

9M 2023 RESULTS

November 9th, 2023

KEY HIGHLIGHTS

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EBITDA growth (+13% yoy) driven mainly by the recovery of the Market BU's profitability and stronger hydro generation External growth led by the full integration of our Collection activities in Tuscany and the newly consolidated water network in Sicily

Organic growth in regulated businesses counterbalanced by inflation

Technical Capex at 550€M

9M 2023

RESULTS

HIGHLIGHTS

SG

KEY FINANCIAL

NETWORKS

NASTE

ENERGY

MARKET

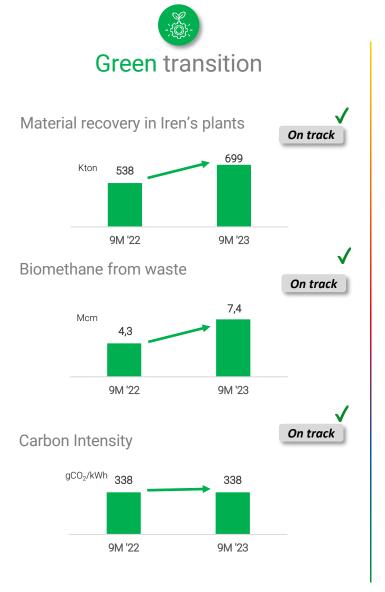
EBITDA -NET PROFI

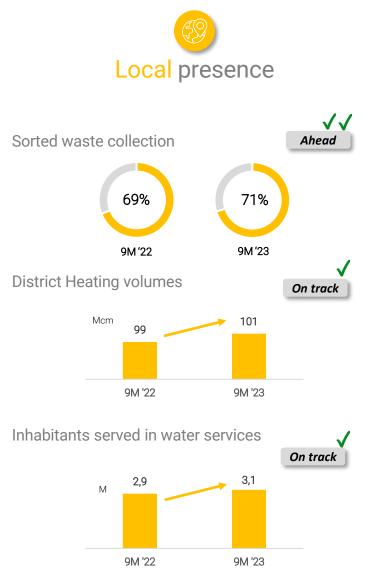
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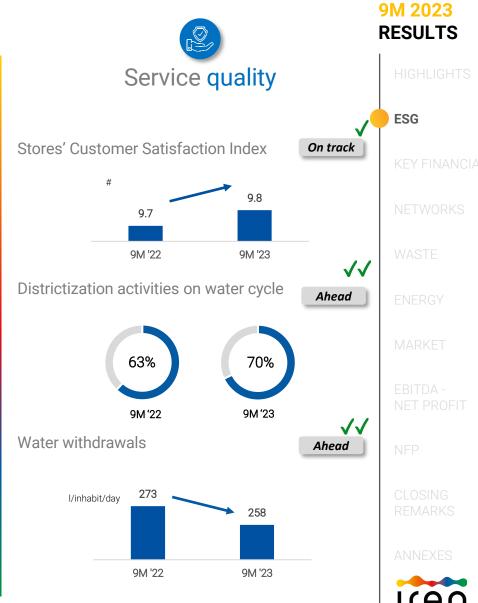
CLOSING REMARK



SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE QUARTER _





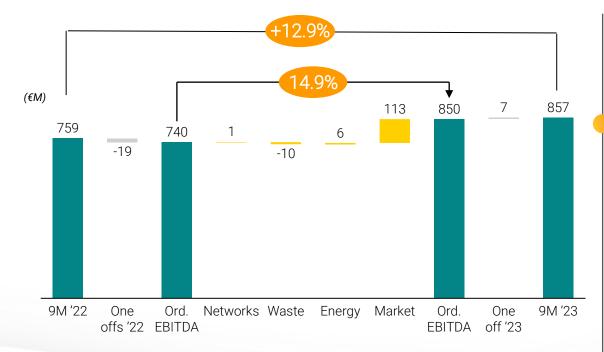


ENERGY SUPPLY RECOVERY DRIVEN EBITDA GROWTH



	9M '22	9M '23	Δ	Δ%
Revenues	5.644	4.626	-1.018	-18,0%
EBITDA	759	857	98	12,9%
EBIT	321	325	4	1,0%
EBIT Adj.**	321	366	45	14,0%
Group net profit	141	177	36	25,6%
Technical capex***	557	548	-9	-1,6%
Net Financial Position	3,347*	3.930	583	17,4%

