

Informazione Regolamentata n. 0167-72-2025	Data/Ora Inizio Diffusione 7 Maggio 2025 08:01:54	Euronext Milan
--------------------------------------------------	------------------------------------------------------	----------------

Societa' : ITALGAS

Identificativo Informazione : 205184
Regolamentata

Utenza - referente : ITALGASN01 - Scaglia Anna Maria

Tipologia : 3.1

Data/Ora Ricezione : 7 Maggio 2025 08:01:54

Data/Ora Inizio Diffusione : 7 Maggio 2025 08:01:54

Oggetto : ITALGAS: CONSOLIDATED RESULTS AS AT
31 MARCH 2025 APPROVED

Testo del comunicato

Vedi allegato

ITALGAS: CONSOLIDATED RESULTS AS AT 31 MARCH 2025 APPROVED

Milan, 7 May 2025 - The Italgas' Board of Directors, which met yesterday, chaired by Benedetta Navarra, has approved the consolidated results as at 31 March 2025.

Highlights¹

- Total revenues and other income adjusted: 459.3 million euro (+6.5%)
- EBITDA: 399.7 million euro (+22.7%)
- Adjusted EBITDA: 345.3 million euro (+6.0%)
- Adjusted EBIT: 225.4 million euro (+17.0%)
- Net profit attributable to the Group: 168.7 million euro (+43.5%)
- Adjusted net profit attributable to the Group: 132.6 million euro (+12.8%)
- Technical investments: 165.7 million euro
- Cash flow from operating activities: 412.1 million euro
- Net financial debt (excluding the effects pursuant to IFRS 16 and IFRIC 12): 6,466.8 million euro
- Net financial debt: 6,555.9 million euro

Italgas also begins the 2025 financial year with the growth that has distinguished the Group since its return to the Stock Exchange in November 2016, as confirmed by all economic indicators.

With the completion of the acquisition of 2i Rete Gas on 1 April, Italgas became the European leader in gas distribution, changing the face of a historically fragmented sector. Today, it represents a player capable of strengthening the country's energy security, accelerating the achievement of decarbonisation targets and continuing to create value for all stakeholders.

The integration process of 2i Rete Gas into the Italgas Group has begun, in line with the 2024-2030 Strategic Plan: the initial phase is focused on the corporate and information systems integration to quickly deliver the first synergies. At the same time, a digitisation programme of

¹ The financial information as at 31 March 2025 does not include data from the 2i Rete Gas Group, as the acquisition was completed on 1 April 2025.

2i Rete Gas network and plants is being launched, together with the implementation of artificial intelligence initiatives aimed at improving performance and service quality on a large scale.

In the first quarter of 2025, the Italgas Group reported total revenues and other income adjusted of 459.3 million euro, an increase of 6.5%, while adjusted EBITDA grew by 6.0% to 345.3 million euro, despite the significant reduction in WACC.

Cash flow from operating activities, equal to 412.1 million euro and increasing by 70.5 million euro compared to the corresponding period in 2024, more than ensured full coverage of investments and explained the reduction in net financial debt by more than 200 million euro in the quarter. Specifically, the technical investments in the first three months of 2025 reached 165.7 million euro, with the construction of approximately 140 km of gas distribution networks aimed at strengthening the service in the concession areas. Furthermore, the digital transformation activities continued, with the application of cutting-edge technologies capable of further evolving management towards increasingly advanced remote operation and automation of processes.

In the water sector, the activity focused on the integration of the Group's companies, with the aim of increasing operational efficiency, reducing network losses by means of the technological upgrade of the plants and improving the quality of service.

Finally, in the energy efficiency sector, the foundations were laid for a technologically advanced and tailor-made offer for the industrial sector, large condominiums and public administration, featuring solutions designed to guarantee efficiency and energy saving.

Paolo Gallo, CEO of Italgas, commented:

“Following an exceptional 2024, the new year has also begun with growth and resilience for our Group. A path that found completion during the quarter and resulted, with the closing of the 2i Rete Gas acquisition, in the emergence of the new leading gas distribution operator in Europe.

The financial and economic indicators showed further improvement, in many cases with double-digit growth. Among the key results, Adjusted EBITDA rose by 6%, reaching 345.3 million euro, while the Group's Adjusted Net Profit exceeded 130 million euro, marking a 12.8% increase compared to the first quarter of the previous year. More than 160 million euro have already been invested, providing further impetus to the development and digital transformation of networks and systems.

The challenge that awaits us in the coming months is to quickly seize all the opportunities arising from the acquisition of 2i Rete Gas, identify new ones and carry out the digital upgrade of the 72,000 kilometers of networks acquired with the aim of creating value for all our stakeholders, investors and communities served.”

Italgas Group structure as at 31 March 2025

The structure of the Italgas Group as at 31 March 2025 changed compared to that in place as at 31 December 2024 due to the merger of Acqua into Nepta, with accounting and tax effects from 1 January 2025.

