

FY 2023 Consolidated Results

March 14th, 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

Opening remarks



Solid financial results in a volatile environment



Energy crisis eased in 2023 but energy markets, geopolitics and the global economy remain unsettled



Sound progress on the delivery of our strategy strengthening security of supply and laying the foundations for long term growth



Improving sustainability performance throughout emissions, scorecard KPIs and ESG ratings positioning



Attractive shareholders remuneration with a dividend proposal of €0.2820/share on FY 2023 results

FY 2023 key highlights

Financial Highlights

- **€2.4 bn EBITDA Adj.** (+8.0% yoy)
- **€1.17 bn Net income Adj.**¹ ahead of guidance
- **€2.2 bn investments** (+14.0% yoy)
- **Dividend** proposal of €0.2820/share on FY 2023 results
- Ample financial flexibility and credit ratings confirmed

Regulation and Policy

- **WACC** uplift approved, to kick in 2024
- **Base Ross** applied on transport from 2024
- Finalization of the **EU Gas Package** to be published soon
- Italian **Energy decree** on CCS lay the foundation to set the regulatory framework

Gas Market

- 2023 Italian gas demand stood at **61.9 bcm** (-10.0% YoY²)
- Average TTF price at **€ 40/MWh** in 2023 (-41% yoy) with high volatility
- North volumes decline offset by LNG (**+15%** yoy) and lower demand (**-10%**)

Associates' Portfolio

- Active portfolio management: successful **De Nora ABB** and issuance of a bond **exchangeable to Italgas shares**
- **SeaCorridor** starting to contribute FY 2023
- Positive regulatory review for **Desfa** and **Terega** completed
- 5 projects included in **PCI list**

1. Net profit Reported at €1,135m (+69.2% y-o-y). Adjustments are mainly related to: De Nora capital gain (+€76m), Capital gain on De Nora contribution related to Nucera IPO (+€28m), ADNOC discount rate effect (+€65m), Biomethane impairment and write down (- € 186m).

2. Non weather adjusted.

Sound progress on the delivery of our strategy

Business focus



Gas infrastructure

- **Transport:**
 - **Adriatic Line** fully approved and €0.4 bn RePower EU funds recognized
 - **Output based** incentives on fully depreciated assets
 - **>320** requests of connection of biomethane plants
- **Storage:**
 - **Overpressure** authorized on 2 storage facilities
 - **Reverse flow** service offered to the system
 - Storage level at **~ 58%** at the end of February 2024
- **FSRUs**
 - **Piombino:** in operation since mid 2023, and capacity fully booked
 - **Ravenna:** vessel acquisition closed, onshore and offshore works started and the capacity auction to be launched in coming weeks

Energy transition

- **Energy efficiency**
 - Strong delivery on deep renovation pipeline
 - **€1.2 bn backlog** at Dec. 23 and **>€500 m FY order intake**
- **Biomethane**
 - **41MW** of capacity
 - Tariffs reviewed for inflation (8 plants bid in tariffs auctions)
- **Decarbonization projects**
 - South H2 Corridor and Ravenna CCS included in the **PCI list**
 - **Modena H2 Valley** received around €20m of grants
 - **CCS** Pilot phase of Ravenna project on track
 - **Market sound** on H2 and CCS launched (Feb 2024)
 - IPCEI Hy2Infra award for **Puglia's H2 Valley** (Feb 2024)

Improving sustainability performance

Performance

ALIGNMENT TO

Revenues	26%	
Opex	47%	
Capex	29%	61%

80% Sustainable Finance

New Framework launched in Feb-24

Strong performance across ESG scorecard KPIs

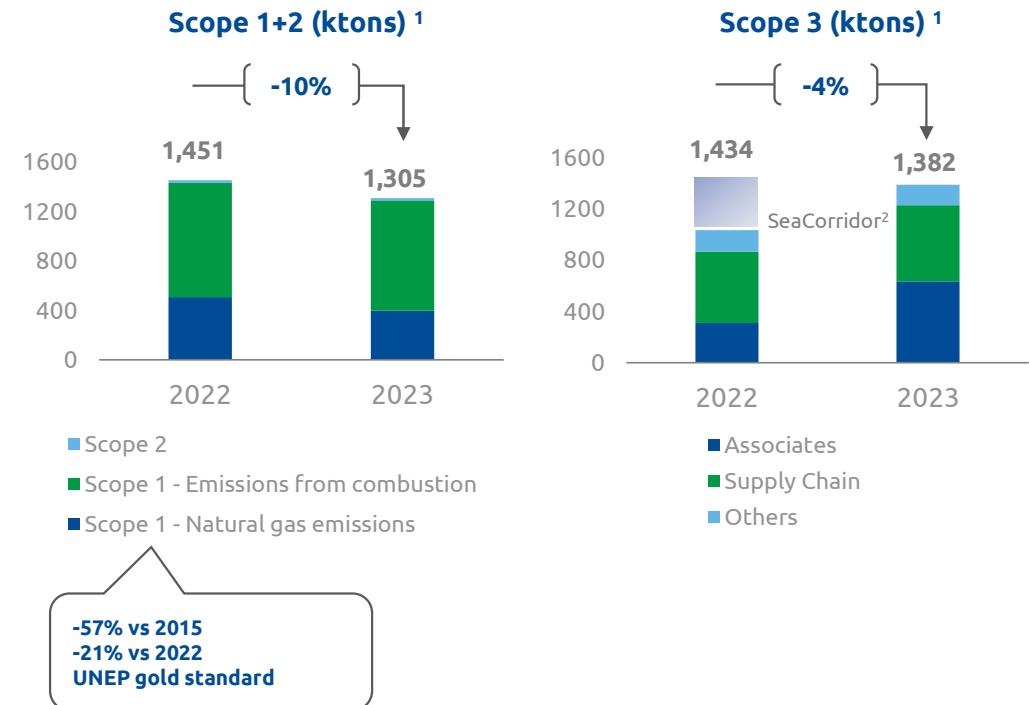
NEW FRONTIERS

- Commitments: Net Zero on all emissions by 2050 & net positive impact on biodiversity by 2027
- Climate Change risk assessment carried out
- Climate commitment and advocacy position document published

ESG RATINGS

CDP	A list
MSCI	AA
Sustainalytics	Leader in Gas Utility sector (Score 12.9)
S&P DJSI	3° in gas utilities sector (Score: 82/100)

