



Investor Presentation

January 2024

acea



STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



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STRATEGIC GUIDELINES



M9 2023 RESULTS






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ACEA Group: infrastructure operator with a strong presence in regulated sectors¹

 Water #1 by customer base	 Electricity #2 by customer base	 Environment #4 by waste managed
<p>Italy:</p> <ul style="list-style-type: none">• ~9m customers• ~59,000 km network• <30% water leaks in Rome <p>South America:</p> <ul style="list-style-type: none">• 3 countries• ~10m customers <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>	<p>Power grids:</p> <ul style="list-style-type: none">• ~1.7m PODs² for 32,000 km of grid• ~6% grid losses <p>Generation:</p> <ul style="list-style-type: none">• ~0.7 TWh generated <p>Commercial:</p> <ul style="list-style-type: none">• ~1.4m customers <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>	<p>Waste management:</p> <ul style="list-style-type: none">• ~1.7m tonnes waste managed <p>Waste to energy:</p> <ul style="list-style-type: none">• ~47% recycling rate <p>Waste to materials:</p> <ul style="list-style-type: none">• ~340 GWh of energy produced <p>Sources: 2022 Annual Report, 2022 Sustainability Report</p>

Highly challenging outlook for the sector in the coming years



Water¹

Importance of protecting water resources

~18% of **GDP** directly/indirectly linked to the availability of **water**

High leakage rate in Italian system

~42% **leakage rate** in Italy vs. European average of ~23%

Limited public awareness

66% of **Italians** underestimate their water consumption



Electricity²

Energy transition

60-65 **GW** growth in renewables by 2030, of which ~80% solar

Electrification and role of grids

Consumption up 1.5x in 10 years, with need to guarantee system resilience

Significant need for flexibility

10**GW** of energy storage expected by 2030



Environment³

Circular economy drive

+10 **pp** of **plastic waste recyclable** in Europe by 2030

Developments in the regulatory framework

Progressive **regulation of waste in Italy**

New forms of treatment

Waste-to-Chemical and special waste thanks to recent technological developments



Engineering

High demand for **technical expertise** to support the **country's infrastructure investment**

ACEA vision: infrastructure growth to support the country, enabled by people

- High level of service for the **community** (customers, citizens, towns, provinces, regions)
- Development opportunities for **personnel**
- **Shareholder** returns

- **Renewables** (photovoltaic plants)
- **Decarbonisation**, waste recycling, carbon capture
- **Smart cities** (public lighting)



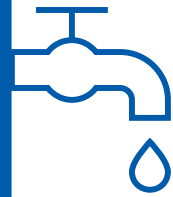
- **National in the integrated water cycle** (internationally scalable)
- **Local in power grids** (Rome)
- **Regional in the environment sector** (central Italy, replicable on a national scale)

- **Major projects** (Peschiera, Waste-to-Energy)
- **On field activities excellence** (digital, AI)

Water: strategic pillars

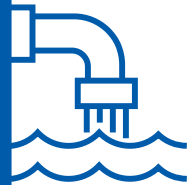
Consolidating the Italian market, positioning the Group as a **Water market leader**, leveraging:

- Solid **track record for delivering services** to 9m inhabitants
- Opportunities to **deliver major strategic projects** for the country



Strengthening the presence in municipal water supply systems in Italy

Infrastructure development (e.g., doubling the Peschiera aqueduct), **geographical expansion, new technologies** (smart meters), incentives to **protect water resources**



Growth in industrial water services

Positioning in the industrial water services market, leveraging **existing assets and distinctive water-related expertise**



Assessment of overseas opportunities

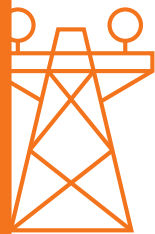
Potential for targeted growth in existing businesses, with scope for partnerships with other operators

Electricity: Strategic pillars

Guaranteeing a **resilient grid** and **protecting quality of service** in the city of Rome

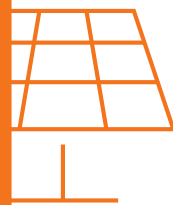
Developing **new renewable capacity** in response to energy transition

Consolidating **retail market performance and service**



Focus on electricity grids in Rome

Boosting the grid's **resilience** and **digitalisation**, improving **service quality**, incentivising **distributed flexibility** and **local dispatching** and offering **smart city services**



Growth in renewables

Developing **photovoltaic plants** to balance the Group's consumption, achieve our **SBTi targets** by cutting emission intensity and contribute to **the country's energy transition**



Consolidate retail market performance and service

Boosting **digital channels**, optimising the **customer management** model, ensuring the **effective transition** of customers to the free market

Environment: Strategic pillars

Consolidating / expanding our leadership in central Italy throughout the waste management chain

Meeting future demand for new Waste-to-Energy plants to dispose waste in central Italy



Consolidation in central Italy

Optimising our existing **industrial footprint**, through **geographical expansion** in **synergy with other businesses**



Growth in Waste-to-Energy

Revamping and developing new lines, leveraging **the Group's extensive experience** in Waste-to-Energy (e.g., expansion and revamping of San Vittore)



Strengthening capabilities in materials recycling

Boosting capabilities and quality in materials recycling to close the waste cycle, assessing **opportunities in new segments** (e.g., Waste-to-Chemical)

ACEA commitment to ESG

E | **Confirmation of our SBTi targets** for cutting CO₂ emissions

Strengthening **the waste recycling chain**

Reducing water leakage

S | Commitment to **gender equality**

Boosting **youth employment**

Boosting **personnel development and training** opportunities

G | **ESG criteria** fully embedded in Risk & Compliance processes

Support supply chain to enable ESG performance

Expand on the **ESG KPIs** monitored by the Group



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A «challenging» market environment

Renewed energy price inflation and ongoing developments in the regulatory framework

Regulation



Water: Updated **regulation of integrated water service tariffs** for the 4th regulatory period (2024-2029) - ARERA Resolution 639/2023

Reti & Smart cities: Tariff regulation for **electricity distribution** for the 6th regulatory period (2024-2027) – ARERA Resolutions 556-497-616-617/2023

Waste: new criteria are being drawn up for **regulation of the waste sector** for non-integrated providers (minimum plants), involving four-year financial plans and regulated tariffs.

Uncertain timing of application

Commercial: auction for non-vulnerable customers on 10th January 2024 (results due to be published on 11th) with the transfer of customers expected in June 2024

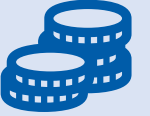
Commodity prices and inflation



Commodity prices rose in the quarter:
PUN in September €116/MWh (+3% vs previous month),
PUN Q3-2023 €113/MWh (+7% vs previous two-month period)
PUN Jan-Sept 2023 €129/MWh (-60% vs 2022)

Inflation in September +0.2% vs previous month and **+5.3%** on a trend basis
Inflation Jan-Sept 2023 +7% vs 2022

Interest rates



Financial costs up vs 2022
Mid Swap 4Y–5Y September 2023: 3.5% - 3.4% vs
Mid Swap 4Y-5Y September 2022: 2.9% - 3%

Highlights 9M 2023

EBITDA GROWTH, INCREASED INVESTMENT IN REGULATED BUSINESSES* AND CONTINUED OPERATIONAL DISCIPLINE

REVENUE

Water Italy, Grids & Smart Cities
and Environment **+4%**



EBITDA

excluding non-recurring events and
changes in scope **+3%**



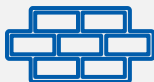
NET PROFIT

excluding non-recurring events and
changes in scope **+3%**



CAPEX

Water Italy, Grids & Smart Cities
and Environment **+5%**



**OPERATING FREE
CASH FLOW
+€112M**



Group revenue of €3.4bn, including approximately €1.8bn from Water Italy, Energy Grids & Smart Cities and Environment segments (+4% versus 9M 2022)

Recurring EBITDA of €992m, up €29m versus 9M 2022 driven by organic growth in regulated businesses (+6% Water Italy and +6% Grids & Smart Cities) and ongoing operating cost efficiencies

Net profit of €209m with EBITDA growth offsetting increase in financial charges caused by rising interest rates and increase in depreciation linked to capex in previous years

Capex of €733m up across regulated businesses in line with investment plans and with the average for 2022

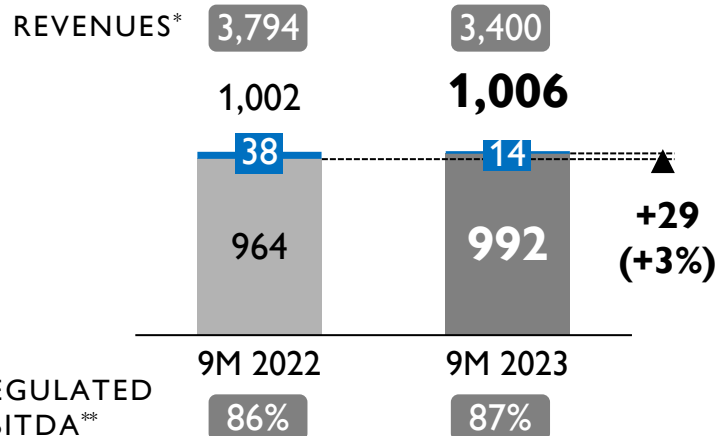
Operating free cash flow of €24m up €112m versus 9M 2022, enabling the Group to maintain a solid financial structure: Net Debt/EBITDA of 3.7x fully in line with guidance (<3.8x)

Overview of 9M 2023 results

ORGANIC GROWTH AND RELAUNCH OF INVESTMENTS

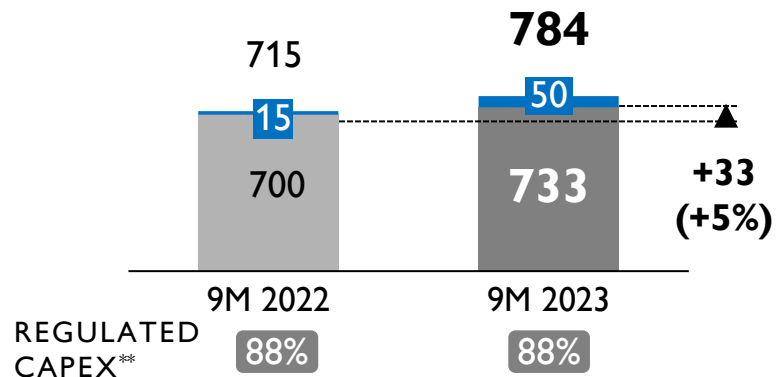
EBITDA (€m)

