

Results for the first nine months of 2020

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

- The company achieves a net profit of 348.9 million euros
- Enagás is firmly committed to employment and has strengthened its workforce with new hires since the beginning of the pandemic
- Enagás has obtained the Certification of Protocols against COVID-19 of AENOR thanks to the commitment of its professionals and the health and safety measures adopted
- The output of the regasification plants rose 4% compared to the first nine months of 2019 and 190 LNG ships were unloaded
- Conventional demand for natural gas in September was already at a similar level to that of the months prior to the declaration of the State of Emergency
- Enagás forecasts an end of 2020 with a total demand for natural gas in Spain of around 353 TWh, higher than 2018 figures
- The Trans Adriatic Pipeline (TAP) project, in which Enagás has a 16% stake, has been substantially completed and its commissioning is planned for the last quarter of 2020
- The company is promoting diverse green hydrogen projects in line with its commitment to decarbonisation and a just transition
- 'Green Hysland' project in Mallorca, coordinated by Enagás, is the first green hydrogen initiative in a Mediterranean country due to get European funding
- At the end of the third quarter, Enagás maintains its profit estimate for the end of the year and its commitment to the dividend policy for 2020-2026 period

Madrid, 20 October 2020. In the first nine months of 2020, Enagás generated a net profit of 348.9 million euros, 4.7% more than in the same period last year. This result, which is in line with the targets set for the whole year, is mainly due to the effort made in controlling operating and financial expenses and to non-recurrent positive income of 18.4 million euros due to exchange rate differences.

At the closure of the third quarter results, the company is keeping its year-end net profit estimate, as well as its dividend commitment of 1.68 euros per share (+5%) for 2020, and its shareholder remuneration policy for the 2020-2026 period.

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

Strong commitment to employment

Enagás is firmly committed to employment and has maintained and even strengthened its workforce with 52 new hires since the beginning of the health crisis. In the third quarter of the year, the Third Collective Bargaining Agreement of the Enagás Group was signed, which reinforces employment stability for the period 2020-2023.

Thanks to the commitment of all its employees and the health and safety measures adopted, Enagás has obtained the Certification of Protocols against COVID-19 of AENOR, after successfully passing audits at the company's workplaces and facilities.

Gas system

Since the beginning of the pandemic, Enagás' priority has been to guarantee the safety of its professionals and the operation of the Spanish Gas System. Thanks to the implementation of a strict COVID-19 Contingency Plan and the commitment and effort of the company's professionals, the entire System has operated fully normally and flexibly despite the adverse circumstances, without any labour, technical or operational incidents.

In the first nine months of 2020, the output of the regasification plants rose 4% compared to the same period last year. In addition, a total of 190 LNG ships were unloaded in the plants, a 2% increase in LNG volume compared to the same period in 2019.

The gas network has operated at maximum technical and commercial availability and, as of 30 September, the contracted capacity of the storage facilities has reached almost 100% of the available supply.

The companies in which Enagás holds shares also continue to implement their coronavirus Contingency Plans and to operate normally, contributing to the security of supply in the countries in which they operate.

Since 2018, the Spanish Gas System has generated a net annual surplus, allowing all accumulated debt to be eliminated much sooner than expected.

Main investments

The Trans Adriatic Pipeline (TAP) project, which links Turkey with Italy via Greece and Albania, is substantially completed and its commercial commissioning is planned for the last quarter of 2020. Enagás has a 16% stake in this infrastructure project key for guaranteeing the security of Europe's energy supply.

In the United States, where Enagás has a 30.2% stake in Tallgrass Energy, the medium-term forecast is positive thanks to the sustained recovery in prices and demand. With regards to the North American market, production is expected to stabilise in 2021 and part of 2022, and to experience sustained growth thereafter in the medium and long-term.

Gas demand

At the closure of the third quarter of 2020, conventional demand for natural gas in Spain (including industrial and domestic-commercial) maintains the progressive recovery that began at the end of May and reaches similar levels to those of the months prior to the COVID-19 crisis.

Total natural gas demand in Spain is forecasted to reach around 353 TWh at the end of the year, higher than 2018 figure.

Commitment to a sustainable future

In line with the Hydrogen Roadmap approved by the Council of Ministers on 6 October, Enagás participates coordinated with other partners in diverse projects promoting decarbonisation in regions where the energy transition may have a greater impact.

Among them, 'Green Hysland' project in Mallorca, coordinated by Enagás, is the first green hydrogen initiative in a Mediterranean country due to get European funding. European Commission's body, The Fuel Cell and Hydrogen Joint Undertaking (FCH JU), has selected this project to start negotiations for an EU grant agreement valued at 10 million euros, which will help position Spain as the hydrogen hub in Southern Europe. This initiative, supported by 30 partners from 11 countries, will generate, distribute and use at least 300 tonnes of renewable hydrogen locally per year, produced from solar energy on the island of Mallorca, and aims to reduce the island's CO₂ emissions by up to 20,700 tons per year.

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