

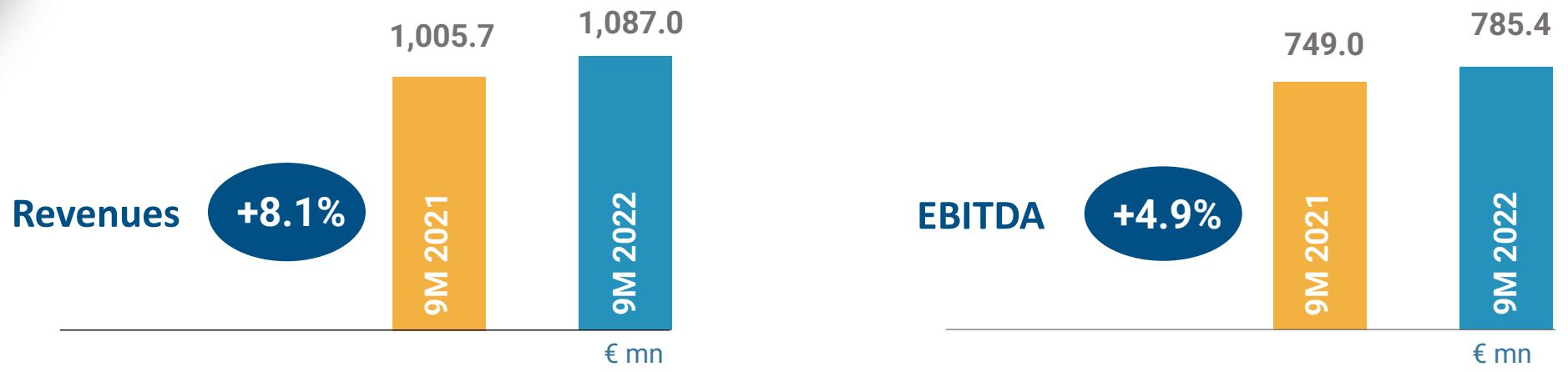
9M 2022 RESULTS

Milan
27.10.2022



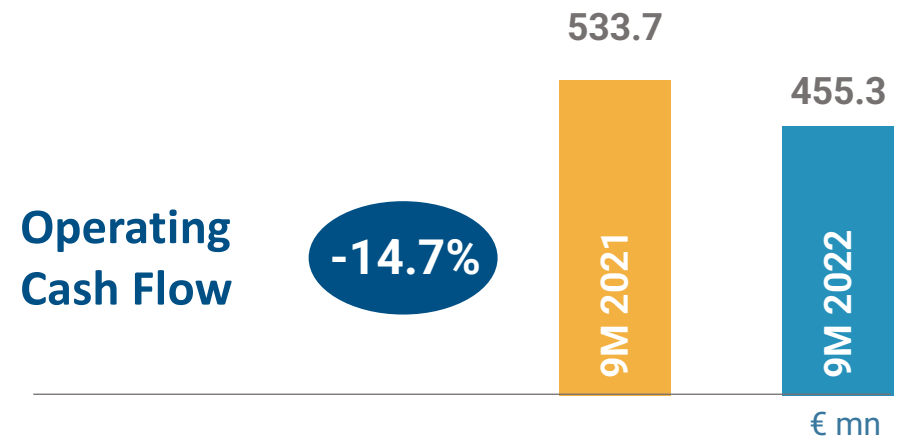
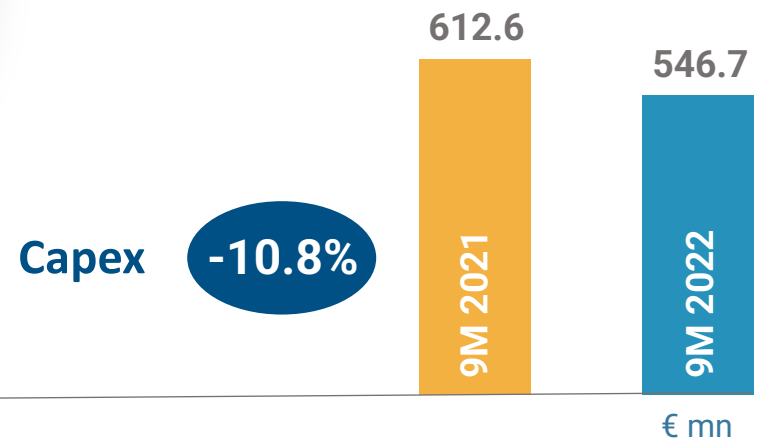
9M 2022 Results key highlights

First time consolidation of DEPA Infrastructure (month of September)
Italian operations 9M results well on track with guidance



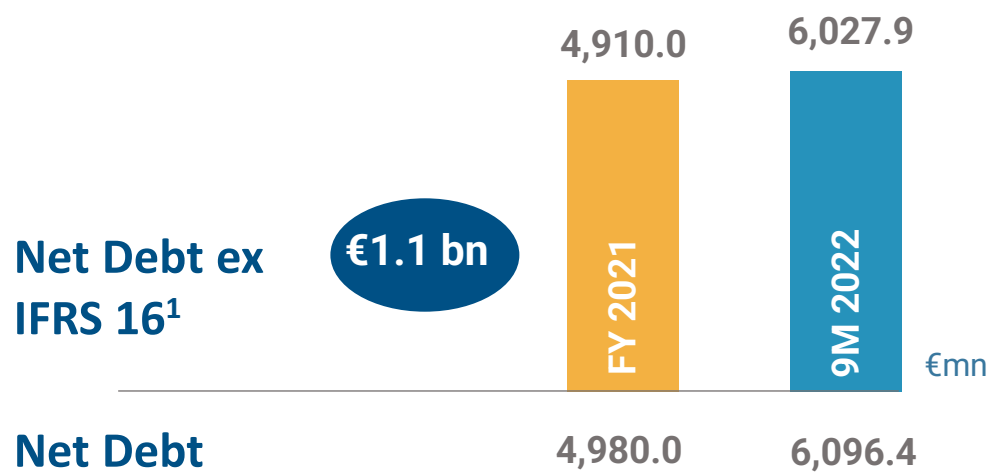
Note: DEPA Infrastructure consolidated starting from 1° of September 2022; (1) 2021 numbers adjusted for the post tax cost of €4.9mn of the bond buyback transaction finalised in February 2021

9M 2022 Results key highlights






Cashflow generation reflects regulatory measures to support natural gas end users (temporary)

