



A2A

FY 2021 Results

Milan

17th March 2022

HIGHLIGHTS



Business Plan 2021-2030 – Achievements Q4 2021



Energy transition

Accelerating RES growth

Binding agreement for an industrial partnership and majority stake acquisition of Volta Green Energy, an Italian development and asset management platform with a pipeline of approximately 800 MW of RES projects

Broadening green energy portfolio

Acquisition¹ of stakes in 3New & Partners and 4New from Ardian, for approximately 350 MW of wind and solar plants in Italy and Spain

Ensuring system flexibility

Authorizations obtained for 4 CCGTs upgrades in Cassano, Chivasso, Sermide and Piacenza plants. Construction activities already started in Cassano

Gas networks rationalization

Preliminary agreement signed for the **sale of non-strategic natural gas distribution assets**: 2,800 km of gas network, 157,000 redelivery points



Circular economy

Industrial waste management

Acquisition of 100% of TecnoA, a company operating in industrial waste management. The plant located in Crotone – Calabria, is authorized to treat **300 k tonnes per year** of industrial wastes

Water management

Entry into operation of the new purification, sewage collection system and wastewater treatment plant at Gavardo – Brescia: 3 municipalities are now compliant with European regulation

Key ESG highlights



CIRCULAR ECONOMY & ENERGY TRANSITION



Average waste collection (%)

71%

In line with 2020



Waste treated (Mton)

4.2

+10% vs 2020¹



Linear water leaks (mc/km/gg)

23.1

-5% vs 2020



Solar & wind production (GWh)

313

+184 GWh vs 2020



Green energy sold (TWh)

5.0

+27% vs 2020



SBTi Target (gCO2/kWh)

332

-22% vs FY 2017²

SOCIAL&GOVERNANCE

Direct economic value distributed³ (€ M)

10,732

+75% vs 2020

«Digitalised» employees Incl. operational employees

100%

64% nel 2020

Sustainable debt

44%

+28% vs 2020

Accident index (frequency x severity)

10.0

-5% vs 2020

Women in leadership position (% of total managers)

24%

21% nel 2020

% of orders placed with suppliers evaluated with ESG indicators

50%

0% nel 2020

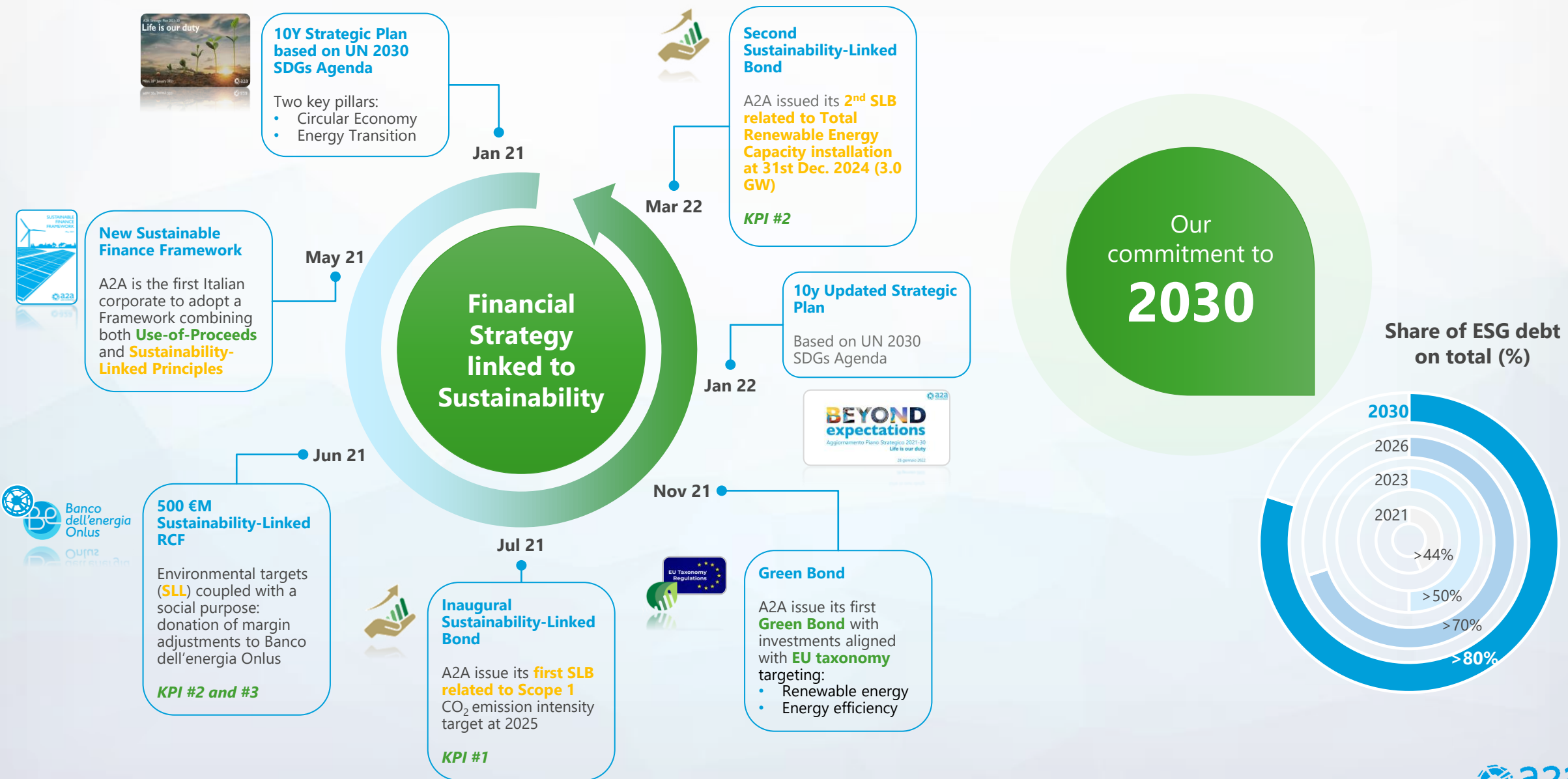
4

¹ Recovered Waste treatment volumes gross of elimination between Group's plants.

² Science Based Target base year approved (FY 2017)

³ Operating cost, employee wages and benefits, payments to providers of capital, payments to government and community investment

Financial Strategy Linked to Sustainability: 2021 and 2022 Highlights



Industrial highlights of the period



MSD margin
Trading Portfolio
District Heating Volumes
Water Cycle Tariffs
M&A

Realignment book/tax-base value of Assets

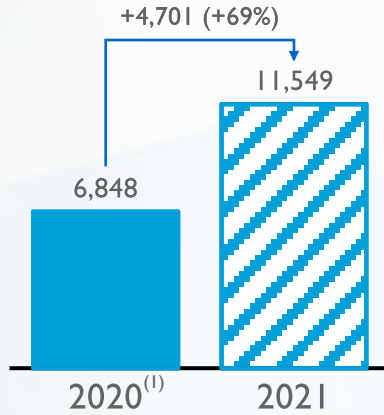


Gas Portfolio
Hydroelectric concession fees

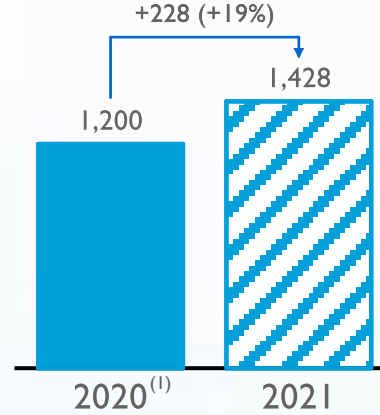
FY 2021 VS FY 2020

Key Financial Indicators (€M)

