



edp renováveis

2018 RESULTS

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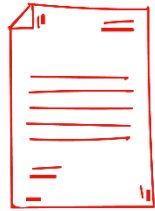
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HIGHLIGHTS OF THE PERIOD

Growth strategy and value creation not affected by adverse cyclical factors which came on top of expected discontinuities (total EBITDA impact of €196m)

Quality assets

97.0% availability
lower vs 97.8% in 2017 due to specific causes in some wind farms

30% load factor -1pp YoY
94% of long-term average (P50)

Revenues at €1,697m (-7% YoY; -€130m)
output (+€38m YoY), price (-€71m YoY), 10-yr PTCs (-€51m YoY) & fx (-€46m YoY)

93% of Revenues fixed for 2019⁽¹⁾
€54/MWh avg. price, -9% YoY (-7% ex-fx; stable vs 1H18)

Selective and profitable growth

+826 MW built YoY
+665 MW added YoY
674 MW already under construction

>100% of 2020 target secured
target +3.5 GW of additions in 2016-20

€1,300m EBITDA (-5% YoY; -2% YoY adj.⁽²⁾)
impacted by 2H wind profile, fx, expected PTCs expiring (10 y) & Eastern Europe top-line

Net Profit €313m (+14% YoY)
Sell-down strategy & stable net interest costs

Self-funding business

Reaching €1.1bn of proceeds 2-yrs in advance
from stakes divestments of which €0.4bn in 2018 with its Sell-down strategy set to anticipate value creation

€274m Net Debt & TEI increase
reflecting forex & investments in the period, while keeping solid balance sheet

Optimizing Cost of Debt and TEI Costs
Debt: 4.1% Dec-18 (+0.1pp YoY; despite different mix); Avg TEI: 6.7% (-0.2pp; latest deals yields at 10-yrs min)

Retained Cash Flow⁽³⁾ at €972m
-9% vs 2017 adj., due to temporary effects

Dividend proposal of €7¢ per share increasing 17% YoY
(implied payout of 24% taking into consideration the 2016-18 period)

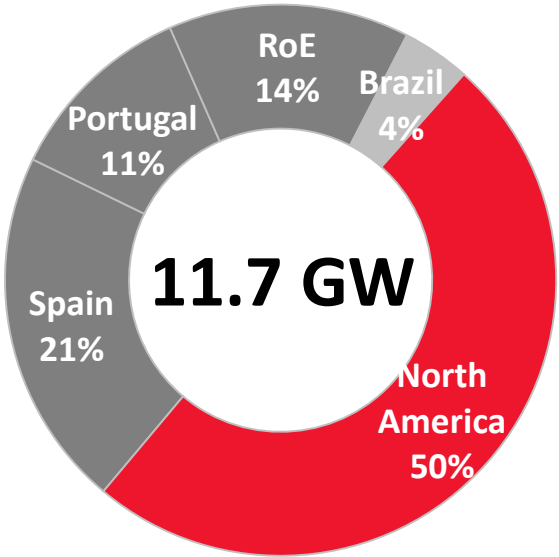
(1) at Dec-2018; (2) Adjusted by fx (3) with Capital Gains from Sell-down strategy; RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept

2018 Results









EDPR reached a global portfolio of 11.7 GW assets with 8 years of average age

Installed Capacity⁽¹⁾

(EBITDA MW + Equity Consolidated)



→ Average Installed Capacity increased +6% YoY





	MW Built	MW Sold	Net YoY Additions	Under Construction
 	478 MW	(160 MW)	+318 MW	+199 MW ²
 	211 MW	-	+211 MW	+145 MW
 	137 MW	-	+137 MW	-
 	-	-	-	+330 MW ³
	826 MW	(160 MW)	+665 MW	+674 MW

826 MW built YoY of which 160 MW sold (80% stake on 200 MW wind farm)
665 MW added YoY and 674 MW already under construction (including stake in UK offshore)

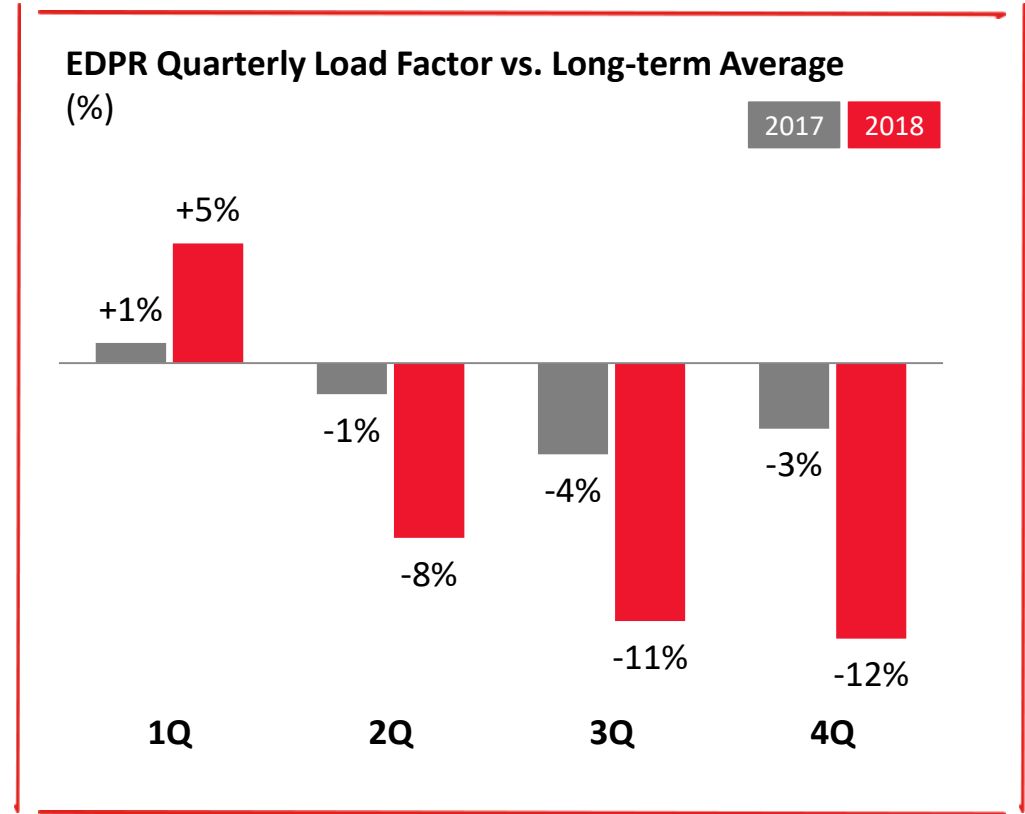
(1) Incl. equity consolidated: 152 MW in Spain & 179 MW in the US;
 (2) Related to Prairie Queen, on which an 80% stake was in Dec-18 (keeping the responsibility to build the project);
 (3) Includes 316 MW of EDPR stake in UK Moray and 14 MW from Windplus floating in Portugal

