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IENOVA*.MX - Q2 2018 Infraestructura Energetica Nova SAB de CV
Earnings Call

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PRESENTATION

Operator

Good day, everyone, and welcome to the IEnova Q2 2018 Earnings Conference Call. Today's conference is being recorded. At this time, I am pleased to turn the conference over to Sue Bradham.

Susan Bradham - *Infraestructura Energética Nova, S.A.B. de C.V. - Director of IR*

Good morning, and thank you for joining us. Today, we will be discussing IEnova's second quarter 2018 financial results. A live webcast of this teleconference and slide presentation is available on our website in the Investor Relations section. In the presentation, you will find our disclosure statement. The forward-looking statements contained in this presentation speak only as of today, July 26, 2018, and the company does not assume any obligation to update or revise any of these forward-looking statements in the future. With us today on the call are several members of our management team: Carlos Ruiz Sacristán, Chairman and Chief Executive Officer; Nelly Molina, Chief Financial Officer; Tania Ortíz, Chief Development Officer; Arturo Infanzón, Chief M&A and Planning Officer; and Roberto Rubio, Vice President and Controller.

Please turn to Page 3 of the presentation provided on our website, and I will turn the call over to Carlos.

Carlos Ruiz Sacristán - *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman & CEO*

Thank you. Good morning, everyone. Thank you for joining today's call. Earlier this month, we were awarded a concession to develop a marine terminal for the receipt and storage of refined products in the Port of Topolobampo. A little more than a year ago, we started this new business line. Today, our Liquid storage business is composed of 5 terminals, which represents a total investment of approximately \$600 million, and a total capacity of 5.4 million barrels. The total capacity of these terminals represents an increase of more or less 20% from the country's current 30 million barrels of refined storage. Later, Tania will further describe this break to you.



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Before discussing -- please now turn to Page 4. Before discussing our financial results, I would like to tell you that we have decided to suspend indefinitely the TDM sale process. Nelly will explain this decision in more detail later. Adjusted EBITDA in the second quarter of 2018 increased 19% to \$219 million compared with \$184 million in the same period of 2017. This increase was mainly due to the TDM power plant higher operational results and its scheduled major maintenance in the second quarter of 2017. And the acquisition of an additional 25% of Los Ramones Norte pipeline in November of last year. Profit in the second quarter was \$102 million, compared with \$46 million in the same period of 2017. This increase was mainly due to the TDM non-cash, after-tax impairment charge in the second quarter of 2017 and the EBITDA drivers I just mentioned, partially offset by exchange rate effects and higher financial costs.

I will now turn the call over to Nelly to discuss the financial performance by segment and our construction progress.

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

Thank you, Carlos. Good morning, all. I will now go through the results for the Gas and Power segment. Please go to Page 5. For our Gas segment, in the second quarter of 2018, profit before income tax and share of profits of joint ventures was \$125 million, compared with \$141 million in the same period of 2017. The decrease is mainly due to lower interest capitalization, higher depreciation and higher operating, administrative and other expenses.

Now please go to Page 6. In the second quarter of 2018, the Power segment profit before income tax and share of profits of joint ventures was \$16 million, compared with a loss of \$71 million in the same period of 2017. The increase is mainly due to the impairment of TDM power plant and its scheduled major maintenance that both occurred in the second quarter of last year. Regarding TDM, last year -- I'm sorry, regarding TDM, we decided not to sell the power plant due to change in market conditions. Its assets and liabilities that were previously classified as held for sale and considered as discontinued operations have now been reclassified as held and use. The depreciation is resumed, starting in June, and now TDM results are consolidated in our Power segment.

