



# 2023 Results Presentation

February 28<sup>th</sup>, 2024

15:00 CET | 14:00 UK / Lisbon

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Cruz del Hierro  
Spain

# Agenda

- 1 Update on Strategy Execution
- 2 2023 Results
- 3 Closing Remarks
- 4 Annex

# Update on Strategy Execution

# High capacity additions in 4Q23, in a year marked by strong asset rotation gains in a challenging context for renewables growth

## 2023 Main Highlights

- 4Q23 showed a record level of new installations in a single quarter: +1.7 GW, reaching +2.5 GW of additions for 2023
- Good visibility on 2024's 4 GW capacity additions, following gradual normalization of solar panels supply chain in US, and 85% of 2024 target additions under construction
- €1bn of equity raise in March 2023 to support the 2023–26 investment plan and successful implementation of a new scrip dividend policy.
- Strong asset rotation performance: 3 deals on 0.7 GW contributing to €1.7bn proceeds including €460m gains: AR gains/invested capital ~60%. Already 1 transaction closed and 1 signed in NA with expected closing in 1Q24.
- 2023 performance affected by low wind resources penalized by El Niño in US (€0.2bn), delays in Colombia wind and US solar projects as well as contra-cyclical clawback taxes in Europe with a total impact of €0.4bn in EBITDA
- Acquisition of 49% minority interest in 1 GW operating wind farms in Europe for €0.57bn: implicit EV/MW 1.2x, closing expected in 2Q24

## Financial Performance

Recurring figures

2023

16.6 GW

Installed Capacity

34.6 TWh

Generation

€1,845m

EBITDA

€513m

Net Profit

# Triple renewables capacity between 2022 and 2030 is required to reach the 1.5C<sup>o</sup> target



At the core of the energy transition

**+50%**

Ramp up in 2023 RES capacity worldwide, the fastest growth rate in the last 20 years

**90%**

EU recommends net greenhouse gas emissions 90% reduction by 2040, compared to 1990 levels

**Upwards revision targets 2023-27**

Including key markets where we are present; Germany, Brazil & US

**Offshore Auctions**

Upward revision of expected auction prices in UK & US

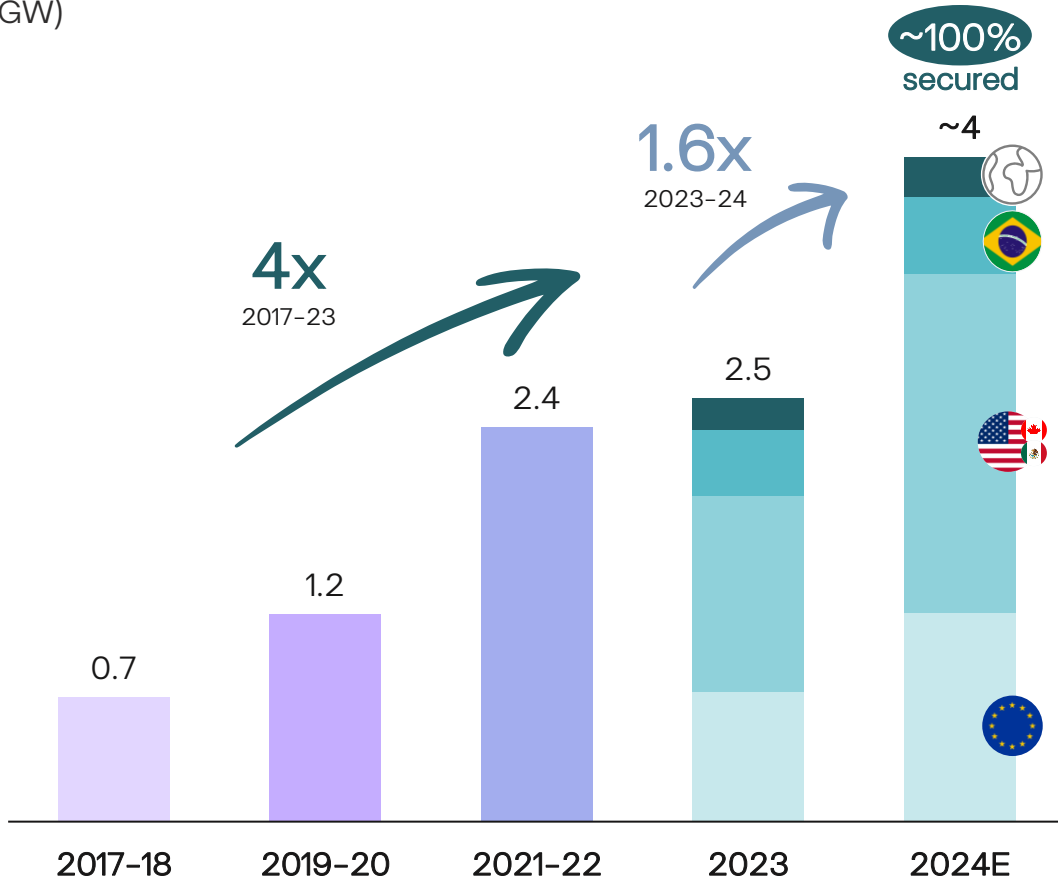
**US Grid connection improvements**

FERC released to reduce interconnection queue backlogs, creating strict timelines

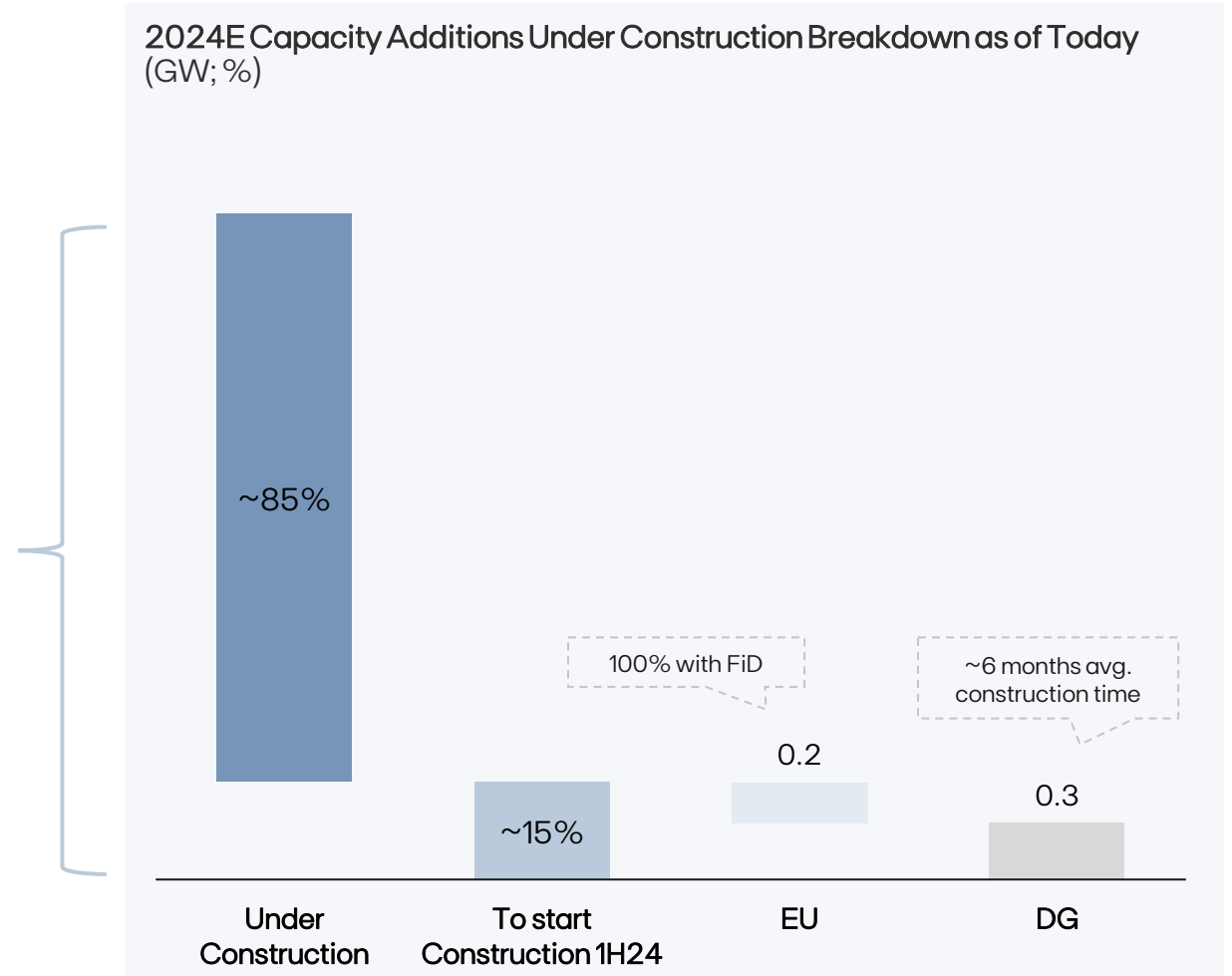
# 4 GW on track for 2024, with 85% already under construction, delivering 1.6x growth YoY

