

Gruppo Ascopiave

FY 2018

CONSOLIDATED RESULTS

Conference Call

Pieve di Soligo, 12th March 2019

Financial highlights

→ Ascopiave Group structure as of 31st December 2018

→ FY 2018 consolidated income statement

→ Consolidated balance sheet as of 31st December 2018

Operating data

Revenues and EBITDA

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

Personnel

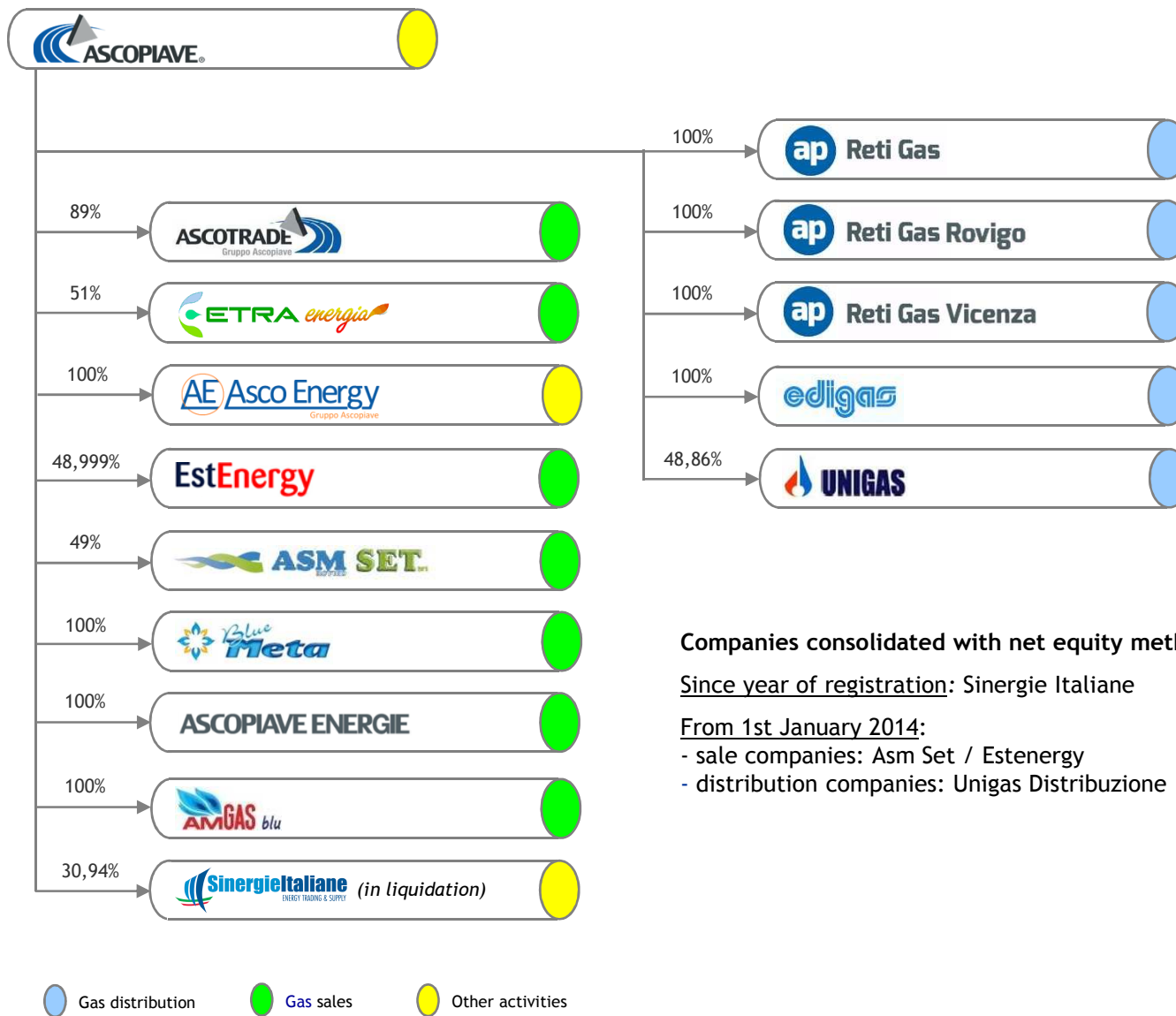
Capex

Net financial position and cash flow

Dividend

Disclaimer

Ascopiave Group structure as of 31st December 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

FY 2018 consolidated income statement

(Thousand of Euro)	2018	2017	Chg	Chg %
Revenues	581.652	532.792	48.860	+9,2%
(Cost of raw materials and consumables)	(332.743)	(270.577)	(62.165)	+23,0%
(Cost of services)	(114.827)	(113.457)	(1.370)	+1,2%
(Cost of personnel)	(26.030)	(24.855)	(1.174)	+4,7%
(Other operating costs)	(28.372)	(40.224)	11.851	-29,5%
Other operating income	356	731	(376)	-51,4%
EBITDA	80.036	84.409	(4.373)	-5,2%
(Depreciations and amortizations)	(22.972)	(22.585)	(387)	+1,7%
(Provisions)	(1.964)	(1.885)	(78)	+4,2%
EBIT	55.101	59.939	(4.839)	-8,1%
Financial income / (expenses)	(778)	(468)	(310)	+66,2%
Evaluation of companies with net assets method (*)	8.553	7.398	1.154	+15,6%
EBT	62.875	66.869	(3.994)	-6,0%
(Income taxes)	(16.376)	(17.617)	1.242	-7,0%
Net income	46.499	49.252	(2.753)	-5,6%
(Net income of minorities)	(1.874)	(2.117)	243	-11,5%
Net income of the Group	44.625	47.135	(2.510)	-5,3%

(*) Result of the companies consolidated with net equity consolidation method (data are considered pro-rata): sale companies, Euro 6,1 mln (Euro 5,9 mln in FY 2017); distribution companies, Euro 1,4 mln (Euro 1,0 mln in FY 2017); Sinergie Italiane, Euro 1,0 mln (Euro 0,6 mln in FY 2017).

Consolidated balance sheet as of 31st December 2018

(Thousand of Euro)	31/12/2018	31/12/2017	Chg	Chg %
Tangible assets (*)	32.724	32.334	390	+1,2%
Non tangible assets (*)	432.637	427.692	4.944	+1,2%
Investments in associates (**)	68.357	68.878	(521)	-0,8%
Other fixed assets	23.401	24.494	(1.093)	-4,5%
Fixed assets	557.118	553.397	3.721	+0,7%
Operating current assets	219.660	222.977	(3.317)	-1,5%
(Operating current liabilities)	(160.146)	(156.597)	(3.550)	+2,3%
(Operating non current liabilities)	(51.245)	(49.411)	(1.834)	+3,7%
Net working capital	8.268	16.969	(8.701)	-51,3%
Total capital employed	565.386	570.367	(4.981)	-0,9%
Group shareholders equity	443.567	445.511	(1.944)	-0,4%
Minorities	4.303	4.989	(687)	-13,8%
Net financial position	117.517	119.867	(2.350)	-2,0%
Total sources	565.386	570.367	(4.981)	-0,9%

