



# A2A Life Company 9M 2023 results

Milan, 14<sup>th</sup> November 2023

# 9M 2023 Results: Key highlights



- Hydraulicity effects combined with hedging optimization
- Enlarged energy customer base and improved retail margins
- Continuous strict NWC management and financial ratios improvement

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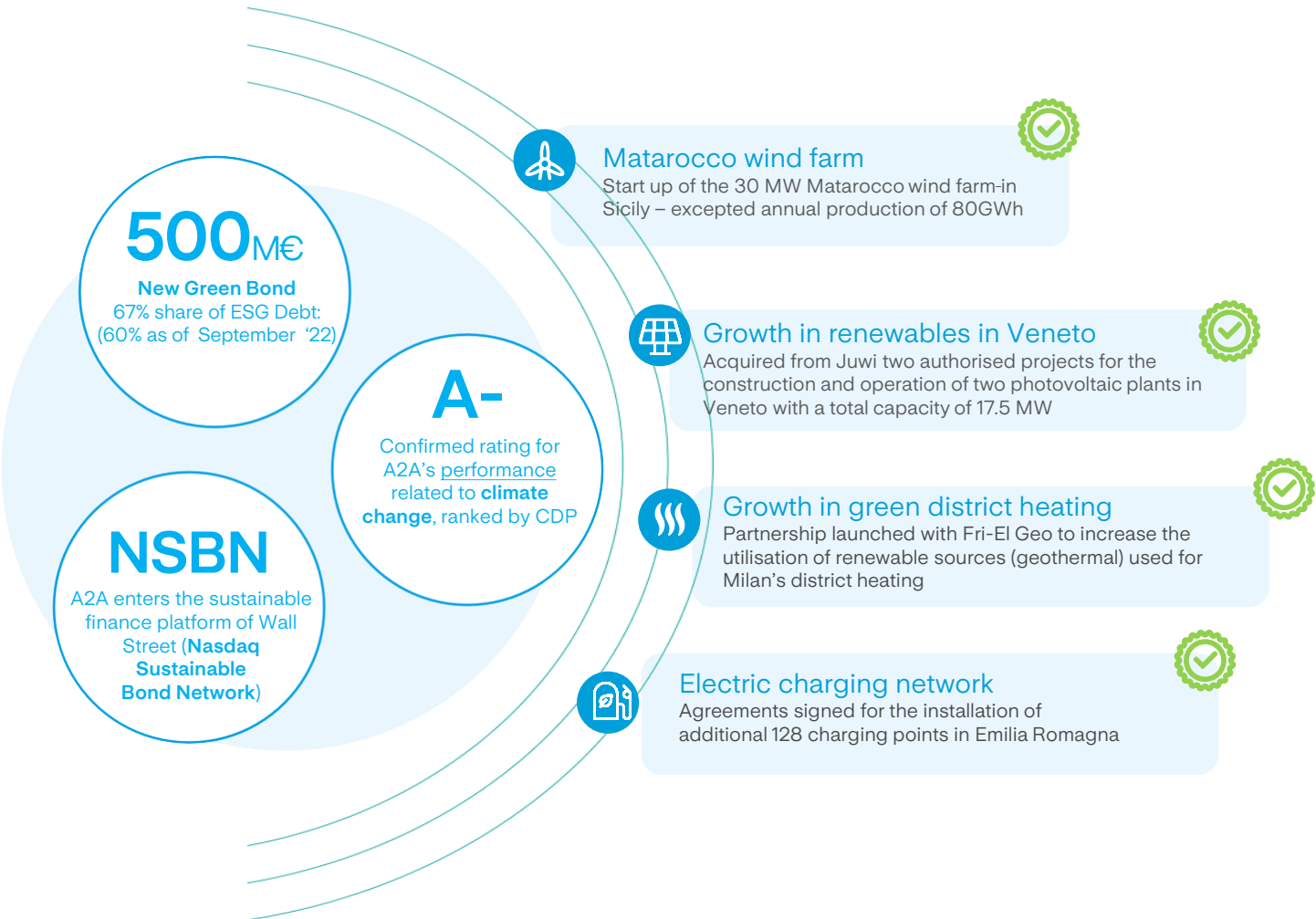
- CCGT production
- Normalization of ancillary services market

# 9M 2023 main achievements along our decarbonization path

## Main ESG KPIs

|                                                              |       |                        |
|--------------------------------------------------------------|-------|------------------------|
| Scope 1&2 Emission Factor (gCO2/kWh)                         | 362   | stable*<br>vs 9M 2022  |
| Renewable production (TWh)                                   | 3.1   | +21%<br>vs 9M 2022     |
| Electricity Network Capacity (MVA)                           | 5,096 | +418MVA<br>vs 9M 2022  |
| Water losses (m3/km/day) <sup>1</sup>                        | 18.9  | -2%<br>vs 9M 2022      |
| Female managers %                                            | 26.1  | +1 p.p.<br>vs 9M 2022  |
| Orders placed with suppliers evaluated with ESG indicators % | 71    | +11 p.p.<br>vs 9M 2022 |

\*Despite government requirements to stabilize national grid

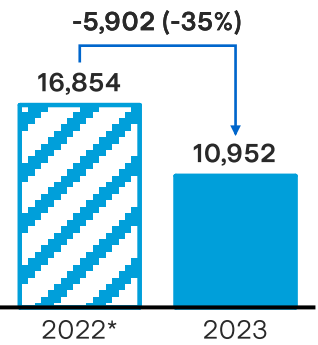


Notes: (1) Refers to 9M 2023 within the perimeter of A2A Ciclo Idrico and ASVT

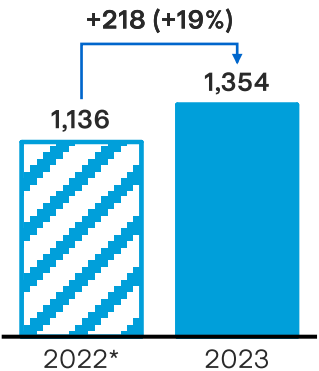
# 9M 2023 Results: confirming the robust improvement in financial indicators

