



A2A Life Company Q1 2023 results

Milan, 11th May 2023

Q1 2023 Results: Key highlights



- Effective hedging on power production sources
- Wind and Solar development
- Enlarged energy customer base and retail margins recovery
- Continuous strict NWC management

2



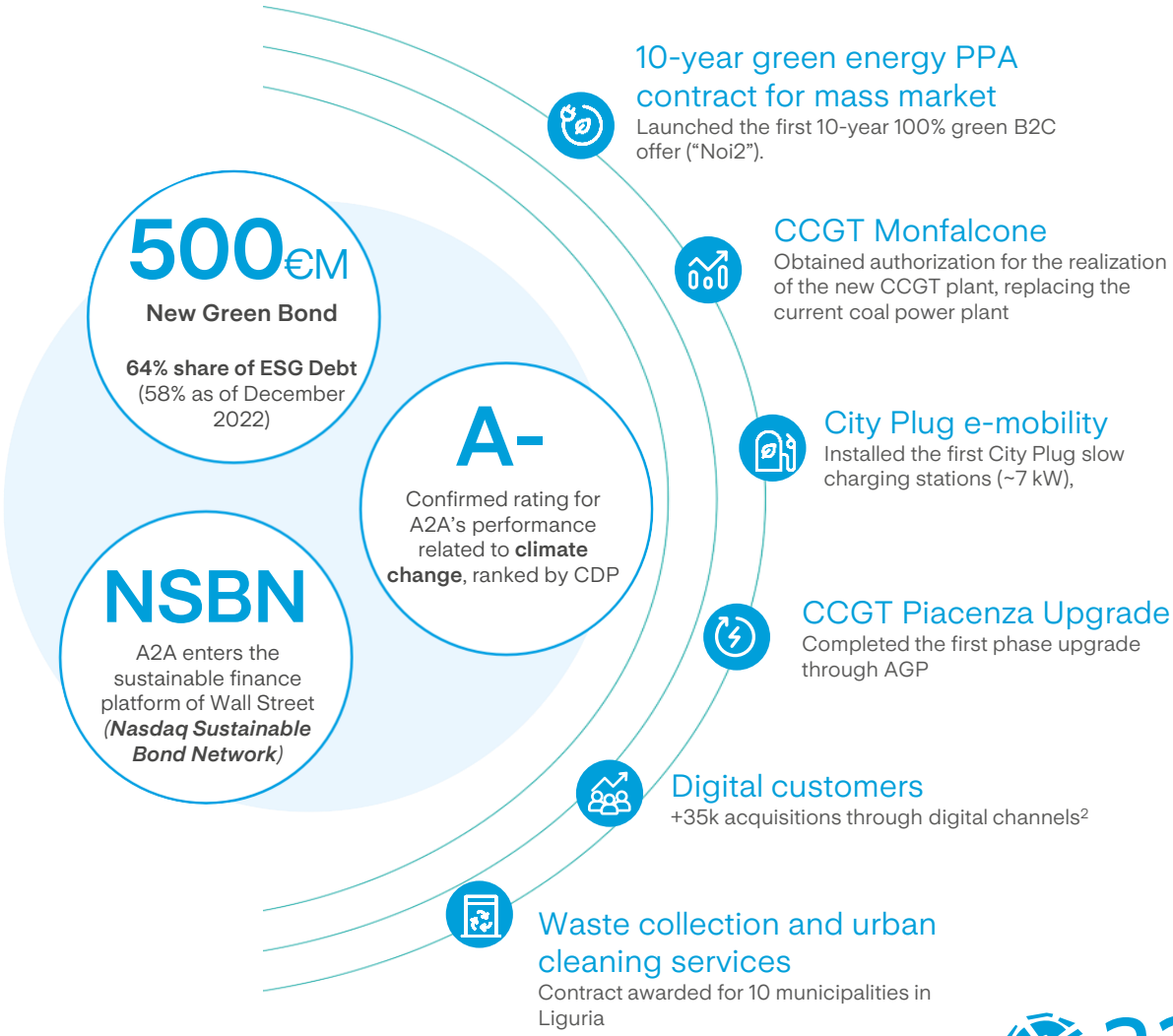
- Hydro production
- Heat: volumes and scenario effect

Q1 2023 main achievements along our decarbonization path

Main ESG KPIs

Scope 1&2 Emission Factor (gCO2/kWh)	412	+58 gCO2/kWh* vs Q1 2022
Renewable installed capacity (GW)	2.5	+12% vs Q1 2022
Electricity Network Capacity (MVA)	5,056	+378 MVA vs Q1 2022
Water losses (m3/km/day) ¹	18.6	-3% vs Q1 2022
Female managers %	26.4	+2 p.p. vs Q1 2022
Orders placed with suppliers evaluated with ESG indicators %	66%	+14 p.p. vs Q1 2022

*Government requirements to stabilize national grid

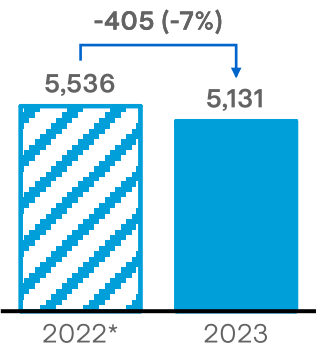


Notes: (1) Refers to Q1 2023 within the perimeter of A2A Ciclo Idrico and ASVT (2) Refers to Q1 2023 within the perimeter of A2A Energia and NeN

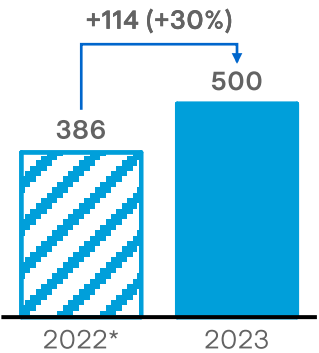
Q1 2023 Results: operating margin drives excellent performance

Key Financial Indicators (€M)

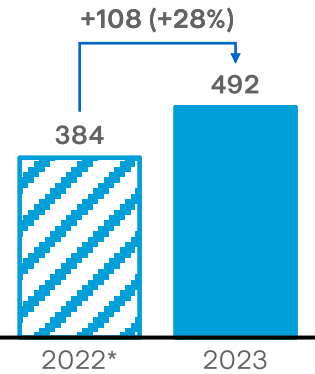
Revenues



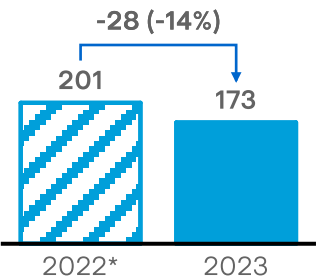
EBITDA



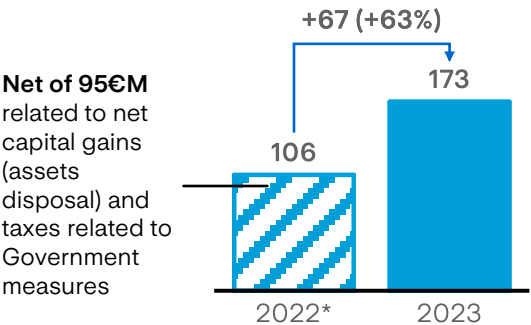
EBITDA Ordinary



Group Net Income

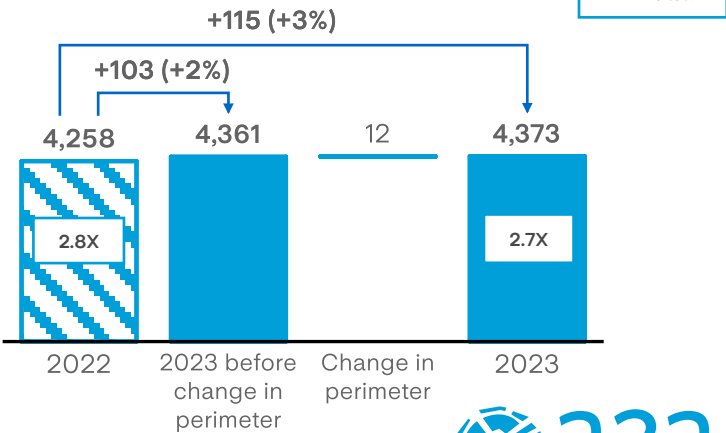


Group Net Ordinary Income



Net of 95€M related to net capital gains (assets disposal) and taxes related to Government measures

