

1H 2022

Consolidated Results

Rome, July 28th 2022

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Highlights

Highlights

Main achievements

STRATEGY



- 2021-2025 Industrial Plan Update
- Construction activities and authorization processes well on track

INTERNATIONAL



- Latin America deconsolidation process in line with planned milestones

PEOPLE



- Tyrrhenian Lab project
- Terna Academy

ESG



- Inclusion in the main sustainability indexes

SHAREHOLDERS REMUNERATION

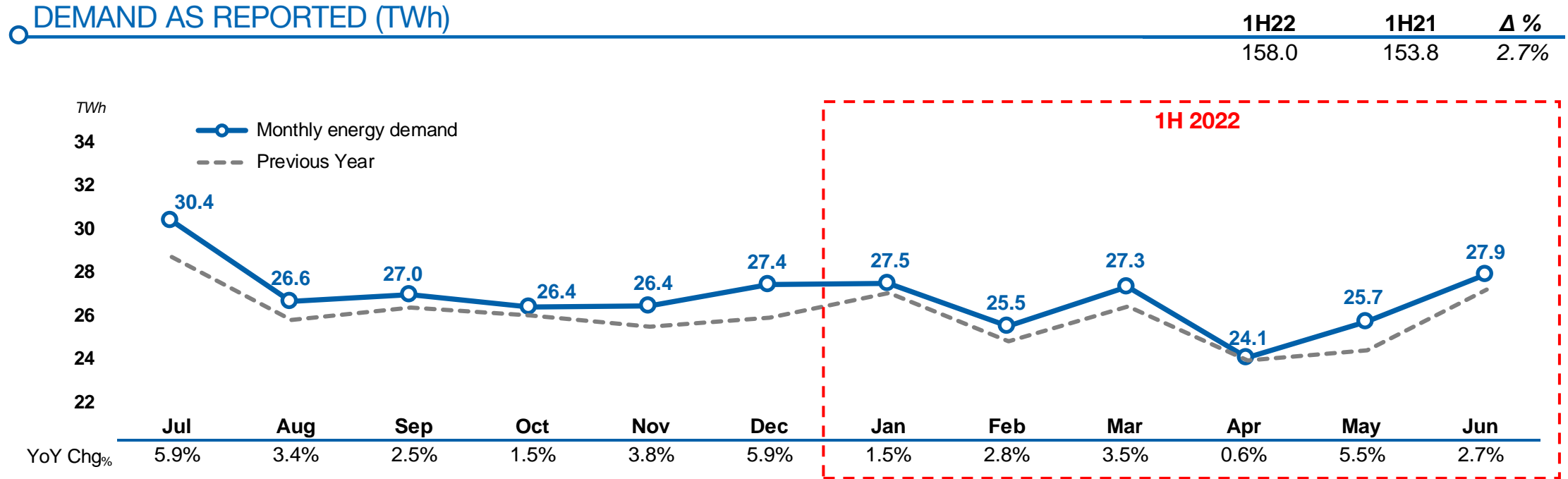


- 19.29 € cents/share, paid in June as 2021 Final Dividend

Institutional role for the Country

Highlights

Demand Evolution – Last 12 months



1H 2022

- National Demand at 158 TWh, o/w ~33% covered by RES
- Net Total Production at 138 TWh, o/w ~37% covered by RES

Guaranteeing security of supply

Highlights

1H 2022 Key Numbers

	1H 2021		1H 2022	Δ vs 1H 2021 restated
	Actual €mn	Restated €mn	Actual €mn	
Revenues	1,259	1,256	1,331	+6%
EBITDA	910	910	947	+4%
Group Net Income¹	385	385	398	+4%
Capex	602	600	661	+10%

