

Analyst Presentation FY 2018 Financial Results April 1st, 2019

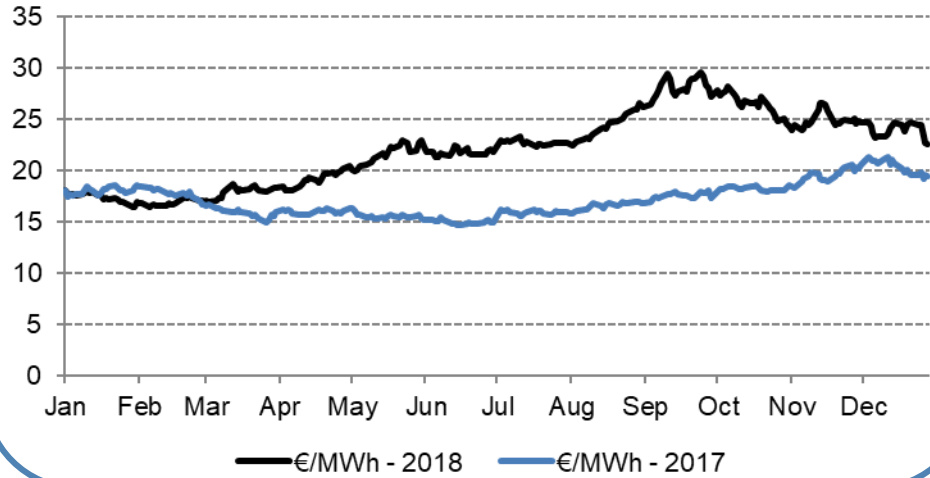


- **MARKET SCENARIO**
- **HIGHLIGHTS**
- **FINANCIAL RESULTS**

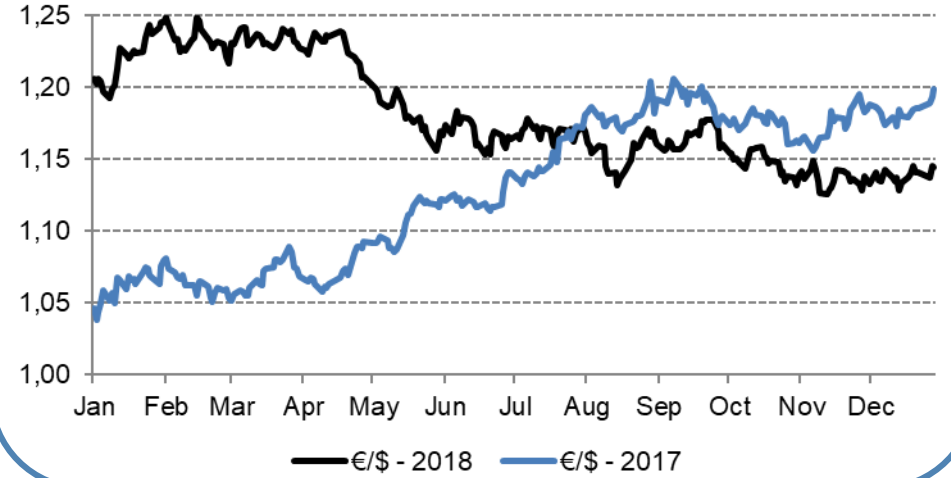
MARKET SCENARIO



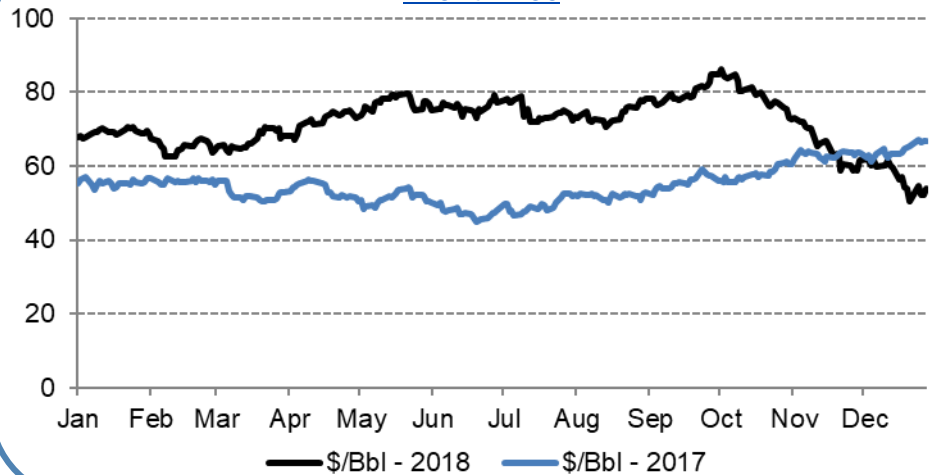
TTF Gas Price – Quarter Ahead



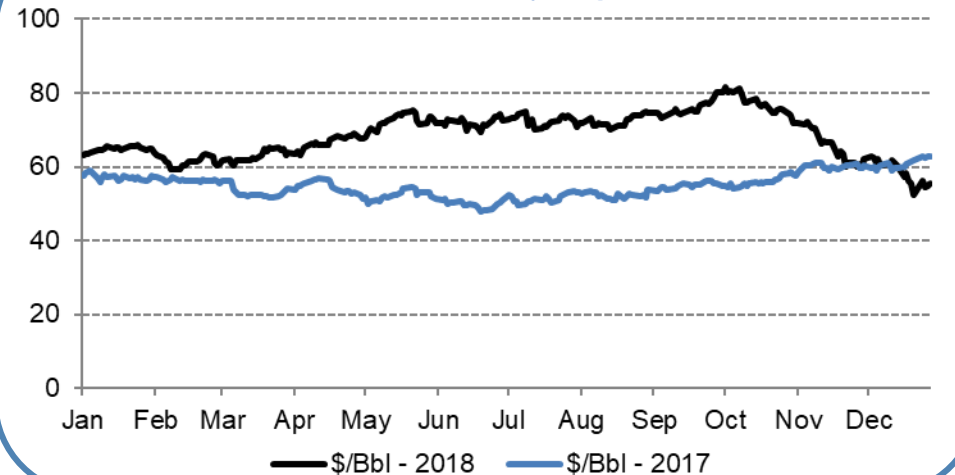
Euro – Us Dollar Exchange rate



Brent Price



Brent forward 1 year price



- ✓ **Positive turn around in two of the main E&P development projects:**
 - ✓ **In Italy: issued the authorization decrees of Longanesi project;**
 - ✓ **In Romania: approved the FID (Final Investment Decision) for the project MGD, with a Gas Plus stake of 10%.**
- ✓ **NFP at December 31st 2018 is € 42 M vs € 52.5 M at December 31st 2017.**
- ✓ **Slight increase in EBITDA margin as effect of:**
 - ✓ **E&P growth related to production increase and better price scenario;**
 - ✓ **Retail margins reduction mainly due to a mild winter and regulatory constraints.**
- ✓ **EBIT and Net Result contingently affected - as expected - by the full depreciation of the costs of two unsuccessful exploration wells in Romania.**
- ✓ **Favorable expectations on 2019 results considering:**
 - ✓ **For E&P the restart of Garaguso concession production from February 2019;**
 - ✓ **For Network & Transportation the consolidation of the newly acquired company RGF (closing on March 26th 2019).**

FY 2018 P&L - E&P contribution

E&P	FY18	FY17	% Change
Hydrocarbon Production (MScme)	128.3	123.5	4%
<i>of which natural gas</i>	<i>112.2</i>	<i>102.5</i>	<i>9%</i>
<i>of which oil and condensate</i>	<i>16.1</i>	<i>21.0</i>	<i>-23%</i>
EBITDA (M€)	12.4	9.8	+27%
Exploration Capex	3.3	1.6	106%
Development Capex	8.7	7.7	13%

