



edp
Renewables

1H23 Results Presentation

July 26th, 2023

15:00 CET | 14:00 UK / Lisbon

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Los Mirasoles
US

Agenda

- 1 Update on Strategy Execution
- 2 1H23 Results
- 3 Closing Remarks
- 4 Annex

Update on Strategy Execution

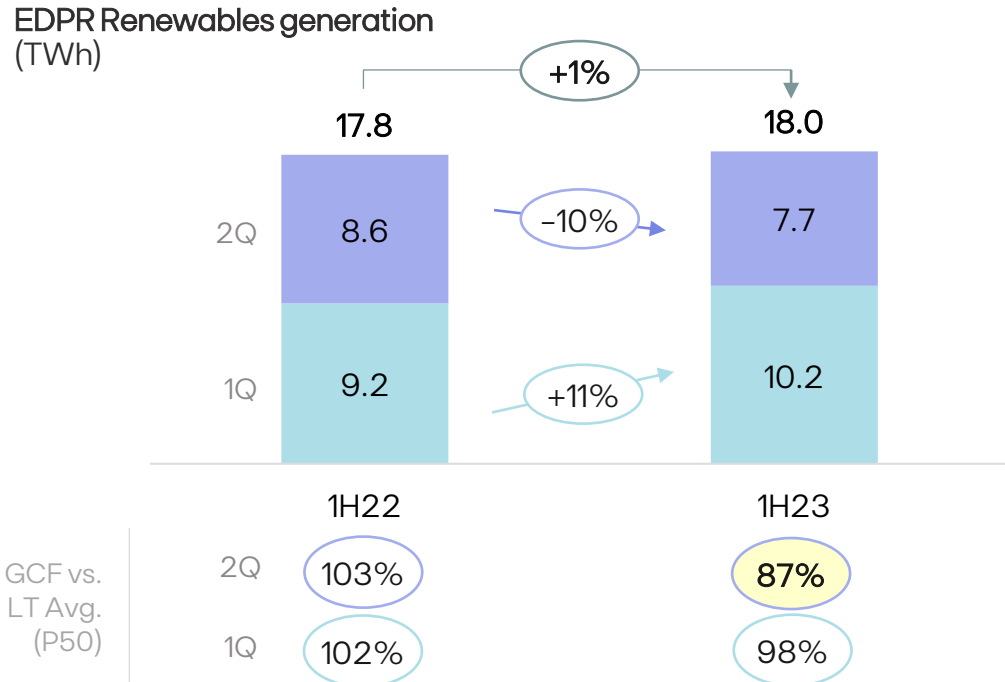
1H23 Highlights: Increased visibility on execution of 23–26 plan (+1.7 GW capacity secured, Asset Rotation delivery), despite short-term challenges



- Secured capacity increased to 8.9 GW (+1.7 GW in 1H23), reaching 52% of target additions for 2023–26, supported by strong demand for renewables PPAs
 - Gross Investments of €2.3bn in 1H23, of which >80% in Europe and North America, with 5.0 GW of renewables under construction as of Jun23, well diversified by markets and technologies
 - Increased visibility on Asset Rotations execution over 2023: 257 MW transaction in Spain at an EV/MW of €1.8m, multiple in line w/ previous transactions, reflects renewables assets' value & attractive returns
-
- Renewables generation –10% YoY in 2Q23 – vs. +11% YoY in 1Q23 – with wind resources in US penalised by El Niño cyclical impact, despite +10% YoY installed capacity in 1H23. No impact on LT avg.
 - 1H23 results impacted by short-term/temporary costs associated to solar supply chain restrictions in US, delayed permitting in Colombia and EU clawback taxes (Poland and Romania)
 - 1H23 Rec. EBITDA of €764m (2023 AR gains to be concentrated in 2H); Rec. Net Profit at €102m

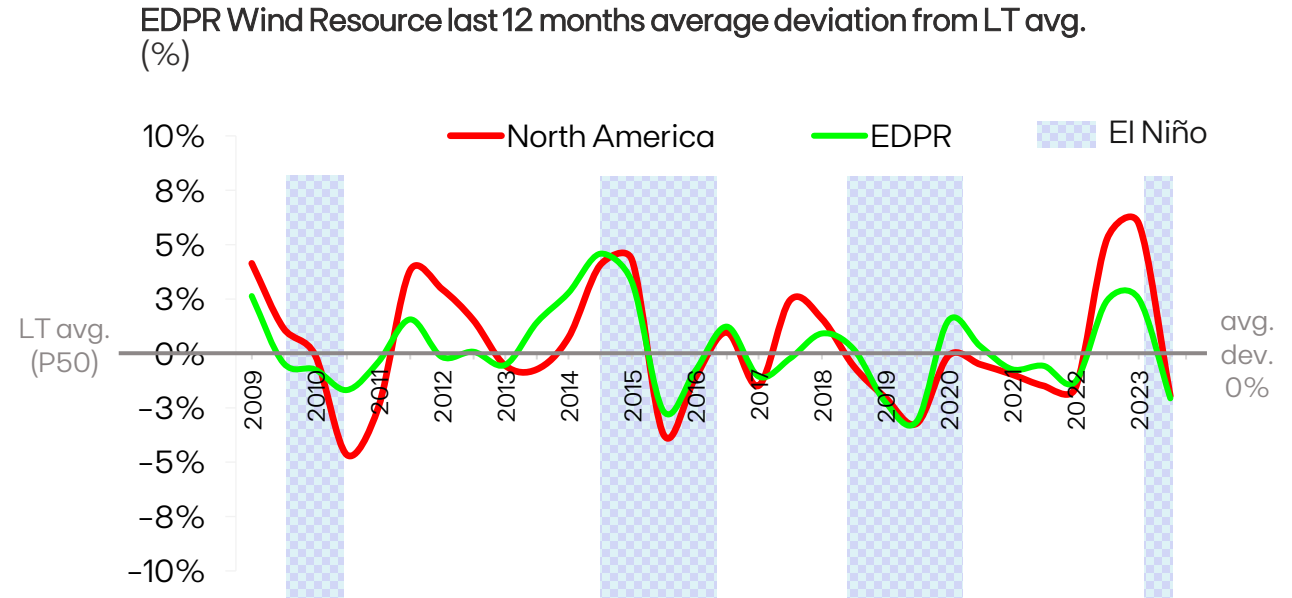
2Q23 renewables generation penalized by below average wind volumes in US due to cyclical El Niño effect but aligned with long-term projections

2Q23 generation penalized by below avg. wind resources namely in US...