Emissions

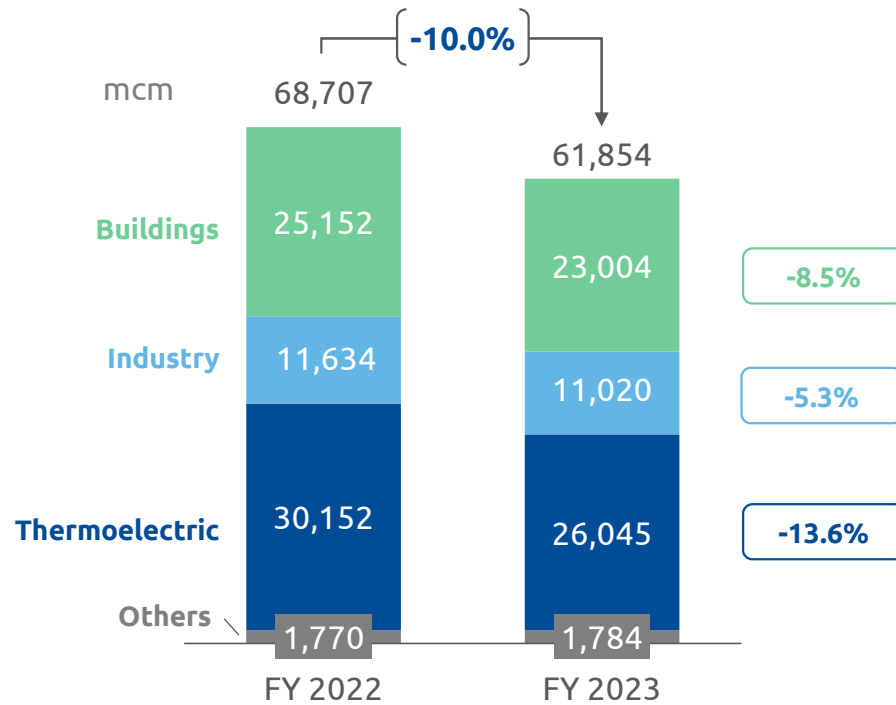


**Net Zero Assesement by Moodys on emissions targets:
Trajectory in line with Paris Agreement**

1. On regulated perimeter. Piombino FSRU emissions will be accounted in the target perimeter starting from 2024, the first year of full operation. In 2023 it has emitted 28 kton (july-december). Total Scope 1&2 values consider HFC emissions (2018 = 0; 2022 = 1; 2023 = 0.6)
2. SeaCorridor acquisition concluded in 2023 but included in the 2022 baseline; FSRU emission from fuel & energy related (equal to 3 ktonCO₂eq) not included in 2023 target perimeter

FY 2023 gas demand and flows

Italian gas demand FY 2023



Gas demand decline driven by weak thermoelectric production mild weather and containment measures

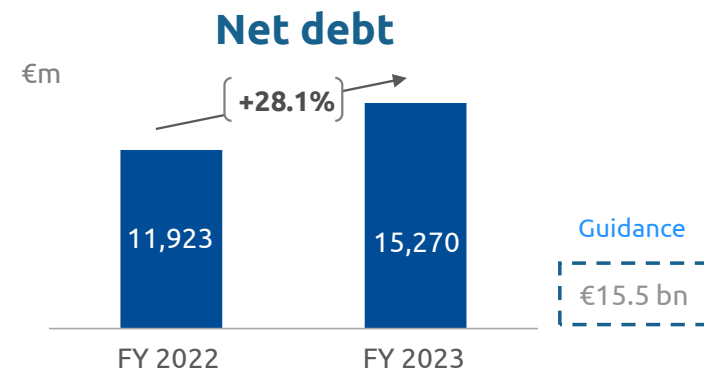
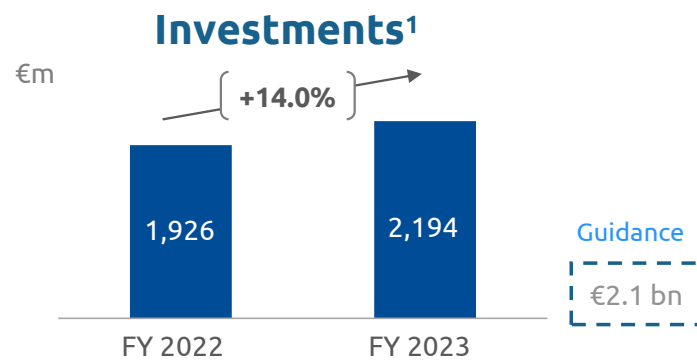
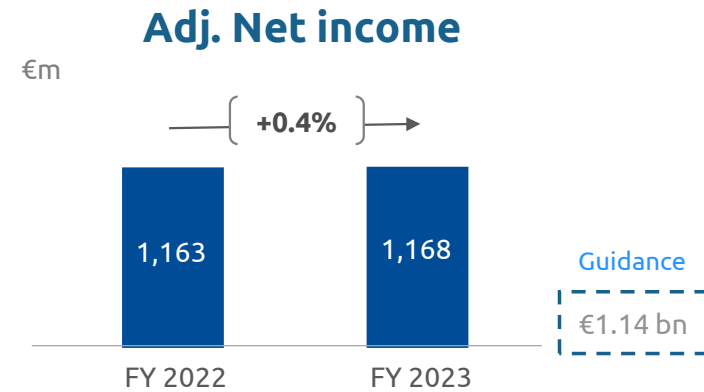
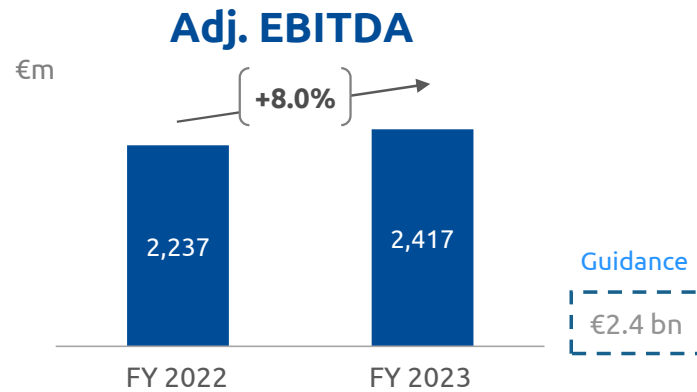
Gas flows FY 2023¹



Decline in volumes from North offset by LNG and lower demand

1. Total change in gas injections ~ - 11 bcm: volumes from north down by ~ 12 bcm, volumes from south down by ~ 1 bcm and volumes from LNG up by ~ 2 bcm.

