

BUY

10 February 2016

Current price **Price target**

EUR15.96 EUR18.50

08/02/2016 Madrid Close

Market cap (EURm) 15,976
EV (EURm) 35,097
Trading volume 5,818
Free float 31.7%

Non-institutional shareholders

La Caixa (35%)
Repsol (30%)

Share performance

High 52 weeks EUR22.82
Low 52 weeks EUR15.96

Business description

Gas Natural distributes natural gas in Spain and Latin America. The company also operates gas storage facilities, owns and operates a fibre-optic backbone telecommunications network, markets energy management products and household gas appliances, and installs gas heating systems.

Performance relative to

	SXXP	SX6P
1mth	-1.8%	-6.0%
3mth	-1.0%	-10.8%
12mth	-4.4%	-9.3%

Investment thesis

- Upstream gas pressures are well known, fuelled by both the glut in supply and Chinese demand waning. Perhaps optimistically, we assume that things do not get worse from current levels.
- Power prices, also hit by China's fallout, via coal prices, face no real signs of recovery. We also assume they will hold at these levels but note that trying to call the bottom of this cycle is like trying to catch a falling knife.
- Nevertheless, Gas Natural does have more than 60% of its EBITDA coming from regulated or long-term contract businesses, providing it with a strong source of cash flow.
- Now that the company has utilised its balance sheet headroom in acquiring Chilean assets, it is less likely to embark upon potentially value destructive acquisitions.
- Our valuation is based on a blend of metrics: DCF sum-of-the-parts, a dividend discount model and a target P/E and yield.

Profit and loss summary

EURm	2012	2013	2014	2015	2016E
Revenues	24,904	24,322	24,697	26,015	26,316
EBITDA	5,080	4,849	4,845	5,264	5,280
EBITA	3,067	3,022	3,185	3,261	3,360
EBIT	3,067	3,022	3,185	3,261	3,360
Associates contribution	10	-62	-474	-4	-4
Net interest	874	803	799	894	850
Tax	546	499	254	539	627
Minorities	216	213	196	322	329
Net income adj.	1,441	1,445	1,462	1,502	1,551
EPS reported	1.45	1.44	1.46	1.50	1.55
EPS adjusted	1.45	1.44	1.46	1.50	1.55
Year end shares	996	1,001	1,001	1,001	1,001
Average shares	996	1,001	1,001	1,001	1,001
DPS	0.89	0.90	0.91	0.91	0.96

Cash flow summary

EURm	2012	2013	2014	2015	2016E
Net income	1,441	1,445	1,462	1,502	1,880
Depreciation	1,798	1,612	1,616	1,750	1,670
Working capital changes	-7	-104	-229	-75	-23
Other non-cash items	205	352	-41	323	0
Operating cash flow	3,437	3,305	2,808	3,500	3,527
Capex	-1,441	-1,406	-1,622	-1,422	-1,885
FCFE	1,996	1,899	1,186	2,078	1,642
Acquisitions, disposals	933	1,280	1,076	436	0
Other investment CF	570	938	2,520	574	0
Dividends paid	-566	-1,057	-1,125	-1,070	-1,112
Buybacks, issuance	-379	0	993	270	0
Change in net debt	1,336	-153	-600	-1,182	493
Net debt	15,995	14,252	17,942	17,649	17,156
FCF per share	2.00	1.90	1.18	2.08	1.64

Growth and margins

	2012	2013	2014	2015	2016E
Revenue growth	18.2%	-2.3%	1.5%	5.3%	1.2%
EBITDA growth	9.4%	-4.5%	-0.1%	8.6%	0.3%
EBIT growth	4.1%	-1.5%	5.4%	2.4%	3.0%
EPS adj growth	4.3%	-0.7%	1.4%	2.8%	3.2%
FCF growth	193.1%	-4.9%	-37.5%	75.2%	-21.0%
EBITDA margin	20.4%	19.9%	19.6%	20.2%	20.1%
EBIT margin	12.3%	12.4%	12.9%	12.5%	12.8%
Net income margin	5.8%	5.9%	5.9%	5.8%	5.9%
FCF margin	8.0%	7.8%	4.8%	8.0%	6.2%