It should be noted that on 1 April 2025 Italgas finalised the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from sellers F2i SGR S.p.A. and Finavias S.à r.l., and on 16 April 2025 the reverse stock split of 2i Rete Gas shares became effective, resulting in 100% share ownership².

Economic and financial highlights

Reclassified income statement

(€ million)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025	Abs. change	% Change
Gas distribution regulated revenues	403.5	471.0	67.5	16.7
Other revenues	27.8	42.7	14.9	53.6
Total revenues and other income (*)	431.3	513.7	82.4	19.1
<i>of which special items</i>	-	(54.4)	(54.4)	-
Total revenues and other income (*) adjusted	431.3	459.3	28.0	6.5
Operating costs (*)	(105.6)	(114.0)	(8.4)	8.0
EBITDA	325.7	399.7	74.0	22.7
Adjusted EBITDA	325.7	345.3	19.6	6.0
Amortisation, depreciation and impairment of assets	(133.0)	(119.9)	13.1	(9.8)
EBIT	192.7	279.8	87.1	45.2
Adjusted EBIT	192.7	225.4	32.7	17.0
Net financial expense	(26.0)	(34.8)	(8.8)	33.8
<i>of which special items</i>	-	1.3	1.3	-
Adjusted net financial expenses	(26.0)	(33.5)	(7.5)	28.8
Net income from equity investments	3.8	2.5	(1.3)	(34.2)
<i>of which gas distribution</i>	0.1	0.4	0.3	-
<i>of which integrated water service</i>	3.7	2.1	(1.6)	(43.2)
Profit before taxes	170.5	247.5	77.0	45.2
Adjusted profit before taxes	170.5	194.4	23.9	14.0
Income taxes	(45.2)	(68.2)	(23.0)	50.9
<i>Taxation related to special items</i>	-	14.9	14.9	-
Adjusted income taxes	(45.2)	(53.3)	(8.1)	17.9
Net profit	125.3	179.3	54.0	43.1
Profit attributable to the Group	117.6	168.7	51.1	43.5
Profit attributable to non-controlling interests	7.7	10.6	2.9	37.7
Adjusted net profit	125.3	141.1	15.8	12.6
Adjusted net profit attributable to the Group	117.6	132.6	15.0	12.8
Adjusted net profit attributable to non-controlling interests	7.7	8.5	0.8	10.4

(*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (136.2 e 146.8 million euros respectively in the first quarter of 2025 and 2024), connection contributions (4.6 e 4.7 million euro respectively in the first quarter of 2025 and 2024), repayments from third parties and other residual components (7.1 e 4.3 million euro respectively in the first quarter of 2025 and 2024).

Total revenues and other income of the first quarter of 2025 amount to 513.7 million euro, up by 82.4 million euro compared to the corresponding period of 2024 (+19.1%).

² The first quarter 2025 financial results do not include the benefits deriving from the acquisition of 2i Rete Gas S.p.A.

The income components classified as special items, which contribute to the adjusted³ results for the first three months of 2025, relate to effects arising from (i) gas distribution regulated revenue adjustments covering higher unit costs recognised for tariff purposes for the years 2020-2024, resulting from the implementation of Resolution no. 87/2025/R/gas (+54.4 million euro in revenues with a tax effect of -15.2 million euro); and (ii) financial expenses related to the bridge credit facility for financing the 2i Rete Gas acquisition (-1.3 million euro with a tax effect of +0.3 million euro).

Total revenues and other income adjusted of the first quarter of 2025 amount to 459.3 million euro, up by 28.0 million euro compared to the corresponding period of 2024 (+6.5%), and refer to gas distribution regulated revenues (416.6 million euro) and other revenues (42.7 million euro).

Adjusted gas distribution regulated revenues increased by 13.1 million euro compared to the same period in 2024, despite the significant reduction in WACC (-12.9 million euro), thanks to the increase in RAB and the new level of deflator level resulting from Resolution no. 130/2025/R/com and the impact on the first quarter of 2025 of previously mentioned Resolution no. 87/2025/R/gas.

Other revenues increased by 14.9 million euro compared to the corresponding period in 2024, mainly due to the increase of 9.6 million euro in water sector revenues as a result of the different consolidation period of Acqua Campania (as in 2024 the company was included in the scope of consolidation starting from 30 January) and 3.3 million euro deriving from the energy efficiency sector.

Operating costs, as at 31 March 2025, amounted to 114.0 million euro, an increase of 8.4 million euro compared to the corresponding period of 2024, mainly driven by the activities related to the water sector, which recorded an increase of 6.7 million euro due to the different consolidation period of Acqua Campania, as in 2024 the company was included in the scope of consolidation starting from 30 January. On a like-for-like basis, operating costs therefore decreased by 1.1% compared to the same period in 2024.

³Italgas' management assesses Group performance on the basis of alternative performance indicators not envisaged by IFRS, obtained by excluding special items from operating profit and net profit.

