

2018 Results

Enagás makes a net profit of 442.6 million euros

- The company meets its targets for the twelfth consecutive year
- The contribution from affiliates in 2018 accounts for about 20% of net profit
- Highlights of Enagás investments in 2018 are the company's contribution to the construction of the Trans Adriatic Pipeline (TAP) and the acquisition of a stake in the Greek operator DESFA
- Enagás net debt reduced by 733 million euros 2018
- The company retains its leadership in sustainability and is included on the most significant indices, such as the Dow Jones Sustainability Index
- Conventional demand for natural gas in Spain grew by 4.5% in 2018. Total demand for natural gas for the year to date has increased by more than 6%
- The company will present its 2019–2023 strategic update to its General Shareholders' Meeting
- Enagás will maintain a policy of medium and long-term sustainable dividends, with an increase of 5% per year until 2020 and at least 1% per year for 2021, 2022 and 2023

Madrid, 27 February 2019. Enagás made a net profit of 442.6 million euros in 2018, a 1% increase on comparable terms*. This enabled the company to meet its targets for the twelfth consecutive year.

A key feature of these results is the contribution from affiliates, accounting for about 20%.

Investments

One of the main investments made by Enagás in 2018 was the company's contribution to the construction of the Trans Adriatic Pipeline (TAP), a project in which Enagás holds a

**Without taking into account the non-recurring gains reported in January 2017 as a result of the full consolidation of the Quintero LNG plant.*

16% stake, and which is key to guaranteeing the security of Europe's energy supply. Construction currently exceeds 85%.

Other significant investments were the acquisition by the consortium comprising Enagás, Snam and Fluxys of a 66% stake in the Greek natural gas transmission operator DESFA, and the investments made in the Quintero LNG regasification plant in Chile.

In the case of TAP, the return of investments made after the close of financing in December 2018 resulted in a cash flow item for Enagás of 415 million euros. This underscores the trust shown by financial institutions in a key infrastructure project for the development of European energy, considered a Project of Common Interest by the European Union.

In line with its strategy of asset rotation, the company sold its 50% stake in the Swedish operator Swedegas in 2018. This sale resulted in a cash flow item for Enagás of more than 100 million euros.

Financial structure

Enagás reduced its debt by 733 million euros in 2018. The company has a debt structure in which more than 80% is at a fixed rate, limiting interest rate risk. There are also no significant maturities until 2022.

In their yearly review, the rating agencies Standard & Poor's and Fitch confirmed their long-term rating of A- for Enagás.

Leader in sustainability

Enagás maintains its leadership in sustainability in 2018, and was included on the most relevant sustainability indices. It held its place on the Dow Jones Sustainability Index (DJSI) for the eleventh consecutive year, where it is acknowledged as the world leader in its sector, and received Gold Class and 2019 Industry Mover distinctions.

In terms of climate change management, the company reduced its carbon footprint by 30% in the 2016–2018 period with regard to 2013–2015, and in human resource management and gender equality, Enagás has been included in the Bloomberg Gender-

Equality Index (GEI) for 2019 and is the first Spanish company to be included the Equileap ranking of the world's 200 leading companies in gender equality.

Gas demand

Conventional demand for natural gas grew in Spain by 4.5% in 2018 year-on-year, reaching 287.5 TWh. This increase is the result of the good performance shown by industrial demand (+4%), which represents about 60% of total demand for natural gas, and the positive evolution of domestic and commercial demand in the country (+6%).

Industrial gas demand grew in practically all industrial sectors. Industry is unable to replace this energy owing to its high calorific value and versatility.

Total natural gas consumption in Spain remained stable in relation to that recorded in 2017, a year with 9% growth.

Total demand for natural gas in Spain for the year to date has been growing by more than 6%.

Demand has been growing at an average yearly rate of 4.2% since 2016.

2019–2023 Outlook

Enagás will present its 2019–2023 Outlook to its General Shareholders' Meeting featuring five key axes:

- The role of Enagás as TSO and Technical Manager of the Spanish Gas System, maintaining maximum efficiency in the operation and maintenance of gas infrastructure.
- Commitment to ecological transition, in which natural gas plays a key and irreplaceable role in sectors such as industry, contributing to projects for improving energy efficiency and the development of renewable gases, such as biomethane and hydrogen.

- The growth of the company's core business in international markets identified as priorities by Enagás in its Strategic Plan (Europe and Pacific region – Mexico, Peru, Chile, Colombia and the United States), upholding strict investment criteria.
- Strengthening sustainability as a basic pillar of the Enagás strategy.
- A policy of medium and long-term sustainable dividend, with a planned yearly increase of 5% until 2020, in which the dividend for an Enagás shareholder will be a gross amount of 1.68 euros per share. From this figure to which the company is committed in 2020 and for the following period beginning in 2021, the Enagás dividend will continue to grow by at least 1% per year in 2021, 2022 and 2023.

Communication and Public Affairs Office

(+34) 91 709 93 40

dircom@enagas.es

www.enagas.es