Net Debt increase, led mainly by DEPA Infrastructure acquisition



Note: DEPA Infrastructure consolidated starting from 1° of September 2022; (1) Operating leases ex IFRS 16 €68.5mn at the end of 9M 2022 and €70.0mn at the end of 2021

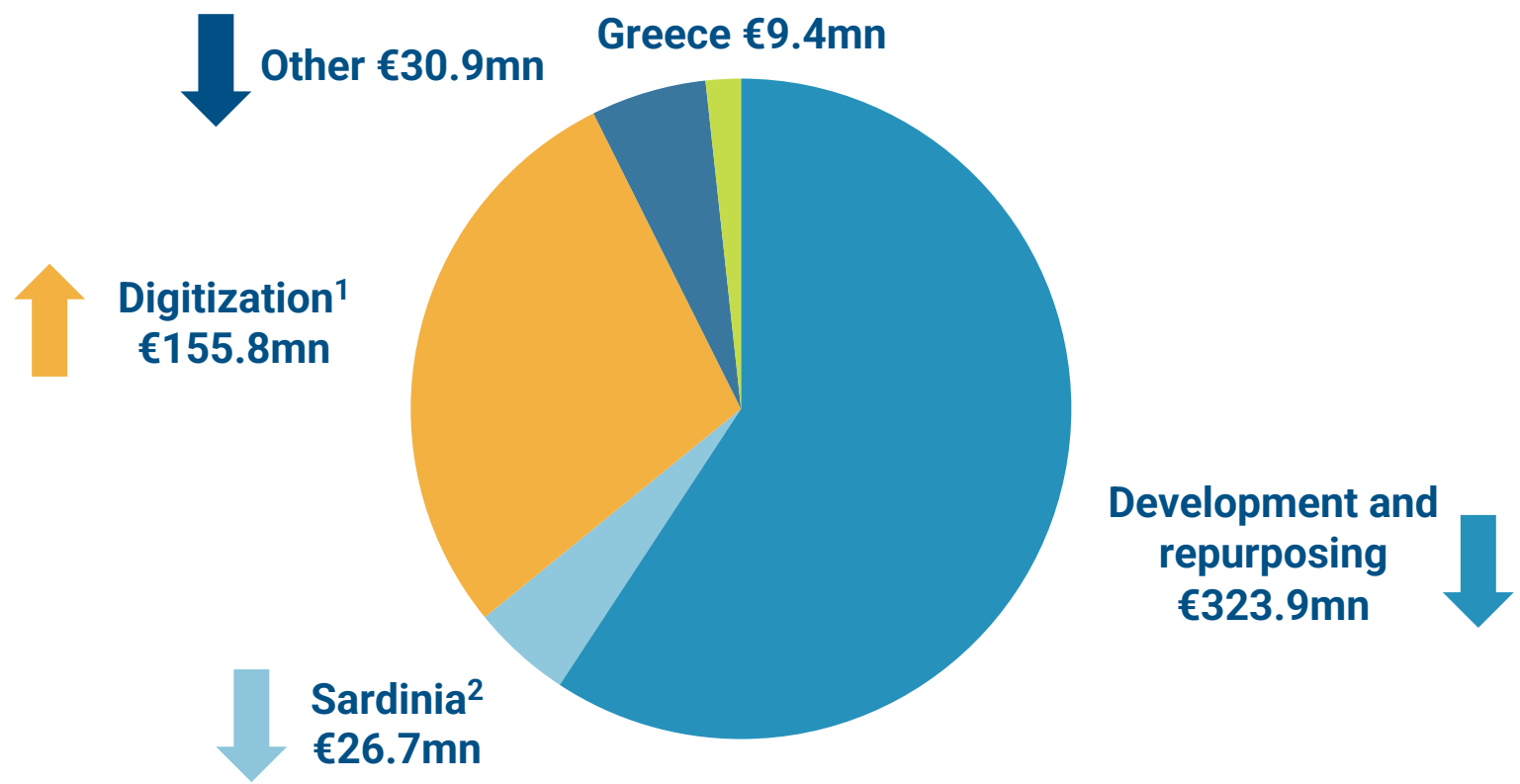
With Greece, Italgas network exceeds 82,000 kilometres

	 OPERATING HIGHLIGHTS (TOTAL)	 OF WHICH ITALY (ex affiliates)	 OF WHICH GREECE	OF WHICH AFFILIATES
Network length	82,215 km	72,959 km	7,353 km	1,903 km
Municipalities	2,039	1,838	140	61
Active Redelivery Points	8.309 mn	7.584 mn	0.572 mn	0.153 mn

9M 2022
Results
key highlights

9M 2022 €546.7mn

- First time contribution of Greece
- 272km new networks pipes
- 278k smart meters installed³
- 11 small scale LNG storage and regasification plants installed in Sardinia⁴



Note: capex including IFRS 16, total amounts; (1) including metering (2) new networks only; (3) of which 72k related to the replacement of traditional meters excluding affiliates; (4) bringing the total in operations to 64, unchanged vs 1H;

9M 2022 Results ESG GHG emissions

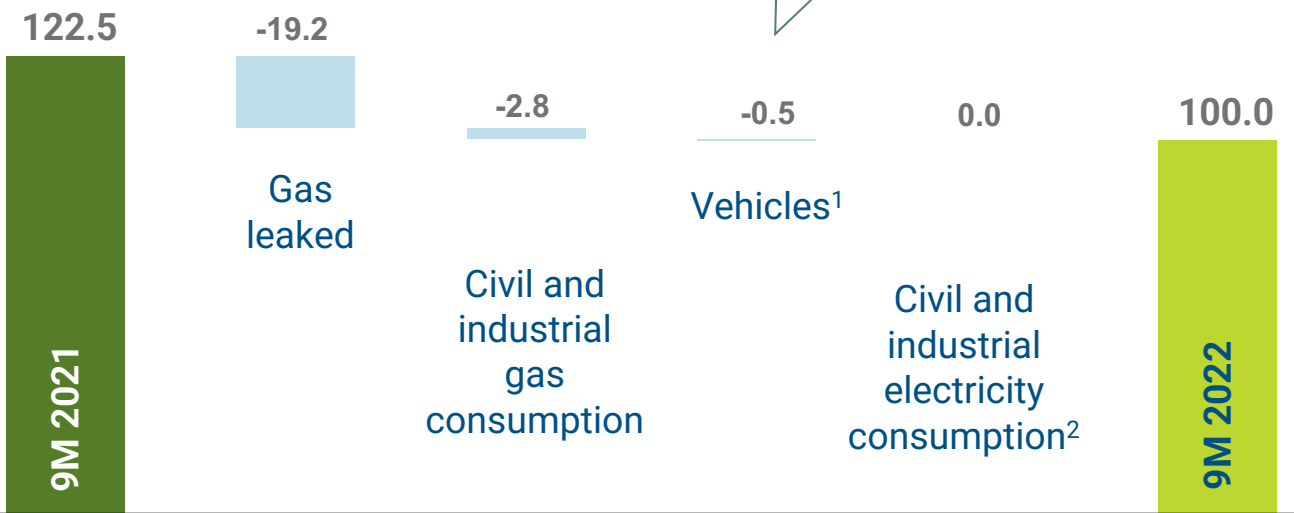


- 66,167 km inspected (+17.8%)
 - Gas leaked / km surveyed: 72.5 smc/km (-31.0%)
 - Gas leaked / gas distributed: 0.085% (-16%)

