



9M23 Results Presentation

October 31st, 2023

15:00 CET | 14:00 UK / Lisbon

www.edpr.com



Castillo de Garcimuñoz
Spain

Agenda

- 1 Update on Strategy Execution
- 2 9M23 Results
- 3 Closing Remarks
- 4 Annex

Update on Strategy Execution

Main highlights in the 2023–26 strategy plan execution throughout 9M23

9M23 Main Highlights

- Strong EU & US governmental support to the renewables sector
- 9.3 GW secured with >200bps IRR-WACC. Since March23, approved with average of 220 bps IRR-WACC
- PPA and centralized auctions supportive of target returns in a context of high interest rates and capex evolution
- Asset Rotation above expectations with gains of €0.4bn from a sale of 0.4 GW
- Construction rate ramping up in the US as the supply chain cleared with UFLPA compliant modules going through customs. Colombia remains challenging with ongoing re-permitting efforts for the interconnection line
- Results with strong contribution from successful asset rotation gains mitigating below average resource and -7% on avg. selling price

Financial Performance

Recurring figures

9M23	YoY
15.1 GW Installed Capacity	↑ +8% Avg. MW in op.
25.2 TWh Generation	↑ +3%
€62 /MWh avg. Selling Price	↓ -7%
€467m Net Profit	↑ +12%

Governments continue supporting through new initiatives adjusting the market to current environment



Wind Power Action Plan

15 immediate concrete actions to strongly support the industry



Measures to improve and simplify the **design of auctions**, including indexation, pre-qualification criteria and no negative bidding



Permitting digitalization processes at national level guided by EU committees, enhanced grid development and cooperation



EU Action Plan on Grids to be published in Nov. addressing bottlenecks hampering grid reinforcement and expansion



Increase efforts to establish **fair market standards for wind energy manufacturers**, promoting competitiveness and compliance



US Recent Developments

Improved visibility on regulatory and fiscal supportive frameworks



ITCs bonus guidance published; energy community adder and the low-income community adder



Tax Equity funding adapting to a broader market through the first transactions of **tax credits transferability** between companies



Anti-circumvention tariff ruling clarification helping suppliers to flow into the US with clear visibility of full requirements



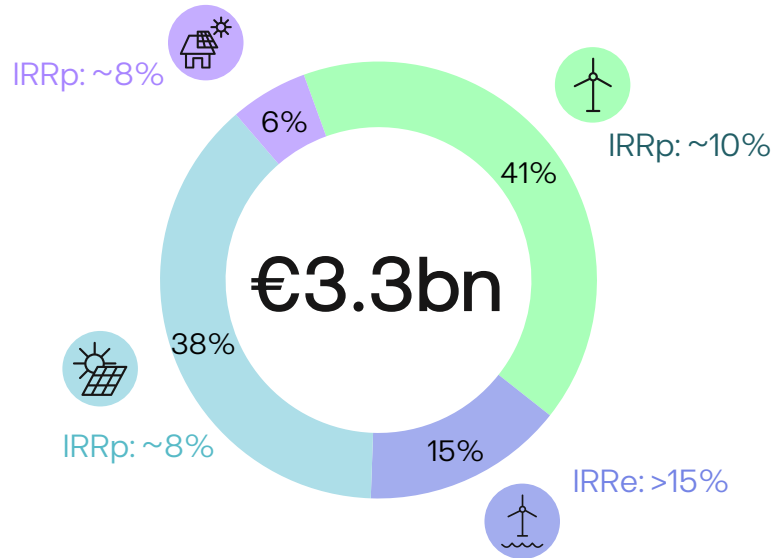
Northeast/California **State Governors show clear support for wind offshore growth**, auction results in NY on updated market conditions

We are keeping our clear investment framework, maintaining our selective and disciplined approach

