



FY 2023 RESULTS

March 28th, 2024

FY 2023 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

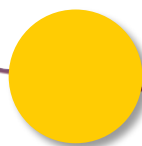
MARKET

EBITDA -
NET PROFIT

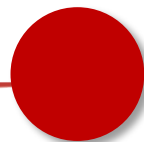
NFP

CLOSING
REMARKS

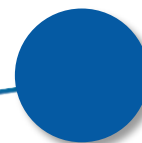
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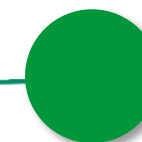
EBITDA growth (+14% YoY), well above the guidance (+10% YoY), driven mainly by the Market BU's profitability and stronger hydro generation



NFP/EBITDA below 3.3x thanks to cash flow generation and net working capital optimization



Capex almost at 1€ billion, expanding our asset-base mainly in regulated businesses



DPS proposed at 0.1188€/share (+8% YoY)

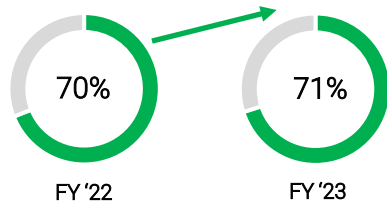
SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE YEAR



Green transition

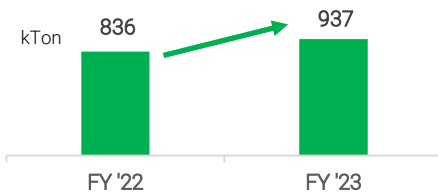
Sorted waste collection

✓✓
Ahead



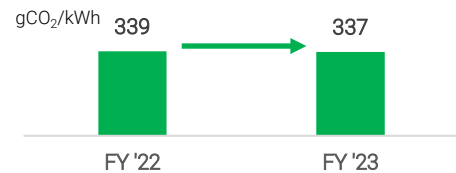
Material recovery from waste

✓
On track



Carbon Intensity

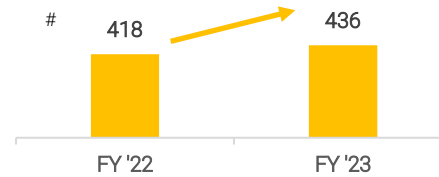
✓
On track



Local presence

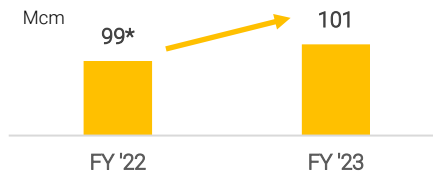
Municipalities served in waste collection

✓✓
Ahead



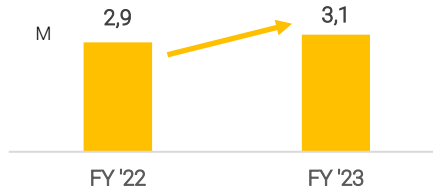
District Heating volumes

✓
On track



Inhabitants served in water services

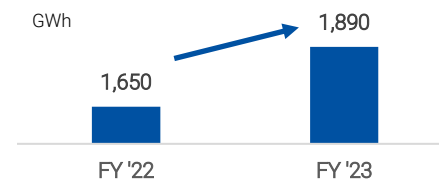
✓
On track



Service quality

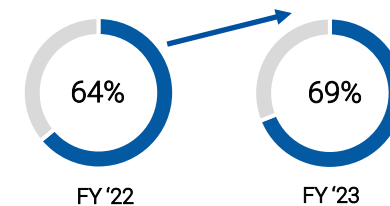
Green energy sale

✓✓✓
Ahead



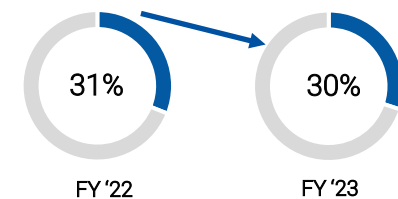
Districtization activities on water cycle

