

The slide features a background of vibrant green leaves with water droplets. A large circular inset in the center shows a scenic view of a waterfall cascading into a lake, with a rocky shoreline in the foreground. The text is overlaid on this circular inset.

A2A

IH 2021 Results

Milan, 30th July 2021

HIGHLIGHTS



BUSINESS PLAN 2021-2030 – ACHIEVEMENTS 2Q 2021



ENERGY TRANSITION



Renewable capacity growth

Non-binding agreement signed with **Ardian** for a partnership in energy generation and supply in Italy. A2A and Ardian are aiming to establish the second largest Italian platform focused on the energy transition, and one of the largest electricity producer and supplier in Italy, with a clear decarbonisation strategy



Gas generation upgrade

Authorization for upgrading the gas-fired turbines at **Sermide** and **Piacenza** thermoelectric power plants through **AGP** (+70 MW and +81 MW). Since the release of A2A Business Plan, 4 AGPs have been authorized against the 2 announced



Customer base growth

3 lots awarded from **gradual protection service** tender for the supply of electricity to small businesses: +81k supply points, 1.8 TWh/y of volume, 0.4 €B of revenues



CIRCULAR ECONOMY



Water management

Building and Civil works completed at **Gavardo new wastewater treatment plant** (20k+ people served, 12 €M of Capex). Operation Date confirmed by the end of the year



District heating

Agreement with Eni for the **heat supply** for district heating network in Milan. Enipower production site in Belgiano will provide 54 GWh/y, equivalent to the needs of 6k families



KEY ENABLERS



Open innovation

Extension of **A2A Corporate Venture Capital** program



Competences

Internal Mentoring program launched, involving a pilot group of 20 people (50% women)

Succession Planning process launched for the Group's first and the second management lines



Simplification

Simplification of **10 authorization processes** (e.g., Purchase request, people hiring, credit policy, etc.)



Sustainable management

Review of **management's incentive mechanisms** with greater weight in **sustainability factors**

Financial Strategy Linked to Sustainability: 2021 Highlights

January

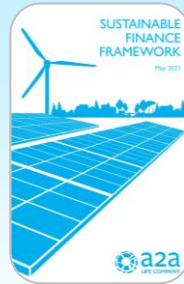


10y Strategic Plan based on 11 mapped UN 2030 Agenda SDGs.

- Circular Economy;
- Energy Transition.



May



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:

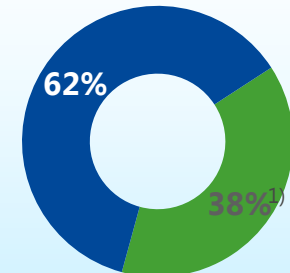
- 1) Renewable energy capacity installation;
- 2) Waste treated in Group's material recovery plants.

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.



■ ESG Debt ■ Conventional Debt

1) 31% Before issuance

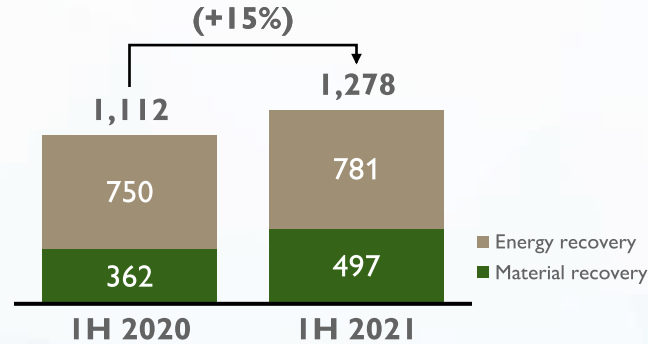
Key ESG highlights



CIRCULAR ECONOMY & ENERGY TRANSITION



Recovered Waste* (Kton)



Renewable Capacity (GW)

2.2
+14%
vs 1H 2020



Coal Production (GWh)

74
-35%
vs 1H 2020



Emission Factor (gCO2/kWh)

322
-7%
vs FY 2019 **



PEOPLE

661

New employees
hired in A2A (#)

29%

Women representation in
Group companies' boards (%)

26%
FY
2020

9.8

Group Injury Index
(frequency x gravity)

10.9
FY
2020

5 * Recovered Waste treatment volumes net of elimination between plants. Gross Material Recovered Waste 524kton and Gross Energy Recovered Waste 1,071kton.

** 2020 the emission factor was 310. 2020 productions were marked by pandemic effects; therefore not considered in calculation. The reduction on Science Based Target base year (FY 2017) is -24%

Industrial highlights of the period



Energy Scenario
MSD margin
Hydroelectric Production
District Heating volumes
Water Cycle Tariffs
M&A

*Realignment book/tax base value of
Assets*

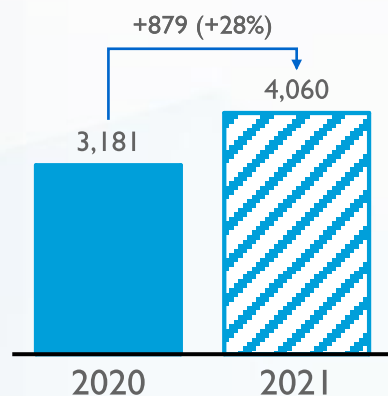


Gas Portfolio

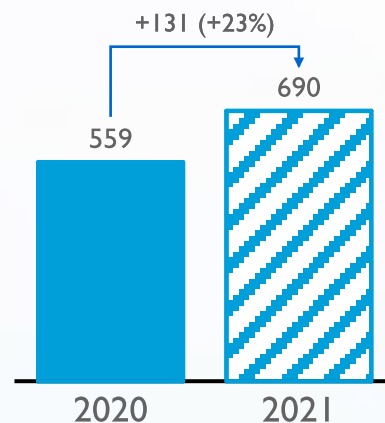
IH 2021 VS IH 2020

Key Financial Indicators (€M)