## Key Financial Indicators (€M)

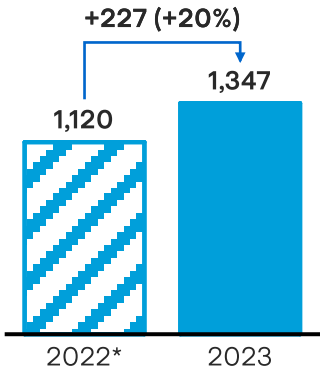
Revenues



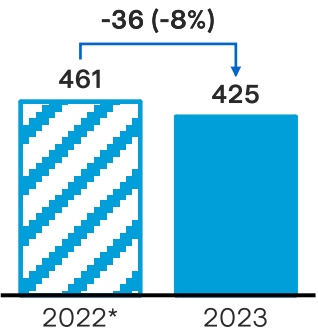
EBITDA



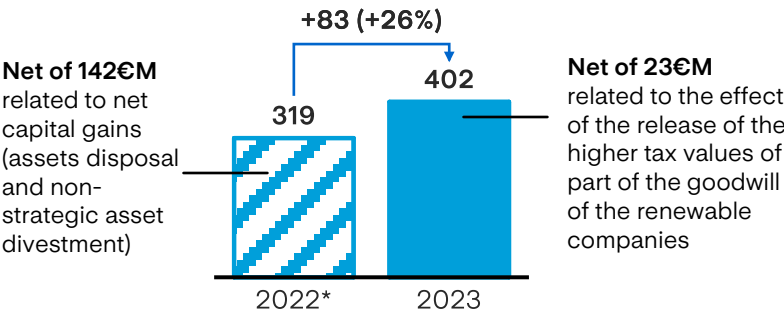
Ordinary EBITDA



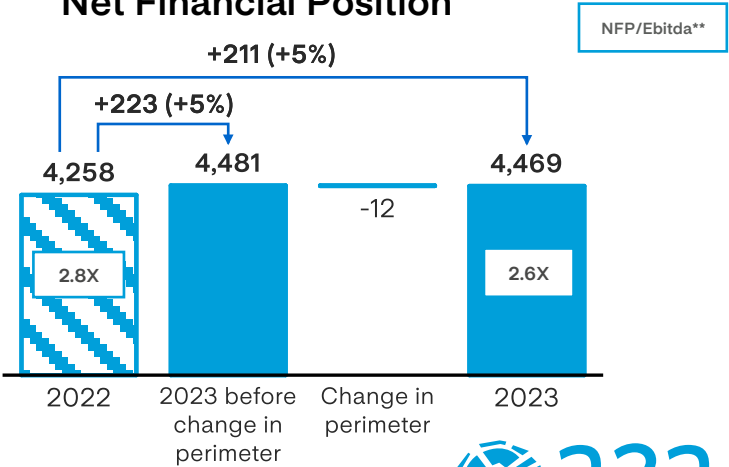
Group Net Income



Ordinary Group Net Income



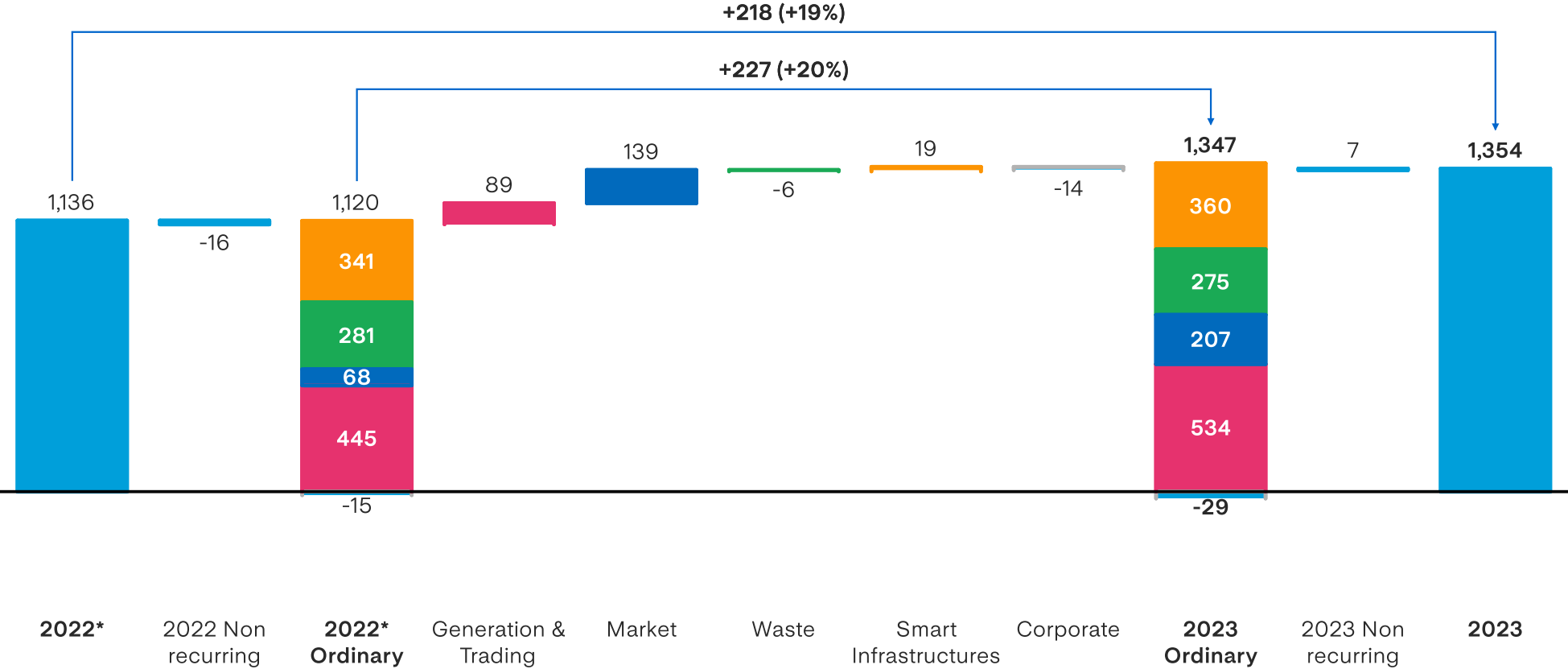
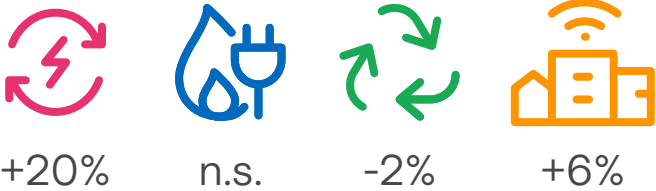
Net Financial Position



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

# 9M 2023 Group Ebitda: a double-digit growth driven by Energy and Smart Infrastructures

€M

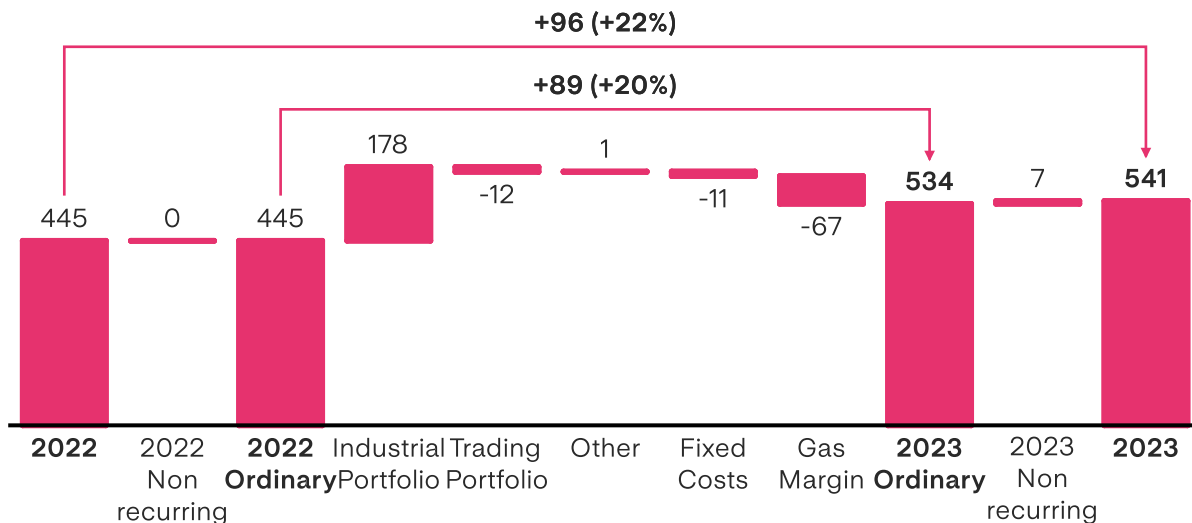


(\*) Restated values in accordance with IFRS5.



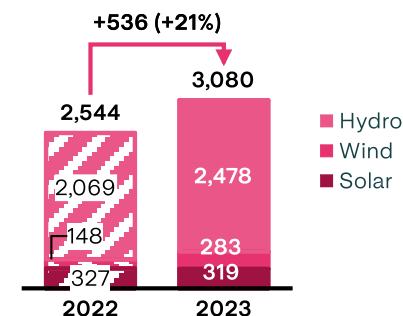
# Generation & Trading: positive hydraulicity effects and effective hedging strategies offset lower thermal production

Ebitda €M

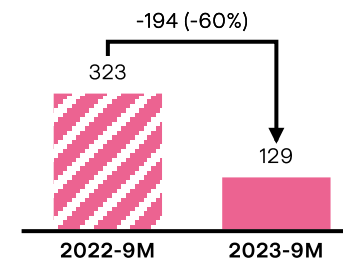


- Positive hydraulicity effects and hedging strategies optimization
- Higher renewable volumes
- Lower MSD margin (-60% vs 2022 exceptional values)
- Lower Thermal production

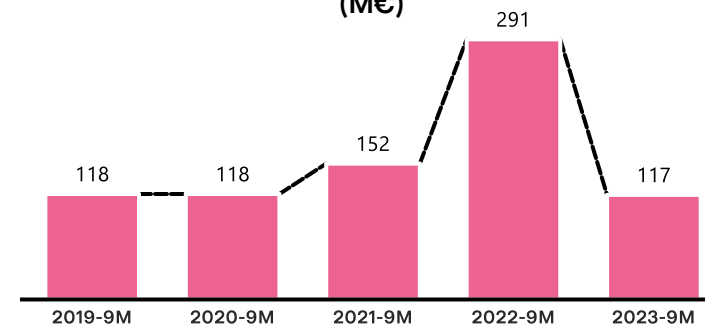
## Renewable Production (GWh)



