Financial Information 1Q 2018

May 9th, 2018

Conference call & webcast

Date: Wednesday, May 9th, 2018, 15:00 CET | 14:00 UK/Lisbon
Webcast: www.edpr.com
Phone dial-In number: +44 (0) 14 52 541 003 | +1 646 7412120
Phone Replay dial-in number: +44 (0)14 5255 0000 | +1 866 247 4222 (until May 16th, 2018)
Access code: 9998654

EDP Renováveis, S.A. Head office: Plaza de la Gesta, 2 33007 Oviedo, Spain

Financial information

Installed Capacity (MW)	1Q18	1Q17	Δ 18/17
EBITDA MW	10,676	10,054	+622
Other equity consolidated	331	356	(25)
EBITDA MW + Equity Consolidated	**11,007**	**10,410**	**+597**

Operating Data - EBITDA MW metrics	1Q18	1Q17	Δ 18/17
Load Factor (%)	38%	36%	+2pp
Output (GWh)	8,763	7,719	+14%
Avg. Electricity Price (€/MWh)	54.2	60.5	(10%)

By Mar-18, EDPR managed a global portfolio of 11.0 GW spread over 11 countries, of which 10.7 GW fully consolidated and 331 MW equity consolidated. From the global portfolio of 11,007 MW, 10,862 MW are related to wind onshore technology, while the remaining 145 MW comprised solar PV power plants. EDPR's portfolio, considering EBITDA MW as of Mar-18 had an average of 7 years. Over the last year, EDPR portfolio increased by 597 MW, of which 47 MW were net added in Europe, 423 MW in North America and 127 MW in Brazil.

EDPR produced 8.8 TWh of clean electricity (+14% YoY), avoiding 7.0 mt of CO_2 emissions. The increase in production benefitted mainly from the capacity additions (+622 MW EBITDA YoY) with higher than expected load factor. The achieved load factor was 38% (vs 36% in the 1Q17), representing 105% of the long-term average (P50; vs 101% in the 1Q17). In the period, EDPR maintained high level of technical availability (97.3%), however lower YoY (1Q17 at 97.8%), due to adverse weather conditions.

The average selling price in the quarter totalled €54/MWh, -10% YoY mainly as a result of forex translation and lower YoY prices achieved in Europe (-3% YoY) and North America (-6% YoY; hedges gains in 1Q17 and mix effect from new MW), which was partially offset by Brazil (+5% YoY).

Consolidated Income Statement (€m)	1Q18	1Q17	Δ 18/17
Revenues	**528**	**528**	**+0%**
EBITDA	**381**	**373**	**+2%**
EBITDA/Revenues	*72%*	*71%*	+1pp
EBIT	252	242	+4%
Net Financial Expenses	(53)	(79)	(33%)
Share of profit of associates	1	(2)	-
Non-controlling interests	63	57	+10%
Net Profit (Equity holders of EDPR)	**94**	**68**	**+39%**

Employees	1Q18	2017	Δ YTD
Total	1,276	1,220	+5%

As a result of higher generation (+14% YoY; +€79m YoY), lower average selling price (-10% YoY; -€26m YoY), negative impact from forex translation (-€36m YoY) and the 10-year life PTCs expiration of specific tax equity structures (-€17m), Revenues totalled €528m (flat YoY). In the period, Core Opex per average MW in operation was €9.6k (-4% YoY). If adjusted, by fx, one-offs and offshore costs cross-charged to projects' SPVs, Core Opex per average MW was -1% YoY denoting EDPR's control over costs and O&M program in place.

EBITDA totalled €381m (+2% YoY or +€7m YoY; +8% YoY ex-fx), benefitting from 7% ex-fx top line growth and operational efficiency. As a consequence, EBIT increased to €252m (+4% YoY; +€10m YoY), also due to lower depreciation and amortization costs, including provisions, impairments and net of government grants mainly on the back of forex, offsetting the impact from higher capacity in operation.

Net Financial Expenses decreased €26m YoY to €53m, benefitting from the gain (€15m) from the sale of a stake in a UK offshore project, along with both lower Institutional partnerships costs (€20m; -24% or –€6m YoY in Euros) and Net interest costs (€33m; -6% or -€2m YoY). Non-controlling interests totalled €63m, +€6m YoY on the back of the sale of non-controlling interests to CTG (Jun-17; Portuguese assets) done in the context of its partnership with EDP. At bottom line, Net Profit summed €94m (+39% YoY).

