

Gruppo Ascopiave

FY 2020 CONSOLIDATED RESULTS

Conference Call

Pieve di Soligo, 12th March 2021



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Preliminary remark

→ Ascopiave - Hera partnership

Financial highlights

Companies consolidated with full consolidation method

Estenergy

Dividend

Disclaimer

On 19th December 2019 Ascopiave S.p.A. and Hera S.p.A. have finalized the transaction that marks the birth of the largest energy operator in North-Eastern Italy, with over one million customers, and the simultaneous reorganization of the respective gas distribution activities.

The closing carried out involved the exchange of assets of equal value between the Hera Group and Ascopiave, in the energy commercial activities, on one side, and in the gas distribution, on the other.

ENERGY SECTOR

On the energy sales front, the commercial activities of the Ascopiave Group (Ascotrade, Ascopiave Energie, Blue Meta and the joint ventures Asm Set and Etra Energia) including participation in Sinergie Italiane and the commercial activities of the Hera Group (Hera Comm Nord-Est) merged into a new company called Estenergy. The share capital of the new Estenergy is held for a stake of 52% by the Hera Group and for a stake of 48% by Ascopiave.

Ascopiave acquired a stake of 3% of the Hera Comm capital while Hera Comm acquired the 100% of the Amgas Blu capital.

GAS DISTRIBUTION

On the gas distribution front, Ascopiave acquired from Hera Group a perimeter of concessions in Veneto and Friuli-Venezia Giulia regions that, as of 31st December 2019, have merged into a newly established company called AP Reti Gas Nord-Est. Thanks to this operation, the Ascopiave Group consolidates its position in the national ranking.

Preliminary remark

Financial highlights

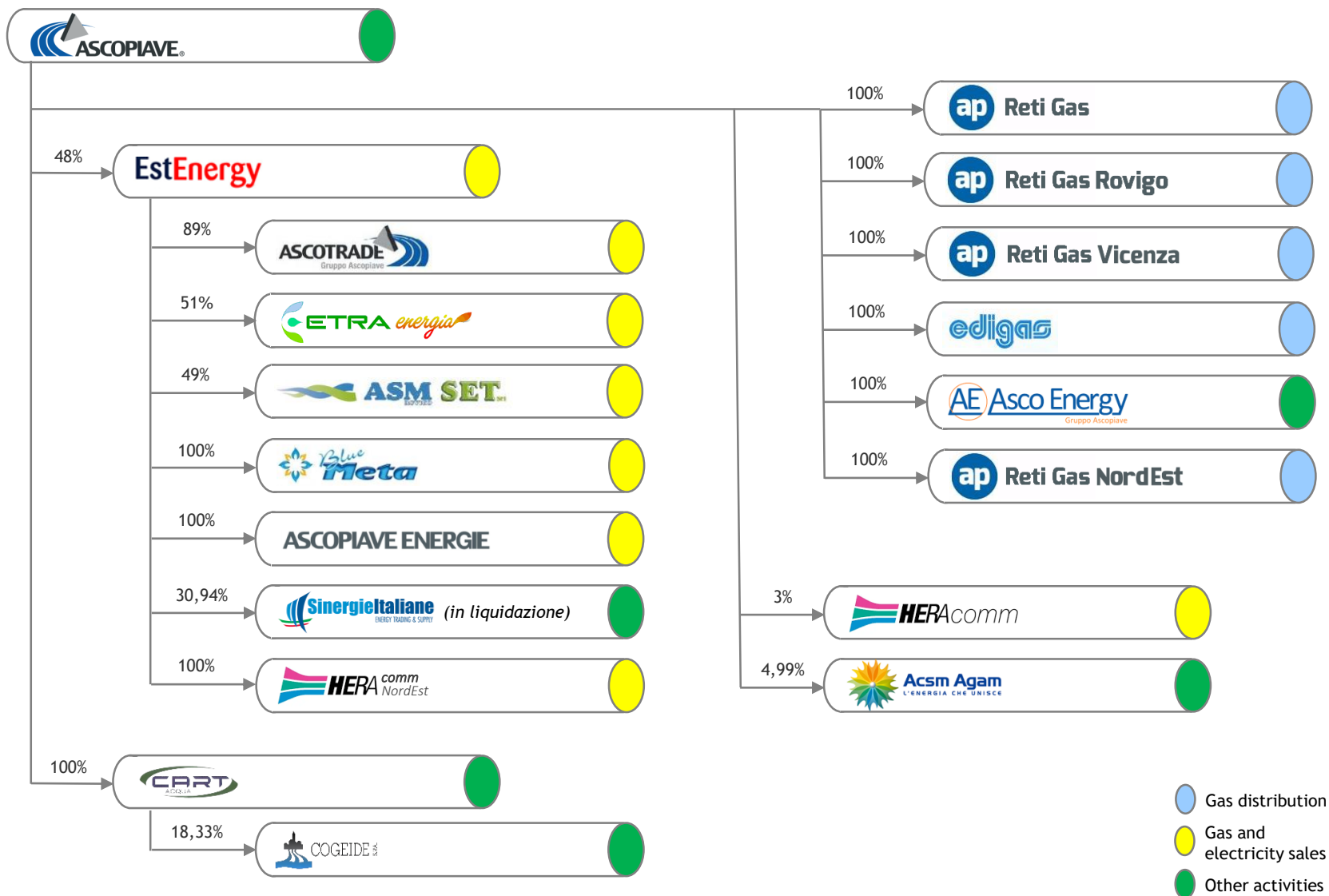
- Ascopiave Group structure as of 31st December 2020
- FY 2020 consolidated income statement
- Step-up of the tax basis of capital assets
- Consolidated balance sheet as of 31st December 2020

