Press release

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Board of Directors approves Autostrade per l'Italia Group's interim report for six months ended 30 June 2024

H1 2024 highlights

- **€1.1bn in maintenance and capital expenditure in H1 2024, in line with plans targeting capex of around €2.3bn over the full year**
- **The Company's transformation is continuing, as is work on the digitalisation and sustainability plans aimed at delivering a safer, greener, more modern and resilient network**

Consolidated financial highlights for H1 2024

- **Traffic up 2.6%[(1)] versus H1 2023**
- **Operating revenue €2,101m, maintenance costs €205m, EBITDA[(2)] €1,355m (cash EBITDA up 4%) and profit for the period €547m**
- **Net debt of €9,746m as at 30 June 2024**
- **Operating cash flow generated in H1 2024 amounts to €844m and cash reserves total €4.9bn, ensuring delivery of the investment programme is fully funded**

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(1) After adjusting for the leap-year effect, traffic was up 2.1% in H1 2024.
(2) In addition to the reported amounts in the statutory consolidated financial statements, this release also presents and analyses alternative performance indicators ("APIs"), as described below in the "Explanatory notes".

Rome, 25 July 2024 – Today's meeting of the Board of Directors of Autostrade per l'Italia SpA ("ASPI"), chaired by Elisabetta Oliveri, has approved the Autostrade per l'Italia Group's interim report for the six months ended 30 June 2024 ("H1 2024"), prepared on a voluntary basis. The interim report for the six months ended 30 June 2024, prepared in accordance with the relevant statutory requirements, will be published together with the results of the audit currently in progress.

Network upgrade and modernisation

The Group invested a total of €1,090m in modernisation, upgrade and maintenance of the network in the first half of 2024, an increase of €263m compared with the comparative period.

Capital expenditure amounted to €885m under the network upgrade and modernisation plans, designed to combine sustainability with local development. The following took place in the first half of 2024:

- the opening to traffic of approximately 6.3 km (out of the planned total of 10 km) of fourth dynamic lane on the A4 in the Milan area between the Viale Certosa and Sesto San Giovanni junctions. The final section is expected to open by the end of 2024;
- as part of the network upgrade plan, preparations continued for the start of work on projects of major importance for Italy, such as the Bologna Bypass and the Genoa Interchange, as did preparations for the addition of third and fourth lanes, including on the A14 between Bologna and Ravenna, the A1 between Milan South and Lodi and the A11 between Florence and Pistoia;
- the start of work on the first lot for construction of the tunnel under the Port of Genoa (called Lot A), following approval of the design by the Ministry of Infrastructure and Transport /(the "MIT");
- the start of work on the upgrade of the A1 between Barberino and Florence North with the northbound carriageway to be widened to four lanes, following approval of the design by the MIT;
- the opening to traffic of the new Lainate junction, completing the widening of the A8 Milan-Lakes motorway to five lanes;
- the continuation of work on landscaping and the ordinary road network linked to the widening of the A14 between Rimini and Porto Sant'Elpidio to three lanes (already completed and open to traffic);

- as part of the network modernisation plan, major progress was made on tunnel refurbishment, with work on various tunnels completed in Liguria, Lombardy, Tuscany, Marche and Abruzzo.

€m	H1 2024	H1 2023
Capex (*)	885	631
Maintenance costs	205	196
Total Group investment and maintenance expenditure	**1,090**	**827**

(*) Includes investment in concession assets and in ASPI's extraordinary maintenance plan, ASPI's capitalised investment costs, unremunerated investment, investment in other intangible assets/PPE and consolidation adjustments.

Traffic trends

Traffic on the Group's network rose by a total of 2.6% in the first half of 2024 compared with the same period of 2023. After adjusting for the leap-year effect, traffic is up 2.1%. Light vehicles ("2 axles") were up 2.7%, whilst heavy vehicles ("3 or more axles") rose 2.5%.

