



1H 2021 RESULTS

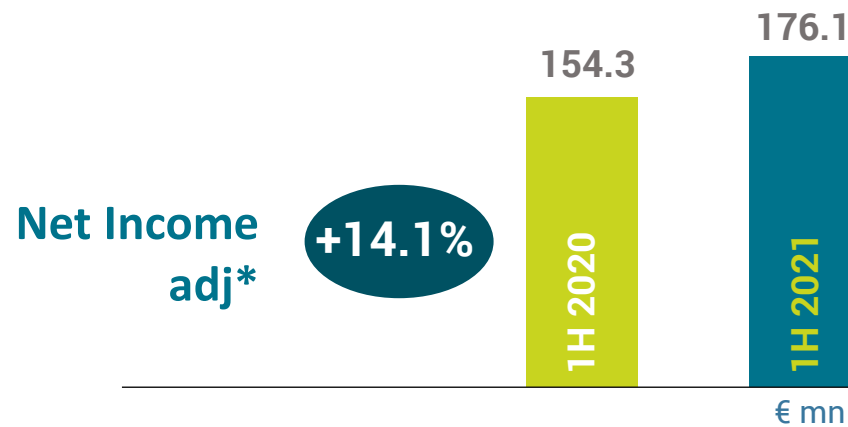
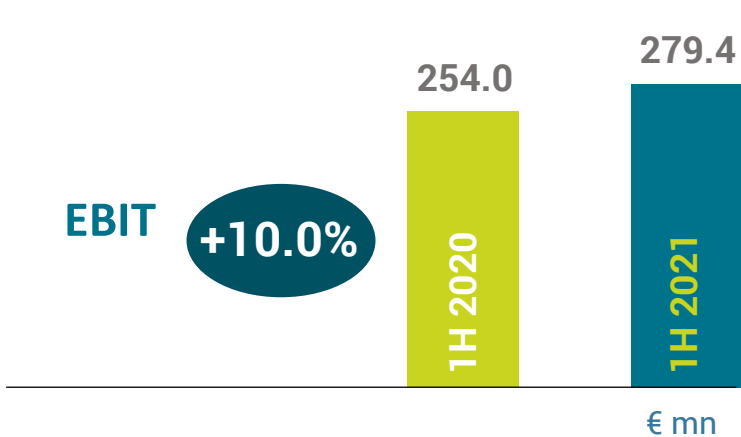
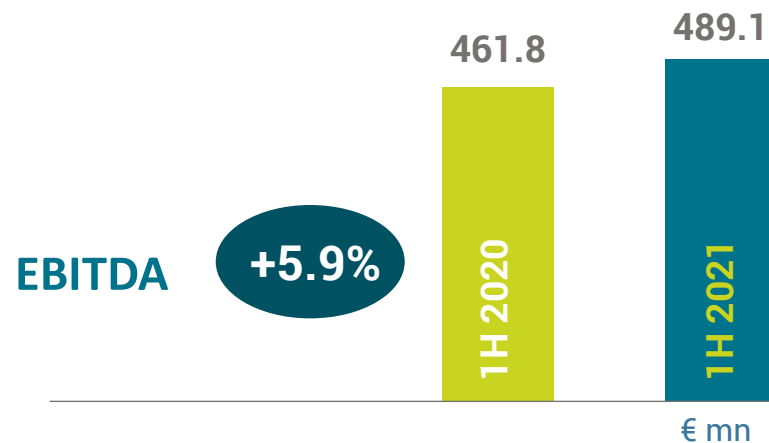
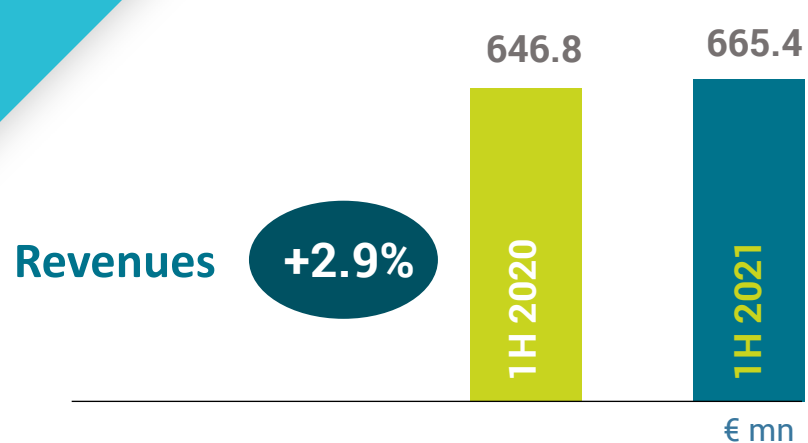
Milan

27.07.2021



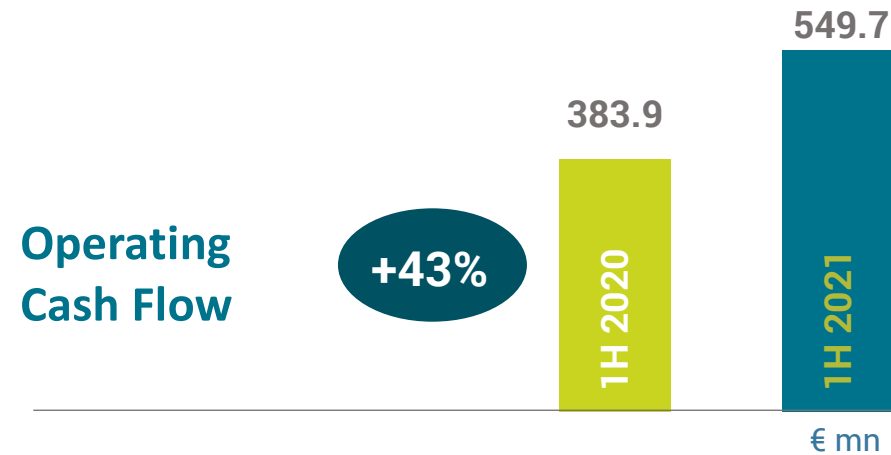
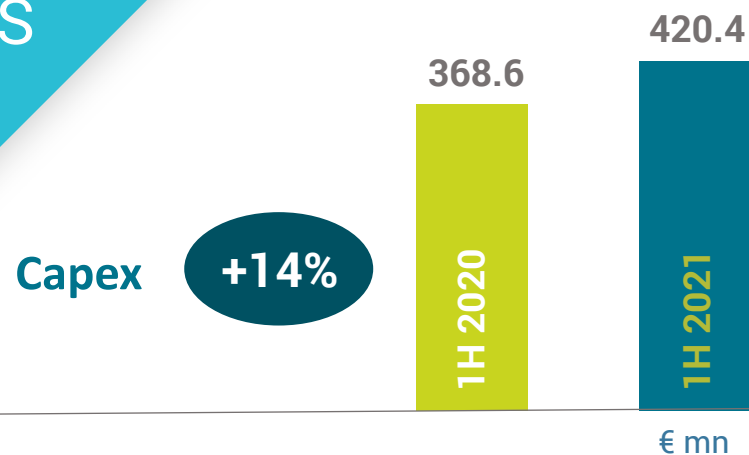
1H 2021 RESULTS KEY HIGHLIGHTS

