

***edp* renováveis**

STRATEGIC UPDATE
2019-22

London, March 12th 2019

In a sector with an increased competitiveness and improved outlook, EDPR has defined a new strategic plan until 2022...

Successful execution across its 3 strategic pillars for 2016-20 and defining continuity for 2019-22

Execution: Selective growth (4 GW secured); Self-funding (€1.1bn AR/Sell-down cashed-in); Operational excellence (-2% CAGR Core Opex/MW) 

Selective growth

2019-22E

Solid value creation, investing in quality projects with predictable cash-flow stream...

 ~ **7.0 GW cumulative build-out** of which 40% already secured

 **Geographical diversified:** 60% NA; 20% EU; 20% BR & New

 **Technological diversified:** 70% wind onshore; 25% solar; 5% offshore

Self-funding

2019-22E

...enhanced by selling assets' stakes, crystalizing value and accelerate value creation...

 > **€8.0 bn of investments** financed by sell-down & assets' cash flow

 > **€4.0 bn of sell-down proceeds** ongoing strategy to generate extra-value

 **€4.0 bn of net investments** fully financed by assets' CF generation

Operational excellence

2019-22E

...and supported by distinctive core competences & unique know-how

 **33% load factor in 2022** from additions of competitive projects

 >**97.5% availability** technical expertise to maximise output

 **Core Opex/MW -1% CAGR 18-22¹** from efficiency O&M strategy

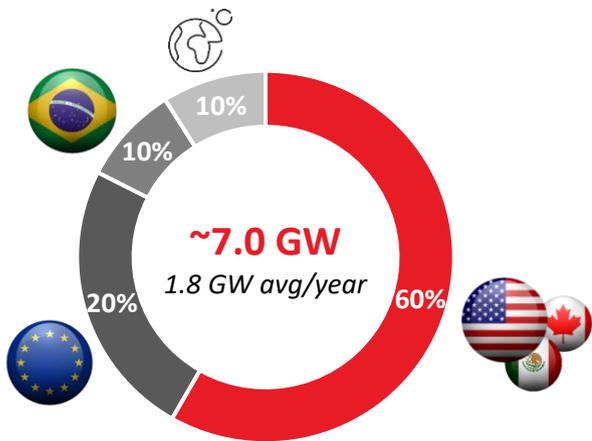
...complemented by an expanded growth and sell-down model, designed to unlock EDPR's full capabilities

(1) Core Opex defined as Supplies & Services and Personnel Costs

Selective growth: unlocking EDPR development competences with 7.0 GW cumulative build-out for 2019-22

Capacity Build-out by region¹

GW



of which 40% already secured through PPAs or tariffs awarded

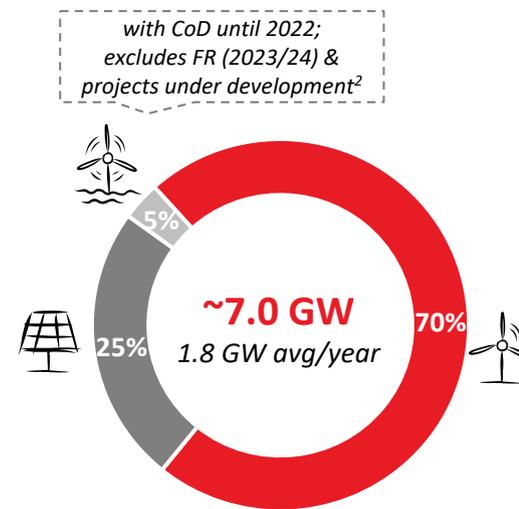
North America
Driven by RPS, C&I and coal/nuclear retirements, EDPR has already secured 1.5 GW all with LT contracts

Europe
Supported by governance & PPA appetite, EDPR has already secured 0.5 GW onshore & 0.3 GW offshore

Brazil & Other
BR: auctions/PPAs & stable regulation (EDPR has 0.6 GW secured); Other: being analysed

Capacity Build-out by technology

GW



projects with long-term visibility & low risk profile

Wind Onshore
A competitive technology, in which EDPR has competitive advantage and know-how

Solar PV
Increasing competitiveness, and relevance in EDPR technological mix pos-2020

Wind Offshore
Backed by technological progress, EDPR developing projects in partnerships

Sell-down strategy: sale of majority stakes (~50% of 7 GW) set to generate >€4bn of proceeds³ and leading to **recurrent annual capital gains**

(1) Offshore until 2022 accounted under Europe; (2) Includes UK (Moray East; 33% of 950 MW); Floating FR (35% 24 MW); Floating PT (54% of 25 MW); excludes FR (30% of 992 MW) and projects under development (US Mayflower and UK Moray West)

Operational excellence: EDPR core competences and unique know-how set to maximize efficiency

Wind assessment know-how to maximize asset value...



New MW with above average load-factor vs 2018: 30% (94% P50)



Predictive maintenance and O&M strategy key to reduce downtime

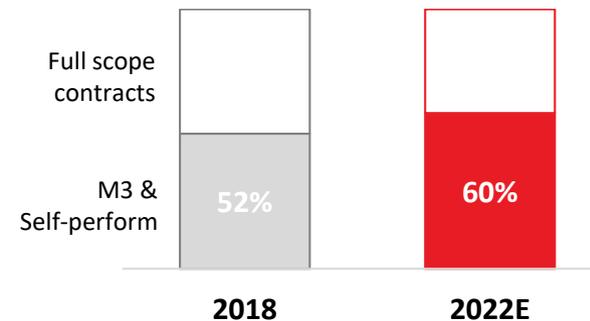


Driven by accretive contributions from new capacity additions

...and highly experienced teams delivering unique O&M strategy...

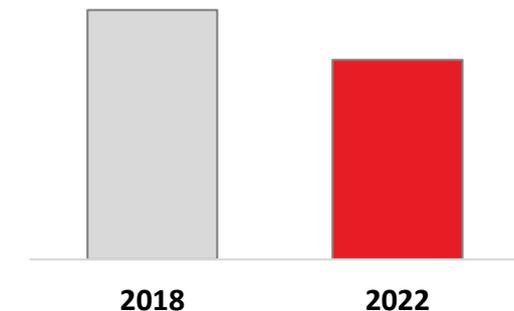
O&M contract breakdown (avg MW;%)

optimizing O&M activities by increasing internalization at the end of initial contract warranty



...set to maximize efficiency and optimize costs

Core Opex/ avg. MW



In addition of saving programs and initiatives in place to drive increased efficiencies

EDPR business model set to deliver predictable and solid growth targets...

Capacity build-out

MW 

New capacity being technological & geographical diversified

2019-22E

~7.0 GW
(~50% to own)

Excellence in operations

TWh 

From MW to own with output propelled by superior load-factor & availability

2018-22E

+7% CAGR TWh

Less capital intensive

Sell-down 

Generating extra value without increasing capital employed

2019-22E

>€4.0bn proceeds

Excel at operational results

EBITDA 

From capacity additions, operating efficiency and sell-down strategy

2018-22E

+6% CAGR

Unlocking bottom-line

Net Profit 

From growth, recurrent capital gains, controlled cost of debt and solid balance sheet

2018-22E

+11% CAGR

...positioning to successfully lead a sector with increased worldwide relevance

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