Companies consolidated with full consolidation method

Estenergy

Dividend

Disclaimer



(Thousand of Euro)	12M 2020	12M 2019	Chg	Chg %
Revenues	163.896	124.911	38.985	+31%
(Cost of raw materials and consumables)	(1.782)	(1.358)	(423)	+31%
(Cost of services)	(36.776)	(31.732)	(5.044)	+16%
(Cost of personnel)	(17.132)	(14.500)	(2.632)	+18%
(Other operating costs)	(44.511)	(33.902)	(10.609)	+31%
Other operating income	109	1.479	(1.370)	-93%
EBITDA	63.805	44.898	18.907	+42%
(Depreciations and amortizations)	(34.465)	(23.325)	(11.140)	+48%
(Provisions)	(189)	-	(189)	n.a.
EBIT	29.151	21.573	7.578	+35%
Financial income / (expenses)	1.847	(1.117)	2.963	-265%
Evaluation of companies with net assets method (*)	18.310	648	17.662	+2724%
EBT	49.308	21.105	28.203	+134%
(Income taxes)	9.394	(6.626)	16.019	-242%
Earnings after taxes	58.701	14.479	44.222	+305%
Net result from discontinued operations	-	478.737	(478.737)	-100%
Net income	58.701	493.216	(434.515)	-88%
(Net income of minorities)	-	-	-	n.a.
Net income of the Group	58.701	493.216	(434.515)	-88%

(*) Result of the company consolidated with net equity consolidation method (pro-rata): Estenergy, Euro 18,3 mln (Euro 0,0 mln in FY 2019); Unigas Distribuzione Gas, Euro 0,0 mln (Euro 0,6 mln in FY 2019).

Effect of the revaluation of the tax basis of some capital assets (August Decree and 2021 Budget Law) on the 2020 Ascopiave Group consolidated financial statements

Companies involved: AP Reti Gas, Edigas Esercizio Distribuzione Gas, AP Reti Gas Rovigo.

INCOME STATEMENT:

(Thousand of Euro)	31/12/2020
EBT	49.308
(Income taxes)	(6.254)
Effect of step-up of the tax basis of capital assets	15.648
(Income taxes)	9.394
Earnings after taxes	58.701

Income taxes (income)	17.216
Substitutive tax	(1.568)
Net effect	15.648



BALANCE SHEET:

(Thousand of Euro)	31/12/2020	
(Deferred tax payables)	8.410	Decrease
Advance tax receivables	8.806	Increase

(Thousand of Euro)	31/12/2020	31/12/2019	Chg	Chg %
Tangible assets (*)	33.443	34.694	(1.251)	-4%
Non tangible assets (*)	626.685	615.108	11.577	+2%
Investments in associates (**)	515.729	449.945	65.785	+15%
Other fixed assets	34.276	22.687	11.590	+51%
Fixed assets	1.210.134	1.122.433	87.701	+8%
Operating current assets	128.046	99.349	28.697	+29%
(Operating current liabilities)	(98.759)	(82.458)	(16.301)	+20%
(Operating non current liabilities)	(47.071)	(52.850)	5.779	-11%
Net working capital	(17.784)	(35.959)	18.175	-51%
Total capital employed	1.192.350	1.086.474	105.876	+10%
Group shareholders equity	853.903	873.492	(19.589)	-2%
Minorities	-	-	-	n.a.
Net financial position	338.447	212.981	125.465	+59%
Total sources	1.192.350	1.086.474	105.876	+10%

(*) According to IFRIC 12, the infrastructures under concession are considered intangible assets;

(**) Value of the associated companies consolidated with net equity consolidation method (pro-rata): Estenergy, Euro 429,0 mln (Euro 395,9 mln as of 31st December 2019); Hera Comm, Euro 54,0 mln (Euro 54,0 mln as of 31st December 2019); Acsm-Agam, Euro 26,7 mln (Euro 0,0 mln as of 31st December 2019); Cogei, Euro 7,8 mln (Euro 0,0 mln as of 31st December 2019).