Wind resources in US Central region at 82% of long-term average in 2Q23

... as it happened in previous “El Niño” periods and fully incorporated in long-term average assumptions (P50)




Wind resources normal short-term volatility with **no impact on renewables assets' fundamental value**
Volatility mitigated by **diversification** (regions & technologies)


Regulatory and permitting processes updates in EU support anticipation of expected delivery of some projects from 2025 to 24 and 2026 to 25



Permitting acceleration examples with concrete impact in our renewables development activity


 **Simplification of permitting process and fast-tracking for certain projects (dependent on size and location of projects)**


 **Reduction of co-location distance restrictions for new renewables with other infrastructures/land uses**

 **Acceleration of wind & solar hybridization, to optimize grid connection utilization (cable pooling under development in Poland)**

>60 GW expected to be auctioned in EU in 2023
Renewables growth remuneration schemes and prices more adapted to key macro environment

 **Inflation update of long-term contracted prices awarded in regulated auctions**

 **Upward revision of cap prices in regulated auctions according to LCOEs**

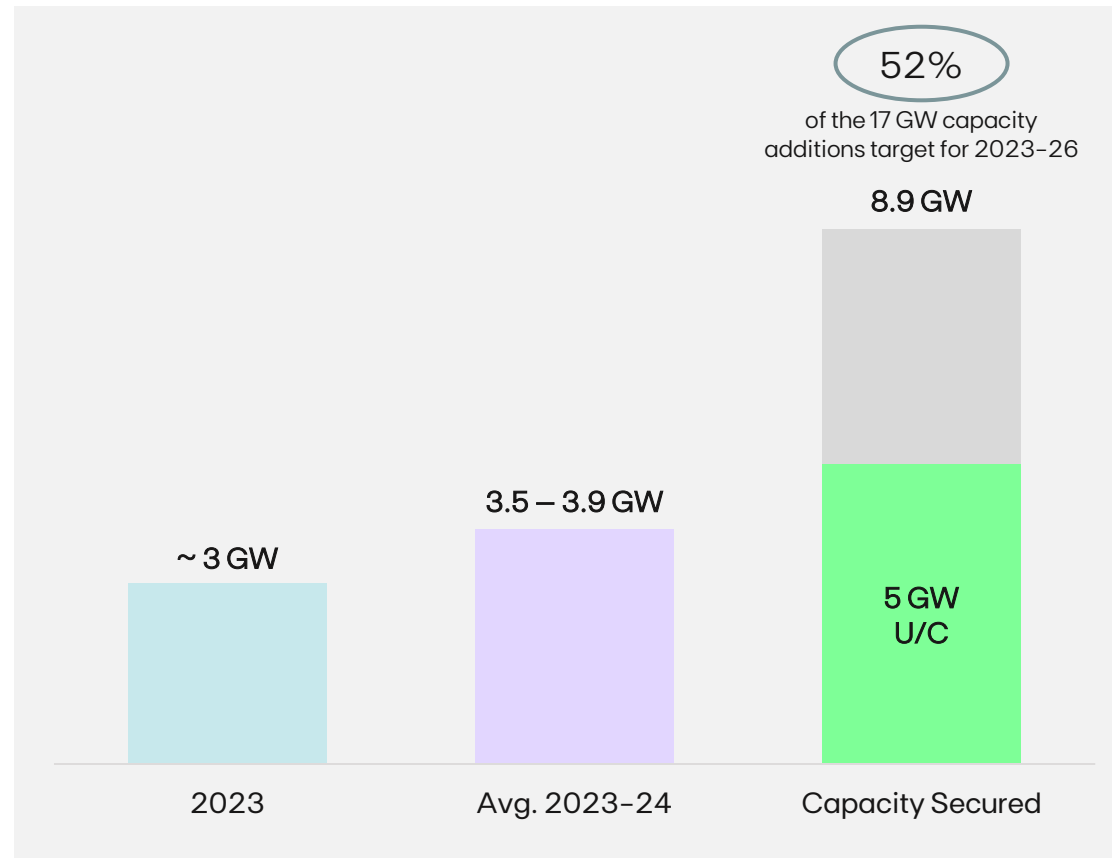
 **Flexibility on timing between expected start of operation and start of PPA contract**

Timely delivery of investments in grid connection also critical to support the accelerated growth of renewables in the energy mix

Execution on track with 60% of the total capacity secured already installed and under construction

52% of target additions secured of which 60% is installed or U/C

EDPR capacity additions (GW)

