

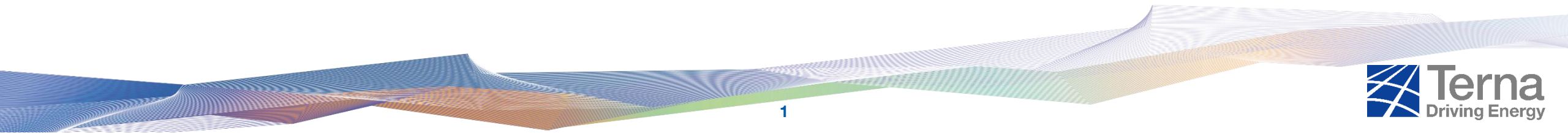
INDUSTRIAL | 24 PLAN | 28

U P D A T E

Empowering Tomorrow

Agenda

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Achievements 2024



Scenario

10-year National Development Plan

Strategy

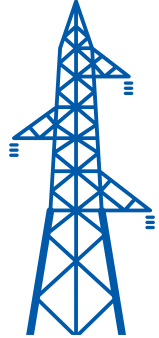
FY 2024 Results


2024 – 2028 Group Financial Targets

Closing Remarks

Achievements 2024

Main highlights



- ▶ Over **€2.3bn** authorised in 2024, including:
 - **Elmed** 
 - **Adriatic Link** 
- ▶ **Tyrrhenian Link, Adriatic Link, SA.CO.I.3:** Construction sites launched
- ▶ **Signed Term Sheet for acquisition** of a portion of **Rome HV grid** from Acea



2024 Key Indicators
up high-double digits



Terna reconfirmed as **global sustainability leader**

2024

A solid base for future growth



Scenario



10-year National Development Plan

Strategy

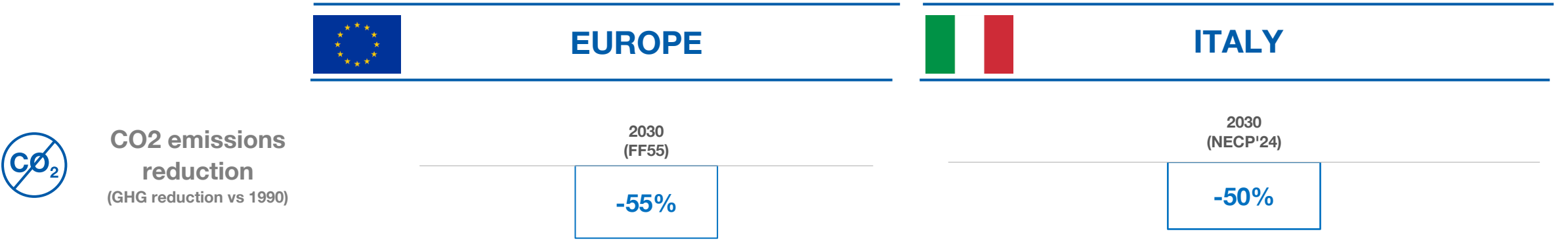
FY 2024 Results

2024 – 2028 Group Financial Targets

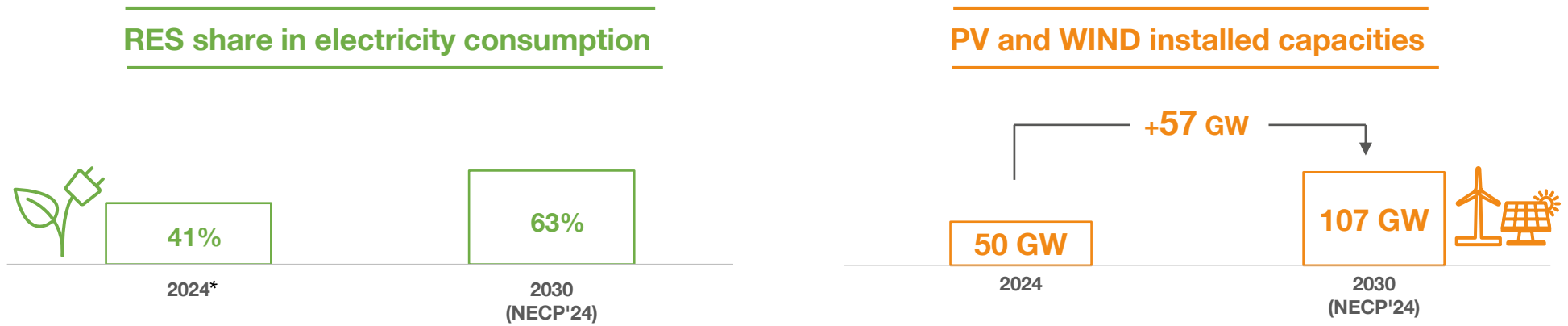
Closing Remarks

Scenario

EU and Italian decarbonization targets for 2030



FOCUS ON ITALIAN RES



Source: National Energy and Climate Plan (NECP) 2024
* 2024 provisional data

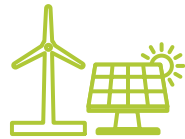
Scenario

System towards Energy Transition: Terna's Role

**INFRASTRUCTURE
DEVELOPMENT**



**RENEWABLES
INTEGRATION**



STORAGE



**MARKET
DESIGN**

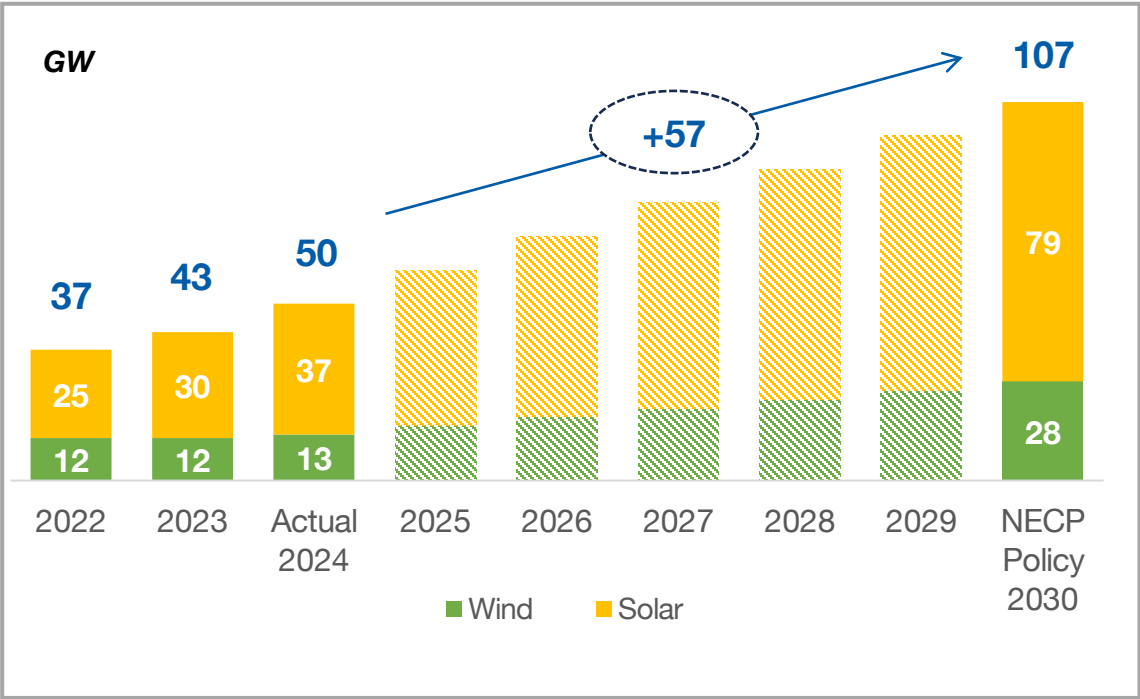


Scenario

Robust acceleration in RES installed capacity

RES capacity evolution

National RES Capacity Evolution¹ [GW]



New **supportive measures**
to achieve **NECP Policy 2030**

FER X Decree

to accelerate solar and onshore wind

FER 2 Decree

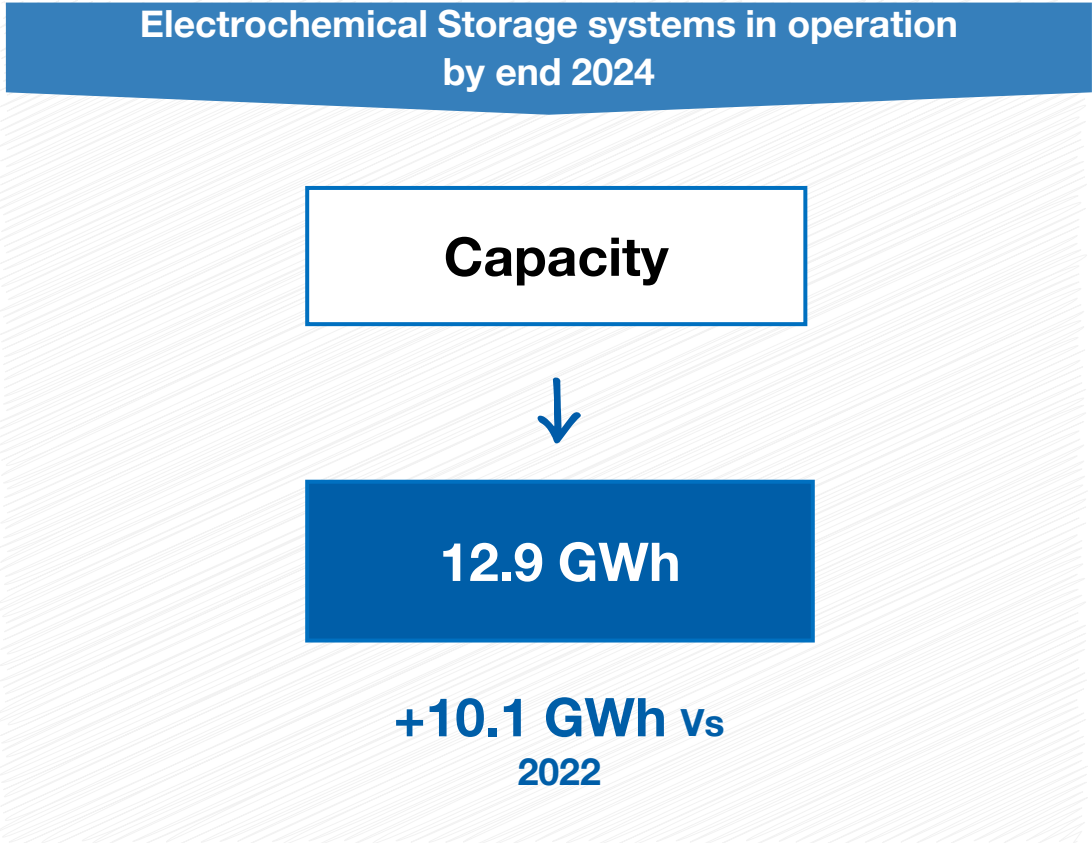
to enable the development of innovative RES

1. Source: National Energy and Climate Plan (NECP) 2024

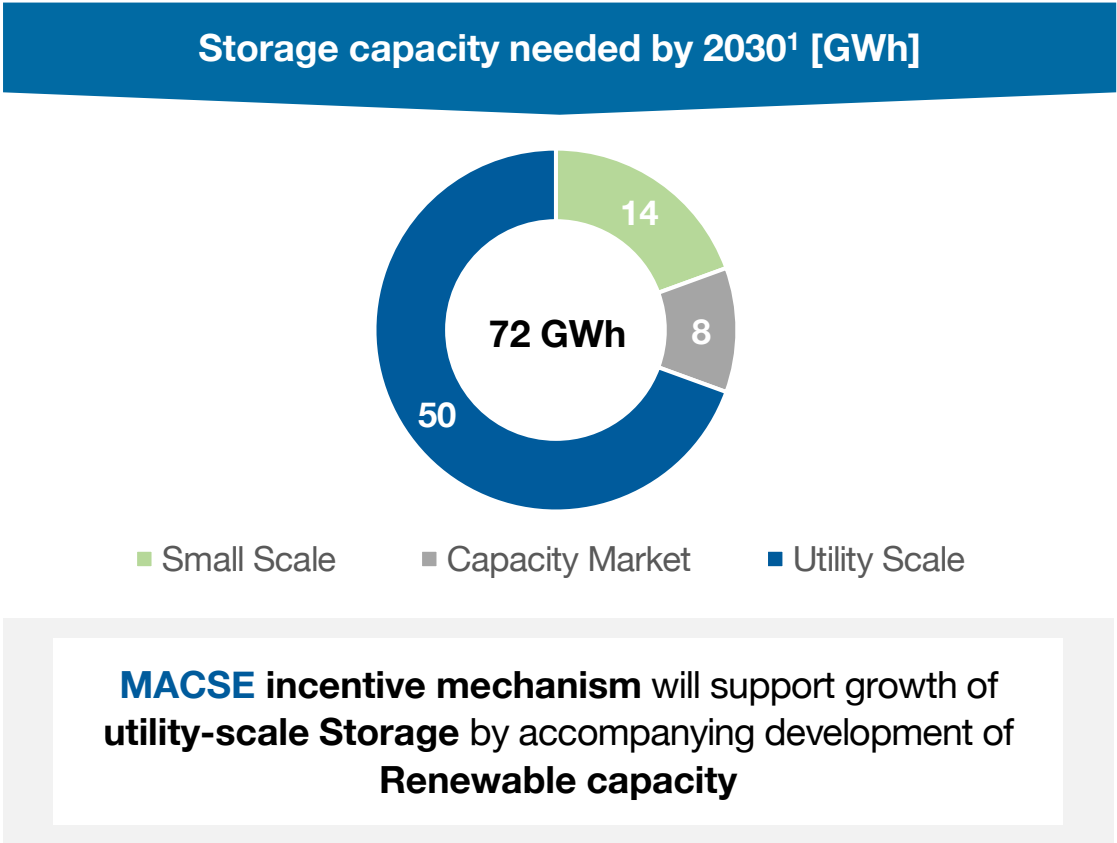
Scenario

Supporting integration of intermittent Renewables through new utility-scale Storage

