

## **NATURGY ENERGY GROUP, S.A.**

NATURGY ENERGY GROUP, S.A. (la “Sociedad” o “Naturgy”), de conformidad con lo previsto en el artículo 17 del Reglamento (UE) 596/2014 del Parlamento Europeo y del Consejo de 16 de abril de 2014, sobre el abuso de mercado, y en el artículo 226 del texto refundido de la Ley de Mercado de Valores, aprobado mediante Real Decreto Legislativo 4/2015, de 23 de octubre, comunica la siguiente

### **INFORMACIÓN PRIVILEGIADA**

Naturgy ha alcanzado un acuerdo para vender su participación del 96,04% en su subsidiaria de redes de electricidad Chilena, Compañía General de Electricidad S.A en Chile (CGE), a State Grid International Development Limited (SGID) por un precio total de compra (*equity value*) de 2.570m€, fijado en euros y pagadero en efectivo al cierre de la operación (la transacción).

La transacción supone un *Enterprise Value* (EV) por el 100% de CGE de 4.312m€ y se espera que las plusvalías antes de impuestos para Naturgy alcancen aproximadamente 0,4bn€.

El cierre de la transacción está sujeta a las aprobaciones reglamentarias pertinentes y la autorización de competencia. Naturgy espera completar la transacción antes de finales de febrero de 2021, siempre que se cumplan las condiciones mencionadas anteriormente.

La deuda neta de Naturgy proforma de la transacción se sitúa en 10,8bn€, 3,9bn€ menos que a 30 de septiembre de 2020, en base a la desconsolidación de la deuda de CGE y en los ingresos en efectivo antes de impuestos obtenidos de la transacción. El ratio DN proforma / EBITDA de los últimos doce meses se situaría por tanto en 2,9 veces (respecto a 3,6 veces reportado) a 30 de septiembre de 2020. Además, la contribución al EBITDA de Europa y el resto del mundo (excluyendo Latinoamérica) aumenta hasta el 66% desde el 61% a los nueve meses de 2020.

La transacción demuestra la capacidad de Naturgy para ejecutar transacciones que maximizan valor para sus accionistas. Además, supone un importante paso en la transformación de la compañía y en su cartera de activos futura. La mayor capacidad financiera obtenida de la transacción permitirá apoyar las oportunidades de crecimiento ligadas a la transición energética que creen valor.

Esta transacción inicia un proceso de transformación para liberar valor para los accionistas, y dada su importancia y el momento en el que tiene lugar, Naturgy ha decidido agendar su *Capital Markets Day* en febrero de 2021, coincidiendo con su presentación anual de resultados.

Hoy a las 14h CET tendrá lugar una conferencia sobre la transacción.

## **Sobre Compañía General de Electricidad S.A en Chile (CGE)**

Fundada en 1905, CGE es la mayor compañía de distribución de electricidad en Chile por número de clientes y suministra electricidad al 45% de los hogares en el país. CGE es también el principal transmisor de energía en el segmento de transmisión zonal y está presente en 14 regiones de Chile.

Entre 2016 y 2019, CGE completó una importante reestructuración y simplificación corporativa. La plantilla total asciende a 1.463 empleados a septiembre de 2020.

## **Sobre State Grid International Development Limited (SGID)**

SGID es una subsidiaria de State Grid Corporation of China, la mayor *utility* en el mundo fundada bajo el derecho societario de la República Popular de China. SGID opera principalmente como sociedad *holding* inversora invirtiendo y operando activos regulados de electricidad en el extranjero en representación de China's Sate Grid. Más recientemente, SGID adquirió el 100% de Chilquinta Energia en Chile de Sempra Energy.

