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A FOCUSED  
DISCIPLINED  
GROWTH

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business plan at 2030

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INVESTOR DAY 2024

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INVESTOR DAY 2024

● STRATEGY

● ACTION PLAN

● FINANCIALS

● ANNEXES



INVESTOR DAY 2024

● STRATEGY

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● ANNEXES

# An updated plan to seize new opportunities

- EGEA acquisition
- Increased visibility of returns in regulated activities
- Investment portfolio optimization





# A new capital allocation to support the strategic vision



## ◎ CAPITAL ALLOCATION REVIEW

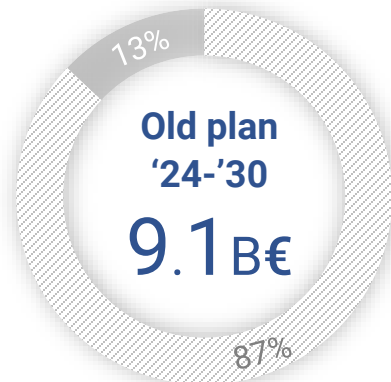
- 1) Reallocation of **investments** with a selective approach to profitability
- 2) **Financial discipline** aimed at maintaining current rating levels
- 3) Extended visibility of **dividend policy** during the plan

# Prioritizing organic investments in regulated activities...

## CAPEX '24-'30



■ organic ■ inorganic

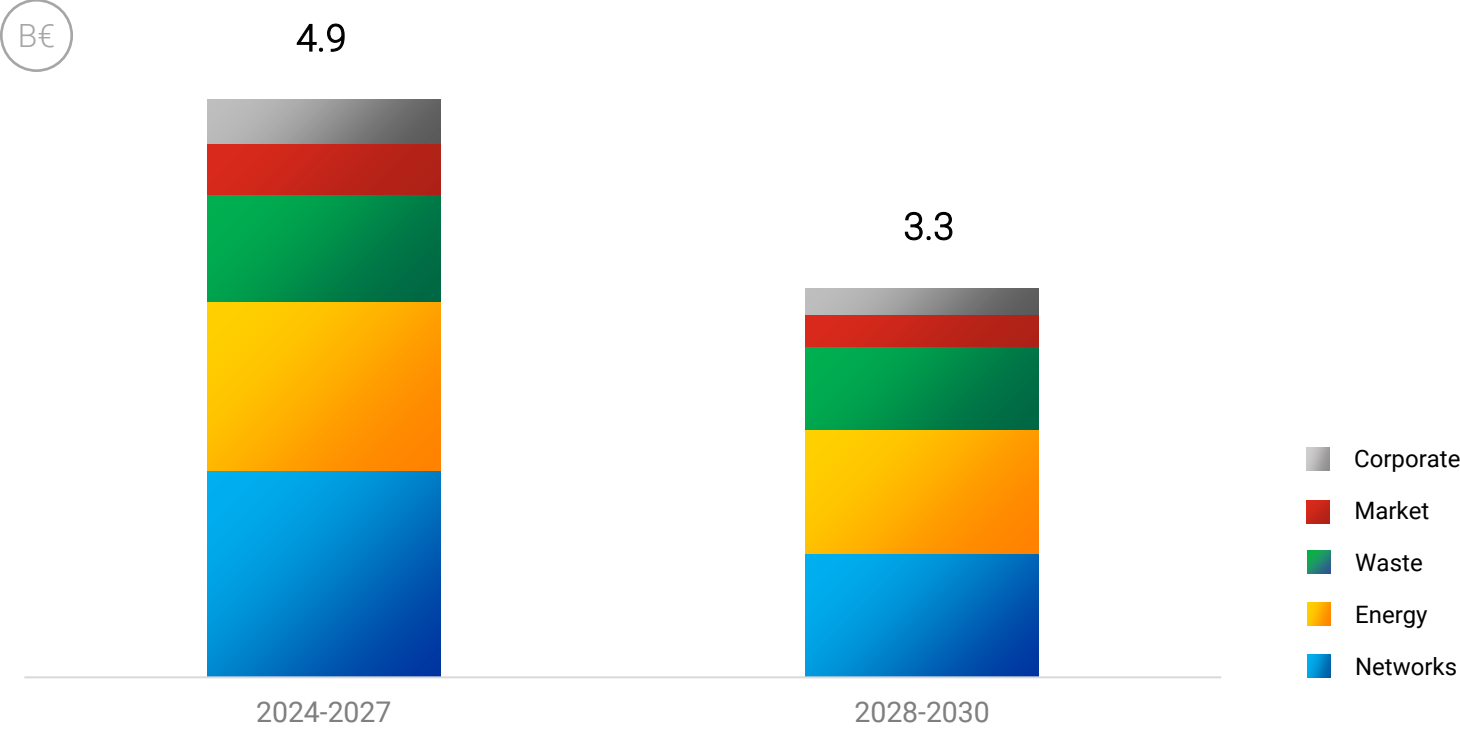
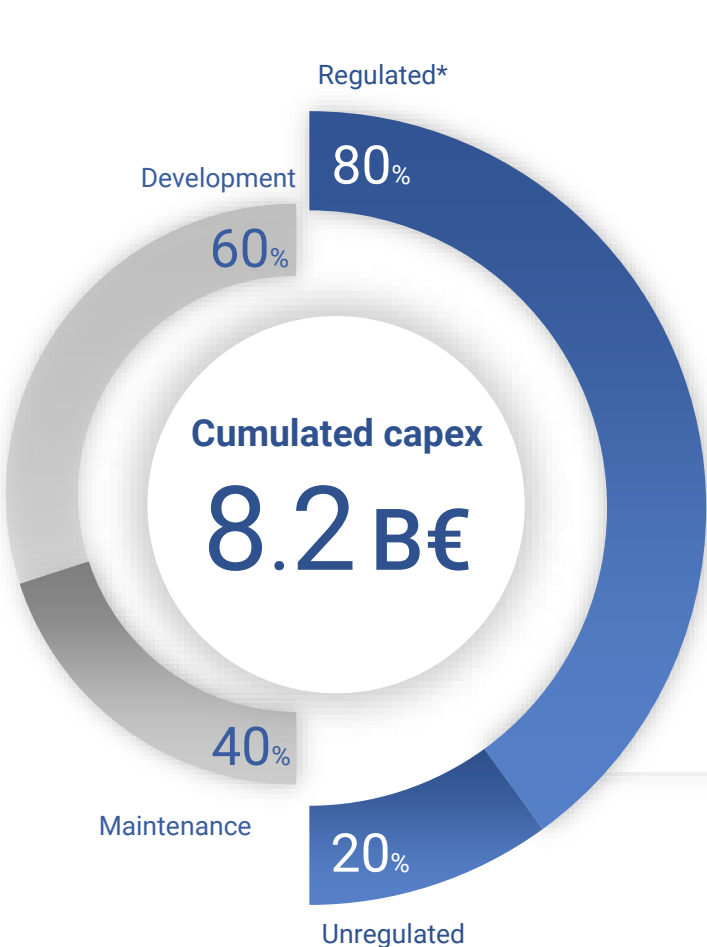


▨ organic ■ inorganic

### ◎ MAIN CHANGES VS. OLD PLAN

- 1) Investments refocusing
- 2) Increased investment in organic growth of regulated businesses
- 3) Investments in renewables supported by incentives
- 4) Rescheduling of waste development plants
- 5) Inorganic investments reduction. 85% of planned projects already identified (EGEA and Sienambiente)

