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STRATEGIC PLAN

Testo del comunicato

Vedi allegato

ITALGAS PRESENTS THE 2025-2031 STRATEGIC PLAN

London, 30 October 2025 – Italgas CEO Paolo Gallo is presenting the Group's 2025–2031 Strategic Plan, “Shaping a New Energy” today to analysts and investors, approved by the Company's Board of Directors, chaired by Paolo Ciocca.

Highlights

- **Total investments of 16.5 billion euros, up +5.7%, or +10.2% excluding 2i Rete Gas acquisition and tenders, of which:**
 - **14.2 billion euros for the development, digitization and repurposing of gas infrastructures in Italy and Greece, as well as the acquisition and upgrade of the 2i Rete Gas network**
 - **1.5 billion euros for upcoming ATEM tenders¹**
 - **0.8 billion euros overall to reinforce the positioning in the water and energy efficiency sectors**
- **250 million euros of total efficiencies², to which an additional 100 million euros revenues generated by incremental digitization investments are added**
- **EBITDA of 3.0 billion euros in 2031, with a total RAB over 20 billion euros**
- **10% CAGR EPS adjusted growth in 2024-2031³**
- **Improved 2025 guidance**
- **Dividend policy: extended through 2028, confirmed the higher of a 65% payout and the annual DPS growth of 5%, with a new starting point equivalent to 2024 DPS**

Total planned investments in the Plan amount to 16.5 billion euros (including the amount for the acquisition of 2i Rete Gas), with an increase of 900 million euros (+5.7%) compared to the previous Plan. Excluding 2i Rete Gas acquisition, the related disposals and tenders, the increase is equal to 10.2%.

¹ Without considering disposals in line with AGCM provision

² Compared with the combined base of the two Groups at 31 December 2023.

³ Applying IAS 33 and a preliminary Purchase Price Allocation (PPA).

Investments are mainly driven by the development of gas distribution activities in Italy and Greece, as well as by the technological and digital upgrade of the new networks acquired to make them increasingly smart, digital and flexible, enabling them to accommodate increasing shares of renewable gases such as biomethane, hydrogen and synthetic methane, while at the same time supporting energy systems stability.

By 2031, approximately 250 million euros in EBITDA benefits are expected from the combination of industrial synergies, efficiencies, increased insourcing of core industrial activities, and AI-driven transformation, compared to the combined 2023 base of the two Groups. This figure is significantly higher than the Previous Plan, which estimated 200 million euros of overall savings. In addition to these benefits, the digitization program for 2i Rete Gas assets is expected to generate more than 100 million euros in additional revenues by 2031 (80 millions euros in the previous Plan).

The 2i Rete Gas acquisition, combined with planned incremental organic investments and operating efficiencies, is expected to drive EBITDA that is expected to reach 3.0 billion euros by 2031, representing a 12% CAGR versus 2024. Adjusted EPS, which also reflects the impact of the capital increase completed under more favourable conditions than anticipated last year, is expected to grow by 10% CAGR, compared to 2024 earnings⁴.

Thanks to improved operating cashflow generation, the Group now expects to reach a leverage level aligned with the commitments undertaken with rating agencies almost a year earlier than the Previous Plan.

The dividend policy has been extended to 2028, with an improved reference base for the minimum annual growth guarantee of 5%. The new base is set at the 2024 DPS of €0.406 (versus the previous reference of 2023 DPS), while confirming the 65% payout ratio⁵. The new floor implies an implicit growth in the dividend per share, based on 2025 earnings, of at least 11.7% compared to the 2024 dividend adjusted for the application of IAS 33.

⁴ Applying IAS 33 and a preliminary Purchase Price Allocation (PPA).

⁵ For comparison purposes between the two scenarios, the DPS based on the payout will be calculated using the number of shares outstanding as at 31 December of each year.

