



Investor Presentation

November 2020

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Management

Vladimiro Agostini

Chairman of the Board



- Mr. Agostini, 65 years old, was appointed President of Group Veritas in 2007
- His professional experience ranges from the banking sector to the manufacturing industry
- He has covered different political offices

Andrea Razzini

Chief Executive Officer



- Mr. Razzini, 54 years old, joined Veritas in 2007, after being Director-General of Vesta for two years
- After his graduation in Law, he worked for several companies in the Transport and Port industry, first as a consultant, then as a manager

Massimiliano Hiche

Chief Financial Officer



- Mr. Hiche, 60 years old, started his career in the Public Utilities sector in 2001
- After his graduation in Management, he has worked as Financial Controlling Director and Division Manager for a general merchandise retailer

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Company overview



Business areas performances and results



Market Analysis



Financial highlights and capital structure



Strategic guidelines and industrial strategy

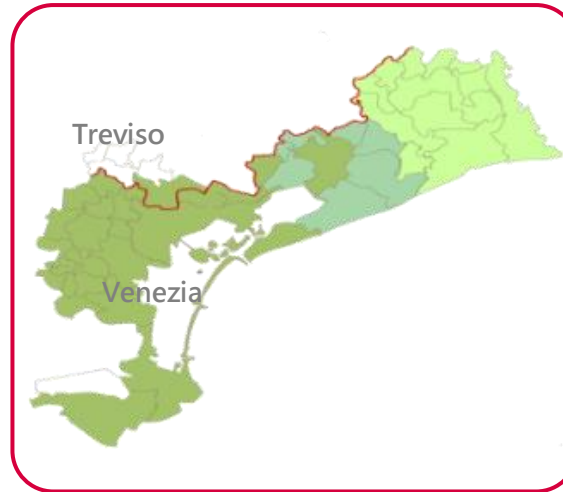


Transaction overview



Appendix

Veritas Group at a glance



2019 Revenues



€431.3M

2019 EBITDA



€74.7 M

Business
Portfolio

Waste
Water
Other Services

Regulated
Business

~ 76% of EBITDA (*)

Employees
FTE

3,249

Highlights

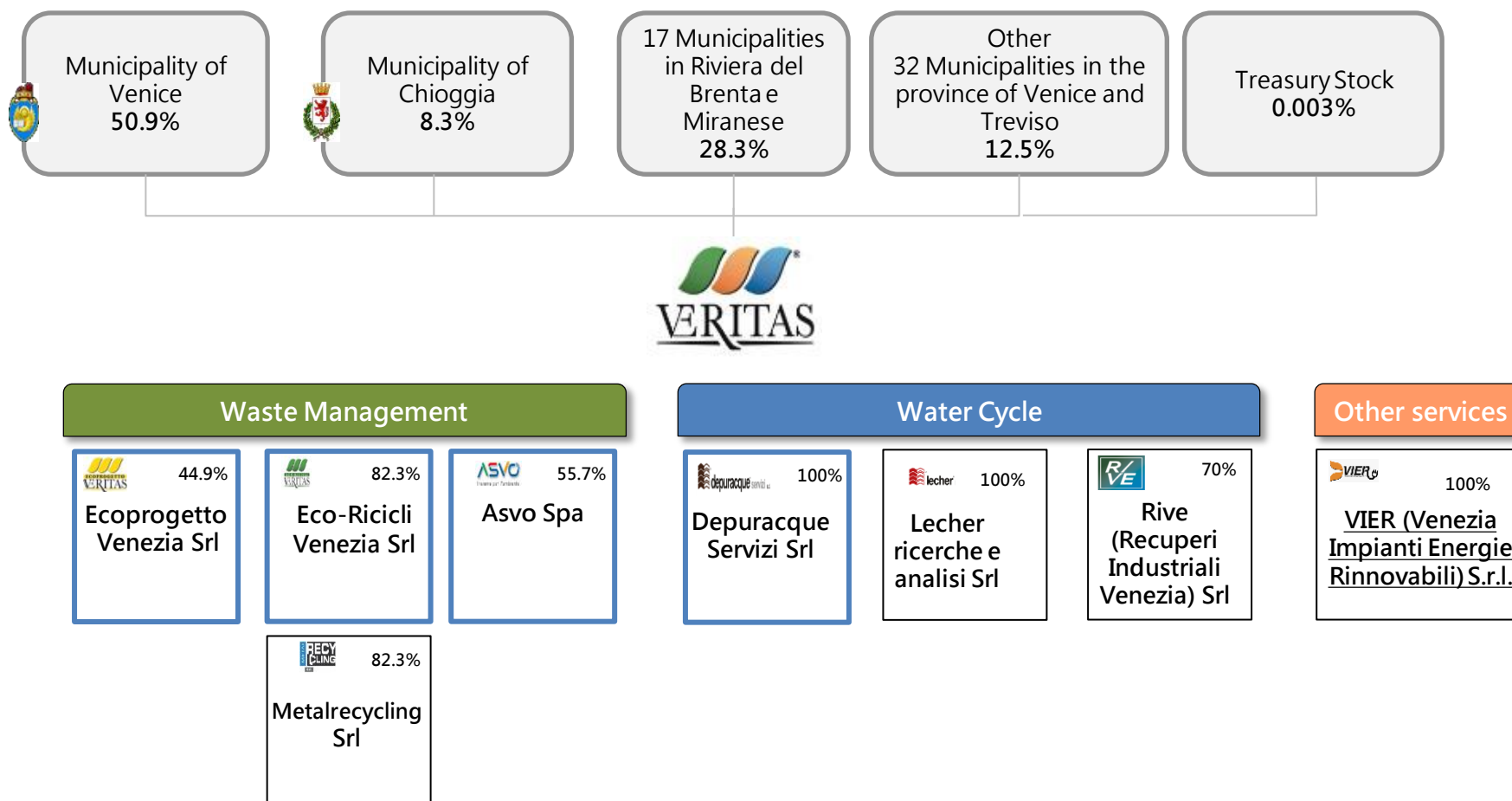


51 Municipalities
2,625 km²
0.92mn inhabitants
~50mn tourists per
year

Veritas Group is a **leading multi-utility** mainly operating in the Veneto Region and **among the principal national players both in the Waste and the Water industry.**

Veneto is among Italy's wealthiest region in terms of GDP per capita and the most visited by tourists, with circa 71mn tourists visiting the region every year. In greater details, circa 50mn people visit the area of Venice and the municipalities served by Veritas Group.

