



# **9M 2017**

## **CONSOLIDATED RESULTS**

### **Conference Call**

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*Pieve di Soligo, 8th November 2017*

## **Financial highlights**

- Ascopiave Group structure as of 30th September 2017
- 9M 2017 consolidated income statement
- Consolidated balance sheet as of 30th September 2017

## Operating data

### Revenues and EBITDA

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

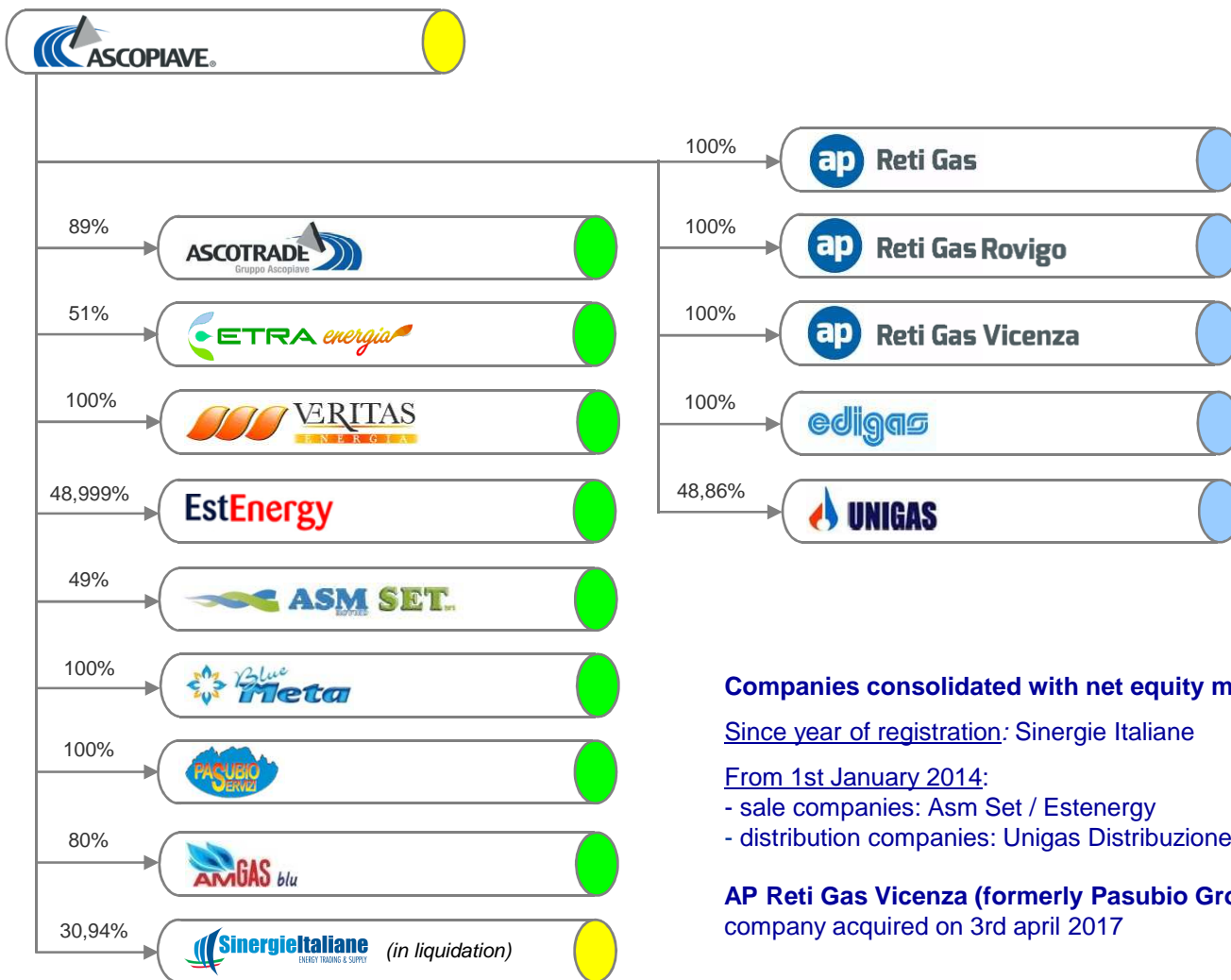
### Personnel

### Capex

### Net financial position and cash flow

### Disclaimer

# Ascopiave Group structure as of 30th September 2017



**Companies consolidated with net equity method:**

Since year of registration: Sinergie Italiane

From 1st January 2014:

- sale companies: Asm Set / Estenergy
- distribution companies: Unigas Distribuzione

**AP Reti Gas Vicenza (formerly Pasubio Group):**

company acquired on 3rd april 2017

● Gas distribution   
 ● Gas sales   
 ● Other activities

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**9M 2017 consolidated results**  
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## 9M 2017 consolidated income statement

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**Pieve di Soligo, 8th November 2017**

(Thousand of Euro)	9M 2017	9M 2016	Chg	Chg %
<b>Revenues</b>	<b>377.344</b>	<b>353.337</b>	<b>24.007</b>	<b>+6,8%</b>
(Cost of raw materials and consumables)	(188.076)	(184.009)	(4.067)	+2,2%
(Cost of services)	(82.738)	(77.611)	(5.127)	+6,6%
(Cost of personnel)	(18.150)	(16.043)	(2.107)	+13,1%
(Other operating costs)	(30.136)	(14.351)	(15.786)	+110,0%
Other operating income	662	155	507	+327,8%
<b>EBITDA</b>	<b>58.906</b>	<b>61.477</b>	<b>(2.572)</b>	<b>-4,2%</b>
(Depreciations and amortizations)	(16.176)	(15.140)	(1.036)	+6,8%
(Provisions)	(1.134)	(1.379)	244	-17,7%
<b>EBIT</b>	<b>41.595</b>	<b>44.959</b>	<b>(3.364)</b>	<b>-7,5%</b>
Financial income / (expenses)	(250)	(463)	213	-46,0%
Evaluation of companies with net assets method (*)	4.962	4.571	391	+8,5%
<b>EBT</b>	<b>46.307</b>	<b>49.067</b>	<b>(2.760)</b>	<b>-5,6%</b>
(Income taxes)	(12.698)	(14.708)	2.011	-13,7%
<b>Net income</b>	<b>33.610</b>	<b>34.359</b>	<b>(749)</b>	<b>-2,2%</b>
(Net income of minorities)	(1.410)	(1.738)	329	-18,9%
<b>Net income of the Group</b>	<b>32.200</b>	<b>32.621</b>	<b>(421)</b>	<b>-1,3%</b>

(\*) Result of the companies consolidated with net equity consolidation method (data are considered pro-rata): sale companies, Euro 3,5 mln (Euro 2,8 mln in 9M 2016); distribution companies, Euro 0,9 mln (Euro 1,0 mln in 9M 2016); Sinergie Italiane, Euro 0,6 mln (Euro 0,8 mln in 9M 2016).

## Consolidated balance sheet as of 30th September 2017

(Thousand of Euro)	30/09/2017	31/12/2016	Chg	Chg %
Tangible assets (*)	33.411	32.364	1.046	+3,2%
Non tangible assets (*)	424.738	397.664	27.074	+6,8%
Investments in associates (**)	66.402	68.738	(2.335)	-3,4%
Other fixed assets	24.169	23.808	361	+1,5%
<b>Fixed assets</b>	<b>548.720</b>	<b>522.574</b>	<b>26.146</b>	<b>+5,0%</b>
Operating current assets	134.499	201.908	(67.409)	-33,4%
(Operating current liabilities)	(108.454)	(138.003)	29.549	-21,4%
(Operating non current liabilities)	(50.456)	(48.151)	(2.305)	+4,8%
<b>Net working capital</b>	<b>(24.411)</b>	<b>15.754</b>	<b>(40.165)</b>	<b>-255,0%</b>
<b>Total capital employed</b>	<b>524.309</b>	<b>538.328</b>	<b>(14.019)</b>	<b>-2,6%</b>
<b>Group shareholders equity</b>	<b>429.756</b>	<b>438.055</b>	<b>(8.299)</b>	<b>-1,9%</b>
<b>Minorities</b>	<b>4.239</b>	<b>6.154</b>	<b>(1.915)</b>	<b>-31,1%</b>
<b>Net financial position</b>	<b>90.315</b>	<b>94.119</b>	<b>(3.805)</b>	<b>-4,0%</b>
<b>Total sources</b>	<b>524.309</b>	<b>538.328</b>	<b>(14.019)</b>	<b>-2,6%</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 45,6 mln (Euro 48,0 mln as of 31st December 2016); distribution companies, Euro 20,7 mln (Euro 20,7 mln as of 31st December 2016).

