



# H1 2024 RESULTS

*July 29<sup>th</sup>, 2024*

## H1 2024 RESULTS

### HIGHLIGHTS

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

EBITDA growth (+5% YoY), driven mainly by regulatory framework update and Market BU's profitability increase

NFP at 4 €B after dividend payment and capex of almost 370€M

Industrial achievements in renewables capacity

Business plan update approved

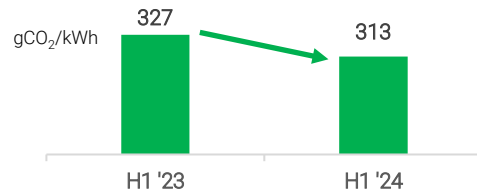
Guidance confirmed

# SUSTAINABLE GROWTH CONTINUED THROUGHOUT THE QUARTER



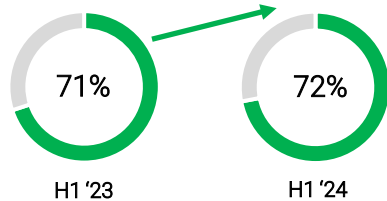
## Green transition

Carbon Intensity



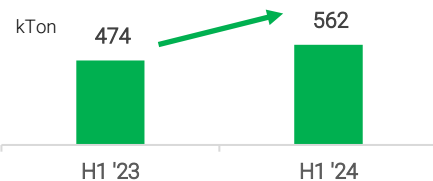
**On track** ✓

Sorted waste collection



**On track** ✓

Material recovery from waste

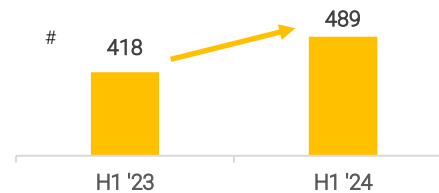


**On track** ✓



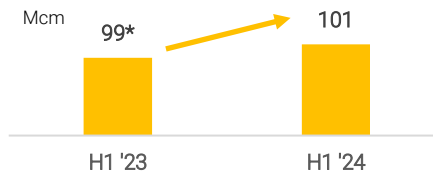
## Local presence

Municipalities served in waste collection



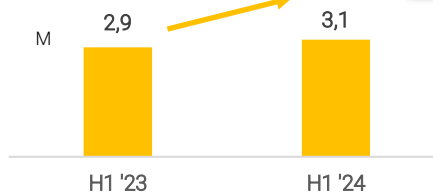
**On track** ✓

District Heating volumes



**On track** ✓

Inhabitants served in water services

