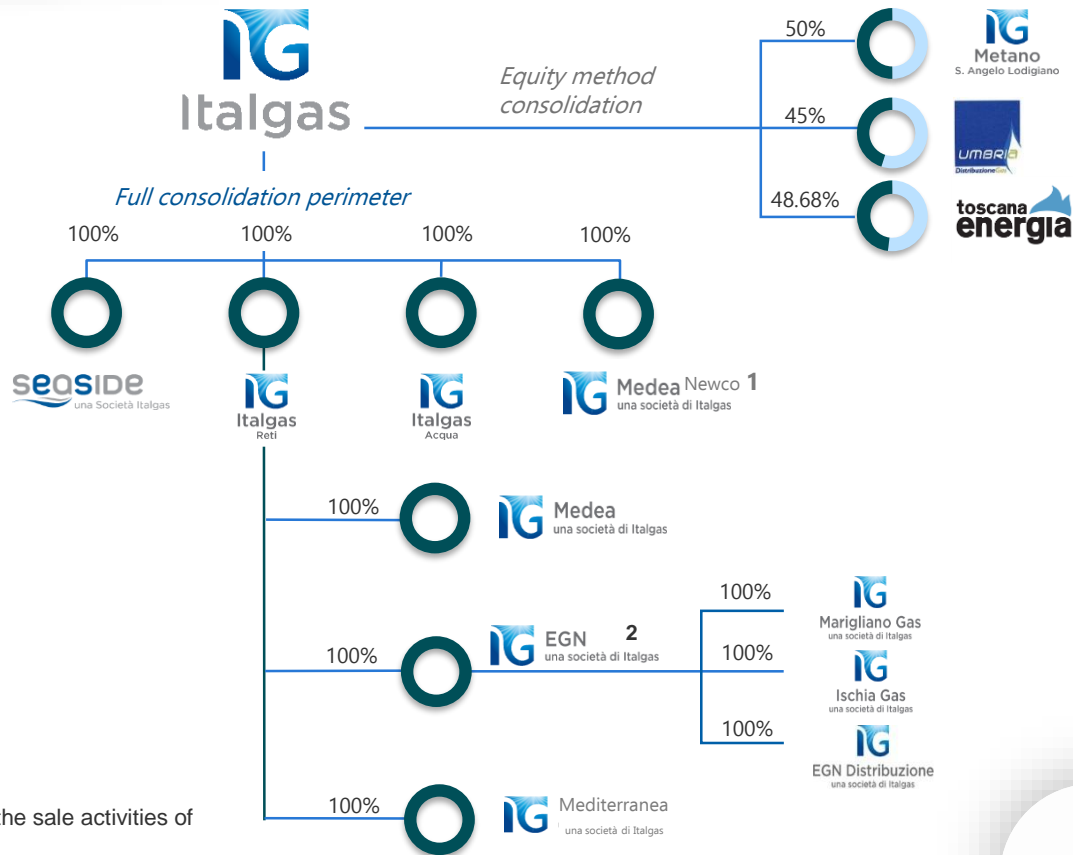




1H 2019 Consolidated Results



Corporate structure as at June 2019



(1) Established on 7 May 2019, to operate in the sale activities of methane, LPG and propane air.

(2) To be merged into Italgas Reti; effective from August 1, 2019

1H 2019: confirming a profitable growth path

€ mn

vs 1H 2018

▪ Revenue

€609.4



▪ EBITDA

€433.9



EBITDA Margin 71.2%

▪ EBIT

€241.6



▪ Net Profit

€166.2



vs 1H 2018

▪ Operating cash flow

€507.7



▪ Capex

€317.7



▪ Consolidated Net Debt *

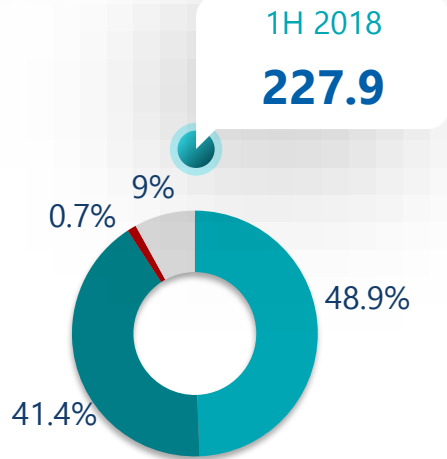
€3,858.7**



(*) Excluding 74.2mn for operating leases (IFRS 16)

