

## Analyst Presentation 1H 2017 Financial Results August 4<sup>th</sup>, 2017

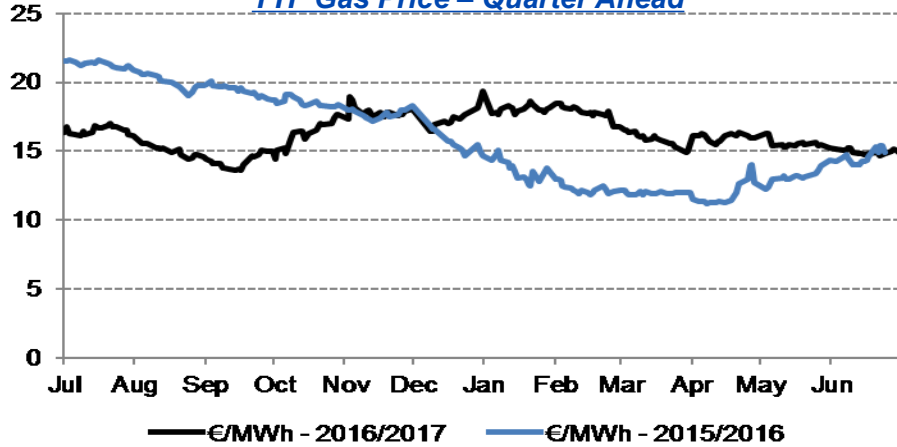


- **MARKET SCENARIO**
- **HIGHLIGHTS**
- **FINANCIAL RESULTS**

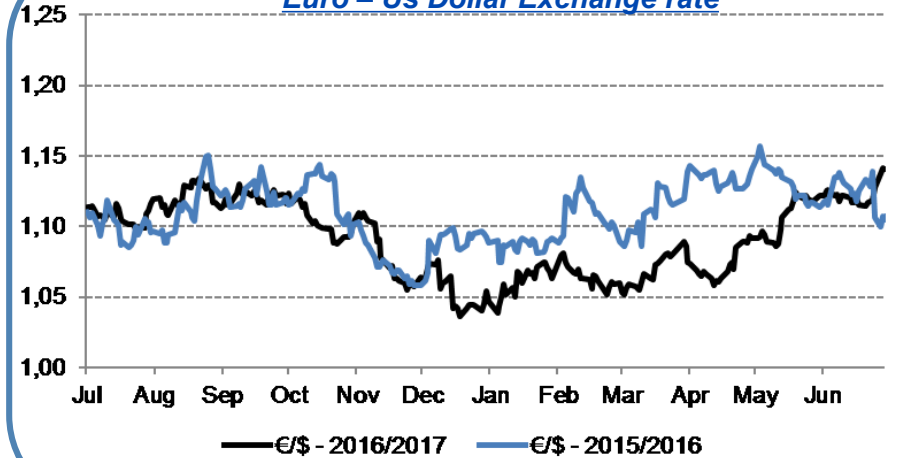
# MARKET SCENARIO



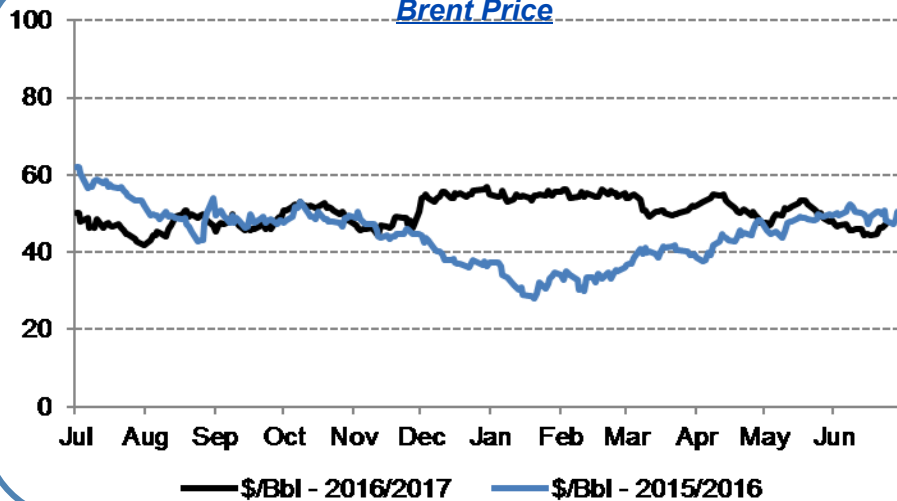
### TTF Gas Price – Quarter Ahead



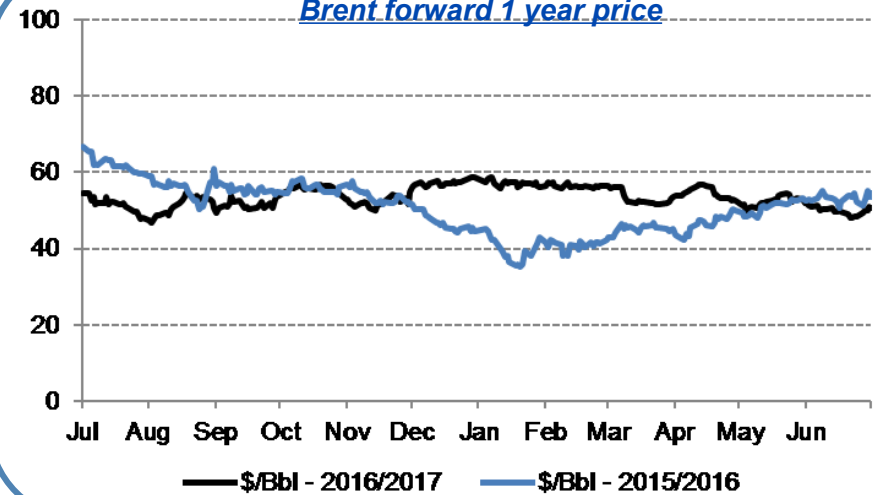
### Euro – Us Dollar Exchange rate



### Brent Price



### Brent forward 1 year price



- ✓ **E&P: new progresses in development projects:**
  - the first new gas-in (Mezzocolle) started after the end of 1H 2017;
  - further progress in Longanesi project authorization (local municipalities resolutions issued).
- ✓ **E&P: results positively influenced by the improvement of the hydrocarbon price scenario and the constant control of the operating costs: increase in Ebitda despite the production being consistently interrupted in one of E&P's main concession, which is not operated by the Group, and the lack of contribution of the new gas-in during the period.**
