



A2A

9M 2021 Results

Milan

11th November 2021

HIGHLIGHTS



BUSINESS PLAN 2021-2030 – ACHIEVEMENTS 3Q 2021



ENERGY TRANSITION



Development of E-mobility

Establishment of **A2A E-Mobility**, the NewCo of A2A group dedicated to the development of **charging infrastructures for electric vehicles**



Transition towards gas

Positive **environmental impact assessment (EIA)** for the conversion of the **Monfalcone** coal-fired power plant into an 860MW class H combined gas cycle

Positive **EIA** for the **peaker** in **Cassano D'Adda**: 6 new 110MW class H endothermic gas engines



CIRCULAR ECONOMY



End-of-Life (Q4)

Acquisition of **30% of F.lli Omini S.p.A.**, a leading company in the demolition and end-of-life management of industrial plants



Water management

New **Gavardo wastewater treatment plant** completed: 20,000 inhab., 12€M investments



District Heating

Civil works of the new **Alfianello wastewater treatment plant** completed: 6,000 inhab., 5€M of investments

Heat exchange with **Alfa Acciai** in Brescia (30GWh/y, 3,000 households) and the **trigeneration plant** at the “**Nuova Accademia Guardia di Finanza**” in Bergamo completed



KEY ENABLERS



Sustainable finance (Q4)

New **500€M green bond** issued with a duration of **12 years** (orders for 1.6€B, 3 times the amount)



Open innovation

Partnership with Leonardo for the development of innovative solutions in the **cyber security** of power generation and distribution plants



Simplification

Approved the **merger** by incorporation of **Linea Group Holding S.p.A.** in A2A S.p.A.



Sustainable management

Agreement between **A2A Energia** and **Confcommercio Lombardia** for the promotion of sustainability in the tertiary sector



Leadership program

New training program dedicated to group managers focused on **leadership** and A2A industrial plan pillars

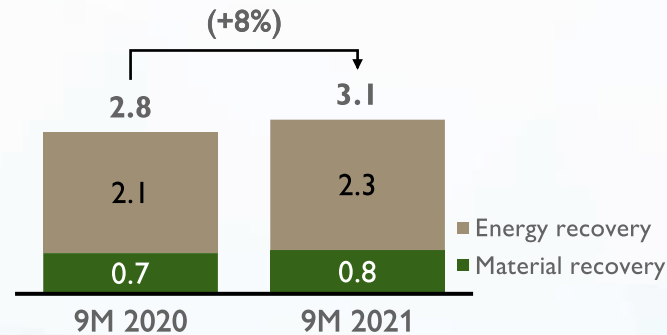
Key ESG highlights



CIRCULAR ECONOMY & ENERGY TRANSITION



Recovered Waste¹ (Mton)



Renewable Capacity (GW)

2.2

+14%
vs 9M 2020



Green Energy sold (TWh)

3.7

+28%
vs 9M 2020



Emission Factor (gCO₂/kWh)

316

-26%
vs FY 2017²



PEOPLE

999

New employees
hired in A2A³ (#)

+47%
vs 9M
2020

4k

Smart Workers

0.8k in
9M
2019⁵

100%

«Digitalised»
employees as at
October 2021⁴

64% in
FY
2019⁵

Incl. operational employees

4 Recovered Waste treatment volumes gross of elimination between Group's plants.
5 Science Based Target base year (FY 2017)
3 Including internships and temporary workers
4 October 2021: conclusion of the Digital Inclusion project. Employees with a digital identity (email box, Teams and Onedrive). Excluding AEB and ACSM AGAM.
5 Pre pandemic values

Financial Strategy Linked to Sustainability: 2021 Highlights

January-May



10y Strategic Plan based on 11 mapped UN 2030 Agenda SDGs.

- Circular Economy;
- Energy Transition.



New Sustainable Finance Framework

KPIs adopted:

- 1) Scope 1 CO₂ emission intensity;
- 2) Renewable energy capacity installation;
- 3) Waste treated in Group's material recovery plants.

June-July



1) Share Buyback Program

The treasury share buyback program launched in May envisaged a donation to Banco dell'energia Onlus.

2) 500 €M Sustainability-Linked RCF

KPIs selected:

- 1) Renewable energy capacity installation;
- 2) Waste treated in Group's material recovery plants.



Donation of margin adjustments to Banco dell'energia Onlus.



3) 500 €M Inaugural Sustainability-Linked Bond

Coupon linked to the achievement of the sustainability performance target related to Scope 1 CO₂ Emission Intensity. Interest rate equal to 0.625%



October



4) 500 €M New Green Bond

Proceeds will be used to finance eligible green projects aligned with the European climate change mitigation environmental objective. Interest rate equal to 1%



Industrial highlights of the period



Energy Scenario

MSD margin

District Heating Volumes

Water Cycle Tariffs

M&A

*Realignment book/tax-base value of
Assets*



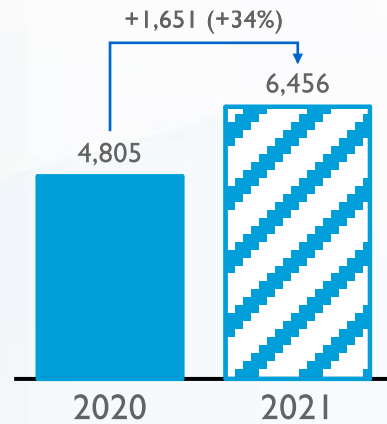
Gas Portfolio

Hydroelectric concession fees

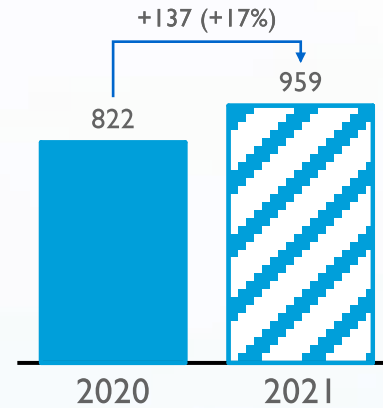
9M 2021 VS 9M 2020

Key Financial Indicators (€M)