Group Structure as of 31/12/2019



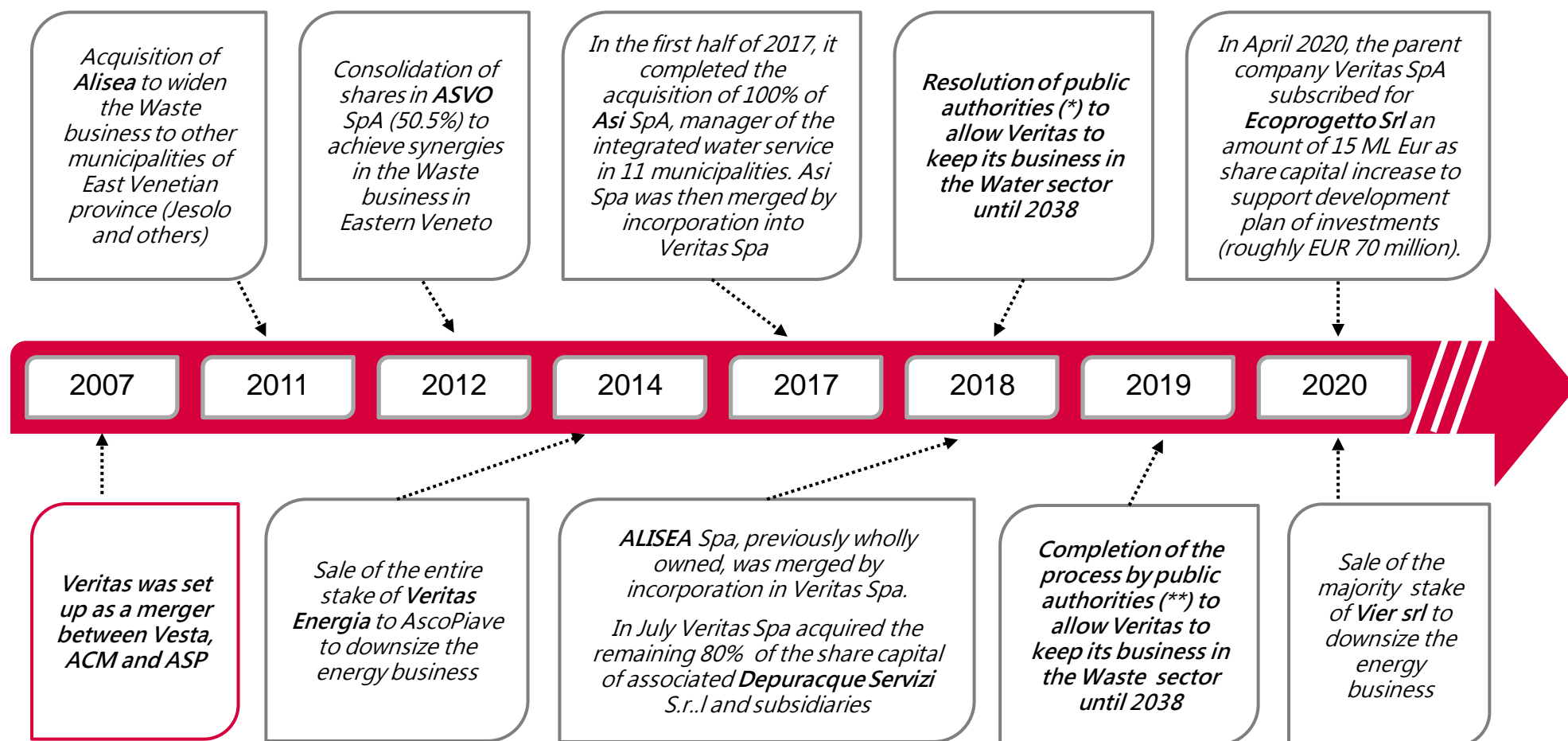
 The holding company, Veritas Spa, has a turnover of EUR 368.9mn as of 31 December 2019

 ~85.5% of the Group total revenues

 Material Subsidiary (accounts for 5% or more of the Group's consolidated EBITDA or consolidated total assets)

Note: not including three companies in liquidation, as they are not significant in terms of assets and debt

Group evolution: business consolidation process and geographical expansion

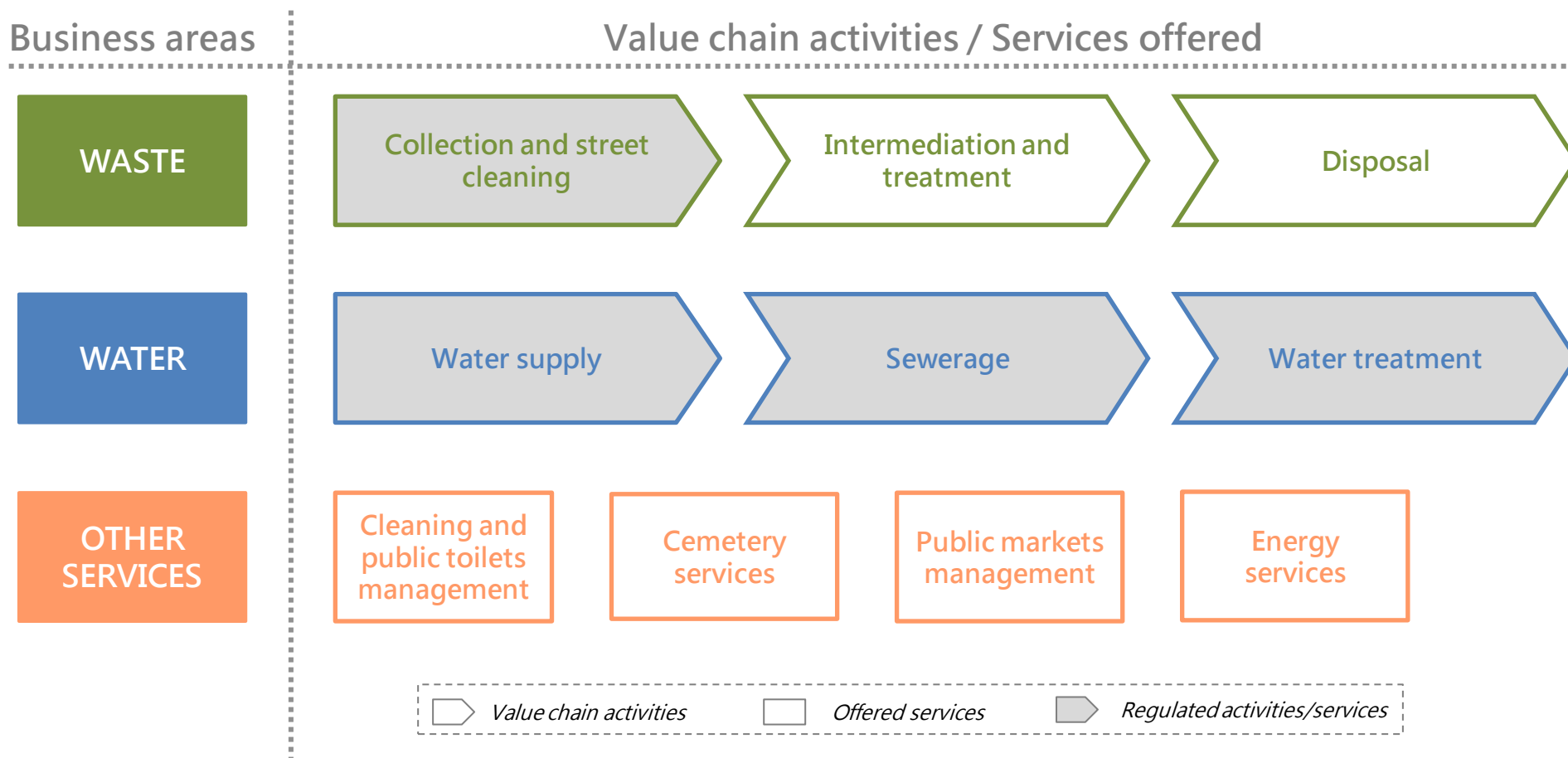


The Group has widened its territorial presence through the acquisition and control of several companies mainly in the Waste sector while consolidating its activities in the Water industry. In addition, it has conducted a process of rationalization of its subsidiaries starting from 37 operations active in 2007.

Note: (*) Under the provisions of Consiglio di Bacino Laguna di Venezia (20/12/2018)

(**) Under provisions of Consiglio di Bacino Venezia Ambiente and Municipalities, last provision by Comune di Venezia 18 Dec.2019

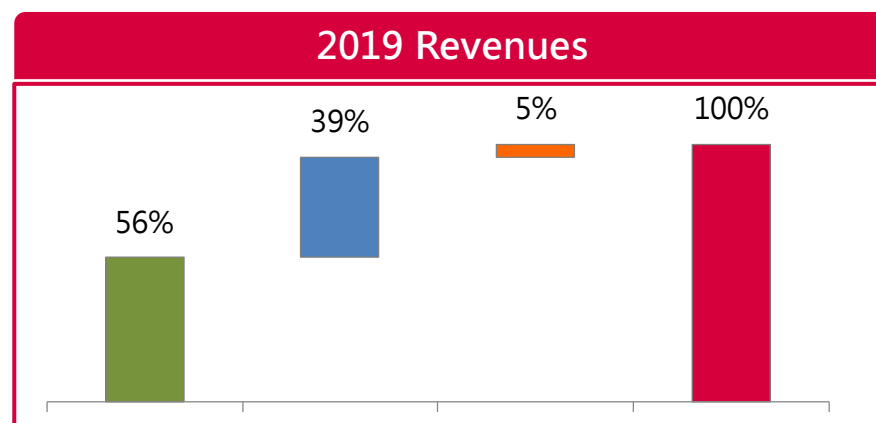
Group business portfolio



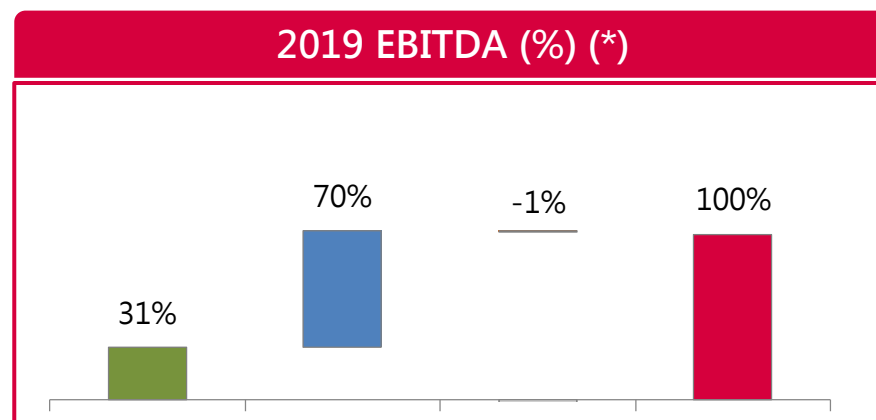
 The contribution of the water and waste sectors related to regulated activities (in terms of percentage) to the EBITDA are for the full year 2019 respectively ~ 73% and ~ 83%

