

NATURGY ENERGY GROUP, S.A.

NATURGY ENERGY GROUP, S.A., in compliance with the provisions of Article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Article 226 of Law 6/2023, of March 17, on Securities Markets and Investment Services, hereby notifies the following

INSIDE INFORMATION

Naturgy Energy Group's Board of Directors reports on the agreements adopted in the meeting held yesterday afternoon:

1. The Board of Directors has decided to publish a market update in the form of the document enclosed herein, confirming guidance on EBITDA and Net income and updating guidance on Investment and Net debt for year 2024.
2. The Board of Directors has agreed to distribute a 0.50€ per share interim dividend against 2024 results payable on 6 November 2024.

Madrid, 30 October 2024

A low-angle photograph of a modern glass skyscraper. The word "Naturgy" is mounted on the facade in large, white, three-dimensional letters. To the right of the text is an orange butterfly logo. The building's glass reflects the sky and surrounding environment.

Naturgy

9M24

Market update

30 October 2024

Disclaimer

This document is the property of Naturgy Energy Group, S.A. (Naturgy) and has been prepared for information purposes only and contains inside information per the 2014 market abuse regulation.

This communication contains forward-looking information and statements about Naturgy. Such information can include financial projections and estimates, statements regarding plans, objectives and expectations with respect to future results, operations, capital expenditures or strategy.

Naturgy cautions that forward-looking information is subject to various risks and uncertainties, difficult to predict and generally beyond the control of Naturgy. These risks and uncertainties include the current volatile market and regulatory uncertainty, as well as those identified in the documents containing more comprehensive information filed by Naturgy and their subsidiaries in the different supervisory authorities of the securities markets in which their securities are listed and, in particular, the Spanish National Securities Market Commission.

Except as required by applicable law, Naturgy does not undertake any obligation to publicly update or revise any forward-looking information and statements, whether as a result of new information, future events or otherwise.

This document includes certain alternative performance measures (“APMs”), as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority in October 2015.

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the restated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October and their implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, in any other jurisdiction.

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Market update as of September 2024

Results

- › Strong 9M24 results amid a lower energy scenario
- › Confirming guidance on EBITDA and Net income (subject to no new sector taxes) and updating guidance on Net debt and Investment

Investment in the energy transition

- › Invested €1.4bn 2024 YTD of which 70% in renewables and electricity networks
- › +764MW of renewable capacity vs. 9M23 with 1.6GW currently under construction
- › Progressed on biomethane portfolio development

Balance sheet

- › Maintained strength and flexibility to fund future growth (2.2x ND/LTM EBITDA)
- › Debt management: returned to the capital markets via €1bn liability management, increasing maturities and diversifying funding sources

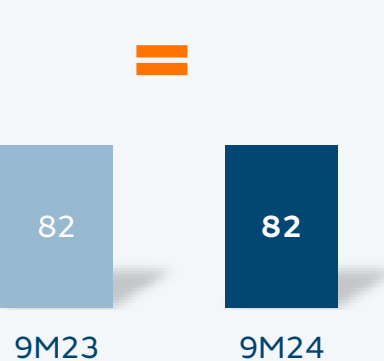
Key focus areas

- › Pro-active regulatory management
- › Competitive gas procurement and risk management (fully hedged in US LNG contracts until end 2026)
- › New Strategic Plan design underway

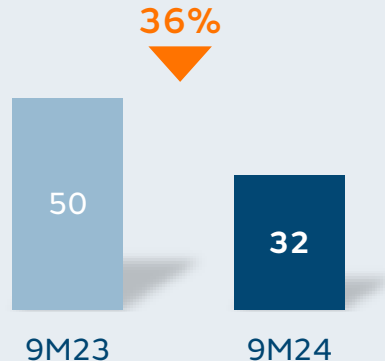
Energy markets evolution



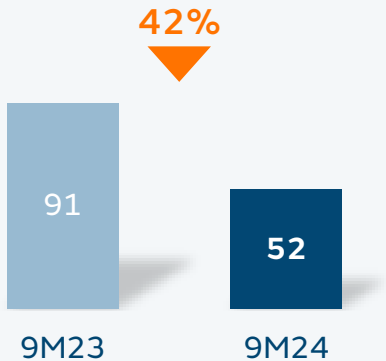
Brent (USD/bbl)



