



# 9M 2021 RESULTS

Milan

27.10.2021



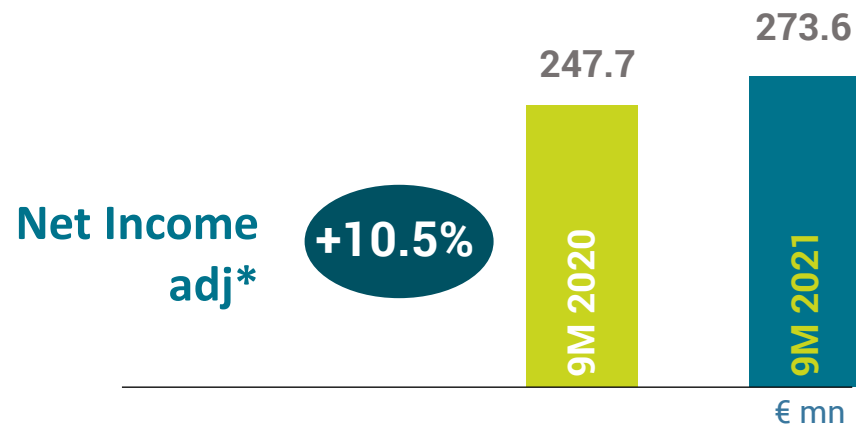
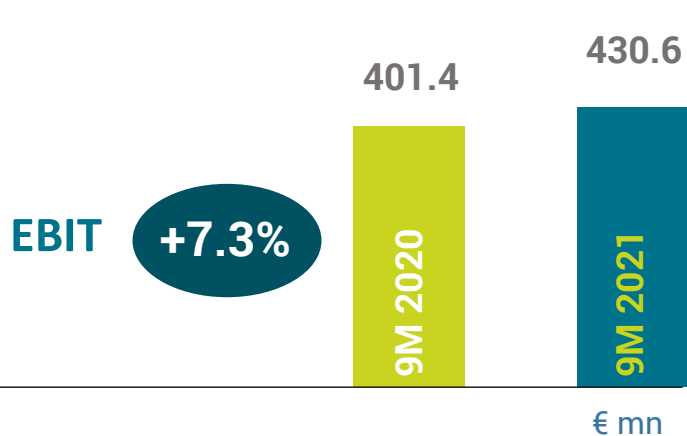
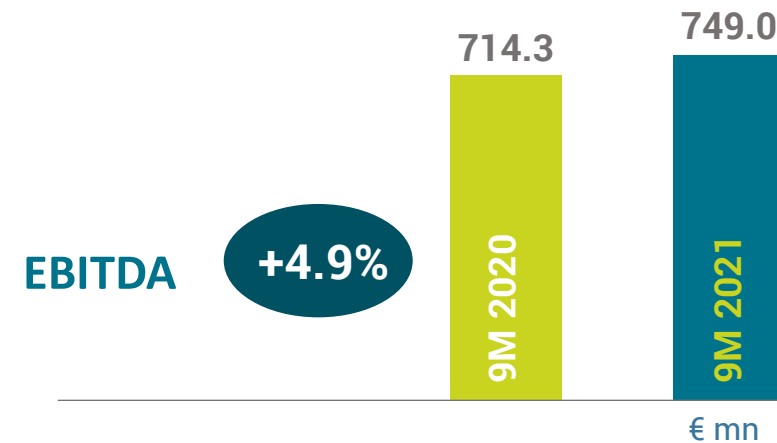
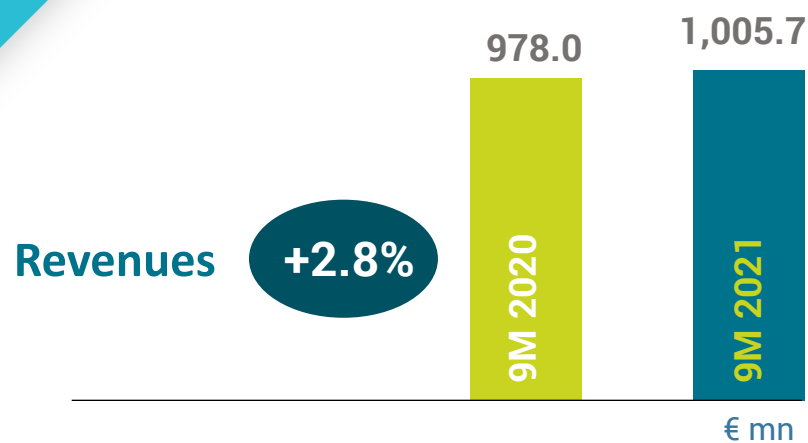


# 9M 2021 RESULTS

## KEY HIGHLIGHTS



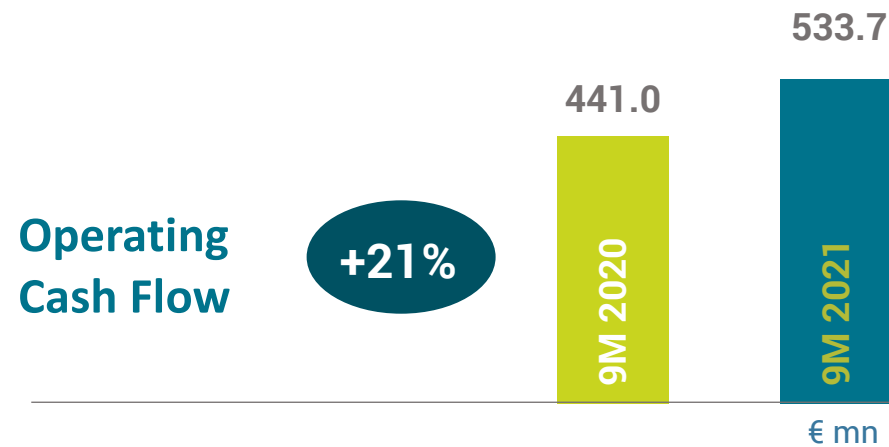
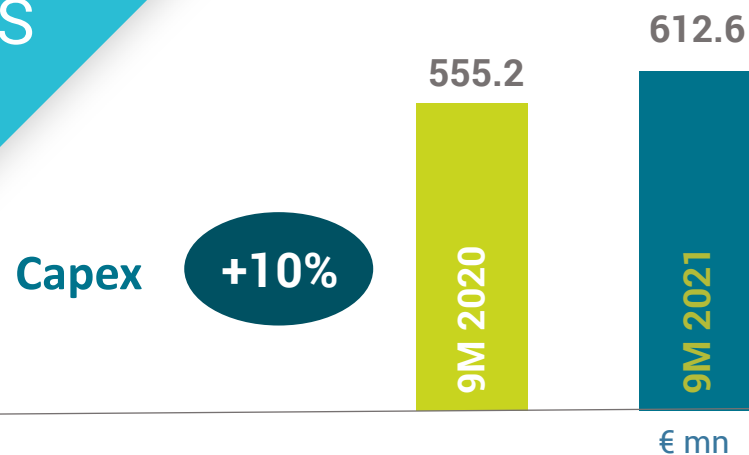
Growth remains strong led by RAB increase, services to clients and costs control, despite DL570 negative impact



