



A2A Life Company H1 2023 results

Milan, 28th July 2023

H1 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 and financial ratios improvement

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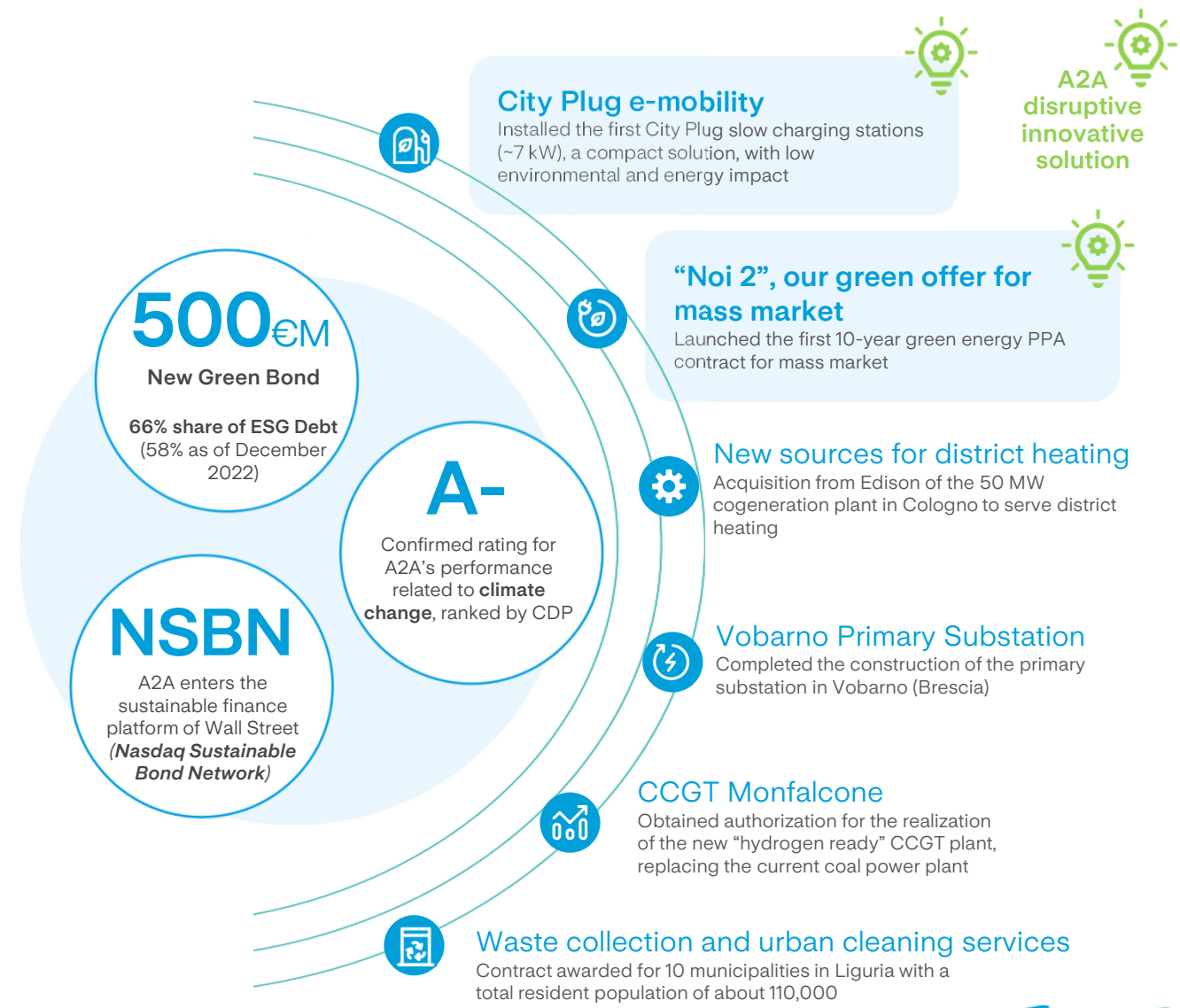
- CCGT production
 - Heat volumes

H1 2023 main achievements along our decarbonization path

Main ESG KPIs

Scope 1&2 Emission Factor (gCO2/kWh)	380	+45 _{gCO2/kWh*} vs H1 2022
Renewable installed capacity (GW)	2.5	stable vs H1 2022
Electricity Network Capacity (MVA)	5,096	+418 _{MVA} vs H1 2022
Water losses (m3/km/day) ¹	18.3	-3% vs H1 2022
Female managers %	26.7	+2 _{p.p.} vs H1 2022
Orders placed with suppliers evaluated with ESG indicators %	67	+14 _{p.p.} vs H1 2022

*Government requirements to stabilize national grid

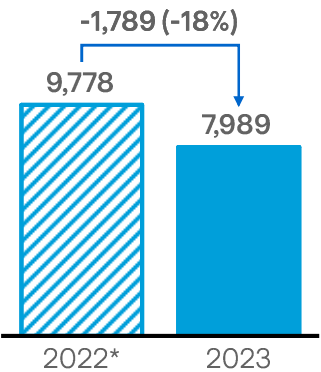


Notes: (1) Refers to H1 2023 within the perimeter of A2A Ciclo Idrico and ASVT

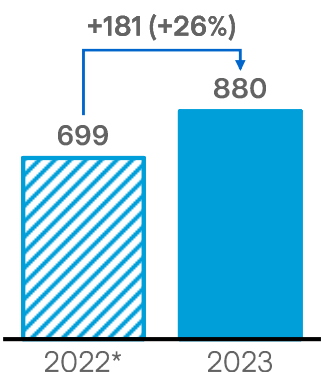
H1 2023 Results: solid business model drives significant improvement of financial indicators

Key Financial Indicators (€M)

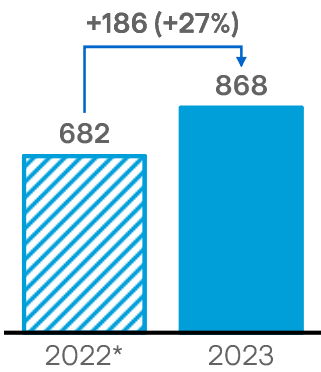
Revenues



EBITDA

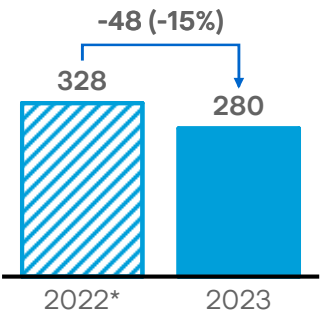


Ordinary EBITDA

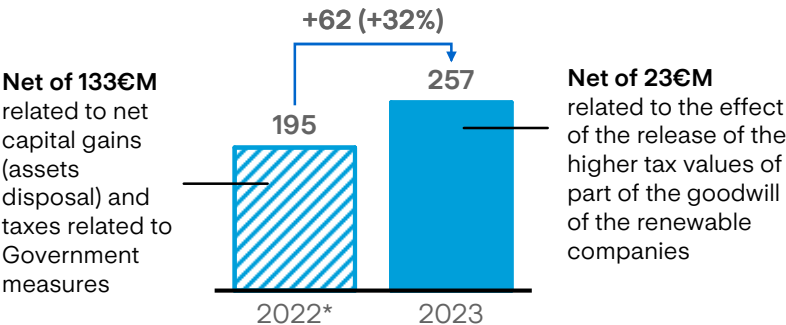


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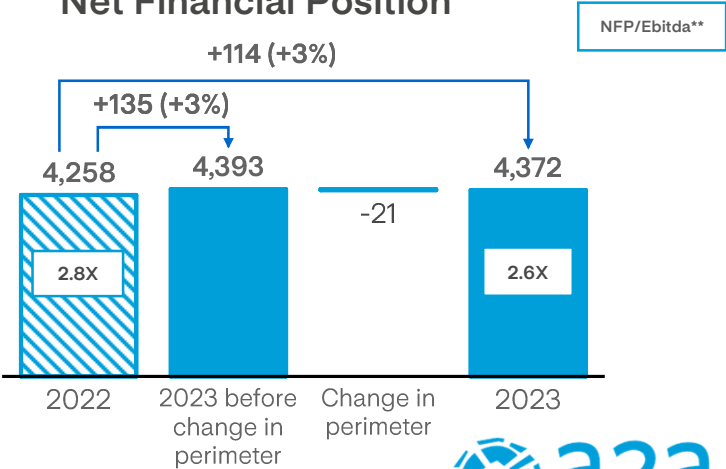
Group Net Income



