



9M | 22

Results

11 November 2022



Key highlights

- 1 Persisting volatility in energy markets
- 2 Results reflect the retroactive effects of the price agreement with Sonatrach, as well as the estimated effects from the decoupling of final gas sales prices vs. their associated outstanding TTF indexed hedges
- 3 Net Debt reduction does not reflect relevant cash outflows expected in 4Q22
- 4 Capex increase by 26% vs. 9M21 with networks and renewables representing 80% of total capex
- 5 The Board of Directors has approved the second interim dividend for 2022 of 0.40€/share in cash payable on 18 November, as envisioned in Strategic Plan 21-25
- 6 Corporate ratings reaffirmed at BBB by S&P and Fitch (Oct. 22)

Key figures 9M22 (€m)

EBITDA

€3,502m

Net Income

€1,061m

Capex

€1,119m

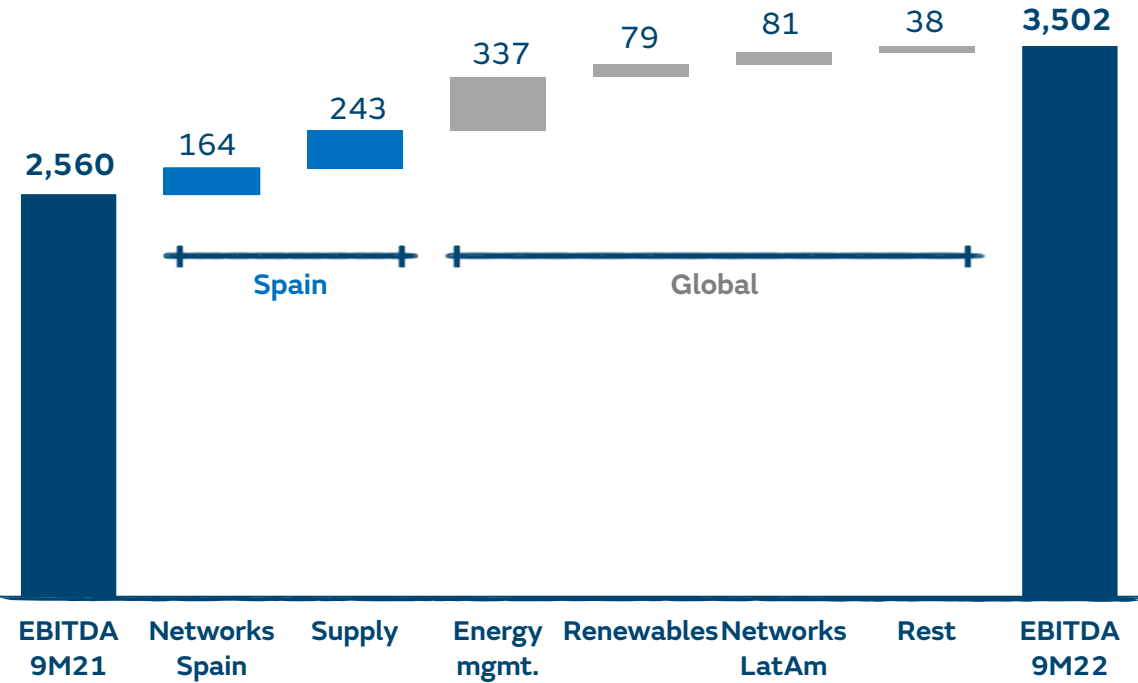
Net Debt (as of 30 Sept.)