- ✓ **Commercial activities: confirmed the good marginality of the latest periods.**
- ✓ **Network & Transportation: increment in the profitability and the distributed volumes mainly thanks to the two new distribution concessions, acquired last year**
- ✓ **Strong reduction in NFP**

## SOCIETA' PADANA ENERGIA MAJOR PROJECTS UPDATE



### Longanesi

- Hydrocarbons: Gas
- Reserves: ~ 1.1 BScm
- Peak production: 230 MScm/year



### Mezzocolle

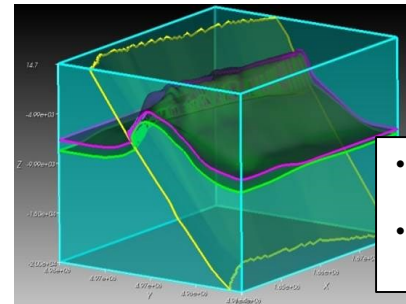
Gas-in  
in  
July 2017

- Hydrocarbons: Gas
- Reserves: ~ 300 MScm
- Peak production: 40 MScm/year



### Other projects

- Hydrocarbons: Gas
- Reserves: ~ 300 MScm
- Peak production: 40 MScm/year



### R&D

- Lab Cavone: first O&G site for testing and monitoring
- Exploration & Research: several exploration project