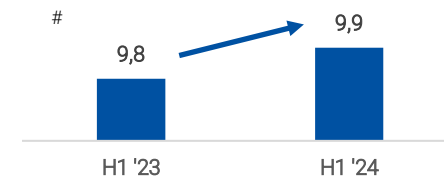


**On track** ✓



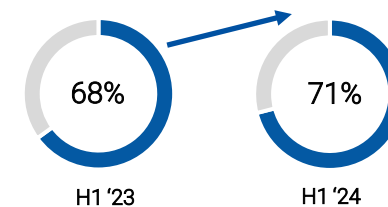
## Service quality

Stores' Customer Satisfaction Index



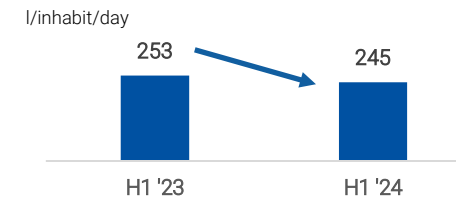
**On track** ✓

Districtization activities on water cycle



**On track** ✓

Water withdrawals



**On track** ✓

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES



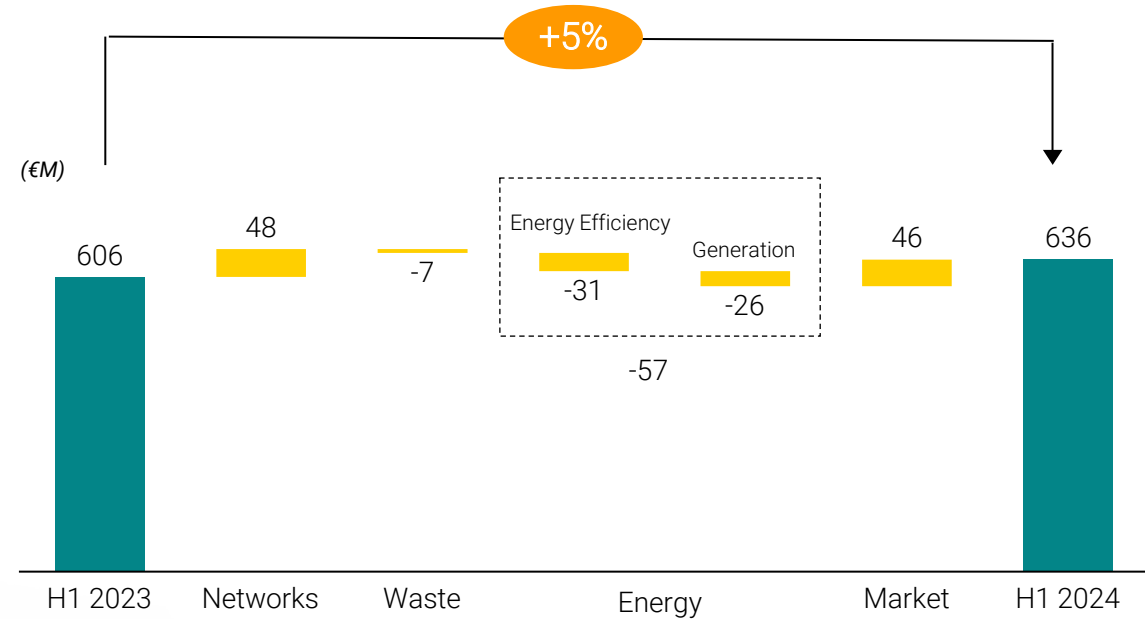
\* Data restated, excluding Ansaldo district heating of 2,1 mcm

# H1 RESULTS AT A GLANCE

€M

	H1 '23	H1 '24	Δ	Δ%
Revenues	3.214	<b>2.698</b>	-516	-16%
EBITDA	606	<b>636</b>	30	5%
EBIT	248	<b>281</b>	33	13%
Group net profit	143	<b>145</b>	2	2%
Capex	402	<b>369</b>	-33	-8%
Net Financial Position	3.932*	<b>4.013</b>	81	2%

## EBITDA EVOLUTION



## H1 2024 RESULTS

HIGHLIGHTS

ESG

**KEY FINANCIALS**

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES



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### Tailwinds

- Regulatory framework update
- Market BU profitability increase
- Organic & inorganic growth