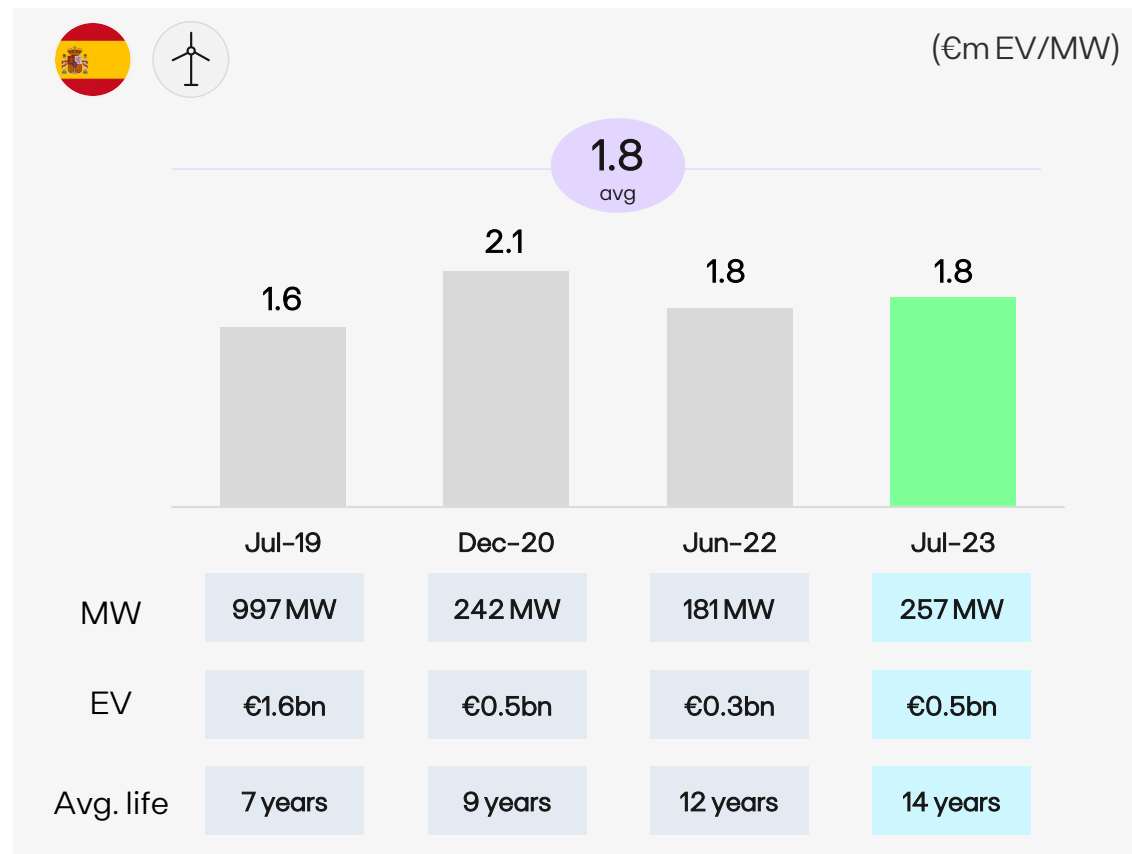


- ✓ 2023 capacity additions of c.3 GW concentrated in the end of the year
- ✓ 2023-24 installations range of 3.5 GW – 3.9 GW depending on US solar supply chain evolution and transmission line permitting in Colombia
- ✓ Diversification of solar equipment supply chain in US for 2024 COD from 5 to 8 different module suppliers
- ✓ 5.0 GW under construction of which some sizeable projects are expected for post-2023 namely 0.7 GW of offshore in UK and France and 0.5 GW of wind onshore in Colombia
- ✓ 8.9 GW secured for 2023-2026 (52% of the target)

Asset Rotation execution strong with >€1.5bn of expected proceeds in 2023 at attractive multiples

Asset Rotations maintaining attractive multiples showcasing the value of EDPR portfolio

EDPR historical Asset Rotation transactions vs. latest closed in Spain



- ✓ Increasing interest from strategic investors with focus in RES vs. usual financial institutions
- ✓ Other transactions well on track in EU, LatAm and North America
- ✓ Upgrade of Asset Rotations gains in 2023 from ~ €0.3bn to >€0.3bn
- ✓ >€1.5bn of expected proceeds in 2023, ~25% of €7bn target for 2023-26

Resilient long-term contracted prices for new renewables capacity and downward trend in global solar equipment costs

Strong demand for new renewables capacity drive pricing in reg. auctions and C&I segment...

✓ Strong demand and upward revision of cap prices in regulated auctions

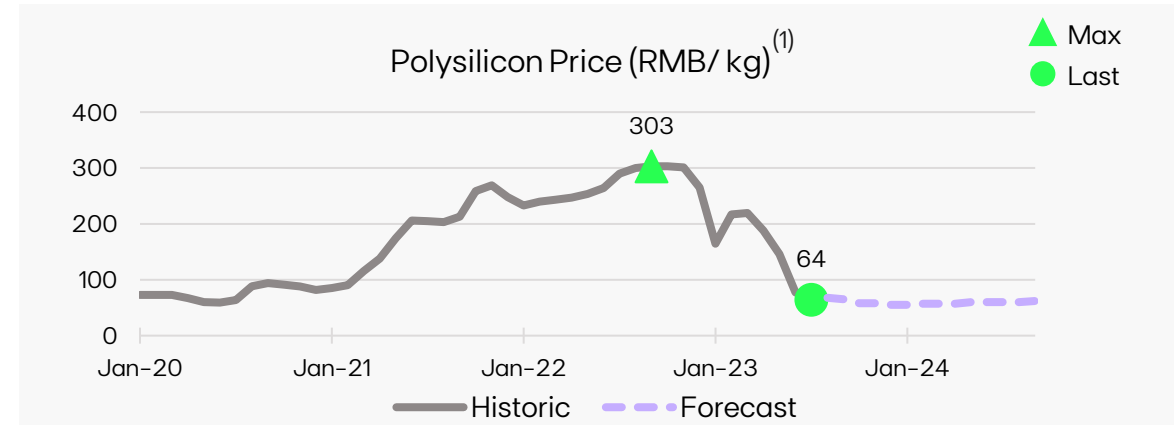
- In May awarded with 43% of the total Italian auction: 159 MW (70% wind / 30% solar), at 20y CfD at €65/ MWh
- In July awarded with 33 MW wind in France, 20y CfD €85/ MWh (inflation updated)

✓ Global PPA prices in the C&I segment with ~+70% avg. increase between 2020 and 2023YTD, strong demand supported by Net Zero targets

63% of PPAs secured are with C&I companies



... along with recent downward pricing trends with the solar manufacturing global supply chain



✓ Normalization of solar modules prices vs. 2022 peak prices (globally ex-US), on the back of a strong decline of polysilicon prices following the increase of available capacity

