Windfloat – Portugal

edp renováveis

9 Months 2019

Results Presentation

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HIGHLIGHTS OF THE PERIOD

EDPR operational performance on track to deliver solid growth, along with the execution of Sell-down strategy

Quality assets

30% load factor (vs. 30% in 9M18)
96% of LT avg. with 3Q19 @ 98%
Availability @ 97% (vs 97% in 9M18)

Revenues at €1,364m (+10% YoY; +€125m)
MWs (+€46m), Price (+€49m), NCF (+€11m), PTCs (-€27m) and FX (+€34m)

Adj. Core Opex/ avg. MW flat YoY[(1)]
given cost control in the context of a growth strategy

96% of Revenues fixed for 2019[(2)]
€56/MWh avg. price (+5% YoY)

Selective and profitable growth

+344 MW built YTD
1,156 MW Sold-out
1,164 MW already under construction

Already secured c.70% of ~7.0 GW cumulative 19-22 build-out target

€1,218m EBITDA (+40% YoY)
including €226m from 491 net MW Sell-down gain (+36% YoY ex-IFRS16)

Net Profit €342m (vs €115m in 9M18)
on top-line performance and Sell-down execution

Self-funding business

€1.0bn of Sell-down YTD
from EU (491 net MW; €0.8bn) & US sell-down tax-equity proceeds

€63m Net Debt & TEI decrease
from growth & investments, keeping solid balance sheet

Optimizing Cost of Debt and TEI Costs
Debt: 4.0% Sep-19 (+0.1pp YoY; on different mix); Avg TEI: 6.7%

Operating Cash Flow[(2)] at €838m
+9% YoY from top line performance

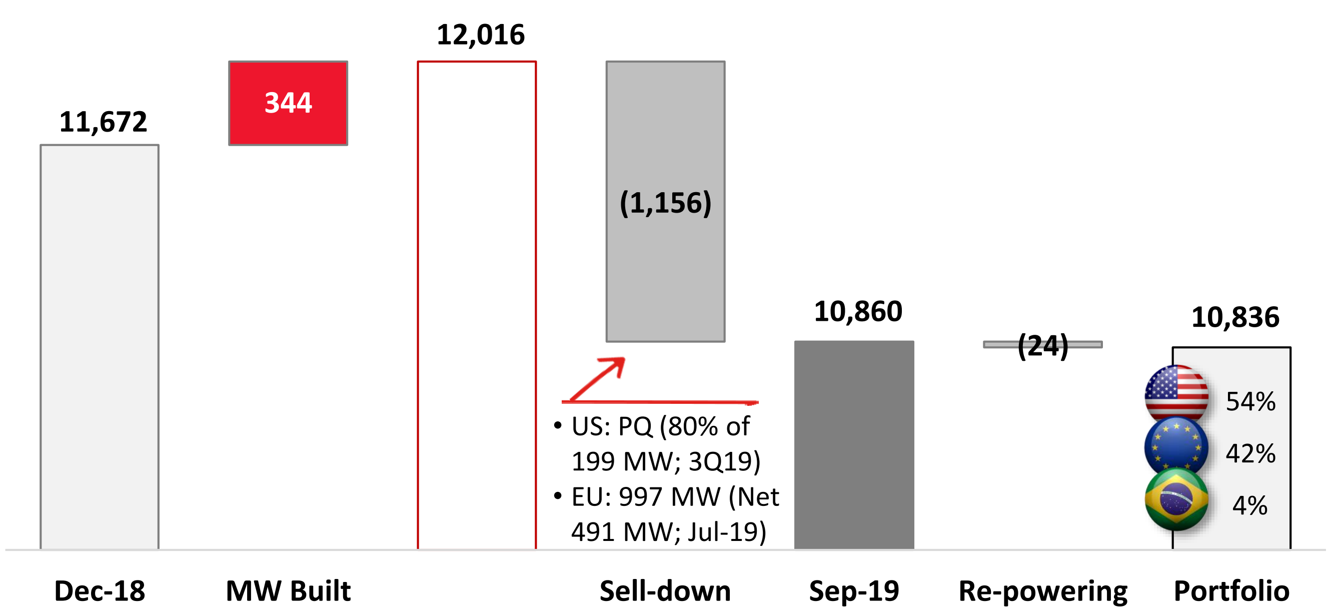
(1) Core Opex per average MW adjusted by IFRS16, offshore costs (mainly cross-charged to projects' SPVs), one offs and FX
(2) at Sep-2019

9M19 RESULTS

EDPR built 344 MW YoY reaching 10.8 GW after Sell-down transactions

	MW Built YTD	Under Construction
	+199 MW	+680 MW[2]
	+145 MW	+154 MW
	-	-
	-	+330 MW[3]
	+344 MW	**+1,164 MW**

Evolution of Installed Capacity[1]
(EBITDA MW + Equity Consolidated)



YTD EDPR built 344 MW, sold 1,156 MW and kept 1,164 MW under construction (including stake in UK offshore)