2018 load factor at 30% (below P50), reflecting low wind resource and a lower availability in certain wind farms

Load Factor and Technical Availability⁽¹⁾

	2018	Δ% YoY	2018 vs. Average (P50)
	26%	-1 pp	94%
	34%	-1 pp	93%
	40%	-3 pp	102%
	30%	-1 pp	94%
EDPR Availability ¹	97.0%	-1 pp	

• 4% wind resource
• 2% availability

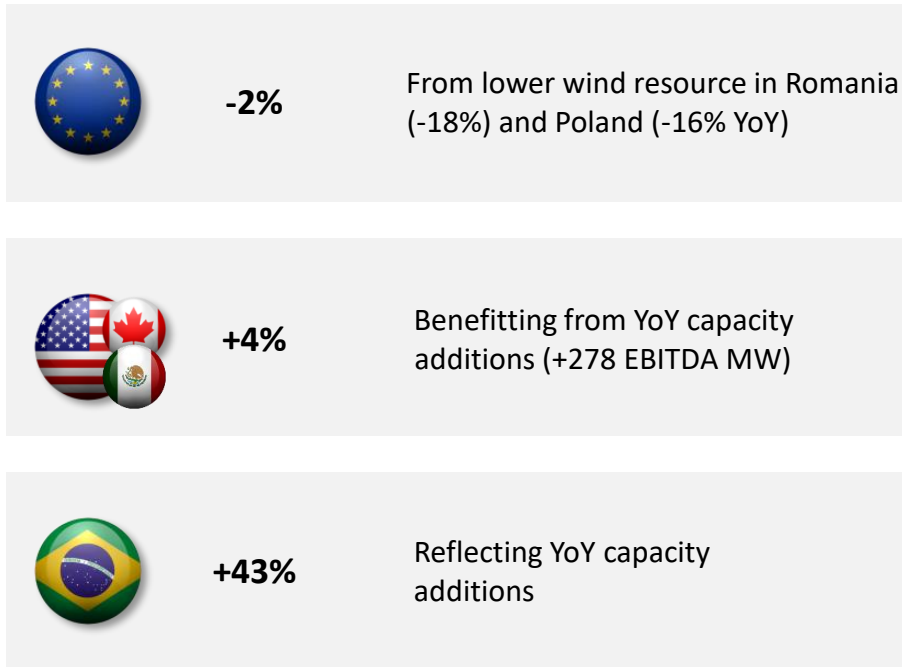


In 2018, EDPR reached a 30% load factor (-1pp YoY) representing 94% of long term average

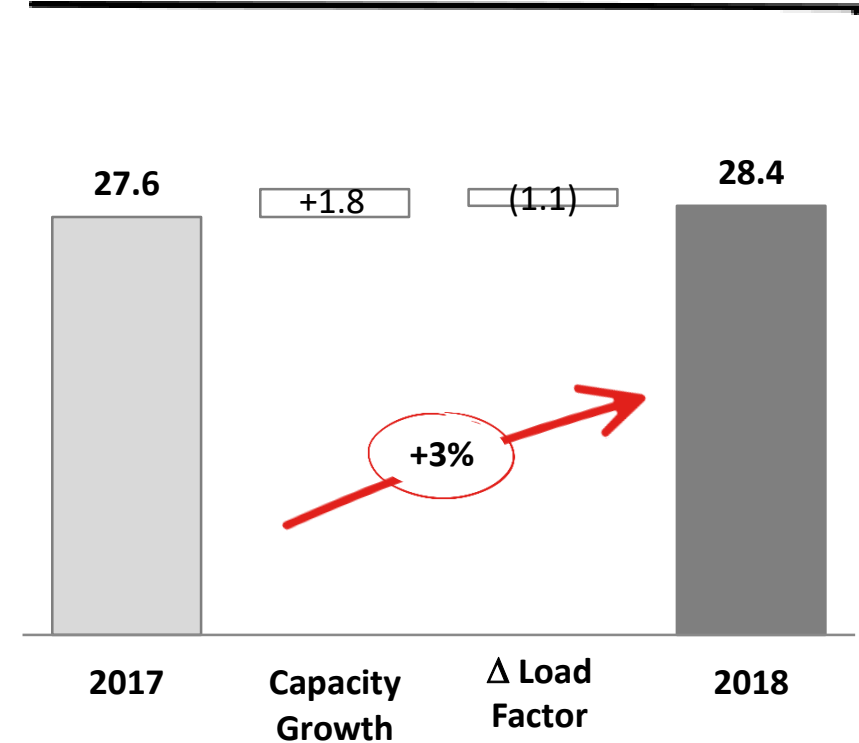
(1) Technical Energy Availability (TEA)

+3% growth in electricity output, driven by higher capacity in operation (+6%)

TWh
Δ% YoY






Electricity Production
(TWh)



