

Results for the first half of 2023

Enagás achieves results in line with forecasts and progresses with a high level of execution of its Strategic Plan

The company will launch the non-binding Call for Interest process for the first axes of the Spanish Hydrogen Backbone Network on 14 September.

- Enagás made a net profit of 176.8 million euros in the first half of the year.
- Contributing factors to this positive result included the application of the Enagás Efficiency Plan, the good performance of the affiliates and the net capital gains from the sale of Enagás' interest in the Morelos gas pipeline (Mexico)
- The company's net debt has decreased by more than 300 million euros since December 2022
- Enagás continues to make faster than expected progress in delivering on its Strategic Plan. Recent milestones include yesterday's completion of the purchase of an additional 4% stake in the Trans Adriatic Pipeline (TAP), the commissioning of the El Musel plant and the entry into the Stade project in Germany
- North American subsidiary Tallgrass Energy has made further strides in the development of decarbonisation projects such as Trailblazer, a pioneer in the United States for transporting CO₂
- The H2Med corridor and the associated Spanish Hydrogen Backbone Network are making positive progress towards achieving the status of European Projects of Common Interest (PCI)
- The Spanish Gas System has operated at 100% availability in the first half of the year and is operating at maximum robustness in 2023
- Spain increased its total gas exports by 55% in the first half of the year and ship reloading has increased by 67%, contributing to Europe's security of supply
- Spain's underground natural gas storage facilities are at 98% capacity, an all-time high for the month of July
- Enagás has signed the new Pact for biodiversity and natural capital promoted by the Spanish Enterprise and Biodiversity Initiative (IEEB), coordinated by the Biodiversity Foundation of the Ministry for Ecological Transition and the Demographic Challenge.

Madrid, 26 July 2023. Enagás' Net Profit amounted to 176.8 million euros in the first half of 2023, a result that is in line with the targets set for the whole year.

A positive contribution to this result came from the implementation of the Enagás Efficiency Plan, which made it possible to maintain recurring expenses at the level of the first half of 2022 — minimising the impact of inflation — and the net capital gains of 42 million euros from the sale of Enagás' stake in the Morelos gas pipeline (Mexico).

Affiliates performed strongly in the first half of 2023, generating a profit of 89.4 million euros, taking into account that the contribution of GNL Quintero, whose stake Enagás sold in July 2022, is not included.

Enagás' net profit before tax increased sharply (+486.2%) in the first half of 2023 compared to the same period of the previous year, influenced by the adjustment of the carrying amount of Enagás' stake in Tallgrass Energy by -133.8 million euros in 2022. After deducting the one-off effects included in the financial results in both periods, net profit would decrease by -17.9%. This result incorporates the effect of the reduction in regulated revenues due to the application of the 2021-2026 regulatory framework.

Reduction of debt by more than 300 million

The company's operating cash flows and changes in net debt — more than 80% hedged at a fixed interest rate and protected from the current interest rate environment with financing costs of 2.6% and an average maturity of 4.4 years — have performed as expected.

Net debt, which has no significant maturities for the remainder of the year, has been reduced by more than 300 million euros since December 2022. The company has leverage ratios compatible with a BBB rating. Enagás also has a robust liquidity position, which amounted to 3.524 billion euros at the end of the first half of the year.

Milestones in the fulfilment of the Strategic Plan

In the first six months of 2023, the company has continued to implement its strategic plan at a high level — faster than expected — in the three main areas: security of supply in Spain and Europe, decarbonisation with hydrogen as a key vector, and control of operating and financial costs.

In the first of these areas, Enagás has achieved several milestones during this period. One of them is the commissioning of the El Musel LNG terminal in Gijón and the transfer of its logistics services to Endesa. The facility has already received two vessels and will start commercial operations on 31 July, following a capacity allocation process that has generated a lot of interest.

Another milestone is the agreement with Reganosa, through which Enagás acquires Reganosa's 130 km gas pipeline network and Reganosa acquires 25% of the El Musel regasification plant. The transaction is expected to close in the second half of this year.

Internationally, Enagás became an industrial partner and shareholder with a 10% stake in the Hanseatic Energy Hub consortium, which envisages the company's entry into Germany for the commissioning of the future onshore LNG terminal in Stade, which will be adapted to be H2-capable in the future and contribute to achieving European security of supply and decarbonisation objectives.

