



FY 2021 RESULTS

Milan

10.03.2022



FY 2021 RESULTS KEY TAKEAWAYS



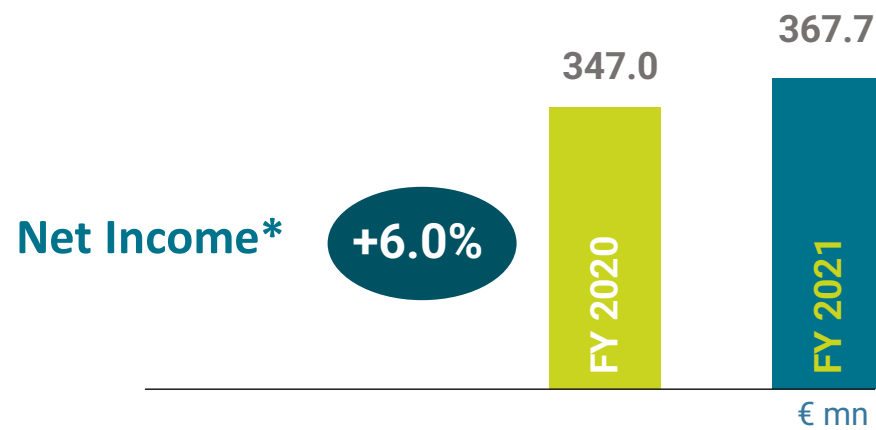
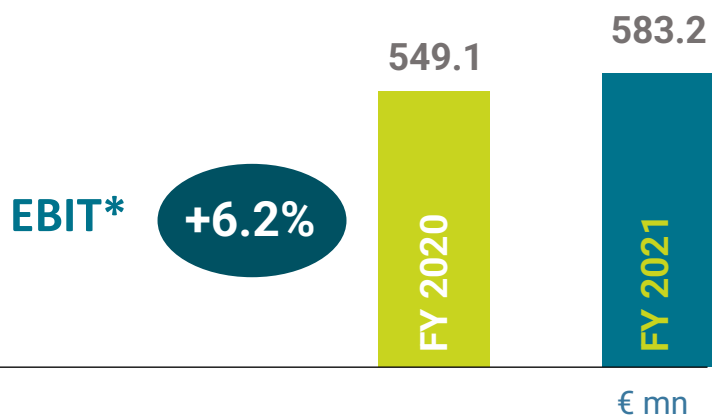
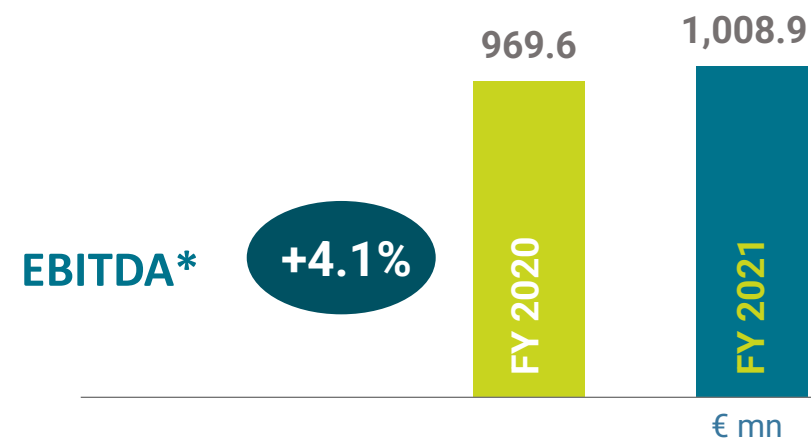
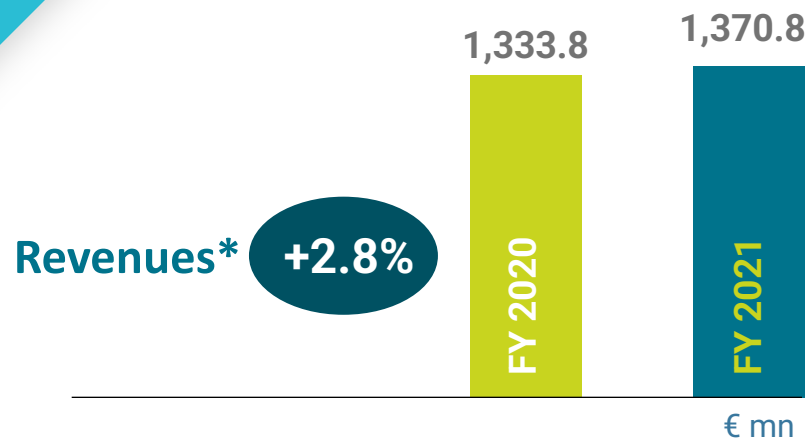
- ✓ EBITDA above €1bn for the first time in Italgas' history, driving operating results above guidance
- ✓ New record year for capex, digitization effort running at full speed
- ✓ Sustainability focus bringing significant results and top in class external recognition
- ✓ Depa Infrastructure key milestone of long term strategic vision
- ✓ ESCOs' growth and Bludigit reorganisations engines of change
- ✓ Acquisition of minority stake in Picarro to strengthen partnership

Keep creating value for our shareholders
We propose a DPS of €0.295

FY 2021 RESULTS

KEY HIGHLIGHTS

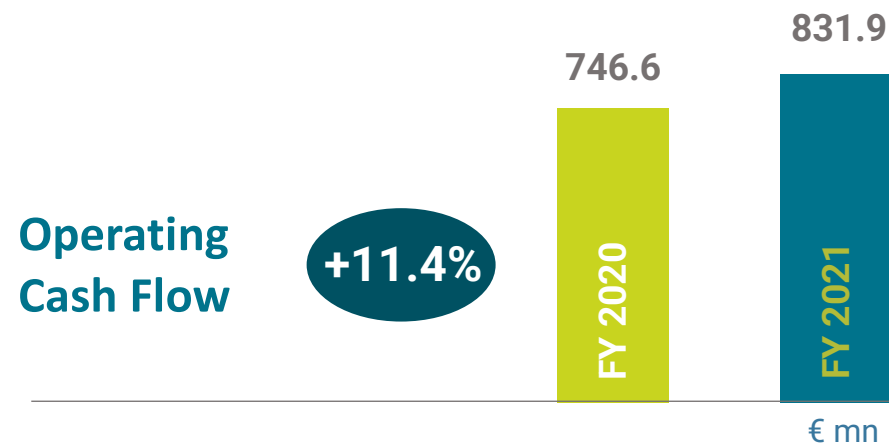
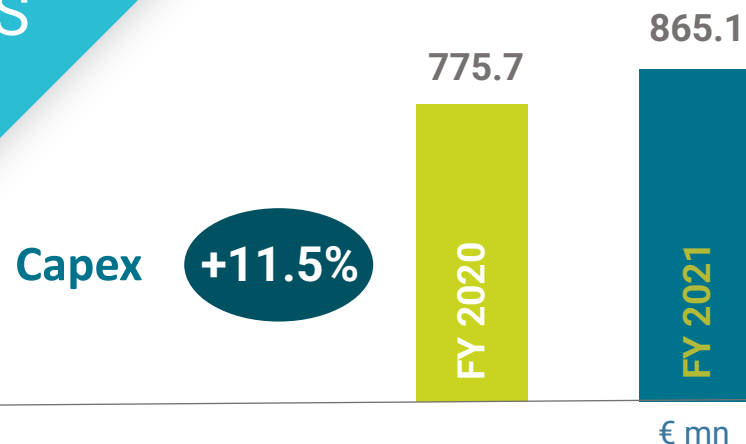
2021 operating targets exceeded: strong growth led by RAB increase, services to clients, ESCO activities and costs control, despite DL570 negative impact



