

Q3 2021 Earnings Call

Company Participants

- Luca Moroni, Group Director of Administration, Finance & Control
- Stefano Venier, CEO & Executive Director
- Tomaso Tommasi di Vignano, Executive Chairman & Group President
- Unidentified Speaker, Unknown

Other Participants

- Emanuele Oggioni, Analyst
- Enrico Bartoli, Analyst
- Javier Suarez, Analyst

Presentation

Operator

Welcome to the Q3 2021 Financial Results Presentation for Hera Group. (Operator Instructions)

Now I'd like to give the floor to Mr. Tomaso Tommasi di Vignano, Hera Group's Executive Chairman. You have the floor, sir.

Tomaso Tommasi di Vignano {BIO 1449180 <GO>}

Good afternoon, everybody. We are here to present the first nine month results -- results that we are quite satisfied with. They have been very challenging months, and we ourselves didn't expect to achieve the results that we have achieved and that we'll be illustrating to you.

These results are the outcome of activities which began even before the last nine months.

In terms of growth, which has been constant and solid with an EBITDA, which over the 9-month period, grew EUR77 million equal to almost 10% compared to the first nine months in 2020, which means that the final figure, as far as EBITDA is concerned is, equal to EUR883 million.

Moving on to EBIT. A significant growth here, too. Plus EUR56 million, bringing EBIT up to EUR470.8 million with a plus 13.5%, which is considerable, compared to 2020. The growth goes down all the way to net profit, equal to EUR308.4 million, with a plus EUR75 million, also thanks to our financial and tax management. Our tax rate stands at 26.2%.

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On the financial side of things, the increase in cash flows allowed us to make investments equal to plus 13%. We were also able to finance our M&A transactions equal to EUR126 million. And we were able to almost entirely cover the dividends we've already paid equal to EUR161 million last summer, with \$0.11 per share, up by 10% approximately. We closed the period with a leverage equal to 2.75x, which is well below the 2.87x at the beginning of 2021. Which means that we are very soundly in line with our policies.

Our debt stands at EUR3.304 billion, which is close to the level we had at the beginning of the year. And all of the main indicators, in fact, confirm further progress, which is in line with the first two quarters, which were also positive. And therefore, we have been growing constantly for quite some time now. And I think it also mirrors our careful strategy aimed at avoiding risks in a very special context, such as the one this year.

Moving on to the details regarding these figures. As you can see on Page 2 in the presentation, we have a number of different components taken into account, which is typical for our company's portfolio. First of all, we have the M&A contribution, which is one of the typical levers we use vis-a-vis a market which continues to be fragmented and which allows us to focus on M&A. Over the period, we concluded five M&A transactions, three of which happened in the waste sector, which were illustrated in the previous communication. And two other M&A transactions were completed in the energy sector. These are the two most liberalized sectors which allow us to use this lever.

The synergies we expect to extract are the values we expect to obtain from these transactions, also because these transactions aren't huge in size. They happened in various phases during the year. Therefore, some of these effects will happen early on next -- in the year, whereas for other transactions, the synergies will be extracted later on. Although the incremental EBITDA for the period without considering the synergies is equal to EUR21 million.

The second item, which is another basic item refers to organic growth. This includes the investments we made, which are up 13% compared to the previous period. We were able to expand our market share in the sales sector with a further 91,000 customers and as far as waste is concerned, we were up compared to the 157,000 tonnes compared to the first nine months in 2020. I already mentioned energy. We also had some benefits stemming from the innovation of our processes. And I'd also like to mention again, what I mentioned regarding our tax rate, which stands below 27%.

The third item I'd like to mention is the outcome of the tenders. The tender effects have increased, not so much at the national level. But whereas in the past, we had only concluded two tenders in the waste collection sector. In the more recent period, on the other hand, we had tenders for the renewal of concessions for long periods of time, therefore, for gas distribution in the city of Udine.

And in the water sector, with the very recent news regarding the renewal of the Rimini concession. And then very recently, we received the good news that the waste collection tender for the Modena province still hasn't been made official, although we are allowed to say that we will be awarded the concession for the waste collection service for the

entire province of Modena. And it is a concession with a 15-year duration, whereas the concession for gas in Udine had a 12-year duration and the water concession in Rimini, which I mentioned earlier, has a duration equal to 18 years.