(*) 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 46,8 mln (Euro 48,0 mln as of 31st December 2017); distribution companies, Euro 21,5 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

Personnel

Capex

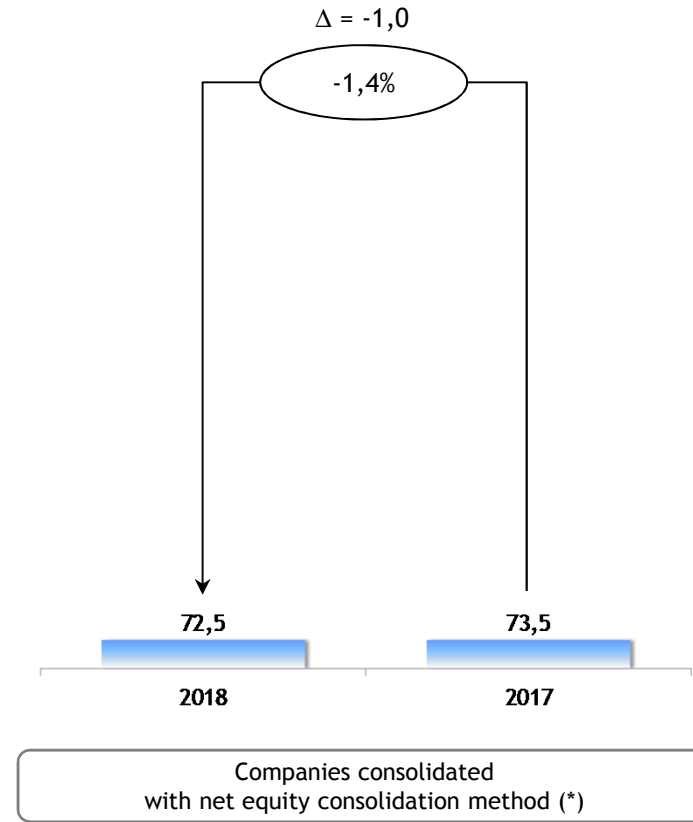
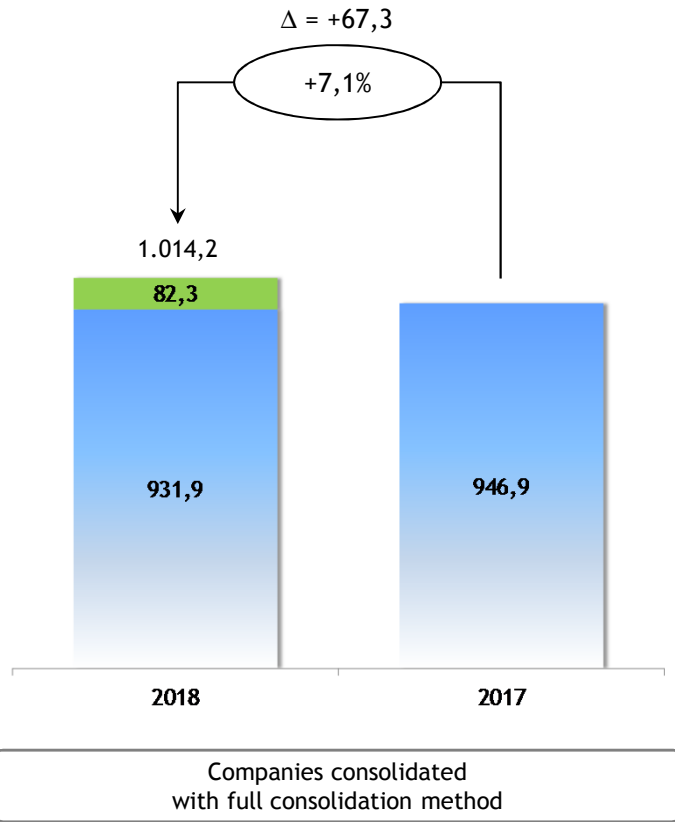
Net financial position and cash flow

Dividend

Disclaimer

Volumes of gas distributed

Volumes of gas distributed (Million of standard cubic meters)

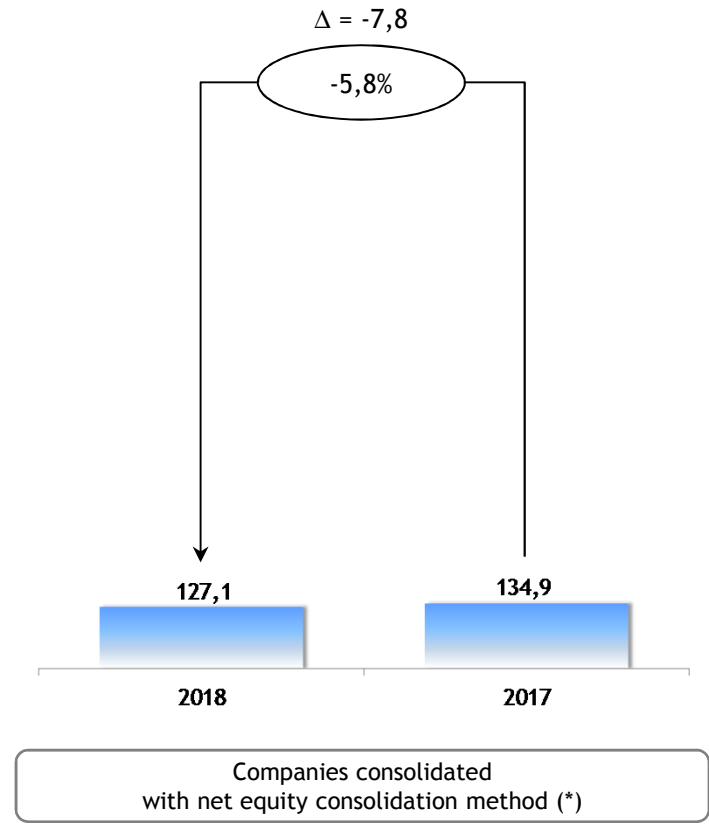
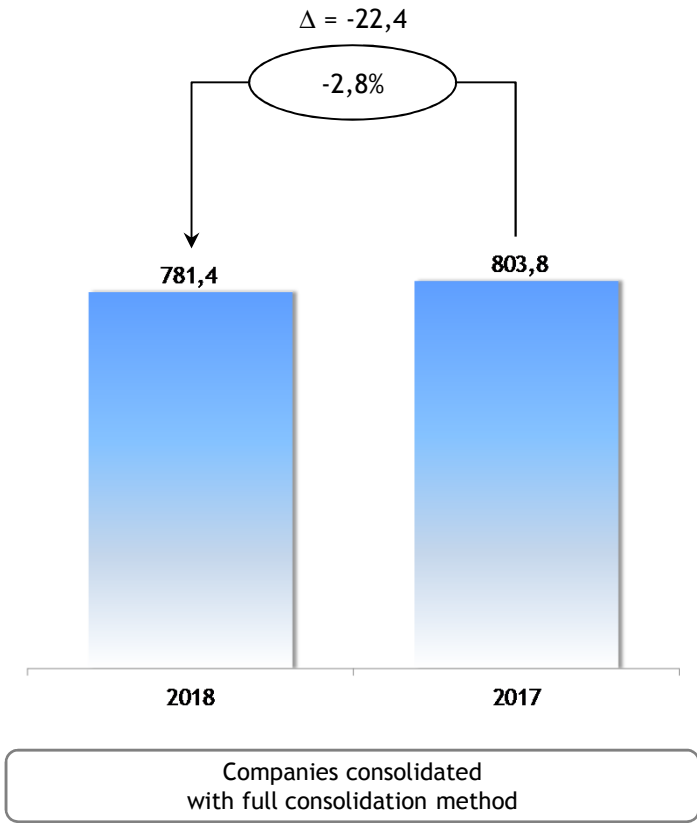