Financials & Business contribution by areas to Group Revenues and EBITDA

<i>Data in € mln</i>	2019
Revenues	431.3
EBITDA	74.7
% margin	17.3%
EBIT	20.4
% margin	4.7%
Net Income	7.8
Net Financial Position	199.4
Shareholders Equity (including minorities)	292.0
Capex	68.5



Total revenues: ~ 431.3 M EUR



Total EBITDA: ~ 74.7 M EUR



Note (*): The consolidated business unit EBITDA results from the sum of: EBITDA Business Division Veritas spa + overhead cost/revenues, allocated accordingly to internal cost. + EBITDA of consolidated companies attributable to the B.U.

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Highlights of the Waste operational system – Group level

Collection and street cleaning



Special Fleet
(~ 1,317 vehicle
~ 168 ships)



~ 1,830 km of
swept roads



~ 15,900 garbage bins

~ 900,000 inhabitants served

~ 2,500 km² area

~ 1,929 employees FTE (*)

~ 548,000 tonnes collected

Intermediation and treatment



1 RDF (**) plant
(Fusina)



3 separate collection
recycling plants

5 transfer stations

Disposal



6 landfills (5 in "post-mortem"
and 1 active located in Jesolo)

Thanks to the operational system and the technological evolution of its plants, Veritas recover or transform almost the totality of collected waste

More than 1,900 employees are involved in collecting and treating, roughly 0.5million tonnes of waste, serving 0.9 M people

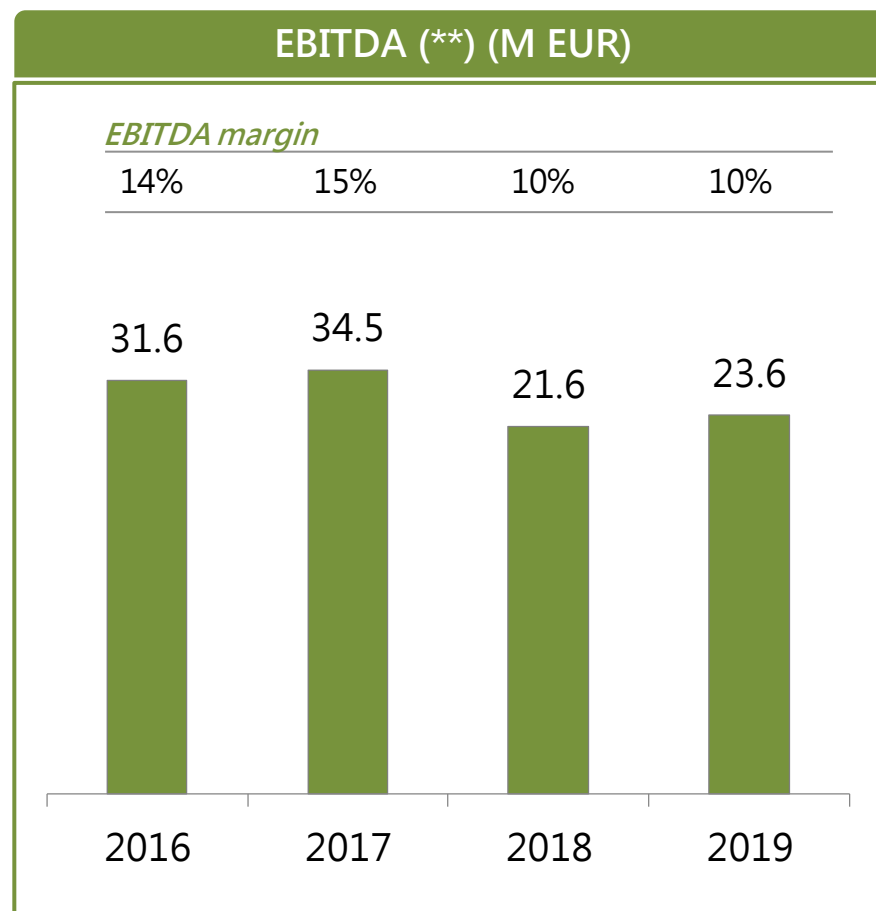
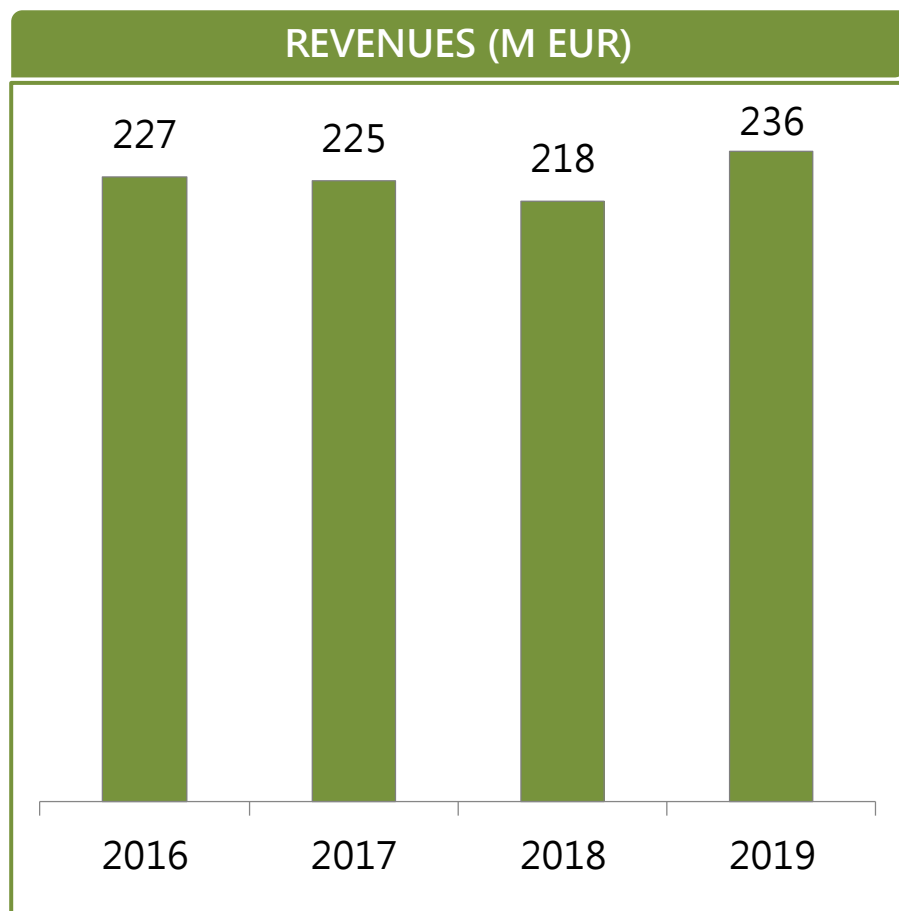
The circularity waste system – Group Level



- 1 Metalrecycling Venice srl
- 2 Area 23 ettari
- 3 Ecoprogetto Venezia srl
- 4 Ecopatè srl
- 5 Eco-Ricicli Veritas srl
- 6 Vallone Moranzani

- 7 Cassa di colmata A
- 8 R.I.V.E. srl
- 9 Impianto PIF
- 10 Depuratore di Fusina (Veritas spa)
- 11 Impianto di depurazione
reflui Industriali "SG31" (Veritas spa)
- 12 Ampliamento Isola delle Tresse

Financial performance of the Waste business unit at Group level (*)



📊 The EBITDA margin of the Waste business has remained stable in the last four years