# ...we reallocate investments for a sound and visible plan



● **LOW EXECUTION RISK**

● **HIGH PREDICTABILITY OF RESULTS**

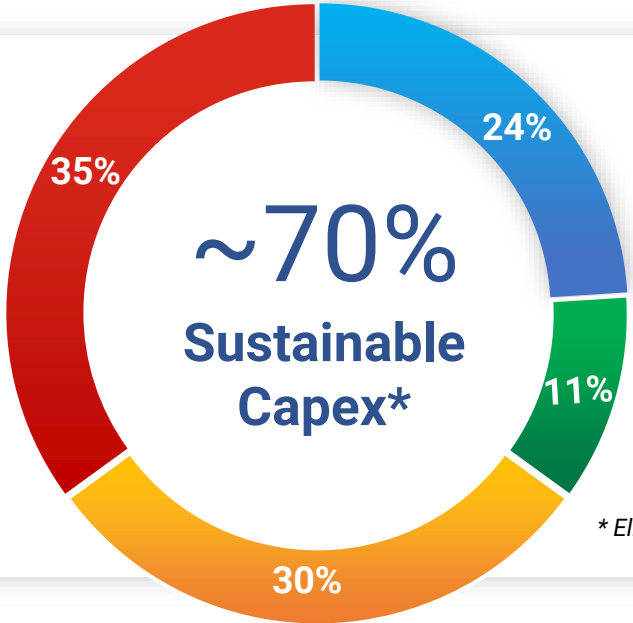
● **HIGH FLEXIBILITY**

\*Including incentives and PPAs on RES

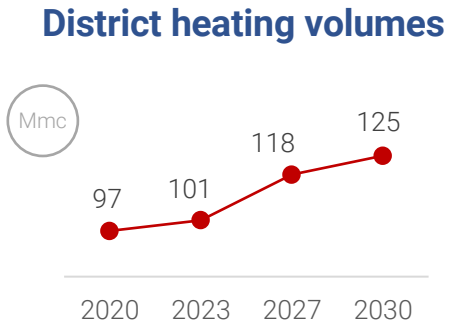
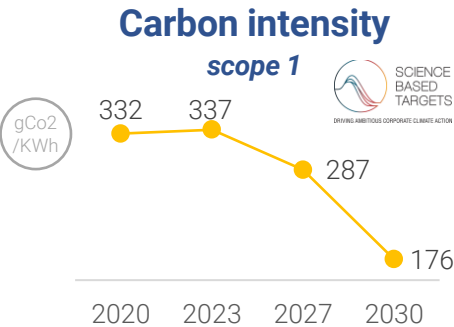
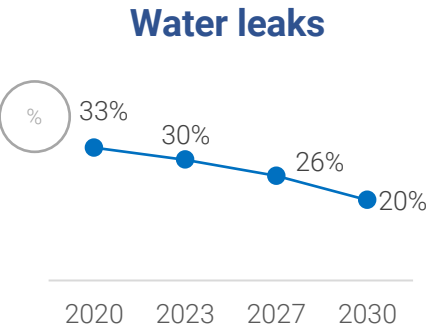
# Sustainability drives future investments

5 SUSTAINABILITY FOCUS AREAS  
DECLINE OUR INDUSTRIAL STRATEGY,  
IN LINE WITH THE CSRD

- Water resources
- Circular economy
- Decarbonization
- Resilient cities



\* Eligible for EU Taxonomy

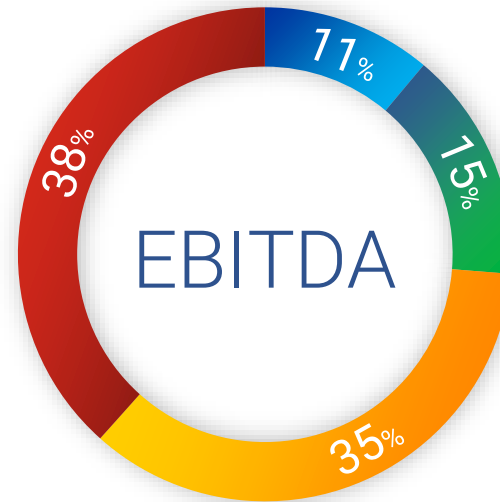




# EGEA: a contribution to the growth of all businesses



- **EBITDA Adjusted: 55/60M€\***
- **Net debt: 190M€\***
- **CASH OUT: 85M€ in 2024 and 85M€\*\* in 2026**



■ Networks

■ Waste

■ Energy

■ Market



## ● STRATEGIC DRIVER

- 1) Accelerate growth in all business lines
- 2) Strengthen territorial presence in historical areas
- 3) Extract synergies

## ● CONSOLIDATION ASSUMED IN 2026

2023 data, Iren estimates

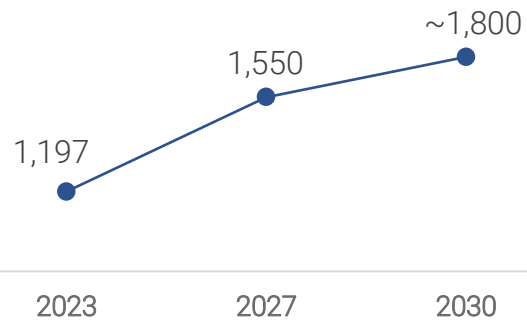
\* Estimates under international accounting standards

\*\* Assumed estimate to date

# Sound and sustainable growth

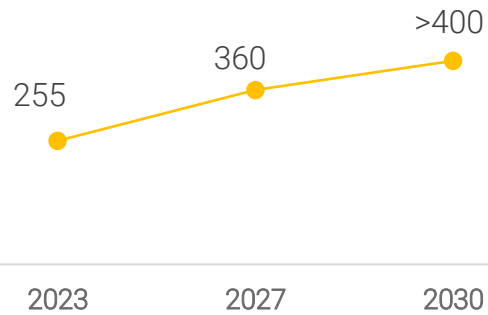
CUMULATED CAPEX **8.2 B€** of which 600M€ flexible over the three-year period 2025-2027

EBITDA: Cagr 6% (€M)

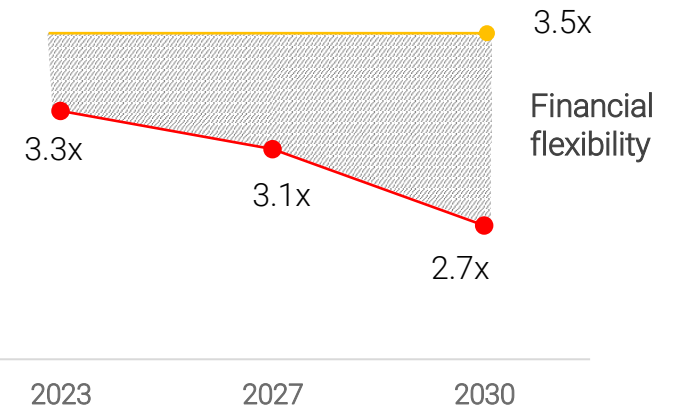


Commitment to achieve efficiencies and synergies confirmed

GROUP NET PROFIT: Cagr 7% (€M)



FINANCIAL LEVERAGE



Maximum threshold at 3.5x consistent with our 80% regulated asset portfolio by plan-end



INVESTOR DAY 2024

● STRATEGY





● **ACTION PLAN**

● FINANCIALS

● ANNEXES



# Macrotrend and main development drivers

| BUSINESS UNITS   | MACRO TREND   | IREN'S ACTIONS   |
|--|---|--|
|  <b>NETWORKS</b> | <ul style="list-style-type: none"> <li>• Water resource scarcity</li> <li>• Electrification of consumption</li> <li>• Quality of service</li> </ul> | <ul style="list-style-type: none"> <li>• Sustainable water management</li> <li>• Power grid upgrading</li> <li>• Performance improvement</li> </ul>                                |
|  <b>WASTE</b>    | <ul style="list-style-type: none"> <li>• Circular economy</li> <li>• Sorted waste collection</li> </ul>   | <ul style="list-style-type: none"> <li>• Material and energy recovery</li> <li>• Best practices expansion into new territories</li> </ul>  |
|  <b>ENERGY</b>   | <ul style="list-style-type: none"> <li>• Energy transition</li> <li>• Decarbonization</li> </ul>  | <ul style="list-style-type: none"> <li>• CCGT plants flexibilization</li> <li>• Development of RES and district heating</li> </ul>   |
|  <b>MARKET</b> | <ul style="list-style-type: none"> <li>• Market competitiveness</li> <li>• Increased customer value</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Acquisition of resilient customer portfolios</li> <li>• Anti-churn rate actions (new services, strengthening contact channels)</li> </ul> |



