Press release

Media Relations
e-mail: ufficiostampa@autostrade.it

Investor Relations
e-mail: investor.relations@autostrade.it

Board of Directors approves Autostrade per l'Italia Group's results announcement for nine months ended 30 September 2024

9M 2024 highlights

- **Italy marked two historical milestones for its motorways in the third quarter of 2024: the 100th anniversary of the opening of the Milano-Laghi (A8) on 21 September and 60 years of the Milan-Naples motorway (A1), the backbone of the country's network, on 4 October**
- **The current and future challenge is to regenerate and upgrade Italy's motorways, providing the country with more modern, climate change resilient infrastructure, able to keep pace with traffic growth and new mobility paradigms**
- **Under the Group's maintenance and investment plan, capex amounted to €1.7bn in 9M 2024 (up by over €0.3bn versus 9M 2023), on track to meet the full-year target of around €2.3bn**
- **In line with the Climate Transition Plan published in September 2024, Autostrade per l'Italia is continuing with its transformation, designed to deliver a more sustainable, safer and more modern network, harnessing technological innovation**

Consolidated financial highlights in 9M 2024

- **Traffic up 1.6%[1] versus 9M 2023**
- **Operating revenue €3,341m, maintenance costs €293m, EBITDA[2] €2,115m (cash EBITDA up 4%) and profit attributable to owners of the parent €867m**
- **Net debt of €9,768m as at 30 September 2024**
- **Operating cash flow generated in 9M 2024 amounts to €1,409m and cash reserves total €4.9bn, ensuring delivery of the investment programme is fully funded**

Rome, 13 November 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 (unaudited) results announcement for the nine months ended 30 September 2024 ("9M 2024").

Network upgrade and modernisation

The Group invested a total of €1,668m in modernisation, upgrade and maintenance of the network in the first nine months of 2024, an increase of €341m compared with the comparative period.

€m	9M 2024	9M 2023
Capex(*)	1.349	1.004
Unremunerated investment	26	11
Maintenance costs	293	312
Total Group investment and maintenance expenditure	**1.668**	**1.327**

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

Capital expenditure amounted to €1,349m under the network upgrade and modernisation plans, designed to combine sustainability with local development.

Work on modernisation of the network proceeded in the first nine months of 2024, with work on bridges and viaducts, tunnels, safety barriers and noise barriers completed at a total cost of €628m.

(1) After adjusting for the leap-year effect, traffic was up 1.3%.

(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".

The following progress in delivering the upgrade plan was made in the first nine months 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, with the final section expected to open by the end of 2024;
- preparations continued for the start of work on projects of major importance for Italy, such as the Bologna Bypass, the Genoa Interchange and the tunnel under the Port of Genoa;
- work continued on the widening to three lanes of the A1 between Florence South and Incisa, where the new San Donato tunnel is under construction, with approximately 150 linear metres bored in the first nine months of 2024;
- preparations began 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;
- work started on the upgrade of the northbound carriageway of the A1 between Barberino and Florence North and of "Modena Ring Road";
- 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).

Finally, boring of the Campursone South tunnel, the first tunnel (part of "Lot 0") forming part of the Genoa Interchange project was completed on 5 November 2024. The project as a whole will involve the boring of approximately 50 km of tunnels.

Traffic trends

Traffic on the Group's network was up 1.6% in the first nine months of 2024 compared with the same period of the previous year. After adjusting for the leap-year effect, traffic is up 1.3%. Light vehicles ("2 axles") were up 1.6%, whilst heavy vehicles ("3 or more axles") rose 2.2%. This trend is confirmed by the figures as of 31 October 2024 (up 1.6% compared with the same period of 2023).

Traffic on the Group's network in 9M 2024

	Vehicles*km (millions)[1]			% change
	Vehicles with 2 axles	Vehicles with 3+ axles	Total vehicles	vs 9M 2023
Autostrade per l'Italia	32.839	5.443	38.282	1,7%
Tangenziale di Napoli	610	11	620	-0,1%
Autostrada Tirrenica	247	21	267	1,1%
Raccordo Autostradale Valle d'Aosta	77	12	89	-5,2%
Società Italiana per il Traforo del Monte Bianco	6	2	8	-12,1%
TOTAL	**33.778**	**5.488**	**39.266**	**1,6%**

(1) Figures expressed in millions of kilometres travelled. The figures for September 2024 are not yet final.

Traffic using the sections operated by Traforo del Monte Bianco and Raccordo Autostradale Valle d'Aosta in the first nine months of 2023 reflected the increase in traffic following the closure, in September 2023, of the Frejus Tunnel, which resulted in traffic being diverted to the Mont Blanc Tunnel.