- ✓ Exploration & Development:
 - ✓ Domestic activity:
 - “Longanesi” project: in Q4 the Ministry of Economic Development issued authorization decrees.
 - Mezzocolle: regular production (on yearly basis, 28 MScm).
 - Garaguso: in Q1 19 production restarted and ramp up ongoing.
 - ✓ International activity:
 - Activities in the offshore concession “Midia Shallow and Pelican” ongoing:
 - Development: FID and FoA for a 5% interest (subjects to Namr approval) signed on February 2019. The JV signed also the Gas Sales Agreement (GSA) with Engie, awarded the EPCIC contract to GSP Offshore and signed the transmission contract with Transgaz.
 - Exploration: two exploration wells drilled in May and June/July 2018. The first resulted dry and the second discovered a reservoir with volumes of gas lower than expected.
- ✓ Strong EBITDA growth (+27% vs FY 2017) thanks to stable production (+4% vs FY 2017) and above all to a positive price scenario.
- ✓ As of December 31th, 2018 2P hydrocarbon reserves are around 4.3 BScme.

FY 2018 P&L - Retail

Retail	FY18	FY17	% Change
Sales (MScm)	85.8	90.8	-5.5%
<i>Residential</i>	68.4	71.3	-4.1%
<i>Small Business/Multipod</i>	11.2	12.4	-9.7%
<i>Industrial</i>	6.2	7.1	-12.7%
EBITDA (M€)	5.3	7.1	-25.4%

EBITDA decrease due to:

- ✓ Sales reduction due to a negative thermal curve in particular in the Q4 18;
- ✓ Marginality decrease due to:
 - a) reduction of the marginality of the “regulatory formula”, following the elimination of the GRAD authority component from 01.01.2018;
 - b) reduction of the marginality of some clusters, in particular of the industrial customers.
- ✓ adjustments resulting from the publication of the gas purchase adjustment session, for the years 2013-2016

Constant attention to limit the switch rate providing customized offer to meet the needs of the customers (both Residential and Small Business) and focusing on the most interesting areas.

FY 2018 P&L – N&T Contribution

NETWORK	FY18	FY17	% Change
Distributed Volumes (MScm)	204.1	197.9	3%
Direct end users (#K)	96.2	96.1	0%
Pipeline (Km)	1,562.4	1,560.4	0%
EBITDA (M€)	6.8	6.7	1,5%
Capex (M€)	3.3	1.8	83%

Network

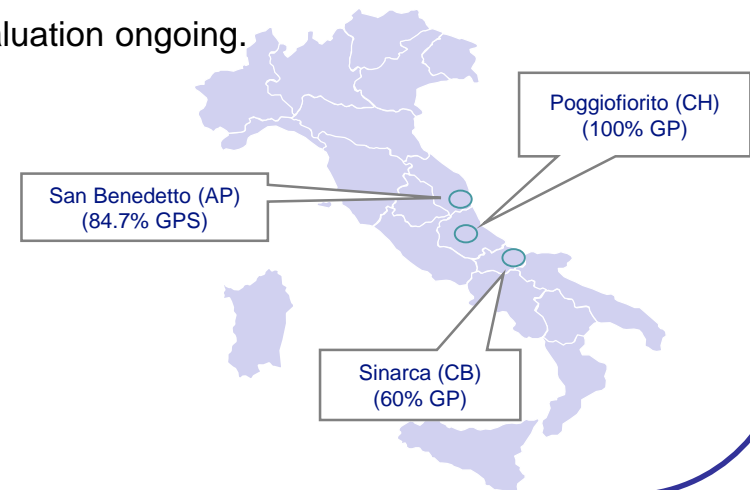
- ✓ Distributed volume and EBITDA aligned to previous period despite a reduction of the “price cap”.
- ✓ Evaluation of the new ATEM tenders in order, at least, to maintain the same perimeter of activities.
- ✓ Relevant tenders of the period: best bidder identified for Milan 1 ATEM and for Torino 2 ATEM.
- ✓ At the end of 2018, awarded the tender for the acquisition of RGF Srl, the company operates in the gas distribution in the Municipality of Fidenza.

TRANSPORTATION	FY18	FY17	% Change
Transported Volumes (MScm)	9.3	9.3	0%
Pipeline (Km)	41.8	41.8	0%
EBITDA (M€)	0.1	0.1	0%

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, application for EIA duration extension ongoing.
- ✓ **POGGIOFIORITO (100% GPS):** EIA obtained in June 2014, application for EIA duration extension ongoing.
- ✓ **SINARCA (60% GPS - Operator):** Final authorization obtained. Technical and economic evaluation ongoing.



