



IREN RESULTS

1H 2021

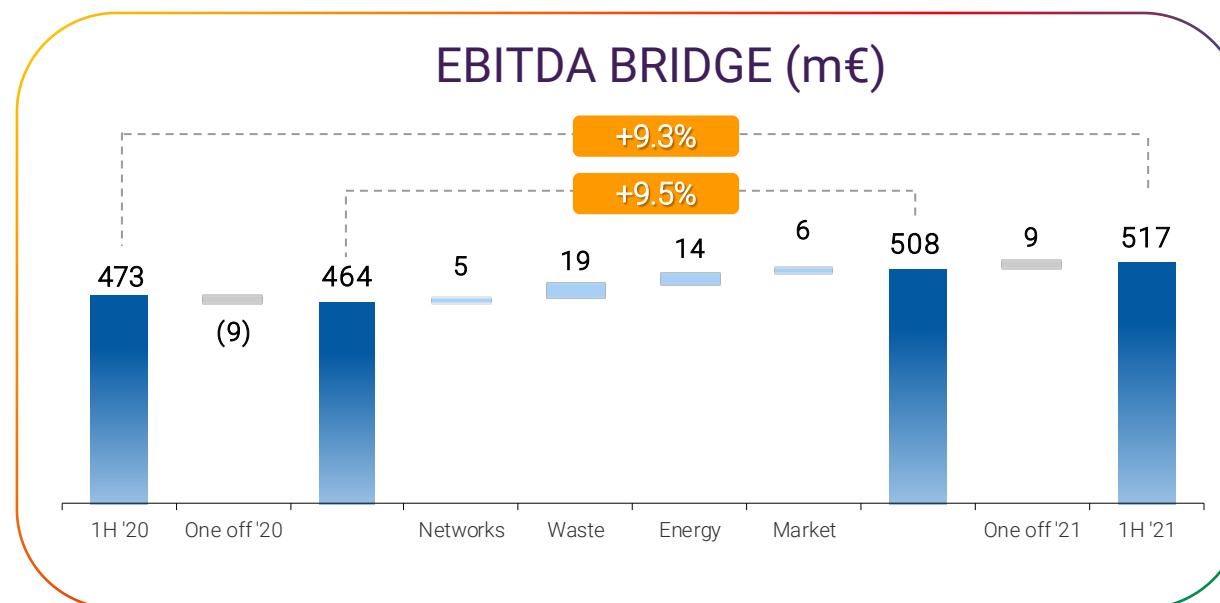
3rd August 2021

KPIs

	m€	1H '20	1H '21	Δ	Δ%
Revenues		1.826	2.005	179	9.8%
Ebitda		473	517	44	9.3%
Ebit		232	251	19	8.3%
Group net profit		133	193	60	45.6%
Capex		254	279	25	9.8%
NFP		2,950*	2,959	9	0.3%

* FY 2020 data restated

EBITDA BRIDGE (m€)



- **Revenues +9.8%:** favoured by higher energy prices and consolidated companies (I.Blu and Unieco)
- **Ebitda +9.3%:** positive results thanks to M&A contribution (I.Blu and Unieco), energy scenario recovery and organic growth
- **Ebit +8.3%:** lower provisions to bad debt (of which 10m€ related to Covid) offset by higher depreciations.
- **Group net profit +45.6%:** led by a fiscal measure (32m€) and the optimization of the Unieco debt (13m€)
- **Capex +9.8%:** in line with business plan assumptions. 59% are sustainable investments
- **NFP +0.3%:** in line with FY2020, thanks to cash flow generation covering the cash out for investments, dividends and others.

NETWORKS

Depurated water volumes	123 mcm	(+12%)
E.E. interruptions duration	13.7 min	(-4%)

ENERGY

Carbon intensity	312gCO ₂ /kWh	(-6%)
Energy saving	263k Tep	(+1%)

