



H1 2023 RESULTS

July 27th, 2023

H1 2023 RESULTS

HIGHLIGHTS

- ESG
- KEY FINANCIALS
- NETWORKS
- WASTE
- ENERGY
- MARKET
- EBITDA - NET PROFIT
- NFP
- CLOSING REMARKS



Strong EBITDA performance (+8% yoy), driven mainly by the recovery of the Market BU's profitability and by higher hydro margins; high visibility on FY targets



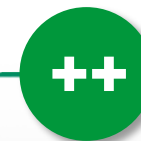
Organic growth in regulated businesses partially offset by persistent inflation impact on cost structure



Full contribution from the effective integration of our Collection operations in Tuscany



NWC evolution in line with guidance; impact of temporary factors to be almost fully reabsorbed in H2



Continuous commitment on industrial development with technical capex +5% yoy in line with business plan targets

ANNEXES

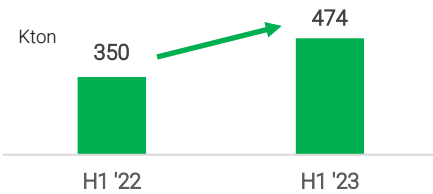


ON TRACK ON ALL SUSTAINABILITY KEY INDICATORS

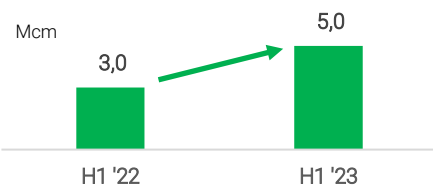


Green transition

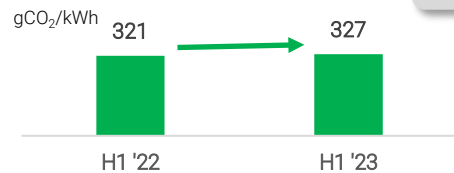
Material recovery in Iren's plants **On track** ✓



Biomethane from waste **On track** ✓

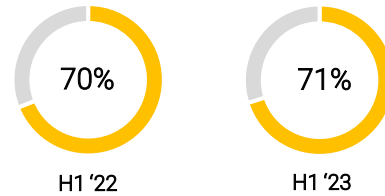


Carbon Intensity **On track by year-end** ✓

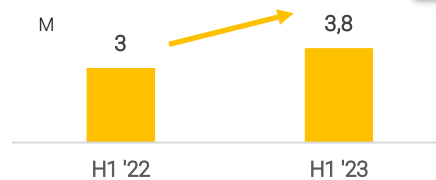


Local presence

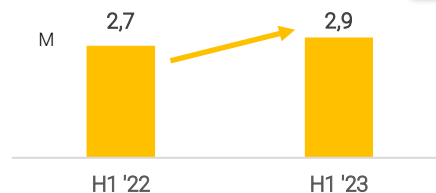
Sorted waste collection **On track** ✓



Inhabitants served in waste collection **On track** ✓

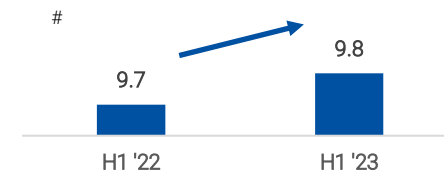


Inhabitants served in water services **On track** ✓

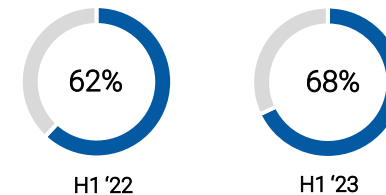


Service quality

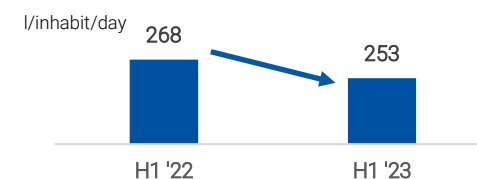
Stores' Customer Satisfaction Index **On track** ✓



