EDPR

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Chaired by Miguel Stilwell d' Andrade

Company Participants

- **Miguel Stilwell d'Andrade**, Chief Executive Officer
- **Rui Teixeira**, Chief Financial Officer
- **Miguel Viana**, Head of Investor Relations & ESG

Other Participants

- **Alberto Gandolfi**, Analyst
- **Arthur Sitbon**, Analyst
- **Enrico Bartoli**, Analyst
- **Javier Garrido**, Analyst
- **Jorge Guimaraes**, Analyst
- **Manuel Palomo**, Analyst
- **Olly Jeffery**, Analyst
- **Pedro Alves**, Analyst

Miguel Viana: Good morning, everyone. Thank you for attending EDPR's Nine-Months 24 Results Conference Call.

Our Group CEO, Miguel Stilwell d' Andrade; and our Group CFO, Rui Teixeira, will run you through the financial performance over the first nine months of the year along with a brief execution update. We'll then move to Q&A, and we'll be taking your questions in the conference chat or by phone. So the duration of the call should be around 60 minutes.

I will now give the floor to our CEO, Miguel Stilwell d'Andrade.

Miguel Stilwell d'Andrade: Thank you, Miguel. So good morning, everyone. There'll be a lot to talk about for the next hour or so, and it's great to be here. I think it's very timely given yesterday's elections in the US, and I'll be providing some views on that later on and probably also in the Q&A if it comes up. But as always, we'll begin with a short update of our business performance over the first nine months of the year and also the -- just the overall execution update.

We move over to Slide 4, and we kick off the presentation. So, looking at the key performance highlights over these nine months. In terms of capacity additions, they increased 3 GWs year-on-year at a strong contribution from the US solar projects. And so, overall, about 1.9 GWs year-on-year. We're still targeting a total capacity addition of close to 4 GWs this year, which close to 1 GW in the US are already mechanically complete as of today and just waiting to be energized. And Moray West, as of today, already 54 of the 60 turbines already installed and generating energy. So this year will represent a record number of MW installations for EDP Renewables and a really great effort, I think, by all the teams to pull this off.

In terms of generation, during the first nine months of the year, we observed the recovery of the wind conditions, along with new additions, mainly in North America, that's led to an increase year-on-year of around 5% to 26.5 TWh hours. So North America clearly seeing a better year on several different levels. However, the generation is lower than what we'd expected given the overall wind and solar resources deviation materially deviated from expectations particularly over the third quarter, grid congestion and installation path between quarters. So some of the MWs slipped between quarters, but we're still expecting them this year, as I mentioned.

The average selling price was around EUR59.4 per MW hour. So 4% down year-on-year. That's driven by lower electricity prices mainly in Iberia. However, the average selling price was better than expected and that's been supported very much by the positive impact from our hedging strategy, resilient prices in North America and higher year-on-year prices in Brazil.

On the efficiency side, significant improvements. Our core OpEx per average MW in operation has declined 7% year-on -year, and we're expecting further efficiency measures to support this trend in the future. So, as you know, we started working on this already over the last couple of quarters and we're going to keep pushing very much on this side.

Finally, in terms of delivery of our asset rotation program. So this year, we've closed already four transactions at good valuations. 1.5 billion of proceeds at an average enterprise value per MW of EUR1.5 million. However, the asset rotation gains will be 0.2 billion lower year-on- year.

All in all, EBITDA EUR1.3 billion. So it increases 7% year-on-year, excluding asset rotation capital gains. And the net profit was EUR210 million, with the top line growth being mitigated by lower asset rotation gains year-on-year and the company's growth efforts.

If we move to Slide 5. Let's talk about the US. Now, given the current market context. As you know, we've been in the US now for many years back since -- back in 2007. We have a long track record here. We've weathered various economic and political cycles. The US represents approximately 50% of our current portfolio in terms of MWs. And as you can see, the installed capacity in the country has grown year-on-year with an increase of around 20% over the last 12 months.

Generation and revenues in the region are also expanding, showing a 15% increase since the first nine months of 2023. We've already installed around 1 GW in the first nine months, and we're highly confident on reaching approximately 2 GWs in capacity additions by the year end, more than 1 GW of capacity already secured for 2025.

Regarding this new political cycle yesterday and the election of Donald Trump as President, I want to remind you that the US renewable energy sector actually experienced strong growth during Trump's first presidency and many major clean energy investments are located in the Republican states. These investments contribute significantly to jobs, to economic growth, landowner income and property taxes for local communities. So we believe that the benefits that these states have gained under the Inflation Reduction Act make it unlikely that the legislation will face substantial cuts.

We continue to see significant growth in demand for electricity in the US over the next few years, and new sources of demand emerging from data centers, crypto mining and industrial activities. And as you know, in the US, we have a diverse mature pipeline that will enable us to explore more options, capture value and cater to the growing demand for renewable energy and storage across the different regional markets.

On procurement, I'd just like to highlight that in the US, we're in a very different position versus a few years ago. In 2025, we secured panels assembled in Georgia by QCells and in Ohio by Illuminate. For 2026-28 we have an agreement with First Solar for solar panels manufactured in Louisiana and Alabama. We're also buying batteries from Tesla made in the US and from LNG facilities in Arizona along with US made Vestas turbines.

So EDPR North America is very well positioned in terms of potential increases of import tariffs with local weighting -- or with high weighting of local manufacturing into renewable projects. We also wanted to highlight the role of storage. We've already secured our US target of 0.5 GWs of long-term tolling agreements in this region, ensuring diversified growth, both co- located and standalone projects.

Regarding offshore energy. So that scenario that's faced vocal opposition, we plan to take a measured and cautious approach in the near term, although the fundamentals for offshore development along the US coast remain strong and demand for energy supports this sector. As you know, the states located on the east coast are -- still have binding targets for 2030. They are very committed to continuing to support this industry, and so we'll see how that develops over the next couple of months.

In summary, we strongly believe that the US remains a key market for renewable energy development. Nevertheless, while we have this strong fundamental view, we will obviously be analyzing eventual implications for short-term execution and growth given the natural uncertainties that exist during the transition.