📊 Waste services are under the "in-house providing" regulation until 2038

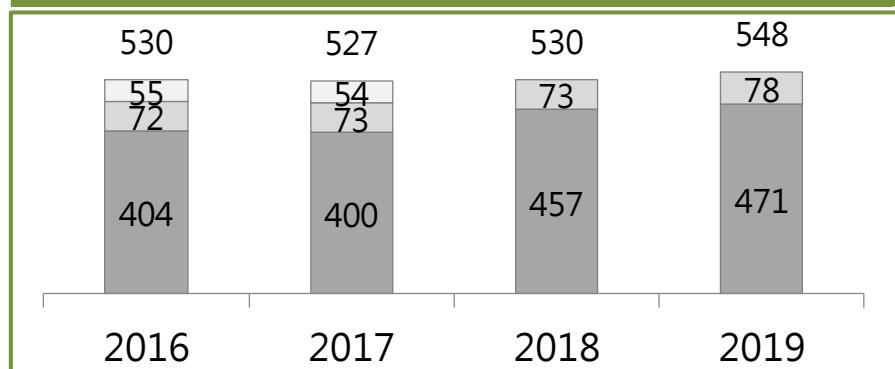
Notes: (*) Figures are related to Group level, revenues relate only to operating revenues, excluding overheads revenues;

(**) Overhead costs/revenues are allocated on Waste Business Unit accordingly to internal costs for the Veritas holding Divisions

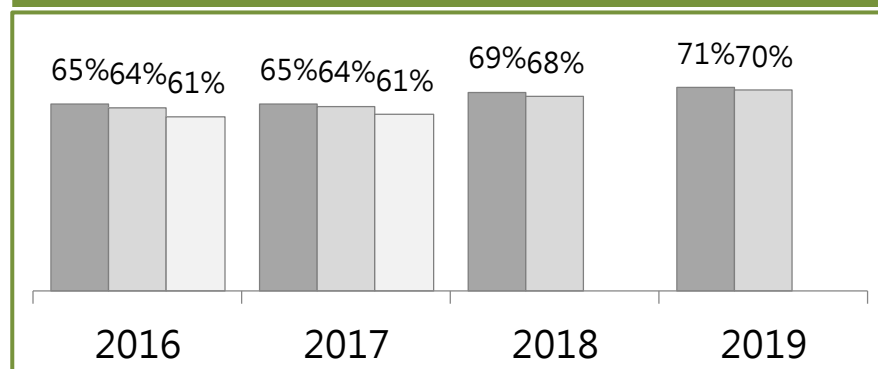
Operating performance of the Waste business unit



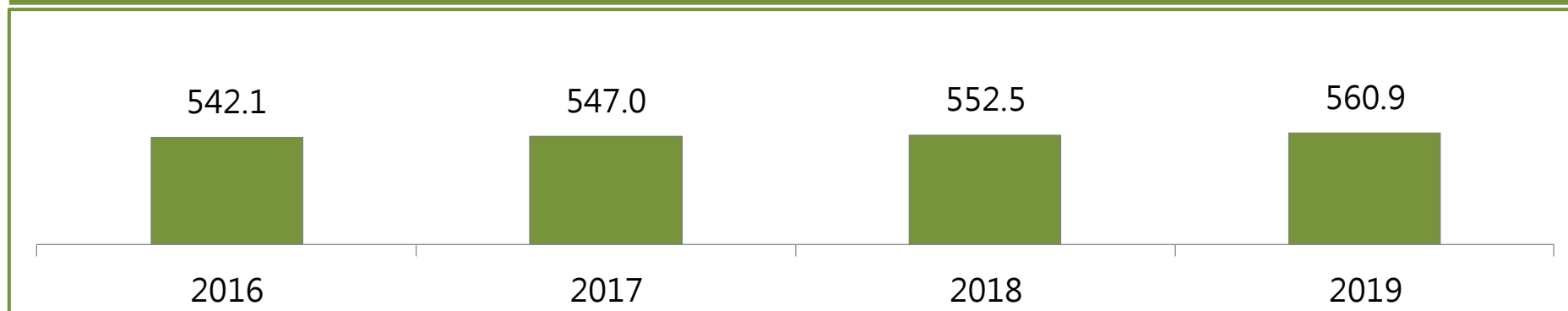
VOLUMES COLLECTED (1,000 TONNES)



DIFFERENTIATED COLLECTION (%) (*)



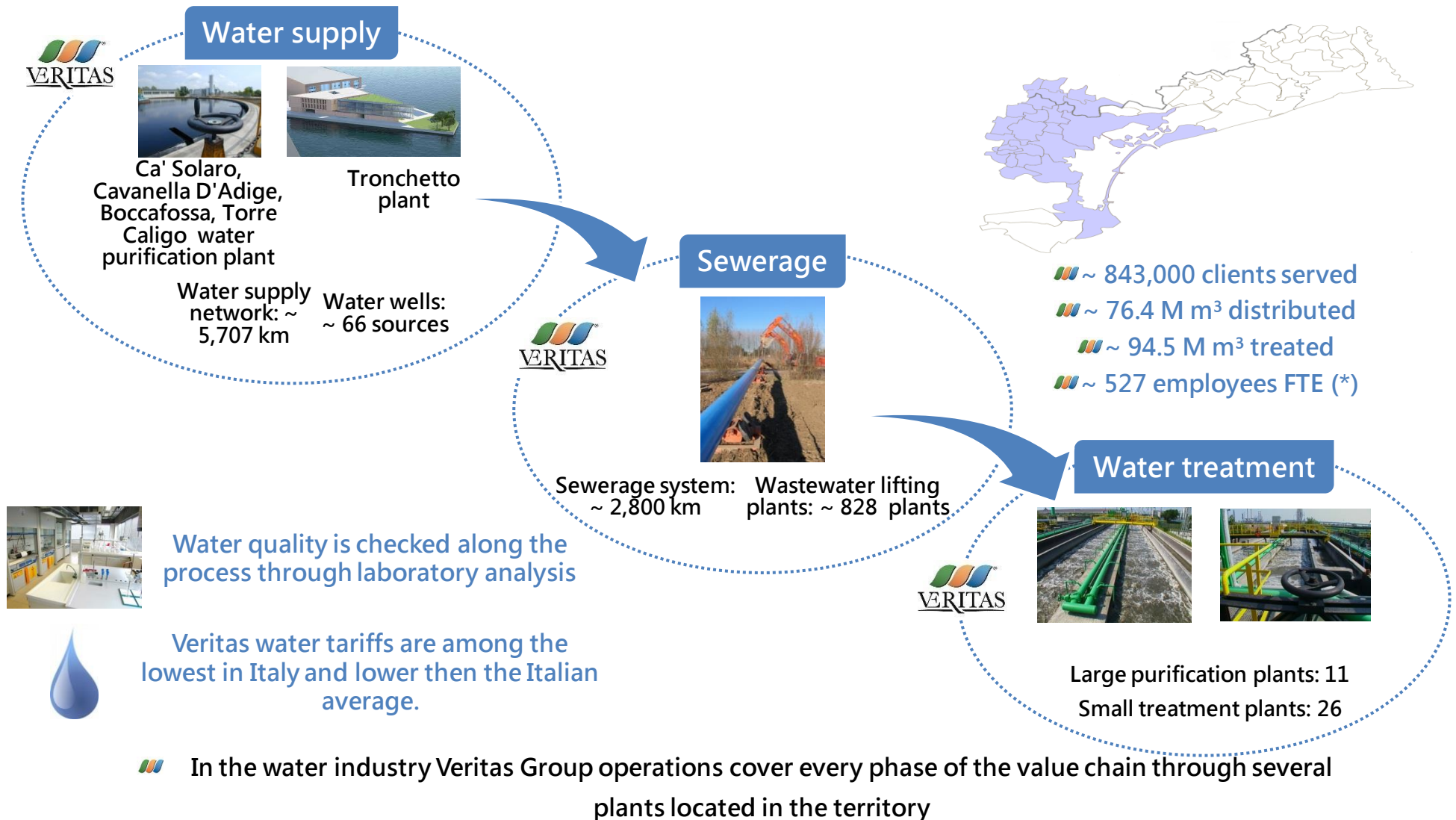
CLIENTS SERVED (1,000 PEOPLE) (**)