9.3 GW secured representing ~55% of the total BP target of which ~3 GW from 2023 YTD meeting the targeted profitability

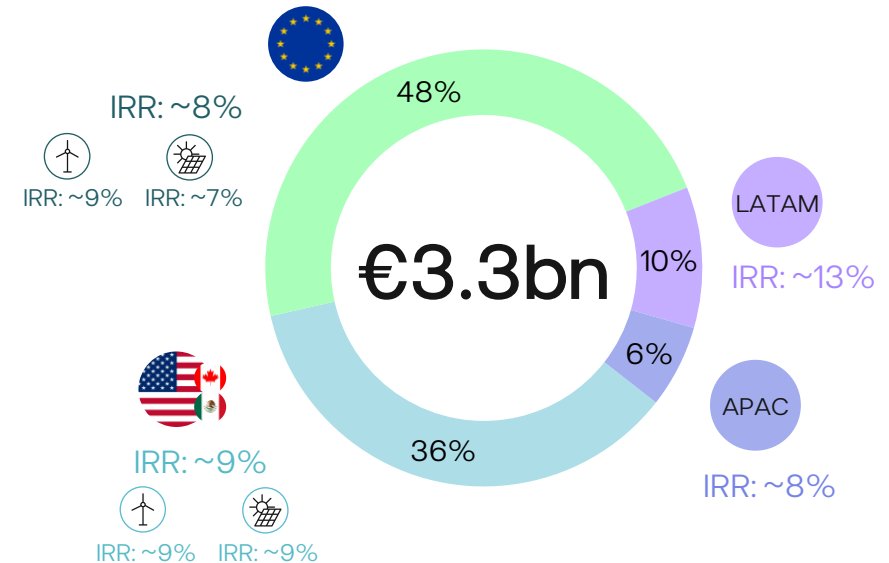
2023 YTD approved & secured investments by technology

Returns excludes Asset Rotations



2023 YTD approved & secured investments by region

Returns excludes Asset Rotations



2023 has shown increase in project returns while preserving risk levels

Avg. Contracted Period
16 years

Contracted NPV
>60%

Avg. Nominal Equity Payback Period
11 years

IRR – WACC
~220 bps

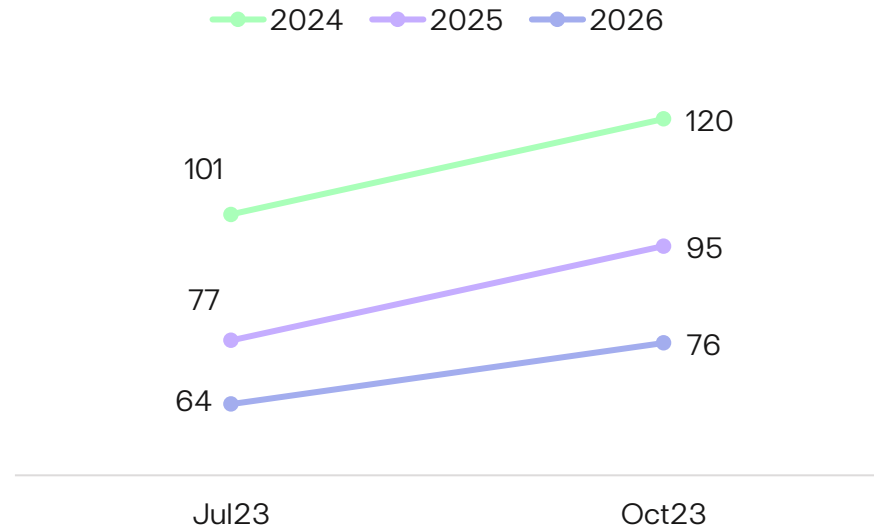
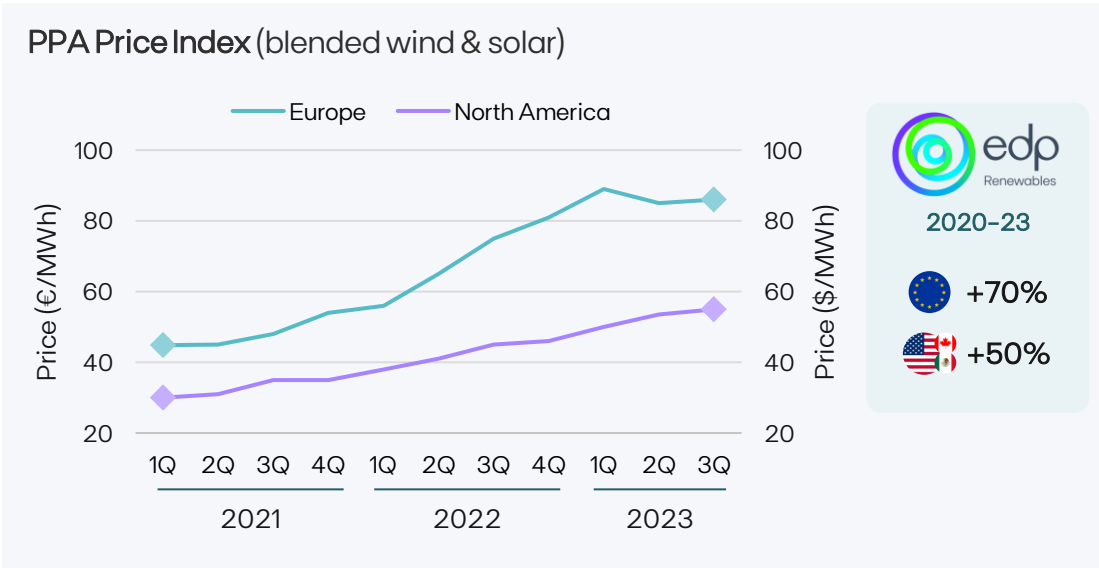
Note: Wind offshore investment decision based on equity return instead of project return.

