



2020 performance update

Milan

11.06.2020



ACTIVITY RAMP-UP POST LOCKDOWN

RAMP-UP PHASE

post lockdown

Level of activity is picking up progressively as we expected

Looking at the “new normal” way of operating as a an opportunity

Digitization is a major competitive advantage

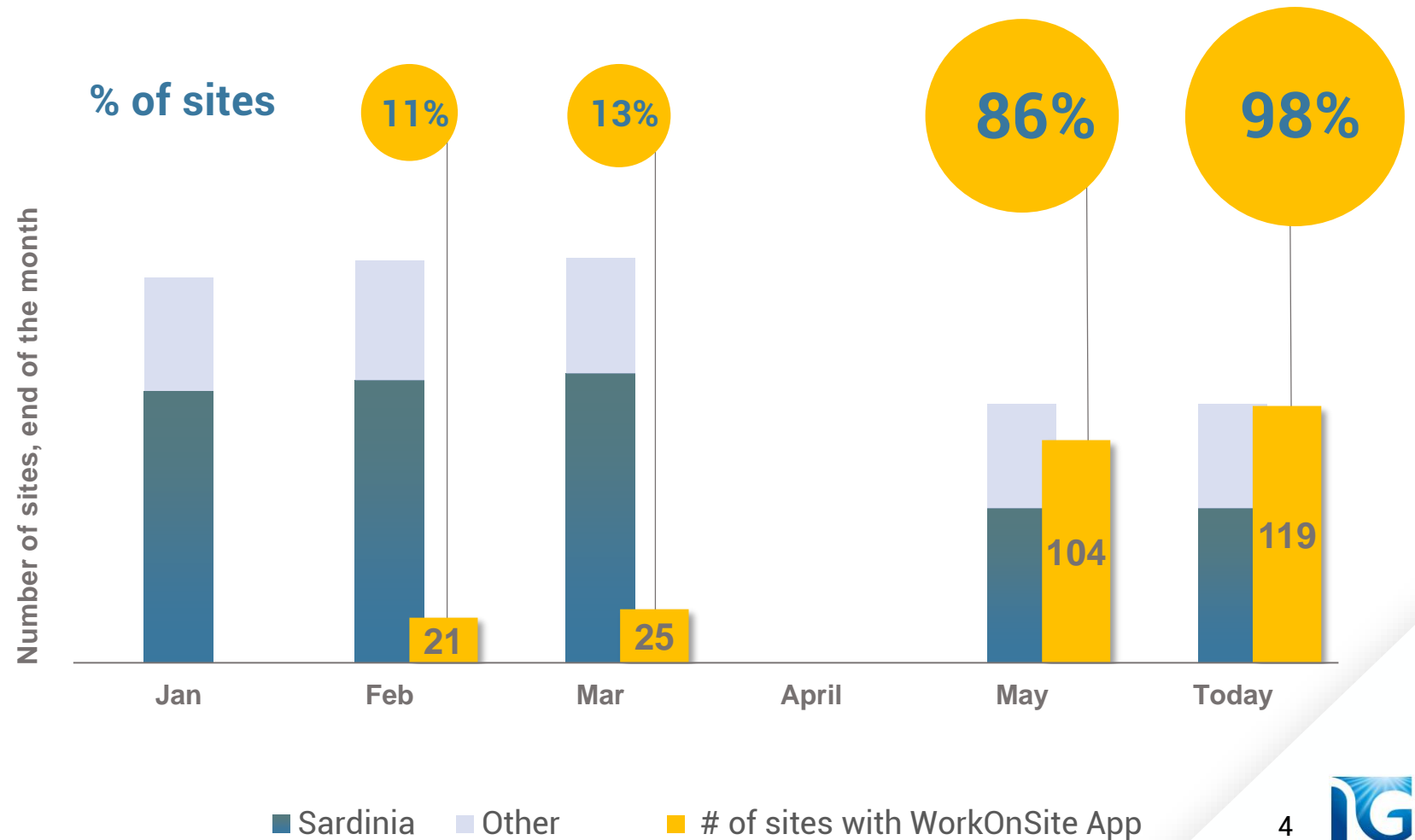
- **Restart of all work-field activities**
- **WorkOnSite App** takeout boosted
- **Safety and Quality** remain priorities
- **Capex, M&A and tenders** in focus
- **Working capital under control**
- **Capital markets** remain healthy and open
- **Staff** to progressively return to offices
- Learning from lockdown, **Italgas reloaded project** to rethink our way of working