Despite the DL570 effects,
strong and accelerating growth led by RAB increase, service to
clients and costs control



1H 2021 RESULTS

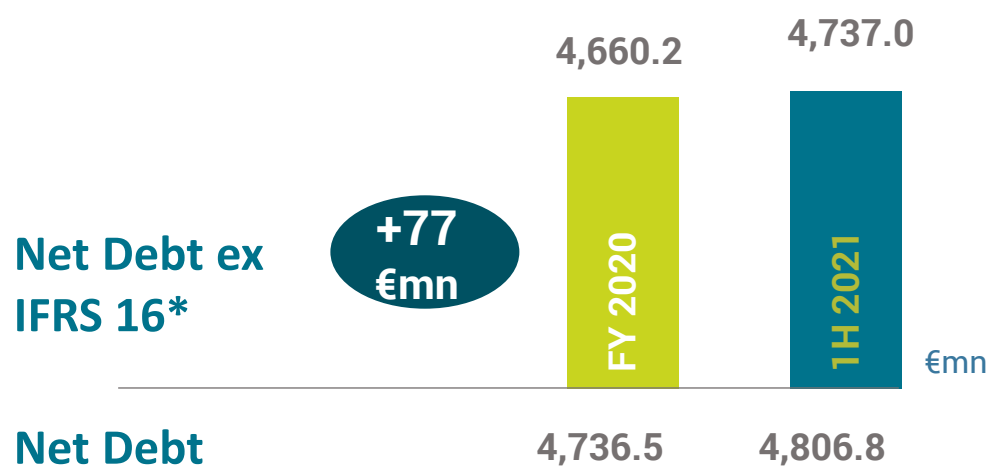
KEY HIGHLIGHTS



Capex up, led by digital transformation and network extension and repurposing effort

Cashflow generation improvement reflects positive working capital evolution

Net Debt under control, despite higher capex and dividend payment thanks to strong cashflow generation

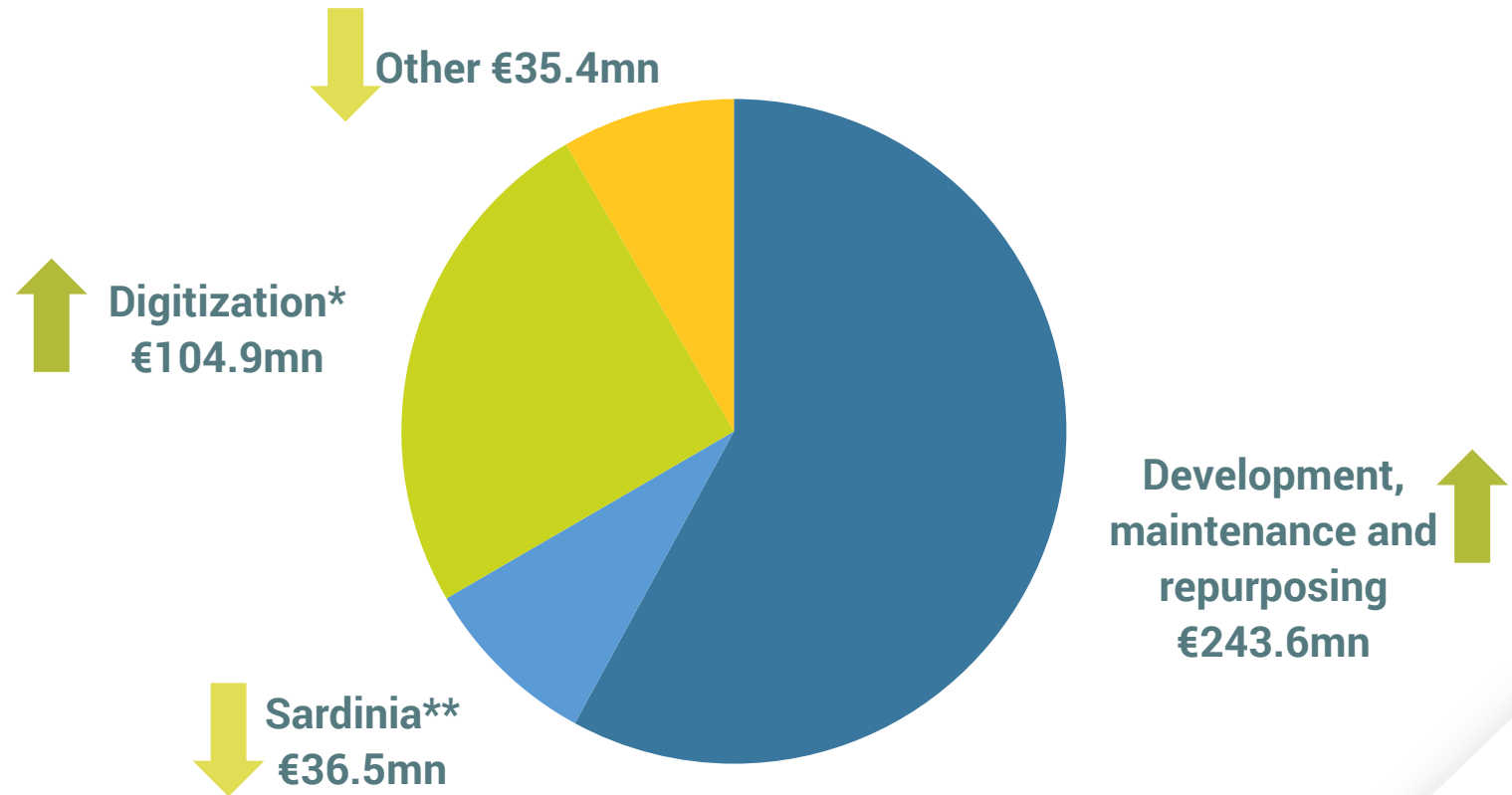


(*) Operating leases ex IFRS 16 €69.8mn at the end of 1H 2021 and €76.3mn at the end of 2020