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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

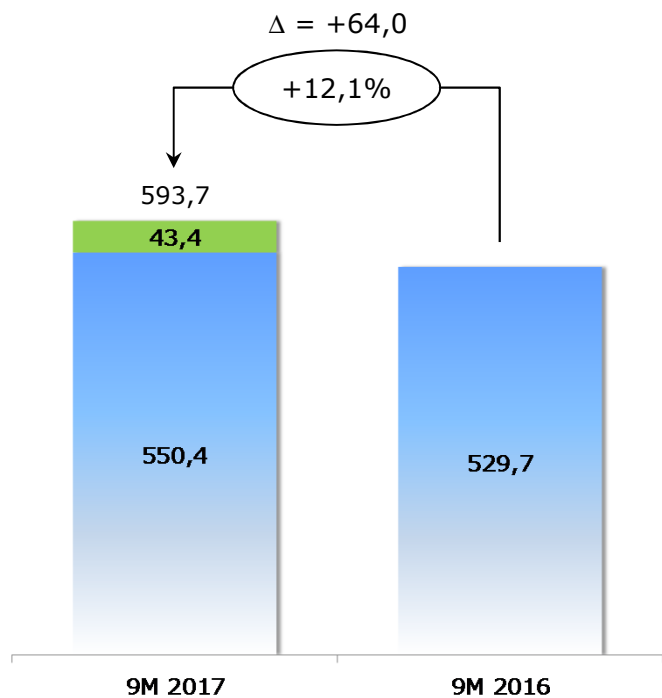
Capex

Net financial position and cash flow

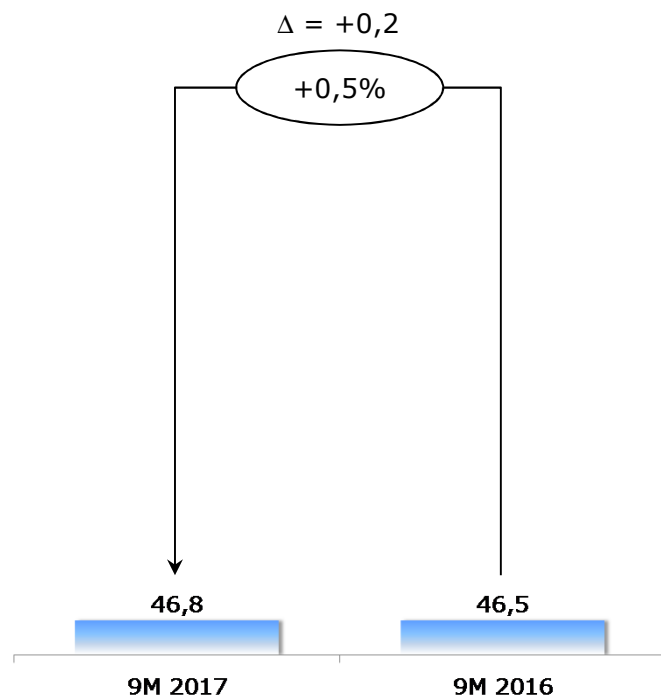
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# Volumes of gas distributed

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



**Companies consolidated with full consolidation method**



**Companies consolidated with net equity consolidation method (\*)**

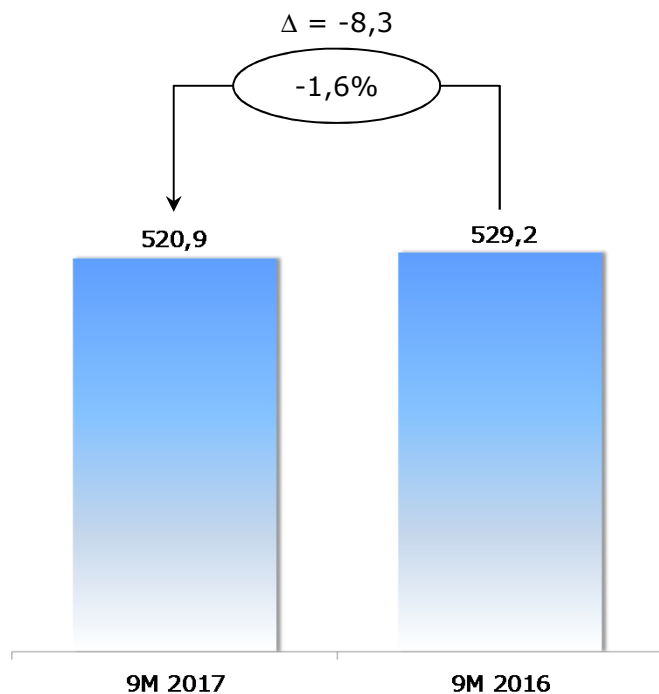
- Change of the consolidation area (\*\*)
- 2016 consolidation area

(\*) Data are considered pro-rata; (\*\*) AP Reti Gas Vicenza: 2ndQ+3rdQ 2017.

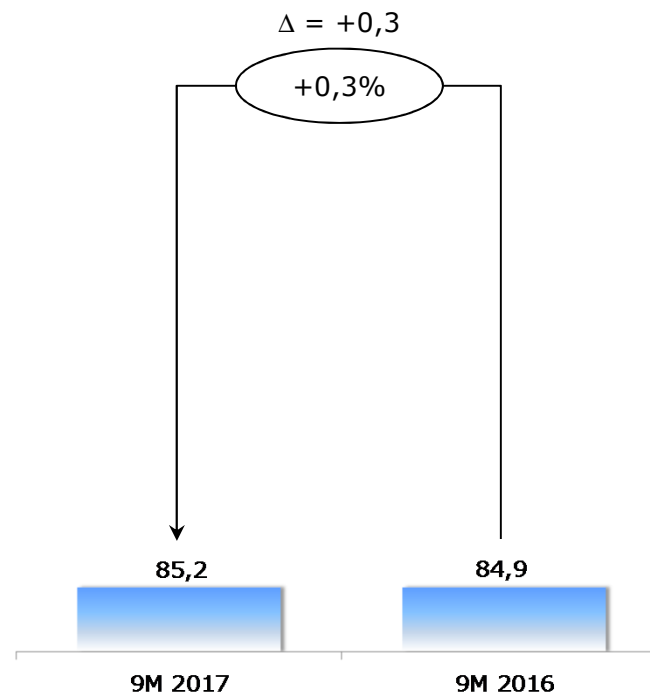


# Volumes of gas sold

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



Companies consolidated with full consolidation method



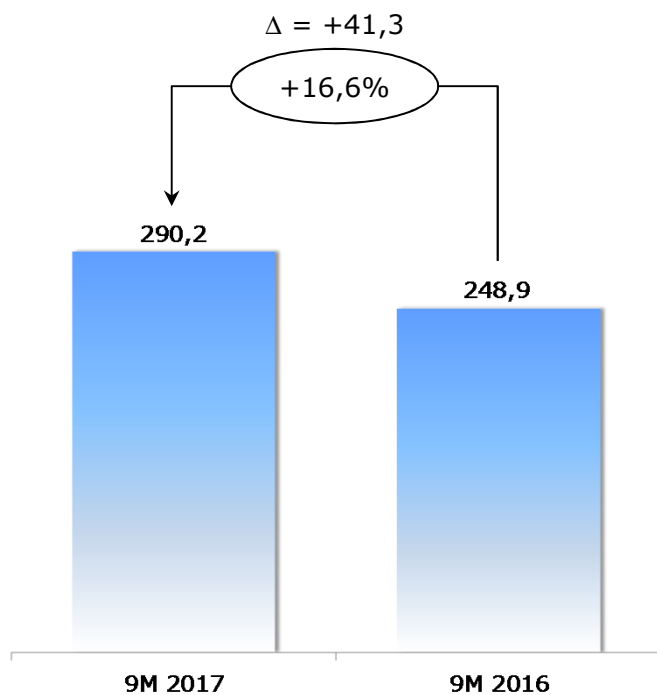
Companies consolidated with net equity consolidation method (\*)

(\*) Data are considered pro-rata.