EDPR continues delivering solid growth in 2023, with 2024 additions clearly identified and ~100% secured

Capacity Additions (GW)



2024E Capacity Additions Under Construction Breakdown as of Today (GW; %)



# Asset rotation activity with a stronger than expected performance in 2023, delivering an avg. return of AR gains/ invested capital ~60%

3 AR transactions executed in 2023 in wind assets in Spain, Poland and Brazil



2023 deals sold to strategic counterparties related to recent investments (1-3 years), reflecting the high quality and diversification of the portfolio

1Q24 started with two transactions in North America, one already closed and one signed (0.5 GW net, \$1.1bn EV)

2024 AR launched with expected gains and proceeds to be in line with the strategic plan annual target

(1) 2023 AR Proceeds also includes Equity proceeds from 2022 Brazil transaction and TE deconsolidation from 2024 US transaction

# Acquisition of a 49% minority stake in 1.0 GW wind operating assets in Europe at EV/MW of 1.2x, earnings accretive and immediate cash flow

## Acquisition of 49% stake in 970 MW portfolio

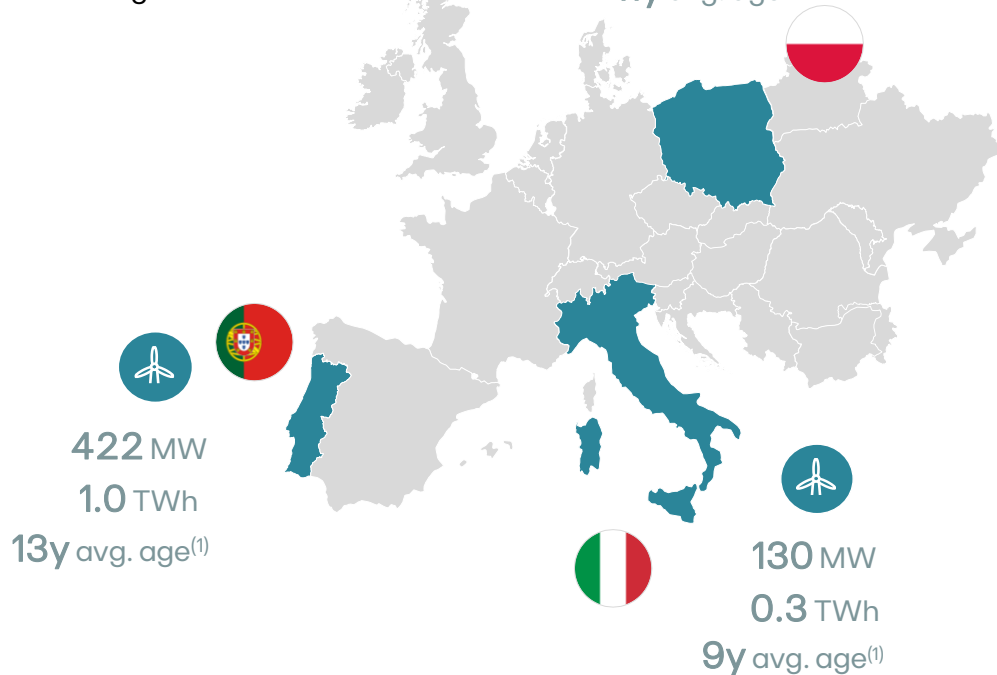
## Key Financials

## Rational

### 100% Onshore Wind

**11y**  
avg. age<sup>(1)</sup>  
**2.3 TWh**  
Annual generation

**418 MW**  
**1.0 TWh**  
**11y** avg. age<sup>(1)</sup>



**€0.57bn**  
Total investment

**6x**  
EV/EBITDA 2024E

Buyback in 2023

**1.2x**  
EV/MW

**>12%**  
Cash yield

**~€40m**  
Net Income contribution in 2024<sup>(2)</sup>

**2Q24**  
Expected closing

- ✓ Immediate cashflow and earnings accretion
- ✓ Simplification of ownership structure
- ✓ Assets with solid track record in core markets
- ✓ Higher flexibility for potential hybridization and repowering

(1) Average age of the assets; (2) For EDPR and assuming twelve months contribution in 2024, €30m at EDP level

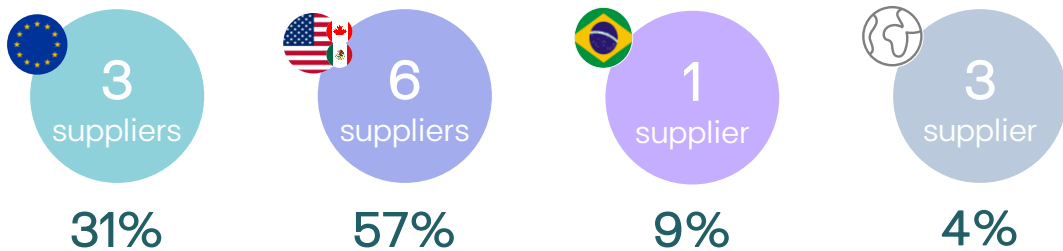


# Improved supply chain namely on deliveries and solar modules prices, plus reinforced diversification, support execution & returns' outlook in 24/25