- Change of the consolidation area (**)
- Equal consolidation area

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

Volumes of gas sold

Volumes of gas sold (Million of standard cubic meters)

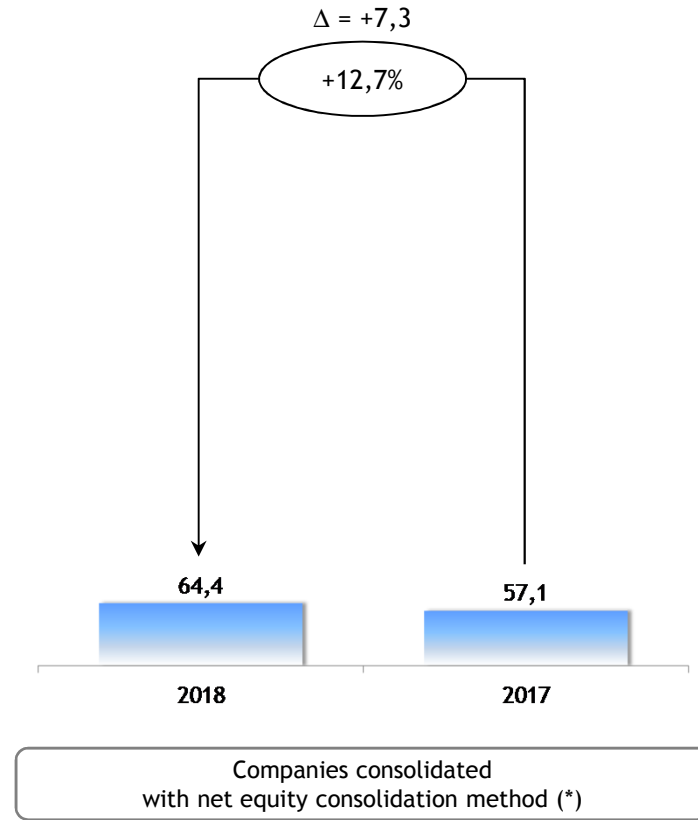
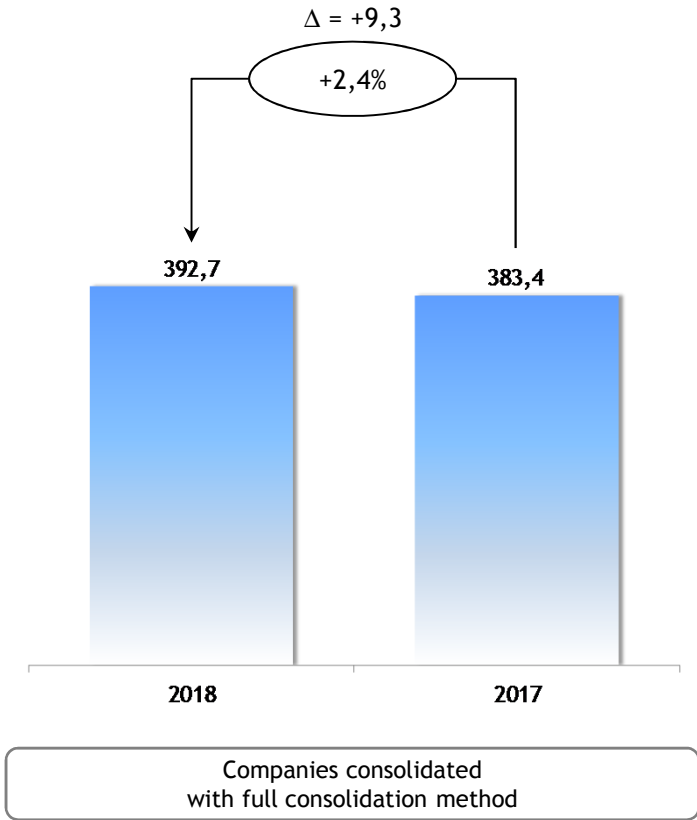


(*) Data are considered pro-rata.



Volumes of electricity sold

Volumes of electricity sold (GWh)



(*) Data are considered pro-rata.



