

Business Plan 2025-2030: A multi-utility model oriented towards growth in regulated businesses and efficiency

The 2025-2030 business plan was approved, focusing on regulated activities and based on an investment plan of Euro 6.4 billion. The projects, oriented towards organic development, along with a plan of efficiencies, will enable the achievement by 2030 of an EBITDA of about Euro 1.6 billion and a net profit of about Euro 400 million. A solid plan, focused on activities that guarantee stable and visible returns ensuring the financial sustainability of the dividend policy, with a DPS growth forecast of +8% until 2027 and +6% from 2028 to 2030.

Economic-financial highlights

- **EBITDA:** approximately Euro 1.6 billion by 2030 (+330 million compared to 2024) with a CAGR of +4% due to organic growth, synergies, and the expansion of the scope of consolidation
- **Group Net Profit:** approximately Euro 400 million by 2030, with a CAGR of +7%
- **Dividend:** +8% annual increase until 2027 and +6% from 2028 to 2030
- **Net financial position/EBITDA:** ratio progressively improving until reaching 3.0x in 2030
- **Capex:** Euro 6.4 billion mainly allocated to the regulated network sectors (integrated water cycle and electricity grids), the construction of new energy recovery capacity from municipal waste, the extension of district heating, the development of 200MW of photovoltaics, the consolidation of the customer base, and the improvement of the customer experience

Industrial highlights

- **Organic growth:** Euro 270 million in EBITDA, thanks to investments in electricity grids, the water cycle, the development of energy recovery from waste, the extension of district heating, the renewal of hydroelectric concessions, and the expansion of renewable capacity
- **Synergies:** Euro 120 million of synergies, thanks to 200 specifically identified projects to increase efficiency and optimise the Group's structure
- **External growth:** Euro 60 million in EBITDA, mainly due to the full integration of EGEA (already consolidated as of 1 January 2025)
- **Sustainable Investments:** 70% of total investments are eligible for the European Taxonomy
- **Recruitment:** planned strengthening of human resources with approximately 2,400 new hires

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Reggio Emilia, 13 November 2025 - Today, the Board of Directors of Iren S.p.A. approved the update of the business plan to 2030.

'The newly approved Business Plan is grounded on solid and concrete foundations, thanks to the optimisation of our business model, selective investments, and rigorous financial discipline.' - declares **Luca Dal Fabbro, Executive Chair of the Iren Group** - *'We have mapped out a sustainable and measurable growth path that will lead us to an expected EBITDA in 2030 of Euro 1.6 billion, to which we can add further potential upside linked to organic and inorganic development opportunities that the Group is now in a position to seize. At the same time, our strategy confirms our commitment to a growing dividend policy, +8% per year until 2027 and +6% from 2028 to 2030, reflecting our confidence in the Plan's ability to generate value for all stakeholders'.*

'The approval of the new Business Plan marks the start of a targeted transformation phase that will modify our business model, making it even more efficient, more focused, and more oriented towards value creation. In particular, through the Euro 6.4 billion investment plan, we will strengthen the activities that express the greatest potential for growth and guarantee stability and visibility in the medium to long term, such as network services and waste-to-energy plants,' says **Gianluca Bufo, CEO of the Iren Group**. *'Alongside this is a clear, defined, and fully implementable plan of synergies, which will allow us to recover profitability and further simplify the Group's operating structure. Thanks to the soundness of the industrial drivers and the quality of the initiatives we have launched, we can confirm concrete and measurable growth with a CAGR of EBITDA of 4% and Net Profit of 7%'.*

'The approval of the Transition Plan to 2040, alongside the business plan, marks a strategic milestone for our Group: a clear and ambitious path that, thanks to a targeted investment plan, will enable us to become even more sustainable, optimise resource utilisation, and significantly reduce our environmental impact by halving our carbon intensity. - says **Moris Ferretti, Executive Deputy Chair of the Iren Group** - *'It is a long-term vision that combines industrial responsibility and innovation, with the aim of generating lasting value for the territories in which we operate and for future generations. With this Plan, we reaffirm our commitment to supporting the energy and environmental transformation, contributing to building a cleaner, more resilient, and inclusive future by maximising the value of human capital and integrating approximately 2,400 new people into the Group to support the defined change.'*

STRATEGY

The three strategic pillars outlined in previous business plans continue to represent the framework for capital allocation choices and embody the Group's guiding values. Ecological transition, territorial enhancement, and service quality remain the pillars of our development path, now interpreted in light of the evolving competitive and regulatory dynamics.

