

9M 2024

Consolidated Results



November 7th , 2024

E N E R G Y I N F R A S T R U C T U R E F O R A S U S T A I N A B L E F U T U R E

9M 2024 key highlights

Financial Highlights

- **€ 2,089 m EBITDA Adj.** (+12.2% yoy)
- **€ 996 m Net income Adj.**¹ (+5.7% yoy)
- **€ 1,800 m investments** (+46.1% yoy)
- **€ 15,934 m Net Debt** (€15,270 m in FY 2023)
- **Net cost of debt** at 2.5%
- **2024 Interim dividend** set at 0.1162 € per share

Key updates

- **Edison Stoccaggio** acquisition signed in July. Antitrust filing to be submitted shortly
- **Adriatic LNG:** EU Commission DG Competition' green light received on Tuesday, closing expected at the beginning of December
- Inaugural **€ 1 bn hybrid instrument** successfully issued in September
- Snam's first **Transition Plan** presented in October

Gas market

- Global gas demand **up ~ 3%** y-o-y driven by industrial demand recovery and Asia
- **2024 Global Gas Report**² highlights a tight market equilibrium
- 9M 2024 Italian gas demand at **~ 43 bcm** (-2.7% YoY³) driven by weak thermoelectric production in H1 and mild weather
- Average TTF price at **€ 31.8/MWh** in 9M 2024 (-20% yoy) with a peak reached in Q3

Regulation and Policy

- **Snam/Terna** updated **scenarios** published in October
- Comment to consultation on WACC and inflation sent to Arera
 - **WACC** update expected before YE
 - Decision on **inflation index** for RAB by April 2025
- Preparatory study to be published soon to regulate and support the national CCS supply chain
- H2 strategy to be launched by MASE by end of November
- **German H2 network** project approval

1. Net profit Reported at € 952 m (- 9.1% y-o-y). Adjustments are related to: Biomethane – Waste business (-€37m), mainly attributable to charges for a settlement agreement amending previous agreements; charges related to Austrian Associates for the reimbursement of the 2013-2024 premium to volume risk exposure (-€33m); insurance reimbursement related to OLT's maintenance (+€11m); ADNOC discount rate effect (+€6m); Taxes on special items (+€9m).

2. Collaborative effort by IGU and Snam, produced by Rystad Energy

3. Non weather adjusted

Progressing on our ambition to become a Pan-European multi-molecules infrastructure operator

Gas infrastructure

- **Adriatic Line:** Works for the phase 1 started in June and are on track
- Storage level **98.5%¹**, **~14 bcm** working gas representing around 1/3 of the Italian winter gas consumptions
- **Works for Ravenna FSRU 80% completed** (onshore almost 100% and offshore >70% completed). To be operational by Q1-25
- **~ 120 cargos** delivered and **~ 25%** of gas demand **covered by LNG** (1/3 USA, 1/3 Qatar, 1/4 from Algeria and the remaining from other sources)
- Upgraded export to Austria from 6 bcm to 9 bcm (annual)
- Progressing works on small scale LNG in Panigaglia and Pignataro

Energy Transition

- **CO2 injection** started in August in Ravenna with good performance
- **SouthH2Corridor:** signing of an **MoU** between Snam, SeaCorridor, Sonatrach, Sonelgaz, VNG and Verbund **related to Green Hydrogen value chain**
- **Energy efficiency:** **~ € 1.2 bn** of backlog
- **Biomethane: 9 plants (~ 20 MW)** won tariffs auctions and are under upgrade; **~ 312 requests of connections** in 9M 2024 (+23% yoy)
- CEF application for SouthH2Corridor and CCS (>€250m) and PMI to be submitted soon for Seacorridor

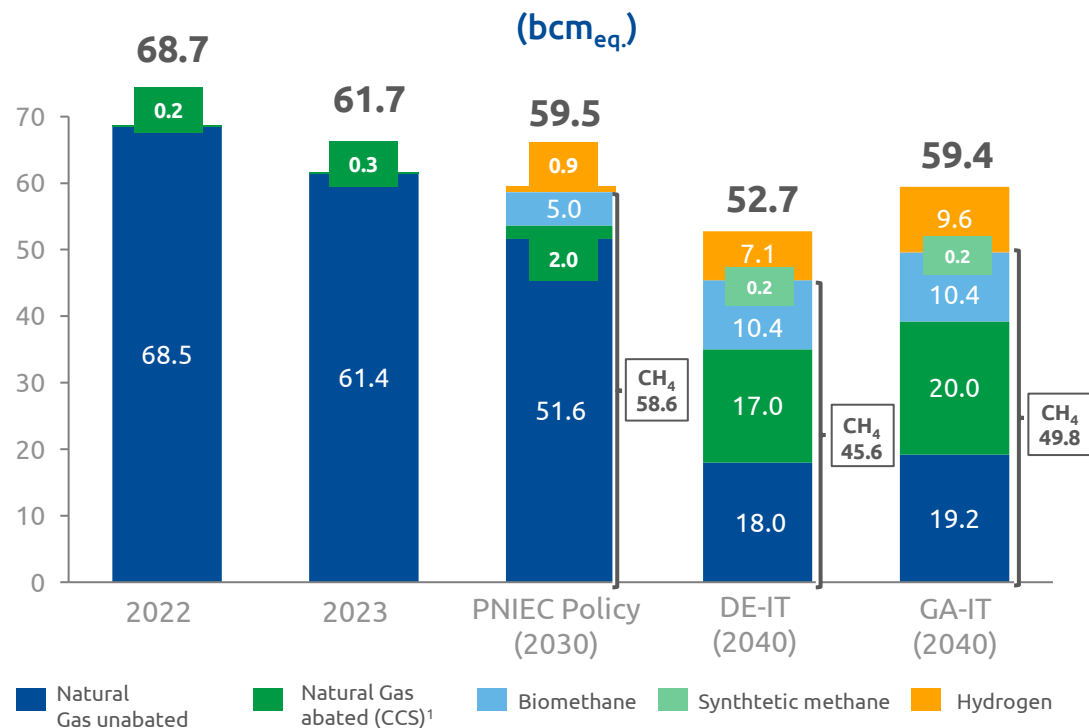
Sustainability and Innovation

- 9M 2024 Capex: **30%²** Taxonomy aligned and **50%** SDGs aligned
- Progressing on track on **Sustainability Scorecard** FY targets
- **Scope 1&2** FY2024E emissions down >20% vs 2022
- **Sustainable Finance** at **~84%**
- **Proven innovation:** continuous roll out of Asset Control Room and digitalization programs within SnamTEC
- **Open innovation:** launch of Hyaccelerator 3rd edition - decarbonization nexus: 52 application received, 5 funneled, 3 winners

