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Oggetto : The Board of Directors Approves year 2024
First Quarter Results

Testo del comunicato

Vedi allegato

PRESS RELEASE

ASCOPIAVE: The Board of Directors Approves year 2024 First Quarter Results

EBITDA at Euro 23.3 million (Euro 20.3 million in the first quarter of 2023)

Operating profit of Euro 10.9 million (Euro 8.4 million in the first quarter of 2023)

Consolidated Net Profit of Euro 6.7 million (Euro 5.6 million in the first quarter of 2023)

Net Financial Position of Euro 412.2 million (Euro 389.4 million as of 31 December 2023).

The Board of Directors of Ascopiave S.p.A., which met today under the chairmanship of Dr. Nicola Ceconato, reviewed and approved the Ascopiave Group's interim report as of 31 March 2024, prepared in accordance with IAS/IFRS international accounting standards.

The Chairman and CEO of Ascopiave, Dr. Nicola Ceconato, said: "The first-quarter results show a general improvement in performance, in line with the expectations and forecasts set out in the strategic plan. All business areas contributed to the growth in results. The gas distribution segment benefited from the tariff adjustments resulting from the increase in market rates and the recovery of the inflationary dynamics recorded last year; the results of the renewable energy segment, on the other hand, were positively impacted by the recovery of energy production, thanks to more regular rainfall and the commissioning of a new wind farm in Calabria. Lastly, EstEnergy's consolidated income increased, even against the reduction of our stake in the company. The investments realised, amounting to over Euro 15 million in the quarter, were mainly addressed to the gas distribution sector and are in line with the planned objectives".

Change in the scope of consolidation

The scope of consolidation has not changed significantly compared to the first quarter of 2023.

The following extraordinary transactions, finalised last year, led to changes in the scope of consolidation.

In January 2023, as part of an overall territorial rationalisation of its portfolio of gas distribution concessions, the minority shareholding held in Romeo Gas by the Iren Group was acquired and the business activities related to the management of some concessions in Piedmont, Liguria and Emilia-Romagna were sold to the same Group.

In March 2023, Ascopiave acquired a majority stake in Asco TLC, a company operating in the information and communication technologies sector. In June 2023, the company's Board of Directors approved the plan for its merger by incorporation into Acantho, which was subsequently approved by the shareholders' meetings of the companies involved with effect from 1 October 2023. Following the transaction, the Group holds 11.35% of the company's capital.

In November 2023, Ascopiave partially exercised its put option on the shareholding in EstEnergy, selling 15% of the company's capital to Hera Comm and thus reducing its shareholding from 40% to 25%.

At the end of 2023, the Group acquired the minority interests held by third parties in Salinella Eolico S.r.l (40%) and Serenissima Gas S.p.A. (20.63%), becoming the sole shareholder of both companies.

Sales revenues

Ascopiave Group has closed the first quarter of 2024 with consolidated revenues of Euro 47.4 million, compared to Euro 40.7 million recorded in the same period in 2023 (+17%). Turnover shows growth mainly linked to the increase in gas distribution tariff revenues, amounting to Euro 4.1 million, and the increase in renewable energy sales for Euro 3.7 million.

Gross operating margin

EBITDA in the first quarter of 2024 amounted to Euro 23.3 million, up from Euro 20.3 million in the same period last year (+15%).

EBITDA shows an increase of Euro 3.1 million, explained by the changes commented on below. Tariff revenues on gas distribution activities and income from the sale of electricity produced from renewable sources recorded growth of Euro 4.1 million and Euro 3.7 million, respectively. The completion of the rationalisation

of gas distribution concessions - which involved the transfer of 100% of the Romeo 2 shareholding to the Iren Group - in the first quarter of 2023 led to a capital gain of Euro 4.0 million. Lastly, the change in the balance of residual cost and revenue items negatively impacted EBITDA by Euro 0.7 million. Among the variances were lower other revenues of Euro 1.1 million, lower personnel expenses of Euro 0.3 million, and lower costs for materials, services and other charges amounting to Euro 0.2 million.

Operating Profit

Operating profit for the first quarter of 2024 amounted to Euro 10.9 million, compared to Euro 8.4 million in the first quarter of 2023 (+30%).

Net result

The consolidated net profit of Euro 6.7 million showed an increase of Euro 1.1 million over the same period last year (+19%).

Net financial expenses of Euro 4.5 million increased by Euro 1.8 million, mainly due to higher interest rates on financial debt.

The results achieved by the companies consolidated using the equity method contribute to the Group's economic result in proportion to the share held and in the amount of Euro 2.8 million, an increase of Euro 2.2 million (+390%) compared to the first quarter of 2023.

