ALERION CLEAN POWER SPA

01147231003 CORPORATE

BBB-

ISSUER RATING
LongTerm

OUTLOOK
Negative

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Rating Action and Rationale

- EthiFinance Ratings affirms Alerion Clean Power S.p.A.'s long-term rating at BBB-, maintaining its Negative outlook.
- Alerion Clean Power S.p.A., together with its subsidiaries (hereinafter Alerion), is one of the leading Italian independent power producers (IPPs) specializing in renewable energy sources, mainly wind and, increasingly, solar PV. As of September 2026, the group had a gross installed capacity of 1,110.4 MW, located mainly in Italy and complemented by a growing presence in Romania and, to a lesser extent, in Spain, Bulgaria and Ireland.
- The company's rating is supported by a sound business risk profile, underpinned by several factors, including: (i) favourable renewable energy industry fundamentals, characterised by high profitability, relatively low volatility and positive long-term growth prospects; (ii) an operating presence in the Italian renewable energy market, with gross installed capacity exceeding 1.1 GW and expansion in Romania and other European markets, gradually broadening its geographical footprint despite its still-limited scale ; (iii) the benefits associated with the company's public listing, including greater financial transparency and access to capital markets.
- Conversely, the rating remains constrained by several factors, including: (i) Alerion's modest competitive positioning, reflecting its relatively limited scale and still-limited geographical and technological diversification compared with larger European peers; (ii) a financial risk profile constrained by relatively low capitalisation, with Equity/Total Financial Debt expected to remain below 40% over the forecast period as the sizeable investment programme results in additional funding needs and higher financial debt; and (iii) the execution risk associated with the group's asset rotation strategy, as the timing and amount of future disposal proceeds remain uncertain and could materially affect leverage and credit metrics.
- It is worth noting that different volatility tables were applied to evaluate financial ratios: a *low volatility* table was used for energy sales activities (regulated + market mix), while a *standard* table was used for other revenue coming from the asset rotation.
- According to our methodology, the company operates in the renewable energy industry. This industry is well aligned with ESG factors (sector heatmap score between 1 and 2), which results in a one-category upgrade to the industry risk assessment. The industry contributes to pollution reduction and biodiversity protection as a substitute for highly polluting traditional energy sources. However, the related construction emits GHG and uses significant resources. The impact on consumers and communities is positive, as clean energy contributes to good health and economic development. The impact on suppliers is medium, as China, where ESG issues may exist, is involved in much of the supply chain
- Modifiers: No issues have been identified regarding liquidity, country risk, or controversies.
- Limitations: At EhiFinance Ratings have not had direct access to the company, and our analysis relies solely on public information, which limits visibility on the phasing and funding of the c.€1.8bn investment programme and on future asset rotation.

Issuer Description

Alerion is headquartered in Milan and has been listed on the Milan Stock Exchange since 2003. As of November 12, 2026, the company had a market capitalisation of approximately €964.8m. The group is controlled by Fri-El Green Power S.p.A., which holds approximately 88% of its share capital.

At year-end 2025, Alerion had gross installed capacity of 1,021 MW, compared with 946 MW in 2024. Growth reflected new capacity in Romania and Italy and the acquisition of a 14.4 MW wind farm in Ireland, partly offset by the disposal of Eolica PM, which owned a 52 MW wind farm. Total electricity production decreased to 1,267 GWh from 1,377 GWh in 2024, mainly due to weaker wind conditions. Italy accounted for 75.8% of revenues in 2025, followed by Romania (15.8%), Spain (7.3%) and Bulgaria (1.1%).

In 2025, Alerion recorded turnover of €227.6m and adjusted EBITDA of €189.7m, representing an adjusted EBITDA margin of 83.4%. Adjusted EBITDA included a c.€100.9m gain related to the disposal of Eolica PM as part of the group's asset rotation strategy. Adjusted net financial debt increased to €616.8m at year-end 2025, from €527.7m in 2024.