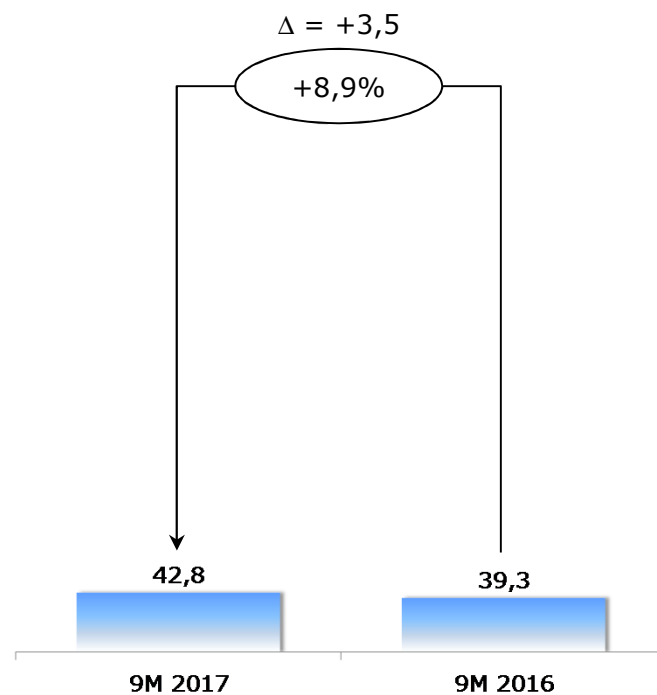


# Volumes of electricity sold

## Volumes of electricity sold (GWh)



Companies consolidated with full consolidation method



Companies consolidated with net equity consolidation method (\*)

(\*) Data are considered pro-rata.



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→ Revenues bridge

→ EBITDA bridge

→ EBITDA breakdown

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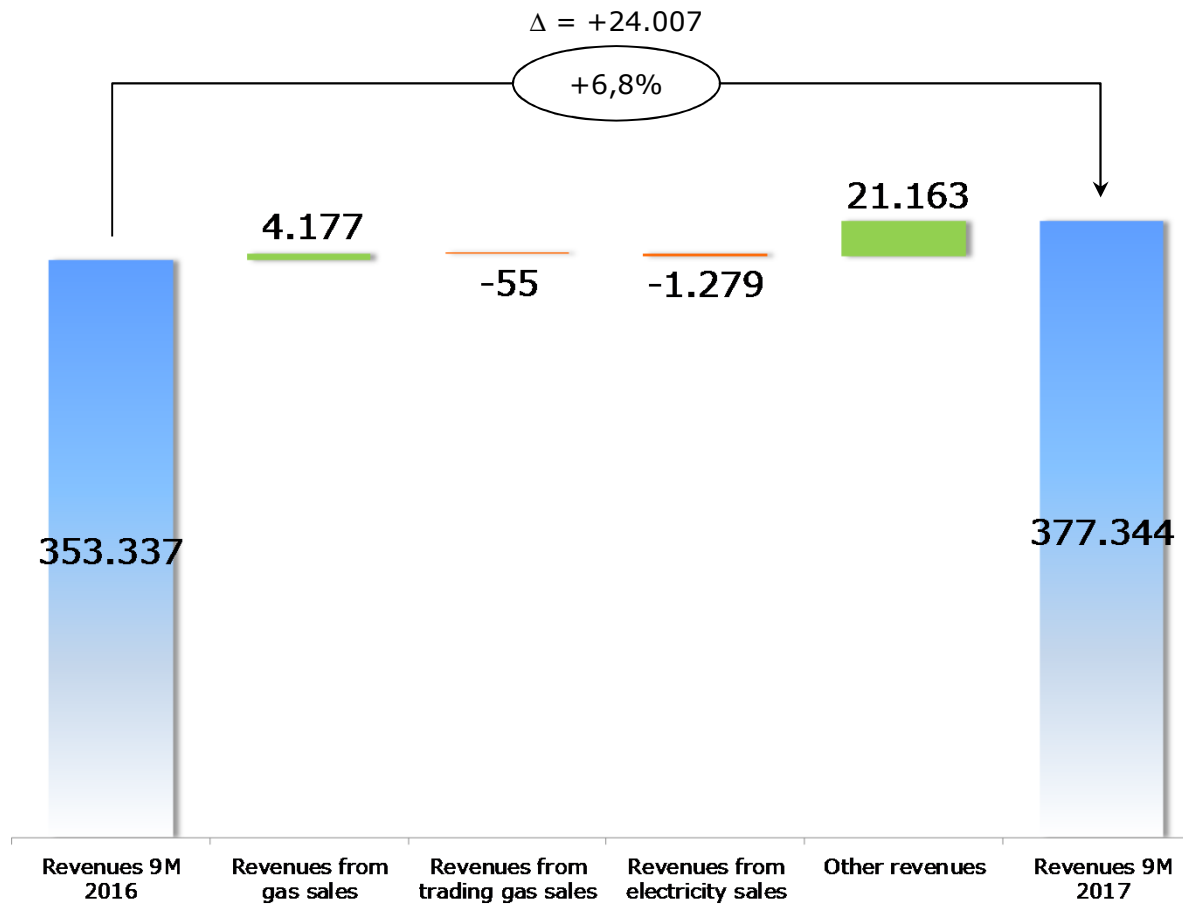
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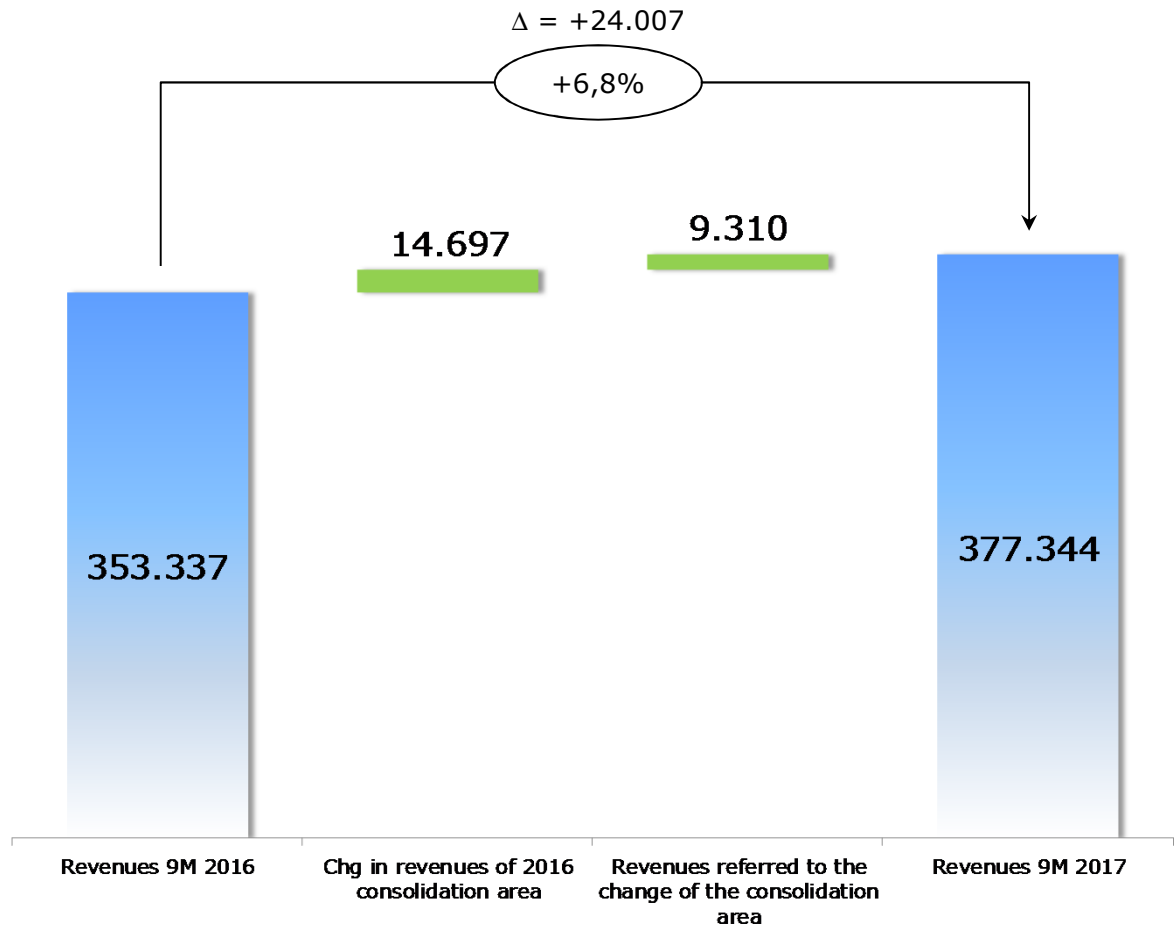
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**Revenues bridge**  
**Companies consolidated with full consolidation method**  
 (Thousand of Euro)