The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of the normal course of business. The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted operating profit and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics allow for analysis of the business trends, making it easier to compare results. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IFRS.

Amortisation, depreciation and impairment, as at 31 March 2025, amounted to 119.9 million euro, a decrease of 13.1 million euro mainly due to the completion of the depreciation and amortisation process for assets to be transferred free of charge under the Rome concession which expired in November 2024, partially offset by depreciation of investments made during 2024.

Adjusted net financial expenses, as at 31 March 2025, increased by 7.5 million euro compared to the corresponding period of 2024 following the effects of the “dual-tranche” note carried out in March 2025 to partially cover the financial requirements for the acquisition of 2i Rete Gas completed on 1 April 2025, and the impact on the entire first quarter of 2025 of the charges from the bond issues carried out in February and September 2024.

The **net income from equity investments** as at 31 March 2025 amounted to 2.5 million euro and refers to the contribution of affiliated companies accounted for using the equity method; in particular, the water companies contributed 2.1 million euro.

Adjusted income taxes as at 31 March 2025 came to 53.3 million euro, up 8.1 million euro compared to the same value of the previous year, mainly as a consequence of the higher result of the period.

Adjusted net profit attributable to the Group as at 31 March 2025 amounted to 132.6 million euro and increased by 12.8% compared to 31 March 2024 (117.6 million euro).

Reclassified Statement of Financial Position

The Italgas' Reclassified Statement of Financial Position as at 31 March 2025, compared with that as at 31 December 2024, is summarised below:

(€ million)	As of 31 December 2024	As of 31 March 2025	Abs. change
Fixed capital (*)	8,777.1	8,890.4	113.3
Property, plant and equipment	383.3	390.4	7.1
Intangible assets	8,305.6	8,327.6	22.0
Equity investments	176.1	179.7	3.6
Financial receivables and securities instrumental to operations	319.5	320.3	0.8
Net payables for investing activity	(407.4)	(327.6)	79.8
Net working capital	835.1	693.3	(141.8)
Provisions for employee benefits	(61.3)	(59.2)	2.1
Assets held for sale and directly related liabilities	5.4	4.9	(0.5)
NET INVESTED CAPITAL	9,556.3	9,529.4	(26.9)
Equity	2,793.5	2,973.5	180.0
- attributable to the Italgas Group	2,457.9	2,627.3	169.4
- attributable to non-controlling interests	335.6	346.2	10.6
Net financial debt	6,762.8	6,555.9	(206.9)
FUNDING	9,556.3	9,529.4	(26.9)

(*) Net of the effects deriving from the application of IFRS 15.

Below is an analysis of the change in **Property, plant and equipment** and **Intangible assets**:

(€ million)	Property, plant and equipment	IFRIC 12 assets	Intangible assets	Total
Balance at 31 December 2024	383.3	7,955.7	349.9	8,688.9
Additions	22.9	136.3	6.5	165.7
- of which IFRS 16	14.9	-	-	14.9
Amortisation and depreciation	(13.2)	(95.4)	(11.3)	(119.9)
- of which, depreciation as per IFRS 16	(8.0)	-	-	(8.0)
Grants	-	(12.8)	-	(12.8)
Net disposals and sales	(2.6)	(2.2)	-	(4.8)
Other changes	-	-	0.9	0.9
Balance at 31 March 2025	390.4	7,982.7	344.9	8,718.0

Net working capital is broken down as follows:

(€ million)	As of 31 December 2024	As of 31 March 2025	Abs. change
Trade receivables	751.9	823.9	72.0
Inventories	57.2	58.3	1.1
Tax assets	420.8	395.2	(25.6)
Other assets	596.6	577.0	(19.6)
Trade payables	(249.7)	(234.7)	15.0
Provisions for risks and charges	(92.1)	(87.3)	4.8
Deferred tax liabilities	(48.3)	(36.8)	11.5
Tax payables	(39.3)	(135.1)	(95.8)
Other liabilities	(562.0)	(667.2)	(105.2)
	835.1	693.3	(141.8)

The change in net working capital, a decrease of 141.8 million euro, mainly derives from the effects of: (i) the net balance deriving from the seasonal nature of billing in gas distribution and from adjustments for previous years (-57.4 million euro); (ii) the increase in net tax liabilities (-109.9 million euro), mainly due to direct taxes related to the result for the period and VAT payables, partially offset by the decrease in trade payables of 15.0 million euro.