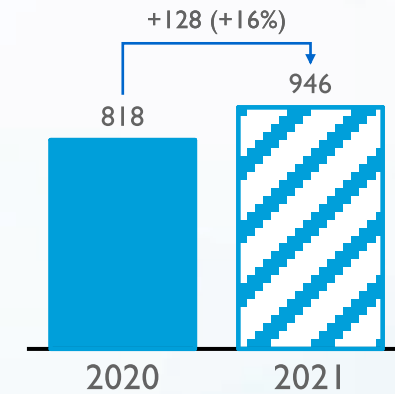
Revenues



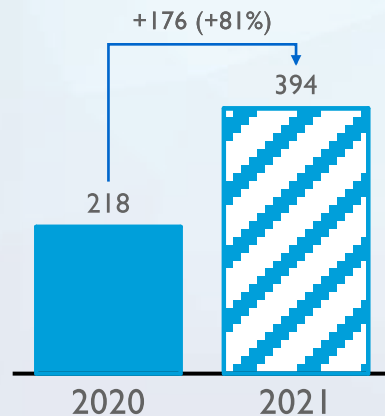
EBITDA



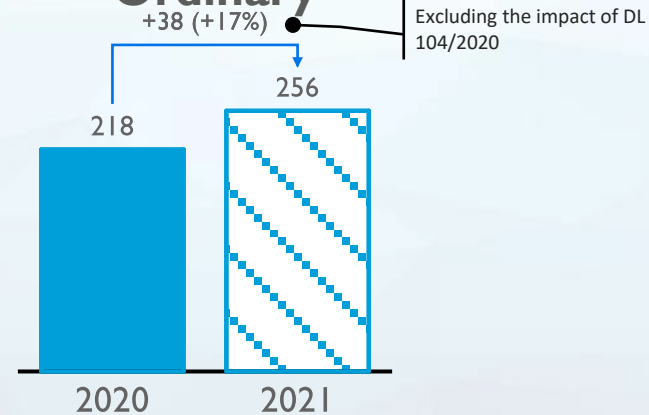
EBITDA Ordinary



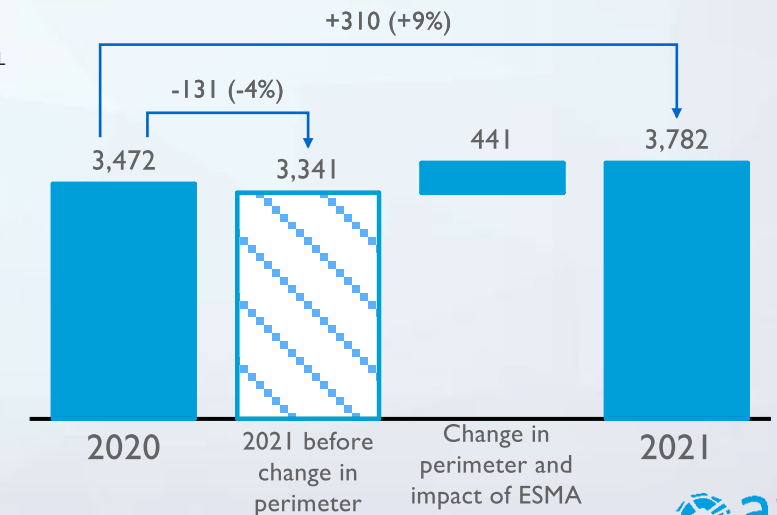
Group Net Income



Group Net Income Ordinary



Net Financial Position



9M 2021 VS 9M 2020

Group EBITDA (€M)