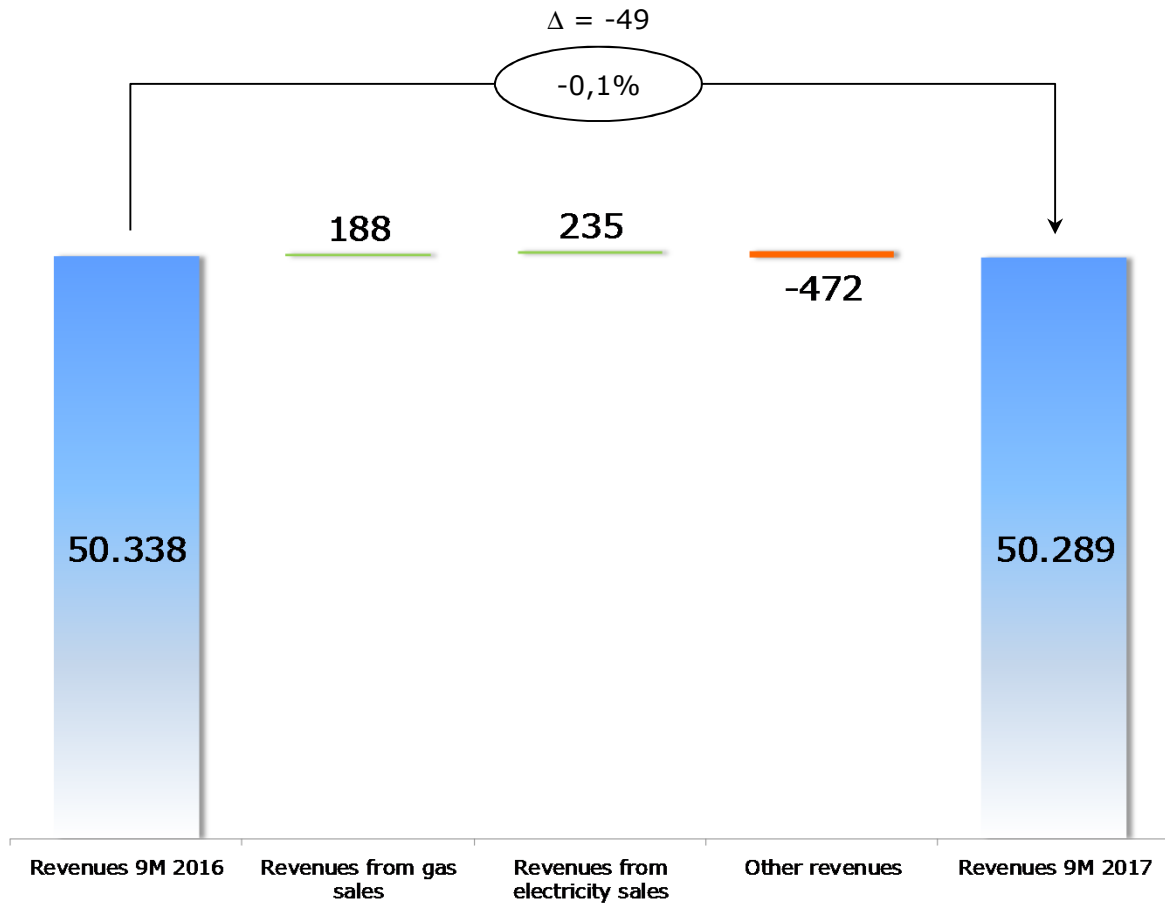


## Revenues bridge Companies consolidated with full consolidation method (Thousand of Euro)



# Revenues bridge (3)

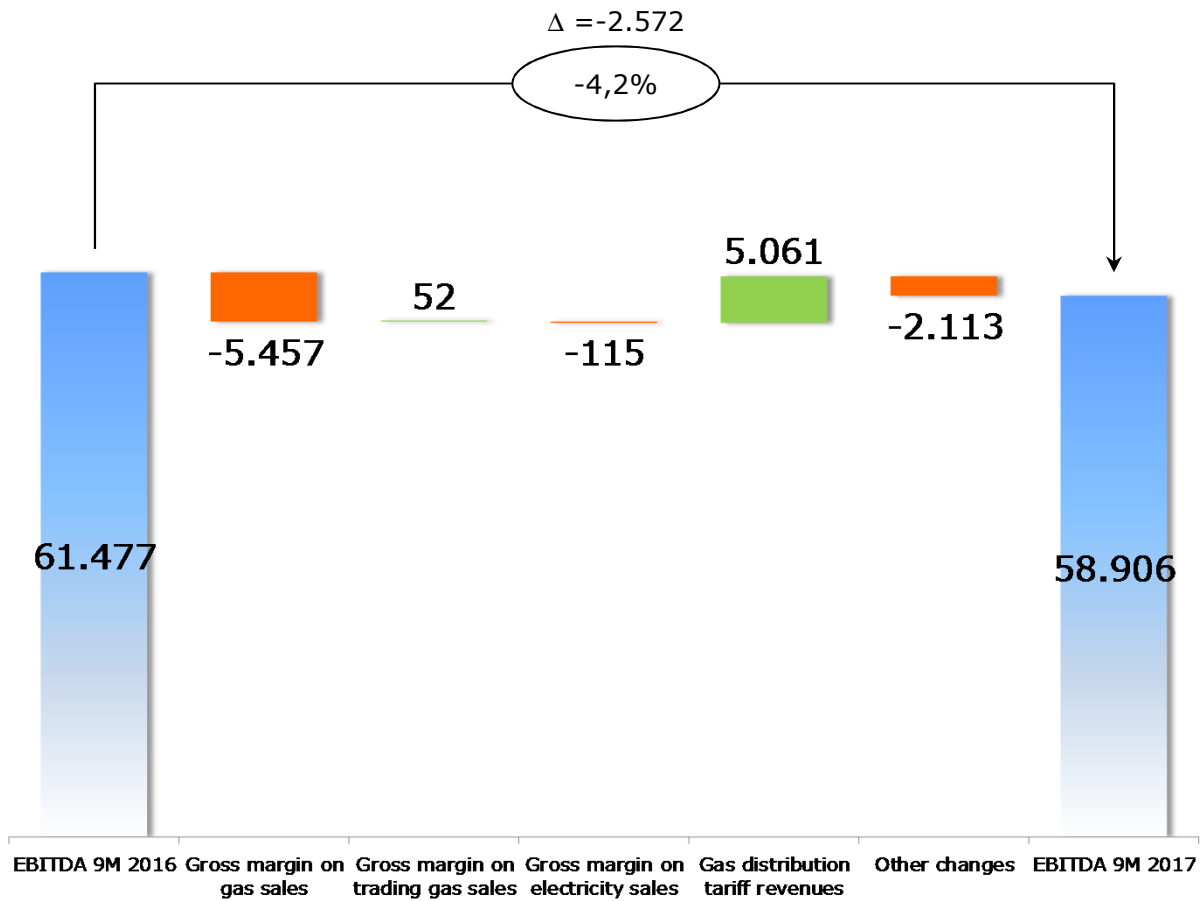
**Revenues bridge**  
**Companies consolidated with net equity consolidation method (\*)**  
 (Thousand of Euro)