Key ratios

	2012	2013	2014	2015	2016E
Net debt / equity	107.5%	95.2%	99.6%	95.3%	108.1%
Net debt / EBITDA	3.1x	2.9x	3.7x	3.4x	3.2x
Avg cost of debt	5.3%	5.3%	5.0%	5.0%	4.9%
Tax rate	24.8%	23.1%	13.3%	22.8%	25.0%
Interest cover	3.5x	3.8x	4.0x	3.6x	4.0x
Payout ratio	61.7%	62.3%	62.2%	60.5%	62.1%
ROCE	7.9%	8.6%	7.6%	8.2%	8.4%
Capex / sales	5.8%	5.8%	6.6%	5.5%	7.2%
Capex / depreciation	80.1%	87.2%	100.4%	81.3%	112.9%

Valuation metrics

	2012	2013	2014	2015	2016E
P / adjusted EPS	11.0x	11.1x	10.9x	10.6x	10.3x
P / book value	1.1x	1.1x	0.9x	0.9x	1.0x
FCF yield	12.6%	11.9%	7.4%	13.0%	10.3%
Dividend yield	5.6%	5.6%	5.7%	5.7%	6.0%
EV / sales	1.3x	1.3x	1.5x	1.4x	1.3x
EV / EBITDA	6.3x	6.5x	7.5x	6.8x	6.6x
EV / EBIT	10.5x	10.4x	11.4x	10.9x	10.4x
EV / FCF	16.2x	16.6x	30.7x	17.1x	21.4x
EV / cap. employed	0.8x	0.9x	0.9x	0.9x	0.9x

Key risks to our investment thesis

- Weakness in the commodity market, driving down power prices
- Increase in interest rates
- Economic recovery in Spain slows

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Gas Natural SDG SA – key investment points

Key investment point one: power prices on the retreat

- **Key stat:** A €10/MWh move in the Iberian power price affects EPS by 3-4%, and a €5/MWh change in spreads affects EPS by 5-6%.
- Mark to market commodities and power prices (down by 12% in January 2016) have lowered our forecasts
- No visible signs of recovery: coal is over supplied and carbon is faring little better
- Investigation into Spanish power prices provides a potential risk

Key investment point two: upstream gas pressures

- **Key stat:** Sensitivity -€1/MWh LNG margin = -5% EPS
- Asian LNG margins have collapsed; we expect €2.50/MWh this year from €6.30/MWh in 2013
- Cheniere's €125m EBITDA boost: €75m in 2016, €125m from 2017
- Egyptian recovery hinges on politics

Key investment point three: forex exposure well known

- **Key stat:** Latin America is 24% of 2015 EBITDA; non-euro debt is 22%
- Much of this business is dollarised, eg Mexico, Panama, LNG
- But Chile is financed in euros

Key investment point four: Spanish gas regulation clarified

- **Key stat:** Spanish gas distribution is 17% of group EBITDA.
- Next full review in 2020
- Interim reviews possible every three years
- Automatic reviews if deficit breaches parameters

Key investment point five: stock overhang eased, for now

- Repsol will keep its 30% stake, for now
- However, this is complicated by La Caixa's 35% controlling stake