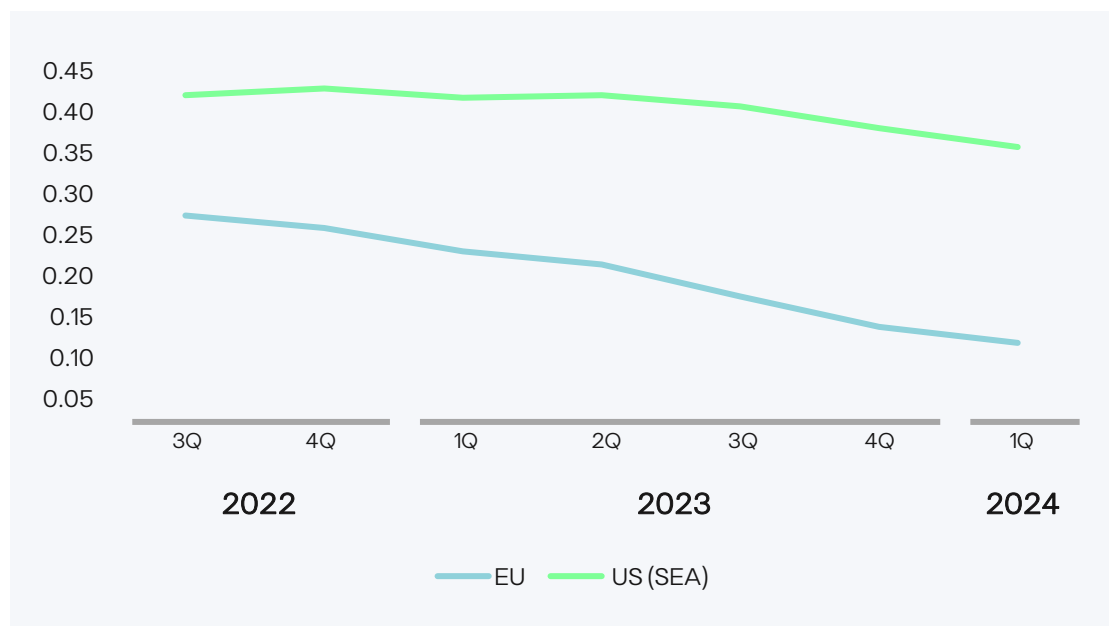
Supplier base diversification, strong ESG audit requirements and manufacturing origin are the key elements that define our procurement strategy

Solar panels contracted for projects additions in 2024  
(% of GW contracted)

Ensuring diversification with a strong supplier base for US and Europe with 9 different suppliers<sup>(1)</sup> and synergies across platforms



Solar modules price evolution (\$/Wp)<sup>(2)</sup>



70% of solar panels for 2024 additions in US already delivered

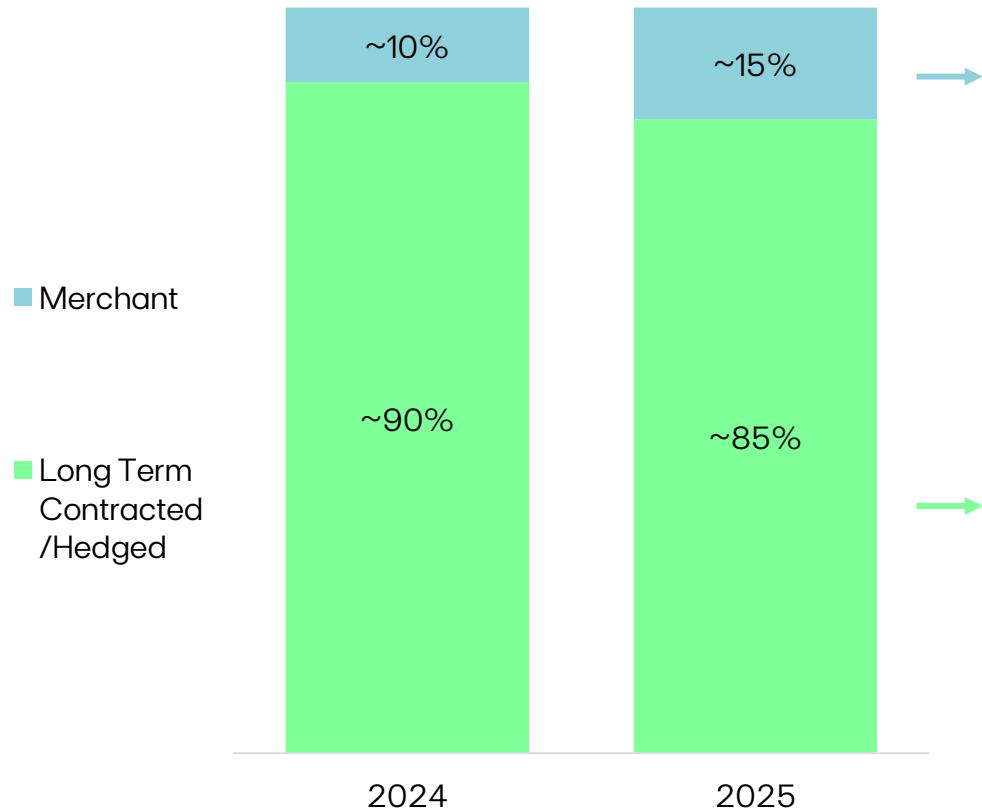
Recent solar framework agreements for European projects to deliver in 2024-25 at attractive prices for a total of 1.1GW

(1) 2 suppliers serve different regions; (2) Source: Modules price forecast from Pvinfolink

# Low risk profile supported by high weight of long-term contracted and hedged: ~90% for 2024, ~85% for 2025

Solid profile with generation at ~90% contracted and hedged for 2024 with hedging coverage at healthy prices. Integrated Energy Management inside EDP Group reducing risk

EDPR generation mix by contracted profile for 2024 and 2025  
(% of TWh)



## Merchant Exposure

- ~50/50 split between Europe (mainly Spain) and the Rest of the World
- Residual merchant exposure support a low-risk volume management of renewables generation intermittency

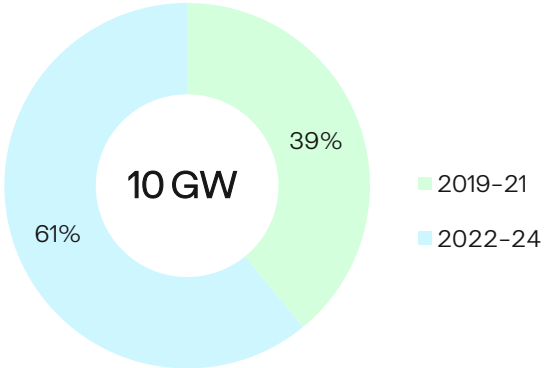
## Long-term Contracted and Hedged

- Average maturity of long-term contracts: 13 years
- Average Hedging Price in Europe: >€80/MWh in 2024
- Average Hedging Price in Europe: >€70/MWh in 2025

# Attractive long-term revenues secured since 2022 for renewables projects to be delivered between late 2024 and 2025

## Backlog of projects secured since 2022 to benefit from improved market context

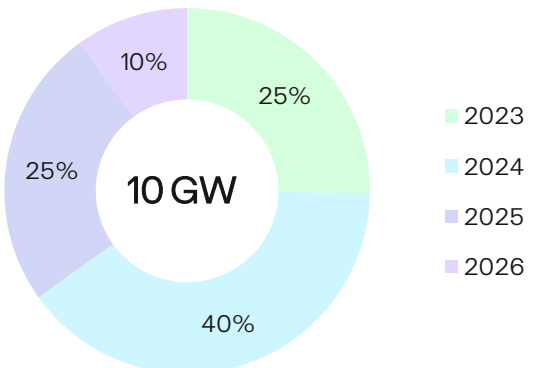
EDPR secured capacity 2023-26 by year of approval (GW)



10 GW of secured capacity with solid returns at IRR/ WACC >1.4x and contracted NPV >60%. Out of these 10 GW, 61% have been approved under a higher PPA price environment

Projects to be installed in late 2024 and beyond will benefit from a **much-improved market conditions** with lower inflation pressure and easing interest rate environment...