MAJOR CONSTRUCTION SITES including Sardinia

Construction works restarting on major sites, after the Covid-19 induced stoppage

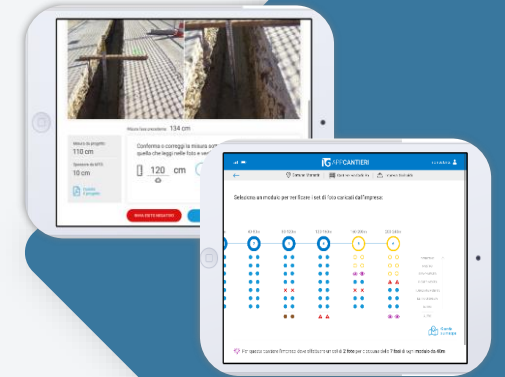
Use of WorkOnSite App has surged – positive for costs, quality and safety.

~5x
construction sites where **WorkOnSite App** is used today vs March



APPLIED DIGITALISATION WorkOnSite App

- **Proprietary app** developed by our **Digital Factory**
- Allows **remote monitoring** of construction sites
- Takes advantage of **AI capabilities** for part of the remote controls
- Working to **extend usage** to smaller construction sites and to simplify reporting



MAIN BENEFITS

- **Reduced personnel on the field**
- **Better supervision**
- **Improved quality of works and compliance**
- **Supplier also benefit**



