



1H 2021 RESULTS

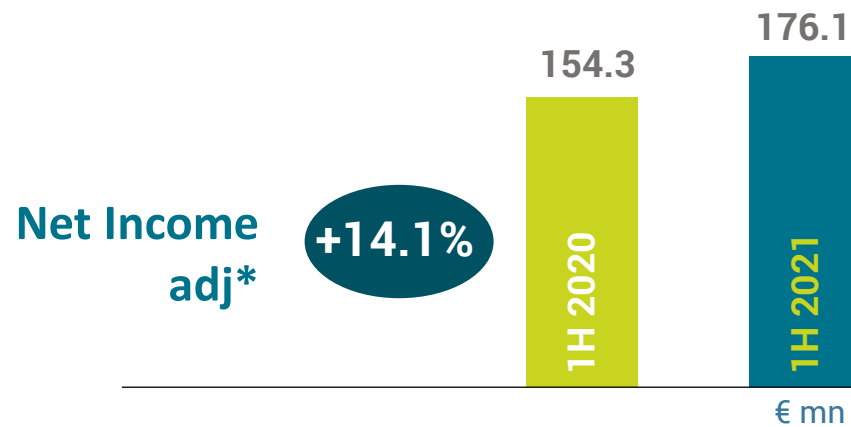
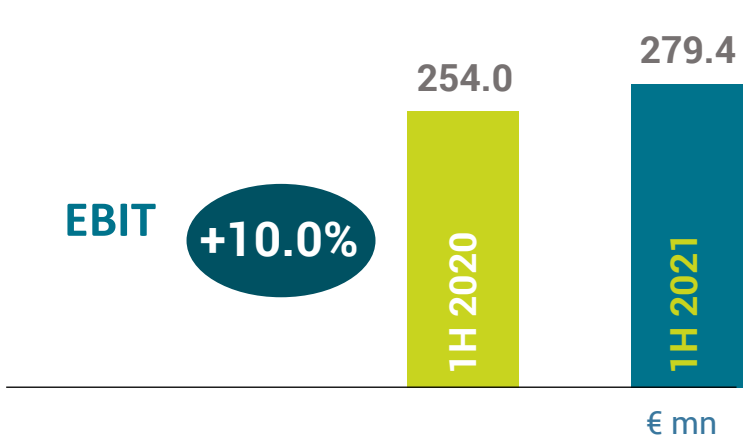
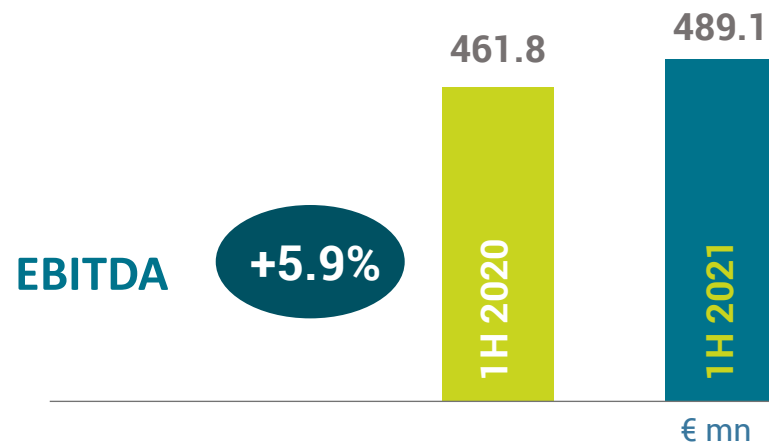
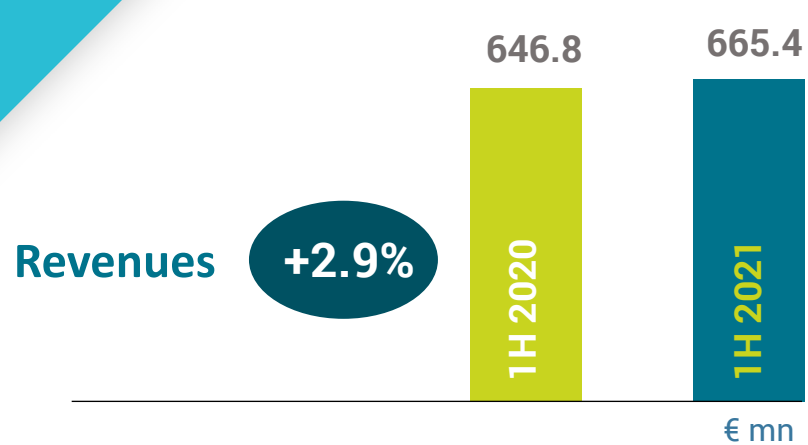
Milan