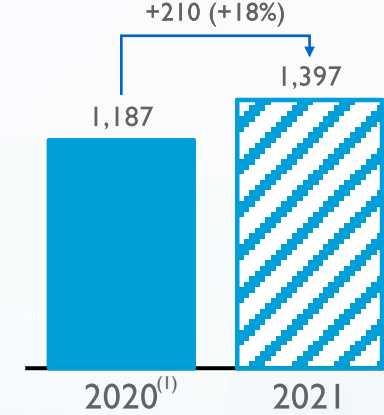
Revenues



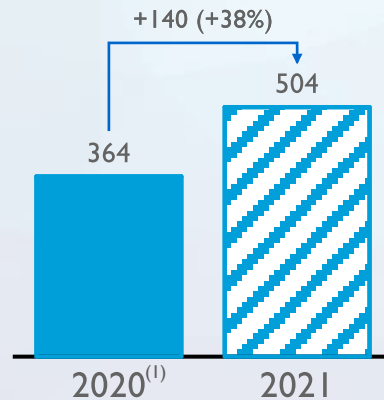
EBITDA



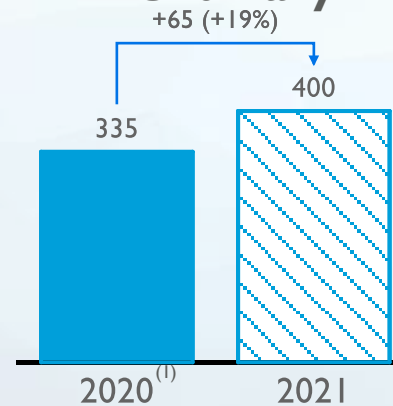
EBITDA Ordinary



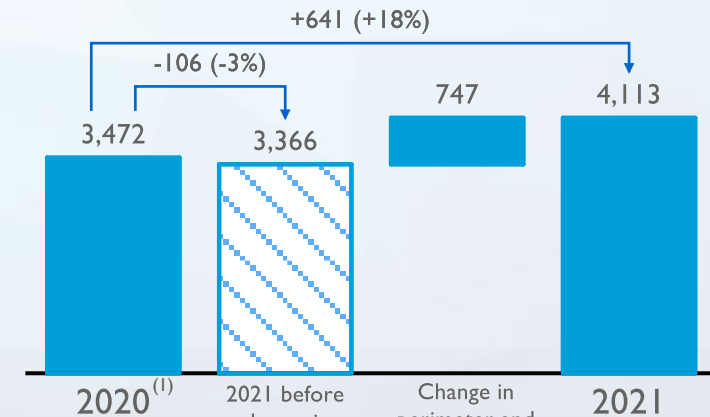
Group Net Income



Group Net Income Ordinary



Net Financial Position



(1) Restated values showed net of contribution of non-strategic natural gas distribution assets sold in 2022. Their economic impact has been reclassified in accordance with IFRS5.
(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"

FY 2021 VS FY 2020

Group EBITDA (€M)



