

Naturgy 

AGM 2025

25 March 2025



- 1** 2024 Results
- 2** 2018-24 Transformation
- 3** 2025 Strategic Plan
- 4** Proposed resolutions

Naturgy 

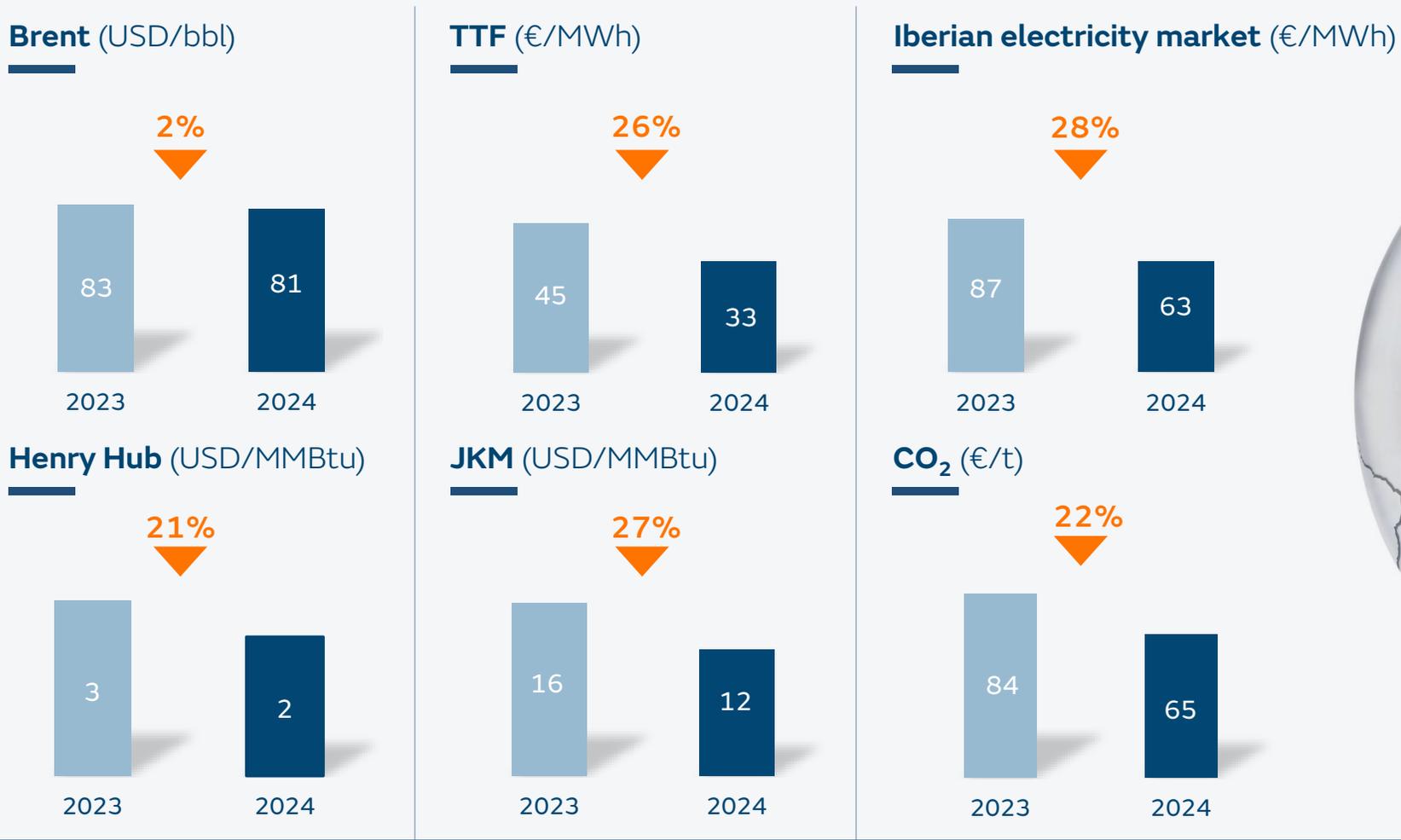
Naturgy 

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**2024
Results**

Energy markets evolution¹

1. 2024 Results
2. 2018-24 Transformation
3. 2025 Strategic Plan
4. Proposed resolutions



Source:
Platts, Heren, Bloomberg, ICE, OMIE

Note:
1. Average prices of the period

FY24 marked by a challenging and volatile energy scenario

Key metrics

- 1. 2024 Results
- 2. 2018-24 Transformation
- 3. 2025 Strategic Plan
- 4. Proposed resolutions

Net sales

€19,267 m

EBITDA

€5,365 m

Operating cash flow

€3,934 m

Net profit

€1,901 m

Investment

€2,280 m

Taxes and levies

€1,531 m

Dividends

€1,345 m

Net debt

€12,201 m

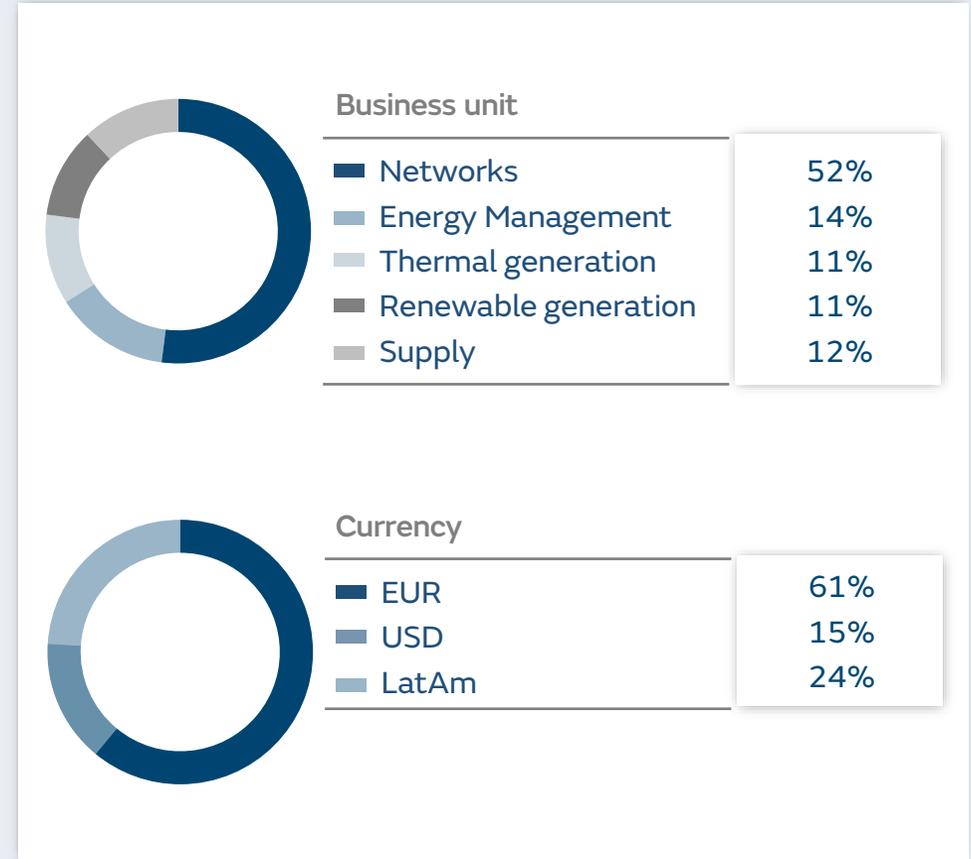
Income statement

- 1. 2024 Results
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Income statement (€m)

	2023	2024
Net sales	22,617	19,267
Gross margin	7,511	7,702
Net operating expenses	-1,526	-1,641
Taxes and levies	-510	-696
EBITDA	5,475	5,365
Depreciation	-1,742	-1,524
Financial result	-518	-465
Income tax	-768	-835
Associates, minorities & others	-461	-640
Net profit	1,986	1,901

Contribution to results (EBITDA)

