



# **9M 2016**

## **CONSOLIDATED RESULTS**

### **Conference Call**

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*Pieve di Soligo, 11th November 2016*

## **Financial highlights**

- Ascopiave Group structure as of 30th September 2016
- 9M 2016 consolidated income statement
- Consolidated balance sheet as of 30th September 2016

## Operating data

### Revenues and EBITDA

Gross margin on gas and electricity sales and other net operating costs

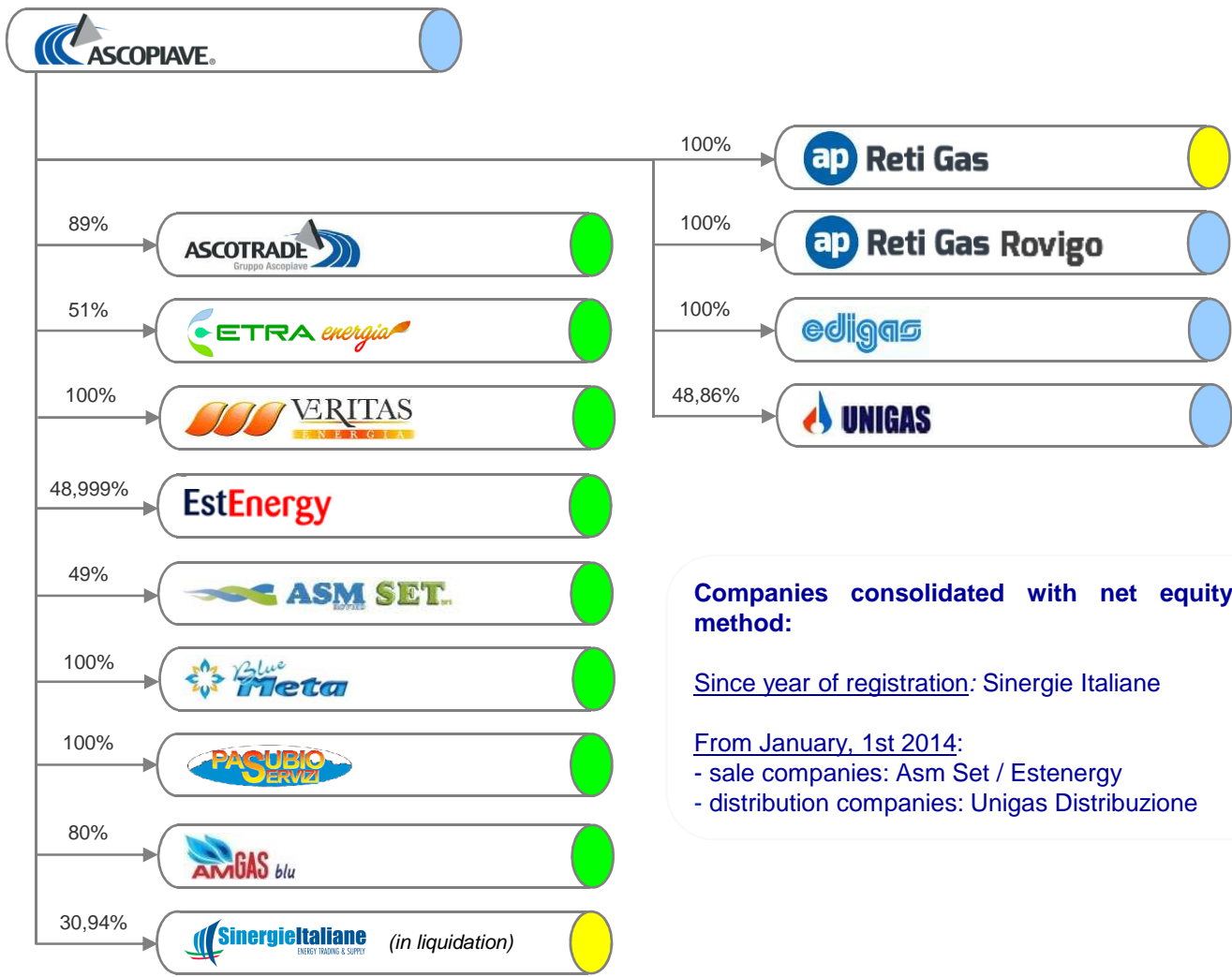
### Personnel

### Capex

### Net financial position and cash flow

### Disclaimer

# Ascopiave Group structure as of 30th September 2016



**Companies consolidated with net equity consolidation method:**

Since year of registration: Sinergie Italiane

From January, 1st 2014:  
 - sale companies: Asm Set / Estenergy  
 - distribution companies: Unigas Distribuzione

-  Gas distribution
-  Gas sales
-  Other activities

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## 9M 2016 consolidated income statement

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(Thousand of Euro)	9M 2016	9M 2015	Chg	Chg %
<b>Revenues</b>	<b>353.337</b>	<b>413.413</b>	<b>(60.075)</b>	<b>-14,5%</b>
(Cost of raw materials and consumables)	(184.009)	(252.972)	68.963	-27,3%
(Cost of services)	(77.611)	(83.221)	5.610	-6,7%
(Cost of personnel)	(16.043)	(16.098)	55	-0,3%
(Other operating costs)	(14.351)	(9.413)	(4.938)	+52,5%
Other operating income	155	405	(250)	-61,8%
<b>EBITDA</b>	<b>61.477</b>	<b>52.113</b>	<b>9.365</b>	<b>+18,0%</b>
(Depreciations and amortizations)	(15.140)	(14.748)	(392)	+2,7%
(Provisions)	(1.379)	(2.013)	635	-31,5%
<b>EBIT</b>	<b>44.959</b>	<b>35.351</b>	<b>9.608</b>	<b>+27,2%</b>
Financial income / (expenses)	(463)	(408)	(55)	+13,6%
Evaluation of companies with net assets method (*)	4.571	4.442	129	+2,9%
<b>EBT</b>	<b>49.067</b>	<b>39.386</b>	<b>9.682</b>	<b>+24,6%</b>
(Income taxes)	(14.708)	(11.877)	(2.831)	+23,8%
<b>Earnings after taxes</b>	<b>34.359</b>	<b>27.509</b>	<b>6.850</b>	<b>+24,9%</b>
(Net loss from discontinued operations)	-	-	-	n.a.
<b>Net income</b>	<b>34.359</b>	<b>27.509</b>	<b>6.850</b>	<b>+24,9%</b>
(Net income of minorities)	(1.738)	(1.427)	(311)	+21,8%
<b>Net income of the Group</b>	<b>32.621</b>	<b>26.081</b>	<b>6.539</b>	<b>+25,1%</b>

(\*) Result of the companies consolidated with net equity consolidation method (data are considered pro-quota): sale companies, Euro 3,1 mln (Euro 2,8 mln in 9M 2015); distribution companies, Euro 0,5 mln (Euro 0,4 mln in 9M 2015); Sinergie Italiane, Euro 0,9 mln (Euro 1,2 mln in 9M 2015).

