press release

Snam Reports Sound Growth in Investments (+46.1%) and Adjusted EBITDA (+12.2%) for the First Nine Months of 2024. CEO Venier: “Very Positive Results, in Line with our FY Guidance”

- *Steady growth in Investments, now totalling approx. 1.8 billion euros (+46.1%)*
- *Adjusted EBITDA and Net Profit up 12.2% and 5.7% respectively*
- *2024 Interim Dividend set at 0.1162 euros per share, a 3% increase aligned with the Company’s Dividend policy*
- *First perpetual subordinated hybrid instrument- worth 1 billion euros -– successfully issued, meeting a subscription demand four times higher than the offer*
- *Sustainable finance at 84%, more than 50% of sustainable financed linked to emissions reduction KPIs*
- *Injection activities in Ravenna started, the first Italian CO_2 Capture and Storage project in partnership with Eni*
- *First Transition Plan published, a clear roadmap towards Net Zero in 2050, supporting the Group’s energy transition and the country’s decarbonisation. Scope 1&2 emissions expected to decrease more than 20% in 2024 vs 2022*

Main highlights:

- **Total investments**: 1,800 million euros marking a 46.1% increase compared to the same period in 2023. Growth is primarily driven by progress in the Ravenna LNG terminal works and initiation of the Adriatic Backbone construction. Notably, 50% of overall investments support Sustainable Development Goals (SDGs), whilst 30% are aligned with EU Taxonomy standards.
- **Total revenues**: 2,651 million euros, down by 7.4% compared to the same period in 2023. Regulated revenues increase is driven by the gas infrastructure business, in particular: i) WACC growth ii) ROSS adoption and iii) implementation of the investment plan. Revenues from the energy efficiency businesses’ have dropped, mainly in the residential sector for the Superbonus benefit termination.
- **Adjusted EBITDA**: 2,089 million euros, up by 12.2%, driven by the regulated revenues growth and partially offset by the lower contribution of the energy transition businesses.
- **Group adjusted net profit**[1]: 996 million euros (+5.7%), driven primarily by EBITDA growth. This increase is partially offset by higher depreciation, amortisation, and an increase in net financial expenses, largely due to rising interest rates.
- **Net financial debt**: 15,934 million euros (+664 million euros compared to December 31, 2023), mainly due to new investments and to the FY 2023 dividend pay-out, partially offset by the hybrid instrument issuance accounting effects.
- **Guidance FY 2024:** targets are confirmed, following an upward revision at the end of the first quarter. The target for Net financial debt has been adjusted to 16.5 billion euros (from 17.5 billion) due to the 1 billion euro hybrid instrument issuance.
- **2024 Interim dividend**: 0.1162 euros per share, reflecting a 3% increase, in alignment with the current dividend policy.

[1] Excluding non-controlling interests.

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San Donato Milanese (Milan), November 7th, 2024 – Snam's Board of Directors, chaired by Monica de Virgiliis, approved yesterday the consolidated[2] nine-month report for 2024. With a favourable opinion from the auditing firm[3], the Board also authorised an interim dividend distribution of 0.1162 euros per share, scheduled for January 22nd, 2025.

'The results for the first nine months are extremely positive, confirming the trend seen in previous quarters. Investments and key indicators reflect strong growth, fully aligned with our guidance,' stated ***Snam's CEO Stefano Venier****. 'We are making significant progress in strengthening security of supply and supporting a sustainable energy transition for the long term, as outlined in our Transition Plan presented to our stakeholders in October: 50% of our investments are aligned with Sustainable Development Goals (SDGs) and 30% adhere to European Taxonomy standards.'*

Summary of results for the first nine months of 2024

Economic Highlights

	First nine months			
(millions of euros)	**2023**	**2024**	**Abs. change**	**% change**
Total revenues	**2,863**	**2,651**	**(212)**	**(7.4)**
Gas infrastructure business revenues (a)	***2,127***	***2,430***	**303**	**14.2**
- of which regulated revenues (a)	*2,071*	*2,398*	327	15.8
Energy transition business revenues	**736**	**221**	**(515)**	**(70.0)**
Adjusted EBITDA (*)	**1,862**	**2,089**	**227**	**12.2**
Adjusted EBIT (*)	**1,171**	**1,340**	**169**	**14.4**
Adjusted net profit (*) (b)	**942**	**996**	**54**	**5.7**
Special items	105	(44)	(149)	
Reported net profit (b)	**1,047**	**952**	**(95)**	**(9.1)**

(*) As part of its management report and in addition to the financial measures required by IFRS, Snam presents a set of metrics derived from the latter that are not mandated by IFRS or other standard setters (Non-GAAP measures) in order to facilitate the analysis of the Group's performance and business segments, ensuring better comparability of results over time. Non-GAAP financial information should be considered as complementary and not as a substitute for the disclosure prepared in accordance with IFRS. For further details on the Non-GAAP measures adopted by Snam, please refer to the methodological note on pages 15/16.

