **car industry**, due to increase of electric car models and development of **faster charging stations**
- **Increasing governmental support for the development of charging stations** with regulatory measures (e.g DL «Rilancio»²) and simplified bureaucracy (e.g. Decreto «Semplificazioni»)
- **2 macro phases** expected: 1) «**regulatory driven**» until 2025 (i.e. incentives for charging stations), and 2) **Market driven** beyond 2025



Constraints

- **Cumbersome bureaucracy** related to stations installation (e.g. permits)
- **Significant capex** required as a **key enabler** for market development



Insights

- Expected **new pricing models** (e.g. one-off) and **charging prices increase** (today -15/30% vs. European average)
- **Unbundling opportunities for CPO and MSP activities** to accelerate the growth of private MSP players

Global and Italian trend indicators



200+

Electric car models launching in the next 5 years



55%

% electric cars sold on total cars sold within 2040



57%

Expected '20-'30 CAGR for # of electric cars in Italy



6M

Target number of electric vehicles in Italy in 2030 according to PNIEC³



66%

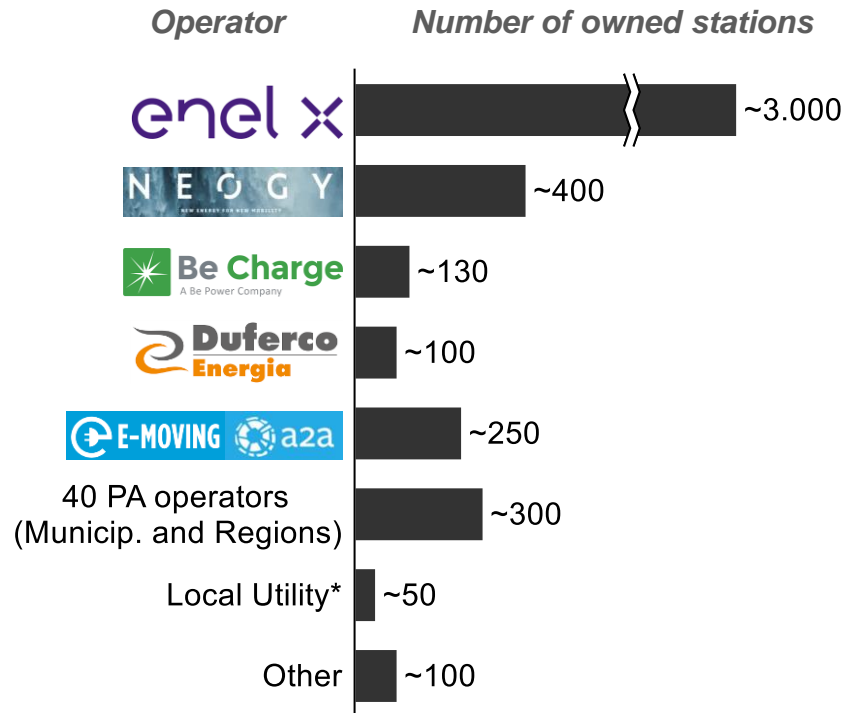
Growth of electric cars' battery capacity within 2025



Commercial & trading Overview

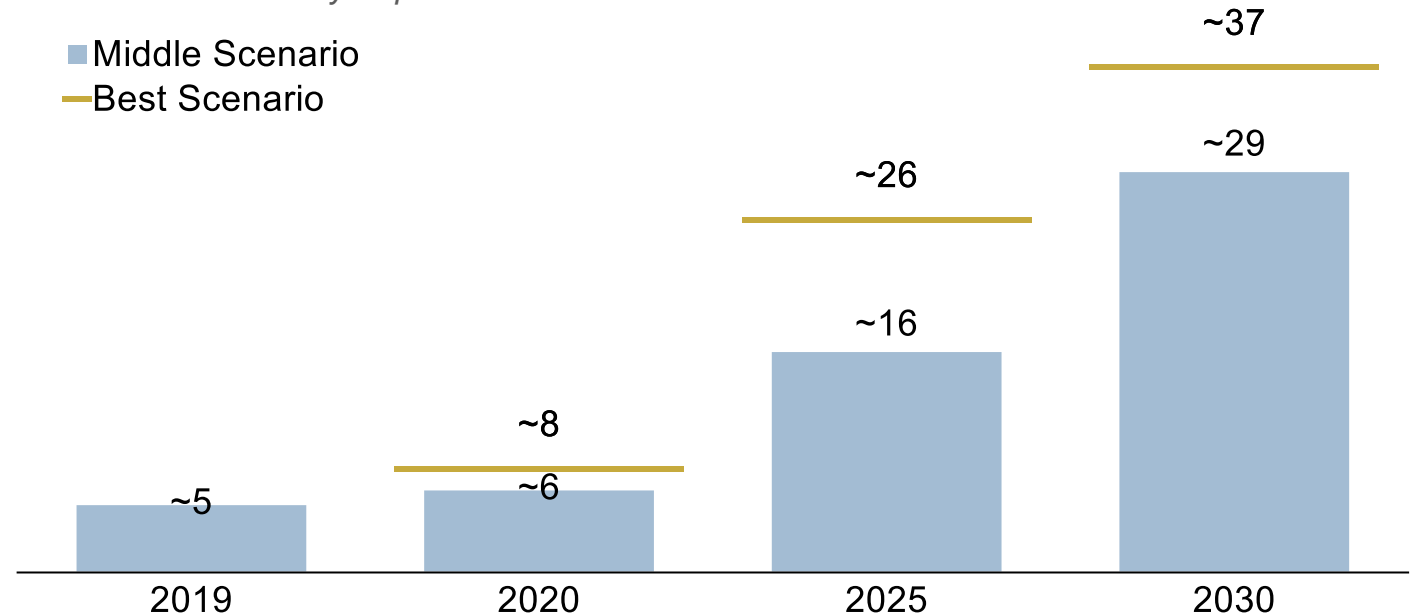
E-mobility market overview

Charging stations active in Italy (June '19)



Expected evolution of charging infrastructure (K) – PoliMi 2019

Thousands of stations (Hypothesis: 1 station stands for 2 charging points)
Source: Smart Mobility Report 2019 – PoliMi



Acea Innovation was founded in May 2020 and it is already installing ~150 charging stations on public areas



Commercial & trading Overview

E-mobility strategy and objectives

Acea objectives

2.200+ cumulative charging stations installed / sold at 2024

1.000+ cumulative charging stations installed on public areas (*mainly in Rome*)

Acea Innovation activities



Supply and installation of **charging stations with different power levels** (e.g. Quick 22kW and Fast 50kW), including also **wallbox**



Installation of **charging stations in both public and private areas** (e.g. public parking in Rome and private parking at shopping centers)



Utilization of **advanced software** (e.g. Omoove) for the **analysis of vehicle traffic and parking**, to identify the best spots where to install charging stations



Definition of **strategic partnership** for the development of specific projects related to e-mobility services, with both **local and national players**

Example in next slide

Acea has the **mission** to:

- **become the first CPO player in Rome**, in terms of number of charging stations owned and installed
- **become the reference MSP player for end users in Rome**, also leveraging on Acea Energia positioning on the commodity



Video Luiss

<https://wetransfer.com/downloads/145762e19f6a9fcf0dba4dd6ce3f360b20201221194349/583c4f7d10cd2882cb7a5543d2e7d92720201221194513/c9eb21>

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.