Taxes allocated in the first quarter of 2024 weigh on the income statement by Euro 2.5 million. The tax rate, calculated by normalising the pre-tax result of the effects of the consolidation of the companies consolidated using the equity method and the capital gain on business disposals realised in January 2023, decreased from 41.8% as of 31 March 2023 to 38.9% as of 31 March 2024. It should be noted that the discontinuation of the ACE equity relief, as of the current financial year, has resulted in an increase in the tax rate of approximately 4.5 percentage points.

Operating performance in the first quarter of 2024

Volumes of gas distributed through the networks operated by Group companies has amounted to 597 million cubic metres, an increase of 0.8% compared to the first quarter of 2023.

As of 31 March 2024, the network operated by the Group has an extension of 14,714 kilometres and connects approximately 872,800 users.

In the first quarter of 2024, the hydroelectric and wind power plants operated by Group companies, with a total capacity of 84.1 MW, produced 47.6 GWh of electricity, to which the entry into production of a new wind power plant in Calabria has also contributed.

Investments

During the first quarter of 2024, the Group realised investments in tangible and intangible assets of Euro 15.2 million, an increase of Euro 1.3 million compared to the same period in the previous year. They mainly concerned the development, maintenance and modernisation of gas distribution networks and plants.

In particular, investments in networks and plants amounted to Euro 10.1 million, of which Euro 4.0 million in connections, Euro 5.5 million in network expansions, maintenance and upgrades, and Euro 0.5 million in reduction and pre-heating plants. Investments in meters and correctors amounted to Euro 3.4 million.

Investments in renewable energy amounted to Euro 1.3 million and were mainly for the development of a new photovoltaic park in Veneto and the completion of the new wind farm in Calabria.

Financial Indebtedness

The Group's net financial position as of 31 March 2024 has amounted to Euro 412.2 million, an increase of Euro 22.8 million compared to 31 December 2023.

The overall negative cash flow was mainly determined by the following movements:

- cash flow generated financial resources of Euro 16.3 million;
- Net investments in tangible and intangible assets resulted in cash outflows of Euro 15.2 million;
- Net operating working capital management and net fiscal capital management absorbed resources totalling Euro 24.0 million.

Significant events during the first quarter of 2024

Early termination of Prelios financing

In January 2024, the subsidiary Asco EG extinguished the loan signed with Prelios ahead of the scheduled closing. The residual debt, amounting to Euro 9,043 thousand, as of 31 December 2023 was posted among medium- and long-term loans for Euro 7,652 thousand and among payables to banks and short-term loans for Euro 1,391 thousand.

Strategic Plan 2024-2027

On 18 March 2024, the Board of Directors approved the Group's Strategic Plan 2024-2027.

The plan confirms the strategic guidelines set out last year, outlining a path of sustainable growth in the core businesses of gas distribution and renewable energy, and in new areas of activity. The company has announced that development will take place under conditions of a balanced financial structure, guaranteeing a remunerative distribution of dividends. Here below are the economic and financial highlights:

- EBITDA to 2027: Euro 139 million (+ Euro 44 million compared to final 2023);
- Net profit to 2027: Euro 42 million (+ Euro 5 million compared to 2023);
- Net investments 2024-2027: Euro 617 million;
- Divestments of minority interests 2024-2027: Euro 294 million;
- Net debt to 2027: Euro 435 million;
- Financial leverage (Net Financial Position / Shareholders' Equity) to 2027: 0.48;
- Dividend payout forecast: 14 cents per share for the financial year 2023, increasing by 1 cent per share in subsequent years until 2027.

The plan presents a scenario that makes the most of the possible award by the Group of some tenders for gas distribution services in minimum territorial areas of interest. This opportunity, which depends, among other things, on the actual timing of the publication of calls for tenders, entails an estimated further growth in EBITDA to 2027 of Euro 21 million and an increase in the volume of investments of Euro 215 million.

Significant events after the end of the first quarter 2024

Ordinary Shareholders' Meeting held on 18 April 2024

On 18 April 2024, the Ordinary Shareholders' Meeting of Ascopiave S.p.A. met under the chairmanship of Dr. Nicola Ceconato.

The Ordinary Shareholders' Meeting approved the financial statements for the financial year and took note of the Group's consolidated financial statements as of 31 December 2023 and resolved to distribute an ordinary dividend in the amount of Euro 0.14 per share, for a total of Euro 30.3 million, an amount calculated on the basis of the shares outstanding as of the end of the financial year 2023. The ordinary dividend was paid on 8 May 2024 with 6 May 2024 as the ex-dividend date (record date 7 May 2024).