(a) To ensure consistent representation of revenues and costs between the two periods under comparison, revenues covering the procurement costs of gas required for the operation of the transport network (including self-consumption, network losses, and Unaccounted-for Gas – UFG) for the first nine months of 2023 (282 million euros) have been reclassified as a reduction of the associated costs.

(b) Attributable to Snam shareholders.

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[2] Not subject to audit.

[3] Deloitte & Touche S.p.A., the independent auditing firm, issued a favourable opinion on November 6th, 2024, in accordance with Article 2433-bis of the Italian Civil Code. The financial statement and report on which the Board of Directors of Snam S.p.A. resolved to distribute the interim dividend, along with the corresponding opinion from the auditing firm, have been filed at the company's registered office.

Total investments
During the first nine months of 2024, total investments reached 1,800 million euros, marking a considerable 46.1% increase compared to the same period in 2023 (1,232 million euros). This growth was primarily driven by higher investments in the gas infrastructure business, including progress in the Ravenna hub works and its integration into the gas transportation network, along with the initiation of the Adriatic Backbone project. Notably, 50% of total investments support Sustainable Development Goals (SDGs) and 30% are aligned with EU Taxonomy standards. Breaking down investment figures by business segment, 1,220 million euros were allocated to transportation (versus 757 million euros in the first nine months of 2023; +61.2%), 293 million euros to regasification (versus 151 million euros in the first nine months of 2023; +94%) and 160 million euros to storage (versus 148 million euros in the first half of 2023, +8.1%). Investments in energy transition businesses rose to 88 million euros (versus 73 million euros in the first nine months of 2023, +20%), led by the Ravenna CCS (Carbon Capture and Storage) project.

Total revenues
Total revenues amounted to 2,651 million euros, a decrease by 212 million euros (-7.4%) compared to the first nine months of 2023. The gas infrastructure business showed a countertrend with strong revenue growth (+303 million euros; +14.2%), offsetting part of this decline. The overall decrease was primarily driven by the energy transition businesses (-515 million euros; -70%) where revenues were impacted by a reduced contribution from energy efficiency projects due to the Superbonus incentives termination.

The regulated revenues increase (+327 million euros; +15.8%) is the result of: (i) higher WACC in all business segments (+133 million euros); (ii) higher revenues related to RAB growth in transportation and storage (+113 million euros, net of lower "input-based" incentives) driven by the implementation of the investment plan; (iii) ROSS (Regulation by Objectives of Expenditure and Service) application effects on the gas transportation business (+49 million euros); (iv) revenues from Piombino regasification terminal operations (+48 million euros) which started in July 2023; (v) recognised revenues from higher regasified volumes in 2023 (+29 million euros compared to revenues recognised in 2023 and related to 2022 performance).

These positive effects were offset by output-based incentives (-32 million euros) in the storage business segment, which declined due to reduced demand for flexibility services in short-term auctions (-24 million euros). Additionally, lower incentives in the transportation sector (-8 million euros) were influenced by the default service.

Adjusted EBITDA
Adjusted EBITDA for the first nine months rose to 2,089 million euros, up by 227 million euros (+12.2%) when compared to the same period of last year. Higher revenues from the gas infrastructure business (+303 million euros; +14.2%) were partially offset by higher fixed costs, linked to i) the commissioning of the FSRU plant in Piombino and ii) increased labour costs resulting from welfare benefits extended to all employees and new hires. The gas infrastructure business positive result was counterbalanced by energy transition business losses (-73 million euros) mainly attributable to i) the termination of Superbonus incentives in the energy efficiency projects and ii) a change in perimeter of the biogas/biomethane business.

Adjusted EBIT

Adjusted EBIT for the first nine months was 1,340 million euros, representing an increase of 169 million euros (+14.4%) compared to the same period in 2023. The growth in adjusted EBITDA was partially offset by higher amortisation, depreciation, and impairment losses (+58 million euros, or +8.4%), mainly due to new assets becoming operational and the ongoing write-off exercise in the transportation segment.