+37%



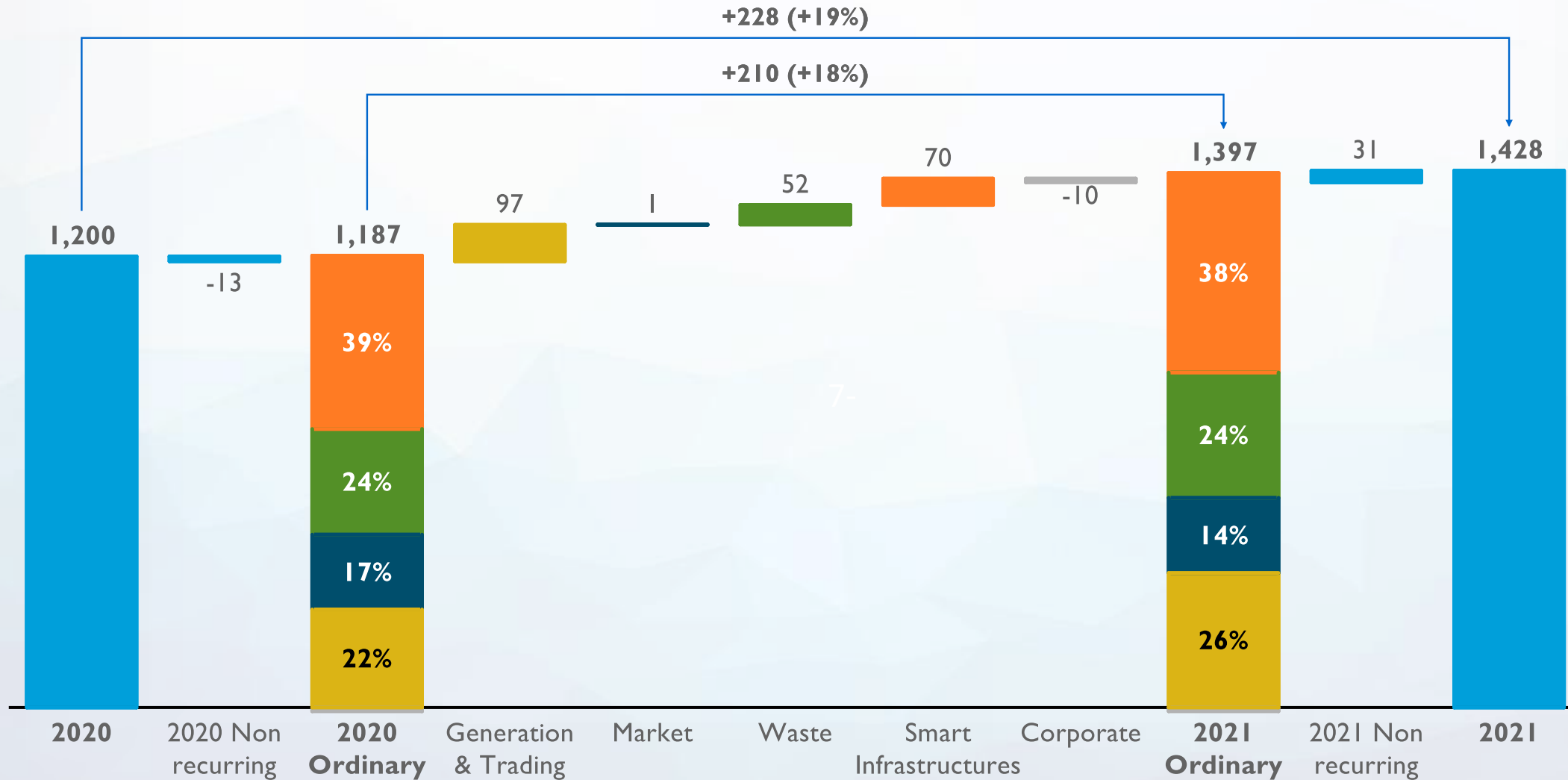
+1%



+19%



+15%

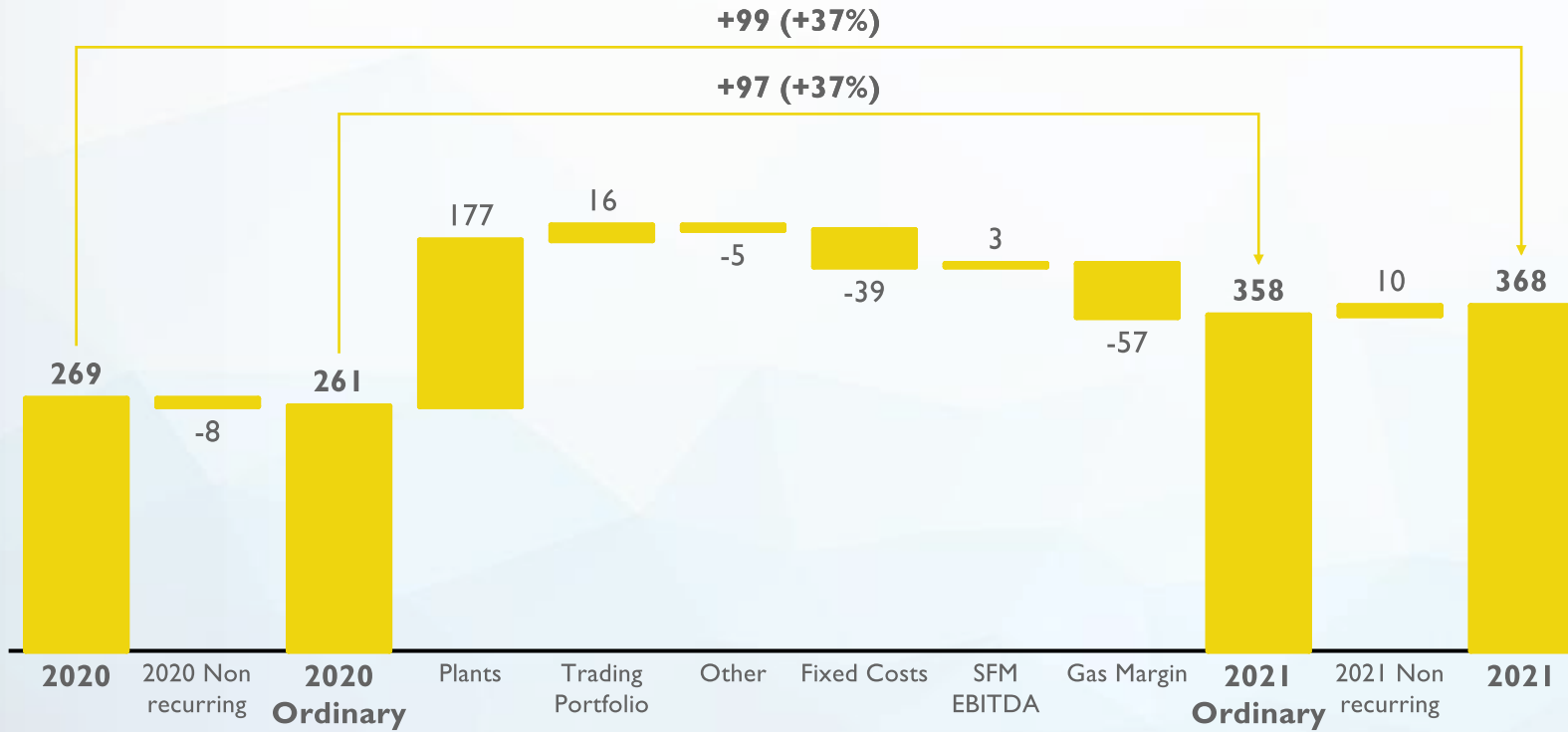


ANALYSIS OF RESULTS



Generation & Trading

EBITDA FY (€M)

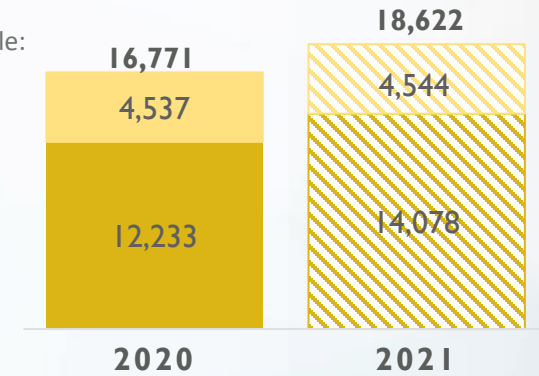


- MSD margin
- New Photovoltaic and Wind plants
- Positive Trading Portfolio
- Negative Gas Portfolio
- Higher Hydroelectric concession fees

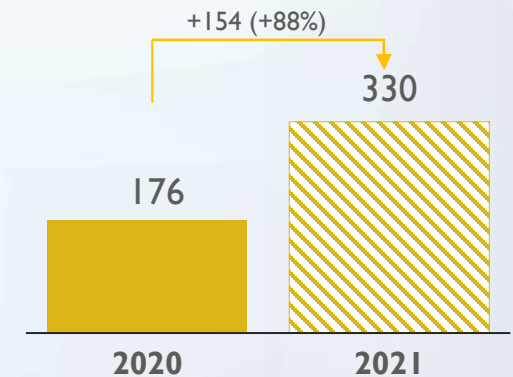
Production (GWh)

Renewable:
Hydro;
Solar;
Wind

Thermal:
CCGT;
Coal;
Oil



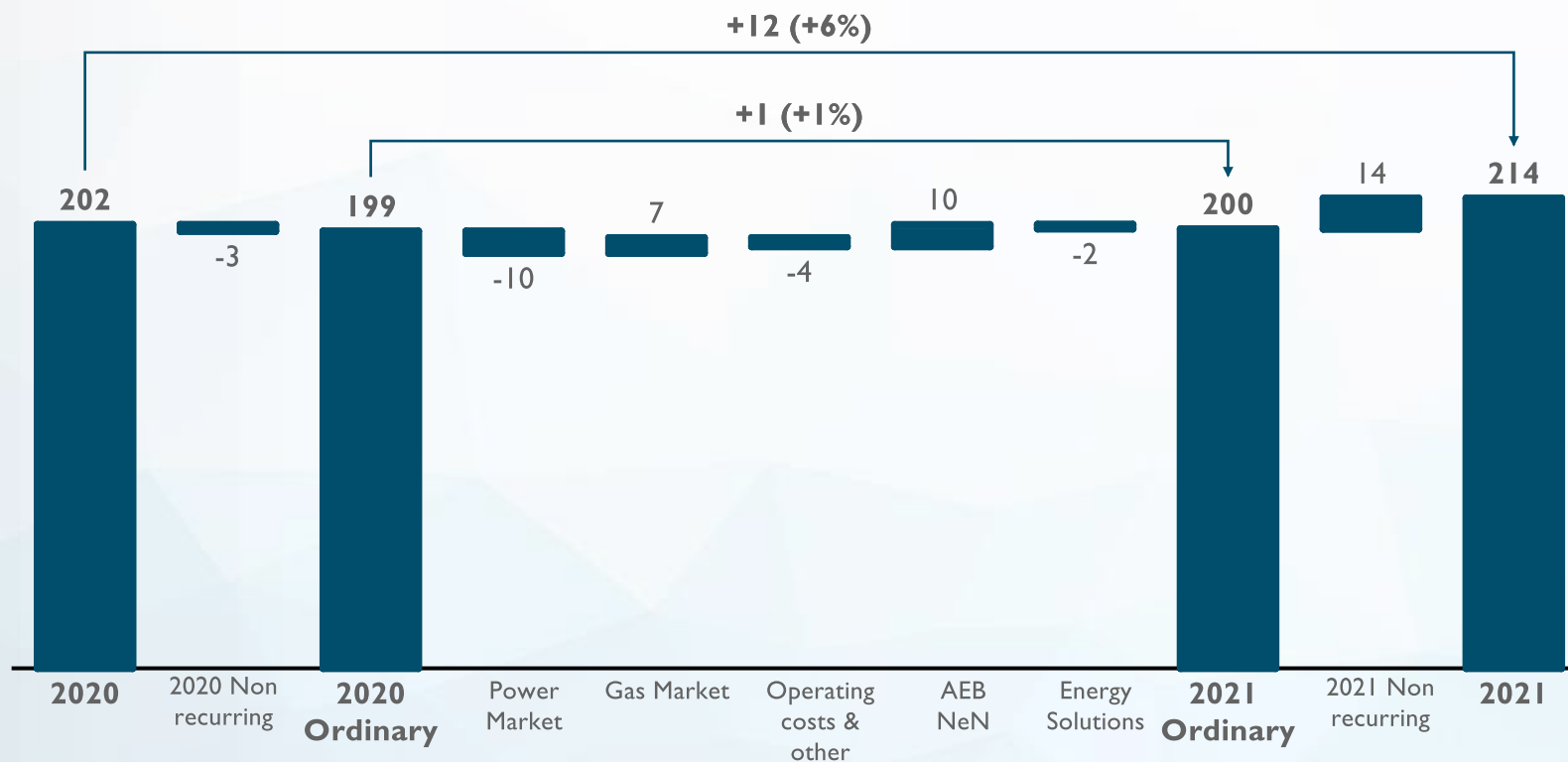
MSD Margin (€M)





