

Business Plan 2026-2035: Iren is focusing on strategic infrastructure, improving the quality of services and increasing profitability, to powering tomorrow

The 2026-2035 Business Plan envisages a major investment programme, amounting to approximately 10.4 billion euro, to support two growth drivers: the strengthening of strategic infrastructure (water services, electricity distribution and waste-to-energy plants), areas to which 50% of the investments are allocated, and operational efficiency with an improvement in the quality of services provided and profitability. The focus on regulated businesses will support EBITDA growth of +4% on average per year and net profit growth of +6% on average per year through to 2035. The solid capital structure also allows to confirm the dividend policy, with a dividend growing by 8% per year until 2027 and by 6% until 2030, as well as the financial flexibility needed to seize further opportunities for organic and inorganic development.

Highlights

- **EBITDA:** approximately 1.95 billion euro by 2035 (+600 million compared to 2025) with a CAGR of +4% thanks to organic growth and the efficiency recovery plan
- **Group Net Profit:** approximately 550 million euro by 2035, with a CAGR of +6%
- **Dividend:** +8% annual increase until 2027 and +6% from 2028 to 2030
- **Net financial debt/EBITDA:** ratio progressively improving until reaching 2.8x in 2035
- **Capex:** 10.4 billion euro mainly allocated to strategic infrastructure (integrated water cycle, electricity grids and waste-to-energy plants), the extension of district heating, the installation of air-cooling system at gas-fired generation plants and the maintenance of the customer base. Of which:
 - 73% of investments allocated to regulated and semi-regulated businesses
 - 45% of investments allocated to business development
 - 73% of investments allocated to the Sustainability and Transition Plan and 62% eligible for the European Taxonomy
- **Recruitment:** generational and managerial turnover supported by 2,800 new hires

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Reggio Emilia, 27 October 2026 - Today, the Board of Directors of Iren S.p.A. approved the update of the Business Plan to 2035.

*“With the Business Plan to 2035, we confirm our ability to combine industrial ambition, sustainable growth and financial discipline, contributing to the development of the country’s strategic infrastructure.” - states **Luca Dal Fabbro, Executive Chairman of the Iren Group** - “The planned investments will support EBITDA growth to approximately 1.95 billion euro by 2035, further strengthening the share of regulated and semi-regulated assets, which will reach 80%. All this while maintaining robust financial discipline, with an Net Debt/EBITDA ratio progressively declining to 2.8x by the end of the Plan, in full compliance with the thresholds set for maintaining current rating levels. This financial structure also enables us to confirm our dividend policy, offering our shareholders visibility, stability and sustainable long-term returns.”*

*“With 10.4 billion euro in investments, around half of which is earmarked for strategic infrastructure in the water cycle, electricity distribution and waste-to-energy plants, the Plan strengthens Iren’s positioning in the businesses where we demonstrate distinctive expertise and a solid competitive advantage,” says **Gianluca Bufo, CEO of the Iren Group**. “Alongside infrastructure growth, we have embarked on a major Group transformation process based on synergies, digitalisation, artificial intelligence and organisational streamlining, with the aim of increasing ROI to 10% by 2035. These initiatives will enable us to further improve the quality of our services, strengthen the Group’s competitiveness and sustain average annual EBITDA growth of 4% and net profit growth of 6%. Finally, the financial flexibility preserved by the Plan gives us a stronger investment capacity to seize further strategic opportunities.”*

*“The Business Plan is accompanied by an update of our Sustainability and Transition Plan.” - states **Moris Ferretti, Executive Deputy Chairman of the Iren Group** - “Over 73% of the planned investments, amounting to approximately 7.6 billion euro, are earmarked for projects that make a tangible contribution to the sustainable transition, with a particular focus on water resources, resilient cities, the circular economy and decarbonisation. In order to achieve the Plan’s economic objectives, all management will also be committed to contributing to the corporate and organisational rationalisation programme that began in 2026. At the same time, we continue to invest in people, aware that skills, innovation, safety and adaptability are essential enablers for successfully achieving the Plan’s objectives and for preparing us to address generational and managerial turnover, both through the recruitment of 2,800 people and the optimisation and growth of the people already working with us.”*

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STRATEGY

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The Business Plan to 2035 confirms the validity of the strategic path already started and further develops it by introducing two growth objectives: **operational excellence** and the strengthening of **strategic infrastructure**.