At the opening of the event, the Chairman of Italgas, **Paolo Ciocca**, commented:

“Even in its new role as Europe’s leading gas distribution company, serving around 13 million customers, Italgas reaffirms its commitment to connecting industrial innovation with the energy transition. However, Italgas’ strength lies not only in its size but in its ability to envision the future, transform it into infrastructure, and put it at the service of communities. We are guided by a vision based on innovation, technological neutrality, and long-term value.”

The CEO of Italgas, **Paolo Gallo**, stated:

“The 2025–2031 Strategic Plan with 16.5 billion euros in investments, up 900 million euros compared to the previous Plan, is the most significant in the Group’s 188-year history. This milestone reflects both the acquisition of 2i Rete Gas and the Group’s industrial vision.

The shorter timeline for closing the transaction, just 90 days for the merger of 2i Rete Gas, and the deeper understanding of the acquired company now allow us to revise upward the guidance for the coming years.

Thanks to the collaborative spirit of our people, in just three months we have migrated data and operational processes to Italgas’ IT systems, streamlined staff structures and territorial organization, and identified the activities that will enable us to achieve ambitious synergy targets.

In the Water and Energy Efficiency’ sectors, where nearly 800 million euros are allocated, we will apply the best digital and Artificial Intelligence solutions developed for the gas distribution sector. In the Water sector, our goal is to step-up investments to reduce losses and improve management through network digitization. In energy efficiency, our focus is on providing increasingly advanced solutions in the sectors where we operate.

Technological innovation, digital transformation, and the widespread use of Artificial Intelligence are the hallmarks of the Italgas Group across all its activities. These elements are combined with the passion and expertise of Italgas’ people, who become the true driving force behind the Group’s growth”.

Focus on synergies and efficiencies as Europe's leading gas distributor

The 2025–2031 Strategic Plan is built around the integration of 2i Rete Gas, with positive impacts expected to increase compared with the Plan presented last year. The first benefits are already evident in the nine-month 2025 numbers, as a result of the early completion of the transaction and the rapid merger of the company, realised in only 90 days and effective as of 1 July 2025.

The expected 250 million euros in EBITDA benefits by 2031 – compared to the aggregated results of the two Groups in 2023 – now reflects the activities undertaken by the integration workstreams. These teams have developed an operational plan detailing the initiatives designed to generate synergies, including those related to artificial intelligence.

The synergies and industrial efficiencies, totalling 180 million euros, encompass all areas of the company. These include the rationalization of the territorial organization through the consolidation of offices and warehouses, unification of ICT systems with a simultaneous migration to the Italgas Cloud, alignment of contractual terms with suppliers, rationalization of centralized corporate expenses and the extension of operational and energy efficiency gained from the technological upgrade of the 2i Rete Gas network. Additional benefits come from the widespread adoption of all digital applications and all digitized processes developed by Italgas in recent years, as well as increased insourcing of core industrial activities.

In addition to synergies and industrial efficiencies expected by 2031, a further 70 million euros in efficiencies by 2031 will be generated through the application of Artificial Intelligence. This is based on the results of a detailed analysis that identified over 100 use cases for applying Artificial Intelligence across all operational processes and staff activities, some of which are already underway.

Finally, the digitization program for 2i Rete Gas assets is expected to deliver incremental revenues of more than 100 million euros in 2031. This program involves increased investments of around €0.9 billion to achieve a complete technological upgrade.

13.2 billion euros for investment in the Italian gas distribution network

A total of 13.2 billion euros⁶ has been allocated to the development of the Italian gas distribution network. This amount includes the payment already made in 2025 for the acquisition of 2i Rete Gas – net of Antitrust remedies.

Of the total, 8.3 billion euros (more than 0.9 billion euros compared to the restated 2024–2030 Strategic Plan⁷) is intended for further development, repurposing and digital upgrade of the networks. This figure also includes the commitments undertaken as part of the ATEM tenders recently awarded to the Group (including Crotone-Catanzaro and Turin 5), as well as the conversion to natural gas – scheduled for 2026 – of Sassari, Cagliari and Nuoro, the last major cities in Sardinia still powered by propane-air blends.