Ordinary Group Net Income



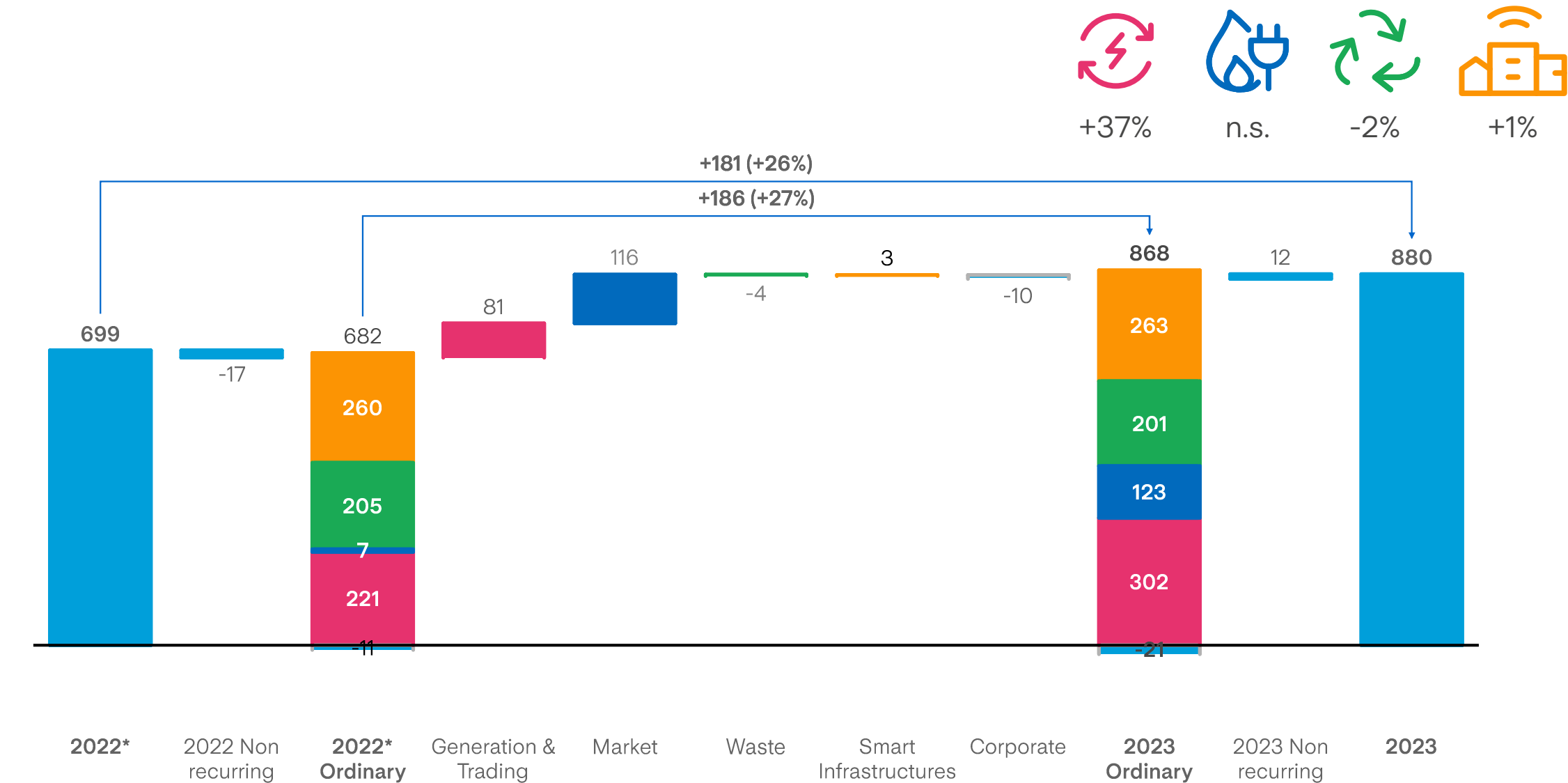
Net Financial Position



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

H1 2023 Group Ebitda: power generation & market continue to support a strong growth

€M

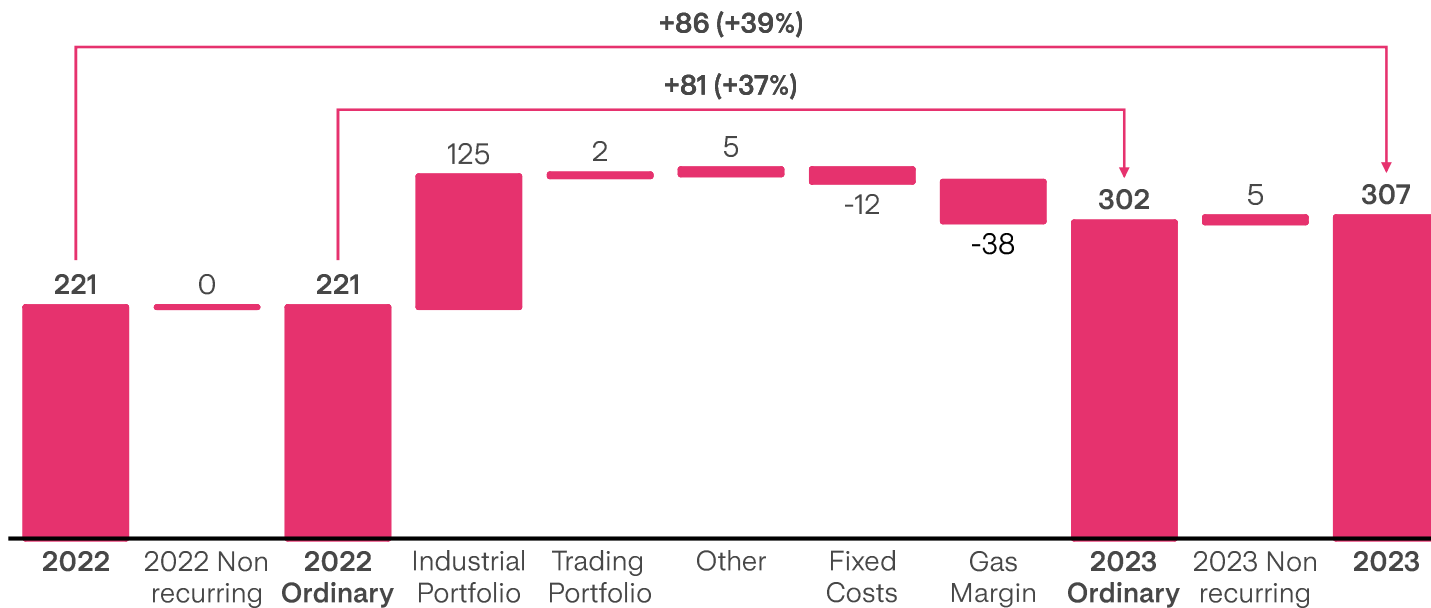


(*) Restated values in accordance with IFRS5.



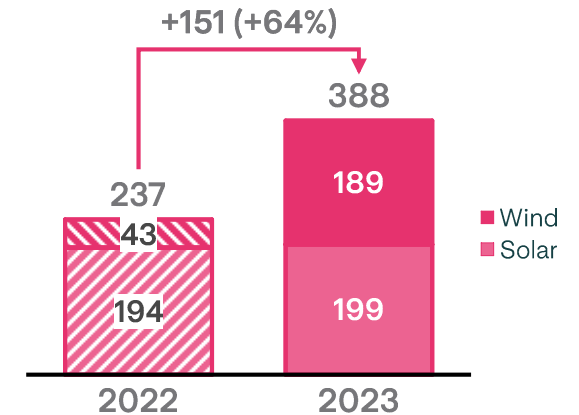
Generation & Trading: effective hedging strategies offset the energy scenario and lower thermal production

Ebitda €M



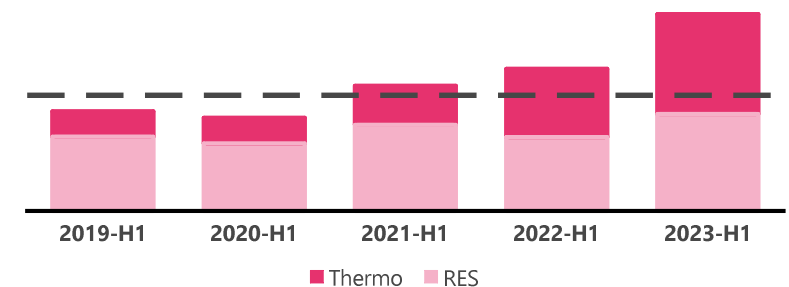
- Effective hedging strategies on thermoelectric sources more than offset the downward trend of energy scenario
- Positive contribution of new wind and solar plants acquired in 2022
- MSD margin normalization (-41%)
- Lower CCGT production partially offset by coal and oil maximization in Q1 2023