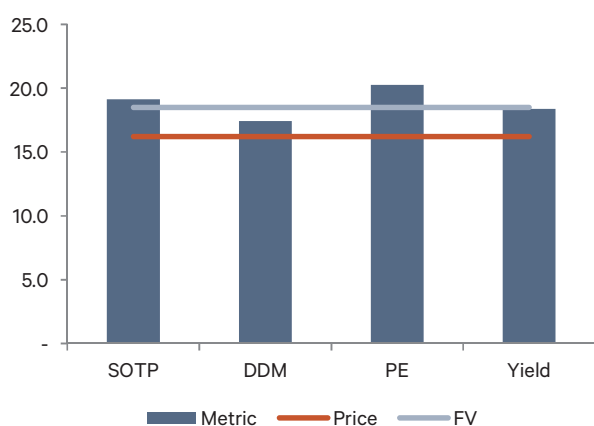
Valuation

- Our price target is €18.5/share (+14% upside).
- We use a blended valuation approach for Gas Natural, utilising SOTP (DCF/EVA), DDM, P/E and yield valuations.

Summary

The charts below illustrate our valuation under each metric and the upside/downside to the current share price.

Valuation under different metrics (€/share)



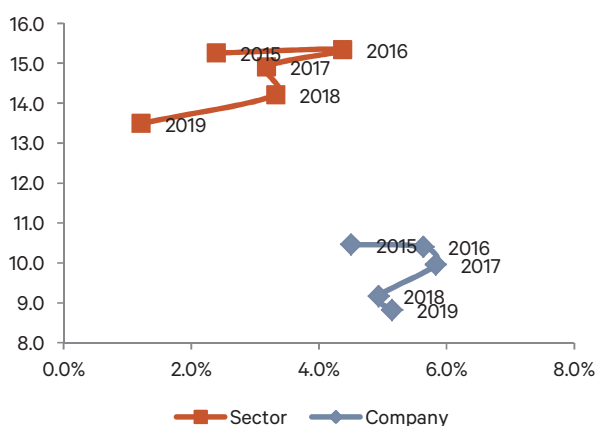
Source: Berenberg estimates

SOTP valuation (€/share)

	Value	€/Share	2016 EV/ EBITDA	Method
Gas Distribution	15,773	15.76	9.8	DCF
Electricity Distribution	7,894	7.89	7.6	DCF
Electricity Generation	6,854	6.85	6.9	DCF
Gas	8,603	8.59	9.3	DCF
Other	1,338	1.34	2.3	DCF
Enterprise Value	40,462	40.42	7.7	
Debt	(14,970)	(14.96)	(2.8)	2016E
Provisions	-	-	-	2016E
Other	(2,186)	(2.18)	(0.4)	Other
Minorities	(4,151)	(4.15)	(0.8)	2016E
Liabilities	(21,307)	(21.29)	(4.0)	
Equity	19,155	19.14		
NOSH	1,001			2016E
Equity per Share	19.14			
DPS	-			
Sum of the Parts	19.14			

Source: Berenberg estimates

P/E versus EPS growth



Source: Berenberg estimates using three-year forward EPS CAGR

Dividend yield versus DPS growth



Source: Berenberg estimates using three-year forward DPS CAGR

Sensitivity analysis

Sensitivity analysis

Sensitivities	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
EBITDA Sensitivity* to								
+/- 10 €/MWh Iberian power price	2%	2%	1%	1%	1%	1%	1%	1%
+/- 5 €/MWh Iberian spreads	2%	2%	2%	2%	2%	3%	2%	2%
+/- 1 €/MWh International gas spreads	2%	2%	2%	2%	2%	2%	2%	2%
Net Income Sensitivity* to								
+/- 10 €/MWh Iberian power price	5%	4%	3%	4%	4%	4%	3%	3%
+/- 5 €/MWh Iberian spreads	6%	5%	6%	5%	6%	6%	6%	6%
+/- 1 €/MWh International gas spreads	5%	6%	7%	5%	5%	5%	5%	5%

* Ceteris Paribus; e.g. does not take account of hedged positions.