CAPEX MIX HAS CHANGED AS EXPECTED

389km new networks pipes of
which 52km in Sardinia
481k smart meters installed***

1H 2021
€420.4mn +14.1% yoy



1H 2021 RESULTS ESG GHG EMISSIONS

Scope I and II GHG emissions

10³t CO₂ eq

62.5
1H 2020

6.4
Gas leaks

0.0
Civil and
Industrial
Consumption*

in line with fuel consumption
and Km travelled

0.6
Vehicles
69.5
1H 2021

+14% emissions
+36% km surveyed

-15%

Fugitive emissions per km surveyed

CH₄ Smc /
km of network inspected

1H 2020

1H 2021

Vehicles

- 22 mln km travelled (+24%)
- Operative fleet: 92% CNG fuelled
- CO₂/km: stable
- NO_x/km: -7% Particulate/km: -33%

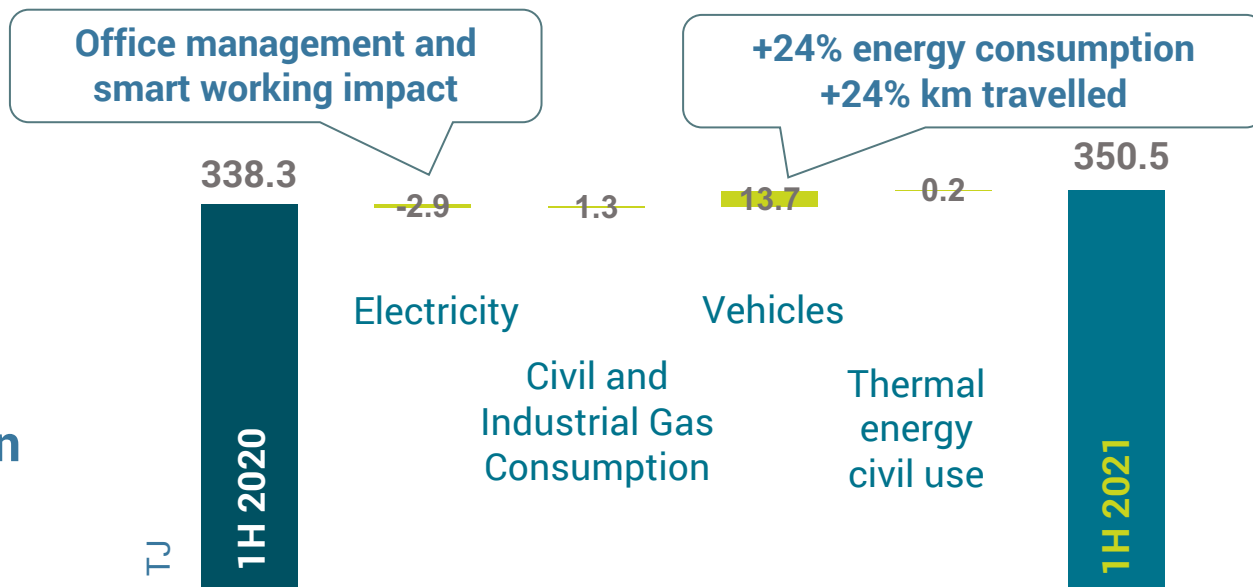
Fugitive emissions

- 35.193 km inspected (+36%)
- New LISA**/ km: -19%
- Gas leaked / km: -15%
- Gas leaked /gas supplied: 0.064%

1H 2021 RESULTS ESG

ENERGY CONSUMPTION

Net energy consumption



Industrial consumption

Smc of gas to pre-heat / 1,000 Smc of gas supplied



- Gas supplied: 4.86 bil smc (+6%)
- Gas for pre-heat: 5.9 mil smc (+2%)
- 89% gas consumption used for pre-heat
- Net electricity: 45,7 TJ (-6%)

1H 2021 RESULTS ESG PATH TO DE-CARBON



Predictive maintenance on gas pipelines based on the results of the inspections with CRDS** technology in 2019-2020.



Efficient pre-heating systems starting from an assessment by Seaside to identify areas for energy efficiency improvements (replacement of obsolete boilers with state of the art systems ...)



Self-production of electric energy with the operation of the cogeneration and turbo-expansion plants installed at the biggest city-gates



Energy-savvy offices leveraging Seaside's expertise with a deployment at scale of Savemixer*** and Savegas*** solutions on buildings



Training and awareness initiatives on energy management systems adoption (certification, offices, driving, ...)

To achieve the targets set in the 2021-2027 Strategic Plan

-30% GHG emissions
-25% net energy consumption
(vs 2020 levels*)

...
set of initiatives

RESULTS

1H 2021 REPORTED VS ADJUSTED

1H 2021
reported

1H 2021
adjusted

Change

P&L, € mln

| | | | |
|-------------------------------------|--------------|--------------|------------|
| Total Revenues | 665.4 | 665.4 | - |
| Operating expenses | - 176.3 | - 176.3 | - |
| EBITDA | 489.1 | 489.1 | - |
| Depreciation & amortisation | - 209.7 | - 209.7 | - |
| EBIT | 279.4 | 279.4 | - |
| Net interest income (expenses) | - 31.8 | - 25.4 | 6.4 |
| Net income from associates | 1.1 | 1.1 | - |
| EBT | 248.7 | 255.1 | 6.4 |
| Income taxes | - 68.7 | - 70.2 | - 1.5 |
| NET PROFIT before minorities | 180.0 | 184.9 | 4.9 |
| Minorities | - 8.8 | - 8.8 | - |
| NET PROFIT after minorities | 171.2 | 176.1 | 4.9 |

