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Q4 2018 Infraestructura Energetica Nova SAB de CV Earnings Call

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## PRESENTATION

### Operator

Good day, ladies and gentlemen, and thank you for standing by. Welcome to the Fourth Quarter 2018 Infraestructura Energética Nova Earnings Conference Call. At this time, all participants are in a listen only mode. If anyone needs assistance during the conference just press zero for an operator. Later we will have a question and answer session and the instructions will be given at that time. (Operator Instructions) As a reminder, this conference is being recorded.

Now it's my pleasure to turn the call to your host, Ms. Sue Bradham. Please go ahead.

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### 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 full year and fourth 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, February 21, 2019, 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; Tania Ortíz, Chief Executive Officer; 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. - Executive Chairman*

Good morning, and thank you for joining us today. Let me start by saying that IEnova has been developing energy infrastructure in Mexico for the past 22 years, and the company remains committed to developing projects that have significant social impact and benefit millions of Mexicans.

I would like to share with you the actions we have taken related to the government's call upon certain companies, including IEnova, to discuss a specific gas transportation contracts executed with CFE, including the second segment of the Sonora pipeline, Guaymas-El Oro.

All of our contracts with CFE were awarded on their open, transparent international public bid processes. They are strong contracts, and the government expressed that they will respect them and the terms under which they were executed. Immediately after the federal government expressed its concerns, I met with the General Director of CFE, Manuel Bartlett. In that meeting, we've had a cordial



discussion about our pipeline. We agreed with CFE that our priority is to work together to place this pipeline back into service. We have already held follow-up meetings on the subject, and we will remain in close contact to find solutions.

We have always had constructive relationship with the Mexican government and its institutions and we remain committed to being a responsible partner that contributes to the country's long-term economic and social development.

Now let me pass the call over to Tania.

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

Thank you, Carlos. I would like to discuss IEnova's 2018 results. I am very pleased with our achievements and recent developments.

Please turn to Page 4. This year, we announced several new projects that contribute to Mexico's efficient energy supply and that are consistent with our disciplined investment, diversification and growth strategy. This slide shows the 6 terminals of a total storage capacity of close to 7 million barrels that we are developing for an estimated investment of \$800 million dollars. This project will enhance Mexico's energy security and the reliability of refined product supply.

During the year, we made several important announcements. Our first 3 terminals shown on the right side of the slide were contracted 100% with Valero. We have continued to increase the scope of the 3 terminals so the total final estimated investment will be \$440 million dollars, and the expected commercial operations date is late this year or early next year.

We announced our 4th terminal, Baja Refinados, in the second quarter of 2018. This terminal is fully contracted with long-term U.S. dollar contracts with Chevron and BP.

Our fifth terminal is in the Port of Topolobampo, and Chevron and Marathon have long-term dollar contracts for 100% of the capacity.

Finally, in September, we announced the Manzanillo marine terminal. We acquired 51% of this project from Trafigura, who will be our joint venture partner and a customer for 50% of the capacity. We are advancing discussions with interested parties for the remaining capacity.

Now let's discuss our other business line, renewable.

Please turn to Page 5.

Our renewables portfolio is essential to help the country increase its clean energy supply, and it is a source of efficient, low-cost electricity. Our latest project, Don Diego Solar, was announced in early 2018. We have executed long-term PPAs with Liverpool, Scotiabank and Autlán. And we'll continue to work on additional solar PPA with private counterparties.

In addition, we placed our first solar project, Pima Solar, into service. Deacero is the customer for 100% of the capacity. Both the renewable and refined products contracts enrich our portfolio of customers and enable us to diversify our customer base and also to grow our business while meeting Mexico's energy needs.

Please turn to Page 6. Now I would like to talk about the progress we have achieved at our ECA liquefaction project. At the end of last year, we announced that together with Sempra, we have signed heads of agreement with Tokyo Gas, Mitsui and Total for the full capacity of the first phase. This dollar-denominated contract will have a 20-year term. And we have mentioned in the past we expect to make a final investment decision by the end of this year. This project will take 3 to 4 years to be developed and could enter into operations as early as 2023. The project will bring additional investment, creating jobs and regional development. It will also provide an alternative fuel source to meet the energy needs of the isolated Baja California peninsula.

I will now pass the call over to Nelly to discuss this quarter's financial results and construction projects.