So the lengths of the concessions is varied, although the substance remains the same. We're quite pleased with this trend. We're quite pleased to see that tenders are happening only in the regions we cover, which goes to show that we're moving on with our work.

Other tenders, which are focused on concessions.

Let me remind you the fact that we're always present of the tenders for the Maggior Tutela market. We were working three out of nine tenders. Then we have the last instance market, we were assigned nine of nine in default and six out of nine in FUI. Then we also have the 2-year concept tenders. We were awarded nine concessions and -- or nine tenders, and those two contribute to growth.

Now if we take all these three sectors into account, I think it's safe to say that our policies are in line with things we've always said, and we have begun now working in tenders. But I think the more relevant thing to note is that together, these elements show that the economy is recovering, including the sectors we're involved in, and that gives us a further boost to deal with the upcoming months.

And besides the concession tenders, which went well, I also have to mention two other businesses, which took place in the more recent period. We have these services for energy efficiency with a link to eco-bonuses. We're working quite intensely here. We're pleased with what we've done so far. And we will continue to work if these initiatives will be extended further by the government up to 2025. And in any case, the beginning of this process was very fruitful.

Another positive element as far as our results are concerned is the offer for regenerated plastic produced by Aliplast, which has posted the best result ever since we made the acquisition of the company. And that is probably also due to market context, which is influenced by a greater awareness on ESG issues.

Moving on to the details, which I've been mentioning so far. We have had an EBITDA growth equal to EUR77 million, which I mentioned earlier. But let me just underscore how the contribution to this result covers all of our businesses in our portfolio. And this year's result is especially positive because we have plus EUR40 million in growth cover the difference, the negative difference that we had seen last year, given the overall economic context.

As far as our usual drivers are concerned, as I mentioned earlier, we have organic growth, which contributed with a plus EUR29.6 million. The main items here are the ones linked to the eco-bonus with a plus 11.9%. And then better margins on the waste treatment side of the business with a good performance equal to plus six which offset the increase in management costs.

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Another remark as far as M&A is concerned, we were able to achieve a plus EUR7.3 million to the transactions in the industrial waste treatment sector with the three acquisitions we made, and also with our actions in the energy sector with the acquisition of a company in the Abruzzo region. And with an increase in our presence in the Veneto region, at the northern part of Italy.

All in all, we were able to achieve a very positive result as far as the year is concerned. And therefore, we are confident that we'll be able to further increase that figure from now to year-end since we still have three further months we can work on.

I believe that is all. I think I've mentioned all of the fundamental figures. I think the trend is consistent with the results of (inaudible) in Q1 and Q2. We've seen that -- the trends show that there is a recovery which is ongoing with a few criticalities when it comes to procurement, with some issues regarding our more traditional suppliers. Again, that is an issue, but what we're most interested in is that we are doing quite well when it comes to the country's general recovery. We've been able to take advantage of the newest opportunities, and we'll be able to protect our results from the risks, which exist in the physical environment around us in the more recent period.

One final remark. We stand at 56% of the business plan targets, which we've been able to achieve now, in only 1/3 of the time available to achieve those targets. So as far as our business plan forecasts are concerned, we are in line with the targets we've given ourselves.

Let me leave it at that for the time being because Stefano will be giving you some further information regarding the business specifics from which you're going to also be able to gather some forecast as far as we're concerned, that is something we feel very strongly about.

Stefano Venier {BIO 17107208 <GO>}

Thank you, and good morning. Let me dive into the business by business breakdown, beginning with Page 4 in the presentation. This is just a general snapshot, which shows that our results are stable in the regulated businesses, and I'll be giving you an area by area breakdown.

We stand at EUR337 million compared to EUR335 million last year. We have the Energy sector, which grew significantly even in 2021, with a further EUR37 million growth compared to 2020, which becomes EUR72 million if we compare those figures to 2019. And then we have the Waste sector, after having suffered somewhat in 2020, it made a significant bounce back, not just, as we mentioned earlier, thanks to the recovery in industrial activities, but also thanks to the further improvement of a number of other elements linked to the activity beginning with the performance of Aliplast, as we've mentioned earlier, plus renewable energies in biomethane.

We've also had a slight growth in our other businesses, which include public lighting and telecommunications. And also, thanks to the full recovery, as far as installment and the

maintenance are concerned, allowed district -- or public lighting to move up by over EUR2 million.

