



A2A

1Q 2022 Results

Milan

12th May 2022

HIGHLIGHTS



Business Plan 2021-2030 – 1Q 2022 ACHIEVEMENTS



Energy Transition

Ensuring system flexibility

A2A was awarded 5.4 GW in the capacity market auction called by Terna with delivery in 2024, for 220€M of total revenues

4.1 GW of existing capacity was awarded at a price of 33,000 €/MW/year

1.3 GW of new capacity was awarded at a price of 77,000 €/MW/year for 15 years regarding the one already authorized, and 48,110 €/MW/year for the capacity yet to be authorized - including the new CCGTs of Cassano and Monfalcone

Gas networks rationalization

Completion of the **closing for the sale of non-strategic natural gas distribution assets** to the consortium formed by Acea, Ascopiave and Iren: 125€M of enterprise value and a total RAB of 102€M

Broadening green energy portfolio

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



Circular Economy

Bioenergy development

Authorization obtained for the **new Bedizzole plant**: it will treat 60,000 tonnes of organic fraction to produce 15,000 tonnes of compost per year and 6 Mcm of biomethane

Water management

Collaboration **agreement between A2A Ciclo Idrico and Pipecare** to identify innovative solutions in the management of water networks

Strengthening energy recovery

Innovative project launched, together with the industrial partner Ori Martin, for the testing of a **large heat pump technology, enabling heat recovery** from the cooling system of an electric steel furnace



Other

Real Estate operations

Proceeds from property disposal (Signora, Orobia and Gonin) for a cash in equal to 221M€

Second Sustainability-Linked Bond

A2A issued its 2nd SLB related to Total Renewable Energy Capacity installation at 31st Dec. 2024 (**3.0 GW**). Sustainable debt as of now 49% of total

Highlights of the period



MSD margin
Capacity Market
Scenario effect on EE and Heating
Trading Portfolio
Property disposal

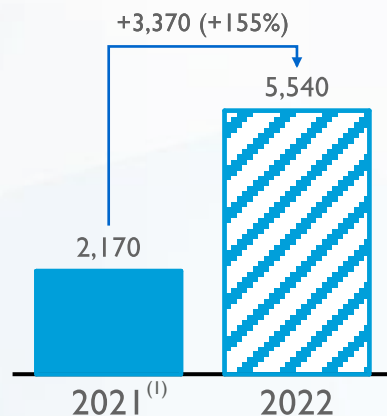


Energy & Gas retail margins
Hydroelectric production
Government measures
Temporary expansion in NWC

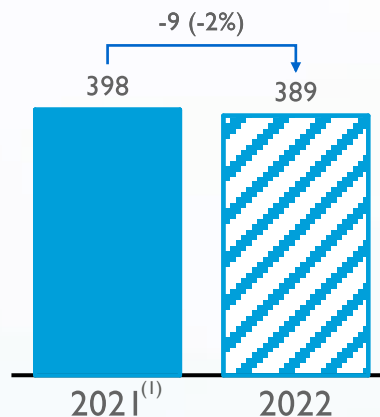
IQ 2022 VS IQ 2021

Key Financial Indicators (€M)

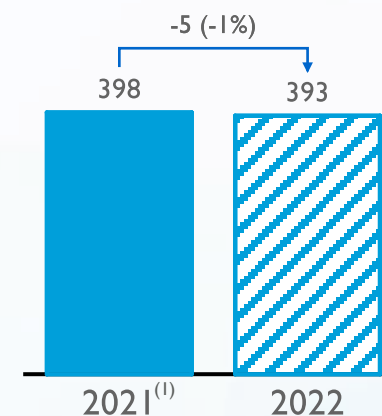
Revenues



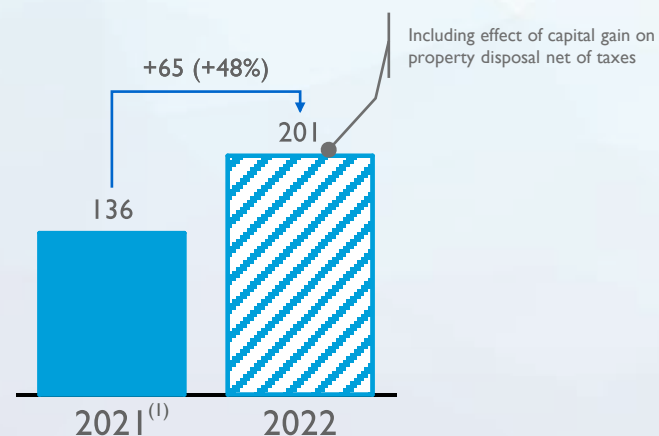
EBITDA



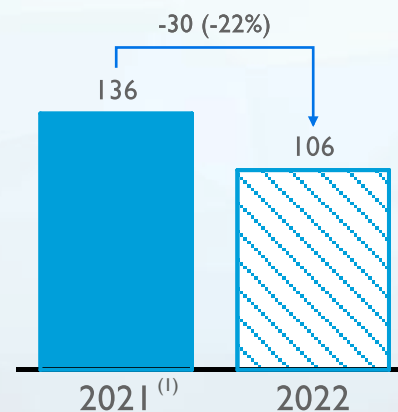
EBITDA Ordinary



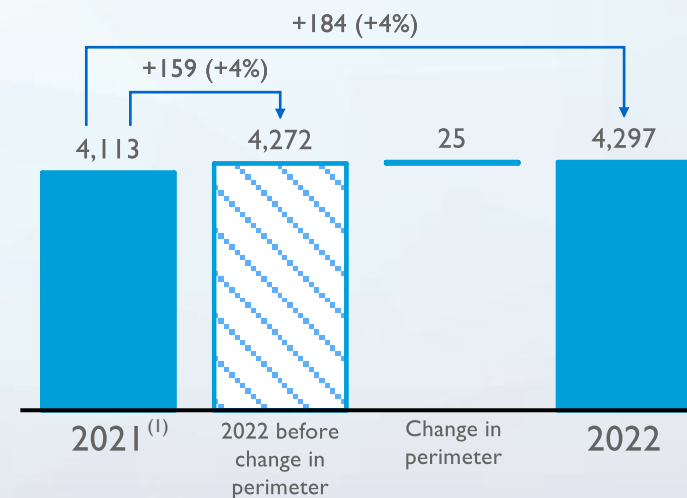
Group Net Income



Group Net Ordinary Income



Net Financial Position



IQ 2022 VS IQ 2021

Group EBITDA (€M)