- Emissions trend (-10%)
 reflects less km travelled

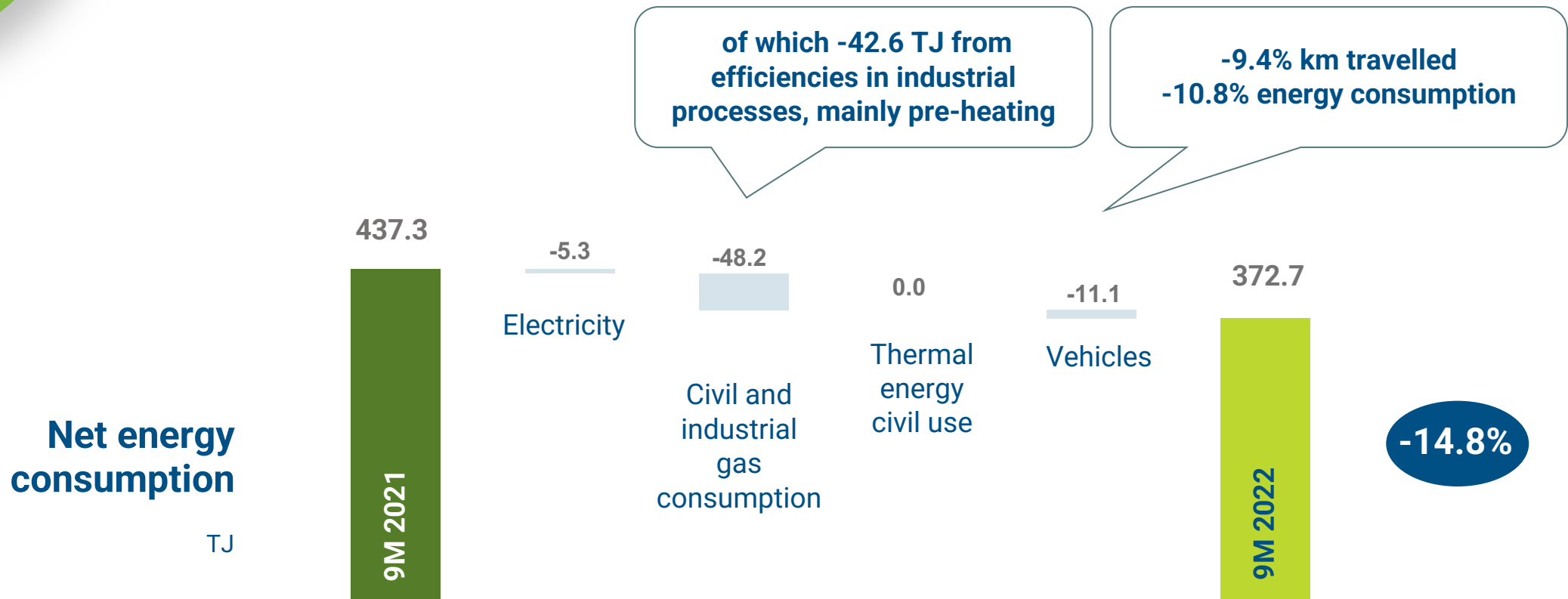
Scope 1 and 2 GHG emissions

10³ tCO₂ eq



Note data refer to Italy only; (1) Following 2022 methodology refinement, 2021 data have been restated for comparability; (2) Scope 2, consumption reduction and supply of renewable electricity (certified sources).