Iren's commitment to the **ecological transition** takes an even more targeted and resilient approach. In response to the altered market conditions and the authorisation duration for developing new renewable capacity, Iren will prioritise initiatives that safeguard the environment and the ecosystems in which it operates, such as implementing systems to maximise heat recovery for district heating at waste-to-energy plants or building 5 new wastewater treatment plants, using natural resources in a conscious and sustainable way, and giving new life to waste by recovering materials and energy. This

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approach protects profitability, improves the quality of the investment portfolio and ensures growth consistent with sustainability metrics.

The **creation of value for the territories** translates into the development of infrastructure essential to local growth and the strengthening of the Group's territorial presence. The multi-utility model enables the exploitation of new opportunities, broadens the range of services offered in a synergistic way, supports growth, and promptly addresses the needs of the communities where Iren operates.

The **quality of the service** remains the guiding principle that drives the Group's actions. Iren seeks to bolster the resilience of distribution networks to minimise service disruptions, enhance the customer experience through widespread local presence, and optimise business processes to boost efficiency.

In line with the strategic guidelines, the three pillars are articulated today within an evolved and more focused business model. The **Group's transition** from an 'extended multiutility' to a 'focused multiutility' will occur through more selective capital allocation, prioritising core businesses. This strategy aims to maximise generated value by concentrating resources on the highest-return activities and reducing involvement in areas where we have not yet developed a competitive advantage.

The business plan to 2030 is integrated into a **transition plan to 2040**, which sees Iren committed to a concrete and measurable long-term path, in line with the European Sustainable Development Goals. The ESG commitments and targets are developed according to the guidelines of the ecological transition and the centrality of communities and people and are organised according to 5 focus areas: decarbonisation, circular economy, water resources, resilient cities and people. For each identified performance indicator, Iren has set quantitative improvement targets for 2028, 2030, and 2040, outlining a clear and trackable path over time. In pursuit of these targets, the commitment has been assessed in terms of investments, with future technological developments like CO₂ capture also envisaged.

INVESTMENT PLAN

The business plan update envisages **gross technical** investments of **Euro 6.4 billion**, of which 40% relates to development investments and 60% to maintenance. Such investments include, accounting for 23% of the total, maintenance interventions for network-regulated businesses (RAB) related to the integrated water cycle, electricity network, and gas network. Maintenance investments also encompass all investments to ensure full efficiency of the assets and the retention of the current customer base. The current investment plan is characterised by projects developing network-regulated businesses, particularly in integrated water services and electricity distribution. It includes constructing 3 waste-to-energy plants that will allow the Group to complete the municipal waste chain with energy recovery, installing aerotherms on cogeneration and thermoelectric plants, and expanding the district heating network, against a backdrop of a slowdown in the installation of new renewable capacity and additional waste treatment capacity for material recovery. The visibility of returns is based on the high percentage of investments in regulated businesses, which account for 80% of the total. Finally, 70% of the Euro 4.3 billion investment is allocated to sustainable projects aligned with the European Taxonomy, with 33% dedicated to sustainable water resource management, 28% to supporting the transition to resilient cities, 26% to decarbonisation, and 13% to the circular economy.

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In summary, the plan is characterised by a **balanced distribution of investments over the years**, **low execution risk**, **high predictability of results** and, **high investment in sustainable projects/activities**.

ECONOMIC-FINANCIAL OBJECTIVES

		2024	2028	2030	CAGR '24-'30
EBITDA	mln €	1,274	1,530	~1,600	4%
<i>Networks</i>	mln €	478	615	705	7%
<i>Waste Management</i>	mln €	256	325	330	4%
<i>Energy</i>	mln €	283	340	350	4%
<i>Market</i>	mln €	257	245	230	-2%
EBIT	mln €	520	670	740	6%
Group net profit	mln €	268	360	~400	7%
Net financial position/EBITDA	x	3.2	3.1	3.0	-
Net financial position	bn €	4.1	4.7	4.9	-

FINANCIAL STRUCTURE

Iren's commitment to a balanced capital structure aimed at maintaining the current ratings by the rating agencies (S&P and Fitch) is confirmed. The net financial position is expected to increase by Euro 800 million compared to 2024 due to investments related to the Group's development plan and dividend distribution. It should be noted that among the financing sources envisaged in the Plan, divestments of assets were not included.

Despite the significant investment plan, the financial profile is expected to be balanced in terms of the NFI/EBITDA ratio, which is anticipated to decrease over the plan horizon, ensuring the Group retains substantial financial flexibility below the maximum threshold of 3.5x, consistent with current rating assessments and supported by an increase in the proportion of so-called 'regulated' activities, expected to account for 75% by the end of the plan.