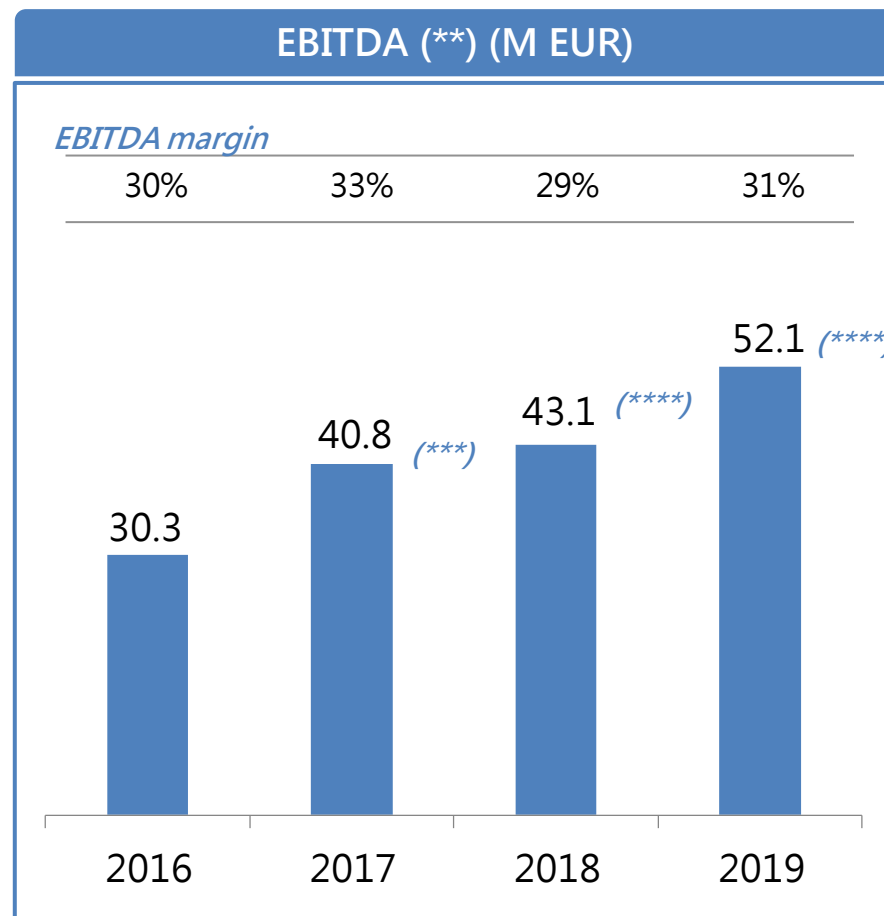
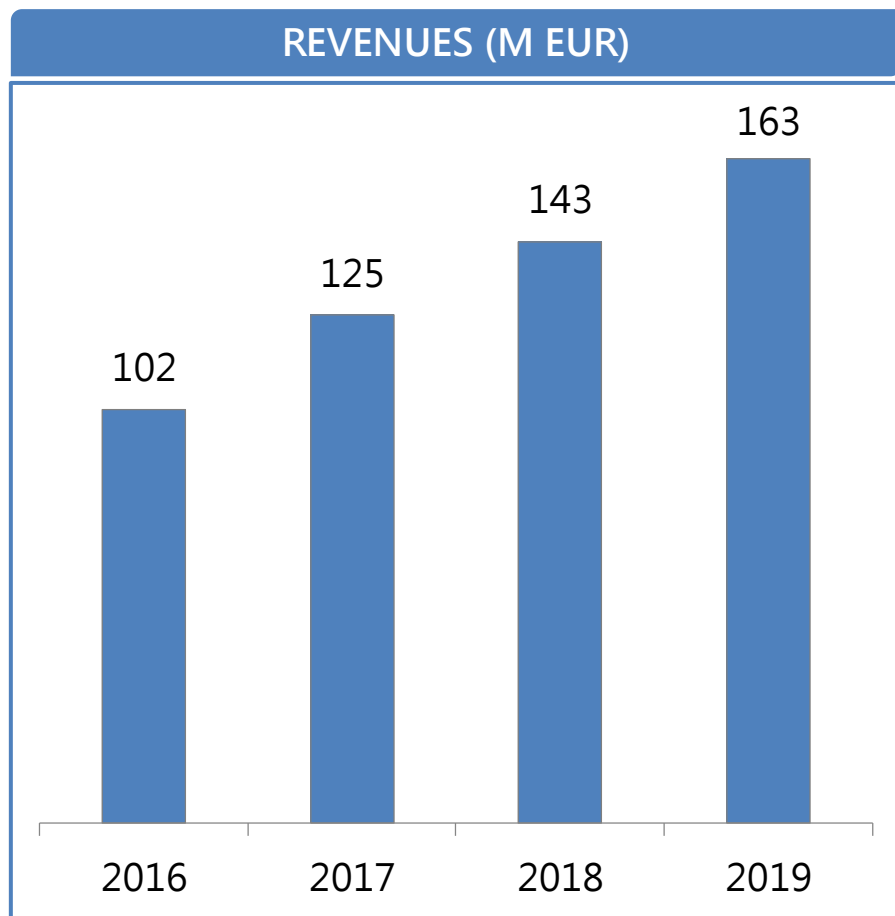
Waste business area showed both stable economic results and improvements in the quality of offered services

Notes: (*) Percentage on total collected volumes. In 2018 Alisea Spa was merged by incorporation in Veritas Spa; (**) Data also include Alisea and ASVO

Highlights of the Water operational system – Group level

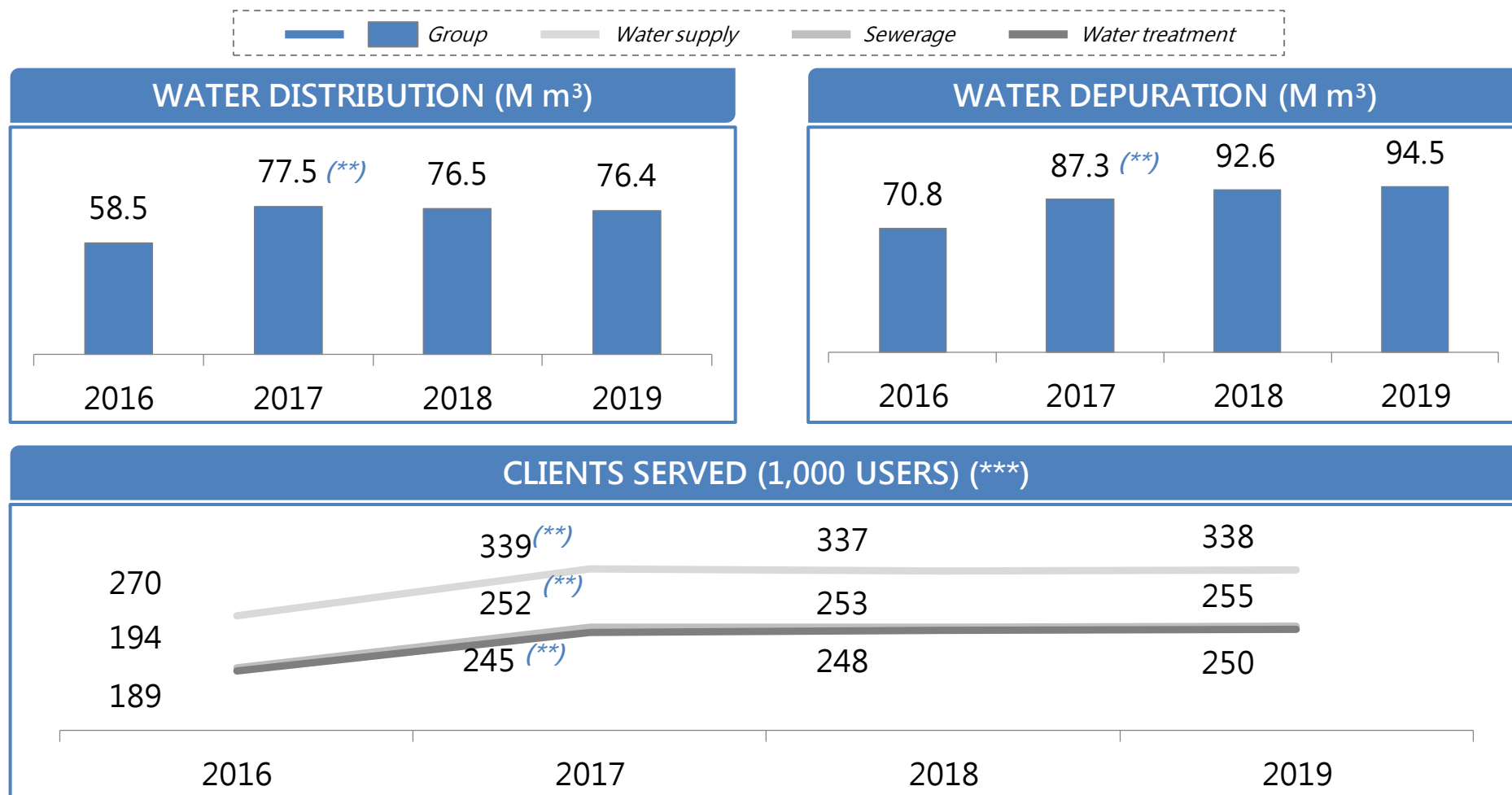



Financial performance of the Water business unit at Group level (*)



 Water services are likely to be under the "in-house providing" regulation until 2038.


