

# Gas Plus Group

## Analyst Presentation *FY 2023 Financial Results*

*April 12<sup>th</sup>, 2024\**

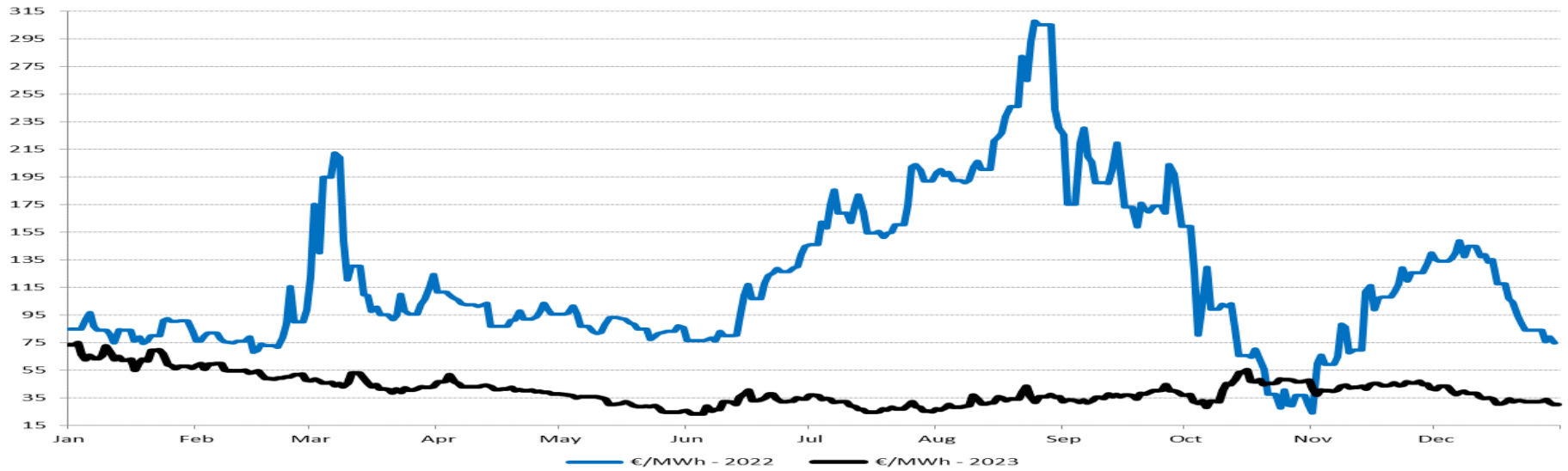
# Gas Plus

# Agenda

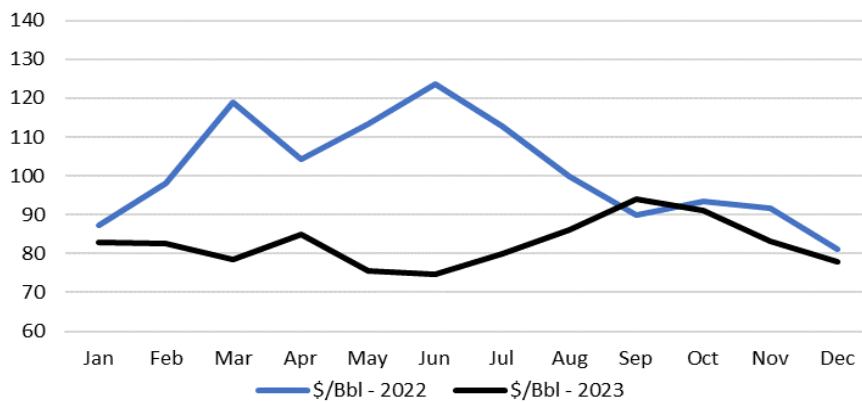
- 1 MARKET SCENARIO**
- 2 HIGHLIGHTS**
- 3 FINANCIAL RESULTS**