9M 2022 Results ESG Net energy consumption



9M 2022 Results

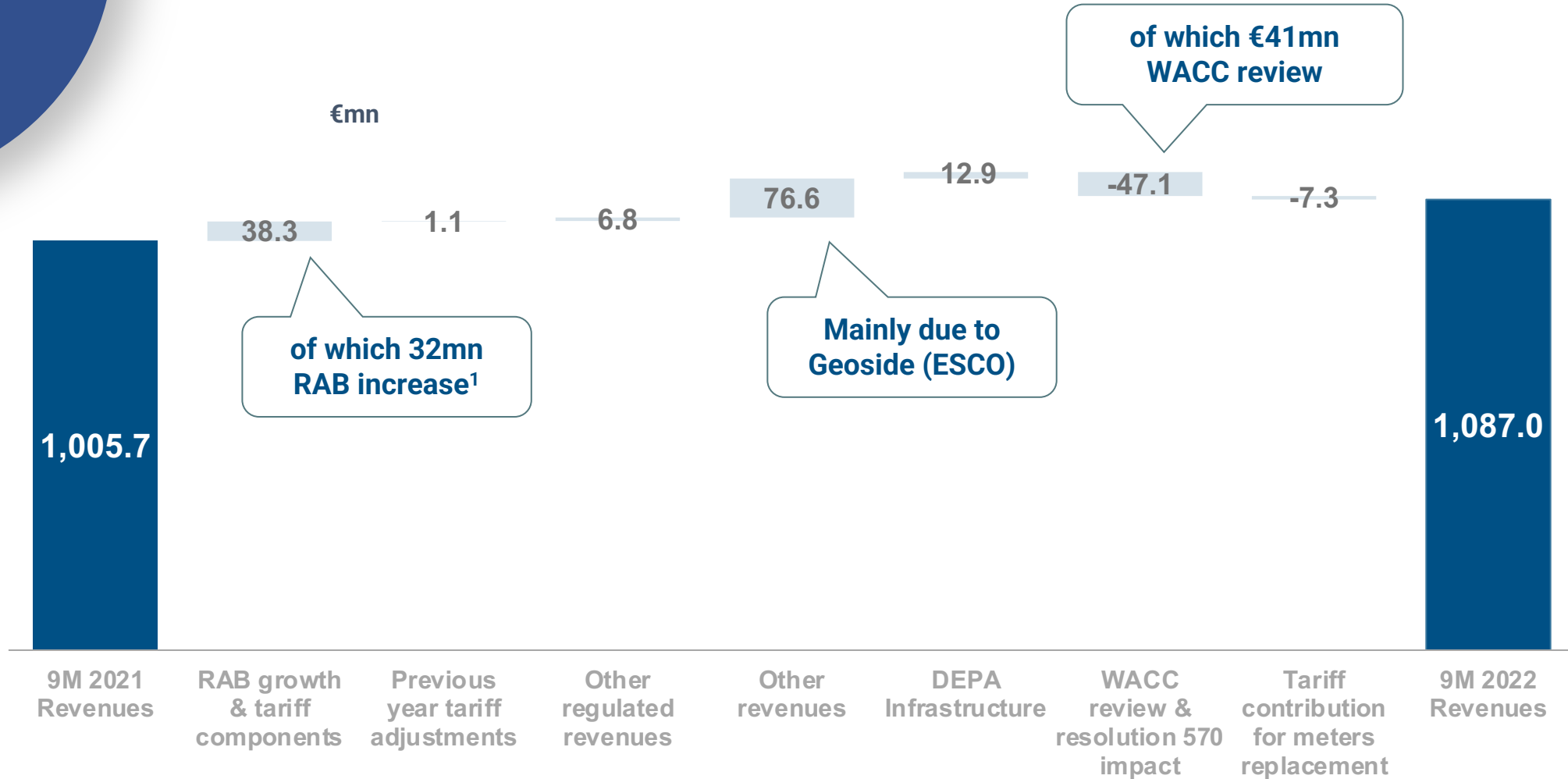
	9M 2021 adjusted ¹	9M 2022	Change	
P&L, € mln				
Total Revenues	1,005.7	1,087.0	81.3	
Operating expenses	- 256.7	- 301.6	- 44.9	
EBITDA	749.0	785.4	36.4	↑ + 4.9%
Depreciation & amortisation	- 318.4	- 330.5	- 12.1	
EBIT	430.6	454.9	24.3	↑ + 5.6%
Net interest income (expenses)	- 39.6	- 41.1	- 1.5	
Net income from associates	2.3	3.4	1.1	
EBT	393.3	417.2	23.9	
Income taxes	- 106.3	- 112.4	- 6.1	
NET PROFIT before minorities	287.0	304.8	17.8	
Minorities	- 13.4	- 16.2	- 2.8	
NET PROFIT after minorities	273.6	288.6	15.0	↑ + 5.5%

(1) 2021 numbers adjusted for the post tax cost of €4.9mn of the bond buyback transaction finalised in February 2021

9M 2022 Results



Revenues



Note: DEPA Infrastructure relevant only to the month of September; (1) Including Sardinia

9M 2022 Results

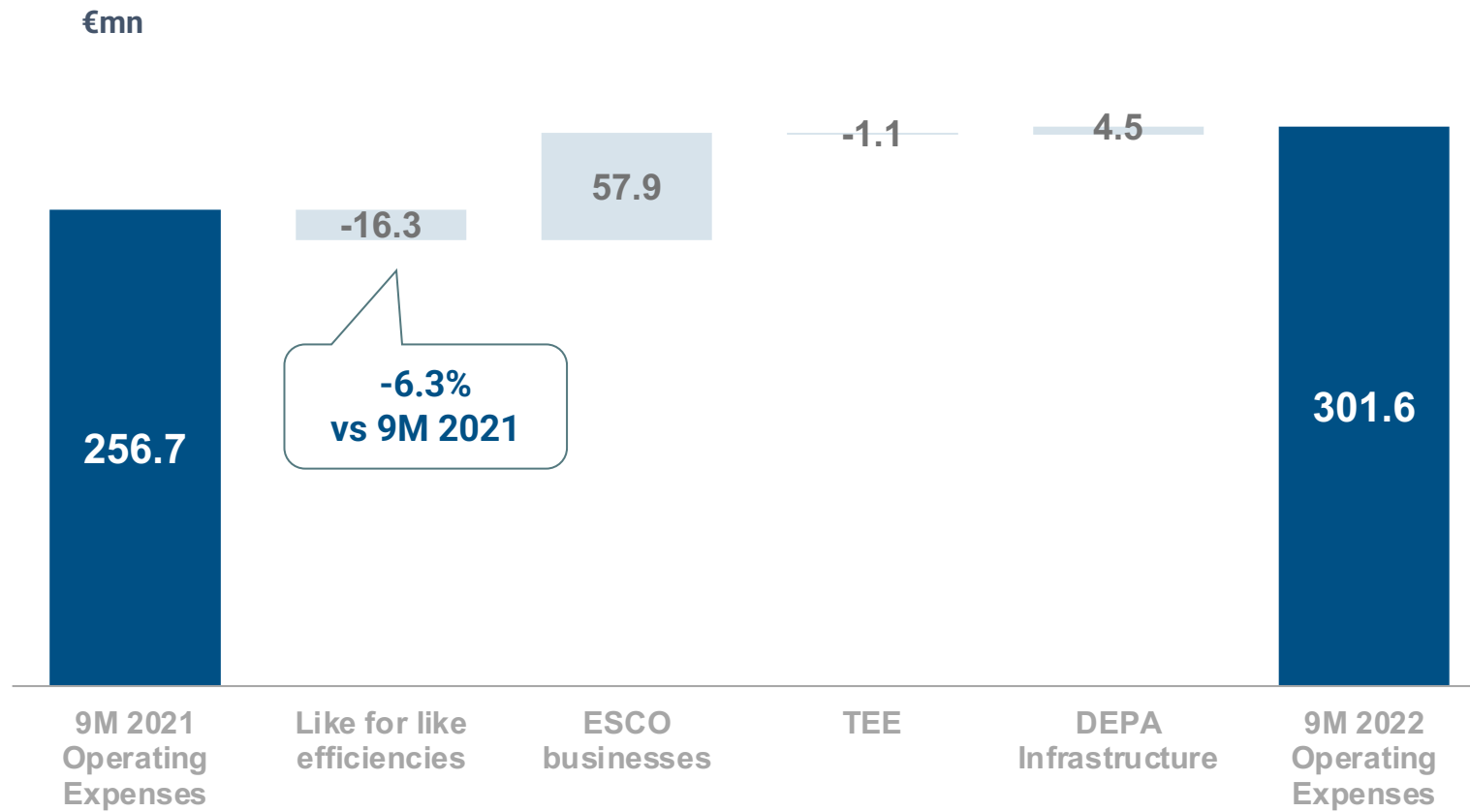
	9M 2021	9M 2022	Change
REVENUES, € mln			
Regulated revenues	962.8	954.7	- 8.2
Distribution	893.0	885.4	- 7.7
Tariff contribution for meters replacement	8.7	1.4	- 7.3
Other distribution revenues	61.1	67.9	6.8
Other revenues	42.9	119.5	76.6
DEPA Infrastructure¹	-	12.9	12.9
TOTAL REVENUES	1,005.7	1,087.0	81.3