Districtization activities on water cycle **On track** ✓



Water withdrawals **On track** ✓



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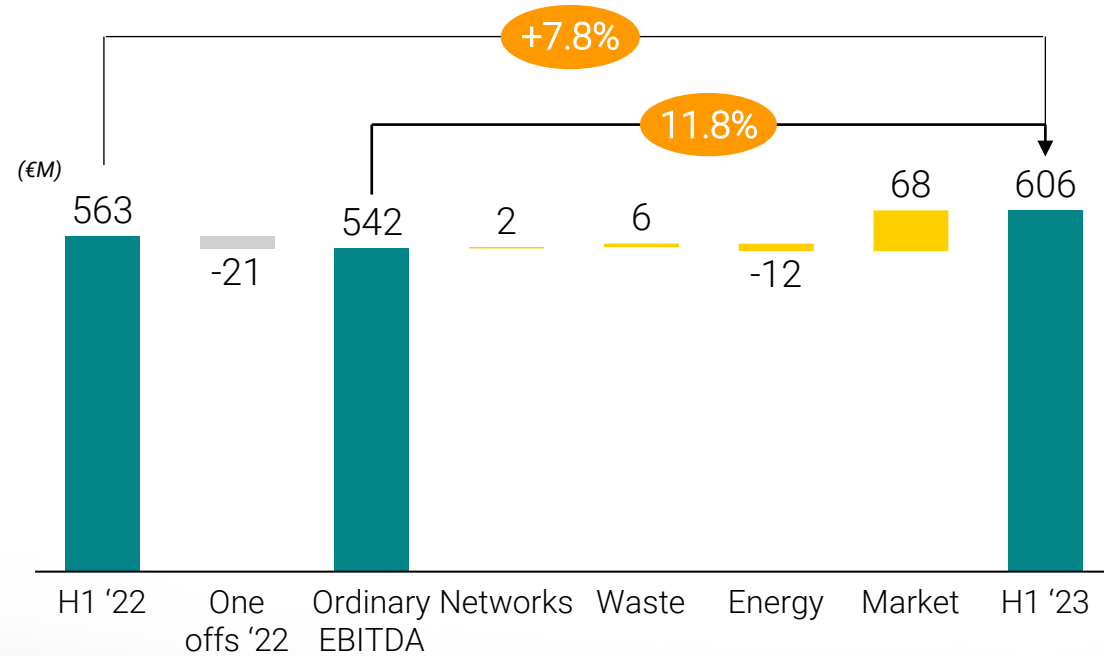


EBITDA GROWTH SUPPORTED BY MARKET PROFITABILITY RECOVERY

€M

	H1 '22	H1 '23	Δ	Δ%
Revenues	3,712	3,214	-497	-13.4%
EBITDA	563	606	44	7.8%
EBIT	282	248	-33	-11.8%
EBIT Adj.**	282	282	-	0.2%
Group net profit	137	143	6	4.2%
Technical capex***	338	356	18	5.3%
Net Financial Position	3,347*	3,920	573	17.1%

EBITDA EVOLUTION



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Positives

- Market BU profitability recovery
- Higher hydroelectric prices and volumes
- Full contribution from effective integration of collection operations in Tuscany