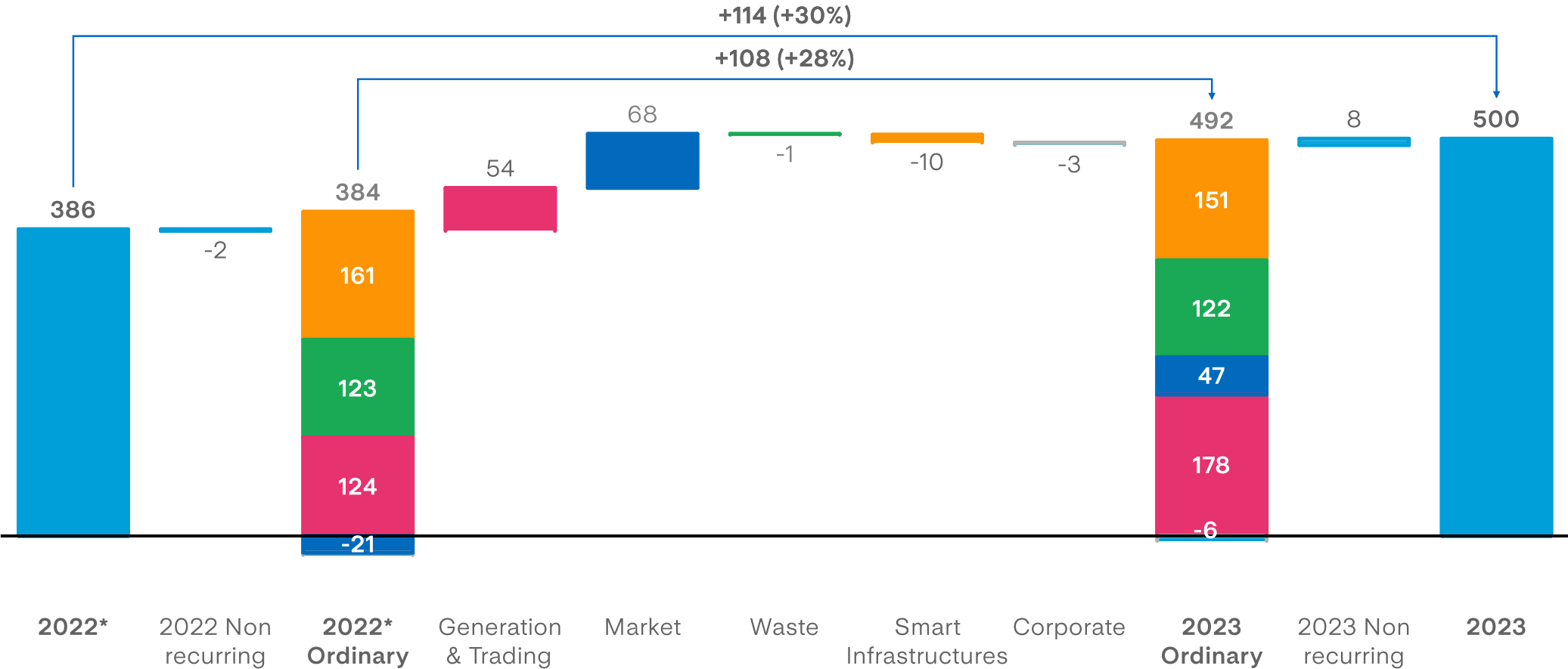
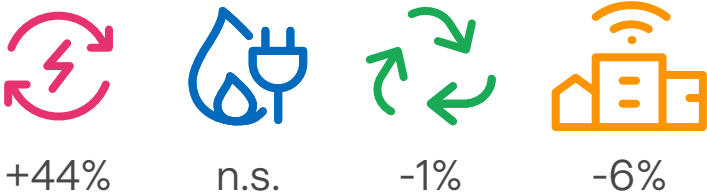
Net Financial Position



(*) Restated values in accordance with IFRS5
(**) Ebitda rolling.

Q1 2023 Group Ebitda: power generation & market support a strong growth

€M

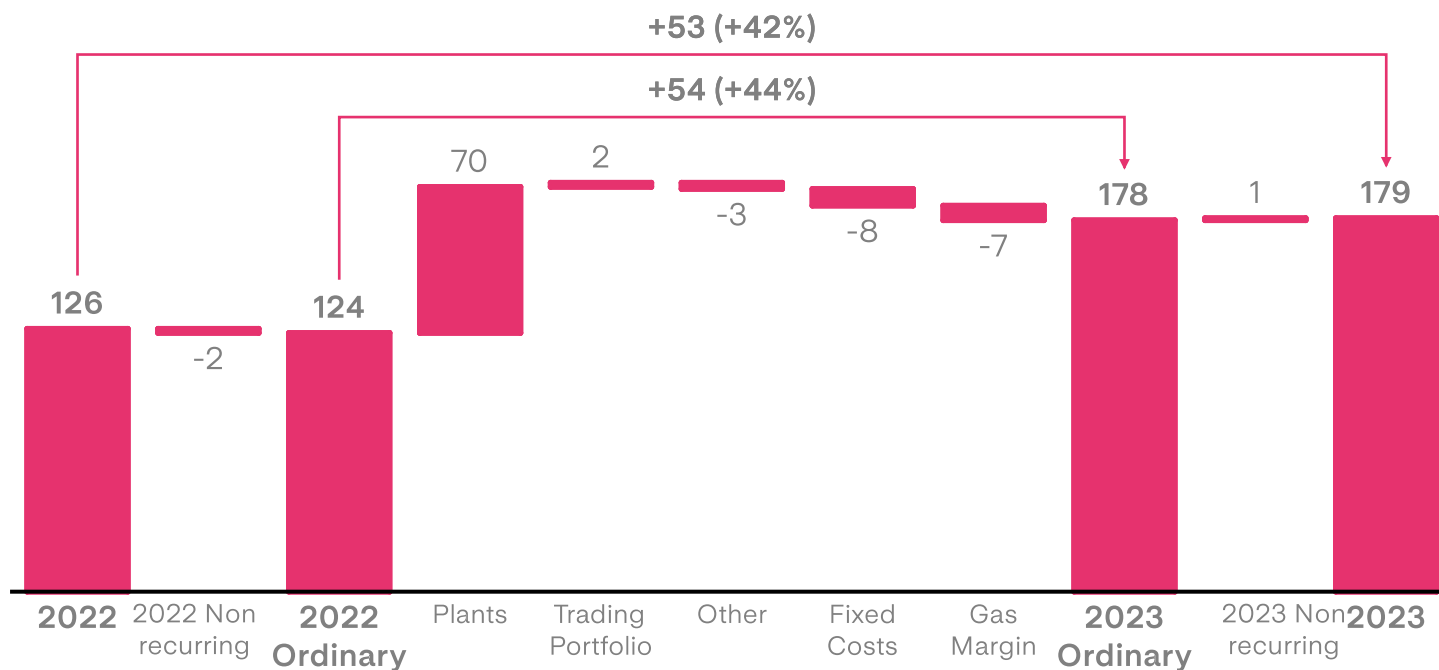


(*) Restated values in accordance with IFRS5.



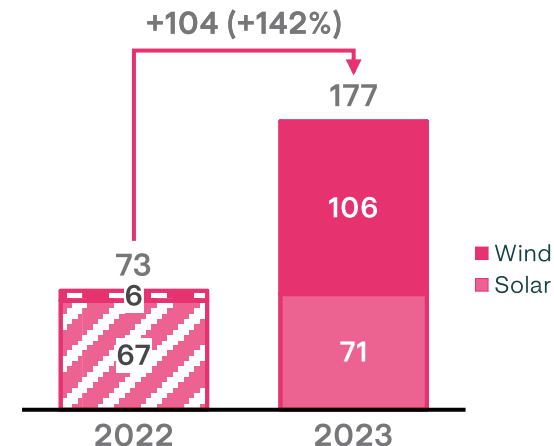
Generation & Trading: integrated production mix more than offset the decreasing energy scenario

Ebitda €M

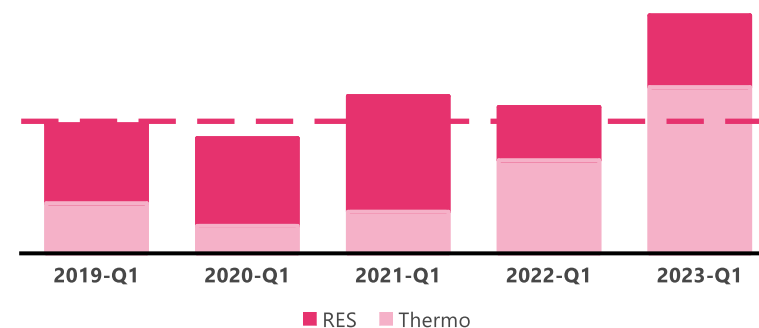


- Power production combined with effective hedging strategies more than offset the downward trend of energy scenario
- Positive contribution of new wind and solar plants acquired in 2022
- MSD margin normalization (-43%)

Wind and solar Production (GWh)