(*) 2021 adjusted for the post-tax cost of bond buyback transaction for €4.9 mn ; 2021 adjusted and restated, see slide 10

FY 2021 RESULTS

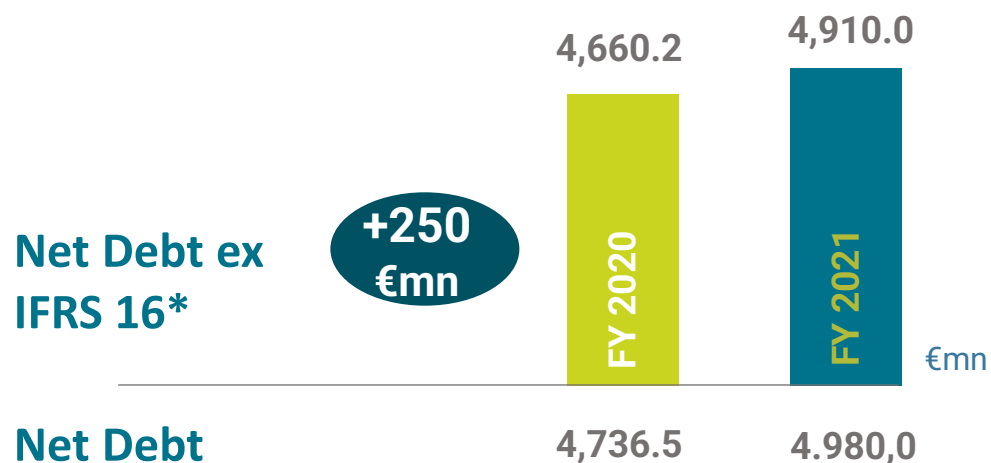
KEY HIGHLIGHTS



Capex at new all time highs, driven by digital transformation and network repurposing efforts

Strong cashflow generation covers capex increase

Net Debt growth in line with last year

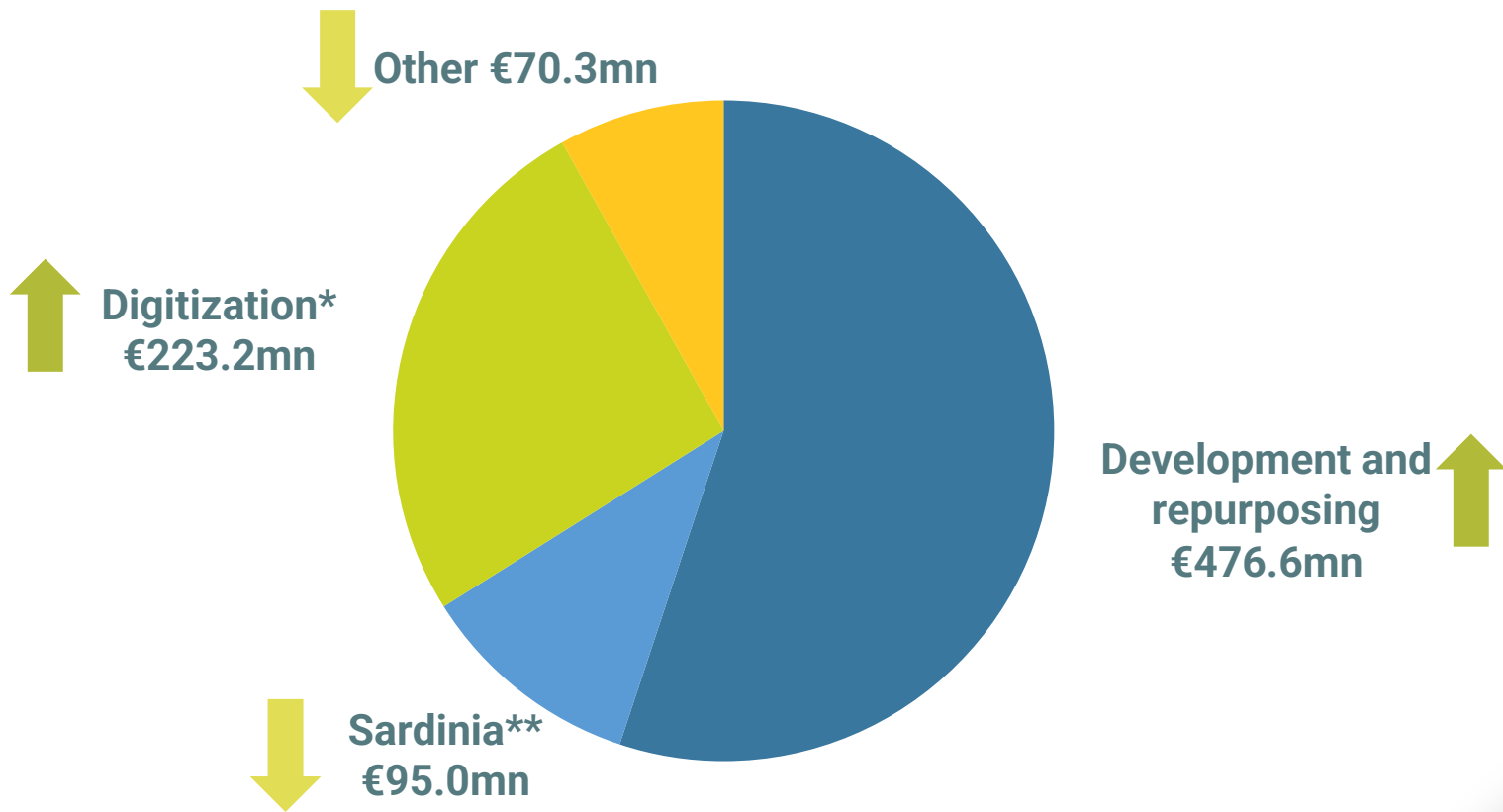


(*) Operating leases ex IFRS 16 €70.0mn at the end of 2021 and €76.3mn at the end of 2020

CAPEX
GROWING IN LINE
WITH
EXPECTATIONS

FY 2021
€865.1mn +11.5% yoy

732km new networks pipes of
which 91km in Sardinia
821k smart meters installed***

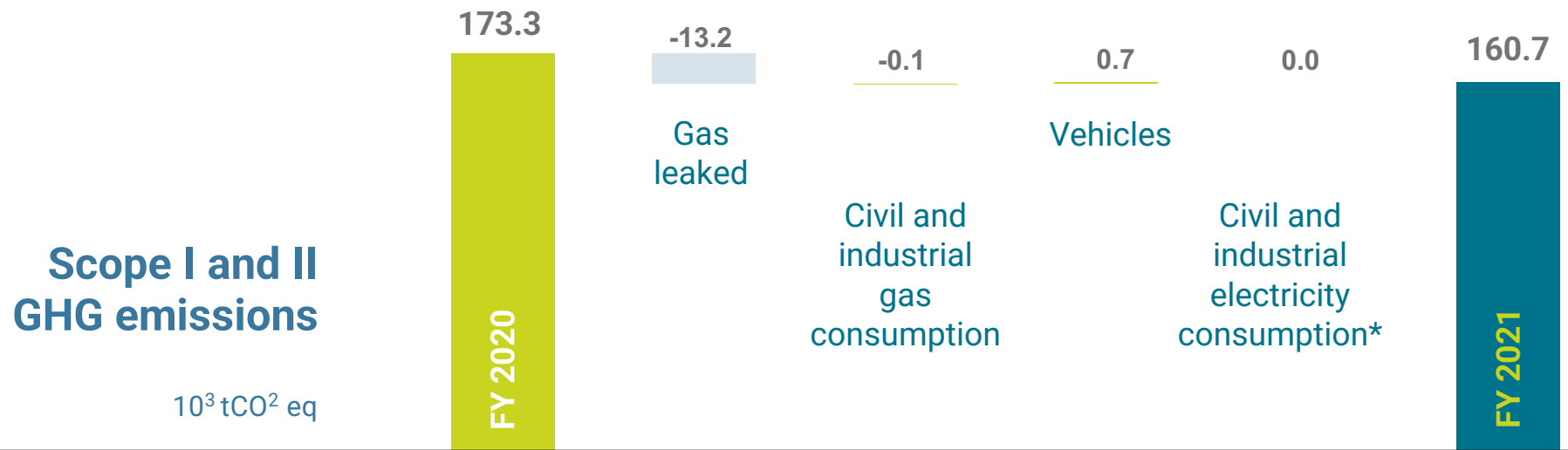


Note: capex including IFRS 16; (*) including metering (** new networks only; (***) of which 339k related to the replacement of traditional meters excluding affiliates