The downturn in traffic using the Mont Blanc Tunnel in the first nine months of 2024 also reflects the closure to heavy vehicles of the Santhià Ivrea link road from December 2023, which could continue into 2025.

People, sustainability and innovation

- Autostrade per l'Italia first Climate Transition Plan was published in September 2024. The Plan was developed in line with the disclosure requirements in the Corporate Sustainability Reporting Directive and the guidance provided by the Climate Disclosure Project. The document sets out strategies and goals for the transition to a low greenhouse gas economy - in line with the Paris Agreement, limiting the average rise in global temperatures to 1.5°C compared with pre-industrial levels – and the adaptation of infrastructure to withstand extreme climate events.
- The installation of 100 high-powered electric charging stations at the same number of service areas was completed, with a further 8 installed following the award of a new contract in May. New calls for tenders were launched in July for contracts to provide charging stations for electric vehicles at a further 60 service areas on ASPI's network.
- The second edition of Autostrade per l'Italia's Gender Report was presented. The Company is one of the first private businesses to publish the composition of its workforce by gender.
- Autostrade per l'Italia began to participate in the Observatory on Sustainable Road Transport Mobility, set up by the National Sustainable Mobility Centre. Participation commits the Company – together with other major partners – to assessing developments in the study of safe, digital and decarbonised motorways.

Group financial review

Consolidated results

"**Total operating revenue**" for the first nine months of 2024 amounts to €3,341m, an increase of €32m compared with the first nine months of 2023. This reflects:

a) growth in "**Toll revenue**"[3], due primarily to the increase in traffic and the toll increase of 1.51% granted to Autostrade per l'Italia. The item includes €296m (€291m in the first nine months 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 €45m.
b) a reduction in "**Other operating income**" of €32m, essentially due to recognition, in the first nine months of 2023, of €29m in insurance proceeds received by Autostrade per l'Italia under the Company's All-Risks policy.

"**Operating costs**" of €1,278m are down €76m compared with the first nine months of 2023, reflecting a reduction in contract work carried out by Amplia for companies outside the Group and the capitalisation, from 2024, of the cost of certain maintenance work carried out using innovative techniques and materials.

The "**Operating change in provisions**" registered a net use of €52m, due primarily to the positive impact of rises in the interest rates used to discount provisions for risks and charges and for the repair and replacement of motorway infrastructure as at 30 September 2024, compared with those applied at 31 December 2023.

As a result of the above performance, "**Gross operating profit (EBITDA)**" of €2,115m is up €94m on the first nine months of 2023. Cash EBITDA[5] of €1,945m is up €76m on the same period of the previous year (€1,869m).

"**Amortisation and depreciation, impairment losses, reversals of impairment losses and provisions for renewal work**" amount to €599m, an increase of €59m compared with the first nine months of 2023, essentially as a result of the increased value of concession rights due to investment during 2023.

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(3) This item includes a non-cash component linked to the discounts and exemptions granted to road users, amounting to €73m in the first nine months of 2024 (€57m in the comparative period). 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) Additional concession fees payable to ANAS, calculated on the basis of the number of kilometres travelled, 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) Cash EBITDA is calculated by stripping out the "Operating change in provisions", operating uses of provisions and other non-cash items included in EBITDA.

The resulting “**Operating profit (EBIT)**” of €1,516m is up €35m compared with the first nine months of 2023 (€1,481m).

“**Net financial expenses**” of €273m are down €34m compared with the first nine months of 2023, primarily reflecting a reduction in the interest rates used to discount provisions and an increase in interest income linked to an increase in the Group’s liquidity.

“**Income tax expense**” of €372m (€353m in the first nine months of 2023) is up €19m, primarily due to the increase in profit before tax.

“**Profit for the period**” of €872m (€819m for the first nine months of 2023) is up €53m. On a like-for-like basis, profit for the period is up €54m. “**Profit for the period attributable to owners of the parent**” amounts to €867m (€807m for the first nine months of 2023).

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)