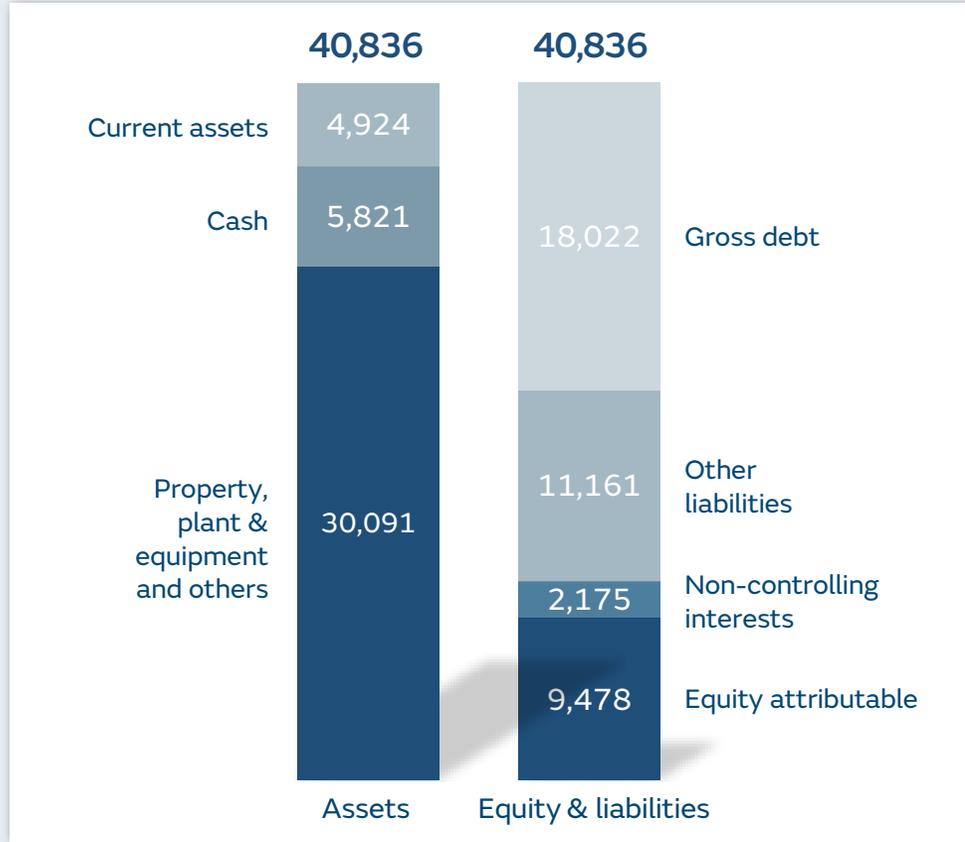


Results in line with 2023 record despite a more challenging scenario

Balance sheet

- 1. 2024 Results
- 2. 2018-24 Transformation
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Balance sheet as of 31 December 2024 (€m)



Balance sheet metrics

Net debt
2024 **€12,201 m**

Net debt/EBITDA
2024 **2.3x**

Rating
S&P / Fitch **BBB**

Liquidity
disponible **>€11,000 m**

Sound balance and rating, and growing liquidity

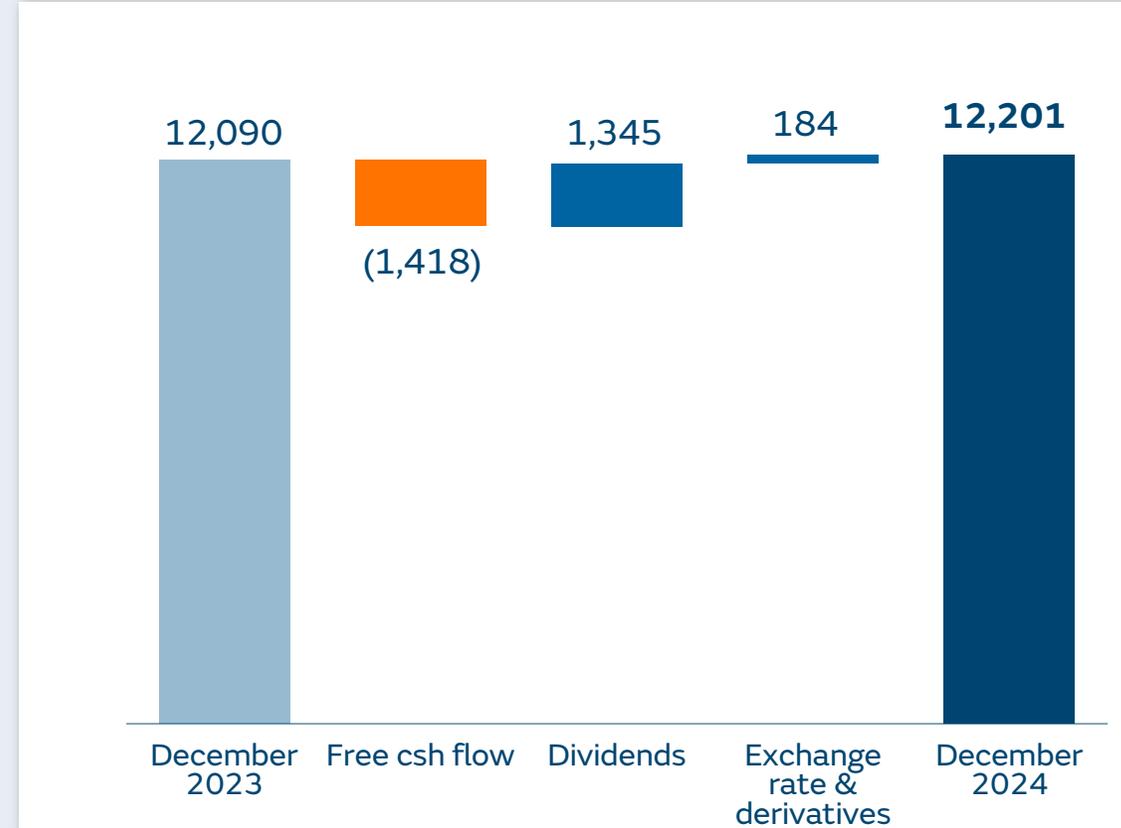
Cash Flow and net debt

- 1. 2024 Results
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Cash Flow (€m)

	2024
Funds from operations	3,934
Variation of working capital	58
Cash from operations	3,992
Investments	(2,280)
Third-party contributions	314
Hybrid bonds amortization	(500)
Dividends to minorities and others	(108)
Free cash flow	1,418

Net debt (€m)



Debt level in line with the previous year

Investments and asset portfolio

- 1. 2024 Results
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Investment (€m)



By country



Spain	57%
LatAm	25%
Rest	18%

Asset portfolio

By business

Renewable generation
Installed capacity



Geography	
España	5.3
Australia	0.9
LatAm	0.8
EE.UU.	0.3

Technology	
Eólico	3.7
Hidro	2.1
FV + almac.	1.5

Distribution networks

Length
Connection points

	Gas	Electricity
Length	140,000 km	160,000 km
Connection points	12 million	5 million

Investment pace is maintained at historical highs with focus on organic growth in renewables and distribution networks

Exceeding market expectations in 2024

- 1. 2024 Results
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EBITDA (€m)



Net profit (€m)



Net debt (€m)



Dividend (€/share)

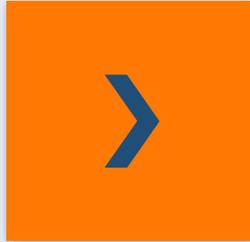


Note:
1. Bloomberg as of January 2024

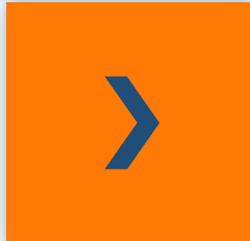
Solid results aligned with historical highs and above expectations

Summary

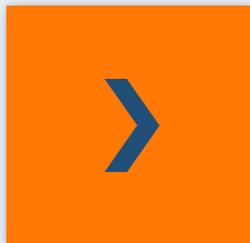
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More challenging and volatile scenario vs. previous year



Results in line with historical highs



Exceeded own targets and market expectations





Naturgy 

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2018-24
Transformation

Drivers of 2018-24 transformation

1. 2024 Results
2. **2018-24 Transformation**
3. 2025 Strategic Plan
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Operating efficiency



