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Q4 2019 Infraestructura Energetica Nova SAB de CV Earnings  
Call

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## PRESENTATION

### Operator

Ladies and gentlemen, thank you for standing by, and welcome to the IEnova Fourth Quarter 2019 Earnings Conference Call. (Operator Instructions) Please be advised that today's conference is being recorded.

Now it's my pleasure to turn the conference to your first speaker, Miguel Osio.

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### **Miguel Osio** *Infraestructura Energética Nova, S.A.B. de C.V. - Director of M&A and IR*

Good morning. Thank you for joining us. Today, we will be discussing IEnova's full year and fourth quarter 2019 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, February 20, 2020, and the company does not assume any obligations 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; Tania Ortiz, Chief Executive Officer; Carlos Ruiz, Chairman; Nelly Molina, Chief Financial 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.

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### **Carlos Ruiz Sacristán** *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman of the Board of Directors & Executive Chairman*

Thank you. Good morning to everyone. Thank you for joining us on our call.

2019 was an important year in which we faced challenges and were able to overcome them successfully.

In fact, we met our 2019 goals. We reached our financial guidance, executed new contracts, started operations in the Marine Pipeline and 3 solar projects, where we continued to make progress in other projects under construction and maintaining safe and reliable operations.

I'm proud of Tania's leadership and all the IEnova team's efforts that helped to accomplish our 2019 goals. It is important to mention that while achieving these goals, we continued to put a lot of effort in the development of our next growth projects.

Now I will pass the call to Tania to explain our achievements in more detail, the status of the projects and what's next for the company.

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**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director***

Thank you, Carlos. Good morning, everyone.

As Carlos mentioned, the IEnova team through its commitment and very hard work was able to overcome the challenging moments that we faced last year, resulting in positive outcomes.

Very, very importantly, we reached our 2019 EBITDA guidance. Let me highlight a few of our achievements.

Please turn to Page 4.

In August, we announced a positive resolution with CFE related to the Marine and Sonora pipelines.

And later in September, we announced the start of operations of the Marine Pipeline.

Regarding the Guaymas-El Oro pipeline, we continued to work closely with the government to resolve the issue.

We have extended the suspension agreement with CFE until mid-May. And while the process has taken time, we are moving in the right direction.

Now let me get back to 2019 achievements.

2019 was an excellent year for renewables portfolio. We announced Border Solar, which is a 150-megawatt facility with a total estimated investment of \$160 million dollars. The facility is fully contracted with creditworthy counter-parties, including Liverpool, Circle K, Envases Universales and Grupo Cementos de Chihuahua and should start operations by year-end.

Please turn to Page 5.

We placed into service our first 3 solar projects, Pima, Rumorosa and Tepezala. Once all of our renewable projects become operational, the total portfolio will have an installed capacity of more than 1,000 megawatts of clean energy contracted long-term in U.S. dollars with high-quality off-takers and with a total estimated investment of \$1.8 billion dollars. IEnova will be one of the top producers of clean energy in Mexico with a diversified customers and project mix. We also have an excellent year for our refined products storage terminals.

Please turn to Page 6.

In 2019, we executed 2 storage capacity agreements with BP, one for the Manzanillo and the other one for a new terminal in Guadalajara that is still under development. Additionally, we secured a contract with Marathon for a capacity expansion at our Manzanillo terminal. We continue positioning ourselves as a market leader in this segment, developing around 8 million barrels of refined products storage capacity and with a commitment -- committed investment of approximately \$1.2 billion dollars.

We remain focused in our growth strategy for 2020 and going forward.

This year, we will continue to see opportunities in the storage and renewable businesses, and we continue working to reach the remaining milestones at our Energia Costa Azul liquefaction project to reach a final investment decision later this quarter. Once this happens, we will provide more detail related to the project structure, its CapEx requirements, timing and other details.

Now I'll turn the call over to Nelly to discuss some of our financial achievements.

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

Thank you, Tania.

Good morning, everyone. Please turn to Page 7.

As Carlos and Tania mentioned, we are more than pleased with our financial results.