EDPR secured capacity 2023-26 by CoD (GW)



... supported by **historical high PPA and public auction prices for the next 15-20 years**. Current PPA prices still resilient to wholesale prices downward trend

# Focus on efficiency and streamline organization, without forgetting our commitment to innovation and new technologies

## Lean organization and efficient operations



### Market Re-focus

- **Re-focusing growth** >90% of the secured capacity for 2024–26 to come from 10 core markets, of which 60% will be focused in 3 main markets (US, Spain & Brazil) to ensure efficient delivery
- **Company simplification structure**; buyback of minorities in 1 GW wind portfolio in Europe



### Organization

- **Extracting value from our global presence**
- **Leveraging EDP & EDPR synergies**



### Cost Efficiency

- On going **allocation of resources to maximize financial efficiency**. Estimated savings of >€30m already in 2024 and growing
- O&M focused on **increasing availability** and a **leaner cost structure**

## New technologies evolution on track as planned



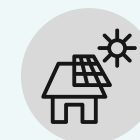
### Hybridization

- **107 MW** in 6 wind & solar hybrid projects operational in Poland, Portugal and Spain
- **1 GW pipeline** of hybridization projects under development



### Storage

- In 2023 **16 MW installed** and **0.2 GW under construction** in US, pipeline of projects in UK
- **61%** of 23–26 plan target already secured




### Solar DG


- Solar DG installed capacity increased **+51% YoY**
- Leveraging synergies with EDP to **establish a global platform**
- Largest US corporate sponsorship of distributed PV with **Google** closed in 2023


# OW: 2 GW of wind offshore projects under construction in France and UK, along with 1.7 GW under advanced development in Poland and US

**~ 2 GW** *Under Construction*


 EFGL, Le Tréport & Noirmoutier 

 Construction progressing as planned with CoD expected in 2025-26


 Moray West 


 Foundation installation underway with both offshore substation platforms successfully installed

**~1.7 GW** *Advance Development*

 B&C Wind 

 Approval of connection capacity increase of +101MW for a total of 0.5 GW

 South Coast 

 Analyzing potential bid into first multi-state PPA auction in US (delayed to March 27<sup>th</sup>, 2024)

Strict investment criteria regarding target risk/returns minimizing different timings between PPA contracting and FID and significant weight of inflation adjusted revenues

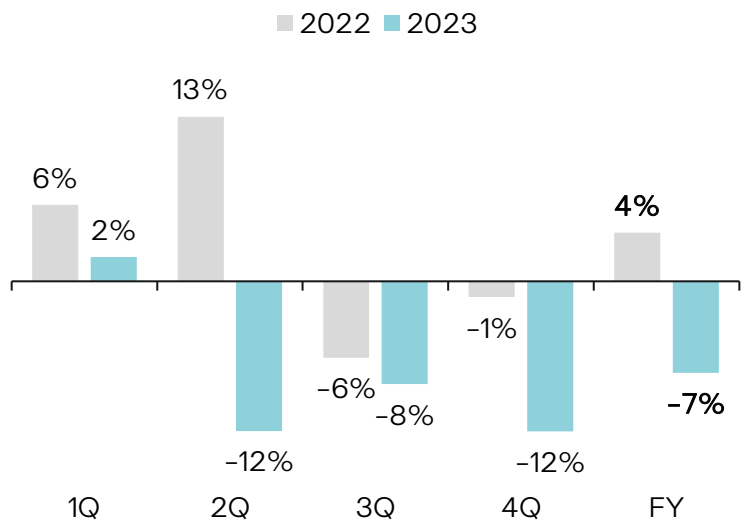
 Inflation linked remuneration secured through CfD, FiTs and CPPAs

# 2023 Results

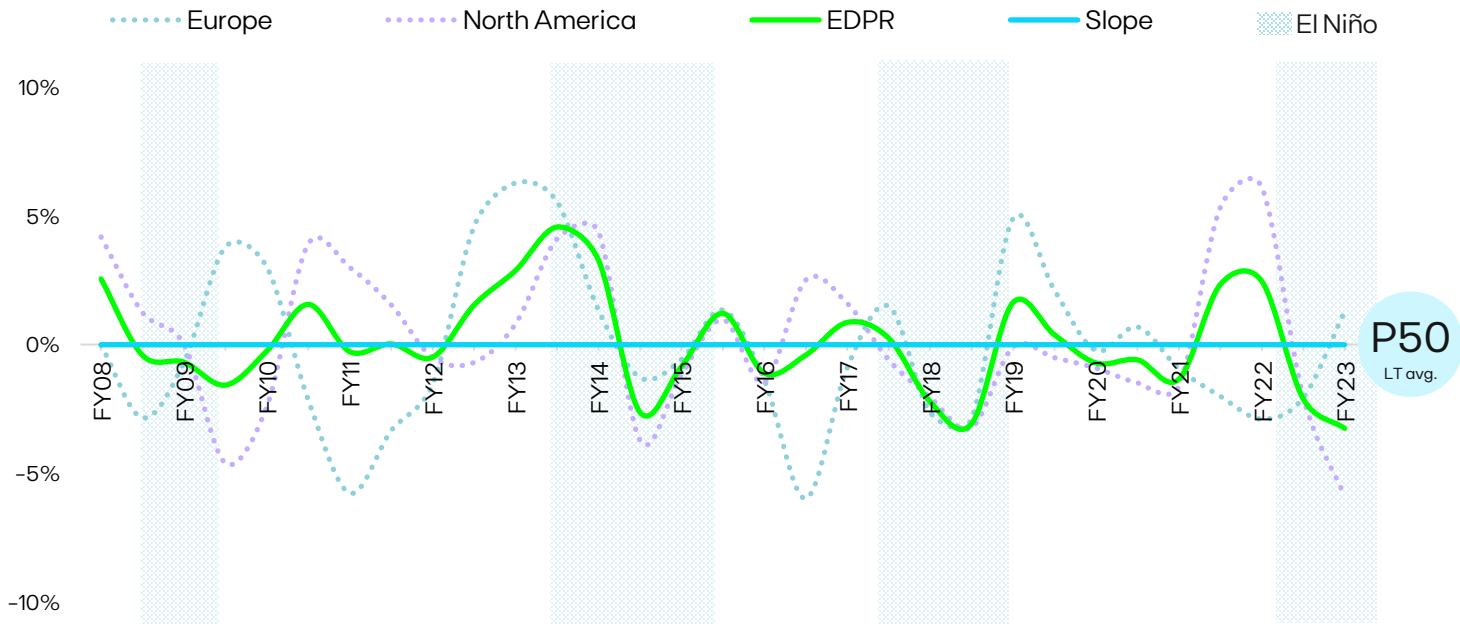
# 2023 generation penalized by below average wind volumes in the US due to cyclical El Niño, with a gradual recovery expected over 2024

