

1H 2022 RESULTS

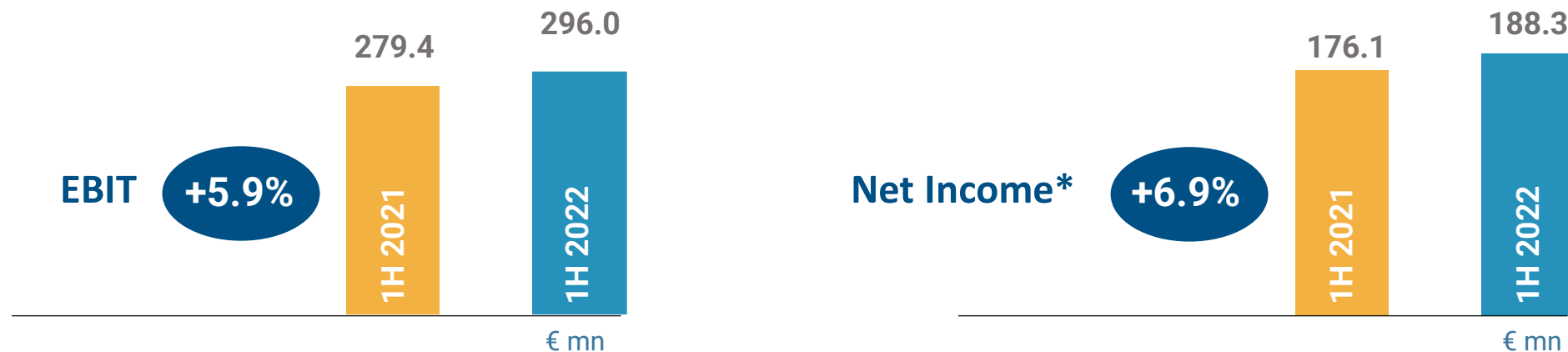
Milan

25.07.2022

1H 2022 Results key highlights

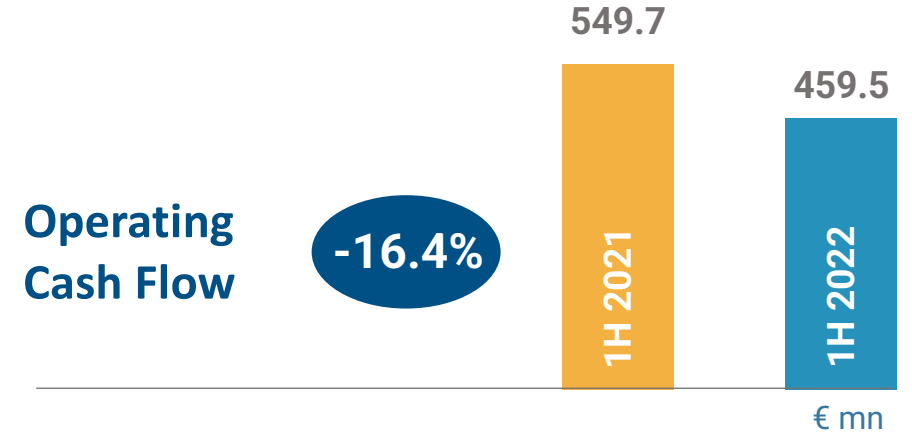
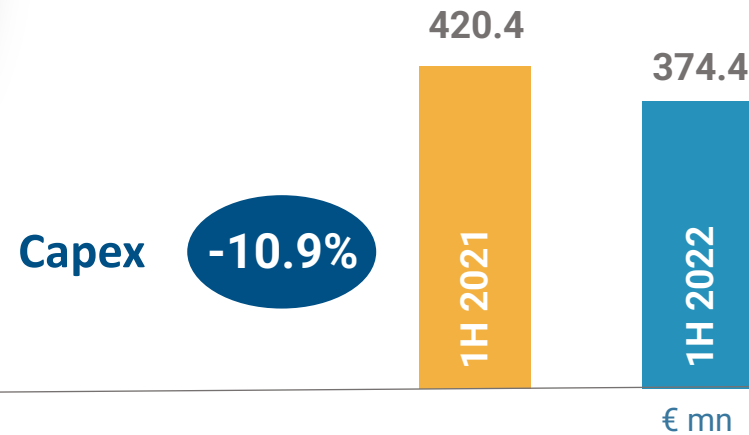


1H results on track with guidance, led by RAB growth, ESCOs and efficiencies, despite negative impact of WACC and Resolution 570 (€31.4mn)



(*) 2021 numbers adjusted for the post tax cost of €4.9mn of the bond buyback transaction finalised in February 2021

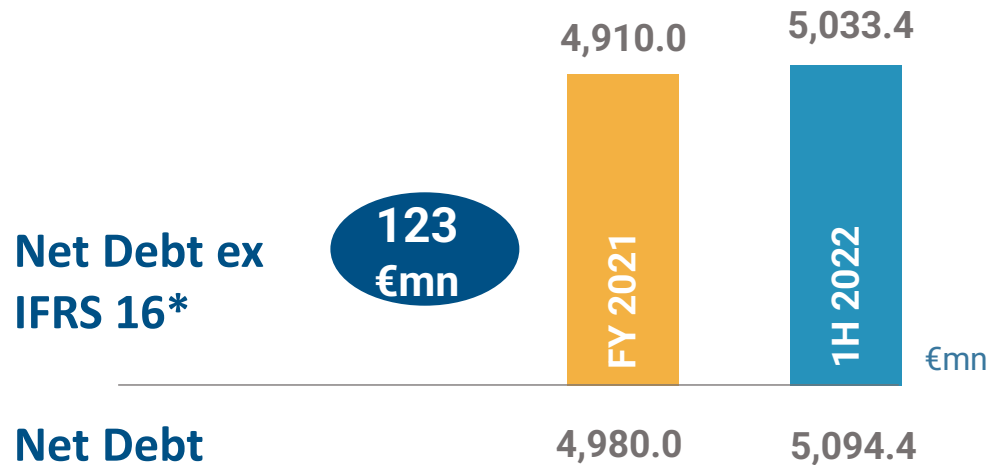
1H 2022 Results key highlights



Capex re-allocation as planned, resulting in yoy reduction

Cashflow generation reflects some temporary effects

Net Debt increase, led by DPS payment in May



(*) Operating leases ex IFRS 16 €66.6mn at the end of 1H 2022 and €70.0mn at the end of 2021

