

# EDP Renováveis 9M17 Results

October 31<sup>st</sup>, 2017  
15:00 CET | 14:00 UK/Lisbon  
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# Highlights of the period

# 9M17: performance on track to deliver FY17 target

## Quality assets

### 97.8% availability

vs 97.7% in 9M16; benefitting from predictive maintenance and O&M strategy

### 30% load factor vs 29% in 9M16

99% of long-term average (P50)

### Core Opex/Avg. MW -2% YoY

backed by O&M strategy and scale

## Selective and profitable growth

### +917 MW installed YoY

675 MW already under construction

### 75% of 2020 target secured

target +3.5 GW of additions in 2016-20

### Reported Net Profit €165m

adj. net profit €160m (+45% YoY)

## Self-funding business

### €145m Net Debt & TEI decrease

\$439m of TEI funding already secured for FY2017

### €248m from minority sales

strategic partnership with CTG (PT assets)

### Lower cost of debt at 4.0%

€2.7bn restructured & prepaid since 1Q16

### 97% of Revenues fixed for 2017<sup>1</sup>

€60.6/MWh avg. selling price, +1% YoY

### €991m EBITDA (+17% YoY)

EU: 54%; NA: 44%; BR: 3%

### €717m RCF<sup>2</sup> (+41% YoY; +25% adj.)

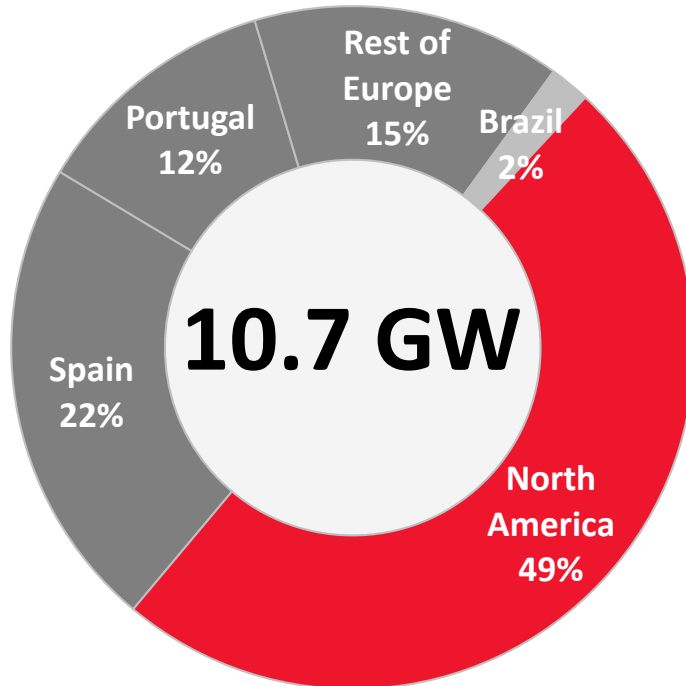
from young assets exposed mostly to PPA/FiT








# 9M17 Results

# EDPR has reached a global portfolio of 10.7 GW of first-class assets with 7.2 average years old

## Installed Capacity<sup>1</sup> (EBITDA MW + Equity Consolidated)



Average Installed Capacity increased +8% YoY

	YoY Additions	Under Construction
	+627 MW	+303 MW
	+90 MW	+109 MW
	+200 MW	-
	-	+263 MW
	<b>+917 MW</b>	<b>+675 MW</b>

**917 MW added YoY and 675 MW already under construction**  
**YTD where added 245 MW, of which 220 MW are related to new capacity and 25 MW to equity acquisition**

(1) Incl. equity consolidated: 152 MW in SP & 179 MW in the US

# 9M17 load factor +3% YoY due to new YoY additions in North America and Brazil

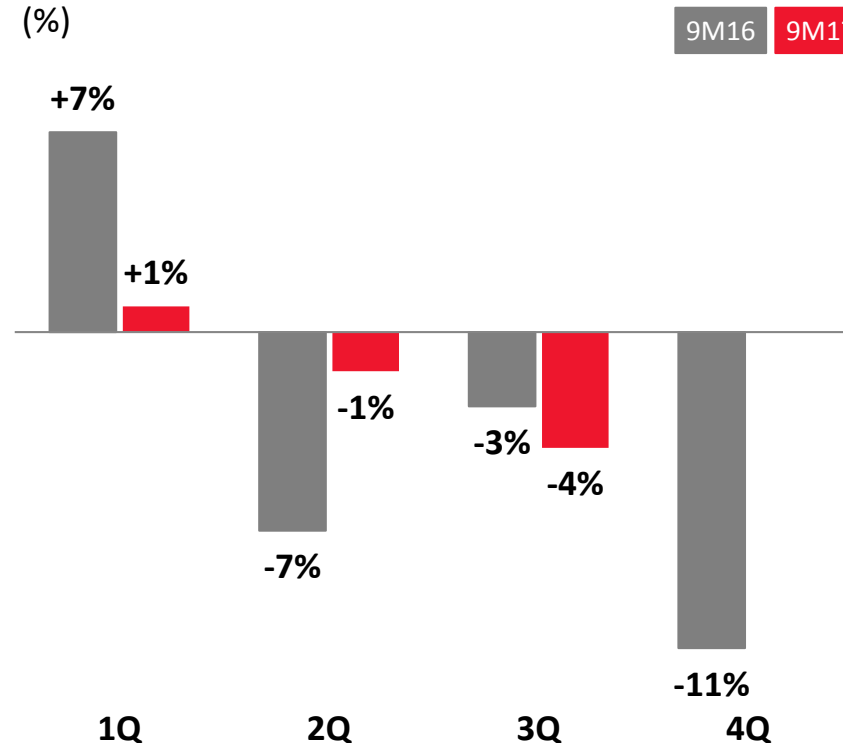


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## Load Factor and Technical Availability