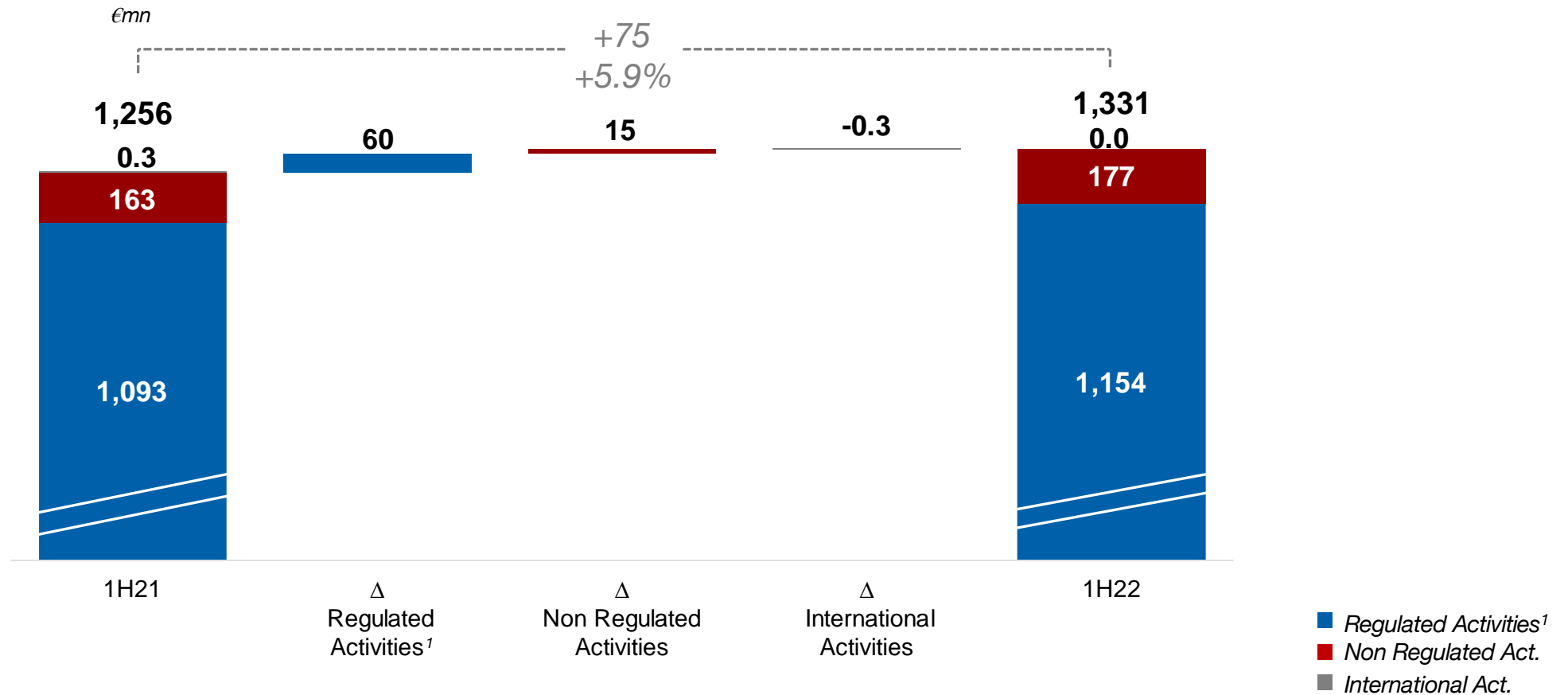
	FY 2021	1H 2022
Net Debt	10,003	8,994

Solid set of results and guaranteed growth

1H 2022 Results

1H 2022 Results

Revenues

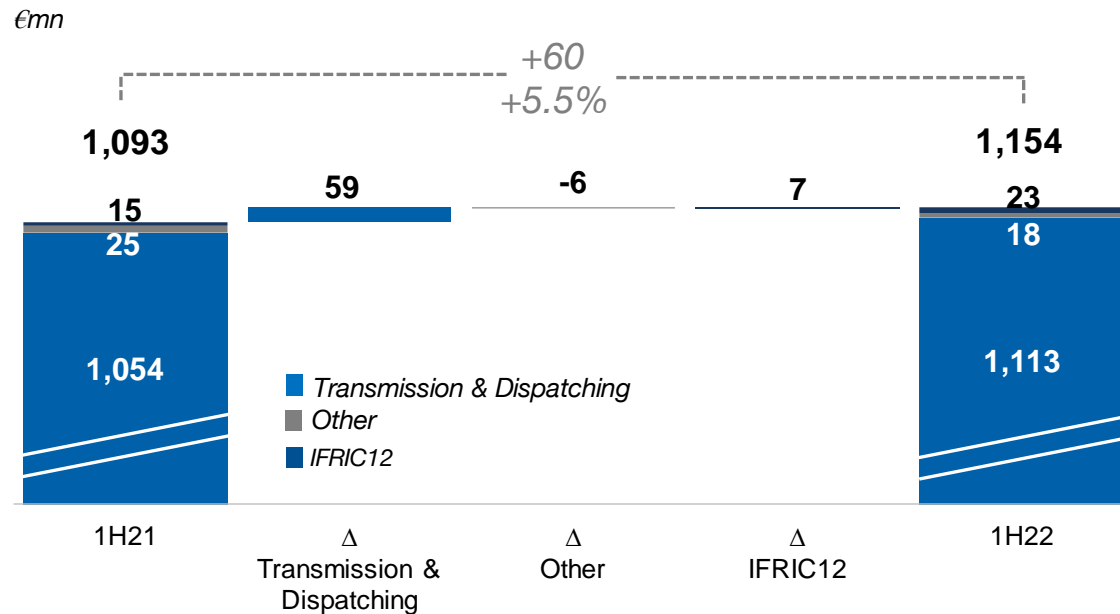