Source: Berenberg

Changes to numbers: Berenberg versus consensus

Estimate changes

Estimate Changes	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
EBITDA (New - as reported; € m)		4,845	5,264	5,280	5,270	5,372	5,540	5,614
EBITDA (Old - as reported; € m)		4,818	4,890	5,103	5,079	4,973	5,060	5,131
Change		+1%	+8%	+3%	+4%	+8%	+9%	+9%
EBIT (New - as reported; € m)		3,185	3,261	3,360	3,347	3,437	3,593	3,653
EBIT (Old - as reported; € m)		2,924	2,996	3,204	3,167	3,044	3,114	3,168
Change		+9%	+9%	+5%	+6%	+13%	+15%	+15%
EPS (New - as reported; €)		1.46	1.50	1.55	1.56	1.63	1.77	1.84
EPS (Old - as reported; €)		1.45	1.51	1.68	1.68	1.61	1.69	1.76
Change		+0%	-0%	-8%	-7%	+1%	+5%	+4%
DPS (New - as reported; €)		0.91	0.91	0.96	0.97	1.01	1.10	1.14
DPS (Old - as reported; €)		0.90	0.93	1.04	1.04	1.00	1.05	1.09
Change		+1%	-3%	-7%	-7%	+1%	+5%	+4%

Source: Berenberg

Berenberg versus consensus

Berenberg Forecasts vs Consensus	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
EBITDA* (€ m)	4,849	4,845	5,264	5,280	5,270	5,372	5,540	5,614
Consensus (Average)	5,038	4,813	5,321	5,271	5,383	#N/A	#N/A	#N/A
Berenberg +/- vs Cons	-4%	+1%	-1%	+0%	-2%	#N/A	#N/A	#N/A
EBIT* (€ m)	3,022	3,185	3,261	3,360	3,347	3,437	3,593	3,653
Consensus (Average)	2,964	3,105	3,277	3,211	3,286	#N/A	#N/A	#N/A
Berenberg +/- vs Cons	+2%	+3%	-1%	+5%	+2%	#N/A	#N/A	#N/A
Net Income* (€ m)	1,445	1,462	1,502	1,551	1,560	1,629	1,770	1,839
Consensus (Average)	1,410	1,381	1,486	1,491	1,562	#N/A	#N/A	#N/A
Berenberg +/- vs Cons	+2%	+6%	+1%	+4%	-0%	#N/A	#N/A	#N/A
EPS* (€)	1.44	1.46	1.50	1.55	1.56	1.63	1.77	1.84
Consensus (Average)	1.40	1.38	1.48	1.49	1.56	#N/A	#N/A	#N/A
Berenberg +/- vs Cons	+3%	+6%	+1%	+4%	+0%	#N/A	#N/A	#N/A
DPS (€)	0.90	0.91	0.91	0.96	0.97	1.01	1.10	1.14
Consensus (Average)	0.88	0.93	0.94	0.97	1.01	#N/A	#N/A	#N/A
Berenberg +/- vs Cons	+2%	-3%	-3%	-0%	-4%	#N/A	#N/A	#N/A

* Based on company's definition of metric

Source: Berenberg estimates, Bloomberg

Key assumptions

Key assumptions

Power Price Forecasts		2014A	2015E	2016E	2017E	2018E	2019E	2020E
Country	Unit							
UK (Local)	£/MWh	47.0	47.0	42.7	42.9	43.0	44.0	44.0
UK (EUR)	EUR/MWh	58.5	62.1	56.6	55.4	55.1	56.4	56.4
Germany	EUR/MWh	35.0	30.5	24.0	23.6	22.8	22.6	22.6
Nordic	EUR/MWh	33.1	32.8	20.0	20.2	22.0	21.9	21.9
Italy	EUR/MWh	52.9	46.0	38.5	38.2	38.1	41.5	41.5
Benelux	EUR/MWh	47.0	40.0	32.0	31.5	31.5	31.4	31.4
France	EUR/MWh	47.0	38.0	30.0	29.2	28.6	30.2	30.2
Spain/Portugal	EUR/MWh	47.0	47.0	42.0	41.0	41.0	40.9	40.9