WASTE

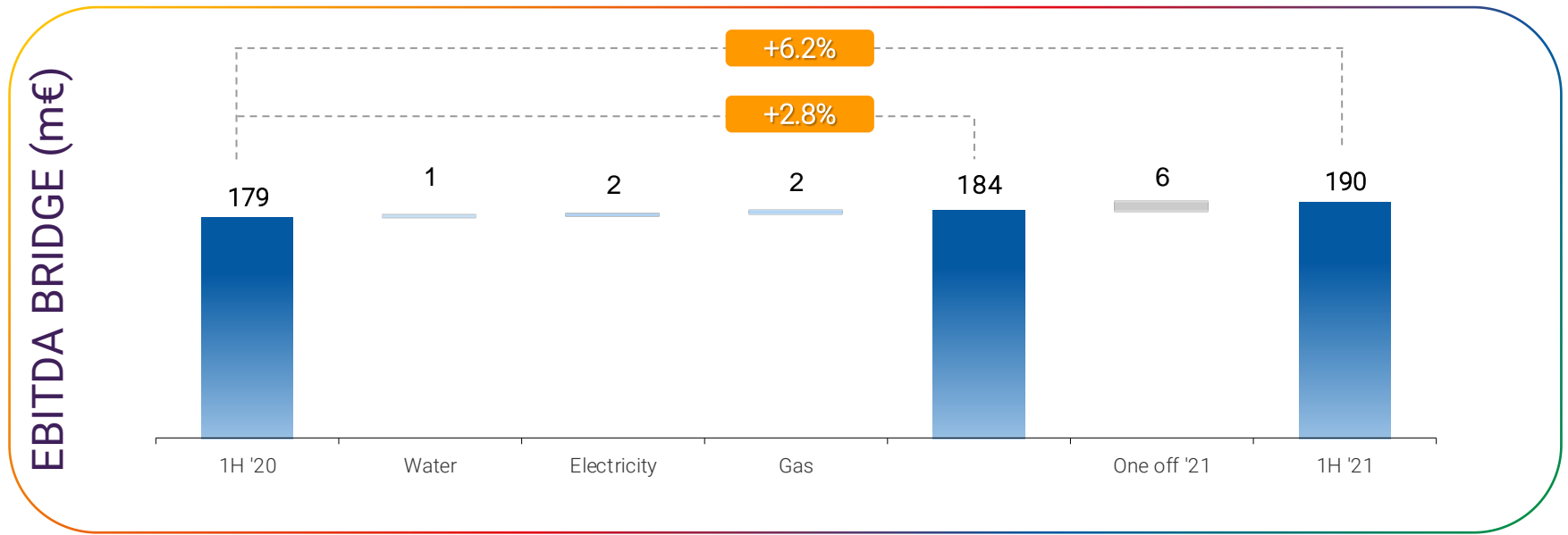
Sorted waste	69.1%	(+0.9pp)
Recovered material volumes	>400kton	(+64%)

MARKET

Green energy sold	~420 GWh	(+250 GWh)
Digital transactions	57%	(+16pp)

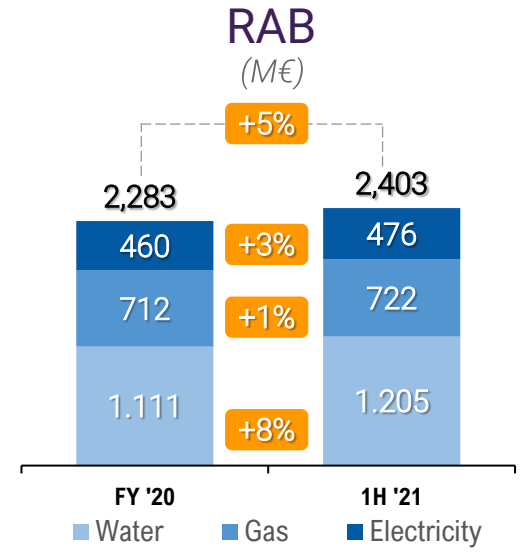
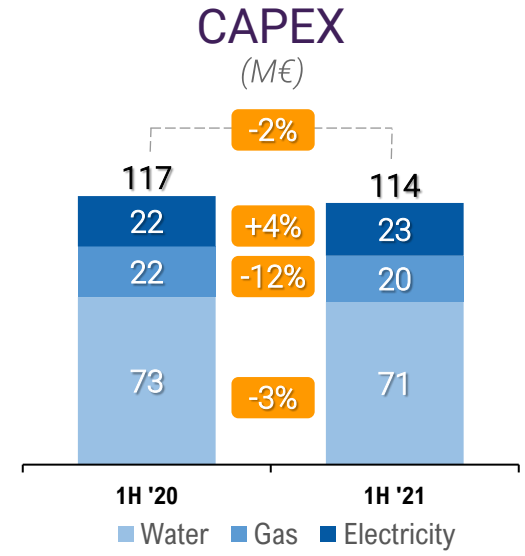
NETWORKS | Positive results led by organic growth