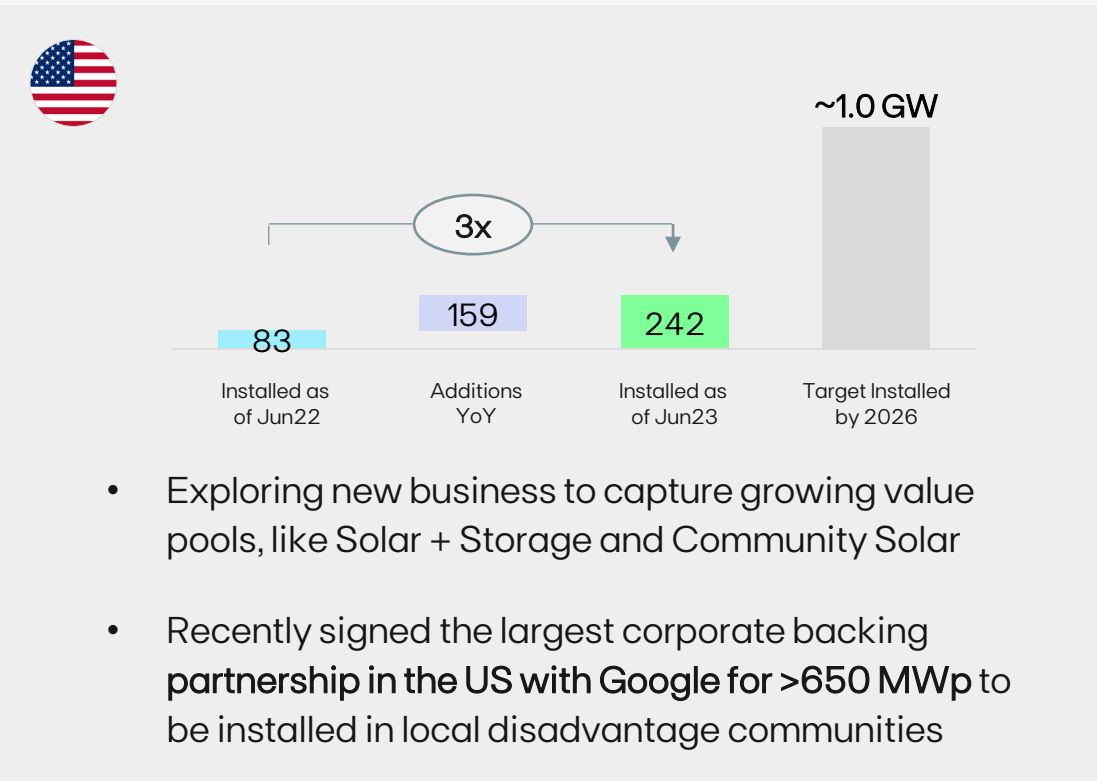
✓ US made solar modules manufacturing capacity: 16 GW under construction (vs. 9 GW operational), +52 GW expected to be added until 2026 to increase local content⁽²⁾

(1) Source: Infolink; (2) Seia Solar Market Insight Report Q2 2023

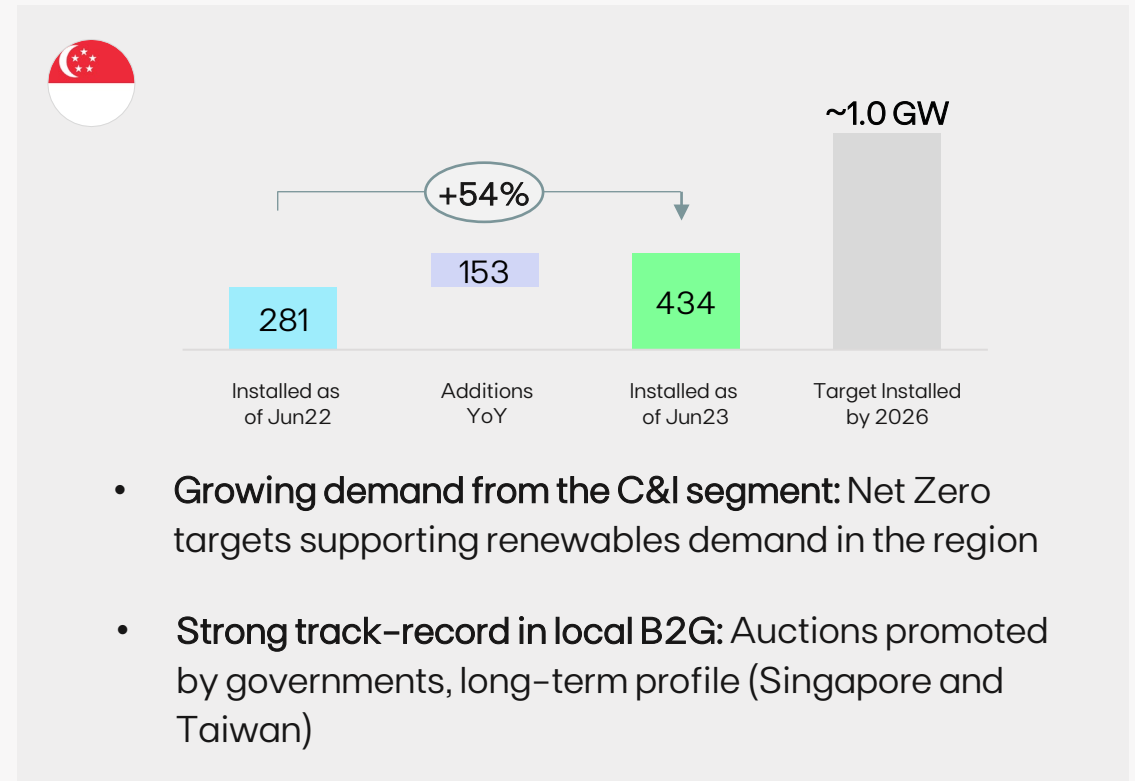
EDPR continuing to experience strong growth in the Solar DG segment (+86% YoY installed capacity)



DG business growth in US driven by the combination of traditional Behind the Meter and Community Solar

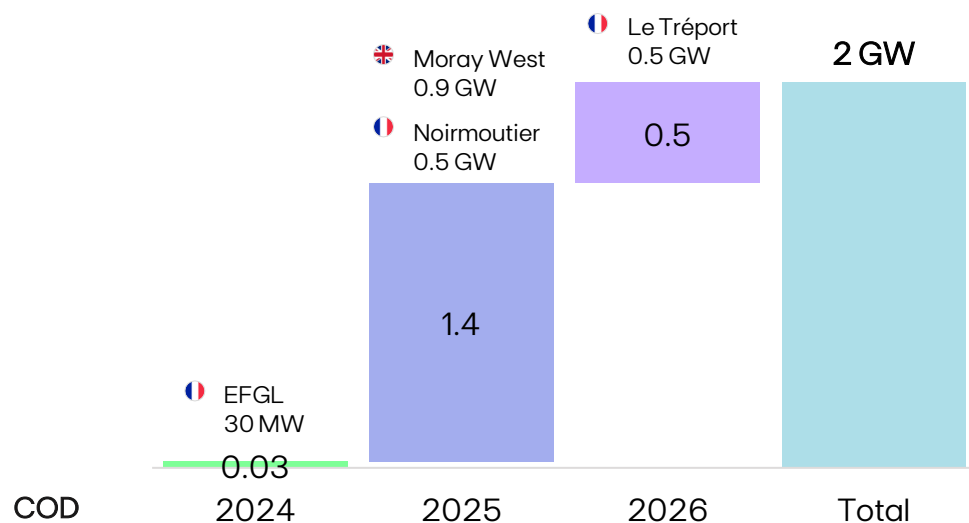


Growth in APAC supported by rising decarbonization targets and strong manufacturing force in the region