Mitigation of volatility and complexity



Financial discipline



Customer service



Employee's motivation



ESG progress



Commitment with society



Value creation for the shareholder



2018-24

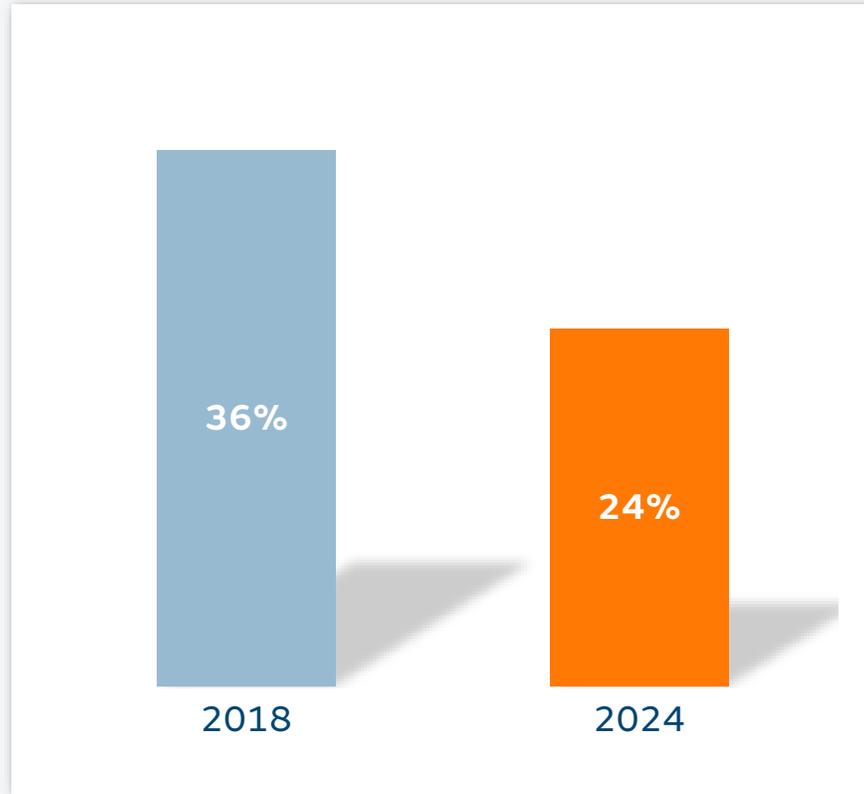


Operating efficiency

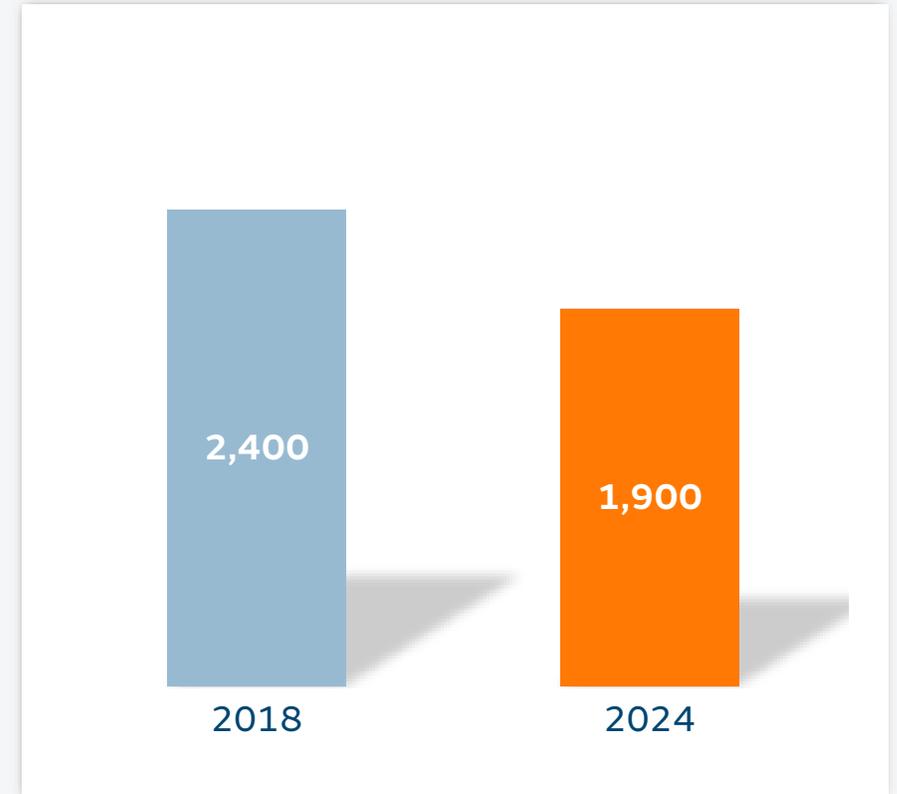


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Operating expenses/gross margin (%)



Operating expenses (€m)



Mitigation of volatility and complexity



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LNG hedging

Volume with purchase and sale price linked to the same index



Balance between generation and supply at fixed price

Energy (TWh)



Simplification and asset portfolio rotation

Sales / shutdown

- > Coal South Africa
- > Colombia
- > Moldova
- > Kenya
- > Egypt
- > Coal Spain

€5,660 m¹

Renewable generation

- > Spain
- > USA
- > Australia

€5,700 m

Note:
1. Includes sale of other assets



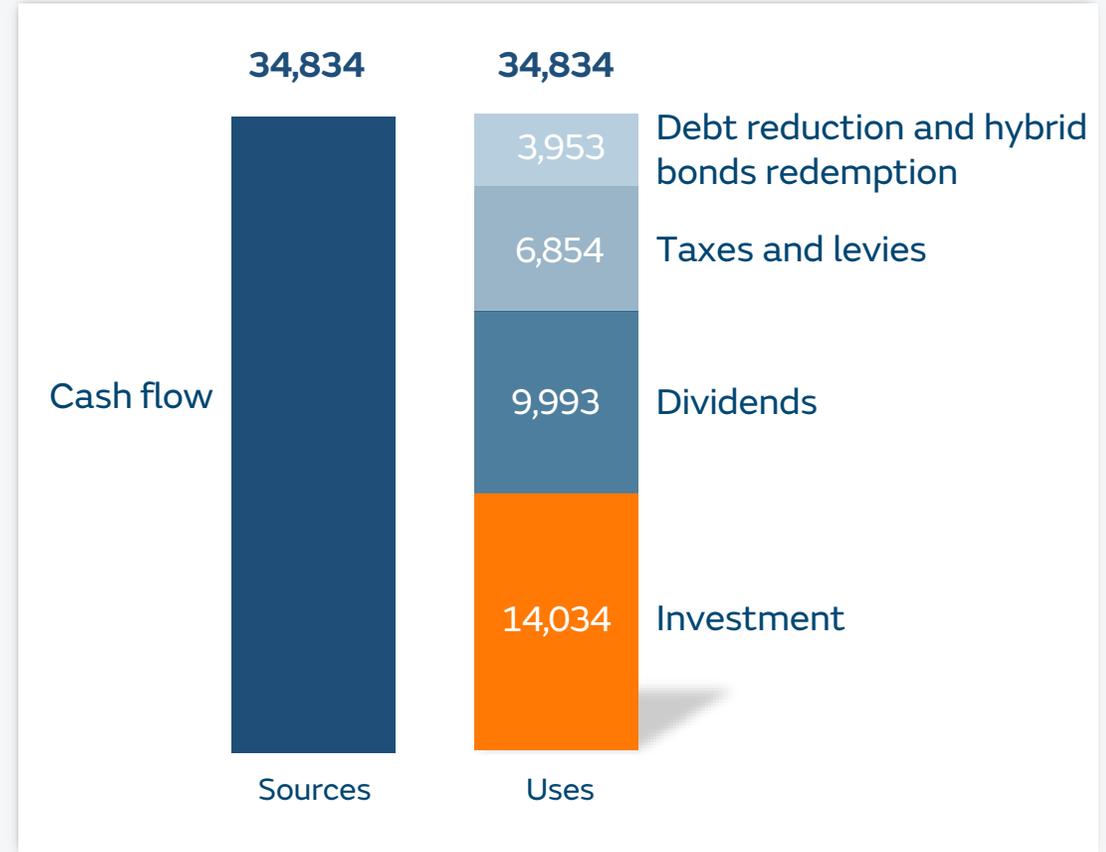
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Investment criteria

-  Minimum required profitability adjusted by country/business risk
-  Industrial role with majority control
-  Focus on energy transition and stable geographies
-  Compatible with BBB rating

Sources and uses of funds (€m)

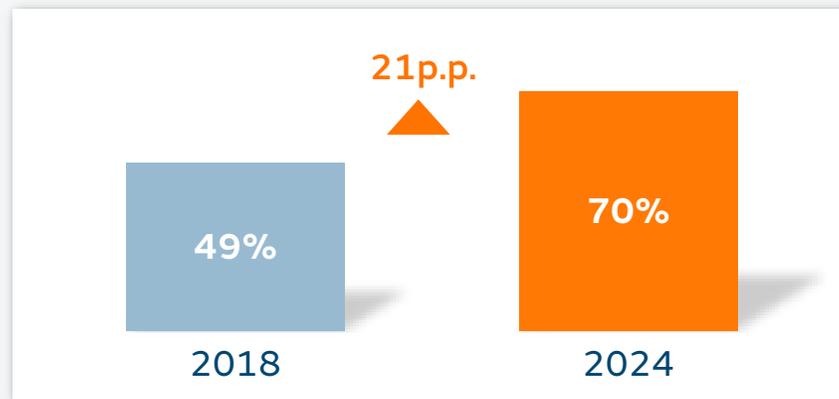


Customer service

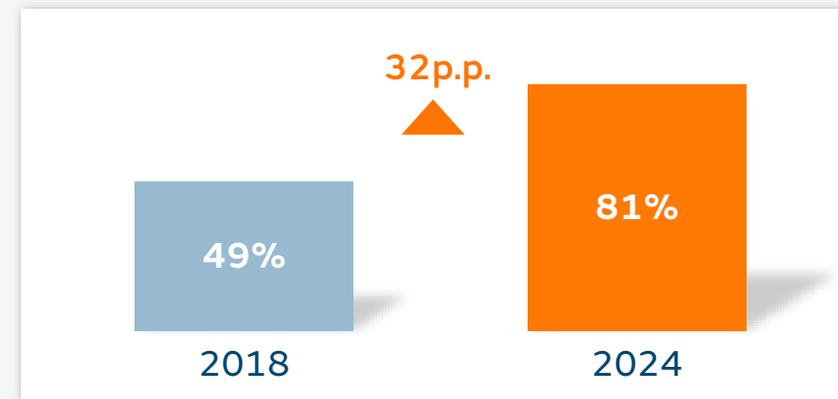


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Customers that recommend Naturgy (%)