## Consolidated balance sheet as of 30th September 2016

(Thousand of Euro)	30/09/2016	31/12/2015	Chg	Chg %
Tangible assets (*)	32.560	34.987	(2.427)	-6,9%
Non tangible assets (*)	396.913	397.418	(504)	-0,1%
Investments in associates (**)	65.864	68.078	(2.214)	-3,3%
Other fixed assets	21.467	26.699	(5.232)	-19,6%
<b>Fixed assets</b>	<b>516.805</b>	<b>527.182</b>	<b>(10.377)</b>	<b>-2,0%</b>
Operating current assets	109.045	223.482	(114.437)	-51,2%
(Operating current liabilities)	(96.725)	(166.793)	70.068	-42,0%
(Operating non current liabilities)	(46.661)	(49.698)	3.036	-6,1%
<b>Net working capital</b>	<b>(34.341)</b>	<b>6.991</b>	<b>(41.332)</b>	<b>-591,2%</b>
<b>Total capital employed</b>	<b>482.464</b>	<b>534.173</b>	<b>(51.709)</b>	<b>-9,7%</b>
<b>Group shareholders equity</b>	<b>415.004</b>	<b>415.264</b>	<b>(260)</b>	<b>-0,1%</b>
<b>Minorities</b>	<b>4.476</b>	<b>4.873</b>	<b>(397)</b>	<b>-8,1%</b>
<b>Net financial position</b>	<b>62.985</b>	<b>114.037</b>	<b>(51.052)</b>	<b>-44,8%</b>
<b>Total sources</b>	<b>482.464</b>	<b>534.173</b>	<b>(51.709)</b>	<b>-9,7%</b>

(\*) Applying IFRIC 12 involves categorising the infrastructures under concession from tangible to intangible assets; (\*\*) Value of the associated companies consolidated with net equity consolidation method: sale companies, Euro 45,4 mln (Euro 47,9 mln as of 31th December 2015); distribution companies, Euro 20,5 mln (Euro 20,2 mln as of 31th December 2015).

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- Volumes of gas distributed
- Volumes of gas sold
- Volumes of electricity sold

Revenues and EBITDA

Gross margin on gas and electricity sales and other operating costs

Personnel

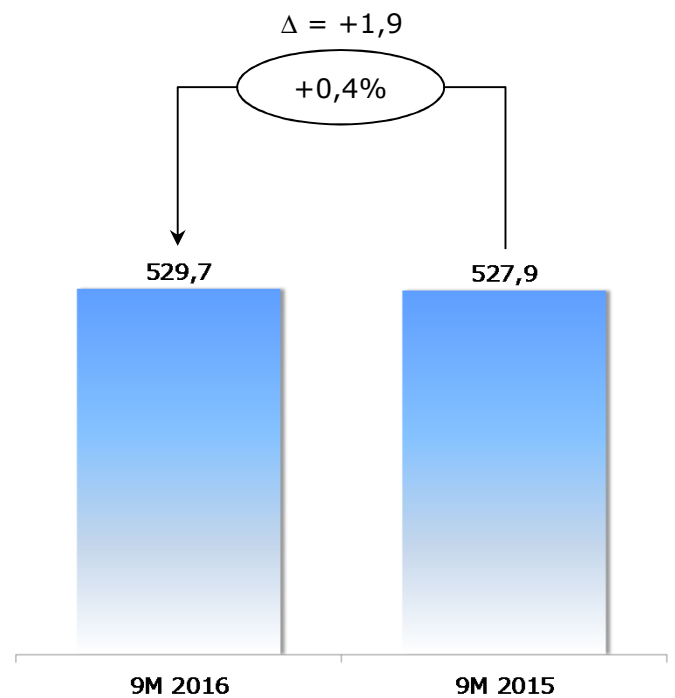
Capex

Net financial position and cash flow

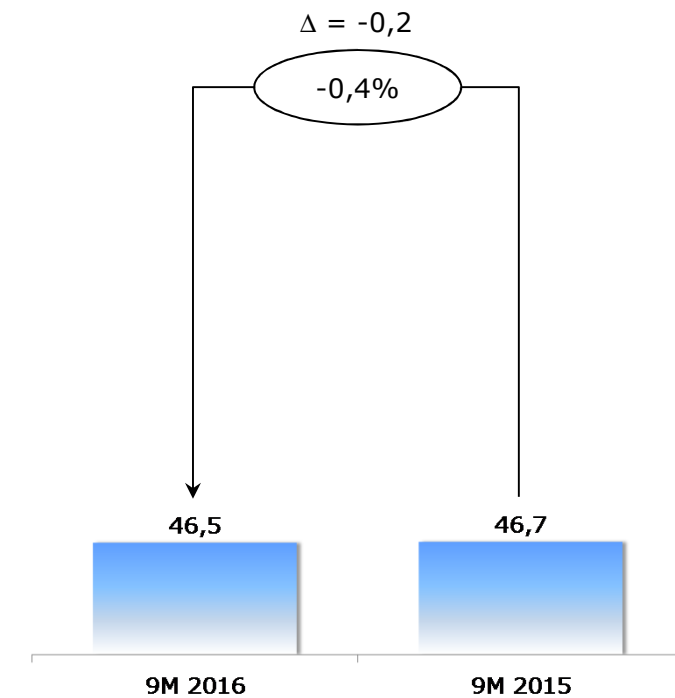
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# Volumes of gas distributed

## Volumes of gas distributed (Million of standard cubic meters)



Companies consolidated with full consolidation method

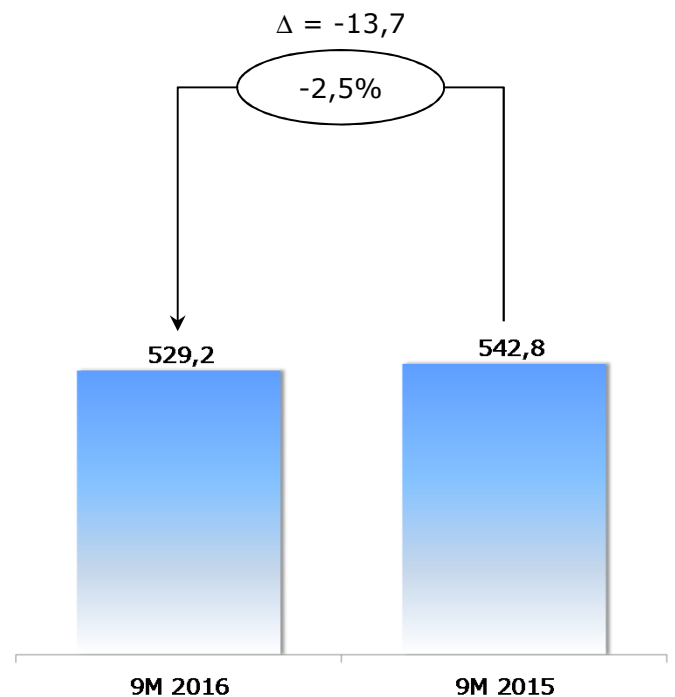


Companies consolidated with net equity consolidation method (\*)

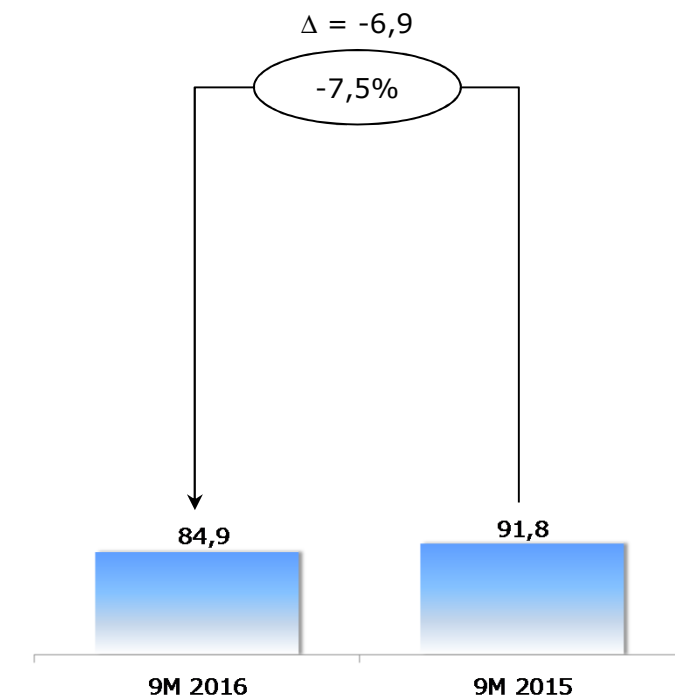
(\*) Data are considered pro-quota.