Iren's commitment to the **ecological transition** is now taking on an increasingly industrial, selective and results-oriented form. The Group focuses its resources on areas where it has strategic assets, distinctive expertise and a recognised competitive advantage, prioritising initiatives that combine sustainability, resilience and adequate long-term returns. This perspective encompasses investments in the protection of water resources, the development of wastewater treatment, the strengthening of the circular economy and energy recovery, the growth of district heating and the enhancement of generation assets that are essential for the security and flexibility of the energy system.

The **creation of value for the territories** translates into the development of infrastructure essential to the country's growth and autonomy. The Plan identifies three priority **infrastructure platforms** (water service, electricity distribution and waste-to-energy plants), to which 50% of total investments will be allocated, with the aim of reducing infrastructure gaps, increasing the resilience and reliability of services and strengthening the plant-related autonomy of the territories.

The **quality of the service** remains the guiding principle of the Group's actions and becomes an integral part of the path towards **operational excellence**. Iren aims to make networks, plants and processes more efficient, resilient and fit for future challenges, transforming investments into tangible benefits for citizens and local areas. In the water service, the aim is to reduce network losses, increase treatment capacity and protect an increasingly critical resource; in electricity distribution, the Group intends to strengthen the network, increase the available power and halve the duration of outages; in waste management, it aims to increase the recovery of materials and energy and reduce the use of landfill.

In line with the path embarked upon in 2025, the Plan consolidates Iren's transformation from an "extended multi-utility" to a "**focused multi-utility**". The increased focus entails a more selective allocation of capital, concentrated on core businesses in which the Group can leverage its positioning, local presence and industrial expertise. This approach makes it possible to improve the quality of the investment portfolio, strengthen the discipline on returns and reduce exposure to activities in which Iren does not yet have a consolidated competitive advantage. The ambition for 2035 is to progressively evolve from a focused local multi-utility to an **infrastructure player of national importance**, while maintaining proximity to local areas and developing a larger industrial scale.

The **growth targets** of Plan make the Group's strategic vision more concrete and measurable, identifying two priority development pillars. The first is **operational excellence**, understood as the ability to structurally transform the quality of the activities carried out into a recognisable and sustainable competitive advantage. This path is based on improving service quality and increasing profitability, pursued through operational efficiencies, synergies, digitalisation, artificial intelligence, organisational streamlining and more effective optimisation of invested capital, with the aim of progressively increasing the ROI to 10%. The second pillar concerns the strengthening of **strategic infrastructure**, through a highly focused allocation of capital, amounting to 50% of total investments, to the most important infrastructure businesses: the water service, to which 2.4 billion euro of

investments will be allocated, electricity distribution with 1.4 billion euro and waste-to-energy plants with 1.2 billion euro, to support the resilience of the local areas, infrastructural autonomy and the quality of the services provided.

The Business Plan to 2035 includes the **Sustainability and Transition Plan** with a horizon to 2040, consistent with the investment cycles of the businesses and with the long-term nature of the environmental and social impacts. The five focus areas are confirmed: water resources, resilient cities, circular economy, decarbonisation and people. Sustainability is therefore one of the main pillars through which Iren directs capital, strengthens its assets and builds long-term value.

Overall, the Plan outlines a more focused, efficient and infrastructure-oriented Group, capable of transforming investments into service quality, profitability and sustainable growth.

INVESTMENT PLAN

The Plan envisages a total of **10.4 billion euro in investments over the period 2026-2035**, distributed evenly over the entire time frame. Over 80% of the resources are allocated to the Business Units with the highest infrastructure content, with a particular focus on networks, the environment and energy. The investments are aimed at strengthening the Group's strategic infrastructure, through the modernisation of the water service, the development of electricity distribution, the construction of new waste-to-energy plants, the expansion of district heating and the enhancement of energy assets considered strategic. The investment portfolio also has a low-risk profile, thanks to the fact that **73% of the resources are allocated to regulated or semi-regulated activities** and **55% are earmarked for the maintenance** and renewal of existing assets, while the remaining **45% supports the growth** and development of the Group's asset base. More than **73%** of total investments, amounting to 7.6 billion euro, are earmarked for projects **supporting sustainability and transition**, and **62% are eligible under European Taxonomy**.

In summary, the Plan is characterised by a **strong focus on strategic infrastructure**, **high visibility of returns**, a **balanced distribution of investments over time** and a **significant contribution to the Group's sustainability and transition objectives**.

