

EDP Renováveis 1Q16 Results

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I

Highlights of the period

II

1Q16 Results

III

Conclusions

Quality assets

- **Output of 7.5 TWh (+30%)** with strong operational excellence (**97.8% availability**) and **outstanding wind resource (38%; +4pp YoY)**
- **95% of 2016 revenues are contracted/hedged**; avg. selling price totalled €61/MWh, reflecting different capacity additions mix and lower price in Spain (higher load factor and regulatory adjustment methodology)
- O&M strategy continues to deliver higher efficiency (**Core Opex ex-FX/MW -3% YoY**)

Selective and profitable growth

- **EBITDA +29% YoY**, on the back of new capacity in operation, higher output and ongoing efficiency
- **Net Profit +32% YoY** reflecting increased operational performance
- **Growth on track with 672 MW added YoY** and 476 MW already under construction: 250 MW in US, 200 MW in Mexico and 26 MW in Europe

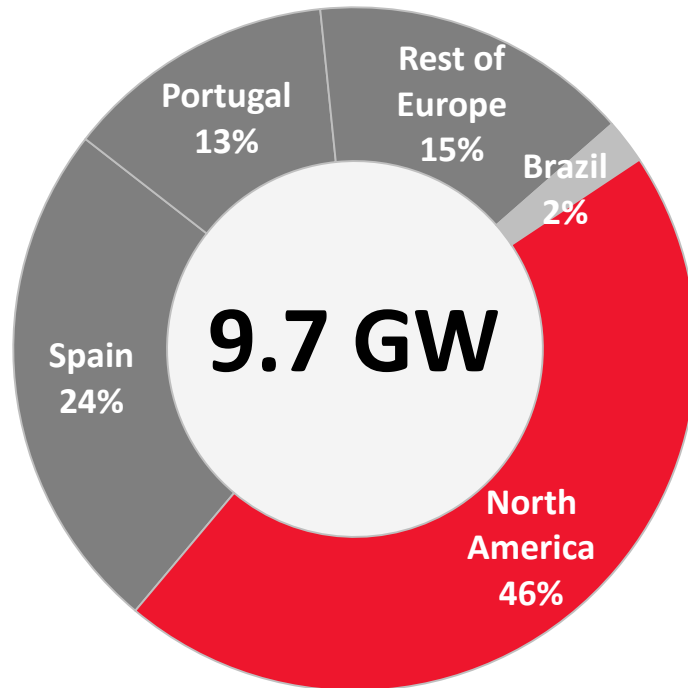
Self-funding business model

- **Retained Cash Flow of €238m (+27% YoY)** generated from a young portfolio, with 6 years of average life, mostly exposed to PPA/FIT regimes
- **New Asset Rotation signed in Europe (€550m) at an attractive multiple (€1.7m/MW)**, to accelerate shareholder value creation
- **Net Debt decreased to €3.4bn** (-€0.3bn YTD) due to the financial settlement of Asset Rotation (signed Nov-15) and Tax Equity (signed Oct-15); Cost debt at 4.5% (lower YoY)





1Q16 Results

EDPR has reached a global portfolio of 9.7 GW of first-class assets with an average 6.0 years old

Installed Capacity¹ (EBITDA MW + Equity Consolidated)



Average Installed Capacity increased +15% YoY

	YoY Additions	Under Construction
	+398 MW	+450 MW
	+154 MW ²	+26 MW
	+120 MW	-
	+672 MW	+476 MW





672 MW added YoY and 476 MW already under construction to be added in 2016

1Q16 load factor 7% above long-term expected average...

