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# 2021 1Q Consolidated results

Milan, May 12th, 2021

# Key Highlights

## Continuous improvement in our core business

- Capex of **€231m** (+5% vs LY)
- Efficiency plan ongoing: **€64m** achieved to date (baseline 2016)
- Revenues from output based incentives in line with 1Q 2020
- Consultation document on metering activity
- Working with RINA to formalize the certification on H2 readiness

## Continuous investments in energy transition businesses

- Continue to build leading hydrogen capabilities
- Good contribution from Energy Efficiency partially offset by slower ramp-up in Biomethane
- Approaching FID on Small scale LNG plant in south of Italy
- Italian Recovery Plan supportive of hydrogen, energy efficiency, sustainable mobility and biomethane

## Progress on international activities

- Desfa: Approved the 2021-2030 Development Plan by RAE (+65% above previous one)
- Terega: 100% of storage capacity fully booked for the thermal year 2021 - 2022
- Release of Snam's pre-completion guarantee on TAP debt

## Value creation from optimization of financial structure

- Financial charges of **€25m** (-29% vs LY), with a cost of debt below 1%
- **€2.4bn** of sustainable bonds including our latest dual tranche transition issuance
- **50%** sustainable financing achieved on total available funding
- Snam awarded as innovator in sustainable finance: winner of the "Bond Award 2021" by Environmental Finance

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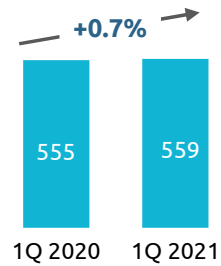
Continuous focus on ESG with a fully dedicated seminar for investors and ongoing engagement



# 1Q 2021 financial results

## EBITDA

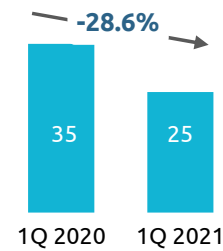
€m



- Tariff RAB growth
- Lower input based incentives
- Stable output based incentives
- Slower ramp up of new businesses

## Financial charges

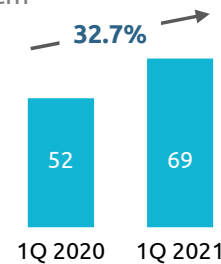
€m



- Liability management carried out in 2020
- Treasury management optimization

## Income from associates

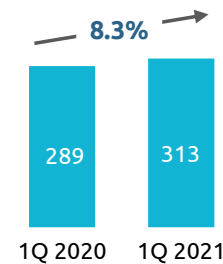
€m



- Perimeter effect (Adnoc and De Nora)
- TAP contribution
- New regulatory period in Austria and lower unitary tariff in Desfa