FY 2021 RESULTS ESG GHG EMISSIONS

- 72,145 km inspected (+1.3%)
- Gas distributed: 8.9 bln Sm3 (+4.8%)
- Gas leaked / gas distributed: 0.087% (-13.0%)

- Emissions growth (+12%) aligned to km travelled (+13%)
- Operative bi-fuel fleet: 92% CNG fuelled
- NO_x/km: -0.0% Particulate/km: -18.3%

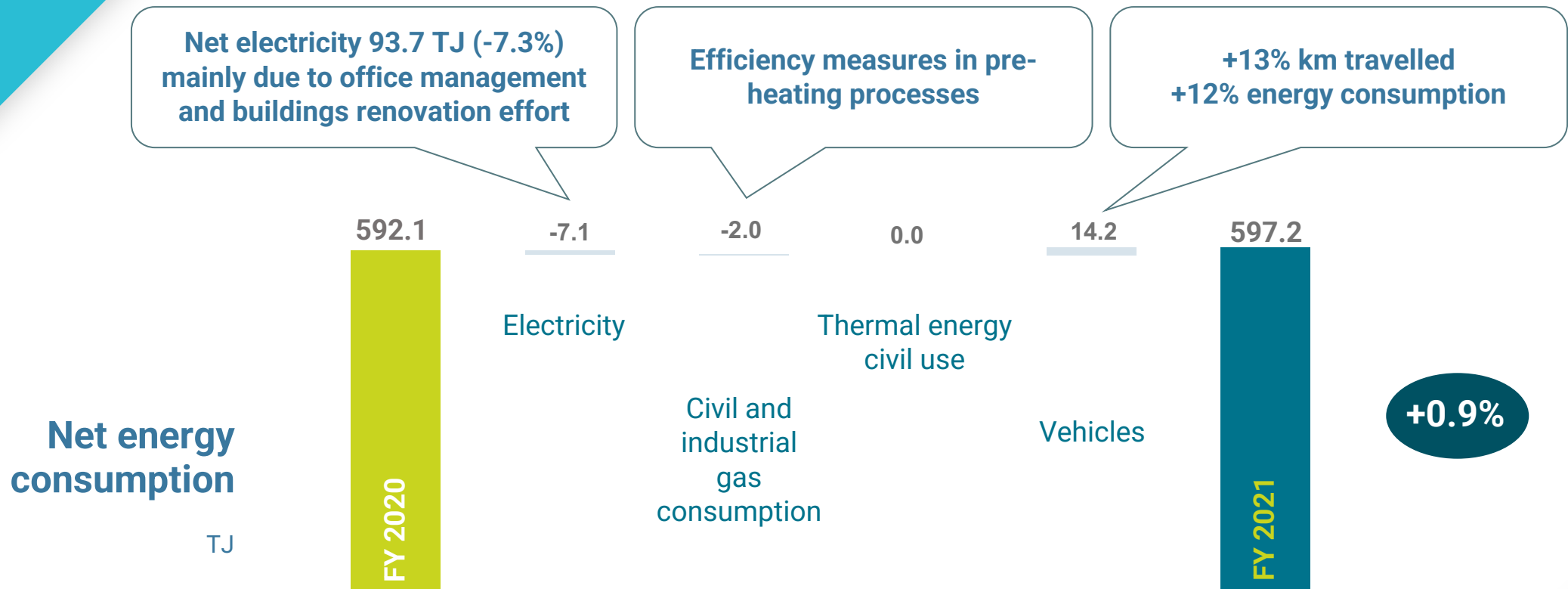


-7.3%

(*) Scope 2

FY 2021 RESULTS ESG

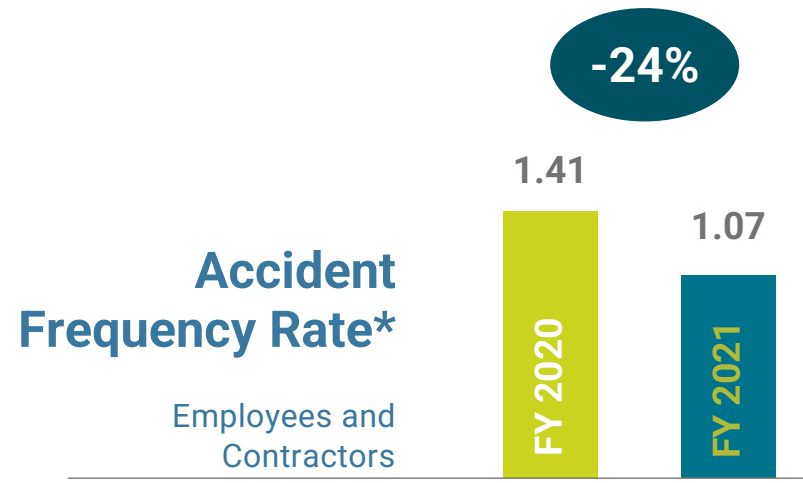
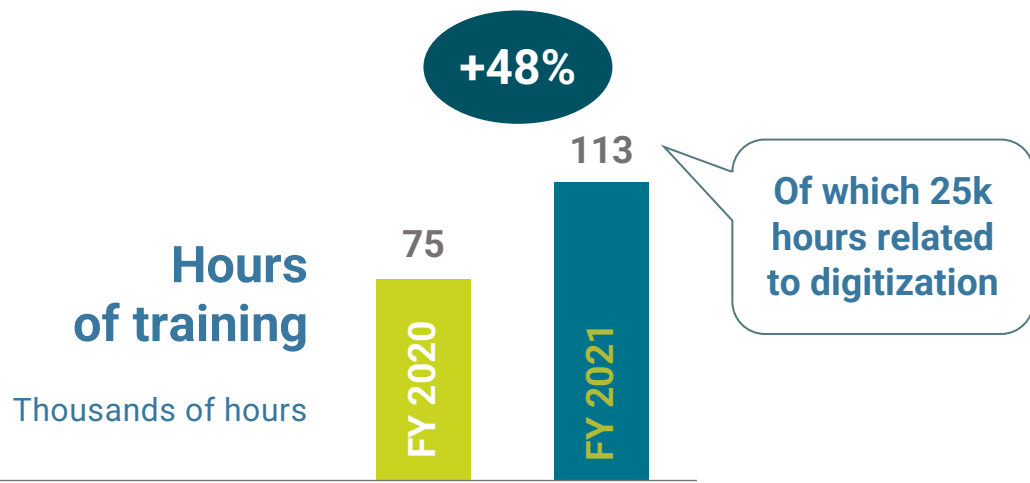
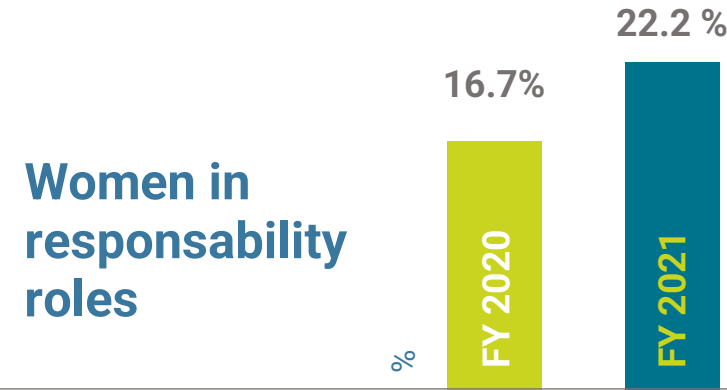
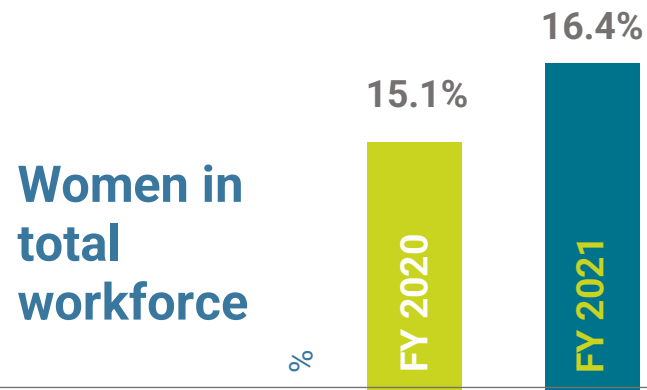
NET ENERGY CONSUMPTION