Below average wind resource in the US with a ~€0.2bn negative impact on EBITDA

EDPR North America renewable index deviation (%)



EDPR's portfolio wind resource deviation from the LTM avg. for the last 15 years (%)



- Clear **extraordinary impact** in North America from Apr23 until Dec23 from El Niño weather event
- For **2024**, based on analogue years, NA wind generation index is **expected** to progressively **recover** over the year to normalized levels

Historical data shows that the long-term average of renewable resource deviations is zero

# 2023 performance penalized by short-term headwinds, namely delays in Colombia and US, low wind resources and windfall energy taxes in Europe



✓ Recovery in 2024

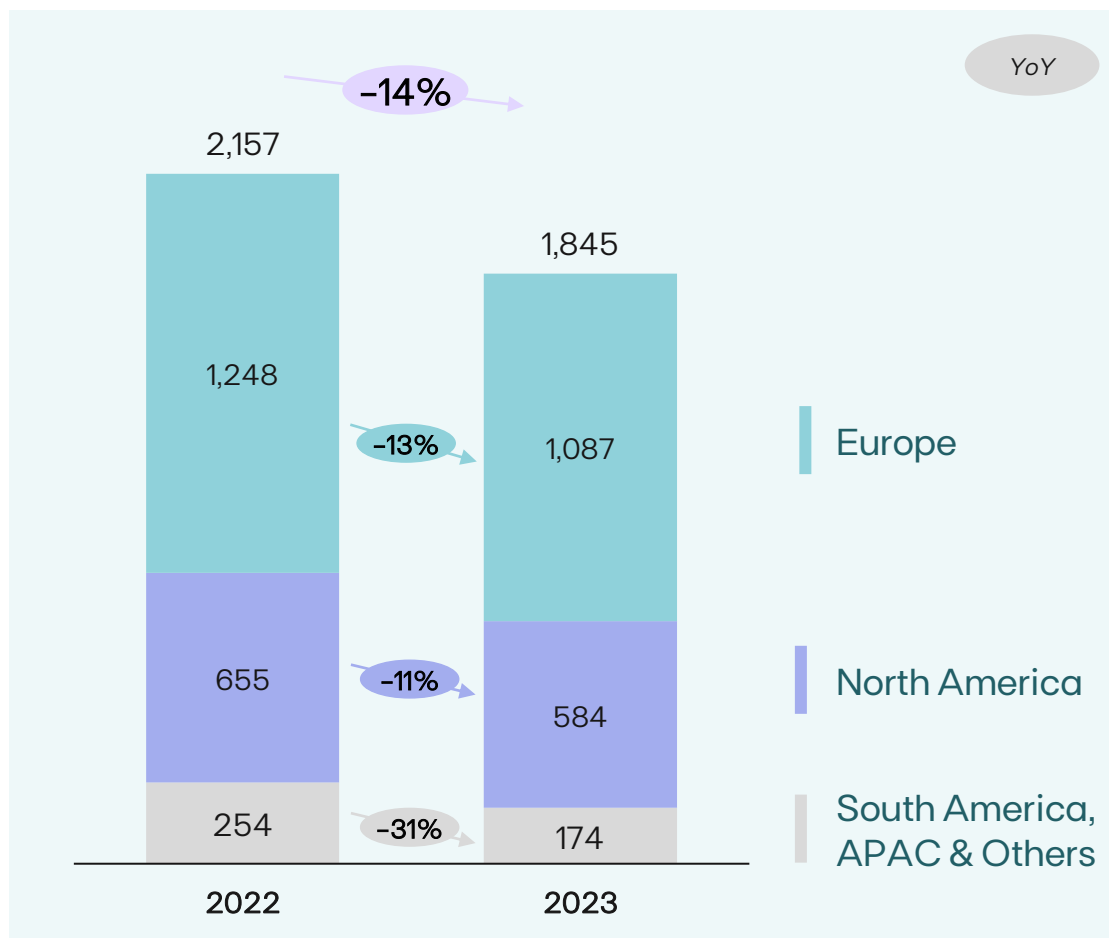
2023

<p>Low wind resources</p>	<p>€178m less wind</p>	<ul style="list-style-type: none"> <li>• 2023 generation penalized by El Niño weather event, namely in US</li> <li>• El Niño continuing to impact early 2024, predicted revert throughout 2024</li> </ul>	<p>✓</p>
<p>US solar projects delays on supply chain issues</p>	<p>€51m PPA cost</p>	<ul style="list-style-type: none"> <li>• No additional costs with PPA commitments expected in 2024</li> <li>• ~70% of equipment already delivered to our US solar projects 2024 installations</li> <li>• Gradual ramp up over 2024 of US solar capacity additions and generation volumes</li> </ul>	<p>✓</p>
<p>Clawback Taxes in Europe</p>	<p>€106m</p>	<ul style="list-style-type: none"> <li>• Poland: no clawback tax in 2024</li> <li>• Romania: still imply a non-cash impact from unwinding hedges</li> <li>• Spain: reintroduction of 7% tax on generation revenues in 2024 (~€15m cost)</li> </ul>	<p>✓</p>
<p>Colombia 0.5 GW wind projects delay</p>	<p>€179m impairment  €53m PPA cost</p>	<ul style="list-style-type: none"> <li>• Non-cash impairment driven by Alpha &amp; Beta projects delays</li> <li>• PPA: Ongoing renegotiation with offtakers as well as arbitration</li> <li>• Transmission line environmental permit expected in 2H24</li> </ul>	<p>✓</p>



# Recurring EBITDA -14% YoY positively impacted by Asset Rotation Gains mitigating weak wind resources and lower electricity prices in Europe

Recurring EBITDA per region (€m)

