



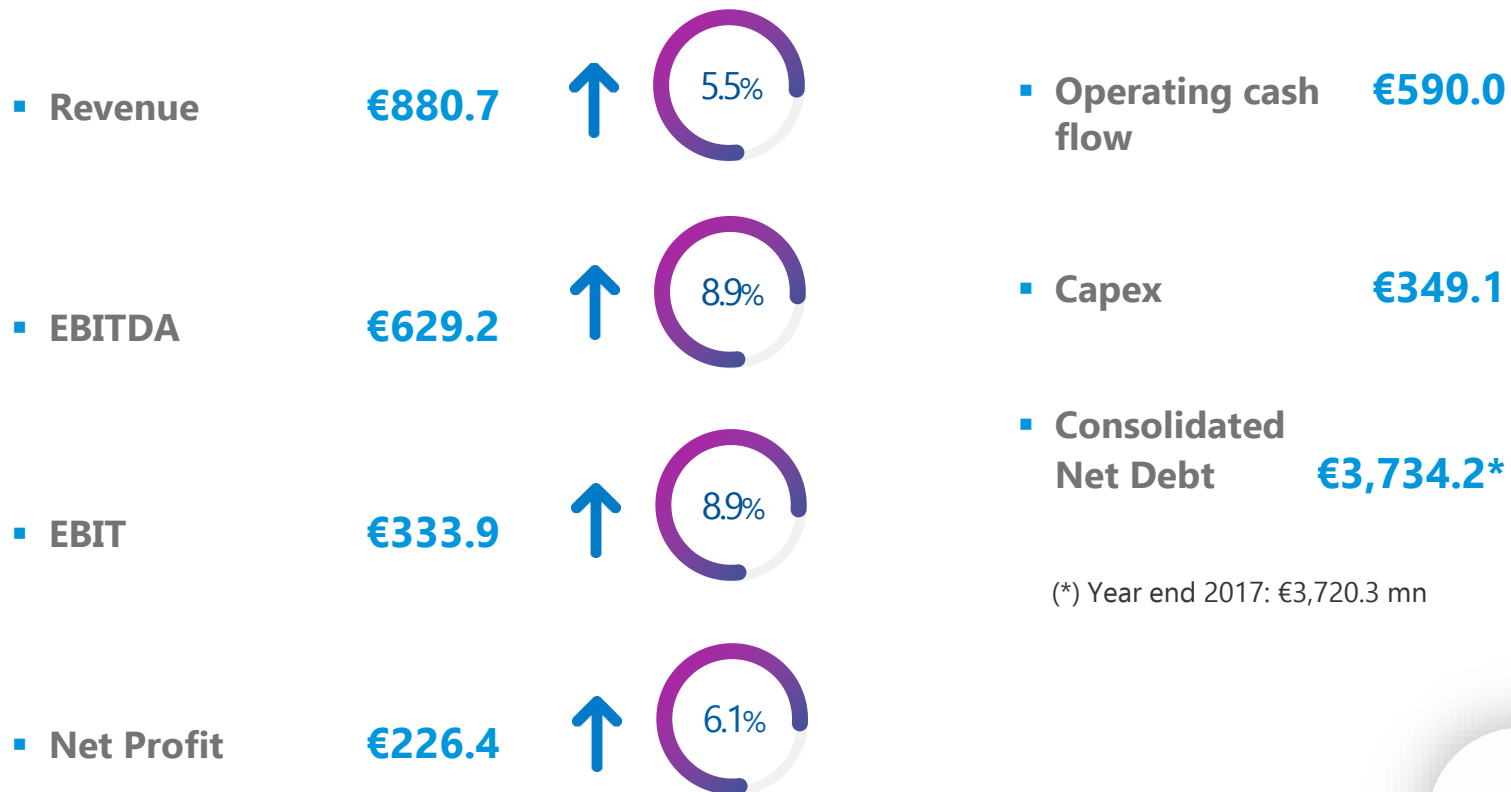
2018 3Q **Consolidated Results**

5th November 2018, Milan

9M 2018: confirming a profitable growth path to reach 2018 targets

€ mn

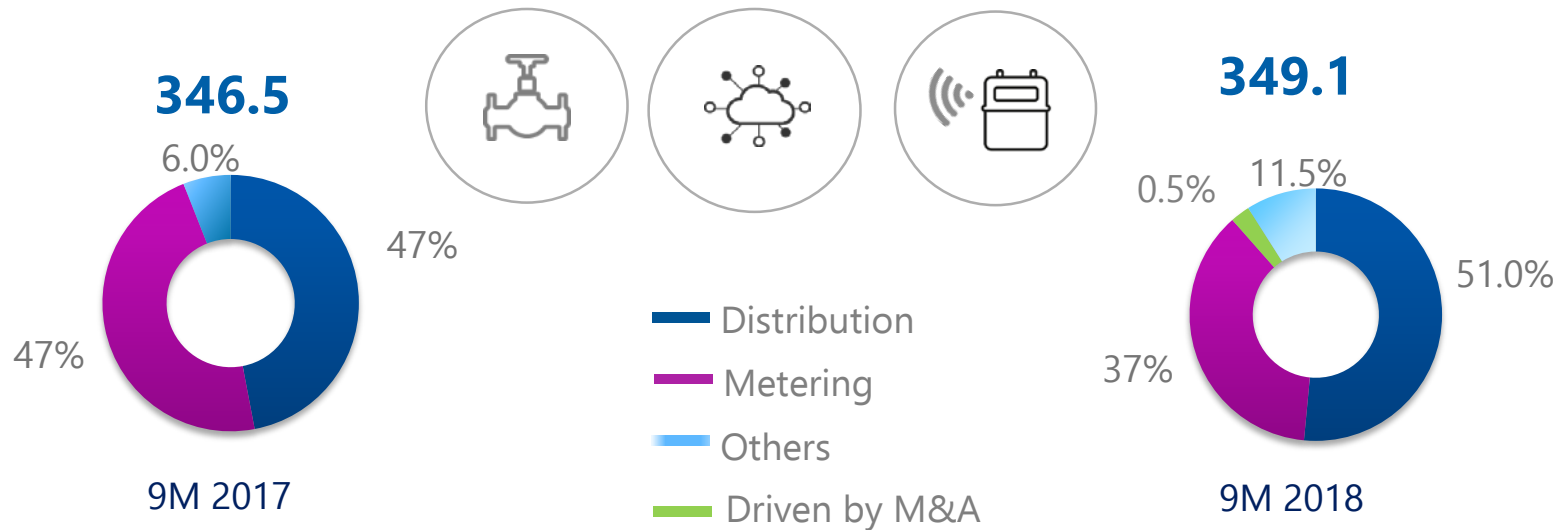
vs 9M 2017



(*) Year end 2017: €3,720.3 mn

9M 2018: Consistently capex delivery

€ mn





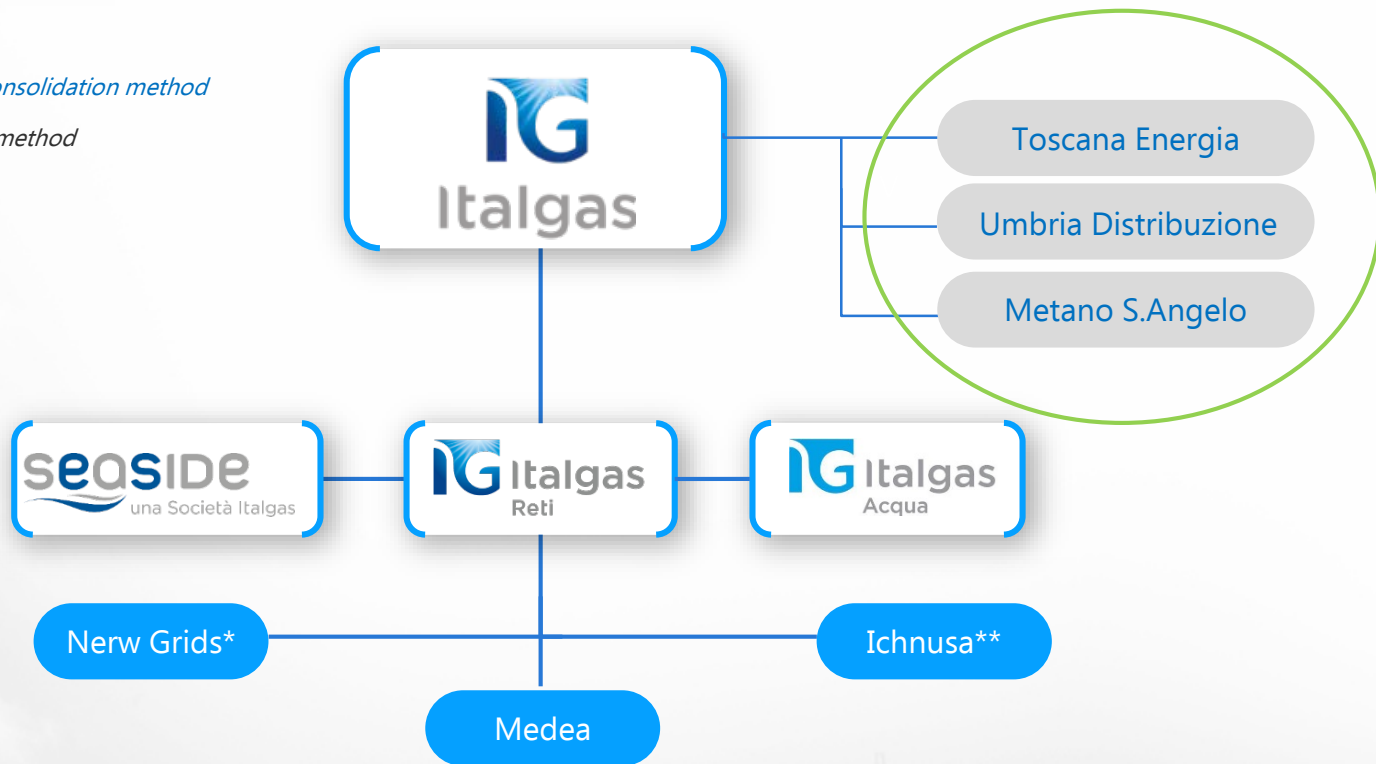
~1,140,000 smart meters installed

~1,200,000 smart meters installed*

* Of which ~1,070,000 units related to the replacement of traditional meters

Corporate Structure as at September 30th

 Fully consolidation method
 Equity method



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

**Holding of 12 companies in Sardinia

Income Statement

€mn	9M 2017	9M 2018	Change
Revenues	835.0	880.7	45.7
Operating expenses	- 257.1	- 251.5	5.6
EBITDA	577.9	629.2	51.3
Depreciation & amortisation	- 271.2	- 295.3	- 24.1
EBIT	306.7	333.9	27.2
Net interest income (expenses)	- 27.0	- 35.6	- 8.6
Net income from associates	15.8	15.3	- 0.5
EBT	295.5	313.6	18.1
Income taxes	- 82.2	- 87.2	- 5.0
NET PROFIT	213.3	226.4	13.1

Consolidated Revenues

€mn	9M 2017	9M 2018	Change
Regulated revenues	820.3	858.6	38.3
Distribution	746.1	753.8	7.7
Tariff contribution for meters replacement	33.9	61.5	27.6
Other distribution revenues	40.3	43.3	3.0
Other revenues	14.7	22.1	7.4
TOTAL REVENUES	835.0	880.7	45.7