- + RAB growth
- + Investments in line with BP assumptions
- + Districtization activities continue reaching 57% of the grid
- Structural emerging costs and Covid emergency
- + Decrease in water withdrawals (-9 liters/inhabitant/day)



OUTLOOK

Results in line with last year taking into account emerging costs and the absence of the extraordinary elements reported in 2H 2020



+ I.Blu and Unieco positive contribution for 18m€ (consolidation started in 2H 2020)

+ Positive contribution of plastic and paper treatment

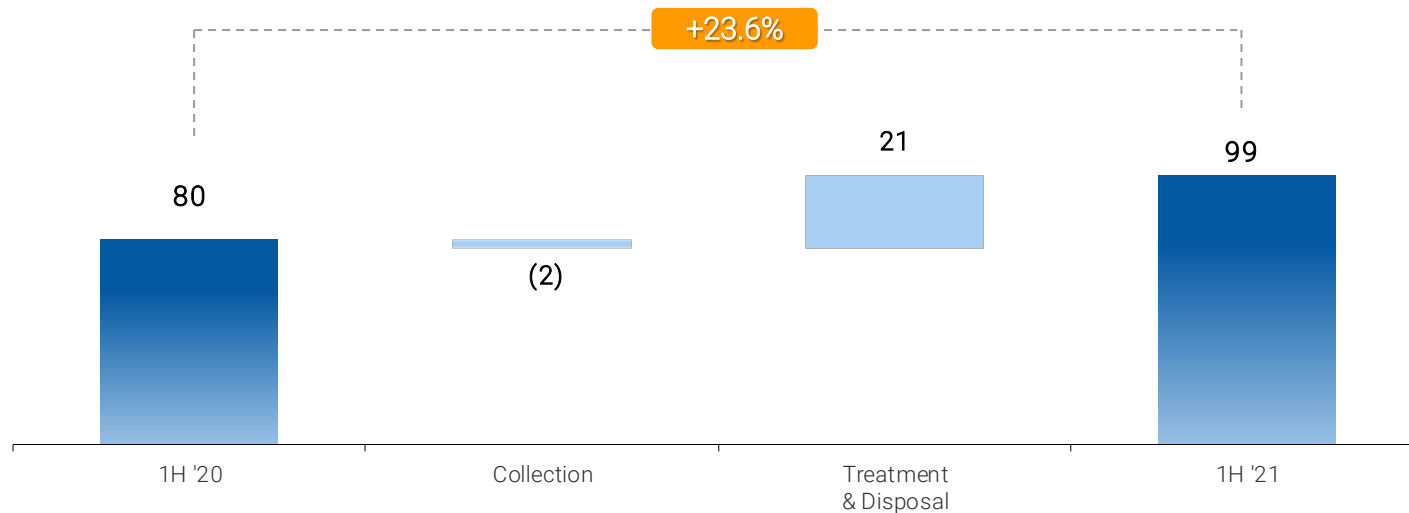
+ Higher PUN price favored the electricity sold

+ Increase in waste managed

- Higher costs in collection activities related to service level improvement

- Lower contribution from REI landfill. The extension capacity will be available from 2022

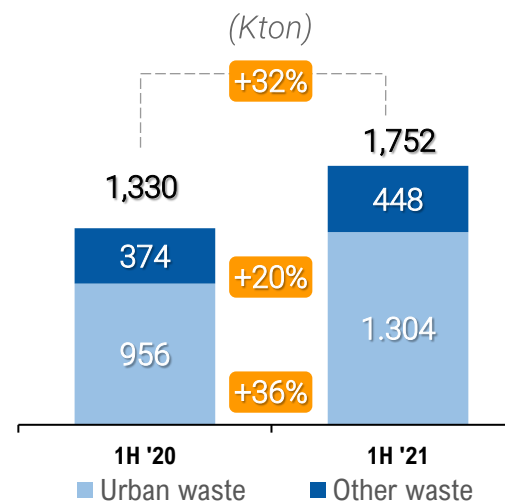
EBITDA BRIDGE (m€)