€10,252m

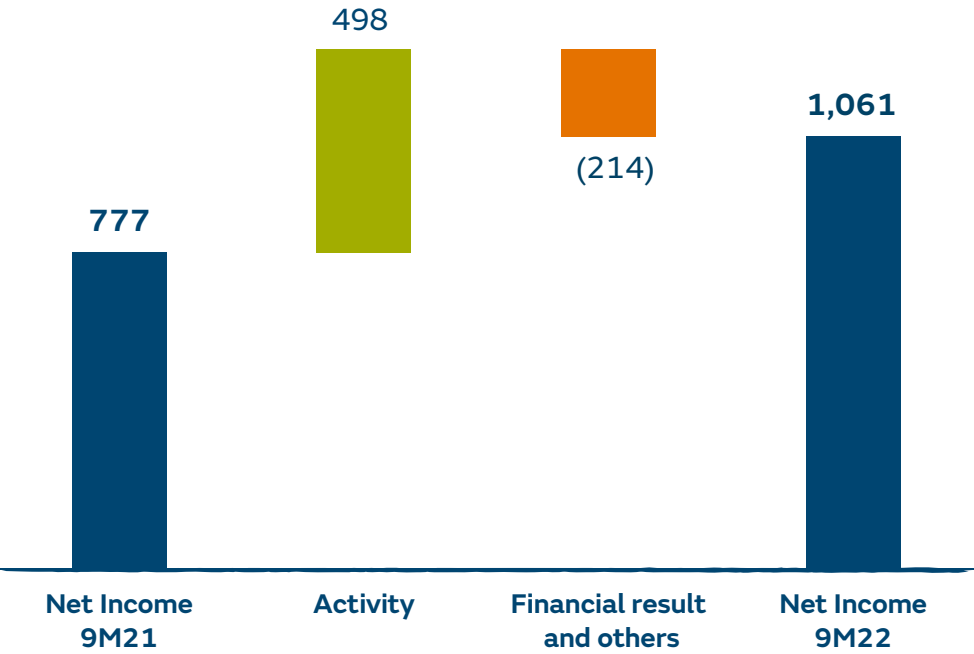
➤ Focus on managing market volatility

EBITDA and Net Income evolution (€m)

EBITDA



Net Income



➤ Growth mainly driven by Energy management and Supply activities

Summary and outlook 2022

- 1** Persisting volatility in energy markets and heightened regulatory uncertainty
- 2** The Board of Directors has approved the second interim dividend for 2022 of 0.40€/share in cash payable on 18 November, as envisioned in Strategic Plan 21-25
- 3** Results reflect the price agreement with Sonatrach for volumes supplied until the end of 2022, as well as the estimated effects from the decoupling of final gas sales prices vs. their associated outstanding TTF indexed hedges
- 4** Net Debt 9M22 does not reflect relevant cash outflows expected in 4Q22, including the retroactive payment to Sonatrach, the hybrid bond cancellation, and the second interim dividend for 2022
- 5** Based on the current market environment and outlook, Naturgy estimates a reported EBITDA¹ for FY 2022 of around €4.8bn and a Net Debt position similar to FY 2021

 Prudent management amid volatile energy scenario

Note:

1. Guidance does not incorporate any additional fiscal measure currently under legislative process, which shall be accounted for in the year in which payment is due

Appendix

- 1 Consolidated income statement
- 2 Consolidated balance sheet
- 3 Accumulated EBITDA by business unit
- 4 Capex
- 5 Financial position
- 6 FX evolution
- 7 Alternative Performance Metrics
- 8 ESG Metrics

1 Consolidated income statement

€m	Reported		
	9M22	9M21	Change
Net sales	27,011	14,558	85.5%
Procurement	-22,284	-10,376	-
Gross margin	4,727	4,182	13.0%
Operating expenses	-763	-659	15.8%
Personnel costs	-453	-887 ¹	-48.9%
Own work capitalized	51	57	-10.5%
Other operating income	182	127	43.3%
Taxes	-242	-260	-6.9%
EBITDA	3,502	2,560	36.8%
Other results	-113	111	-
Depreciation, amortization and impairment expenses	-1,054	-1,098	-4.0%
Impairment of credit losses	-174	-76	-
EBIT	2,161	1,497	44.4%
Financial result	-563	-323	74.3%
Profit/(loss) of companies measured under the equity method	86	53	62.3%
Profit before taxes	1,684	1,227	37.2%
Income tax	-477	-305	56.4%
Income from discontinued operations	-16	116	-
Non-controlling interest	-130	-261	-50.2%
Net Income	1,061	777	36.6%

