



distribuição
gás natural



FY2019

Results Presentation

Galp Gás Natural Distribuição, S.A.

April, 2020

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FY2019 RESULTS



2019 Overview

Operating Results

Financial Overview



2019 Overview

Relevant Facts Occurred in 2019

- The average RoR for the calendar year 2018 was 6.24%, while the RoR for the calendar year 2019 was 5.70%.
- S&P Global Ratings reaffirmed GGND's long-term corporate credit rating "BBB-" ("investment grade"), with stable outlook.
- Investment effort is aligned with the strategic guidelines contributing to ensure the competitiveness of natural gas distribution tariff.
- GGND completed the acquisition of 58.03% of Tagusgás' share capital, for an amount of approximately € 31.8 million.
- GGND entered into a five-year financing contract with Mizuho, in the amount of € 70 million to finance Tagusgás acquisition and its refinancing.
- The tariff deviation amounted to € 24.6 million, an increase of € 8.4 million YoY.
- Publication of PNEC 2030 – transition of the energy sector.

2019 Overview

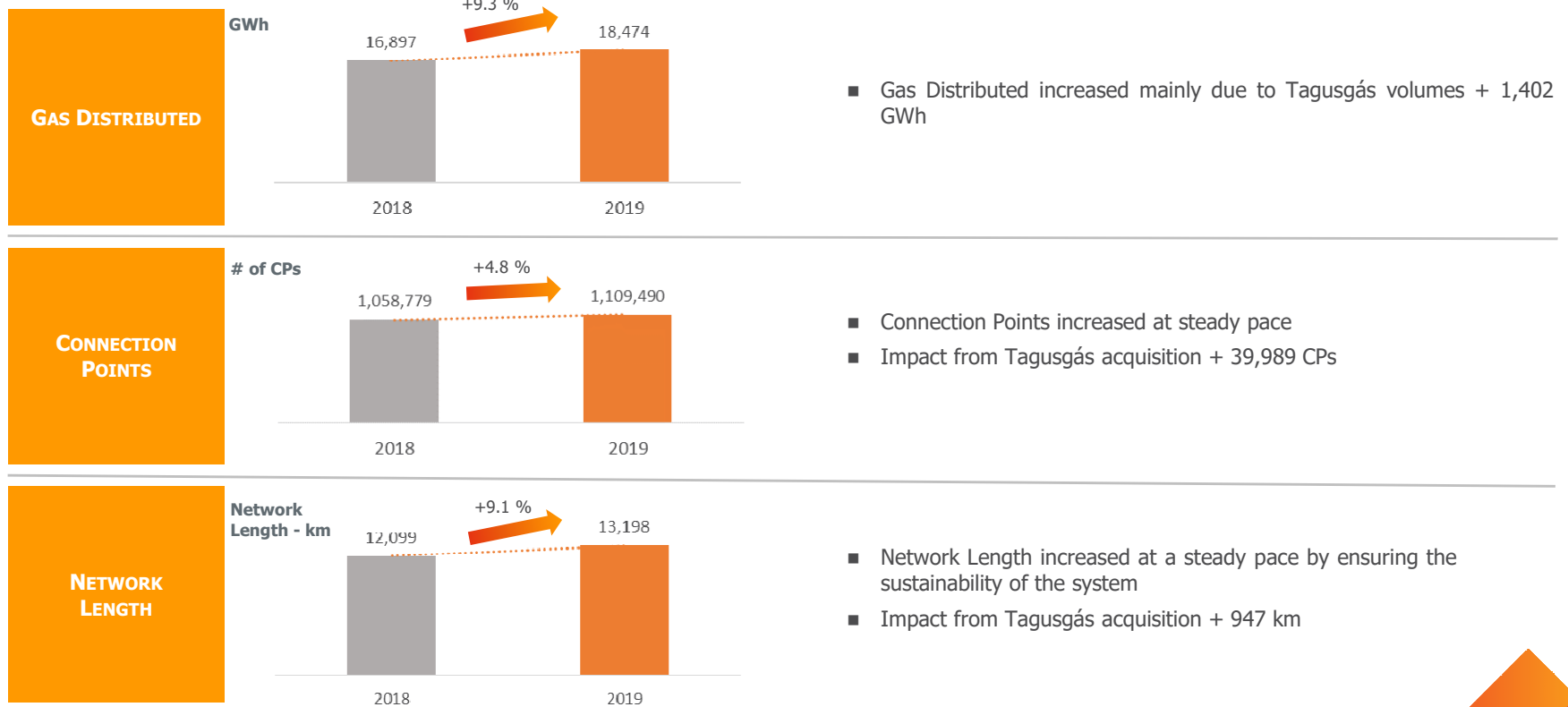
Operating Results

Financial Overview



Operating Results

Stable Performance Focused on Sustainability of the System



FY2019 RESULTS



2019 Overview

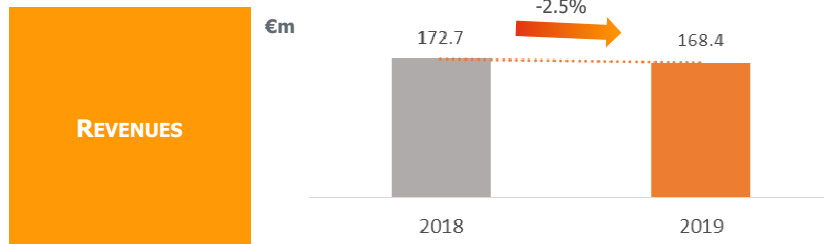
Operating Results

Financial Overview

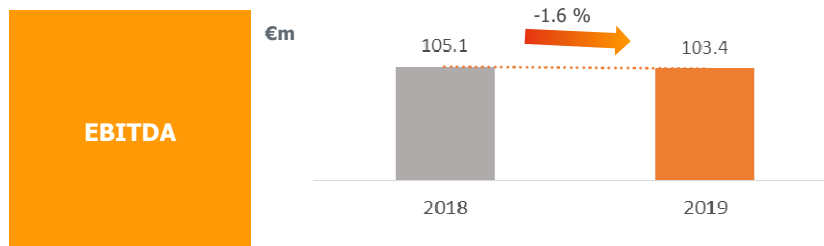


Financial Overview

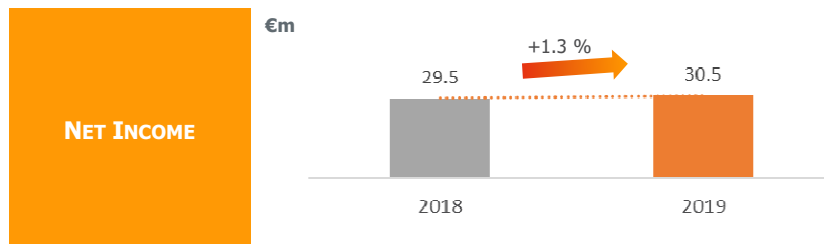
Maintain Level of Key Indicators



- Revenue decreased by €4.3m mainly due to decrease of RoR (average RoR in FY2019 was 5.70% while that in FY2018 was 6.24%)