1H 2022 Results key highlights

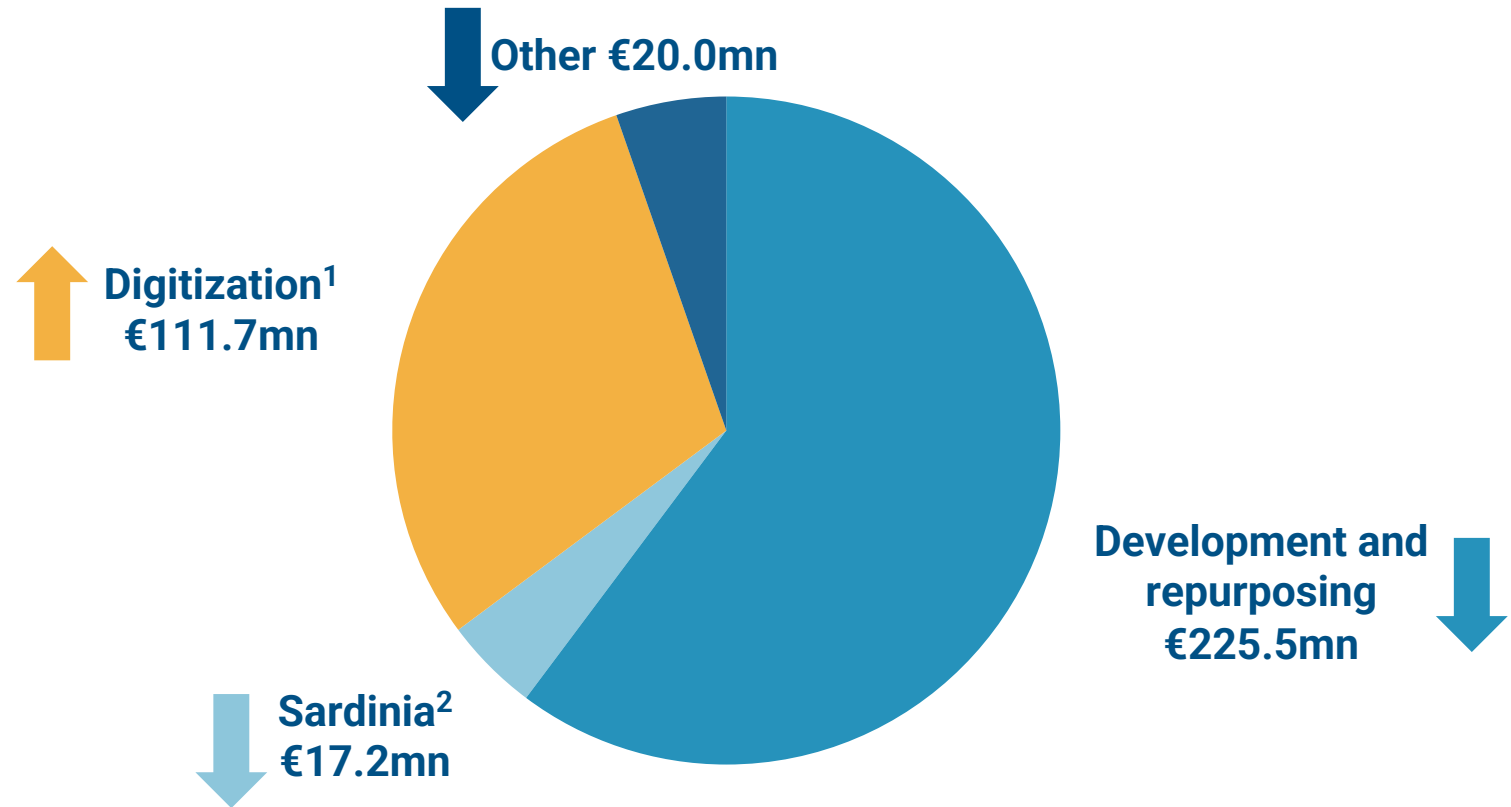
1H 2022 €374.4mn



230km new networks pipes

Additional 11 new small scale
LNG storage and regasification
plants installed in Sardinia³

275k smart meters installed⁴



1H 2022 Results ESG GHG emissions



- 47,667 km inspected (+35.4%)
- Gas leaked / km surveyed: 49.02 smc/km (-43.7%)
- Gas leaked / gas distributed: 0.047% (-22%)

- Emissions trend (-9.1%) reflects less km travelled
- Operative bi-fuel fleet: 92% CNG fuelled

Scope I and II GHG emissions

10³ tCO₂ eq

69.5

1H 2021

-12.4

Gas
leaked

-2.1

Civil and
industrial
gas
consumption

-0.3

Vehicles

0.0

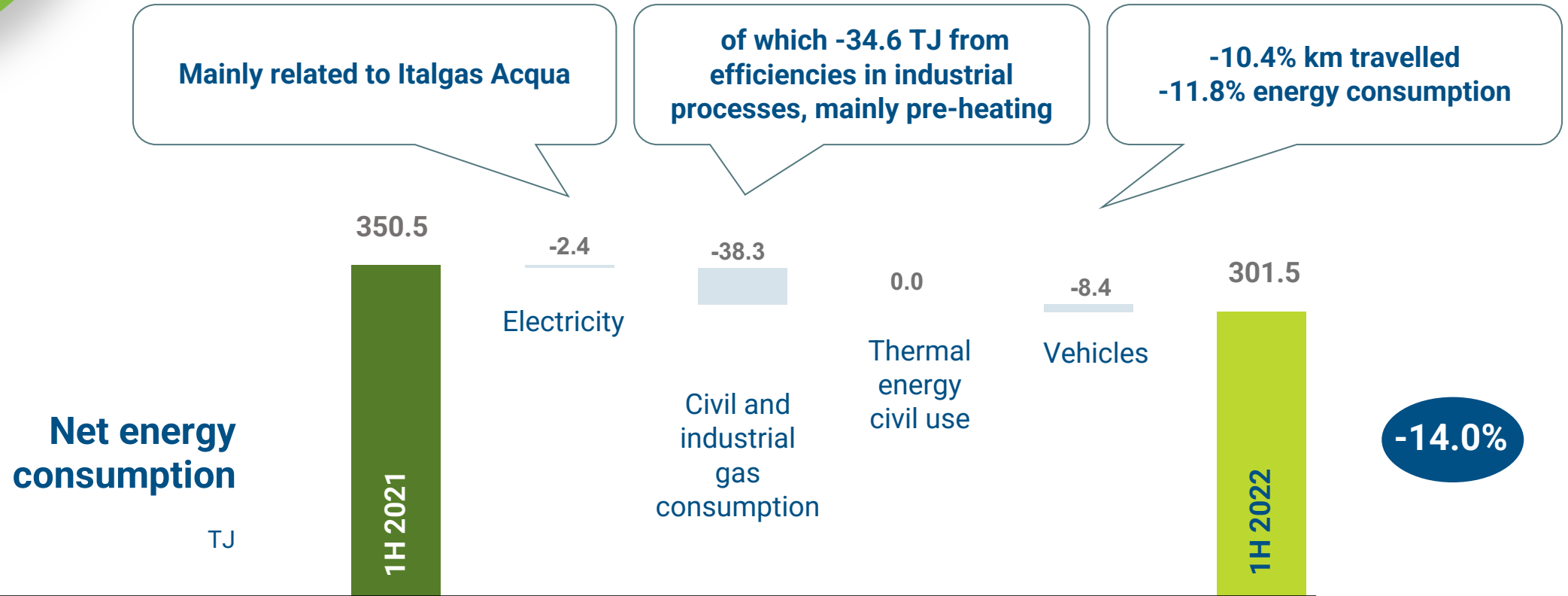
Civil and
industrial
electricity
consumption*