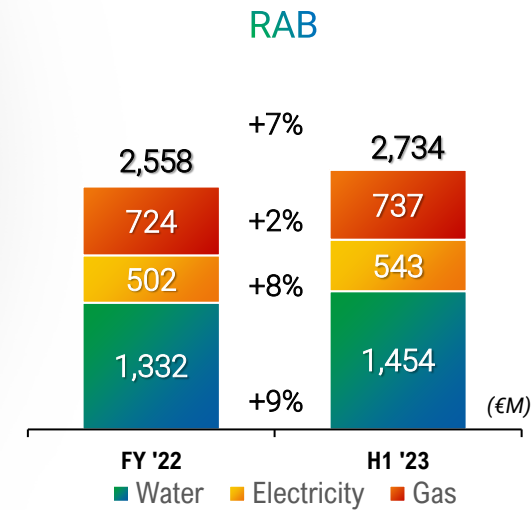
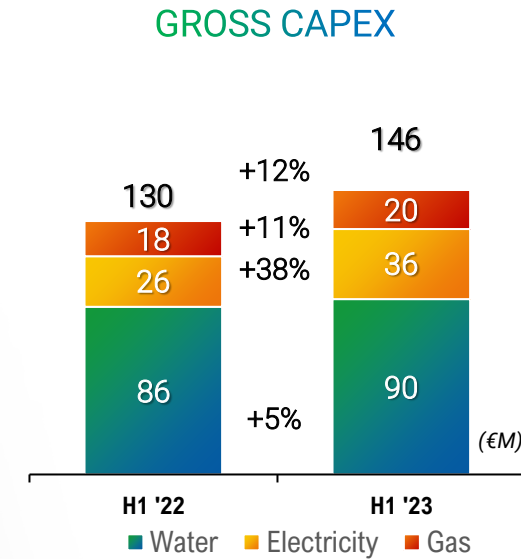
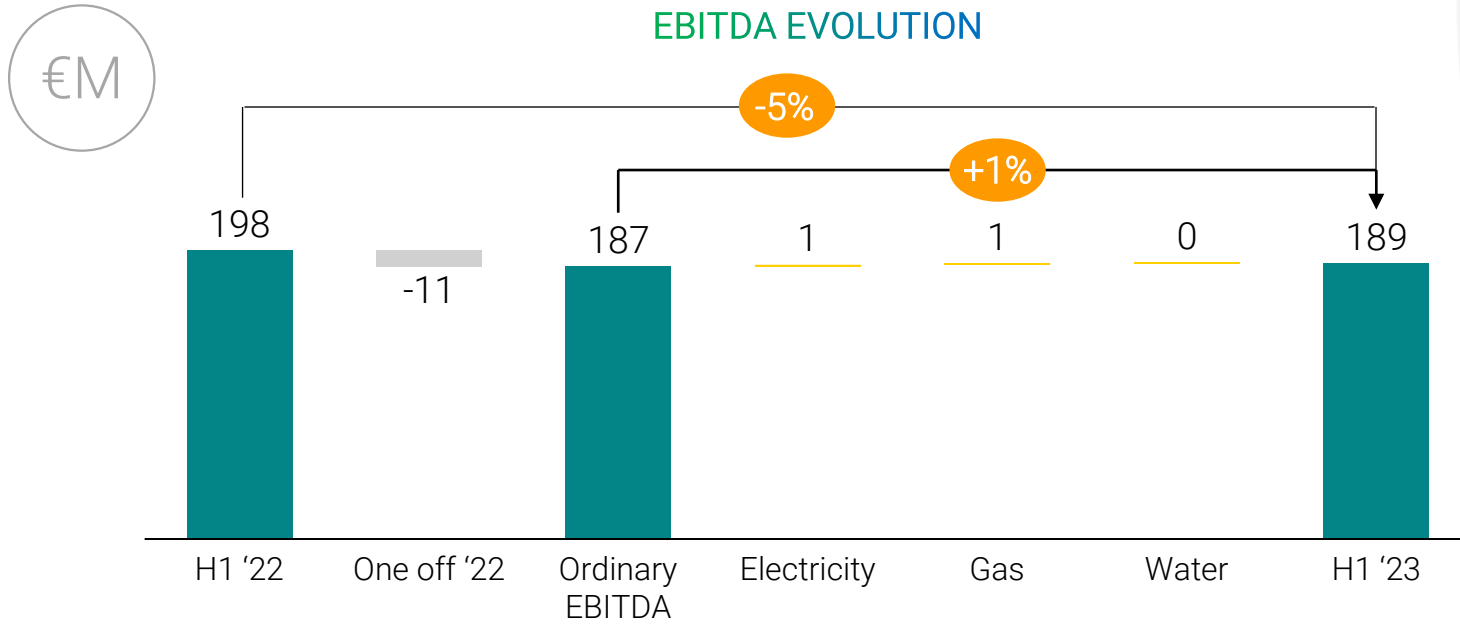
Challenges

- Lower Heat volumes and margins normalization
- Strong MSD reduction
- Inflation impact on regulated businesses' cost structure

* FY 2022 Data

** Adjusted for provisions related to Italian Government's clawback decree on renewable prices (34€M)

*** Total investments, including M&A and other, at 563€M (-24% vs H1 2022)



- Higher regulated tariffs (+12€M) thanks to investments made in PY
- Persistent severe inflation scenario affecting operational costs (~-10€M)
- Strong investment path in Electricity (+38%) in line with BP targets
- Further consolidations in Water in Liguria and Sicily