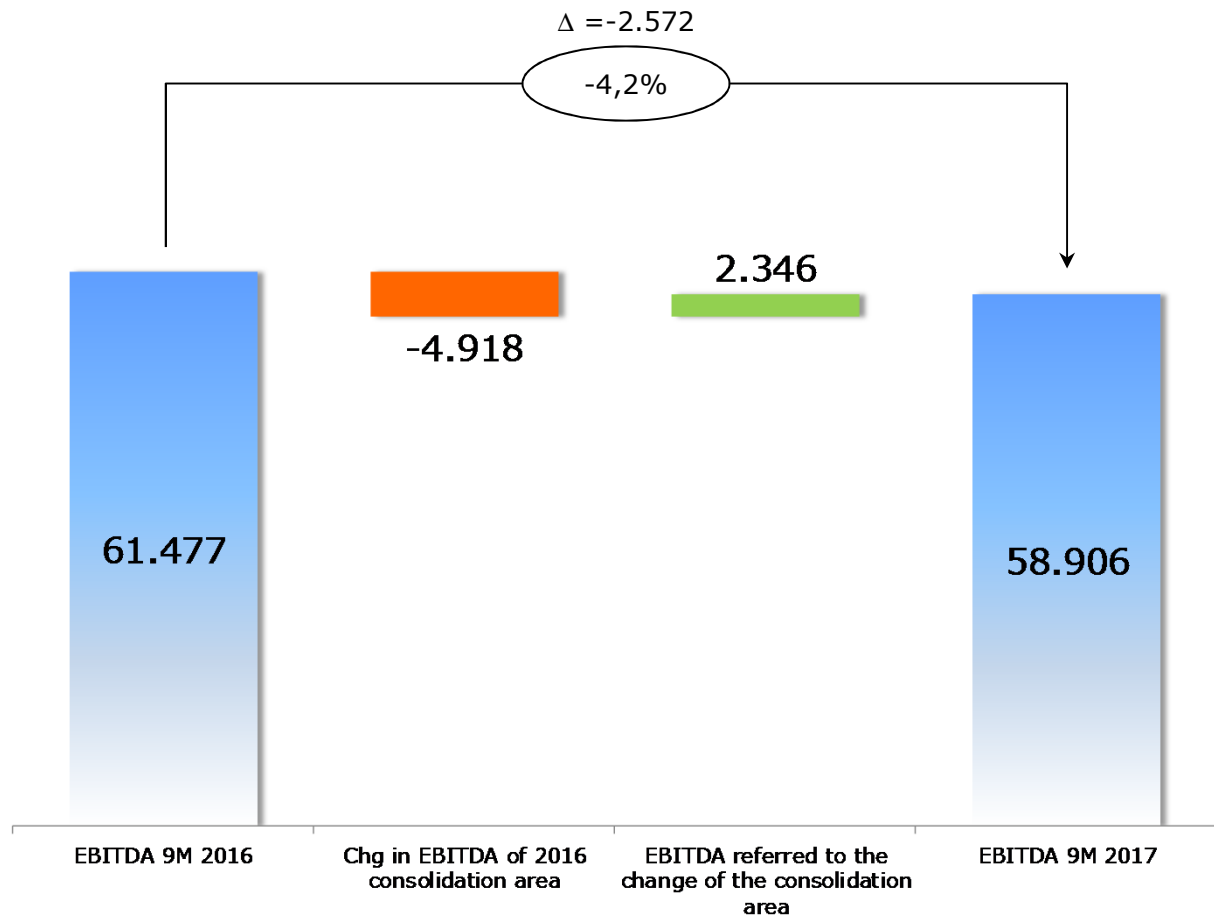
(\*) Sinergie Italiane excluded. Data are considered pro-rata.

# EBITDA bridge (1)

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

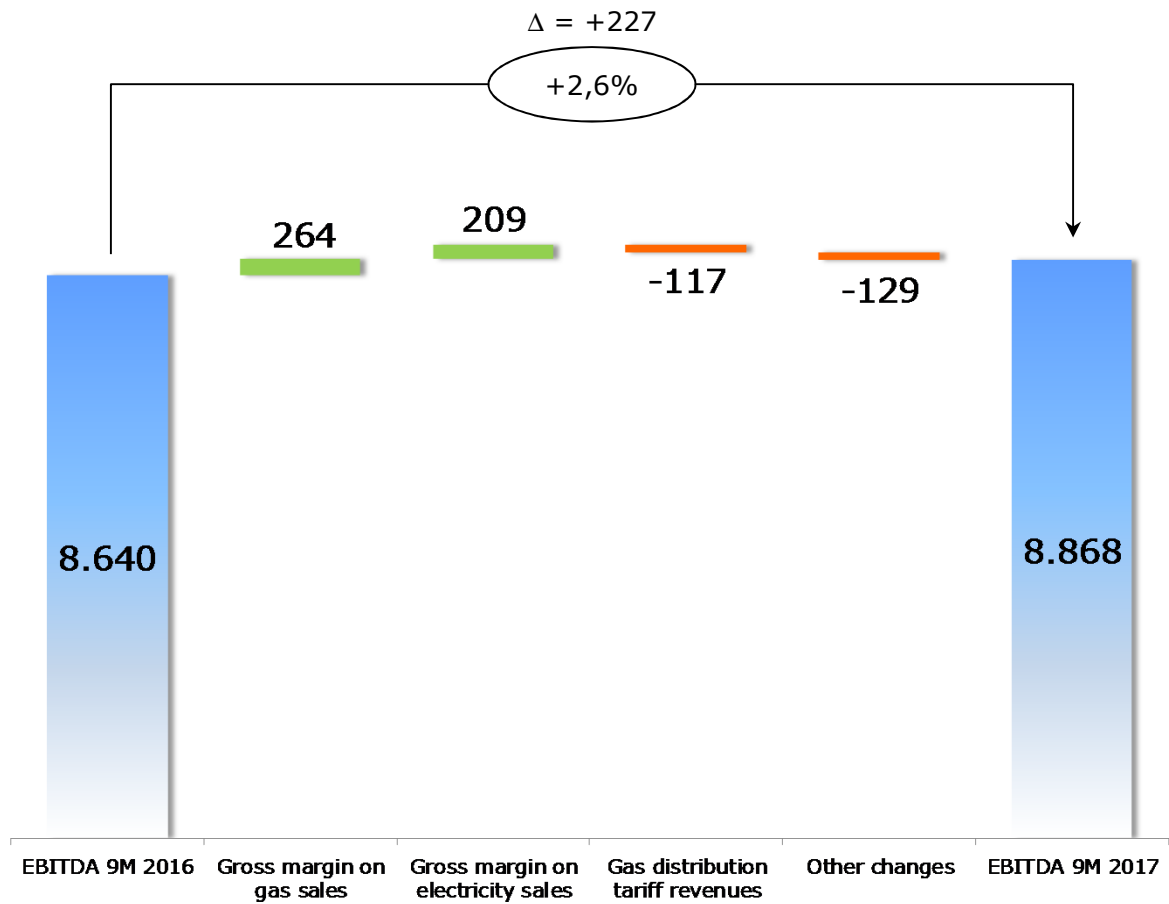


## EBITDA bridge Companies consolidated with full consolidation method (Thousand of Euro)



# EBITDA bridge (3)

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



(\*) Sinergie Italiane excluded. Data are considered pro-rata.

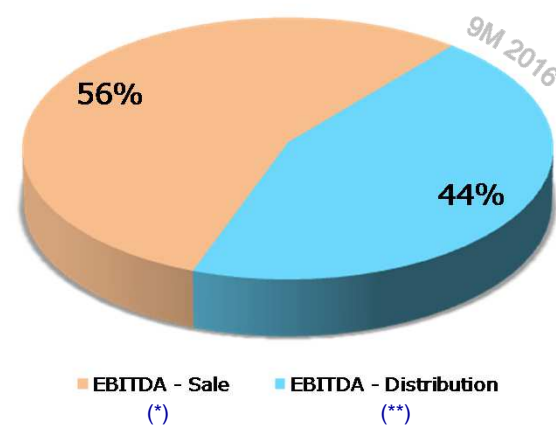
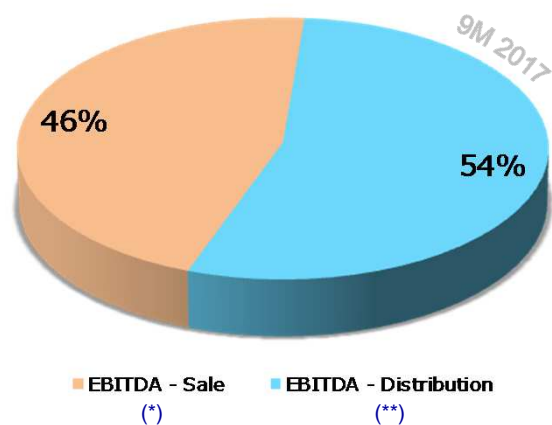


## EBITDA breakdown (1)

### EBITDA breakdown

**Companies consolidated with full consolidation method**  
(Thousand of Euro)

(Thousand of Euro)	9M 2017	9M 2016	Var	Var %
<b>EBITDA</b>	<b>58.906</b>	<b>61.477</b>	<b>(2.572)</b>	<b>-4,2%</b>
EBITDA - Sale	26.980	34.141	(7.161)	-21,0%
EBITDA - Distribution	31.926	27.337	4.589	+16,8%
<b>EBIT</b>	<b>41.595</b>	<b>44.959</b>	<b>(3.364)</b>	<b>-7,5%</b>
EBIT - Sale	24.151	30.846	(6.695)	-21,7%
EBIT - Distribution	17.444	14.114	3.331	+23,6%