-

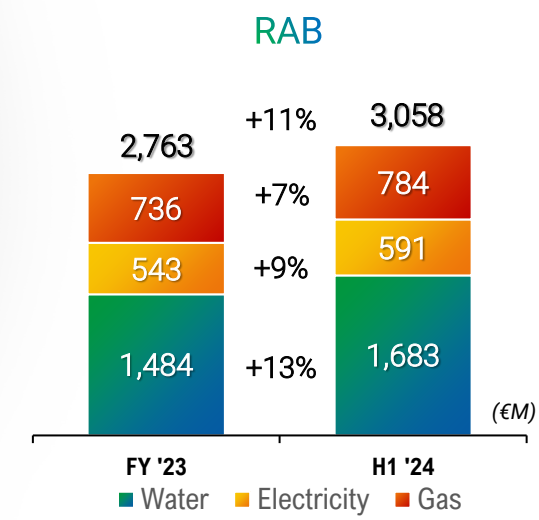
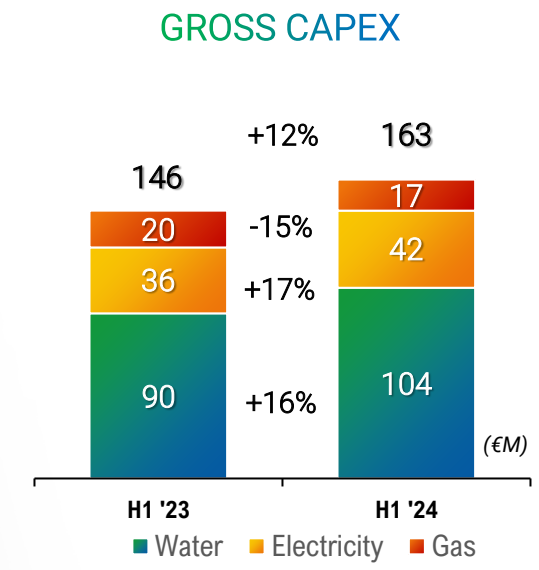
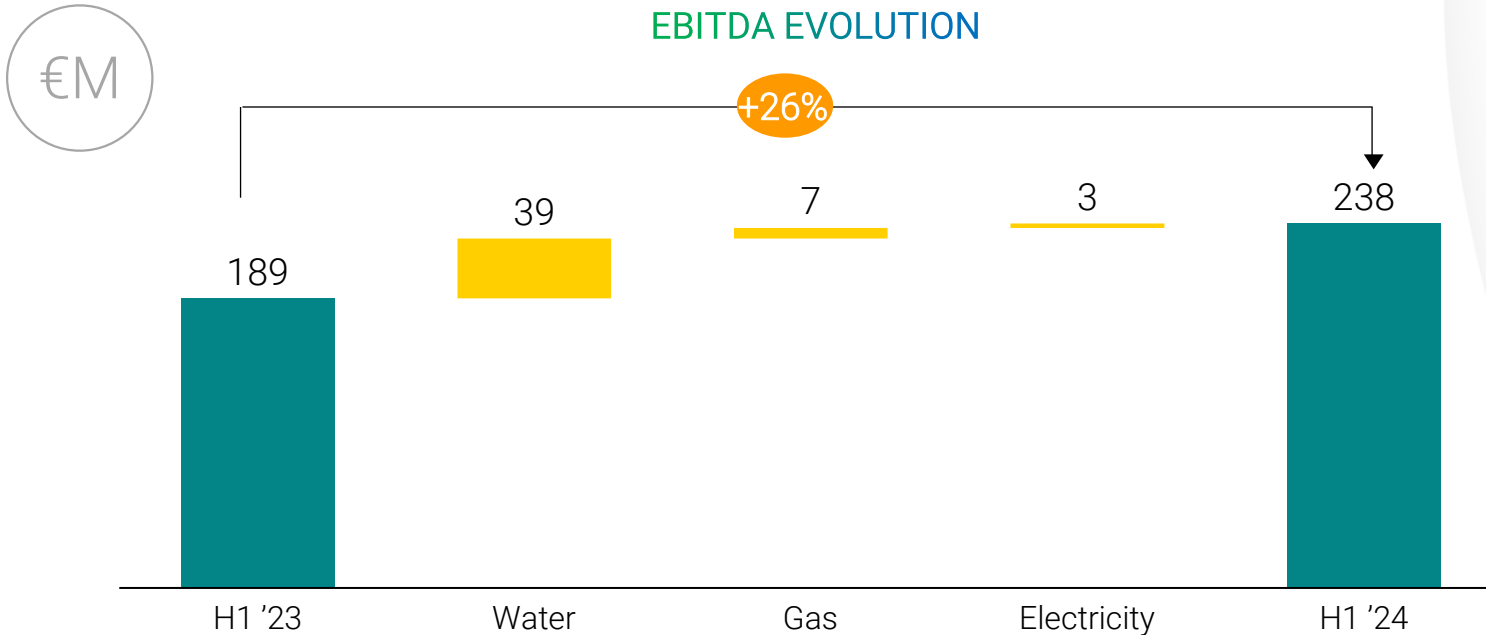
### Headwinds

- Lower achieved energy prices on RES & WTE
- Works' conclusion after Superbonus incentives
- Waste plants' availability and ramp-up costs

\* FY2023

# NETWORKS

Growth driven by investments and new regulatory parameters



- Increased allowed revenues (+40€M) thanks to investments and new regulatory parameters partially counterbalanced by higher operational costs (mainly in water)
- Extraordinary recovery of inflation in water for 9€M experienced in Q1 and not replicable
- Positive contribution of consolidation (+5€M) through **Acquaenna**, operating in Sicily water service