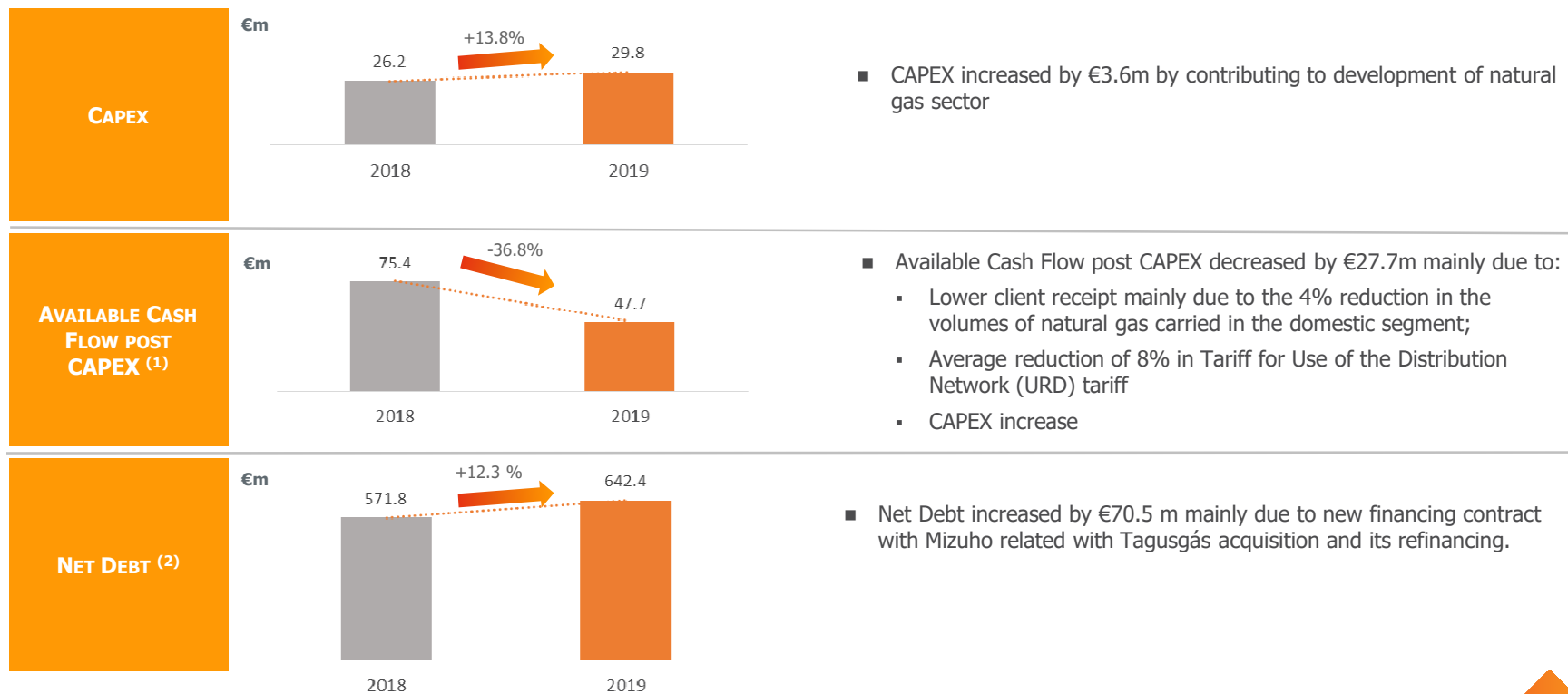
- EBITDA decreased by €1.7m mainly due to reduction in Allowed Revenue above mentioned, not offset by the positive Tagusgás impact



- Net Income increased by €1.0m in spite of abovementioned decrease, due to the positive fair value of revaluation of initial Tagusgás stake

Financial Overview

Increase of Net Debt due to Tagusgás Acquisition



(1) Available Cash Flow post CAPEX: Cash flows from operating activities – CAPEX

(2) Net Debt: Bank loans + Bonds + Accrued Interests – Cash and cash equivalents. <NOTE> In Net Debt calculation, it considers the gross amount not deducted from the upfront fee

FY2019 RESULTS



Financial Overview

Prudent Financial Policy Maintaining Investment Grade Rating

TOTAL DEBT

€ m	
EMTN Bond	600.0
Mizuho Bond	70.0
EIB Loan	4.2
Commercial Bank loan	8.3
Total	682.5

- EIB Loan and Commercial Bank Loan, both at subsidiaries, continue being amortized until 2020 and 2027 respectively

LIQUIDITY

€ m	
Cash and Cash Equivalent	42.7
Revolving Credit Facility	50.0
Short Term Credit Line	20.0

- Both Revolving Credit Facility in the amount of €50m and also Short Term Credit Line of €20m support enough level of liquidity

FINANCIAL COVENANTS (BOND)

Net Debt / EBITDA	6.2x
Debt Service Coverage Ratio	4.2x

- Both ratios were affected by the acquisition of Tagusgás, but continue to be within the limits

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