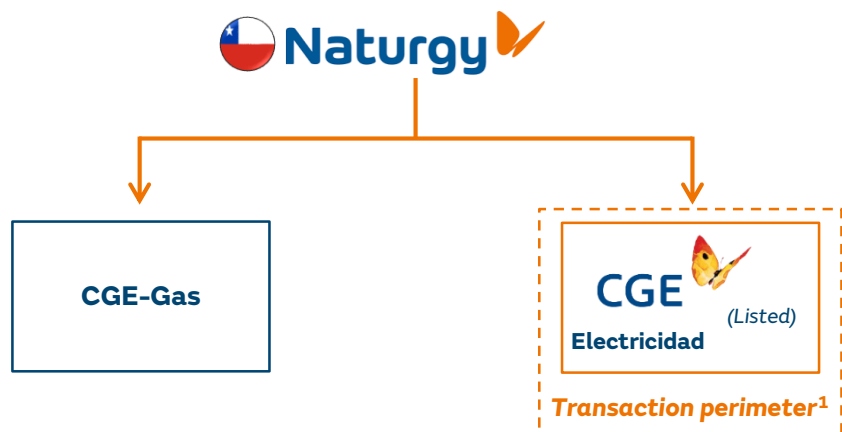
**Madrid, 13 de noviembre de 2020**

# Sale of Chilean electricity networks to State Grid International Development

13 November 2020

# Overview

## Simplified transaction perimeter



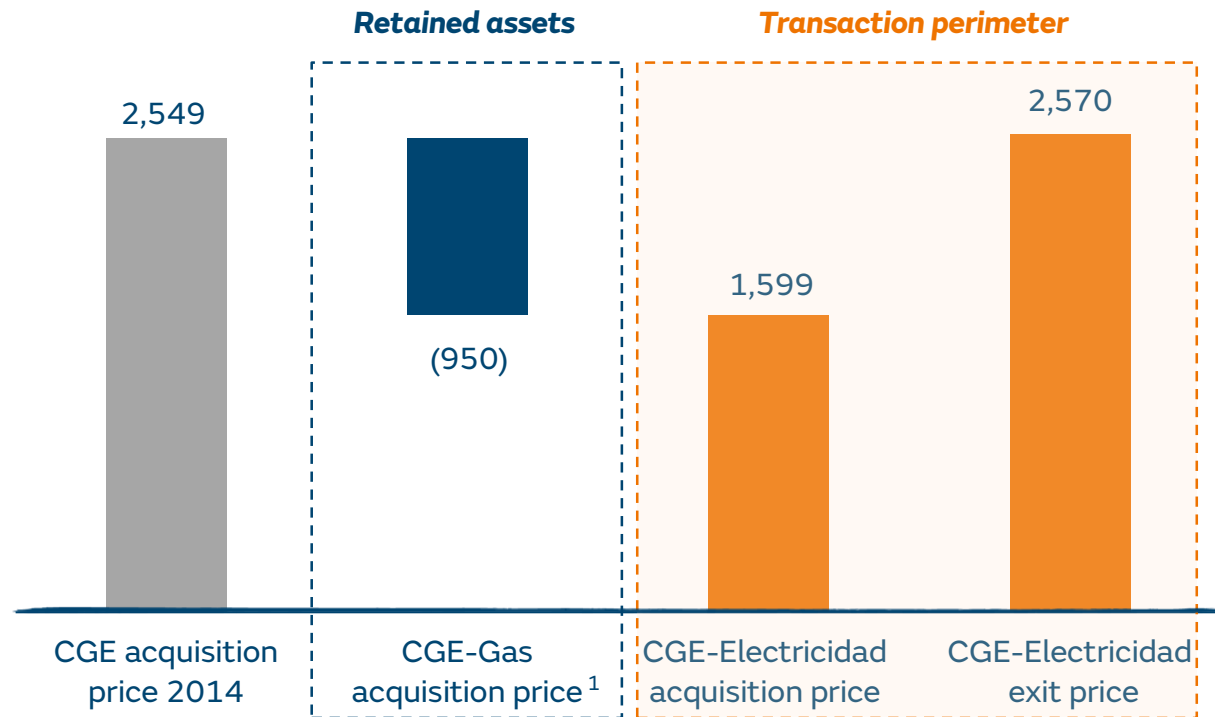
## Summary

- 1 Sale of Naturgy's entire equity shareholding in CGE-Electricidad (96.04%) to State Grid International Development
- 2 Purchase price of **€2,570m (equity value) fixed in Euros and payable in cash** upon completion. The transaction implies an **enterprise value (100%) of €4,312m**
- 3 The transaction is expected to generate pre-tax capital gains of approximately €0.4bn on **pre-tax cash proceeds of €2.6bn**
- 4 **ND/LTM EBITDA** proforma of the transaction would stand at **2.9x (vs. 3.6x reported)** as of September 2020. In addition, the **contribution to EBITDA from Europe and RoW<sup>2</sup> will increase to 66% from 61%** as of 9M20