Regulated and Non Regulated revenues as growth driver

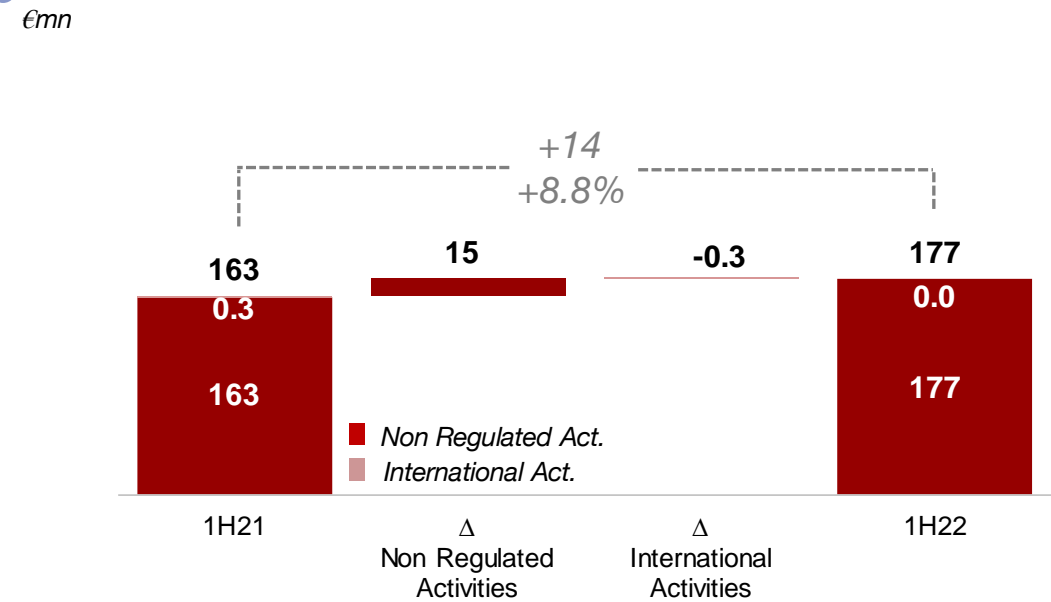
1H 2022 Results

Revenues Analysis

REGULATED



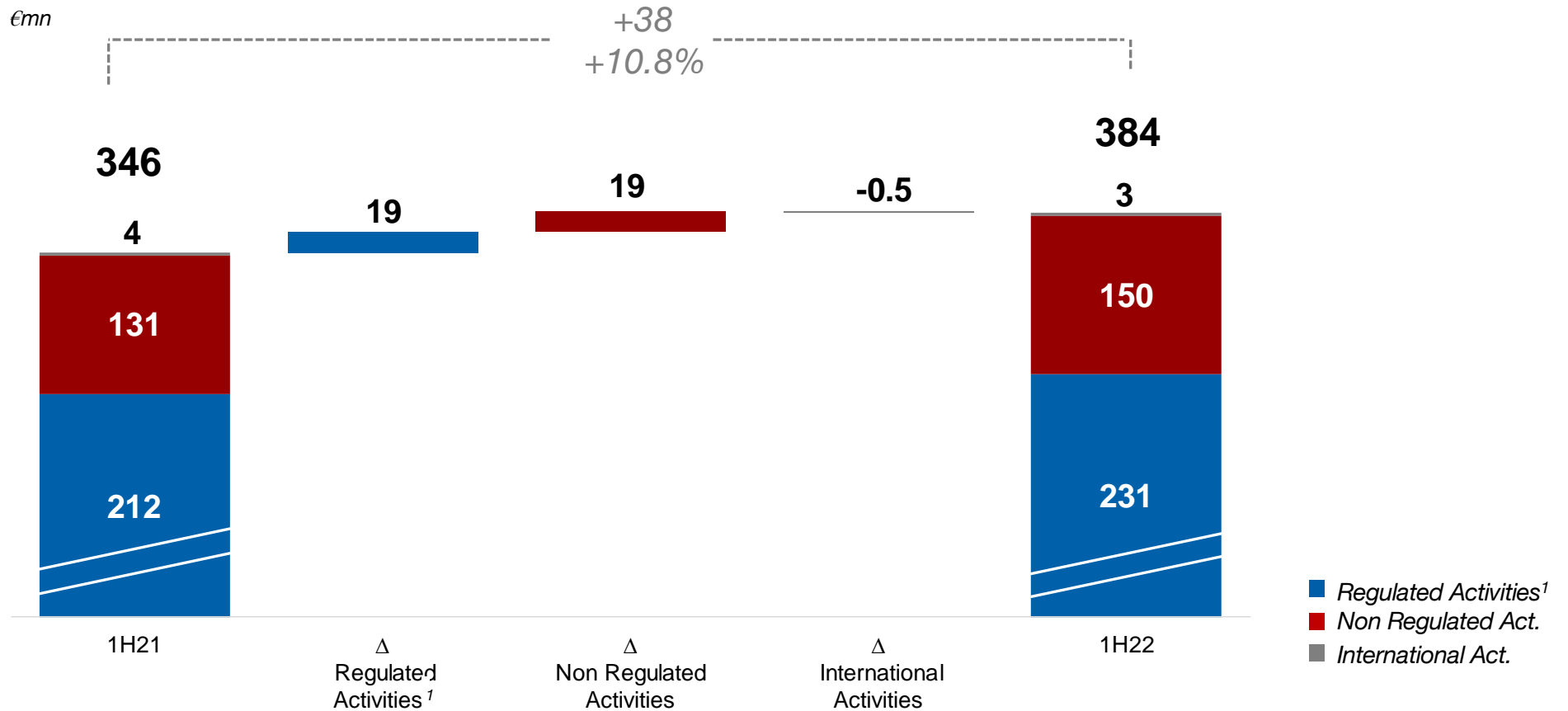