First-call incidence resolution (%)



Digital attention (%)



Average time for power restoration (min)



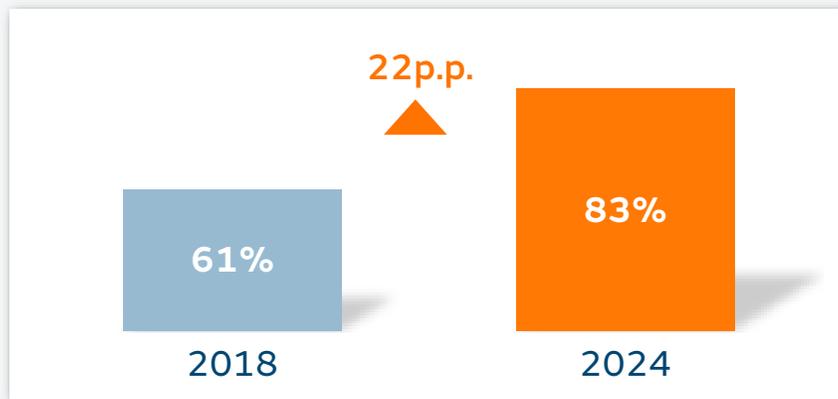
Employee's motivation



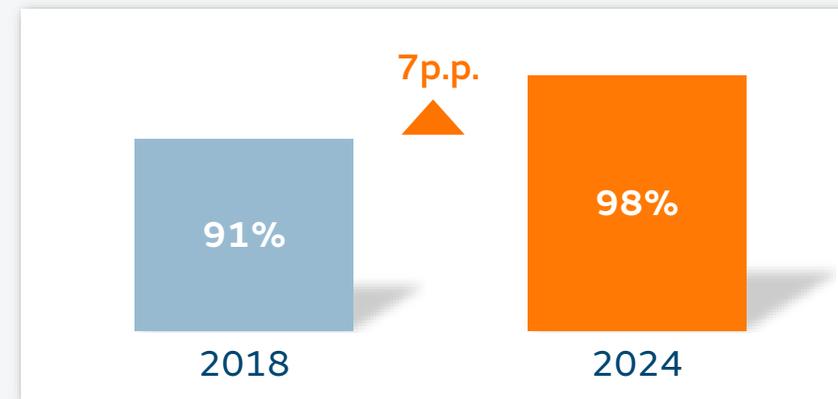
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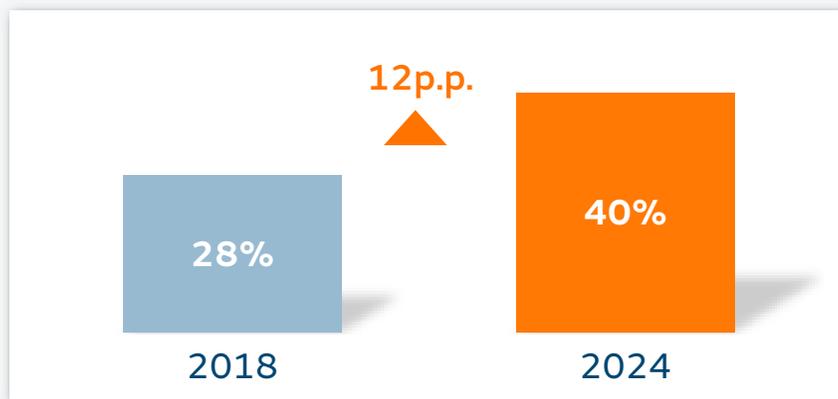
Employee's satisfaction (%)



Employees in training programs (%)



Women in management positions (%)



Employees <30 years (%)





ESG progress

- 1. 2024 Results
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Emissions reduction vs. 2017¹ (%)



Biodiversity projects



Suppliers with ESG audits



TCFD and Taxonomy



Nota:
1. reduction in tCO₂, (scopes 1+2)



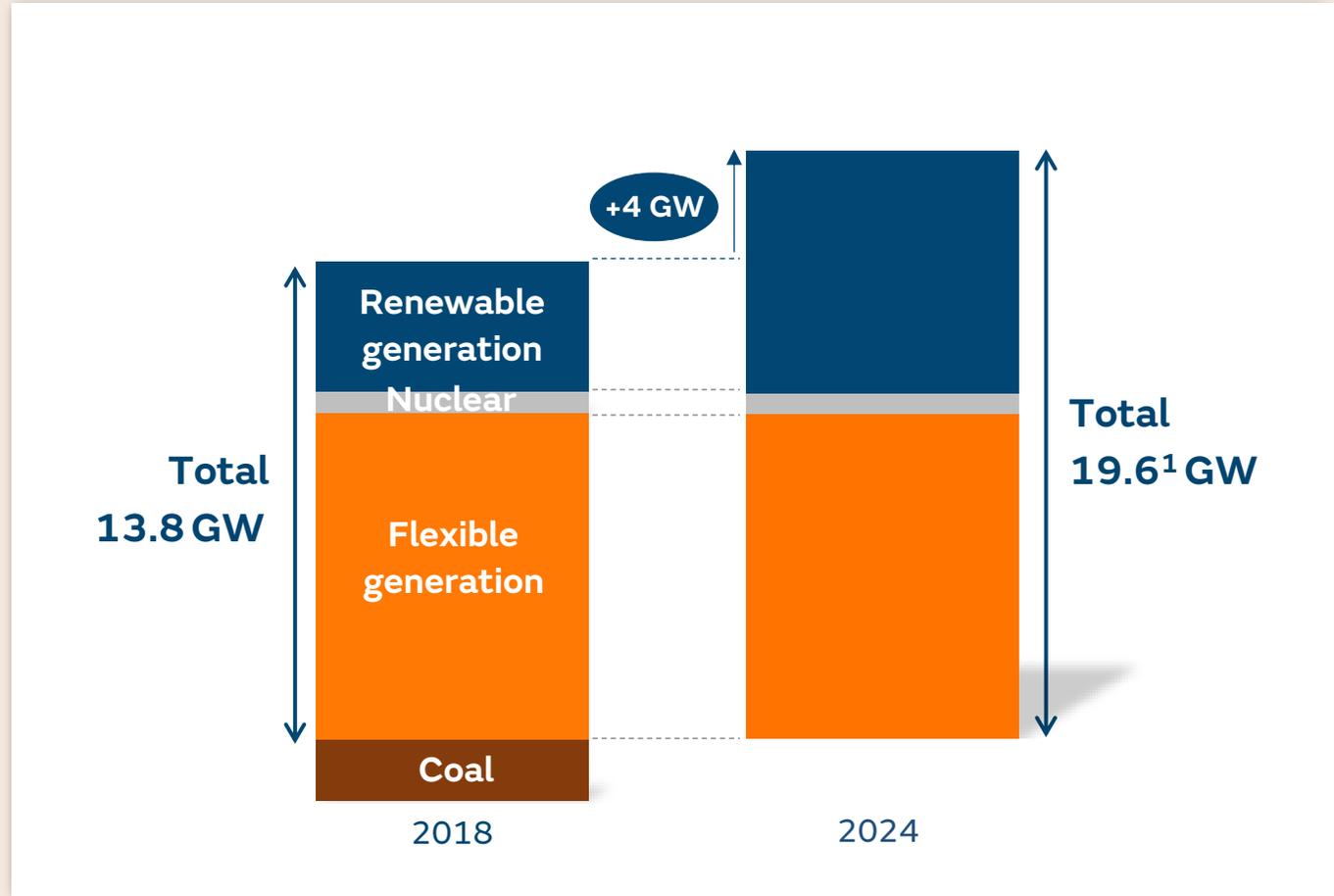
Advancing in energy transition

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Investment 2018-24 (€m)



Generation installed capacity (GW)



Note:

1. Includes MW under construction

Commitment with society



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Security of supply

- > 15 CCGTs available **10 GW**
- > First supplier of gas in Spain **30% volume**

2024 Distributed Economic Value



€17,173 m

Suppliers	75%
Public Admins.	8%
Rest	17%

Education through the foundation

- > Professional formation **145,000** 
- > “Efigy education” program that promotes technological vocations **1,300,000** 