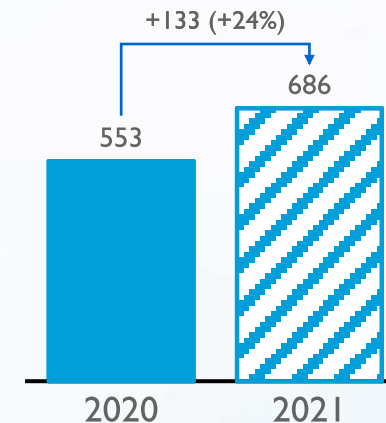
Revenues



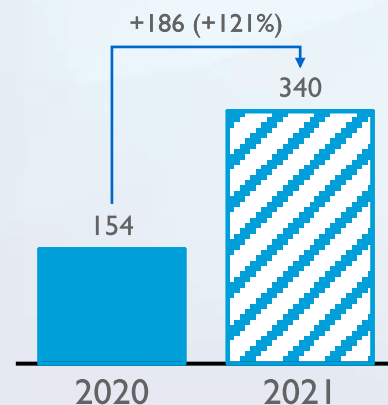
EBITDA



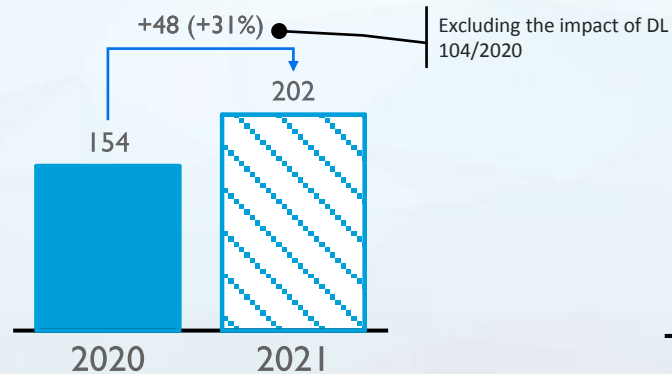
EBITDA Ordinary



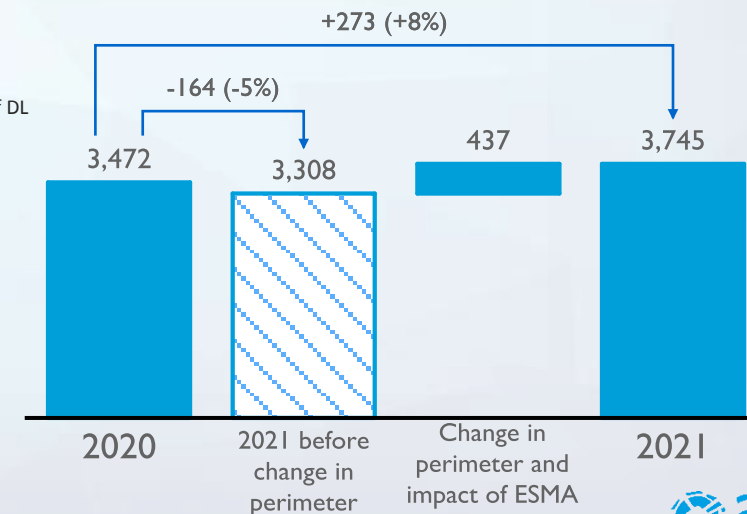
Group Net Income



Group Net Income Ordinary



Net Financial Position



IH 2021 VS IH 2020

Group EBITDA (€M)