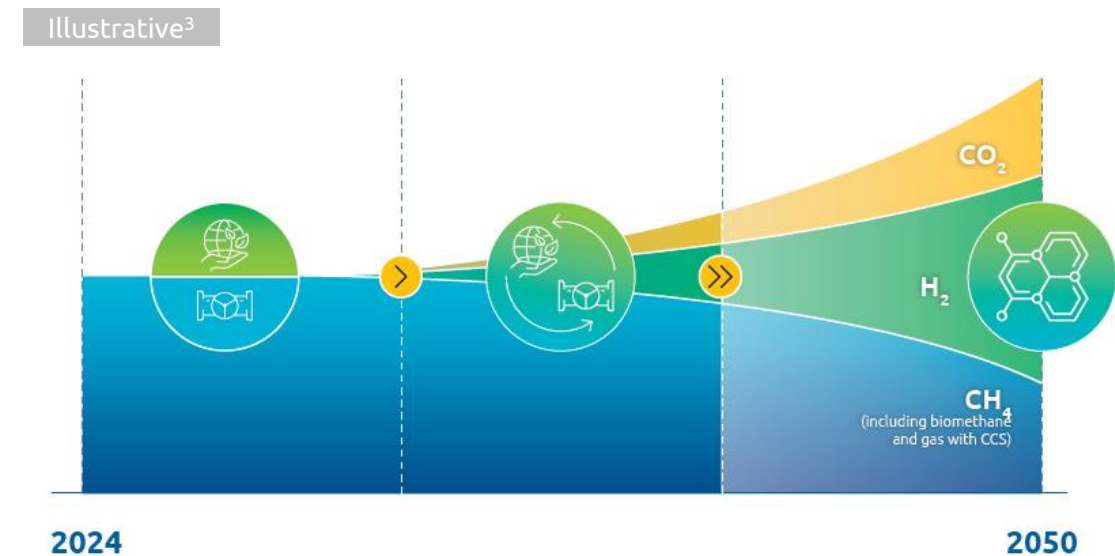
1. Italian storages at the end of October
2. Calculated on capex including Right-of-use assets, pursuant to IFRS 16 (€20 m in 9M 2024)

Snam-Terna updated scenarios and perspective to 2050

Evolution of gas demand and energy mix under mid-term scenarios



Perspective to 2050²



Indicative Italian domestic volumes 2050

Electrification to increase penetration in the final energy uses	From <25% to 50-55%	
Potential biomethane national production	15 bcm	150 TWh
Potential abated natural gas (CCS)	15/20 bcm	150/200 TWh
Potential H2 demand by 2050	45/60 bcm	150/200 TWh

- Gas demand to stay close to current levels throughout 2030
- Some decline to 2040 but still significant volumes and flexibility required while green gases demand progressively ramp up
- Emissions in Italy will **drop by 50% in 2030** (in line with EU trajectory), by **78% in 2040** and will reach **net zero in 2050**

1. Blue hydrogen consumption included in the natural gas demand
Source: Scenario Analysis 2024 [Investor relations' publications \(snam.it\)](#)

2. 2050 long term scenarios will be subjects of a specific analysis during 2025, in collaboration with Terna, as determined by the ARERA regulation 392/2024/R/com
3. The graph shows a plausible directional evolution

Key infrastructure enabling secure and affordable energy along and beyond the transition

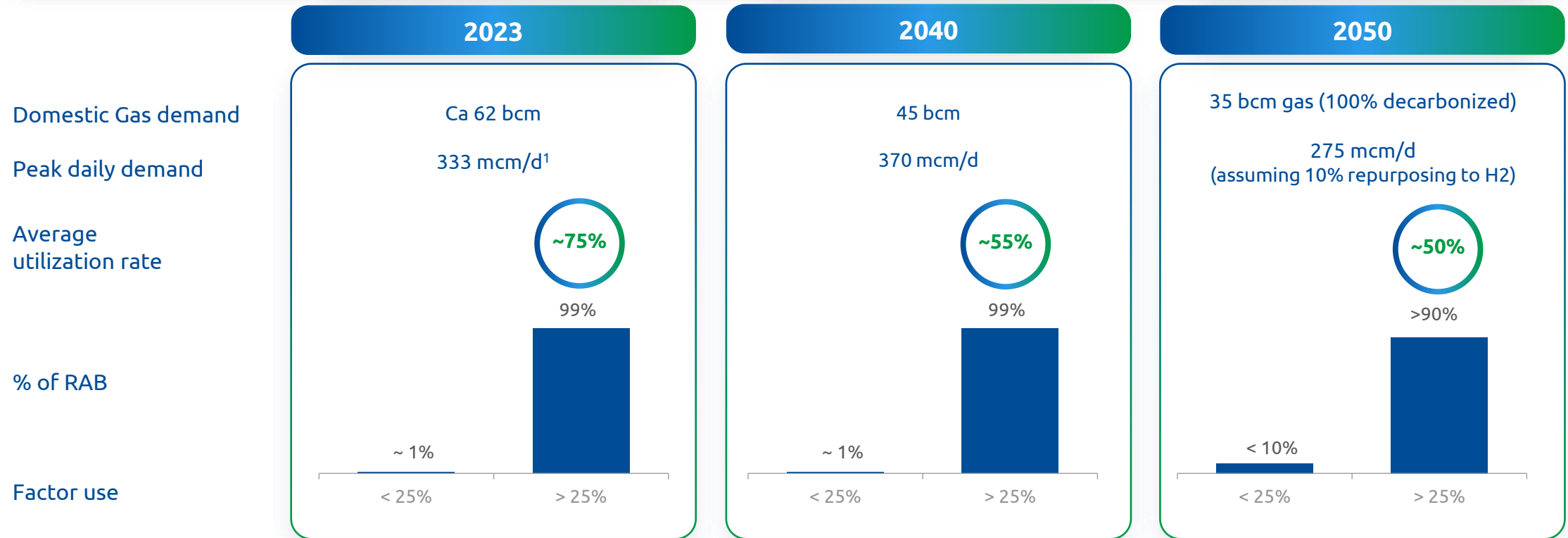
Key assumptions:

- A **45 bcm** demand in 2040 and **35 bcm** in 2050
- **3** different supply scenario



Analysis of the long term utilization of transportation assets

Hydraulic simulations to assess, for each of the scenario, the utilization rate of these assets in peak conditions consumption, as defined pursuant to the European Regulation on Security of Supply

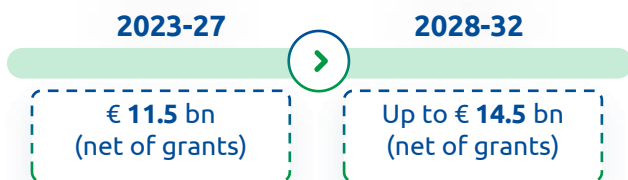


1. Peak demand in exceptional conditions equal to 443 mcm/d

Transition Plan Key Messages

Our Ambition

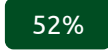
Snam's vision is to become a future-proof pan-European multi-molecule infrastructure operator



Green and decarb investments



Taxonomy aligned



Risks and Opportunities in Energy scenarios

Snam's assets, investments and business model are resilient in the face of climate change, and also key in transitioning to Net Zero

Physical risks⁵

Short-medium term

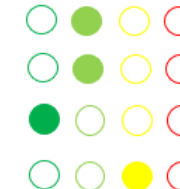


Long term

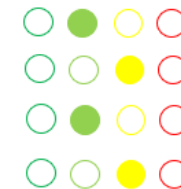


Transition risks and opportunities⁵

Short-medium term



Long term



Climate and Biodiversity strategy

Snam is committed to reduce its carbon footprint across Scope 1,2 and 3 in line with the Paris Agreement and to have a positive impact on Nature by 2027

Scope 1&2 targets¹

(ktCO₂e)

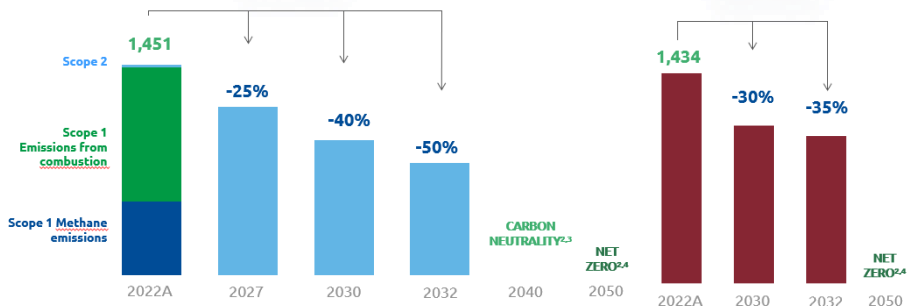
Scope 3 targets¹

(ktCO₂e)

Targets on Nature

Zero Net Conversion by 2024

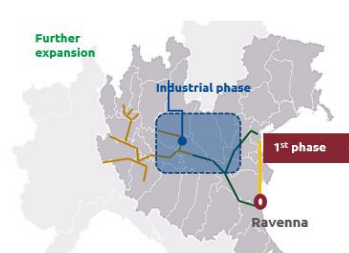
Net Positive impact by 2027



Transition to a Low - Carbon world

Snam also plays a crucial role as an enabler of system-wide decarbonisation through its assets and energy transition activities