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

# 9M 2021 RESULTS

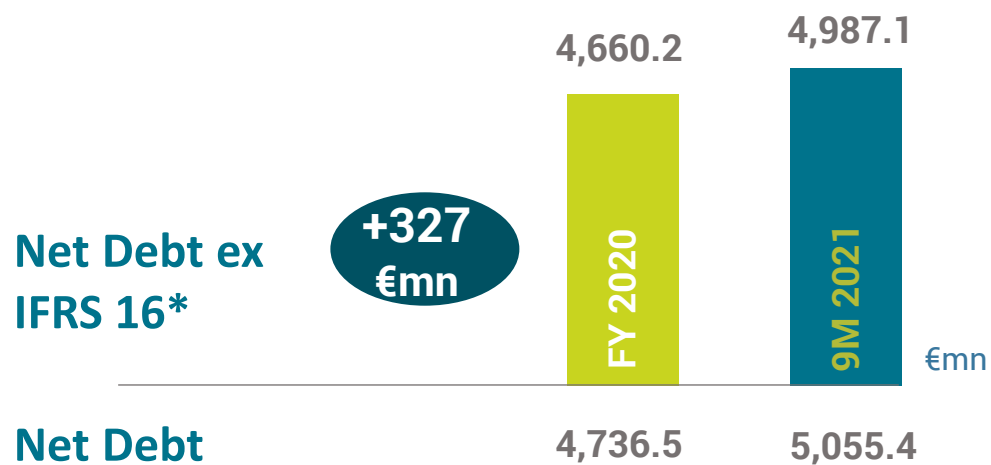
## KEY HIGHLIGHTS



Capex remains strong, as digital transformation and network repurposing efforts continue.

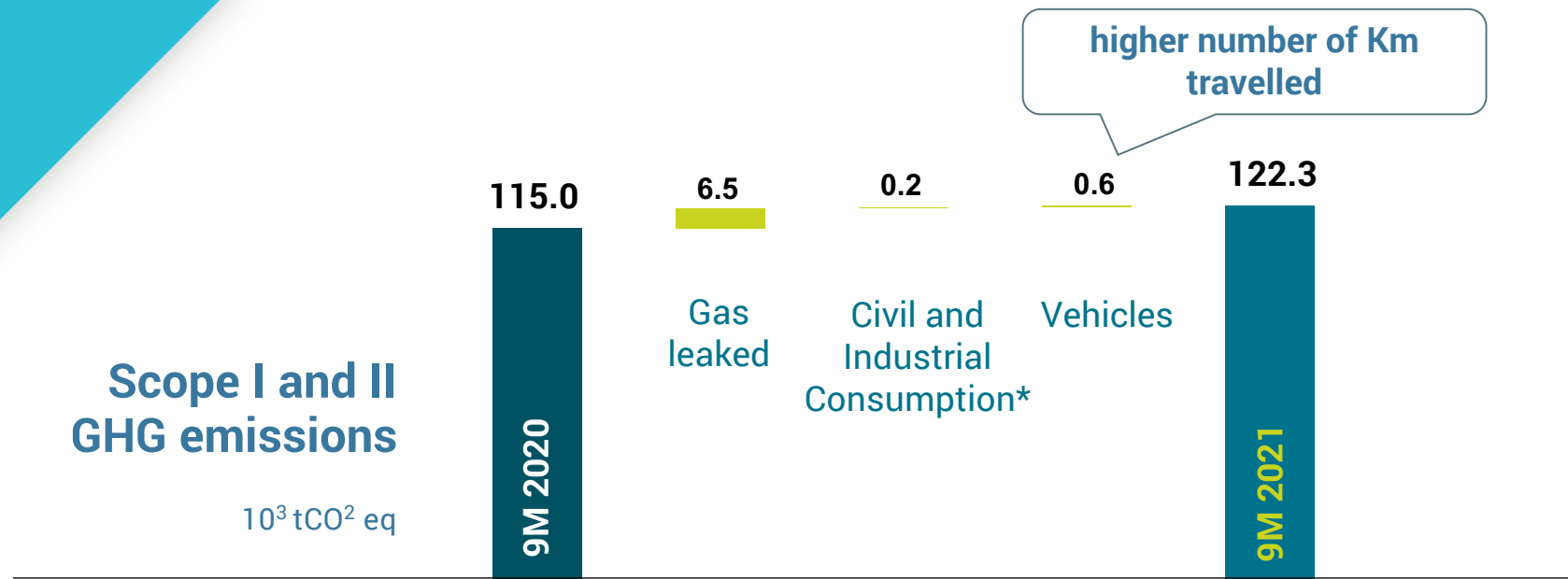
Cashflow generation year on year reflects better working capital evolution in the 9M

Net Debt evolution reflects higher capex



(\*) Operating leases ex IFRS 16 €68.3mn at the end of 9M 2021 and €76.3mn at the end of 2020

# 9M 2021 RESULTS ESG GHG EMISSIONS

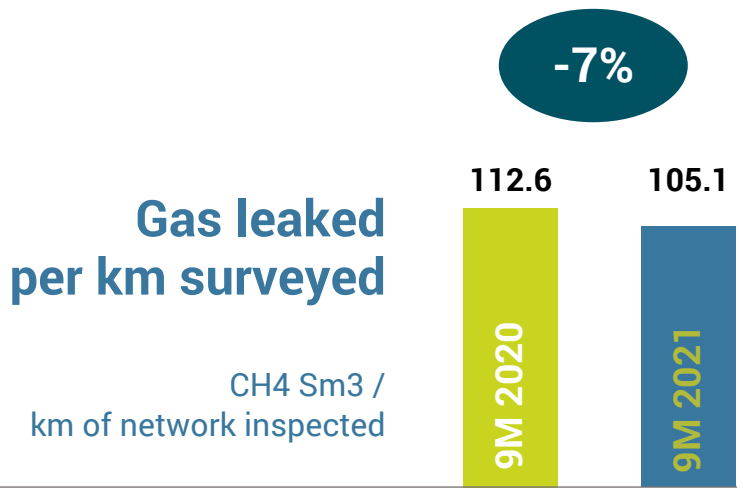


## Scope I and II GHG emissions

10<sup>3</sup> tCO<sub>2</sub> eq

### Vehicles

- 32 mln km travelled (+15%)
- Operative bi-fuel fleet: 92% CNG fuelled
- CO<sub>2</sub>/km: stable
- NO<sub>x</sub>/km: -6% Particulate/km: -23%