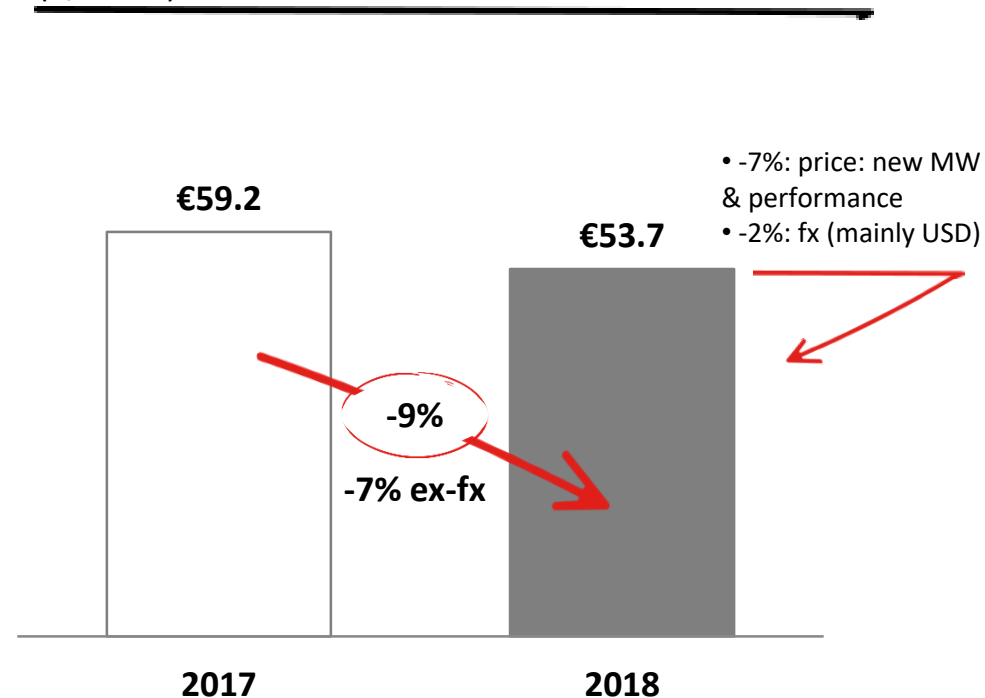
EDPR produced 28.4 TWh of clean electricity (+3% YoY), avoiding 19.8 mt of CO₂ emissions.
Geographical output breakdown: 55% in North America, 41% in Europe and 4% in Brazil

Avg. price at €54/MWh (-9% YoY; flat vs 1H18) mainly due to fx, expected lower prices in PL, RO and mix effect from new MW

2018 $\Delta\%$ YoY⁽¹⁾

	€77.4	-4%	SP lower price -6% (regulatory adjust. & hedges); RoE -8% (mainly due to RO expected reduction by half of GC & PL lower substitution fee)
	\$45.3	-2%	US (-3%): hedges gains in 2017 and mix effect from new MW; CAN (+1%): +1% in local currency MX: (+8%) from PPA @\$64
	R\$195	-32%	YoY comparison impacted by temporary PPA unwinding in 2017 along with different mix of a new wind farm in operation

EDPR Price Evolution
(€/MWh)



**Average selling price totalled €53.7/MWh (-9% YoY),
on the back of forex (-2% YoY; mostly USD) and expected price performance (-7% YoY)**

(1) Calculated in local currency

Revenues decrease 7% YoY where volume (+2%) is offset by forex translation (-3%), scheduled PTCs expiring (-3%) and expected lower avg. selling prices (-4%)

Main drivers for Revenues performance

Higher output: +3% YoY; +6% Avg. MW YoY

Lower availability YoY (97% vs 98%) with lower load factor at 30% (below P50). Volume: +€38m YoY

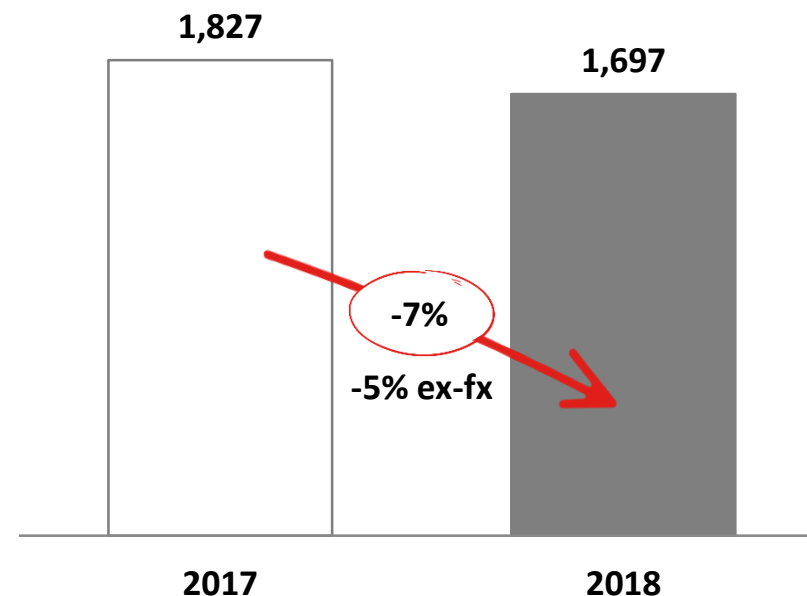
Lower average selling price: -9% YoY

-€71m from lower price performance in Europe & US and to a lesser extent to capacity additions mix