The Ordinary Shareholders' Meeting also approved, with a binding vote, the first section of the report on the remuneration policy and compensation paid, prepared pursuant to Article 123-ter, Legislative Decree No. 58 dated 24 February 1998 (the "TUF") (i.e., the remuneration policy for the financial year 2024) and cast an advisory vote in favour of the second section of the report on remuneration policy and compensation paid drawn up pursuant to Article 123-ter of the TUF (i.e., the report on compensation paid in the financial year 2023).

The Ordinary Shareholders' Meeting also approved a long-term share-based incentive plan reserved for the executive directors of Ascopiave S.p.A. and certain management resources of Ascopiave S.p.A. and its subsidiaries.

The Ordinary Shareholders' Meeting approved the authorisation to purchase and dispose of treasury shares, subject to revocation of the previous authorisation granted by the Shareholders' Meeting held on 18 April 2023, for the non-executed portion.

Lastly, the Ordinary Shareholders' Meeting resolved to appoint the KPMG S.p.A. to audit the accounts of Ascopiave S.p.A. for the financial years 2024 ÷ 2032.

Sustainability Report 2023 approved

On 18 April 2024, Ascopiave S.p.A. announced that it has published the Sustainability Report 2023 in the dedicated section of its website, as approved by the Board of Directors of Ascopiave S.p.A. in its meeting held on 12 April 2024, following the positive opinion of the Sustainability Committee



Foreseeable development of operations

In relation to the gas distribution activities, this year the Group will continue to be involved in the normal management and running of the service and in carrying out preparatory activities for the next tenders for the award of concessions. In the event that in 2024 the tenders relating to the Ambits of interest to the Ascopiave Group should progress, given the time normally envisaged for the presentation of the offers and those required for their evaluation and for the adoption of the award decisions by the contracting stations, it is believed that the possible start-up of the new management could take place after the end of the 2024 financial year and therefore will not be able to change the perimeter of the activities currently managed.

With regard to the economic results, given the substantial definiteness and stability of the regulatory framework, it is expected that, net of the income components of an extraordinary nature recorded in 2023 and that may possibly affect the 2024 financial year, the results will grow compared to those of the previous financial year, mainly due to the increase in tariff revenues induced by the monetary updates of the calculation parameters and the increase in the rate of return on recognised capital (from 5.6% in 2023 to 6.5% in 2024) ordered by ARERA to take into account the upward trend in market rates.

With regard to energy efficiency obligations, the Decree of 21 May 2021 of the Minister of Ecological Transition determined the national energy saving targets for the years 2021-2024. The estimated targets for 2024 for the Group's distribution companies are higher than the annual obligations for the year 2023.

As regards the production and sale of electricity from renewable sources, it should be noted that as of 1 July 2023, the effects of the decrees issued on the subject of energy price containment ceased to apply. Expected production in 2024 will benefit from the commissioning of the 21.6 MW wind farm, recently completed by the company Salinella Eolico S.r.l. in Calabria.

As far as gas and electricity sales activities are concerned, Ascopiave will benefit from the consolidation of its share of the result of the minority shareholding held in EstEnergy and of the dividends distributed by Hera Comm, both companies controlled by the Hera Group. Ascopiave holds put options on these shareholdings and it is not excluded that they may be exercised, in whole or in part, with a consequent impact on the Group's economic results and financial structure.

It should be noted that actual results in 2024 may differ from those indicatively projected above due to various factors including: general macroeconomic conditions, the impact of energy and environmental regulations, success in the development and application of new technologies, changes in stakeholder expectations and other variations in business conditions.

Declaration of the manager in charge

Pursuant to paragraph 2, Article 154-bis of the Consolidated Law on Finance, the manager responsible for preparing the company's financial reports, Mr. Riccardo Paggiaro, herein declares that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Notice of Filing of Interim Management Statements as of 31 March 2024

It is hereby announced that the Interim Management Report as of 31 March 2024 is available to the public at the company's registered office; it is circulated and stored in the "eMarket Storage" system of Teleborsa S.r.l.. It can also be consulted on the website www.gruppoascopiave.it in compliance with the legal provisions.

Attachments

Unaudited Consolidated Financial Statements.

The Ascopiave Group is one of the leading national players in the country's natural gas distribution field, managing operations in 304 towns in Northern Italy, providing service to approximately 870,000 users through a network of over 14,500 kilometres.

The Group is also active in the field of renewable energy and integrated water supply; it holds a minority stake in energy marketing enterprises and public services.