## Gas leaked per km surveyed

CH<sub>4</sub> Sm<sup>3</sup> / km of network inspected

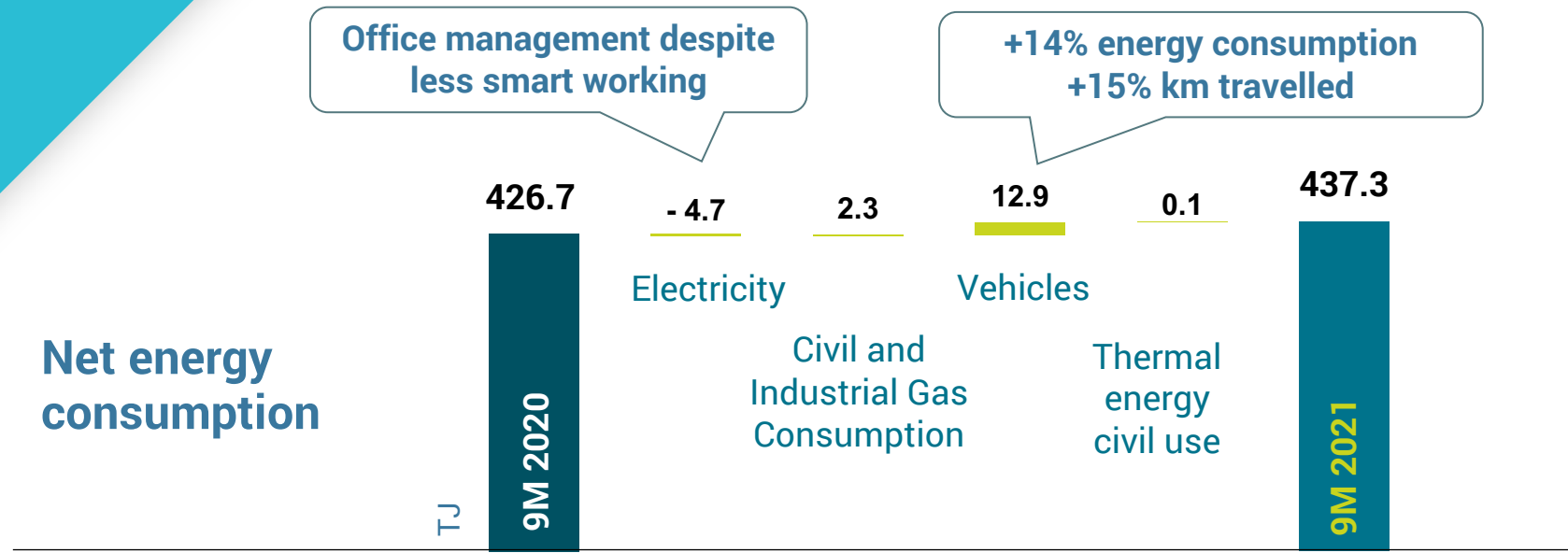
### Gas leaked

- 56,239 km inspected (+14%)
- New LISA\*\*/ km surveyed: -18%
- Gas leaked / gas injected: 0.092% (-4.1%)
- Gas injected: 6.4 bln Sm<sup>3</sup> (+11%)



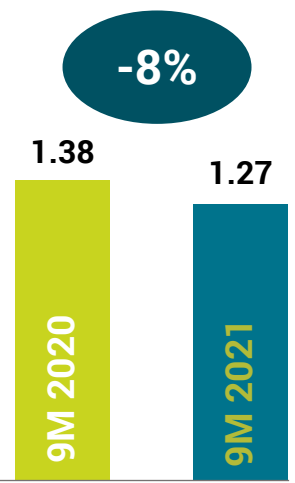
(\*) Gas and electricity; (\*\*) Leak detection Search Area

# 9M 2021 RESULTS ESG ENERGY CONSUMPTION



## Industrial gas consumption

Sm<sup>3</sup> of gas to pre-heat / 1,000 Sm<sup>3</sup> of gas supplied



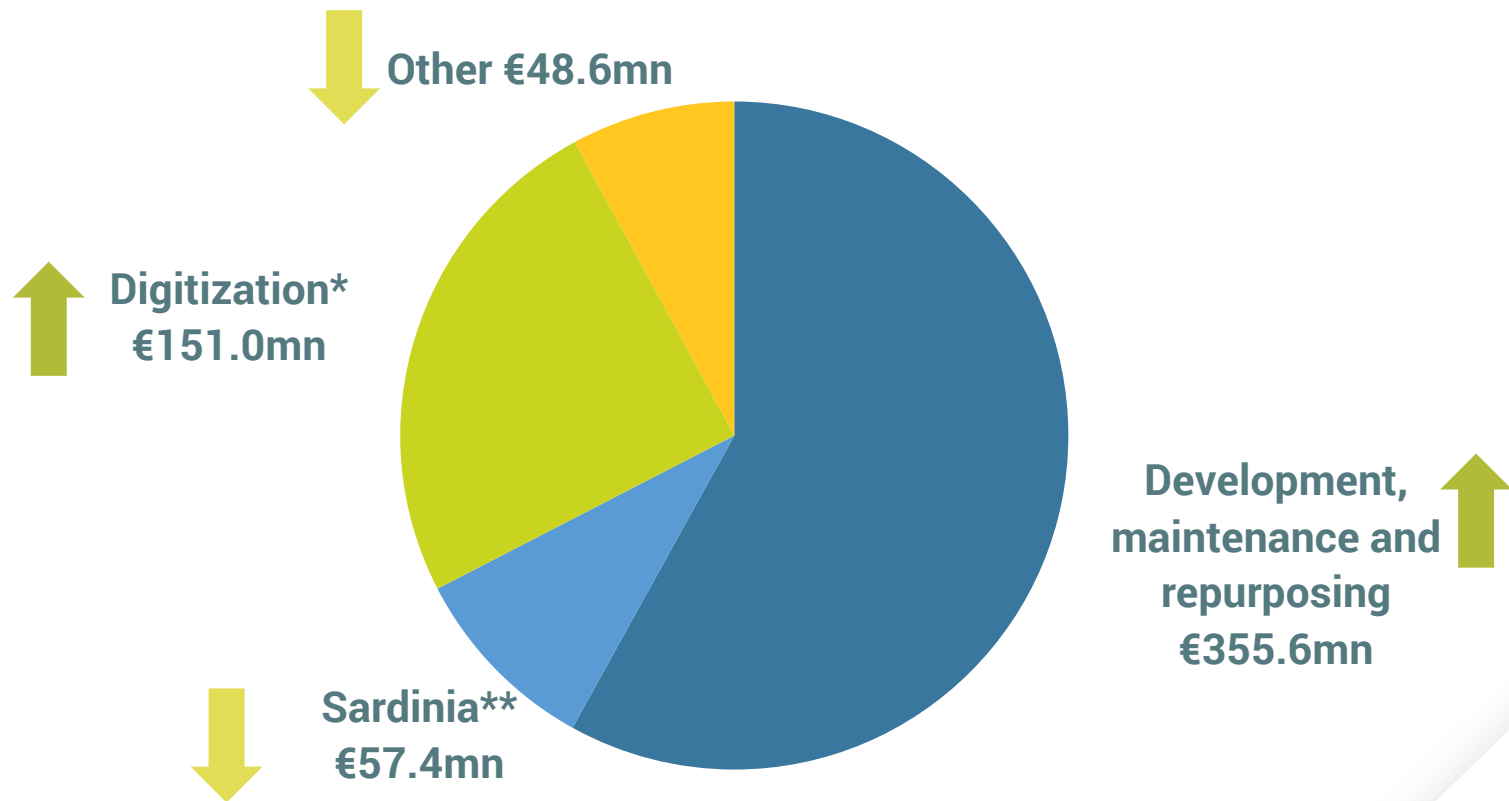
- Gas injected: 6.4 bln Sm<sup>3</sup> (+11%)
- Gas for pre-heat: 6.3 mil Sm<sup>3</sup> (+0%)
- 88% gas consumption used for pre-heat
- Net electricity: 70.9 TJ (-6%)