Cash-Flow (€m)	1Q18	1Q17	Δ 18/17
Operating Cash-Flow	295	281	+5%
Retained Cash-Flow[1]	284	242	+17%
Net Investments	222	95	+134%

Balance Sheet (€m)	1Q18	2017	Δ %
PP&E (net)	13,105	13,185	(1%)
Equity	7,970	7,895	+1%
Net Debt	2,973	2,806	+6%
Institutional Partnership Liabilities	1,133	1,249	(9%)

(1) Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept

In the period, EDPR delivered solid cash-flow generation. EDPR generated Operating Cash-Flow of €295m (+5% YoY), reflecting mainly EBITDA performance (+2% YoY). Following EBITDA cash-generation, income tax of the period, interests, banking and derivatives expenses and minority dividends/interest payments, 1Q18 Retained Cash-Flow ("RCF") increased to €284m (+17% YoY).

Total net investments in the 1Q18, calculated as total capex net of financial investments and divestments (including the sale down of a 20% stake in a UK offshore wind farm for £36m) and net of government grants and proceeds from asset rotation was €222m (+€127m YoY).

In the 1Q18, Net PP&E totaled €13.1bn, €81m lower vs 1Q17 given forex translation. As of Mar-18, Net Debt totalled €2,973m (+€167m vs Dec-17) reflecting assets' cash generated, investments in the period and settlement of a cross interest rate swap in place to hedge the USD investment in the US against forex differences. Institutional Partnership Liabilities decreased to €1,133m (-€116m vs Dec-17), reflecting the benefits captured by the projects and tax equity partners along with forex translation (-$102m vs Dec-17).

Consolidated Income Statement

Note: The financial statements presented in this document are non-audited.

(€m)	1Q18	1Q17	Δ 18/17
Electricity sales and other	476.3	460.0	+4%
Income from Institutional Partnerships	52.1	68.2	(24%)
Revenues	**528.4**	**528.1**	+0.0%
Other operating income	12.2	5.6	+118%
Operating Costs	(160.0)	(160.3)	(0.2%)
Supplies and services	(74.0)	(75.9)	(2%)
Personnel costs	(28.2)	(23.8)	+19%
Other operating costs	(57.8)	(60.7)	(5%)
EBITDA	**380.6**	**373.4**	+2%
EBITDA/Revenues	*72%*	*71%*	+2%
Provisions	(0.1)	(0.1)	(53%)
Depreciation and amortisation	(132.1)	(136.8)	(3%)
Amortisation of deferred income (government grants)	3.9	6.0	(35%)
EBIT	**252.3**	**242.5**	+4%
Financial income/(expense)	(53.3)	(79.0)	(33%)
Net interest costs of debt	(32.9)	(35.0)	(6%)
Institutional partnerships costs	(20.5)	(26.8)	(24%)
Capitalised financial expenses	4.6	3.2	+43%
Forex differences	1.8	2.7	(33%)
Other	(6.3)	(23.1)	(73%)
Share of profit of associates	0.6	(1.7)	(136%)
Pre-Tax Profit	**199.7**	**161.8**	+23%
Income taxes	(42.9)	(37.0)	+16%
Profit of the period	156.8	124.8	+26%
Net Profit (Equity holders of EDPR)	**94.1**	**67.9**	+39%
Non-controlling interests	62.7	56.9	+10%

Balance sheet

Assets (€m)	1Q18	2017
Property, plant and equipment, net	13,105	13,185
Intangible assets and goodwill, net	1,541	1,546
Financial investments, net	301	312
Deferred tax assets	62	64
Inventories	31	29
Accounts receivable - trade, net	387	364
Accounts receivable - other, net	247	235
Assets held for sale	43	58
Collateral deposits	40	43
Cash and cash equivalents	441	388
Assets held for sale	**16,197**	**16,224**

Equity (€m)	1Q18	2017
Share capital + share premium	4,914	4,914
Reserves and retained earnings	1,399	1,146
Net Profit (Equity holders of EDPR)	94	276
Non-controlling interests	1,564	1,560
Total Equity	**7,970**	**7,895**

Liabilities (€m)	1Q18	2017
Financial debt	3,454	3,237
Institutional partnerships	1,133	1,249
Provisions	277	276
Deferred tax liabilities	368	356
Deferred revenues from institutional partnerships	897	915
Other liabilities	2,098	2,297
Total Liabilities	**8,227**	**8,329**

