



2019 1Q **Consolidated Results**

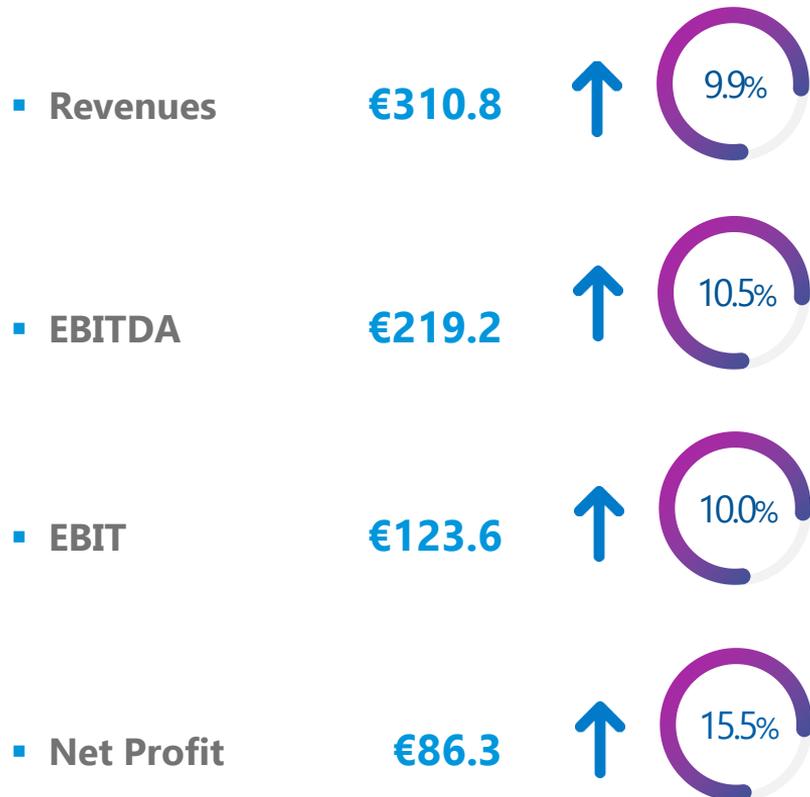
14th May 2019, Milan



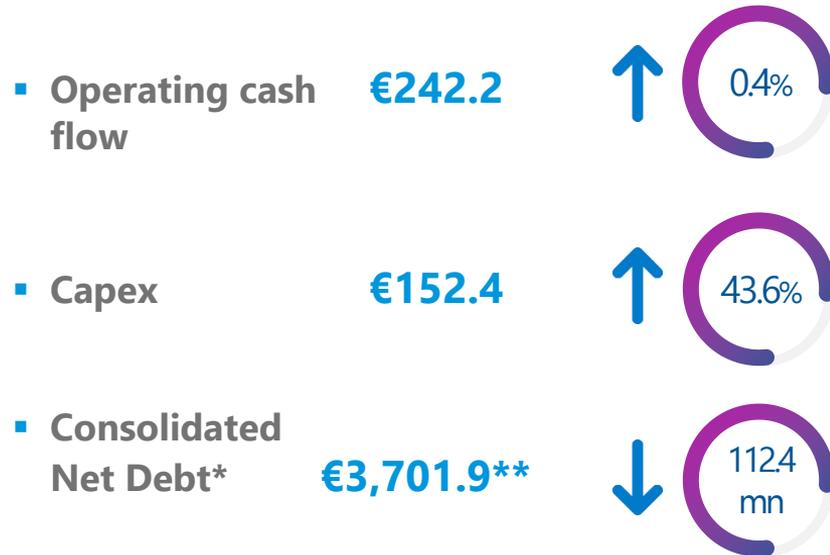
1Q 2019: a solid start of the year

€ mn

vs 1Q 2018



vs 1Q 2018



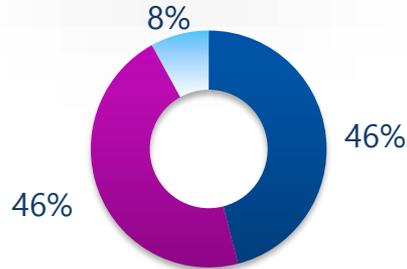
(*) Excluding 65.7mIn for operating leases (IFRS 16)