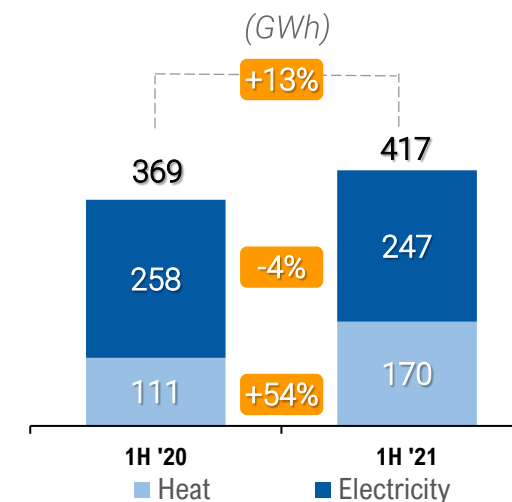
OUTLOOK

Second half is expected in line with last year because of the positive energy scenario will be offset by lower availability of facilities

WASTE MANAGED (Kton)



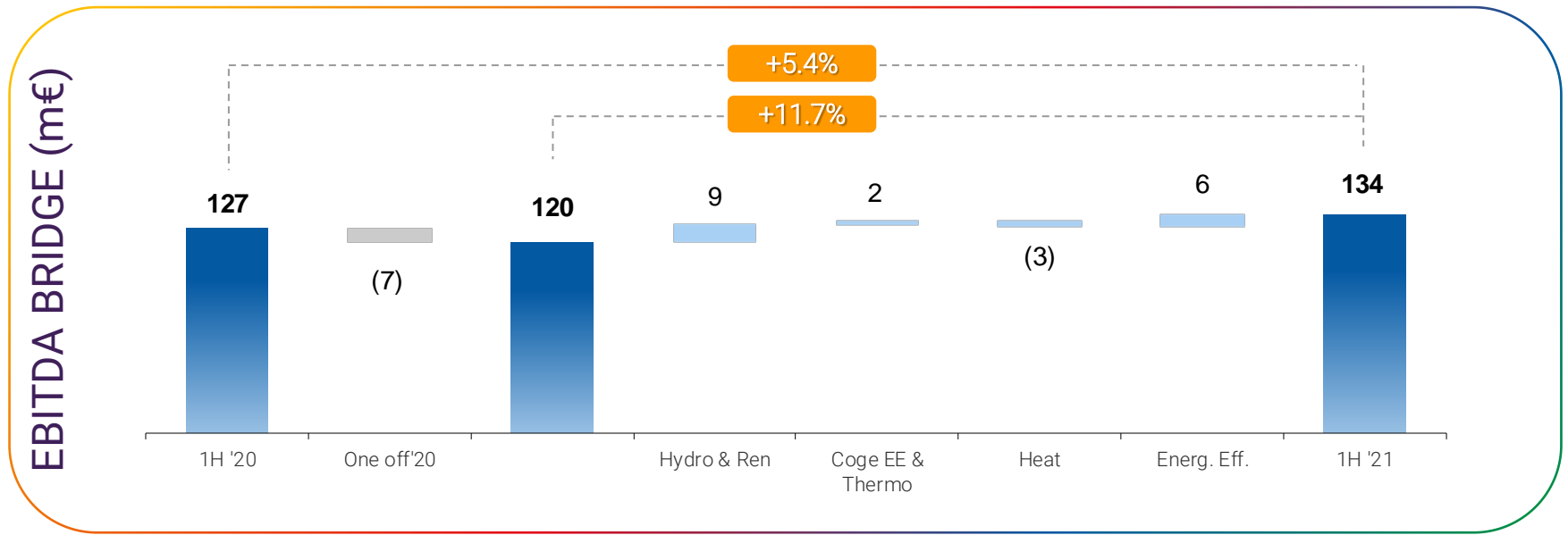
WTEs ENERGY SOLD (GWh)



