



energy to inspire the world

9M 2021  
Consolidated results

Milan, November 4th, 2021

# Key Highlights



## KEY FIGURES

- Group capex of **€866m**
- Interim dividend **0.1048/share**



## REGULATION

- 1st consultation document on the **WACC review** published by ARERA in July
- 2<sup>nd</sup> consultation document expected soon
- Final decision by first half of December



## SCENARIO

- Gas demand at **53.14bcm** (+6.1% vs LY)
- Snam contributing to the resilience of the Italian gas market:
  - Higher diversification of supply thanks to TAP
  - Historical spread vs TTF closed
  - Storage ca **90%** full, well above other EU countries

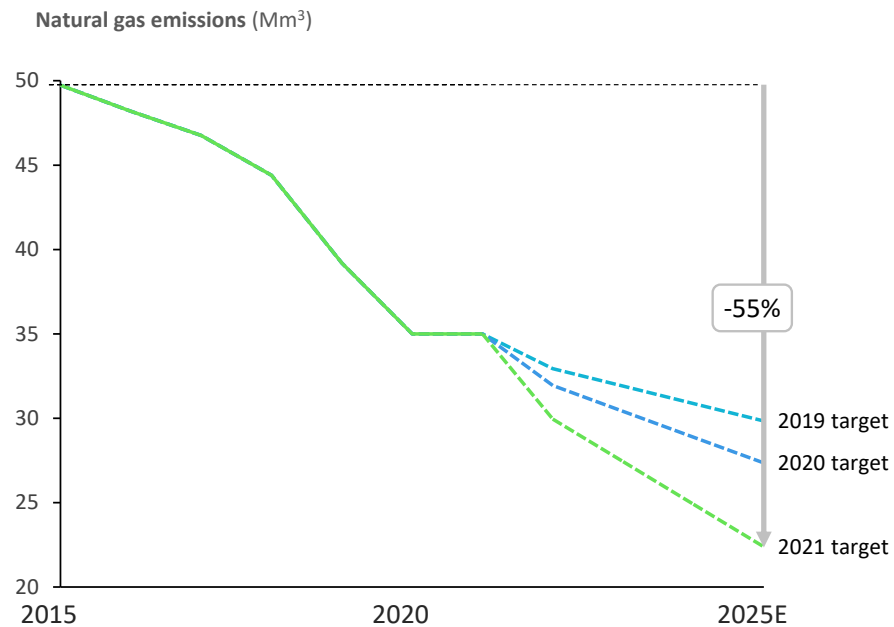


## SUSTAINABILITY

- New methane emissions target **-55% by 2025 (vs -45%** previous target)
- Snam included in **FTSE MIB ESG Index**
- Sustainable financing at **ca 60%** of total available funding
- **EMTN programme renewed** may incorporate KPIs for sustainability-linked bonds and bonds aligned with the Taxonomy Delegated Acts

# Improved methane emissions reduction target by 2025

## Upgraded target on natural gas emissions



Target improved  
**-55%** vs 2015  
(previous  
-45% in Nov 2020)

More ambitious than the  
recommended target of OGMP  
for 2025

Awarded UNEP Golden  
Standard for the for  
completeness of emissions  
reporting



## Leak Detection And Repair Programme

- Ongoing LDAR program to monitor the emitting components in our facilities and intervene on leaks
- Digitalization supports this process:
  - FID (Flame Ionization Detection) to measure gas leakage
  - Results recorded and updated in real time
  - Real time detection and location of gas leaks and identification of possible causes of pressure variations leveraging on machine learning

### Key LDAR figures

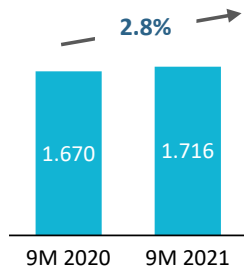
- Implemented on 460 plants, all the compressor stations and Panigaglia terminal (Gas emissions already saved: 3,2 Mn cubic meters)
- To be completed over the next years with an expected overall saving of 7 Mmc, corresponding to ca 20% of Snam emissions



