

# Reconciliation of Sempra adjusted earnings to Sempra GAAP earnings (unaudited)

Sempra Adjusted Earnings and Adjusted Earnings Per Common Share (EPS) exclude items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

## In 2021:

- (\$1,148) million from impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- (\$44) million impact from foreign currency and inflation and associated undesignated derivatives
- (\$47) million net unrealized losses on commodity derivatives
- (\$30) million in charges associated with hedge termination costs and a write-off of unamortized debt issuance costs from the early redemptions of debt at Sempra infrastructure in October 2021
- (\$92) million in charges associated with make-whole premiums and a write-off of unamortized discount and debt issuance costs from the early redemptions of debt at Parent and other in December 2021
- (\$72) million net income tax expense related to the utilization of a deferred income tax asset upon completing the sale of a 20% noncontrolling interest in SI partners to KKR in October 2021
- \$50 million equity earnings from investment in RBS Sempra Commodities LLP, which represents a reduction to an estimate of our obligations to settle pending value added tax (VAT) matters and related legal costs at our equity method investment at Parent and other

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 effects and associated undesignated derivatives and 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.

## Reconciliation of Sempra Adjusted Earnings to Sempra GAAP Earnings (Unaudited)

	Pretax amount	Income tax (benefit) expense <sup>1</sup>	Non-controlling interests	Earnings
	Year ended December 31, 2021			
	(unaudited)			
(Dollars in millions, except per share amounts; shares in thousands)				
<b>Sempra GAAP Earnings</b>				\$1,254
Excluded items:				
Impacts associated with Aliso Canyon litigation and regulatory matters	\$1,593	\$(445)	\$__	1,148
Impact from foreign currency and inflation and associated undesignated derivatives	44	4	(4)	44
Net unrealized losses on commodity derivatives	23	(18)	42	47
Costs associated with early redemptions of debt	180	(51)	(7)	122
Net income tax expense related to the utilization of a deferred income tax asset	__	72	__	72
Earnings from investment in RBS Sempra Commodities LLP	(50)	__	__	(50)
<b>Sempra Adjusted Earnings</b>				\$2,637
Diluted EPS:				
Weighted average common shares outstanding, diluted				313,036
Sempra GAAP EPS				\$4.01
Sempra Adjusted EPS				\$8.43

<sup>1</sup> Except for adjustments that are solely income tax, income taxes on pretax amounts were primarily calculated based on applicable statutory tax rates. We did not record an income tax expense for the equity earnings from our investment in RBS Sempra Commodities LLP because, even though a portion of the liabilities may be deductible under United Kingdom tax law, it is not probable that the deduction will reduce United Kingdom taxes.

## Reconciliation of Sempra 2021 Adjusted EPS Guidance Range to Sempra 2021 GAAP EPS Guidance Range (Unaudited)

Sempra 2021 Adjusted EPS Guidance Range of \$7.75 to \$8.35 excludes items (after the effects of income taxes and, if applicable, noncontrolling interests) as follows:

- \$(1,148) million from impacts associated with Aliso Canyon natural gas storage facility litigation at SoCalGas
- \$(44) million impact from foreign currency and inflation and associated undesignated derivatives
- \$(47) million net unrealized losses on commodity derivatives
- \$(30) million in charges associated with hedge termination costs and a write-off of unamortized debt issuance costs from the early redemptions of debt at Sempra Infrastructure in October 2021
- \$(92) million in charges associated with make-whole premiums and a write-off of unamortized discount and debt issuance costs from the early redemptions of debt at Parent and other in December 2021
- \$(72) million net income tax expense related to the utilization of a deferred income tax asset upon completing the sale of a 20% noncontrolling interest in SI Partners to KKR in October 2021
- \$50 million equity earnings from investment in RBS Sempra Commodities LLP, which represents a reduction to an estimate of our obligations to settle pending VAT matters and related legal costs at our equity method investment at Parent and other

Sempra 2021 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 effects and associated undesignated derivatives and 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 2021 Adjusted EPS Guidance Range should not be considered an alternative to Sempra 2021 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 2021 Adjusted EPS Guidance Range to Sempra 2021 GAAP EPS Guidance Range, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

## Reconciliation of Adjusted EPS Guidance Range to GAAP EPS Guidance Range

	Full-Year 2021		
<b>Sempra GAAP EPS Guidance Range<sup>1</sup></b>	\$3.36	to	\$3.96
Excluded items:			
Impacts associated with Aliso Canyon litigation	3.64		3.64
Impact from foreign currency and inflation and associated undesignated derivatives	0.14		0.14
Net unrealized losses on commodity derivatives	0.15		0.15
Costs associated with early redemptions of debt	0.39		0.39
Net income tax expense related to the utilization of a deferred income tax asset	0.23		0.23
Earnings from investment in RBS Sempra Commodities LLP	(0.16)		(0.16)
<b>Sempra Adjusted EPS Guidance Range</b>	\$7.75	to	\$8.35
Weighted average common shares outstanding, diluted (millions) <sup>2,3</sup>			315

<sup>1</sup> Sempra's prior GAAP EPS Guidance Range for full-year 2021 has been updated to reflect the impacts associated with Aliso Canyon litigation, impact from foreign currency and inflation and associated undesignated derivatives and net unrealized losses on commodity derivatives for the year ended December 31, 2021.

<sup>2</sup> Weighted-average common shares outstanding reflects the conversion of the series A preferred stock that converted on January 15, 2021 and series B preferred stock that converted on July 15, 2021.

<sup>3</sup> Includes the impact of the Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) exchange offer.

## Reconciliation of Capital Deployed (Unaudited)

(Dollars in millions)	2021
<b>Sempra</b>	
Expenditures for property, plant and equipment	\$5,015
Expenditures for investments and acquisitions	633
Total Capital Expenditures, Investments and Acquisitions (On Balance Sheet)	5,648
Excluded items:	
Acquisition of additional 50-percent interest in ESJ	(65)
Total Adjusted Capital Expenditures and Investments (On Balance Sheet)	5,583 <b>A</b>
<b>Oncor Electric Delivery Company LLC</b>	
Capital expenditures (100%)	2,497
Total Capital Expenditures (Off Balance Sheet)	2,497
<b>Sharyland Utilities</b>	
Capital expenditures (100%)	6
Total Capital Expenditures (Off Balance Sheet)	6
<b>Sempra Texas - Proportionate Ownership Share of Unconsolidated Entities</b>	
80.25% of Oncor Electric Delivery Company LLC capital expenditures	2,004
50% of Sharyland Utilities capital expenditures	3
Less:	
Sempra Texas investments and acquisitions (On Balance Sheet)	(566)
Capital Expenditures, Investments and Acquisitions - Sempra Texas (Off Balance Sheet)	1,441
Capital Expenditures - Unconsolidated Joint Ventures at Sempra Infrastructure (Off Balance Sheet) <sup>1</sup>	29
Total Capital Expenditures, Investments and Acquisitions of Unconsolidated Entities (Off Balance Sheet)	1,470 <b>B</b>
<b>Total Capital Deployed A+B</b>	<b>\$7,053</b>

<sup>1</sup> Represents proportionate ownership share and is net of capital contributions from Sempra.