- 6.4mn cost of bond buyback transaction finalised in February

- 1.5mn fiscal impact of above mentioned non-recurring item

RESULTS

1H 2021 ADJUSTED

1H 2020
adjusted

1H 2021
adjusted

Change

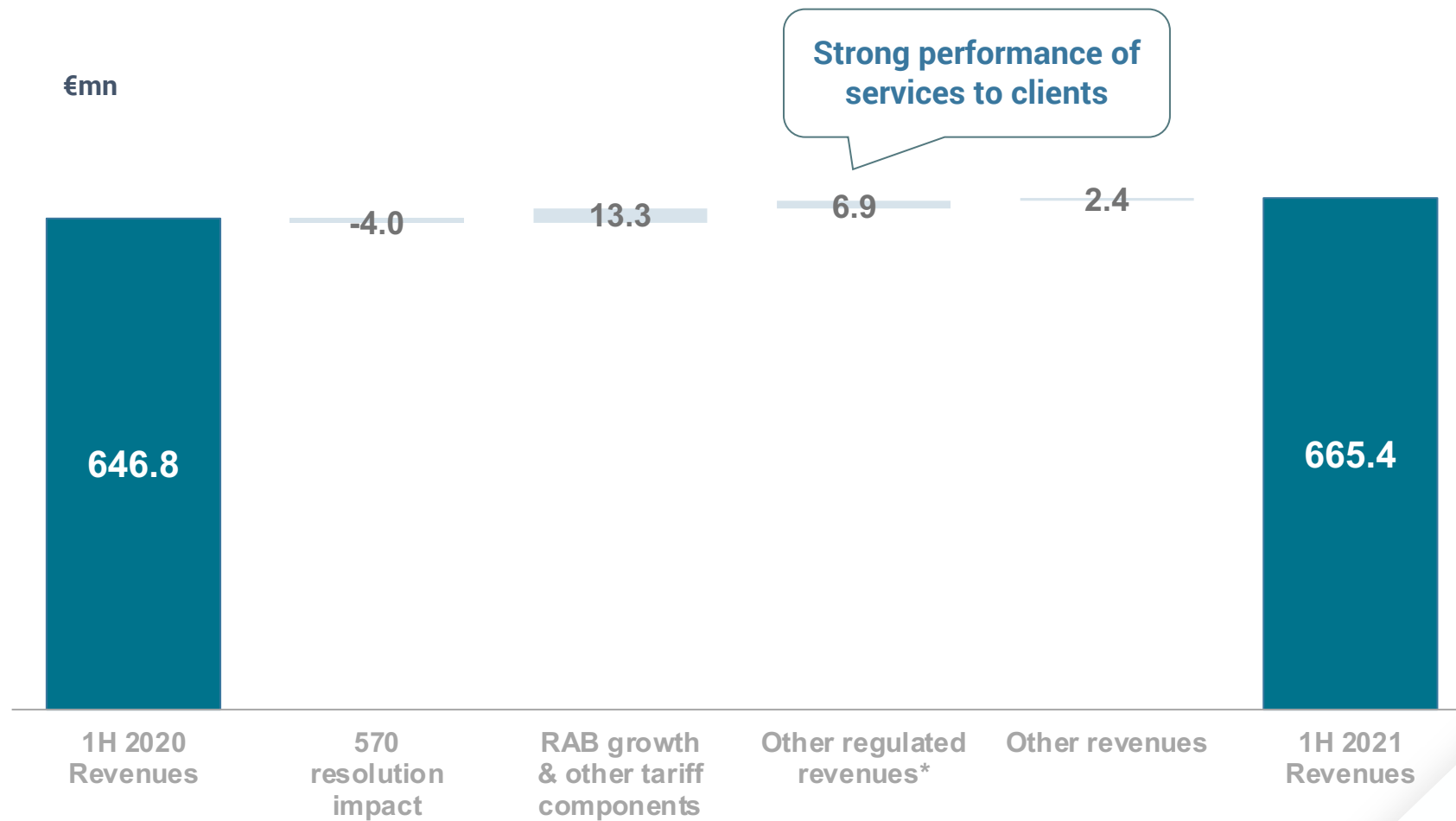
P&L, € mln

| | 1H 2020 adjusted | 1H 2021 adjusted | Change | |
|-------------------------------------|---------------------|---------------------|-------------|------------------|
| Total Revenues | 646.8 | 665.4 | 18.6 | |
| Operating expenses | - 185.0 | - 176.3 | 8.7 | |
| EBITDA | 461.8 | 489.1 | 27.3 | ↑ + 5.9% |
| Depreciation & amortisation | - 207.8 | - 209.7 | - 1.9 | |
| EBIT | 254.0 | 279.4 | 25.4 | ↑ + 10.0% |
| Net interest income (expenses) | - 26.4 | - 25.4 | 1.0 | |
| Net income from associates | 1.0 | 1.1 | 0.1 | |
| EBT | 228.6 | 255.1 | 26.5 | |
| Income taxes | - 65.0 | - 70.2 | - 5.2 | |
| NET PROFIT before minorities | 163.7 | 184.9 | 21.2 | |
| Minorities | - 9.4 | - 8.8 | 0.6 | |
| NET PROFIT after minorities | 154.3 | 176.1 | 21.8 | ↑ + 14.1% |