Fuel Price Forecasts		2014A	2015E	2016E	2017E	2018E	2019E	2020E
Fuel	Unit							
Oil (Brent)	\$/bbl	101.9	53.5	32.8	38.5	38.5	38.5	38.5
Coal	\$/t	78.3	53.3	42.4	37.7	37.7	37.7	37.7
Gas (Europe LTC)	EUR/MWh	26.4	21.9	14.6	14.2	14.2	14.9	14.9
Gas (Italy)	EUR/MWh	23.2	20.0	12.6	12.2	12.2	12.9	12.9
Gas (UK) £	£/MWh	14.1	12.0	9.1	8.9	8.9	9.4	9.4
Carbon UK floor	£/t	14.3	20.0	22.0	23.1	23.1	23.1	23.1
US Gas Henry Hub	\$/MWh	14.7	8.7	8.6	9.4	9.8	10.3	10.7
Uranium	EUR/MWh	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Carbon	EUR/t	6.0	7.8	6.6	6.6	6.6	6.6	6.6

Year end currency rates	2014A	2015E	2016E	2017E	2018E	2019E	2020E
EURGBP	0.78	0.74	0.77	0.78	0.78	0.78	0.78
EURTRY	2.83	3.17	3.68	4.11	4.11	4.11	4.11
EURSEK	9.44	9.17	9.33	9.35	9.35	9.35	9.35
EURUSD	1.21	1.09	1.10	1.12	1.12	1.12	1.12
EURRUB	73.50	80.00	94.76	104.70	104.70	104.70	104.70
EURMXN	17.84	18.75	20.53	21.49	21.49	21.49	21.49
USDBRL	2.66	4.00	4.47	4.99	4.99	4.99	4.99

Inflation	2014A	2015E	2016E	2017E	2018E	2019E	2020E
Central Europe	0.8%	0.1%	0.8%	1.3%	1.3%	1.3%	1.3%
Eastern Europe	5.7%	9.6%	6.0%	5.2%	5.2%	5.2%	5.2%
UK	1.5%	0.0%	1.2%	1.9%	1.9%	1.9%	1.9%
Nordic	0.4%	-0.1%	1.1%	1.6%	1.6%	1.6%	1.6%
Spain/Portugal	-0.2%	0.0%	1.0%	1.4%	1.4%	1.4%	1.4%
US	1.6%	0.1%	2.0%	2.3%	2.3%	2.3%	2.3%

Source: Berenberg

Financials

Income statement

Income Statement (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Revenue	24,322	24,697	26,015	26,316	26,380	26,759	27,243	27,590
Reported EBITDA	4,849	4,845	5,264	5,280	5,270	5,372	5,540	5,614
Change	-5%	-0%	+9%	+0%	-0%	+2%	+3%	+1%
Margin	+20%	+20%	+20%	+20%	+20%	+20%	+20%	+20%
Depreciation	(1,612)	(1,616)	(1,750)	(1,670)	(1,678)	(1,691)	(1,705)	(1,720)
Other OPEX	(215)	(44)	(253)	(250)	(246)	(243)	(242)	(241)
Reported EBIT	3,022	3,185	3,261	3,360	3,347	3,437	3,593	3,653
Change	-1%	+5%	+2%	+3%	-0%	+3%	+5%	+2%
Margin	+12%	+13%	+13%	+13%	+13%	+13%	+13%	+13%
Net Financial Expenses	(803)	(799)	(894)	(850)	(813)	(782)	(748)	(714)
Tax	(499)	(254)	(539)	(627)	(633)	(663)	(710)	(734)
Other	(62)	(474)	(4)	(4)	(4)	(4)	(4)	(4)
Minorities	(213)	(196)	(322)	(329)	(338)	(359)	(361)	(363)
Reported Net Income	1,445	1,462	1,502	1,551	1,560	1,629	1,770	1,839
Change	+0%	+1%	+3%	+3%	+1%	+4%	+9%	+4%
Margin	+6%	+6%	+6%	+6%	+6%	+6%	+6%	+7%
Number of Shares	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
Per Share:								
Basic EPS	1.44	1.46	1.50	1.55	1.56	1.63	1.77	1.84
Change	-1%	+1%	+3%	+3%	+1%	+4%	+9%	+4%
Reported EPS	1.44	1.46	1.50	1.55	1.56	1.63	1.77	1.84
Change	-1%	+1%	+3%	+3%	+1%	+4%	+9%	+4%
DPS	0.90	0.91	0.91	0.96	0.97	1.01	1.10	1.14
Change	+0%	+1%	+0%	+6%	+1%	+4%	+9%	+4%
Payout	62%	62%	61%	62%	62%	62%	62%	62%