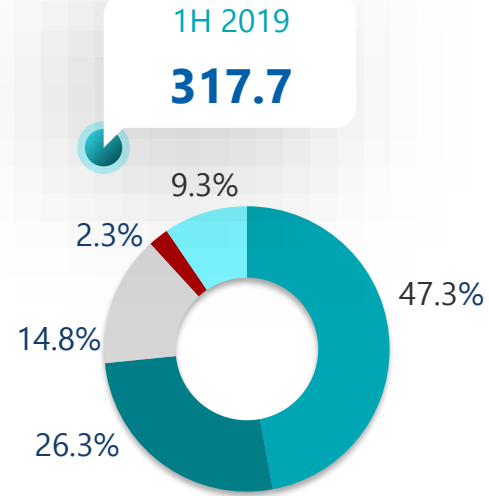
(**) Year end 2018: €3,814.3 mn

1H 2019: capex delivery



**~850,000
smart meters
installed***

* Of which ~770,000 units related to the replacement of traditional meters



**~870,000
smart meters
installed***

* Of which ~740,000 units related to the replacement of traditional meters

 Distribution
 Metering

 Others
 Sardinia

 Digitization

1H 2019: network capex

1H 2018

111.3 € mn

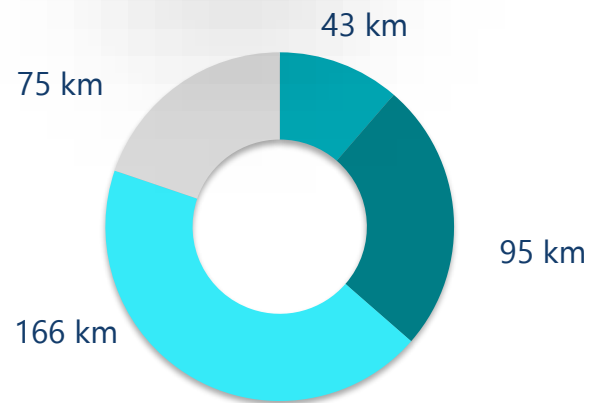
91 km



1H 2019

179.7 € mn

379 km



Extension New network Maintenance Sardinia

Income Statement

€mn

	2018 1st Half	2019 1st Half	Change
Revenues	595.6	609.4	13.8
Operating expenses	- 171.4	- 175.5	- 4.1
EBITDA	424.2	433.9	9.7 ↑ 2.3%
Depreciation & amortisation	- 201.2	- 192.3	8.9
EBIT	223.0	241.6	18.6 ↑ 8.3%
Net interest income (expenses)	- 23.7	- 24.1	- 0.4
Net income from associates	9.7	11.8	2.1
EBT	209.0	229.3	20.3 ↑ 9.7%
Income taxes	- 58.3	- 63.1	- 4.8
NET PROFIT	150.7	166.2	15.5 ↑ 10.3%

