



A2A

9M 2022 Results

Milan

11th November 2022

HIGHLIGHTS



Business Plan 2021-2030 – Achievements 3Q 2022

Energy transition

+59
MW

Ensuring system flexibility

Completed the upgrade through APG of Chivasso plant, awarded a 15-year contract in the capacity market auctions

94
k

Clients acquired through digital channels

Acquired 94k¹ clients on mass market (power and gas) through digital channels, from January to September 2022

1,000+

E-mobility ambition

Concluded «1,000 charging points project» for the decarbonization of A2A's fleet

Circular economy

100
MW

Heat recovery

Acquired SEA Energia, society that provides electric and thermal energy to the two airports of Milano Linate and Milano Malpensa

Main KPIs

Waste treated² (Mton)

4.1

+5%
vs 2021

WTE Equivalent Energy sales (GWh)

1,780

+25 GWh
vs 2021

Solar & wind production (GWh)

475

+81%
vs 2021

Green energy sold (TWh)

5.3

+33%
vs 2021

Female managers (%)

25.5%

+2.1 p.p.
vs 2021

Sustainable debt (% out of total)

60%

+22 p.p.
vs 2021

Sustainable finance

Supporting green transition

60%

60% share of ESG Debt reached as of 30th September 2022, anticipating the target set for 2023 thanks to the 500€M Sustainability-Linked Bond, the 600€M Green Bond and the 650€M Green Bond issued during the 9M.

Highlights of the period



MSD margin
Capacity Market
Scenario effect on EE and Heating
Trading Portfolio
Gas Portfolio
Wind and Photovoltaic plants

*Asset disposals
(properties and non-strategic ATEM)*



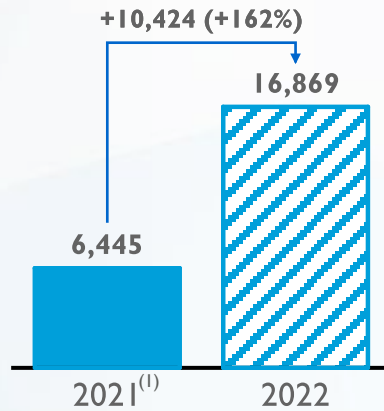
Energy & Gas retail margins
Hydroelectric production
Allowed revenues on Gas distribution (lower regulated WACC)

Temporary expansion in NWC

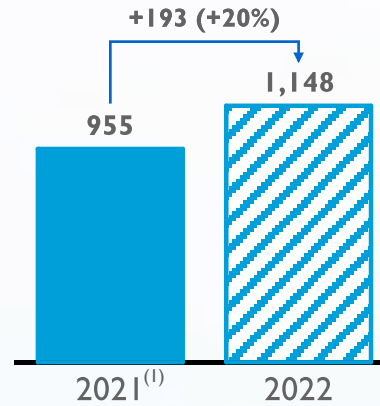
9M 2022 VS 9M 2021

Key Financial Indicators (€M)

