

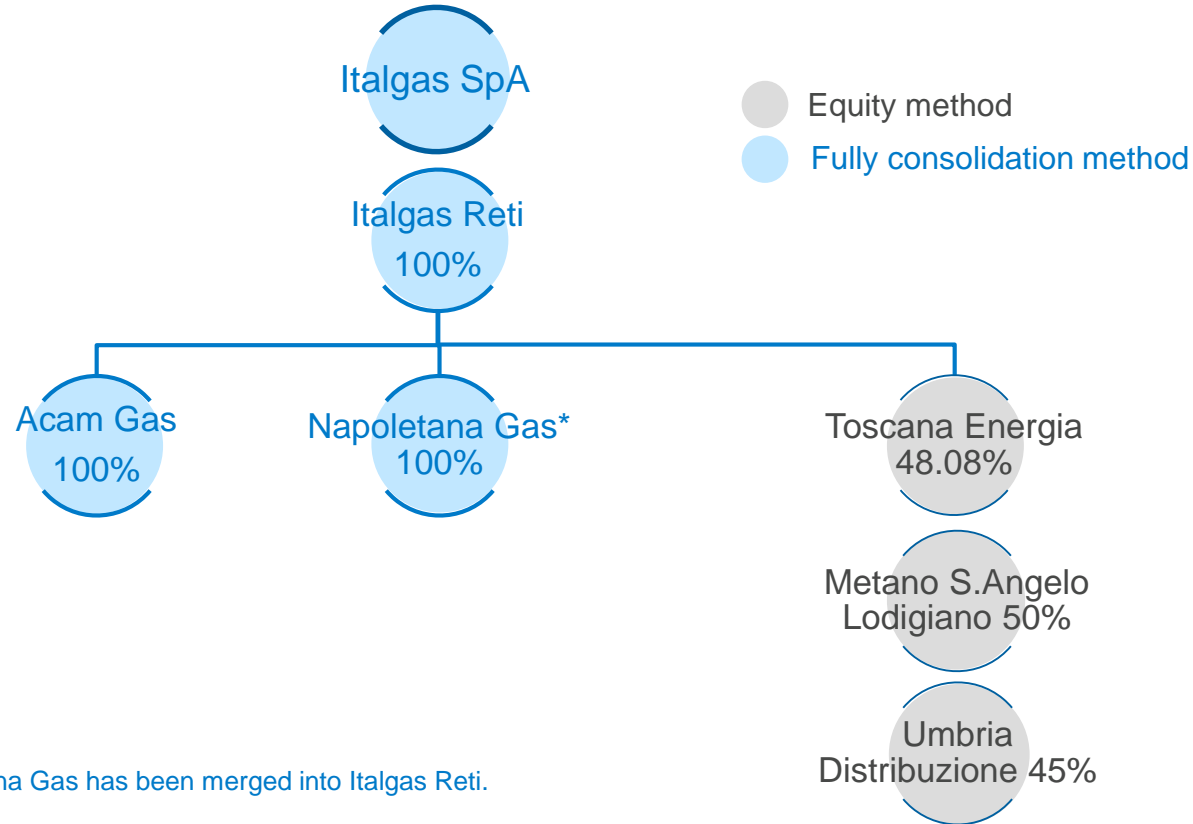


# 2017 3Q Consolidated Results

October 23, 2017



# Consolidation Perimeter at 30th September 2017



\*As of October 1° 2017, Napoletana Gas has been merged into Italgas Reti.

# 9M 2017: all margins grow at double digits

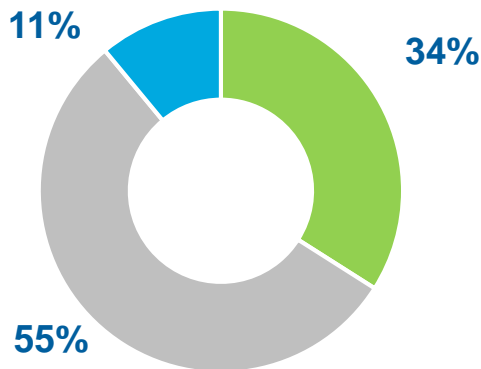
[ €mn ]

▪ Revenue	€335	↑	7.2%	▪ Capex	€346.5	↑	39.8%
▪ EBITDA	€577.9	↑	20.0%	▪ Operating cash flow	€375.1		
EBITDA Margin	69.2%			▪ Consolidated Net Debt	€3,728*		
▪ EBIT	€306.7	↑	14.7%				
▪ Net Profit	€213.3	↑	27.8%				