Net financial expenses

Net financial expenses totalled 230 million euros, growing by 75 million euros (+48.4%) compared to the previous year, mainly driven by higher net financial debt and a rising average cost of net debt, which rose to approximately 2.5% in the first nine months of 2024, compared to 1.9% in the same period in 2023. The increase in financial expenses was mainly attributable to the evolving interest rate environment between the two periods, although it was offset by positive income from active cash management. Additionally, it was partially mitigated by higher capitalised financial expenses and greater proceeds resulting from the time value effect on Superbonus credits and other minor bonuses.

Net income from equity investments

Net income from equity investments amounted to 233 million euros, dropping by 6.0% compared to the same period in 2023. Italian associates' contribution was largely consistent with the first nine months of 2023. In terms of international associates, lower results stemmed from: i) lower auction premiums for exports to Bulgaria and on the entry point from the Revithoussa LNG terminal, which have now returned to normalised levels (pre-Russia/Ukraine conflict) for the Greek company DESFA, and ii) reduced bookings along with a lack of positive adjustments (one-offs regulatory accrual releases) compared to the same period last year for Austria's GCA. However, these effects were partially offset by a higher contribution from EMG, primarily due to the recognition of one-off positive incomes from prior financial years, and higher revenues for Austria's TAG resulting from more profitable short-term bookings.

Adjusted net profit

The Group's adjusted net profit for the first nine months of 2024 was 996 million euros, up by 54 million euros (+5.7%) compared to the same period in 2023. The result was driven by EBIT growth, which was partially offset by higher net financial expenses, a reduced contribution from international associates, and an increased income tax rate applied to higher profit before taxes, along with the abrogation of the fiscal ACE benefit (as of 2024).

Cash flow

Cash flow from operations (+1,249 million euros), affected by working capital dynamics (-419 million euros) mostly related to balancing activities, was sufficient to partially finance net investments for the period (1,850 million euros, including the change in investment payables). This resulted in a negative free cash flow of 601 million euros. Net financial debt, including equity cash flow (-938 million euros) from the 2023 dividend payout to shareholders and non-monetary variations (-76 million euros), increased of 664 million compared to December 2023, now totalling 15,934 million euros. This increase was partially offset by the release of the first perpetual subordinated hybrid instrument (+989 million euros).

Sustainable Finance

As of September 30, 2024, 84% of debt is classifiable as sustainable, factoring in, amongst others: i) BEI's contribution, subscribed in June, of 100 million euros that supports energy efficiency operations ii) the new Sustainability-linked credit line, totalling 1 billion euros, aligned with the Group's Sustainable Finance Framework, signed in May. Over 50% of sustainable financings is linked to emissions' reduction KPIs, reinforcing Snam's commitment in the roadmap to Net Zero.

Interim Dividend

Based on the financial results from the first nine months and expectations for full-year performance, Snam's Board of Directors approved the distribution of an interim dividend for 2024, set at 0.1162 euros per share, reflecting a 3% increase compared to 2023. The dividend will be paid on January 22nd, 2025 with a record date of January 21st, 2025.

Sustainability

On October 17, 2024, Snam's Board of Directors approved and published its first Transition Plan which outlines the company's objectives, actions and resources, aimed at driving the company's efforts towards a low-carbon economy system. The plan demonstrates Snam's commitment to both its own transition and to support the country's decarbonisation efforts.

The roadmap is grounded in long-term energy scenarios that provide the most recent outlook on Italian energy demand, and which align with scenarios developed in collaboration with the Italian electric grid operator (Terna), the Italian NECP (National Energy and Climate Plan) and sector-specific scenarios created by the European Network of Transmission System Operators (ENTSOs). Risk assessments across all scenarios corroborate the resilience of Snam's multi-molecule business model.

The company's roadmap towards Net Zero is based on two main pillars: reducing emissions and protecting biodiversity. As part of its climate strategy, Snam is strongly committed to achieve carbon neutrality on scope 1 and 2 emissions by 2040, and Net Zero across all scopes by 2050. Moreover, Snam is involved in the national energy system's decarbonisation, leveraging its key role in transition activities: biomethane, hydrogen, carbon capture and storage, along with energy efficiency services. Regarding biodiversity, Snam is committed to achieving Net Zero Conversion in land use this year and aims to create a positive environmental impact by 2027. This vision includes complete restoration of vegetation and landscapes, alongside the development of policies based on territory, water and waste management principles. The latest edition of Snam's volunteering initiative *Insieme per gli Altri* (Together for the Others) was a success, continuing the program launched in 2019 that enables Snam employees to donate their time to social organisations fighting food poverty in partnership with Fondazione Azione contro la Fame (Action against Hunger). In 2024, over 800 participants, including Snam employees, suppliers, and retired colleagues, donated 3,000 hours to support 46 associations across 17 locations in Italy.

