



1Q2019 Results

24 April 2019

Main highlights P&L

- ✔ EBITDA **€229.9 million (-6.5%)**
- ✔ Net Profit **€103.9 million (+0.2%)**
- ✔ Affiliates' contribution to net profit **€25.9 million** (representing 24.9% of the net profit)

Main highlights Cash Flow

- ✔ Operating cash flow **€218.1 million (+18.4%)**
- ✔ Investments **€631 million**

Net Debt

- ✔ Net Debt **€4,407 million**
- ✔ Financial Cost **2.1%**

Domestic gas demand

- ✔ Domestic natural gas demand at 31 March 2019 **+2.4%**
- ✔ Industrial demand at 31 March 2019 **+4.9%**

Income statement

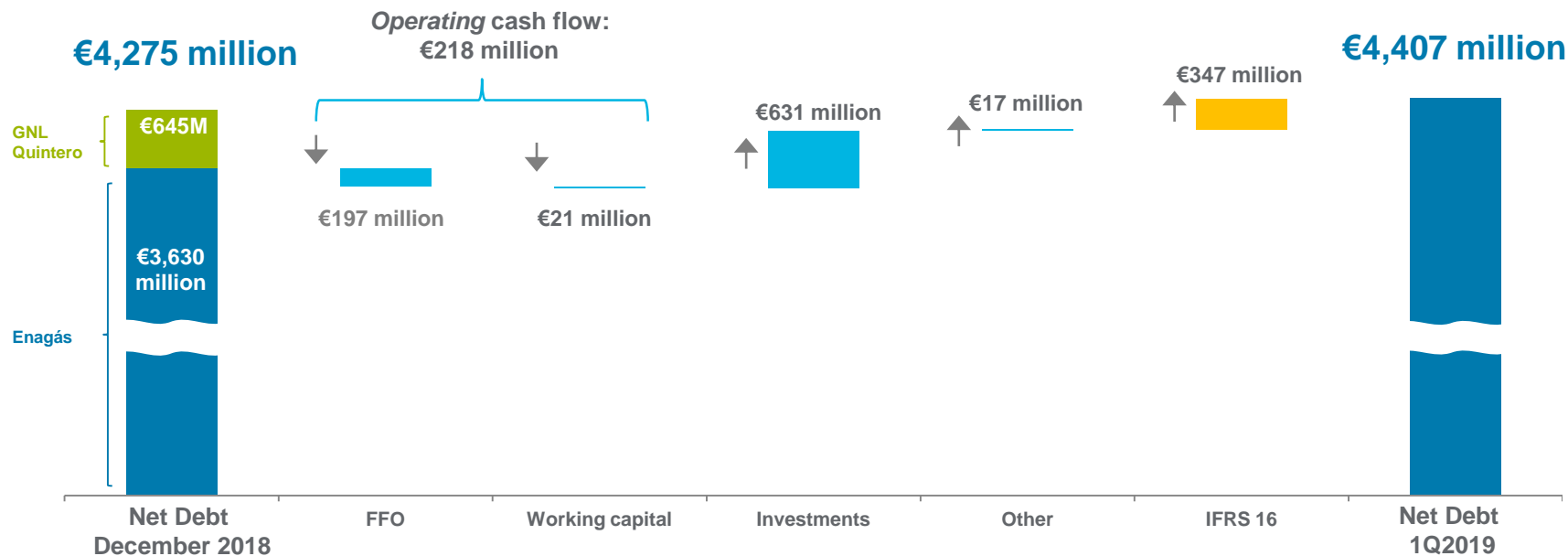


Millions of euros (€)	1Q2018 ⁽¹⁾	1Q2019 ⁽²⁾	Pro forma GNL Quintero by Equity method			
			1Q2018	1Q2019	Var. %	
Total revenue	342.2	309.8	300.5	278.2	-7.4%	-----> There was higher unregulated revenue billing in 1Q2018 of €12 million
Operating expenses	93.4	-86.3	-85.8	-81.1	-5.5%	-----> Including the impact of applying IFRS 16, thus entailing a decrease of €8.5 million in operating expenses
Results from Affiliates	25.5	28.0	31.2	32.8	+5.4%	-----> TGE will begin contributing in April 2019
EBITDA	274.3	251.5	245.9	229.9	-6.5%	-----> 1Q2018 contains a non-recurring effect on depreciation and amortisation of €19 million 1Q2019 includes the impact of applying IFRS 16, thus entailing an increase of €7.0 million in depreciation and amortisations
Amortisation and depreciation	-96.3	-77.1	-83.6	-67.9	-18.7%	
PPA	-5.7	-5.7	-7.6	-6.9	-8.9%	
EBIT	172.4	168.7	154.7	155.0	+0.2%	-----> Including higher financial expenses (€2.3 million) upon IFRS 16 application
Financial results	-33.6	-33.7	-23.8	-27.2	+14.1%	
Corporate income tax	-30.1	-26.6	-27.0	-23.8	-11.7%	
Minority interests	-4.9	-4.6	-0.2	-0.2	-11.0%	-----> Net profit in line with the expected budget and market
Net profit	103.9	103.9	103.7	103.9	+0.2%	

(1) GNL Quintero reported under the global integration method

(2) GNL Quintero reported according to the global integration method until February 2019 and has been reporting under the equity method since March.

Cash flow and net debt evolution



1 Core business development in strategic geographies

2 Strategic agreement with leading partners

3 Industrial role of Enagás in the consortium

Strategic transaction in the Enagás *core business* to reinforce medium and long-term dividend sustainability

4 Low-risk growth platform

5 Impacts on our business: Double digit IRR