A FEW RELEVANT NUMBERS

on digitisation since the restart



238

External users of our WorkOnSite App



16,300

Photos sent from construction sites to our systems by WorkOnSite App users



82%*

of photos sent by WorkOnSite App users resulting in a positive signal



166,000

Interventions scheduled by our suppliers using our scheduling application

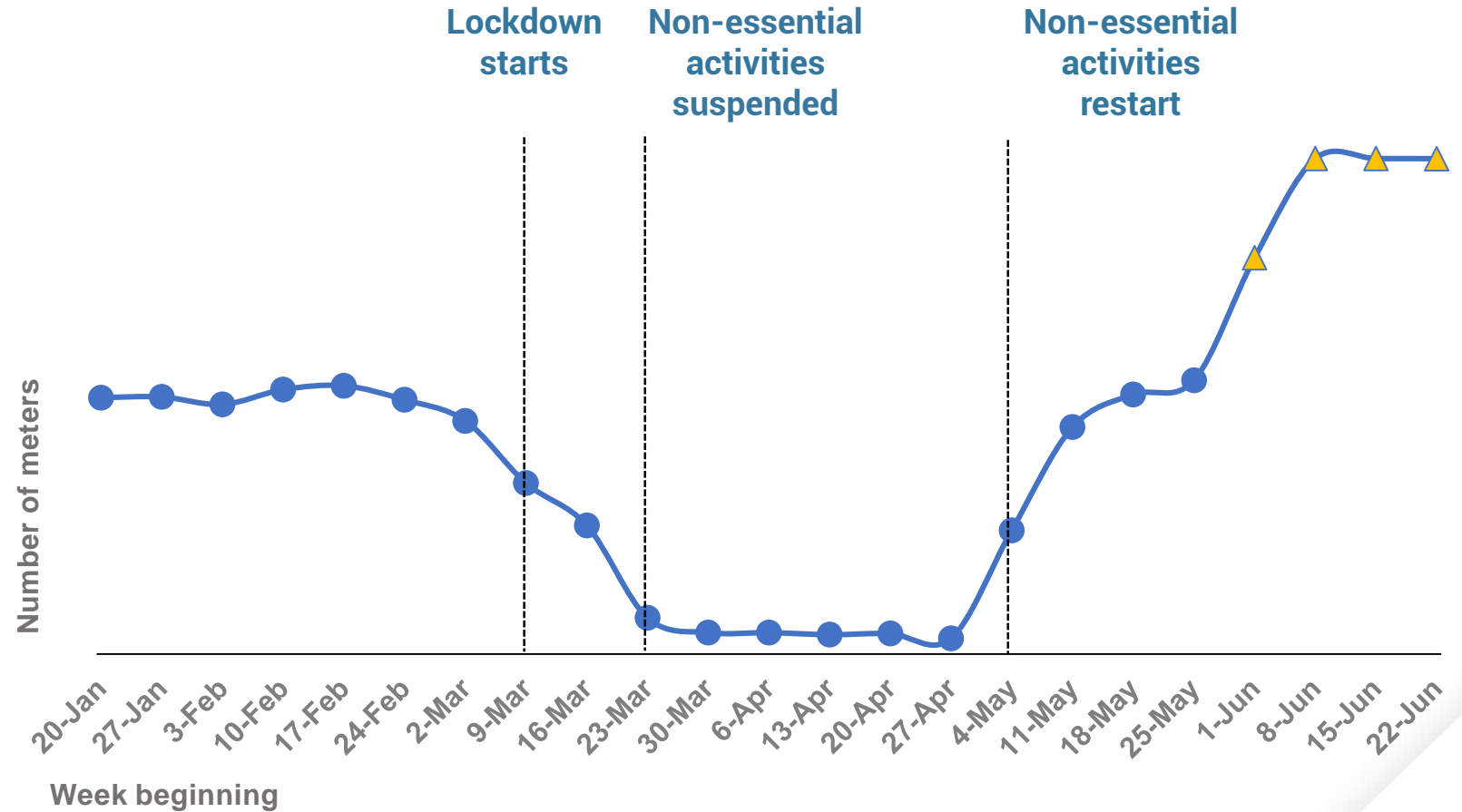
(*) of those verified

SMART METERS REPLACEMENT

significant rump-up expected

Inability to access buildings deeply affected the pace of smart meters replacement at the start of the lock down