✓✓
Ahead



Water leakages in historical areas

✓
On track



* Data restated, excluding Ansaldo district heating of 2,1 mcm

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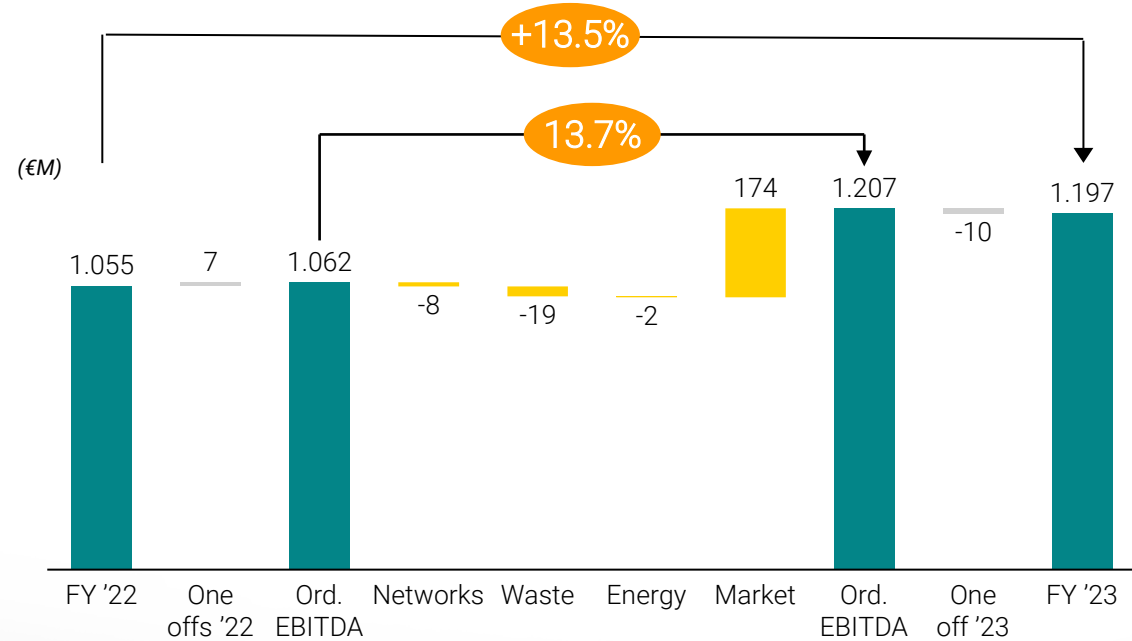


“TRANSITIONAL” BUS’ PROFITABILITY IN A TOUGH ENVIRONMENT



	FY '22	FY '23	Δ	Δ%
Revenues	7,863	6,490	-1,373	-17.5%
EBITDA	1055	1,197	142	13.5%
EBIT	464	465	1	0.2%
EBIT Adj.*	468	506	38	8.1%
Group net profit	226	255	29	12.8%
Technical capex	898	867	-31	-3.5%
Net Financial Position	3,347	3,932	585	17.5%

EBITDA EVOLUTION



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- CLOSING REMARKS



Tailwinds

- Market BU growth leveraging on new commercial strategy
- Higher hydroelectric achieved prices and volumes
- Integration of collection activities in Tuscany and newly consolidated water network in Sicily



