

# RESULTS REPORT

1Q19

03<sup>rd</sup> MAY

REN 



# 1Q19 HIGHLIGHTS

## MAIN INDICATORS

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

- ▶ 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 INCREASED BY €2.9M TO €16.8M

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

## CAPEX and RAB

€M	1Q19	1Q18	Δ%	Δ Abs.
<b>Average RAB</b>	<b>3,743.0</b>	<b>3,877.8</b>	<b>-3.5%</b>	<b>-134.7</b>
Electricity	2,036.9	2,117.8	-3.8%	-80.9
Land	235.1	247.6	-5.1%	-12.6
Natural gas <sub>T</sub>	1,003.0	1,048.3	-4.3%	-45.3
Natural gas <sub>D</sub>	468.1	464.1	0.9%	4.0
<b>RAB end of period</b>	<b>3,718.1</b>	<b>3,856.9</b>	<b>-3.6%</b>	<b>-138.9</b>
Electricity	2,020.8	2,101.4	-3.8%	-80.6
Land	233.5	246.1	-5.1%	-12.6
Natural gas <sub>T</sub>	996.0	1,041.3	-4.3%	-45.3
Natural gas <sub>D</sub>	467.8	468.1	-0.1%	-0.4
<b>CAPEX</b>	<b>16.8</b>	<b>13.9</b>	<b>21.1%</b>	<b>2.9</b>
Electricity	12.1	8.7	39.1%	3.4
Natural gas <sub>T</sub>	1.0	1.3	-27.6%	-0.4
Natural gas <sub>D</sub>	3.7	3.8	-2.6%	-0.1
Other	0.0	0.0		0.0
<b>RAB variation e.o.p.</b>	<b>-49.6</b>	<b>-41.7</b>		
Electricity	-31.9	-32.8		
Land	-3.1	-3.1		
Natural gas <sub>T</sub>	-14.0	-13.9		
Natural gas <sub>D</sub>	-0.6	8.1		

- ▶ CAPEX rose to €16.8M, €2.9M more than in 1Q18, with higher investments being deployed in the electricity business;
- ▶ Within the scope of electricity transmission infrastructures, one new 400 kV line bay was concluded at the Tavira substation to link the Solara 4 photovoltaic park;
- ▶ Within Natural Gas transportation and storage, investment was mainly focused on the refurbishment of equipment;
- ▶ Investments in Portgás targeted network expansion and densification, mostly for B2C.

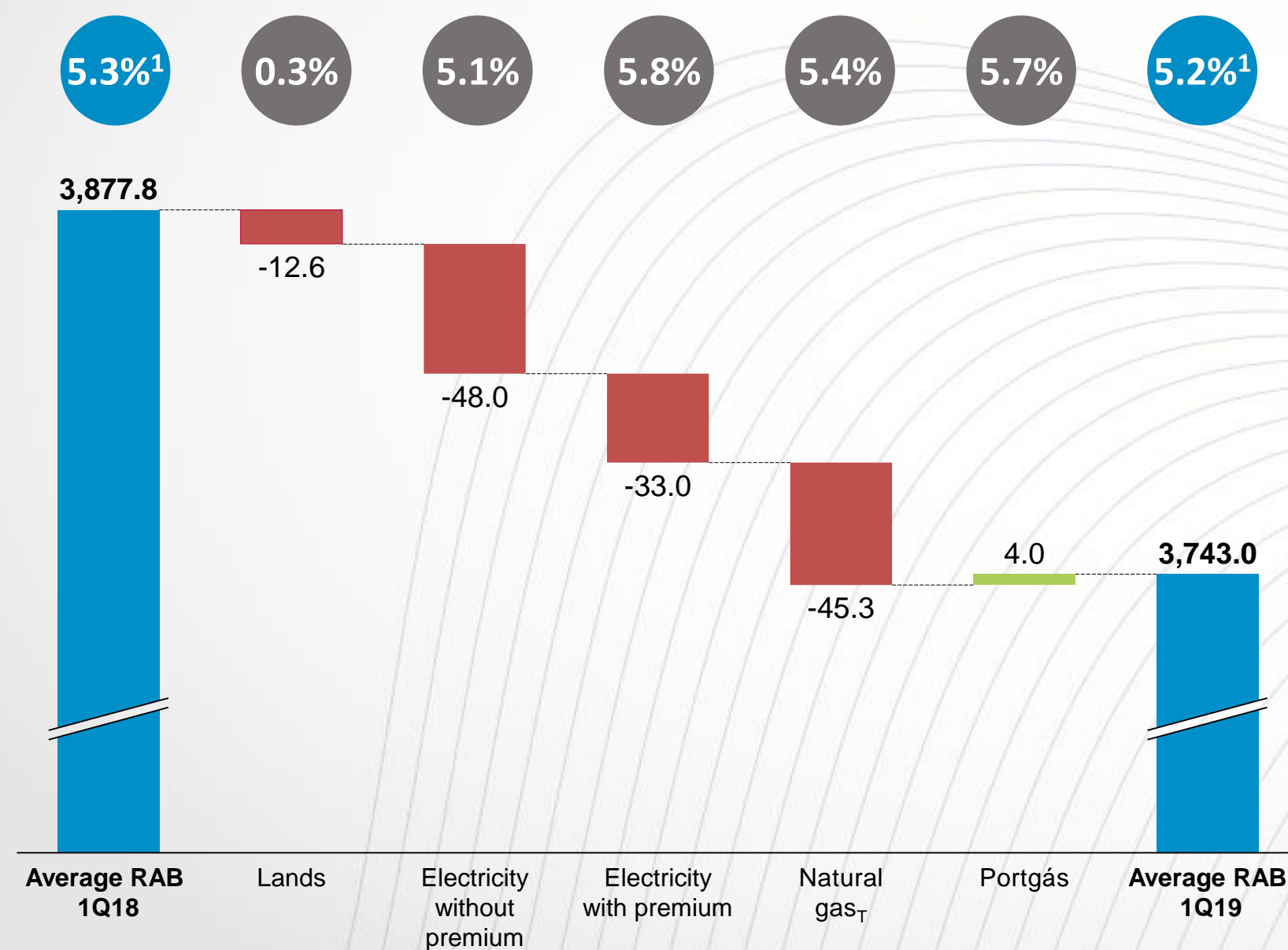
Note: T - Transmission; D - Distribution.



# AVERAGE RAB WAS 3.5% BELOW 1Q18

Positive evolution of Portgás (€4.0M)

(€M)



▶ Average RAB decreased by €134.7M year-on-year, penalized by the negative trend of natural gas transportation and electricity transmission;

▶ In the electricity transmission, the base rate of return (RoR) decreased by 0.1p.p. to 5.1%. The electricity with premium declined by €33.0M YoY, while lands, the category with the lowest RoR (0.3%), was down by €12.6M to €235.1M;

▶ In natural gas transportation, the average RAB decreased by €45.3M (RoR 5.4%) to €1,003.0M. On April 1<sup>st</sup> ERSE made public some parameters for the 2020-2023 gas regulatory framework. They proposed that for an average ten-year bond yield of 1.5% the rate of return shall be 5.0%. The new rules will be set for four years instead of the former three;

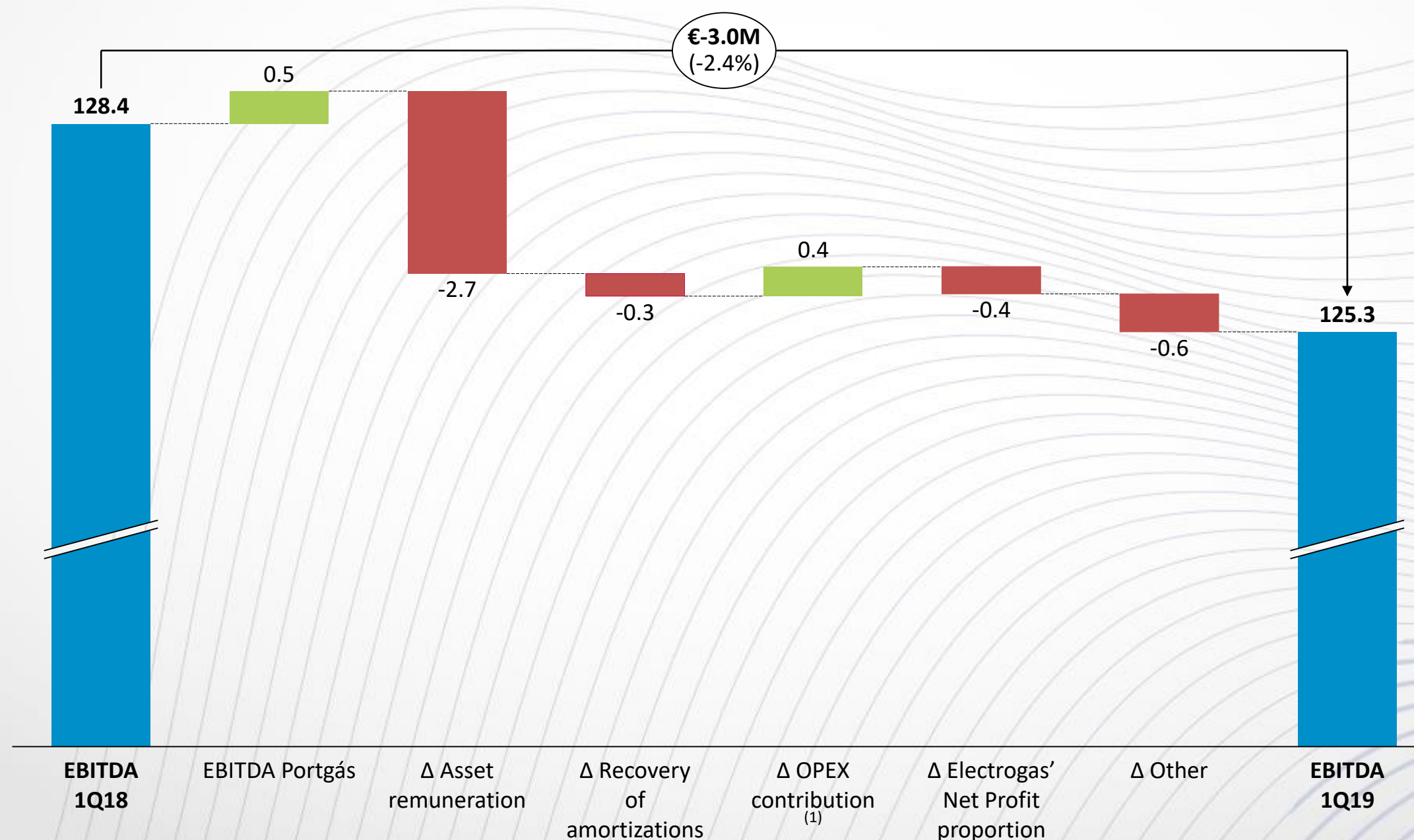
▶ By year-end, electricity accounted for 54.4% of the average RAB, natural gas for 39.3% (Portgás included) and lands for the remaining 6.3%.

