

Bit Market Services

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Informazione
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Diffusione presunta

Oggetto : The Board of Directors approves the half-year financial report as at 30 June 2016

Testo del comunicato

Versione corretta



Gas Plus: The Board of Directors approves the consolidated half-year financial report as at 30 June 2016

Ebitda decrease and negative Net Result due to the worsening of energetic price scenario and for the contingent stalemate of the production levels as a consequence of the authorization *iter* delays and of the temporary stop of an important productive site not directly operated.

Expected improvements for cost optimization and a new gas-in by the end of 2016.

NFP in slight increase for the investment restart, in line with the business plan target.

- **Total Revenues: € 45.5 M vs € 62.3 M in 1H15**
- **EBITDA: € 9.2 M vs € 20.9 M in 1H15**
- **EBIT: € -0.6 M vs € 11.9 M in 1H15**
- **EBT: € -5.1 M vs € 9.3 M in 1H15**
- **Net Result: € -3.5 M vs € 5.8 M in 1H15**
- **PFN: € 45.6 M vs € 41.1 M as at December 31st, 2015**

Milano, August 4th, 2016 - *The Board of Directors of Gas Plus S.p.A., a company listed on the Italian Stock Exchange, approved today the half-year financial report as at 30 June 2016.*

Gas Plus Group, in a semester characterized by a weak and uncertain price scenario, has demonstrated, under an economic point of view, a good endurance compared to the average of the Oil & Gas operators, recording an EBITDA decrease and, only as effect of an E&P asset depreciation, a slightly negative EBIT.

The economic result decrease is attributable to the E&P activities that, further to be penalized by the negative energetic scenario, have paid off also a reduction of the production level for the new and sudden stop of one of the main concessions not



operated by the Group and for the arduous and complex authorization *iter*, necessary for the development project fulfillment.

The international E&P unit has recorded, based on the geological analysis related to the first phase, the exploration license release in the deep water of the Rumanian Black Sea “Midia Deep” and the Company has depreciated the related asset value. The activity in the offshore concession in the shallow water of “Midia Shallow and Pelican” goes on.

The **gas retail activities** have benefited from the choice to exit from the wholesale market and have showed a remarkable growth of the marginality and significant absolute results, despite the warm climate conditions. In this sector is going on a careful organic growth development.

The **distribution** still continues to bring a significant and continuous contribution to the Group results: in the semester also the contribution of the newly acquired distribution network in the Municipalities of Manerbio and Bassano Bresciano has started.

The **storage** projects are still followed carefully and confirm their strategic role within the industry infrastructure, but are subject to political choices at a national level, completely out of the Group control.

The Group **financial situation** shows a low level of Net Debt, even in terms of ratio considering the present economic trend, in line with the progression of the last year thanks to the positive cash flows generation from each B.U. and, in particular, to the new gas commercialization business model that will enable a lower working capital investment. In addition there is also the postponement of certain investment, whose realization has already been secured, at the end of the previous year, through a specific € 64 M credit line, still not utilized.

The growth from € 41.1 M at December 31st, 2015 to the present € 45.6 M is entirely connected to the investment restart.

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The CEO Davide Usberti has declared: *“The activities for the 2020 Business Plan fulfillment are ongoing and we expect the first results in the next months with the release of the authorizations that will enable the relaunch of the E&P sector, highly important for the Group, despite the energetic scenario. With the same determination,*



we go on in the retail and distribution, while for the storage, that we still take into consideration, it is necessary the confirmation of the strategic relevance of these infrastructures at a ministerial level. We believe in our Group mission and we are sure that, after the difficult period of these last three years, there will be the time to harvest the fruits of our strength and work.”

BUSINESS UNITS TRENDS – 1H 2016

The results of the main *Business Unit* of the Group (*B.U. Exploration and Production*) were penalized by further decrease of hydrocarbon selling prices and by the physiological reduction of production volumes due to natural depletion of mature fields. These effects have been accentuated by the new missing contribution of a concession not operated by the Group (which counts for more than 20% of total gross hydrocarbon present production) and by the postponement of new projects gas-in.

In this context the Gas Plus Group has strongly pushed the gas-in of one of the main projects within its license portfolio (Mezzocolle) whose launch is forecasted at the end of 3Q 2016 and is carrying on initiatives to improve the marginality of current production asset.

With regard to International E&P activities and in particular *Midia Deep* license, current market conditions affected the decision of the Joint Venture not to proceed to the second phase of exploration and to release the license itself. On the other hand, in Romania, insights on development programs will continue for the licenses on shallow water where mineral resources have been discovered and evaluated by an independent expert in about 1.4 billion cubic meters for the Gas Plus interest.