Fourth quarter 2019 adjusted EBITDA was \$253 million dollars, up 22% from \$208 million dollars in 2018. This increase was mainly due to the start of operations of the Marine Pipeline and higher operational results at Ventika, partially offset by the Guaymas-El Oro pipeline revenue deferment.

For the year, despite the issues we dealt with the pipeline contracts, the delay in the commercial operations of Marine Pipeline and not receiving revenues from the Guaymas-El Oro pipeline, we met the lower-end of our 2019 adjusted EBITDA guidance.

The full year adjusted EBITDA was \$938 million dollars, up 7% from \$876 million dollars in 2018. The increase was mainly due to the start of operations of the Marine Pipeline, Pima, Rumorosa and Tepezala Solar power facilities, higher operational performance results at TDM and Ventika, partially offset by the revenue deferment of the Guaymas-El Oro pipeline. As we've been doing over the years, we continue delivering results to our shareholders.

Now in relation to our balance sheet, our total consolidated debt at the end of 2019 was \$3.4 billion, which brought our net debt-to-EBITDA metric to around 4x.

As we move ahead into 2020 and forward, we will work on certain initiatives to reduce debt.

During 2019, we were able to execute \$2.4 billion dollars in several financing transactions that we place existing debt, extended our maturities, maintain our cost of debt and improved our liquidity by having our credit lines available.

We increased our revolver credit facility to \$1.5 billion and extended the term for 5 years through 2024.

For the first time, we executed our first green loan with the IFC in Nadbank for \$200 million. This was also the first time the IFC granted a green loan of this kind to a Mexican company.

Also for the first time, we issued a 20-year international private placement bonds for \$332 million dollars at our joint venture holding for Ramones Norte pipeline. These transactions demonstrate the trust that financial institutions and bond investors have placed in lenova, and our commitment to continue managing the company, its growth and its balance sheet with a strong discipline.

Now I will provide updates for the 9 projects we have under construction. Please turn to Page 8.

Don Diego Solar finished construction in December and we expect to start dispatching electricity into the grid in the upcoming weeks.

Last year, we placed into operations, our first 3 solar projects. In 2020, we will place into service our first refined products storage terminals: Veracruz, Mexico City and Puebla facilities.

These terminals will start operations in phases, which means there will be a gradual ramp-up in revenues this year.

We recently received the required permits to start construction at our Manzanillo and Topolobampo storage terminals. Out of all the projects listed on Page 8, only one of them, Baja Refinados terminal, has key permits pending, and we are working diligently to obtain them.

Before turning the call back to Tania to discuss our new guidance, I would like to mention that starting first quarter of this year we will be making changes to our reporting business segments.

Given the importance of the new refined products storage portfolio that will start operations during this year, we will be adding a new

segment called storage.

This segment will include ECA regas facility, the existing LPG assets, and all the refined products terminals. This will provide better alignment to our company results by the type of assets in our portfolio.

In the appendix of the presentation, you will be able to find more information regarding this new reporting structure. Our IR team can also guide you in case you have any questions.

Now I'm turning back the call to Tania. Please turn to Page 9.

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**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director***

Thank you, Nelly.

I would now like to discuss our 2020 adjusted EBITDA guidance for our new reporting segment.

This year, for the first time in our 24-year history in Mexico, we will exceed the \$1 billion dollar mark in our adjusted EBITDA.

At the midpoint of our range, this represents an 11% growth compared with our 2019 EBITDA.

For those of you who have followed us, at least since our 2016 equity follow-on, you probably remember that Carlos expected our 2020 adjusted EBITDA to be north of \$1 billion dollars, and we have delivered.

For the 2020 CapEx expenditure guidance, we expect to invest approximately \$815 million dollars. With this, our total asset base will be around \$10 billion dollars by year-end.

Please turn to Page 10.

I am very proud that IEnova continues delivering results year-over-year. 2019 results are clearly the outcome of our team's commitment and hard work. We will remain focused on meeting our adjusted EBITDA guidance, executing the projects we have under construction and strengthening our balance sheet. 2020 may bring new challenges, but I am sure that we will continue delivering results while capturing new growth opportunities in line with our business model and that contributes to Mexico's economic development.