So, you know, clearly, over the next few weeks and months, we'll be looking at, you know, who are the key people that are also being appointed and knew any policy indications that may come out in terms of us also taking a view on the growth for the US.

If we move to Slide 6. So let's talk about Europe. So this is another core market for us. It's got a very low-risk profile. Electrification is expected to be very strong across all sectors. Binding targets by the European Union of 42.5% share of renewables by 2030. They are aspiring to reach 45%. There's a favorable macro context with interest rates decreasing in Europe.

Capacity additions are expected at over 700 MWs between '23 -- well, actually 700 GWs between 2023 and 2030 for Europe as a whole; and 60 GWs expected to be auctioned by member states during 2025. So that's a key route to market for renewables in this region. EDPR additions are also growing, so we have expected additions for 2024 solar recovery and we've got about 0.8 GWs of additions expected by year end and more than 1 GW under construction and around 0.7 GWs already secured for next year, with most of the growth coming from Italy, Germany, Spain and the UK.

In Iberia, we continue to leverage the existing portfolio through hybridization to optimize interconnection. We've got six hybrid energy farms combining wind and solar technology already in operation in Spain and Portugal. So this helps address one of the key issues in Europe, which is grid bottlenecks. By integrating additional renewable capacity and electricity demand, you need increased grid investments. And so the European Commission, as you know, is estimating more than EUR0.5 trillion of investments over this next decade. Anyway, we can talk more about this on the EDP conference on Friday on the grid side.

In relation to the European Union, just also to mention that the European Grid Action plan has 14 actions to be completed before the end of the year or before the end of 2025, including accelerating deployment through faster permitting and public engagement. So this will hopefully also help accelerate the renewable deployment.

On Slide 7, talking about PPA prices and just energy prices in general. Power prices are normalizing to pre-energy crisis levels faster than expected, but the forward prices are actually evolving positively. So, for example, the 2026 forward price in Iberia has actually increased from around EUR55 per MW hour that we had in our May reforecast to a current level of EUR62 per MW hour.

Meanwhile, we continue to secure long-term contracts for our projects. So we see high PPA prices for new projects which we are negotiating given high demand and shortage of projects. Execution certainty is becoming key for offtakers, and we're well positioned for that.

This year, driven by solid renewables demand growth in our core markets, we signed over 1.6 GW of PPAs at an average price of EUR63 per MW hour worldwide and 65% of these agreements have been made with major tech companies. We've also secured 0.5 GW of long-term storage contracts with utilities, primarily in North America given the role of storage in supporting non-dispatchable renewable generation.

On Slide 8. So here, talking about volume. So the renewables index is 2% below the long-term average in the first nine months. This reflects the recovery of the wind resources in North America and Europe. It's still very weak resources in Brazil, very weak. Particularly in the third quarter of this year, you can see that the operational performance was impacted by below average wind resources.

On the other hand, the pace of installations this year has been around 1.3 GWs and 3 GWs long -- in the last 12 months as I mentioned earlier. So slightly slower than initially anticipated. However, as I mentioned, mechanical completion of already -- 1 GW is secured, and we are expecting the total capacity additions by year end to reach approximately 4 GWs with more of the 80% of the growth to be deployed in North America and Europe.

Overall, given lower wind, grid congestions and with installations now concentrated in the last quarter of this year, full-year expected generation is projected to be between 35 TWh hours and 36 TWh hours.

Moving on to Slide 9, and talking about efficiency and costs. So we are very conscious that we are, you know, of being focused on the key value levers to optimize short-term performance and to make sure that we get sustained earnings growth over both the short, medium and long term. We're exiting some countries where we have lower critical mass or growth expectations, and we'll be focusing on top 10 markets and a few additional markets for growth optionality.

This will represent a significant refocusing of operations and help drive our efficiency efforts.

Our efficiency ratio core OpEx per average MW in operation has already decreased 7% year-on-year, and we've implemented various programs to foster synergies across the portfolio. We're leveraging digitalization, we're enhancing efficiency and we're making sure we are absolutely excellent in our O&M practices including optimizing our operations through robotization.

On CapEx, we've also introduced a new program aimed at transforming our approach across the entire value chain with a strong focus on the digital enhancements, and we've already defined 34 tangible initiatives with 20 complete and 14 currently being accelerated. Due to emerging synergies, overall headcount was 3% lower year-on-year and EBIT per employee improved 17%. So as you can see, we're highly focused on efficiency and prioritizing high-return investments which will be crucial for improving profitability and cash flow generation.

If I look at Slide 10 now, I'm talking about asset rotation. So our capital recycling strategy continues to fuel growth. The assets are sold at valuations that support accretive investment decisions under a more favorable scenario. This year, we already closed four asset rotation transactions in the US, Canada, Italy and Poland; and we have a few other transactions already in advanced stage including in Spain and the US.

Additionally, this year, we've also executed an opportunistic acquisition of a 49% stake in a portfolio of 1 GW of wind operating assets in Europe. As you know, we had the other 51%. So we now we fully consolidate this portfolio. We know these assets well. They've been under our management over this period. They contribute to our simplification strategy, reduce the minorities leakage, and they'll have a clear positive impact on EDPR earnings.

On Slide 11, we're talking about asset rotation strategy. So we consistently exceeded the target since 2020. We've had a short-term adjustment in 2024. This is primarily due to high CapEx assets due to inflation at a certain period and the portfolio mix that we're rotating. So the average historical EV per MW remains solid at around 1.7 million per MW. It's worth noting that in 2023, we had exceptional deals that impacted the year-over-year comparison;

and that in '24, over 50% of the assets sold were solar which have different valuations due to lower unitary CapEx.

I also wanted to highlight that these solar transactions involved high CapEx assets built between '22 and '23, when as we all remember, there's unprecedented environment of increasing interest rates and inflation. However, despite that and despite having more weight of solar transactions, the average EV per MW in 2024 remains solid at EUR1.5 million per MW. Overall, we've rotated more than 4 GWs since 2020 and we've generated over

7.5 billion in proceeds, demonstrating our portfolio quality and execution capabilities.