**CAPEX**  
GROWING IN LINE  
WITH  
EXPECTATIONS

9M 2021  
**€612.6mn +10.3% yoy**

545km new networks pipes of  
which 62km in Sardinia  
645k smart meters installed\*\*\*



# RESULTS

## 9M 2021 REPORTED VS ADJUSTED

9M 2021 reported      9M 2021 adjusted      Change

*P&L, € mln*

	9M 2021 reported	9M 2021 adjusted	Change
<b>Total Revenues</b>	<b>1,005.7</b>	<b>1,005.7</b>	-
Operating expenses	- 256.7	- 256.7	-
<b>EBITDA</b>	<b>749.0</b>	<b>749.0</b>	-
Depreciation & amortisation	- 318.4	- 318.4	-
<b>EBIT</b>	<b>430.6</b>	<b>430.6</b>	-
Net interest income (expenses)	- 46.0	- 39.6	6.4
Net income from associates	2.3	2.3	-
<b>EBT</b>	<b>386.9</b>	<b>393.3</b>	<b>6.4</b>
Income taxes	- 104.8	- 106.3	- 1.5
<b>NET PROFIT before minorities</b>	<b>282.1</b>	<b>287.0</b>	<b>4.9</b>
Minorities	- 13.4	- 13.4	-
<b>NET PROFIT after minorities</b>	<b>268.7</b>	<b>273.6</b>	<b>4.9</b>

*- 6.4mn cost of bond buyback transaction finalised in February*

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

# RESULTS

## 9M 2021 ADJUSTED

9M 2020  
adjusted

9M 2021  
adjusted

Change

P&L, € mln

	9M 2020 adjusted	9M 2021 adjusted	Change	
<b>Total Revenues</b>	<b>978.0</b>	<b>1,005.7</b>	<b>27.7</b>	
Operating expenses	- 263.7	- 256.7	7.0	
<b>EBITDA</b>	<b>714.3</b>	<b>749.0</b>	<b>34.7</b>	<b>↑ + 4.9%</b>
Depreciation & amortisation	- 312.9	- 318.4	- 5.5	
<b>EBIT</b>	<b>401.4</b>	<b>430.6</b>	<b>29.2</b>	<b>↑ + 7.3%</b>
Net interest income (expenses)	- 40.2	- 39.6	0.6	
Net income from associates	1.2	2.3	1.1	
<b>EBT</b>	<b>362.4</b>	<b>393.3</b>	<b>30.9</b>	
Income taxes	- 100.7	- 106.3	- 5.6	
<b>NET PROFIT before minorities</b>	<b>261.7</b>	<b>287.0</b>	<b>25.3</b>	
Minorities	- 14.0	- 13.4	0.6	
<b>NET PROFIT after minorities</b>	<b>247.7</b>	<b>273.6</b>	<b>25.9</b>	<b>↑ + 10.5%</b>

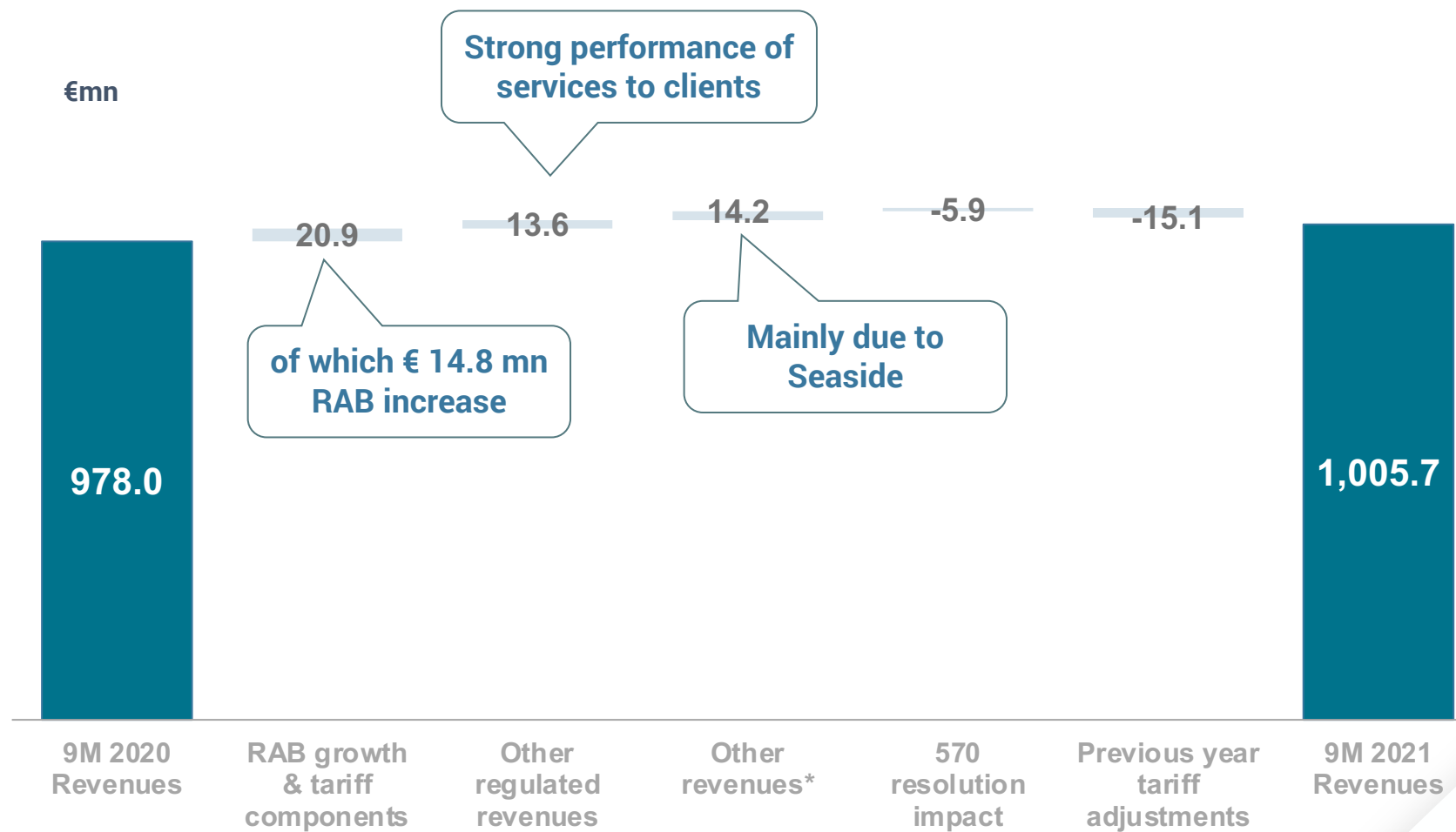


# RESULTS

## 9M 2021



### Revenues +2.8% vs 9M 2020



(\* including capital gain from real estate assets sale for €4.2 mn)