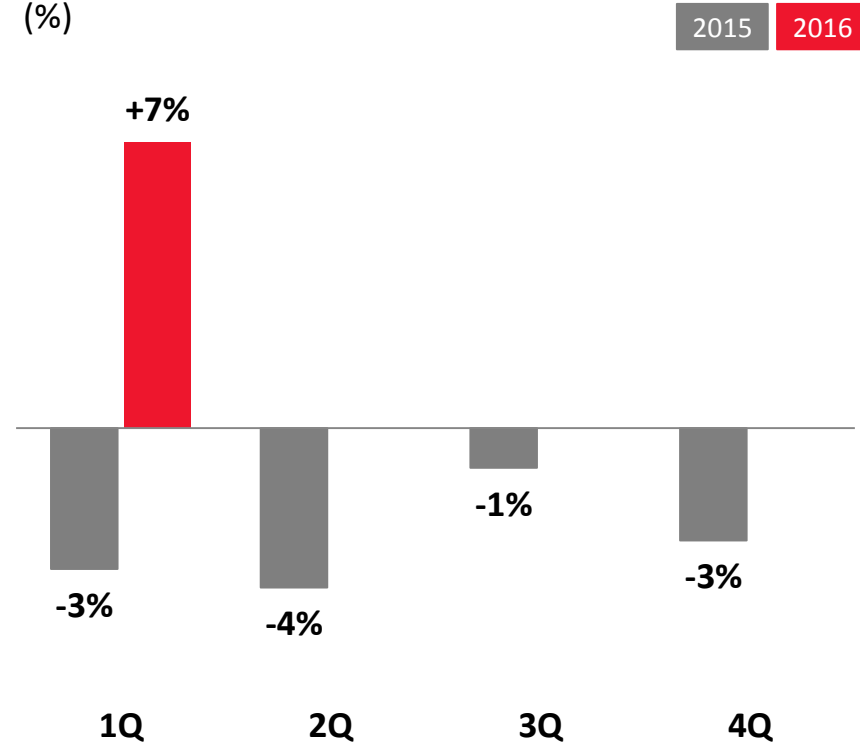


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Load Factor and Technical Availability

	1Q16	Δ% YoY	1Q15 vs. average	1Q16 vs. average
	35%	+2pp	105%	113%
	40%	+6pp	89%	101%
	30%	+4pp	90%	107%
	38%	+4pp	97%	107%
EDPR Technical Availability	97.8%	-		

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



...following a higher than average wind resource across all platforms and reflecting distinctive core competences

+30% growth in electricity output, on the back of capacity additions and higher load factor

TWh
 $\Delta\%$ YoY



+29%

Strong output growth across all platforms; strong load factor in Iberia



+32%

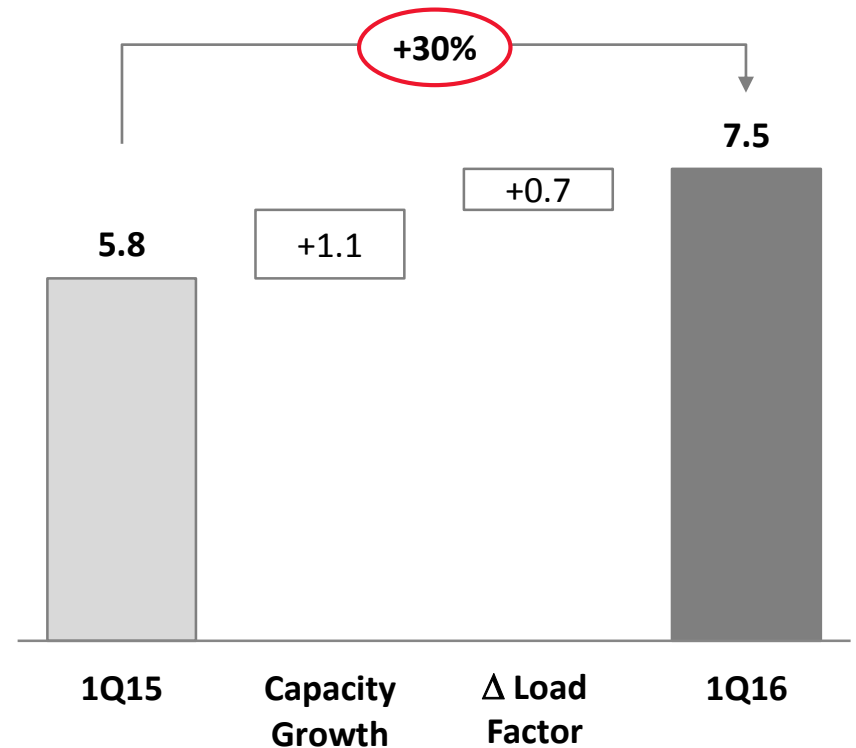
Impact from capacity additions along with a higher load factor YoY



+19%

Higher load factor YoY

Electricity Production (TWh)



Electricity Output breakdown: 50% in Europe, 49% in US and 1% in Brazil

Selling price decreased -7% YoY to €61/MWh due to low pool prices and different generation mix



