



Sempra Announces Proposed Public Offering of Common Stock

November 7, 2023

SAN DIEGO, Nov. 7, 2023 /PRNewswire/ -- [Sempra](#) (NYSE: SRE) (BMV: SRE) today announced that it is commencing a registered public offering of \$1,000,000,000 of shares of its common stock in connection with the forward sale agreements described below, subject to market and other conditions.

Sempra intends to grant the underwriters the option to purchase directly from Sempra up to an additional \$150,000,000 of shares of its common stock, solely to cover over-allotments, if any.

Morgan Stanley and Citigroup are acting as joint bookrunners of the offering and representatives of the underwriters.

In connection with the offering, Sempra expects to enter into forward sale agreements with Morgan Stanley and Citigroup (or their respective affiliates) (in such capacity, the forward purchasers) with respect to \$1,000,000,000 of shares of its common stock. In connection with the forward sale agreements, the forward purchasers or their respective affiliates (in such capacity, the forward sellers) are expected to borrow from third parties and sell to the underwriters for resale by such underwriters in the offering an aggregate of \$1,000,000,000 of shares of Sempra's common stock. If any forward seller does not deliver and sell all of the shares of Sempra's common stock it is to deliver and sell to the underwriters, Sempra will issue and sell directly to the underwriters the number of shares of its common stock not delivered by the forward seller.

Sempra will not receive any proceeds from the sale of common stock borrowed and sold in connection with the forward sale agreements. Instead, subject to its right to elect cash settlement or net share settlement under certain conditions, Sempra intends to deliver, upon physical settlement of such forward sale agreements on one or more dates specified by Sempra occurring no later than December 31, 2024, an aggregate number of shares of its common stock equal to the number of shares borrowed and sold in the offering, in exchange for cash proceeds per share equal to the applicable forward sale price per share, which will initially be equal to the public offering price per share in the offering less the underwriting discount. The initial forward sale price is subject to subsequent adjustment from time to time as provided in the forward sale agreements. Sempra intends to use a substantial portion of any net proceeds from the offering, including the net proceeds it receives from the settlement of the forward sale agreements, for working capital and other general corporate purposes, including to partly finance its long-term capital plan and to repay commercial paper and potentially other indebtedness.

The offering is being made pursuant to an effective shelf registration statement filed with the U.S. Securities and Exchange Commission (SEC). The offering is being made only by means of a preliminary prospectus supplement and the accompanying base prospectus, copies of which may be obtained by contacting the representatives of the underwriters using the information provided below under "Underwriter Contact Information." An electronic copy of the preliminary prospectus supplement, together with the accompanying prospectus, also is available on the SEC's website, www.sec.gov.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities, in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions about the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed or implied in any forward-looking statement. These forward-looking statements represent our estimates and assumptions only as of the date of this press release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

In this press release, forward-looking statements can be identified by words such as "believe," "expect," "intend," "anticipate," "contemplate," "plan," "estimate," "project," "forecast," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "initiative," "target," "outlook," "optimistic," "poised," "maintain," "continue," "progress," "advance," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations. Such forward-looking statements include, among other things, statements related to Sempra's expectations regarding the completion, timing and size of its proposed public offering; the grant to the underwriters of an option to purchase additional shares, solely to cover over-allotments, if any; the settlement of the forward sale agreements; and its use of any net proceeds from the offering.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include: California wildfires, including potential liability for damages regardless of fault and any inability to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, rates from customers or a combination thereof; decisions, investigations, inquiries, regulations, denials or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions by the (i) California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, U.S. Internal Revenue Service, and other governmental and regulatory bodies and (ii) U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries where we do business; the success of business development efforts, construction projects, acquisitions, divestitures, and other significant transactions, including risks in (i) being able to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) realizing anticipated benefits from any of these efforts if completed, and (iv) obtaining third-party consents and approvals; macroeconomic trends or other factors that could change our capital expenditure plans and their potential impact on rate base or other growth; litigation, arbitrations, property disputes and other proceedings, and changes to laws and regulations, including those related to tax and trade policy and the energy industry in Mexico; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third parties with which we conduct business,

including the energy grid or other energy infrastructure, all of which continue to become more pronounced; the availability, uses, sufficiency, and cost of capital resources and our ability to borrow money or otherwise raise capital on favorable terms and meet our obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, or (iii) rising interest rates and inflation; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; the impact on affordability of San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) customer rates and their cost of capital and on SDG&E's, SoCalGas' and Sempra Infrastructure's ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of the clean energy transition in California, and (iii) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate and sustainability policies, laws, rules, regulations, disclosures and trends, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and our ability to incorporate new technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, pipeline system or limitations on the withdrawal of natural gas from storage facilities; Oncor Electric Delivery Company LLC's (Oncor) ability to reduce or eliminate its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; and other uncertainties, some of which are difficult to predict and beyond our control.

These risks and uncertainties are further discussed in the preliminary prospectus supplement and accompanying prospectus for the offering and in the reports that Sempra has filed with the U.S. Securities and Exchange Commission (SEC) that are incorporated by reference therein. These reports are available through the EDGAR system free-of-charge on the SEC's website, sec.gov. Investors should not rely unduly on any forward-looking statements.

Sempra Infrastructure, Sempra Infrastructure Partners, Sempra Texas, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, and Sempra Infrastructure, Sempra Infrastructure Partners, Sempra Texas, Sempra Texas Utilities, Oncor and IEnova are not regulated by the CPUC.

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