+64%



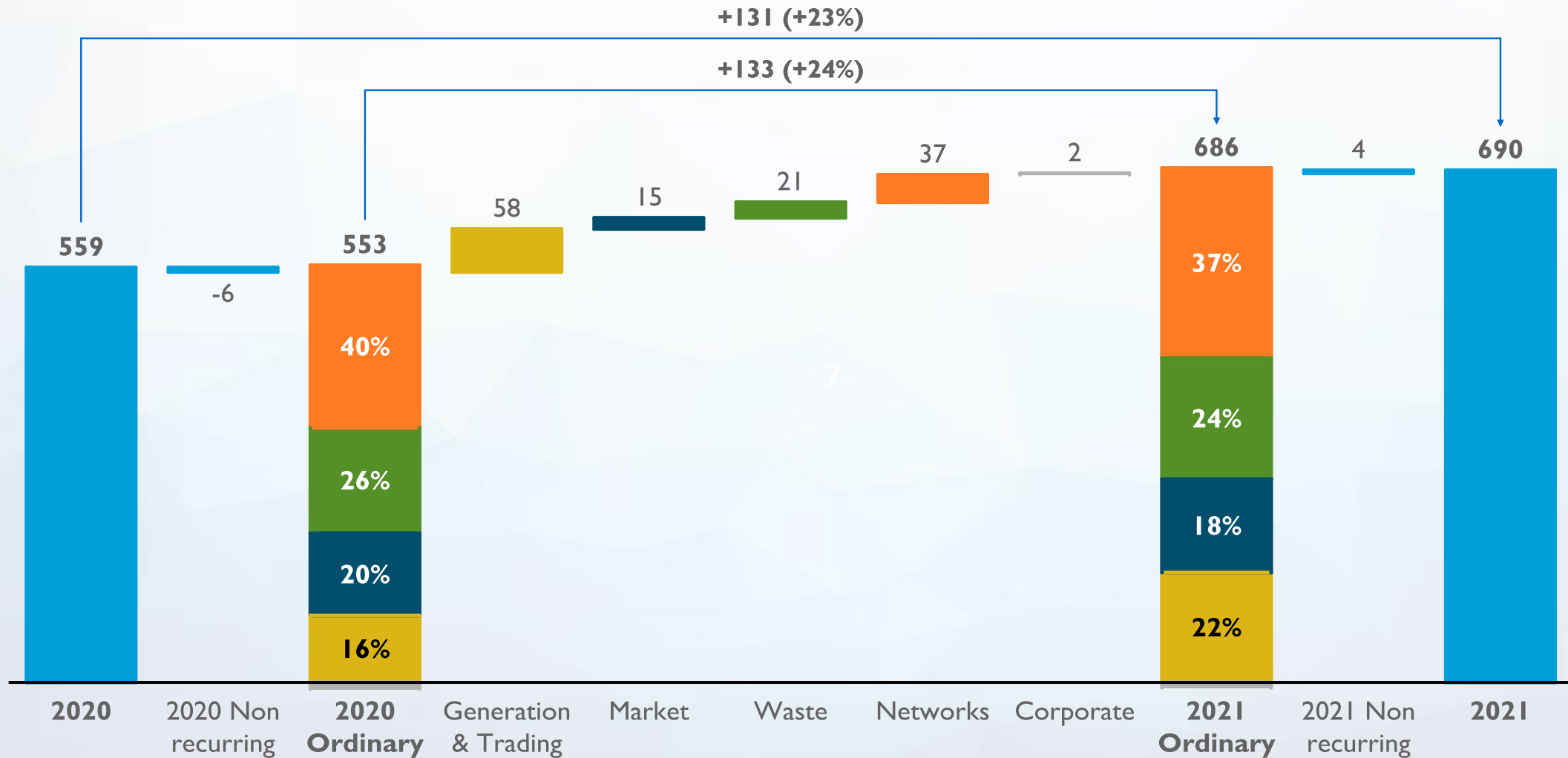
+14%



+15%



+17%

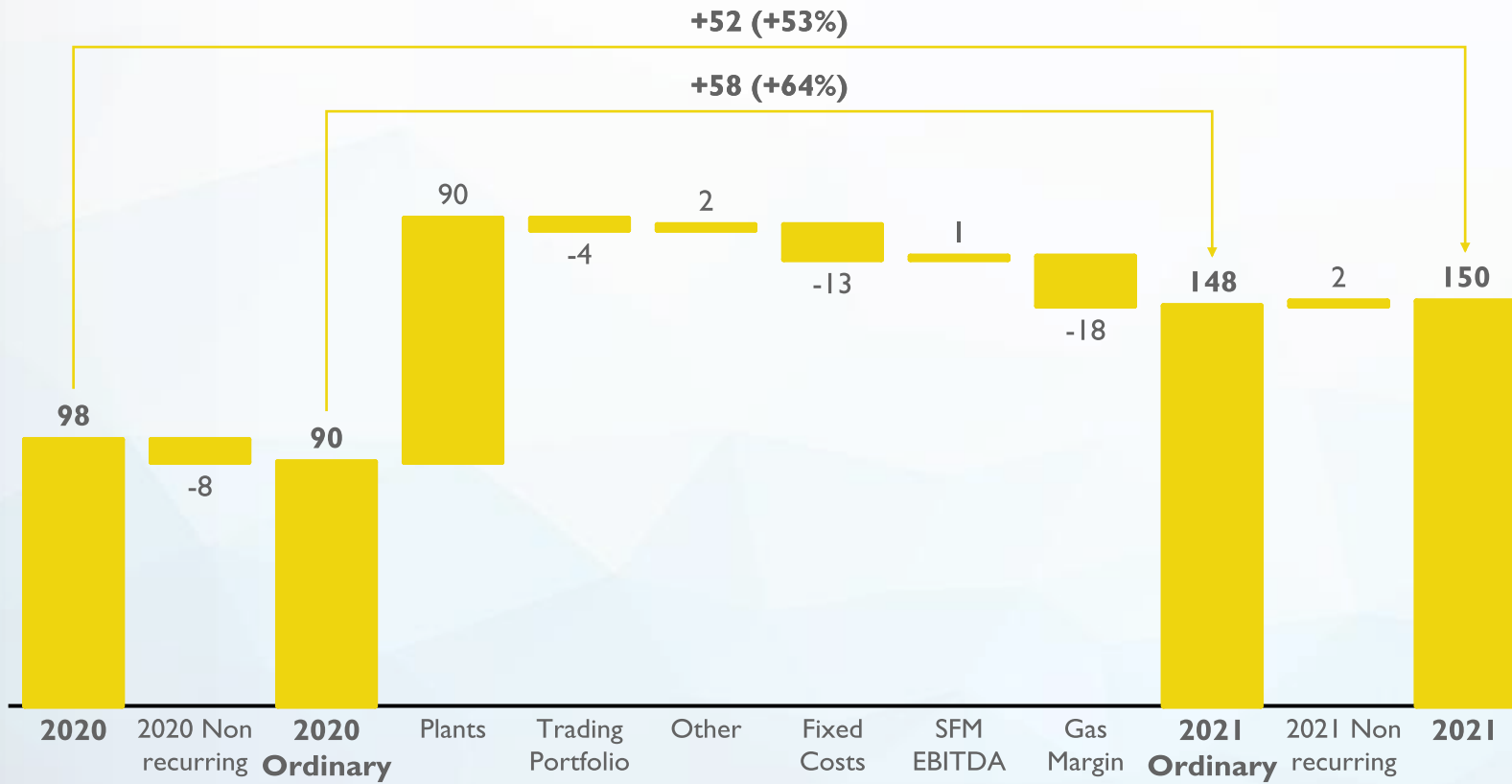


ANALYSIS OF RESULTS

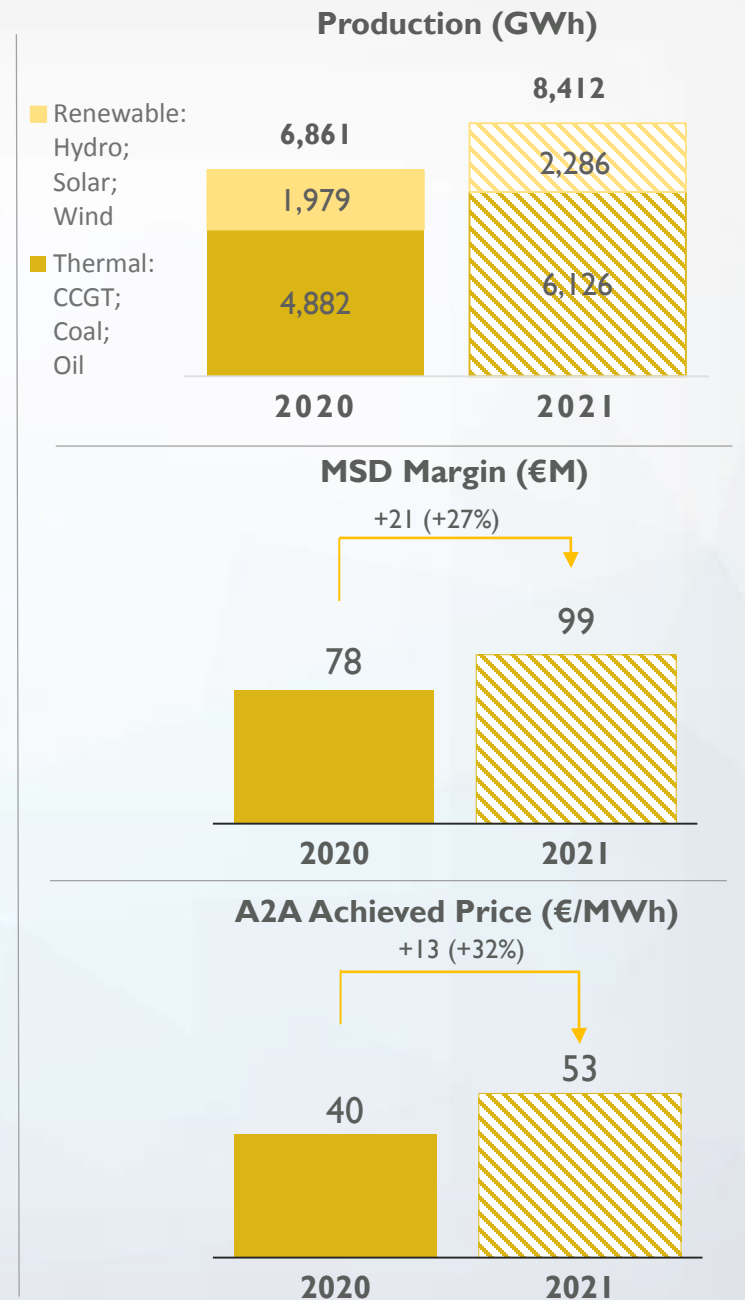


Generation & Trading

EBITDA (€M)