€m	9M 2024	9M 2023	Increase/(Decrease) Absolute	%
Toll revenue	3.009	2.945	64	2
Other operating income	332	364	(32)	(9)
Total operating revenue	**3.341**	**3.309**	**32**	**1**
Maintenance costs	(293)	(312)	19	(6)
Cost of other external services	(234)	(261)	27	(10)
Concession fees	(368)	(361)	(7)	2
Net staff costs	(383)	(420)	37	(9)
Total operating costs	**(1.278)**	**(1.354)**	**76**	**(6)**
Operating change in provisions	52	66	(14)	(21)
Total net operating costs	**(1.226)**	**(1.288)**	**62**	**(5)**
Gross operating profit (EBITDA)	**2.115**	**2.021**	**94**	**5**
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	(599)	(540)	(59)	11
Operating profit/(loss) (EBIT)	**1.516**	**1.481**	**35**	**2**
Financial income/(expenses), net	(273)	(307)	34	(11)
Share of profit/(loss) of investees accounted for using the equity method	1	(2)	3	n/s
Profit/(Loss) before tax from continuing operations	**1.244**	**1.172**	**72**	**6**
Income tax benefit/(expense)	(372)	(353)	(19)	5
Profit/(Loss) for the period	**872**	**819**	**53**	**6**
(Profit)/Loss for the period attributable to non-controlling interests	5	12	(7)	(58)
(Profit)/Loss for the period attributable to owners of the parent	**867**	**807**	**60**	**7**

(*) The reconciliation with the statutory consolidated income statement is provided in the section, "Explanatory notes".

Consolidated financial position

As at 30 September 2024, "**Equity attributable to owners of the parent**" amounts to €3,114m, an increase of €508m compared with 31 December 2023 (€2,606m). This reflects profit for the period, partially offset by ASPI's payment of the final dividend for 2023 and the distribution of retained earnings approved by shareholders alongside the financial statements for 2023 (€351m).

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€m	30 September 2024	31 December 2023	Increase/ (Decrease)
Non-financial assets (A)	17.844	17.116	728
Net working capital (B)	(1.344)	(1.524)	180
Gross invested capital (C=A+B)	16.500	15.592	908
Non-financial liabilities (D)	(3.321)	(3.397)	76
NET INVESTED CAPITAL (E=C+D)	13.179	12.195	984
Equity attributable to owners of the parent	3.114	2.606	508
Equity attributable to non-controlling interests	297	309	(12)
Equity (F)	3.411	2.915	496
Net debt (G)	9.768	9.280	488
NET DEBT AND EQUITY (H=F+G)	13.179	12.195	984

(*) The reconciliation with the statutory consolidated statement of financial position is provided in the section, "Explanatory notes".

"**Net debt**" amounts to €9,768m as at 30 September 2024, an increase of €488m compared with 31 December 2023.

€m		9M 2024	9M 2023	Increase/ (Decrease)
NET DEBT AT THE BEGINNING OF THE PERIOD	**A**	**(9.280)**	**(8.117)**	**(1.163)**
Reported EBITDA		**2.115**	**2.021**	**94**
Operating change in provisions recognised in profit or loss and other non-cash changes		(52)	(70)	18
Costs linked to use of provisions for risks and charges		(118)	(82)	(36)
Cash EBITDA		**1.945**	**1.869**	**76**
Cash net financial expenses		(256)	(270)	14
Current tax expense		(280)	(235)	(45)
Operating cash flow		**1.409**	**1.364**	**45**
Change in working capital and other non-financial items		(165)	83	(248)
Capital expenditure		(1.349)	(1.004)	(345)
Grants for investment		23	17	6
ECF - Equity free cash flow		**(82)**	**460**	**(542)**
Other changes		(5)	5	(10)
Net cash flow for the period after cash used in investment in non-financial assets	**B**	**(87)**	**465**	**(552)**
Net equity cash inflows/(outflows)	**C**	**(373)**	**(935)**	**562**
Increase/(Decrease) in cash and cash equivalents during period	**D=B+C**	**(460)**	**(470)**	**10**
Change in fair value of hedging derivatives and other changes in net debt	**E**	**(28)**	**(41)**	**13**
CHANGE IN NET DEBT DURING THE PERIOD	**F=D+E**	**(488)**	**(511)**	**23**
NET DEBT AT THE END OF THE PERIOD	**A+F**	**(9.768)**	**(8.628)**	**(1.140)**

The composition of net debt as at 30 September 2024 is shown below:

€m	30 September 2024	31 December 2023	Increase/ (Decrease)
Net debt			
Financial liabilities (A)	**11.476**	**12.117**	**(641)**
Bond issues	9.275	9.272	3
short-term portion		*499*	*999*
Medium/long-term borrowings	2.019	2.594	(575)
short-term portion		198	152
Derivative liabilities	48	39	9
Bank overdrafts repayable on demand	-	11	(11)
Short-term borrowings	-	16	(16)
Other financial liabilities	134	183	(49)
Financial liabilities held for sale	-	2	(2)
Cash and cash equivalents (B)	**(1.249)**	**(2.209)**	**960**
Financial assets (C)	**(459)**	**(628)**	**169**
Financial assets deriving from concession rights	(14)	(14)	-
Financial assets deriving from government grants	(153)	(155)	2
Term deposits	(137)	(138)	1
Financial assets held for sale	-	(3)	3
Non-current derivative assets	-	(155)	155
Other financial assets	(155)	(163)	8
Net debt (D=A+B+C)	**9.768**	**9.280**	**488**

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

a) the issue of a new Sustainability-linked bond with a notional value of €1.0bn (divided into two tranches of €500m each and maturing in 2032 and 2036, respectively);
b) repayment, at maturity, of the bonds issued in June 2004, with a notional value of €1.0bn.