Social action through the foundation

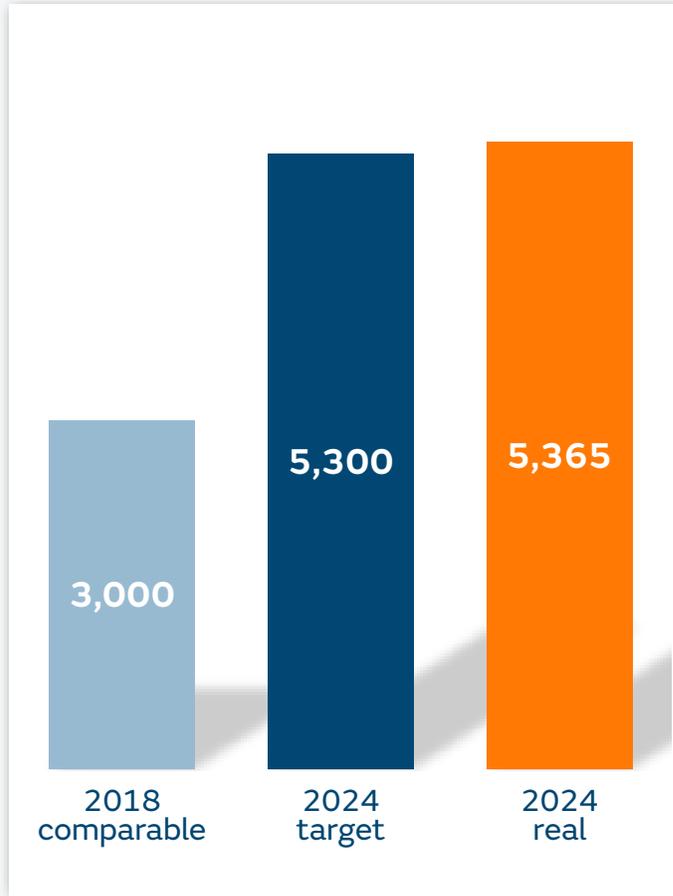
- > School of Energy **41,000** 
- > Social programs **304,000** 
- > Volunteering **1,250** 

Achievement of targets

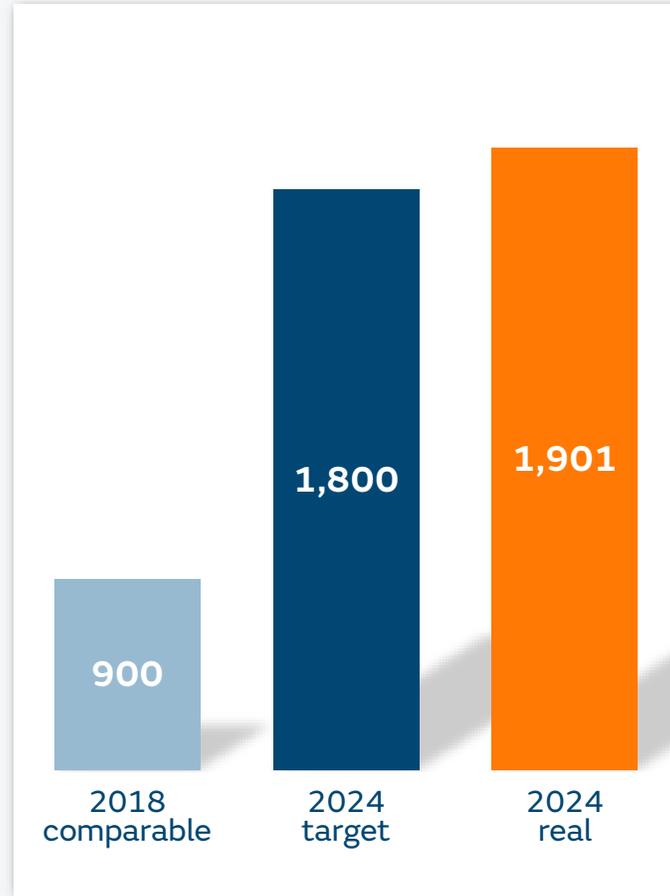


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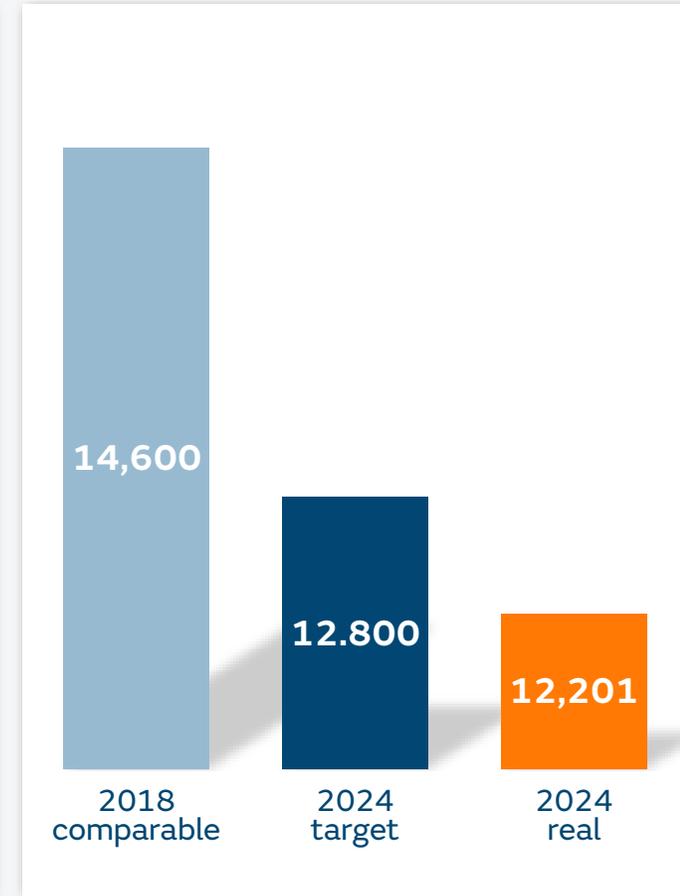
EBITDA (€m)



Net profit (€m)



Net debt (€m)



Value creation for the shareholder

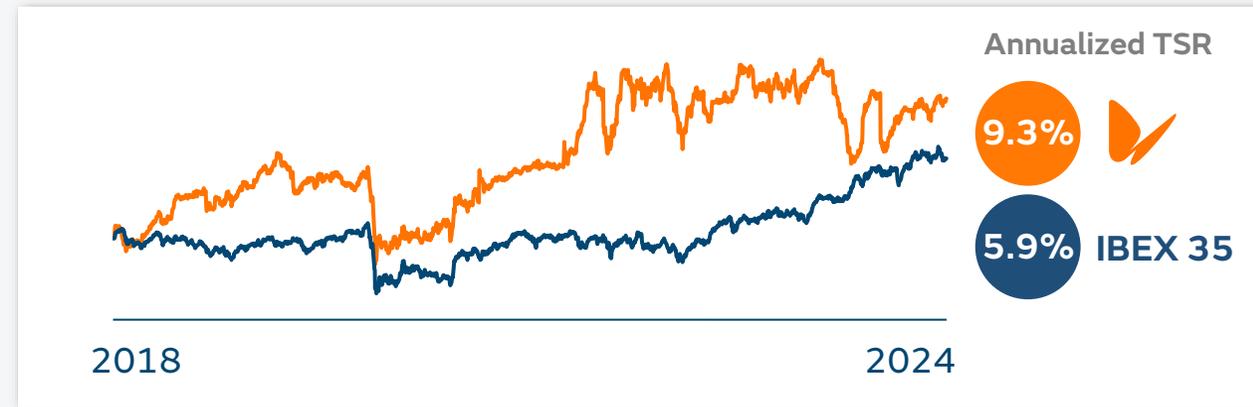


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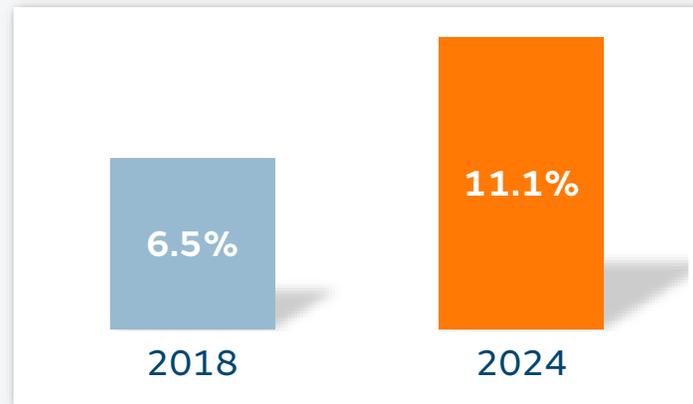
Return on equity (%)



Total shareholder return (TSR, 2018-24)