Preliminary remark

Financial highlights

Companies consolidated with full consolidation method

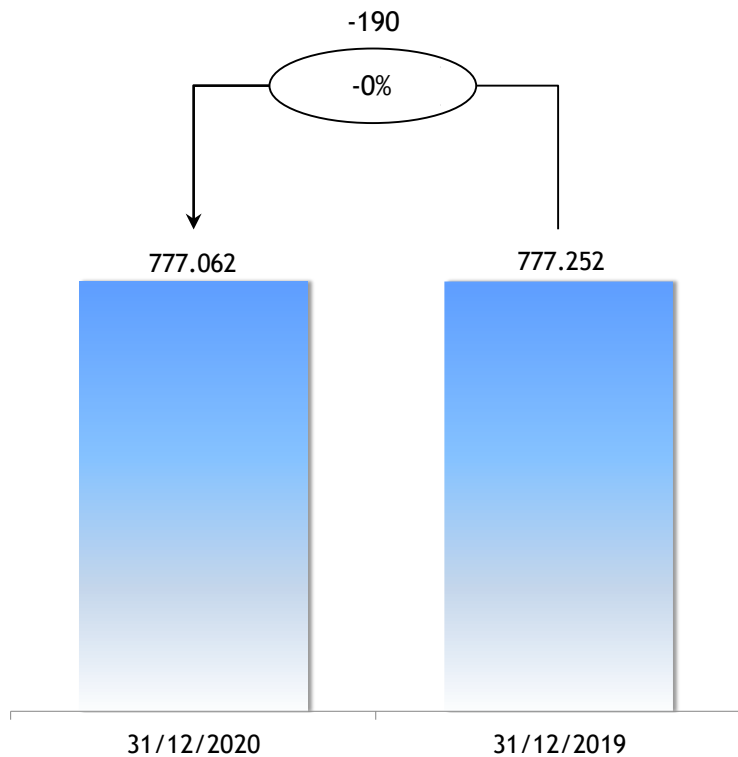
- Operating data
- Economic data
- Revenues bridge
- EBIT bridge
- Gas distribution tariff revenues
- Other net operating costs
- Personnel
- Capex
- Net financial position and cash flow

Estenergy

Dividend

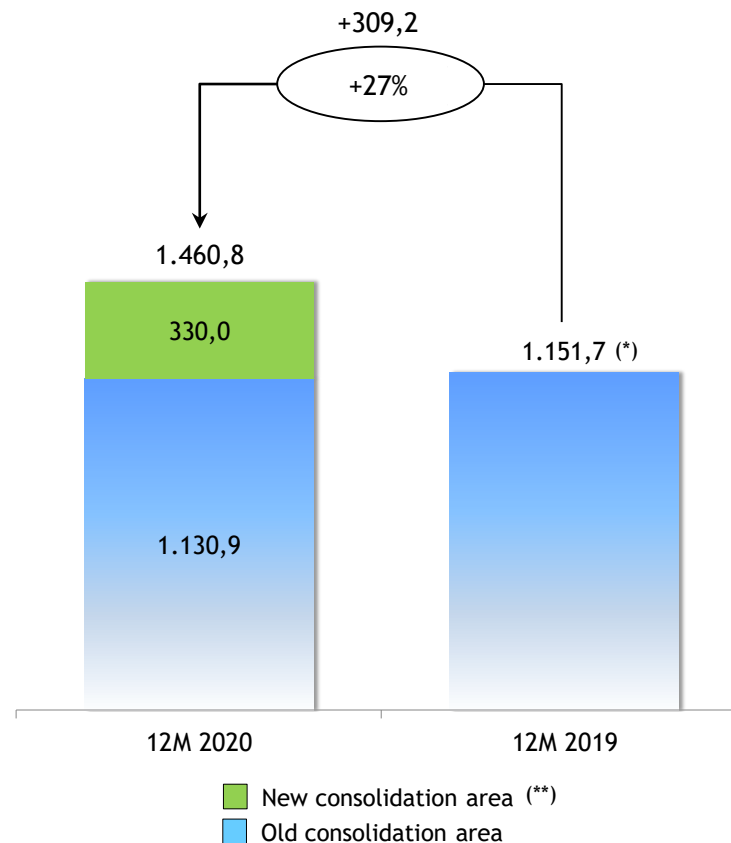
Disclaimer

Number of gas distribution users



Volumes of gas distributed

(Million of standard cubic meters)