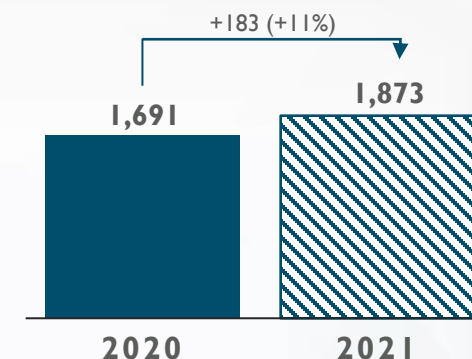
Market

EBITDA FY (€M)

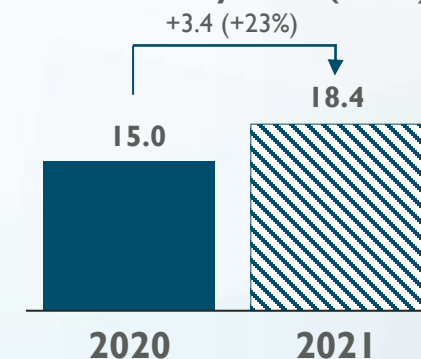


- Free market customer base +183K Vs Dec. 2020
- Higher Gas margins on Mass Market
- Higher volumes sold to B2B
- Lower unitary margins on Electricity also related to unbalancing costs
- AEB

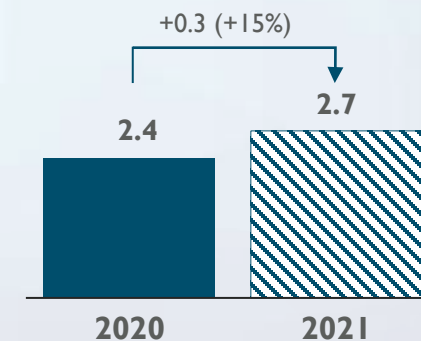
Free Market Customers (#/000)



Electricity Sales (TWh)

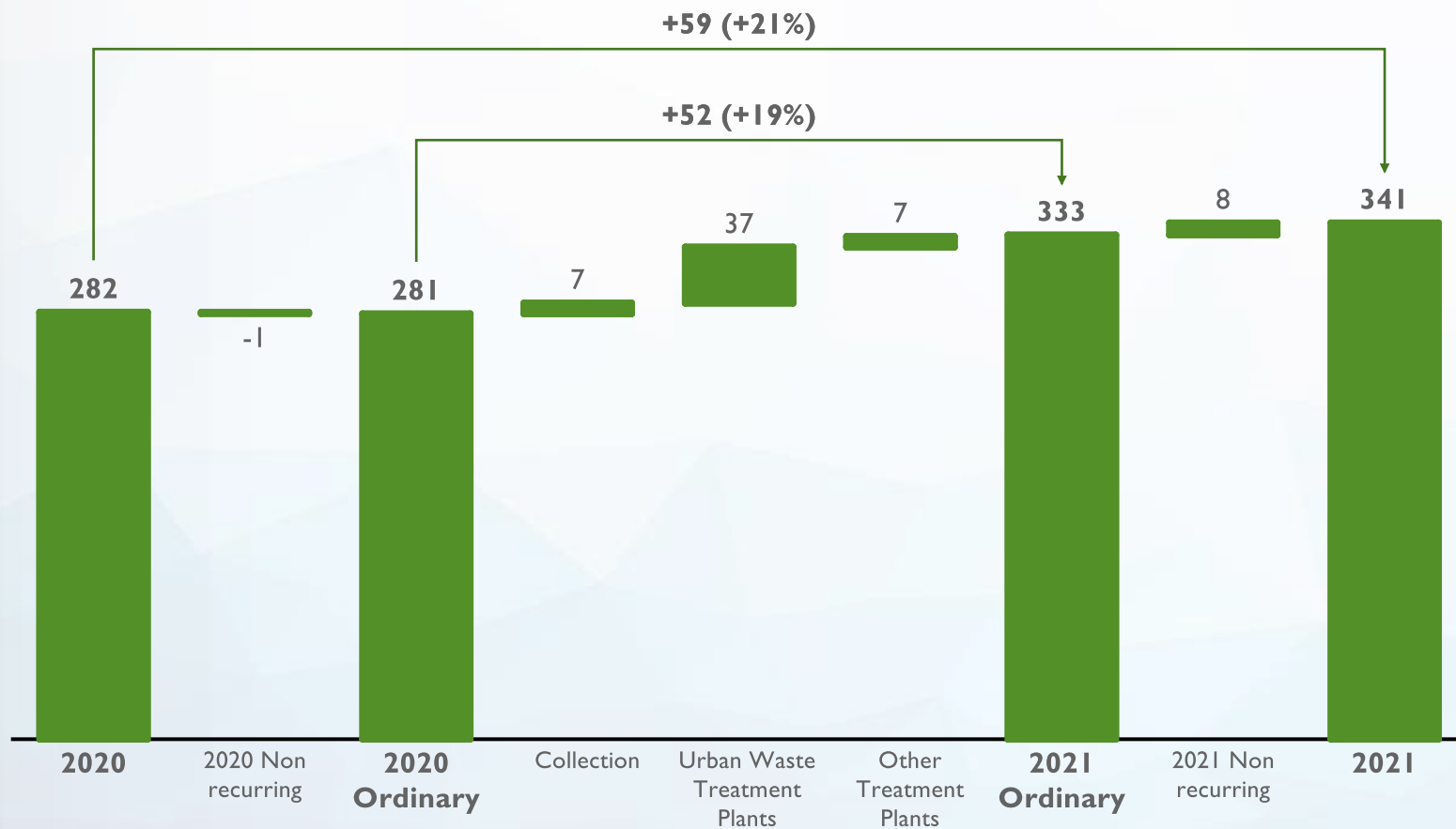


Gas Sales (Bcm)