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1Q16 $\Delta\%$ YoY



€77.1

-7%

- Spain -12% YoY: i) minimized by hedges (+€14m), but impacted by ii) higher load factor; iii) -€12m from regulatory adj. methodology¹



\$48.1

-9%

- PPA: \$50/MWh (-6% YoY)
- Non-PPA: \$41/MWh (-15% YoY)
- Driven by mix & scope

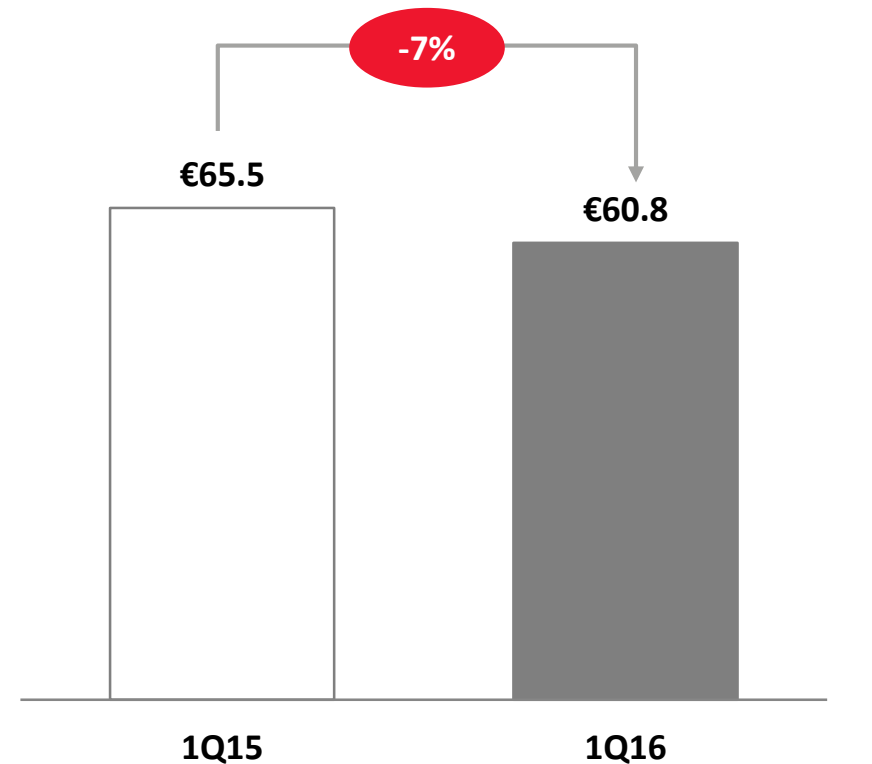


R\$363

-2%

- Reflecting revenue tax thresholds on a 70 MW wind farm

EDPR Price Evolution (€/MWh)



**Lower realised prices across all regions on the back of capacity additions mix
EDPR hedging policy in place, reducing exposure to spot prices to residual levels**

(1) Regulatory adjustment methodology in 2016 – baseload pool price vs lower/upper limits calculated starting in Oct-15 until Mar-16 avg (given it's the last year of the 3-year regulatory period)⁹

Revenues totalled €508m (+22% YoY) on the back of higher volume despite the lower selling prices

Main drivers for Revenues performance

Quality assets: +1,214 MW (Avg. EBITDA) YoY
Load factor: 38%
High availability: 97.8%