+19%



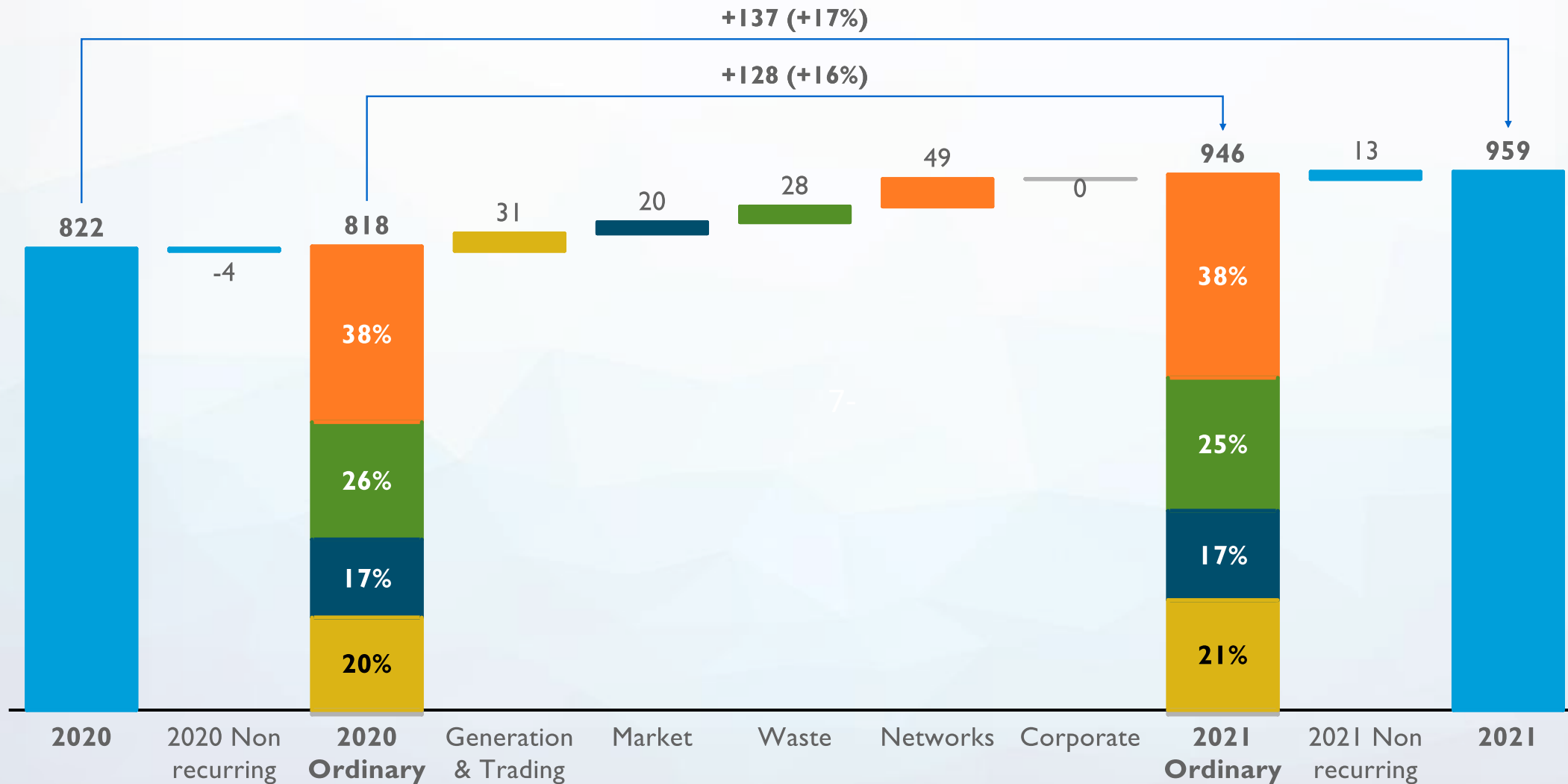
+14%



+13%



+16%

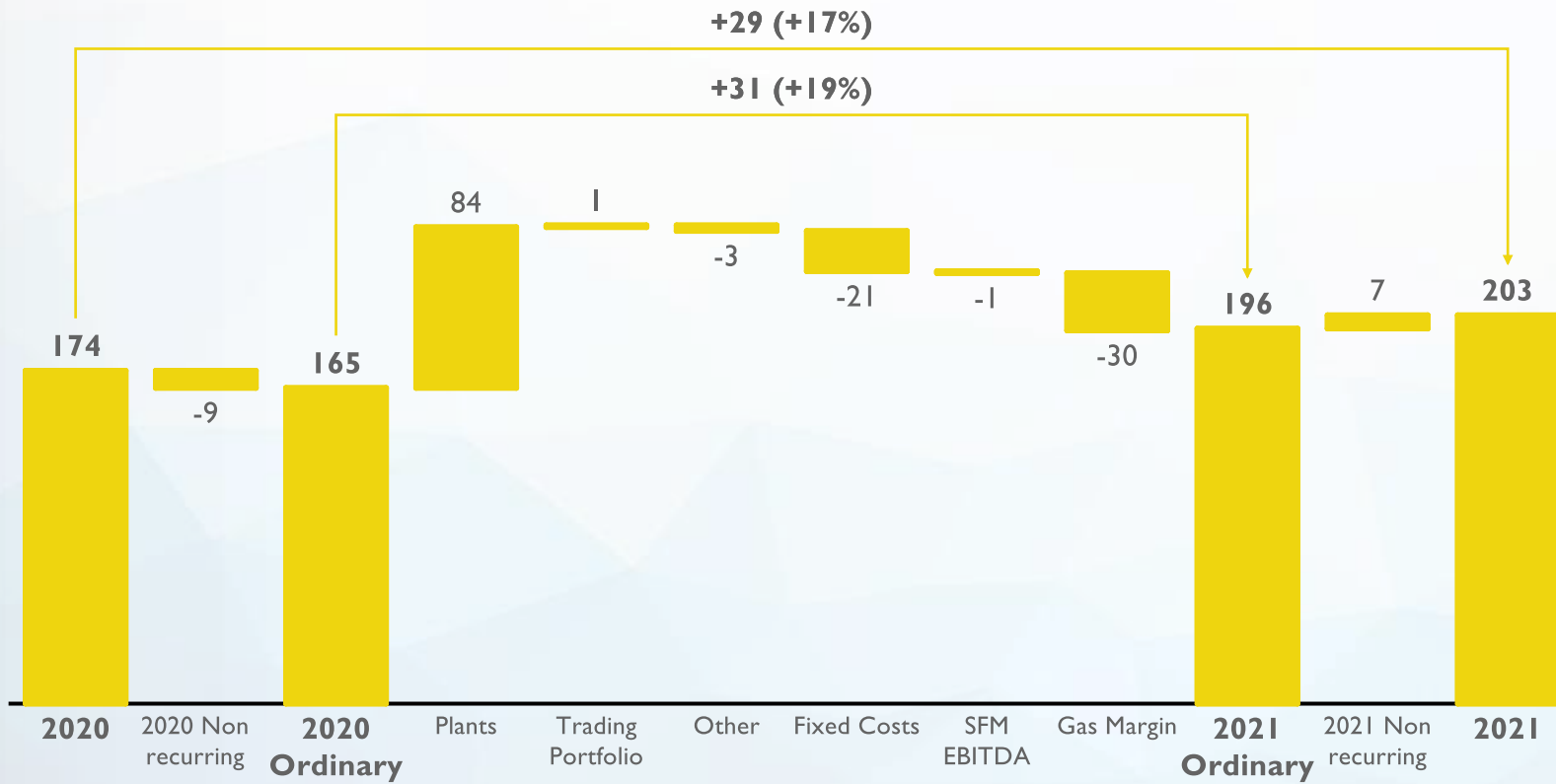


ANALYSIS OF RESULTS



Generation & Trading

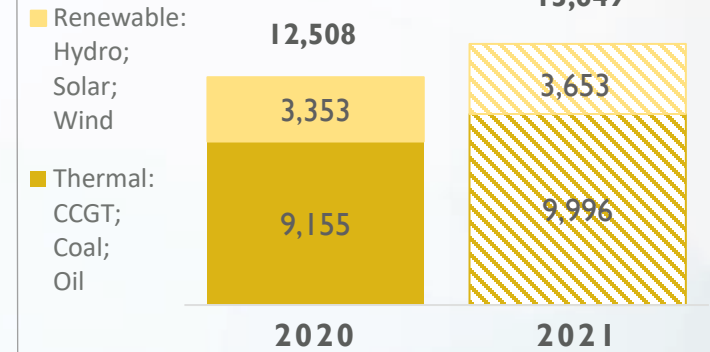
EBITDA 9M (€M)



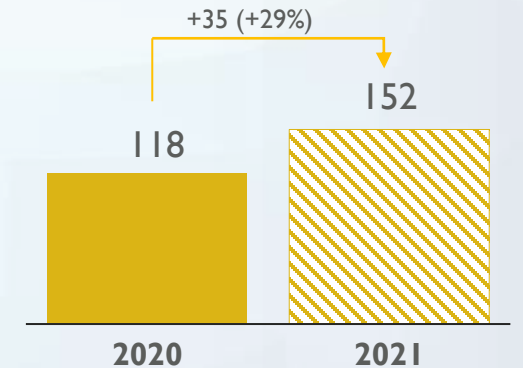
- Positive Energy Scenario net of hedging strategy
- MSD margin
- New Photovoltaic and Wind plants
- Negative gas portfolio impact
- Higher Hydroelectric concession fees



Production (GWh)



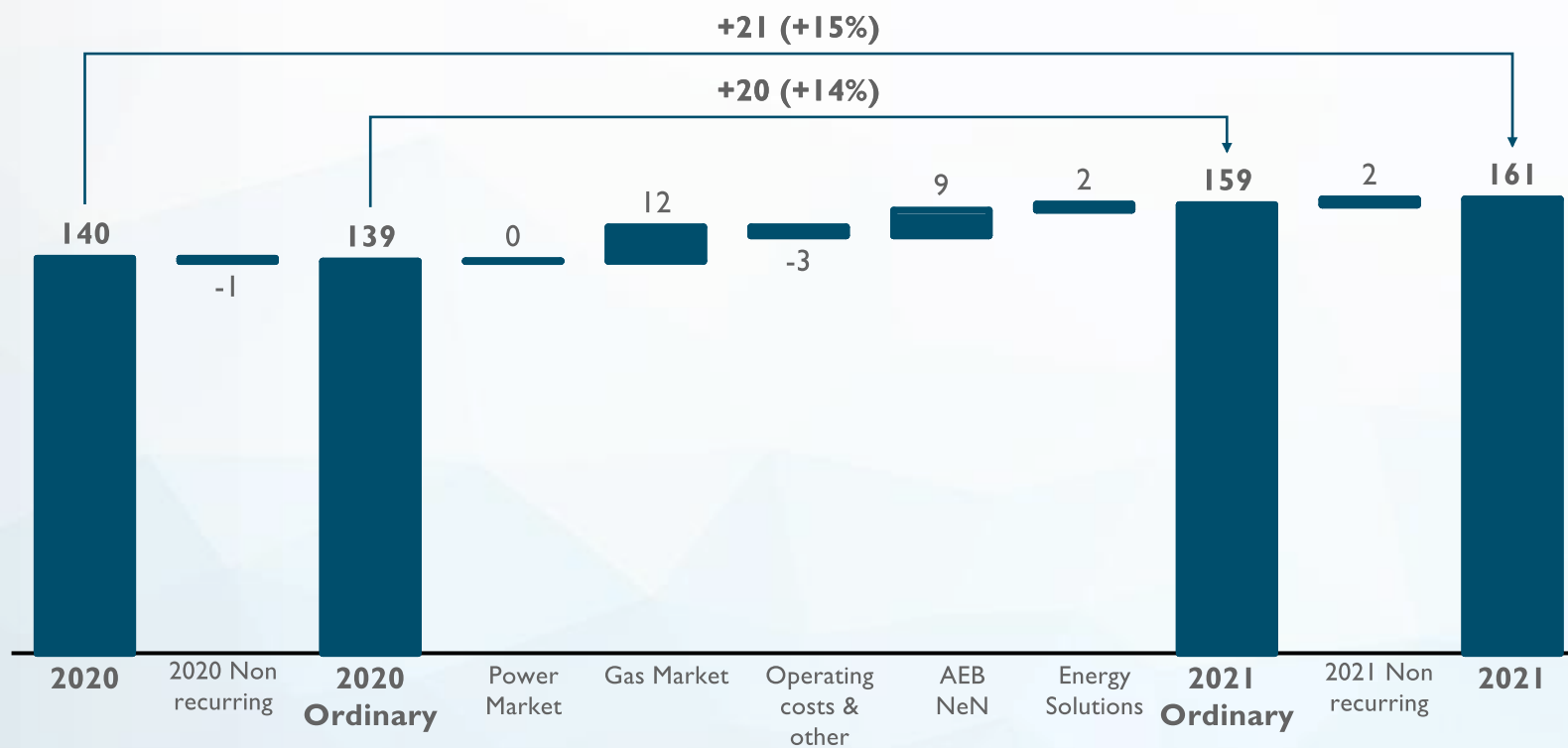
MSD Margin (€M)