FY 2023 Financial results

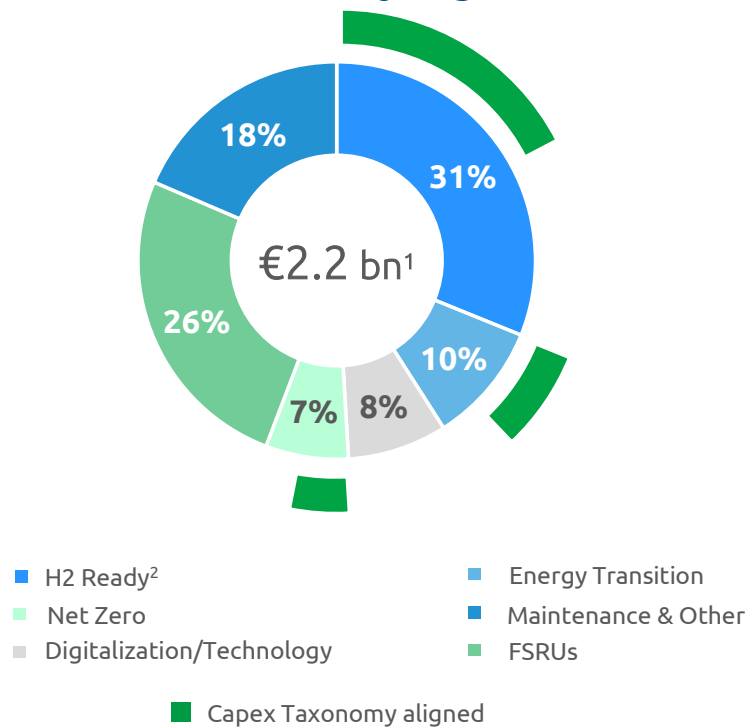


Solid results, ahead of guidance, in a volatile environment

1. Including organic Capex and FSRUs and energy transition acquisitions

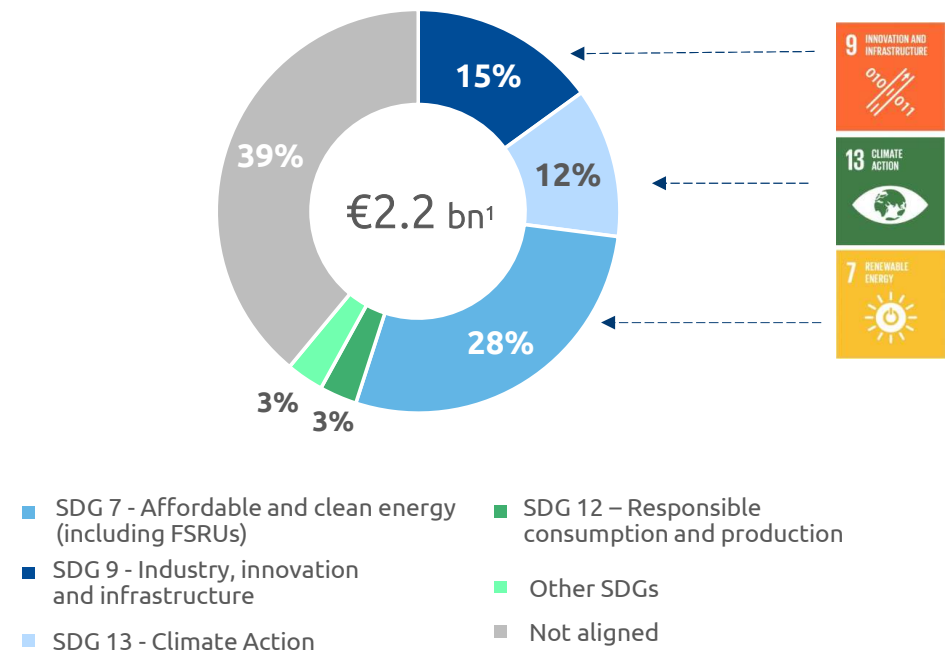
FY 2023 Investments breakdown and alignment