# Market Scenario

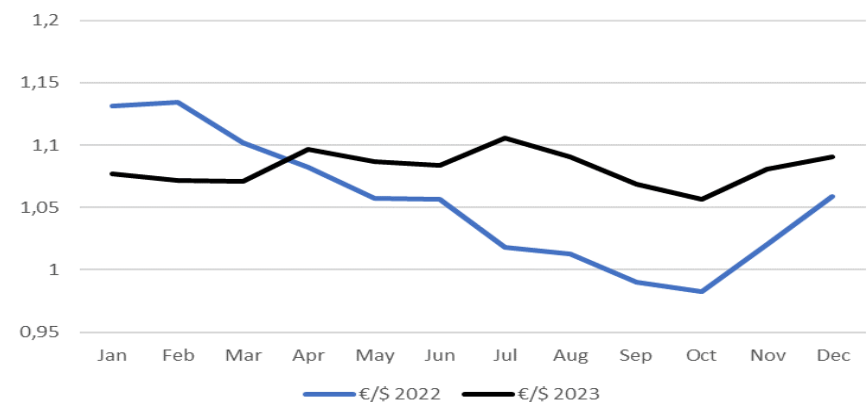
### TTF Gas Price – Day Ahead



### Brent Price – Month



### €/€ Exchange Rate - Spot



# Agenda

- 1 MARKET SCENARIO
- 2 HIGHLIGHTS
- 3 FINANCIAL RESULTS

# Highlights

FY 23 results well within guidance previously communicated:

- ✓ EBITDA 70.5 M€ close to 2022 levels 76.1 M€ (-7.4%)
- ✓ Same trend for EBIT and Net Result adjusted
- ✓ Higher E&P EBITDA decrease (-27.5%) but lower than gas price drop thanks to full year Romanian production
- ✓ EBITDA progress for downstream BUs (Network +17.1% and Retail back to a positive EBITDA margin)
- ✓ Progression of Longanesi work programme - all subsurface activities completed
- ✓ Dividend increase up to 15 €/cent per share from previous 5 €/cent taking into account financial needs linked to further investments

## Outlook 2024

2024 results are expected substantially lower - being the E&P production mix focussed on gas (90.4%) - assuming present lower gas price scenario

Longanesi's gas in - main driver for boosting growth, also in challenging gas price scenarios - expected for Q1 26 (or for Q1 25 in the hypothesis of Long Production Test)

# Agenda

1

**MARKET SCENARIO**

2

**HIGHLIGHTS**

3

**FINANCIAL RESULTS**

- E&P
- RETAIL
- NETWORK
- GROUP FINANCIAL RESULTS
- COMPANY PROFILE



# Financial Results: E&P

## FY 2023 P&L - E&P contribution

E&P (MScme)	FY23	FY22	Δ (%)
Hydrocarbon Production	229.2	181.6	26.2%
<i>of which natural gas</i>	207.3	155.2	33.6%
<i>of which oil and condensate</i>	21.9	26.4	(17.0%)
<b>EBITDA (M€)</b>	<b>60.5</b>	<b>83.5</b>	<b>(27.5%)</b>
Exploration Capex	1.5	0.2	650%
Development Capex	18.8	24.3	(22.6%)

## E&P Reserves

E&P (MScme)	Dec 31, 2023	Dec 31, 2022	Δ (%)
Hydrocarbon Reserves	3,938.6	4,096.8	(3.9%)
<i>of which domestic</i>	3,250.6	3,394.3	(4.2%)
<i>of which international</i>	688.0	702.5	(2.1%)

### EBITDA key factors:

- Decreasing gas prices (-66%)
- Production (+26.2%):
  - Domestic: gas production confirmed year-to-date increase (+1.4 MSmc) despite extraordinary maintenance in IIH 2023; on the only oil field (Cavone) reduction due to natural depletion (-4.6 MSmc)
  - International : Romanian full year gas production in 2023 compared to approximately half year of 2022 (+50.7 MSmc)

### Positive effects of hedging policy

### Domestic activities – Longanesi project

- Drilling and completion activities of the 3 existing wells completed and workover of one of the existing wells finalized
- Laying of flowlines from wells to treatment plant ongoing
- Underway the procedures for the award of the contracts for the treatment plant and associated works

### Domestic activities – Development Capex

- Increase confirmed year-to-date (17.5 M€ vs 13.6 M€)

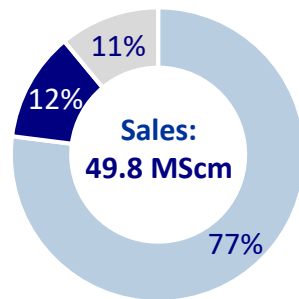
### International activities

- Romania
  - Stable daily basis production
  - Permitting is underway for a power corridor in the Romanian Black Sea, along the existing MGD Project infrastructure, connecting future offshore wind parks to the national grid (SEN)
- Netherlands
  - Negative result of the exploration well E-15-1 in the Dutch North Sea