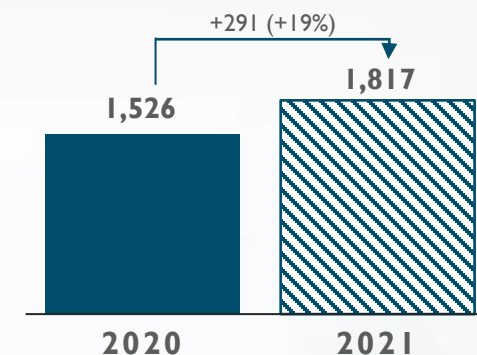
Market

EBITDA 9M (€M)

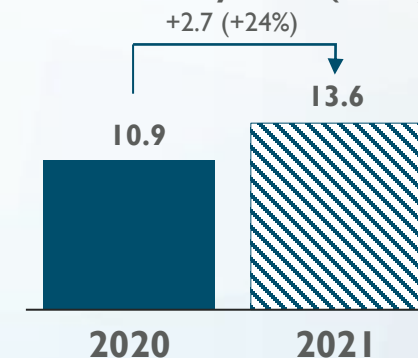


- Free market customer base +126K Vs Dec. 2020
- Higher margins on Gas
- Higher volumes sold to B2B
- Lower unitary margins on Electricity also related to unbalancing costs
- AEB

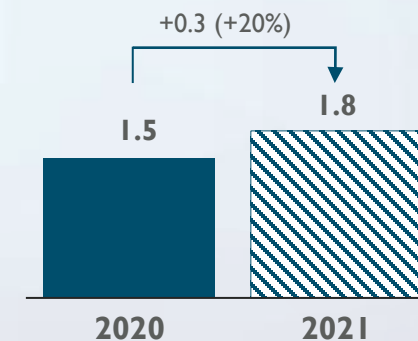
Free Market Customers (#/000)



Electricity Sales (TWh)



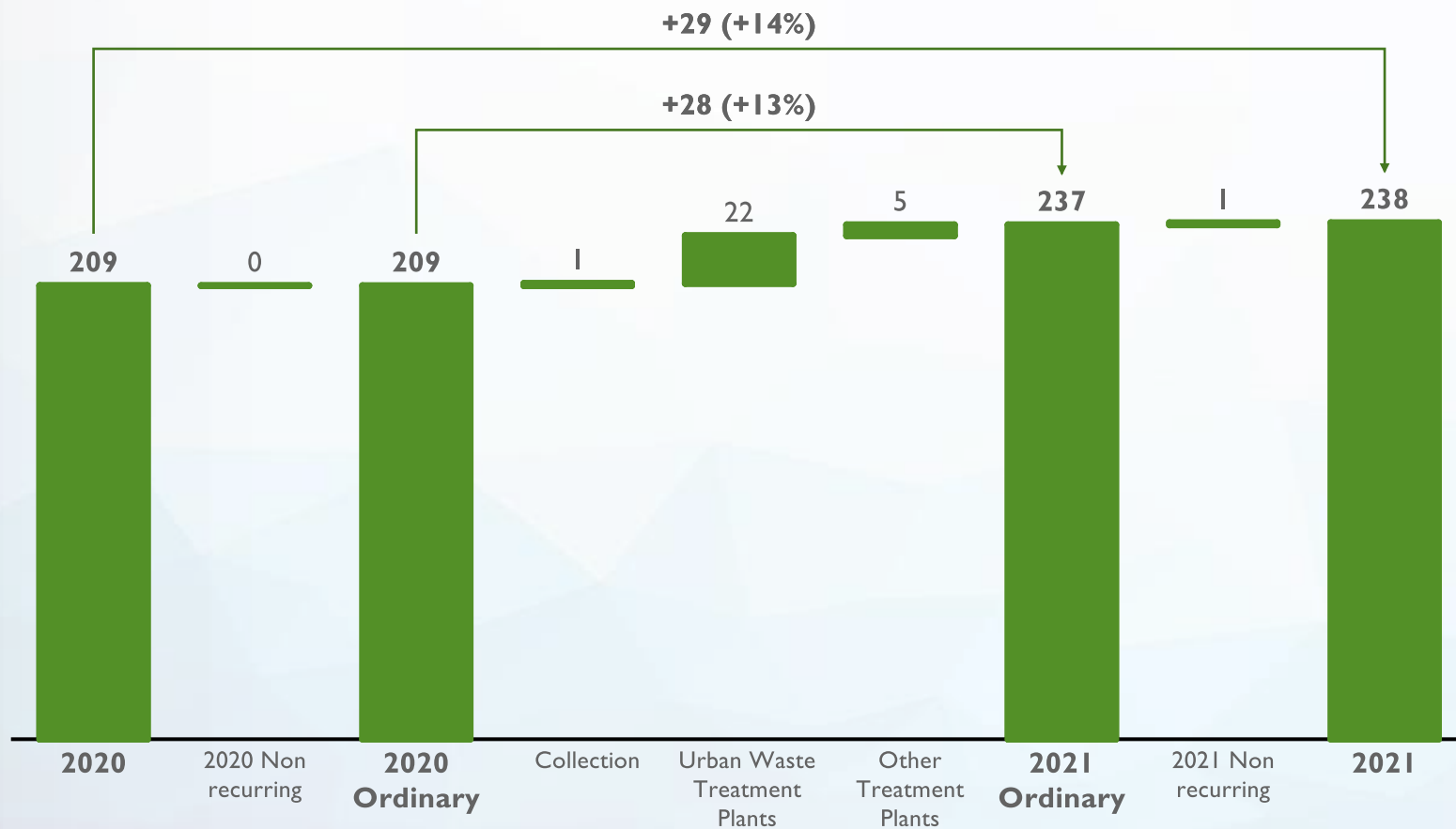
Gas Sales (Bcm)





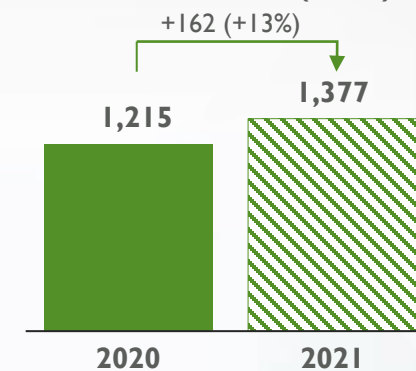
Waste

EBITDA 9M (€M)