We expect to conclude the plan in 2020

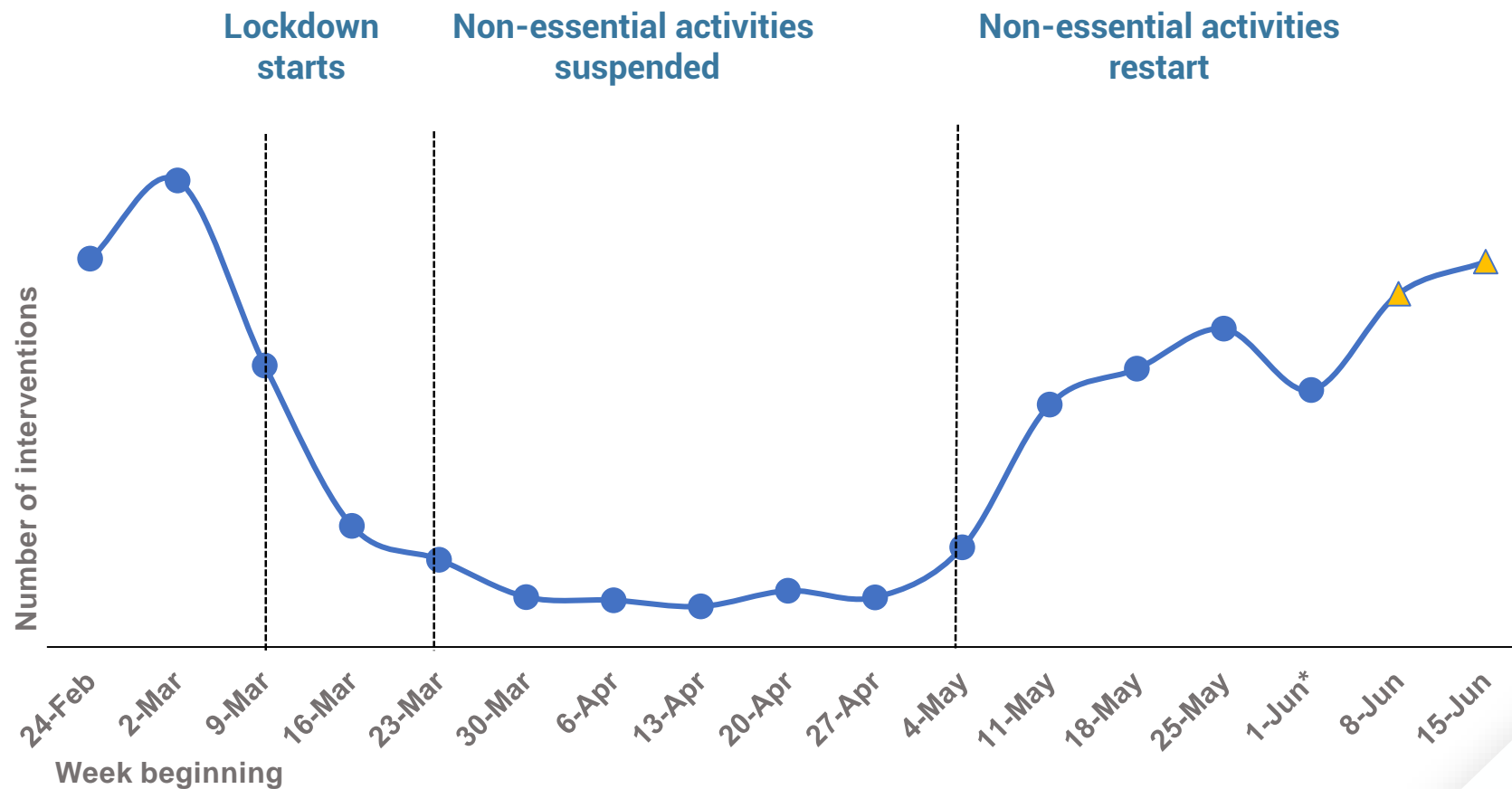


▲ Estimated data

REGULATED SERVICES

back to pre-lockdown levels

We see a clear pick up in requests for regulated services from gas sale companies with the end of the lockdown