Wind and Solar Production (GWh)



Plants Contribution Margin

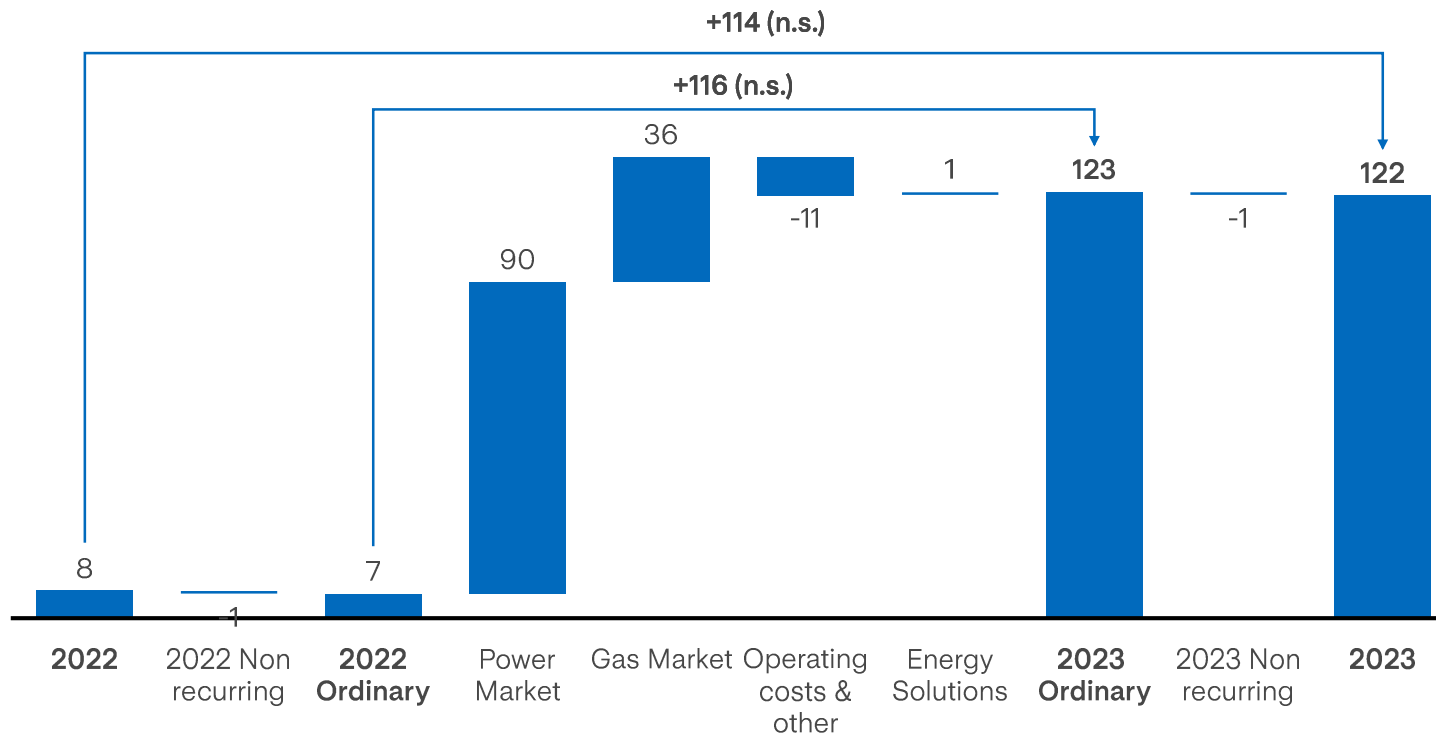
(illustrative)





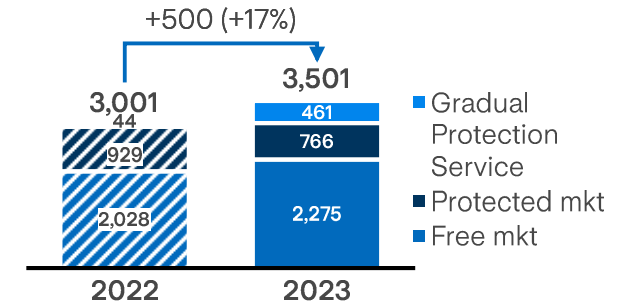
Market: margin normalization & wider customer base support growing results

Ebitda €M

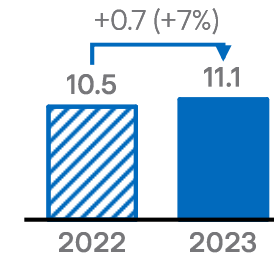


- Recovery of margin in fixed price contracts
- Positive contribution of large customers' segment & Safeguard market
- Increased customer base in free mass market

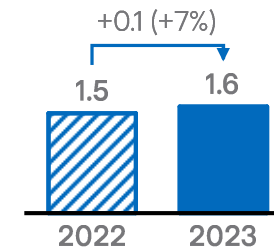
Customer Base Mass Market (#/000)



Electricity Sales (TWh)



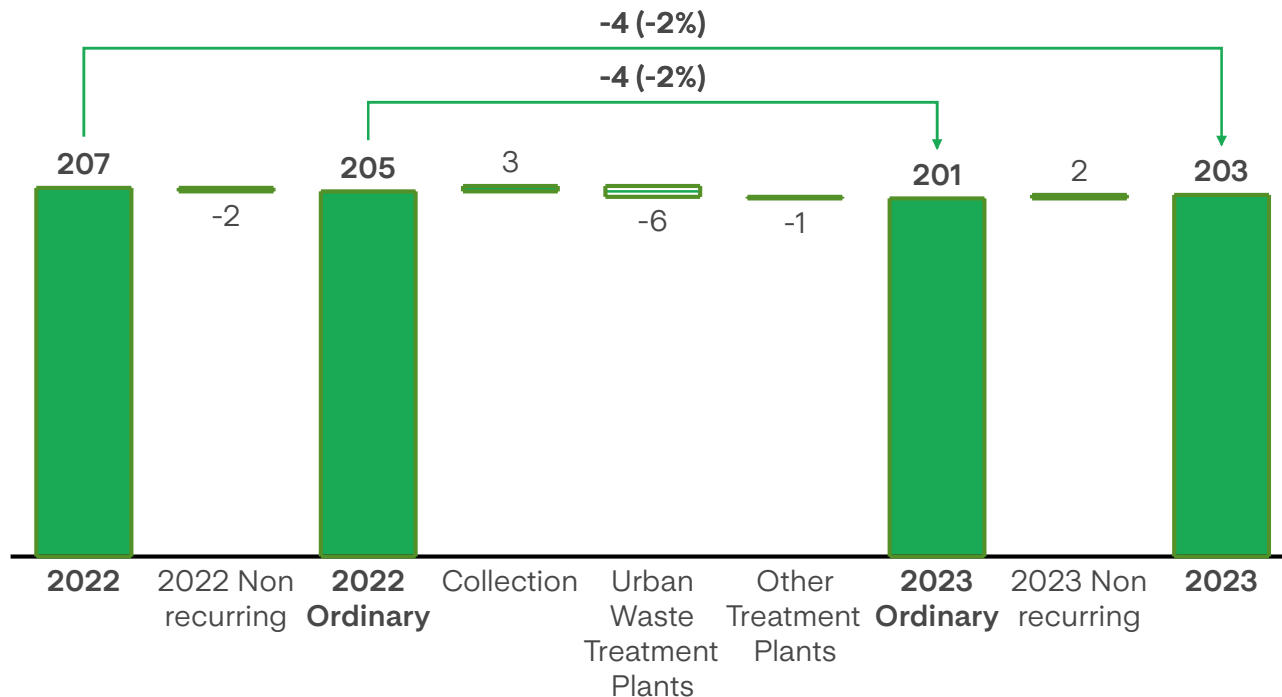
Gas Sales (Bcm)





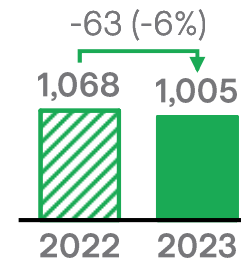
Waste: ongoing positive collection performance mitigates lower treatment plants availability

Ebitda €M



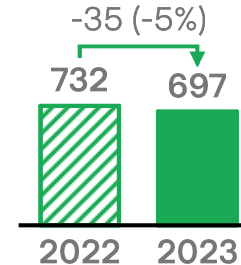
- Collection: higher marginality due to lower operating costs
- Treatment Plants: lower availability of WTE due to extraordinary maintenance

Equivalent Energy Sales (GWh)

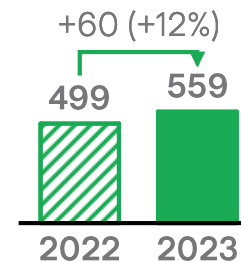


Waste disposal (kton)