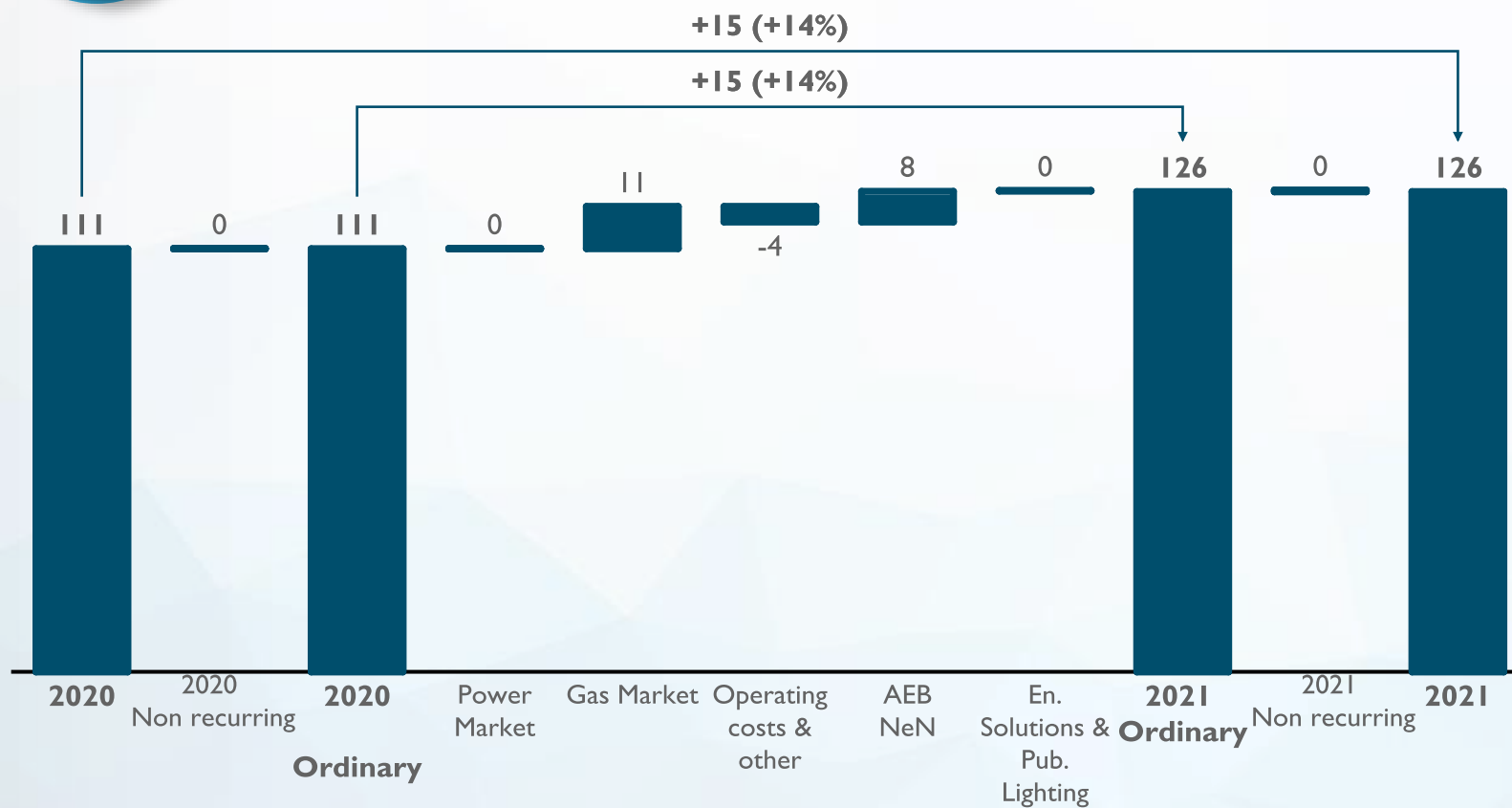


- Positive Energy Scenario and MSD margin
- Higher Hydro production
- New Photovoltaic and Wind plants
- Negative gas portfolio impact



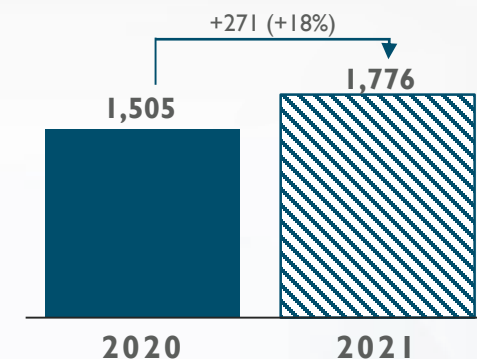


Market EBITDA (€M)

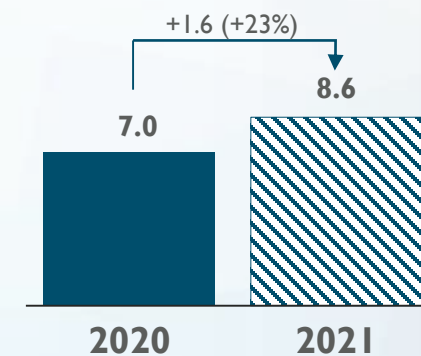


- Free market customer base +85K Vs Dec. 2020
- Higher margins on Gas partially offset by higher commercial costs
- AEB

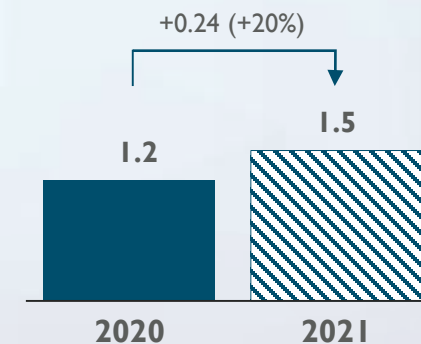
Free Market Customers (#/000)



Electricity Sales (TWh)

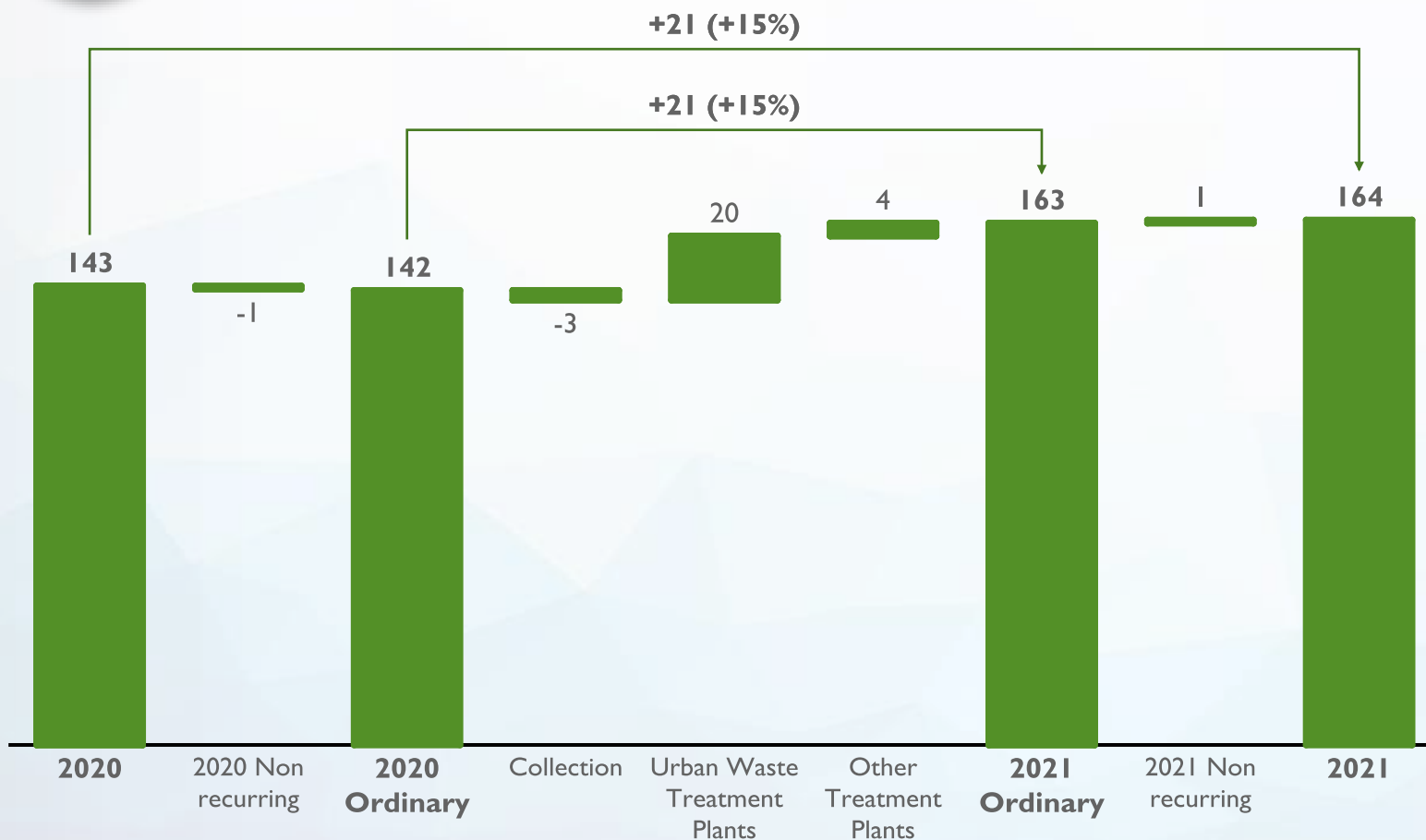


Gas Sales (Bcm)