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

# 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)

## EBITDA (€M)



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

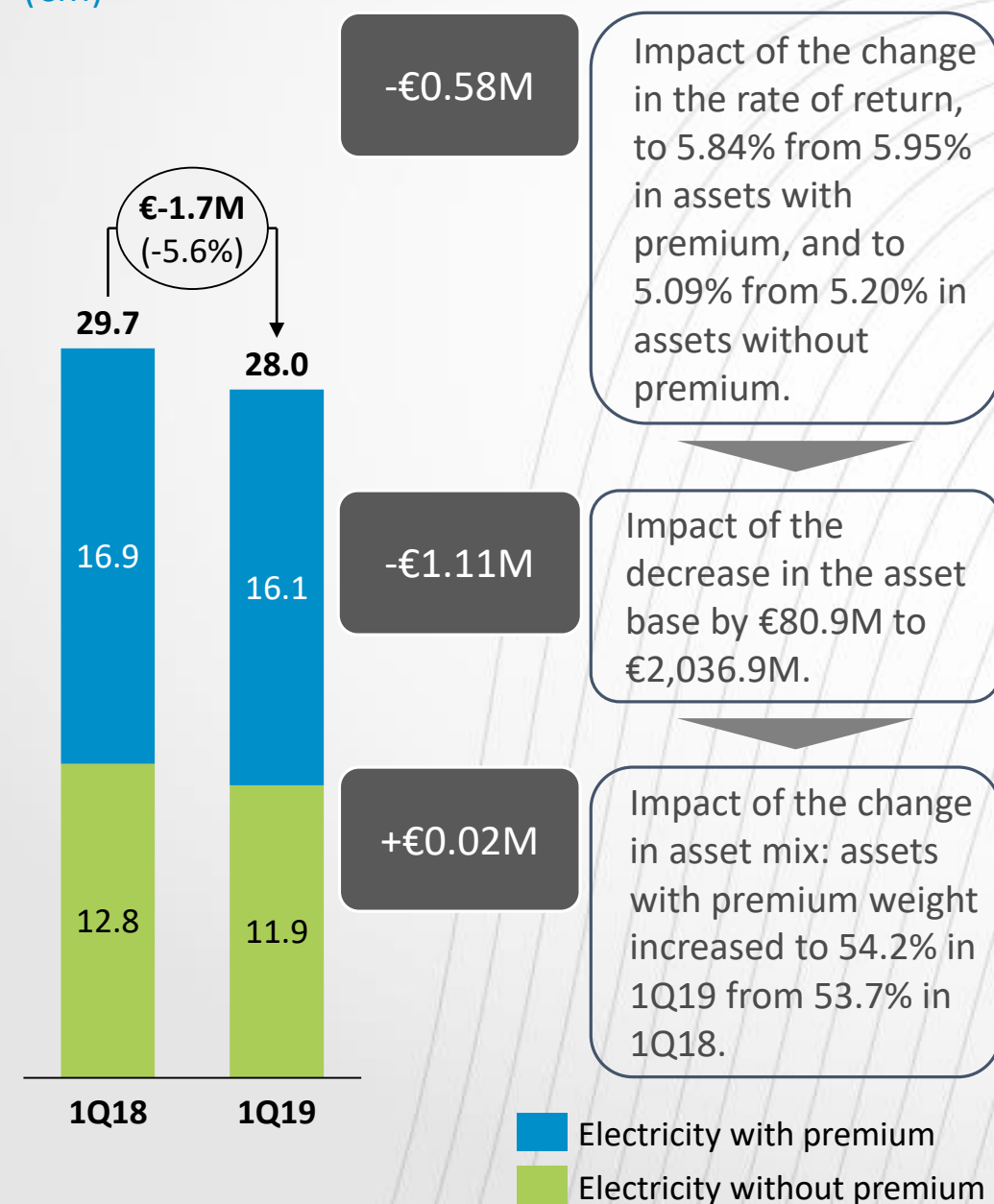


# RAB REMUNERATION DECLINED BY 5.4%

With lower RoR and RAB (Electricity and NG<sub>T</sub>)

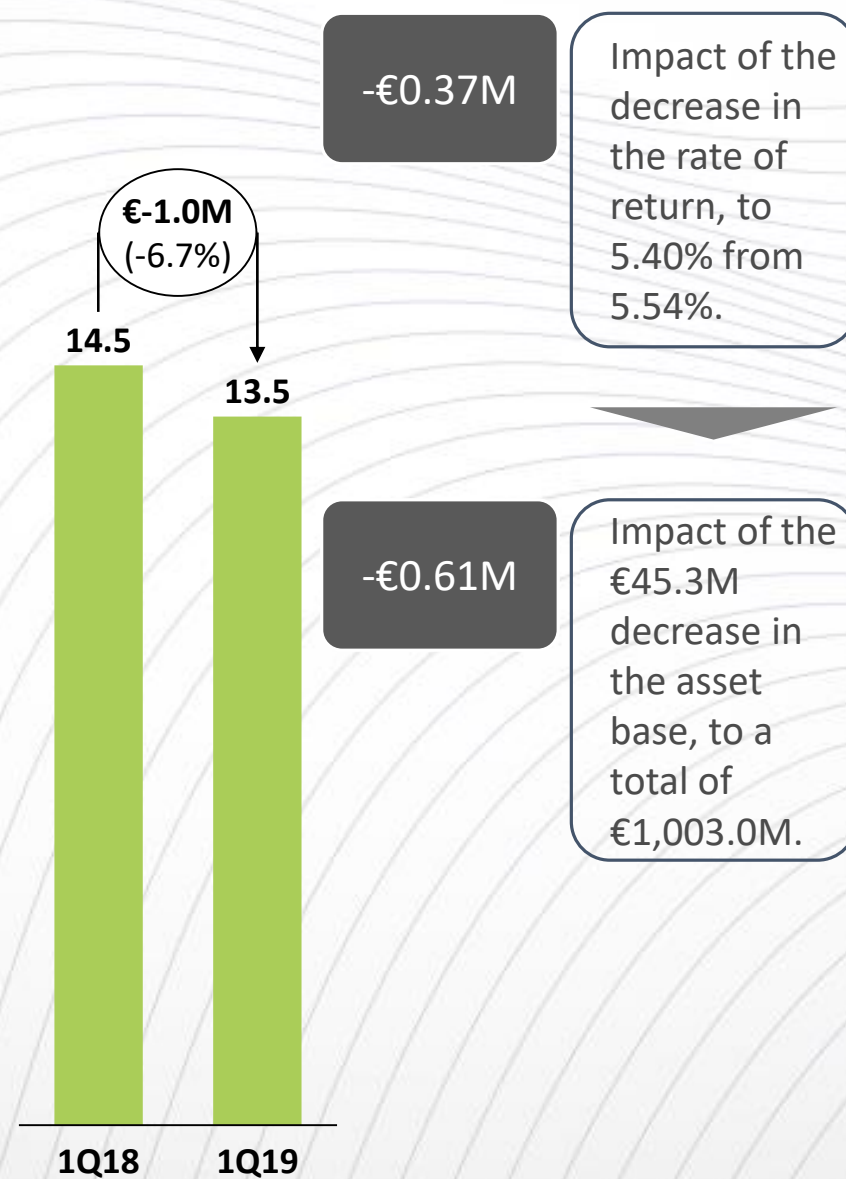
## RAB REMUNERATION ELECTRICITY

(ex. Lands)  
(€M)