# 9M 2021 financial results

## EBITDA

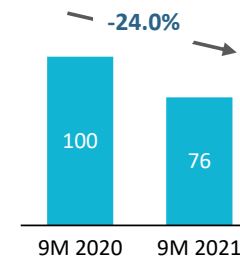
€m



- Tariff RAB growth
- Output based incentives flat
- Release of past balance sheet items

## Financial charges

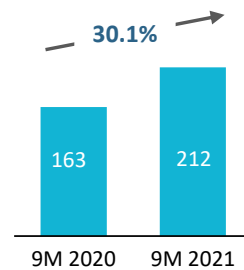
€m



- Cost of debt below 1%
- Higher average debt
- 60% of sustainable finance

## Income from associates

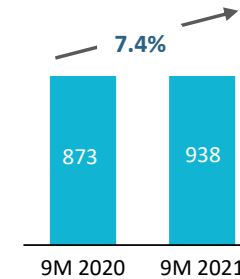
€m



- Perimeter effect (Adnoc and De Nora)
- First year of TAP full contribution
- New regulatory period in Austria and lower unitary tariffs in Greece

## Net income

€m



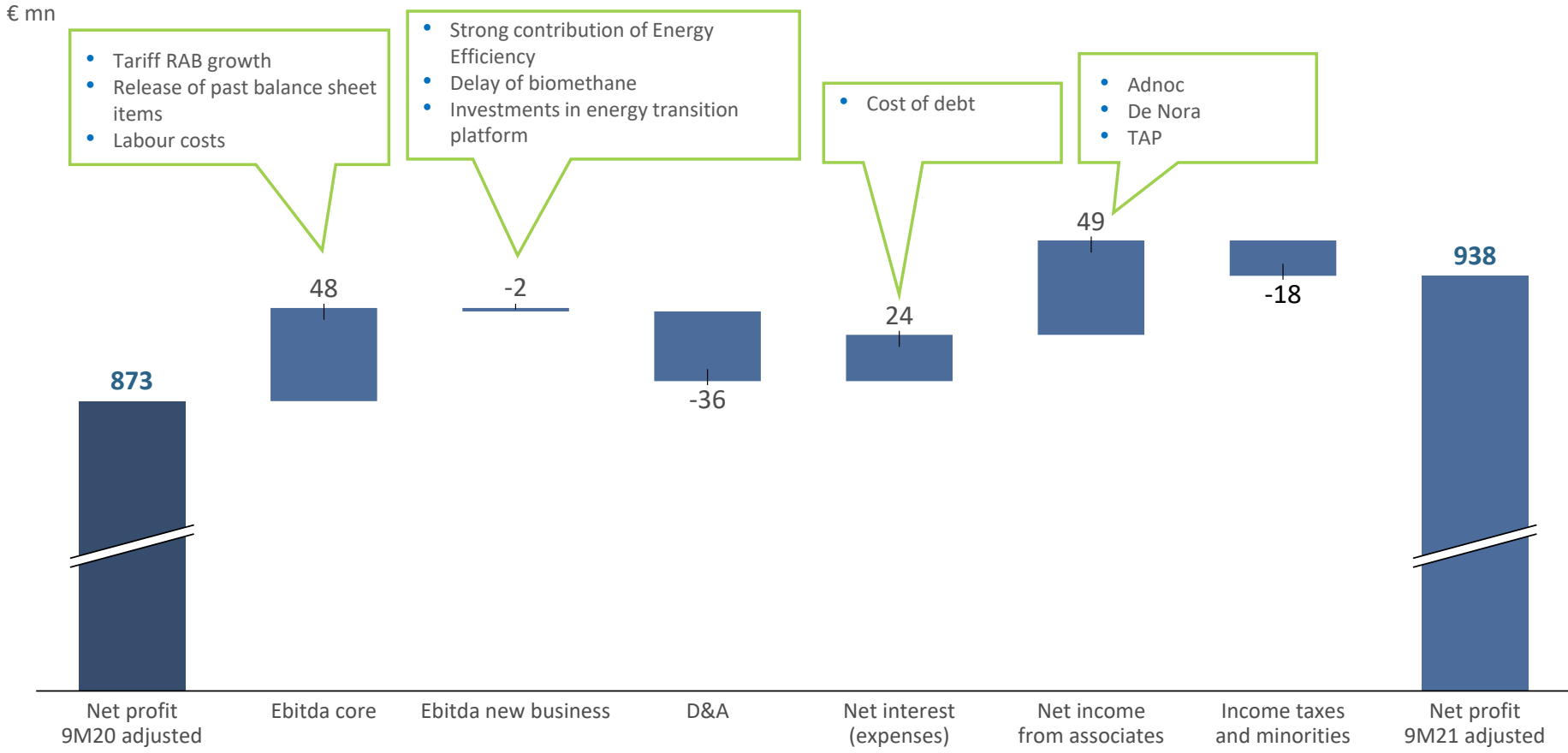
- Lower cost of debt
- Strong contribution from associates