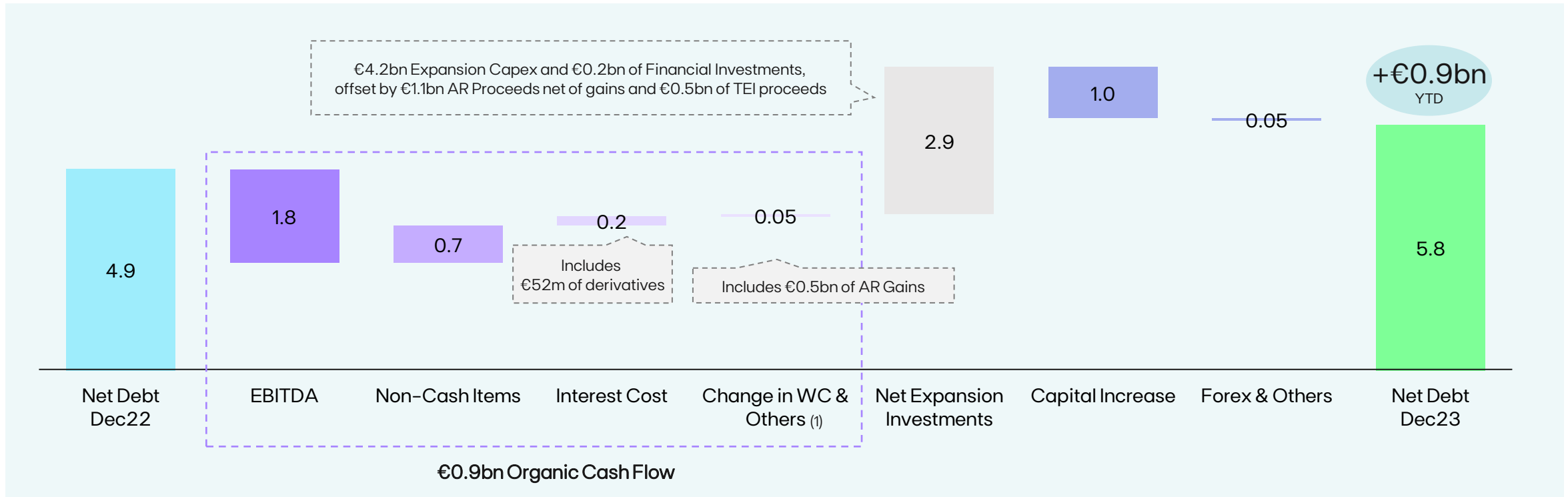


	2022	2023	YoY
Installed Capacity <sup>(1)</sup> GW	14.7	16.6	+12%
Electricity Generation TWh	33.4	34.6	+4%
<i>Europe TWh</i>	11.8	11.6	-1%
<i>North America TWh</i>	18.4	17.3	-6%
Avg. Selling price €/MWh	64.7	61.1	-6%
<i>Europe €/MWh</i>	106.0	93.1	-12%
<i>North America \$/MWh</i>	42.6	46.2	+8%
Share of profits from associates €m	179	24 <sup>(2)</sup>	-
Asset Rotation Gains €m	424	460	+8%

(1) Includes EBITDA + Equity MW (2) SouthCoast PPA cancellation accounted non recurrent impact in JV from associates of -€10m

# Net Expansion Investments of €2.9bn and €1bn equity raise result in +€0.9bn Net Debt; Organic CF driven by lower financials and minorities

## Net Debt Evolution from Dec22 to Dec23 (€bn)

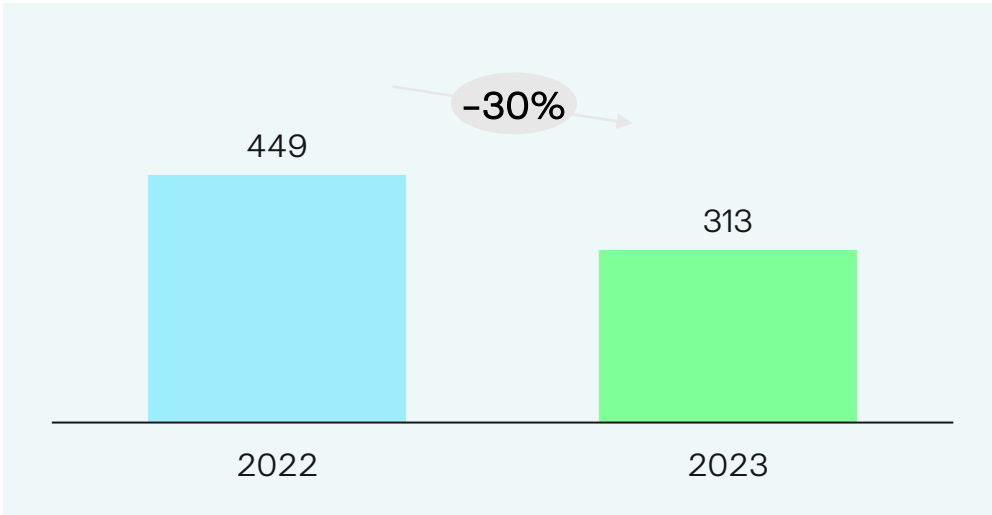


**Gross Debt €7.2bn in 2023 (+€1bn YoY)**

(1) Change in Working Capital, Income Tax Paid and Minorities/Partnerships distributions 2) Cash Flow angle does not reflect the TEI proceeds of the transaction signed in the US as of December 2023, as proceeds were received only at closing in 2024. 2023 only accounts the TEI deconsolidation in the Balance Sheet

# Financial Results decreasing YoY driven by \$/€ rebalancing strategy and efficient capitalizations despite higher gross debt

## Financial Results (€m)

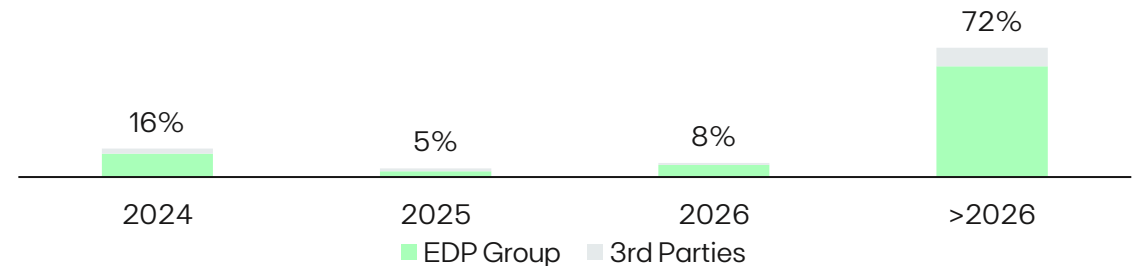


- ✓ Lower YoY impacted by \$/€ rebalancing along with reversion of the negative impact from forex & derivatives in 2022
- ✓ YoY variation also driven by higher capitalized financial expenses in line with project timings
- ✓ Avg. cost of debt driven by higher gross debt +€1bn YoY