The reduction in derivative assets (€155m) primarily reflects the unwinding of certain derivatives following the above issues.

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 from Cassa Depositi e Prestiti, amounting to €1.1bn;
b) the use of €600m from the facility obtained from the European Investment Bank (EIB) (out of the total amount made available of €800m) to finance the motorway modernisation plan.

The residual average term to maturity of the Group’s interest-bearing debt as at 30 September 2024 is approximately five years and six months. After taking into account hedging derivatives, 94% of debt is fixed rate. The average cost of the Group’s medium/long-term borrowings was approximately 3.20%.

Finally, as at 30 September 2024, the Group has cash reserves of €4,855m.

Cash reserves benefitted from the credit facilities agreed in the first half of 2024, represented by:

- the new unused Sustainability-Linked facility agreed with Cassa Depositi e Prestiti (€600m);
- a further credit facility agreed with Cassa Depositi e Prestiti, with indirect EIB funding (€400m);
- the unused portion of the credit facility agreed with the EIB (€200m).

Significant legal and regulatory aspects

This section provides details of updates or new developments occurring through to the date of approval of this results announcement for the nine months ended 30 September 2024. This update is an addition to the information already provided in the 2023 Annual Report and the Interim Report for the six months ended 30 June 2024.

Proposed update of Autostrade per l'Italia's financial plan

On 25 July 2024, ASPI submitted a proposed Economic Financial Plan (EFP), based on the existing tariff regime, to the Grantor. Under the regulatory framework, the Grantor is expected to approve the new Plan by 31 December 2024.

ASPI's proposed EFP includes an updated preliminary estimate of the value of planned investment in concession assets in the period from 2020 to 2038, amounting to approximately €36bn. This investment programme, which is due to be assessed by the relevant authorities, reflects significant changes in the macroeconomic environment and the regulatory framework, in addition to certain additional investment. Estimated investment takes into account the new strategic vision linked to the network regeneration plan. The changes are more specifically the result of increases in the prices of materials between 2021 and 2024, the requirements imposed by local authorities during consents processes and, more generally, new technical standards, which have radically altered the the Group's approach to the modernisation of infrastructure assets and the extension of their useful lives.

Regulatory framework

The last quarter has witnessed the introduction of measures that will have a significant impact on the legislative and regulatory framework. These include:

- Law Decree 89/2024, which requires that the procedure for updating the financial plans of motorway operators, such as ASPI, whose five-year regulatory periods expire in 2024 must be completed by no later than 31 December 2024;
- ART Resolution 62/2024, setting out the procedure for updating the tariff frameworks for setting motorway tolls (deadline of 20 December 2024);
- ART Resolution 124/2024, fixing the WACC for the motorway sector;
- the annual markets and competition law (Draft Law 2022, Chamber of Deputies) containing new "Measures relating to the reform of motorway concessions", designed to streamline legislation governing the award of concessions, in-house contract awards, changes to the regulatory framework for setting tariffs to align it with EU restrictions, the criteria applicable to concession remuneration, the duration of concession terms, motorway tolls and investment programmes.

Legal challenge filed by ADUSBEF

On 7 November 2024, the European Court of Justice published its decision on the matter referred to it for a preliminary ruling, referring the case back to the domestic court (Lazio Regional Administrative Court) for a judgement on the original litigation. With regard to the compatibility of the agreement of 14 October 2021 with European law (Directive 2014/23/EU), the Court ruled that:

- art. 43 of Directive 2014/23/EU does not prevent justified, non-substantial amendments being made to a concession without conducting a tender process;
- the above article 43 does not require that, in amending the existing concession, the operator's reliability must be assessed.

Investigation by the Prosecutor's Office in Rome

On 8 October 2024, Autostrade per l'Italia became aware of media reports of a criminal investigation being conducted by the Public Prosecutor's Office at the Court of Rome in relation to the manner in which certain motorway investments have been accounted for. According to the charges, such investments have not been accounted for correctly in the Company's financial statements.

As part of the investigation, the Company's current and former senior management have been invited to appear for questioning, bearing in mind that the offences in question relating to the period prior to 2017 are now statute-barred.