Energy intensity*: 0.067 (-4.3%)

(*) Total energy consumed within the organization / gas distributed (TJ/Sm³)

FY 2021 RESULTS ESG PEOPLE



(*) Accident frequency index (LTIFR): number of accidents recorded / million hours worked

RESULTS

FY 2021 REPORTED VS ADJUSTED

FY 2021
reported

FY 2021
adjusted

Change

P&L, € mln

	FY 2021 reported	FY 2021 adjusted	Change
Total Revenues	1,370.8	1,370.8	-
Operating expenses	- 361.9	- 361.9	-
EBITDA	1,008.9	1,008.9	-
Depreciation & amortisation	- 425.7	- 425.7	-
EBIT	583.2	583.2	-
Net interest income (expenses)	- 60.4	- 54.0	6.4
Net income from associates	2.5	2.5	-
EBT	525.3	531.7	6.4
Income taxes	- 141.9	- 143.4	- 1.5
NET PROFIT before minorities	383.4	388.3	4.9
Minorities	- 20.6	- 20.6	-
NET PROFIT after minorities	362.8	367.7	4.9

- 6.4mn cost of bond buyback transaction finalised in February

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

RESULTS

FY 2021 ADJUSTED

P&L, € mln

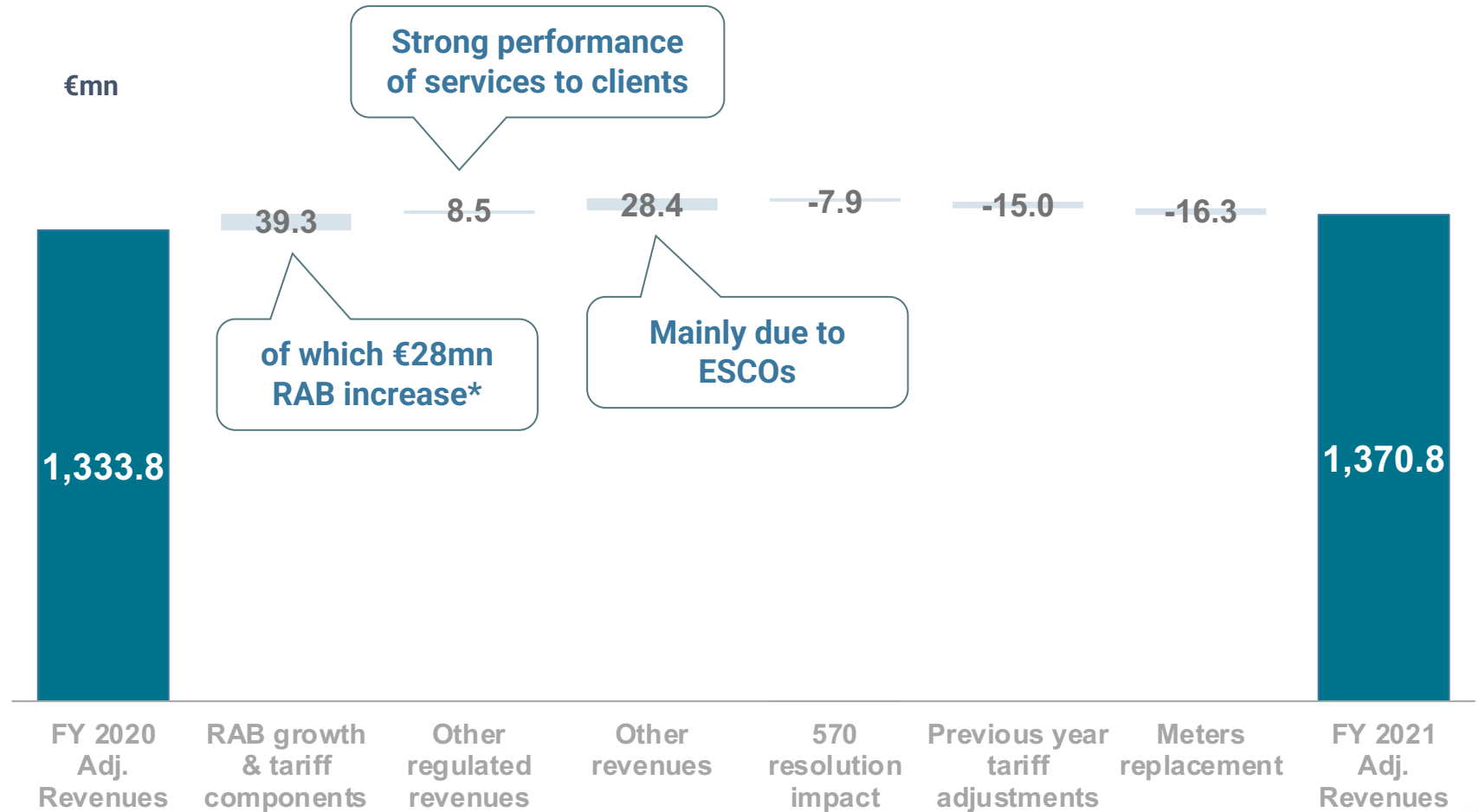
	FY 2020 adjusted	FY 2020 restated* adj	FY 2021 adjusted	Change**	
Total Revenues	1,333.8	1,333.8	1,370.8	37.0	
Operating expenses	- 362.4	- 364.2	- 361.9	2.3	
EBITDA	971.4	969.6	1,008.9	39.3	↑ + 4.1%
Depreciation & amortisation	- 424.6	- 420.5	- 425.7	- 5.2	
EBIT	546.8	549.1	583.2	34.1	↑ + 6.2%
Net interest income (expenses)	- 49.2	- 49.2	- 54.0	- 4.8	
Net income from associates	1.5	1.5	2.5	1.0	
EBT	499.1	501.4	531.7	30.3	
Income taxes	- 135.1	- 135.8	- 143.4	- 7.6	
NET PROFIT before minorities	364.0	365.6	388.3	22.7	
Minorities	- 18.6	- 18.6	- 20.6	- 2.0	
NET PROFIT after minorities	345.4	347.0	367.7	20.7	↑ + 6.0% ** + 6.5% vs adj.