(\*) year end 2016: €3,618 mn

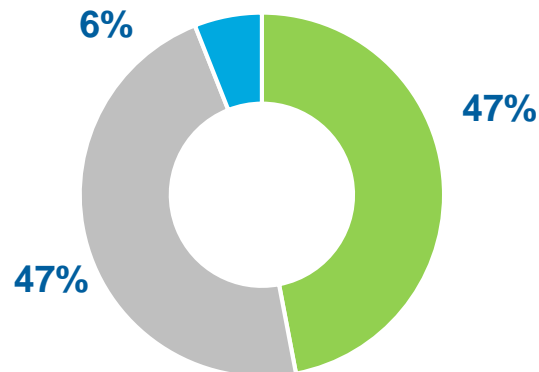
# Significant progress on capex driven by innovation

**9M 2016**  
**€247.9 mn**



- Network
- Metering
- Other

**9M 2017**  
**€346.5 mn**



**516,000 smart meters installed**

**1,145,000 smart meters installed**

**+122%**

# Income Statement

[ €mn ]	2016 9M	2017 9M	Change	%
Revenues	779.1	835.0	55.9	7.2%
Operating expenses	-297.7	-257.1	40.6	-13.6%
<b>EBITDA</b>	<b>481.4</b>	<b>577.9</b>	<b>96.5</b>	<b>20.0%</b>
Depreciation & amortisation	-213.9	-271.2	-57.3	26.8%
<b>EBIT</b>	<b>267.5</b>	<b>306.7</b>	<b>39.2</b>	<b>14.7%</b>
Net interest income (expenses)	-42.3	-27.0	15.3	-36.2%
Net income from associates	14.8	15.8	1.0	6.8%
<b>EBT</b>	<b>240.0</b>	<b>295.5</b>	<b>55.5</b>	<b>23.1%</b>
Income taxes	-73.1	-82.2	-9.1	12.4%
<b>NET PROFIT</b>	<b>166.9</b>	<b>213.3</b>	<b>46.4</b>	<b>27.8%</b>