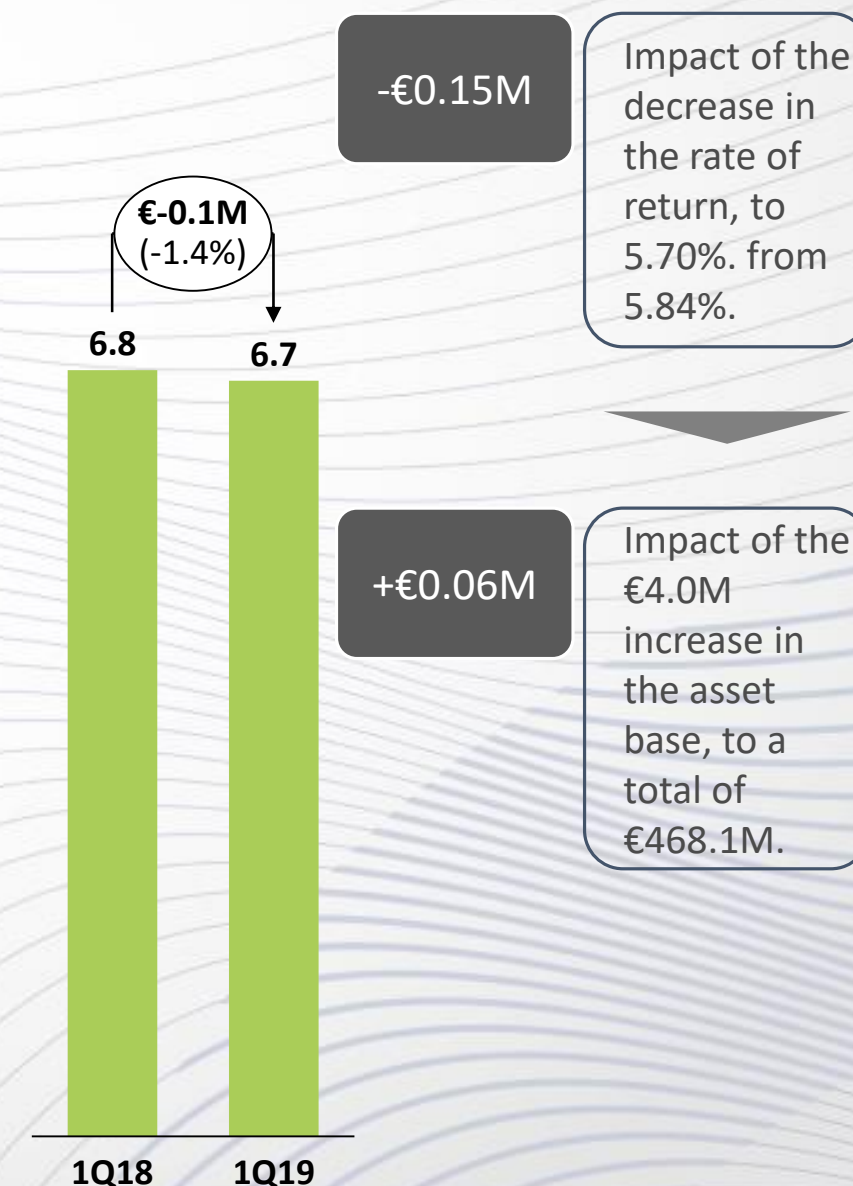
## RAB REMUNERATION NATURAL GAS<sub>T</sub>

(€M)



## RAB REMUNERATION PORTGÁS

(€M)

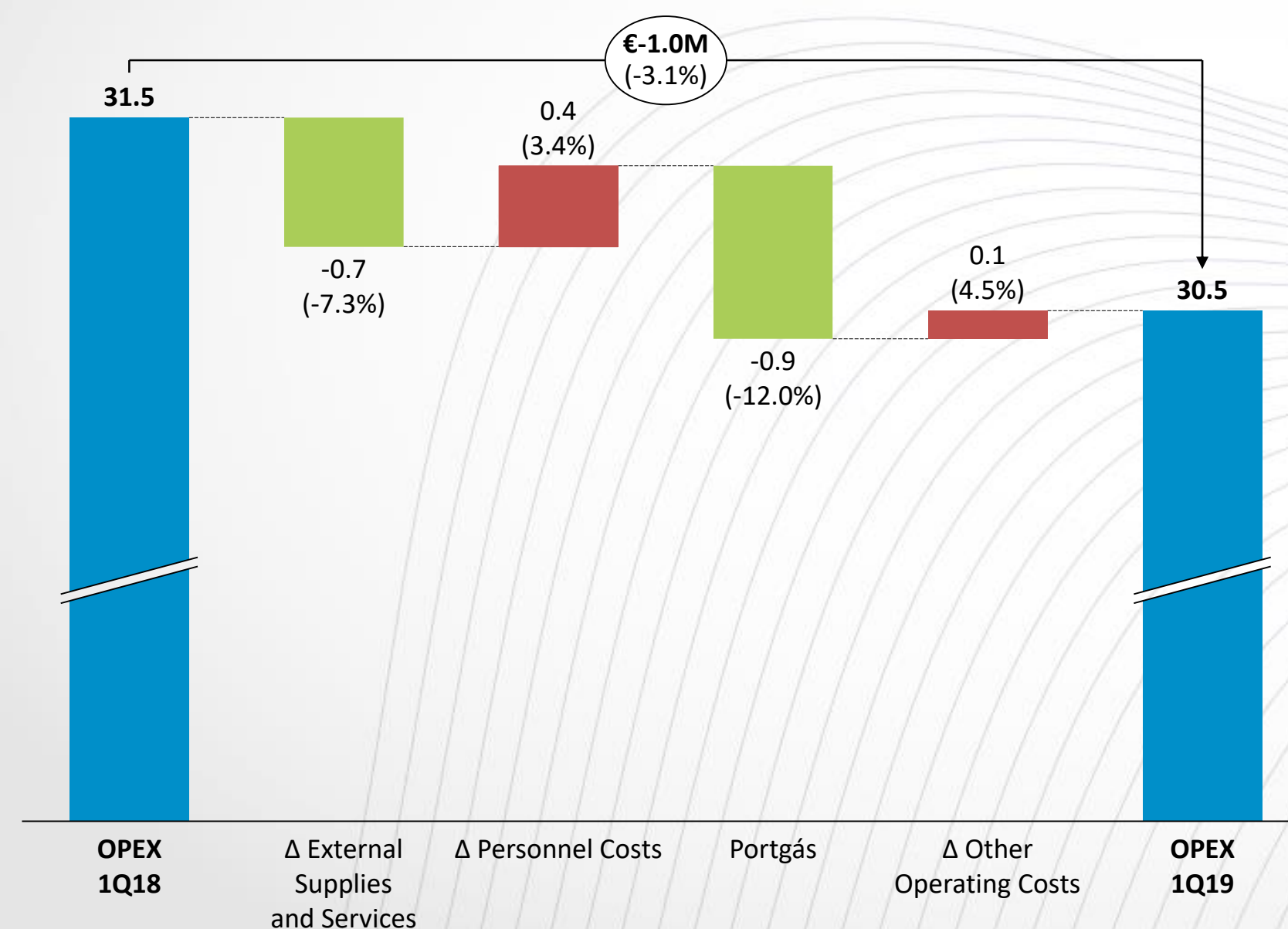


# OPEX IMPROVED BY 3.1%, TO €30.5M

On the back of a small reduction in ESS

## OPERATIONAL COSTS

(€M)



▶ Regarding the transmission business, OPEX variation was positively impacted by the €0.7M decrease in ESS;

▶ Regarding natural gas distribution business, OPEX variation was positively impacted by ESS (-€0.6M), Personnel Costs (-€0.2M) and OOC (-€0.05M).



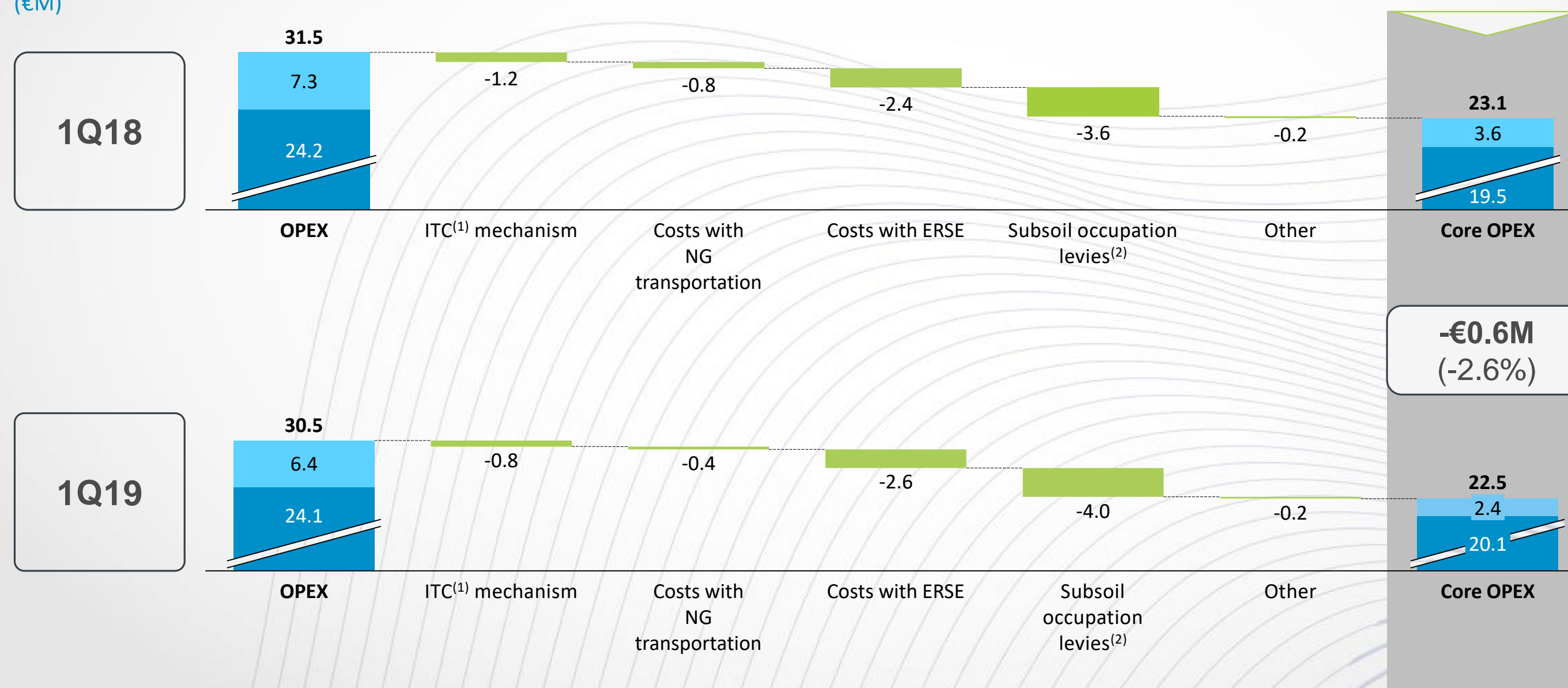
# CONTROLLABLE COSTS DECLINED BY 2.6% YOY

Mainly driven by the favorable evolution of Portgás

## CORE OPEX

(€M)

■ Distribution ■ Transmission



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

(2) Item related to Portgás.