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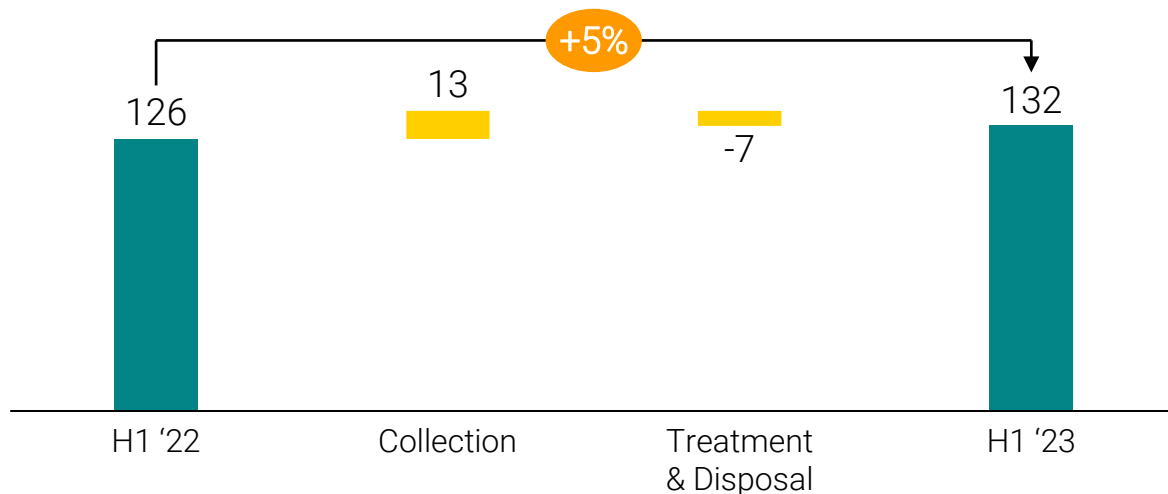
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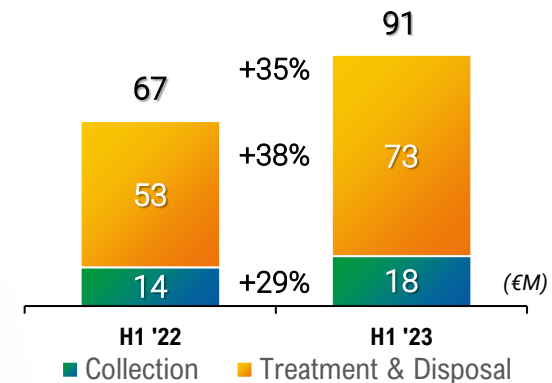
€M

EBITDA EVOLUTION

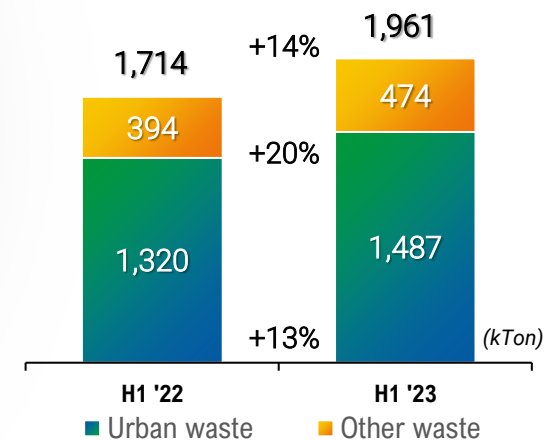


- Strong Collection business performance mainly driven by **effective integration of operations in Tuscany** (SEI Toscana, fully consolidated since July '22)
- Lower recyclable waste prices and brokerage margins
- Positive contribution from the phase-in of new organic treatment plants more than offset by negative energy scenario
- **+35% of investments** to support the phase-in of new facilities (e.g., latest wood treatment plant in Vercelli)