Sorted waste at 69.1%

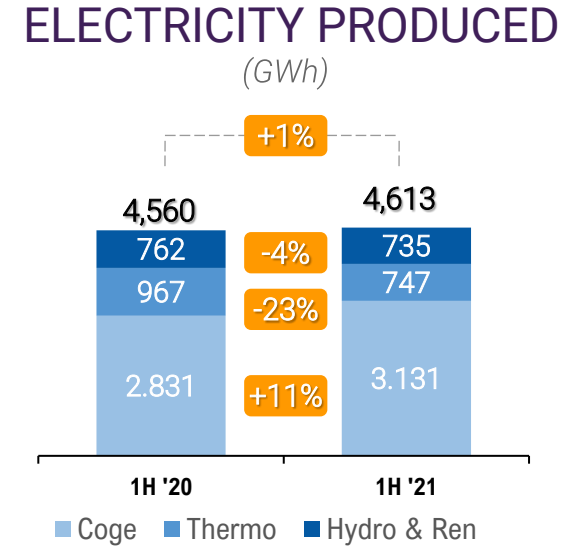
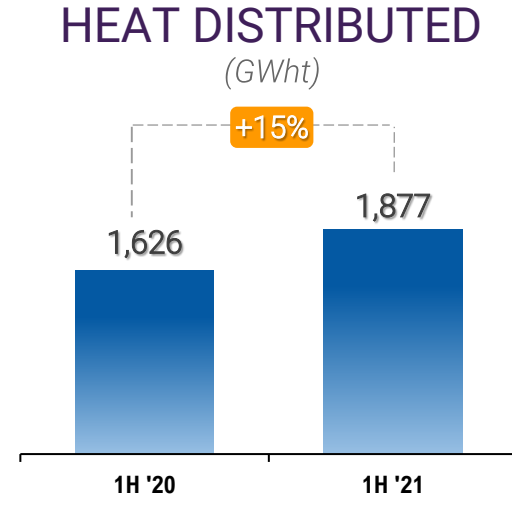


- + Higher hydro prices
- + Increase in heat volumes distributed due to climate and networks expansion
- + Higher clean spark spread
- + Increase in electricity volumes
- + Higher rebuilding activities
- Lower MSD (-10m€)
- Lower heat spark spread due to energy scenario dynamic
- + Reduction of Group carbon intensity, now at 312 gCO₂/kWh



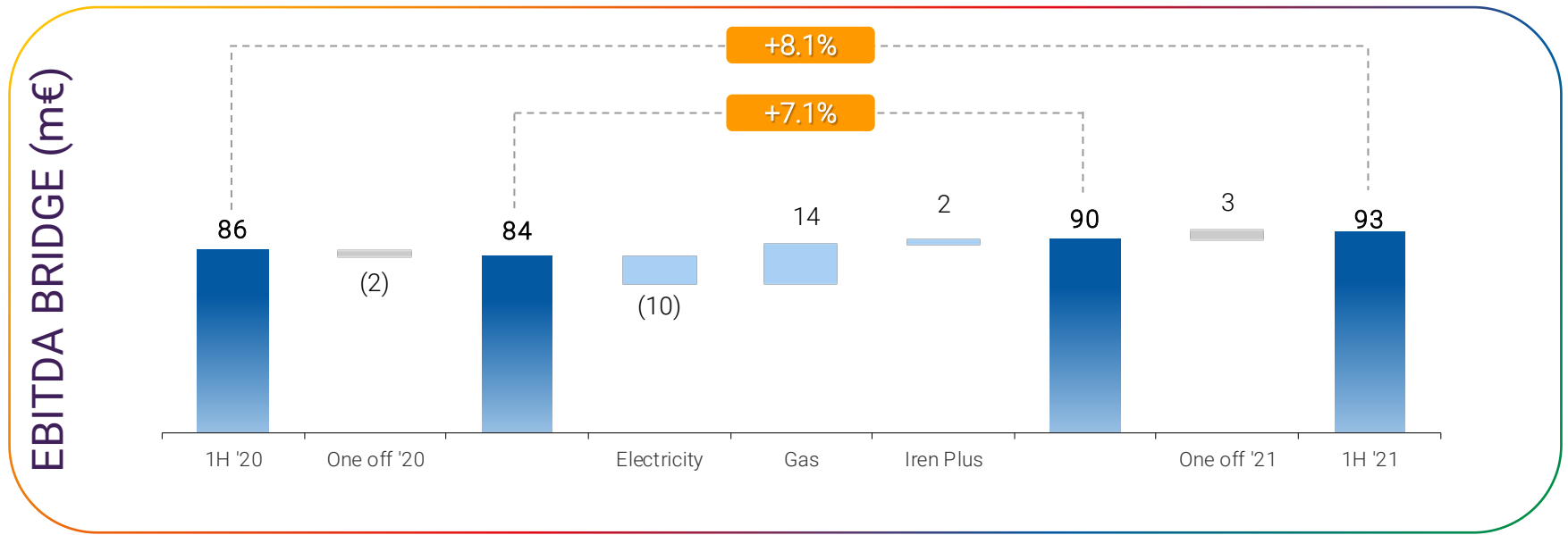
OUTLOOK

Favourable scenario still in place in the 2H where is expected the extra contribution from hydro management (volumes, prices and GC). Positive trend of energy efficiency confirmed