Current Storage Landscape and NECP 2030 Targets



Source: Terna's 10-years National Development Plan 2025

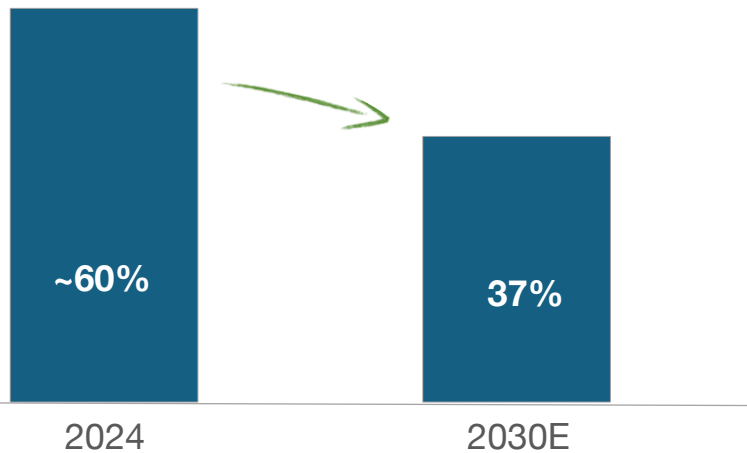


Source: Scenarios Description Document (October 2024) developed jointly by Terna and Snam.
1. On top of the existing Hydro-pumping installed capacity.

Scenario

Transition enables energy independence

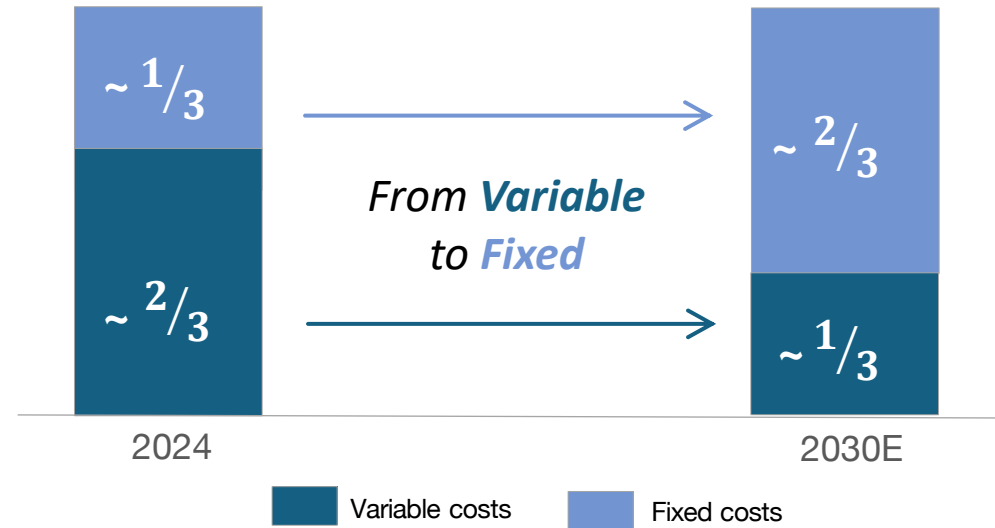
Dependence of the Italian electricity system on imported commodities from foreign countries*



Source: Terna Estimates

*commodities include imported electricity

Evolution of fixed/variable costs for the electricity system

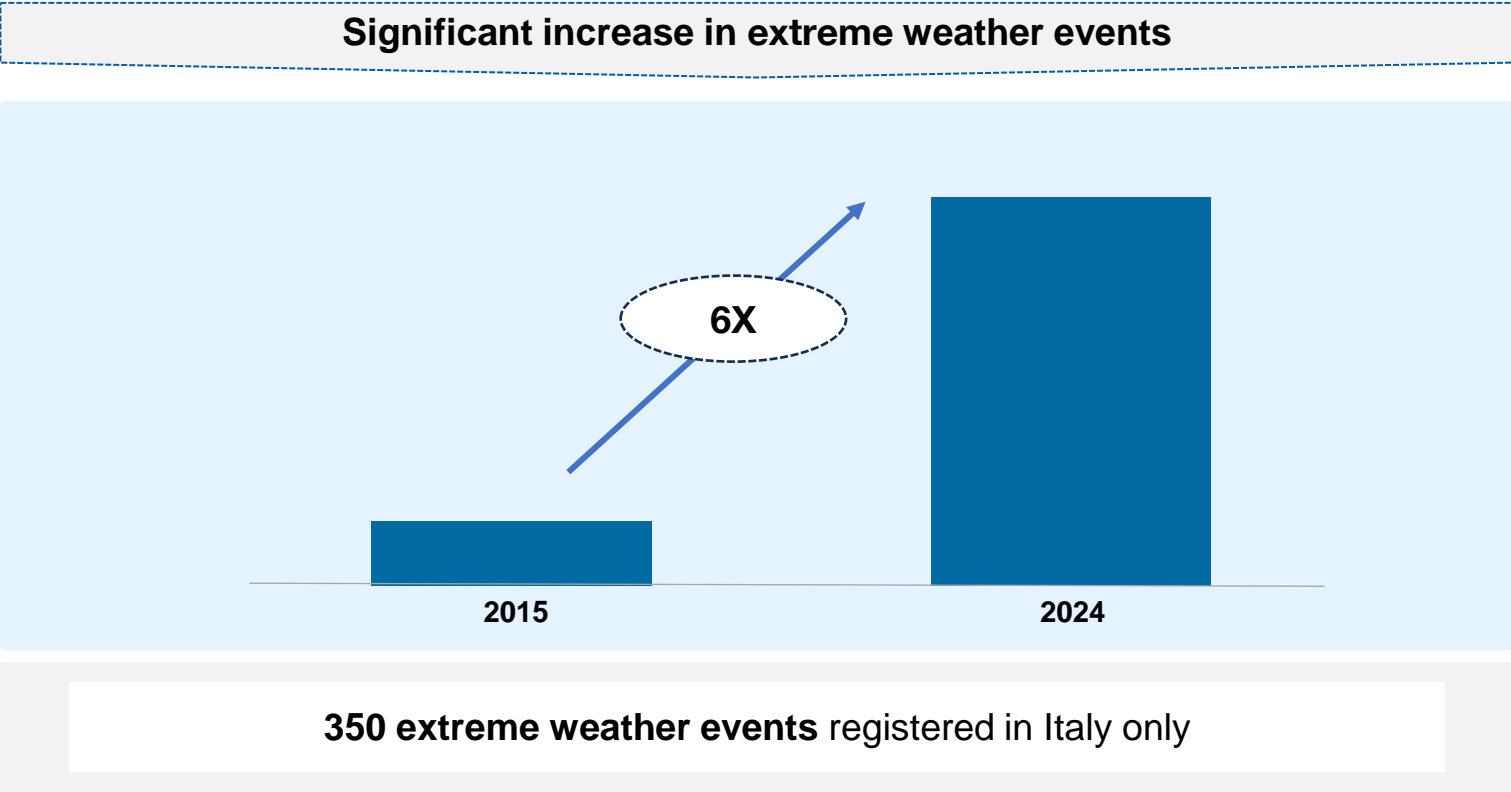


Source: Terna Estimates

The development of the transmission network will contribute to energy independence, achieve decarbonization targets and enable greater stability of electricity bills for end users