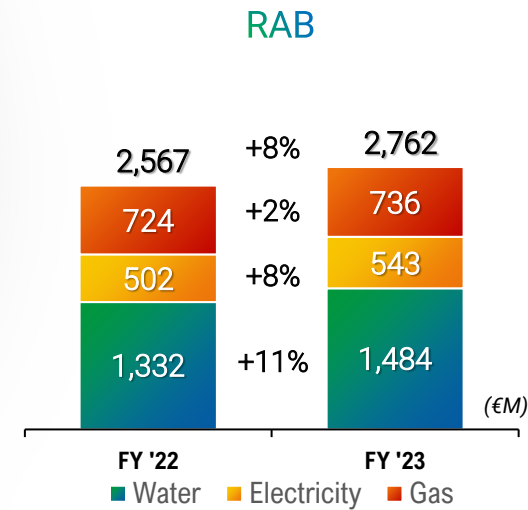
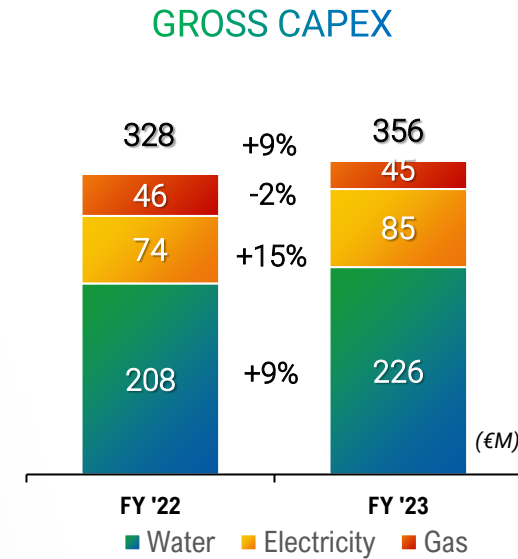
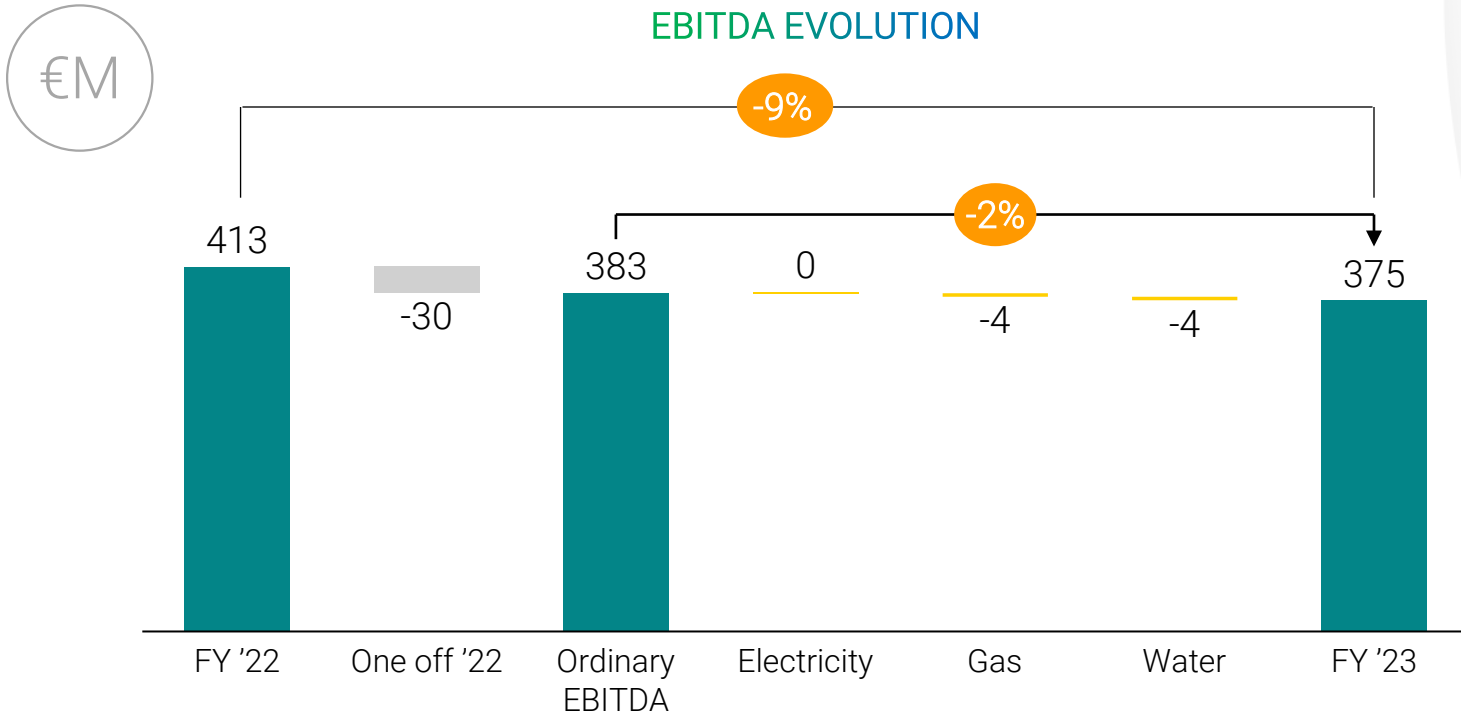
Headwinds

- Strong inflation offsetting growth in regulated activities
- MSD reduction and energy scenario volatility
- Lower waste plants availability

* Adjusted for provisions related to Italian Government's clawback decree on renewable prices (4€M in 2022 and 41€M in 2023)

NETWORKS

Organic growth counterbalanced by persistent inflation impact on opex



- Positive contribution from YoY increase in allowed revenues (+22€M, mainly in water) thanks to investments made in PY
- Persistent severe inflation affecting operational costs (will be recovered in tariffs from 2024)
- Investments in electricity and water in line with BP's targets
- Consolidation in water sector (+7€M): Acquaenna, operating in Sicily