## SOCIETA' PADANA ENERGIA KEY FACTORS

• Cash available: close to 18 M€

• No debt

• Capex Line already financed

• Reserves: ~ 2.6 BScme

## 1H 2017 P&L - E&P contribution

E&P (M€)	1H17	1H16	% Change
Hydrocarbon Production (MScme)	57.6	76.1	-24.3%
<i>of which natural gas</i>	<i>46.8</i>	<i>63.0</i>	<i>-25.7%</i>
<i>of which oil and condensate</i>	<i>10.8</i>	<i>13.1</i>	<i>-17.5%</i>
<b>EBITDA</b>	<b>3.1</b>	<b>2.0</b>	<b>55%</b>
Exploration Capex	0.7	1.1	-36.4%
Development Capex	3.7	5.4	-31.5%

- ✓ Exploration & Development:
  - ✓ Domestic activity:
    - “Longanesi” project: EIA and local municipalities resolution issued. Detail engineering ongoing.
    - Mezzocolle: construction activities finished in 1H 2017. Gas-in in July 2017. Production build-up ongoing.
  - ✓ International activity :
    - Activities in offshore concession "Midia Shallow and Pelican" ongoing:
      - Exploration: two new wells expected between November 2017 and April 2018;
      - Development: FEED study completed for the development of the already discovered reserves (1.4 BScm).
- ✓ Production decline due to (i) temporarily production suspension of some mining sites and the missed contribution of Garaguso concession (-14.9%) and (ii) natural depletion (-9.4%).
- ✓ EBITDA increase, despite a significant production decline, was driven by a improvement of hydrocarbon prices and the constant control of operating costs.
- ✓ As of June 30<sup>th</sup>, 2017 2P hydrocarbon reserves: 4.45 BScme.

## 1H 2017 P&L - Commercial Gas Assets Contribution

Retail Gas Assets (MScm)	1H17	1H16	% Change
Sales (MScm)	52.1	52.5	-0.8%
<i>Residential</i>	41.2	41.2	0.0%
<i>Small Business/Multipod</i>	7.0	7.5	-6.7%
<i>Industrial</i>	3.9	3.8	+2.6%
<b>EBITDA</b>	<b>3.7</b>	<b>3.7</b>	<b>-</b>

- ✓ Stable level of sales and Ebitda compared to a very favorable half in 2016.
- ✓ In the second half the aim will be to limit the client number reduction starting a modular proposal to meet the needs of the customers (both Residential and Small Business), focusing on the most interesting areas.
- ✓ Introduction of the new customer management software (ERP).

## 1H 2017 P&L – N&T Contribution

NETWORK (M€)	1H17	1H16	% Change
Distributed Volumes (MSmc)	108.9	105.9	2.8%
Direct end users (#K)	95.8	95.9	-0.1%
Pipeline (Km)	1,560.0	1,556.4	0.2%
CAPEX	1.1	4.7	-7.7%
<b>EBITDA</b>	<b>3.9</b>	<b>3.8</b>	<b>3.3%</b>

### Network

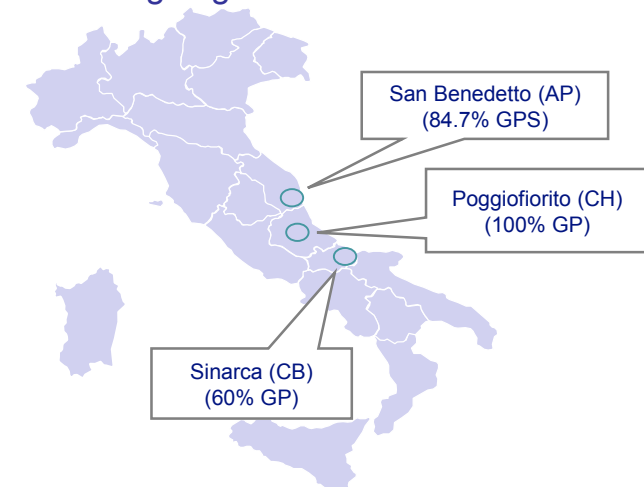
- ✓ Positive contribution to Group results with an EBITDA growth of 3.3% over 1H 2016
- ✓ In the first months of 2017, two bids for the Milan 1 and Torino 2 ATEM bids were submitted. The Bidding Commissions are still evaluating both the bids.
- ✓ Evaluation of the new ATEM tenders in order, at least, to maintain the same perimeter of activities

