



# Second Quarter 2023 Earnings Results

August 3, 2023

# Information Regarding Forward-looking Statements

This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to 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 August 3, 2023. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

In this presentation, forward-looking statements can be identified by words such as “believes,” “expects,” “intends,” “anticipates,” “contemplates,” “plans,” “estimates,” “projects,” “forecasts,” “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.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include risks and uncertainties relating to: 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 (i) the 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, and other governmental and regulatory bodies and (ii) the 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 and acquisitions and divestitures, 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 the consent or approval of third parties; litigation, arbitrations, property disputes and other proceedings, and changes to laws and regulations, including those related to 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 have become more pronounced due to recent geopolitical events; our ability to borrow money 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 or (ii) 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; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, any of which may increase our costs, reduce our competitiveness, impact our ability to do business with certain counterparties, or impair our ability to resolve trade disputes; 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](http://www.sec.gov), and on Sempra’s website, [www.sempra.com](http://www.sempra.com). Investors should not rely unduly on any forward-looking statements.

Data throughout this presentation is approximate.

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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# Executive Summary

## Celebrating 25 Years of Success



### Financial Updates<sup>1</sup>

- Announcing 2-for-1 stock split – distribution date August 21, 2023
- Reporting Q2-2023 adjusted EPS of \$1.88 and YTD-2023 adjusted EPS of \$4.80<sup>2</sup>
- Affirming FY-2023 adjusted EPS guidance range of \$8.60 – \$9.20<sup>2</sup>
- Affirming FY-2024 EPS guidance range of \$9.10 – \$9.80
- Affirming projected long-term EPS growth rate of 6% – 8%<sup>3</sup>

1. Financial results and guidance reflect pre-split share count.

2. See Appendix for information regarding Adjusted EPS and Adjusted EPS guidance range, which represent non-GAAP financial measures. GAAP EPS for Q2-2023 and YTD-2023 was \$1.91 and \$4.97, respectively. Updating GAAP EPS guidance range for FY-2023 to \$8.78 – \$9.38.

3. Based on midpoint of 2023 adjusted EPS guidance range.

# Strategic Focus on Transmission + Distribution

Strategically positioned in large economic markets with strong growth and premium regulatory environments to deliver high quality earnings

## Three Growth Platforms

At Sempra, we are on a mission to build a higher growth and lower carbon business that is focused on T+D assets with an attractive earnings and cash flow profile

### SEMPRA CALIFORNIA

- Forward-looking rates
- GRC underpinned by RAMP process
- Decoupled revenues

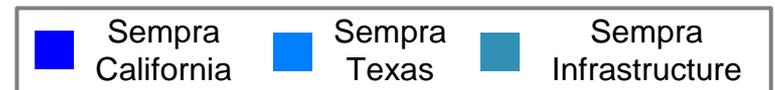
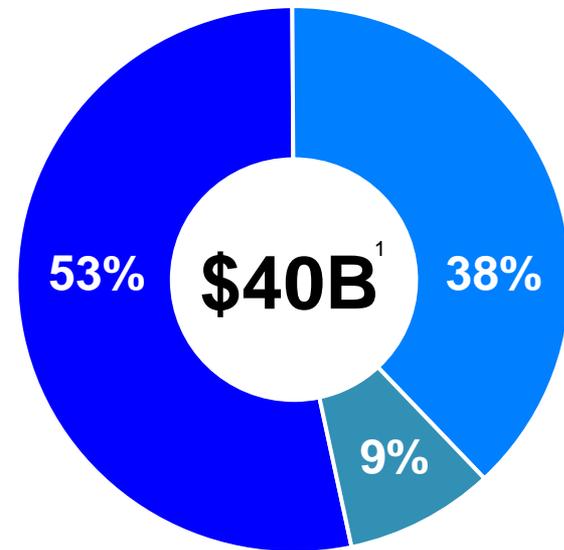
### SEMPRA TEXAS

- Most investments recoverable via capital trackers
- No direct commodity exposure

### SEMPRA INFRASTRUCTURE

- Long-term, U.S. dollar denominated contracts
- World-class counterparties

## 2023 to 2027 Capital Plan



1. Refers to Sempra's proportionate share of 2023 – 2027 capital plan announced in May 2023 on Q1-2023 earnings call.

# Sempra California Business Update

## SDGE

- Increased electrification – Port of San Diego is electrifying operations, zero emission vehicles increased by 35% to 112,000 over the last year in San Diego
- Commissioned 171 MW of utility-owned energy storage to support grid resiliency
- CAISO transmission plan approved in May with ~\$500M of projects awarded to SDGE
  - ~\$2.3B incremental CapEx in SDGE's service territory to be competitively bid
- Continued focus on energy delivery – 80% of customers in San Diego County receive power from third parties

## SoCalGas

- Published expanded Clean Fuels Study – confirms considerable clean molecule infrastructure investments needed to meet California's decarbonization goals + maintain grid reliability
- Launched SB 1440 RFO to increase future RNG – state mandate ~12% from agricultural sources by 2030<sup>1</sup>