(*) The Group restated the 2020 adjusted expenses relating to the legally required periodic checks of volume conversion devices under operating costs, where such devices are present in the meters installed at the re-delivery points, in order to ensure yoy comparability; (**) versus restated adjusted numbers

RESULTS

FY 2021

Adjusted Revenues +2.8% vs FY 2020



(*) Including Sardinia

RESULTS

FY 2021

FY 2020

FY 2021

Change

ADJUSTED REVENUES, € mln

	FY 2020	FY 2021	Change
Regulated revenues	1,285.9	1,294.5	8.6
Distribution	1,183.7	1,200.1	16.4
Tariff contribution for meters replacement	30.2	13.9	-16.3
Other distribution revenues	72.0	80.5	8.5
Other revenues	47.9	76.3	28.4
TOTAL REVENUES	1,333.8	1,370.8	37.0

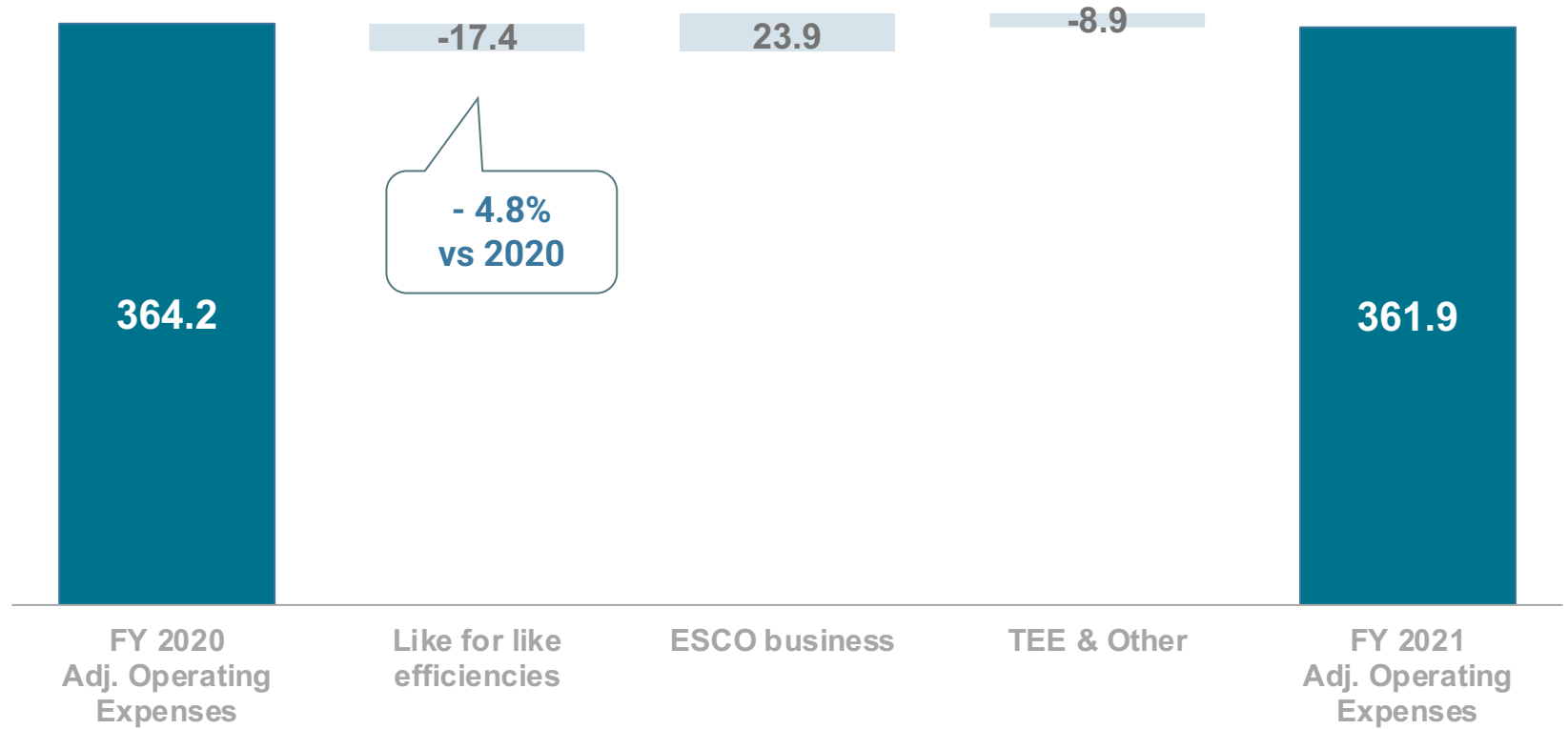
RESULTS

FY 2021



Adjusted Operating expenses -0.6% vs FY 2020

€mn



RESULTS

FY 2021

FY 2020

FY 2021

Change

ADJUSTED OPERATING EXPENSES, € mln

Distribution fixed costs	259.9	237.2	- 22.7
Net labour cost	145.9	137.9	- 8.0
Net external cost	114.0	99.3	- 14.7
Other activities	24.9	53.5	28.6
Net labour cost	3.6	5.3	1.7
Net external cost	21.3	48.2	26.9
Other costs	6.4	3.8	- 2.6
Tee	5.0	- 2.2	- 7.2
Concessions fees	68.0	69.6	1.6
OPERATING EXPENSES	364.2	361.9	- 2.3