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

Thank you, Tania. Please go to Slide 7. As Tania said, we are very pleased with our 2018 results and achievements. Full year 2018 adjusted EBITDA was \$876 million dollars, up 16% from \$759 million dollars in 2017. The increase was mainly due to TDM higher operational results, the acquisition of Los Ramones Norte pipeline and higher margin in the gas segment.

I would like to highlight that our \$876 million dollars full year adjusted EBITDA exceeded the high end of our guidance due to solid results across our portfolio. Fourth quarter 2018 adjusted EBITDA was \$208 million dollars, up 14% from \$182 million dollars in the same period of 2017. The increase was due to the TDM higher operational results and the acquisition of the pipeline.

Full year 2018 profit was \$431 million dollars compared with \$418 million dollars in 2017, excluding the TDM noncash after-tax impairment we made in 2017. The increase was mainly due, again, to TDM higher operational results and the acquisition of the pipeline, partially offset by higher financing costs and higher income taxes.

Turning to the balance sheet. As we anticipated, total debt reached \$3 billion at the end of 2018, which brought our net debt-to-EBITDA to 3.8x. Consistent with our plans, this year, we will gradually begin deleveraging our balance sheet.

This month, we increased our revolver line of credit from \$1.17 billion to \$1.5 billion and extended a term for 5 years from 2020 to February 2024.

Next, I will provide updates for the 12 projects that we have under construction, which are in Page 8. As you can see in the list of projects, we have the majority of them, 8 projects, commencing operations this year. The Marine Pipeline will start operations early in the second quarter. We have already started certain pre-commissioning activities. The total project investment is now estimated at \$2.48 billion dollars due to weather conditions that require extending the construction time. This pipeline will start recognizing EBITDA until it goes into commercial operation.

Rumorosa project is nearing completion and is expected to commence operations during this quarter. The Liquids terminals, the wind and the rest of the solar projects continue to move forward according to plan.

Please go to Page 9, and I will now turn the call back to Tania.

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

Thank you, Nelly. Now we'd like to provide our adjusted EBITDA guidance for 2019. This year, we expect adjusted EBITDA to be within the range of \$935 million dollars to \$980 million. At the midpoint of our range, this represents a 9% (corrected by company after the call) growth over 2018 based solely on contracted projects.

In 2019, we also expect to invest approximately \$825 million dollars, which will be used to progress the projects we have under construction. These investments will be funded using cash from operations and our existing credit facility.

Please turn to Page 10. In summary, I'm very pleased with the continued and significant growth of the business and with having achieved the milestone of placing our first solar project in service. We remain focused on meeting our 2019 adjusted EBITDA guidance, executing the projects we have under construction, negotiating additional contracts with the private sector and continuing to improve our balance sheet. Of course, a key priority is placing the Guaymas-El Oro pipeline back in service.

For more than 20 years, we have been developing energy infrastructure in Mexico, and we remain committed to growing the company through projects that are aligned with the country's energy priorities and that benefit Mexico's economic development.

I would now like to open the call for questions.

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**QUESTIONS AND ANSWERS**

**Operator**

(Operator Instructions) And our first question is from Christian Audi with Santander. Your line is now open

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

Thank you Carlos, Tania, Nelly and Abraham. I had 4 questions. The first one, Carlos, I was wondering if you could add a little color about your discussions with the CFE in the sense of have they been up to now solely focused on resolving the Sonora situation? Or have they gone beyond that to discuss other contracts or the structure of existing contracts or what future contracts may look like? The second question related to the Marine Pipeline. I just wanted to understand, in your EBITDA guidance for 2019, you were assuming a start-up of the pipeline in April. Was that correct? The third question, Nelly, was related to the leverage -- or to your deleveraging initiatives. Can you maybe be a bit more specific in terms of what specific initiatives you are taking to deleveraging in 2019? And then the fourth and final question was, in general, maybe Tania can touch on it. As you continue to pursue growth projects with the private sector, both in building terminals and/or renewable bilateral contracts, have you felt any difference or change in the demand for these contracts as the year has begun, given all the noise that we've had in the system? Thank you

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

Good morning Christian, how are you? Let me give you some color on the meetings we had with CFE. As we have said before, let me start by saying that they were very cordial. When we have something to discuss, the cordiality is also very important, and that these were extremely cordial. Second, we only started the meeting, we're focusing now on solving the Guaymas-El Oro problem. I think this is really a great opportunity to solve that problem and put that pipeline into place.