Operating performance of the Water business unit (*)



 Water business operating performance shows a stable trend throughout the years

Notes: (*) Water distribution relates to Veritas Spa; (**) ASI consolidation effect, (***) Figures include users served by water supply, sewerage and water treatment

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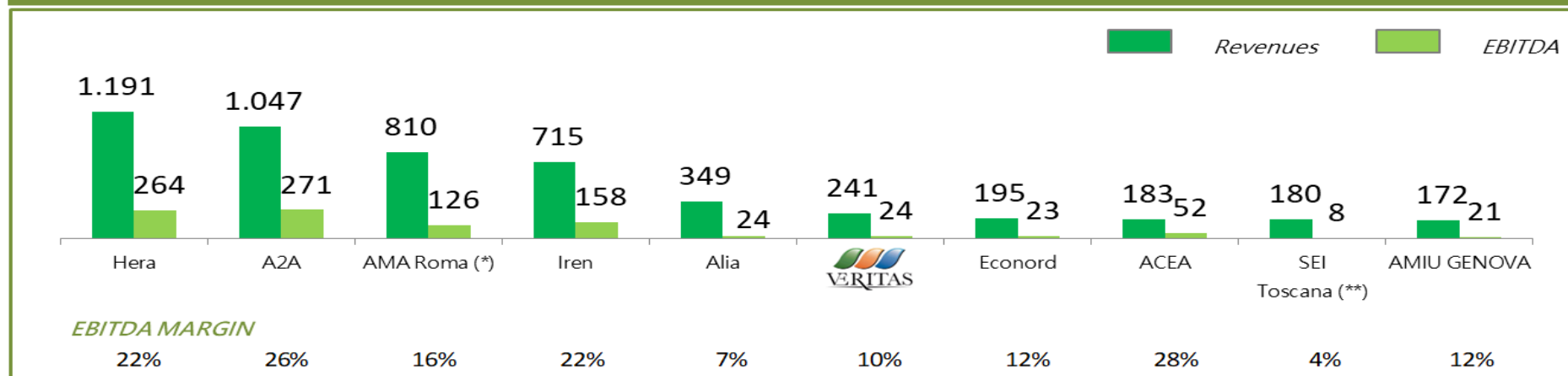
 Strategic guidelines and industrial strategy

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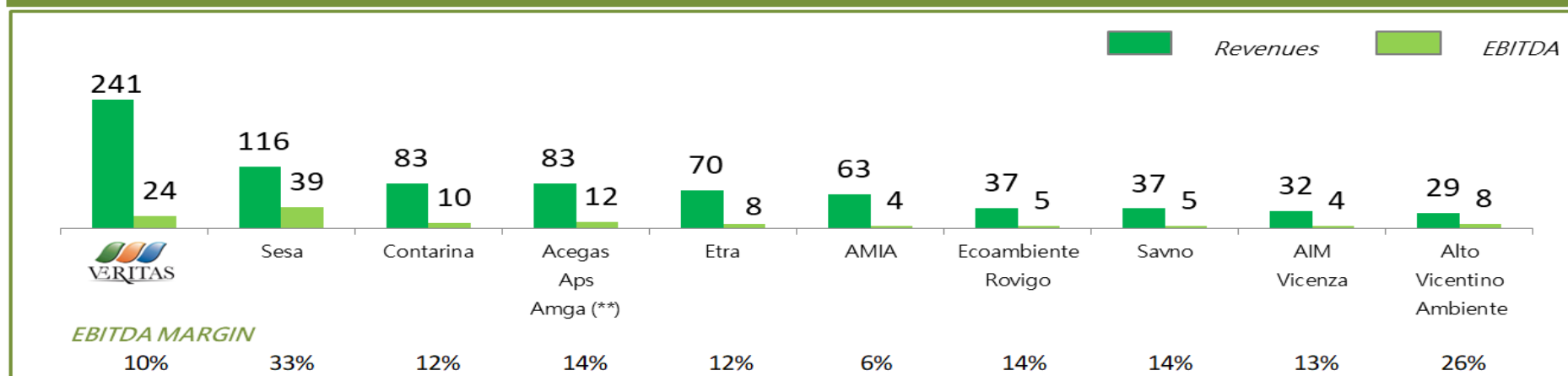
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Waste industry: market data

NATIONAL LEVEL (2019, M EUR)



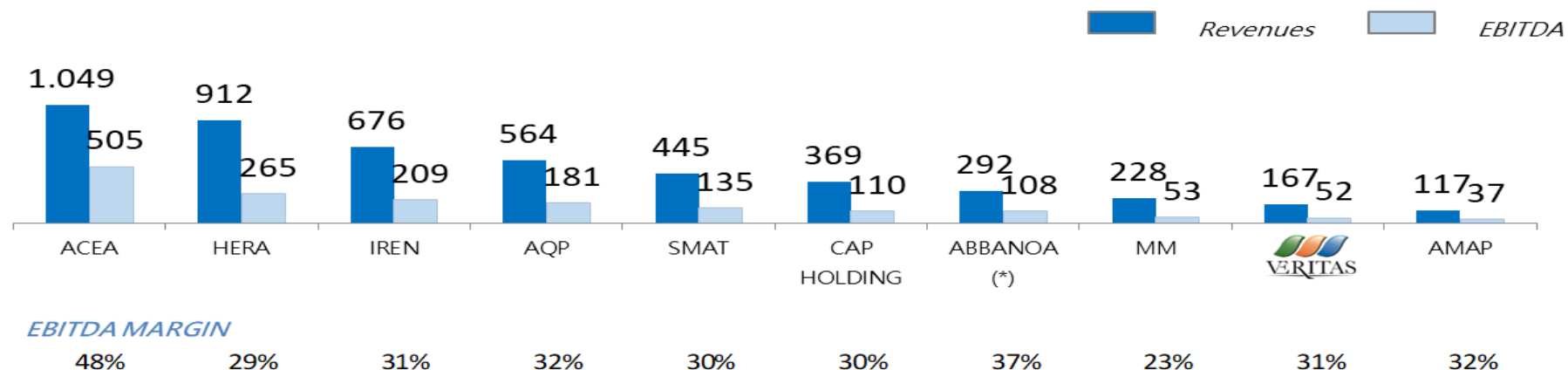
REGIONAL LEVEL (2019, M EUR)



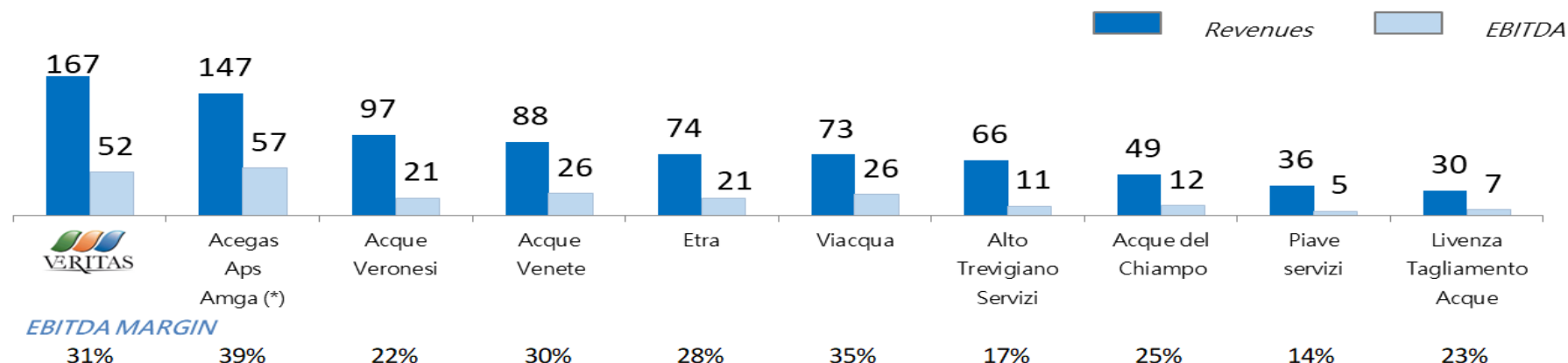
 Veritas ranks in the top 6 in Italy, being the first player in Veneto

Water industry: market data

NATIONAL LEVEL (2019, M EUR)



REGIONAL LEVEL (2019, M EUR)



 Veritas ranks in the top 9 in Italy, being the first player in Veneto

Note: (*) ref. to 2018.