54.7

1H 2022

-21.3%

1H 2022 Results ESG Net energy consumption

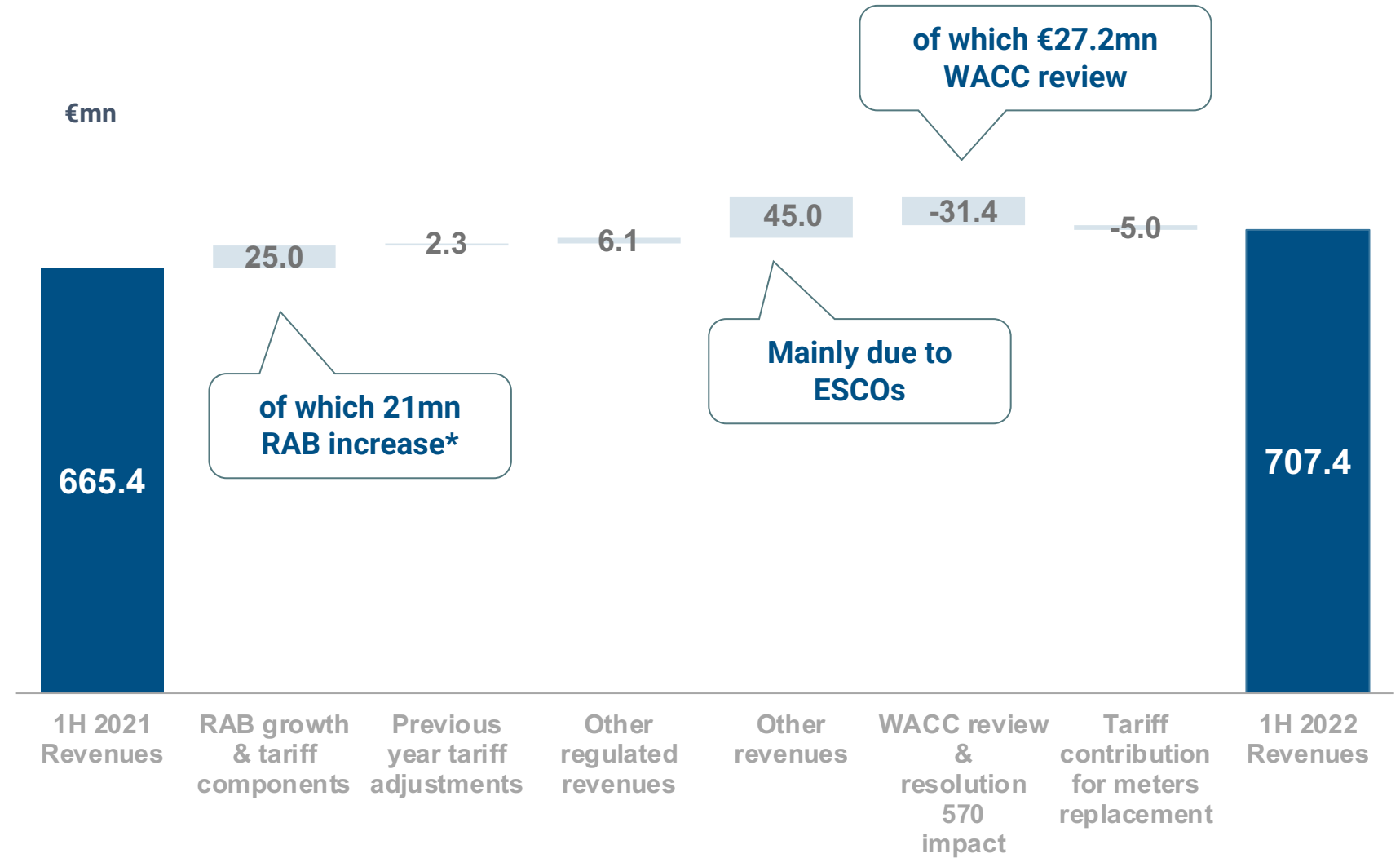


1H 2022 Results

	1H 2021 adjusted*	1H 2022	Change	
<i>P&L, € mln</i>				
Total Revenues	665.4	707.4	42.0	
Operating expenses	- 176.3	- 194.1	- 17.8	
EBITDA	489.1	513.3	24.2	↑ + 4.9%
Depreciation & amortisation	- 209.7	- 217.3	- 7.6	
EBIT	279.4	296.0	16.6	↑ + 5.9%
Net interest income (expenses)	- 25.4	- 26.3	- 0.9	
Net income from associates	1.1	3.2	2.1	
EBT	255.1	272.9	17.8	
Income taxes	- 70.2	- 75.1	- 4.9	
NET PROFIT before minorities	184.9	197.8	12.9	
Minorities	- 8.8	- 9.5	- 0.7	
NET PROFIT after minorities	176.1	188.3	12.2	↑ + 6.9%

(*) 2021 numbers adjusted for the post tax cost of €4.9mn of the bond buyback transaction finalised in February 2021

