



COMPANY PROFILE

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ESTRA

A Major Player in Italy's Energy Industry

Revenues at €1,777 million

With **over 759,000** natural gas and electricity **customers** and total **revenues of €1,777million** in 2022, the **Estra Group** is a **major player in Italy's energy sector**, with a particularly strong presence²⁰² in central Italy.

Natural gas and electricity

The Group operates at the Italian domestic level through its subsidiaries, employing a **staff of over 853**, mainly based in **Tuscany, Umbria, Marche, Abruzzo, Molise, Campania, Calabria and Puglia**. Its business mainly consists of the distribution and sale of **natural gas**, the sale of **electricity** and other lines of business such as natural gas trading, telecommunications, renewables, energy efficiency and integrated waste cycle management, on both the regulated and free markets.

139 municipalities indirect shareholders

Estra was **established in 2009** as the result of the **combination of three state-owned multi-utility companies based in Tuscany**: Consiag, based in Prato, subsequently merged into **Alia Servizi Ambientali**, which currently holds a 39.5% interest in the company; **Coingas**, based in Arezzo (with a 25.14% interest); and **Intesa**, based in Siena (25.14%). In late 2017, the multi-utility company Viva Servizi also became a shareholder and subsequently transferred 10% of its interest in Estrato **Viva Energia**, based in Ancona. The remaining 0.22% is held by Estra.

Estra's shareholders represent most of the municipalities in the provinces of Ancona, Arezzo, Florence, Grosseto, Macerata, Pistoia, Prato and Siena.

Business lines

Estra's business lines are:

- **Sale of natural gas and electricity**

The Group **sells natural gas and electricity throughout Italy**, on both retail and wholesale markets, including procurement of natural gas and electricity, dispatching, storage and logistics.

The Group **operates on both the free and regulated markets**, where it sells natural gas through both retail and wholesale channels and sells electricity, primarily through retail channels, to domestic, industrial and government users, in addition to residual wholesale business with wholesale clients and power companies.

Estra has a local distribution **network of 82 stores and public offices**.

The following are some **key figures** regarding the Company's **sale of natural gas and electricity** during the year ended 31 December 2022:

- **559,234 methane gas customers;**
- **1,167 Mm³ of natural gas sold;**

- **195,322 electricity customers;**
- **718 GWh of electricity sold.**

Green energy

In 2019, Estra expanded its range of energy supply contracts for domestic customers to include Pura Luce (now **Scelta Pura Luce**), a certified renewable energy solution that offers a valuable alternative to that increasingly broad segment of customers attentive to the environment and the local area. Pura Luce provides customers with electricity exclusively from renewable sources with a certified Guarantee of Origin that ensures full compliance with international standards and guaranteed sources.

In November 2020, the green range was also extended to natural gas customers thanks to **Scelta Pura Gas**.

This solution ensures the offsetting of CO₂ emissions from customers' natural gas consumption through the financing of international projects that develop renewable energy and aim to fight climate change. In particular, the Estra Group signed a three-year agreement with AzzeroCO₂, a sustainability and energy consultancy company owned by Legambiente and Kyoto Club, for the launch of a structured programme to offset the CO₂ emissions generated in the combustion of the methane gas sold. Emissions are offset through the purchase of CO₂ credits on the voluntary market that arise from international renewable energy development projects certified Gold Standard, i.e., selected from among those with the best social, environmental and economic characteristics and compliant with the main audit standards recognised at the international level.

In addition, Estra has joined "Mosaico Verde", a major Italian reforestation campaign created and promoted by AzzeroCO₂ and Legambiente to bring together local entities that need to recover green space and companies interested in investing resources in creating or protecting permanent woodlands. Reforestation initiatives supported by Estra provide for the plantation of approximately **9,000 trees in the three-year period 2021-2024**. Specifically, the project will involve municipalities and national parks in central Italy, where the Estra Group has its roots.

• **Natural gas distribution**

Presence in Central and Southern Italy

Estra also distributes natural gas as **technical and operational manager of distribution networks, both under concession and on a proprietary basis, in 8 Minimum Geographical Areas (ATEMs)**, primarily in the regions of Central and Southern Italy, through the companies Centria, Gergas, EdmaReti Gas and MurgiaReti Gas.

The following are key figures regarding the distribution of natural gas during the year ended 31 December 2021 referring to the Group's consolidated companies alone:

- **634,000 natural gas redelivery points ("RPs") served;**
 - **790 Mm³ of natural gas distributed;**
 - **8,383 km of network managed.**
- **Natural gas trading**

Estratrades **natural gas** on Italian and international platforms.

In 2011, it began **to trade natural gas on wholesale markets** in support of its other lines of business and with the aim of increasing its coverage of the entire natural gas chain, in order to improve its purchasing and procurement conditions and generate larger margins on natural gas sales.

In particular, the Group trades natural gas **to optimise its customer portfolio** by offering greater flexibility in the marketing of its natural gas.

Formattato: Colore carattere: Nero, Non Evidenziato

- **Integrated waste cycle management**

The Group has started to operate in the integrated waste cycle management sector, strengthening its role as a multiutility serving the local areas. In February 2019, the Group finalised the acquisition of **EcolatS.r.l.**, an environmental services and waste management company based in Tuscany (holding an interest in Sei Toscana S.r.l.) — a process that had begun in August 2018 with the acquisition of a 12% interest in the company.