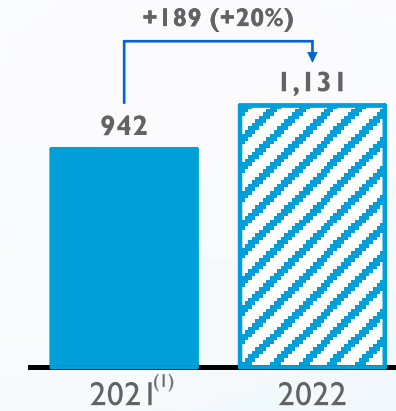
Revenues



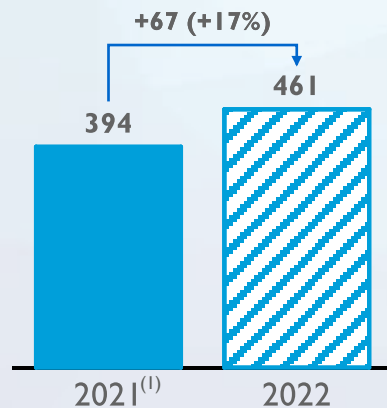
EBITDA



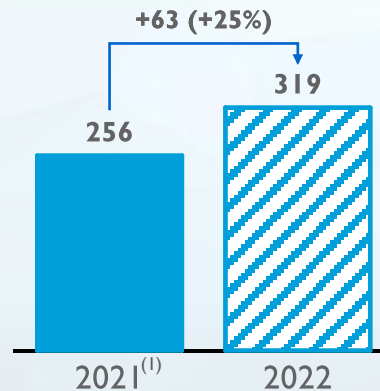
EBITDA Ordinary



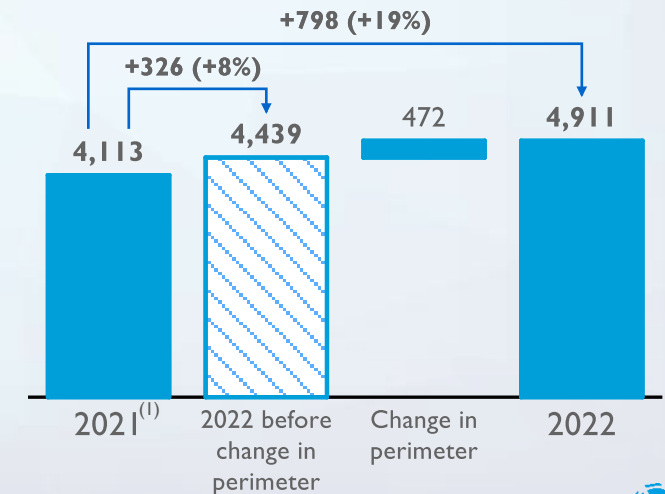
Group Net Income



Group Net Ordinary Income

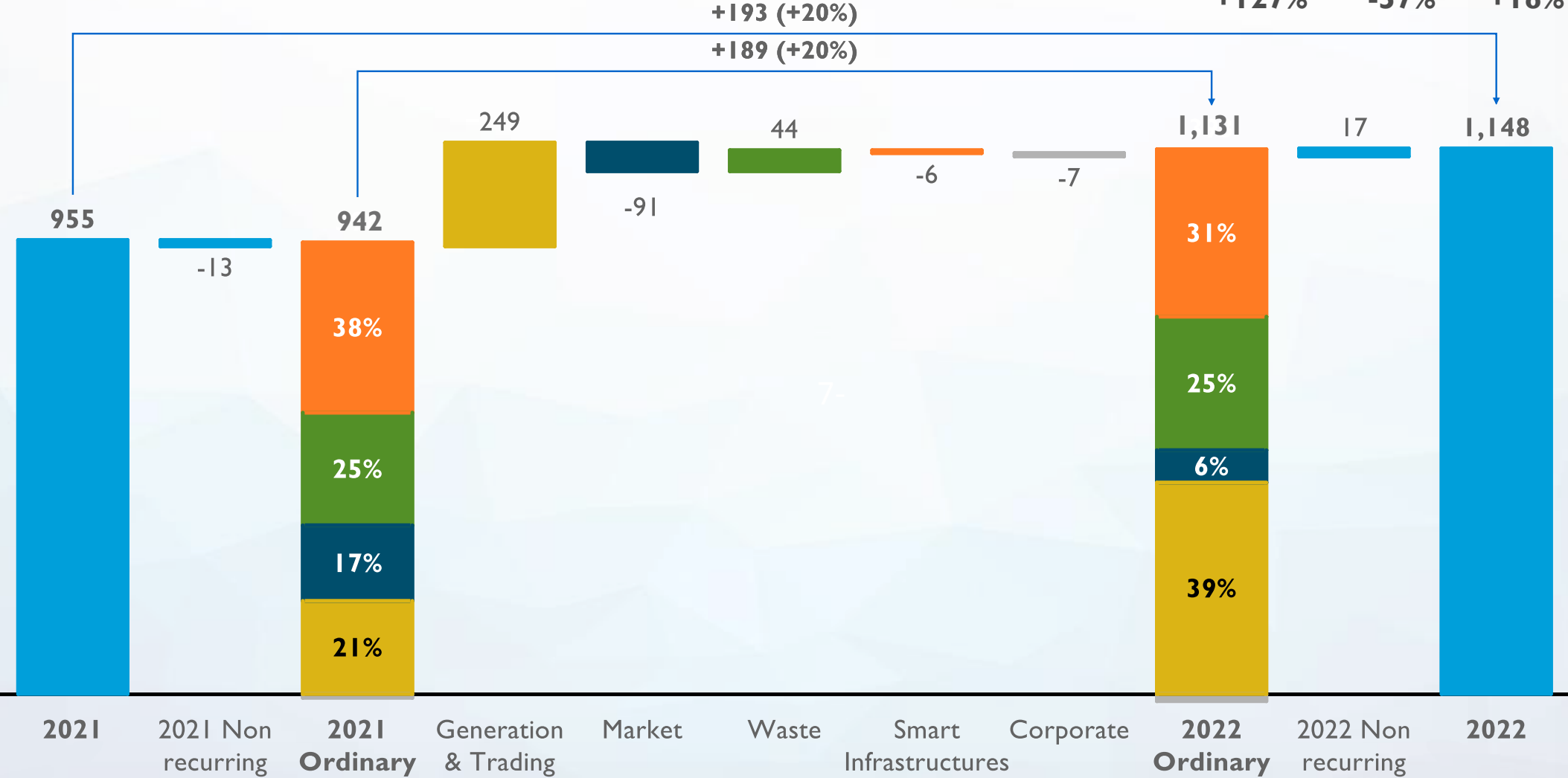
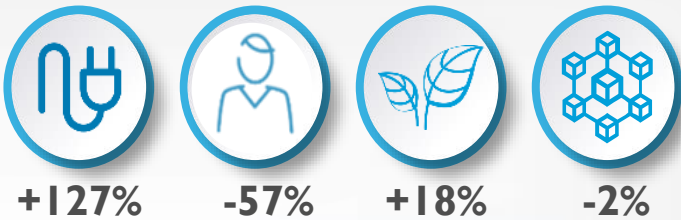


Net Financial Position



9M 2022 VS 9M 2021

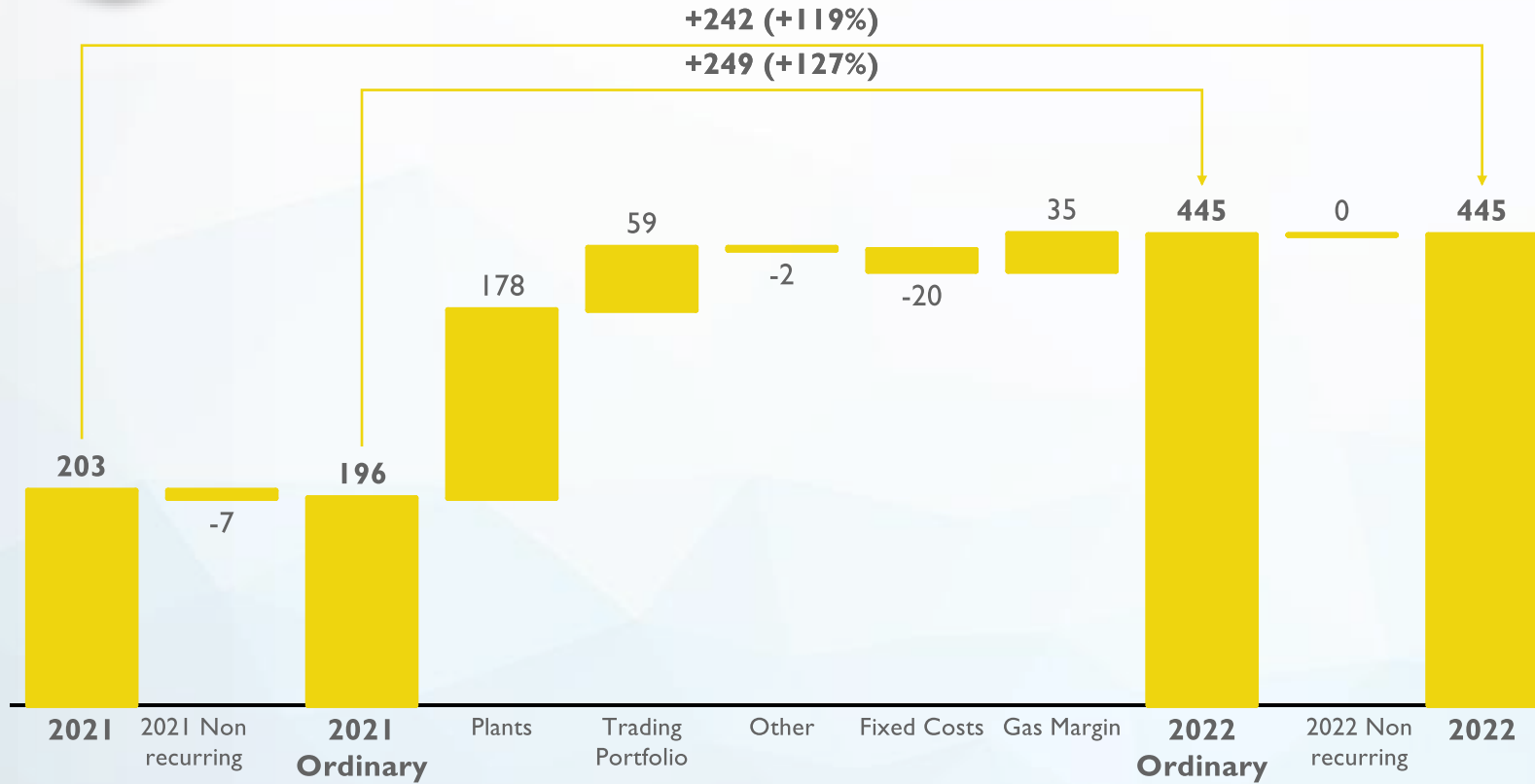
Group EBITDA (€M)



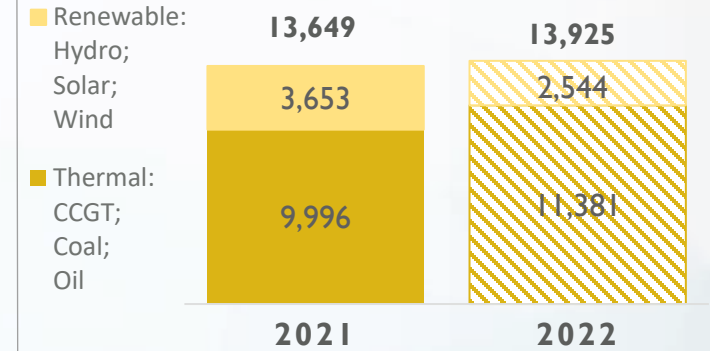


Generation & Trading

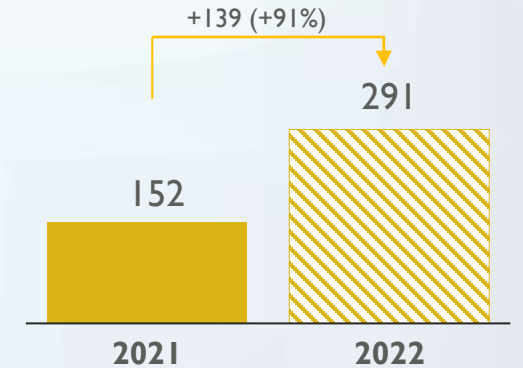
EBITDA 9M (€M)



Production (GWh)



