



A2A, PRELIMINARY RESULTS 2020: ORDINARY EBITDA IN LINE WITH 2019 AND RECORD CAPEX. STRONG COMMITMENT TO SUSTAINABLE GROWTH

- *Ordinary Ebitda at €1.19 billion in line with 2019, thanks to strong Q4 results*
- *Capex at €738 million, +18% compared to 2019: around 80% are consistent with the UN 2030 Agenda goals (SDGs) confirming the commitment to promote sustainable growth*
- *Net Financial Position at 3.47 billion euros. NFP / EBITDA at 2.9x (2.6x in 2019)*
- *Direct CO2 emissions reduced by 1 million tonnes*

Milan, February 24, 2021 – A2A S.p.A.'s Board of Directors met today and reviewed the preliminary consolidated results for 2020 under the chairmanship of Marco Patuano.

*"The preliminary figures for 2020," commented Chief Executive Officer **Renato Mazzoncini**, "confirm the strength and solidity of the A2A Group: in a year characterized by the health emergency, with a highly penalizing energy scenario, we managed to keep our operating profitability stable and contribute to the development of the country through record level investments (+18% compared to 2019), most of which are consistent with the objectives of the UN 2030 Agenda. The Industrial Plan, presented last January, rests on solid foundations and has a clear vision for the future".*

The **Ordinary Ebitda (Ordinary Gross Operating Margin)** amounts to 1.19 billion euros, in line with the previous year. The contraction recorded in the Energy Business Unit, which occurred in the first part of the year - mainly due to a very weak energy scenario and only partially mitigated by accurate hedging policies - was followed by a sharp recovery in Q4 in both the Generation and Retail segments (+263,000 customers in the free market compared to 31 December 2019). In addition, there were excellent results in the Waste BU.

Including non-recurring positive items, which were particularly significant in 2019, the **Ebitda (Gross Operating Margin)** stands at €1.20 billion (€1.23 billion in 2019).

Capex amounted to €738 million, up by €111 million from the already high levels recorded in 2019 (amounting to €627 million). This increase is mainly attributable to development interventions, in particular related to the circular economy focused on the recovery of material and energy from waste in the Waste BU, the electricity distribution network and the water cycle treatment plants in the Networks BU and ICT upgrades related to the expected end of protected energy market and energy efficiency in the Energy BU (Market segment).



With a clear vision towards the future, the Group has allocated many resources to sustainable development: about 80% of capex are in fact classifiable as "sustainable" according to the objectives dictated by the UN 2030 Agenda (SDGs).

Consistently with the long-term strategy described in the 2021-2030 Strategic Plan, focused on circular economy and energy transition, the Group, in the year 2020, consolidated its leadership in the biomass sector, thanks to the acquisition of Agritre, which occurred in the first quarter, and acquired its first wind power plant.

The **Net Financial Position** amounts to 3.47 billion euros (3.15 billion euros at December 31, 2019). Net of changes in the 2020 consolidation scope, the variance was limited to around €0.17 billion euros despite the increase compared to 2019 in both investments of €111 million euros and dividends distributed of €23 million euros (€241 million euros in 2020; €218 million euros in 2019).

The NFP/EBITDA ratio is 2.9x (2.6x in 2019).

In addition to the positive financial figures, direct CO₂ emissions were reduced by 1 million tonnes in 2020 compared to 2019.

Green energy sales reached 3.9 TWh (+70% compared to 2019). 99.8% of the waste collected was transformed into matter or energy.

In 2020 the Group added 1,095 new hires, with a net variation of 160 FTEs for a total amount of 12,396 employees.

The Board of Directors will review the A2A Group's consolidated financial statements draft during their meeting on March 18, 2021, according to the financial calendar announced previously.

The preliminary figures reported above do not include tax effects, which are currently being calculated, and are still subject to financial audit by the audit company.

Alternative performance indicators (AIP)

Certain alternative performance indicators (AIP) not envisaged by the International Financial Reporting Standards endorsed by the European Union (IFRS-EU) are presented in the press release to give a better view of the A2A Group's performance. In accordance with the recommendations in the ESMA Guidelines published in October 2015, the measures are described below, with an explanation of their content and calculation base:

- **Ebitda (Gross Operating Margin):** an alternative indicator of operating performance, calculated as the sum of "Net operating income" plus "Depreciation, amortization, provisions and write-downs".

- **Ordinary EBITDA (Ordinary Gross Operating Margin):** an alternative performance indicator calculated as the gross operating margin described above by excluding non-recurring transactions or operations, both in the assets and liabilities, (e.g. adjustments relating to previous years, extraordinary redundancy plans, etc.);
- **Net financial position (NFP):** an indicator of financial structure. This indicator corresponds to the financial debts at net of liquidity and equivalents and current and non-current financial assets (financial credits and securities other than equity investments).
- **Capex (Investments):** an alternative performance indicator used by the A2A Group as a financial target within the scope of intra-Group presentations (business plans) and external documents (presentations to financial analysts and investors). It is a useful measure of the resources employed to maintain and develop the A2A Group's investments.

The executive responsible for drawing up A2A S.p.A.'s corporate accounting documents, Andrea Crenna, states – in accordance with article 154-bis, sub-section 2 of the Financial Act (Legislative Decree 58/1998) – that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

For further information:

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