■ Non-recurring events and changes in scope



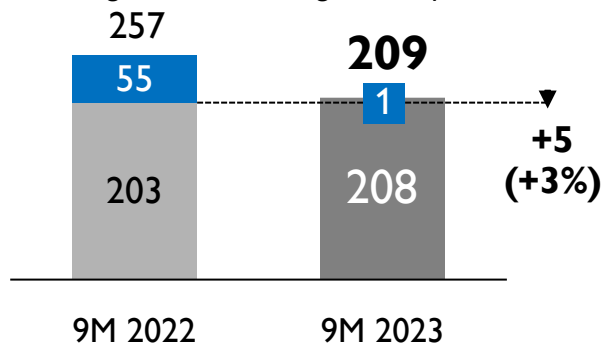
CAPEX (€m)

■ Grant-funded

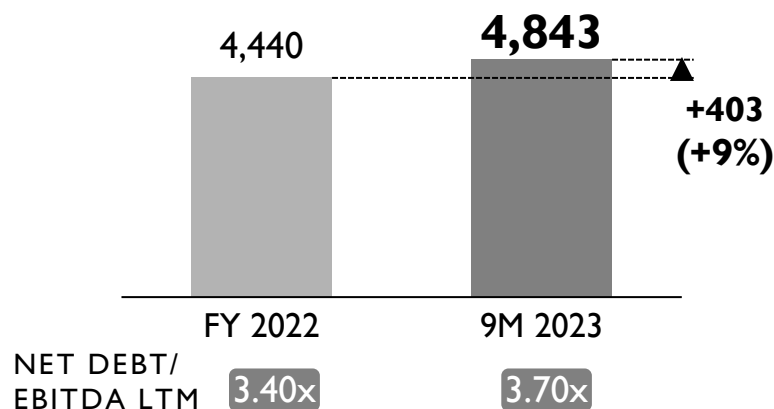


NET PROFIT (€m)

■ Non-recurring events and changes in scope



NET DEBT (€m)



Organic EBITDA growth driven primarily by the regulated businesses and efficiency initiatives, offsetting the negative impact of the energy scenario

Relaunch of the investments in the Water Italy and Grids & Smart Cities businesses

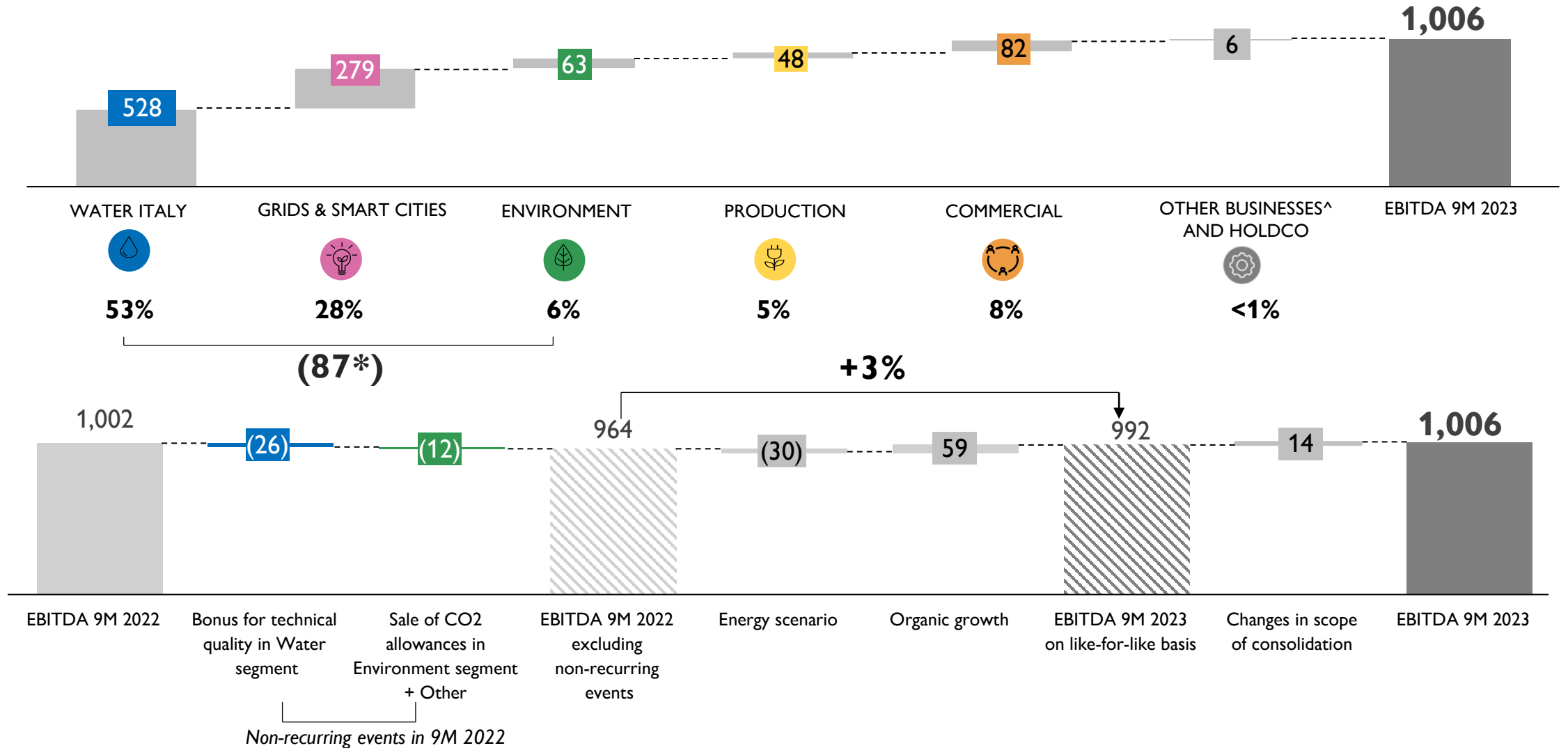
Operating performance has offset increases in depreciation and financial costs

Ratio NET DEBT/EBITDA in line with the guidance for 2023

EBITDA 9M 2023

IMPROVEMENT DRIVEN BY ORGANIC GROWTH OF REGULATED BUSINESSES

EBITDA (€m)



^ Overseas Water, Engineering & Infrastructure Projects.

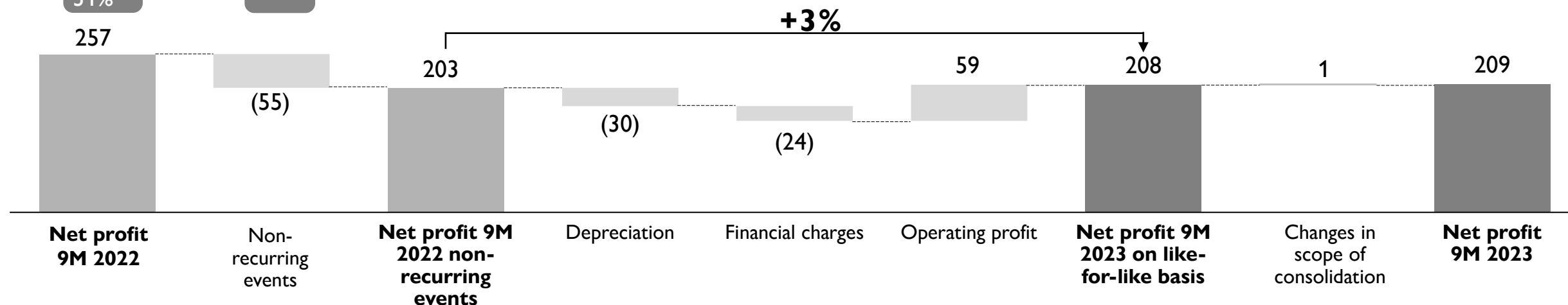
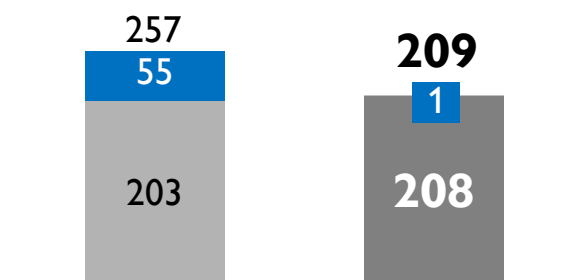
* Includes, in addition to the regulated Water Italy and Grids & Smart Cities businesses, the Environment business.

Net profit 9M 2023

OPERATING EFFICIENCIES AND ORGANIC GROWTH HAVE OFFSET INCREASES IN DEPRECIATION AND FINANCIAL COSTS

NET PROFIT (€m)

■ Non-recurring events and changes in scope



Efficiency improvements and growth of regulated businesses more than offset increase in depreciation and interest rates (rise in rates began in H2 2022)

Profit for 9M 2023 (€209m)

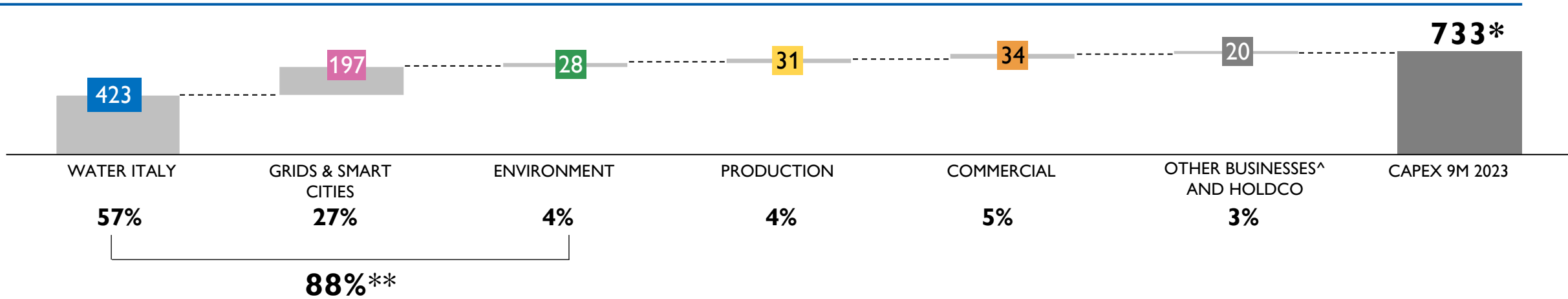
Non-recurring events in 9M 2022 (-€55m), primarily including:

- Gain on sale of stake in photovoltaic assets (-€19m)
- Exemption from obligation to purchase CO2 allowances for Terni's plant (-€8m)
- Bonus for technical quality in the Water segment (-€18m)
- Income from the updating of Gori's debt (-€8m)

CAPEX 9M 2023

INVESTMENT DRIVE CONTINUES WITH FOCUS ON REGULATED BUSINESSES

CAPEX (€m)