Net financial debt

(€ million)	As of 31 December 2024	As of 31 March 2025	Abs. change
Financial and bond debt	7,185.8	9,150.4	1,964.6
Short-term financial debt (*)	934.2	1,903.5	969.3
Long-term financial debt	6,161.1	7,157.8	996.7
Lease liabilities - IFRS 16 and IFRIC 12	90.5	89.1	(1.4)
Funding derivative contracts Cash flow Hedge	(16.9)	(16.3)	0.6
Short-term contracts	(5.9)	(5.8)	0.1
Long-term contracts	(11.0)	(10.5)	0.5
Financial receivables and cash and cash equivalents	(406.1)	(2,578.2)	(2,172.1)
Cash and cash equivalents	(402.7)	(2,573.2)	(2,170.5)
Financial receivables	(3.4)	(5.0)	(1.6)
Net financial debt	6,762.8	6,555.9	(206.9)
Lease liabilities - IFRS 16 and IFRIC 12	90.5	89.1	(1.4)
Net financial debt (excluding the effects pursuant to IFRS 16 and IFRIC 12)	6,672.3	6,466.8	(205.5)

(*) These include the short-term portions of long-term financial debt.

Net financial debt recorded a decrease of 206.9 million euro in the first quarter compared to 31 December 2024. The significant improvement is mainly due to the positive trend in net working capital, which benefited from higher cash collected by gas distribution in the period.

Financial and bond debt as at 31 March 2024 amounted to 9,150.4 million euro (7,185.8 million euro as at 31 December 2024) and refer to: bonds (6,595.2 million euro), European Investment Bank/EIB loan agreements (861.9 million euro), bank debts (1,604.2 million euro, including the 1,000.0 million euro bridge credit line) and financial liabilities pursuant to IFRS 16 and IFRIC 12 (89.1 million euro).

Cash and cash equivalents, as at 31 March 2024, amounting to 2,573.2 million euro, increased temporarily (2,170.5 million euro) following the bond issue completed in March 2025 and the utilisation of the bridge credit facility. In fact, on 1 April 2025, these cash resources were used to pay the 2i Rete Gas transaction consideration of 2,071.9 million euro.

As at 31 March 2025, fixed-rate debt accounted for 77.6% of financial and bond debt (85.4% as at 31 December 2024), while floating-rate debt stood at 22.4% (14.6% as at 31 December 2024). The increase in the percentage of variable-rate debt is due to the use of the aforementioned bridge credit facility.

As at 31 March 2025, there were no loan agreements containing financial covenants, with the exception of an EIB loan with a residual nominal value of approximately 53 million euro signed by Toscana Energia. As at 31 March 2025, these commitments were respected.

Reclassified Statement of Cash Flows

The reclassified statement of cash flows provided is the summary of the legally required cash flow statement. The reclassified statement of cash flows makes it possible to reconcile the change in cash and cash equivalents at the start and end of the period with the change in net financial debt at the start and end of the period. The measure that allows for the reconciliation between the two statements is the free cash flow⁴, i.e. the cash surplus or deficit remaining after the financing of investments.

(€ thousand)	As of 31 March 2024	As of 31 March 2025
Net profit	125.3	179.3
Correction:		
- <i>Amortisation, depreciation and other non-monetary components</i>	130.0	122.8
- <i>(Gains)/Losses arising from the disposal of fixed assets and eliminations</i>	1.2	1.7
- <i>Interest and income taxes</i>	71.2	103.0
Change in working capital due to operating activities	47.9	68.1
Dividends, interest and income taxes cashed in (paid)	(34.0)	(62.8)
Cash flow from operating activities	341.6	412.1
Technical investments	(148.1)	(146.3)
Other changes related to investments activities	(57.7)	(79.8)
Net financial investments instrumental to operations	-	(0.9)
Divestments and other changes	-	0.2
Free cash flow before Merger and Acquisition transactions	135.8	185.3
Companies included in the scope of consolidation	19.7	-
Net acquisition of business units, plant and other financial assets	(44.7)	-

⁴ The free cash flow alternatively represents: (i) the change in cash for the period, after the addition/subtraction of cash flows relating to financial payables/receivables (usage/repayment of financial receivables/payables) and equity (payment of dividends/capital contributions); (ii) the change in net financial debt for the period, after the addition/subtraction of flows of debt relating to equity (payment of dividends/capital contributions).

Free cash flow	110.8	185.3
Change in short- and long-term financial debt and financial receivables	260.8	1,995.2
Repayment of lease liabilities	(11.1)	(10.0)
Net cash flow for the year	360.5	2,170.5

(*) Net of the effects deriving from the application of IFRS 15.

Change in net financial debt

(€ thousand)	As of 31 March 2024	As of 31 March 2025
Free cash flow before Merger and Acquisition transactions	135.8	185.3
Change due to acquisitions of equity investments, business units and assets	(25.1)	-
Increase in lease liabilities and fees	(26.2)	(8.6)
Other changes (Difference between interest accounted for, and paid fair value of derivatives)	3.5	30.2
Change in net financial debt	88.0	206.9

In the first quarter of 2025, the Group generated cash flow from operating activities of 412.1 million euro, an increase of 70.5 million euro compared with the previous year, which enabled net investments to be fully financed and reduce net financial debt, generating a free cash flow of 185.3 million euro.