# Financial Results: Retail

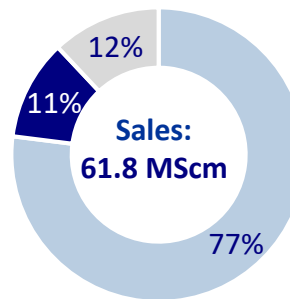
## P&L - Retail

**FY 2023**



- Residential
- Small Business
- Industrial

**FY 2022**



Retail	FY23	FY22	Δ (%)
Sales (MScm)	49.8	61.8	(19.4%)
Residential	38.5	47.5	(18.9%)
Small Business/Multipod	5.8	6.8	(14.7%)
Industrial	5.5	7.6	(27.6%)
<b>EBITDA (M€)</b>	<b>4.2</b>	<b>(11.8)</b>	<b>n.a.</b>

- EBITDA: significant margin recovery (+16.0 M€) confirmed year-to-date, as outcome of the supply and sales strategy implemented after overcoming the turbulent energy market conditions of 2022
- Decrease of sold volumes (-19.4%) due to:
  - Warmer temperatures (-13.0%)
  - Reduction of number of the customers (-6.4%) centred in I1H23 ensued by the end of the gas protection market (*regime di tutela*)
- Recovery of marginality in all customer's segments



# Financial Results: Network

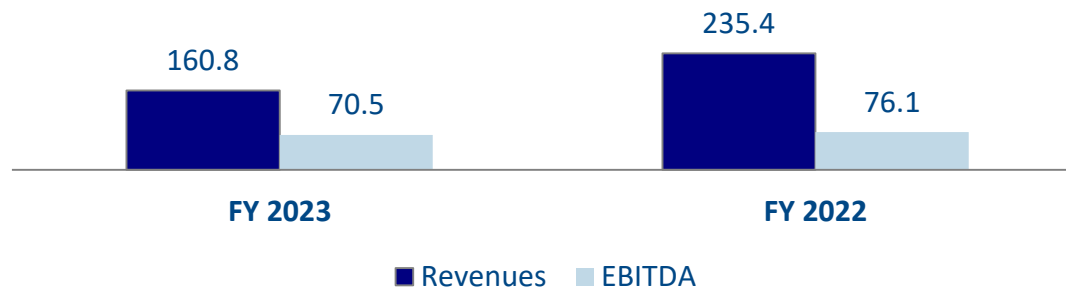
## FY 2023 P&L – Network Contribution

	FY23	FY22	Δ (%)
Distributed Volumes (MScm)	182.7	200.9	(9.1%)
Direct end users (#K)	108.9	109.0	(0.1%)
Pipeline (Km)	1,830.0	1,827.0	0.2%
<b>EBITDA (M€)</b>	<b>8.2</b>	<b>7.0</b>	<b>17.1%</b>
Capex (M€)	3.9	2.7	44.4%

- The warmer temperatures registered during 2023 led to a decrease in the distributed volumes of gas (-9.1%)
- EBITDA results higher (+17.1%). The key factors are:
  - Slight improvement in revenues cap from gas distribution, due to RAB's increase as a result of higher investments
  - Optimization of Opex
  - The growth of Capex, with an increase of capitalized costs
- The installation of the new G4-G6 smart meters has been completed: 85% of the total was installed as of December 31st 2023, in line with the deadline set by the Authority (85% by 31/12/2023)
- No ATEM tenders involving Group concession have been launched to date. The Group intends to evaluate the new ATEM tenders in order to maintain the same perimeter of activities as a minimum target