+46%



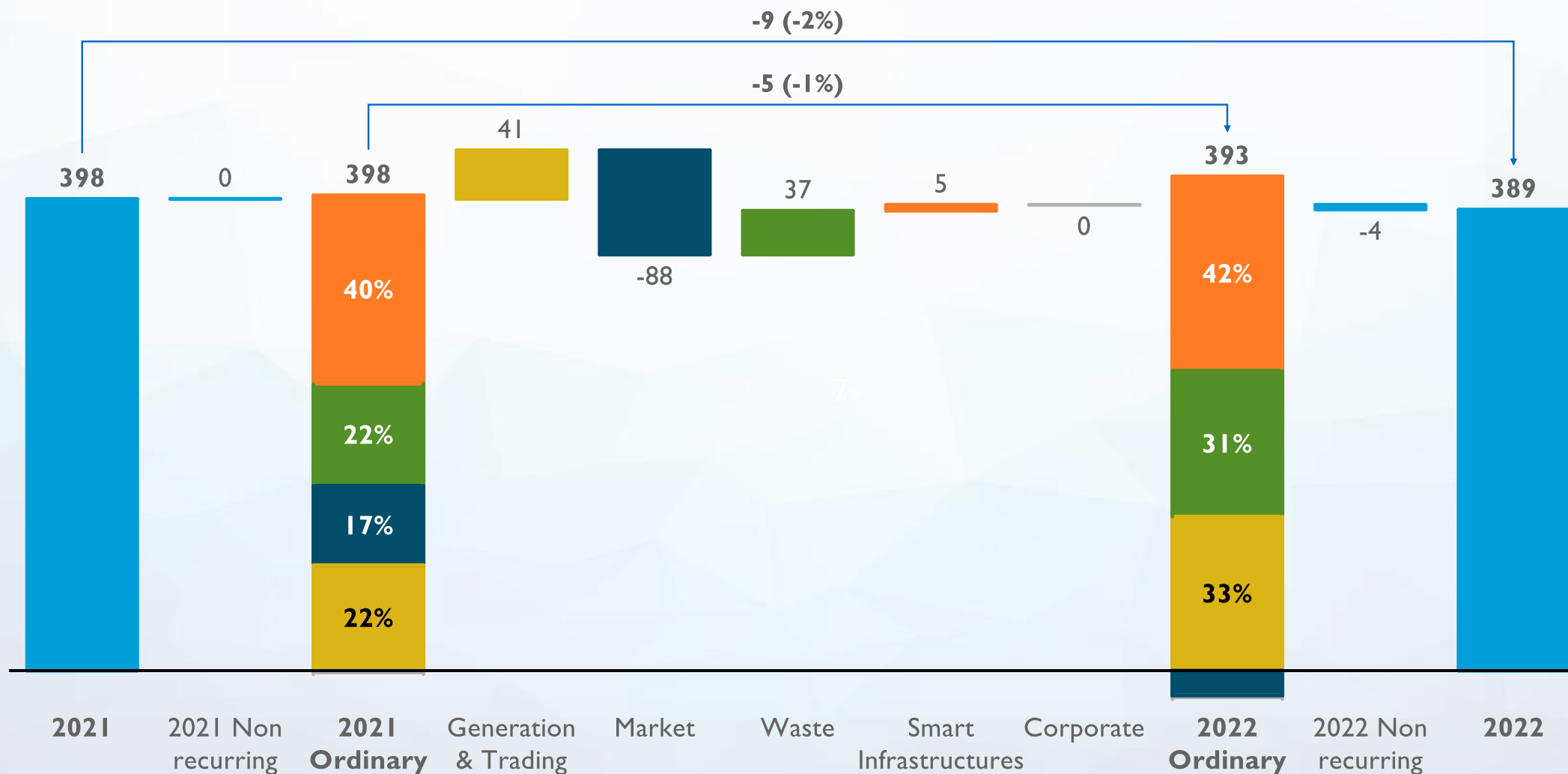
n.s.



+43%



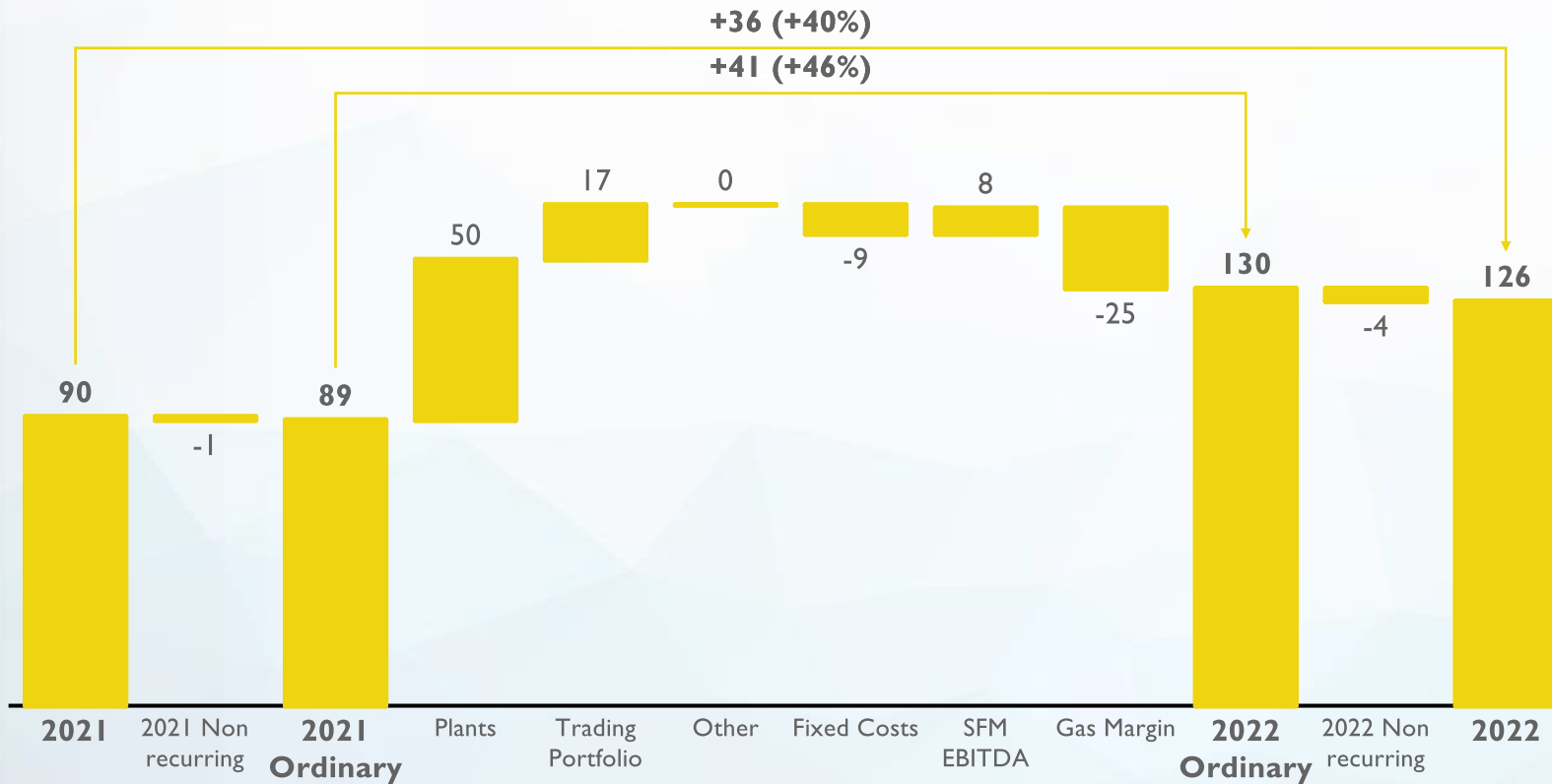
+3%





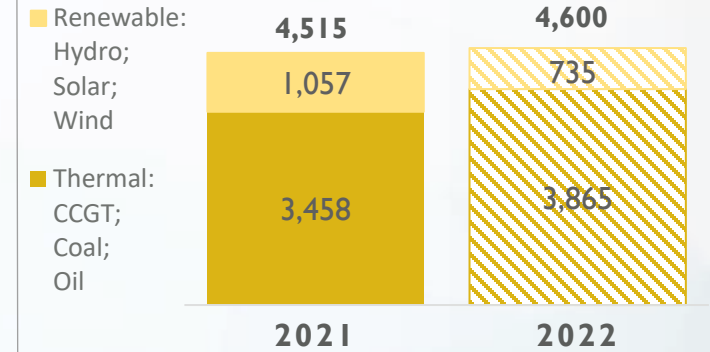
Generation & Trading

EBITDA IQ (€M)