CCS – Ravenna Hub



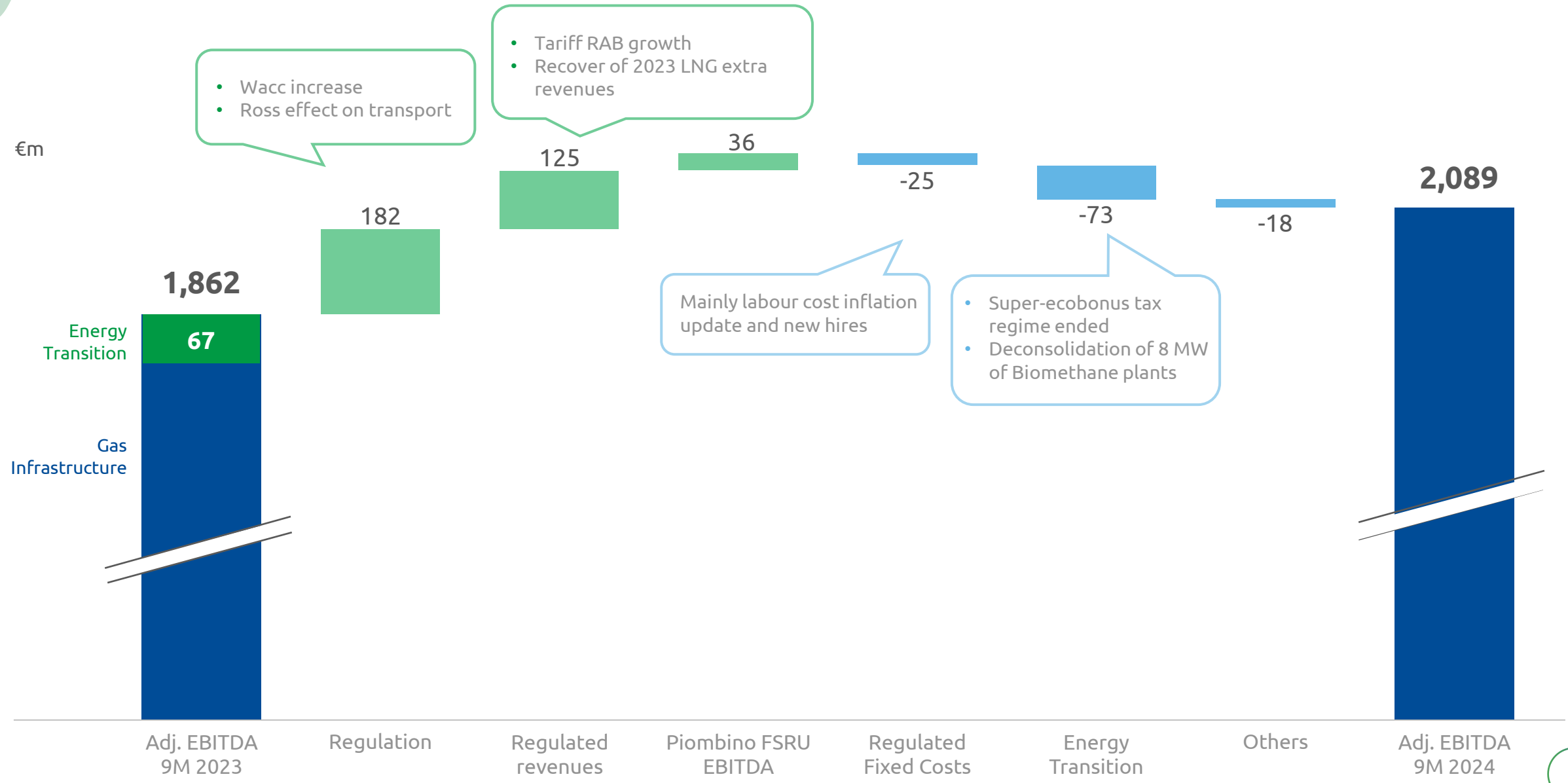
H2 – SouthH2Corridor



1. On Regulated perimeter as of 2022
 2. On full Snam Group perimeter
 3. CARBON NEUTRALITY: requires to fully offset the residual emissions
 4. NET ZERO: requires at least -90% emissions vs base year and the neutralization of residual emissions through permanent carbon removals

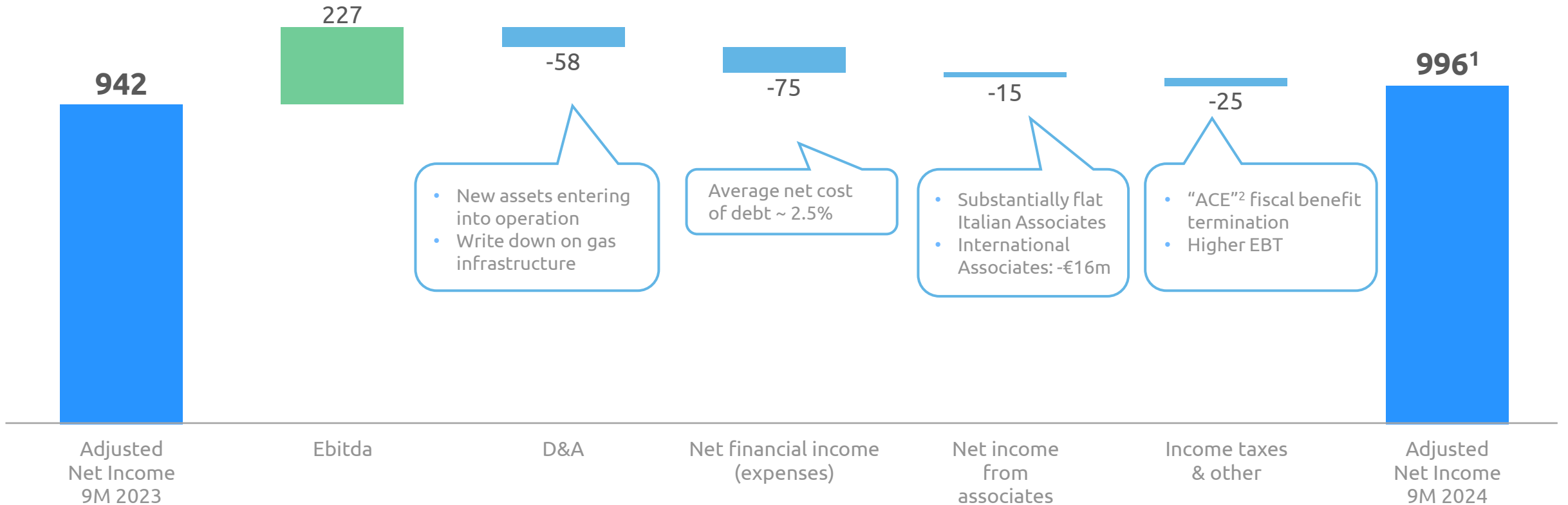
5. **Legenda:**
 Residual severity under the MID Scenario (RCP Scenario 4.5: Progressive intensification of natural phenomena)
 ● Low
 ● Medium
 ● High
 ● Critical

Adj. EBITDA analysis



Adj. Net Income analysis

€m

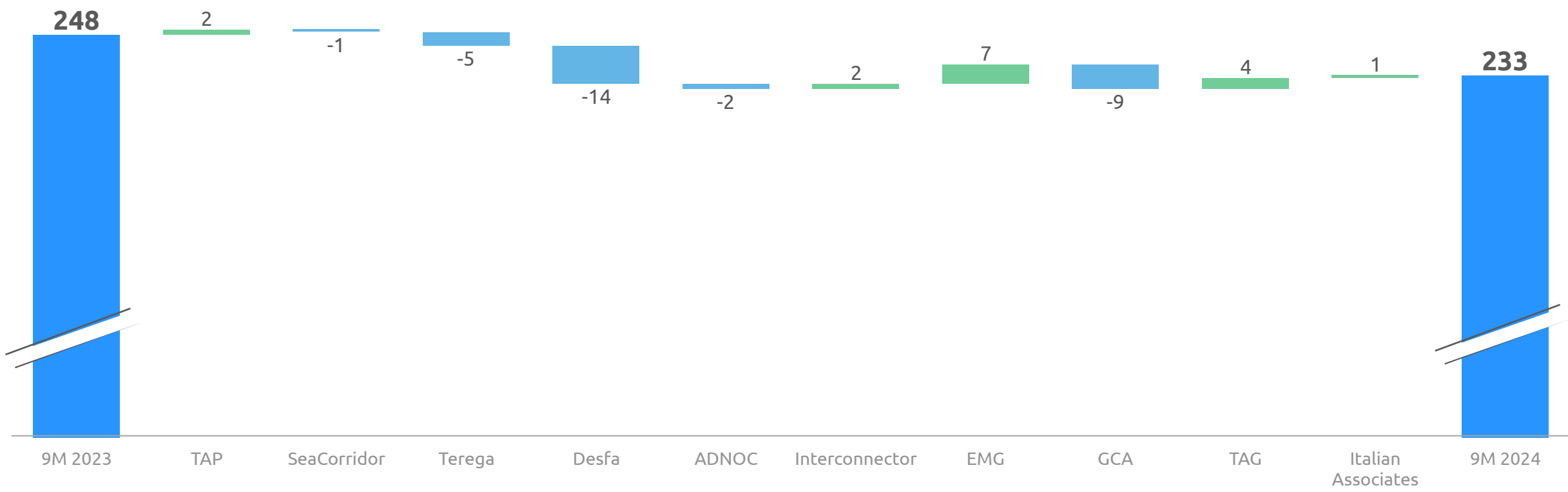


1. Net profit Reported at € 952 m (- 9.1% y-o-y). Adjustments are related to: Biomethane – Waste business (-€37m), mainly attributable to charges for a settlement agreement amending previous agreements ; charges related to Austrian Associates for the reimbursement of the 2013-2024 premium to volume risk exposure (-€33m); insurance reimbursement related to OLT's maintenance (+€11m); ADNOC discount rate effect (+€6m); Taxes on special items (+€9m)