With that, I'll open the call for questions.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions) Our first question is from Nikolaj Lippmann with Morgan Stanley.

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### **Nikolaj Lippmann *Morgan Stanley, Research Division - Equity Analyst***

Good morning and congrats on the results. Thanks for taking my questions. I'm sorry I don't have much of a voice this morning. 3 quick questions, if I may. First, the range of EBITDA in your guidance for the gas segment seems relatively large. Is that dependent -- is that basically a reflection of the potential resolution of the disputed pipeline? So that's question #1. Question #2 is, if -- in line with changing your reporting segment, is there also -- are there any adjustments to accounting? And final question, if you can provide any color on -- or see if there's any news in terms of FID on the Costa Azul project? Thank you very much.

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

Good morning, Nikolaj. This is Nelly. Regarding your first question about the guidance on the gas segment, we are assuming the dispute will be resolved and it can be during the second quarter, third or fourth, but we have provided this wide range in our guidance to be able to -- because of the difficulty of forecasting the date, but we are assuming this is resolved this year.

The second question, we didn't get it. So can you please repeat it?

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**Nikolaj Lippmann *Morgan Stanley, Research Division - Equity Analyst***

Sorry, if there's any change -- if -- when you're looking at that, if there's any change to accounting or -- you're changing the reporting. But if there's any change to accounting in terms of the EBITDA range or if it's like for like, vis-a-vis 2019?

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

No, we have not made any changes on GAAP or -- I mean, in IFRS. It's only the segregation of the different businesses.

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**Nikolaj Lippmann *Morgan Stanley, Research Division - Equity Analyst***

Got it. And then if -- any color on potential FID for Costa Azul?

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**Carlos Ruiz Sacristán *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman of the Board of Directors & Executive Chairman***

Nikolaj, this is Carlos. We have been really working a lot on ECA, and we scale -- we are far ahead on all the main issues. The -- we -- as mentioned before, we expect to have FID this quarter.

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**Nikolaj Lippmann *Morgan Stanley, Research Division - Equity Analyst***

Got it. Thank you.

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**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director***

I would add, Nikolaj. We are making progress on the 3 fronts, very close to being able to execute an EPC agreement, making a lot of progress with our customers as well as the associated equity contract, and of course, working very closely with the Mexican government to obtain the export permit.

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**Nikolaj Lippmann *Morgan Stanley, Research Division - Equity Analyst***

Got it. Thank you.

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**Operator**

Our next question comes from Christian Audi with Santander.

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**Christian Audi *Santander Investment Securities Inc., Research Division - Head of Latin America Equity Research, Agribusiness & Oil, Gas and Petrochemicals***

Thank you, Tania, Carlos and Nelly. Congratulations not only on reaching the guidance but also on going over the \$1 billion guidance for 2020. That's a huge accomplishment. 3 questions. First, on the growth outlook, Tania, you touched on storage and renewable opportunities. Could you add a little bit more color? I mean you've developed such a strong presence on both of these segments. And so I was just trying to understand how much more you could grow? I don't know if there's any way to quantify whether you see the potential for just 1 or 2 storage facilities and 1 or 2 renewables? So any color there would be very helpful.

Going back to ECA -- maybe since we have the chance of having Carlos on the call, talk about the conviction that you have for this project, Carlos? It sounds like the permitting and the CapEx are moving forward, and you're reiterating this end-of-quarter target. So if you could just comment on your conviction that, that will happen?

And then thirdly, Nelly, if you could just remind us which tools do you have in 2020 to reduce the leverage? I know you were looking at different ways to do that, including potentially moving the Marine Pipeline debt off-balance sheet. So if you could just clarify which tools you have at your disposal? And how quickly you think they could be used in order to lower your leverage? Thank you.