EBITDA EVOLUTION



Tailwinds

- Market BU profitability recovery
- Higher hydroelectric prices and volumes
- Integration of collection activities in Tuscany and newly consolidated water network in Sicily



Headwinds

- Strong MSD reduction
- Lower Heat volumes
- Organic growth offset by inflation impact on opex

9M 2023

RESULTS

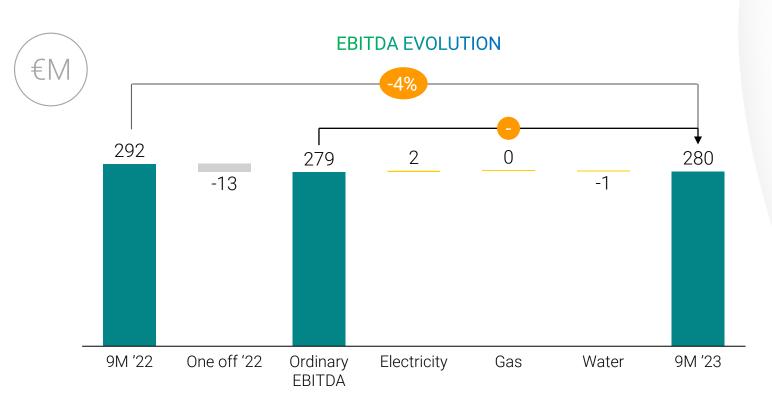
KEY FINANCIALS

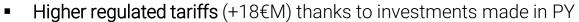


^{*} FY 2022 Data

^{***} Adjusted for provisions related to Italian Government's clawback decree on renewable prices (41€M) **** Total investments, including M&A and other, at 831€M (-23% vs 9M 2022)

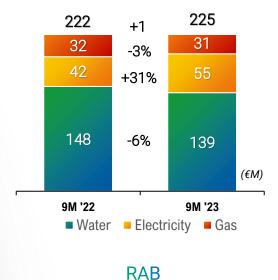
NETWORKS Tariffs increase offset by severe inflation impact on opex

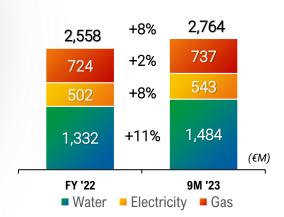




- Persistent severe inflation scenario affecting operational costs
- Strong investment in electricity continued (+31%) in line with BP's targets
- Consolidation in water sector (+4€M): Acquaenna, operating in Sicily







9M 2023

RESULTS

HIGHLIGHTS

SG

KEY FINANCIAL

NETWORKS

VASTE

ENERGY

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EBITDA -

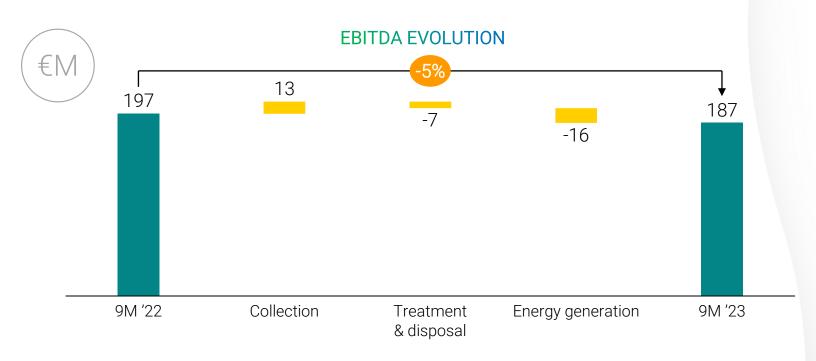
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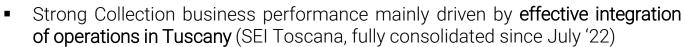
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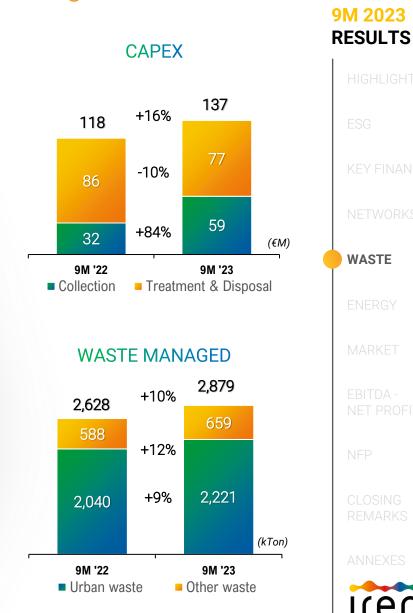
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Lower prices scenario partially counterbalanced by external growth