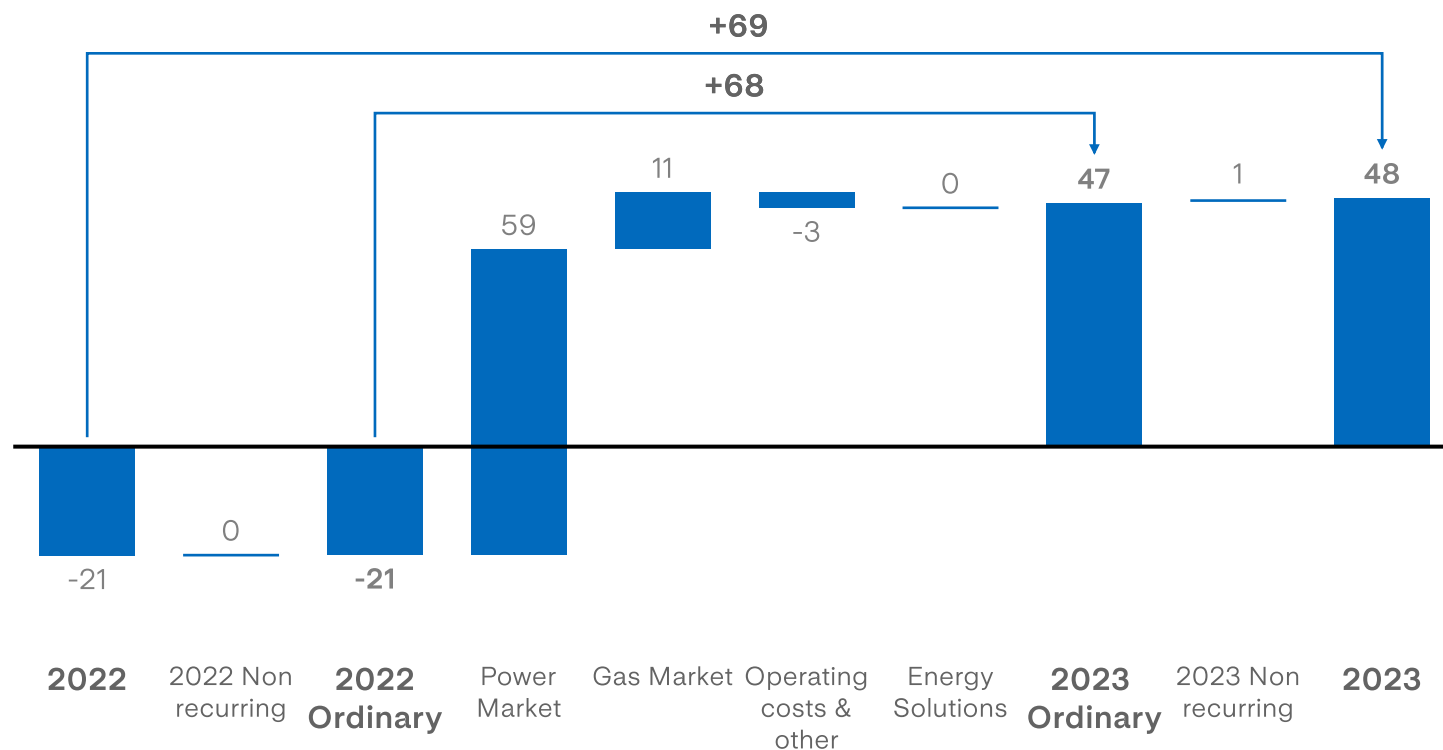
Plants Contribution Margin (illustrative)





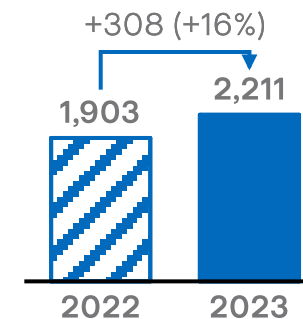
Market: margin normalization & wider customer base underpin results

Ebitda €M

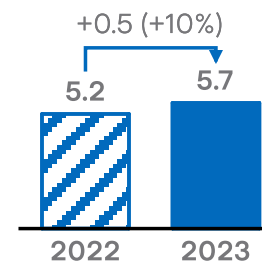


- Recovery of margin in fixed price contracts
- Large customers' segment & Safeguard market positive contribution
- Increased free mass market customer base

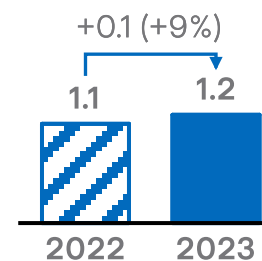
Free Mass Market Customers (#/000)



Electricity Sales (TWh)



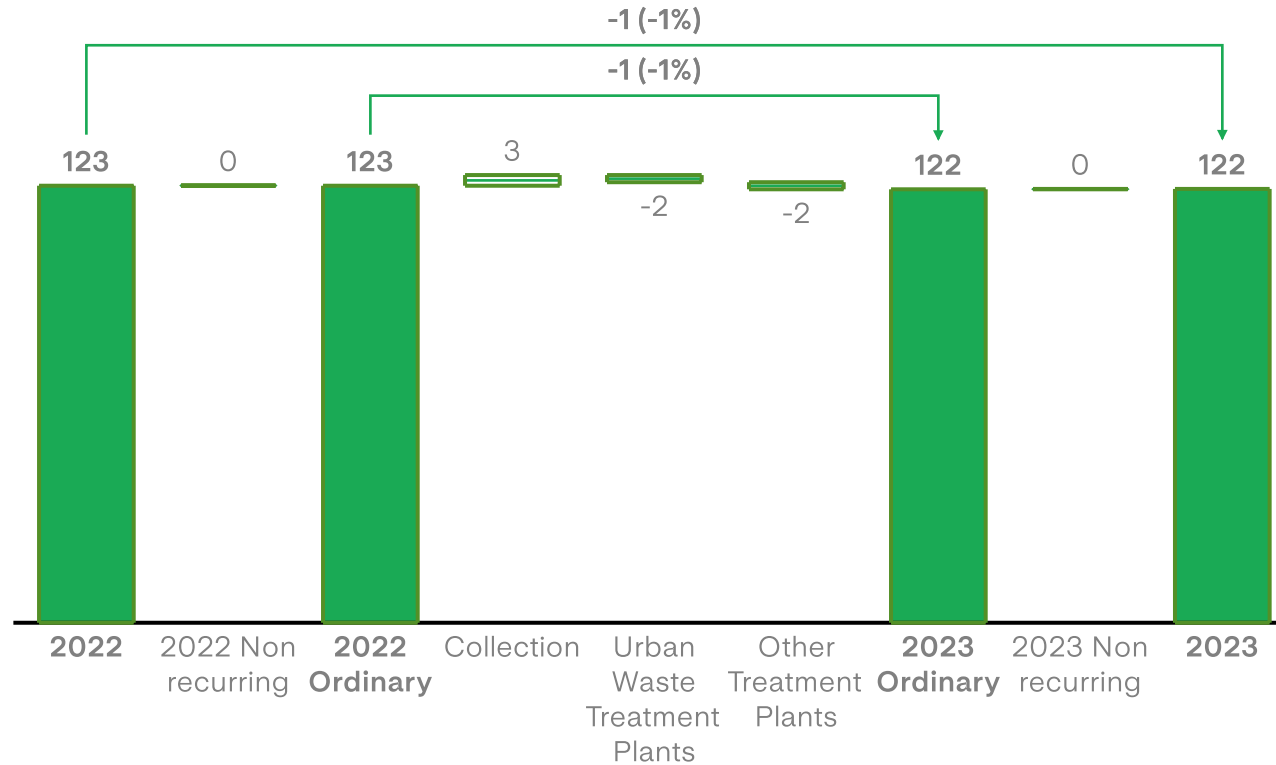
Gas Sales (Bcm)





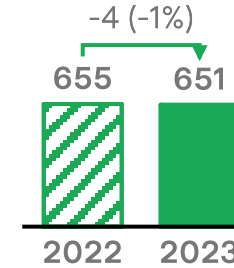
Waste: positive collection performance and temporary lower treatment plants availability

Ebitda €M



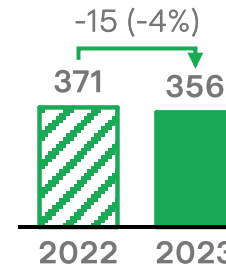
- Collection: higher marginality due to lower operating costs
- Treatment Plants: lower availability of WTE plants due to extraordinary maintenance

Equivalent Energy Sales (GWh)

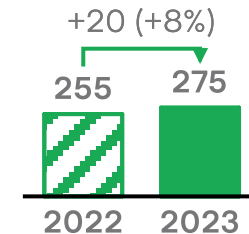


Waste disposal (kton)

