

Enagás 2022 General Shareholders' Meeting

Enagás establishes security of supply in Spain and Europe and decarbonisation as strategic priorities

- The General Shareholders' Meeting, held in person and remotely and certified for the third consecutive year as a sustainable event, approved all the items on the agenda
- The Chairman of Enagás, Antonio Llardén, has advocated that "to be able to speak of a real European Union, it is essential to have energy as a pillar of this unity, a unity that is increasingly necessary to effectively and efficiently address" the challenges that the global geopolitical context is putting on the table and which are highlighting the need for a common energy policy in the EU
- Llardén pointed out that Europe "sets the course" for the company, which has two very clear focuses: "to contribute to the security of supply in Spain and Europe, and to the new opportunities presented by the decarbonisation process"
- According to Antonio Llardén, decarbonisation "enhances the value of our infrastructure, will require the development of new ones for renewable gases," and strengthens Enagás' role as Transmission System Operator (TSO), which is compatible with the role of Hydrogen Network Operator (HNO)
- The CEO of Enagás, Arturo Gonzalo, pointed to the "five European pillars on which the company's strategy will be based until 2030": storage, interconnections, biomethane, renewable hydrogen and alliances with neighbouring countries, and stated that "security of supply and decarbonisation are two sides of the same coin" and the essence of the purpose of Enagás
- Arturo Gonzalo stressed that, "in coordination with the Ministry for the Ecological Transition and the Demographic Challenge and the gas operators of our European neighbours, we are assessing the technical options for strengthening and completing our country's gas interconnections to transport both natural gas and hydrogen"
- He further added that "the best response to energy fragility is to accelerate the transformation of the system, and the gas sector has a key role to play in moving from natural gas to renewable gases, mainly hydrogen"
- Since 2014, Enagás has reduced its Scope 1 and Scope 2 CO₂ emissions by 54%, and has set a target to reduce them by 74% by 2030, including Scope 3 emissions. In addition, it boosts more than 50 renewable gas projects in Spain
- In 2021, Enagás met all its objectives: economic, financial and public service to society, and maintains its commitment to employment
- The General Shareholders' Meeting approved a total dividend of 1.70 euros per share for 2021, 1% higher than in 2020. The company has reaffirmed its commitment to continue to increase the dividend by 1% per year in 2022 and 2023 and to maintain a sustainable dividend of 1.74 euros per share for the 2024-2026 period
- The Enagás General Shareholders' Meeting approved the reappointment of Antonio Llardén as Chairman and the ratification of Arturo Gonzalo as Executive Director

- With the resolutions approved today, which included the incorporation of two new independent female directors, women now make up 40% of Enagás' Board of Directors, in compliance with the current recommendation of the CNMV's Code of Good Governance

Madrid, 31 March 2022. The Enagás General Shareholders' Meeting, held today in Madrid in person and remotely, has approved the 2021 financial statements, management report and all items on the Agenda.

In his speech, the Chairman of Enagás, Antonio Llardén, explained how the current global geopolitical scenario is driving the transition to "a new European energy paradigm" and highlighting the need for a common energy policy, for which the European Union is beginning to lay the groundwork.

Llardén advocated that "to be able to speak of a real European Union, it is essential to have energy as a pillar of this unity, a unity that is increasingly necessary to effectively and efficiently address" the challenges that the current global context is putting on the table.

In this regard, the Chairman of Enagás pointed out that Europe "sets the course" for the company, which has two very clear focuses: "to contribute to the security of supply in Spain and Europe, and to harness the new opportunities presented by the decarbonisation process".

Regarding the latter, Llardén pointed out that they enhance the value of existing infrastructure and will require the development of new infrastructure to transport renewable gases, especially hydrogen, and stressed the role of Enagás as Transmission System Operator (TSO), which is compatible with the role of Hydrogen Network Operator (HNO).

The CEO of Enagás, Arturo Gonzalo, elaborated on the approach put forward by Llardén, stating that "security of supply and decarbonisation are two sides of the same coin" and the essence of Enagás' purpose. In this regard, he pointed to the "five European pillars on which the company's strategy will be based until 2030: storage, interconnections, biomethane, renewable hydrogen and alliances with neighbouring countries".

Specifically, he spoke of the target set by Europe to increase the gas storage obligation to 80% of its capacity before next winter –and to 90% the following years– and to increase biomethane production capacity.

Regarding international connections, Arturo Gonzalo pointed out that, "in coordination with the Ministry for the Ecological Transition and the Demographic Challenge and the gas operators of our European neighbours, we are assessing the different technical options for strengthening and completing our country's gas interconnections so that they can transport both natural gas and hydrogen".

