



Meadow Lake – United States

edp renováveis

First Half 2019

Results Presentation

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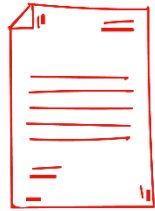
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HIGHLIGHTS OF THE PERIOD

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

Quality assets

33% load factor (-1pp YoY)

96% of LT avg. (vs 99% in 1H18) with 2Q19 @ 99%
Availability @ 97.1% vs 1H18 @ 97.0%

Revenues at €1,005m (+9% YoY; +€82m)

MWs (+€71m), Price (+€29m), NCF (-€28m),
10-yr PTCs (-€22m), FX (+€27m)

Adj. Core Opex/ avg. MW -2% YoY⁽¹⁾

given O&M strategy execution
and cost-control

93% of Revenues fixed for 2019⁽²⁾

€56/MWh avg. price (+5% YoY)

Selective and profitable growth

+880 MW built YoY

+720 MW added YoY
1,323 MW already under construction

~7.0 GW cumulative build-out target for 2019-22 (46% secured)

€961m EBITDA (+40% YoY)

including €219m from 491 net MW Sell-down gain
(+35% YoY ex-IFRS16)

Net Profit €343m (vs €139m in 1H18)

on top-line performance and Sell-down execution

Self-funding business

€0.8bn of Sell-down YTD

of assets in EU (491 net MW) and
expected to be concluded in 3Q19

€576m Net Debt & TEI increase from growth & investments, keeping solid balance sheet

Optimizing Cost of Debt and TEI Costs

Debt: 3.8% Jun-19 (-0.2pp YoY; on different mix);
Avg TEI: 6.8% (+0.1pp; latest deals at 10-yrs min vs mix)

Operating Cash Flow⁽²⁾ at €645m









+11% YoY from top line performance

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

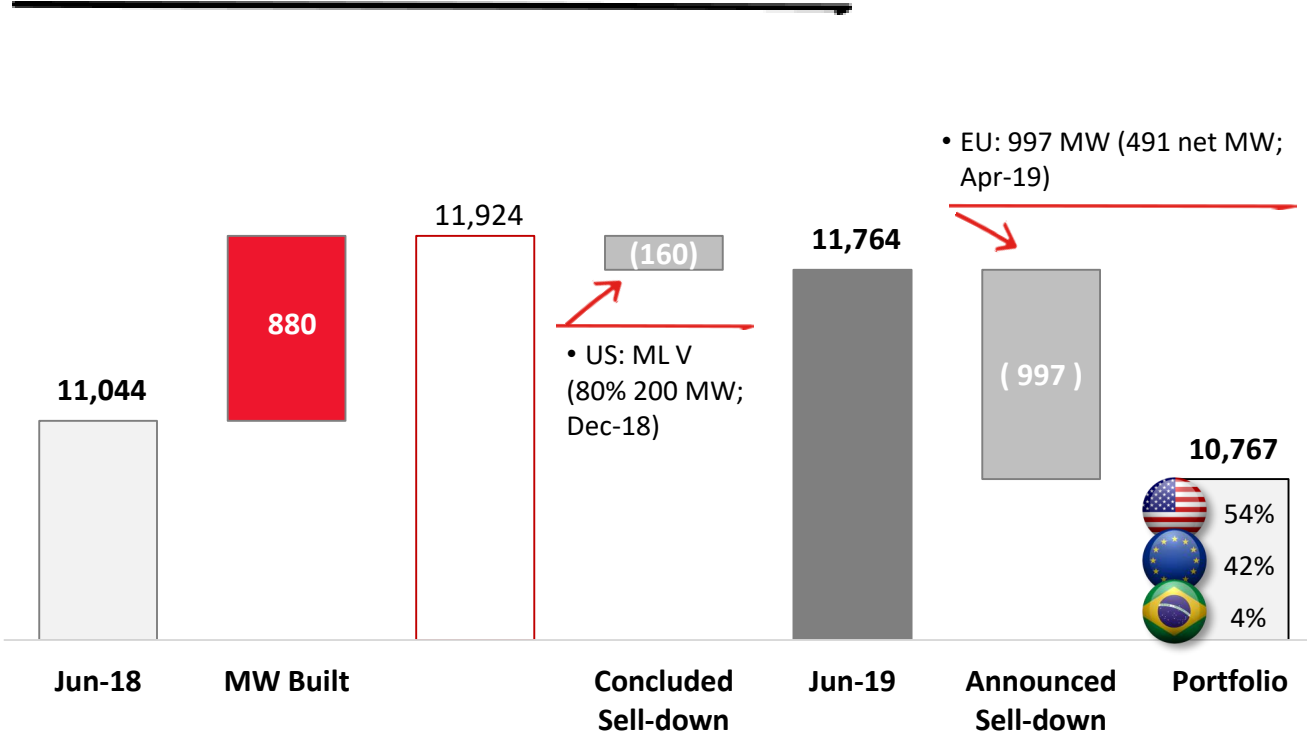
(2) at Jun-2019

1H19 RESULTS

EDPR built 880 MW YoY reaching 10.8 GW after announced Sell-down transactions

	MW Built YoY	Under Construction
 	478 MW	+879 MW ²
 	266 MW	+114 MW
 	137 MW	-
 	-	+330 MW ³
	880 MW	+1,323 MW