Higher renewables PPA/forward prices supported by gas prices' recovery, higher inflation environment and projects' development bottlenecks

Demand/supply imbalance and higher inflation support increase of PPA prices

Over the last 3 months, forward electricity prices for 2024-2026 deliveries have rebounded significantly

Annual forward electricity wholesale prices Iberia (€/MWh)



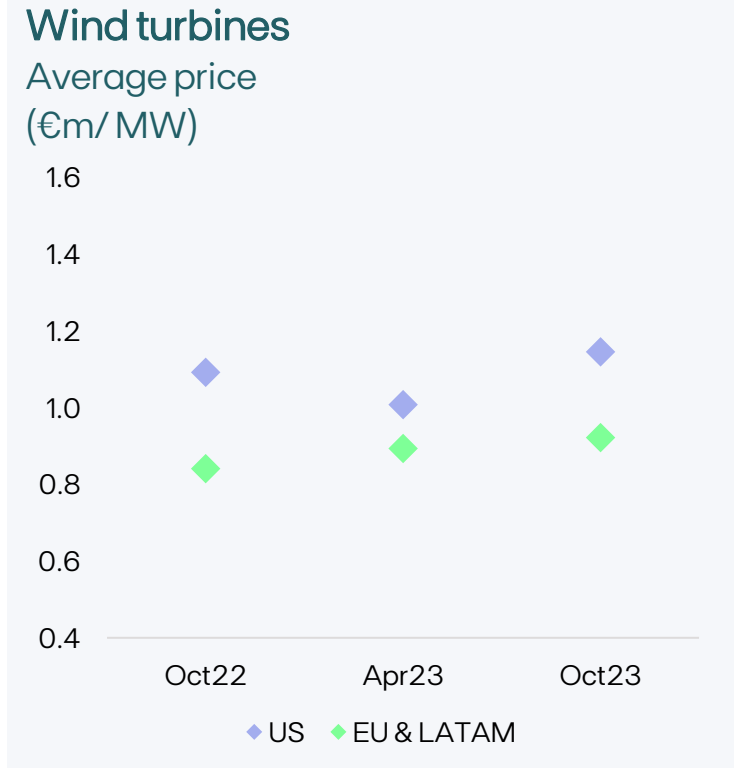