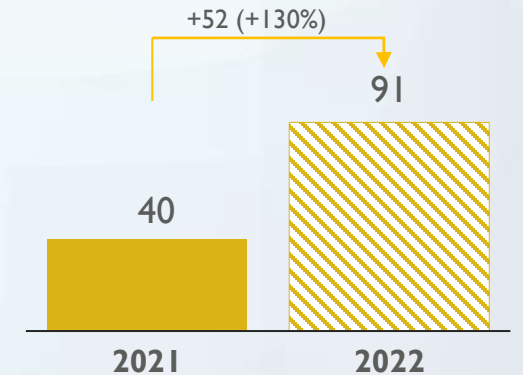


- Higher MSD margin
- Capacity market
- Trading Portfolio opportunities due to price volatility
- Lower Hydroelectric productions (-35%)
- Negative Gas Portfolio: scenario effect

Production (GWh)



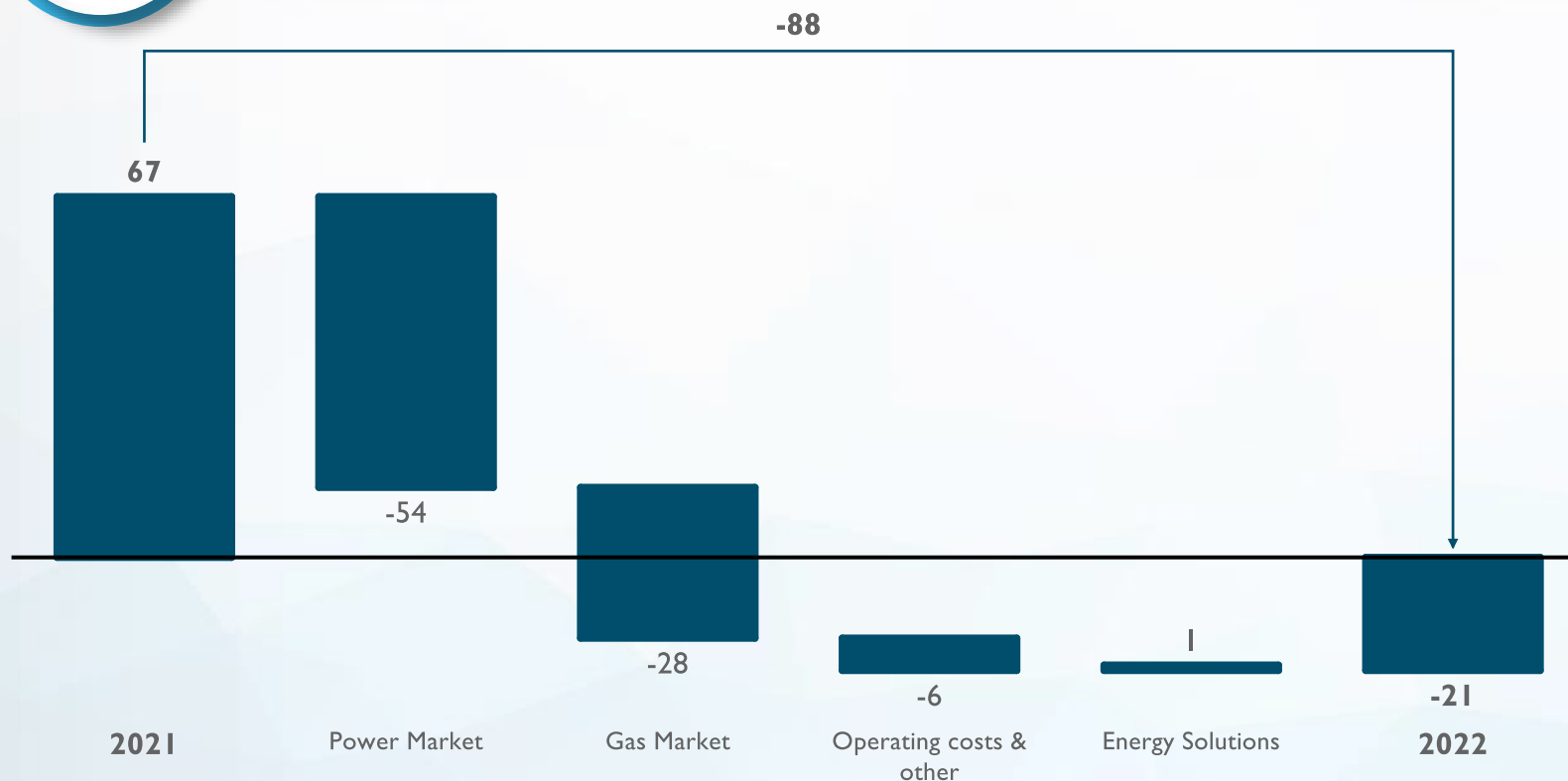
MSD Margin (€M)





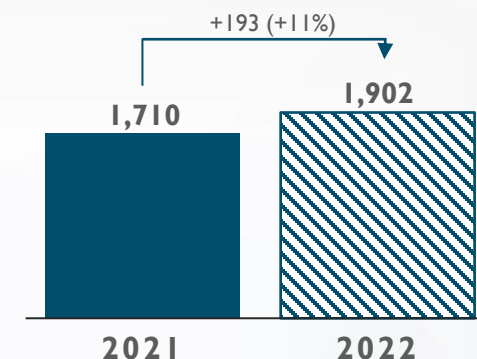
Market

EBITDA IQ (€M)

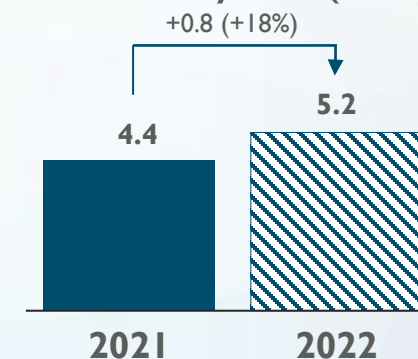


- Lower Electricity and Gas unitary margins on Free Market, due to contract timing, consumption profiles partially different from those contracted and higher unbalancing costs (price effect)
- Free market customer base +50K Vts Dec. 2021

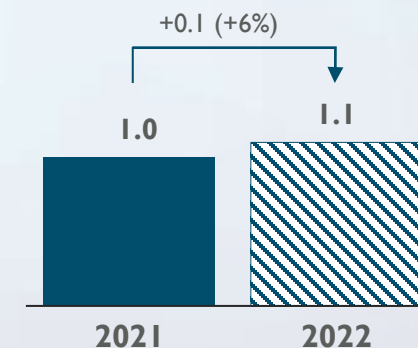
Free Mass Market Customers (#/000)



Electricity Sales (TWh)