# Volumes of gas sold

## Volumes of gas sold (Million of standard cubic meters)



Companies consolidated with full consolidation method



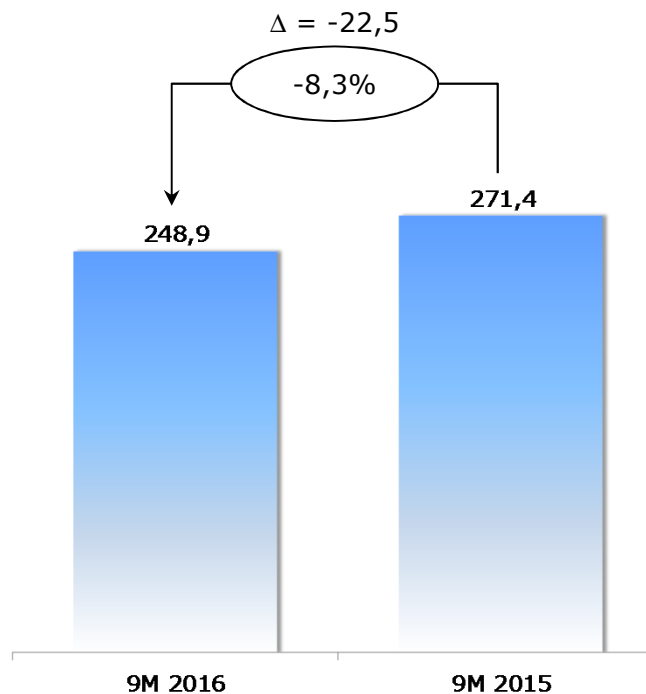
Companies consolidated with net equity consolidation method (\*)

(\*) Data are considered pro-quota.

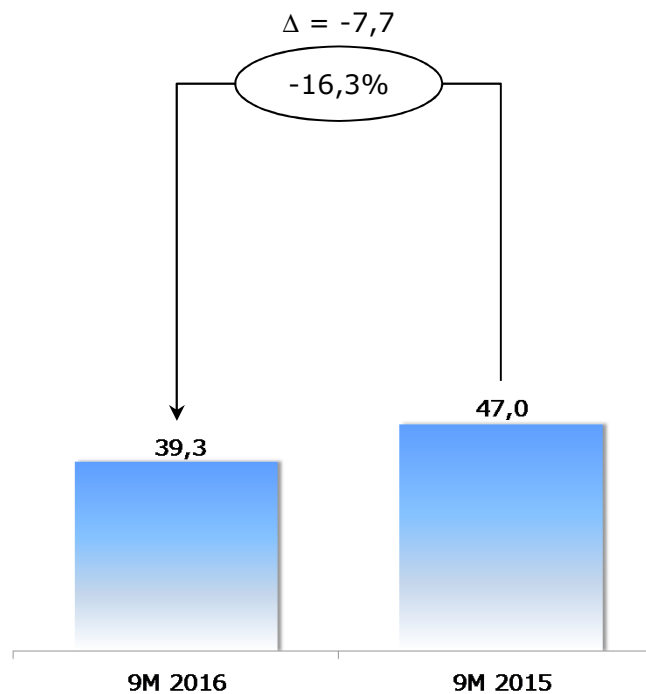


# Volumes of electricity sold

## Volumes of electricity sold (GWh)



Companies consolidated with full consolidation method



Companies consolidated with net equity consolidation method (\*)

(\*) Data are considered pro-quota.



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→ Revenues bridge

→ EBITDA bridge

→ EBITDA breakdown

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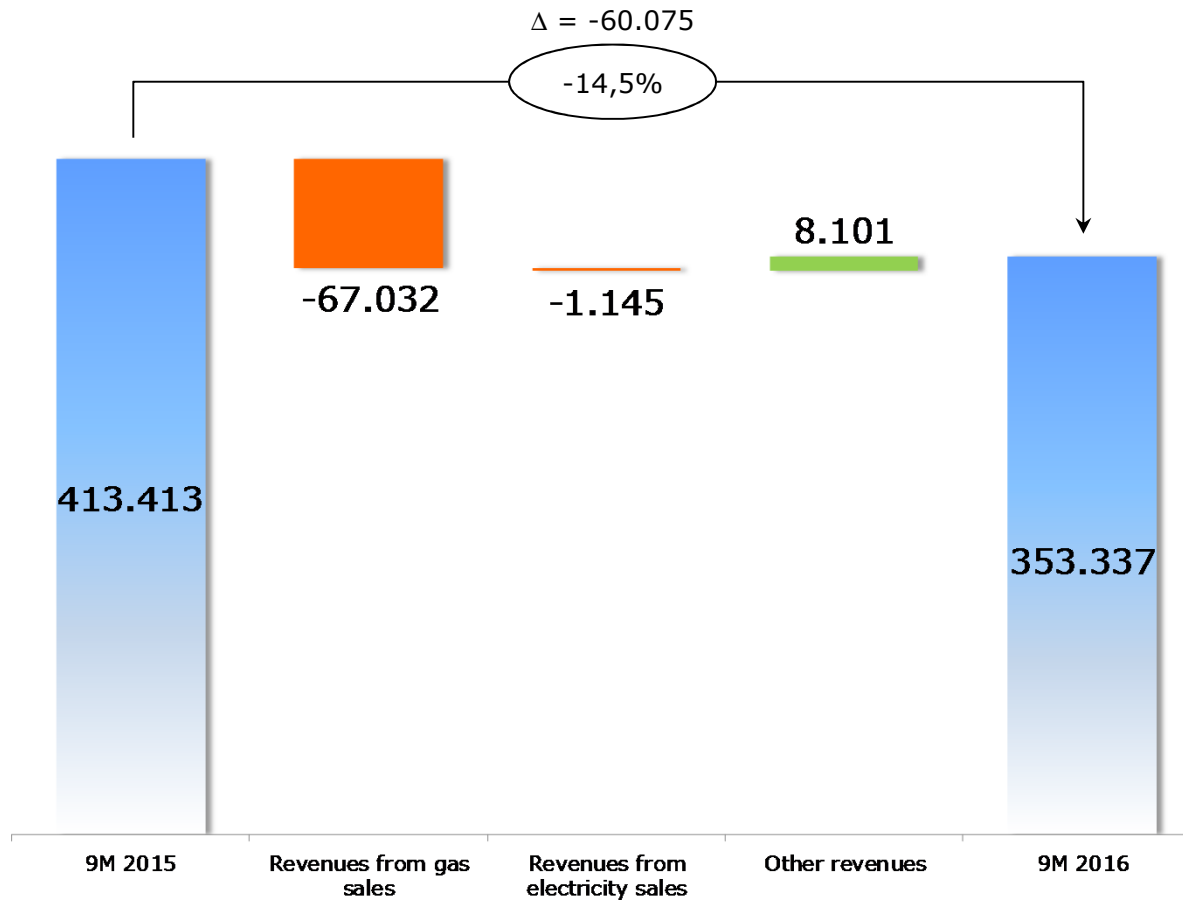
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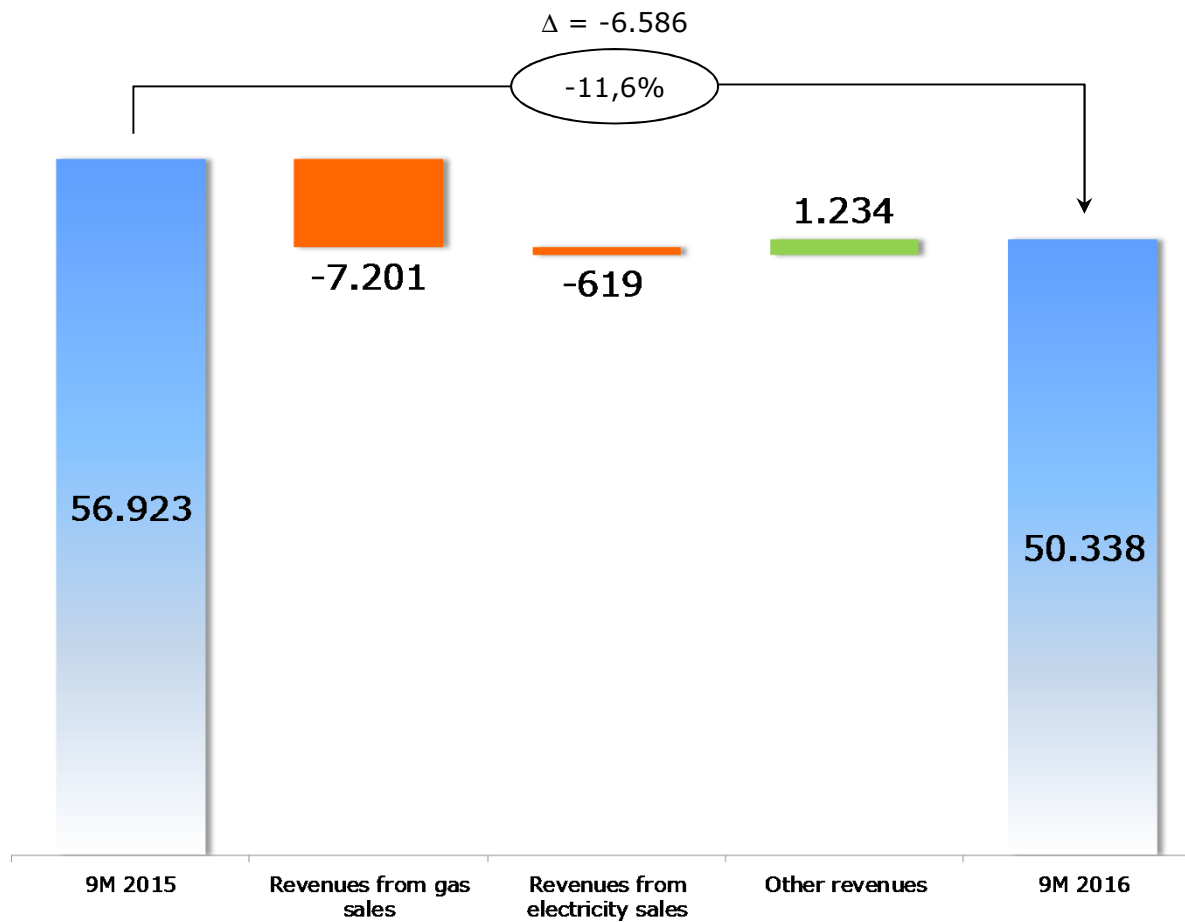
# Revenues bridge (1)