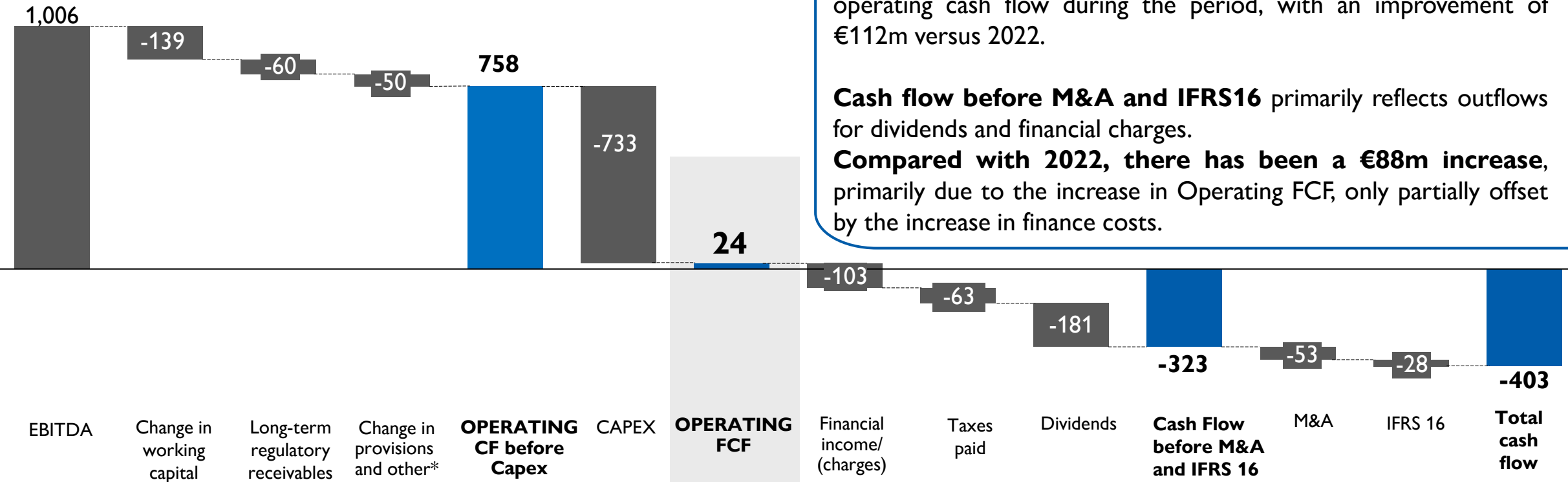
Water Italy	Grids & Smart Cities	Environment	Production	Commercial	Other Businesses and Holdco
<ul style="list-style-type: none"> REPAIR AND WIDENING OF WATER AND SEWER PIPES EXTRAORDINARY MAINTENANCE OF PLANTS AND NETWORKS WORK ON TREATMENT PLANTS CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> UPGRADE OF THE GRID WORK ON PRIMARY AND SECONDARY SUBSTATIONS INSTALLATION OF 2G METERS 	<ul style="list-style-type: none"> WORK ON SAN VITTORE AND TERNI PLANTS CONSTRUCTION OF PLASTIC SORTING PLANT CHANGE IN SCOPE OF CONSOLIDATION 	<ul style="list-style-type: none"> UPGRADE OF HYDROELECTRIC PRODUCTION PLANTS CONSTRUCTION OF PHOTOVOLTAIC PLANTS 	<ul style="list-style-type: none"> CUSTOMER ACQUISITION SMART SERVICES AND E-MOBILITY PROJECTS 	<ul style="list-style-type: none"> CORPORATE: IT PROJECTS

Cash Flow 9M 2023

IMPROVEMENT IN FREE CASH FLOW

CASH FLOW (€m)

9M 2023



Operating FCF of €24m highlights ability to fund capex with operating cash flow during the period, with an improvement of €112m versus 2022.

Cash flow before M&A and IFRS16 primarily reflects outflows for dividends and financial charges.

Compared with 2022, there has been a €88m increase, primarily due to the increase in Operating FCF, only partially offset by the increase in finance costs.

	EBITDA	Change in working capital	Long-term regulatory receivables	Change in provisions and other*	OPERATING CF before Capex	CAPEX	OPERATING FCF	Financial income/(charges)	Taxes paid	Dividends	Cash Flow before M&A and IFRS 16	M&A	IFRS 16	Total cash flow
9M 2022	1,002	(261)	(38)	(92)	611	(700)	(88)	(69)	(72)	(181)	(411)	51	(45)	(405)
Δ 9M 2023 VS 9M 2022	4	122	(22)	43	146	(34)	112	(33)	9	0	88	(104)	17	1

* Provisions for expected credit losses reclassified from the change in provisions to the change in working capital.

Financial structure 9M 2023

LEVERAGE GUIDANCE CONFIRMED, AVERAGE COST OF DEBT 2%

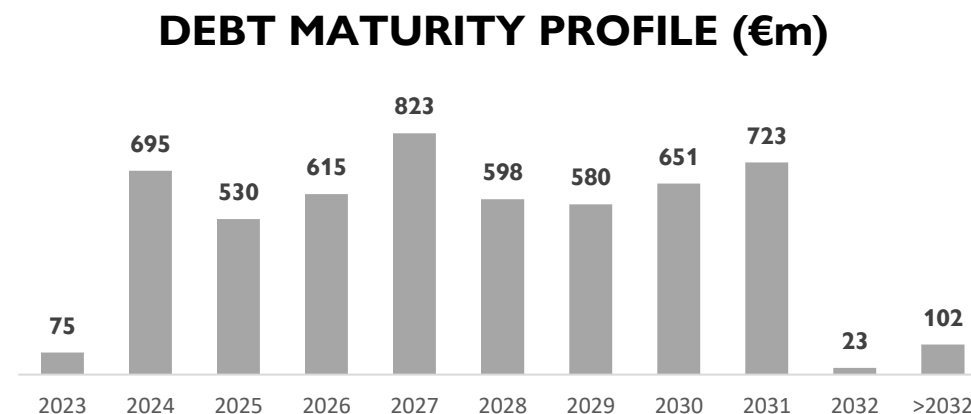
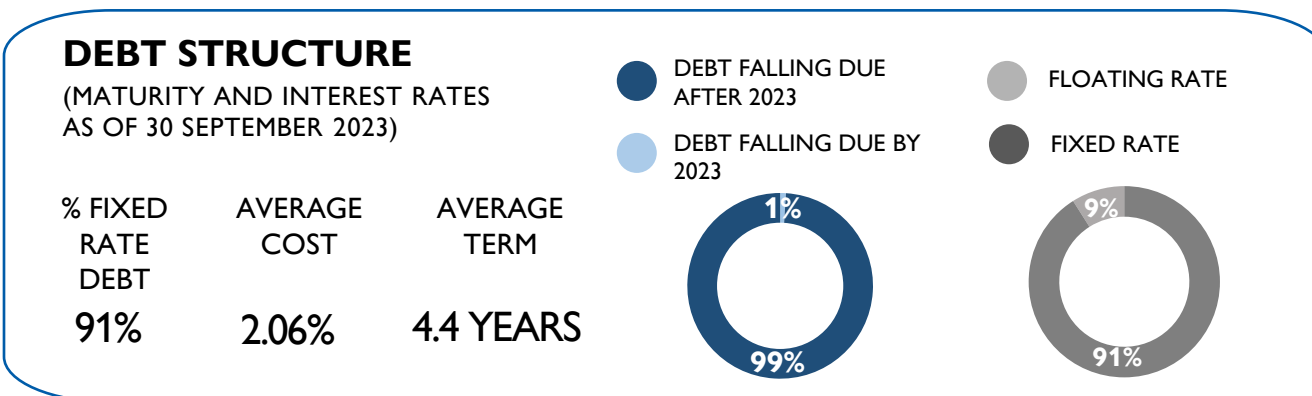
(€m)	CONS 9M 2023	DEC 2022	CONS 9M 2022	CONS 9M 2023 vs DEC 2022	CONS 9M 2023 vs 9M 2022
Net debt	4,843	4,440	4,393	403	450
Long-term debt	4,795	4,723	4,706		
Short-term debt	986	619	756		
Cash and cash equivalents	(938)	(902)	(1,069)		

LEVERAGE

NET DEBT/EBITDA LTM 30 SEPTEMBER 2023	NET DEBT/EBITDA 31 DECEMBER 2022
3.7x	3.4x

RATINGS

FitchRatings «BBB+»	MOODY'S «Baa2»
Negative outlook	Stable outlook*



17 JANUARY 2023
Placement of a new Green Bond worth €500m, paying coupon interest of 3.875% and maturing on 24 January 2031.

3 FEBRUARY 2023
Completion of the €200m tap issue of January's Green Bond on the same terms (coupon and term to maturity).

6 JULY 2023
€435m EIB loan to be used to fund investment in improving the coverage and quality of integrated water services, cutting water losses and boosting energy efficiency.



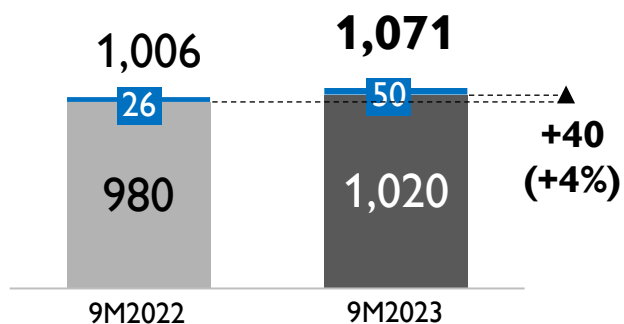
Water Italy[^]: organic EBITDA growth +6%

VALUE CREATION THROUGH INVESTMENT

REVENUE

(€m)

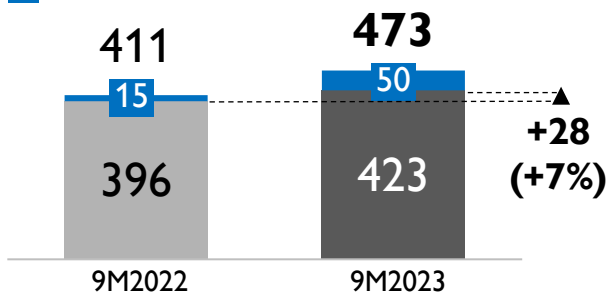
■ Non-recurring events and changes in scope