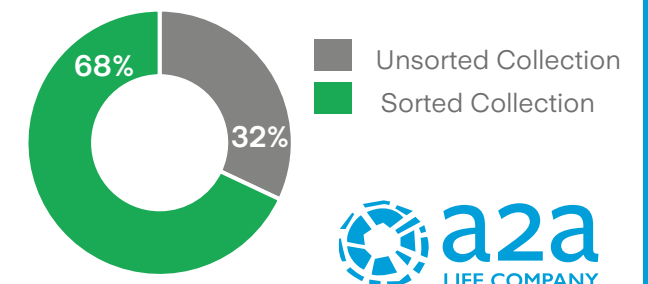
Energy recovery



Material recovery



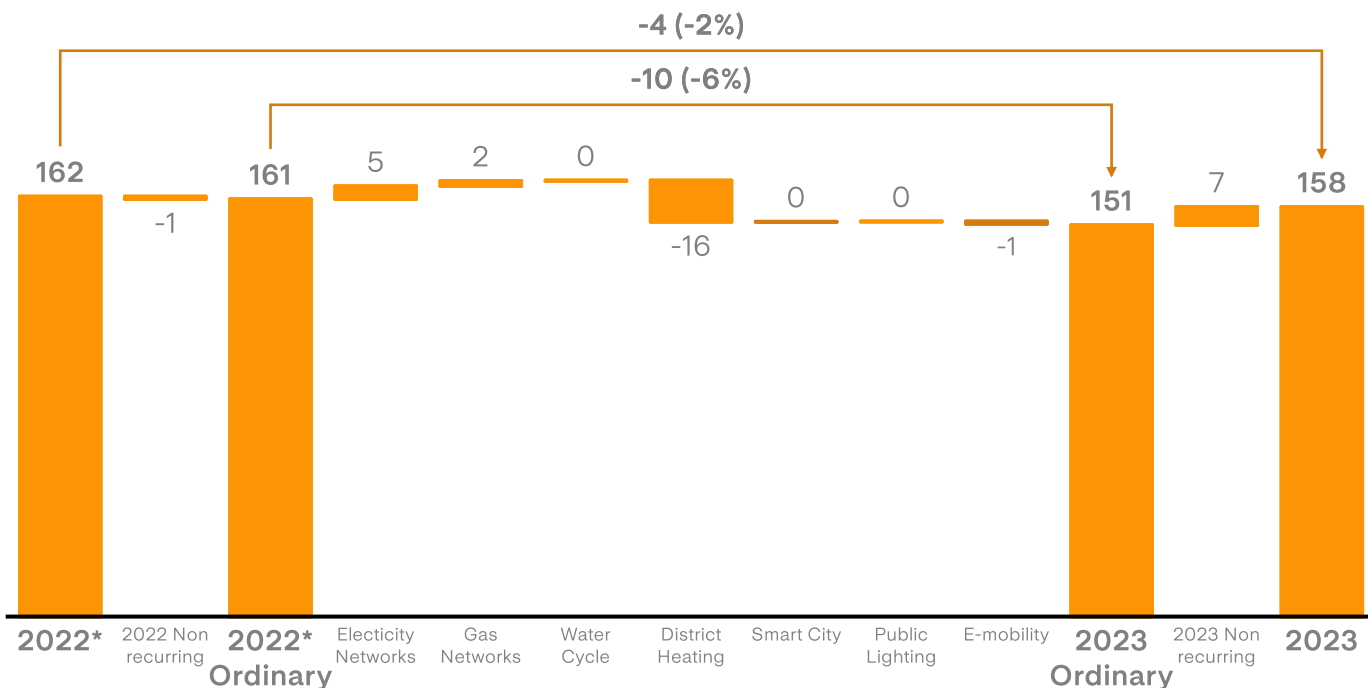
Sorted Collection 2023 %





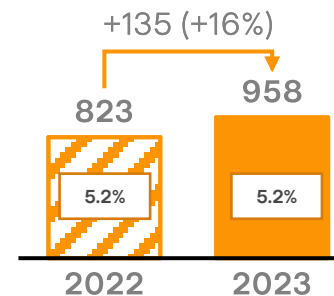
Smart infrastructures: higher allowed revenues counterbalanced by mild temperatures

Ebitda €M

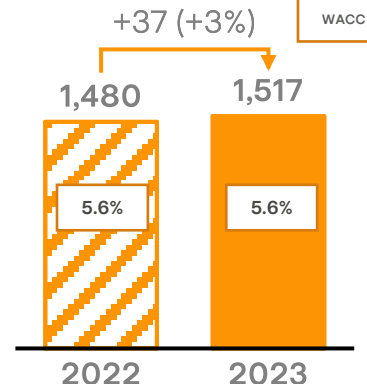


- **Gas & EE Networks:** higher allowed revenues and connection contributions
- **District Heating:** lower heat volumes partially offset by newly acquired A2A Airport positive contribution (cogeneration plants in Linate and Malpensa)

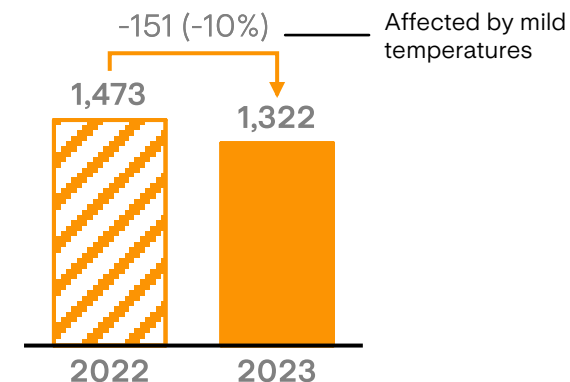
RAB EE (€M)



RAB GAS (€M)

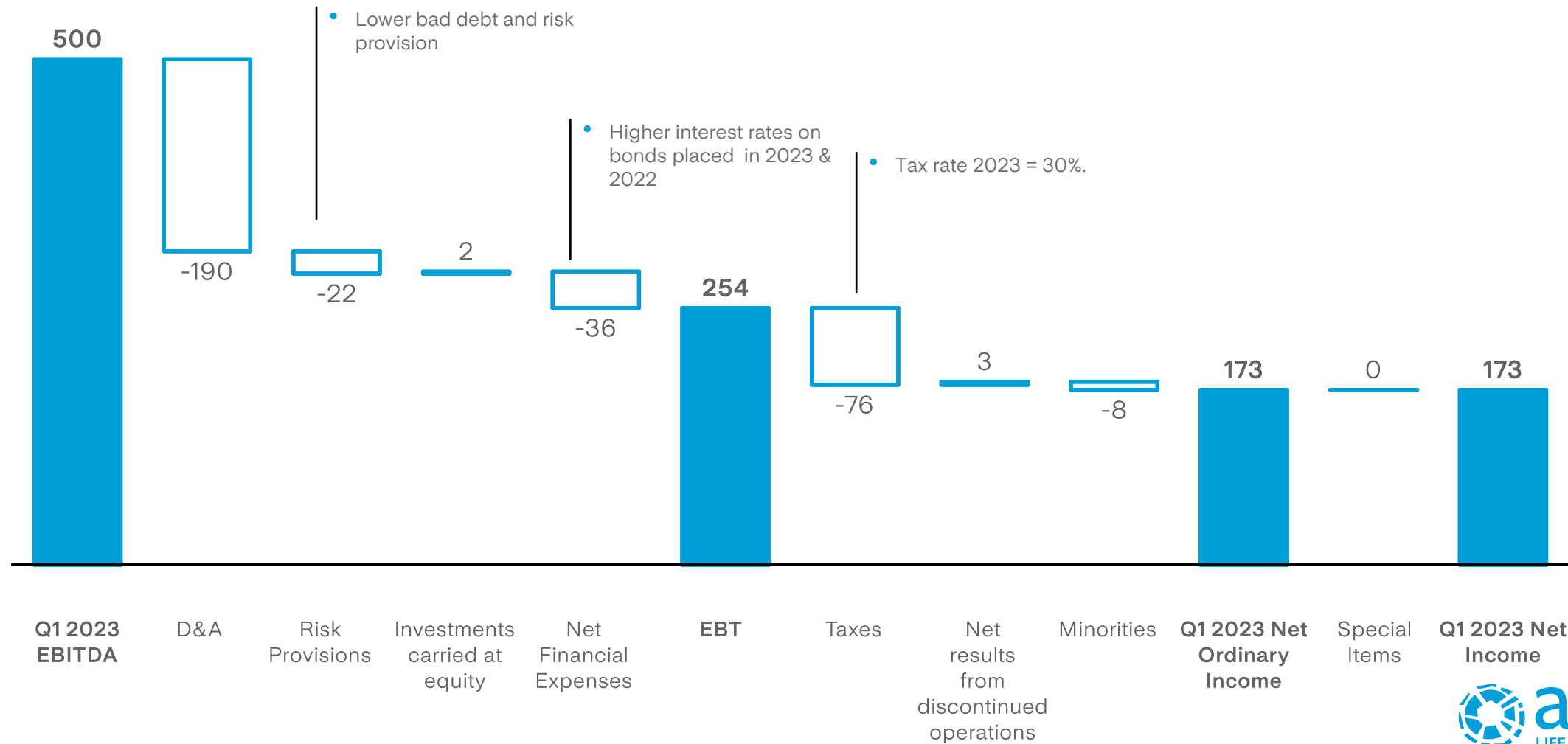


Heat Volumes (GWht)