Source: Berenberg

Gas Natural SDG SA

Utilities – Energy/Integrated

Divisional EBITDA

Gas Distribution (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Revenue	4,601	4,739	4,672	4,608	4,421	4,521	4,782	5,051
Change	+1%	+3%	-1%	-1%	-4%	+2%	+6%	+6%
% Group	+19%	+19%	+18%	+18%	+17%	+17%	+18%	+18%
EBITDA	1,671	1,542	1,575	1,605	1,587	1,633	1,712	1,792
Change	+3%	-8%	+2%	+2%	-1%	+3%	+5%	+5%
Margin	+36%	+33%	+34%	+35%	+36%	+36%	+36%	+35%
% Group	+34%	+32%	+30%	+30%	+30%	+30%	+31%	+32%
EBIT	1,221	1,096	1,131	1,178	1,154	1,193	1,264	1,337
Change	+4%	-10%	+3%	+4%	-2%	+3%	+6%	+6%
Margin	+27%	+23%	+24%	+26%	+26%	+26%	+26%	+26%
% Group	+40%	+34%	+35%	+35%	+34%	+35%	+35%	+37%

Electricity Distribution (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Revenue	3,189	3,253	3,330	3,470	3,573	3,656	3,691	3,716
Change	-12%	+2%	+2%	+4%	+3%	+2%	+1%	+1%
% Group	+13%	+13%	+13%	+13%	+14%	+14%	+14%	+13%
EBITDA	950	970	1,023	1,037	1,061	1,108	1,118	1,127
Change	-6%	+2%	+5%	+1%	+2%	+4%	+1%	+1%
Margin	+30%	+30%	+31%	+30%	+30%	+30%	+30%	+30%
% Group	+20%	+20%	+19%	+20%	+20%	+21%	+20%	+20%
EBIT	568	527	598	746	767	809	814	817
Change	-5%	-7%	+13%	+25%	+3%	+6%	+1%	+0%
Margin	+18%	+16%	+18%	+22%	+21%	+22%	+22%	+22%
% Group	+19%	+17%	+18%	+22%	+23%	+24%	+23%	+22%

Electricity Generation (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Revenue	6,871	6,768	6,585	6,430	6,526	6,762	6,836	6,912
Change	-4%	-1%	-3%	-2%	+1%	+4%	+1%	+1%
% Group	+28%	+27%	+25%	+24%	+25%	+25%	+25%	+25%
EBITDA	1,014	1,003	1,002	1,000	998	1,040	1,040	1,040
Change	-14%	-1%	-0%	-0%	-0%	+4%	+0%	-0%
Margin	+15%	+15%	+15%	+16%	+15%	+15%	+15%	+15%
% Group	+21%	+21%	+19%	+19%	+19%	+19%	+19%	+19%
EBIT	288	315	307	351	358	408	416	423
Change	-33%	+9%	-3%	+14%	+2%	+14%	+2%	+2%
Margin	+4%	+5%	+5%	+5%	+5%	+6%	+6%	+6%
% Group	+10%	+10%	+9%	+10%	+11%	+12%	+12%	+12%