(1) relevant only to the month of September

9M 2022 Results



Operating expenses



Note: DEPA Infrastructure relevant only to the month of September

9M 2022 Results

	9M 2021	9M 2022	Change
OPERATING EXPENSES, € mln			
Distribution fixed costs	169.7	157.4	- 12.2
Net labour cost	97.8	100.8	3.0
Net external cost	71.9	56.6	- 15.3
Other activities	29.6	88.5	58.9
Net labour cost	3.7	4.8	1.1
Net external cost	25.9	83.7	57.8
Other costs	2.1	- 1.6	- 3.8
Tee	2.9	1.8	- 1.1
Concessions fees	52.4	51.0	- 1.4
DEPA Infrastructure¹	-	4.5	4.5
OPERATING EXPENSES	256.7	301.6	44.9

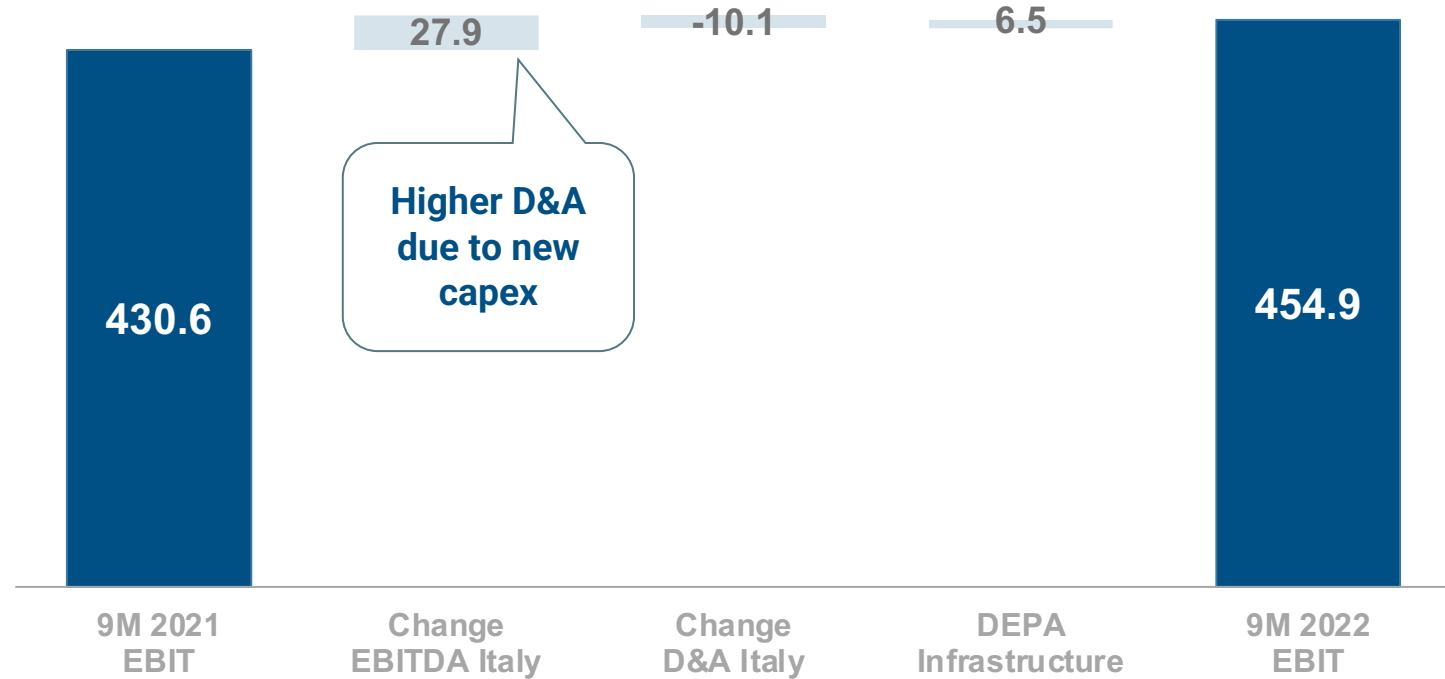
(1) relevant only to the month of September