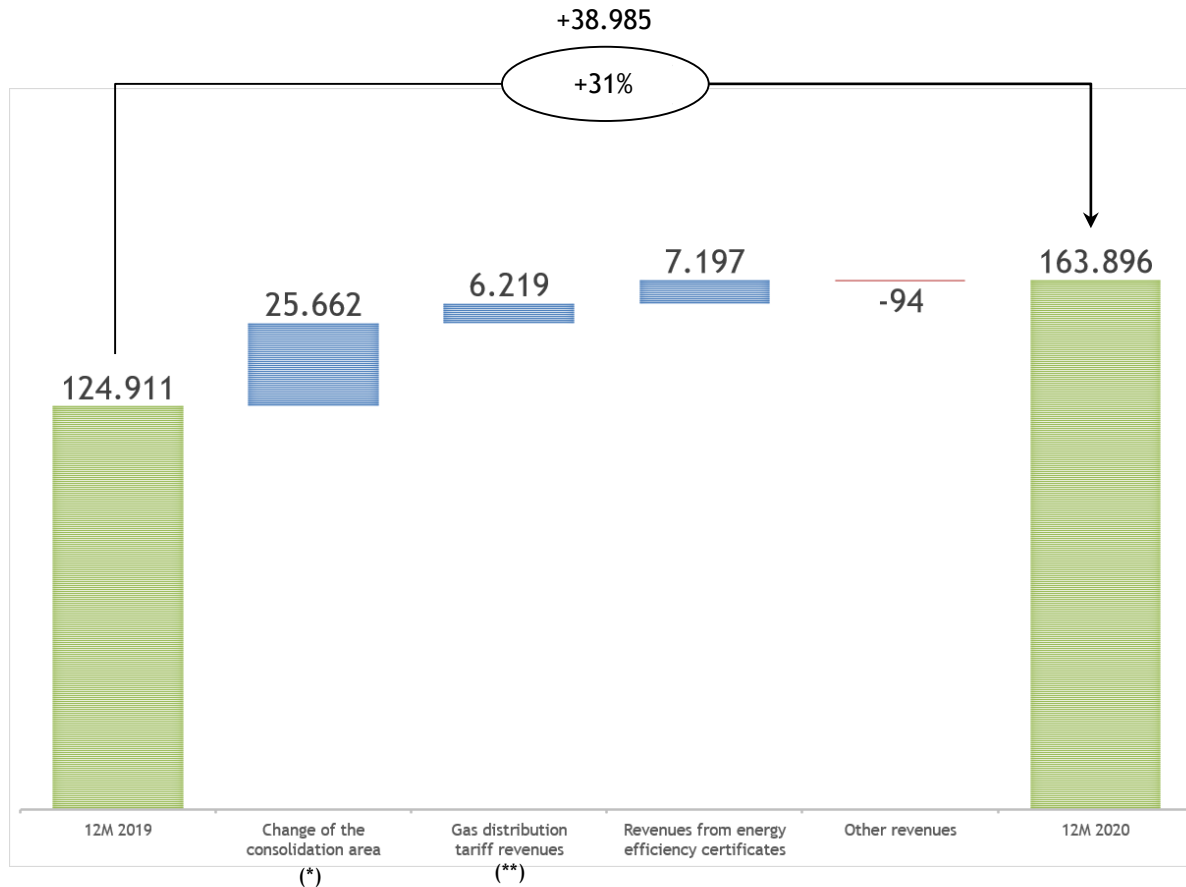


(*) Unigas Distribuzione Gas operating data are included. The company was merged by incorporation in Ascopiave from 1° July 2019. On the same date the operating activities in the gas distribution sector were transferred to Edigas Distribuzione Gas;

(**) AP Reti Gas Nord Est, consolidated as of 31st December 2019.