(*) Week of 1st June includes two days of holidays

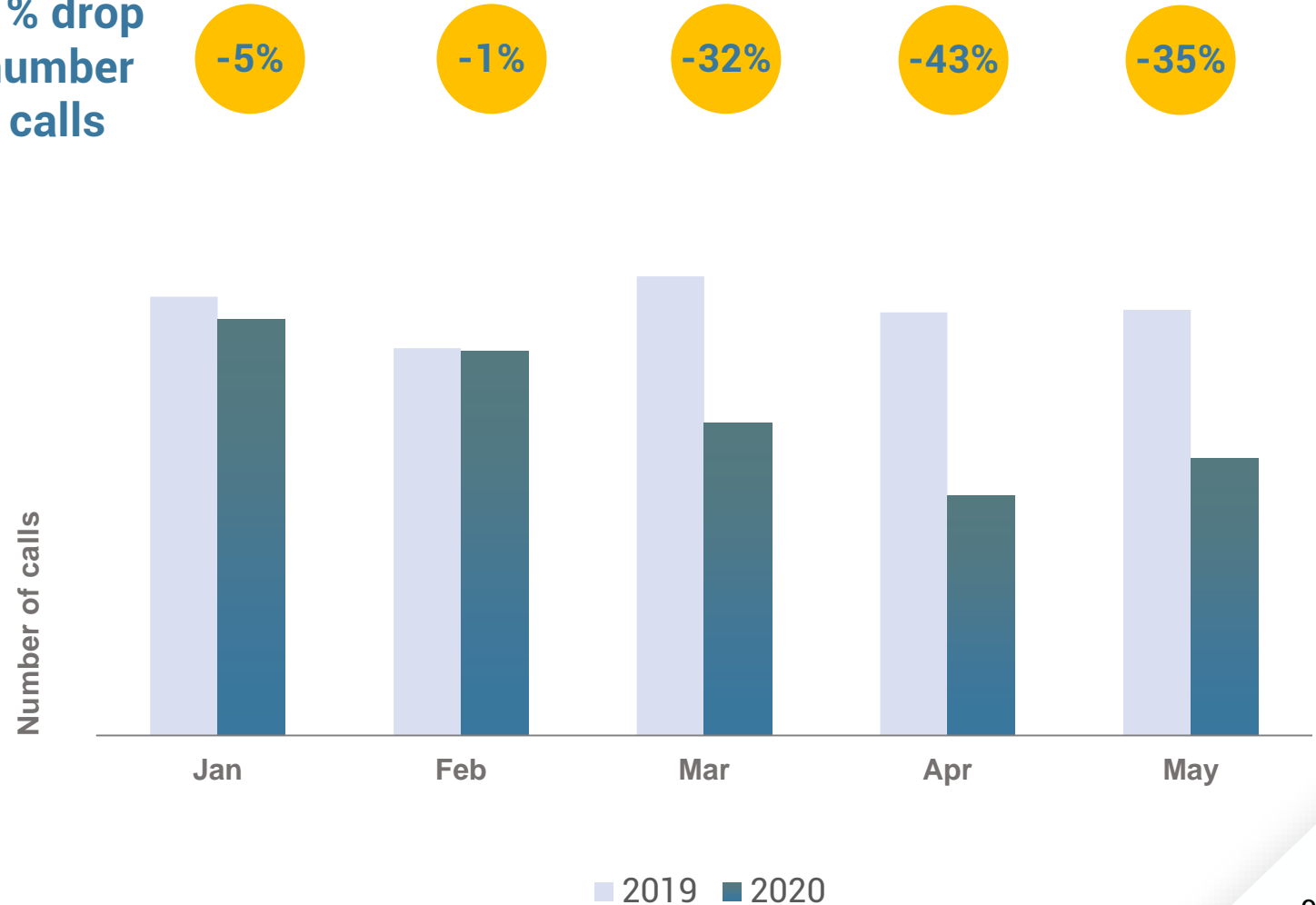
▲ Estimated data

INCOMING CALLS

significant reduction
vs 2019

The number of incoming calls* has significantly dropped and remains below pre-Covid levels

Yoy % drop
in number
of calls



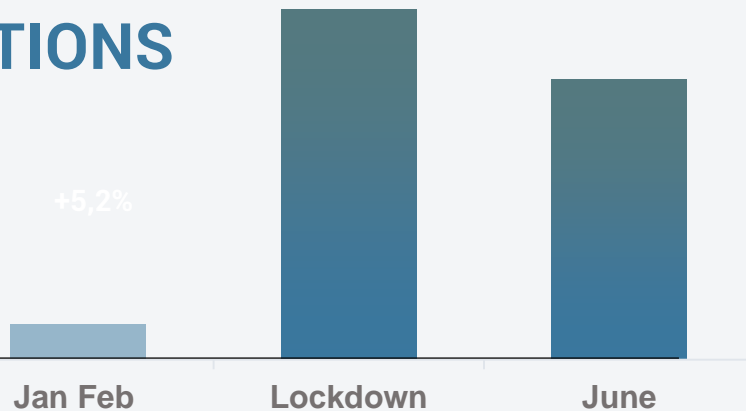
(*) to the integrated supervision centre

WAY OF WORKING

has materially changed

- Through the lock down the whole way of working was redesigned to allow remotisation
- Smart devices available to all employees
- Staff returning to offices smoothly and progressively

10x VPN CONNECTIONS



9-10x
Increase in chat messages
and videoconferences
through Italgas adopted
systems



NEW INITIATIVES

Italgas reloaded

"Italgas reloaded" project launched with the aim of **rethinking the way we work** taking advantage of what we learned during the lockdown