	Vehicles*km (millions)[1]			% change
	Vehicles with 2 axles	Vehicles with 3+ axles	Total vehicles	vs H1 2023
Autostrade per l'Italia	**19.904**	**3.658**	**23.562**	**2,7%**
Tangenziale di Napoli	417	7	424	0,4%
Autostrada Tirrenica	127	13	140	3,2%
Raccordo Autostradale Valle d'Aosta	46	9	55	1,0%
Società Italiana per il Traforo del Monte Bianco	4	2	5	-2,8%
TOTAL	**20.497**	**3.689**	**24.186**	**2,6%**

(1) Figures expressed in millions of kilometres travelled. The figures for June 2024 are provisional.

People, sustainability and innovation

Work on achieving the Group's sustainability goals continued in the first half of 2024, including:

- **Safety:** the new road safety campaign aimed at road users, promoted by the Italian Police and Autostrade per l'Italia, was launched. The second phase of the "Falco project" came to a conclusion. The project involved the real-time monitoring of traffic using drones with a view to improving the management of traffic flows and boosting road safety.
- **Human Resources**: the Group received TOP Employer Certification for the third year running. This is one of the most important awards for HR best practice in Italy and internationally, issued by the Top Employers Institute.
- **Sustainable finance:** the Group's ESG goals are also increasingly connected with our financing strategy. Following the latest financing transactions in 2024, we have now raised approximately €6.6bn in sustainable financing.
- **Innovation**: trials of the 'TargaGo' free-flow tolling system began on Naples Ring Road on 2 July. The system uses number plate recognition following registration for the service via a specific app.

Group financial review

Consolidated results

"Total operating revenue" for the first half of 2024 amounts to €2,101m, up €30m compared with the first half of 2023 (€2,071m). This reflects:

- "Toll revenue" of €1,887m, an increase of €58m on the first half of 2023. This is primarily due to traffic growth of 2.6% and the toll increase of 1.51% granted to Autostrade per l'Italia [(3)]. The item includes €187m (€182m in the first half of 2023)[(4)] relating to the surcharges added to the concession fee payable to ANAS, also accounting for in operating costs under the item, "Concession fees". After stripping out the surcharge, toll revenue is up €53m;
- "Other operating income" of €214m, a reduction of €28m compared with the first half of 2023 (€242m), which included €29m in insurance proceeds received by Autostrade per l'Italia under its All-Risks policy.

"Operating costs" of €849m are down €31m compared with the first half of 2023. This is due to the impact of the following:

- on the one hand, of an increase in "Maintenance costs" (€9m), reflecting an increase in network monitoring, in part to comply with the new guidelines and technical standards, and the costs incurred in the first half of 2024 in relation to motorway repairs following the damage caused by the floods in Emilia-Romagna in May 2023;
- and, on the other, of a reduction in contract work carried out by Amplia for companies outside the Group, which has resulted in decreases in "Net staff costs" (€20m) and the "Cost of other external services" (€25m).

The "Operating change in provisions" registered a net use of €103m (€38m in the comparative period) due primarily to the positive impact of rises in the interest rates[(5)] used to discount the provisions, reflecting the decline in the inflation-linked component as at 30 June 2024 compared with 31 December 2023.

[(3)] This item includes a non-cash component linked to the discounts and exemptions granted to road users, amounting to €59m in the first half of 2024 (€43m in the first half of 2023). The impact on profit or loss of these components (included in the commitments assumed by the Company in the settlement agreement of October 2021) is zero due to the use of provisions for risks and charges made in previous years.
[(4)] The surcharges added to the concession fee payable to ANAS are computed on the basis of the distance travelled by each vehicle and amount to 6 thousandths of a euro per kilometre for toll classes A and B and 18 thousandths of a euro per kilometre for classes 3, 4 and 5.
[(5)] Calculation of the present value is based on a real discount rate reflecting the current market assessment of the time value of money and the risk specific to the obligation, approximated with reference to the yield on Italian government bonds.