Consolidated Revenues

€mn

Regulated revenues

Distribution

Tariff contribution for meters replacement

Other distribution revenues

Other revenues

TOTAL REVENUES

2018
1st Half

580.5

502.2

47.0

31.3

15.1

595.6

2019
1st Half

572.2

520.0

15.5

36.7

37.2

609.4

Change

- 8.3

17.8

- 31.5

5.4

22.1

13.8

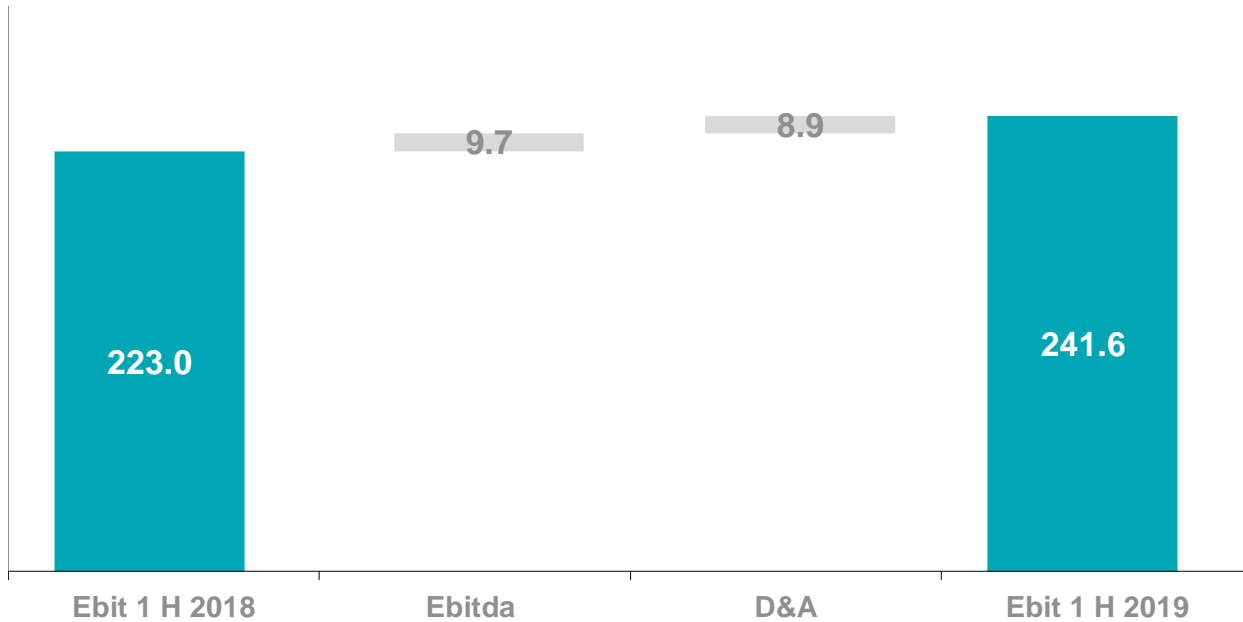
Consolidated Opex

€mn

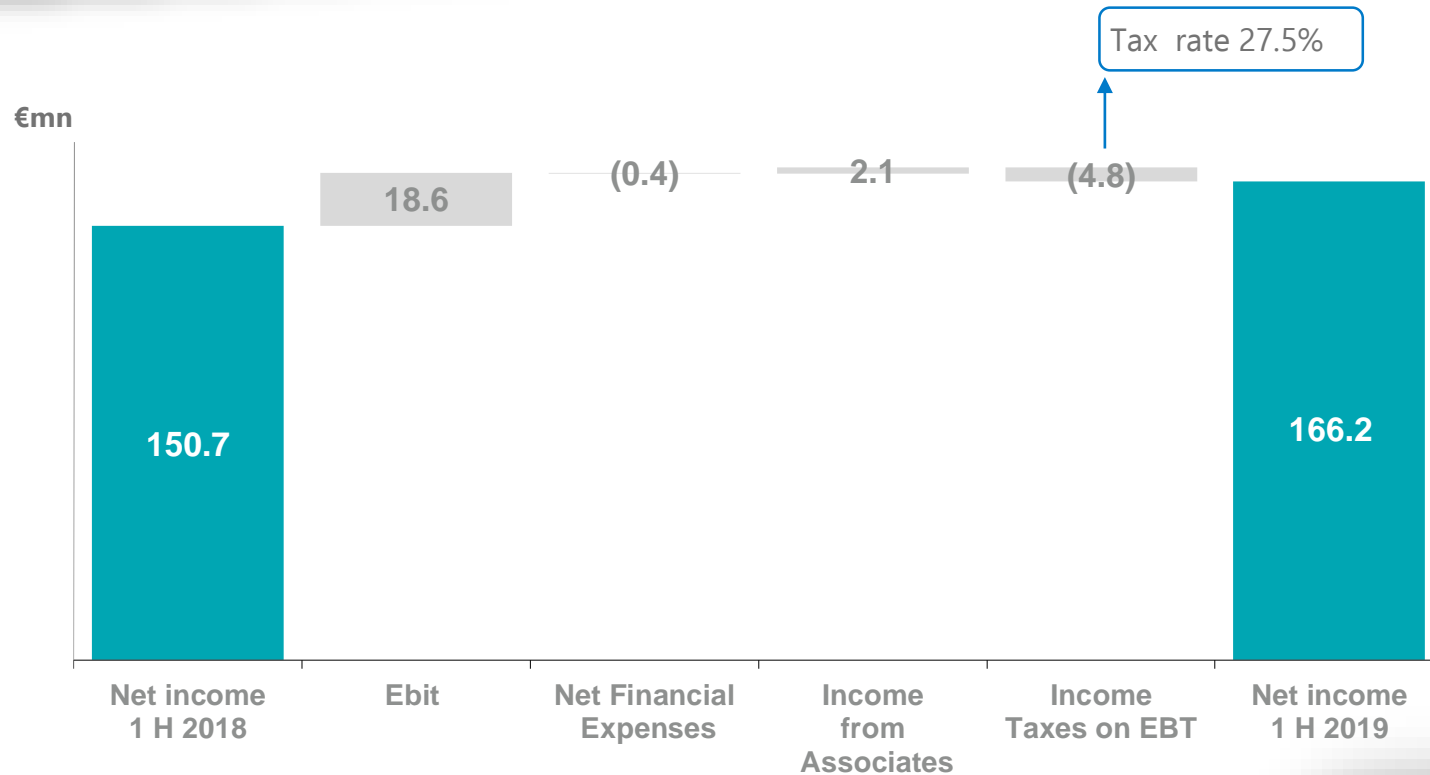
	2018 1st Half	2019 1st Half	Change
Gas Distribution activities	163.1	162.3	- 0.8
Fixed costs	129.9	117.2	- 12.7
Net labour cost	71.9	67.2	- 4.7
Net external cost	58.0	50.0	- 8.0
Variable costs	2.7	4.5	1.8
Other costs	5.6	2.4	- 3.2
Tee	- 1.6	7.8	9.4
Concessions fees	26.5	30.4	3.9
Other activities	8.3	13.2	4.9
Net labour cost	1.4	2.7	1.3
Net external cost	6.9	10.5	3.6
TOTAL COSTS	171.4	175.5	4.1

