INTESA SANPAOLO

Credit

Investment Grade

Italian Utilities Bonds

Spreads Set to Benefit from Results Visibility and Reduced Italy Risk

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The Italian utilities reported resilient/solid results in 1H25, and generally in line with consensus (Bloomberg). Companies confirmed their full-year guidance. Current 2025 consensus forecasts a continuation of H1 trend: the sector as a whole looks set to report aggregate EBITDA up by 3% versus 2024, and by 10% versus 2023. We believe that the environment remains supportive for Italian utilities' bonds due to both good visibility on sector results, especially for regulated names, and diminished Italy risk. We consider utilities' hybrids as still interesting in terms of yield.

- The Italian utilities reported resilient/solid results in H1, in our view, and generally in line with consensus (Bloomberg). Companies confirmed their 2025 guidance. Current full-year 2025 consensus forecasts a continuation of the H1 trend: the sector as a whole looks set to report aggregate EBITDA up by 3% versus 2024, and by 10% versus 2023. The aggregate EBITDA for the regulated sub-sector is seen to increase by 14% versus 2024 (partly reflecting the consolidation of 2i Rete Gas by Italgas). Non-regulated utilities' aggregate EBITDA looks to be quite flat, partly reflecting normalisation of hydropower production and energy supply margins, offset by business diversification and [illegible]
- Year to date in 2025 (data at 22.9.25), Italian utilities' issuance of senior bonds amounted to EUR 8.5Bn, versus EUR 9.6Bn in the same period of 2024 (euro equivalent). Hybrid bonds amounted to a total of EUR 2.5Bn (vs EUR 3.5Bn). For the rest of 2025, we expect issuance to slow, in line with recent years trend for the second part of the year. We assume around EUR 2.5-3.0Bn senior bonds to be issued by year-end. Snam could be a potential hybrid issuer in the coming months, in our view.
- We looked at the impact of new issuance on issuers' secondary market spreads; data, although limited, do not show necessarily significant negative effects on existing bonds.
- We believe the environment remains supportive for Italian utilities spreads due to both good visibility on sector results, especially for regulated names, and diminished Italy risk. In terms of single names, we maintain our preference for Terna. Spreads' dislocation along the sector issuers' curves could offer value in relative terms. Hybrid bonds remain interesting in terms of yield to call (c. 3% for first call in 2027), while room for further spreads tightening versus senior bonds (currently at around 100bp) seems limited.

Investment recommendations on italian utilities bonds

Investment Grade	BUY		HOLD		SELL
	Terna	c	A2A	c	
			Acea	c	
			Enel (senior/hybrid)	c	
			ERG	c	
			Hera	c	
			Iren	c	
			Italgas	c	
			Snam(senior/hybrid)	c	
			Terna (hybrid)	c	
High Yield	**BUY**		**HOLD**		**SELL**
			A2A (hybrid)	c	
			Iren (hybrid)	c	

Notes: c = confirmed; d = downgraded; u = upgraded; n = new; NA = not assigned; na = no action. The table above refers to senior unsecured bonds unless otherwise indicated. Source: Intesa Sanpaolo Research estimates

Sector View
NEUTRAL

Italy/Sector Report

Investment Grade

Issuer	Credit View
A2A	NEUTRAL
Acea	NEUTRAL
Enel	NEUTRAL
ERG	NEUTRAL
Hera	NEUTRAL
Iren	NEUTRAL
Italgas	NEUTRAL
Snam	NEUTRAL
Terna	NEUTRAL

Source: Intesa Sanpaolo Research estimates

In this report, we confirm the company views and recommendations assigned in the last company reports (unless otherwise indicated)

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See page 38 for full disclosure and analyst certification

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Contents

Recommendations and Relative Value 3
1H25 Results: A Brief Recap 8
Rest of 2025 Outlook: Drivers and Key Themes 9
Primary Market: YTD Issuance and 2025 Outlook 12
Assessing the Impact of a New Issuance on Secondary Market Spreads 14
A2A: Credit View NEUTRAL 15
Acea: Credit View NEUTRAL 17
Enel: Credit View NEUTRAL 19
ERG: Credit View NEUTRAL 21
Hera: Credit View NEUTRAL 2
Iren: Credit View NEUTRAL 25
Italgas: Credit View NEUTRAL
Snam: Credit View NEUTRAL
Terna: Credit View NEUTRAL 31
Appendix 1: Italian Utilities Earnings Calendar 33
Appendix 2 - Italian Utilities Bonds 34

Sample

Recommendations and Relative Value

Utilities more resilient in stressed market periods

Year to date in 2025, utilities' spreads confirmed their resilience in market periods characterised by high volatility and uncertainty. During the risk-off movement that occurred over 26 March - 9 April, due to the tariffs introduction, the iBoxx EUR Utilities index widened by 31% (+32bp) while the iBoxx EUR Non-Financials widened by 38% (+36bp). Year to date in 2025, the iBoxx EUR Utilities index tightened by 22bp, to 95bp, and iBoxx EUR Non-Financials by 20bp, to 87bp.

iBoxx indices (z spread)

Note: Spread differential= iBoxx EUR Utilities - iBoxx EUR Non-Financials. Data at 19.9 Sour tesa Sa
Research elaboration on Bloomberg and IHS Markit data

Italian utilities bonds, key points:

- Environment remain supportive due both d visi y on sector results, especially for regulated names, and diminishe taly c isk.
- Spreads' dislocati ong e curves c offer in relative terms.
- Hybrid bonds st nteresting in terms of y d (vie to-call).

Italian utilities names under our cover e posted positive performances year-to-date in 2025, with spreads currently below th rt of the year levels.

Spread benefitted from perceived reduced Italy country risk

Sector's spreads also benefitted from the improved outlook for Italy's sovereign rating. Due to their high exposure to the country, the ratings of Italian names are generally capped one or two notches above Italy's ones. In recent years, this fact has sometimes translated in a sort of penalisation for Italian names compared to European peers.

In order to "measure" this potential negative effect, we compared the performance of a sample of Italian utilities EUR senior bonds with maturity in 2030-2032 (spreads average) versus the iBoxx EUR utilities index. As shown in the chart on the following page (chart 1), in recent years, the spread differential (Italian utilities average - iBoxx EUR utilities index) reached its peak over September/November 2022, while starting from 2024 it inverted and currently stands at the lowest levels of the last three years. The chart on the right (chart 2) compares the "spread differential" with the spread BTP-Bund 10Y and seems to confirm the relation between Italy country risk and performance of Italian names versus European peers.

Sample

Chart 1- Italian utilities vs iBoxx EUR utilities index (ASW)

Note: * group of Italian utilities EUR senior bonds with maturity 2030-2032 (spreads average); Spread differential= Italian utilities -iBoxx EUR Utilities. Data at 19.9.25.
Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Chart 2 - Spread differential (1) vs Spread BTP-Bund 10Y (ASW)

Note: (1) Spread differential= Italian utilities -iBoxx EUR Utilities. Data at 19.9.25.
Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

We run a similar analysis with a sample of bonds with maturities over 2034-2036 and chart 4).
Also in this case, data seem to show a relation between Italy country risk performance of Italian utilities bonds.

Chart 3 - Italian utilities vs iBoxx EUR utilities index (ASW)

Note: * group of Italian utilities EUR senior bonds with maturity 2034-2036 (spreads average); Spread differential= Italian utilities -iBoxx EUR Utilities. Data at 19.9.25.
Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Chart 4 - Spread differential (1) vs Spread BTP-Bund 10Y (ASW)

Note: (1) Spread differential= Italian utilities -iBoxx EUR Utilities. Data at 19.9.25.
Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Sample

We maintain our BUY our recommendation on Terna senior bonds.
We believe some spreads' dislocation along the curves could provide value in relative terms.
Below we list our current preferred Italian utility trades

Recommendations on Italian utilities bonds

Date	Bond/CDS	Type	Spread	Rate	Buy/sell	Entry level	Current level	Pick-up	Status
23.09.25	ERGIM 4 1/8 07/03/30	Sen	Z-spread	FX	SELL	70.4	70.5	0.1	OPEN
23.09.25	TRNIM 3 1/2 01/17/31	Sen	Z-spread	FX	BUY	73.5	73.7	-0.2	OPEN
	ERGIM 0 7/8 09/15/31	Sen	Z-spread	FX	SELL	88.1	88.2	0.1	
29.07.25	TRNIM 0 3/8 09/25/30	Sen	Z-spread	FX	BUY	54.1	58.8	-4.8	OPEN
	IGIM 0.579 01/29/31	Sen	Z-spread	FX	SELL	43.5	57.1	13.7	
18.06.25	TRNIM 0 3/8 09/25/30	Sen	Z-spread	FX	BUY	72.7	58.8	13.9	OPEN
	ACEIM 0 1/4 07/28/30	Sen	Z-spread	FX	SELL	35.3	38.9	3.6	OPEN
19.06.25	ACEIM 0 1/4 07/28/30	Sen	Z-spread	FX	SELL	33.3	38.9	5.6	OPEN
03.07.25	IREIM 1 1/2 10/24/27	Sen	Z-spread	FX	BUY	44.7	35.3	9.3	OPEN
	IREIM 0 7/8 10/14/29	Sen	Z-spread	FX	SELL	48.8	[illegible]	-8.1	
11.09.25	IGIM 1 5/8 01/18/29	Sen	ASW	FX	BUY	57.6	[illegible]	6.4	OPEN
	IGIM 0.579 01/29/31	Sen	ASW	FX	SELL	46.7	50.7	3.9	
04.08.25	ENELIM 4 3/4 PERP	Sub	Z-spread	VR	BUY	151.6	147.1	4.5	OPEN
	AEMSPA 5 PERP	Sub	Z-spread	VR	SELL	139.5	152.4	12.9	

Source: Intesa Sanpaolo Research based on Bloomberg data on 23.9.25

Italian utilities EUR senior bonds (z-spread)

Data at 19.9.25. Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Sample

Italian regulated utilities EUR senior bonds (z-spread)

Data at 19.9.25. Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Italian non-regulated utilities EUR senior bonds (z-spread)

Data at 19.9.25. Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Terna reported a positive set of 1H25 results, which were slightly above conse[illegible] EBITDA c.+3%, and net profit c. +5%). Net debt increased by 7% versus year-en[illegible] 2024, [illegible]ly reflecting the higher capex (+27% yoy, at EUR 1.32Bn), in line with the c[illegible]any's curr[illegible] strategy. Terna confirmed its 2025 guidance.
Terna's senior EUR bonds with maturity 4-6Y currently trade in line [illegible]her Ita[illegible] utilities [illegible] light of its regulated business profile, focused on electricity, an[illegible] of ge[illegible]lly hig[illegible]ng, we believe that its senior bonds should trade inside peers.

BUY Terna senior bonds

ERG's bonds have historically traded 20-25bp wider t[illegible]other Itali[illegible] utilities, partly reflecting the ERG lower rating. The ERGIM 4 ⅛ 07/03/30 currently [illegible]les slightly [illegible]er vs peers (c. 10bp). In light of current spreads and of still challe[illegible] condi[illegible]s in the renewables sector, we suggest to take profit on ERGIM 4 ⅛ 07/03[illegible]0.
In relative terms, we suggest to BUY TRN[illegible] 3½ 01[illegible]31 and [illegible]ELL ERGIM 0⅞ 09/15/2031 (z-spread gap of -14bp vs [illegible]ars ave[illegible]ge [illegible]36bp

SELL ERGIM 4 ⅛ 07/03/30

BUY TRNIM 3½ 01/17/2031 and SELL ERGIM 0⅞ 09/15/2031

Acea reported a s[illegible] set of result[illegible] 1H25, [illegible]y both regulated activities and power generation. The co[illegible]any [illegible]ed [illegible]2025 guidance excluding the results from Acea Energia perimeter subj[illegible] sale, with; i) [illegible]TDA seen at +6/8% year-on-year vs. 2024 restated figures (EUR 1.276Bn), meaning EBITDA [illegible] year-end 2025 of EUR 1.35-1.38Bn; and ii) the net debt/EBITDA ratio at 3.4- 3.5[illegible] (on a [illegible]orma basis).
At the end of May, the news [illegible]ltitude's offer for Acea energy supply activities triggered an outperformance of some of Acea's longer maturities versus both Italian peers and iBoxx EUR Utilties index. We believe that current spread levels provide an opportunistic point for taking profit on ACEIM 0 ¼ 07/28/30, which trade roughly 21bp inside Italian utilities curve.

SELL ACEIM 0 ¼ 07/28/30

Sample

Acea bonds vs iBoxx EUR Utilities index (z spread)

Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data (data at 19.9.25)

Hybrid bonds remain interesting in term of yield to call

We remain constructive on Italian utilities hybrids, but at the same time we note that spreads versus comparable senior bonds are currently at very low level, at around 100bps, slightly above. We do not expect further significant narrowing in the next coming months; while we believe that hybrids remain interesting in terms of yield to call (c. 3.20% for first call in 2027).

BUY ENELIM 4 3/4 PERP - SELL AEMSPA 5 PERP

Enel is the largest hybrid issuer between Italian corporates. We consider the 2025-2027 plan as credit supportive, despite accelerating capex, due to a strong focus on regulated networks – the contribution of which to the group's EBITDA reached 42% in 2Q25. Enel exploits a part of the financial flexibility provided by its current net debt/EBITDA ratio (2.5x) through acquisitions in its core activities (networks and renewables), and shares' buyback. However, we expect Enel to maintain credit metrics consistent with levels required by rating agencies for the current ratings.
Despite Enel's larger size, and its hybrids being rated one notch higher that A2A'one at Moody's, the ENELIM 4 3/4 PERP trades only 5bps wide AEMSPA 5 PERP.

Italian utilities hybrids: spread vs next call date

Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data (data at 19.9.25)

Italian utilities hybrids: YTC vs next call date

YTC=yield to call. Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data (data at 19.9.25)

Sample

1H25 Results: A Brief Recap

Italian utilities is a composite sector covering a wide range of activities. Companies' results reflect different drivers, with differentiated exposure to changes in demand volumes and prices. On this basis, we have divided names under our coverage into: i) "regulated" (Italgas, Snam, and Terna); and ii) "non-regulated", which include companies that, while having a good contribution from regulated and quasi-regulated (or incentivised) activities, are also exposed to demand and prices volatility (A2A, Acea, Enel, ERG, Hera, and Iren).

The sector as a whole reported generally solid/resilient results in H1, in our view, and overall in line with consensus. As expected, regulated companies reported higher EBITDA vs 1H24 (+ 13% the sub-sector aggregate amount, and c. +6% excluding the impact of 2i Rete Gas on Italgas) with organic growth (RAB increase) and positive regulatory updates that more than offset the lower regulatory WACC applied starting from January 2025. The "non-regulated" names reported quite flat EBITDA partly reflecting lower energy generation (eg, normalisation hydroelectric production versus the high level reached in 2024), and in some cases lower results from supply/retail business units.

In general, companies reported higher net debt due to capex deployed and for M&A (eg, Italgas). Net debt/EBITDA ratio remained overall stable, benefitting from positive cash generation and also from hybrid bonds issuance (ie, Enel and Iren)

Companies broadly confirmed their 2025 guidance. Acea updated its guidance excluding the results from Acea Energia perimeter subject to sale to Enel.

Italian utilities

	1H25 vs. Bloomberg consensus	2025 Guidance
A2A	in line	confirmed
Acea	in line	
Hera	slightly below	
Iren	slightly above	confirmed
Italgas	slightly above	confirmed
Snam	slightly above	confirmed
Terna	slightly above	confirmed
Enel		confirmed
ERG	slightly above	confirmed

Note: (1) consensus in some cases was limited; (2) guidance updated excluding the results from Acea Energia perimeter subject to sale to ENI; na =not available. Source: Bloomberg and companies' data.

Italian utilities net debt/EBITDA ratio (x)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data

Sample

Rest of 2025 Outlook: Drivers and Key Themes

- Bloomberg consensus forecasts a continuation of the H1 trend.
- Allowed WACC for 2026 for energy networks: likely no material impact even in case of "trigger event".

