



PRESS RELEASE

ESTRA: the Board of Directors approves the consolidated results at 31/12/2017.

Adjusted consolidated net profit equal to € 18.8 million (+6.3%).

Total revenues exceed € 1 billion and adjusted consolidated Gross Operating Margin up by 4.9%.

Prato, 06 March 2018 -- the Estra S.p.A. Board of Directors has approved the consolidated results at 31 December 2017.

Key economic figures¹

In 2017, Estra achieved total consolidated revenues of € 1,016.5 million, compared to 1,044.4 million in 2016 (-2.7%). The decrease was due to lower activities in the trading sector.

The adjusted consolidated gross operating margin (EBITDA) came to € 86.7 million, demonstrating 4.9% growth in 2017 compared to the 82.6 million of 2016, and driving the growth in the EBITDA margin from 7.9% to 8.5%.

The adjusted consolidated operating results (EBIT) reached € 45.4 million in 2017, a 19% increase with respect to the figure the previous year (38.2 million).

Adjusted consolidated net profit came to € 18.8 million (+6.3% compared to the 17.7 million registered the previous year).

¹ The Group's consolidated income statements in 2017 and 2016 were influenced by certain income components deriving from non-recurring events or operations which did not represent normal business, mainly relative to write-downs of assets, extraordinary financial charges for early repayment of financial liabilities and extraordinary allocations/reversals relative to provisions for risks. These components did not affect 2017 revenues, but had a negative impact on EBITDA of € 1 million, a positive impact of € 0.7 million on EBIT and a positive impact of € 2.7 million on net profit. These components had a negative impact of € 4 million on 2016 revenues, a negative impact on EBITDA of € 4 million, a positive impact of € 0.9 million on EBIT and a positive impact of 2.6 million on net profit.



Continuing the process begun in 2014 through the joint venture with Multiservizi, at the end of the year Estra took another step towards consolidating its presence in the Mid-Adriatic area, opening the way for Multiservizi to invest in its share capital.

In 2017, Estra continued along its path of growth through industrial operations and commercial development policies, achieving an overall figure of more than 750,000 customers.

Relative to the distribution of natural gas, in view of the participation in ATEM tenders (*Ambito Territoriale Minimo* - regulatory/distribution areas), Estra continued to invest in the expansion of networks and in developing know-how, to strengthen its presence in its traditional areas of operation, in which it manages 5,418 km of networks and provides gas to 400,000 PODs.

In recent years, the Group has also expanded its approach to traditional business sectors, thanks to the contribution of the ICT-IT (Information and Communication Technologies) departments, with 611 km of proprietary fibre-optic line.

The Group has also reinforced its position in the field of renewable energies with an investment to acquire 100% of the companies Cavriglia SPV and Tegolaia SPV, the largest photovoltaic system in Tuscany and among the largest in Italy.

Main balance sheet data

Consolidated shareholders' equity at 31/12/2017 reached € 331.9 million, an increase with respect to the 320.5 million at 31/12/2016.

Net financial debt amounted to € 216.9 million at 31/12/2017, up slightly with respect to the figure at the end of 2016 (€ 205.7 million), showing a decrease in current financial debt and an increase in medium and long-term financial debt.

Return on Equity (RoE) increased from 5.4% at the end of 2016 to 5.7% at the end of 2017 and, during the same period, Return on Investment (RoI) rose from 7.3% to 8.3%.

Statements from the Chairman and Chief Executive Officer

"The year which just ended confirms the Group's positive performance, in continuation of the remarkable results seen last year," stated the Chairman of Estra, Francesco Macrì. "The main economic/financial benchmarks are up, testifying to the validity and effectiveness of the path taken by Estra, and to its ability to grow in all the industrial



sectors in which it operates. Innovation and sustainability, as well as a sense of connection to the local area, represent the key values that serve as the foundation of these significant results and will continue to serve as the foundation for Estra's future."

"We're proud of the operating performance we have achieved," declared Alessandro Piazzzi, Estra's Chief Executive Officer. "The results we've accomplished confirm yet again the robustness and reliability of the Group, and its ability to serve as a reference for the customers and regions in which it operates. In this context we are determined to pursue the development projects undertaken in line with our strategic plan, and we are ready to take advantage of all the opportunities offered by the current energy scenario."

Disclaimer

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Estra

The Estra Group is among Central Italy's leading companies in the natural gas and electricity sales sector and was established in 2010 through the combination of three Tuscan multi-utility companies with public capital (Consiag S.p.A., Intesa S.p.A. and Coingas S.p.A.). On 28/12/2017, Multiservizi S.p.A. di Ancona (also a public multi-utility company) became part of Estra's shareholding structure. 141 municipalities in the provinces of Ancona, Arezzo, Florence, Grosseto, Macerata, Pistoia, Prato and Siena are therefore indirect shareholders of Estra.

Estra operates through its subsidiaries in Tuscany, Umbria, Le Marche, Abruzzo, Molise, Campania and Calabria and is active in the distribution, sale and supply of natural gas, in the distribution and sale of LPG and in the sale and supply of electricity. In addition, it operates in telecommunications, in the planning and management of energy services and in renewable energy production.

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