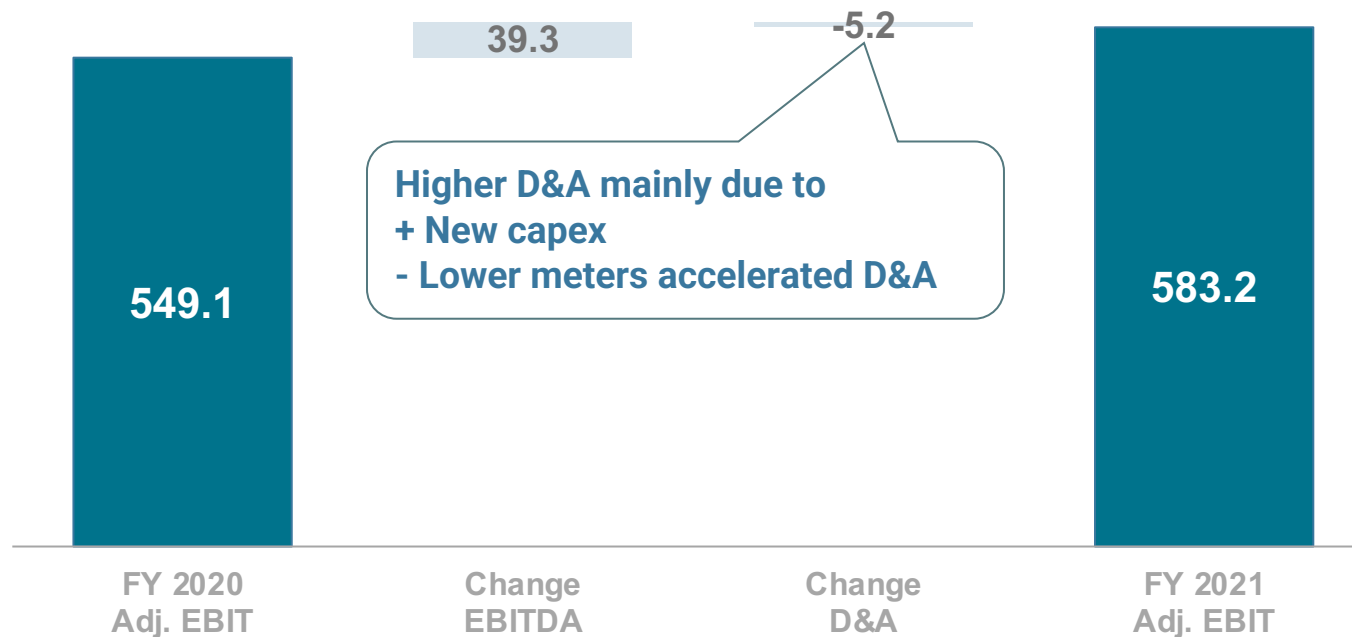
RESULTS

FY 2021



Adjusted Ebit +6.2% vs FY 2020

€mn

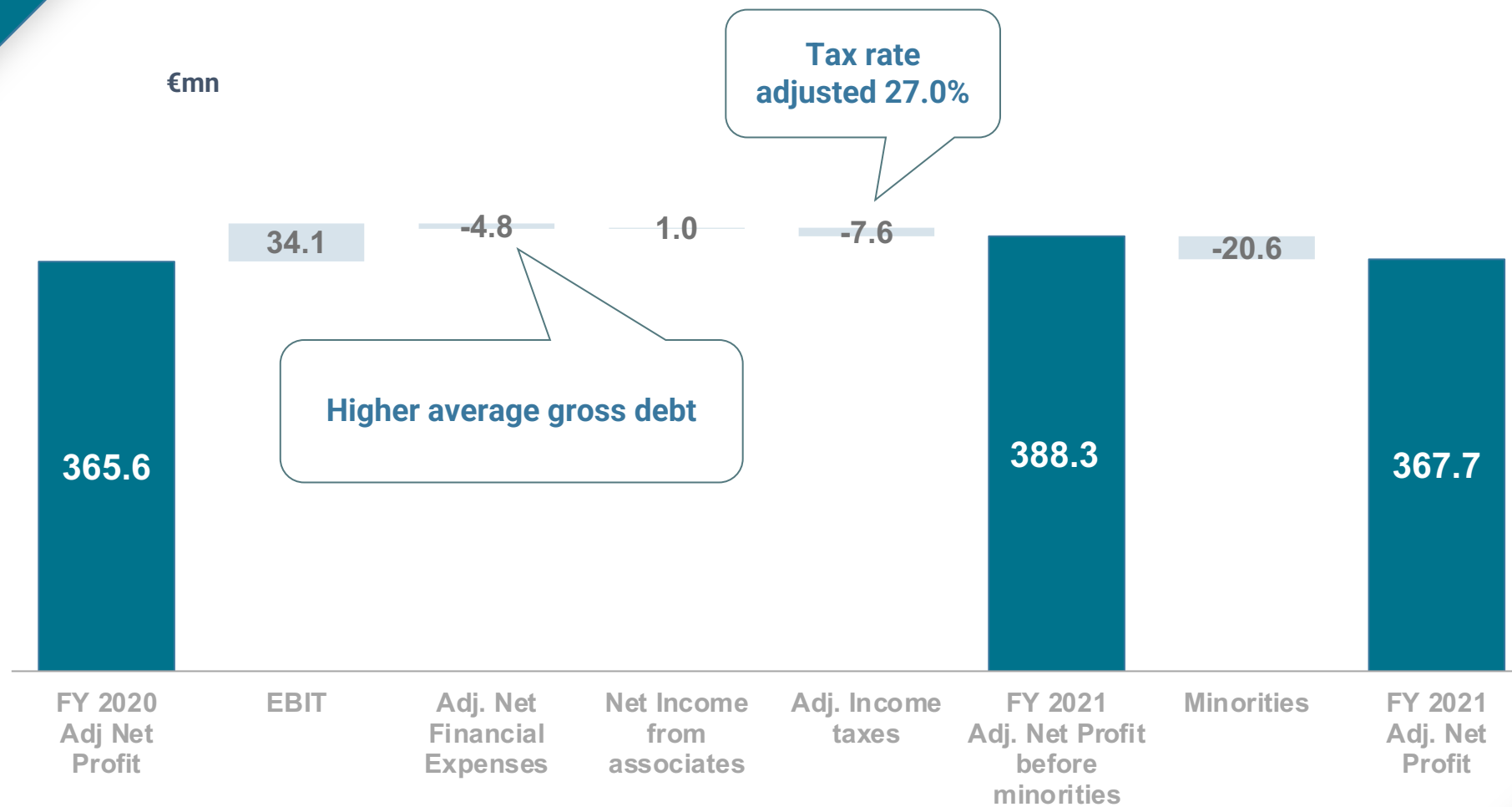


RESULTS

FY 2021



Adjusted Net Profit +6.0% vs FY 2020



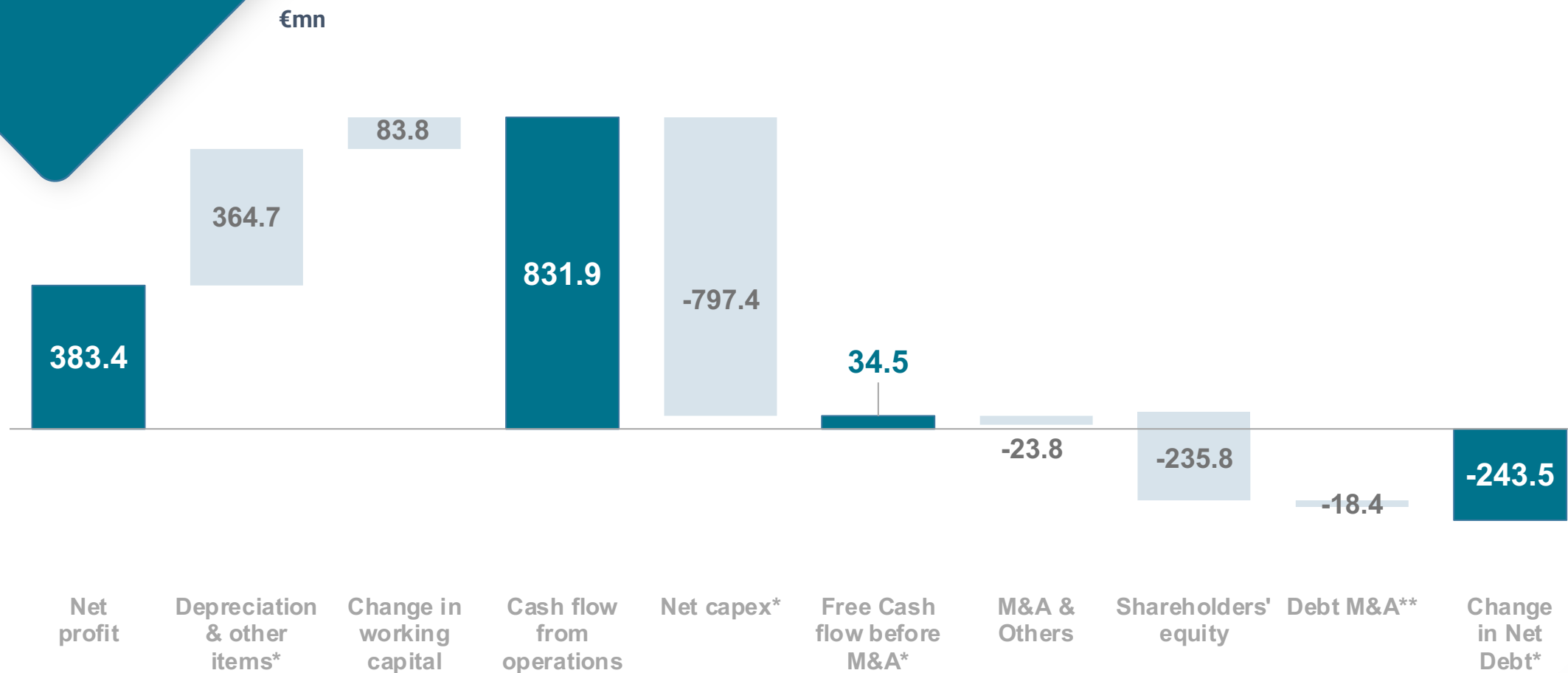
Excluding the post-tax cost of bond buyback transaction finalised in February 2021 for €4.9bn;