Revenues +6.3% vs 1H 2021

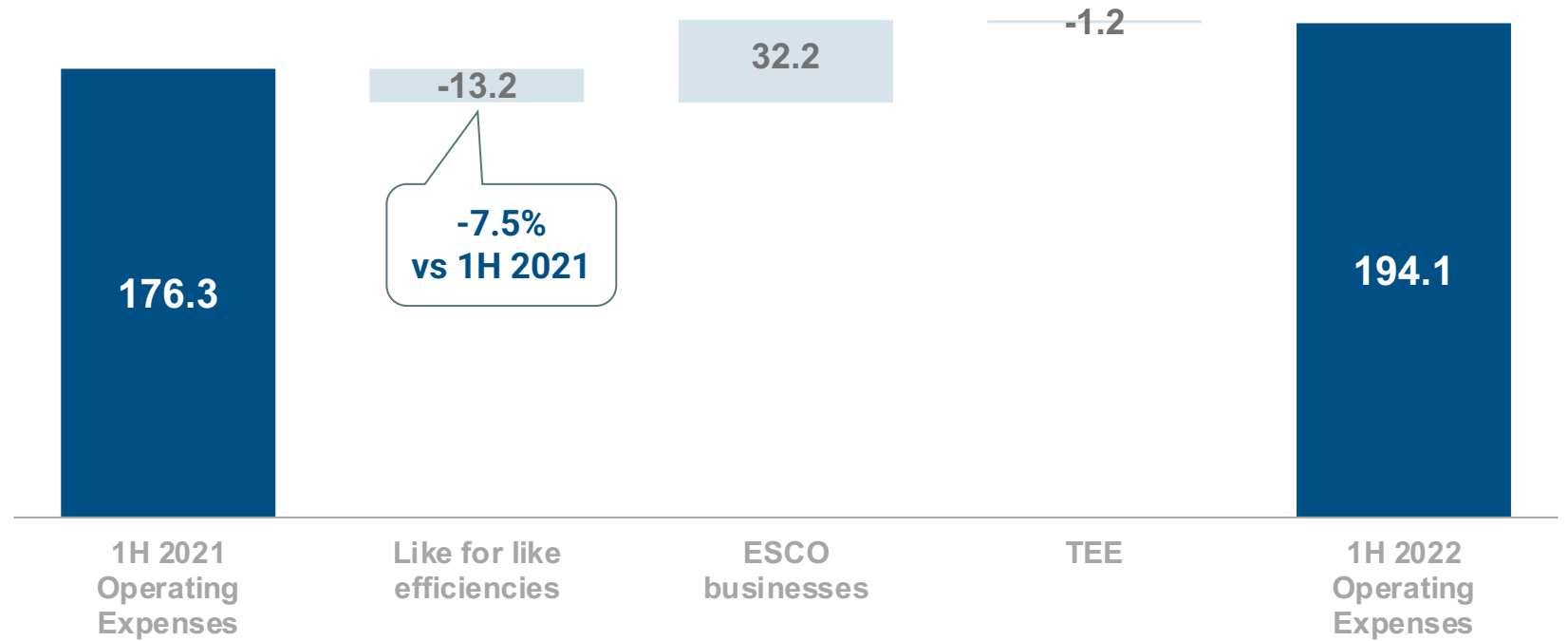


(*) Including Sardinia

	1H 2021	1H 2022	Change
REVENUES, € mln			
Regulated revenues	642.2	639.2	- 3.0
Distribution	595.5	591.4	- 4.1
Tariff contribution for meters replacement	6.1	1.1	- 5.0
Other distribution revenues	40.6	46.7	6.1
Other revenues	23.2	68.2	45.0
TOTAL REVENUES	665.4	707.4	42.0

Operating expenses +10.1% vs 1H 2021

€mn

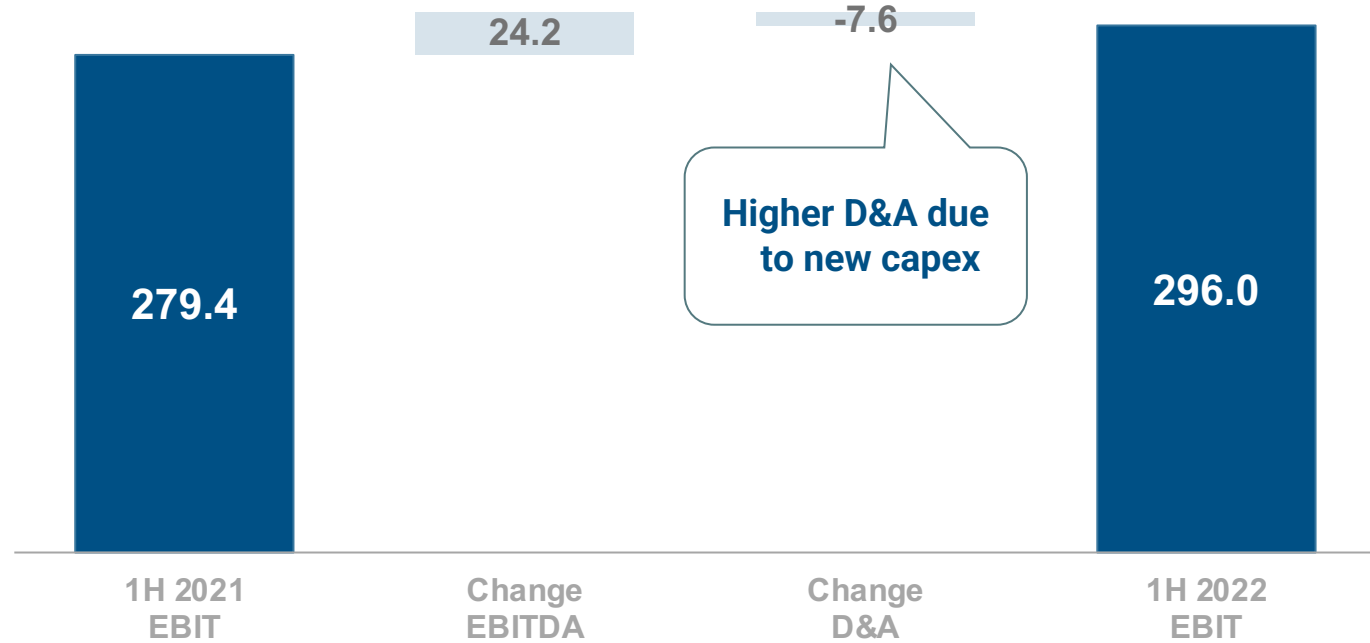


	1H 2021	1H 2022	Change
OPERATING EXPENSES, € mln			
Distribution fixed costs	119.9	108.4	- 11.5
Net labour cost	67.7	66.7	- 1.0
Net external cost	52.2	41.7	- 10.5
Other activities	17.5	51.7	34.2
Net labour cost	2.5	3.4	0.9
Net external cost	15.0	48.3	33.3
Other costs	1.2	- 2.2	- 3.4
Tee	3.0	1.8	- 1.2
Concessions fees	34.7	34.4	- 0.3
OPERATING EXPENSES	176.3	194.1	17.8