Investments mix
and EU Taxonomy alignment



29% taxonomy aligned, 44% green and decarb investments

Investments alignment
to SDGs

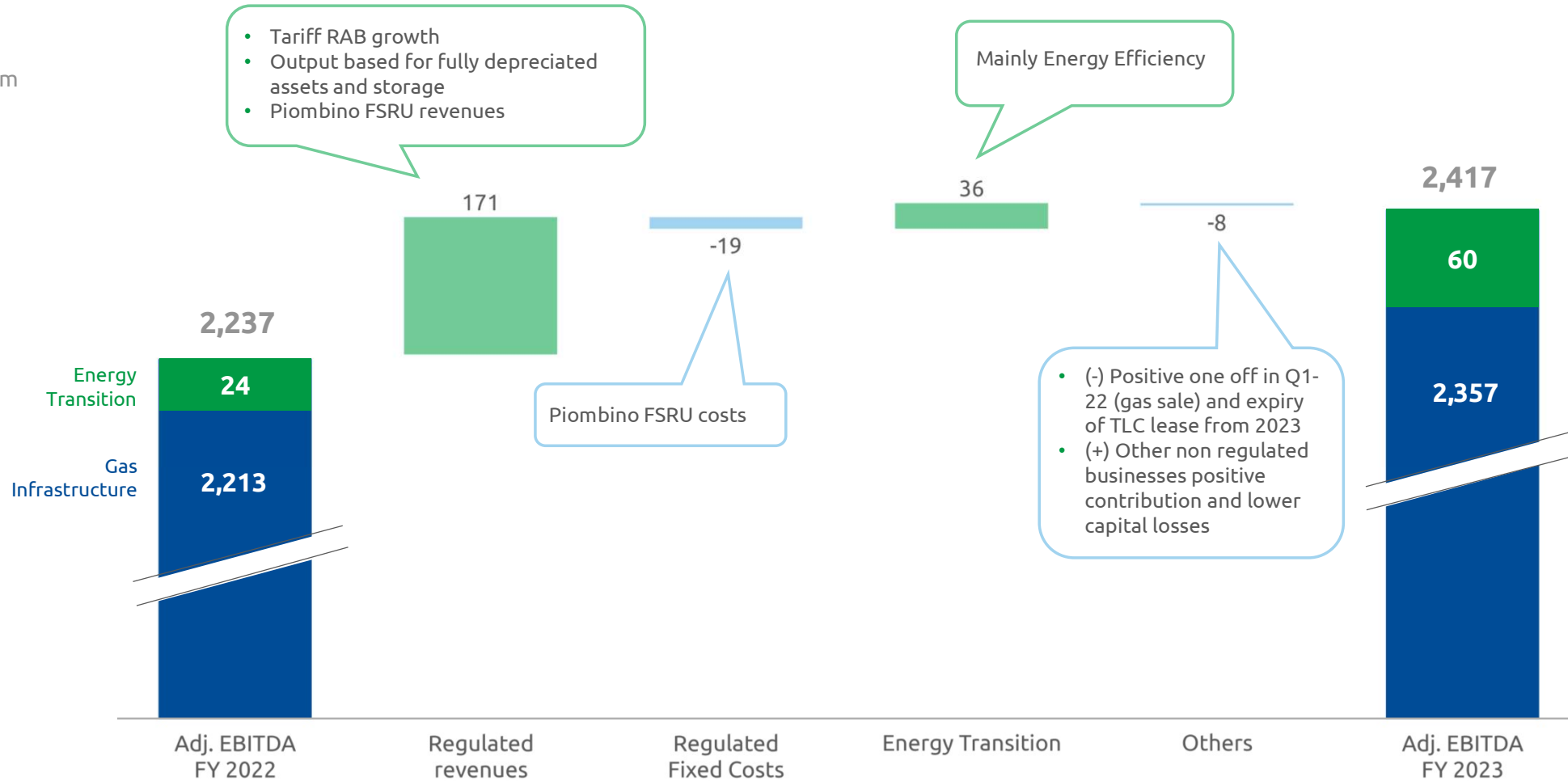


61% SDGs aligned

- Investments in 2023 include €0.3bn for the acquisition of BW Singapore & other investments in LNG infrastructure and €0.1bn for Biomethane acquisitions
- Replacement, development and maintenance done using H2 ready procurement standard

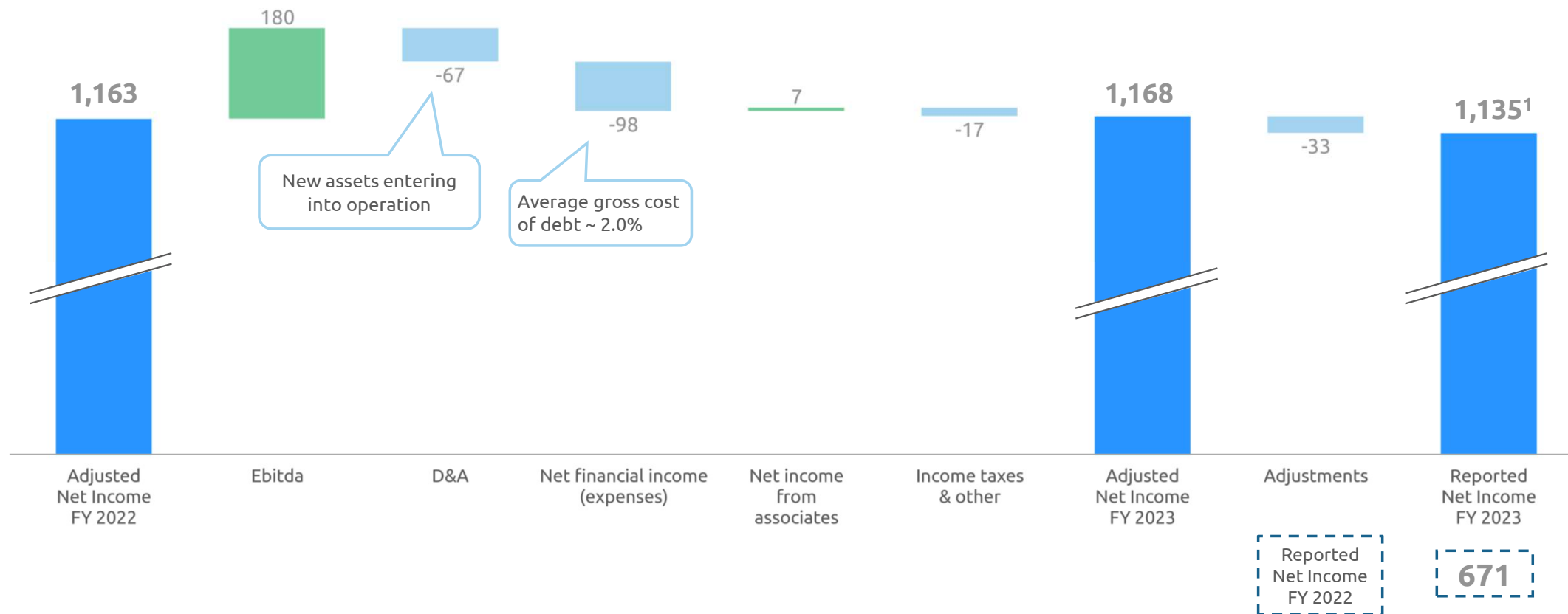
Adj. EBITDA analysis

€m



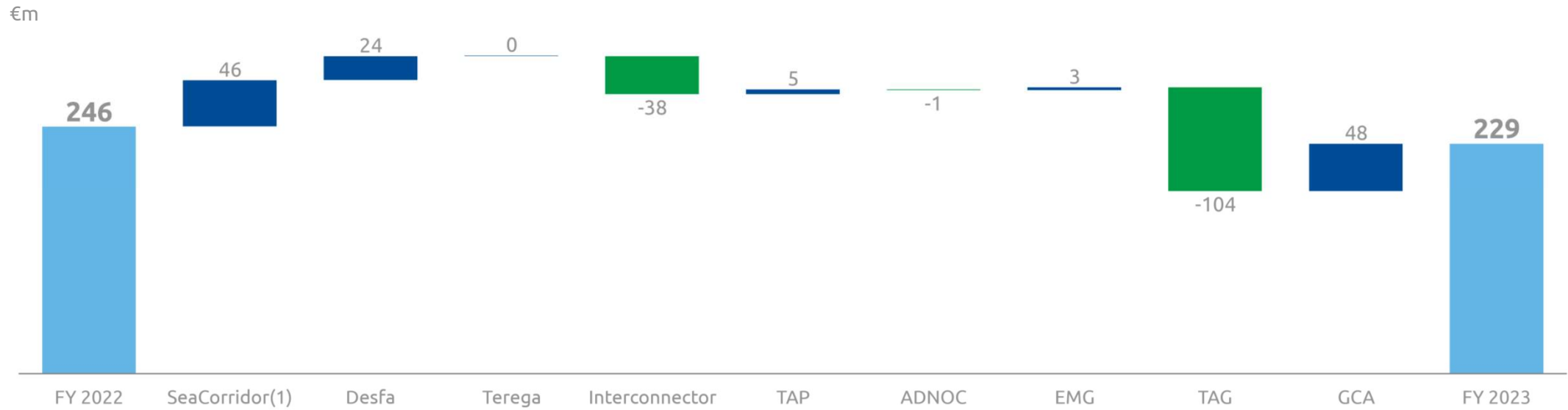
Adj. Net Income analysis

€m



1. Net profit Reported at €1,135m (+69.2% y-o-y). Adjustments are mainly related to: De Nora capital gain (+€76m), Capital gain on De Nora contribution related to Nucera IPO (+€28m), ADNOC discount rate effect (+€65m), Biomethane impairment and write down (- € 186m)