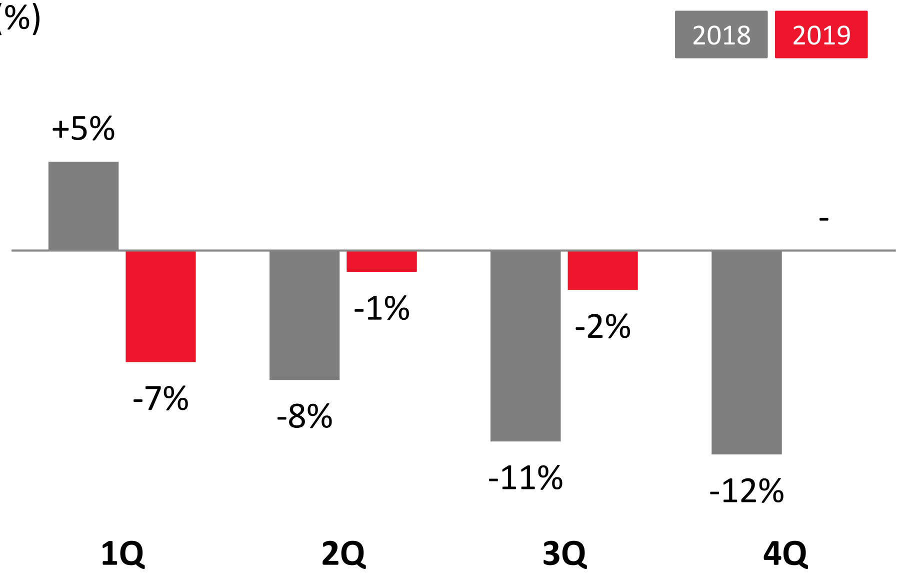
(1) Incl. equity consolidated: 152 MW in Spain & 259 MW in the US;
(2)Bright Stalk (205 MW), Broadlands (200 MW), Timber Road IV (125 MW), Hidalgo II (50 MW) and Nation Rise (100 MW) on which an 80% stake was sold in Dec-18 (keeping the responsibility to build the project);
(3) Includes 316 MW of EDPR stake in UK Moray and 14 MW from Windplus floating in Portugal

In the 9M19 EDPR achieved a 30% load factor (vs 30% in 9M18) reflecting 96% of P50 (long term average for 9M)…

Load Factor and Technical Availability(1)

	9M19	Δ YoY	9M19 vs. LT avg.
Europe	26%	+1pp	99%
North America	33%	-1 pp	95%
Brazil	41%	+1 pp	89%
edp	**30%**	+1 pp	96%
EDPR Availability[1]	**96.9%**	-0.1 pp	

EDPR Quarterly Load Factor vs. Long-term average (%)



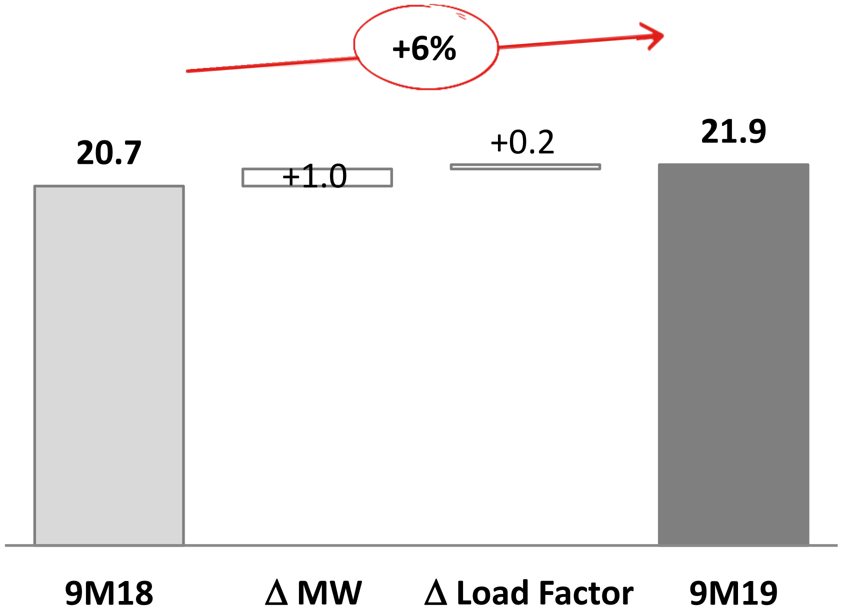
…while in the 3Q19, EDPR reached a 25% load factor (vs 22% in the 3Q18), with QoQ comparison benefitting from higher wind resource (P50 of 98% vs 89% in 3Q18)

(1) Technical Energy Availability (TEA)

Electricity output higher 6% YoY, with capacity additions over the period and load factor offsetting impact from EU assets deconsolidation

	TWh △% YoY	
	+4%	Driven by new capacity and higher wind resource (despite the deconsolidation of 977 MW in Jul-19 related to the EU portfolio Sell-down)
	+4%	From new installed capacity, offsetting lower wind resource
	+50%	Driven by capacity additions and higher wind resource

Electricity Production
(TWh)



EDPR produced 21.9 TWh of clean electricity (+6% YoY), avoiding 15 mt of CO_2 emissions
Geographical output breakdown: 55% in North America, 39% in Europe and 6% in Brazil

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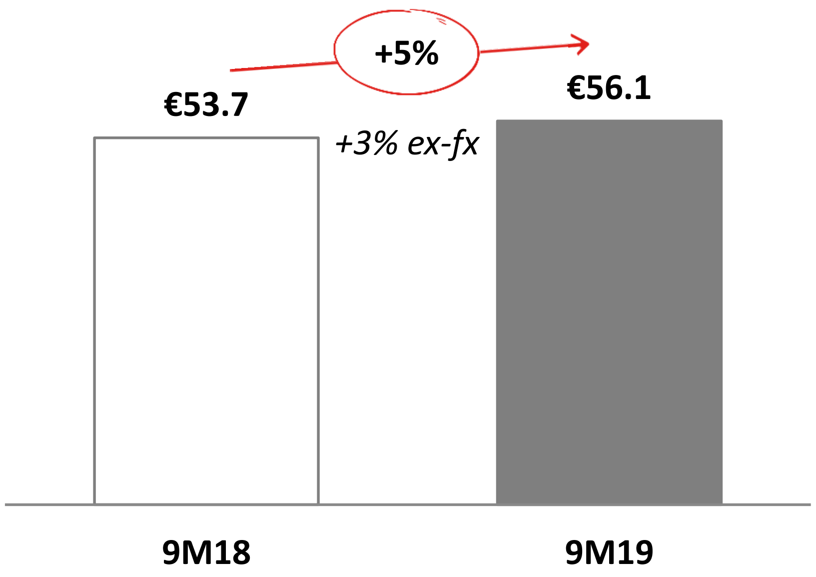
Avg. price at €56/MWh (+5% YoY) mainly driven by Eastern Europe price recovery, higher prices in Spain, US and Brazil, along with favorable FX translation