## ENABLERS

Digitalisation

Increased operational efficiency

# Networks: service quality and investments drive growth

## WATER

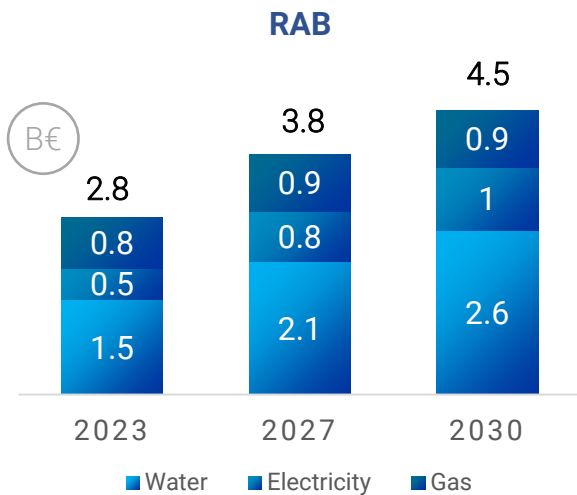
- Network upgrading
- 4 new purification plants
- Operational efficiency and service quality
- Implementation of NRRP projects

## ELECTRICITY

- Network upgrading
- 5 new primary substations
- Performance and commercial quality improvement
- Implementation of NRRP projects

## GAS

- Maintenance of distribution network
- Network replacement to increase security
- Increased investments in distribution networks
- EGEA consolidation in integrated water service and gas distribution



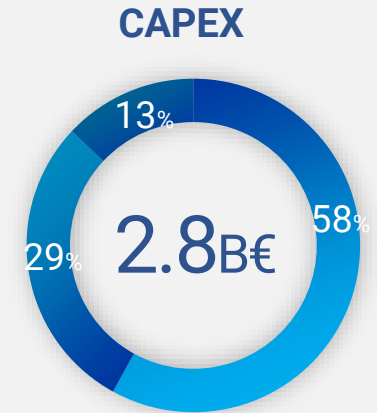
## WASTEWATER REUSED



## DURATION OF POWER OUTAGE (SAIDI)

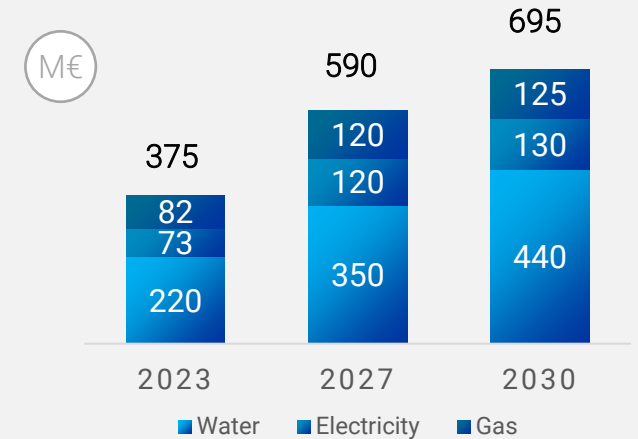


## GAS NETWORK READY FOR HYDROGEN BLEND



## EBITDA GROWTH

9% CAGR



# Waste: collection development and energy recovery



## COLLECTION

- Territorial expansion through tenders and consolidations, not only in historical territories
- Operating cost efficiency while maintaining high service quality
- Push on sorted waste collection



## TREATMENT AND DISPOSAL

- Waste treatment facilities development (6 new plants)
- Energy recovery capacity expansion (4<sup>th</sup> line in Turin WTE)
- Waste flows optimisation
- EGEA consolidation in collection activity
- New WTE in Gioia Tauro with PPP and new WTE in one of our reference areas
- Re-planning of material recovery plants development

### BASIN SERVED

5.5M

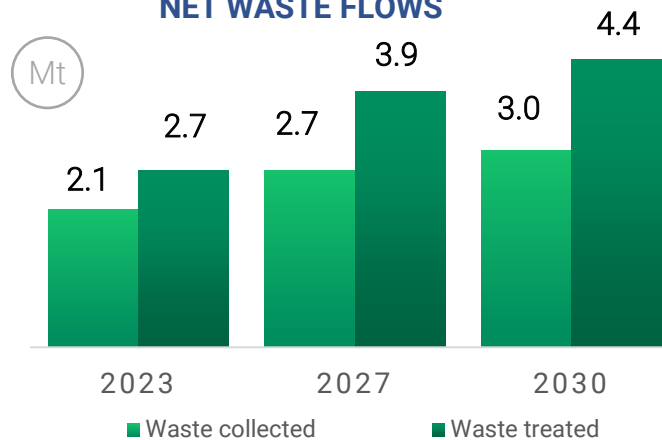
Inhabitants in 2030

### SORTED WASTE COLLECTION

>75%

2030

### NET WASTE FLOWS

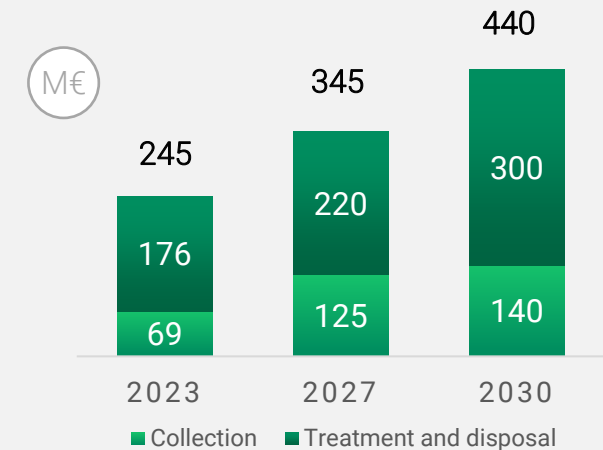


### CAPEX



### EBITDA GROWTH

9% CAGR





# Energy: decarbonization of energy generation



## RES

- Development of greenfield renewable capacity
- Hydro plants repowering
- Energy communities



## CCGT, THERMO AND HEAT

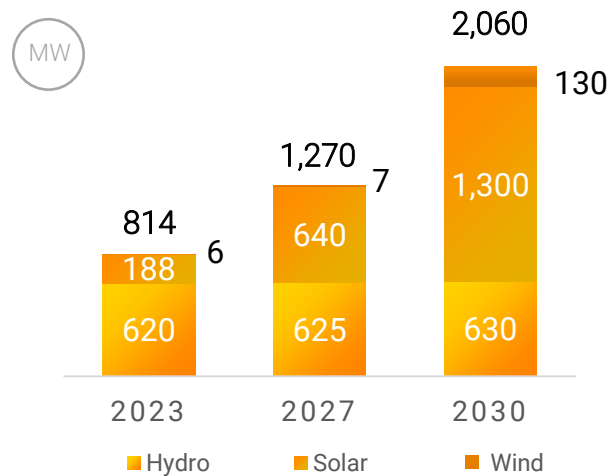
- Air cooler installation on CCGT
- Turbigo disposal after 2027
- Expansion of district heating network



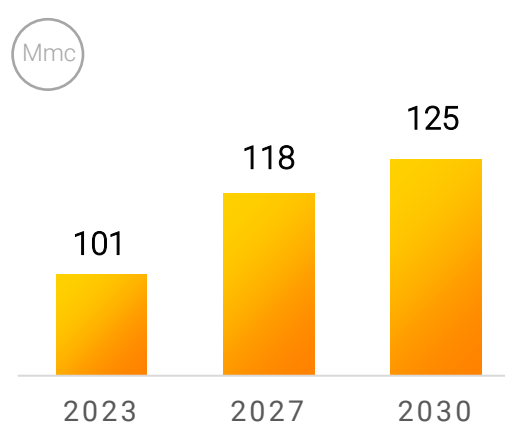
## ENERGY EFFICIENCY

- Rebuilding activity on private and public sector
- Energy efficiency for business clients and public administration
- EGEA consolidation in district heating and public lighting
- New positioning on RES and BESS