In terms of asset rotation gains, we've also consistently exceeded business plan targets since 2020 with with average capital gains from '20 to '24 at around EUR0.4 billion, EUR0.1 billion above target at EUR100 million above target. And that's proved the strong value creation capabilities. Historical asset rotation gains over invested capital well above the 20% target.

2024 transactions, they are impacted by projects with the vintage with peak CapEx inflation.

While we expect similar impacts may arise in the forthcoming transactions as we start to rotate projects with much higher PPA prices from late 2022 investments onwards, we expect a normalization of the gains with capital gains on invested capital to recover above 20%.

So I'll stop here. I'll hand it over to Rui to walk you through the financials for the first nine months, and then I'll come back for the closing remarks. Thank you.

Rui Teixeira: Thank you, Miguel, and good morning to you all. So let's move to the nine-month result. So if you go to Slide 13, you can see that electricity sales increased by 1% year-on-year with recovery in generation being offset by lower year-on-year average selling price. Net additions after asset rotation deconsolidation of 1.7 GW. This is over the last 12 months. And then improvement in renewable resources versus last year led to a 5% growth in total renewable generation to 26.5 TWh hours.

As Miguel already explained, this growth was tampered by the later commissioning of new capacity that is going into Q4 2024 and also renewable resources below long-term average, mostly in Brazil and mostly felt throughout the third quarter. The average selling price was EUR59.4 per MW hour. That's a 4% reduction versus last year, obviously driven by the lower electricity prices in Iberia. This is offset by hedging strategies at very competitive prices and much more resilient pricing in North America as well as an improvement of prices in Brazil.

Full-year 2024 average selling price is now expected at high 50s, so high EUR50 per MW hour. This higher expectation belongs from higher output from geographies with higher average selling price and lower output from geographies where lower average selling price is observed, such as Brazil. Also, from a volumes perspective, we are also seeing some reduced volumes, namely on the Brazilian side given the wind profile. Also commenting that in Europe where assets are usually contracted for 90% of the expected generation, we are having less generation exposed to lower merchant prices. So, all in all, the combination points to the high EUR50 per MW hour for full-year 2024.

If we move to Slide 14, the underlying EBITDA increased 7% year-on-year. That's around EUR72 million above the nine- month 2023. However, the recurring EBITDA was down EUR142 million year-on-year, mainly due to lower asset rotation gains in this period. So we are with about EUR0.2 billion, EUR179 million to be precise, compared to very strong gains of EUR0.4 billion last year. EBITDA was also driven by higher tax equity revenues on the back of North America 15% increase in generation and effective OpEx control strategy.

Other costs have had a positive evolution versus last year with EUR44 million impact from Colombia and other costs about EUR20 million less versus last year. And also EUR39 million from [ph]OpEx in Europe, mainly Romania which accounts for EUR26 million year-on-year.

So I think it's a good moment also to talk about Colombia. So as of the nine months of this year, what can we update you about the Colombian projects? So first of all, we have now a total of 79% versus 77.4% in July of the generation renegotiated with PPA offtakers postponing energy deliveries between 2025 and July 2027. We have also reached agreements with 100% of the communities. It's a total of 97 communities versus 89 when we last reported back in July.

The request for the environmental permit has been already submitted. We know that this process may take several months. However, there has been no significant progress made in the discussions with the regulator and government regarding the improvement of economic conditions. So it's really taking much more time than expected. We have been continuously pushing for the progress as there is substantial value at risk. But the fact is that there has been little advance from the government side.

So we are committed with a decision before the closing of 2024 accounts. However, we would like to tamper expectations since this is a difficult project and we want to make sure that we don't put good money after bad into the project. As we stated in the past, we estimate around EUR0.7 billion book value by year end of which would be about EUR0.15 billion in cash. The remaining is already in our net debt. So there, we know that we have very few important lessons to be learned from this project.

So now moving to Slide 15. Financial results around -- or amounted to EUR310 million in the nine months. That's EUR53 million year-on-year. However, improving during the third quarter at around EUR87 million, meaning a decrease quarter-on-quarter of 24% and less -- or minus 11% versus the third quarter in 2023. Here, in these lines, we have EUR32 million of FX derivatives impact from from our investment in Colombia.

Our average cost of debt reduced from 4.9% to 4.5% as a result of rebalancing the US dollar denominated funding. As you know, we have been pursuing this rebalancing strategy, and this is something that we'll be continuously managing. Our financial liquidity continues covering our refinancing needs with over 70% of our debt maturing beyond 2026.

So now on net debt. As of September, net debt was at EUR7.8 billion, an increase of about EUR2 billion versus December 2023, mainly driven by our growth effort with EUR3.1 billion of expansion CapEx and about EUR2.1 billion of financial investment partially funded by asset rotation proceeds. As you know, we do have closing of around EUR1 billion of tax equity proceeds expecting to come as we reach COD in the US assets, as well proceeds from the Polish asset rotation that has already been received partially during October, but will be balanced with the payment of the minorities buyback made to CDG.

So, just to finalize and before I hand over to Miguel, I want to highlight the net profit of EUR210 million in the nine months of 2024. This compares to EUR467 million of recurring net profit in nine months '23. As I said, result of the top line growth but lower asset rotation gains year-on- year. In Colombia, it is to be clear the -- it is representing a negative impact of EUR65 million in the bottom line by the end of the nine months.

With this, I would hand over to Miguel for closing remarks. Thank you.

Miguel Stilwell d'Andrade: you, Rui. So, just in terms of closing remarks, a couple of comments. First, capacity additions increasing 3 GWs year-on-year, 1.7 GWs net of asset rotation deconsolidation and that's a strong contribution from US solar projects. We have 4.1 GWs under construction on track to deliver the expected targets, and we have clear line of sight till the end of the year because most of these projects are already mechanically complete, just awaiting formal entry into operation. So in terms of execution, this has been a huge focus from the teams, and they are delivering few months behind schedule but committed to ending by the end of the year.

Second point, the nine months, there's a 5% increase year-on-year generation. Now that's been tampered, as I said, by the late commissioning of some new capacity which is moving into the fourth quarter of 2024. And also the renewable resources when mostly being below long-term average, mostly in Brazil.