(**) Year end 2018: €3,814.3 mn

1Q 2019: capex delivery

1Q 2018

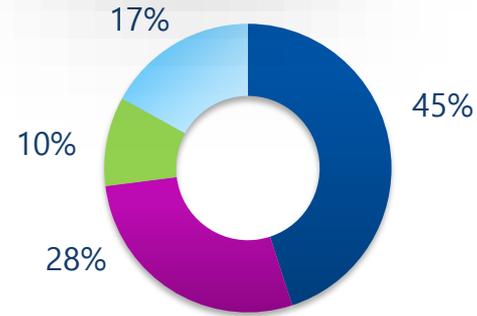
106.1



**~400,000
smart meter
installed**

1Q 2019

152.4



**~410,000
smart meter
installed**

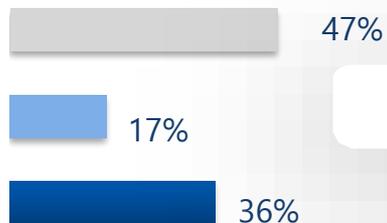
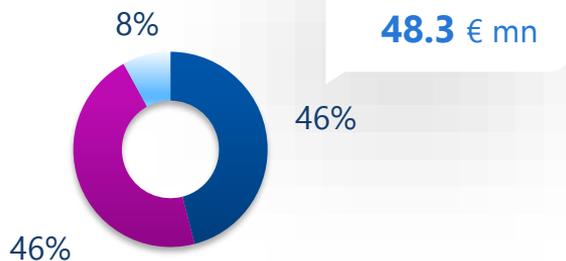
* Of which ~50,000 units related to the replacement of traditional meters

■ Distribution
■ Metering

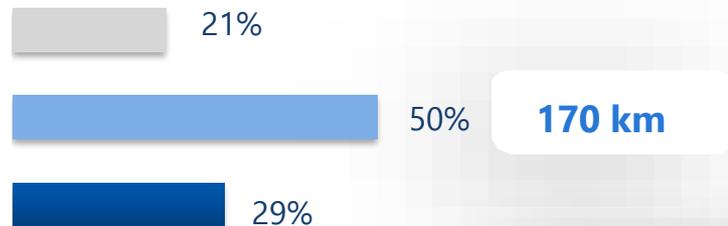
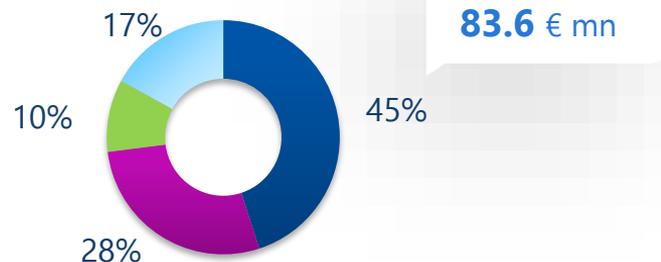
■ Others
■ Driven by M&A