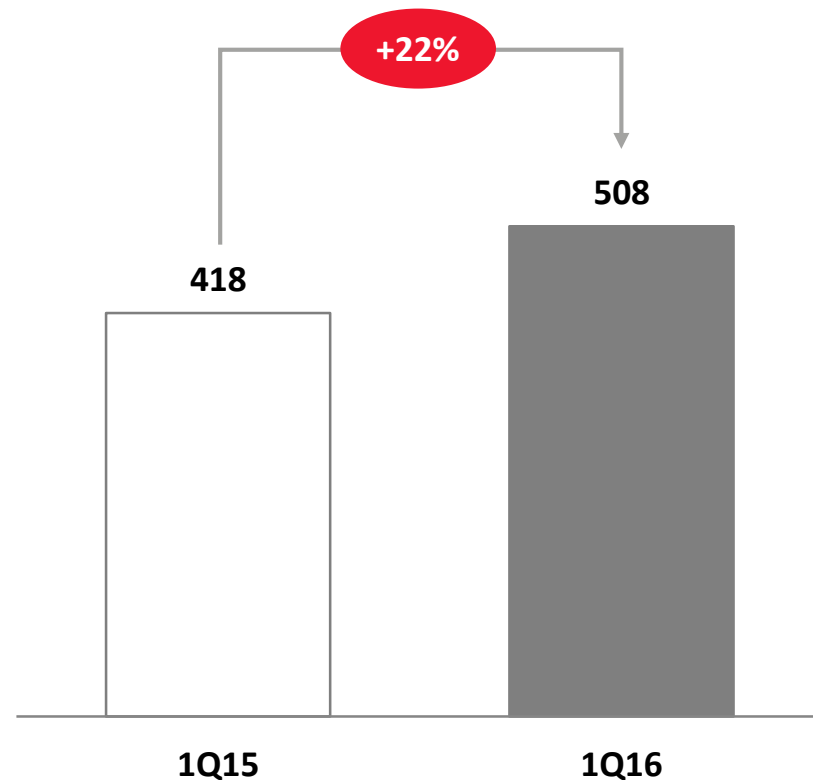
Higher Electricity output: +30% YoY

EU +29%; NA +32%; BR +19%

Lower average selling price: -7% YoY

EU -7%; NA -9% (in USD); BR -2% (in R\$)

Revenues (€ million)



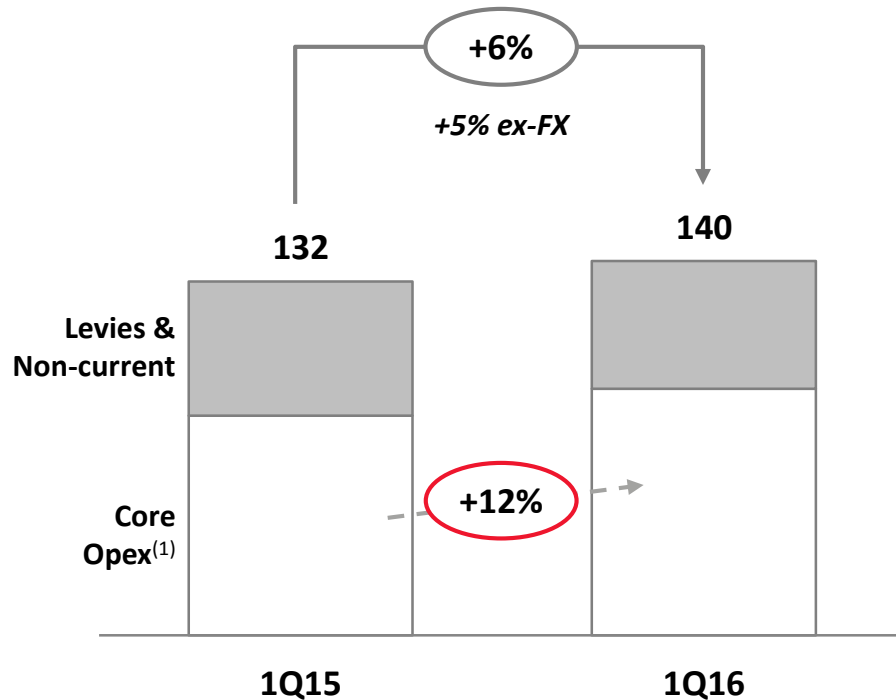
**Higher YoY revenues supported by capacity additions and higher load factor,
offsetting the lower price in the period**

O&M strategy and cost control continue to deliver sound results

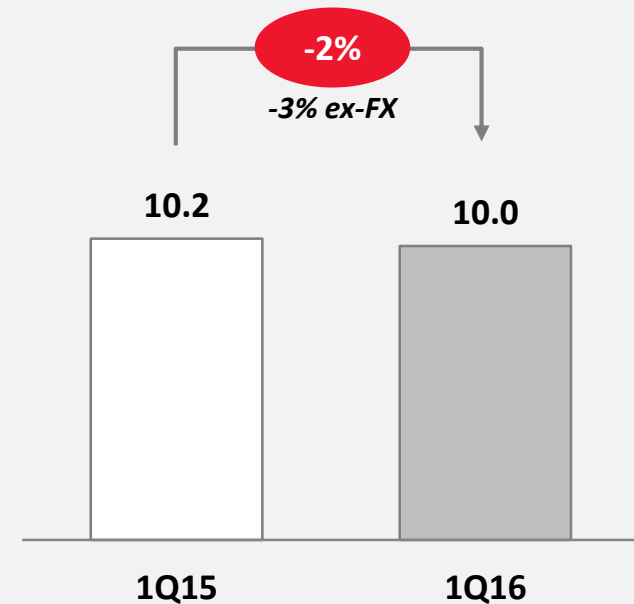


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Opex (excludes Other Operating Income) (€ million)



