



# 1<sup>st</sup> Half year 2024 Semi-annual Results

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December 2024

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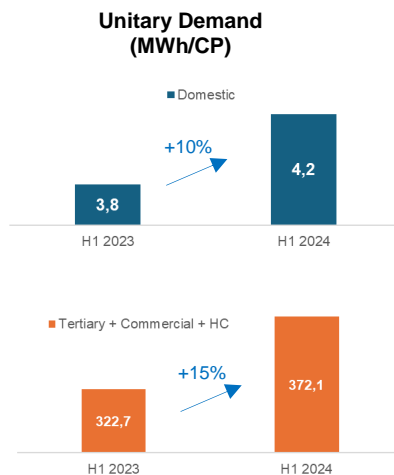
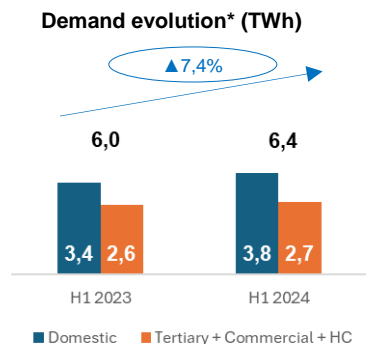
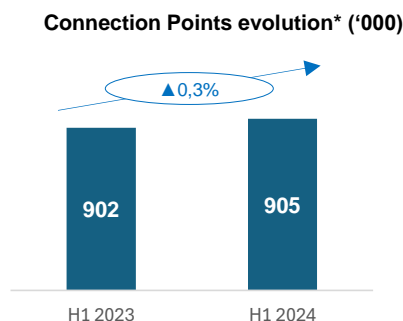
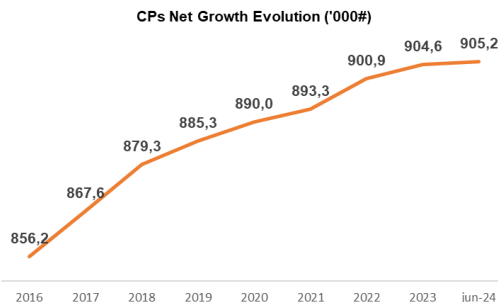
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<b>1</b>	<b>Executive Summary</b>
<b>2</b>	<b>Key Financials</b>
<b>3</b>	<b>ESG Commitment</b>

<p><b>First Half 2024 Performance</b></p>	<ul style="list-style-type: none"> <li>▪ As of June 2024, the company has reached <b>905,241 natural gas connection points (+ 0.3% YoY)</b></li> <li>▪ <b>6,4 TWh of volume distributed through MRG network showing a 7% increase YoY</b></li> <li>▪ <b>Promotion and development of renewable gas projects</b> for injection into MRG network and mobility (Biomethane and Hydrogen)</li> <li>▪ <b>EBITDA amounting to c. €57.9m</b>, -5% compared to previous year. The impact of remuneration haircut has been partially contained through higher demand, driven by positive net growth in connection points and lower temperatures, and a higher volume of periodic inspections carried out, in line with the programmed inspections cycle.</li> <li>▪ <b>Free cash flow €56.2m</b>, €3.6m higher than preceding year partially explained by a greater reduction in tariff deficit position compared to prior year's same period</li> </ul>
<p><b>ESG committed</b></p>	<ul style="list-style-type: none"> <li>▪ <b>ESG score:</b> 5/5 stars and 100/100 points in GRESB. <b>Top 1 position</b> in all GRESB indicators.</li> <li>▪ <b>Carbon footprint</b> has been reduced in 2023 with 34,932 tCO<sub>2</sub>e total emissions, which represents a <b>51% reduction</b> compared to previous year.</li> </ul>
<p><b>Financial policy and Financing structure</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Strong shareholder commitment to investment grade rating:</b> <ul style="list-style-type: none"> <li>▪ On August 2024, S&amp;P <b>affirmed</b> MRG's rating in BBB- (Outlook stable).</li> <li>▪ On October 2024, DBRS <b>upgraded</b> MRG's rating to BBB from BBB (low).</li> </ul> </li> <li>▪ On July 1st, 2024, <b>MRG has been replaced by Elisandra V</b>, its sole shareholder, <b>as guarantor of the €675m bond debt</b>. At the same time, <b>a change of the borrower to Elisandra V from MRG was agreed by the bank lenders</b>, in relation to the €225m sustainable term loan facility and the hedging instruments related to the facility.</li> <li>▪ <b>New syndicated bank facility signed in July 2024 amounting to €180m</b> to be disbursed in 2025 and maturing in October 2027 will partially refinance 300€M bond that matures in 2025</li> <li>▪ <b>Excellent liquidity position</b>; cash position of 106,5 €M as of June 2024 plus €255M of undrawn facilities (RCF and new bank loan)</li> </ul>
<p><b>CNMC's Resolution</b></p>	<ul style="list-style-type: none"> <li>▪ <b>CNMC's resolution solved.</b> On September 12<sup>th</sup>, CNMC confirmed that MRG has taken all necessary actions to comply with the legally binding decision of March 16<sup>th</sup>.</li> </ul>
<p><b>Others</b></p>	<ul style="list-style-type: none"> <li>▪ Reporting of semi-annual results 2024 H1 includes the consolidated group versus previous reports in which financial statements were referred to MRG on a standalone basis</li> </ul>