The average cost of debt, equal to 2.2% in 2024, is expected to be lower than 2.9% in 2030, as in the previous plan. Moreover, 80% of the debt in 2030 will be composed of sustainable finance instruments.

DIVIDEND POLICY

The new dividend policy, which provides for an 8% annual increase until 2027 and a 6% increase from 2028 to 2030 reflects the Group's solid financial position and confidence in the outlook for earnings growth, while ensuring stable and predictable shareholder remuneration.

FOCUS ON BUSINESS UNITS

The Business Plan envisages an increase in Group EBITDA of more than Euro 300 million in 2030 compared to 2024. The substantial rise in EBITDA is driven by the positive contribution of the Networks, Environment, and Energy business units, though this is somewhat counterbalanced by the reduced margins in the Market business unit, which is affected by heightened competition.

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NETWORKS

The **investment** plan envisages Euro 2.6 billion to increase the efficiency and quality of services with strong growth in invested capital (RAB), which will reach Euro 4.4 billion in 2030. Of the investments, 60% are for **integrated water service**, for upgrading and increasing the resilience of the network, developing purification plants and improving the quality of service. 28% of the Networks business unit's investments are directed towards **electricity distribution** to enable the evolution of infrastructure, adapting it to support greater resilience to climate change and the increase in installed power demand linked to the electrification of consumption, continuously pursuing operational efficiency necessary to provide an improvement in service, also in terms of reducing supply interruptions. 12% of the Networks business unit's investments are directed towards **gas distribution**, in particular aimed at maintaining the current infrastructure in the relevant territories, and completing the plan to replace pipelines, thus also making them ready for the distribution of hydrogen mixtures.

The planned investments and synergies allow for an **EBITDA** of Euro 705 million in 2030 (+Euro 230 million compared to 2024), equivalent to +48%.

WASTE MANAGEMENT

The Group consolidates its objective of leadership in closing the municipal waste management chain, from collection to recovery and disposal, with an investment plan of approximately Euro 1.2 billion. Specifically, around 63% of the investments are allocated for the **development of plants** related to energy recovery, including 2 new waste-to-energy plants and the construction of a fourth line to enhance the existing plant in Turin, which is already well advanced in the authorisation process, to enable all associated areas to achieve full independence in municipal waste management. A further 37% of investments is directed towards **collection activities** for the development of territorial systems, through new consolidations in historical areas, the increase of separate collection, for the improvement of service quality together with cost optimisation, through the adoption of automated municipal waste collection processes, thanks also to digitisation.

These **investments** allow for an **EBITDA** of Euro 330 million in 2030 (+Euro 74 million compared to 2024), which is an increase of +29%.

ENERGY (GENERATION)

Despite the slowdown in the development of new photovoltaic capacity, the goal of the Energy business unit remains to invest in **renewable energy sources**: on one hand, through the modernisation and upgrading of our hydroelectric infrastructure, also considering a plan based on renewing expired concessions as the basis of the advanced public-private partnership proposal; on the other hand, by doubling the photovoltaic capacity to reach 430 MW by 2030. Regarding **natural gas-fired thermoelectric plants**, the next few years will be characterised by the completion of efficiency and flexibility improvements for cogeneration units, also thanks to the installation of air-cooling systems and the further development of the district heating network. **Energy efficiency activities** will be oriented towards energy upgrading projects and the development of photovoltaic systems with business clients and the public administration through public and private partnerships.

In support of these projects, Euro 1.6 billion of **investments** are planned to support the achievement of an **EBITDA** at the end of the plan of Euro 350 million (+Euro 67 million compared to 2024), an increase of 24%.

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MARKET

Iren is committed to enhancing customer value by retaining high-value clients, developing medium- to long-term procurement and sales contracts through 'power purchase agreements' (PPAs), strengthening both physical and digital contact channels, and expanding its portfolio to offer a wider range of services, including home solutions, insurance, and connectivity offers. The objective is to maintain the current levels of customer base (2.3 million customers) in a highly competitive scenario, through retention actions.

To support this commitment, Euro 600 million in **investments** are planned, facilitating an **EBITDA** of Euro 230 million (consistent with 2024, excluding the normalisation of gas sales).

CONFERENCE CALL

The Business Plan update will be presented today, 13 November at 4.00 pm (Italian time) during a conference call with the financial community, which will also be webcast on the www.gruppoiren.it website, in the Investors section.

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