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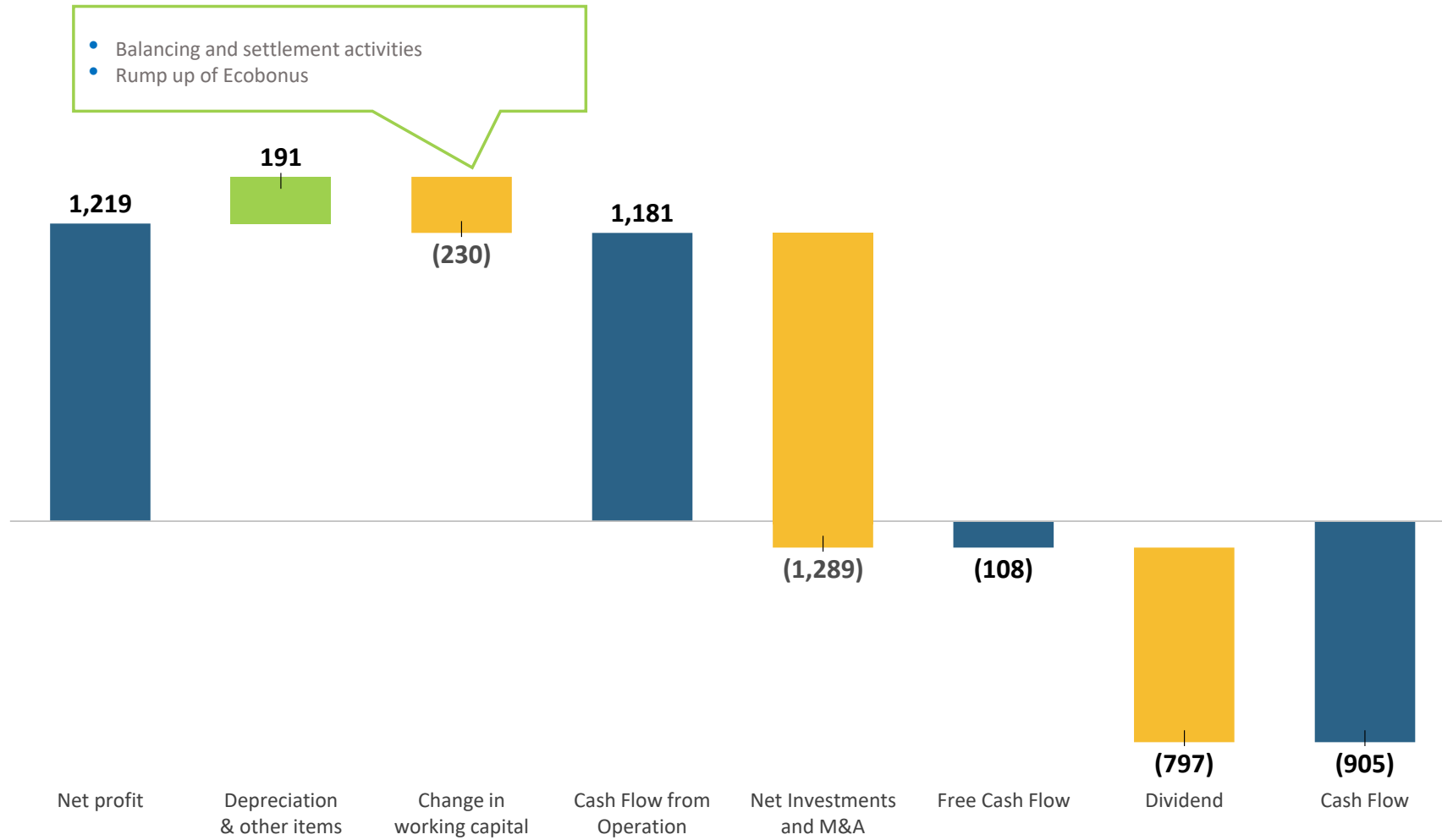