In the renewable energy sector, Ascopiave manages 29 hydroelectric and wind power plants in operation, with a nominal installed capacity of 84.1 MW.



Ascopiave is a shareholder and technological partner of Cogeide S.p.A., which manages the integrated water service in 15 towns in Lombardy, serving a catchment basin of over 100 thousand inhabitants through a network of 880 km.

Ascopiave is a partner of the Hera Group in the marketing of energy, holding a 25% stake in EstEnergy S.p.A., a leading player in the field with a portfolio of over 1 million sales contracts with end users, mainly in the Veneto, Friuli Venezia-Giulia and Lombardy regions.

Moreover, the Group holds a minority stake in energy marketing businesses (Hera Comm S.p.A.), in the field of utilities (Acinque S.p.A.) as well as in the Information and Communication Technology Services (Acantho S.p.A.).

Ascopiave has been listed on the Euronext Star Milan segment of the Italian Stock Exchange since 12 December 2006.

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Pieve di Soligo, 9 May 2024



Ascopiave Group

Schedules of the interim financial report

as of 31st March 2024

Consolidated assets and liabilities statement as of 31st March 2024 and 31st December 2023

(Thousands of Euro)	31.03.2024	31.12.2023
ASSETS		
Non-current assets		
Goodwill	61,727	61,727
Other intangible assets	708,616	704,627
Tangible assets	154,668	156,475
Shareholdings in Controlled and Affiliated companies	214,584	211,074
Shareholdings in other companies	97,257	97,257
Other non-current assets	3,451	3,478
Non current financial assets	2,656	2,507
Advance tax receivables	39,422	39,301
Non-current assets	1,282,380	1,276,446
Current assets		
Inventories	16,529	8,276
Trade receivables	91,322	33,382
Other current assets	68,644	80,831
Current financial assets	1,476	1,743
Tax receivables	4,017	4,017
Cash and cash equivalents	16,851	52,083
Current assets from derivative financial instruments	4,069	4,821
Current assets	202,909	185,153
Non-current assets disposal of assets	0	385
ASSETS	1,485,289	1,461,984
Net equity and liabilities		
Total Net equity		
Share capital	234,412	234,412
Own shares	(55,423)	(55,423)
Reserves	672,680	665,764
Net equity of the Group	851,668	844,753
Net equity of the Minorities	9,639	9,529
Total Net equity	861,307	854,282
Non-current liabilities		
Provisions for risks and charges	2,002	2,020
Severance indemnity	4,630	4,751
Long term outstanding bonds	78,677	86,347
Medium and long term bank loans	180,950	204,064
Other non-current liabilities	41,007	39,360
Non-current financial liabilities	7,301	7,448
Deferred tax liabilities	17,354	17,618
Non-Current liabilities	331,920	361,608
Current liabilities		
Short term outstanding bonds	7,603	7,708
Payables due to banks and financing institutions	158,929	140,642
Trade payables	67,480	73,026
Tax payables	3,495	795
Other current liabilities	53,170	22,114
Current financial liabilities	1,384	1,562
Current liabilities	292,061	245,847
Non-current liabilities disposal of liabilities	0	247
Liabilities	623,981	606,702
Net equity and liabilities	1,485,289	1,461,984

Consolidated income statement

(Thousands of Euro)	First Quarter	
	2024	2023
Revenues	47,440	40,719
Total operating costs	24,115	20,618
Purchase costs for other raw materials	787	803
Costs for services	11,931	11,929
Costs for personnel	5,112	5,377
Other management costs	6,370	6,710
Other income	83	4,201
Amortization and depreciation	12,450	11,723
Operating result	10,875	8,378
Financial income	175	58
Financial charges	4,641	2,712
Evaluation of subsidiary companies with the net equity method	2,779	567
Earnings before tax	9,187	6,291
Taxes for the period	(2,495)	(702)
Result of the period	6,692	5,589
Net result from transfer/disposal of assets	0	44
Net result for the period	6,692	5,633
Group's Net Result	6,546	5,821
Minorities' Net Result	146	(188)
Consolidated statement of comprehensive income		
1. Components that can be reclassified to the income statement		
Fair value of derivatives, changes in the period net of tax	(397)	(394)
Fair value of derivatives Affiliated companies, changes in the period net of tax of the companies held for sale	731	(10,213)
Total comprehensive income	7,025	(4,974)
Group's overall net result	6,915	(4,868)
Minorities' overall net result	110	(106)
Base income per share	0.030	0.027
Diluted net income per share	0.030	0.027

N.B.: Earnings per share are calculated by dividing the net income for the period attributable to the Company's shareholders by the weighted average number of shares net of own shares. For the purposes of the calculation of the basic earnings per share, we specify that the numerator is the economic result for the period less the share attributable to third parties. There are no preference dividends, conversions of preferred shares or similar effects that would adjust the results attributable to the holders of ordinary shares in the Company. Diluted earnings per share are equal to earnings per share because there are no ordinary shares that could have a dilutive effect or shares or warrants that could have the same effect.

