Dominion Energy Announces Sale of Remaining Interest in Cove Point

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- Consistent with the priorities & commitments of ongoing business review
- Sale expected to close by year-end 2023, subject to standard HSR clearance
- Highly credit accretive; 100% of after-tax proceeds are expected to be used to retire debt

RICHMOND, July 10, 2023 - Dominion Energy (NYSE: D) today announced that it has concluded a robust and competitive sale process and executed a definitive agreement to sell its 50% noncontrolling limited partner interest in Cove Point LNG, LP, to Berkshire Hathaway Energy, which currently operates the facility and owns a 100% general partner and 25% limited partner interest.

The total transaction value of $3.5 billion, inclusive of transaction proceeds ($3.3 billion) and expected proceeds from the termination of related interest rate derivatives ($0.2 billion), represents approximately 10.8x estimated 2025 EBITDA of $325 million for Dominion Energy's 50% noncontrolling interest in Cove Point.

Total after-tax proceeds of approximately $3.3 billion are expected to be used to repay debt including the existing $2.3 billion term loan secured by its noncontrolling interest in Cove Point. The company estimates that the transaction will increase the company's consolidated FFO to debt by approximately 0.7%.

Associated with repaying the term loan, the company will unwind its related in the money "floating-to-fixed" interest rate derivative which is expected to result in proceeds to the company of approximately $200 million.

Robert M. Blue, Dominion Energy chair, president, and chief executive officer, said:

"Since 2002, Cove Point has been an excellent service provider to its international and domestic customers - linking global gas supplies with American customers, and American gas supplies with customers around the world.

"However, this investment is non-core to Dominion Energy as we focus on our state-regulated utility operations. The sale demonstrates our commitment to the company's credit profile and represents an attractive exit from what has been an excellent investment for our shareholders. With this sale, we have recycled $8.9 billion of cash flow, including dividends from Cove Point, since 2018 - well in excess of our total investment in the facility inclusive of the export project construction cost of approximately $4.1 billion. Further, this sale gives us the opportunity to reduce variable rate debt consistent with our goal of strengthening our balance sheet."

The sale is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Act and a filing with the U.S. Department of Energy.

Dominion Energy continues to make progress on its business review that is still underway. Consistent with the previously announced timeline, the company plans to host an investor day in the third quarter, during which management will provide an updated strategic and financial outlook.

McGuireWoods LLP served as legal counsel to Dominion Energy. Mizuho Securities and RBC Capital Markets acted as the company's financial advisors for the transaction.

Additional information related to the transaction can be found in materials included on the Investor Relations website.

Important note to investors regarding EBIDTA, FFO to debt, reported net income, net cash provided by operating activities, long-term debt, short-term debt and securities due within one year
Dominion Energy utilizes EBITDA (non-GAAP) as a supplement performance measure to evaluate performance of its operations, including the operations of its equity method investees. EBITDA is defined as net income adjusted for interest, taxes, depreciation, and amortization. In providing projected EBITDA of Dominion Energy's 50% noncontrolling interest in Cove Point LNG, the company notes that there could be differences between such non-GAAP financial measure and the GAAP equivalent of reported net income.

Dominion Energy intends to use FFO to debt (non-GAAP) as a supplemental liquidity measure of its ability to service its debt obligations in its guidance and results for public communications with analysts and investors. FFO to debt is defined as net cash provided by operating activities adjusted for certain items, including, but not limited to, discontinued operations and changes in working capital as a ratio to total debt, consisting of long-term debt, short-term debt, and securities due within one year, adjusted for certain items including, but not limited to, under-recovered fuel balances and operating leases. Dominion Energy management believes FFO to debt provides a more meaningful representation of the company's ability to service its debt obligations. In providing FFO to debt, the company notes that there could be differences between such non-GAAP financial measure and the GAAP equivalents of reported net cash provided by operating activities and reported long-term debt, short-term debt, and securities due within one year.

Reconciliations of such non-GAAP measures to applicable GAAP measures are not provided, because the company cannot, without unreasonable effort, estimate or predict with certainty various components of such measures.

About Dominion Energy
About 7 million customers in 16 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D), headquartered in Richmond, Va. The company is committed to safely providing reliable, affordable and sustainable energy and to achieving Net Zero emissions by 2050. Please visit DominionEnergy.com to learn more.

This release contains certain forward-looking statements with respect to the sale of Dominion Energy's 50% noncontrolling interest in Cove Point LNG, LP, which are subject to various risks and uncertainties. Factors that could cause actual results to differ include but are not limited to: the risk that Dominion Energy and Berkshire Hathaway Energy may be unable to obtain any necessary regulatory approvals for the transaction or that required regulatory approvals may delay the transaction and the risk that any conditions to the closing of any of the transaction may not be satisfied. Other risk factors are detailed from time to time in Dominion Energy's quarterly reports on Form 10-Q and most recent annual report on Form 10-K filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release. Dominion Energy assumes no obligation to provide any revisions to, or update, any projections and forward-looking statements contained in this press release.

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