FY 2018 – Group P&L

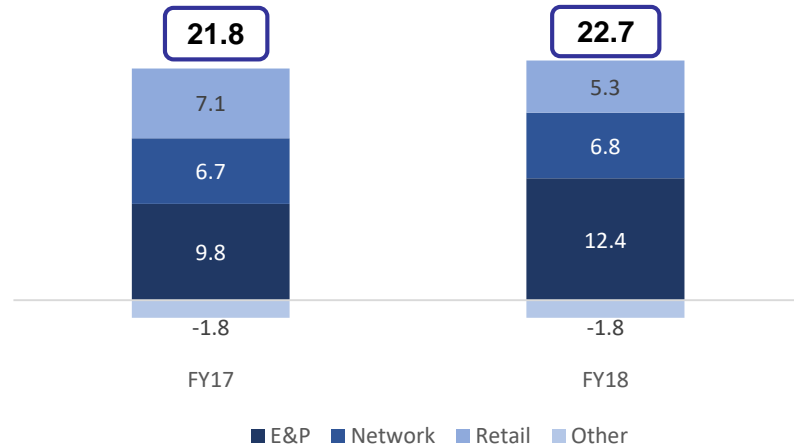
Group (M€)	FY18	FY17	% Change
Revenues	88.6	84.4	5%
Operating Costs	65.9	62.6	5%
EBITDA	22.7	21.8	4%
EBIT	3.1	6.8	(55%)
EBT	(2.5)	1.1	(325%)
Net Result	(1.8)	0.8	(339%)
EPS (€)	(0.04)	0.02	(142%)

FY18 Financial results

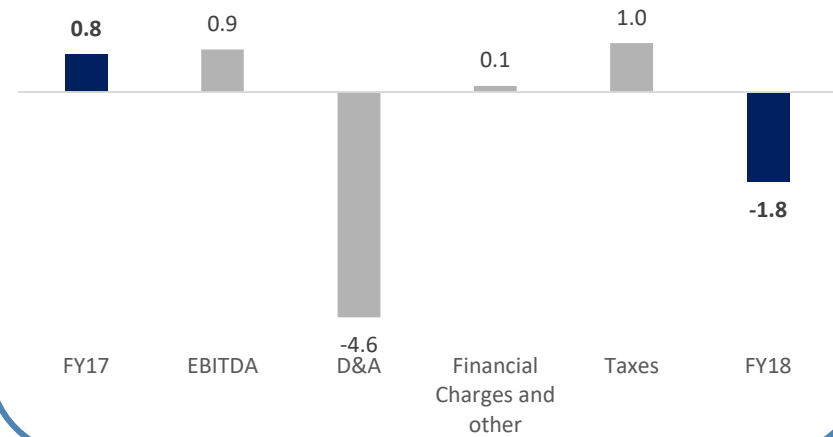
- ✓ Growth in:
 - *revenues* due to the higher hydrocarbon sales and the improvement of energy scenarios;
 - *operating costs* only due to higher gas supply costs of retail activities.
- ✓ Increase in *EBITDA* thanks to the improvement of E&P activities results.
- ✓ *EBIT* and *Net Result* affected by the increase of depreciations following the negative outcome of the two exploration wells in Romania.

FY 2018 Consolidated results

EBITDA breakdown by BU (M€)



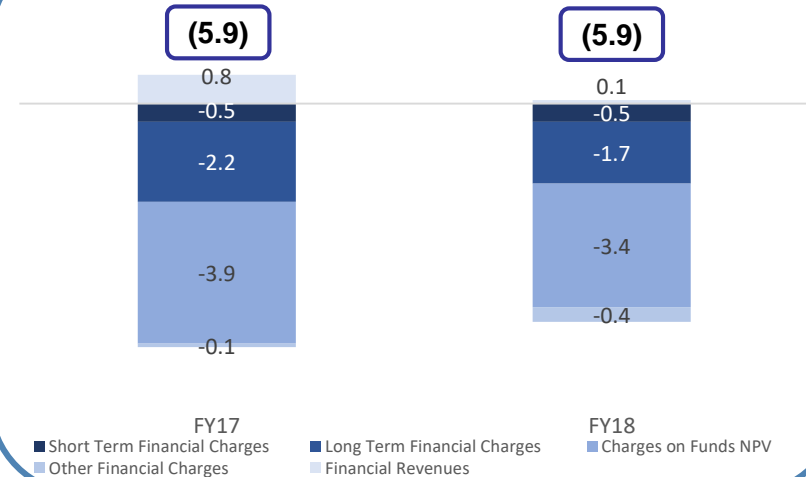
Group Net Result evolution (M€)