RESULTS

FY 2021



Cash Flow



(*) includes IFRS16 effects, (**) mainly related to Isgas33 initial debt

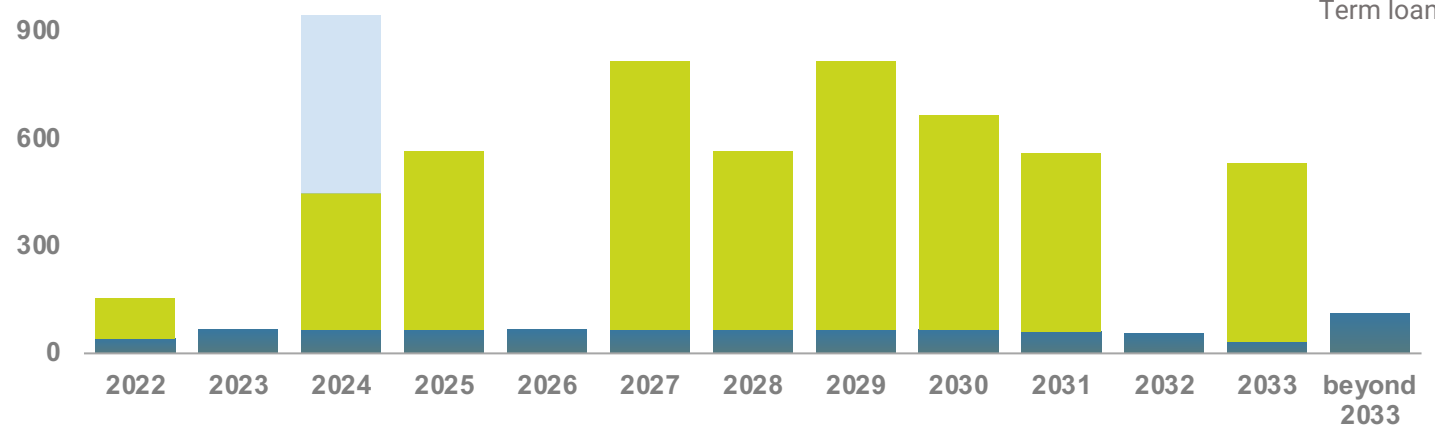
FINANCIAL STRATEGY

A KEY SOURCE OF VALUE CREATION



EIB
Bond
Term loans

Debt Maturities 31/12/2021



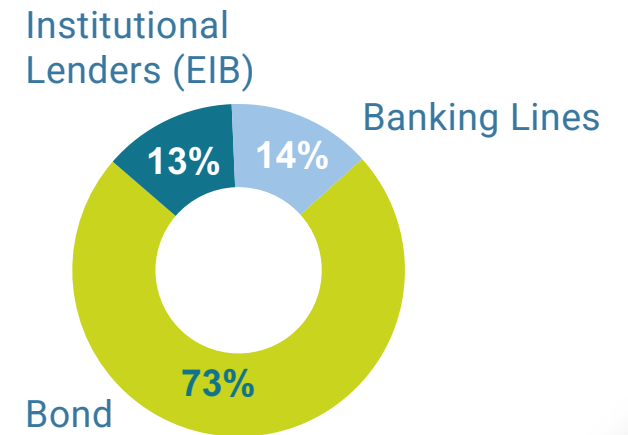
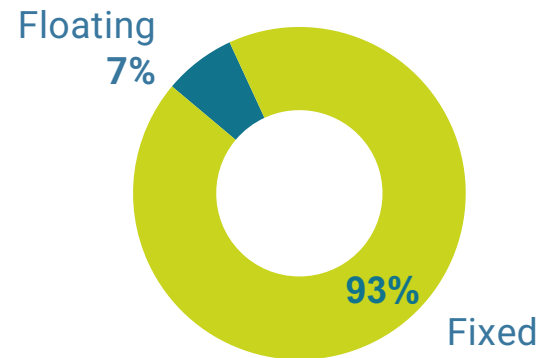
2 fixed rate ESG-linked loans signed for €500mn due 2024

Liquidity buffer of ~€1.4bn

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

Limited refinancing needs, low exposure to interest rates volatility and long debt tenor

FY 2021 Gross Debt Structure



RESULTS

FY 2021

BALANCE SHEET

	31/12/20	31/12/21	Change
<i>€ mln</i>			
Net invested capital	6,713.9	7,122.5	408.6
Fixed capital	6,707.2	7,106.2	399.0
Tangible fixed assets	369.9	372.1	2.2
Net intangible fixed assets	6,511.5	6,938.1	426.6
Net payables investments	- 208.6	- 241.9	- 33.3
Equity-accounted and other investments	34.4	37.9	3.5
Net working capital	111.2	109.7	- 1.5
Provisions for employee benefits	- 104.6	- 95.6	9.0
Assets held for sale and directly related liabilities	0.1	2.2	2.1
Net financial debt	4,736.5	4,980.0	243.5
Financial debt for operating leases (IFRS 16)	76.3	70.0	- 6.3
Net financial debt ex operating leases	4,660.2	4,910.0	249.8
Shareholders' equity	1,977.4	2,142.5	165.1

SHAREHOLDERS' REMUNERATION

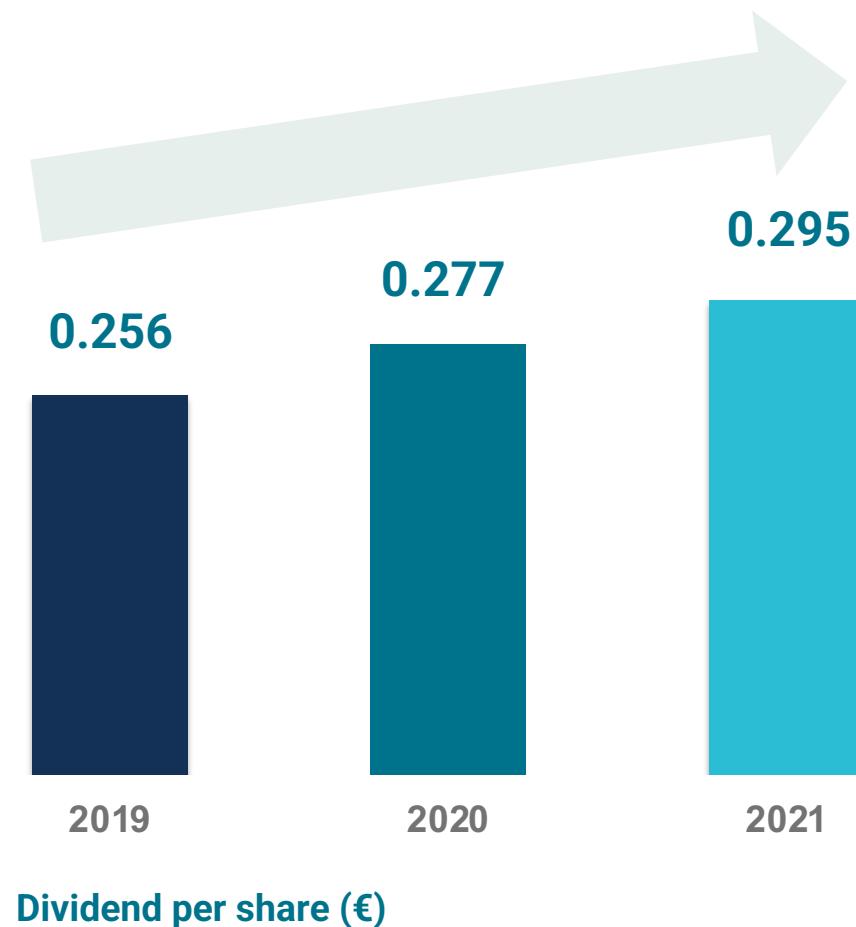
DPS growth reflects strong delivery, allowing investors to directly benefit from value created