27.07.2021



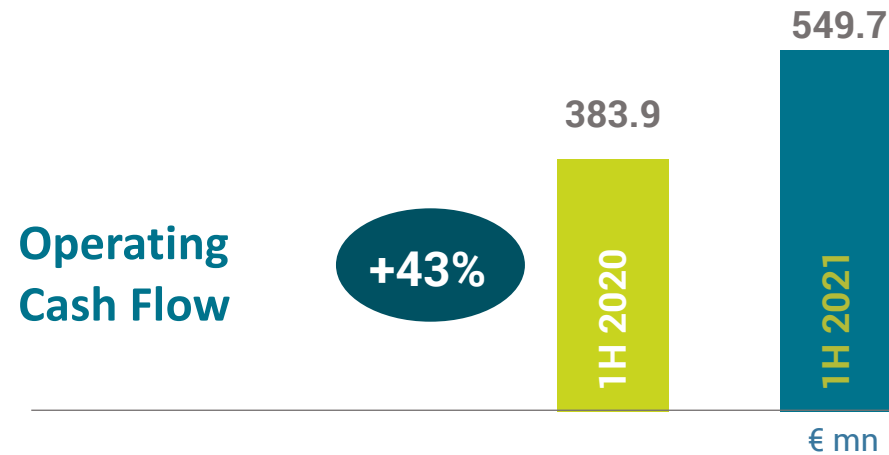
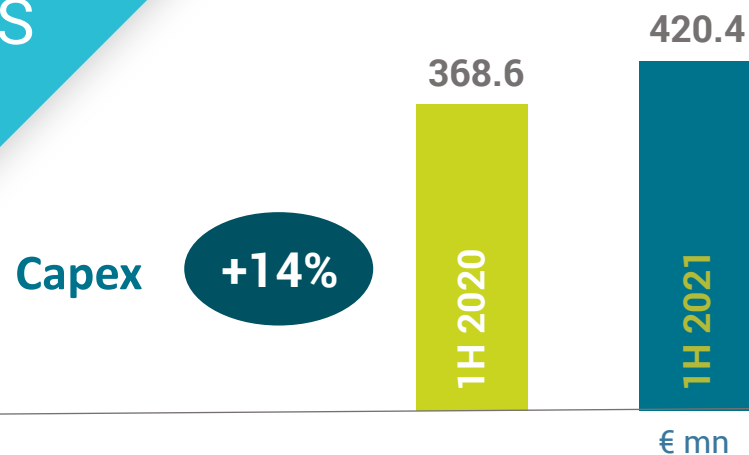
1H 2021 RESULTS KEY HIGHLIGHTS

Despite the DL570 effects,
strong and accelerating growth led by RAB increase, service to
clients and costs control



(*) excluding post tax cost of bond buyback transaction finalised in February 2021 for €4.9mn

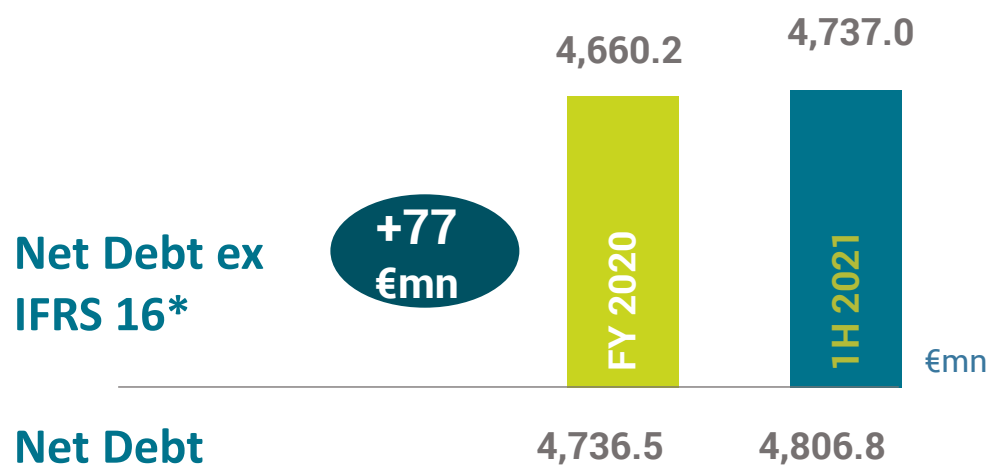
1H 2021 RESULTS KEY HIGHLIGHTS



Capex up, led by digital transformation and network extension and repurposing effort

Cashflow generation improvement reflects positive working capital evolution

Net Debt under control, despite higher capex and dividend payment thanks to strong cashflow generation