NON REGULATED AND INTERNATIONAL



Higher contribution from Regulated activities

1H 2022 Results

Opex



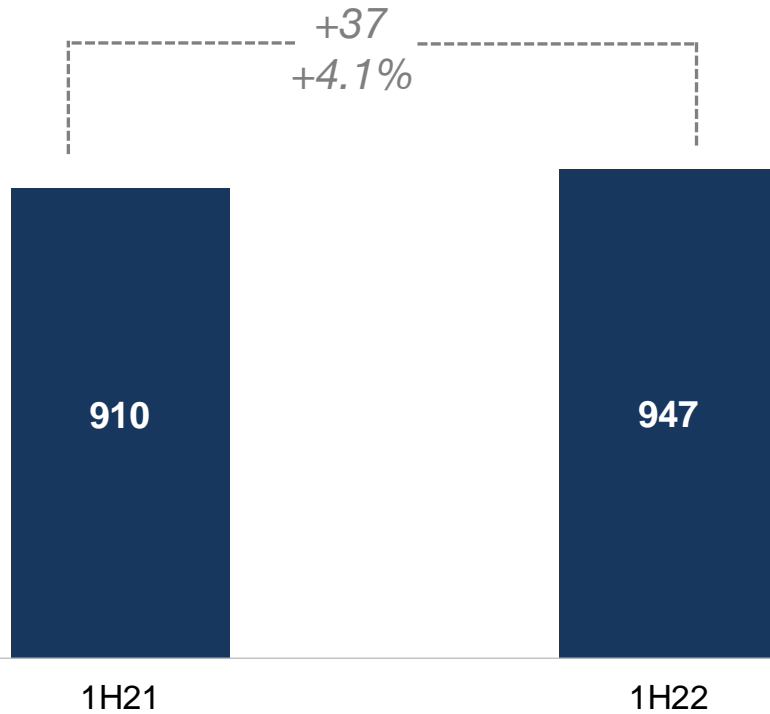
Operating costs evolution driven by skills insourcing