Energy recovery



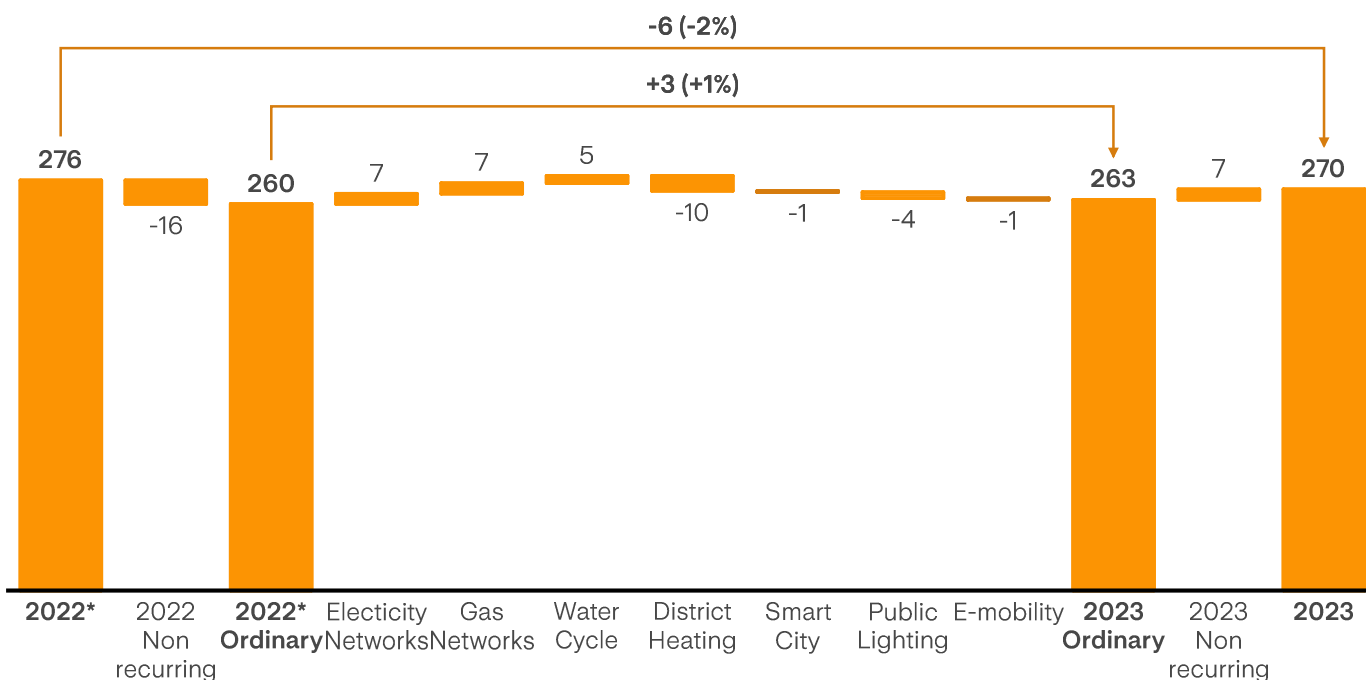
Material recovery





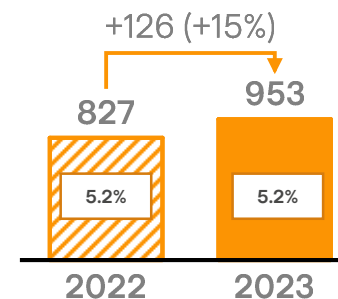
Smart infrastructures: higher allowed revenues balanced by mild temperatures

Ebitda €M

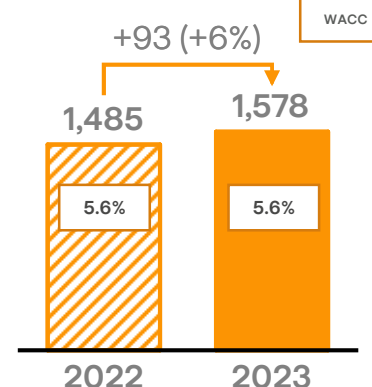


- **Gas & EE Networks:** higher allowed revenues & connection contributions
- **District Heating:** lower heat volumes partially offset by newly acquired A2A Airport positive contribution (cogeneration plants in Linate and Malpensa airports)

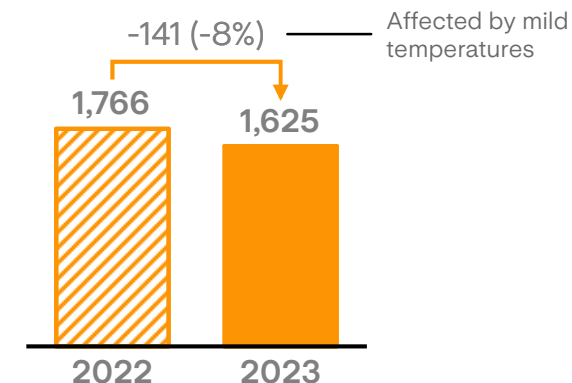
RAB EE (€M)



RAB GAS (€M)

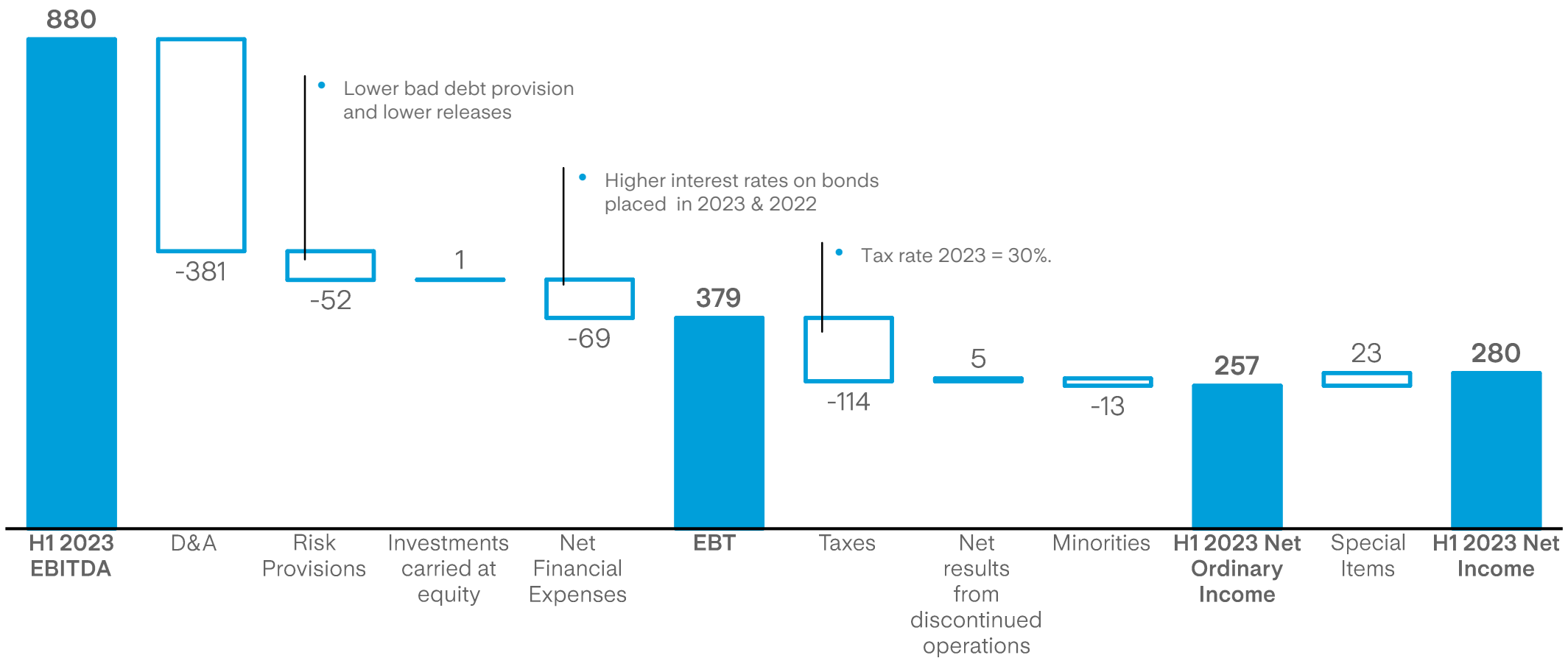


Heat Volumes (GWht)