2. ACE: Aiuto alla crescita economica

Associates' contribution

€m



Net income contribution 9M 2024 (€m)	50	38	37	22	21	10	9	0	-23	69
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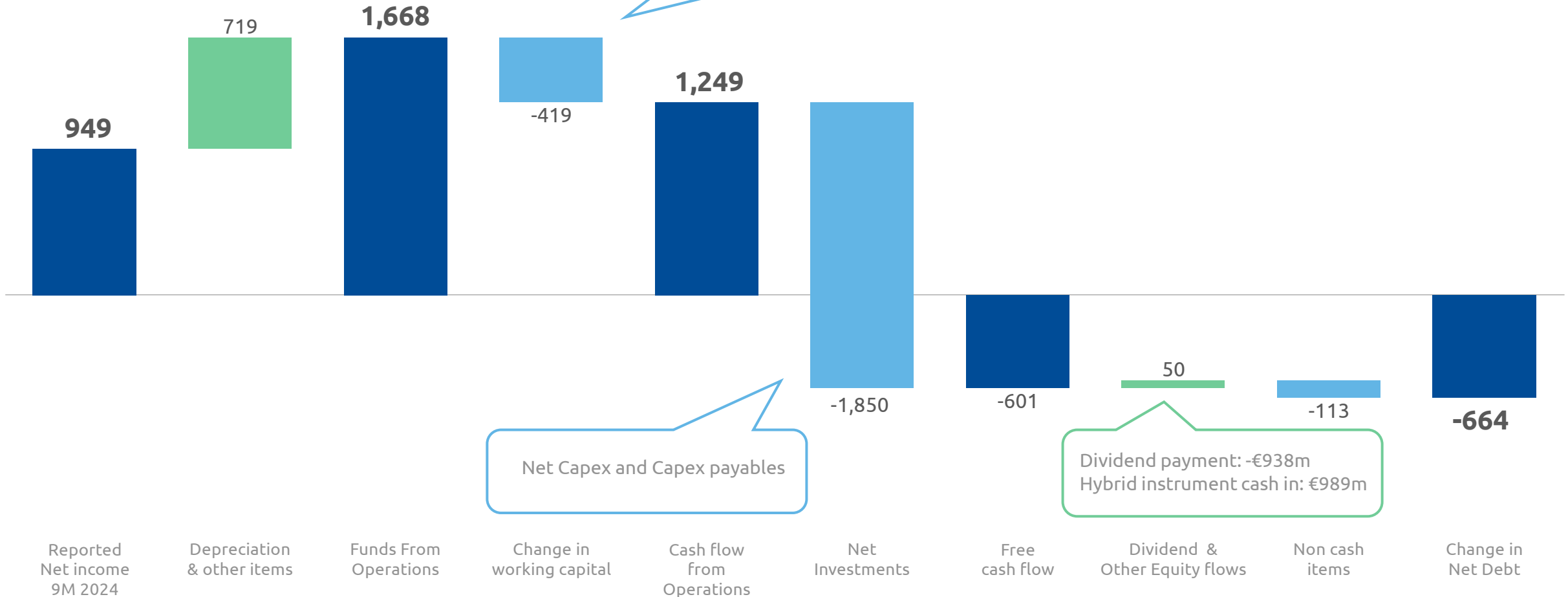
Cash flow

€m

Absorption related to Balancing items partially counterbalanced by default service receivables decrease

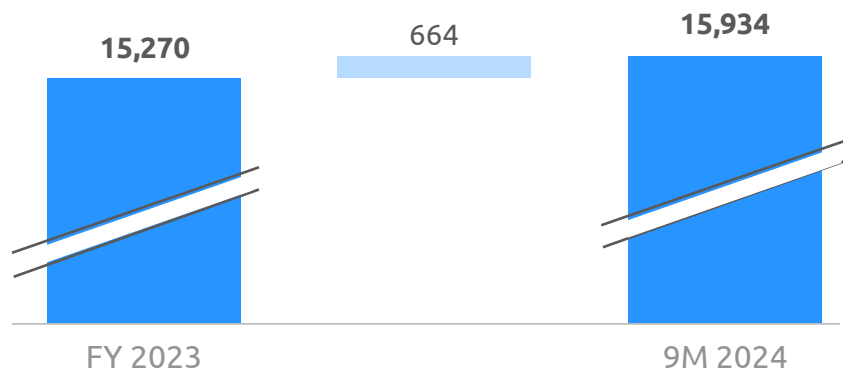
Net Capex and Capex payables

Dividend payment: -€938m
Hybrid instrument cash in: €989m

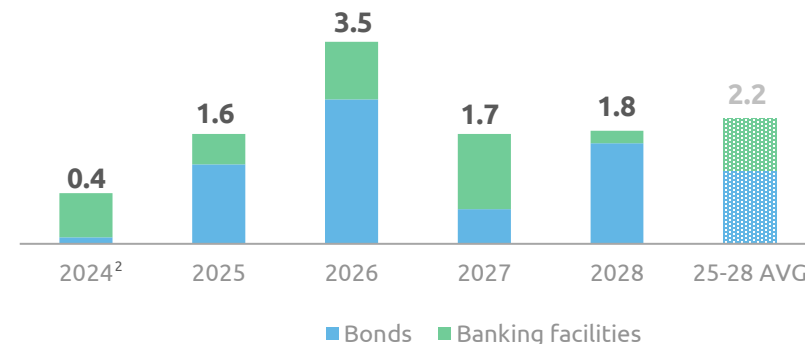


Net Debt evolution and financial structure

Net debt evolution (m€)