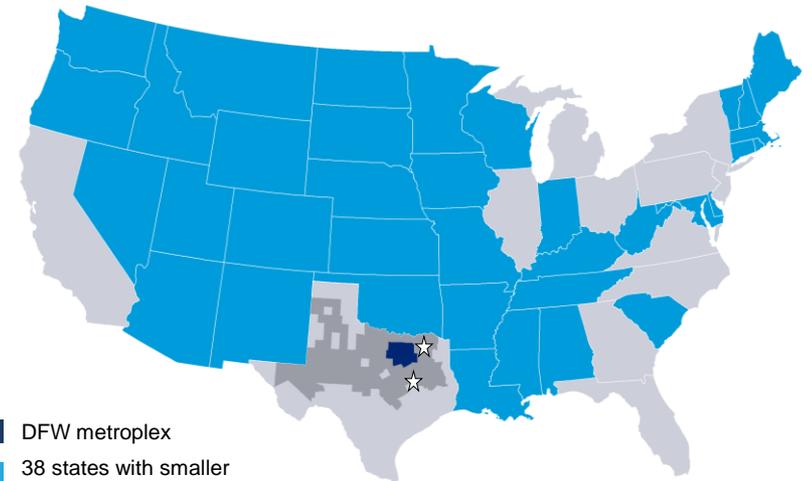
GRC hearings concluded in July, opening briefs to be filed on August 14th, proposed decision expected in Q2-2024

# Sempra Texas Business Update

## Operational + Regulatory Status

- Second quarter of 2023, Oncor:
  - Connected 21,000 additional premises
  - Received 92 new transmission interconnection requests
  - Built / hardened ~690 miles of T+D lines
- ERCOT saw increased demand resulting in 17% higher peak load from 2016 to 2023<sup>1</sup>
- ERCOT has set 6 new all-time records for peak demand this summer, reaching 83 GW<sup>1</sup>
- Received significant positive legislation expected to reduce regulatory lag and facilitate increased investment to support customers

## Robust Macroeconomic Trends



- 1 DFW metroplex population larger than most states<sup>2</sup>; with premise growth ~2x the U.S. average<sup>3</sup>
- 2 Significant C+I growth
- 3 Electrification of oil + gas industry in West Texas
- 4 Most abundant wind and solar resources in the U.S.<sup>3</sup>

1. Reuters. New record peak demand set on July 31, 2023.  
2. St. Louis FRED Economic Data.  
3. EIA Data.

# Texas Legislative Summary

Positive legislative reforms should improve ability to reliably serve customers while reducing regulatory lag and supporting increased investments

Bill	Description
<b>SB 1015</b> (Distribution tracker)	Allows for second distribution tracker filing, including in the year when a rate case is filed, which improves frequency and efficiency of filings
<b>HB 2555<sup>1</sup></b> (System resiliency)	Potential for utility to implement a commission-approved resiliency plan with distribution cost recovery via deferred asset or rider
<b>SB 1076</b> (Shortened permit timeline)	Shortens timeline to approve certificate of convenience and necessity applications from 365 to 180 days
<b>HB 5066</b> (Accelerated transmission build)	Directs ERCOT + PUCT to develop plans for transmission buildout to serve high growth areas, including Permian Basin
<b>SB 1016</b> (Total compensation)	Presumes certain non-officer employee compensation expenses are reasonable + necessary when supported by market studies
<b>HB 1500</b> (Use of mobile gen)	Expansion of and clarity for uses of mobile generation leased by T+D utilities during power outages

1. Subject to PUCT rulemaking before utilities can begin to file plans and recover under it.

# Sempra Infrastructure Business Update<sup>1</sup>

## Regulatory

- Los Ramones Norte Pipeline: New tariffs due to constructive rate resolution

## Construction

- ECA LNG Phase 1: More than 7.7 million hours without a recordable LTI
- GRO Expansion: More than 800,000 hours without a recordable LTI
- Port Arthur LNG Phase 1: More than 2.7 million hours without a recordable LTI
  - Subject to the closing of the sale to KKR in Q3-2023<sup>2</sup>, Sempra Infrastructure Partners expects to:
    - Own 28% at the project level<sup>3</sup>; and
    - Invest \$1.74B equity, resulting in projected \$460M of adjusted EBITDA<sup>4</sup>

## Development

- Cameron LNG Phase 2: Selected Bechtel for value engineering

1. The ability to complete major development and construction projects is subject to a number of risks and uncertainties.

2. Subject to regulatory approvals and other closing conditions.

3. Sempra's expected ownership share would be equal to 19.6% of project-level interest based on Sempra Infrastructure's 70% ownership interest in SI Partners.

4. Based on annual average adjusted EBITDA after full commercial operations and excludes certain upside economics. Adjusted EBITDA is a non-GAAP financial measure.