Note:

1. Of which €433m corresponding to restructuring costs

2 Consolidated balance sheet

€m	30/09/2022	31/12/2021
Non-current assets	28,882	27,257
Intangible assets	6,044	5,734
Property, plant and equipment	17,388	16,587
Right of use assets	1,171	1,229
Equity-accounted investments	683	630
Non-current financial assets	619	394
Other non-current assets	645	416
Deferred tax assets	2,332	2,267
Current assets	15,210	10,992
Non-current assets available for sale	16	40
Inventories	1,559	878
Trade and other accounts receivable	6,929	5,714
Other current financial assets	462	395
Cash and cash equivalents	6,244	3,965
Total Assets	44,092	38,249

€m	30/09/2022	31/12/2021
Equity	6,433	8,873
Equity attributable to the parent company	3,414	5,889
Non-controlling interest	3,019	2,984
Non-current liabilities	22,755	20,054
Deferred revenues	921	889
Non-current provisions	1,600	1,146
Non-current financial liabilities	14,595	15,114
Deferred tax liabilities	1,407	1,787
Other non-current liabilities	4,232	1,118
Current liabilities	14,904	9,322
Liabilities linked to non-current assets available for sale	21	26
Current provisions	573	589
Current financial liabilities	2,146	1,698
Trade and other accounts payable	11,946	6,803
Other current liabilities	218	206
Total Liabilities and Equity	44,092	38,249

3 Accumulated EBITDA by business unit¹

€m	Reported		
	9M22	9M21	Change
Networks Spain	1,207	1,043	15.7%
Networks LatAm	716	635	12.8%
Energy management	1,024	687	49.1%
Renewables and New businesses	254	175	45.1%
Supply	373	130	-
Rest	-72	-110	-34.5%
Total	3,502	2,560	36.8%

Note:
1. EBITDA on a constant perimeter

4 Capex

€m	Growth			Maintenance			Total		
	9M22	9M21	Change	9M22	9M21	Change	9M22	9M21	Change
Networks Spain	90	80	12.5%	159	137	16.1%	249	217	14.7%
Networks LatAm	106	77	37.7%	113	80	41.3%	219	157	39.5%
Energy management	1	8	-87.5%	116	53	-	117	61	91.8%
Renewables and New businesses	402	350	14.9%	27	11	-	429	361	18.8%
Supply	79	71	11.3%	14	9	55.6%	93	80	16.3%
Rest	-	-	-	12	14	-14.3%	12	14	-14.3%
Total	678	586	15.7%	441	304	45.1%	1,119	890	25.7%

5 Financial position

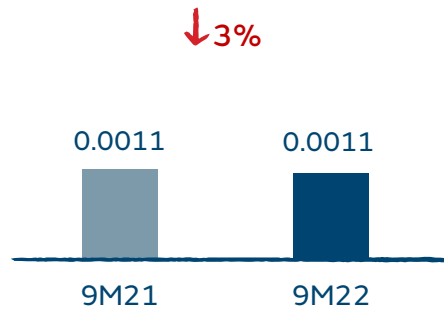
€m	Consolidated Group		Chile		Brazil	Argentina	Mexico	Panama	Holding & others
	9M22	FY21	CLP	USD	BRL	ARS	MXN	USD	EUR/Others
Net financial debt by currency									
Net financial debt (€m)	10,252	12,831	386	-33	120	-64	528	855	8,460
Average cost of debt (%)	2.9	2.5	10.7	4.1	13.1	52.4	8.3	5.1	1.5
% fixed rated (gross debt)	80	83	86	21	1	-	47	22	90
Liquidity									
Cash and equivalents	6,244	3,965	81	125	203	86	56	68	5,625
Undrawn committed credit lines	5,553	5,459	0	0	42	0	0	26	5,485
Total	11,797	9,424	81	125	245	86	56	94	11,110