Forex impact & scheduled 10 years PTCs expiring

PTCs expiring (10-year life): -€51m
Impact from Fx: -€46m

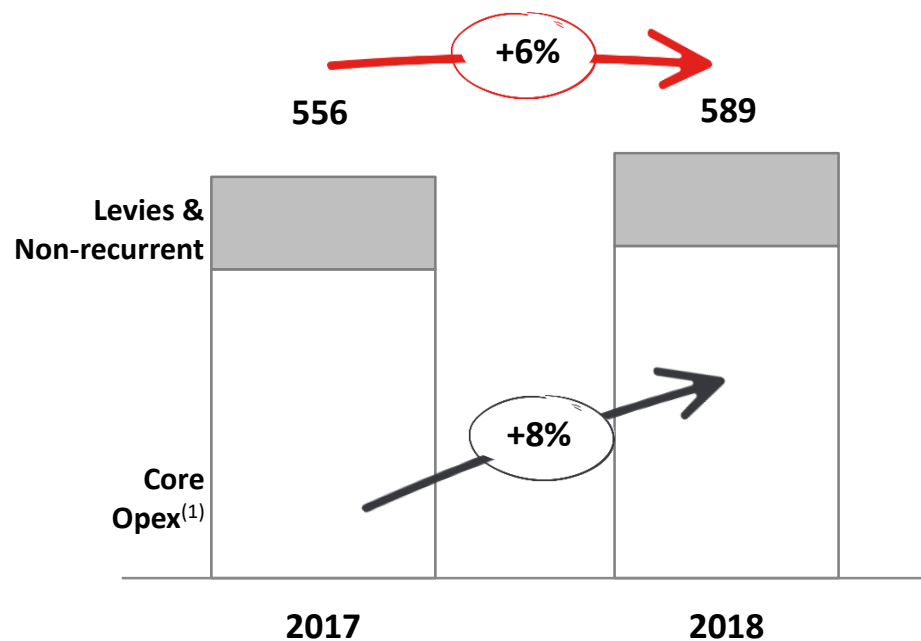
Revenues
(€ million)



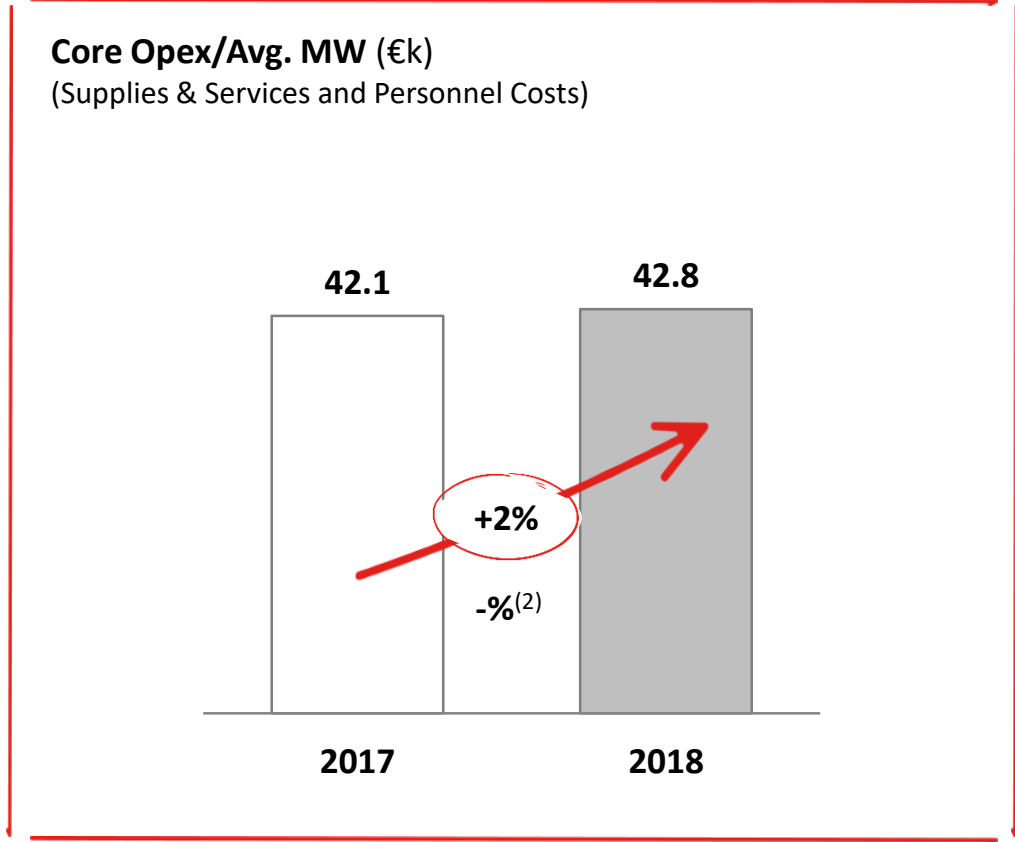
Revenues decreased €107m mainly due to lower prices (-€62m), forex translation & other (-€49m) along with PTCs expiring (-€43m), partially offset by higher volume (+€47m)

Core Opex per Avg. MW +2 % YoY, but flat YoY excluding one-offs and offshore costs (the last one is cross-charged to projects' SPVs which offsets)

Opex (excludes Other Operating Income)
(€ million)



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



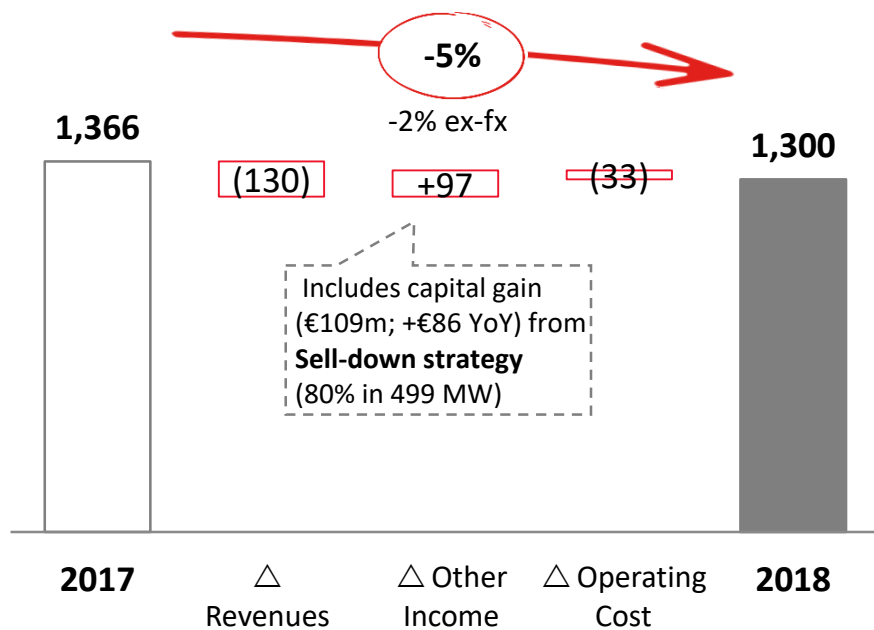
Core Opex increasing YoY on the back of higher installed capacity
Core Opex/ Avg. MW unchanged YoY, reflecting forex, cost control and O&M strategy execution