Key share figures

Additions

In the first quarter of 2025, technical investments were made for 165.7 million euro (31 March 2024: 160.9 million euro), of which 14.9 million euro relating to investments accounted for in accordance with IFRS 16.

(€ million)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025	Abs. change	% Change
Gas distribution	107.0	104.8	(2.2)	(2.1)
Network maintenance and development	84.5	91.0	6.5	7.7
New networks	22.5	13.8	(8.7)	(38.7)
Gas digitisation	42.5	37.8	(4.7)	(11.1)
Other assets	17.5	12.6	(4.9)	(28.0)
Metering	21.9	19.1	(2.8)	(12.8)
Processes	3.1	6.1	3.0	96.8
- of which the effect of IFRS 16	-	4.4	4.4	-
Other investments	11.4	23.1	11.7	-
- of which Real Estate	2.0	6.2	4.2	-
- of which ICT	3.5	3.8	0.3	8.6
- of which the effect of IFRS 16	3.6	10.5	6.9	-
	160.9	165.7	4.8	3.0

Investments in gas distribution remained virtually unchanged compared with 2024 at 104.8 million euro. Investments in digitisation (37.8 million euro) decreased by 11.1% compared to the same period in 2024 due to the gradual completion of network digitisation in Italy. Other investments (23.1 million euro) increase of 11.7 million euro, includes redevelopment works for the “Corso Regina Margherita” area in Turin.

Summary of the key operating figures

Key operating figures for gas distribution Italgas Group and affiliates (Italy and Greece)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025	Abs. change	% Change
Active meters (millions)	8,020	8,019	(0.001)	-
Municipalities with gas distribution concessions (no.)	2,099	2,103	4	0.2
Municipalities with gas distribution concessions in operation (no.)	2,006	2,024	18	0.9
Distribution network (kilometres)	83,161	83,968	807	1.0
Gas distributed (million cubic metres)	3,415	3,647	232	6.8

Key operating figures for the water segment Italgas Group and affiliates	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025	Abs. change	% Change
Customers served directly and indirectly (millions)	6.2	6.3	0.1	0.9
Managed water distribution network (kilometres)	8,982	8,982	-	-

Operating segment operating performance

Consistent with the manner in which Management reviews the Group's operating results and in compliance with the provisions of the international accounting standard IFRS 8 "Operating segments", the Italgas Group has identified the following operating segments: "Gas distribution", "Water service", "Energy efficiency" and "Corporate"⁵.

More precisely, the "Gas Distribution" sector is associated with gas distribution and metering activities carried out by Group companies both in Italy and in Greece. The "Water service" sector consists of all public services of the collection, adduction and distribution of water for civil use, drains and the purification of waste-water. The "Energy Efficiency" sector refers to activities carried out in the energy sector. Italgas offers and implements energy efficiency measures for its customers in the residential and industrial sectors. "Corporate" includes the services performed for third parties by the Parent Company Italgas.

The following is provided for the main sectors identified and the reference indicators.

Gas distribution sector

The following table summarises the main economic indicators:

(€ million)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025
Total revenues and other income adjusted (regulated and unregulated)	409.4	424.6
Adjusted EBITDA	318.6	334.8
Adjusted EBIT	191.9	223.7
Adjusted EBITDA margin (%)	78%	79%
Adjusted EBIT margin (%)	47%	53%

⁵ With regard to the services provided to third parties by the Parent Company Italgas, considering the residual nature of the amounts and deletions, no details are provided in this document.

Water Service Sector

The following table summarises the main economic indicators and, with a view to providing a more general overview of the business, also presents the pro rata values for the first quarter of 2025, including the operative companies Acqualatina and Siciliacque (first quarter of 2025* pro rata)⁶.

(€ million)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025	For the quarter ended 31 March 2025* pro rata
Total revenues and other income adjusted	13.7	23.5	49.5
Adjusted EBITDA	5.6	8.5	15.5
Adjusted EBIT	1.0	1.3	4.7
Adjusted net profit	3.7	3.1	3.1
Adjusted net profit attributable to the Group	3.4	3.0	3.0
Adjusted EBITDA margin (%)	41%	36%	31%
Adjusted EBIT margin (%)	7%	6%	9%

* Non IAS/IFRS-compliance figures

Energy efficiency sector

The following table summarises the main economic indicators:

(€ million)	For the quarter ended 31 March 2024	For the quarter ended 31 March 2025
Total revenues and other income adjusted	11.8	15.1
Adjusted EBITDA	0.5	2.1
Adjusted EBIT	(0.5)	1.1
Adjusted EBITDA margin (%)	4%	14%
Adjusted EBIT margin (%)	(4%)	7%

Alternative performance indicators

This press release uses alternative performance indicators (APIs) such as: adjusted total revenues (total revenues excluding (i) the effects arising from application of IFRIC 12 “Service concession arrangements”, (ii) connection contributions, (iii) reimbursements from third parties and other residual items, (iv) items classified as “special items”); adjusted EBITDA (calculated as net profit for the year excluding income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment, and items classified as “special items”); adjusted EBIT (calculated as net profit for the year excluding income taxes, net income from equity investments, net financial expense and items classified as “special items”); and net financial debt (determined as the sum of current and non-current financial liabilities, net of cash and cash equivalents, current financial assets, for instance securities held for trading, and other current and non-current financial assets).