# RESULTS

## 9M 2021

9M 2020

9M 2021

Change

### REVENUES, € mln

	9M 2020	9M 2021	Change
<b>Regulated revenues</b>	<b>949.3</b>	<b>962.8</b>	<b>13.5</b>
Distribution	893.1	893.0	-0.1
Tariff contribution for meters replacement	7.4	8.7	1.3
Other distribution revenues	48.8	61.1	12.3
<b>Other revenues</b>	<b>28.7</b>	<b>42.9</b>	<b>14.2</b>
<b>TOTAL REVENUES</b>	<b>978.0</b>	<b>1,005.7</b>	<b>27.7</b>

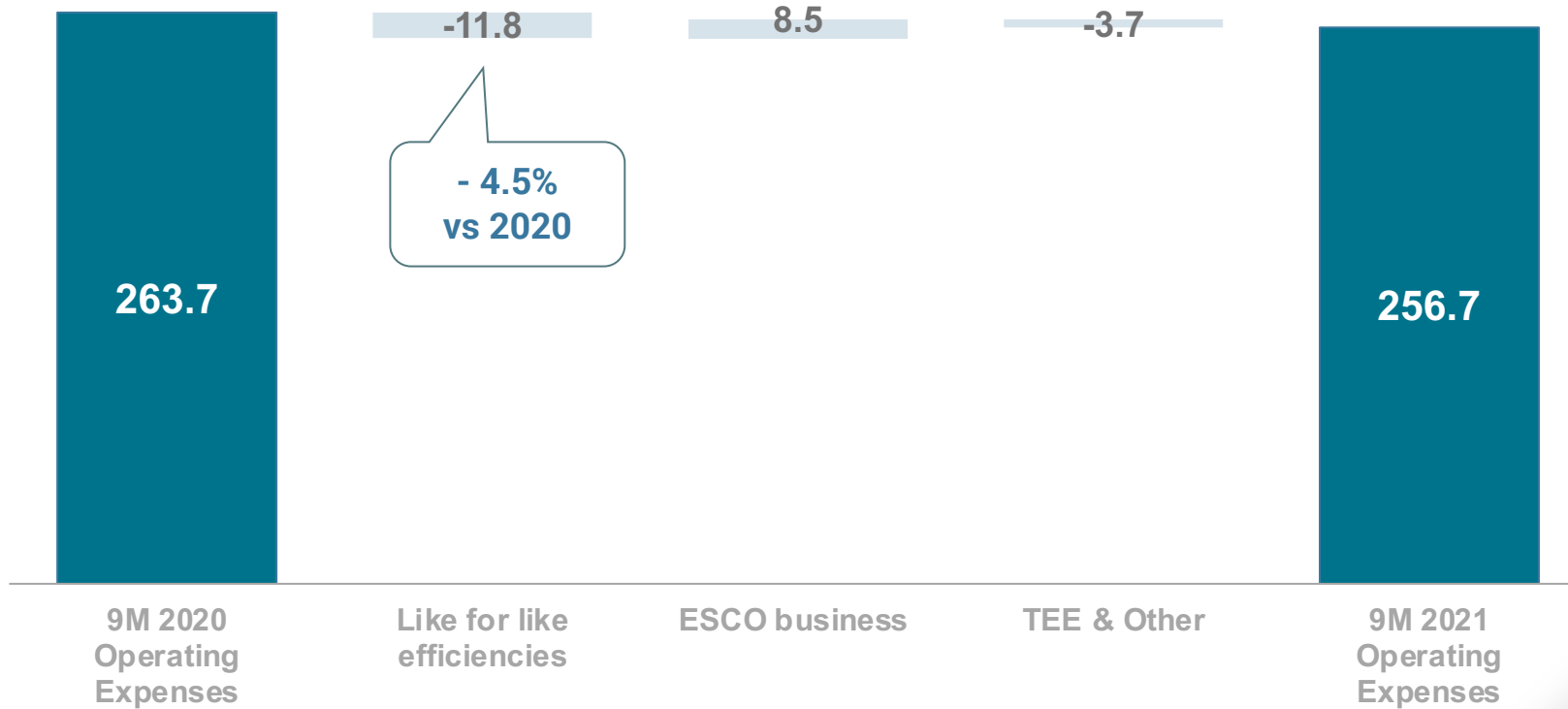
# RESULTS

## 9M 2021



### Operating expenses -2.7% vs 9M 2020

€mn



# RESULTS

## 9M 2021

9M 2020

9M 2021

Change

### OPERATING EXPENSES, € mln

	9M 2020	9M 2021	Change
<b>Distribution fixed costs</b>	<b>183.2</b>	<b>169.7</b>	<b>- 13.5</b>
Net labour cost	104.6	97.8	- 6.8
Net external cost	78.5	71.9	- 6.7
<b>Other activities</b>	<b>18.5</b>	<b>29.6</b>	<b>11.1</b>
Net labour cost	2.4	3.7	1.3
Net external cost	16.1	25.9	9.9
Other costs	5.7	2.1	- 3.6
Tee	4.9	2.9	- 2.0
Concessions fees	51.4	52.4	1.0
<b>OPERATING EXPENSES</b>	<b>263.7</b>	<b>256.7</b>	<b>- 7.0</b>