1Q 2019: network capex

1Q 2018
106.1 € mn

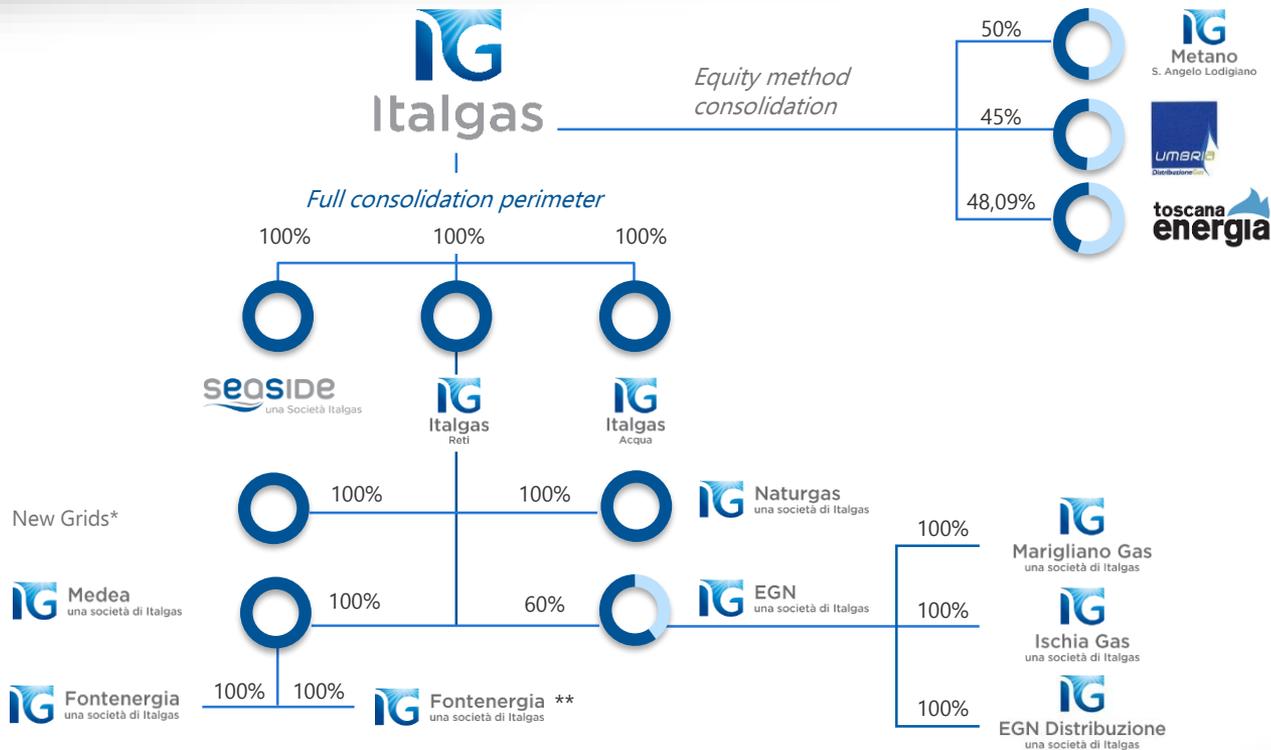


1Q 2019
152.4 € mn



■ Extension ■ New network ■ Maintenance

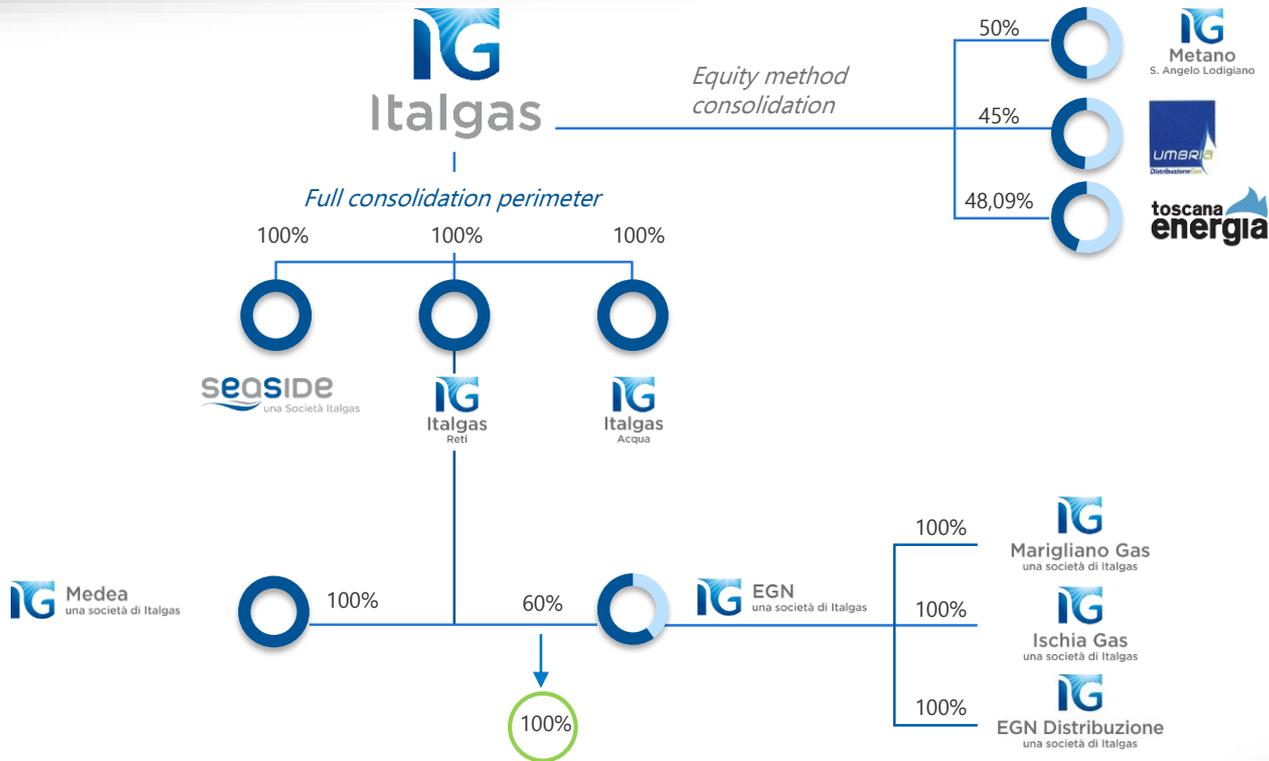
— Corporate structure as at March 31st



* Gas distribution companies acquired from CPL Concordia, located in Campania, Calabria and Sicily (Barano Gas Reti, Ischia Reti, Progas Metano, Grecanica Gas, Favaragas Reti e Sicilianagas Reti)

** 12 SPVs located in Sardinia

— Corporate structure as at April 1st



Income Statement

€mn	1Q 2018	1Q 2019	Change
Revenues	282.8	310.8	28.0
Operating expenses	- 84.4	- 91.6	- 7.2
EBITDA	198.4	219.2	20.8
Depreciation & amortisation	- 86.0	- 95.6	- 9.6
EBIT	112.4	123.6	11.2
Net interest income (expenses)	- 12.0	- 12.2	- 0.2
Net income from associates	4.8	5.8	1.0
EBT	105.2	117.2	12.0
Income taxes	- 30.5	- 30.9	- 0.4
NET PROFIT	74.7	86.3	11.6

Consolidated Revenues

€mn	1Q 2018	1Q 2019	Change
Regulated revenues	276.1	288.1	12.0
Distribution	249.9	260.8	10.9
Tariff contribution for meters replacement	12.9	8.7	- 4.2
Other distribution revenues	13.2	18.6	5.4
Other revenues	6.8	22.7	15.9
TOTAL REVENUES	282.9	310.8	28.0