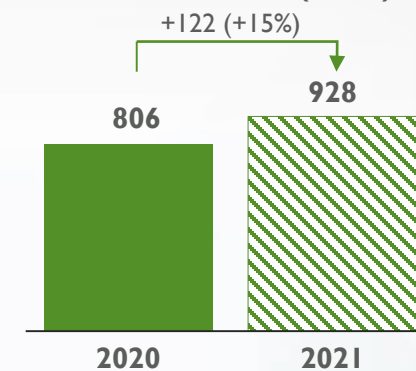


Waste EBITDA (€M)

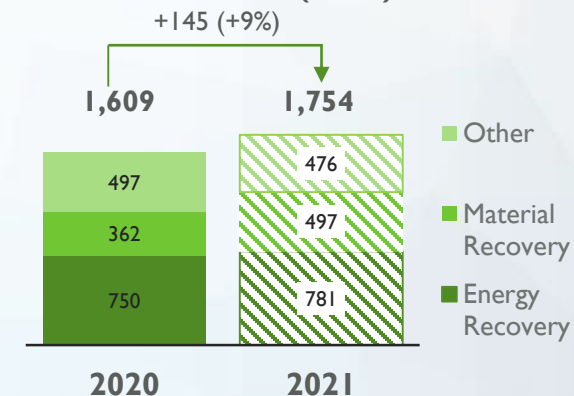


- Increase in Electricity and Treatment prices
- Higher electricity and waste treatment volumes
- Higher Paper prices
- AEB, Agripower and Agritre

Waste Collection (Kton)

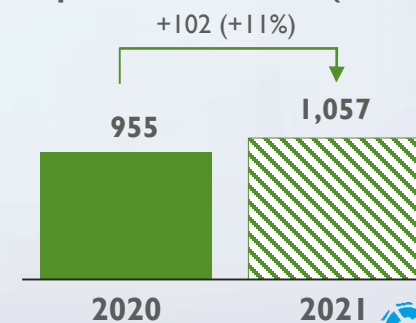


Waste Treatment (Kton)



Waste treatment volumes net of elimination between plants.

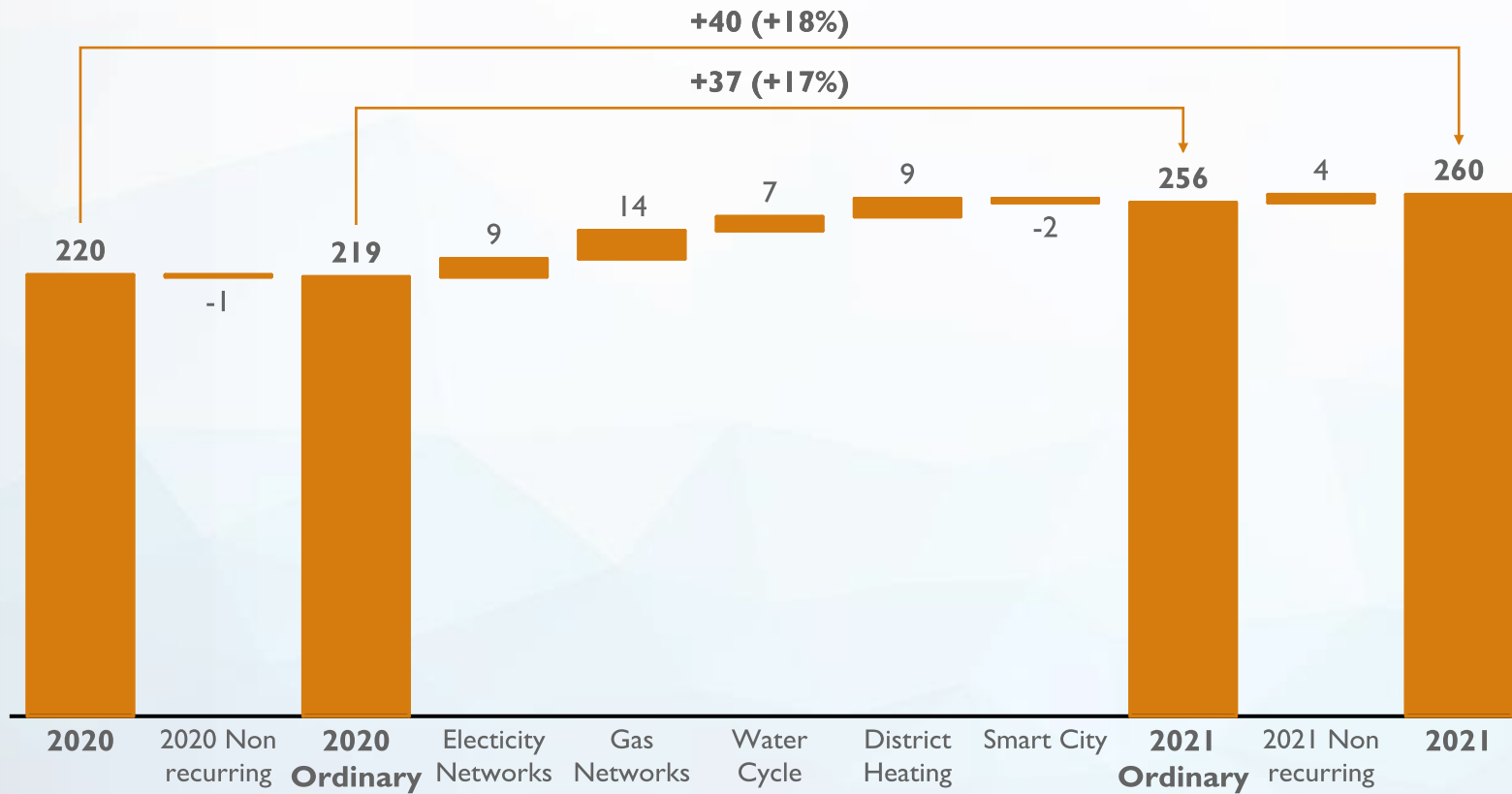
Equivalent EE Sales (GWh)





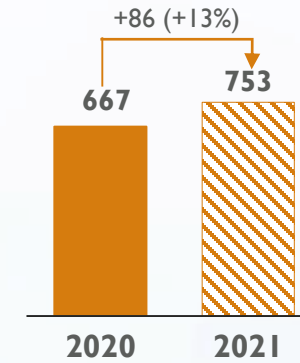
Networks

EBITDA (€M)

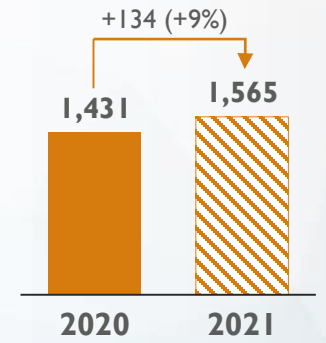


- Electricity & Gas Networks: higher allowed electricity revenues and customer connections
- Higher tariffs on Water Cycle
- Higher District Heating volumes
- AEB (mainly Gas Networks)

RAB EE* (€M)

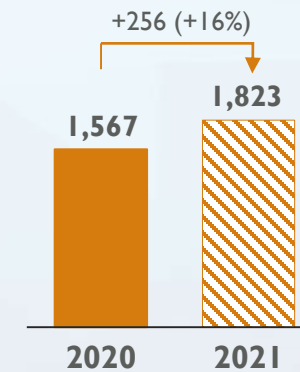


RAB GAS* (€M)

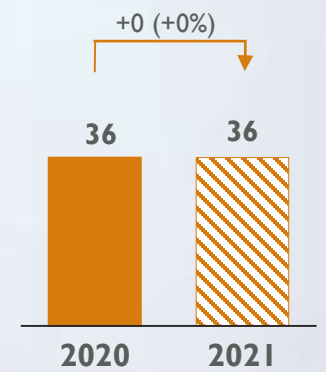


* Provisional data, underlying the estimate of allowed revenues of the period.