There were no discussions whatsoever what future contracts will look like. I think it's not yet the time to do that. I think that they, first, have to be focused on solving the problem and finding solutions to what we have.

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

Yes. Regarding the second question, Christian, about the Marine Pipeline. IEnova, you know that we have not started operations yet. And because of that, we cannot recognize EBITDA. In our guidance, we have considered this pipeline operational very early in the second quarter. So you can assume that for your own model. And regarding the deleveraging initiatives, you know that for quite some time, we wanted to put efforts to finance any project that we have under joint venture and more specifically, those that we do not consolidate. So we're making good progress. We want to close some of those initiatives this year. That will put our balance sheet in better shape. And you know that the majority of what we have financed or funded through 2017 and '18 was using our balance sheet. So projects that we don't consolidate, that we want to change. Not only that, but we also want to improve our maturity profile. Right now, we are about 8.6 years in duration. So we want to extend that, doing other long-term initiatives at a consolidated level. So we want to be at least with 12 years of maturity in our consolidated debt.

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

Thank you, Nelly. Good morning Christian, this is Tania. Regarding our growth initiatives, we do continue to see a lot of appetite from our customers to continue to develop infrastructure simply because they make economic sense. On the renewables front, the industrial off-takers continue to look for efficient and clean energy supply sources, and that is what we're offering. On the terminal side, the new players in the gasoline retail space are eager to have infrastructure that allows them to efficiently serve the market. So again, I mean, the projects provide long-term economic benefits to our customers, so we continue to be appetite.

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

Great. And then a very quick follow-up then. Any news in terms of the potential auctions for either natural gas underground storage or electricity transmission? Or they remain on pause as far as the government is concerned?

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

No. From my understanding, I mean, the government, again, they've only been in office for 60 days. So they need to go through the process of understanding what their priorities are and how they plan to develop that infrastructure. So there's no new information regarding those projects.

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

Ok, thank you very much

**Operator**

Thank you. Our next question comes from Jeremy Tonet with JPMorgan. Your line is now open.

**Jeremy Bryan Tonet *JP Morgan Chase & Co, Research Division - Senior Analyst***

Good morning. Just want to continue with discussions with CFE and the government here. And just wondering if you could provide for us, what are the next steps here? Is there any kind of active discussions? Are you just kind of happy if the contracts stay as they are? Or do you expect some type of amendment? Is there anything else that you can share as far as what goalposts we should be looking for out there?

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

Jeremy, as I mentioned in this conference, I mentioned before, we just started the discussion with CFE. We understand by the press release that, of CFE that so far, other 2 companies have also sat with CFE. All these 2 companies have issues with their pipelines. Remember that the government mentioned that they were worried about 7 pipelines that for social problems were not in operation. So we have started the meetings. We have had more than one meeting so far, and the conversations are going there, I say, very cordial trying to find solutions to this problem. I cannot tell you what's going to be the next steps. That's exactly what we are discussing with them, and I can tell you that we will together with CFE, inform on their balances and results of these conversations.

**Jeremy Bryan Tonet *JP Morgan Chase & Co, Research Division - Senior Analyst***

That's helpful, thanks. Turning to the guidance here. I just want to see, on TDM, what assumptions are being built in there. It seems like there's kind of a wider range for the segment EBITDA. Maybe if you could help us some of the inputs as far as what the high end versus the low end of the guidance range for power would be.

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

Well, regarding TDM, that's reflected in the power segment as you indicated. You know that TDM performed very well in 2018 due to certain market conditions, both in prices and volumes that were higher. And based on the resource adequacy contract that we have and early indications of market conditions this year, we have included these, we have proposed these and we believe are reasonable estimates. There were certain conditions last year that were mostly related to temperatures and congestions in the lines in the U.S. that may not be there in 2019. So these estimates for TDM and Ventika, we consider as a reasonable range for us to meet this year.

**Jeremy Bryan Tonet *JP Morgan Chase & Co, Research Division - Senior Analyst***

Great. So it that reasonable to think that the guidance could be somewhat front part of the year weighted, given that there were some favorable conditions exiting '18 and '19?

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

Exactly, exactly. Yes, that's correct.