The full list of APIs can be found on the website: <https://www.italgas.it/glossario/>

⁶ In addition to Acqualatina and Siciliacque, the column therefore includes the fully consolidated companies. The reclassified income statement, on the other hand, presents the result of Acqualatina and Siciliacque under net income from equity investments.

The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IAS – IFRS.

Sustainability and value creation

The ESG criteria adopted are an integral part of the Group's development strategies: in fact, the Strategic Plan integrates the Sustainable Value Creation Plan and addresses all business-related sustainability issues. The Group has adopted targets relating to climate change, with the intention of reducing CO₂ emissions and energy consumption, ahead of the EU targets set for 2030, aiming to achieve “Net Zero Carbon” by 2050 for Scope 1, Scope 2 (market-based), and Scope 3 (supply chain) emissions, through the distribution of green gases and carbon removal activities starting from 2030.

Energy consumption

Below are the net energy consumption figures for the first three months of 2024 and 2025. Acqua Campania is considered separately, as it was consolidated for the first time starting from 30 January 2024.

	First quarter				Acqua Campania 2024 ⁸	Acqua Campania 2025
	As of 31 March 2024	As of 31 March 2025	Abs. change	% Change		
Total energy consumption (TJ) ⁷	140.4	149.9	9.5	6.8	58.2	119.3
Total energy consumption from fossil fuels	140.4	149.9	9.5	6.8	58.2	119.3
Fuel consumption from crude oil and petroleum products, broken down by use:	11.8	13.5	1.7	14.4	-	-
<i>industrial</i>	3.4	3.4	-	-	-	-
<i>automotive</i>	8.4	10.1	1.7	20.2	0.4	0.6
Fuel consumption from natural gas, broken down by use:	127.3	135.1	7.8	6.1	-	-
<i>industrial</i>	98.1	105.4	7.3	7.4	-	-
<i>automotive</i>	20.9	20.3	(0.6)	(2.9)	-	-
<i>civil</i>	8.3	9.4	1.1	13.3	-	-
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	1.3	1.3	-	-	57.8	118.7
Total renewable energy consumption	-	-	-	-	-	-
Electricity, heat, steam, and cooling purchased or acquired from renewable sources, broken down by use⁹	7.5	4.9	(2.6)	(34.7)	-	-
Total energy consumption	147.9	154.8	6.9	4.7	58.2	119.3

On a like-for-like basis¹⁰, the first three months of 2025 saw an increase in energy consumption from fossil fuels for industrial and civil use, attributable to a slight rise in the specific

⁷ This refers to total energy consumption, from which any self-produced and self-consumed electricity consumption is subtracted.

⁸ Only the months of February and March 2024 are considered, as Acqua Campania was consolidated for the first time starting from 30 January 2024.

⁹ For the first three months of 2025, 14.3 TJ of electricity produced by plants equipped with turbo-expanders and co-generation plant were subtracted, as compared with 12.1 TJ subtracted during the first three months of 2024.

¹⁰ The data for Acqua Campania are therefore excluded.

consumption for the preheating process for the Group¹¹, from 1.08 to 1.09 cubic metres of natural gas consumed for preheating per thousand cubic metres of gas injected into the network, also due to the effect of the additional gas consumption of plants equipped with turbo-expanders and co-generation¹² and as a result of the lower average temperatures of the winter of 2025 compared to 2024. The Group's net electricity consumption decreased by 29.9%, due to both increased self-production of electricity and improved efficiency in the management of real estate assets. Finally, although the water consumption of Acqua Campania in the first quarter of 2025 is not comparable with that of 2024 due to the different consolidation period¹³, an increase in consumption is nevertheless evident due to the increased demand for water resources resulting from the drought in the first quarter of 2025.

Greenhouse gas emissions

In gas distribution, greenhouse gas emissions mainly derive from fugitive emissions of natural gas from distribution networks, from the preheating activities of gas transported in decompression systems, and from fuel consumption of the company fleet. In the water sector, emissions mainly derive from electricity consumption for plant operations (water abstraction and boosting). Scope 1 and Scope 2 CO₂eq emissions of the first three months of 2024 and 2025 are presented below. Acqua Campania is considered separately, as it was consolidated for the first time starting from 30 January 2024.