Offshore wind 16.6 GW portfolio; developing already awarded projects and creating new growth opportunities

Strong visibility with 2 GW of gross capacity under construction, COD mostly for 2025–2026



2 GW gross capacity under construction in France and UK
 Inflation updated revenues and fixed capex
 to be installed in 2024–26



- ✓ **Operating (1.5 GW):** Lower electricity selling price YoY in the UK with Moray East normalizing its earnings contribution
- ✓ **Other projects under development (13 GW):** Continuous development work based on sound economics criteria
 - **SouthCoast PPA canceled** in Jun23 as project fundamentals were not achieving EDPR investment policy anymore (€10m of cancellation costs attributable to EDPR after tax), other **revenue opportunities under analysis**

EDPR is the largest EU listed 100% renewables player with ESG at the core of its strategy and operations

YoY evolution reflecting acceleration of the growth and the implementation of best ESG standards...

... while seeking and promoting initiatives aligned with the Company's business and strategy

Environment

	1H23	Δ% YoY
Revenues aligned with EU Taxonomy (%) ⁽¹⁾	99.5%	-
Capex aligned with EU Taxonomy (%) ⁽¹⁾	99.5%	-
Service hybrid/electric fleet (%)	44%	+12pp

Boosting decarbonization by setting Net Zero science-based targets

EDPR has recently **submitted** its near-term targets by 2030 & **Net Zero targets by 2040**, being currently analyzed by SBTi⁽²⁾

Social

	1H23	Δ % YoY
Total number of employees (#)	3,116	+11%
Women employees (%)	34%	+3pp
Employees climate survey engagement (%)	86%	+7pp

High level of success on awarding to H2 EU Funds reinforce the credibility of our green H2 projects



Aboño and Sines H2 projects selected for EU Innovation Fund grants; ~€0.2bn of grants already attributed to EDPR H2 projects under development in Iberia










(1) Annual indicator, calculated and audited for the first time in 2022;

(2) Science Based Targets initiative.

1H23 Results

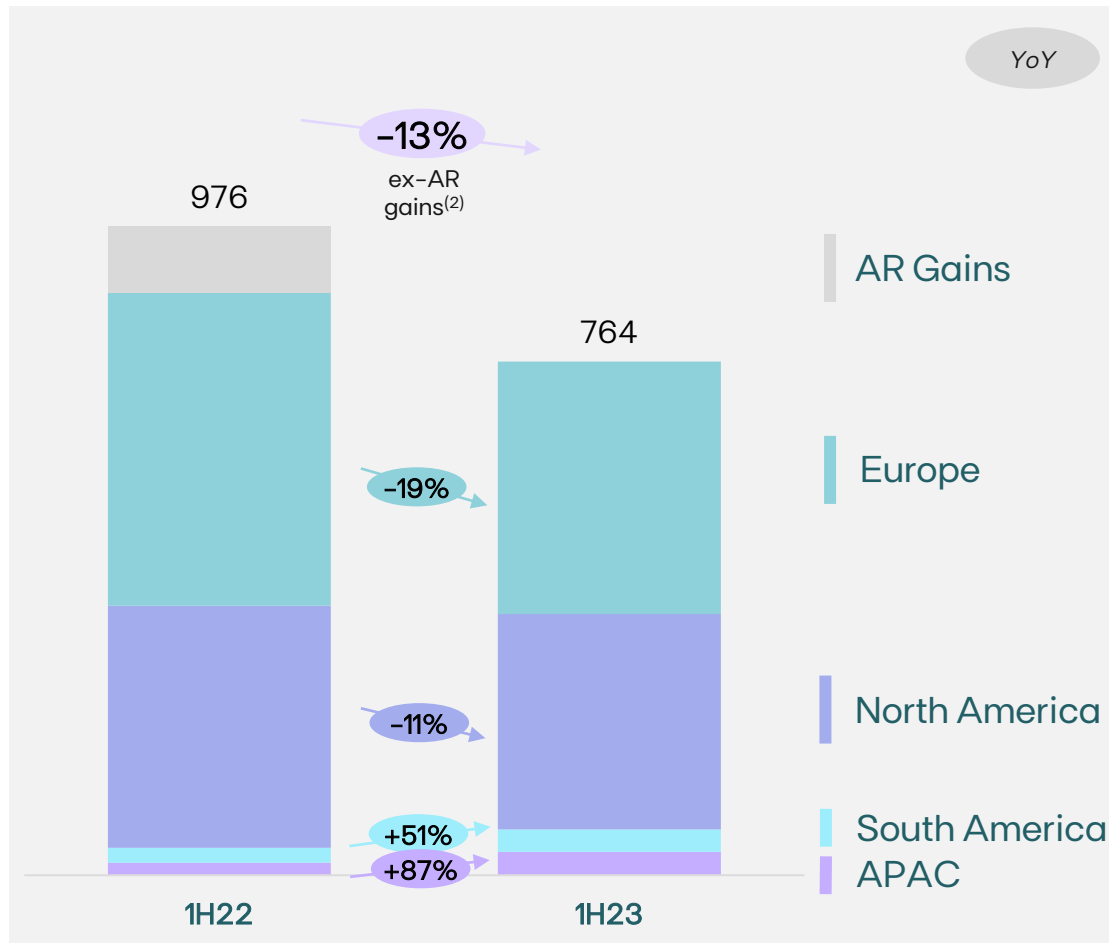
1H23 performance penalized by short-term impacts from regulatory interventions in Europe and delayed capacity additions in the Americas

Short-term headwinds on 1H23 P&L to be temporary, not impacting medium-term earnings prospects

	<i>EBITDA impact</i>		
	<i>1H23</i>	<i>2023</i>	
 Wind generation below average	€80m	~€0.1bn	 Weather cycles affecting quarterly results but no impact on asset's value as already embedded
 Regulatory clawbacks in Romania & Poland	€34m	~€0.1bn	 Already expected for 2023 but much lower impact on the back of lower pool prices; impact related mostly to tax in Poland which goes until December 2023
 Costs incurred with capacity additions delays in US & Colombia	€41m	~€0.1bn	 Working on ways to limit short-term impact mainly through PPA terms renegotiations
 Change in the reference price for the RECORE assets in Spain	€52m	~€80m	 Accounting adjustment to the Spanish regulatory assets, with non-cash impact and no valuation or project returns impact
 Asset Rotation gains	-	>€0.3bn	 Strong valuation driving higher than expected Asset Rotation gains to be accounted in the 2H23