Consensus forecasts a continuation of H1 trends

Current full-year 2025 consensus (Bloomberg) forecasts the sector as a whole to report an aggregate EBITDA of c. EUR 37.6Bn, up 3% versus 2024, and by 10% versus 2023. The aggregate EBITDA for the regulated sub-sector is seen to increase by 14% versus 2024 (partly reflecting the consolidation of 2i Rete Gas by Italgas), while non-regulated EBITDA should be quite flat.

As in the first part of the year, the main drivers for regulated names are expected to be: RAB growth following investments deployed, positive recognition from the new resolution on deflator, and M&A contribution for Snam (Edison gas storage assets) and Italgas (2i Rete Gas).

The results of "non-regulated" companies should reflect normalisation of hydropower production and energy supply margins, offset by business diversification and [illegible] (eg, A2A due to the contribution from power distribution assets acquired in 2024). The table below shows H2/FY2024 actual results versus current Bloomberg consensus (for some names there still limited/or nil consensus available).

Italian utilities EBITDA consensus

asa	1H24A vs 1H25A (% Chg)	2H25C vs 2H24A ([illegible])	2025[illegible] 2024A ([illegible]hg)
EBITDA			
Utilities	2%	[illegible]	3%
-Regulated	13%	14%	14%
- Non-regulated	-1%	1%	0%

A= actual; C= Bloomberg consensus; Source: Intesa S[illegible]paolo Re[illegible]h elabo[illegible]n on companies' data and Bloomberg data (data at 19.9.2025)

Italian utilities 2025 E[illegible]DA guidanc[illegible]

	[illegible] EBITDA [illegible]idance
A2A	EBITDA at E[illegible] 2.17-2.2Bn; c.-5% [illegible] (1)
Acea	EBITDA at +6/8% yoy vs. 2024 r[illegible]ted figures
Hera	na
Iren	EBITDA in the EUR [illegible]8Bn range, up 5- 7% yoy;
Italgas	adjusted EBITDA at EUR 1.80-1.85Bn (EUR 1.35Bn in 2024) (2)
Snam	EBITDA at c. EUR 2.85Bn, c. +3/4% yoy (1)
Terna	EBITDA at EUR 2.7Bn, c. +5% yoy (1)
Enel	ordinary EBITDA of EUR 22.9-23.1Bn; c+ 1% yoy or +3% yoy on a like-for-like basis
ERG	EBITDA at EUR 540-600M; c. +5% vs 2024 (1)

Note: (1) ISP calculation on 2025 guidance mid-point; (2) include 2i Rete Gas starting from April; na=not available. Source: Company data and Intesa Sanpaolo Research

Italian utilities EBITDA 2017A-2026C (EUR Bn)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna; A = actual; C = consensus. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data (data at 19.9.2025)

In full-year 2025, the sector's investments should reach an aggregate amount of around EUR 26Bn, up 17% versus 2024.

Sample

As shown in the chart below, the year-on-year increase looks set to be mainly driven by regulated utilities, for which aggregate investments should amount to EUR 8Bn, +21% vs 2024. The sub-sector average capex-to-EBITDA ratio should reach around 100%. Net debt is seen to increase by c.21%, and net debt/EBITDA ratio should reach 5.6x vs 5.2x (largely due to 2i Rete Gas consolidation by Italgas).

The aggregate capex for non-regulated companies should be at c EUR 18Bn, +16% yoy. The net debt is seen to remain quite stable (+3%), and net debt/EBITDA ratio should be at around 2.6x vs 2.5x at year-end 2024. In this respect, ratios should benefit from the perpetual bonds issued in 2025 by Enel and Iren. We note that the larger part of sub-sector's debt decrease registered in 2024 versus 2023 reflected the debt reduction achieved by Enel.

Italian utilities capex 2017A-2026C (EUR Bn)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna; A = actual; C = consensus. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data (data at 19.9.2025)

Italian utilities capex/EBITDA ratio 2017A-2026C (%)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna; A = actual; C = consensus. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data (data at 19.9.2025)

Italian utilities net debt 2017A-2026C (EUR Bn)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna; A = actual; C = consensus. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data (data at 19.9.2025)

Italian utilities net debt/EBITDA ratio 2017A-2026C (x)

Note: * A2A, Acea, Enel, ERG, Hera, Iren; ** Italgas, Snam, Terna A = actual; C = consensus. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data (data at 19.9.2025)

Allowed WACC for 2026 on energy networks

The methodology currently adopted by ARERA for the calculation of the regulatory WACC for regulated energy networks (rate of return applied to the Regulatory Asset Base [RAB]) envisages the possibility of an annual adjustment of the WACC if changes in some market

Sample

parameters used in the formula were to result in a variation, for at least one activity, equal to or higher than 30bps with respect to the previous value ("trigger mechanism"); in this case, the allowed returns would be updated for all activities.

The observation period will close at the end of September, and consensus currently forecasts that market-based parameters should not drive significant changes. However, simulations are close to triggering the -30bps deviation-threshold vs. the allowed returns set by ARERA, especially for the regasification business.

However, even in case of downward revision of the allowed returns, we believe the impact would be limited. According to sensitivity provided by the companies, and our preliminary simulations, a 10bps reduction in allowed WACC should, in general, impact companies EBITDA for around 1% (mainly for the fully regulated names).

Italian regulated energy networks: allowed WACC (%)

	2025-2027 (1)	Companies
El. transmission	5.5	Terna
El. distribution, metering	5.6	Enel, Acea, A2A, Iren, Hera
Gas storage	6.1	Snam
Gas regassification	6.2	Snam
Gas transportation	5.5	Snam
Gas distribution, metering	5.9	2i Rete Gas, Italgas, Hera, A2A, Iren

(1) net of potential trigger mechanism in 2026 and 2027. Source: ARERA, Intesa Sanpaolo Research

Italy: WACC regulatory period

(1) Duration of the regulatory period of six years (2022-27), divided into two subperiods lasting three years each, with an interim review of the main parameters. Source: ARERA

Sample

Primary Market: YTD Issuance and 2025 Outlook

Year to date in 2025 (data at 22.9.25), Italian utilities' issuance of senior bonds amounted to EUR 8.5Bn vs. EUR 9.6Bn in the same period of 2024 (euro equivalent). Issuance was driven by Snam and Enel, with EUR 3.0Bn (including first USD denominated bonds, for a total of USD 2Bn), and EUR 2.0Bn, respectively.

Hybrid bonds amounted to a total of EUR 2.5Bn (EUR 3.5Bn in same period of 2024), due to EUR 2.0Bn by Enel (ENELIM 4 ½ PERP EUR 1Bn, ENELIM 4 ¼ PERP EUR 1Bn), and the debut of Iren (IREIM 4 ½ PERP EUR 500M).

ESG bonds amounted to EUR 7.5Bn, vs. EUR 8.1Bn in same period of 2024. By label, the new bonds included: EUR 4.0Bn in sustainability-linked bonds, and EUR 3.5Bn in green bonds.

Italian utilities' senior bonds issuance (1) (EUR Bn)

Note: (1) 2i Rete Gas, A2A, Acea, Alerion, Alperia, Enel, Erg, Hera, Iren, Italgas, Snam, Terna. Include EUR, USD, GBP; * 2025 data at 22.09.25. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data

Italian utilities' hybrid bonds issuance (EUR Bn)

*Data at 22.9.25. Source: Intesa Sanpaolo Research elaboration on companies' data and Bloomberg data

Issuances expected to slow in H2

For the coming months of 2025, we expect issuance to slow, in line with recent years trend for the second part of the year.
We assume around EUR 2.5-3.0Bn senior bonds to be issued (EUR 2.1 Bn in 2H24).
Companies' exploitation of potential favourable market windows would provide support to the primary market. In 2026 maturities will amount to above EUR 9Bn.

Snam could be a potential hybrid issuer in the coming months

Regarding hybrid bonds, Snam could be a potential issuer in the coming months. The company recently stated that the acquisition of 24.99% stake in OGE (Equity Value EUR 920M) will be financed through either asset rotation or the issuance of a dedicated hybrid instrument (see: Snam 1H25 finacial results press release. 30.7.25). In this respect, Snam's BoD approved the issuance of hybrid bonds of up to EUR 1Bn by year-end 2026.

That said, we assume total 2025 issuance, including both senior and hybrids, at around EUR 13.5-14.0Bn (EUR 14.7Bn in full-year 2024, of which EUR 11.2Bn senior and EUR 3.5Bn hybrids).

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Italian utilities: primary market

Bond	Size (EUR M)	Label
HERIM 3 ¼ 07/15/31	500	Green
AEMSPA 3 ⅝ 01/30/35	500	Green
TRNIM 3 ⅛ 02/17/32	750	Green
ENELIM 2 5/8 02/24/28	750	SLB
ENELIM 3 02/24/31	750	SLB
ENELIM 3 1/2 02/24/36	500	SLB
IGIM 2 ⅞ 03/06/30	500	
IGIM 3 ½ 03/06/34	500	
SRGIM 3 ¼ 07/01/32	1,000	Green
TRNIM 3 07/22/31	750	Green
ENELIM 4 ¼ PERP	1,000	
ENELIM 4 ½ PERP	1,000	
IREIM 4 ½ PERP	500	
Bond	**Size (USD M)**	**Label**
SRGIM 5 05/28/30	750	SLB
SRGIM 5 ¾ 05/28/35	750	SLB
SRGIM 6 ½ 05/28/55	500	SLB

Note: (1) Data at 22.9.25. SLB: sustainability-linked bond. Source: Companies' data

Italian utilities' senior bond maturities (EUR Bn) (1

Note: (1) Data at 22.9.25. [illegible] de A2A, [illegible]nel, Erg, H[illegible], Iren, Italgas, Italgas Reti Snam, Terna, Alperia, Ar[illegible] Inclu[illegible]R, USD, GB[illegible]nds. Source: Intesa Sanpaolo Research elaborati[illegible] comp[illegible] data[illegible] Bloomberg data

Sample

Assessing the Impact of a New Issuance on Secondary Market Spreads

- We looked at the impact of new issuance on issuer's secondary market spreads; data, though limited, do not show necessarily significant negative effects on existing bonds.

YTD in 2025, Italian utilities tapped the market seven times with EUR-denominated senior bonds, for a total of EUR 6.5Bn. All the bonds received a solid/strong demand and priced 2-5bp inside issuers' curve.

We looked at spreads of single issuer's existing bonds (pre-issuance) at +2, +7, and +10 trading days after the pricing date of the new bonds. Market data show an average tightening of 0.9bp after 2 days, 2.9bp after 7 days, and 4bp after 10 days.

Understandably, a negative NIP (new issuance premium) seems to be associated with tightening of existing bonds. Italgas curve's performance has been likely impacted by a general negative mood on the market (see chart below on the left), while Snam's spreads strongly benefitted from the positive market momentum at the end of June.

While acknowledging that market data available are limited, we could likely assume that as far as appetite for utilities bonds will remain high the impact of new issuances on issuers secondary market spreads should not be necessarily negative.

iBoxx indices YTD 2025

Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data

Italian utilities: bonds' performance post new issuance (z spread)

Chart shows the performance of existing bonds (spreads average) of a single issuer (Hera, A2A, etc) 2 trading days, 5 trading days, and 10 trading days after the issuance of a new bond by the same issuer. Source: Intesa Sanpaolo Research elaboration on Bloomberg and IHS Markit data.

Sample

A2A: Credit View NEUTRAL

(Moody's Baa2 / Positive , Fitch)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	HOLD
Unrated	-	-	-	-

Key credit drivers

- **Good 1H25 results, in line with consensus expectations. Business diversification and the contribution from acquired power distribution assets allowed A2A to counterbalance the impact of expected lower hydro production. The share of regulated activities to the group's EBITDA increased to 32% from 25% in 1H24. Net debt improved versus YE24, benefitting from both the assets rotation and solid cash generation.**
- **2025 guidance confirmed: EBITDA forecast in the upper end of the range between EUR 2.17Bn and EUR 2.2Bn (EUR 2.3Bn in 2024) and group net profit, net of non-recurring items, in the upper end of the range between EUR 0.68-0.70Bn.**
- **In May, Moody's improved the outlook to Positive from Stable. The action follows the outlook change to Positive for Italy.**
- **We consider A2A's senior and hybrid bonds as fairly valued versus peers.**

Strengths/Opportunities

- Diversified and resilient business mix.
- Significant share of regulated / contractualised activities (forecast at c. 50% and 45% of 2026 and 2030 EBITDA).
- Committed to IG rating, with a balance between growth and credit profile.

Weaknesses/Threats

- Sizeable capex plan, including M&A.
- Exposure of energy generation/supply activities to volatile energy prices.
- High exposure to [illegible] countries, with the ratings constrained by country rating.

Outperformer[1] YTD - Senior Unsecured

AEMSPA 1 07/16/29	-26

Underperformance[1] YTD - Senior Unsecured

AEMSPA 2 1/2 [illegible]	-3.4

EBITDA breakdown (1H25)

Trend in profitability

Debt maturity profile (EUR M, 2025)

Leverage trend (x)

Note: * include Waste, Water and Heat activities. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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1. List of A2A bonds in Appendix 2 (page 34, 37)