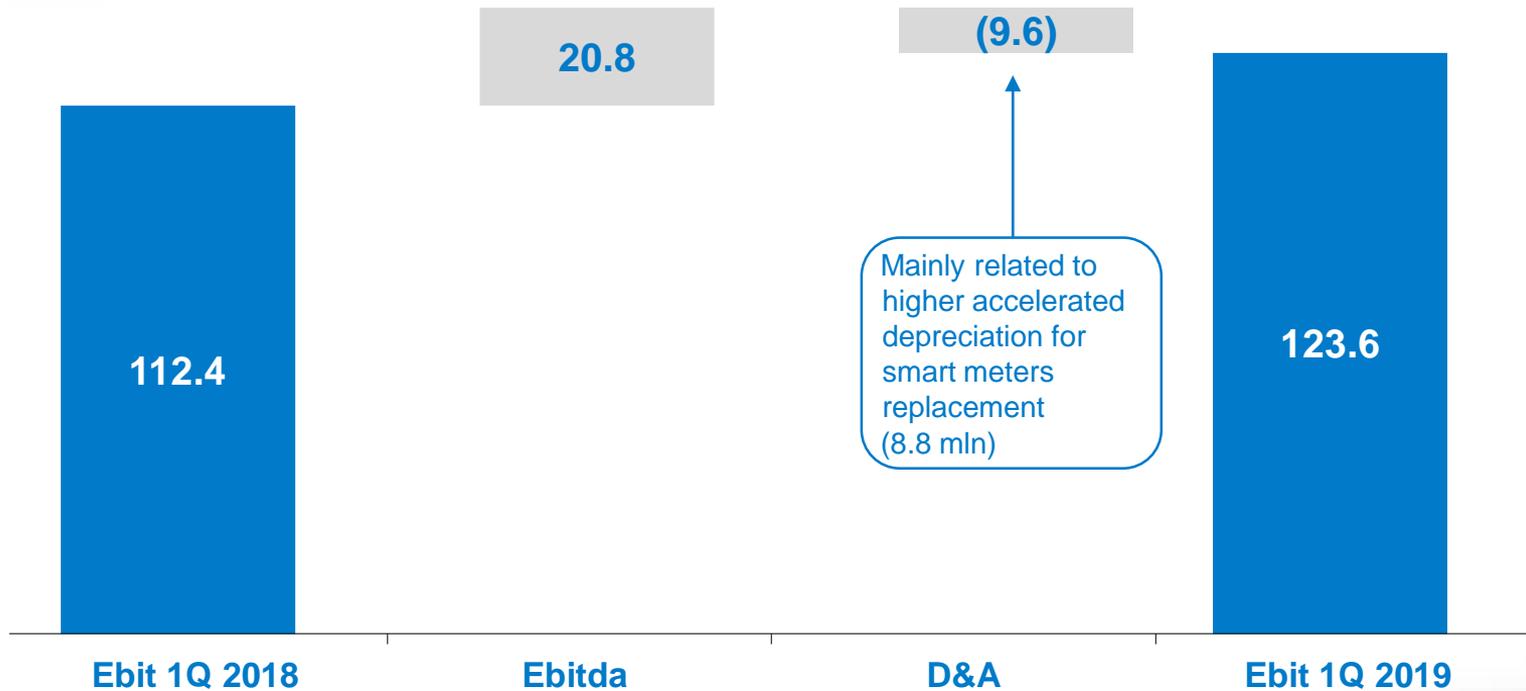
Consolidated Opex

€mn

	1Q 2018	1Q 2019	Change
Gas Distribution activities	81.1	84.5	3.4
Fixed costs	67.5	59.0	- 8.5
Net labour cost	36.5	33.2	- 3.3
Net external cost	31.0	25.8	- 5.2
Variable costs	1.7	2.7	1.0
Other costs	- 0.5	1.0	1.4
Tee	- 1.1	7.8	8.9
Concessions fees	13.4	14.0	0.6
Other activities	3.3	7.1	3.7
Net labour cost	0.5	1.0	0.5
Net external cost	2.8	6.1	3.3
TOTAL COSTS	84.4	91.6	7.2