Group EBITDA evolution (M€)



Net Financial Charges evolution (M€)



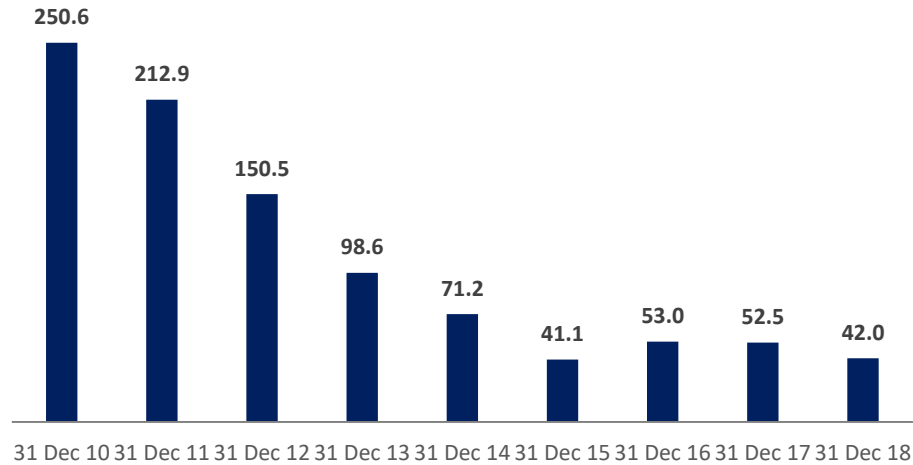
December 31, 2018 – Group Balance Sheet

Group (M€)	Dec 31, 2018	Dec 31, 2017	% Change
Inventories	3.5	4.4	-20.45%
Receivables	26.9	24.2	11.16%
Payables	(29.6)	(23.3)	-27.04%
Other working Credits/Debits	(1.2)	3.0	-140.00%
Non current Assets	436.0	443.6	-1.71%
Taxes, Abandonment, Severance and Other provision	(180.6)	(184.6)	2.17%
Net invested capital	255.0	267.3	-4.60%
Net Financial Debt	42.0	52.5	-20.00%
<i>of which long term</i>	25.5	40.2	-36.72%
<i>of which short term</i>	16.5	12.3	-35.25%
Equity	213.0	214.8	-0.84%
Total Sources	255.0	267.3	-4.60%

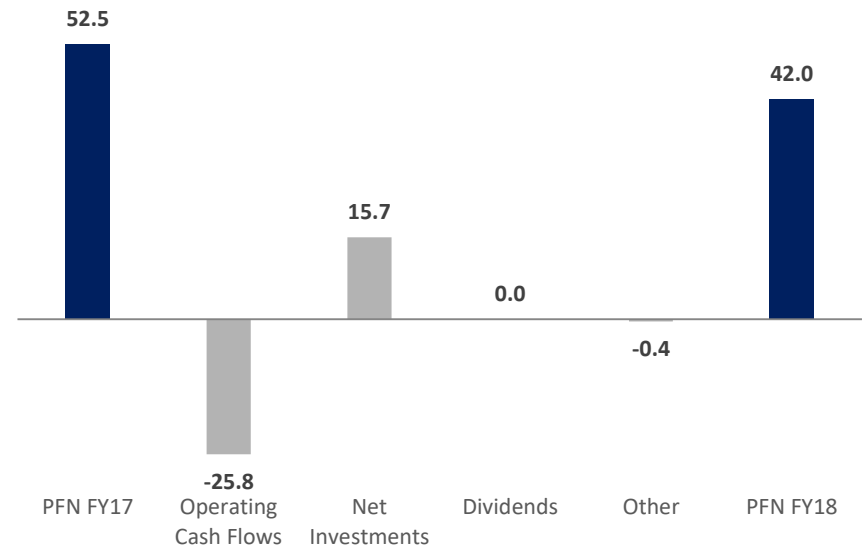
- ✓ Strong decrease in *Working Capital* after the temporary increase at the end of 2017 due to the change in billing frequency of the retail activities.
- ✓ Further reduction in Net Financial Debt vs. 31 Dec 2017, despite of higher investments, thanks to the positive cash flows of all business units.
- ✓ Decrease in Debt/Equity ratio from 0.24 to 0.20.