Data collected from the corporate financial statements of the individual companies.

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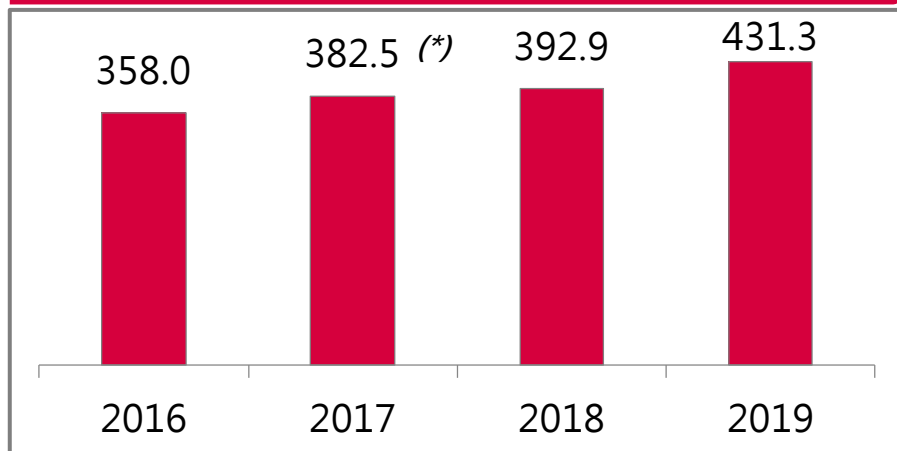
 Strategic guidelines and industrial strategy

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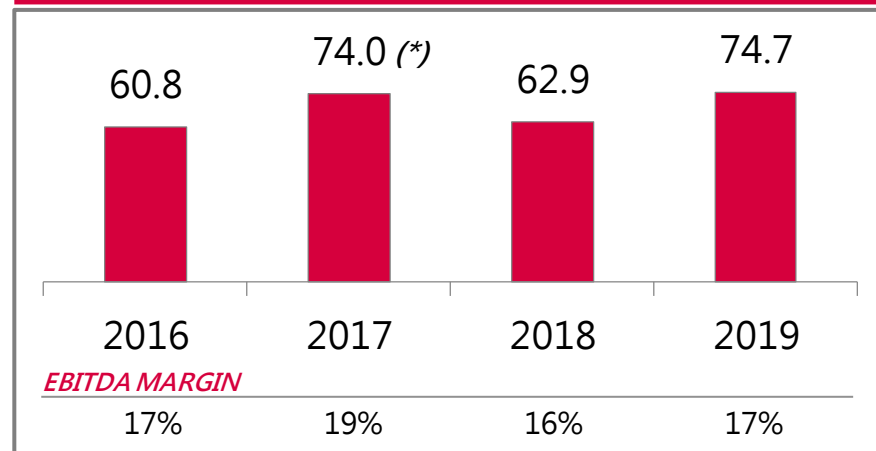
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Veritas Group: historical financial highlights

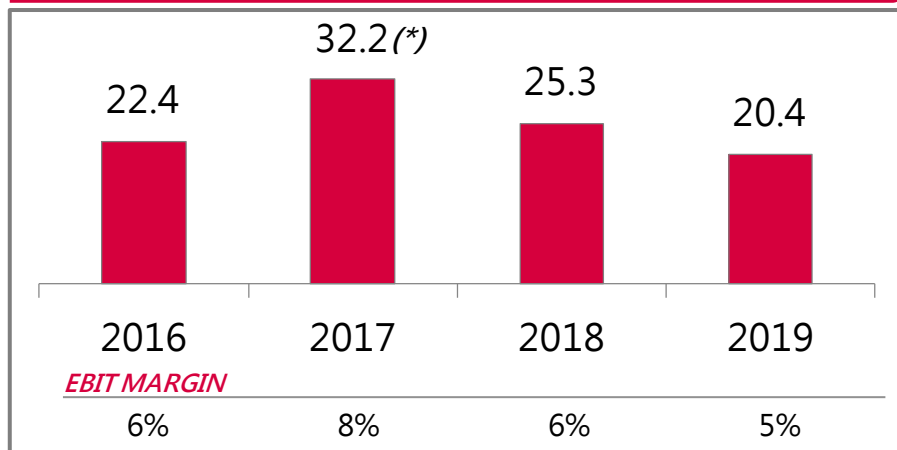
REVENUES (M EUR)



EBITDA (M EUR)



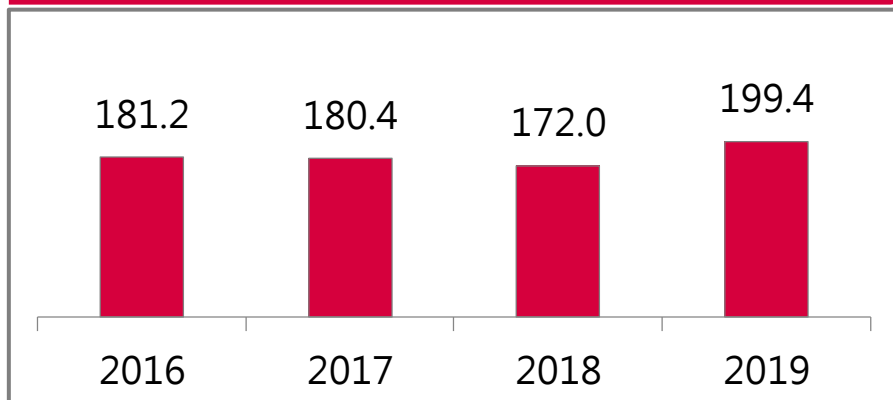
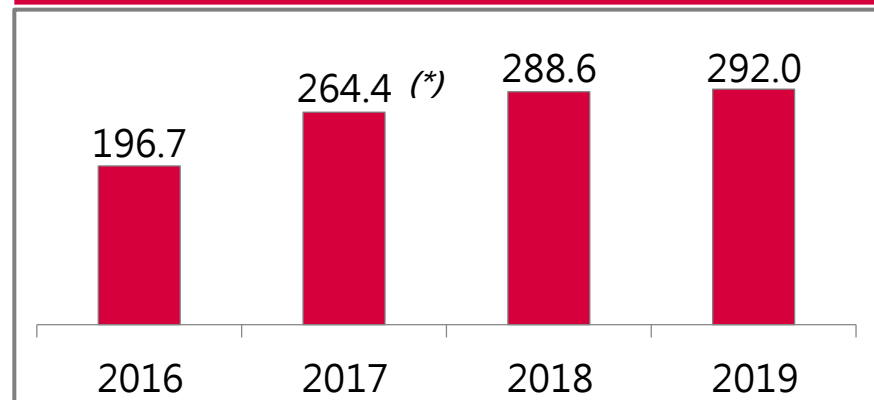
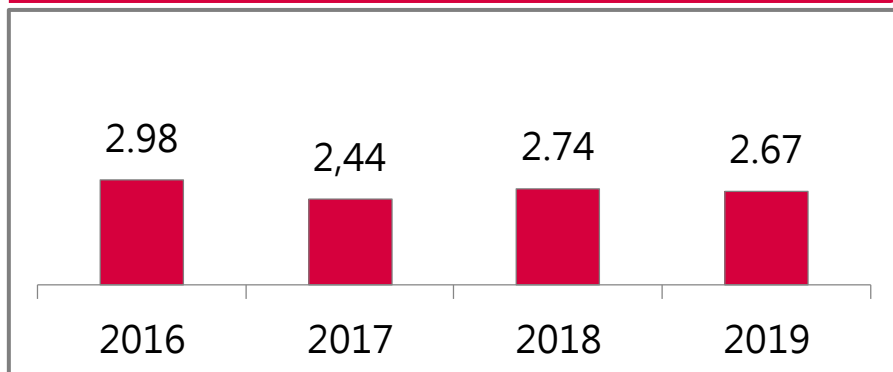
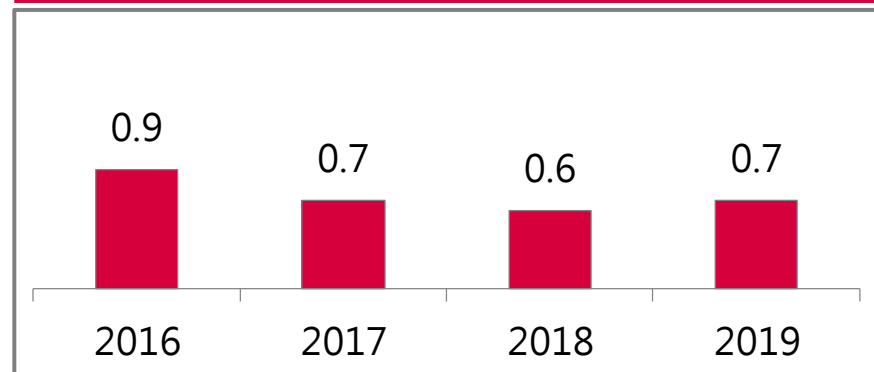
EBIT (M EUR)