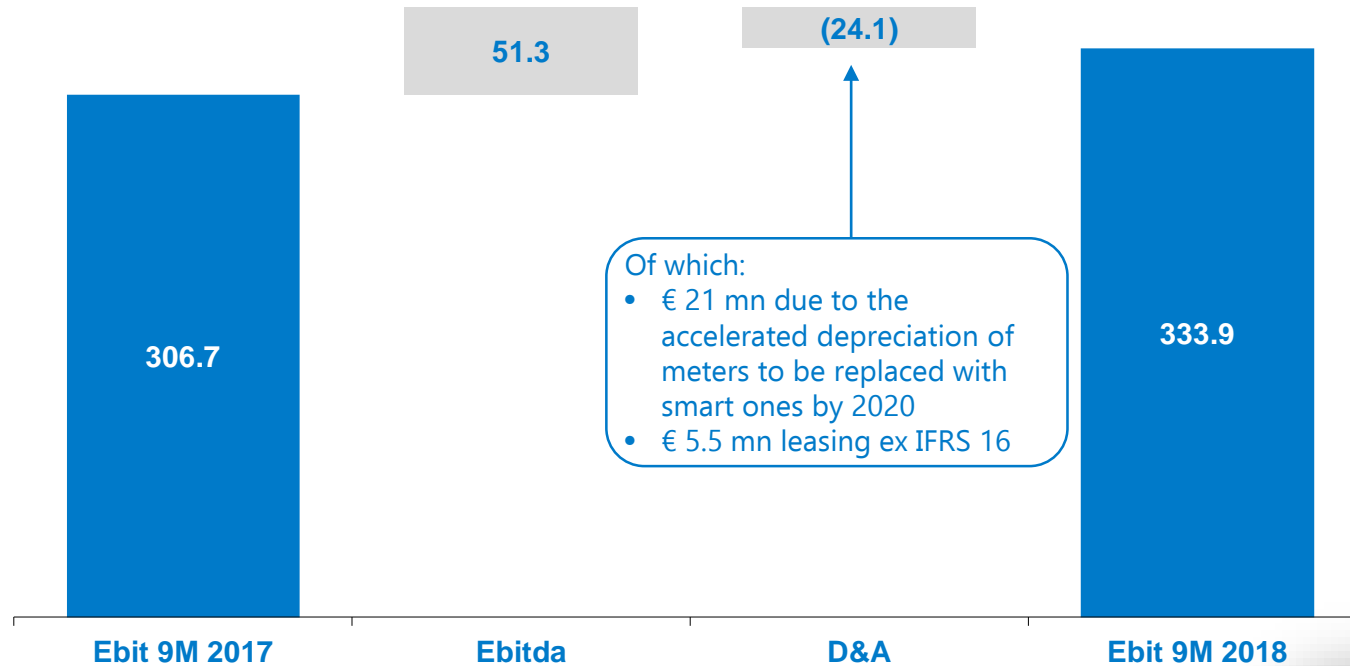
Consolidated Opex

€mn

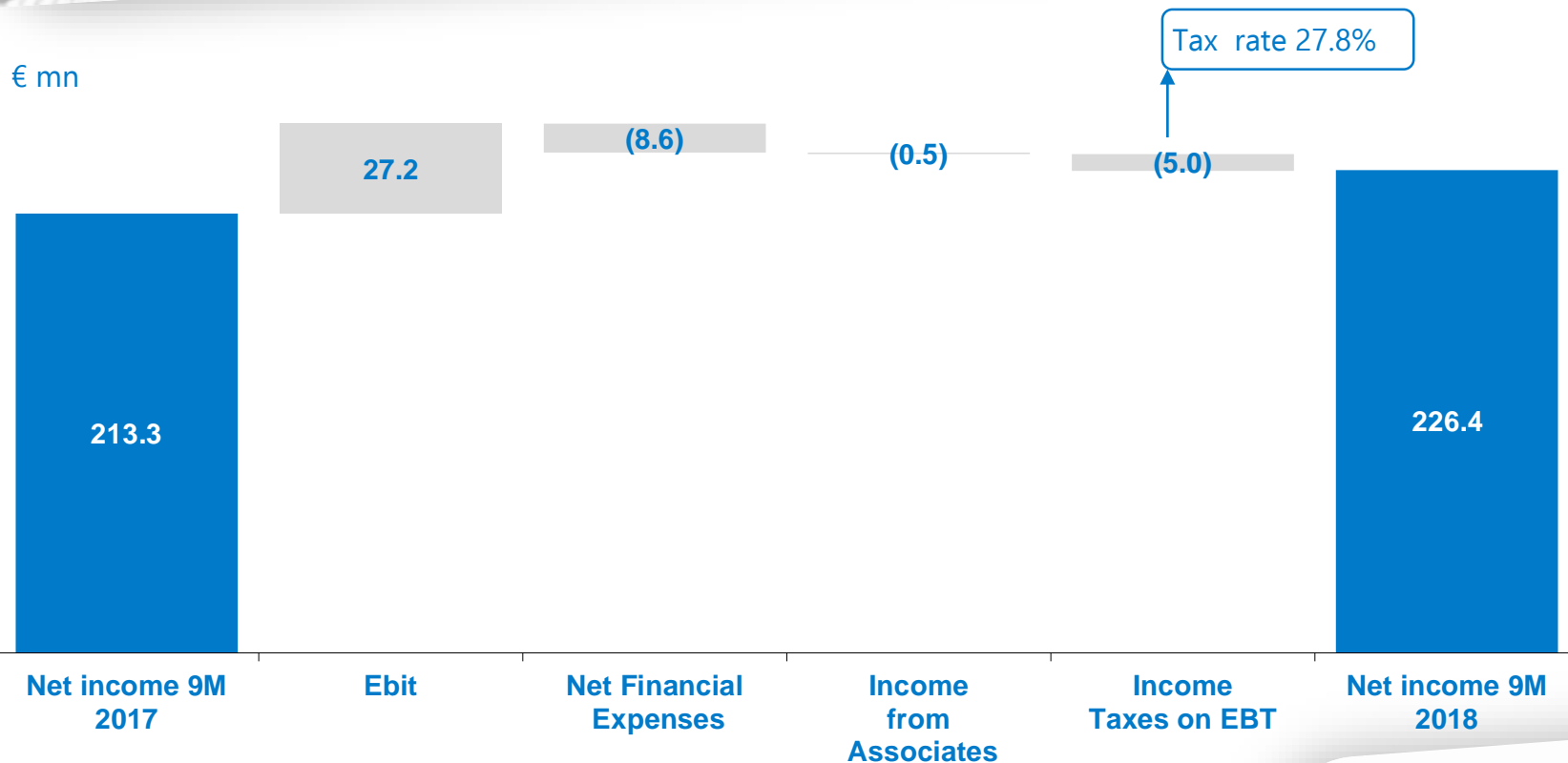
	9M 2017	9M 2018	Change
Gas Distribution activities	248.5	239.5	- 9.0
Fixed costs	194.2	190.5	- 3.7
Net labour cost	98.3	109.1	10.8
Net external cost	95.9	81.5	- 14.5
Variable costs	2.0	3.5	1.4
Other costs	11.2	2.2	- 9.0
Tee	1.6	2.4	0.7
Concessions fees	39.5	40.9	1.5
Other activities	8.6	12.0	3.4
Net labour cost	1.0	1.4	0.4
Net external cost	7.6	10.6	3.0
TOTAL COSTS	257.1	251.5	- 5.6