CAPEX

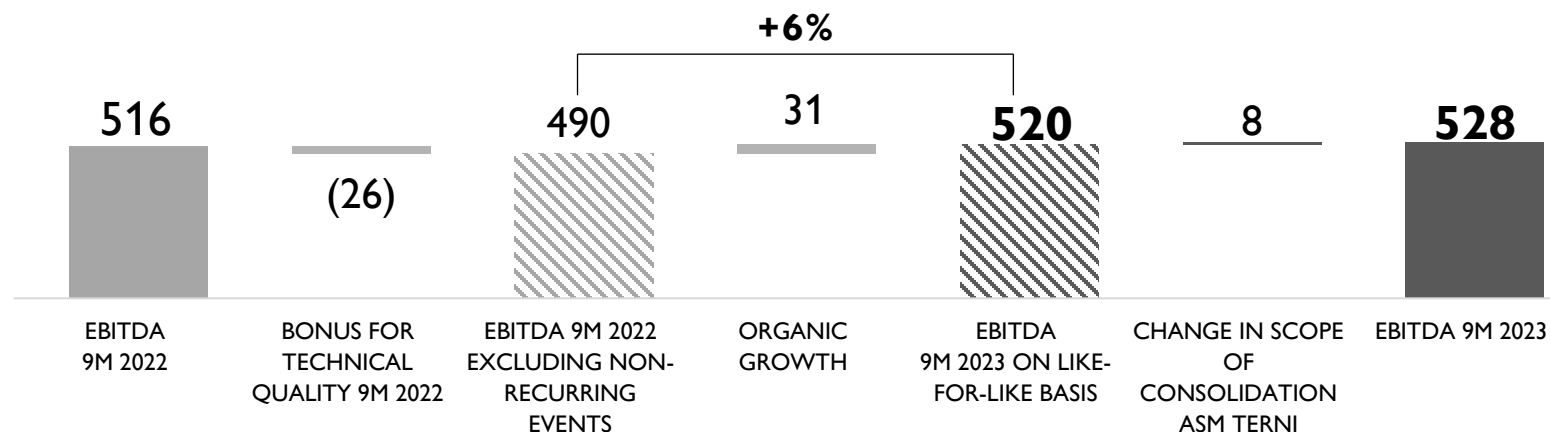
(€m)

■ Grant-funded



ORGANIC EBITDA GROWTH* MAIN DRIVERS

(€m)



COMBINATION WITH ASM TERNI

- ✓ closing of first phase (6 December 2022)
 - ✓ closing of second phase completing the transaction (20 April 2023)
- Acea's stake in ASM Terni rises to 45%

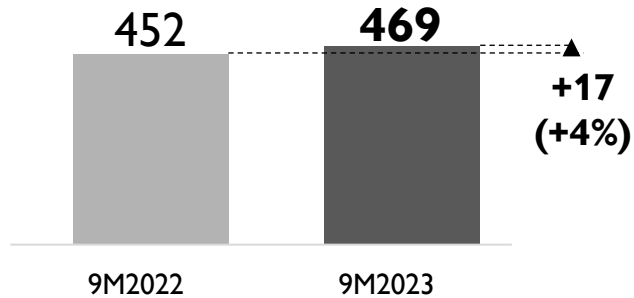


Grids & Smart Cities: EBITDA growth +6%

FOCUS ON RESILIENCE AND DIGITALISATION OF THE GRID

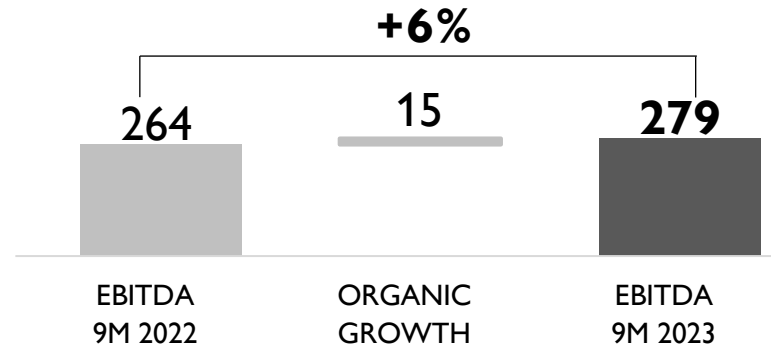
REVENUE

(€m)



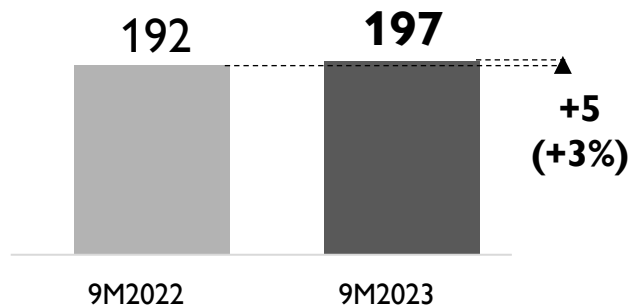
EBITDA MAIN DRIVERS

(€m)

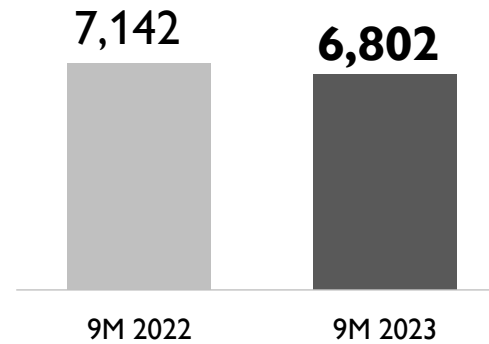


CAPEX

(€m)

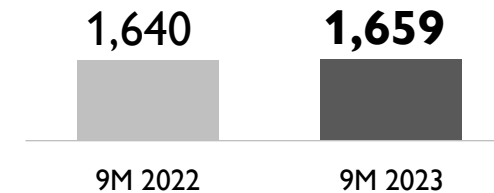


TOTAL ELECTRICITY DISTRIBUTED (GWh)



NUMBER OF PODs

('000s)



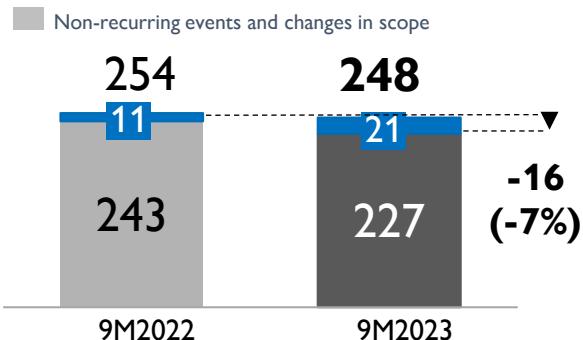


Environment: increase in waste treated +9%

ONGOING INTEGRATION OF PLANTS ACQUIRED IN CENTRAL ITALY

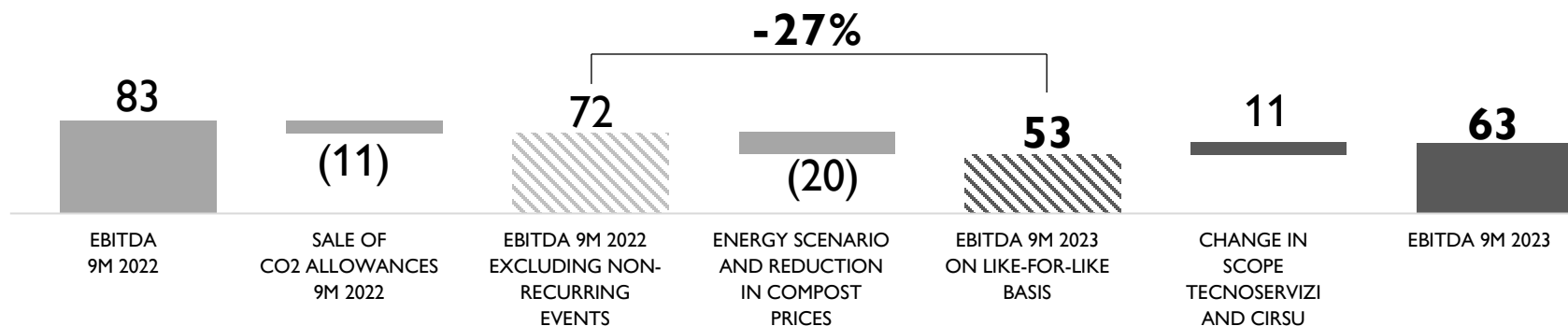
REVENUE

(€m)



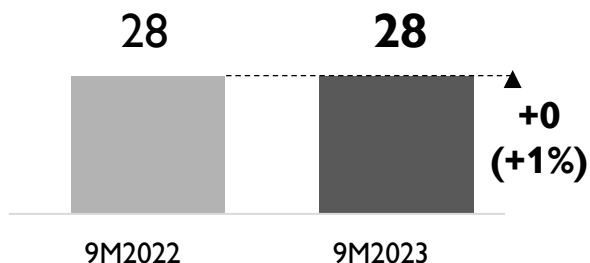
EBITDA MAIN DRIVERS

(€m)



CAPEX

(€m)



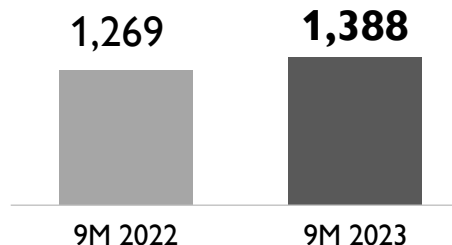
ACQUISITION OF 35% OF DECO

✓ ACEA has increased its stake in Deco, a waste management company in Abruzzo, to 100% (23 January 2023)

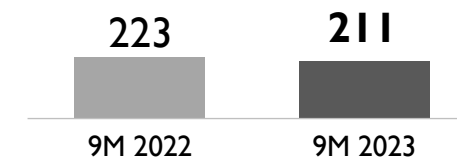
ACQUISITION OF 70% OF TECNOSERVIZI

✓ Tecnoservizi (province of Rome) operating in the mechanical treatment and recovery of urban waste and non-hazardous special waste (3 October 2022)

TREATMENT AND DISPOSAL (KTONNES)



WTE ELECTRICITY SOLD (GWh)





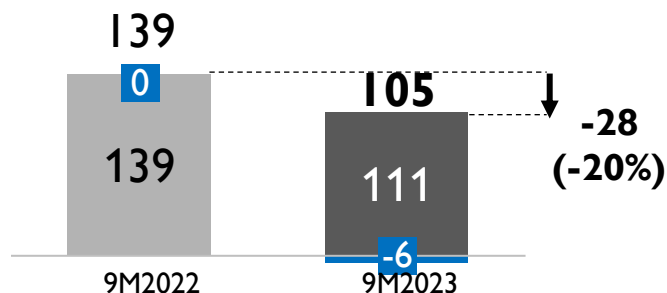
Production: increase in electricity production +14%