Maturities profile (bn€, drawn amount)¹



Average net cost of debt

2.0%

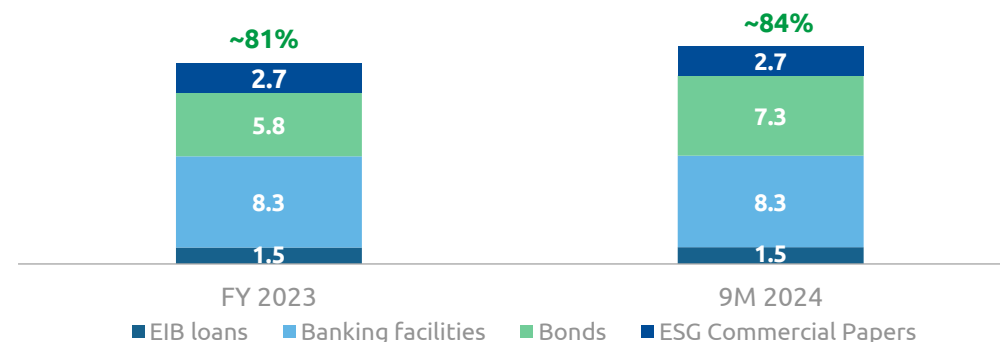
2.5%

Fix / Floating

70% / 30%

70% / 30%

Sustainable Finance on Committed financing (bn€)

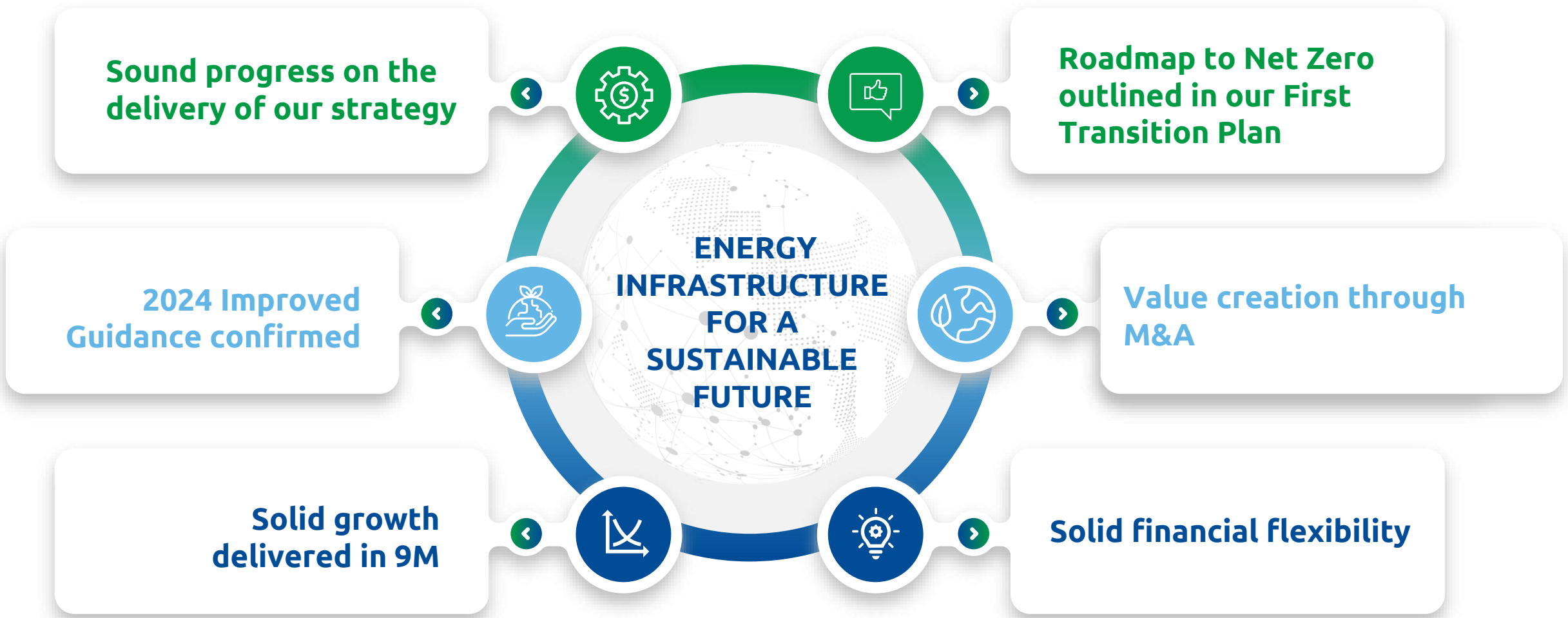


Continuous focus on cost of debt optimization, FY Net debt guidance updated at €16.5 bn

1. Excluding uncommitted lines and Commercial Paper

2. Maturities from September to December

Closing remarks



Q&A Session



Annexes



Sustainability Scorecard

Strategic KPIs

KPIs		9M 2024	2024 Target	2027 Target
Green transition	• Avoided CO ₂ emissions (ktCO ₂ e) ¹	84.4	105	500
	• H ₂ readiness length of network certified (km)	1,647	1,900	3,000
Multi-molecule infrastruct.	• Gas Transportation operational availability ² (%)	>99	>99	>99
	• Production of biomethane (Mscm)	13.5	20	160
	• Invest. related to the CCS Ravenna Project Phase 1+2 (€M) ³	100	120	370
Carbon Neutrality	• Reduction of total natural gas emissions (%)	-60 ¹⁰	-57.5	-64.5
	• Introd. ESG criteria in scoring models (% of spending)	46	35	65
	• RES ⁴ on total electricity consumption (%)	YEARLY	52-55	100
	• Tot. procurem. spending on suppliers w/ decarb. plan (%)	39	25	35
Biodiversity & Regener.	• Zero Net Conversion by 2024		-	
	• Net Positive impact by 2027			-
	• Vegetation restored in areas of pipes constr. (%)	YEARLY	99.9	99.9
Financial & CO ₂	• ESG Finance over total funding available (%)	84		85
	• CapEx EU Taxonomy-aligned (% of total)	30		
	• Revenues EU Taxonomy-aligned (% of total)	YEARLY		
	• CapEx SDG-aligned (% of total)	50		
	• Scope 1 and 2 CO ₂ emissions reduction (% v. 2022) ⁹	> -20 ¹⁰		-25