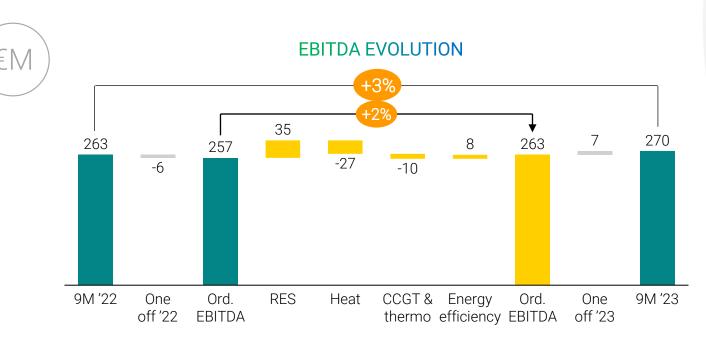




- Lower recyclable waste prices and brokerage margins. Contribution of new plants (FORSU and wood) not fully reflected in numbers due to start-up costs and ramp-up activities
- Lower **energy margins**, as a results of energy scenario



ENERGY Hydro margins offset by the MSD downside trend



- RES benefited from higher Hydro volumes (+49% yoy) in combination with higher prices as a result of an effective hedging activity
- Clients' consumptions optimization and mild temperatures over past winter led to a severe reduction in Heat distributed
- CCGT & Thermo performance impacted by the reduction in MSD demand (25€M vs 70€M in '22) partially offset by a positive clean spark spread and the full availability of Turbigo plant
- Energy efficiency's positive performance

9M 2023

RESULTS

HIGHLIGHTS

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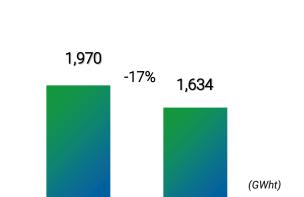
EBITDA -

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CLOSING REMARKS

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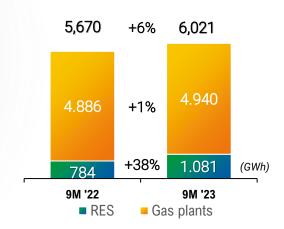


HEAT DISTRIBUTED

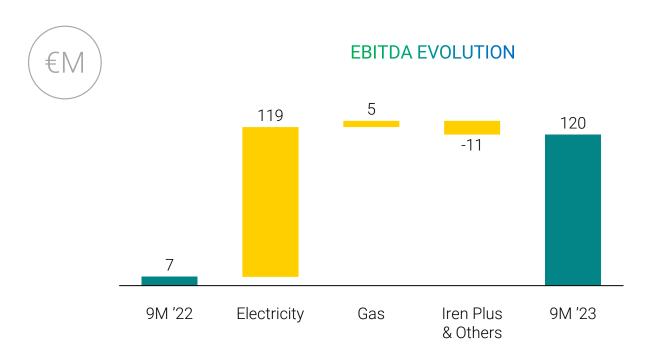
ELECTRICITY PRODUCED

9M '23

9M '22

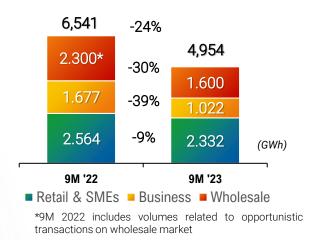


MARKET Confirmation of the recovery of electricity' portfolio value

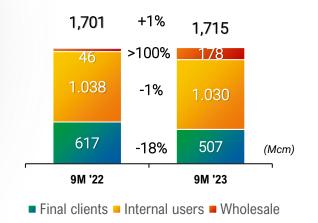


- Recovery of the full value of the electricity portfolio
- Decrease in electricity volumes sold linked to strategic decision to increasingly focus on retail rather than business customers to reduce volatility in combination with energy saving actions put in place by retail clients
- Positive gas performance despite volumes contraction due to mild winter temperatures and severe demand reduction
- The end of incentives led to a slowdown in Iren Plus product sales