# Port Arthur Energy Hub<sup>1</sup>

Sempra Infrastructure expects its broad platform to create portfolio synergies and enhance the total value of Port Arthur

LNG + Net-Zero Solutions <sup>2</sup>		Commentary	Status
	<b>Port Arthur LNG Phase 1<sup>3</sup></b> (~13 Mtpa)	<ul style="list-style-type: none"> <li>Targeted Train 1 COD 2027, Train 2 COD 2028</li> </ul>	Construction
	<b>Port Arthur LNG Phase 2</b> (~6-13 Mtpa)	<ul style="list-style-type: none"> <li>HOA: INEOS<sup>4</sup></li> </ul>	Development
	<b>Titan Carbon Sequestration</b>	<ul style="list-style-type: none"> <li>Acquired 38,000 acres for development</li> </ul>	Development
Energy Networks		Commentary	Status
	<b>Port Arthur Pipeline</b>	<ul style="list-style-type: none"> <li>2.0 Bcf/d Louisiana connector</li> </ul>	Development

1. The ability to complete major construction and development projects is subject to a number of risks and uncertainties.  
 2. Projected nameplate capacity represents 100% of the project, not Sempra's ownership share. Capacities are illustrative and approximate.  
 3. This project has reached FID and is reflected in the financial plan.  
 4. The current non-binding arrangements do not commit any party to enter into definitive contracts, which are subject to negotiation.

