

Second Quarter 2018 Financial Results

July 25, 2018

Information regarding forward-looking statements

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Agenda

- Second-quarter 2018 financial results
- Project updates
- Recent developments
- Development initiatives
- 2018 dividend

Second-quarter 2018 results

	Three months ended June 30,	
	2018	2017
<i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i>		
Adjusted EBITDA ⁽¹⁾	\$ 219	\$ 184
Profit (loss) for the period	\$ 102	\$ 46
Shares outstanding (weighted average)	\$ 1,534	\$ 1,534
Earnings per share (EPS)	\$ 0.07	\$ 0.03

- In the second quarter of 2018, Adjusted EBITDA increased 19% to US\$219 million, compared with US\$184 million in the same period of 2017. The increase of US\$35 million was mainly due to the Termoeléctrica de Mexicali power plant higher operational results and its scheduled major maintenance in the second quarter of 2017, and the November 2017 acquisition of an additional 25% of Los Ramones Norte pipeline
- In the second quarter of 2018, profit was US\$102 million, compared with US\$46 million in the same period of 2017. The increase of US\$56 million was mainly due to the Termoeléctrica de Mexicali non-cash after-tax impairment charge in the second quarter of 2017 and the EBITDA drivers mentioned above, partially offset by exchange rate effects and higher financing costs

(1) Adjusted EBITDA includes proportional share of EBITDA from joint ventures and the Adjustment EBITDA from discontinued operations

Gas segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	<u>2018</u>	<u>2017</u>
Gas segment profit before income tax and share of profits of the joint venture	\$ 125	\$ 141

- In the second quarter of 2018, Gas segment profit before income tax and share of profits of joint ventures was US\$125 million, compared with US\$141 million in the same period of 2017. The decrease of US\$16 million is mainly due to lower interest capitalization, higher depreciation and higher operating, administrative and other expenses

Power segment pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	June 30,	
	<u>2018</u>	<u>2017</u>
Power segment profit (loss) before income tax and share of profits of the joint venture	\$ 16	\$ (71)

- In the second quarter of 2018, Power segment profit before income tax and share of profits of joint ventures was US\$16 million, compared with a loss of US\$71 million in the same period of 2017. The increase of US\$87 million is mainly due to the impairment at the Termoeléctrica de Mexicali power plant and its scheduled major maintenance that both occurred in the second quarter of 2017

Project updates

Project	CapEx (USD, millions)	Target COD ¹	Contract Term	Update
Wholly-owned projects				
Pima Solar	\$115	Q4 2018	20 years	• Under construction
Rumorosa Solar	\$50	Q1 2019	15 and 20 years	• Under construction
Don Diego Solar	\$130	2H 2019	15 years	• Pre-construction activities
ESJ II**	\$150	Q3 2020	20 years	• Pre-construction activities
Veracruz marine storage terminal	\$170	Q3 2019	10 years*	<ul style="list-style-type: none"> • Under construction • COD moved due to design changes related to capacity increase • Capacity increased to 2,100,000 barrels
Mexico City & Puebla in-land storage terminals	\$145	Q3 2019	10 years*	<ul style="list-style-type: none"> • Pre-construction activities • COD moved due to design changes related to capacity re-distribution
Baja Refinados	\$130	2H 2020	15 years	• Pre-construction activities
Topolobampo marine storage terminal	\$150	4Q 2020	10 and 15 years*	• Engineering and procurement activities in progress
Joint venture projects				
Texas – Tuxpan (Marine pipeline)	\$2,100	Q4 2018	25 years	• Under construction
Tepezalá Solar	\$100	Q2 2019	15 and 20 years	• Under construction

(1) Commercial Operations Date

* With potential extension to 20 years

** May be developed under a joint venture

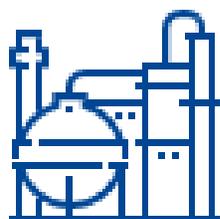
Recent developments

Topolobampo marine terminal project overview

- In July 2018, IEnova was awarded by the Port of Topolobampo to develop a marine terminal for the receipt and storage of hydrocarbons, petroleum, petrochemicals and other liquids
- IEnova will be responsible for the full implementation of the project, including obtaining customer contracts, permits, engineering, procurement, construction, financing, operation and maintenance
- Capacity of 1 million barrels
- Approximately US\$150 million investment
- 100% owned by IEnova
- Commercial operations date: 4Q 2020

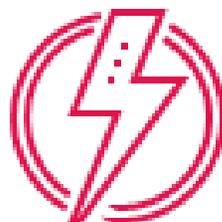


Development initiatives



LIQUIDS

- Additional liquid storage terminals through port tenders or on private land



POWER

- Renewable projects with industrial customers
- Transmission line bids



NATURAL GAS

- Conversion of ECA to liquefaction facility

2018 dividend

- In the Shareholders Meeting that was held on April 27, 2018
 - 2018 dividend payment was approved
 - IEnova’s Board of Directors was authorized to define the amount and payment date
- On July 24, 2018, IEnova’s Board of Directors approved the 2018 dividend
- We expect to pay US\$210 million in one payment to shareholders in August 2018

2017 Dividend	2018 Dividend
US\$200 million	US\$210 million

Summary

- Approved 2018 dividend of US\$210 million
- Won the Port of Topolobampo's concession to develop a marine storage terminal for hydrocarbons with an estimated investment of US\$150 million
- Continued strength in operations; financial results in-line
- Progress on construction activities
- Focused on executing our growth strategy and diversifying our portfolio with additional strategic, essential, and critical energy infrastructure