Next, I will provide updates for our projects under construction. Please go to Page 7. We continue construction activities as planned, and on our now 11 projects under construction that are scheduled to commence operations by the end of this year and during 2019 and 2020. In our Liquids business, we are very pleased to announce that we have executed an agreement with Valero Energy to increase the storage capacity of the Veracruz marine terminal to 2.1 million barrels and to redistribute the capacity of the Puebla and Mexico City terminals. The total investment will now be approximately \$315 million, which is \$40 million increase from the previously disclosed \$275 million. As a result of these design changes, the start of operations of the 3 terminals was rescheduled to the third quarter of 2019.

I will now turn the call over to Tania to discuss our most recent developments and other opportunities for growth.

Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

Thank you, Nelly. Please turn to Page 8. As Carlos mentioned earlier, after presenting the best economic offer, we won a concession for the development of a marine terminal for the receipt and storage of refined products in the Port of Topolobampo on the west coast of Mexico. With an expected investment of \$150 million, the terminal will have 1 million barrels of storage, mainly for diesel and gasoline. Commercial operations are expected to commence in the fourth quarter of 2020. We have secured 100% of the capacity, with long-term dollar-denominated contracts with leading international oil companies.

Please turn to Page 9. As I mentioned in our first quarter call, we are working on several initiatives that will provide additional growth over the next few years. First, we are pursuing additional liquid storage terminals for potential customers through both greenfield development and port-bidding processes. We continue to make progress on several additional projects in strategic locations throughout the country. For example, just last month, bid bases were issued for storage terminals in La Paz, Baja California, and Dos Bocas, Tabasco. Second, in the Power segment, we remain focused on additional bilateral contracts for renewable energy with industrial customers to fully contract Don Diego solar and launch additional solar projects. Third, we continue to work on the transmission line bids. And finally, we are in advanced discussions with interesting parties regarding



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the ECA liquefaction project, and we will continue defining the commercial opportunity with them. We are jointly developing this project with Sempra, and we have selected Technip and Kiewit to perform the engineering planning and related activities.

Now please turn to Page 10, and I will turn the call back to Carlos.

Carlos Ruiz Sacristán - *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman & CEO*

Thank you, Tania. This week, IEnova's Board of Directors declared a dividend payment of \$210 million, which will be distributed to the shareholders in one payment during the month of August. This represents a growth of 5% from the 2017 dividend.

Please turn to Page 11. I'm very pleased with the strong quarter results, our growing dividend and our ability to announce another refined product storage terminal which further diversified our assets and customer base. In addition, IEnova continues to have growth opportunities that will create more shareholder value. First, we're investing nearly \$2 billion in developing projects that are currently under construction. Second, Tania's team is making significant progress on new projects in the electricity, gas and liquids sectors. Third, our team continues to evaluate M&A opportunities. IEnova has a long, successful track record of developing, owning and operating energy infrastructure that is strategic for promoting economic growth and development, essential to provide access to competitive priced energy, and critical to support the delivery of energy to customers. Mexico will continue to require important private and public investment in the energy sector. And IEnova is well-positioned to continue to invest for promoting the country's growth.

I will now like to open the call for your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) And our first question comes from the line of Christian Audi from Banco Santander.

Gustavo Allevato - *Santander Investment Securities Inc., Research Division - Research Analyst*

It's actually Gustavo Allevato here. I have 3 questions here. Regarding the first one, it's just the sustainability of operating results of TDM. The company 2 years ago decided to sell, and indeed has now canceled the sale. I would like to know the sustainability of the operating results going forward. The second question is, if you guys can provide an update for transmission line auctions for the CFE in the next month, how it's moving forward? So that's my 2 questions here. Thank you

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

Hi Gustavo, good morning. This is Nelly. Regarding TDM, we have taken the decision because we have seen improvements in market conditions that have contributed to the power plant's better performance that you have seen year-to-date. The CAISO market has recovered from its lows, increasing our volume sales, and we really believe that it is a positive environment for the power plant right now.

Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

Good morning, Gustavo, this is Tania. Regarding the transmission line bids, there are 2 transmission line bids in process. One, the one in Oaxaca is headed by CFE; and another one, to interconnect Sonora and Baja, is headed by the Ministry of Energy. Bids are due for Oaxaca by the end of August; and for Baja, Sonora, bids are due in September. We're continuing to follow these bids very closely, and we'll focus on preparing an offer.