(1) Includes Supplies and Services and Personnel Costs; (2) Core Opex/avg MW adjusted by offshore costs cross-charged to projects' SPVs and accounted in Other Income

Delivering EBITDA of €1,300m (-5% YoY) reflecting top-line discontinuities and low wind resource partially offset by capital gains accounted in Other operating income

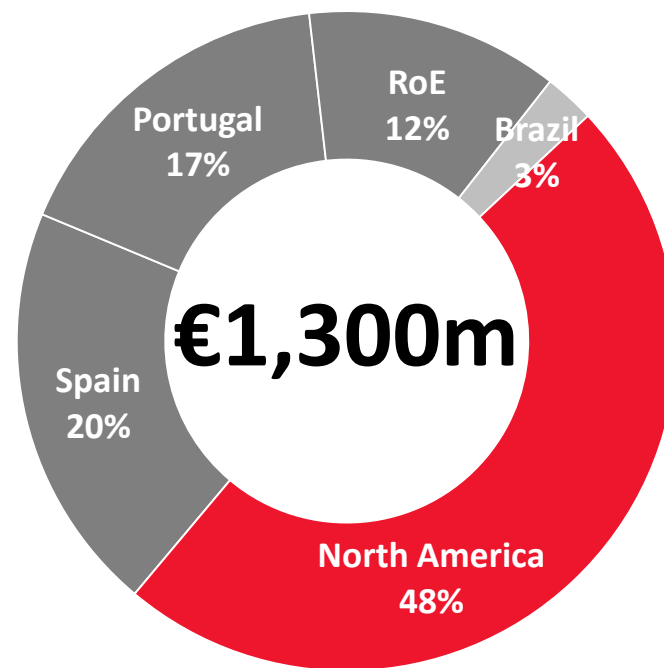
From Revenues to EBITDA

(€ million)



EBITDA per Region⁽¹⁾

(%)



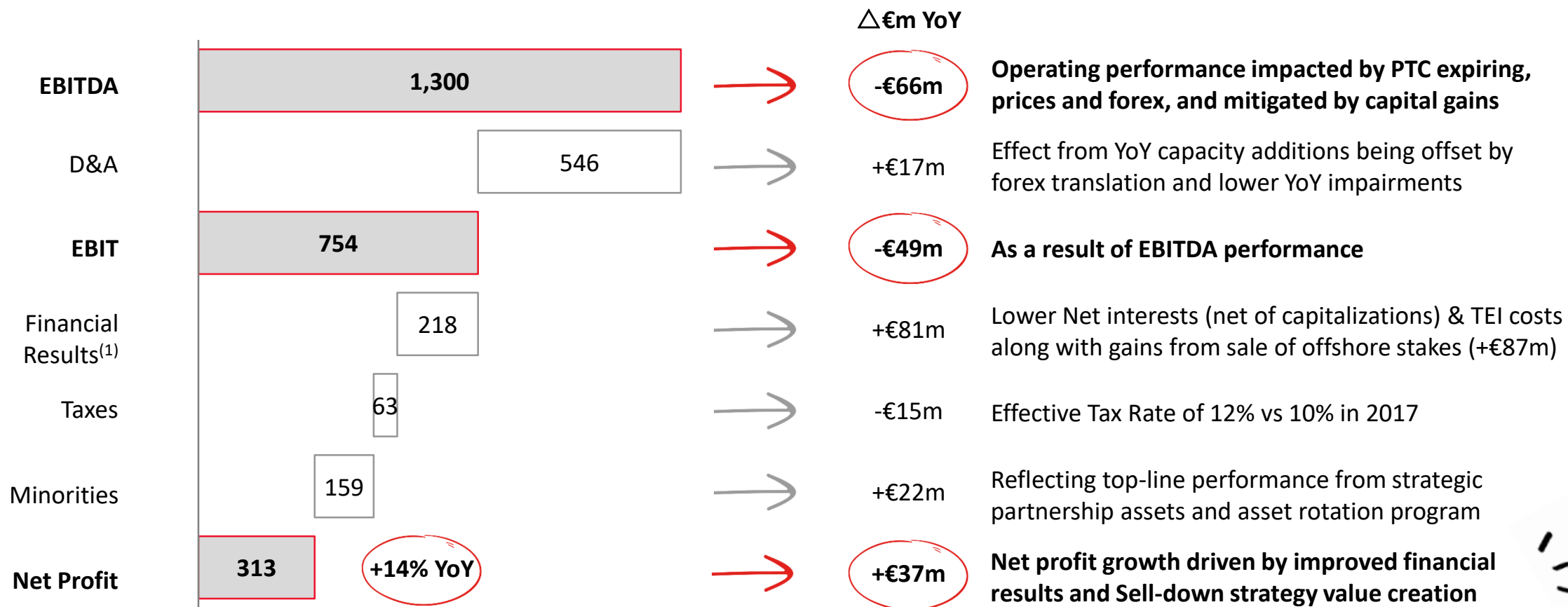
Reported EBITDA totalled €1,300m (lower YoY) with capital gains mitigating weaker top line performance

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

Net Profit totalled €313m, propelled by solid execution of Sell-down strategy and accelerating value creation