# Financial Results

## FY 2023 – Group P&L

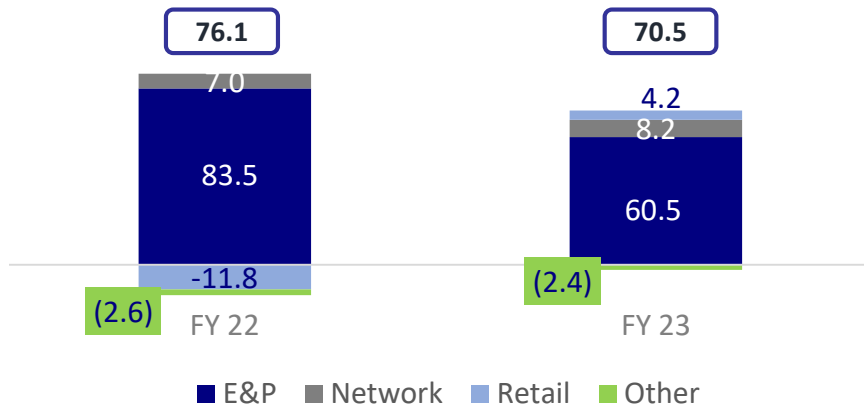


Group (M€)	FY 23	FY 22	Δ (%)
Revenues	160.8	235.4	(31.7%)
Operating Costs	90.3	159.2	(43.3%)
<b>EBITDA</b>	<b>70.5</b>	<b>76.1</b>	<b>(7.4%)</b>
<b>EBIT</b>	<b>44.5</b>	<b>61.4</b>	<b>(27.5%)</b>
<b>EBT</b>	<b>36.7</b>	<b>55.8</b>	<b>(34.2%)</b>
Net Result	49.2	3.4	<i>n.a.</i>
EPS (€)	1.13	0.08	<i>n.a.</i>

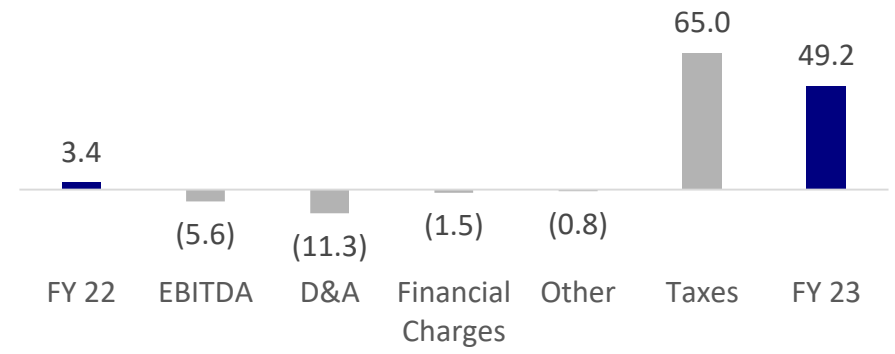
- Decrease in Revenues (-31.7%) as effect of lower gas prices. Decrease in Operating costs due to the lower gas purchase costs and lower taxes (royalty and windfall tax) on gas production
- Decline in EBITDA (-7.4%) compared to a drop in gas prices of 66%: positive economic performance of all Group activities
- Amortization and depreciation in line with 2022 values
- Following impairment tests, devaluations (6.6 M€) and revaluations of some previously devalued assets (4.0 M€)
- Strong growth in net profit also thanks to the non-recurring income (21.6 M€) following the non-payment of the extraordinary solidarity contribution in Romania

# Financial Results

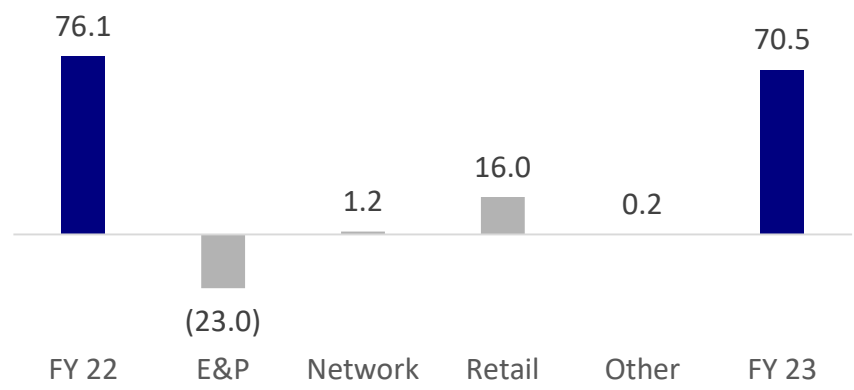
### EBITDA Breakdown by BU (M€)



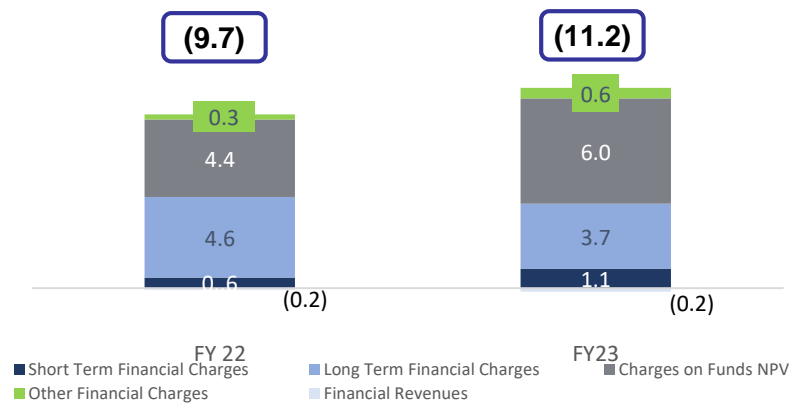
### Group Net Result Evolution (M€)