B.U. Network & Transportation, thanks to an efficient management, has confirmed a positive economic trend and, in a perspective view, enlarged its own perimeter of activities, awarding a tender for the acquisition of two new natural gas distribution concessions in two Municipalities in the Province of Brescia.

B.U. Retail registered a significant EBITDA growth compared to 2015, despite a not particularly favorable weather trend, thanks to the unitary margin improvement.



1H 2016 CONSOLIDATED ECONOMIC AND FINANCIAL DATA

1H16 **Total Revenues** amounted to € 45.5 M vs. € 62.3 M of 1H15 and this trend essentially depends on lower hydrocarbon selling prices. It is noted that the revenues of 2015 included not recurring items of € 5.3 M, following the renewal of a service contract of the *B.U. E&P*.

This led to a decline in EBITDA from € 20.9 M in the 1H15 to € 9.2 M in 1H16.

This result, as already noted, was especially affected by the trend of *B.U. E&P* which recorded a reduction of its contribution to the Group consolidated results from € 14.2 M of 1H15 to € 2.0 M of 1H16.

An opposite trend was instead recorded by the *B.U. Retail* which increased its EBITDA from € 3.0 M in 1H15 to € 3.7 M in 1H16.

Finally, the contribution of *B.U. Network and Transportation* was almost stable (€ 3.8 M in 1H16 vs. € 3.8 M in 1H15), despite the increase of distributed volumes, following the acquisition of two new concessions, whose contribution to the economic results of the semester is limited in this first period, since it started from the effective date of acquisition.

Business unit overall results were affected by the reduction of the regulated revenues.

EBIT amounted to € -0.6 M vs. € 11.9 M in 1H 15. The sharp reduction in EBIT, higher than EBITDA in absolute terms, is due to higher depreciation, in particular the one related to the mining assets of the Midia Deep license, following the decision of the joint venture partners to proceed with its release.

Operating Result (€ -0.3 M compared to € 12.1 M of 1H 15) and the **Earning Before Taxes (EBT)** (€ -5.1 M compared to € 9.3 M 1H 15) were also negative.

Group closed the first half of 2016 with a **Loss** of € 3.5 M compared to a **Profit** of € 5.8 M in the 1H 15.



NFP, due to cash flow generated in the period, the postponement of some investments and lower working capital requirements, as a result of the new business model, remained on low level like the recent periods, although in increase compared to 2015 for the investments recovery (€ 45.6 M at 30 June 2016 compared to € 41.1 M at 31 December 2015).

OUTLOOK 2016

Given the external factors represented by the market prices and the authorization process timing in Italy, the next months will be very relevant for the Group for the activity management and for the future development of the Group, despite a forecast of negative result on annual basis.

In Italy, the E&P business will have to (i) conclude the main ongoing development projects authorization iter (ii) work with resolution to restart and stabilize the production of the concession whose facility was again interrupted last March (Garaguso) and (iii) optimize marginality of productive assets.

For the activities of distribution and retail, it will pursue its commitment to improve their contributions to the overall marginality of the Group.

Furthermore, there will be a strong focus on costs and financial management, in order to preserve the necessary resources to carry on the development and growth projects.

The manager responsible for preparing the company's financial reports, Germano Rossi, declares, according to Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

The Half-Year Financial Report as at 30 June 2016, along with the limited report of the auditors, will be made available to the public at the Company registered office, on the Company web site www.gasplus.it (Investor Relations section) and on the storage mechanism NIS-Storage (www.emarketstorage.com) in compliance with applicable law.



On August 5th, 2016, at 9.30 (CET), Gas Plus will host the conference call for analyst/investor on 1H 2016 financial results.

Speaker:

Davide Usberti – Chief Executive Officer

Cinzia Triunfo – General Manager

Germano Rossi – Chief Financial Officer

To connect to the conference call:

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Gas Plus is the fourth Italian largest producer of natural gas (as estimated by the Authority for Electricity, Gas and Water System, AEEGSI) after Eni, Edison and Shell Italia E&P. It is active in the main sectors of the industry of natural gas, particularly in the exploration, production, purchase, distribution and sale to retail customers. On 31 December 2015, the Group has 48 exploitation concessions located throughout the Italian territory, wholesale markets about 310 million cubic meter of natural gas in 2015, manages a total of approximately 1,500 kilometres of distribution and regional transport network located in 37 Municipalities, serves a total of more than 75,000 end users, with a staff of 187 employees.