In the first nine months of 2026, Alerion reported total revenues of €121.8m, up 7.9% year-on-year, and consolidated EBITDA of €78.3m, up 6.2%. Consolidated electricity production increased by 4.7% to 903.6 GWh, supported by new capacity in Romania and Italy and the contribution from the Irish wind farm acquired in 2025.

Limitations

It is important to note that we have not had direct contact with the company or access to non-public information provided by management, which remains particularly relevant given the scale and complexity of its business plan. Our analysis is therefore based exclusively on publicly available information, including annual and interim reports, results releases and market consensus. In particular, the lack of a detailed breakdown of project finance debt and energy

sales covered by power purchase agreements (PPAs) limits our assessment of the group's financing structure and contractual revenue visibility. Visibility is also limited on the annual phasing of the investment programme, the actual funding mix and the timing and magnitude of future asset rotation transactions. Our projections therefore incorporate analytical assumptions regarding funding and asset disposal proceeds, rather than company guidance. These assumptions have not been validated with management. The execution of the investment programme and the group's ability to continue its asset rotation strategy remain key sources of uncertainty and could materially affect the metrics and future rating actions.

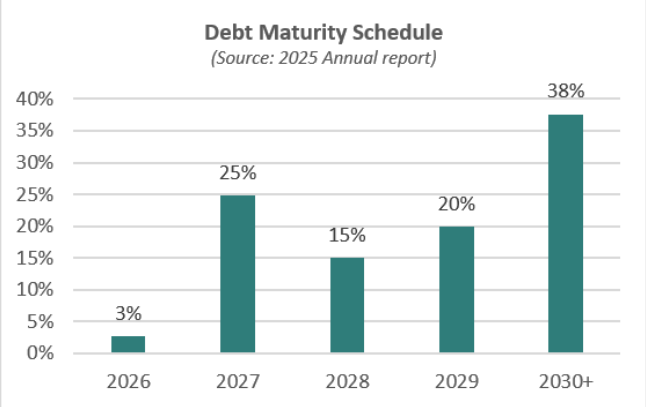
In November 2026, Alerion announced that a new business plan would be presented by the first quarter of 2027, including initiatives in battery storage and data centre development alongside renewable generation and asset rotation. Pending further disclosure, visibility on the investment requirements, funding structure and credit implications of these initiatives remains limited.

Main Financial Figures

Main financial figures. thousands of EUR	FY24	FY25	FY26e	FY27e	FY28e	24vs23	25vs24
Turnover	223.474	227.566	311.000	354.100	395.600	36,3%	1,8%
Adj EBITDA	186.310	189.684	238.400	281.300	320.300	24,9%	1,8%
Adj EBITDA Margin	83,4%	83,4%	76,7%	79,4%	81,0%	-7,6pp	0,0pp
EBIT	135.491	127.869	162.806	172.784	183.135	78,8%	-5,6%
EBIT Margin	60,6%	56,2%	52,3%	48,8%	46,3%	14,4pp	-4,4pp
EBT	111.131	105.054	114.231	111.426	112.710	34,7%	-5,5%
Total Assets	1.692.117	1.651.559	2.118.400	2.449.309	2.714.403	17,9%	-2,4%
Equity	372.658	432.646	499.709	563.296	628.898	14,1%	16,1%
Adj Total Financial Debt	1.108.540	1.026.188	1.405.556	1.665.331	1.858.871	25,9%	-7,4%
Adj Net Financial Debt	527.714	616.834	849.333	1.044.323	1.136.842	12,3%	16,9%
Equity/TFD	33,6%	42,2%	35,6%	33,8%	33,8%	-3,5pp	8,5pp
Adj NFD/Adj EBITDA	2,8x	3,3x	3,6x	3,7x	3,5x	-0,3x	0,4x
Adj Funds From Operations	107.053	86.040	102.259	132.685	162.477	15,7%	-19,6%
Adj FFO/Adj NFD	20,3%	13,9%	12,0%	12,7%	14,3%	0,6pp	-6,3pp
Adj EBITDA/Adj Interest	4,6x	5,4x	4,9x	4,6x	4,5x	-0,6x	0,8x