The Chief Executive Officer immediately made arrangements to meet the investigators and clarified the Company's position. To this end, the Company's accounting personnel prepared a detailed reconstruction of the last 26 years of the concession (at the beginning of this period still held by the IRI group). The reconstruction, referred to below, dates back to the legislation introduced in 1998, to which the investigation relates. Such reconstruction was also filed with the Prosecutor's Office.

The alleged offences are (i) false accounting, (ii) obstructing the work of public supervisory authorities and (iii) market manipulation with regard to the approval of financial statements, reports and other corporate communications to shareholders and the public, prepared – according to the allegations – in breach of the so-called Costa Ciampi Directive (the "Directive") and articles 2423 *et seq.* of the Civil Code, as that they did not provide for "*the establishment of a specific reserve for the additional income resulting from the increase in tolls awarded due to the CIPE determination of 20 December 1996 in relation to [*certain*] uncompleted investments* (the "Identified Works") *provided for in investment plans"*[(6)]. The allegations regard ASPI financial statements for the years from 2017 to 2022 (also in relation to the effects carried forward from earlier financial statements).

[(6)] The charges refer to "the upgrade of the Bologna-Florence Incisa section between km 195+278 and km 319+980" and the "construction of third and fourth lanes on the (A1) Rome-Orte, (A8) Milan-Lakes, (A1) Bologna-Modena and (A14) Bologna Ring Road sections and other additional investment in third lanes".

Without a discovery process that would enable the Company to understand on what basis the Prosecutor's Office believes that the Costa Ciampi Directive applies to the Identified Works, and how the investigators have calculated the value of the alleged missing reserves and the related financial statement items, ASPI has in any event carried out an assessment with the aim of:

- on the one hand, reconstructing the scope of application of the Costa Ciampi Directive and assessing its applicability to the Identified Works;
- on the other, verifying which, if any, toll increases, resulting from application of the X component in the tariff framework approved by the CIPE resolution of 20 December 1996, specifically to remunerate the future investment in question, ASPI effectively benefitted from.

For the purposes of clarity, the principal conclusions of the assessment carried out by ASPI are as follows:

- the Costa-Ciampi Directive (regulating*, inter alia*, the process for the transfer of a concession from one operator to another on expiry of the existing concession) and, in particular, art. 5, paragraph 2[7], by no accident called "New Concessions", applies exclusively to new works included in concession documents entered into after the entry into force of the Directive itself. Therefore, the Identified Works, as already provided for in the 1997 Concession Arrangement (between ASPI and ANAS) and, as such, preceding the Directive (issued on 20 October 1998), are outside its scope of application. This assumption is also confirmed by article 14 of the Second Addendum of 29 March 1999, referring to the 1997 Concession Arrangement, which unequivocally confirms that the Directive applies only to new works agreed after its issue.
- in any event, a reconstruction of the timeline of the content of the various concession documents from 1997 through to the Single Concession Arrangement of 2007 and an examination of ASPI's financial statements reveal that the Company has at no time earned, and will not earn, additional income as a result of toll increases as a result of advance remuneration for performance of the Identified Works. And that in fact:
  - the "X productivity" for the years 1998-2002, as used in the tariff formula referred to in CIPE Resolution 319/1996, and referred to in the Prosecutor's investigation, is set at 0 in the concession documents; this variable represents the expected productivity rate, to be established specifically for each company, taking into account assessments relating to various aspects including "future investment projects";

[7] The legislation requires the outgoing operator to establish a specific reserve for the additional income deriving from toll increases awarded as remuneration for the construction of the "new works". This reduced the compensation that was to be paid by the incoming operator with reference to new works carried out under the concession arrangement and not yet amortised.

- in the Fourth Addendum of 2002 (approved pursuant to a specific law), does not provide for any specific remuneration for investment covered by the 1997 Programme, which includes the Identified Works, for new and additional investments introduced in the Fourth Addendum (different, therefore, from those included in the 1997 Programme) the "X productivity" is replaced by a new and different tariff sub-component, applicable only to investments once they have been performed;
- not even the Single Concession Arrangement of 2007, which renewed and replaced the previous 1997 Arrangement and the related addenda - also approved by law (Law 101/2008) - recognised specific remuneration with reference to the Identified Works. In addition, it established that any failure or delay in performing the investments provided for in the 1997 Programme may only result in financial benefits (not to be confused with economic benefits) and requires, in this case, the establishment of a non-distributable equity reserve. Such a reserve was effectively established by ASPI and released in 2014 (as reflected in the financial statements for 2013) with the consent of the Grantor, due to the effective performance of investments provided for in the 1997 Programme with a value in excess of the amount provided for by the Concession Arrangement itself.