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

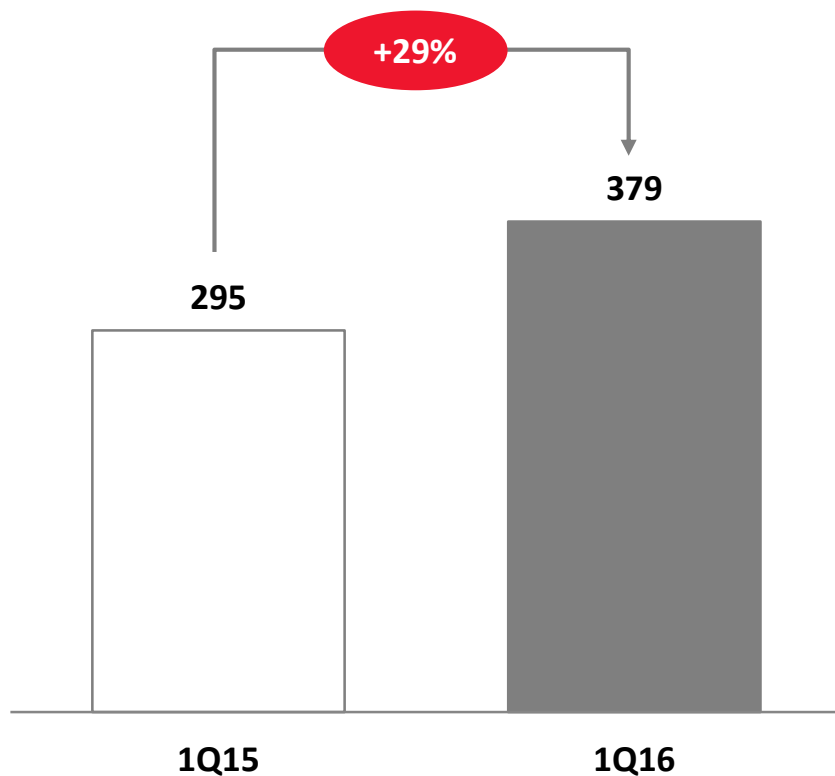


Core Opex per average MW decreasing 3% YoY (ex-forex impact) boosted by EDPR's control over costs

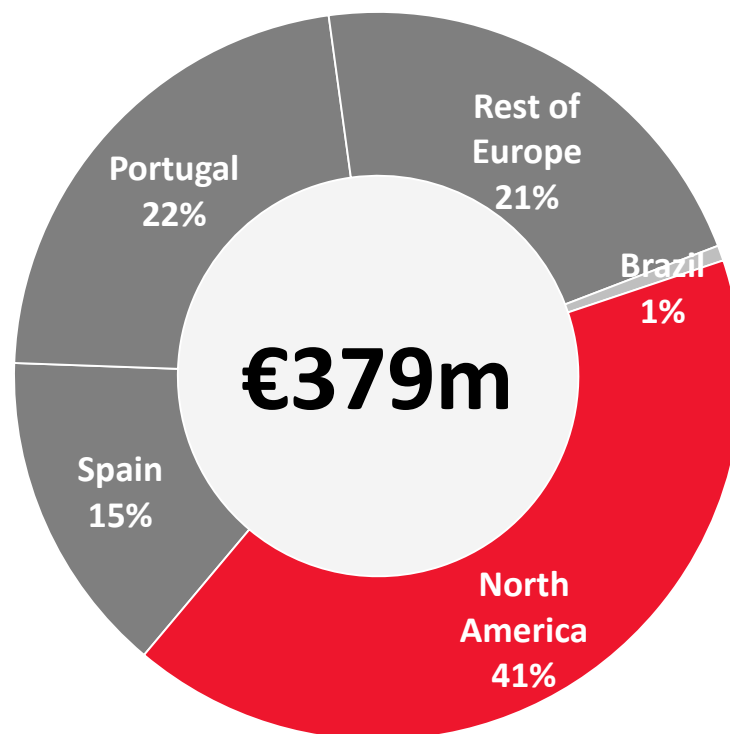
(1) Includes Supplies and Services and Personnel Costs