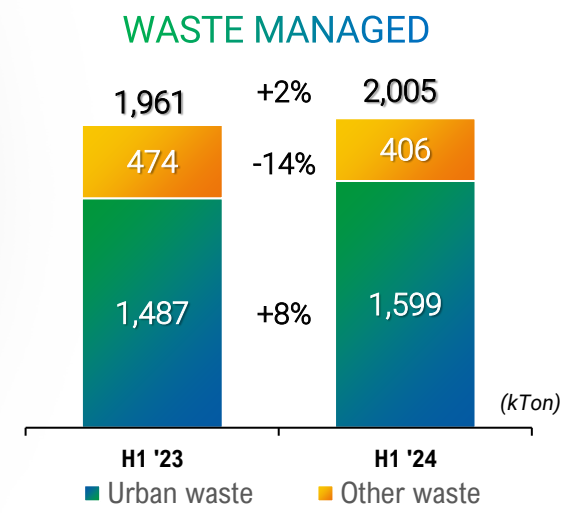
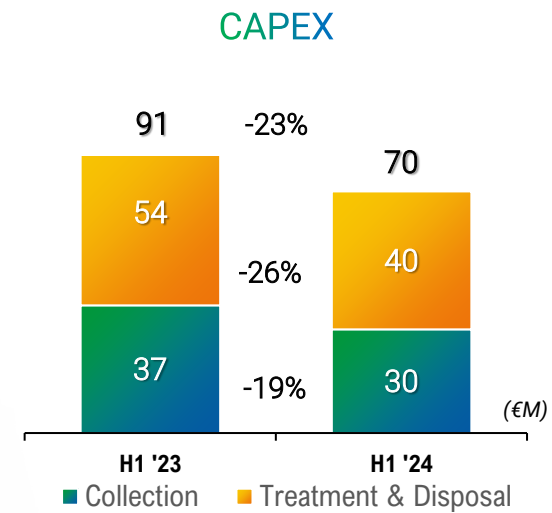
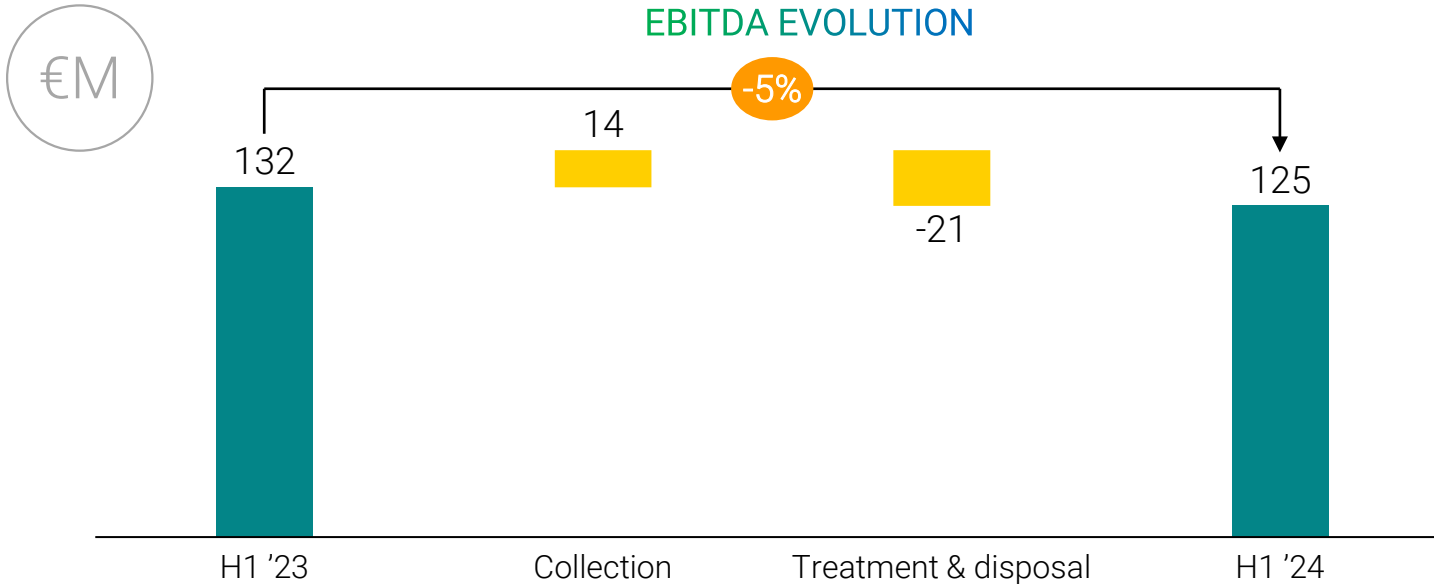
## H1 2024 RESULTS

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



# WASTE

Up in collection and consolidation, down in plants' activities



- Positive results in **Collection**, due to the inflation recovery in tariffs and efficiencies
- **Treatment & Disposal** were down, due to lower plants' availability (WTE turbine extraordinary maintenance and WTE failure impacted for 9M€) and high ramp up costs
- Lower energy scenario and minor special waste volumes to landfills (-14%)
- Positive contribution from the consolidation of **Sienambiente** (+6M€)