ASPI wishes to state again that it will provide any additional clarification necessary following the discovery process and that it has every confidence in the investigation. The Company is convinced that it has acted correctly at all times, with events transparently documented in its financial statements and other corporate communications.

Events after 30 September 2024

Sale of the investments in TEM and TE

The sale of the ASPI Group's stakes in Tangenziale Esterna SpA (TE) and in TE's holding company, Tangenziale Esterna di Milano SpA (TEM), and of the Group's share of shareholder loans to TE, was completed on 25 October 204. The transaction has enabled the Group to realise the value of its non-controlling stake (14.5%) in a non-strategic asset, receiving a consideration of €122m, in addition to the repayment of shareholder loans totalling €18m. The transaction will have a positive impact of approximately €66m on the consolidated income statement for 2024.

Outlook, risk factors and uncertainties

In 2024, the year that marked the one-hundredth anniversary of the opening of the Milano-Laghi motorway (A8) and the sixty years of the Milan-Naples motorway (A1), our task is to regenerate and upgrade 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 further 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.

In view of the performance of traffic in the year to the end of October 2024, despite the uncertain environment, in part caused by the prolonged geopolitical crisis, we expect traffic using Autostrade per l'Italia's network to register growth of around 1.5% in 2024 compared with the previous year.

2024 is also the last year of Autostrade per l'Italia's five-year regulatory period from 2020 to 2024. As part of the process of updating the regulatory framework for the next five years from 2025 to 2029, it will thus be essential – having identified all the investments required to meet Italy's mobility needs – to finalise the update of the Financial Plan and find the financial mechanisms capable of ensuring metrics appropriate to a solid financial structure.

Given the above uncertainties, which impact the legislative and regulatory framework currently under review, it cannot be excluded that the updated financial plan submitted in July may not be approved by the Grantor within the deadline set by the existing legislative framework, namely by 31 December 2024.

We will pursue our business objectives whilst maintaining a healthy, stable financial structure, as confirmed by the investment grade ratings assigned by the leading rating agencies.

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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 September 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	
	9M			9M			9M			9M			9M		9M	
	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	2024	2023
REPORTED AMOUNTS																
Operating revenue	3.218	3.178	40	769	540	229	148	117	31	42	45	(3)	(836)	(571)	3.341	3.309
EBITDA	2.068	2.008	60	35	8	27	12	6	6	2	6	(4)	(2)	(7)	2.115	2.021
Operating cash flow	1.372	1.367	5	26	(1)	27	9	5	4	4	-	4	(2)	(7)	1.409	1.364
Capital expenditure	1.250	926	324	37	9	28	19	21	(2)	1	-	1	42	48	1.349	1.004
Average workforce	5.428	5.538	(110)	2.964	2.613	351	396	336	60	661	638	23	-	-	9.449	9.125

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

Engineering and construction: essentially Amplia Infrastructures and Tecne;

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

Other services[8]: 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 nine months of 2024.

(8) In order to present a more accurate picture of the segments, it should be noted that Autostrade Meridionali, whose concession was transferred to the incoming operator in April 2022, has been reclassified under "Other services". Consequently, operating revenue and EBITDA for the first nine months of 2023 for the "Motorway operations" segment has increased by €3m and €1m, respectively, compared with the previously published figures, while operating revenue and EBITDA for the "Other services" segment have increased by the same amounts.

Explanatory notes

This results announcement for the nine months ended 30 September 2024 has have been prepared in compliance with the International Financial Reporting Standards (IFRS) used in preparation of the financial statements as at and for the year ended 31 December 2023, above all with regard to IAS 34 "Interim Financial Reporting" (applicable to interim reports).

Alternative performance indicators

In accordance with ESMA guidance, a list of the main APIs used in the interim half-year 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.

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 concession assets 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 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” and are used in the analysis of changes in gross operating profit/(loss) (EBITDA), profit/(loss) for the period, profit/(loss) for the period attributable to owners of the parent and operating cash flow.

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 presented in the reclassified consolidated financial statements shown below.

	9M 2024				9M 2023			
€m	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)	**2.115**	**872**	**867**	**1.409**	**2.021**	**819**	**807**	**1.364**
Adjustments for non like-for-like items								
Change in discount rate applied to provisions	43	34	34	-	47	35	35	-
Off-balance sheet amortisation of goodwill	-	-	-	12	-	-	-	63
Sub-total (B)	**43**	**34**	**34**	**12**	**47**	**35**	**35**	**63**
Like-for-like amounts (C) = (A)-(B)	**2.072**	**838**	**833**	**1.397**	**1.974**	**784**	**772**	**1.301**

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 and to the provisions made in by ASPI in previous years to cover the cost of the commitments included in the Settlement Agreement;
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.