	9M19	△% YoY[1]	
	€80.0	+3%	SP higher price +4% (higher realised price); RoE +7% (mainly due to RO & PL recovery); PT -2% (from new additions)
	$46.3	+1%	US (+2%): primarily due to new MWs in operation CAN (-3%): +1% in local currency MX: (+1%) from PPA @$65
	R$205	+6%	Different mix of a new wind farm in operation vs 9M18 & inflation linked

EDPR Price Evolution
(€/MWh)



Average selling price totalled €56/MWh (+5% YoY), on the back of positive price performance and FX

(1) Calculated in local currency

Revenues increased 10% YoY given higher avg. EBITDA MW (+3%), higher avg. price (+5%) and positive forex, despite scheduled PTCs expiration

Main drivers for Revenues performance

Higher output: +6% YoY; +€58m (NCF: +€11m; MW: +€46m)

from load factor and higher avg. MW (+3% YoY; including impact from deconsolidation of 997 MW in EU)

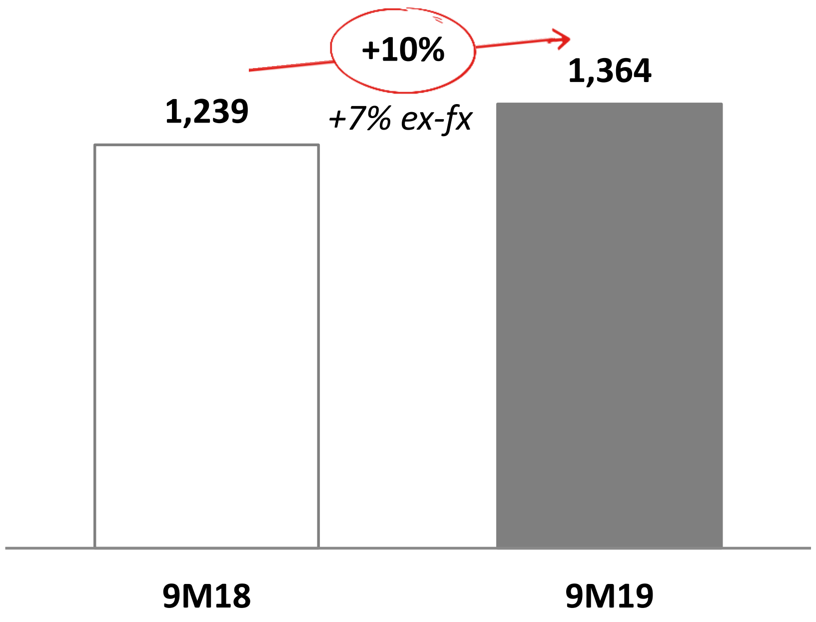
Higher average selling price: +5% YoY; +€46m

mainly driven by price recovery in Spain and Rest of Europe

Forex impact & scheduled 10 years PTCs expiring

PTCs expiring (10-year life): -€27m
Impact from FX: +€34m

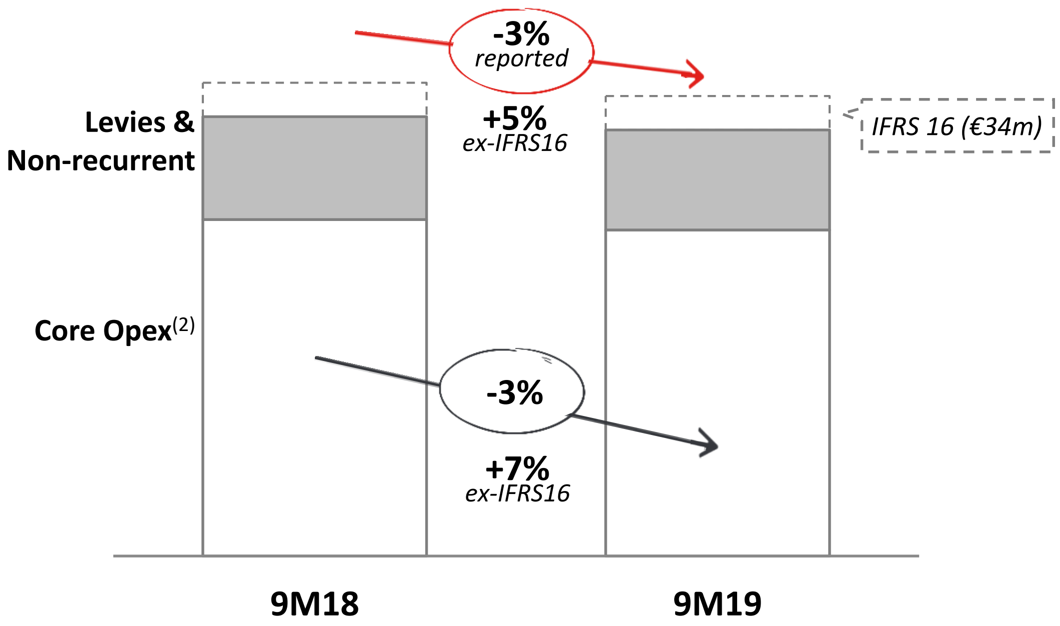
Revenues
(€ million)