1H 2022 Results

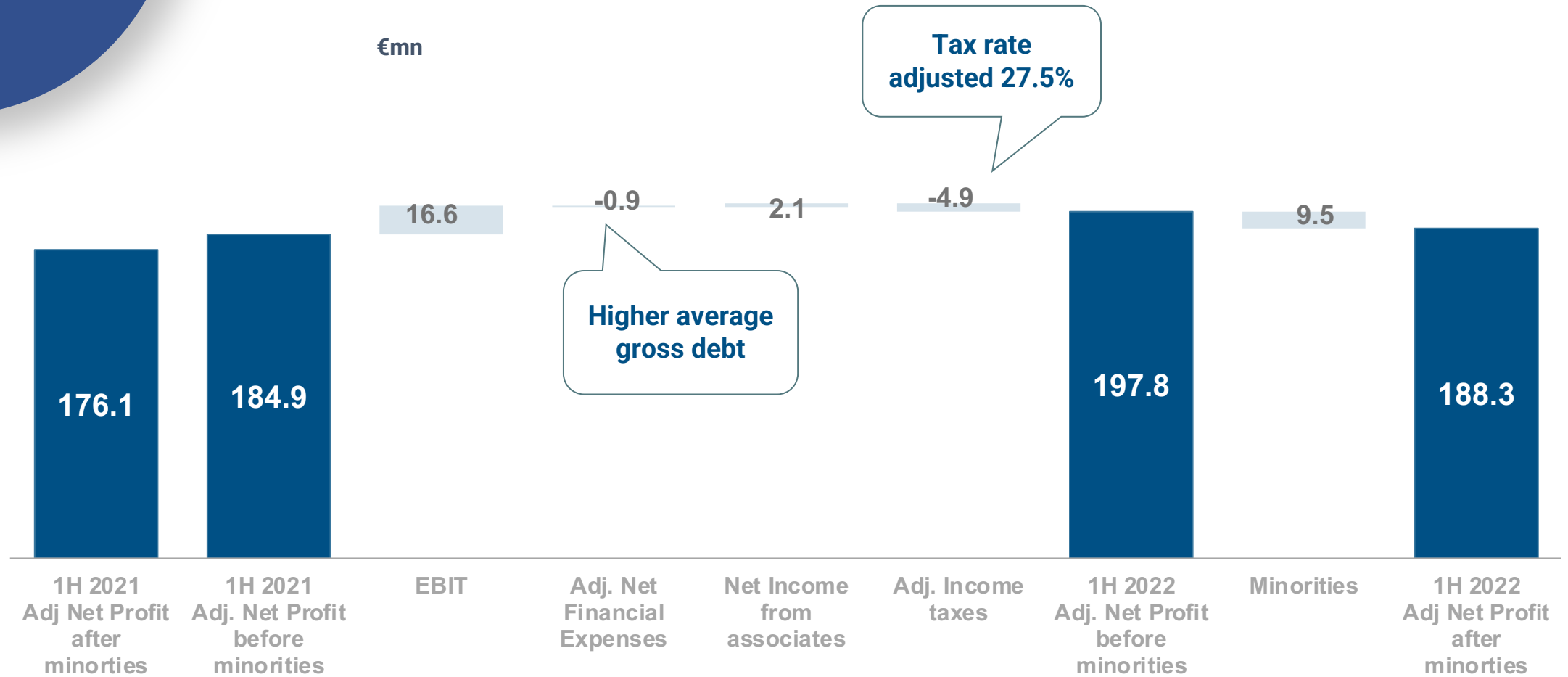
Ebit +5.9% vs 1H 2021

€mn



1H 2022 Results

Adjusted Net Profit +6.9% vs 1H 2021

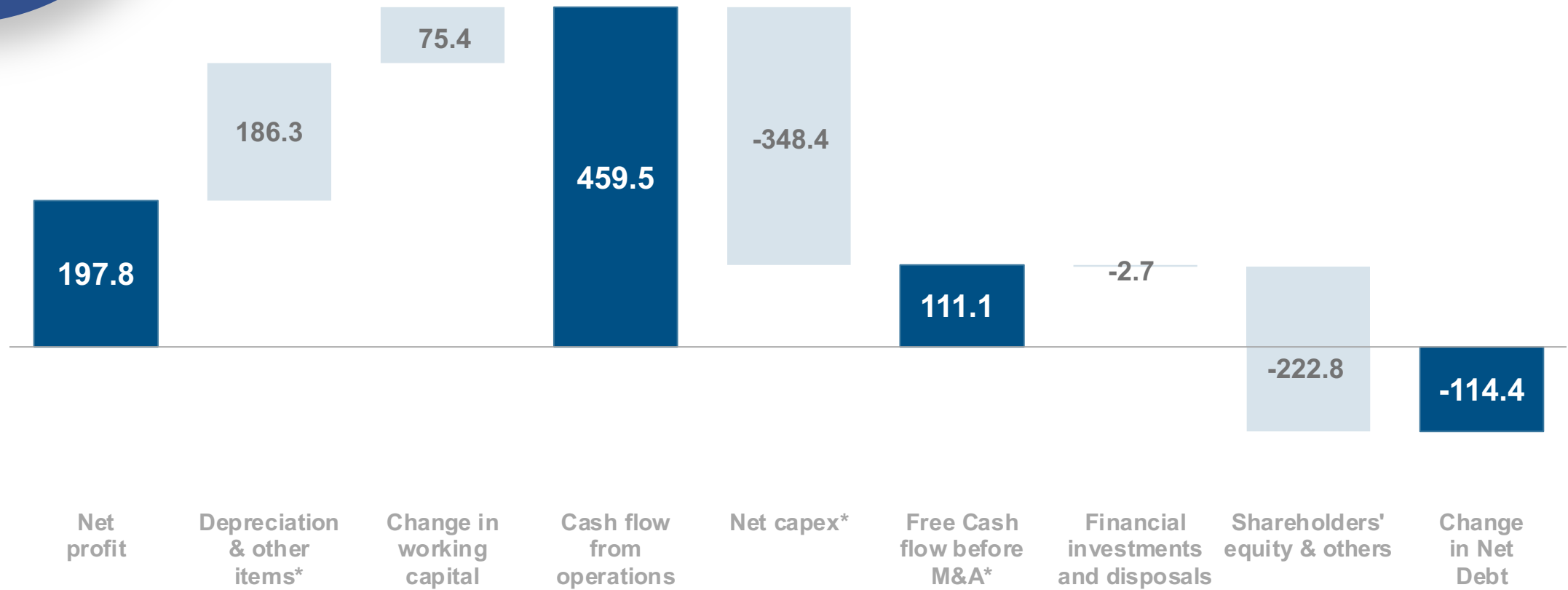


1H 2022 Results



Cash Flow

€mn



(*) includes IFRS16 effects

Debt Structure a key source of value creation

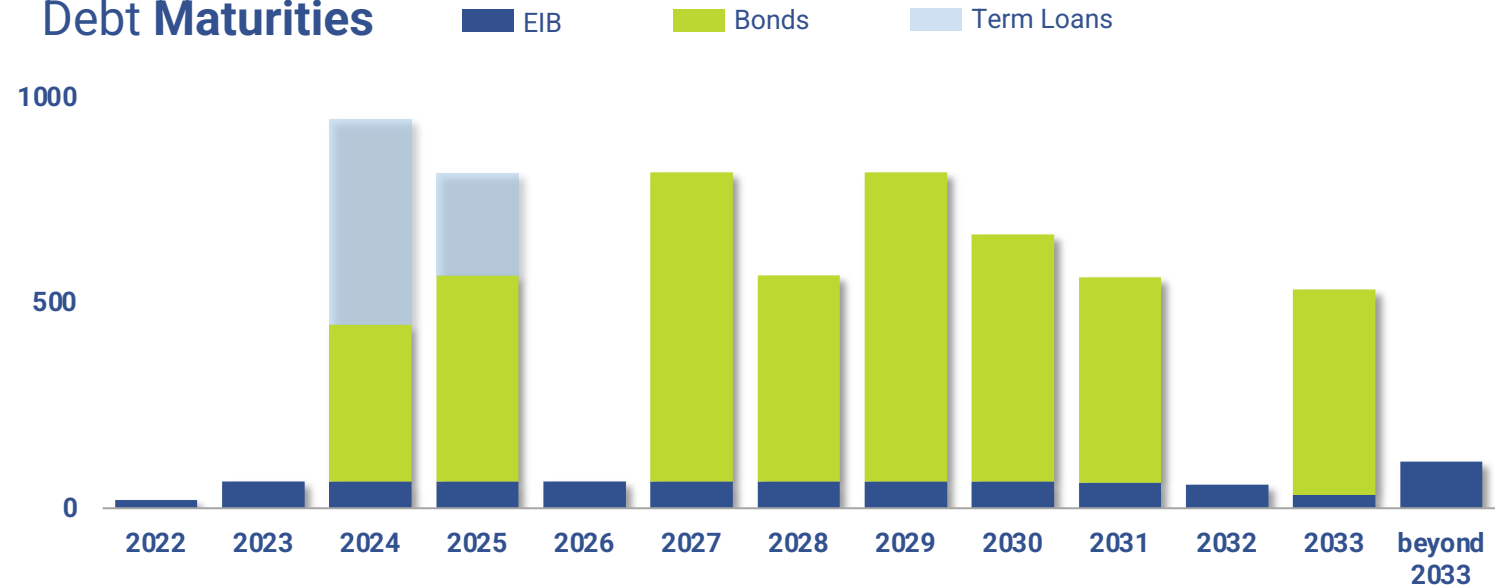
No major refinancing needs until 2024

Liquidity currently >1.3bn to cover short term outflows and to keep an adequate buffer going forward

Average cost of debt <1% in H1 2022

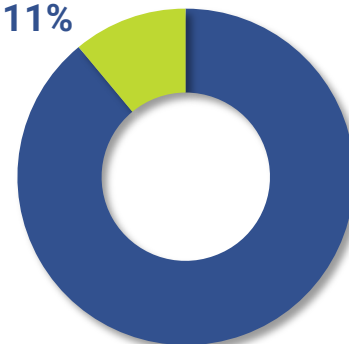
New sustainable bank loan signed

Debt Maturities



30/06/2022 Gross Debt Structure¹

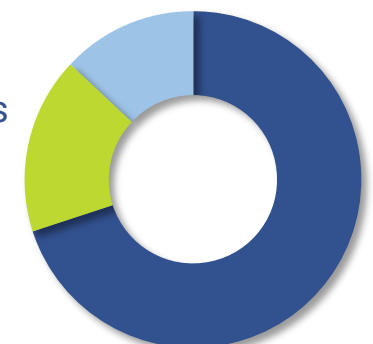
Floating
11%



Fixed
89%

Institutional Lenders
(EIB) 13%

Banking Lines
17%



Bond
70%

(1) excluding IFRS16

1H 2022 Results Balance sheet

	31/12/21	30/06/22	Change
€ mln			
Net invested capital	7,122.5	7,215.7	93.2
Fixed capital	7,106.2	7,004.8	- 101.4
Tangible fixed assets	372.1	366.1	- 6.0
Net intangible fixed assets	6,938.1	6,846.0	- 92.1
Net payables investments	- 241.9	- 253.0	- 11.1
Equity-accounted and other investments	37.9	45.7	7.8
