



RESULTS PRESENTATION

1Q19

03rd MAY

REN

1Q19 HIGHLIGHTS

- ▶ The first quarter of 2019 ended with EBITDA reaching €125.3M, a decrease of 2.4%. The main reason for this fall was lower assets' remuneration. Natural gas distribution business contributed with an additional €0.5M versus last year;
- ▶ Despite the decrease in EBITDA, Net Profit amounted to €13.2M, which was in line with what REN presented in 1Q18;
- ▶ For this stability in Net Profit, there were positive contributions from Financial Results, that improved by €1.1M, reaching -€15.5M, from the extraordinary levy (CESE), with a €0.9M decrease, and from taxes (-€1.0M). The effective tax rate, excluding the levy, was 26.6% while in 1Q18 it was 27.7%;
- ▶ Recurrent Net Profit got to €37.6M, -2.0% than last year;
- ▶ Net Debt decreased to €2,613.9M (-€29.8M) year on year. The average cost of debt remained mostly unchanged at 2.3%;
- ▶ CAPEX rose to €16.8M, €2.9M more than in 1Q18, with higher investments being deployed in the electricity business.

RESULTS AT A GLANCE



€M	1Q19	1Q18	Δ%	Δ Abs.
EBITDA	125.3	128.4	-2.4%	-3.0
Financial Results	-15.5	-16.6	6.8%	1.1
Net Profit	13.2	13.1	1.3%	0.2
Recurrent Net Profit	37.6	38.4	-2.0%	-0.8
Average RAB	3,743.0	3,877.8	-3.5%	-134.7
CAPEX	16.8	13.9	21.1%	2.9
Net Debt	2,613.9	2,643.7	-1.1%	-29.8

EVOLUTION OF PORTUGUESE 10Y BOND YIELDS

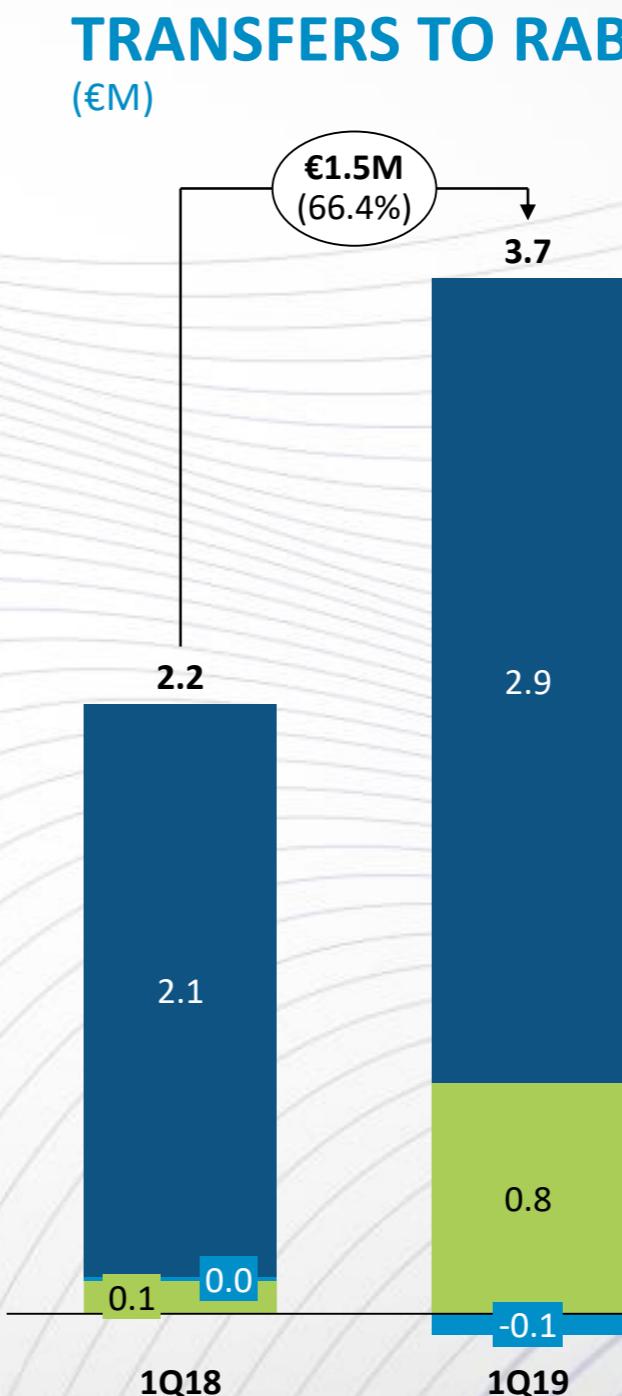
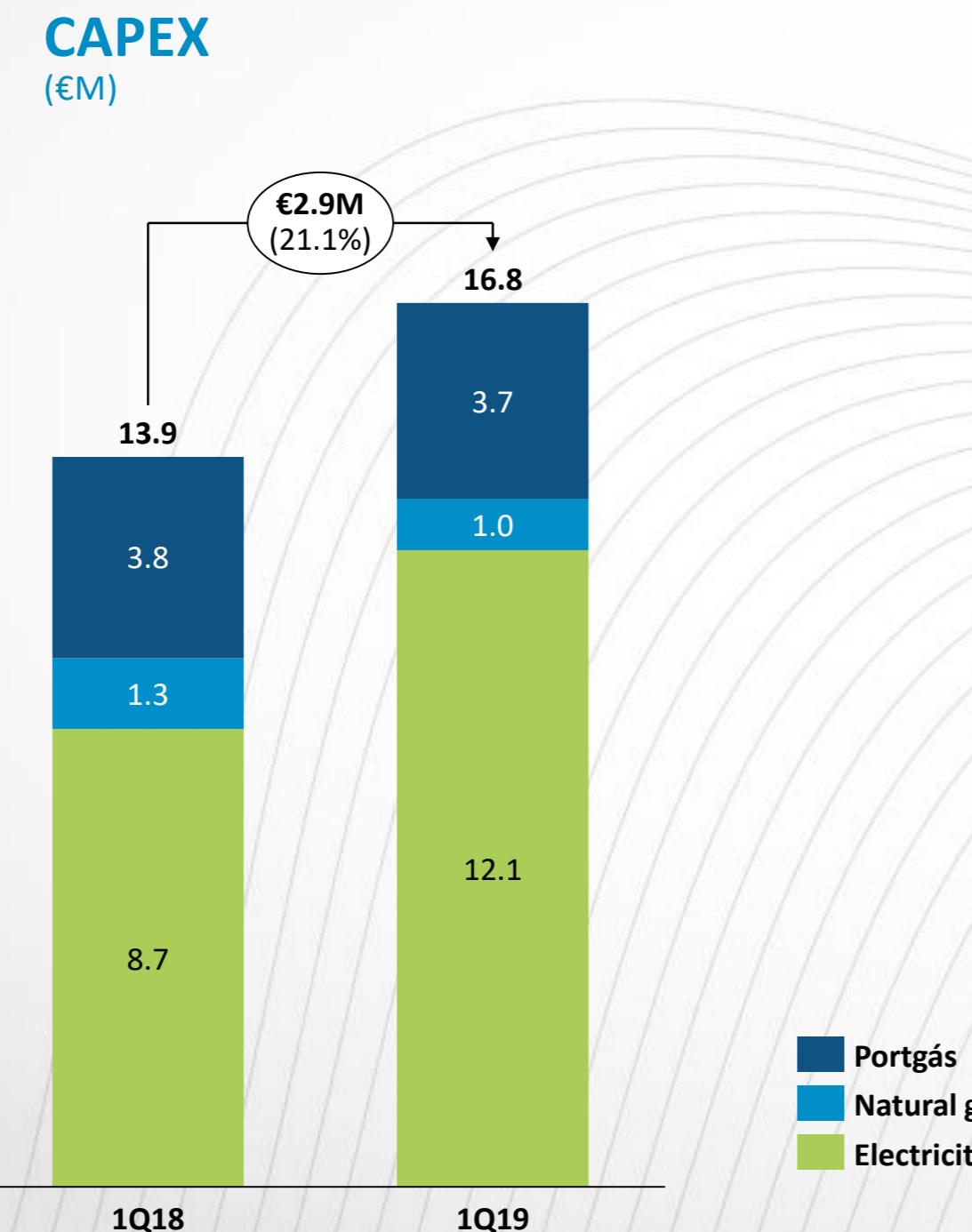
Kept rates of return at low levels in 2019