Statement of changes in consolidated shareholders' equity as of 31st March 2024 and 31st March 2023

(Thousands of Euro)	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) carried forward	Net result for the year	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1st January 2024	234,412	46,882	(55,424)	(239)	425,544	157,402	36,176	844,753	9,529	854,282
Result for the period							6,546	6,546	146	6,692
Fair value of derivatives					(362)			(362)	(36)	(397)
Fair value of derivatives in Shareholdings in Controlled and Affiliated companies					731			731		731
Total result of overall income statement				(0)	369	(0)	6,546	6,915	110	7,025
Allocation of 2023 result						36,176	(36,176)	(0)	(0)	(0)
Balance as of 31st March 2024	234,412	46,882	(55,424)	(239)	425,912	193,578	6,546	851,668	9,639	861,307

(Thousands of Euro)	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Profit/(loss) carried forward	Net result for the year	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1st January 2023	234,412	46,882	(55,424)	(162)	454,997	152,910	32,664	866,280	20,123	886,403
Result for the period							5,821	5,821	(188)	5,633
Fair value of derivatives					(475)			(475)	81	(394)
Fair value of derivatives in Shareholdings in Controlled and Affiliated companies					(10,213)			(10,213)		(10,213)
Total result of overall income statement				(0)	(10,689)	(0)	5,821	(4,868)	(106)	(4,974)
Allocation of 2022 result						32,664	(32,664)	(0)	(0)	(0)
Variation Affiliated companies' shareholdings					(5,085)			(5,085)	(989)	(6,073)
Others movements					(1,198)			(1,198)		(1,198)
Balance as of 31st March 2023	234,412	46,882	(55,424)	(162)	438,026	185,574	5,821	855,130	19,028	874,158

Consolidated statement of cash flows

(Thousands of Euro)	First Quarter	
	2024	2023
Total comprehensive income	6,915	(4,868)
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Minorities' overall net result	110	(106)
Fair value of derivatives in Shareholdings in Controlled and Affiliated companies	(731)	10,213
Fair value of derivatives, changes in the year	397	394
Amortization	12,450	11,723
Svaluation of assets	640	899
Bad debt provisions	0	160
Variations in severance indemnity	(121)	130
Current assets / liabilities on financial instruments	354	(953)
Net variation of other funds	(18)	61
Evaluation of subsidiaries with the net equity method	(2,779)	(567)
Capital losses / (Capital gains) on disposals of shareholdings	0	(4,046)
Other variations of net income without financial effect	(29)	(2,347)
Interests paid	(4,333)	(2,886)
Interest expense for the period	4,662	2,712
Taxes for the period	2,495	702
Total adjustments	13,098	16,088
Variations in assets and liabilities		
Inventories	(8,252)	(7,098)
Accounts payable	(57,940)	(4,118)
Other current assets	12,325	4,480
Trade payables	(5,669)	(13,518)
Other current liabilities	30,546	17,877
Other non-current assets	28	104
Other non-current liabilities	1,647	274
Total variations in assets and liabilities	(27,315)	(1,999)
Cash flows generated (used) by operating activities	(7,302)	9,222
Cash flows generated (used) by investments		
Investments in intangible assets	(14,283)	(11,714)
Realisable value of intangible assets	0	13,538
Investments in tangible assets	(872)	(1,874)
Realisable value of tangible assets	0	807
Acquisitions in investments and avances	(0)	(32,775)
Cash flows generated/(used) by investments	(15,155)	(32,018)
Cash flows generated (used) by financial activities		
Net changes in short-term bank borrowings	(26,121)	(15,567)
Net variation in current financial assets and liabilities	125	(29,247)
Net variation Long-term bank loans	(7,778)	0
Ignitions loans and mortgages	51,000	132,700
Redemptions loans and mortgages	(30,000)	(79,000)
Cash flows generated (used) by financial activities	(12,774)	8,886
Variations in cash	(35,231)	(13,910)
Cash and cash equivalents at the beginning of the year	52,083	76,917
Cash and cash equivalents at the end of the period	16,851	63,007

