

Gruppo Ascopiave

1stH 2018
CONSOLIDATED RESULTS

Conference Call

Pieve di Soligo, 2nd august 2018

Financial highlights

- Ascopiave Group structure as of 30th june 2018
- 1stH 2018 consolidated income statement
- Consolidated balance sheet as of 30th june 2018

Operating data

Revenues and EBITDA

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

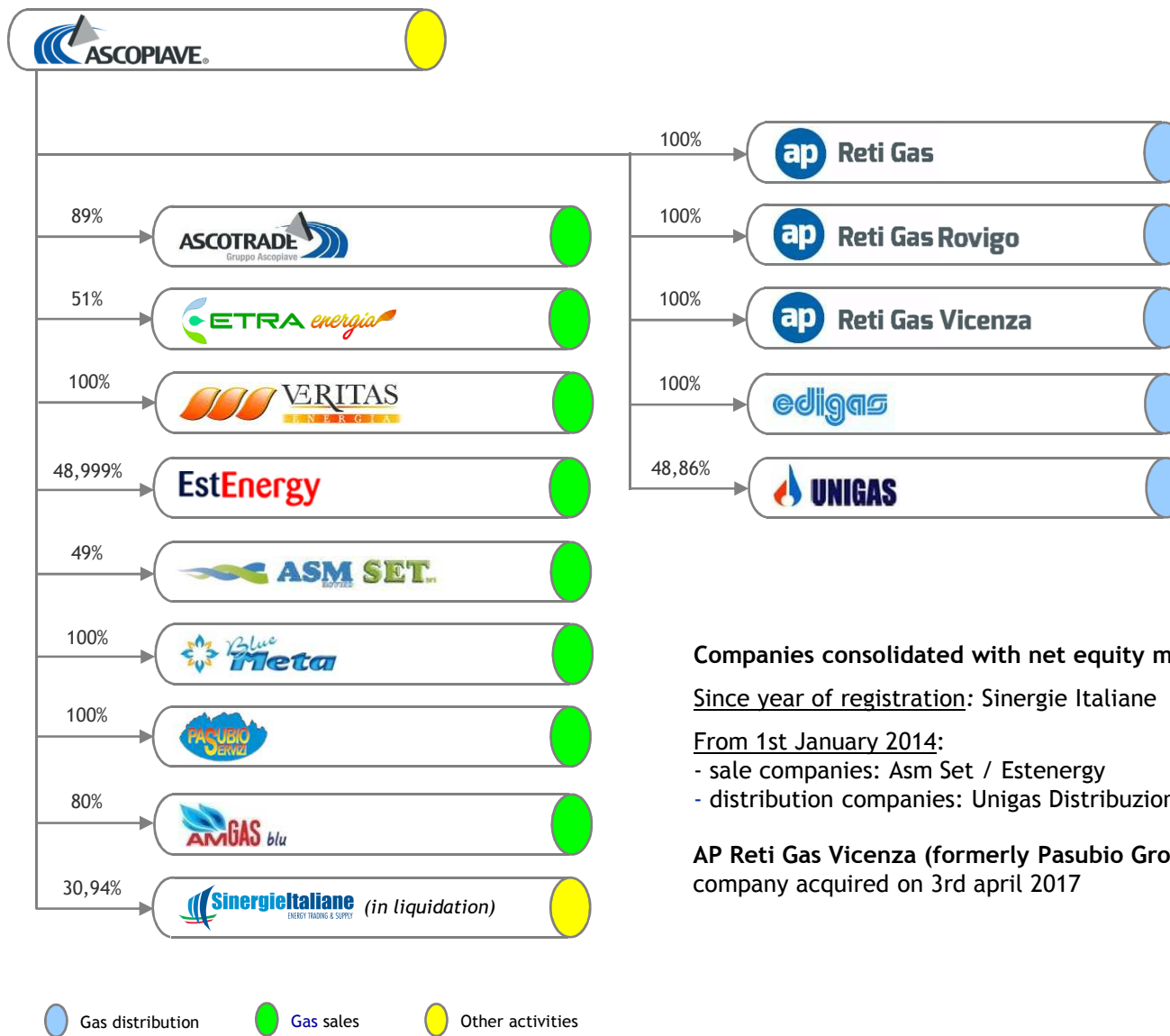
Personnel

Capex

Net financial position and cash flow

Disclaimer

Ascopiave Group structure as of 30th june 2018



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

1stH 2018 consolidated income statement

(Thousand of Euro)	6M 2018	6M 2017	Chg	Chg %
Revenues	310.583	297.500	13.083	+4,4%
(Cost of raw materials and consumables)	(173.134)	(156.182)	(16.952)	+10,9%
(Cost of services)	(59.191)	(59.494)	303	-0,5%
(Cost of personnel)	(12.615)	(13.012)	396	-3,0%
(Other operating costs)	(17.846)	(20.225)	2.379	-11,8%
Other operating income	211	640	(429)	-67,0%
EBITDA	48.008	49.228	(1.220)	-2,5%
(Depreciations and amortizations)	(11.485)	(10.597)	(888)	+8,4%
(Provisions)	(765)	(1.086)	321	-29,6%
EBIT	35.758	37.545	(1.786)	-4,8%
Financial income / (expenses)	(395)	(190)	(205)	+107,5%
Evaluation of companies with net assets method (*)	5.194	4.548	646	+14,2%
EBT	40.557	41.902	(1.345)	-3,2%
(Income taxes)	(10.799)	(11.244)	445	-4,0%
Net income	29.758	30.658	(900)	-2,9%
(Net income of minorities)	(1.303)	(1.466)	163	-11,1%
Net income of the Group	28.455	29.193	(737)	-2,5%

(*) Result of the companies consolidated with net equity consolidation method (data are considered pro-rata): sale companies, Euro 3,6 mln (Euro 3,4 mln in 1stH 2017); distribution companies, Euro 0,8 mln (Euro 0,5 mln in 1stH 2017); Sinergie Italiane, Euro 0,8 mln (Euro 0,6 mln in 1stH 2017).

Consolidated balance sheet as of 30th june 2018

(Thousand of Euro)	30/06/2018	31/12/2017	Chg	Chg %
Tangible assets (*)	31.656	32.334	(678)	-2,1%
Non tangible assets (*)	425.930	427.692	(1.762)	-0,4%
Investments in associates (**)	65.306	68.878	(3.571)	-5,2%
Other fixed assets	24.583	24.494	89	+0,4%
Fixed assets	547.476	553.397	(5.922)	-1,1%
Operating current assets	152.230	222.977	(70.747)	-31,7%
(Operating current liabilities)	(158.776)	(156.597)	(2.179)	+1,4%
(Operating non current liabilities)	(47.851)	(49.411)	1.559	-3,2%
Net working capital	(54.397)	16.969	(71.367)	-420,6%
Total capital employed	493.078	570.367	(77.289)	-13,6%
Group shareholders equity	431.832	445.511	(13.678)	-3,1%
Minorities	4.116	4.989	(874)	-17,5%
Net financial position	57.130	119.867	(62.737)	-52,3%
Total sources	493.078	570.367	(77.289)	-13,6%

(*) 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 44,3 mln (Euro 48,0 mln as of 31st December 2017); distribution companies, Euro 21,0 mln (Euro 20,8 mln as of 31st December 2017).