### Group Ebitda Evolution (M€)



### Net Financial Charges Evolution (M€)



# Financial Results

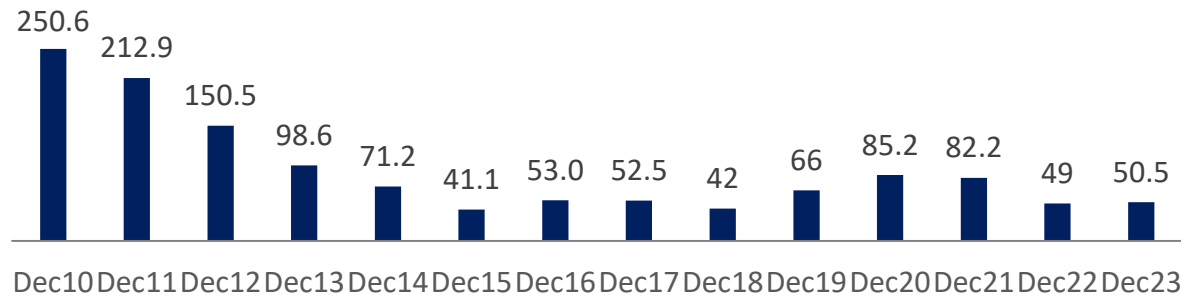
## December 31, 2023 – Group Balance Sheet

Group (M€)	Dec 31, 2023	Dec 31, 2022	Δ (%)
Inventories	4.1	3.4	20.6%
Receivables	31.2	50.7	(38.5%)
Payables	(25.4)	(51.8)	(51.0%)
Other Working Credits/Debits	4.4	(43.9)	<i>n.a.</i>
Non Current Assets	391.6	399.7	(2.0%)
Taxes, Abandonment, Severance and Other provision	(126.4)	(122.5)	3.2%
<b>Net invested capital</b>	<b>279.5</b>	<b>235.5</b>	<b>18.7%</b>
Net Financial Debt	50.5	49.0	3.1%
<i>of which long term</i>	11.5	53.1	(78.3%)
<i>of which short term</i>	39.0	(4.1)	<i>n.a.</i>
Equity	229.0	186.5	22.8%
<b>Total Sources</b>	<b>279.5</b>	<b>235.5</b>	<b>18.7%</b>

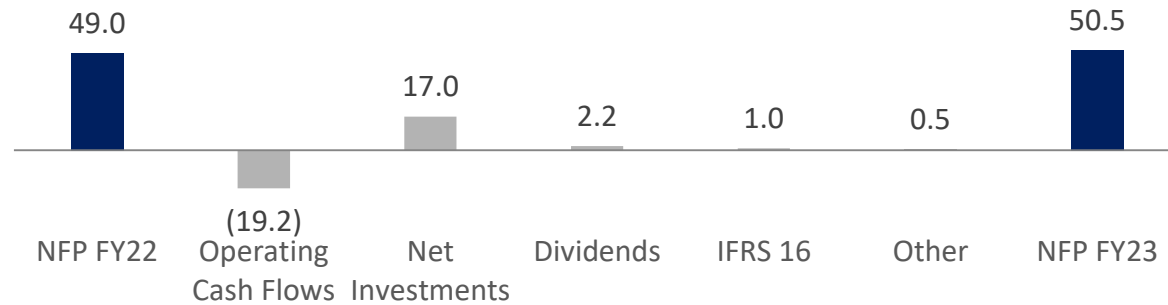
- Working capital positive again after the reduction of tax debts (royalties, Windfalltax, extra-profit tax)
- Decrease in Non Current Assets after investments for 24.5 M€ as effect of amortization and depreciation (23.4 M€) and the sale of the shareholding in a related company (7.5 M€)
- Despite the investments slight increase in Net Financial Debt as effect of positive cash flows of all activities
- Debt/equity ratio at 0.22 (vs 0.26 at 31/12/2022)