Sample

A2A In Brief

A2A S.p.A. is an Italian utility company. It is active in electricity (production, distribution, trading and sales), gas (supply, distribution, trading, and sales), district heating, waste (collection, treatment and disposal), integrated water cycle, public lighting, and other activities. A2A has a strong presence in the north of Italy.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**12,857**	**13,657**	**6.2**	**6,091**	**6,891**	**13.1**	**2,666**	**2,923**	**9.6**
EBITDA	**2,328**	**2,272**	**-2.4**	**1,279**	**1,223**	**-4.4**	**576**	**548**	**-4.9**
Adjusted EBITDA	**2,317**	**2,242**	**-3.2**	**1,269**	**1,194**	**-5.9**	**570**	**522**	**-8.4**
EBIT	**1,317**	**1,270**	**-3.6**	**765**	**718**	**-6.1**	**300**	**303**	**1.0**
Adjusted EBIT	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Net interest expense	-113	-146	29.2	-52	-85	63.5	-20	-43	115.0
Income (loss) on equity investments	2	2	0.0	2	2	0.0	1	1	0.0
Profit before tax	**1,211**	**1,136**	**-6.2**	**718**	**643**	**-10.4**	**284**	**262**	**-7.7**
Net profit (loss)	**892**	**842**	**-5.6**	**507**	**457**	**-9.9**	**[illegible]00**	**187**	**-6.5**
Net profit (loss) attributable to the Group	**864**	**809**	**-6.4**	**489**	**434**	**-1[illegible]**	**[illegible]**	**177**	**-9.2**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1[illegible]	Ch[illegible] %	2Q24	2Q25	Chg %
FFO	**1,881**	**1,728**	**-8.1**	**1,081**	**92[illegible]**	**-[illegible]**	**404**	**264**	**-34.7**
Net change in working capital	-472	-11	-97.7	-219	242	N[illegible]	271	326	20.3
CFO	**1,409**	**1,717**	**21.9**	**862**	**1,170**	**35.7**	**[illegible]**	**590**	**-12.6**
Capex	-1,512	-1,640	8.5	-553	[illegible]81	[illegible]23.1	-333	-379	13.8
FCF	**-103**	**77**	**-174.8**	**309**	[illegible]	**[illegible]3**	**342**	**211**	**-38.3**
Dividends	-329	-337	2.4	-30[illegible]	-31[illegible]	[illegible]	-304	-312	2.6
Discretionary FCF	**-432**	**-260**	**-39.8**	[illegible]	**177**	**N[illegible]**	**38**	**-101**	**NM**
RCF	**-1,733**	**-1,554**	**-10.3**	[illegible]	**133**	**NM**	**-26**	**-146**	**NM**
Change in equity	742	742	0.0	[illegible]	0	NM	19	35	84.2
Change in debt	911	1,045	[illegible]	-433	-299	-30.9	-250	-82	-67.2
CFF	**1,653**	**1,787**	**[illegible].1**	**433**	[illegible]	**-30.9**	**-231**	**-47**	**-79.7**
RCF + CFF	**-80**	**233**	**[illegible]NM**	**[illegible]79**	**[illegible]166**	**-65.3**	**-257**	**-193**	**-24.9**
Change in liquidity	**-80**	**233**	**[illegible]M**	[illegible]	[illegible]	**-65.3**	**-257**	**-193**	**-24.9**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.[illegible]	[illegible]hg %	31.03.25	Chg %	30.06.25	Chg %
Intangible assets	3,725	[illegible]	[illegible]5.4	4,352	1.2	4,389	0.9
Property, plant & equipment	6,789	7,[illegible]	[illegible]	7,534	0.2	7,639	1.4
Financial and equity investments	101	11[illegible]	11[illegible]	149	31.9	120	-19.5
Total non-current assets	**11,32[illegible]**	**12,608**	**11.3**	**12,724**	**0.9**	**12,838**	**0.9**
Inventory	[illegible]	[illegible]316	-16.2	160	-49.4	307	91.9
Trade receivables	2[illegible]4	[illegible]43	37.8	4,480	23.0	3,381	-24.5
Cash and current financial ass[illegible]	2[illegible]	[illegible]	-24.2	1,588	0.4	1,830	15.2
Total current assets	**6,297**	**[illegible]**	**9.3**	**7,202**	**4.7**	**6,661**	**-7.5**
Total assets	**17,625**	**1[illegible]94**	**12.9**	**20,334**	**2.2**	**19,922**	**-2.0**
Long-term debt	5,558	[illegible],317	13.7	6,824	8.0	5,373	-21.3
Provisions for risks and ch[illegible]es	[illegible]29	854	6.9	859	0.6	835	-2.8
Total non-current liabilitie[illegible]	**6[illegible]**	**7,732**	**13.7**	**8,204**	**6.1**	**6,593**	**-19.6**
Short-term debt	1[illegible]	2,346	22.7	1,775	-24.3	3,726	109.9
Trade payables	2[illegible]5	3,682	32.7	3,864	4.9	3,421	-11.5
Total current liabilities	**[illegible]38**	**6,148**	**25.8**	**5,857**	**-4.7**	**7,204**	**23.0**
Minorities	555	558	0.5	562	0.7	560	-0.4
Shareholders' equity	5,384	5,445	1.1	5,698	4.6	5,554	-2.5
Total equity	**5,939**	**6,003**	**1.1**	**6,260**	**4.3**	**6,114**	**-2.3**
Total liabilities and equity	**17,625**	**19,894**	**12.9**	**20,334**	**2.2**	**19,922**	**-2.0**
Net debt	**4,011**	**5,835**	**45.5**	**5,616**	**-3.8**	**5,325**	**-5.2**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	18.1	16.6	21.0	17.7	21.6	18.7
Adjusted EBITDA margin	18.0	16.4	20.8	17.3	21.4	17.9
EBIT margin	10.2	9.3	12.6	10.4	11.3	10.4
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	20.6	15.6	24.6	14.4	28.8	12.7
EBIT/net interest expense (x)	11.7	8.7	14.7	8.4	15.0	7.0

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	1.7	2.5	2.4	2.3
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	1.9	3.1	3.0	3.1
Net debt/equity	0.7	1.0	0.9	0.9

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Acea: Credit View NEUTRAL

(Moody's Baa2 / Positive , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **Acea reported a solid set of results for 1H25: EBITDA rose by 12% yoy to EUR 731M (+9% yoy, on a recurring basis), driven by organic growth, with regulated activities accounting for 94% of total. Net debt increased by EUR 457M versus year-end 2024, to EUR 5,401M, reflecting capex deployed (+20% yoy at EUR 573M), and dividend payment. Pro-forma net debt amounted to EUR 4,771M (EUR 4,346M at year-end 2024), and included the effect of the sale of HV grid to Terna, and of Acea Energia to Eni.**
- **Acea updated its 2025 guidance excluding the results from Acea Energia perimeter subject to sale, with; i) EBITDA at +6/8% yoy vs. 2024 restated figures, meaning EBITDA at year-end 2025 of EUR 1.35-1.38Bn; and ii) the net debt/EBITDA ratio at 3.4- 3.5x (on a pro-forma basis). Gross capex was confirmed at EUR 1.6Bn (EUR 1.2Bn net of grants).**
- **In May, Moody's improved the outlook for Positive from Stable. The action follows the outlook change to Positive for Italy.**
- **Acea's bonds trade overall in line with other Italian utilities, although with some dislocation (ie, ACEIM 0 1/4 07/28/30).**

Strengths/Opportunities

- High contribution from regulated activities (87% of 2024 recurring EBITDA) provides predictable revenues and cash flows.
- 2024-2028 BP focused on regulated activities, with about 90% of total capex for water services and energy networks.

Weaknesses/Threats

- Exposure of non-regulated businesses to the cyclical macroeconomic environment and power prices.
- High exposure to Italy country risk, with rating constrained by country rating.
- Working capital swings could weigh on financial position.

Outperformer[1] YTD - Senior Unsecured

ACEIM 0 1/4 07/28/30	-31.4

Underperformance[1] YTD - Senior Unsecured

ACEIM 1 [illegible] 5/23/28	-3.8

EBITDA breakdowon [1] (1H25)

Trend in profitability

Debt maturity profile (EUR M, 30/06/25)

Leverage trend (x) [2]

Note: (1) do not include the results pertaining to ACEA Energia's perimeter (reclassified as discontinued operation): (2) net debt/EBITDA pro-forma, FFO annualised; *Italy activities; ** Include: Overseas Water, Engineering and Corporate.Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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2. List of Acea bonds in Appendix 2 (page 34)

Sample

Acea In Brief

Acea is a multi-utility company that manages and develops networks and services in the water, energy, and environmental sectors. Activities include integrated water services, energy production, the sale and distribution of electricity, public lighting and floodlighting, and waste-to-energy production.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**4,270**	**4,328**	**1.4**	**1,404**	**1,462**	**4.1**	**390**	**NA**	**NA**
EBITDA	**1,557**	**1,633**	**4.9**	**655**	**731**	**11.6**	**298**	**NA**	**NA**
Adjusted EBITDA	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
EBIT	**703**	**783**	**11.4**	**298**	**378**	**26.8**	**129**	**NA**	**NA**
Adjusted EBIT	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Net interest expense	-145	-151	4.3	-57	-63	10.9	-24	NA	NA
Income (loss) on equity investments	-6	-6	8.2	1	0	-64.4	0	NA	NA
Profit before tax	**552**	**626**	**13.2**	**241**	**314**	**30.3**	**106**	**NA**	**NA**
Net profit (loss)	**372**	**430**	**15.3**	**193**	**250**	**29.7**	**99**	**NA**	**NA**
Net profit (loss) attributable to the Group	**332**	**387**	**16.6**	**172**	**227**	**32.[illegible]**	**[illegible]**	**NA**	**NA**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	Chg %	[illegible]	2Q25	Chg %
FFO	**1,206**	**1,197**	**-0.7**	**593**	[illegible]	[illegible]	**NA**	**NA**	**NA**
Net change in working capital	396	285	-27.9	-106	-21[illegible]	10[illegible]	NA	NA	NA
CFO	**1,602**	**1,482**	**-7.5**	**487**	**367**	**-24.[illegible]**	**NA**	**NA**	**NA**
Capex	-1,439	-1,473	2.3	-568	-601	5.9	[illegible]	NA	NA
FCF	**163**	**9**	**-94.2**	**-81**	[illegible]	**[illegible]0.1**	**NA**	**NA**	**NA**
Dividends	-149	-160	6.9	-14[illegible]	[illegible]	[illegible]	NA	NA	NA
Discretionary FCF	**13**	**-150**	**NM**	**[illegible]2**	**-38[illegible]**	**7[illegible]**	**NA**	**NA**	**NA**
RCF	**283**	**218**	**-23.0**	[illegible]	**-387**	**20.[illegible]**	**NA**	**NA**	**NA**
Change in equity	0	0	NM	[illegible]	0	NM	NA	NA	NA
Change in debt	-164	-323	97.[illegible]	373	213	-42.8	NA	NA	NA
CFF	**-164**	**-323**	[illegible]	**373**	**213**	**-42.8**	**NA**	**NA**	**NA**
RCF + CFF	**119**	**-105**	**-[illegible]5.1**	**51**	[illegible]	**NM**	**NA**	**NA**	**NA**
Change in liquidity	**119**	**-105**	**[illegible]8.1**	[illegible]	[illegible]74	**NM**	**NA**	**NA**	**NA**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.25	Chg %	30.06.25	Chg %
Intangible assets	4,809	[illegible]	-1.2	4,792	0.9	4,744	-1.0
Property, plant & equipment	3,499	[illegible]	[illegible]9	3,407	1.3	3,469	1.8
Financial and equity investments	389	5[illegible]	[illegible]	544	1.6	559	2.7
Total non-current assets	**9,748**	**9,73[illegible]**	**-0.2**	**9,857**	**1.3**	**9,794**	**-0.6**
Inventory	1[illegible]	123	0.9	125	2.4	138	9.6
Trade receivables	1[illegible]	[illegible]028	-10.6	1,123	9.3	882	-21.4
Cash and current financial assets	[illegible]0	[illegible]0	40.0	491	-29.9	495	0.9
Total current assets	**2,[illegible]7**	**2[illegible]**	**-2.2**	**2,220**	**-4.1**	**1,996**	**-10.1**
Total assets	**12,134**	**1[illegible]2[illegible]**	**0.8**	**12,261**	**0.3**	**12,482**	**1.8**
Long-term debt	4,686	[illegible]895	4.5	5,017	2.5	4,976	-0.8
Provisions for risks and ch[illegible]es	365	234	-35.9	270	15.3	290	7.3
Total non-current liabilitie[illegible]	**[illegible]7**	**5,982**	**5.4**	**6,111**	**2.2**	**6,119**	**0.1**
Short-term debt	1[illegible]	759	-27.5	590	-22.2	920	55.9
Trade payables	1[illegible]	1,872	13.4	1,808	-3.4	1,433	-20.7
Total current liabilities	**[illegible]**	**3,357**	**-4.9**	**3,149**	**-6.2**	**2,970**	**-5.7**
Minorities	[illegible]63	370	-20.1	376	1.6	380	0.9
Shareholders' equity	2,462	2,505	1.7	2,612	4.3	2,530	-3.2
Total equity	**2,926**	**2,876**	**-1.7**	**2,989**	**3.9**	**2,909**	**-2.7**
Total liabilities and equity	**12,134**	**12,226**	**0.8**	**12,261**	**0.3**	**12,482**	**1.8**
Net debt	**5,233**	**4,954**	**-5.3**	**5,116**	**3.3**	**5,401**	**5.6**
Adjusted net debt	**NA**	**4,346**	**NA**	**NA**	**NA**	**4,771**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	36.5	37.7	46.7	50.0	76.4	-
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	16.5	18.1	21.2	25.8	33.1	-
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	10.8	10.8	11.5	11.6	12.4	-
EBIT/net interest expense (x)	4.9	5.2	5.2	6.0	5.4	-

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	3.4	3.2	3.2	3.4
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	4.3	4.1	4.2	4.1
Net debt/equity	1.8	1.7	1.7	1.6

Note: net debt/EBITDA pro-forma, FFO annualised. NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Enel: Credit View NEUTRAL

(Moody's Baa1 / Stable , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	HOLD
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **Solid 1H25 results, overall in line with consensus. Net of changes in the scope of consolidation, ordinary EBITDA was up 1% year-on-year and ordinary net income +4%, with higher networks offsetting a decrease in the integrated businesses. Net debt was broadly flat versus YE24 (-1%), also owing to the effect of hybrid bonds issued in January.**
- **2025 targets confirmed, with: 1) ordinary EBITDA of EUR 22.9-23.1Bn, up 1% yoy or +3% yoy on a like-for-like basis; and 2) ordinary net income in the EUR 6.7-6.9Bn range, down 4-5% yoy, but up 3% yoy on a like-for-like basis.**
- **Enel is a solid utility IG name with good geographical diversification and good contribution from regulated and quasi-regulated businesses (ie, electricity networks and renewables). At the same time, we do not currently see any specific catalysts that could drive the bonds' outperformance versus peers.**

Strengths/Opportunities

- High contribution from both regulated and contracted activities (above 60% of FY24 EBITDA).
- 2025-2027 strategic plan focused on low-risk regulated networks.
- Good financial flexibility for acquisitions in core activities (networks and renewables), and shares' buyback.

Weaknesses/Threats

- Generation and supply activities potentially exposed to energy price volatility.
- Ratings capped by Italy's country rating, due to high exposure to the country.
- Volatile energy markets could potentially weigh on working capital.

Outperformer[1] YTD - Senior Unsecured

ENELIM 4 1/2 02/20/43	-28

Underperformance[1] YTD - Senior Unsecured

ENELIM 3 [illegible] 02/24/36	-5.8

EBITDA breakdown (1H25)

Trend in profitability

Debt maturity profile (E[illegible].06.25)

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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3. List of Enel bonds in Appendix 2 (page 34, 35, 37)