Reconciliation of the reclassified and statutory financial statements

Reconciliations of the income statement and statement of financial position, as prepared under IFRS, with the corresponding reclassified financial statements presented above are shown below.

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT WITH THE RECLASSIFIED CONSOLIDATED INCOME

€m	9M 2024						9M 2023					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			3.009			3.009			2.945			**2.945**
Revenue from construction services			1.231						900			
Revenue from construction services - government grants and cost of materials and external services	*(a)*	*1.038*					*(a)*	*766*				
Capitalised staff costs - construction services for which additional economic benefits are received	*(b)*	*193*					*(b)*	*134*				
Revenue from construction services provided by sub-operators	*(c)*	*-*					*(c)*	*-*				
Other revenue	*(d)*		332				*(d)*		364			
Other operating income				*(c+d)*		332				*(c+d)*		364
Revenue from construction services provided by sub-operators				*(c)*	*0*					*(c)*	*-*	
Total revenue			**4.572**						**4.209**			
TOTAL OPERATING REVENUE						**3.341**						**3.309**
Raw and consumable materials			**(242)**		(242)				**(173)**		(173)	
Service costs			**(1.269)**		(1.269)				**(1.109)**		(1.109)	
Gain/(Loss) on sale of elements of property, plant and equipment			**1**		1				**1**		1	
Staff costs	*(e)*		**(576)**				*(e)*		**(554)**			
Other operating costs			**(426)**						**(423)**			
Concession fees	*(f)*		(368)				*(f)*		(361)			
Lease expense			(13)		(13)				(14)		(14)	
Other			(45)		(45)				(48)		(48)	
Revenue from construction services: government grants and capitalised cost of materials and external services				*(a)*	*1.038*					*(a)*	*766*	
Use of provisions for renewal of motorway infrastructure				*(i)*	*3*					*(i)*	*4*	
COST OF MATERIALS AND EXTERNAL SERVICES						**(527)**						**(573)**
CONCESSION FEES				*(f)*		**(368)**				*(f)*		**(361)**
NET STAFF COSTS				*(e+b)*		**(383)**				*(e+b)*		**(420)**
OPERATING CHANGE IN PROVISIONS						**52**						**66**
Operating change in provisions			**48**						**66**			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			33		33				40		40	
(Provisions)/Uses of provisions for renewal of motorway infrastructure			(4)						-			
Provisions for renewal of motorway infrastructure	*(h)*	*(7)*					*(h)*	*(4)*				
Uses of provisions for renewal of motorway infrastructure	*(i)*	*3*					*(i)*	*4*				
Provisions/(Uses) of provisions for risks and charges			19		19				26		26	
TOTAL NET OPERATING COSTS						**(1.226)**						**(1.288)**
Amortisation and depreciation	*(l)*		**(588)**				*(l)*		**(530)**			
Depreciation of property, plant and equipment			(37)						(30)			
Amortisation of intangible assets deriving from concession rights			(510)						(443)			
Amortisation of other intangible assets			(41)						(57)			
(Impairment losses)/Reversals of impairment losses	*(m)*		**(4)**				*(m)*		**(6)**			
GROSS OPERATING PROFIT (EBITDA)						**2.115**						**2.021**
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES AND REVERSALS OF IMPAIRMENT LOSSES				*(l+h+m)*		**(599)**				*(l+h+m)*		**(540)**
TOTAL COSTS			**(3.056)**						**(2.728)**			
OPERATING PROFIT/(LOSS)			**1.516**						**1.481**			
OPERATING PROFIT/(LOSS) (EBIT)						**1.516**						**1.481**
Financial income			**87**						**76**			
Other financial income	*(n)*		87				*(n)*		76			
Financial expenses	*(o)*		**(360)**				*(o)*		**(383)**			
Financial expenses from discounting of provisions	*(p)*		(8)				*(p)*		(20)			
Other financial expenses	*(q)*		(352)				*(q)*		(363)			
Foreign exchange gains/(losses)			-						-			
FINANCIAL INCOME/(EXPENSES)			**(273)**						**(307)**			
Financial expenses, net of financial income						(273)						(307)
Share of profit/(loss) of investees accounted for using the equity method	*(r)*		**1**	*(r)*		1	*(r)*		(2)	*(r)*		(2)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**1.244**			**1.244**			**1.172**			**1.172**
Income tax (expense)/benefit			**(372)**			**(372)**			**(353)**			**(353)**
Current tax expense			(280)						(240)			
Differences on tax expense for previous years			-						5			
Deferred tax income and expense			(92)						(118)			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**872**			**872**			**819**			**819**
Proft/(Loss) from assets held for sale			**-**			**-**			**-**			**-**
PROFIT/(LOSS) FOR THE PERIOD			**872**			**872**			**819**			**819**
of which:												
Profit/(Loss) for the period attributable to owners of the parent			**867**			**867**			**807**			**807**
Profit/(Loss) for the period attributable to non-controlling interests			**5**			**5**			**12**			**12**

RECONCILICATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH THE RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 September 2024						31 December 2023					
Reconciliation of items	**Reported basis**			**Reclassified basis**			**Reported basis**			**Reclassified basis**		
	Ref.		**Main entries**	*Ref.*	**Sub-items**	**Main entries**	*Ref.*		**Main entries**	*Ref.*	**Sub-items**	**Main entries**
Property, plant and equipment	*(a)*		261			261	*(a)*		225			225
Intangible assets	*(b)*		17.369			17.369	*(b)*		16.659			16.659
Investments	*(c)*		12			12	*(c)*		73			73
Deferred tax assets	*(d)*		139			139	*(d)*		135			135
Other non-financial assets	*(e)*		-			-	*(e)*		-			-
Non-financial assets held for sale				*(f)*		63				*(f)*		24
Total non-financial assets (A)						**17.844**						**17.116**
Trading assets	*(g)*		995			995	*(g)*		856			856
Trading liabilities	*(h)*		**(1.817)**			(1.817)	*(h)*		(1.890)			(1.890)
Current tax assets/(liabilities), net				*(i+j)*		(175)				*(i+j)*		(136)
Current tax assets	*(i)*		*107*				*(i)*		*13*			
Current tax liabilities	*(j)*		*(282)*				*(j)*		*(149)*			
Other assets/(liabilities), net				*(k+l)*		(347)				*(k+l)*		(354)
Other assets	*(k)*		*150*				*(k)*		*134*			
Other liabilities	*(l)*		*(497)*				*(l)*		*(488)*			
Net working capital (B)						**(1.344)**						**-1.524**
Gross invested capital (C=A+B)						**16.500**						**15.592**
Provisions				*(m+n)*		(2.588)				*(m+n)*		(2.752)
Current provisions	*(m)*		*(460)*				*(m)*		*(486)*			
Non-current provisions	*(n)*		*(2.128)*				*(n)*		*(2.266)*			
Deferred tax liabilities	*(o)*		*(706)*			(706)	*(o)*		*(611)*			(611)
Other non-financial liabilities	*(p)*		(27)			(27)	*(p)*		(22)			(22)
Non-financial liabilities held for sale				*(q)*		-				*(q)*		(12)
Non-financial liabilities (D)						**(3.321)**						**(3.397)**
NET INVESTED CAPITAL (E=C+D)						**13.179**						**12.195**
Equity attributable to owners of the parent			3.114			3.114			2.606			2.606
Equity attributable to non-controlling interests			297			297			309			309
Total equity (F)			**3.411**			**3.411**			**2.915**			**2.915**
Net debt (G)				*(r+s+t+u+v-w-x-z)*		**9.768**				*(r+s+t+u+v-w-x-z)*		**9.280**
Non-current financial liabilities	*(r)*		10.644				*(r)*		10.754			
Non-current financial assets	*(s)*		(301)				*(s)*		(489)			
Current financial liabilities	*(t)*		832				*(t)*		1.361			
Cash and cash equivalents	*(u)*		(1.249)				*(u)*		(2.204)			
Cash		*(1.100)*						*(1.849)*				
Cash equivalents		*(149)*						*(355)*				
Current financial assets	*(v)*		(158)				*(v)*		(135)			
NET DEBT AND EQUITY (H=F+G)						**13.179**						**12.195**
Assets held for sale	*(y)*		63				*(y)*		32			
Non-financial assets held for sale		63						24				
Financial assets held for sale - non-current assets	*(w)*	-					*(w)*	3				
Cash and cash equivalents related to discontinued operations	*(x)*	-					*(x)*	5				
Liabilities held for sale	*(zz)*		-				*(zz)*		(13)			
Non-financial liabilities held for sale		-						*(12)*			-	
Financial liabilities held for sale	*(z)*	-					*(z)*	*(1)*		*(z)*		
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*		**18.082**				*(a+b+c+d+e-s)*		**17.581**			
TOTAL CURRENT ASSETS	*(g+i+k-u-v+y)*		**2.722**				*(g+i+k-u-v+y)*		**3.374**			
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p+r)*		**13.505**				*(-n-o-p+r)*		**13.653**			
TOTAL CURRENT LIABILITIES	*(-h-j-l-m+t-x)*		**3.888**				*(-h-j-l-m+t-x)*		**4.387**			