1H 2022 Results

EBITDA

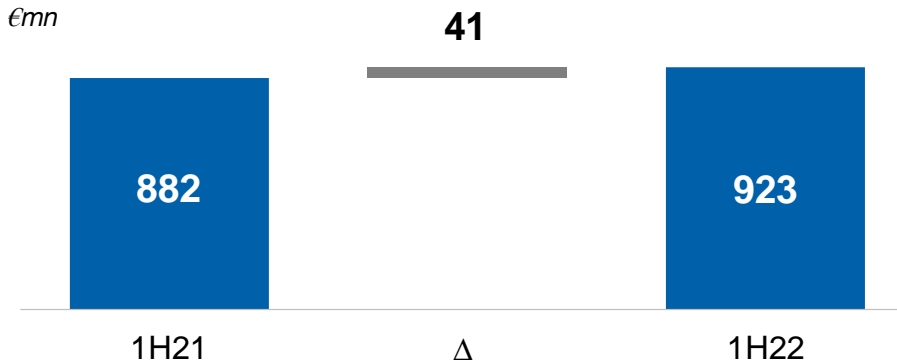
GROUP

€mn



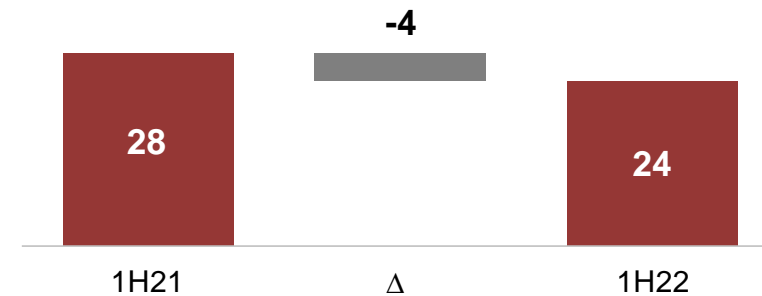
REGULATED

€mn



NON REGULATED AND INTERNATIONAL

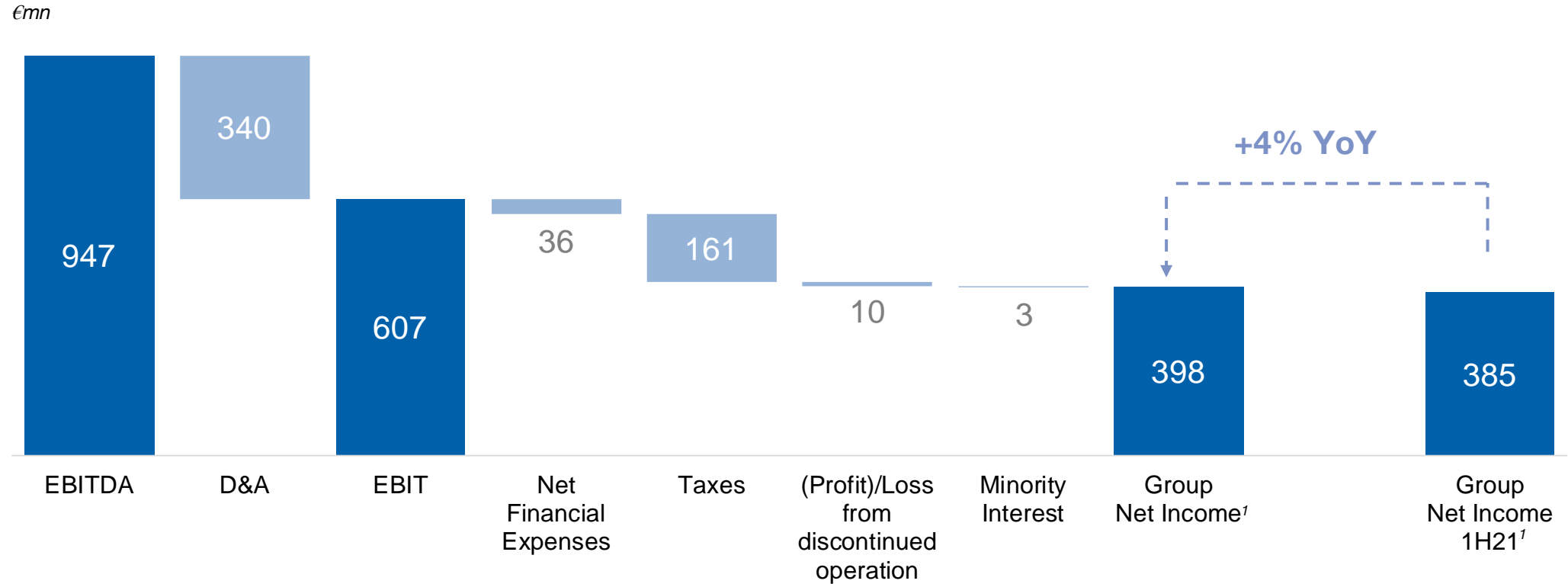
€mn



EBITDA growth driven by Regulated activities

1H 2022 Results

From EBITDA to Net Income



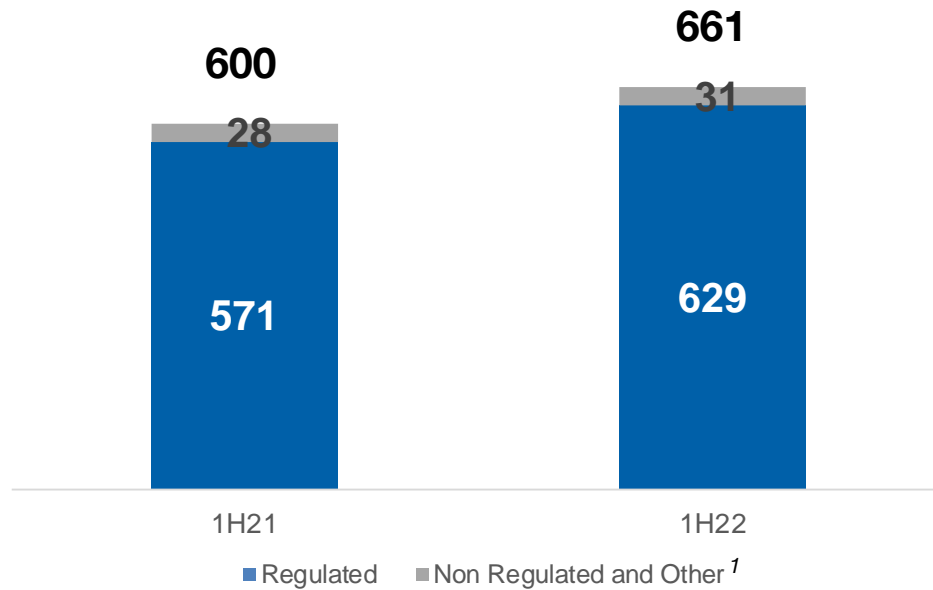
+4% increase in Group Net Income

1H 2022 Results

Capex

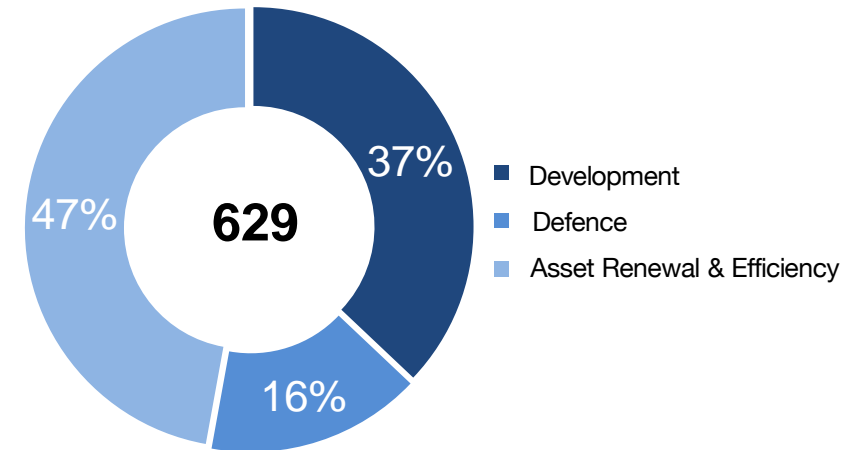
TOTAL CAPEX

€mn



REGULATED CAPEX

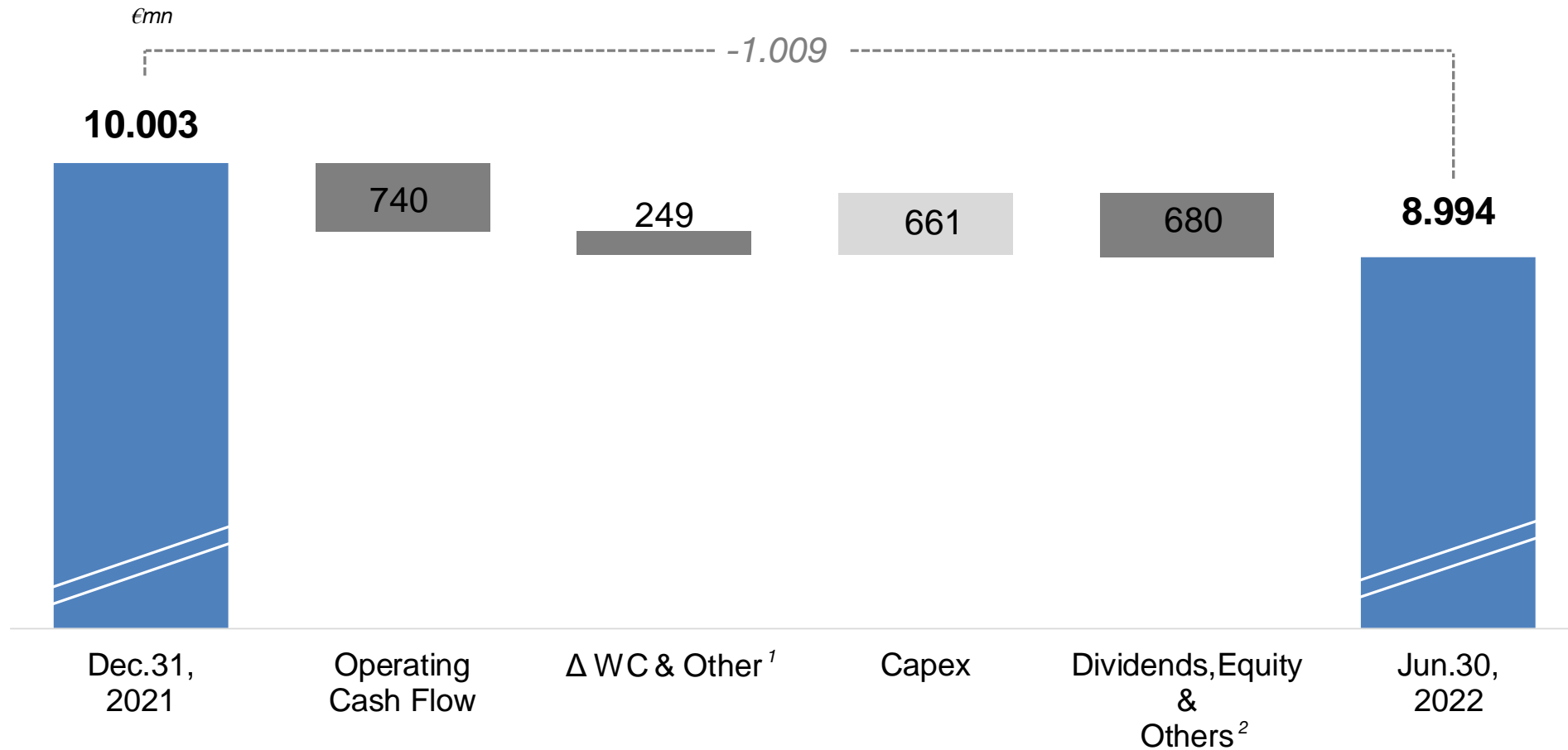
€mn



Double-digit capex acceleration

1H 2022 Results

Cash Flow & Net Debt Evolution

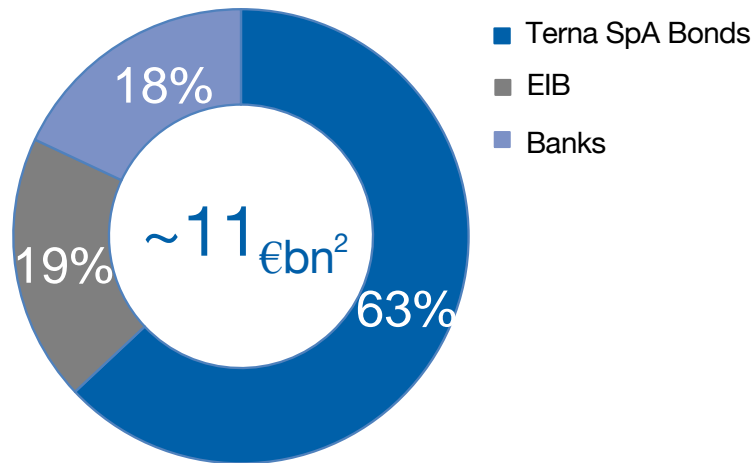


Strong operating cash flow to cover investments

1H 2022 Results

Net Debt Evolution & Financial Structure

GROSS DEBT BREAKDOWN¹



KEY RATIOS¹

Fixed/Floating Ratio

~ 86% Fixed

Calculated on Gross Debt

Maturity

~ 5 years

Maintaining a solid and diversified financial structure

Closing Remarks

Closing remarks

Electricity demand recovery in a challenging scenario