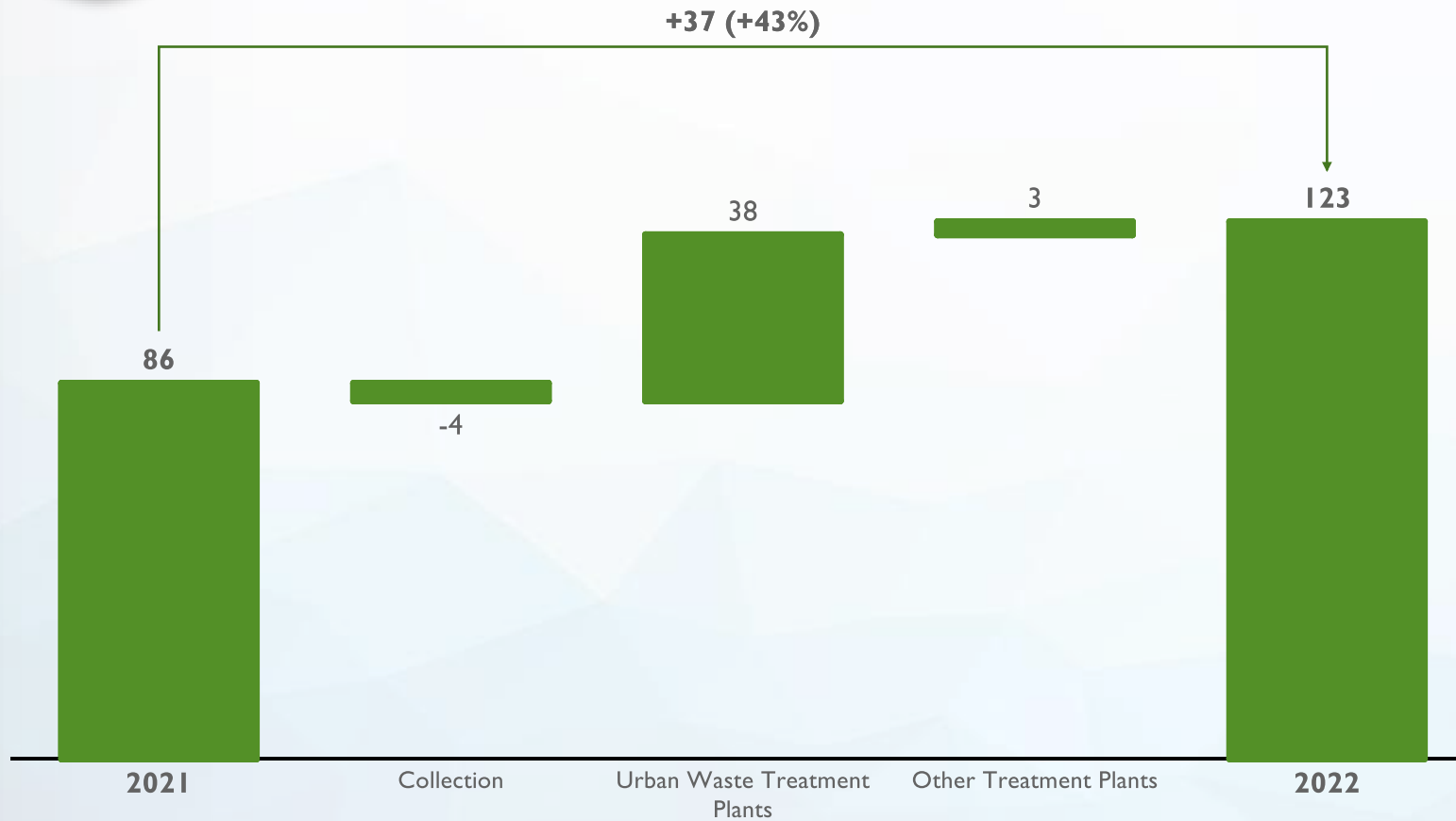


Gas Sales (Bcm)



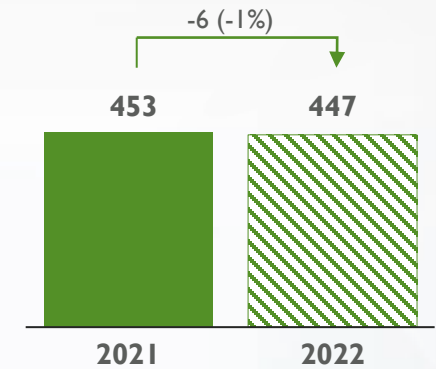


Waste EBITDA IQ (€M)

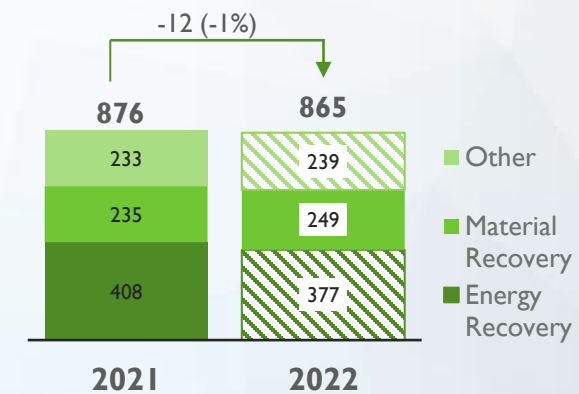


- Scenario effect on WTE
- Collection: higher fuel costs and end of waste concession in Varese

Waste Collection (Kton)

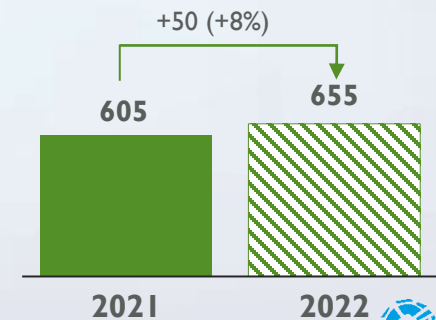


Waste Treatment (Kton)



Waste treatment volumes net of elimination between plants.

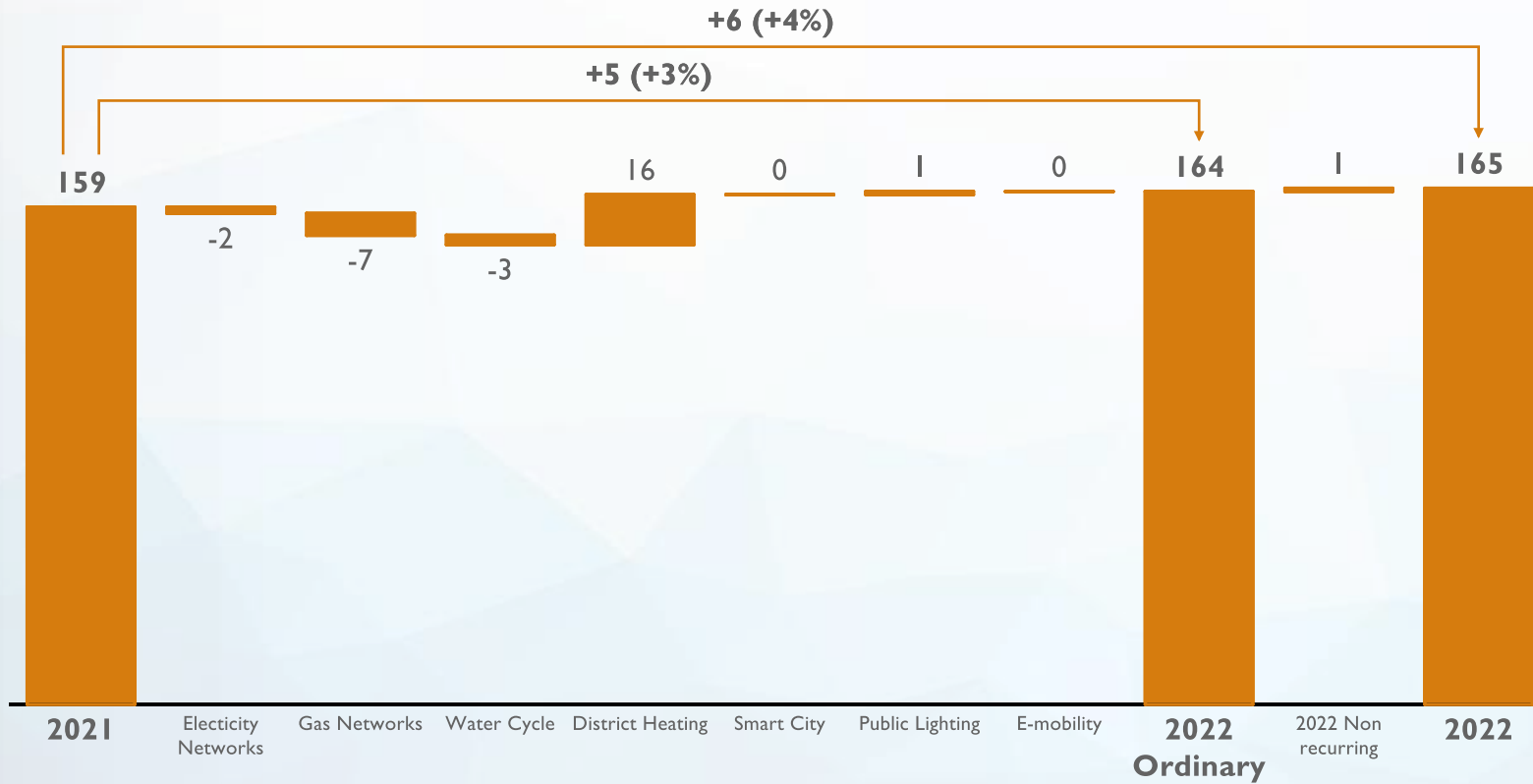
Equivalent EE Sales (GWh)