# BELOW EBITDA

## Better financials supported by a decline in Net Debt

€M	1Q19	1Q18	Δ%	Δ Abs.
<b>EBITDA</b>	<b>125.3</b>	<b>128.4</b>	<b>-2.4%</b>	<b>-3.0</b>
<b>Depreciations and amortizations</b>	<b>58.5</b>	<b>58.7</b>	<b>-0.2%</b>	<b>-0.1</b>
<b>Financial Results</b>	<b>-15.5</b>	<b>-16.6</b>	<b>6.8%</b>	<b>1.1</b>
<b>Profit before income tax and levy</b>	<b>51.3</b>	<b>53.1</b>	<b>-3.3%</b>	<b>-1.8</b>
<b>Taxes</b>	<b>13.7</b>	<b>14.7</b>	<b>-6.8%</b>	<b>-1.0</b>
<b>Extraordinary levy</b>	<b>24.4</b>	<b>25.3</b>	<b>-3.7%</b>	<b>-0.9</b>
<b>Net Profit</b>	<b>13.2</b>	<b>13.1</b>	<b>1.3%</b>	<b>0.2</b>
<b>Recurrent Net Profit</b>	<b>37.6</b>	<b>38.4</b>	<b>-2.0%</b>	<b>-0.8</b>

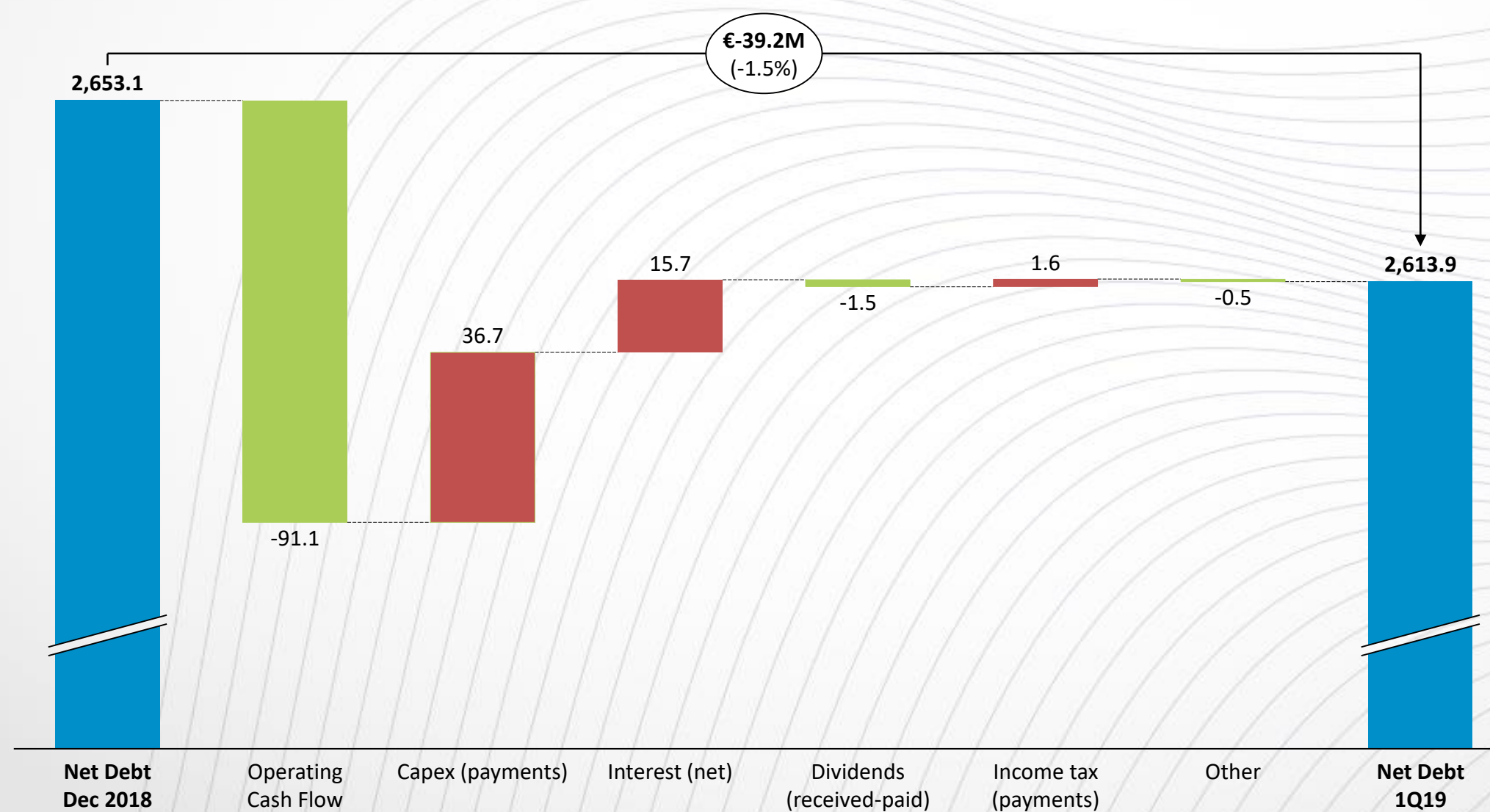
- ▶ Depreciations and amortizations decreased by 0.2% to €58.5M;
- ▶ Income Tax declined by 6.8%, achieving €13.7M. The effective tax rate, excluding the levy, was 26.6% while in 1Q18 it was 27.7%;
- ▶ Extraordinary levy (CESE) also decreased by 3.7% to €24.4M, as a result of the reduction in the levied regulated assets;
- ▶ In 1Q19, the Group was taxed at a Corporate Income Tax rate of 21%, increased by a municipal surcharge up to the maximum of 1.5% over the taxable profit; plus (i) a State surcharge of an additional 3% of taxable profit between €1.5M and €7.5M; (ii) an additional 5% of taxable profit in excess of €7.5M and up to €35.0M; and (iii) 9% over the taxable profit in excess of €35.0M. As a result, the maximum aggregate tax rate was 31.5%;
- ▶ Average cost of debt slightly decreased to 2.27%, from 2.30% in 1Q18;
- ▶ Similarly to the previous years Financial Results improved by 6.8%, benefiting from lower stock.