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







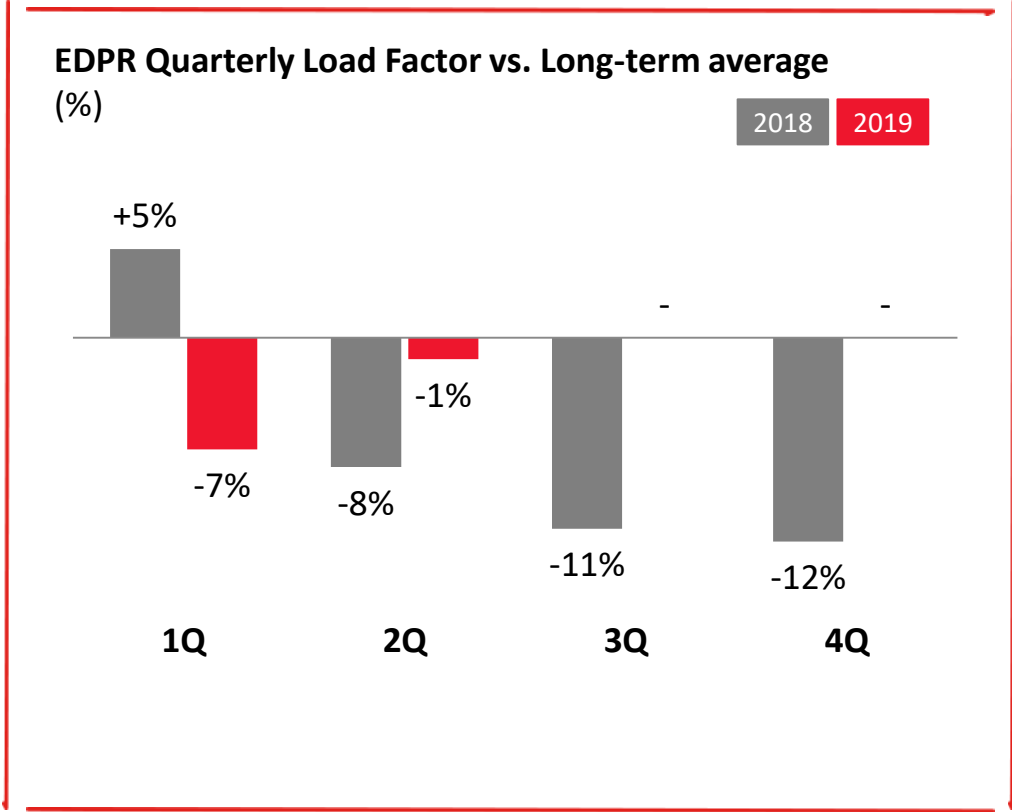
880 MW built YoY of which 160 MW sold (80% stake on 200 MW wind farm)
720 MW added YoY and 1,323 MW already under construction (including stake in UK offshore)

(1) Incl. equity consolidated: 152 MW in Spain & 219 MW in the US;
 (2) Includes Prairie Queen (199 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

Despite 2Q19 in line with LT average, EDPR reached 33% load factor in the 1H19, reflecting 1Q19 lower wind resource...

Load Factor and Technical Availability⁽¹⁾

	1H19	Δ YoY	1H19 vs. LT avg.
	29%	-pp	99%
	37%	-2 pp	94%
	33%	+3 pp	88%
	33%	-1 pp	96%
EDPR Availability¹	97.1%	+0.1 pp	

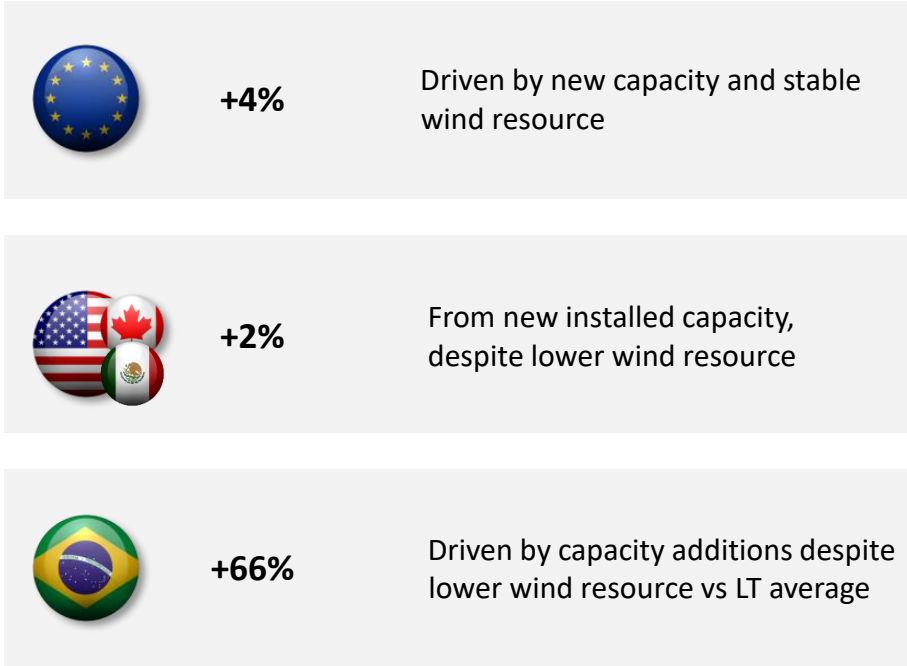


...and representing 96% of long term average vs 99% in the 1H18

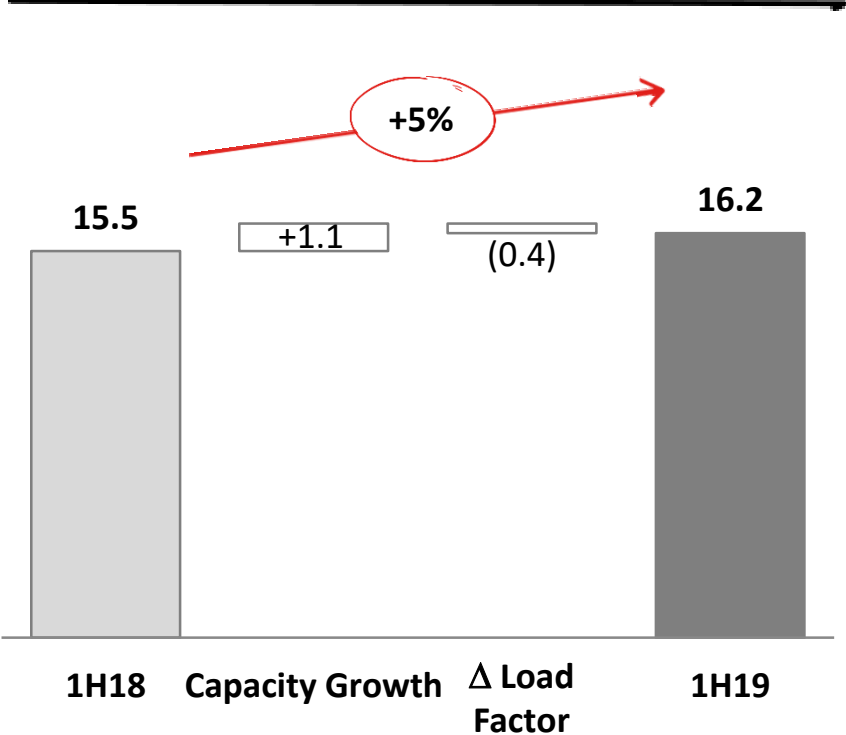
(1) Technical Energy Availability (TEA)