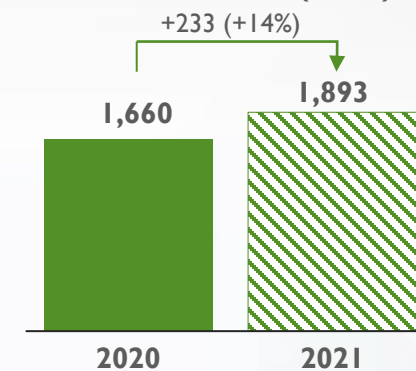


Waste EBITDA FY (€M)

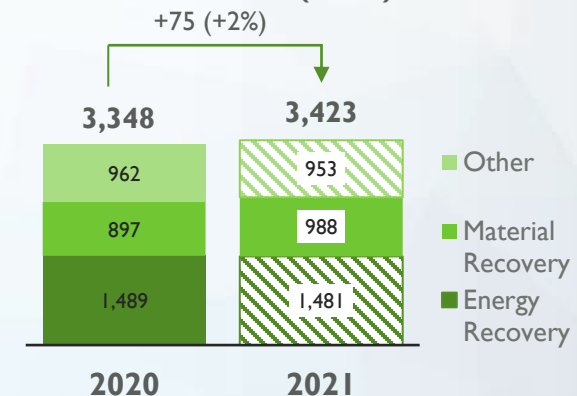


- Increase in Electricity prices
- Higher Paper prices
- AEB, Agripower, Agritre and Fragea

Waste Collection (Kton)

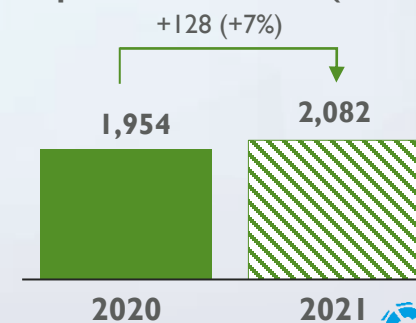


Waste Treatment (Kton)



Waste treatment volumes net of elimination between plants.

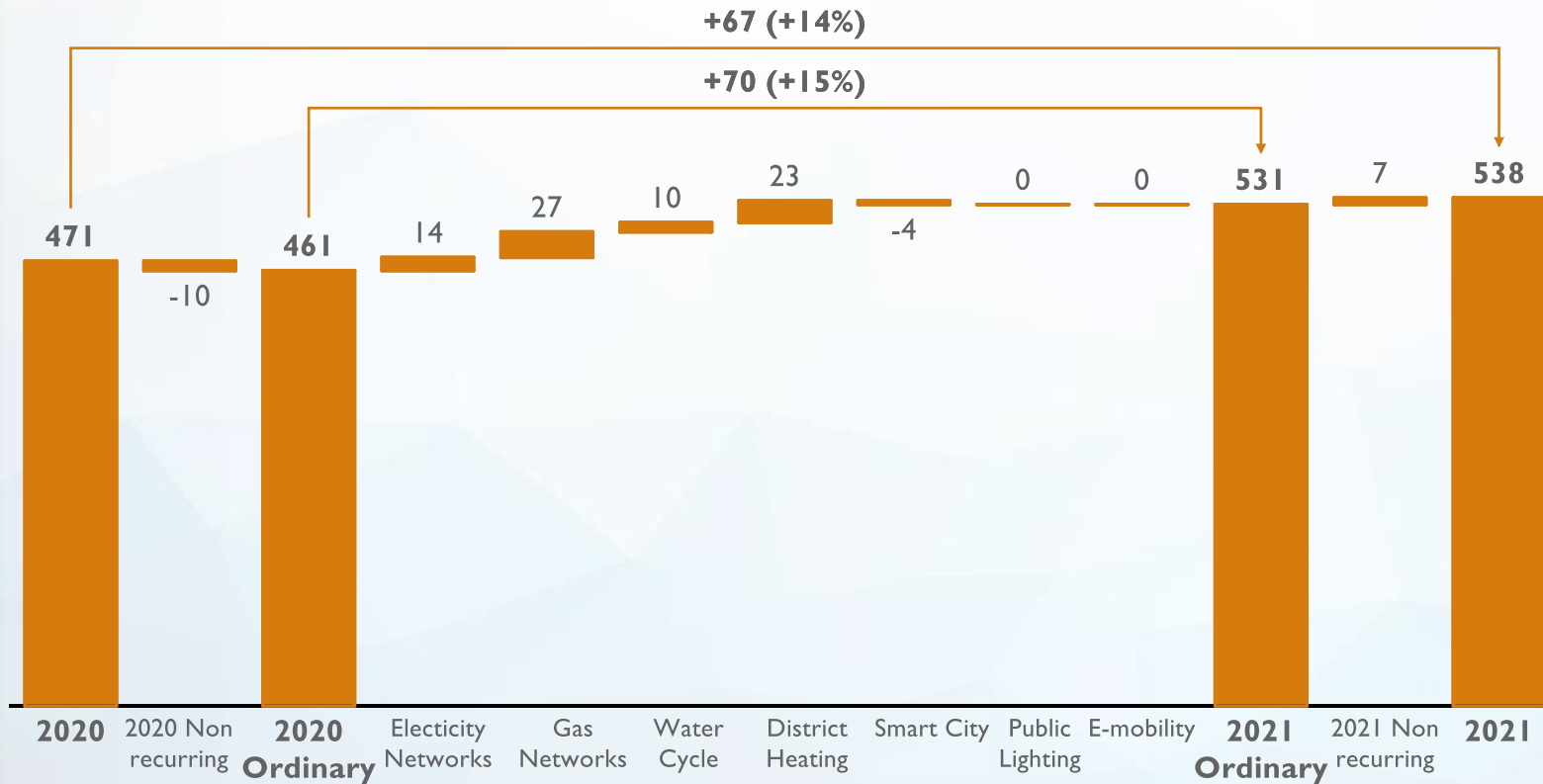
Equivalent EE Sales (GWh)





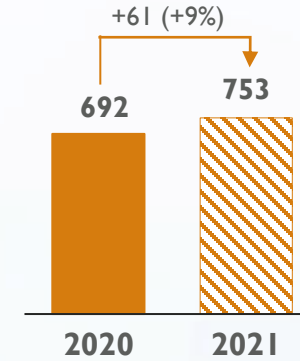
Smart Infrastructures

EBITDA FY (€M)

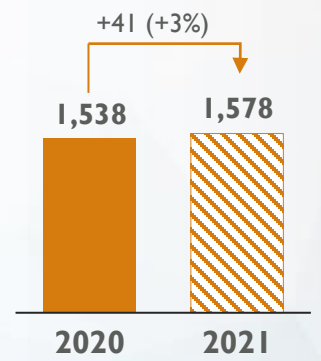


- Electricity & Gas Networks: higher allowed revenues and lower operative costs
- Higher tariffs on Water Cycle
- Higher District Heating volumes
- AEB (mainly Gas Networks)

RAB EE* (€M)

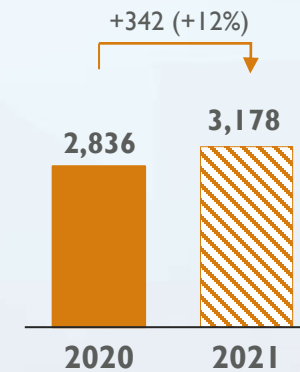


RAB GAS* (€M)

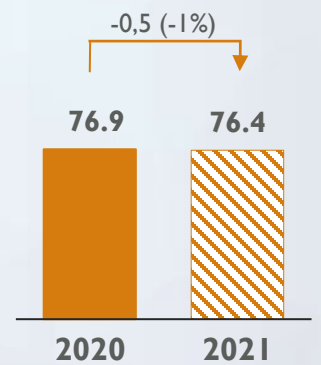


* Provisional data, underlying the estimate of allowed revenues of the period.