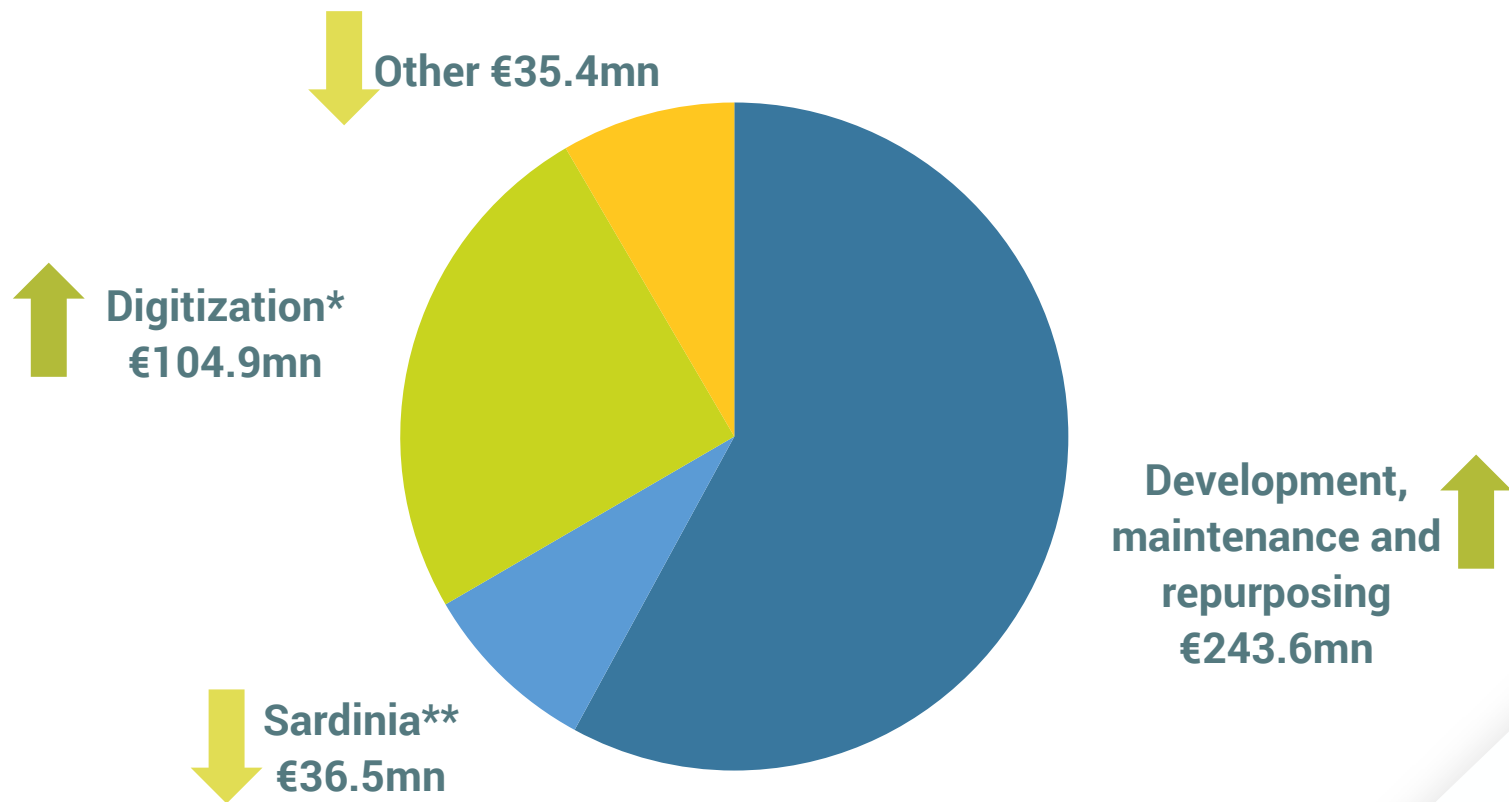


(*) Operating leases ex IFRS 16 €69.8mn at the end of 1H 2021 and €76.3mn at the end of 2020

CAPEX MIX HAS CHANGED AS EXPECTED

1H 2021
€420.4mn +14.1% yoy

389km new networks pipes of
which 52km in Sardinia
481k smart meters installed***



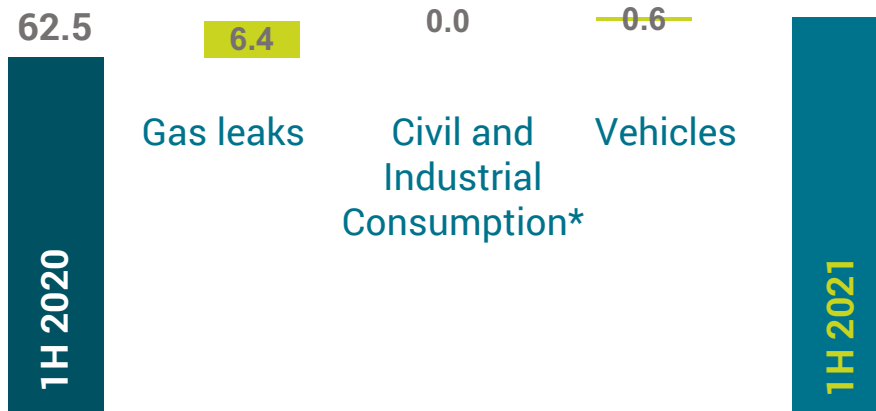
1H 2021 RESULTS ESG

GHG EMISSIONS



Scope I and II GHG emissions

10³t CO₂ eq



in line with fuel consumption and Km travelled

+14% emissions
+36% km surveyed

-15%

Fugitive emissions per km surveyed

CH₄ Smc / km of network inspected



Vehicles

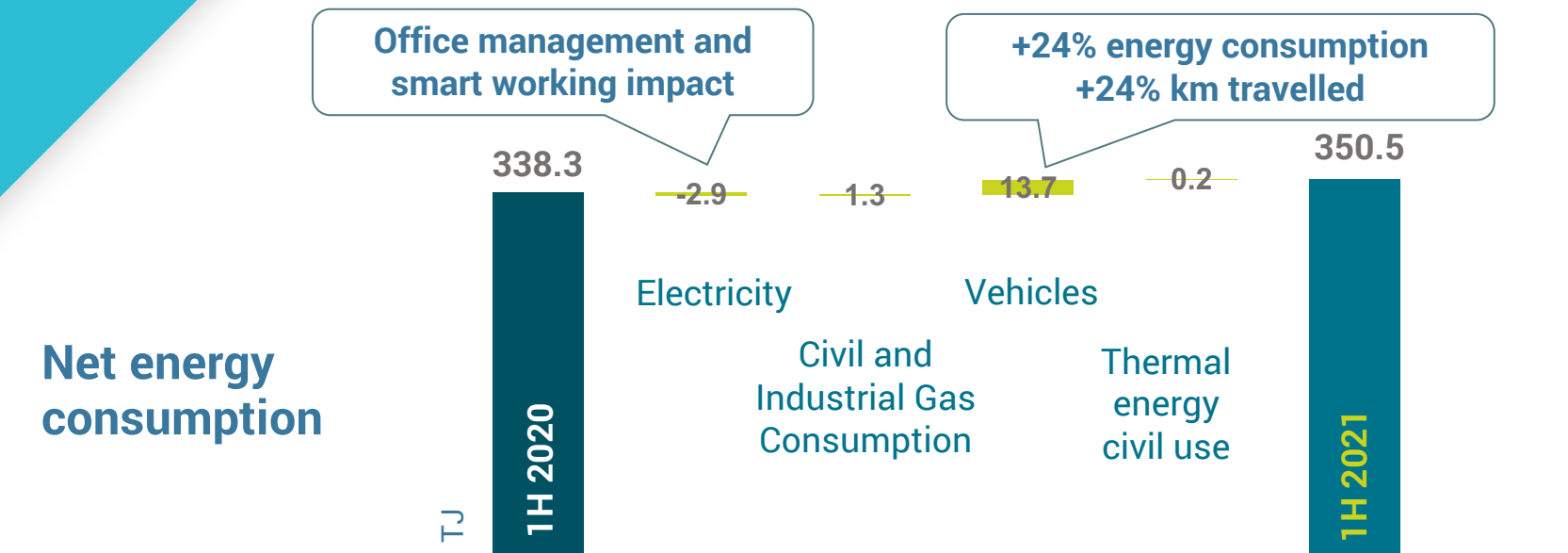
- 22 mln km travelled (+24%)
- Operative fleet: 92% CNG fuelled
- CO₂/km: stable
- NO_x/km: -7% Particulate/km: -33%

