



## Economic Impact and Benefits

Our ability to create positive economic results for our investors and other stakeholders is dependent on our financial and business success—and our ability to connect with the communities we serve in substantive, sustainable ways. We build long-term value by focusing on prudent capital investments, a strong balance sheet, and local and regional relationships.

### Our Approach

In 2018, Enbridge set out a three-year strategic plan (2018-2020) to refocus on our low-risk pipeline and utility assets and to position our company for future success. We took steps to streamline the business to our three core franchises (liquids pipelines, gas pipelines and utilities and power operations), strengthen our balance sheet and simplify our business. At the same time, we continued to deliver exceptional service to our customers, put \$7 billion of new projects into service and advanced key growth projects.

We have a strategic footprint and assets that are difficult to replicate. The energy we deliver is in demand, and forecasts reinforce that all sources of energy are needed to meet growing global energy demand as we shift to a lower-carbon economy over the next several decades.

### Local Impacts

In our operations, and as we grow, we contribute to the development of local communities where we operate in a variety of ways—through the delivery of affordable energy; purchases from local suppliers and service providers; job creation and a commitment to fair and local hiring; capital investment within our service and project regions; government taxes paid; and philanthropy and volunteerism.

For example, our L3RP—which is Enbridge's largest project to date—is generating significant economic benefit on both sides of the North American border.

In Canada, the \$5.3-billion project was expected to bring about \$1.8 billion in labor income to workers and an estimated \$514.3 million to Canadian federal, provincial and local governments during construction. The project will enter service in Canada in late 2019.

In the U.S., specifically in Minnesota, the project will bring about \$334 million in payroll to workers (about 50% of that to local workers), and a \$162-million construction-related gain for local economies, as a result of non-local workers, through purchase of local products/materials and use of local hotels, restaurants and services.

Enbridge's Valley Crossing Project, a 168-mile pipeline that runs from Agua Dulce, TX to the Gulf of Mexico east of Brownsville, entered service in 2018. According to a University of Texas Rio Grande Valley impact study the operations phase is expected to generate an estimated US\$183 in property taxes, 142 jobs, US\$10.9 million in labor income, and US\$10 million in value added, for an economic impact of US\$19 million in South Texas over the next 35 years. Going beyond creating economic value through taxes and jobs, the project will also have a meaningful impact on GHG emissions in Mexico, largely due to the displacement of fuel oil in Mexico's electricity generation.

We are advancing our supplier diversity program in 2020. This will help us attract qualified suppliers, stimulate local economic development and create long-lasting social and economic benefits in our stakeholder communities.

### Creating local economic value

We're proud to deliver economic benefits in the states and the provinces where we do business across North America. To learn more about the ongoing tax revenue, local and regional economic stimulation, community investments, and workforce salary provided by Enbridge in your area, [search by state or province on Enbridge.com](#).

## Enbridge Growth Strategy

As part of Enbridge's growth strategy, we have the following 2019 financial guidance:

**5-7%**

Long-term DCF/  
share growth

**4.5x-5.0x**

Long-term target  
leverage ratio

**<65%**

Long-term target  
DCF payout ratio

In 2019, we expect favorable market fundamentals to drive increased activity around our core assets, allowing us to advance toward our 2020 goals, deliver value to our shareholders and contribute to community growth, prosperity and vitality in regions across Canada and the U.S.

## 2018 Economic Value Creation and Distribution

Operating Revenue  
**\$46.4B**

Adjusted EBITDA  
**\$12.8B**



**\$1.27B**  
Employee wages



**\$11B**  
Goods and services



**\$4.66B**  
Dividend declared



**\$22.4M**  
Community Investment



**\$1.35B**  
Taxes paid to local,  
state/provincial and  
federal governments

## Our Performance

### Operating Performance

Enbridge had a successful year in 2018, delivering strong financial performance against our goals, with adjusted EBITDA of about \$12.8 billion—a 25% increase from 2017—and distributable cash flow of \$4.42 per share, a 20% increase.

Our businesses performed well and generated record operating and financial results.

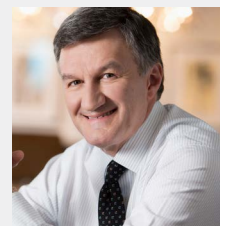
Strong North American oil and natural gas supply, and sustained and growing demand in key markets, ensured our pipeline systems ran, and continue to run, at full capacity. In Liquids, we delivered 2.785 million barrels per day on our Mainline System—a new record.

In GTM, we reached peak deliveries on most of our systems and re-contracted more than 98% of the revenue that was up for renewal on our major pipeline systems.

We also brought our first European wind project into operation. The Rampion Offshore Wind Farm will generate enough green electricity to power the equivalent to 350,000 UK homes.

“2018 was a busy and productive year for Enbridge. Following our transformative acquisition of Spectra Energy in 2017, we established key priorities to further strengthen the Company for the future. We're pleased with our progress and we've entered 2019 an even stronger and more streamlined company.”

Al Monaco, President and CEO



Growing population and community expansions helped us continue to grow our customer base in our utility—3.7 million and counting. We delivered \$7 billion of new projects into service, including the NEXUS, TEAL and Valley Crossing pipeline projects, and we secured \$1.8 billion in new growth projects. In addition to bringing reliable, cost-effective energy supply to demand markets, our infrastructure projects deliver jobs, opportunity and investment to communities, customers and neighbors.

### Year Ended December 31 (unaudited)

	2016	2017	2018
Total assets (\$ millions)	85,209	162,093	166,905
Operating revenues (\$ millions)	34,560	44,378	46,378
Earnings attributable to common shareholders (\$ millions)	1,776	2,529	2,515
Earnings per share	1.95	1.66	1.46
Adjusted earnings per common share	2.28	1.96	2.65
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (\$ millions)	6,902	10,317	12,849
Distributable Cash Flow (DCF) <sup>1,2</sup> (\$ millions)	3,713	5,614	7,618
DCF per common share <sup>2</sup>	4.08	3.68	4.42
Weighted average common shares outstanding	911	1,525	1,724
Dividends paid per share	2.12	2.41	2.68

<sup>1</sup> Includes adjustments for unusual, non-recurring or non-operating factors. Schedules reconciling adjusted EBITDA, adjusted earnings, adjusted earnings per common share and distributable cash flow (DCF) are available at [Enbridge.com](http://Enbridge.com).

<sup>2</sup> Formerly referred to as Available Cash Flow From Operations (ACFFO). Calculation methodology remains unchanged.