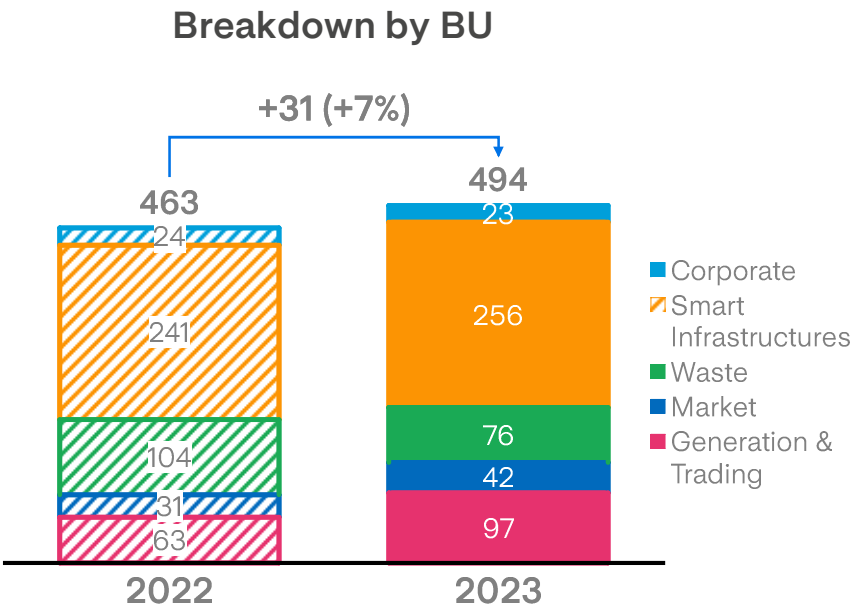
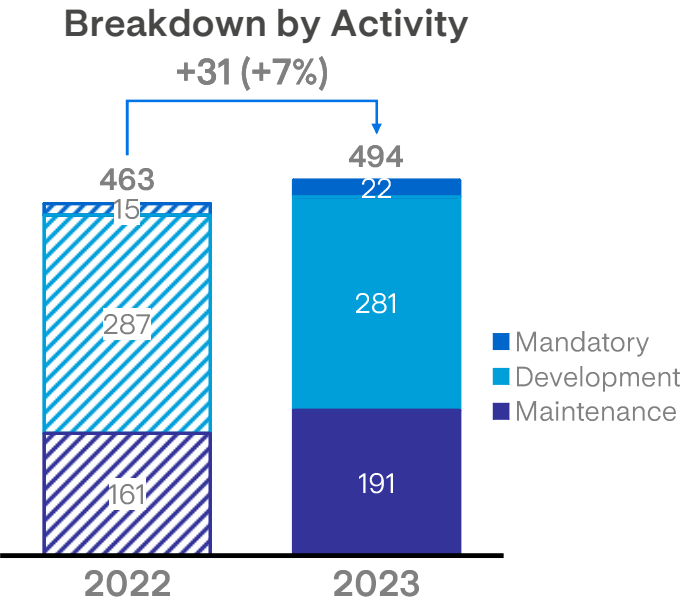
H1 2023 results: from Ebitda to net income

€M

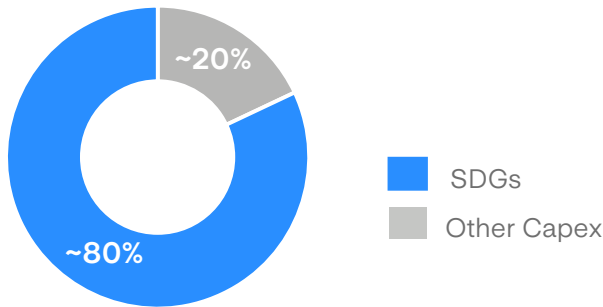


H1 2023 results: capex

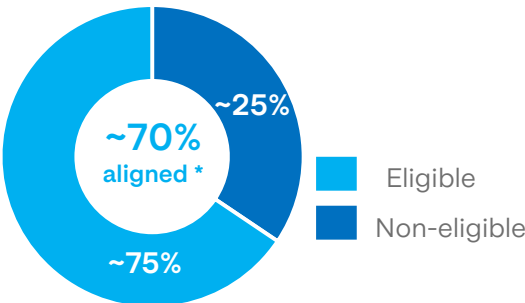
€M



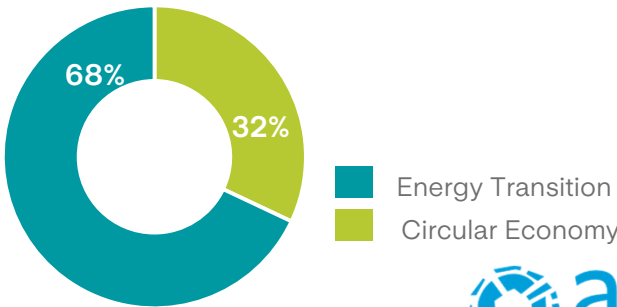
Breakdown by SDGs



Breakdown by EU Taxonomy



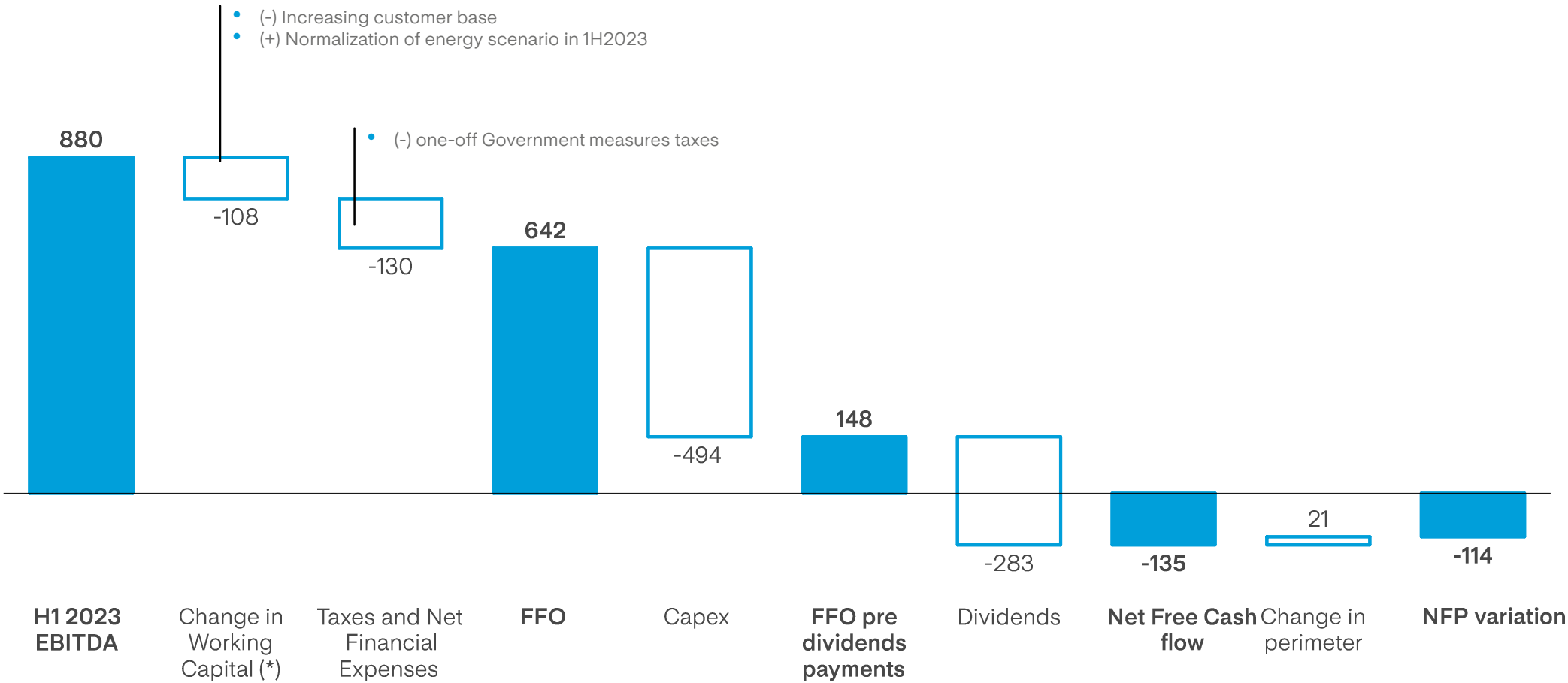
Breakdown by Circular Economy & Energy Transition