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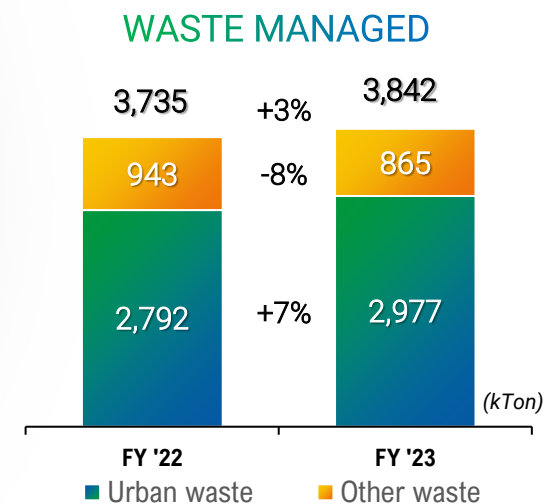
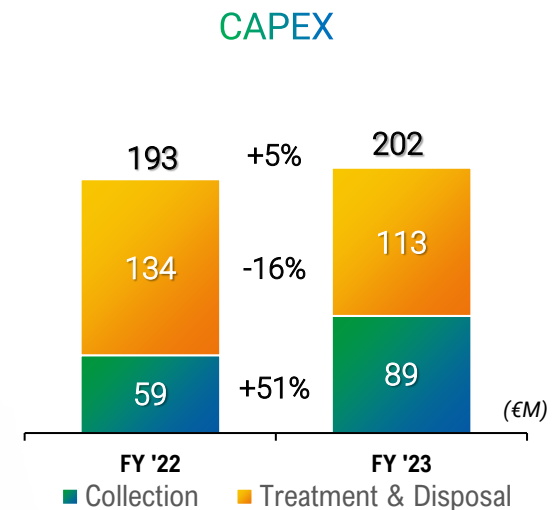
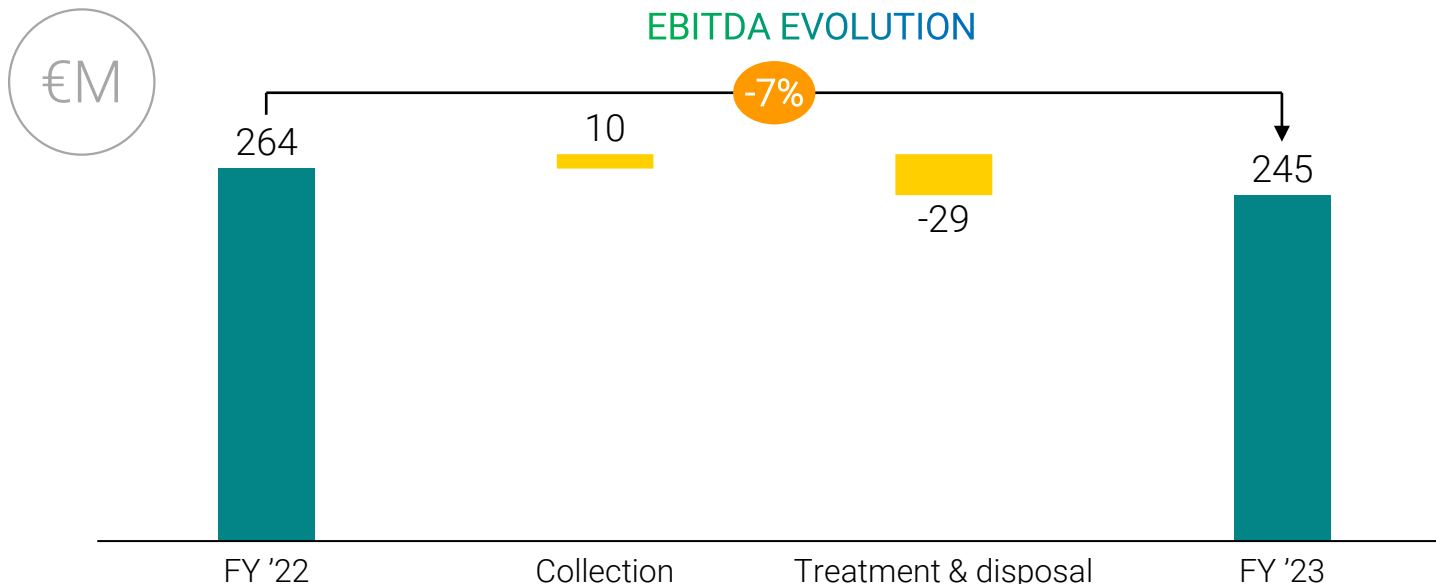
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WASTE

The positive external growth overshadowed by a negative energy scenario



- Positive results in **Collection**, supported by effective integration of SEI Toscana (fully consolidated since July '22)
- **Treatment & Disposal** were down, due to energy scenario and lower contribution from landfills
- Lower plants' availability due to maintenance activities and partial contribution of new plants (FORSU and wood) due to start-up costs and ramp-up activities