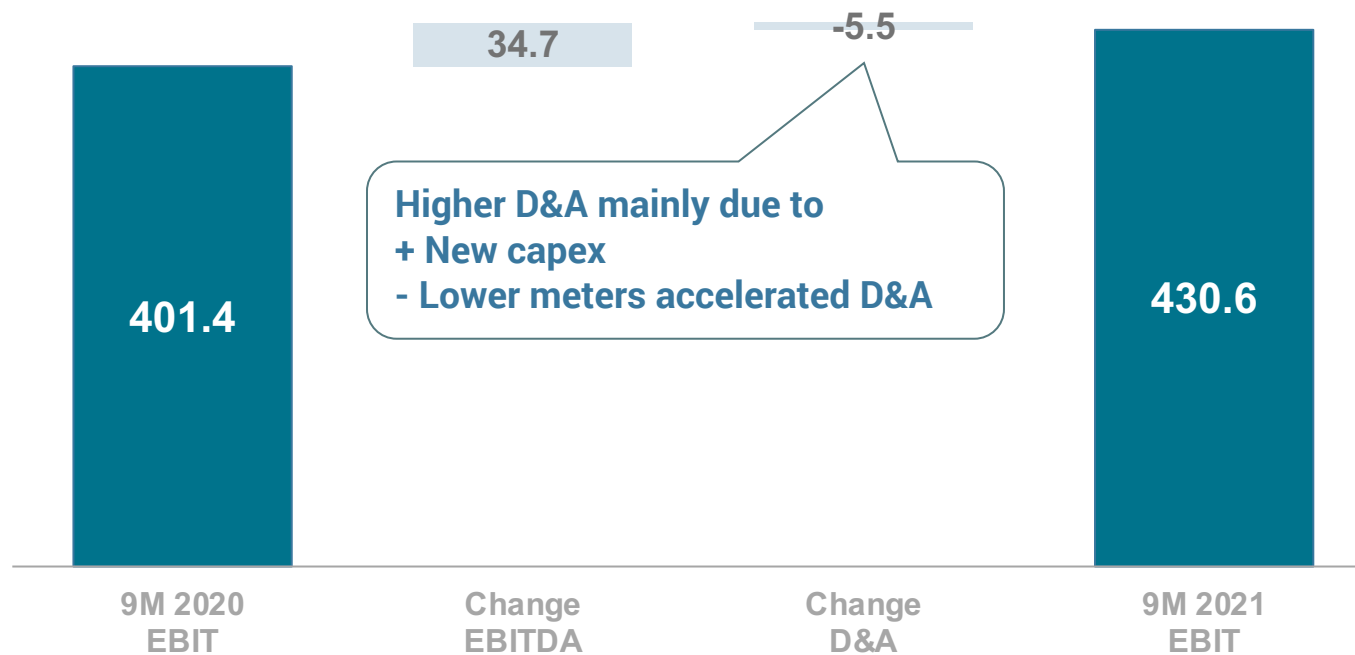
# RESULTS

## 9M 2021

Ebit +7.3% vs 9M 2020



€mn



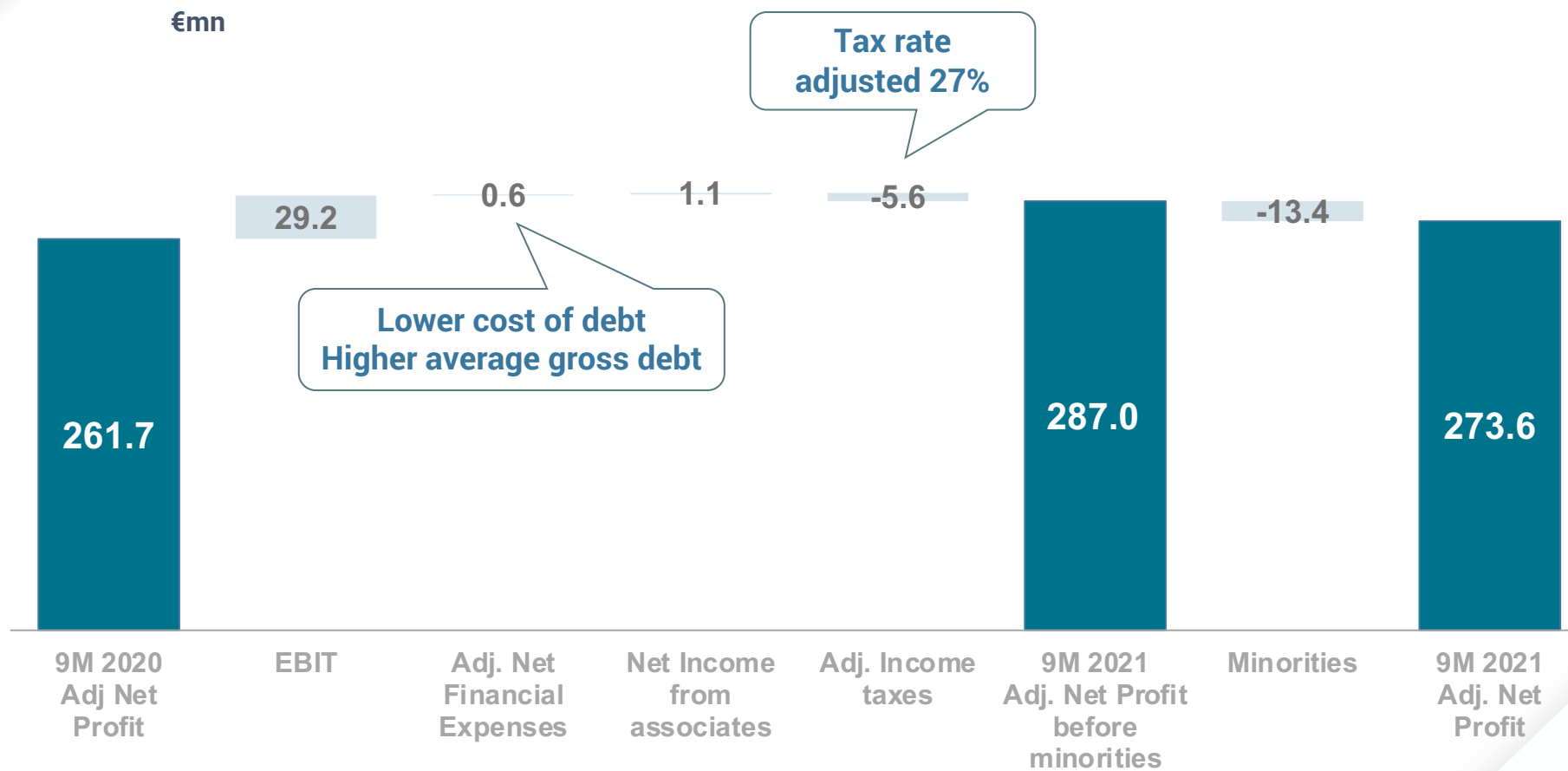


# RESULTS

## 9M 2021



### Adjusted Net Profit +10.5% vs 9M 2020



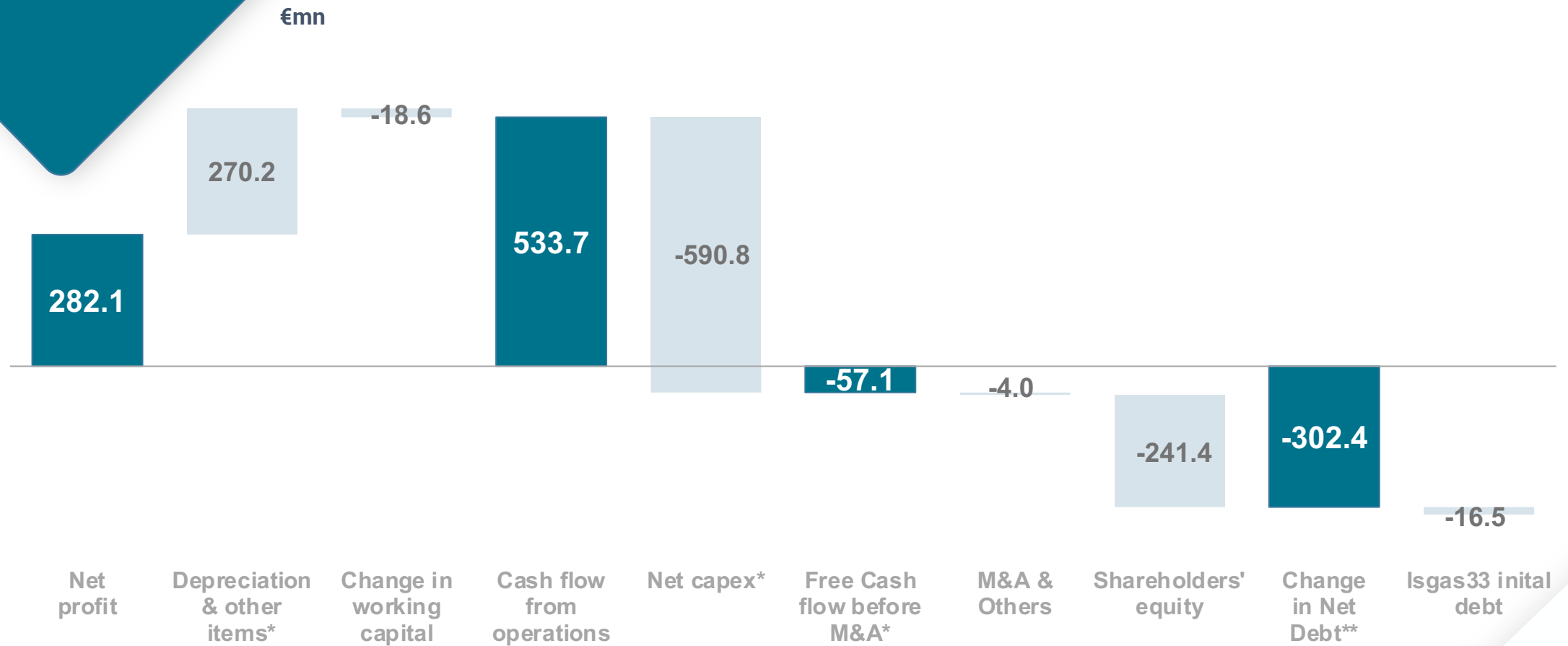
Excluding the post-tax cost of bond buyback transaction finalised in February 2021 for €4.9mn

# RESULTS

## 9M 2021



### Cash Flow



(\*) includes IFRS16 effects, (\*\*) excludes Isgas33 initial debt

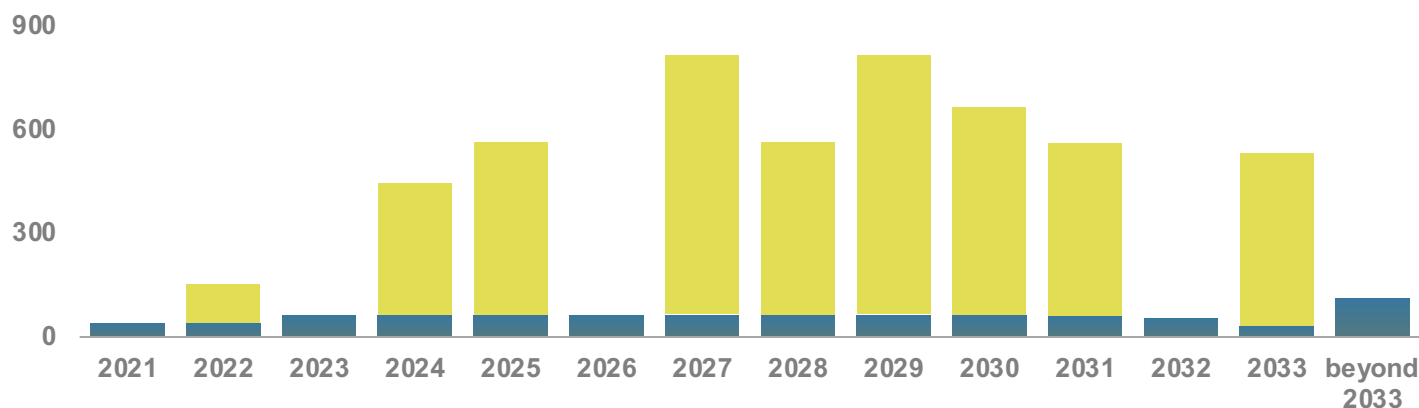
# FINANCIAL STRATEGY

## A KEY SOURCE OF VALUE CREATION



EIB   
Bond 

### Debt Maturities



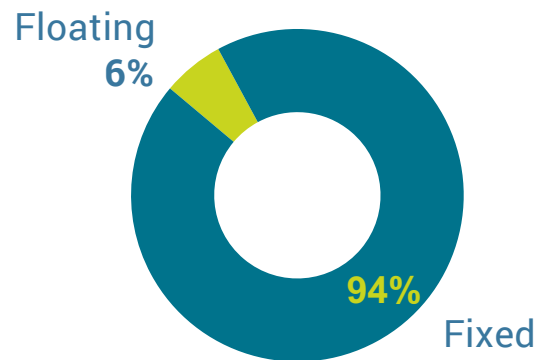
Limited refinancing needs and liquidity buffer ~€680mn

Low exposure to interest rates volatility and long debt tenor

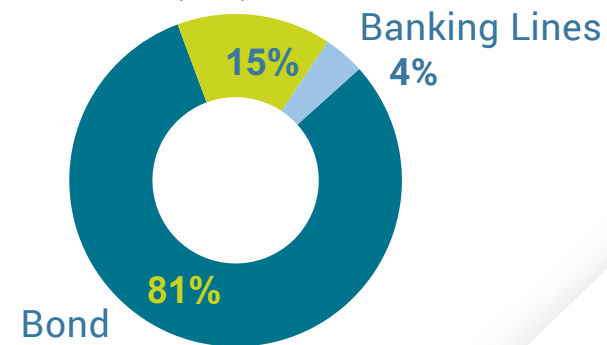
Best in class cost of debt of ~1% in 9M 2021

2 fixed rate ESG-linked loans signed for €500mn