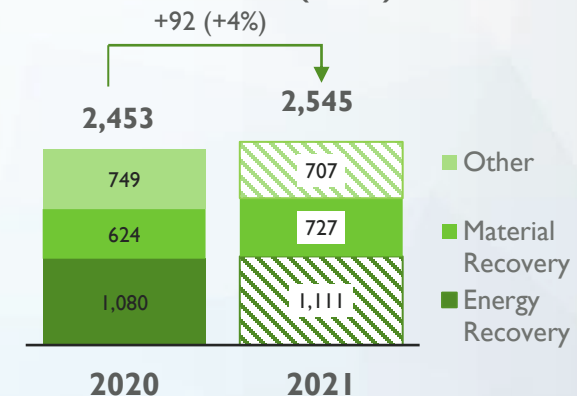


- Increase in Electricity and Treatment prices
- Higher Paper prices
- AEB, Agripower and Agritre

Waste Collection (Kton)

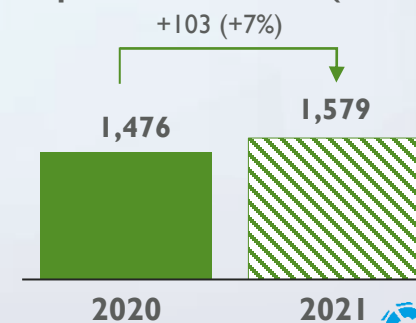


Waste Treatment (Kton)



Waste treatment volumes net of elimination between plants.

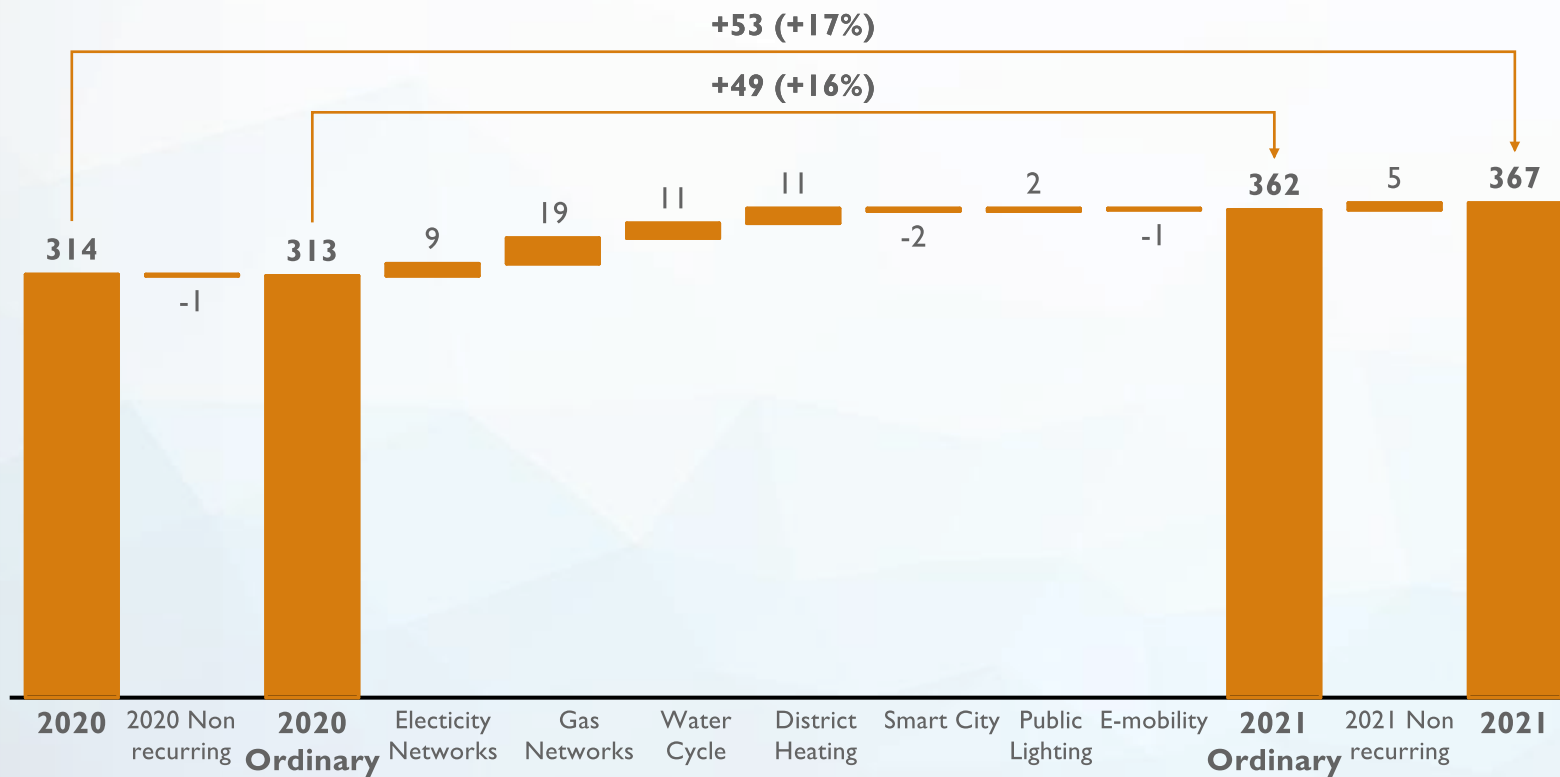
Equivalent EE Sales (GWh)





Networks

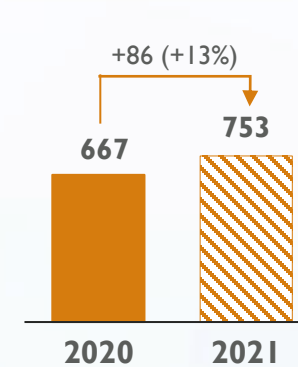
EBITDA 9M (€M)



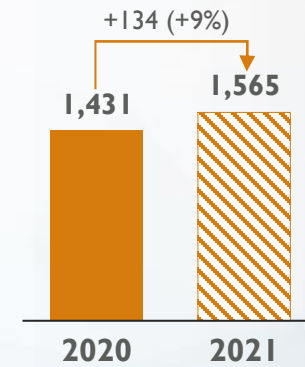
- Electricity & Gas Networks: higher customer connections and lower operative costs
- Higher tariffs on Water Cycle
- Higher District Heating volumes
- AEB (mainly Gas Networks)

From July 1st, 2021, with retroactive effectiveness from 01.01.2021, Networks Business Unit includes Public Lighting sector. Therefore, data related to 9M 2020 have been restated to ensure full comparability

RAB EE* (€M)

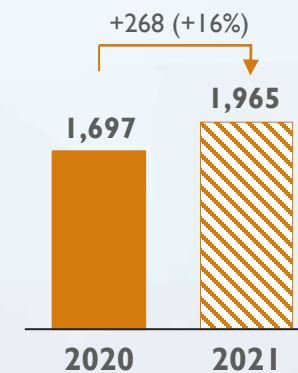


RAB GAS* (€M)

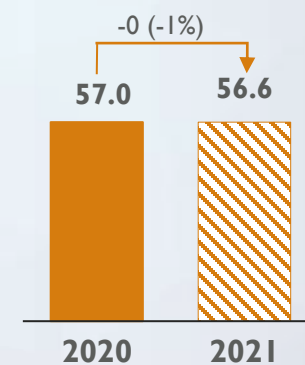


* Provisional data, underlying the estimate of allowed revenues of the period.