9M 2023

RESULTS

HIGHLIGHTS

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EBITDA TO GROUP NET PROFIT RECONCILIATION



	9M '22	9M '23	Δ	Δ%
EBITDA	759	857	98	12,9%
D&A	-393	-435		
Provisions to bad debt	-52	-51		
Other provisions and write-downs	7	-46		
EBIT	321	325	4	1,0%
EBIT Adj.	321	366	45	14,0%
Financial charges	-52	-64		
Companies consolidated at equity method	5	4		
Others	8	0		
EBT	282	265	-17	-6,1%
Taxes	-111*	-69		
Minorities	-30	-19		
Group net profit	141	177	36	25,6%

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 Depreciation increase linked to new companies' integrations and industrial investments made in the period

 Provisions affected by Italian Government clawback decree on renewable prices for €41M (14€M related to 2022 and 27€M to 2023)

• Cost of debt at 1.8% (vs 1.6% in 2022)

■ Tax rate at 26.0% benefiting from newly introduced tax credits for 2023 (for high energy consuming companies)

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9M 2023 RESULTS

26

KEY FINANCIALS

NETWORKS

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MARKET

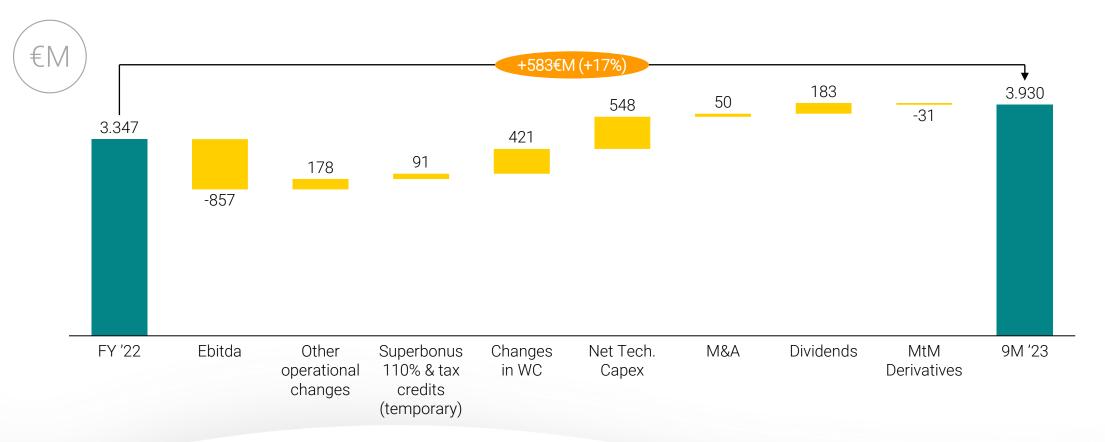
EBITDA -NET PROFIT

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NET FINANCIAL POSITION EVOLUTION (9M 2023 VS FY2022)



NWC reduction is expected by the end of the year thanks to:

- Continuous reduction of Superbonus 110% tax credits
- Confirmed normalization of gas payment terms with energy suppliers (restored conditions as before gas market tensions)
 starting from October

9M 2023

RESULTS

HIGHLIGHTS

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KEY FINANCIALS

NETWORKS

WASTE

ENERG'