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

**WASTE**

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES

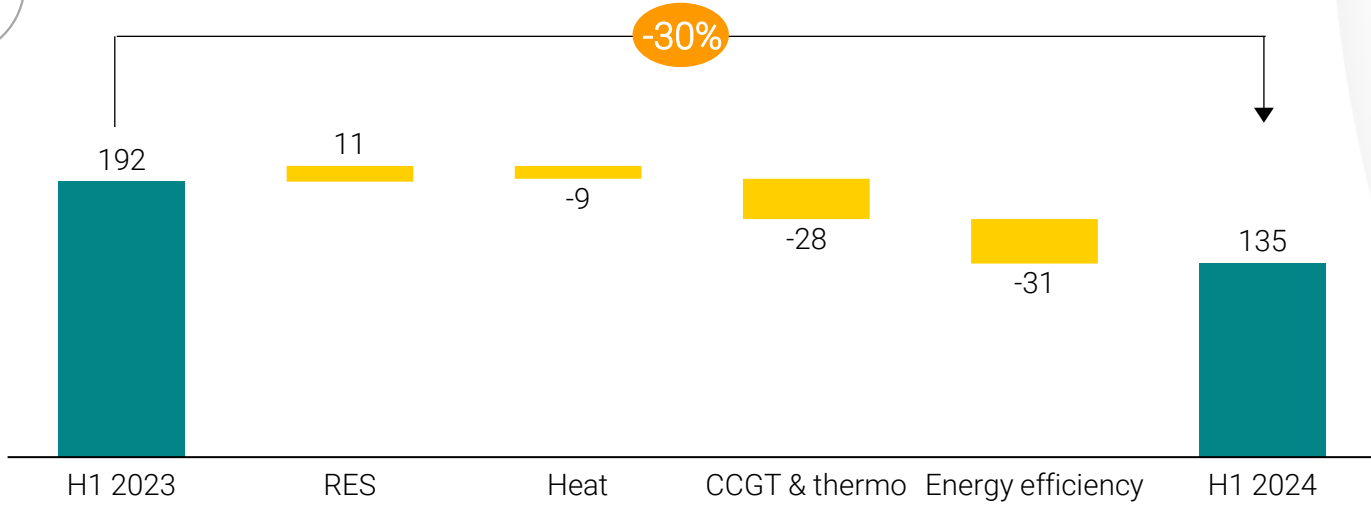


# ENERGY

## Lower energy prices and energy efficiency works' conclusion

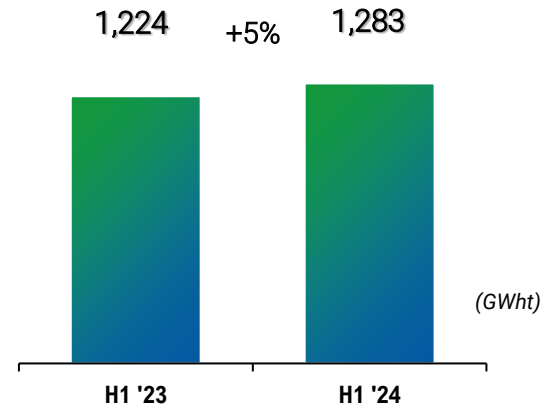
€M

### EBITDA EVOLUTION

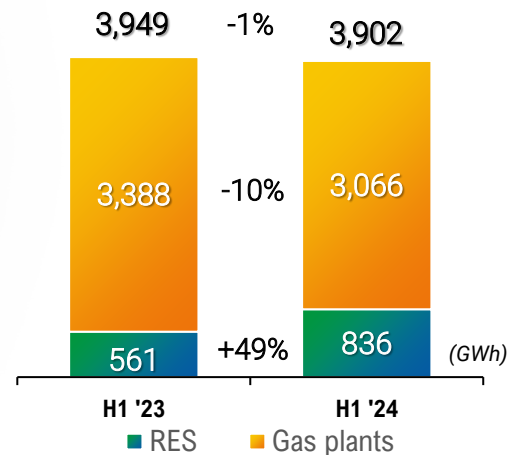


- RES benefited from higher volumes (almost +50% YoY) offset by lower energy prices
- Lower heat due to the decrease in margins following the gas price trend partially counterbalanced by higher volumes (+5%)
- Lower production hours to capture positive clean spark spread combined with a weaker MSD (12€M vs. 16€M in H1 2023)
- Works' conclusion after Superbonus incentives