Financial highlights

Operating data

- 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

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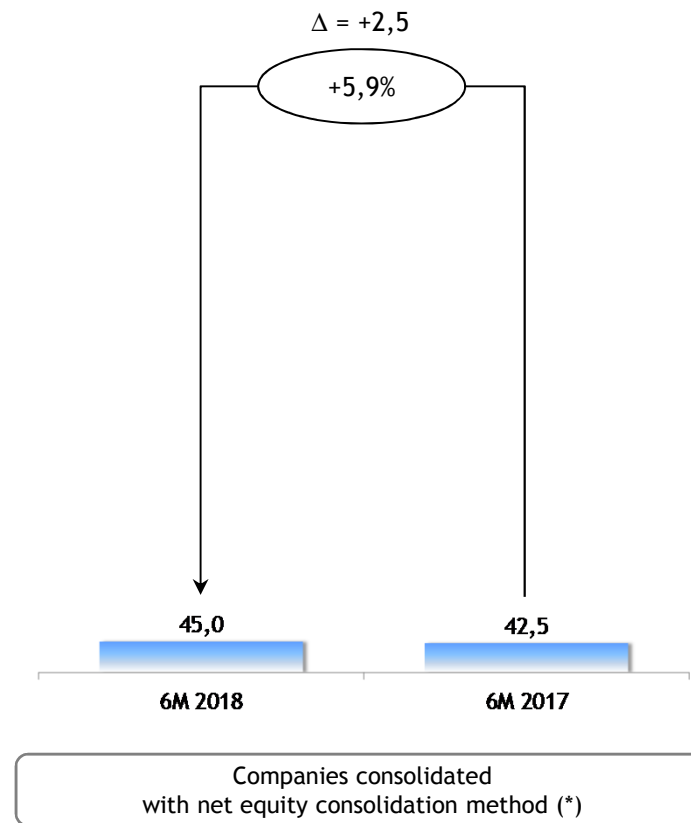
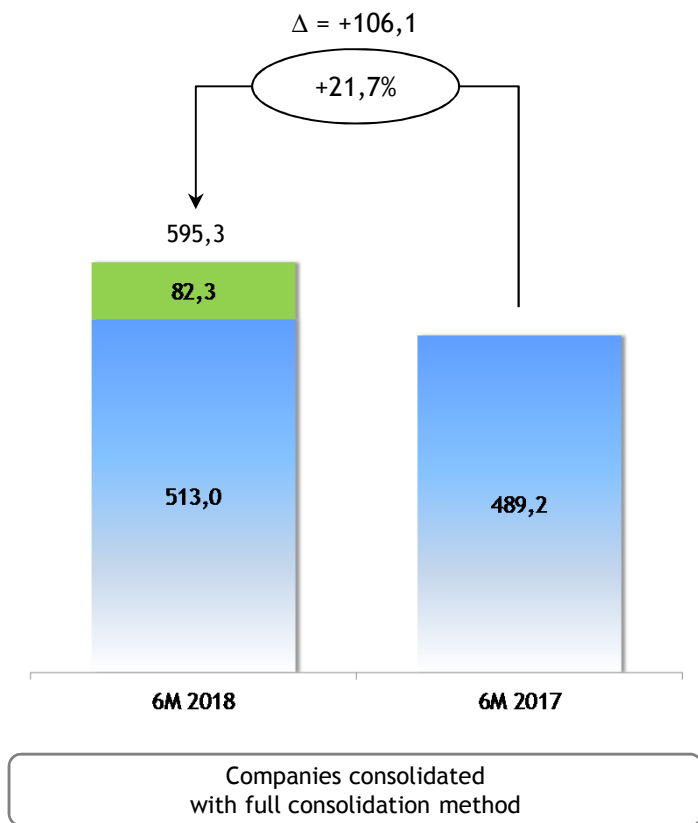
Net financial position and cash flow

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Volumes of gas distributed

Volumes of gas distributed

(Million of standard cubic meters)



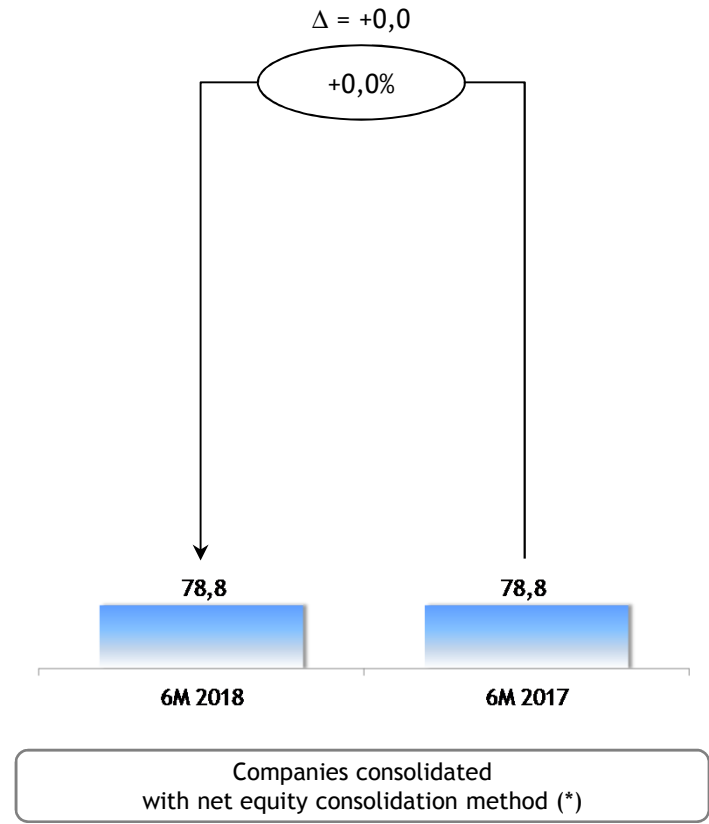
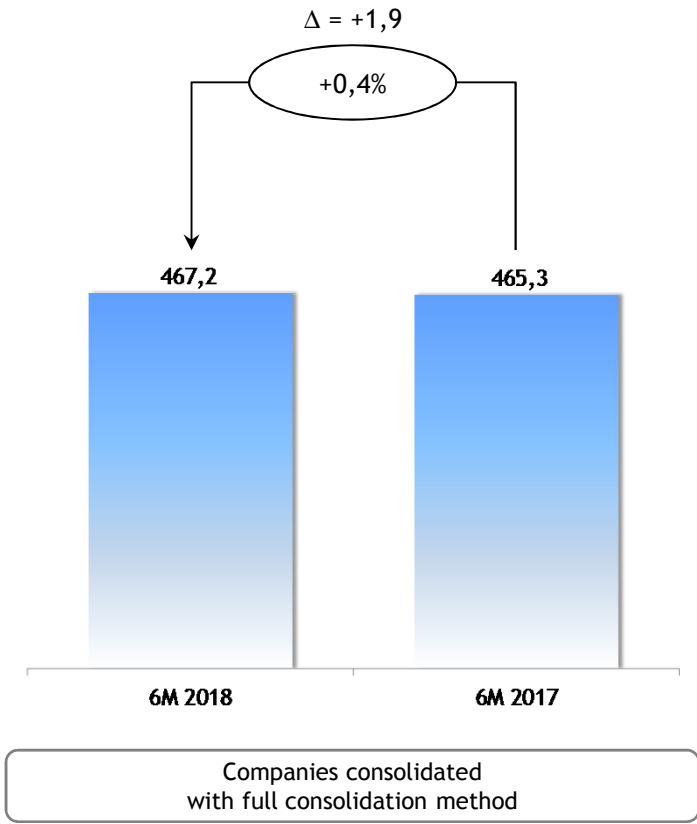
- Change of the consolidation area (**)
- Equal consolidation area