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

Impacted by strong free cash flow

## NET DEBT (€M)

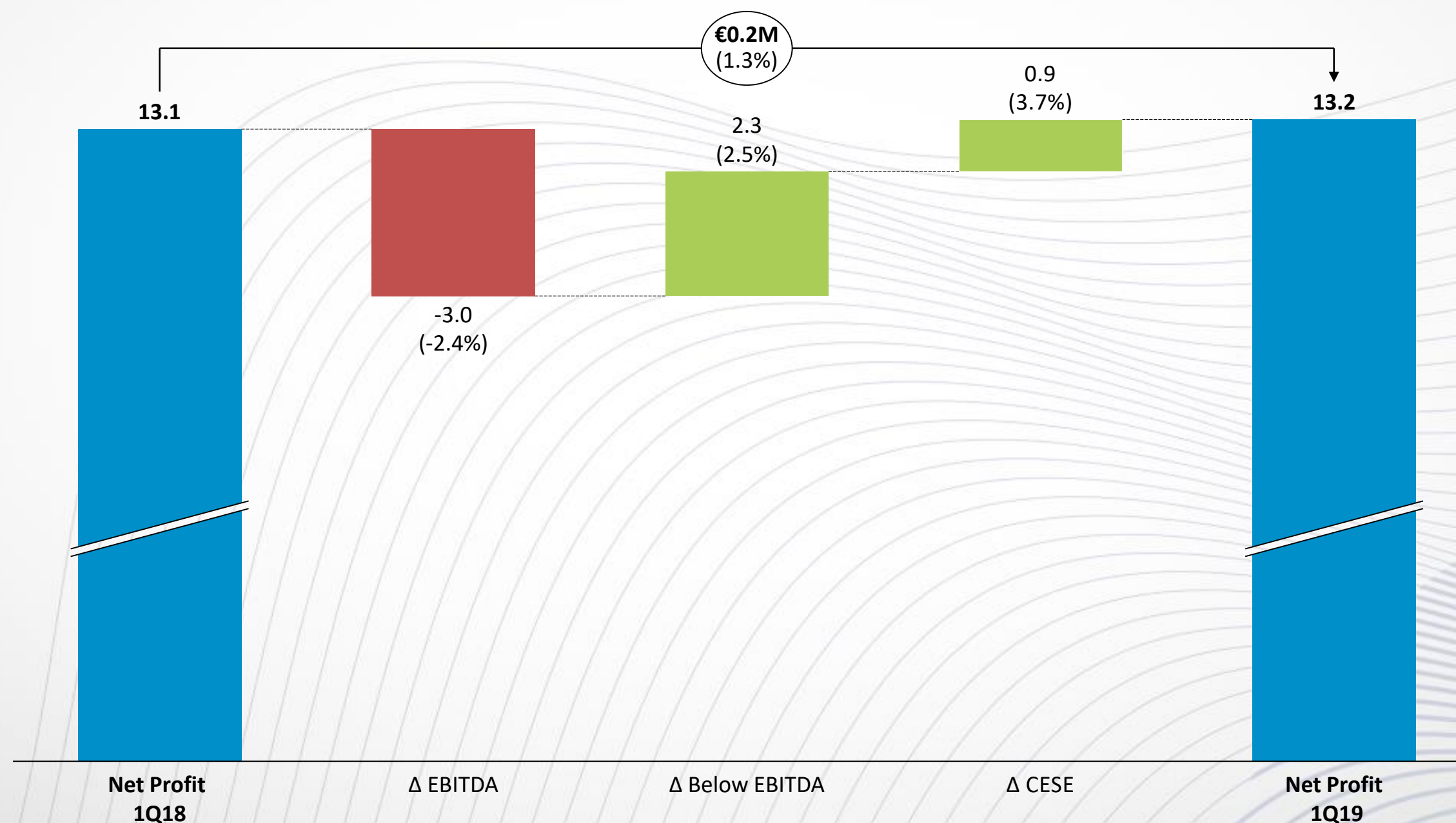




# NET PROFIT ROSE BY 1.3%, ACHIEVING €13.2M

Financial Results contributed with €1.1M

## NET PROFIT (€M)

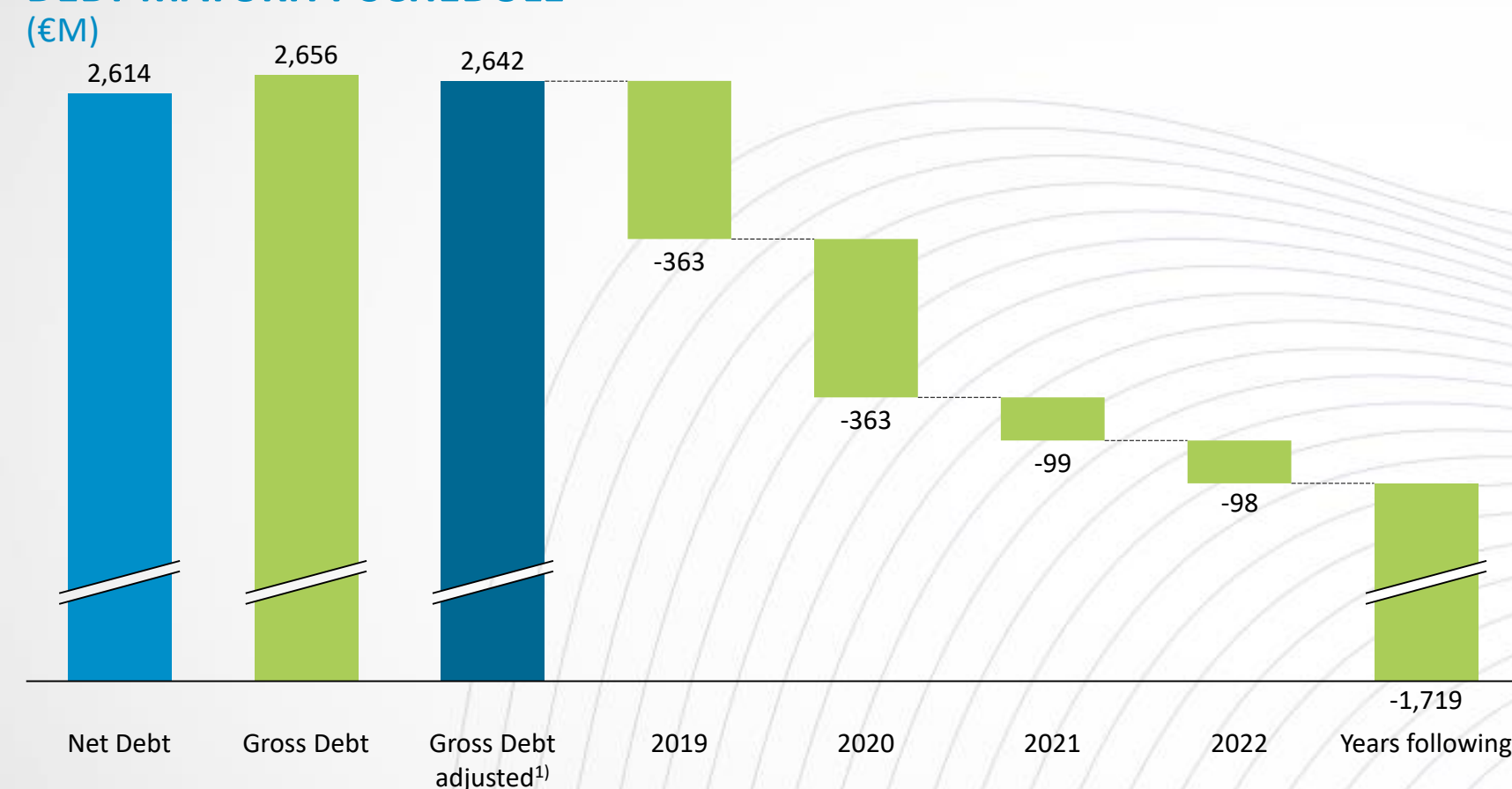




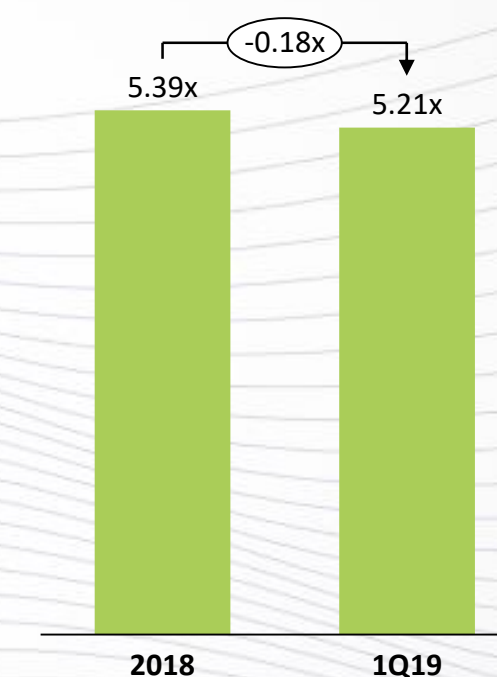
# REN IS FUNDED OVER THE NEXT TWO YEARS

The average debt maturity at the end of the period was 4.24 years

## DEBT MATURITY SCHEDULE



## Net Debt / EBITDA



- ▶ In 1Q19, the cost of REN's debt stood at 2.3% due to improvements in market conditions and REN's own risk profile that warrants its debt as investment grade by the three major rating agencies: S&P, Fitch and Moody's.

1) Value adjusted by interest accruals and hedging on yen denominated debt.



# BALANCE SHEET

€M	1Q19	2018
Fixed assets c. related	4,031.5	4,072.9
Investments and goodwill <sup>1</sup>	357.3	355.3
Tariff deviations	150.0	160.8
Receivables <sup>2</sup>	534.3	444.4
Cash	20.5	35.7
Other <sup>3</sup>	121.8	122.4
<b>Total assets</b>	<b>5,215.6</b>	<b>5,191.6</b>
Shareholders equity	1,472.7	1,463.8
Debt (end of period)	2,656.3	2,706.3
Provisions	8.8	8.9
Tariff deviations	118.2	120.4
Payables <sup>4</sup>	842.4	780.9
Other <sup>5</sup>	117.1	111.2
<b>Total equity and liabilities</b>	<b>5,215.6</b>	<b>5,191.6</b>

- ▶ The total amount of *fixed assets concessions related* declined to €4,031.5M (this value includes investment subsidies);
- ▶ *Investments and goodwill* (1) increased to €357.3M from €355.3M at the end of 2018. This item includes goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates (including Electrogas) and other investments;
- ▶ *Receivables* (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €534.3M in 1Q19, increasing from €444.4M at the end of 2018;
- ▶ *Other Assets* (3) stood at €121.8M. This item consists of inventories, guarantee deposits, fixed assets and assets in progress (not RAB related);
- ▶ *Payables* (4) include trade and other payables, deferred tax liabilities and income tax payable. These totaled €842.4M at the end of the period, versus €780.9M in 2018;
- ▶ *Other liabilities* (5) stood at €117.1M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€111.2M in 2018).

# THE BALANCE OF TARIFF DEVIATIONS WAS €57.0M

To be received from tariffs over the next two years

## TARIFF DEVIATIONS

€M	1Q19	2018
Electricity <sup>1)</sup>	13.6	16.6
Trading	115.3	128.0
Natural Gas <sub>T</sub> <sup>2)</sup>	-64.7	-71.5
Natural Gas <sub>D</sub>	-7.2	-1.1
<b>TOTAL</b>	<b>57.0</b>	<b>72.0</b>

► The value of the tariff deviations is paid in full and with interest over a two year period from the moment it is created.

1) Value adjusted to include the amount to be received from the Fund for the Systemic Sustainability of the Energy Sector (FSSSE): €25.8M in 2018 and €19.3M in 1Q19;

2) Value adjusted to include the amount to be received from the FSSSE: €5.8M in 2018 and in 1Q19.