Sample

Enel In Brief

Enel S.p.A. is a multinational power company and an integrated operator in the electricity and gas sectors, with a particular focus on Europe and Latin America. The company is active in the generation and distribution of energy from conventional and renewable sources. It also provides integrated solutions for electricity and gas products.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**78,947**	**81,032**	**2.6**	**38,731**	**40,816**	**5.4**	**19,299**	**18,742**	**-2.9**
EBITDA	**24,066**	**22,296**	**-7.4**	**12,862**	**11,092**	**-13.8**	**6,970**	**5,118**	**-26.6**
Adjusted EBITDA	**22,801**	**23,982**	**5.2**	**11,681**	**12,862**	**10.1**	**5,587**	**6,888**	**23.3**
EBIT	**15,494**	**13,705**	**-11.5**	**8,988**	**7,199**	**-19.9**	**4,987**	**3,154**	**-36.8**
Adjusted EBIT	**14,761**	**14,492**	**-1.8**	**7,862**	**7,593**	**-3.4**	**3,659**	**3,550**	**-3.0**
Net interest expense	-2,220	-1,841	-17.1	-1,784	-1,405	-21.2	-1,050	-722	-31.2
Income (loss) on equity investments	-210	-259	23.3	4	-45	NM	3	-39	NM
Profit before tax	**13,385**	**11,811**	**-11.8**	**7,407**	**5,833**	**-21.3**	**4,139**	**2,477**	**-40.2**
Net profit (loss)	**8,229**	**7,406**	**-10.0**	**4,925**	**4,102**	**-16.7**	[illegible]	**1,706**	**-36.4**
Net profit (loss) attributable to the Group	**7,016**	**6,300**	**-10.2**	**4,144**	**3,428**	[illegible]	[illegible]	**1,421**	**-35.8**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	Chg %	2Q24	2Q25	Chg %
FFO	**14,331**	**12,565**	**-12.3**	**9,391**	**7,62[illegible]**	[illegible]	**5,001**	**2,894**	**-42.1**
Net change in working capital	-1,108	-648	-41.5	-3,240	-2,780	-14[illegible]	-3,489	-1,494	-57.2
CFO	**13,223**	**11,917**	**-9.9**	**6,151**	**4,845**	**-21.2**	[illegible]	**1,400**	**-7.4**
Capex	-10,166	-8,413	-17.2	-5,590	[illegible]	31.4	[illegible]	-1,762	-39.2
FCF	**3,057**	**3,504**	**14.6**	**561**	[illegible]	[illegible]	**-1,388**	**-362**	**-73.9**
Dividends	-5,126	-5,256	2.5	-2,55[illegible]	-2,68[illegible]		-160	-176	10.0
Discretionary FCF	**-2,069**	**-1,752**	**-15.3**	[illegible]	**-1,678**	**-15.[illegible]**	**-1,548**	**-538**	**-65.2**
RCF	**5,638**	**-592**	**-110.5**	**2,[illegible]**	**-3,311**	**NM**	**3,110**	**-1,168**	**-137.6**
Change in equity	NA	NA	NA	[illegible]	0	NM	1	7	NM
Change in debt	-4,512	-5,467	[illegible]	416	-539	NM	391	-2,941	NM
CFF	**-4,512**	**-5,467**	**[illegible].2**	**416**	**[illegible]**	**NM**	**392**	**-2,934**	**NM**
RCF + CFF	**1,126**	**-6,059**	**[illegible]M**	**[illegible]5**	**[illegible]50**	**NM**	**3,502**	**-4,102**	**NM**
Change in liquidity	**1,052**	**-6,252**	**[illegible]M**	**3,[illegible]**	[illegible]	**NM**	**3,399**	**-4,275**	**NM**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.25	Chg %	30.06.25	Chg %
Intangible assets	0	[illegible]	[illegible]M	NA	NA	15,314	NA
Property, plant & equipment	0	94,[illegible]		NA	NA	93,807	NA
Financial and equity investments	1,682	1,45[illegible]	-13.4	1,555	6.8	1,418	-8.8
Total non-current assets	**145,10[illegible]**	**45,852**	**0.5**	**146,611**	**0.5**	**143,571**	**-2.1**
Inventory	4[illegible]	[illegible],643	-14.3	3,195	-12.3	3,552	11.2
Trade receivables	16[illegible]2	[illegible]41	-2.2	16,024	0.5	14,229	-11.2
Cash and current financial ass[illegible]	8[illegible]	[illegible]	-0.1	8,148	1.2	3,880	-52.4
Total current assets	**41,975**	**40,[illegible]**	**-2.6**	**38,189**	**-6.6**	**35,574**	**-6.8**
Total assets	**187,936**	**18[illegible],139**	**-0.4**	**185,186**	**-1.0**	**179,435**	**-3.1**
Long-term debt	[illegible],357	[illegible],000	-2.2	60,997	1.7	56,787	-6.9
Provisions for risks and ch[illegible]es	[illegible]03	16,066	4.3	15,768	-1.9	15,635	-0.8
Total non-current liabilitie[illegible]	**89[illegible]**	**88,155**	**-1.1**	**88,489**	**0.4**	**84,898**	**-4.1**
Short-term debt	120,[illegible]	11,084	-90.8	NA	NA	8,999	NA
Trade payables	11[illegible]	13,693	18.4	12,274	-10.4	11,079	-9.7
Total current liabilities	**[illegible]13**	**49,663**	**1.3**	**43,822**	**-11.8**	**45,054**	**2.8**
Minorities	[illegible],640	15,440	5.5	15,632	1.2	14,941	-4.4
Shareholders' equity	35,044	33,731	-3.7	37,112	10.0	34,463	-7.1
Total equity	**49,684**	**49,171**	**-1.0**	**52,744**	**7.3**	**40,404**	**-23.4**
Total liabilities and equity	**187,936**	**187,139**	**-0.4**	**185,186**	**-1.0**	**179,435**	**-3.1**
Net debt	**58,153**	**55,767**	**-4.1**	**56,011**	**0.4**	**55,447**	**-1.0**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	30.5	27.5	33.2	27.2	36.1	27.3
Adjusted EBITDA margin	28.9	29.6	30.2	31.5	28.9	36.8
EBIT margin	19.6	16.9	23.2	17.6	25.8	16.8
Adjusted EBIT margin	18.7	17.9	20.3	18.6	19.0	18.9
EBITDA/net interest expense (x)	10.8	12.1	7.2	7.9	6.6	7.1
EBIT/net interest expense (x)	7.0	7.4	5.0	5.1	4.7	4.4

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	2.5	2.3	2.3	2.5
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	4.0	3.9	3.8	4.4
Net debt/equity	1.2	1.1	1.1	1.4

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

ERG: Credit View NEUTRAL

(Moody's -, Fitch BBB- /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **ERG posted good Q2 results, with EBITDA adjusted up 11% year-on-year, due to new capacity and higher pricing that offset continued weakness in wind. 1H EBITDA adjusted was down 3% yoy; according to ERG, in H1, the effect of lower volumes recorded amounted to approximately - EUR 55M, partially offset by the contribution from installed capacity (around +EUR 43M).**
- **2025 guidance confirmed: EBITDA adjusted between EUR 540-600M (EUR 531M in 2024), investments of EUR 190-240M, and net debt of EUR 1.85-1.95Bn (EUR 2,023M at YE24).**
- **BBB- rating affirmed by Fitch on 8 April.**
- **ERG's 2030 bond trades 10bp wider versus other Italian utilities, which we consider as expensive in light of the still-challenging conditions in the renewables sector, and the lower rating of ERG.**

Strengths/Opportunities

- Leading Italian player in wind generation.
- High contribution from quasi-regulated activities at around 84% of EBITDA (PPAs, government CfD system, incentives).
- Increasing geographical diversification.

Weaknesses/Threats

- Exposure to electricity price volatility.
- Still-challenging environment for renewables.
- Progressive re-leveraging. ERG is gradually reinvesting the proceeds from the sale of its Hydro and CCGT units/businesses.

Outperformer[1] YTD - Senior Unsecured

ERGIM 4 1/8 07/03/30	-51.9

Underperformance[1] YTD - Senior Unsecured

ERGIM 0 1/2 09	-18.0

EBITDA adjusted breakdown (1H25)

Trend in profitability

Debt maturity profile (EUR M, 30 09)

Leverage trend (x)

Note: (1) calculated on company-adjusted data; net debt excludes IFRS 16 effects. Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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4. List of ERG bonds in Appendix 2 (page 35)

Sample

ERG In Brief

ERG S.p.A. is a producer of energy from renewable sources (wind, solar, and thermoelectric) in Europe, with a presence mainly in Italy, France, and Germany. The Company via a subsidiary carries out centralised Energy Management activities for all the generation technologies, and the Operations and Maintenance activities for most of its wind farms.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**789**	**787**	**-0.3**	**405**	**403**	**-0.5**	**180**	**193**	**7.2**
EBITDA	**531**	**529**	**-0.4**	**274**	**272**	**-0.7**	**110**	**127**	**15.5**
Adjusted EBITDA	**535**	**528**	**-1.3**	**281**	**274**	**-2.5**	**116**	**129**	**11.2**
EBIT	**253**	**234**	**-7.5**	**146**	**127**	**-13.0**	**42**	**52**	**23.8**
Adjusted EBIT	**271**	**252**	**-7.0**	**154**	**135**	**-12.3**	**49**	**59**	**20.4**
Net interest expense	-27	-40	48.1	-9	-22	144.4	-7	-13	85.7
Income (loss) on equity investments	NA	NA	NA	0	0	NM	0	0	NM
Profit before tax	**223**	**192**	**-13.9**	**144**	**113**	**-21.5**	**43**	**47**	**9.3**
Net profit (loss)	**226**	**NA**	**NA**	**NA**	**NA**	**NA**	**77**	**-51**	**-33.8**
Net profit (loss) attributable to the Group	**175**	**152**	**-13.1**	**106**	**83**	**-2[illegible]**	**[illegible]**	**34**	**21.4**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1[illegible]	Ch[illegible] %	2Q24	2Q25	Chg %
FFO	**463**	**473**	**2.2**	**240**	**25[illegible]**	[illegible]	**76**	**104**	**37.1**
Net change in working capital	5	-30	NM	-64	-99	54[illegible]	-64	-99	54.1
CFO	**468**	**444**	**-5.3**	**175**	**151**	**-14.1**	[illegible]	**66**	**75.6**
Capex	-234	-180	-23.1	-124	[illegible]71	[illegible]3.3	-55	-28	-50.4
FCF	**187**	**241**	**28.8**	**14[illegible]**	[illegible]	[illegible]M	**66**	**110**	**66.1**
Dividends	-152	-152	-0.1	-14[illegible]	-14[illegible]	[illegible]	-148	-147	-0.1
Discretionary FCF	**35**	**89**	**154.7**	[illegible]	**-79**	**-40.[illegible]**	**-81**	**-37**	**-54.2**
RCF	**-438**	**-205**	**-53.2**	[illegible]	**214**	**NM**	**38**	**256**	**NM**
Change in equity	0	0	NM	[illegible]	0	NM	-7	1	-114.3
Change in debt	572	22	-[illegible]	90	-460	NM	NA	NA	NA
CFF	**572**	**22**	[illegible].1	**90**	[illegible]	**NM**	**NA**	**NA**	**NA**
RCF + CFF	**133**	**-183**	[illegible]NM	[illegible]70	[illegible]246	**NM**	**NA**	**NA**	**NA**
Change in liquidity	**NA**	**NA**	[illegible]NA	[illegible]	[illegible]	**50.2**	**NA**	**NA**	**NA**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.[illegible]	[illegible]hg %	31.03.25	Chg %	30.06.25	Chg %
Intangible assets	NA	[illegible]	[illegible]A	NA	NA	1,532	NA
Property, plant & equipment	NA	[illegible]	[illegible]	NA	NA	1	NA
Financial and equity investments	NA	53[illegible]	[illegible]A	NA	NA	69	NA
Total non-current assets	**N[illegible]**	**4,986**	**NA**	**NA**	**NA**	**4,930**	**NA**
Inventory	[illegible]	23	NA	NA	NA	25	NA
Trade receivables	[illegible]A	[illegible]0	NA	NA	NA	236	NA
Cash and current financial ass[illegible]	[illegible]A	[illegible]	NA	NA	NA	508	NA
Total current assets	**NA**	**1[illegible]**	**NA**	**NA**	**NA**	**769**	**NA**
Total assets	**NA**	**[illegible]18**	**NA**	**NA**	**NA**	**0**	**NA**
Long-term debt	NA	[illegible],139	NA	NA	NA	2,206	NA
Provisions for risks and ch[illegible]es	[illegible]A	209	NA	NA	NA	211	NA
Total non-current liabilitie[illegible]	[illegible]	**3,111**	**NA**	**NA**	**NA**	**3,152**	**NA**
Short-term debt	[illegible]	725	NA	NA	NA	252	NA
Trade payables	[illegible]A	124	NA	NA	NA	73	NA
Total current liabilities	**[illegible]A**	**983**	**NA**	**NA**	**NA**	**451**	**NA**
Minorities	80	76	-4.4	77	0.7	72	-6.1
Shareholders' equity	2,105	2,147	2.0	2,184	1.7	2,024	-7.3
Total equity	**2,185**	**2,223**	**1.7**	**2,261**	**1.7**	**2,096**	**-7.3**
Total liabilities and equity	**NA**	**6,318**	**NA**	**NA**	**NA**	**5,699**	**NA**
Net debt	**2,117**	**2,023**	**-4.4**	**2,087**	**3.2**	**2,179**	**4.4**
Adjusted net debt	**1,888**	**1,793**	**-5.0**	**1,854**	**3.4**	**1,949**	**5.1**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	67.0	67.2	67.7	67.5	61.1	31.5
Adjusted EBITDA margin	67.8	67.1	69.4	68.0	64.4	66.8
EBIT margin	31.9	29.7	38.0	33.5	27.2	14.6
Adjusted EBIT margin	34.3	32.0	38.0	33.5	27.2	30.6
EBITDA/net interest expense (x)	19.7	13.2	31.2	12.5	16.6	9.9
EBIT/net interest expense (x)	10.0	5.9	17.1	6.1	7.0	4.5

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	3.4	3.8	4.1	4.2
Adjusted Net Debt/Adjusted EBITDA (x)	3.4	3.4	3.6	3.7
Net debt/FFO	3.8	4.4	4.7	4.6
Net debt/equity	0.9	0.9	0.9	1.0

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Hera: Credit View NEUTRAL

(Moody's Baa2 / Positive , Fitch)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **Resilient 1H25 results. Structural growth, driven by both regulated networks and waste, offset the impact of the lack of some temporary opportunities, which benefitted the recent years' results. As a positive, the cash generation was confirmed as solid, and allowed Hera to maintain net debt under control despite higher investments (+ 20% yoy).**
- **As per usual, Hera did not provide specific guidance for the full year, but management stated that they are on track with the implementation of the strategic plan presented in January.**
- **In May, Moody's improved the outlook for Hera to Positive from Stable. The action follows the outlook change to Positive for Italy.**
- **Hera has a solid credit profile, diversified business mix, and prudent financial policy. However, we believe these factors are already priced into its curve.**

Strengths/Opportunities

- Diversified business mix.
- Predictable and stable cash flows from regulated activities (37% of 2024 EBITDA). 61% of 2024-2028 cumulated capex earmarked for this area.
- Credit-friendly acquisition strategy through share-swap agreements, and financial discipline.

Weaknesses/Threats

- Exposure of non-regulated businesses to the cyclical macroeconomic environment and prices.
- Exposure to Italy c[illegible] Hera [illegible]ngs.
- Volatile energy market could potentially weigh on working capital.

Outperformer[1] YTD - Senior Unsecured

HERIM 0 1/4 12/03/30	-24

Underperformance[1] YTD - Senior Unsecured

HERIM 0 [illegible]/14/26	-7.5

EBITDA breakdown (1H25)

Trend in profitability

Debt maturity profile ([illegible]6.25)

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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5. List of Hera bonds in Appendix 2 (page 35)