Heat Volumes (GWht)

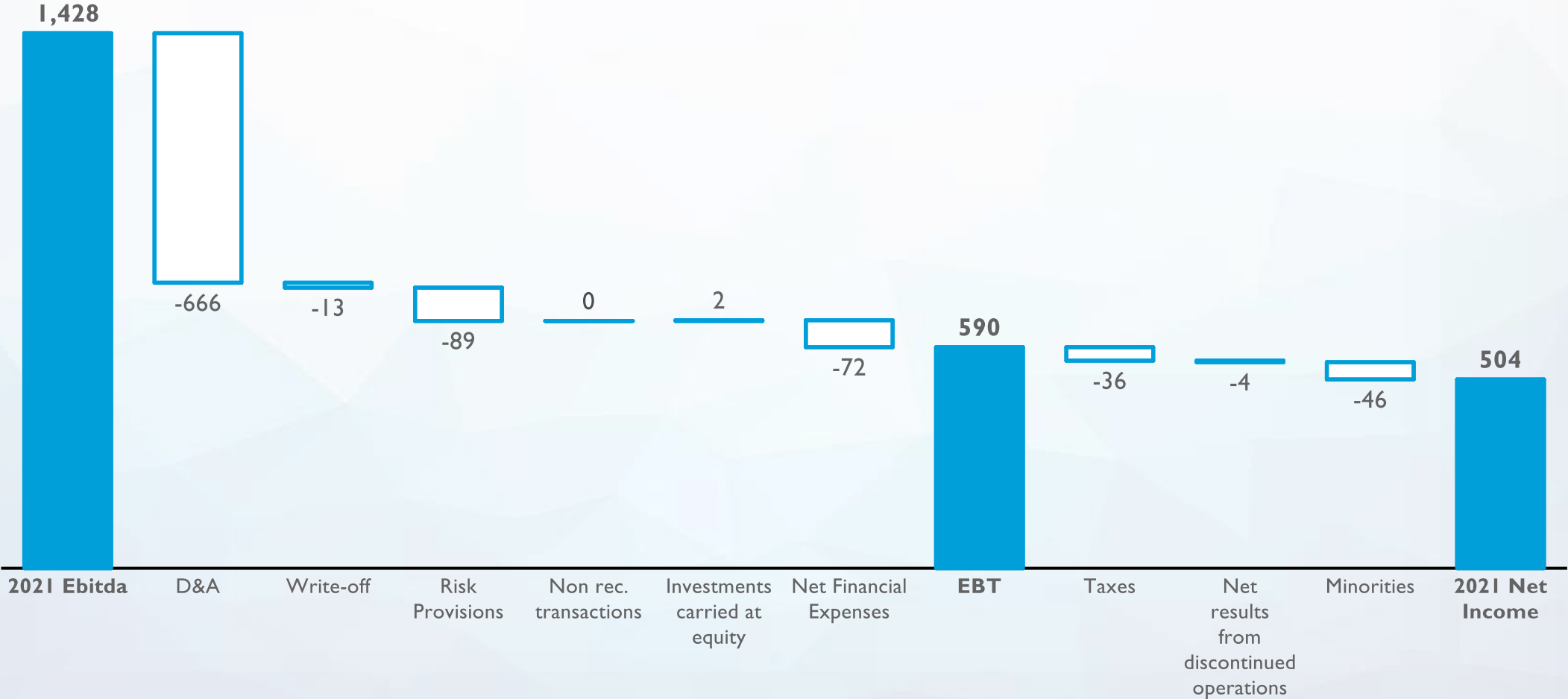


Distributed Water (Mcm)



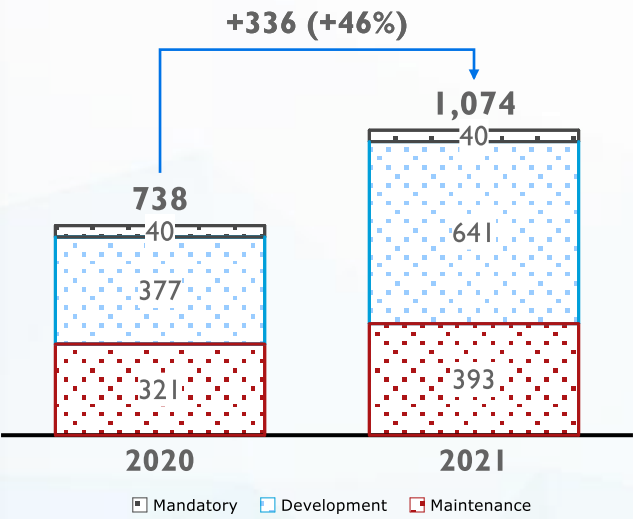
From EBITDA to Group Net Income

(€M)

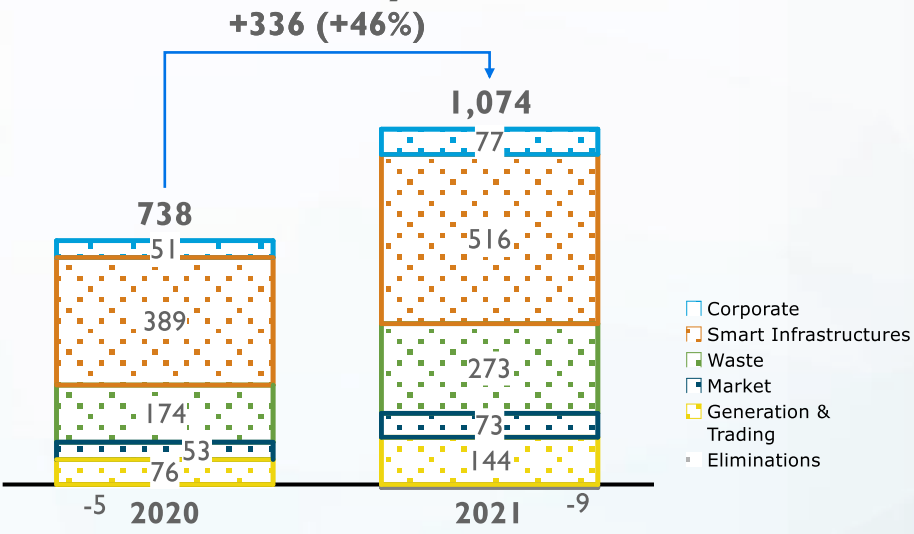


2020	1,200	(547)	(5)	(94)	0	0	(81)	473	(99)	(6)	(4)	364
------	-------	-------	-----	------	---	---	------	-----	------	-----	-----	-----