“Gross operating profit” (EBITDA) of €1,355m is up €126m compared with the first half of 2023 (€1,229m), as a result of the above performance. After adjusting for non-cash items, EBITDA is €1,169m (up €40m compared with the same period of 2023).

“Amortisation and depreciation, impairment losses, reversals of impairment losses and provisions for renewal work” amount to €394m, an increase of €33m compared with the first half of 2023, essentially as a result of the increased value of concession rights due to investment during 2023.

The resulting “Operating profit” (EBIT) of €961m is up €93m compared with the first half of 2023 (€868m).

“Net financial expenses” of €178m are down €29m compared with the first half of 2023, primarily reflecting a reduction in financial expenses from the discounting of provisions(6) and efficient management of the Group’s finances.

“Income tax expense” of €237m (€201m in the first half of 2023) is up €36m, primarily due to the increase in profit before tax.

“Profit for the period” of €547m is up €87m compared with the first half of 2023 (€460m).

(6) “Finance expenses from the discounting of provisions” are calculated on the basis of the value of provisions and the interest rates used to discount them as at 31 December of the previous year. The reduction in this item broadly reflects lower interest rates as at 31 December 2023 (with the related financial expenses recognised in the first half of 2024) compared with those as at 31 December 2022 (on which the comparative amounts for the first half of 2023 were based).

Consolidated financial position

As at 30 June 2024, “Equity attributable to owners of the parent” amounts to €2,800m, an overall increase of €194m compared with 31 December 2023 (€2,606m). This reflects comprehensive income for the period of €549m, partially offset by payment of the final dividend for 2023 to Autostrade per l’Italia’s shareholders (€351m).

“Net debt” of €9,746m as at 30 June 2024 is up €858m compared with 30 June 2023. The “Decrease in cash and cash equivalents during the period” for the first half of 2024 amounts to €466m (€712m in the comparative period). Operating cash flow for the first half of 2024 amounts to €844m.

With regard to Autostrade per l’Italia’s bond issues, the following events took place:

a) repayment, at maturity, of the bonds issued in June 2004, with a notional value of €1,000m;
b) the issue of a new Sustainability-linked bond with a notional value of €1,000m (divided into two tranches of €500m each and maturing in 2032 and 2036, respectively).

The reduction in derivative assets (€154m) primarily reflects Autostrade per l’Italia’s unwinding of certain derivatives following the above issue.

With regard to Autostrade per l’Italia’s bank borrowings, the following transactions have taken place:

a) early repayment, with respect to the contracted term of December 2027, of the Term Loan with Cassa Depositi e Prestiti, amounting to €1,100m;
b) the use of €600m from the facility obtained from the European Investment Bank (out of the total amount made available of €800m), with the aim of financing the motorway modernisation plan.

The residual average term to maturity of the Group’s interest-bearing debt as at 30 June 2024 is approximately five years and nine months. In terms of type of interest rate, after taking into account hedging derivatives, 91% of debt is fixed rate. The average cost of the Group’s medium/long-term borrowings in the first half of 2024 was approximately 3.30%. As at 30 June 2023, the Group has cash reserves of €4,896m.

Outlook, risk factors and uncertainties

In 2024, the year in which Italy's first motorway will be one hundred years old, our role is to proceed with modernisation and upgrade of the network, improving the quality and safety of the infrastructure and laying the groundwork for the sustainable mobility of the future. This will require us to significantly step up investment that will benefit both travellers and all the stakeholders in the areas crossed by the network.

We expect a significant increase in investment and maintenance work in 2024, with approximately €2.3bn due to be spent with the aim of proceeding with the modernisation and upgrade of the infrastructure we operate. This will increase the useful life of our assets and boost their resilience, including their ability to withstand adverse climate events.