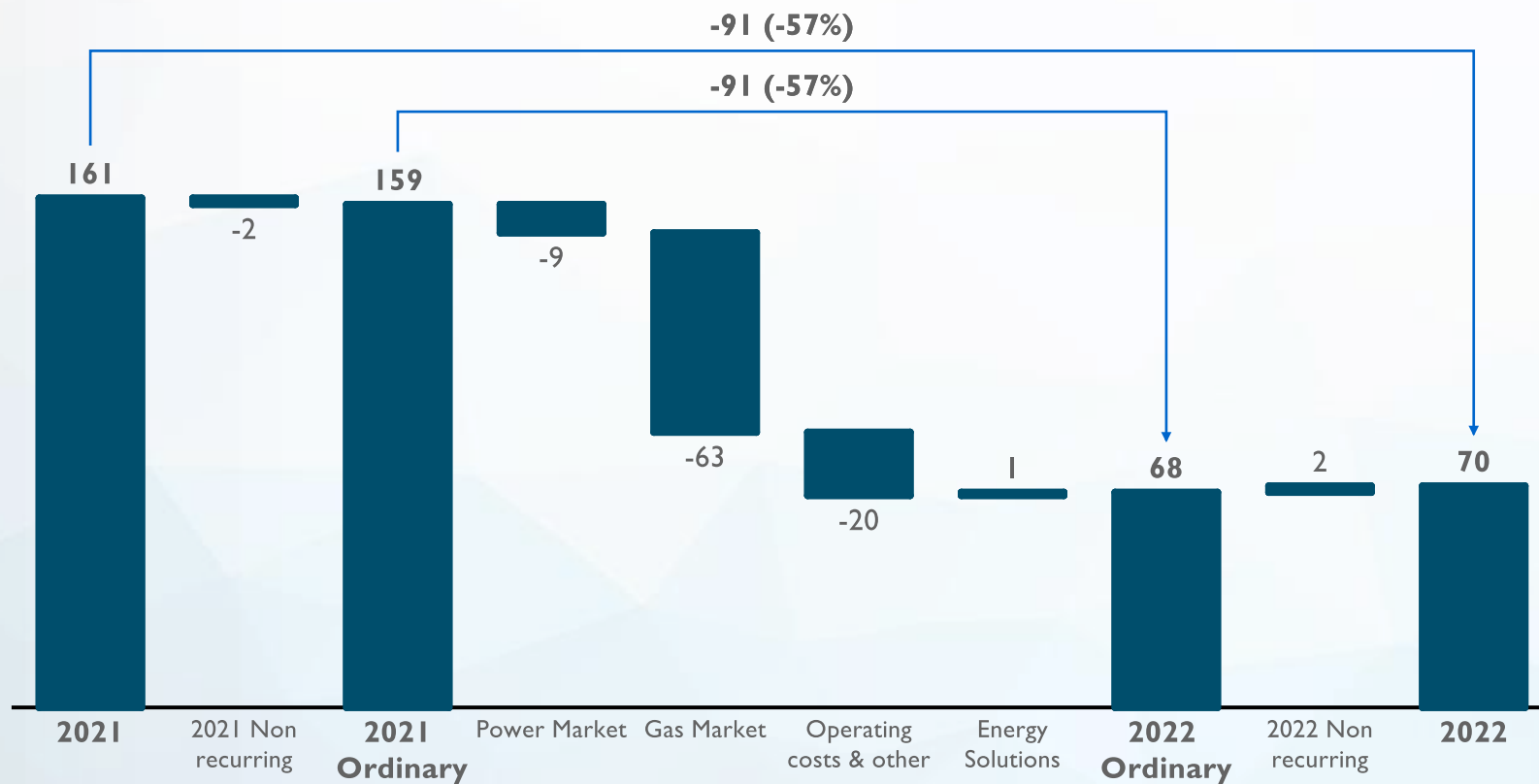
MSD Margin (€M)



- Higher MSD margin, positive contribution of Capacity Market, Electricity and Gas scenario, partially offset by lower Hydroelectric productions (-39%)

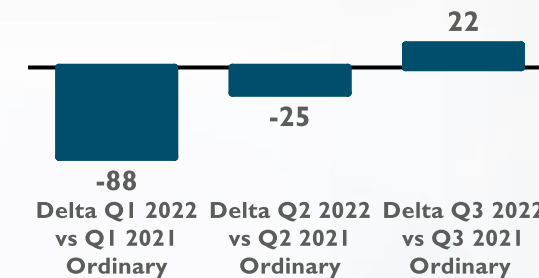


Market EBITDA 9M (€M)

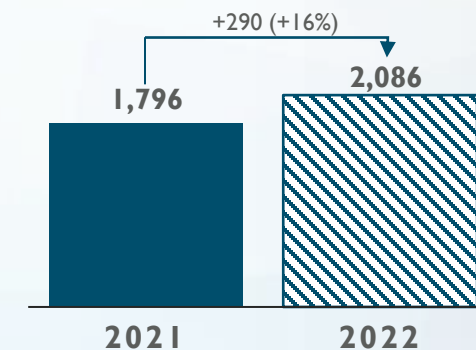


- Most of the contraction in 1H; partial recovery in 3Q, especially in Power Market
- Lower Electricity and Gas unitary margins on Free Market, due to different consumption profile from those contracted and contract timing partially offset by higher commercial margins
- 3.0M mass market customer base, of which 2.1M in free market (+234K Vs Dec. 2021)

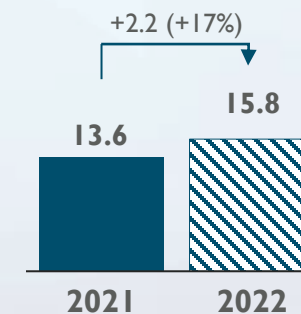
Delta EBITDA per Quarter (€M)



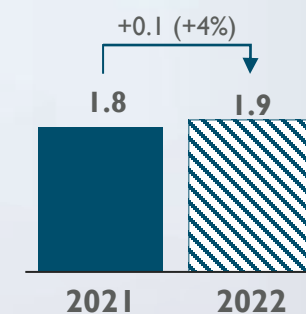
Free Mass Market Customers (#/000)



Electricity Sales (TWh)