International associates contribution



Net income
contribution
2023 (€m)

46

52

48

11

65

30

4

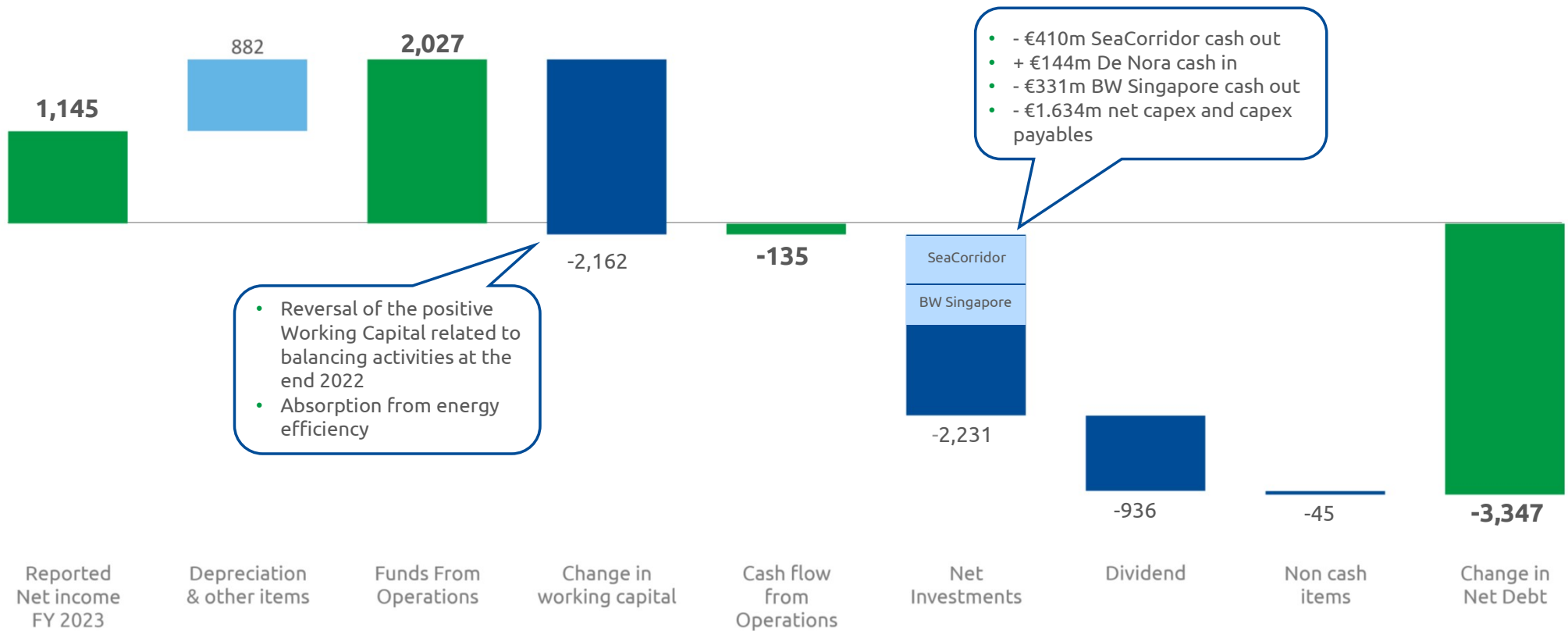
-46

19

TAG lower contribution mitigated by a diversified portfolio

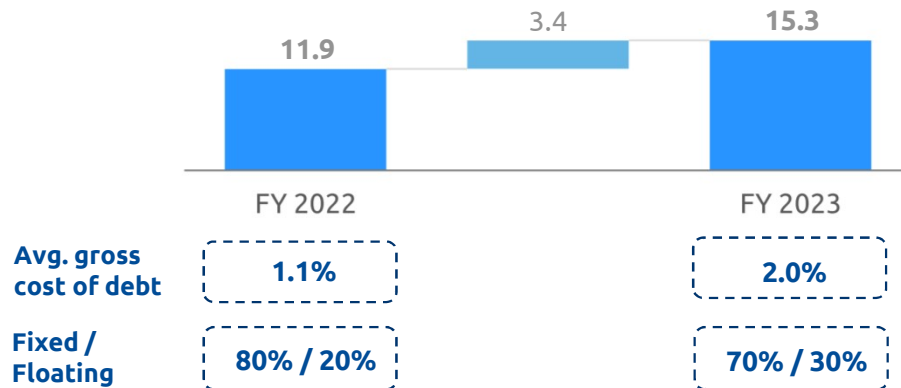
Cash flow

€m

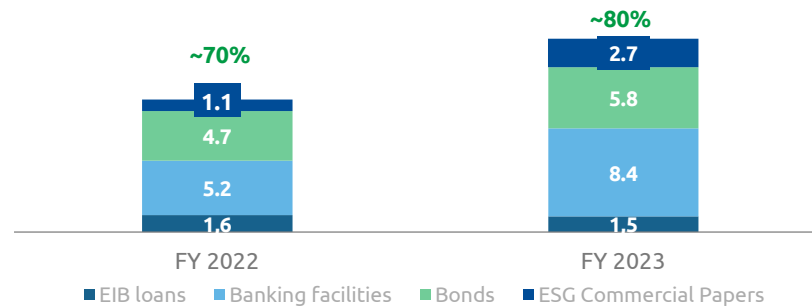


Net Debt evolution and financial structure

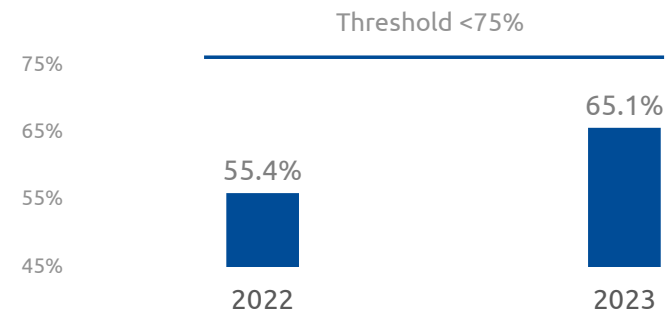
Net debt evolution (€bn)