TRANSPORTATION (M€)	1H17	1H16	% Change
Transported Volumes (MSmc)	5.3	5.1	+3.9%
Pipeline (Km)	41.8	41.9	-0.1%
<b>EBITDA</b>	<b>0.1</b>	<b>0.1</b>	<b>-28%</b>

## Storage projects:

All three projects are located in Central Italy, characterized by only a few storage sites, and in the same area allowing for potential operational synergies:

- ✓ **SAN BENEDETTO (84.7% GPS - Operator):** EIA obtained in June 2014. During 2016 the Group increased its interest in this JV from 49% to 84.7%
- ✓ **POGGIOFIORITO (100%GPS):** EIA obtained in June 2014
- ✓ **SINARCA (60% GPS - Operator):** Final authorization obtained. Technical and economic evaluation ongoing





## 1H 2017– Group P&L

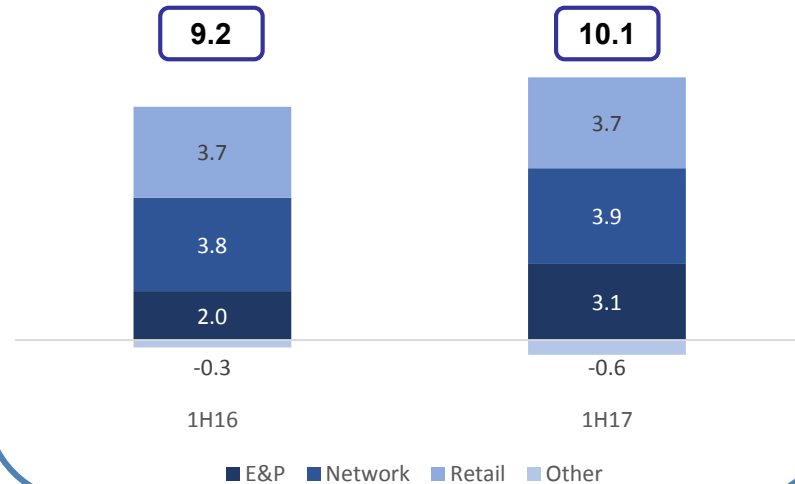
Group (M€)	1H17	1H16	% Change
Revenues	43.7	45.5	(3.96%)
Operating Costs	33.6	36.3	(7.44%)
<b>EBITDA</b>	<b>10.1</b>	<b>9.2</b>	<b>9.78%</b>
<b>EBIT</b>	<b>3.7</b>	<b>(0.6)</b>	<b>716.67%</b>
<b>EBT</b>	<b>1.0</b>	<b>(5.1)</b>	<b>119.61%</b>
<b>Net Result</b>	<b>0.6</b>	<b>(3.5)</b>	<b>117.14%</b>
<b>EPS (€)</b>	<b>0.01</b>	<b>(0.08)</b>	<b>112.5%</b>

### 1H 17 Financial results

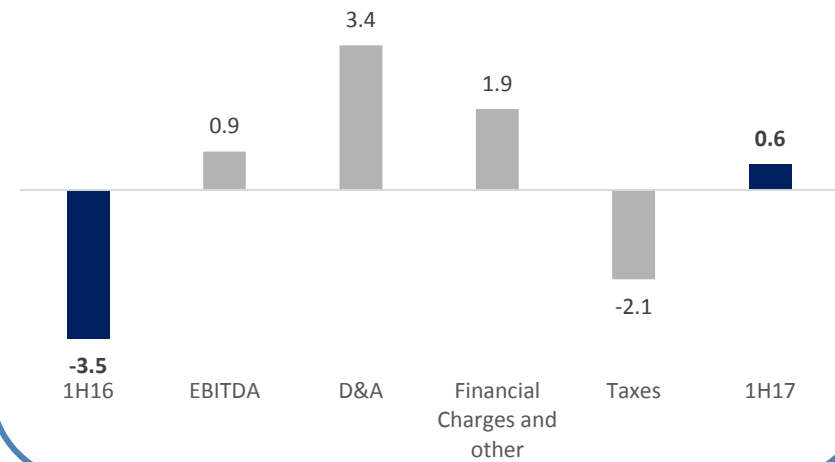
- ✓ **Revenues** decrease as effect of the lower hydrocarbon production
- ✓ Strong reduction in **Operating Costs**
- ✓ Overall **EBITDA growth** due to the increase of Business Unit E&P Ebitda
- ✓ Positive value of **EBIT**
- ✓ **Net Result** of € 0.6 vs. € -3.5 M of 1H16