Sample

Hera In Brief

Hera S.p.A. owns municipal utility companies in northern Italy. The company distributes electricity, methane gas, and water, operates sewers and treats wastewater, offers district heating, manages public lighting, and collects and disposes of municipal waste.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**13,044**	**14,124**	**8.3**	**5,785**	**6,864**	**18.7**	**2,386**	**2,506**	**5.0**
EBITDA	**1,588**	**1,577**	**-0.7**	**733**	**722**	**-1.5**	**316**	**304**	**-3.8**
Adjusted EBITDA	**1,588**	**1,577**	**-0.7**	**733**	**722**	**-1.5**	**316**	**722**	**128.8**
EBIT	**830**	**828**	**-0.2**	**385**	**383**	**-0.5**	**139**	**136**	**-2.3**
Adjusted EBIT	**830**	**828**	**-0.2**	**385**	**383**	**-0.5**	**139**	**136**	**-2.3**
Net interest expense	-106	-83	-21.4	-62	-39	-36.7	-26	-22	-16.5
Income (loss) on equity investments	12	13	6.5	6	7	12.5	4	3	-17.1
Profit before tax	**736**	**758**	**2.9**	**330**	**351**	**6.6**	**117**	**117**	**0.4**
Net profit (loss)	**536**	**548**	**2.3**	**237**	**249**	**5.1**	**84**	**86**	**1.9**
Net profit (loss) attributable to the Group	**495**	**505**	**2.2**	**218**	**229**	**5.0**	**75**	**76**	**0.4**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	[illegible]	[illegible]	2Q25	Chg %
FFO	**1,205**	**1,208**	**0.2**	**553**	[illegible]	[illegible]	**253**	**203**	**-19.6**
Net change in working capital	-372	32	-108.5	-408	[illegible]	[illegible]	-106	145	NM
CFO	**832**	**1,239**	**48.8**	**145**	[illegible]	[illegible]	**147**	**348**	**137.2**
Capex	-860	-930	8.1	-344	-414	[illegible]	[illegible]	-222	18.6
FCF	**-28**	**309**	**NM**	**-199**	[illegible]	[illegible]	[illegible]	**125**	**NM**
Dividends	-249	-277	11.3	[illegible]	[illegible]	[illegible]	-222	-250	12.6
Discretionary FCF	**-277**	**32**	**-111.7**	[illegible]	[illegible]	[illegible]	**-263**	**-124**	**-52.7**
RCF	**-222**	**85**	**-138.3**	[illegible]	[illegible]	[illegible]	**-314**	**-100**	**-68.2**
Change in equity	-5	-238	NM	[illegible]	-234	NM	5	-279	NM
Change in debt	210	621	195.2	[illegible]	337	NM	-96	-186	93.9
CFF	**205**	**383**	[illegible]	**-75**	**103**	**NM**	**-91**	**-465**	**NM**
RCF + CFF	**-17**	**468**	[illegible]	**-510**	[illegible]	**-95.0**	**-405**	**-566**	**39.6**
Change in liquidity	**-17**	**468**	[illegible]	[illegible]	[illegible]	**-95.0**	**-405**	**-566**	**39.6**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.[illegible]	Chg %	30.06.25	Chg %
Intangible assets	5,795	[illegible]	1.4	5,928	0.8	5,996	1.1
Property, plant & equipment	2,100	[illegible]	[illegible]	2,170	0.4	2,185	0.7
Financial and equity investments	1,131	[illegible]	[illegible]	344	3.5	340	-1.1
Total non-current assets	**8,662**	**8,79[illegible]**	[illegible]	**8,870**	**0.8**	**8,955**	**1.0**
Inventory	60[illegible]	168	-72.4	80	-52.5	179	124.7
Trade receivables	2,[illegible]	[illegible],173	52.4	3,134	-1.2	2,360	-24.7
Cash and current financial assets	[illegible]	[illegible]39	44.8	1,927	44.0	1,449	-24.8
Total current assets	**5[illegible]**	[illegible]	**23.9**	**6,544**	**4.5**	**5,363**	**-18.0**
Total assets	**13,[illegible]15**	**15[illegible]**	**9.8**	**15,414**	**2.3**	**14,318**	**-7.1**
Long-term debt	4,538	[illegible]09	-7.2	4,721	12.1	4,704	-0.4
Provisions for risks and ch[illegible]es	647	693	7.1	691	-0.2	696	0.7
Total non-current liabiliti[illegible]	**[illegible]24**	**5,127**	**-5.5**	**5,634**	**9.9**	**5,619**	**-0.3**
Short-term debt	[illegible]	1,251	74.6	1,265	1.1	833	-34.2
Trade payables	1,[illegible]	2,724	48.6	2,169	-20.4	1,698	-21.7
Total current liabilities	**4[illegible]**	**5,947**	**32.0**	**5,580**	**-6.2**	**4,604**	**-17.5**
Minorities	[illegible]04	307	0.9	319	3.8	298	-6.4
Shareholders' equity	[illegible],483	3,680	5.7	3,881	5.5	3,797	-2.2
Total equity	**3,787**	**3,987**	**5.3**	**4,200**	**5.3**	**4,095**	**-2.5**
Total liabilities and equity	**13,715**	**15,061**	**9.8**	**15,414**	**2.3**	**14,318**	**-7.1**
Net debt	**4,175**	**3,964**	**-5.1**	**3,897**	**-1.7**	**3,927**	**0.8**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**0**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	12.2	11.2	12.7	10.5	13.2	12.1
Adjusted EBITDA margin	12.2	11.2	12.7	10.5	13.2	28.8
EBIT margin	6.4	5.9	6.7	5.6	5.8	5.4
Adjusted EBIT margin	6.4	5.9	6.7	5.6	5.8	5.4
EBITDA/net interest expense (x)	15.0	18.9	11.8	18.4	12.1	14.0
EBIT/net interest expense (x)	7.8	9.9	6.2	9.8	5.4	6.3
Leverage ratio (x)			**30.09.24**	**31.12.24**	**31.03.25**	**30.06.25**
Net debt/EBITDA			2.7	2.5	2.5	2.5
Adjusted Net Debt/Adjusted EBITDA (x)			-	-	-	-
Net debt/FFO			3.6	3.3	3.1	3.3
Net debt/equity			1.1	1.0	0.9	1.0

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Iren: Credit View NEUTRAL

(Moody's -, Fitch BBB /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	HOLD
Unrated	-	-	-	-

Key credit drivers

- **Iren reported good 1H25 results (EBITDA +14% yoy), slightly above consensus, which were driven by both organic growth and the Egea consolidation. Net debt was under control, with cash generation and the hybrid bond issued in January almost fully offsetting higher capex and M&A.**
- **2025 guidance affirmed, with: 1) EBITDA in the EUR 1.34-1.36Bn range, or up 5-7% yoy; 2) investments of around EUR 1.4Bn, of which around EUR 0.9Bn for technical capex and EUR 0.5Bn for M&A; and 3) net debt/EBITDA ratio at 3.2x (including hybrid bond effect).**
- **Also in light of the company's forecast for a stable net debt/EBITDA ratio, we expect Iren bonds' performances to be in line with those of its Italian peers in the next few months.**

Strengths/Opportunities

- Diversified business mix.
- High contribution from regulated and quasi-regulated activities (forecast to reach 80% of EBITDA by 2030 from 65% in 2023).
- Commitment to maintaining current investment grade rating.

Weaknesses/Threats

- Capex and external growth could weigh on cash generation.
- Exposure of energy generation/supply activities to volatile energy prices.
- Volatile energy market could potentially weigh on working capital.

Outperformer[1] YTD - Senior Unsecured

IREIM 0 7/8 10/14/29	-29.2

Underperformer YTD - Senior Unsecured

IREIM 1 07/0[illegible]30	8.5

EBITDA breakdown (1H25)

Trend in profitability

Debt maturity profile

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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6. List of Iren bonds in Appendix 2 (page 35, 37)

Sample

Iren In Brief

Iren S.p.A. generates, distributes, and sells electricity and district heating. The company manages natural gas distribution networks, markets and sells natural gas and electricity, and manages water services.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**6,043**	**6,831**	**13.0**	**2,698**	**3,486**	**29.2**	**1,130**	**1,393**	**23.3**
EBITDA	**1,274**	**1,365**	**7.1**	**636**	**726**	**14.2**	**253**	**308**	**21.9**
Adjusted EBITDA	**1,274**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
EBIT	**520**	**567**	**9.1**	**279**	**326**	**16.9**	**66**	**102**	**55.5**
Adjusted EBIT	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Net interest expense	-91	-107	17.9	-43	-59	37.7	-20	-31	57.9
Income (loss) on equity investments	7	9	23.3	7	8	25.9	4	9	113.4
Profit before tax	**435**	**468**	**7.5**	**243**	**276**	**13.4**	**50**	**74**	**48.0**
Net profit (loss)	**304**	**327**	**7.6**	**170**	**193**	**13.6**	**36**	**52**	**45.0**
Net profit (loss) attributable to the Group	**268**	**304**	**13.2**	**148**	**184**	**24.0**	**26**	**48**	**85.3**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	[illegible]	[illegible]	2Q25	Chg %
FFO	**932**	**1,201**	**28.9**	**627**	[illegible]	[illegible]	**231**	**399**	**72.5**
Net change in working capital	51	-160	NM	-187	[illegible]	[illegible]	68	-253	NM
CFO	**982**	**1,042**	**6.0**	**439**	[illegible]	[illegible]	**299**	**146**	**-51.2**
Capex	-830	-879	5.9	-345	-394	[illegible]	[illegible]	-209	16.2
FCF	**152**	**163**	**6.8**	**94**	[illegible]	**11.0**	[illegible]	**-63**	**-153.1**
Dividends	-190	-335	76.5	[illegible]	[illegible]	[illegible]	-37	-183	NM
Discretionary FCF	**-38**	**-172**	**NM**	[illegible]	[illegible]	[illegible]	**82**	**-246**	**NM**
RCF	**-107**	**144**	**NM**	[illegible]	**-54**	[illegible]	**-293**	**-136**	**-53.4**
Change in equity	0	-170	NM	[illegible]	-170	NM	0	-664	NM
Change in debt	-3	-343	NM	[illegible]	97	-77.8	320	626	96.0
CFF	**-3**	**-513**	[illegible]	**438**	**-73**	**-116.6**	**320**	**-37**	**-111.6**
RCF + CFF	**-110**	**-369**	[illegible]	**133**	[illegible]	**-195.1**	**27**	**-174**	**NM**
Change in liquidity	**-110**	**-369**	[illegible]	[illegible]	[illegible]	**-195.1**	**27**	**-174**	**NM**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.[illegible]	Chg %	30.06.25	Chg %
Intangible assets	3,517	[illegible]	2.5	3,940	9.3	3,979	1.0
Property, plant & equipment	4,495	[illegible]	[illegible]	4,604	1.9	4,552	-1.1
Financial and equity investments	294	[illegible]	[illegible]	215	-26.3	213	-0.8
Total non-current assets	**9,357**	**9,3[illegible]**	[illegible]	**9,763**	**3.9**	**9,783**	**0.2**
Inventory	[illegible]	84	-12.6	74	-12.2	72	-1.8
Trade receivables	[illegible]	[illegible],442	29.5	1,539	6.7	1,209	-21.5
Cash and current financial assets	[illegible]	[illegible]07	-35.8	1,229	35.4	754	-38.6
Total current assets	**3[illegible]**	[illegible]	**-6.6**	**3,359**	**19.2**	**2,600**	**-22.6**
Total assets	**12,373**	**12[illegible]**	**-1.3**	**13,122**	**7.5**	**12,384**	**-5.6**
Long-term debt	4,496	[illegible]61	-0.8	4,592	2.9	4,443	-3.2
Provisions for risks and ch[illegible]es	416	[illegible]276	-33.6	292	5.8	293	0.3
Total non-current liabiliti[illegible]	**[illegible]55**	**5,687**	**-1.2**	**5,947**	**4.6**	**5,820**	**-2.1**
Short-term debt	[illegible]	657	-43.6	762	16.1	681	-10.6
Trade payables	[illegible]	1,787	28.3	1,866	4.4	1,422	-23.8
Total current liabilities	**3[illegible]**	**3,181**	**-4.8**	**3,475**	**9.3**	**2,983**	**-14.1**
Minorities	[illegible]3	468	3.3	257	-45.0	249	-3.2
Shareholders' equity	[illegible]825	2,876	1.8	3,443	19.7	3,331	-3.2
Total equity	**3,277**	**3,344**	**2.0**	**3,700**	**10.7**	**3,580**	**-3.2**
Total liabilities and equity	**12,373**	**12,211**	**-1.3**	**13,122**	**7.5**	**12,384**	**-5.6**
Net debt	**4,107**	**4,083**	**-0.6**	**3,972**	**-2.7**	**4,228**	**6.4**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	21.1	20.0	23.6	20.8	22.4	22.1
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	8.6	8.3	10.3	9.4	5.8	7.4
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	14.1	12.8	14.8	12.3	12.8	9.8
EBIT/net interest expense (x)	5.7	5.3	6.5	5.5	3.3	3.3

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	3.3	3.2	3.0	3.1
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	4.2	4.4	3.8	3.5
Net debt/equity	1.3	1.4	1.1	1.2

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Italgas: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	-
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **The 1H25 results were good, driven by the 2i Rete Gas contribution starting from April (revenues adj. +29% year-on-year, and EBITDA adj. +28% yoy). Net of M&A, EBITDA adj. was up 3% yoy, with an organic RAB increase and recent positive regulatory resolutions more than offsetting the reduction in allowed WACC.**
- **2025 guidance confirmed: adjusted revenues at c. EUR 2.45Bn (EUR 1.78Bn in 2024), adjusted EBITDA at 1.80-1.85Bn (EUR 1.35Bn), adjusted EBIT at 1.12-1.16Bn (EUR 0.82Bn), technical investments at c. EUR 1.2Bn, and net financial debt at c. EUR 10.8Bn. The figures include 2i Rete Gas' contribution starting from April 2025. Italgas plans to present a strategy update in October.**
- **In July, after the completion of the merger between 2i Rete Gas and Italgas Reti, Moody's affirmed its rating on Italgas.**

Strengths/Opportunities

- Largest gas distributor in Italy.
- Regulated businesses account for >90% of total revenues and are not exposed to changes in demand volumes.

Weaknesses/Threats

- M&A, and gas concession tendering process in Italy, stretch the company's financial flexibility.
- High exposure to Italy's country risk, with rating constrained by the country rating.

Outperformer[1] YTD - Senior Unsecured

IGIM 0.579 01/29/31	-31

Underperformance[1] YTD - Senior Unsecured

IGIM 1 5/8 01/19/4[illegible]	2.7

Sales breakdown (1H25)

Trend in profitability

Debt maturity profile (EUR M, 30.06.25)

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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7. List of Italgas bonds in Appendix 2 (page 35

Sample

Italgas In Brief

Italgas S.p.A. provides gas distribution services. The company offers delivery point management, pressure reduction plants, withdrawal cabins, fault reporting, and laboratory testing services.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**1,740**	**2,059**	**18.3**	**862**	**1,181**	**37.0**	**431**	**667**	**54.8**
EBITDA	**1,312**	**1,547**	**17.9**	**661**	**896**	**35.5**	**336**	**497**	**47.9**
Adjusted EBITDA	**1,351**	**1,537**	**13.8**	**671**	**858**	**27.8**	**346**	**512**	**48.2**
EBIT	**782**	**987**	**26.2**	**392**	**597**	**52.3**	**199**	**317**	**59.1**
Adjusted EBIT	**821**	**977**	**19.0**	**402**	**558**	**38.9**	**209**	**333**	**59.1**
Net interest expense	-121	-171	41.3	-56	-106	89.4	-30	-72	142.4
Income (loss) on equity investments	11	10	-12.6	6	5	-23.0	2	2	-4.3
Profit before tax	**673**	**826**	**22.8**	**342**	**496**	**44.9**	**172**	**248**	**44.6**
Net profit (loss)	**508**	**616**	**21.4**	**248**	**357**	**43.9**	**123**	**178**	**44.7**
Net profit (loss) attributable to the Group	**479**	**583**	**21.7**	**234**	**338**	**44.2**	**117**	**169**	**45.0**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	[illegible]	[illegible]	2Q25	Chg %
FFO	**1,170**	**1,232**	**5.3**	**587**	[illegible]	[illegible]	**287**	**244**	**-15.0**
Net change in working capital	-109	39	-135.2	-57	[illegible]	[illegible]	-99	-126	27.2
CFO	**1,061**	**1,270**	**19.7**	**530**	[illegible]	[illegible]	**187**	**117**	**-37.3**
Capex	-882	-958	8.7	-379	-456	[illegible]	[illegible]	-233	-1.1
FCF	**179**	**312**	**74.0**	**151**	[illegible]	[illegible]	[illegible]	**-115**	**140.3**
Dividends	-300	-345	15.1	-285	[illegible]	[illegible]	-285	-285	0.0
Discretionary FCF	**-121**	**-33**	**-72.7**	[illegible]	[illegible]	[illegible]	**-333**	**-400**	**20.2**
RCF	**-10**	**-2,011**	**NM**	[illegible]	**-2,157**	[illegible]	**-272**	**-342**	**25.6**
Change in equity	0	1,025	NM	[illegible]	1,025	NM	0	0	NM
Change in debt	162	1,034	NM	[illegible]	1,110	NM	-6	-1,747	NM
CFF	**162**	**2,058**	[illegible]	**239**	**2,135**	**NM**	**-6**	**-1,747**	**NM**
RCF + CFF	**153**	**48**	[illegible]	**82**	[illegible]	**-127.7**	**-278**	**-2,088**	**NM**
Change in liquidity	**153**	**48**	[illegible]	[illegible]	[illegible]	**-127.7**	**NA**	**NA**	**NA**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.[illegible]	Chg %	30.06.25	Chg %
Intangible assets	NA	[illegible]	NA	8,859	0.3	14,288	61.3
Property, plant & equipment	376	[illegible]	[illegible]	390	1.8	457	17.0
Financial and equity investments	NA	[illegible]	[illegible]	500	0.9	506	1.3
Total non-current assets	**NA**	**10,36[illegible]**	[illegible]	**30,349**	**192.9**	**16,019**	**-47.2**
Inventory	[illegible]	57	-23.1	58	1.8	75	28.8
Trade receivables	[illegible]	905	NA	971	7.3	1,109	14.2
Cash and current financial assets	[illegible]	[illegible]12	NA	2,584	NM	387	-85.0
Total current assets	[illegible]	[illegible]	**NA**	**3,855**	**139.9**	**1,839**	**-52.3**
Total assets	**NA**	**11[illegible]**	**NA**	**14,209**	**18.7**	**17,857**	**25.7**
Long-term debt	NA	[illegible]05	NA	7,202	16.1	10,615	47.4
Provisions for risks and ch[illegible]es	95	92	-2.9	87	-5.3	133	51.9
Total non-current liabiliti[illegible]	**[illegible]A**	**6,974**	**NA**	**7,960**	**14.1**	**11,765**	**47.8**
Short-term debt	[illegible]	981	NA	1,949	98.7	753	-61.4
Trade payables	[illegible]	1,185	NA	1,195	0.9	1,427	19.4
Total current liabilities	[illegible]	**2,205**	**NA**	**3,275**	**48.5**	**2,283**	**-30.3**
Minorities	[illegible]8	336	2.3	346	3.2	332	-4.0
Shareholders' equity	[illegible]341	2,458	5.0	2,627	6.9	3,477	32.3
Total equity	**2,669**	**2,794**	**4.7**	**2,974**	**6.4**	**3,810**	**28.1**
Total liabilities and equity	**NA**	**11,972**	**NA**	**14,209**	**18.7**	**17,857**	**25.7**
Net debt	**6,905**	**6,763**	**-2.1**	**6,556**	**-3.1**	**10,973**	**67.4**
Adjusted net debt	**6,814**	**6,672**	**-2.1**	**6,467**	**-3.1**	**10,859**	**67.9**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	75.4	75.1	76.7	75.9	77.8	74.4
Adjusted EBITDA margin	75.9	74.7	76.9	76.1	54.5	50.5
EBIT margin	44.9	47.9	45.4	50.5	46.2	47.5
Adjusted EBIT margin	44.0	47.4	44.9	53.0	32.4	32.2
EBITDA/net interest expense (x)	10.9	9.1	11.9	8.5	11.3	6.9
EBIT/net interest expense (x)	6.5	5.8	7.0	5.7	6.7	4.4