Benefits for the system and output-based incentives

All targets confirmed

Q&A Session

Annexes

Annexes

Consolidated Income Statement¹

€ mn	1H22	1H21	Δmn	Δ%
Total Revenue	1,331	1,256	75	5.9%
<i>Regulated Activities</i>	1,154	1,093	60	5.5%
Transmission	1,000	998	2	0.2%
Dispatching	113	55	58	103.8%
Other ²	18	25	-6	-25.3%
IFRIC12	23	15	7	48.0%
<i>Non Regulated Activities</i>	177	163	15	9.0%
<i>International Activities</i>	0	0	0	-100.0%
Total Costs	384	346	38	10.8%
<i>Regulated Activities</i>	231	212	19	9.1%
Labour Costs	126	113	13	11.9%
External Costs	74	72	2	2.7%
Other ²	9	12	-3	-28.1%
IFRIC12	23	15	7	48.0%
<i>Non Regulated Activities</i>	150	131	19	14.3%
<i>International Activities</i>	3	4	-1	-14.3%
EBITDA	947	910	37	4.1%
D&A	340	326	14	4.3%
EBIT	607	584	23	3.9%
<i>Net Financial Charges</i>	36	34	2	6.2%
Pre Tax Profit	571	550	21	3.8%
Taxes	161	157	4	2.6%
Tax Rate (%)	28.1%	28.4%	-	-0.3 pp
Net Income	411	394	17	4.3%
<i>(Profit)/Loss From Discontinued Operations</i>	-10	-8	-2	29.5%
Total Net Income	401	386	15	3.8%