3Q23 Auctions

- France at €85/MWh
- Italy at €65/MWh
- UK at £71/MWh

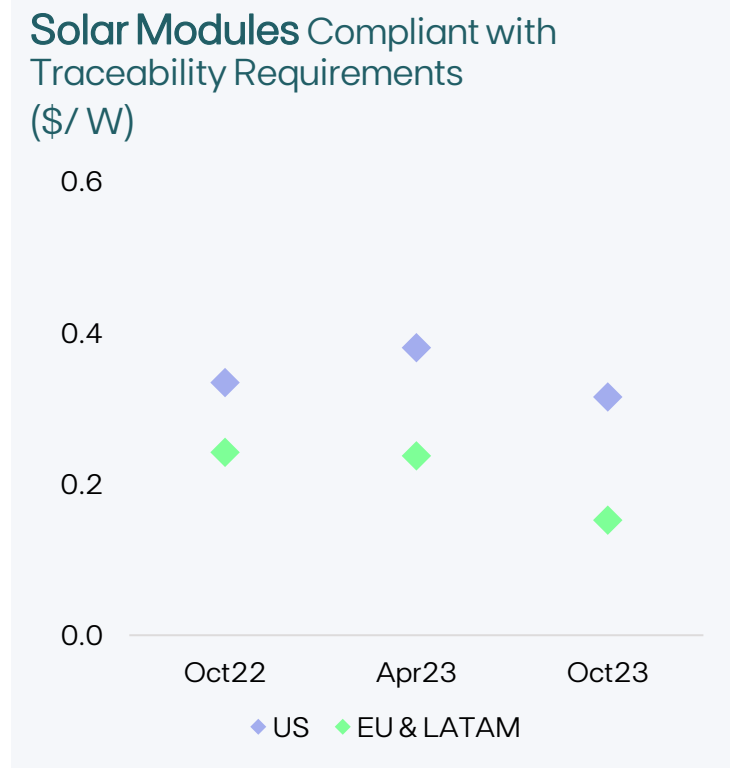
Revenues Merchant Exposure

Year	2024	2025-26
Revenues Merchant Exposure	~14%	~20%

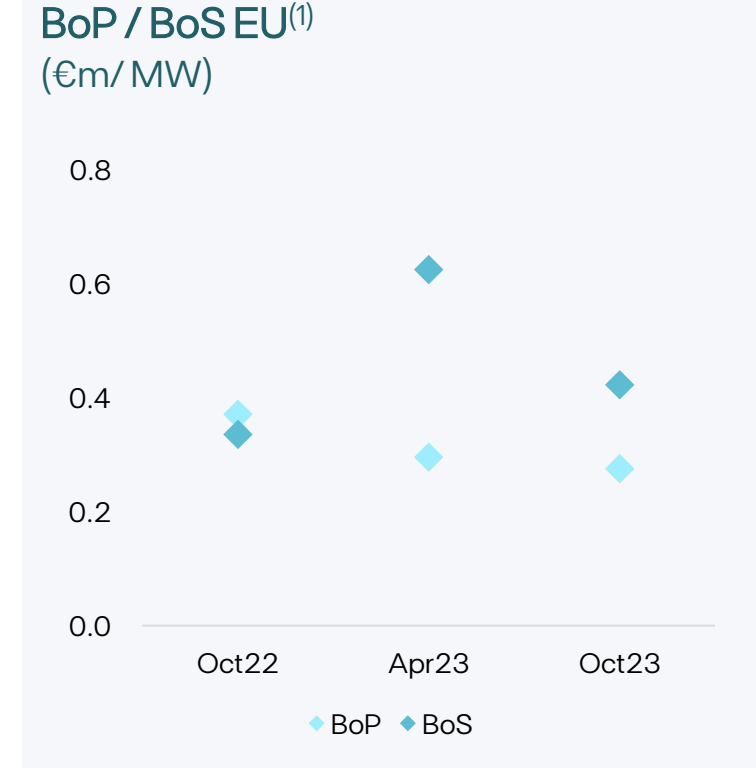
Market momentum leading to competitive procurement for projects to be delivered in 2025, while continuing to prioritize the highest ESG standards