<b>1</b>	<b>Executive Summary</b>
<b>2</b>	<b>Operational Overview and Key Financials</b>
<b>3</b>	<b>ESG Commitment</b>



## Comments

- **First position in terms of number of customers in Madrid region**, maintaining a positive net growth trend throughout the period with 905,401 connection points (+0.3% compared to previous year).
- **Total demand as of June of 6,4TWh** (+0.44TWh compared to previous year) explained by:
  - **Growth in domestic demand** driven by temperatures.
  - **Growth in unitary demand** coming from the tertiary, commercial and high consumption customers, totaling 6,4TWh.

## Key drivers of growth:

- **Development of IT tools** for our commercial channel to identify potential new customers.
- **Good technical and commercial performance in the LPG conversion**, reaching c.1,200 CPs converted into natural gas.
- **Enter into new Municipalities**: all permits and authorizations have been obtained to build a LNG plant in Miraflores de la Sierra.
- **Commercial campaigns** in tertiary, commercial and high consumption sectors along with natural gas prices stabilization.

## Renewable gases initiatives:

- Involved in the **construction of all third parties network linked to the new urban developments ready for renewable gases**.
- Working on nearby areas of the MRG network to **participate in biogas projects**. i.e. Alcalá de Henares biomethane plant.
- **INSPIRA project - Project to decarbonize public urban mobility in the Madrid region and extending the use of green H2 to all productive sectors**. Work in progress.
- Development of **several initiatives focused on the promotion of hydrogen boilers** as a decarbonizing solution for heating and hot water in households and the **promotion of hydrogen for vehicles**.

\*Demand billed from January to June

\* Connection points as of June.

## Income Statement - €MM

6 month period ending 30 June	2023	2024	% var.
Remuneration	59,2	57,9	-2%
Other regulated revenue	8,5	9,9	16%
Other revenue	12,5	10,4	-17%
<b>Total Revenues</b>	<b>80,3</b>	<b>78,1</b>	<b>-3%</b>
<b>EBITDA</b>	<b>55,9</b>	<b>53,0</b>	<b>-5%</b>
Margin	70%	68%	

Consolidated financial statements.

## Cash Flow Statement - €MM

6 month period ending 30 June	2023	2024	Var %
EBITDA	55,9	53,0	-5%
Income tax paid	(1,5)	(0,7)	-49%
Working capital	(1,8)	2,4	<(99%)
Tariff Deficit	5,9	7,2	22%
Capex	(6,0)	(5,7)	-5%
<b>Recurring Free Cash Flow</b>	<b>52,6</b>	<b>56,2</b>	<b>7%</b>

Consolidated financial statements.

## Comments

EBITDA decreased 5% mainly explained by:

- Variation in remuneration mainly driven by gradual remuneration haircut of the regulatory reform published in 2020
- Higher other regulated revenues, explained by the higher volume of planned periodical inspections to be executed within the five years cycle.
- The variance in other revenue is mainly related to the decrease in LPG revenues as a result of the conversion of LPG points to Natural gas. Lower LPG points causes lower LPG margin but higher remuneration of natural gas connection points and savings in maintenance costs.