Financial highlights

Operating data

Revenues and EBITDA

→ Revenues bridge

→ EBITDA bridge

→ EBITDA breakdown

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

Personnel

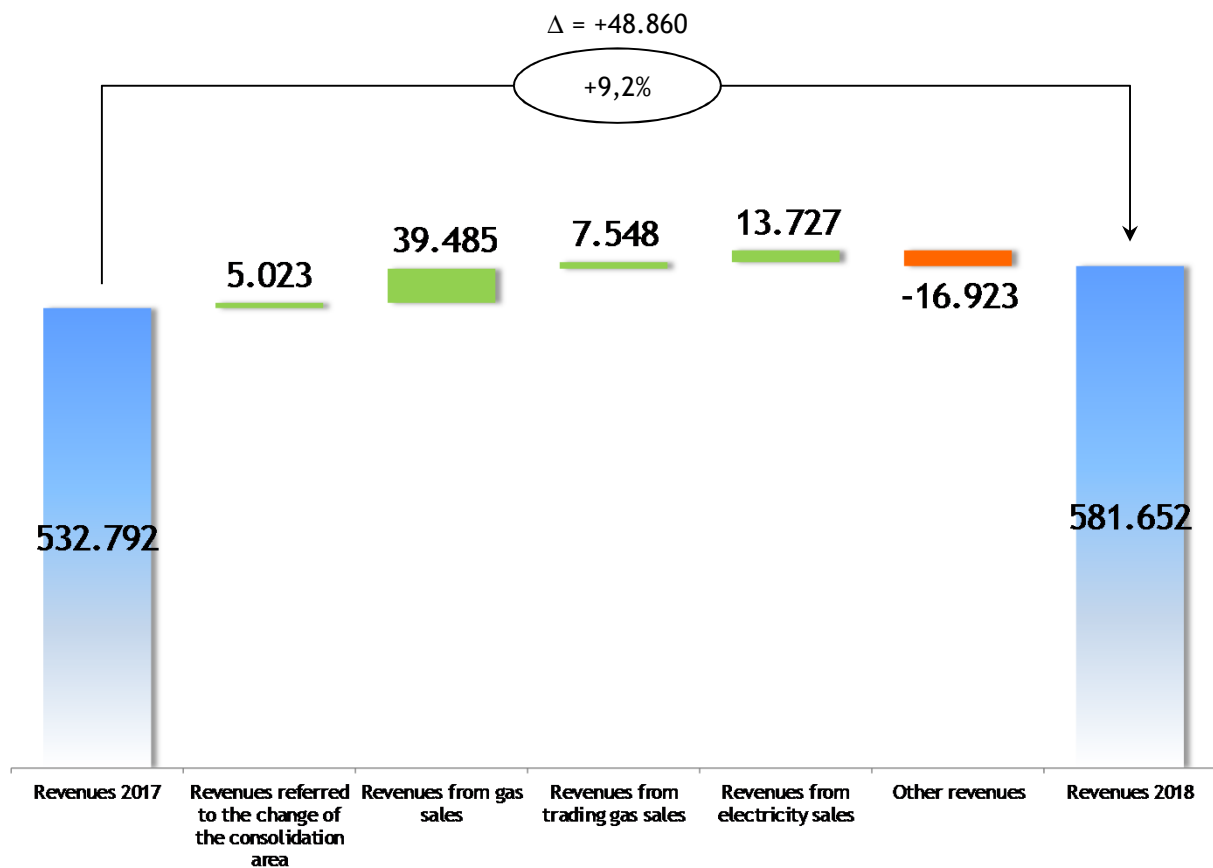
Capex

Net financial position and cash flow

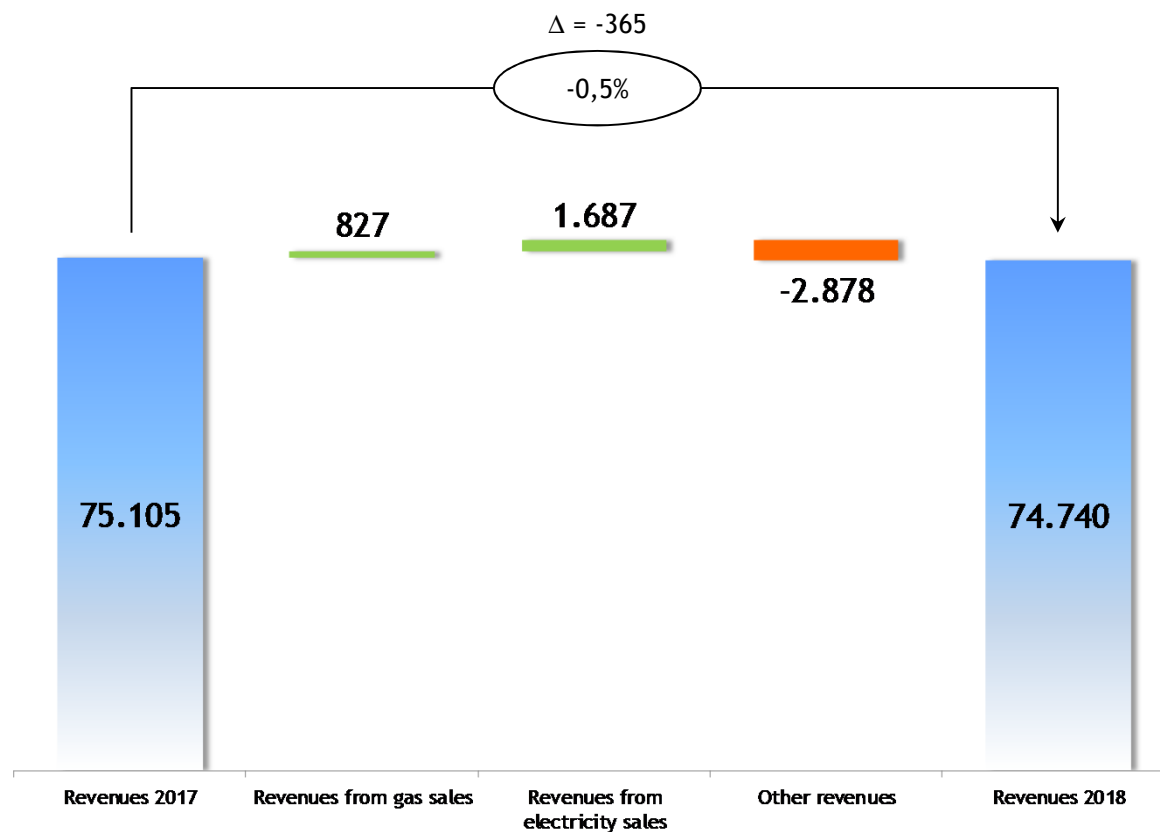
Dividend

Disclaimer

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

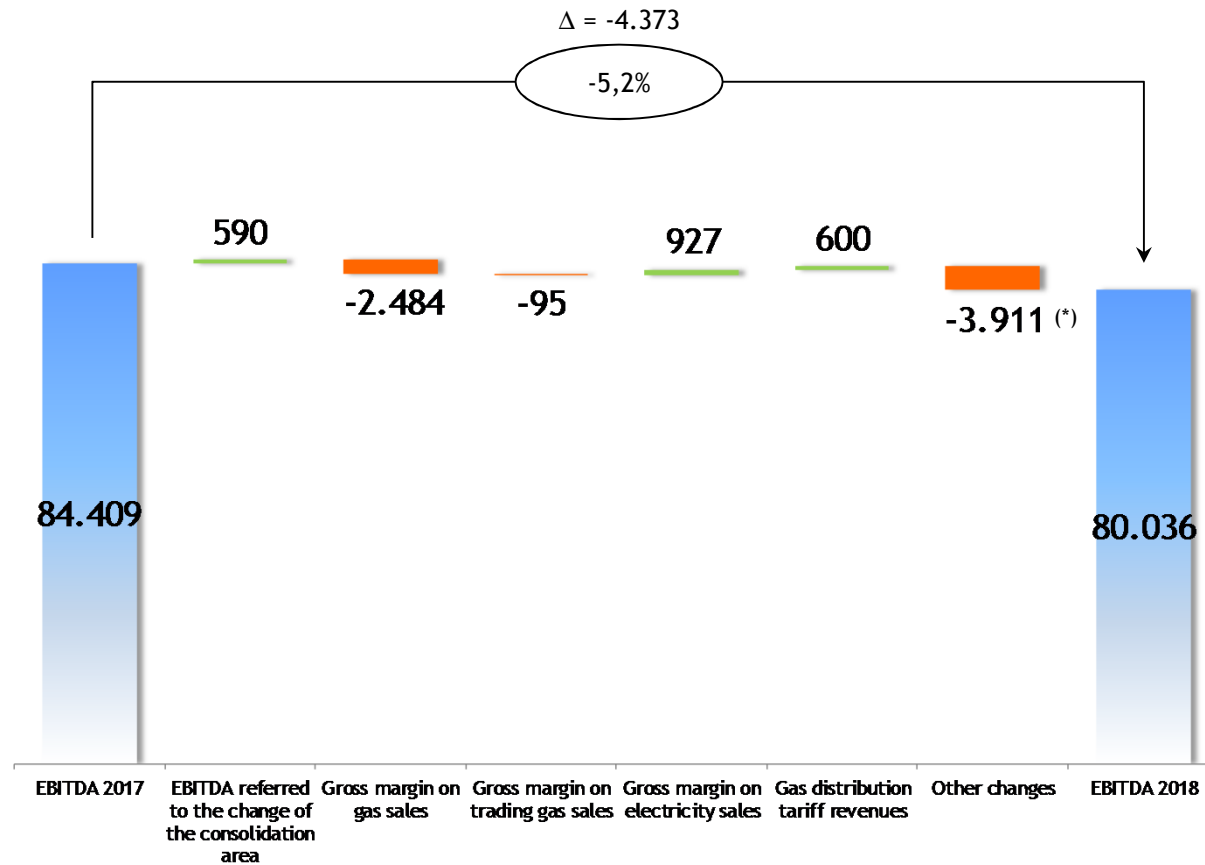


Revenues bridge Companies consolidated with net equity consolidation method (*) (Thousand of Euro)