	9M17	Δ% YoY	9M17 vs. Average (P50)
	26%	-0.5pp	100%
	34%	+1.2pp	97%
	42%	+12.0pp	106%
	<b>30%</b>	+0.7pp	99%
EDPR Availability <sup>1</sup>	97.7%	+0.1pp	

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



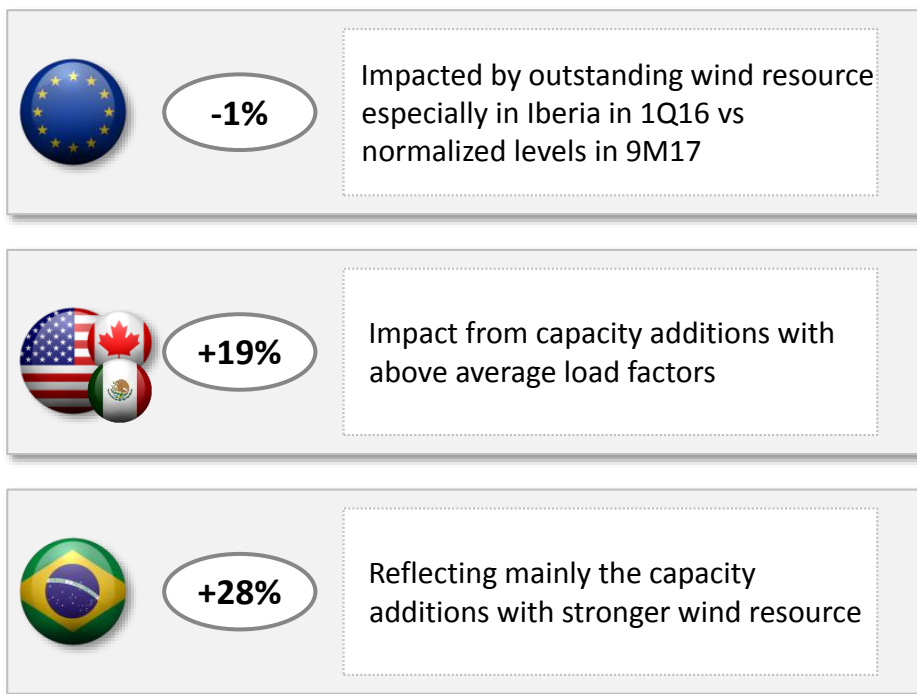
Load factor at 30% (vs 29% in the 9M16) reflecting 99% of P50 wind resource along with capacity additions with higher load factors

(1) Technical Energy Availability (TEA)