The average selling price is EUR59.4 per MW hour. That's only 4% down year-on-year, and the overall year-on-year decline of electricity prices in Europe has been smoothed by the impact of the hedging strategy. So again, I think we've managed to keep a healthy average selling price for 2024.

On efficiency, we have several ongoing programs fostering synergies across the portfolio and making really a big push to improve the efficiency ratios with core OpEx over average MWs in operation down 7% year-on-year. So, again, this is under our control, and we are being very focused on this part of the execution.

Asset rotation activity, four transactions done. The market is still open. It's still working in the US, Canada, Italy and Poland totaling 1.1 GWs of renewable capacity and with a solid combined multiple of EUR1.5 million per MW. Additional transactions that are ongoing will probably only be closed in early 2025 and so not for the 2024 numbers.

There's a positive underlying performance leading to a recurring EBITDA of EUR1,294 million or 7% up excluding gains and a 10% down recurring EBITDA year-on-year including gains. But basically as I said, because of the delta in the capital gains of last year versus this year. Overall net profit EUR210 million, positive top line performance mitigated by lower asset rotation gains year-on-year in the growth efforts.

Overall, solid growth prospects in EDPR's core markets and therefore electricity prices evolving positively. I'd just like to say that, I mean, the long-term macro trends continue to be there. So independently of the political cycles, whether it's the growth in demand from data centers and AI, whether it's just in the push for more sustainable clean energy solutions in many of the different markets. And so I think that's the important thing to keep an eye on. Obviously there will be more or less cycles over these periods, but the fundamentals continue to be there. We continue to see a lot of demand, for example, from the big tech wanting to take up renewable projects with healthy PPA prices and we've given a lot of examples over the recent months on that and we believe that that will continue going forward.

And perhaps I'll stop there and we can move to Q&A. Thank you.

Q&A

Operator: Thank you. Ladies and gentlemen, the Q&A session starts now. (Operator Instruction).

Miguel Viana: Well, we have the first question from the line of Pedro Alves from Caixabank BPI. Pedro, please go ahead.

Pedro Alves – Caixabank BPI: Hi, good afternoon. Thank you for taking my questions. So I have two, if I may. The first one on the outlook for the full year. So you mentioned in terms of generation between 35 TWh hours and 36 TWh hours. It's quite a -- still significant delta versus the previous 40 TWh hours. So I'm just wondering if you are also anticipating weaker load factor also in Q4.

On the other hand also, appreciate that average selling prices will be substantially above the EUR55 per MW hour previously. So guidance for in terms of EBIT will be likely below the EUR1.9 billion guidance that you previously have also because of the lower capital gains, but perhaps a range here would be helpful for us.

And the second question about the status of the US projects onshore for 2026 and beyond. I think it would also be helpful to have additional color on how insulated are your supply chain against changes on the import tariffs? Thank you.

Miguel Stilwell d'Andrade: Okay. Thank you, Pedro. So in relation to this year, I mean, as you say, obviously, so we've given I've said this guidance for generation of 35 TWh hours to 36 TWh hours. October was a bad month in terms of low resource and so that's already built into this number. So, overall, as you know, over the year, including -- or in particular the third quarter but now also October, the resource was lower and that combined with also some of the projects moving from the third to the fourth quarter means that, that generation will only start ramping up towards the end of the year or then beginning of '25.

So that's contributing to the lower generation. I'm not going to give you an EBITDA number just because we typically don't, but I think based on this generation number, based on the average selling price and assuming no additional capital gains this year, I think you'll get pretty close to approximate number.

On the US projects in relation to the procurement, so I would just refer you back to one of the slides that we had on the US, one of the first ones, I think it was Slide 7 if I'm not mistaken, actually Slide 5. So we talk about the procurement and in here, I think we, as I mentioned, we do have a very different situation from what we had in the past.

So we have almost all of our production, or let's say our estimated MWs that might be coming in the future secured with US made panels. And so in '25 as I mentioned, QCells and Illuminate, '26 to '28, we have an agreement with First Solar. Do you remember our framework agreement that we announced a couple of months ago?

Those are solar panels that are also manufactured in Louisiana and Alabama. The batteries as I mentioned, they're also made in the US. So I think we're pretty well positioned actually for any tariff scenario because we have -- they already moved our supply chain to the US and so we should be isolated from -- from that perspective. And, obviously, going forward, I mean, depending on the policies that are put in place, we will continue to reinforce that procurement strategy for the years even beyond that with made in the US. So I think we are in a pretty comfortable position in relation to this point.

Miguel Viana: Okay, thank you. Pedro. So next question comes from Olly Jeffery from Deutsche Bank. Olly, please go ahead.

Olly jeffery – Deutsche Bank: Thanks very much. Just two questions from me for now. So the first one, just coming back to the guidance. I mean, the guidance initially was set at the bottom line at EUR400 million. You're at EUR200 million, you know, just above EUR200 million after the nine months and you said that you're not expecting to have any gains in Q4. So putting that together and see what you've done in previous quarters where that's been the case and something around kind of EUR250 million, you know, it seems like where you might be ending up. I mean, could you just get -- give me some kind of view on that? I think it would be helpful to the market.

And then one other question I'll ask is just on the capacity delays this year. With the COD dates being pushed back, is there any potential follow-on issue with you being on the hook for PPAs that you need to meet that might have additional cost implications? Visibility on that would be very helpful. Thank you.

Miguel Stilwell d'Andrade: Thanks, Olly. Those are great questions. So, I mean, as I said we don't give a specific number guidance but I'd say that just based on what we're saying, if we have -- if you take the current capital gains number and you also assume for the generation and the average selling price, I think you'll probably come up to a number which is not so far from what you're talking about. So that's a sort of ballpark.

In relation to the second question, no. So, the -- as I said, the projects are mechanically complete. We are just awaiting, in some cases, for example, the license from the utility to be able to actually inject into the network. In other cases, it's just some equipment on the inverter sides which just need to be, let's say, revamped. There's no LD implications. So we're very comfortable with the COD dates. I mean, we have good line of sight to that. So it's been pushed back because of, let's say, more administrative issues rather than any construction or execution issues, but no implication on our additional penalties

Miguel Viana: Our next question comes from the line of Manuel Palomo from BNP Paribas. Manuel, please go ahead.