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

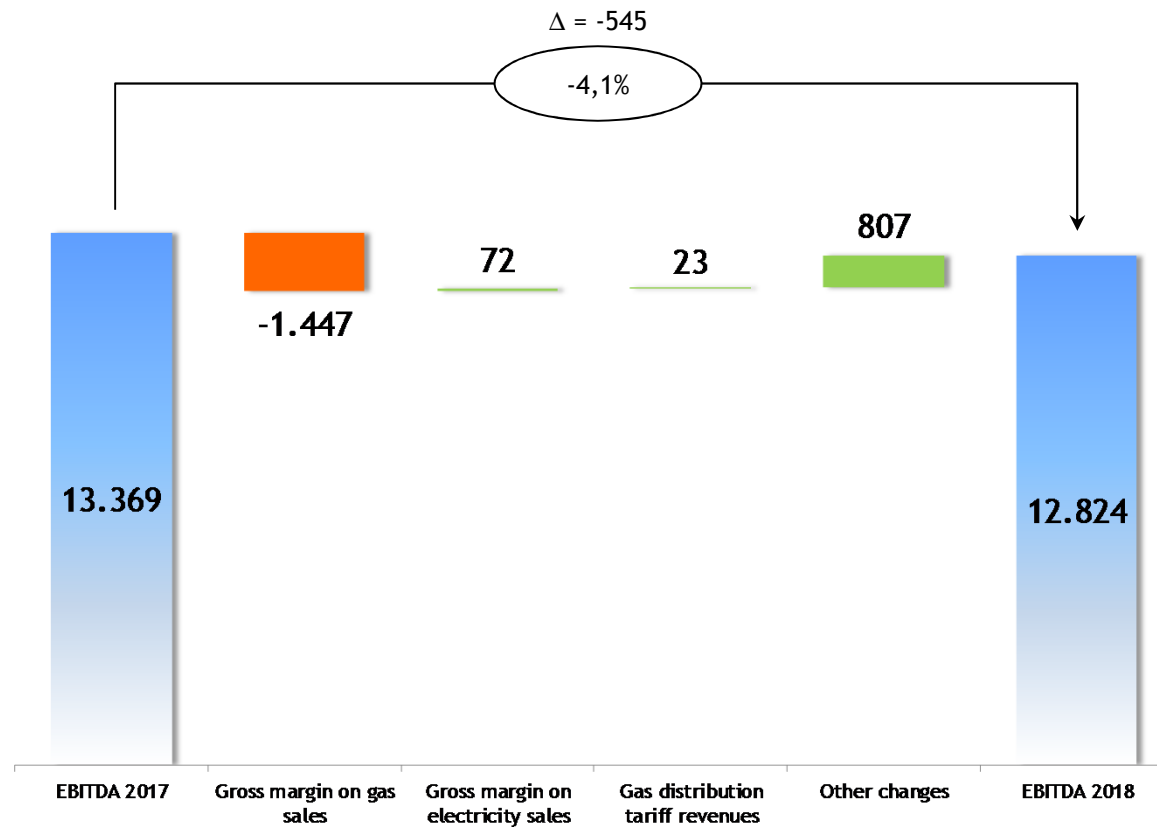
EBITDA bridge Companies consolidated with full consolidation method (Thousand of Euro)



(*) 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)	2018	2017	Var	Var %
EBITDA	80.036	84.409	(4.373)	-5,2%
EBITDA - Sale	38.549	41.051	(2.501)	-6,1%
EBITDA - Distribution	48.553	47.755	798	+1,7%
EBITDA - Ascopiave	(7.066)	(4.396)	(2.670)	+60,7%
EBIT	55.101	59.939	(4.839)	-8,1%
EBIT - Sale	34.524	35.913	(1.388)	-3,9%
EBIT - Distribution	29.245	30.232	(987)	-3,3%
EBIT - Ascopiave	(8.669)	(6.205)	(2.464)	+39,7%

EBITDA breakdown (2)

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

(Thousand of Euro)	2018	2017	Var	Var %
EBITDA	12.824	13.369	(545)	-4,1%
EBITDA - Sale	9.599	10.783	(1.184)	-11,0%
EBITDA - Distribution	3.225	2.586	639	+24,7%
EBIT	10.263	9.598	666	+6,9%
EBIT - Sale	8.466	8.193	273	+3,3%
EBIT - Distribution	1.798	1.405	393	+28,0%

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

Financial highlights

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

Personnel

Capex

Net financial position and cash flow

Dividend

Disclaimer

Gross margin on gas sales

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Revenues from gas sales	364.343	338.634	25.709	+7,6%
(Gas purchase costs)	(221.799)	(191.497)	(30.302)	+15,8%
(Gas distribution costs)	(84.279)	(86.389)	2.109	-2,4%
Gross margin on gas sales (A) <i>Company consolidated with full consolidation method</i>	58.264	60.748	(2.484)	-4,1%

The decrease of gross margin on gas sales of the companies consolidated with full consolidation method is equal to - Euro 2,5 mln. The decrease is mainly due to the application of the new regulation on gas settlement for the 2013-2017 period for Euro 3,5 mln.

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Gross margin on gas sales (B) <i>Company consolidated with net equity consolidation method (**)</i>	13.101	14.548	(1.447)	-9,9%
Gross margin on gas sales (A+B)	71.365	75.296	(3.931)	-5,2%

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

Gross margin on trading gas sales

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Revenues from trading gas sales	9.490	1.941	7.548	+388,8%
(Trading gas purchase costs)	(9.240)	(1.897)	(7.342)	+387,0%
(Trading gas transport / capacity costs)	(282)	19	(301)	-1552,7%
Gross margin on trading gas sales (A) <i>Company consolidated with full consolidation method</i>	(32)	63	(95)	-150,3%
(Thousand of Euro) (*)	2018	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)	(32)	63	(95)	-150,3%

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

Gross margin on electricity sales

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Revenues from electricity sales	109.377	93.740	15.637	+16,7%
(Electricity purchase costs)	(62.853)	(53.044)	(9.809)	+18,5%
(Electricity distribution costs)	(39.421)	(34.521)	(4.900)	+14,2%
Gross margin on electricity sales (A) <i>Company consolidated with full consolidation method</i>	7.102	6.175	927	+15,0%

The increase of gross margin on electricity sales of the companies consolidated with full consolidation method, equal to + Euro 0,9 mln, is due both to higher volumes of electricity sold and higher unit profit margins.