Enagás yesterday completed the agreement announced on 27 January to acquire an additional 4% stake in Axpo's Trans Adriatic Pipeline (TAP) for 168 million euros, bringing its stake to 20%. This infrastructure, which will bring Enagás a dividend of around 70 million euros in 2023, is included in the European Hydrogen Backbone (EHB) map and can be adapted for the transport of green hydrogen in the future. Also in the first half of the year, additional TAP transport capacity of 1.2 bcm — on top of the current 10 bcm — was contracted from 2026. The company continues to work towards the launch of the second binding phase of additional capacity in September 2023.

Other milestones achieved by Enagás in the first six months of the year include the completion of the sale of the Morelos Gas Pipeline (Mexico), the start of the issuance of Guarantees of Origin by Enagás GTS and the commissioning of the first LNG bunkering vessel in which Enagás participates through its affiliate Scale Gas.

These advances in the Strategic Plan are in addition to those achieved in 2022, such as the increase in interconnection capacity with France via Irún (+1.5 bcm), the addition of shareholders in Enagás Renewable — in

which Enagás currently holds a 60% stake — the expansion of the Barcelona plant's jetty and the completion of the sale of the stake in the GNL Quintero (Chile) plant.

Decarbonisation projects in the United States

The Board of Directors of North American affiliate Tallgrass Energy yesterday made the investment decision to move forward with the project to convert the existing Trailblazer pipeline to transport CO₂, the first major project of its kind in the United States. This project is in addition to others such as the development of about 60 MW of zero-emission energy along Tallgrass' facilities, the use of waste heat to generate energy — also with an approved investment decision — or the projects to produce sustainable fuel for aviation or synthetic natural gas.

Promotion of hydrogen

In 2023, important progress will be made in the development of hydrogen as an energy vector that will help achieve the goals of the Energy Transition in Spain and Europe. This is confirmed by the data in the draft National Integrated Energy and Climate Plan (PNIEC) 2023-2030 and by the fact that the H2Med Corridor and the Spanish Hydrogen Backbone Network are making positive progress towards obtaining European qualification as Projects of Common Interest (PCI).

On 14 September, Enagás will launch the Call for Interest to match supply and demand for the future Spanish Hydrogen Backbone Network. A consultation on ammonia and CO₂ will also be included.

Robustness of the Gas System

The Gas System is operating in 2023 with the highest level of robustness and flexibility, with 100% availability. It has received natural gas from 16 different sources, contributing to the security of supply of Spain and Europe.

In the first half of the year, Spain increased its total gas exports by 55% and ship re-exports by 67%, with Italy remaining one of the main destinations for ships. Exports to Europe via international connections increased by 33% to 28.6 Twh.

Underground natural gas storage facilities in Spain are at an all-time high (98%) for the month of July.

In line with the figures for Europe as a whole, the total volume transported through the Spanish Gas Network fell by 4.6%, due to the drop in conventional demand and demand for electricity generation.

This decrease can be explained by the milder temperatures last winter, energy efficiency and saving measures, and the decrease in industrial consumption due to the war in Ukraine. However, a turnaround has already been observed and in July industrial demand increased by 9.1 % compared to the same month in 2022.

Confirmation of the 2023 targets

Enagás confirms its targets for 2023. The company expects to end the year with a net profit of between 310 and 320 million euros, a contribution from its affiliates of between 190 and 200 million euros and a net investment of around 250 million euros for the year.

In line with its Strategic Plan, the company will continue to strengthen its cost control and expects net debt to be around 3.7 billion euros by 31 December 2023.

ESG as a fundamental pillar of Enagás

Press release



Enagás is making steady advancements towards its goal of becoming a carbon neutral company by 2040 and continues to hold prominent positions in the leading global sustainability indices. These achievements are primarily due to the company's progress in the three key areas of environmental, social, and governance (ESG).

Furthermore, Enagás has recently committed to the new Biodiversity and Natural Capital Pact, initiated by the Spanish Business and Biodiversity Initiative (IEEB), coordinated by the Biodiversity Foundation of the Ministry for Ecological Transition and the Demographic Challenge. Additionally, Enagás is currently reassessing the ESG risk assessment procedures of its supply chain and affiliates.

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