(*) Data are considered pro-rata; (**) AP Reti Gas Vicenza: 1stQ 2018.



Volumes of gas sold

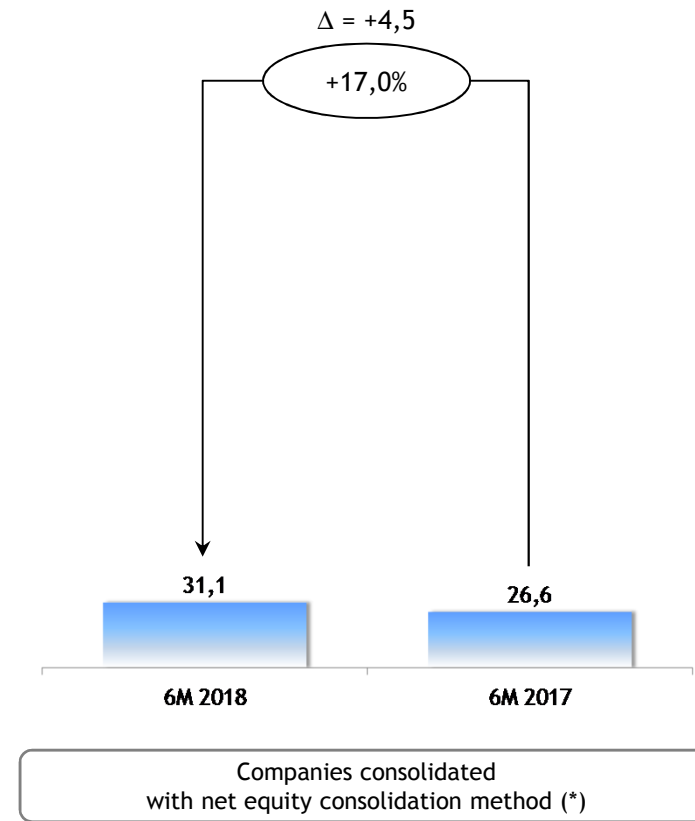
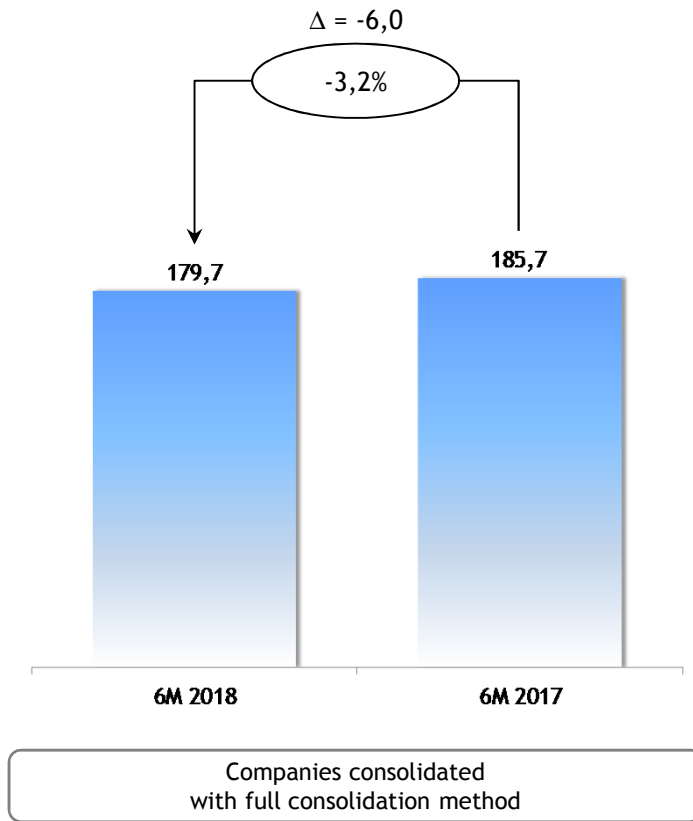
Volumes of gas sold (Million of standard cubic meters)



(*) Data are considered pro-rata.

Volumes of electricity sold

Volumes of electricity sold (GWh)



(*) Data are considered pro-rata.