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**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director***

Good morning, Christian. This is Tania. Regarding of the growth in both the storage and renewables segment, as you know, I mean, we focus very much on capturing growth but maintaining our ranges of return. So I mean, that will be the priority rather than the size of the opportunity or the target of the opportunity. Regarding the storage segment, as I'm sure you've seen we secured some of the top

off-takers in Mexico and I'd say, we've positioned ourselves as leader in this segment. And so we continue to work with those same customers as well as new customers, exploring some new opportunities. I expect the storage opportunity to continue for the next 2 years or so. Beyond that, we don't see much growth because at that point, I think Mexico will be close to having sufficient infrastructure to meet its midterm needs.

With regards to renewable, we've taken also a different approach in securing high-quality industrial off-takers. So we continue to have discussion with them, and to the extent that we can anchor new projects, we will also pursue them. But again, as long as we can maintain reasonable rates of return. So we do continue to see interest on both sides.

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**Carlos Ruiz Sacristán *Infraestructura Energética Nova, S.A.B. de C.V.* - Chairman of the Board of Directors & Executive Chairman**

In relation to ECA, you know, my conviction of what's going to happen, I am 100% convinced that this is a really good project, and it's going to go forward. As Tania mentioned, we have moved on the 3 -- moved on the 3 main aspects. The EPC contract, we have already selected a contractor at the end of -- finishing the detail of the contract. We are working with our 3 clients on signing the SPAs. We are, I would say, very well advancing ahead and we have had a very long conversation and meeting with the Mexican government for the remaining permit, which is the export permit.

By the way, just yesterday, the President of Mexico in his daily press conference, he had a mentioned the -- Sempra, and mentioned the project. And he -- they know perfectly well this project, they know what are the benefits. And we are, I would say, in the last stage to finalizing the details with the authorities to get this project. So the -- all the things are done, it has been a lot of work. And -- but this is important, this is really, I will say, a fantastic site. This is a very important competitive advantage to bring gas to Asia, than to the Gulf. And everyone is much interested on this project. So I would say that we are on the last mile to -- for the FID of the project.

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

This is Nelly. Regarding your question about the leverage and the tools that we have with us to -- during 2020 to reduce debt. The first one, yes, of course, the main one is trying to finance the Marine Pipeline, and we are already working in a structure that's probably not going to be a typical structure, but we want to finance our 40% using a non-consolidated structure and not affecting the joint venture we have with our partners there. There are, of course, the operations that are adding more cash will come from the terminals and the other projects that we will put in place this year. How quickly? Well, it's difficult to say at this time, Christian, but we're advancing well. And I can forecast a closing between the third quarter and the fourth quarter.

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**Operator**

Our next question comes from Charlie Barber with JPMorgan.

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**Charles W Barber *JP Morgan Chase & Co, Research Division* - Analyst**

Good morning and thanks for taking my questions. 2 questions for me. First one, just -- sorry to go back to ECA again here. I'm just trying to understand if it's really more on the commercial agreement side or on the permitting side that's kind of caused the delay from the initial expectation for an FID, I think, last quarter. And the reason I asked just because given global LNG prices are sort of pressed right now to -- given the global oversupply, is any of that impacting your commercial conversations with the off-takers? And it does sound like the permitting is in the last stages.

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**Carlos Ruiz Sacristán *Infraestructura Energética Nova, S.A.B. de C.V.* - Chairman of the Board of Directors & Executive Chairman**

Well, the -- in relation to ECA, really the -- we don't see it as a delay. We have been saying that it is going to be on the first quarter. These projects are not -- are complicated. They have a lot of moving parts. But I think that we have the project under control. And we -- again, we are finishing the SPAs with the clients. And we are -- the -- finishing the conversations with the government in relation to a permit. And again, the EPC is already done. We only need to sign the contract and the rest of many, many issues have been totally solved. So we're getting there, and we are very close.

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**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V.* - CEO & Director**

And Charlie, regarding your second comment, obviously, we do see changes in worldwide LNG market. However, our customers are very, very committed with our facilities. And again, we're in the very final stages of negotiating the gas sale agreement.