2018 EBITDA to Net Profit

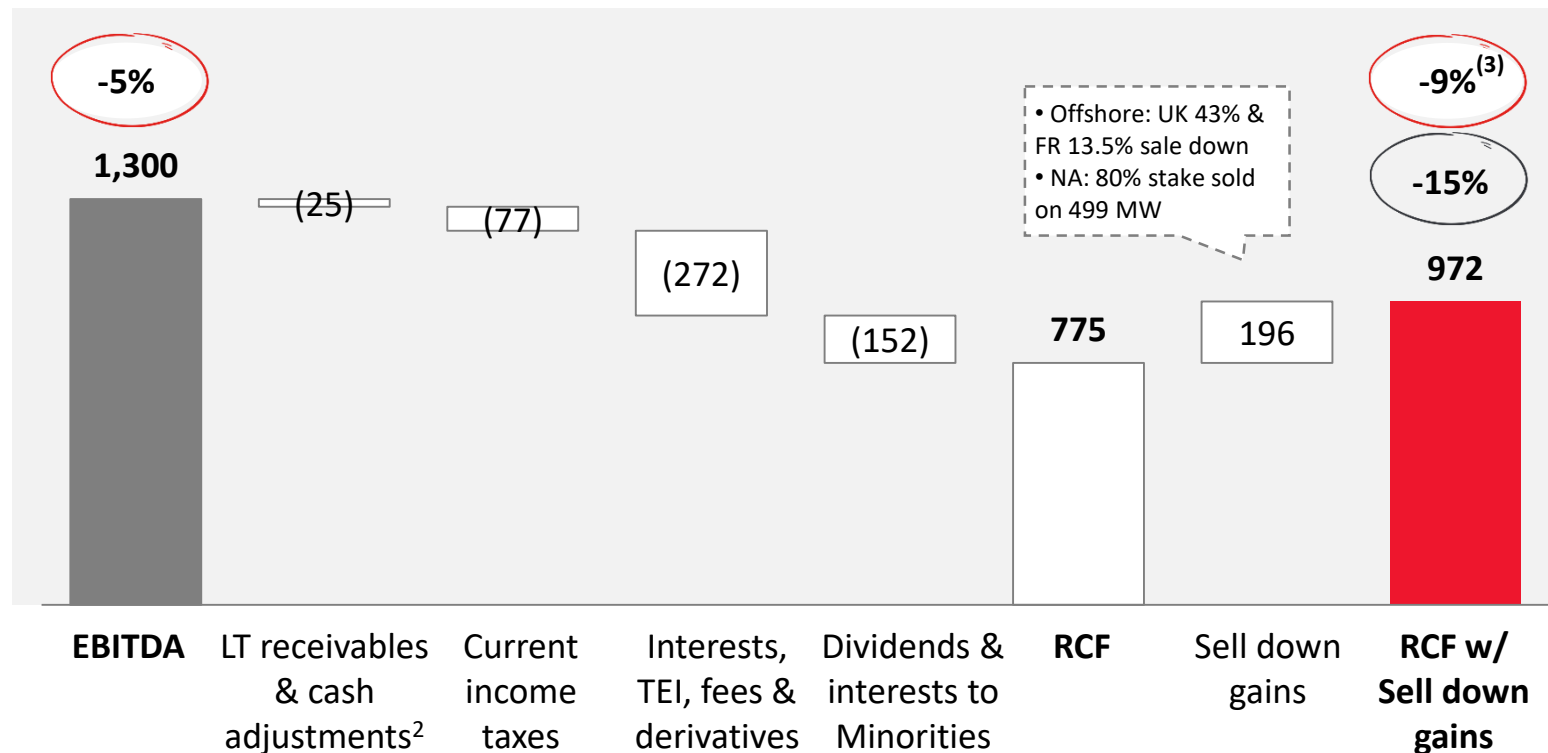
(€ million)



(1) Includes Share of profit of associates

Cash Flow generation with RCF at €972m, 9% lower YoY from EBITDA performance

2018: Retained Cash Flow (RCF)¹ (€ million)



Weaker EBITDA performance on the back of fx, expected lower prices and PTCs expiration (10 y)

Lower net interests (-6% YoY net of capitalization) and TEI costs (-9%; -5% ex-fx)

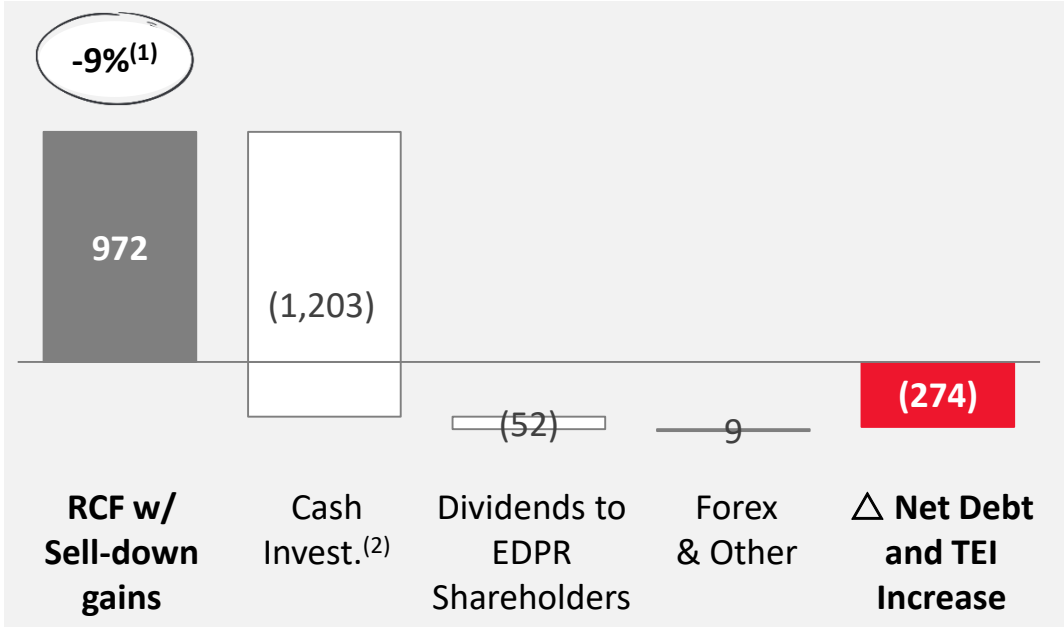
RCF¹ of €972m (vs €1.1bn in 2017) YoY comparison impacted by top line and higher non-recurring TEI realized benefits in 2017