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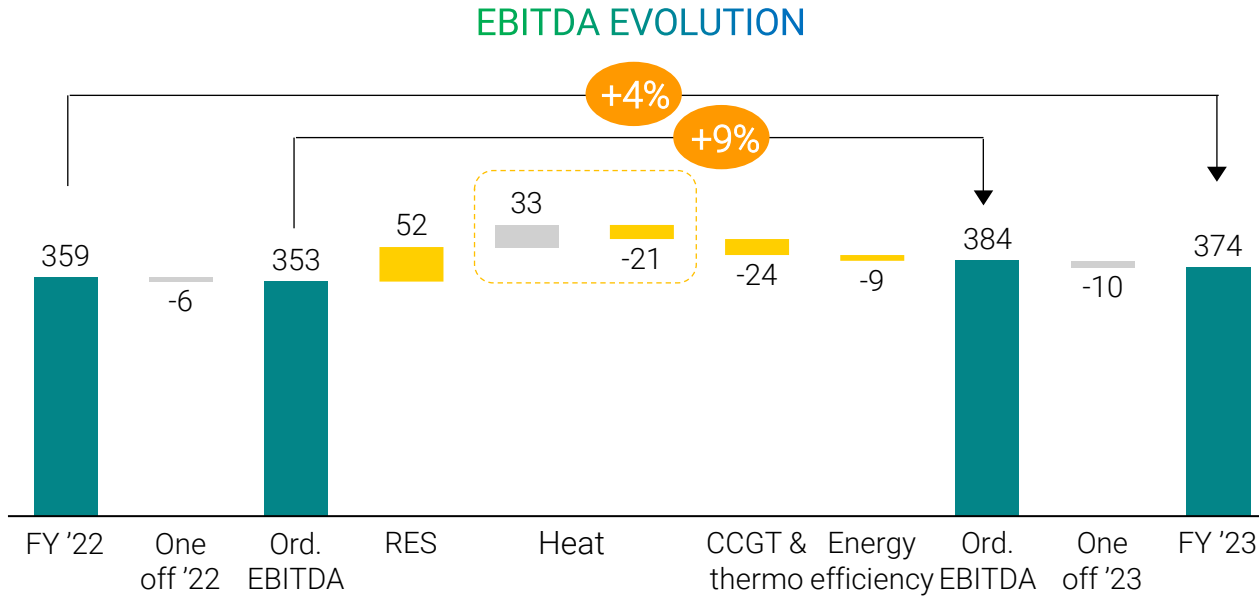
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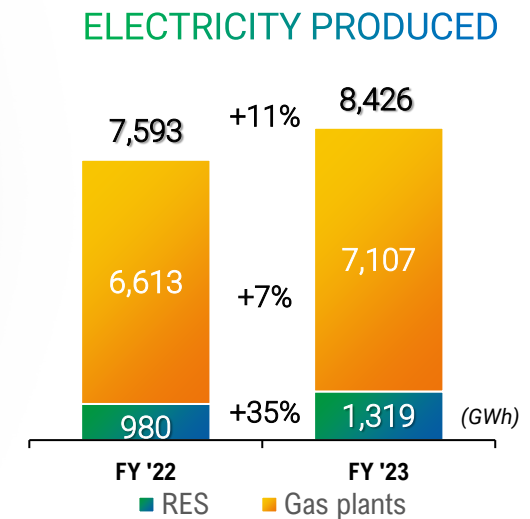
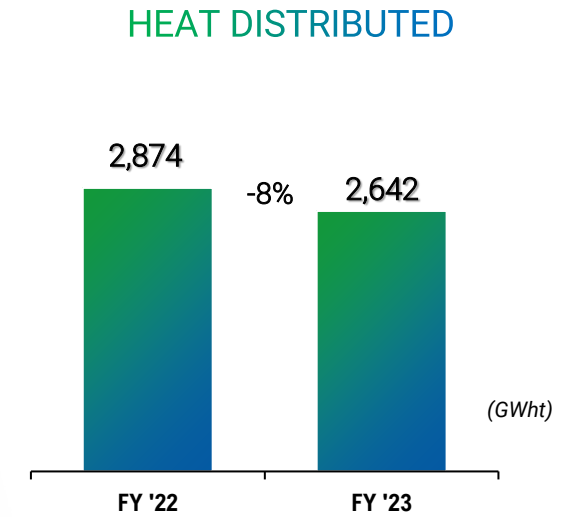
ENERGY