9M 2022 Results



Ebit

€mn

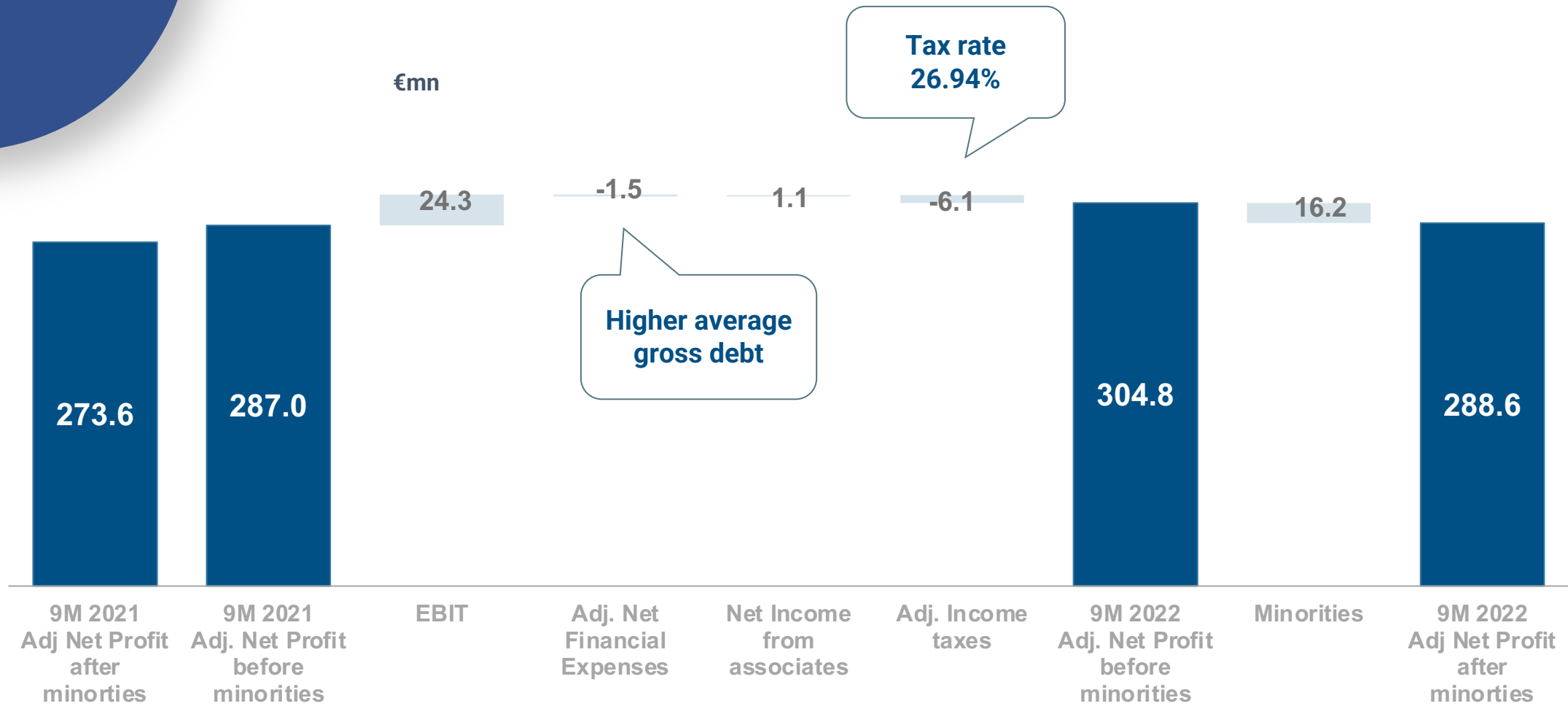


Note: DEPA Infrastructure relevant only to the month of September

9M 2022 Results



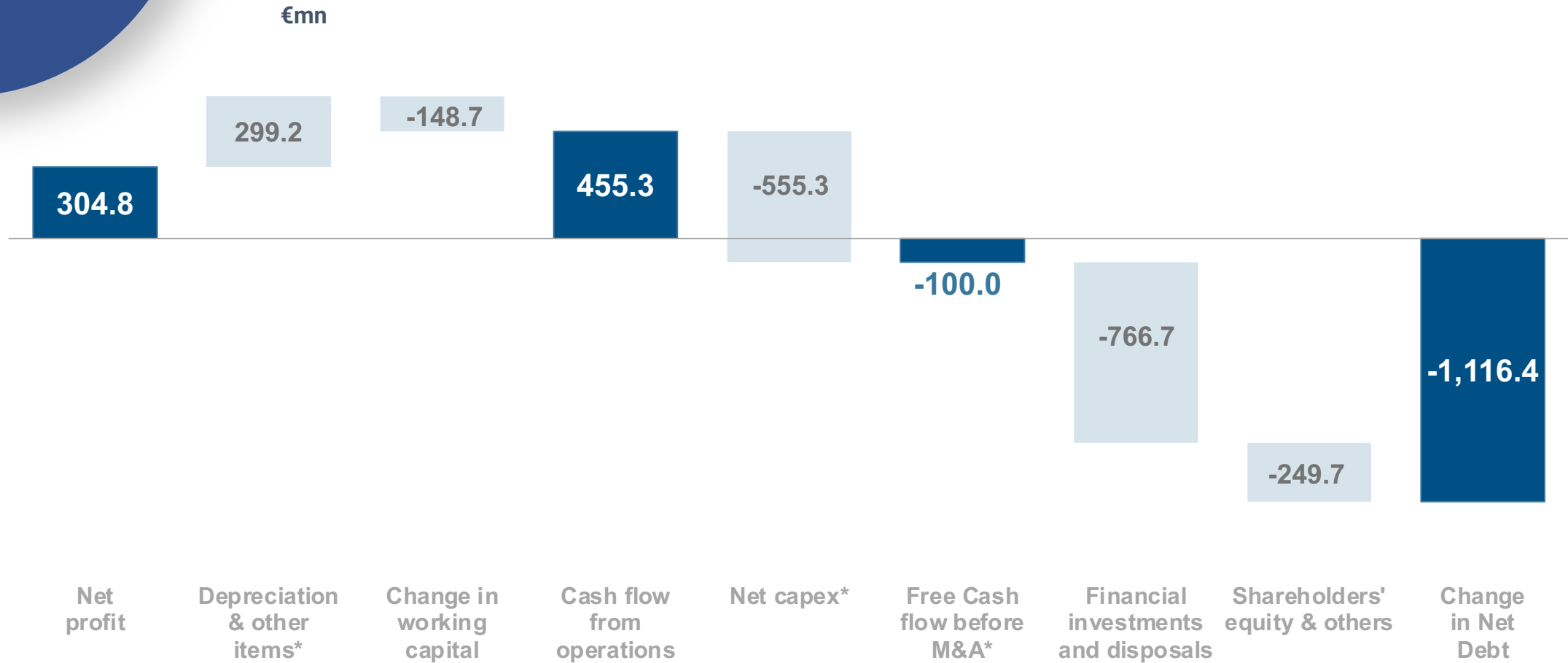
Adjusted Net Profit



Note: DEPA Infrastructure relevant only to the month of September; excluding the post-tax cost of bond buyback transaction finalised in February 2021 for €4.9bn;