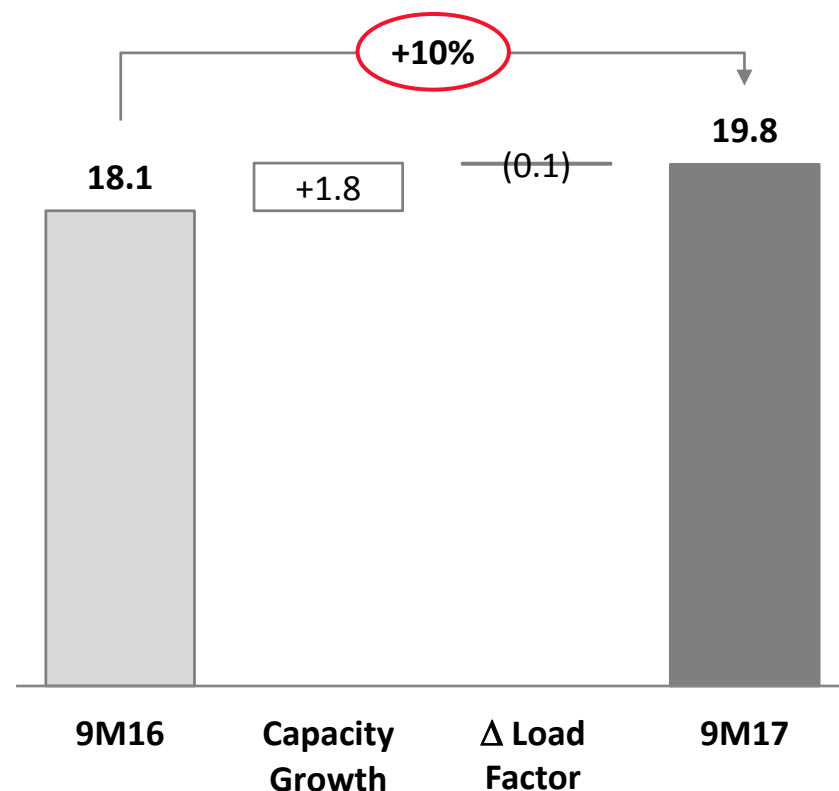


# +10% growth in electricity output, supported by capacity additions with superior load factor

TWh  
Δ% YoY



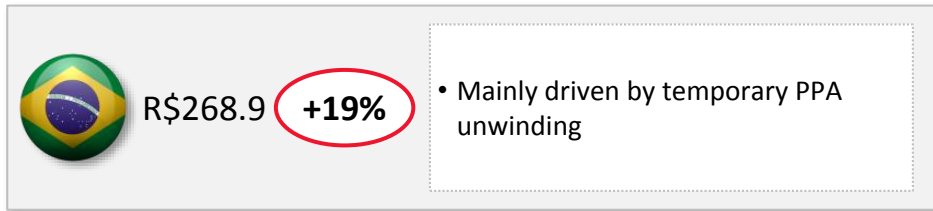
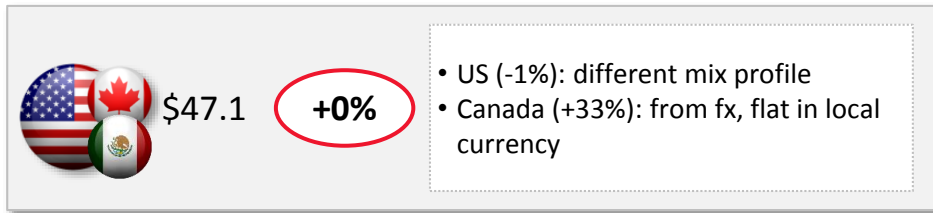
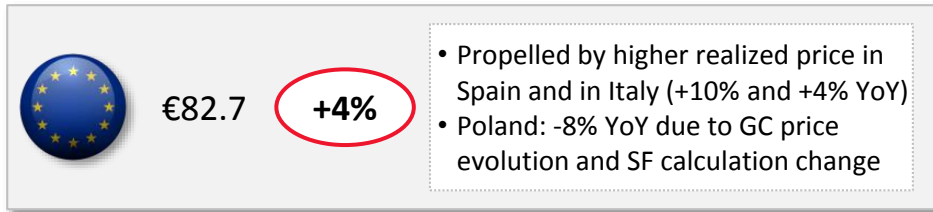
## Electricity Production (TWh)



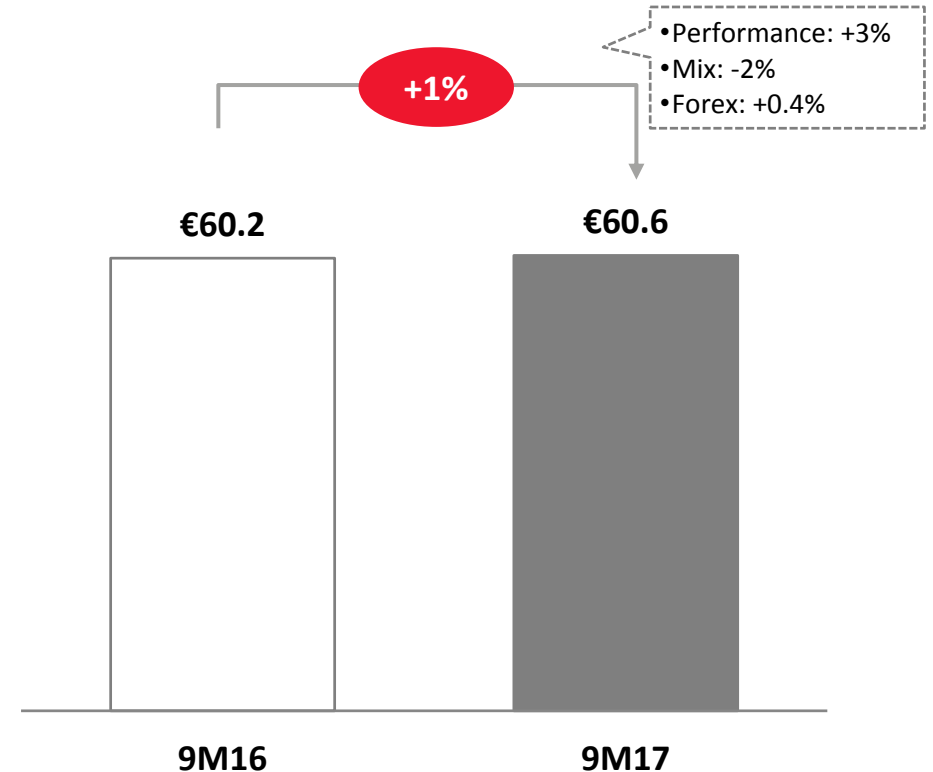
**EDPR produced 19.8 TWh of clean electricity (+10% YoY), avoiding 16 mt of CO2 emissions**  
**Geographical output breakdown 9M17: 54% in North America, 43% in Europe and 3% in Brazil**

# Average selling price at €60.6/MWh

9M17  $\Delta\%$  YoY<sup>1</sup>



## EDPR Price Evolution (€/MWh)



**Average selling price totalled €60.6/MWh (+1% YoY), reflecting a higher selling price in Europe (+4% YoY) and Brazil (+19% YoY) along with a stable price in North America**