Q1 2023 results: from Ebitda to net income

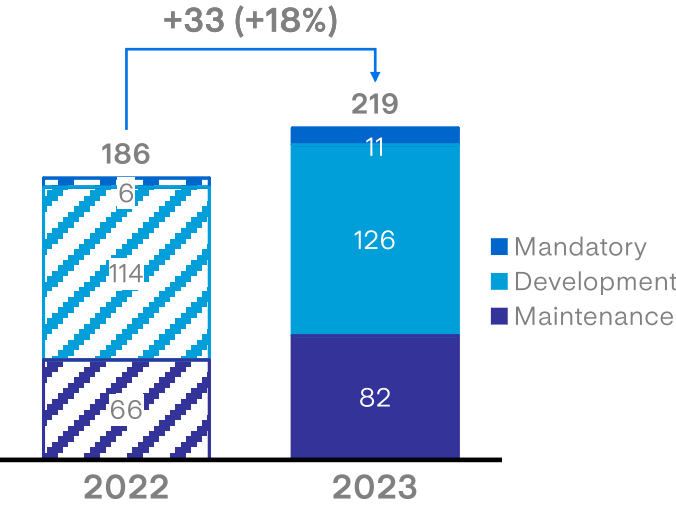
€M



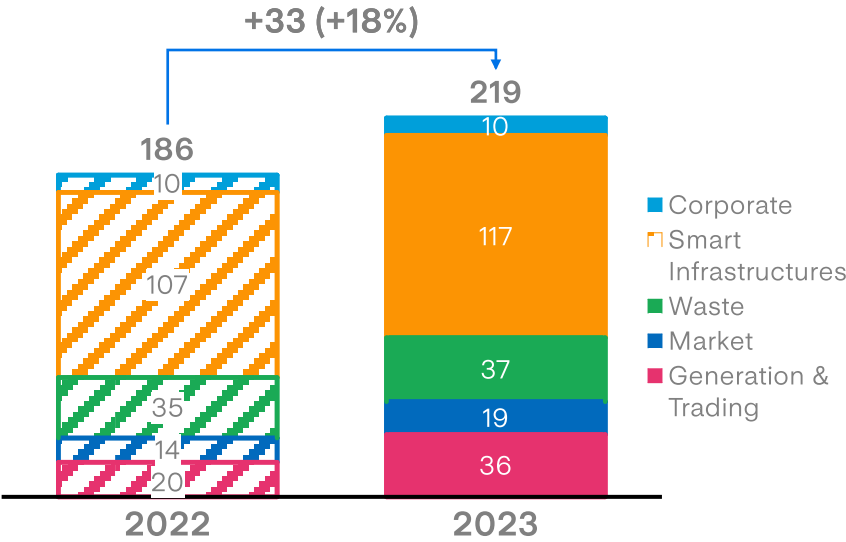
Q1 2023 results: capex

€M

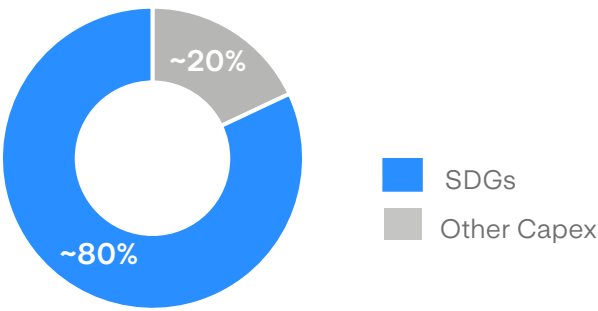
Breakdown by Activity



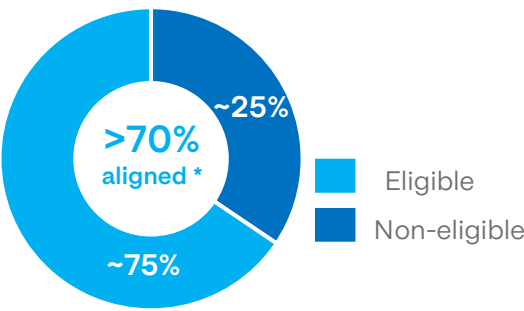
Breakdown by BU



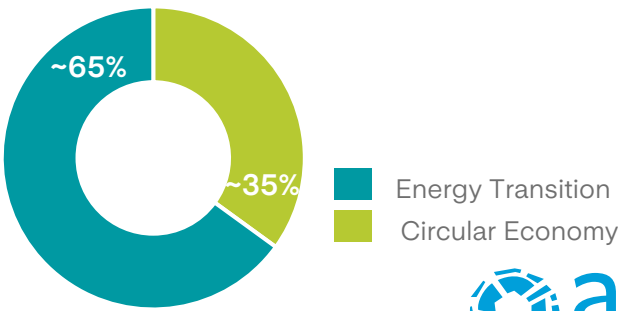
Breakdown by SDGs



Breakdown by EU Taxonomy



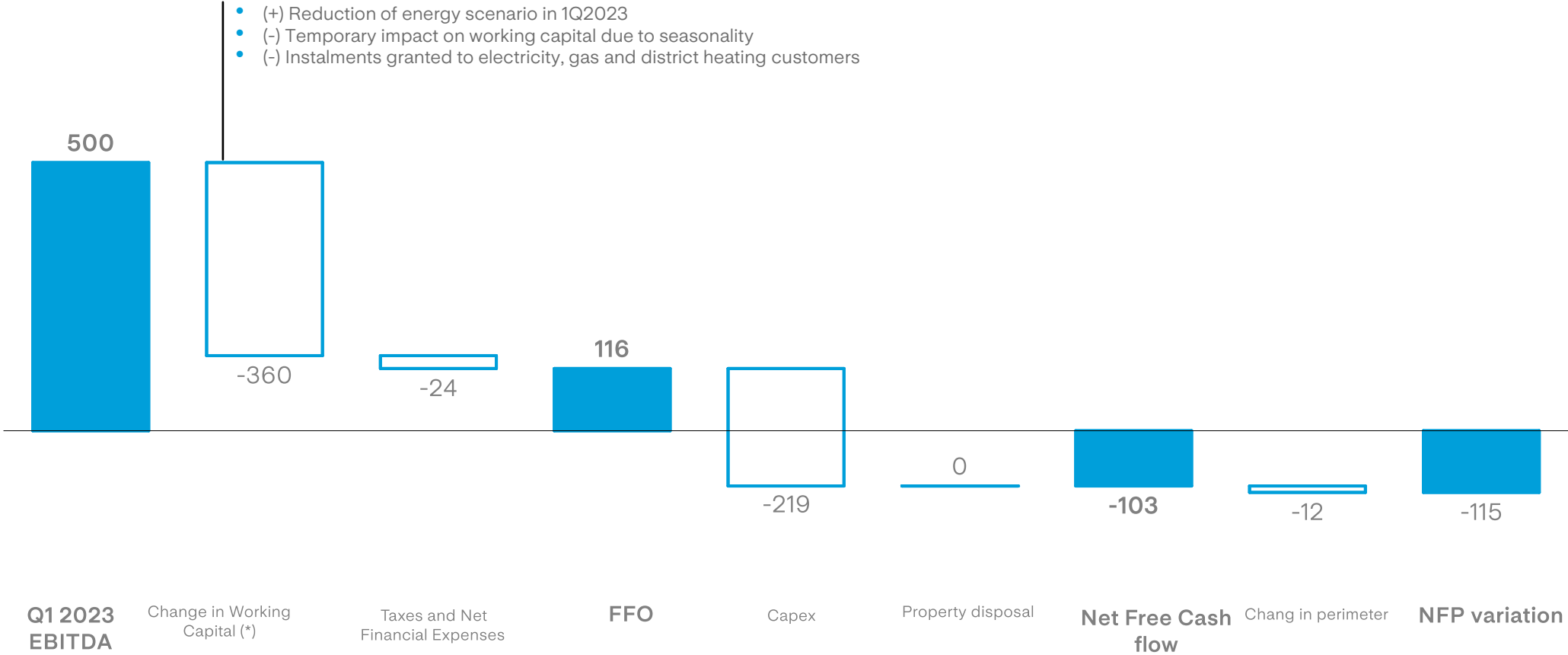
Breakdown by Circular Economy & Energy Transition



(*) % of eligible capex

Q1 2023 results: net free cash flow

€M



(*) Change in Working Capital includes also other Assets and Liabilities and Use of Funds