EBITDA increased +29% YoY, benefitting from top-line evolution

EBITDA
(€ million)



EBITDA per Region
(%)



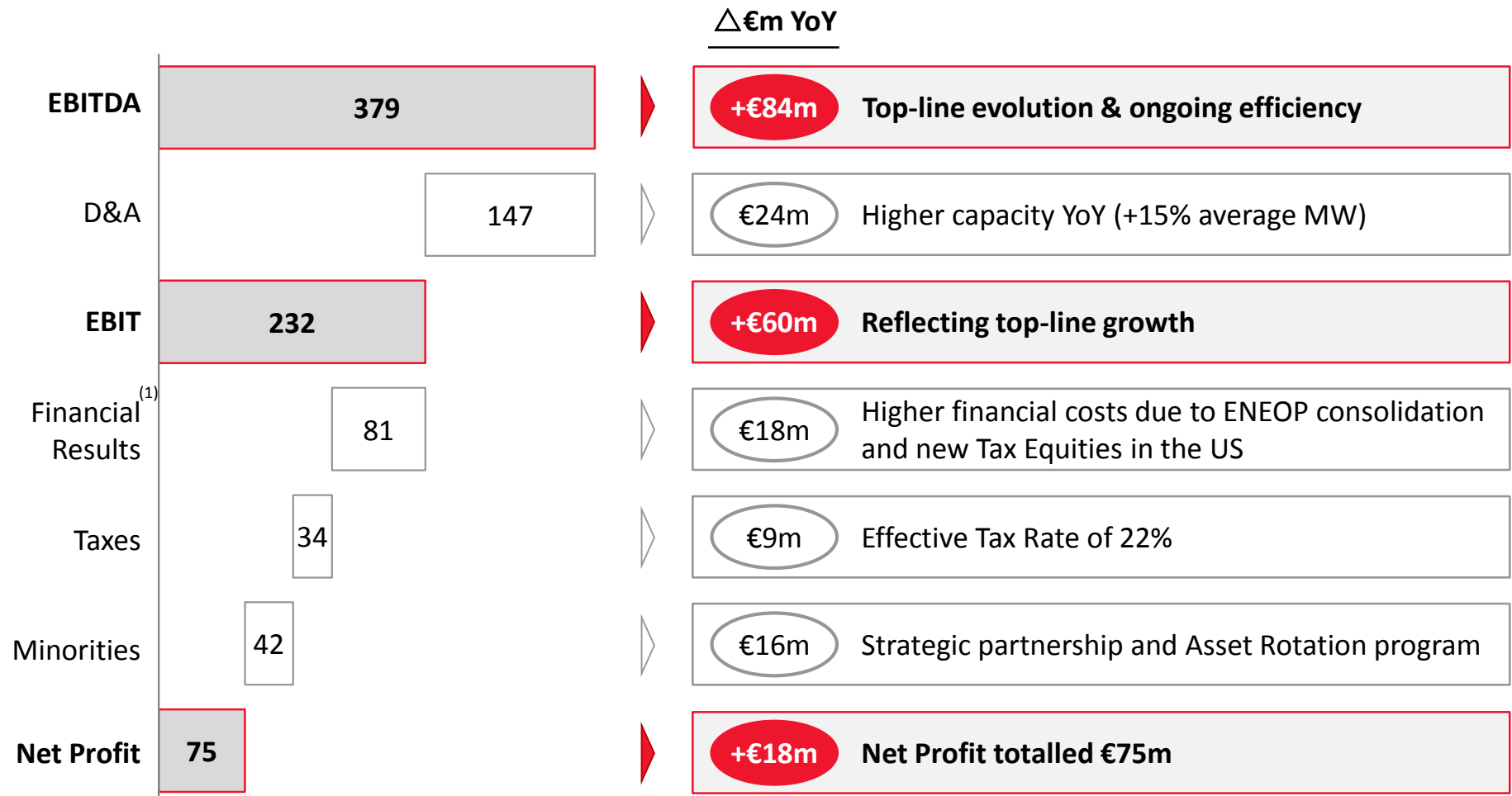
EBITDA delivered a solid growth of +29% YoY

Net profit in the period totalled €75m (+32% YoY)