# Revenues increase +11% YoY supported by additional MW, higher price and better load factor

## Main drivers for Revenues performance

### Quality assets: +8% Avg. MW YoY

High availability: 97.8%  
Capacity additions: +€104m YoY

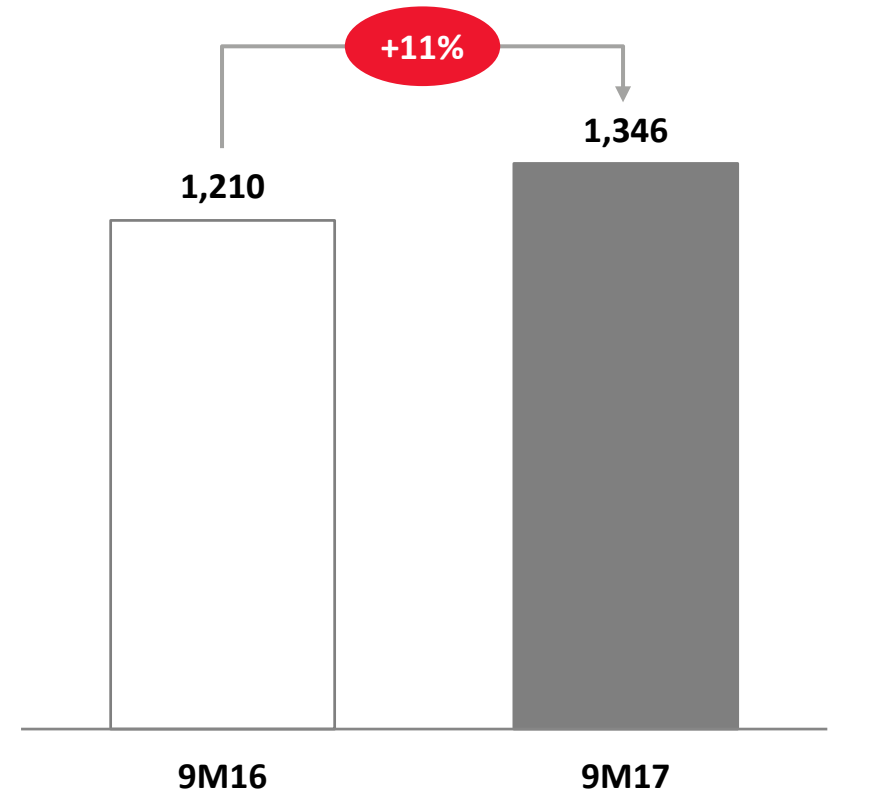
### Higher output: +10% YoY

Higher load factor (30% vs 29% 9M16)  
with new MW (+917 MW)

### Stable average selling price: €60.6/MWh

Higher prices (+€31m YoY)  
Positive forex translation (+€5m YoY)

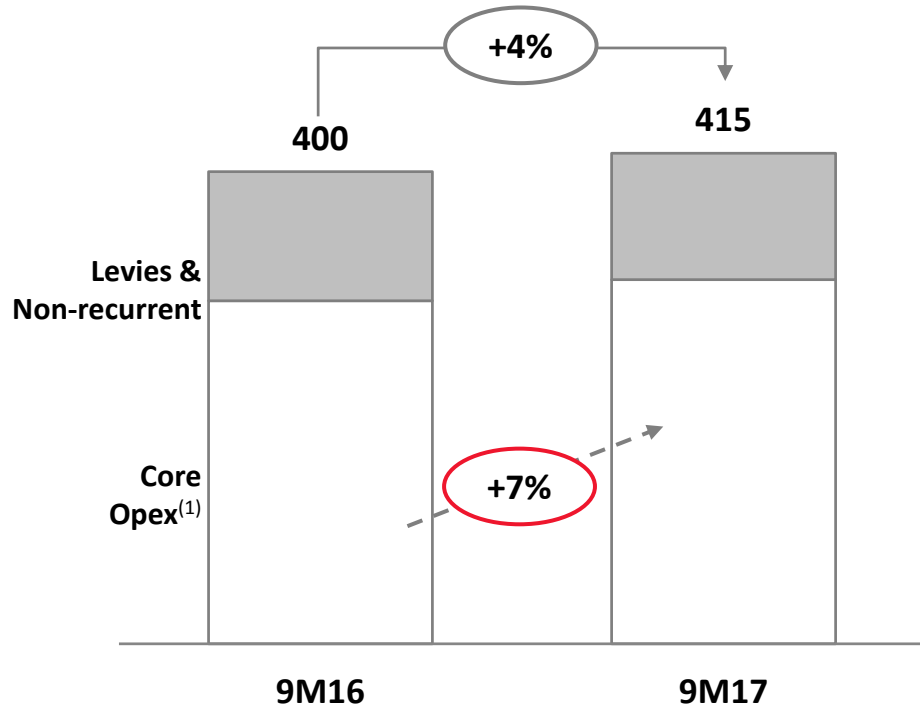
## Revenues (€ million)



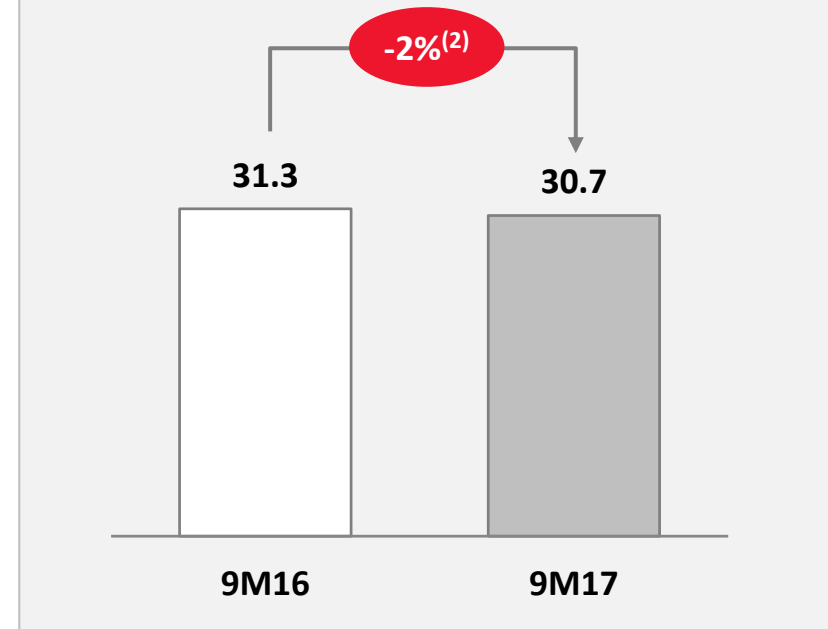
Revenues increased 11% YoY to €1,346m (+€135m YoY), mainly due to new MW in operation (+€104m YoY), higher average selling price (+€31m YoY) and fx (+€5m YoY) along with positive impact from load factor