- Priority is to ensure the **safety of our people**
- While guaranteeing **best in class service** to our stakeholders
- We aim at creating a **more flexible and more efficient working environment**
- We **learn from the experiences of employees** coming from other realities
- This can have positive implications also on **Italgas environmental footprint**

MAJOR RECENT EVENTS

Since end of 1Q

Steady progression

- Awarded the concession of gas distribution service in the Belluno district
- Shortlisted for DEPA distribution assets
- Acquisition of 15% Reti Distribuzione from AEG Coop

- Fitch BBB+ rating confirmed
- €0.256/share paid on 20 May

GUIDANCE

2020 expected performance

€mn

2020

Trend
vs 2019

Revenues

~1.3bn



EBITDA

960-980



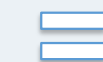
EBIT

530-550



Capex

>700



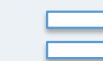
Net Debt*

~4.5bn



Leverage**

~60%



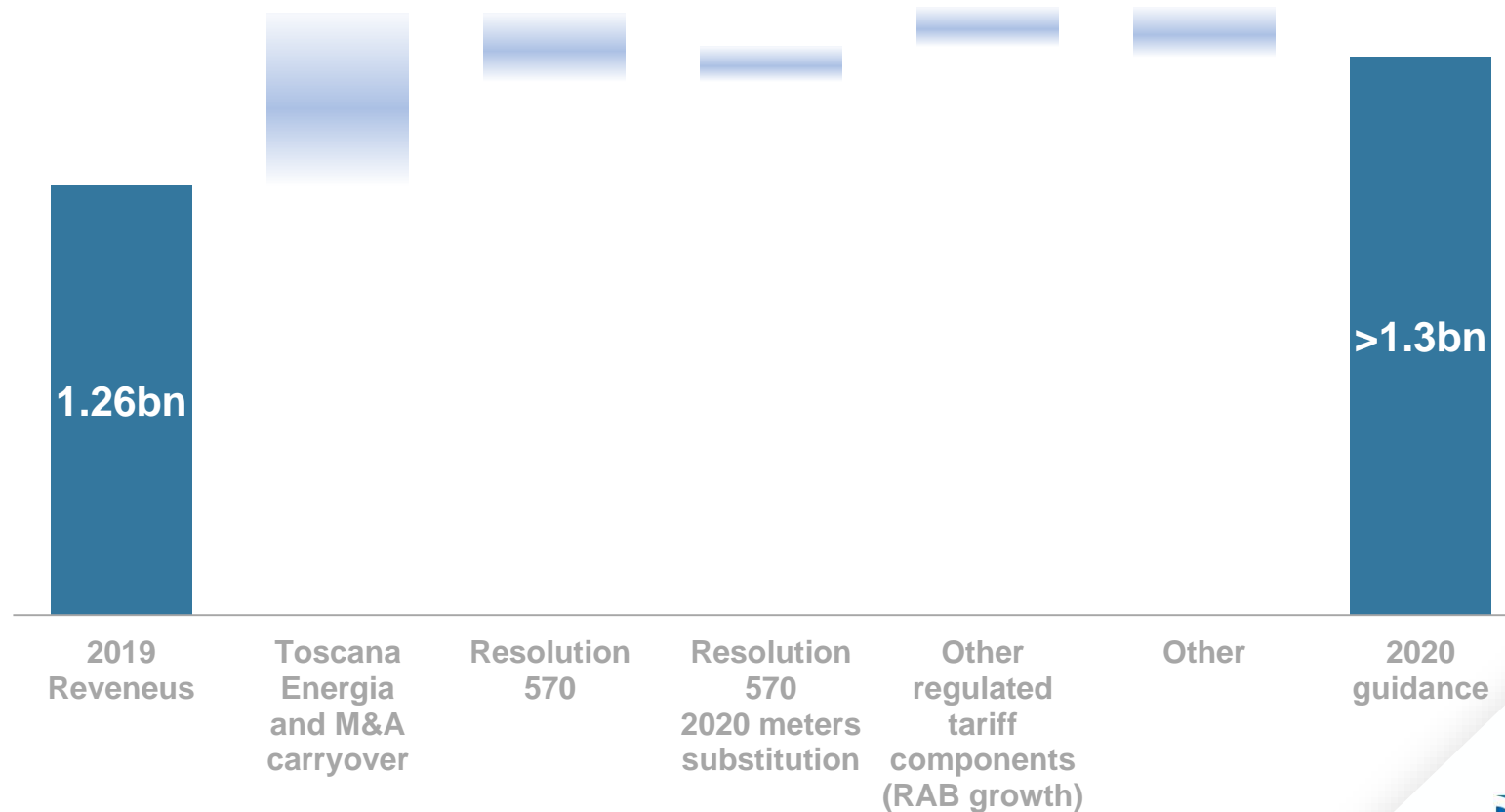
(*) ex IFRS 16, expected in line with 2019, (**) including IFRS 16, TFR and work in progress