To support the technological evolution of the network, the industrial-scale launch of Nimbus - the 'H2 ready' meter with proprietary technologies is underway. Mass installation will begin in 2026, replacing older devices based on GPRS technology, which will be phased out by telecommunications operators. By the end of the Plan, approximately 6 million Nimbus smart meters will be installed, including those replacing smart meters acquired from 2i Rete Gas.

Investments in networks, plants, and processes are aimed at the complete remote management of the infrastructure to enhance the security and resilience of the network itself and to make the grids increasingly smart and flexible, a key factor in developing the production of renewable gases such as biomethane, hydrogen, and synthetic methane.

There are currently 11 biomethane production plants connected to the Italgas gas distribution network, with the goal of reaching an annual capacity of approximately 1.2 billion cubic metres by 2031. In 2026, Hyround – the proprietary green hydrogen production plant based on Power-to-Gas technology – will inject up to 20% green hydrogen blended with natural gas into the Sestu (Cagliari) network and will supply the production cycle of a local dairy industry with the

⁶ Inclusive of centralised investments and gross of contributions

⁷ The 2024–2030 Strategic Plan included an estimate of potential disposals, following the acquisition of 2i Rete Gas, to comply with possible requirements issued by the Italian Antitrust Authority (AGCM). These disposals were classified under the item "tender net disposal", the latter equal to 1.1 billion euros. On 11 March, the Italian Antitrust Authority authorised Italgas to acquire sole control of 2i Rete Gas, subject to a series of conditions, including the sale of approximately 600,000 redelivery points (PDR). In order to ensure comparability, the investments included in the 2024–2030 Strategic Plan were restated by including the potential proceeds from the sale of 600,000 PDR in this item. Consequently, the tender item has been reclassified accordingly.

same blending. The hydrogen will also power a refueling station serving a fleet of buses, which the public transport company of the Municipality of Cagliari is in the process of procuring.

ATEM Tenders

The Group's commitment to further consolidating the market remains unchanged. The total amount of investments foreseen over the duration of the Plan for participation in ATEM tenders and for the development of acquired concessions stands at 1.5 billion euros (this figure, unlike in the previous Plan, does not include the disposals required by the AGCM). The contribution of ATEM tenders to total investments represents 9%.

Greece: 1.0 billion euros for investment in the expansion and digitization of the gas distribution network

The 2025–2031 Strategic Plan reaffirms the Group's commitment to developing the gas distribution network in support of the country's coal and lignite phase-out objectives and energy transition targets. Through its subsidiary Enaon, investments of 1 billion euros are planned (a figure confirmed compared with the previous Plan) to expand the network and drive its digital transformation, thereby extending service to currently unserved areas and enabling the distribution of renewable gases. In "remote" areas not connected to a physical natural gas supply system, the installation of LNG cryogenic tanks, successfully adopted in Sardinia and now already deployed in various regions of Greece, will continue. These investments will allow the Greek network to be extended by 2,500 kilometres and increase the number of customers served from 623,000 in 2024 to just under a million by 2031.

Water and energy efficiency: 800 million euros

The Plan allocates 450 million euros to the water sector over the next seven years, targeting the closure of infrastructural and technological gaps in water networks. This investment will deliver benefits for service quality, loss reduction, and water reuse. Key initiatives include the full digitization of the water network, featuring the implementation of "Dana4Water" – a centralized command and control system modeled after the one successfully used in the gas network and enhanced with advanced artificial intelligence capabilities. The program also includes the installation of water smart meters and other measurement devices along the

network, as well as the replacement of pipes and connections, with the goal of reducing total recorded water losses by more than half. Total planned investment in the energy efficiency business are approximately 340 million euros, focused primarily on organic growth and with a reduced reliance on external expansion compared with the previous Plan. The strategy for Geoside, the Group's Energy Service Company, is to develop unique digital solutions and enhance service quality supported by artificial intelligence, expanding its presence in residential, public administration, and medium-sized enterprise segments. The first results of this approach are already visible in 2025.