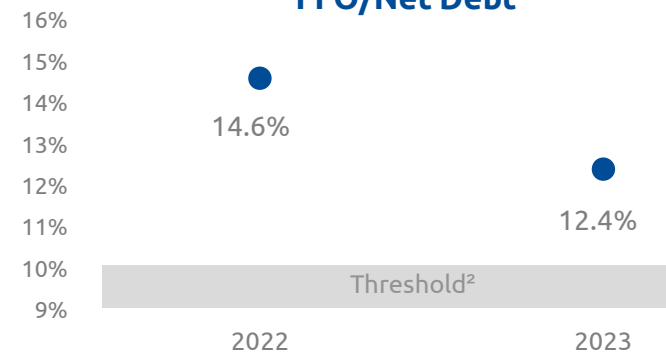
Sustainable Finance on Committed financing (€bn)



Net Debt / Fixed Assets¹



FFO/Net Debt



Cost of debt at 2% and sound financial flexibility

1. Including book value of equity participations.
2. Shaded area consistent with thresholds for current rating positioning by Moody's and S&P (inferred)

Closing remarks and 2024 Guidance

energy
to inspire the world



	FY 2023	Guidance FY 2024	
Investments	€2.2 bn <ul style="list-style-type: none"> • € 2.0 bn Gas Infrastructure • € 0.2 bn Energy Transition 	€2.9 bn <ul style="list-style-type: none"> • € 2.7 bn Gas Infrastructure • € 0.2 bn Energy Transition 	Capex acceleration mainly driven by Adriatic Line project
Tariff RAB	€22.4 bn	€23.8 bn	+6% RAB yoy thanks to new investments
Ebitda	€2.4 bn	~ €2.7 bn	WACC uplift, deflator impact, RAB growth and Ross effect on transport
Net income	€1.17 bn	~ €1.18 bn	EBITDA positive performance partially counterbalanced by higher D&A and financial expenses and lower associates
Net debt	€15.3 bn	~ € 17.6 bn	Increase in Net Debt driven by Capex acceleration
DPS	€0.2820/share	Min +3.0% yoy	In line with the improved policy

Clear visibility on 2024 performance

Closing remarks

**Attractive & sustainable
shareholders' return**

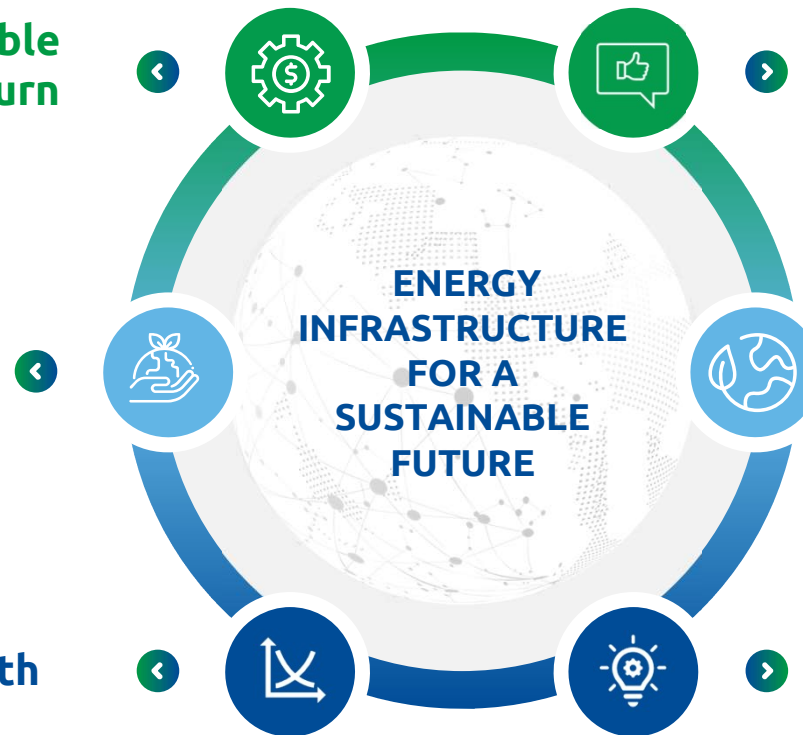
**Solid financial
flexibility**

High visibility

**Leader on ESG ratings and
Committed to Paris
Agreement**

Sound growth

**At the forefront on
innovation**



Q&A Session



Annexes



Taxonomy eligibility and alignment - CapEx, OpEx, Revenues

Eligibility

Alignment

Revenues

- **Transport of CH₄** : pro-quota of yearly demand
- **Storage of CH₄**: excluded
- **LNG**: excluded
- **Biomethane**: 100% eligible
- **Mobility**: excluded
- **Energy Efficiency**: 100% eligible
- **H2&CCS**: 100% eligible

28%

21%

- **Transport of CH₄**: revenues aligned pro-quota on yearly demand
- **Biomethane**: depending on screening technical criteria of plants
- **Energy Efficiency**: cogeneration excluded
- **H2&CCS**: 100% aligned

26%

20%

Opex

- Only Opex for R&D and maintaining the assets
- Same interpretation as Capex

89%

75%

- Same interpretation as Capex

47%

37%

Capex

- **Transport of CH₄**: 100% eligible
- **Storage of CH₄**: excluded
- **Biomethane**: 100% eligible
- **Buildings**: 100% eligible
- **Mobility**: Excluded
- **Energy Efficiency**: 100% eligible
- **H2&CCS**: 100% eligible

55%

63%

- **Transport of CH₄** :
 - H2-ready replacements 100% aligned
 - Maintenance excluded
 - Methane leakage reduction 100% aligned
 - investments to reduce emissions 100% aligned
 - Connection of biomethane plants 100% aligned
- **Biomethane**: depending on screening technical criteria of plants
- **Buildings**: alignment depending on energy efficiency criteria
- **Energy Efficiency**: cogeneration excluded, remainder 100% aligned
- **H2&CCS**: 100% aligned

29%

39%

— FY 2023
— FY 2022

Sustainability Scorecard – Full Year 2023

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Environment



Social



Governance

Performance
2023 Target
2023

Performance
2023 Target
2023

Performance
2023 Target
2023

1	% reduction of NG emissions vs 2015	-56.67%	-48.6%
2	% NG recovered from maintenance activities (avg. last 5y)	60%	>40%
3	MWh of electricity production by photovoltaic plants	980	>860
4	Production of biomethane (Mscm)	24.4	39
5	Reduction of CO2 equivalent from energy efficiency (Kton)	57	72
6	Cumulated number of installed CNG and LNG stations	91	100
7	Available LNG capacity for SSLNG market ¹ (ktpa)	-	-
8	% of vegetation restoration of the natural and semi-natural areas involved in the construction of pipelines routing	99.9%	>99%