Heat Volumes (GWht)

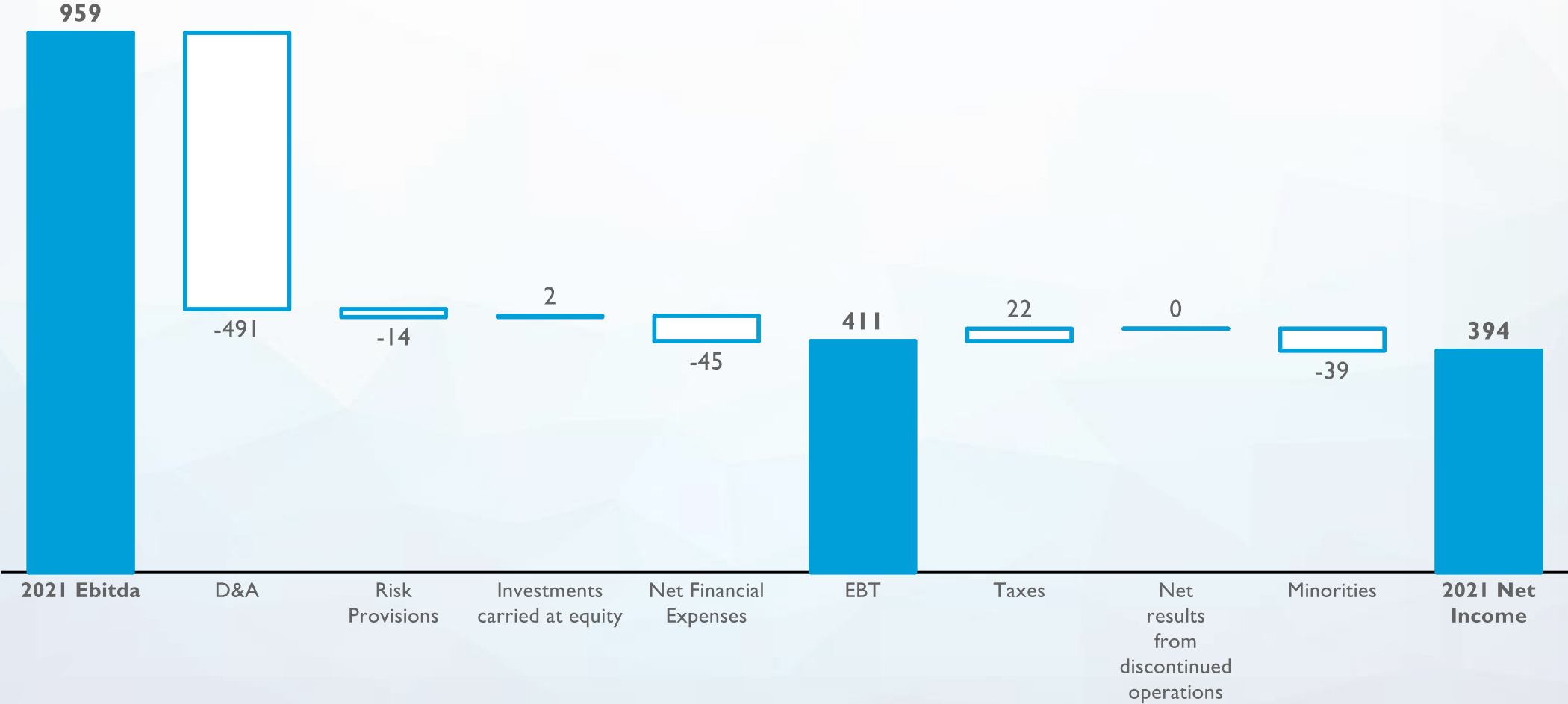


Distributed Water (Mcm)



From EBITDA to Group Net Income

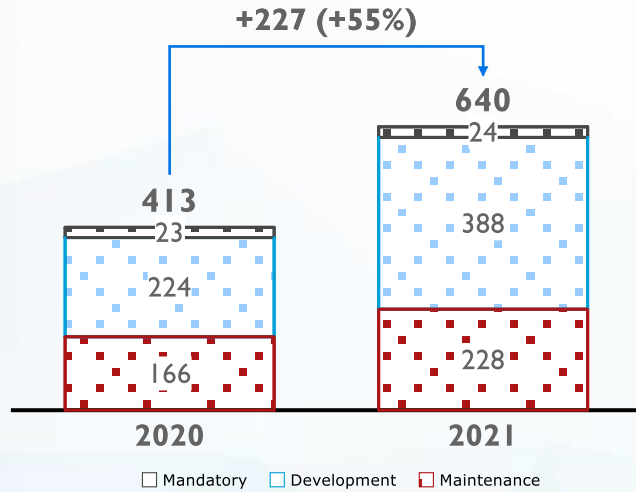
(€M)



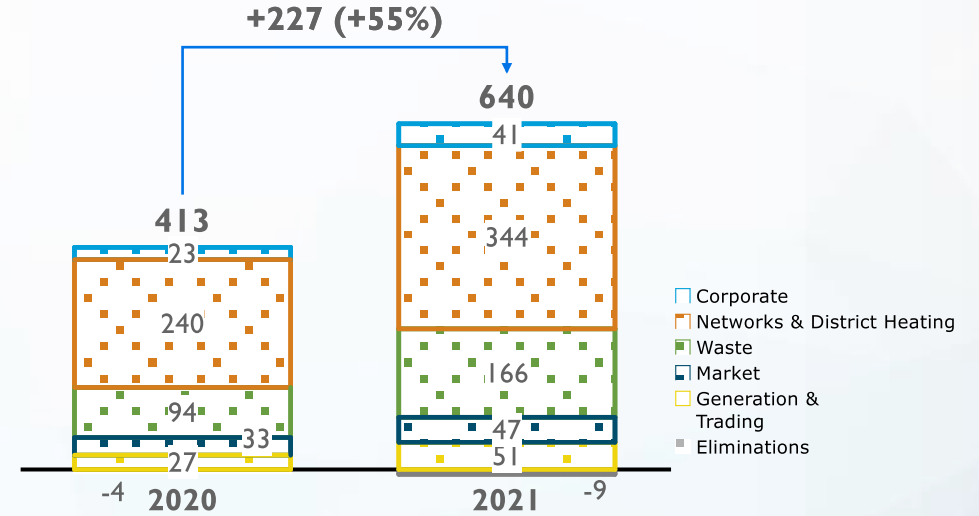
9M 2020

822	(403)	(19)	1	(60)	341	(109)	(2)	(12)	218
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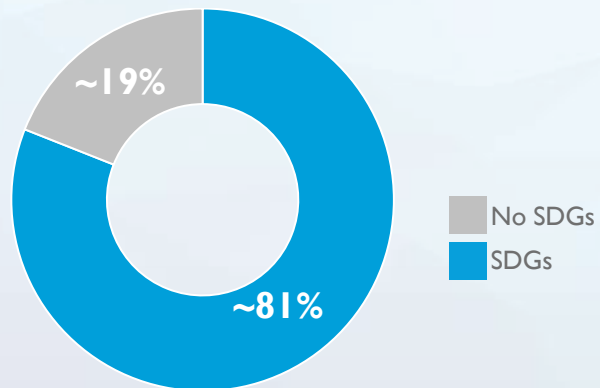
Breakdown by Activity