Fugitive emissions

- 35.193 km inspected (+36%)
- New LISA**/ km: -19%
- Gas leaked / km: -15%
- Gas leaked / gas supplied: 0.064%



1H 2021 RESULTS ESG ENERGY CONSUMPTION



Industrial consumption

Smc of gas to pre-heat / 1,000 Smc of gas supplied



- Gas supplied: 4.86 bil smc (+6%)
- Gas for pre-heat: 5.9 mil smc (+2%)
- 89% gas consumption used for pre-heat
- Net electricity: 45,7 TJ (-6%)

1H 2021 RESULTS ESG PATH TO DE-CARBON



Predictive maintenance on gas pipelines based on the results of the inspections with CRDS** technology in 2019-2020.



Efficient pre-heating systems starting from an assessment by Seaside to identify areas for energy efficiency improvements (replacement of obsolete boilers with state of the art systems ...)



Self-production of electric energy with the operation of the cogeneration and turbo-expansion plants installed at the biggest city-gates



Energy-savvy offices leveraging Seaside's expertise with a deployment at scale of Savemixer*** and Savegas*** solutions on buildings



Training and awareness initiatives on energy management systems adoption (certification, offices, driving, ...)

To achieve the targets set in the 2021-2027 Strategic Plan

-30% GHG emissions
-25% net energy consumption
(vs 2020 levels*)

...
set of initiatives

RESULTS

1H 2021 REPORTED VS ADJUSTED

1H 2021
reported

1H 2021
adjusted

Change

P&L, € mln

	1H 2021 reported	1H 2021 adjusted	Change
Total Revenues	665.4	665.4	-
Operating expenses	- 176.3	- 176.3	-
EBITDA	489.1	489.1	-
Depreciation & amortisation	- 209.7	- 209.7	-
EBIT	279.4	279.4	-
Net interest income (expenses)	- 31.8	- 25.4	6.4
Net income from associates	1.1	1.1	-
EBT	248.7	255.1	6.4
Income taxes	- 68.7	- 70.2	- 1.5
NET PROFIT before minorities	180.0	184.9	4.9
Minorities	- 8.8	- 8.8	-
NET PROFIT after minorities	171.2	176.1	4.9