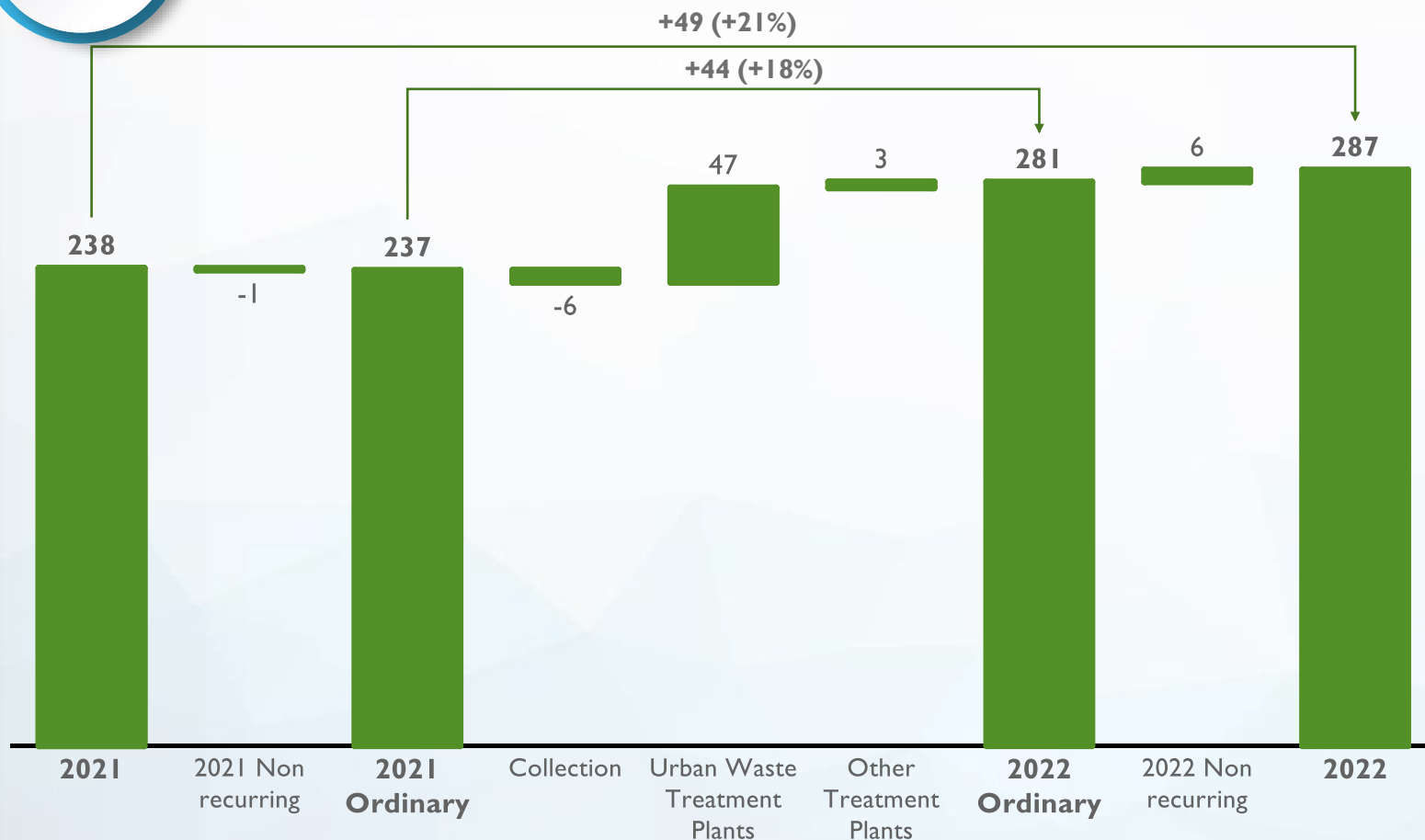
Gas Sales (Bcm)





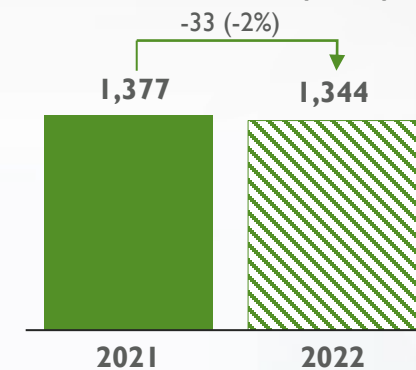
Waste

EBITDA 9M (€M)

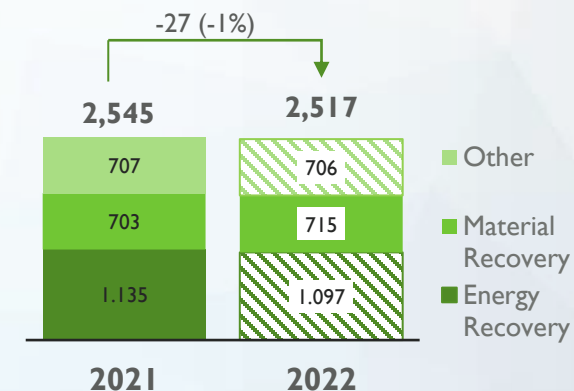


- Scenario effect on Treatment Plants partially offset by higher operating costs
- Collection: higher fuel costs and end of waste concession in Varese

Waste Collection (Kton)

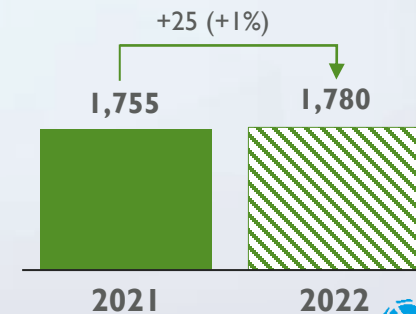


Waste Treatment (Kton)



Waste treatment volumes net of elimination between plants.

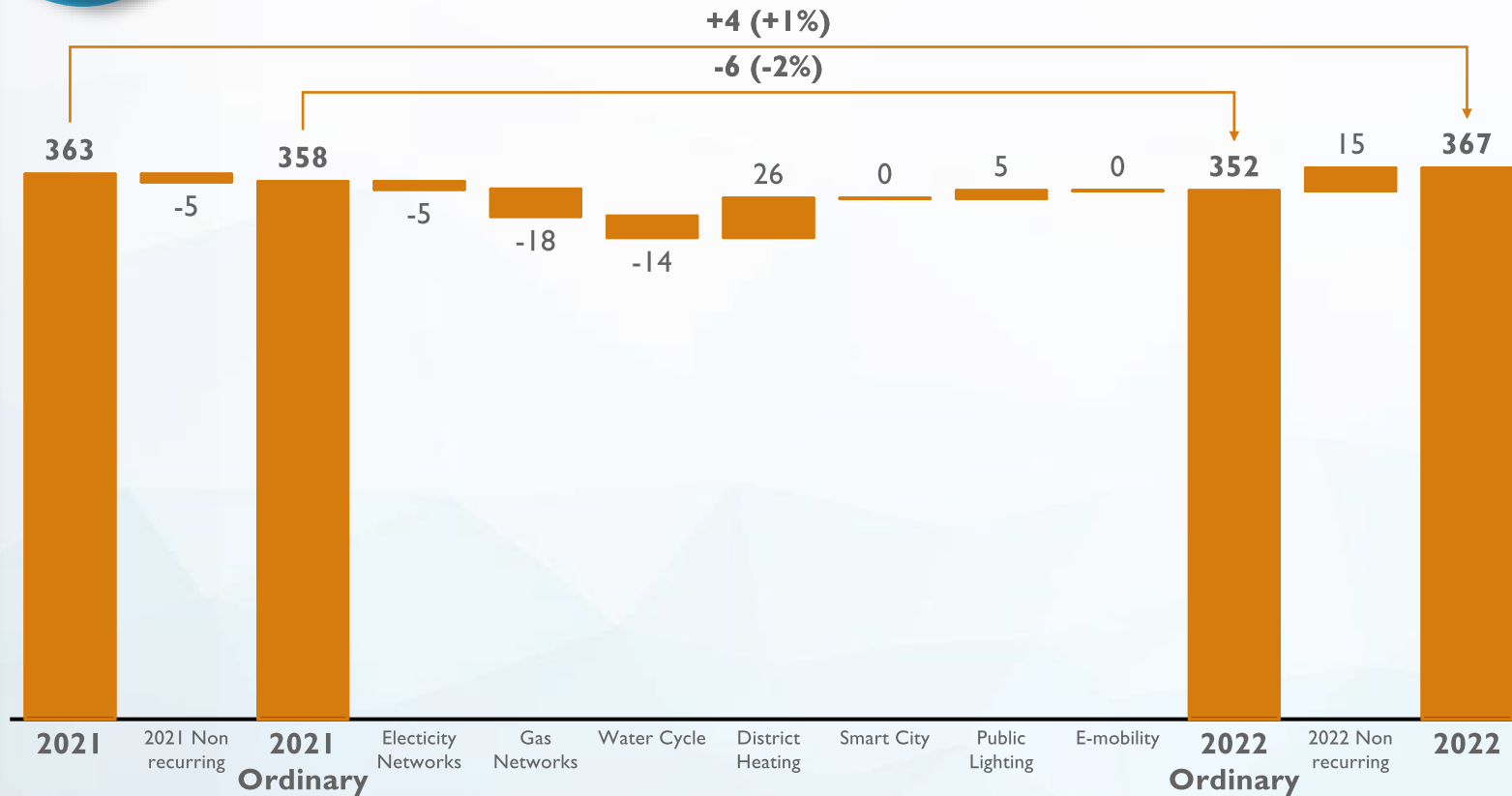
Equivalent Energy Sales (GWh)