PT 10Y Treasury Bond Yields



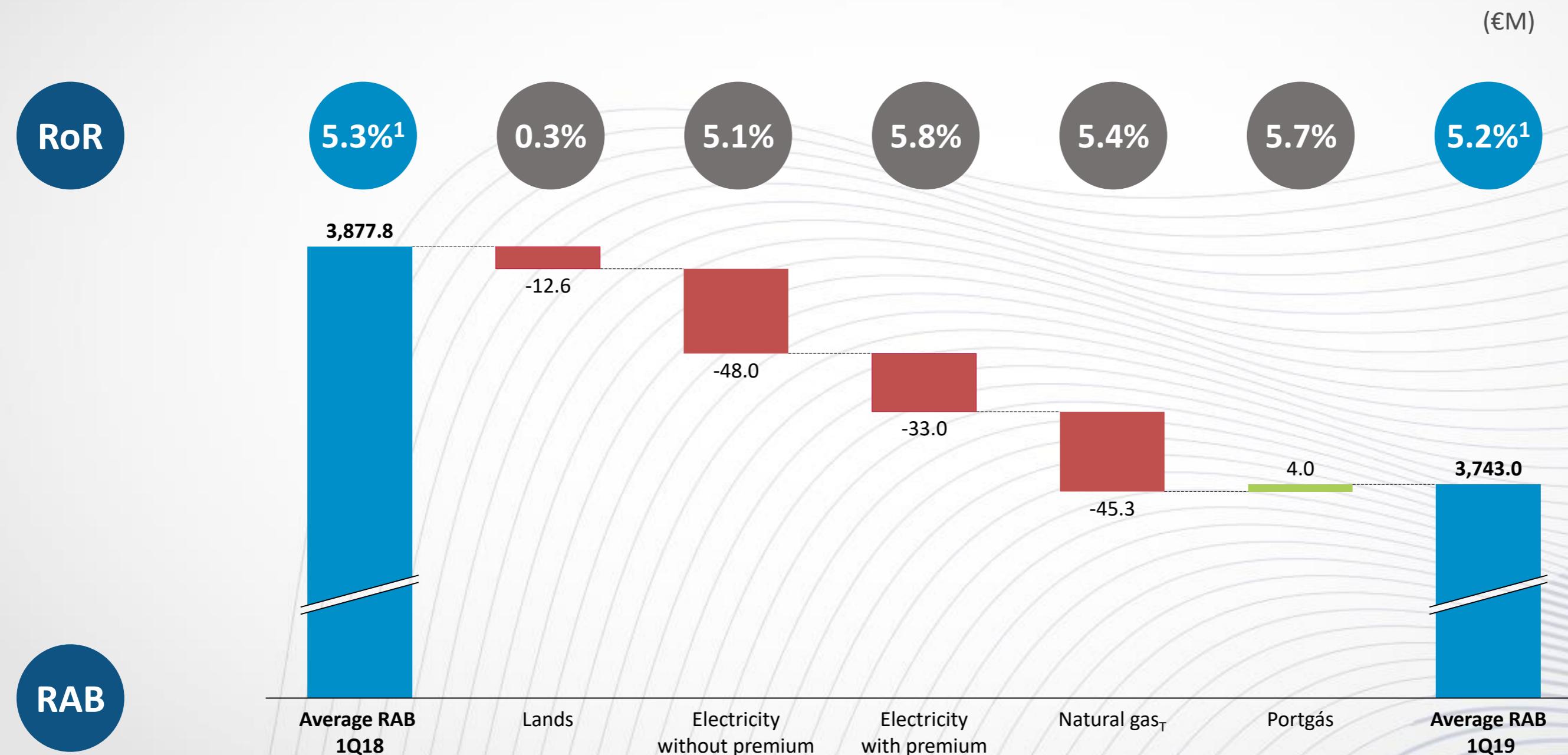
CAPEX INCREASED BY €2.9M TO €16.8M

In 1Q19, the electricity sector benefited from the construction of a submarine cable (€1.2M)