MARKET

EBITDA -NET PROFI

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CLOSING REMARKS

Guidance 2023 CONFIRMED

• EBITDA +10% vs FY2022

Gross Investments at 1.3€B

■ NFP/EBITDA: **3,3**x

9M 2023

RESULTS

HIGHLIGHTS

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KEY FINANCIALS

VETWORKS

WASTE

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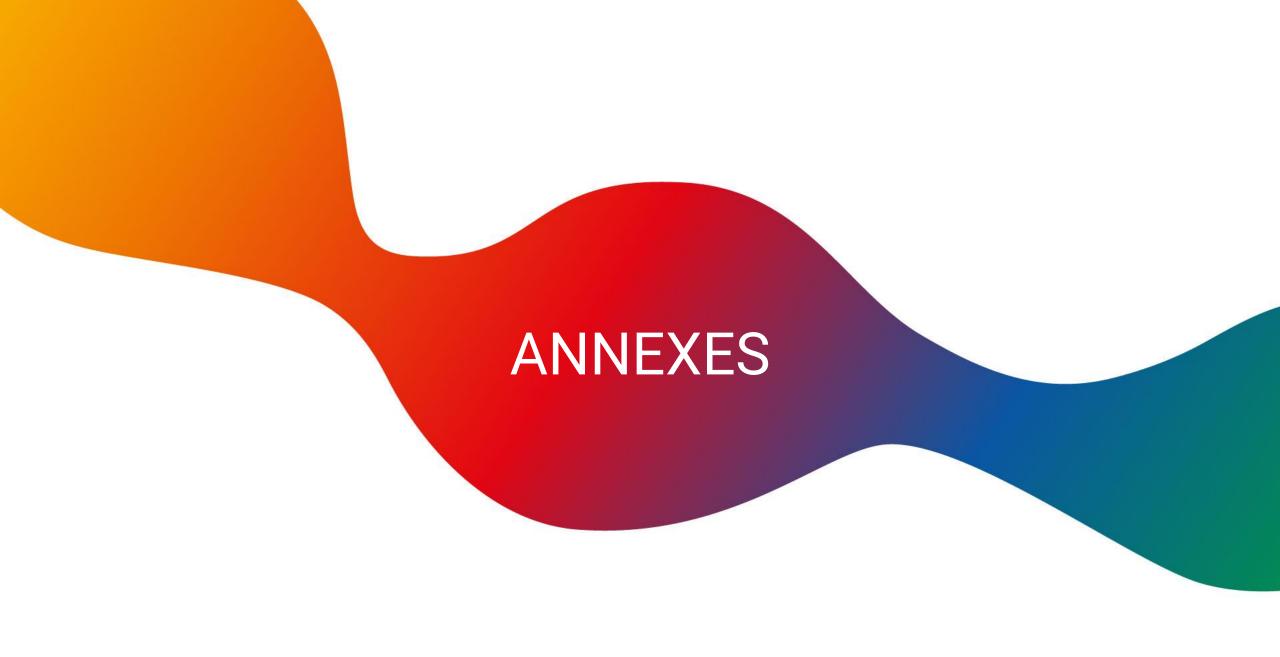
MARKET

EBITDA -

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9M 2023 BUSINESS UNITS' RESULTS _____

NETWORKS						
€M	9M '22	9M '23	Δ	Δ%		
Revenues	832	827	-5	-1%		
Ebitda	292	280	-12	-4%		
Electricity	57	59	2	4%		
Gas	60	60	0	0%		
Water	175	161	-14	-8%		
Ebit	142	121	-21	-15%		
Gross Capex	222	225	3	1%		

ENERGY					
€M	9M '22	9M '23	Δ	Δ%	
Revenues	3.394	2.263	-1131	-33%	
Ebitda	263	270	7	3%	
Hydro&Renewables	78	113	35	45%	
Thermo/Coge, DH	152	116	-36	-24%	
Energy eff. & others	33	41	8	24%	
Ebit	156	102	-54	-35%	
Gross Capex	105	72	-33	-31%	

WASTE					
€M	9M '22	9M '23	Δ	Δ%	
Revenues	784	879	95	12%	
Ebitda	197	187	-10	-5%	
Collection	42	55	13	31%	
Treatment & disposal	155	132	-23	-15%	
Ebit	98	67	-31	-32%	
Gross Capex	118	137	19	16%	