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Gustavo Allevato - Santander Investment Securities Inc., Research Division - Research Analyst

Okay, clear. If you guys ask me -- allow me to ask a follow-up here, just regarding the TDM, can I expect the same operating results for the second half and 2019? And if it's better-than-expected operating results for TDM, give -- provide how the comps issue will increase the 2018 guidance?

Manuela Molina Peralta - Infraestructura Energética Nova, S.A.B. de C.V. - CFO

Gustavo, regarding the TDM results, yes, year-to-date over the first 6 months of the year, we have seen very positive results. We cannot count on the same performance, because we are still selling to the spot markets in California. So we still have revenues that are volatile. And regarding our 2018 guidance, we believe that it is too early to say or to change this guidance. We are keeping the same range.

Gustavo Allevato - Santander Investment Securities Inc., Research Division - Research Analyst

Okay, very clear. Thank you.

Operator

And our next question comes from the line of Jeremy Tonet from JPMorgan.

Charlie Barber - JP Morgan - Analyst

Good morning. This is Charlie in for Jeremy. I just wanted to follow up on the commentary regarding the conversion of the ECA to an LNG facility. You noted that you were in advanced discussions, for commercial discussions. I was just curious if those are with multiple off-takers and if these are geared at 10- to 15- to 20-year-type SPA contracts, similar to you see with, like a Sabine Pass?

Tania Ortíz Mena López Negrete - Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer

Good morning, Charlie. We are talking with several potential off-takers, and we would expect to contract these facilities under long-term contracts. As I mentioned, we are still working on the final design, scope, and of course, engaging the customer. So we would not expect to reach a final investment decision until next year.

Charlie Barber - JP Morgan - Analyst

Okay, great. And then also following up, there was a little bit more details during the Sempra Analyst Day. I was curious, looking at the different options you have with the mid-scale and large-scale, where does this project, where would this fall, kind of on the cost curve, when you look at -- if you compare it to something like Sabine, Cameron, Freeport?

Tania Ortíz Mena López Negrete - Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer

We have not disclosed any CapEx figure, but we believe our facility can be competitive with the Gulf Coast projects.

Charlie Barber - JP Morgan - Analyst

Okay, fair enough. And then one more on the LNG facility. You said 3-year construction window, I was just -- what is that relative to in terms of -- is that generally, if you went with the mid-scale or the large-scale or both, what was that relative to?

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Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

Right now, the mid-scale, we would intend to reach a final investment decision by late next year, which would push commercial operations to 2023. So that's the type of schedule that we're looking at right now for the mid-scale.

Charlie Barber - *JP Morgan - Analyst*

Okay, great. Thank you so much. And one last one for me. I believe you noted the potential to up the capacity of some of your gas pipelines. I was just curious, is that looping, compression? And are those opportunities something that you'd expect to come to fruition by year-end? Or is this more maybe into 2019? This is something that was noted during the Analyst Day as well.

Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

We're looking at several opportunities that we may be able to announce by year-end.

Charlie Barber - *JP Morgan - Analyst*

Okay, great. And sorry, just one last quick one, on the Marine Pipeline, just the expectation there. It still looks or -- still expecting that to come in year-end? Is that kind of early in 4Q or probably towards the tail end of the year?

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

Yes, Jeremy, it is progressing according to plan. The construction, the offshore construction is completed by now. And the project continues to progress towards an in-service date of late this year.

Charlie Barber - *JP Morgan - Analyst*

Great. Thank you so much.

Operator

And our next question comes from the line of Pablo Ordóñez from Itaú.