Wind turbines costs mostly flat with stable market



Significant declined in Solar modules cost namely ex-US over the last 6 months

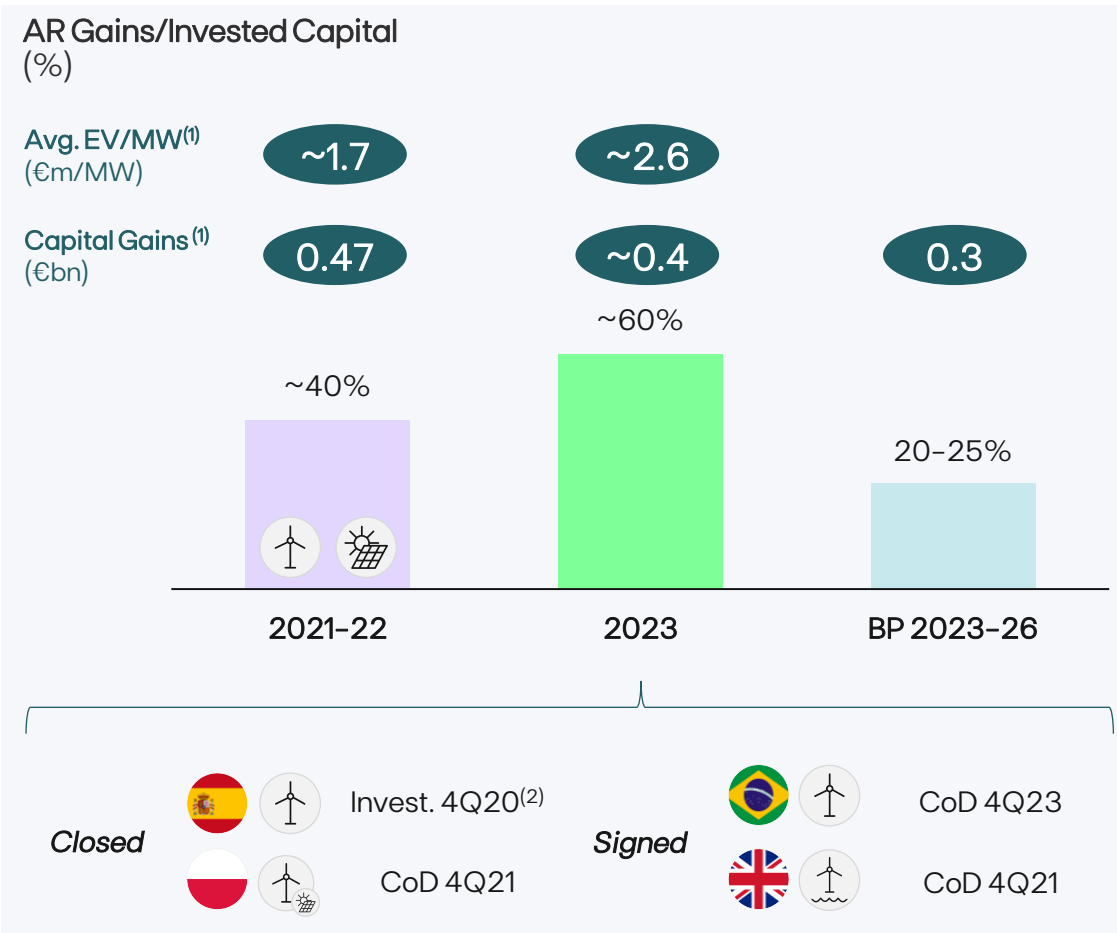


Downward trend on costs both for wind & solar after a pick of BoS in early 2023

(1) BOS & BOP includes full substation

Strong Asset Rotation execution with two sizeable transactions in 3Q23 at attractive valuations

Diversified high-quality portfolio by market and by contracted/merchant profile support resilient Asset Rotation Strategy



Assets' valuations positively impacted by higher electricity prices and solar hybridization potential...