Revenues bridge

(Thousand of Euro)

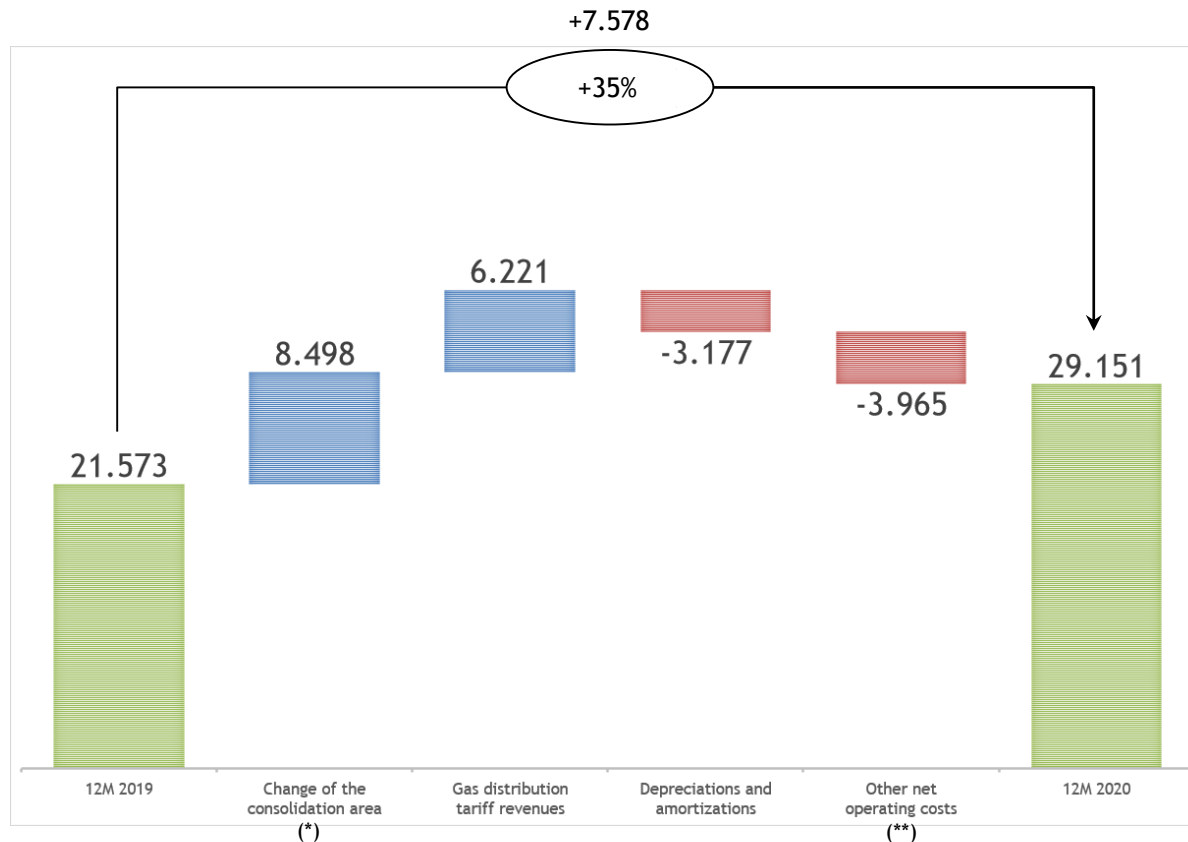


(*) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas;

(**) Tariff revenues include the tariff component for the recovery of the fee paid to local entities according to art. 46-bis DL 159/2007.

EBIT bridge

(Thousand of Euro)



(*) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas;

(**) Further details on page 15 of the current presentation.

(Thousand of Euro) (*)	12M 2020	12M 2019	Chg	Chg %
Gas distribution tariff revenues	109.108	79.777	29.331	+37%
Gas distribution tariff revenues	109.108	79.777	29.331	+37%

The increase of the gas distribution tariff revenues of the companies consolidated with full consolidation method (+ Euro 29,3 mln) is due to:

- 1) new consolidation area (AP Reti Gas Nord Est): + Euro 23,1 mln;
- 2) gas distribution tariff revenues of the concession formerly held by Unigas Distribuzione Gas: + Euro 5,9 mln
- 3) other changes of the tariff revenues: + Euro 0,3 mln.

(*) Economic data before elisions

(Thousand of Euro)	12M 2020	12M 2019	Chg	Chg %
Other revenues	53.264	44.476	8.789	+20%
Other costs of raw materials and services	(81.436)	(64.854)	(16.581)	+26%
Cost of personnel	(17.132)	(14.500)	(2.632)	+18%
Other net operating costs	(45.303)	(34.879)	(10.424)	+30%

Other net operating costs due to the change of the consolidation area: - Euro 6,5 mln (*)

