Sempra Announces Continuation of Capital Recycling Program

March 31, 2025

- **Divesting natural gas distribution business in Mexico**
- **Selling minority interest in Sempra Infrastructure**

SAN DIEGO, March 31, 2025 /PRNewswire/ -- Sempra (NYSE: SRE) today announced several strategic actions to advance its ongoing commitment to simplify the company's portfolio and recycle capital in support of strong growth in its Texas and California utilities. Sempra intends to sell certain energy infrastructure assets in Mexico, as well as a minority stake in Sempra Infrastructure Partners (Sempra Infrastructure). The sales proceeds are expected to be recycled into the company's five-year capital campaign, with a focus on its U.S. utilities.

"At Sempra, we continually review opportunities to realign our portfolio to support the growth and expansion of our Texas and California utilities, while also maintaining a strong balance sheet," said Jeffrey W. Martin, chairman and CEO of Sempra. "With today's announcement, we believe we can successfully accomplish both objectives as we continue our work to drive enhanced long-term value for our shareholders. Further, these actions are designed to advance our company's broader effort to simplify the business and minimize reliance on future issuances of common equity to fund the company's five-year capital plan."

Sale of Assets in Mexico
Sempra Infrastructure is targeting the sale of Ecogas México, S. de R.L. de C.V. (Ecogas), which holds three utility franchises and provides natural gas distribution service to Mexico's Mexicali, Chihuahua and La Laguna-Durango regions. Ecogas is the fifth largest distribution network in Mexico with more than 5,000 kilometers of distribution pipelines serving natural gas to more than 600,000 residential, commercial and industrial consumers. Serving the northern region of Mexico, Ecogas provides reliable natural gas services while supporting local and cross-border trade and economic growth. Moreover, the regions served by Ecogas continue to benefit from strong industrial demand growth from nearshoring of various industries.

Opportunity to Highlight Value in LNG Franchise
The company is also initiating a process to sell a minority interest in Sempra Infrastructure, which is one of the leading energy infrastructure platforms in North America with a market leadership position in liquefied natural gas (LNG) assets and related pipeline and storage infrastructure. The proposed sale follows Sempra's previous divestiture of a 20% non-controlling interest in 2021 to Kohlberg Kravis Roberts & Co. L.P. for an implied equity value of approximately $16.9 billion. That transaction was followed by a second sale of a non-controlling interest of 10% in 2022 to the Abu Dhabi Investment Authority for an implied equity value of approximately $17.9 billion.

Since that time, Sempra Infrastructure has continued to increase its market value through the expansion of its LNG franchise, which enjoys geographic advantages on both the Pacific and Gulf Coasts of North America. For instance, Energía Costa Azul LNG Phase 1 continues to target the commencement of commercial operations in spring of 2026, and construction at Port Arthur LNG Phase 1 remains on time and on budget with Trains 1 and 2 expected to come online in 2027 and 2028, respectively.

Moreover, the company continues to advance development of Port Arthur LNG Phase 2, which is receiving strong commercial interest. Sempra Infrastructure is under active commercial discussions with world-class companies for participation in the Phase 2 development project, which is anchored by a non-binding Heads of Agreement for LNG offtake and a proposed equity investment with a subsidiary of Saudi Aramco, as well as a fixed-price engineering, procurement and construction contract with Bechtel Energy. The company is targeting a final investment decision in 2025, pending the execution of definitive commercial agreements, obtaining permits and securing financing, among other factors.

"At Sempra Infrastructure, we are pursuing a series of exciting LNG growth opportunities that are expected to further America's position as a global leader in LNG exports," said Justin Bird, chief executive officer of Sempra Infrastructure. "By focusing on the critical need for new energy infrastructure in North America, our company's pipeline of development projects is expected to provide benefits to a broader base of customers and differentiated growth for decades to come."

Opportunity to Increase Long-Term Value
The sale processes being announced today are part of a broader set of five value creation initiatives for 2025, which aim to increase long-term value for shareholders, employees, customers and other stakeholders. To learn more about Sempra's value creation initiatives, visit sempra.com/annualreport. Taken together, these initiatives are designed to:

- Divest non-core assets in support of recycling proceeds into new investments in the company's Texas and California utilities;
- Strengthen the company's balance sheet, while efficiently funding growth and improving the quality and affordability of services; and
- Reward Sempra's owners with improved visibility to consistent growth in earnings and cash flows and long-term value creation.

Upon completion, these transactions are expected to be accretive to the company's earnings-per-share forecast, while also enhancing credit. The sales transactions referenced in today's announcement are expected to be completed over the next 12-18 months. These transactions are subject to reaching agreement on acceptable pricing and other terms, securing required regulatory and other approvals, finalizing definitive contracts and other factors and considerations.

About Sempra
Sempra is an energy infrastructure company with one of the largest energy networks in North America. Through its operations in California, Texas and beyond, Sempra is electrifying and improving the energy resilience of some of the world's most significant economic markets and delivering everyday energy to nearly 40 million consumers. The company is recognized as a leader in responsible business practices and for its high-performance culture focused on safety and operational excellence, as demonstrated by Sempra's inclusion in the Dow Jones Sustainability Index North America. More information is available at sempra.com and on social media @Sempra.

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," "envision," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "preliminary," "initiative," "target," "outlook," "optimistic," "poised," "positioned," "maintain," "continue," "progress," "advance," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategies, goals, vision, mission, projections, intentions or expectations.

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, denials of cost recovery, audits, investigations, inquiries, ordered studies, regulations, denials or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions, including the failure to honor contracts and commitments, by the (i) California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, U.S. Internal Revenue Service, Public Utility Commission of Texas and other 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 related to (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, (iv) obtaining third-party consents and approvals and (v) third parties honoring their contracts and commitments; changes to our capital expenditure plans and their potential impact on rate base or other growth; litigation, arbitration, property disputes and other proceedings, and changes (i) to laws and regulations, including those related to tax and the energy industry in Mexico, (ii) due to the results of elections, and (iii) in trade and other foreign policy, including the imposition of tariffs by the U.S. and foreign countries; 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; 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, which can be affected by, among other things, (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, and (iii) fluctuating interest rates and inflation; 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 meeting the demand for lower carbon and reliable energy in California, and (iii) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate policies, laws, rules, regulations, trends and required disclosures, 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 uncertainty related to emerging technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events, such as work stoppages, 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 or pipeline and storage systems or limitations on the injection and 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 reports that Sempra has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on Sempra's website, www.sempra.com. 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. None of the website references in this press release are active hyperlinks, and the information contained on, or that can be accessed through, any such website is not, and shall not be deemed to be, part of this document.

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