Rec. EBITDA -13% YoY (ex-AR gains) penalized by weak wind resources, lower electricity prices/clawbacks in Europe and costs with capacity delays

Recurring EBITDA per region (€m)

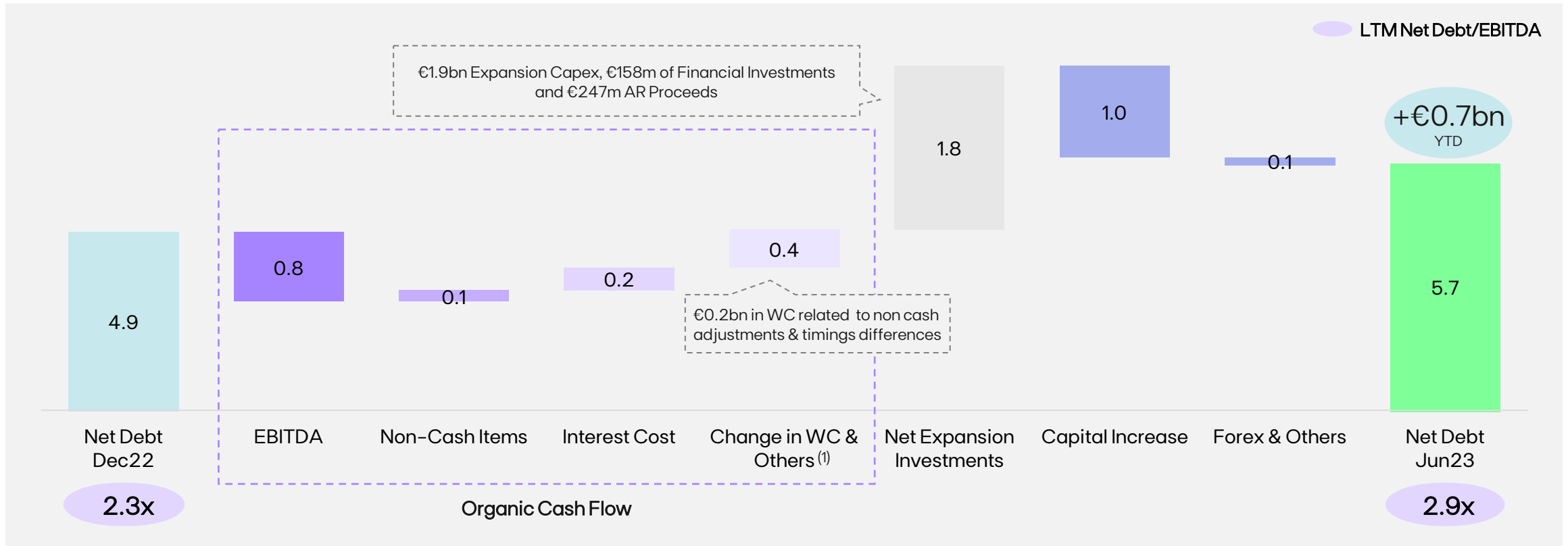


	1H22	1H23	YoY
Installed Capacity ⁽¹⁾ GW	13.8	15.2	+10%
Electricity Generation TWh	17.8	18.0	+1%
<i>Europe</i> TWh	6.3	5.9	-7%
<i>North America</i> TWh	10.2	9.3	-8%
Avg. Selling price €/MWh	65.1	62.5	-4%
<i>Europe</i> €/MWh	104.6	89.6	-14%
<i>North America</i> \$/MWh	44.5	46.7	+5%
Share of profits from associates €m	67	-3	-105%

(1) Includes EBITDA + Equity MW; (2) In 1H22 there were €99m Asset Rotation gains

Net Expansion Investments of €1.8bn and €1bn equity raise result in +€0.7bn net debt; Organic CF impacted by working capital & interest costs

Net Debt Evolution from Dec22 to Jun23
(€bn)