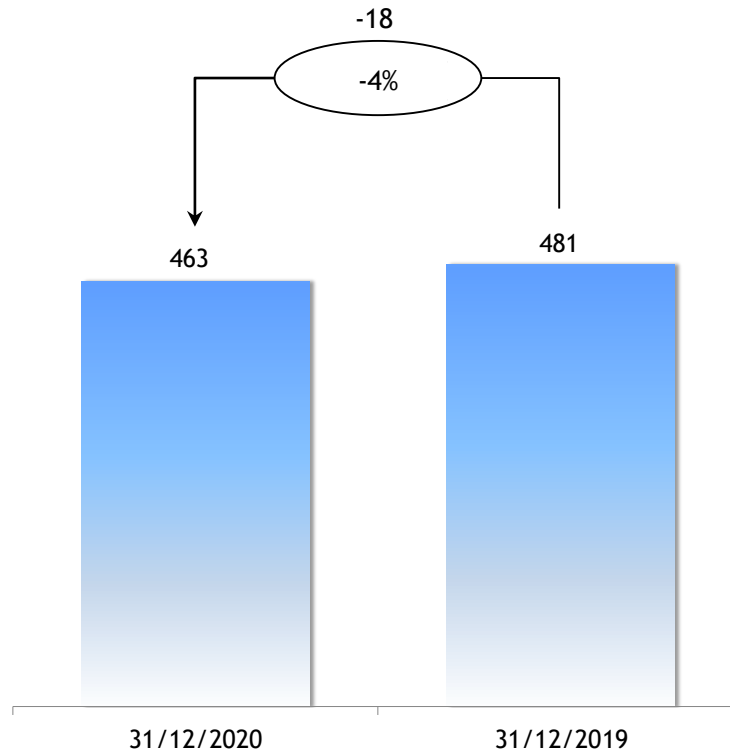
Increase of other net operating costs: - Euro 4,0 mln

of which:

- *increase of net operating costs due to consolidation of the activities of Unigas: - Euro 3,3 mln;*
- *decrease of cost of personnel: + Euro 1,6 mln;*
- *increase of margin on energy efficiency tasks management: + Euro 0,5 mln;*
- *decrease of gas distribution concession fees: + Euro 0,1 mln;*
- *increase of CSEA contributions for security incentives: + Euro 1,2 mln;*
- *decrease of capital gains on disposal of gas distribution plants: - Euro 1,4 mln;*
- *increase of non recurring costs: - Euro 2,2 mln;*
- *other variations: - Euro 0,5 mln.*

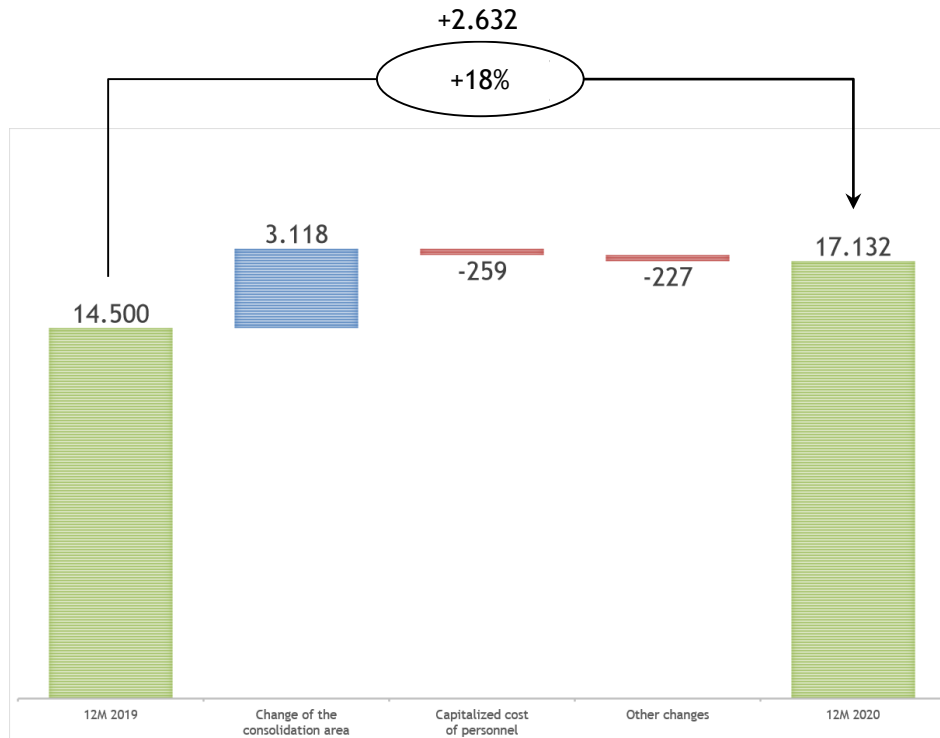
(*) Change of the consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas.