€m	2022	2023	2024	2025	2026	2027+
Maturity of financial debt						
Gross debt	249	2,126	2,585	2,551	3,976	5,254
Net Debt	57	482	704	846	2,931	5,232
Maturity of credit lines						
Undrawn committed credit lines	29	365	2,925	2,016	218	-

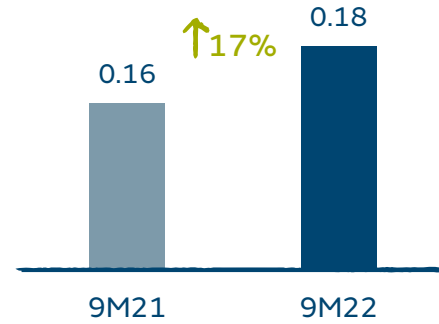
times	9M22	FY21
Credit metrics		
EBITDA/Net financial debt cost	9.2	7.2
Net Debt /LTM EBITDA	2.3	3.6

6 FX evolution

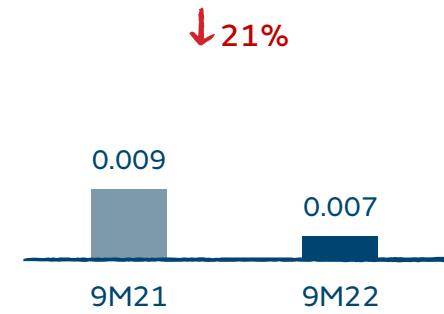
 Chile



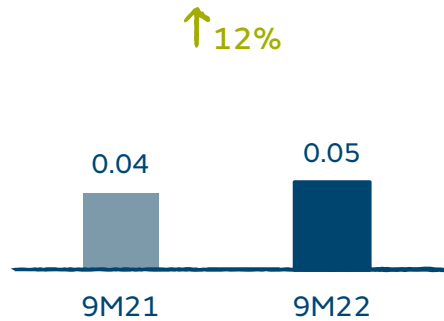
 Brazil



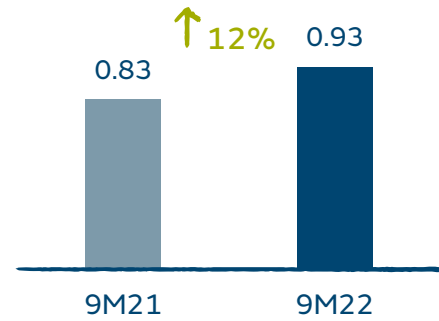
 Argentina



 Mexico



 Panama



7 Alternative Performance Metrics (i/ii)

Naturgy's financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others that are based on the Group's disclosure model, referred to as Alternative Performance Metrics (APM), which are viewed as adjusted figures with respect to those presented in accordance with IFRS. Below is a glossary of terms with the definition of the APMs.

Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		30 September 2022	30 September 2021	
EBITDA	Operating profit = Net sales - Procurements + Other operating income - Personnel expenses - Other operating expenses + Results from the sale of fixed assets + Allocation of grants relating to fixed assets and others	Euros 3,502 million	Euros 2,560 million	Measure of earnings before interest, taxes, depreciation and amortization and provisions
Investments (CAPEX)	Investments in intangible assets + Investments in property, plant & equipment	Euros 1,119 million = 211 + 909	Euros 890 million = 168 + 722	Realized investments in property, plant & equipment and intangible assets
Net Investments (net CAPEX)	CAPEX - Other proceeds/(payments) of investments activities	Euros 1,068 million = 1,119 - 51	Euros 850 million = 890 - 40	Investments (CAPEX) net of other cash received from investment activities (cessions and contributions)
Gross financial debt	Non-current financial liabilities + "Current financial liabilities"	Euros 16,741 million = 14,595 + 2,146	Euros 16,812 million = 15,114 + 1,698	Current and non-current financial debt
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets associated with debt"	Euros 10,252 million = 16,741 - 6,244 - 245	Euros 12,831 million = 16,812 - 3,965 - 16	Current and non-current financial debt less cash and cash equivalents and derivative financial assets
Leverage (%)	Net financial debt / (Net financial debt + "Net equity")	61.4% = 10,252 / (10,252 + 6,433)	59.1% = 12,831 / (12,831 + 8,873)	The ratio of external funds over total funds
Cost of net financial debt	Cost of financial debt - "Interest revenue"	Euros 379 million = 411 - 32	Euros 491 million = 510 - 19	Amount of expense relative to the cost of financial debt less interest revenue