Trans Adriatic Pipeline (TAP)



Project-finance specialised magazine “PFI” recognised the TAP financing as Deal of the Year in Europe for Oil&Gas.

- The project is currently 85.7% complete.
- Work in Albania and Greece is progressing as planned. The Greek pipeline section is finished, except for 2 km in the Kavala region, where work continues to cover trenches.
- Status in Italy: After securing the final green light for the project from the Italian government, work began on the Italian coast in January 2019 to build a micro-tunnel spanning the 1,500 metres necessary to run the pipeline under the coastline. The construction is currently ahead of schedule, and over 1,000 metres have now been built. The Italian offshore part will begin upon completion of the tunnel.
- Investment: Enagás will contribute a further €62 million in capital to TAP until the project is commissioned. Enagás' total investment in TAP until completion of the construction work is expected to reach €232 million, in line with the project's estimated capital structure.

Albania's offshore project achieved a significant milestone: The first 5 kilometres of pipeline entering the sea from the coast were completed.

- On the 2nd July last, published as a relevant fact, Enagas has filed to the ICSID a request for arbitration against the Republic of Peru before the ICSID, regarding a dispute involving its investment in GSP, under the terms of the Agreement for the Promotion and Reciprocal Protection of Investments signed between the Republic of Peru and the Kingdom of Spain ("APPRI Peru-Spain").
- The ICSID has admitted the beginning for arbitration and timing and procedures established are progressing as expected.
- The Company is still confident that an agreement will be reached to put an end to the arbitration proceedings started and to this end, it remains at the disposal of the Republic of Peru to enter into the necessary discussions to reach an amicable solution.
- Based on expert reports and analyses performed by its legal and financial external advisors, the Company currently believes it would recover its investment in GSP within an estimated period of three (3) years.
- In a recent declaration, the Peruvian Minister of Energy and Mines announced that the route of the new transmission system that will supply gas to the south of the country, will be awarded in 2020.