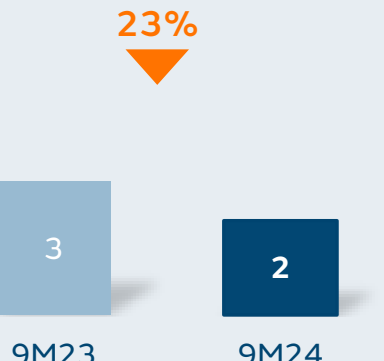
TTF (€/MWh)



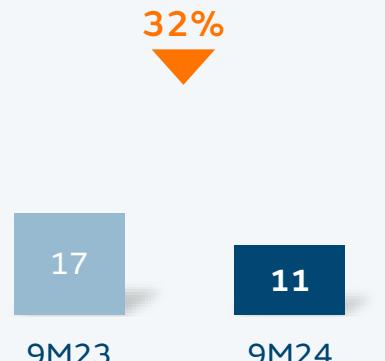
Spanish electricity pool (€/MWh)



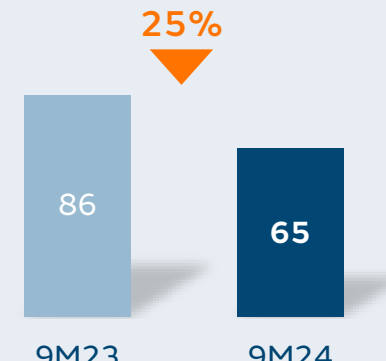
Henry Hub (USD/MMBtu)



JKM (USD/MMBtu)



CO₂ (€/t)