# Core OPEX per Avg. MW down 2% YoY on the back of EDPR O&M strategy and cost control

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



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

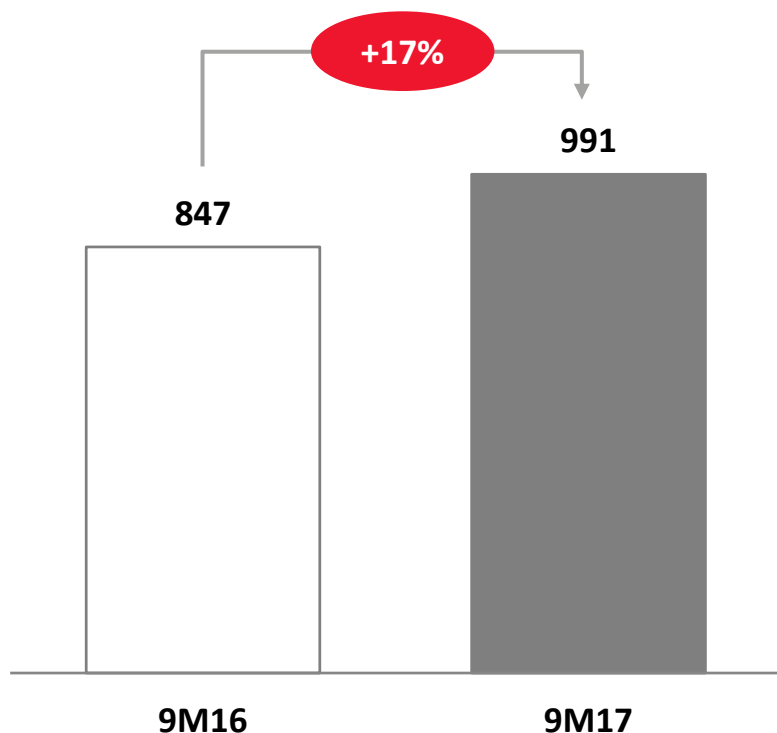


**Core Opex increasing YoY on the back of higher installed capacity**  
**Core Opex per average MW decreased 2% YoY, reflecting costs control and O&M initiatives**

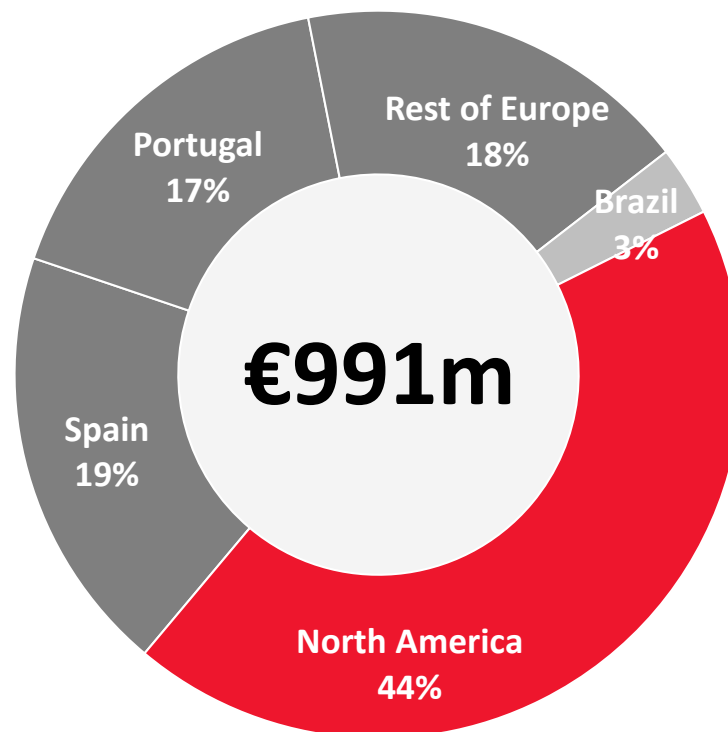
(1) Includes Supplies and Services and Personnel Costs (2) in line with Core Opex/ Avg. MW ex-forex (-2%)

# Delivering EBITDA of €991m increasing 17% YoY: Top line growth + higher efficiency

EBITDA  
(€ million)