Net working capital	109.7	60.8	- 48.9
Provisions for employee benefits	- 95.6	- 85.0	10.6
Assets held for sale and directly related liabilities	2.2	235.1	232.9
Net financial debt	4,980.0	5,094.4	114.4
Financial debt for operating leases (IFRS 16)	70.0	61.0	- 9.0
Net financial debt ex operating leases	4,910.0	5,033.4	123.4
Shareholders' equity	2,142.5	2,121.3	- 21.2

Working on the implementation of the Strategic Plan 2022-2028

1H performance well on track with guidance

Strong top line growth led by RAB increase and ESCOs despite negative regulatory impacts

Cost efficiencies continue, driven by digitization

Closing of Depa Infrastructure transaction approaching

Q&A

Appendix



1H 2022 Results

2Q 2021

2Q 2022

Change

P&L, € mln

Total Revenues	332.1	353.4	21.3
Operating expenses	- 77.4	- 90.1	- 12.7
EBITDA	254.7	263.3	8.6
Depreciation & amortisation	- 105.2	- 109.2	- 4.0
EBIT	149.5	154.1	4.6
Net interest income (expenses)	- 11.8	- 12.3	- 0.5
Net income from associates	0.5	2.9	2.4
EBT	138.2	144.7	6.5
Income taxes	- 39.2	- 40.6	- 1.4
NET PROFIT before minorities	99.0	104.1	5.1
Minorities	- 4.1	- 4.7	- 0.6
NET PROFIT after minorities	94.9	99.4	4.5