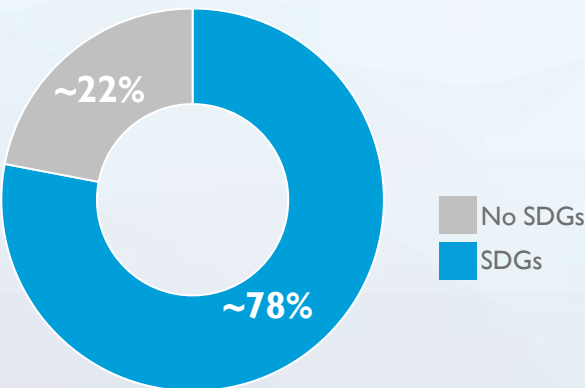
Breakdown by Activity



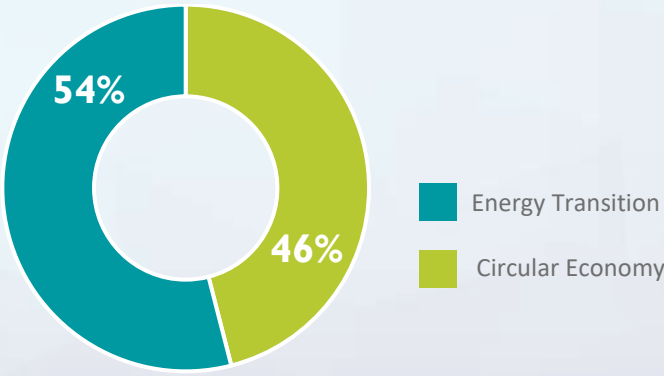
Breakdown by Business



2021 Breakdown by SDGs



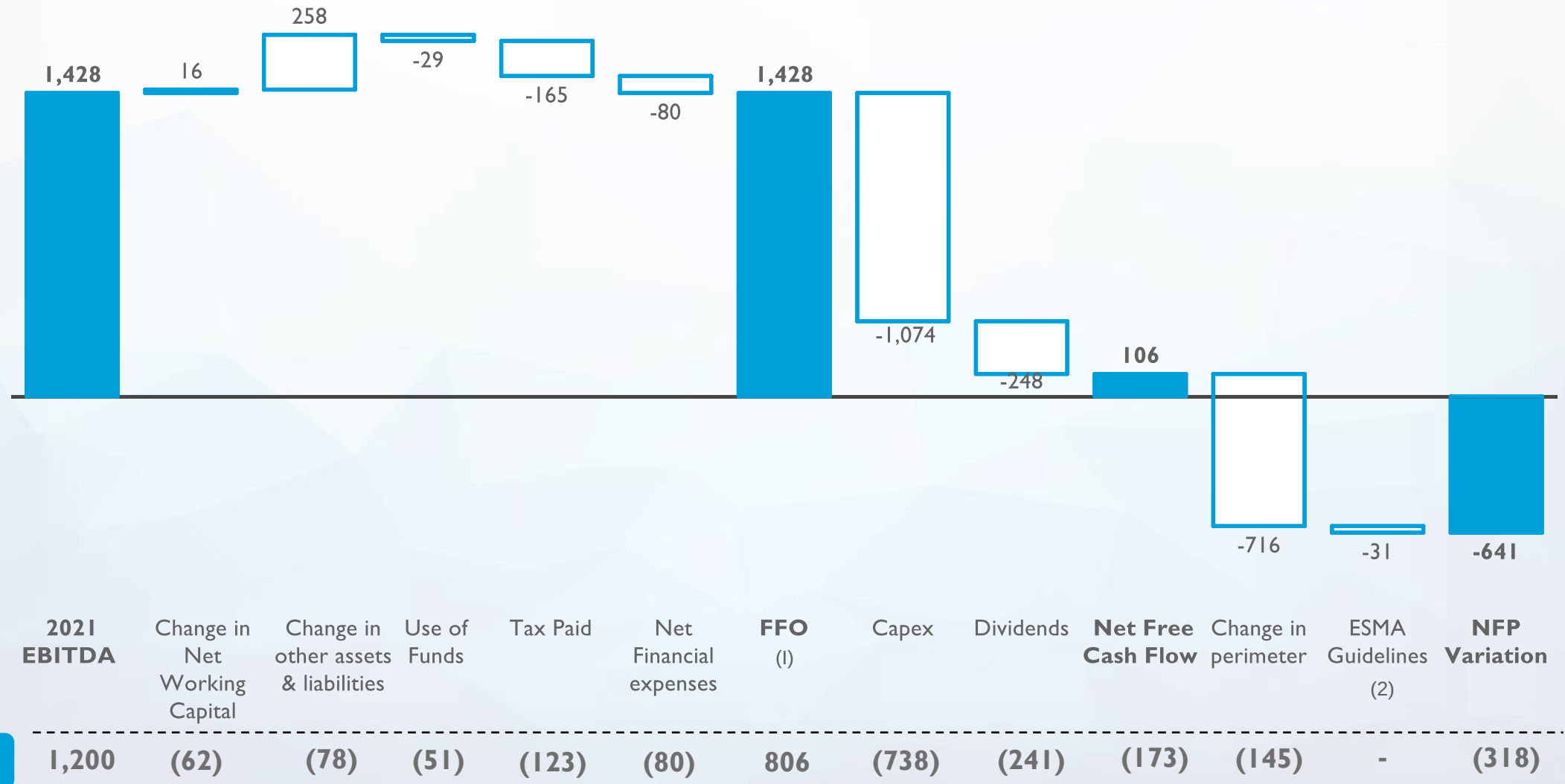
2021 Breakdown by Circular Economy & Energy Transition



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

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"

ANNEXES



Business Units EBITDA Breakdown

(€M)

	FY 2020		FY 2021		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
A2A	1,200	1,187	1,428	1,397	228	19%	210	18%
Generation & Trading	269	261	368	358	99	37%	97	37%
Power Generation	257	249	413	403	156	61%	154	62%
Gas Margin	12	12	-45	-45	-57	n.s.	-57	n.s.
Market	202	199	214	200	12	6%	1	1%
Energy Retail	202	199	215	201	13	6%	2	1%
Energy Solutions	0	0	-1	-1	-1	n.s.	-1	n.s.
Waste	282	281	341	333	59	21%	52	19%
Collection	60	59	72	66	12	20%	7	12%
Urban Treatment	186	186	226	224	40	22%	38	20%
Industrial Treatment	36	36	43	43	7	19%	7	19%
Smart Infrastructures	471	461	538	531	67	14%	70	15%
Electricity Networks	137	136	149	150	12	9%	14	10%
Gas Networks	158	152	185	179	27	17%	27	18%
Water Cycle	61	62	76	72	15	25%	10	16%
District Heating	86	85	108	108	22	26%	23	27%
Smart City	10	10	2	6	-8	-80%	-4	-40%
Public Lighting	19	16	18	16	-1	-5%	0	0%
E-Moving	0	0	0	0	0	n.s.	0	n.s.
Corporate	-24	-15	-33	-25	-9	38%	-10	67%



FY 2021 VS FY 2020

Profit & Loss (€M)

	FY 2021	FY 2020	Change vs 2020	Change % vs 2020
Revenues	11,549	6,848	4,701	69%
EBITDA	1,428	1,200	228	19%
D&A	-666	-547	-119	22%
Write-Off	-13	-5	-8	160%
Provisions	-89	-94	5	-5%
EBIT	660	554	106	19%
Net Financial Expenses	-72	-81	9	-11%
Associates & JV	2	0	2	n.s.
EBT	590	473	117	25%
Taxes	-36	-99	63	n.s.
Net Results from disc. Operations	-4	-6	2	n.s.
Minorities	-46	-4	-42	n.s.
Group Net Income	504	364	140	38%