Recurring free cash flow is 7% higher than previous year, mainly due to:

- Tariff Deficit variation explained by a greater reduction in tariff deficit position compared to prior year's same period. Tariff deficit does not reflect the final deficit position but is only a temporary position as of June 2024.
- Better working capital variation
- Lower EBITDA, as explained above.
- No significant variance in capex which is mainly driven by expansion growth investments

## Balance Sheet - €MM

	Dec. 2023	Jun. 2024	Var
Total Network Fixed Assets	1.899,2	1.890,7	(8,5)
Deferred Tax Asset	14,3	13,8	(0,4)
Other Non-Current Assets	3,4	5,2	1,8
Current Assets	52,5	40,4	(12,1)
Cash and cash equivalents	70,0	106,5	36,4
<b>Total Assets</b>	<b>2.039,4</b>	<b>2.056,6</b>	<b>17,2</b>
<b>Total Shareholders Equity</b>	<b>752,0</b>	<b>768,6</b>	<b>16,6</b>
Long Term Debt	897,2	897,7	0,4
Deferred Tax	317,4	322,6	5,1
Other Non-Current liabilities	29,5	29,4	(0,1)
Current Liabilities	43,2	38,4	(4,8)
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>2.039,4</b>	<b>2.056,6</b>	<b>17,2</b>

Consolidated financial statements.

## MRG Group capital structure - €MM

	Apr-25 Note	Apr-29 Note	Mar-31 Note	RCF	Bank debt	Bank debt
<b>Issuer</b>	MRG Finance, B.V.	MRG Finance, B.V.	MRG Finance, B.V.	MRG, S.A.U.	Elisandra Spain V, S.L.U.	Elisandra Spain V, S.L.U.
<b>Guarantee</b>	Elisandra Spain V, S.L.U.	Elisandra Spain V, S.L.U.	Elisandra Spain V, S.L.U.			
<b>Issuance amount</b>	€300m	€300m	€75m	€75m*	€225m	€180m**
<b>Maturity</b>	April 2025	April 2029	April 2031	February 2027	August 2027	October 2027
<b>Pricing</b>	Fixed 1.375%	Fixed 2.250%	Fixed 3.500%	Euribor + margin	55% Fixed 45% Eur + margin	Euribor + margin
<b>Ranking</b>	Senior	Senior	Senior	Senior	Senior	Senior

\*Undrawn.

\*\* Signed on July 2024. Undrawn

## Comments

- Equity position of 768,6 €M as of June 30<sup>th</sup> 2024
- In August 2024 S&P affirmed MRG's rating in BBB- and outlook stable. In October 2024 DBRS upgraded rating at BBB from BBB (low).
- MRG group gross debt remains stable. Financing structure underpinned by different tenors and bond size, spreading maturities and reducing refinancing risk
- Lower group net debt compared to previous year due to the higher cash position

	Dec. 2023	Jun. 2024	Var
Net debt	827,2	791,2	(36,0)

- Adequate liquidity position derived from the new €180m Term Loan facility signed in July, and the cash available to meet the €300m bond maturing in April 2025.
- Undrawn Revolving Credit Facility available up to €75MM, reinforces cash reserves.
- MRG is committed to a resilient and flexible financial policy framework that supports an investment grade rating, to maintain investor, creditor and market confidence and to ensure the sustainability of future business.

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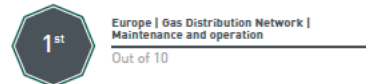
## GRESB 2024 Score

GRESB Rating  
★★★★★

### Participation & Score



### Peer Comparison



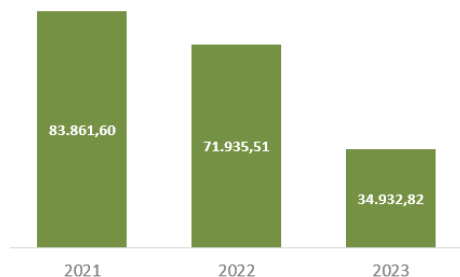
GRESB  
INFRASTRUCTURE  
sector leader 2024

- GRESB score of **100 points\*** over 100 possible and 5 stars (maximum level), which breakdown to:
  - Environmental: 27/27
  - Social: 45/45
  - Governance: 28/28
- MRG achieves the **first position** in **all the indicators** for the first time. MRG has achieved the **best ESG results in the whole universe of GRESB**.
- GRESB infrastructure sector leader in 2024**, maintaining this recognition from last year.



## Carbon footprint

### Absolute Carbon footprint (tCO<sub>2</sub>e)



- Madrileña Red de Gas contributes to combating climate change and addressing the Net Zero challenge by 2050 through its commitments to reducing pollutant gases.
- This includes a particular focus on reducing fugitive methane (CH<sub>4</sub>) emissions from the distribution network, for instance with LPG connection points conversion to natural gas, as well as CO<sub>2</sub> and NO<sub>x</sub> emissions.
- In 2023, total Carbon footprint has been reduced by 51% versus previous year



## Annexes