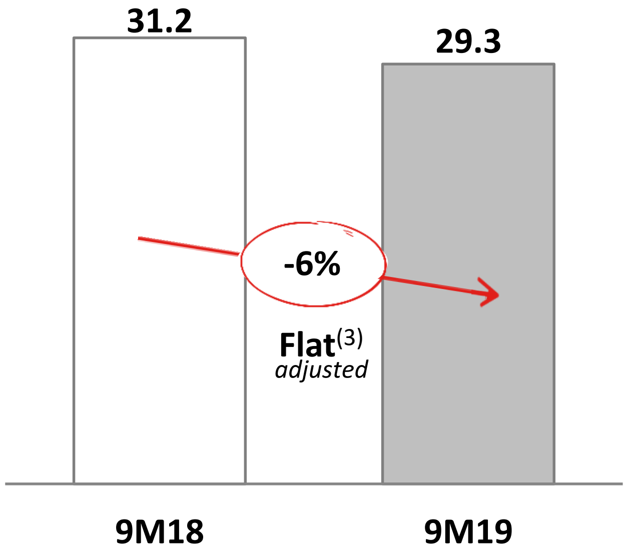
Revenues increased €125m mainly driven by capacity in operation (+€46m), higher price (+€49m), forex translation (+€34m), slightly higher wind resource (+€11m) despite scheduled PTCs expiration (-€27m)

Core Opex per Avg. MW Flat YoY given O&M strategy and cost control offsetting the requirements needed to cope with Business Plan expanded growth

Opex (excludes Other Operating Income) (1)
(€ million)



Core Opex/Avg. MW (€k)
(Supplies & Services and Personnel Costs)

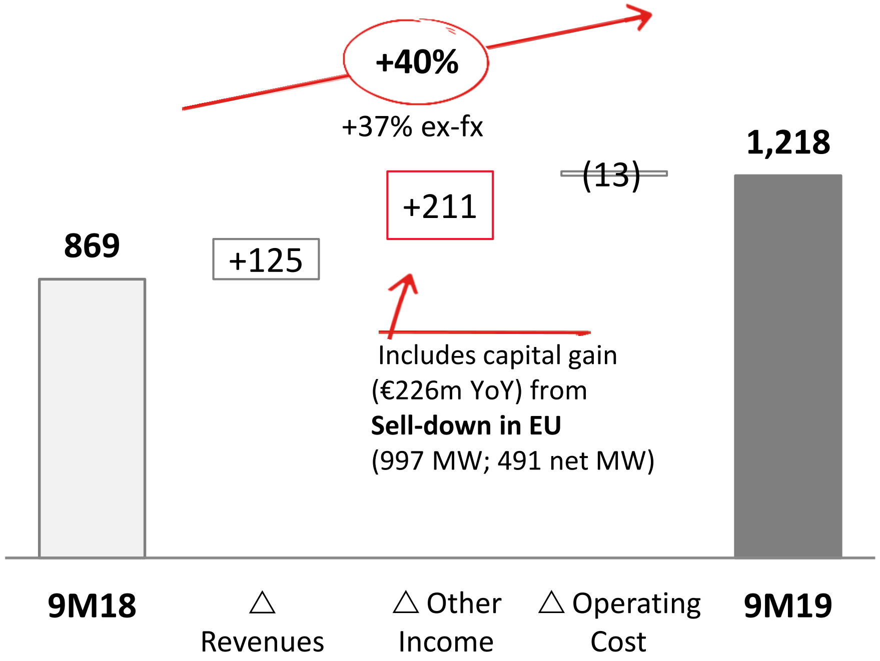


Core Opex increasing YoY on the back of higher installed capacity while Adj. Core Opex/ Avg. MW was flat YoY

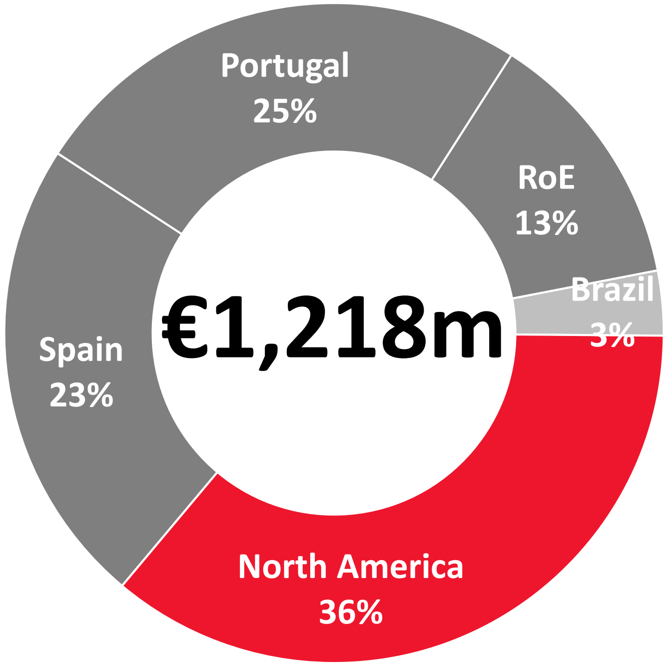
(1) Reported figures presented; for YoY analysis purposes, was included impact (€34m) from IFRS16 in 9M19; (2) Includes Supplies and Services and Personnel Costs; (3) Core Opex/avg MW adjusted by IFRS16, offshore costs (mainly cross-charged to projects' SPVs), one offs and FX

Delivering EBITDA of €1,218m (+40% YoY) from the execution of Sell-down strategy, top line performance and IFRS16

EBITDA YoY
(€ million)



EBITDA per Region(1)
(%)