## 1H 2017 Consolidated results

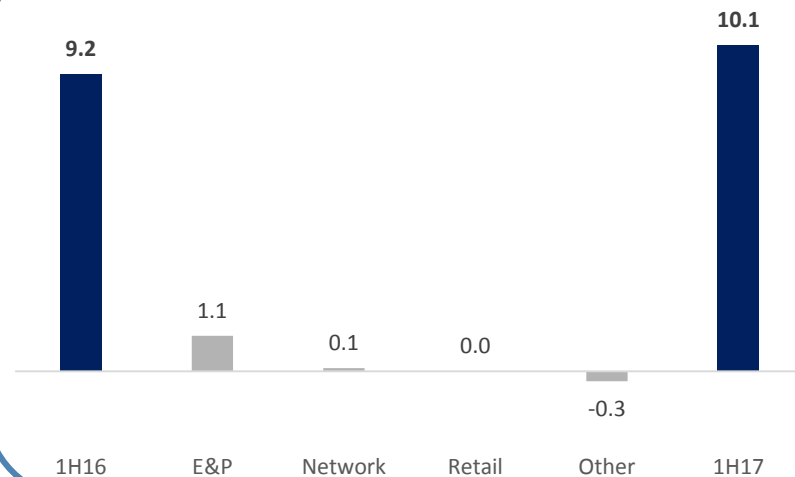
EBITDA breakdown by BU (M€)



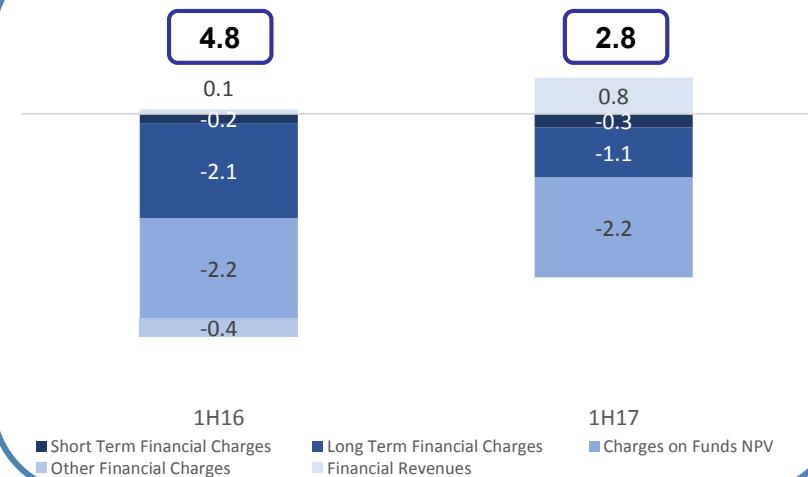
Group Net Result evolution (M€)



Group EBITDA evolution (M€)



Net Financial Charges evolution (M€)