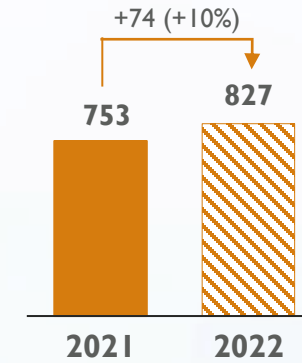
Smart Infrastructures

EBITDA 9M (€M)

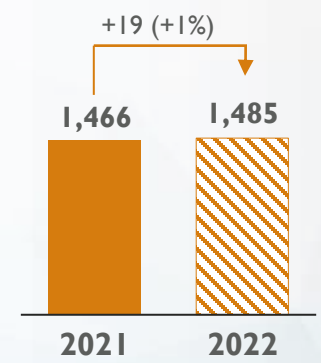


- Positive electricity scenario effect on District Heating
- Public lighting: adjusted fee due to scenario effect
- Gas Networks: lower regulatory WACC, higher concession fee related to ATEM MI and operating costs (electricity)
- Water Cycle: higher operating costs, especially electricity costs
- Electricity Networks: lower allowed revenues and lower losses equalization (regulatory effect)

RAB EE* (€M)

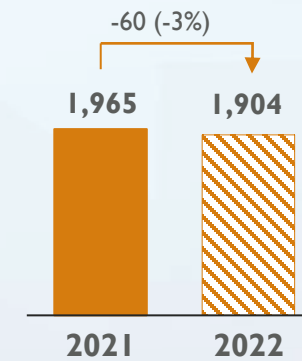


RAB GAS* (€M)

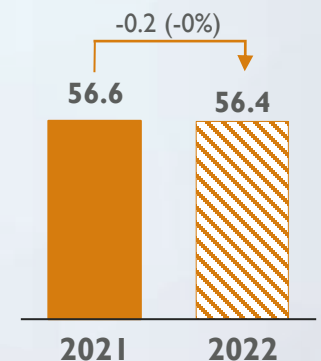


* Provisional data, underlying the estimate of allowed revenues of the period.

Heat Volumes (GWht)

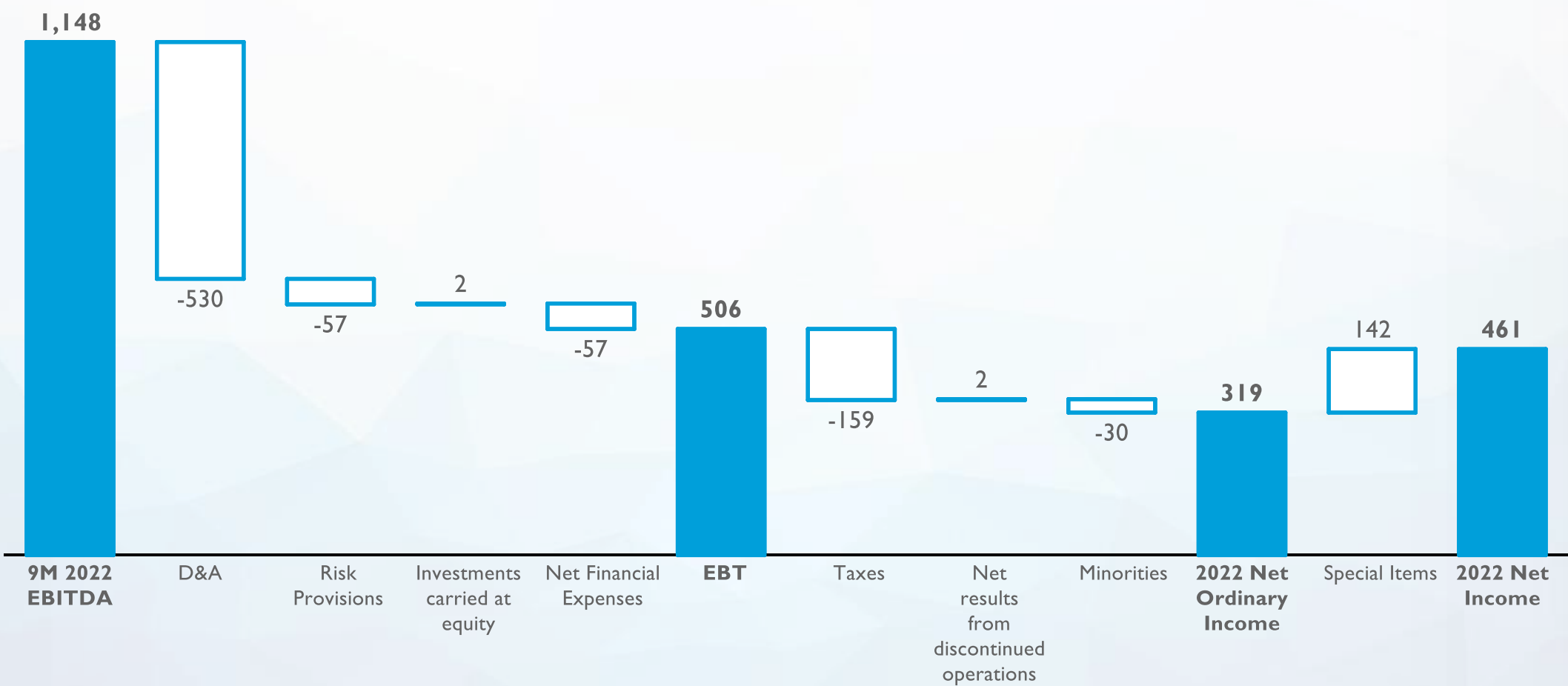


Distributed Water (Mcm)



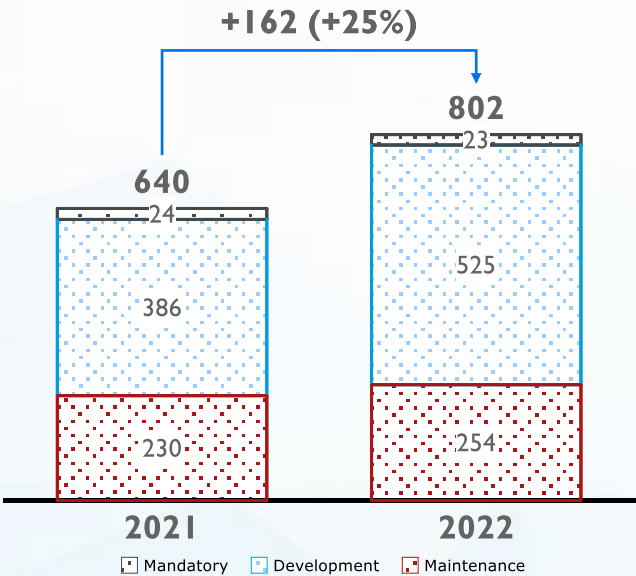
From EBITDA to Group Net Income

(€M)