Gas (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Revenue	13,145	12,121	11,077	11,449	11,509	11,503	11,658	11,659
Change	+4%	-8%	-9%	+3%	+1%	-0%	+1%	+0%
% Group	+54%	+49%	+43%	+44%	+44%	+43%	+43%	+42%
EBITDA	1,244	1,190	1,081	929	923	892	963	939
Change	+2%	-4%	-9%	-14%	-1%	-3%	+8%	-2%
Margin	+9%	+10%	+10%	+8%	+8%	+8%	+8%	+8%
% Group	+26%	+25%	+21%	+18%	+18%	+17%	+17%	+17%
EBIT	847	995	903	805	789	749	811	778
Change	-8%	+17%	-9%	-11%	-2%	-5%	+8%	-4%
Margin	+6%	+8%	+8%	+7%	+7%	+7%	+7%	+7%
% Group	+28%	+31%	+28%	+24%	+24%	+22%	+23%	+21%

Source: Berenberg

Gas Natural SDG SA

Utilities – Energy/Integrated



Divisional EBITDA (cont.)

Other* (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
EBITDA	(30)	140	583	709	702	698	707	716
o/w Unallocated Cost Savings	-	-	-	53	53	53	53	53
o/w Unallocated Aqn / Disp	-	-	-	-	-	-	-	-
% Group	-1%	+3%	+11%	+13%	+13%	+13%	+13%	+13%
EBIT	98	252	322	280	279	277	287	298
o/w Unallocated Cost Savings	-	-	-	53	53	53	53	53
o/w Unallocated Aqn / Disp	-	-	-	-	-	-	-	-
% Group	+3%	+8%	+10%	+8%	+8%	+8%	+8%	+8%

* Includes, if applicable, other group income/costs and unallocated cost savings, CAPEX returns and acquisitions and disposals

Source: Berenberg

Gas Natural SDG SA

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Cash flow statement

Cash Flow (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Net Income	1,445	1,462	1,502	1,880	1,898	1,988	2,131	2,201
Depreciation	1,612	1,616	1,750	1,670	1,678	1,691	1,705	1,720
Working Capital	(104)	(229)	(75)	(23)	(5)	(29)	(37)	(27)
Other Operating Cash Flow (inc tariff deficit)	352	(41)	323	-	-	-	-	-
Operating Cash Flow	3,305	2,808	3,500	3,527	3,570	3,650	3,799	3,895
CAPEX	(1,406)	(1,622)	(1,422)	(1,885)	(2,035)	(2,228)	(2,255)	(2,283)
FCF (Post CAPEX)	1,899	1,186	2,078	1,642	1,535	1,423	1,544	1,611
Acquisitions and Disposals	1,280	1,076	436	-	-	-	-	-
FCF (p. CAPEX, Aq&D)	3,179	2,262	2,514	1,642	1,535	1,423	1,544	1,611
Other Investment Cash Flow	(938)	(2,520)	(574)	-	-	-	-	-
Dividends	(1,057)	(1,125)	(1,070)	(1,112)	(1,209)	(1,220)	(1,276)	(1,365)
FCF (p. CAPEX, Aq&D, Divs)	1,184	(1,383)	870	529	327	203	268	247
Buybacks and Equity Issuance	-	993	270	-	-	-	-	-
Borrowings	(1,222)	(105)	(2,100)	-	-	-	-	-
Other Financing, Disc and FX	(115)	(105)	(222)	(36)	12	6	-	-
Net Change in Group Cash	(153)	(600)	(1,182)	493	339	209	268	247