# Financial Results: NFP Trend

### Group NFP Historical Trend (M€)



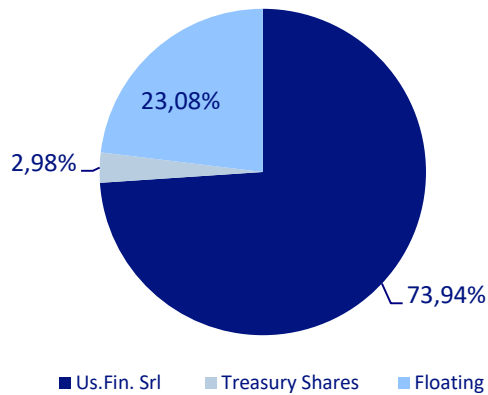
### Group NFP Evolution (M€)



- NFP remains close to its lowest levels since 2010 and also includes the effects of IFRS 16 on leasing contracts equal to 3.6 M€
- The operating cash flows exceeded expenditure on net investments

# Company Profile

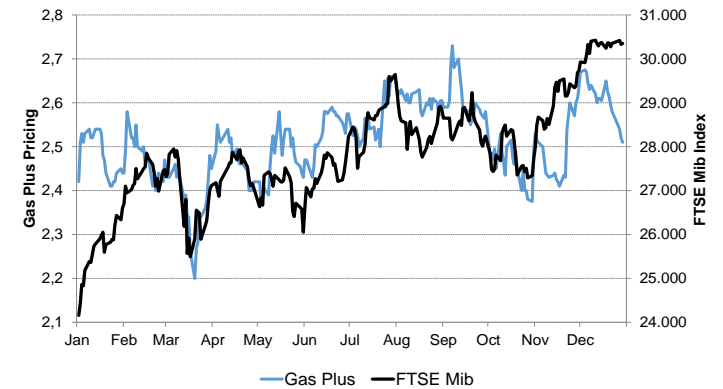
## Shareholding as at 9 April 2024



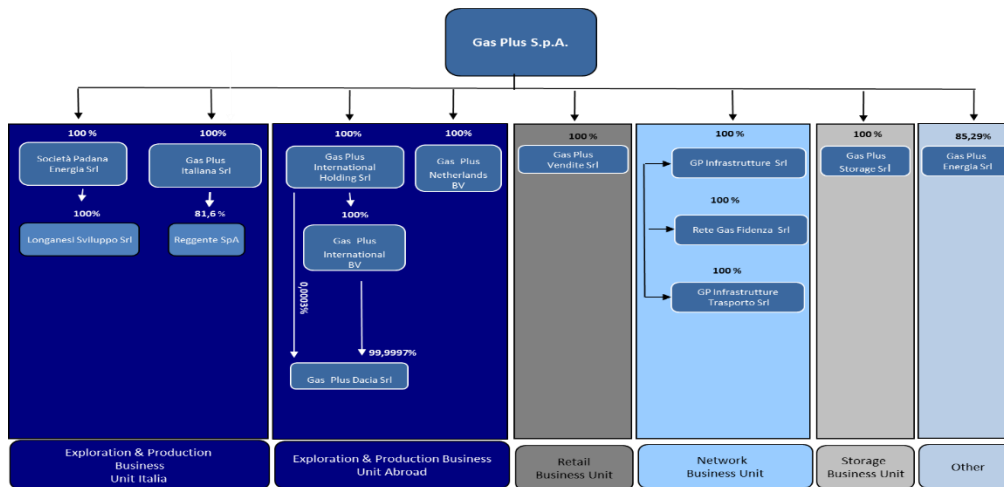
## Share information

N. of share: 44,909,620  
 Share price as of 29.12.2023: € 2.51  
 Share price as of 12.04.2024: € 2.47  
 Mkt cap 29.12.2023: € 112.7 million  
 Italian Stock Exchange – Euronext Milan  
 Own shares as of 29.12.2023: 1,336,677

## Share price performance



## Group structure\*



## Management

<b>Stefano Cao</b>	Chairman – Gas Plus S.p.A.
<b>Davide Usberti</b>	CEO Gas Plus S.p.A.
<b>Cinzia Triunfo</b>	Group General Manager and Director of Gas Plus S.p.A.
<b>Germano Rossi</b>	Group CFO
<b>Massimo Nicolazzi</b>	Executive Director Gas Plus Dacia S.r.l.
<b>Regulated Activity - Network</b>	
<b>Leonardo Dabrassi</b>	Chairman – GP Infrastrutture S.r.l
<b>Achille Capelli</b>	Network Manager

(\* ) Gas Plus Group Structure as of 31 december 2023

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