AVERAGE RAB WAS 3.5% BELOW 1Q18

Positive evolution of Portgás (€4.0M)



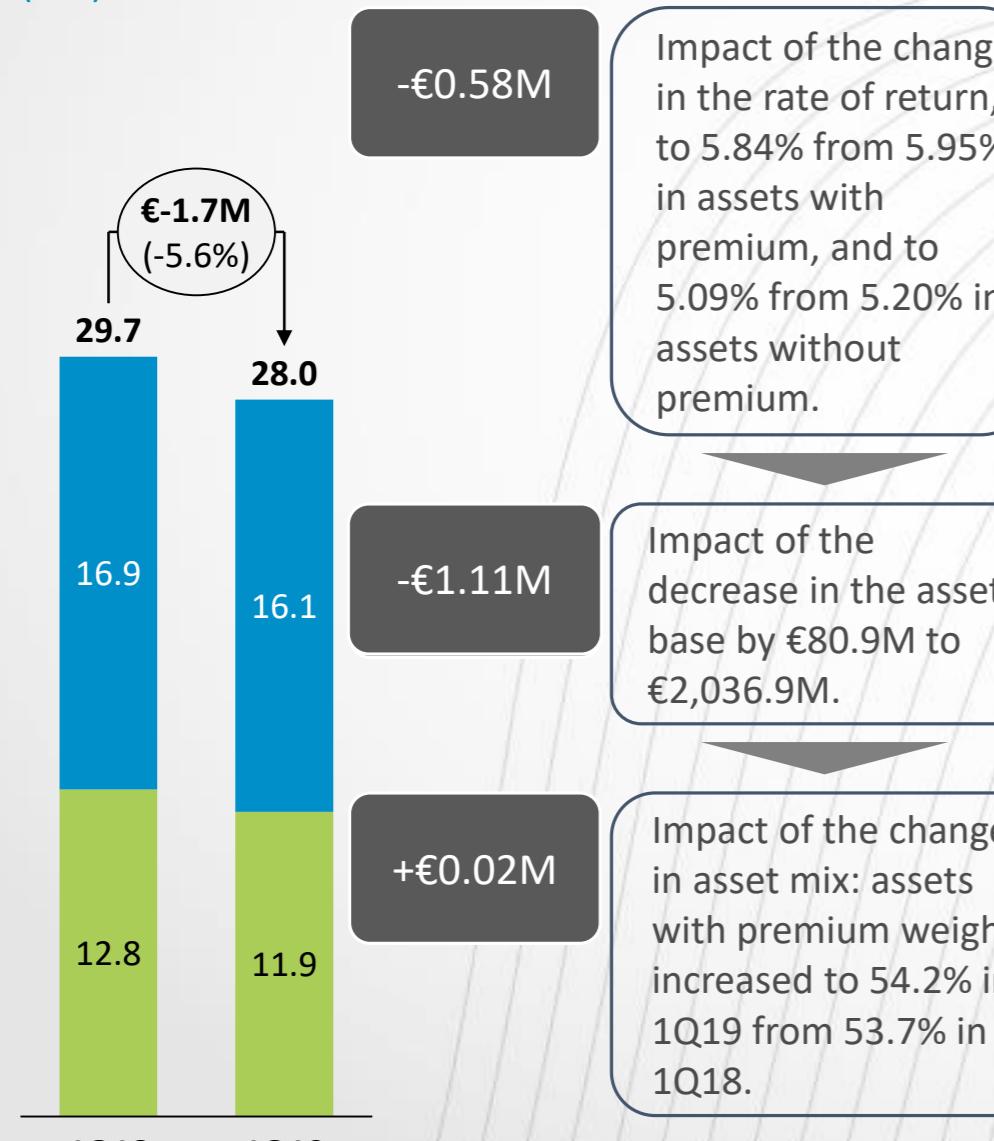
1) RoR is equal to the specific asset remuneration, divided by the average RAB.

RAB REMUNERATION DECLINED BY 5.4%

With lower RoR and RAB (Electricity and NG_T)