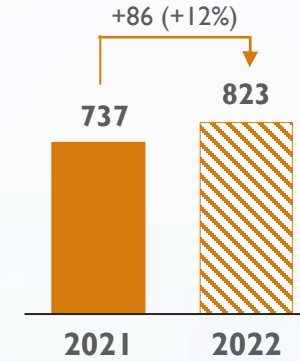
Smart Infrastructures

EBITDA IQ (€M)

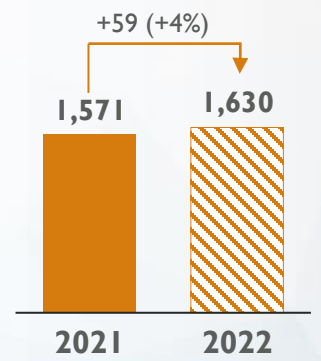


- Positive scenario effect on District Heating
- Electricity & Gas Networks: lower regulatory WACC
- Lower volumes on Integrated Water Cycle

RAB EE* (€M)

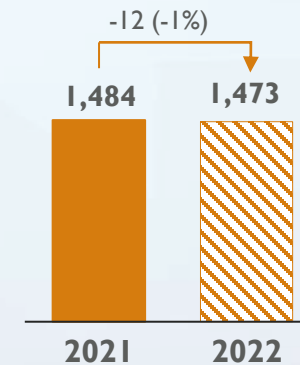


RAB GAS* (€M)

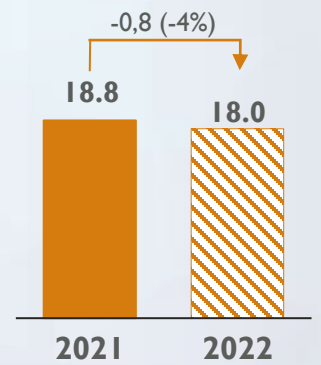


* Provisional data, underlying the estimate of allowed revenues of the period.

Heat Volumes (GWht)

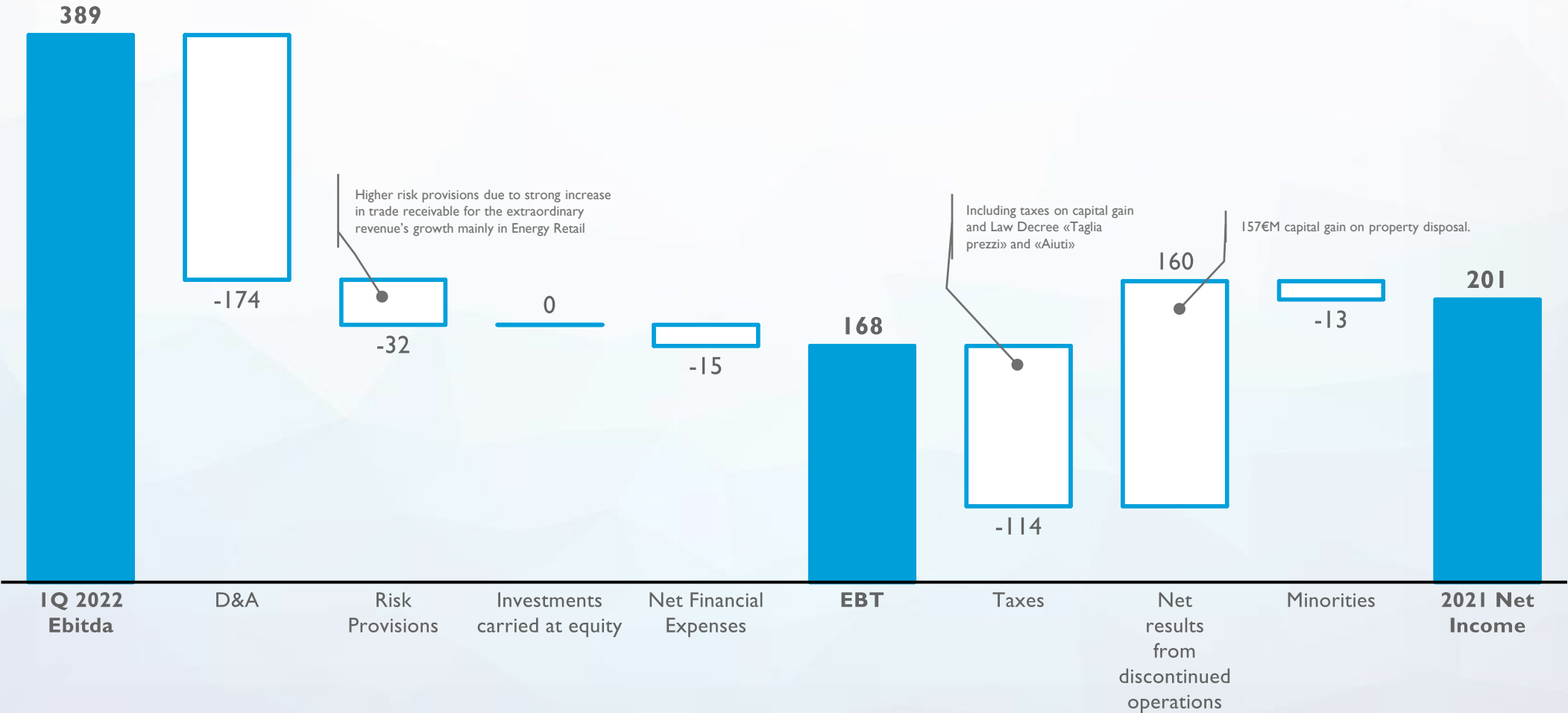


Distributed Water (Mcm)