**Jeremy Bryan Tonet *JP Morgan Chase & Co, Research Division - Senior Analyst***

Got you. And maybe just finishing up with the buyback share. You saw there was some activity there in -- if you could just kind of expand upon how -- what your philosophy is as far as when you want to do it and how big could this program be, given kind of where the price of IEnova is.

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

Jeremy, yes, you know that we have implemented this repurchasing program last year, and it is \$250 million dollars. Last year, we repurchased 2 million. And to date, in 2019, we have repurchased 1.6 million shares. We plan to continue having this program. We were going to propose to the Shareholder Meeting. And as we continue to evaluate market conditions, and we will balance our share repurchase program against any other use of cash, our new investments.

**Jeremy Bryan Tonet *JP Morgan Chase & Co, Research Division - Senior Analyst***

That's helpful, that's all for me. Thanks

**Operator**

Our next question comes from Vanessa Quiroga with Credit Suisse.

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

Hello IEnova team, thank you for taking my question. The first one is about the Marine Pipeline. Sorry if I missed the details, but can you give us color on the reason for the increasing CapEx that we saw compared to last quarter? And also regarding -- the other question that I have is regarding TDM. If you could provide the detail on guidance, what part of that guidance comes from the resource adequacy payments and how much is coming from your assumption of actual power sale? Thank you

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

Good morning Vanessa. Regarding the Marine Pipeline, most of the cost overruns that we present in this quarter are mainly due to subsequent weather delays that we have seen, you know, in the initial of the beginning of this year. There are some seawater tie-ins that need to be completed, although the onshore works are already completed. The mechanical completion for the onshore is ready, but we still are to make some of those connections above seawater. So most of the cost overrun is associated to these weather delays. Now related to the TDM guidance, resource adequacy is a minor part of the total EBITDA. And yes, even though we have a higher resource adequacy from last -- compared to last year, most of the guidance comes from the volumes that we are assuming for this year.

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

Okay, okay. That's very clear, Nelly. Regarding the cost overruns related to delays, do you think that will be recovered via tariffs? Or I mean, in terms of modeling, should we just increase CapEx and keep the EBITDA?

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

Vanessa, the tariffs for this pipeline are fixed or are already in the contract. Those tariffs won't change because of these cost overruns. But we -- even with these cost overruns, we are having our returns of these projects around the midrange of our 9% to 11% return targets.

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

Ok that's very clear, thank you.

**Operator**

And our next question is from Frank McGann with Bank of America Merrill Lynch.

**Frank J. McGann *BofA Merrill Lynch, Research Division - MD***

Yes, thank you. Just thinking about the JVs, the Marine Pipeline. Those have been very successful or will be, I guess. Over time, it'd be a strong contributor. The storage business also looks like, in total, it's going to be quite strong. I just -- how are you thinking about the opportunities that you have for projects going forward? Should we think more in terms of kind of modular sort of smaller projects that in sum will be much large -- will be material? Or do you think you'll have additional projects perhaps with the private sector that could be as material as the Marine Pipeline?

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

Frank, I think it'll be a combination of both. We strive in order to maintain our business model, to be able to contract assets long term, we've moved through different business lines, we've diversified our asset base, we've diversified our customer base. In some instances, which is the case, for example, with the renewables and with the products terminals, you'll see smaller projects that we can replicate and build a reasonable-size portfolio. We have other cases, for example, the ECA liquefaction project, which is potentially a \$1.5 billion dollar project. So I think you'll see a combination of both. And obviously, M&A opportunities will continue to be there. We will continue to look at those, and there may be some cases to -- for some acquisitions of portfolio that have reasonable size. So -- and I was -- we'll continue to be flexible. The goal is to maintain our business model of contracting long-term assets.

**Frank J. McGann *BofA Merrill Lynch, Research Division* - MD**

Okay. Is it possible to -- on the M&A front that you might look at opportunities outside of Mexico?

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

Right now, we're very focused on Mexico. We have our hands full. Nelly mentioned 12 projects under construction, plus ongoing greenfield and M&A initiatives. So we're busy in Mexico.

**Frank J. McGann *BofA Merrill Lynch, Research Division* - MD**

Ok, thank you very much.

**Operator**

(Operator Instructions) And our next question is from Alejandra Obregon with Morgan Stanley. Your line is now open.