NFP Trend

Group NFP historical trend (M€)

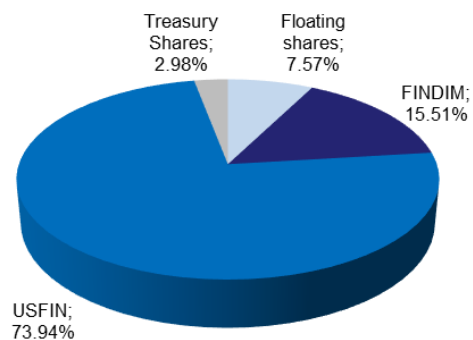


Group NFP evolution (M€)



- ✓ Despite investments for € 15,7 M, the NFP is close to its lowest level since 2010 and this trend will change only for new relevant investments.
- ✓ The operating cash flow exceeded expenditure on investments and other charges.

Shareholding as at 31 Dec 2018



Share information

N. of share: 44,909,620

Share price as of 28/12/2018: € 2.29

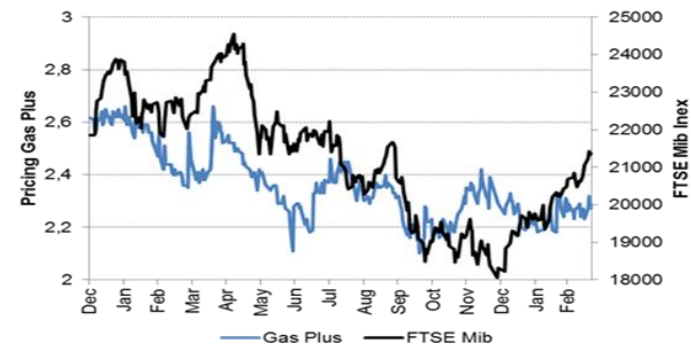
Share price as of 29/03/2019: € 2.28

Mkt cap 28/12/2018 : € 102.8 million

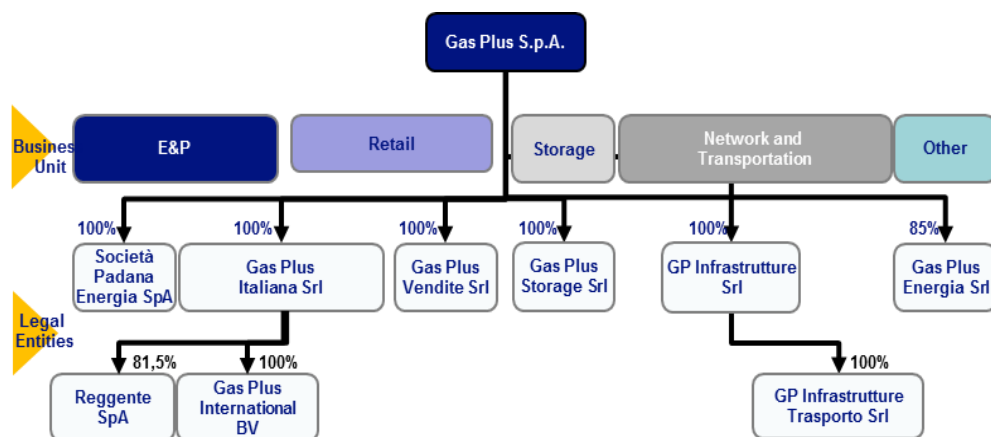
Italian Stock Exchange – segment MTA

Own shares as of 31/12/2018: 1,336,677

Share price performance



Group structure



Management

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

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