Number of employees



Cost of personnel

(Thousand of Euro)



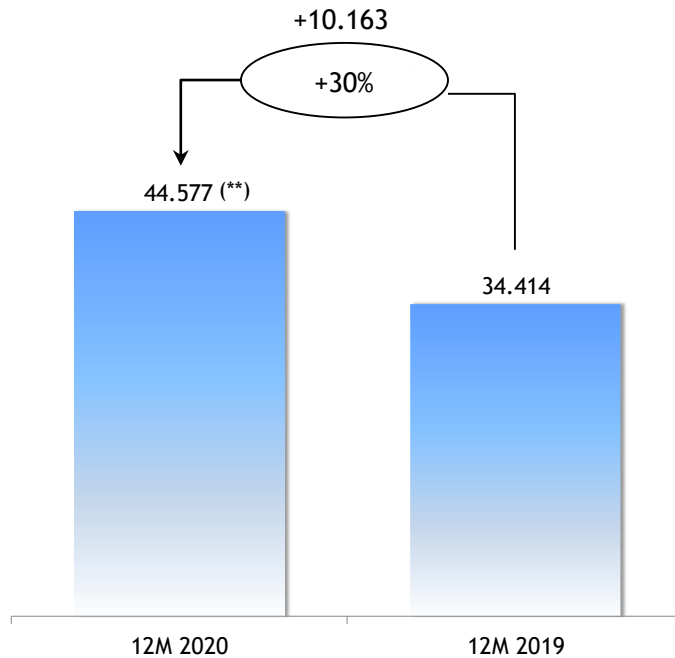
Cost of personnel changes:

- new consolidation area:
+ Euro 3,1 mln (*)
- capitalized cost of personnel:
- Euro 0,3 mln
- other: - Euro 0,2 mln

(*) New consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas.

Capex (*)

(Thousand of Euro)



- New consolidation area: Euro 8,7 mln (***)
- Gas distribution systems: Euro 26,2 mln
- Gas meters: Euro 8,0 mln
- Investments in hardware and software: Euro 0,9 mln
- Other: Euro 0,8 mln

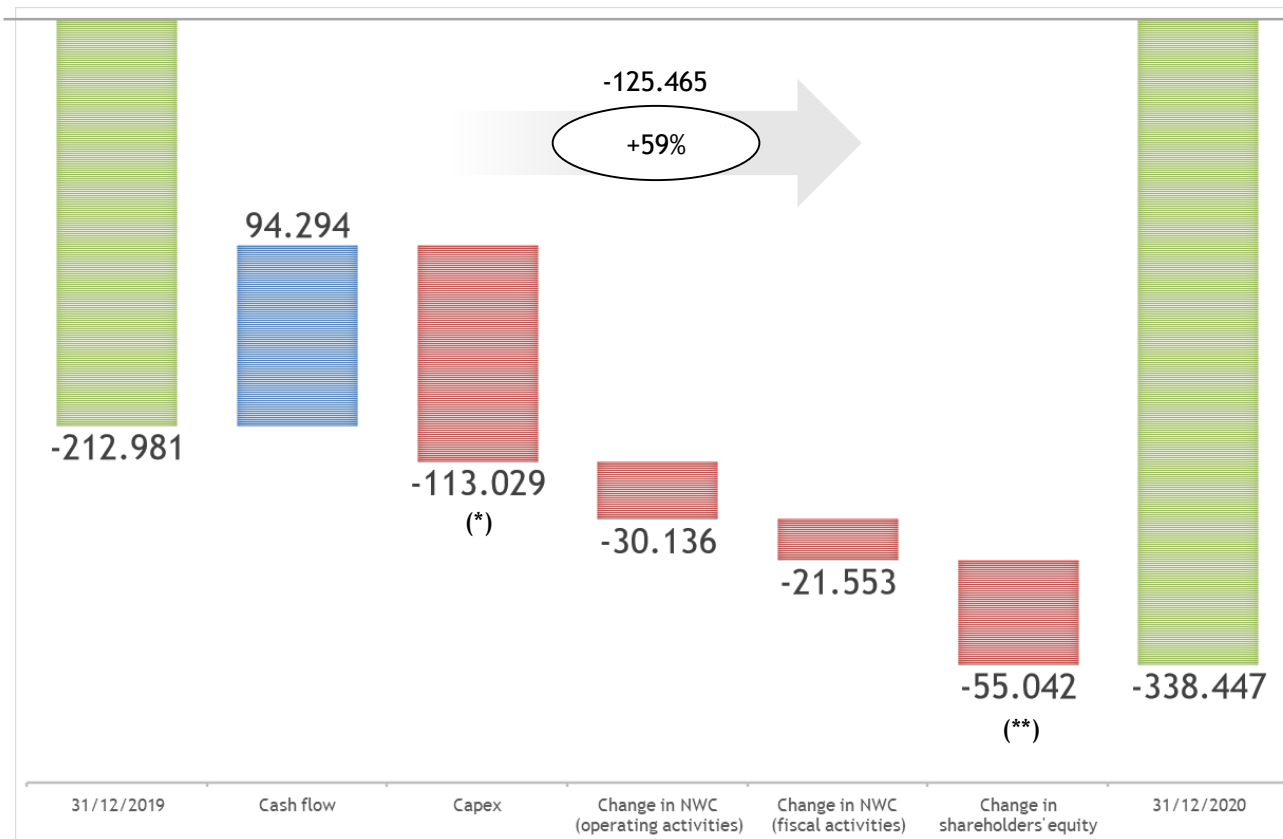
(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not capital expenditures;