9M 2022 Results

Cash Flow



(*) includes IFRS16 effects

9M 2022 Results debt structure

No major refinancing needs until 2024

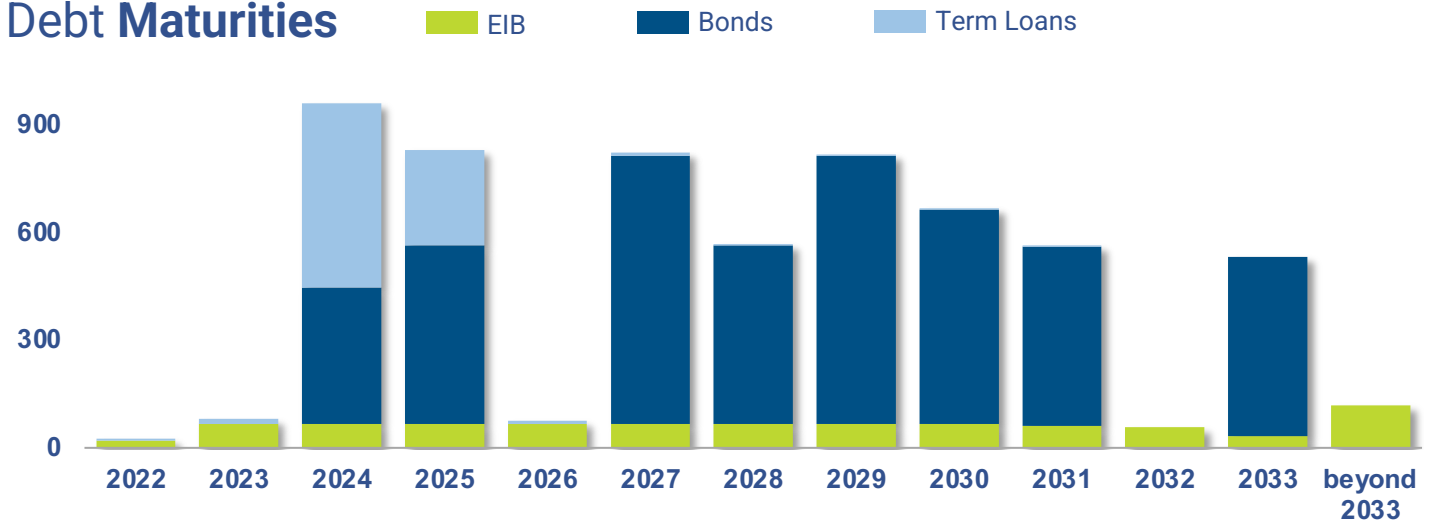
Liquidity currently >0.35bn to cover short term outflows and to keep an adequate buffer going forward

Average cost of debt <1% in 9M 2022

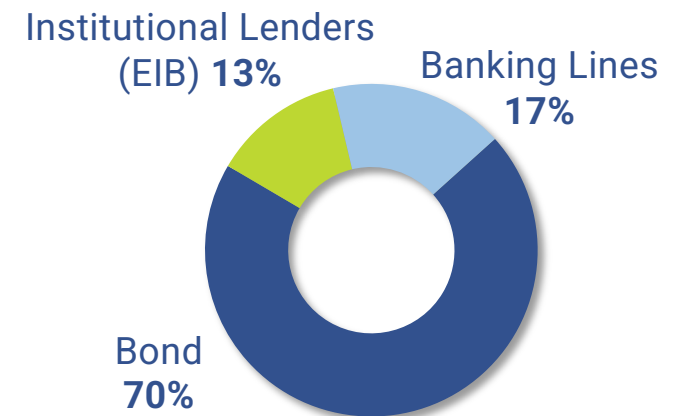
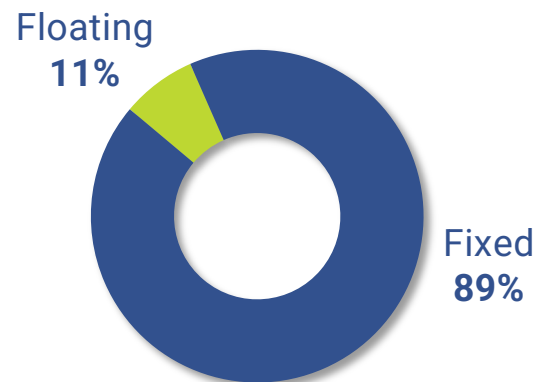
New EIB and DEPA Infrastructure's credit facilities signed in 3Q

Moody's confirmed rating, revised outlook on the back of Italy

Debt Maturities



30/09/2022 Gross Debt Structure¹



(1) excluding IFRS16

9M 2022 Results Balance sheet

	31/12/21	30/09/22	Change
Net invested capital	7,122.5	8,482.2	1,359.7
Fixed capital	7,106.2	8,068.2	962.0
Tangible fixed assets	372.1	1,144.3	772.2
Net intangible fixed assets	6,938.1	7,102.8	164.7
Net payables investments	- 241.9	- 225.7	16.2
Equity-accounted and other investments	37.9	46.8	8.9
Net working capital	109.7	265.4	155.7
Provisions for employee benefits	- 95.6	- 86.1	9.5
Assets held for sale and directly related liabilities	2.2	234.7	232.5
Net financial debt	4,980.0	6,096.4	1,116.4
Financial debt for operating leases (IFRS 16)	70.0	68.5	- 1.5
Net financial debt ex operating leases	4,910.0	6,027.9	1,117.9
Shareholders' equity	2,142.5	2,385.8	243.3

DEPA Infrastructure now contributing to numbers

In Italy RAB growth and ESCO led top line growth, despite negative impact of regulation

Cost efficiencies continue more than offsetting inflationary pressures

Sustainability performance keeps improving

Well on track with guidance¹

(1) Operating guidance provided on June 15 2022 relates only to the Italian part of the business

Q&A

Appendix



9M 2022 Results

3Q 2021

3Q 2022

Change

P&L, € mln

Total Revenues	340.3	379.8	39.5
Operating expenses	- 80.4	- 107.6	- 27.1
EBITDA	259.9	272.1	12.2
Depreciation & amortisation	- 108.7	- 113.2	- 4.6
EBIT	151.2	158.8	7.6
Net interest income (expenses)	- 14.2	- 14.7	- 0.6
Net income from associates	1.2	0.1	- 1.1
EBT	138.2	144.2	6.0
Income taxes	- 36.1	- 37.2	- 1.1
NET PROFIT before minorities	102.1	107.0	4.9
Minorities	- 4.6	- 6.7	- 2.1
NET PROFIT after minorities	97.5	100.3	2.8