Key figures as of September 2024

EBITDA

€4,292m

Net income

€1,580m

Investment¹

€1,444m

Net debt

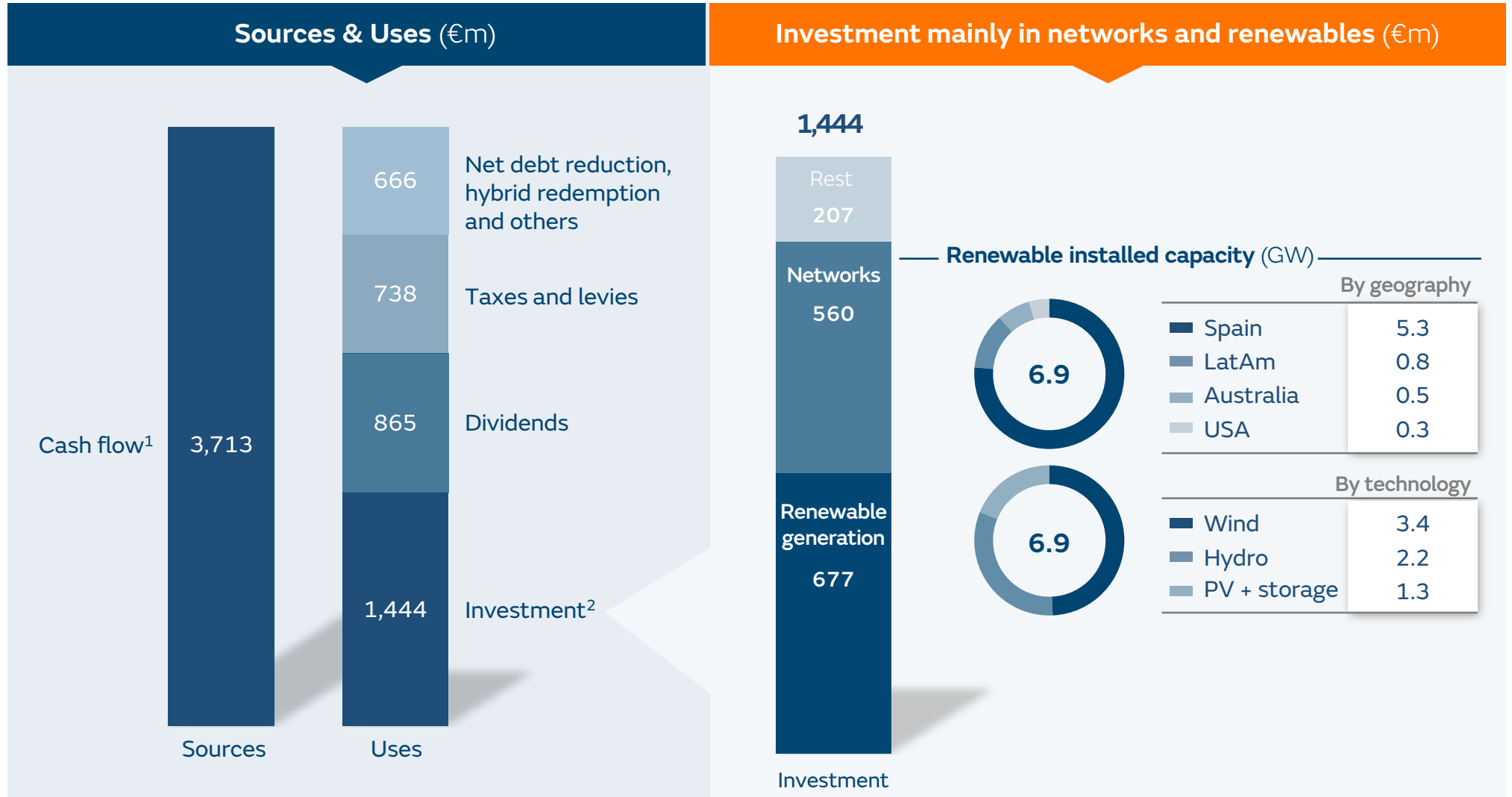
€11,956m

- › Results on track to meet 2024 guidance
- › Investment mainly in networks and renewables
- › Stable Net debt maintaining balance sheet strength
- › Second 2024 interim dividend of 0.50 €/share payable on 6 November

Note:

1. Including Capex and M&A

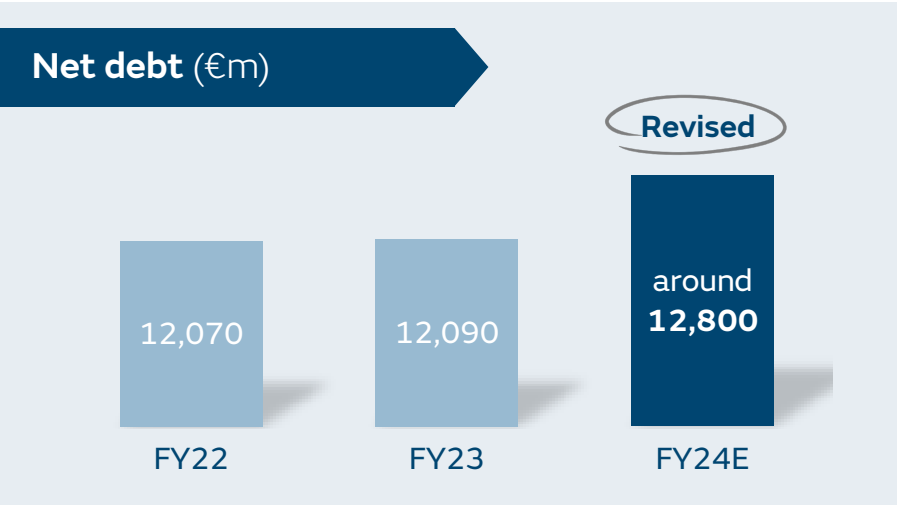
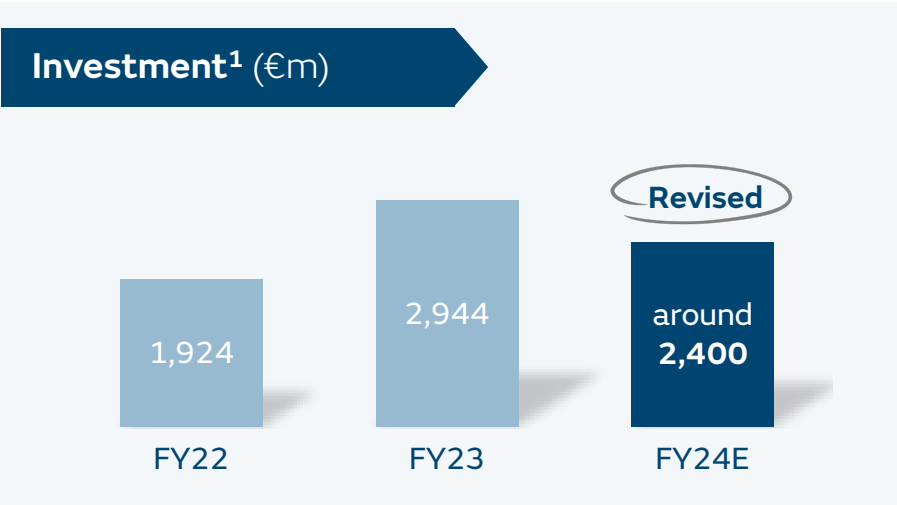
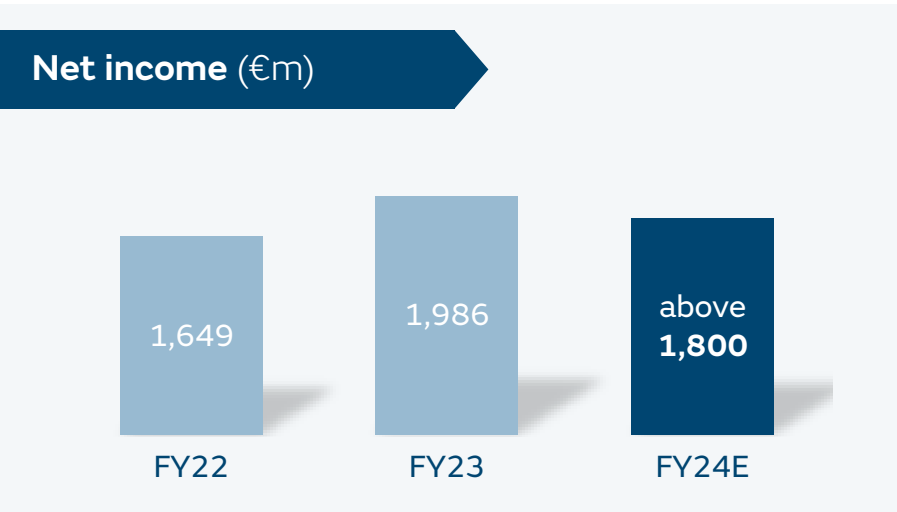
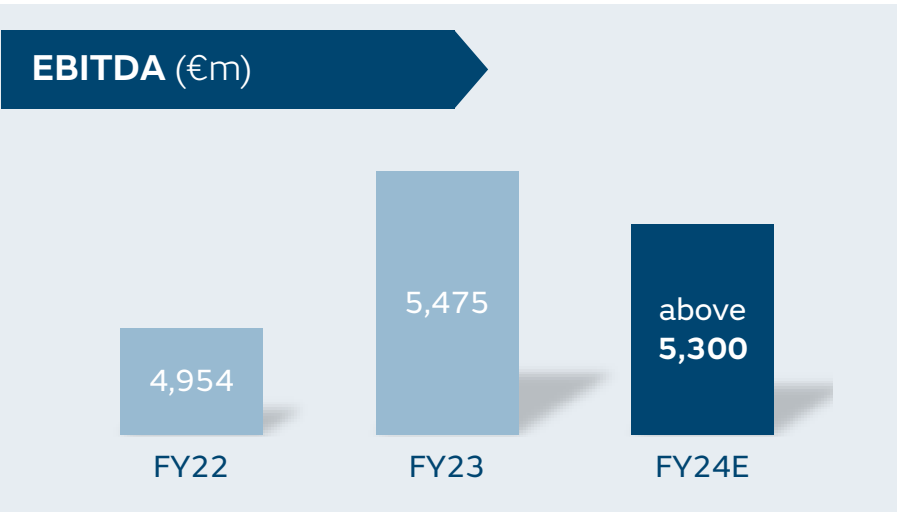
Sources and uses of cash 2024YTD