Hydro margins offset by heat and MSD downside trend

€M



- RES benefited from higher Hydro volumes (+42% yoy) combined with higher achieved prices overall, as a result of an effective hedging activity
- Recovery in Heat margins (2022 affected by changing in derivatives index Pfor for 33€M) and lower volumes driven by energy savings and warmer temperatures
- CCGT & Thermo performance impacted by the reduction in MSD (31€M vs 63€M in '22)
- Energy efficiency's slowdown due to lower profitability of rebuilding activities



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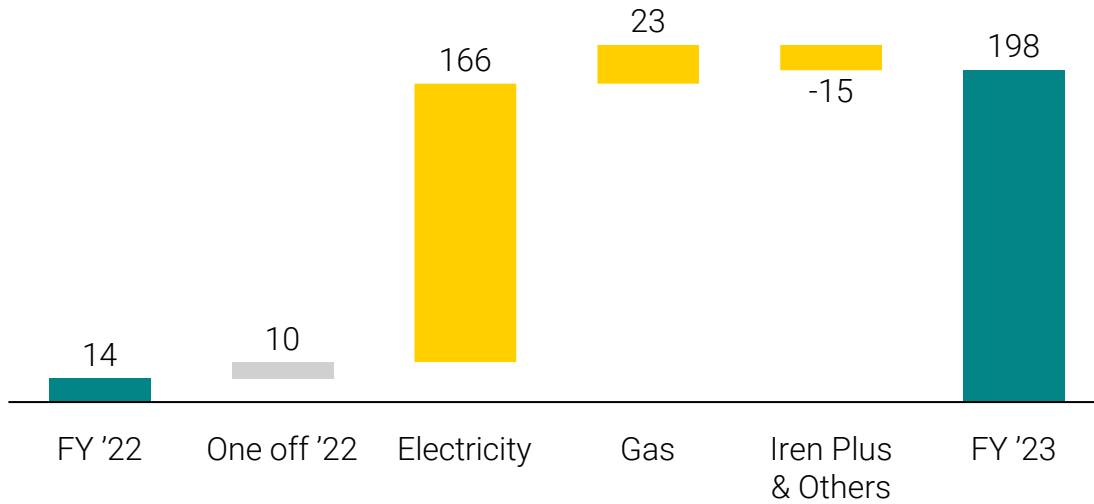


MARKET

Growth leveraging on new commercial strategy

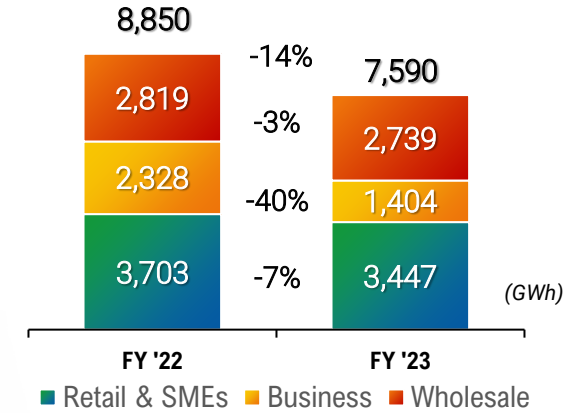
€M

EBITDA EVOLUTION

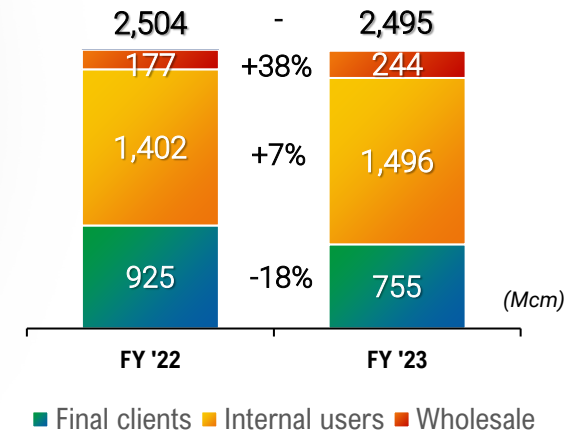


- Full value recovery of the **electricity portfolio** also impacted by an effective commercial campaign
- Decline in **electricity volumes** mainly in business segment due to a tactical repositioning
- Positive **gas** performance despite volumes contraction
- Slowdown in Iren Plus product sales led by the end of Superbonus incentives