Scenario

Extreme weather events rapidly increasing due to climate change



Source: Legambiente - Bilancio Città Clima 2024

2024 Extreme Events



DROUGHT
▲ +55%
vs 2023



RIVER FLOODING
▲ +31%
vs 2023

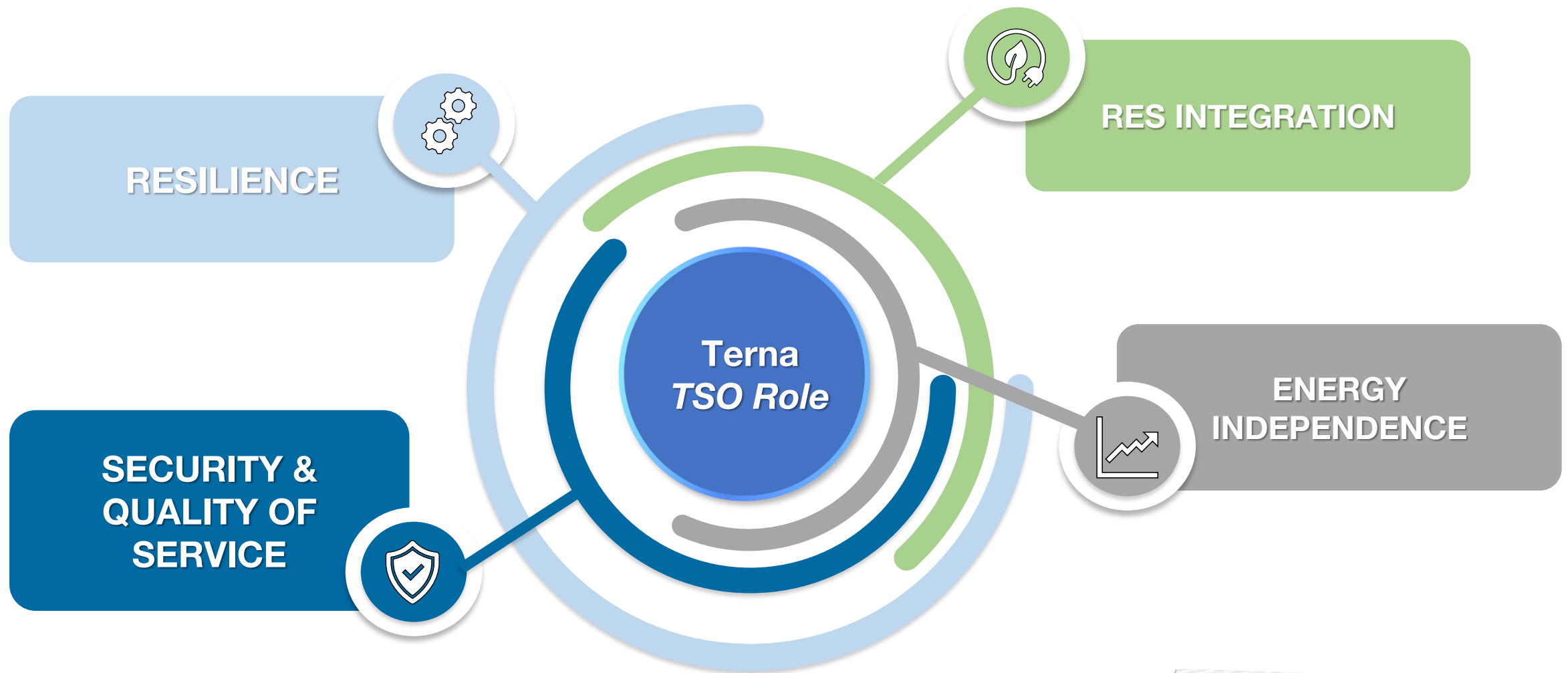


HEAVY RAIN
▲ +14%
vs 2023

An adaptive grid infrastructure is crucial to address unprecedented challenges

Scenario

Terna enables the transition and energy independence





10-year National Development Plan



Strategy

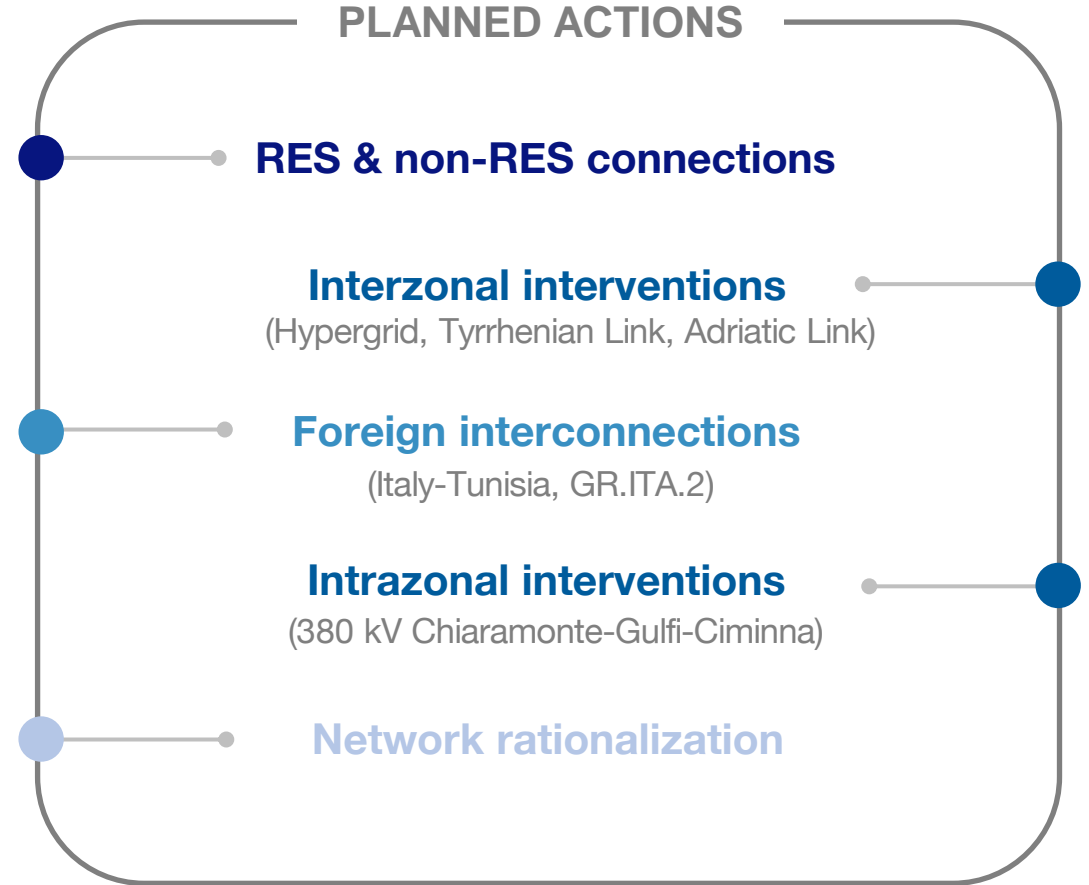
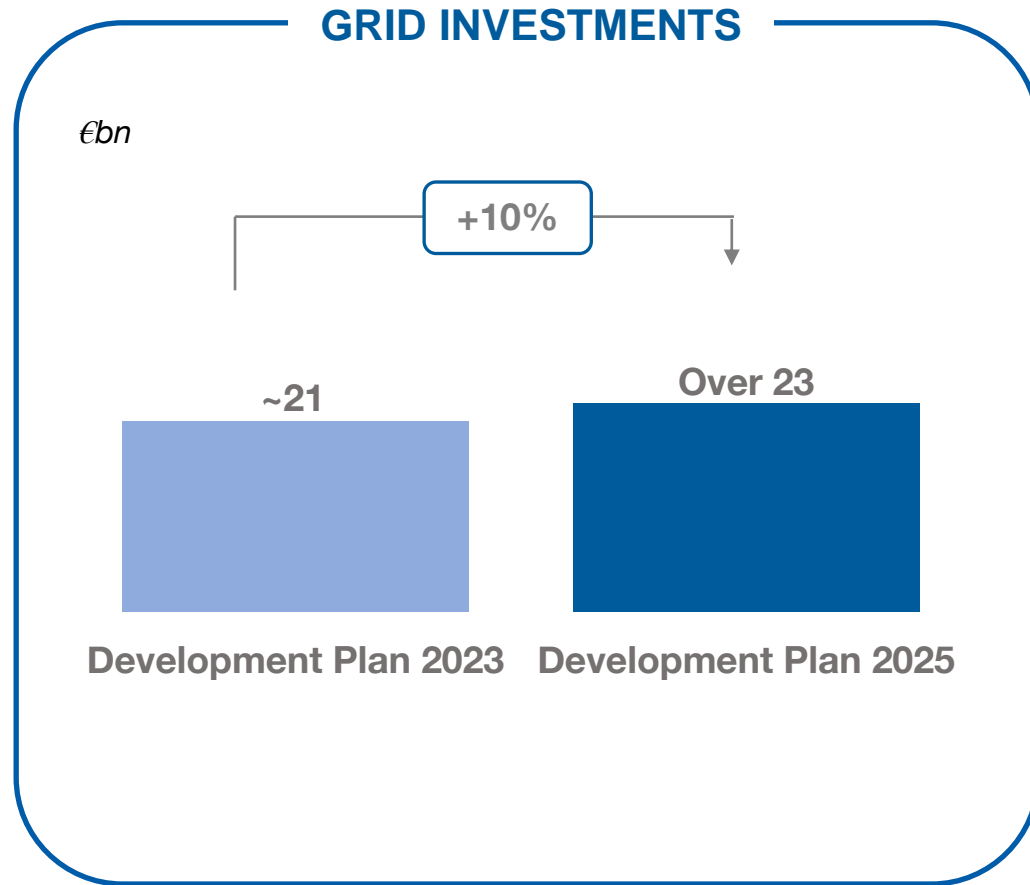
FY 2024 Results

2024 – 2028 Group Financial Targets

Closing Remarks

10-year National Development Plan

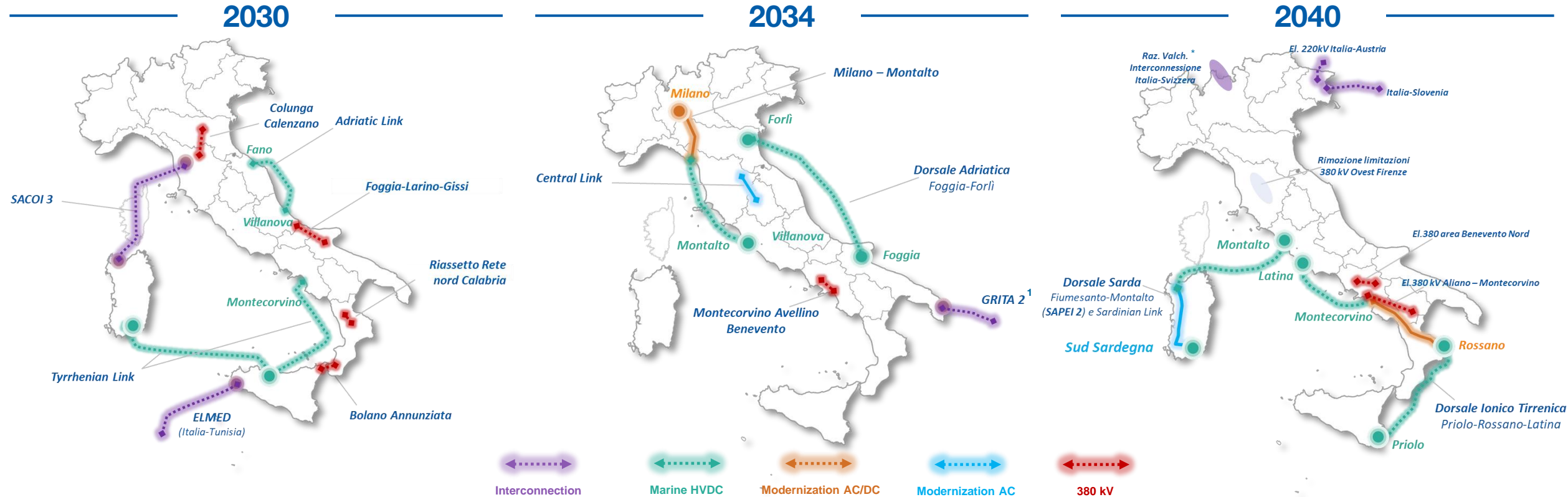
Overview



Creating a safer and more efficient system

10-year National Development Plan

Main interzonal initiatives and interconnections with foreign countries



Developing the infrastructure of the future

GR.ITA.2 First pole: +500 MW by 2033
GR.ITA.2 Second pole: +500 MW by 2035

1. Possibility of bringing forward the complete project within the 2025-2034 planning horizon is under evaluation.

*The network scheme of the project is under further analysis with the TSO counterpart Swissgrid to identify the most suitable solutions to implement



Strategy



FY 2024 Results

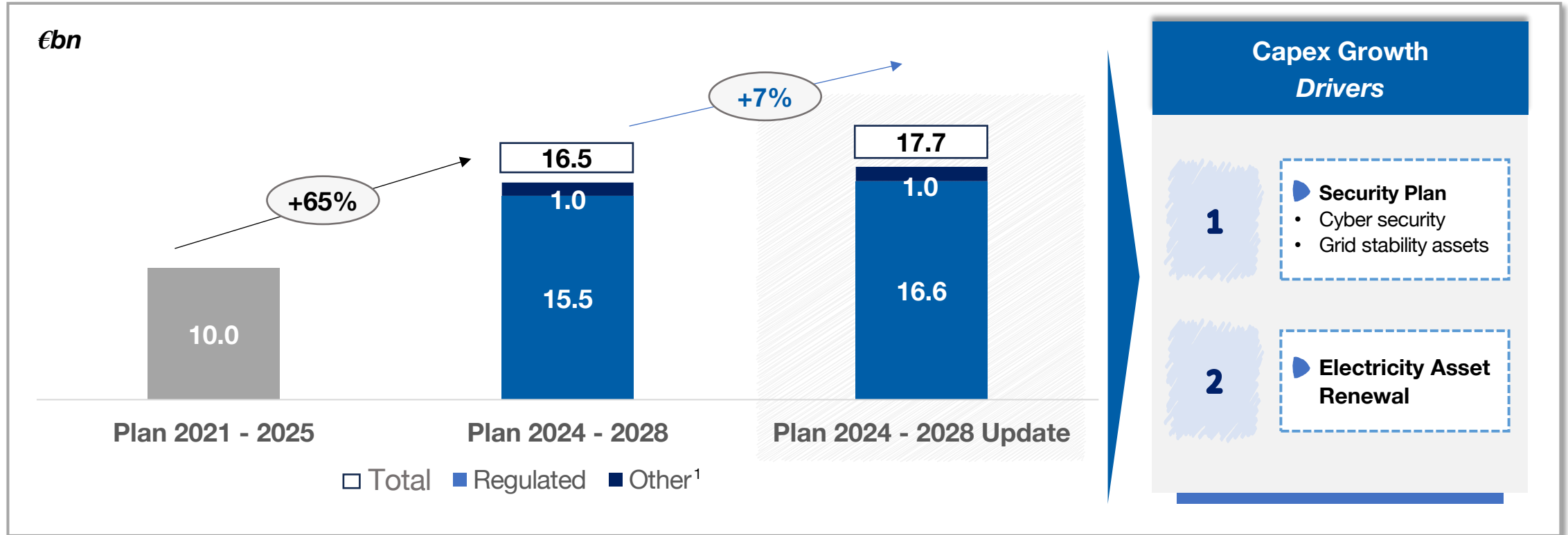
2024 – 2028 Group Financial Targets

Closing Remarks

Strategy

Further increase in the five-year capex plan

TOTAL 2024-2028 CAPEX Update



16.6 billion euros allocated to the national electricity grid, a new historical record of regulated investments

Notes: figures may not add up due to rounding

1. Includes: Non-Regulated capex and capitalized financial charges

Strategy

Planned investments continue at a faster pace in permitting, procurement, and execution

Project execution acceleration



2024-2028 CAPEX Authorization Update

~15 €bn

Of the projects included in the 2024-28 plan update, approximately **90%** have been authorized

March 2024

79%

March 2025

~90%



2024-2028 CAPEX Procurement Update

~13 €bn

Approximately **80%** of the regulated investments are already covered by procurement contracts