Manuel Palomo – Exane BNP: Good afternoon, everyone. I will ask three questions, if I may. First of all, it's about the US in the 2020, '23 period, roughly 45% of your installations came from the US. You are targeting for the period '24, 26, if I'm not wrong, 10 GWs. And I guess that the market share of the US in that growth could be somehow similar to the 45%. My question is what if things change? You mentioned that you have two core markets which are the US and Europe. And my question is whether additional growth in Europe or elsewhere could replace a slowdown in the growth in the US? That would be my first question.

Second one is again about the US. I wonder whether you could share with us what is the book value associated to your US offshore pipeline?

And lastly, it's a question getting this on the asset rotations. Usually Poland has been a country where you have made big gains in terms of asset rotations. However, maybe my numbers are wrong, but I reached to a multiple of asset rotation, including the 8 million and well above 200 MWs, which is just below EUR40,000 per MW. Is there any specific reason for such a low unitary gain? I mean, you were talking about inflation and so on, but I wonder whether there's any specific reason for such low gain in Poland or whether we should consider that this is a new norm? I mean, you had in one slide that currently in the year '24, the average gain is 0.2. You were targeting 0.3. Should we thinking about while moving towards or closer to the 0.2 rather than the 0.3 in the future?

Miguel Stilwell d'Andrade: Okay, thank you, Manuel. So I think one of the good things about, in relation to your first question, one of the good things about having a more diversified geographic portfolio is precisely the ability to go on rebalancing over time also as a function of the different market dynamics.

I would say we continue to see strong growth in the US and, obviously, we'll be monitoring closely the policies over the next, you know, that may be coming out over the next couple of weeks and months. So we'll need to incorporate that into also our growth assumptions. But we do think that there will continue to be growth there. And, obviously, in Europe, but then we also have some opportunities, I think good opportunities in APAC and in Brazil.

So, listen, let us first assess what will be coming out of. I think the US maybe over the next couple of weeks or months to then come back with a more definitive answer in terms of how the overall split will be and overall growth estimates. But I'd say it's one of the good things we have at EDPR is accessibility to flex between different geographies.

In relation to the second comment, I believe it's around 400 million at EDPR level in terms of total exposure to the various different projects that Ocean Winds has in the US. So between the three projects, Massachusetts, you know, the SouthCoast Wind, the New York white one, and the California one.

In relation to the third question, listen, I think this is -- goes back to something which I mentioned and -- and it's very clear. There was a particularly -- particular point in time when interest rates were much, much lower and CapEx was not volatile and investment decisions were taken.

That -- this comes from a particular vintage of projects where the CapEx, well, there's a big impact on the CapEx and a big impact on also the cost of capital. And so that results in these projects or this vintage or this particular project portfolio having lower capital gains. I think if you look at the overall multiple, it's still very attractive, particularly when you consider there's a lot of solar in that portfolio.

And so I'd say it's, listen, this is a function of just a big increase in the cost of capital in some particular of cases and in also some CapEx inflation. I think we're in a very different situation obviously now. And so I've said this in the past, I think when you look forward at where CapEx is and the volatility of the supply chain where interest rates are and where they're sort of trending, particularly in Europe, I think this is definitely something that we expect will improve until the capital gains will then expand again over the cycle. Hopefully that helps.

Miguel Viana: Okay, thank you. Manuel. So next question comes from Arthur Sitbon from Morgan Stanley. Arthur, please go ahead.

Arthur Sitbon – Morgan Stanley: Hello. Thank you for taking my question. The first one on asset rotation gain. Just first a clarification that the Polish capital gain was indeed included in the EUR179 million reported as of nine months and with that clarification. So I understand that the multiples in 2024 have been impacted by -- by the fact that you've been selling projects with high CapEx.

Obviously, now conditions seem to have stabilized, even reverted, especially in solar. When do you think we could see better multiples coming through on thumb downs? Is 2025 too early because we would still be on project disposals of the years 2021, 2022, or should we wait 2026? That's the first question.

The second question is on capacity additions for 2025. I think you highlight in the presentation that you have around 1.7 GW of secured capacity for 2025. First, is that correct? And does that mean that you would probably be below the 3 GW of potential annual addition in 2025 and an addition will be back end loaded in the '24, '26 horizon? Thank you very much.

Miguel Stilwell d'Andrade: Thank you, Arthur. So just a clarification. Yes, the Polish is included. It's relatively material capital gains for the reasons I mentioned to Manuel. As you say, I think the supply chain has reverted. I think interest rates have stabilized. So, you know, if you ask me when the cycle will start reverting, it's when we'll start getting the projects from let's say 2023, '24 that we're -- where we've taken investment decisions in '23, '24 starting to come out, which will be towards, let's say, end of '25, '26.

Well, certainly, '26 and beyond, I think we will be in that situation where we've normalized also the capital gains. But I certainly wouldn't build up expectations in relation to 2025. I think it just goes also to the point that we will continue to rotate assets. You know, these have been a -- this is a period of particularly bad ventures and I think we all know that. I mean, we all know that interest rates and cost of capital went up very significantly, including in countries like Poland and other places. And we know that the supply chain was severely disrupted.

So quite frankly, I think it shows that even so we managed to in many cases particularly in places like in the US and in some of these cases we managed to still recover the value of the project.

And, let's say, at least recover the capital and then we'll be able to recycle it into new projects where we are making good spreads and we will be creating value. So it's a way rather than holding on to these assets on our balance sheet, we prefer to release that capital and then reinvest it back into what we consider to be good projects or better projects.

In relation to the additions for '25, I mean, we have already more than 2 GWs locked in. So apart from, I mean, obviously the US, Europe. So it's not that the US. I mean, we have Canada, Mexico, but Europe, we have South America and we have APAC. So we are already in the, let's say, the mid-2 GWs range. We've also got some [ph]TG which also comes in sometimes within the year. And so that's maybe the guidance I give at this point.

Miguel Viana: Okay, thank you. Arthur. So next question comes from Alberto Gandolfi from Goldman Sachs. Alberto, please go ahead.