OVER 200MW OF READY-TO-BUILD PHOTOVOLTAIC PLANTS

REVENUE

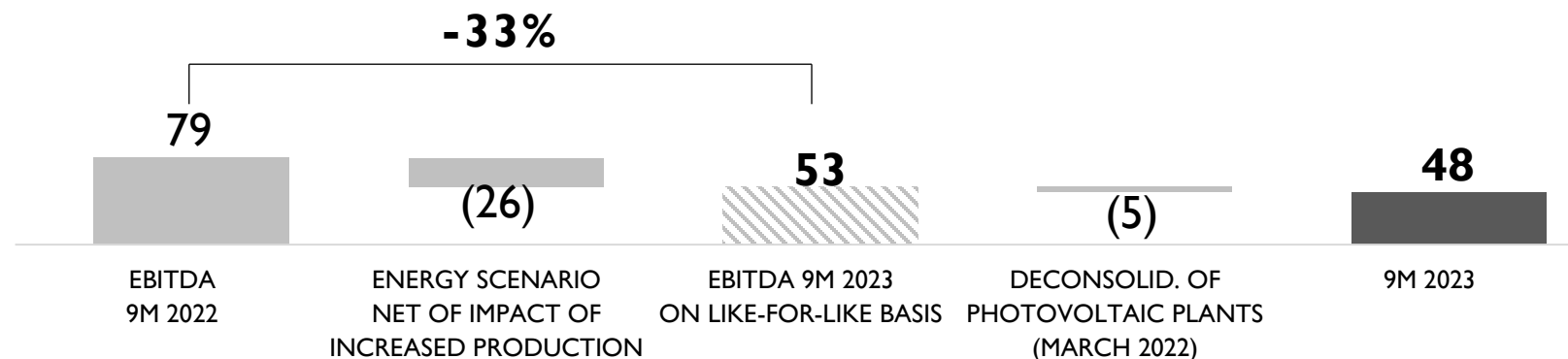
(€m)

■ Non-recurring events and changes in scope



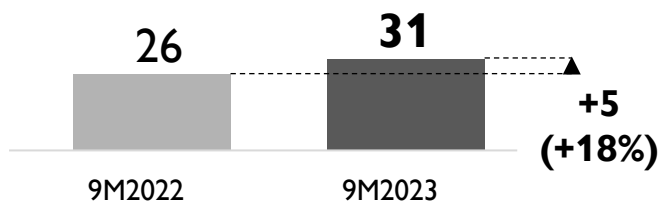
EBITDA MAIN DRIVERS

(€m)



CAPEX

(€m)



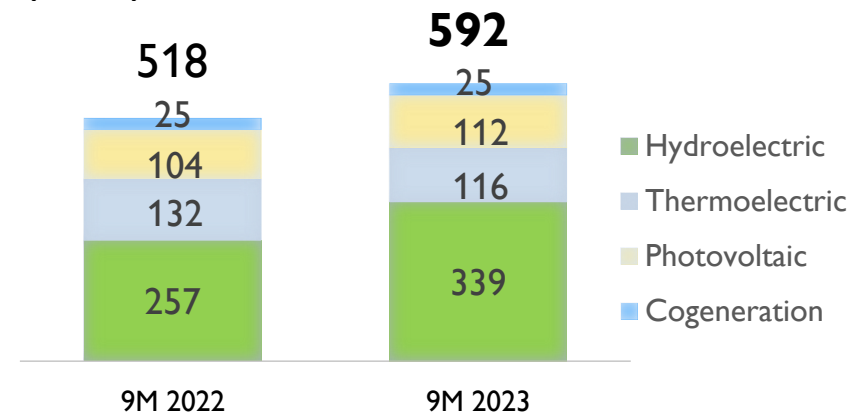
UPDATE PHOTOVOLTAIC PLANTS

Total pipeline of 866 MW

- consents obtained for 208 MW (under construction + ready to build)
- 658 MW awaiting consents

Installed capacity 101 MW

TOTAL ELECTRICITY PRODUCED (GWh)





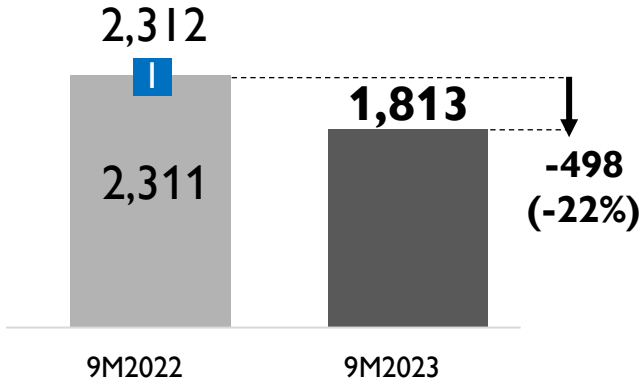
Commercial: EBITDA growth +44%

GROWTH IN FREE MARKET CUSTOMER BASE

REVENUE

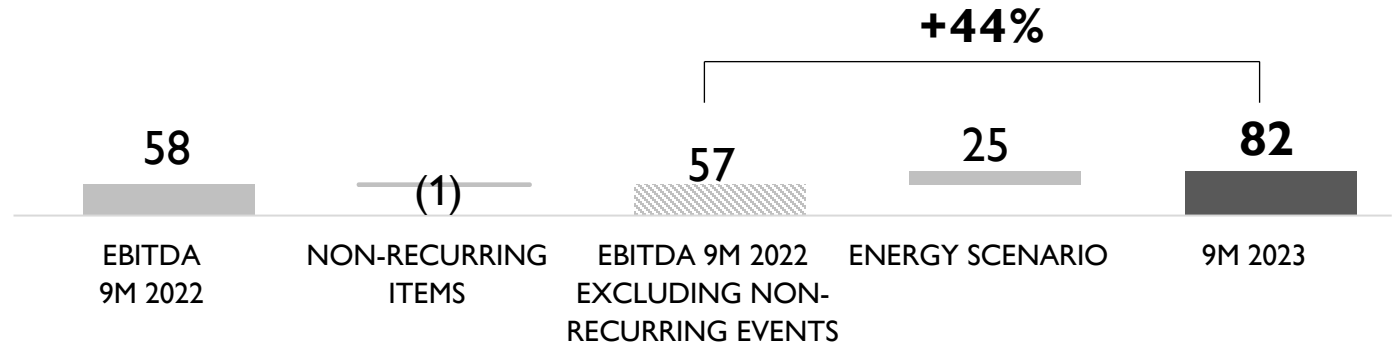
(€m)

■ Non-recurring events and changes in scope



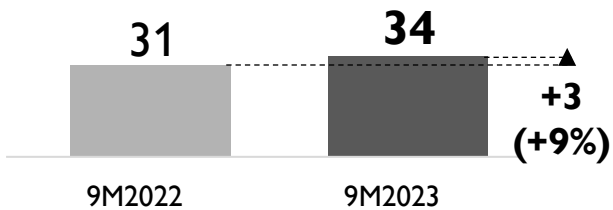
EBITDA MAIN DRIVERS

(€m)

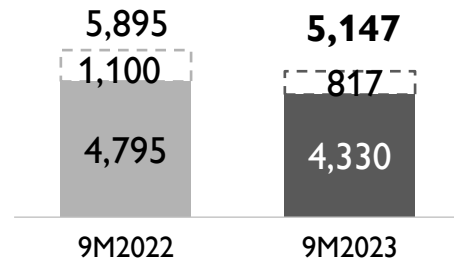


CAPEX

(€m)

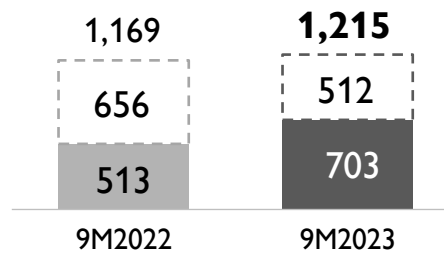


TOTAL ELECTRICITY SOLD (GWH)

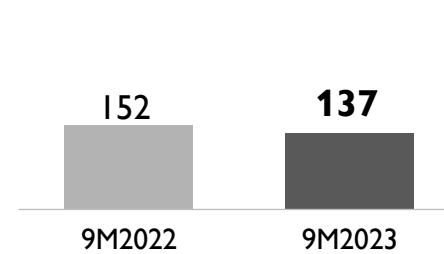


NUMBER OF ELECTRICITY CUSTOMERS ('000s)

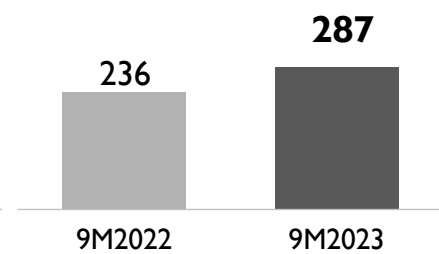
○ FREE MKT ○ EN. PROT. MKT



TOTAL GAS SOLD (Mmc)



NUMBER OF GAS CUSTOMERS ('000s)





STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



ANNEX

Sustainable growth pathway in early 2023

KEY DEVELOPMENTS

DECO

January 2023

Completion of the acquisition of the remaining 35% of DECO (waste management in the Abruzzo region).

New WTE in Rome

March 2023

Expression of interest in bidding for the contract for the new Santa Palomba WTE plant (Rome) submitted together with Suez, Hitachi Zosen Inova and Vianini Lavori.

Combination with ASM Terni

April 2023

Closing of the second phase of the business combination involving ACEA, ASM Terni and the Municipality of Terni.

SIMAM

April 2023

Completion of the acquisition of the remaining 30% of SIMAM, specialising in engineering, the construction and operation of water and waste treatment plants and in environmental and remediation projects).

WMS (Waidy Management System)

May 2023

WMS, ACEA's technology platform for sustainable water cycle management, receives award in the Service Design category.

Partnership with Acquedotto Pugliese

June 2023

Signature of a Memorandum for the development of joint projects for the protection of water resources and technological innovation.

EIB loan

July 2023

€435m EIB loan obtained.

Safeguarding legality

July 2023

Signature with the Ministry of Internal Affairs of a «National Framework Agreement for the safeguarding of legality».

Illuminazione Pubblica

September 2023

Approval of the proposal for a potential settlement agreement with Roma Capitale regarding the public lighting service.

Technical and Contractual Quality bonus

October 2023

ACEA ATO2 ranked as the best operator in Italy with regard to reducing water losses.

Technical Quality bonus awarded to ACEA ATO2 for the two-year period 2020-2021: €24.7m.

Sustainable growth pathway in early 2023

KEY DEVELOPMENTS

Top Employers Italia 2023

January 2023

Acea obtains «Top Employers Italia 2023» certification.

Gender-Equality Index

January 2023

Confirmation of inclusion in the «Gender Equality Index», with a score of 81.58.

RSE Top Utility for Research and Innovation

March 2023

Winner of the award as «RSE Top Utility for Research and Innovation».