(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;

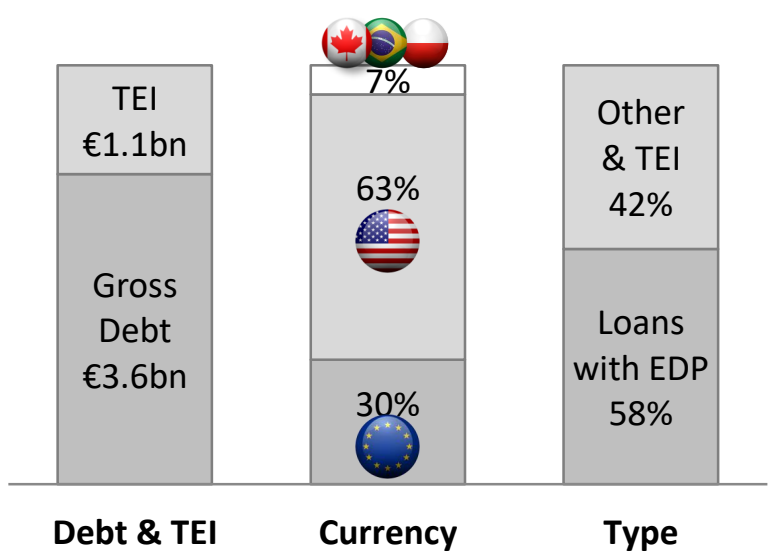
(2) Includes Capital gains from Sell-down strategy; (3) Like-for-like

Net debt and Tax Equity increased by €274m

2018 from RCF to Debt and TEI variance
(€ million)



2018 Debt and TEI Breakdown (%)



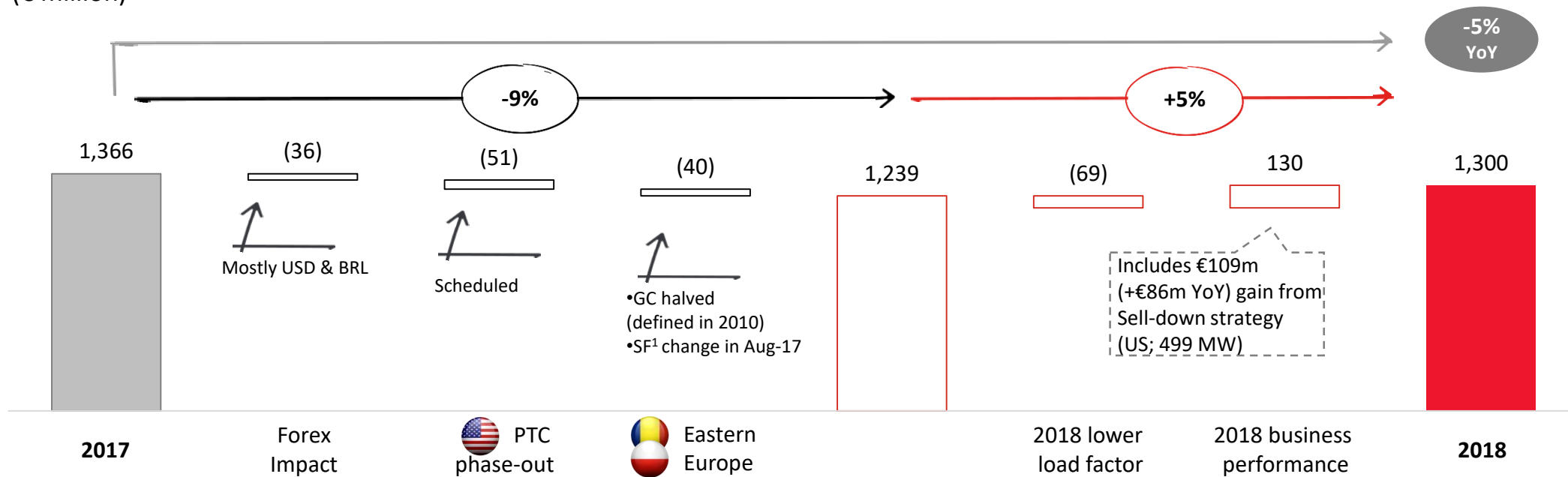
Solid Balance sheet leading to lower Net Interests costs

(1) Like-for-like (2) Cash investments include Capex (net of projects sold), Net financial investments and Changes in working capital related with PPE suppliers and Government Grants - 16 -

Business Plan Execution

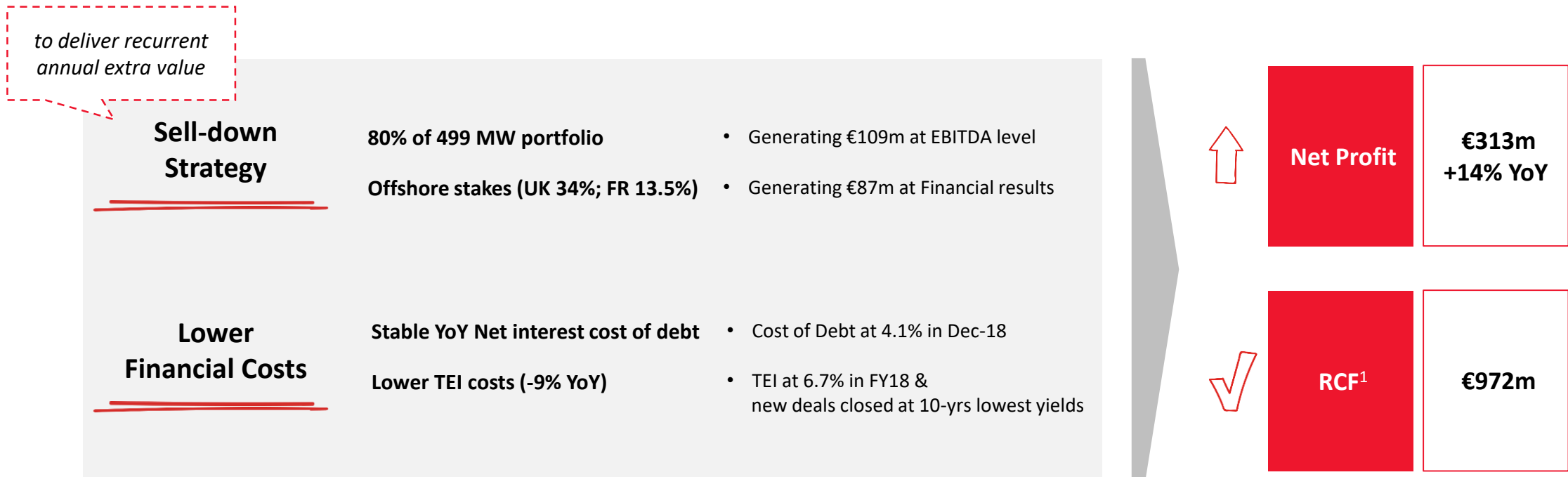
Short term performance impacted by a challenging transition year and very low wind resources...