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	5.3	5.2	4.7	6.1
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	6.0	5.8	5.4	8.5
Net debt/equity	2.6	2.4	2.2	2.9

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Snam: Credit View NEUTRAL

(Moody's Baa2 / Stable , Fitch BBB+ /Stable)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	HOLD	-	HOLD
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **Snam reported a good set of 1H25 results, with EBITDA adjusted up 5% year-on-year and net profit adjusted up 8%. As in the previous quarter, the performance was driven by regulated revenues due to both RAB growth and positive regulatory updates. Net debt increased by EUR 1,342M versus year-end 2024, to EUR 17,580M, reflecting investments (including M&A) and the dividend payment.**
- **2025 guidance confirmed: 1) adj. EBITDA at EUR 2.85Bn (+4% vs 2024); 2) adj. net profit of EUR 1.35Bn (+5% vs 2024); and 3) net debt at EUR 18.4Bn. Snam forecasts financing of stake in the OGE acquisition through either asset rotation or the issuance of a dedicated hybrid instrument.**
- **Baa2 rating affirmed by Moody's in April.**
- **We consider Snam's bonds as fairly valued versus peers.**

Strengths/Opportunities

- Low risk profile, given an almost fully regulated business profile.
- Supportive regulatory framework, with negligible exposure of revenues to changes in gas demand.
- Commitment to preserving current rating.

Weaknesses/Threat

- Capex plan an M&A stre fina al fle ility.
- High exposure to ly cou , with r gs constrained by the country rating.

Outperformer[1] YTD - Senior Unsecured

SRGIM 3 3/8 02/19/28	-33

Underperform D - Se Unsecured

SRGIM 5 3/4 /26/36	5.9

Sales breakdown (1H25)

Trend in p ability

Debt maturity profile (.25)

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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8. List of Snam bonds in Appendix 2 (page 35,36,37)

Sample

Snam In Brief

Snam S.p.A. owns and operates Italy's natural gas distribution network. The company transports gas on behalf of importers, distributors, and companies supplying Italian households. Snam owns a network of high and medium-pressure pipes, including trunk lines connected to production and importation sites in Italy.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**3,568**	**3,675**	**3.0**	**1,799**	**1,906**	**5.9**	**903**	**936**	**3.7**
EBITDA	**2,705**	**2,807**	**3.8**	**1,386**	**1,488**	**7.4**	**683**	**727**	**6.4**
Adjusted EBITDA	**2,753**	**2,828**	**2.7**	**1,417**	**1,492**	**5.3**	**714**	**731**	**2.4**
EBIT	**1,676**	**1,727**	**3.0**	**887**	**938**	**5.7**	**437**	**436**	**-0.2**
Adjusted EBIT	**1,734**	**1,758**	**1.4**	**918**	**942**	**2.6**	**468**	**440**	**-6.0**
Net interest expense	-331	-457	38.1	-130	-256	96.9	-52	-137	163.5
Income (loss) on equity investments	334	523	56.6	119	308	158.8	42	77	83.3
Profit before tax	**1,679**	**1,793**	**6.8**	**876**	**990**	**13.0**	**427**	**376**	**-11.9**
Net profit (loss)	**1,257**	**1,394**	**10.9**	**635**	**772**	**21.6**	**297**	**281**	**-5.4**
Net profit (loss) attributable to the Group	**1,259**	**1,398**	**11.0**	**634**	**773**	**2[illegible]**	[illegible]	**282**	**-5.1**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1[illegible]	Ch[illegible] %	2Q24	2Q25	Chg %
FFO	**2,579**	**2,496**	**-3.2**	**1,382**	**1,29[illegible]**	[illegible]	**733**	**666**	**-9.1**
Net change in working capital	-764	-608	-20.4	-337	-181	-46[illegible]	626	-327	-152.2
CFO	**1,815**	**1,888**	**4.0**	**1,045**	**1,118**	**7.0**	[illegible]	**339**	**-149.5**
Capex	-2,681	-2,690	0.3	-1,122	[illegible]31	0.8	-59	-742	NM
FCF	**-866**	**-802**	**-7.4**	**-77[illegible]**	[illegible]	[illegible]1	**-938**	**-403**	**-57.0**
Dividends	-946	-963	1.8	-93[illegible]	-95[illegible]	[illegible]	376	-955	NM
Discretionary FCF	**-1,812**	**-1,842**	**1.7**	[illegible]	**-968**	**3.[illegible]**	**-621**	**-969**	**56.0**
RCF	**-1,814**	**-3,711**	**104.6**	[illegible]	**-1,914**	**NM**	**-541**	**-1,325**	**144.9**
Change in equity	NA	NA	NA	-1,03[illegible]	0	-100.0	0	0	NM
Change in debt	1,262	3,196	15[illegible]	0	1,934	NM	904	995	10.1
CFF	**1,262**	**1,629**	**[illegible].1**	[illegible]567	[illegible]	**23.4**	**904**	**1,584**	**75.2**
RCF + CFF	**-552**	**-2,099**	**[illegible]NM**	[illegible]7	[illegible]20	**-98.7**	**363**	**259**	**-28.7**
Change in liquidity	**424**	**-91[illegible]**	**[illegible]1.5**	[illegible]	[illegible]	**-96.3**	**NA**	**NA**	**NA**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.[illegible]	[illegible]hg %	31.03.25	Chg %	30.06.25	Chg %
Intangible assets	1,504	[illegible]	[illegible]3.7	1,735	11.2	1,892	9.0
Property, plant & equipment	19,866	20,[illegible]	[illegible]	21,145	1.9	21,573	2.0
Financial and equity investments	2,970	3,25[illegible]	[illegible]	NA	NA	3,182	NA
Total non-current assets	**N[illegible]**	**27,308**	**NA**	**NA**	**NA**	**28,067**	**NA**
Inventory	[illegible]	[illegible]190	NA	NA	NA	2,120	NA
Trade receivables	[illegible]	[illegible]33	NA	NA	NA	2,495	NA
Cash and current financial ass[illegible]	[illegible]	[illegible]	NA	NA	NA	3,266	NA
Total current assets	**NA**	**8[illegible]**	**NA**	**NA**	**NA**	**7,881**	**NA**
Total assets	**NA**	**3[illegible]789**	**NA**	**NA**	**NA**	**35,948**	**NA**
Long-term debt	NA	[illegible],807	NA	NA	NA	16,153	NA
Provisions for risks and ch[illegible]es	[illegible]A	873	NA	NA	NA	897	NA
Total non-current liabilitie[illegible]		**16,630**	**NA**	**NA**	**NA**	**18,057**	**NA**
Short-term debt		3,554	NA	NA	NA	3,836	NA
Trade payables	[illegible]	5,992	NA	NA	NA	4,264	NA
Total current liabilities	**[illegible]A**	**10,186**	**NA**	**NA**	**NA**	**8,709**	**NA**
Minorities	44	44	0.0	44	0.0	43	-2.3
Shareholders' equity	8,996	8,929	-0.7	9,403	5.3	9,139	-2.8
Total equity	**9,040**	**8,973**	**-0.7**	**9,447**	**5.3**	**9,182**	**-2.8**
Total liabilities and equity	**NA**	**35,789**	**NA**	**NA**	**NA**	**35,948**	**NA**
Net debt	**15,934**	**16,238**	**1.9**	**16,798**	**3.4**	**17,580**	**4.7**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	75.8	76.4	77.0	78.1	75.6	77.7
Adjusted EBITDA margin	77.2	77.0	78.8	78.3	79.1	78.1
EBIT margin	47.0	47.0	49.3	49.2	48.4	46.6
Adjusted EBIT margin	48.6	47.8	51.0	49.4	51.8	47.0
EBITDA/net interest expense (x)	8.2	6.1	10.7	5.8	13.1	5.3
EBIT/net interest expense (x)	5.1	3.8	6.8	3.7	8.4	3.2

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	6.1	6.0	6.1	6.3
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	7.1	6.3	6.6	7.0
Net debt/equity	1.8	1.8	1.8	1.9

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Terna: Credit View NEUTRAL

(Moody's Baa2 / Positive , Fitch -)

	Sen Secured	Sen Unsec	Sub	Hybrid
IG	-	BUY	-	HOLD
HY	-	-	-	-
Unrated	-	-	-	-

Key credit drivers

- **A positive set of 1H25 results, which were slightly above consensus (EBITDA c. +3% year-on-year, and net profit c. +5% yoy). Net debt was up 7% versus year-end 2024, mainly reflecting the higher capex (+27% yoy, at EUR 1.32Bn), in line with the company's current strategy.**
- **2025 guidance was confirmed: revenues of EUR 4.03Bn (+10% yoy), EBITDA of EUR 2.70Bn (+5% yoy), net income of EUR 1.08Bn, and capex EUR 3.4Bn.**
- **In June, Moody's improved the outlook for Terna to Positive from Stable. According to the agency, the change also took into account the improved fiscal outlook and expected improvement in Italy's economic resilience.**
- **Terna 4-6Y maturities trade overall in line versus other Italian utilities. Also in light of the higher rating, we believe Terna bonds should trade inside peers.**

Strengths/Opportunities

- Monopolist in Italy, owning c.99% of the country's electricity transportation grid.
- Almost fully regulated business (above 90% of EBITDA), with limited exposure of revenues to changes in electricity demand.
- Committed to the current rating, also through issuance of hybrids.

Weaknesses/Threats

- Debt and leverage ratios expected [illegible]e, due to high capex envisaged in the 2024-2028 strategic plan.
- High exposure [illegible]aly country risk, with the ratings constrained by the country rating.

Outperformer[1] YTD - Senior Unsecured

TRNIM 3 5/8 04/21/29	-24.6

Underperformer YTD - Senior Unsecured

TRNIM 3 07/[illegible]31[1]	1.8

EBITDA breakdown (1H25)

Trend in profitability

Debt maturity profile

Leverage trend (x)

Source: Intesa Sanpaolo Research elaboration on Bloomberg data (bond performance table) and company data (charts)

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9. List of Terna bonds in Appendix 2 (page 36, 37)

Sample

Terna In Brief

Terna – Rete Elettrica Nazionale S.p.A. – transmits electricity over the high-voltage and extra-high-voltage grid in Italy. Through its subsidiaries, the company owns a substantial share of the national electricity transmission grid.

Consolidated income statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	1H25	Chg %	2Q24	2Q25	Chg %
Sales	**3,680**	**3,820**	**3.8**	**1,754**	**1,894**	**8.0**	**709**	**992**	**40.0**
EBITDA	**2,566**	**2,669**	**4.0**	**1,257**	**1,360**	**8.2**	**462**	**708**	**53.1**
Adjusted EBITDA	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
EBIT	**1,677**	**1,755**	**4.6**	**836**	**913**	**9.2**	**302**	**480**	**59.1**
Adjusted EBIT	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Net interest expense	-172	-185	7.6	-63	-76	20.5	-24	-38	58.0
Income (loss) on equity investments	4	6	64.1	1	3	NM	-2	3	NM
Profit before tax	**1,506**	**1,570**	**4.3**	**773**	**837**	**8.3**	**278**	**443**	**59.1**
Net profit (loss)	**1,063**	**1,106**	**4.1**	**545**	**589**	**8.0**	**194**	**313**	**61.0**
Net profit (loss) attributable to the Group	**1,062**	**1,105**	**4.1**	**545**	**588**	**7.9**	**194**	**313**	**61.6**

Consolidated cash flow statement - main items

(EUR M)	2024	LTM25	Chg %	1H24	[illegible]	[illegible]	[illegible]	2Q25	Chg %
FFO	**1,989**	**1,903**	**-4.3**	**1,026**	[illegible]	[illegible]	**565**	**457**	**-19.1**
Net change in working capital	NA	NA	NA	-498	[illegible]	[illegible]	-436	-87	-80.1
CFO	**1,469**	**1,983**	**35.0**	**528**	**1,043**	[illegible]	**130**	**432**	**NM**
Capex	-2,358	-2,666	13.1	-997	-1,305	[illegible]	[illegible]	-743	44.5
FCF	**-889**	**-683**	**-23.2**	**-469**	[illegible]	**44.1**	[illegible]	**-310**	**-19.3**
Dividends	-691	-794	15.0	-446	[illegible]	[illegible]	-446	-549	23.2
Discretionary FCF	**-1,580**	**-1,477**	**-6.5**	[illegible]	[illegible]	[illegible]	**-830**	**-859**	**3.5**
RCF	**-1,695**	**-1,283**	**-24.3**	[illegible]	**-756**	[illegible]	**-1,071**	**-727**	**-32.2**
Change in equity	842	0	-100.0	[illegible]	0	-100.0	NA	NA	NA
Change in debt	1,784	1,935	8.5	[illegible]	843	21.8	NA	NA	NA
CFF	**2,626**	**1,935**	[illegible]	**1,534**	**843**	**-45.1**	**NA**	**NA**	**NA**
RCF + CFF	**932**	**652**	[illegible]	**366**	[illegible]	**-76.3**	**NA**	**NA**	**NA**
Change in liquidity	**932**	**652**	[illegible]	[illegible]	[illegible]	**-76.3**	**NA**	**NA**	**NA**

Consolidated balance sheet - main items

(EUR M)	30.09.24	31.12.[illegible]	Chg %	31.03.[illegible]	Chg %	30.06.25	Chg %
Intangible assets	917	[illegible]	7.1	990	0.8	1,075	8.6
Property, plant & equipment	18,566	[illegible]	[illegible]	19,571	1.7	20,026	2.3
Financial and equity investments	NA	[illegible]	[illegible]	NA	NA	781	NA
Total non-current assets	**NA**	**20,9[illegible]**	[illegible]	**21,107**	**0.8**	**21,898**	**3.7**
Inventory	NA	108	NA	NA	NA	128	NA
Trade receivables	[illegible]	[illegible]	NA	NA	NA	3,033	NA
Cash and current financial assets	[illegible]	[illegible]	24.7	2,603	-5.7	2,832	8.8
Total current assets	[illegible]	[illegible]	**NA**	**NA**	**NA**	**6,169**	**NA**
Total assets	**NA**	[illegible]	**NA**	**NA**	**NA**	**28,080**	**NA**
Long-term debt	NA	[illegible]	NA	NA	NA	11,523	NA
Provisions for risks and ch[illegible]es	NA	[illegible]	NA	NA	NA	169	NA
Total non-current liabiliti[illegible]	**[illegible]**	**12,779**	**NA**	**NA**	**NA**	**12,941**	**NA**
Short-term debt	[illegible]	2,338	NA	NA	NA	3,121	NA
Trade payables	[illegible]	3,525	NA	NA	NA	3,422	NA
Total current liabilities	[illegible]	**6,864**	**NA**	**NA**	**NA**	**7,611**	**NA**
Minorities	[illegible]	20	-17.8	20	2.0	21	1.5
Shareholders' equity	[illegible]	7,524	0.5	7,785	3.5	7,508	-3.6
Total equity	**7,508**	**7,544**	**0.5**	**7,805**	**3.5**	**7,529**	**-3.5**
Total liabilities and equity	**NA**	**27,186**	**NA**	**NA**	**NA**	**28,080**	**NA**
Net debt	**10,018**	**11,160**	**11.4**	**11,127**	**-0.3**	**11,970**	**7.6**
Adjusted net debt	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Key consolidated economic data - financial indicators