People and Participation Charter

May 2023

Signature with the labour unions of a “People and Participation Charter”.

Standard Ethics

July 2023

Standard Ethics upgrades ACEA’s Corporate Standard Ethics Rating (SER) to “EE+” from the previous “EE” with a “Positive” outlook.

SBTi

September 2023

Science Based Targets initiative (SBTi) validates Acea’s direct and indirect greenhouse gas emission targets.

Sustainability ratings



62/100



«EE+»
Positive outlook



«B»
Management
Level



«A»



81.58/100



«Leader ESG
Identity»



ESG risk
Rating
20.1

Consolidated income statement and statement of financial position at 30 September 2023

Consolidated income statement (€000)

	9M 2023	9M 2022	Increase/ (Decrease)
Sales and service revenues	3,291,370	3,677,828	(386,458)
Other operating income	108,882	115,979	(7,097)
Consolidated net revenue	3,400,252	3,793,807	(393,555)
Staff costs	259,276	224,184	35,092
Cost of materials and overheads	2,154,055	2,623,693	(469,638)
Consolidated operating costs	2,413,331	2,847,877	(434,546)
Net profit/(loss) from commodity risk management	0	34,547	(34,547)
Profit/(loss) on non-financial investments	19,462	21,833	(2,371)
Gross operating profit	1,006,382	1,002,310	4,072
Net impairment losses/(reversals of impairment losses) on trade receivables	64,060	73,854	(9,794)
Amortisation, depreciation and provisions	499,656	443,776	55,880
Operating profit/(loss)	442,666	484,680	(42,014)
Finance income	28,241	20,530	7,711
Finance costs	(131,467)	(78,982)	(52,485)
Profit/(loss) on investments	1,064	19,574	(18,510)
Profit/(loss) before tax	340,504	445,802	(105,298)
Income tax expense	103,854	162,080	(58,226)
Net profit/(loss)	236,650	283,722	(47,072)
Net profit/(loss) from discontinued operations			
Net profit/(loss)	236,650	283,722	(47,072)
Net profit/(loss) attributable to non-controlling interests	27,225	26,325	901
Net profit/(loss) attributable to owners of the Parent	209,425	257,397	(47,972)
Earnings/(Loss) per share attributable to owners of the Parent			
<i>Basic</i>	<i>0.98338</i>	<i>1.20864</i>	<i>(0.22526)</i>
<i>Diluted</i>	<i>0.98338</i>	<i>1.20864</i>	<i>(0.22526)</i>
Earnings/(Loss) per share attributable to owners of the Parent net of treasury shares			
<i>Basic</i>	<i>0.98531</i>	<i>1.21101</i>	<i>(0.22570)</i>
<i>Diluted</i>	<i>0.98531</i>	<i>1.21101</i>	<i>(0.22570)</i>

Consolidated statement of financial position (€000)

	30 September 2023	31 December 2022	Increase/ (Decrease)
Property, plant and equipment	3,264,629	3,144,250	120,379
Investment property	2,003	2,256	(253)
Goodwill	254,561	255,048	(487)
Concessions and infrastructure rights	3,682,323	3,470,906	211,417
Intangible assets	397,209	420,191	(22,982)
Right-of-use assets	103,584	90,397	13,187
Investments in unconsolidated subsidiaries and associates	365,615	348,885	16,731
Other investments	3,025	3,007	19
Deferred tax assets	216,238	179,823	36,415
Financial assets	24,874	30,531	(5,657)
Other non-current assets	672,089	615,144	56,946
Non-current assets	8,986,151	8,560,435	425,716
Inventories	125,969	104,507	21,462
Trade receivables	1,296,282	1,267,445	28,837
Other current assets	403,211	458,780	(55,569)
Current tax assets	62,151	26,296	35,855
Current financial assets	468,998	342,085	126,913
Cash and cash equivalents	468,457	559,908	(91,451)
Current assets	2,825,068	2,759,022	66,046
Non-current assets held for sale	18,296	19,076	(779)
TOTAL ASSETS	11,829,515	11,338,533	490,983
Share capital	1,098,899	1,098,899	0
Legal reserve	157,838	147,501	10,337
Other reserves	72,815	27,743	45,072
Retained earnings/(accumulated losses)	756,265	737,400	18,865
Net profit/(loss) for the period	209,425	279,725	(70,300)
Total equity attributable to owners of the Parent	2,295,241	2,291,268	3,974
Equity attributable to non-controlling interests	481,732	463,975	17,757
Total equity	2,776,974	2,755,243	21,731
Staff termination benefits and other defined-benefit obligations	109,370	112,989	(3,618)
Provisions for liabilities and charges	317,439	218,025	99,414
Borrowings and financial liabilities	4,794,633	4,722,263	72,370
Other non-current liabilities	439,448	399,628	39,820
Non-current liabilities	5,660,890	5,452,905	207,986
Borrowings	985,915	619,418	366,498
Trade payables	1,669,441	1,849,980	(180,539)
Tax liabilities	12,978	26,810	(13,831)
Other current liabilities	723,108	632,259	90,850
Current liabilities	3,391,444	3,128,466	262,977
Liabilities related directly to assets held for sale	207	1,919	(1,712)
TOTAL EQUITY AND LIABILITIES	11,829,515	11,338,533	490,983

Financial highlights for Engineering & Infrastructure Projects, Overseas Water and the Holdco

ENGINEERING & INFRASTRUCTURE PROJECTS

(€m)	9M 2023	9M 2022	% change
Revenue	82.7	84.4	-2.0%
EBITDA	4.5	7.9	-42.5%
Capex	3.3	3.0	+7.6%

OVERSEAS WATER

(€m)	9M 2023	9M 2022	% change
Revenue	73.5	70.0	+4.9%
EBITDA	27.5	25.2	+9.3%
Capex	3.7	3.2	+16.5%

HOLDCO

(€m)	9M 2023	9M 2022	% change
Revenue	105.1	107.9	-2.6%
EBITDA	(26.3)	(30.4)	-13.6%
Capex	13.2	21.5	-38.5%



STRATEGIC GUIDELINES



M9 2023 RESULTS



ANNEX M9 2023



ANNEX



REGULATION



2022 RESULTS



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



REGULATION



2022 RESULTS

Water Italy - Regulation

TARIFF REGIME FOR THE FOURTH REGULATORY PERIOD (*MTI-4*) 2024 - 2029

ARERA RESOLUTION: 639/2023

CONFIRMED THIRD REGULATORY PERIOD GENERAL OVERVIEW AND REVENUE CALCULATION METHODOLOGY (i.e. Guaranteed Revenue Constraint (VRG)).

- **Greater visibility:** regulatory period of 6 years (2024-2029), with potential two-year revision of RF (Real Risk-free), WRP (Water Utility Risk Premium) and Kd (cost of debt expressed in real terms) parameters
- **Allowed return: 6.13%** (compared to *MTI-3* allowed return of 4.8%), determined based on the sum of 4.31% for the financial charge component and 1.82% for the tax charge component. Recognition of a 1% time lag on investments from 2012 confirmed
- **Revenues cap for the 6 regulatory schemes:** maximum annual variations between 5.95% (scheme 2) and 9.95% (scheme 6). As regards scheme 5, which includes ATO2, the annual limit is 8.45% (compared to 6.2% during the 2020-2023 regulatory period)
- **Expected inflation: 2.7%**
- **RAB deflator:** 3.4% for 2023, 2.8% for 2024
- **Inflation rates applied for revision of allowed opex:** 4.5% for 2023, 8.8% for 2024
- Increase in **late-payment cost** component
- **Introduction of an incentive mechanism**, for the first two years of the regulatory period (2024-2025), **in favour of energy and environmental sustainability** (wastewater reuse and reduction of energy costs)
- **WIPs pertaining to non-strategic works:** remuneration to cover financial charges for 4 years (1st year at 4.31%, up to the minimum level represented by the Kd for the 4th year)

Grids & Smart Cities – Regulation (1/2)

Areti's concession expires in 2030

ARERA RESOLUTION 556/2023 – «Revision of rate of return on invested capital for infrastructure services in the electricity and gas sectors for the year 2024»

- **2024 WACC** electricity distribution: **6.0%**

ARERA RESOLUTION 497/2023 – «Application Criteria for Spending and Service Objectives (ROSS) for the transport of natural gas and the transmission, distribution and metering of electricity. Amendments to TIROSS 2024-2031 and RTTG 6PRT»

- Application of the ROSS-base solution from 2024 for electricity distributors serving at least 25K PODs
- Capital costs of 2G smart meters excluded from the scope of application
- Work in progress included in the RAB
- Reduction in the time lag for CPI and deflator

ARERA RESOLUTION 616/2023 – «Tariff regulation of electricity distribution and metering services for the period 2024-2027»

Operator combination incentives

- Both in the case of operators subject to the parametric regime (serving less than 25K PODs) and the ROSS-base regime (serving at least 25K PODs) and in the case of combinations involving a distributor serving between 25K and 100K PODs and one serving over 100K PODs.

Rationalisation of HV grid assets

- Proposed one-off bonus to be paid to the selling distributor, expressed as a percentage (decreasing according to the year of sale: 4% by 2025, 3% by 2026 and 2027) compared with the revalued historical cost of the power lines/cables being sold.

2024 allowed opex

- Baseline of unit operating costs confirmed for each company according to the eligible operating costs effectively incurred in 2022. This baseline is revalued considering 2023 and 2024 inflation (provisionally inferred from the Bank of Italy's publication "Macroeconomic Projections for the Italian Economy", respectively corresponding to 6.0% and 1.9%)
- RAB deflator: reduction of time lag to 1 year (the deflator for 2024 tariffs will take account of the values referring to both 2022 and 2023, namely respectively 4.2% and 1.6%, as shown in the Draft Budgetary Plan)

Grids & Smart Cities – Regulation (2/2)

ARERA RESOLUTION 617/2023 – «Approval of output-based regulations and the commercial quality of electricity distribution and metering services, with effect from 1 January 2024»

Incentives for the use of non-repayable funding

- Bonus for the use of non-repayable funding by electricity distributors equal to 10% (as opposed to the current approximate figure of 8.6%).

Output-based incentives

- Output-based incentive for distribution grid development interventions: reserved for operators serving over 100K PODs who have the obligation to draw up grid development plans. The resolution sets the incentive mechanism for 2024, whereas the mechanism pertaining to the three years 2025-2027 will be defined by way of a subsequent measure.

Incentives for the implementation of compensation arrangements for reactive energy input in critical areas

- The right to receive a bonus corresponding to the reactive energy input tariff charges paid by the company in the 24 months preceding the entry into service of the arrangement and during the month in question.