Comfortably on track to deliver FY 2021 net profit guidance

# 2021 9M results: Net profit analysis



# Cash flow



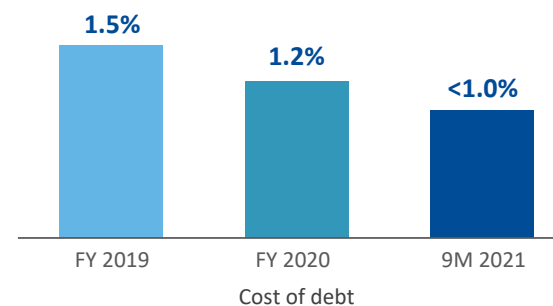
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# Snam Debt Structure, rising role of sustainable finance

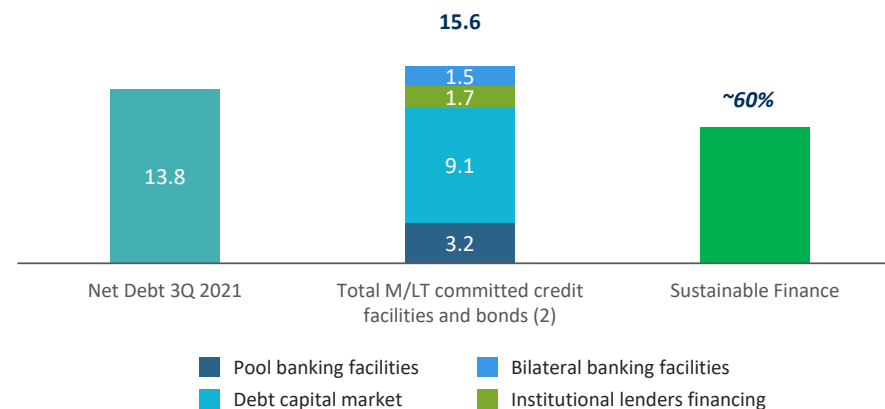
## Key Highlights

- **M/L term debt maturity:** ~6Y with maturities well spread over time
- ~¾ **Fix-Floating** in line with our Fix-Floating target
- **Strong commitment on Sustainable Finance:** 9 months funding 100% through sustainable instruments achieving ca **60% (1) on total committed funding**
- **Treasury management optimization** exploiting supportive market conditions:
  - Full utilization of ESG-labelled ECP Programme
  - Ample access to uncommitted credit lines at negative yields
- In May and **for the 3<sup>rd</sup> consecutive year, confirmed the margin step down on the Sustainable loan** as the ESG targets were met
- Renewed EMTN programme may incorporate sustainability KPIs for the issuance of sustainability-linked bonds and taxonomy aligned bonds
- S&P confirms rating at BBB+, outlook raised to positive from stable

## Cost of Debt (calculated on Net debt)



## Total MLT committed credit facilities and bonds (bn€)



(1) As of end September, including the Commercial Paper Programme

(2) Excluding uncommitted lines and Commercial Paper.