Pro-forma GNL Quintero by
Equity method

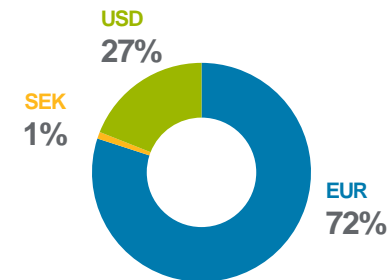
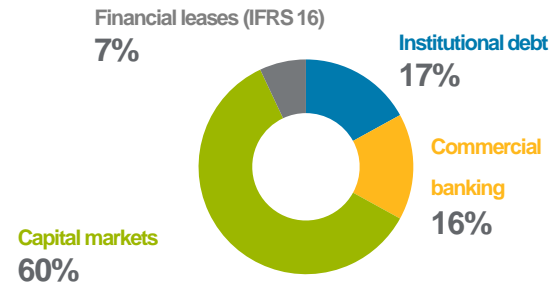
	1Q2018	2018	1Q2019	1Q2019 (1)
Leverage and liquidity				
Net debt (*)	€4,157M	€3,630M	€4,407M	€4,407M
Net debt/Adjusted EBITDA (**)	4.2x	3.8x	4.7x	4,2x
FFO/net debt	18.1%	20.0%	16.4%	18.1%
Financial cost of debt	1.9%	2.0%	2.1%	2.4%
Liquidity	€2,309M	€2,467M	€2,417M	€2,417M

(1) Includes two-month global consolidation of GNL Quintero

(*) 2018 Stand-alone net debt

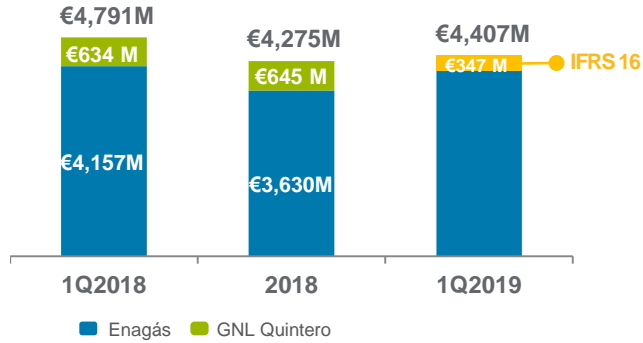
(**) EBITDA adjusted for dividends received from affiliates

Debt type



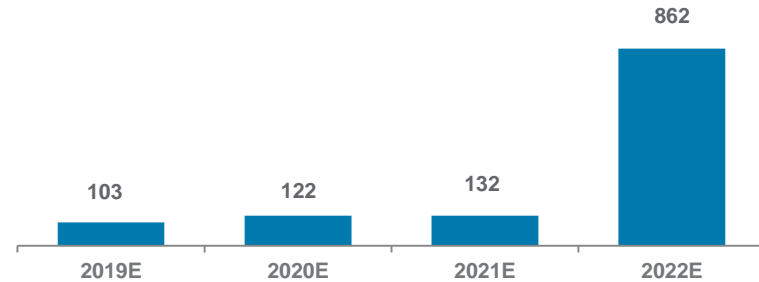
Fixed-rate debt higher than 80%

Net Debt evolution



Note: 1Q2019 net debt includes the value of leases as established under IFRS 16

Enagás stand-alone debt maturity profile (millions of euros)