9M 2022 Results

1Q 2022

2Q 2022

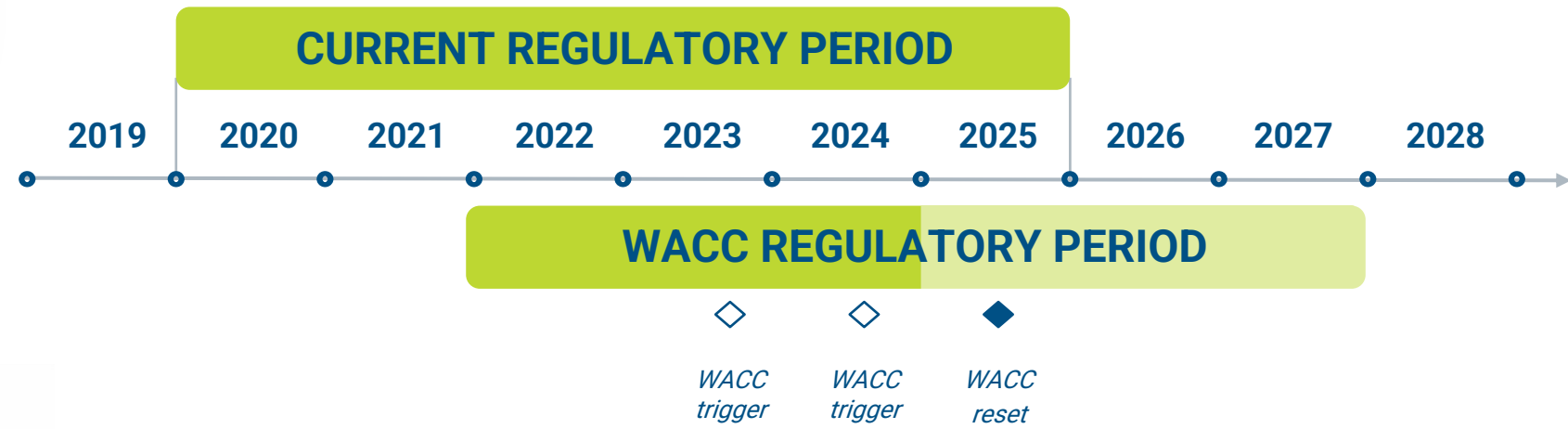
3Q 2022

4Q 2022

P&L, € mln

Total Revenues	354.0	353.4	379.8
Operating expenses	- 104.0	- 90.1	- 107.6
EBITDA	250.0	263.3	272.1
Depreciation & amortisation	- 108.1	- 109.2	- 113.2
EBIT	141.9	154.1	158.8
Net interest income (expenses)	- 14.0	- 12.4	- 14.7
Net income from associates	0.3	3.0	0.1
EBT	128.2	144.8	144.2
Income taxes	- 34.5	- 40.7	- 37.2
NET PROFIT before minorities	93.7	104.1	107.0
Minorities	- 4.8	- 4.7	- 6.7
NET PROFIT after minorities	88.9	99.4	100.3

Italy regulation



New regulatory period for allowed return started in January 2022

Key features of Italian regulation

- RAB-based framework set and regulated by ARERA
- Tariffs ensure return on assets
- No volume risks, temporary tariffs mismatch impact working capital
- Different regulatory period for WACC and other tariff components
- Majority of capex recognized at cost
- 5.6% real allowed return for 2022, trigger mechanism for 2023-24 and rest in 2025 with pre-established rules
- Inflation protection

Italy regulated revenues scheme

Key features

Unitary tariffs are **set for the regulatory period** for each distribution area:
 Achieved revenues reflect return on asset base.
 Working capital temporarily impacted by volumes fluctuations.

REQUIRED
REVENUES =



RAB includes capex spent in the previous year

RAB inflated

Rel pre-tax allowed return applied (5.6% in 2022)



Calculated on assets entering into RAB

Reflects inflation

Useful lives set by ARERA

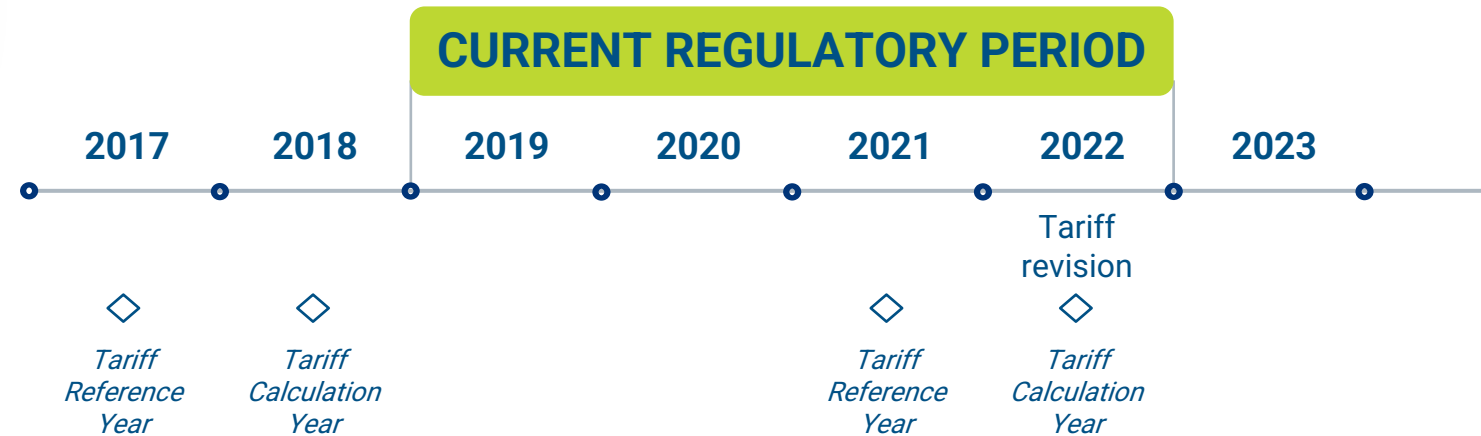


Unitary opex set by ARERA at the beginning of the regulatory period

Efficiency factor of 2.8%

Opex inflated annually

Greece regulation



Transparent regulatory framework

with numerous similarities to the Italian system

Long concession duration

allowing to implement Italgas' long-term strategic vision

Downside protection

through compensation mechanism for under-recoveries

Key features of Greek regulation

- RAB-based framework regulated by the Regulatory Authority for Energy
- Tariffs reflect business plans presented by the company, including investments agreed with RAE
- Regulatory periods last 4 years
- 7.03% nominal return in 2021-22E, with an implied tax rate of 24%
- 1.5% additional return for investments meeting certain criteria
- Mechanism in place to compensate of any under / over recovery of required revenues

Greece regulated revenues scheme

Key features

Unitary tariffs are **set for the regulatory period** for each distribution area:

- Based on the approved business plans and allowed returns, and inflated annually: the DSO is entitled to collect (required) revenues based on all investments and operational costs
- Taking into consideration estimated growth in redelivery points and volumes distributed

Achieved revenues are based on actual bills collection but there is a **recoverable difference mechanism** in place

REQUIRED REVENUES =



RAB includes capex planned in the year
RAB is not inflated
Regulated return set at 7.03% in nominal terms for 2021-22E

Calculated on fixed assets

Estimated through the regulatory period
Opportunity of outperformance: no adjustments ex-post in case of outperformance

Planned revenues related to services to other companies or non-regulated services

Based on the difference between required revenues and actual revenues¹ in the previous regulatory period

¹ Actual revenues are the revenues collected by the company based on the application of the distribution tariffs to the redelivery points served

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9M 2022 RESULTS

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