2023 Guidance improved

Ebitda

1,640 - 1,680 €M

Net Ordinary Income*

390 - 410 €M

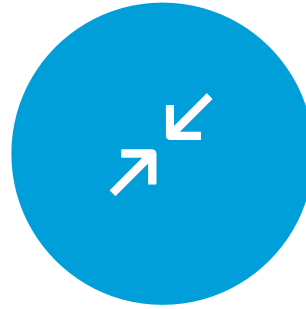
*Excluding non-recurring items

Q1 2023: key takeaways



FY guidance improvement

driven by
supportive
**industrial
performance**



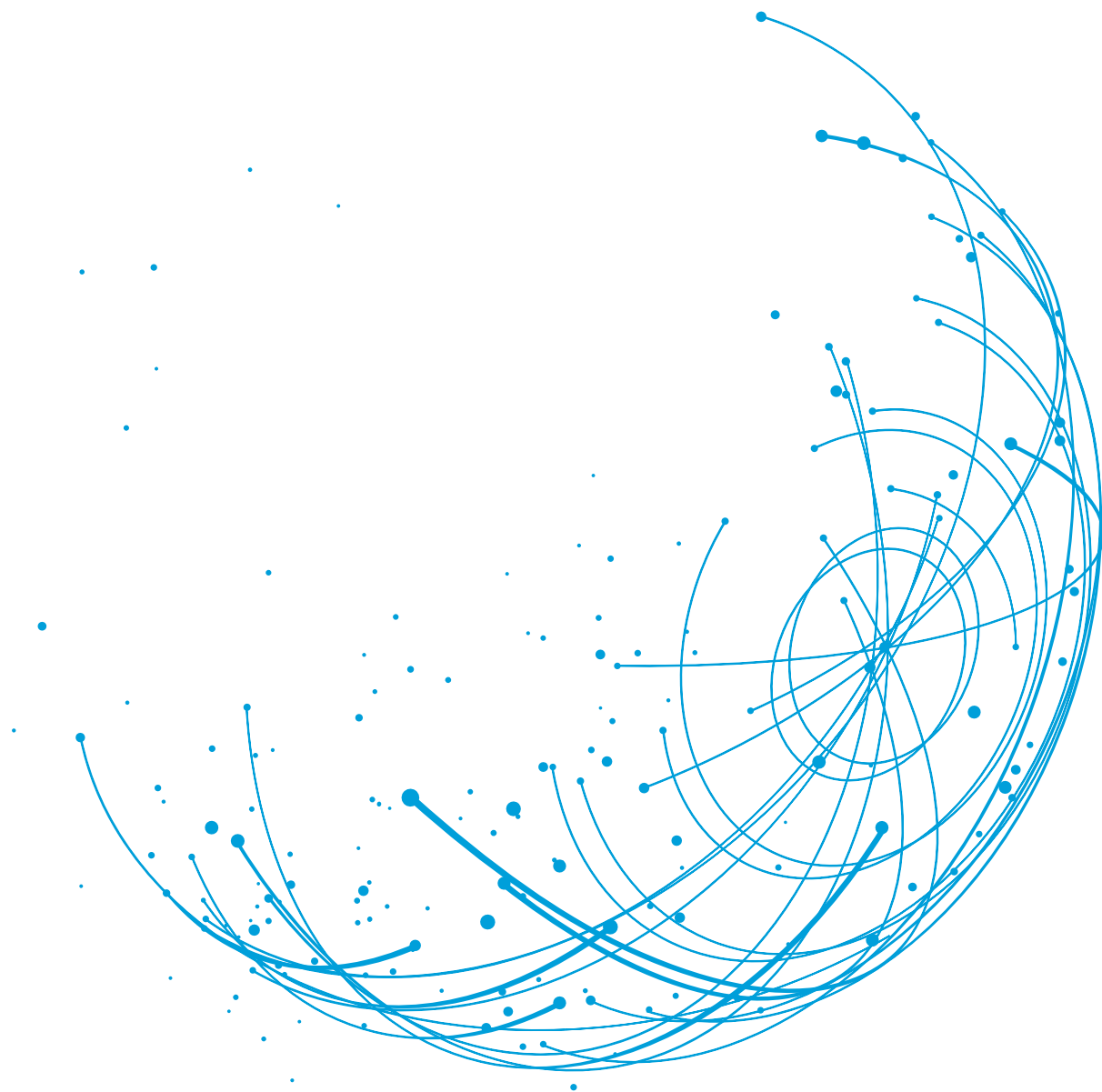
Sound capex deployment

to sustain the
**decarbonization
process**



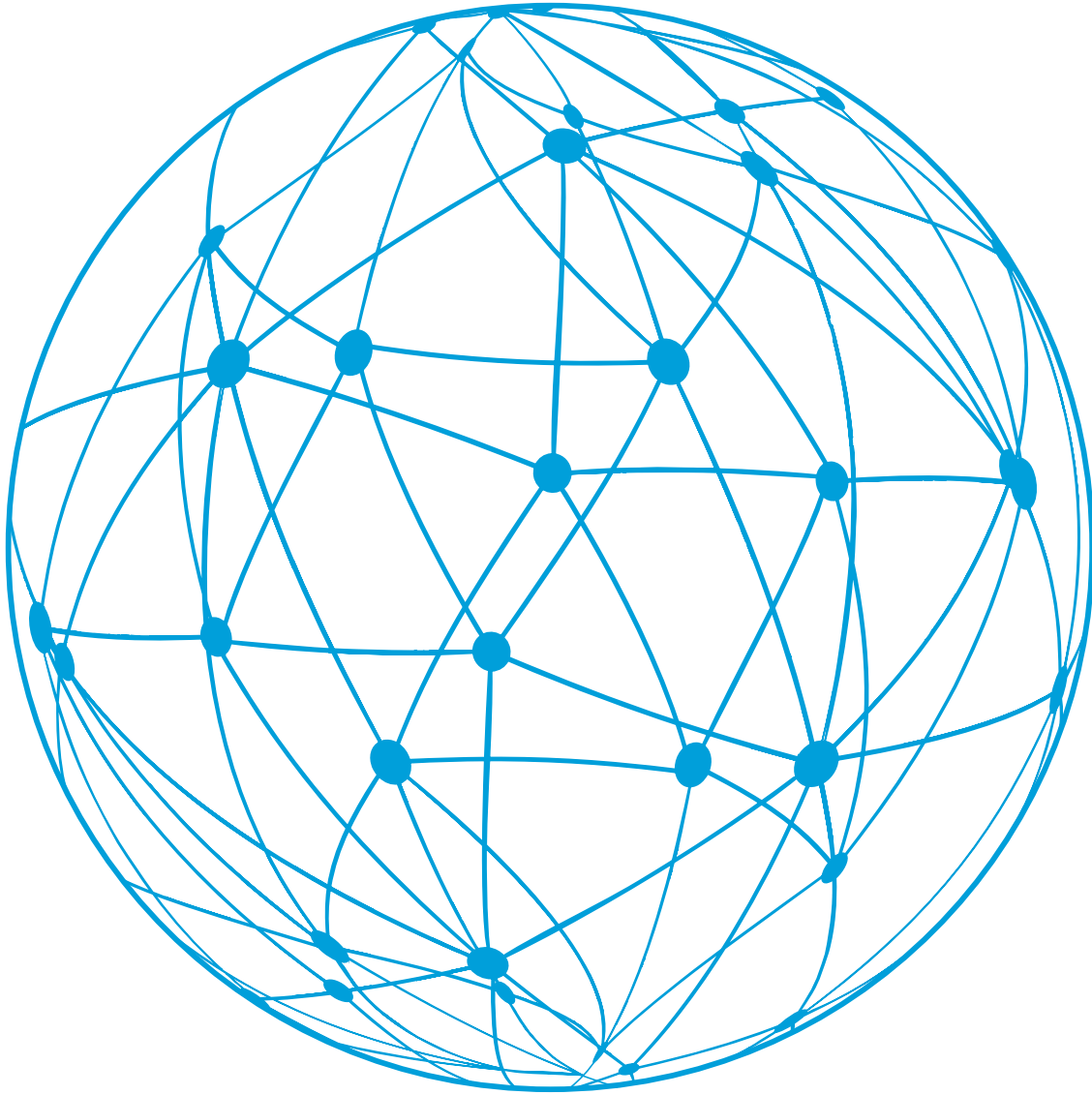
Strict financial discipline

to preserve a
sound NFP



Q&A

15



Annexes

Business Units Ebitda breakdown

€M

		Q1 2023		Q1 2022*		Change			
		Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
A2A		500	492	386	384	114	30%	108	28%
	Generation & Trading	179	178	126	124	53	42%	54	44%
	Power Generation	205	204	145	143	60	41%	61	43%
	Gas Margin	-26	-26	-19	-19	-7	n.s.	-7	n.s.
	Market	48	47	-21	-21	69	n.s.	68	n.s.
	Energy Retail	48	47	-21	-21	69	n.s.	68	n.s.
	Energy Solutions	0	0	0	0	0	n.s.	0	n.s.
	Waste	122	122	123	123	-1	-1%	-1	18%
	Collection	16	15	13	12	3	23%	3	25%
	Urban Treatment	96	96	98	98	-2	-2%	-2	-2%
	Industrial Treatment	10	11	12	13	-2	-17%	-2	-15%
	Smart Infrastructures	158	151	162	161	-4	-2%	-10	-6%
	Electricity Networks	39	39	34	34	5	15%	5	15%
	Gas Networks	38	38	36	36	2	6%	2	6%
	Water Cycle	13	12	12	12	1	8%	0	0%
	District Heating	62	57	74	73	-12	-16%	-16	-22%
	Smart City	2	2	2	2	0	0%	0	0%
	Public Lighting	5	4	4	4	1	25%	0	0%
	E-Moving	-1	-1	0	0	-1	n.s.	-1	n.s.
Corporate		-7	-6	-4	-3	-3	-75%	-3	-100%

(*) Restated values showed net of contribution of water cycle assets that will be sold in 2023 Their economic impact has been reclassified in accordance with IFRS5.