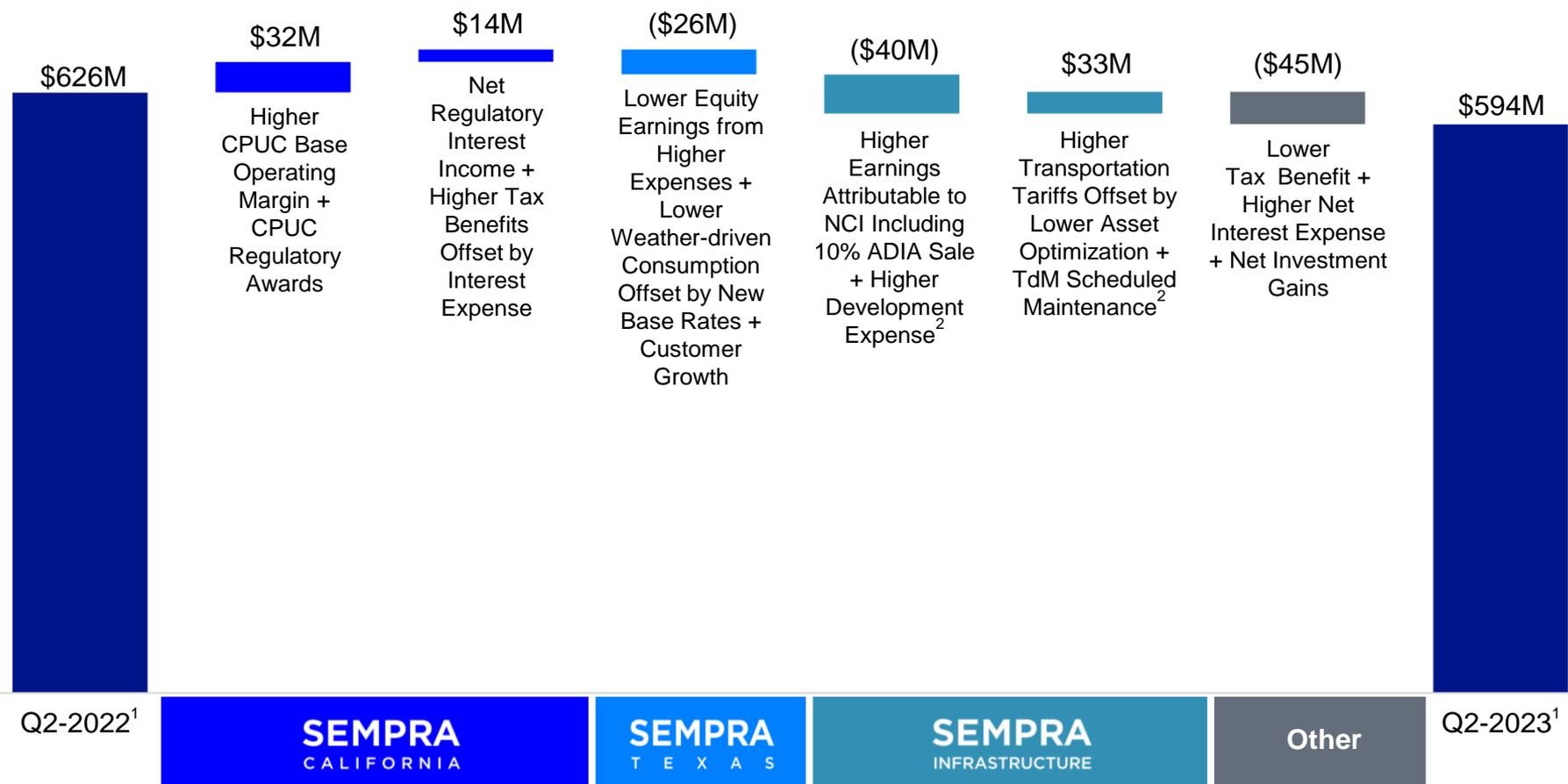
# Q2-2023 Financial Results

<i>(Dollars and shares in millions, except EPS)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	<i>(Unaudited)</i>			
<b>GAAP Earnings</b>	<b>\$ 603</b>	<b>\$ 559</b>	<b>\$ 1,572</b>	<b>\$ 1,171</b>
Impact associated with Aliso Canyon litigation	–	32	–	98
Equity losses from a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review	–	–	44	–
Impact from foreign currency and inflation on our monetary positions in Mexico	93	16	202	91
Net unrealized (gains) losses on derivatives	(102)	19	(319)	70
Net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project	–	–	17	–
Deferred income tax expense associated with the change in our indefinite reinvestment assertion related to the sale of NCI to ADIA	–	–	–	120
<b>Adjusted Earnings<sup>1</sup></b>	<b>\$ 594</b>	<b>\$ 626</b>	<b>\$ 1,516</b>	<b>\$ 1,550</b>
Diluted Weighted-Average Common Shares Outstanding	316	316	316	317
<b>GAAP EPS</b>	<b>\$ 1.91</b>	<b>\$ 1.77</b>	<b>\$ 4.97</b>	<b>\$ 3.70</b>
<b>Adjusted EPS<sup>1</sup></b>	<b>\$ 1.88</b>	<b>\$ 1.98</b>	<b>\$ 4.80</b>	<b>\$ 4.90</b>

Steady year-to-date execution demonstrates the strength of Sempra's investment strategy and positions us well for the balance of 2023

1. See Appendix for information regarding non-GAAP financial measures and descriptions of adjustments.

# Q2-2023 Adjusted Earnings Drivers



1. See Appendix for information regarding Adjusted Earnings, which is a non-GAAP financial measure. GAAP Earnings for Sempra for Q2-2022 and Q2-2023 were \$559M and \$603M, respectively.

2. See Appendix for information regarding Adjusted Earnings Drivers at Sempra Infrastructure, which are non-GAAP financial measures. GAAP Earnings Drivers at Sempra Infrastructure from Higher NCI + Higher Development Expense were (\$51M), Higher Transportation Tariffs offset by Lower Asset Optimization + TdM Scheduled Maintenance were \$192M and Foreign Currency + Inflation were (\$119M).

# Closing Remarks

Over the past 25 years, we have transformed our business from a regional utility located in Southern California to one of the leading infrastructure companies in North America. We are excited about the opportunities in front of us as we continue to execute on our record five-year capital plan.<sup>1</sup>

We are off to a great start this year and our strong performance positions us well for the remainder of 2023 and gives us confidence in our long-term growth.

## Financial Updates<sup>2</sup>

- Announcing 2-for-1 stock split – distribution date August 21, 2023
- Reporting Q2-2023 adjusted EPS of \$1.88 and YTD-2023 adjusted EPS of \$4.80<sup>3</sup>
- Affirming FY-2023 adjusted EPS guidance range of \$8.60 – \$9.20<sup>3</sup>
- Affirming FY-2024 EPS guidance range of \$9.10 – \$9.80
- Affirming projected long-term EPS growth rate of 6% – 8%<sup>4</sup>

1. Refers to Sempra's proportionate share of 2023 – 2027 capital plan announced in May 2023 on Q1-2023 earnings call.

2. Financial results and guidance reflect pre-split share count.

3. See Appendix for information regarding Adjusted EPS and Adjusted EPS guidance range, which represent non-GAAP financial measures. GAAP EPS for Q2-2023 and YTD-2023 was \$1.91 and \$4.97, respectively. Updating GAAP EPS guidance range for FY-2023 to \$8.78 – \$9.38.

4. Based on midpoint of 2023 adjusted EPS guidance range.

# Appendix I

# Sempra Infrastructure Growth Pipeline<sup>1</sup>

LNG + Net-Zero Solutions <sup>2</sup>	Commentary	Status
<b>ECA LNG Phase 1<sup>3</sup></b> (~3 Mtpa)	<ul style="list-style-type: none"> <li>• COD expected summer 2025</li> </ul>	Construction
<b>Port Arthur LNG Phase 1<sup>3</sup></b> (~13 Mtpa)	<ul style="list-style-type: none"> <li>• Targeted Train 1 COD 2027, Train 2 COD 2028</li> </ul>	Construction
<b>Cameron LNG Phase 2</b> Train 1 – 3 Debottlenecking (~1 Mtpa)	<ul style="list-style-type: none"> <li>• Targeting online in stages prior to Cameron LNG Train 4</li> </ul>	Development
Train 4 (~6 Mtpa)	<ul style="list-style-type: none"> <li>• Progressing with Cameron LNG Members + Bechtel</li> <li>• SI plans to sell its offtake back-to-back under long-term contracts</li> <li>• HOA: PKN ORLEN<sup>4</sup></li> </ul>	Development
<b>Port Arthur LNG Phase 2</b> (~6-13 Mtpa)	<ul style="list-style-type: none"> <li>• HOA: INEOS<sup>4</sup></li> </ul>	Development
<b>Vista Pacifico LNG</b> (~2 Mtpa)	<ul style="list-style-type: none"> <li>• MOUs: CFE + Total<sup>4</sup></li> </ul>	Development
<b>ECA LNG Phase 2</b> (~12 Mtpa)	<ul style="list-style-type: none"> <li>• HOA: ConocoPhillips   MOUs: Total + Mitsui<sup>4</sup></li> </ul>	Development
<b>Hackberry CS</b>	<ul style="list-style-type: none"> <li>• Participation agreement: Total, Mitsui + Mitsubishi</li> </ul>	Development
<b>Titan Carbon Sequestration</b>	<ul style="list-style-type: none"> <li>• Acquired 38,000 acres for development</li> </ul>	Development