— Ebit: +8.9% vs 9M 2017

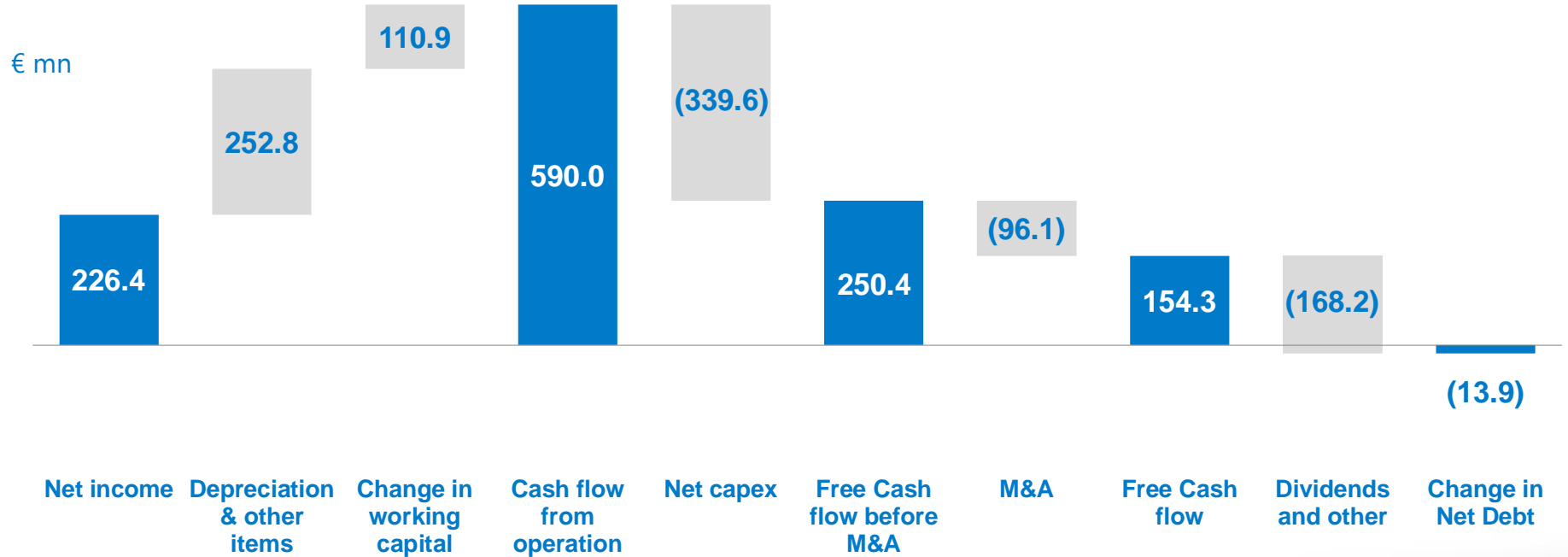
€ mn



Net Income: + 6.1% vs 9M 2017



Consolidated Cash Flow



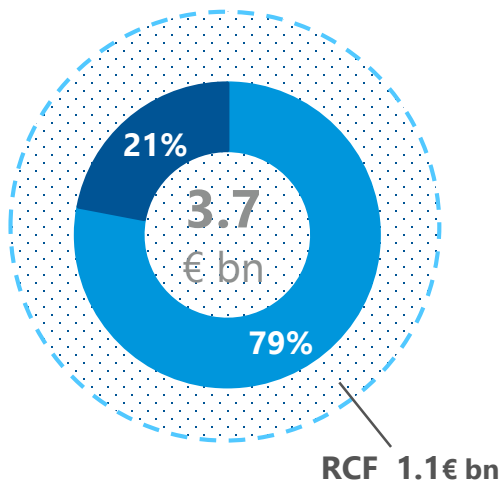
A solid, efficient and resilient debt structure