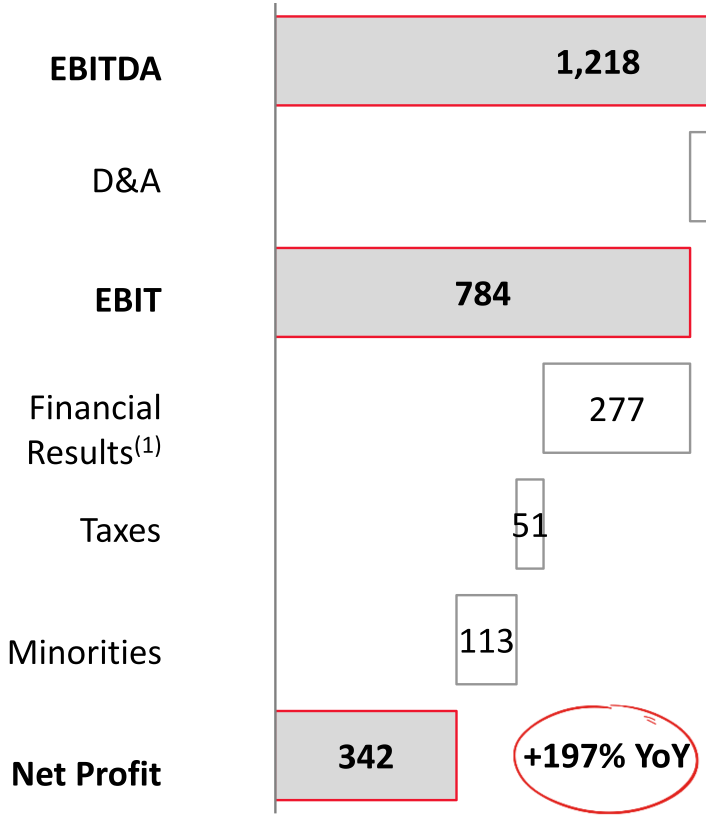


EBITDA totalled €1,218m (+40% YoY),
being +36% YoY if excluded impacted from IFRS16 given top line performance

(1) Includes hedges from Spain, Rest of Europe and US

Net Profit totaled €342m (+197%), with YoY comparison driven by top-line performance and a Sell-down transaction

9M19 EBITDA to Net Profit
(€ million)



	△€m YoY	
EBITDA	**+€349m**	**Operating performance driven by top-line & gains related to Sell-down transaction**
D&A	-€37m	Effect from YoY capacity additions and IFRS16
EBIT	**+€312m**	**As a result of top line performance**
Financial Results	-€59m	YoY comparison impacted higher avg. nominal Debt, IFRS16 and forex
Taxes	-€26m	Effective Tax Rate of 10% in 9M19 (from tax exempted capital gains; includes CESE)
Minorities	+€0.5m	Reflecting top-line performance from strategic partnership assets and asset rotation program
Net Profit	**+227m**	**Net profit totalled €342m**

(1) Includes Share of profit of associates

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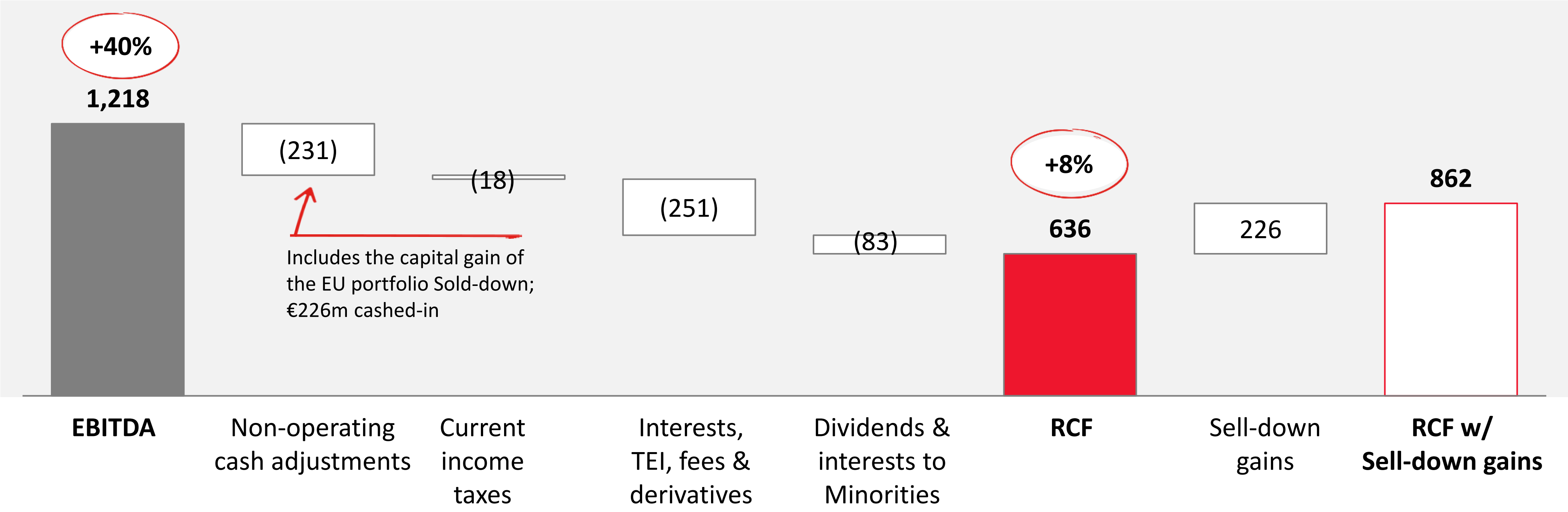
Cash Flow generation with RCF at €636m, +8% higher YoY

9M19: Retained Cash Flow (RCF) [1]
(€ million)