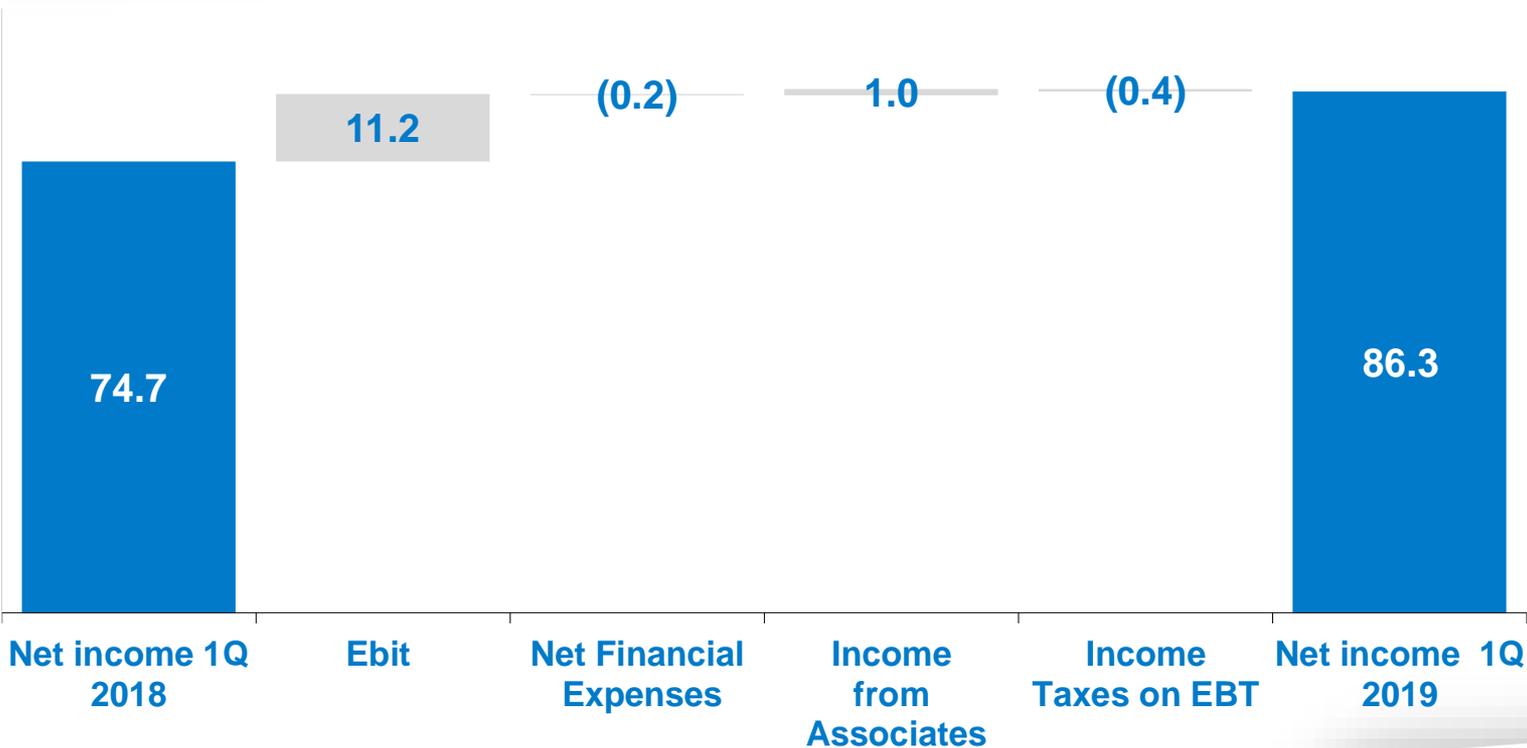
Ebit: +10% vs 1Q 2018

€ mn



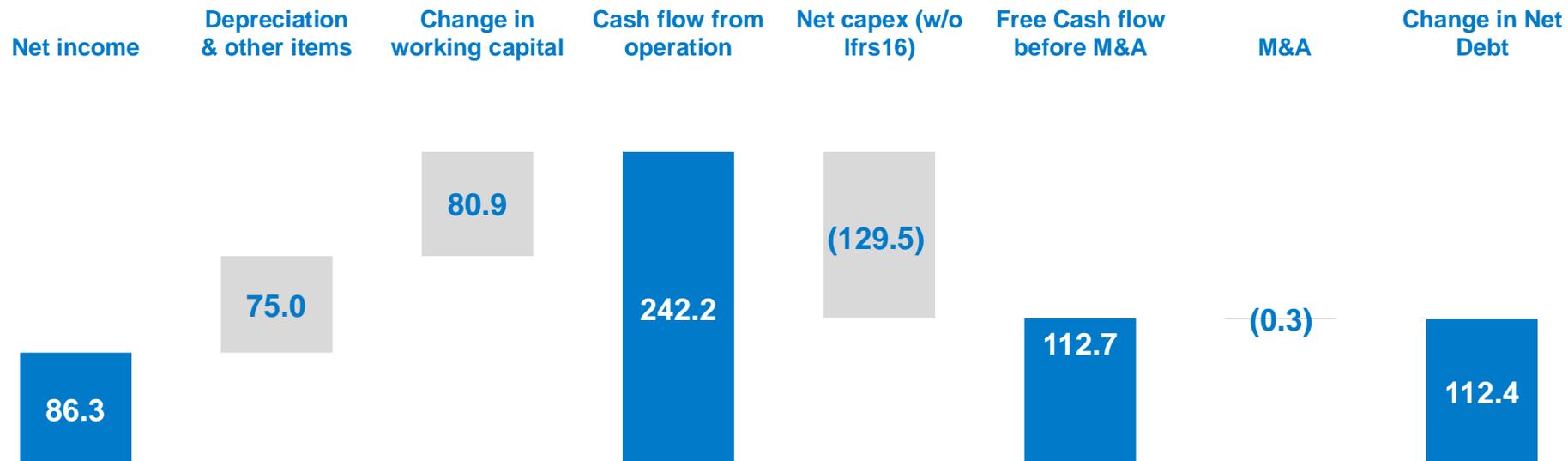
Net Income: + 15.5% vs 1Q 2018

€ mn



Consolidated Cash Flow

[€ mn]

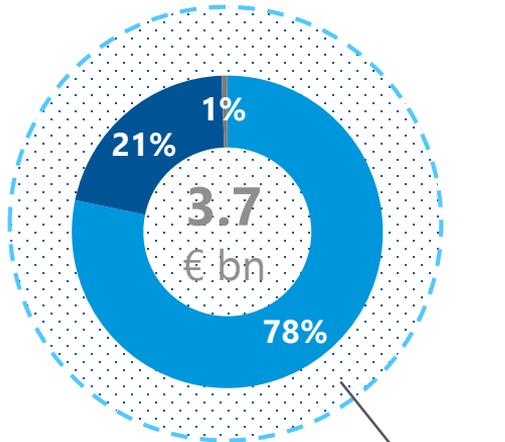