ELECTRICITY SOLD



GAS SOLD



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EBITDA TO GROUP NET PROFIT RECONCILIATION



	FY '22	FY '23	Δ	Δ%
EBITDA	1055	1197	142	13.5%
<i>D&A</i>	-523	-601		
<i>Provisions to bad debt</i>	-63	-71		
<i>Other provisions and write-downs*</i>	-5	-60		
EBIT	464	465	1	0.2%
EBIT Adj.	468	506	38	8.1%
<i>Financial charges</i>	-70	-89		
<i>Companies consolidated at equity method</i>	12	7		
<i>Others</i>	-7	-4		
EBT	399	379	-20	-5.0%
<i>Taxes**</i>	-129	-97		
<i>Minorities</i>	-44	-27		
Group net profit	226	255	29	12.8%
Group net profit adj.	256	284	28	10.9%

- Depreciation increase linked to new companies' integrations and industrial investments made in the period
- Higher provisions affected by **Italian Government clawback decree on renewable prices (+€37M vs 2022)**
- Cost of debt at 1.8% (vs 1.6% in 2022)
- Tax rate at 25.6% benefiting from newly introduced tax credits for 2023 for high energy consuming companies

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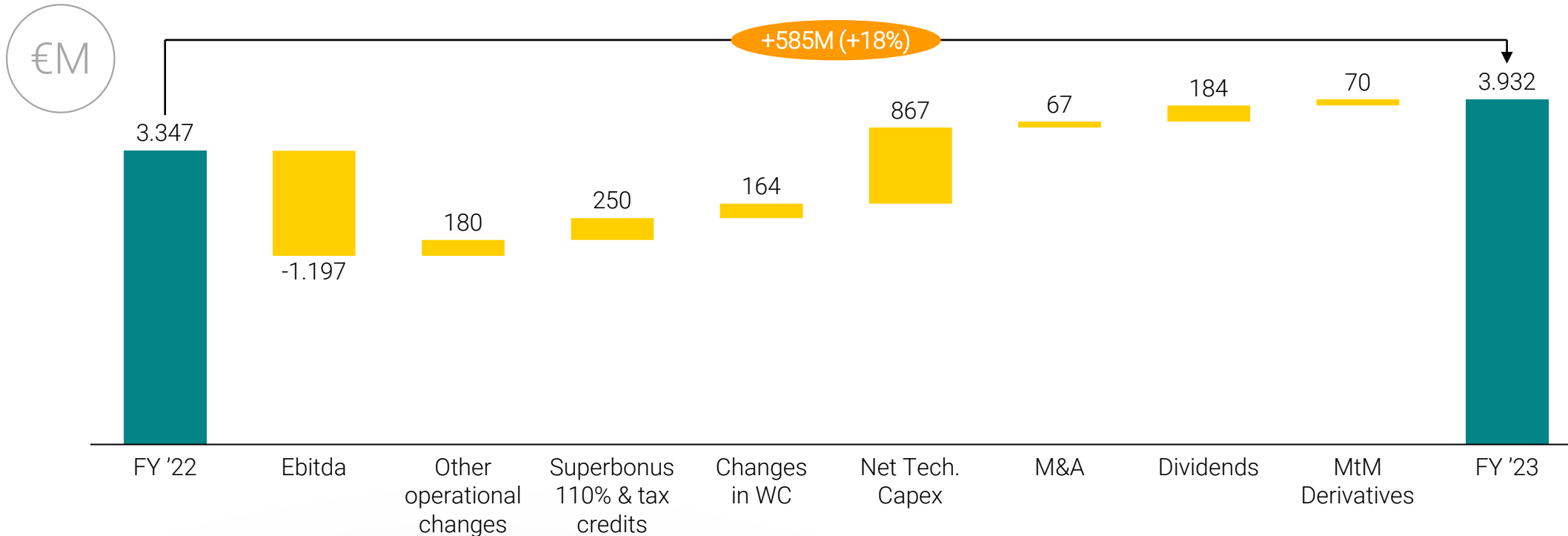
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*Includes 4€M related to provisions on clawback in 2022 and 41€M related to provisions on clawback in 2023

**FY '22 taxes impacted for extraordinary 27€M (Contributo di solidarietà)

NET FINANCIAL POSITION EVOLUTION (FY2023 VS FY2022)



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NFP substantially in line with 9M '23, mainly thanks to:

- NWC reduction through the normalization of gas payment terms with energy suppliers (restored conditions as before gas market tensions) starting from October
- Cash flow generation that offset the NWC increase due to tariffs credits in water networks and the shift from tariff to fee for waste collection
- Higher energy efficiency credits due to strong investments, despite the partial reduction thanks to the credit sale to financial institutions carried out in 2023