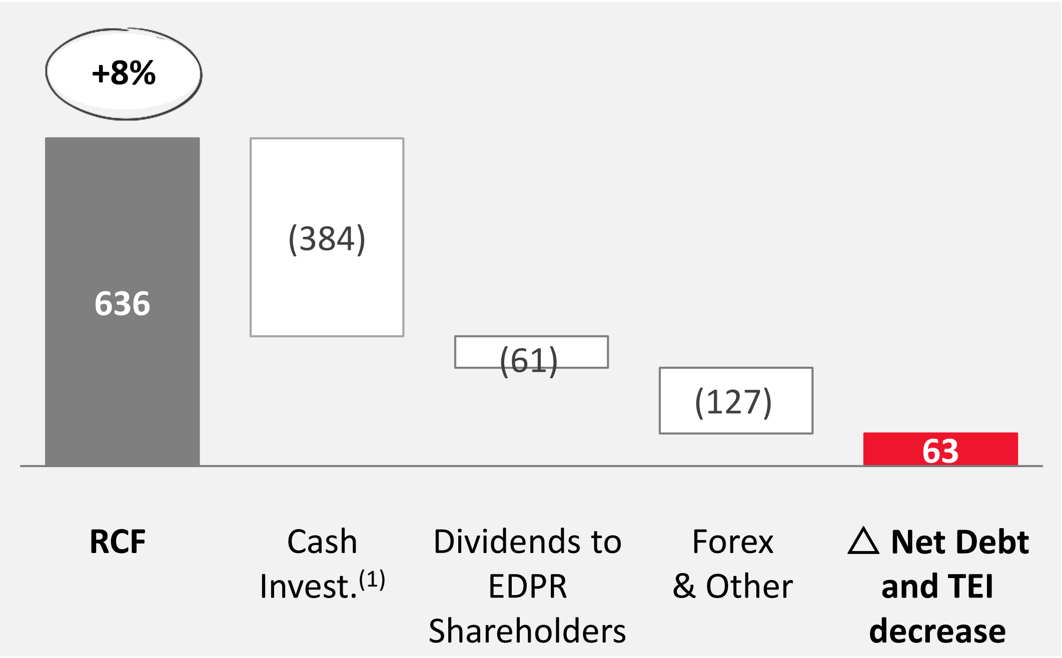


RCF(1) of €636m (vs €590m in 9M18) YoY propelled by operating performance and impacted by PTC 10-year expiration and higher interests on debt increase (following growth capex).

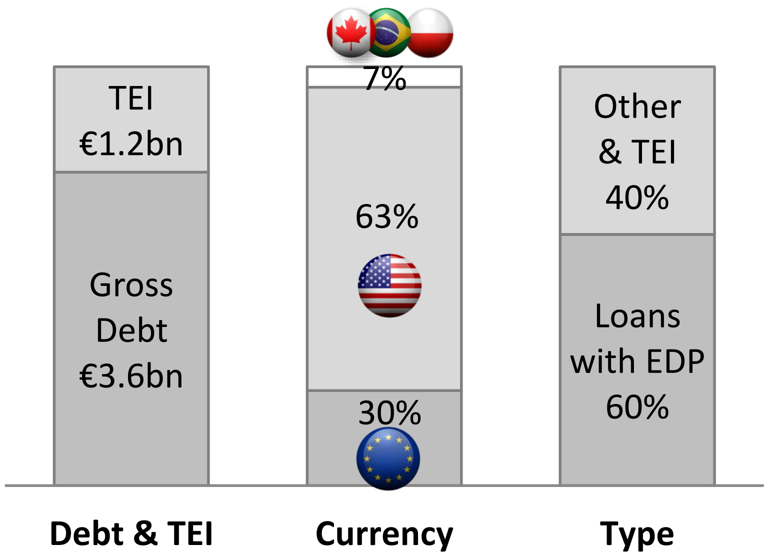
(1) Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in the Organic Free Cash-flow concept;

Solid balance sheet with Net debt and Tax Equity decreasing by €63m…

2019 from RCF to Debt and TEI variance
(€ million)



9M19 Debt and TEI Breakdown (%)



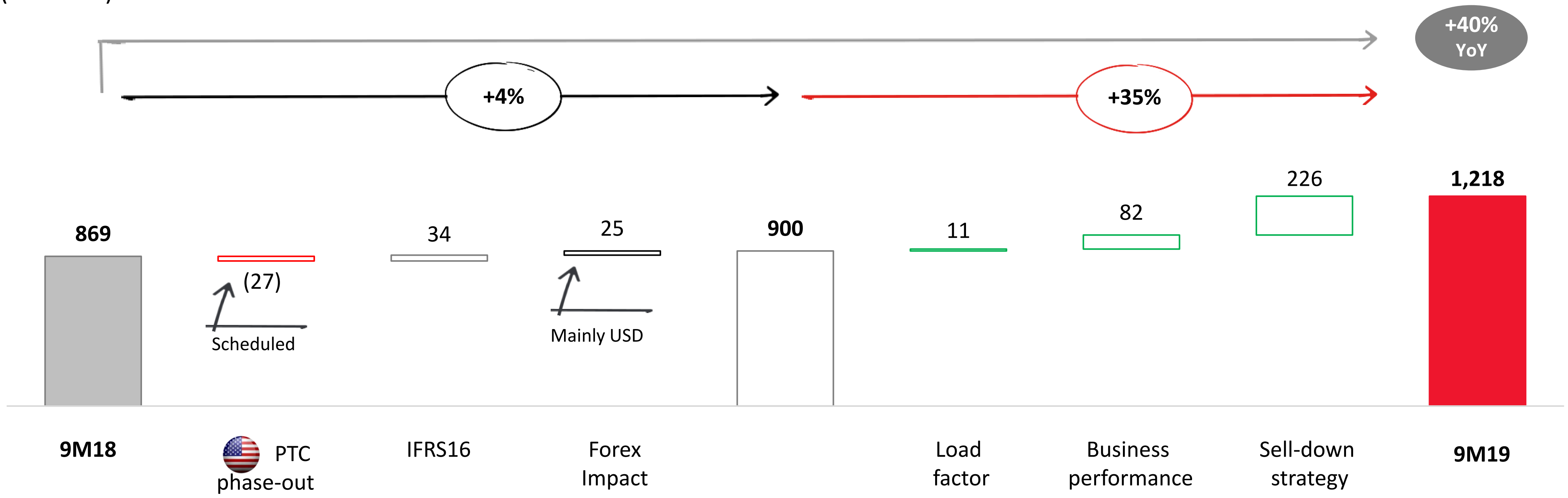
…to €3.0bn of Net Debt and €1.2bn Tax Equity

(1) Cash investments include Capex (net of projects sold), Net financial investments and Changes in working capital related with PPE suppliers and Government Grants

BUSINESS PLAN EXECUTION

EBITDA performance benefitting from gain on Sell-down strategy execution…

EBITDA YoY variance walk by driver
(€ million)



…along with MW additions, price recovery, fx and cost-control.