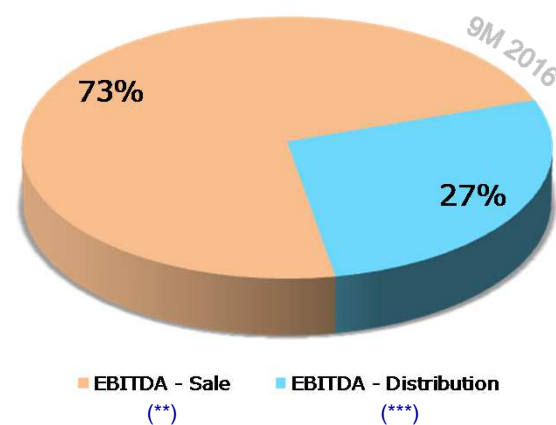
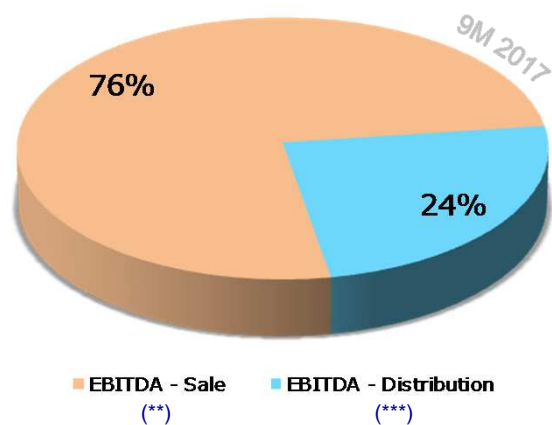
(\*) Sale companies; (\*\*) Distribution companies.

## EBITDA breakdown (2)

### EBITDA breakdown

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

(Thousand of Euro)	9M 2017	9M 2016	Var	Var %
<b>EBITDA</b>	<b>8.868</b>	<b>8.640</b>	<b>227</b>	<b>+2,6%</b>
EBITDA - Sale	6.718	6.269	449	+7,2%
EBITDA - Distribution	2.150	2.371	(222)	-9,4%
<b>EBIT</b>	<b>6.144</b>	<b>5.594</b>	<b>549</b>	<b>+9,8%</b>
EBIT - Sale	4.884	4.089	795	+19,4%
EBIT - Distribution	1.260	1.505	(245)	-16,3%



(\*) Sinergie Italiane excluded. Data are considered pro-rata; (\*\*) Sale companies; (\*\*\*) Distribution companies.

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## Gross margin on gas sales

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
Revenues from gas sales	224.592	234.691	(10.099)	-4,3%
(Gas purchase costs)	(126.433)	(132.622)	6.190	-4,7%
(Gas distribution costs)	(56.855)	(55.308)	(1.547)	+2,8%
<b>Gross margin on gas sales (A)</b> <i>Company consolidated with full consolidation method</i>	<b>41.304</b>	<b>46.761</b>	<b>(5.457)</b>	<b>-11,7%</b>

The decrease of gross margin on gas sales of the companies consolidated with full consolidation method, equal to - Euro 5,5 mln, is due to both lower unit profit margins and lower volumes of gas sold.

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
<b>Gross margin on gas sales (B)</b> <i>Company consolidated with net equity consolidation method (**)</i>	<b>9.576</b>	<b>9.312</b>	<b>264</b>	<b>+2,8%</b>
<b>Gross margin on gas sales (A+B)</b>	<b>50.880</b>	<b>56.073</b>	<b>(5.193)</b>	<b>-9,3%</b>

(\*) Economic data before elisions; (\*\*) Data are considered pro-rata.

## Gross margin on trading gas sales

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
Revenues from trading gas sales	(55)	-	(55)	n.a.
(Trading gas purchase costs)	47	-	47	n.a.
(Trading gas transport / capacity costs)	60	-	60	n.a.
<b>Gross margin on trading gas sales (A)</b> <i>Company consolidated with full consolidation method</i>	<b>52</b>	<b>-</b>	<b>52</b>	<b>n.a.</b>

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
<b>Gross margin on trading gas sales (B)</b> <i>Company consolidated with net equity consolidation method (**)</i>	-	-	-	n.a.
<b>Gross margin on trading gas sales (A+B)</b>	<b>52</b>	<b>-</b>	<b>52</b>	<b>n.a.</b>

(\*) Economic data before elisions; (\*\*) Data are considered pro-rata.

## Gross margin on electricity sales

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
Revenues from electricity sales	68.031	65.604	2.427	+3,7%
(Electricity purchase costs)	(39.003)	(34.410)	(4.593)	+13,3%
(Electricity distribution costs)	(24.404)	(26.455)	2.051	-7,8%
<b>Gross margin on electricity sales (A)</b> <i>Company consolidated with full consolidation method</i>	<b>4.624</b>	<b>4.739</b>	<b>(115)</b>	<b>-2,4%</b>

The decrease of gross margin on electricity sales of the companies consolidated with full consolidation method, equal to - Euro 0,1 mln, is due to lower unit profit margins, in spite of higher volumes of electricity sold.

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
<b>Gross margin on electricity sales (B)</b> <i>Company consolidated with net equity consolidation method (**)</i>	<b>839</b>	<b>630</b>	<b>209</b>	<b>+33,1%</b>
<b>Gross margin on electricity sales (A+B)</b>	<b>5.463</b>	<b>5.370</b>	<b>94</b>	<b>+1,7%</b>

(\*) Economic data before elisions; (\*\*) Data are considered pro-rata.

## Gas distribution tariff revenues

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
Tariffs applied to sales companies	41.436	38.044	3.392	+8,9%
Equalization amount (+ / -)	9.823	8.155	1.669	+20,5%
<b>Gas distribution tariff revenues (A)</b> <i>Company consolidated with full consolidation method</i>	<b>51.259</b>	<b>46.198</b>	<b>5.061</b>	<b>+11,0%</b>

The increase of gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 5,1 mln) is due to:

- 1) change of the consolidation area (AP Reti Gas Vicenza, 2ndQ+3rdQ 2017): + Euro 5,7 mln;
- 2) change of gas distribution tariffs applied to gas sales companies: + Euro 0,4 mln;
- 3) equalization amount: - Euro 1,0 mln.

(Thousand of Euro) (*)	9M 2017	9M 2016	Chg	Chg %
<b>Gas distribution tariff revenues (B)</b> <i>Company consolidated with net equity consolidation method (**)</i>	<b>4.249</b>	<b>4.366</b>	<b>(117)</b>	<b>-2,7%</b>
<b>Gas distribution tariff revenues (A+B)</b>	<b>55.508</b>	<b>50.564</b>	<b>4.944</b>	<b>+9,8%</b>

(\*) Economic data before elisions; (\*\*) Data are considered pro-rata.

## Other net operating costs (1)

(Thousand of Euro)	9M 2017	9M 2016	Chg	Chg %
Other revenues	40.927	20.862	20.066	+96,2%
Other costs of raw materials and services	(61.208)	(41.039)	(20.168)	+49,1%
Cost of personnel	(18.150)	(16.043)	(2.107)	+13,1%
<b>Other net operating costs (A)</b> <i>Company consolidated with full consolidation method</i>	<b>(38.431)</b>	<b>(36.221)</b>	<b>(2.210)</b>	<b>+6,1%</b>

**Net operating costs referred to the change of the consolidation area: - Euro 3,3 mln**

**Decrease of other net operating costs of 2016 consolidation area: + Euro 1,1 mln**

*of which:*

- *increase of cost of personnel: - Euro 2,1 mln;*
- *increase of margin on energy efficiency tasks management: + Euro 3,2 mln;*
- *decrease of cost for consulting services: + Euro 0,5 mln;*
- *decrease of contingent assets: - Euro 1,2 mln;*
- *increase of CCSE contributions for security incentives: + Euro 0,7 mln;*
- *increase of advertising costs: - Euro 0,3 mln;*
- *other variations: + Euro 0,3 mln.*



## Other net operating costs (2)

(Thousand of Euro)	9M 2017	9M 2016	Chg	Chg %
<b>Other net operating costs (A)</b> <i>Company consolidated with full consolidation method</i>	(38.431)	(36.221)	(2.210)	+6,1%
<b>Other net operating costs (B)</b> <i>Company consolidated with net equity consolidation method (*)</i>	(5.648)	(5.668)	20	-0,4%
<b>Other net operating costs (A+B)</b>	(44.078)	(41.889)	(2.189)	+5,2%

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(\*) Sinergie Italiane excluded. Data are considered pro-rata.