Minority Interest	3	1	1	78.6%
Group Net Income	398	385	14	3.5%

Annexes

Consolidated Income Statement¹

€ mn	1H 21 Reported	Restatement	1H 21 Restated	Δ%
Total Revenue	1,259	-2	1,256	-0.2%
<i>Regulated Activities</i>	1,093	0	1,093	0.0%
Transmission	998	0	998	0.0%
Dispatching	55	0	55	0.0%
Other ²	25	0	25	0.0%
IFRIC12	15	0	15	-0.1%
<i>Non Regulated Activities</i>	163	0	163	0.0%
<i>International Activities</i>	3	-2	0	-88.9%
Total Costs	348	-2	346	-0.5%
<i>Regulated Activities</i>	212	0	212	0.0%
Labour Costs	113	0	113	0.0%
External Costs	72	0	72	0.0%
Other ²	12	0	12	0.0%
IFRIC12	15	0	15	0.0%
<i>Non Regulated Activities</i>	131	0	131	0.0%
<i>International Activities</i>	5	-2	4	-35.0%
EBITDA	910	-1	910	-0.1%
D&A	326	0	326	0.0%
EBIT	585	0	584	-0.1%
<i>Net Financial Charges</i>	41	-7	34	-17.0%
Pre Tax Profit	544	7	550	1.2%
Taxes	158	-1	157	-0.8%
Net Income	386	8	394	2.0%
<i>(Profit)/Loss From Discontinued Operations</i>	0	-8	-8	100.0%
Total Net Income	386	0	386	0.0%
Minority Interest	1	0	1	-2.0%
Group Net Income	385	0	385	0.0%

