

Press release

2018 consolidated financial statements of AIM Vicenza Spa presented to the City Council

This morning, the Sole Director, Gianfranco Vivian, and the General Manager, Dario Vianello, presented the 2018 Financial Statements and the Non-Financial Statement (Sustainability Report) to the City Council.

The 2018 financial year ended for the AIM Group with performances that improve the planned budget and confirm the trends of the Business Plan.

The earnings and the main economic, financial and sustainability indicators are higher than expected and represent the **best result ever** for the AIM Group.

The **value of production** amounted to **282** million Euro (262 million Euro in 2017); **EBITDA** reached **58** million Euro compared to 48 million Euro in the previous year; net profit exceeded **14 million** Euro (14.2 million Euro in 2018 and 8.9 million Euro in 2017) after recording over 28 million Euro of depreciation/amortisation; 9 million Euro of accruals and 3.3 million Euro of taxes.

The positive results confirm **the validity of the company's strategy**, which is positioned on more than one business lines that allow an adequate balancing of potential market variables. The development of business both internally and through acquisitions, combined with the continuous search for improvement in the efficiency of industrial processes, allowed the AIM Group to continue the strengthening, also thanks to its ability to anticipate and seize the best opportunities in a complex and ever-changing scenario.

The growth path undertaken was developed taking into account the principle of sustainability in all its dimensions: environmental, social and economic, through activities that meet the **17 objectives of the UN Agenda**, with a special attention to the impact that the services provided by the AIM Group have on the territory with regard to the community, suppliers, human resources and Property.

In 2018, the AIM Group achieved a further consolidation of its financial resources, confirming a virtuous process of relaunching and strengthening that has led, in recent years, to an improvement in the net financial position to -85 million Euro (-110 million Euro in 2017).

The **value of the share** of AIM has increased by **28% since 2010**

FINANCIAL HIGHLIGHTS

- **Value of production of 282** million Euro
- **EBITDA 58** million Euro
- **Net profit 14** million Euro
- **Net financial position -85** million Euro

INDUSTRIAL HIGHLIGHTS

- Increase in electricity customers in the free market by **30%** compared to 2017; gas customers increased by **1%**
- **3%** increase in the number of cars that used the car parks managed by the AIM Group
- Sorted waste collection exceeded **75%**, slightly up compared to 2017

- The gas network, managed by Servizi a Rete-SAR, increased by **3 km**. 258 million cubic metres of gas were distributed
- Installation of more than **20,900 gas meters**.
- Laying of **3 km** of electricity network and kWh **1,167** million introduced into the network
- Installation of **690 electronic meters** for electricity with remote reading, to complete the programme replacing the previous electromechanical technology
- Increase in LED lights (+181)
- Laying of further **4 km** of optical fibre, with a further increase of 4 terminal points to the city network.

SOCIAL HIGHLIGHTS

- **The average workforce** committed in 2018 was **612**, with 8% part-time relations.
- During the year, **39 new resources were hired**.
- During the year, almost **10 hours of training** were given to each employee, involving 76% of the personnel.
- There were **25 school-work internships**.
- During the year, **over 53 thousand tickets were issued** at the AIM desks, while the call centre answered over **113 thousand calls** with waiting times of less than 2 minutes.
- The AIM Group interfaced with **1,000 suppliers**.
- More than **59 million Euro** of added value was distributed throughout the territory among stakeholders.

KEY ECONOMIC AND FINANCIAL FIGURES

The value of production stood at **282.3 million Euro**, EBITDA was equal to **57.9 million Euro** and represents **20.5%** of the value of production (**EBITDA MARGIN**). Group profit amounted to **14.2 million Euro**, which was also determined for 2018 in accordance with the International Financial Reporting Standards (IFRS).

Net financial debt at 31 December 2018 was **85 million Euro**, with a net debt ratio of **45%** of equity, a clear improvement over the previous year's ratio of 62%.

The short-term financial position improved from **+25.3 million Euro** in 2017 to **+43 million Euro** at the end of 2018.