Moving on to Networks, Page 5. We posted EUR337 million, all in all. And as you can see from the graph, this result stems from gas distribution for the most part and district heating. Gas distribution, thanks to the further reform on the evaluation of white certificates, along with another element that we'll also be seeing in the other businesses and in Water, specifically. And I'm referring to the increase in activities for third parties in terms of new connections, which is yet another sign of the fact that there has been a recovery in activities, not just in terms of the real estate market, but also in terms of enterprises and commercial businesses. And the district heating's growth is linked to a recovery in volumes, which compared to last year, were slightly higher compared to better thermal conditions, but also due to operational efficiencies which are a part of the smart L&R project, which are leading us to the full digitization of all of the distribution substations which we manage in three territories, specifically, Ferrara, Bologna and Imola.

We've seen a slight contraction for electricity distribution, mainly due to the tariff reviews. Whereas when it comes to Water, we are paying a slightly higher operational cost. We've mentioned that during the Q2 presentation. These costs are linked to electricity on the one hand, but also to the other, raw materials in this sector, especially on the chemical side of things, which, much like other commodities, have costs, which are on the rise.

And last but not least, we have to consider that last year, we had some significant benefits in the operational activities for the sector. A sector which is quite labor intensive. And those were linked to the plans to limit the cost for our staff by using accumulated vacation time, but also linked to the reduced operations in the economy more in general.

Moving on to the Energy sector. In this case, on Page 6, the results obtained are split in a fairly complex way. We wanted to show you the various business drivers instead of describing things between gas and electricity. We feel this approach is a little bit more useful because when it comes to the business recovery, we want to focus on the recovery of volumes linked to the thermal situation and linked to the general volumes in the industrial sector. Therefore, we'd like to refer to the commercial sector per se.

Then we also have a major contribution, which at the end of September stood at EUR31.9 million. That is linked to the energy efficiency actions linked to the various bonuses. Within the EUR31.9 million, we have almost EUR30 million, which are linked to these types of mechanisms.

And then we have the visible contribution stemming from value-added services to our clients, which are equal to some EUR2 million. Then we have the last instance market, which is a minus EUR3.9 million. This is the sum of two different and opposite phenomena. On the one hand, we have the reduction of our activities in the Salvaguardia market which accounts for over EUR20 million. And then we have the positive contribution of the results on the default and FUI market, which in the recently concluded thermal year had seen a significant increase of our presence as an operator. And as a

consequence of that, that contribution almost completely absorbed the contraction of our activities in the Salvaguardia market.

And as the Chairman was mentioning earlier, we were awarded the tender for the upcoming two years. And we also reconfirmed a role which is equal to 100% of the default market and 60% on the FUI market. But we also have to consider the negative effect stemming from the lower activities on the dispatchment market. This was more visible on the first part of the year. You may remember that in March and April of last year, there had been a strong demand for these types of services as a way of offsetting the decline by 10%, 15%, even 20% in electricity consumption. That was an extraordinary situation. It was one of the very few positive developments, which would offset the effects of the lockdown last year. This year, of course, that situation wasn't replicated, which means that, that measure, this year stands at roughly EUR19 million, whereas we have some positive results in trading and in accounting fair values, which, as you can imagine, shift on a daily basis.

I think that covers everything, except for one element. As a final note, what we can see is that in late September, we were above 3.4 million customers. That was brought about by an increase in our customer base by some 90,000 customers compared to last year, 19,000 of which refer to the gas market. Thanks to the last instance market and 71,000 referred to the electricity market, out of which 58,000 refer to the three groups we received in the -- from the tender in the gradual safeguarded market. The remaining part refers to the increase in customer base linked to the typical commercial activities we work on.

Moving on to the Waste sector. Let me begin with the single slightly negative element, equal to minus EUR1.4 million in waste collection. In this case, as you know, we suffered due to the fact that the tariffs decided by ARERA did not take into account the inflation in 2020, which took something away from our revenues that was offset by efficiencies and by the value of first and second raw materials. And I think that reflects the price dynamics for all other commodities.

Everything else, as you can see, is on the rise, beginning with our business recovery, which refers to volume recovery when it comes to treated waste, that's worth EUR10.5 million. Aliplast contribution is close to EUR12 million which is on the rise. And let me just mention two things. This is an increase equal to at least 60% compared to 2020 vis-a-vis volumes, which are very much on the rise, not just compared to 2020, but also compared to 2019. We stand at plus 12% to 13% when it comes to the sales portfolio. There's also been an increase in improvement in margins because, of course, the cost of the treated material is more or less stable, whereas the interpolymer competition with the virgin material has seen the virgin polymer to EUR1,600 to EUR1,800 per ton. Then we have plus EUR6.8 million linked to organic growth due to global service activities and the margins we extract from those services.