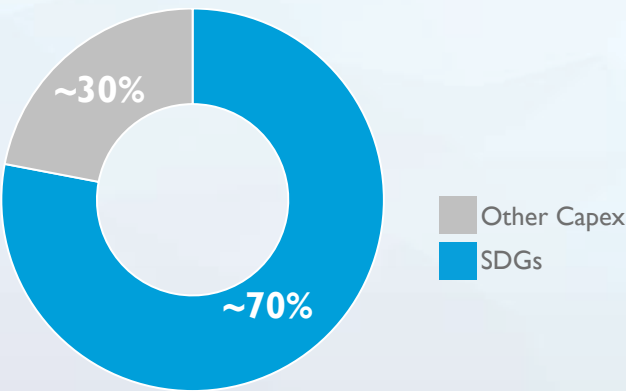


9M 2021	955	(485)	(14)	2	(45)	413	(123)	(2)	(32)	256	138	394

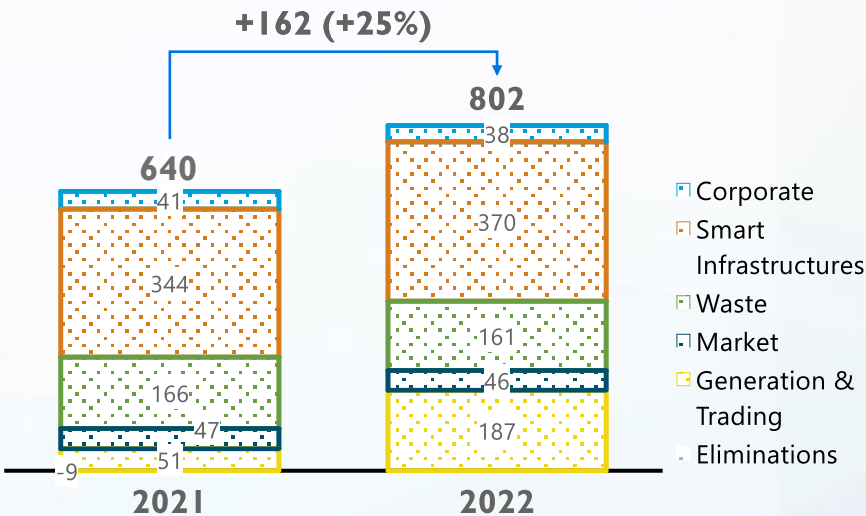
Breakdown by Activity



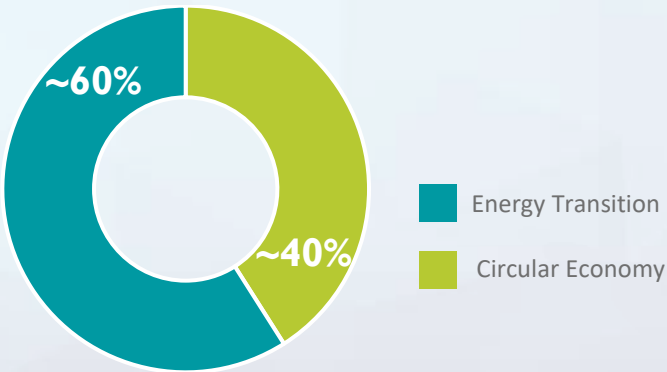
2022 Breakdown by SDGs



Breakdown by BU

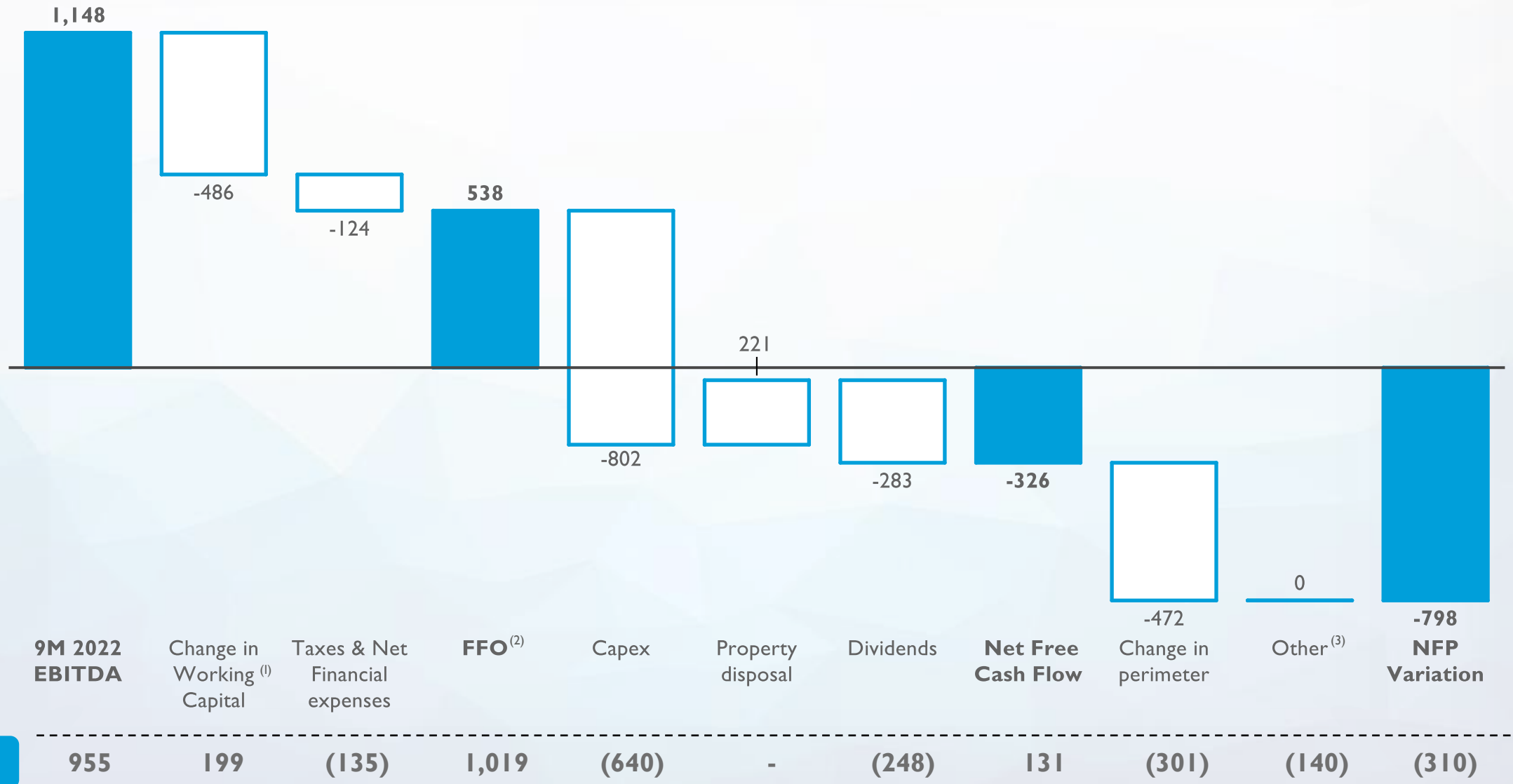


Breakdown by Circular Economy & Energy Transition



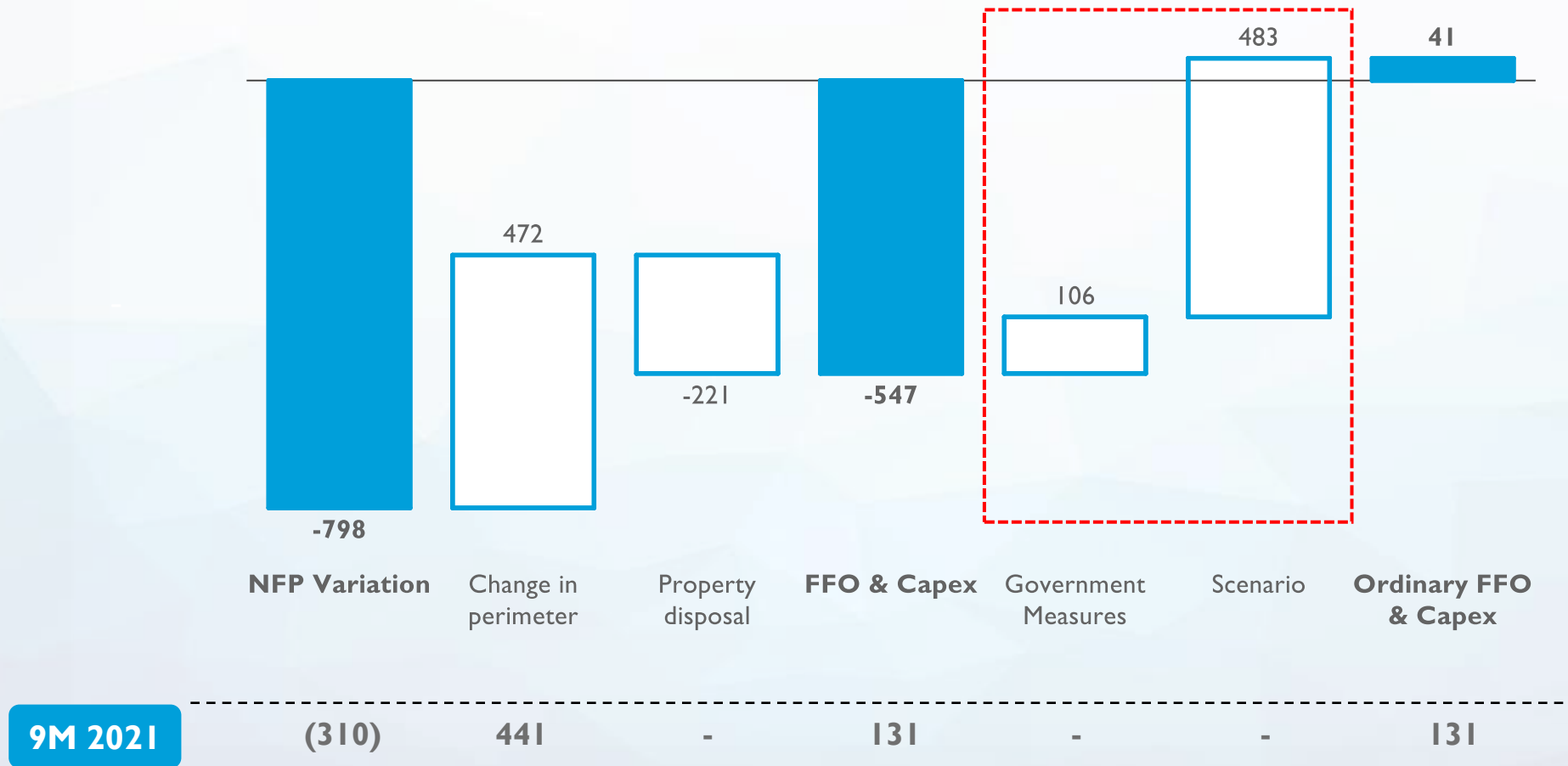
Net Free Cash Flow

(€M)



Cash flow adjusted for temporary items (€M)

Temporary impact on Working Capital⁽¹⁾ 589€M due to increase in prices and government measures (bills installments and system charges zeroing)



EBITDA 1,450 – 1,500 €M

**NET
ORDINARY
INCOME⁽¹⁾** 340 – 380 €M

**2022
GUIDANCE
REVISED**

ANNEXES



Business Units EBITDA Breakdown

(€M)

	9M 2022		9M 2021		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
A2A	1,148	1,131	955	942	193	20%	189	20%
 Generation & Trading	445	445	203	196	242	119%	249	127%
Power Generation	432	432	225	218	207	92%	214	98%
Gas Margin	13	13	-22	-22	35	n.s.	35	n.s.
 Market	70	68	161	159	-91	-57%	-91	-57%
Energy Retail	71	69	163	161	-92	-56%	-92	-57%
Energy Solutions	-1	-1	-2	-2	1	n.s.	1	n.s.
 Waste	287	281	238	237	49	21%	44	18%
Collection	44	44	51	50	-7	-14%	-6	-12%
Urban Treatment	210	204	157	157	53	34%	47	30%
Industrial Treatment	33	33	30	30	3	10%	3	10%
 Smart Infrastructures	367	352	363	358	4	1%	-6	-2%
Electricity Networks	100	101	107	106	-7	-7%	-5	-5%
Gas Networks	109	109	131	127	-22	-17%	-18	-14%
Water Cycle	54	40	54	54	0	0%	-14	-26%
District Heating	82	81	55	55	27	49%	26	47%
Smart City	5	5	5	5	0	0%	0	0%
Public Lighting	18	17	12	12	6	50%	5	42%
E-Moving	-1	-1	-1	-1	0	n.s.	0	n.s.
Corporate	-21	-15	-10	-8	-11	-110%	-7	-88%

9M 2022 VS 9M 2021

Profit & Loss (€M)

	9M 2022	9M 2021	Change vs 2021	Change % vs 2021
Revenues	16,869	6,445	10,424	162%
EBITDA	1,148	955	193	20%
D&A	-530	-485	-45	9%
Provisions	-57	-14	-43	n.s.
EBIT	561	456	105	23%
Net Financial Expenses	-57	-45	-12	27%
Associates & JV	2	2	0	0%
EBT	506	413	93	23%