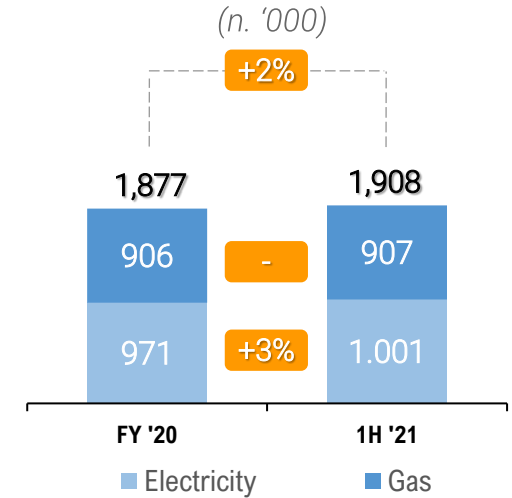
- + Lower costs of procurement and use of gas stored in 2020, led to margin growth (19m€)
- + Customer base growth, +30k retail & SMEs clients
- + Iren Plus positive contribution
- + Award of 2 clusters of SMEs clients
- Lower margins in electricity due to the PUN price ramp up
- Structural emerging costs (8m€) related to digitalization and commercial activities
- + Over 400 GWh of green energy sold to end clients



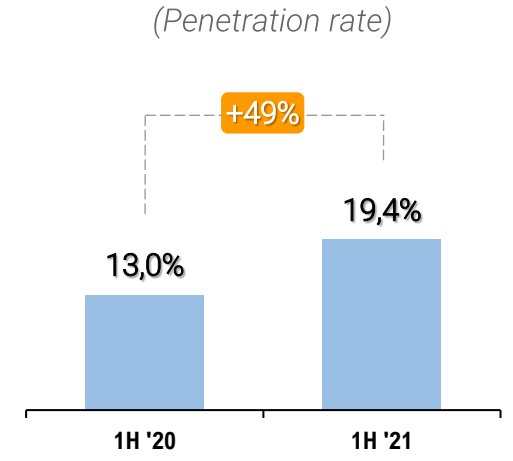
OUTLOOK

Excluding the one off for 4m€ reported in 2020, the result will be in line with last year