FY 2021 VS FY 2020

Balance Sheet (€M)

	31.12.2021	31.12.2020	Δ vs 31.12.2020
Tangible Assets	5,588	5,162	426
Intangible Assets	3,125	2,737	388
Shareholdings and Other Non Current Financial Assets	73	32	41
Other Non Current Assets/Liabilities	-93	-99	6
Deferred Tax Assets and Liabilities	424	265	159
Provisions for Risks, Charges and Liabilities for landfills	-797	-752	-45
Employee Benefits	-294	-278	-16
Net Fixed Capital	8,026	7,067	959
Net Working Capital	601	617	-16
Other Current Assets/Liabilities	-405	-181	-224
Current Tax Assets/Liabilities	47	71	-24
Working Capital and Other Current Assets/Liabilities	243	507	-264
Non Current Assets/Liabilities held for sale	147	14	133
Total Capital Employed	8,416	7,588	828
Equity	4,303	4,116	187
Net Financial Position	4,113	3,472	641
Total Sources	8,416	7,588	828

Energy Scenario

	UoM	FY 2020	FY 2021	Δ% vs 2020
Brent	\$/bbl	43.2	70.8	64%
CO2 – EU ETS cost	€/Tonn	24.7	53.4	116%
€/€	€/€	1.1	1.2	4%
Brent €	€/bbl	37.9	59.9	58%
PSV ⁽¹⁾	€/MWh	10.4	45.8	n.s.
AEEGSI Gas Tariff ⁽²⁾	c€/mc	11.6	26.8	130%
Coal € (API2)	€/Tonn	43.9	102.1	132%
PUN Baseload ⁽³⁾	€/MWh	38.9	125.0	221%
PUN Peak ⁽³⁾	€/MWh	44.6	139.8	214%
PUN Off-Peak ⁽³⁾	€/MWh	35.7	116.7	227%
CCGT gas cost ⁽⁴⁾	€/MWh	27.8	103.1	271%
Spark Spread CCGT_PSV vs Baseload	€/MWh	11.1	21.9	97%
Spark Spread CCGT_PSV vs Peakload	€/MWh	16.8	36.7	118%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	7.9	13.6	72%
Clean Spark Spread vs Baseload	€/MWh	1.3	0.6	-52%
Clean Spark Spread vs Peakload	€/MWh	7.0	15.4	121%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	-14.4	18.9	-231%

Note:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

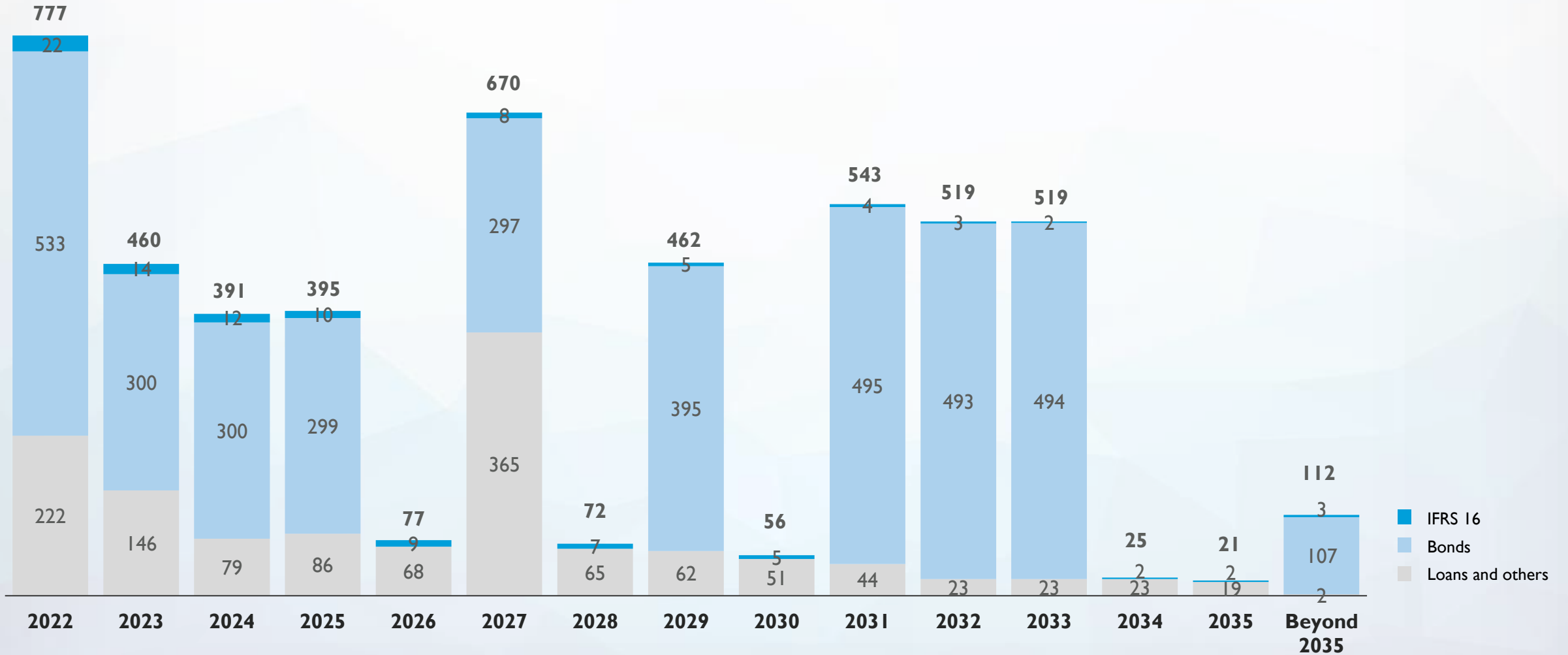
(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

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

Volumes

	UoM	FY 2020	FY 2021	Δ vs 2020	Δ% vs
A2A Group Thermal production	GWh	12,233	14,078	1,844	15%
- CCGT production	GWh	11,462	12,459	997	9%
- Coal production	GWh	114	156	43	38%
- Oil production	GWh	658	1,462	804	122%
A2A Group Renewable production	GWh	4,537	4,544	7	0%
- Hydro production	GWh	4,408	4,232	-176	-4%
- Photovoltaic production	GWh	127	291	163	128%
- Wind production	GWh	2	22	19	n.s.
Electricity sales	GWh	15,013	18,426	3,414	23%
Gas sales	Mcm	2,365	2,711	346	15%
Electricity distributed	GWh	10,673	11,423	750	7%
Gas distributed	Mcm	2,996	3,448	452	15%
Water Distributed	Mcm	77	76	-1	-1%
Heat volumes sales	GWht	2,836	3,178	342	12%
Cogeneration electricity sales	GWh	298	297	0	0%
Collected waste	Kton	1,660	1,893	233	14%
Waste disposal	Kton	3,348	3,423	75	2%
- Material recovery	Kton	897	988	91	10%
- Energy recovery	Kton	1,489	1,481	-7	-1%
- Other	Kton	962	953	-9	-1%
WTE and other plants electricity production	GWh	1,954	2,082	128	7%
WTE and other plants heat production	GWht	1,557	1,640	82	5%

Gross debt maturities as of 31 December 2021



A2A Investor Relations Team

E-mail: ir@a2a.eu

Phone: +39 02 7720 3974

<http://www.a2a.eu/en/investor/>



a2a
LIFE COMPANY