(*) % of eligible capex

H1 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

1,740 - 1,780 €M

Net Ordinary Income*

450 - 470 €M

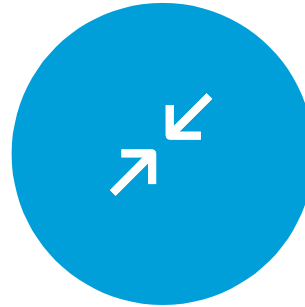
*Excluding non-recurring items

H1 2023: key takeaways



FY guidance improvement

driven by supportive
**industrial
performance in H1**



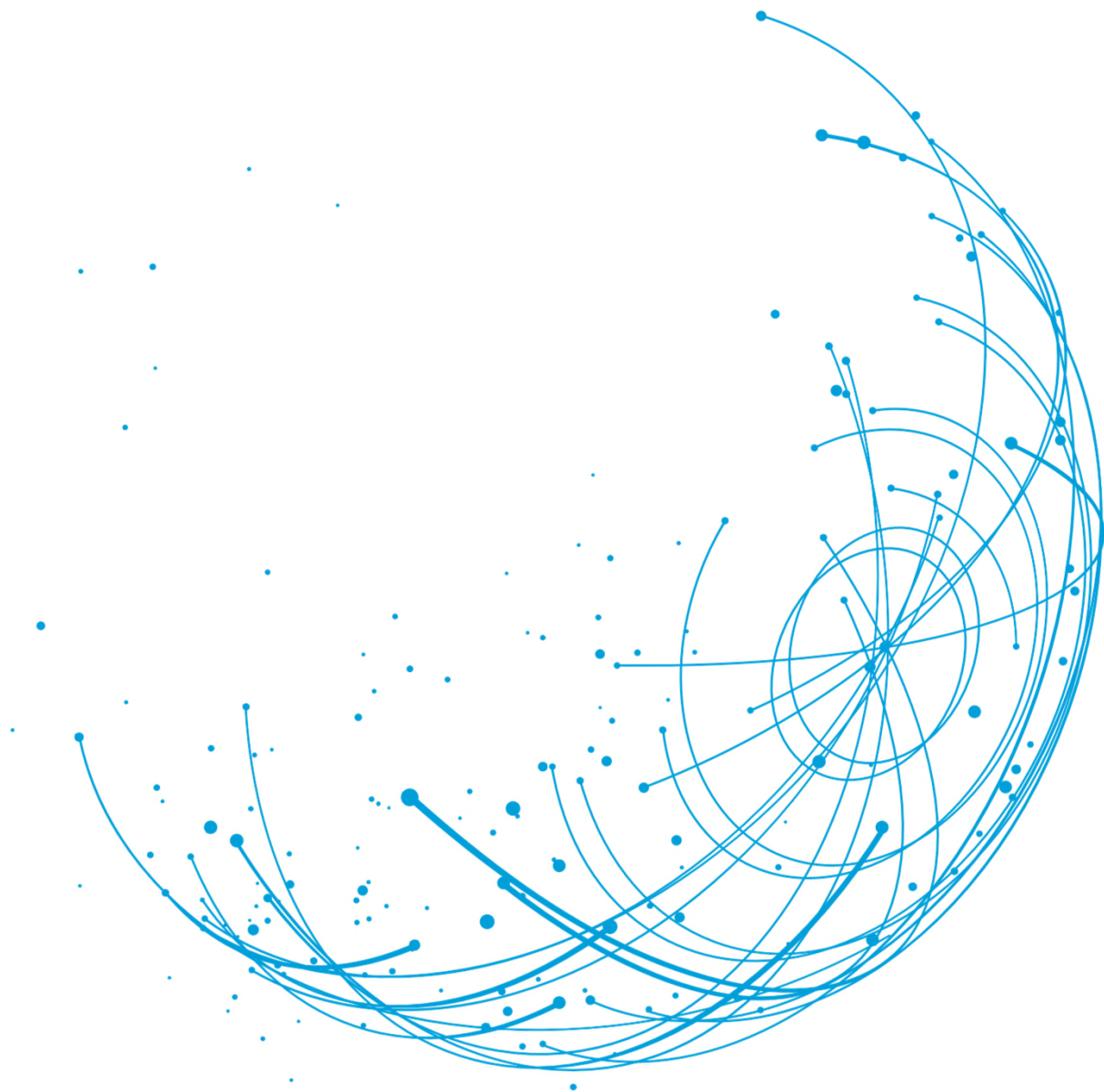
Sound capex deployment

to sustain the
**decarbonization
process** and
support the
**flexibility and
security of the
system**



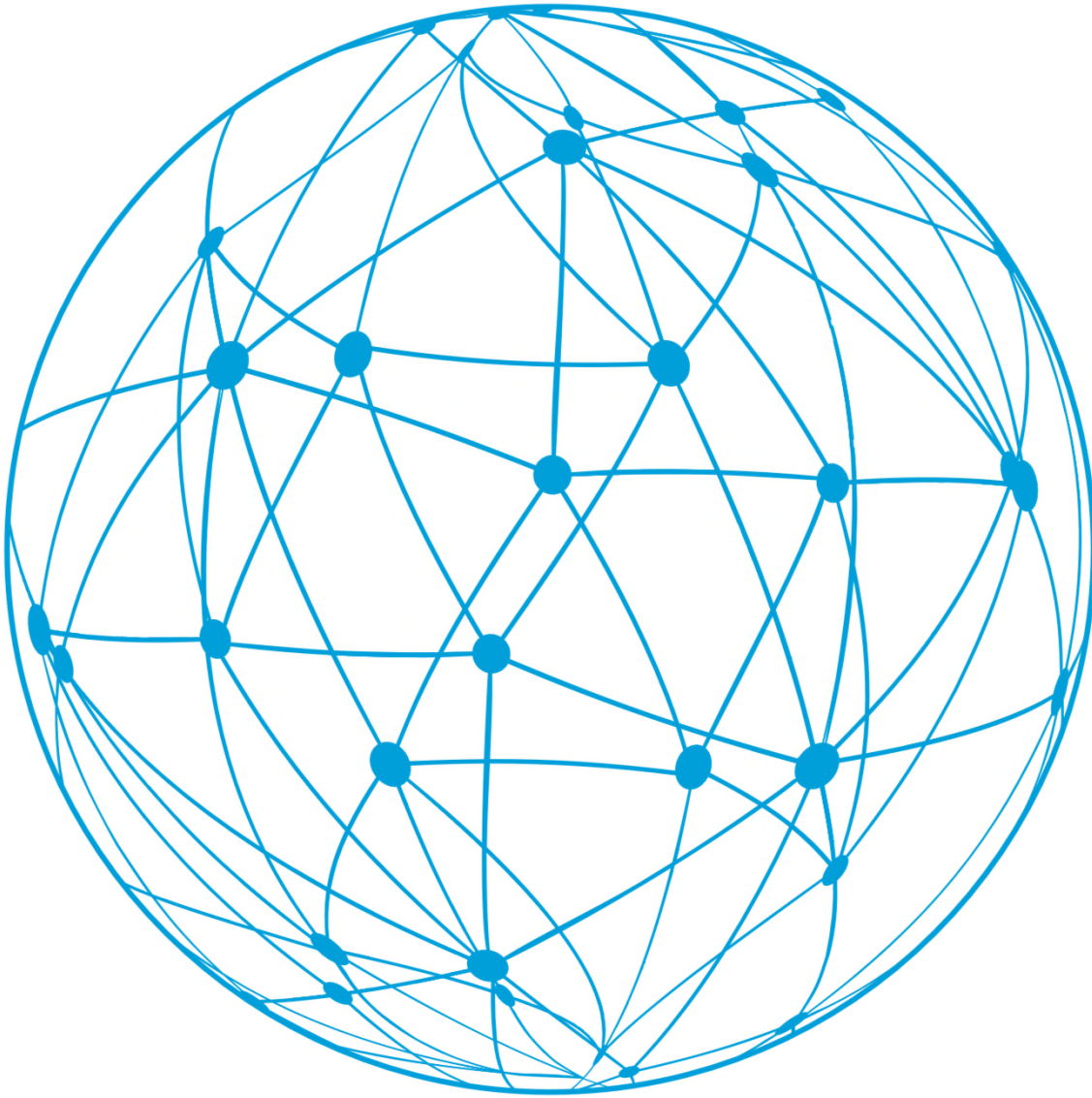
Strict financial discipline

to preserve a
sound NFP and
**further improve
financial ratios**



Q&A

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Annexes

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Business Units Ebitda breakdown

€M

	H1 2023		H1 2022*		Change			
	Reported	Ordinary	Reported	Ordinary	Reported		Ordinary	
A2A	880	868	699	682	181	26%	186	27%
 Generation & Trading	307	302	221	221	86	39%	81	37%
Power Generation	373	368	249	249	124	50%	119	48%
Gas Margin	-66	-66	-28	-28	-38	n.s.	-38	n.s.
 Market	122	123	8	7	114	n.s.	116	n.s.
Energy Retail	121	122	8	7	113	n.s.	115	n.s.
Energy Solutions	1	1	0	0	1	n.s.	1	n.s.
 Waste	203	201	207	205	-4	-2%	-4	18%
Collection	32	30	27	27	5	19%	3	11%
Urban Treatment	149	148	156	154	-7	-4%	-6	-4%
Industrial Treatment	22	23	24	24	-2	-8%	-1	-4%
 Smart Infrastructures	270	263	276	260	-6	-2%	3	1%
Electricity Networks	76	76	69	69	7	10%	7	10%
Gas Networks	79	79	72	72	7	10%	7	10%
Water Cycle	27	26	35	21	-8	-23%	5	24%
District Heating	79	74	86	84	-7	-8%	-10	-12%
Smart City	2	2	3	3	-1	-33%	-1	-33%
Public Lighting	8	7	11	11	-3	-27%	-4	-36%
E-Moving	-1	-1	0	0	-1	n.s.	-1	n.s.
Corporate	-22	-21	-13	-11	-9	-69%	-10	-91%

(*) 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.