CAPEX



WASTE MANAGED



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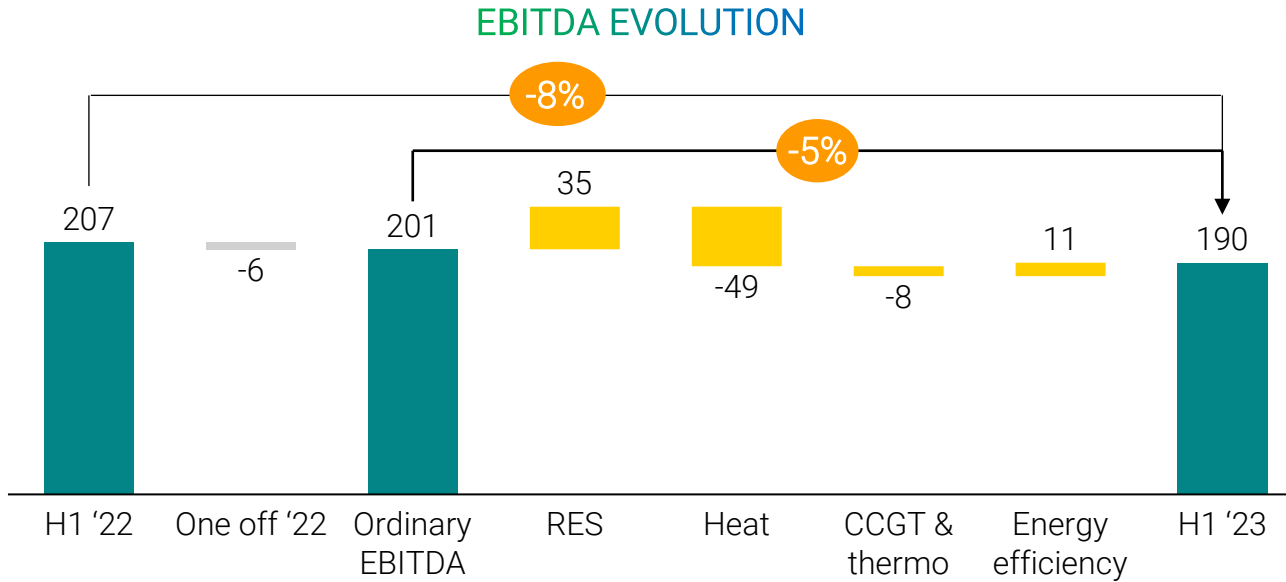
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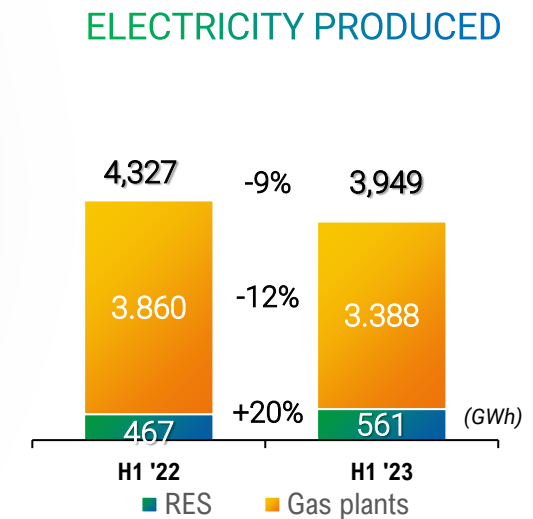
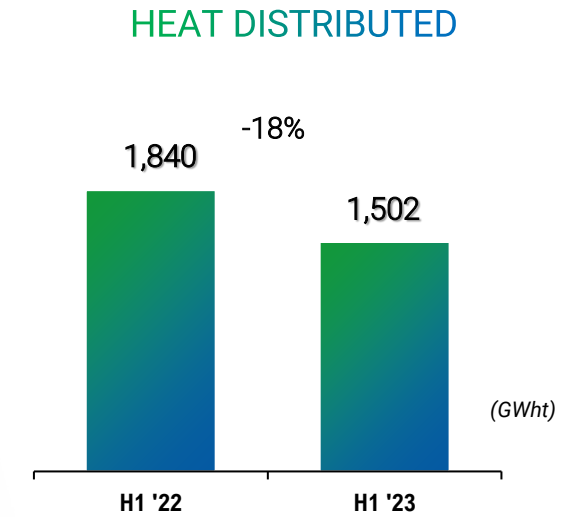
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€M



- RES benefited from higher Hydro volumes (+28% yoy) in combination with higher prices as a result of an effective hedging activity
- Clients' energy saving actions and mild winter temperatures led to a severe reduction in Heat along with a normalization of related margins vs. 2022 exceptional levels
- CCGT & Thermo performance impacted by the national reduction in MSD demand partially offset by a positive clean spark spread; full availability of Turbigio in the 2nd part of the semester
- Continuous robust contribution from Energy Efficiency activities