9	% participation in welfare initiative	57.9%	54%
10	% employee engagement index	84%	70-75%
11	IpFG (Combined Frequency and Severity Index)	0.47	< minimum last 3 years (0.55)
12	% of women in executive and middle-management roles	25.9%	25%
13	% of women in succession planning	33%	26%
14	% of local suppliers involved out of total contractualized suppliers	73%	50%
15	Introduction of ESG criteria in scoring models (% of spending on assigned contracts)	35%	30%
16	% employees hours devoted to Snam Foundation initiatives supporting local communities	5,970	4,800

17	Average annual customers satisfaction rate in terms of service quality	8.1	8.1
18	% of reliability levels on gas supply	99.9% ¹	99.9%
19	% of third parties on which reputational due diligence checks done	100%	100%
20	% of ESG Financing on the total Committed Funding	>80%	75%

1. SSLNG capacity will be in place in 2025 as planned

Sustainability Scorecard - Reviewed scorecard with new targets

Strategic KPIs

KPIs		2023 Actual	2024 Budget	2027 Target	KPIs		2023 Actual	2024 Budget	2027 Target
Green transition	Avoided CO2 emissions (ktCO2e) ¹	102.9	105	500	People	Employees engagement index (%)	84	>80	>80
	H2 readiness length of network certified (km)	1,513	1,900	3,000		Women in exec. and middle-mgmt. roles (%)	25.9	26	27.5
Multi-molecule infrastr.	Gas Transportation operational availability ² (%)	>99	>99	>99		IpFG (Combined Frequency and Severity Index)	0.47	< min. 3y ⁵	< min. 3y ⁵
	Production of biomethane (Mscm)	24.4	20	160		Gender pay gap (%) ⁶	-	-	+/- 5
	Invest. related to the CCS Ravenna Project Phase 1+2 (€M) ³	65	120	370		Participation in welfare initiatives (%)	57.9	75	80
Carbon Neutrality	Reduction of total natural gas emissions (%)	-56.67	-57.5	-64.5	Local Communit.	Training hours delivered to employees (h/capita)	37	36	40
	Introd. ESG criteria in scoring models (% of contracts)	35	35	65		Benefits for local communities over reg. revenues (%)	0.4	~1	~1
	RES4 on total electricity consumption (%)	63	52-55	100		Value released at local communities (€M)	1,451	>1,000	>1,000
	Tot. procurem. spending on suppliers w/ decarb. plan (%)	23	25	35	Transform. Innovation	Avg customer satis. rate in terms of service quality (1-10)	8.1	>8.1	>8.1 ⁷
Biodiversity & Regener.	Zero Net Conversion by 2024		X			Investments in Innovation over revenues (%)	3.3	3	3
	Net Positive impact by 2027			X		Start-ups accelerated after PoC (#) ⁸	11 (22)	15(25)	27(30)
	Vegetation restored in areas of pipes constr. (%)	99.9	99.9	99.9		Process digitalized and processes with AI (% of total)	100/10	100/12	100/20
Financial & CO2	ESG Finance over total funding available (%)	81		85		Projects covered by <i>Security by Design</i> cyber approach (%)	New KPI	100	100
	CapEx EU Taxonomy-aligned (% of total)	29				CapEx SDG-aligned (% of total)	61		
	Revenues EU Taxonomy-aligned (% of total)	26				Scope 1 and 2 CO2 emissions reduction (% v. 2022) ⁹	-10		-25
Sustainable principles	ESG matters discussed at BoD meetings (>40% of BoD discussions with ESG topic discussed)								
	3 rd 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 2023-2027 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

Income Statement

€ mn	FY 2022	FY 2023	Change	Change %
Revenues	3,515	4,288	773	22.0%
Operating expenses	(1,278)	(1,871)	(593)	46.4%
EBITDA ADJUSTED	2,237	2,417	180	8.0%
Depreciation & amortisation	(873)	(940)	(67)	7.7%
EBIT ADJUSTED	1,364	1,477	113	8.3%
Net interest income (expenses)	(123)	(221)	(98)	79.7%
Net income from associates	308	315	7	2.3%
EBT ADJUSTED	1,549	1,571	22	1.4%
Income taxes	(385)	(393)	(8)	2.1%
NET PROFIT BEFORE THIRD PARTIES	1,164	1,178	14	1.2%
Third Parties Net Profit	(1)	(10)	(9)	-
NET PROFIT ADJUSTED	1,163	1,168	5	0.4%
EBITDA REPORTED	2,218	2,397	179	8.1%
EBIT REPORTED	1,328	1,271	(57)	(4.3%)
NET PROFIT REPORTED	671	1,135	464	69.2%

Revenues

€ mn	FY 2022	FY 2023	Change	Change %
Regulated revenues	2,719	3,104	385	14.2%
Transport	2,162	2,474	312	14.4%
Storage	515	553	38	7.4%
LNG	42	77	35	83.3%
Non regulated revenues	101	79	(22)	(21.8%)
Total Gas Infrastructure Businesses revenues	2,820	3,183	363	12.9%
Energy Transition Businesses revenues	695	1,105	410	59.0%
TOTAL REVENUES	3,515	4,288	773	22.0%

Operating Costs

€ mn	FY 2022	FY 2023	Change	Change %
Gas Infrastructure Businesses costs	607	826	219	36.1%
Variable costs	152	269	117	77.0%
Fixed costs	305	324	19	6.2%
Other costs	150	233	83	55.3%
Energy Transition Businesses costs	671	1,045	374	55.7%
TOTAL COSTS	1,278	1,871	593	46.4%

Balance Sheet

€ mn	2022	2023	Change	Change %
Net invested capital	19,447	22,950	3,503	18.0%
Fixed capital	21,562	23,002	1,440	6.7%
Tangible fixed assets	18,222	19,304	1,082	5.9%
Intangible fixed assets	1,321	1,449	128	9.7%
Equity-accounted investments	2,313	3,019	706	30.5%
Other Financial assets	175	163	(12)	(6.9%)
Net payables for investments	(469)	(933)	(464)	98.9%
Net working capital	(2,155)	(24)	2,131	98.9%
Receivables	8,020	8,181	161	2.0%
Liabilities	(10,175)	(8,205)	1,970	(19.4%)
Provisions for employee benefits	(27)	(28)	(1)	3.7%
Asset and liabilities held for sale	67	-	(67)	-
Net financial debt	11,923	15,270	3,347	28.1%
Shareholders' equity	7,524	7,680	156	2.1%