Electricity output higher 5% YoY, benefiting from capacity additions over the period

TWh
Δ% YoY






Electricity Production (TWh)



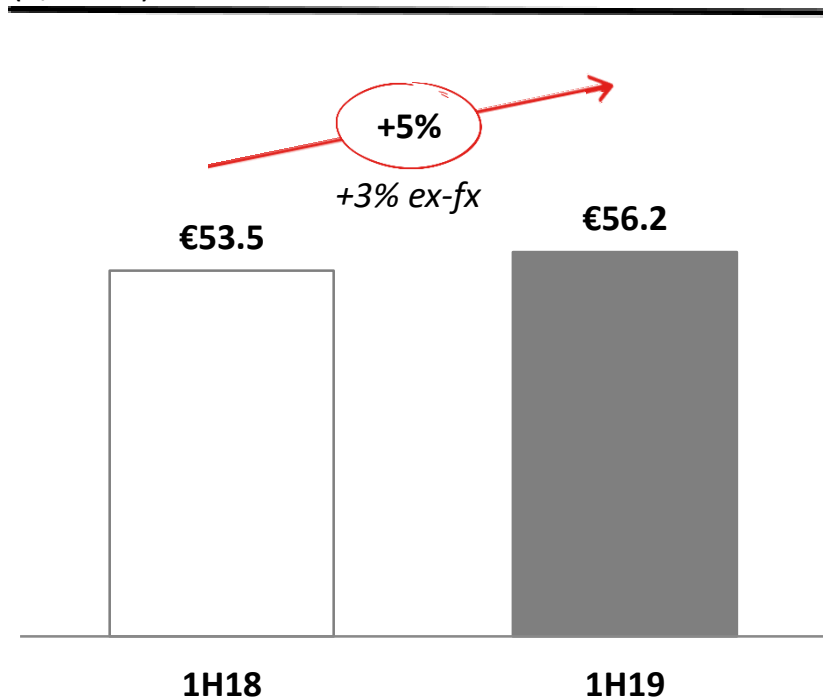
EDPR produced 16.2 TWh of clean electricity (+5% YoY), avoiding 11 mt of CO₂ emissions
Geographical output breakdown: 55% in North America, 41% in Europe and 4% in Brazil

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

1H19 $\Delta\%$ YoY⁽¹⁾

	€80.2	+3%	SP higher price +4% (higher reasiled price); RoE +11% (mainly due to RO & PL recovery); PT -2% (from new additions)
	\$45.6	+1%	US (+1%): primarily due to new MWs in operation CAN (-4%): flat in local currency MX: (+1%) from PPA @\$65
	R\$210	+1%	Different mix of a new wind farm in operation vs 1H18 & 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 +9% YoY given higher capacity (+8%), higher avg. price (+3%), along with favorable FX (+3%), partially offset by lower NCF (-3%) and PTCs expiration (-2%)

Main drivers for Revenues performance

Higher output: +5% YoY; +€43m (NCF: -€28m; MW: +€71m)

from lower load factor (33%; 96% LT avg.) despite higher availability YoY (at 97,1%) and higher avg. MW (+6% YoY)

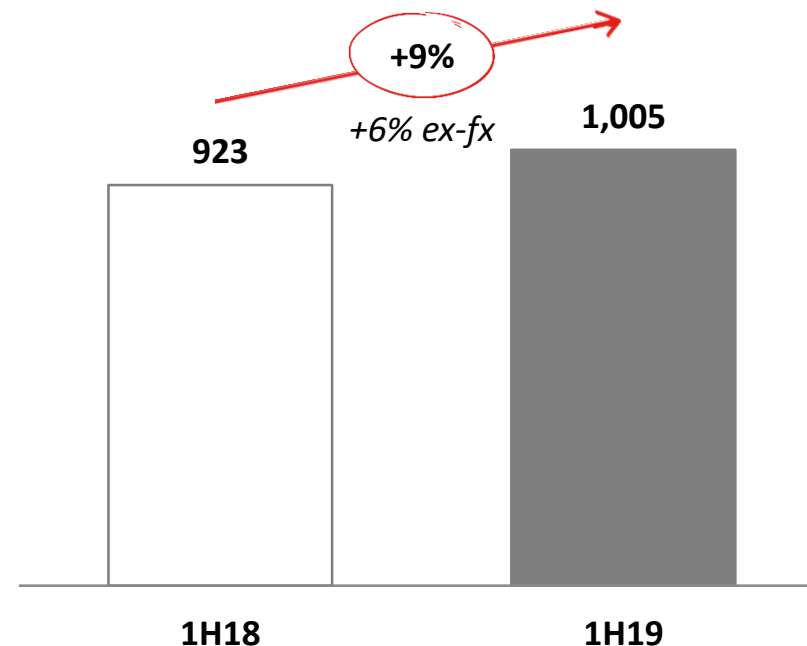
Higher average selling price: +5% YoY; +€29m