**Completion expected before end of February 2021**

# Background and value creation

## CGE-Electricidad equity value bridge since acquisition in 2014 (€m)



### Naturgy return from CGE-Electricidad

Pre-Tax Equity IRR<sup>2</sup> (€) ~ 13%

**Exit price for half of the business equivalent to acquisition of the whole in 2014**

**Significant value creation since the acquisition of CGE-Electricidad in 2014**

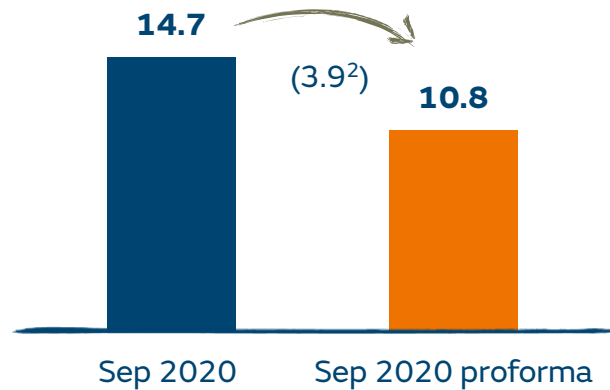
# Proforma impacts pre-use of proceeds<sup>1</sup> (€bn)

## Net Debt

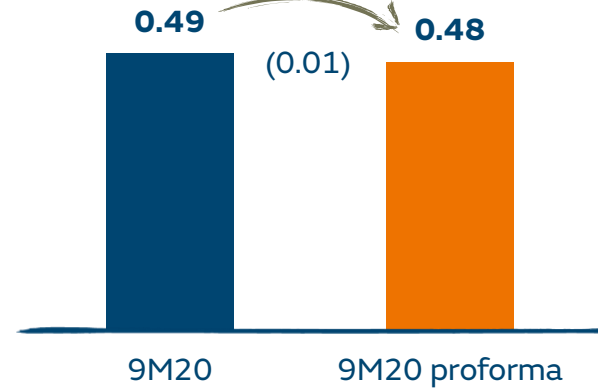
Net Debt /  
LTM EBITDA

3.6x

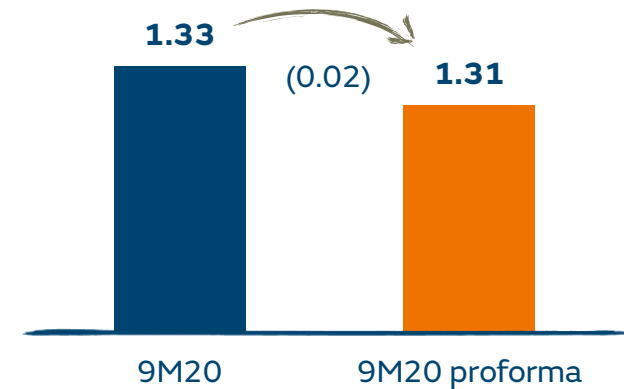
2.9x



## Net income



## FCF after minorities



**Increased firepower for growth with very limited dilution**

# Portfolio rotation strategy



**Focus on profitable growth linked to energy transition**

# Closing remarks

## 1 Value creation and capital discipline

- › Compelling returns on exit (equity IRR of ~13%)
- › Exit price significantly above market consensus and precedents
- › Contribution to EBITDA from Europe and RoW will increase to 66% from 61% as of 9M20

## 2 First step in portfolio rotation

- › The transaction initiates a transformation process to unlock value for shareholders
- › Increased firepower for growth with limited dilution
- › Focus on profitable investments linked to energy transition

**Company to further assess new opportunities and communicate conclusions in CMD at FY 2020 results**



# Disclaimer

This document has been prepared by Naturgy Energy Group, S.A. (the “Company”) in connection with the sale of Naturgy’s entire equity shareholding in CGE electricidad (96.04%) in Chile.

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CAPITAL MARKETS

Tel. +34 912 107 815

e-mail: [capitalmarkets@naturgy.com](mailto:capitalmarkets@naturgy.com)

website: [www.naturgy.com](http://www.naturgy.com)