## PUN Baseload (€/MWh)



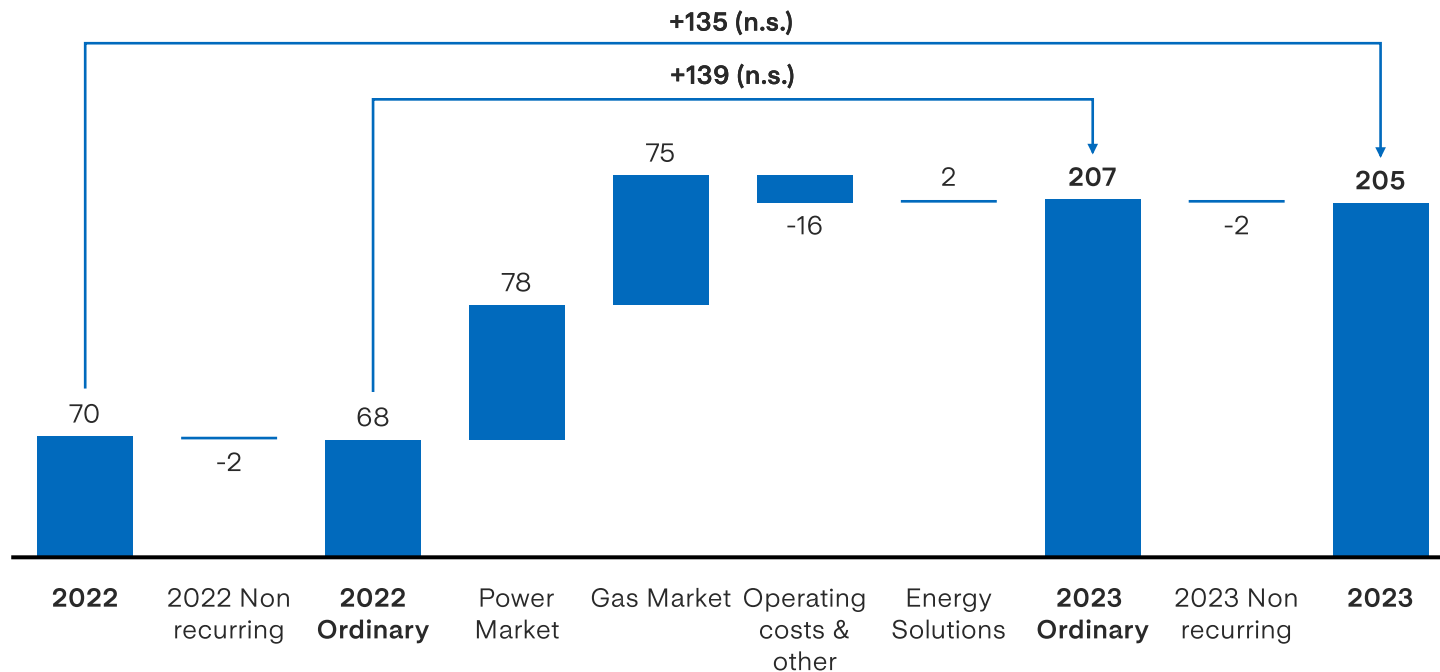
## MSD Margin (M€)





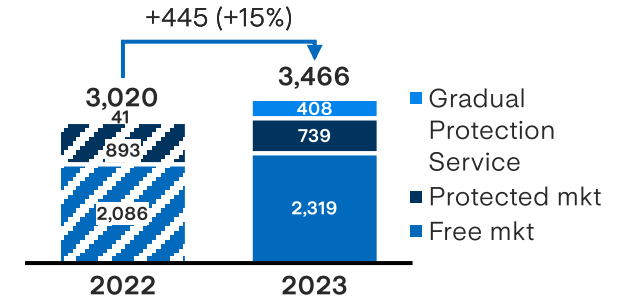
# Market: margin increase & wider customer base support strong growth

Ebitda €M

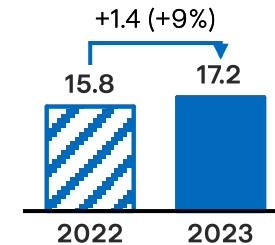


- Positive contribution of large customers' segment & Safeguard market
- Increased customer base in free mass market
- Margin increase, mainly linked to margin recovery in fixed price contracts
- Retention actions & management cost

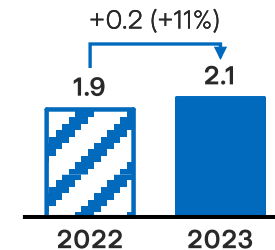
## Customer Base Mass Market (#/000)



## Electricity Sales (TWh)



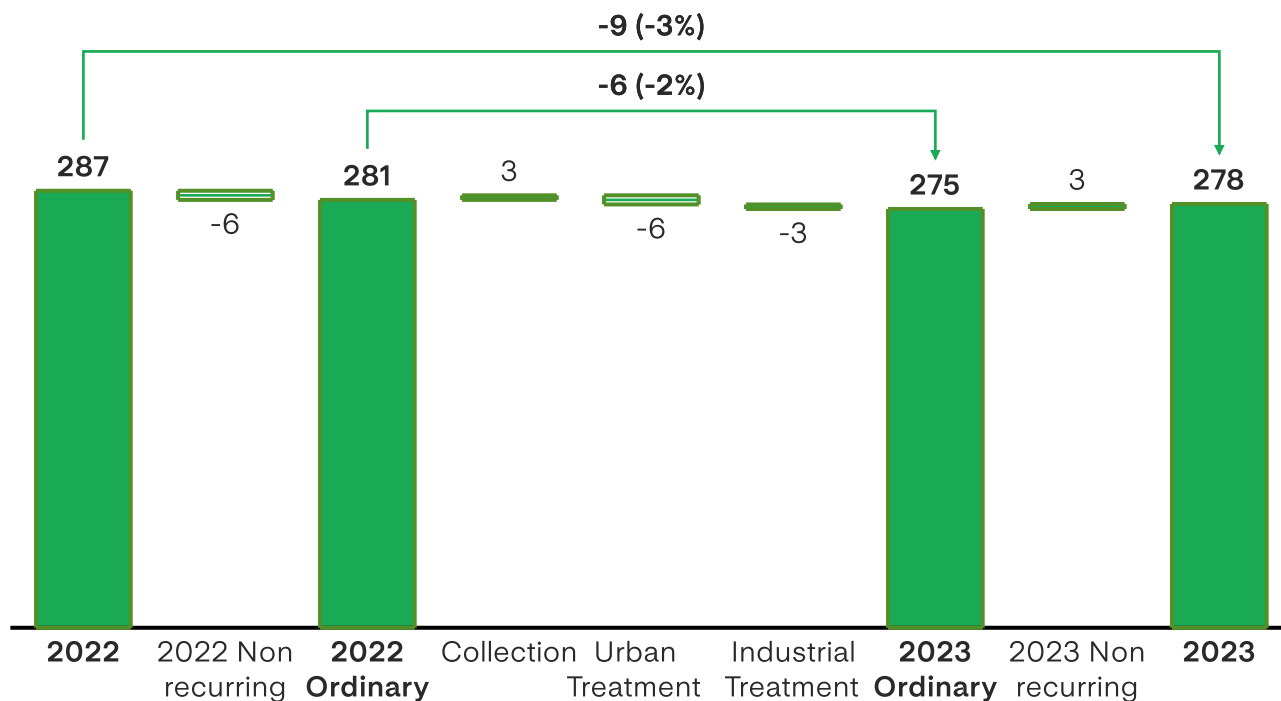
## Gas Sales (Bcm)





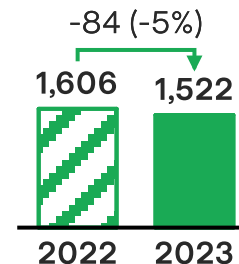
# Waste: ongoing positive collection performance mitigates lower treatment plants availability

## Ebitda €M



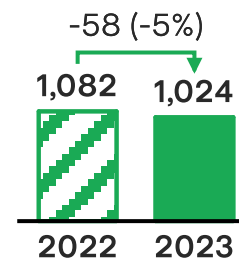
- **Collection:** higher marginality due to lower operating costs, partially offset by higher labour costs
- **Treatment:** lower availability of WTE plants due to extraordinary maintenance

## Equivalent Energy Sales (GWh)

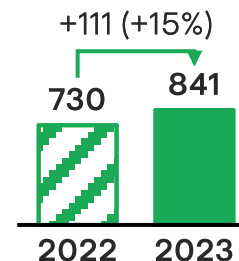


## Waste disposal (kton)

### Energy recovery



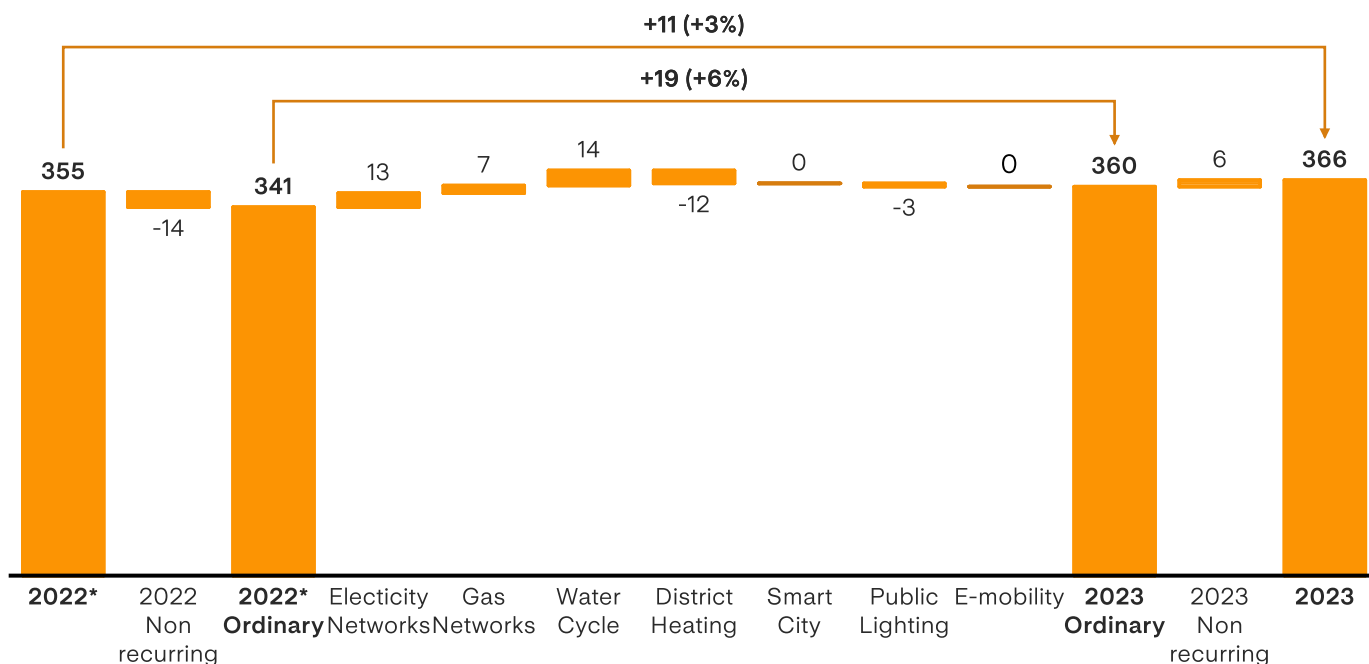
### Material recovery





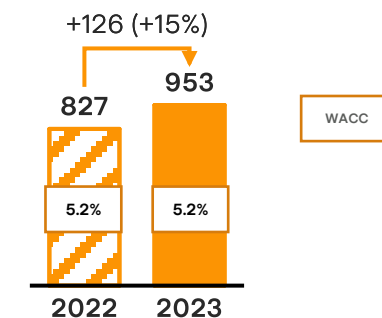
# Smart infrastructures: higher allowed revenues balanced by mild temperatures