### 9M 2021 Gross Debt Structure\*



### Institutional Lenders (EIB)



(\* excluding IFRS16)

# RESULTS

## 9M 2021

### BALANCE SHEET

31/12/20

30/09/21

Change

€ mln

	31/12/20	30/09/21	Change
<b>Net invested capital</b>	<b>6,713.9</b>	<b>7,078.6</b>	<b>364.7</b>
Fixed capital	6,707.2	7,000.2	293.0
Tangible fixed assets	369.9	369.8	- 0.1
Net intangible fixed assets	6,511.5	6,816.5	305.0
Net payables investments	- 208.6	- 221.3	- 12.7
Equity-accounted and other investments	34.4	35.2	0.8
Net working capital	111.2	177.0	65.8
Provisions for employee benefits	- 104.6	- 98.7	5.9
Assets held for sale and directly related liabilities	0.1	0.1	-
<b>Net financial debt</b>	<b>4,736.5</b>	<b>5,055.4</b>	<b>318.9</b>
Financial debt for operating leases (IFRS 16)	76.3	68.3	- 8.0
<b>Net financial debt ex operating leases</b>	<b>4,660.2</b>	<b>4,987.1</b>	<b>326.9</b>
<b>Shareholders' equity</b>	<b>1,977.4</b>	<b>2,023.2</b>	<b>45.8</b>