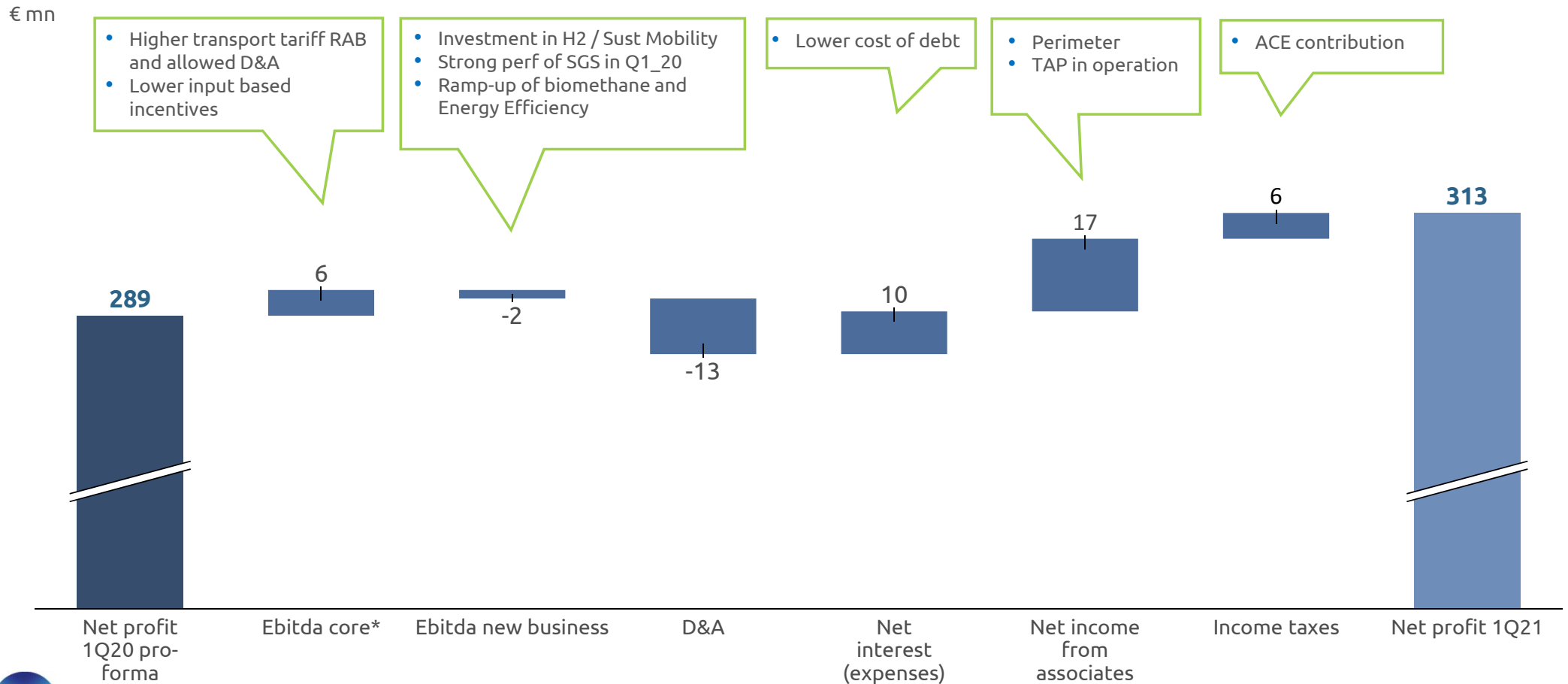
## Net income

€m



- Lower cost of debt
- Strong contribution from associates
- ACE contribution

# 2021 1Q results: Net profit analysis

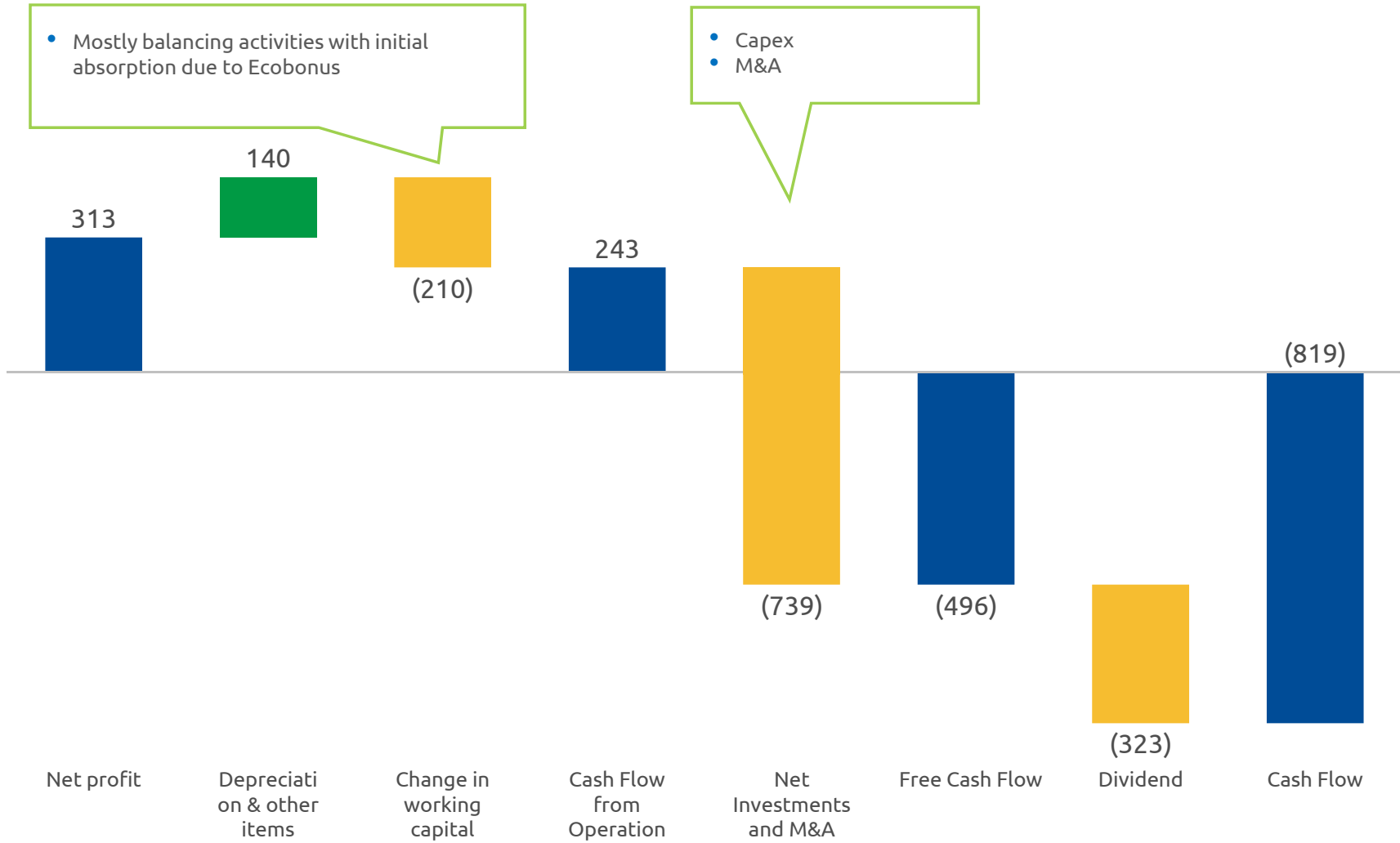


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2020 pro-forma numbers have been reclassified coherently with the Resolution n. 69/2020/R/gas of the December 2020

\* Ebitda core net of energy costs

# Cash flow



# Snam Debt Structure

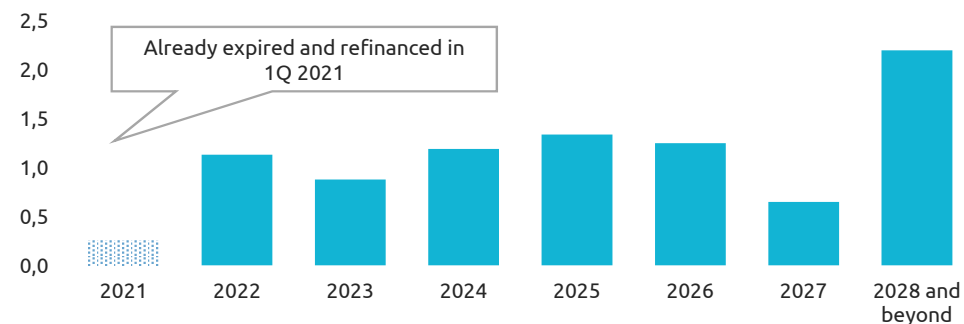
## Key Highlights

- **M/L term debt maturity:** ~6Y and maturities well spread over time
- **«Dual – tranche» Transition bond issued** for overall 750m€ in February '21 achieving the lowest negative yield from an Italian corporate in the 4.5-year tranche