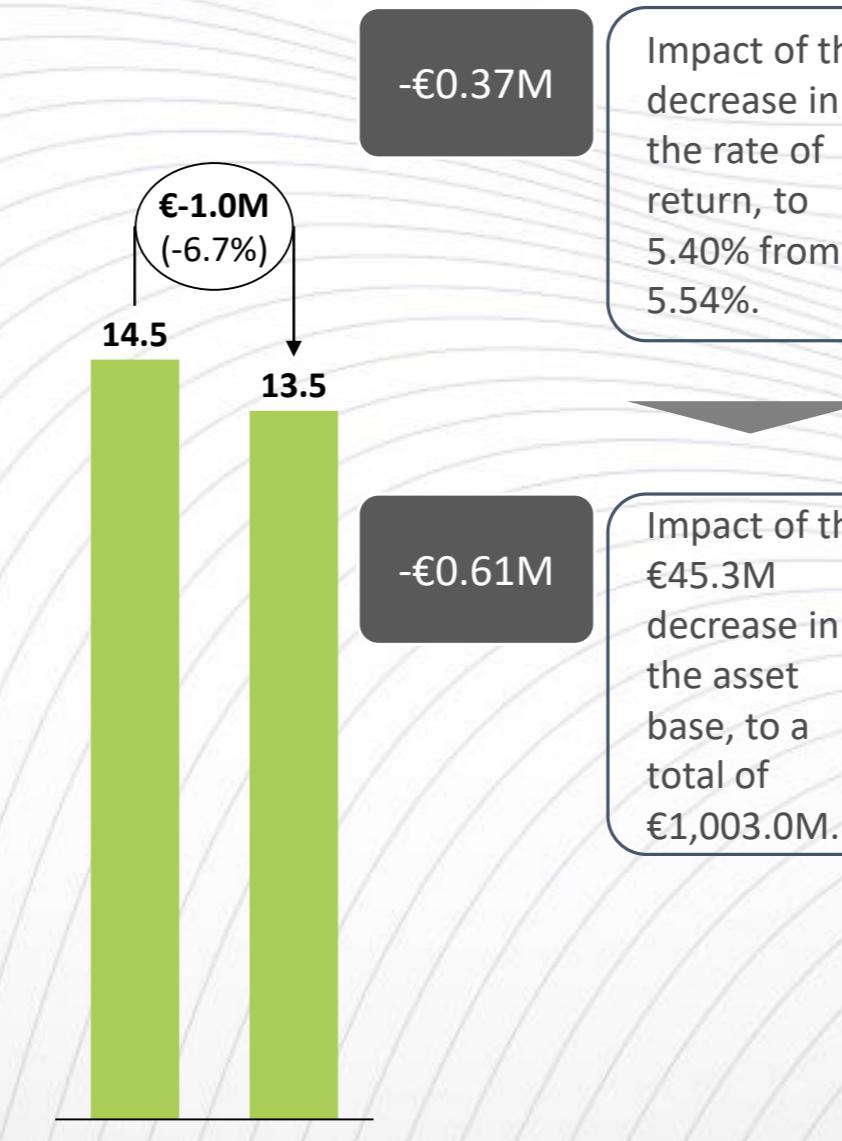
RAB REMUNERATION ELECTRICITY

(ex. Lands)
(€M)



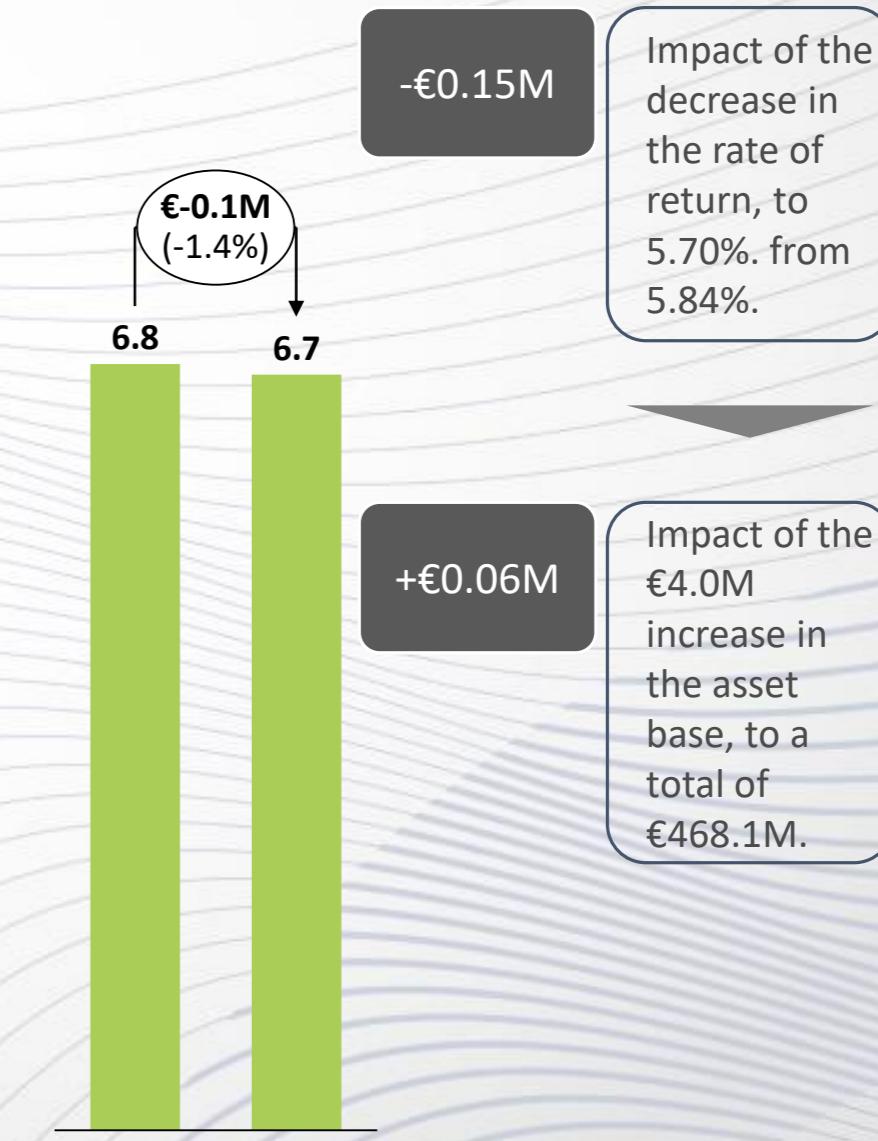
RAB REMUNERATION NATURAL GAS_T

(€M)



RAB REMUNERATION PORTGÁS

(€M)