Ebit: +8.3% vs 1H 2018

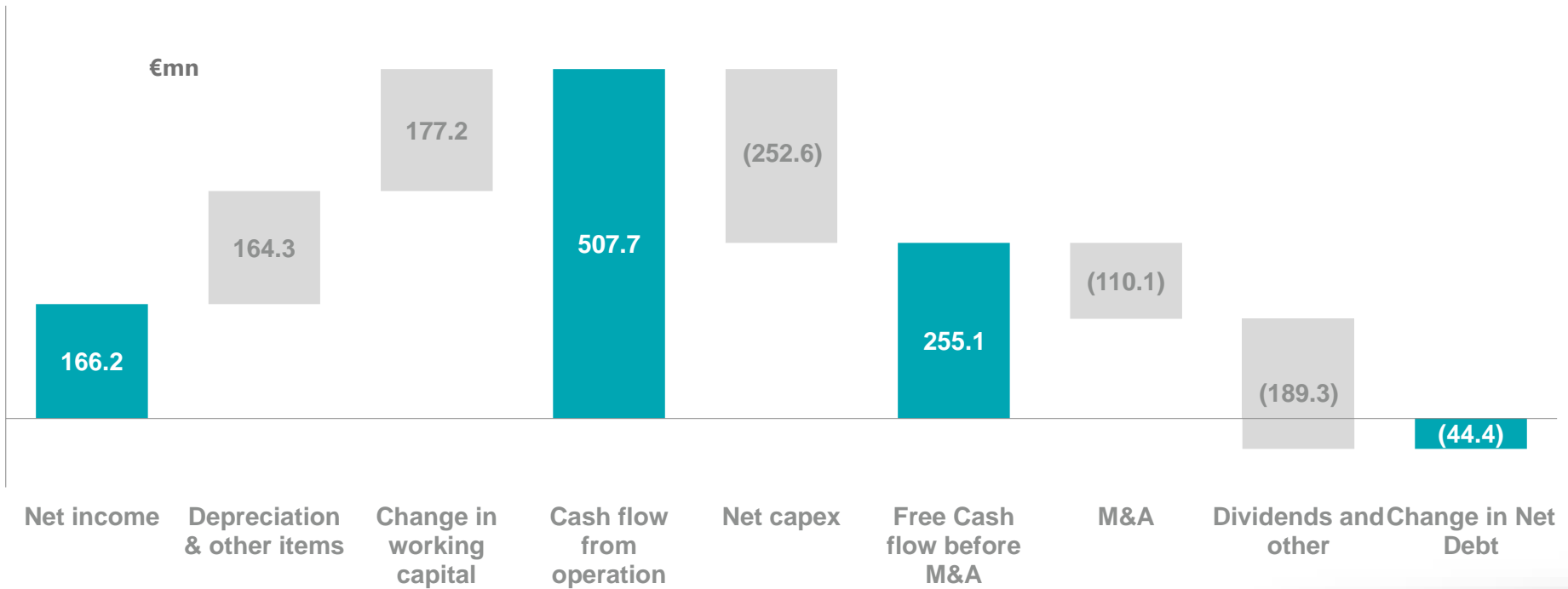
€mn



Net Income: + 10.3% vs 1H 2018



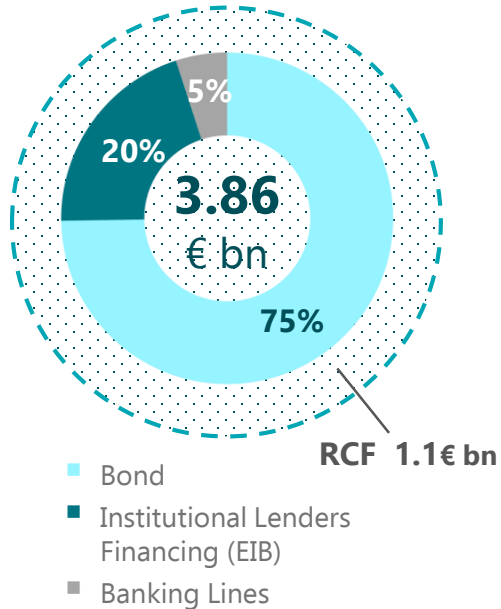
Consolidated Cash Flow



Debt Structure: solidity and efficiency

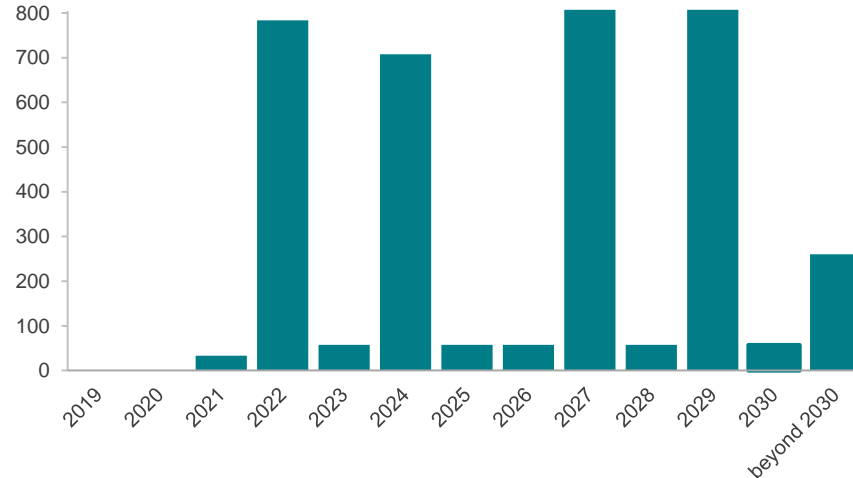
4.8 € bn

Total Committed
Credit Facilities and Bonds



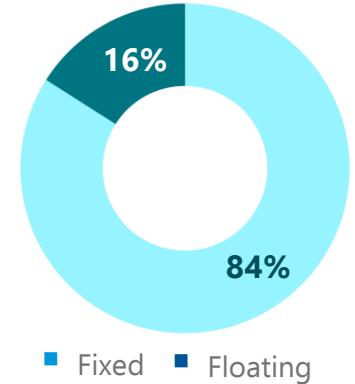
Debt Structure as at June 30th, 2019

No refinancing risks until 2022



Expected 2019 cost of debt
1.2%

Fixed Floating ratio



Balance sheet

€mn

	2018 Dec, 31st	2019 1 st Half	Change
Net invested capital	5,193.5	5,233.8	40.3
Fixed capital	5,284.1	5,456.4	172.3
Tangible fixed assets	259.2	282.5	23.3
Net intangible fixed assets	4,982.8	5,153.8	171.0
Net payables investments	- 133.1	- 156.2	- 23.1
Equity-accounted and other investments	175.2	176.3	1.1
Net working capital	5.7	- 116.3	- 122.0
Receivables	737.1	575.1	- 162.0
Liabilities	- 731.4	- 691.4	40.0
Provisions for employee benefits	- 107.9	- 106.5	1.4
Assets held for sale and directly related liabilities	11.6	0.2	- 11.4
Net financial debt	3,814.3	3,858.7	44.4
Financial debt for operating leases (IFRS 16)	49.9	74.2	24.3
Shareholders' equity	1,329.3	1,300.9	- 28.4



Q & A





Annexes



Income statement

€mn	2018 2 nd Quarter	2019 2 nd Quarter	Change
Revenues	312.8	298.6	- 14.2
Operating expenses	- 87.0	- 83.9	3.1
EBITDA	225.8	214.7	- 11.1
Depreciation & amortisation	- 115.2	- 96.7	18.5
EBIT	110.6	118.0	7.4