H1 2023 VS H1 2022: profit & loss

€M

	H1 2022 Restated*	H1 2023	Delta vs 2022	Delta % vs 2022
Revenues	9,778	7,989	-1,789	-18%
EBITDA	699	880	181	26%
D&A	-349	-381	-32	9%
Provisions	-22	-52	-30	n.s.
ORDINARY EBIT	328	447	119	36%
Net Financial Expenses	-32	-69	-37	116%
Associates & JV	2	1	-1	n.s.
ORDINARY EBT	298	379	81	27%
Taxes	-85	-114	-29	34%
Net Results from disc. Operations	9	5	-4	n.s.
Minorities	-27	-13	14	-52%
Group Net Ordinary Income	195	257	62	32%
+/- Special Items	133	23	-110	
Group Net Income	328	280	-48	-15%

(*) Restated values in accordance with IFRS5.

H1 2023 VS H1 2022: balance sheet

€M

	H1 2022	H1 2023	Δ vs H1 2022
Tangible Assets	5,769	6,241	472
Intangible Assets	3,265	3,456	191
Shareholdings and Other Non Current Financial Assets	316	82	-234
Other Non Current Assets/Liabilities	-75	-307	-232
Deferred Tax Assets and Liabilities	381	430	49
Provisions for Risks, Charges and Liabilities for landfills	-703	-747	-44
Employee Benefits	-240	-236	4
Net Fixed Capital	8,713	8,919	206
Net Working Capital	493	5	-488
Other Current Assets/Liabilities	25	19	-6
Current Tax Assets/Liabilities	-149	-171	-22
Working Capital and Other Current Assets/Liabilities	369	-147	-516
Non Current Assets/Liabilities held for sale	0	43	43
Total Capital Employed	9,082	8,815	-267
Equity	4,495	4,443	-52
Net Financial Position	4,587	4,372	-215
Total Sources	9,082	8,815	-267

Energy scenario

	UoM	1H 2023	1H 2022	Δ% vs 2022
Brent	\$/bbl	80.2	104.4	-23%
CO2 – EU ETS cost	€/Tonn	89.5	83.7	7%
€/€	€/€	1.1	1.1	-1%
Brent €	€/bbl	74.2	95.8	-23%
PSV ⁽¹⁾	€/MWh	47.4	97.8	-51%
AEEGSI Gas Tariff ⁽²⁾	c€/mc	96.3	84.8	14%
Coal € (API2)	€/Tonn	126.5	259.0	-51%
PUN Baseload ⁽³⁾	€/MWh	136.6	248.6	-45%
PUN Peak ⁽³⁾	€/MWh	146.2	267.4	-45%
PUN Off-Peak ⁽³⁾	€/MWh	131.1	238.2	-45%
CCGT gas cost ⁽⁴⁾	€/MWh	111.2	214.4	-48%
Spark Spread CCGT_PSV vs Baseload	€/MWh	25.3	34.2	-26%
Spark Spread CCGT_PSV vs Peakload	€/MWh	35.0	52.9	-34%
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	19.9	23.8	-16%
Clean Spark Spread vs Baseload	€/MWh	-10.4	0.8	-1439%
Clean Spark Spread vs Peakload	€/MWh	-0.7	19.6	-104%
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	-33.9	48.2	n.s.

Notes:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

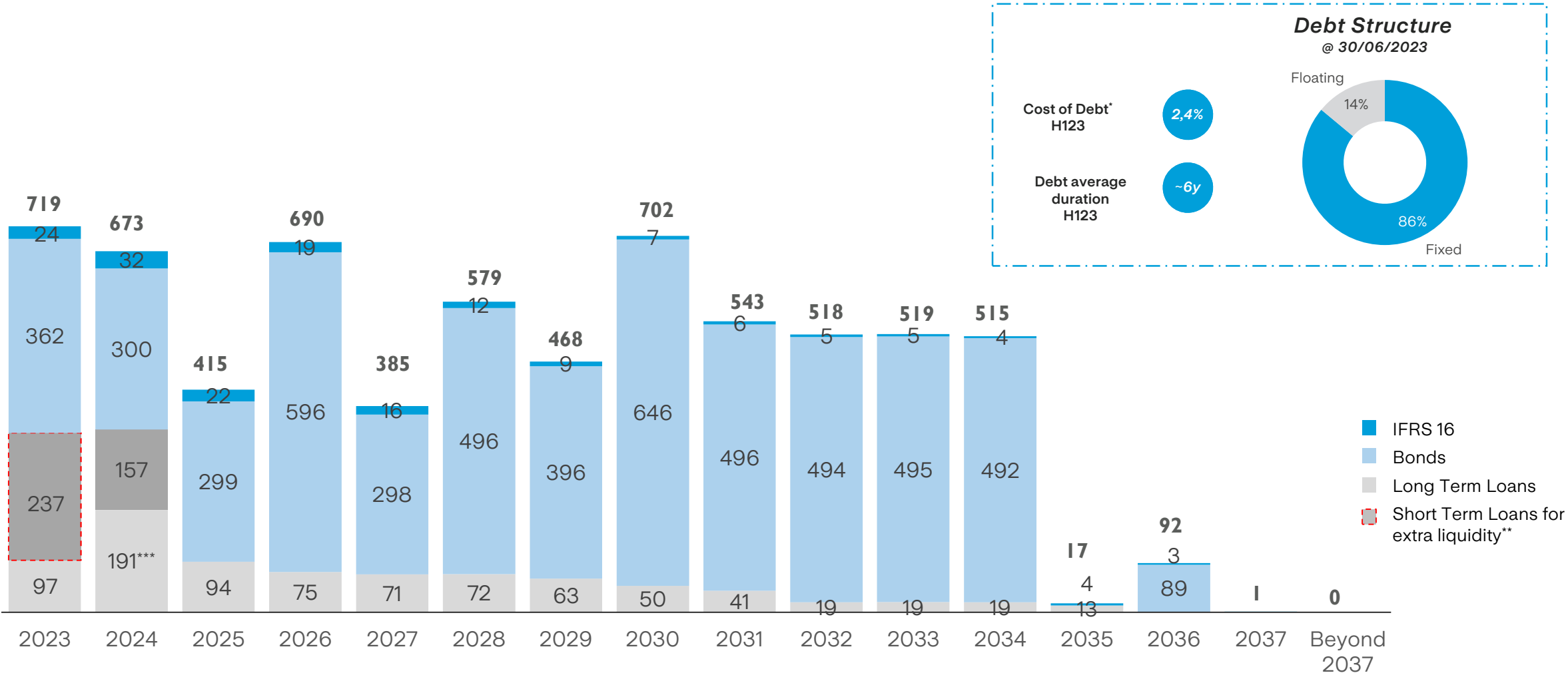
(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

