

2020 first half year results

Enagás achieves results in line with the targets set for the financial year

- Enagás achieves a net profit of 236.3 million euros
- The output of the regasification plants rose 17% compared to the first six months of 2019
- In the first half of the year, a total of 126 LNG ships unloaded at regasification plants in Spain, 12.5% more than in the same period last year
- Conventional demand for natural gas in Spain has begun to recover progressively and, at 30 June 2020, is already around 92% compared to the same period in 2019
- The company has intensified its plan to control and save financial and operating expenses
- The results of the stress tests carried out mean that Enagás can maintain its estimate of net profit for the year-end and its commitment to shareholder remuneration
- The commitment to maintain and strengthen leadership in sustainability is a key pillar of the company's strategy

Madrid, 28 June 2020. In the first half of 2020, Enagás generated a net profit of 236.3 million euros, 9.4% more than in the same period of the previous year. This result is in line with the targets established for the whole year and is mainly due to non-recurrent positive income of 18.4 million euros due to exchange rate differences.

The company has intensified its plan to control and save on overheads to avoid anything that is not essential for business continuity and for maintaining current and future activity and employment.

Enagás has a solid financial structure, with more than 80% of its debt at a fixed rate and no significant maturities until 2022.

Gas system

Since the beginning of the pandemic, Enagás's priority has been to guarantee the safety of its professionals and the operation of the Gas System, in order to continue providing the essential service which is the supply of natural gas.

As a result of the Covid-19 Contingency Plan launched by Enagás at the beginning of March, the Spanish Gas System has operated fully normally despite the adverse circumstances, without any labour, technical or operational incidents.

In the first six months of 2020, the output of regasification plants increased by 17% compared to the same period last year and also a total of 126 LNG ships unloaded in them, 12.5% more than in the same period in 2019.

Meanwhile, the network of around 12,000 km of gas pipelines and the 19 compressor stations managed by Enagás have operated with a level of 100% technical and commercial availability, and the contracted capacity of the storage facilities is at an all-time high.

The companies in which Enagás holds shares have also implemented their coronavirus contingency plans and continue to operate normally, contributing to the security of supply in the countries in which they operate.

Main investments

On 17 April, Enagás finalised the increase of its stake in Tallgrass to 30.2% of the shareholding.

Regarding the Trans Adriatic Pipeline (TAP) project, which links Turkey with Italy via Greece and Albania, it is 96.4% complete and its commissioning is planned for the final quarter of 2020. Enagás has a 16% stake in this key infrastructure for the security of Europe's energy supply.

Gas demand

Since the end of May, conventional gas demand in Spain (including industrial and domestic-commercial) has begun to recover progressively and, at 30 June 2020, is already around 92% compared to demand during the same period last year.

In April, during the State of Emergency, the fall in demand for conventional gas was as much as 24%, affected by a decline in consumption by industry, commerce and SMEs.

Projects for decarbonisation

On 17 July, Enagás, together with 10 other gas infrastructure companies, presented the "European Hydrogen Backbone" report for the development of a specific hydrogen transmission infrastructure in Europe. According to the report, existing gas infrastructures can be adapted to transport hydrogen at an affordable cost.

The company is working on different specific projects to promote renewable gases -green hydrogen, biogas and biomethane- to contribute to the decarbonisation of transport and sustainable mobility:

- Enagás is part of the 'Green Crane' initiative for the development of a hydrogen corridor from the south to the north of Europe, which will contribute to the decarbonisation of different economic sectors. This project will also strengthen the European energy system and position Spain as a gateway for hydrogen in Europe with the existing storage and transmission infrastructures.
- The European Union has supported the development of 16 LNG, biogas and hydrogen vehicle supply points in Spain, as part of the 'ECO-net' project, coordinated by Enagás.
- The company has also received EU support to promote two new projects to supply LNG to ships (bunkering) in the ports of Barcelona and Algeciras. These initiatives aim to contribute to the decarbonisation of maritime transport.
- Through its subsidiary Scale Gas, Enagás has signed an agreement with bp Oil España to develop LNG and CNG sales points in bp's service stations network. The two companies will also promote the production and incentive of renewable gases' consumption, and will jointly drive entrepreneurial projects in the fields of open innovation, energy transition and sustainable mobility.

Forecasts for 2020

In the second quarter, the company carried out an analysis of its main investments (impairment test), in accordance with the IAS 36 accounting standard, concluding that it is not necessary to make any value adjustments to these investments in Enagás' balance sheet.

Along these lines and with the data available at the close of the first half year results, the company is maintaining its year-end net profit estimate of 440 million euros. It also ratifies the commitment made to its shareholders to increase the dividend by 5% a year in 2020, at least 1% a year for 2021, 2022 and 2023, and a long-term sustainable dividend in the period 2024-2026.

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