Q1 2023 VS Q1 2022: profit & loss

€M

	Q1 2022 Restated*	Q1 2023	Delta vs 2022	Delta % vs 2022
Revenues	5,536	5,131	-405	-7%
EBITDA	386	500	114	30%
D&A	-174	-190	-16	9%
Provisions	-32	-22	10	n.s.
ORDINARY EBIT	180	288	108	60%
Net Financial Expenses	-15	-36	-21	140%
Associates & JV	0	2	2	n.s.
ORDINARY EBT	165	254	89	54%
Taxes	-52	-76	-24	46%
Net Results from disc. Operations	6	3	-3	n.s.
Minorities	-13	-8	5	-38%
Group Net Ordinary Income	106	173	67	63%
+/- Special Items	95	0	-95	
Group Net Income	201	173	-28	-14%

(*) Restated values in accordance with IFRS5.

Q1 2023 VS Q1 2022: balance sheet

€M

	Q1 2023	Q1 2022	FY2022	Δ vs Q1 2022	Δ vs FY 2022
Tangible Assets	6,164	5,587	6,162	577	2
Intangible Assets	3,434	3,171	3,515	263	-81
Shareholdings and Other Non Current Financial Assets	87	76	82	11	5
Other Non Current Assets/Liabilities	-352	-76	-296	-276	-56
Deferred Tax Assets and Liabilities	372	388	363	-16	9
Provisions for Risks, Charges and Liabilities for landfills	-731	-801	-729	70	-2
Employee Benefits	-242	-286	-248	44	6
Net Fixed Capital	8,732	8,059	8,849	673	-117
Net Working Capital	355	1074	-308	-719	663
Other Current Assets/Liabilities	-16	-282	283	266	-299
Current Tax Assets/Liabilities	-187	-69	-99	-118	-88
Working Capital and Other Current Assets/Liabilities	152	723	-124	-571	276
Non Current Assets/Liabilities held for sale	110	106	0	4	110
Total Capital Employed	8,994	8,888	8,725	106	269
Equity	4,621	4,591	4,467	30	154
Net Financial Position	4,373	4,297	4,258	76	115
Total Sources	8,994	8,888	8,725	106	269

Energy scenario

	UoM	1Q 2023	1Q 2022	Δ% vs 2022
Brent	\$/bbl	82.2	97.3	-16%
CO2 – EU ETS cost	€/Tonn	90.0	83.6	8%
€/€	€/€	1.1	1.1	-4%
Brent €	€/bbl	76.6	86.8	-12%
PSV ⁽¹⁾	€/MWh	57.3	98.0	-42%
AEEGSI Gas Tariff ⁽²⁾	c€/mc	135.7	85.8	58%
Coal € (API2)	€/Tonn	138.0	204.8	-33%
PUN Baseload ⁽³⁾	€/MWh	157.3	248.1	-37%
PUN Peak ⁽³⁾	€/MWh	172.9	271.1	-36%
PUN Off-Peak ⁽³⁾	€/MWh	148.6	235.6	-37%
CCGT gas cost ⁽⁴⁾	€/MWh	135.6	215.9	-37%
Spark Spread CCGT_PSV vs Baseload	€/MWh	21.7	32.2	-33%
Spark Spread CCGT_PSV vs Peakload	€/MWh	37.3	55.3	-33%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	13.0	19.7	-34%
Clean Spark Spread vs Baseload	€/MWh	-14.2	-1.1	1147%
Clean Spark Spread vs Peakload	€/MWh	1.4	21.9	-94%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	-18.5	70.1	n.s.

Notes:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

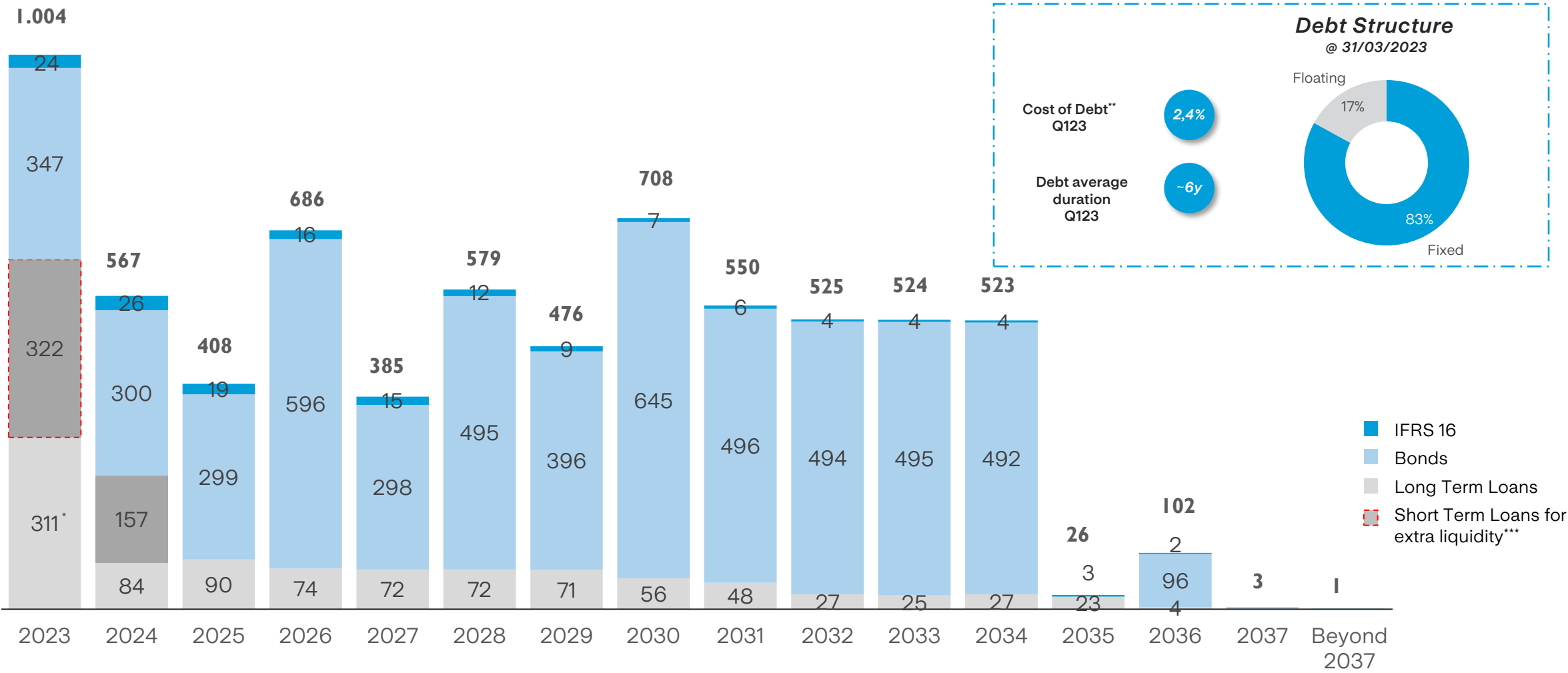
(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