### HEAT SOLD



### ELECTRICITY PRODUCED

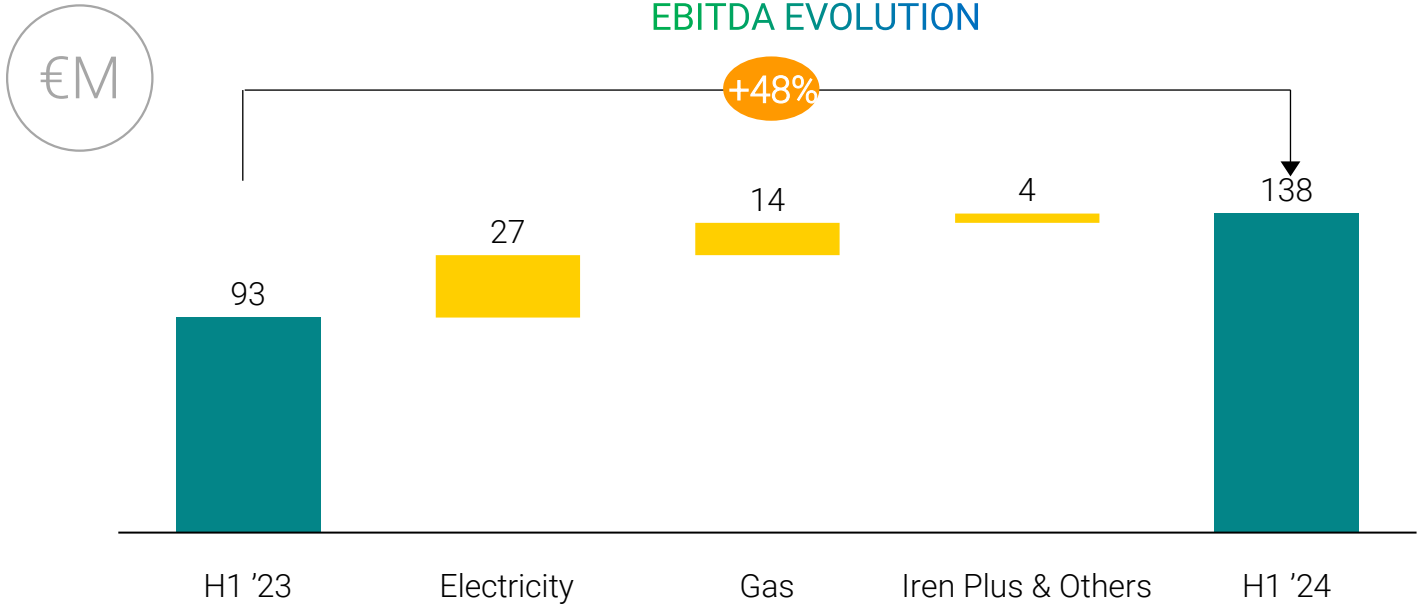


### H1 2024 RESULTS

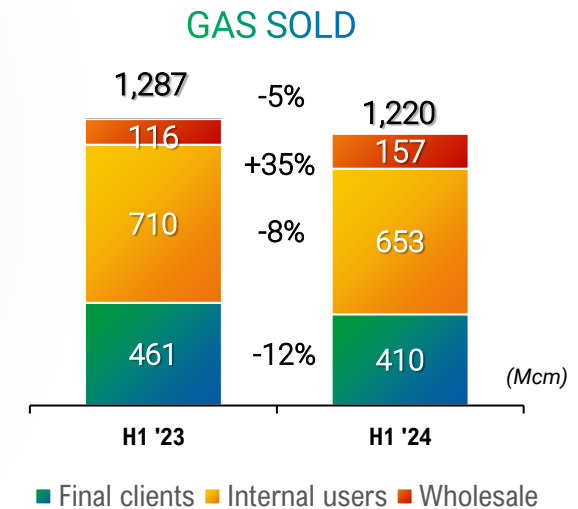
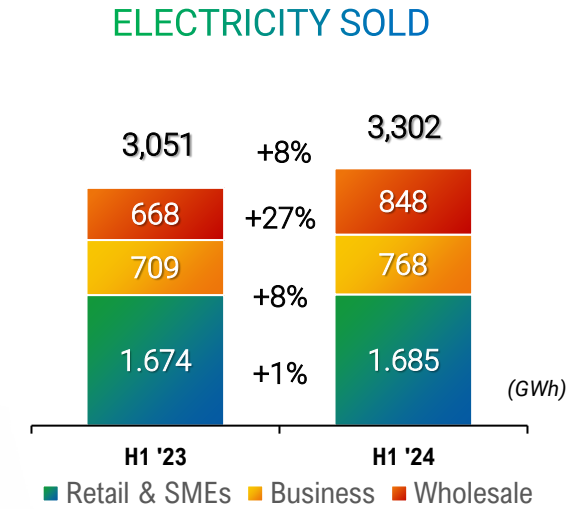
#### HIGHLIGHTS

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





- Effectiveness commercial policy
- Margins partially offset by higher costs for maintaining the customer base in a competitive market
- Retail clients around 2.2M in line with FY2023
- Electricity volumes sold increased in all business lines
- Good performance of Iren Plus & Others services thanks to bundle offers



### H1 2024 RESULTS

#### HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES





# EBITDA TO GROUP NET PROFIT RECONCILIATION

€M

	H1 '23	H1 '24	Δ	Δ%
EBITDA	606	636	29	4.8%
<i>D&amp;A</i>	-287	-320		
<i>Provisions to bad debt</i>	-36	-34		
<i>Other provisions and write-downs</i>	-36	-1		
EBIT	248	281	33	13.1%
<i>Financial charges</i>	-41	-46		
<i>Companies consolidated at equity method</i>	1	5		
<i>Others</i>	5	2		
EBT	214	241	27	12.6%
<i>Taxes</i>	-56	-74		
<i>Minorities</i>	-15	-22		
Group net profit	143	145	2	1.5%

- Depreciation increase linked to investments made and new companies' integrations (Sienambiente and Acquaenna)
- Other provision one-off for Sostegni ter Decree in 2023 (34€M)
- Cost of debt at 2.1% (vs 1.8% in H1' 23)
- Increased tax rate in 2024, which does not benefit from the tax credit for energy-consuming companies (30.5% vs. 26.1% in the H1 2023).