RESULTS

1H 2021

Revenues +2.9% vs 1H 2020



(*) including tariff adjustments

RESULTS

1H 2021

1H 2020

1H 2021

Change

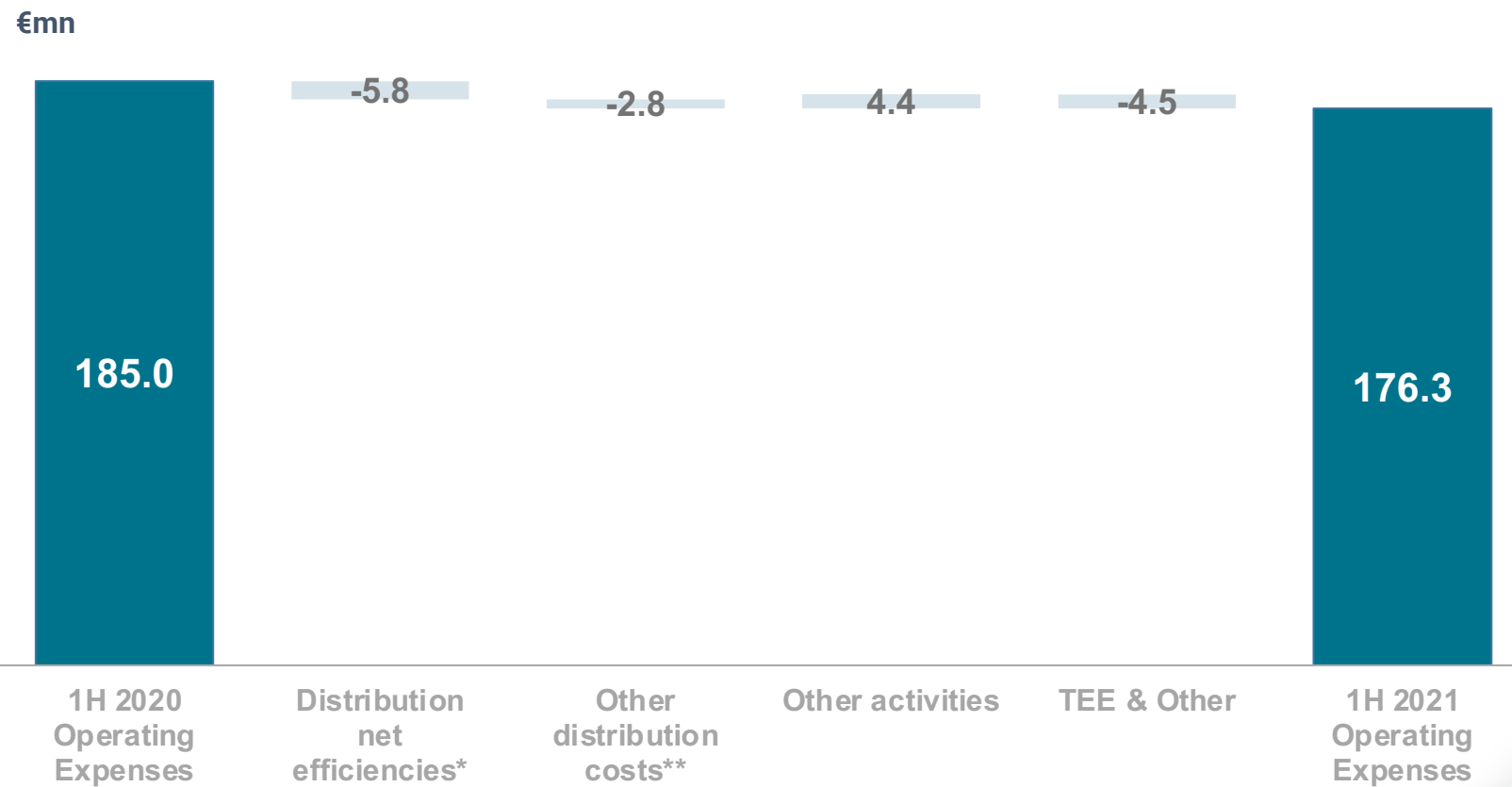
REVENUES, € mln

| | 1H 2020 | 1H 2021 | Change |
|--|--------------|--------------|-------------|
| Regulated revenues | 626.0 | 642.2 | 16.2 |
| Distribution | 590.1 | 595.5 | 5.4 |
| Tariff contribution for meters replacement | 5.2 | 6.1 | 0.9 |
| Other distribution revenues | 30.7 | 40.6 | 9.9 |
| Other revenues | 20.8 | 23.2 | 2.4 |
| TOTAL REVENUES | 646.8 | 665.4 | 18.6 |

RESULTS

1H 2021

Operating expenses -4.7% vs 1H 2020



* like for like; ** excluding concession fees, included in TEE & Other

RESULTS

1H 2021

1H 2020

1H 2021

Change

OPERATING EXPENSES, € mln

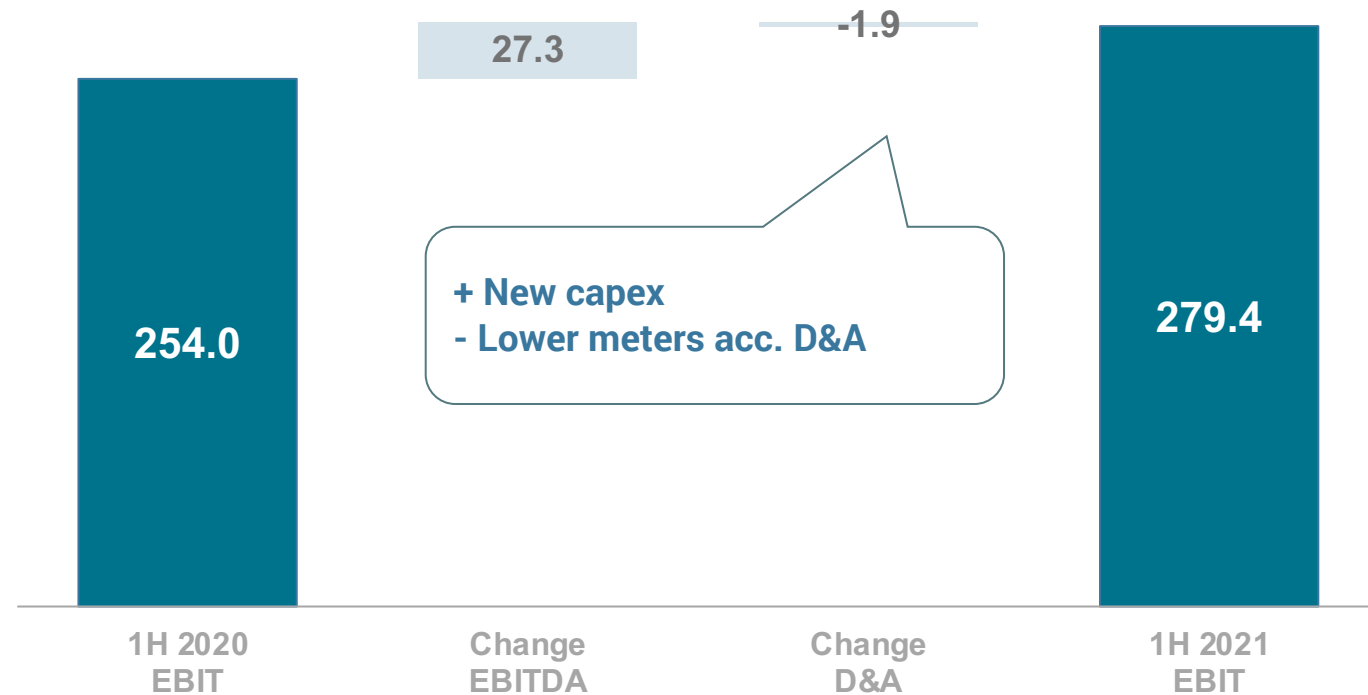
| | 1H 2020 | 1H 2021 | Change |
|---------------------------------|--------------|--------------|--------------|
| Distribution fixed costs | 128.5 | 119.9 | - 8.6 |
| Net labour cost | 73.6 | 67.7 | - 5.9 |
| Net external cost | 54.9 | 52.2 | - 2.7 |
| Other activities | 13.1 | 17.5 | 4.4 |
| Net labour cost | 1.8 | 2.5 | 0.7 |
| Net external cost | 11.3 | 15.0 | 3.7 |
| Other costs | 4.0 | 1.2 | - 2.8 |
| Tee | 4.9 | 3.0 | - 1.9 |
| Concessions fees | 34.5 | 34.7 | 0.2 |
| OPERATING EXPENSES | 185.0 | 176.3 | - 8.7 |