- 6.4mn cost of bond buyback transaction finalised in February

- 1.5mn fiscal impact of above mentioned non-recurring item

RESULTS

1H 2021 ADJUSTED

1H 2020
adjusted

1H 2021
adjusted

Change

P&L, € mln

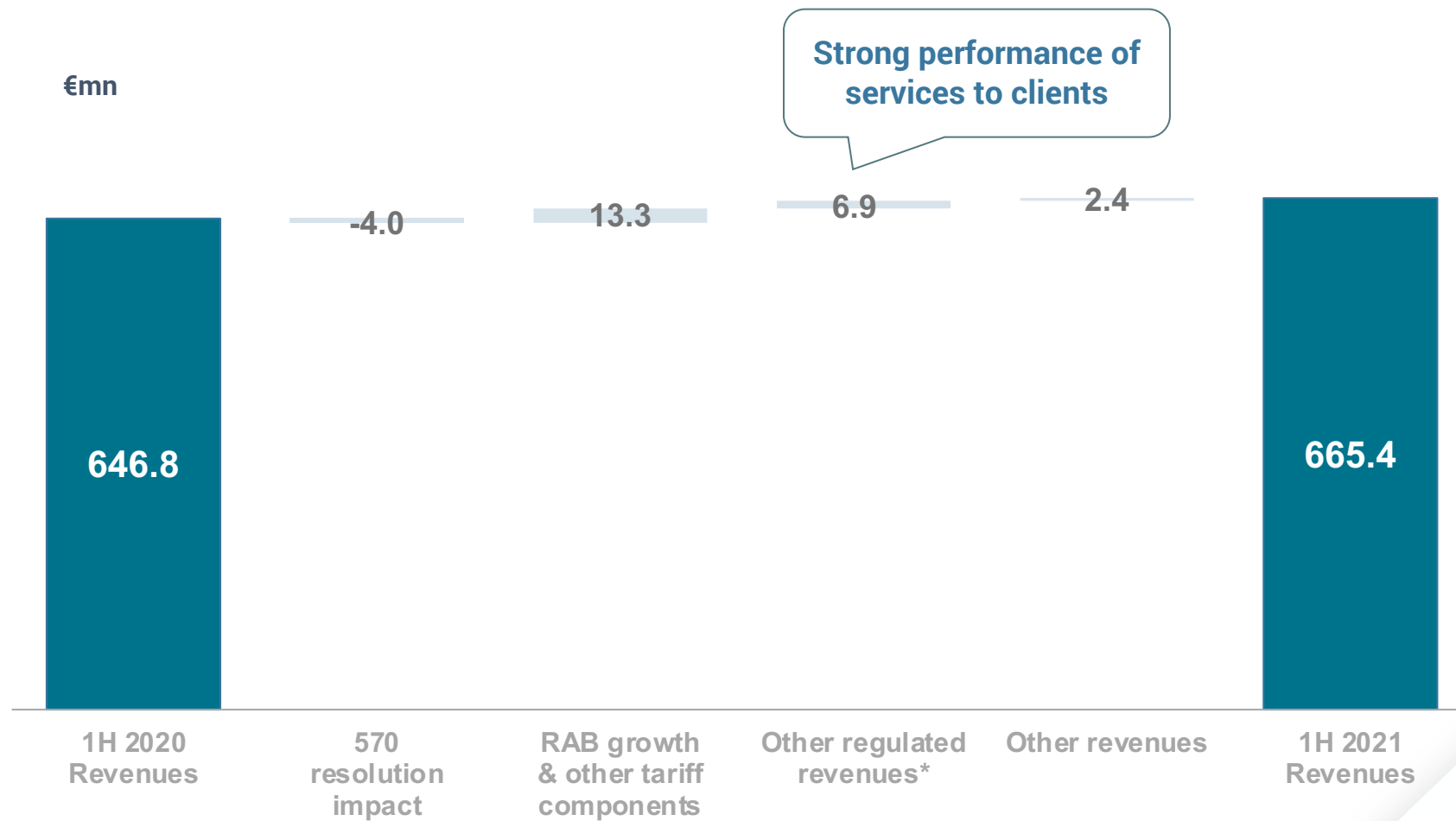
	1H 2020 adjusted	1H 2021 adjusted	Change	
Total Revenues	646.8	665.4	18.6	
Operating expenses	- 185.0	- 176.3	8.7	
EBITDA	461.8	489.1	27.3	↑ + 5.9%
Depreciation & amortisation	- 207.8	- 209.7	- 1.9	
EBIT	254.0	279.4	25.4	↑ + 10.0%
Net interest income (expenses)	- 26.4	- 25.4	1.0	
Net income from associates	1.0	1.1	0.1	
EBT	228.6	255.1	26.5	
Income taxes	- 65.0	- 70.2	- 5.2	
NET PROFIT before minorities	163.7	184.9	21.2	
Minorities	- 9.4	- 8.8	0.6	
NET PROFIT after minorities	154.3	176.1	21.8	↑ + 14.1%

RESULTS

1H 2021



Revenues +2.9% vs 1H 2020



(*) including tariff adjustments

RESULTS

1H 2021

1H 2020

1H 2021

Change

REVENUES, € mln

	1H 2020	1H 2021	Change
Regulated revenues	626.0	642.2	16.2
Distribution	590.1	595.5	5.4
Tariff contribution for meters replacement	5.2	6.1	0.9
Other distribution revenues	30.7	40.6	9.9
Other revenues	20.8	23.2	2.4
TOTAL REVENUES	646.8	665.4	18.6

RESULTS

1H 2021



Operating expenses -4.7% vs 1H 2020



* like for like; ** excluding concession fees, included in TEE & Other

RESULTS

1H 2021

1H 2020

1H 2021

Change

OPERATING EXPENSES, € mln

Distribution fixed costs	128.5	119.9	- 8.6
Net labour cost	73.6	67.7	- 5.9
Net external cost	54.9	52.2	- 2.7
Other activities	13.1	17.5	4.4
Net labour cost	1.8	2.5	0.7
Net external cost	11.3	15.0	3.7
Other costs	4.0	1.2	- 2.8
Tee	4.9	3.0	- 1.9
Concessions fees	34.5	34.7	0.2
OPERATING EXPENSES	185.0	176.3	- 8.7