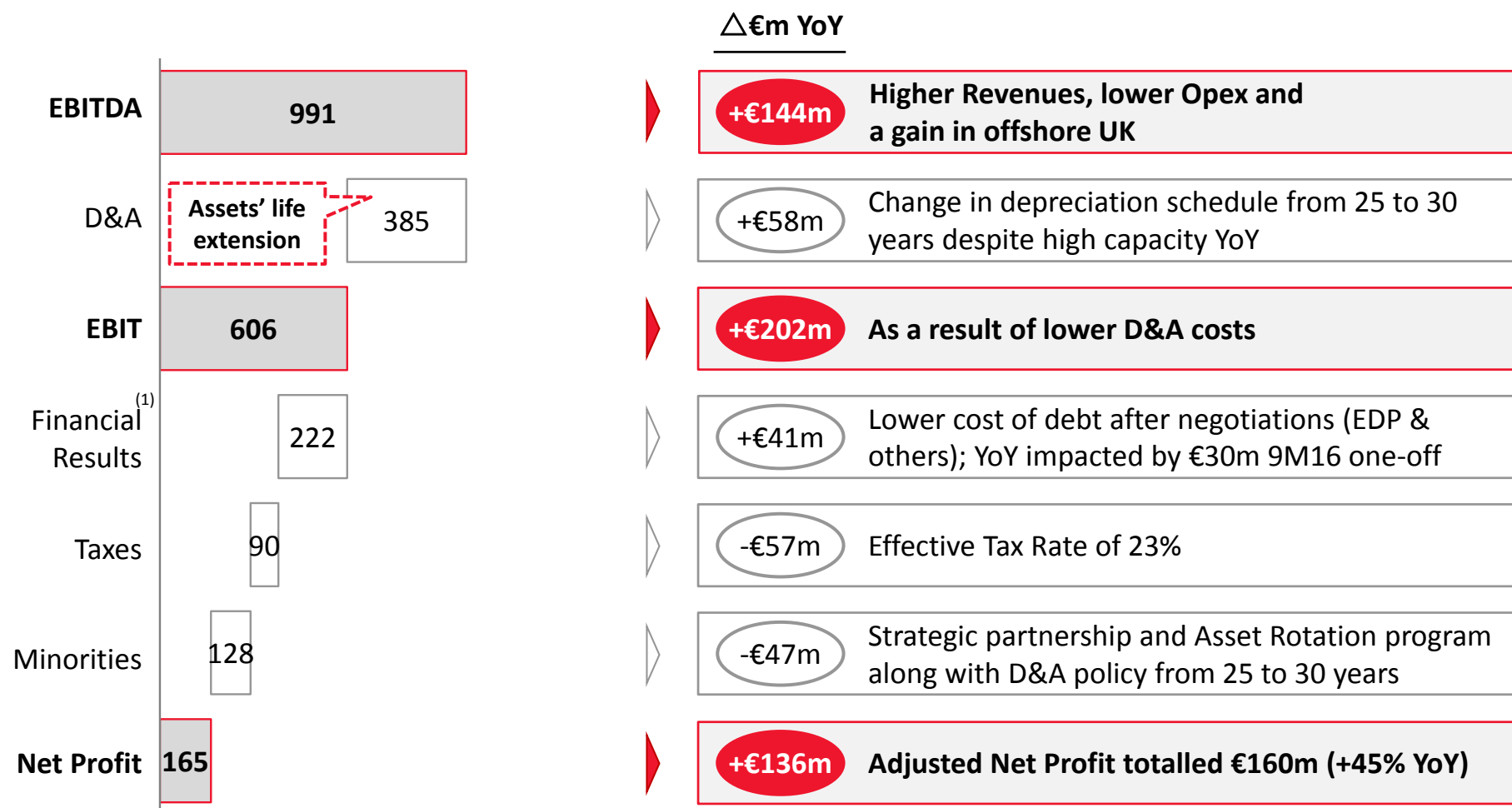
EBITDA per Region<sup>(1)</sup>  
(%)



As part of its sale-down strategy in the offshore business EDPR sold a 23% stake in the UK offshore Moray East project in Q3, subsequent to which booked a gain of €29m at EBITDA level

# Net profit in the period totalled €165m (+€136m YoY)

## 9M17 EBITDA to Net Profit (€ million)



(1) Includes Share of profit of associates

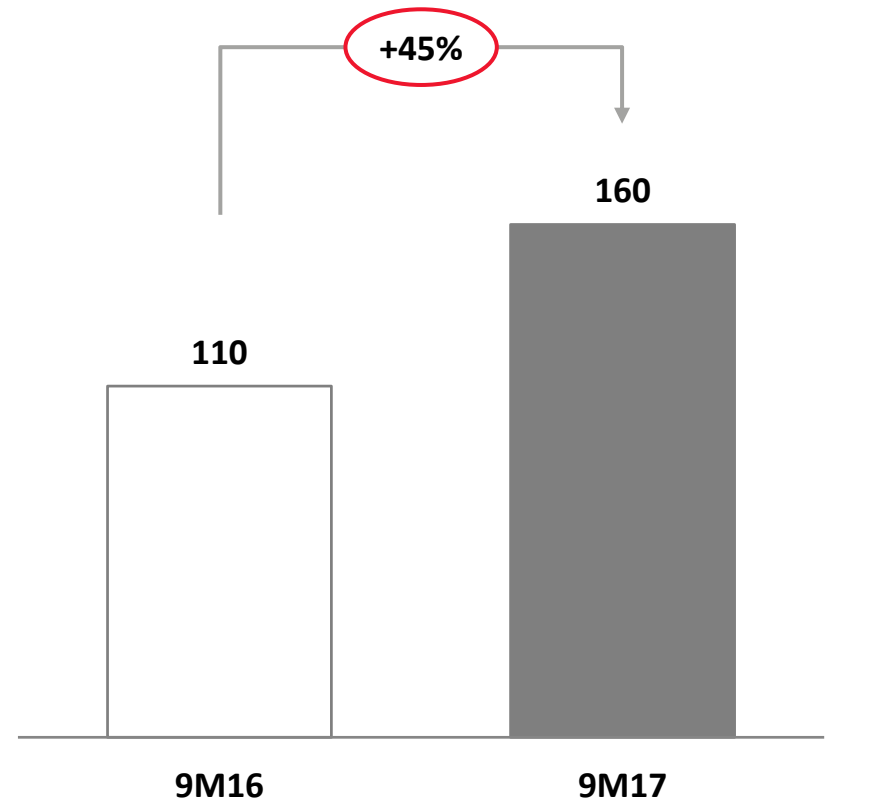
# Net profit totalled €165m, while Adjusted Net profit reached €160m (+45% YoY)