Ebitda €M

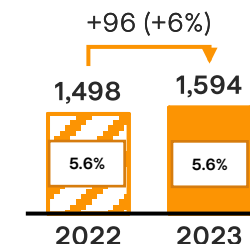


- **Gas & EE Networks:** higher allowed revenues (higher RAB)
- **Water Cycle:** lower electricity costs
- **District Heating:** lower heat volumes due to mild temperatures, partially offset by newly acquired A2A Airport positive contribution (cogeneration plants in Linate and Malpensa airports)

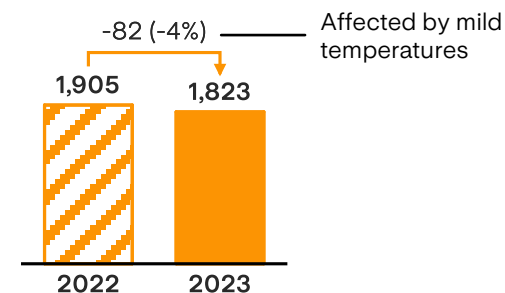
RAB EE (€M)



RAB GAS (€M)

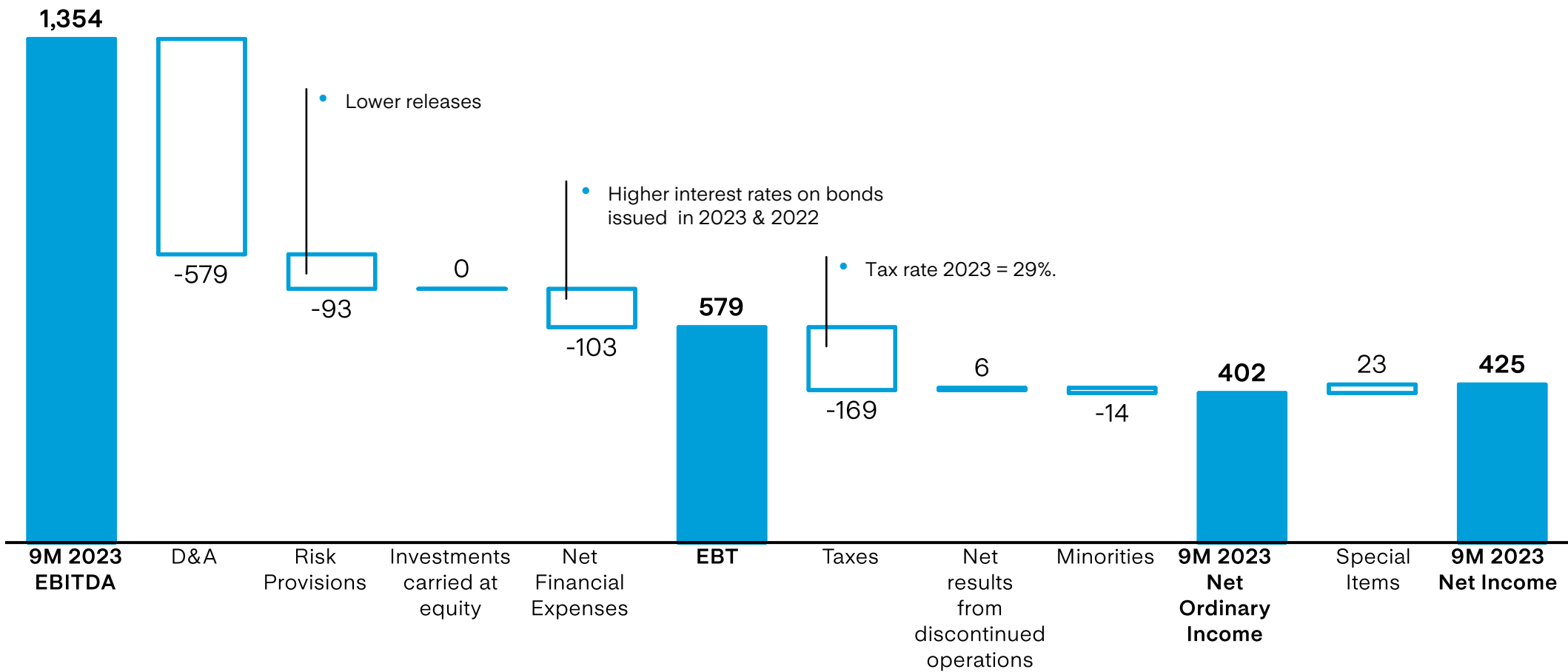


Heat Volumes (GWht)