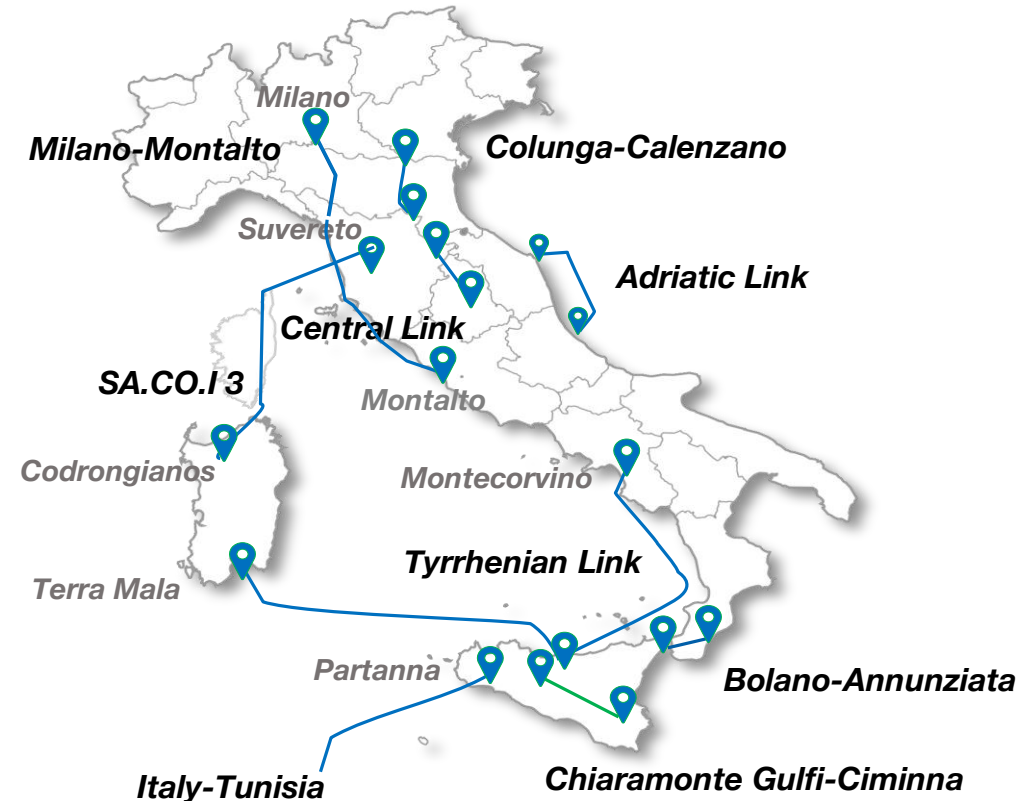
March 2024

70%

March 2025

~80%

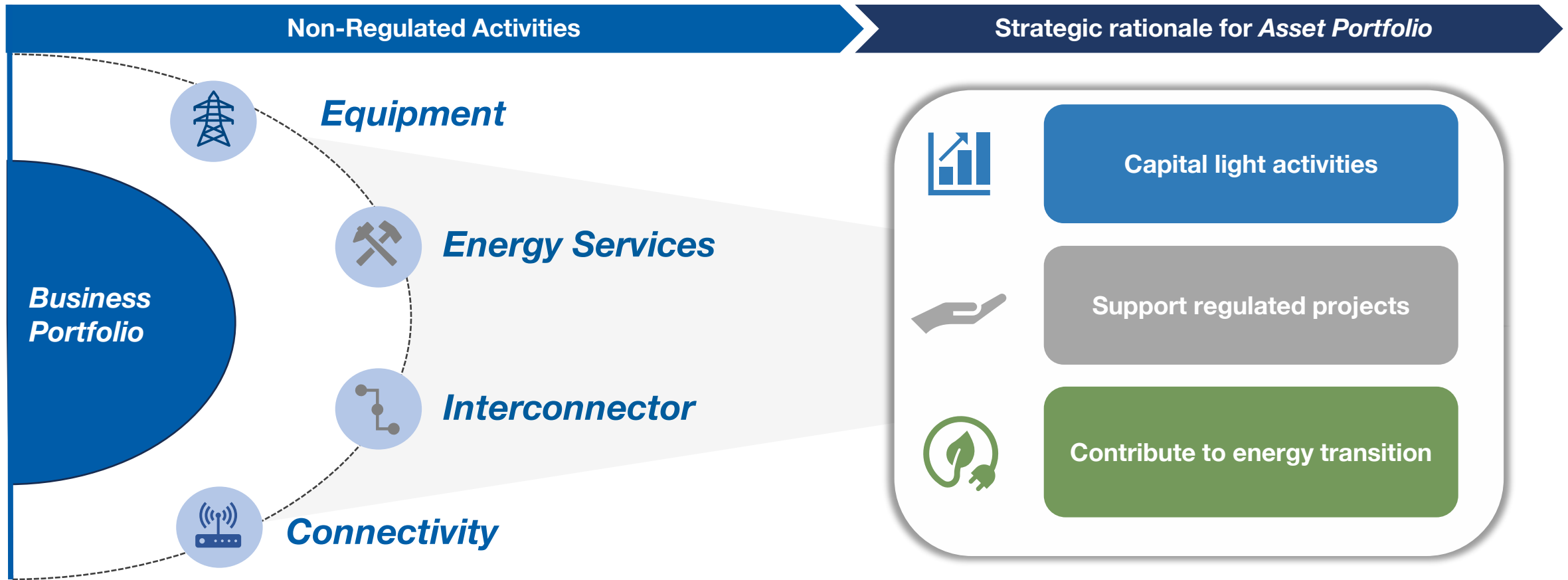
Terna's main development projects in the 2024-2028 Plan



Projects covered at ~90% for authorizations and ~80% for procurement despite +1.1 billion euros of regulated capex compared to the previous plan

Strategy

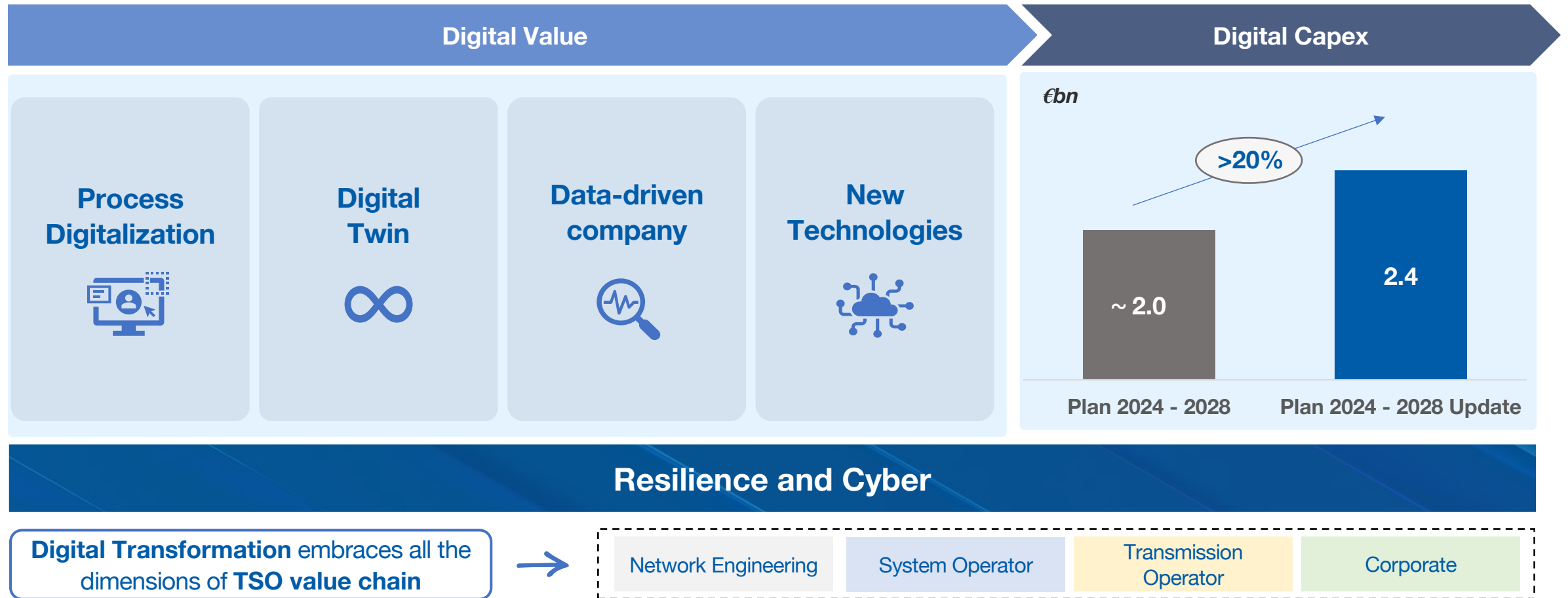
Non-Regulated Activities integrated into Terna's business model



Maximizing profitability leveraging fast growing markets

Strategy

Digital Transformation scale-up

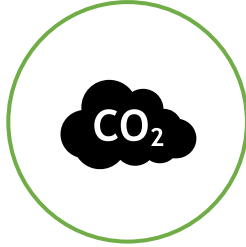


Maximizing the utility of digital transformation for the electricity system

Strategy

ESG commitments and ambitions

Green By Nature



*Commitment to
Net Zero by 2050*



*Science-based Target for Nature
certification by 2026*



*Adaptation to climate change
through the increase of grid's
resilience*

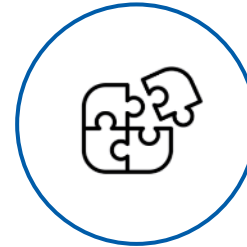
Social by Purpose



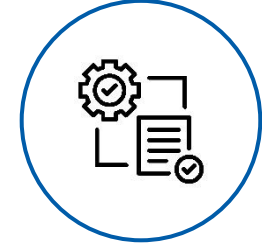
*Safety indicator¹ ≤ 1
within the plan's
timeframe*



*100% significant projects²
joined by stakeholder
engagement in 2024-2028*



*Establishment of Terna
Foundation to pursue an
inclusive transition*



*First application of the
Corporate Sustainability Due
Diligence Directive by 2026*

1. The safety indicator is the ratio of the weighted injury rate (weight: 30%) to the Lost Day Rate (weight: 70%) regarding the target year and the previous three-year period.

2. Projects with high electrical priority and capex threshold >50 €mn

FY 2024 Results



2024 – 2028 Group Financial Targets

Closing Remarks

FY 2024 Results

FY 2024 Key Numbers

	FY 2024		FY 2023	Δ vs FY 2023
	Actual €mn	Guidance €bn	Actual €mn	
Revenues	3,680	3.61 ✓	3,187	+15%
EBITDA	2,566	2.50 ✓	2,169	+18%
Group Net Income ¹	1,062	~1.04 ² ✓	885	+20%
Capex	2,692	2.6 ✓	2,290	+18%
Net Debt	11,160		10,494	