## Revenues bridge Companies consolidated with full consolidation method (Thousand of Euro)



## Revenues bridge (2)

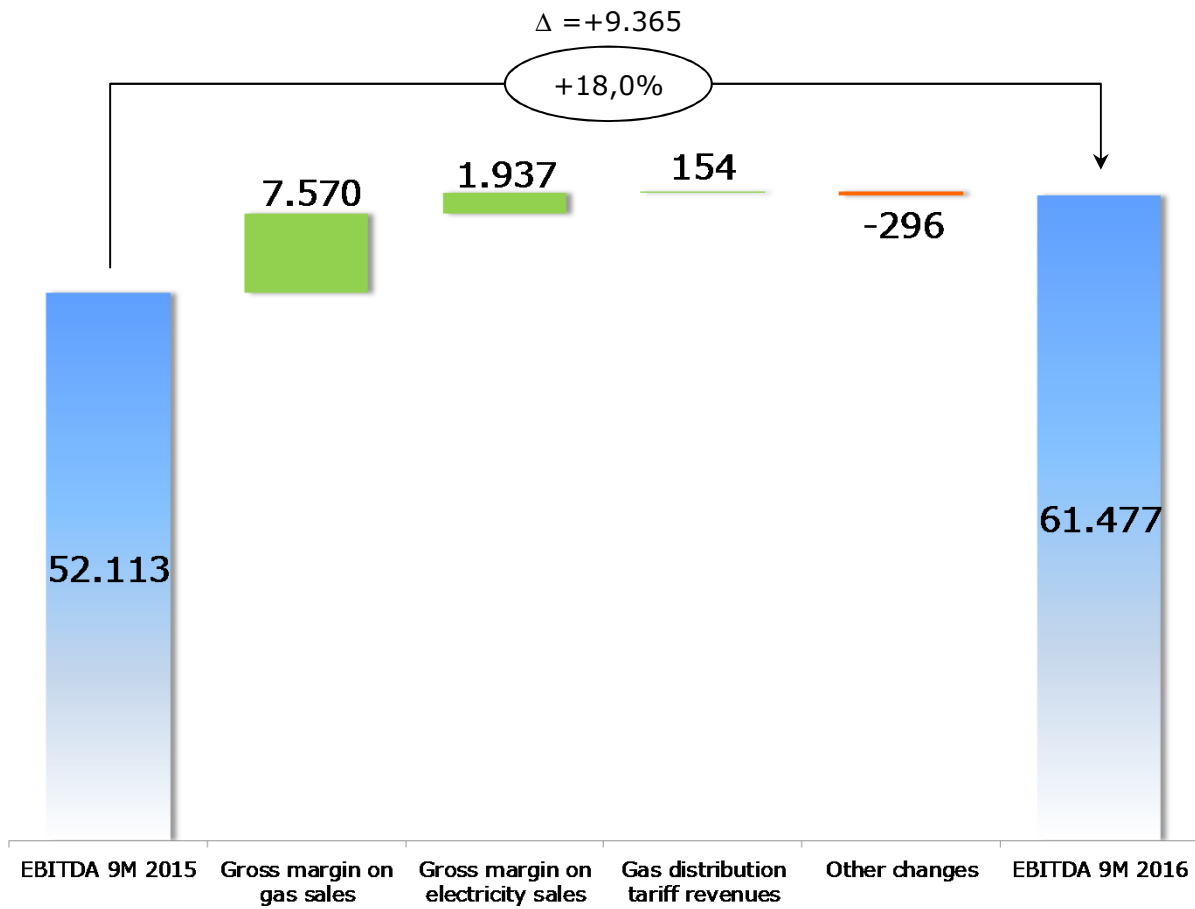
### Revenues bridge Companies consolidated with net equity consolidation method (\*) (Thousand of Euro)



(\*) Sinergie Italiane excluded.