Profitability. thousands of EUR	FY23	FY24	FY25	24vs23	25vs24
Turnover	163.921	223.474	227.566	36,3%	1,8%
Gross Mg	123,1%	109,0%	108,5%	-14,0pp	-0,5pp
Adj. EBITDA	149.161	186.310	189.684	24,9%	1,8%
Adj. EBITDA Mg	91,0%	83,4%	83,4%	-7,6pp	0,0pp
EBIT	75.772	135.491	127.869	78,8%	-5,6%
EBIT Mg	46,2%	60,6%	56,2%	14,4pp	-4,4pp
Financial expenses	-28.749	-40.854	-35.242	-42,1%	13,7%
EBT	82.479	111.131	105.054	34,7%	-5,5%

Cash flow. thousands of EUR	FY23	FY24	FY25	24vs23	25vs24
Funds From Operations	92.542	107.053	86.040	15,7%	-19,6%
Operating lease D&A adjustment (if not IFRS)	0	0	0	-	-
Adj. Funds From Operations	**92.542**	**107.053**	**86.040**	**15,7%**	**-19,6%**
+/- WK changes	-6.335	-48.063	-15.638	-658,7%	67,5%
Adj. Operational Cash Flow	**86.207**	**58.990**	**70.402**	**-31,6%**	**19,3%**
Capex	-83.054	-99.750	-200.430	-20,1%	-100,9%
M&A	-44.296	0	0	100,0%	n.a.
Other	33.745	29.650	118.940	-12,1%	301,1%
Net Investment Cash Flow	**-93.605**	**-70.100**	**-81.490**	**25,1%**	**-16,2%**
IFRS 16 lease repayments / operating lease D&A adjustment	0	-1.137	-1.080	-	
Adj. Free Cash Flow	**-7.398**	**-12.247**	**-12.168**	**-65,5%**	**0,6%**
+/- changes in capital	-7.788	-4.287	0	45,0%	100,0%
- Dividends	-36.149	-33.277	-32.927	7,9%	1,1%
Cash flow Generated Internally	**-51.335**	**-49.811**	**-45.095**	**3,0%**	**9,5%**



Credit Rating

Credit Rating	
Business Risk Profile	**BBB+**
Industry risk assessment	*AA*
Industry's ESG	*Positive*
Competitive Positioning	*BB*
Governance	*BB+*
Financial Risk Profile	**BB**
Cash flow and leverage	*BB*
Capitalisation	*B*
Anchor Rating	**BBB-**
Modifiers	-
Rating	**BBB-**

Rating Sensitivity

- **Long-term rating positive factors (↑)**

An upgrade in the rating is not expected in the short term. It would require substantial progress in the group's diversification and scale, together with the successful execution of its 2025–2028 business plan. A scenario of stronger credit metrics, reflected in an adjusted average EBITDA/interest ratio above 7x or an adjusted average NFD/EBITDA ratio below 2x, could also support an improvement in the rating.

- **Long-term rating negative factors (↓)**

Conversely, higher financial leverage, with an adjusted average NFD/EBITDA ratio above 4x or adjusted EBITDA/interest coverage below 4.5x, could put downward pressure on the rating. This could result, among other factors, from delays in the commissioning of projects under construction, investment levels above our expectations, or weaker-than-expected execution of the group's asset rotation strategy, resulting in higher funding needs and additional indebtedness.

The rating is highly dependent on the execution of the group's asset rotation strategy. Given the limited headroom against our downgrade thresholds, any material shortfall or delay in disposal proceeds and gains relative to our assumptions would likely lead to a downgrade.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
  - Corporate Rating Methodology - General : https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203
- The rating scale used in this report is available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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