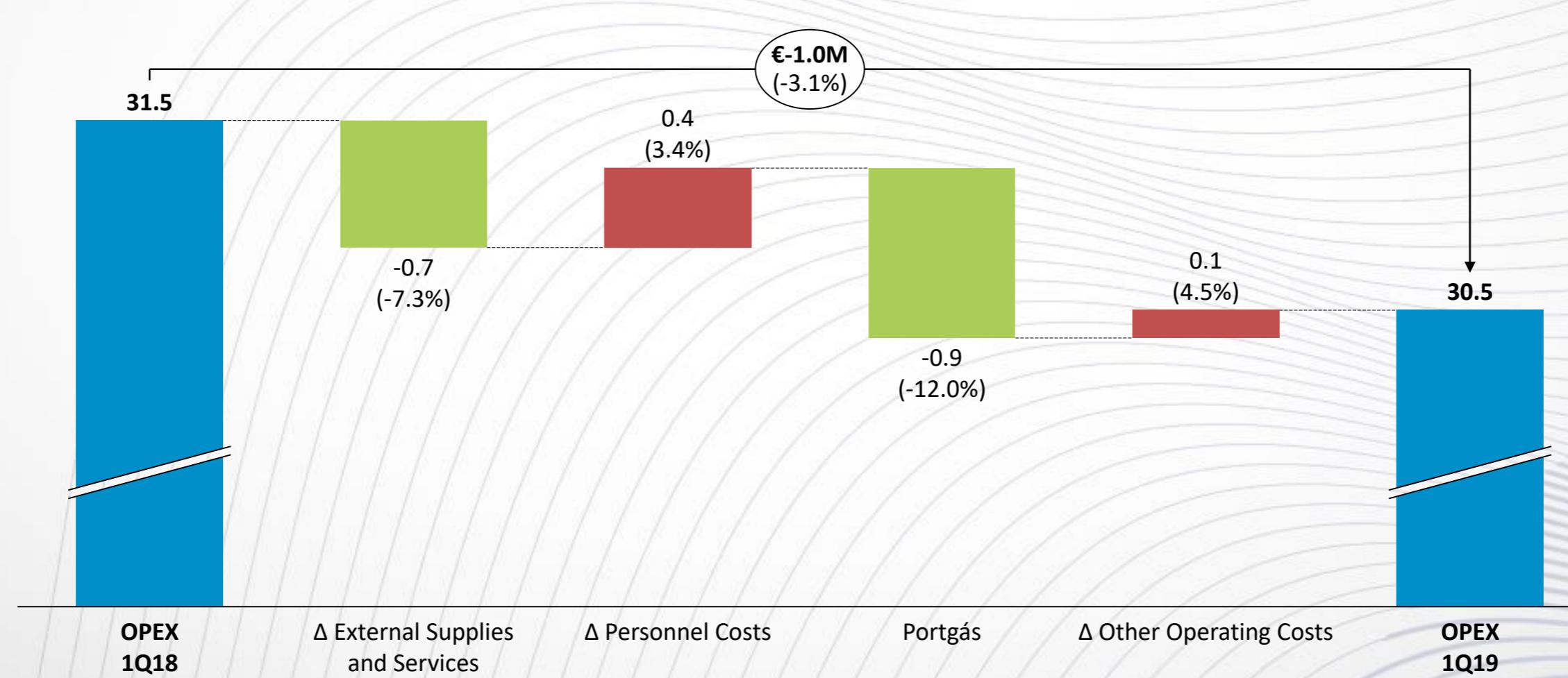


Electricity with premium
Electricity without premium

OPEX IMPROVED BY 3.1%, TO €30.5M

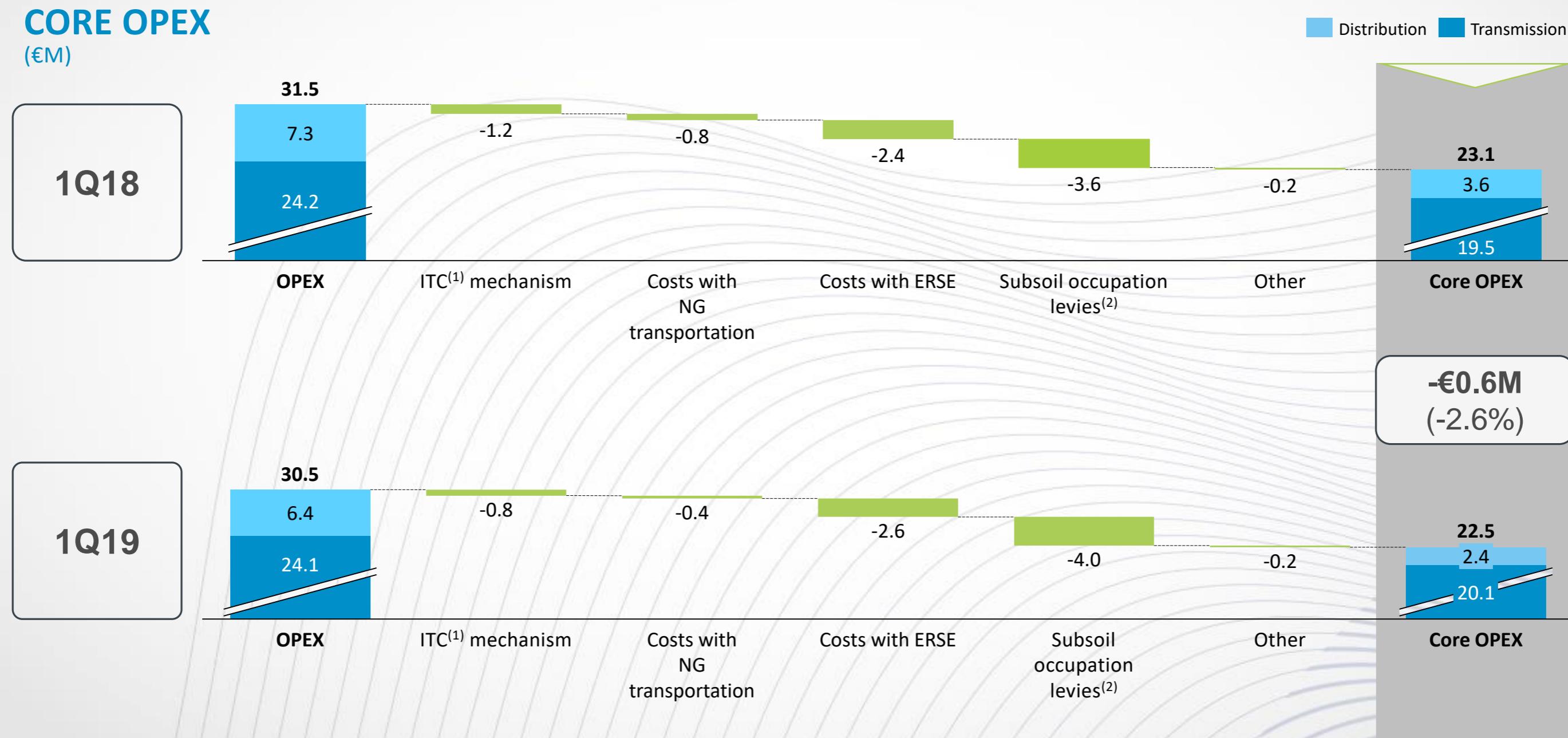
On the back of a small reduction in ESS

OPERATIONAL COSTS (€M)