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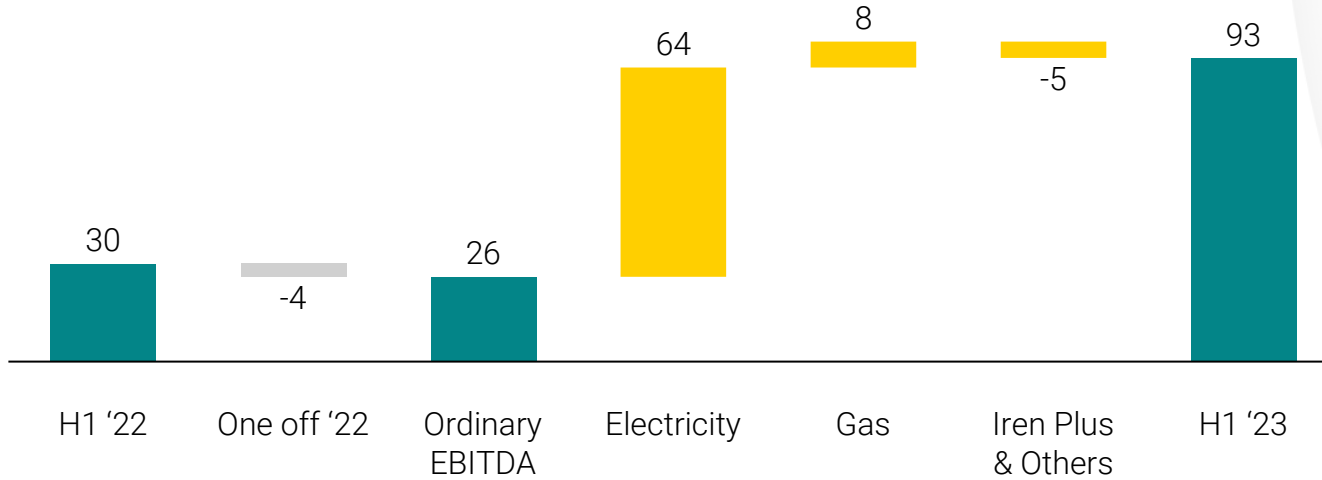
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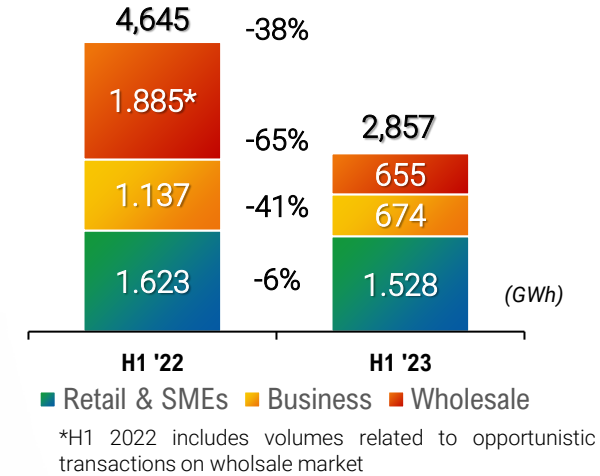


EBITDA EVOLUTION

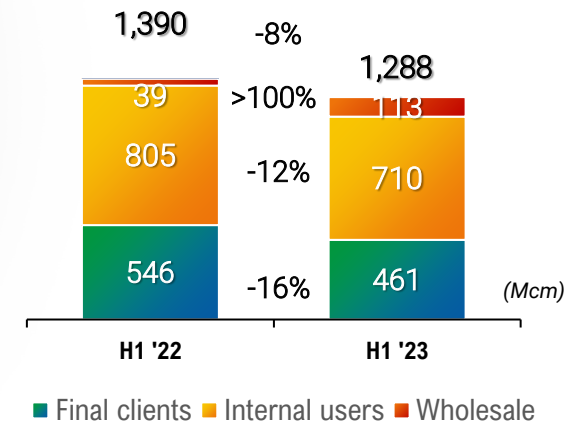


- **Electricity profitability recovery**, also by leveraging declining energy scenario on selected unhedged positions on supply side held to optimize margins (~+25€M)
- Decrease in **electricity volumes** sold linked to strategic decision to increasingly focus on retail rather than business customers to reduce volatility
- Positive **gas** performance despite volumes contraction due to mild winter temperatures and severe demand reduction (as already experienced in Q1 2023)

ELECTRICITY SOLD



GAS SOLD



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EBITDA TO GROUP NET PROFIT RECONCILIATION



	H1 '22	H1 '23	Δ	Δ%
EBITDA	563	606	42	7.8%
<i>D&A</i>	-253	-287		
<i>Provisions to bad debt</i>	-36	-36		
<i>Other provisions and write-downs</i>	7	-36		
EBIT	282	248	-33	-11.8%
EBIT Adj.	282	282	1	0.2%
<i>Financial charges</i>	-33	-41		
<i>Companies consolidated at equity method</i>	6	2		
<i>Others</i>	6	4		
EBT	261	214	-47	-17.9%
<i>Taxes</i>	-104	-56		
<i>Minorities</i>	-19	-15		
Group net profit	137	143	6	4.2%