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(€ million)	9M16	9M17	
<b>Reported Net Profit</b>	<b>29</b>	<b>165</b>	<b>+468%</b>
Project finance renegotiation	+20.5	-	
Adj. from 25 to 30 years	+47.4	-	
Write-offs & Impairments	+10.4	+6.4	
Forex losses (gains) & Forex derivatives	(3.3)	+2.4	
Provisions & other Adjust.	6.2	(14.4)	
<b>Adjusted Net Profit</b>	<b>110</b>	<b>160</b>	<b>+45%</b>

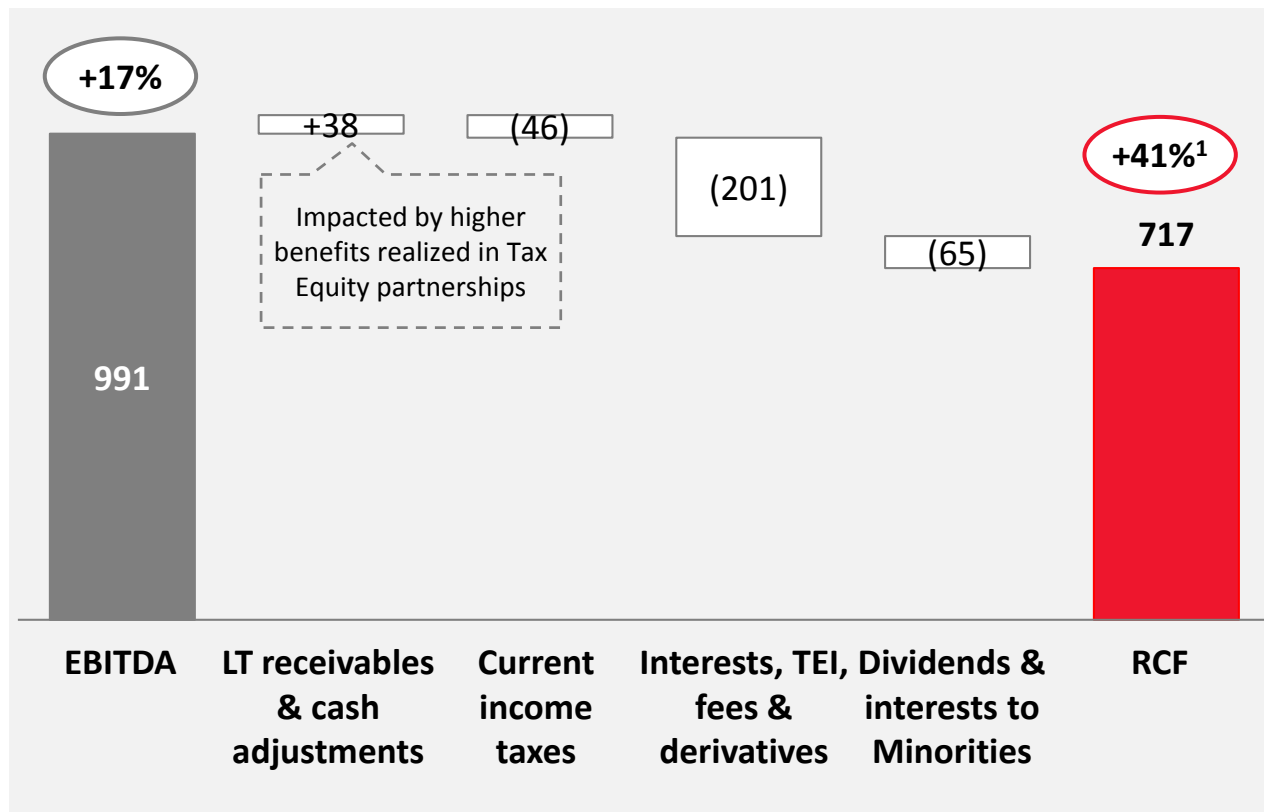
## Adjusted Net Profit (€ million)



Net Profit totalled €165m and Adjusted Net Profit €160m (+45% YoY; 9M16 adjusted at €110m) if adjusted for non-recurring events (one-offs: 9M16 -€81m; 9M17 +€6m)

# Sound Cash Flow generation with RCF increasing to €717m (+25% YoY on a recurrent basis)

## 9M17: Retained Cash Flow (RCF) (€ million)



Quality assets delivering cash-flow generation mostly from PPA and Feed-in Tariffs

Lower interests costs from €2.7bn restructured/prepaid since 1Q16 with cost of debt at 4.0% (vs 4.4% in Sep-16)

RCF of €717m (+41% YoY) propelled by a non-recurrent event (+€80m; 9M17); RCF +25% YoY if adjusted by such event