Double digit increase in all P&L lines. Guidance exceeded

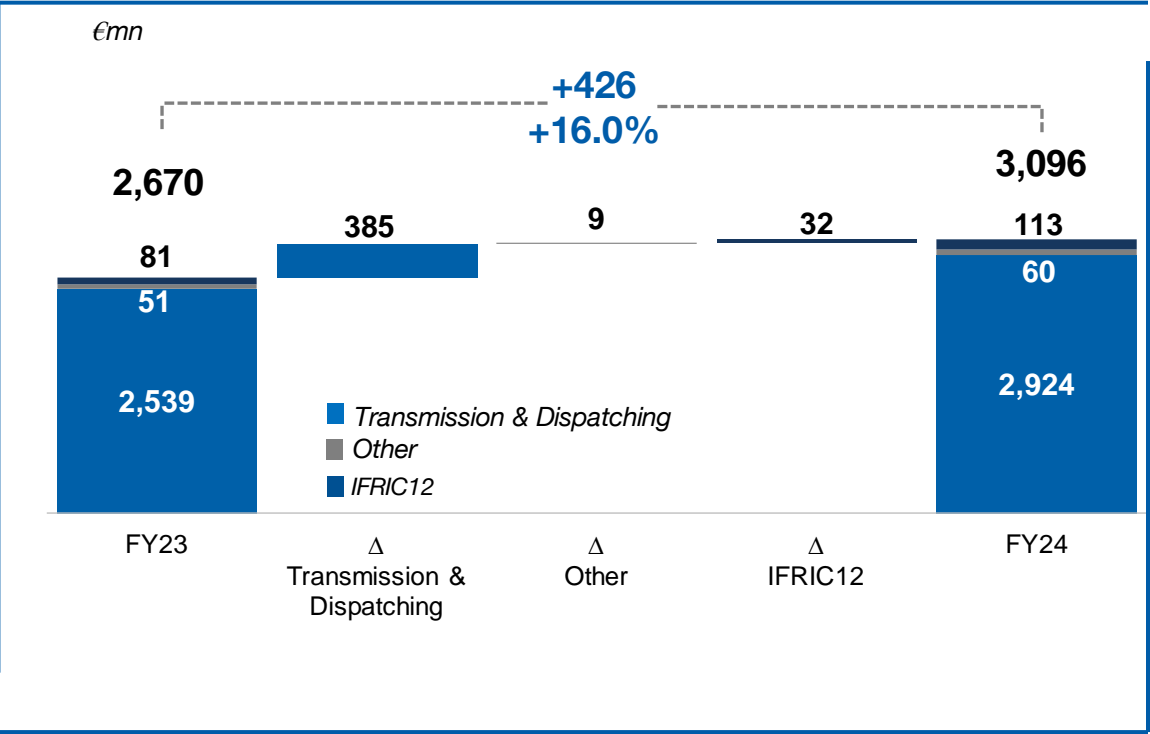
Notes: 1. Attributable to Terna

2. Equivalent to old reported EPS guidance of 52 €/cents per share

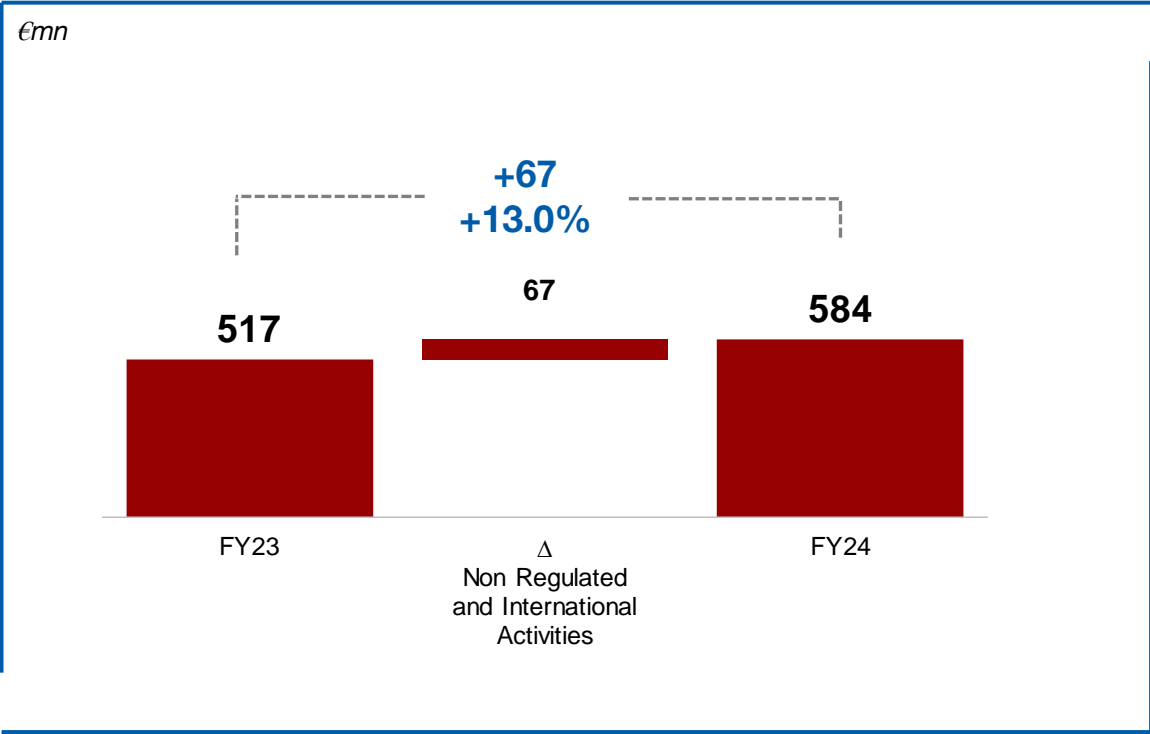
FY 2024 Results

Revenues

REGULATED



NON-REGULATED & INTERNATIONAL



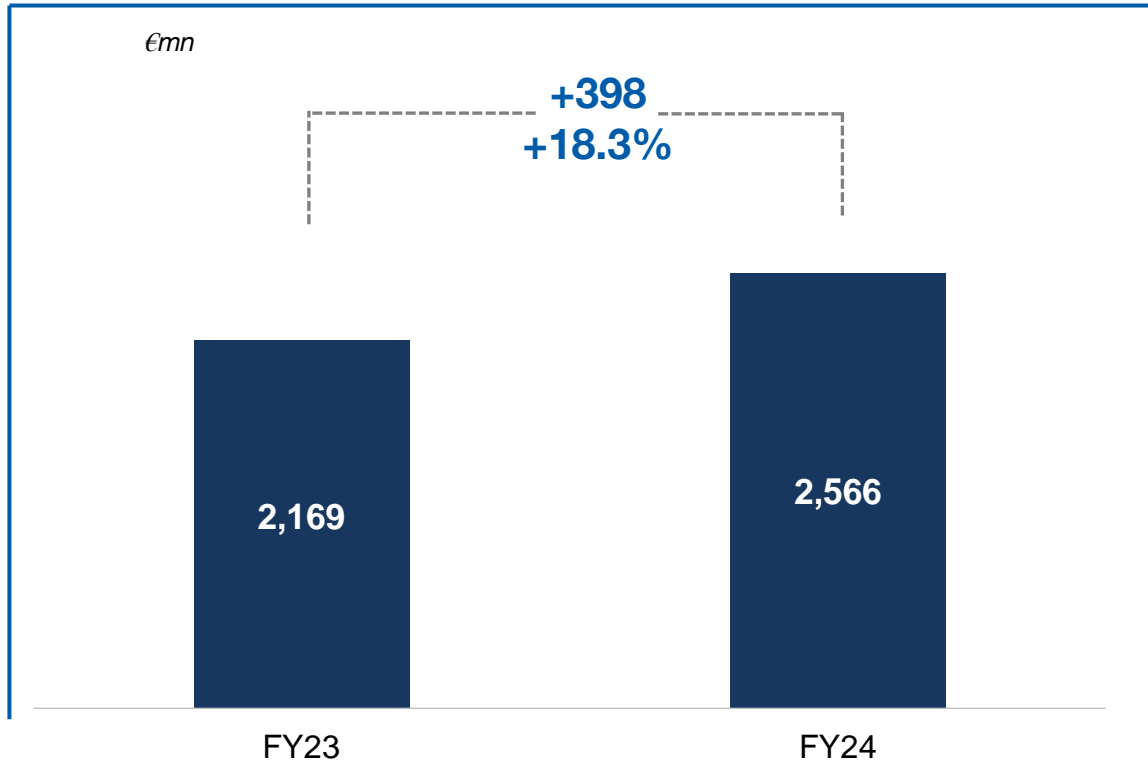
Growth driven by both Regulated and Non-Regulated activities