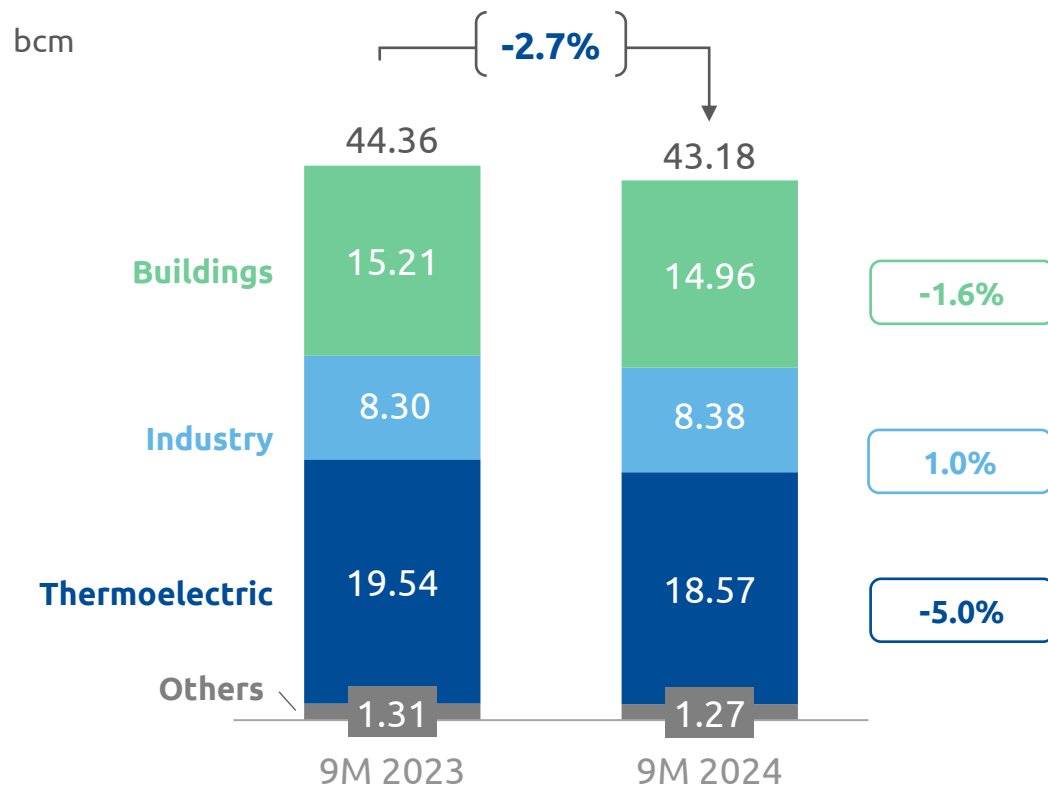
KPIs		9M 2024	2024 Target	2027 Target
People	• Employees engagement index (%)	EVERY TWO YEARS	>80	>80
	• Women in exec. and middle-mgmt. roles (%)	25.8	26	27.5
	• IpFG (Combined Frequency and Severity Index)	0.57	0.47	< min. 3y ⁵
	• Gender pay gap (%) ⁶	YEARLY	-	+/- 5
	• Participation in welfare initiatives (%)	79.7	75	80
	• Training hours delivered to employees (h/capita)	YEARLY	36	40
Local Communit.	• Benefits for local communities over reg. revenues (%)	YEARLY	~1	~1
	• Value released at local communities (€M)	YEARLY	>1,000	>1,000
	• Avg customer satis. rate in terms of service quality (1-10)	YEARLY	>=8.1	>=8.1 ⁷
Transform. Innovation	• Investments in Innovation over revenues (%)	YEARLY	3	3
	• Start-ups accelerated after PoC (#) ⁸	YEARLY	15(25)	27(30)
	• Process digitalized and processes with AI (% of total)	YEARLY	100/12	100/20
	• Projects covered by Security by Design cyber approach (%)	YEARLY	100	100
Sustainable principles	• ESG matters discussed at BoD meetings (>40% of BoD discussions with ESG topic discussed)			
	• 3rd parties subject to procur. Process on which reputational checks are performed (100% of suppliers with reputational checks performed)			
	• Italian territory covered by cyber resilience field tested scenarios (100% of Italian territory covered).			

1. Emissions avoided to 3rd parties thanks to the Group's activities and investments in the infrastructure; in a first phase, the emissions avoided from bio-methane activities and energy efficiency interventions are considered
 2. Previously called "Reliability levels on gas supply" 3. Cumulated figure 2022-2027 net of grants 4. Renewable Energy Source computed on regulated perimeter 5. Snam targets to have an index lower than the minimum of the latest 3 years
 6. For equivalent organizational positions

7. The target indicated refers to a spontaneous initiative by Snam to measure service quality through the annual survey, using a scale of values from 1 to 10; however, we are expecting a change in the service quality assessment methodology in the coming years. In this case, the annual target will have to be modified accordingly 8. KPI represents both the number of startup accelerated and the number of Proofs of Concept (PoC) 9. Reduction computed on regulated perimeter 10. 2024 Year End Forecast

Gas demand and flows

Italian gas demand



Gas demand decline driven by weak thermolectric production and mild weather

1. Decrease due to scheduled maintenance
Any failure to reconcile the stated figures arises exclusively from rounding

Gas flows

bcm	9M 2023	9M 2024	Change (bcm)	Change (%)
National production	2.12	2.00	-0.1	-5.3%
Pipelines	34.89	33.44	-1.5	-4.2%
Gela	1.87	1.09	-0.8	-41.7%
Mazara del Vallo	17.74	15.33	-2.4	-13.6%
Passo Gries	5.39	4.78	-0.6	-11.4%
Tarvisio	2.50	4.67	2.2	87.1%
Gorizia	0.03	0.02	0.0	-8.9%
Melendugno	7.37	7.55	0.2	2.4%
LNG	12.03	10.89	-1.1	-9.5%
Adriatic LNG	6.51	6.76	0.2	3.8%
OLT	3.07	0.66 ¹	-2.4	-78.5%
Panigaglia	2.26	0.95	-1.3	-58.0%
Piombino	0.19	2.52	2.3	-
Total injection	49.03	46.33	-2.7	-5.5%

~ 25% of gas demand covered by LNG

Income Statement

€ mn	9M 2023	9M 2024	Change	Change %
Revenues	2,863	2,651	(212)	(7.4%)
Operating expenses	(1,001)	(562)	439	(43.9%)
EBITDA	1,862	2,089	227	12.2%
Depreciation & amortisation	(691)	(749)	(58)	8.4%
EBIT	1,171	1,340	169	14.4%
Net interest income (expenses)	(155)	(230)	(75)	48.4%
Net income from associates	248	233	(15)	(6.0%)
EBT	1,264	1,343	79	6.3%
Income taxes	(308)	(350)	(42)	13.6%
NET PROFIT BEFORE THIRD PARTIES	956	993	37	3.9%
Third Parties Net Profit	(14)	3	17	-
NET PROFIT	942	996	54	5.7%
EBITDA REPORTED	1,854	2,060	206	11.1%
EBIT REPORTED	1,161	1,311	150	12.9%
NET PROFIT REPORTED	1,047	952	(95)	(9.1%)