In February 2021, the Group acquired 100% of **ECOS S.r.l.**, a company operating in the special waste management sector.

In May 2022, it increased its interest in **BisenzioAmbienteS.r.l.**, a company that owns a treatment facility for special waste, from the 5% acquired in November 2020 to 100%.

- **Other business lines**

The Group also operates other **lines of business** such as:

- **Telecommunications:** provision of **ultra-broadband fibre-optic connectivity**, ADSL and telephony services, and video surveillance and security systems for businesses and individual customers. In this line of business, Estra has **4,565 customers** and **1,380 km of proprietary optical fibrecables**;
- **Energy services:** management of third-party heating systems (heat management services), energy-efficiency and energy retrofitting services and global services. In 2022, customers numbered **2,220** and **installed capacity was 35 MW**;
- **LPG distribution and sale:** the Group serves approximately **5,205 customers** in the provinces of Arezzo, Grosseto, Livorno, Prato, Siena and Rimini through a **network of approximately 150 km**;
- **Renewable energy:** generation of electricity from renewable sources, mainly within the solar photovoltaic and biomass industries, for a total of **32 million KWh** generated in 2022. Production of thermal energy from renewable sources (biomass) for a total of over **17 million KWh** generated in 2022.

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Financial Highlights

Revenues: €1,777 million

In 2022, Estra's **total revenues amounted to €1,777 million**, increasing compared to €1,058.5 million in 2021. Said result is mainly driven by the sale of gas and electricity (+74%) and attributable to the increase in commodities prices.

EBITDA: €104.5 million

EBITDA stood at **€104.5 million**, down 7% compared to 2021, mainly due to the margin decline in the sale of natural gas and electricity, largely offset by the increase in the energy efficiency sector. **EBIT** went from €50.5 million in 2021 to **€35.4 million** in 2022, due to the decline in EBITDA and the €7.4 million increase in amortisation, depreciation and provisions compared to 2021 — almost entirely attributable to the changed consolidation scope.

Net profit: €423 million

At 31 December 2022, consolidated **Equity** amounted to **€423 million** (€413 million in 2021) and **Net financial debt** was **€352 million** (€240 million in 2021).

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The Group's Strengths and Strategic Guidelines

Estra has several key strengths in its industry:

Strong local presence

- The Group has a **strong local presence in central Italy**, primarily in **Tuscany**, in the provinces of **Arezzo, Prato, Siena and Grosseto**, as well as in the province of Rieti. It also operates through joint ventures or associates in the **Marche** region, in the provinces of **Ancona** and **Ascoli Piceno**, where it is the incumbent in the natural gas distribution and sales market.

A wide and consolidated customer base

- In the past three years, Estra has **gained market share and expanded its customer base**, including through retention policies, leveraging its brand awareness, developing traditional and online communications channels, and making considerable investments. In particular, **the number of its customers rose from 449,000 in 2010 to over 759,000 at the end of 2022**.

Track record

- Historically, the Group has shown a **strong capacity for both organic growth based on commercial development policies** throughout Italy and for **non-organic growth** based on acquisitions of other industrial players.

Technological expertise

- Estra Group stands out for its **technical, industrial and technological expertise** in its sectors of operation. In particular, Estra brings advanced tools to bear on the construction, operation and maintenance of natural gas distribution networks, such as an advanced remote control system that permits constant monitoring of the distribution network and prompt maintenance work.

In addition to using advanced technologies, Estra has adopted an **approach that is open to innovation** in order to integrate innovative solutions into company processes and the products/services offered to customers.

Its **2023-2027 Strategic Plan** is based on three long-term strategies (Sustainability, Digital and Human), permeated by the Group's values, which are structured into four strategic pillars:

- Growth
- Technological Evolution
- Network
- Efficiency

Estra Group aims to harmonise its financial goals with its social and environmental objectives in the local areas where it operates. The strategy focuses on a balance between Nature and Life.

The Sustainability area includes not only promoting the circular economy and the provision of green gas and electricity, but also activities aimed at raising energy efficiency and reducing consumption, incentives for electric vehicles in the pursuit of decarbonisation targets and increased use of renewable energy sources.

One substantial component relates to measures to increase the resilience of infrastructure with a view to abating CO₂ emissions.

The Digital strategic focus calls for the use of digital technologies to innovate or transform business processes, increasing the competitiveness and efficiency of the corporate model. For Estra, the technological and digital transformation is a fundamental step to strengthen its sustainable economic model, the strategy for which also includes the development of cloud, mobile, analytics and big data technologies.

The goal of the Human dimension is to create ties to people internal and external to the organisation and promote choices capable of combining the achievement of certain levels of performance with the wellbeing of the Group's stakeholders, enhancing human capital and thus promoting organisational engagement and individual commitment.

ESTRA

Company Overview

Year of incorporation	2009
Registered office	Via Ugo Panziera 16 – 59100 Prato – www.estra.it
Board of Directors	Nicola Ciolini (Chief Executive Officer) Alberto Irace (General Manager) Francesco Macri (Executive Chairman) Alessandro Fabbrini (Deputy Chairman) Daria Orlandi (Director) Maria Cristina Rossi (Director)
Total revenues (2022)	€1,777 million
EBITDA (2022)	€104.5 million
Net profit for the year (2022)	€23.1 million
No. of energy customers (2022)	754,556
Workforce at 31 December 2022	853