1. The ability to complete major construction and development projects is subject to a number of risks and uncertainties.  
 2. Projected nameplate capacity represents 100% of the project, not Sempra's ownership share. Capacities are illustrative and approximate.  
 3. These projects have reached FID and are reflected in the financial plan.  
 4. The current non-binding arrangements do not commit any party to enter into definitive contracts, which are subject to negotiation.

# Sempra Infrastructure Growth Pipeline Continued<sup>1</sup>

Energy Networks		Commentary	Status
	<b>Topolobampo Terminal</b> <sup>3</sup>	<ul style="list-style-type: none"> <li>• Construction completed, pending regulatory requirements</li> <li>• COD targeted Q4-2023</li> </ul>	Commissioning
	<b>GRO Expansion</b> <sup>3</sup>	<ul style="list-style-type: none"> <li>• Expanding gas pipeline delivery to ECA LNG Phase 1 + Baja</li> <li>• COD targeted 2H-2024</li> </ul>	Construction
	<b>Port Arthur Pipeline</b>	<ul style="list-style-type: none"> <li>• 2.0 Bcf/d Louisiana connector</li> </ul>	Development
	<b>CIP Expansion</b>	<ul style="list-style-type: none"> <li>• Delivering gas to Cameron LNG Phase 2</li> </ul>	Development
	<b>Pitic Pipeline</b>	<ul style="list-style-type: none"> <li>• Gas infrastructure between Sonora + Baja</li> </ul>	Development
Clean Power <sup>2</sup>		Commentary	Status
	<b>Cimarrón</b>	<ul style="list-style-type: none"> <li>• Executed 20-year PPA with Silicon Valley Power   300 MW</li> </ul>	Development

1. The ability to complete major construction and development projects is subject to a number of risks and uncertainties.  
 2. Projected nameplate capacity represents 100% of the project, not Sempra's ownership share. Capacities are illustrative and approximate.  
 3. These projects have reached FID and are reflected in the financial plan.

# Appendix II

## Business Unit Earnings

# Sempra California | SDGE

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
SDGE GAAP Earnings	\$ 184	\$ 176	\$ 442	\$ 410

Q2-2023 earnings are higher than Q2-2022 earnings primarily due to:

- \$11 million higher CPUC base operating margin, net of operating expenses and \$6 million from lower authorized cost of capital, and
- \$6 million higher net regulatory interest income, **partially offset by**
- \$6 million higher net interest expense

# Sempra California | SoCalGas

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
SoCalGas GAAP Earnings	\$ 155	\$ 87	\$ 515	\$ 421
Impact associated with Aliso Canyon litigation	–	32	–	98
SoCalGas Adjusted Earnings <sup>1</sup>	\$ 155	\$ 119	\$ 515	\$ 519

Q2-2023 earnings are higher than Q2-2022 adjusted earnings primarily due to:

- \$28 million higher income tax benefits primarily from flow-through items, which includes \$25 million related to income tax benefits in 2023 for previously unrecognized income tax benefits pertaining to gas repairs expenditures,
- \$21 million regulatory awards approved by the CPUC in 2023, and
- \$5 million higher net regulatory interest income, **partially offset by**
- \$19 million higher net interest expense

1. See Appendix for information regarding Adjusted Earnings, which represents a non-GAAP financial measure.

# Sempra Texas Utilities

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Sempra Texas Utilities GAAP Earnings	\$ 160	\$ 186	\$ 243	\$ 348
Equity losses from a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review	–	–	44	–
Sempra Texas Utilities Adjusted Earnings <sup>1</sup>	\$ 160	\$ 186	\$ 287	\$ 348

Q2-2023 earnings are lower than Q2-2022 earnings primarily due to lower equity earnings from Oncor Holdings driven by:

- higher interest expense and depreciation expense attributable to invested capital, and
- higher operating and maintenance expense, **partially offset by**
- higher revenues attributable to updates to transmission billing factors, new base rates implemented in May 2023, and customer growth, offset by lower revenues from decreased customer consumption primarily attributable to weather

1. See Appendix for information regarding Adjusted Earnings, which represents a non-GAAP financial measure.

# Sempra Infrastructure

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Sempra Infrastructure GAAP Earnings	\$ 208	\$ 183	\$ 523	\$ 278
Impact from foreign currency and inflation on our monetary positions in Mexico	94	14	203	89
Net unrealized (gains) losses on derivatives	(102)	19	(319)	70
Net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project	—	—	17	—
Sempra Infrastructure Adjusted Earnings <sup>1</sup>	\$ 200	\$ 216	\$ 424	\$ 437