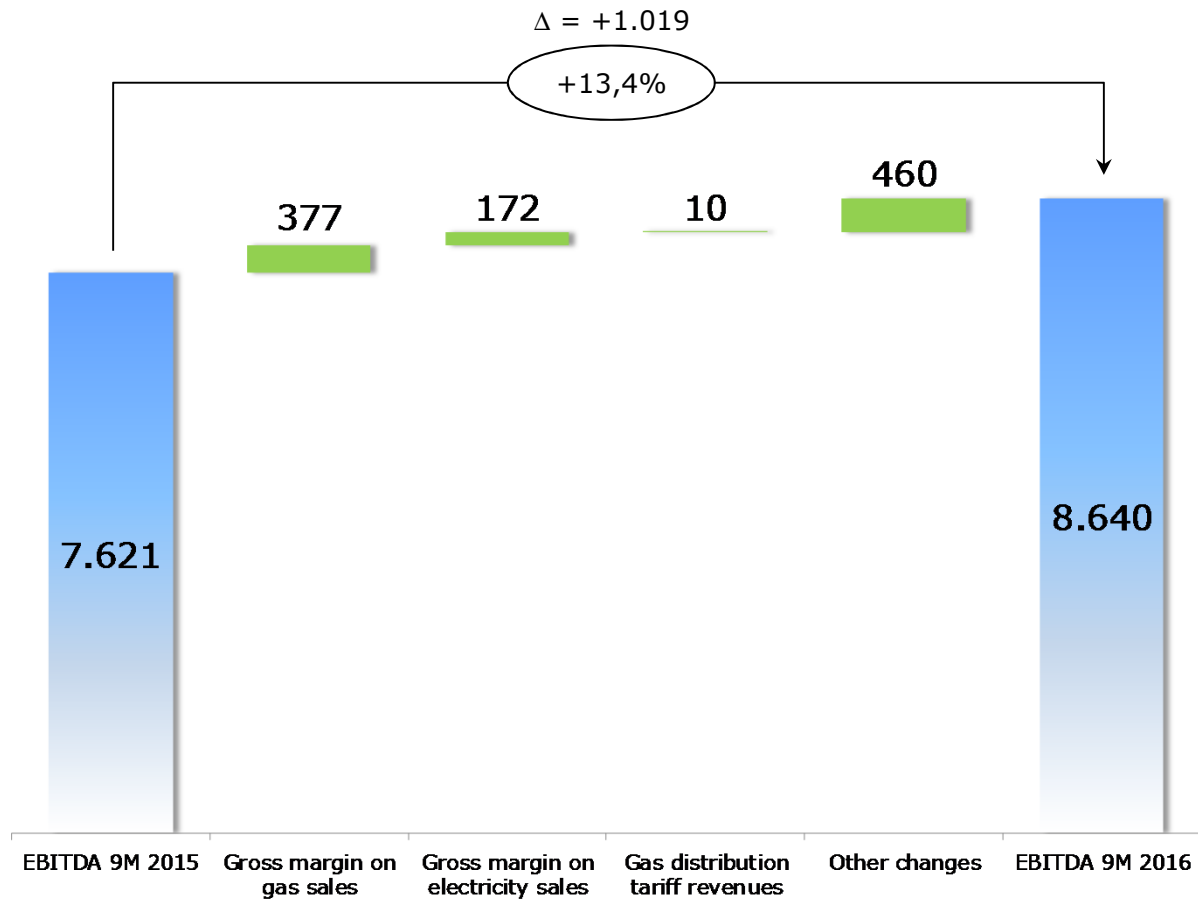
# EBITDA bridge (1)

## EBITDA bridge Companies consolidated with full consolidation method (Thousand of Euro)



## EBITDA bridge (2)

### EBITDA bridge Companies consolidated with net equity consolidation method (\*) (Thousand of Euro)



(\*) Sinergie Italiane excluded.

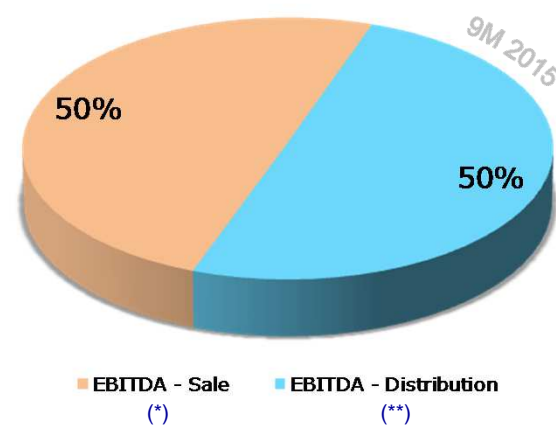
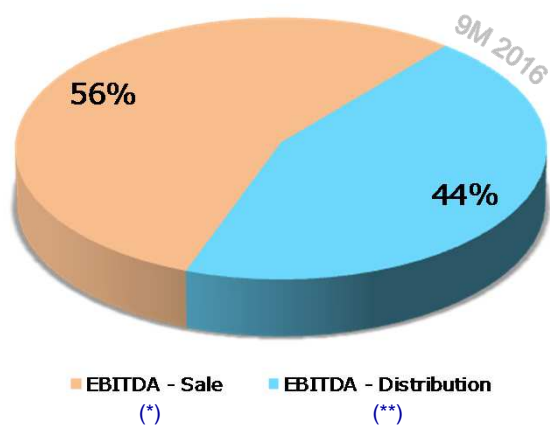
## EBITDA breakdown (1)

### EBITDA breakdown

**Companies consolidated with full consolidation method**

(Thousand of Euro)

(Thousand of Euro)	9M 2016	9M 2015	Var	Var %
<b>EBITDA</b>	<b>61.477</b>	<b>52.113</b>	<b>9.365</b>	<b>+18,0%</b>
EBITDA - Sale	34.141	25.967	8.173	+31,5%
EBITDA - Distribution	27.337	26.145	1.191	+4,6%
<b>EBIT</b>	<b>44.959</b>	<b>35.351</b>	<b>9.608</b>	<b>+27,2%</b>
EBIT - Sale	30.846	22.061	8.785	+39,8%
EBIT - Distribution	14.114	13.291	823	+6,2%



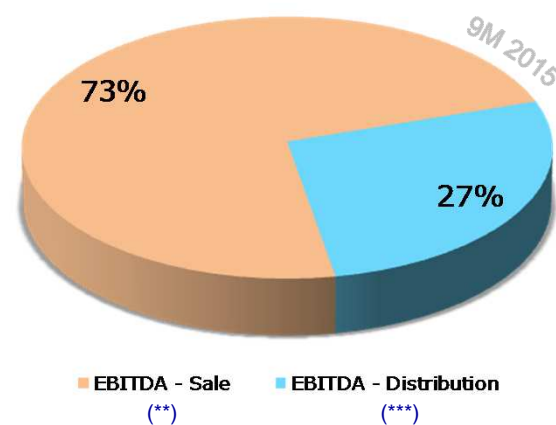
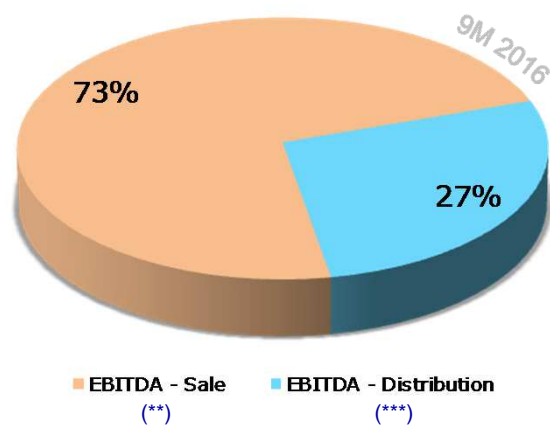
(\*) Sale companies; (\*\*) Distribution companies.