MARKET					
€M	9M '22	9M '23	Δ	Δ%	
Revenues	3.832	2.904	-928	-24%	
Ebitda	7	120	113	(*)	
Electricity	-74	45	119	(*)	
Gas	66	71	5	8%	
Iren Plus & others	15	4	-11	-73%	
Ebit	-76	33	109	(*)	
Gross Capex	61	60	-1	-2%	

(*) Variation greater than 100%

9M 2023

RESULTS

HIGHLIGHTS

SG

KEY FINANCIAL

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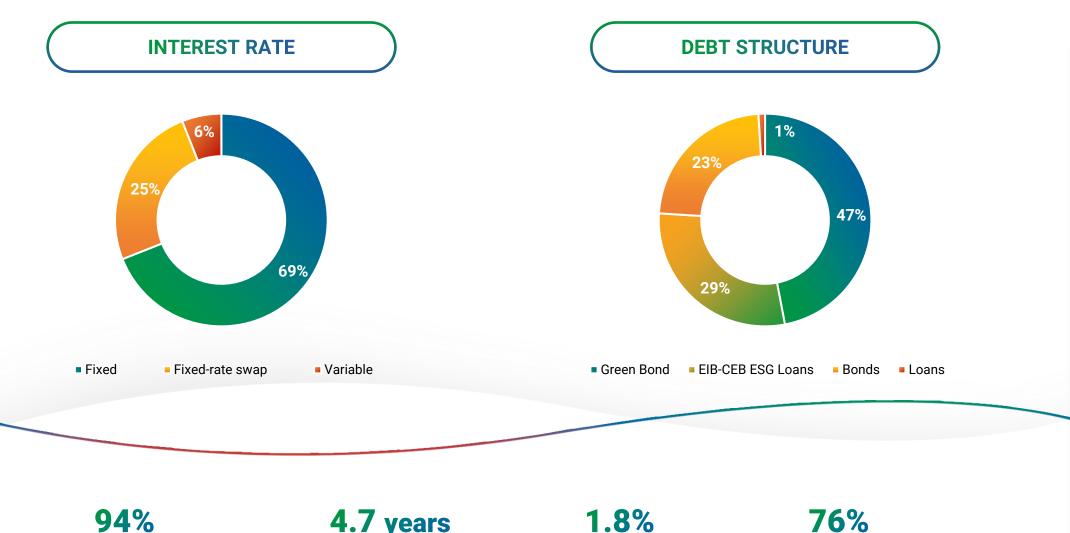
EBITDA -

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A SOUND AND SUSTAINABLE DEBT STRUCTURE



Fixed rate debt

4.7 years

Average duration

1.8%

Average cost

76%

Sustainable debt

9M 2023

RESULTS



INDUSTRIAL KPIS

		9M '22	9M '23	Δ%
Electricity distributed (GWh)		2.787	2.662	-6%
Gas distributed (mcm)		785	703	-10%
Water distributed (mcm)		126	129	+2%
Waste collected (Kton)		1.341	1.602	+20%
Waste treated (Kton)		1.944	2.051	+6%
WTE's electricity sold (GWh)		372	364	-2%
WTE's heat distributed (GWht)		221	204	-8%
Renewables production (GWh)		785	1.081	+20%
	Hydro production (GWh)	608	907	+49%
	Solar production (GWh)	177	174	-2%

9M 2023

RESULTS

HIGHLIGHTS

SG

KEY FINANCIAL

NETWORKS

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MARKET

EBITDA -

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CLOSING REMARKS



	9M '22	9M '23	Δ%
PSV €/000 scm	138	45	-67%
PUN (€/MWh)	323	129	-60%
CO2 €/Ton	82	86	+5%
Green Cert. Hydro (€/MWh)	42,9	0	n.s.
Clean spark spread (€/MWh)	28	0.6	n.s.

9M 2023

RESULTS

HIGHLIGHTS

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KEY FINANCIAL

NETWORKS

NASTE

ENERGY

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9M 2023

RESULTS

HIGHLIGHTS

SG

KEY FINANCIALS

NETWORKS

NASTE

ENERGY

MARKET

EBITDA -NET PROFI

VFP

CLOSING REMARKS