ECONOMIC-FINANCIAL OBJECTIVES

		2025	2028	2030	2035	CAGR '25-'35
EBITDA	mln €	1,353	1,500	~1,600	~1,950	4%
<i>Networks</i>	mln €	529	620	680	820	5%
<i>Waste Management</i>	mln €	277	300	330	500	6%
<i>Energy</i>	mln €	278	335	365	390	3%
<i>Market</i>	mln €	269	245	235	235	-1%
EBIT	mln €	530	650	740	1,040	7%
Group net profit	mln €	301	335	385	~550	6%
Net Financial Debt/EBITDA	x	3.1	3.1	3.0	2.8	-
Net financial debt	bn €	4.2	4.7	4.9	5.4	-

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The investment plan supports margin growth throughout the Plan period, with an average annual EBITDA increase of 4% both in 2030 and 2035.

With reference to the growth drivers to 2030, the main positive contributions come from:

- 200 million euro in organic growth, supported by the increase in the revenue constraint in the networks, the full operation of the material recovery plants and the development of district heating;
- 130 million euro of synergies, generated by a comprehensive cost management plan that includes approximately 150 projects in 8 areas of intervention and anticipates annual benefits of around 25 million euro, an increase of approximately 30 million euro compared to the previous Business Plan;
- 5 million euro linked to the energy and regulatory scenario, mainly thanks to the recovery of inflation on the operating costs of regulated businesses.

These effects are partially offset by the absence of the non-recurring items recorded in 2025 (31 million euro), by approximately 30 million euro in higher personnel costs and contract renewals, and by 25 million euro in the normalisation of margins in the gas sales businesses, due to the reduction in volumes and unit margins.

FINANCIAL STRUCTURE

The Group confirms its commitment to maintaining a balanced financial structure consistent with current rating levels. The expected growth will be supported by rigorous financial discipline. Despite an investment programme of 10.4 billion euro, the financial profile remains solid: the Net Debt/EBITDA ratio is expected to stand at 3.0x in 2030 and 2.8x in 2035, remaining well below the 3.5x threshold throughout the Plan period and ensuring the Group a significant margin of financial flexibility. This trend is supported by the growing share of regulated and semi-regulated activities, which will account for approximately 75% of EBITDA by 2030 and 80% by the end of the Plan.

The average cost of debt, currently 2.4%, is expected to rise gradually as a result of the refinancing of maturing bonds, remaining below 2.8% in the two-year period 2027-2028, around 3% in the period 2029-2030 and subsequently settling at around 3.3%. The high proportion of fixed-rate debt, at 95%, and an average duration of around five years help to limit exposure to financial market volatility and preserve the long-term sustainability of the capital structure.

DIVIDEND POLICY

The dividend policy announced last year is confirmed, with a dividend increase of +8% until 2027 and +6% from 2028 to 2030. This trajectory reflects the Group's ability to combine a substantial investment programme while maintaining a balanced financial structure and, at the same time, ensuring steady and attractive growth in shareholder returns. The dividend policy is also consistent with the predominantly regulated and resilient nature of our business portfolio and offers investors a high level of visibility in the medium to long term.

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FOCUS ON BUSINESS UNITS

The Business Plan envisages an increase in Group EBITDA of 600 million euro in 2035 compared to 2025. The significant increase in EBITDA is generated by the positive contribution of the Networks, Waste Management and Energy business segments.

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NETWORKS

The Networks Business Unit is one of the main drivers of growth in the Plan, with **4.4 billion euro of investments** earmarked for the reinforcement and digitalisation of water, electricity and gas infrastructures. The strategic priority is to transform investments into a tangible improvement in the quality of service, increasing the resilience, reliability and operational efficiency of the assets. A total of 2.4 billion euro is earmarked for the **integrated water service**, aimed at renewing networks, developing treatment capacity and protecting water resources. The Plan envisages the replacement of approximately 1,700 km of network and the construction of new wastewater treatment plants, with the aim of reducing water losses to 26% and improving the overall quality of service. 1.4 billion euro is earmarked for **electricity distribution** to develop more resilient networks capable of supporting the growing electrification of consumption and the increase in power demand. The investments will enable the construction of six new primary substations and the upgrading of two existing ones, increasing the available power by 60% and helping to halve the average duration of service interruptions. In **gas distribution**, which accounts for approximately 600 million euro in investments, the Group maintains a selective approach focused on safety, the replacement of non-compliant materials and the digitalisation of networks, with the aim of maintaining the high standards of service already achieved. Thanks to the planned investments and increasing operational efficiency, the RAB is expected to grow from 3.3 billion euro in 2025 to 5.6 billion euro in 2035, while the Business Unit's **EBITDA** will increase from 529 million euro to 820 million euro, with an average annual growth rate of 5%, confirming the central role of regulated activities in the Group's development.