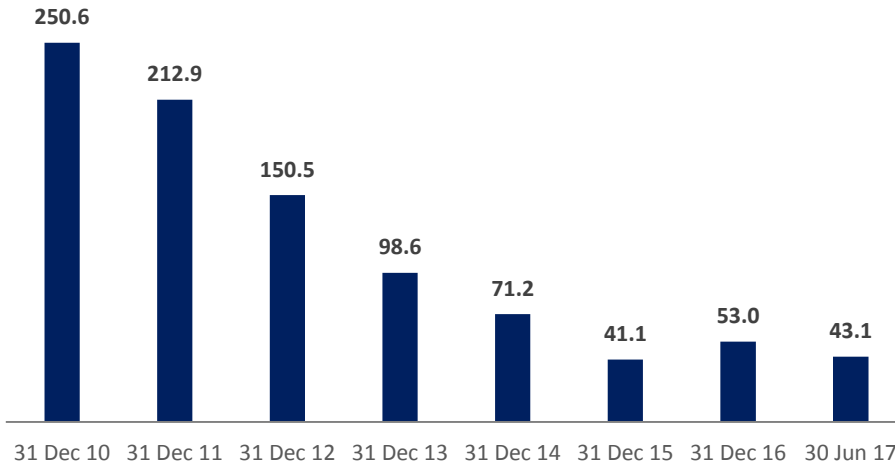
## June 30, 2017 – Group Balance Sheet

Group (M€)	June 30, 2017	Dec 31, 2016	% Change
Inventories	3.4	4.1	-17.07%
Receivables	12.5	19.0	-34.21%
Payables	(18.8)	(22.2)	-15.32%
Other working Credits/Debits	(2.3)	0.6	-483.33%
Non current Assets	449.4	448.2	0.27%
Taxes, Abandonment, Severance and Other provision	(186.2)	(182.4)	2.08%
<b>Net invested capital</b>	<b>258.0</b>	<b>267.3</b>	<b>-3.48%</b>
Net Financial Debt	43.1	53.0	-18.68%
<i>of which long term</i>	28.7	34.8	-17.53%
<i>of which short term</i>	14.4	18.2	-20.88%
Equity	214.9	214.3	0.28%
<b>Total Sources</b>	<b>258.0</b>	<b>267.3</b>	<b>-3.48%</b>

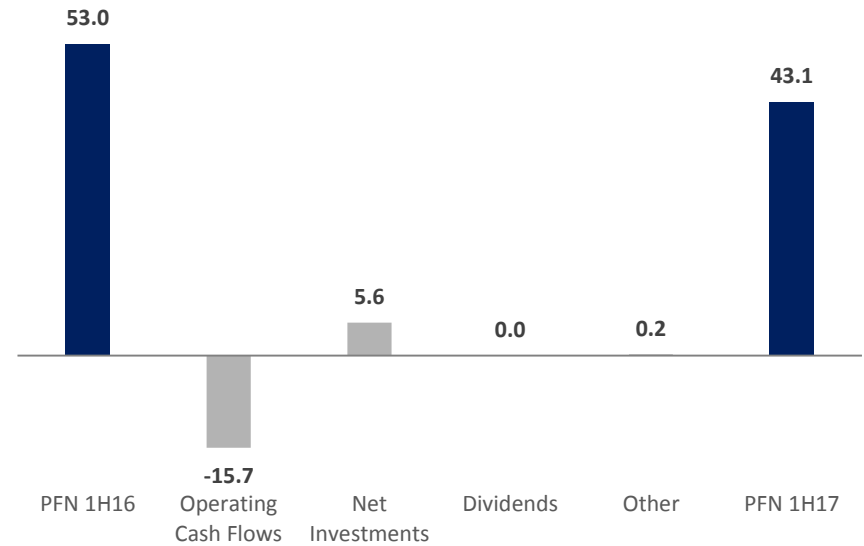
- ✓ Decrease in Working Capital thanks to the seasonal reduction of receivables
- ✓ Decrease in **Net Financial Debt** vs. 31 Dec 2016 thanks to the positive cash flows of all business units and the investment postponement.
- ✓ **D/E ratio** moves from 0.25 to 0.20

## NFP Trend

Group NFP historical trend (M€)

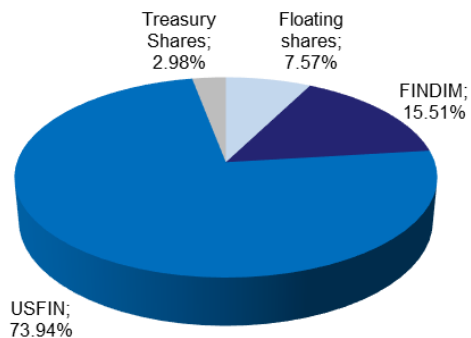


Group NFP evolution (M€)