Accelerating RAB growth

Driven by the acquisition of 2i Rete Gas and the investment plan, the cumulative RAB of gas and water infrastructures in Italy and Greece is expected to grow at an average annual rate (CAGR) of approximately 10.4% CAGR reaching 20.3 billion euros at the end of 2031, with the contribution of ATEM tenders. Excluding tenders, the consolidated RAB is estimated at around 18.9 billion euros at the end of 2031 (+9.2% CAGR).

Guidance

€	2025		2029	2031
Revenues adj	~2.5bn	Revenues	~3.4bn	~3.8bn
EBITDA adj	~1.87bn	EBITDA	~2.7bn	~3.0bn
EBIT adj	~1.19bn ⁸	EBIT	~1.8bn	~2.0bn
Technical Capex	~1.2bn	Consolidated RAB	18.6bn	20.3bn
Net Debt excl. IFRS 16	~10.8bn	FFO/RAB	>10%	>10%
		Leverage ¹	<63%	60%

Considering also the contribution from tenders, the integration of 2i Rete Gas, and increased organic investments (compared to the Previous Plan) as well as the subsequent growth of RAB, revenues are projected to reach approximately 3.4 billion euros in 2029 and 3.8 billion euros in 2031. Supported by this revenue growth and progressive synergy realization, EBITDA is expected to reach 2.7 billion euros in 2029 and 3.0 billion euros in 2031 with a 12.2% CAGR versus 2024. EBIT is expected to approach 1.8 billion euros in 2029 and 2.0 billion euros in

⁸ Considering the preliminary allocation of the Purchase Price Allocation (PPA)

2031. In 2029 the Group expects to exceed one billion euros of net income, after tax and minorities⁹.

For the financial structure, the Plan foresees the maintenance of a high level of exposure to fixed rates and a well-distributed maturity profile over the years. The average cost of debt is expected to increase slightly, but will remain below 3%.

Thanks to the improved cashflow generation profile, the Plan anticipates reaching debt ratio leverage almost a year earlier than the commitments undertaken with rating agencies. The Net debt-to-RAB ratio is projected to peak in 2025 and fall below 65% by 2028, to settle at 60% in 2031.

For 2025, the results achieved in the first nine months of the year allow the Group to improve its guidance approved on 7 May: adjusted revenues of approximately 2.5 billion euros, adjusted EBITDA of around 1.87 billion euros, and adjusted EBIT of around 1.19 billion euros⁹. Excluding the effects of IFRS 16 and considering expected technical investments of around 1.2 billion euros, net debt at the end of 2025 is confirmed at approximately 10.8 billion euros⁹.

EPS guidance and dividend policy

Thanks to improved expected results relative to the Previous Plan, and the successful completion of the capital increase, which resulted in fewer shares being issued than originally anticipated in the previous Plan, the adjusted EPS per share is expected to grow at around 10% CAGR ¹⁰, using 2024 EPS as the starting point.

Updated dividend policy: In light of the expected results, the dividend policy has been extended until 2028, improving the reference base for the minimum annual growth guarantee of 5%, now set at the 2024 DPS. The new policy provides for the distribution of a dividend equal to the higher amount resulting either from (i) the 2024 DPS of €0.406 increased by 5% per year, excluding the impact of IAS 33, or (ii) from a DPS equal to 65% of adjusted net profit per share¹¹. The new floor implies an implicit increase in the dividend per share for 2025

⁹ The debt expected for 2025 excludes the effects of IFRS 16 and IFRIC 12. The completion of the disposal process of delivery points (PDR), in compliance with the requirements of the Italian Competition Authority (AGCM), is expected to be finalised in the early months of 2026.

¹⁰ Applying IAS 33 and the preliminary Purchase Price Allocation (PPA)

¹¹ Considering the number of shares outstanding as at 31 December of each year.

earnings of at least 11.7% compared with the 2024 dividend adjusted for the application of IAS 33.