### RES CAPACITY



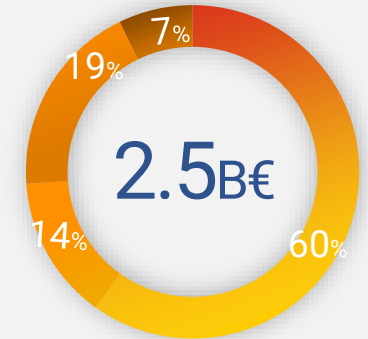
### DISTRICT HEATING VOLUMES



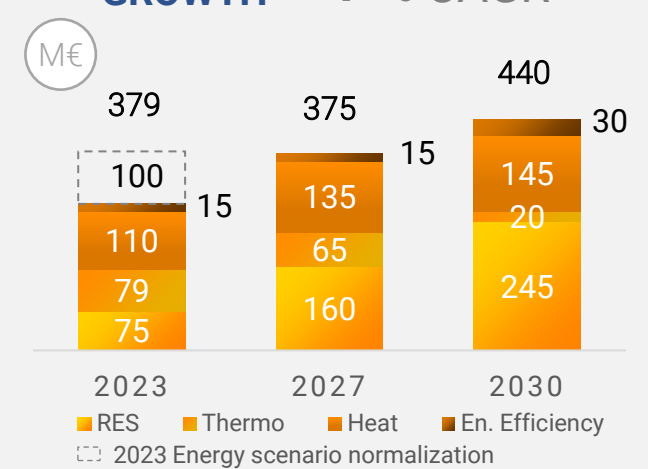
### BUILDING RENOVATION PROJECTS

~600  
2024-30

### CAPEX



### EBITDA GROWTH 7% CAGR



Including solar "producer" model for 90MW in 2027 and 160MW in 2030

# Market: long term valorisation of customers



## CLIENTS

- Increasing EE clients due to electrification of consumptions
- Medium and long term PPA with end-clients
- Further strengthening of pull channels, digital and physical stores

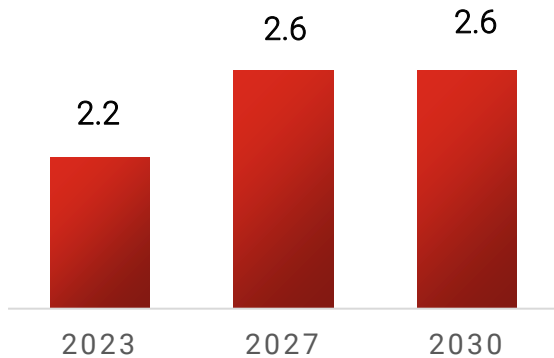


## SERVICES

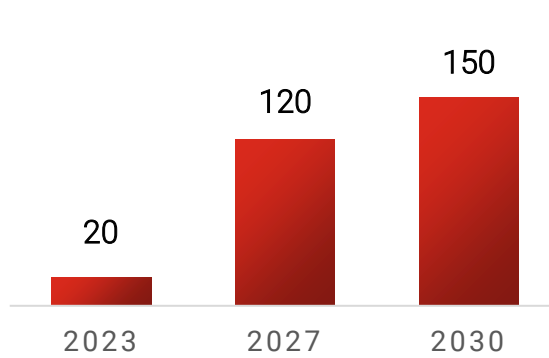
- Boost cross-selling of Iren Plus products and services for increased household loyalty
- Further development of bundle offers including connectivity
- Stand-alone insurance growth

- EGEA customer base consolidation
- Consolidation of clients won in protected market auctions

RETAIL & SMEs  
CUSTOMER BASE (M)



INSURANCE STAND ALONE  
CONTRACTS AND SERVICES (K)



## NEW STORE/CORNER

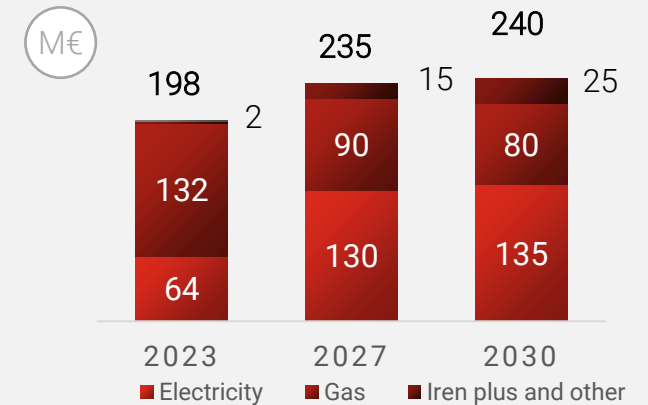
+450  
in 2025

## CAPEX

0.7B€

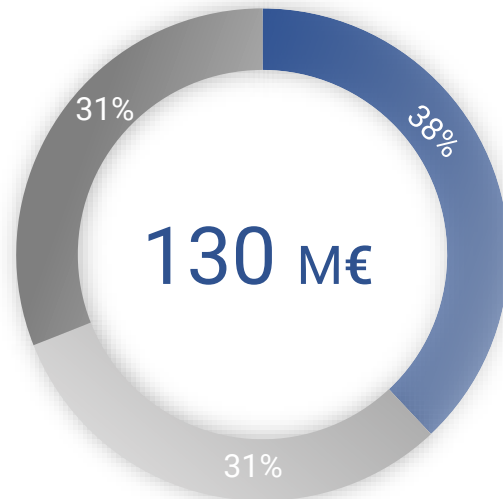
## EBITDA GROWTH

3% CAGR



# Synergies and operational efficiencies

## SYNERGIES AND EFFICIENCIES '24-'30



- **-7% REDUCTION OF OPERATIONAL COSTS AT 2030**
- **VISIBLE RESULTS IN THE FIRST THREE YEARS**

### ■ **Rationalization activity:**

1. Turnover and reskilling
2. Specialization hubs
3. Streamlining of sales and engineering functions
4. Unification of call centre and customer billing
5. Integration of acquired companies

### ■ **External costs:**

1. Reduction of external costs through process reviews
2. Activities' internalization

### ■ **Other projects:**

1. Service level improvement and related rewards
2. Automation and artificial intelligence in corporate, commercial and asset management processes





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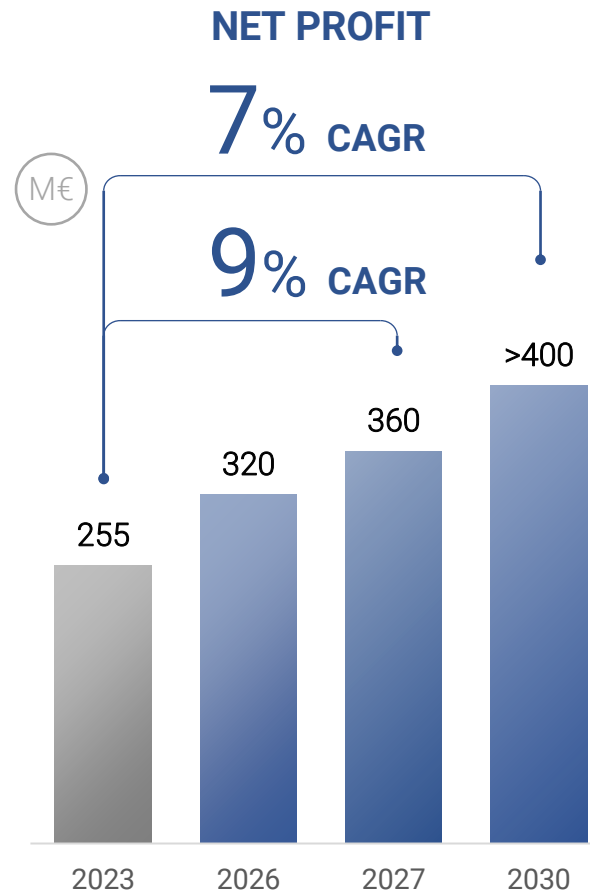
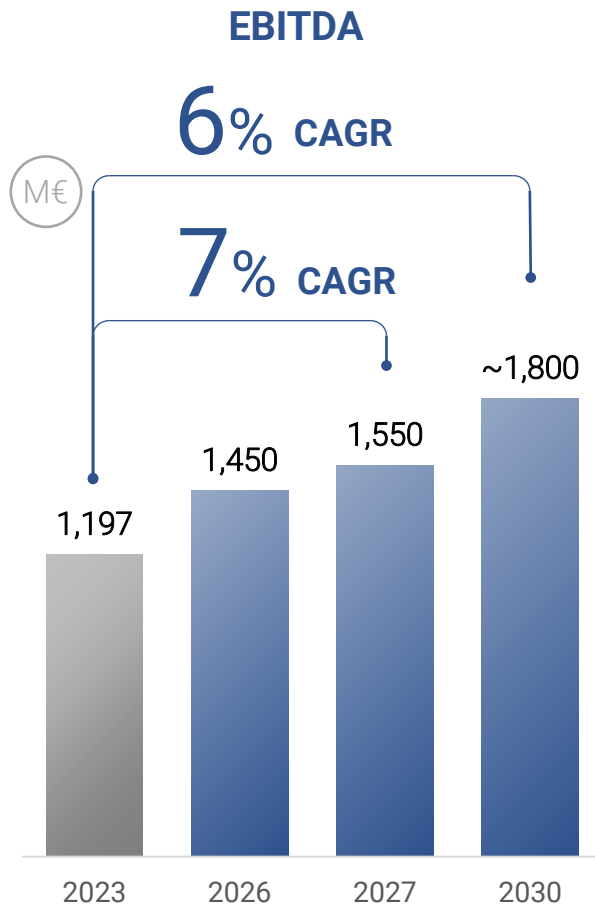
● STRATEGY