# 9M 2023 results: from Ebitda to net income

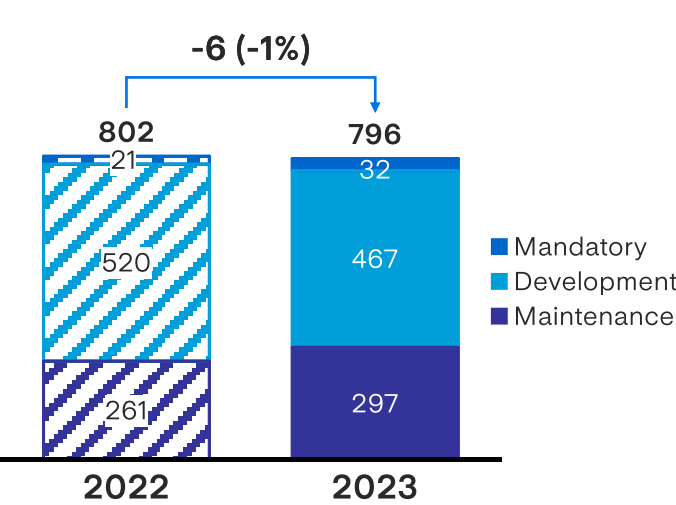
€M



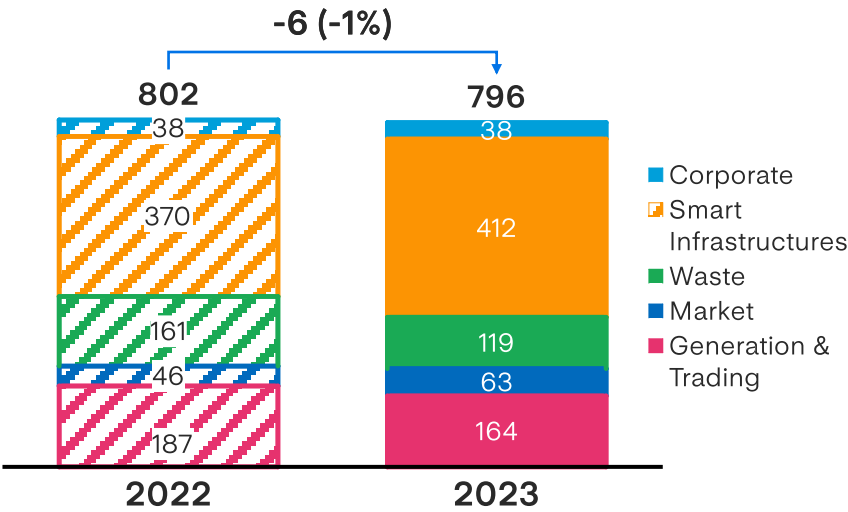
# 9M 2023 results: capex

€M

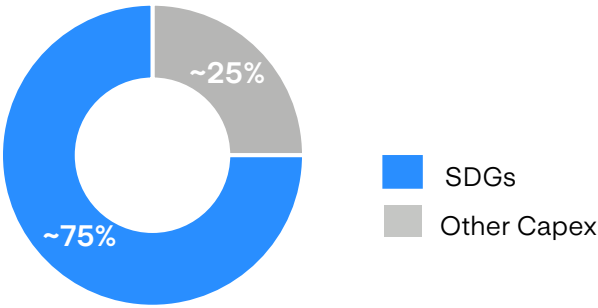
Breakdown by Activity



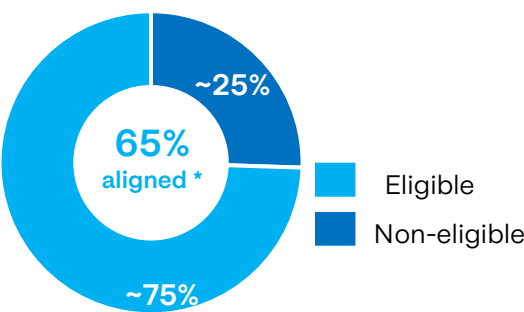
Breakdown by BU



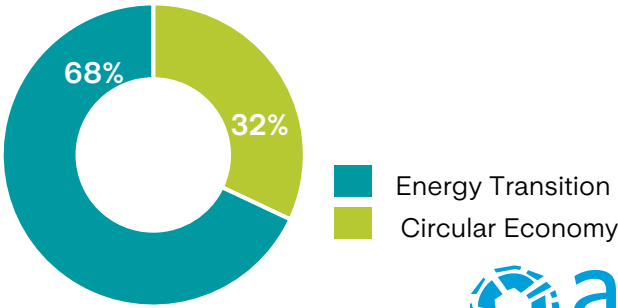
Breakdown by SDGs



Breakdown by EU Taxonomy



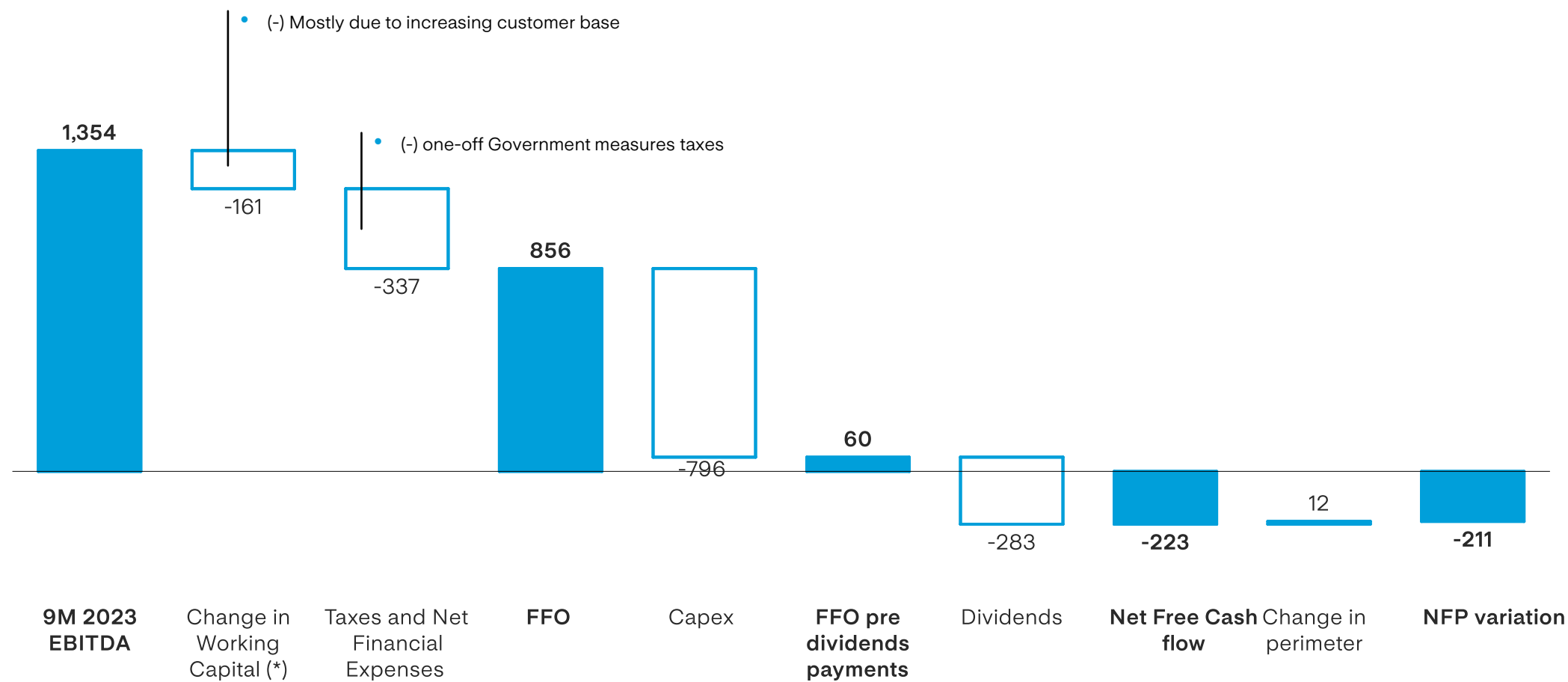
Breakdown by Circular Economy & Energy Transition



(\*) % of eligible capex

# 9M 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

**1,880 - 1,920 €M**

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Net Ordinary Income\*

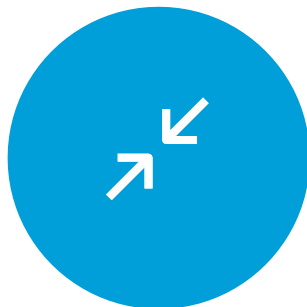
**550 - 570 €M**

\*Excluding non-recurring items

## 9M 2023: key takeaways



**FY guidance improvement**  
driven by 9M solid industrial  
performances and supportive  
expectations in BU Generation  
and Market