## EBITDA breakdown (2)

### EBITDA breakdown

Companies consolidated with net equity consolidation method (\*)  
(Thousand of Euro)

(Thousand of Euro)	9M 2016	9M 2015	Var	Var %
<b>EBITDA</b>	<b>8.640</b>	<b>7.621</b>	<b>1.019</b>	<b>+13,4%</b>
EBITDA - Sale	6.269	5.543	726	+13,1%
EBITDA - Distribution	2.371	2.078	293	+14,1%
<b>EBIT</b>	<b>5.594</b>	<b>4.552</b>	<b>1.042</b>	<b>+22,9%</b>
EBIT - Sale	4.089	3.322	767	+23,1%
EBIT - Distribution	1.505	1.230	276	+22,4%



(\*) Sinergie Italiane excluded; (\*\*) Sale companies; (\*\*\*) Distribution companies.



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## Gross margin on gas sales

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
Revenues from gas sales	234.691	276.776	(42.085)	-15,2%
(Gas purchase costs)	(132.622)	(179.640)	47.018	-26,2%
(Distribution costs)	(55.308)	(57.944)	2.636	-4,5%
<b>Gross margin on gas sales (A)</b> <i>Company consolidated with full consolidation method</i>	<b>46.761</b>	<b>39.191</b>	<b>7.570</b>	<b>+19,3%</b>

The increase of gross margin on gas sales of the companies consolidated with full consolidation method is equal to + Euro 7,6 mln.

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
<b>Gross margin on gas sales (B)</b> <i>Company consolidated with net equity consolidation method</i>	<b>9.312</b>	<b>8.935</b>	<b>377</b>	<b>+4,2%</b>
<b>Gross margin on gas sales (A+B)</b>	<b>56.073</b>	<b>48.126</b>	<b>7.947</b>	<b>+16,5%</b>

(\*) Economic data before elisions.

## Gross margin on electricity sales

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
Revenues from electricity sales	65.604	69.615	(4.011)	-5,8%
(Electricity purchase costs)	(34.410)	(38.323)	3.913	-10,2%
(Distribution costs)	(26.455)	(28.490)	2.036	-7,1%
<b>Gross margin on electricity sales (A)</b> <i>Company consolidated with full consolidation method</i>	<b>4.739</b>	<b>2.802</b>	<b>1.937</b>	<b>+69,1%</b>

The increase of gross margin on electricity sales of the companies consolidated with full consolidation method is equal to + Euro 1,9 mln.

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
<b>Gross margin on electricity sales (B)</b> <i>Company consolidated with net equity consolidation method</i>	<b>630</b>	<b>458</b>	<b>172</b>	<b>+37,6%</b>
<b>Gross margin on electricity sales (A+B)</b>	<b>5.370</b>	<b>3.260</b>	<b>2.110</b>	<b>+64,7%</b>

(\*) Economic data before elisions.

## Gas distribution tariff revenues

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
Tariffs applied to sales companies	38.044	36.776	1.268	+3,4%
Equalization amount (+ / -)	8.155	9.269	(1.114)	-12,0%
<b>Gas distribution tariff revenues (A)</b> <i>Company consolidated with full consolidation method</i>	<b>46.198</b>	<b>46.044</b>	<b>154</b>	<b>+0,3%</b>

The increase of gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 0,2 mln) is due to:

- 1) change of gas distribution tariffs applied to gas sales companies: + Euro 1,3 mln;
- 2) equalization amount: - Euro 1,1 mln.

(Thousand of Euro) (*)	9M 2016	9M 2015	Chg	Chg %
<b>Gas distribution tariff revenues (B)</b> <i>Company consolidated with net equity consolidation method</i>	<b>4.366</b>	<b>4.356</b>	<b>10</b>	<b>+0,2%</b>
<b>Gas distribution tariff revenues (A+B)</b>	<b>50.564</b>	<b>50.400</b>	<b>164</b>	<b>+0,3%</b>

(\*) Economic data before elisions.

## Other net operating costs (1)

(Thousand of Euro)	9M 2016	9M 2015	Chg	Chg %
Other revenues	20.862	15.261	5.601	+36,7%
Other costs of raw materials and services	(41.039)	(35.087)	(5.952)	+17,0%
Cost of personnel	(16.043)	(16.098)	55	-0,3%
<b>Other net operating costs (A)</b> <i>Company consolidated with full consolidation method</i>	<b>(36.221)</b>	<b>(35.925)</b>	<b>(296)</b>	<b>+0,8%</b>

**Increase of other net operating costs of the companies consolidated with full consolidation method: - Euro 0,3 mln**

*of which:*

- *decrease of margin on energy efficiency tasks management: - Euro 0,3 mln*
- *increase of cost of consultation services: - Euro 0,8 mln*
- *decrease of cost of energy consumptions: + Euro 0,4 mln*
- *increase of cost for customers acquisition: - Euro 0,2 mln*
- *decrease of provisions for risks and charges: + Euro 0,3 mln*
- *increase of contingent assets: + Euro 1,3 mln*
- *increase of cost for bank services : - Euro 0,2 mln*
- *other changes: - Euro 0,8 mln*

## Other operating costs (2)

(Thousand of Euro)	9M 2016	9M 2015	Chg	Chg %
<b>Other net operating costs (A)</b> <i>Company consolidated with full consolidation method</i>	(36.221)	(35.925)	(296)	+0,8%
<b>Other net operating costs (B)</b> <i>Company consolidated with net equity consolidation method (*)</i>	(5.668)	(6.128)	460	-7,5%
<b>Other net operating costs (A+B)</b>	(41.889)	(42.053)	164	-0,4%

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(\*) Sinergie Italiane excluded.

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→ Consolidated cost of personnel

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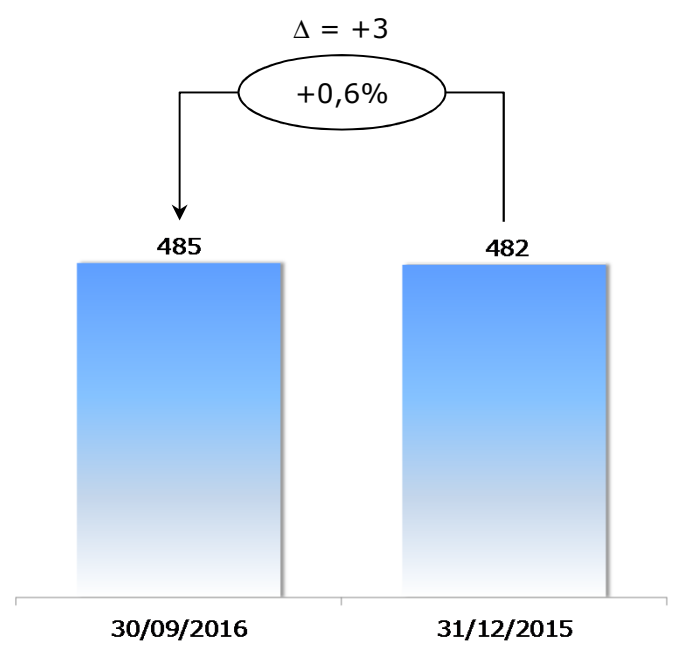
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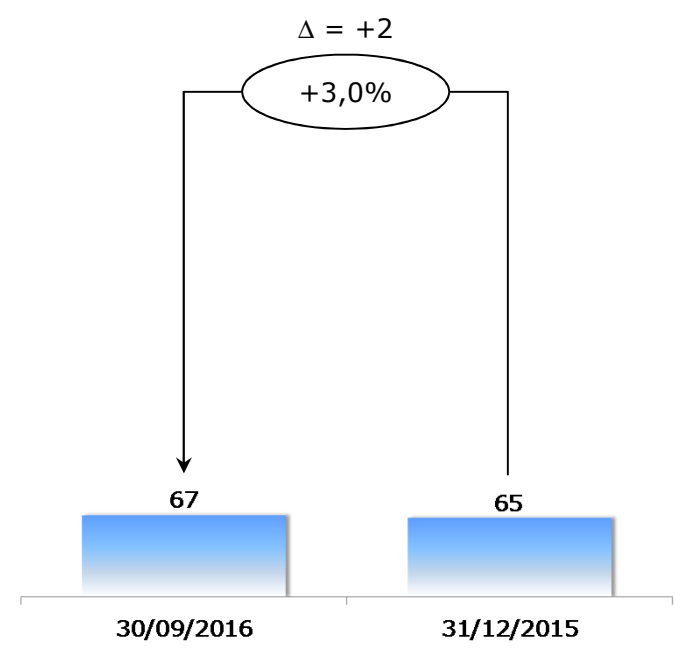
# Number of employees