Financial highlights

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Revenues and EBITDA

→ Revenues bridge

→ EBITDA bridge

→ EBITDA breakdown

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

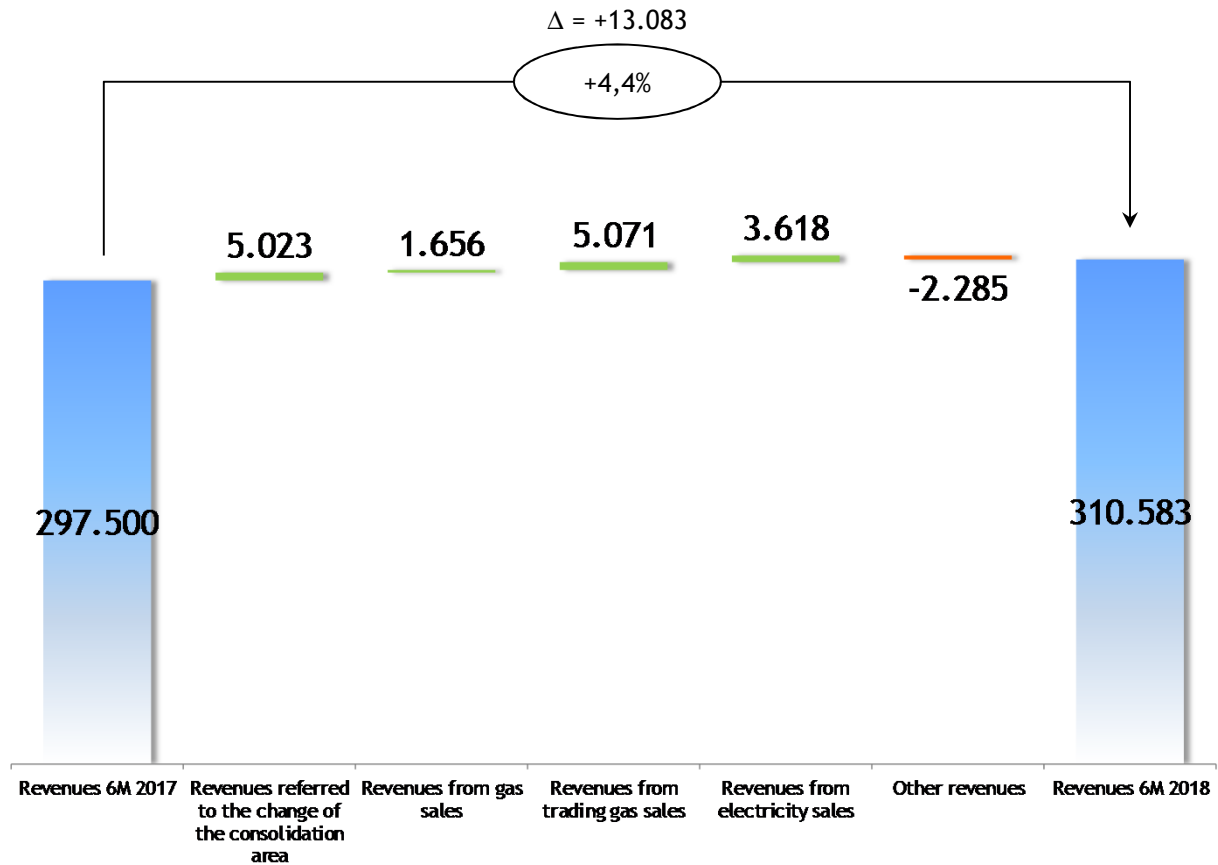
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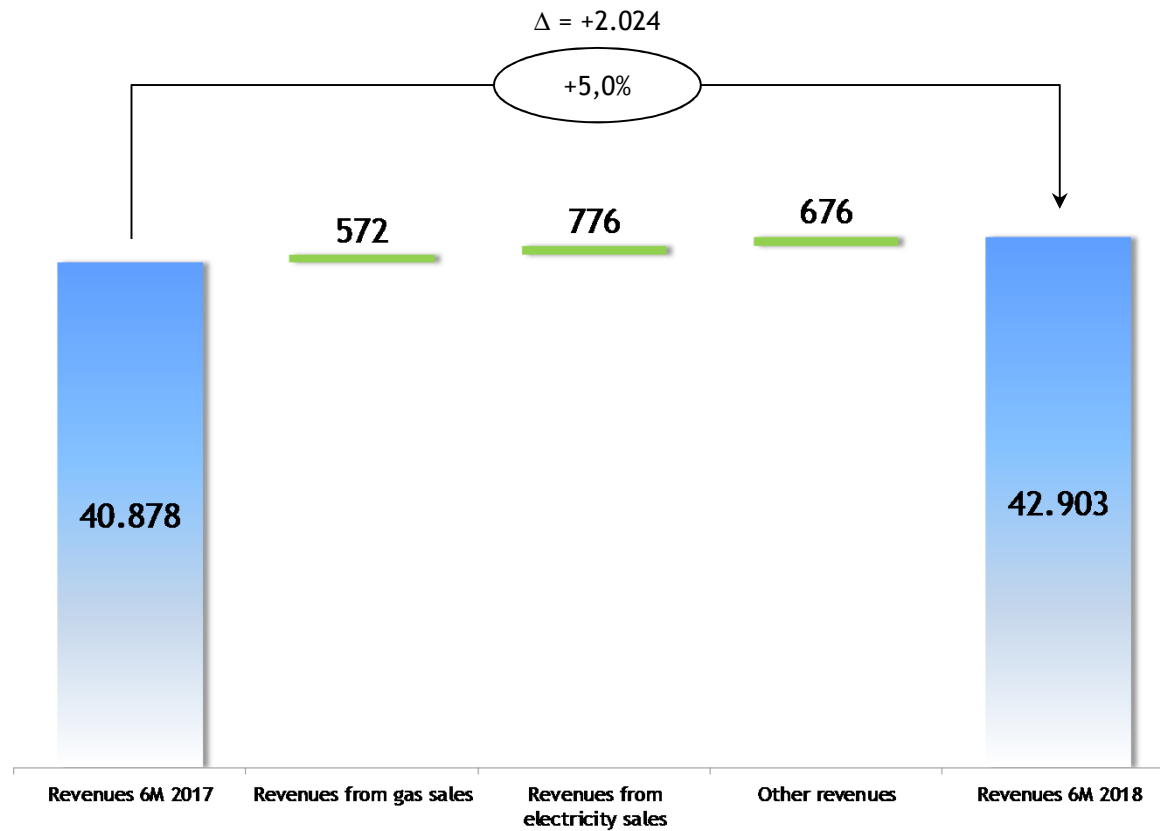
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Revenues bridge Companies consolidated with full consolidation method (Thousand of Euro)



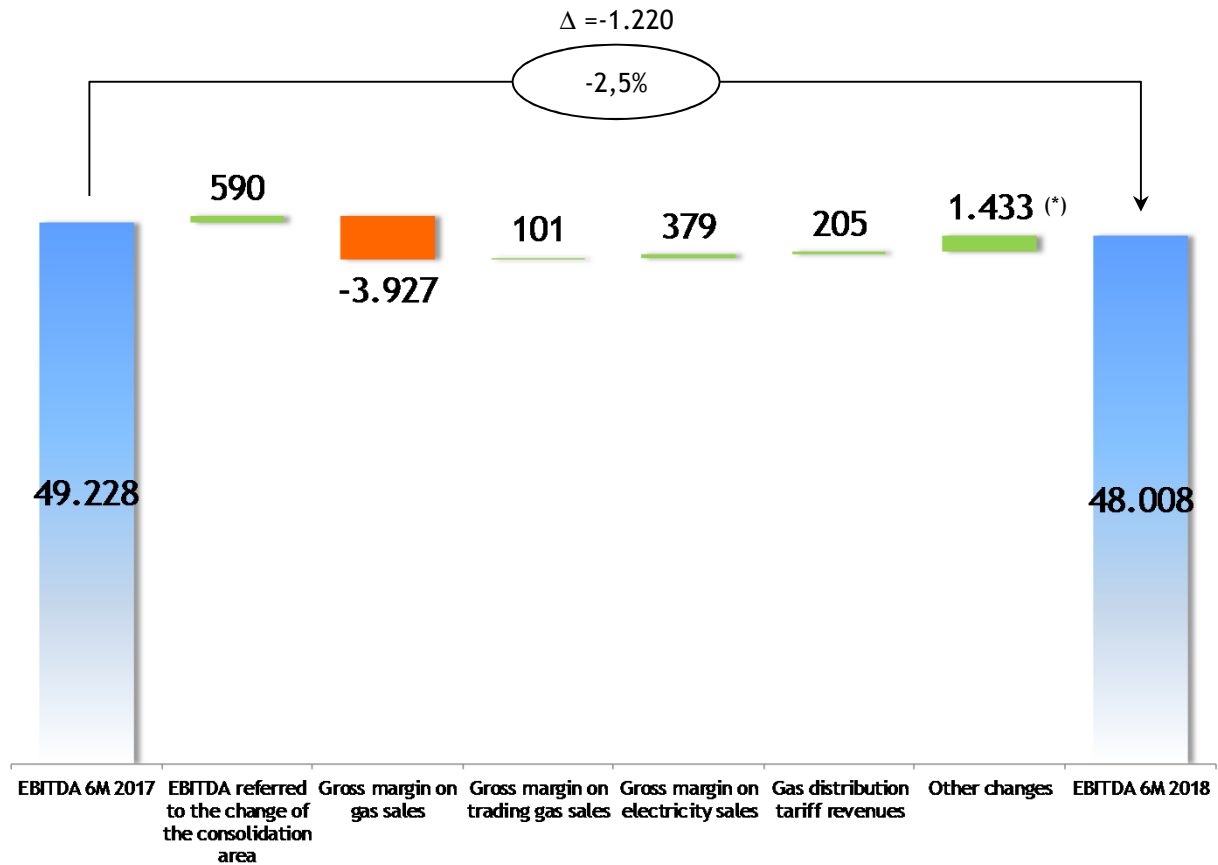
Revenues bridge Companies consolidated with net equity consolidation method (*) (Thousand of Euro)