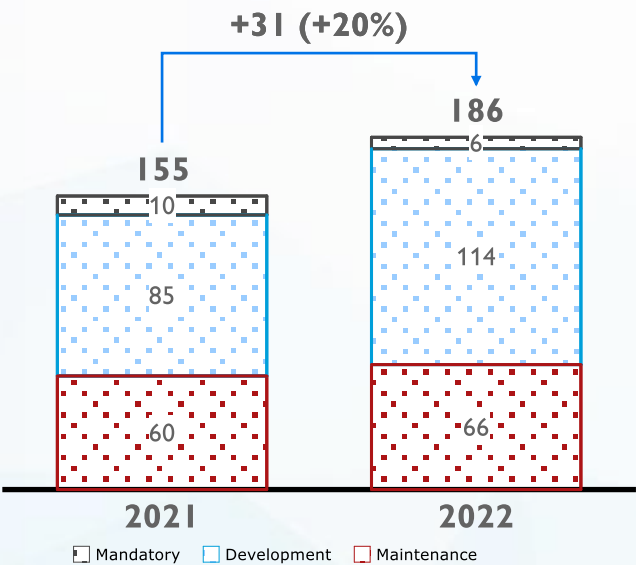
From EBITDA to Group Net Income

(€M)

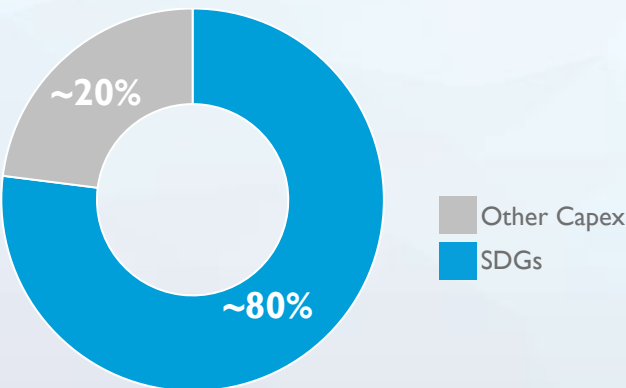


IQ 2021	398	(154)	(6)	1	(13)	226	(72)	(1)	(17)	136
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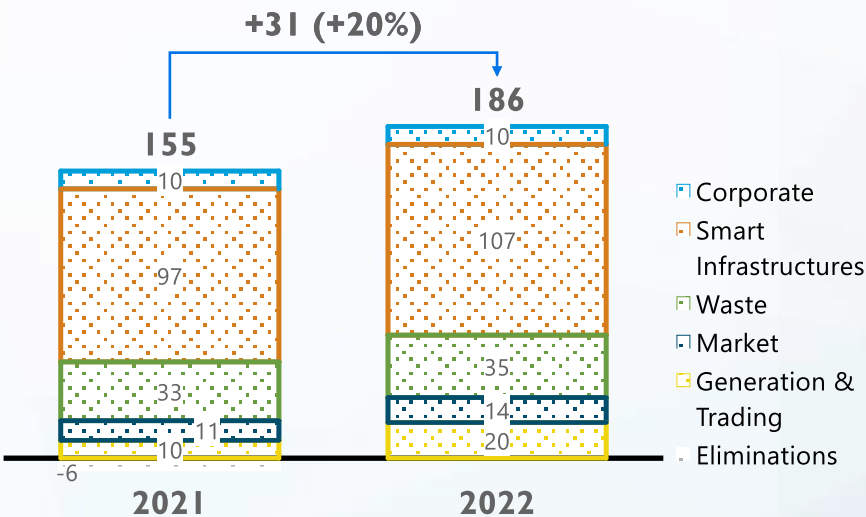
Breakdown by Activity



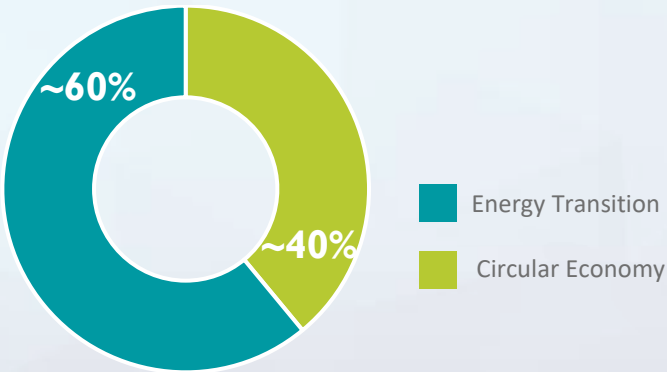
IQ 2022 Breakdown by SDGs



Breakdown by BU



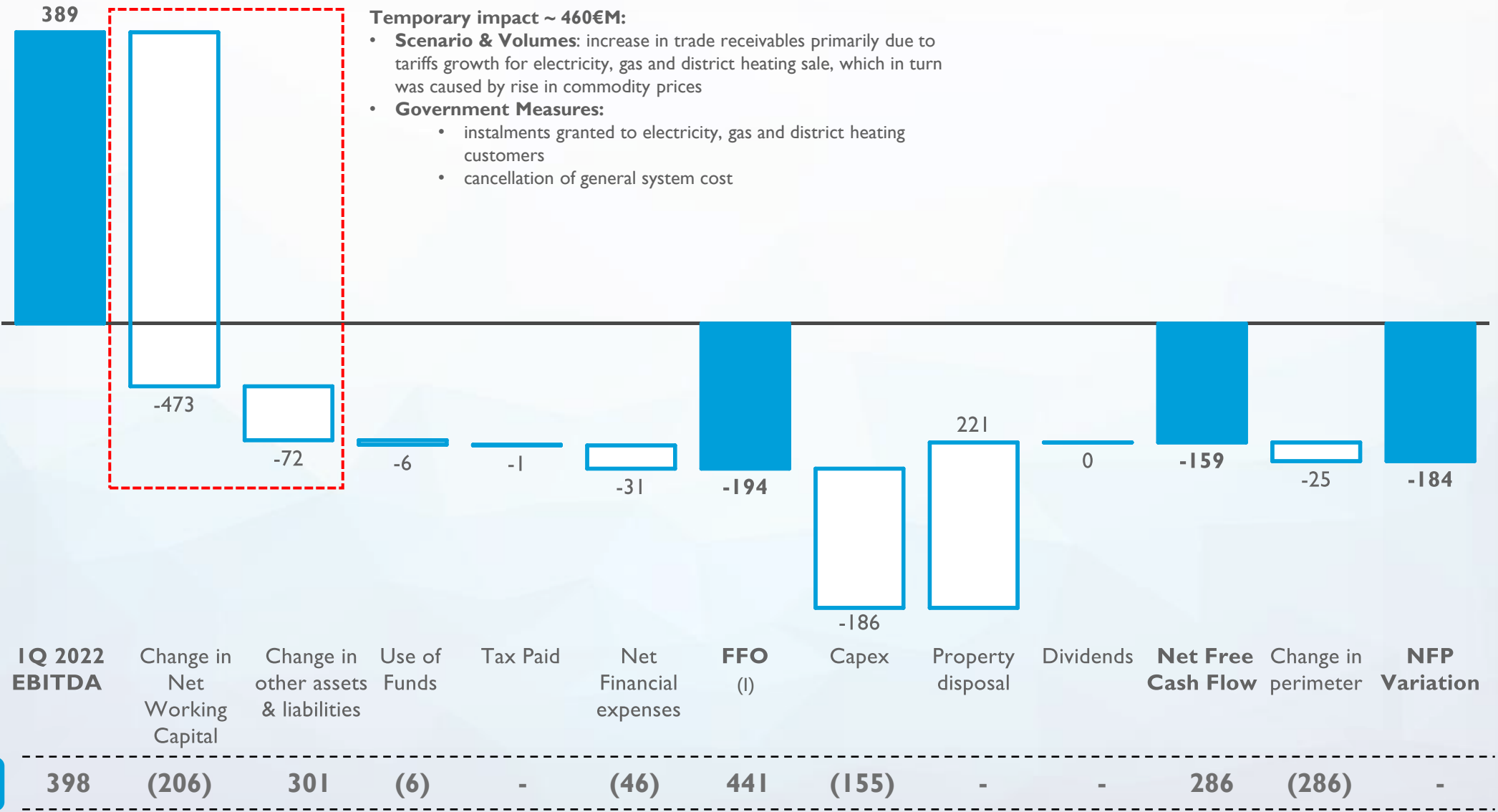
IQ 2022 Breakdown by Circular Economy & Energy Transition