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## Number of employees



Companies consolidated with full consolidation method



Companies consolidated with net equity consolidation method (\*)

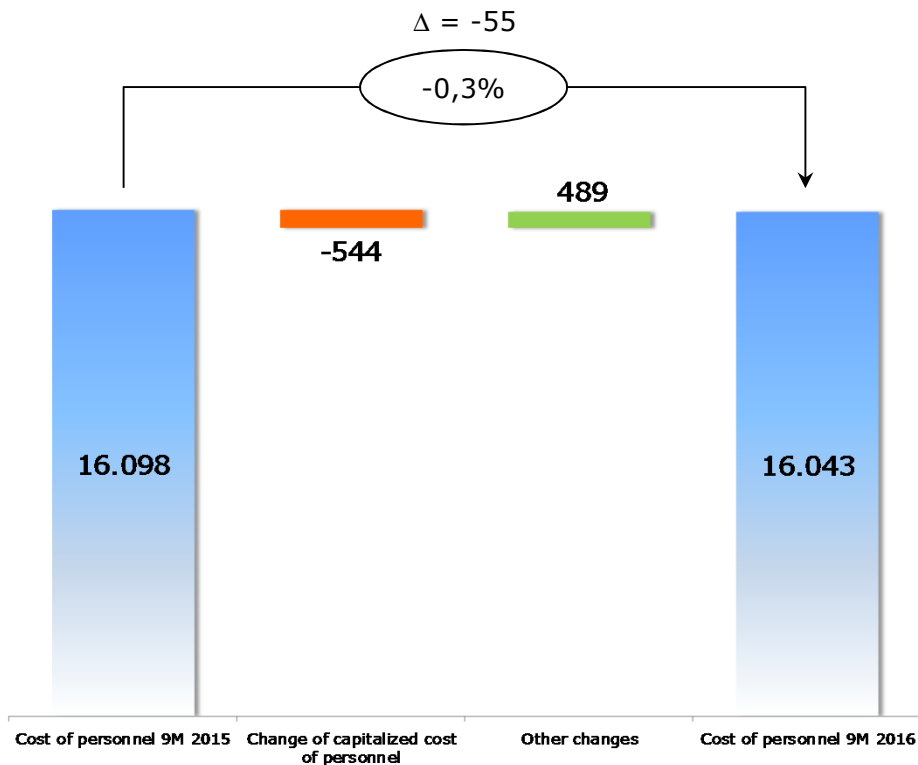
(\*) Data are considered pro-quota.





# Consolidated cost of personnel

## Consolidated cost of personnel (Thousand of Euro)



### Cost of personnel changes:

- capitalized cost of personnel: - Euro 0,5 mln
- other: + Euro 0,5 mln

9M 2016 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 2,6 mln (-1,1%).

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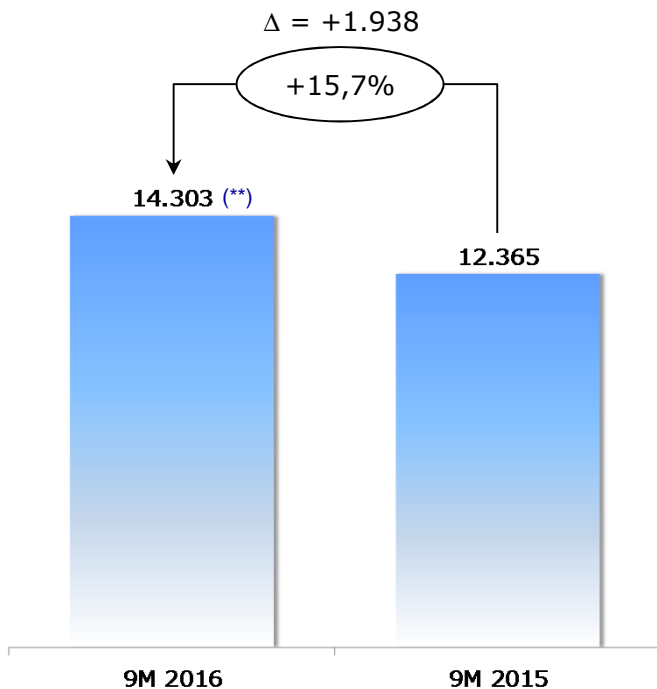
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## Consolidated capex (\*) (Thousand of Euro)



- Gas distribution systems: Euro 8,4 mln
- Gas meters: Euro 4,4 mln
- Other: Euro 1,5 mln

9M 2016 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 0,8 mln (-6,6%).

(\*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments.

(\*\*) Investments in tangible assets: Euro 0,8 mln; investments in intangible assets: Euro 13,5 mln (excluded realizations of tangible and intangible assets and investments in associated).

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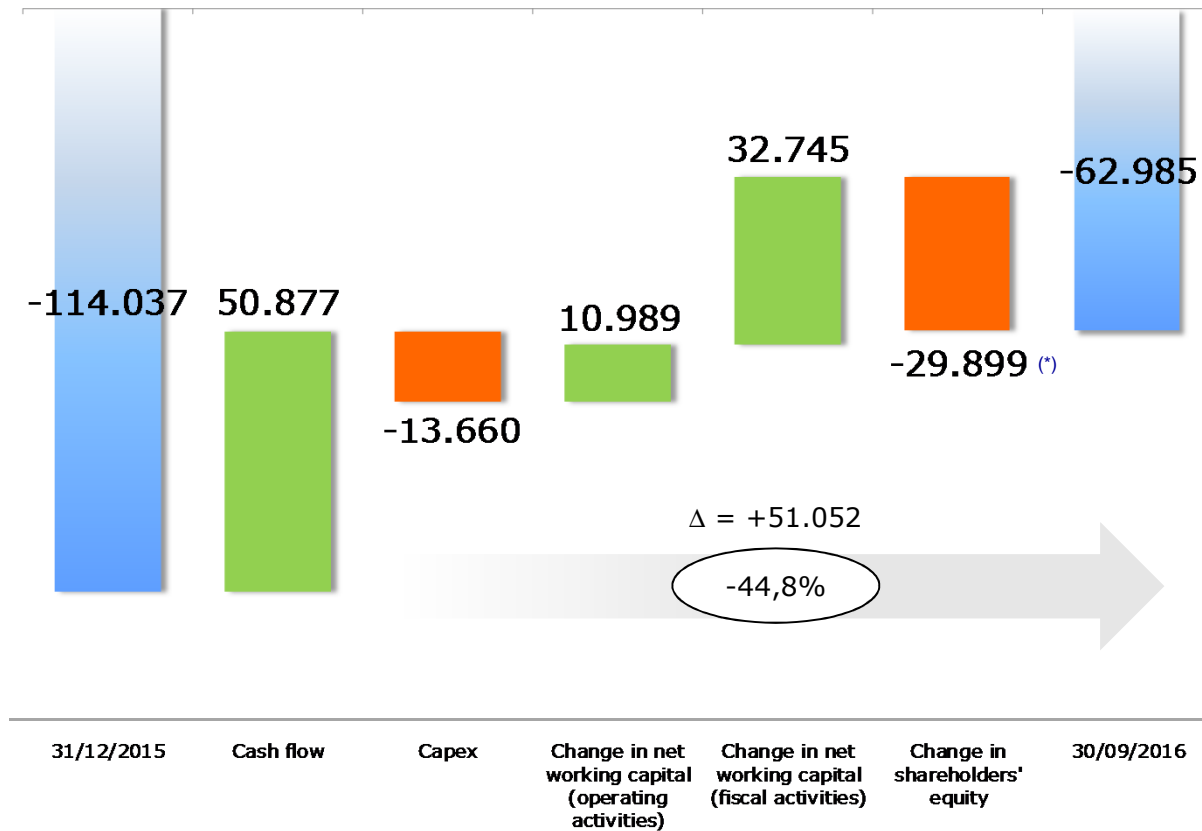
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# Net financial position and cash flow (1)