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



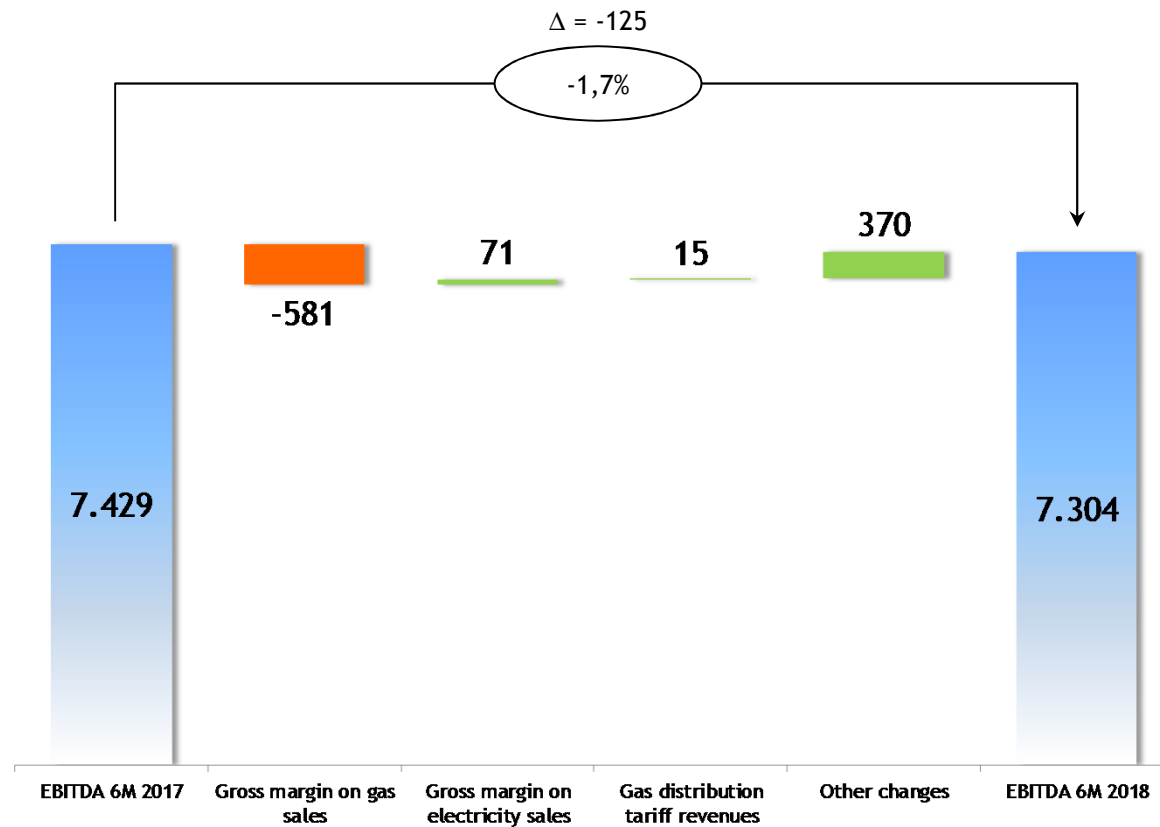
EBITDA bridge Companies consolidated with full consolidation method (Thousand of Euro)



(*) For more details check out to slide at page 22.

EBITDA bridge (2)

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)	6M 2018	6M 2017	Var	Var %
EBITDA	48.008	49.228	(1.220)	-2,5%
EBITDA - Sale	24.197	26.422	(2.225)	-8,4%
EBITDA - Distribution	25.356	24.628	728	+3,0%
EBITDA - Ascopiave	(1.545)	(1.823)	277	-15,2%
EBIT	35.758	37.545	(1.786)	-4,8%
EBIT - Sale	22.337	24.205	(1.868)	-7,7%
EBIT - Distribution	15.804	16.113	(309)	-1,9%
EBIT - Ascopiave	(2.383)	(2.773)	391	-14,1%

EBITDA breakdown (2)

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

(Thousand of Euro)	6M 2018	6M 2017	Var	Var %
EBITDA	7.304	7.429	(125)	-1,7%
EBITDA - Sale	5.634	6.081	(447)	-7,4%
EBITDA - Distribution	1.670	1.348	322	+23,9%
EBIT	6.054	5.601	453	+8,1%
EBIT - Sale	4.972	4.845	127	+2,6%
EBIT - Distribution	1.083	756	326	+43,1%

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

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Operating data

Revenues and EBITDA

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

→ Gross margin on gas sales

→ Gross margin on trading gas sales

→ Gross margin on electricity sales

→ Gas distribution tariff revenues

→ Other net operating costs

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Net financial position and cash flow

Disclaimer

Gross margin on gas sales

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Revenues from gas sales	211.518	203.961	7.557	+3,7%
(Gas purchase costs)	(127.814)	(118.228)	(9.586)	+8,1%
(Gas distribution costs)	(50.764)	(48.866)	(1.898)	+3,9%
Gross margin on gas sales (A) <i>Company consolidated with full consolidation method</i>	32.940	36.867	(3.927)	-10,7%

The decrease of gross margin on gas sales of the companies consolidated with full consolidation method, equal to - Euro 3,9 mln, is due to lower unit profit margins, in spite of higher volumes of gas sold.