And among our commercial successes, we can also include the renewal of the contract we signed with Barilla [ph] For all of its national plans. And within these types of activities, we can take into account the organic growth we're mentioning. And then finally, we have the contribution from M&A, plus EUR7.3 million, out of which EUR5 million stem from the

acquisition of the Recycla [ph] Company in the northeast of the country, the remaining amount is linked to the Vallortigara [ph] Transaction in Q3. Therefore, we were only able to consolidate that specific quarter in the overall results.

Before giving the floor to Mr. Moroni, let me just mention what is happening in the lines below EBITDA. EBIT is doing quite well. Given all of the elements, which led to the growth of EBITDA compared to last year, we have a growth equal to EUR56 million, which is a difference between the EUR77 million of EBITDA on the EUR21 million of depreciation and amortization that we were -- that we allocated, which means we're referring to 70% compared to EBITDA growth.

We've mentioned the tax rate a number of times already. The EPS is on the rise. The organic component is 17.3 which becomes 21, if we consider the temporary effect of the so-called special items. In other words, the effects linked to the realignment of goodwill book value, as we mentioned for Q1. And then with the remaining effects of the operation in Q3, which is an intangible asset that we used in the following transactions that we described already and that Mr. Moroni will be giving you the details about.

Luca Moroni {BIO 17372407 <GO>}

Thank you, and good afternoon. Moving on to Page 9 of the presentation. A page, which describes the outcome of the liability management operation we worked on in October, which is very positive, I have to say. With the buyback of some bonds that we had on the market. With the bond recall, which had a higher rate compared to the one we were able to obtain in the market. And therefore, we were able to take this opportunity as far as the P&L is concerned, as we are optimizing things for the upcoming years.

You can see the numbers on this page, it's equal to some EUR10 million in 2022. That was the target we had in mind and we were able to fully achieve that result. We'll be able to reduce the cost of our debt, which was already reduced by 0.5% from 0.3% to 2.8% this year, and it will be further reduced next year and in the years ahead, moving the cost of our debt to levels which are very much in line with the market average.

As I was mentioning, this was a very positive operation. Also, with the launching of the new sustainable link bond which was very much appreciated by our investors. So much so, in fact, that orders were closed at 4x the amount we had requested which allows us to extend the average duration of these bonds for six years to 7.2 years, which means that this is a transaction which optimizes things, generally speaking.

Page 10. This page shows you the cash flow, which once again performed very positively, allowing us to fully finance the dividends. And it also allowed us to fund a good part of our development through M&A transactions, especially. We closed the quarter with a debt equal to EUR3.3 billion, which is very similar to what we had in September last year. Which is an excellent trend, which once again shows the financial resilience of our group. And the net debt-to-EBITDA ratio is 2.75x. And I think -- I don't think there is very much else to say when describing these figures.

Looking forward, these figures don't take into account the commodity prices, which may have an impact on the free cash flow. Although the impact on our company is very positive, but of course we can't think that we won't be affected temporarily by commodity prices. And the important developments we're seeing on the super bonus businesses, such as the facade bonus and others, which are giving an important contribution as far as margins are concerned, will also have an effect on accumulated credits. We will be offering them to the financial institutions, but there will be something that will remain at the year-end cutoff.

Well, at this point, I'll leave the floor to you for any comments you may have. We are more than available to answer your questions. And I was mentioning during my introduction, we are more than satisfied with our performance. And although our results don't show it, we too, have faced some fairly complex times. And of course, given the fact that the results we've obtained are very clear, not only due to our work, of course. It also shows that the system has recovered and has restarted once again. And for any doubts and questions you may have, we can now begin the Q&A session.

Questions And Answers

Operator

(Operator Instructions) The first question is from the Italian conference, Javier Suarez, Mediobanca.

Q - Javier Suarez {BIO 1700016 <GO>}

I have three questions for you. Well, first of all, you made an effort with your liability management and for the last quarter of the year, based on your presentation, I gathered that you'll be making a similar effort in Q4. How much will this benefit be worth from 2022 onwards? The cumulative impact is equal to some EUR10 million based on what you've done so far. But if I understand correctly, you aren't done yet and you'll be using the last quarter of the year to speed things up further. And how much will that effort reduce you to reduce the financial cost for the company?