RESULTS

1H 2021

Ebit +10.0% vs 1H 2020

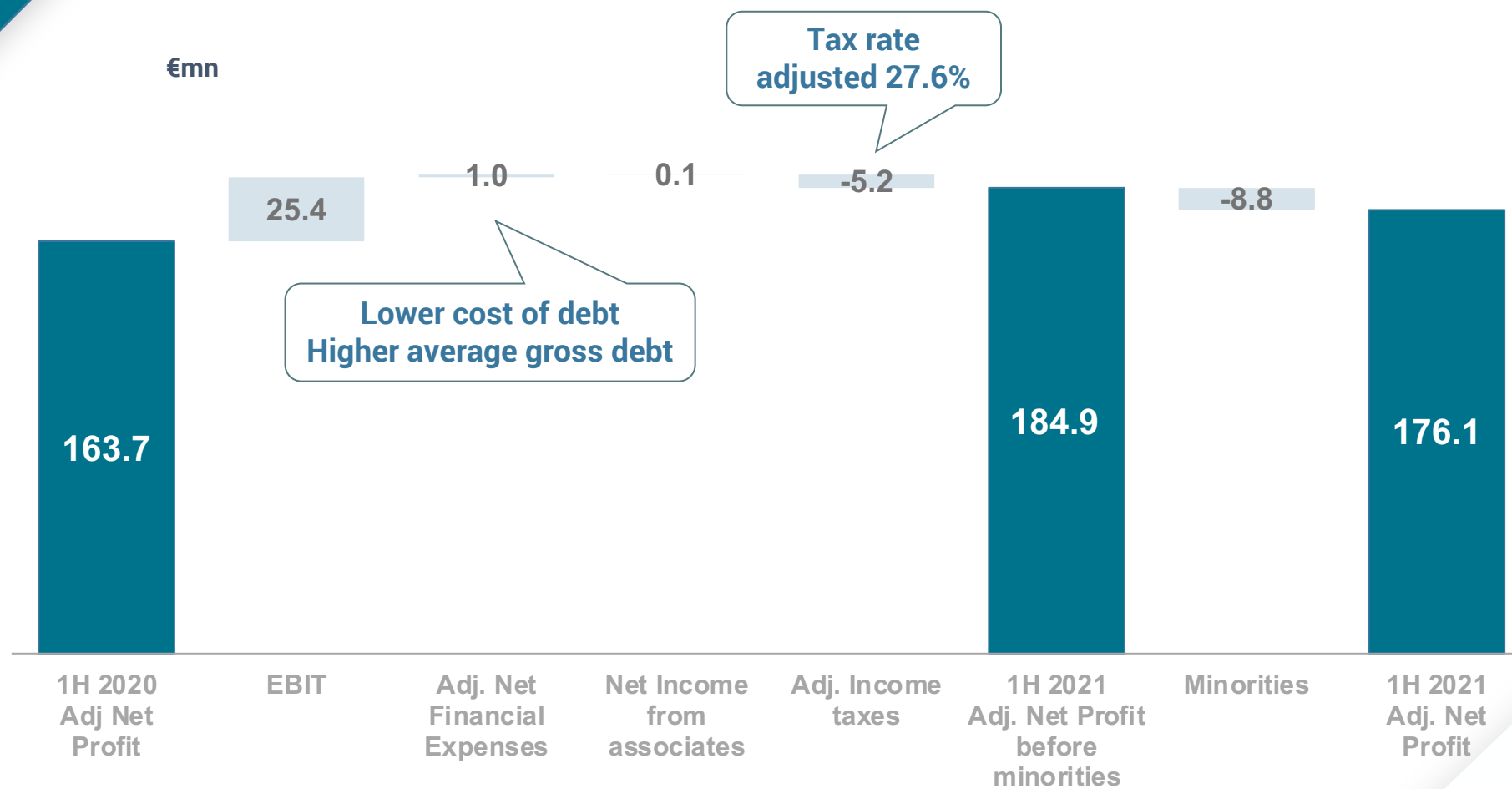
€mn



RESULTS

1H 2021

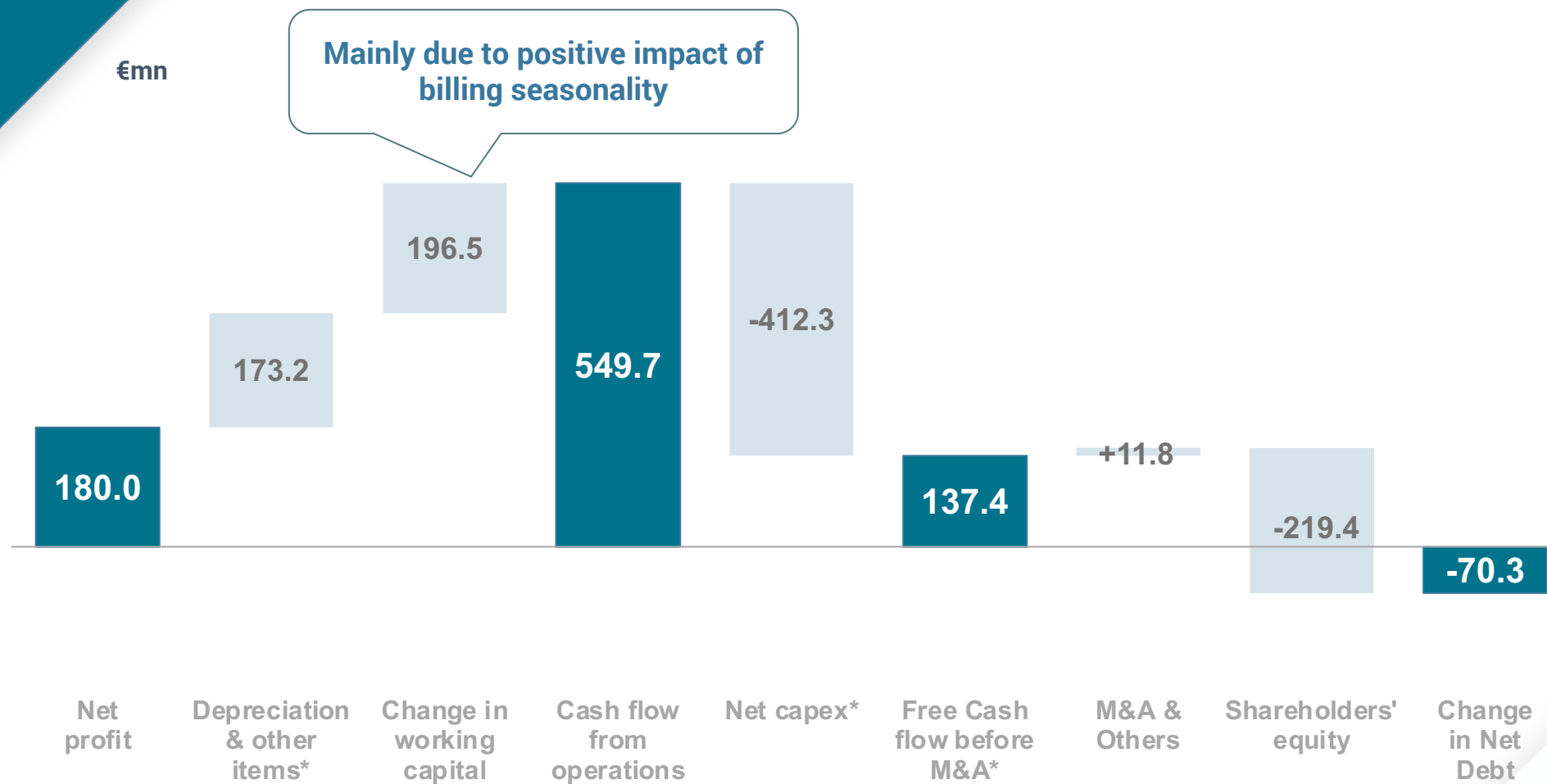
Adjusted Net Profit +14.1% vs 1H 2020



RESULTS

1H 2021

Cash Flow



(*) includes IFRS16 effects,

FINANCIAL STRATEGY

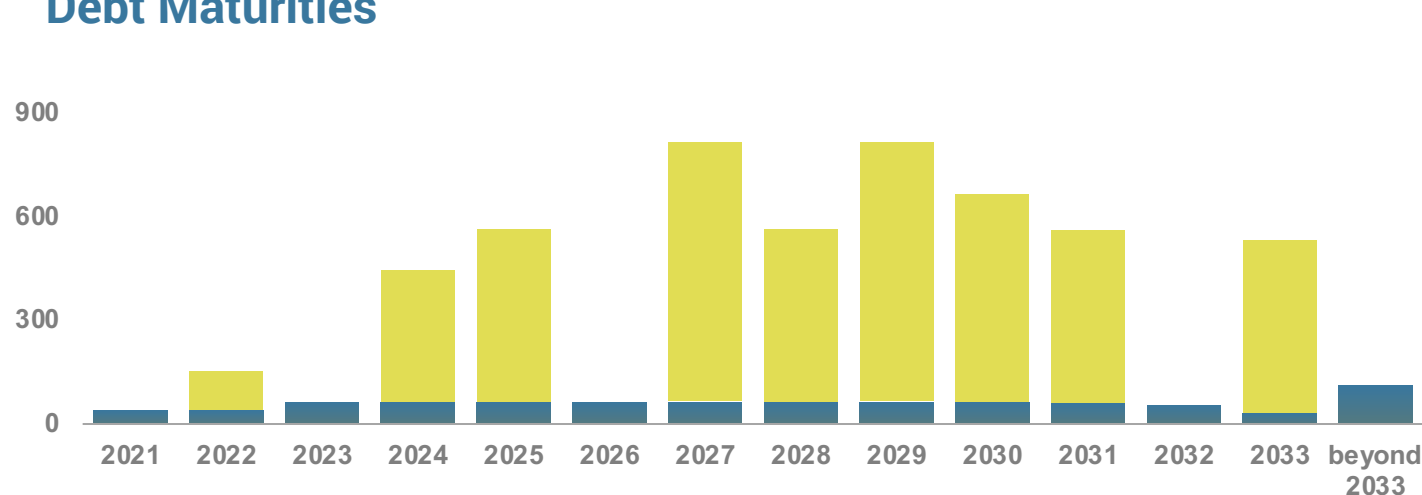
A KEY SOURCE OF VALUE CREATION

Limited refinancing needs and liquidity buffer c€690mn

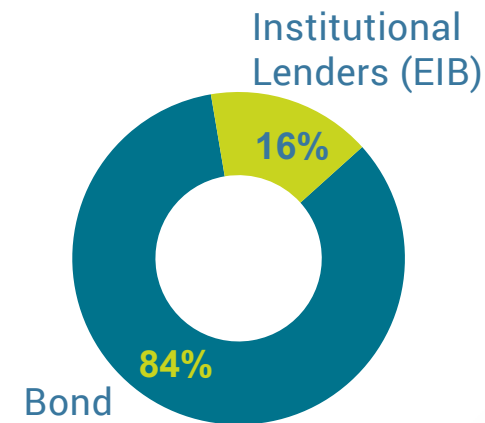
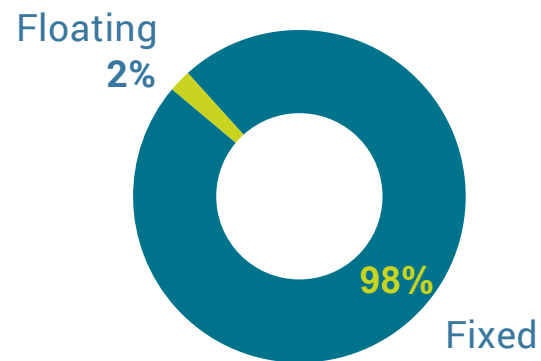
Low exposure to interest rates volatility and long debt tenor

Best in class cost of debt of ~1% in 1H 2021

Debt Maturities



1H 2021 Gross Debt Structure*



(*) excluding IFRS16

RESULTS

1H 2021

BALANCE SHEET

FY 2020

1H 2021

Change

€ mln

| | FY 2020 | 1H 2021 | Change |
|---|----------------|----------------|---------------|
| Net invested capital | 6,713.9 | 6,725.5 | 11.6 |
| Fixed capital | 6,707.2 | 6,909.6 | 202.4 |
| Tangible fixed assets | 369.9 | 374.6 | 4.7 |
| Net intangible fixed assets | 6,511.5 | 6,708.6 | 197.1 |
| Net payables investments | - 208.6 | - 207.6 | 1.0 |
| Equity-accounted and other investments | 34.4 | 34.0 | - 0.4 |
| Net working capital | 111.2 | - 79.5 | - 190.7 |
| Provisions for employee benefits | - 104.6 | - 100.0 | 4.6 |
| Assets held for sale and directly related liabilities | 0.1 | - 4.6 | - 4.7 |
| Net financial debt | 4,736.5 | 4,806.8 | 70.3 |
| Financial debt for operating leases (IFRS 16) | 76.3 | 69.8 | - 6.5 |
| Net financial debt ex operating leases | 4,660.2 | 4,737.0 | 76.8 |
| Shareholders' equity | 1,977.4 | 1,918.7 | - 58.7 |