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Gross margin on gas sales (B) <i>Company consolidated with net equity consolidation method (**)</i>	7.654	8.234	(581)	-7,1%
Gross margin on gas sales (A+B)	40.594	45.102	(4.508)	-10,0%

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

Gross margin on trading gas sales

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Revenues from trading gas sales	5.071	-	5.071	n.a.
(Trading gas purchase costs)	(4.839)	-	(4.839)	n.a.
(Trading gas transport / capacity costs)	(131)	-	(131)	n.a.
Gross margin on trading gas sales (A) <i>Company consolidated with full consolidation method</i>	101	-	101	n.a.
(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Gross margin on trading gas sales (B) <i>Company consolidated with net equity consolidation method (**)</i>	-	-	-	n.a.
Gross margin on trading gas sales (A+B)	101	-	101	n.a.

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

Gross margin on electricity sales

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Revenues from electricity sales	47.171	43.609	3.562	+8,2%
(Electricity purchase costs)	(25.117)	(25.251)	133	-0,5%
(Electricity distribution costs)	(18.538)	(15.221)	(3.317)	+21,8%
Gross margin on electricity sales (A) <i>Company consolidated with full consolidation method</i>	3.515	3.137	379	+12,1%

The increase of gross margin on electricity sales of the companies consolidated with full consolidation method, equal to + Euro 0,4 mln, is due to higher unit profit margins, in spite of lower volumes of electricity sold.

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Gross margin on electricity sales (B) <i>Company consolidated with net equity consolidation method (**)</i>	613	542	71	+13,2%
Gross margin on electricity sales (A+B)	4.129	3.679	450	+12,2%

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

Gas distribution tariff revenues

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Gas distribution tariff revenues	36.215	33.125	3.090	+9,3%
Gas distribution tariff revenues (A) <i>Company consolidated with full consolidation method</i>	36.215	33.125	3.090	+9,3%

The increase of gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 3,1 mln) is due to:

- 1) change of the consolidation area (AP Reti Gas Vicenza, 1stQ 2018): + Euro 2,9 mln;
- 2) change of gas distribution tariff revenues: + Euro 0,2 mln.

(Thousand of Euro) (*)	6M 2018	6M 2017	Chg	Chg %
Gas distribution tariff revenues (B) <i>Company consolidated with net equity consolidation method (**)</i>	2.851	2.836	15	+0,5%
Gas distribution tariff revenues (A+B)	39.066	35.961	3.105	+8,6%

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

Other net operating costs (1)

(Thousand of Euro)	6M 2018	6M 2017	Chg	Chg %
Other revenues	27.947	29.017	(1.070)	-3,7%
Other costs of raw materials and services	(40.095)	(39.906)	(188)	+0,5%
Cost of personnel	(12.615)	(13.012)	396	-3,0%
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(24.763)	(23.901)	(862)	+3,6%

Net operating costs referred to the change of the consolidation area: - Euro 2,3 mln

Decrease of other net operating costs of equal consolidation area: + Euro 1,4 mln

of which:

- *decrease of cost of personnel: + Euro 0,7 mln;*
- *increase of margin on energy efficiency tasks management: + Euro 0,2 mln;*
- *decrease of CCSE contributions for security incentives: - Euro 1,0 mln;*
- *decrease of advertising and commercial costs: + Euro 0,5 mln;*
- *increase of margin on distributor services: + Euro 0,9 mln;*
- *decrease of contingent assets on firm acquisitions: - Euro 0,4 mln;*
- *decrease of bank and postal current accounts costs: + Euro 0,4 mln;*
- *increase of contingent assets: + Euro 0,5 mln;*
- *other variations: - Euro 0,4 mln.*

Other net operating costs (2)

(Thousand of Euro)	6M 2018	6M 2017	Chg	Chg %
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(24.763)	(23.901)	(862)	+3,6%
Other net operating costs (B) <i>Company consolidated with net equity consolidation method (*)</i>	(3.813)	(4.183)	370	-8,8%
Other net operating costs (A+B)	(28.577)	(28.084)	(492)	+1,8%

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

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Revenues and EBITDA

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

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→ Number of employees

→ Consolidated cost of personnel

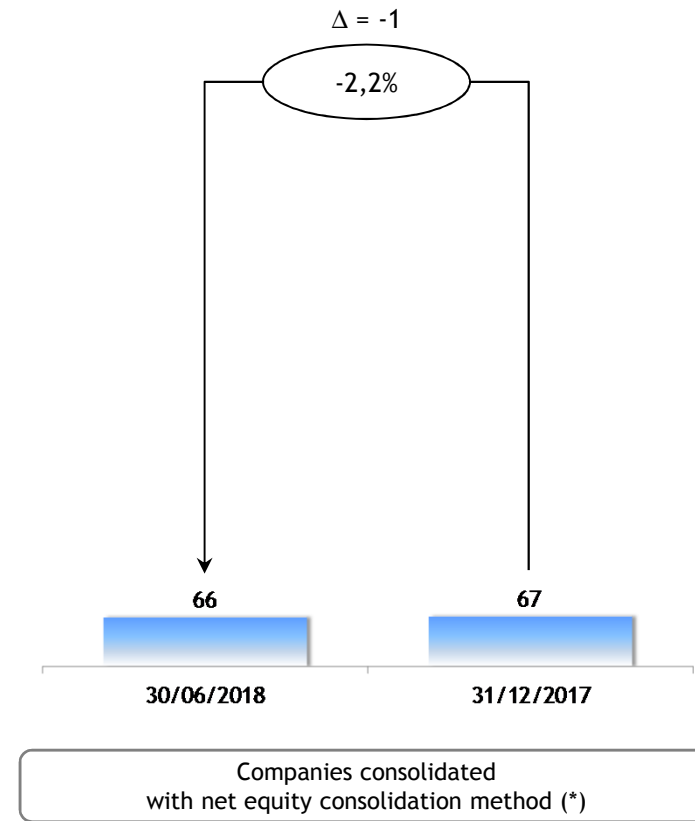
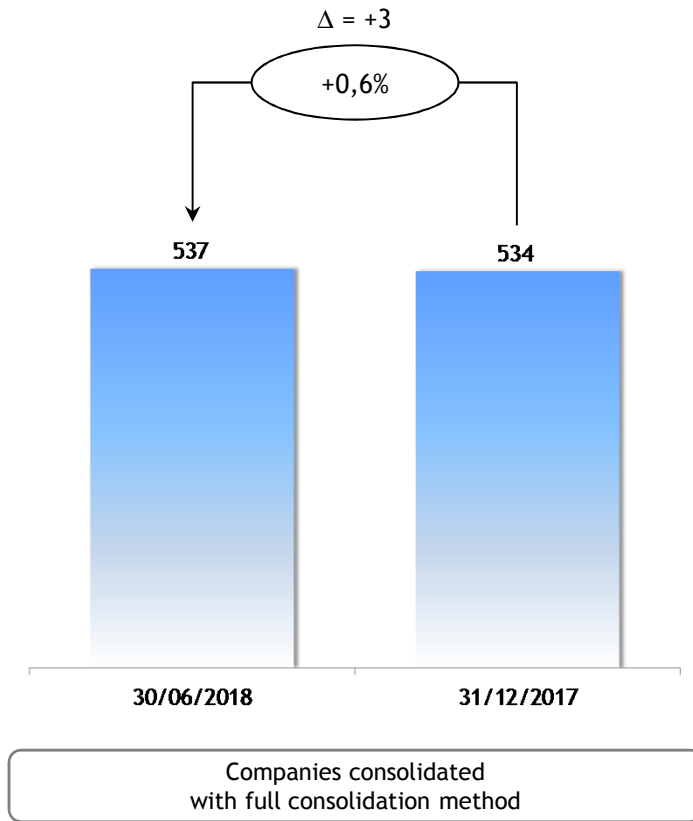
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Net financial position and cash flow