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## **Personnel**

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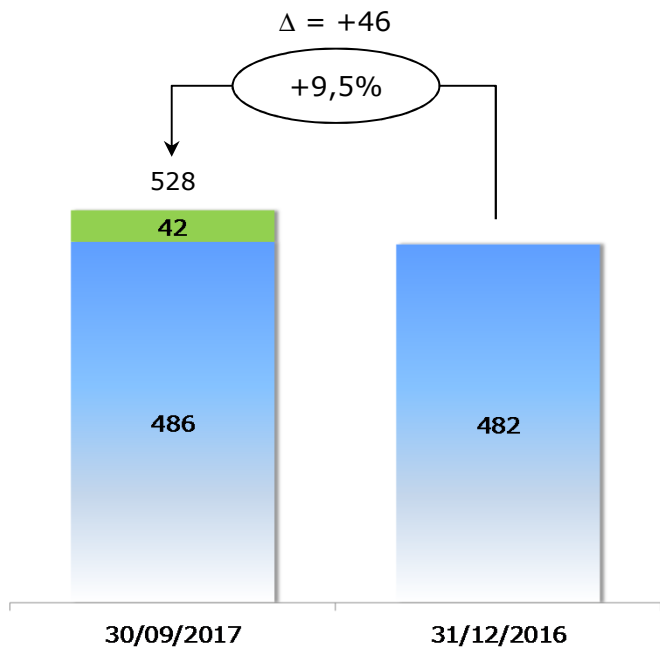
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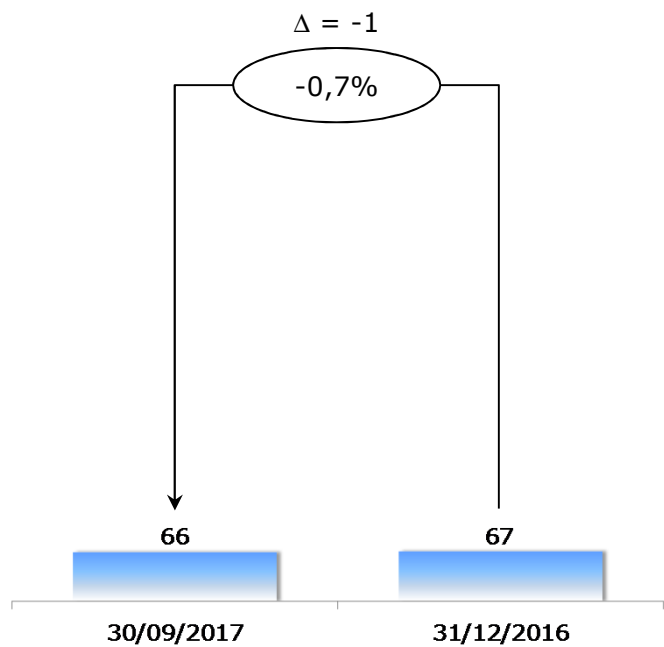
# Number of employees

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## Number of employees



**Companies consolidated with full consolidation method**



**Companies consolidated with net equity consolidation method (\*)**

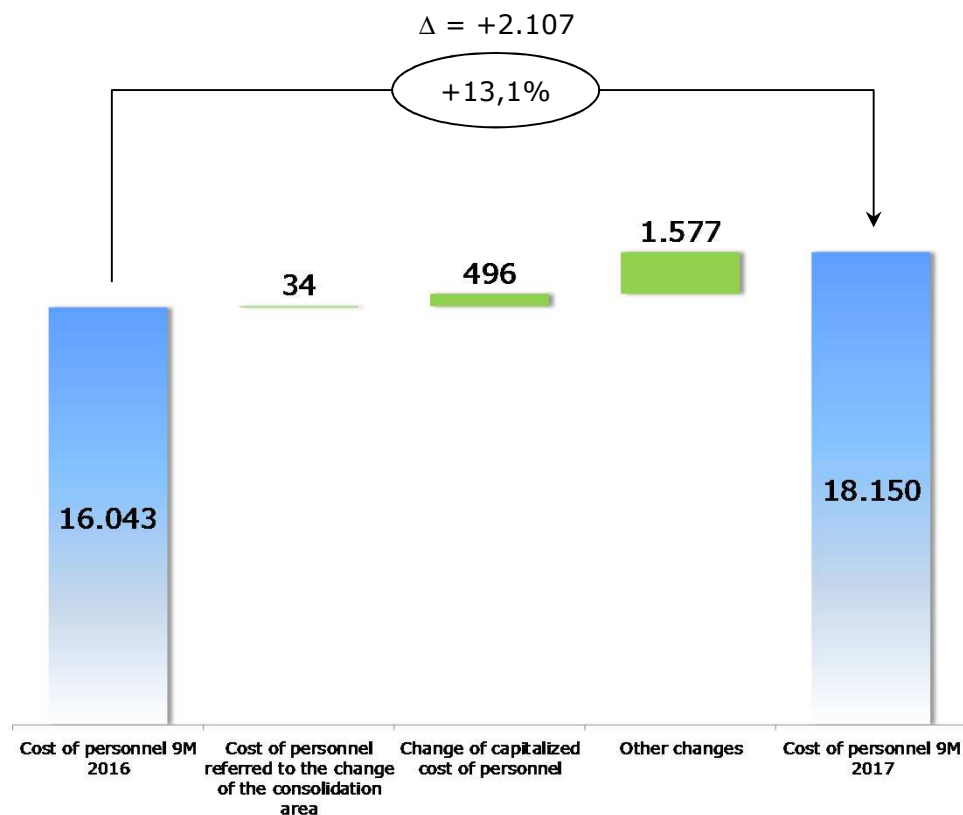
- Change of the consolidation area (\*\*)
- 2016 consolidation area

(\*) Data are considered pro-rata; (\*\*) AP Reti Gas Vicenza.



## Consolidated cost of personnel

### Consolidated cost of personnel (Thousand of Euro)



#### Cost of personnel changes:

- change of the consolidation area: + Euro 0,0 mln
- capitalized cost of personnel: + Euro 0,5 mln
- other: + Euro 1,6 mln, of which:
  - + Euro 0,7 mln: compensations related to the long term incentive plan
  - + Euro 0,9 mln: other changes

9M 2017 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 2,3 mln (-5,8%).

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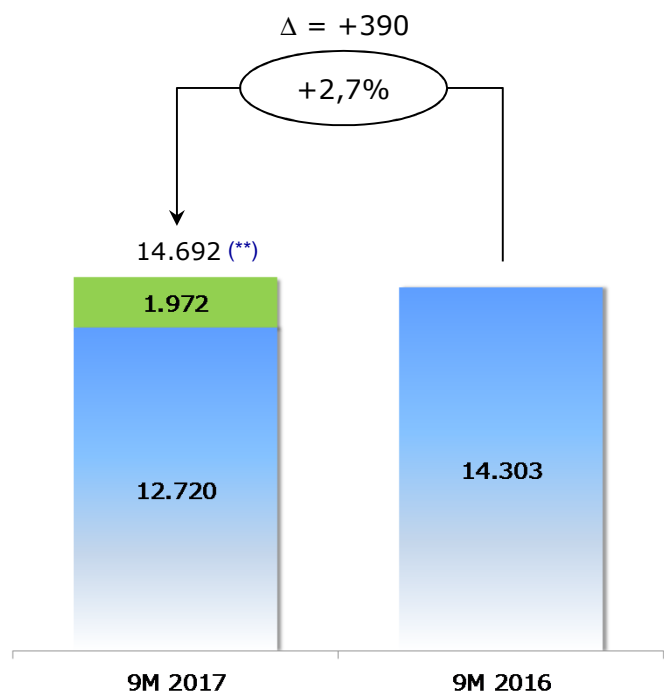
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**Consolidated capex (\*)**  
(Thousand of Euro)



- Change of the consolidation area: Euro 2,0 mln
- Gas distribution systems: Euro 6,1 mln
- Gas meters: Euro 5,6 mln
- Other: Euro 1,0 mln

■ Change of the consolidation area (\*\*\*)  
■ 2016 consolidation area

9M 2017 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 0,9 mln (+19,4%).

(\*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments; (\*\*) Investments in tangible assets: Euro 0,7 mln; investments in intangible assets: Euro 14,0 mln (excluded realizations of tangible and intangible assets and investments in associated); (\*\*\*) AP Reti Gas Vicenza: 2ndQ+3rdQ 2017.