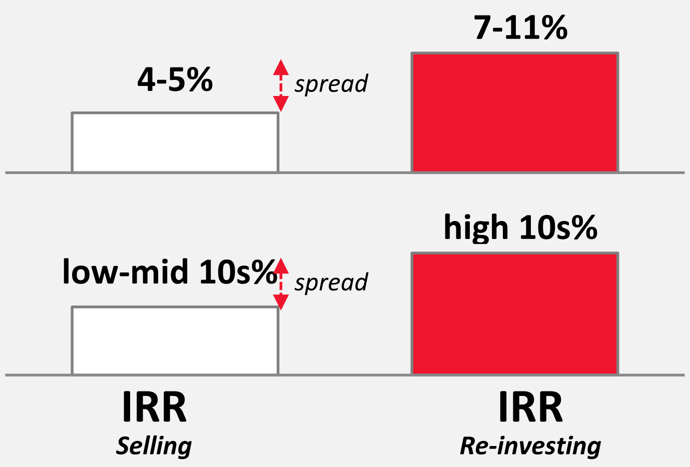
Executing its 2019-22 strategic agenda with a €1.0bn Sell-down[1] realized and €0.3bn to be cashed-in in 4Q19…

Sell-down transaction announced[2]

	Scope	*Assets age* *(average)*	*Status*	*Proceeds*	*EV/MW*	*Capital Gains* *(pre-tax; booked in EBITDA)*
	**997 MW** *491 net MW*	**8** *years*	**Closed** *3Q19*	**€0.8bn**	**€1.6m** *per MW*	**€226m** *(eq. to €0.4m/MW)*
	**137 MW** *137 net MW*	**1** *year*	**Pending** *4Q19E*	**€0.3bn**	**€1.6m** *per MW*	**n.a.** *(n.a.)*

Sell-down of EDPR's full equity in two onshore wind portfolios executing its 2019-22 target of >€4.0bn proceeds, with €1.3bn to be concluded in 2H19…

Rationale[3]



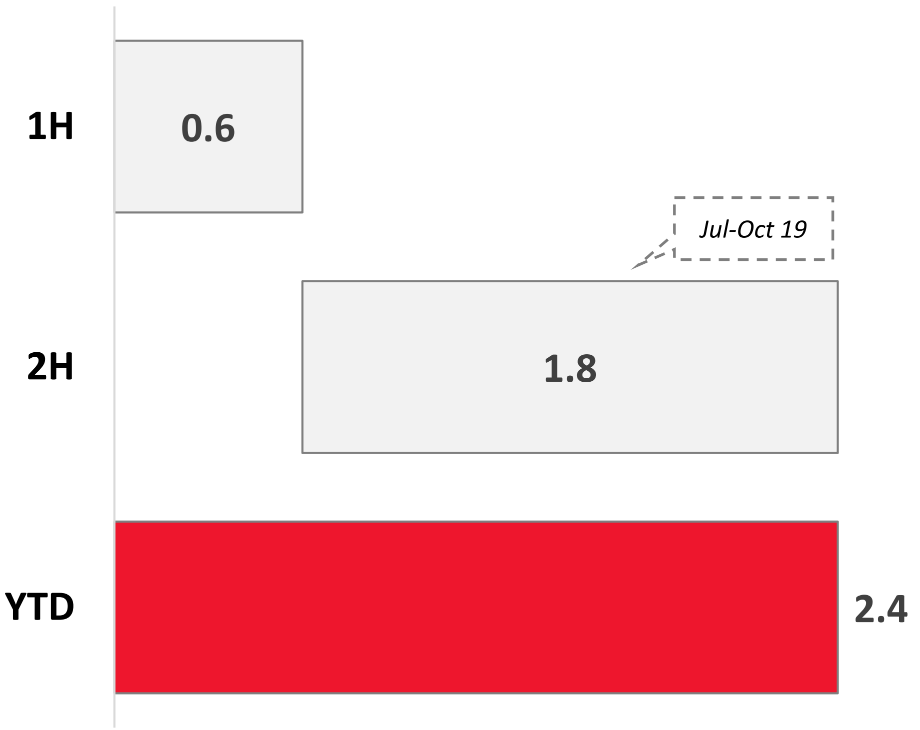
…capturing value created & propelling new projects execution with superior returns

…creating extra value through the sale of majority stakes, without increasing capital employed, and re-investing at higher returns

(1) Includes €190m from US Tax Equity proceeds related to Prairie Queen project, which Sell-down occurred in Dec-18; (2) subject to customary closing adjustment; (3) Illustrative and non-exhaustive; Reinvesting IRR at 7-11% excludes Brazilian projects

2019 is being a record year in terms of new investments execution, with +2.4 GW already secured…

2019: Accelerating growth
(GW secured in the period)



Project	Tech.	MW	CoD	Remuneration
Golden Eye	*Solar*	*139*	2019/20	*PPA/LT Contract*
Marchéville	*Wind*	*13*	2020	*CfD*
Rosewater	*Wind*	*102*	2020	*Build & Transfer*
Crossing Trails	*Wind*	*104*	2020	*PPA/LT Contract*
WildCat	*Wind*	*180*	2020	*PPA/LT Contract*
Reloj del Sol	*Wind*	*209*	2020	*PPA/LT Contract*
Mexico Project	*Wind*	*96*	2021	*PPA/LT Contract*
PPAs	*Wind*	*105*	2021/22	*PPA*
Indiana Crossroad	*Wind*	*302*	2021	*Build & Transfer*
Chalkodonio	*Wind*	*29*	2022	*Auction*
Monte Verde VI	*Wind*	*46*	2022	*PPA/LT Contract*
Boqueirao I-II	*Wind*	*80*	2022	*PPA/LT Contract*
Ribatejo	*Solar*	*142*	2022	*Auction*
California Project	*Solar*	*200*	2022	*PPA/LT Contract*
Sonrisa	*Solar*	*200*	2022	*PPA/LT Contract*
Alpha	*Wind*	*212*	2022	*Auction*
Beta	*Wind*	*280*	2022	*Auction*