Q2-2023 adjusted earnings are lower than Q2-2022 adjusted earnings primarily due to:

- \$106 million earnings attributable to NCI in 2023 compared to \$84 million earnings attributable to NCI in 2022 primarily due to the sale of a 10% NCI in SI Partners to ADIA in June 2022,
- \$18 million from the LNG business driven by higher development costs and certain non-capitalized expenses from projects under construction,
- \$18 million from asset optimization driven by lower LNG diversion fees, and
- \$13 million at TdM from scheduled major maintenance in April 2023, **partially offset by**
- \$64 million from the transportation business driven by higher equity earnings and revenues, including the cumulative impact of new tariffs going into effect for certain pipelines in Mexico

1. See Appendix for information regarding Adjusted Earnings, which represents a non-GAAP financial measure.

# Parent & Other

<i>(Unaudited, dollars in millions)</i>	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Parent & Other GAAP Losses	\$ (104)	\$ (73)	\$ (151)	\$ (286)
Impact from foreign currency and inflation on our monetary positions in Mexico	(1)	2	(1)	2
Deferred income tax expense associated with the change in our indefinite reinvestment assertion related to the sale of NCI to ADIA	–	–	–	120
Parent & Other Adjusted Losses <sup>1</sup>	\$ (105)	\$ (71)	\$ (152)	\$ (164)

Q2-2023 adjusted losses are higher than Q2-2022 adjusted losses primarily due to:

- \$30 million income tax benefit in 2022 from changes to a valuation allowance against certain tax credit carryforwards,
- \$17 million higher income tax expense from the interim period application of an annual forecasted consolidated ETR, and
- \$11 million higher net interest expense, **partially offset by**
- \$1 million net investment gains in 2023 compared to \$20 million net investment losses in 2022 on dedicated assets in support of our employee nonqualified benefit plan and deferred compensation obligations

# Appendix III

## Non-GAAP Financial Measures

# Adjusted Earnings and Adjusted EPS (Unaudited)

Sempra Adjusted Earnings and Adjusted EPS exclude items (after the effects of income taxes and, if applicable, noncontrolling interests (NCI)) in 2023 and 2022 as follows:

Three months ended June 30, 2023:

- \$(93) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$102 million net unrealized gains on commodity derivatives

Three months ended June 30, 2022:

- \$(32) million impact associated with Aliso Canyon natural gas storage facility litigation at Southern California Gas Company (SoCalGas)
- \$(16) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$(19) million net unrealized losses on commodity derivatives

Six months ended June 30, 2023:

- \$(44) million equity losses from investment in Oncor Electric Delivery Holdings Company LLC (Oncor Holdings) related to a write-off of rate base disallowances resulting from the Public Utility Commission of Texas' (PUCT) final order in Oncor Electric Delivery Company LLC's (Oncor) comprehensive base rate review
- \$(202) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$319 million net unrealized gains on commodity derivatives
- \$(17) million net unrealized losses on a contingent interest rate swap related to the initial phase of the Port Arthur LNG liquefaction project (PA LNG Phase 1 project)

Six months ended June 30, 2022:

- \$(98) million impact associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- \$(91) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$(70) million net unrealized losses on commodity derivatives
- \$(120) million deferred income tax expense associated with the change in our indefinite reinvestment assertion as a result of progress in obtaining regulatory approvals necessary to close the sale of 10% NCI in Sempra Infrastructure Partners, LP (SI Partners) to Abu Dhabi Investment Authority (ADIA)

Sempra Adjusted Earnings and Adjusted EPS are non-GAAP financial measures (GAAP represents generally accepted accounting principles in the United States of America). These non-GAAP financial measures exclude significant items that are generally not related to our ongoing business activities and/or are infrequent in nature. These non-GAAP financial measures also exclude the impact from foreign currency and inflation on our monetary positions in Mexico and net unrealized gains and losses on commodity derivatives, which we expect to occur in future periods, and which can vary significantly from one period to the next. Exclusion of these items is useful to management and investors because it provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles for historical periods these non-GAAP financial measures to Sempra GAAP Earnings and GAAP EPS, which we consider to be the most directly comparable financial measures calculated in accordance with GAAP.