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Number of employees

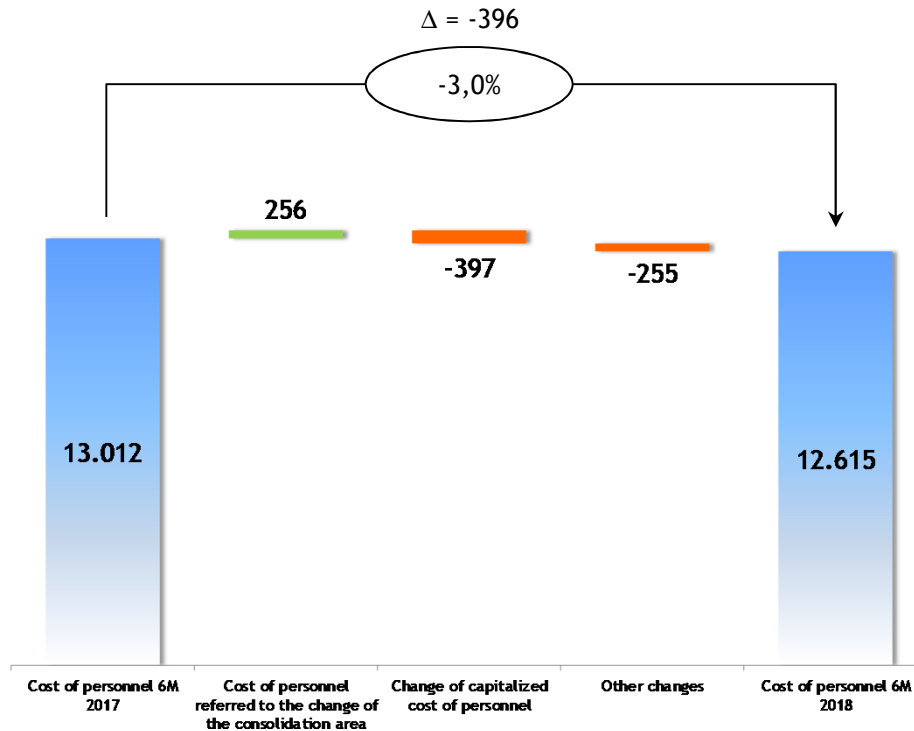
Number of employees



(*) Data are considered pro-rata.

Consolidated cost of personnel

(Thousand of Euro)



Cost of personnel changes:

- change of the consolidation area: + Euro 0,3 mln
- capitalized cost of personnel: - Euro 0,4 mln
- other: - Euro 0,3 mln, of which:
 - - Euro 0,8 mln: compensations related to the long term incentive plan
 - + Euro 0,1 mln: net balance of staff recruitments and terminations
 - + Euro 0,4 mln: other changes

1stH 2018 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 1,6 mln (-0,3%).

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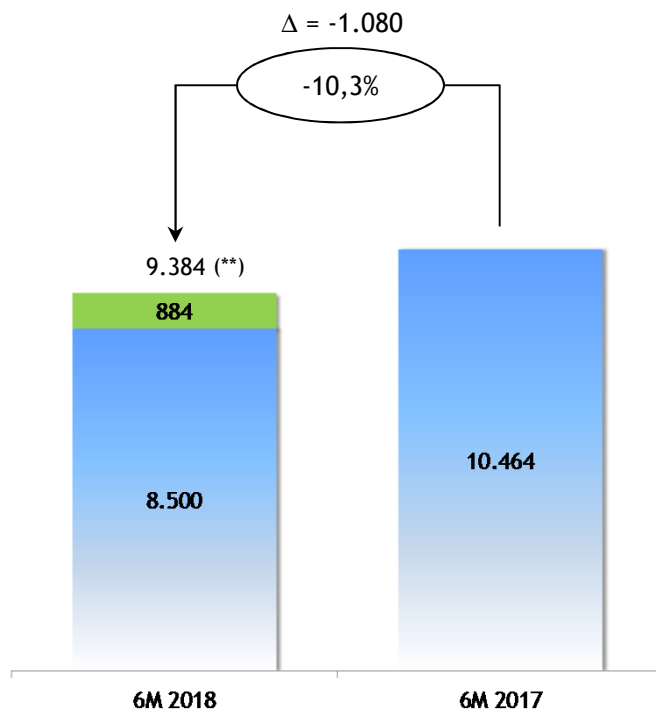
Capex

Net financial position and cash flow

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Consolidated capex (*)

(Thousand of Euro)



- Change of the consolidation area: Euro 0,9 mln
- Gas distribution systems: Euro 3,6 mln
- Gas meters: Euro 4,1 mln
- Other: Euro 0,8 mln

■ Change of the consolidation area (***)
■ Equal consolidation area

1stH 2018 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 0,7 mln (+36,5%).

(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments; (**) Investments in tangible assets: Euro 0,5 mln; investments in intangible assets: Euro 8,9 mln (excluded realizations of tangible and intangible assets and investments in associated); (***) AP Reti Gas Vicenza: 1stQ 2018.