Source: Berenberg

Gas Natural SDG SA

Utilities – Energy/Integrated



Balance sheet statement

Balance Sheet (€ m)	2013A	2014A	2015A	2016E	2017E	2018E	2019E	2020E
Intangible Fixed Assets	7,968	10,783	10,525	10,525	10,525	10,525	10,525	10,525
PP&E	20,363	24,267	23,693	23,908	24,265	24,802	25,351	25,915
Other Non-Current Assets	4,837	4,457	4,187	4,187	4,187	4,187	4,187	4,187
Total Non-Current Assets	33,168	39,507	38,405	38,620	38,977	39,514	40,063	40,627
Inventories and Receivables	5,921	6,778	6,017	6,087	6,101	6,189	6,301	6,381
Cash	4,172	3,572	2,390	2,883	3,222	3,431	3,699	3,945
Other Liquid Assets	250	471	365	365	365	365	365	365
Other Current Assets	-	-	-	-	-	-	-	-
Assets Held for Sale	-	-	955	-	-	-	-	-
Total Current Assets	10,343	10,821	9,727	9,335	9,688	9,985	10,365	10,692
Total Assets	43,511	50,328	48,132	47,955	48,665	49,498	50,428	51,318
Short-Term Debt	(3,351)	(2,804)	(2,565)	(2,565)	(2,565)	(2,565)	(2,565)	(2,565)
Payables	(4,143)	(4,641)	(4,008)	(4,054)	(4,064)	(4,123)	(4,197)	(4,251)
Provisions	(134)	(128)	(128)	(128)	(128)	(128)	(128)	(128)
o/w Nuclear Liabilities	-	-	-	-	-	-	-	-
o/w Pensions	-	-	-	-	-	-	-	-
o/w Other Provisions	(134)	(128)	(128)	(128)	(128)	(128)	(128)	(128)
Other Current Liabilities	(729)	(850)	(1,455)	(1,455)	(1,455)	(1,455)	(1,455)	(1,455)
Liabilities of Businesses Held for Sale	-	-	-	-	-	-	-	-
Total Current Liabilities	(8,357)	(8,423)	(8,156)	(8,202)	(8,212)	(8,271)	(8,345)	(8,399)
Long-Term Debt	(15,091)	(17,740)	(15,653)	(15,653)	(15,653)	(15,653)	(15,653)	(15,653)
Provisions	(1,467)	(1,560)	(1,488)	(1,488)	(1,488)	(1,488)	(1,488)	(1,488)
o/w Nuclear Liabilities	-	-	-	-	-	-	-	-
o/w Pensions	-	-	-	-	-	-	-	-
o/w Other Provisions	(1,467)	(1,560)	(1,488)	(1,488)	(1,488)	(1,488)	(1,488)	(1,488)
Other Non-Current Liabilities	(3,629)	(4,585)	(6,743)	(6,743)	(6,743)	(6,743)	(6,743)	(6,743)
Total Non-Current Liabilities	(20,187)	(23,885)	(23,884)	(23,884)	(23,884)	(23,884)	(23,884)	(23,884)
Shareholders' Equity	(13,444)	(14,141)	(14,367)	(9,716)	(10,417)	(11,192)	(12,047)	(12,884)
Minorities	(1,523)	(3,879)	(4,151)	(4,151)	(4,151)	(4,151)	(4,151)	(4,151)
Total Equity	(14,967)	(18,020)	(18,518)	(15,868)	(16,569)	(17,344)	(18,199)	(19,036)
Total Liabilities and Equity	(43,511)	(50,328)	(50,558)	(47,955)	(48,665)	(49,498)	(50,428)	(51,318)
Net Debt (As Reported)	14,252	16,942	15,648	15,155	14,816	14,607	14,339	14,093
Economic Net Debt	14,252	17,942	17,649	17,156	16,817	16,608	16,340	16,094
Net Debt / EBITDA (As Reported)	2.9	3.5	3.0	2.9	2.8	2.7	2.6	2.5
Economic Net Debt / EBITDA	2.9	3.7	3.4	3.2	3.2	3.1	2.9	2.9

Source: Berenberg