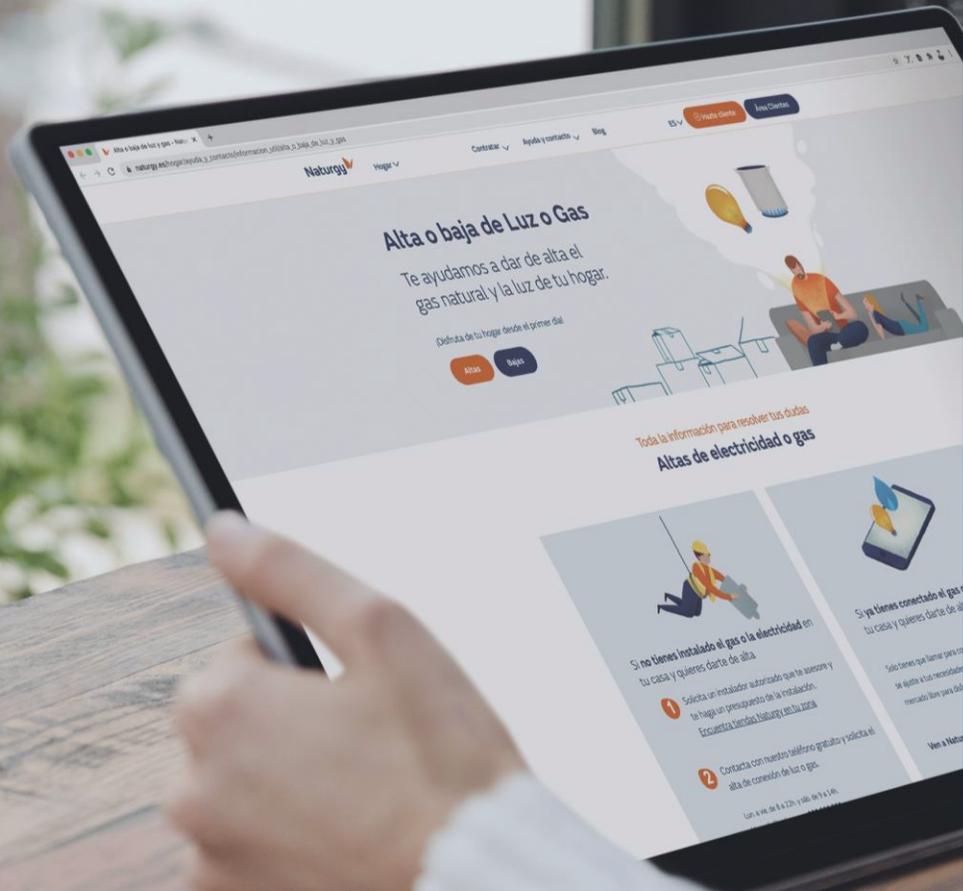


Return on invested capital (%)



Attributable dividend for the year (€/share)





Naturgy 

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2025
Strategic
Plan

Our industrial model

1. 2024 Results
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Integrated value chain



- › **Vertical integration between generation / procurement, networks and supply:**
 - **Natural hedge** against volatility
 - Networks provide **stable cash flows**

Strategic position in electricity and gas



- › **Gas:**
 - Key role in energy transition (natural gas / renewable gases)
- › **Electricity:**
 - Accelerates decarbonization
- › **Flexible generation / storage:**
 - Key to security of supply

Client at the center



- › **New management platform**
 - Customer differentiation
 - Simplification of the service model
 - Agile and robust technology
 - Maximum ambition embedded in the culture



Execution principles

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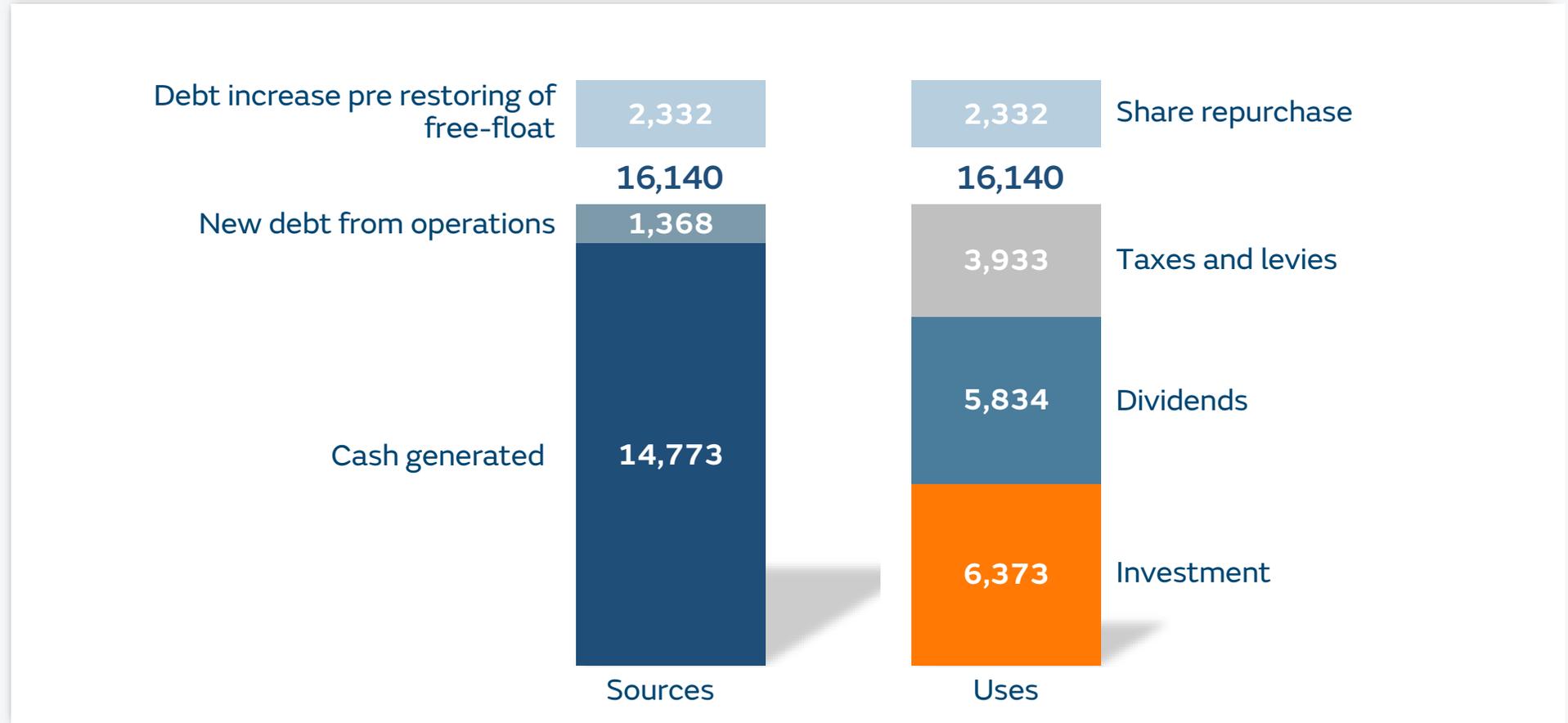
<p>Management excellence </p>	<p>Financial discipline </p>	<p>Value creation for the Shareholder </p>
<ul style="list-style-type: none"> › Operational management aiming best-in-class › Innovation as tool for continued improvement 	<ul style="list-style-type: none"> › Commitment with BBB rating › Minimum profitability threshold to guarantee that investments create value › Maintaining inorganic growth optionality 	<ul style="list-style-type: none"> › Attractive and sustainable shareholder's remuneration › Achieve an adequate free-float and liquidity



Capital allocation

- 1. 2024 Results
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Sources and uses of funds 2025-27 (€m)

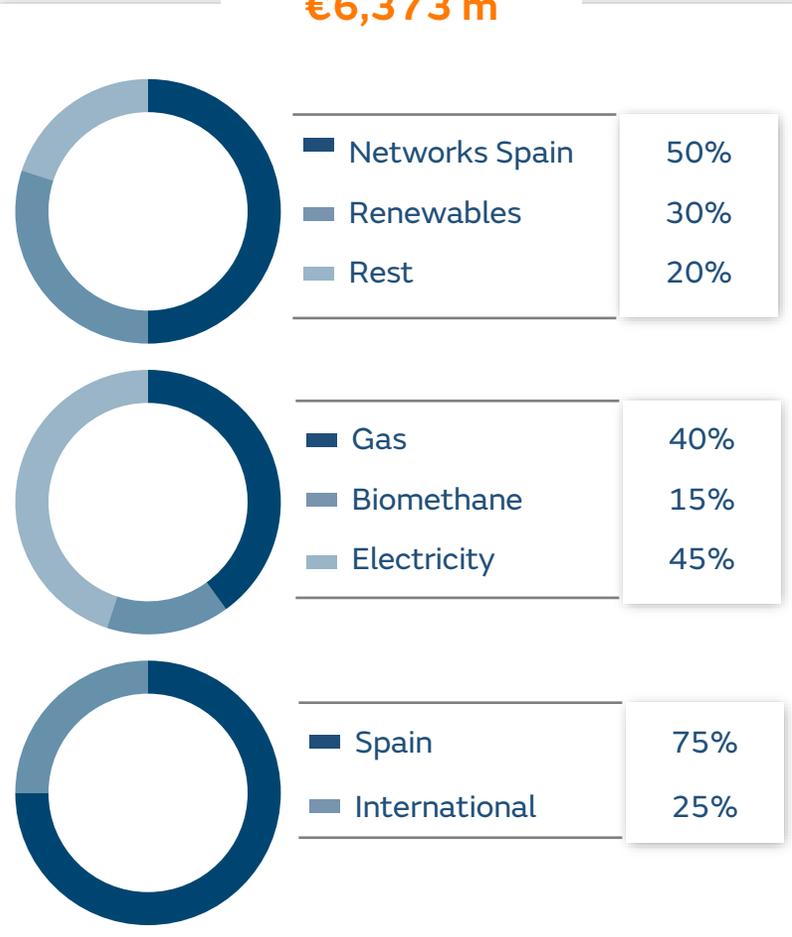


Investments

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Investment plan 2025-27 (€m)