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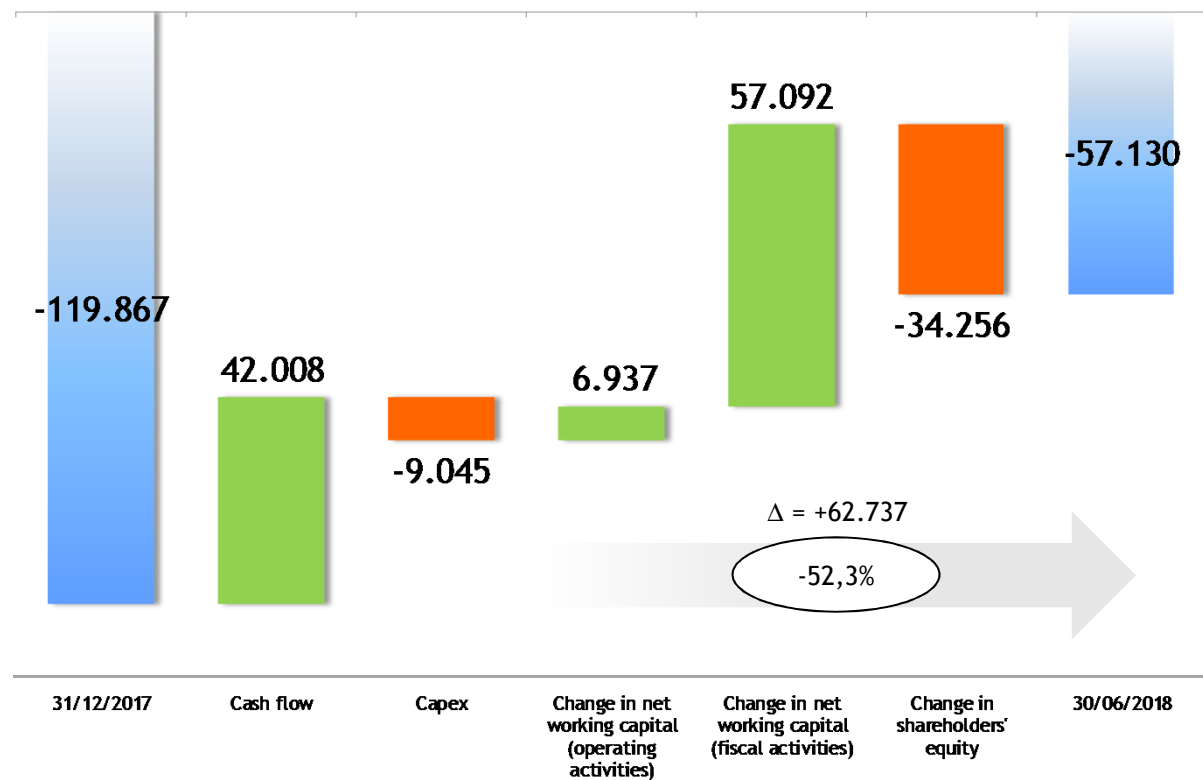
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Net financial position and cash flow

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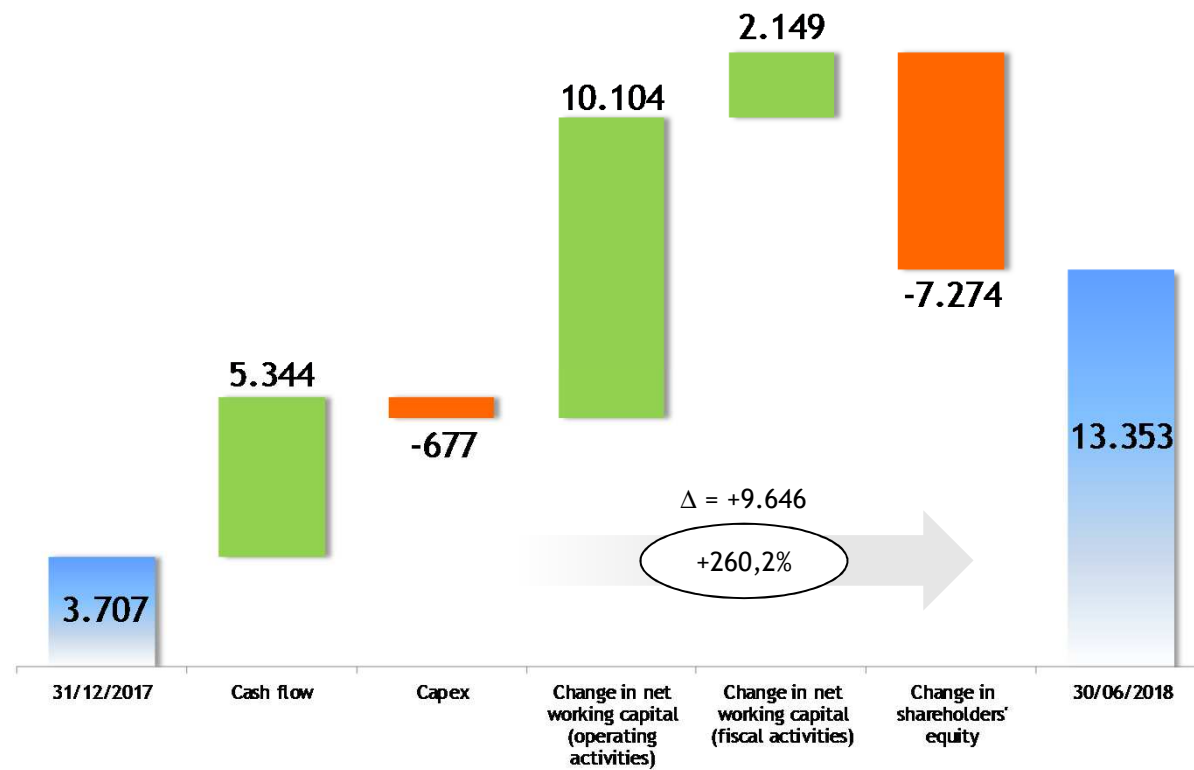
Net financial position and cash flow (1)

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)

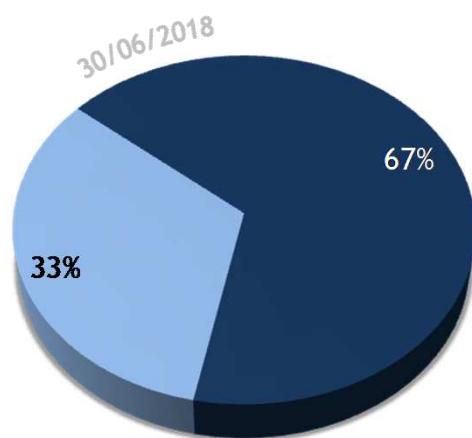


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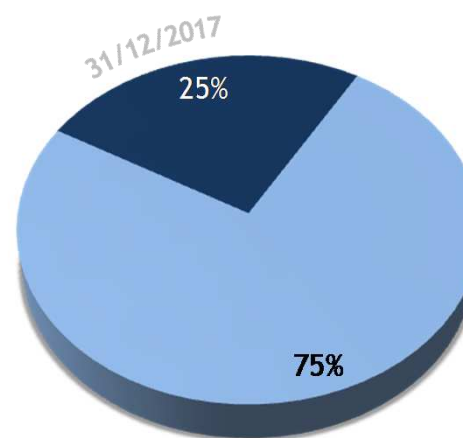
Net financial position and cash flow (3)

(Thousand of Euro) (*)	30/06/2018	31/12/2017	Var	Var %
Long term financial borrowings (>12 months)	59.119	54.360	4.759	+8,8%
Current position of long term financial borrowings	8.069	10.181	(2.112)	-20,7%
Short term financial borrowings (<12 months)	(9.710)	54.568	(64.278)	-117,8%
Total financial debt	57.478	119.109	(61.631)	-51,7%
Fixed rate borrowings	38.563	30.000	8.563	+28,5%
Floating rate borrowings	18.915	89.109	(70.194)	-78,8%

1stH 2018 average cost of debt: 0,65% (vs 2017 rate: 0,38%)



■ Fixed rate borrowings
■ Floating rate borrowings



■ Fixed rate borrowings
■ Floating rate borrowings

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

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