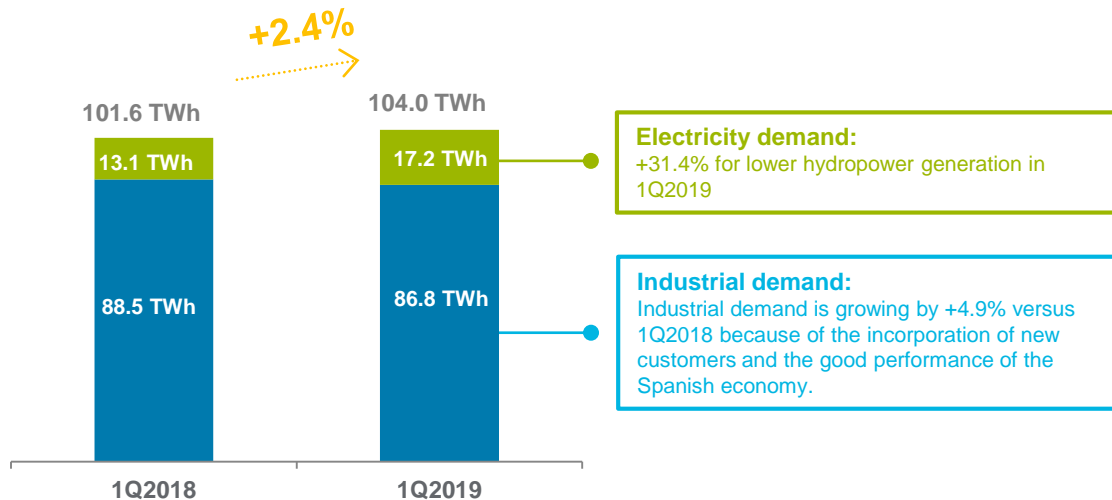


Note: Excluding ECPs, policy provisions and financial leases (IFRS 16)

No significant maturities until 2022

Natural gas demand in 1Q2019

2019 natural gas demand evolution

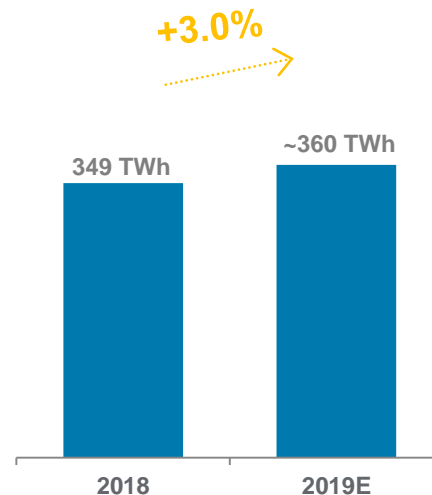


■ Electricity sector ■ Industrial and household-commercial sector

Source: Enagás GTS

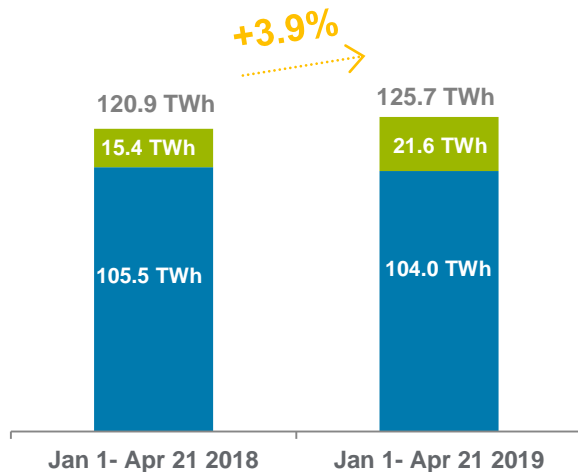
LNG cisterns included in the conventional demand

2019 natural gas demand estimation

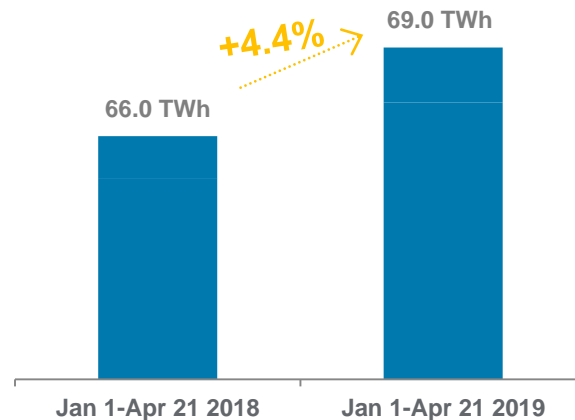


Natural gas demand until 21 April

Natural gas demand evolution until 21 April



Natural gas demand evolution for the industrial sector until 21 April



■ Electricity sector ■ Industrial and household-commercial sector

Source: Enagás GTS

LNG cisterns included in the conventional demand

Contribution to energy transition and decarbonisation

Enagás is committed to developing non-electrical renewable energies as new key energy solutions for decarbonisation



Enagás and Emgrisa are partnering to develop biomethane

- Enagás and Empresa para la Gestión de Residuos Industriales (Emgrisa) are working together on a project to promote biomethane development. The companies have initiated a feasibility study at an Emgrisa waste treatment plant in Juzbado (Salamanca, Spain). This study is looking at possibly adapting this facility to produce biomethane from the biogas that it generates.