1H 2022 Results



1Q 2022

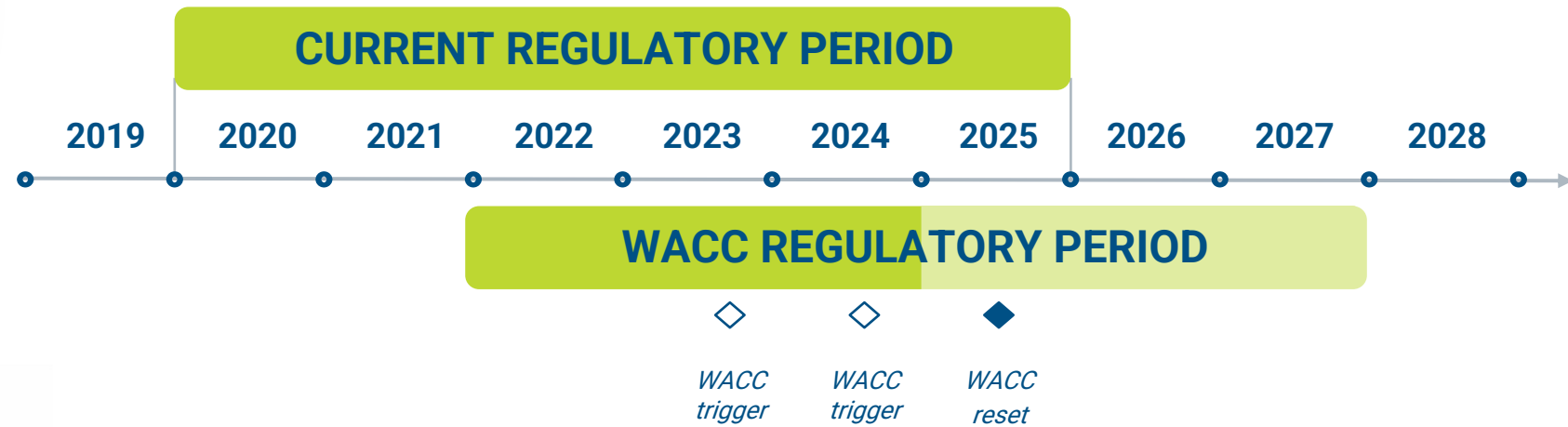
2Q 2022

3Q 2022

4Q 2022

P&L, € mln

Total Revenues	354.0	353.4		
Operating expenses	- 104.0	- 90.1		
EBITDA	250.0	263.3		
Depreciation & amortisation	- 108.1	- 109.2		
EBIT	141.9	154.1		
Net interest income (expenses)	- 14.0	- 12.3		
Net income from associates	0.3	2.9		
EBT	128.2	144.7		
Income taxes	- 34.5	- 40.6		
NET PROFIT before minorities	93.7	104.1		
Minorities	- 4.8	- 4.7		
NET PROFIT after minorities	88.9	99.4		



**New regulatory
period for allowed
return started in
January 2022**

Key features of Italian regulation

- RAB-based framework set and regulated by ARERA
- Tariffs ensure return on assets
- No volume risks, temporary tariffs mismatch impact working capital
- Different regulatory period for WACC and other tariff components
- Majority of capex recognized at cost
- 5.6% real allowed return for 2022, trigger mechanism for 2023-24 and rest in 2025 with pre-established rules
- Inflation protection

Italy regulated revenue scheme

Key features

Unitary tariffs are **set for the regulatory period** for each distribution area:

Achieved revenues reflect return on asset base.

Working capital temporarily impacted by volumes fluctuations.

REQUIRED
REVENUES =

**RAB X
Reg. WACC**

RAB includes capex spent in the
previous year

RAB inflated

Rel pre-tax allowed return applied
(5.6% in 2022)

+ DEPRECIATION

Calculated on assets entering into
RAB

Reflects inflation

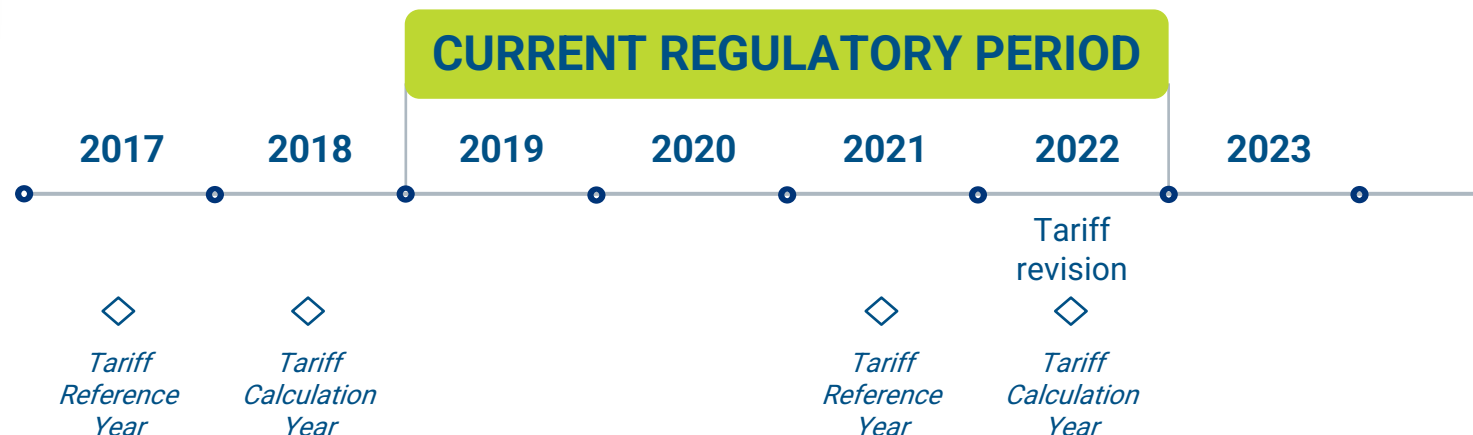
Useful lives set by ARERA

+ OPEX

Unitary opex set by ARERA at the
beginning of the regulatory period

Efficiency factor of 2.8%

Opex inflated annually



Transparent regulatory framework

with numerous similarities to the Italian system

Long concession duration

allowing to implement Italgas' long-term strategic vision

Downside protection

through compensation mechanism for under-recoveries

Key features of Greek regulation

- RAB-based framework regulated by the Regulatory Authority for Energy
- Tariffs reflect business plans presented by the company, including investments agreed with RAE
- Regulatory periods last 4 years
- 7.03% nominal return in 2021-22E, with an implied tax rate of 24%
- 1.5% additional return for investments meeting certain criteria
- Mechanism in place to compensate of any under / over recovery of required revenues