Alberto Gandolfi – Goldman Sachs: Miguel, thank you, and good evening. Thank you for taking my three questions. The first one is going back to talking about maybe some strategy and portfolio integration in virtue of the fact that you're chief executive and chief financial officer of both entities. I was wondering, looking at the screen, doesn't your temptation to integrate EDP with EDPR increase? What would be the case against the vet?

You know, I know that EDP is also down, but EDPR is down 40% and falling. Shouldn't it be a good transaction to integrate and is there a strategic rationale for it? I don't know. 24/7 power, full integration. So if you could perhaps can elaborate on maybe the merits. Clearly, you're not going to tell us today if you're going to do it or not.

The second question is about the US. I wanted to be more specific here, please. Can you give us really the percentage of domestic content and the percentage of imported equipment on what you're building in the next 18 months? Any risk of delays you're seeing in clearing customs from whatever is imported? Any risk you see from the removal or the phase out of tax credits? What's your risk management approach to these risks that are becoming obviously a bit more probable, given the outcome of the elections and the statements in some of the key players there?

And the third and last one is again, I really understand your comment on the fact that you don't know the asset rotation gains, but can we talk about the underlying EBITDA that originally, I mean, not like six months ago, seven months ago, you were targeting at EUR1.6 billion. If I look at what you reported today and I deduct asset rotation gains at the nine months, correct me if I'm wrong, you reported more than EUR1.1 billion EBITDA. Usually Q1 and Q4 are stronger, Q4 even more so if load factors are normalized because of higher capacity.

So, you seem to be not far off the EUR1.6 billion standard line, could be EUR1.5 billion, could be EUR1.6 billion. So, A, am I right? B, am I also right in saying that if I add up cost in Colombia, if I add up the tax in Romania, and if I normalize for a very bad load factor in Brazil and not so great in the US, all of these items, load factor, Colombia, Romania, are probably a EUR200 million headwind for 2024. Am I right in this? Because then it's EUR1.5 billion, EUR1.6 billion, it's EUR1.7 billion, EUR1.8 billion. I hope I didn't tangle myself in the question. Thank you.

Miguel Stilwell d'Andrade: Yes. Alberto, yes, so maybe I'll start back to front on this third question. Yes, you're roughly right. That's -- that's the numbers. You know, we're not that far off what you're saying. So, exactly, Colombia, Romania, the load factor, the estimate that you're sort of looking at for year end. So, you know, we don't give specific guidance, but I would say ballpark figure that's -- that's about right.

On the second question, maybe I'll ask Rui to give exactly the percentages number.

Rui Teixeira: Hi, Alberto. So let me just work through the different 2025 and 2026 commitments that we have already from the procurement side. So we decided that for these two years, and when I say these two years is because we are committing to projects that have already PPAs. So we don't take a long position on the procurement side before we actually have, you know, go for execution of the PPA.

What we decided was we source from US domestic factories, right? And that means that as of now in US, you have basically assembly facilities that will import some products or some components and then they will have the modules being assembled in US. It's different for the case of First Solar. So First Solar, as you know, they have facilities overseas and then they have facilities in the US and we will be having a mix of both. But particularly from '27 onwards, even some of the volumes that we have committed with First Solar, they will be 100% produced in the US. And the reason I'm highlighting this is when we think about our projects in the tax credits, we are not considering any tax other -- this 10% tax other coming from domestic content into our projects unless we have already granted it from the manufacturing side.

So basically what we -- with the strategy, what we want to make sure is that we will be avoiding import duties that are applicable or applied to the models. In our contracts, we are protected again -- because we have a fixed price for the module, so we are protected against any tariffs that may at some point or could at some point be imposed into subcomponents of the modules. And that basically covers all the, let's say, many equipment needs that we have as I said for '25, '26 at secured capacity.

And then for the rest of the CapEx I would say that, so the POS will be very close to 100% US domestic in the sense that everything we source from US contractors. So basically we have more of a turnkey approach to the EPC contracts on the POS side and therefore we completely fulfill this specialized labor or prevailing wages and apprenticeship requirements for the IDC.

So I just wanted to be clear that that's really how we are mitigating the strategy and we are not counting on any domestic content tax equity, other or tax credit other unless we have debt granted by the manufacturer. Only on your comment about renewal or phase out -- phase out of tax credits.

I mean, as of now, there is, I mean, I say again, so we just have -- we know the results of the elections. We'll have President Trump taking over in January. As we have been discussing across the sector, it's very hard to see a full repeal of the Inflation Reduction Act. I think it's very hard to see that for existing tax credits that have already been awarded somehow.

So the BTCs, the ITCs, even the local content and other. I mean, those rules are very, very clear from the IRS perspective. There are some yet-to-be-cleared rules on the IRS and for example that applies to hydrogen -- green hydrogen, that it becomes an uncertainty. Again, we'll have to see. But for the projects that we have already committed to PPAs and we have approved, I think that we should be under the case that we should not see any repeal of the IRA.

Miguel Stilwell d'Andrade: Alberto, on the EDP, EDPR, listen, I think the first thing I'd say is obviously we never exclude any transaction by definition, but overall, we recognize that EDPR is a more volatile stock and it will fluctuate over time and it will go through the different cycles depending on some of the market sentiment. We've been quite comfortable with the structure over time and so it does have some of disadvantages. I mean, the day after the US elections clearly seems to be dragging us down significantly. It's also had phases where it's also been going up, so it does have more volatility.

But on the other hand, it also gives quite a large degree of transparency and visibility to a very big part of our business and it has also allowed us to raise capital in the past. And so it's had some advantages as well of having it listed. So we take a long term view. I mean, we're long- term investors. We look at sort of the overall macro cycle and you know, we ride out the different political waves and the market sentiments, which is you and I know and I think most of the people on the call know, you know, these cycles -- these cycles happen and you've got to stay focused on execution and on delivering the MWs, cutting the costs, growing the business profitably, and that's what we're focused on doing. Thank you.