# DIVERSIFIED FUNDING SOURCES

## BORROWINGS

€M	Current	Non Current	TOTAL
Bonds	30.0	1,712.5	<b>1,742.5</b>
Bank borrowings	50.2	555.7	<b>605.8</b>
Commercial paper	312.0	0.0	<b>312.0</b>
Bank overdrafts	0.3	0.0	<b>0.3</b>
Finance lease	1.3	2.5	<b>3.9</b>
<b>TOTAL</b>	<b>393.9</b>	<b>2,270.7</b>	<b>2,664.6</b>
Accrued interest	19.1	0.0	<b>19.1</b>
Prepaid interest	-6.2	-21.2	<b>-27.3</b>
<b>TOTAL</b>	<b>406.7</b>	<b>2,249.6</b>	<b>2,656.3</b>

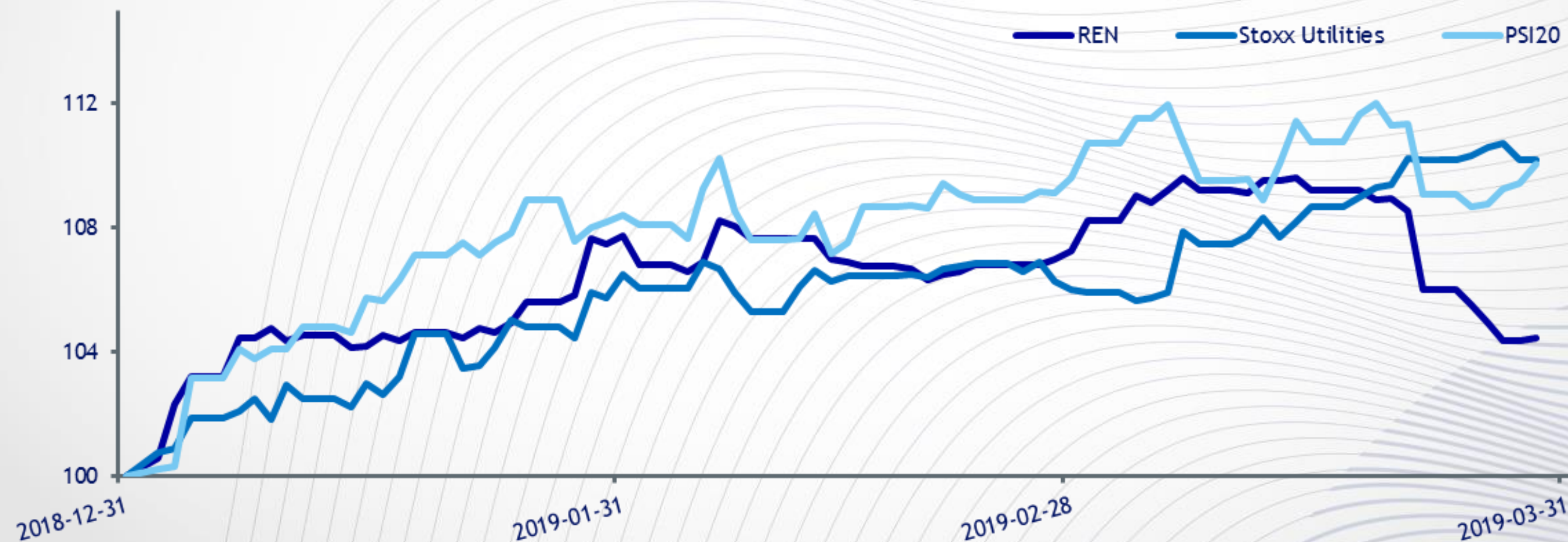
- ▶ In 1Q19, REN's total liquidity reached €894M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ Bank borrowings were mainly represented by EIB loans (€410.8M);
- ▶ The Group had credit lines negotiated and not used in the amount of €87.5M, maturing up to one year, which are automatically renewed periodically (if they are not resigned in the contractually specified period for that purpose);
- ▶ REN also had five active commercial paper programmes in the amount of €1,050M, of which €738M were available for use;
- ▶ REN's financial liabilities had the following main types of covenants: Cross Default, *Pari Passu*, Negative Pledge and Gearing (ratio of total consolidated equity with the total consolidated regulated assets).



# SHARE PERFORMANCE

In 1Q19, REN's share price increased by 4.4% YTD

## ANNUALIZED CLOSING PRICES

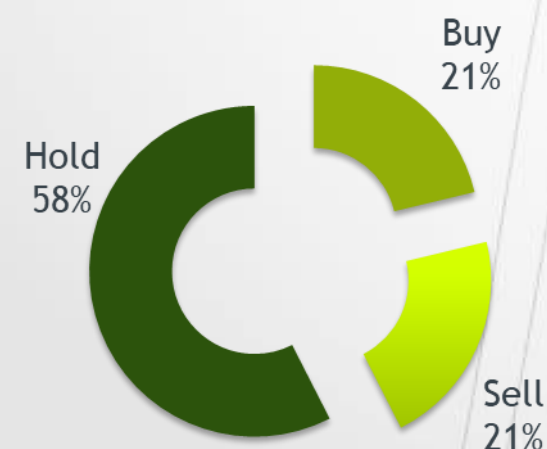




# MARKET INFORMATION

## ANALYST RECOMMENDATIONS<sup>(1)</sup>

- ▶ Average Price target  
**€2.63**
- ▶ Upside/Downside(+/-)  
**8.5%**



## CMVM: MAIN PRESS RELEASES (from January 2019)

- ▶ Jan-04: 2018-2027 PDIRGN Approval
- ▶ Jan-07: 2019 Financial calendar
- ▶ Jan-10: Constitutional Court decision regarding Special Energy Levy
- ▶ Jan-21: Summary of annual information disclosed in 2018
- ▶ Feb-13: Qualified shareholding from Great-West Lifeco
- ▶ Feb-19: 2018-2027 PDIRT-E Approval
- ▶ Mar-08: Qualified shareholding from The Capital Group Companies
- ▶ Mar-21 : 2018 Consolidated results

1) April 17<sup>th</sup>, 2019.

# REN'S TOTAL SHAREHOLDER RETURN WAS +4.4% (YTD)



REN END OF PERIOD	1Q19	2018
<b>Price (€)</b>		
Close	2.542	2.434
Average	2.593	2.458
High YTD	2.668	2.650
Low YTD	2.448	2.326
<i>Variation YTD</i>	4.4%	-1.8%
Market cap. (€M)	1,696	1,624
Number of shares	667,191,262	667,191,262
Own shares (mn)	3.9	3.9
Average Daily Volume (€M)	1.6	2.4
Average Daily Volume (th shares)	617	959
<b>Performance indicators</b>		
Dividend yield	6.7%	7.0%
Total shareholder return YTD	4.4%	5.0%
Cumulative total return*		
REN	93.8%	85.6%
PSI20	-39.5%	-45.1%
EuroStoxx Utilities	4.3%	-6.5%

\*Inception to date (July 09<sup>th</sup> 2007).



REN



# APPENDIX



# RESULTS BREAKDOWN

€M	1Q19	1Q18	2018	1Q19/1Q18 Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>168.3</b>	<b>169.5</b>	<b>726.9</b>	<b>-0.7%</b>	<b>-1.2</b>
Revenues from assets	111.9	114.2	455.3	-2.0%	-2.3
Return on RAB	48.2	51.0	200.6	-5.4%	-2.7
Electricity	28.0	29.7	116.5	-5.6%	-1.7
Natural gas	13.5	14.5	57.1	-6.7%	-1.0
Portgás	6.7	6.8	27.0	-1.4%	-0.1
Hydro land remuneration	0.0	0.1	0.0		-0.1
Lease revenues from hydro protection zone	0.2	0.2	0.7	-1.2%	0.0
Economic efficiency of investments	6.3	5.4	23.6	15.8%	0.9
Recovery of amortizations (net from subsidies)	52.8	53.1	212.4	-0.5%	-0.3
Subsidies amortization	4.5	4.5	17.9	-0.9%	0.0
<b>Revenues of OPEX</b>	<b>33.4</b>	<b>33.6</b>	<b>121.1</b>	<b>-0.6%</b>	<b>-0.2</b>
<b>Other revenues</b>	<b>6.2</b>	<b>7.8</b>	<b>28.6</b>	<b>-21.4%</b>	<b>-1.7</b>
<b>Construction revenues (IFRIC 12)</b>	<b>16.8</b>	<b>13.9</b>	<b>121.8</b>	<b>21.1%</b>	<b>2.9</b>
<b>2) OPEX</b>	<b>30.5</b>	<b>31.5</b>	<b>131.3</b>	<b>-3.1%</b>	<b>-1.0</b>
Personnel costs	13.6	13.4	55.8	1.6%	0.2
External supplies and services	9.4	10.7	58.2	-11.9%	-1.3
Other operational costs	7.5	7.4	17.3	1.3%	0.1
<b>3) Construction costs (IFRIC 12)</b>	<b>12.3</b>	<b>9.7</b>	<b>102.4</b>	<b>27.8%</b>	<b>2.7</b>
4) Depreciations and amortizations	58.5	58.7	235.1	-0.2%	-0.1
5) Other	0.1	0.0	0.9		0.1
<b>6) EBIT</b>	<b>66.8</b>	<b>69.7</b>	<b>257.2</b>	<b>-4.2%</b>	<b>-2.9</b>
7) Depreciations and amortizations	58.5	58.7	235.1	-0.2%	-0.1
<b>8) EBITDA</b>	<b>125.3</b>	<b>128.4</b>	<b>492.3</b>	<b>-2.4%</b>	<b>-3.0</b>
9) Depreciations and amortizations	58.5	58.7	235.1	-0.2%	-0.1
10) Financial result	-15.5	-16.6	-57.8	6.8%	1.1
11) Income tax expense	13.7	14.7	58.5	-6.8%	-1.0
12) Extraordinary contribution on energy sector	24.4	25.3	25.3	-3.7%	-0.9
<b>13) NET PROFIT</b>	<b>13.2</b>	<b>13.1</b>	<b>115.7</b>	<b>1.3%</b>	<b>0.2</b>
14) Non recurrent items*	24.4	25.3	21.5	-3.7%	-0.9
<b>15) RECURRENT NET PROFIT</b>	<b>37.6</b>	<b>38.4</b>	<b>137.2</b>	<b>-2.0%</b>	<b>-0.8</b>

## \* NON RECURRENT ITEMS:

**1Q19:** i) Extraordinary energy sector levy, as established in the 2019 State budget law (€24.4M);

**1Q18:** i) Extraordinary energy sector levy, as established in the 2018 State budget law (€25.3M).



# OTHER OPERATIONAL REVENUES AND COSTS BREAKDOWN

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>Other revenues</b>	<b>6.2</b>	<b>7.8</b>	<b>28.6</b>	<b>-21.4%</b>	<b>-1.7</b>
Allowed incentives	0.7	2.2	2.9	-69.3%	-1.5
Interest on tariff deviation	0.1	0.1	0.0	56.3%	0.0
Gains in related companies	0.0	0.0	4.0		0.0
Telecommunication sales and services rendered	1.5	1.6	6.1	-3.8%	-0.1
Consultancy services and other services provided	0.1	1.3	3.0	-89.4%	-1.2
Other revenues*	3.7	2.7	12.5	38.6%	1.0
<b>Other costs</b>	<b>7.5</b>	<b>7.4</b>	<b>17.3</b>	<b>1.3%</b>	<b>0.1</b>
Costs with ERSE	2.6	2.4	7.2	5.0%	0.1
Other	4.9	4.9	10.0	-0.5%	0.0

\*Includes revenues related to Electrogas' Net Profit proportion (€1.9M in 1Q19 and €1.4M in 1Q18).

