

Fluxys Belgium press release

23 September 2020 – Regulated information

Results for the first half of 2020

Information on key events in the first half of 2020 and their impact on the financial situation of Fluxys Belgium

- COVID-19 has no material impact on the results - regulated turnover up to € 275.8 million (compared with € 253.9 million in the first half of 2019) and net profit up to € 36.6 million (compared with € 31.4 million in the first half of 2019)
- All essential services operational during pandemic
- Active support to help alleviate COVID-19 needs
- Transmission volumes down
- LNG terminal: record traffic and market interest for additional send-out capacity
- Energy transition: Fluxys Belgium prepares its infrastructure for the gases of the future
- Roll-out of action plan to halve our own greenhouse gas emissions by 2025

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Key financial data

Income statement	(in thousands of €)	30.06.2020	30.06.2019
Operating revenue		284,181	260,041
EBITDA *		160,810	145,537
EBIT *		69,553	60,964
Net profit		36,580	31,423
Balance sheet	(in thousands of €)	30.06.2020	31.12.2019
Investments in property, plant and equipment		17,104	91,282
Total property, plant and equipment		2,066,440	2,129,400
Equity		596,665	662,677
Net financial debt*		905,246	903,339
Total consolidated balance sheet		2,773,507	2,867,575

- * EBIT: Earnings Before Interests and Taxes or operating profit/loss, to which earnings from associates and joint ventures and dividends received from unconsolidated entities are added.
- * EBITDA: Earnings Before Interests, Taxes, Depreciation and Amortization or operating profit/loss, before depreciation, amortization, impairment and provisions, to which earnings from associates and joint ventures and dividends received from unconsolidated entities are added.
- * Net financial debt: Interest-bearing liabilities net of regulatory debt, cash from early refinancing transactions and 75% of the balance of cash, cash equivalents and short and long-term cash investments.

Increase in turnover and net profit

The Fluxys Belgium Group generated turnover of €284.2 million in the first half of 2020. This represents an increase of €24.1 million compared with the same period in 2019, when turnover was €260.0 million. Net profit rose from €31.4 million to €36.6 million. The increase in regulated turnover and net profit is mainly due to the commissioning of the fifth storage tank for transshipment services in Zeebrugge in late 2019 and is in accordance with the tariff methodology and the associated authorised manageable costs and incentives for the period 2020-2023.

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€17.1 million of investments

In the first half of 2020, investments in property, plant and equipment amounted to €17.1 million, compared with €45.2 million in the first half of 2019. €6.1 million of these investments went to LNG infrastructure projects and €10.5 million to transmission projects.

Key events

All essential services operational during pandemic

Despite the widespread impact of the coronavirus outbreak, all of Fluxys Belgium's essential services remained operational and the company focused fully on its vital role towards society and its customers: ensuring safety and continuity of gas supply. At the same time, all necessary steps were taken to protect the health of our employees and contain the pandemic.

Active support to help alleviate coronavirus-related needs

Fluxys Belgium worked to help alleviate coronavirus-related needs in a broader social context as well. During the lockdown period, many employees throughout the company were personally involved in Fluxys Belgium initiatives to provide social and health assistance. Some worked seven days a week producing medical protective equipment and delivering it to around 100 healthcare workers and institutions. Others played a logistical role, getting Fluxys company PCs ready to donate to schools and charities, or were involved in local initiatives, volunteering as chat buddies, doing shopping or helping out with administrative tasks.

With the support of its shareholders, Fluxys also freed up €1 million for various organisations and institutions engaged with vulnerable groups, front-line professionals and scientific research into COVID-19 in Belgium.

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Transmission volumes down

The volumes transported in the network were lower than in the first half of 2019. Border-to-border volumes fell by 2.5% to 224 TWh and volumes for consumption on the Belgian market softened by around 3% to approximately 98 TWh.

- Transmission to distribution system operators was down by 6.5%, reflecting the milder temperatures.
- Offtake by directly connected industrial companies fell slightly (0.2%).
- Transmission for natural gas-fired power plants saw a slight increase (0.3%).