Alberto Gandolfi – Goldman Sachs: Miguel, should -- only clarification. Can I summarize this? Thank you. Can I classify or summarize this as a maybe? So just that it's not a no, it's not a yes, it's -- it's we don't say anything with it.

Can I classify the final answer as a maybe, therefore.

Miguel Stilwell d'Andrade: I think as I started, by definition our job is to always look at all possibilities and all options.

By definition, I have to do that. Me, myself and Rui, we have to do that. And so we will always look at that and we will never -- that will never be off the table. But I'm just trying to say why EDPR has been a listed company for many, many years, as you know, and it's worked out quite well over time. That -- we know that there are cycles and so we're happy with the current structure. But by definition, I will never tell you we won't do it because I can't, like I wouldn't be doing my job if I did.

Alberto Gandolfi – Goldman Sachs: No, no, of course. Look, I was getting very clear. Thank you so much for that. And I find very interesting your question -- your reply, sorry on the EBITDA because essentially if you really normalize for those headwinds and we really normalize for load factors we are starting this year underlying from 1.7 billion, 1.8 billion potentially, which I think is not what consensus has in the numbers for the future years. Thank you.

Enrico Bartoli – Mediobanca: Hi, good afternoon. Thanks for taking questions. I have three as well. First is again on the US. Actually, I was wondering given your large exposure to the US states, some comments on, let's say, the political environment that you are seeing particularly in the states run by the Republicans on, let's say, the importance of development of renewables in their territory and the investments there. The reason for this is actually how the positive political feeling could influence then some decisions at the federal level considering the change that we are seeing today with the president?

Second question again on asset rotation. For your previous comments, I had the feeling that maybe for 2025 you expect, let's say, the pressure, the level of unit capital gains that we saw in '24 to continue. Maybe I guess you have already some discussion with potential buyers if actually this feeling is correct or some improvement is possible already in '25.

The last one is related to the evolution on net debt by the end of the year. You highlighted some possible cash in, the cash out for minorities. If I remember well, you had a guidance of around EUR7 billion at the end of the year if this guidance is still realistic or something has changed considering also, let's say the pressure on EBITDA for the factors that you highlighted. Thank you very much.

Miguel Stilwell d'Andrade: Yeah. So this goes to my point, I mean, I think and the general consensus seems to be that it is very difficult to repeal the Inflation Reduction Act. I mean, first you need to have all three. Well, I know the Republicans now have the Senate and the Presidency. We still don't have visibility on the Congress, House of Representatives. But in any case, at one point, I would just make a reference which 18 Republicans from, I think it was a Congress.

They wrote a letter basically defending the Inflation Reduction Act and saying that, you know, 80% of the benefits from the Inflation Reduction Act and from the sort of additional manufacturing, et cetera, are actually flowing to Republican states. And so at the end of the day, this means jobs. It means, you know, growth in these states which are Republican states.

So the sense I get, honestly, and talking to a lot of people on the ground, is that the Republican administration will be more about all of the above. So maybe slower coal phase downs, maybe a little bit more focus on nuclear. You know, we have the discussions about gas, more or less gas, but that they will not be against renewables. I mean, renewables grew significantly in the Trump years and it grew also back in the Bush years.

And in all those situations, those tax credits were there and that support was there and renewables continued to grow. So you have a lot of pressure from also the big tech and a lot of other big companies in the US that are committed to buying renewable energy. You have a lot of demand for electricity at the moment. People are scrambling to get enough electricity to supply the data centers.

Nuclear is not going to solve that issue anytime soon. I mean, over the next five years, 10 years minimum, that's not going to be the solution. So the only solution for that, you know, and there are not enough nuclear plants that are being decommissioned that you can bring back online. So the solution is either renewables or it's gas in the US at the moment to make up for that demand.

And so I think quite honestly and I'm just talking my pitch, I believe it. I think you will continue to see both onshore solar and wind continue to grow and all the projects continue to be developed and built. And that's my, you know, sincere belief.

On the second point, on the asset rotations. So the unit capital gains, yes, we think they'll be lower in -- still in 2025. I think this just shows that in the past, you know, we have rotated what we consider to be average portfolios. I think now we're obviously getting a worse vintage with PPAs signed at the time when the cost of capital was much lower and the CapEx was much lower. And you know, that's just a fact of life. I mean, I think it would be strange if -- if there wasn't some margin compression just given everything that's happened over the last two or three years.

And so, you'll see this cycle play out over 20 25, you know, end of '24 and '25. And then quite frankly, as I said, you know, we're signing PPAs at $60 plus in the US and also high numbers here in Europe. So I think you'll see those then coming to the market later on 2026 onwards.

And those I think will be extremely valuable assets because they'll have high RRs and sort of good cash yields. And so that I think will be how that will play out.

In relation to the third point on the net debt, maybe I'll just pass it to Rui.

Rui Teixeira: Hi, Enrico. So, net debt, we are estimating around EUR8 billion year end versus the EUR7 billion that we provided in the reforecast. And, basically, this is a sort of the impact from the -- on the cash flow side EBITDA. The -- some of the asset transactions, and Miguel just said, I mean, we still have ongoing transactions. Definitely we don't have any of those being closed this year. So they move into 2025. And also some tax equity proceeds because tax equity proceeds they come after the COD. So the closer to 31st December we have the CODs, the more likely that the cash in only happens in January. Again, it's just a question of cutoff. So Q1 2025, we should have -- we should have those proceeds in. So that's why we target around the EUR8 billion.

Miguel Viana: Thank you, Enrico. So the next question comes from the line of Javier Garrido from JP Morgan. Javier, please go ahead.

Javier Garrido – JP Morgan: Yeah, good afternoon. Thank you for taking my questions. They are kind of follow ups on the questions you just answered. Firstly on what would be the outlook in 2026 because you as recently as in the second quarter you updated your CapEx plan on all the main metrics. But are you still comfortable with those numbers that you showed or where is your sources and utilization of funds taking you '26? I'm just asking to try to understand whether you will be needing incremental financing from any additional source or not.