€6,373 m



Networks



Investments on adequately remunerated, clear and stable regulatory frameworks

- › **Spain gas:** deployment of smart meters and biomethane connections
- › **Spain electricity:** improvement in infrastructure quality and resilience
- › **LatAm (gas and power):** growth with activity and regulatory commitments

Renewables



Electricity: priority focus in Spain:

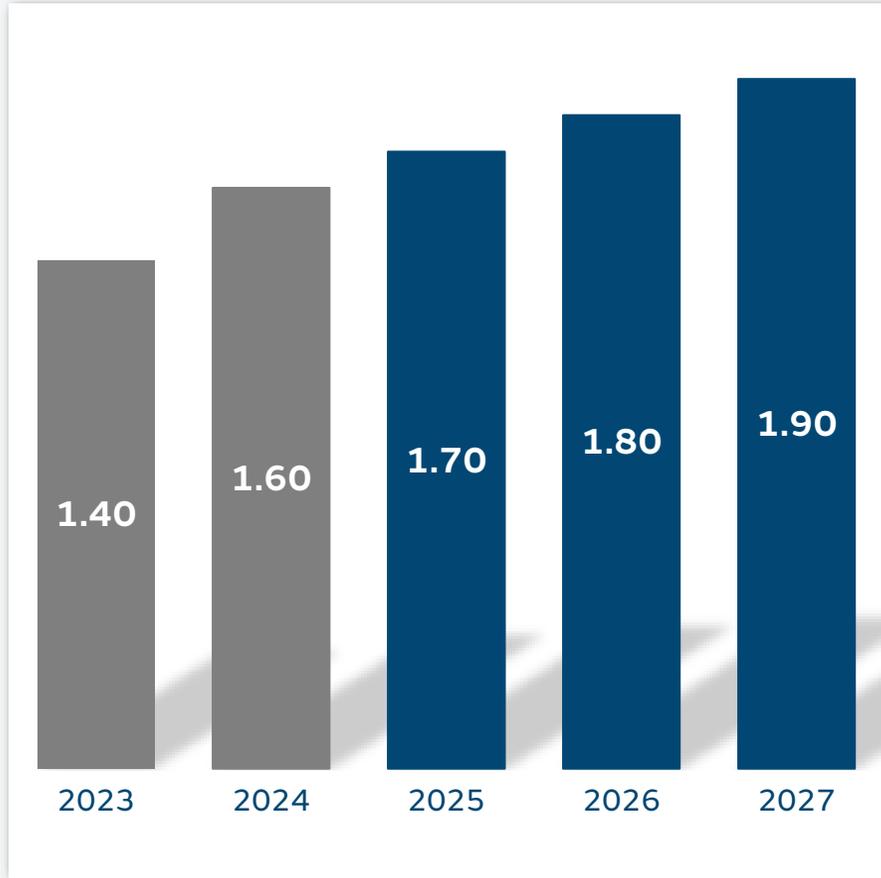
- › Wind repowering and hybrids
- › Solar PV mainly with batteries

Gases: leadership in biomethane to accelerate decarbonization and consolidate the role of gas in the transition

Shareholder's remuneration

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Dividend per share floor (€/share)



Subject to maintaining a BBB rating



2024 total dividend: €1.60 /share

✓	0.50	1 st interim 2024	August-24
✓	0.50	2 nd interim 2024	November-24
	0.60	Final 2024	9 April-25

Dividends per share estimated in 2025-27 Plan will increase proportional to the existing treasury shares



Increase in liquidity

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Target



- Increase free float and improve liquidity, which will allow to return to main indexes

Calendar



- Tender estimated to be completed by July '25

Description



- Through repurchase of own shares
- Articulated as a **partial and voluntary tender offer**:
 - Price €26.50 /share (not discounting dividends paid until its liquidation)
 - **88 million shares**
 - Supported by reference shareholders
- Upon completion, treasury stock will reach 10% and Naturgy will start restoring the free float at its own discretion

Key ESG targets

- 1. 2024 Results
- 2. 2018-24 Transformation
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Environment

- › Reduction of GHG emissions (scopes 1 and 2) vs. 2022 **-33%**
- › Reduction in scope 3 emissions vs. 2022 **-6%**
- › Growth in emissions-free installed capacity vs. 2022 **+68%**



Social

- › Women in management positions **+40%**
- › Suppliers audited with EAG criteria **+95%**
- › Training hours by employee vs. 2022 **+58%**



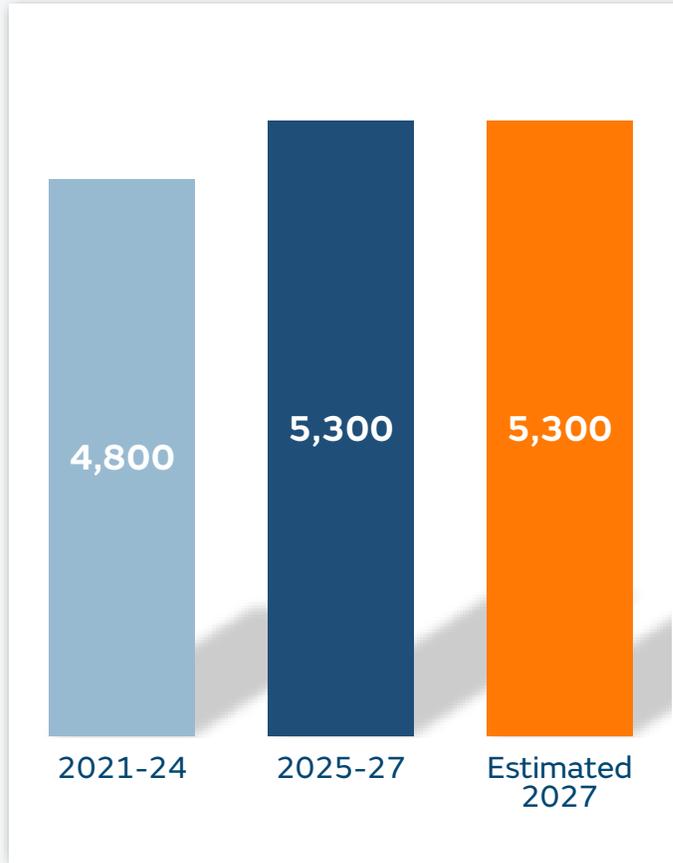
Governance

- › Reduction in number of accidents
- › Increase in employee satisfaction
- › Resizing of the Board to respect proportionality

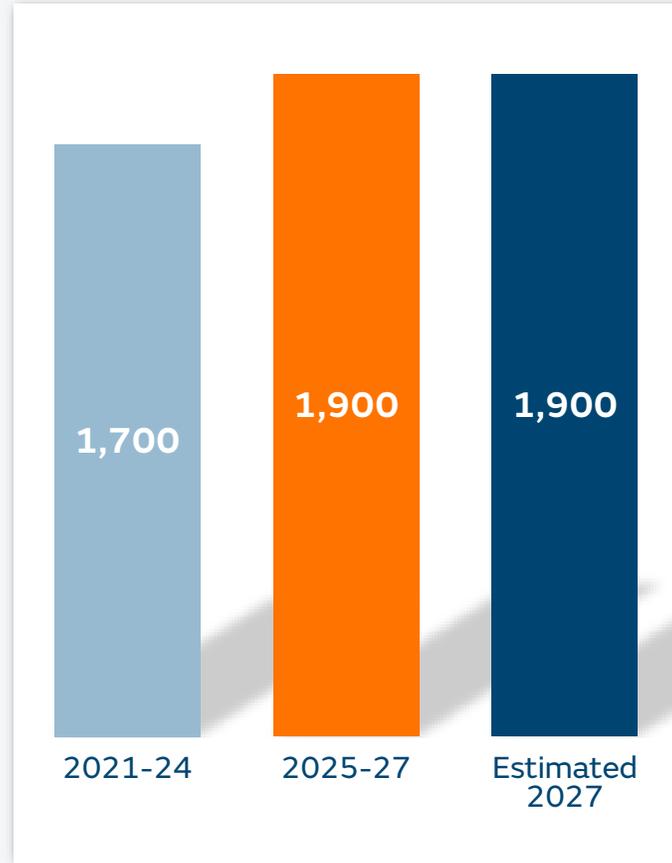
Main financial metrics

Maintain:

record EBITDA (€m)



record Net profit (€m)



Investment effort (€m)