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

Net Free Cash Flow

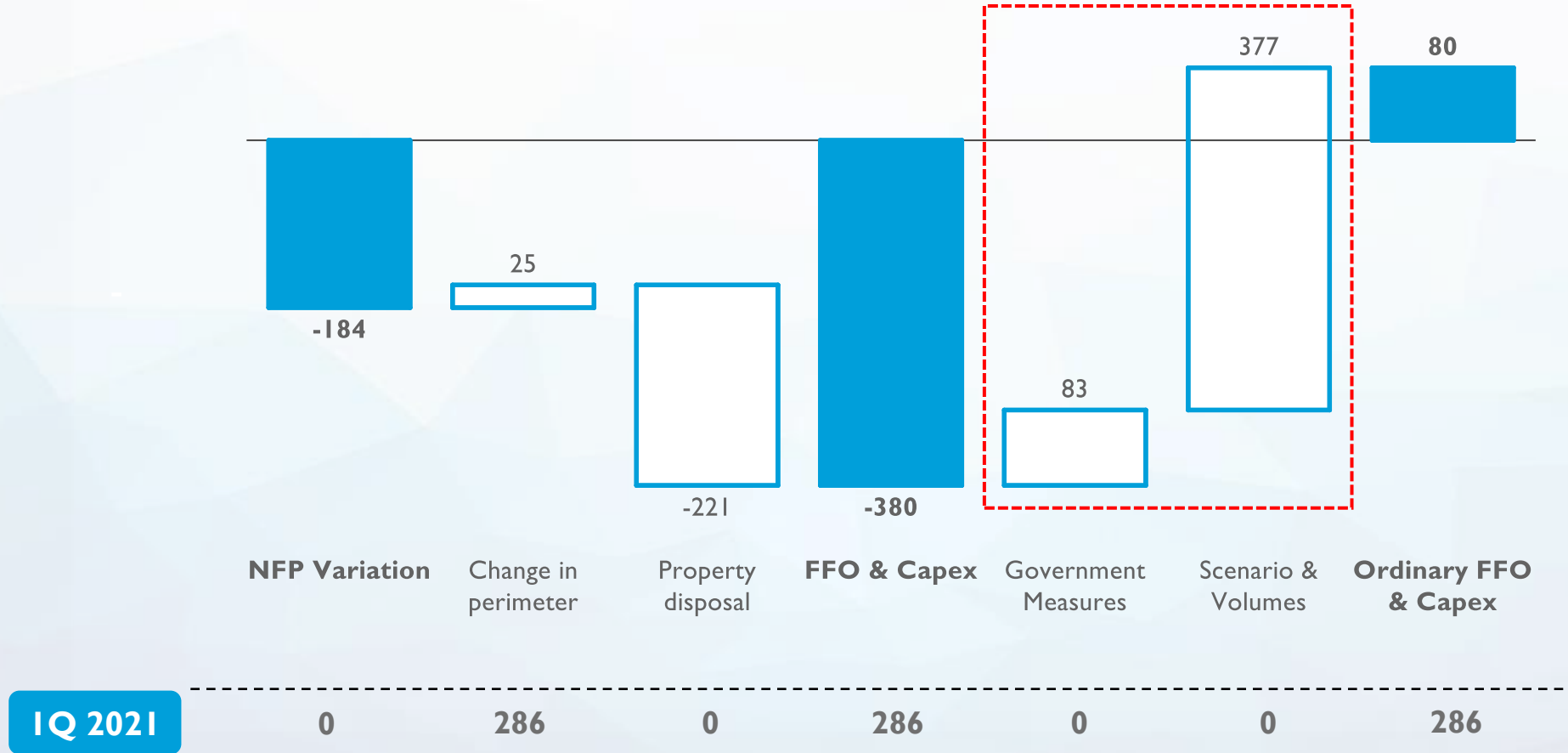
(€M)



13 (I) Funds from operations after working capital change

Cash flow adjusted for temporary items (M€)

Temporary impact on Working Capital^(I)
460€M due to increase in prices and
volumes and government measures



EBITDA 1,400 – 1,450 €M

**NET
ORDINARY
INCOME⁽¹⁾** 330 – 370 €M

**2022
GUIDANCE
CONFIRMED**

ANNEXES



Business Units EBITDA Breakdown

(€M)

	IQ 2022		IQ 2021		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
A2A	389	393	398	398	-9	-2%	-5	-1%
Generation & Trading	126	130	90	89	36	40%	41	46%
Power Generation	145	149	84	83	61	73%	66	80%
Gas Margin	-19	-19	6	6	-25	n.s.	-25	n.s.
Market	-21	-21	67	67	-88	n.s.	-88	n.s.
Energy Retail	-21	-21	68	68	-89	n.s.	-89	n.s.
Energy Solutions	0	0	-1	-1	1	n.s.	1	n.s.
Waste	123	123	86	86	37	43%	37	43%
Collection	13	12	16	16	-3	-19%	-4	-25%
Urban Treatment	98	98	60	60	38	63%	38	63%
Industrial Treatment	12	13	10	10	2	20%	3	30%
Smart Infrastructures	165	164	159	159	6	4%	5	3%
Electricity Networks	34	34	36	36	-2	-6%	-2	-6%
Gas Networks	36	36	43	43	-7	-16%	-7	-16%
Water Cycle	15	15	18	18	-3	-17%	-3	-17%
District Heating	74	73	57	57	17	30%	16	28%
Smart City	2	2	2	2	0	0%	0	0%
Public Lighting	4	4	3	3	1	33%	1	33%
E-Moving	0	0	0	0	0	n.s.	0	n.s.
Corporate	-4	-3	-4	-3	0	0%	0	0%



IQ 2022 VS IQ 2021

Profit & Loss (€M)

	IQ 2022	IQ 2021	Change vs 2021	Change % vs 2021
Revenues	5,540	2,170	3,370	155%
EBITDA	389	398	-9	-2%
D&A	-174	-154	-20	13%
Provisions	-32	-6	-26	n.s.
EBIT	183	238	-55	-23%
Net Financial Expenses	-15	-13	-2	15%
Associates & JV	0	1	-1	-100%
EBT	168	226	-58	-26%
Taxes	-114	-72	-42	58%
Net Results from disc. Operations	160	-1	161	n.s.
Minorities	-13	-17	4	-24%
Group Net Income	201	136	65	48%

IQ 2022 VS IQ 2021

Balance Sheet (€M)