Annexes

Consolidated Balance Sheet

€ mn	Jun. 30,2022	Dec. 31,2021	Δmn
PP&E	15,553	15,317	237
Intangible Asset	701	657	44
Financial Inv. and Other	433	380	53
Total Fixed Assets	16,687	16,353	334
Net WC	-1,967	-1,707	-260
Funds	-50	-48	-2
Net Capital Invested	14,670	14,598	72
Net Assets Held for Sale	206	118	88
Total Net Capital Invested	14,876	14,716	161
Financed by:			
Consolidated Net Debt	8,994	10,003	-1,009
Total Shareholder's Equity	5,882	4,713	1,169
Total	14,876	14,716	161

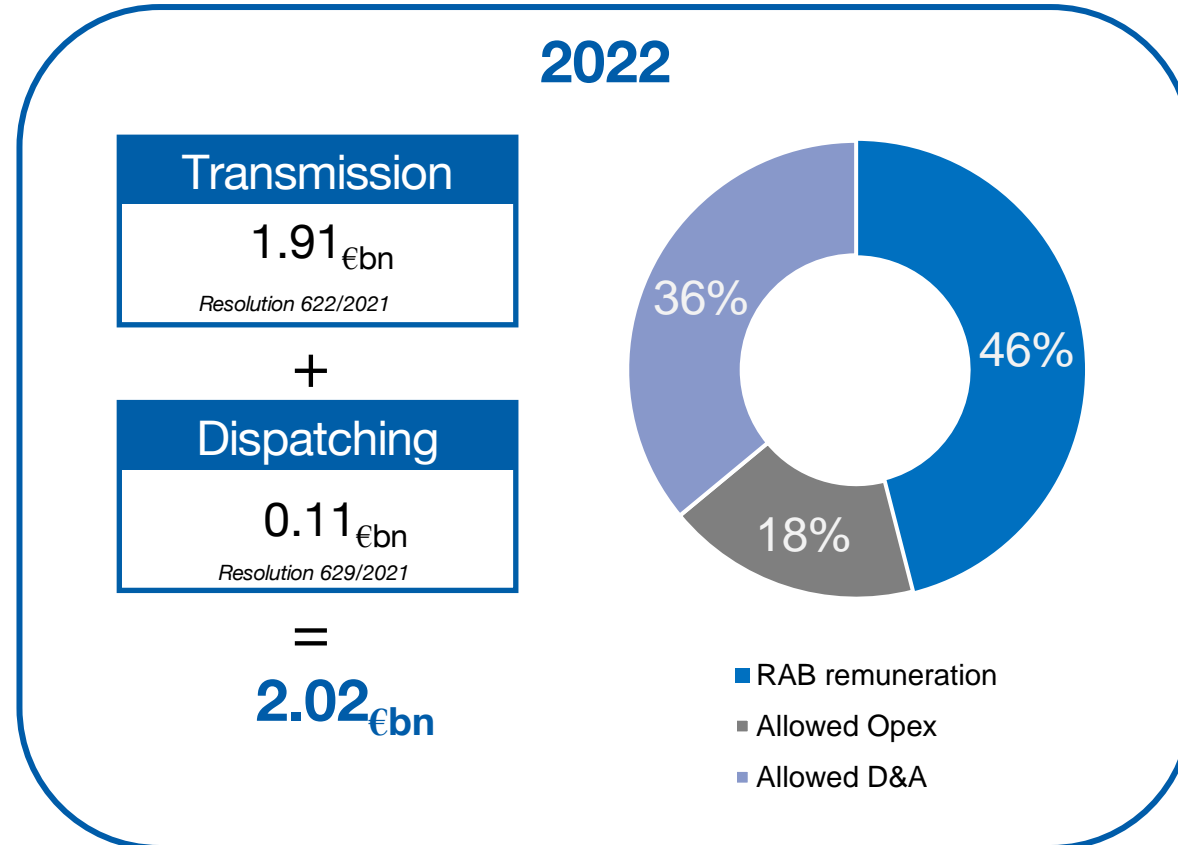
Annexes

Consolidated Cash Flow

€ mn	1H22	1H21
<i>Total Net Income</i>	401	386
<i>D&A¹</i>	338	317
<i>Net Change in Funds</i>	2	-31
Operating Cash Flow	740	672
<i>Δ Working Capital & Other²</i>	249	-306
Cash Flow from Operating Activities	989	366
<i>Capital Expenditures</i>	-661	-602
Free Cash Flow to Equity	328	-236
<i>Net Assets Held for Sale</i>	-88	
<i>Dividends & Equity³</i>	769	-326
Change in Net Cash (Debt)	1,009	-562

Annexes

2022 Total Grid Fee*



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