

Signed the sale and purchase agreement for the acquisition of 2i Rete Gas

Milan, 5 October 2024 – Italgas announces that F2i SGR S.p.A. and Finavias S.à r.l. accepted the binding offer relating to the purchase of their shareholding in 2i Rete Gas S.p.A. and the related Share Purchase Agreement (SPA) has been signed. The positive outcome follows the negotiations disclosed to the market on May 13, 2024.

*“With this transaction - **commented Italgas CEO Paolo Gallo** - Italgas Group marks a historic milestone in its long and prestigious history. The acquisition of 2i Rete Gas allows us to become the leading operator in Europe in the gas distribution sector, after being recognized as a global benchmark in terms of innovation and digitalization.*

As the leading operator in Italy and Greece, Italgas — through this transaction — reinforces its commitment to achieving decarbonization goals, with resilient infrastructure and sustainable energy costs. Extending our digital applications across the entire network and adopting advanced technologies such as artificial intelligence will enable us to monitor and manage our infrastructure in real-time, improving operational efficiency while increasing safety and reliability. This will create value for our shareholders and all our stakeholders. We look forward with confidence to the next steps of the transaction to complete this significant project, in line with our strategic vision and the needs of the country within the framework of European goals.”

2i Rete Gas overview

2i Rete Gas is the second-largest gas distribution operator in Italy, present across most of the country, serving 4.9 million customers. In 2023 it recorded adjusted revenues of €815.0 million, an adjusted EBITDA of €546.3 million, an adjusted EBIT of €317.7 million, and an adjusted net profit of €181.3 million. In 2023 investments amounted to €372.2 million.

Terms of the Offer

The consideration (equity value) of the transaction is 2.060 billion euros. The net financial debt and other net liabilities as of December 31, 2023, amount to 3.246 billion euros.

The closing of the transaction is expected within the first half of 2025, subject to obtaining the necessary regulatory approvals.

Financing

Italgas will meet its financial needs through a “bridge” financing initially underwritten by J.P. Morgan and syndicated to a pool of lending banks including Banco BPM, BofA Securities, Citi, J.P. Morgan, Morgan Stanley, and Société Générale. This will also be refinanced through a rights issue amounting to 1 billion euros, aimed at maintaining the current credit rating profile. The terms and conditions of the capital increase will be defined later.

Advisors

J.P. Morgan acts as the financial advisor in the context of the transaction. Legance – Avvocati Associati serves as the legal advisor, and the firm Foglia & Partners is responsible for tax matters. J.P. Morgan, BofA Securities, and Jefferies have provided a fairness opinion to the Board of Directors of Italgas in relation to the transaction.