Outlook

Current projections for Italian natural gas demand for the current year indicate a slight decrease compared to 2023, primarily due to reduced gas-fired thermoelectric production as renewable sources, particularly hydroelectricity, contribute more significantly to electricity generation.

Economic results have however been positively impacted by increased revenues linked to RAB growth driven by implemented investments, the WACC update, and the introduction of the new ROSS (Regulation by Objectives of Expenditure and Service) framework in transportation regulation.

Aligned with Snam's focus on ensuring a secure, diversified and sustainable energy system for the country, the following actions were carried out during the period:

- A binding agreement was signed on July 25th, 2024 to acquire 100% of Edison Stoccaggio for approximately 560 million euros;
- Stake in Terminale GNL Adriatico S.r.l., the operator of the LNG regasification terminal off the coast of Porto Viro (Rovigo), was increased from 7.3% to 30%, whose closing is expected at the beginning of December following, among other things, the clearance from the European Commission (DG Competition). The 30% stake in Adriatic LNG plays an important role within Snam LNG portfolio, also thanks to the operational role covered in the Company, bringing Snam to be the third European operator in terms of regasification capacity.

In October, the European Central Bank cut its benchmark rates, totalling a 75-basis point decrease since June. However, the global context and future rate trends remain uncertain, with high interest rates expected to continue impacting net financial expenses negatively throughout 2024. The main levers for optimising the financial structure include diversifying financing sources and instruments, alongside dynamic management of working capital and treasury flows. Simultaneously, Snam aims to preserve flexibility within rating metrics and uphold a solid financial structure, recently bolstered by the issuance of a billion euros hybrid instrument.

Regarding the situation in the Middle East, the conflict currently has no direct impact on Snam's assets nor on the EMG pipeline linking Israel and Egypt, which continues to operate as usual. Possible escalation of sea attacks or expansion of the conflict's geographic scope—leading, for example, to prolonged interruptions in shipping (such as LNG transport)—could heighten international tensions, impacting energy prices in Italy and across Europe which heavily rely on foreign imports.
Such instability could increase production costs, challenge economic stability and slow both national and European growth, while adding complexity to energy supply management. Snam will continue to monitor developments in the Middle East, assessing potential consequences and impacts on the Group.

Moving to Sustainability, Snam closely monitors its performance via the Sustainability Scorecard KPIs. This set of KPIs is showing good progress toward year-end targets. In particular, by the end of 2024, Scope 1 & 2 emissions are expected to reach a 20% reduction from the 2022 baseline, marking further progress over the 10% reduction reported in 2023.

Financial targets for 2024, that had already been raised in the first quarterly report, are confirmed as follows:

- Investments of 3.0 billion euros (of which 2.8 billion euros in the gas infrastructure and 0.2 billion euros in energy transition businesses);
- RAB tariff of 23.8 billion euros;
- An adjusted EBITDA of over 2.75 billion euros;

- An adjusted net profit of approximately 1.23 billion euros;

Updated net debt target at 16.5 billion euros (versus previous 17.5 billion euros) deriving from the recently issued hybrid instrument (1 billion euros).

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At 11:00 a.m. CET today, November 7th, 2024, Snam will present consolidated results for the first nine months of 2024 to financial analysts and investors. The event can be followed via conference call or by video webcast in the Investor Relations section of the **www.snam.it** *website. All supporting documentation will be available at the beginning of the event in the same section.*

Key operating figures

		First nine months			
		2023	2024	Abs. change	% change
Natural gas injected into the national gas transportation network (a) (b)	(billion m³)	49.03	**46.33**	(2.70)	(5.5)
Gas demand (a)	(billion m³)	44.36	**43.18**	(1.18)	(2.7)
LNG regasification (a)	(billion m³)	2.37	**3.42**	1.05	44.3
Available storage capacity (a) (c)	(billion m³)	16.66	**16.88**	0.22	1.3
Natural gas moved through the storage system (a) (b)	(billion m³)	9.91	**10.36**	0.45	4.5
Biomethane/biogas plants in operation	(number)	35	**35**		
Energy efficiency - Backlog (d)	(millions of euros)	1,085	**1,215**	130	12.0
Employees in service at period end (e)	(number)	3,741	**3,847**	106	2.8

(a) With regard to the first nine months of 2024, gas volumes are expressed in standard cubic metres (SCM) with an average higher heating value (HHV) of 38.1 MJ/SCM (10.573 kWh/SCM) for transportation and regasification activities and approximately 39.3 MJ/SCM (10.919 kWh/SCM) for natural gas storage for the 2024-2025 thermal year.