# 9M 2021 CONCLUSION



*Selected as preferred bidder for DEPA Infrastructure*

*Results confirm our strong industrial capabilities and environmental performance is a strong focus for the group*

*Waiting for ARERA to publish second consultation document on allowed returns by early November*

*We confirm our overall targets for the year*



# APPENDIX



# RESULTS

## P&L QUARTERLY ADJUSTED

1Q 2021

2Q 2021

3Q 2021

4Q 2021

€ mln

	1Q 2021	2Q 2021	3Q 2021	4Q 2021
<b>Total Revenues</b>	<b>333.3</b>	<b>332.1</b>	<b>340.3</b>	
Operating expenses	- 98.9	- 77.4	- 80.4	
<b>EBITDA</b>	<b>234.4</b>	<b>254.7</b>	<b>259.9</b>	
Depreciation & amortisation	- 104.5	- 105.2	- 108.7	
<b>EBIT</b>	<b>129.9</b>	<b>149.5</b>	<b>151.2</b>	
Net interest income (expenses)	- 13.6	- 11.8	- 14.2	
Net income from associates	0.6	0.5	1.2	
<b>EBT</b>	<b>116.9</b>	<b>138.2</b>	<b>138.2</b>	
Income taxes	- 31.0	- 39.2	- 36.1	
<b>NET PROFIT before minorities</b>	<b>85.9</b>	<b>99.0</b>	<b>102.1</b>	
Minorities	- 4.7	- 4.1	- 4.6	
<b>NET PROFIT after minorities</b>	<b>81.2</b>	<b>94.9</b>	<b>97.5</b>	

# RESULTS

## 2Q

3Q 2020

3Q 2021

Change

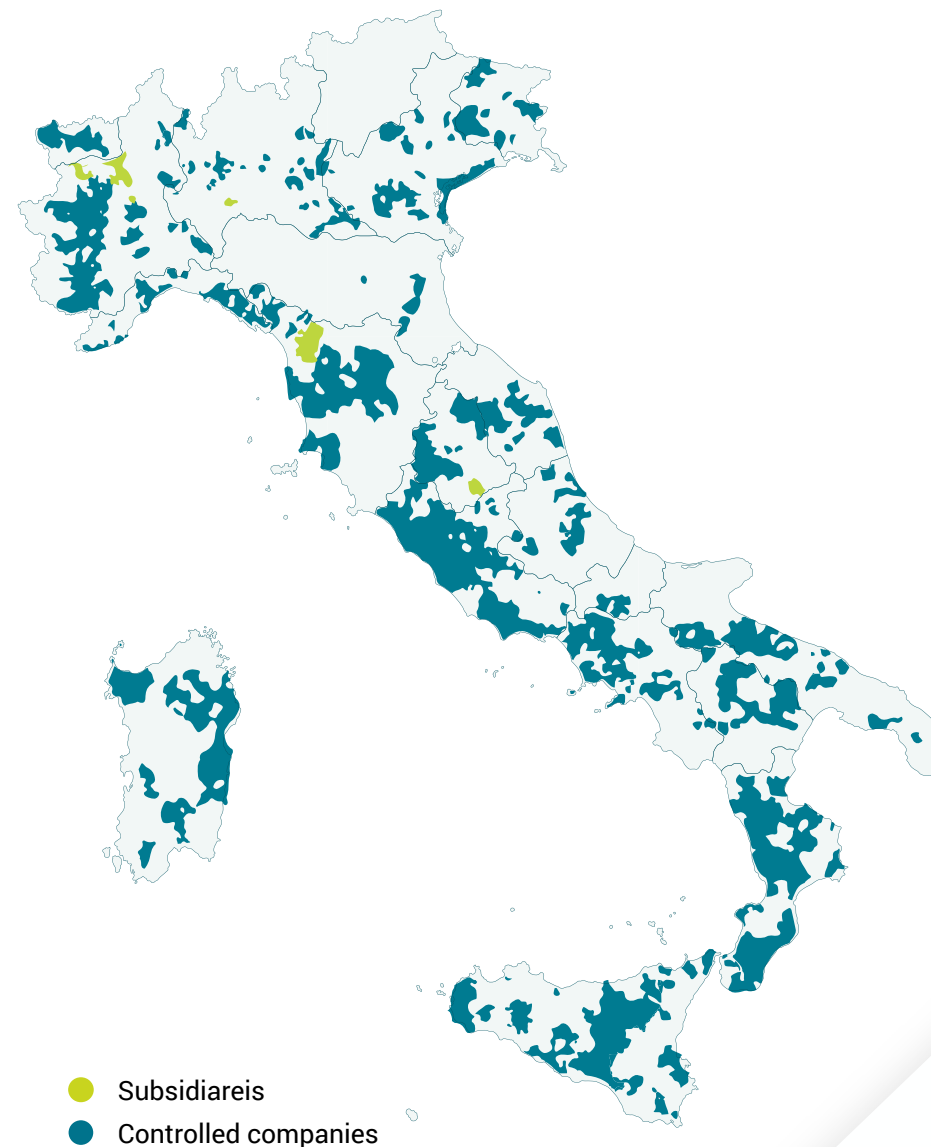
€ mln

	3Q 2020	3Q 2021	Change
<b>Total Revenues</b>	<b>331.2</b>	<b>340.3</b>	<b>9.1</b>
Operating expenses	- 78.7	- 80.4	- 1.7
<b>EBITDA</b>	<b>252.5</b>	<b>259.9</b>	<b>7.4</b>
Depreciation & amortisation	- 105.1	- 108.7	- 3.6
<b>EBIT</b>	<b>147.4</b>	<b>151.2</b>	<b>3.8</b>
Net interest income (expenses)	- 13.9	- 14.2	- 0.3
Net income from associates	0.2	1.2	1.0
<b>EBT</b>	<b>133.7</b>	<b>138.2</b>	<b>4.5</b>
Income taxes	- 35.7	- 36.1	- 0.4
<b>NET PROFIT before minorities</b>	<b>98.0</b>	<b>102.1</b>	<b>4.1</b>
Minorities	- 4.6	- 4.6	-
<b>NET PROFIT after minorities</b>	<b>93.4</b>	<b>97.5</b>	<b>4.1</b>



# MAIN NUMBERS

	OPERATING HIGHLIGHTS (TOTAL)	OF WHICH AFFILIATES
Network length	74,106 km	1,884 km
Municipalities	1,898	61
Redelivery Points	7.746 mn	0.153 mn
Market Share <sup>(1)</sup>	35%	0.1%



(\*) Calculated by redelivery points

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