Net interest income (expenses)	- 11.7	- 11.9	- 0.2
Net income from associates	4.9	6.0	1.1
EBT	103.8	112.1	8.3
Income taxes	- 27.8	- 32.2	- 4.4
NET PROFIT	76.0	79.9	3.9

Income statement

€mn	2019 1 st Quarter	2019 2 nd Quarter
Revenues	310.8	298.6
Operating expenses	- 91.6	- 83.9
EBITDA	219.2	214.7
Depreciation & amortisation	- 95.6	- 96.7
EBIT	123.6	118.0
Net interest income (expenses)	- 12.2	- 11.9
Net income from associates	5.8	6.0
EBT	117.2	112.1
Income taxes	- 30.9	- 32.2
NET PROFIT	86.3	79.9

Disclaimer

Italgas's Manager, Giovanni Mercante, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

This presentation contains forward-looking statements regarding future events and the future results of Italgas that are based on current expectations, estimates, forecasts, and projections about the industries in which Italgas operates and the beliefs and assumptions of the management of Italgas.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Therefore, Italgas's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally.

Any forward-looking statements made by or on behalf of Italgas speak only as of the date they are made. Italgas does not undertake to update forward-looking statements to reflect any changes in Italgas's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The reader should, however, consult any further disclosures Italgas may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.



1H 2019 Consolidated Results