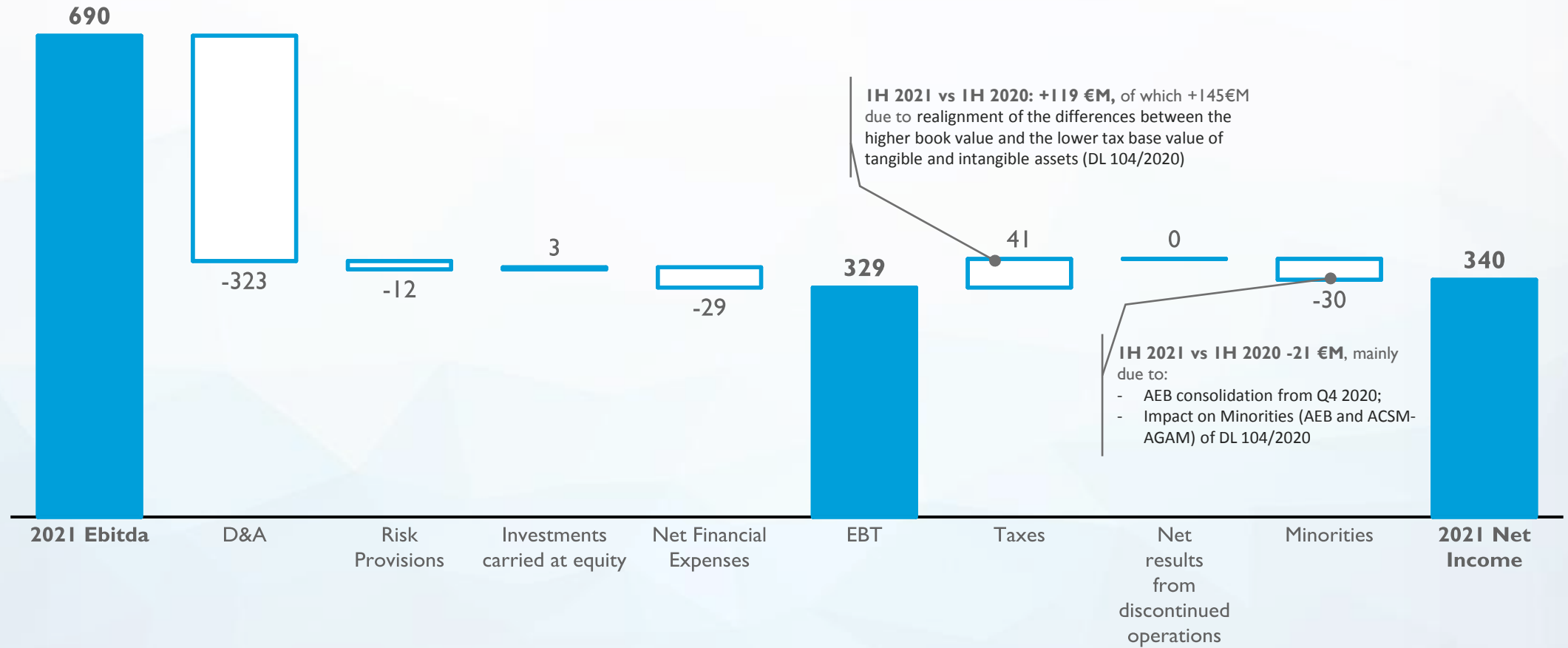
Heat Volumes (GWht)



Distributed Water (Mcm)



From EBITDA to Group Net Income (€M)



IH 2020

559

(264)

(14)

1

(39)

243

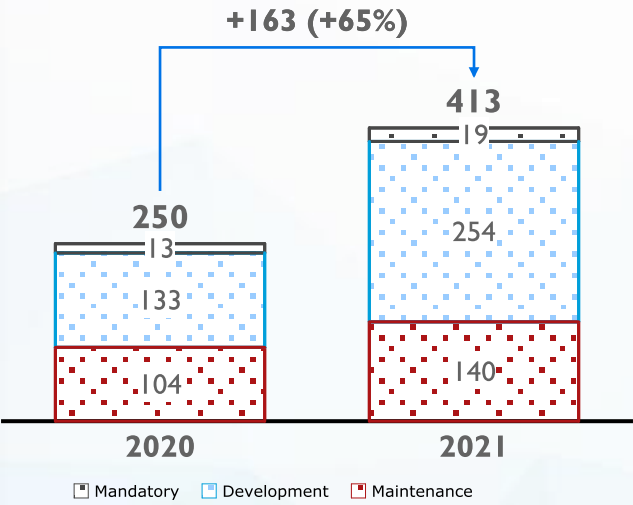
(78)

(2)

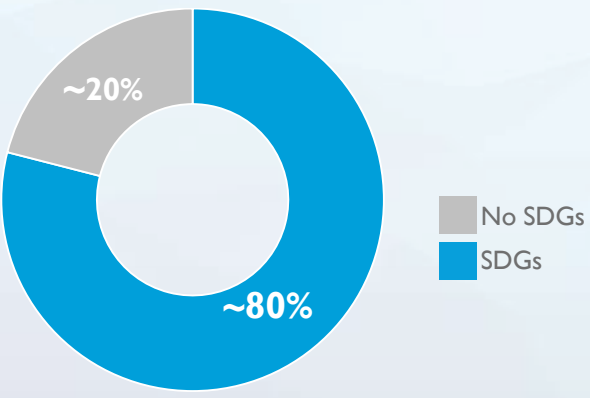
(9)