Greece regulated revenues scheme

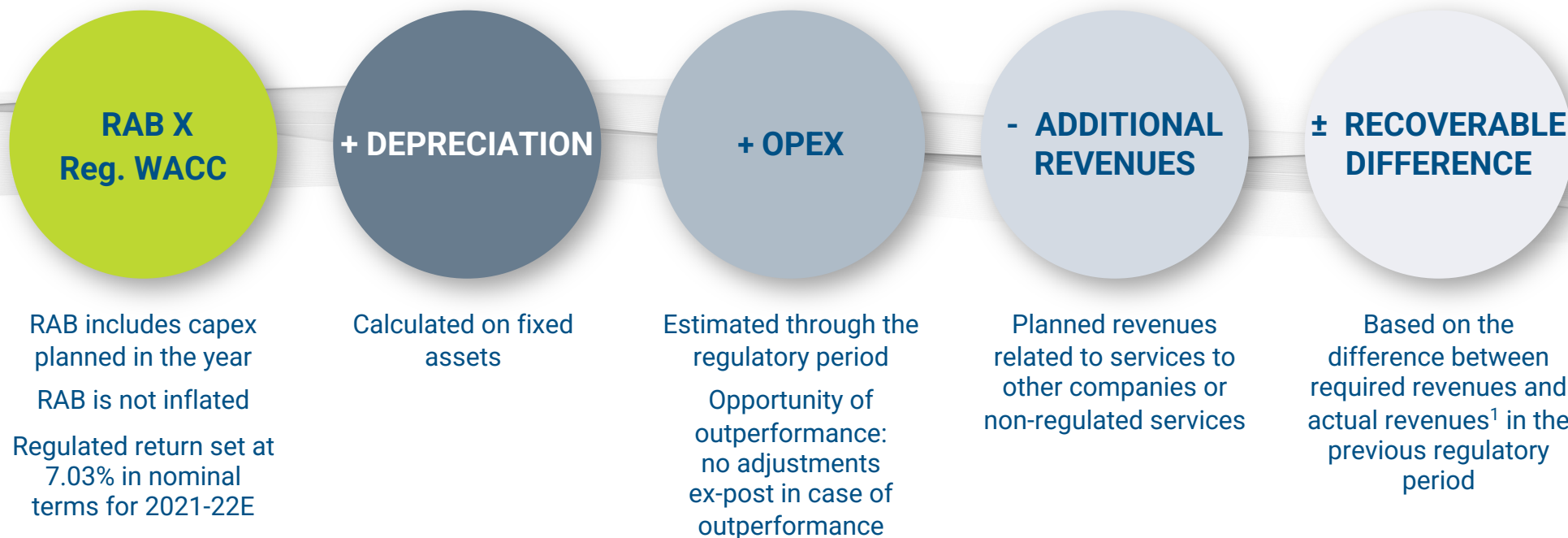
Key features

Unitary tariffs are **set for the regulatory period** for each distribution area:

- Based on the approved business plans and allowed returns, and inflated annually: the DSO is entitled to collect (required) revenues based on all investments and operational costs
- Taking into consideration estimated growth in redelivery points and volumes distributed

Achieved revenues are based on actual bills collection but there is a **recoverable difference mechanism** in place

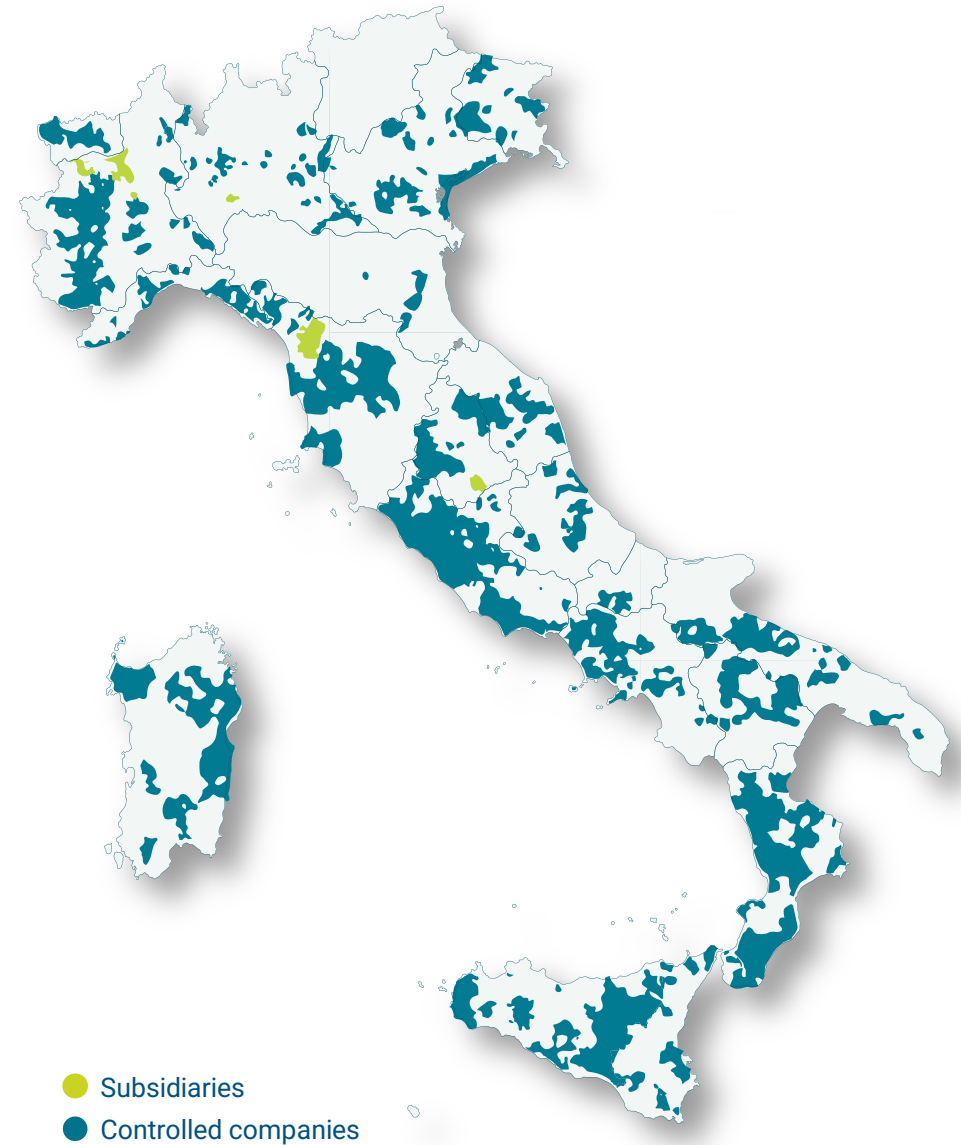
REQUIRED
REVENUES =



¹ Actual revenues are the revenues collected by the company based on the application of the distribution tariffs to the redelivery points served

Main Numbers 30/06/2022

	OPERATING HIGHLIGHTS (TOTAL)	OF WHICH AFFILIATES
Network length	74,788 km	1,899 km
Municipalities	1,899	61
Redelivery Points	7.745 mn	0.154 mn



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1H 2022 RESULTS

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