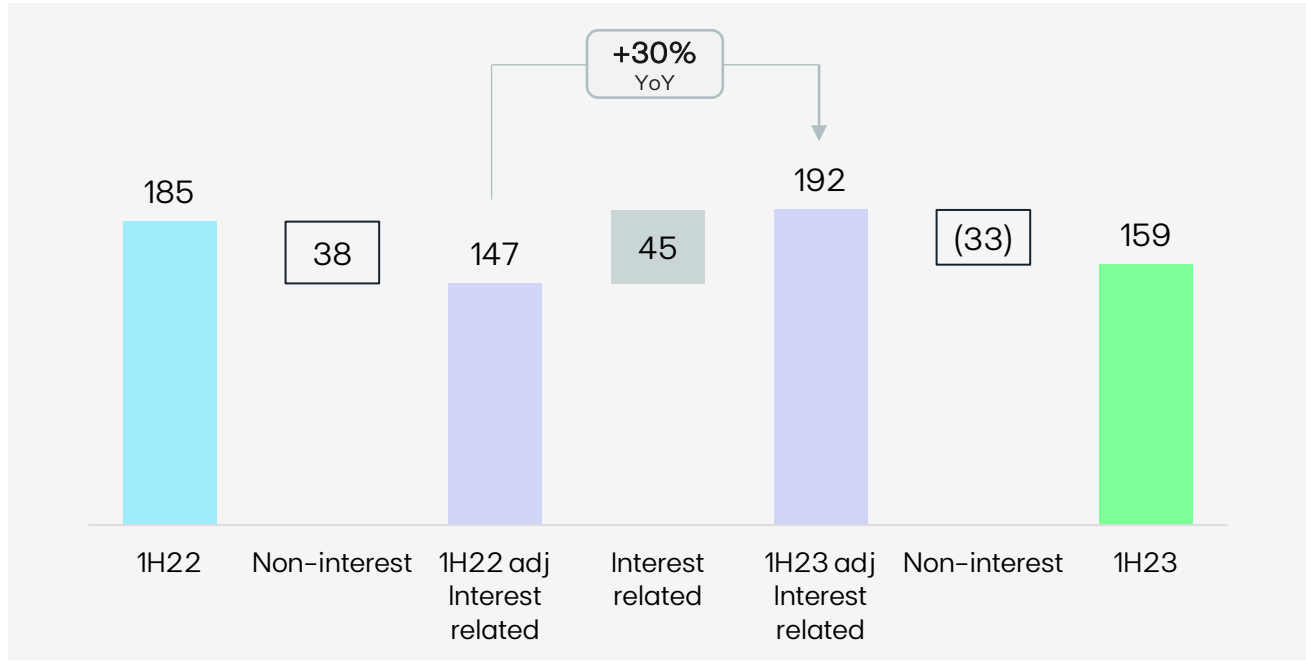


Avg. Gross Debt €6.4bn in 1H23 vs. €5.6bn in 1H22

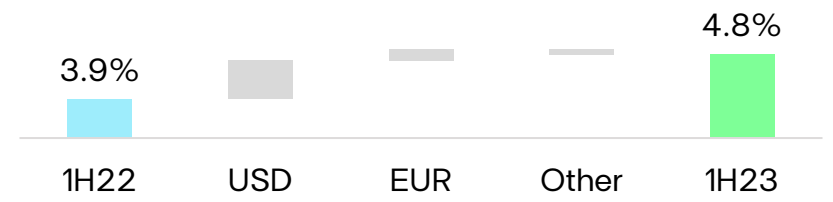
(1) Change in Working Capital, Income Tax Paid and Minorities/Partnerships distributions

Financial Results decreasing in 2Q23 due to positive FX & Derivatives despite higher avg. gross debt (+€0.7bn YoY) and higher cost of debt

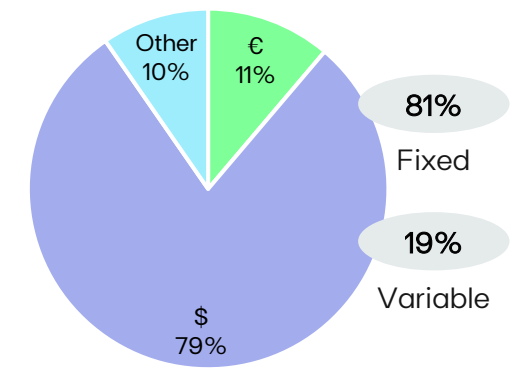
Financial Results (€m)



Cost of Debt (€m)



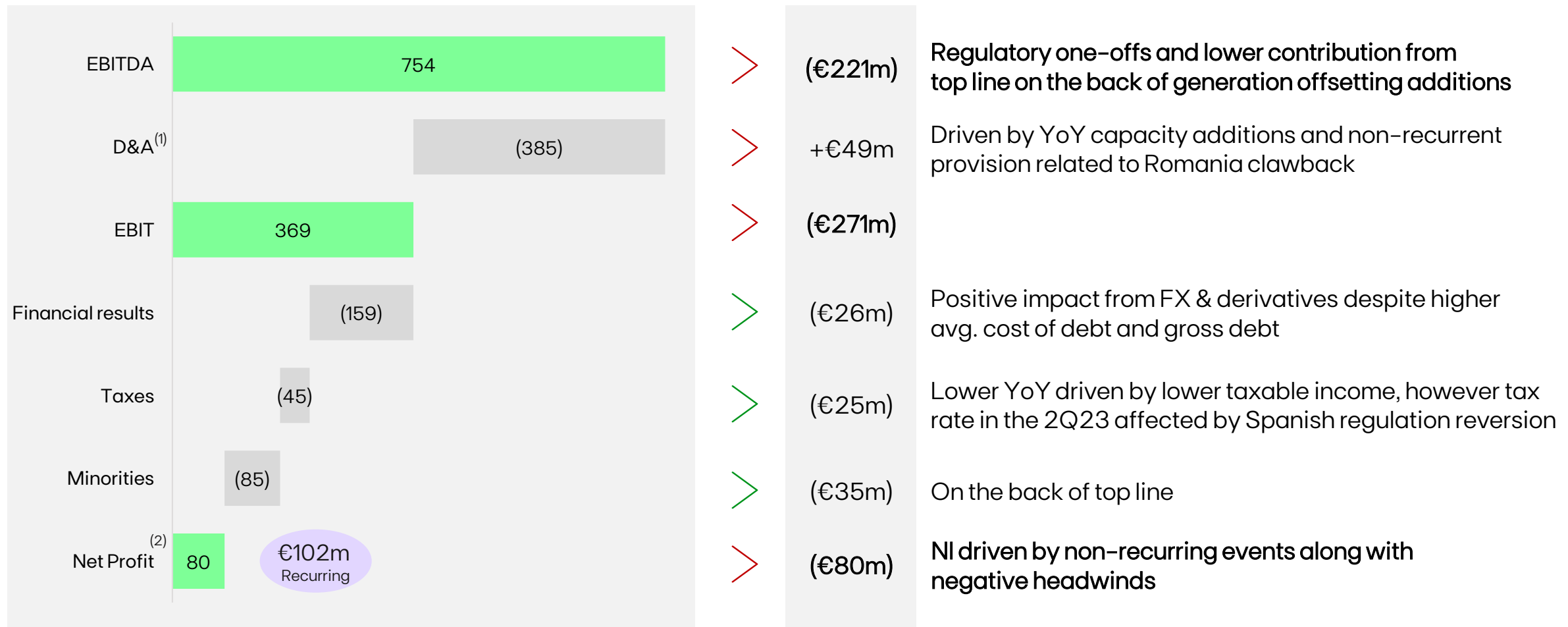
Debt Currency and Type (%)



✓ 2Q23 includes a €37m positive impact from settlement of dollar pre-hedging due to the optimization of the EUR/USD position

Recurring Net Profit €102m affected by weak wind resources and one offs along with no Asset Rotation, to be concentrated in the 2H23

1H23 EBITDA to Net Profit (€m)



(1) D&A includes Provisions, Depreciation and amortisation and Amortisation of deferred income (government grants); (2) excluding non-recurrent events (provision of €12m in D&A from Romania clawback and €10m impact from PPA cancellation in Massachusetts) and comparison YoY ex-Asset Rotation gains in 1H22 for a like for like base