2024 is also the last year of Autostrade per l'Italia's five-year regulatory period. As part of the process of updating the regulatory framework for the next five years from 2025 to 2029, it will be essential to identify all the investments required to meet Italy's mobility needs. This will involve finding appropriate forms of funding that will ensure financial metrics appropriate to a solid financial structure.

In view of the performance of traffic in the first half of 2024, despite ongoing macroeconomic uncertainty, in part caused by a worsening of the current geopolitical crisis, we expect traffic using Autostrade per l'Italia's network to register growth of around 2% in 2024 compared with the previous year. As in the past, we will pursue our business objectives whilst maintaining a healthy, stable financial structure.

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The manager responsible for financial reporting, Piergiorgio Peluso, declares, pursuant to section 2 of article 154-bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

Highlights by operating segment

The scope of consolidation as at 30 June 2024 is unchanged with respect to 31 December 2023. Highlights by operating segment are shown below:

€m	MOTORWAYS			ENGINEERING AND CONSTRUCTION			INNOVATION AND TECHNOLOGY			OTHER SERVICES			CONSOLIDATION ADJUSTMENTS		TOTAL AUTOSTRADE PER L'ITALIA GROUP	
	H1			H1			H1			H1			H1		H1	
	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	2024	2023
REPORTED AMOUNTS																
Operating revenue	2.021	1.989	32	499	337	162	93	75	18	27	27	-	(539)	(357)	2.101	2.071
EBITDA	1.327	1.229	98	23	(6)	29	5	3	2	-	2	(2)	-	1	1.355	1.229
Operating cash flow	823	828	(5)	16	(13)	29	3	4	(1)	2	1	1	-	1	844	821
Capital expenditure	795	585	210	22	2	20	8	13	(5)	-	-	-	47	22	872	622
Average workforce	5.377	5.484	(107)	2.911	2.610	301	382	327	55	646	624	22	-	-	9.316	9.045

Motorways: includes the activities of the Group's motorway operators;

Engineering and construction: essentially Amplia Infrastructures and Tecne;

Innovation and technology: essentially Movyon, Free To X Spa and Free To X Srl;

Other services: includes the services provided by Youverse, Ad Moving, Elgea and Giovia to other Group companies.

There were no non-recurring, atypical or unusual transactions, either with third or related parties, in the first half of 2024.

Explanatory notes

Alternative performance indicators

In accordance with ESMA guidance, a list of the main APIs used in the interim report, together with a brief description of their composition and their reconciliation with reported amounts, is provided below:

a) "Gross operating profit/(loss) (EBITDA)", the synthetic indicator of earnings from operations, calculated by deducting the operating change in provisions and operating costs, with the exception of amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by Società Italiana per Azioni per il Traforo del Monte Bianco ("SITMB"), from operating revenue;
b) "Cash EBITDA", the synthetic indicator of cash earnings from operating activities, calculated by stripping out from EBITDA the "Operating change in provisions", operating uses of provisions and other non-cash items included in EBITDA;
c) "Operating profit/(loss) (EBIT)", the indicator that measures the return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses, reversals of impairment losses and the above provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by SITMB from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified income statement, whilst being included in revenue in the consolidated income statement in the condensed interim consolidated financial statements;
d) "Net invested capital", showing the total value of non-financial assets, after deducting non-financial liabilities;
e) "Net debt", the indicator of the portion of net invested capital funded by net financial liabilities, calculated by deducting "Current and non-current financial assets" from "Current and non-current financial liabilities";
f) "Capital expenditure", indicating the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investment linked to transactions involving investees; this item does not include the cost of unremunerated investment included in the settlement agreement with the MIT, as these sums are accounted for in cash outflows forming part of operating cash flow;
g) "Operating cash flow", indicating the cash generated by or used in operating activities. Operating cash flow is calculated as profit/(loss) for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss;
h) "Equity free cash flow", an indicator showing cash flow available for distribution to equity holders, to repay debt and to fund any financial investments; it is calculated as follows: operating cash flow +/- the change in working capital and other non-financial items + capital expenditure + government grants for investment.