Sustainability targets

The Plan reaffirms the central role of ESG principles by integrating the [Sustainable Value Creation Plan](#). Among the most ambitious targets are those to reduce net energy consumption and climate-altering emissions by 2030, in line with achieving Net Zero carbon neutrality for Scope 1 and 2 (market-based) emissions and Scope 3 (supply chain) emissions by 2050. These objectives cover the entire scope of the Group's activities and are part of the broader Transition Plan developed by Italgas, which outlines the path to align with the goal of limiting global warming to 1.5°C, in line with the Paris Agreement and the European Union's climate policies

Italgas for the Planet. Thanks the digitization, optimisation of control and management systems for all operational assets, and the development of new initiatives, and to the expertise of Geoside, the Group has confirmed more challenging objectives. For the gas distribution sector, new 2030 targets (baseline 2020) have been set: –35% in net energy consumption and –55% in greenhouse gas emissions (Scope 1 and Scope 2 market-based). For Scope 3 (supply chain) emissions¹² a new reduction target has been established for the entire Group perimeter (including the water sector): –24% by 2030, compared with the 2024 baseline¹³. For all companies operating in the water sector¹⁴, the 2030 targets are: 33% reduction of net energy consumption and Scope 1 and 2 (market-based) greenhouse gas emissions; reducing water losses to 6% in transmission and 30% in distribution¹⁵ (baseline 2023 for all targets).

Italgas for People. Italgas has always embraced an inclusive approach that values people, fostering a shared corporate culture based on common values of diversity and equal opportunities. The presence of women in the workforce and the share of women in positions of

¹² Target of reduction of Scope 3 emissions from supply chain by 33% in 2030 (baseline 2020) already achieved

¹³ All Scope 1, Scope 2 (market-based) and Scope 3 (supply chain) emission reduction targets are aligned with the "1.5°C scenario" (analysis conducted by an independent consulting firm).

¹⁴ The scope of the specific target also includes equity-accounted companies. Targets are aligned with the "1.5°C scenario" (analysis conducted by an independent consulting firm).

¹⁵ Water losses are expressed as a percentage and defined as the ratio between total water losses and the total volume entering the water supply system. Siciliacque is considered for transmission (with 16.5% losses in 2023), as Acqua Campania has an annual loss target of below 2.5%; Acqualatina and Nepta Caserta are included for distribution (with aggregate distribution losses of 73.7% in 2023).

responsibility and management are central, as is the goal of reducing the gender pay gap to within +/- 3% by 2030 ¹⁶.

With the Italgas Academy, upskilling and reskilling programs are further expanded, along with policies aimed at attracting top talent. The training target rises to an average of 50 hours per person by 2031 and includes 200,000 hours between 2025 and 2031, with a focus on the *just transition*. Through IGrant, the Group has introduced a new employee share ownership goal to strengthen the bond between the company and its people.

At 2 p.m. GMT (3 p.m. CET) today, the Strategic Plan 2025-2031 will be presented to financial analysts and institutional investors. The event can be followed via conference call, and the supporting material will be made available on www.italgas.it in the Investor Relations section, coinciding with the start of the conference call. The presentation can also be followed through video webcasting in the same section. The presentations will also be available on the authorized storage mechanism called eMarket STORAGE (www.emarketstorage.com).

The officer responsible for the preparation of the company's financial documents, Gianfranco Amoroso, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this communication corresponds to the documentary evidence, books, and accounting records.

Disclaimer

This press release contains forward-looking statements, particularly regarding the evolution of natural gas demand, investment plans, and future performance. Forward-looking statements inherently involve risks and uncertainties as they depend on future events and developments. Actual results may differ materially from those announced due to various factors, including the expected evolution of demand, supply, and prices of natural gas, general macroeconomic conditions, the impact of energy and environmental regulations, the success in developing and implementing new technologies, changes in stakeholder expectations, and other changes in business conditions.

¹⁶ Calculated as the change in the average ratio between the base hourly pay of women and men within comparable employee groups by organisational level.