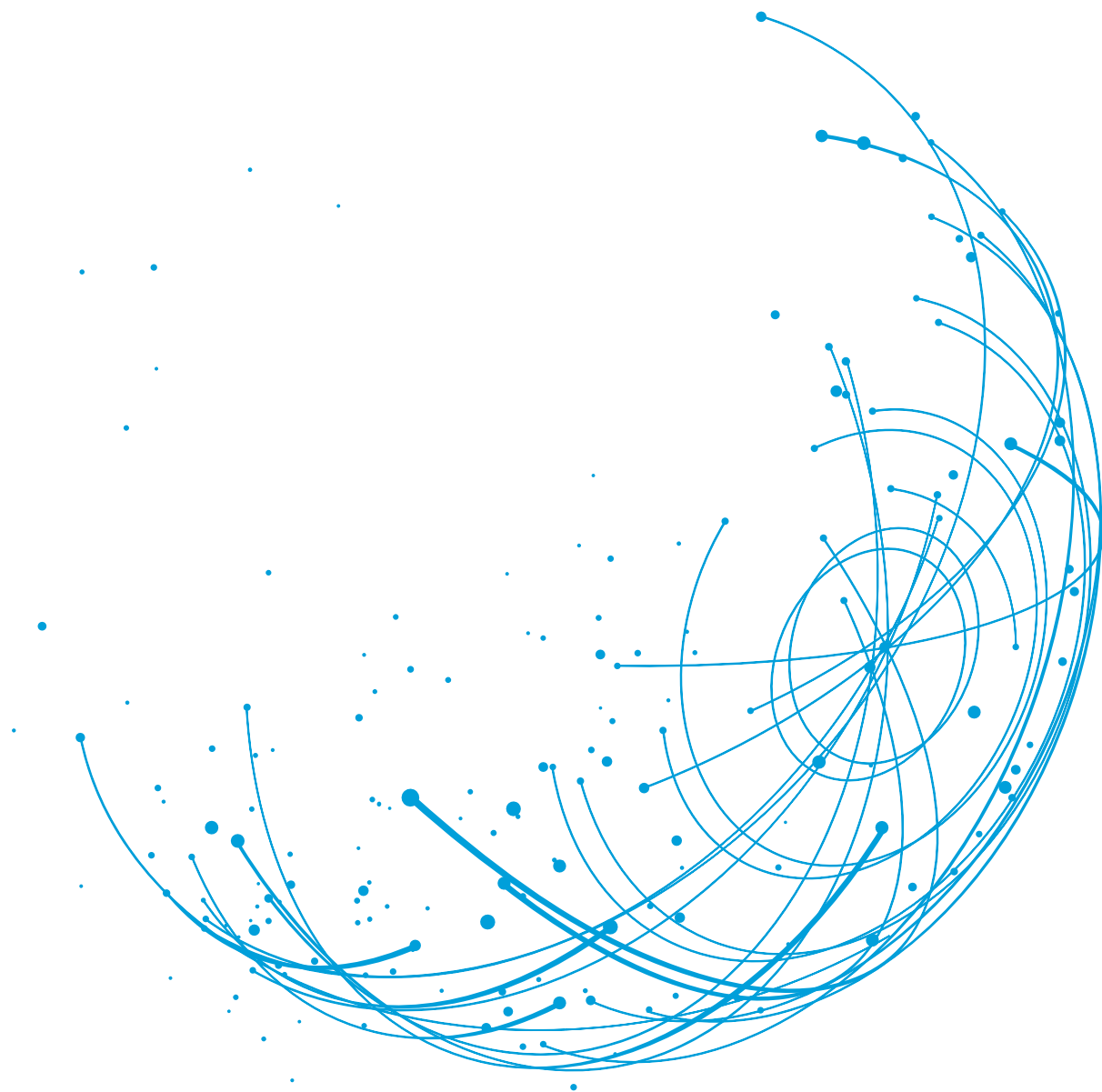


**Capex deployment on track**  
with plan targets to sustain  
ecological transition



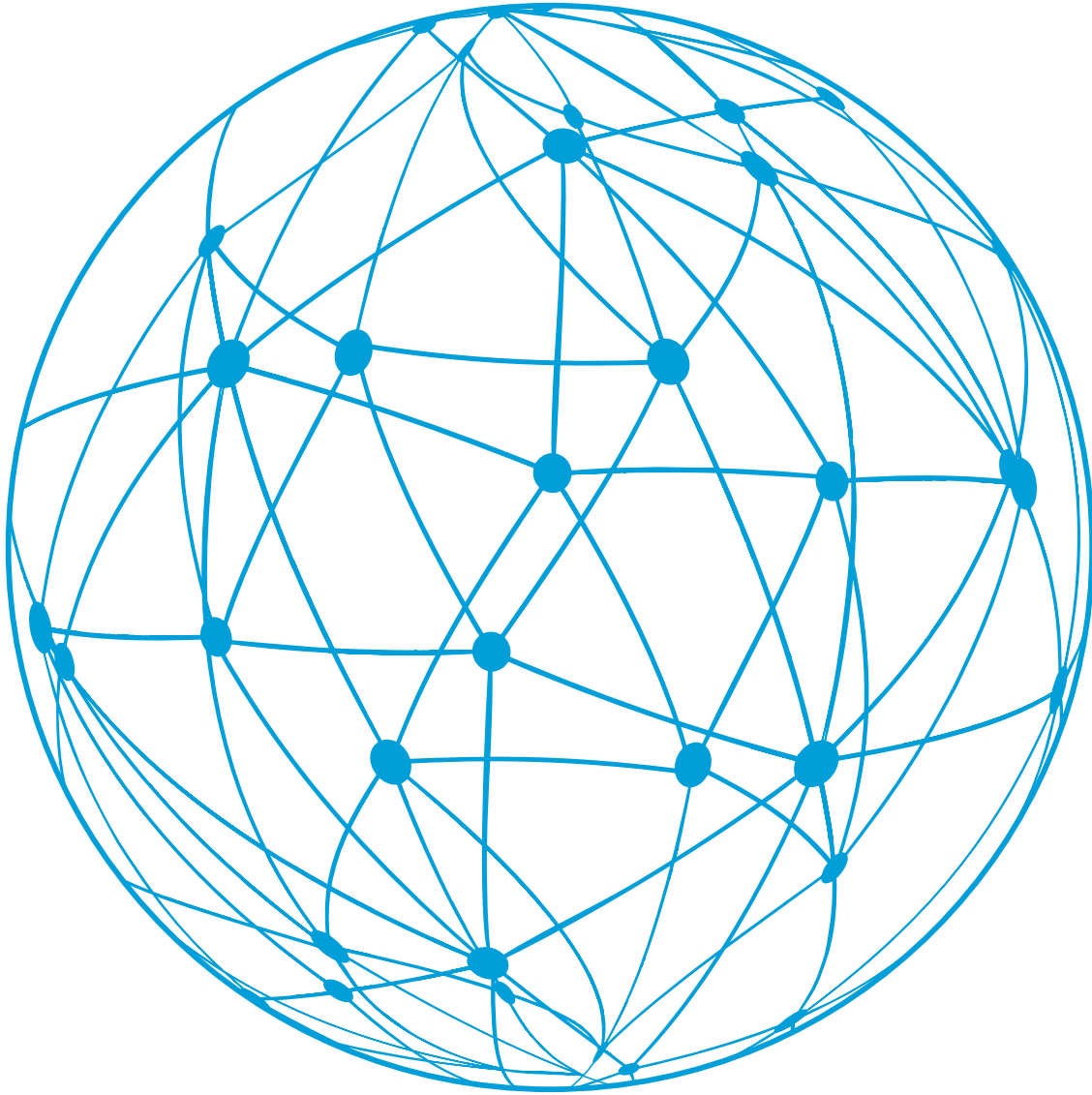
**Strict financial discipline**  
to preserve a sound NFP and  
to further improve financial ratios

**Leveraging a robust platform to seize sustainable growth  
opportunities in 2024 and beyond**



# Q&A

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# Annexes

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# Business Units Ebitda breakdown

€M

|                                                                                   |                                 | 9M 2023      |              | 9M 2022*     |              | Change     |             |            |
|-----------------------------------------------------------------------------------|---------------------------------|--------------|--------------|--------------|--------------|------------|-------------|------------|
|                                                                                   |                                 | Reported     | Ordinary     | Reported     | Ordinary     | Reported   | Change      | Ordinary   |
| <b>A2A</b>                                                                        |                                 | <b>1,354</b> | <b>1,347</b> | <b>1,136</b> | <b>1,120</b> | <b>218</b> | <b>19%</b>  | <b>227</b> |
|  | <b>Generation &amp; Trading</b> | <b>541</b>   | <b>534</b>   | <b>445</b>   | <b>445</b>   | <b>96</b>  | <b>22%</b>  | <b>89</b>  |
|                                                                                   | Power Generation                | 594          | 587          | 432          | 432          | 162        | 38%         | 155        |
|                                                                                   | Gas Margin                      | -53          | -53          | 13           | 13           | -66        | n.s.        | -66        |
|  | <b>Market</b>                   | <b>205</b>   | <b>207</b>   | <b>70</b>    | <b>68</b>    | <b>135</b> | <b>n.s.</b> | <b>139</b> |
|                                                                                   | Energy Retail                   | 204          | 206          | 71           | 69           | 133        | n.s.        | 137        |
|                                                                                   | Energy Solutions                | 1            | 1            | -1           | -1           | 2          | n.s.        | 2          |
|  | <b>Waste</b>                    | <b>278</b>   | <b>275</b>   | <b>287</b>   | <b>281</b>   | <b>-9</b>  | <b>-3%</b>  | <b>-6</b>  |
|                                                                                   | Collection                      | 50           | 47           | 44           | 44           | 6          | 14%         | 3          |
|                                                                                   | Urban Treatment                 | 197          | 196          | 209          | 203          | -12        | -6%         | -6         |
|                                                                                   | Industrial Treatment            | 31           | 31           | 34           | 34           | -3         | -9%         | -3         |
|  | <b>Smart Infrastructures</b>    | <b>366</b>   | <b>360</b>   | <b>355</b>   | <b>341</b>   | <b>11</b>  | <b>3%</b>   | <b>19</b>  |
|                                                                                   | Electricity Networks            | 114          | 114          | 100          | 101          | 14         | 14%         | 13         |
|                                                                                   | Gas Networks                    | 117          | 116          | 109          | 109          | 8          | 7%          | 7          |
|                                                                                   | Water Cycle                     | 43           | 43           | 42           | 29           | 1          | 2%          | 14         |
|                                                                                   | District Heating                | 73           | 69           | 82           | 81           | -9         | -11%        | -12        |
|                                                                                   | Smart City                      | 5            | 5            | 5            | 5            | 0          | 0%          | 0          |
|                                                                                   | Public Lighting                 | 15           | 14           | 18           | 17           | -3         | -17%        | -3         |
|                                                                                   | E-Moving                        | -1           | -1           | -1           | -1           | 0          | n.s.        | 0          |
| <b>Corporate</b>                                                                  |                                 | <b>-36</b>   | <b>-29</b>   | <b>-21</b>   | <b>-15</b>   | <b>-15</b> | <b>-71%</b> | <b>-14</b> |

(\*) 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.

# 9M 2023 VS 9M 2022: profit & loss

€M

|                                   | 9M 2022 Restated* | 9M 2023       | Delta<br>vs 2022 | Delta %<br>vs 2022 |
|-----------------------------------|-------------------|---------------|------------------|--------------------|
| <b>Revenues</b>                   | <b>16,854</b>     | <b>10,952</b> | <b>-5,902</b>    | <b>-35%</b>        |
| <b>EBITDA</b>                     | <b>1,136</b>      | <b>1,354</b>  | <b>218</b>       | <b>19%</b>         |
| D&A                               | -528              | -579          | -51              | 10%                |
| Provisions                        | -57               | -93           | -36              | 63%                |
| <b>ORDINARY EBIT</b>              | <b>551</b>        | <b>682</b>    | <b>131</b>       | <b>24%</b>         |
| Net Financial Expenses            | -57               | -103          | -46              | 81%                |
| Associates & JV                   | 2                 | 0             | -2               | n.s.               |
| <b>ORDINARY EBT</b>               | <b>496</b>        | <b>579</b>    | <b>83</b>        | <b>17%</b>         |
| Taxes                             | -159              | -169          | -10              | 6%                 |
| Net Results from disc. Operations | 12                | 6             | -6               | -50%               |
| Minorities                        | -30               | -14           | 16               | -53%               |
| <b>Group Net Ordinary Income</b>  | <b>319</b>        | <b>402</b>    | <b>83</b>        | <b>26%</b>         |
| +/- Special Items                 | 142               | 23            | -119             | -84%               |
| <b>Group Net Income</b>           | <b>461</b>        | <b>425</b>    | <b>-36</b>       | <b>-8%</b>         |

(\*) Restated values in accordance with IFRS5.