In addition, this release contains reclassified financial statements that are different from the consolidated interim financial statements and the financial statements for the year ended 31 December 2023 prepared under IAS/IFRS (the statutory financial statements). In addition to amounts from the income statement and statement of financial position prepared under IAS/IFRS, these reclassified financial statements present a number of indicators and items derived from them, even when they are not required by the above standards and are, therefore, identifiable as APIs.

A number of APIs are also presented after certain adjustments applied in order to provide a consistent basis for comparison over time. These are referred to as "like-for-like changes".
The following table shows a reconciliation of like-for-like consolidated amounts, for both comparative periods, for gross operating profit (EBITDA), profit/(loss) for the period, profit/(loss) for the period attributable to owners of the parent and operating cash flow and the corresponding amounts taken from the reclassified statements included in the consolidated interim financial statements.

		H1 2024				H1 2023			
€m	Note	Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) for the period attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) for the period attributable to owners of the parent	Operating cash flow
Reported amounts (A)		**1.355**	**547**	**539**	**844**	**1.229**	**460**	**456**	**821**
Adjustments for non like-for-like items									
Change in discount rate applied to provisions	(1)	98	72	72	-	2	(4)	(4)	-
Off-balance sheet amortisation of goodwill	(2)	-	-	-	8	-	-	-	42
Sub-total (B)		**98**	**72**	**72**	**8**	**2**	**(4)**	**(4)**	**42**
Like-for-like amounts (C) = (A)-(B)		**1.257**	**475**	**467**	**836**	**1.227**	**464**	**460**	**779**

The term "like-for-like basis", used in the description of changes in certain consolidated financial performance indicators, means that amounts for comparative periods have been determined by excluding the following:

1) from amounts for both comparative periods, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities;
2) from amounts for both comparative periods, the impact of the exemption from taxation of off-balance sheet amortisation of goodwill attributable to Autostrade per l'Italia.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

€m	H1 2024	H2 2023	Increase/(Decrease)	
			Absolute	%
Toll revenue	1.887	1.829	58	3
Other operating income	214	242	(28)	(12)
Total operating revenue	**2.101**	**2.071**	**30**	**1**
Maintenance costs	(205)	(196)	(9)	5
Cost of other external services	(151)	(176)	25	(14)
Concession fees	(231)	(226)	(5)	2
Net staff costs	(262)	(282)	20	(7)
Total operating costs	**(849)**	**(880)**	**31**	**(4)**
Operating change in provisions	103	38	65	n.s.
Total net operating costs	**(746)**	**(842)**	**96**	**(11)**
Gross operating profit (EBITDA)	**1.355**	**1.229**	**126**	**10**
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	(394)	(361)	(33)	9
Operating profit/(loss) (EBIT)	**961**	**868**	**93**	**11**
Financial income/(expenses), net	(178)	(207)	29	(14)
Share of profit/(loss) of investees accounted for using the equity method	1	-	1	n.s.
Profit/(Loss) before tax from continuing operations	**784**	**661**	**123**	**19**
Income tax benefit/(expense)	(237)	(201)	(36)	18
Profit/(Loss) for the period	**547**	**460**	**87**	**19**
(Profit)/Loss for the period attributable to non-controlling interests	8	4	4	100
(Profit)/Loss for the period attributable to owners of the parent	**539**	**456**	**83**	**18**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€m		H1 2024	H2 2023
Profit/(Loss) for the period	**(A)**	**547**	**460**
Fair value gains/(losses) on cash flow hedges		24	(48)
Tax effect of fair value gains/(losses) on cash flow hedges		(6)	12
Other comprehensive income from investments accounted for using the equity method		-	5
Other comprehensive income/(loss) reclassifiable to profit or loss for the period	**(B)**	**18**	**(31)**
Other comprehensive income/(loss) not reclassifiable to profit or loss for the period	**(C)**	**-**	**-**
Other reclassifications of other comprehensive income to profit or loss for the period		(11)	3
Tax effect of other reclassifications of other comprehensive income to profit or loss for the period		2	(1)
Reclassifications of other comprehensive income to profit or loss for the period	**(D)**	**(9)**	**2**
Total other comprehensive income/(loss) for the period	**(E=B+C+D)**	**9**	**(29)**
of which attributable to assets held for sale		-	-
Comprehensive income/(loss) for the period	**(A+E)**	**556**	**431**
Of which attributable to owners of the parent		*549*	*427*
Of which attributable to non-controlling interests		*7*	*4*