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Gross margin on electricity sales (B) <i>Company consolidated with net equity consolidation method (**)</i>	1.406	1.334	72	+5,4%
Gross margin on electricity sales (A+B)	8.508	7.509	999	+13,3%

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

Gas distribution tariff revenues

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Gas distribution tariff revenues	73.321	69.836	3.485	+5,0%
Gas distribution tariff revenues (A) <i>Company consolidated with full consolidation method</i>	73.321	69.836	3.485	+5,0%

The increase of gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 3,5 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 0,6 mln.

(Thousand of Euro) (*)	2018	2017	Chg	Chg %
Gas distribution tariff revenues (B) <i>Company consolidated with net equity consolidation method (**)</i>	5.733	5.710	23	+0,4%
Gas distribution tariff revenues (A+B)	79.054	75.546	3.508	+4,6%

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

Other net operating costs (1)

(Thousand of Euro)	2018	2017	Chg	Chg %
Other revenues	40.200	56.974	(16.774)	-29,4%
Other costs of raw materials and services	(72.789)	(84.532)	11.742	-13,9%
Cost of personnel	(26.030)	(24.855)	(1.174)	+4,7%
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(58.619)	(52.413)	(6.206)	+11,8%

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

Increase of other net operating costs of equal consolidation area: - Euro 3,9 mln

of which:

- *increase of cost of personnel: - Euro 0,9 mln;*
- *decrease of margin on energy efficiency tasks management: - Euro 0,7 mln;*
- *decrease of concession fees: + Euro 0,1 mln;*
- *decrease of CCSE contributions for security incentives: - Euro 0,2 mln;*
- *decrease of advertising and commercial costs: + Euro 0,6 mln;*
- *increase of margin on distributor services: + Euro 0,1 mln;*
- *decrease of contingent assets on firm acquisitions: - Euro 0,4 mln;*
- *increase of negative non-recurring components: - Euro 2,3 mln;*
- *other variations: - Euro 0,2 mln.*

Other net operating costs (2)

(Thousand of Euro)	2018	2017	Chg	Chg %
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(58.619)	(52.413)	(6.206)	+11,8%
Other net operating costs (B) <i>Company consolidated with net equity consolidation method (*)</i>	(7.417)	(8.224)	807	-9,8%
Other net operating costs (A+B)	(66.035)	(60.636)	(5.399)	+8,9%

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

Financial highlights

Operating data

Revenues and EBITDA

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

Personnel

→ Number of employees

→ Consolidated cost of personnel

Capex

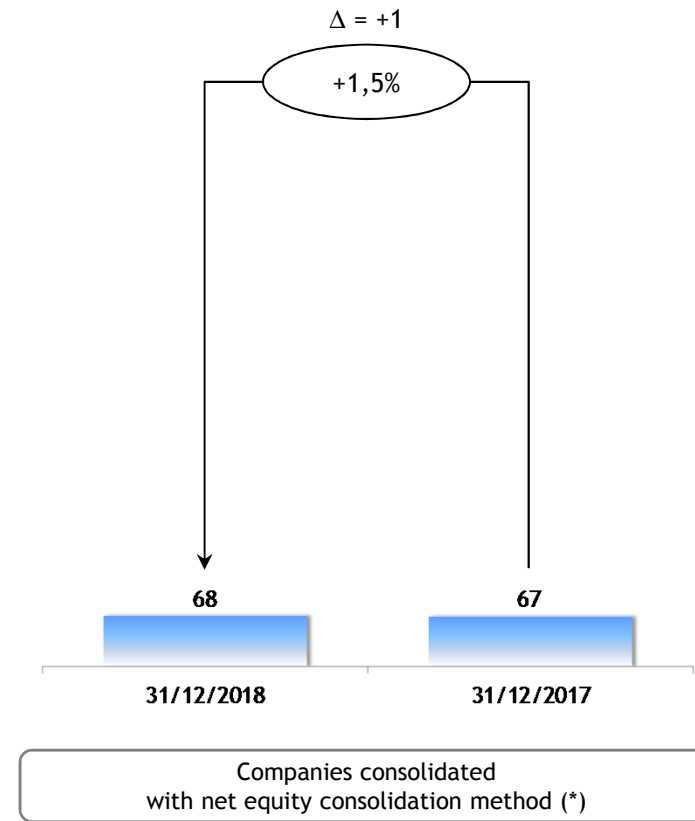
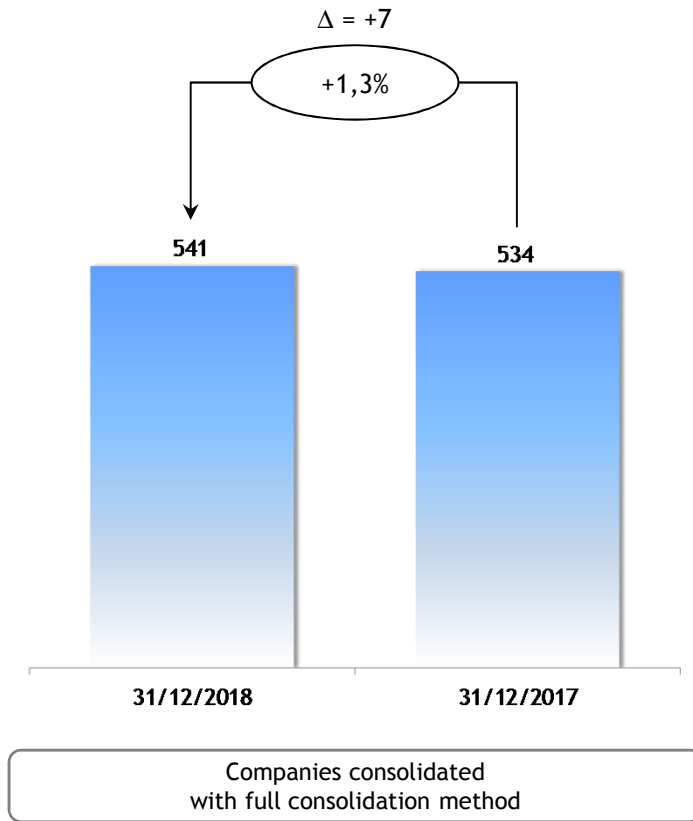
Net financial position and cash flow