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

Volumes

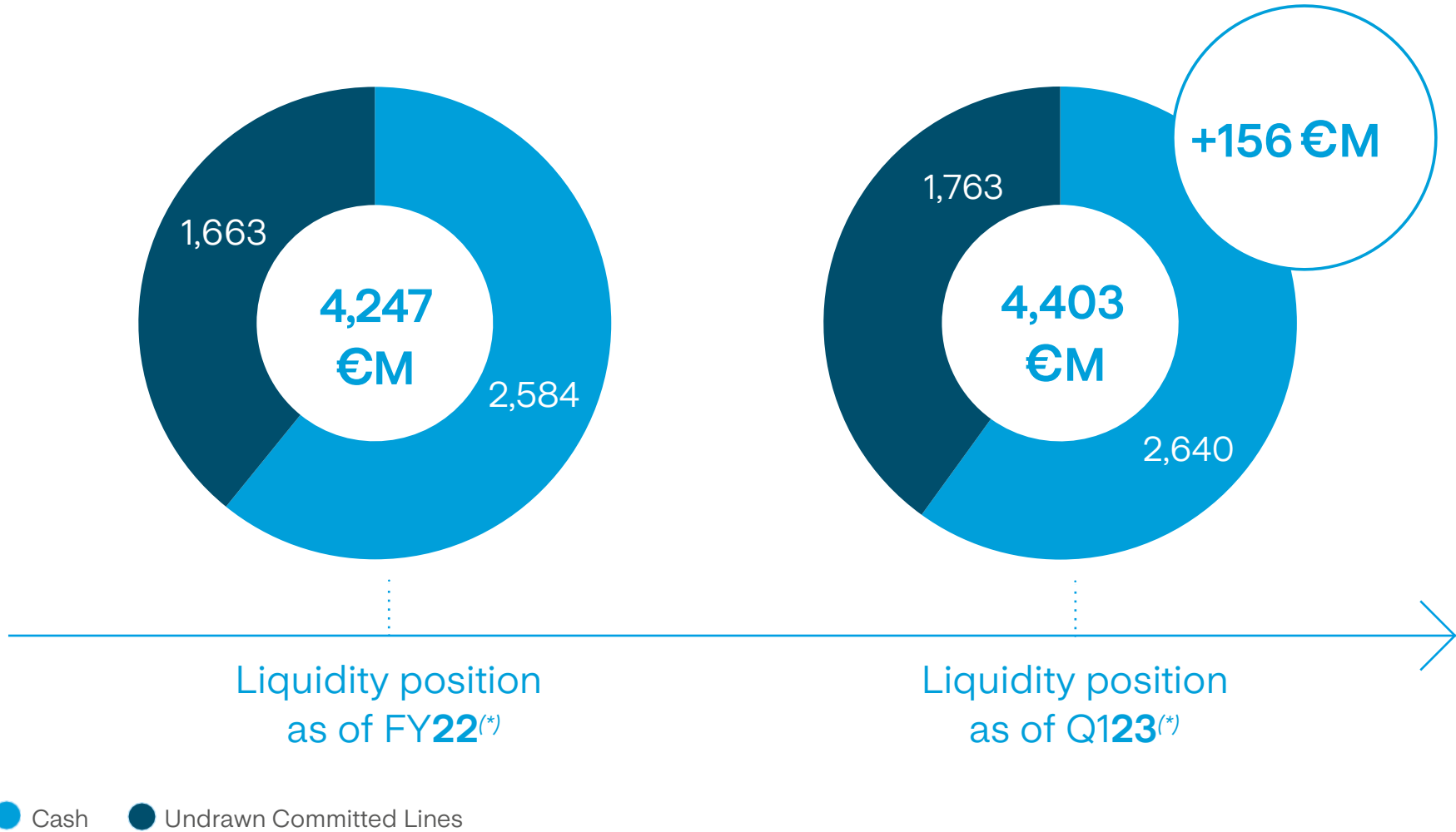
	UoM	1Q 2023	1Q 2022	Δ vs 2022	Δ% vs 2022
A2A Group Thermal production	GWh	3,596	3,865	-269	-7%
- CCGT production	GWh	2,257	3,596	-1,339	-37%
- Coal production	GWh	312	30	282	n.s.
- Oil production	GWh	1,027	239	788	n.s.
A2A Group Renewable production	GWh	728	735	-7	-1%
- Hydro production	GWh	551	662	-111	-17%
- Photovoltaic production	GWh	71	67	4	6%
- Wind production	GWh	106	6	101	n.s.
Electricity sales	GWh	5,661	5,183	478	9%
Gas sales	Mcm	1,158	1,092	66	6%
Electricity distributed	GWh	2,732	2,859	-127	-4%
Gas distributed	Mcm	1,128	1,381	-253	-18%
Water Distributed	Mcm	18	18	-0.2	-1%
Heat volumes sales	GWht	1,322	1,473	-150	-10%
Cogeneration electricity sales	GWh	250	161	90	56%
Collected waste	Kton	439	447	-8	-2%
Waste disposal	Kton	904	865	39	5%
- Material recovery	Kton	275	255	20	8%
- Energy recovery	Kton	356	371	-14	-4%
- Other	Kton	273	239	34	14%
WTE and other plants electricity production	GWh	502	537	-35	-7%
WTE and other plants heat production	GWht	653	664	-11	-2%

Gross debt redemption profile as of 31 March 2023



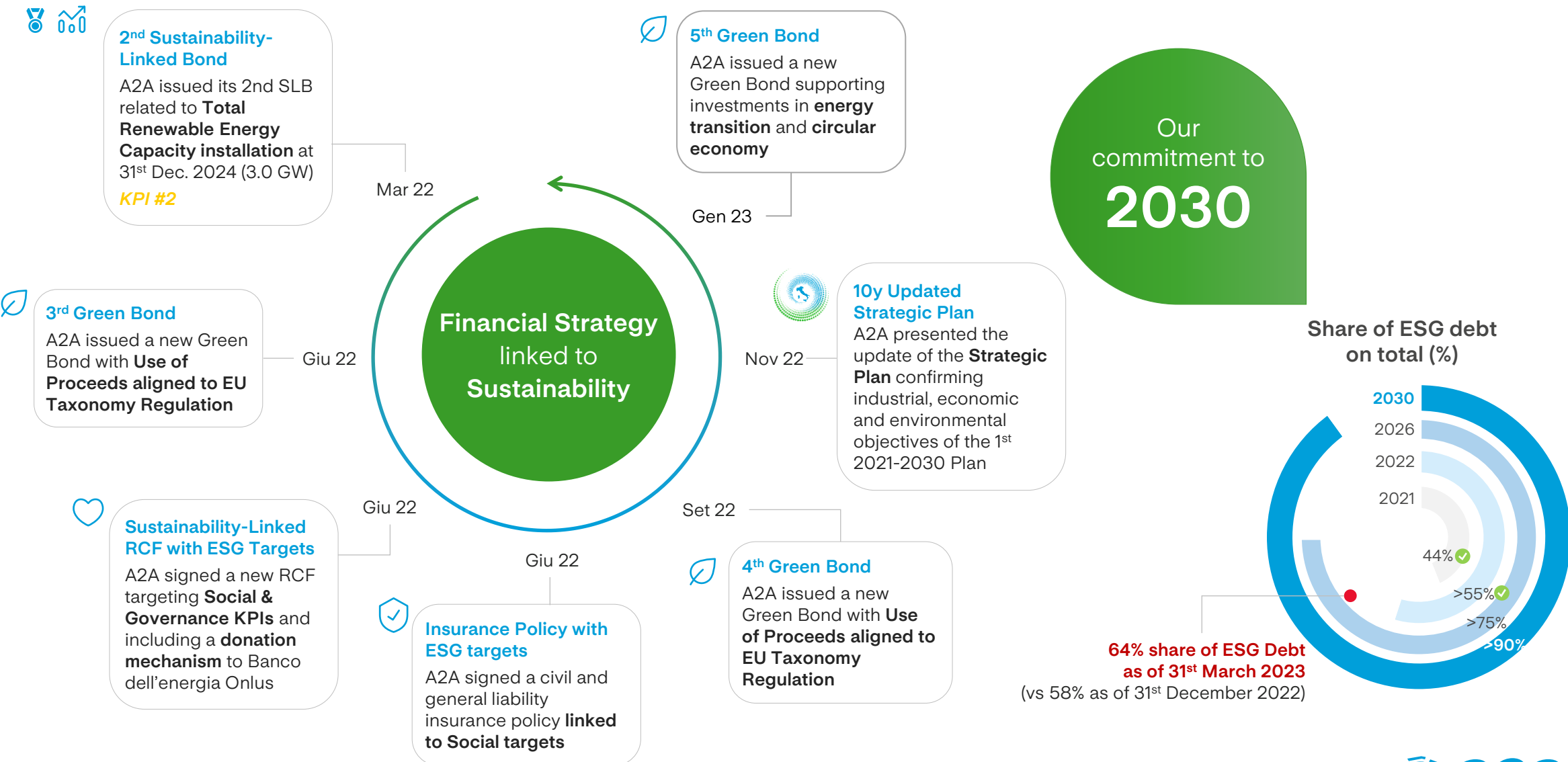
(*) Includes 200M€ Long Term Loans with maturity in 2027 repaid in advance in April to optimize the liquidity of the Group
(**) Financial expenses reported / average gross debt (excluding hot money & RCF)
(***) Includes: loan <18M tenor, committed and uncommitted facilities used.

Strong liquidity position confirmed to navigate market volatility



^(*) Excluding uncommitted lines 694€M @31/12/22, 705€M @31/03/2023

Sustainable Finance Highlights



Note: KPI#1 Scope 1 CO₂ Emission Intensity; KPI#2 Renewable Energy Capacity Installation; and KPI#3 Waste Treated In Group's Material Recovery Plants

Finalist for "Fundraising - ESG Debt Capital Markets" awarded by Equita SIM under the patronage of Bocconi University and Borsa Italiana - Euronext

Contacts

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