During the period 2017-2019 revenues increased due to the merger by incorporation of ASI Spa (which took place in 2017) and the acquisition of 100% of the share capital of Depuracque Srl in 2018. Ebitda margin and EBIT margin remained on average stable

Note: (*) ASI consolidation effect.

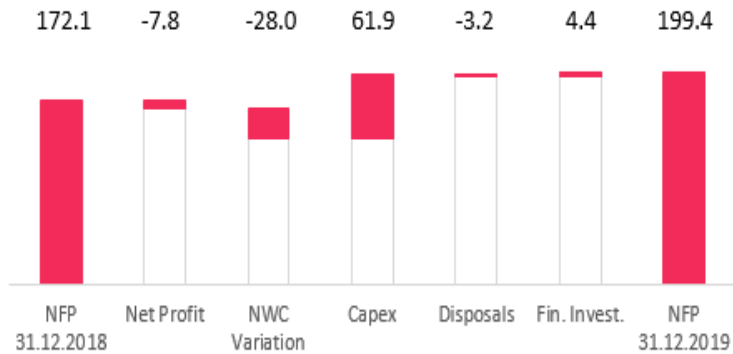
Veritas Group: capital structure and related indicators

NET FINANCIAL DEBT (M EUR)**EQUITY (M EUR)****NET FINANCIAL DEBT/EBITDA (INDEX No)****NET FINANCIAL DEBT/EQUITY (INDEX No)**

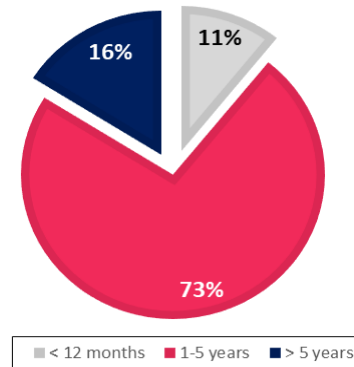
📈 The improvement in the Net Financial Debt and EBITDA figures pave the way to positive performances of the related indicators throughout the years

Veritas Group: cash flow & capital structure

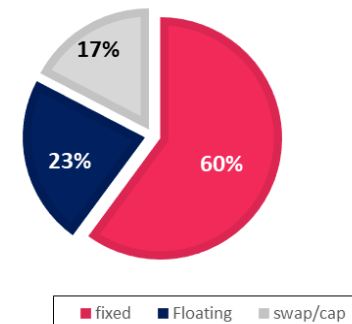
NFP Bridge as of 31.12.2019 (M EUR)



Debt Maturity



Interest Rate



- 📊 Average debt duration of ~ 7 years
- 📊 77% of debt at covered interest rates
- 📊 Average cost of long-term debt is at 2.81% stable compared to December 2018

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Strategic roadmap at a glance

VERITAS LONG TERM GOALS

Efficient disposal of waste in accordance with regulatory requirements, leveraging on the best technological solutions available, carrying out industrial/plant improvements and promoting the self-sufficiency of the area where Veritas operates

Protection of water supply sources through pollution prevention tactics, treatment and filtration of the water matrix and drinking water saving policies

Development, strengthening and renewal of water distribution networks

Construction and management of sewerage and treatment plants, the development of waste water purification technologies in compliance with local and national regulations. Maintenance of the hydraulic structure of its local territory in coordination with local authorities

Continuous training of personnel assigned to provide guaranteed public services

Reduction of the environmental impact through the innovation and strengthening of its vehicle fleets

Renewal of logistical centers pursuant to rational and territory-based principles and the expansion of territorial services (range economies)

/// Leveraging these strategies, in the next five years the Group aims to achieve an improved operational performance, increasing its size as industrial operator and developing strategic investments through partnerships, joint ventures and other forms of co-operation

STRATEGIC GUIDELINES

/// Continuous improvement of services/products, re-designing appropriate organisational systems

/// Development of waste treatment and recycling of materials from waste collection








/// Optimisation and reduction of energy consumption, including development of renewable sources

/// Improvement of the work environment safety (reduction of risks for workers)



/// Training and development of personnel skills and abilities

/// Improvement of the users' degree of satisfaction and their empowerment in terms of resource use and environmental services

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Offering summary

Issuer	Veritas S.p.A.
Issuer Rating	Not Rated
Issue	Senior Unsecured, Unsubordinated, Sustainability-Linked Notes
Amount	€ [100] million
Maturity	Over 5yr, TBD
Coupon	Fixed, annual
Use of proceeds	The net proceeds of the Issue of the Notes will be used by the issuer for the financing of new investments for the growth of Veritas Group to be made in accordance with Veritas's investment plan
Type of offering	Reg S
ESG rating event	Annual interests are subject to a possible step-up after the end of the Initial Interest Periods upon occurrence of an ESG Rating Event (annually tested)
Ranking	Pari passu with all present and future senior unsecured indebtedness of the Issuer
Covenants	Standard Reg S covenant package (CoC, Negative Pledge, Cross Default) plus:  Net Financial Debt-to-Shareholders Equity no more than 2.00 to 1.0  Net Financial Debt-EBITDA Ratio no more than 5.00 to 1.0
Listing	Irish Stock Exchange
Governing Law	English Law

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Veritas Group: income statement (2018-2019, M EUR)

	2019	2018
Revenues	431.2	392.9
OPEX	-356.5	-330
EBITDA	74.7	62.9
Amortization, depreciation and write-downs	-44,7	-36.9
Provisions for risks and Charges	-9,6	-0,7
EBIT	20.4	25.3
Interest expenses and other items	-10.3	-12.8
Tax	-5.5	7.8 (*)
Net income (operating activities)	4.6	20.5
Net income (activities held for sale)	0	0
Net income (third parties)	-3.2	-0.1
GROUP NET INCOME	7.8	20.6
Net Profit (Loss) for the year	3.5	20.7

Note: (*) Taxes are positive because the parent company (Veritas Spa) recorded a deferred tax asset of EUR 11.3 million deriving from the tax recognition of assets contributed by the aggregation of Asi Spa in the previous year, following the response from the Italian Revenue Agency to a specific request for a tax ruling on the matter.

Veritas Group: balance Sheet

(2018-2019, M EUR)

	2019	2018
Non-current assets	689	645
Current assets	153	148
Non-current assets held for sale	4	4
TOTAL ASSETS	846	797
Equity	292	288
Non-current liabilities	133	115
Current liabilities	222	222
Net financial debt	199	172
TOTAL LIABILITIES	846	797

Veritas Group: cash flow statement (2018-2019, M EUR)

	2019	2018
Net income (Group)	7.8	20.6
Net income (third parties)	-3.2	-0,1
Net income (total)	4.6	20.5
Depreciation and amortisation	44.7	36.9
Provisions	-2.7	-2.5
Other items	11.5	-6.6
Change in current assets/liabilities	-2.8	15.6
Net cash from operating activities	55.3	63.9
CAPEX & other investing activities	-63	-55.4
Net cash from financial activities	27.9	-13.7
NET CASH FLOW	20.2	-5.2