mainly driven by price recovery in Spain and Rest of Europe

Forex impact & scheduled 10 years PTCs expiring

PTCs expiring (10-year life): -€22m
Impact from FX: +€27m

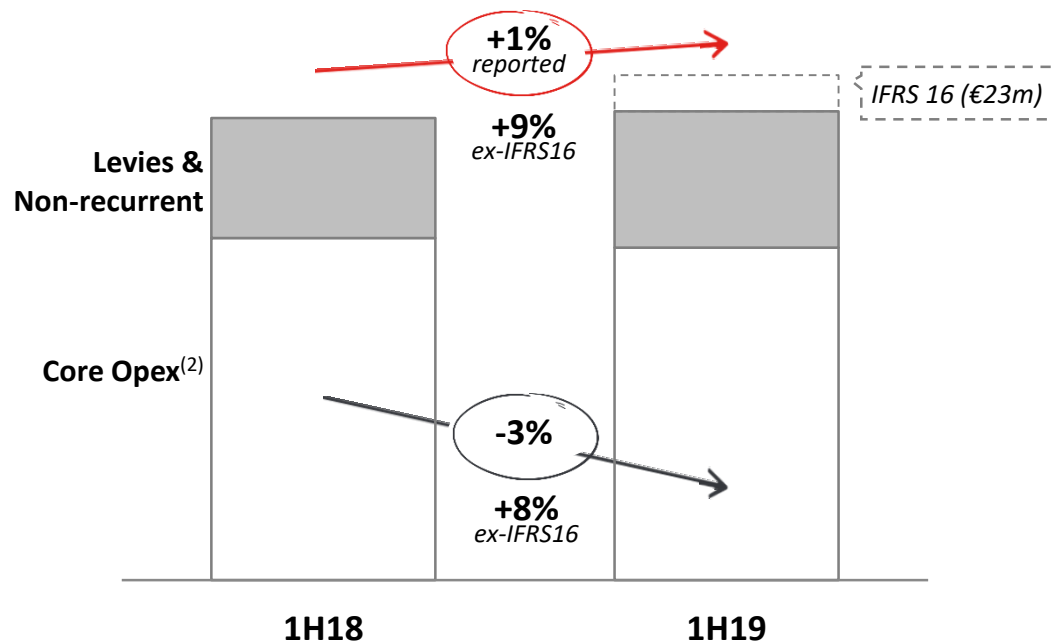
Revenues (€ million)



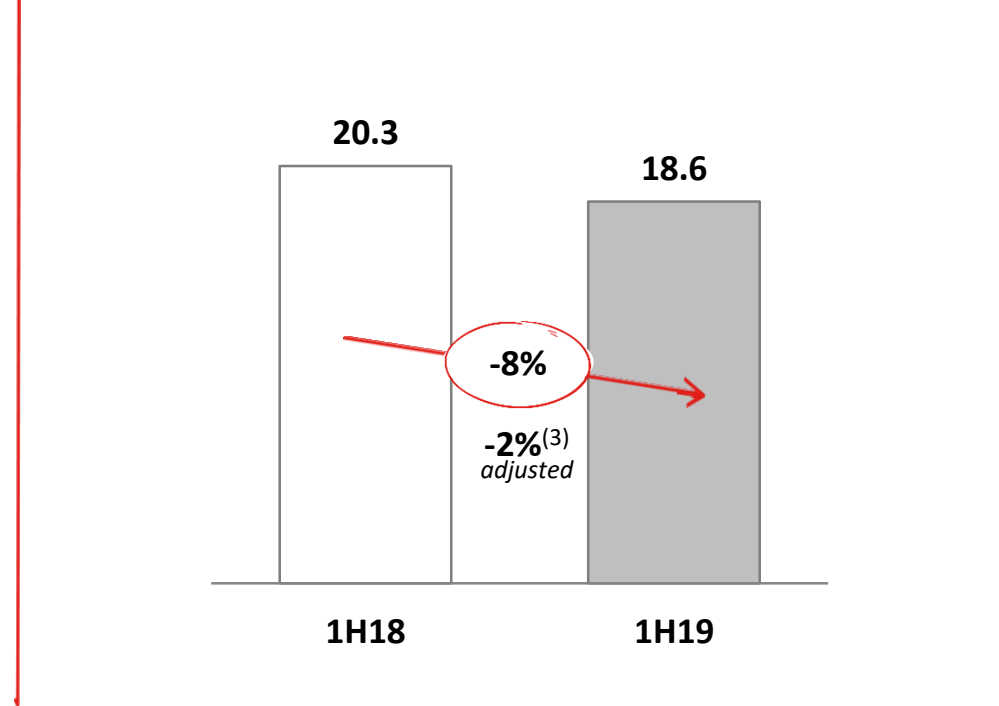
Revenues increased €82m mainly driven by higher volumes (+€43m), higher price (+€29m), forex translation (+€27m), partially offset by to lower wind resource (-€28m) and PTCs expected expiration (-€22m)

Core Opex per Avg. MW decreasing 2% YoY, adjusted by IFRS16, offshore costs and FX, given O&M strategy and cost control

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



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

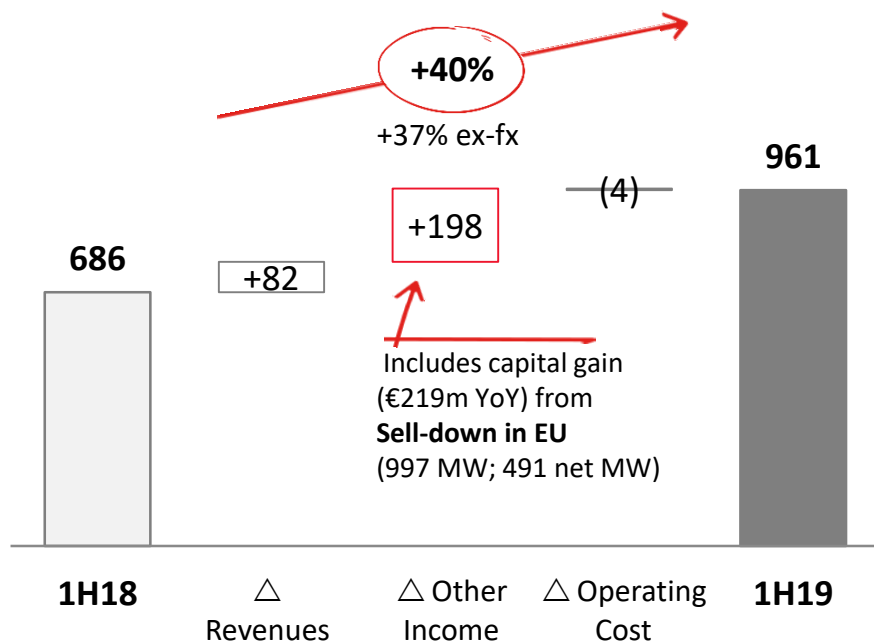


Core Opex increasing YoY on the back of higher installed capacity and Adj. Core Opex/ Avg. MW decreasing 2% YoY