Notes: figures may not add up due to rounding

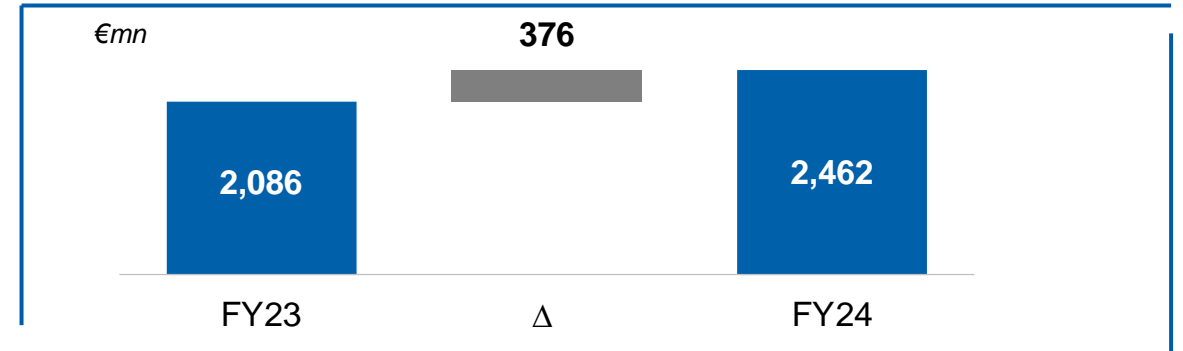
FY 2024 Results

EBITDA

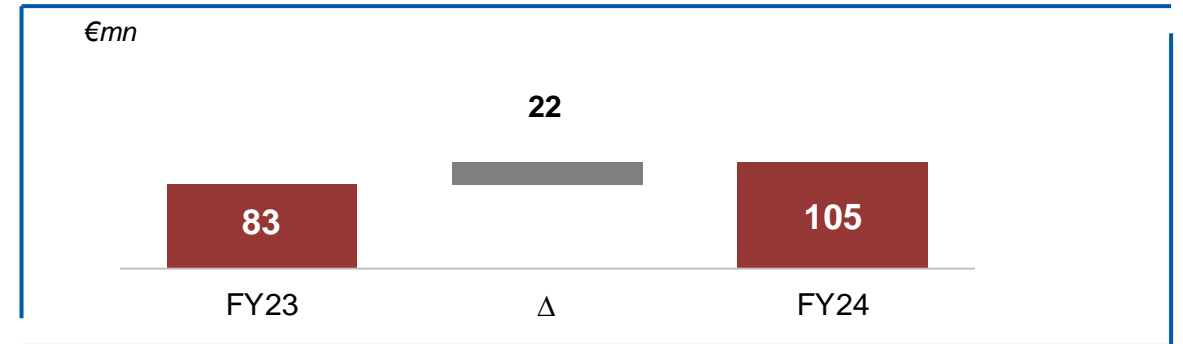
GROUP



REGULATED



NON-REGULATED & INTERNATIONAL

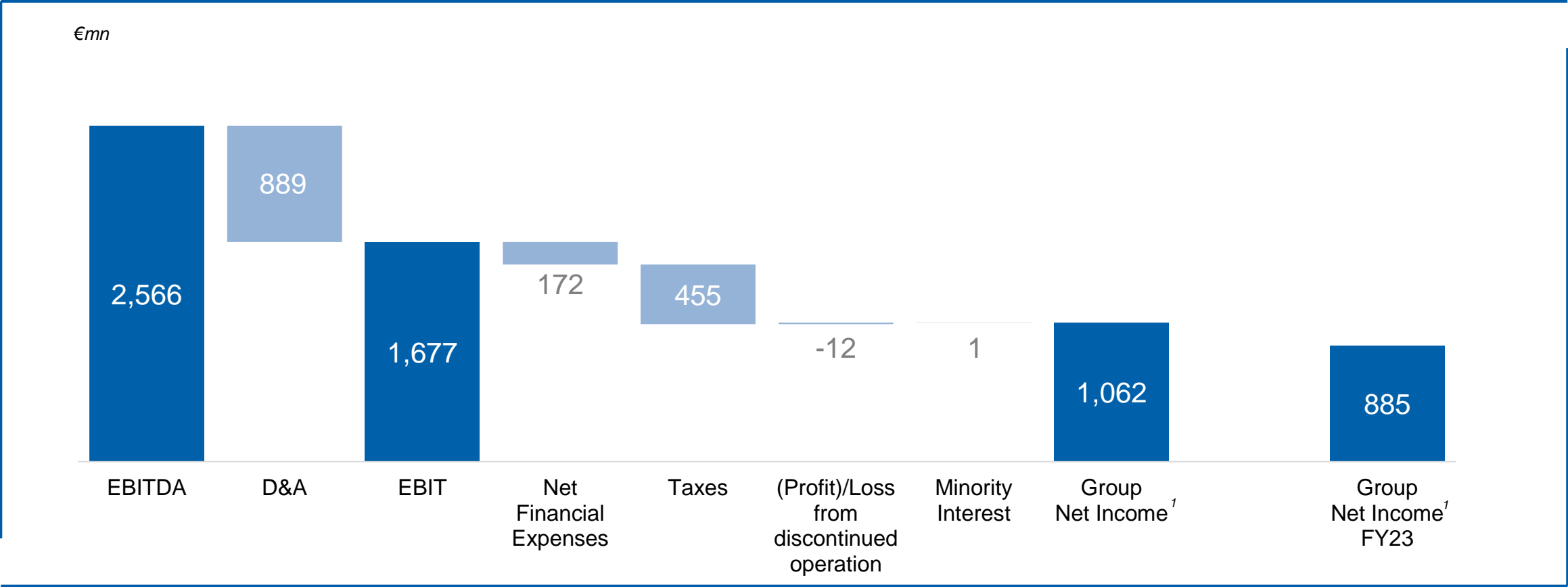


Regulated Activities as EBITDA growth driver

Notes: figures may not add up due to rounding

FY 2024 Results

From EBITDA to Net Income



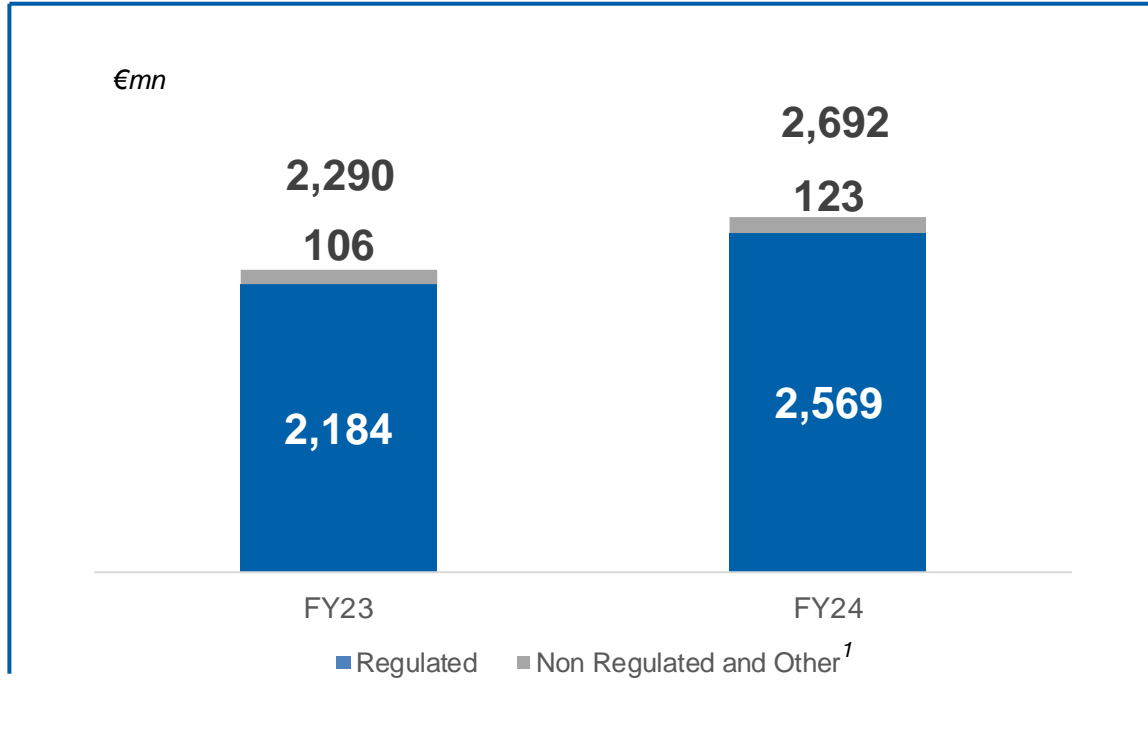
20% increase in Net Income

Note: figures may not add up due to rounding
1. Attributable to Terna

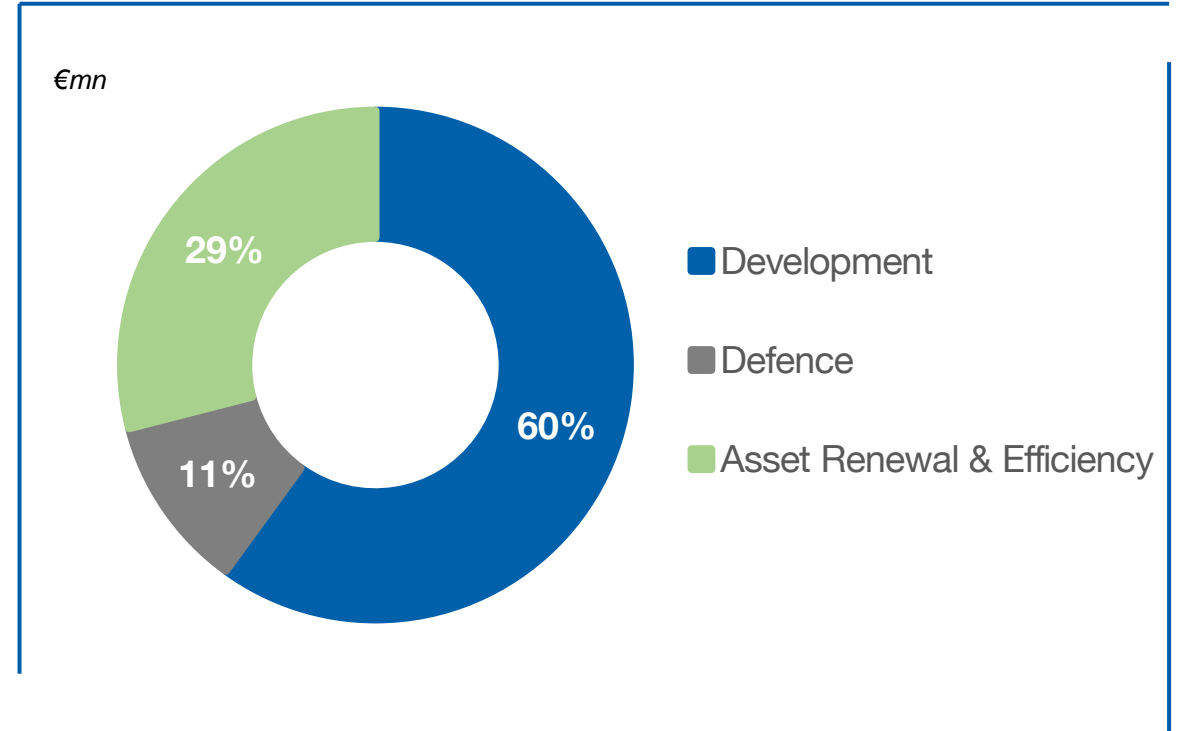
FY 2024 Results

Capex

TOTAL CAPEX



REGULATED CAPEX



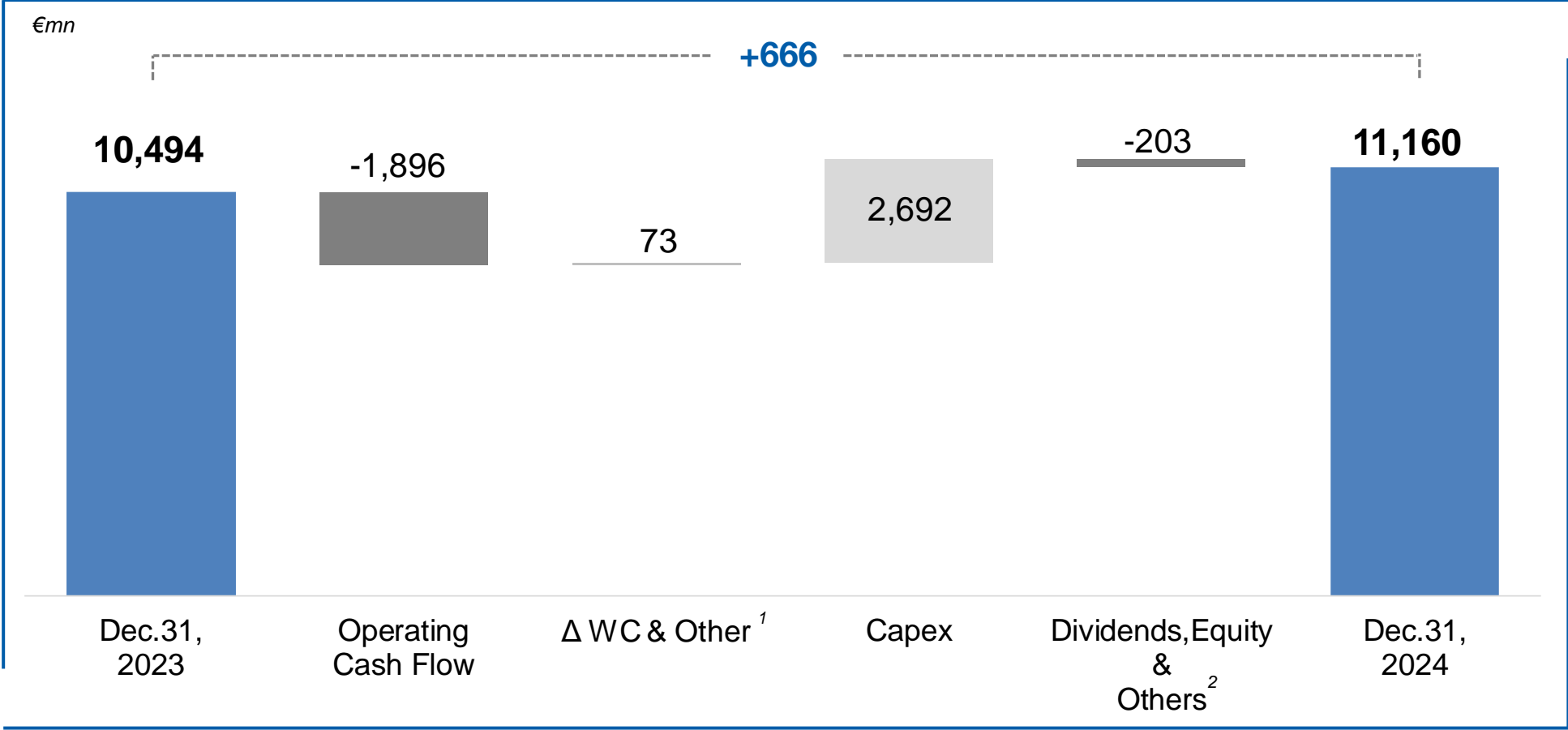
Strong Capex delivery to serve system needs

Note: figures may not add up due to rounding

1. Of which about 74 €mn of Capitalized Financial Charges in FY24 and 48 €mn in FY23

FY 2024 Results

Cash Flow & Net Debt Evolution



Net debt evolution under control

Note: figures may not add up due to rounding
1. Including Other Fixed Assets Changes
2. Including Assets Held for Sale, Cash Flow Hedge reserve, Hybrid Green Bonds and other