Pablo Ordóñez - *Itaú Corretora de Valores S.A., Research Division - Research Analyst*

Hi, good morning IEnova team, congratulations on your results. Couple of questions. First on the Liquids segment, congratulations on the expansion of capacity at the Port of Veracruz. Can you give us an update on the expected return, if it's still in the higher range of your target? And overall, also can you share with us how is the appetite of your clients in the fuel segment after the election?

Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

Good morning Pablo, yes, the Veracruz terminal, and I would say all of our liquids product terminals, are more towards the higher end of our rate of return. So we're very satisfied with those developments. We continue to see very strong appetite from international refiners to enter the market. They continue to grow their retail station and they do need new facilities to be able to bring their product to the market, both marine and in-land.

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So the appetite continues to be there, and I believe, the Topolobampo project, which was announced a few weeks ago, with 2 very strong off-takers, validates the strength of this opportunity.

Pablo Ordóñez - *Itaú Corretora de Valores S.A., Research Division - Research Analyst*

Got it, Thank you Tania. And another question regarding the TDM power facility. Do you think that it's possible to contract this asset in the short or medium term? Or should we expect it to remain in the -- only in the spot market?

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

Right now, our assumption is that we keep selling it to the spot market, although we have been able to contract resource adequacy capacity and Arturo can explain that in detail.

Arturo Infanzón Favela - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Mergers & Acquisitions and Planning Officer*

Yes, what is important to mention is that, that plant, in terms of capacity revenues has improved over time. Last year, we had \$9 million of revenues from resource adequacy. This year, we are at 16, and next year, we'll be better than this year. Next year, it's fully contracted in terms of the capacity. So we see -- even though it has volatile revenues in the spot market, there is a baseline of capacity that has been contracted. Plus, we see that this plant can be interconnected to the announced power line transmission from Baja to the Mexican grid, that -- which this plant is more efficient in the region, so we believe that it will have better economics once the line is built.

Pablo Ordóñez - *Itaú Corretora de Valores S.A., Research Division - Research Analyst*

Okay, got it. Very interesting. Thank you. And one final question, regarding your shareholders loan in for the texas-tuxpan project, what are your plans in the medium term? Do you expect to use all the credit line capacity of MXN 14 billion and do you expect it to remain on your balance sheet?

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

For now, yes. And we will check, once the project reaches commercial operations, we may have opportunities to finance projects of this capacity under project finance and not consolidate it for IEnova. But we're not there yet.

Pablo Ordóñez - *Itaú Corretora de Valores S.A., Research Division - Research Analyst*

Okay, got it. Thank you

Operator

(Operator Instructions) And our next question comes from the line of Alejandra Obregon from Morgan Stanley.

Alejandra Obregon Martinez - *Morgan Stanley, Research Division - Research Associate*

Hi, good morning everyone and thank you for the call. I have 2 questions, actually, one on the Gas business, particularly on the distribution segment. It seems results came significantly below, I don't want to say the norm, but close to what we saw last quarter and last year, and I was wondering if you could comment on what's driving this? And then the second question is regarding the transmission bids. I was wondering if you have seen



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any changes with the new administration in terms of processes? Or are you expecting any different thing in terms of the bids? That would be very helpful. Thank you.

Roberto Rubio Macías - *Infraestructura Energética Nova, S.A.B. de C.V. - VP & Controller*

Good morning Alejandra, this is Roberto Rubio. Related to your first question, due to new regulations approved by the CRE that became effective March 1, this year, 2018, certain users from our utility business, which is this distribution, or EcoGas, that contribute only 4% to our total adjusted EBITDA, have been transferred to our IEnova marketing our 100%-owned company at IEnova. This is related to the certain level of use, of use of this by some kind of customers. And also, I would like just to remind that EcoGas is a pass-through model -- use a pass-through model and in consequence, change in prices and there are very limited impact in our margins. So in summary, the decrease in revenues are in the distribution segment, have to be with this new regulation, but there are some increases in other parts of our business.

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

It's basically a reclassification, Alejandra, of the type of revenue.