- Depreciation increase linked to new companies' integrations and industrial investments made in the period
- Provisions affected by **Italian Government clawback decree on renewable prices**: 14€M related to 2022 and 20€M to 2023
- Cost of debt at 1.8% (vs 1.6% in 2022)
- Tax rate at 26.2% benefiting from newly introduced tax credits for 2023 (for high energy consuming companies)
- H1 '22 taxes impacted for extraordinary 30€M (Contributo di solidarietà)

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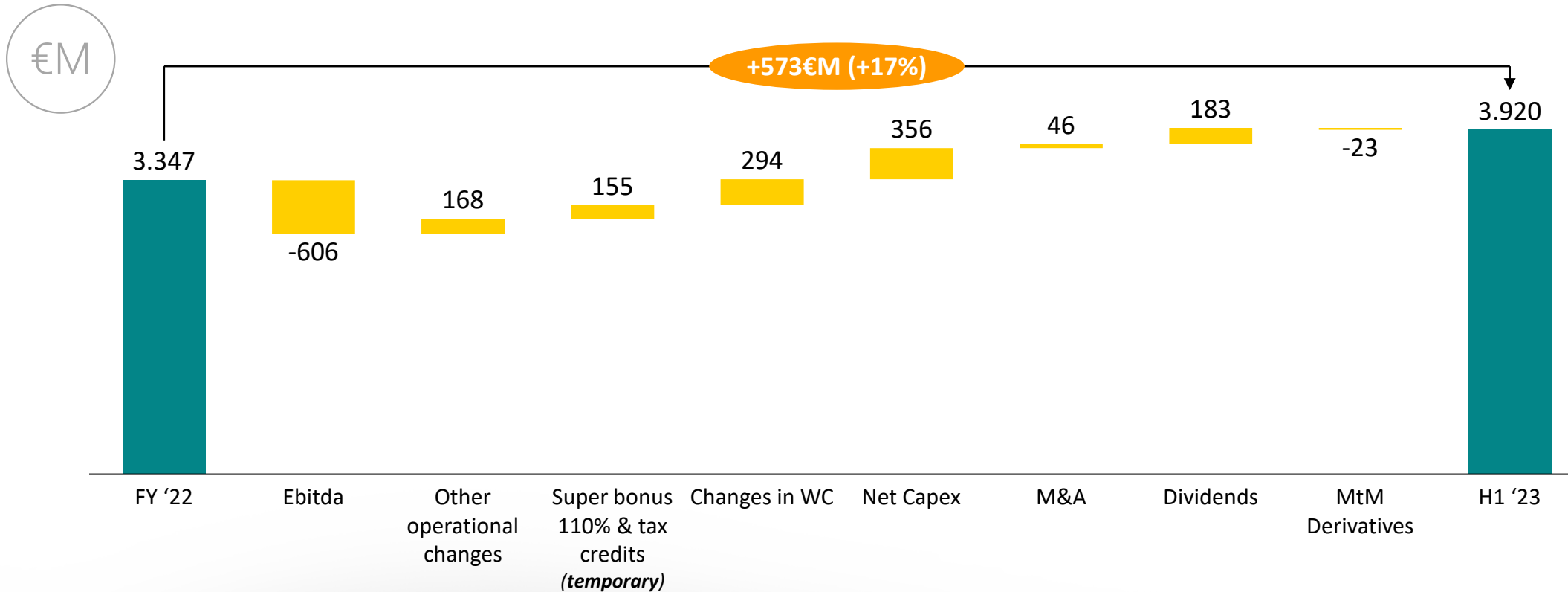
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NET FINANCIAL POSITION EVOLUTION (H1 2023 VS FY2022)



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NWC expected to reabsorb by year-end (mainly in Q4) ~100€M of temporary factors affecting the semester, through:

- Gradual normalization of gas payment terms with energy suppliers (100% of contracts for new winter season secured)
- Acceleration of cash-in of Superbonus 110% tax credits; agreements with several financial institutions already in place

Sale of minority stake in gas distribution networks: binding offers expected by the end of July with closing targeted by year-end

EBITDA
+10%
vs. FY 2022

TOTAL INVESTMENTS
~1.3€B*

NFP/EBITDA
~3.3x



Positive

- Effective management of our hedging strategy combined with a favorable energy scenario
- Higher Hydro production
- Full availability of thermoelectric plant

- Continuous robust investments' growth

- Proven financial discipline underpinning strong commitment to maintain leverage targets



Challenges

- MSD reduction

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* Includes third party investments, contributions and M&A

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H1 2023 BUSINESS UNITS' RESULTS