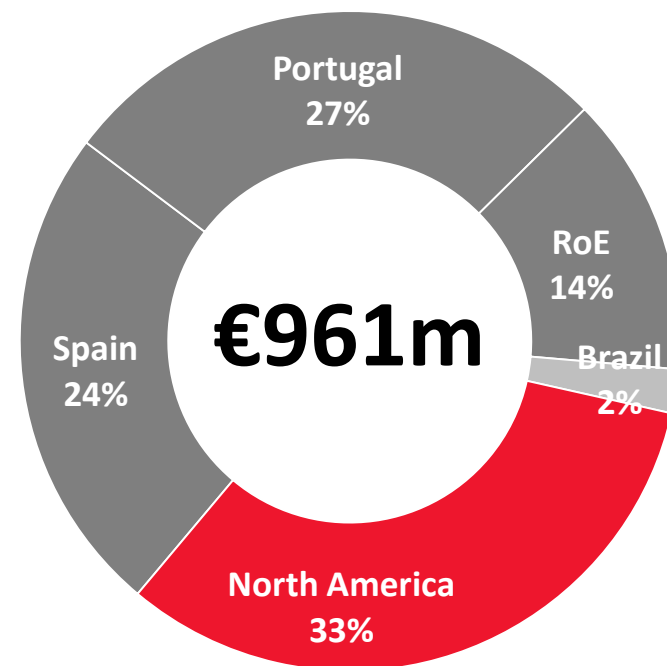
(1) Reported figures presented; for YoY analysis purposes, was included impact (€23m) from IFRS16 in 1H19; (2) Includes Supplies and Services and Personnel Costs; (3) Core Opex/avg MW adjusted by IFRS16, offshore costs (mainly cross-charged to projects' SPVs) and FX

Delivering EBITDA of €961m (+40% YoY) from the execution of Sell-down strategy, top line performance and IFRS16

EBITDA YoY
(€ million)



EBITDA per Region⁽¹⁾
(%)

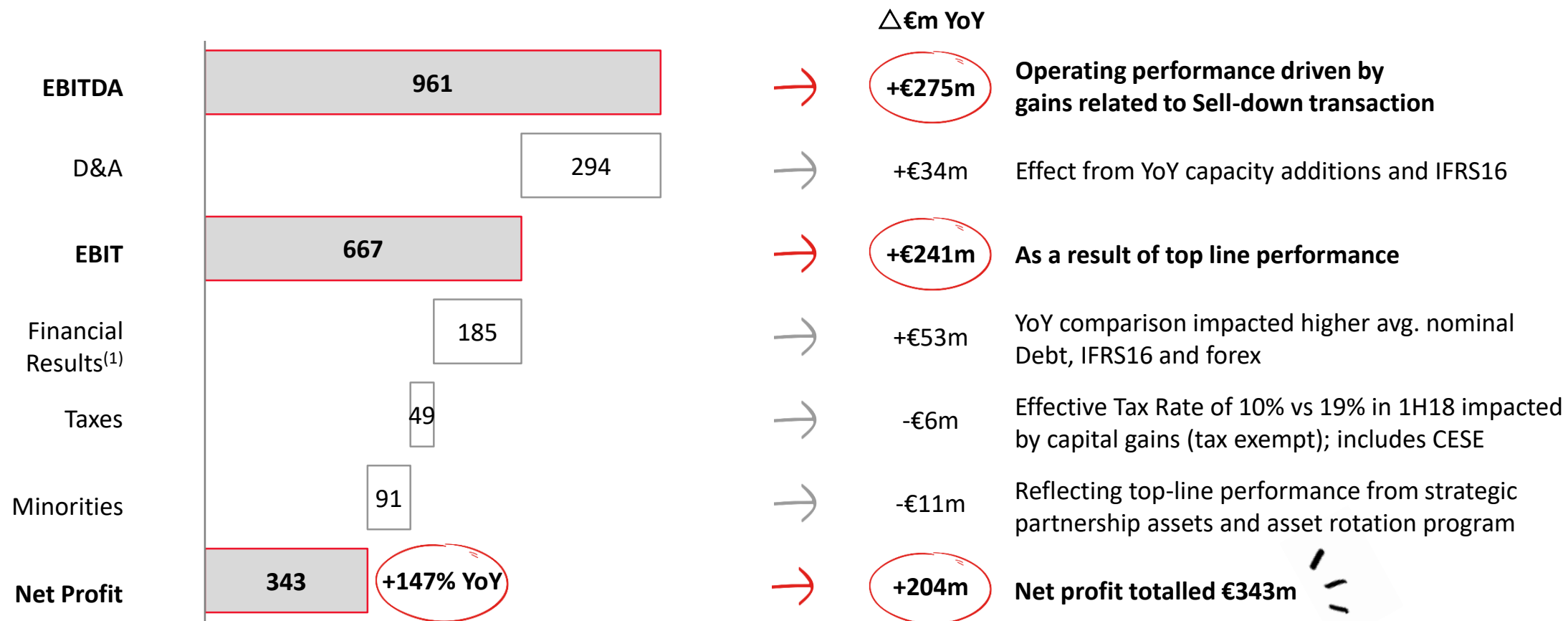


**EBITDA totalled €961m (+40% YoY),
being +37% YoY if excluded impacted from IFRS16 given top line performance**

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

Net Profit totaled €343m (+147%), with YoY comparison driven by a Sell-down transaction partly offset by higher financial expenses and higher D&A (IFRS16)

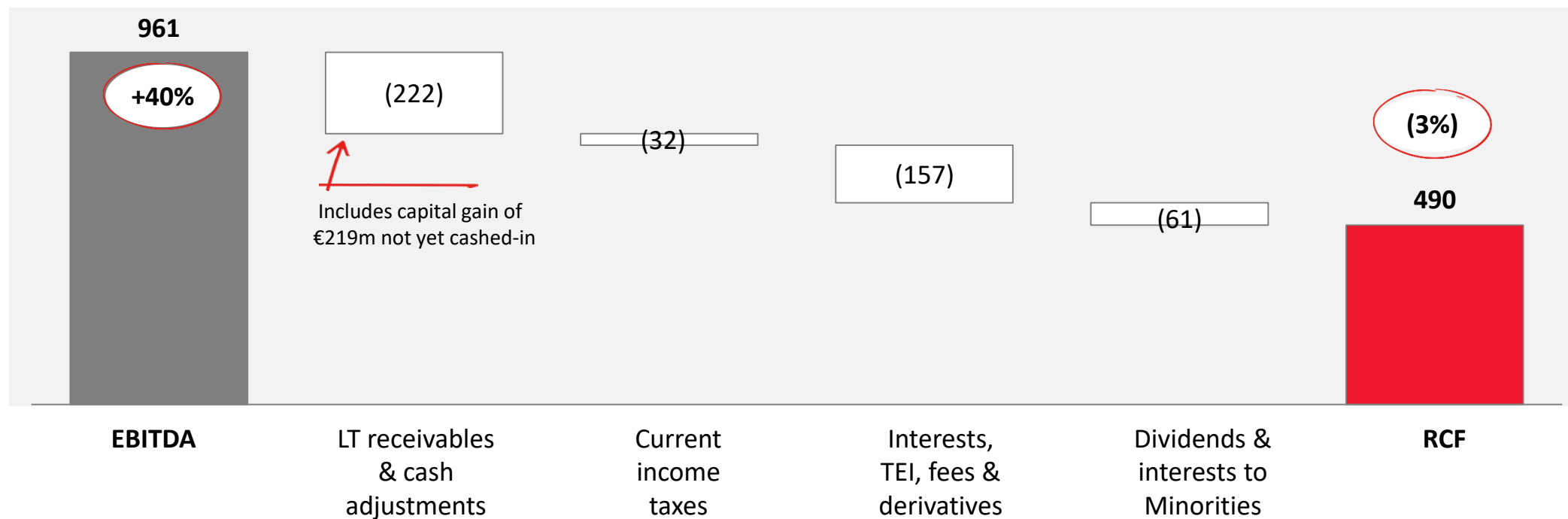
1H19 EBITDA to Net Profit (€ million)