## Cost of Debt (%)

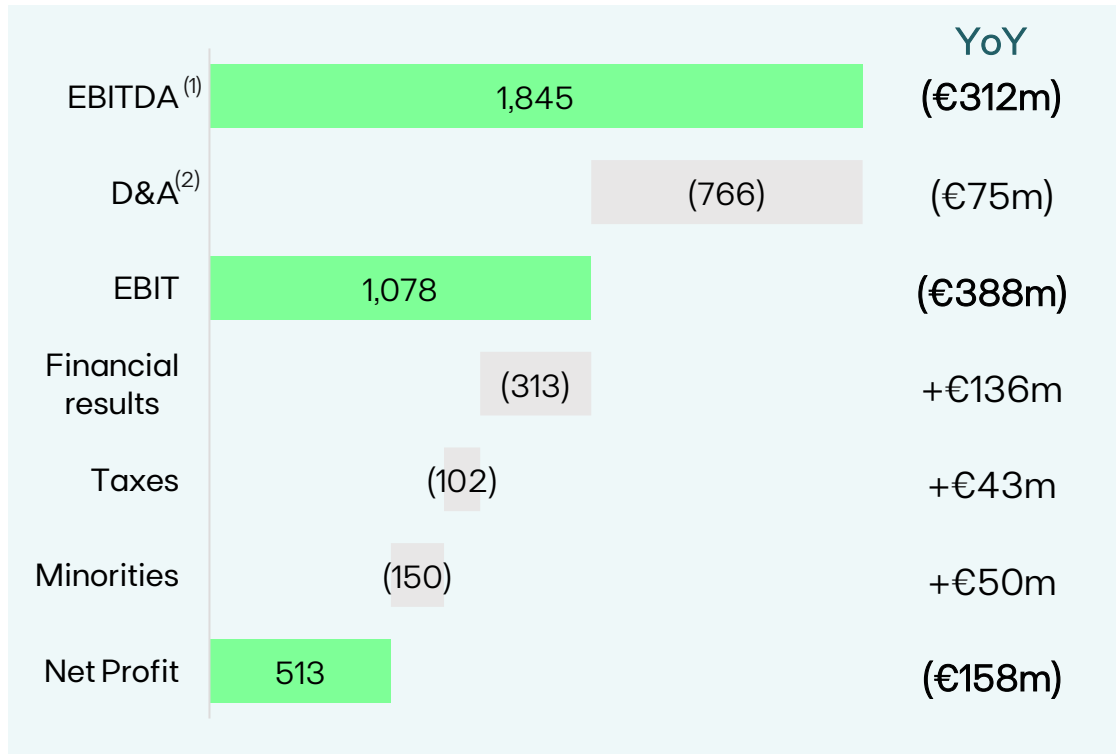


## Debt by maturity & counterparty (%)

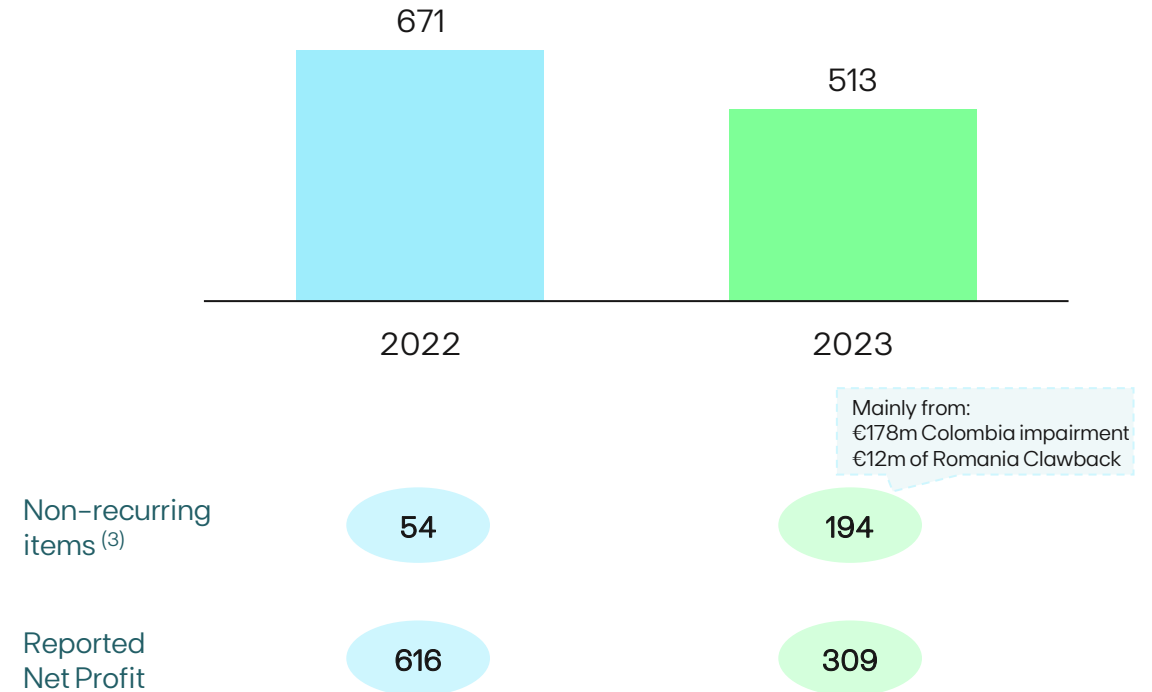


# Net Profit of €513m impacted by top line headwinds, compensated with strong execution of Asset rotation transactions and improved financials

2023 Rec. EBITDA to Rec. Net Profit (€m)



Recurring Net Profit (€m)



The BoD will propose in the 2024 GSM to continue with the scrip dividend programme for shareholders corresponding to the year 2023, providing once again with a flexible remuneration system

(1) Non-recurring impact at EBITDA level – 2023: ~€10m impact from PPA cancellation in Massachusetts; (2) D&A includes Provisions, Depreciation and amortisation of deferred income (government grants); (2) Non-recurring impact at net profit level – 2023: ~€12m in D&A from Romania clawback and ~€178m from Colombia impairment; 2022: ~€54m impairment from Colombia Delay

## Closing Remarks

# 2024 guidance update, continued focus on attractive returns

- **2024 on track to deliver ~4 GW**, with 85% already under construction and 100% secured at attractive long-term prices providing great visibility and resilience to energy markets volatility
- **2024 started with a strong Balance Sheet position**, following €1bn capital increase in 2023, €2.4bn of Asset rotation proceeds (executed & signed as of today), and €0.5bn of Tax Equity proceeds cashed in 2023. Continue to execute significant volumes of Asset rotation and Tax Equity in 2024
- **2024 updated guidance** reflect the current scenario of capacity additions for 2023-24 (following 2023 delays in US & Colombia) along with current electricity forward prices in Europe, although with a much stronger underlying contribution

Updated 2024  
Guidance:

Renewables Generation  
40 TWh – 42 TWh

Avg. Selling price  
€53 – €55 /MWh

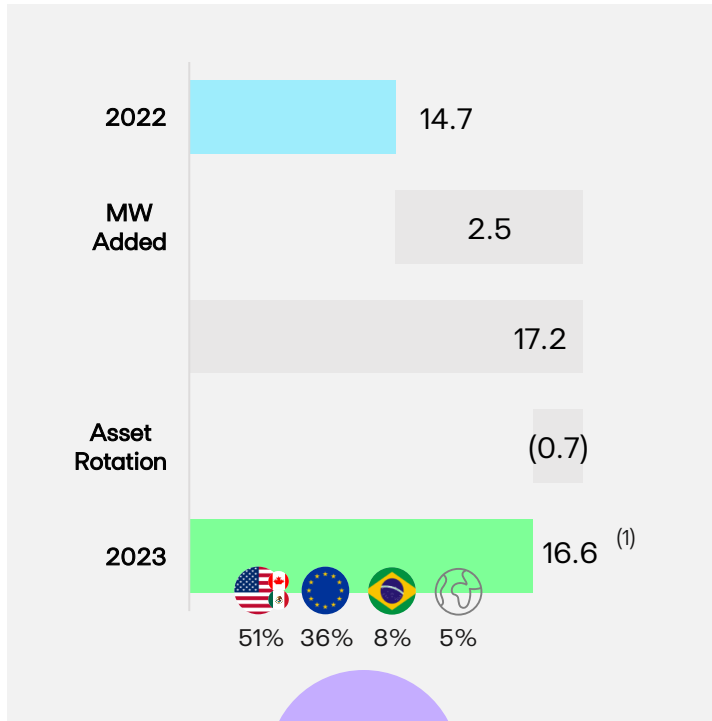
Recurring EBITDA  
moderate YoY growth

- **Continuing to grow based on a well-known strict investment criteria**, focused only on firm opportunities that accomplish our required returns. EDPR will remain **selective for upcoming opportunities, prioritizing returns over volume**