RESULTS

1H 2021



Ebit +10.0% vs 1H 2020

€mn

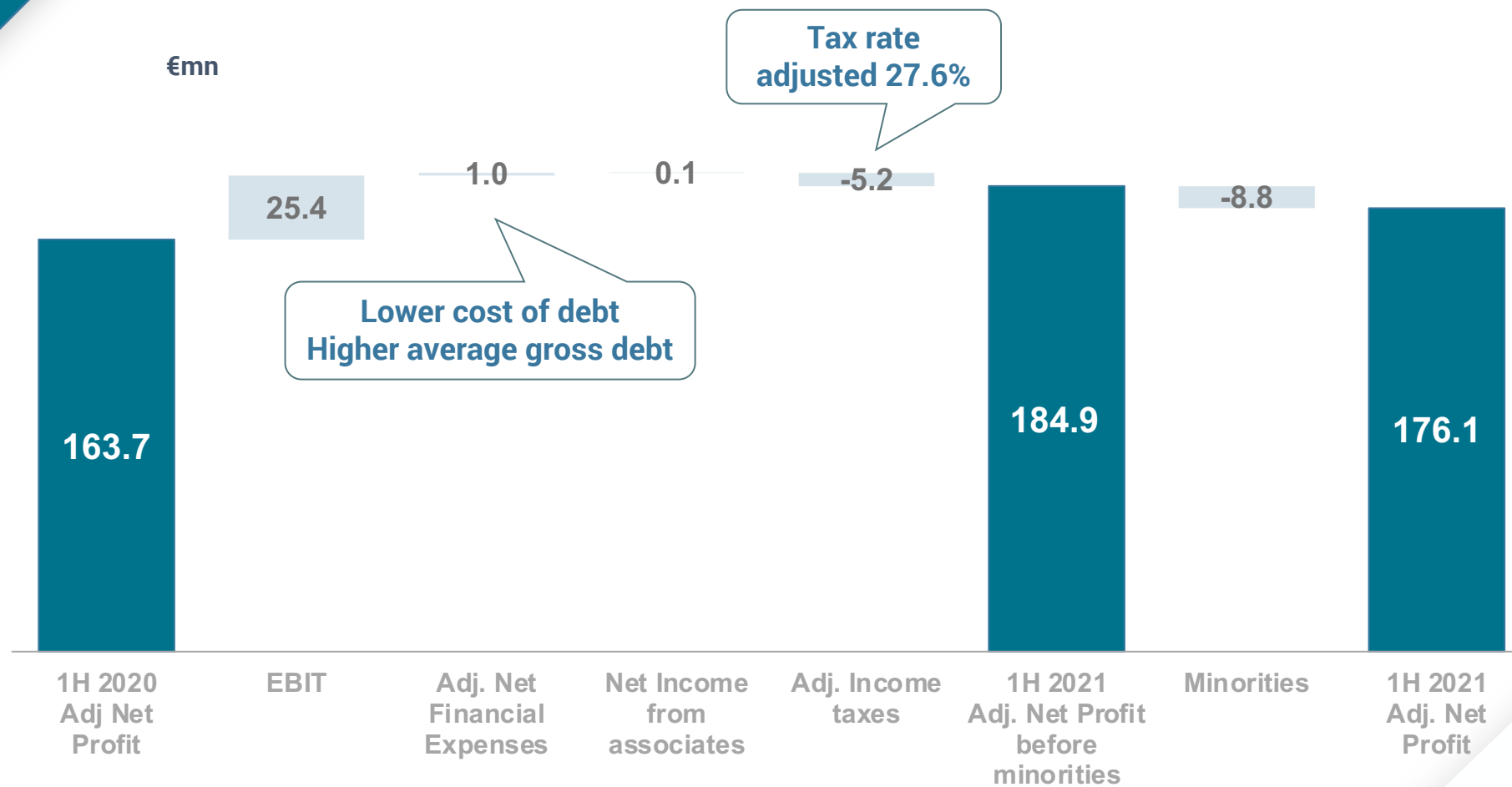


RESULTS

1H 2021



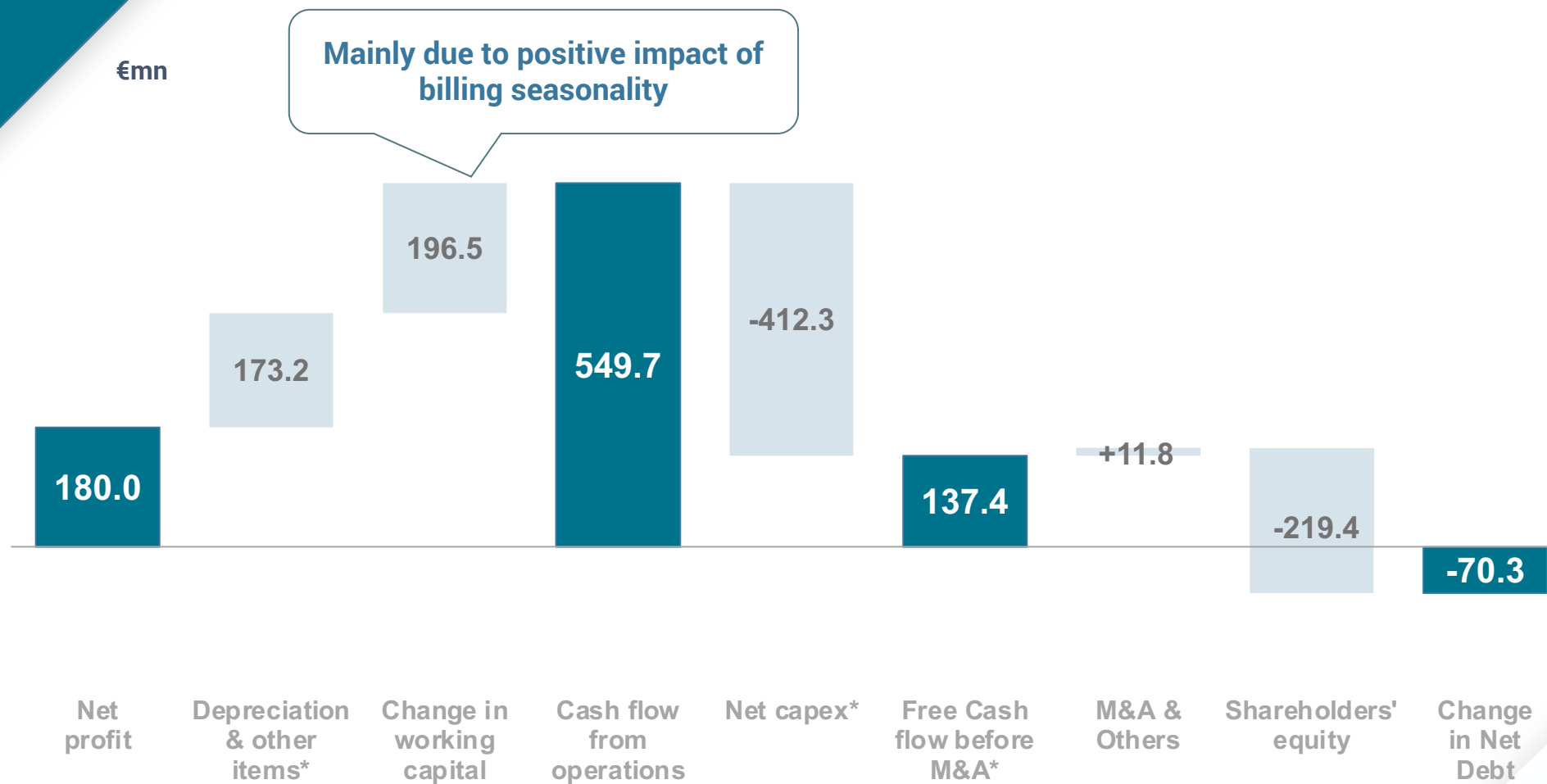
Adjusted Net Profit +14.1% vs 1H 2020



RESULTS

1H 2021

Cash Flow



(*) includes IFRS16 effects,

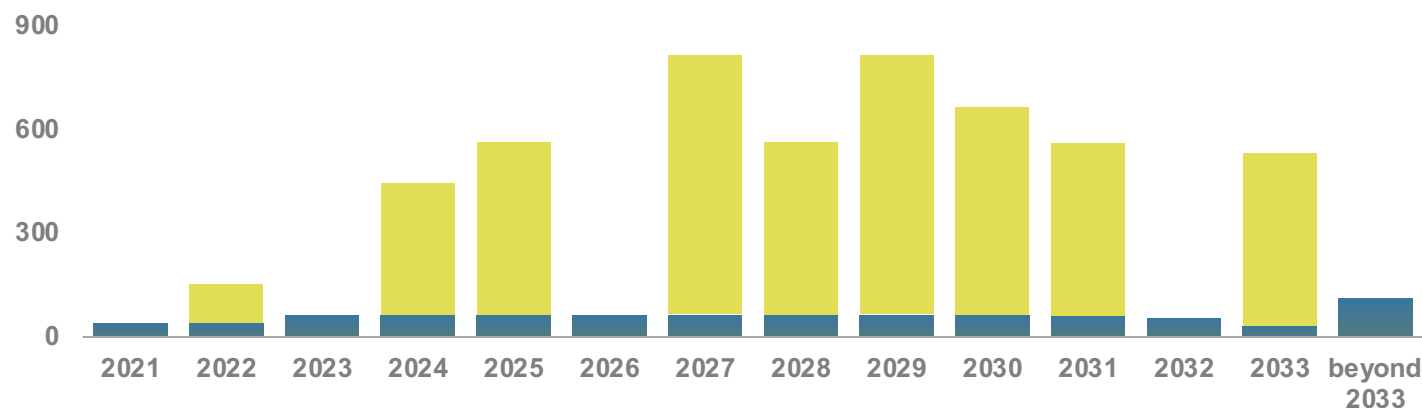
FINANCIAL STRATEGY

A KEY SOURCE OF VALUE CREATION



EIB 
Bond 

Debt Maturities

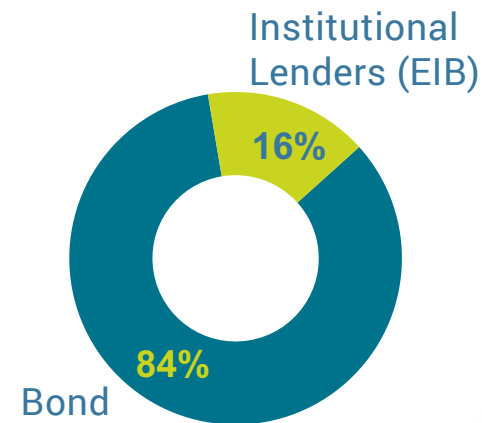
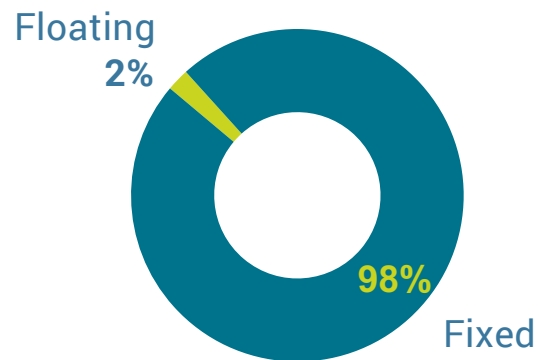


Limited refinancing needs and liquidity buffer c€690mn

Low exposure to interest rates volatility and long debt tenor

Best in class cost of debt of ~1% in 1H 2021

1H 2021 Gross Debt Structure*



(* excluding IFRS16)

RESULTS

1H 2021

BALANCE SHEET

€ mln

	FY 2020	1H 2021	Change
Net invested capital	6,713.9	6,725.5	11.6
Fixed capital	6,707.2	6,909.6	202.4
Tangible fixed assets	369.9	374.6	4.7
Net intangible fixed assets	6,511.5	6,708.6	197.1
Net payables investments	- 208.6	- 207.6	1.0
Equity-accounted and other investments	34.4	34.0	- 0.4
Net working capital	111.2	- 79.5	- 190.7
Provisions for employee benefits	- 104.6	- 100.0	4.6
Assets held for sale and directly related liabilities	0.1	- 4.6	- 4.7
Net financial debt	4,736.5	4,806.8	70.3
Financial debt for operating leases (IFRS 16)	76.3	69.8	- 6.5
Net financial debt ex operating leases	4,660.2	4,737.0	76.8
Shareholders' equity	1,977.4	1,918.7	- 58.7

1H 2021 CONCLUSION



Despite the DL570 effects, 1H results show our capabilities as industrial operators: investments, services to customers and costs reduction