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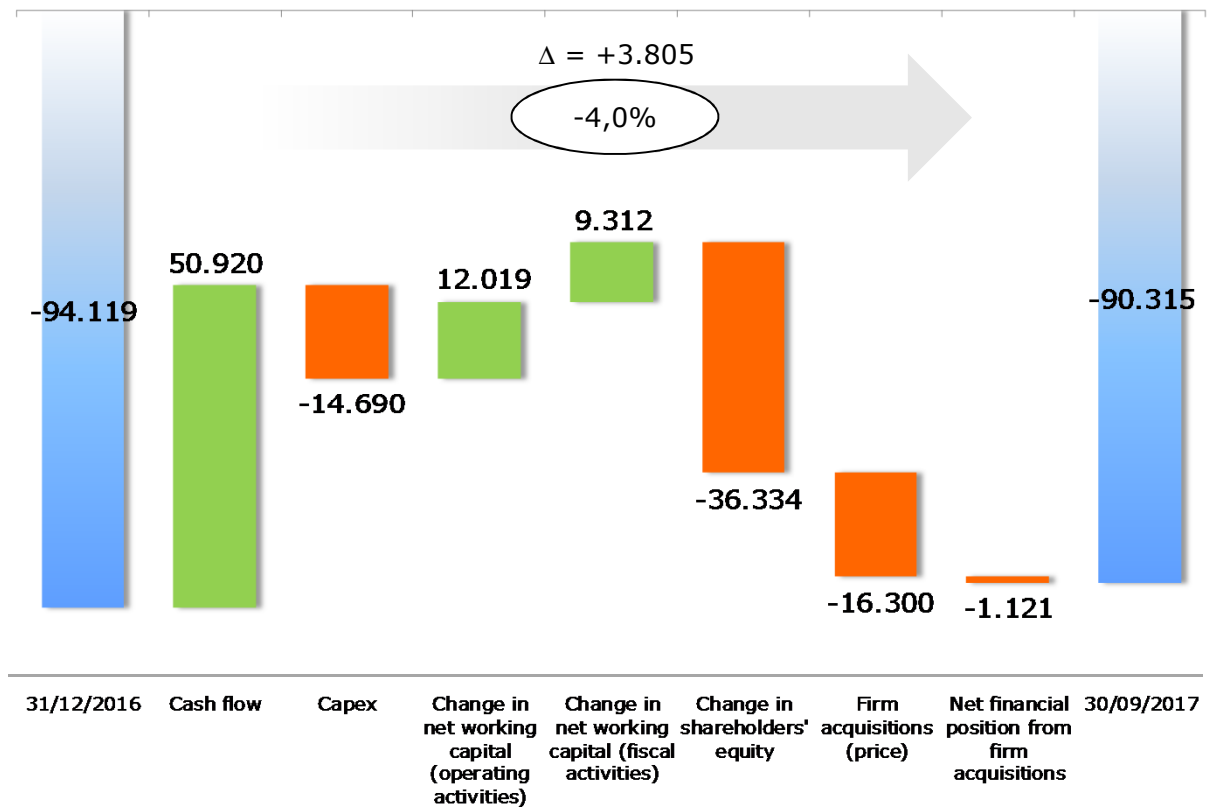
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# Net financial position and cash flow (1)

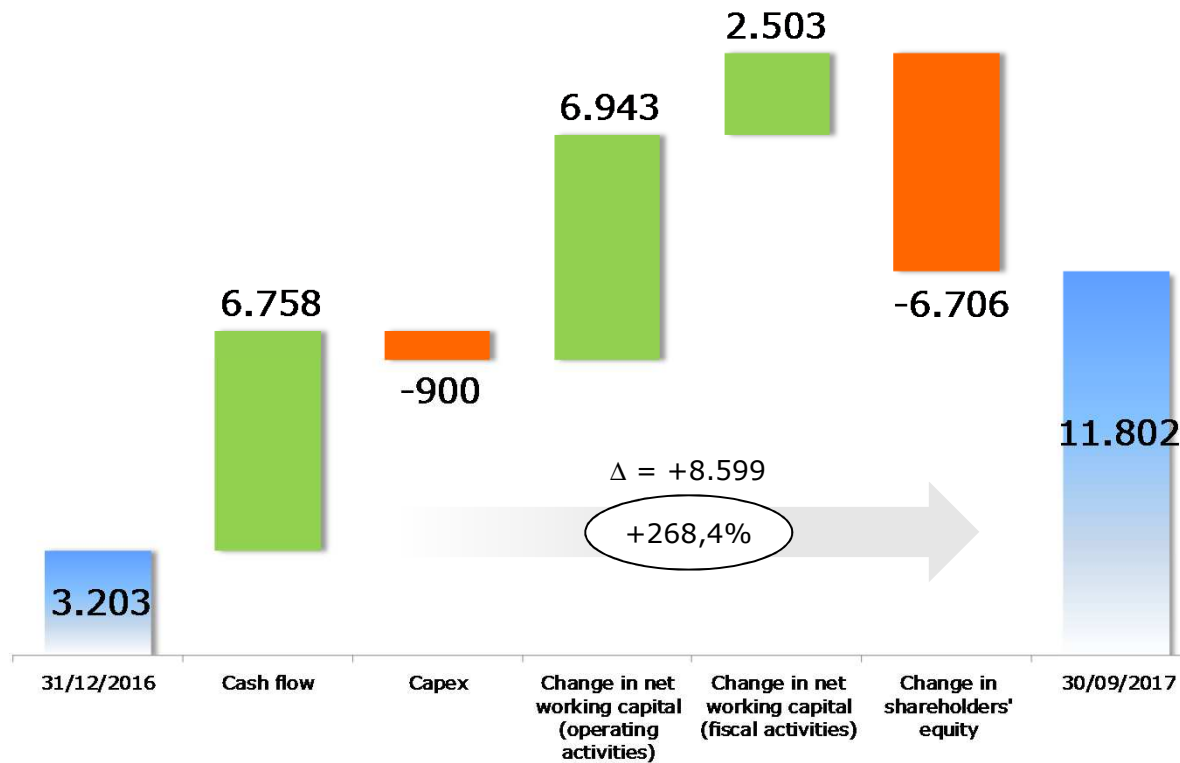
**Net Financial Position and cash flow**  
**Companies consolidated with full consolidation method**  
 (Thousand of Euro)





## Net financial position and cash flow (2)

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



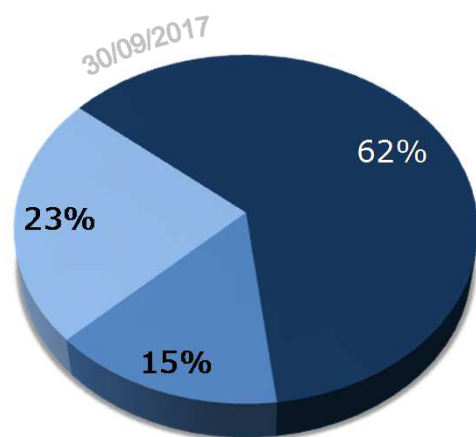
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(\*) Sinergie Italiane excluded. Data are considered pro-rata.

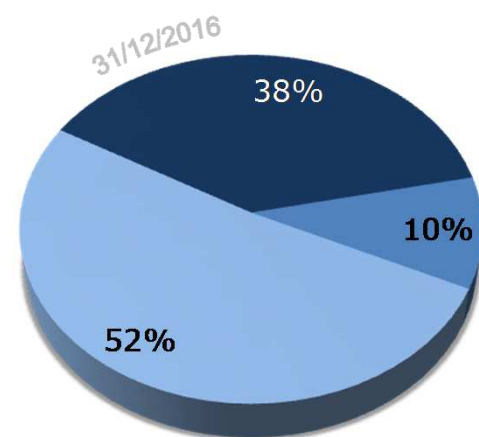
## Net financial position and cash flow (3)

(Thousand of Euro) (*)	30/09/2017	31/12/2016	Var	Var %
Long term financial borrowings (>12 months)	54.360	34.541	19.819	+57,4%
Current position of long term financial borrowings	13.039	9.287	3.752	+40,4%
Short term financial borrowings (<12 months)	20.349	46.288	(25.939)	-56,0%
<b>Total financial debt</b>	<b>87.748</b>	<b>90.116</b>	<b>(2.368)</b>	<b>-2,6%</b>
Fixed rate borrowings	30.000	-	30.000	n.a.
Floating rate borrowings	57.748	90.116	(32.368)	-35,9%

**9M 2017 average cost of debt: 0,38% (vs 2016 rate: 0,57%)**



- 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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