(b) The data for the first nine months of 2024 is current as of October 10th, 2024, while the corresponding figure for 2023 has been finalised.

(c) Of which 4.48 billion cubic metres related to strategic gas and 12.40 billion cubic metres related to capacity available for modulation, mining and balancing services (working gas). Available storage capacity as of September 30th, 2024, is that reported to the Authority for the Electricity, Gas and Water System at the start of the 2024-2025 thermal year. Following allocation procedures for storage services offered for the 2024-2025 thermal year, all available capacity had been fully allocated.

(d) Indicates the amount of revenues attributable to future financial years beyond 2024, linked to contracts awarded and signed as of September 30th, 2024.

(e) Fully consolidated companies.

Natural gas injected into the national transportation network

In the first nine months of 2024, 46.33 billion cubic meters of natural gas were injected into the national transportation network down by 2.70 billion cubic meters (-5.5%) compared to the first nine months of 2023, due to lower demand and a significant drop in exports.
Gas demand in the first nine months of 2024 totalled 43.18 billion cubic meters, decreasing by 2.7% compared to the same period in 2023 (-1.18 billion cubic meters). Lower consumption was observed (i) in the thermoelectric sector (-0.97 billion cubic meters; -5.0%) as a result of increased hydroelectric production following heavy rainfall and higher renewable output; and (ii) in the residential and commercial sectors (-0.25 billion cubic meters; -1.6%), mainly due to overall milder temperatures compared to the first nine months of 2023, particularly during the winter. Consumption in the industrial sector remained largely consistent with the same period last year (+0.08 billion cubic meters; +1.0%).
Weather adjusted gas demand amounted to 44.70 billion cubic meters, marking a slight reduction of 0.16 billion cubic meters (-0.4%) compared to the first nine months of 2023 (44.86 billion cubic meters). This decline is attributed to the end of gas demand containment measures that were in effect during early 2023 and a more favourable consumer price environment.

Regasification of Liquefied Natural Gas (LNG)
In the first nine months of 2024, 3.42 billion cubic meters of gas were regasified (versus 2.37 billion cubic meters in the first nine months of 2023), and 50 LNG carriers were unloaded (versus 55 during the same period in 2023). The increase in regasified volumes is mainly attributable to the commissioning of Piombino's FSRU plant in July 2023, which regasified in the first nine months of 2024 a total of 2.45 billion cubic meters with 27 unloadings from LNG carriers out of 3.57 billion cubic meters and 39 unloadings since start of operations. This result was partially offset by the reduction in regasified volumes at Panigaglia LNG terminal (La Spezia), which regasified 0.97 billion cubic meters in the first nine months of 2024 compared to 2.27 billion in the same period in 2023, a direct effect of the Russo-Ukrainian conflict on the gas market.

Natural gas storage
As of September 30th, 2024, total storage capacity, including strategic storage, reached 16.88 billion cubic meters (an increase of 0.22 billion compared to September 30th, 2023). Of this total, 4.48 billion cubic meters were allocated to strategic storage (unchanged from the 2023-2024 thermal year), while 12.40 billion cubic meters represented available capacity. For the 2024-2025 thermal year, the available capacity was fully allocated, mirroring the 100% allocation achieved for the 2023-2024 thermal year.

At the end of the supply campaign (March 31st, 2024), storage facilities were at about 60% maximum capacity. By the beginning of the following injection campaign, as of September 30th, 2024, storage levels reached approximately 96%, consistent with those recorded on the same date in 2023.

Energy transition
As of September 30th, 2024, 35 biogas/biomethane plants were in operation with an installed capacity of 40 MW (4 MW less compared to the same period last year, with an identical number of plants). The difference is mainly due to the removal of 4 biogas and agricultural biomethane plants from the Group's perimeter after the sale of Iniziative Biometano S.p.A., representing an installed capacity of 8 MW, partially offset by the addition of 5 new agricultural plants, totalling 5 MW of installed capacity.
With regard to energy efficiency, the backlog as of September 30th, 2024, amounted to a total value of €1,215 million, with over 95% related to EnPC (Energy Performance Contract) agreements.