GHG market-based Scope 1 and Scope 2 (tCO ₂ eq) emissions	First quarter				Acqua Campania 2024 ¹⁴	Acqua Campania 2025
	As of 31 March 2024	As of 31 March 2025	Abs. change	% Change		
GHG Scope 1 emissions, of which	23.6	29.5	5.9	25.0	-	-
fugitive	16.1	21.5	5.4	33.5	-	-
from fossil fuel consumption	7.5	8.0	0.5	6.5	-	-
GHG market-based Scope 2 emissions	0.1	0.1	-	-	10.6	18.7
GHG market-based Scope 1 + Scope 2 emissions	23.7	29.6	5.9	24.9	10.6	18.7

On a like-for-like basis, the increase in total emissions in the first quarter of 2025 compared to the first quarter of 2024 (+24.9%) is mainly a consequence of the increase in fugitive emissions (+33.5%), following the higher number of km of network investigated in the areas that had recorded the greatest losses in 2024 (+20.9%, or 37,364 km in 2025, compared to 30,902 in 2024) and the continuous improvement of the processes and algorithms used by the Group

¹¹ Cubic metres of natural gas consumed for preheating per thousand cubic metres of gas injected into the network. Referring to Toscana Energia and Italgas Reti (which account for 99% of the gas injected by the Group). If plants equipped with turbo-expanders and co-generation were to be excluded, specific consumption would fall from 0.90 (for the first three months of 2024) to 0.89 (for the first three months of 2025).

¹² Those same factors led to a simultaneous additional self-production of 2.2 TJ of electricity in the three months of 2025, compared to the same period in 2024.

¹³ Year in which they were counted for the two months of February and March only, due to the consolidation of the Company starting from 30 January 2024.

¹⁴ Only the months of February and March 2024 are considered, as Acqua Campania was consolidated for the first time starting from 30 January 2024.

for the monitoring and quantification of emissions, also in line with the specific requirements from the new EU Methane Regulation.

Main events of the first quarter of 2025

Extraordinary transactions and area tenders

- On 11 March 2025, the Italian Competition Authority authorised Italgas's acquisition of exclusive control of 2i Rete Gas, with the approval including provisions for the transfer of approximately 600,000 re-delivery points across 35 gas distribution areas (ATEMs)¹⁵. These disposals will be conducted through transparent, competitive and publicly advertised procedures, open to qualified and eligible operators with sufficient financial resources and the capability to both maintain and develop the operations, including for participation in future area tenders. The acquisition of 2i Rete Gas was completed on 1 April 2025.

Optimisation of the debt structure

- On 27 February 2025, under the EMTN (Euro Medium Term Notes) Programme, renewed by resolution of the Board of Directors on 24 October 2024 with a total amount of 10 billion euro, the launch of a "dual-tranche" note with maturities of 5 and 9 years, maturing on 6 March 2030 and 2034 respectively, both with a fixed rate and for an amount of 500 million euro each, with annual coupons of 2.875% and 3.500% respectively.
- On 31 March 2025, Italgas drew on the so-called term credit line of 1,000 million euro, granted under the financing agreement signed on 5 October 2024 with J.P. Morgan Chase Bank, N.A. – Milan Branch, Banco BPM S.p.A., Bank of America Europe Designated Activity Company – Milan Branch, Citibank N.A. – Milan Branch, Morgan Stanley Bank AG, and Société Générale – Milan Branch, as the financing banks, for the payment of part of the consideration for the acquisition of 2i Rete Gas.

Capital operations

- On 12 February 2025, in execution of the 2021-2023 Co-Investment Plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved on the free allocation of a total of 511,604 new ordinary shares

¹⁵ Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantova 2, Massa Carrara, Matera, Messina 2, Naples 2, Novara 2, Padova 2, Padova 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo, Barletta-Andria-Trani, Caserta 1, Cosenza 2, Pisa.

of the Company to the beneficiaries of said Plan (second cycle of the Plan) and executed the second tranche of the share capital increase resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of 634,388.96 euro, taken from retained earning reserves.

Other events

- On 7 February 2025, Italgas was confirmed for the third consecutive year by CDP (Carbon Disclosure Project) in the "Climate A list" which groups together the best players globally in terms of transparency and performance in combating climate change.
- On 11 February 2025, Italgas was included for the sixth consecutive year in the S&P Global Sustainability Yearbook, S&P Global's annual publication that collects best practices, experiences and success stories of the world's leading companies on sustainability issues. Italgas also confirmed its leadership with inclusion in the "Top 1% S&P Global CSA Score", category, based on the results of the Corporate Sustainability Assessment (CSA) 2024.
- On 26 March 2025, at the Italian Embassy in France, Italgas and GRDF (Gaz Réseau Distribution France) renewed the Memorandum of Understanding (MoU) signed in 2019, strengthening their strategic collaboration focused on innovation, digitisation, and the sustainability of gas distribution networks.