**Charles W Barber JP Morgan Chase & Co, Research Division - Analyst**

Okay. Great. And I just had 1 other question. On the guidance for CapEx for 2020. Can you just break down the \$200 million related to gas? What that's targeting?

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

We have different optimizations on the gas pipelines we currently own and operate, and we don't usually provide that breakdown. But you will be seeing this in the MD&A, in the investing activities more appropriately.

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**Operator**

Our next question comes from Vanessa Quiroga with 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**

Thank you, good morning to all the IEnova team. My question is regarding CapEx, also on the storage line. Are you including any CapEx for the ECA liquefaction project? And the second question is regarding your updated timeline for the projects. We see some delays or changes in the expected start of operations of some of the projects like, for example, in Don Diego by about some -- 1 semester, the Gulf-Center terminals by about 1 quarter, Baja Refinados 1 semester, and in Topolobampo also 1 semester. So is it possible to go through a -- what were the reasons for the different delays?

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**Tania Ortíz Mena López Negrete Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director**

Let me talk about the project delays that we mentioned. The ones that, the two only were on Don Diego and Topo. I don't think we have any substantial changes in the others. But let me explain a little bit the context. I mean, with the change of administration, we have seen a slower timing to obtain permits. As you are aware, the regulatory agencies not only change teams, but they also have smaller teams. There's a learning curve. So it is taking more time and effort to permit these projects. Fortunately, we have a very solid team with a lot of experience that is being able to process and obtain our permits. So while we are seeing some minor delays in those 2 projects. I think what's important is that we are being able to get through the process, get those permits and begin project for our facilities. Regarding the CapEx guidance, so ECA is still not included in the CapEx guidance. As we usually do, we do not include projects until we reach final investment decisions.

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**Operator**

Our next question comes from Joe Kogan with Scotiabank.

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**Joseph Kogan Scotiabank Global Banking and Markets, Research Division - Head of Latin American Strategy, Head of EM Strategy, EM Sovereign Strategist & Director**

Thank you for the conference call. I wanted to ask you about some of the new stories in recent months about changes to electricity regulation in Mexico. In particular, there is a Bloomberg article over the weekend quoting IEnova is opposing some changes to transmission tariffs which IEnova said would delay some of its expansion plans. I was hoping you could comment first on the specific change that was addressed in the article with regards to what exactly is the change and which expansion that would affect? But if you could also comment on the regulatory environment in general in Mexico with regards to electric generation, that will be quite helpful?

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**Tania Ortíz Mena López Negrete Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director**

Good Morning Joe. Thanks for your question. What we've been seeing for the past, I would call it, maybe 4 months is some regulatory decisions that could impact some private players in the power market. Those decisions had initially do with clean energy certificates. And the second decision had to do with bringing on new companies into self-supply generation projects. Those are the 2 main changes. There has been some discussion around increasing transmission rates, but that has not yet taken place.

First, let me point out that none of these decisions affect our existing projects. But regarding that one specific Bloomberg article, let me try to explain very quickly. When the energy regulatory commission made the move to try to reduce the number -- or to limit new partners in self-supply generation projects. It intended not to hold a public comment process, which is what you would normally do when a regulatory change occurs. So we sent a letter requesting for the public comment process to take place and the responsible agency



actually responded in a day saying, yes, a public comment process will take place. So it was nothing out of the ordinary. It's something that we would normally do, and it's following the normal regulatory review process.

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**Operator**

(Operator Instructions) Our next question is from Jean Bruny with BBVA.

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**Jean Baptiste Bruny *BBVA Corporate and Investment Bank, Research Division - Chief Analyst***

Thank you for taking my question. Just a quick one for Nelly. Do you have any targeted leverage in terms of net debt-to-EBITDA by year-end? And if you have involved the rating agencies in the discussion? Thank you.

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

Yes, we do have a target, and it has been a target for several years now. We see ourselves in a safe level position, having -- from 3 to 3.5x net debt to EBITDA. If we finance the Marine Pipeline, we get back easily to 3.5x by end of the year.