- Snam's **Transition Bond Framework** awarded top Environmental Finance Bond Awards in March '21 for Innovation category
- **Treasury management optimization** exploiting supportive market conditions:
  - Full utilization of Euro Commercial Paper Programme. As of today all commercial paper Notes in ESG format
  - Ample access to uncommitted credit lines at negative yield
- Following the amendment of Snam's corporate purpose in bylaws in February '21, **all the withdrawn shares** (0.3% of the share capital) allocated through the exercise of option and pre-emption rights in April '21

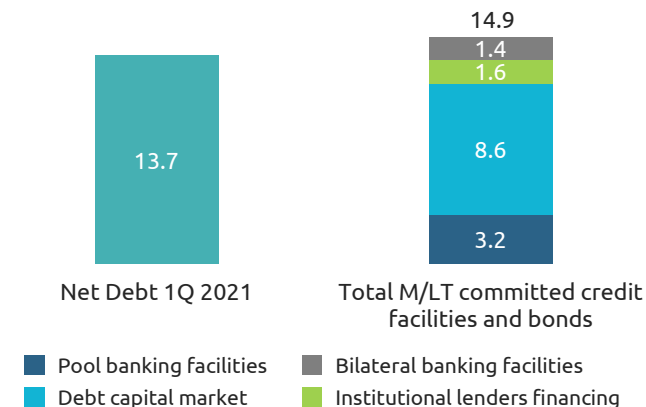
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## Bond maturity Profile as of 31 March 2021 (bn€)



## Total MLT committed credit facilities and bonds (bn€)<sup>1</sup>



<sup>1</sup>Excluding uncommitted lines and Commercial Paper.