Then you have the special item worth EUR56 million connected to the tax realignment. What will the taxation be for the company for 2022 onwards? And how will that compare with the guidance on your most recent business plan?

And then a third question on the comment to the working capital. Can you give us some guidance as to any negative impact on the net working capital at year-end? You mentioned that there will be an impact from higher commodity prices. And will that have an impact on the businesses linked to the super bonus?

A - Unidentified Speaker

Well, let me begin by referring to the liability management operations. We have completed those. There are no further similar operations we envisage until the end of the year. We did one in May, one in October. And the overall figure for these two transactions

will allow us to save some EUR10 million in 2022. And then things will decrease in the following years.

The special items we have in our P&L are the buffer, so to speak, which we will be using to offset the costs for the bond recall. This won't have effects on the tax rate that we have declared in the business plan because, of course, we have effects on amortization and on fiscal recovery, which are fairly important. The government is still debating the new financial law. They're considering spreading that out over a 50-year period. Therefore, the effect on the tax asset won't be tangible.

As far as the working capital is concerned, we are currently seeing prices which fluctuate on a daily basis. depending on the various movements, referring to injections of gas. Although our estimate is EUR80 million to EUR100 million due to the commodity effect at EUR50 million to EUR60 million stemming from the fiscal bonus effects, which we will then have to seed with the beginning of the new year. Therefore, these are temporary effects. The first because the commodity price will decrease in Q1. And the second is that once we made the sales, we will be freeing up some capital.

Operator

The next question is by Enrico Bartoli, Stifel.

Q - Enrico Bartoli {BIO 3699377 <GO>}

First of all, when it comes to the gas price scenario, you must have begun your commercial campaign for the new thermal year. And I was wondering whether you expect an impact on margins, especially in the gas business, but also in electricity, given the forward prices for raw materials, we are seeing on the markets.

The second question, on the tenders. You mentioned that there has been plenty of movement in the most recent quarter, especially for the default and FUI markets. You mentioned the tenders you were awarded for the upcoming two years. Can you tell us how your expected EBITDA will change vis-a-vis the contribution for 2021? And also when it comes to the tenders on the electricity market.

And when it comes to the Udine gas distribution tender, will that envisage a variation in overall RAB and will it have an impact on EBITDA contribution? And then the Water tender in Rimini, do you expect any changes as far as the CapEx plan is concerned and as far as contribution on EBITDA stemming from this business?

Final question on biomethane. What are the perspectives and further potentials compared to your business plan, given the funds available from the PNNR and the government incentives?

A - Unidentified Speaker

Well, regarding our expectations on the scenario, our gas commercial campaign was pretty much over in September because most clients begin with a thermal year. We have

some parts of the industrial customers, which began on January 1, but they are lower. They are lower amount.

Of course, customers are trying to understand what the prices will be since the -- we'll have to sign contracts 2x to 2.5x higher compared to the extraordinary conditions we had last year. Gas was equal to zero in some days last year and then during the summer, stood at \$0.09 to \$0.10, so you can understand what that implies.

Will that have an impact on margins? Well, not so much in fact, because these contracts are linked to the TTF price index or to the TTF PSU indexes. Therefore, they are linked to the underlying commodity price. Much like the (inaudible) transfer market, the electricity or renewal campaign will be over on November 30. And even here, compared to last year, when those contracts had been moved back. We're now in a situation in which operators and clients are waiting to see before they conclude their contracts.

But let me say something compared to the current context. You have to take into account the commodity availability. In normal conditions, industrial [ph] operators may have five, six, seven -- even eight different offers.

Currently the suppliers, either because the financial cost linked to serving customers, given the impact from CCN. Also given the cost of gas, the market is very thin currently. And therefore, we have a limited number of competitors who are working on the market. And in this case, of course, the soundness of the size of companies matters compared to the smaller ones.

When it comes to the FUI and default tenders, compared to the previous conditions we used to have, we have now broadened our presence. But margins are lower. Therefore in Q4 we'll be looking at a few million euro less compared to last year.