EBITDA YoY variance walk by driver
(€ million)



EBITDA increasing by 5% YoY (ex-discontinuities and fx) from lower wind resource

...but delivering increased Net Profit and solid RCF given successful execution of an ongoing Sell-down strategy along with interests and TEI costs reduction

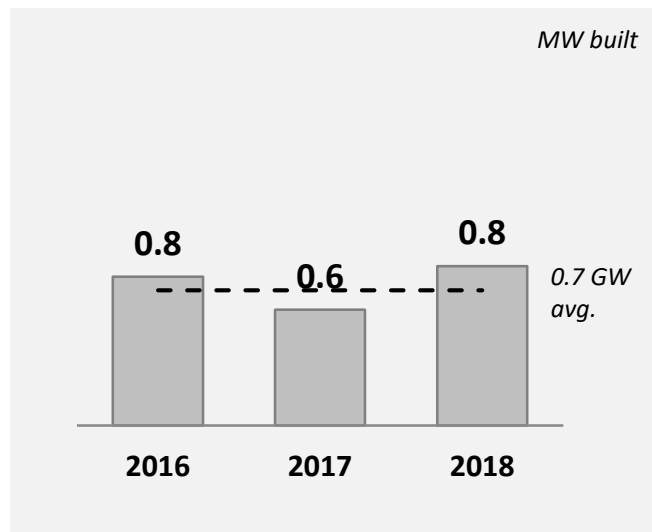


Reaching Net Profit of €313m (+14% YoY) and Retained Cash Flow¹ €972m

(1) Retained Cash Flow with Sell-down gains

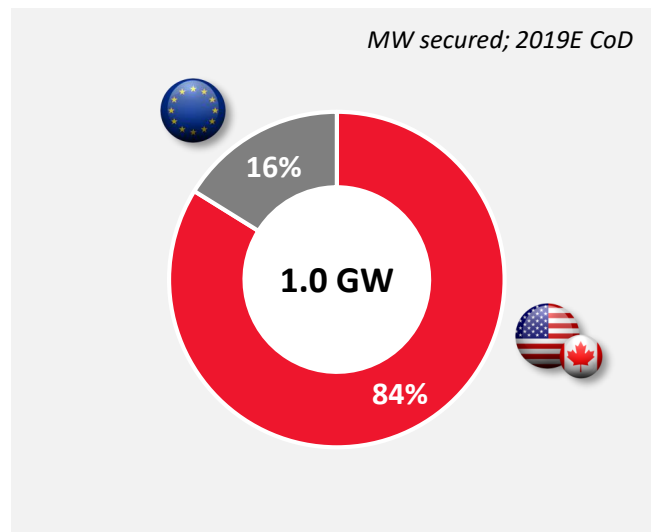
Outstanding growth execution and new growth plan being prepared to deliver extra growth

Successful execution of BP16-20...



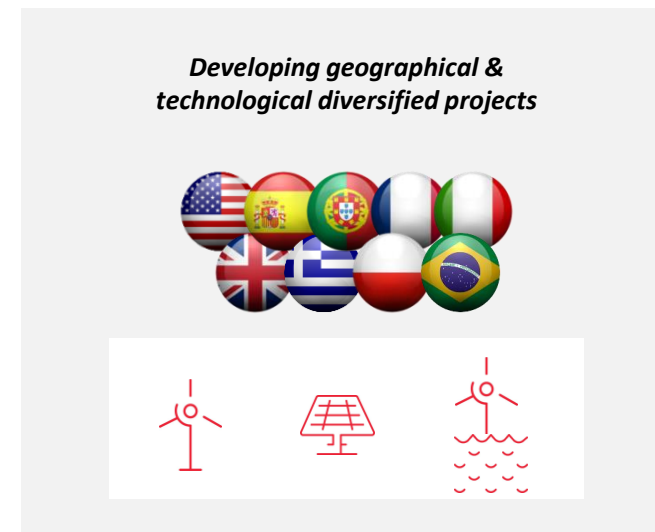
2.2 GW already built & more than 100% of 3.5 GW BP16-20 target already secured

...set to deliver above target in 2019...



North America: EDPR main growth market
Wind onshore: 99% of 2019E capacity additions¹

...and developing further growth



EDP Group Strategic update to be presented in March 12th

(1) 1% accounts for 14 MW related to WindPlus floating in Portugal

Conclusions

- 2018 operating performance impacted by a load factor at 94% vs expected, mostly due to low wind resource in the 2H
- Top-line (-7% YoY) further impacted by expected discontinuities: i) PTC expiration; ii) Eastern Europe regulatory structural features & fx
- Despite temporary negative impacts and lower wind resource, Net income growth and solid retained cash flow are boost by company focus on solid balance sheet and the execution of a Sell-down strategy to deliver recurrent annual extra value
- Medium term performance ensured by outstanding business plan execution, with 2020 capacity targets expected to be exceed
- EDP Group Strategic Update to be presented in March 12th

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