REVENUES

growth highlight
resiliency of business
model

Growth in asset base to
compensate negative impact
of new regulation in the first
year of the regulatory period

€mn



COSTS

efficiencies are a priority

Toscana Energia consolidation and 2019 M&A carryover drive higher operating expenses

Focus on efficiencies and support of digitalisation to drive costs down

€mn

We anticipate more efficiencies despite higher costs related to Covid-19 related safety equipment



CAPEX

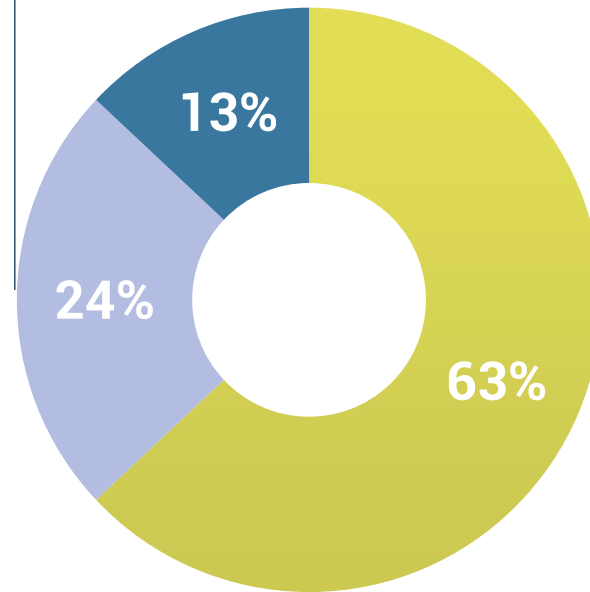
2020 investments
above €700mn

Negative impact of Covid-19
limited to 2Q 2020

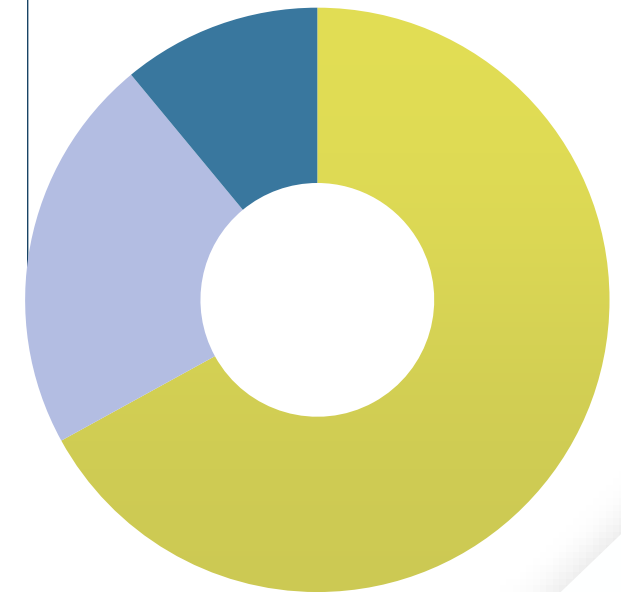
~2/3 of total spending in
networks compensating
lower capex for expected
conclusion of meters
replacement project

€mn

2019
740



2020
> 700



Networks

Metering

Other

Q&A



IR contacts

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