On October 14th, 2024, Snam signed with Sonatrach (Algeria), Sonelgaz (Algeria), VNG (Germany), SeaCorridor (Italy) and Verbund Green Hydrogen (Austria) a Memorandum of Understanding to jointly conduct studies throughout the hydrogen value chain to assess the viability and profitability of an integrated green hydrogen production project in Algeria, leveraging on the planned SoutH2 Corridor to gain access to the European hydrogen market. At the same time, the Tunisian government also announced the signing of six memorandums of understanding for the production of green hydrogen in Tunisia which refer to the South2 Corridor as a platform for access to the same market.

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This press release is drafted on a voluntary basis, aligned with market best practices and presents the *non-audited consolidated results for the first nine months of 2024, in accordance with Article 82-ter "Additional periodic financial information" of Consob Regulation No. 11971 of March 14th, 1999, and subsequent amendments. This approach is consistent with the quarterly disclosures previously provided by Snam and adheres to the minimum content and timing outlined in the Group's financial calendar.*

Pursuant to Article 154-bis, paragraph 2 of the Consolidated Finance Act (TUF), the responsible Director for drawing and signing financial reports, Luca Passa, declares that the accounting information included in this press release corresponds to the documents, books and accounting ledgers.

Disclaimer

This press release contains forward-looking statements concerning, in particular, the evolution of natural gas demand, investment plans and future operating performance. Such statements are by their very nature exposed to risk and uncertainty as they depend on the occurrence of future events and developments. Actual results could therefore differ from those announced due to various factors, including developments in natural gas demand, supply and prices, general macroeconomic conditions, the impact of energy and environmental legislation, success in the development and implementation of new technologies, changes in stakeholder expectations and other changes in business conditions.

INCOME STATEMENT

(millions of euros)	First half of 2023 Reported	First half of 2023 Special Items	First half of 2023 Adjusted (b)	First half of 2024 Reported	First half of 2024 Special Items	First half of 2024 Adjusted (b)	2024 adjusted vs 2023 adjusted Abs. change	2024 adjusted vs 2023 adjusted % change
Gas infrastructure business revenues (a)	**2,127**		**2,127**	**2,430**		**2,430**	**303**	**14.2**
Regulated revenues (a)	***2,071***		***2,071***	***2,398***		***2,398***	***327***	***15.8***
- Transportation (a)	1,592		1,592	1,828		1,828	236	14.8
- Storage	422		422	445		445	23	5.5
- Regasification	57		57	125		125	68	
Non-regulated revenues	***56***		***56***	***32***		***32***	***(24)***	**(42.9)**
Energy transition business revenues	**736**		**736**	**221**		**221**	**(515)**	**(70.0)**
TOTAL REVENUES (a)	**2,863**		**2,863**	**2,651**		**2,651**	**(212)**	**(7.4)**
Gas infrastructure business operating costs (a)	**(340)**	**8**	**(332)**	**(335)**		**(335)**	**(3)**	**0.9**
Fixed costs	(221)		(221)	(258)		(258)	(37)	16.7
Variable costs (a)	(63)		(63)	(39)		(39)	24	(37.6)
Other costs (a)	(56)	8	(48)	(38)		(38)	10	(21.5)
Energy Transition business operating costs	**(669)**		**(669)**	**(256)**	**29**	**(227)**	**442**	**(66.1)**
TOTAL OPERATING COSTS (a)	**(1,009)**	**8**	**(1,001)**	**(591)**	**29**	**(562)**	**439**	**(43.9)**
EBITDA	**1,854**	**8**	**1,862**	**2,060**	**29**	**2,089**	**227**	**12.2**
Amortization, depreciation and impairment losses	(693)	2	(691)	(749)		(749)	(58)	8.4
EBIT	**1,161**	**10**	**1,171**	**1,311**	**29**	**1,340**	**169**	**14.4**
Net financial expenses	(155)		(155)	(230)		(230)	(75)	48.4
Share of profit (loss) of equity-accounted investments	362	(114)	248	209	24	233	(15)	(6.0)
Profit before taxes	**1,368**	**(104)**	**1,264**	**1,290**	**53**	**1,343**	**79**	**6.3**
Income tax	(307)	(1)	(308)	(341)	(9)	(350)	(42)	13.6
Net profit	**1,061**	**(105)**	**956**	**949**	**44**	**993**	**37**	**3.9**
- Attributable to Snam shareholders	1,047	(105)	942	952	44	996	54	5.7
- Non-controlling interests	14		14	(3)		(3)	(17)	

(a) In order to provide a consistent representation of revenues and costs between the two periods under comparison, the revenues covering the costs of gas procurement required for the operation of the transportation network (including self-consumption, network losses and Unaccounted For Gas – UFG) for the first nine months of 2023 (282 million euros) have been reclassified as a reduction of the related costs.