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 June 2024	31 December 2023	Increase/ (Decrease)
Property, plant and equipment	235	225	10
Intangible assets	17.125	16.659	466
Investments	11	73	(62)
Deferred tax assets not elibible for offset	132	135	(3)
Non-financial assets included in disposal groups	63	24	39
Non-financial assets (A)	**17.566**	**17.116**	**450**
Trading assets	903	856	47
Trading liabilities	(1.830)	(1.890)	60
Net tax assets/(liabilities)	(169)	(136)	(33)
Other net assets/(liabilities)	(344)	(354)	10
Net working capital (B)	**(1.440)**	**(1.524)**	**84**
Gross invested capital (C=A+B)	**16.126**	**15.592**	**534**
Provisions	(2.565)	(2.752)	187
Deferred tax liabilities net of deferred tax assets eligible for offset	(692)	(611)	(81)
Other non-financial liabilities	(25)	(22)	(3)
Non-financial liabilities included in disposal groups	-	(12)	12
Non-financial liabilities (D)	**(3.282)**	**(3.397)**	**115**
NET INVESTED CAPITAL (E=C+D)	**12.844**	**12.195**	**649**
Equity attributable to owners of the parent	**2.800**	**2.606**	**194**
Equity attributable to non-controlling interests	**298**	**309**	**(11)**
Total equity (F)	**3.098**	**2.915**	**183**
Net debt (G)	**9.746**	**9.280**	**466**
NET DEBT AND EQUITY (H=F+G)	**12.844**	**12.195**	**649**

STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT

€m		H1 2024	H1 2023	Increase/ (Decrease)
NET DEBT AT THE BEGINNING OF THE PERIOD	**A**	**(9.280)**	**(8.117)**	**(1.163)**
Reported EBITDA		**1.355**	**1.229**	**126**
Operating change in provisions recognised in profit or loss and other non-cash changes		(103)	(38)	(65)
Costs linked to use of provisions for risks and charges		(83)	(62)	(21)
Cash EBITDA		**1.169**	**1.129**	**40**
Cash net financial expenses		(169)	(181)	12
Current tax expense		(156)	(127)	(29)
Operating cash flow		**844**	**821**	**23**
Change in working capital and other non-financial items		(70)	11	(81)
Capital expenditure		(872)	(622)	(250)
Grants for investment		11	9	2
ECF - Equity free cash flow		**(87)**	**219**	**(306)**
Other changes		(6)	4	(10)
Net cash flow for the period after cash used in investment in non-financial assets	**B**	**(93)**	**223**	**(316)**
Net equity cash inflows/(outflows)	**C**	**(373)**	**(935)**	**562**
Increase/(Decrease) in cash and cash equivalents during period	**D=B+C**	**(466)**	**(712)**	**246**
Change in fair value of hedging derivatives and other changes in net debt	**E**	**-**	**(59)**	**59**
CHANGE IN NET DEBT DURING THE PERIOD	**F=D+E**	**(466)**	**(771)**	**305**
NET DEBT AT THE END OF THE PERIOD	**A+F**	**(9.746)**	**(8.888)**	**(858)**