# EBITDA BREAKDOWN (ELECTRICITY<sup>1</sup>)

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>102.7</b>	<b>101.6</b>	<b>451.0</b>	<b>1.1%</b>	<b>1.1</b>
<b>Revenues from assets</b>	<b>73.0</b>	<b>74.2</b>	<b>296.6</b>	<b>-1.6%</b>	<b>-1.2</b>
Return on RAB	28.0	29.7	116.5	-5.6%	-1.7
Hydro land remuneration	0.0	0.1	0.0		-0.1
Lease revenues from hydro protection zone	0.2	0.2	0.7	-1.2%	0.0
Economic efficiency of investments	6.3	5.4	23.6	15.8%	0.9
Recovery of amortizations (net from subsidies)	35.6	35.9	143.7	-0.7%	-0.3
Subsidies amortization	3.0	3.0	12.1	-1.3%	0.0
<b>Revenues of OPEX</b>	<b>16.7</b>	<b>17.1</b>	<b>64.5</b>	<b>-2.1%</b>	<b>-0.4</b>
<b>Other revenues</b>	<b>0.9</b>	<b>1.6</b>	<b>4.3</b>	<b>-44.7%</b>	<b>-0.7</b>
Interest on tariff deviation	0.0	0.1	0.4	-61.7%	-0.1
Other	0.8	1.5	3.9	-43.6%	-0.6
<b>Construction revenues (IFRIC 12)</b>	<b>12.1</b>	<b>8.7</b>	<b>85.6</b>	<b>39.1%</b>	<b>3.4</b>
<b>2) OPEX</b>	<b>10.5</b>	<b>10.6</b>	<b>52.6</b>	<b>-0.5%</b>	<b>0.0</b>
Personnel costs	4.4	4.6	19.1	-3.3%	-0.2
External supplies and services	4.1	4.1	25.8	0.8%	0.0
Other operational costs	2.0	1.9	7.7	3.6%	0.1
<b>3) Construction costs (IFRIC 12)</b>	<b>8.7</b>	<b>5.4</b>	<b>70.9</b>	<b>60.6%</b>	<b>3.3</b>
<b>4) Depreciations and amortizations</b>	<b>38.5</b>	<b>38.8</b>	<b>155.4</b>	<b>-0.8%</b>	<b>-0.3</b>
<b>5) Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>		<b>0.0</b>
<b>6) EBIT (1-2-3-4-5)</b>	<b>44.9</b>	<b>46.7</b>	<b>171.7</b>	<b>-3.8%</b>	<b>-1.8</b>
7) Depreciations and amortizations	38.5	38.8	155.4	-0.8%	-0.3
<b>8) EBITDA (6+7)</b>	<b>83.5</b>	<b>85.6</b>	<b>327.1</b>	<b>-2.4%</b>	<b>-2.1</b>

1) Includes Electricity and Enondas (wave energy concession).



# EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>39.3</b>	<b>41.1</b>	<b>171.3</b>	<b>-4.3%</b>	<b>-1.8</b>
Revenues from assets	28.9	29.9	118.5	-3.3%	-1.0
Return on RAB	13.5	14.5	57.1	-6.7%	-1.0
Recovery of amortizations (net from subsidies)	13.9	13.9	55.6	-0.2%	0.0
Subsidies amortization	1.5	1.5	5.9	-0.1%	0.0
<b>Revenues of OPEX</b>	<b>9.5</b>	<b>9.8</b>	<b>40.4</b>	<b>-2.6%</b>	<b>-0.3</b>
<b>Other revenues</b>	<b>-0.1</b>	<b>0.1</b>	<b>1.1</b>		<b>-0.1</b>
Interest on tariff deviation	-0.1	0.0	-0.2		-0.1
Consultancy services and other services provided	0.0	0.0	-0.3		0.0
Other	0.0	0.1	1.6	-38.2%	0.0
<b>Construction revenues (IFRIC 12)</b>	<b>1.0</b>	<b>1.3</b>	<b>11.3</b>	<b>-28.0%</b>	<b>-0.4</b>
<b>2) OPEX</b>	<b>6.4</b>	<b>6.1</b>	<b>27.3</b>	<b>4.8%</b>	<b>0.3</b>
Personnel costs	1.9	1.8	7.6	4.2%	0.1
External supplies and services	3.3	3.1	16.3	6.0%	0.2
Other operational costs	1.2	1.2	3.4	2.3%	0.0
<b>3) Construction costs (IFRIC 12)</b>	<b>0.5</b>	<b>0.9</b>	<b>9.3</b>	<b>-49.9%</b>	<b>-0.5</b>
<b>4) Depreciations and amortizations</b>	<b>15.2</b>	<b>15.2</b>	<b>60.8</b>	<b>-0.1%</b>	<b>0.0</b>
<b>5) Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>6) EBIT</b>	<b>17.3</b>	<b>18.9</b>	<b>73.9</b>	<b>-8.2%</b>	<b>-1.6</b>
7) Depreciations and amortizations	15.2	15.2	60.8	-0.1%	0.0
<b>8) EBITDA</b>	<b>32.5</b>	<b>34.1</b>	<b>134.7</b>	<b>-4.6%</b>	<b>-1.6</b>

# EBITDA BREAKDOWN (PORTGÁS)

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>20.9</b>	<b>21.4</b>	<b>87.9</b>	<b>-2.1%</b>	<b>-0.5</b>
Revenues from assets	10.0	10.1	40.1	-0.9%	-0.1
Return on RAB	6.7	6.8	27.0	-1.4%	-0.1
Recovery of amortizations (net from subsidies)	3.3	3.3	13.1	0.0%	0.0
Revenues of OPEX	7.2	6.8	16.3	6.1%	0.4
Other revenues	0.1	0.7	6.6	-92.7%	-0.7
Interest on tariff deviation	0.0	0.0	0.0	45.4%	0.0
Adjustments previous years	0.0	-0.1	0.6		0.1
Gains in related companies*	0.0	0.0	4.0		0.0
Other services provided	0.0	0.7	1.5	-93.5%	-0.7
Other	0.0	0.0	0.6	-58.7%	0.0
Construction revenues (IFRIC 12)	3.7	3.8	24.8	-2.7%	-0.1
<b>2) OPEX</b>	<b>6.4</b>	<b>7.3</b>	<b>18.4</b>	<b>-12.0%</b>	<b>-0.9</b>
Personnel costs	1.1	1.3	4.8	-15.3%	-0.2
External supplies and services	1.2	1.8	8.1	-34.9%	-0.6
Other operational costs	4.1	4.2	5.5	-1.1%	0.0
<b>3) Construction costs (IFRIC 12)</b>	<b>3.2</b>	<b>3.3</b>	<b>22.2</b>	<b>-4.0%</b>	<b>-0.1</b>
<b>4) Depreciations and amortizations</b>	<b>3.5</b>	<b>3.3</b>	<b>13.4</b>	<b>5.3%</b>	<b>0.2</b>
<b>5) Other</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.2</b>		<b>0.1</b>
<b>6) EBIT</b>	<b>7.9</b>	<b>7.6</b>	<b>33.7</b>	<b>4.0%</b>	<b>0.3</b>
7) Depreciations and amortizations	3.5	3.3	13.4	5.3%	0.2
<b>8) EBITDA</b>	<b>11.4</b>	<b>10.9</b>	<b>47.1</b>	<b>4.4%</b>	<b>0.5</b>

\* One-off related to the sale of LPG business.



# EBITDA BREAKDOWN (OTHER\*)

€M	1Q19	1Q18	2018	1Q19/1Q18 Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>5.3</b>	<b>5.5</b>	<b>16.6</b>	<b>-3.2%</b>	<b>-0.2</b>
Other revenues	5.3	5.5	16.6	-3.2%	-0.2
Allowed incentives	0.7	2.2	2.9	-69.3%	-1.5
Interest on tariff deviation	0.2	0.0	-0.1		0.2
Telecommunication sales and services rendered	1.5	1.6	6.1	-3.8%	-0.1
Consultancy services and other services provided	0.1	0.6	1.9	-84.0%	-0.5
Other	2.8	1.2	5.9		1.7
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
<b>2) OPEX</b>	<b>7.2</b>	<b>7.6</b>	<b>33.0</b>	<b>-4.5%</b>	<b>-0.3</b>
Personnel costs	6.2	5.7	24.3	8.4%	0.5
External supplies and services	0.9	1.7	8.0	-50.3%	-0.9
Other operational costs	0.2	0.1	0.7	42.4%	0.0
<b>3) Construction costs (IFRIC 12)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>4) Depreciations and amortizations</b>	<b>1.4</b>	<b>1.3</b>	<b>5.5</b>	<b>2.8%</b>	<b>0.0</b>
<b>5) Other</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-1.1%</b>	<b>0.0</b>
<b>6) EBIT</b>	<b>-3.4</b>	<b>-3.5</b>	<b>-22.1</b>	<b>-3.7%</b>	<b>0.1</b>
7) Depreciations and amortizations	1.4	1.3	5.5	2.8%	0.0
<b>8) EBITDA</b>	<b>-2.0</b>	<b>-2.2</b>	<b>-16.6</b>	<b>-7.6%</b>	<b>0.2</b>

\* Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO, Aerio Chile SPA and REN Finance B.V.