Closing Remarks

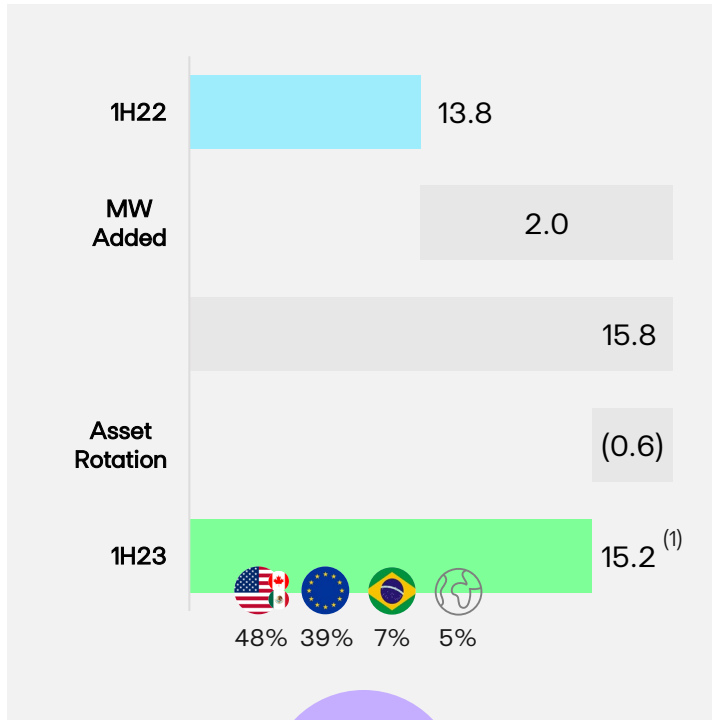
Key Takeaways

- **Short-term financial performance** penalized by low wind volumes in 2Q23, (incorporated in LT average assumptions), capacity delays in the Americas and 2022-2023 political intervention in EU: **not impacting medium-term earnings prospects**
- **Attractive valuation in Asset Rotation transaction in Spain at €1.8m/MW** showcase returns and value creation within the portfolio. Increasing interest from strategic investors with focus in renewables vs. usual financial institutions. Other transactions ongoing lead to **upgrade AR gains guidance to >€0.3bn in 2023**
- **Focus on renewables capacity delivery**, targeting c.3 GW in 2023 concentrated in the end of the year and between 3.5 GW – 3.9 GW in 2023-24. 5 GW currently under construction, well diversified in geography and technology
- **Increase of contracted long-term PPA prices (2023YTD +70% vs. 2020)**, anticipation of expected delivery of some projects in EU supported by regulatory and permitting processes updates and **downward trend in global solar equipment costs**, all support value enhancing growth

Annex

In the last 12 months, EDPR additions amounted to +2.0 GW with installed capacity reaching 15.2 GW, including Asset Rotation impact

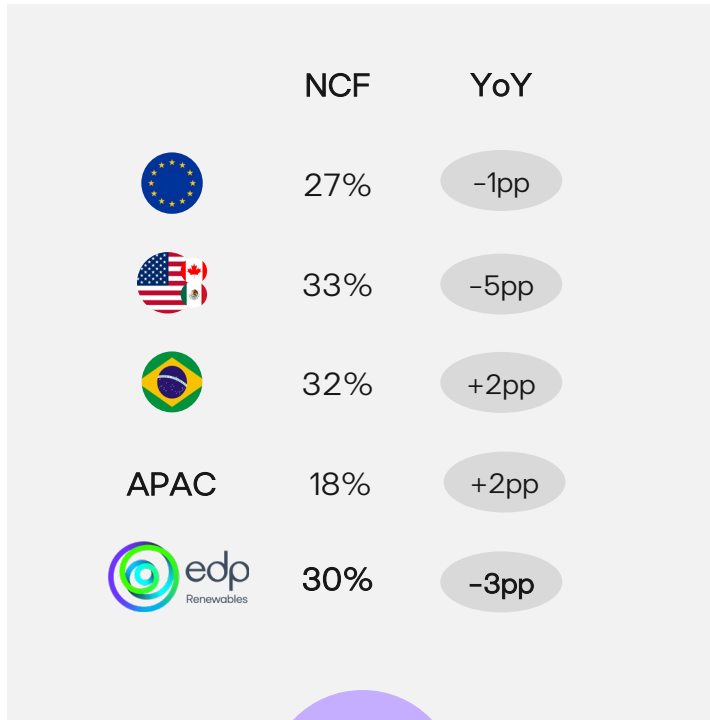
Installed Capacity YoY (EBITDA + Equity GW)



5.0
GW

Under Construction
as of Jun23

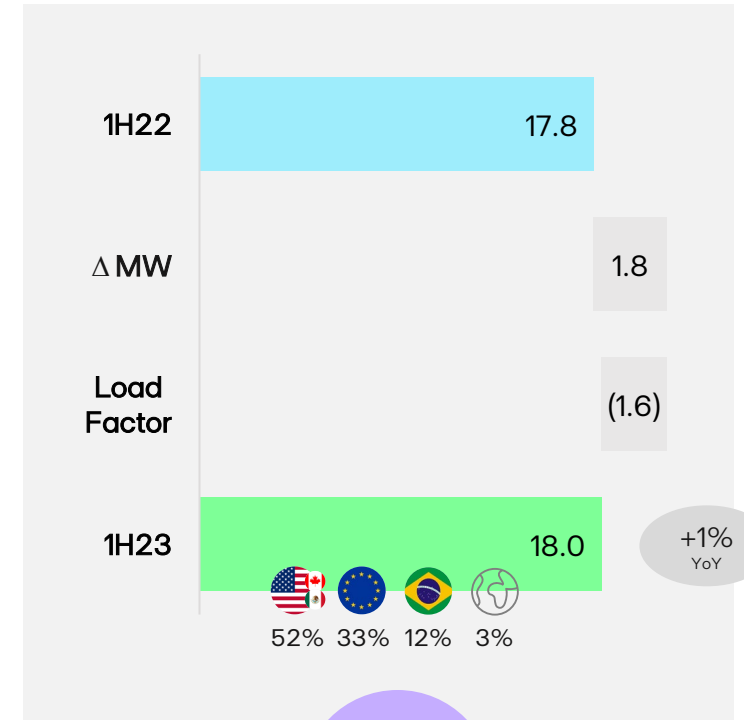
Net Capacity Factor 1H23 (%)



95%
-5pp vs. LT avg

GCF vs. P50

Electricity Generation YoY (TWh)



+1.4
GW

YoY net portfolio
variation

(1) Considers a decommissioning of a ~3 MW wind turbine in the US

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