Legal and regulatory events

- Italgas Reti challenged on additional grounds Resolution no. 513/2024/R/com through which the Authority, following an update for the 2025-2027 sub-period of the parameters common to all regulated services and following a review of the criteria for updating the β -asset (beta asset) parameter for all regulated infrastructural services of the electricity and gas sectors, updated the WACC for the year 2025. The setting of a date for the hearing is currently pending.
- With ruling 520/2025 of 12 February 2025, published on 17 February 2025, the Regional Administrative Court of Lombardy rejected the appeal, supplemented by additional grounds, brought by Italgas Reti for the annulment of Resolutions no. 269/2022/R/gas and 60/2023/R/gas, concerning the regulation of the gas smart metering service. Italgas is preparing an appeal to the Council of State.
- With Resolution no. 87/2025/R/gas, the Authority approved the provisions for compliance with the rulings of the Council of State regarding tariffs for natural gas distribution and metering services, with particular reference to the determination of

recognised operating costs for the 2020-2025 regulatory period, as per Resolution no. 570/2019/R/gas.

Within the scope of the aforementioned resolution, ARERA postponed the re-determination of the reference tariffs for the gas distribution service for the years 2020, 2021, 2022 and 2023 to a subsequent Resolution no. 98/2025/R/gas, approved on 18 March 2025, and also established that the increase in operating costs for 2024 due to Resolution no. 87/2025/R/gas be incorporated into the final tariffs for 2024.

- With Resolution no. 130/2025/R/com, the Authority adopted provisions for the review of the criteria for the revaluation of the cost of capital for electricity and gas infrastructure services and defined the capital revaluation rates for the different services for the years 2024 and 2025. In contrast to the timelines of the RTDG, the publication of the definitive reference tariffs for the year 2024 and the provisional reference tariffs for the year 2025, for gas distribution and metering services, will take place by 31 May 2025 and 30 June 2025, respectively.

Significant events after quarter end

Extraordinary transactions and area tenders

On 1 April 2025, Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l.. The acquisition, announced to the market on 5 October, was completed following the receipt of the Golden Power Authorisations, Foreign Subsidies Regulation approval, and clearance from the Italian Competition Authority.

With this transaction, the Italgas Group becomes the leading gas distribution operator in Europe, with over 6,500 employees, 12.9 million customers served in Italy and Greece, 154,000 kilometres of networks, and more than 13 billion cubic metres of gas distributed annually.

On 16 April, the reverse stock split became effective, aimed at reducing administrative and management costs for the company, as well as facilitating the post-acquisition reorganisation of the Group. As a result of this reverse stock split, Italgas now holds 100% of the share capital of 2i Rete Gas.

Capital operations

On 10 April 2025, the Italgas' Shareholders' Meeting, in an extraordinary session, approved the proposed Option Capital Increase for a total maximum amount of 1,020 million euro, as

well as the IGrant 2025-2027 Broad-Based Share Ownership Plan and the Stock Grant Plan, along with the related capital increases to support them.

Complementary information

On 14 April 2025, Snam and CDP Reti signed a further amendment to the Italgas Shareholders' Agreement with reference to the methods of subscribing for Italgas shares in the event of any rights issues and/or capital increases. This amendment is available on the Italgas website in the [“Shareholders' Agreement”](#) section.

Business Outlook

With the completion of the 2i Rete Gas acquisition, the Italgas Group has become the leading gas distribution operator in Europe with over 6,500 employees, 12.9 million customers served in Italy and Greece, 154,000 kilometres of networks, and more than 13 billion cubic metres of gas distributed annually.

In line with the [2024-2030 Strategic Plan](#), the integration of 2i Rete Gas into the Italgas Group has begun, with the initial phase focused on corporate and IT system integration to rapidly deliver the first synergies. At the same time, a large-scale programme for the digitisation of the network and processes will be launched, along with the implementation of artificial intelligence initiatives aimed at improving performance and service quality.

The Group will also continue to work to strengthen its role as a key player in the water sector and to grow in energy efficiency as an indispensable tool in achieving its energy transition goals.

Conference call

At 2.00 p.m. CEST today, a conference call will be held to present the results of 31 March 2025 to financial analysts and investors. The presentation may be viewed, through audio webcasting, on the Company's website (www.italgas.it). In conjunction with the conference call, the supporting material for the presentation will also be provided in the "Investor Relations/Presentations" section of the website.

The Officer responsible for the preparation of financial reports, Gianfranco Maria Amoroso, declares that the accounting information contained in this report corresponds to the documented results, books and accounting records.

Disclaimer

This press release contains forward-looking statements, specifically in the “Business Outlook” section, relating to: investment plans, financial structure evolution, future operating performance and project execution. The forward-looking statements, by their nature, involve risks and uncertainties as they depend on the occurrence of future events and developments. The actual results could therefore differ from those announced in relation to various factors, including: actual operating performance, general macro-economic conditions, geopolitical factors such as international tensions and socio-political instability, the impact of energy and environmental regulations, the successful development and application of new technologies, changes in stakeholder expectations and other changes in business conditions, action by competitors.