Enagás will participate in developing a green hydrogen generation plant in Mallorca

- The initiative falls within the framework of a broader agreement involving the Ministry of Industry, Trade and Tourism and government of the Balearic islands with Enagás, ACCIONA and CEMEX to reindustrialise Lloseta on Mallorca
- The project, where Enagás is involved, contemplates the development of a green hydrogen generation plant based on renewable energy to fuel a fleet of public transportation buses



The Government of the Principality of Asturias and Enagás signed a partnership protocol for developing non-electrical renewable energies

- With the protocol, the company can seek the backing necessary to develop projects based on biomethane and green hydrogen in Asturias

Sustainability

Enagás maintains its leadership position in the main sustainability indices

For the 11th consecutive year, Enagás was included in the Dow Jones Sustainability Index (DJSI), topping the world ranking in the *Oil & Gas Storage & Transportation sector*. *Gold Class Distinction and Industry Mover 2019*



The company was reconfirmed as a member of the Ethibel Sustainability Index (ESI) Excellence Europe since 4 March 2019.



Enagás maintains its presence on all the other sustainability indices



Enagás has been recognised for its people management and gender equality model



The Enagás 2018 Annual Report complies with Law 11/2018 on the disclosure of non-financial information and diversity, was drawn up according to the principles of integrated reporting and includes our contribution to the United Nations' Sustainable Development Goals (SDG).



Regulation: next regulatory period



The **publication of Royal Decree Law 1/2019** amended the basic legislation of electricity and gas sectors, **distributing functions in this regard to the Government and CNMC** so that now the CNMC handles approval of regulatory-legislative circulars and the ministry handles energy policy guidelines. This process entails 3 phases:

1 Establishing regulatory bases and principles

The CNMC has set out a calendar for publishing the circulars that will amend the regulatory base for the remuneration of regulated natural gas assets. The **Ministry** and **CNMC are on schedule, which favours legal certainty** and **regulatory stability**.

- In the energy policy guidelines published on 9 April, the Ministry formally announced its **endorsement of promoting biomethane and other renewable gases**, with a special mention **to promoting the injection of hydrogen** generated from renewable electricity.

