



renewables

EDP Renewables posts a 52% rise in net profit to reach €475 million

Revenues increased 7% to €1,824 million between January and December

During the period, the company supplied 30 TWh of clean electricity (+3% YoY) in 2019, avoiding 19 mt of CO₂ emissions

Madrid, 20 February 2020: EDP Renewables (Euronext: EDPR), a global leader in the renewable energy sector and one of the largest wind energy producers in the world with presence in 14 countries, has announced its full-year results for 2019. At 31 December, the company managed a portfolio of operating assets containing 11.4 GW of which 10.8 GW are fully consolidated and 550 MW equity consolidated (equity stakes in Spain and the US). In 2019, EDPR built 888 MW, of which 720 MW were in North America and 169 MW in Europe. EDPR also initiated the repowering of 18 MW in Spain (dismantling old turbines). As of December 2019, EDPR had 1 GW of capacity under construction, of which 664 MW related to onshore wind and 330 MW from equity participations in offshore projects.

Between January and December 2019, EDPR supplied 30 TWh of clean electricity (+3% YoY), avoiding 19 mt of CO₂ emissions. The YoY growth has benefited from the capacity additions over the last 12 months along with a higher wind resource, offsetting the deconsolidation from the European sell-down transaction in July 2019 (997 MW). The average selling price increased 2% YoY driven by Eastern Europe price recovery along with the impact of forex translations.

Financial results

EDPR posted total revenues of €1,824 million in 2019 (+7% YoY), as a result of higher average EBITDA per MW (+1% YoY; including the European portfolio deconsolidation), a higher average selling price (+3% impact), a positive impact from forex translation (+€39m YoY) and higher wind resources (+€50m YoY), along with the scheduled expiration of 10-year PTCs (-€33m YoY). Other operating income amounted to €400 million (vs. €192m in 2018), with a yearly evolution reflecting €109 million of capital gains accounted for in 2018 and €313 million of gains in 2019 related to the sell-down of a 997 MW European portfolio closed in July 2019, along with the sell-down of 137 MW in Brazil announced in the same month and cashed in February 2020.

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Operating Costs (Opex) totalled €575 million (-2% YoY) and exclude €45 million from the application of IFRS 16 (leases and rents). In comparable terms, and adjusted by IFRS 16, offshore costs (mainly cross charged to projects' SPVs), one-offs and forex, Core Opex per average MW was flat YoY, while adjusted Core Opex per MWh decreased 4% YoY. As a consequence, EBITDA totalled €1,648 million (+27% YoY) and EBIT increased to €1,055 million (vs €754m in 2018), with IFRS16 increasing depreciations by €33 million in the year. Net Financial Expenses increased to €346 million (+€128m vs 2018) with the YoY comparison impacted by €87 million from gains accounted for in 2018 from the sell-down of minority stakes in UK and French offshore projects and by €28 million from the new accounting treatment of leases under IFRS16 in 2019, along with higher average cost of debt in the period given the different currency mix.

In terms of the bottom line, Net Profit amounted to €475 million (+52% YoY).

João Manso Neto, CEO EDPR, said: *“We are very pleased with the results that we are presenting today. Over the past year, we have increased revenues, expanded our operations geographically, such as our project in Colombia, and grown while paring back debt, thanks to a policy of strategic divestments. The company has also significantly increased net profit with respect to 2018”*. With respect to future growth, Manso Neto added: *“We are steadfast in our commitment to keep growing responsibly and with the clear goals of continuing to generate value for all of our stakeholders, and to make a decisive contribution to the energy transition”*.

As of December 2019, Net Debt totalled €2,803 million (-€257m vs Dec-18) reflecting cash generated from assets and the execution of EDPR's sell-down strategy, along with forex translation.

The Board of Directors will propose a dividend distribution at the AGM of €69.8 million, or €0.08 per share.

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About EDP Renewables (EDPR)

EDP Renewables (Euronext: EDPR) is a global leader in the renewable energy sector and the world's fourth-largest wind energy producer. With a sound development pipeline, first class assets and market-leading operating capacity, EDPR has undergone exceptional development in recent years and is currently present in 14 international markets (Belgium, Brazil, Canada, Colombia, France, Greece, Italy, Mexico, Poland, Portugal, Romania, Spain, the UK and the US).

EDPR is committed to furthering social advances in terms of sustainability and integration. This is reflected by the inclusion of the company in the Bloomberg Gender Equality index and the fact that it has been certified as a Top Employer 2020 in Europe (Spain, Italy, France, Poland, Portugal and the United Kingdom), both of which recognise its employee-driven policies.

Energias de Portugal, S.A. (“EDP”), the principal shareholder of EDPR, is a global energy company and a leader in value creation, innovation and sustainability. EDP has featured on the Dow Jones Sustainability Index for 13 consecutive years.

For further information, visit www.edpr.com