Revenues

€ mn	9M 2023	9M 2024	Change	Change %
Regulated revenues	2,071	2,398	327	15.8%
Transport	1,592	1,828	236	14.8%
Storage	422	445	23	5.5%
LNG	57	125	68	-
Non regulated revenues	56	32	(24)	(42.9%)
Total Gas Infrastructure Businesses revenues	2,127	2,430	303	14.2%
Energy Transition Businesses revenues	736	221	(515)	(70.0%)
TOTAL REVENUES	2,863	2,651	(212)	(7.4%)

Operating Costs

€ mn	9M 2023	9M 2024	Change	Change %
Gas Infrastructure Businesses costs	332	335	3	0.9%
Variable costs	63	39	(24)	(38.1%)
Fixed costs	221	258	37	16.7%
Other costs	48	38	(10)	(20.8%)
Energy Transition Businesses costs	669	227	(442)	(66.1%)
TOTAL COSTS	1,001	562	(439)	(43.9%)

Balance Sheet

€ mn	2023	9M 2024	Change	Change %
Net invested capital	22,950	24,974	2,024	8.8%
Fixed capital	23,002	24,047	1,045	4.5%
Tangible fixed assets	19,304	20,229	925	4.8%
Intangible fixed assets	1,449	1,504	55	3.8%
Equity-accounted investments	3,019	2,970	(49)	(1.6%)
Other Financial assets	163	165	2	1.2%
Net payables for investments	(933)	(821)	112	(12.0%)
Net working capital	(24)	957	981	-
Receivables	8,181	6,087	(2,094)	(25.6%)
Liabilities	(8,205)	(5,130)	3,075	(37.5%)
Provisions for employee benefits	(28)	(30)	(2)	7.1%
Net financial debt	15,270	15,934	664	4.3%
Shareholders' equity	7,680	9,040	1,360	17.7%

Alternative performance indicators reconciliation

€m	9M 2023	9M 2024	Change	Change %
EBITDA	1,854	2,060	206	11.1
Exclusion of special items:				
- Capital losses on write-off of assets under development	8		(8)	
- Charges for a settlement agreement		29	29	
Adj. EBITDA	1,862	2,089	227	12.2
EBIT	1.161	1.311	150	12.9
Exclusion of special items:				
- Special items from EBITDA	8	29	21	
- Write-down on non current assets	2		(2)	
Adj. EBIT	1,171	1,340	169	14.4
Net profit	1,061	949	(112)	(10.6)
Exclusion of special items:				
- Special items from EBIT	10	29	19	
- Loss (profit) from equity-accounted investments	(38)	24	62	
- De Nora capital gain	(76)		76	
- Taxation of special items	(1)	(9)	(8)	
Adj. Net profit before third parties	956	993	37	3.9
Non-controlling interests	14	(3)	(17)	
Adj. Net profit	942	996	54	5.7

International associates' contribution

Company	%		9M 2023	9M 2024	Delta
TAP	20.00%	<ul style="list-style-type: none"> Inflation-indexed tariffs supporting company's revenues growth 7.5 bcm or ~ 17% of Italian imports in 9M 2024 	€ 48 m	€ 50 m	+ € 2 m
SeaCorridor	49.90%	<ul style="list-style-type: none"> Lower revenues due to lower imports from Algeria (ca.-2Bcm gas flows vs 2023) despite a better product mix; still first import route for Italy: 15.3 bcm or ca. 1/3 of overall Italian imports in the 9M 2024 	€ 39 m	€ 38 m	- € 1 m
Teréga	40.50%	<ul style="list-style-type: none"> Delta y-o-y affected by cost phasing effect expected to be absorbed by year-end 	€ 42 m	€ 37 m	- 5 m
Desfa	35.64%¹	<ul style="list-style-type: none"> Negative y-o-y comparison affected by normalization of auction premia on LNG imports and exports after an above-trend 2023 Investment plan on-track, supporting lignite phase-out and SEE gas market development 	€ 36 m	€ 22 m	- € 14 m
Adnoc	5.88%¹	<ul style="list-style-type: none"> Business performance in line with expectations 	€ 23 m	€ 21 m	- € 2 m
Interconnector	23.68%	<ul style="list-style-type: none"> Sound operating performance limited by inflation adjusted regulatory cap End-2023 bookings underpinning M/L term earnings visibility 	€ 8 m	€ 10 m	+ € 2 m
EMG	25.00%	<ul style="list-style-type: none"> 2024 flows above expectations Benefiting from positive non-recurring items related to previous years 	€ 2 m	€ 9 m	+ € 7 m
GCA	19.60%¹	<ul style="list-style-type: none"> Performance impacted by lower bookings -mostly from Germany to Austria- and higher revenues in 2023 due to recovery of previous years energy costs New regulatory framework in Austria, starting from 2025, implies volume risk elimination 	€ 9 m	€ 0 m	- € 9 m
TAG	89.22%²	<ul style="list-style-type: none"> Increase of more remunerative short-terms bookings drive the higher results vs 9M 2023; TAG is still affected by volume risk exposure New regulatory framework in Austria, starting from 2025, implies volume risk elimination 	- € 27 m	- € 23 m	+ € 4 m
			€ 180 m	€ 164 m	- € 16 m

1. Indirect participation

2. DESFA 39.60% voting rights; TAG 84.47% voting rights

Investments detailed by business

€m	9M 2023	9M 2024
Transport ¹	765	1,225
Storage	148	160
LNG ²	157	327
Energy Transition ³	162	88
Total	1,232	1,800

30%⁴ taxonomy aligned and 50% SDGs aligned

1. Including corporate capex

2. Including greenture (SSLNG and mobility) investments

3. Including Biomethane acquisitions

4. Calculated on capex including Right-of-use assets, pursuant to IFRS 16 (€20 m in 9M 2024)

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This presentation contains forward-looking statements regarding future events and the future results of Snam that are based on current expectations, estimates, forecasts, and projections about the industries in which Snam operates and the beliefs and assumptions of the management of Snam.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

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T H A N K Y O U