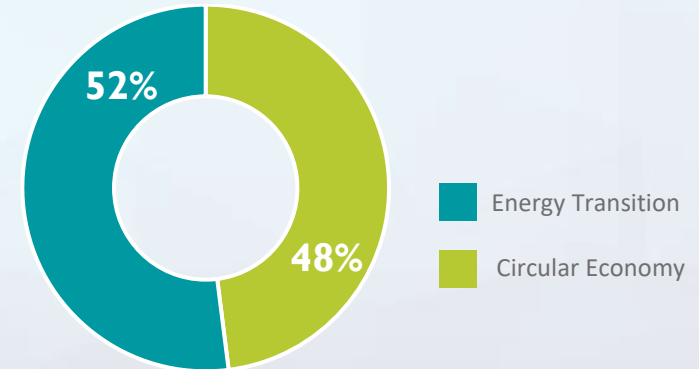
Breakdown by Business



2021 Breakdown by SDGs

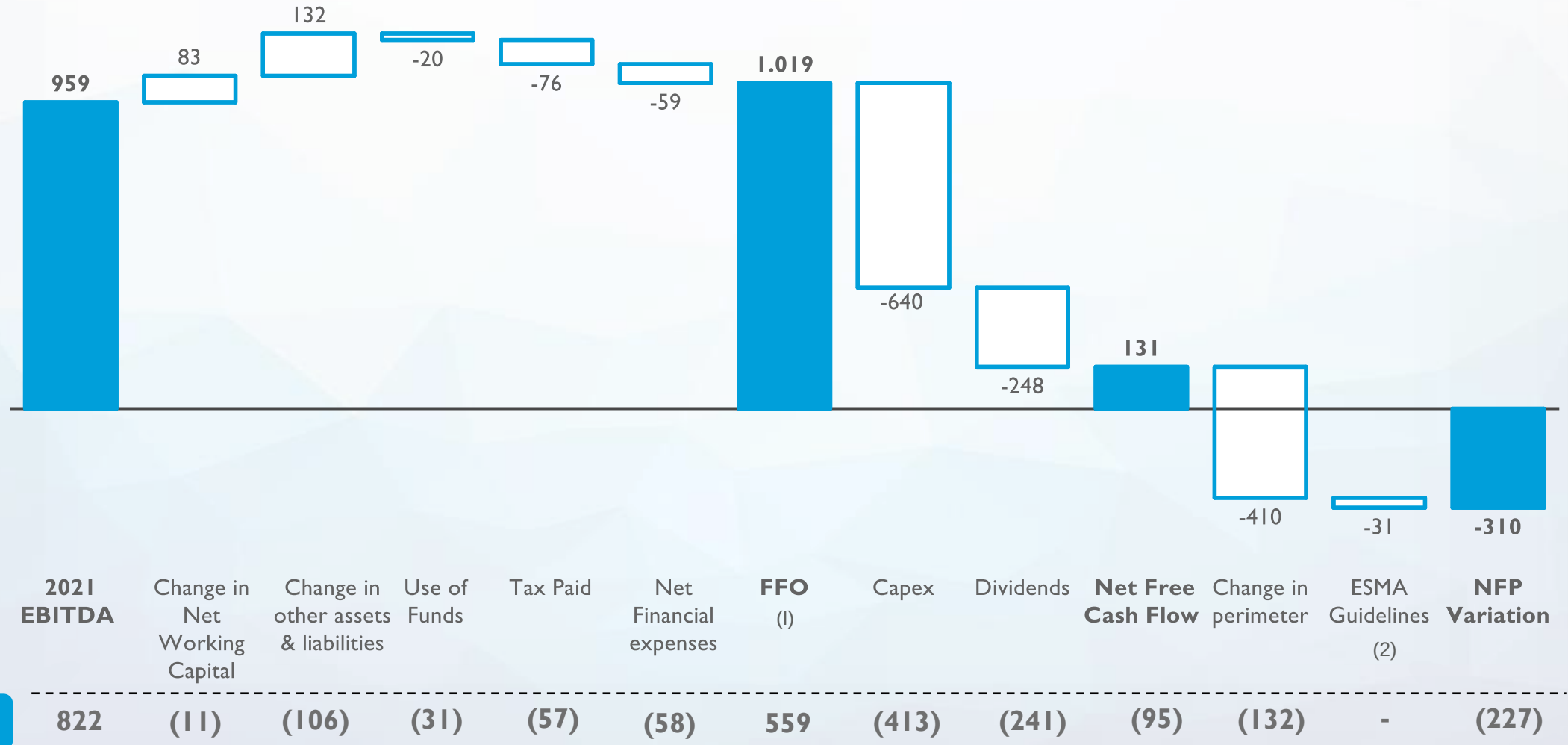


2021 Breakdown by Circular Economy & Energy Transition



Net Free Cash Flow

(€M)



(1) Funds from operations after working capital change

(2) In accordance with ESMA guidelines related of Statement of indebtedness disclosure, "non-current trade and other payables include non-remunerated debt for which there is a significant financing component, either implicitly or explicitly, for example debt to suppliers beyond a period of 12 months"

EBITDA

1,320 – 1,340 €M

Of which ~15€M of positive non recurring items

CAPEX

~1€B

2021
GUIDANCE
IMPROVED

ANNEXES



Business Units EBITDA Breakdown

(€M)



	9M 2020		9M 2021		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
Group A2A	822	818	959	946	137	17%	128	16%
Generation & Trading	174	165	203	196	29	17%	31	19%
Power Generation	166	157	225	218	59	36%	61	39%
Gas Margin	8	8	-22	-22	-30	n.s.	-30	n.s.
Market	140	139	161	159	21	15%	20	14%
Energy Retail	144	143	163	161	19	13%	18	13%
Energy Solutions	-4	-4	-2	-2	2	n.s.	2	n.s.
Waste	209	209	238	237	29	14%	28	13%
Collection	48	48	50	49	2	4%	1	2%
Urban Treatment	136	136	158	158	22	16%	22	16%
Industrial Treatment	25	25	30	30	5	20%	5	20%
Networks	314	313	367	362	53	17%	49	16%
Electricity Networks	97	97	107	106	10	10%	9	9%
Gas Networks	113	112	135	131	22	19%	19	17%
Water Cycle	43	43	54	54	11	26%	11	26%
District Heating	44	44	55	55	11	25%	11	25%
Smart City	7	7	5	5	-2	-29%	-2	-29%
Public Lighting	10	10	12	12	2	20%	2	20%
E-Moving	0	0	-1	-1	-1	n.s.	-1	n.s.
Corporate	-15	-8	-10	-8	5	-33%	0	0%

9M 2021 VS 9M 2020

Profit & Loss (€M)

	9M 2021	9M 2020	Change vs 2020	Change % vs 2020
Revenues	6,456	4,805	1,651	34%
EBITDA	959	822	137	17%
D&A	-491	-403	-88	22%
Provisions	-14	-19	5	-26%
EBIT	454	400	54	14%
Net Financial Expenses	-45	-60	15	-25%
Associates & JV	2	1	1	n.s.
EBT	411	341	70	21%
Taxes	22	-109	131	n.s.
Net Results from disc. Operations	0	-2	2	n.s.
Minorities	-39	-12	-27	n.s.
Group Net Income	394	218	176	81%

9M 2021 VS 9M 2020

Balance Sheet (€M)