# Adjusted Earnings and Adjusted EPS (Unaudited)

*(Dollars in millions, except EPS amounts; shares in thousands)*

	Pretax amount	Income tax expense (benefit) <sup>1</sup>	Non-controlling interests	Earnings	Pretax amount	Income tax (benefit) expense <sup>1</sup>	Non-controlling interests	Earnings
	Three months ended June 30, 2023				Three months ended June 30, 2022			
<b>Sempra GAAP Earnings</b>				\$ 603				\$ 559
Excluded items:								
Impact associated with Aliso Canyon litigation	\$ –	\$ –	\$ –	–	\$ 45	\$ (13)	\$ –	32
Impact from foreign currency and inflation on our monetary positions in Mexico	18	117	(42)	93	4	14	(2)	16
Net unrealized (gains) losses on commodity derivatives	(200)	41	57	(102)	18	(5)	6	19
<b>Sempra Adjusted Earnings</b>				<u>\$ 594</u>				<u>\$ 626</u>
Diluted EPS:								
Weighted-average common shares outstanding, diluted				316,060				315,867
Sempra GAAP EPS				\$ 1.91				\$ 1.77
Sempra Adjusted EPS				\$ 1.88				\$ 1.98
	Six months ended June 30, 2023				Six months ended June 30, 2022			
<b>Sempra GAAP Earnings</b>				\$ 1,572				\$ 1,171
Excluded items:								
Impact associated with Aliso Canyon litigation	\$ –	\$ –	\$ –	–	\$ 137	\$ (39)	\$ –	98
Equity losses from a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review	–	–	–	44	–	–	–	–
Impact from foreign currency and inflation on our monetary positions in Mexico	43	252	(93)	202	29	84	(22)	91
Net unrealized (gains) losses on commodity derivatives	(628)	126	183	(319)	106	(25)	(11)	70
Net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project	33	(6)	(10)	17	–	–	–	–
Deferred income tax expense associated with the change in our indefinite reinvestment assertion related to the sale of NCI to ADIA	–	–	–	–	–	120	–	120
<b>Sempra Adjusted Earnings</b>				<u>\$ 1,516</u>				<u>\$ 1,550</u>
Diluted EPS:								
Weighted-average common shares outstanding, diluted				316,092				316,647
Sempra GAAP EPS				\$ 4.97				\$ 3.70
Sempra Adjusted EPS				\$ 4.80				\$ 4.90

1. Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We record equity losses for our investment in Oncor Holdings net of income tax.

# Adjusted Earnings (Losses) by Business Units (Unaudited)<sup>1</sup>

(Dollars in millions)

	Three months ended June 30, 2023						
	SDGE	SoCalGas	Sempra California	Sempra Texas Utilities	Sempra Infrastructure	Parent & Other	Total Sempra
GAAP Earnings (Losses)	\$ 184	\$ 155	\$ 339	\$ 160	\$ 208	\$ (104)	\$ 603
Impact from foreign currency and inflation on our monetary positions in Mexico, net of \$117 income tax expense and (\$42) for NCI					94	(1)	93
Net unrealized gains on commodity derivatives, net of \$41 income tax expense and \$57 for NCI					(102)		(102)
Adjusted Earnings (Losses)	\$ 184	\$ 155	\$ 339	\$ 160	\$ 200	\$ (105)	\$ 594
	Three months ended June 30, 2022						
	SDGE	SoCalGas	Sempra California	Sempra Texas Utilities	Sempra Infrastructure	Parent & Other	Total Sempra
GAAP Earnings (Losses)	\$ 176	\$ 87	\$ 263	\$ 186	\$ 183	\$ (73)	\$ 559
Impact associated with Aliso Canyon litigation, net of \$13 income tax benefit		32	32				32
Impact from foreign currency and inflation on our monetary positions in Mexico, net of \$14 income tax expense and (\$2) for NCI					14	2	16
Net unrealized losses on commodity derivatives, net of \$5 income tax benefit and \$6 for NCI					19		19
Adjusted Earnings (Losses)	\$ 176	\$ 119	\$ 295	\$ 186	\$ 216	\$ (71)	\$ 626
	Six months ended June 30, 2023						
	SDGE	SoCalGas	Sempra California	Sempra Texas Utilities	Sempra Infrastructure	Parent & Other	Total Sempra
GAAP Earnings (Losses)	\$ 442	\$ 515	\$ 957	\$ 243	\$ 523	\$ (151)	\$ 1,572
Equity losses from a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review				44			44
Impact from foreign currency and inflation on our monetary positions in Mexico, net of \$252 income tax expense and (\$93) for NCI					203	(1)	202
Net unrealized gains on commodity derivatives, net of \$126 income tax expense and \$183 for NCI					(319)		(319)
Net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project, net of \$6 income tax benefit and (\$10) for NCI					17		17
Adjusted Earnings (Losses)	\$ 442	\$ 515	\$ 957	\$ 287	\$ 424	\$ (152)	\$ 1,516
	Six months ended June 30, 2022						
	SDGE	SoCalGas	Sempra California	Sempra Texas Utilities	Sempra Infrastructure	Parent & Other	Total Sempra
GAAP Earnings (Losses)	\$ 410	\$ 421	\$ 831	\$ 348	\$ 278	\$ (286)	\$ 1,171
Impact associated with Aliso Canyon litigation, net of \$39 income tax benefit		98	98				98
Impact from foreign currency and inflation on our monetary positions in Mexico, net of \$84 income tax expense and (\$22) for NCI					89	2	91
Net unrealized losses on commodity derivatives, net of \$25 income tax benefit and (\$11) for NCI					70		70
Deferred income tax expense associated with the change in our indefinite reinvestment assertion related to the sale of NCI to ADIA						120	120
Adjusted Earnings (Losses)	\$ 410	\$ 519	\$ 929	\$ 348	\$ 437	\$ (164)	\$ 1,550

1. Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We record equity losses for our investment in Oncor Holdings net of income tax.