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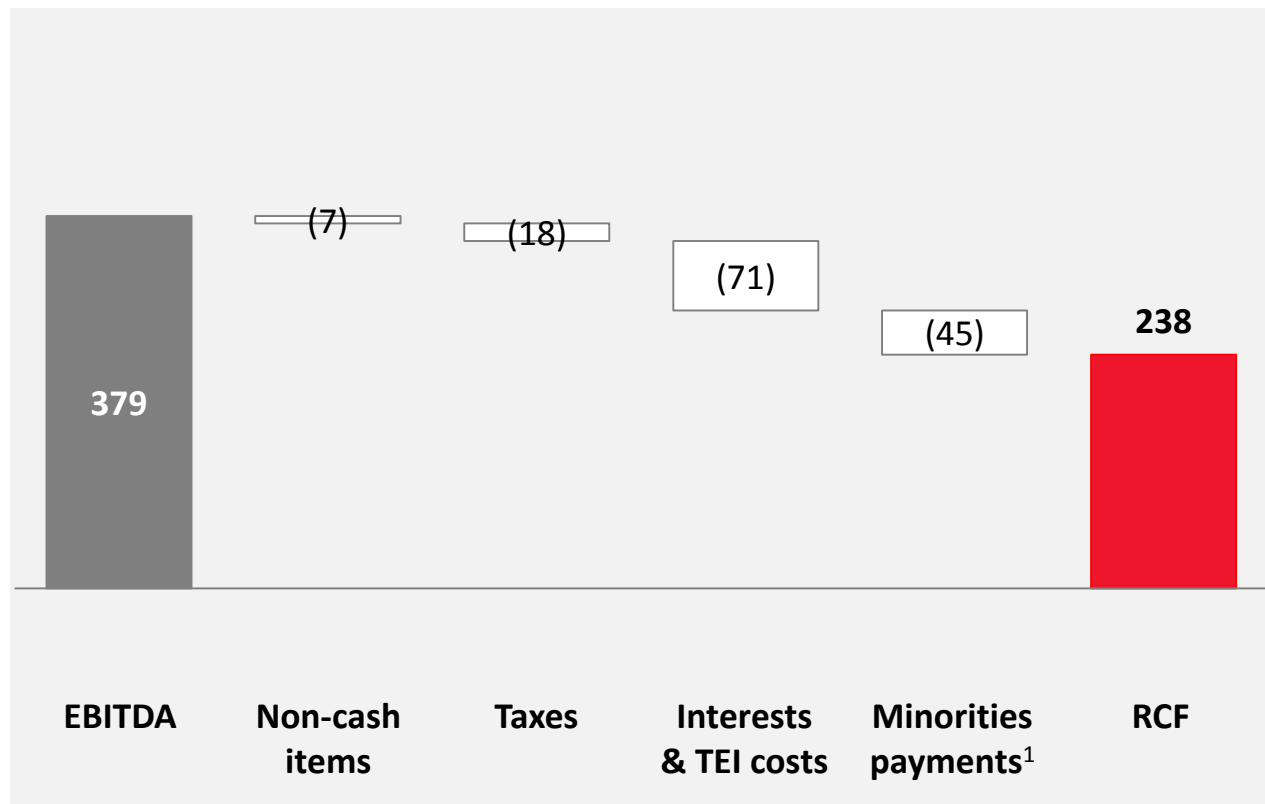
1Q16 EBITDA to Net Profit (€ million)



(1) Includes Share of profit of associates.

Sound Cash Flow generation with RCF increasing +27% YoY...

1Q16: Retained Cash Flow (RCF) (€ million)