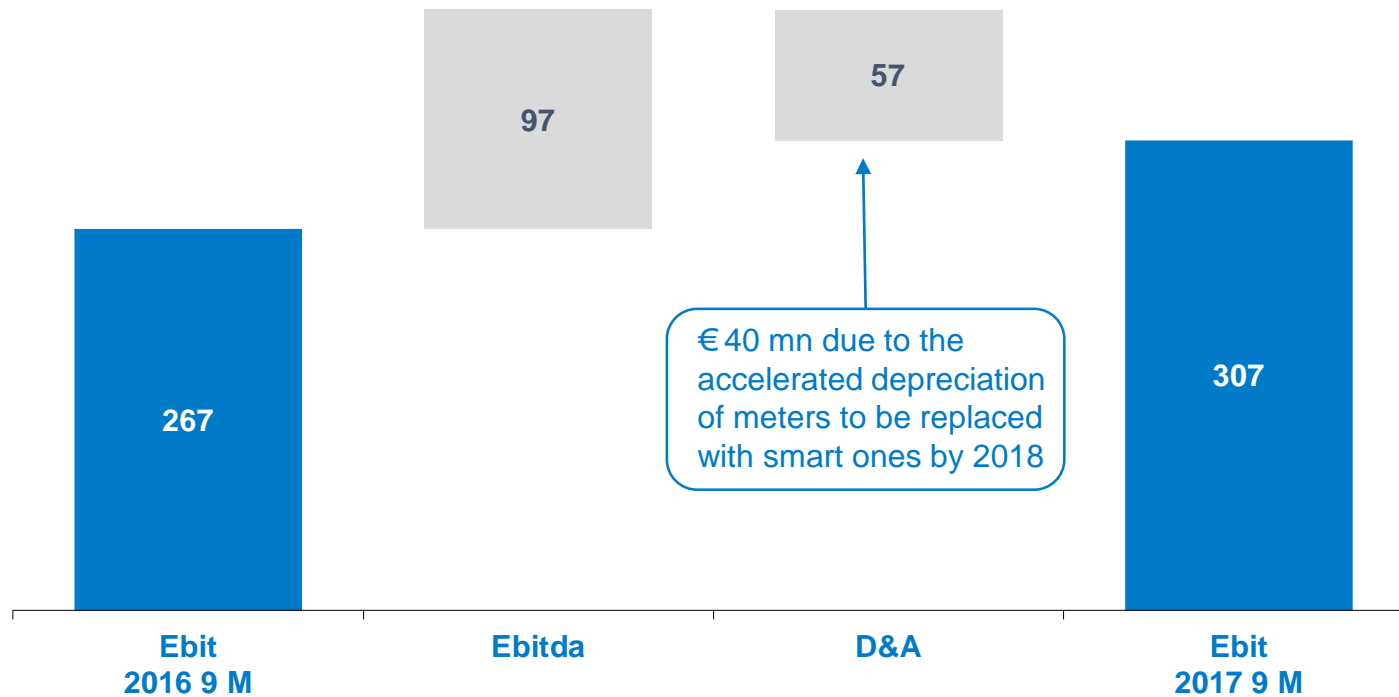
# Revenues

[€mn]	2016 9M	2017 9M	Change
<b>Regulated revenues</b>	<b>759.3</b>	<b>820.3</b>	<b>61.0</b>
Distribution	728.9	746.1	17.2
Tariff contribution for meters replacement	-	33.9	33.9
Other distribution revenues	30.4	40.3	9.9
<b>Other revenues</b>	<b>19.8</b>	<b>14.7</b>	<b>-5.1</b>
<b>TOTAL REVENUES</b>	<b>779.1</b>	<b>835.0</b>	<b>55.9</b>

[ € mn ]	2016 9M	2017 9M	Change
<b>Regulated activities</b>	<b>282.4</b>	<b>247.9</b>	<b>-34.5</b>
Fixed costs	203.3	193.5	-9.8
<i>Net labour cost</i>	92.6	97.7	5.1
<i>Net external cost</i>	110.7	95.8	-14.9
Variable costs	5.3	2.0	-3.2
Other costs	23.6	11.2	-12.3
Tee	9.2	1.6	-7.5
Concessions fees	41.1	39.5	-1.6
<b>Other activities</b>	<b>15.3</b>	<b>9.2</b>	<b>-6.1</b>
<i>Net labour cost</i>	3.4	1.6	-1.8
<i>Net external cost</i>	11.9	7.6	-4.3
<b>TOTAL COSTS</b>	<b>297.7</b>	<b>257.1</b>	<b>-40.6</b>

# Ebit Analysis

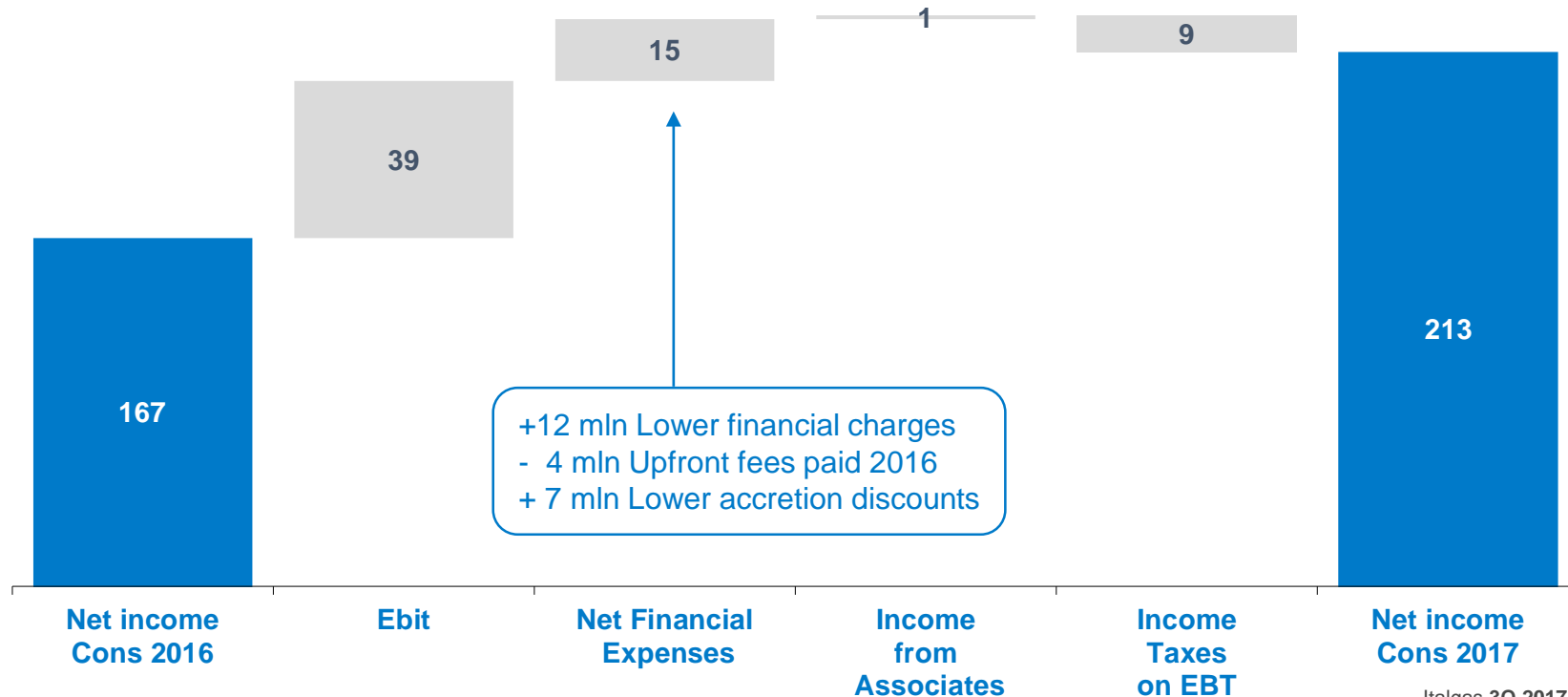
[ €mn ]