CONTROLLABLE COSTS DECLINED BY 2.6% YOY

Mainly driven by the favorable evolution of Portgás

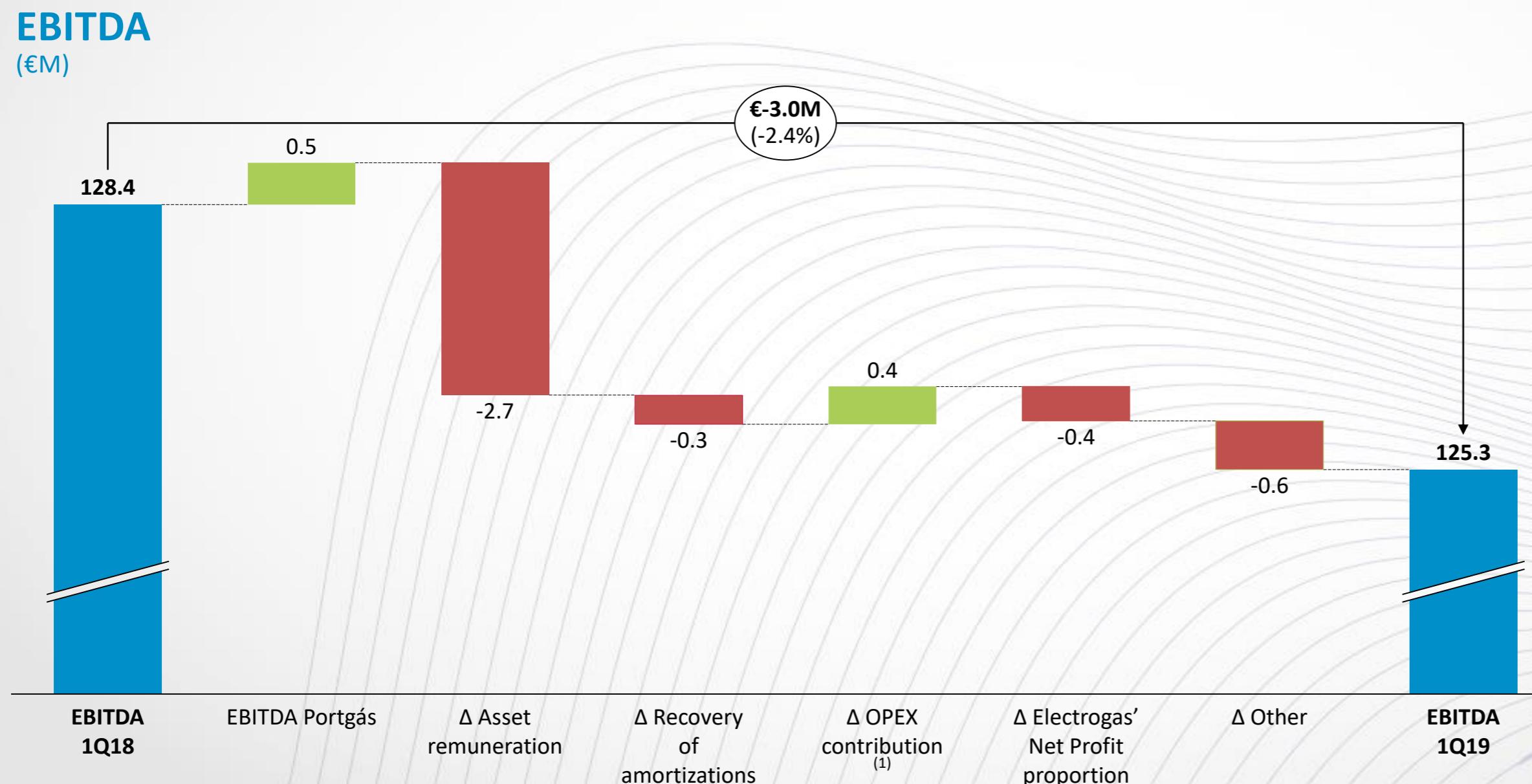


(1) ITC - Inter Transmission System Operator Compensation for Transits;

(2) Item related to Portgás.

EBITDA STOOD AT €125.3M (-2.4% YOY)

The decrease in the transmission business (-€3.5M) was partially offset by the growth in Portgás (€0.5M)



(1) Includes Δ€0.08M of OPEX own works.