154

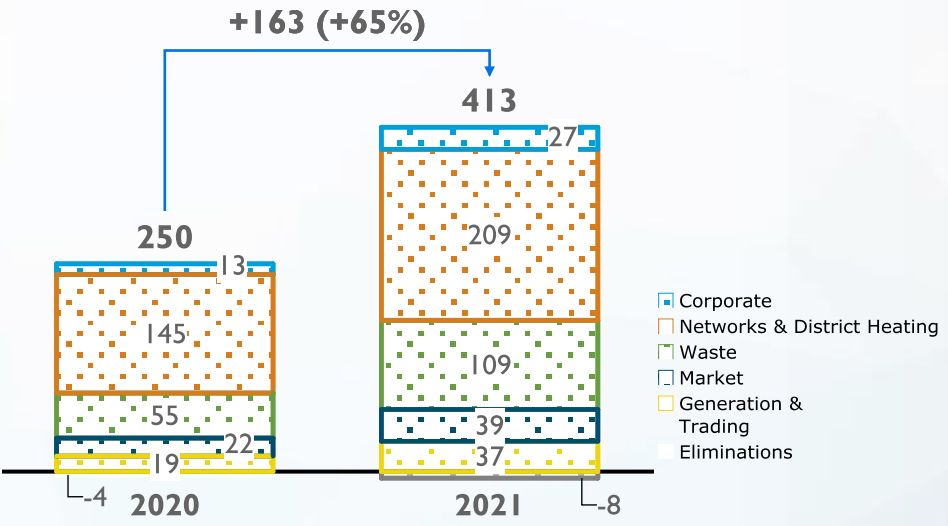
Breakdown by Activity



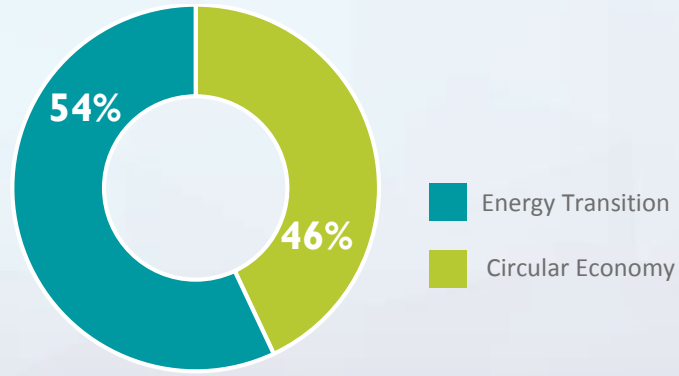
2021 Breakdown by SDGs



Breakdown by Business

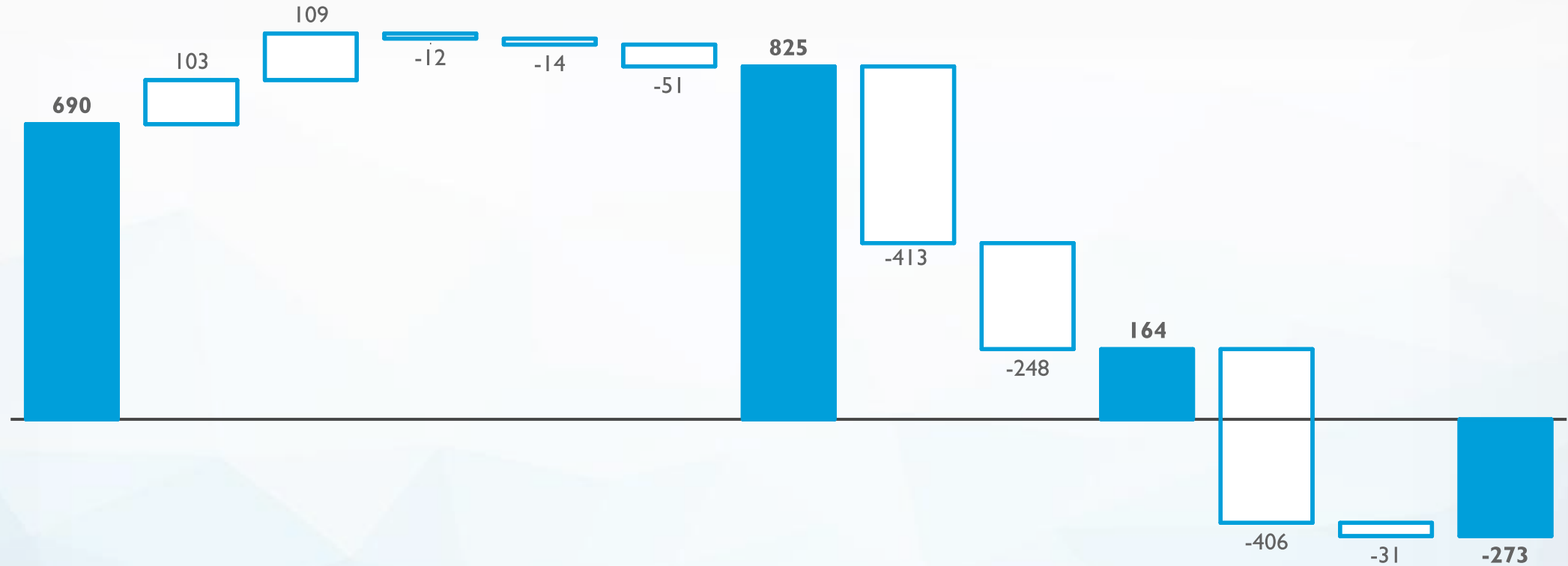


2021 Breakdown by Circular Economy & Energy Transition



Net Free Cash Flow

(€M)



	2021 EBITDA	Change in Net Working Capital	Change in other assets & liabilities	Use of Funds	Tax Paid	Net Financial expenses	FFO (1)	Capex	Dividends	Net Free Cash Flow	Change in perimeter	Impact of ESMA Guidelines (2)	NFP Variation
IH 2020	559	(121)	(26)	(24)	(5)	(49)	334	(250)	(241)	(157)	(122)	-	(279)

(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 1,270 – 1,300 €M

CAPEX >1 €B

2021
GUIDANCE
IMPROVED

ANNEXES



Business Units EBITDA Breakdown

(€M)



	2020		2021		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
a2a	559	553	690	686	131	23%	133	24%
Generation & Trading	98	90	150	148	52	53%	58	64%
Power Generation	86	78	157	155	71	83%	77	99%
Gas Margin	12	12	-7	-7	-19	n.s.	-19	n.s.
Market	111	111	126	126	15	14%	15	14%
Energy Retail	107	107	123	123	16	15%	16	15%
Public Lighting	7	7	6	6	-1	-14%	-1	-14%
Energy Solutions	-3	-3	-3	-3	0	n.s.	0	n.s.
Waste	143	142	164	163	21	15%	21	15%
Collection	33	33	31	30	-2	-6%	-3	-9%
Urban Treatment	92	91	111	111	19	21%	20	22%
Industrial Treatment	18	18	22	22	4	22%	4	22%
Networks	220	219	260	256	40	18%	37	17%
Electricity Networks	63	63	72	72	9	14%	9	14%
Gas Networks	74	73	91	87	17	23%	14	19%
Water Cycle	26	26	33	33	7	27%	7	27%
District Heating	52	52	61	61	9	17%	9	17%
Smart City	5	5	3	3	-2	-40%	-2	-40%
Corporate	-13	-9	-10	-7	3	-23%	2	-22%

IH 2021 VS IH 2020

Profit & Loss (€M)

	IH 2020	IH 2021	Change vs 2020	Change % vs 2020
Revenues	3,181	4,060	879	28%
EBITDA	559	690	131	23%
D&A	-264	-323	-59	22%
Provisions	-14	-12	2	-14%
EBIT	281	355	74	26%
Net Financial Expenses	-39	-29	10	-26%
Associates & JV	1	3	2	n.s.
EBT	243	329	86	35%
Taxes	-78	41	119	n.s.
Net Results from disc. Operations	-2	0	2	n.s.
Minorities	-9	-30	-21	n.s.
Group Net Income	154	340	186	121%

IH 2021 VS IH 2020

Balance Sheet (€M)

	31.12.2020	30.06.2020	30.06.2021	Δ vs 31.12.2020	Δ vs 30.06.2020
Tangible Assets	5,162	4,909	5,387	225	478
Intangible Assets	2,737	2,449	2,911	174	462
Shareholdings and Other Non Current Financial Assets	32	34	65	33	31
Other Non Current Assets/Liabilities	-99	-123	-72	27	51
Deferred Tax Assets and Liabilities	265	266	407	142	141
Provisions for Risks, Charges and Liabilities for landfills	-752	-652	-734	18	-82
Employee Benefits	-278	-287	-261	17	26
Net Fixed Capital	7,067	6,596	7,703	636	1,107
Net Working Capital	617	676	514	-103	-162
Other Current Assets/Liabilities	-181	-261	-251	-70	10
Current Tax Assets/Liabilities	71	-16	-44	-115	-28
Working Capital and Other Current Assets/Liabilities	507	399	219	-288	-180
Non Current Assets/Liabilities held for sale	14	20	2	-12	-18
Total Capital Employed	7,588	7,015	7,924	336	909
Equity	4,116	3,582	4,179	63	597
Net Financial Position	3,472	3,433	3,745	273	312
Total Sources	7,588	7,015	7,924	336	909