CLOSING REMARKS

Guidance
2024

- Increased EBITDA in a range of 1.220/1.230M€
- Gross Investments (excluding incentives) around 1B€
- NFP/EBITDA: ~3.3x

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FY 2023 BUSINESS UNITS' RESULTS

NETWORKS

	€M	FY '22	FY '23	Δ	Δ%
Revenues		1.130	1.151	21	2%
Ebitda		413	375	-38	-9%
<i>Electricity</i>		79	73	-6	-8%
<i>Gas</i>		86	82	-4	-5%
<i>Water</i>		248	220	-28	-11%
Ebit		210	153	-57	-27%
Gross Capex		328	356	28	9%

ENERGY

	€M	FY '22	FY '23	Δ	Δ%
Revenues		4,394	3,215	-1179	-27%
Ebitda		359	374	15	4%
<i>Hydro&Renewables</i>		88	140	52	59%
<i>Thermo/Coge, DH</i>		228	200	-28	-12%
<i>Energy eff. & others</i>		43	34	-9	-21%
Ebit		224	161	-63	-28%
Gross Capex		225	130	-95	-42%

WASTE

	€M	FY '22	FY '23	Δ	Δ%
Revenues		1.089	1193	104	10%
Ebitda		264	245	-19	-7%
<i>Collection</i>		59	69	10	18%
<i>Treatment & disposal</i>		205	176	-29	-14%
Ebit		123	75	-48	-39%
Gross Capex		193	202	9	5%

MARKET

	€M	FY '22	FY '23	Δ	Δ%
Revenues		5.396	4.090	-1306	-24%
Ebitda		14	198	184	(*)
<i>Electricity</i>		-102	64	166	(*)
<i>Gas</i>		99	132	33	33%
<i>Iren Plus & others</i>		17	2	-15	-88%
Ebit		-95	73	168	(*)
Gross Capex		79	86	7	9%

(*) Variation greater than 100%

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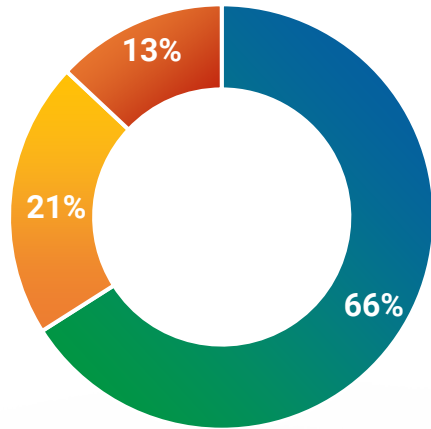
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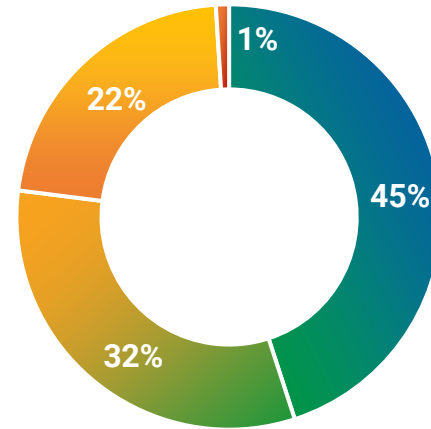
A SOUND AND SUSTAINABLE DEBT STRUCTURE

INTEREST RATE



■ Fixed ■ Fixed-rate swap ■ Variable

DEBT STRUCTURE



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

87%

Fixed rate debt

4.6 years

Average duration

1.8%

Average cost

77%

Sustainable debt

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	FY '22	FY '23	Δ%
Electricity distributed (GWh)	3,687	3,556	-4%
Gas distributed (mcm)	1,124	1,031	-8%
Water distributed (mcm)	170	179	+6%
Waste collected (Kton)	1,865	2,146	+15%
Waste treated (Kton)	2,622	2,717	+4%
WTE's electricity sold (GWh)	518	508	-2%
WTE's heat produced (GWht)	336	322	-4%
Renewables production (GWh)	980	1,319	+35%
<i>Hydro production (GWh)</i>	772	1,096	+42%
<i>Solar production (GWh)</i>	207	224	+8%

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	FY '22	FY '23	Δ%
PSV €/000 scm	129	45	-65%
PUN (€/MWh)	303	127	-58%
CO2 €/Ton	81	84	+4%
Green Cert. Hydro (€/MWh)	42,9	0	n.s.
Clean spark spread (€/MWh)	22.5	-0.1	n.s.

ANNEXES



The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Mr. Giovanni Gazza, 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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