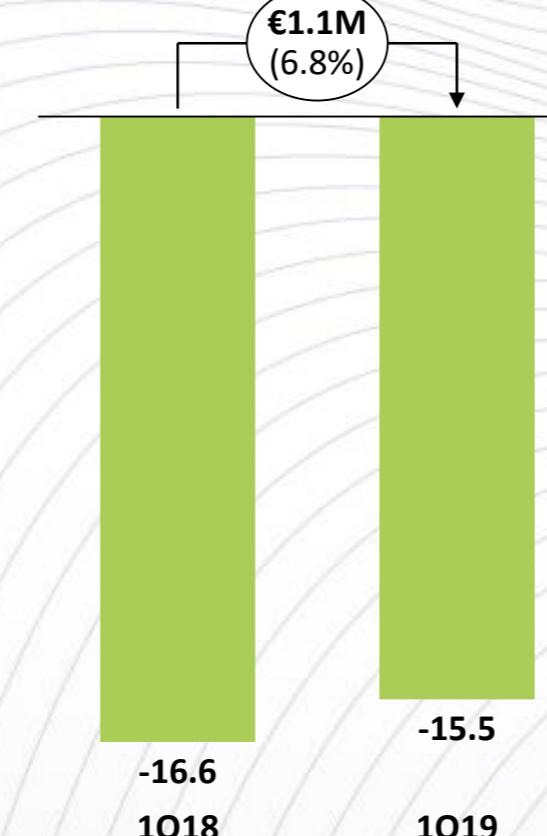
BELOW EBITDA

Better financials supported by a decline in Net Debt

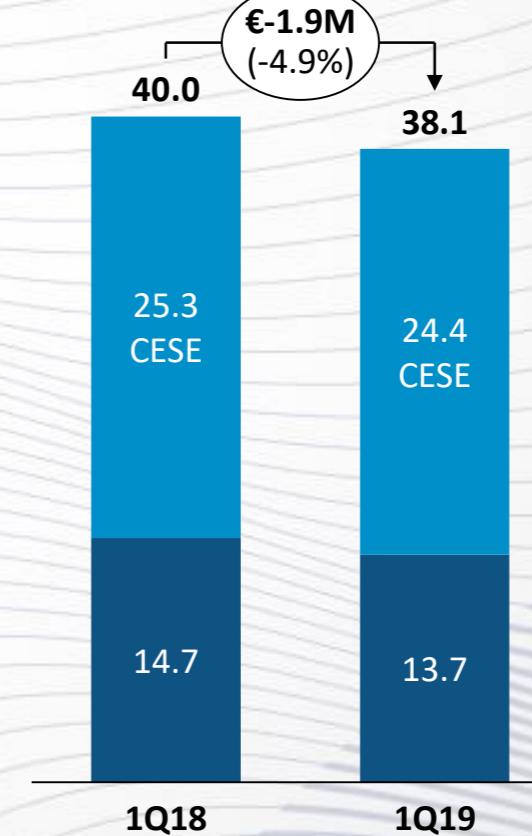
DEPRECIATIONS AND AMORTIZATIONS (€M)



FINANCIAL RESULTS⁽¹⁾ (€M)



TAXES⁽²⁾ (€M)



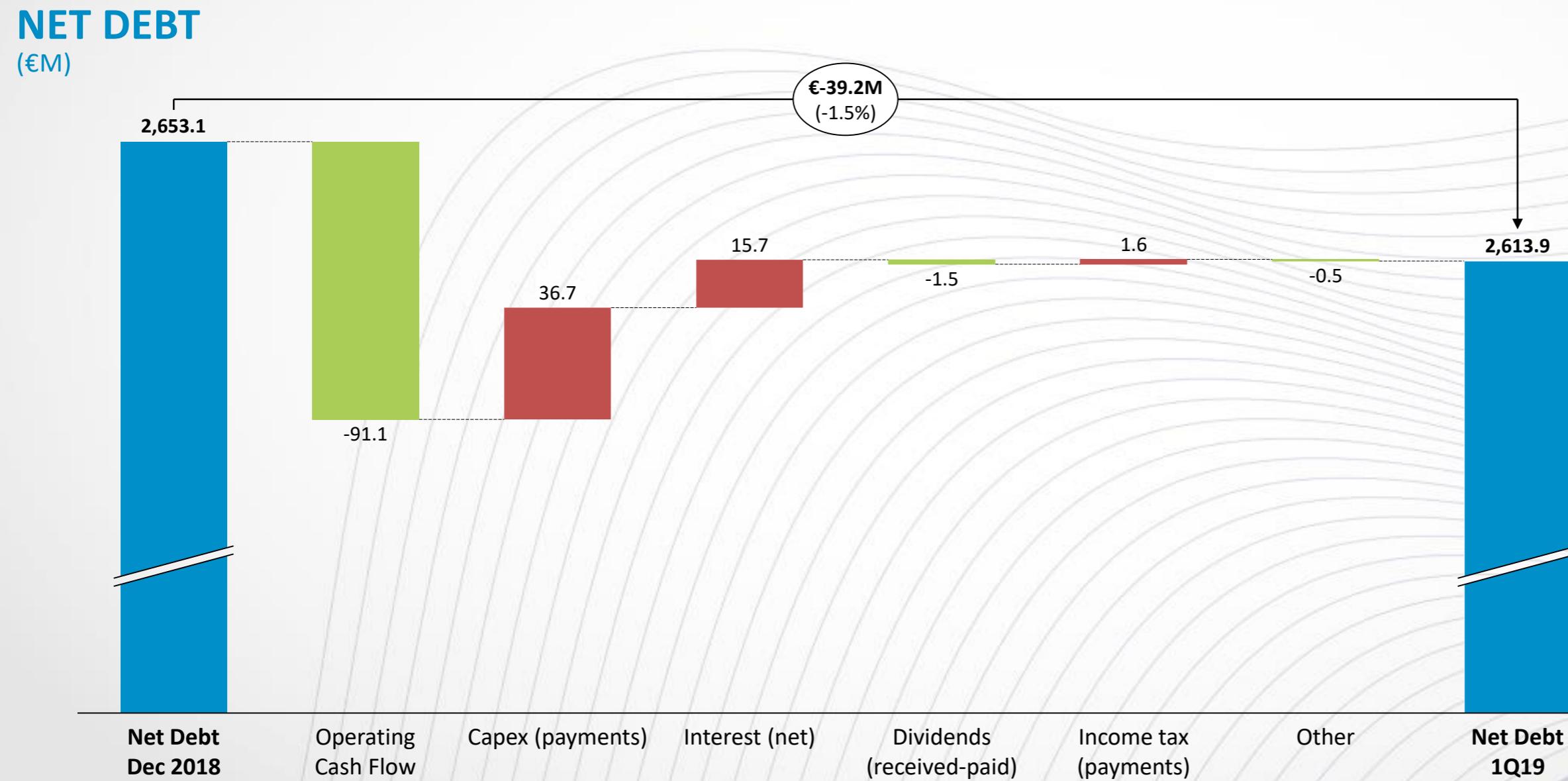
■ Transmission ■ Distribution

(1) The Average cost of debt remained stable at 2.3%;

(2) In 1Q19, without taking into account the special levy on the energy sector, the effective tax rate reached 26.6%, versus 27.7% in the previous year, which led to a €1.0M decrease in taxes.