(b) Excluding special items.

Reconciled summary of adjusted net profit

	First nine months			
(millions of euros)	2023	2024	Abs. change	% change
EBITDA	**1,854**	**2,060**	**206**	11.1
Exclusion of special items	*8*	*29*	*21*	
- Charges from signing settlement agreements		29	29	
- Capital losses on write-off of assets under development	8		(8)	(100.0)
Adjusted EBITDA	**1,862**	**2,089**	**227**	12.2
EBIT	**1,161**	**1,311**	**150**	12.9
Exclusion of special items	10	29	19	
EBITDA special items	8	29	21	
- Impairment losses on non-current assets	2	0	(2)	(100.0)
Adjusted EBIT	**1,171**	**1,340**	**169**	14.4
Net profit	**1,061**	**949**	**(112)**	(10.6)
Exclusion of special items	*(105)*	*44*	*149*	
- EBIT's Special items	10	29	19	
- Loss (profit) from equity-accounted investments	(38)	24	62	
- Gain on sale of Industrie De Nora shares	(76)	0	76	(100,0)
- Tax effect of special items	(1)	(9)	(8(	
Adjusted net profit	**956**	**993**	**37**	3.9
Non-controlling interests	14	(3)	(17)	
Adjusted net profit attributable to Snam shareholders	**942**	**996**	**54**	**5.7**

Reclassified statement of financial position

(millions of euros)	31.12.2023	30.09.2024	Abs. change
Fixed capital	**23,002**	**24,047**	**1,045**
Property, plant and equipment	18,941	19,866	925
- of which right-of-use leased assets	*44*	*56*	*12*
Non-current inventories – Compulsory inventories	363	363	
Intangible assets and goodwill	1,449	1,504	*55*
Equity-accounted investments	3,019	2,970	*(49)*
Other financial assets	163	165	*2*
Net payables for investments	(933)	(821)	112
Net working capital	**(24)**	**957**	**981**
Liabilities for employees' benefits	**(28)**	**(30)**	**(2)**
NET INVESTED CAPITAL	**22,950**	**24,974**	**2,024**
Shareholders' equity	**7,680**	**9,040**	**1,360**
- Snam Shareholders' equity	7,635	8,996	1,361
- Non-controlling interests	45	44	2
Net financial debt	**15,270**	**15,934**	**664**
- of which financial payables for leased assets	*43*	*53*	*10*
COVERAGE	**22,950**	**24,974**	**2,024**

RECLASSIFIED STATEMENT OF CASH FLOWS

	First nine months	
(millions of euros)	2023	2024
Net profit	**1,061**	**949**
Adjusted for:		
- Amortization and other non-cash components	334	538
- Net losses (gains) on asset sales and write-offs	3	10
- Dividends, interest and income taxes	411	487
Change in net working capital	(1,770)	(660)
Dividends, interest and income tax collected (paid)	(30)	(75)
Cash flows from operating activities	**9**	**1,249**
Capital expenditure	(1,169)	(1,756)
Disposals	1	2
Consolidated subsidiaries and businesses net of cash and cash equivalent acquired/sold	(11)	4
Equity investments and associates	(235)	(1)
Other financial assets and long-term financial receivables	21	(3)
Other changes relating to investment activities	(46)	(96)
Free cash flow	**(1,430)**	**(601)**
Repayment of financial liabilities for leased assets	(8)	(11)
Change in short-and long-term financial liabilities	1,464	1,501
Change in short-term financial receivables	(24)	(352)
Equity cash flow	(933)	(939)
Net issue of perpetual hybrid bond		989
Net cash flow for the period	**(931)**	**587**

CHANGE IN NET FINANCIAL DEBT

	First nine months	
(millions of euros)	2023	2024
Free cash flow	**(1,430)**	**(601)**
Equity cash flow	(933)	(939)
Net issue of perpetual hybrid bond		989
Change in financial liabilities for leased assets	(15)	(21)
Trade payables and other long-term debts		(16)
Change in cash and cash equivalents relating to assets for sale and directly associated liabilities	(7)	
Other changes	(28)	(76)
Change in net financial debt	**(2,413)**	**(664)**