And the second question, which is probably also connected to this one is on capacity additions. You mentioned that you have secured more than 2 GWs for '25, but that would still mean that you need more than 3 GWs in '26 in order to make 3 GWs average. Is that doable given the PPA that you have signed or is there any room to downgrade that target in light of the progress you have been making in securing projects and also in light of what I was asking in the first question in light of the evolution of net debt and, let's say, the -- including the maneuver in your balance sheet? Thank you.

Miguel Stilwell d'Andrade: Thank you, Javier. Listen, I'd love to be more specific about '26 and beyond, but I think just based on the scenario where we are today, you know, post-elections, we need to assess carefully what will be the policies and, you know, sort of -- and how the market develops or, let's say, the -- in terms of people over the next couple of weeks and months.

So, we're working on a new business plan. We were already working on that before but, obviously, we're also waiting to see the results of the elections to then be able to take a more definitive position on that. So, over 2025 or in the course of 2025, we'll come back to the market and I think provide better guidance, I think on '26 and beyond and I think that would be the best too. So I could give you just a quick answer now, but honestly I wouldn't be doing you or anyone any favors in trying to be very specific on that.

For 2025, as I said, we've already got more than 2 GWs already secured and we're working hard to continue to secure additional MWs, both for 20 -- sorry, for -- more than 2 GWs already for 2025 securing -- trying to secure already additional MWs for '25 and '26. But I'd prefer to come back to you with a more, let's say, thoughtful answer and numbers once we've run through the business plan exercise, okay? I'm sorry, to not be very specific, but I'd rather not just put a number out there and then, you know, I prefer to be confident or have more information to give you an answer.

Javier Garrido – JP Morgan: Can I ask when are you planning to announce a new business plan?

Miguel Stilwell d'Andrade: For sure, in 2025. The specific date still to be decided and determined. But as soon as obviously we take that decision, we'll get back to you and communicate it to the market. But, essentially, we want to take some time to also assess exactly what happens now in the US and what sort of type of policies are at least communicated initially and then we can take a position. And I think it's better than to do it still in an environment of uncertainty. So, 2025 for sure. But we'll get back to you with a more specific date probably a while from now,

Miguel Viana: Thank you, Javier. Our last question comes from the line of Jorge Guimaraes from JB Capital. Jorge, please go ahead.

Jorge Guimaraes – JB Capital: Hi, good afternoon. I have two questions, if I may. So the first one it's a bit of follow up on the US situation and on the potential impact of lower corporate tax rates, both in terms of your own activity and the impact on potential tax equity funding. Do you expect an increase in the cost because of lower demand?

And the second is, it's a clarification on your answer to -- about the full-year '24 guidance and the volume effect in 2024. You cut the guidance of volumes from 40 to 36. Can you give us some indication how much is timing? Still timing issues of new installations and how much is underlying our P50 deviation? And related with this, I understood that you said something like the underlying EBITDA for this year would have been EUR1.7 billion excluding the costs, namely Colombia and others. Can you give us some bridge between the EUR1.5 billion you said and EUR1.7 billion of cost? Thank you very Much.

Rui Teixeira: Hi. Hi, Jorge. So, you know, some moving pieces here in terms of the tax equity and tax equity cost. A, we'll need to see what happens to yield to the US treasury yields. The tax equity is typically, you know, quite standalone market, but obviously they -- they track the yields.

Secondly, we also need to understand what will be the tax capacities, particularly on the corporate side, given that the transferability is becoming a much more relevant route to actually monetize the tax credit. So whatever comes as a fiscal policy or corporate tax policy from the new administration obviously could have some impact. So we'll need to assess that.

Something which is actually quite important is that you may remember that at some point, there were some discussions about Basel III interpretation that could limit some of the current tax equity players, the banks, you know, the volumes that they could commit. Actually, that seems to me that is not only clear now, but it will become much more clear with the new US Administration. So definitely on the positive side.

So I think it's hard at this point to say what will happen to the tax equity market. It's a $20 billion market, it's quite sizable. And as -- as we have mentioned in the past, I think that we have been creating, you know, a strong credibility in this market and we have been able to fund every single project with a mixture of plain vanilla tax equity, hybrid models and even pure transferability.

So that is something that I believe that will stay and that we'll be capturing. But in terms of the pricing, I think it's yet too early to say, you know, where it will go.

Miguel Stilwell d'Andrade: Yes. In relation to the second question. So, I mean, about 40%, I think it was 36%, had to do with timing of the, let's say, of the slippage of the MWs. And the rest is essentially volumes and some grid congestion. But that's basically the deviation.

In relation to EBITDA, I mean, the bridge is roughly, I think so Colombia 65 or thereabout, Romania around 50 and wind sort of slightly less than 50. Overall, sort of about 150 slightly above in terms of that bridge that -- that you're talking about, the EUR1.5 billion to EUR1.7 billion. So hopefully that helps. I mean, Colombia, hopefully, as I think Rui mentioned at the beginning of next year or sort of certainly before the end of year accounts, 2024 year end of year accounts, we'll be taking the decision on that and see if we can clean it up once and for all in one one way or the other.

Miguel Viana: So, we have no more questions or we then -- we'll follow up on the phone on some pending ones and I think we can move to final remarks from the CEO.

Miguel Stilwell d'Andrade: So, obviously, we're talking the day after key event which, obviously, has a huge impact on the world and certainly on the US for renewables, onshore wind and solar. I said, listen, we're long term investors. We continue to believe in the long-term macro trend. We continue to believe there's a huge amount of demand and that's not going to change independently of the political administrations.

And so we, we believe that, that growth will continue to be there. Obviously, we need to adjust the company to some of these cycles and as I say, once we get more information on that, we'll come back to the market and provide that guidance. Anyway, for the short, medium term, our key focus and what you know, Rui, myself, and all of the team here are totally focused on is on execution, making sure we're delivering the MWs for this year, as I say, close to 4 GWs to be an absolute record for the company.

On efficiency, as I mentioned, down 7% year-on-year OpEx per MW and making sure we continue to also secure additional profitable MWs going forward. And I think that's the key and that's what's important, to continue to create value for the company.

The share price, I mean, that will do what it will do, and we'll obviously focus on trying to maximize the value of that, but basically by executing the best that we can.

Thank you very much and I'm sure we'll be talking again soon. Take care.