NET DEBT DECREASED BY 1.5% TO €2,613.9M

Impacted by strong free cash flow

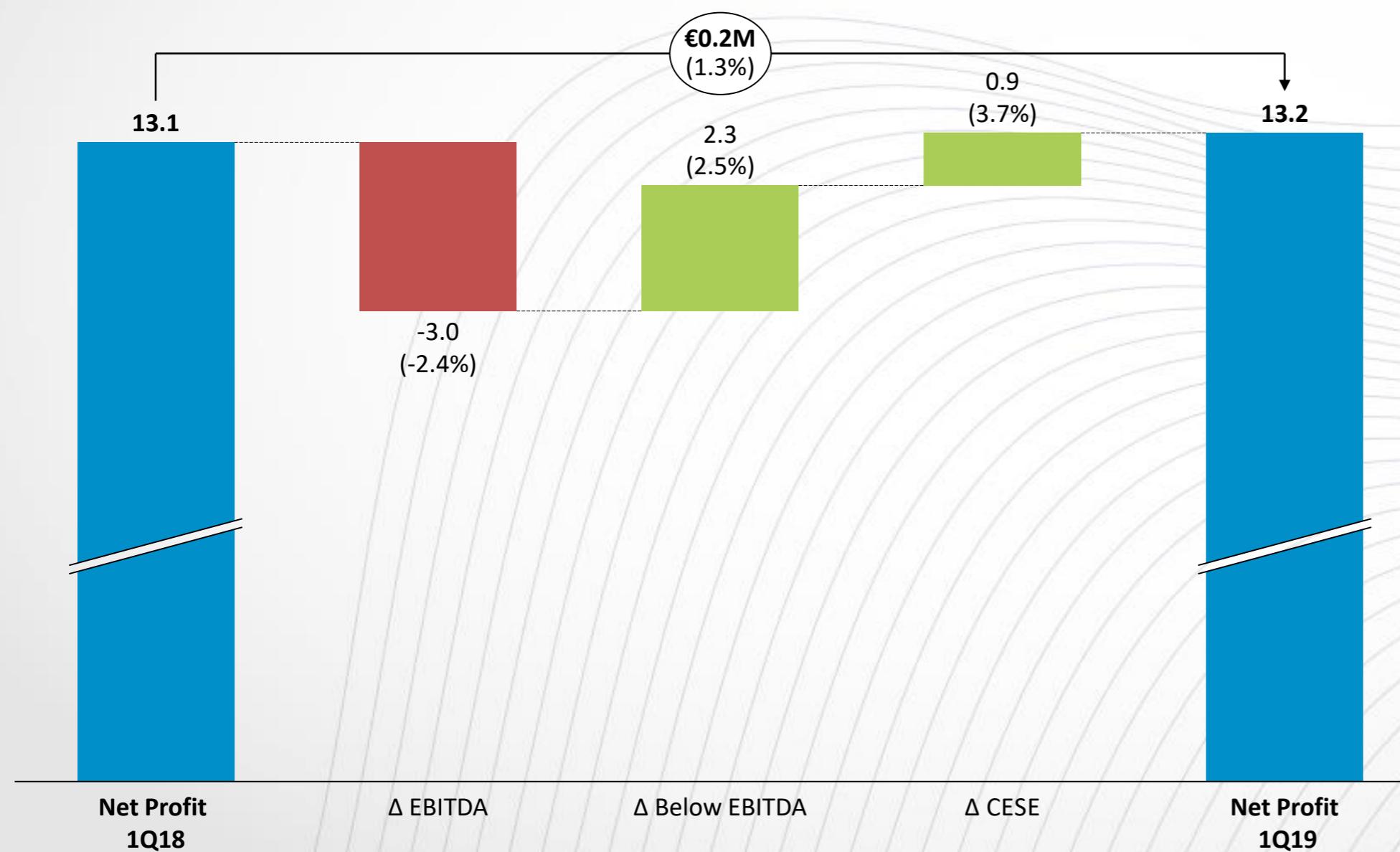


NET PROFIT ROSE BY 1.3%, ACHIEVING €13.2M

Financial Results contributed with €1.1M

NET PROFIT

(€M)



FINAL REMARKS

- ▶ The first quarter of 2019 was uneventful in terms of results. EBITDA was slightly below that of the same period of 2018, given the decrease in asset remuneration;
- ▶ The slowdown in operational results was offset by lower financials and lower taxes;
- ▶ Financial Results benefited from a smaller stock of debt (Net Debt went down by €29.8M year-on-year) and a slightly lower cost of debt, it went down from 2.30% to 2.27%;
- ▶ Both Portgás and Electrogas contributed positively to results and are performing according to plan;
- ▶ All in all Net Profit stood flat in comparison to the same period of 2018;
- ▶ On April 1st ERSE made public some parameters for the 2020-2023 gas regulatory framework. They propose that for an average ten-year bond yield of 1.5% the rate of return shall be 5%. The new rules will be set for four years instead of the former three;
- ▶ This morning REN's General Shareholders Meeting approved the payment of a dividend of €0.171 per share that will be paid within the next 30 days.

DISCLAIMER

This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute, or form part of, a public offer, private placement or solicitation of any kind by REN, or by any of REN's shareholders, to sell or purchase any securities issued by REN and its purpose is merely of informative nature and this presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation may not be used in the future in connection with any offer in relation to securities issued by REN without REN's prior consent.



Visit our web site at www.ren.pt
or contact us:

Ana Fernandes – Head of IR

Alexandra Martins

Telma Mendes

Av. EUA, 55

1749-061 Lisboa

Phone number: +351 210 013 546

ir@ren.pt