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

Hi, good morning everyone and thank you for taking my question. Just a quick follow-up on ECA. You mentioned earlier that you're planning to reach final investment decision by year-end. So just trying to understand what you need in terms of permitting. Is it permitting in the U.S. only or permitting in Mexico only or both? And if that's the case, is there anything that concerns you to reach a final investment decision by year-end or that could prevent you from reaching that, particularly in Mexico with the new administration? That would be very helpful.

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

Good morning Alejandra. We announced in the past we have the major permits required in Mexico, including ASEA and CRE. We have 2 important permits that we have yet to obtain. First is the permit from the United States to import gas into Mexico and then re-export it again. And then we also need an export permit from Mexico. Both are processes that are undergoing. In addition to that, as you know, we executed the heads of agreement with our 3 customers late last year. So we are in the process of negotiating the final agreements with the customer. And in parallel, we are working on our detailed engineering to be able to finalize the CapEx and reach the final investment decision. So I would say all of these elements are moving in parallel to reach a final investment decision by year-end.

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

Thank you, that's very helpful. And just a quick follow-up on your CapEx guidance. Just to confirm that, that doesn't include anything related to ECA, right?

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

It doesn't. It doesn't.

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

Thank you very much

**Operator**

Thank you. Our next question comes from Pablo Ordóñez with Itaú. Your line is now open.



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

Thank you. My questions have been answered.

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**Operator**

(Operator Instructions) And we have a question from Mauricio Serna with UBS.

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**Mauricio Serna Vega UBS Investment Bank, Research Division - Analyst**

Yes, hi, good morning. Thanks for taking my questions. Just wanted to double check on the Texas-Tuxpan JV project. So should we -- I guess, we should be -- your adjusted EBITDA guidance is like if we removed 1 quarter of EBITDA contribution from the project. I was just going to double check that. And also want to ask, is there any potential issue because that's one of the similar pulse that we've heard was that the pipeline in Tuxpan, but one of the receiving end of that pipeline. One part, it's not -- the project is not going to be completed. So half of that gas -- natural gas would not be reaching the total region, something that I have heard. So I just want to know if that would be a potential -- could be a potential threat for the project itself. Thank you.

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

Thank you Mauricio. I guess your estimates could be reasonable, you know, taking out the first quarter for the EBITDA of this pipeline. And all of the onshore and even the connection between the ocean and the onland -- inland pipeline is completed at this time. The only thing that needs to be completed are certain tie-ins on seawater and -- but the rest is completely -- is completed. The upstream gas is ready to be received by the pipeline also.

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

And Mauricio, I would add that we also have interconnections downstream to the CENAGAS system, which allow us to flow the gas south.

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**Mauricio Serna Vega UBS Investment Bank, Research Division - Analyst**

Okay, okay. Thank you. And to also confirming, adjusted EBITDA guidance. Also I guess, includes reasonably lower contributions from the TDM asset, right?

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

Yes. Because of the reasons I have explained before, we cannot assume that the favorable conditions we saw last year will be replicated during this year. So we have to be reasonable and have -- not having a situation where we cannot meet this range for TDM.

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**Mauricio Serna Vega UBS Investment Bank, Research Division - Analyst**

Ok, thank you very much.

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**Operator**

Thank you. And our next question comes from Andres Cardona with Citigroup.

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**Andres Cardona Citigroup - Analyst**

Good morning guys. Thanks for the space to have questions. I have only one. I see your return targets are still between 9% to 11% unleverage. Or if you are revising those after the recent sell-up in domestic yields that suggests the need of having a higher rate for future investments. Thank you.

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

Good morning Andres, thank you. Yes. I mean, our rate of return has been consistently between 9% and 11%. Obviously, considering the current market circumstances, we would like to see them more on the high end of the range. So we will continue to push that.

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**Andres Cardona Citigroup - Analyst**

Ok, thank you

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**Operator**

(Operator Instructions) And this concludes our Q&A session for today. I would like to turn the call back to our CEO, Tania Ortíz, for her final remarks.

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

Thank you. Thank you, everyone, for joining our call. If you have any questions, please reach out to our Investor Relations team, and have a good day.

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**Operator**

Ladies and gentleman, thank you for participating in today's conference. This concludes the program, and you may all disconnect. Have a wonderful day.

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