Taxes	-159	-123	-36	29%
Net Results from disc. Operations	2	-2	4	n.s.
Minorities	-30	-32	2	-6%
Group Net Ordinary Income	319	256	63	25%
+/- Special Items	142	138	4	3%
Group Net Income	461	394	67	17%

9M 2022 VS 9M 2021

Balance Sheet (€M)

	09.30.2022	09.30.2021	12.31.2021	Δ vs 09.30.2021	Δ vs 12.31.2021
Tangible Assets	5,951	5,421	5,588	530	363
Intangible Assets	3,298	2,888	3,125	410	173
Shareholdings and Other Non Current Financial Assets	123	69	73	54	50
Other Non Current Assets/Liabilities	-123	-88	-93	-35	-30
Deferred Tax Assets and Liabilities	425	382	424	43	1
Provisions for Risks, Charges and Liabilities for landfills	-716	-728	-797	12	81
Employee Benefits	-236	-256	-294	20	58
Net Fixed Capital	8,722	7,688	8,026	1,034	696
Net Working Capital	543	534	601	9	-58
Other Current Assets/Liabilities	128	-102	-405	230	533
Current Tax Assets/Liabilities	-139	-10	47	-129	-186
Working Capital and Other Current Assets/Liabilities	532	422	243	110	289
Non Current Assets/Liabilities held for sale	195	0	147	195	48
Total Capital Employed	9,449	8,110	8,416	1,339	1,033
Equity	4,538	4,328	4,303	210	235
Net Financial Position	4,911	3,782	4,113	1,129	798
Total Sources	9,449	8,110	8,416	1,339	1,033

Energy Scenario

	UoM	9M 2022	9M 2021	Δ% vs 2021
Brent	\$/bbl	102.2	67.8	51%
CO2 – EU ETS cost	€/Tonn	82.4	48.3	71%
€/€	€/€	1.1	1.2	-11%
Brent €	€/bbl	96.2	56.7	70%
PSV ⁽¹⁾	€/MWh	130.7	30.1	335%
AEEGSI Gas Tariff ⁽²⁾	c€/mc	90.8	19.7	360%
Coal € (API2)	€/Tonn	292.0	86.0	239%
PUN Baseload ⁽³⁾	€/MWh	322.9	86.1	275%
PUN Peak ⁽³⁾	€/MWh	348.3	93.7	272%
PUN Off-Peak ⁽³⁾	€/MWh	309.0	81.9	277%
CCGT gas cost ⁽⁴⁾	€/MWh	285.8	69.1	313%
Spark Spread CCGT_PSV vs Baseload	€/MWh	37.1	17.0	119%
Spark Spread CCGT_PSV vs Peakload	€/MWh	62.5	24.6	155%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	23.2	12.8	82%
Clean Spark Spread vs Baseload	€/MWh	4.3	-2.3	-286%
Clean Spark Spread vs Peakload	€/MWh	29.6	5.3	458%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	110.0	-8.4	n.s.