Dividend

Disclaimer

Number of employees

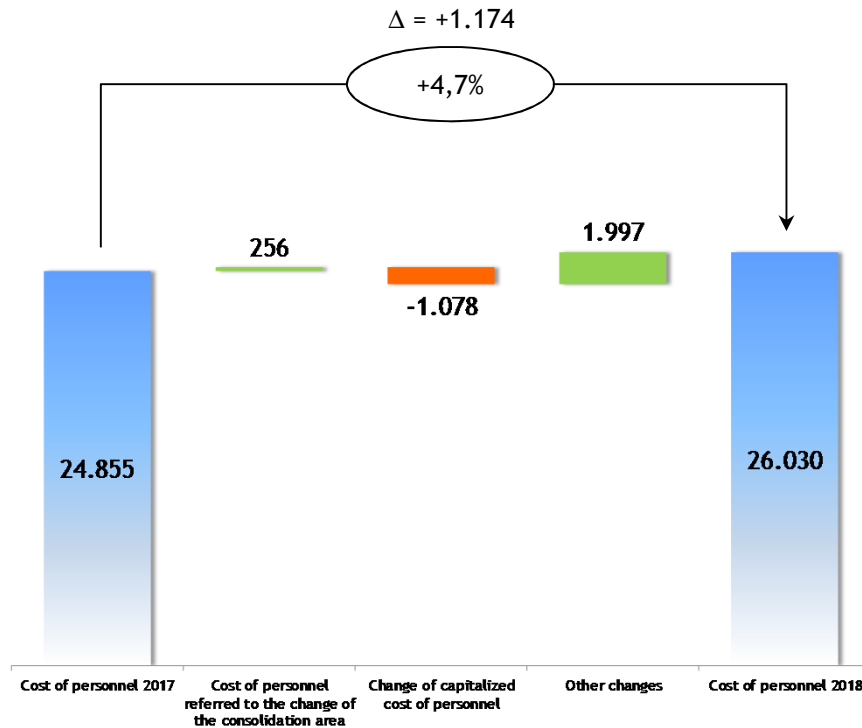
Number of employees



(*) 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 1,1 mln
- other: + Euro 2,0 mln, of which:
 - + Euro 2,4 mln: compensations for the termination of the employment contracts with the general manager and the CFO
 - - Euro 0,8 mln: compensations related to the long term incentive plan
 - + Euro 0,4 mln: other changes

FY 2018 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 3,1 mln (-0,2%).

Contents

Financial highlights

Operating data

Revenues and EBITDA

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

Personnel

Capex

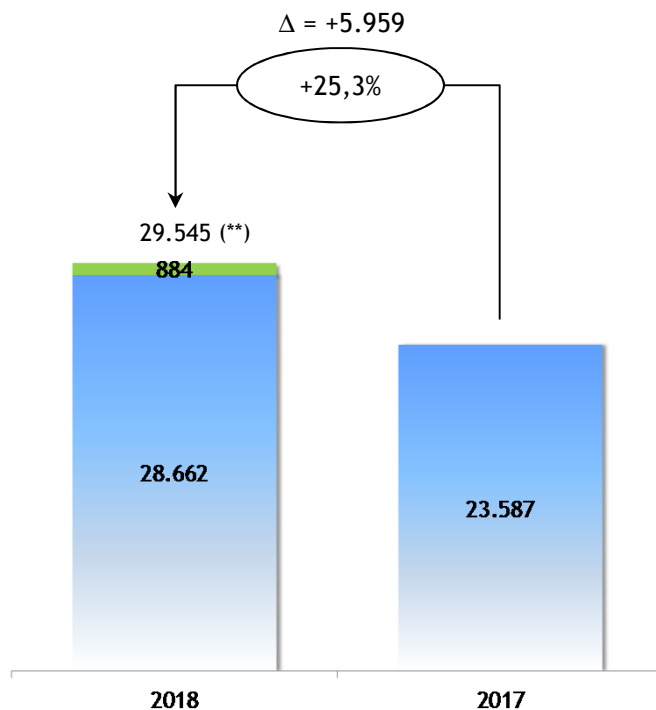
Net financial position and cash flow

Dividend

Disclaimer

Consolidated capex (*)

(Thousand of Euro)



- Change of the consolidation area: Euro 0,9 mln
- Gas distribution systems: Euro 15,0 mln
- Gas meters: Euro 11,9 mln
- Other: Euro 1,7 mln

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

FY 2018 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 1,6 mln (+1,6%).

(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments; (**) Investments in tangible assets: Euro 27,0 mln; investments in intangible assets: Euro 2,6 mln (excluded realizations of tangible and intangible assets and investments in associated); (***) AP Reti Gas Vicenza: 1stQ 2018.