# 9M 2023 VS 9M 2022: balance sheet

€M

|                                                             | 9M2022       | 9M 2023      | Δ vs<br>9M 2022 |
|-------------------------------------------------------------|--------------|--------------|-----------------|
| Tangible Assets                                             | 5.951        | 6.321        | 370             |
| Intangible Assets                                           | 3.298        | 3.490        | 192             |
| Shareholdings and Other Non Current Financial Assets        | 123          | 83           | -40             |
| Other Non Current Assets/Liabilities                        | -123         | -294         | -171            |
| Deferred Tax Assets and Liabilities                         | 425          | 432          | 7               |
| Provisions for Risks, Charges and Liabilities for landfills | -716         | -761         | -45             |
| Employee Benefits                                           | -236         | -233         | 3               |
| <b>Net Fixed Capital</b>                                    | <b>8.722</b> | <b>9.038</b> | <b>316</b>      |
| Net Working Capital                                         | 543          | 77           | -466            |
| Other Current Assets/Liabilities                            | 128          | -37          | -165            |
| Current Tax Assets/Liabilities                              | -139         | -59          | 80              |
| <b>Working Capital and Other Current Assets/Liabilities</b> | <b>532</b>   | <b>-19</b>   | <b>-551</b>     |
| Non Current Assets/Liabilities held for sale                | 195          | 42           | -153            |
| <b>Total Capital Employed</b>                               | <b>9.449</b> | <b>9.061</b> | <b>-388</b>     |
| Equity                                                      | 4.538        | 4.592        | 54              |
| Net Financial Position                                      | 4.911        | 4.469        | -442            |
| <b>Total Sources</b>                                        | <b>9.449</b> | <b>9.061</b> | <b>-388</b>     |

# Energy scenario

|                                              | UoM    | 9M 2023 | 9M 2022 | Δ% vs 2022 |
|----------------------------------------------|--------|---------|---------|------------|
| Brent                                        | \$/bbl | 82      | 102     | -20%       |
| CO2 – EU ETS cost                            | €/Tonn | 88      | 82      | 7%         |
| €/\$                                         | €/\$   | 1       | 1       | 2%         |
| Brent €                                      | €/bbl  | 76      | 96      | -21%       |
| PSV <sup>(1)</sup>                           | €/MWh  | 43      | 131     | -67%       |
| AEEGSI Gas Tariff <sup>(2)</sup>             | c€/mc  | 76      | 91      | -16%       |
| Coal € (API2)                                | €/Tonn | 120     | 292     | -59%       |
| PUN Baseload <sup>(3)</sup>                  | €/MWh  | 129     | 323     | -60%       |
| PUN Peak <sup>(3)</sup>                      | €/MWh  | 137     | 348     | -61%       |
| PUN Off-Peak <sup>(3)</sup>                  | €/MWh  | 124     | 309     | -60%       |
| CCGT gas cost <sup>(4)</sup>                 | €/MWh  | 100     | 286     | -65%       |
| Spark Spread CCGT_PSV vs Baseload            | €/MWh  | 28      | 37      | -23%       |
| Spark Spread CCGT_PSV vs Peakload            | €/MWh  | 36      | 63      | -42%       |
| Spark Spread CCGT_PSV vs Off-Peak            | €/MWh  | 24      | 23      | 3%         |
| Clean Spark Spread vs Baseload               | €/MWh  | -7      | 4       | n.s.       |
| Clean Spark Spread vs Peakload               | €/MWh  | 1       | 30      | -96%       |
| Clean Dark Spread vs Baseload <sup>(5)</sup> | €/MWh  | -38     | 110     | n.s.       |

## Notes:

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct2014-Mar 2016

(3) Hourly average for each month

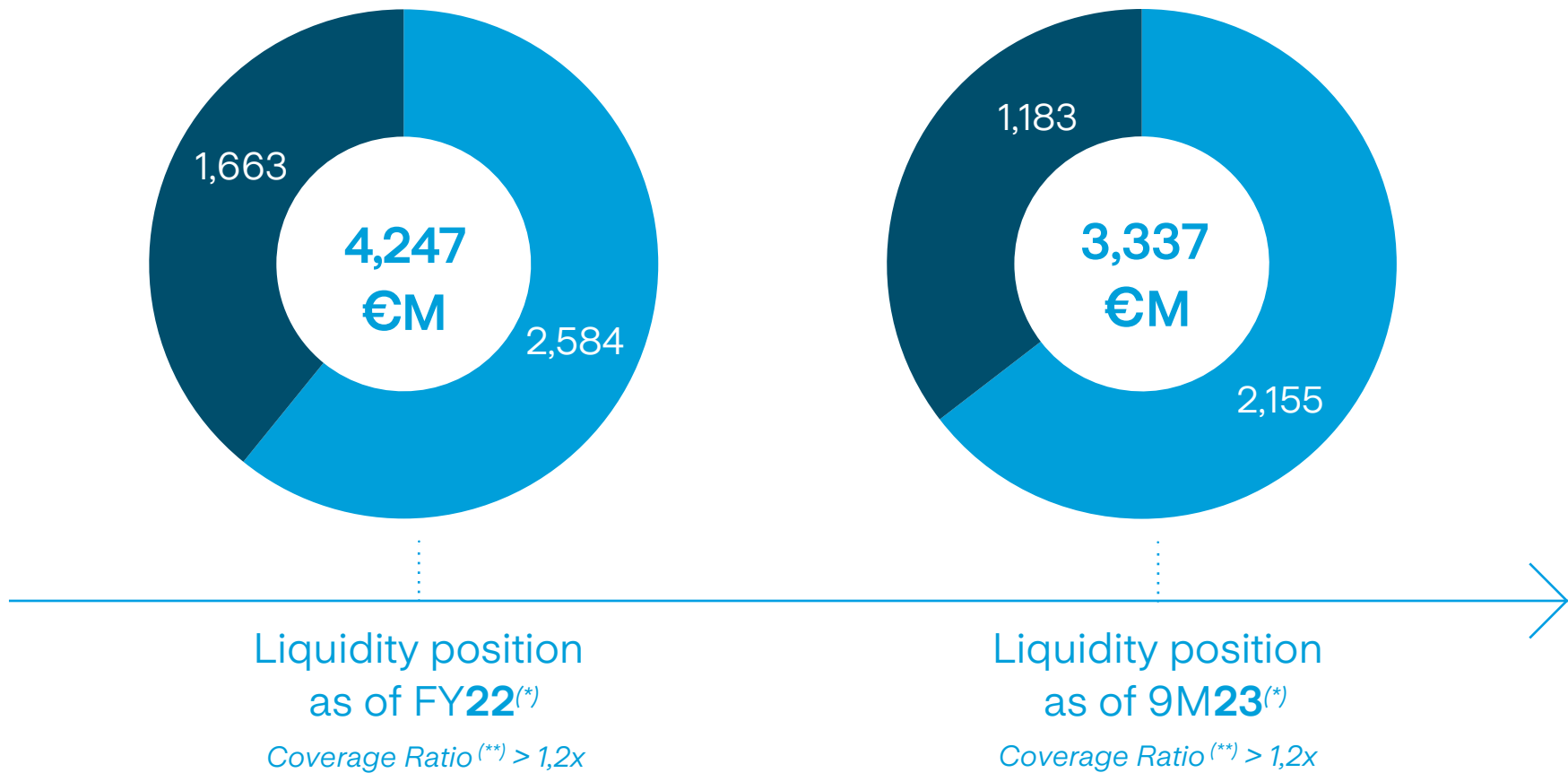
(4) Based on as at virtual trading point with 51% efficiency; includes transport costs

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

# Volumes

|                                             | UoM        | 9M 2023      | 9M 2022       | Δ vs 2022     | Δ% vs 2022  |
|---------------------------------------------|------------|--------------|---------------|---------------|-------------|
| <b>A2A Group Thermal production</b>         | <b>GWh</b> | <b>7,001</b> | <b>11,381</b> | <b>-4,380</b> | <b>-38%</b> |
| - CCGT production                           | GWh        | 5,506        | 9,804         | -4,298        | -44%        |
| - Coal production                           | GWh        | 312          | 368           | -56           | -15%        |
| - Oil production                            | GWh        | 1,183        | 1,209         | -26           | -2%         |
| <b>A2A Group Renewable production</b>       | <b>GWh</b> | <b>3,080</b> | <b>2,544</b>  | <b>536</b>    | <b>21%</b>  |
| - Hydro production                          | GWh        | 2,478        | 2,069         | 409           | 20%         |
| - Photovoltaic production                   | GWh        | 319          | 327           | -8            | -2%         |
| - Wind production                           | GWh        | 283          | 148           | 135           | n.s.        |
| Electricity sales                           | GWh        | 17,161       | 15,814        | 1,347         | 9%          |
| Gas sales                                   | Mcm        | 2,069        | 1,862         | 207           | 11%         |
| Electricity distributed                     | GWh        | 8,162        | 8,542         | -380          | -4%         |
| Gas distributed                             | Mcm        | 1,622        | 1,986         | -364          | -18%        |
| Water Distributed                           | Mcm        | 52           | 56            | -4.8          | -9%         |
| Heat volumes sales                          | GWht       | 1,823        | 1,905         | -82           | -4%         |
| Cogeneration electricity sales              | GWh        | 521          | 219           | 302           | n.s.        |
| Collected waste                             | Kton       | 1,331        | 1,344         | -13           | -1%         |
| Waste disposal                              | Kton       | 2,693        | 2,517         | 176           | 7%          |
| - Material recovery                         | Kton       | 841          | 730           | 111           | 15%         |
| - Energy recovery                           | Kton       | 1,024        | 1,082         | -58           | -5%         |
| - Other                                     | Kton       | 828          | 706           | 122           | 17%         |
| WTE and other plants electricity production | GWh        | 1,522        | 1,606         | -84           | -5%         |
| WTE and other plants heat production        | GWht       | 1,003        | 1,028         | -26           | -2%         |