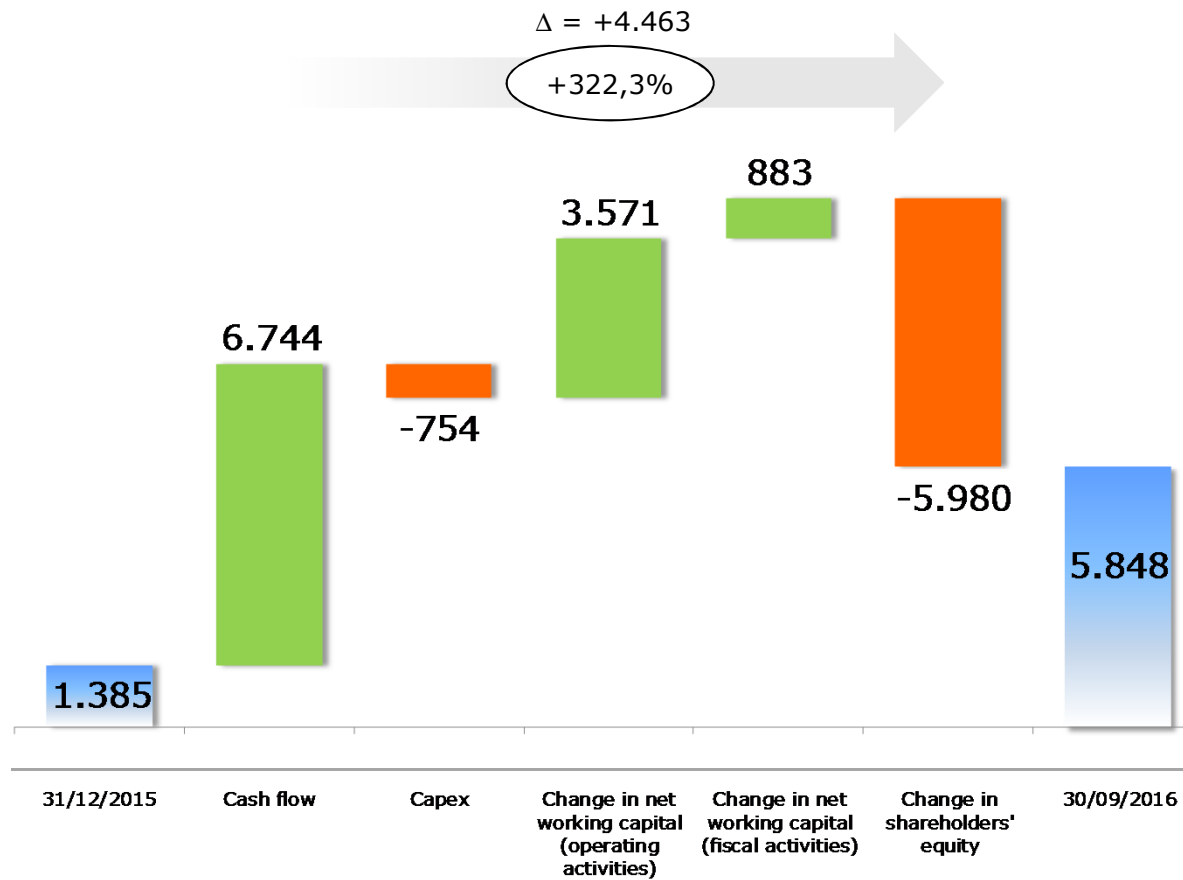
## Net Financial Position and cash flow Companies consolidated with full consolidation method (Thousand of Euro)



(\*) Dividends distributed to Ascopiave shareholders and third parties (Euro 35,6 mln) net of dividends received by companies consolidated with net equity method (Euro 6,0 mln).

## Net financial position and cash flow (2)

**Net Financial Position and cash flow**  
**Companies consolidated with net equity consolidation method (\*)**  
 (Thousand of Euro)

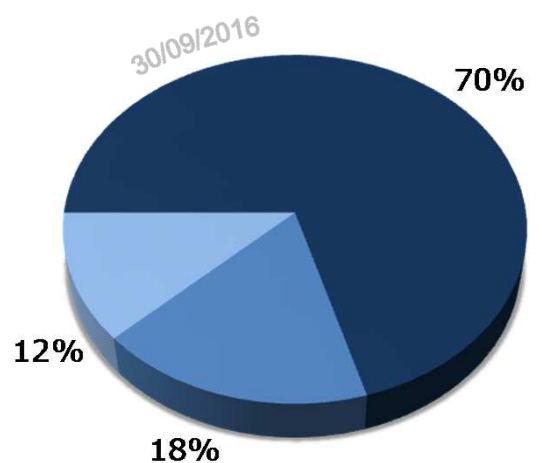


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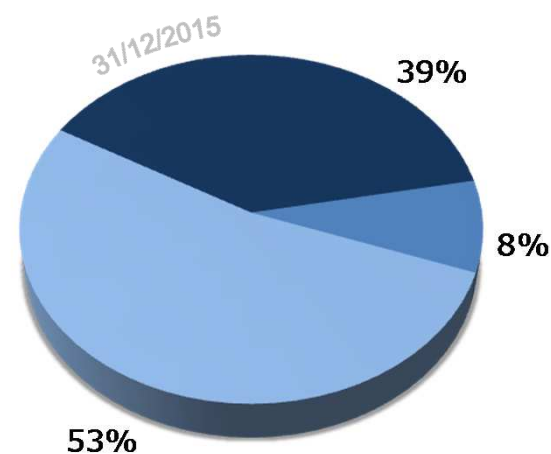
## Net financial position and cash flow (3)

(Thousand of Euro) (*)	30/09/2016	31/12/2015	Var	Var %
Long term financial borrowings (>12 months)	37.399	43.829	(6.430)	-14,7%
Current position of long term financial borrowings	9.369	9.628	(259)	-2,7%
Short term financial borrowings (<12 months)	6.327	59.937	(53.610)	-89,4%
<b>Total financial debt</b>	<b>53.095</b>	<b>113.394</b>	<b>(60.299)</b>	<b>-53,2%</b>
Fixed rate borrowings	82	342	(260)	-76,0%
Variable rate borrowings	53.013	113.052	(60.039)	-53,1%

**9M 2016 average cost of debt: 0,64% (vs 2015 rate: 0,81%)**



- Long term financial borrowings (>12 months)
- Current position of long term financial borrowings
- Short term financial borrowings (<12 months)



- Long term financial borrowings (>12 months)
- Current position of long term financial borrowings
- Short term financial borrowings (<12 months)

(\*) Data refers to only companies consolidated with full consolidation method.

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