A solid, efficient and resilient debt structure

Debt Structure as at March 31st, 2019

4.8 € bn

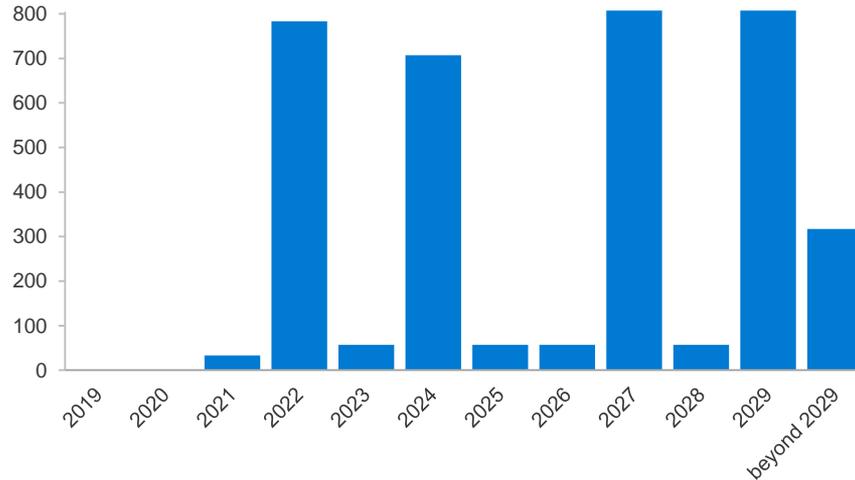
Total Committed
Credit Facilities and Bonds