1H 2021 CONCLUSION

Despite the DL570 effects, 1H results show our capabilities as industrial operators: investments, services to customers and costs reduction

Strong focus on environmental performance

Submitted offer for DEPA in Greece on July 15th

Assessing consultation document of ARERA on allowed returns and preparing our response



APPENDIX

RESULTS

P&L QUARTERLY ADJUSTED

1Q 2021

2Q 2021

3Q 2021

4Q 2021

€ mln

| | | | | |
|-------------------------------------|--------------|--------------|--|--|
| Total Revenues | 333.3 | 332.1 | | |
| Operating expenses | - 98.9 | - 77.4 | | |
| EBITDA | 234.4 | 254.7 | | |
| Depreciation & amortisation | - 104.5 | - 105.2 | | |
| EBIT | 129.9 | 149.5 | | |
| Net interest income (expenses) | - 13.6 | - 11.8 | | |
| Net income from associates | 0.6 | 0.5 | | |
| EBT | 116.9 | 138.2 | | |
| Income taxes | - 31.0 | - 39.2 | | |
| NET PROFIT before minorities | 85.9 | 99.0 | | |
| Minorities | - 4.7 | - 4.1 | | |
| NET PROFIT after minorities | 81.2 | 94.9 | | |

RESULTS

2Q

2Q 2020

2Q 2021

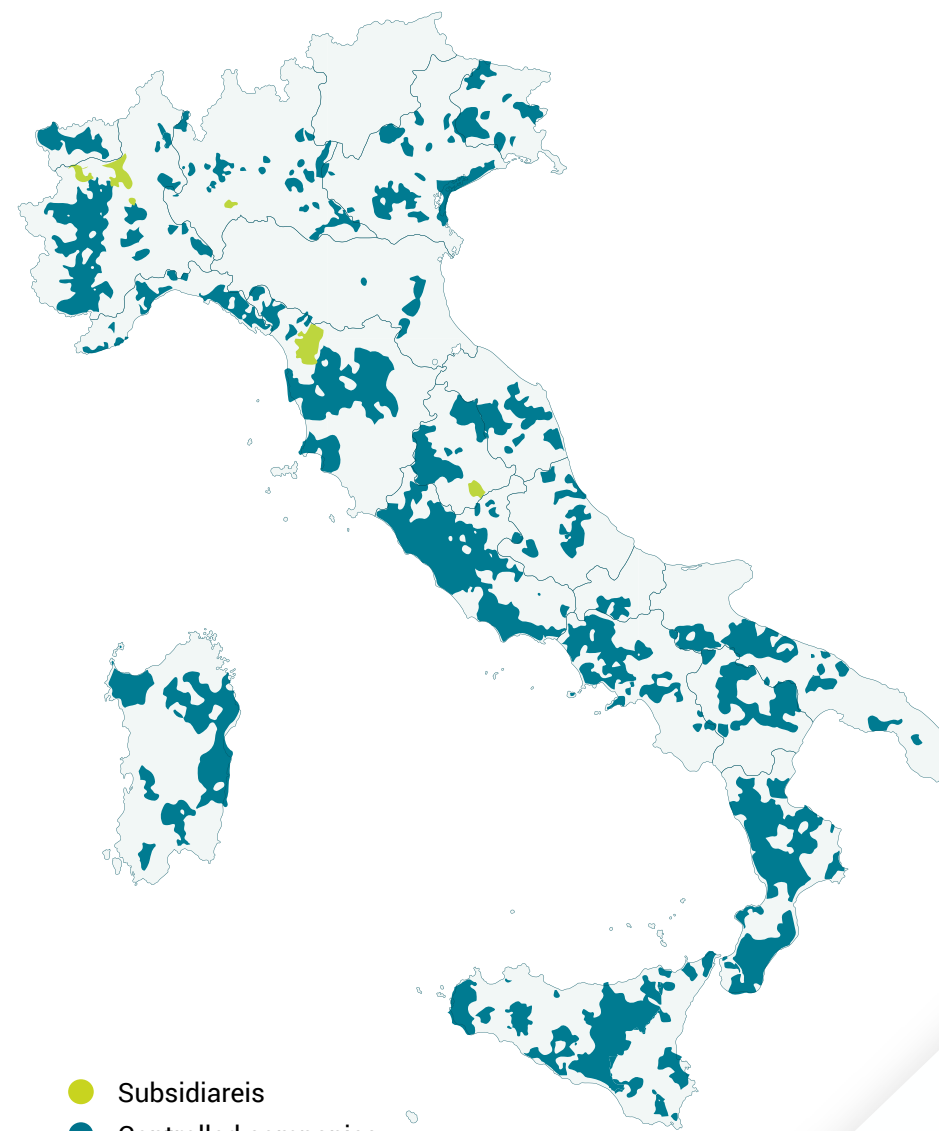
Change

€ mln

| | 2Q 2020 | 2Q 2021 | Change |
|-------------------------------------|--------------|--------------|-------------|
| Total Revenues | 319.7 | 332.1 | 12.4 |
| Operating expenses | - 84.8 | - 77.4 | 7.4 |
| EBITDA | 234.9 | 254.7 | 19.8 |
| Depreciation & amortisation | - 104.4 | - 105.2 | - 0.8 |
| EBIT | 130.5 | 149.5 | 19.0 |
| Net interest income (expenses) | - 13.0 | - 11.8 | 1.2 |
| Net income from associates | 0.1 | 0.5 | 0.4 |
| EBT | 117.6 | 138.2 | 20.6 |
| Income taxes | - 34.9 | - 39.2 | - 4.3 |
| NET PROFIT before minorities | 82.8 | 99.0 | 16.2 |
| Minorities | - 3.8 | - 4.1 | - 0.3 |
| NET PROFIT after minorities | 79.0 | 94.9 | 15.9 |

MAIN NUMBERS

| | OPERATING HIGHLIGHTS (TOTAL) | OF WHICH AFFILIATES |
|-----------------------------|------------------------------|---------------------|
| Network length | 73,590 km | 1,883 km |
| Municipalities | 1,888 | 61 |
| Redelivery Points | 7.745 mn | 0.153 mn |
| Market Share ⁽¹⁾ | 35% | 0.1% |



(*) Calculated by redelivery points

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