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# Growth already visible in the first part of the plan

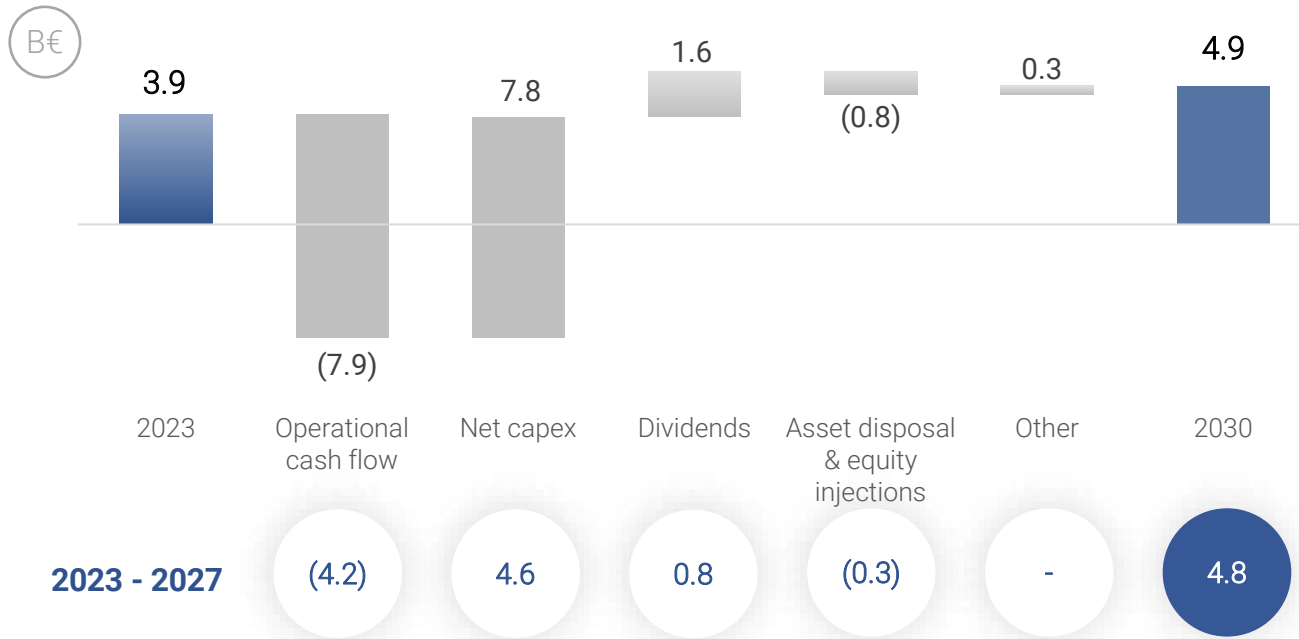


## 2024-2030 GROWTH PILLARS:

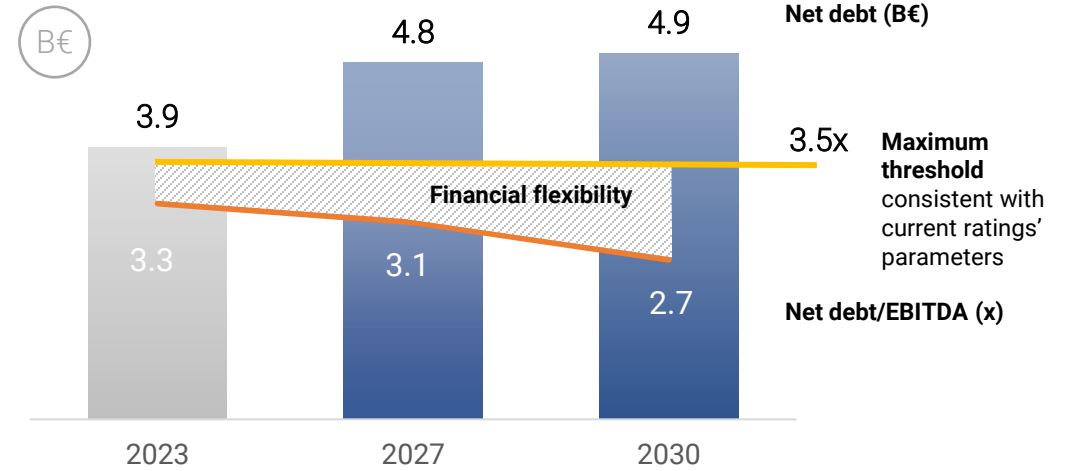
- **Organic growth:** >+550 M€
- **Inorganic growth:** +95 M€
- **Efficiencies and synergies:** +130 M€
- **Asset rotation:** -40 M€
- **Scenario and regulation:** -30 M€
- **Energy scenario and 2023 Superbonus normalization:** -100 M€
- **Business profile:** Increased EBITDA from regulated activities, from 70% to 80% during the plan