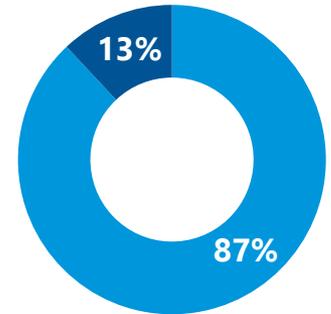
RCF 1.1 € bn

- Bond
- Institutional Lenders Financing (EIB)
- Banking Lines

No refinancing risks until 2022
thanks to maturities profile



Fixed Floating
ratio



- Fixed
- Floating

Balance sheet

€mn	2018 Dec, 31st	1Q 2019	Change
Net invested capital	5,193.5	5,179.9	- 13.6
Fixed capital	5,284.1	5,345.1	61.0
Tangible fixed assets	259.2	274.6	15.4
Net intangible fixed assets	4,982.8	5,020.1	37.3
Net payables investments	- 133.1	- 130.7	2.4
Equity-accounted and other investments	175.2	181.1	5.9
Net working capital	5.7	- 64.8	- 70.5
Receivables	737.1	817.8	80.6
Liabilities	- 731.4	- 882.6	- 151.1
Provisions for employee benefits	- 107.9	- 106.6	1.3
Assets held for sale and directly related liabilities	11.6	6.2	- 5.4
Net financial debt	3,814.3	3,701.9	- 112.4
Financial debt for operating leases (IFRS 16)	49.9	65.7	15.8
Shareholders' equity	1,329.3	1,412.3	83.0



— Q & A



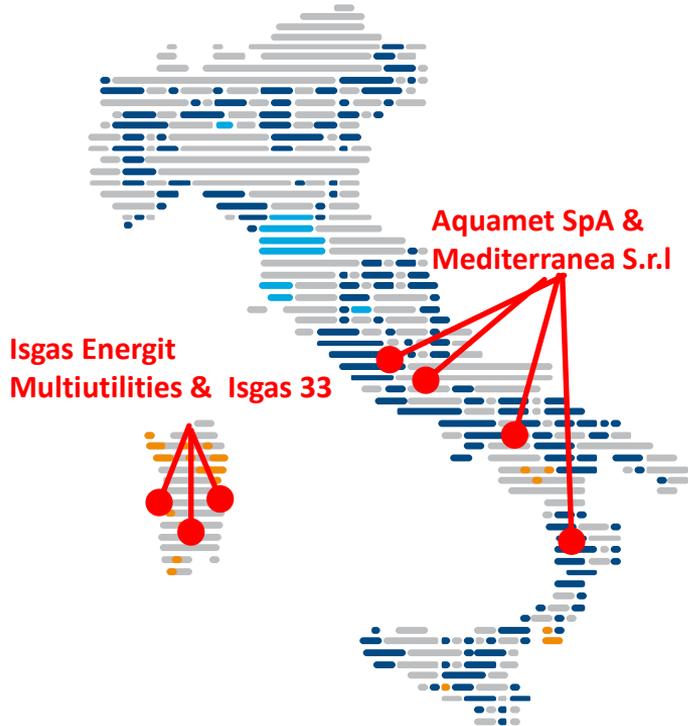
— Annexes

— Conscoop - Transaction overview

- Over 50,000 users acquired
- Total valuation (EV) €68.6 mln with total RAB aligned to EV

The transaction perimeter includes the following:

- ✓ **Natural Gas users⁽¹⁾ ~ 27,400 RdP** in 15 concessions in Central-Southern Italy (Lazio, Campania, Basilicata, Calabria)
- ✓ **LPG users ~ 22,300 RdP** in 3 concessions in Sardinia from **Isgas Energit Multiutilities**
- ✓ **A 10% stake in Isgas 33 (€0.3 mln)** holding one concession in Sardinia with **600 users** temporarily served with LPG with a put/call option for the remaining 90% (at RAB value) once converted to natural gas (LNG)



(1) Of which ~ 23,800 users from Aquamet S.p.A business going concern and ~ 3,600 users from the 100% stake in Mediterranea S.r.l.

— Picarro: Innovative Laser Technology

Main advantages :

- Laser absorption spectroscopy technology
- Sensitive not only to methane (CH_4) but also to ethane (C_2H_6) (can identify biogenic natural gas for example coming from sewers or pools)
- Much higher sensitivity (parts per billion = $\mu\text{g}/\text{kg}$) 1,000 times higher than current laser systems (ppm: parts per million = mg/kg)
- Dispersion can be detected even at about 150-200 m depending on wind speed
- The vehicle can travel at the same speed as other vehicles without obstructing traffic



— Disclaimer

Italgas's Manager, Giovanni Mercante, 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.

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2019 1Q **Consolidated Results**

14th May 2019, Milan