Energy Scenario

	UoM	IH 2020	IH 2021	Δ% vs 2020
Brent	\$/bbl	42.2	65.1	54%
CO2 – EU ETS cost	€/Tonn	22.1	43.8	99%
€/€	€/€	1.1	1.2	9%
Brent €	€/bbl	38.2	54.0	41%
PSV ⁽¹⁾	€/MWh	9.2	21.8	n.s.
AEEGSI Gas Tariff ⁽²⁾	c€/mc	14.0	16.4	17%
Coal € (API2)	€/Tonn	41.7	64.7	55%
PUN Baseload ⁽³⁾	€/MWh	32.2	66.9	108%
PUN Peak ⁽³⁾	€/MWh	35.6	73.9	108%
PUN Off-Peak ⁽³⁾	€/MWh	30.3	63.0	108%
CCGT gas cost ⁽⁴⁾	€/MWh	25.3	52.1	106%
Spark Spread CCGT_PSV vs Baseload	€/MWh	6.9	14.8	114%
Spark Spread CCGT_PSV vs Peakload	€/MWh	10.3	21.9	112%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	5.0	11.0	118%
Clean Spark Spread vs Baseload	€/MWh	-1.9	-2.7	43%
Clean Spark Spread vs Peakload	€/MWh	1.5	4.4	n.s.
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	-17.7	-14.5	-18%

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

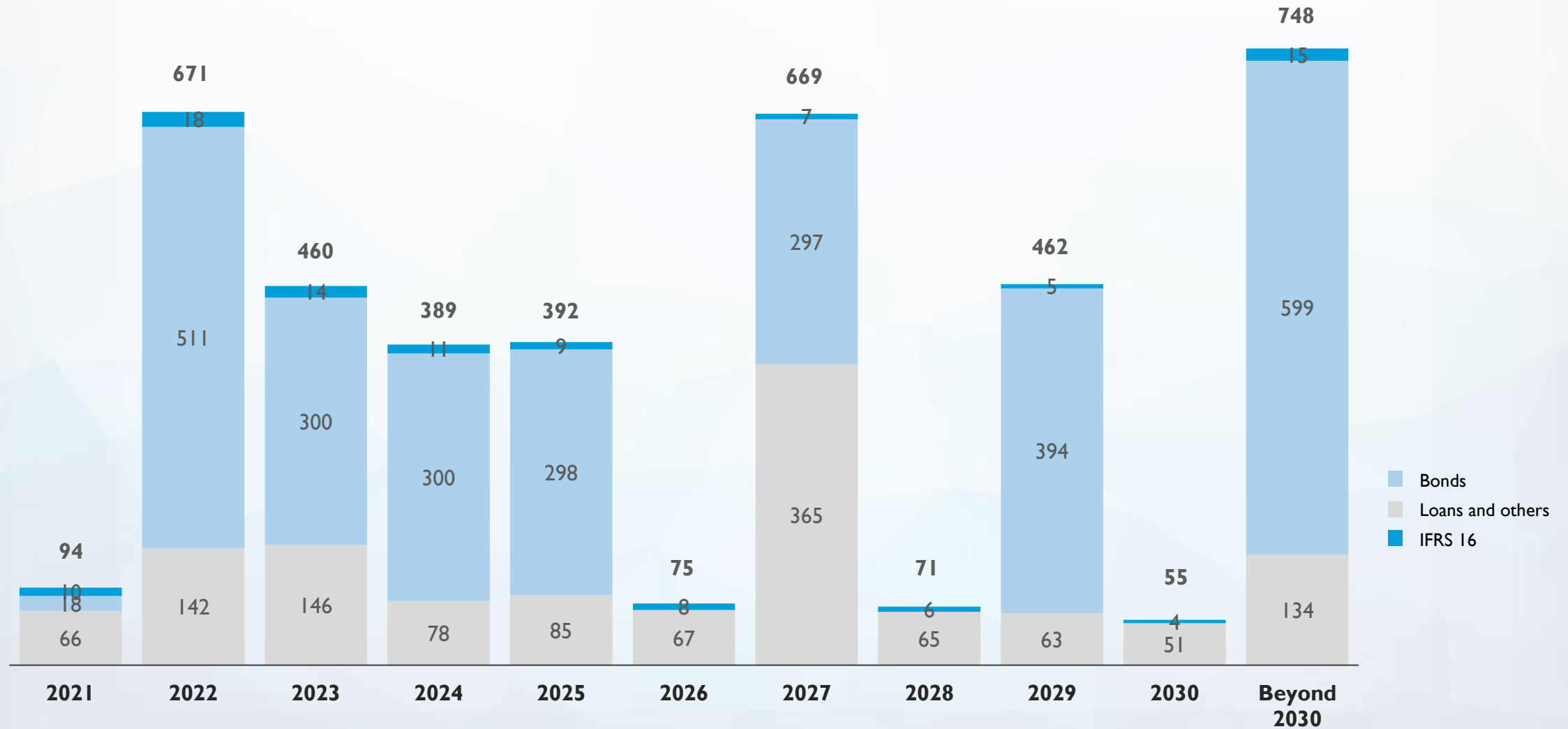
- Other

WTE and other plants electricity production

WTE and other plants heat production

UoM	IH 2020	IH 2021	Δ vs 2020	Δ% vs 2020
<i>GWh</i>	4,882	6,126	1,243	25%
<i>GWh</i>	4,554	5,639	1,085	24%
<i>GWh</i>	114	74	-40	-35%
<i>GWh</i>	214	413	198	92%
<i>GWh</i>	1,979	2,286	307	16%
<i>GWh</i>	1,911	2,135	224	12%
<i>GWh</i>	67	139	72	106%
<i>GWh</i>	0	12	12	n.s.
<i>GWh</i>	6,996	8,593	1,597	23%
<i>Mmc</i>	1,235	1,479	244	20%
<i>GWh</i>	5,061	5,632	571	11%
<i>Mcm</i>	1,618	1,957	339	21%
<i>Mcm</i>	36	36	0	0%
<i>GWht</i>	1,567	1,823	256	16%
<i>GWh</i>	185	189	3	2%
<i>Kton</i>	806	928	122	15%
<i>Kton</i>	1,609	1,754	145	9%
<i>Kton</i>	362	497	135	37%
<i>Kton</i>	750	781	31	4%
<i>Kton</i>	497	476	-20	-4%
<i>GWh</i>	955	1,057	102	11%
<i>GWht</i>	840	920	80	10%

Gross debt maturities as of 30 June 2021

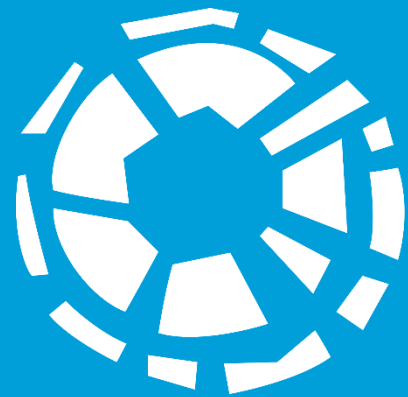


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