	31.12.2020	30.09.2020	30.09.2021	Δ vs 31.12.2020	Δ vs 30.09.2020
Tangible Assets	5,162	4,934	5,421	259	487
Intangible Assets	2,737	2,503	2,888	151	385
Shareholdings and Other Non Current Financial Assets	32	40	69	37	29
Other Non Current Assets/Liabilities	-99	-119	-88	11	31
Deferred Tax Assets and Liabilities	265	272	382	117	110
Provisions for Risks, Charges and Liabilities for landfills	-752	-683	-728	24	-45
Employee Benefits	-278	-283	-256	22	27
Net Fixed Capital	7,067	6,664	7,688	621	1,024
Net Working Capital	617	566	534	-83	-32
Other Current Assets/Liabilities	-181	-230	-102	79	128
Current Tax Assets/Liabilities	71	2	-10	-81	-12
Working Capital and Other Current Assets/Liabilities	507	338	422	-85	84
Non Current Assets/Liabilities held for sale	14	20	0	-14	-20
Total Capital Employed	7,588	7,022	8,110	522	1,088
Equity	4,116	3,641	4,328	212	687
Net Financial Position	3,472	3,381	3,782	310	401
Total Sources	7,588	7,022	8,110	522	1,088

Energy Scenario

	UoM	9M 2020	9M 2021	Δ% vs 2020
Brent	\$/bbl	42.6	67.8	59%
CO2 – EU ETS cost	€/Tonn	23.8	48.3	102%
€/€	€/€	1.1	1.2	6%
Brent €	€/bbl	37.9	56.7	50%
PSV ⁽¹⁾	€/MWh	9.0	30.1	n.s.
AEEGSI Gas Tariff ⁽²⁾	c€/mc	11.4	19.7	73%
Coal € (API2)	€/Tonn	42.2	86.0	104%
PUN Baseload ⁽³⁾	€/MWh	35.6	86.1	142%
PUN Peak ⁽³⁾	€/MWh	39.9	93.7	135%
PUN Off-Peak ⁽³⁾	€/MWh	33.2	81.9	147%
CCGT gas cost ⁽⁴⁾	€/MWh	24.7	69.1	180%
Spark Spread CCGT_PSV vs Baseload	€/MWh	10.9	17.0	56%
Spark Spread CCGT_PSV vs Peakload	€/MWh	15.2	24.6	61%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	8.5	12.8	51%
Clean Spark Spread vs Baseload	€/MWh	1.4	-2.3	n.s.
Clean Spark Spread vs Peakload	€/MWh	5.7	5.3	-7%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	-16.2	-8.4	-48%

Note:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

(5) 35% efficiency – includes cost spread on API2 and transport costs

Volumes

A2A Group Thermal production

- CCGT production
- Coal production
- Oil production

A2A Group Renewable production

- Hydro production
- Photovoltaic production
- Wind production

Electricity sales

Gas sales

Electricity distributed

Gas distributed

Water Distributed

Heat volumes sales

Cogeneration electricity sales

Collected waste

Waste disposal

- Material recovery

- Energy recovery

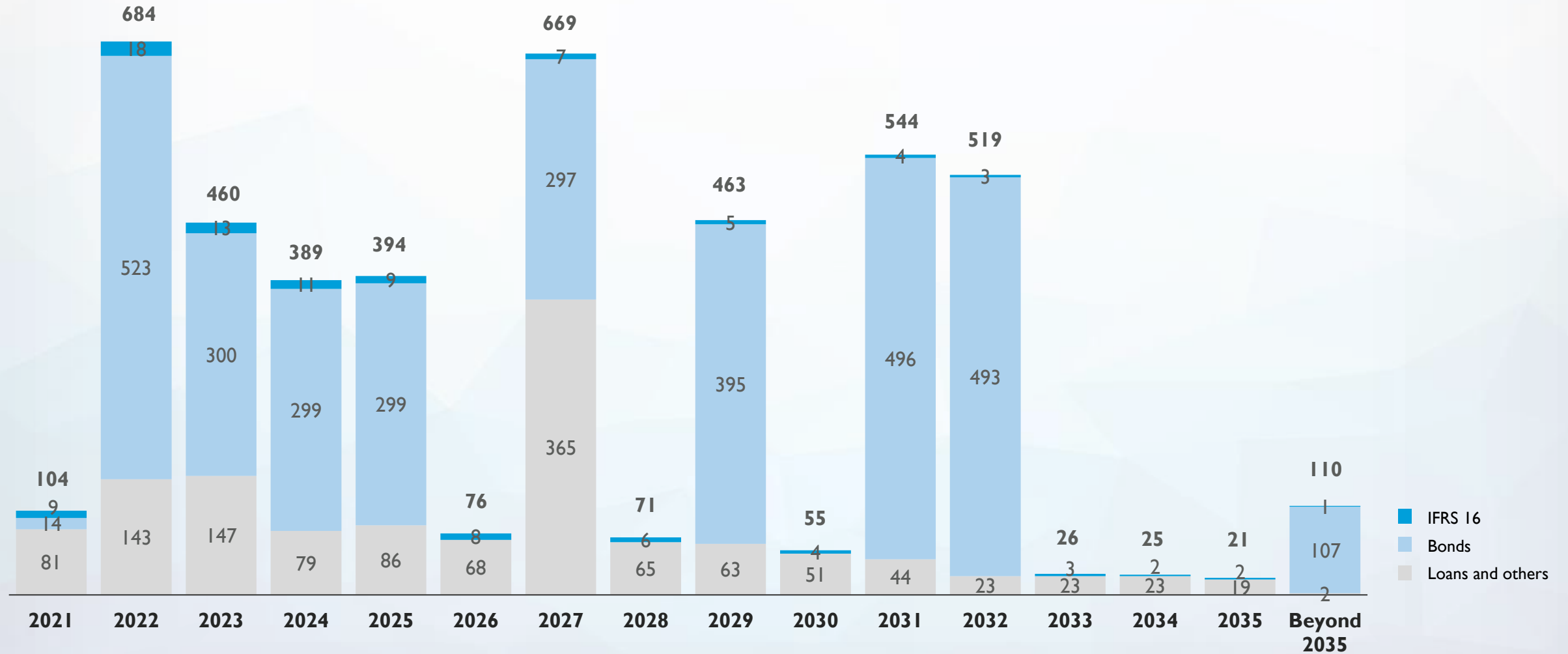
- Other

WTE and other plants electricity production

WTE and other plants heat production

UoM	9M 2020	9M 2021	Δ vs 2020	Δ% vs 2020
GWh	9,155	9,996	840	9%
GWh	8,562	8,945	383	4%
GWh	114	135	21	19%
GWh	480	915	436	91%
GWh	3,353	3,653	300	9%
GWh	3,244	3,391	147	5%
GWh	109	246	138	127%
GWh	0	16	16	n.s.
GWh	10,912	13,576	2,664	24%
Mcm	1,488	1,787	299	20%
GWh	7,865	8,489	624	8%
Mcm	1,843	2,221	377	20%
Mcm	57	57	0	-1%
GWht	1,697	1,965	268	16%
GWh	198	201	3	2%
Kton	1,215	1,377	162	13%
Kton	2,453	2,545	92	4%
Kton	624	727	102	16%
Kton	1,080	1,111	31	3%
Kton	749	707	-42	-6%
GWh	1,476	1,579	103	7%
GWht	970	1,046	77	8%

Gross debt maturities as of 30 September 2021



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