# Liquidity position remains solid

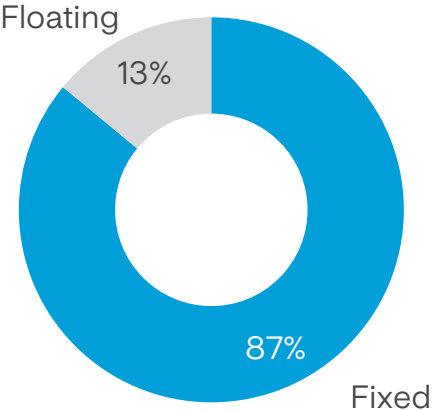


● Cash    ● Undrawn Committed Lines

<sup>(\*)</sup> Excluding uncommitted lines 694€M @31/12/22, 705€M @30/09/2023  
<sup>(\*\*)</sup> This ratio measures the coverage of expected cash outflows in the next 12 months given the Liquidity position

# Debt Structure as of 30 September 2023

## DEBT STRUCTURE



Cost of Debt\*  
9M23

2.5%

Average debt  
duration  
9M23

~6y

## LONG TERM CREDIT RATING

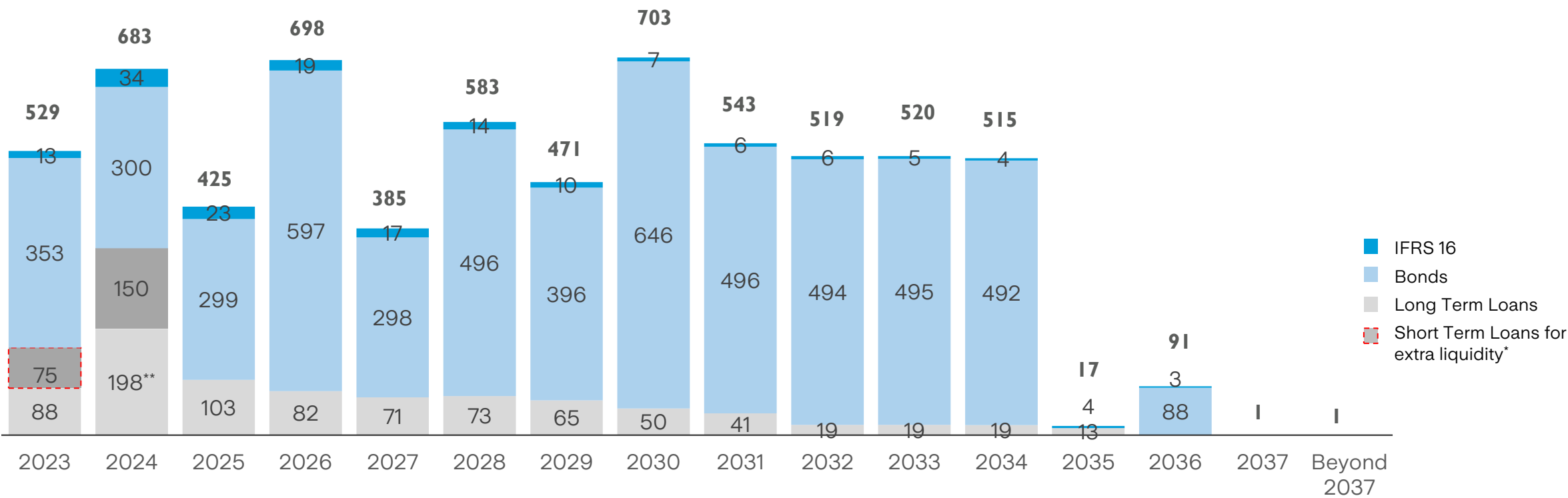
|         |      |          |
|---------|------|----------|
| S&P     | BBB  | Stable   |
| MOODY'S | Baa2 | Negative |

*Sound financial structure against rates volatility*

*September 2023: S&P Outlook from Negative to **Stable***

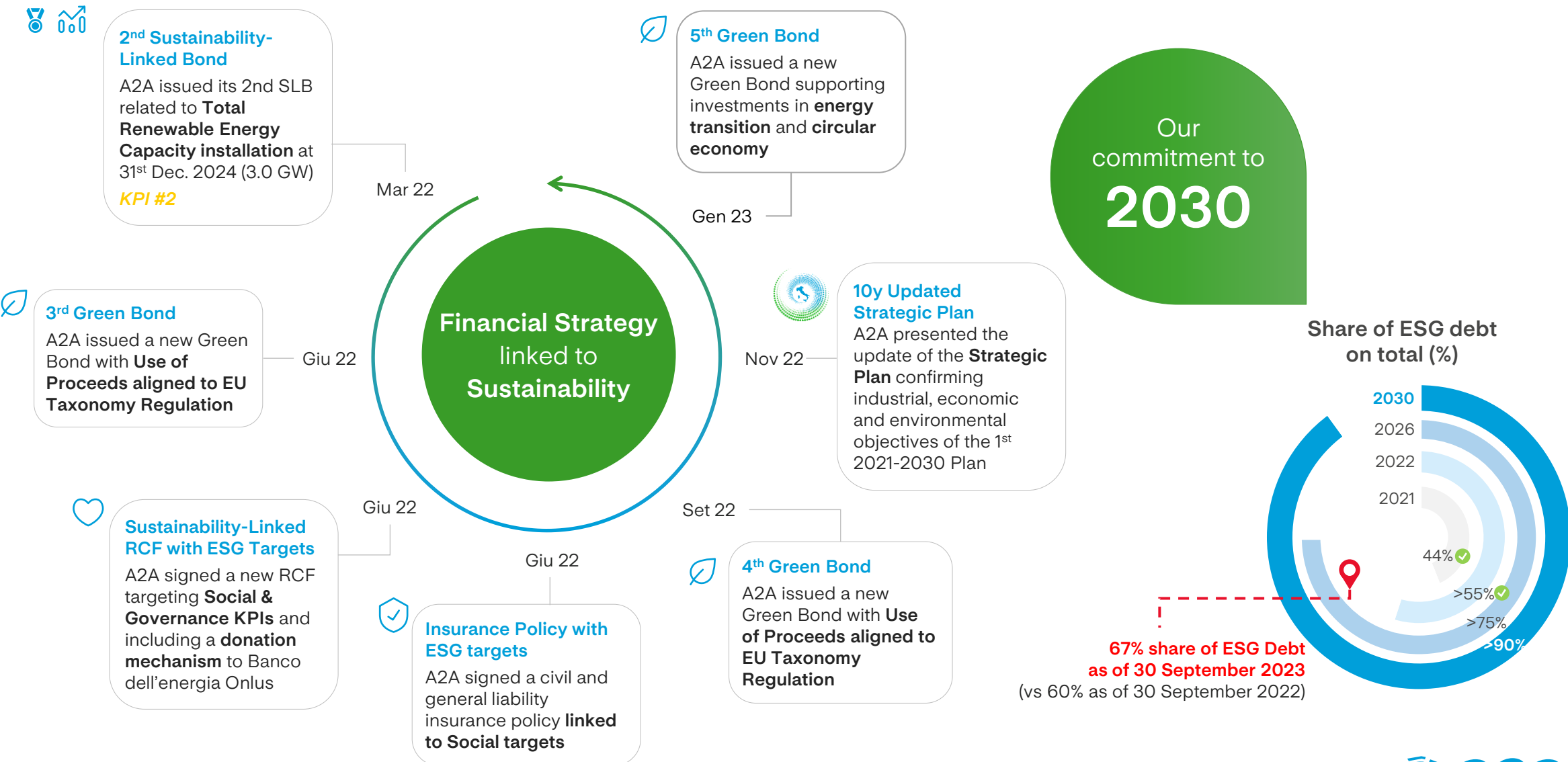
(\*) Financial expenses reported / average gross debt (excluding hot money & RCF)

# Gross debt redemption profile as of 30 September 2023



(\*) Includes: loan <18M tenor (Caixa), committed and uncommitted facilities used by Acinque  
(\*\*) Term Loan BEI-Acinque restated as current portion of Long Term Loans

# Sustainable Finance Highlights



Note: KPI#1 Scope 1 CO<sub>2</sub> 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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