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

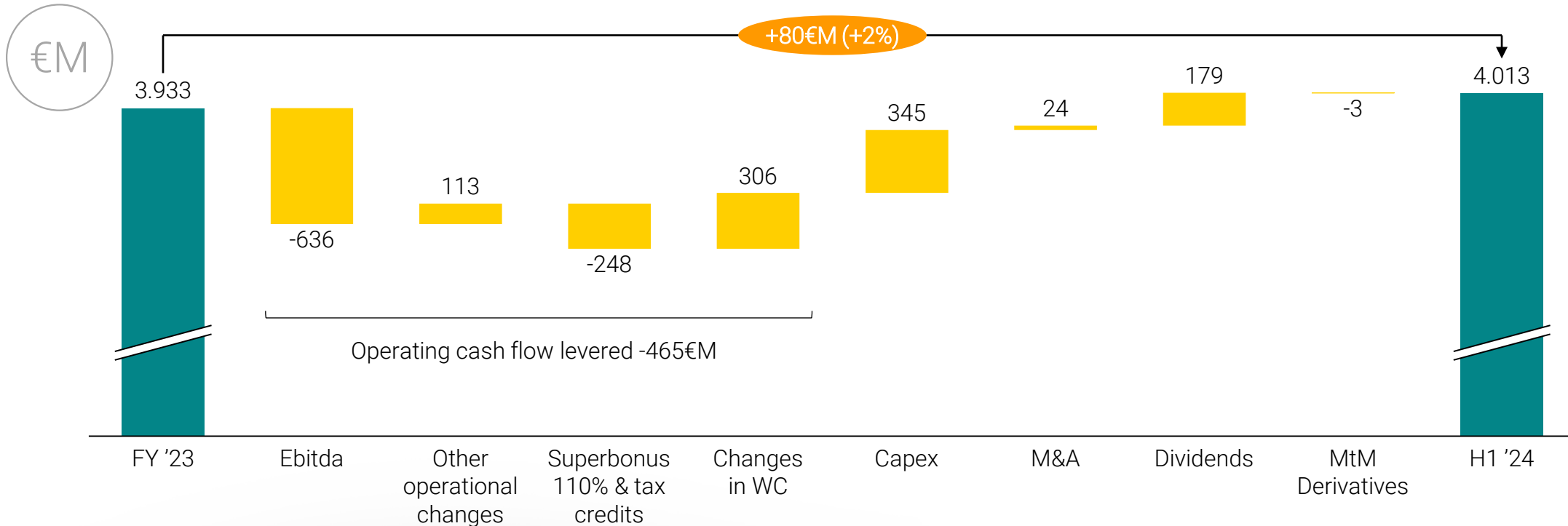
EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES

# NET FINANCIAL POSITION EVOLUTION (H1 2024 VS FY2023)



## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES



- Operating cash flow completely offset technical investment and M&A outflows
- NWC increase due to the incomplete billing of water clients for tariff updates
- 2024 expected cash-in from the disposal of Superbonus 110% and tax credits completed
- Dividend outflow for 180€M

# CLOSING REMARKS

## GUIDANCE 2024 CONFIRMED

- EBITDA 1,240M€ (+4% vs. FY2023)
- Net profit 260/270M€ (+4% vs. FY2023)
- Gross Investments: ~1B€ (including EGEA's minority stake cash out)
- NFP/EBITDA: ~3.3x

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA -  
NET PROFIT

NFP

**CLOSING  
REMARKS**

ANNEXES



# ANNEXES

# H1 2024 BUSINESS UNITS' RESULTS

## NETWORKS

	€M	H1 '23	H1 '24	Δ	Δ%
Revenues		545	<b>621</b>	76	14%
Ebitda		189	<b>238</b>	49	26%
<i>Electricity</i>		41	<b>44</b>	3	7%
<i>Gas</i>		41	<b>48</b>	7	17%
<i>Water</i>		107	<b>146</b>	39	36%
Ebit		84	<b>125</b>	41	49%
Technical capex		146	<b>163</b>	17	12%