Total Equity and Liabilities	**16,197**	**16,224**

edp renováveis

EDPR: Income Statement by Region

1Q18 (€m)	Europe	N. America	Brazil	Other/Adj.	EDPR
Electricity sales and other	304.1	165.3	8.0	(1.2)	476.3
Income from institutional partnerships	-	52.1	-	-	52.1
Revenues	**304.1**	**217.4**	**8.0**	**(1.2)**	**528.4**
Other operating income	**5.3**	**3.3**	**-**	**3.7**	**12.2**
Operating Costs	**(79.8)**	**(74.9)**	**(3.2)**	**(2.0)**	**(160.0)**
Supplies and services	(39.2)	(34.5)	(2.5)	2.2	(74.0)
Personnel costs	(9.0)	(13.3)	(0.5)	(5.4)	(28.2)
Other operating costs	(31.7)	(27.1)	(0.2)	1.2	(57.8)
EBITDA	**229.6**	**145.8**	**4.7**	**0.5**	**380.6**
EBITDA/Revenues	*75%*	*67%*	*60%*	*n.a.*	*72%*
Provisions	(0.1)	-	-	-	(0.1)
Depreciation and amortisation	(61.0)	(67.4)	(3.1)	(0.7)	(132.1)
Amortisation of deferred income (government grants)	0.2	3.7	0.0	(0.0)	3.9
EBIT	**168.7**	**82.1**	**1.7**	**(0.2)**	**252.3**

EDPR Europe: Income Statement by Country

1Q18 (€m)	Spain	Portugal	RoE	Other/Adj[1]	Total Europe
Revenues	**132.4**	**100.1**	**77.2**	**(5.5)**	**304.1**
Operating Costs and Other operating income	(38.8)	(12.6)	(21.1)	(2.0)	**(74.5)**
EBITDA	**93.6**	**87.5**	**56.1**	**(7.5)**	**229.6**
EBITDA/Revenues	*71%*	*87%*	*73%*	*n.a.*	*75%*
Depreciation, amortisation and provisions	(26.4)	(13.6)	(19.8)	(1.1)	**(60.9)**
EBIT	**67.1**	**73.9**	**36.3**	**(8.7)**	**168.7**

[1] **Important note on Spain and Other**: Pursuant the changes in the Spanish regulatory framework, EDPR hedges its exposure to the Spanish pool price, accounted at the European platform level (Other/Adj.).

Asset Base

Installed Capacity (MW)	1Q18	vs 1Q17	Under Construc.
EBITDA MW			
Spain	2,244	+50	68
Portugal	1,253	-	55
France	410	+22	26
Belgium	71	-	-
Poland	418	-	-
Romania	521	-	-
Italy	144	-	77
Europe	**5,061**	**+72**	**226**
United States	5,055	+423	679
Canada	30	-	-
Mexico	200	-	-
North America	**5,284**	**+423**	**679**
Brazil	**331**	**+127**	**137**
Total EBITDA MW	**10,676**	**+622**	**1,042**
Equity Consolidated (MW)			
Spain	152	(25)	-
United States	179	-	-
Total Equity Consolidated	**331**	**(25)**	**-**
Total EBITDA MW + Equity Consolidated	**11,007**	**+597**	**1,042**

Capital Expenditures and PP&E

Investments (€m)	1Q18	1Q17	Δ %	Δ €
Europe	**84.5**	**33.2**	**+154%**	**+51**
North America	**135.9**	**52.9**	**+157%**	**+83**
Brazil	**44.7**	**6.7**	**+568%**	**+38**
Other	0.2	0.0	-	+0.1
Total Capex	**265.2**	**92.8**	**+186%**	**+172**
Financial investments/(divestments)	(42.9)	2.2	-	(45)
Government grant	-	-	-	-
Asset rotation proceeds	-	-	-	-
Net Investments	**222.3**	**95.0**	**+134%**	**+127**

Property, Plant & Equipment - PP&E (€m)	1Q18	2017	Δ €
PP&E (net)	**13,105**	**13,185**	**(81)**
(-) PP&E assets under construction	1,165	949	+215
(=) PP&E existing assets (net)	**11,940**	**12,236**	**(296)**
(+) Accumulated Depreciation	5,093	5,025	+68
(-) Government Grants	495	524	(29)
(=) Invested capital on existing assets	**16,537**	**16,737**	**(200)**