Italgas Debt Structure

As of September 30th, 2018

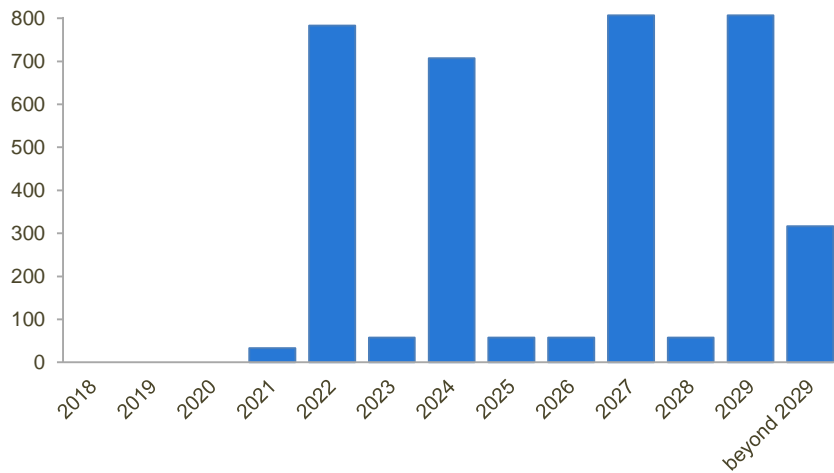
4.8 €bn

Total Committed
Credit Facilities and Bonds

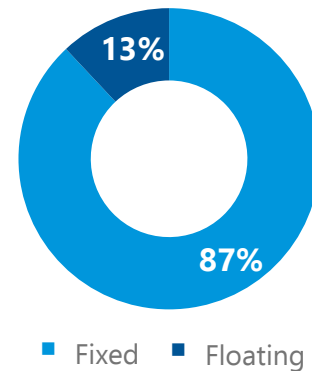


- Bond
- Institutional Lenders Financing (EIB)

No refinancing risks until 2022
thanks to maturities profile



Fixed Floating
ratio



- Fixed
- Floating

Balance sheet

€mn

	2017 Dec, 31st	9M 2018	Change
Net invested capital	4,905.9	5,019.7	113.8
Fixed capital	4,950.9	5,140.9	190.0
Tangible fixed assets	224.6	259.9	35.3
Net intangible fixed assets	4,676.6	4,803.0	126.4
Net payables investments	- 135.3	- 108.6	26.7
Equity-accounted and other investments	185.0	186.6	1.6
Net working capital	71.1	- 8.0	- 79.1
Receivables	749.9	661.4	- 88.5
Liabilities	- 678.8	- 669.4	9.4
Provisions for employee benefits	- 116.1	- 113.2	2.9
Assets held for sale and directly related liabilities	-	-	-
Net financial debt	3,720.3	3,734.2	13.9
Net financial debt from operative leasing	-	43.1	43.1
Shareholders' equity	1,185.6	1,242.4	56.8



— Q & A



— Annexes

Income statement

€mn	2017 3 rd Quarter	2018 3 rd Quarter	Change
Revenues	270.4	288.3	17.9
Operating expenses	- 82.6	- 83.3	- 0.7
EBITDA	187.8	205.0	17.2
Depreciation & amortisation	- 85.1	- 94.1	- 9.0
EBIT	102.7	110.9	8.2
Net interest income (expenses)	- 8.6	- 11.9	- 3.3
Net income from associates	5.3	5.6	0.3
EBT	99.4	104.6	5.2
Income taxes	- 25.6	- 28.9	- 3.3
NET PROFIT	73.8	75.7	1.9

Income statement

€mn	2018 1 st Quarter	2018 2 nd Quarter	2018 3 rd Quarter
Revenues	281.0	311.4	288.3
Operating expenses	- 82.6	- 85.6	- 83.3
EBITDA	198.4	225.8	205.0
Depreciation & amortisation	- 86.0	- 115.2	- 94.1
EBIT	112.4	110.6	110.9
Net interest income (expenses)	- 12.0	- 11.7	- 11.9
Net income from associates	4.8	4.9	5.6
EBT	105.2	103.8	104.6
Income taxes	- 30.5	- 27.8	- 28.9
NET PROFIT	74.7	76.0	75.7

*Q2 Seaside TEE margin (1.1 mln) had been reclassified from operating expenses to revenues.

— Disclaimer

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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.

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2018 3Q **Consolidated Results**

5th November 2018, Milan