## ENERGY

	€M	H1 '23	H1 '24	Δ	Δ%
Revenues		1.615	<b>895</b>	-720	-45%
Ebitda		192	<b>135</b>	-57	-30%
<i>Hydro&amp;Renewables</i>		51	<b>62</b>	11	22%
<i>Thermo/Coge, DH</i>		108	<b>71</b>	-37	-34%
<i>Energy eff. &amp; others</i>		33	<b>2</b>	-31	-94%
Ebit		74	<b>49</b>	-25	-35%
Technical capex		41	<b>52</b>	11	26%

Energy includes others: 2€M in 2024 and 2€M in 2023

## WASTE

	€M	H1 '23	H1 '24	Δ	Δ%
Revenues		595	<b>616</b>	21	4%
Ebitda		132	<b>125</b>	-7	-5%
<i>Collection</i>		38	<b>52</b>	14	37%
<i>Treatment &amp; disposal</i>		94	<b>73</b>	-21	-22%
Ebit		54	<b>28</b>	-26	-48%
Technical capex		91	<b>70</b>	-21	-23%

## MARKET

	€M	H1 '23	H1 '24	Δ	Δ%
Revenues		2.128	<b>1.556</b>	-572	-27%
Ebitda		94	<b>139</b>	45	48%
<i>Electricity</i>		33	<b>60</b>	27	82%
<i>Gas</i>		58	<b>72</b>	14	24%
<i>Iren Plus &amp; others</i>		2	<b>7</b>	5	(*)
Ebit		36	<b>78</b>	42	(*)
Technical capex		43	<b>38</b>	-5	-12%

(\*) Variation greater than 100%

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

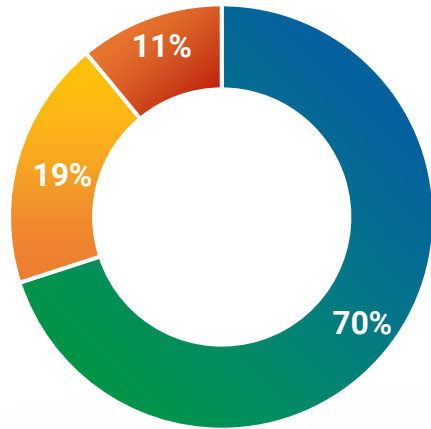
CLOSING REMARKS

ANNEXES



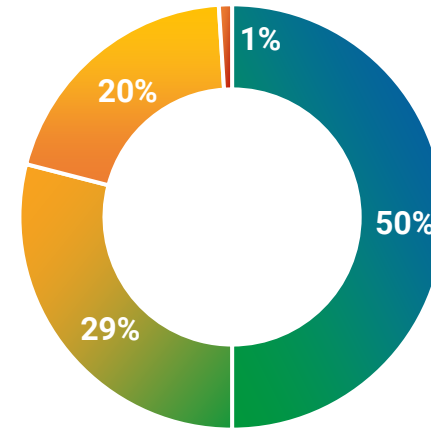
# A SOUND AND SUSTAINABLE DEBT STRUCTURE

## INTEREST RATE



■ Fixed   ■ Fixed-rate swap   ■ Variable

## DEBT STRUCTURE



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

**89%**

Fixed rate debt

**4.6 years**

Average duration

**2.1%**

Average cost

**79%**

Sustainable debt

## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA - NET PROFIT

NFP

CLOSING REMARKS

ANNEXES



## H1 2024 RESULTS

	H1 '23	H1 '24	Δ%
Electricity distributed (GWh)	1,756	1,748	-0%
Gas distributed (mcm)	601	593	-1%
Water sold (mcm)	87	88	+1%
Waste collected (Kton)	1,053	1,149	+9%
Waste treated (Kton)	1,383	1,463	+6%
WTE's electricity sold (GWh)	243	237	-3%
WTE's heat produced (GWht)	193	181	-6%
Renewables production (GWh)	561	836	+49%
<i>Hydro production (GWh)</i>	463	691	+49%
<i>Solar production (GWh)</i>	98	145	+48%

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA -  
NET PROFIT

NFP

CLOSING  
REMARKS

ANNEXES



**H1 2024  
RESULTS**

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA -  
NET PROFIT

NFP

CLOSING  
REMARKS

	H1 '23	H1 '24	Δ%
PSV €/000 scm	50	33	-34%
PUN (€/MWh)	136	93	-32%
CO2 €/Ton	87	64	-26%
Green Cert. Hydro (€/MWh)	0	42	n.s.
Clean spark spread (€/MWh)	-1.6	-6.1	n.s.

ANNEXES





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## H1 2024 RESULTS

HIGHLIGHTS

ESG

KEY FINANCIALS

NETWORKS

WASTE

ENERGY

MARKET

EBITDA -  
NET PROFIT

NFP

CLOSING  
REMARKS

ANNEXES