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

Volumes

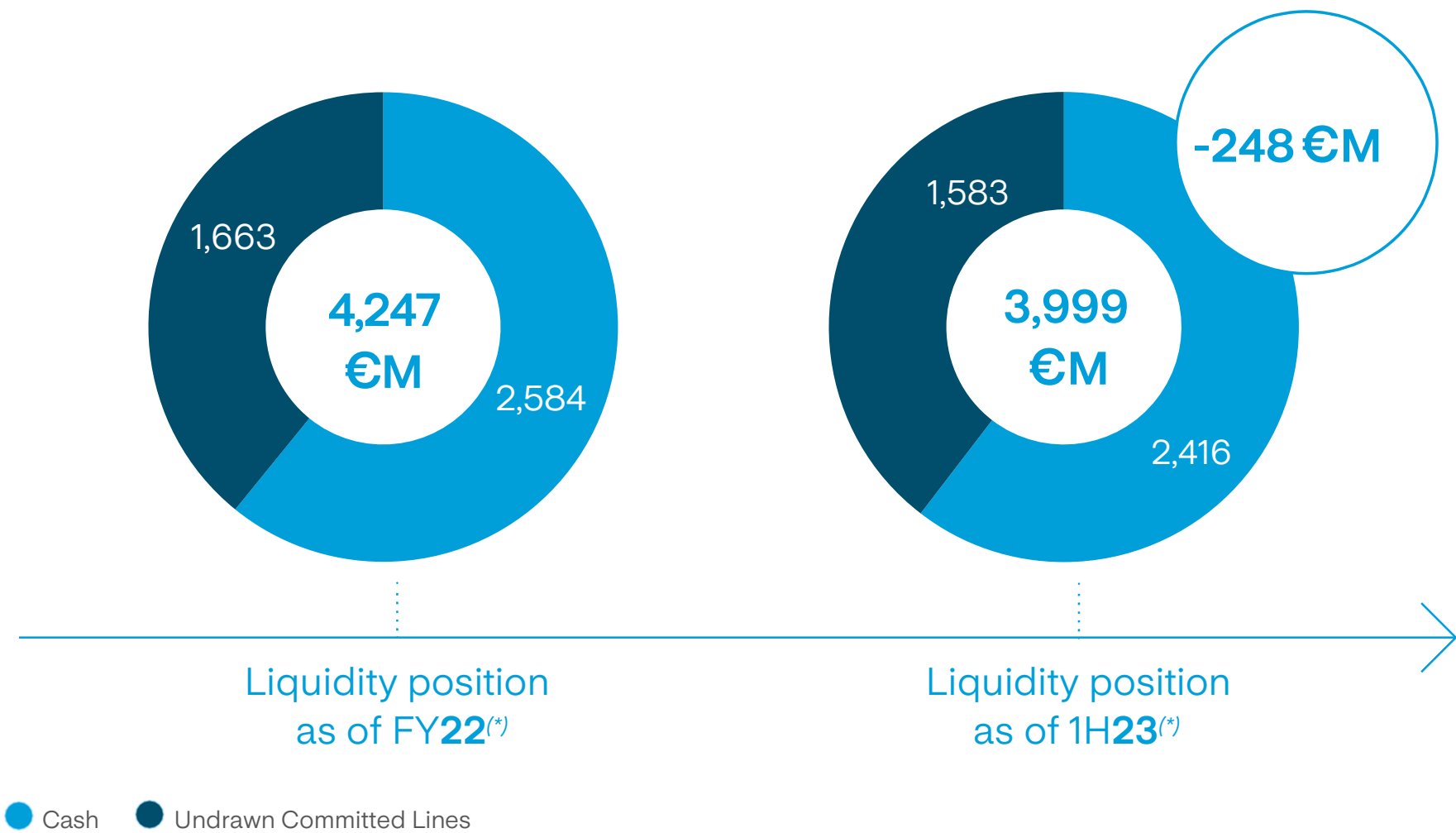
	UoM	1H 2023	1H 2022	Δ vs 2022	Δ% vs 2022
A2A Group Thermal production	GWh	4,990	6,477	-1,488	-23%
- CCGT production	GWh	3,604	5,918	-2,314	-39%
- Coal production	GWh	312	125	188	n.s.
- Oil production	GWh	1,073	434	638	n.s.
A2A Group Renewable production	GWh	1,811	1,607	204	13%
- Hydro production	GWh	1,422	1,369	53	4%
- Photovoltaic production	GWh	199	194	5	3%
- Wind production	GWh	189	43	146	n.s.
Electricity sales	GWh	11,146	10,459	687	7%
Gas sales	Mcm	1,634	1,526	109	7%
Electricity distributed	GWh	5,401	5,656	-254	-4%
Gas distributed	Mcm	1,440	1,732	-292	-17%
Water Distributed	Mcm	35	36	-1.8	-5%
Heat volumes sales	GWht	1,625	1,766	-141	-8%
Cogeneration electricity sales	GWh	392	199	194	97%
Collected waste	Kton	895	919	-24	-3%
Waste disposal	Kton	1,809	1,708	100	6%
- Material recovery	Kton	559	499	59	12%
- Energy recovery	Kton	697	732	-35	-5%
- Other	Kton	552	476	76	16%
WTE and other plants electricity production	GWh	1,005	1,068	-63	-6%
WTE and other plants heat production	GWht	875	902	-27	-3%

Gross debt redemption profile as of 30 June 2023



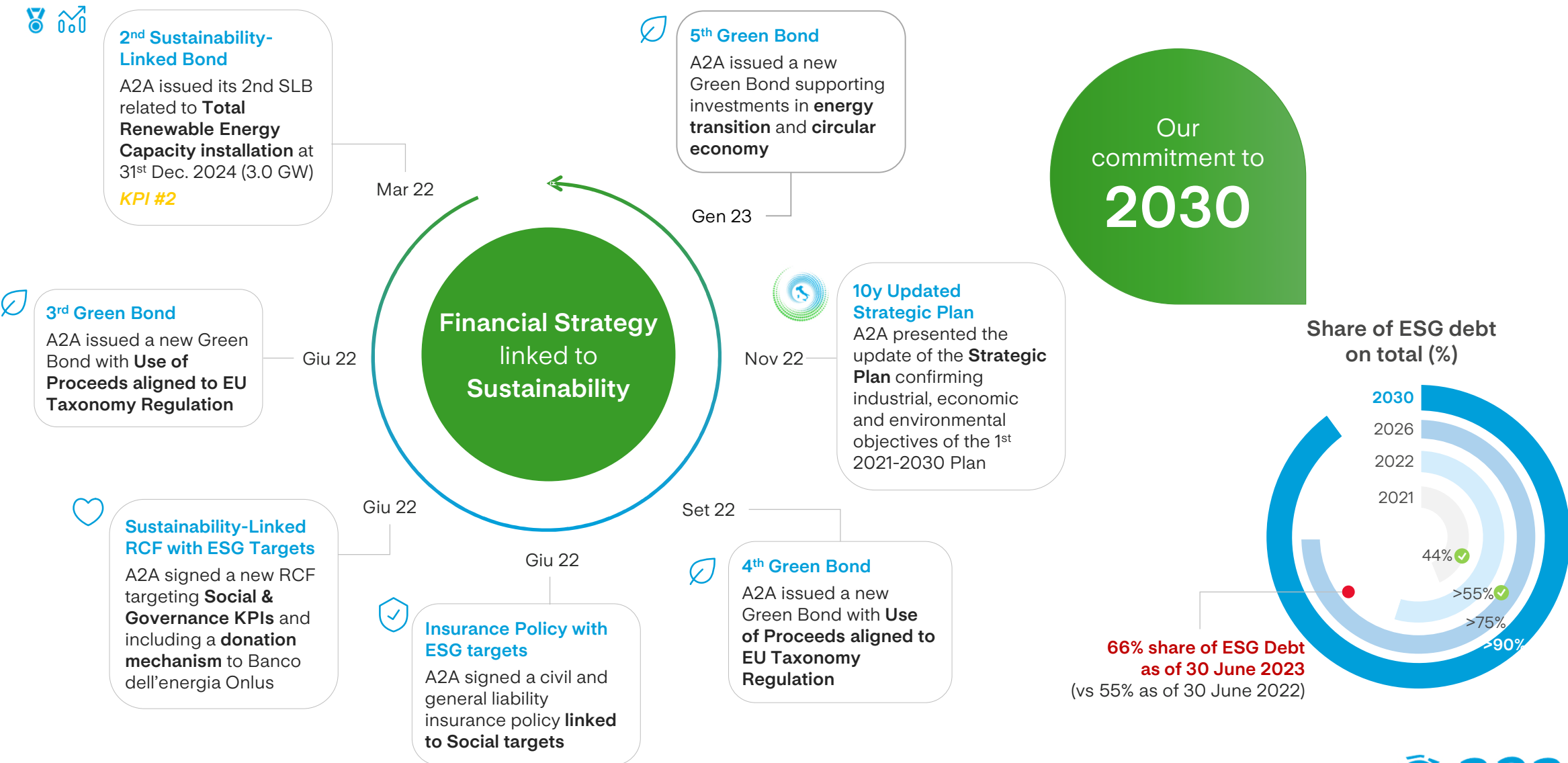
(*) Financial expenses reported / average gross debt (excluding hot money & RCF)
(**) Includes: loan <18M tenor, committed and uncommitted facilities used
(***) Term Loan BEI-A5 restated as current portion of Long Term Loans

Strong liquidity position confirmed to navigate market volatility



^(*) Excluding uncommitted lines 694€M @31/12/22, 705€M @30/06/2023

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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