Strong focus on environmental performance

Submitted offer for DEPA in Greece on July 15th

Assessing consultation document of ARERA on allowed returns and preparing our response

APPENDIX



RESULTS

P&L QUARTERLY ADJUSTED

1Q 2021

2Q 2021

3Q 2021

4Q 2021

€ mln

Total Revenues

333.3

332.1

Operating expenses

- 98.9

- 77.4

EBITDA

234.4

254.7

Depreciation & amortisation

- 104.5

- 105.2

EBIT

129.9

149.5

Net interest income (expenses)

- 13.6

- 11.8

Net income from associates

0.6

0.5

EBT

116.9

138.2

Income taxes

- 31.0

- 39.2

NET PROFIT before minorities

85.9

99.0

Minorities

- 4.7

- 4.1

NET PROFIT after minorities

81.2

94.9

RESULTS

2Q

2Q 2020

2Q 2021

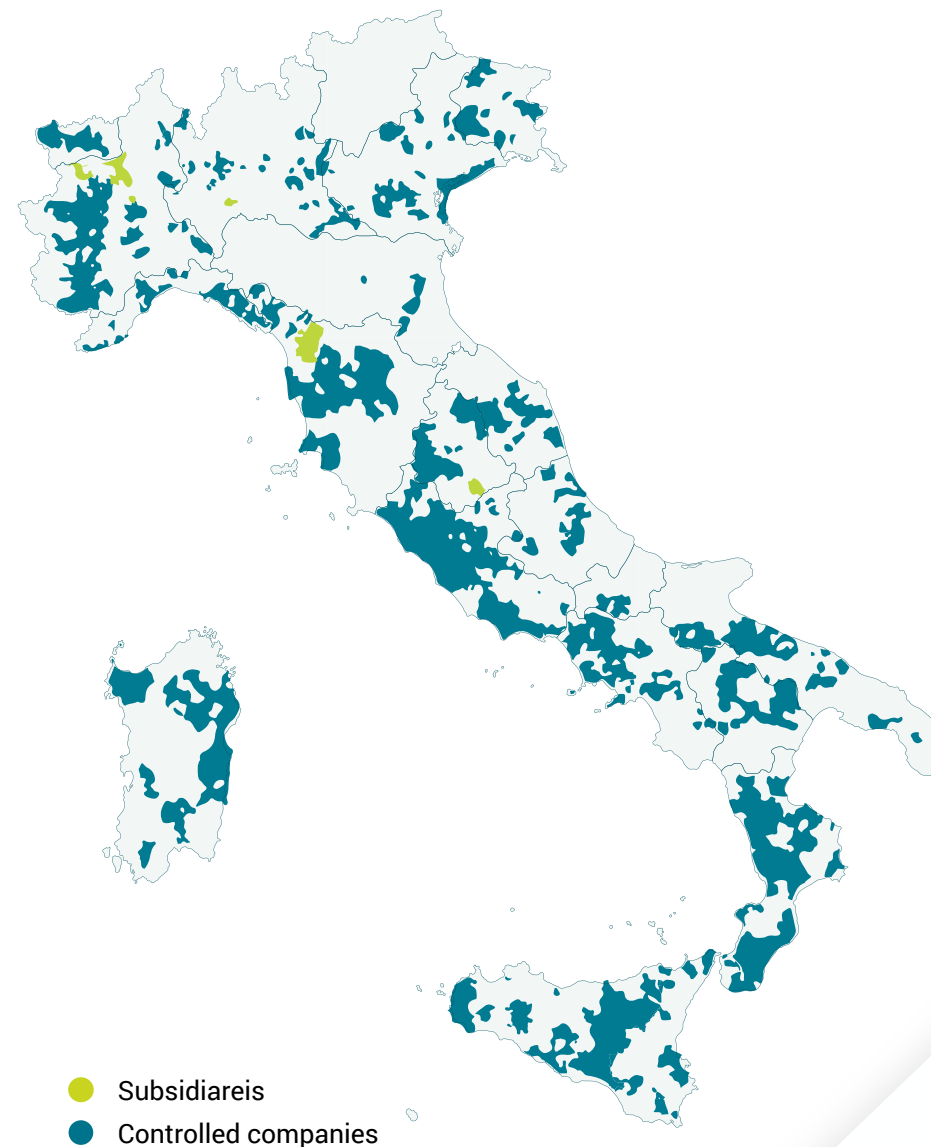
Change

€ mln

	2Q 2020	2Q 2021	Change
Total Revenues	319.7	332.1	12.4
Operating expenses	- 84.8	- 77.4	7.4
EBITDA	234.9	254.7	19.8
Depreciation & amortisation	- 104.4	- 105.2	- 0.8
EBIT	130.5	149.5	19.0
Net interest income (expenses)	- 13.0	- 11.8	1.2
Net income from associates	0.1	0.5	0.4
EBT	117.6	138.2	20.6
Income taxes	- 34.9	- 39.2	- 4.3
NET PROFIT before minorities	82.8	99.0	16.2
Minorities	- 3.8	- 4.1	- 0.3
NET PROFIT after minorities	79.0	94.9	15.9

MAIN NUMBERS

	OPERATING HIGHLIGHTS (TOTAL)	OF WHICH AFFILIATES
Network length	73,590 km	1,883 km
Municipalities	1,888	61
Redelivery Points	7.745 mn	0.153 mn
Market Share ⁽¹⁾	35%	0.1%



(*) Calculated by redelivery points

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IR contacts

Anna Maria Scaglia
Armando Iobbi

Investor.relations@Italgas.it