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ATTACHMENTS: *Half-year prospects of consolidated balance sheet, consolidated income statements and consolidated cash-flow statements, taken from the half-year financial report as at 30 June 2016 (not audited yet).*



CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2016 AND DECEMBER 31, 2015

Amounts in thousands of Euro	06/30/2016	12/31/2015
ASSETS		
Non-current assets		
Property, plant and equipment	103.692	102.607
Goodwill	750	750
Concessions and other intangible assets	342.596	342.371
Other non-current assets	4.611	4.598
Deferred tax assets	26.254	25.311
Total non-current assets	477.903	475.637
Current assets		
Inventory	3.964	4.153
Trade receivables	11.038	16.842
Income tax receivables	1.472	1.472
Other receivables	9.885	10.990
Receivables from parent company	195	320
Financial assets	3.381	5.190
Cash and cash equivalents	24.628	29.932
Total current assets	54.563	68.899
TOTAL ASSETS	532.466	544.536
SHAREHOLDER'S EQUITY		
Share capital	23.353	23.353
Reserves	195.447	192.869
Other equity components	(779)	(230)
Net result for the period	(3.484)	7.128
Equity attributable to equity holders of the parent	214.537	223.120
Minority interests	475	463
TOTAL SHAREHOLDER'S EQUITY	215.012	223.583
LIABILITIES		
Non-current liabilities		
Long-term financial debts	38.526	41.836
Employees' termination indemnity, pensions and sim. obligations	4.948	4.424
Deferred tax liabilities	88.511	90.010
Liabilities for acquisition of business	27.757	27.757
Other non-current liabilities	3.282	3.194
Provisions	117.113	115.193
Total non-current liabilities	280.137	282.414
Current liabilities		
Trade payables	18.698	21.838
Short-term financial debts	7.190	6.556
Liabilities for acquisition of business	103	112
Other current liabilities	11.187	10.030
Income tax payables	139	3
Total current liabilities	37.317	38.539
TOTAL LIABILITIES	317.454	320.953
TOTALE SHAREHOLDER'S EQUITY AND LIABILITIES	532.466	544.536



HALF-YEAR CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro	1H 2016	1H 2015 (Restated)
Revenues	42.961	55.032
Other revenues	2.554	7.295
Total revenues	45.515	62.327
Raw materials and consumables costs	(14.540)	(20.071)
Services and other costs	(16.745)	(15.617)
Personnel costs	(5.051)	(5.785)
Share of result of associated companies	-	-
GROSS OPERATING MARGIN (EBITDA)	9.179	20.854
Depreciation, amortization and devaluation	(9.794)	(8.992)
EBIT	(615)	11.862
Other income (charges)	275	256
OPERATING RESULT	(340)	12.118
Financial income	114	1.916
Financial expense	(4.908)	(4.739)
PRE-TAX RESULT FOR THE PERIOD	5.134	9.295
Income taxes	(1.667)	(2.690)
NET RESULT FOR THE PERIOD	(3.467)	6.605
Net result of the period from discontinued operations	-	(771)
NET RESULT FOR THE PERIOD	(3.467)	5.834
Attributable to:		
Group	(3.484)	5.822
Minority interests	17	12



HALF YEAR CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of Euro	1H 2016	1H 2015 (Restated)
Cash flow from operating activities		
Net result	(3.467)	6.605
Depreciation, amortization and devaluation of tangible and intangible assets (1)	9.382	7.508
Other non-cash provision (use of non-cash provisions)	(28)	(187)
Discounted retirement fund	2.122	2.435
Financial costs for acquisition financing	276	298
Capital losses	3	152
Change in fair value of assets and liabilities	160	(596)
Change in deferred taxes	(2.074)	(1.694)
Change in operating assets and liabilities		
Change in inventory	180	3
Change in trade receivables from third parties and associated companies	6.520	(2.971)
Change in trade payable from third parties and associated companies	(3.309)	(3.155)
Asset retirement obligations	(26)	(684)
Change in termination indemnity	78	(191)
Change in other operating assets and liabilities	1.741	5.629
Net cash flow from operating activities	11.558	13.153
Cash flow from investing activities		
Purchase of tangible and intangible assets (1)	(9.113)	(2.997)
Business combinations, net of the cash equivalents acquired	(1.498)	-
Net cash flows used in investing activities	(10.611)	(2.997)
Cash flows from financing activities		
Net change in financial liabilities	539	(1.343)
Loans reimbursed	(2.500)	(2.500)
Dividends paid	(4.362)	(4.362)
Other changes in shareholders' equity	37	-
Net cash flows used in financing activities	(6.286)	(8.205)
Effects of exchange rate on abroad companies' financial statements	35	(1.031)
Net cash flow from discontinued operations	-	16.579
Increase (decrease) in cash at bank and in hand	(5.304)	17.499
Cash and cash equivalent at the beginning of the year	29.932	6.386
Cash and cash equivalent at the end of the year	24.628	23.885
Dividends received	362	348
Taxes paid in the period	477	287
Interests paid in the period	1.574	1.887

(1) net of amortization of exploration costs incurred in the period (respectively Euro 412 in the first half of 2016 and Euro 1.484 in the first half of 2015).

Fine Comunicato n.0886-19

Numero di Pagine: 11