(1) Includes Share of profit of associates

Cash Flow generation with RCF at €490m, 3% lower YoY

1H19: Retained Cash Flow (RCF)¹ (€ million)

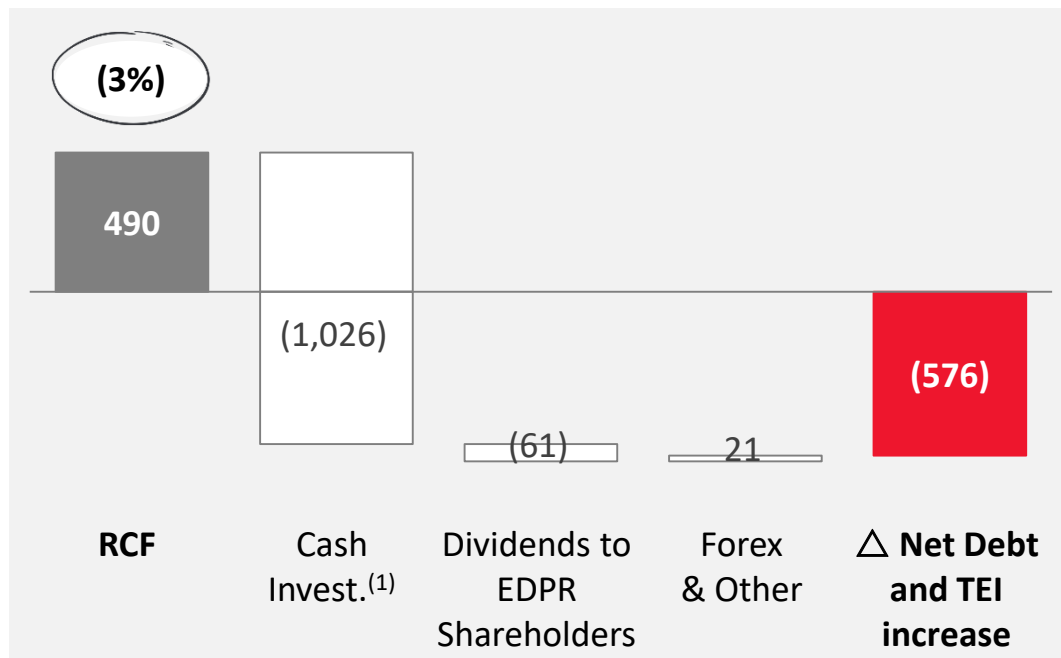


RCF⁽¹⁾ of €490m (vs €507m in 1H18) YoY comparison impacted by PTC 10-year expiration and higher interests on debt increase (following growth capex)

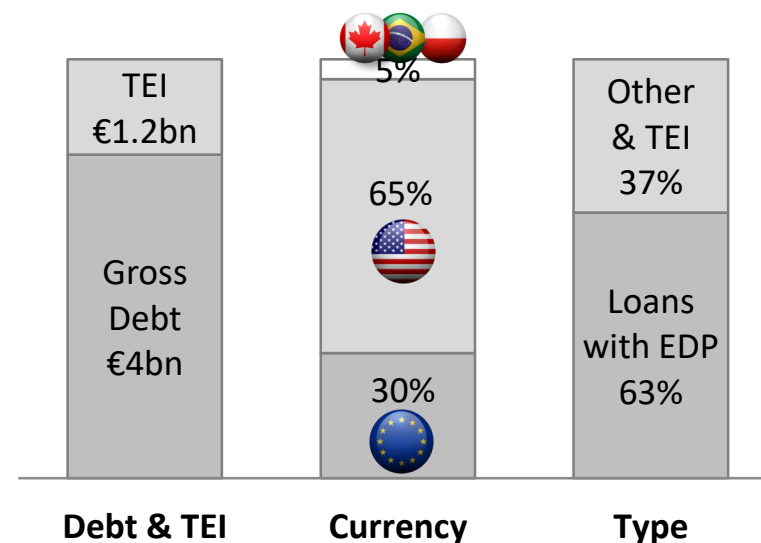
(1) Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in the Organic Free Cash-flow concept;

Solid balance sheet with Net debt and Tax Equity increasing by €576m, to €3.7bn of Net Debt and €1.2bn Tax Equity

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



1H19 Debt and TEI Breakdown (%)