# CAPEX AND RAB

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>CAPEX*</b>	<b>16.8</b>	<b>13.9</b>	<b>121.9</b>	<b>21.1%</b>	<b>2.9</b>
Electricity	12.1	8.7	85.6	39.1%	3.4
Natural gas <sub>T</sub>	1.0	1.3	11.3	-27.6%	-0.4
Natural gas <sub>D</sub>	3.7	3.8	24.9	-2.6%	-0.1
Other	0.0	0.0	0.1		0.0
<b>Transfers to RAB**</b>	<b>3.7</b>	<b>2.2</b>	<b>88.5</b>	<b>66.4%</b>	<b>1.5</b>
Electricity	0.8	0.1	53.8		0.7
Natural gas <sub>T</sub>	-0.1	0.0	11.0		-0.1
Natural gas <sub>D</sub>	2.9	2.1	23.7	40.4%	0.8
<b>Average RAB</b>	<b>3,743.0</b>	<b>3,877.8</b>	<b>3,832.0</b>	<b>-3.5%</b>	<b>-134.7</b>
Electricity	2,036.9	2,117.8	2,091.9	-3.8%	-80.9
With premium	1,102.3	1,135.3	1,127.0	-2.9%	-33.0
Without premium	934.5	982.5	964.9	-4.9%	-48.0
Land	235.1	247.6	242.9	-5.1%	-12.6
Natural gas <sub>T</sub>	1,003.0	1,048.3	1,032.6	-4.3%	-45.3
Natural gas <sub>D</sub>	468.1	464.1	464.5	0.9%	4.0
<b>RAB e.o.p.</b>	<b>3,718.1</b>	<b>3,856.9</b>	<b>3,767.7</b>	<b>-3.6%</b>	<b>-138.9</b>
Electricity	2,020.8	2,101.4	2,052.7	-3.8%	-80.6
Land	233.5	246.1	236.6	-5.1%	-12.6
Natural gas <sub>T</sub>	996.0	1,041.3	1,010.0	-4.3%	-45.3
Natural gas <sub>D</sub>	467.8	468.1	468.4	-0.1%	-0.4
<b>RAB's variation e.o.p.</b>	<b>-49.6</b>	<b>-41.7</b>	<b>-131.0</b>		
Electricity	-31.9	-32.8	-81.5		
Land	-3.1	-3.1	-12.6		
Natural gas <sub>T</sub>	-14.0	-13.9	-45.2		
Natural gas <sub>D</sub>	-0.6	8.1	8.4		

€M	1Q19	1Q18	2018	1Q19/1Q18	
				Δ %	Δ Abs.
<b>RAB's remuneration</b>	<b>48.4</b>	<b>51.2</b>	<b>201.3</b>	<b>-5.5%</b>	<b>-2.8</b>
Electricity	28.0	29.7	116.5	-5.6%	-1.7
With premium	16.1	16.9	66.7	-4.7%	-0.8
Without premium	11.9	12.8	49.9	-6.9%	-0.9
Land	0.2	0.2	0.7	-25.7%	-0.1
Natural gas <sub>T</sub>	13.5	14.5	57.1	-6.7%	-1.0
Natural gas <sub>D</sub>	6.7	6.8	27.0	-1.4%	-0.1
<b>RoR's RAB</b>	<b>5.2%</b>	<b>5.3%</b>	<b>5.3%</b>		<b>-0.1p.p.</b>
Electricity	5.5%	5.6%	5.6%		-0.1p.p.
With premium	5.8%	6.0%	5.9%		-0.1p.p.
Without premium	5.1%	5.2%	5.2%		-0.1p.p.
Land	0.3%	0.4%	0.3%		-0.1p.p.
Natural gas <sub>T</sub>	5.4%	5.5%	5.5%		-0.1p.p.
Natural gas <sub>D</sub>	5.7%	5.8%	5.8%		-0.1p.p.

\* Total costs;

\*\* Transfers to RAB include direct acquisitions RAB related.



# DEBT

	1Q19	1Q18	2018
Net Debt (€M)	2,613.9	2,643.7	2,653.1
Average cost	2.3%	2.3%	2.2%
Average maturity (years)	4.2	5.0	4.3
Net Debt / EBITDA	5.2x	5.1x	5.4x

## DEBT BREAKDOWN

Funding sources			
Bond issues	65%	63%	65%
EIB	15%	17%	15%
Loans	8%	15%	13%
Other	12%	5%	7%

## TYPE

Float	37%	40%	38%
Fixed	63%	60%	62%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	29/03/2019
Standard & Poor's	BBB	A-2	Stable	10/19/2018
Fitch	BBB	F3	Stable	04/11/2018



REN

# CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED STATEMENTS

## Financial position (thousands of euros)

	Mar 2019	Dec 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	485	561
Goodwill	3,782	3,877
Intangible assets	4,150,709	4,192,619
Investments in associates and joint ventures	168,658	167,841
Investments in equity instruments at fair value through other comprehensive income	159,872	162,552
Derivative financial instruments	24,971	21,010
Other financial assets	51	45
Trade and other receivables	70,089	50,246
Deferred tax assets	92,959	92,495
	<b>4,671,577</b>	<b>4,691,247</b>
<b>Current assets</b>		
Inventories	2,138	2,095
Trade and other receivables	500,173	427,126
Current income tax recoverable	21,144	35,371
Cash and cash equivalents	20,536	35,735
	<b>543,991</b>	<b>500,327</b>
<b>TOTAL ASSETS</b>	<b>5,215,567</b>	<b>5,191,574</b>

	Mar 2019	Dec 2018
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	321,695	326,906
Retained earnings	370,090	253,505
Other changes in equity	-5,561	-5,561
Net profit for the year	13,243	115,715
<b>TOTAL EQUITY</b>	<b>1,472,740</b>	<b>1,463,837</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	2,249,568	2,274,939
Liability for retirement benefits and others	95,779	98,288
Derivative financial instruments	21,326	12,952
Provisions	8,796	8,852
Trade and other payables	380,901	367,743
Deferred tax liabilities	110,405	113,644
	<b>2,866,775</b>	<b>2,876,418</b>
<b>Current liabilities</b>		
Borrowings	406,727	431,401
Trade and other payables	469,325	419,917
	<b>876,052</b>	<b>851,319</b>
<b>TOTAL LIABILITIES</b>	<b>3,742,827</b>	<b>3,727,737</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,215,567</b>	<b>5,191,574</b>

# CONSOLIDATED STATEMENTS

## Profit and loss (thousands of euros)

	Mar 2019	Mar 2018
Sales	0	8
Services rendered	139,084	144,911
Revenue from construction of concession assets	16,803	13,881
Gains / (losses) from associates and joint ventures	2,802	1,148
Operating grants	0	0
Other operating income	9,652	9,935
<b>Operating income</b>	<b>168,341</b>	<b>169,883</b>
Cost of goods sold	-160	-433
Cost with construction of concession assets	-12,338	-9,656
External supplies and services	-9,499	-10,743
Personnel costs	-13,537	-13,361
Depreciation and amortizations	-58,550	-58,671
Provisions	1	0
Impairments	-94	-19
Other expenses	-7,313	-6,943
<b>Operating costs</b>	<b>-101,491</b>	<b>-99,826</b>
<b>Operating results</b>	<b>66,850</b>	<b>70,057</b>
Financial costs	-17,526	-17,946
Financial income	1,981	972
<b>Financial results</b>	<b>-15,545</b>	<b>-16,974</b>
<b>Profit before income tax and ESEC</b>	<b>51,305</b>	<b>53,083</b>
Income tax expense	-13,673	-14,677
Energy sector extraordinary contribution (ESEC)	-24,390	-25,333
<b>Net profit for the year</b>	<b>13,243</b>	<b>13,073</b>
<b>Attributable to:</b>		
Equity holders of the Company	13,243	13,073
Non-controlled interest	0	0
<b>Consolidated profit for the year</b>	<b>13,243</b>	<b>13,073</b>
<b>Earnings per share (expressed in euro per share)</b>	<b>0.02</b>	<b>0.02</b>



# CONSOLIDATED STATEMENTS

## Cash flow (thousands of euros)

	Mar 2019	Mar 2018
<b>Cash flow from operating activities</b>		
Cash receipts from customers	548,290	574,102 a)
Cash paid to suppliers	-423,709	-397,176 a)
Cash paid to employees	-14,975	-14,261
Income tax received/ paid	-1,594	-503
Other receipts/ (payments) relating to operating activities	-18,462	12,524
<b>Net cash flows from operating activities (1)</b>	<b>89,551</b>	<b>174,687</b>
<b>Cash flow from investing activities</b>		
Receipts related to:		
Investment grants	569	3,018
Interests and other similar income	8	19
Dividends	1,477	1,380
Payments related to:		
Financial investments	0	-12
Property, plant and equipment	-20	-64
Intangible assets - Concession assets	-36,673	-62,255
<b>Net cash flow used in investing activities (2)</b>	<b>-34,639</b>	<b>-57,914</b>
<b>Cash flow from financing activities</b>		
Receipts related to:		
Borrowings	1,279,000	949,999
Payments related to:		
Borrowings	-1,328,271	-1,001,339
Interests and other similar expense	-19,549	-23,905
<b>Net cash from/ (used in) financing activities (3)</b>	<b>-68,820</b>	<b>-75,245</b>
<b>Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)</b>	<b>-13,909</b>	<b>41,528</b>
Effect of exchange rates	2	-99
Cash and cash equivalents at the beginning of the year	34,096	60,449
<b>Cash and cash equivalents at the end of the period</b>	<b>20,189</b>	<b>101,880</b>
<b>Detail of cash and cash equivalents</b>		
Cash	25	23
Bank overdrafts	-346	-412
Bank deposits	20,511	102,269
	<b>20,189</b>	<b>101,880</b>

(a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

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