2 Development of gas system remuneration methods

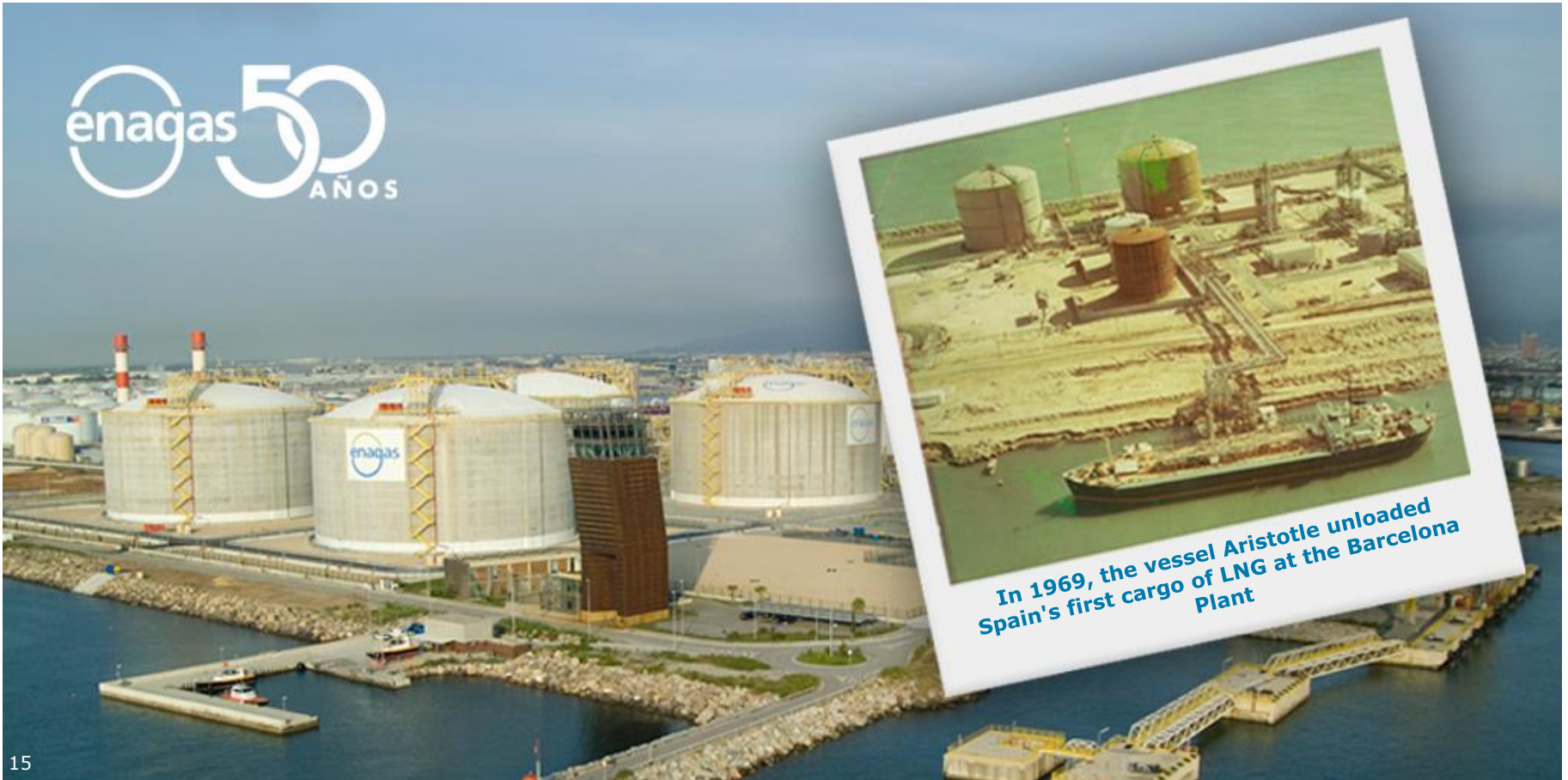
- This regulatory process establishes a **public consultation period of 2 months** to guarantee the right to participation and presentation of arguments. Gas remuneration and toll circulars will be **launched by 30 June 2019** and are expected to be adopted by 1 November 2019.
- The final content of the **new methodologies** to apply will be made known in late 2019.

3 Calculation of the values of each company

- The different parameters for applying the methodologies could be set through the corresponding CNMC resolutions **throughout 2020**.
- The new **regulatory framework for the gas system** will commence on **1 January 2021**.

50 years since natural gas arrived in Spain

enagas 50 AÑOS



In 1969, the vessel Aristotle unloaded Spain's first cargo of LNG at the Barcelona Plant

- Solid cash flow generation, operating cash flow +18.4%
- Affiliates' net profit contribution stands at 24.9%.
- The demand for natural gas at 10 April 2019 grew by +4.0%
- Fixed-rate net debt above 80%, with no significant debt maturities until 2022
- The alliance with Blackstone and GIC in the acquisition of an interest in the U.S. company Tallgrass Energy is a strategic transaction in our core business that shores up the sustainability of the dividend in the medium and long terms.
- Enagás is committed to developing non-electrical renewable energies as new key energy solutions for decarbonisation

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Thank you very
much for your
attention