(**) Investments in intangible assets and in tangible assets (excluded realizations, investments in associated and investments relative to the application of IFRS 16 accounting principle);

(***) New consolidation area refers only to the activities carried out by AP Reti Gas Nord Est. It does not include the contribution of the activities formerly carried out by Unigas Distribuzione Gas and currently operated by Edigas Esercizio Distribuzione Gas.

Net financial position and cash flow

(Thousand of Euro)



(*) Net investments in tangible and intangible assets: Euro 44,4 mln; purchase of the 4,99% of the share capital of Acsm-Agam: Euro 26,7 mln; subscription of a capital increase in Estenergy: Euro 32,5 mln; purchase of the 100% of the share capital of Cart Acqua: Euro 8,0 mln; payment of the contracted price adjustment for the purchase of AP Reti Gas Nord Est: Euro 1,4 mln;

(**) Purchase of own shares: - Euro 28,9 mln; dividends distributed to Ascopiave shareholders: - Euro 47,4 mln; dividends received from associated companies: + Euro 21,3 mln.



(Thousand of Euro) (*)	31/12/2020	31/12/2019	Chg	Chg %
Long term financial borrowings (>12 months)	195.999	135.083	60.916	+45%
Current position of long term financial borrowings	40.024	30.778	9.246	+30%
Short term financial borrowings (<12 months)	104.023	38.994	65.029	+167%
Total financial debt	340.046	204.855	135.191	+66%
Fixed rate borrowings	219.273	143.611	75.662	+53%
Floating rate borrowings	120.773	61.244	59.529	+97%

FY 2020 average cost of debt: 0,34% (vs FY 2019 rate: 0,35%)

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



Preliminary remark

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Companies consolidated with full consolidation method

Estenergy

→ Financial highlights

Dividend

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Income statement (*)

(Thousand of Euro)	12M 2020
Revenues	363.109
(Cost of raw materials and consumables)	(178.821)
(Cost of services)	(136.770)
(Cost of personnel)	(7.578)
(Other operating costs)	(877)
Other operating income	-
EBITDA	39.062
(Depreciations and amortizations) + (provisions)	(14.019)
EBIT	25.043
Financial income / (expenses)	(167)
EBT	24.877
(Income taxes)	(5.639)
Net income	19.237

Balance sheet (*)

(Thousand of Euro)	31/12/2020
Tangible assets	1.812
Non tangible assets	314.141
Investments in associates	8.424
Other fixed assets	1.683
Fixed assets	326.061
Operating current assets	139.482
(Operating current liabilities)	(93.126)
(Operating non current liabilities)	(51.913)
Net working capital	(5.557)
Total capital employed	320.504
Shareholders equity	348.864
Net financial position	(28.360)
Total sources	320.504

(*) Pro-rata amounts, i.e. proportional to the Ascopiave's capital stake in Estenergy (48%).



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Estenergy

Dividend

→ Dividend proposal

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DIVIDEND PROPOSED



**0,16 Euro per share
(Euro 34,7 mln)**



	2020	2019	2018	2017	2016	2015	2014	2013
	(Proposal)							
Dividends paid (Thousand of Euro) (*)	34.663	47.770	75.334	40.016	40.016	33.347	33.332	26.666
Group Net Income (Thousand of Euro)	58.701	493.216	44.625	47.135	53.635	43.014	35.583	38.678
Payout ratio	59%	10%	169%	85%	75%	78%	94%	69%
Dividends per share (Euro)	0,160	0,2133	0,3383	0,180	0,180	0,150	0,150	0,120

(*) Dividends to be paid estimated on the base of the outstanding shares at the end of the financial year.



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