# Q&A SESSION



# Back up



# Income Statement

[ € mn ]	9M 2020	9M 2021	Change	Change %
Revenues	2,032	2,334	302	14.9%
Operating expenses	(362)	(618)	(256)	70.7%
<b>EBITDA</b>	<b>1,670</b>	<b>1,716</b>	<b>46</b>	<b>2.8%</b>
Depreciation & amortisation	(565)	(601)	(36)	6.4%
<b>EBIT</b>	<b>1,105</b>	<b>1,115</b>	<b>10</b>	<b>0.9%</b>
Net interest income (expenses)	(100)	(76)	24	(24.0)%
Net income from associates	163	212	49	30.1%
<b>EBT</b>	<b>1,168</b>	<b>1,251</b>	<b>83</b>	<b>7.1%</b>
Income taxes	(295)	(311)	(16)	5.4%
<b>NET PROFIT BEFORE THIRD PARTIES</b>	<b>873</b>	<b>940</b>	<b>67</b>	<b>7.7%</b>
Third parties net profit	-	(2)	(2)	n.a
<b>NET PROFIT</b>	<b>873</b>	<b>938</b>	<b>65</b>	<b>7.4%</b>

# Revenues

[ € mn ]	9M 2020	9M 2021	Change	Change %
<b>Regulated revenues</b>	<b>1,910</b>	<b>2,069</b>	<b>159</b>	<b>8.3%</b>
Transport	1,519	1,657	138	9.1%
Storage	374	397	23	6.1%
LNG	17	15	(2)	(11.8)%
<b>Non regulated revenues</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>Total core business revenues</b>	<b>1,930</b>	<b>2,089</b>	<b>159</b>	<b>8.2%</b>
<b>New business revenues</b>	<b>102</b>	<b>245</b>	<b>143</b>	<b>140.2%</b>
<b>TOTAL REVENUES</b>	<b>2,032</b>	<b>2,334</b>	<b>302</b>	<b>14.9%</b>

# Operating Expenses

[ € mn ]	9M 2020	9M 2021	Change	Change %
<b>Core business costs</b>	<b>262</b>	<b>373</b>	<b>111</b>	<b>42.4%</b>
Variable costs	32	94	62	193.8%
Fixed costs	200	207	7	3.5%
Other costs	30	72	42	n/a
<b>New business costs</b>	<b>100</b>	<b>245</b>	<b>145</b>	<b>145.0%</b>
<b>TOTAL COSTS</b>	<b>362</b>	<b>618</b>	<b>256</b>	<b>70.7%</b>

# Balance Sheet

[ € mn ]	2020	2021 9M	Change	Change %
<b>Net invested capital</b>	<b>19,364</b>	<b>21,079</b>	<b>1,715</b>	<b>8.9%</b>
Fixed capital	20,265	20,999	734	3.6%
Tangible fixed assets	17,178	17,312	134	0.8%
Intangible fixed assets	1,125	1,151	26	2.3%
Equity-accounted and other investments	1,923	2,455	532	27.7%
Other Financial Asset	426	402	(24)	-5.6%
Net payables for investments	(387)	(321)	66	-17.1%
<b>Net working capital</b>	<b>(861)</b>	<b>119</b>	<b>980</b>	<b>(113.8%)</b>
Receivables	1,930	2,334	404	20.9%
Liabilities	(2,791)	(2,215)	576	(20.6%)
Provisions for employee benefits	(40)	(39)	1	-2.50%
<b>Net financial debt</b>	<b>12,892</b>	<b>13,806</b>	<b>914</b>	<b>7.1%</b>
<b>Shareholders' equity</b>	<b>6,472</b>	<b>7,273</b>	<b>801</b>	<b>12.4%</b>

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