	03.31.2022	03.31.2021	12.31.2021	Δ vs 03.31.2021	Δ vs 12.31.2021
Tangible Assets	5,587	5,337	5,588	250	-1
Intangible Assets	3,171	2,851	3,125	320	46
Shareholdings and Other Non Current Financial Assets	76	42	73	34	3
Other Non Current Assets/Liabilities	-76	-105	-93	29	17
Deferred Tax Assets and Liabilities	388	263	424	125	-36
Provisions for Risks, Charges and Liabilities for landfills	-801	-751	-797	-50	-4
Employee Benefits	-286	-272	-294	-14	8
Net Fixed Capital	8,059	7,365	8,026	694	33
Net Working Capital	1074	823	601	251	473
Other Current Assets/Liabilities	-282	-435	-405	153	123
Current Tax Assets/Liabilities	-69	-4	47	-65	-116
Working Capital and Other Current Assets/Liabilities	723	384	243	339	480
Non Current Assets/Liabilities held for sale	106	2	147	104	-41
Total Capital Employed	8,888	7,751	8,416	1,137	472
Equity	4,591	4,279	4,303	312	288
Net Financial Position	4,297	3,472	4,113	825	184
Total Sources	8,888	7,751	8,416	1,137	472

Energy Scenario

	UoM	I Q 2022	I Q 2022	Δ% vs 2021
Brent	\$/bbl	97.3	61.1	59%
CO2 – EU ETS cost	€/Tonn	83.6	37.5	123%
€/€	€/€	1.1	1.2	-7%
Brent €	€/bbl	86.8	50.7	71%
PSV ⁽¹⁾	€/MWh	98.0	18.7	424%
AEEGSI Gas Tariff ⁽²⁾	c€/mc	85.8	15.1	469%
Coal € (API2)	€/Tonn	204.8	55.9	266%
PUN Baseload ⁽³⁾	€/MWh	248.1	59.2	319%
PUN Peak ⁽³⁾	€/MWh	271.1	68.1	298%
PUN Off-Peak ⁽³⁾	€/MWh	235.6	54.4	333%
CCGT gas cost ⁽⁴⁾	€/MWh	215.9	46.0	370%
Spark Spread CCGT_PSV vs Baseload	€/MWh	32.2	13.3	143%
Spark Spread CCGT_PSV vs Peakload	€/MWh	55.3	22.2	149%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	19.7	8.4	134%
Clean Spark Spread vs Baseload	€/MWh	-1.1	-1.7	-33%
Clean Spark Spread vs Peakload	€/MWh	21.9	7.2	203%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	70.1	-12.4	-667%

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	IQ 2022	IQ 2021	Δ vs 2021	Δ% vs 2021
A2A Group Thermal production	GWh	3,865	3,458	407	12%
- CCGT production	GWh	3,596	3,213	383	12%
- Coal production	GWh	30	74	-43	-59%
- Oil production	GWh	239	172	67	39%
A2A Group Renewable production	GWh	735	1,057	-322	-30%
- Hydro production	GWh	662	1,026	-364	-35%
- Photovoltaic production	GWh	67	24	43	178%
- Wind production	GWh	6	7	-1	-15%
Electricity sales	GWh	5,180	4,376	804	18%
Gas sales	Mcm	1,092	1,035	57	6%
Electricity distributed	GWh	2,859	2,835	23	1%
Gas distributed	Mcm	1,514	1,490	24	2%
Water Distributed	Mcm	18	19	-1	-4%
Heat volumes sales	GWh	1,473	1,484	-12	-1%
Cogeneration electricity sales	GWh	161	154	7	4%
Collected waste	Kton	447	453	-6	-1%
Waste disposal	Kton	865	876	-12	-1%
- Material recovery	Kton	249	235	14	6%
- Energy recovery	Kton	377	408	-32	-8%
- Other	Kton	239	233	6	3%
WTE and other plants electricity production	GWh	537	489	48	10%
WTE and other plants heat production	GWh	664	650	14	2%

Gross debt maturities as of 31st March 2022



Key ESG highlights



CIRCULAR ECONOMY



Waste treated¹ (Mton)

1.4

+11%
vs 2021



Energy from WTE and Biogas (GWh)

655

+50 GWh
vs 1Q 2021

ENERGY TRANSITION



Solar & wind production (GWh)

73

+42 GWh
vs 2021



Green energy sold (TWh)

1.3

+10%
vs 2021



SBTi Target (gCO2/kWh)

354

-17%
vs FY 2017²

SOCIAL & GOVERNANCE



Training hours (#000)

69

+55%
vs 2021



Sustainable debt (out of total)

49%

+19 p.p.
vs 2021



Energy sold to customers of electric mobility service (GWh)

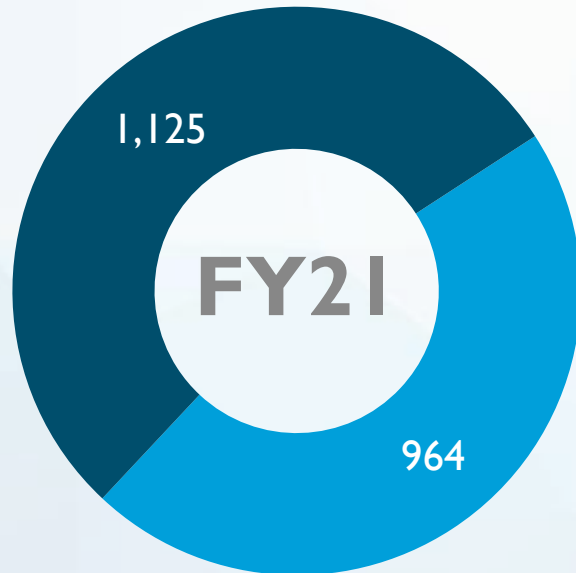
1.6

+87%
vs 2021

Increased liquidity position to deal with market volatility

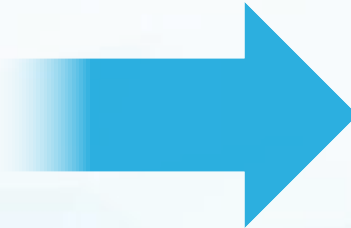
Liquidity position as of FY21⁽¹⁾

2,089 €M



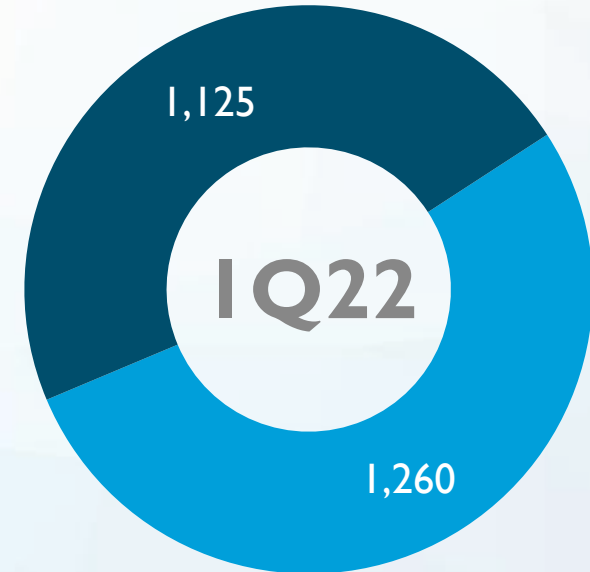
● Cash ● Undrawn Committed Lines

+296 €M



Liquidity position as of IQ22⁽¹⁾

2,385 €M



● Cash ● Undrawn Committed Lines

Financial Strategy Linked to Sustainability: 2022 HIGHLIGHTS



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