Environment - Regulation

ARERA RESOLUTION 363/2021 (MTR-2) – «Approva of the tariff regime for waste (MTR-2) for the second regulatory period 2022-2025»

- The scope of application covers **treatment plants used in the «recovery and disposal» of all urban waste**, regardless of how it is subsequently classified. **Recycling chains**, managed by recycling consortia and other entities, are, on the other hand, **not addressed**.
- **Regional planning** has been given a decisive role in **defining plants involved in closure of the cycle**, operating in structurally rigid markets (insufficient capacity to meet demand for treatment), **as «minimum»**. These plants are subject to **revenue caps**.
- Plants not classified as «minimum» as part of the planning process will be considered **«additional»**: these plants **will not be subject to regulated tariffs** but will only be subject to disclosure requirements.
- In a later resolution (68/2022/R/rif dated 22 February 2022), ARERA determined, in line with the approach adopted when setting the TIWACC for the energy sectors, the **WACC** for the regulatory period **2022-2025** – save for any intra-period adjustments – as **6% for facilities not integrated into the waste cycle** (the WACC for the integrated cycle is instead 5.6%).
- With Determination 01/DRIF/2022 of 22 April 2022, ARERA approved the standard formats for the documents constituting the tariff proposal that the operators of "minimum" plants submit to the competent bodies, i.e., EGATOs or regional authorities. Reference is made, in particular, to financial plans and the accompanying report.
- In DGR 290/2022 dated 27 April 2022, Lazio Regional Authority designated the San Vittore nel Lazio, Aprilia and Sabaudia plants as «minimum» plants.
- In DGR 375/2022 dated 12 May, Umbria Regional Authority designated the Orvieto plant (landfill, MBT and composting) as «minimum» plants.
- Abruzzo Regional Authority has yet to make an announcement in this regard.

ARERA RESOLUTION 487/2023 – «Evaluation of the parameters forming the basis for calculating the cost of capital, in implementation of ARERA Resolution 389/2023/R/rif, concerning the two-yearly review (2024-2025) of the Waste Tariff Regime (MTR-2)»

- Confirmation at the time of initial application of the amounts for determining the rate of return.
- Any future revisions taking into account determinations regarding the trigger mechanism referred to in art. 8 of the TIWACC (contained in Annex A to Resolution 614/2021/R/COM) are unaffected.



STRATEGIC GUIDELINES



H1 2023 RESULTS



ANNEX H1 2023



ANNEX



REGULATION



2022 RESULTS

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 3.4 x

DIVIDEND FLAT IN A «CHALLENGING» ENVIRONMENT

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

GUIDANCE 2023

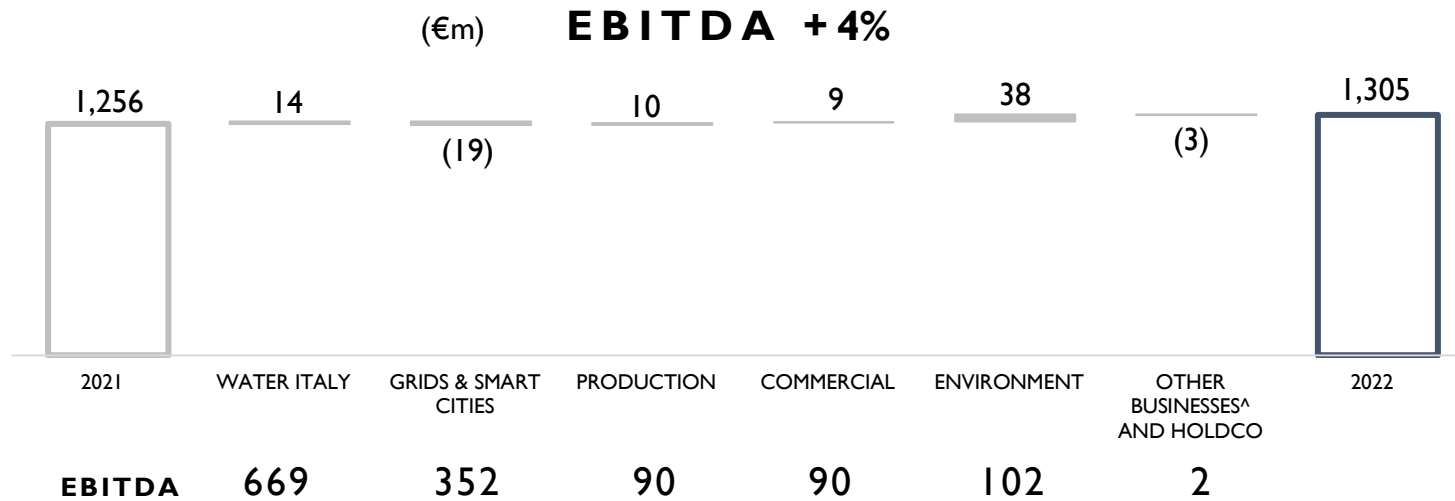
EBITDA	CAPEX	NET DEBT/EBITDA
+2%/+4% VERSUS 2022	BROADLY IN LINE WITH 2022	BELOW 3.8X

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

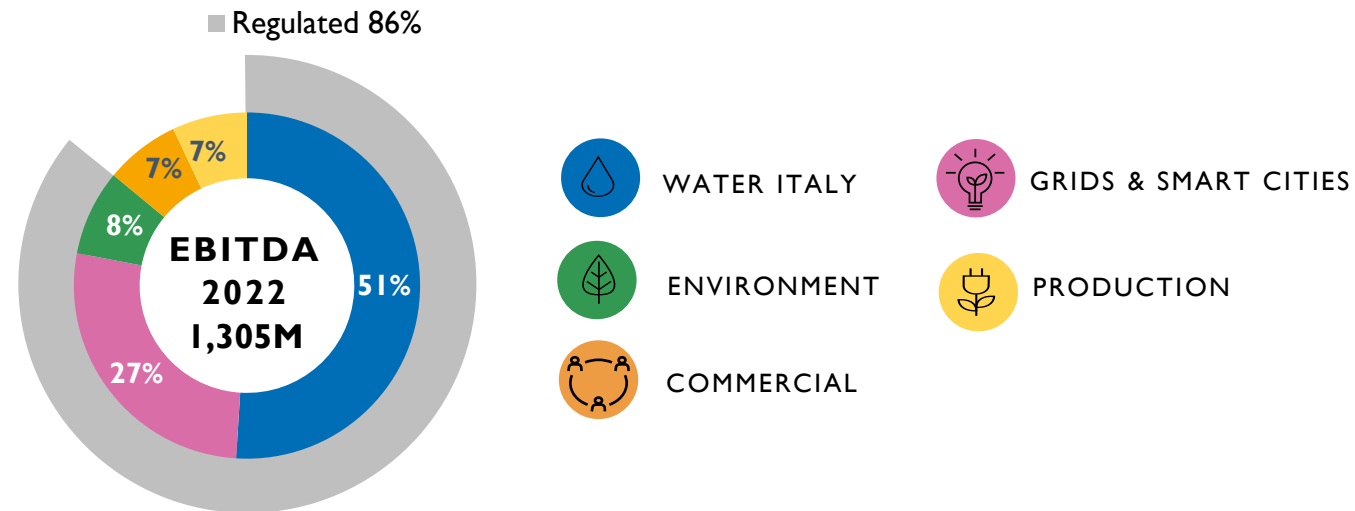
[^] The Board of Directors will propose payment of the dividend to the Annual General Meeting of shareholders called for 18 April 2023, in first call, and 20 April 2023, in second call.

^{**} Based on consolidated net profit after non-controlling interests. ^{***} Based on the share price at 30 December 2022.

EBITDA 2022

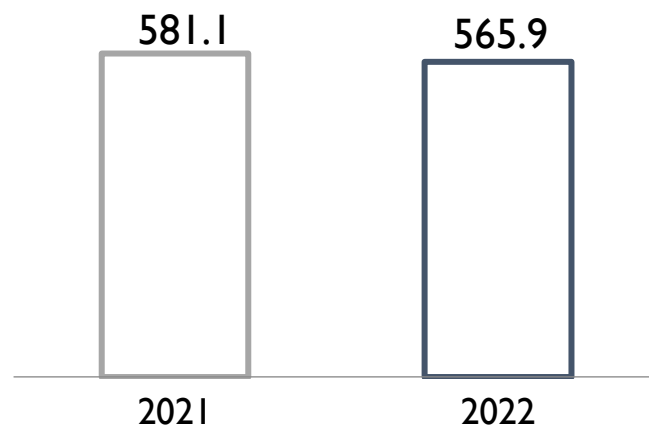


- ### MAIN DRIVERS
- ✓ Impact of electricity distribution regulation **(-€26m)**
 - ✓ Impact of energy scenario **(+€37m)**
 - ✓ Technical quality bonus for water services **(+€27m)**
 - ✓ Release of Terni plant from obligation to purchase CO2 allowances **(+€18m)**