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**Operator**

And our next question is from Jorge Mauro with Fundamenta.

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**Jorge Mauro *Fundamenta - Analyst***

This is regarding IMG. I'm trying to work out, on the financials I see that you have this other loss of \$71 million related to an FX impact of this loan between TransCanada and IMG. So I would like to understand how much of that is non-recurrent? I'm trying to work out the EBITDA for the Marine Pipeline, if you can...

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

Good Morning Jorge. I'll have Roberto answer that in detail, but it's -- these effects of exchange rate in the equity earnings from the Marine Pipeline are mainly associated with the loan that we have to the project, from the shareholders. And in which case, these are denominated in pesos. And these will continue occurring, depending on the level of the exchange rate. But at the INova consolidated level, these items, which is recorded in equity earnings, is offset in the above line above net income. So the effect at the consolidated level is 0. Roberto, if you want to add any detail?

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

Yes. Just adding --- thank you, Jorge, for your question. Just adding that even though the Marine Pipeline is starting in the 2 quarter 2019, and we have full revenues -- full quarter -- or full fourth quarter revenues, as just Nelly mentioned and this response on related to the exchange rate effect on the shareholder loan. Also Nelly mentioned that this is offset on the...

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**Jorge Mauro *Fundamenta - Analyst***

Yes, but I mean, can you be more precise because if I remove the whole line, I get to an EBITDA of north of \$100 million dollars, if I were to remove the whole line? So just to get a sense of what should we think about for the EBITDA of the Marine Pipeline?

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

Yes, yes, you could do that to exclude these items from the equity earnings and you get to the EBITDA of the project. And I guess, our IR team can guide you, if you want. They can call you after we complete this call to go through the details.

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**Operator**

Our next question comes from Alejandra Obregon with Morgan Stanley.

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

Hi good morning. Just a quick follow-up on the guidance. First, I think on the Gulf-Center storage project, so a few months ago you announced that there was a potential capacity increase that came in parallel with a higher CapEx. So from your guidance, it looks like this capacity increase or the incremental EBITDA is north to \$80 million or \$90 million dollars contribution from the project. So I was just wondering if this is something fair to assume? And then second is, is the guidance considering that the valero option to buy the 50% is executed at some point during the year or not really?

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

Alejandra, we could hear you very well. And I guess, your first question is probably going to be better addressed by our IR team in a call after this -- we complete this one.

**Operator**

And our next question is from Christian Audi from Santander.

**Christian Audi *Santander Investment Securities Inc., Research Division - Head of Latin America Equity Research, Agribusiness & Oil, Gas and Petrochemicals***

Just a follow-up, Carlos and Tania. Given that the ECA project is going so well in the progress towards the first phase. Can you talk a little bit about -- are you already starting to look at the potential for the large-scale project being pursued? Have you started that or not? If -- any color there would be very helpful, please.

**Carlos Ruiz Sacristán *Infraestructura Energética Nova, S.A.B. de C.V. - Chairman of the Board of Directors & Executive Chairman***

Yes, we have been looking at the potential of ECA large scale. We have been working on that project for several months now. And we have been working on the route of the pipeline that is needed to supply the gas, the technology, I guess. So we have been really working on that. That project has a lot of interest from many, many different clients, as I said before, ECA is really great place to send gas to Asia, it's very competitive. You save like 12 days in comparison to the Gulf cost to reach Japan, and -- but the short answer is, yes. Yes, we have a team working exactly, not only in the United [States] (added by company after the call), but also in Mexico, working on ECA large scale.

**Operator**

(Operator Instructions) I'm not showing any further questions. I will turn the call back to Tania Ortiz Mena, IEnova's Chief Executive Officer, for her final remarks.

**Tania Ortíz Mena López Negrete *Infraestructura Energética Nova, S.A.B. de C.V. - CEO & Director***

Everyone, thank you very much for joining our call today. If you have any questions, as always, please feel free to reach out to our IR team. Have a good day.

**Operator**

And with that, ladies and gentlemen, we thank you for participating in today's conference. You may now disconnect.

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