# 2023 Adjusted EPS Guidance Range (Unaudited)

Sempra 2023 Adjusted EPS Guidance Range of \$8.60 to \$9.20 excludes items (after the effects of income taxes and, if applicable, NCI) as follows:

- \$(44) million equity losses from investment in Oncor Holdings related to a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review
- \$(202) million impact from foreign currency and inflation on our monetary positions in Mexico
- \$319 million net unrealized gains on commodity derivatives
- \$(17) million net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project

Sempra 2023 Adjusted EPS Guidance is a non-GAAP financial measure. This non-GAAP financial measure excludes significant items that are generally not related to our ongoing business activities and/or infrequent in nature. This non-GAAP financial measure also excludes the impact from foreign currency and inflation on our monetary positions in Mexico and net unrealized gains and losses on commodity derivatives, which we expect to occur in future periods, and which can vary significantly from one period to the next. Exclusion of these items is useful to management and investors because it provides a meaningful comparison of the performance of Sempra's business operations to prior and future periods. Sempra 2023 Adjusted EPS Guidance Range should not be considered an alternative to Sempra 2023 GAAP EPS Guidance Range. Non-GAAP financial measures are supplementary information that should be considered in addition to, but not as a substitute for, the information prepared in accordance with GAAP. The table below reconciles Sempra 2023 Adjusted EPS Guidance Range to Sempra 2023 GAAP EPS Guidance Range, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

	Full-Year 2023	
Sempra GAAP EPS Guidance Range	\$ 8.78	to \$ 9.38
Excluded items:		
Equity losses from a write-off of rate base disallowances resulting from the PUCT's final order in Oncor's comprehensive base rate review	0.14	0.14
Impact from foreign currency and inflation on our monetary positions in Mexico	0.64	0.64
Net unrealized gains on commodity derivatives	(1.01)	(1.01)
Net unrealized losses on a contingent interest rate swap related to the PA LNG Phase 1 project	0.05	0.05
Sempra Adjusted EPS Guidance Range	\$ 8.60	to \$ 9.20
Weighted-average common shares outstanding, diluted (millions)		316

# Appendix IV

## Glossary

# Defined Terms

ADIA	Black Silverback ZC 2022 LP (assignee of Black River B 2017 Inc.), a wholly owned affiliate of Abu Dhabi Investment Authority
Bcf/d	billion cubic feet per day
C&I	commercial and industrial
CAISO	California Independent System Operator
Cameron LNG Members	Total, Mitsui, and a joint venture between Mitsubishi and Nippon Yusen Kabushiki Kaisha, Japan LNG Investment
CapEx	capital expenditures
CCA	Community Choice Aggregation
CCN	certificate of convenience and necessity
CFE	Comisión Federal de Electricidad (Mexico's Federal Electricity Commission)
CIP	Cameron Interstate Pipeline
COD	commercial operations date
ConocoPhillips	ConocoPhillips Company
CPUC	California Public Utilities Commission
CS	carbon sequestration
DCRF	distribution cost recovery factor
DFW	Dallas-Fort Worth
DOE	U.S. Department of Energy
EBITDA	earnings before interest, taxes, depreciation, and amortization
ECA	Energía Costa Azul
EPS	earnings per common share
ERCOT	Electric Reliability Council of Texas, Inc.
ETR	effective income tax rate
FEED	front-end engineering design
FERC	Federal Energy Regulatory Commission
FID	final investment decision
GAAP	generally accepted accounting principles in the United States of America
GRC	General Rate Case
GRO	Gasoducto Rosarito

# Defined Terms Continued

HOA	heads of agreement
INEOS	INEOS Energy Trading LTD., a subsidiary of INEOS Ltd.
KKR	Kohlberg Kravis Roberts & Co. L.P.
kV	kilovolt
LNG	liquefied natural gas
LTI	lost-time injury
Mitsubishi	Mitsubishi Corporation
Mitsui	Mitsui & Co.
MOU	Memorandum of Understanding
Mtpa	million tonnes per annum
MW	megawatt
NCI	noncontrolling interest
Oncor	Oncor Electric Delivery Company LLC
PA LNG	Port Arthur LNG
PKN ORLEN	Polski Koncern Naftowy Orlen Spółka Akcyjna
PPA	power purchase agreement
PUCT	Public Utility Commission of Texas
RAMP	Risk Assessment Mitigation Phase
RNG	renewable natural gas
SDGE	San Diego Gas & Electric Company
SI	Sempra Infrastructure
SI Partners	Sempra Infrastructure Partners, LP, the holding company for most of Sempra's subsidiaries not subject to California or Texas utility regulation
SoCalGas	Southern California Gas Company
SONGS	San Onofre Nuclear Generating Station
T+D	transmission and distribution
TdM	Termoeléctrica de Mexicali
Total	TotalEnergies SE