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April, 2019

FY2018

Results Presentation

Galp Gás Natural Distribuição, S.A.

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2018 Overview

Operating Results

Financial Overview

2018 Overview

Relevant Facts Occurred in 2018

- RoR of the GY2018-2019 was 5.82% comparing to 6.65% in the previous GY resulting in 6.24% of average RoR in FY2018 while that in FY2017 was 6.42%.
- S&P Global Ratings affirmed GGND's long-term corporate credit rating of "investment grade" BBB- with stable outlook.
- Investment effort is aligned with the strategic guidelines contributing to ensure the competitiveness of natural gas distribution tariff.

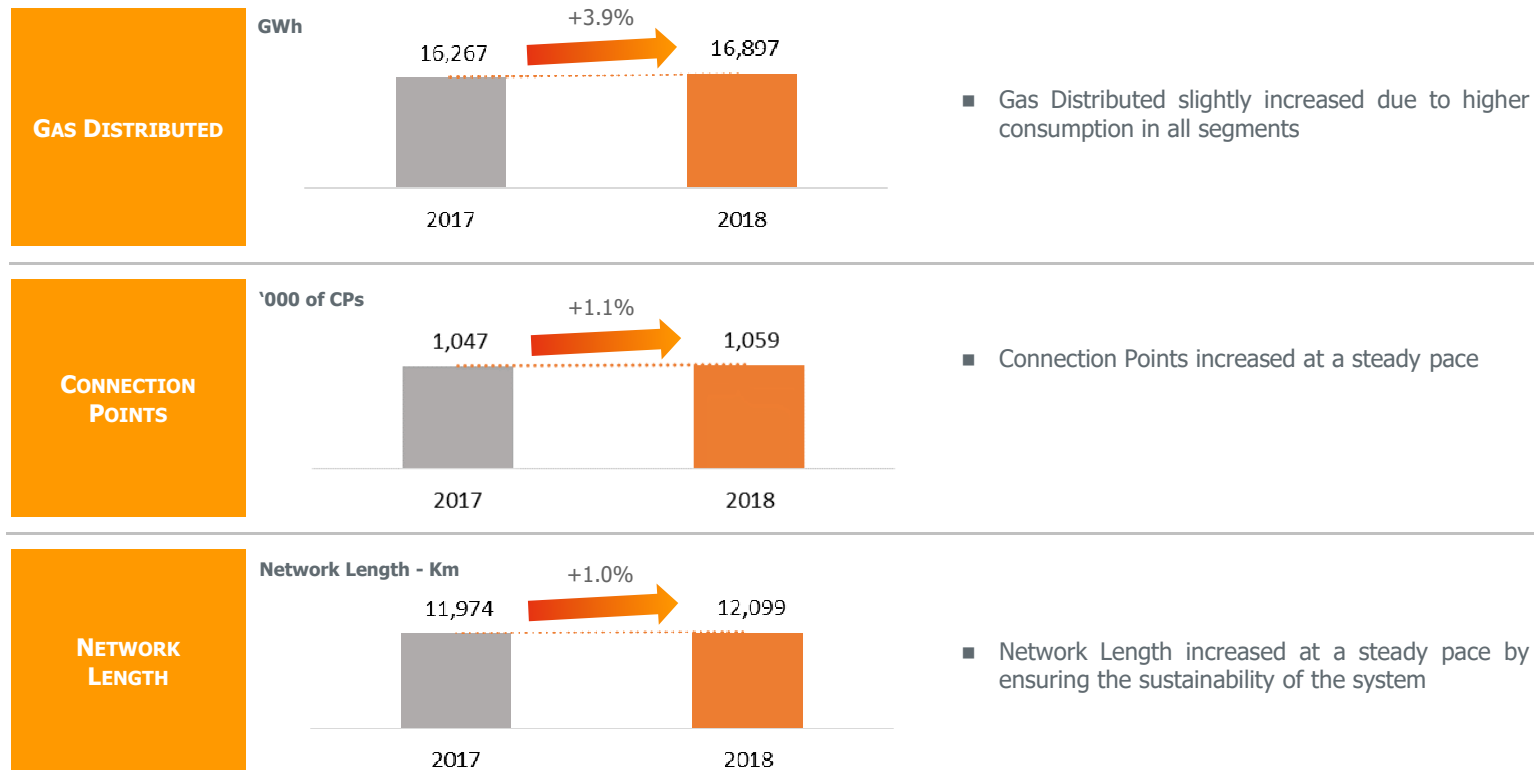
2018 Overview

Operating Results

Financial Overview

Operating Results

Stable Performance Focused on Sustainability of the System



2018 Overview

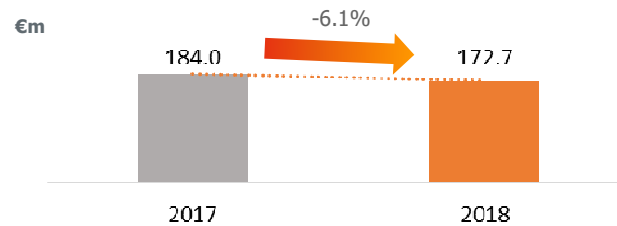
Operating Results

Financial Overview

Financial Overview

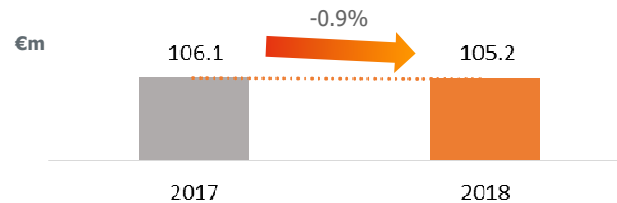
Maintain Level of Key Indicators

REVENUES



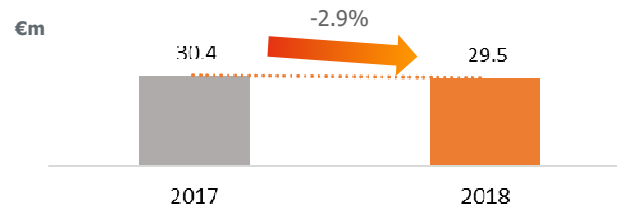
- Revenue decreased by €11m mainly due to:
 - Decrease of Network Access Tariff ^(*)
 - Decrease of RoR (average RoR in FY2018 was 6.24% while that in FY2017 was 6.42%)