NETWORKS

	€M	H1 '22	H1 '23	Δ	Δ%
Revenues		528	545	17	3%
Ebitda		198	189	-9	-5%
<i>Electricity</i>		37	41	4	10%
<i>Gas</i>		41	41	0	0%
<i>Water</i>		120	107	-13	-11%
Ebit		99	85	-14	-15%
Gross Capex		130	146	16	12%

ENERGY

	€M	H1 '22	H1 '23	Δ	Δ%
Revenues		2,139	1,600	-539	-25%
Ebitda		207	190	-17	-8%
<i>Hydro&Renewables</i>		16	51	35	(*)
<i>Thermo/Coge, DH</i>		171	108	-63	-37%
<i>Energy efficiency</i>		20	31	11	55%
Ebit		143	73	-70	-49%
Gross Capex		64	42	-22	-35%

WASTE

	€M	H1 '22	H1 '23	Δ	Δ%
Revenues		486	595	109	22%
Ebitda		126	132	6	5%
<i>Collection</i>		25	38	13	52%
<i>Treatment & disposal</i>		101	94	-7	-7%
Ebit		63	54	-9	-15%
Gross Capex		67	91	24	35%

MARKET

	€M	H1 '22	H1 '23	Δ	Δ%
Revenues		2,635	2,128	-507	-19%
Ebitda		30	93	63	(*)
<i>Electricity</i>		-31	33	64	(*)
<i>Gas</i>		54	58	4	8%
<i>Iren Plus & others</i>		7	2	-5	-64%
Ebit		-25	36	61	(*)
Gross Capex		46	43	-3	-6%

(*) Variation greater than 100%

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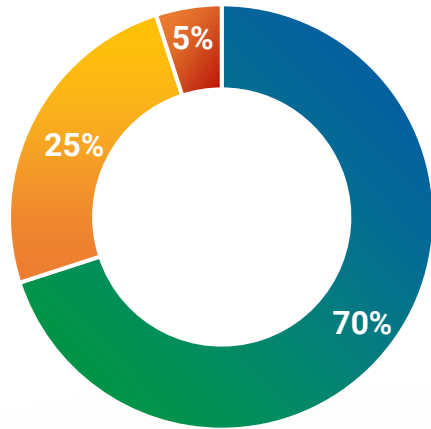
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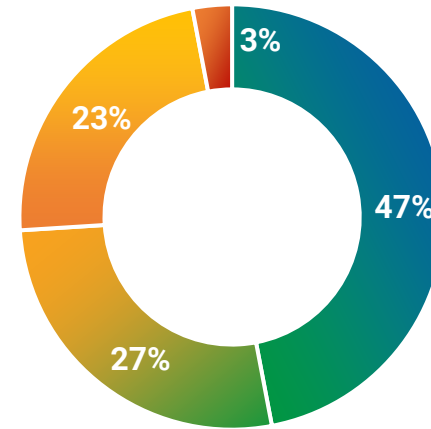
A SOUND AND SUSTAINABLE DEBT STRUCTURE

INTEREST RATE



■ Fixed ■ Fixed-rate swap ■ Variable

DEBT STRUCTURE



■ Green Bond ■ EIB-CEB ESG Loans ■ Bonds ■ Loans

95%

Fixed rate debt

4.8 years

Average duration

1.8%

Average cost

74%

Sustainable debt

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	H1 '22	H1 '23	Δ%
Electricity distributed (GWh)	1,821	1,756	-4%
Gas distributed (mcm)	714	601	-16%
Water distributed (mcm)	84	87	+4%
Waste collected (Kton)	821	1,053	+28%
Waste treated (Kton)	1,308	1,383	+6%
WTE's electricity sold (GWh)	240	243	+1%
WTE's heat distributed (GWht)	203	193	-5%
Renewables production (GWh)	466	561	+20%
<i>Hydro production (GWh)</i>	361	463	+28%
<i>Solar production (GWh)</i>	105	98	-7%

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	H1 '22	H1 '23	Δ%
PSV €/000 scm	103	50	-51%
PUN (€/MWh)	249	136	-45%
CO2 €/Ton	83	87	+5%
Green Cert. Hydro (€/MWh)	42,9	0	n.s.
Clean spark spread (€/MWh)	19.4	-1.6	n.s.

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The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Ms. Anna Tanganelli, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

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Notice is also given that projected data are valid only on the date they are produced. Except for those cases in which the applicable statutes require otherwise, IREN assumes no obligation to provide updates of the abovementioned estimates and projected data.

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