- ✓ The Group confirmed the low level of NFP, whose amount will increase only with new relevant investments
- ✓ The Group has also secured financial resources for future E&P investments thanks to a € 64 M capex line

## Shareholding as at 30 June 2017



## Share information

N. of share: 44,909,620

Share price as of 30/06/2017: € 2.6320

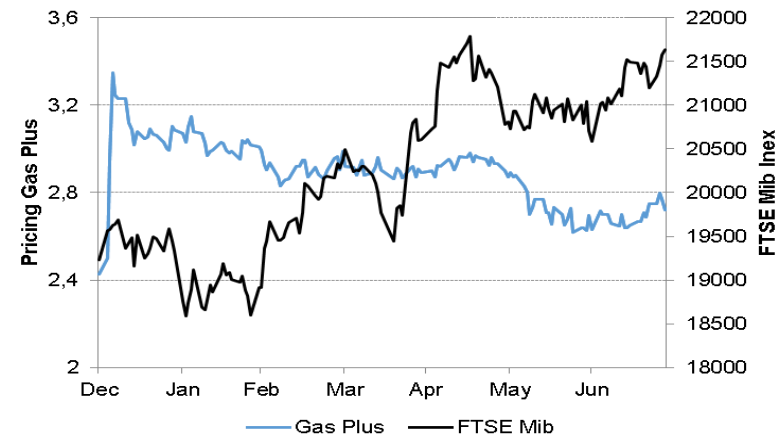
Share price as of 03/08/2017: € 2.6577

Mkt cap 30/06/2017 : € 118.2 million

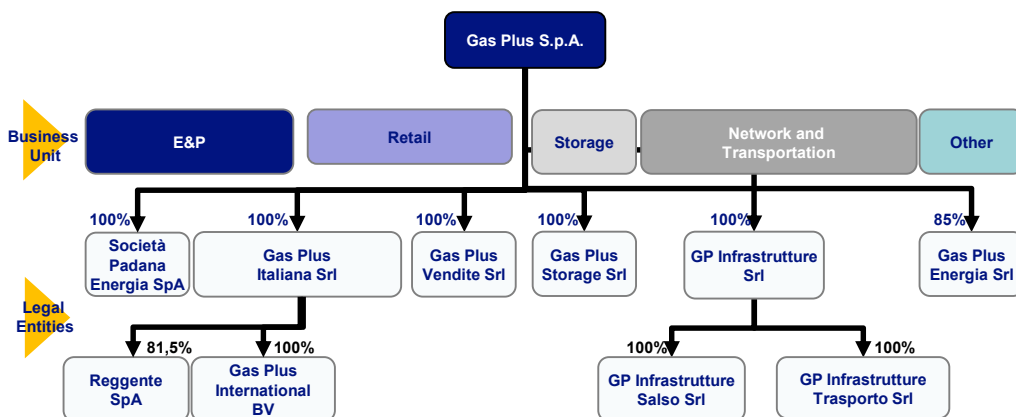
Italian Stock Exchange – segment MTA

Own shares as of 30/06/2017: 1,336,677

## Share price performance



## Group structure



## Management

<b>Davide Usberti</b>	Chairman and CEO Gas Plus S.p.A.;
<b>Lino Gilioli</b>	VP and Lead Independent Director Gas Plus S.p.A.
<b>Cinzia Triunfo</b>	Group General Manager and Director of Gas Plus S.p.A.
<b>Germano Rossi</b>	Group CFO
<b>Massimo Nicolazzi</b>	Executive VP Gas Plus International B.V. (E&P Int. Activities)
<b>Regulated Activity - Network</b>	
<b>Leonardo Dabrassi</b>	Chairman – GP Infrastrutture Srl
<b>Achille Capelli</b>	Network Manager

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