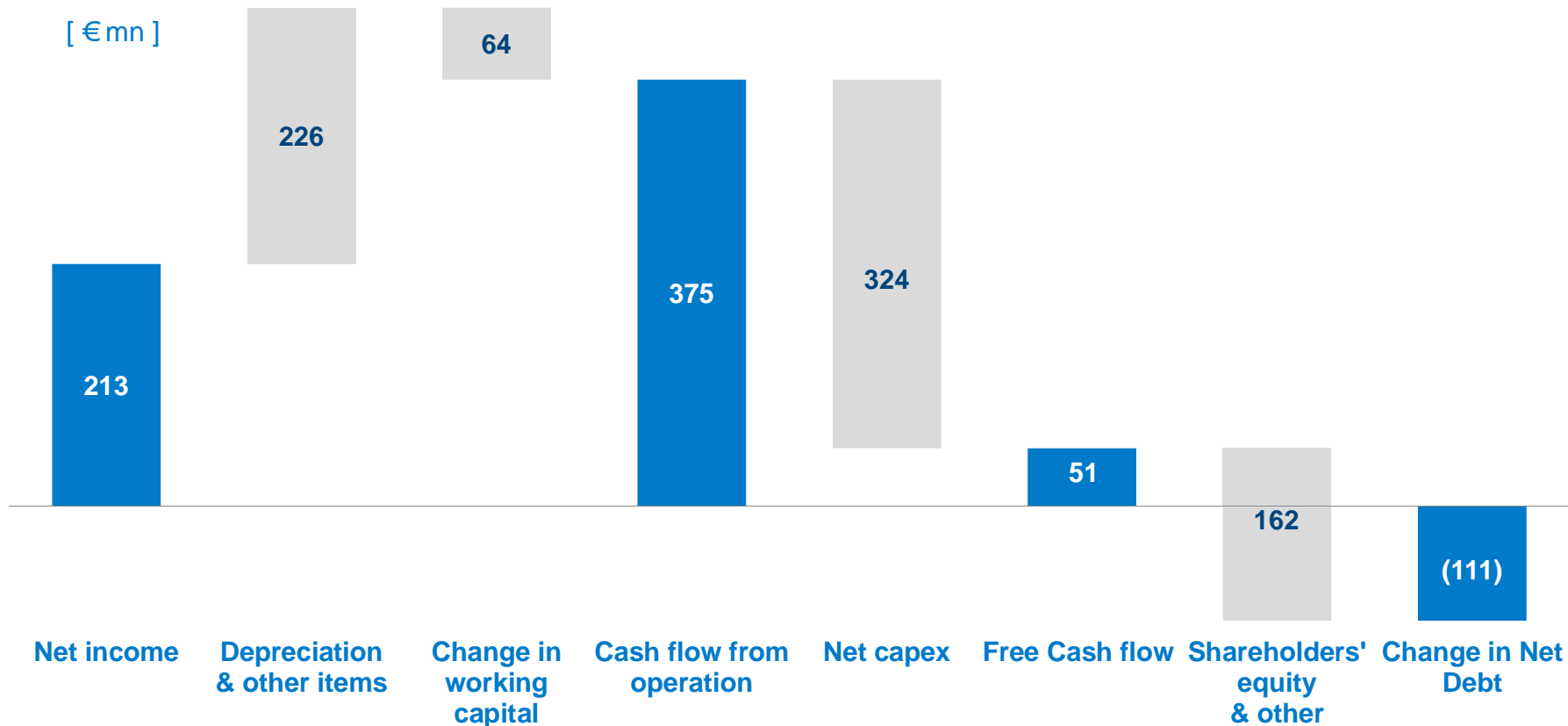


# Consolidated Net Income

[ €mn ]