Profitability and coverage ratio (%)	2024	LTM25	1H24	1H25	2Q24	2Q25
EBITDA margin	69.7	69.9	71.7	71.8	65.2	71.3
Adjusted EBITDA margin	-	-	-	-	-	-
EBIT margin	45.6	45.9	47.6	48.2	42.6	48.4
Adjusted EBIT margin	-	-	-	-	-	-
EBITDA/net interest expense (x)	15.0	14.5	19.8	17.8	19.4	18.8
EBIT/net interest expense (x)	9.8	9.5	13.2	12.0	12.7	12.8

Leverage ratio (x)	30.09.24	31.12.24	31.03.25	30.06.25
Net debt/EBITDA	4.0	4.3	4.3	4.5
Adjusted Net Debt/Adjusted EBITDA (x)	-	-	-	-
Net debt/FFO	7.2	5.6	5.5	6.3
Net debt/equity	1.3	1.5	1.4	1.6

Note: NA=not available, NM=not meaningful. Source: Intesa Sanpaolo Research elaboration on company data

Sample

Appendix 1: Italian Utilities Earnings Calendar

Italian Utilities Earnings Calendar

Company	3Q/9M25
A2A	11/11/2025
Acea	14/11/2025
Enel	05/11/2025
ERG	14/11/2025
Hera	12/11/2025
Iren	13/11/2025
Italgas	29/10/2025 (1)
Snam	05/11/2025
Terna	13/11/2025

(1) 3Q/9M25 results + 2025-2031 strategic plan. Sources: Companies and Bloomberg

Sample

Appendix 2 - Italian Utilities Bonds

Italian Utilities bonds - Senior Unsecured

Bond	Next call	Type	Outst. M	Price	YTM %	SPRD TYPE	SPRD 23.9.25	-1W (bps)	-1M (bps)	YTD (bps) 2.1.25	52-week range max	52-week range min	Ratings Mdy	Ratings Fitch	Ratings BBG
Investment Grade															
A2A SpA															
AEMSPA 2 1/2 06/15/26	03/26	FX	EUR 600	100.1	2.4	ASW	29	2	1	-3.4	62	22	Baa2	-	BBB
AEMSPA 1 5/8 10/19/27	07/27	FX	EUR 300	98.5	2.4	ASW	21	-2	4	-14.9	41	17	Baa2	-	BBB
AEMSPA 1 1/2 03/16/28	12/27	FX	EUR 500	97.9	2.6	ASW	40	1	5	-4.6	46	11	Baa2	-	BBB
AEMSPA 1 07/16/29	04/29	FX	EUR 400	94.1	2.6	ASW	32	0	-1	-26.0	85	31	Baa2	-	BBB
AEMSPA 4 1/2 09/19/30	06/30	FX	EUR 650	106.5	3.1	ASW	66	1	5	[illegible]	[illegible]	56	Baa2	-	BBB
AEMSPA 0 5/8 07/15/31	04/31	FX	EUR 500	86.6	3.2	ASW	67	0	4	[illegible]	[illegible]	57	Baa2	-	BBB
AEMSPA 0 5/8 10/28/32	07/32	FX	EUR 500	82.9	3.4	ASW	72	[illegible]	7	[illegible]	[illegible]	65	Baa2	-	BBB
AEMSPA 1 11/02/33	08/33	FX	EUR 500	82.3	3.5	ASW	82	[illegible]	5	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
AEMSPA 4 3/8 02/03/34	11/33	FX	EUR 500	104.9	3.7	ASW	108	[illegible]	8	[illegible]	139	[illegible]	Baa2	-	BBB
AEMSPA 3 5/8 01/30/35[1]	10/34	FX	EUR 500	99.0	3.7	ASW	106	0	[illegible]	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
ACEA SpA															
ACEIM 0 09/28/25	-	FX	EUR 300	100.0	NM	ASW	[illegible]	[illegible]	NM	NM	NM	NM	Baa2	BBB+	BBB
ACEIM 1 10/24/26	07/26	FX	EUR 500	98.7	2.3	ASW	12	-1	-4	[illegible]	60	12	Baa2	BBB+	BBB
ACEIM 1 1/2 06/08/27	03/27	FX	EUR 700	98.4	2.5	ASW	32	-1	-2	-13.9	56	29	Baa2	BBB+	BBB
ACEIM 1 3/4 05/23/28	02/28	FX	EUR 500	97.9	[illegible]	ASW	[illegible]	0	-1	-3.8	73	32	Baa2	BBB+	BBB
ACEIM 0 1/2 04/06/29	01/29	FX	EUR 500	92.9	[illegible]	[illegible]	[illegible]	[illegible]	6	-27.5	83	22	Baa2	BBB+	BBB
ACEIM 0 1/4 07/28/30	04/30	FX	EUR 600	[illegible]	2.8	ASW	36	2	17	-31.4	82	16	Baa2	BBB+	BBB
ACEIM 3 7/8 01/24/31	10/30	FX	EUR 700	[illegible]	3.2	ASW	75	[illegible]	7	-16.4	107	60	Baa2	BBB+	BBB
Enel Finance International NV															
ENELIM 0 1/4 05/28/26	04/26	FX	EUR [illegible]	98.7	[illegible]	ASW	12	-1	-1	-19.4	59	12	Baa1	BBB+	BBB
ENELIM 1 3/8 06/01/26	-	FX	EUR 88[illegible]	99.4	2.2	[illegible]SW	10	2	1	-10.4	43	9	Baa1	BBB+	BBB
ENELIM 1 1/8 09/16/26	06/26	FX	[illegible] 1,250	[illegible]	2.2	ASW	9	0	-1	-19.7	58	5	Baa1	BBB+	BBB
ENELIM 0 3/8 06/17/27	03/27	[illegible]	EU[illegible] 000	[illegible]	2.4	ASW	22	-1	-6	-19.3	63	22	Baa1	BBB+	BBB
ENELIM 2 5/8 02/24/28[1]	01/28	[illegible]X	[illegible]UR [illegible]	100.[illegible]	2.5	ASW	34	1	0	-11.2	62	29	Baa1	BBB+	BBB
ENELIM 3 3/8 07/23/28	[illegible]6/28	FX	EUR [illegible]	102.1	2.6	ASW	37	0	-5	-23.6	89	36	Baa1	BBB+	BBB
ENELIM 3 7/8 03/09/29	12/28	FX	EUR 1[illegible]0	103.7	2.7	ASW	40	1	-2	-18.4	98	34	Baa1	BBB+	BBB
ENELIM 0 7/8 01/17/31	[illegible]	FX	[illegible]50	89.3	3.1	ASW	61	-2	1	-20.0	103	58	Baa1	BBB+	BBB
ENELIM 4 02/20/31	[illegible]/30	[illegible]X	EUR 750	104.6	3.1	ASW	64	-2	-1	-24.7	115	60	Baa1	BBB+	BBB
ENELIM 3 02/24/31[1]	11/30	[illegible]X	EUR 750	99.7	3.1	ASW	63	-4	-5	-14.3	116	63	Baa1	BBB+	BBB
ENELIM 0 7/8 09/28/34	06/34	[illegible]X	EUR 1,250	79.6	3.6	ASW	77	-4	-7	-20.8	112	77	Baa1	BBB+	BBB
ENELIM 1 1/8 10/17/34	07/3[illegible]	FX	EUR 500	81.3	3.6	ASW	79	-2	-3	-22.4	114	78	Baa1	BBB+	BBB
ENELIM 1 1/4 01/17/35	[illegible]	FX	EUR 750	81.2	3.7	ASW	86	-2	1	-14.6	114	84	Baa1	BBB+	BBB
ENELIM 3 7/8 01/23/35	10/34	FX	EUR 1,000	102.0	3.6	ASW	97	-3	-4	-27.5	149	96	Baa1	BBB+	BBB
ENELIM 3 1/2 02/24/36[1]	11/35	FX	EUR 500	97.4	3.8	ASW	104	-1	0	-5.8	149	99	Baa1	BBB+	BBB
ENELIM 0 7/8 06/17/36	03/36	FX	EUR 1,000	74.6	3.8	ASW	86	-2	0	-13.1	116	81	Baa1	BBB+	BBB
ENELIM 4 1/2 02/20/43	08/42	FX	EUR 750	101.2	4.4	ASW	146	-4	-3	-28.2	191	146	Baa1	BBB+	BBB
ENELIM 3 5/8 05/25/27	-	FX	USD 974	99.2	4.1	ASW	73	-	-	-6.4	101	72	Baa1	BBB+	BBB
ENELIM 4 7/8 06/14/29	-	FX	USD 805	103.8	3.8	ASW	48	-2	-	-43.4	148	44	Baa1	BBB+	BBB
ENELIM 5 1/8 06/26/29	05/29	FX	USD 1,250	102.7	4.3	ASW	103	-2	-	-8.9	157	102	Baa1	BBB+	BBB
ENELIM 5 1/2 06/26/34	03/34	FX	USD 750	104.2	4.9	ASW	138	-7	-	-14.5	196	138	Baa1	BBB+	BBB
ENELIM 6.8 09/15/37	-	FX	USD 1,000	112.9	5.3	ASW	173	-	-	-18.3	218	173	Baa1	BBB+	BBB
ENELIM 6 10/07/39	-	FX	USD 1,500	105.1	5.5	ASW	171	-	-	-11.0	196	170	Baa1	BBB+	BBB
ENELIM 4 3/4 05/25/47	-	FX	USD 1,500	87.2	5.8	ASW	166	-	-	-1.1	189	159	Baa1	BBB+	BBB
ENELIM 0 1/4 11/17/25	10/25		EUR 1,250	99.7	2.3	ASW	14	2	0	-4.1	43	3	Baa1	BBB+	BBB
ENELIM 0 06/17/27	03/27		EUR 1,000	96.5	2.4	ASW	23	-1	-2	-22.7	71	22	Baa1	BBB+	BBB
ENELIM 0 5/8 05/28/29	02/29		EUR 1,000	92.5	2.8	ASW	49	1	2	-16.4	89	44	Baa1	BBB+	BBB
ENELIM 0 1/2 06/17/30	03/30		EUR 1,250	90.4	3.0	ASW	55	0	-2	-23.5	97	53	Baa1	BBB+	BBB

Sample

Italian Utilities bonds - Senior Unsecured

Bond	Next call	Type	Outst. M	Price	YTM %	SPRD TYPE	SPRD 23.9.25	-1W (bps)	-1M (bps)	YTD (bps) 2.1.25	52-week range max	52-week range min	Ratings Mdy	Ratings Fitch	Ratings BBG
Enel SpA															
ENELIM 5 5/8 06/21/27	-	FX	EUR 850	105.6	2.3	ASW	17	1	-3	-21.8	76	12	Baa1	BBB+	BBB
ERG SpA															
ERGIM 0 1/2 09/11/27	06/27	FX	EUR 600	96.0	2.6	ASW	45	0	6	-18.0	78	31	-	BBB-	-
ERGIM 4 1/8 07/03/30	04/30	FX	EUR 500	104.5	3.1	ASW	71	3	-4	-51.9	142	64	-	BBB-	-
ERGIM 0 7/8 09/15/31	06/31	FX	EUR 500	86.9	3.3	ASW	79	0	10	-27.7	134	60	-	BBB-	-
Hera SpA															
HERIM 0 7/8 10/14/26	-	FX	EUR 325	98.4	2.5	ASW	34	0	3	-7.5	75	27	Baa2	-	BBB
HERIM 0 7/8 07/05/27	04/27	FX	EUR 357	97.2	2.5	ASW	36	0	1	-11.1	69	32	Baa2	-	BBB
HERIM 5.2 01/29/28	-	FX	EUR 599	105.7	2.6	ASW	49	2	5	[illegible]	[illegible]	36	Baa2	-	BBB
HERIM 2 1/2 05/25/29	02/29	FX	EUR 500	99.0	2.8	ASW	48	1	5	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
HERIM 0 1/4 12/03/30	09/30	FX	EUR 500	87.0	3.0	ASW	54	[illegible]	4	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
HERIM 3 1/4 07/15/31[1]	04/31	FX	EUR 500	100.3	3.2	ASW	75	[illegible]	3	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
HERIM 4 1/4 04/20/33	01/33	FX	EUR 600	105.0	3.5	ASW	93	-3	-1	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
HERIM 1 04/25/34	01/34	FX	EUR 500	80.7	3.7	ASW	88	-1	[illegible]	[illegible]	[illegible]	[illegible]	Baa2	-	BBB
Iren SpA															
IREIM 1 1/2 10/24/27	07/27	FX	EUR 500	98.0	2.5	ASW	[illegible]	[illegible]	2	[illegible]	56	25	-	BBB	BBB
IREIM 0 7/8 10/14/29	07/29	FX	EUR 500	93.0	2.7	ASW	38	1	4	[illegible]	86	30	-	BBB	BBB
IREIM 1 07/01/30	04/30	FX	EUR 484	91.3	3.0	ASW	57	-1	3	8.5	92	44	-	BBB	BBB
IREIM 0 1/4 01/17/31	10/30	FX	EUR 500	86.6	[illegible]	ASW	[illegible]	0	0	-18.9	89	50	-	BBB	BBB
IREIM 3 7/8 07/22/32	04/32	FX	EUR 500	102.9	3.4	[illegible]	[illegible]	[illegible]	4	-19.1	131	80	-	BBB	BBB
IREIM 3 5/8 09/23/33	06/33	FX	EUR 500	[illegible]	3.5	ASW	89	1	4	-28.5	147	82	-	BBB	BBB
Italgas Reti SpA															
IGIM 1 3/4 08/28/26	05/26	FX	EUR [illegible]	99.5	[illegible]	ASW	[illegible]	-20	-5	-16.9	58	19	Baa2	-	BBB
IGIM 1.608 10/31/27	07/27	FX	EUR [illegible]	98.1	[illegible]	ASW	36	-4	-9	-17.8	76	35	Baa2	-	BBB
IGIM 0.579 01/29/31	10/30	FX	EUR 500	88.3	3.0	[illegible]	52	1	10	-31.3	101	40	Baa2	-	BBB
IGIM 4 3/8 06/06/33	03/33	[illegible]	[illegible] 550	[illegible]	3.6	ASW	104	-1	-5	-29.3	148	99	Baa2	-	BBB
Italgas SpA															
IGIM 1 5/8 01/19/27	-	[illegible]	[illegible]	98.9	2.5	ASW	39	0	1	2.7	57	24	Baa2	BBB+	BBB
IGIM 0 02/16/28	-	FX	EUR [illegible]	93.9	2.6	ASW	44	0	0	-4.7	68	41	Baa2	BBB+	BBB
IGIM 1 5/8 01/18/29	-	FX	EUR [illegible]	96.3	2.8	ASW	52	-4	1	-6.1	88	48	Baa2	BBB+	BBB
IGIM 3 1/8 02/08/29	[illegible]	FX	[illegible]	100.9	2.8	ASW	57	-2	-2	-17.6	98	53	Baa2	BBB+	BBB
IGIM 2 7/8 03/06/30[1]	[illegible]	[illegible]	EUR 500	99.6	3.0	ASW	61	-6	-5	-18.1	101	60	Baa2	BBB+	BBB
IGIM 0 7/8 04/24/30	-	[illegible]	EUR 600	91.3	2.9	ASW	52	-2	4	-9.2	78	47	Baa2	BBB+	BBB
IGIM 1 12/11/31	-	[illegible]	EUR 500	87.5	3.2	ASW	70	0	5	-0.1	84	57	Baa2	BBB+	BBB
IGIM 4 1/8 06/08/32	[illegible]	FX	EUR 500	104.1	3.4	ASW	93	-3	-1	-23.2	137	90	Baa2	BBB+	BBB
IGIM 0 1/2 02/16/33	-	FX	EUR 500	80.5	3.5	ASW	85	-1	3	-17.8	113	78	Baa2	BBB+	BBB
IGIM 3 1/2 03/06/34[1]	12/33	FX	EUR 500	98.7	3.7	ASW	104	0	3	-16.5	139	94	Baa2	BBB+	BBB
Snam SpA															
SRGIM 0 7/8 10/25/26	-	FX	EUR 1,250	98.5	2.3	ASW	14	0	-8	-25.8	58	14	Baa2	BBB+	BBB+
SRGIM 3 3/8 12/05/26	09/26	FX	EUR 300	101.0	2.5	ASW	25	0	0	-31.4	63	21	Baa2	BBB+	BBB+
SRGIM 1 3/8 10/25/27	07/27	FX	EUR 552	97.9	2.4	ASW	26	-1	0	-16.0	66	24	Baa2	BBB+	BBB+
SRGIM 3 3/8 02/19/28	01/28	FX	EUR 500	102.0	2.5	ASW	30	1	-2	-33.3	86	25	Baa2	BBB+	BBB+
SRGIM 0 12/07/28	09/28	FX	EUR 600	91.9	2.7	ASW	40	-1	-1	-26.8	91	34	Baa2	BBB+	BBB+
SRGIM 0 3/4 06/20/29	03/29	FX	EUR 850	92.8	2.8	ASW	49	0	1	-20.1	90	41	Baa2	BBB+	BBB+
SRGIM 4 11/27/29	08/29	FX	EUR 650	104.1	2.9	ASW	58	-1	2	-25.8	110	43	Baa2	BBB+	BBB+
SRGIM 1 5/8 01/07/30	10/29	FX	EUR 250	93.4	3.3	ASW	90	-	-	-26.6	136	90	Baa2	BBB+	BBB+
SRGIM 0 3/4 06/17/30	03/30	FX	EUR 750	90.6	2.9	ASW	50	-2	-1	-31.2	100	41	Baa2	BBB+	BBB+
SRGIM 0 5/8 06/30/31	03/31	FX	EUR 500	87.2	3.1	ASW	58	-1	2	-28.6	108	52	Baa2	BBB+	BBB+
SRGIM 3 3/8 11/26/31	08/31	FX	EUR 750	100.9	3.2	ASW	75	-1	-5	-28.1	126	70	Baa2	BBB+	BBB+
SRGIM 3 1/4 07/01/32[1]	04/32	FX	EUR 1,000	99.5	3.3	ASW	80	-4	-4	-17.3	98	79	Baa2	BBB+	BBB+
SRGIM 3 7/8 02/19/34	11/33	FX	EUR 1,000	102.4	3.5	ASW	93	-1	-2	-26.8	148	89	Baa2	BBB+	BBB+

