

Italgas Group strengthens its presence in Sardinia: 12 new municipalities acquired

The agreement signed with the company Fiamma 2000 includes assets for over 430 km of networks serving 12,000 customers; the concessions also include Olbia, which joins the other large towns on the island managed by Medea

Milan, 3 August 2022 - Yesterday, Italgas signed a binding agreement for the acquisition from Fiamma 2000 Group of the LPG distribution and sales business, with related networks and plants, managed in 12 municipalities in Sardinia.

The distribution network covered by the agreement, currently operated by Sarda Reti Gas (Fiamma Group) extends over a total of more than 430 kilometers and serves 12,000 customers in the municipalities of Olbia (Basin 5), Valledoria (3), Buddusò (10), Budoni (11), Sedilo (13), Genoni (17), Terralba (19) Simala (20), Arbus (24), Mandas and Siurgus Donigala (26), Santadi (35).

The enterprise value of the transaction (on a debt-free/cash-free basis) is 31.7 million euros, with the price to be paid entirely by cash, net of the debt related to the perimeter acquired. The closing is expected to take place in the second half of 2022, subject to the occurrence of certain conditions precedent, including the acquisition of the consent of the granting bodies and the successful completion of the notification procedure pursuant to Law Decree 21/2012 and Prime Ministerial Decree 179/2020 (Golden Power).

The Italgas Group is thus extending its presence in most of the 38 basins into which the island is divided and is preparing to convert the acquired networks to natural gas, as part of the broader project to build cutting-edge gas infrastructure to serve the region.

Italgas CEO, Paolo Gallo, commented: *"With this acquisition, we are taking another important step in the direction of the methanization of Sardinia: with Olbia, all the main towns in the region are managed by Medea. It has been a journey that, in few years, has allowed the island to close a historical gap, becoming a model capable of attracting other operators in the sector and reactivating an integrated energy system for the benefit of communities. The region, moreover, is in a leading position both because it is equipped with digital networks capable of receive renewable gases such as biomethane and hydrogen in the near future, and because the supply is ensured only by liquefied natural gas. We continue to work to make our service even more efficient, extensive and widespread".*

The Italgas Group has a total or partial presence in 24 of the 38 basins in which Sardinia is divided. Its assets consist of around 1,400 km of "native digital" networks for natural gas. In addition, there are 600 km of propane-air-fueled networks in the municipalities of Cagliari, Sassari, Nuoro and Oristano and the over 430 km of LPG-fueled networks included in today's agreement, which will all be converted to natural gas in the coming years. Currently, 76 towns on the island are served by natural gas, for a total of 1.2 million cubic meters distributed in the first six months of 2022.