Operating Performance

Load Factor	1Q18	1Q17	Δ 18/17
Europe	36%	32%	+4pp
North America	41%	41%	+1pp
Brazil	24%	33%	(9pp)
Total	**38%**	**36%**	**+2pp**
Renewable Index (vs P50)	105%	101%	+4pp

Electricity Generation (GWh)	1Q18	1Q17	Δ 18/17
Europe	3,910	3,383	+16%
North America	4,694	4,189	+12%
Brazil	159	147	+8%
Total	**8,763**	**7,719**	**+14%**

Selling Prices (per MWh)	1Q18	1Q17	Δ 18/17
Europe	€77.8	€80.4	(3%)
North America	$44.5	$47.5	(6%)
Brazil	R$233.0	R$222.6	+5%
Average Selling Price	**€54.2**	**€60.5**	**(10%)**

Electricity Sales and Other (€m)	1Q18	1Q17	Δ 18/17
Europe	304.1	271.4	+12%
North America	165.3	180.2	(8%)
Brazil	8.0	8.8	(9%)
Total	**476.3**	**460.0**	**+4%**

Income from Institutional Partnerships (€m)	1Q18	1Q17	Δ 18/17
Total	**52.1**	**68.2**	**(24%)**

Revenues	1Q18	1Q17	Δ 18/17
Revenues (€m)	**528.4**	**528.1**	**+0.0%**
Revenues per avg. MW in operation (€k)	**49.7**	**53.1**	**(6%)**

Efficiency and Profitability Ratios	1Q18	1Q17	Δ %
Revenues/Average MW in operation (€k)	49.7	53.1	(6%)
Core Opex (S&S + PC) /Average MW in operation (€k)	9.6	10.0	(4%)
Core Opex (S&S + PC) /MWh (€)	11.7	12.9	(10%)
EBITDA margin	72%	71%	+1pp
EBITDA/Average MW in operation (€k)	35.8	37.6	(5%)

Note: Operational Performance considers only capacity consolidated at EBITDA level

Cash-Flow

Cash-Flow	1Q18	1Q17	Δ 18/17
EBITDA	**381**	**373**	**+2%**
Current income tax	(29)	(17)	+69%
Net interest costs	(33)	(35)	(6%)
Share of profit of associates	1	(1.7)	-
FFO (Funds From Operations)	**319**	**320**	**(0%)**
Net interest costs	33	35	(6%)
Share of profit of associates	(1)	1.7	-
Income from institutional partnerships	(50)	(68)	(27%)
Non-cash items adjustments	2	2	(31%)
Changes in working capital	(9)	(10)	(13%)
Operating Cash-Flow	**295**	**281**	**+5%**
Capex	(265)	(93)	+186%
Financial (investments) divestments	43	(2)	-
Changes in working capital related to PP&E suppliers	(48)	(273)	(82%)
Government grants	-	(0)	-
Net Operating Cash-Flow	**24**	**(87)**	**(128%)**
Sale of non-controlling interests and shareholders' loans	-	-	-
Payments to institutional partnerships	(0)	(1)	(75%)
Proceeds from institutional partnerships	(46)	(64)	(29%)
Net interest costs (post capitalisation)	(28)	(32)	(11%)
Dividends net and other capital distributions	(9)	(7)	+23%
Forex & others	(109)	(229)	(53%)
Decrease / (Increase) in Net Debt	**(167)**	**(420)**	**(60%)**

Net Debt and Institutional Partnership Liability

Net Debt (€m)	1Q18	2017	Δ €
Nominal Financial Debt + Accrued interests on Debt	3,454	3,237	+217
Collateral deposits associated with Debt	40	43	(3)
Total Financial Debt	**3,414**	**3,194**	**+220**
Cash and cash equivalents	441	388	+53
Loans to EDP Group related companies and cash pooling	0	0	+0.0
Cash & Equivalents	**441**	**388**	**+53**
Net Debt	**2,973**	**2,806**	**+167**

Average Debt (€m)	1Q18	2017	Δ %
Average nominal financial debt	3,357	3,476	(3%)
Average net debt	2,896	3,048	(5%)

Net Debt Breakdown by Assets (€m)	1Q18	2017	Δ €
Net debt related to assets in operation	2,466	2,553	(87)
Net debt related to assets under construction & develop.	507	253	+254

Institutional Partnership (€m)	1Q18	2017	Δ €
Institutional Partnership Liability	**1,133**	**1,249**	**(116)**