RETAIL & SMEs CLIENTS



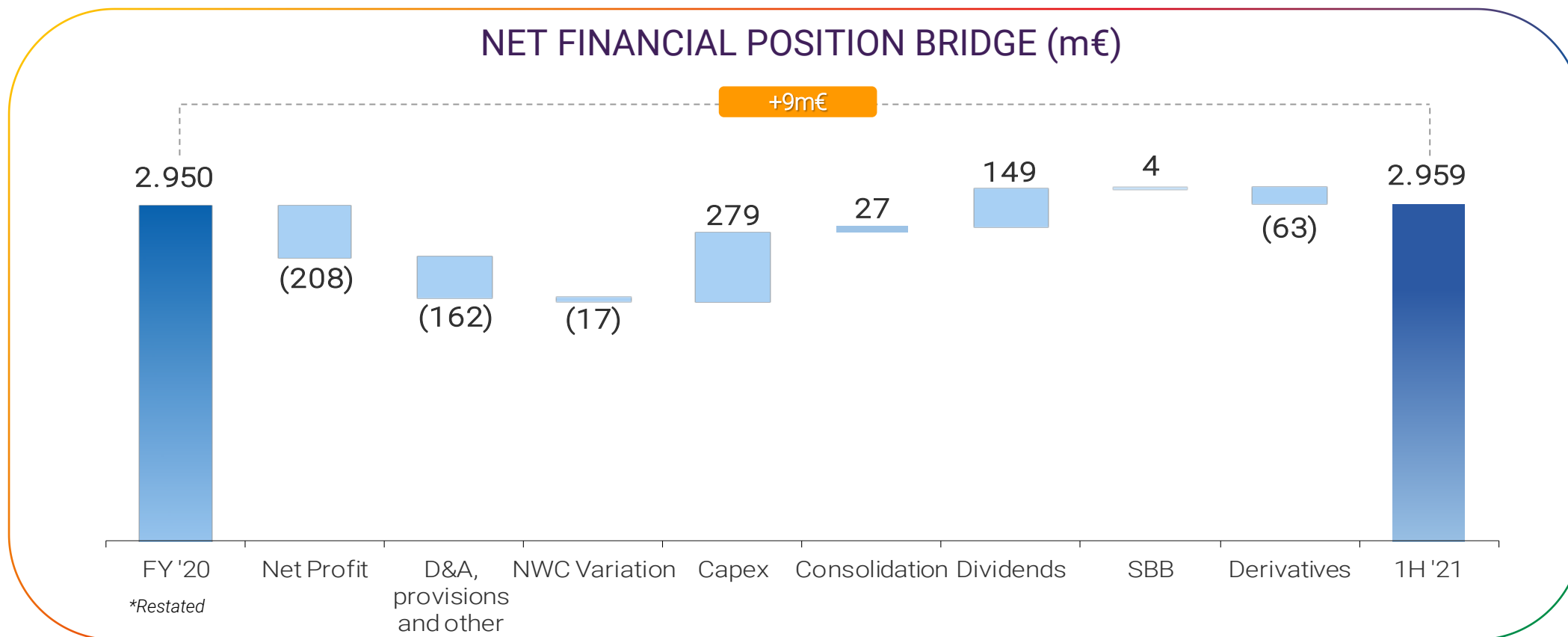
IREN PLUS



FROM EBITDA TO GROUP NET PROFIT (m€)

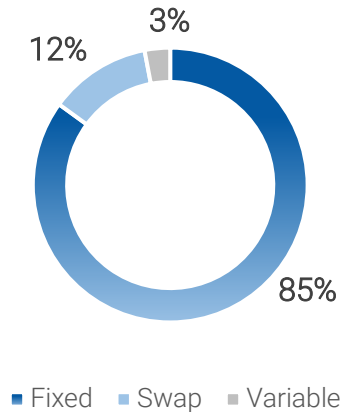
	1H '20	1H '21	Δ	Δ%
EBITDA	473.3	517.5	44.2	9.3%
<i>Depreciations</i>	-206.5	-228.5		
<i>Provisions to bad debt</i>	-42.5	-33.7		
<i>Other provisions and write-downs</i>	7.6	-4.2		
EBIT	231.9	251.1	19.2	8.3%
<i>Financial charges</i>	-32.4	-32.8		
<i>Companies cons with e.m.</i>	5.0	6.2		
<i>Other financial</i>	2.0	18.2		
EBT	206.5	242.7	36.2	17.5%
<i>Taxes</i>	-60.9	-34.2		
<i>Minorities</i>	-12.9	-15.3		
Group net profit	132.7	193.2	60.5	45.6%

- Higher depreciations due to capital intensive capex and the I.Blu and Unieco consolidations
- Lower provisions to bad debt related to Covid emergency (10m€ vs. 25m€ last year)
- Absence of 16m€ of a provision fund release in 2020
- Optimization of Unieco debt for 13m€
- Lower cost of debt offset by the increase of gross debt
- Extraordinary tax rate reduction, now at 14%, due to the realignment of tax and statutory asset values

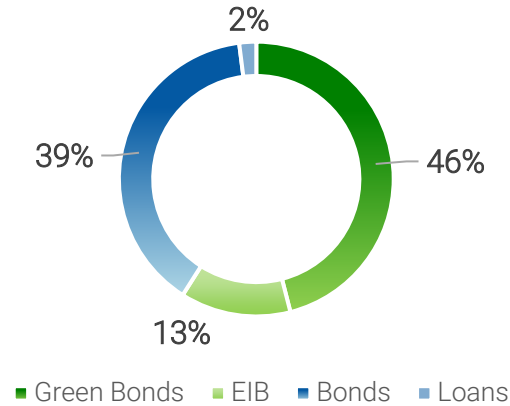


- The cash flow generation offset the high level of capex and the dividend cash out
- Consolidation concerned mainly the 20% acquisition of Futura and the related debt
- Positive contribution from derivatives mainly related to commodities

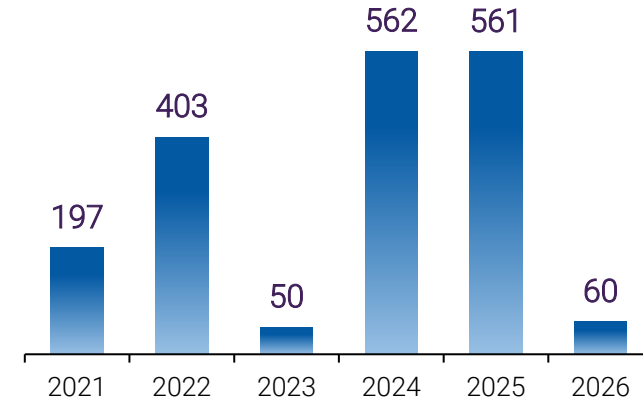
INTEREST RATE



DEBT STRUCTURE



MATURITIES



- 97% of gross debt at fixed interest rate
- Average long-term debt duration of about 5.7 years vs 5.4 years in 1H 2020
- Reduction in the average cost of debt (1.7% vs. 2.2% in 1H 2020)
- 59% of the Iren total debt is composed of green and assimilated instruments