2024 – 2028 Group Financial Targets

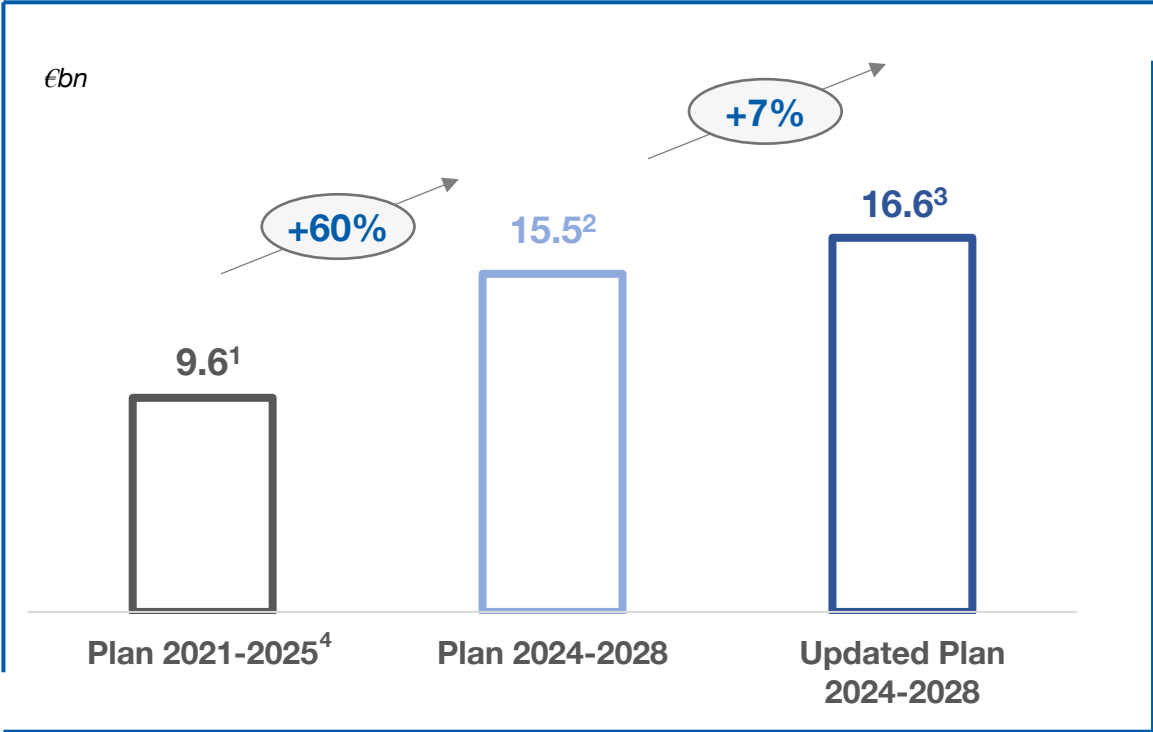


Closing Remarks

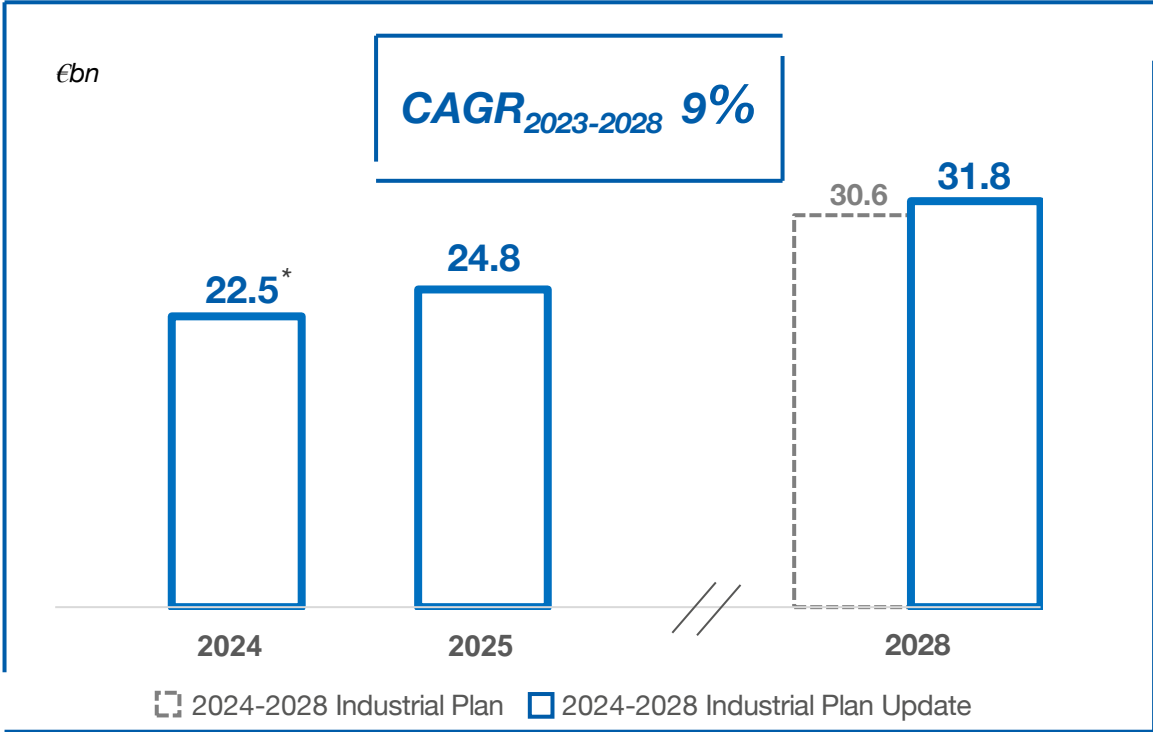
2024 – 2028 Group Financial Targets

Domestic Regulated Activities

DOMESTIC REGULATED CAPEX



RAB EVOLUTION⁵



9% RAB CAGR thanks to the acceleration of domestic regulated investments

Notes: 1. Gross of 0.1 €bn of EU Contributions 2. Gross of 1.1 €bn of EU Contributions 3. Gross of 1.0 €bn of EU Contributions 4. Updated 2021-2025 Plan in 2022 5. Calendar RAB including WIP. RAB inflation at 2.7% on average during the plan period
* Includes the acquisition of the portion of Rome HV grid from Acea.

2024 – 2028 Group Financial Targets

Domestic Regulated Activities

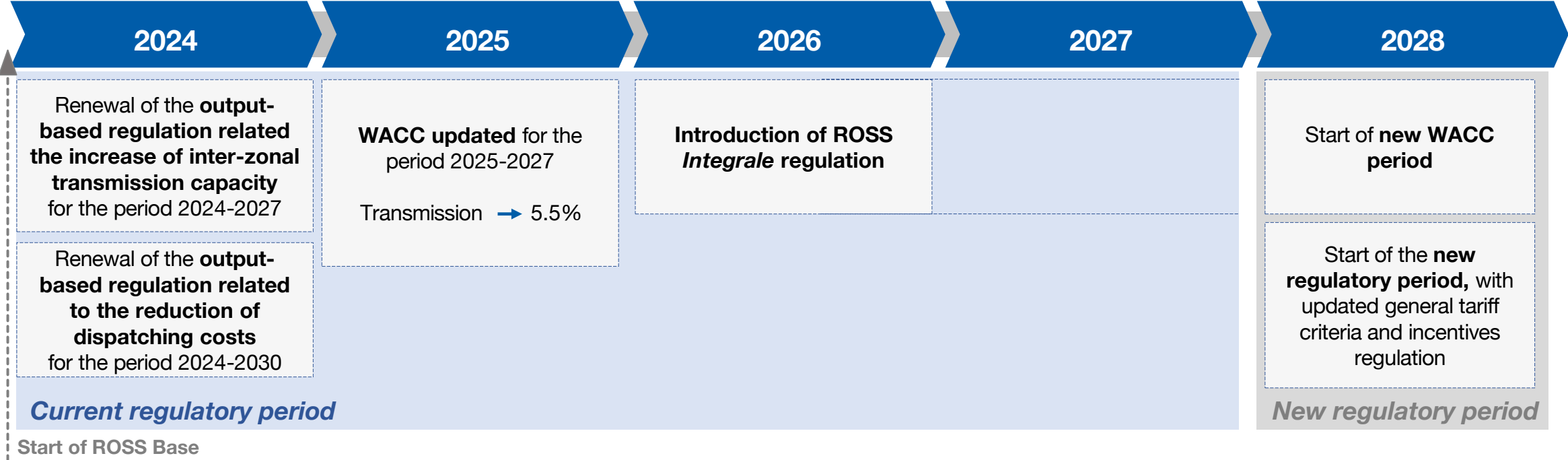
CATEGORY	CUMULATED CAPEX	MAIN PROJECTS
Development	10.8 €bn	<div><div>Tyrrhenian Link</div><div>Adriatic Link</div><div>Central Link</div><div>SA.CO.I. 3</div><div>Solving grid congestions</div><div>RES integration</div></div>
Asset Renewal and Efficiency	3.6 €bn	<div><div>Quality of Service</div><div>Quality of Processes</div><div>Quality of the environment</div></div>
Defence and Other	2.3 €bn	<div><div>Digitalization and Network Management</div><div>Electric Machines</div><div>Resilience</div><div>Physical and Cyber Security</div></div>

Highest regulated investment plan ever

Notes: Including EU contributions; figures may not add up due to rounding

2024 – 2028 Group Financial Targets

Regulatory milestones

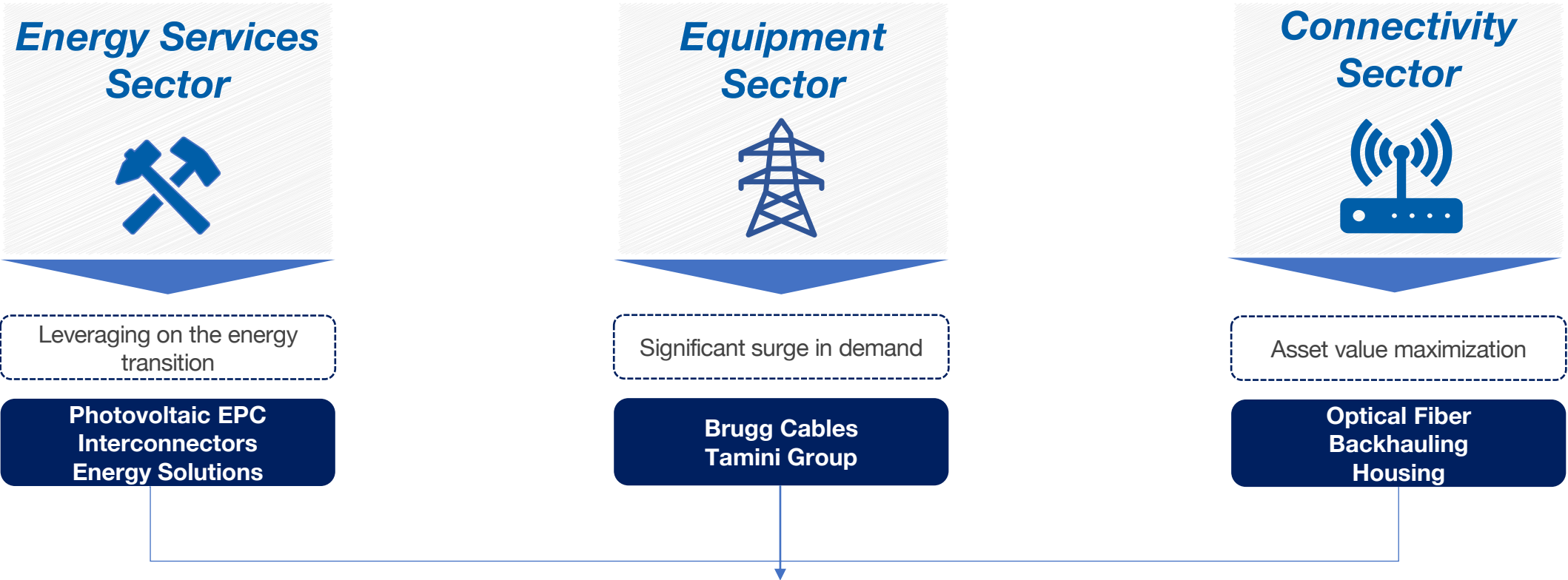


Towards ROSS model

2024 – 2028 Group Financial Targets

Non-Regulated Activities

Areas of expansion



~ 730 million euros cumulated EBITDA in 5 years

2024 – 2028 Group Financial Targets

Guidance 2025 and 2028

	FY 2024	FY 2025	FY 2028
	Actual	Guidance	Guidance
	€bn	€bn	€bn
	Plan 2024-2028		Plan 2024-2028 Update
Revenues	3.68	4.03	4.60 → 5.19
EBITDA	2.57	2.70	3.25 → 3.36
Net Income	1.06	1.08	1.10 → 1.19
Capex ¹	2.7	3.4	16.5 → 17.7 Cumulated 2024-2028