# Annex

# In 2023, EDPR additions amounted to +2.5 GW with installed capacity reaching 16.6 GW, including Asset Rotation impact

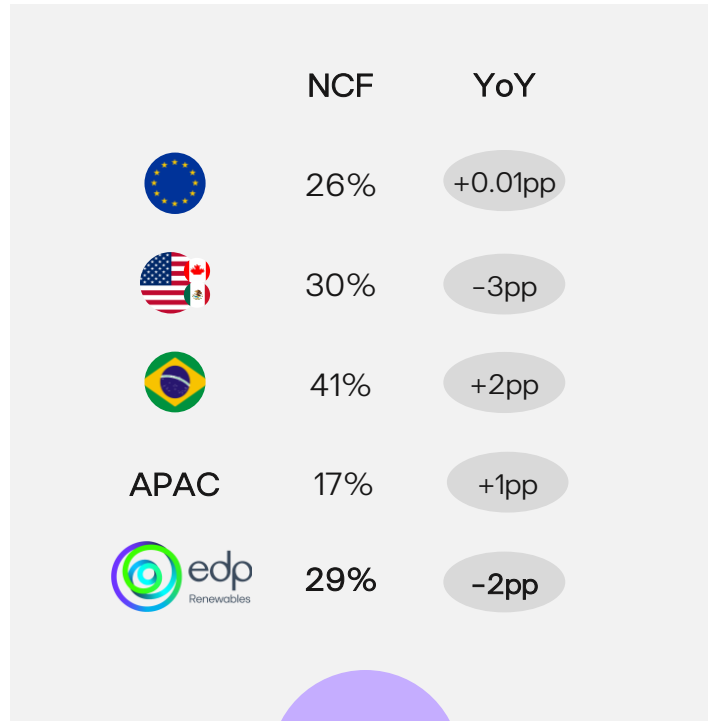
## Installed Capacity YTD (EBITDA + Equity GW)



**4.5**  
GW

Under Construction as of Dec23

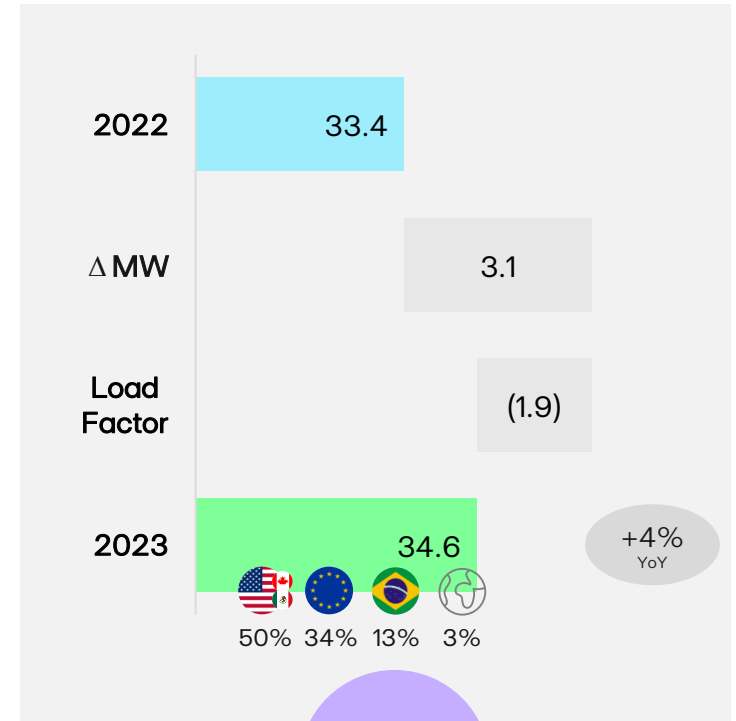
## Net Capacity Factor 2023 (%)



**94%**  
-4pp vs. LT avg

GCF vs. P50

## Electricity Generation YTD (TWh)



**+1.8**  
GW

YoY net portfolio variation

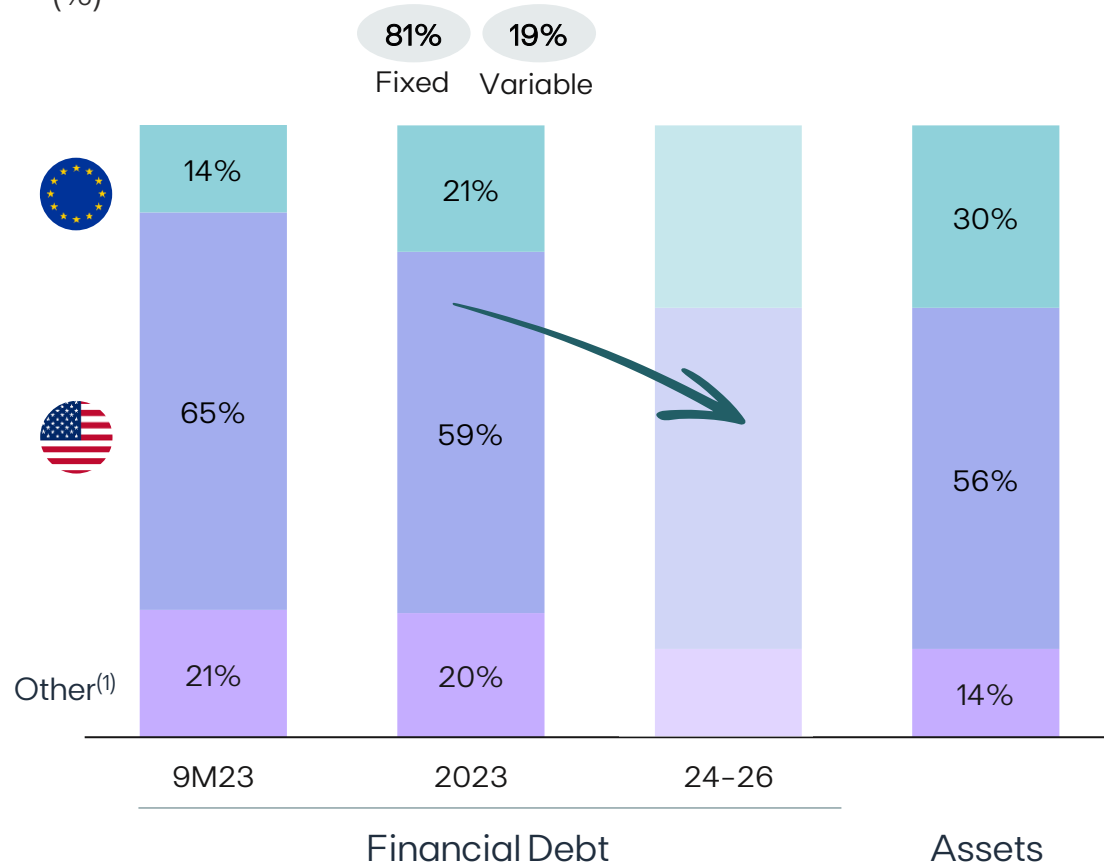
(1) Considers a decommissioning of a ~3 MW wind turbine in the US and ~12 MW variation in APAC due to ac/dc real conversion



# Rebalancing of debt mix by currency towards assets' mix: diversification of equity exposure by market, ~€100m lower int. costs estimated in 24-26

## Reducing our financial exposure to USD

EDPR's financial debt per currency (%)



- ✓ Rebalance of debt mix by currency with asset mix by market ongoing since June-23, expected to be concluded in Dec-24
- ✓ Gradually increase of USD denominated equity exposure from neutral to a long position
- ✓ Interest savings from lower USD refinancing needs in 2024-2026: ~€100m

1) Adjusted by SGD\$ 1bn issued in April

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