

# Third Quarter 2018 Financial Results

October 24, 2018

# Information regarding forward-looking statements



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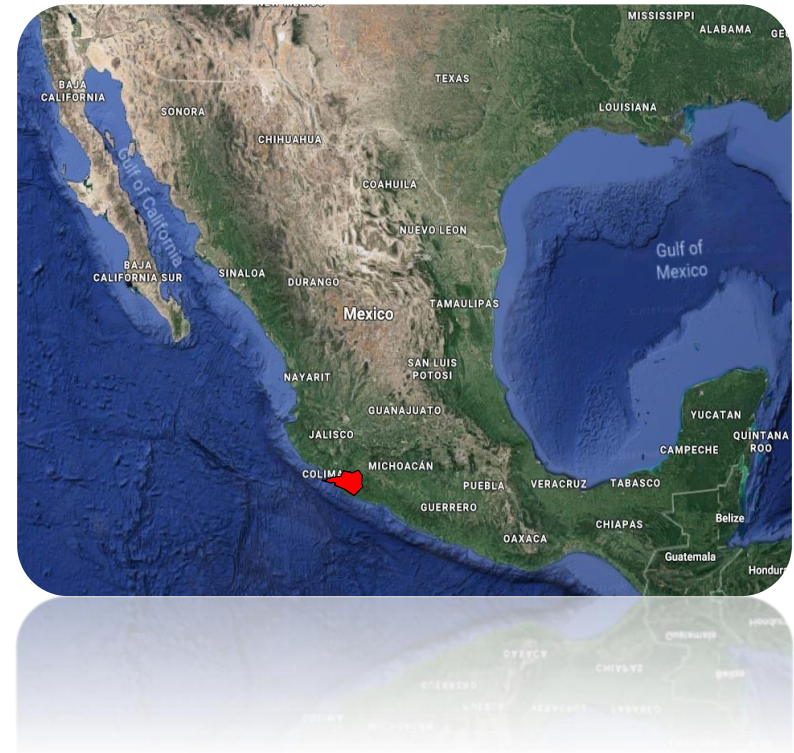
# Agenda

- Recent developments
- Development initiatives
- Third-quarter 2018 financial results
- Project updates

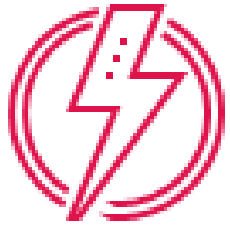
# Recent developments

## Manzanillo marine terminal project overview

- In September 2018, IEnova acquired 51% of the Manzanillo marine terminal project from Trafigura
- Initial storage capacity of 1.48 million barrels of refined products, with potential for expansion
- Approximately US\$200 million total investment
- IEnova will be responsible for the full implementation of the project, including obtaining customer contracts, permits, engineering, procurement, construction, financing, operation and maintenance
- Trafigura contracted 50% of the initial storage capacity
- Commercial operations date: 4Q 2020

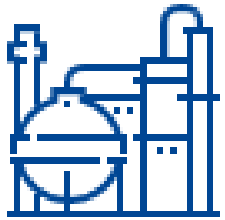


# Development initiatives



## POWER

- Renewable projects
  - Industrial customers
  - Commercial customers
- Transmission line bids



## LIQUIDS

- Additional liquid storage terminals
  - Port tenders
  - Private land



## NATURAL GAS

- Conversion of ECA to liquefaction facility
- Asset optimization
- Underground storage

### Recent customer announcements



## Third-quarter 2018 results

	Three months ended September 30,	
	2018	2017
<i>(Unaudited; net profit in millions of dollars, share count in millions, EPS in dollars)</i>		
Adjusted EBITDA <sup>(1)</sup>	\$ 238	\$ 209
Profit (loss) for the period	\$ 112	\$ 127
Shares outstanding (weighted average)	\$ 1,534	\$ 1,534
Earnings per share (EPS)	\$ 0.07	\$ 0.08

- In the third quarter of 2018, Adjusted EBITDA increased 14% to US\$238 million, compared with \$209 million in the same period of 2017. The increase of US\$29 million was mainly due to the November 2017 acquisition of an additional 25% of Los Ramones Norte pipeline, the Termoeléctrica de Mexicali power plant higher operational results and higher margin in the gas segment
- In the third quarter of 2018, profit was US\$112 million, compared with US\$127 million in the same period of 2017. The decrease of US\$15 million was mainly due to higher financing costs and non-cash exchange rate effects, partially offset by the EBITDA drivers mentioned above

(1) Adjusted EBITDA includes proportional share of EBITDA from joint ventures

## Gas and Power segments pre-tax profit

<i>(Unaudited; dollars in millions)</i>	Three months ended	
	September 30,	
	2018	2017
Gas segment profit before income tax and share of profits of the joint venture	\$ 136	\$ 134
Power segment profit (loss) before income tax and share of profits of the joint venture	\$ 35	\$ 18

- In the third quarter of 2018, Gas segment profit before income tax and share of profits of joint ventures is in line with the same period of 2017
- In the third quarter of 2018, the Power segment profit before income tax and share of profits of joint ventures was US\$35 million, compared with US\$18 million in the same period of 2017. The increase of US\$17 million is mainly due to higher operational results at the Termoeléctrica de Mexicali power plant

# Project updates

Project	CapEx (USD, millions)	Target COD <sup>1</sup>	Contract Term	Update
<b>Wholly-owned projects</b>				
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*	• Under construction
Mexico City & Puebla in-land storage terminals	\$145	Q3 2019	10 years*	• Pre-construction activities
Baja Refinados	\$130	2H 2020	15 years	• Pre-construction activities
Topolobampo marine storage terminal	\$150	Q4 2020	10 and 15 years*	• Engineering and procurement activities in progress
<b>Joint venture projects</b>				
Texas – Tuxpan (Marine pipeline)	\$2,355	Q4 2018- Q1 2019	25 years	• Under construction
Tepezalá Solar	\$100	Q2 2019	15 and 20 years	• Under construction
Manzanillo marine storage terminal	\$200	Q4 2020	10 years***	• Engineering and procurement activities in progress

(1) Commercial Operations Date

\* With potential extension to 20 years

\*\* May be developed under a joint venture

\*\*\* Assuming full capacity contracted



# Summary

- Created joint venture for sixth refined product storage terminal: Manzanillo
- Announced contracts for 100% of the capacity of the Topolobampo and Baja Refinados marine terminal projects
- Completed new solar contract
- 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