When it comes to the electricity market, we haven't had any tenders. The Salvaguardia market was for a 2-year period, whereas the effects of the Consip tenders that we were awarded and the continuation of the gradual safeguard tender we were awarded in July will have a positive contribution equal to a few million euros.

The Udine tender, the RAB variation isn't significant. It's equal to EUR15 million to EUR20 million because the municipalities we didn't cover in the past and which we will be covering are 5. And these are marginal municipalities in the province. Therefore, there won't be any consistent variations from this point of view. No major variations. And the tender, the concessions should start January 1, 2022.

Moving on to the water tender in Rimini, which we had already included in last year's business plan. We indicated that it would have started in 2022. In that case, and given the most recent realignment operations on investments, in that case, we'll have totally more in terms of investments compared to where we had envisaged. And that is also something common to all of the other territories, not so much due to the contribution of the national recovery and resilience plan, but rather link to our financial capabilities and the possibility

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to invest. You will see that in the next business plan, we will have some rounding up to do, especially for these types of activities.

When it comes to biomethane, it's difficult to answer your question because to date, the activities, which would be incentivized are the ones relating to reconverting plants from energy production to biomethane production. The tenders still haven't been published. The rules haven't been published.

Obviously, given the right conditions to take these opportunities, we'll look at it. But of course, we'll need a very sophisticated concept because you can't simply think of taking every single 1 megawatt plant, such as they were built for agricultural byproducts to produce biogas and biomethane, and linking those plants to the network. You'll have to develop a slightly different business model as we are creating a system and a network. Which means that not all of the currently existing agricultural plants will be usable with this kind of solution.

But of course, you will appreciate the fact that we are trying to understand things. And in the meantime, we're working on the second biomethane project, which, as you may remember, had been announced during the last quarter report. We signed a partnership with the Cremonini Group here in the Bologna region. And we are currently in the authorization process in the Marche region as well.

Thirdly, we have received authorization to broaden one of the plants that we currently use for the renewable electricity and biofermentation plant for a further 25,000 tonnes. And there too, we're looking to produce biomethane.

So these are three projects, which when concluded for the authorization process in the Marche and the other two, we'll be seeing contribution from all three of them in 2022 and 2023 with a tangible support to our target, which is that of doubling the biomethane production as we have stated in the business plan.

Operator

The next question is by Emanuele Oggioni, Kepler Cheuvreux.

Q - Emanuele Oggioni {BIO 20133627 <GO>}

Let me focus on the water business. What are your expectations as far as the cost dynamics are for 2022 since the increase in costs has had an effect on the EBITDA growth in that area?

Then can you give us details regarding the application of the new ARERA tariff regulation, which I seem to remember may have some important benefits, but which still haven't been reflected on EBITDA.

A - Unidentified Speaker

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Well, as far as cost dynamics are concerned, keep in mind that electricity costs will become a pass-through with a 2-year delay, the cost to delve up. As far as the other costs are concerned, I think it much depends on the commodity cost dynamics in 2022. Obviously, were oil to progressively go back to more normal prices, maybe \$50 to \$60 per barrel compared to the \$85 per barrel nowadays, all of the other chemical products will follow, not just in terms of prices but also in terms of availability. Because the criticalities that we've seen all over Europe and the impact on plants show that many of these chemicals in Northern Europe and overseas haven't arrived. So there's no availability, and that has an impact and a major impact on price.

Secondly, just to go into some of the details. The boom in the super eco-bonus activities, has taken away a lot of labor from maintenance and emergency interventions for many companies. These buildings -- these construction companies have focused on these opportunities making the market shorter for the more traditional businesses such as water. And that, of course, has an impact on prices. But again, these phenomena are related to the current context, and I think that they will go back to more normal conditions in the upcoming 12 to 18 months.

Moving on to your question on the ARERA tariffs. The most important part of the tariff is linked to technical quality. We have some very solid reporting from the authority side. They still haven't published the outcome of the very first implementation of the technical qualities, therefore, we're all making estimates regarding the contribution stemming from the performance as we realized. In our case, we expect a positive contribution equal to a few million euros. And that, of course, will alleviate and improve the results of the business, obviously, with the same regulatory conditions compared to 2021.

Operator

Mr. Tommasi di Vignano, gentlemen, there are no further questions.

A - Tomaso Tommasi di Vignano {BIO 1449180 <GO>}

Well, we want to thank all of you. We can now go and rest since we have been working hard since early this morning.

I hope to speak to you again soon. Good-bye.

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