Alejandra Obregon Martinez - *Morgan Stanley, Research Division - Research Associate*

And -- no, go ahead, go ahead.

Tania Ortíz Mena López Negrete - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Development Officer*

Regarding the transmission line bids, what we are seeing is what is very standard in bidding processes in Mexico for very large projects, where the dates may move a little, the bid documents are evolving, especially, since this is the first -- or these are the first 2 projects of its kind. So I would say we are undergoing a normal process of working with both CFE and the Ministry of Energy to ensure that the bid -- that we have appropriate bid documents and again, the dates have been pushed a little. We do understand that the new administration is working closely with the existing administration, but we have not seen that reflected in the bid documents.

Alejandra Obregon Martinez - *Morgan Stanley, Research Division - Research Associate*

Thank you very much. Just a follow-up, if I may, on the EcoGas reclassification. How should we think of it going forward? Is this something that we will -- that is a one-off or that we're going to see every single time in the future?

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

It's going to follow the same trend. We have to segregate and separate these type of revenues. But it is still consolidated at the IEnova level.

Alejandra Obregon Martinez - *Morgan Stanley, Research Division - Research Associate*

Okay, thank you very much, this is very helpful.

Operator

And our next question comes from the line of Vanessa Quiroga from Crédit Suisse.



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Vanessa Quiroga - *Crédit Suisse AG, Research Division - Head of Mexico Equity Research & Co-Head of the Housing & Infrastructure in LatAm excluding Brazil*

Yes, hello, thank you for taking my question. The first one is on, on TDM. Sorry, if I missed this from earlier in the call, but do you have a new contract signed that gives visibility on revenues for TDM? Or how are you operating TDM currently? And the second one is on M&A. If you can provide an update on the opportunities that you are analyzing in terms of acquisitions? Thank you

Arturo Infanzón Favela - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Mergers & Acquisitions and Planning Officer*

Hi Vanessa, in terms of the visibility of the revenues for TDM, as I mentioned, there are these resource adequacy contracts, which are basically capacity contracts on the power plant. This year, they are fully contracted. Also, for 2019, we have fully contracted the plant at better prices than this year. So for that portion of the revenue, there will be stability. Obviously, in terms of the energy, it will be subject to the market conditions, but as we have seen so far this year, they are much better than last year and we expect that we will have a similar result for the second part of the year.

Vanessa Quiroga - *Crédit Suisse AG, Research Division - Head of Mexico Equity Research & Co-Head of the Housing & Infrastructure in LatAm excluding Brazil*

Arturo, and on M&A?

Arturo Infanzón Favela - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Mergers & Acquisitions and Planning Officer*

Can you repeat that question on M&A, please?

Vanessa Quiroga - *Crédit Suisse AG, Research Division - Head of Mexico Equity Research & Co-Head of the Housing & Infrastructure in LatAm excluding Brazil*

Yes, just an update on the opportunities that you are seeing currently?

Arturo Infanzón Favela - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Mergers & Acquisitions and Planning Officer*

Well, as you know, we cannot disclose the type of projects that we are looking, but we are focusing mainly on renewables. There is a potential for some gas pipelines that we may be able to comment in the next call.

Vanessa Quiroga - *Crédit Suisse AG, Research Division - Head of Mexico Equity Research & Co-Head of the Housing & Infrastructure in LatAm excluding Brazil*

Okay, so in terms of the appetite to sell, do you feel that right now it's a buyer's market? And just an update on the environment. Or whether the opportunities -- the size of the opportunities have increased or they have reduced, just an update on that. Thank you Arturo.

Arturo Infanzón Favela - *Infraestructura Energética Nova, S.A.B. de C.V. - Chief Mergers & Acquisitions and Planning Officer*

No, I mean, we haven't seen any change on the market conditions for M&A. As I said, we are participating in some processes, but we cannot disclose them and we expect to continue with the same dynamic.