# Q&A SESSION

# Back up





# Income Statement

€ mn	2020 1Q	2021 1Q	Change	Change %
Revenues	679	717	38	5.6%
Operating expenses	(124)	(158)	(34)	27.4%
<b>EBITDA</b>	<b>555</b>	<b>559</b>	<b>4</b>	<b>0.7%</b>
Depreciation & amortisation	(187)	(200)	(13)	7.0%
<b>EBIT</b>	<b>368</b>	<b>359</b>	<b>(9)</b>	<b>(2.4%)</b>
Net interest income (expenses)	(35)	(25)	10	(28.6%)
Net income from associates	52	69	17	32.7%
<b>EBT</b>	<b>385</b>	<b>403</b>	<b>18</b>	<b>4.7%</b>
Income taxes	(96)	(90)	6	(6.3%)
<b>NET PROFIT</b>	<b>289</b>	<b>313</b>	<b>24</b>	<b>8.3%</b>
<b>EBITDA REPORTED</b>	<b>567</b>	<b>559</b>	<b>(8)</b>	<b>(1.4%)</b>
<b>EBIT REPORTED</b>	<b>380</b>	<b>359</b>	<b>(21)</b>	<b>(5.5%)</b>
<b>NET PROFIT REPORTED</b>	<b>298</b>	<b>313</b>	<b>15</b>	<b>5.0%</b>

# Revenues

€ mn	2020 1Q	2021 1Q	Change	Change %
<b>Regulated revenues</b>	<b>644</b>	<b>647</b>	<b>3</b>	<b>0.5%</b>
Transport	515	521	6	1.2%
Storage	124	121	(3)	(2.4%)
LNG	5	5	-	-
<b>Non regulated revenues</b>	<b>5</b>	<b>6</b>	<b>1</b>	<b>20.0%</b>
<b>Total core business revenues</b>	<b>649</b>	<b>653</b>	<b>4</b>	<b>0.6%</b>
<b>New business revenues</b>	<b>30</b>	<b>64</b>	<b>34</b>	<b>113.3%</b>
<b>TOTAL REVENUES</b>	<b>679</b>	<b>717</b>	<b>38</b>	<b>5.6%</b>

# Operating Expenses

[ € mn ]	2020 1Q	2021 1Q	Change	Change %
<b>Core business costs</b>	<b>94</b>	<b>92</b>	<b>(2)</b>	<b>(2.1%)</b>
Variable costs	16	24	8	50.0%
Fixed costs	73	71	(2)	(2.7%)
Other costs	5	(3)	(8)	(160.0%)
<b>New business costs</b>	<b>30</b>	<b>66</b>	<b>36</b>	<b>120.0%</b>
<b>TOTAL COSTS</b>	<b>124</b>	<b>158</b>	<b>34</b>	<b>27.4%</b>

# Balance Sheet

[ € mn ]	2020	2021 1Q	Change	Change %
<b>Net invested capital</b>	<b>19,359</b>	<b>20,554</b>	<b>(1,195)</b>	<b>(5.8%)</b>
Fixed capital	20,260	20,870	(610)	(2.9%)
Tangible fixed assets	17,178	17,138	40	0.2%
Intangible fixed assets	1,125	1,131	(6)	(0.5%)
Equity-accounted and other investments	1,923	2,493	(570)	(22.9%)
Financial receivables held for operating activities	421	411	10	2.4%
Net payables for investments	(387)	(303)	(84)	27.7%
<b>Net working capital</b>	<b>(861)</b>	<b>(277)</b>	<b>(584)</b>	<b>210.8%</b>
Receivables	1,930	2,128	(198)	(9.3%)
Liabilities	(2,791)	(2,405)	(386)	16.0%
Provisions for employee benefits	(40)	(39)	(1)	2.6%
<b>Net financial debt</b>	<b>12,887</b>	<b>13,709</b>	<b>(822)</b>	<b>(6.0%)</b>
<b>Shareholders' equity</b>	<b>6,472</b>	<b>6,845</b>	<b>(373)</b>	<b>(5.4%)</b>

# Disclaimer

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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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