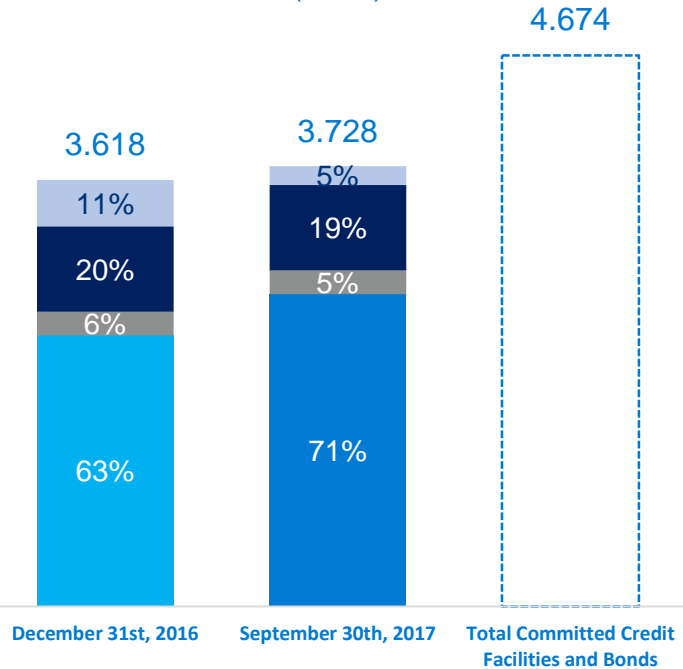


# Consolidated Cash Flow



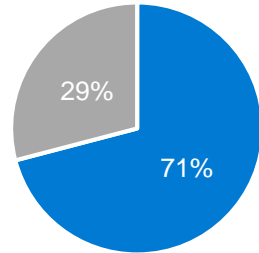
# Achieving solid and efficient debt structure

### Italgas Net Debt Structure (€mn)



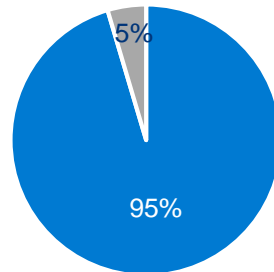
- Bond
- Institutional Lenders Financing
- Banking Facilities
- Term Loan
- Accordato Committed