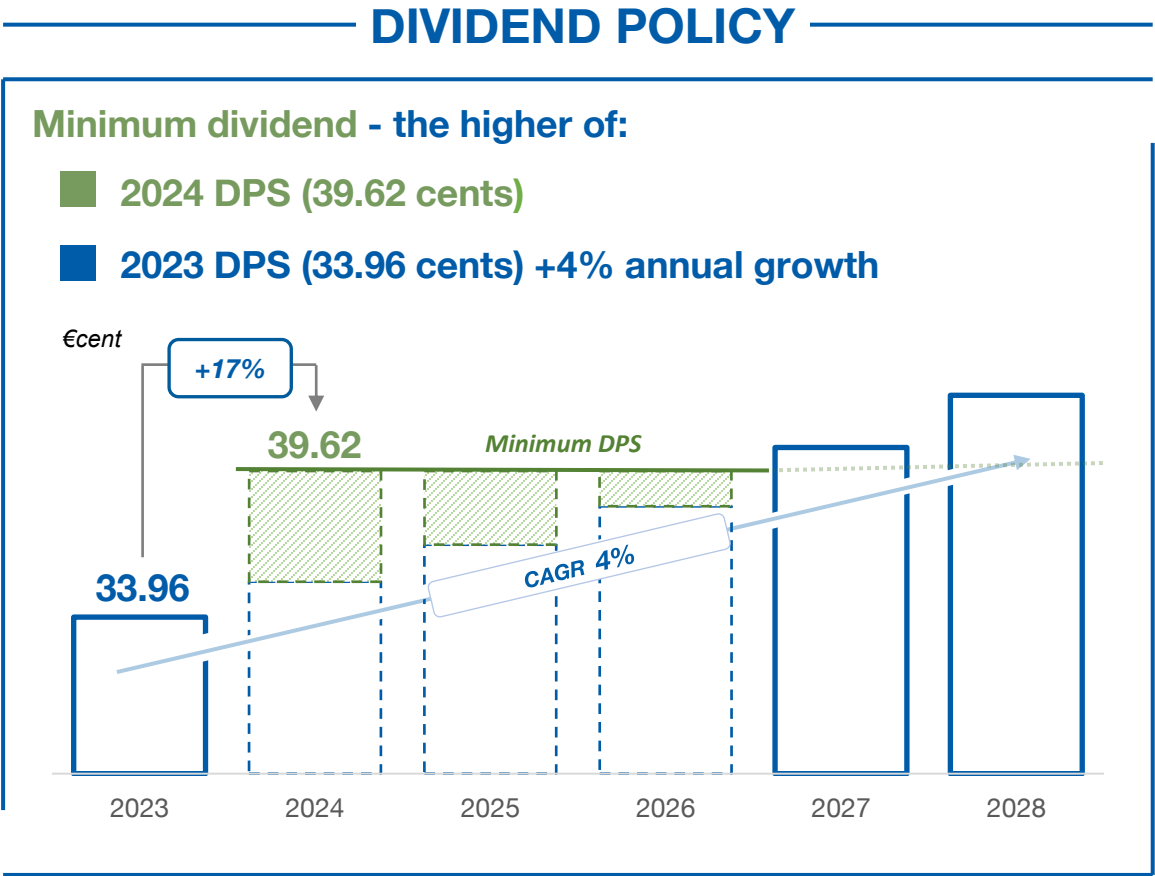
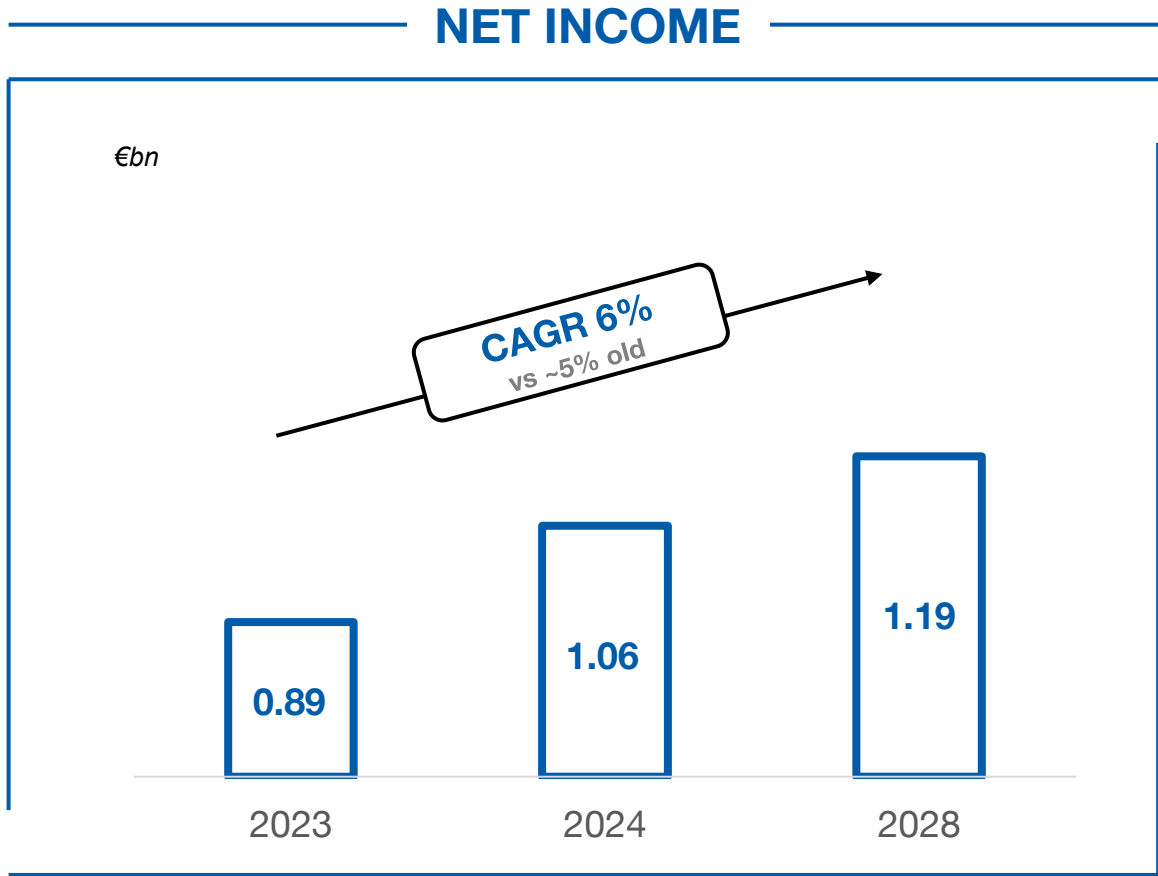
CAGR 23-28: EBITDA +9%, Net Income +6%

Notes: P&L values restated for International deconsolidation

1. Including Regulated, Non-Regulated, capitalized financial charges and EU contributions

2024 – 2028 Group Financial Targets

Yield & Growth



Providing long-term visibility and stability

2024 – 2028 Group Financial Targets

Financial Efficiency and Financial Structure

- Gross Debt @ **~84% Fix rate**^{1,2}
- Average duration of **~6 years**²
- Strong commitment to maintain current rating level
- Average Cost of Net Debt 2024-2028 @ **3.1%**

CREDIT RATING

	Terna		Sovereign	
	Rating	Outlook	Rating	Outlook
S&P	BBB+	Stable	BBB	Stable
Moody's	Baa2	Stable	Baa3	Stable

ESG RATING

Moody's ESG	>	Advanced
Standard Ethics	>	EE+
CDP (former Carbon Disclosure Project)	>	A-
ISS ESG	>	Prime

Renewed commitment to maintain a solid financial structure

Notes: 1. As of FY2024
2. Calculated on medium-long term debt

Closing Remarks



Closing Remarks

1

Strengthening Terna's role in decarbonization and energy independence process, contributing to higher stability of electricity bills

2

Focus on execution of our investment plan

3

Accelerating returns while maintaining financial stability

4

Ensuring a balanced mix of yield and growth

5

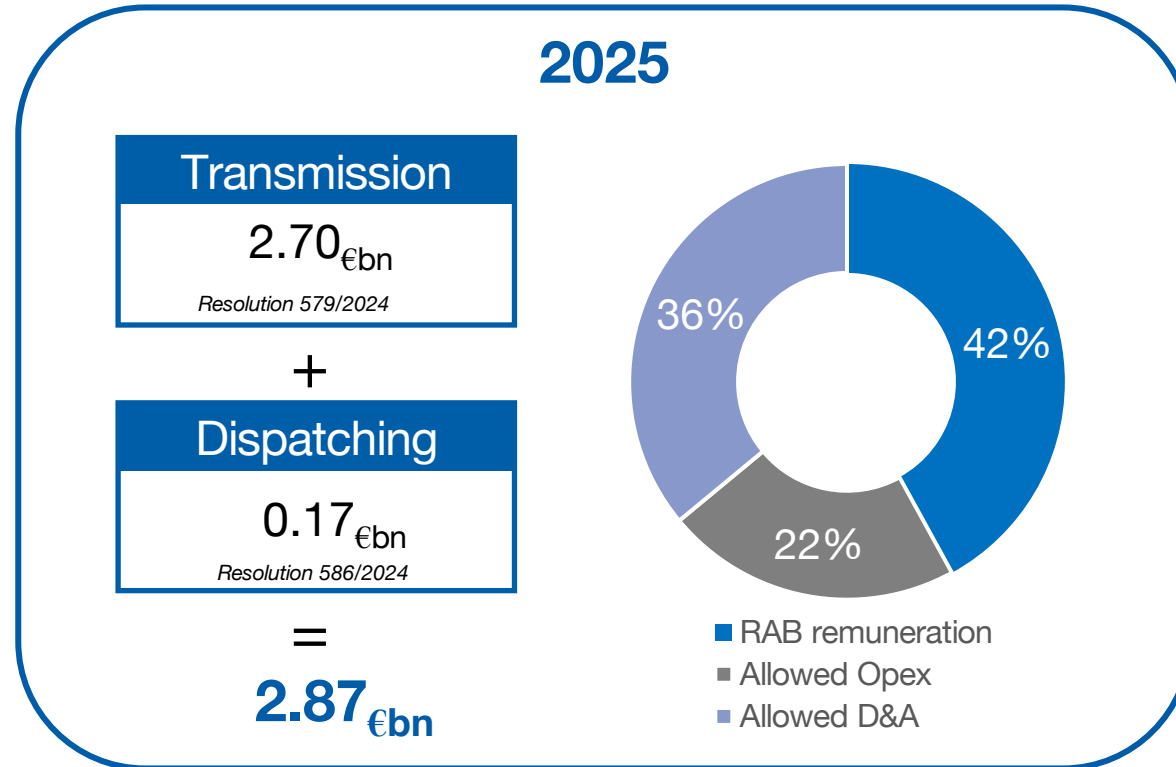
A Twin Transition for a Just Transition

Annexes



Annexes

2025 Total Grid Fee update¹



Notes: 1) ARERA Resolutions and Terna's preliminary estimates, net of pass-through items

Annexes

Consolidated Income Statement¹

€ mn	FY24	FY23	Δmn	Δ%
Total Revenue	3,680	3,187	494	15.5%
<i>Regulated Activities</i>	3,096	2,670	426	16.0%
Transmission	2,424	2,108	316	15.0%
Dispatching	500	431	69	16.0%
Other ²	60	51	9	17.9%
IFRIC12	113	81	32	40.1%
<i>Non Regulated and International Activities</i>	584	517	67	13.0%
Total Costs	1,114	1,018	96	9.4%
<i>Regulated Activities</i>	635	584	51	8.6%
Labour Costs	295	285	10	3.5%
External Costs	193	187	6	3.2%
Other ²	34	31	2	7.4%
IFRIC12	113	81	32	40.1%
<i>Non Regulated Activities</i>	476	430	46	10.8%
<i>International Activities</i>	3	4	-1	-27.5%
EBITDA	2,566	2,169	398	18.3%
D&A	889	806	83	10.3%
EBIT	1,677	1,362	315	23.1%
<i>Net Financial Charges</i>	172	118	54	45.7%
Pre Tax Profit	1,506	1,245	261	21.0%
Taxes	455	364	91	24.9%
Tax Rate (%)	30.2%	29.3%	-	0.9 pp
Net Income	1,051	880	171	19.4%
<i>Profit/(Loss) From Discontinued Operations</i>	12	3	9	-364.0%
Total Net Income	1,063	883	180	20.4%
Minority Interest	1	-3	3	-123.1%
Group Net Income	1,062	885	177	19.9%

Notes: figures may not add up due to rounding;

1. Managerial Accounting

2. Including Quality of Service

Annexes

Consolidated Balance Sheet

€ mn	Dec. 31,2024	Dec. 31,2023	Δmn
<i>PP&E</i>	19,237	17,597	1,640
<i>Intangible Asset</i>	982	867	115
<i>Financial Inv. and Other</i>	485	501	-16
Total Fixed Assets	20,704	18,965	1,739
Net WC	-2,025	-2,175	149
Funds	10	-33	43
Net Capital Invested	18,689	16,757	1,932
<i>Net Assets Held for Sale</i>	15	80	-65
Total Net Capital Invested	18,704	16,838	1,867
<i>Financed by:</i>			
Consolidated Net Debt	11,160	10,494	666
Total Shareholder's Equity	7,544	6,343	1,201
Total	18,704	16,838	1,867

Annexes

Consolidated Cash Flow

€ mn	FY24	FY23
<i>Total Net Income</i>	1,063	883
<i>D&A¹</i>	876	788
<i>Net Change in Funds</i>	-43	-35
Operating Cash Flow	1,896	1,636
<i>Δ Working Capital & Other²</i>	-73	-536
Cash Flow from Operating Activities	1,823	1,100
<i>Capital Expenditures</i>	-2,692	-2,290
Free Cash Flow to Equity	-870	-1,190
<i>Net Assets Held for Sale</i>	65	-19
<i>Dividends & Equity³</i>	138	-709
Change in Net Cash (Debt)	-666	-1,918

Notes: figures may not add up due to rounding;

1. Net of assets' disposal

2. Including Other Fixed Assets Changes

3. Including Cash Flow Hedge accruals, Hybrid Green Bond and other

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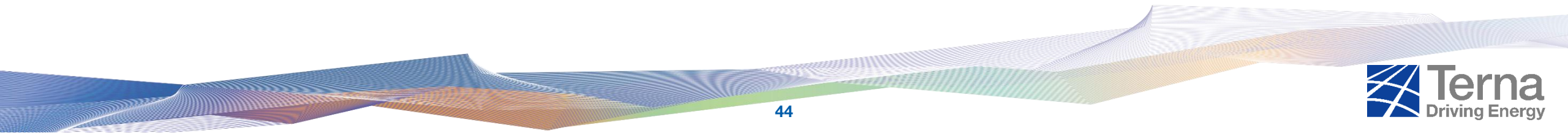
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