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Vanessa Quiroga - *Crédit Suisse AG, Research Division - Head of Mexico Equity Research & Co-Head of the Housing & Infrastructure in LatAm excluding Brazil*

Okay, that's great. Thanks

Operator

(Operator Instructions) And our next question comes from the line of Zeke Fernandez from Scotiabank.

Ezequiel Fernández López - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Hello, good morning. This is Ezequiel Fernandez from Scotiabank. Sorry, I connected a little bit late to the call. If I repeat a question, just let me know, I can hear the replay. My first question is related to Mexicali. Why did you decide to suspend the sale? And if you have -- if this is in any way related to the regulatory changes that the CAISO Independent System Operator is thinking about making this year, mainly on day-ahead pricing, a little bit on the phaseout of thermal? And my second question is related to the EBITDA guidance, congratulations on that, I think that you're aiming already for the upper range. But I wanted to understand a little bit better the part of the EBITDA guidance that is related to the core Gas segment? It should be, for now, it's basically flat year-on-year. Despite that, well, there is some inflation protection in some of the contracts, and Sonora II, Ojinaga and San Isidro should be contributing fully to results in 2018 and they were not doing so in 2017. So what is it maybe that detracted a little bit from growth? That's all from my side, thank you.

Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

Ezequiel, this is Nelly. Regarding TDM, I was mentioning before that we have taken a decision to keep the power plant because we recently have seen improvements in market conditions that you can see that they have contributed into the better performance of the power plant. And I was also mentioning that the CAISO market, we have observed, it has recovered from its lows, and that's one of the reasons that we have also increased our volume sales of the power plant.

Regarding the potential regulations, we also view that possible changes to the day-ahead market in California as positive for the power plant. We also mentioned before that we have been able to contract this year and next year, resource adequacy capacity and that is a very important and more stable revenue stream for the power plant. So that's the main reason we have taken that decision.

Regarding the EBITDA guidance, and although TDM power plant year-to-date has a very good performance with results, we don't believe it's time to change the guidance because we are still seeing TDM revenues as volatile. So we are not changing the range. We are keeping the same 2018 guidance.

Now regarding the Gas segment guidance. Most of the pipelines reflect full year revenues and remember that we also have included in this year the start of operations of 2 projects, Pima solar and the Marine Pipeline, by the end of the year. We haven't changed anything for this year on the Gas segment.

Ezequiel Fernández López - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Ok, thank you. But that was exactly my question. Going back, sorry if I wasn't clear, to the guidance for the core Gas segment. If I take a look at the midpoint EBITDA guidance for 2018 and I compare that to the results in 2017, it's sort of flat, a little bit below. Considering the trend in the results so far this year, you're aiming for a flat year-on-year EBITDA performance for the core Gas segment. I wanted to understand why it's flat, if some contracts have inflation protection? And what those projects, Sonora, Ojinaga and San Isidro, are going to be fully contributing to results in 2018 and they were not fully contributing in 2017, which would give you an additional source of growth? So I want to get an idea of what is preventing a year-on-year EBITDA expansion on the Gas segment?



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Manuela Molina Peralta - *Infraestructura Energética Nova, S.A.B. de C.V. - CFO*

We can get back to you with those details and we also need to understand what are your basis for these forecast -- assets. Our IR team will contact you today.

Ezequiel Fernández López - *Scotiabank Global Banking and Markets, Research Division - Analyst*

Okay, no problem, I agree that maybe without numbers it's hard to track. So, thank you a lot.

Operator

And that concludes our question-and-answer session for today. I'd like to turn the call back over to Carlos Ruiz Sacristán for final remarks.

Carlos Ruiz Sacristán - *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman & CEO*

Thank you, thank you very much for your questions. As you can see, the company continues to grow. We are investing in 11 projects \$2 billion, and we have short-term opportunities of more than \$1.6 billion. So we continue to grow and keeping discipline and also keeping our rate of return range. Thank you very much.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This concludes the program, and you may now disconnect. Everyone, have a great day.

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