Notes:

- 1. Before taxes and levies
- 2. Including Capex and M&A

2024 revised guidance based on current energy scenario



Note:
1. Including Capex and M&A

Summary

**1**

Strong results amid a lower energy scenario

2

Confirming guidance on EBITDA and Net income

3

Updating guidance on Investment and Net debt to reflect disciplined investment approach and project permitting delays

4

Progressing on New Strategic Plan to be presented together with FY24 results in February 2025



Appendix

Naturgy 

Alternative Performance Metrics

Naturgy's financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others that are based on the Group's disclosure model, referred to as Alternative Performance Metrics (APM), which are viewed as adjusted figures with respect to those presented in accordance with IFRS.

The chosen APMs are useful for persons consulting the financial information as they allow an analysis of the financial performance, cash flows and financial situation of Naturgy, and a comparison with other companies.

Below is a glossary of terms with the definition of the APMs:

Alternative performance metrics	Definition and terms	Reconciliation of values		Relevance of use
		30 September 2024	30 September 2023	
EBITDA	EBITDA = Revenue – Procurements + Other operating income – Personnel expenses – Other operating expenses + Gain/(loss) on disposals of fixed assets + Release of fixed asset grants to Income and other	Euros 4,292 million	Euros 4,313 million	EBITDA (“Earnings Before Interest, Taxes, Depreciation and Amortization”) measures the Group’s operating profit before deducting interests, taxes, depreciations and amortizations. By dispensing with the financial, tax and accounting expenses magnitudes that do not entail a cash outflow, it allows evaluating the comparability of the results over time. It is an indicator widely used in the markets to compare the results of different companies.
Investments (CAPEX)	Investments in intangible assets + Investments in property, plant & equipment	Euros 1,434 million = 214 + 1,220	Euros 1,378 million = 209 + 1,169	Measure of the investment effort of each period in assets of the different businesses, including accrued and unpaid investments. It allows to know the allocation of its resources and facilitate the comparison of the investment effort between periods. It is made up both of maintenance and growth investments (funds invested in the development or for the expansion of the Group's activities).
Gross financial debt	“Non-current financial liabilities” + “Current financial liabilities”	Euros 17,191 million = 14,347 + 2,844	Euros 15,550 million = 12,616 + 2,934	Measure of the Group's level of financial debt. Includes current and non-current concepts. This indicator is widely used in capital markets to compare different companies.
Net financial debt	Gross financial debt - "Cash and cash equivalents" - "Derivative financial assets associated with financial liabilities"	Euros 11,956 million = 17,191 – 5,077 - 158	Euros 11,171 million = 15,550 – 4,106 – 273	Measure of the Group's level of financial debt including current and non-current items, after discounting the cash and cash equivalents balance and asset derivatives linked to financial liabilities. This indicator is widely used in capital markets to compare different companies.



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