Zeebrugge LNG terminal breaks records

The number of ships docking at the Zeebrugge LNG terminal doubled compared with the first half of 2019: 39 vessels came to unload LNG, 75 for transshipments and 2 to load LNG. March 2020 was the busiest ever month for ship traffic at the terminal, with a total of 30 vessels docking, more than double the previous record in May 2019.

In the first half of the year, the terminal sent out around 11% more natural gas into the transmission system than in the same period last year. LNG-trailer traffic was also up by approximately 11%, with almost 1,550 LNG trailers being loaded.

Market interest for additional send-out capacity

Responding to market signals, the Zeebrugge LNG terminal conducted a non-binding consultation over the summer to gauge demand for additional send-out capacity. This revealed a positive interest in additional capacity from 2024 onwards, and a binding market consultation will therefore be held later in 2020.

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Energy transition: Fluxys Belgium prepares its infrastructure for the gases of the future

The Green Deal and the recovery plan taking shape at European level provide significant new impetus for the energy transition to a carbon-neutral economy by 2050. This transition will see the energy system evolve into a hybrid system with both electrons and molecules, encompassing green electricity, green gases, biofuels and CO₂ capture for reutilisation or storage.

Fluxys Belgium has been working hard for quite some time to help shape Belgium's energy transition towards a carbon-neutral economy. Green gases can gradually replace natural gas in the gas infrastructure and so unlock additional carbon-neutral energy sources for homes and businesses. At the same time, CO₂ emissions can be further reduced by using gas infrastructure to accommodate the CO₂ capture and reutilisation/storage chain. To this end, Fluxys Belgium is running various projects to gradually develop its existing infrastructure into a diversified and cross-border interconnected system for the transport of green gases and CO₂.

Roll-out of action plan to halve our own greenhouse gas emissions by 2025

Fluxys Belgium has set itself the objective of halving its own greenhouse gas emissions by 2025 compared with 2017 levels. To this end, it is rolling out various programmes designed to further reduce methane emissions from the operation of its infrastructure. In addition to its ongoing initiatives to cut CO₂ emissions, a study is under way to build a second facility at the LNG terminal in Zeebrugge for using heat from seawater to regasify LNG.

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Main risks and uncertainties for the second half of 2020

The risks and uncertainties facing the Fluxys Belgium group have not changed significantly since the closing of the 2019 financial year (see the chapter on risk management in the 2019 annual financial report, pages 154-166). Fluxys Belgium continues to monitor developments, taking appropriate action accordingly. For the impact of the COVID-19 pandemic, we refer to Note 1 in the condensed half-yearly financial statements.

Transactions with related parties

For more information on transactions with related parties, please refer to Note 10 in the condensed half-yearly financial statements.

Financial outlook

Under the current tariff methodology, the net profit from Belgian regulated activities is determined based on various regulatory parameters, including equity invested and financial structure.

The recurring dividend will continue to evolve mainly in accordance with these parameters.

Based on the information available at the time of this report, we do not anticipate any significant negative impact of the COVID-19 pandemic and the resulting market developments on the consolidated result of Fluxys Belgium Group.

Half-yearly financial report available

The Fluxys Belgium half-yearly financial report – including the condensed financial statements – is available on the [Fluxys Belgium website](#).

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About Fluxys Belgium

**Shaping together
a bright energy
future**

Fluxys Belgium is the independent operator of both the natural gas transmission grid and gas storage infrastructure in Belgium. Through its wholly owned subsidiary Fluxys LNG, the company also operates the Zeebrugge liquefied natural gas (LNG) terminal. Fluxys Belgium is a subsidiary of Fluxys, the gas infrastructure group based in Belgium and active across Europe.

We are committed to continue building a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress.

Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure. We move natural gas while paving the way to transport in our infrastructure hydrogen, biomethane or any other carbon-neutral energy carrier of the future.

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