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Conclusions

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Industrial model

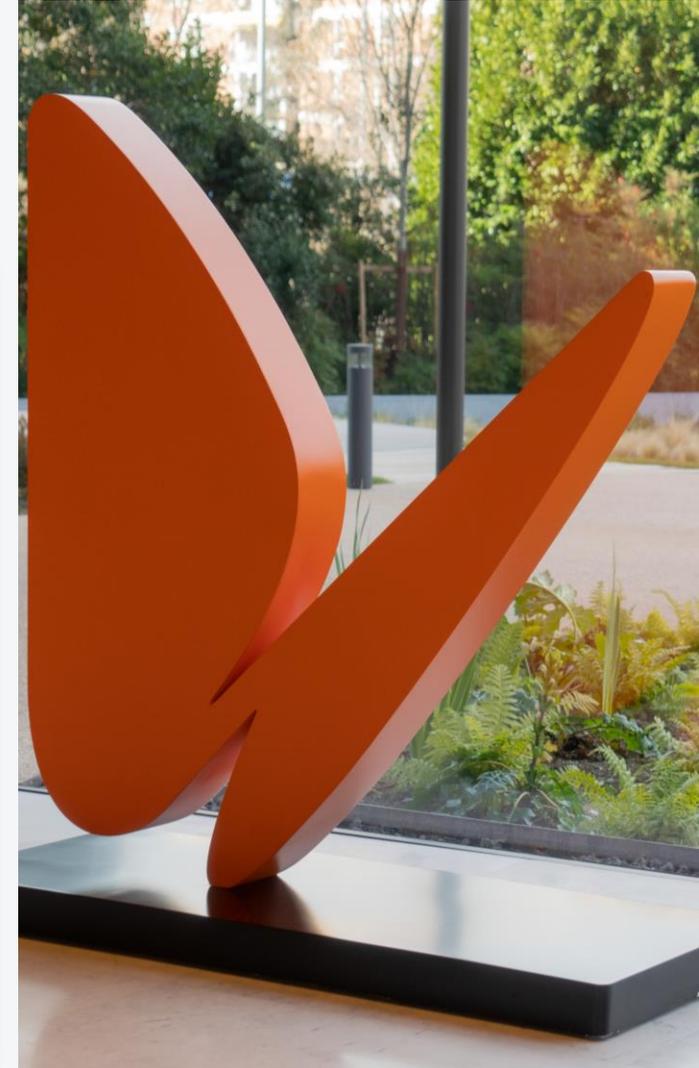


- › Extract value from integrated position and strength in gas and electricity
- › Continued improvement in operational excellence and client focus
- › Maintain commitment with energy transition
- › Invest in organic growth with discipline and maintain inorganic optionality

Financial targets



- › Maintain record results levels
- › Preserve BBB rating
- › Reestablish free-float
- › Deliver an attractive shareholder remuneration





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4

Proposed
resolutions

Proposed resolutions (i/ii)

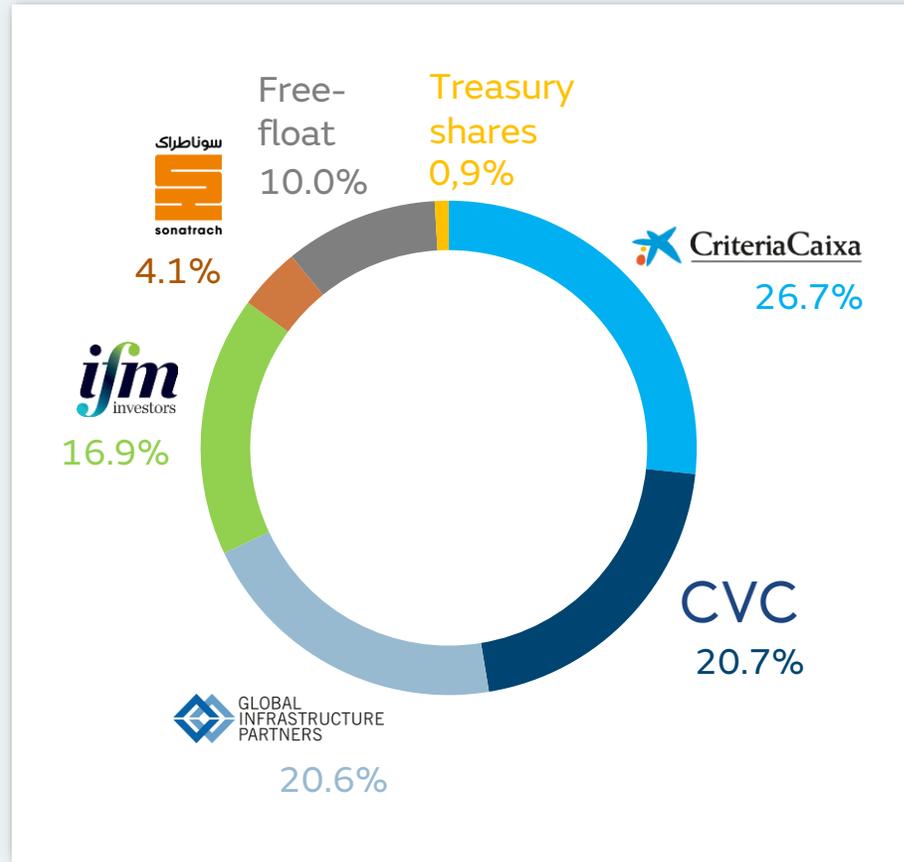
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- 1-3** > **2024 Annual Accounts**
- 4** > **Application of 2024 result**
- 5** > **Management of the Board of Directors**
- 6** > **Remuneration policy of members of the Board of Directors**
- 7-8** > **Multi-year variable remuneration of the Executive Chairman**
- 9** > **Annual Report on Remunerations**
- 10-11** > **Size and composition of the Board of Directors**

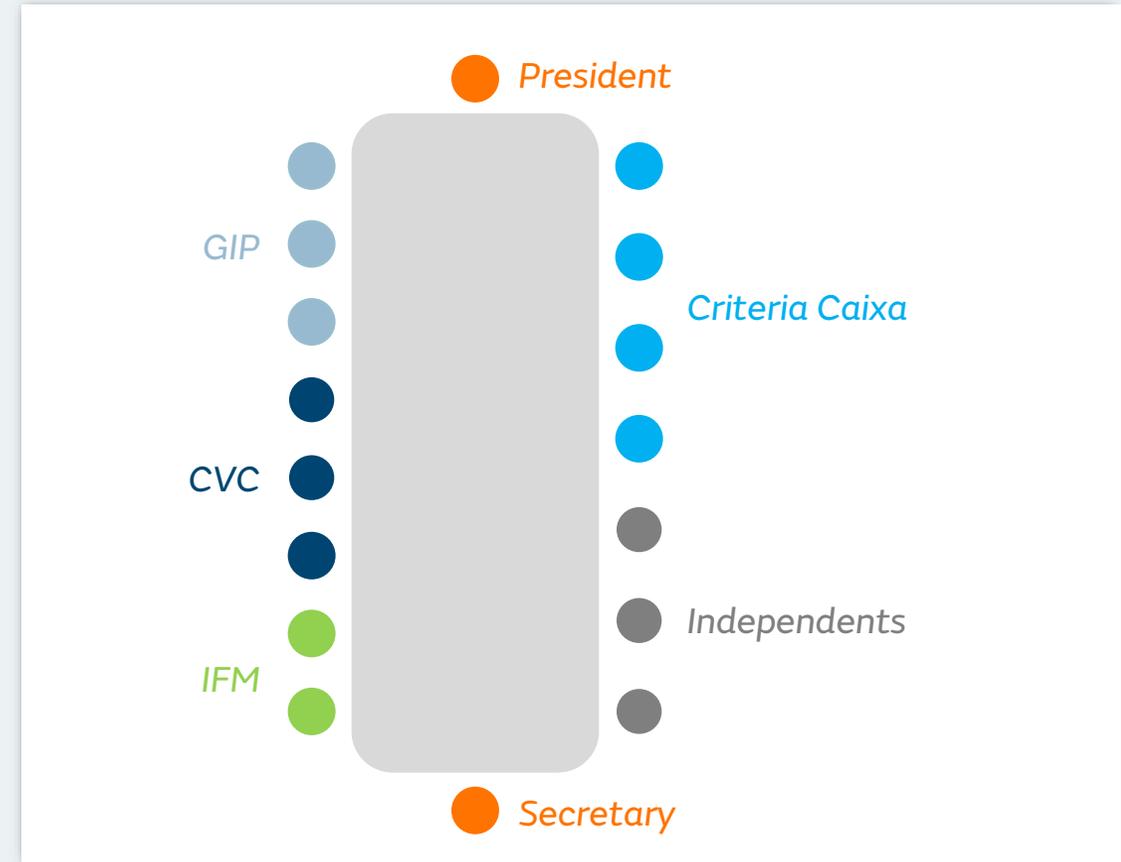
Shareholder structure and composition of the Board of Directors

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Current shareholder structure



Proposal on Board of Directors composition



Proposed resolutions (ii/ii)

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12**› Appointment of members of the Board of Directors****13****› Re-election of auditors****14****› Authorization for the acquisition of treasury shares****15****› Authorization to carry out capital increases****16****› Formulation of a public tender offer on the Company's shares****17-18****› Agreements related to the Company's governance****19****› Delegation of powers**

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Naturgy



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