In this regard, he explained that "Spain is well positioned in this new context, in which the idea of cooperative management of infrastructure and complementary capacities between states is strengthened," adding that "Enagás is willing to play its role and is already working in this direction".

The CEO of Enagás further added that “the best response to energy fragility is to accelerate the transformation of the system, and the gas sector has a key role to play in moving from natural gas to renewable gases, mainly hydrogen”.

In accordance with the European strategy to strengthen security of energy supply, set out in the REPowerEU document, renewable hydrogen will be a key energy carrier in Europe to achieve the target of replacing between 25 and 50 bcm (billion cubic meters) per year of gas from Russia by 2030.

Objectives accomplished

In 2021, a year of great global uncertainty and particularly challenging for the energy sector, Enagás met and even surpassed all its objectives, both economic and financial, as well as other highly strategic goals linked to the company's purpose. With an increase of +5.1% in total demand for natural gas in Spain with respect to the previous year, Enagás operated at 100%, both in terms of the availability of infrastructure and the coordination of the Spanish Gas System.

The positive economic result achieved in 2021 has been possible thanks to the 40.4% contribution of the investees to the company's profit after tax (PAT) and to the improvement in efficiency, which allowed the company to reduce operating and financial costs, while maintaining Enagás' firm commitment to employment.

In the first year of the regulatory reform, Enagás has cushioned its impact on regulated revenues.

Enagás' subsidiaries improved their results by +24% compared to 2020, primarily due to the performance of the Tallgrass Energy business in the United States, and the Trans Adriatic Pipeline, a key infrastructure for security of supply in Europe in which Enagás has a 16% stake.

In line with the asset rotation process that Enagás announced a year ago, this week the company announced the sale of its stake in the LNG Quintero terminal in Chile, an operation that will now allow it to capture the shareholder value that the asset was to generate over the next 30 years.

Concrete progress in decarbonisation

In line with its commitment to be a carbon neutral company by 2040, since 2014, Enagás has reduced its direct emissions (Scope 1) and indirect CO₂ emissions associated with electricity consumption (Scope 2) by 54%.

In addition, it has set a target to reduce emissions by 74% by 2030, which includes the reduction of Scope 3 emissions, which affect the company's value chain. These commitments, which are underpinned by a clear action plan, have been recognised with the inclusion of Enagás in the CDP's Climate Change A List.

Leadership in renewable gases

Enagás is leading the promotion and development of more than 50 renewable gas projects, mainly for green hydrogen, which will contribute to creating a market that is currently in the initial stages of development.

As an example of a landmark project that is already a reality, this March Enagás inaugurated in Majorca, together with Acciona, IDAE and Cemex, the first industrial renewable hydrogen generation plant in Spain, which is part of the European project Green Hysland.

To accelerate these projects, at the end of February the company brought in a partner, Clean H2 Infra Fund, with a 30% stake in Enagás Renewable. Managed by Hy24, the new partner is the world's largest green hydrogen fund, a joint venture between Ardian and FiveT Hydrogen.

Shareholder Remuneration and Corporate Governance

The General Shareholders' Meeting approved a total dividend of 1.70 euros per share for 2021, which represents an increase of 1% over 2020.

Arturo Gonzalo emphasised that one of the company's priorities is to offer shareholders an attractive and sustainable remuneration, and reaffirmed the commitment to continue increasing the dividend by at least 1% per year for 2022 and 2023 and to maintain a sustainable dividend of 1.74 euros per share for the 2024-2026 period.

The Chairman of Enagás, Antonio Llardén, pointed out that "minority shareholders now represent 25% of the company's share capital," and that "since 2007, the total return for an Enagás shareholder, considering share price appreciation and the reinvestment of distributed dividends, is +180%, compared to an IBEX35 average that has fallen by -38.4%".

The Enagás General Shareholders' Meeting approved the reappointment of Antonio Llardén as Chairman and the ratification of Arturo Gonzalo as Executive Director.

In addition, the appointment of María Teresa Costa, Clara García Fernández-Muro, Manuel González and David Sandalow as independent directors, and the reappointment of Ana Palacio as independent director was approved. The number of members of the Enagás Board of Directors remains at 15, 40% of whom are women, thus complying with the current recommendation of the CNMV's Code of Good Governance.

The Chairman of Enagás thanked the four directors of the company's Board of Directors who complete their term of office today, Isabel Tocino, Ignacio Grangel, Antonio Hernández Mancha and Gonzalo Solana, for their dedication, work and commitment to the company over the years.

Press release



Both the Chairman of Enagás and the Chief Executive Officer thanked the shareholders for their backing and support, as well as Enagás' professionals, who, in the last two years "have operated and worked under the most adverse circumstances with commendable commitment and dedication".

For the third consecutive year, the Enagás General Shareholders' Meeting was certified as a sustainable event by AENOR.

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