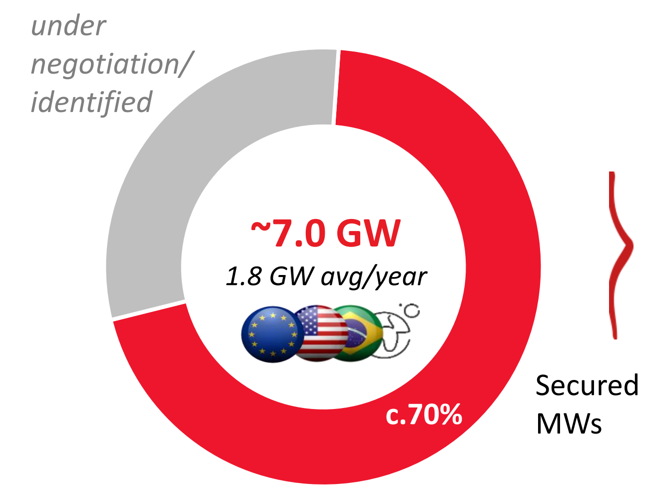
New Country

…for 2019-22 at attractive returns…

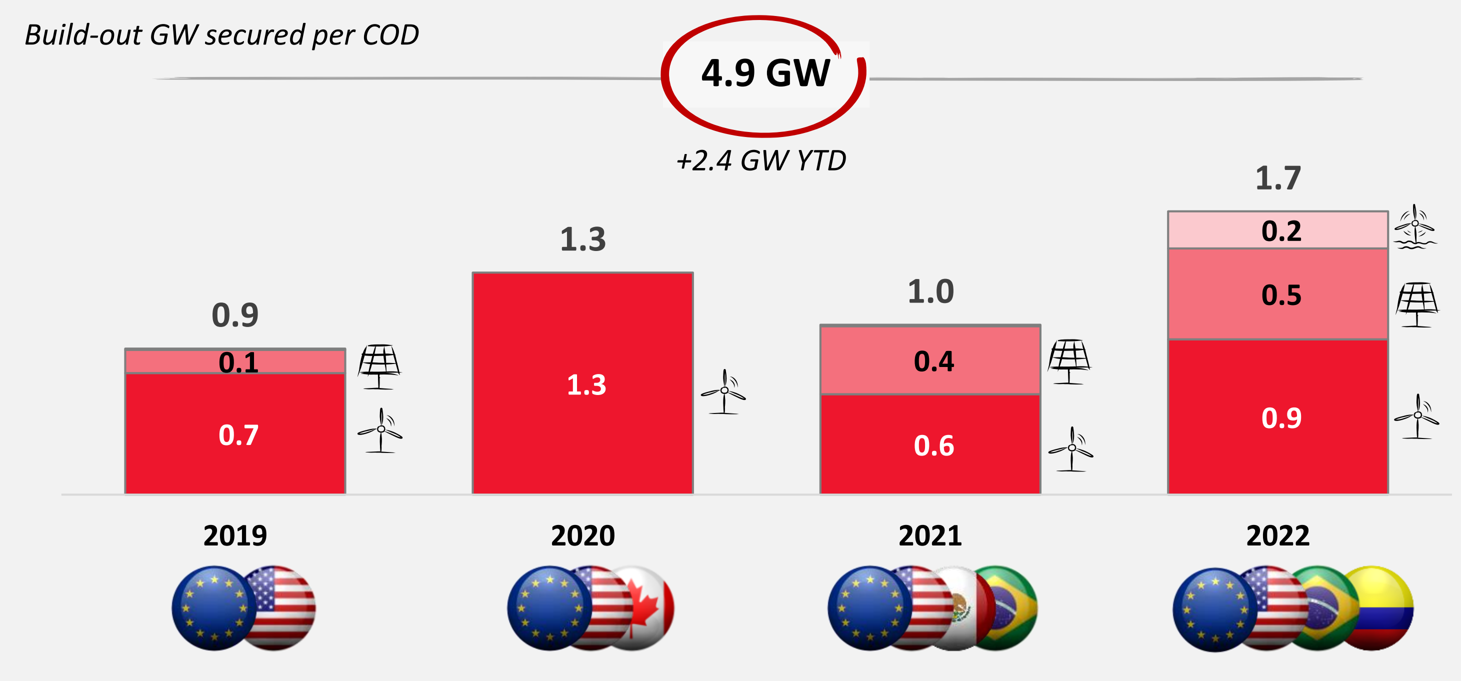
…leading to c.70% of the ~7 GW target build-out capacity, already secured for 2019-22…

Execution of ~7 GW build-out target…

Build-out GW; Oct-19



…with 4.9 GW of wind onshore, solar and offshore projects already secured



…being geographically and technologically diversified

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Conclusions

9M19 YoY positive top-line performance benefitted from higher avg. capacity (+3% YoY) and price recovery (+5% YoY), mainly in Eastern Europe along with higher realized price in Spain, US and Brazil. **Adj. Core Opex/avg. MW was flat YoY,** given cost control in the context of a growth strategy…

…together with EDPR's Sell-down strategy execution (€226m gain), lead to an
EBITDA of €1,218m (+40% YoY; +36% ex-IFRS16) and to a **Net Profit of €342m** (vs. €115m in the 9M18)…

…additionally execution of EDPR's new strategy is well on track with **c.70% of the 7 GW capacity build-out secured (1.8 GW only in 2H19),** being technologically & geographically diversified, creating an **offshore JV,** as well as **€1.3bn out of ~€4.0bn Sell-down** target already announced.

CONTACTS

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