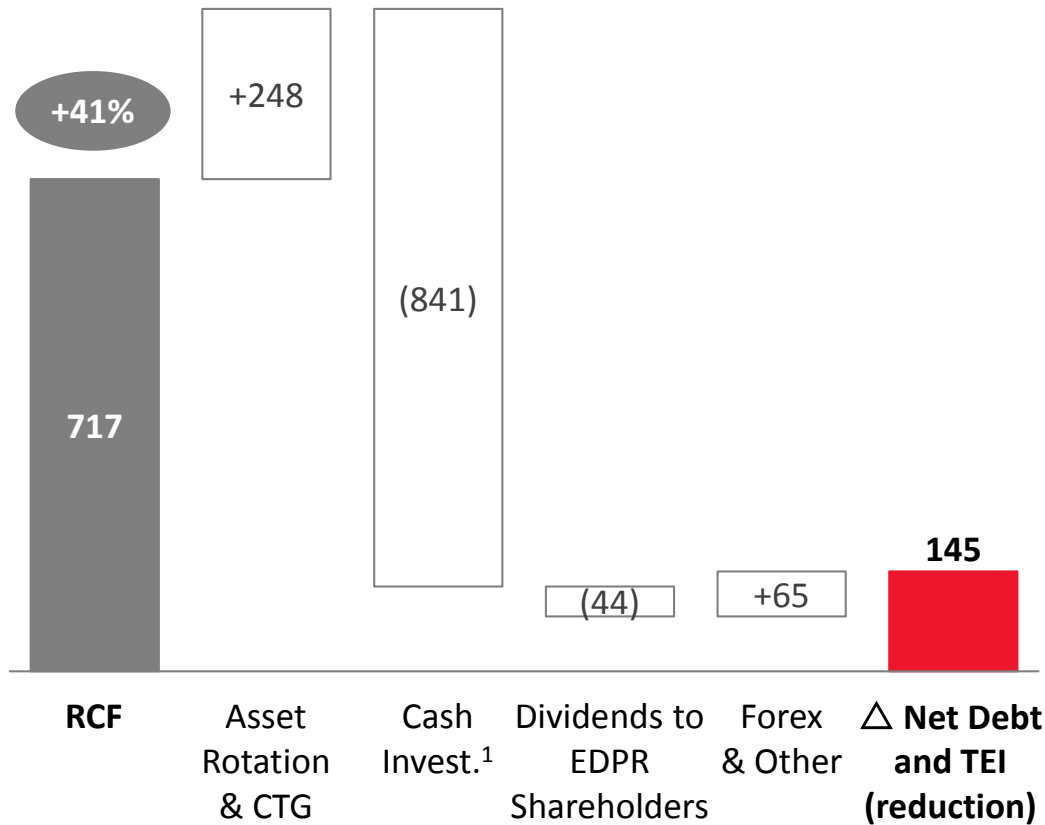
**RCF YoY increase on the back of operational and financial performance enhancing EDPR growth**

(1) RCF +25% YoY increase if adjusted by a non-recurrent event in the 9M17; RCF is net cash-flow generated by operations and available to re-invest, distribute and pay debt principal

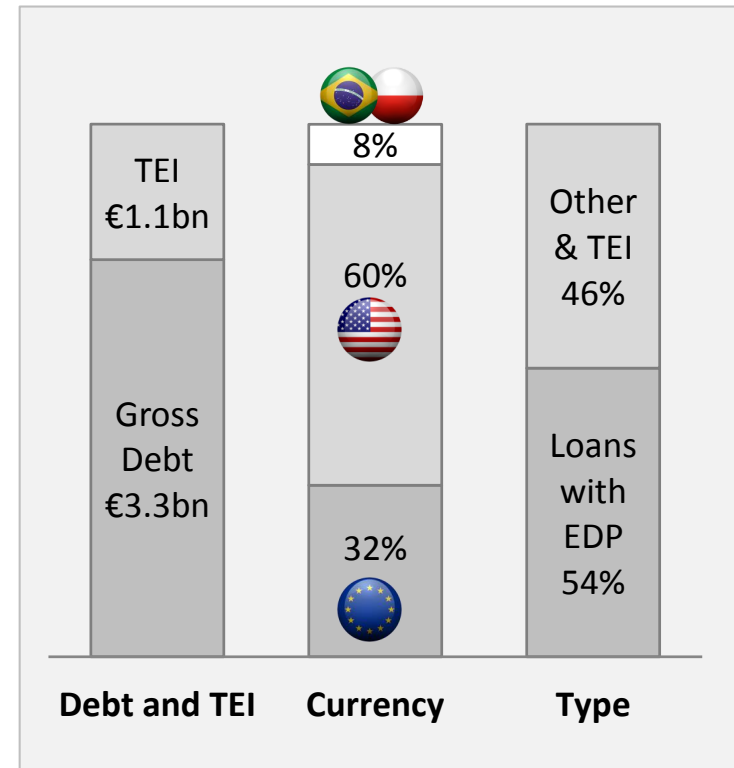


# Net Debt and Tax Equity decreased by €145m, with assets' cash generation, CTG sale and investments

9M17 from RCF to Debt and TEI variance  
(€ million)



9M17 Debt and TEI Breakdown (%)



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



# Conclusions



Solid capacity growth (+917 MW YoY) together with positive evolution of load factor: +10% YoY output growth



Slightly higher selling prices at €60.6/MWh above the expected evolution for the year



O&M initiatives and cost control continue to drive higher efficiency, with Core Opex/MW -2% YoY



Robust 2017 performance with adjusted Net Profit increasing +45% YoY and a recurrent RCF +25% YoY



BP16-20 execution on track & new offshore platform to support additional growth opportunities



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