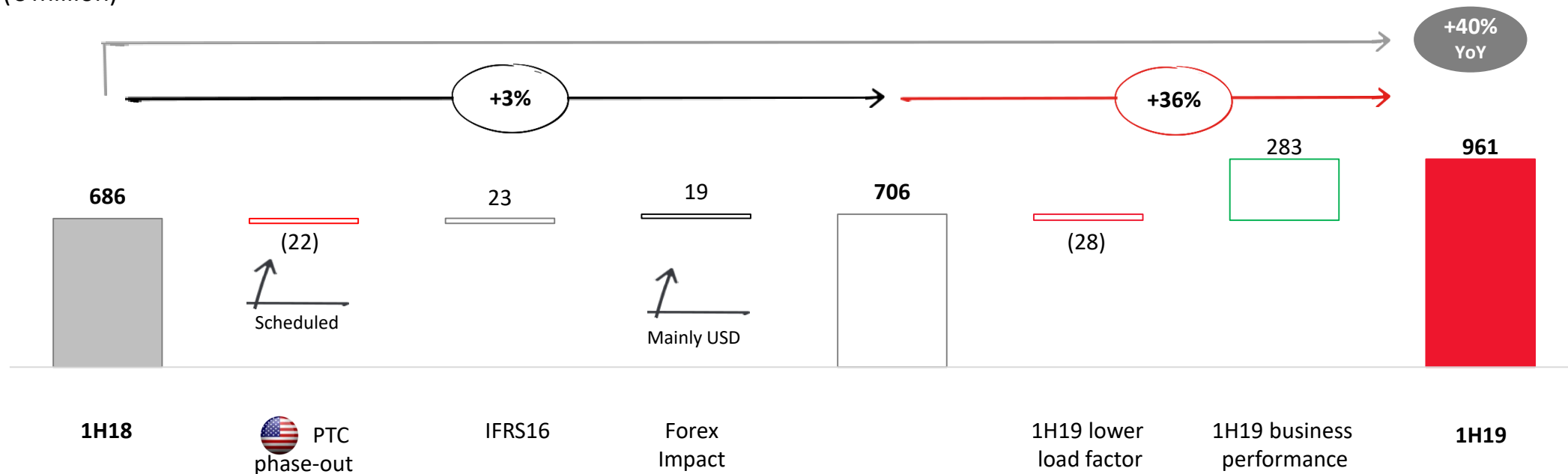
Solid Balance sheet with 3.5x Net Debt & TEI to LTM EBITDA ratio²

(1) Cash investments include Capex (net of projects sold), Net financial investments and Changes in working capital related with PPE suppliers and Government Grants; (2) Includes €610m from Rents due from lease contracts

BUSINESS PLAN EXECUTION

EBITDA performance benefitting from gain on Sell-down strategy execution along with MW additions, price recovery, fx and cost-control...

EBITDA YoY variance walk by driver
(€ million)



...mitigating 1Q19 lower wind resource scheduled PTCs expiration.

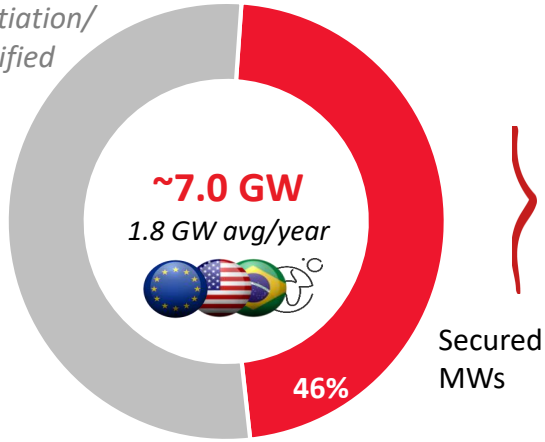
EDPR has been delivering its growth targets with already 46% of the ~7 GW, target build-out capacity, secured for 2019-22,...

Execution of ~7 GW build-out target...

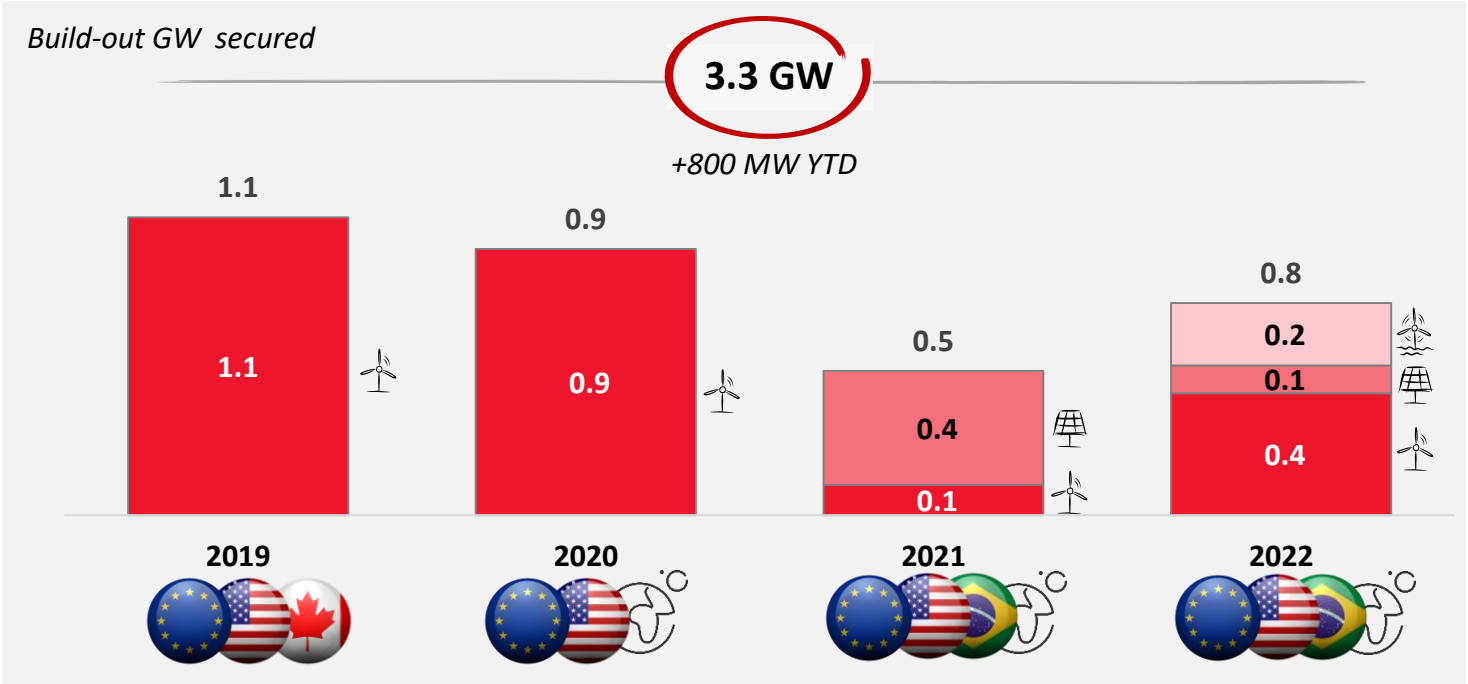
...with 3.3 GW of wind onshore, solar and offshore projects already secured