MAIN 1H 2021 TAKEAWAYS

- Strong contribution from the last consolidated companies in the Waste BU (I.Blu and Unieco)
- Growth in the whole energy value chain supported by a recovery in energy scenario
- Negative Covid impact on Ebitda of -6m€

2021 NEXT MONTHS EXPECTATIONS

- FY 2021 growth mainly driven by Energy activities at larger extent and by Waste activities
- Extra-contribution on 4Q coming from hydroelectric volumes shifted from last year to 2021
- Energy scenario expected more supportive than some months ago
- Confirm limited COVID impacts on:
 - Ebitda not more than 10m€
 - Net working capital around 40m€ (from 60m€ in FY2020)
 - Credit losses of 10m€ as already reported in 1H

In light of the previous elements, we improve our guidance on FY 2021:

GUIDANCE ON FY 2021

- Ebitda: -990m€
- Net profit: -290m€
- NFP/Ebitda: 3.3x
- Capex: 800m€



Reinforcement of the Group's sustainable development path with the **extension of the time horizon to 10 years**

- Strong focus on **circular economy, water resources and resilient cities** and greater emphasis on **energy transition and renewable sources development**
- Acceleration on **carbon footprint reduction**, in line with the most challenging decarbonization and climate change mitigation scenarios
- **Support from PNRR** on projects compatible with our strategy

The Group's business model, predominantly regulated, allows an **intensification of investments while maintaining the investment grade**

ANNEXES

NETWORKS

	m€	1H '20	1H '21	Δ	Δ%
Revenues		490	442	-48	-10%
Ebitda		179	190	11	6%
<i>Electricity</i>		37	40	3	8%
<i>Gas</i>		41	46	5	11%
<i>Water</i>		101	104	3	3%
Ebit		81	94	13	15%
Gross Capex		117	114	-3	-2%

WASTE

	m€	1H '20	1H '21	Δ	Δ%
Revenues		350	436	86	25%
Ebitda		80	99	19	24%
<i>Collection</i>		32	30	-2	-6%
<i>Treatment & disposal</i>		48	69	21	44%
Ebit		32	44	12	39%
Gross Capex		28	47	19	69%

ENERGY

	m€	1H '20	1H '21	Δ	Δ%
Revenues		551	715	164	30%
Ebitda		127	134	7	5%
<i>Hydro&Renewables</i>		31	35	4	13%
<i>Thermo/Coge, DH</i>		92	91	-1	-1%
<i>Energy efficiency</i>		4	8	4	100%
Ebit		73	65	-8	-12%
Gross Capex		66	68	2	4%

MARKET

	m€	1H '20	1H '21	Δ	Δ%
Revenues		1,073	1,159	86	8%
Ebitda		86	93	7	8%
<i>Electricity</i>		31	21	-10	-31%
<i>Gas&Heat</i>		55	72	17	31%
Ebit		45	48	3	7%
Gross Capex		23	32	9	41%

	1H '20	1H '21	Δ%
Gas Demand (<i>bcm</i>)	35.8	39.8	11.1%
TTF <i>€/000 scm</i>	80.0	229.0	187.0%
PSV <i>€/000 scm</i>	97.0	231.0	137.9%
Energy Demand (<i>Twh</i>)	119.6	127.5	6.6%
PUN (<i>€/Mwh</i>)	32.2	66.9	107.6%
CO2 <i>€/Ton</i>	22.0	43.8	98.9%
Green Cert. Hydro (<i>€/Mwh</i>)	99.1	109.4	10.4%
TEE (<i>€/TEE</i>)	265	260	-1.9%

	FY '20	1H '21
Net fixed assets	6,582	6,626
Net Working Capital	42	23
Funds	(657)	(633)
Other assets and liabilities	(254)	(214)
Net invested capital	5,713	5,802
Group Shareholders' equity	2,763	2,843
Net Financial Position	2,950	2,959
Total Funds	5,713	5,802

The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Mr. Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

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