WASTE MANAGEMENT

The Waste Management Business Unit is allocated **2.2 billion euro in investments** for closing the waste cycle and energy recovery. 71% of the investments are concentrated in treatment and disposal activities, while the remaining 29% are allocated to collection, with initiatives aimed at further improving the quality of service and streamlining processes through digitalisation and automation. In the **treatment and disposal** sector, the Plan envisages the most significant increase in the size of the Business Unit, with the construction of four Waste-to-Energy plants, including two new 400 thousand-tonne plants and the revamping of the TRM and Poggibonsi plants, for over 1.1 million tonnes of additional capacity. Three new plants are also planned, two for the treatment of liquid waste and one for the disposal of ash from waste-to-energy plants. In its **collection** activities, the Group confirms the current scope of its concessions and continues the process of digitalisation and operational optimisation, with the aim of increasing sorted waste collection to 75%, improving the quality of the collected streams and maximising the recoverable value in the subsequent treatment phases. Thanks to these investments, the volume of waste treated will increase by more than 70%, while the energy produced by waste-to-energy plants will more than double by 2035, helping to increase the plant autonomy of the territories and reduce the use of landfill disposal.

The industrial evolution of the Business Unit is reflected in the expected financial results, with **EBITDA** forecast to grow from 277 million euro in 2025 to approximately 500 million euro in 2035.

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ENERGY (GENERATION)

The Energy Business Unit adopts a highly selective strategy, focused on the optimisation of assets capable of ensuring adequate returns and a significant role in the national energy system. The Plan envisages **2.2 billion euro of investments**, mainly focused on the development of district heating and the strengthening of strategic generation assets. In **district heating**, the Business Unit's main area of growth, investments of 700 million euro are planned for the extension of networks, particularly in the Turin area, the construction of a new plant in Alba, the refurbishment of cogeneration plants and the increase in thermal storage capacity. These initiatives will make it possible to increase the volumes served from 115 to 140 million cubic metres. In the **hydropower** sector, the Group will invest almost 650 million euro to improve the safety, efficiency and production continuity of its plants, assuming an extension of the concessions under what is termed the "fourth way" scheme. Development initiatives are also planned for approximately 8 MW of new small-scale hydroelectric capacity and the construction of a 48 MW pumped-storage system in the second part of the Plan. As for other **renewable** sources, investments, amounting to approximately 70 million euro, will be earmarked exclusively for the completion of photovoltaic projects already authorised and under development, for a total additional capacity of 63 MW. The Group also confirms the strategic role of **thermoelectric and cogeneration generation**, considered essential to ensure the flexibility and security of the electricity system in a scenario characterised by increasing electrification of consumption and the development of data centres. The investments include the installation of air-cooling system at the Turbigo and Moncalieri power plants, which will enable operation even in conditions of water scarcity, as well as the development of new opportunities related to energy supply for data centres in "capital-light" mode. Finally, in the **energy efficiency** sector, activities will focus primarily on the Public Administration's energy requalification programmes and on the opportunities arising from the Thermal Account 3.0. The planned investments will enable the Business Unit to achieve an **EBITDA** of approximately 390 million euro in 2035, compared to 278 million euro in 2025.

MARKET

The Market Business Unit adopts a strategy focused on creating value and ensuring the quality of the customer relationship, prioritising profitability over customer base growth. The Plan envisages **800 million euro in investments** aimed at maintaining a customer base of approximately 2.3 million, while increasing the value generated through greater service penetration and a broader commercial offering. Amidst an increasingly challenging competitive environment, the Group aims to strengthen customer loyalty through the progressive increase in electricity customer volumes, the management of the transition of customers from the Gradual Protection Service, the enhancement of physical and digital contact channels, and the development of commercial offers that can balance fixed-price and variable-price formulas. Iren Plus and bundled offers, which combine energy supplies with value-added services such as connectivity, insurance and home solutions, will play a central role in achieving retention targets.

In this context, the Business Unit's **EBITDA** is expected to reach approximately 235 million euro by 2035, reflecting the normalisation of margins and volumes in the gas business, offset by the growth of value-added services and the stable profitability of the electricity business. The contribution of Iren Plus and the other services is expected to almost double, rising from 11 million euro to 20 million euro.

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CONFERENCE CALL

The Business Plan update will be presented today, 27 October at 2.00 pm (Italian time) during a conference call with the financial community, which will also be webcast on the www.gruppoiren.it website, in the Investors section.

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