### Fixed/Floating ratio



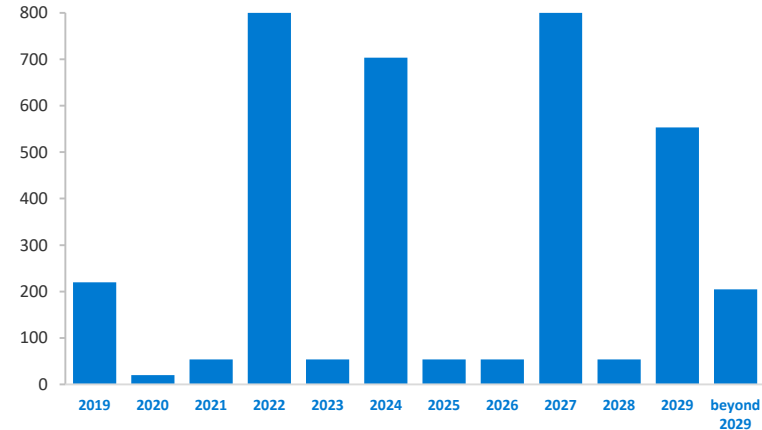
- Fixed Rate Debt
- Floating Rate Debt

### Short/Medium-Long Term



- Medium-Long Term Debt

### Debt Maturity Profile As of September 30<sup>th</sup>, 2017 € mn



# Balance Sheet

[ € mn ]	Dec, 31st 2016	2017 9M	Change
<b>Net invested capital</b>	<b>4,681.7</b>	<b>4,842.9</b>	<b>161.2</b>
Fixed capital	4,792.8	4,842.0	49.2
Tangible fixed assets	227.5	221.3	-6.2
Net intangible fixed assets	4,486.5	4,542.5	56.0
Net payables investments	-97.1	-99.6	-2.5
Equity-accounted and other investments	175.9	177.8	1.9
Net working capital	-9.5	99.1	108.6
Receivables	686.1	756.0	69.9
Liabilities	-695.6	-656.9	38.7
Provisions for employee benefits	-120.6	-117.5	3.1
Assets held for sale and directly related liabilities	19.0	19.3	0.3
<b>Net financial debt</b>	<b>3,617.4</b>	<b>3,728.3</b>	<b>110.9</b>
<b>Shareholders' equity</b>	<b>1,064.3</b>	<b>1,114.6</b>	<b>50.3</b>



Q & A



## Annexes

# Income Statement

[€mn]	2016 3rd Quarter	2017 3rd Quarter	Change
Revenues	263.6	270.4	6.8
Operating expenses	- 102.3	- 82.6	19.7
<b>EBITDA</b>	<b>161.3</b>	<b>187.8</b>	<b>26.5</b>
Depreciation & amortisation	- 71.9	- 85.1	- 13.2
<b>EBIT</b>	<b>89.4</b>	<b>102.7</b>	<b>13.3</b>
Net interest income (expenses)	- 12.8	- 8.6	4.2
Net income from associates	4.9	5.3	0.4
<b>EBT</b>	<b>81.5</b>	<b>99.4</b>	<b>17.9</b>
Income taxes	- 28.1	- 25.6	2.5
<b>NET PROFIT</b>	<b>53.4</b>	<b>73.8</b>	<b>20.4</b>

Family owned company, headquartered in the province of Padova, operating in Veneto Region in ATEMs Padova 3 and Vicenza 1

## OPERATING METRICS

YE 2016

## FINANCIAL HIGHLIGHTS

Network length ~800 km

Concessions 27

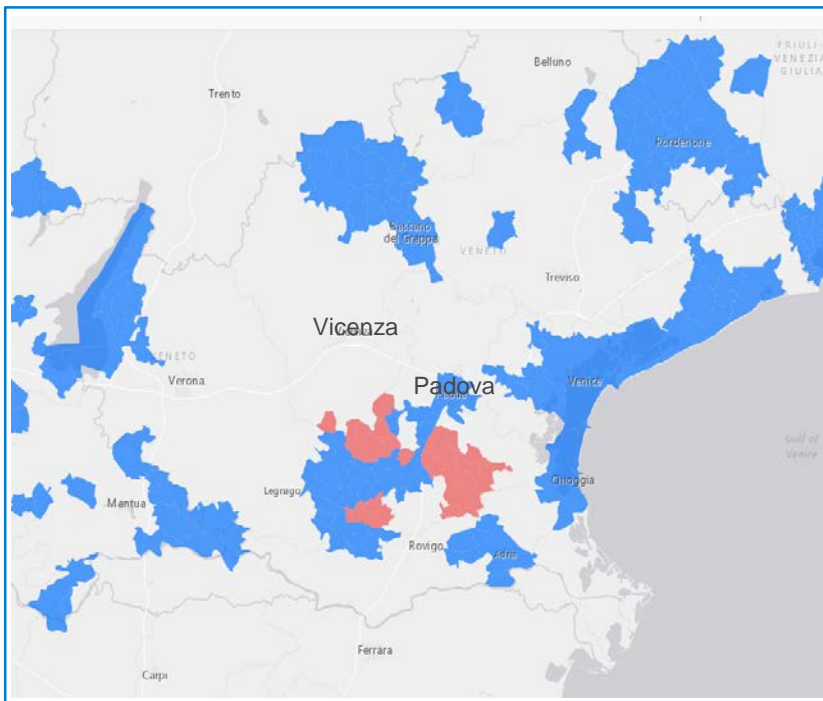
Redelivery points ~30k

Employees 11

Revenues €7.2mn

Ebitda €6.3mn

Ebit €5.1mn



■ Enerco

■ Italgas



Italgas's Manager, Claudio Ottaviano, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

This presentation contains forward-looking statements regarding future events and the future results of Italgas that are based on current expectations, estimates, forecasts, and projections about the industries in which Italgas operates and the beliefs and assumptions of the management of Italgas.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Therefore, Italgas's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally.

Any forward-looking statements made by or on behalf of Italgas speak only as of the date they are made. Italgas does not undertake to update forward-looking statements to reflect any changes in Italgas's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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# 2017 3Q Consolidated Results

October 23, 2017