7 Alternative Performance Metrics (ii/ii)

Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		30 September 2022	30 September 2021	
EBITDA/Cost of net financial debt	EBITDA / Cost of net financial debt	9.2x = 3,502 / 379	7.2x = 3,529 / 491	Ratio between EBITDA and cost of net financial debt
Net financial debt/ EBITDA	Net financial debt / Last twelve months EBITDA	2.3x = 10,252 / 4,471	3.6x = 12,831 / 3,529	Ratio between net financial debt and EBITDA
Average cost of financial gross debt	Annualized financial expenses of the operations included in gross financial debt , except for those corresponding to IFRS16 debt and other refinancing expenses / weighted monthly average of the gross financial debt (including financial liabilities derivatives instruments and excluding IFRS16 debt)	2.9% = $(411 - 65 - 21) * (365 / 270) / 15,131$	2.5% = $(510 - 92 - 29) / 15,751$	Indicator of financing cost in interest rate
Liquidity	Cash and cash equivalents + Undrawn committed credit lines	Euros 11,782 million = 6,244 + 5,538	Euros 9,424 million = 3,965 + 5,459	Indicator of liquid resources available to meet any payment
Economic value distributed	Procurement + Other operating expenses (including Taxes) + Income tax payments + Personnel costs + Own work capitalized + Financial expenses + Dividends paid by parent company to third parties + Expenses from discontinued operations	Euros 25,461 million = 22,284 + 1,005 + 281 + 402 + 51 + 669 + 769 + 0	Euros 14,671 million = 10,376 + 919 + 343 + 830 + 57 + 432 + 894 + 820	Provides a basic indication of the economic value generated by the activity of the Group for all stakeholders

8 ESG Metrics

		9M22	9M21	Change	Comments
Health and safety					
Accidents with lost time ¹	units	4	8	-50.0%	Significant reduction of accidents in the period, after an unusually high number of accidents in 9M21
LT Frequency rate ²	units	0.08	0.14	-42.9%	
Environment					
GHG Emissions ³	M tCO ₂ e	11.8	9.6	22.9%	Lower hydro has led to higher CCGT production in the period to guarantee energy supply. New renewables into operation contributed to limit the emission factor increase
Emission factor	t CO ₂ /GWh	286	260	10.0%	
Emissions-free installed capacity	%	36.9	36.1	2.2%	New wind capacity coming into operation in Spain
Emissions-free net production	%	28.3	36.1	-21.6%	Lower hydro production in Spain in the period vs. 9M21
Interest in people					
Number of employees	persons	7,115	7,627	-6.7%	Perimeter changes and business resizing
Training hours per employee	hours	20.7	19.3	7.3%	Growth explained by positive response to follow-up campaigns and new platforms in operation
Women representation	%	33.1	32.3	2.5%	Significant women representation in new hirings
Society and integrity					
Economic value distributed ⁴	€m	25,461	14,671	73.5%	Increase following activity growth
Notifications received by the ethics committee	units	33	50	-34.0%	Continues with the reducing trend in the last quarters

Notes:

1. In accordance to OSHA criteria

2. Calculated for every 200,000 working hours

3. Scopes 1 and 2

4. As defined on page 14

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