EBITDA



- EBITDA decreased by €0.9m mainly due to abovementioned decrease in revenue offset by decrease of net operating costs

NET INCOME

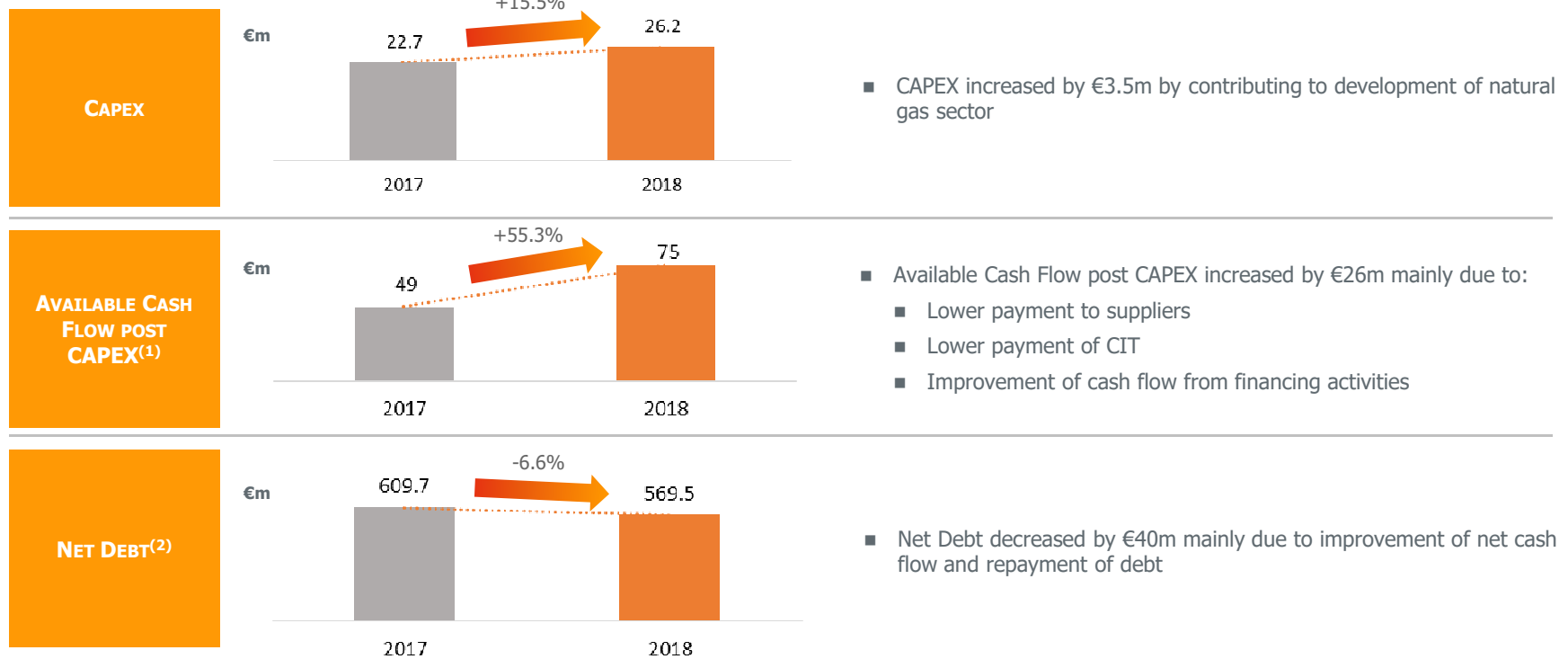


- Net Income decreased by €0.9m mainly due to abovementioned decrease in EBITDA

^(*) Pass-through item which does not impact on EBITDA.

Financial Overview (cont'd)

Cash Flow Increased due to Improvement of both Operation and Financing Activities



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

(2) Net Debt: Bank loans + Bond + Shareholder Loan + overdrafts – Cash and cash equivalents.

<NOTE> In Net Debt calculation, issuance fee of the Bond is netted from the gross amount of €600m. For Financial Ratio calculation, Net Debt is measured based on the gross amount of the bond.

Financial Overview (cont'd)

Prudent Financial Policy Maintaining Investment Grade Rating

TOTAL DEBT

€ m	
Bond	600.0
EIB Loan	11.5
Commercial Bank loan	9.4
Total	620.9

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

LIQUIDITY

€ m	
Cash and Cash Equivalent	48.1
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	5.5x
Debt Service Coverage Ratio	8.5x

- Healthy headroom under the financial covenants

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