Sample

Italian Utilities bonds - Senior Unsecured

Bond	Next call	Type	Outst. M	Price	YTM %	SPRD TYPE	SPRD 23.9.25	-1W (bps)	-1M (bps)	YTD (bps) 2.1.25	52-week range max	52-week range min	Ratings Mdy	Ratings Fitch	Ratings BBG
SRGIM 1 1/4 06/20/34	03/34	FX	EUR 650	83.2	3.5	ASW	77	-1	3	-17.2	109	72	Baa2	BBB+	BBB+
SRGIM 1 09/12/34	06/34	FX	EUR 600	80.6	3.6	ASW	78	0	4	-22.8	122	73	Baa2	BBB+	BBB+
SRGIM 5 3/4 11/26/36	08/36	FX	GBP 600	99.3	5.8	ASW	168	1	-	5.9	193	161	Baa2	BBB+	BBB+
SRGIM 5 05/28/30[1]	04/30	FX	USD 750	101.8	4.6	ASW	124	-3	-	-13.1	138	122	Baa2	BBB+	BBB+
SRGIM 5 3/4 05/28/35[1]	02/35	FX	USD 750	104.2	5.2	ASW	163	-3	0	-19.9	183	160	Baa2	BBB+	BBB+
SRGIM 6 1/2 05/28/55[1]	11/54	FX	USD 500	107.3	6.0	ASW	213	-	-	-24.3	239	213	Baa2	BBB+	BBB+
SRGIM Float 04/15/26	-	FL	EUR 750	100.1	2.2	DISC	24	-3	-4	-3.0	31	22	Baa2	BBB+	BBB+
Terna - Rete Elettrica Nazionale															
TRNIM 1 04/10/26	-	FX	EUR 500	99.3	2.2	ASW	8	-1	-2	-23.4	45	7	Baa2	-	BBB+
TRNIM 1 3/8 07/26/27	-	FX	EUR 1,000	98.2	2.4	ASW	24	0	0	[illegible]	[illegible]	23	Baa2	-	BBB+
TRNIM 1 10/11/28	-	FX	EUR 750	95.6	2.5	ASW	28	-2	-2	[illegible]	[illegible]	28	Baa2	-	BBB+
TRNIM 3 5/8 04/21/29	02/29	FX	EUR 750	102.9	2.8	ASW	45	[illegible]	1	[illegible]	[illegible]	[illegible]	Baa2	-	BBB+
TRNIM 0 3/8 06/23/29	03/29	FX	EUR 600	91.6	2.8	ASW	45	[illegible]	2	[illegible]	79	[illegible]	Baa2	-	BBB+
TRNIM 0 3/8 09/25/30	06/30	FX	EUR 500	88.1	3.0	ASW	53	-1	4	[illegible]	89	[illegible]	Baa2	-	BBB+
TRNIM 3 1/2 01/17/31	10/30	FX	EUR 850	101.8	3.1	ASW	73	1	[illegible]	[illegible]	[illegible]	65	Baa2	-	BBB+
TRNIM 3 07/22/31[1]	04/31	FX	EUR 750	99.3	3.1	ASW	[illegible]	[illegible]	[illegible]	1.8	73	63	Baa2	-	BBB+
TRNIM 3 1/8 02/17/32[1]	11/31	FX	EUR 750	99.8	3.2	ASW	57	[illegible]	1	[illegible]	111	63	Baa2	-	BBB+
TRNIM 0 3/4 07/24/32	-	FX	EUR 500	84.8	3.3	ASW	66	-1	5	[illegible]	87	57	Baa2	-	BBB+
TRNIM 3 7/8 07/24/33	04/33	FX	EUR 650	103.1	3.4	ASW	35	-2	3	-22.2	120	77	Baa2	-	BBB+

Type: FX = Fixed. YTM: yield to maturity. SPRD TYPE: ASW=Asset Swap. Ratings: report[illegible] the tab[illegible]fer to indiv[illegible]al issues . BBG: Bloomberg Composite. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related [illegible] -1W, -1[illegible]TD) wh[illegible]he reference data is NA. Notes: 1) YTD from launch date for bonds issued in 2025. Source: Intesa Sanpaolo Research elaboration on Bl[illegible]nberg [illegible] on 23/0[illegible]43.

Sample

Italian Utilities bonds - Hybrids

Bond	Next call	Type	Outst. M	Price	YTC %	SPRD TYPE	SPRD 23.9.25	-1W (pts)1	-1M (pts)1	YTD (pts)1 2.1.25	52-week range1 max	52-week range1 min	Ratings Mdy	Ratings Fitch	Ratings BBG
Investment Grade															
Enel SpA															
ENELIM 3 3/8 PERP	08/26	VR	EUR 750	100.6	2.7	ASW	73	0	0	0.98	101	99	Baa3	BBB-	BB+
ENELIM 2 1/4 PERP	12/26	VR	EUR 600	99.1	3.0	ASW	73	0	0	1.93	99	96	Baa3	BBB-	BB+
ENELIM 1 3/8 PERP	06/27	VR	EUR 1,250	97.0	3.2	ASW	81	0	0	3.04	97	92	Baa3	BBB-	BB+
ENELIM 6 3/8 PERP	04/28	VR	EUR 1,000	107.4	3.3	ASW	115	0	0	-0.01	108	105	Baa3	BBB-	BB+
ENELIM 4 3/4 PERP	02/29	VR	EUR 900	103.4	3.7	ASW	147	0	0	0.80	104	100	Baa3	BBB-	BB+
ENELIM 4 1/4 PERP[1]	01/30	VR	EUR 1,000	101.6	3.8	ASW	149	0	0	2.13	103	98	Baa3	BBB-	BB+
ENELIM 1 7/8 PERP	06/30	VR	EUR 1,000	90.6	4.1	ASW	149	0	1	2.88	91	85	Baa3	BBB-	BB+
ENELIM 6 5/8 PERP	04/31	VR	EUR 750	112.9	4.0	ASW	166	0	0	[illegible]	[illegible]	108	Baa3	BBB-	BB+
ENELIM 4 1/2 PERP[1]	10/32	VR	EUR 1,000	101.4	4.3	ASW	172	0	1	[illegible]	[illegible]	95	Baa3	BBB-	BB+
Snam SpA															
SRGIM 4 1/2 PERP	09/29	VR	EUR 1,000	102.7	3.8	ASW	145	[illegible]	0	[illegible]	103	[illegible]	Ba1	BBB-	BBB-
Terna - Rete Elettrica Nazionale															
TRNIM 2 3/8 PERP	11/27	VR	EUR 1,000	98.2	3.3	ASW	98	0	[illegible]	[illegible]	[illegible]	95	Ba1	-	BBB-
TRNIM 4 3/4 PERP	01/30	VR	EUR 850	104.3	3.6	ASW	[illegible]	[illegible]	[illegible]	0.87	105	99	Ba1	-	BBB-
High Yield and Unrated															
A2A SpA															
AEMSPA 5 PERP	06/29	VR	EUR 750	104.2	3.8	ASW	[illegible]	0	0	0.77	105	99	Ba1	-	BB+
Iren SpA															
IREIM 4 1/2 PERP[1]	01/30	VR	EUR 500	102.7	[illegible]	[illegible]	148	[illegible]	0	2.15	103	98	-	BB+	BB+

Type: VR = Variable. YTC: yield to call. SPRD TYPE: ASW=Asset Swap. Ratings: reporte[illegible] in the table [illegible] to indi[illegible]al issues . BBG: Bloomberg Composite. NM: Not Meaningful related to YTM and Spread if Spread < 0 and > 1,000 bps whilst related to ch[illegible]W, -1M, -YTD) [illegible] in the re[illegible]nce data is NA. Notes: 1) Change in prices; min and max are calculated on prices 1) YTD from launch date for bonds issued in 202[illegible] ource[illegible]esa Sanpaolo [illegible]earch e[illegible]ration on Bloomberg data on 23/09/25 at 11:43.

Sample

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Corporate credit view key

Credit rating key

Credit view	Definition
POSITIVE	We expect an improvement in fundamentals over the next six months
NEUTRAL	We expect substantially stable fundamentals over the next six months
NEGATIVE	We expect a deterioration in fundamentals or visibility on fundamentals over the next six months
SUSPENDED	The credit view and investment recommendation for this company have been suspended as there is not a sufficient fundamental basis for determining an investment view. The previous credit view, if any, is no longer in effect for this company
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Historical Credit View and Investment Recommendation Changes

A2A - Historical Credit View (-3Y)

Date	Credit View

A2A - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
21-Mar-24	HOLD
31-Jul-23	BUY

A2A - Historical Investment Recommendations (-3Y)

Date	High Yield Hybrids
5-Aug-24	HOLD

Acea - Historical Credit View (-3Y)

Date	Credit View
12-Mar-24	NEUTRAL
15-Nov-23	UNDER REVIEW

Acea - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured

Sample

Enel - Historical Credit View (-3Y)

Date	Credit View
11-Dec-24	NEUTRAL
02-Dec-22	POSITIVE

Enel - Historical Investment Recommendations (-3Y)

Date	Investment Grade Hybrids
6-May-25	HOLD
02-Dec-22	BUY
08-Nov-22	HOLD

ERG - Historical Credit View (-3Y)

Date	Credit View

Hera - Historical Credit View (-3Y)

Date	Credit View

Iren - Historical Credit View (-3Y)

Date	Credit View

Iren - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured

Italgas - Historical Credit View (-3Y)

Date	Credit View

Snam - Historical Credit View (-3Y)

Date	Credit View

Snam - Historical Investment Recommendations (-3Y)

Date	Investment Grade Hybrids
2-Oct-24	HOLD

Terna - Historical Credit View (-3Y)

Date	Credit View

Terna - Historical Investment Recommendations (-3Y)

Date	Investment Grade Hybrids
30-Jul-25	HOLD
23-Apr-25	BUY

Credit View allocations

Enel - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
6-May-25	HOLD
02-Oct-24	BUY
29-Jul-24	HOLD
07-Aug-23	BUY
08-Nov-22	HOLD

ERG - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
6-May-25	HOLD
14-Mar-25	SELL
01-Aug-23	HOLD

Hera - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured

Iren - Historical Investment Recommendations (-3Y)

Date	High Yield Hybrids
11-Feb	HOLD

Italgas - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
8-Mar-23	HOLD
17-Jan-23	BUY

Snam - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
29-Jun-23	HOLD
23-May-23	BUY
17-Jan-23	HOLD

Terna - Historical Investment Recommendations (-3Y)

Date	Investment Grade Senior Unsecured
6-May-25	BUY
23-Apr-24	HOLD
05-Mar-24	BUY
20-Sep-23	HOLD

Sample

Intesa Sanpaolo Research Credit View distribution at July 2025

Number of Companies subject to credit views: 38*	Positive	Neutral	Negative
Total Credit Research coverage - last credit view** (%)	39.5	55.3	5.3
of which Intesa Sanpaolo's clients*** (%)	40.0	81.0	50

* Total number of companies covered is 38; **Last credit view refers to credit view as at end of the previous quarter; ***Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category.

Investment recommendations

Intesa Sanpaolo's recommendations on the issuer(s) bonds or relative CDS are based on the following rating system:

Investment recommendation

Recommendation	Definition
BUY	We expect the bond or CDS subject to the recommendation to outperform the reference index, sector or benchmark in a period up to six months
HOLD	We expect the bond or CDS subject to the recommendation to perform in line with the reference index, sector or benchmark in a period up to six months
SELL	We expect the bond or CDS subject to the recommendation to underperform the reference index, sector or benchmark in a period up to six months

Credit rating classifications

In our reports our classification of the Investment Grade (IG), High Yield (HY) or Not Rated (NR) categories is based on the major international agencies' ratings for the single issuers/issues.

Company-specific disclosures

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In particular, the description of the measures taken to manage conflicts of interest - related to Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) n. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest as subsequently amended and supplemented, the FINRA Rule 2241 as well as the FCA Conduct of Business Sourcebook rules COBS 12.4 - between the Intesa Sanpaolo Banking Group and issuers of financial instruments and their group companies, and referred to in research products produced by analysts at Intesa Sanpaolo S.p.A. is available in the "Rules for Research" and in the extract of the "Corporate model on the management of inside information and conflicts of interest" published on the website of Intesa Sanpaolo S.p.A..

At the Intesa Sanpaolo website page https://group.intesasanpaolo.com/en/research/RegulatoryDisclosures/archive-of-intesa-sanpaolo-group-s-conflicts-of-interest you can find the archive of disclosure of interests or conflicts of interest of the Intesa Sanpaolo Banking Group in compliance with the applicable laws and regulations.

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