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

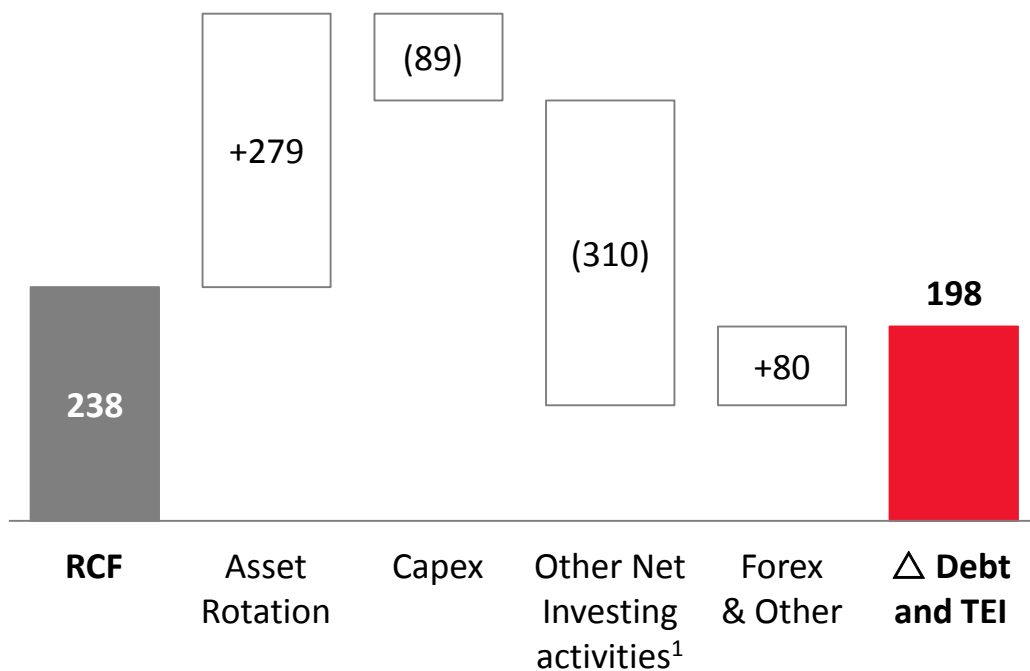
Solid Cash-Flow generation stream to execute profitable growth in 2016 and beyond

1Q16 investments totalling €89m and currently 476 MW under construction, mostly in North America

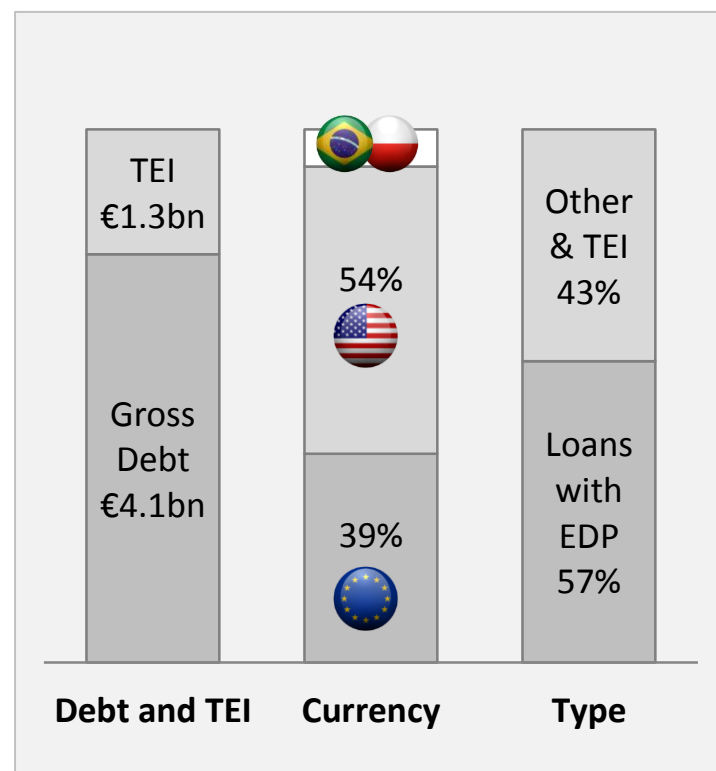
...on the back of operational and financial performance to enhance EDPR growth

Decreasing Debt and Tax Equity by €198m in the period

1Q16 from RCF to Debt and TEI variance
(€ million)



1Q16 Debt and TEI Breakdown (%)



Conclusions



Premium assets and high efficiency levels delivering ongoing operational growth



Lower prices in the period mitigated by an effective hedging strategy and higher production



Solid financial performance in the 1Q16, with EBITDA +29% YoY and Net Profit +32% YoY



Successful growth execution with 672 MW added YoY and 476 MW under construction



Sound CF generation to enhance profitable growth, with BP 2016-20 to be presented on May 5th



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Next Events

May 5th: EDP Group Capital Markets Day (London)
May 6th: Roadshow London
May 9th: Roadshow London
May 10th: Roadshow Boston
May 11th: Roadshow NY
May 19th: Roadshow Madrid



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