Alternative performance indicators reconciliation

€m	2022	2023	Change	Change %
EBITDA	2,218	2,397	179	8.1
Exclusion of items:	19	20	1	5.3
- Provisions for risks and charges	10	12	2	20.0
- Capital losses on writeoff of assets under development	0	8	8	
- Impairment losses on current assets	3	0	(3)	
- Indemnities for termination of employment	6	0	(6)	
Adj. EBITDA	2,237	2,417	180	8.0
EBIT	1,328	1,271	(57)	(4.3)
Exclusion of special items:	36	206	170	
- Special items from EBITDA	19	20	1	5.3
- Impairment losses on non-current assets	17	186	169	
Adj. EBIT	1,364	1,477	113	8.3
Net profit	672	1,145	473	70.4
Exclusion of special items:	492	33	(459)	(93.3)
- Special items from EBIT	36	206	170	
- Profit (loss) from equity-accounted investments	519	(93)	(612)	
- Gain on sale of Industrie De Nora shares	(73)	(76)	(3)	4.1
- Financial expense on liability management	17	0	(17)	
- Taxation of special items	(7)	(4)	3	(42.9)
Adj. Net profit before third parties	1,164	1,178	14	1.2
Non-controlling interests	1	10	9	
Adj. Net profit	1,163	1,168	5	0.4

International associates contribution

Company	%		FY 2022	FY 2023	Delta
SeaCorridor	49.90%	<ul style="list-style-type: none"> Acquisition completed in Jan 2023 Strategic route for Italy with approx. 23 bcm imported (first Italian import source) 	-	€ 46 m	+ € 46 m
Desfa	35.64%¹	<ul style="list-style-type: none"> Sound performance supported by auction premia on LNG imports and on exports to Bulgaria Energy costs passthrough starting from July '22 	€ 28 m	€ 52 m	+ € 24 m
TAP	20.00%	<ul style="list-style-type: none"> Higher revenues thanks to inflation-indexed tariffs First phase of the market test triggering a +1.2 bcm/y expansion from 2026 	€ 60 m	€ 65 m	+ € 5 m
Terega	40.50%	<ul style="list-style-type: none"> Flat y-o-y performance thanks higher volumes and more remunerative products from storage offsetting regulatory dynamics Sponsor of PCI labeled H2 Med corridor 	€ 48 m	€ 48 m	-
Adnoc	5.88%¹	<ul style="list-style-type: none"> Business performance in line with 2022 and expectations 	€ 31 m	€ 30 m	- € 1 m
Interconnector	23.68%	<ul style="list-style-type: none"> Sound operating performance; y-o-y comparison mainly affected by +€31m revaluation in 2022 Positive booking evolution supports M/L term earnings visibility 	€ 49 m	€ 11 m	- € 38 m
TAG	84.47%²	<ul style="list-style-type: none"> Results affected by the long-term contracts expiry and lower volumes to Italy partly offset by higher reverse flow bookings Strategic role for gas security of supply and energy transition unchanged 	€ 58m	- € 46 m	- € 104 m
GCA	19.60%¹	<ul style="list-style-type: none"> Benefitting from previous years energy costs recovery y-o-y comparison affected by the impairment in 2022 (€25m) 	- € 29 m	€ 19 m	+ € 48 m
EMG	25.00%	<ul style="list-style-type: none"> Improvement driven by capex phasing and lower D&A 	€ 1 m	€ 4 m	+ € 3 m
TAG lower contribution mitigated by a diversified portfolio			€ 246 m	€ 229 m	- € 17m

1. Indirect participation
2. 89.22% financial rights

Investments detailed by business

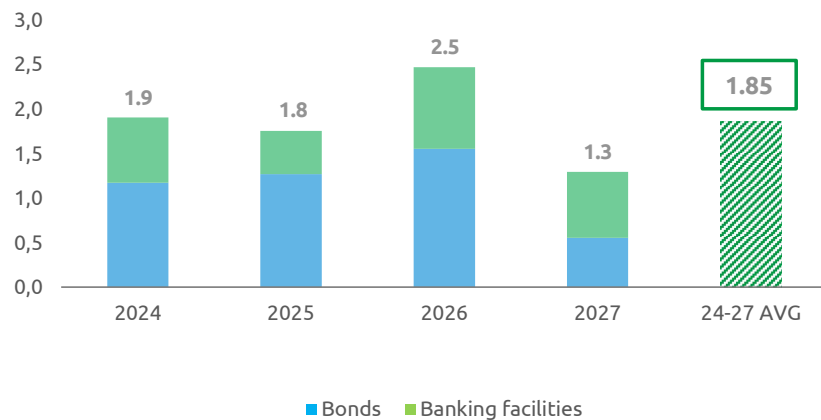
€m	FY 2022	FY 2023
Transport⁽¹⁾	1,015	1,147
Storage	173	225
LNG⁽²⁾	423	606
Energy Transition⁽³⁾	315	216
Total	1,926	2,194

29% taxonomy aligned and 61% SDGs aligned in 2023

- 1. Including corporate capex
- 2. Including greenture (SSLNG and mobility) investments and FSRUs acquisitions
- 3. Including Biomethane acquisitions

Maturities profile and Ratings overview

**Maturities profile
(€bn, amount drawn)¹**



Ratings overview

	Moody's	S&P	Fitch
Assigned Rating	Baa2	BBB+	BBB+
Outlook	stable	stable	stable
Rating from Grid /SACP ²	A2/A3	a-	n.a.

1. Maturities as of 31.12.2023 excluding uncommitted lines and Commercial Papers
2. Rating from the grid for Moody's, Stand alone credit profile for S&P

Gas injection details

bcm	FY 2022	FY 2023	Change (bcm)	Change (%)
National production	3.1	2.8	-0.3	-9.7%
Pipelines	58.1	45.0	-13.1	-22.5%
Gela	2.6	2.5	-0.1	-3.8%
Mazara del Vallo	23.6	23.0	-0.5	-2.1%
Passo Gries	7.6	6.6	-1.0	-13.2%
Tarvisio	14.0	2.8	-11.1	-79.3%
Gorizia	0.0	0.0	0.0	-
Melendugno	10.3	10.0	-0.3	-2.9%
LNG	14.2	16.3	2.1	14.8%
Adriatic LNG	8.3	8.8	0.5	6.0%
OLT	3.7	3.8	0.1	2.7%
Panigaglia	2.2	2.6	0.4	18.2%
Piombino	-	1.1	1.1	-
Total injection	75.4	64.1	-11.3	-15.0%

Disclaimer

Luca Oglialoro, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and accounting information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

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.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

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