Medium-/long-term debt decreased from **-135 million Euro** in 2017 to **-128 million Euro** in 2018, even though the new loans included a further bond issue of **20.5 million Euro**.

The average use of short-term credit facilities fell from **40 million Euro** in 2017 to **26 million Euro** in 2018 (-35%): all this was due to a significant improvement in cash flow.

The settlement of the "Assocogen" dispute with Cassa per i Servizi Energetici e Ambientali also had a positive effect on the Company's results.

Non-current assets amounted to **324.6 million Euro**, while current assets amounted to **203.6 million Euro**, and **shareholders' equity** to **187 million Euro**.

INVESTMENTS

During 2018, the AIM Group made **industrial investments totalling 20.4 million Euro** in the various lines of business. The works mainly concerned Electric Power distribution of **4.6 million Euro**, Methane gas distribution of **9.1 million Euro** and the Environment area of **2.5 million Euro**.

In particular, in the Servizi a Rete sector, the AIM Group invested in the renewal of plants (over 3 million for electronic meters) and in the extension of networks, both electrical and methane gas. AIM Ambiente dedicated a large part of its investments to the adjustment of the vehicle fleet, with a special attention to the containment of emissions, through the purchase of low environmental impact and electrical vehicles. Moreover, it expanded the equipment of the collection structures in order to consolidate the quality of the service provided. Finally, work continued on the preparation of new portions of the Grumolo delle Abbadesse landfill in accordance with the authorised project.

MAIN QUANTITATIVE DATA

The quantity of natural gas sold by the AIM Group to its customers was **227 million cubic metres**, and the electricity sold was **344 million kWh**; the sale of thermal energy was equal to **40 million kWh**.

AIM Energy and CogasPiù Energie increased the number of customers served for electricity and gas to **223,827** thanks to targeted commercial and promotional initiatives carried out on the local and national territory.

AIM Ambiente collected **69,432 tons of waste**, of which 52,353 tons came from sorted waste collection (+4.31%), which therefore improved compared to 2017, bringing the **sorted waste collection index to 75.4%**.

Servizi a rete-SAR distributed **257.8 million cubic metres of gas** and **1,167 million kWh of electricity**.

AIM Amcps took care of and maintained **1.1 million square meters of parks and gardens** and **1,516 council houses** and ensured the management and maintenance of municipal buildings, school buildings and offices. During the year, over **4 thousand road maintenance operations were carried out** on 544 km of municipal roads and 65 km of cycle lanes.

Finally, AIM Mobilità managed **14 barrier car parks** with more than **2.2 million cars**, of which more than 2,700 are electric, which have benefited from free parking and charging with a view to promoting sustainable mobility.

Alternative performance indicators

This press release uses "alternative performance indicators" that are not envisaged by the international accounting standards as adopted by the European Union (IFRS-EU) but are considered useful by the management of AIM Vicenza Spa for a better evaluation and monitoring of the economic and financial performance of AIM Vicenza Spa and the Group. In line with the recommendations of the Guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA) pursuant to Regulation no. 1095/2010/EU and incorporated by Consob into its supervisory practices with Communication no. 92543 of 3 December 2015, the meaning, contents and calculation base of these alternative performance indicators are set out below:

- **EBITDA MARGIN** calculated as **EBITDA** index on the **VALUE OF PRODUCTION**;
- **EBITDA** is an alternative indicator of operating performance and is calculated as a profit or loss for the year, including the minority interest adjusted for the following items: (i) Income tax for the year, (ii) Adjustments to financial assets and liabilities, (iii) Total income and financial expense (iv) Amortisation and depreciation (v) Other provisions, deriving from the consolidated financial statements audited by the Issuer at 31 December 2018 (IFRS);
- **NET FINANCIAL DEBT** Net financial debt is an alternative indicator of the financial structure, calculated by deducting consolidated cash and cash equivalents, financial receivables, financial receivables from associates from the sum of consolidated short-term financial payables and consolidated medium and long-term financial payables prepared in accordance with IFRS.

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