Financial highlights

Operating data

Revenues and EBITDA

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

Personnel

Capex

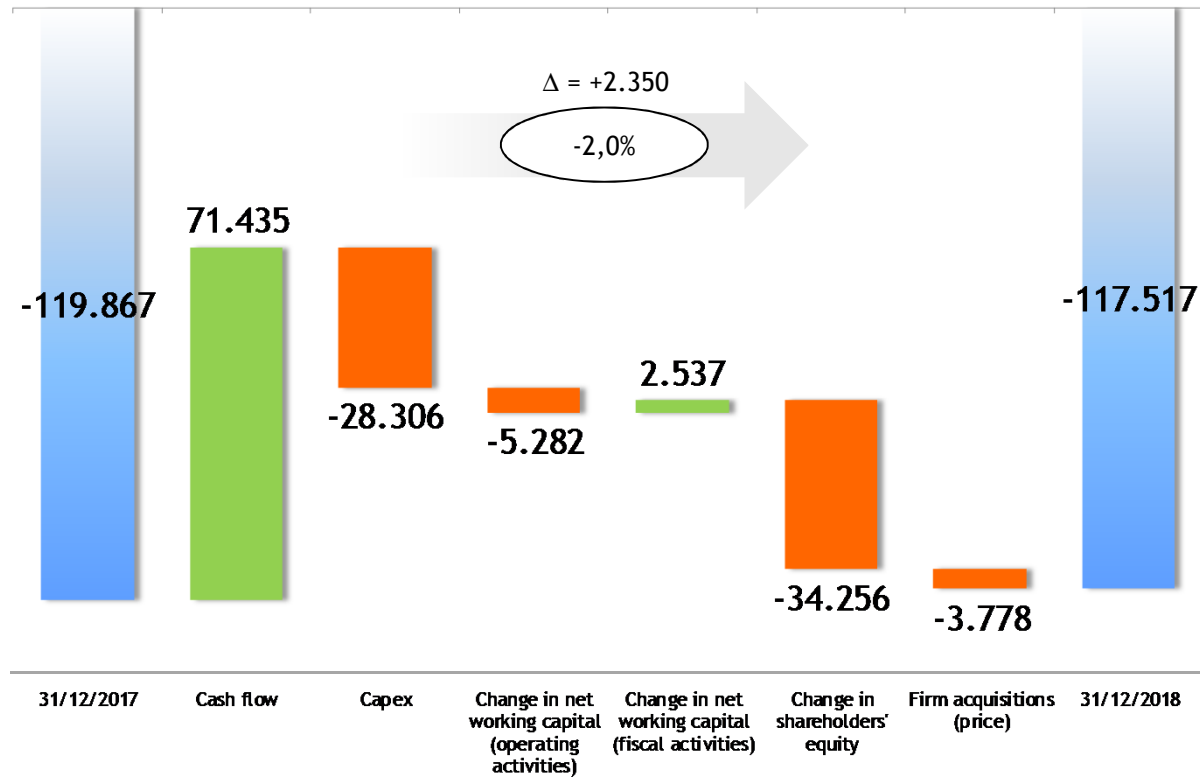
Net financial position and cash flow

Dividend

Disclaimer

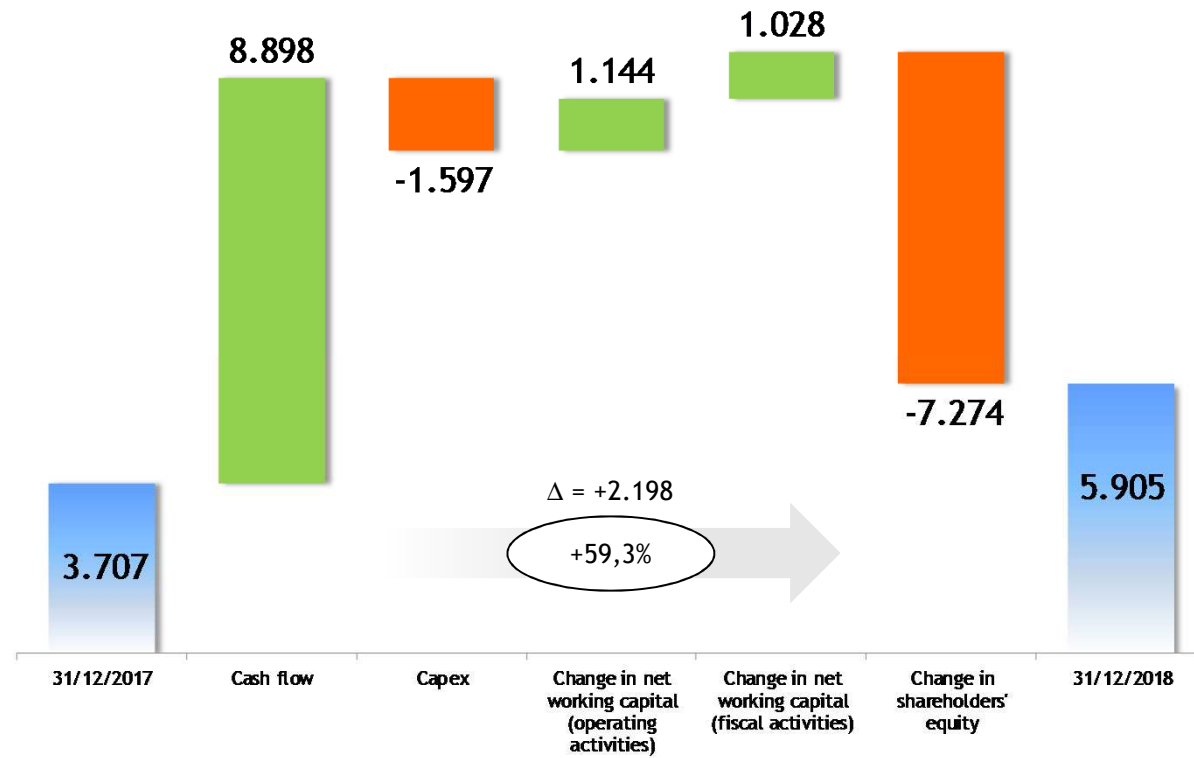
Net financial position and cash flow (1)

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)

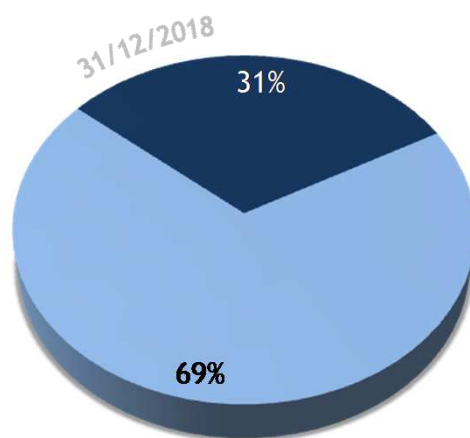


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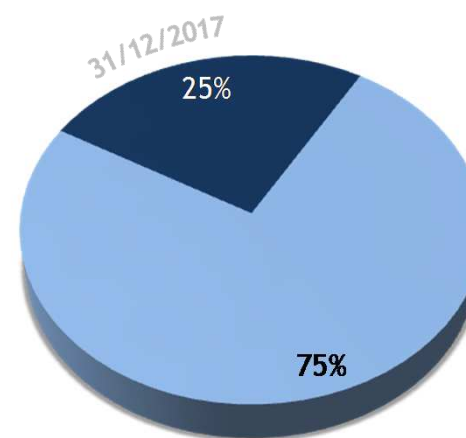
Net financial position and cash flow (3)

(Thousand of Euro) (*)	31/12/2018	31/12/2017	Var	Var %
Long term financial borrowings (>12 months)	55.111	54.360	751	+1,4%
Current position of long term financial borrowings	8.014	10.181	(2.167)	-21,3%
Short term financial borrowings (<12 months)	56.381	54.568	1.813	+3,3%
Total financial debt	119.506	119.109	397	+0,3%
Fixed rate borrowings	36.874	30.000	6.874	+22,9%
Floating rate borrowings	82.632	89.109	(6.477)	-7,3%

2018 average cost of debt: 0,51% (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.

Financial highlights

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

Dividend

→ Dividend proposal

→ Request from Asco Holding for the distribution of an extraordinary dividend

Disclaimer

Dividend proposal

DIVIDEND PROPOSED → **0,125 Euro per share**
(Euro 27,8 mln)



	2018	2017	2016	2015	2014	2013
	(Proposal)					
Dividends paid (Thousand of Euro) (*)	27.835	40.016	40.016	33.347	33.332	26.666
Group Net Income (Thousand of Euro)	44.625	47.135	53.635	43.014	35.583	38.678
Payout ratio	62%	85%	75%	78%	94%	69%
Dividends per share (Euro)	0,125	0,180	0,180	0,150	0,150	0,120
Dividend yield (**)	4,0%	5,3%	7,2%	7,0%	7,6%	8,4%

(*) Dividends to be paid estimated on the base of the outstanding shares at the end of the financial year; (**) Dividend yield = dividends per share / average price per share in the year.

Request from Asco Holding for the distribution of an extraordinary dividend

During the yesterday meeting, Ascopiave S.p.A.'s Board of Directors considered the request received from the parent company Asco Holding S.p.A. to convene the Shareholders' Meeting, pursuant to art. 2367, Italian Civil Code, and art. 125-ter, paragraph 3, Legislative Decree dated 24th February 1998, no. 58, whose agenda is "Extraordinary distribution of available reserves. Related and consequent resolutions".

Specifically, the distribution of an extraordinary dividend was requested in favour of all shareholders, up to Euro 50 million, sufficient to guarantee the payment to Asco Holding of a dividend equal to a maximum amount of Euro 30 million. The company has started the assessment of the sustainability of such extraordinary dividend, including the request of a fairness opinion from an external advisor.

The company has started the assessment of the sustainability of such extraordinary dividend, including the request of an opinion from an external advisor.

Contents

Financial highlights

Operating data

Revenues and EBITDA

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

Personnel

Capex

Net Financial Position and cash flow

Dividend

Disclaimer

Disclaimer

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