Notes:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

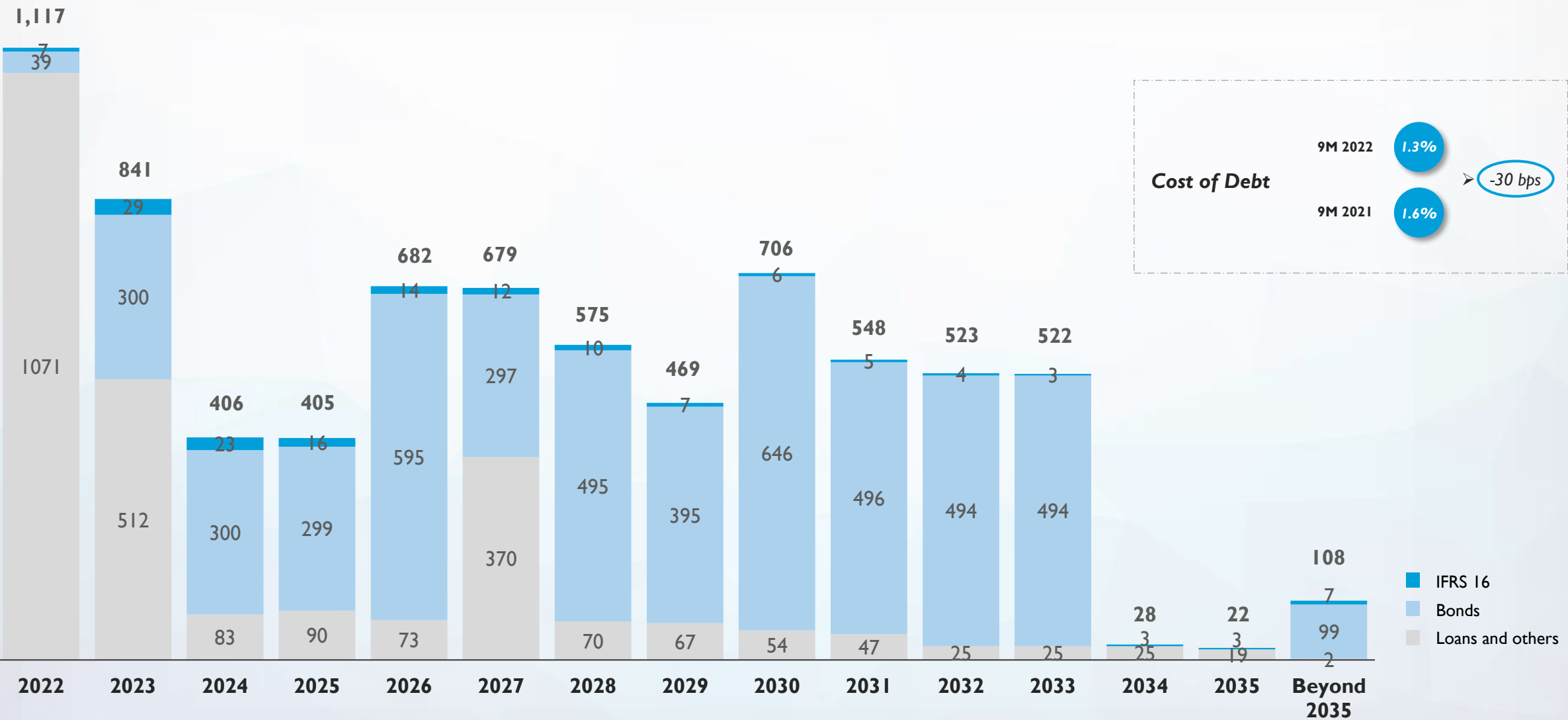
(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

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

Volumes

	UoM	9M 2022	9M 2021	Δ vs 2021	Δ% vs 2021
A2A Group Thermal production	GWh	11,381	9,996	1,386	14%
- CCGT production	GWh	9,804	8,945	858	10%
- Coal production	GWh	368	135	233	173%
- Oil production	GWh	1,209	915	294	32%
A2A Group Renewable production	GWh	2,544	3,653	-1,109	-30%
- Hydro production	GWh	2,069	3,391	-1,322	-39%
- Photovoltaic production	GWh	327	246	81	33%
- Wind production	GWh	148	16	133	n.s.
Electricity sales	GWh	15,816	13,576	2,241	17%
Gas sales	Mcm	1,862	1,787	75	4%
Electricity distributed	GWh	8,542	8,489	53	1%
Gas distributed	Mcm	1,986	2,006	-20	-1%
Water Distributed	Mcm	56	57	0	0%
Heat volumes sales	GWht	1,904	1,965	-60	-3%
Cogeneration electricity sales	GWh	219	201	19	9%
Collected waste	Kton	1,344	1,377	-33	-2%
Waste disposal	Kton	2,517	2,545	-27	-1%
- Material recovery	Kton	715	703	12	2%
- Energy recovery	Kton	1,097	1,135	-38	-3%
- Other	Kton	706	707	-1	0%
WTE and other plants electricity production	GWh	1,606	1,578	27	2%
WTE and other plants heat production	GWht	1,028	1,046	-18	-2%

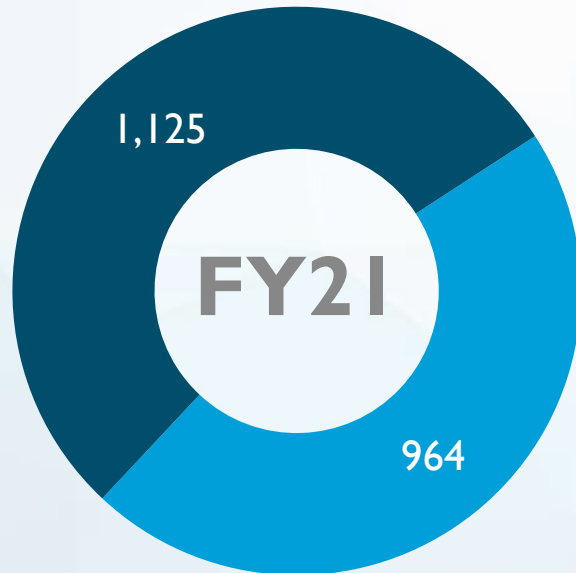
Gross debt maturities as of 30th September 2022



Increased liquidity position to manage market volatility

Liquidity position as of FY21⁽¹⁾

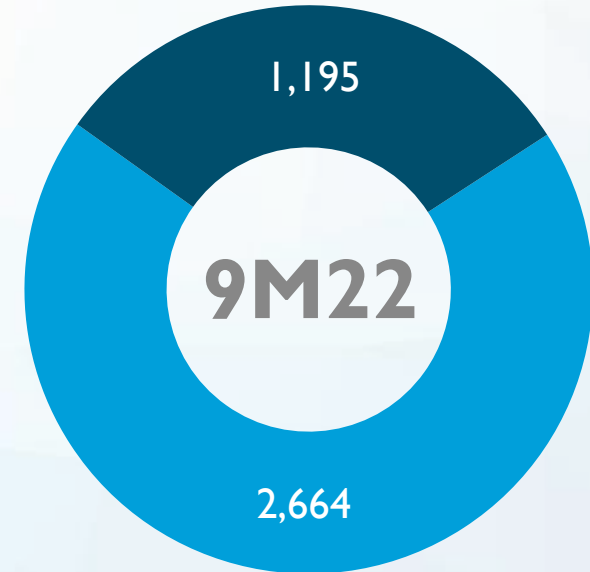
2,089 €M



● Cash ● Undrawn Committed Lines

Liquidity position as of 9M22⁽¹⁾

3,859 €M



● Cash ● Undrawn Committed Lines

+1,770 €M



Financial Strategy Linked to Sustainability: 2022 highlights



Contacts

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