Methodological Note

The financial performance and position information has been prepared in accordance with the assessment and measurement criteria established by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission in accordance with the procedure set out in Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002. The recognition and measurement criteria used in preparing the results for the first nine months of 2024 remain unchanged from those adopted for the preparation of the 2023 Annual Financial Report and the 2024 Half-Year Financial Report, to which reference should be made for further details.
The changes in the Snam Group's scope of consolidation as of 30 September 2024, compared to that as of 31 December 2023, concerned the exit of 11 companies operating in the Biomethane-Agri business and 7 companies operating in the Biomethane-Waste business, following their merger by incorporation, as well as the exit of 1 company operating in the Biomethane-Waste business following its sale.
The changes in the Snam Group's scope of consolidation as of 30 September 2024, compared to that as of 30 September 2023, also concerned: (i) the acquisition by the subsidiary Bioenerys Agri S.r.l. of 100% of the capital of 4 companies active in the generation of electricity using agricultural waste and biomass, of which 2 companies as part of the sale of Iniziative Biometano S.p.A.; (ii) the acquisition by the subsidiary Bioenerys Ambiente S.r.l. of 100% of the capital of 2 companies that own plants for the production of biomethane from FORSU; (iii) the acquisition by Snam FSRU Italia S.r.l. of FSRU I Limited, a company that owns the Floating, Storage and Regasification Unit (FSRU) "BW Singapore"; (iv) the sale of Iniziative Biometano S.p.A., a company 51% owned by Snam through its wholly-owned subsidiary Bioenerys S.r.l., as well as 4 subsidiaries of Iniziative Biometano S.p.A.

Non-GAAP measures

In its Directors' Report, in addition to the financial measures required under IFRS, Snam presents certain measures derived from the latter although they are not required under IFRS or other standard setters (Non-GAAP measures).
Snam's management believes that these measures facilitate the analysis of the Group's performance and business segments, improving the comparability of performance over time. Non-GAAP financial information must be considered complementary and does not replace the disclosure prepared in accordance with IFRS.
In accordance with Consob Communication DEM/6064293 of 28 July 2006, as amended (most recently on 5 May 2021, to transpose the new recommendations contained in ESMA 32-232-1138 of 4 March 2021), the following sections provide information on the composition of the main alternative performance measures used in this document, which cannot be directly derived from reclassifications or algebraic summing of defined measures[4] compliant with international accounting standards.

EBITDA, EBIT and adjusted net profit

EBITDA, EBIT, and adjusted net profit are obtained by excluding special items from reported EBIT and net profit (as reported in the statutory income statement format), gross and net of related taxation respectively. The income components classified as special items for the first nine months of 2024 mainly relate to: (i) net expenses related to the Biomethane-Waste business (37 million euros, 28 million euros net of taxes), primarily arising from the signing of settlement agreements amending previous framework agreements for new investments and acquisition of equity investments; (ii) the estimated expenses recognized by the Austrian associates TAG and GCA, related to the repayment of the risk premium remuneration accrued during the period 2013-2024, to be implemented through a reduction in allowed revenues over a 15-year period starting in 2025 (33 million euros); (iii) income from insurance compensation for extraordinary maintenance work on the plant, recognised by the associate OLT (11 million euros); (iv) the income arising from the normalisation of interest rates used to discount the contractual tariffs of the associate ADNOC (6 million euros).

Special items

[4] Defined measures include all information reported in audited IFRS financial statements, either on the balance sheet, income statement, statement of changes in shareholders' equity, cash flow statement or in the notes.

Income components are classified under special items, if significant, when they: (i) derive from events or transactions whose occurrence is non-recurring, or from transactions or events that are not frequently repeated in the normal course of business; (ii) derive from events or transactions that are not representative of normal business operations.
The tax effects associated with the components excluded from the calculation of adjusted net profit are determined based on the nature of each excluded income component.
The income components resulting from non-recurring transactions pursuant to Consob Resolution no. 15519 of 27 July 2006, where present, are also separately reported in IFRS financial reporting.

Net financial debt

Snam calculates net financial debt as the sum of current and non-current financial liabilities, including financial liabilities for leasing contracts as per IFRS 16, net of cash and cash equivalents and current financial assets, such as securities held for trading, which are not cash and cash equivalents, or derivative instruments used for hedging purposes.