Build-out GW; Jun-19

under negotiation/identified



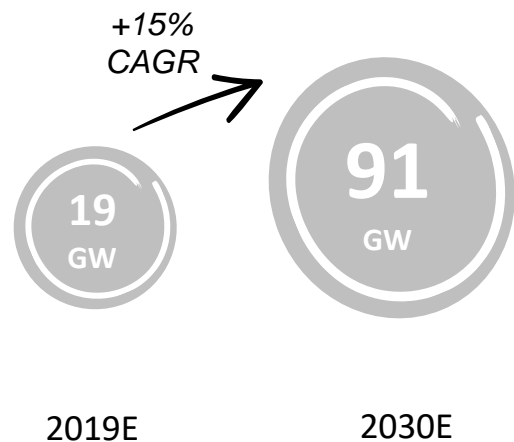
Build-out GW secured



...,of which 800 MW secured YTD, being geographically and technologically diversified

Creating EDPR/ENGIE 50:50 joint-venture to focus on a fastest growing renewable technology

Expected wind offshore global installed capacity¹

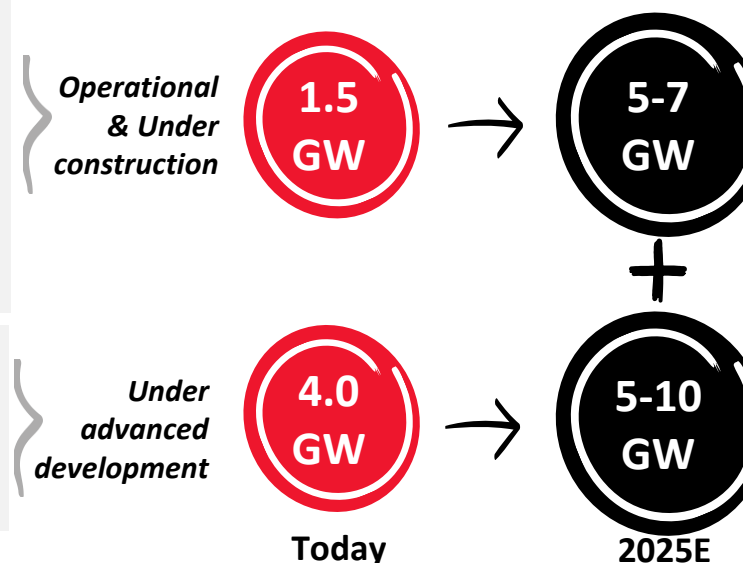


JV Portfolio & Growth Targets

Gross MW

PROJECT	CAPACITY	JV Stake	CoD
Moray East	950 MW	57%	2022E
Wind Float Atlantic	25 MW	79%	2019E
Leucate	24 MW	80%	2021E
SeaMade	487 MW	18%	2020E
Tréport & Noirmoutier			
Moray West			
Mayflower & California floating			
B&C Wind			

Expected wind offshore global installed capacity²



Offshore partners since 2013, EDPR and Engie are developing efforts towards a leadership position by combining complementary competences to accelerate growth, minimize risks and increase efficiency

(1) Source: IHS; excludes China; (2) Gross MW

Executing its 2019-22 strategic update with a €0.8bn Sell-down transaction announced, crystalizing value and accelerating value creation

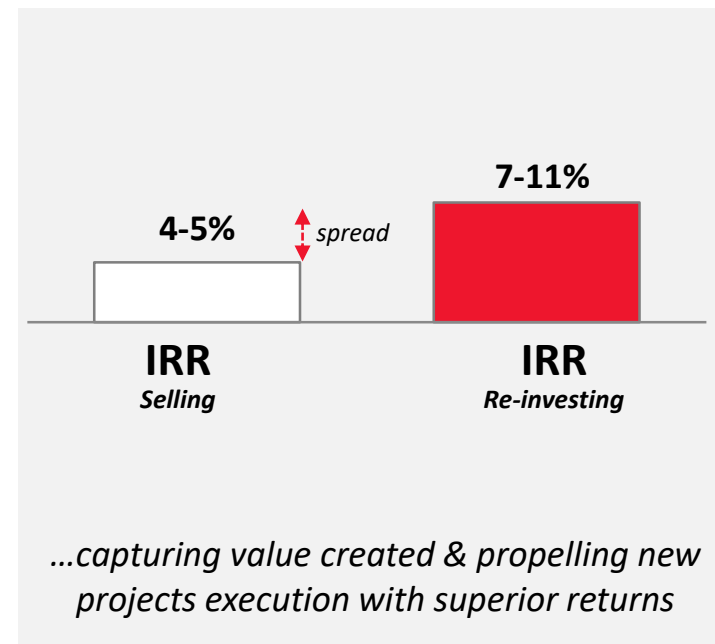
Sell-down transaction announced¹



<i>Scope</i>	<i>Assets age (average)</i>	<i>Proceeds</i>	<i>EV/MW</i>	<i>Capital Gains (pre-tax; booked in EBITDA)</i>
997 MW <i>491 net MW</i>	8 <i>years</i>	€0.8bn <i>3Q19</i>	€1.6m <i>per MW</i>	€219m <i>(eq. to €0.4m/MW)</i>

Sell-down of EDPR's full equity in an onshore wind portfolio executing its 2019-22 target of >€4.0bn proceeds, with €0.8bn to be concluded in 2H19...

Rationale²



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

(1) subject to customary closing adjustment; (2) Illustrative and non-exhaustive; Reinvesting IRR at 7-11% excludes Brazilian projects

Conclusions

- 1H19 YoY positive top-line performance benefitting from capacity additions (720 MW YoY), price recovery (+5% YoY) mainly in Eastern Europe and higher realized price in Spain and US. Adj. Core Opex per Avg. MW decreasing 2% YoY, backed by O&M strategy and cost control.
- Solid EBITDA of €961m (+40% YoY; +36% ex-IFRS16) from top-line performance and propelled by Sell-down strategy execution with €219m gain, leading to a Net Profit of €343m.
- Execution of new strategic plan is on track with 46% of the 7.0 GW of new capacity build-out secured, creating an offshore JV and delivering efficiency and cost-control in operations and with €0.8bn out of ~€4.0bn Sell-down target already announced in Europe.

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