# Net debt evolution

## NET DEBT



## TIME EVOLUTION



⦿ REDUCED USE OF ASSET ROTATION AND EQUITY DISPOSALS

⦿ STRONG COMMITMENT TO MAINTAIN FINANCIAL RATINGS

S&P Global  
Ratings

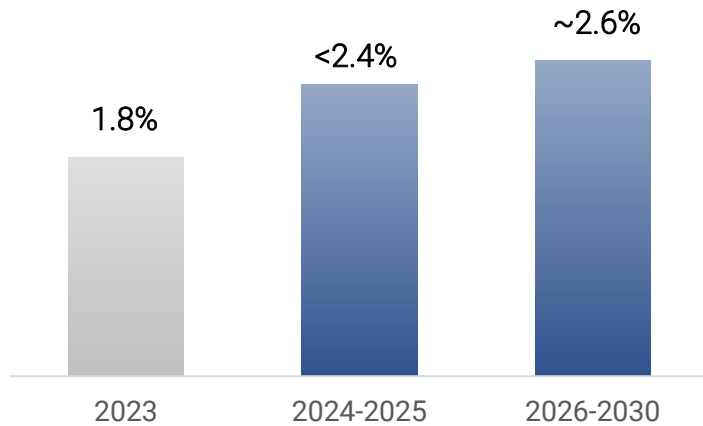
BBB

FitchRatings

BBB

# A solid and low-risk financial profile

## AVERAGE COST OF DEBT



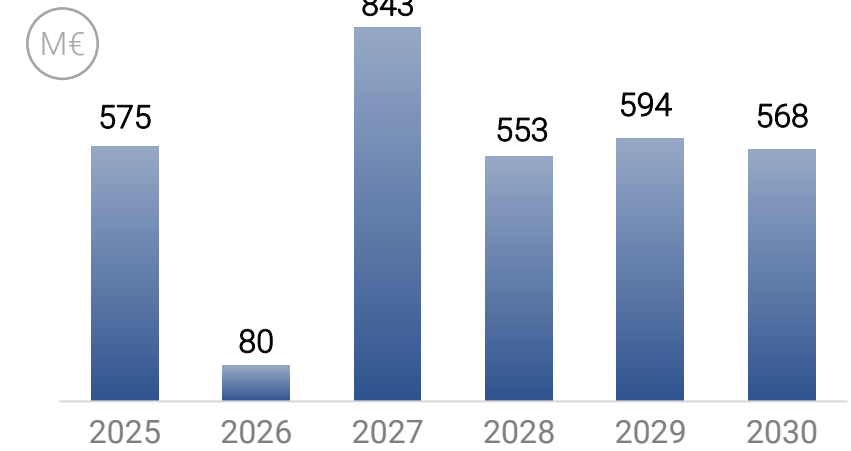
**4.6** years

FY2023 average duration

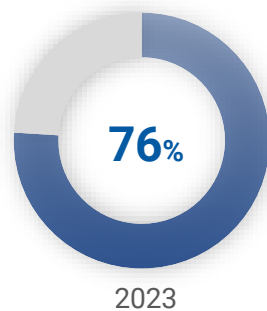
**87%**

FY2023 fixed tax rate debt

## MATURITIES



## SUSTAINABLE FINANCE



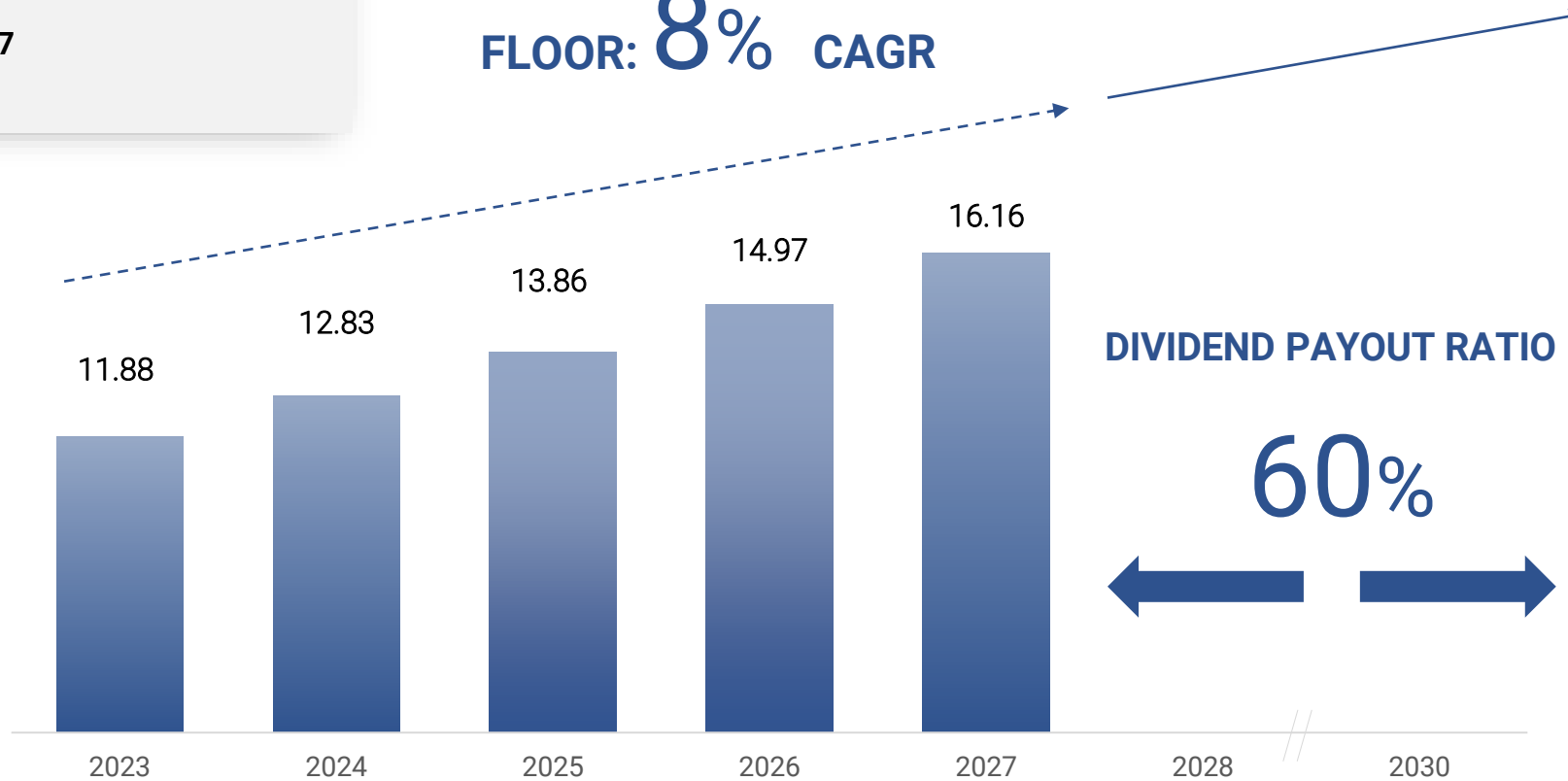
# Dividend policy with floor until 2027

## DIVIDEND POLICY maximum between:

- 60% PAY-OUT of ordinary Group's net income
- 8% DPS growth until 2027

FLOOR: 8% CAGR

Dividend per share, c€





# Closing remarks

## ENHANCING THE STRATEGY THE NEW PLAN SHOWS:

- An investment plan with greater predictability of returns
- The Group's effectiveness in seizing relevant growth opportunities
- Low execution risk: exclusion of poorly visible organic and inorganic investments
- Financial discipline supported by high flexibility related to a large basket (600M€) of investments that can be modulated during the plan



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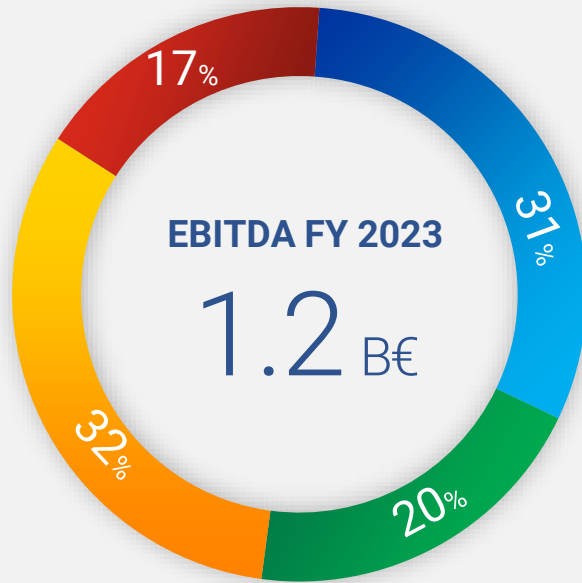
● STRATEGY

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# Iren at a glance



EBITDA made by:

~**65%** regulated and semi-regulated activities

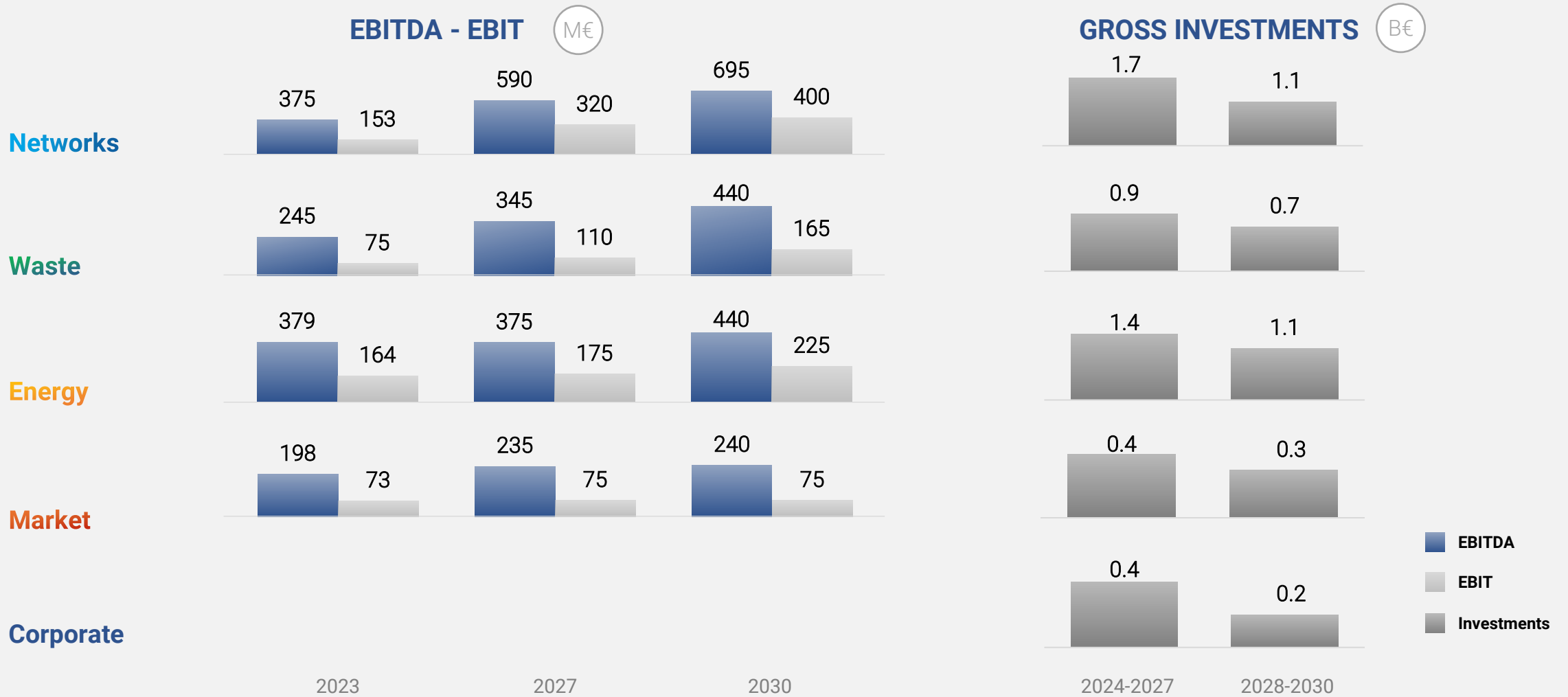
~**35%** unregulated activities (mainly energy generation and supply)

| ■ Networks             | ■ Waste                         | ■ Energy             | ■ Market            |
|------------------------|---------------------------------|----------------------|---------------------|
| Power distribution     | Collection                      | District Heating     | Gas & Power supply  |
| Gas distribution       | Treatment and material recovery | RES, Hydro & storage | Commercial services |
| Integrated water cycle |                                 | Thermoelectric       |                     |
|                        |                                 | Energy Efficiencies  |                     |



- 1° National player in DH volumes with 101 mcm
- 4° National player in the water management with 2.9 million inhabitants served
- National player in electricity generation with a capacity of 3 GW of which 0.8GW renewables
- 2° National player with 3.8 million inhabitants served in the waste collection
- 3° National player in waste with 3.8 Mton managed
- National player in the energy sector with 2.2M customers

# Investments and profitability by business unit



# Regulated framework

|                                 | <b>GAS</b>  | <b>ELECTRICITY</b>  | <b>WATER</b>                    | <b>WASTE INTEGRATED SERVICE AND REGULATED PLANTS</b>             |
|---------------------------------|---|---|---------------------------------|--|
| <b>Regulatory period</b>        | 6 years (2020 – 2025)   | 4 years (2024 – 2027)   | 6 years (2024 – 2029)           | 4 years (2022 – 2025)  |
| <b>WACC methodology update</b>  | 6 years (2022 – 2027)   | 6 years (2022 – 2027)   | 6 years (2024 – 2029)           | 6 years (2022 – 2027)  |
| <b>WACC update</b>              | Every 3 years for general parameters (2025) <sup>1</sup> , specific parameters <sup>2</sup> in 2026 | Every 3 years for general parameters (2025) <sup>1</sup> , specific parameters <sup>2</sup> in 2028 | Every 2 years (2026)            | Every 2 years (2026)   |
|                                 | <b>GAS DISTRIBUTION AND METERING</b>  | <b>ELECTRICITY DISTRIBUTION AND METERING</b>  | <b>INTEGRATED WATER SERVICE</b> | <b>INTEGRATED WASTE SERVICE<sup>4</sup> AND REGULATED PLANTS</b> |
| <b>2024-2030 WACC (pre tax)</b> | 6.5%  | 6.0%  | 6.1%+1% <sup>3</sup>            | 6.3%+1% <sup>3</sup> ; 6.6%+1% <sup>3</sup>                      |

1. With annual check of trigger threshold (0.5% in absolute value) for rate update

2. Specific parameters: beta and gearing

3. Time lag rate to cover the financial burden arising from the time mismatch between the year of realization of the investment and the year of start-up recognition in the tariff

4. Without prejudice to the application of lower remuneration levels in the case of award by tender



# Industrial kpis

2023

2027

2030

|  |     |     |     |
|--|-----|-----|-----|
| <b>Waste collected</b> (Mton)                | 2.1 | 2.7 | 3.0 |
| <b>Waste treated in Iren's plants</b> (Mton) | 2.7 | 3.9 | 4.4 |
| <b>WTE's electricity sold</b> (TWh)          | 0.5 | 0.5 | 0.8 |
| <b>Hydro production</b> (TWh)                | 1.1 | 1.3 | 1.3 |
| <b>Solar and Wind production</b> (TWh)       | 0.2 | 1.0 | 2.4 |
| <b>Thermo and CCGT production</b> (TWh)      | 6.9 | 6.4 | 2.9 |
| <b>Heat sold</b> (TWht)                      | 2.1 | 2.6 | 2.8 |
| <b>Electricity sold to end clients</b> (TWh) | 7.6 | 7.9 | 8.7 |
| <b>Gas sold to end clients</b> (Bmc)         | 1.0 | 1.0 | 0.9 |

# Business plan's energy scenario

|   | 2023  | 2027 | 2030 |
|---|-------|------|------|
| <b>PUN</b> (€/MWh)                        | 127.4 | 98.6 | 94.6 |
| <b>PSV</b> (€/MWh)                        | 42.3  | 28.3 | 25.5 |
| <b>ETS</b> (€/Ton)                        | 83.5  | 102  | 116  |
| <b>Clean spark spread Iren</b><br>(€/MWh) | 5.0   | 3.0  | 2.0  |

# Networks concessions

## GAS CONCESSIONS



## WATER CONCESSIONS



## ELECTRICITY CONCESSIONS



| ATEM             | EXPIRY  |
|------------------|---------|
| Genova 1         | Expired |
| Parma            | Expired |
| Reggio Emilia    | Expired |
| Vercelli         | Expired |
| Piacenza 2 - Est | Expired |

| AREA               | EXPIRY                             |
|--------------------|------------------------------------|
| Piacenza           | 2040                               |
| Reggio Emilia      | 2043                               |
| Genova             | 2032                               |
| Parma <sup>1</sup> | 2027                               |
| Vercelli           | 2023<br><i>(extension ex lege)</i> |
| La Spezia          | 2033                               |
| Enna               | 2034                               |

| AREA     | EXPIRY |
|----------|--------|
| Torino   | 2030   |
| Parma    | 2030   |
| Vercelli | 2030   |