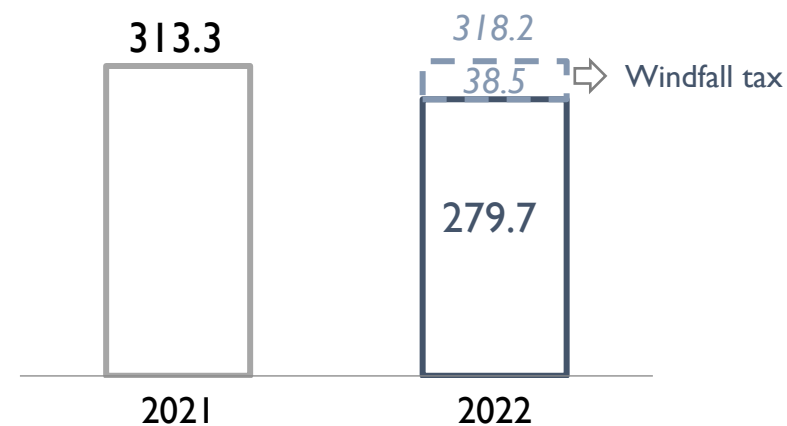


EBIT AND NET PROFIT 2022

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%

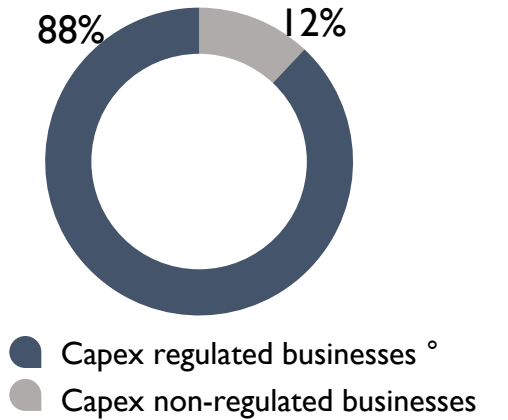
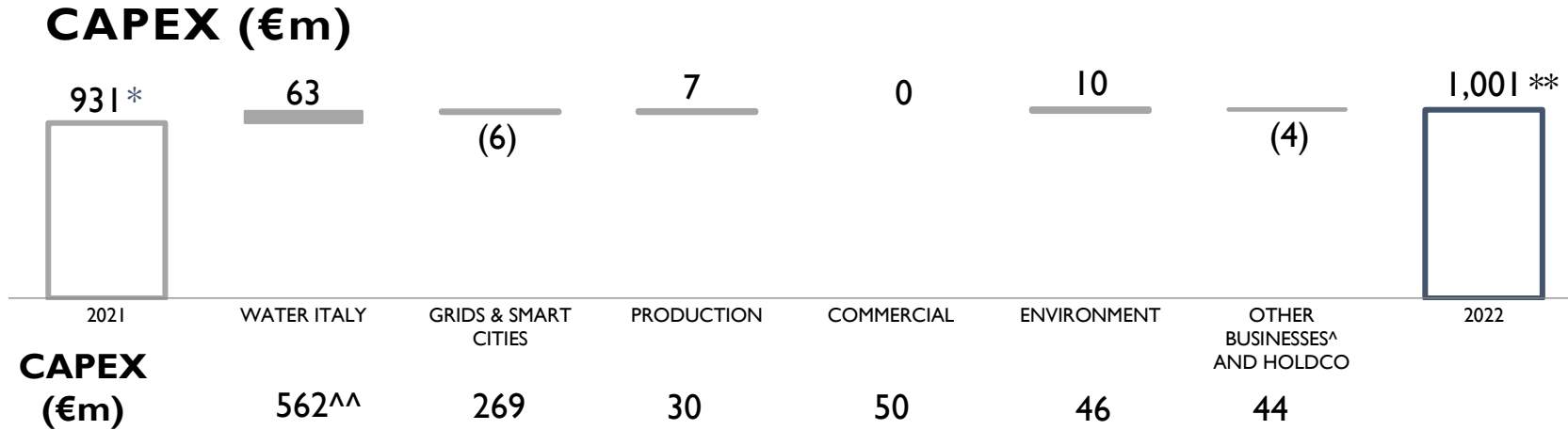
INCREASE IN PROVISIONS FOR POTENTIAL DETERIORATION IN THE ECONOMIC SITUATION

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 ITALY	GRIDS & SMART CITIES	ENVIRONMENT	PRODUCTION	COMMERCIAL	OTHER BUSINESSES AND HOLDCO
<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

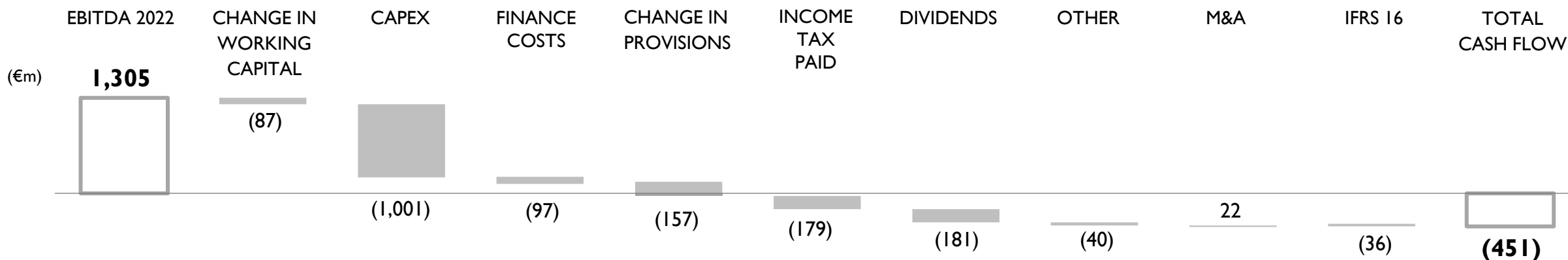
CASH FLOW 2022

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)

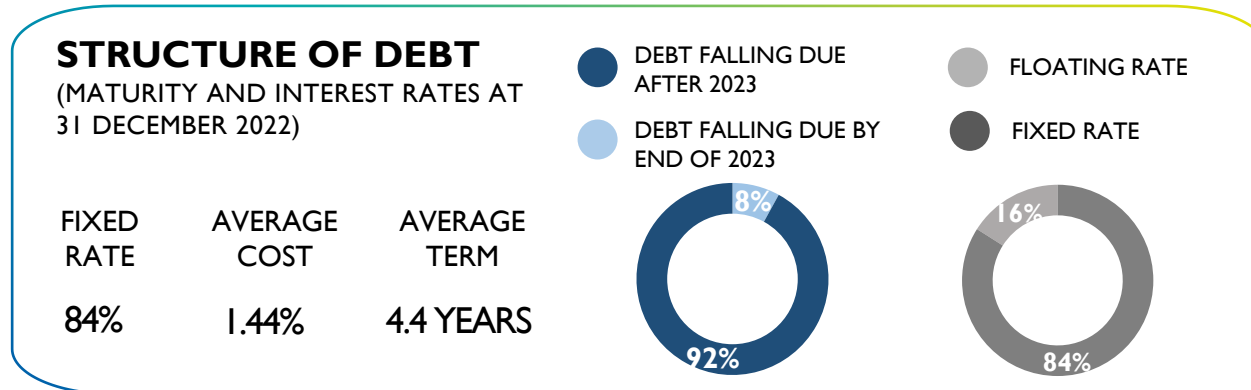
FREE CASH FLOW

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



FINANCIAL STRUCTURE 2022

(€m)	31 Dec 22 (A)	31 Dec 21 (B)	30 Sept 22 (C)	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



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

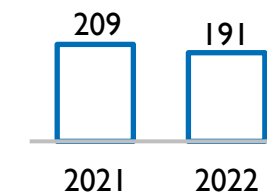


WATER ITALY INCLUDING GAS DISTRIBUTION

FINANCIAL HIGHLIGHTS 2022

(€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%

SLUDGE DISPOSED OF (ktonnes)



EBITDA main drivers



+2%

**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



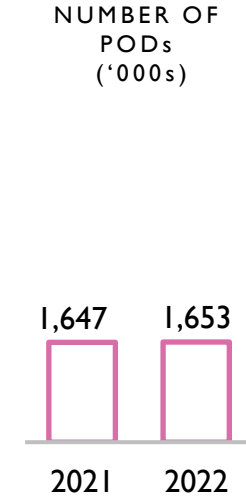
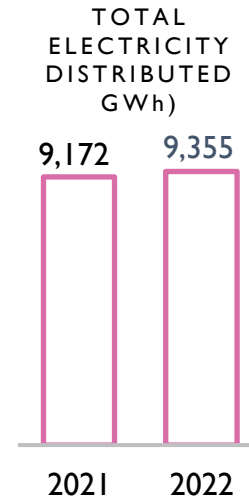
-€8.5m



GRIDS & SMART CITIES

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

(€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%



EBITDA main drivers



-5%

ELECTRICITY DISTRIBUTION ARETI



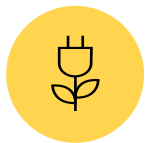
70-bps reduction in WACC from 5.9% to 5.2%

-€26m

2G ELECTRICITY METERS

Number installed at 31 December 2022

~ 650k

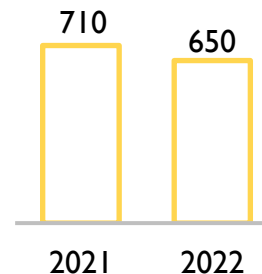


GENERATION

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

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

TOTAL ENERGY PRODUCED (GWh)*



EBITDA main drivers



+13%



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

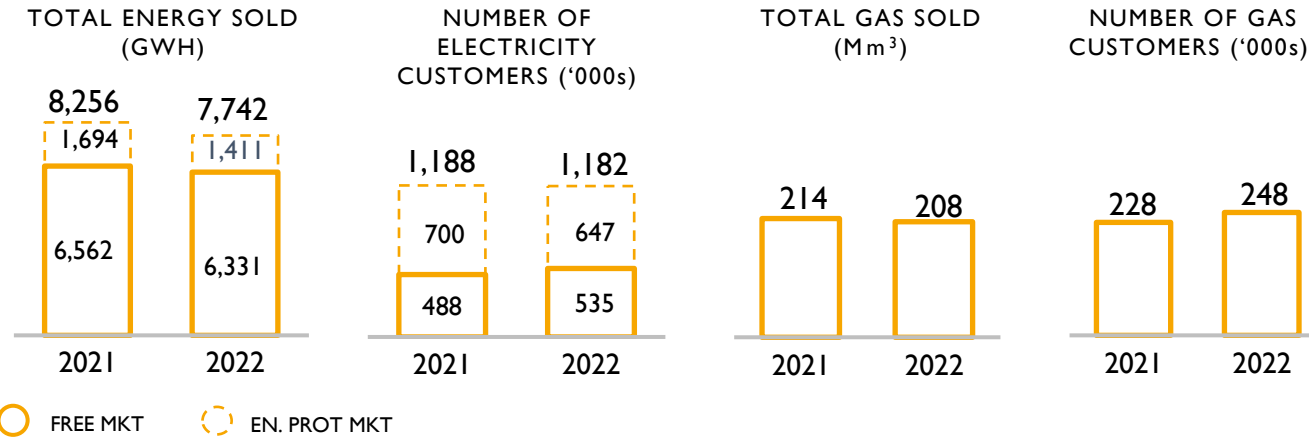
-€18.3m



COMMERCIAL

FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

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



EBITDA Main drivers



+12%

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

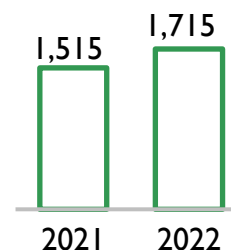


ENVIRONMENT

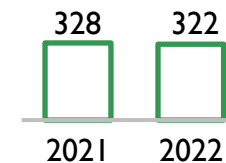
FINANCIAL AND OPERATIONAL HIGHLIGHTS 2022

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

TREATMENT AND DISPOSAL (KTONNES)



ELECTRICITY SOLD (GWh)



EBITDA Main drivers



+60%

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 ITALY

8.6m Inhabitants served, Italy's largest water company

30 Mm³ Water loss reduction (-6%)



ENVIRONMENT

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

37,000 Tonnes of quality compost produced (+31%)



GRIDS & SMART CITIES

9,355 GWh of electricity distributed

~605k 2G smart meters installed



COMMERCIAL

42% Green energy sold out of total energy sold on free market



PRODUCTION*

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



ENGINEERING & INFRASTRUCTURE PROJECTS

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)

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.

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