Dividend proposal 65% payout

implies 6.5% growth vs 2020

and 15.2% growth vs 2019



APPENDIX



RESULTS

P&L QUARTERLY ADJUSTED

1Q 2021

2Q 2021

3Q 2021

4Q 2021

€ mln

	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Total Revenues	333.3	332.1	340.3	365.1
Operating expenses	- 98.9	- 77.4	- 80.4	- 105.2
EBITDA	234.4	254.7	259.9	259.9
Depreciation & amortisation	- 104.5	- 105.2	- 108.7	- 107.3
EBIT	129.9	149.5	151.2	152.6
Net interest income (expenses)	- 13.6	- 11.8	- 14.2	- 14.4
Net income from associates	0.6	0.5	1.2	0.1
EBT	116.9	138.2	138.2	138.4
Income taxes	- 31.0	- 39.2	- 36.1	- 37.0
NET PROFIT before minorities	85.9	99.0	102.1	101.3
Minorities	- 4.7	- 4.1	- 4.6	- 7.2
NET PROFIT after minorities	81.2	94.9	97.5	94.1

RESULTS

4Q 2021 ADJUSTED

4Q 2020*

4Q 2021

Change

€ mln

	4Q 2020*	4Q 2021	Change
Total Revenues	355.8	365.1	9.3
Operating expenses	- 100.6	- 105.2	- 4.6
EBITDA	255.2	259.9	4.7
Depreciation & amortisation	- 107.6	- 107.3	0.4
EBIT	147.6	152.6	5.0
Net interest income (expenses)	- 9.0	- 14.4	- 5.4
Net income from associates	0.3	0.1	- 0.1
EBT	139.0	138.4	- 0.6
Income taxes	- 35.1	- 37.0	- 2.0
NET PROFIT before minorities	103.9	101.3	- 2.6
Minorities	- 4.6	- 7.2	- 2.6
NET PROFIT after minorities	99.3	94.1	- 5.2

SUSTAINABILITY

FY 2021 MAIN ACHIEVEMENTS

Continuous effort to improve sustainability performance and accountability

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA



FTSE4Good



- ✓ Member of Dow Jones Sustainability Index Europe and Dow Jones Sustainability Index World
- ✓ CSA score of 90 points
- ✓ Gold Class distinction in the Sustainability Yearbook*

- ✓ A- score in the Climate change 2021 questionnaire reaching the *Leadership Band*

- ✓ Confirmed as a constituent of the FSTE4Good index Series

- ✓ Included in the newly launched MIB ESG Index on the basis of the Vigeo Eris Rating

- ✓ A- rating confirmed

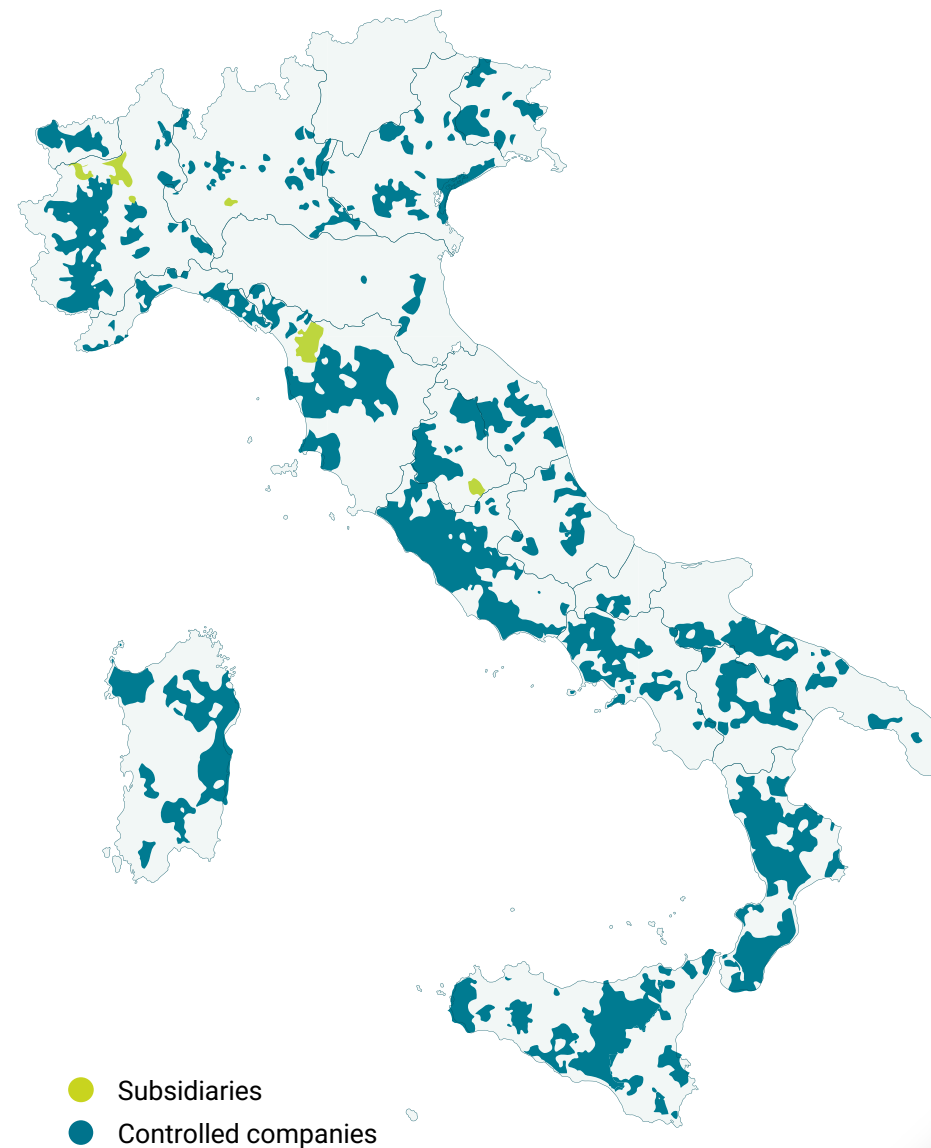
- ✓ Member of the ECPI Euro ESG Equity, ECPI World ESG Equity and ECPI Global Infrastructure Equity Indexes



(*) Awarded in 2022 on the basis of the Corporate Sustainability Assessment (CSA) 2021

MAIN NUMBERS

	OPERATING HIGHLIGHTS (TOTAL)	OF WHICH AFFILIATES
Network length	74,397 km	1,894 km
Municipalities	1,898	61
Active Redelivery Points	7.757 mn	0.153 mn



(*) Calculated by redelivery points

DISCLAIMER

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