<sup>1</sup>Original expiration to 2025 extended ex lege (L. Reg. Emilia-Romagna.n. 14/2021 Art. 16)

# Concessions

## HYDROELECTRIC CONCESSIONS

## COLLECTION WASTE CONCESSIONS

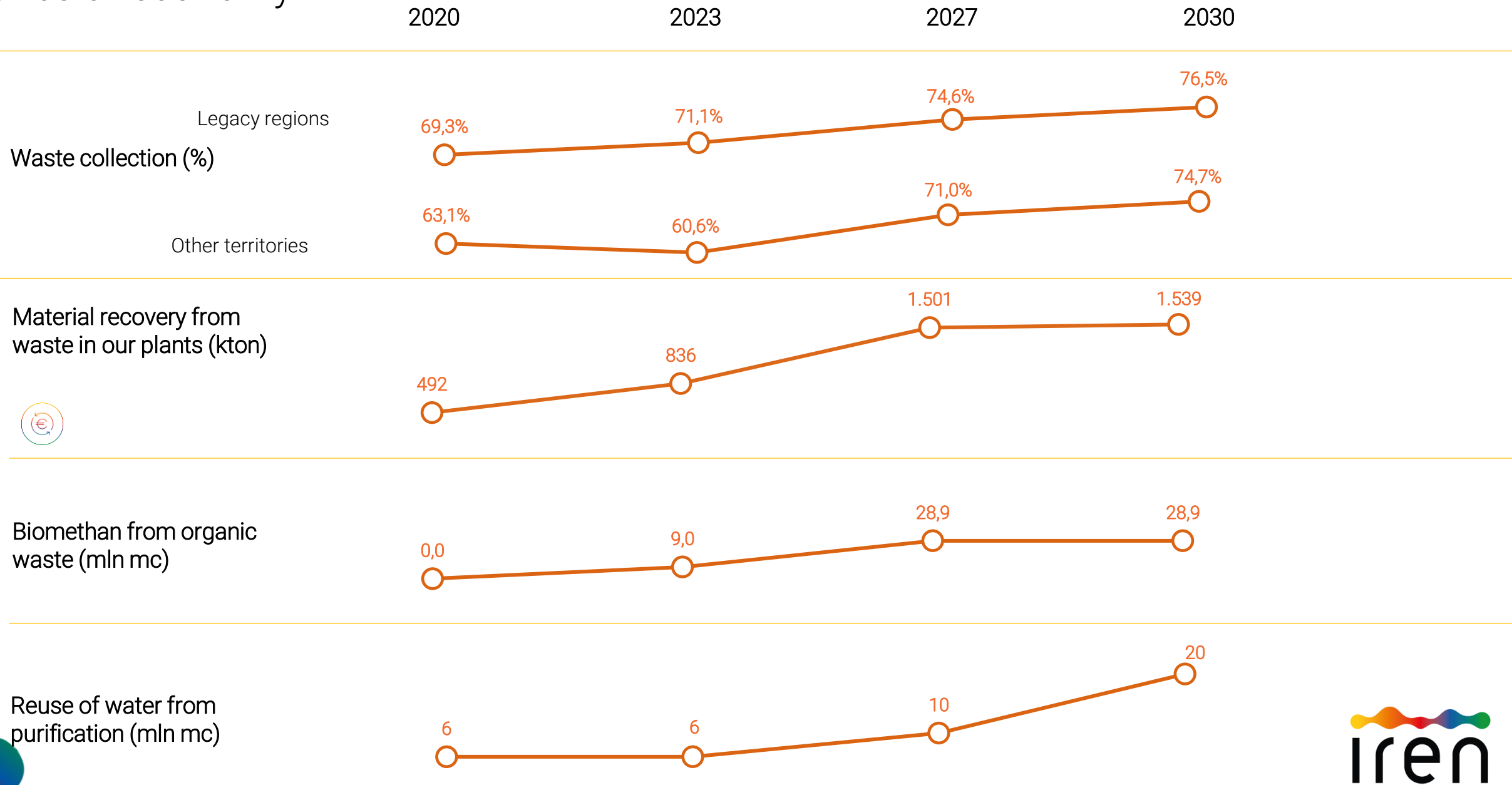
| AREA       | HYDROELECTRIC PLANT                              | POWER (MW) | EXPIRY  |
|------------|--|------------|---|
| Piemonte 1 | Pont Ventoux-Susa                                | 157        | 2034  |
| Piemonte 2 | Valle Orco e S. Mauro                            | 300        | Expired 2010<br>PPP proposal                  |
| Piemonte 3 | S. Lorenzo, Moncalieri,<br>La Loggia, Valle Dora | 25         | >2042   |
| Campania   | Nucleo Tusciano                                  | 108        | 2029  |
| Liguria    | Brugneto, Canate                                 | 10         | Expired 2014<br>Water<br>management<br>(2032) |

| AREA          | EXPIRY                         |
|---------------|--------------------------------|
| Parma         | 2037                           |
| Piacenza      | 2037                           |
| Reggio Emilia | Expired<br>(extension ex lege) |
| Torino        | 2034                           |
| Vercelli 1    | 2028                           |
| Vercelli 2    | 2030                           |
| La Spezia     | 2028                           |
| Toscana sud   | 2033                           |
| Cuneo         | 2031                           |





# Circular economy

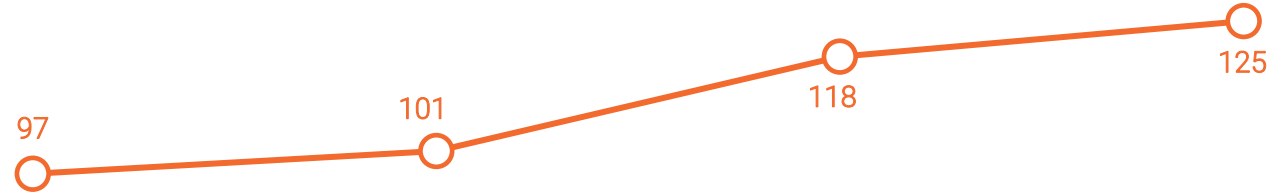




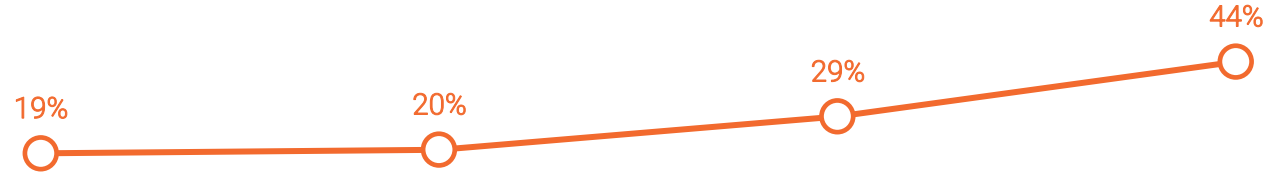
# Resilient cities

2020 2023 2027 2030

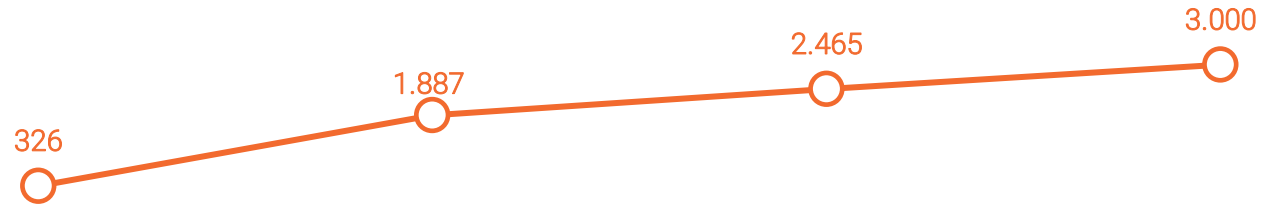
District heated volumes (mln mc)



Eco-vehicles on total fleet (%)



Green electricity sold to retail clients (GWh)



Energy saving from Iren products/services (kTep)