... more than compensating a higher interest rate environment

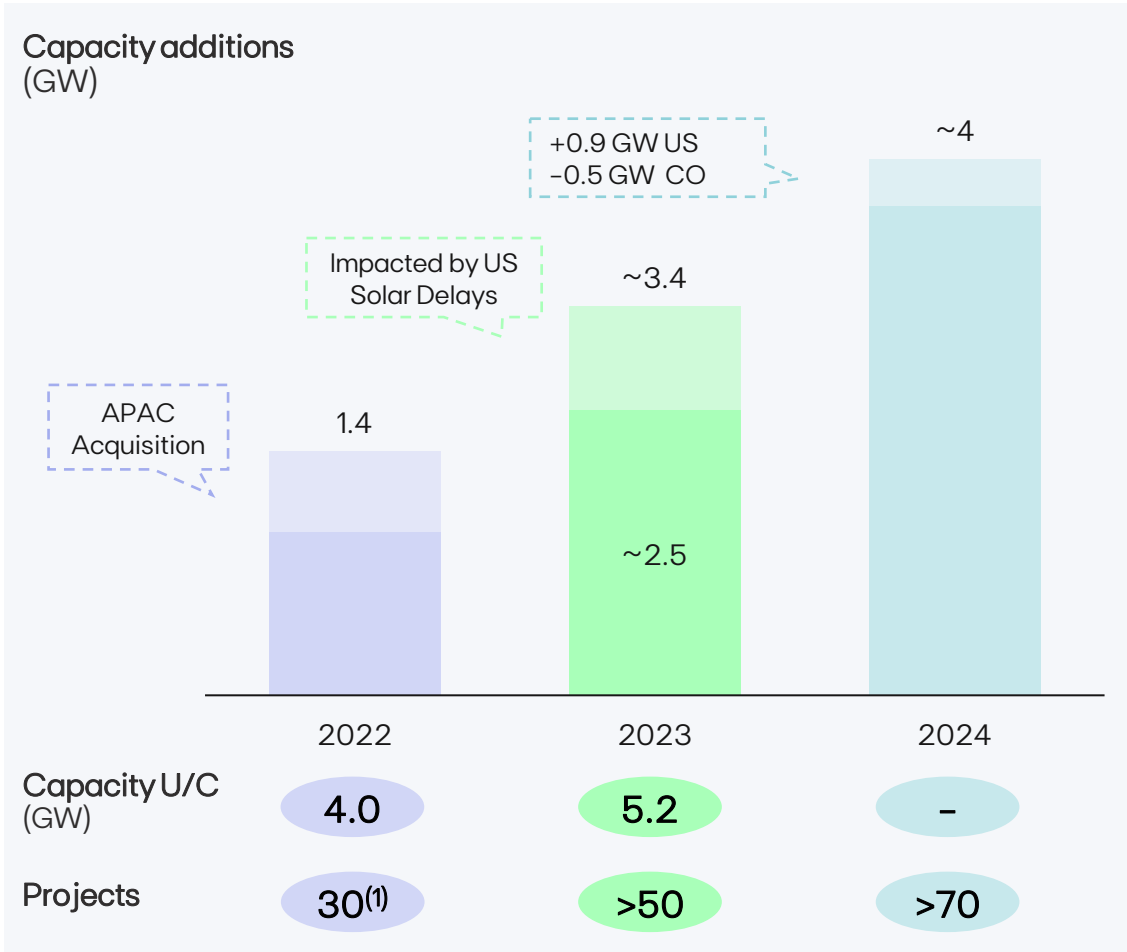
Assets being rotated in 2023 are quite young with FiDs mainly in 2019

>€1.5bn of expected proceeds for 2023, ~25% of €7bn target for 2023-2026

(1) For 2023, considering the two closed projects in Spain and Poland as of 9M23; (2) Part of Viesgo acquisition

Growing capacity additions for 2023 and 2024 on track to deliver expected returns

Additions of ~6.5 GW between 2023–24 evolving as planned with expected IRR – WACC profitability at 230 bps




- ✓ Solar panels suppliers' challenges with UFLPA legislation on imports into US, operationally solved ensuring 0.9 GW solar capacity postponed from 2023 will be installed in 2024
- ✓ 2023 impacted with costs of delays, however 1.1 GW of PPAs has been renegotiated in US, with avg. +12% price increase (+\$5/ MWh) and avg. 7-month postponement of first energy delivery date. Additional 0.7 GW are under negotiation.
- ✓ Challenging re-permitting process on transmission line for 2 wind projects in Colombia to involve ~130 communities in the consultation process, delaying construction

(1) Does not consider APAC acquisition with 296 projects in APAC at an avg. capacity of 2.4 MW/projects

OW presents a controlled Devex profile aimed at delivering its secured pipeline, while sees selective growth opportunities globally

Investments in 2023–26 focused on projects under construction in Europe with strong economics

Offshore projects under construction

	 Noirmoutier	 Le Treport	 Moray West
EDPR Share (GW) ⁽¹⁾	0.1	0.2	0.4
FID	2Q23	2Q23	4Q22
CoD	2025	>2025	2025
Remuneration	FiT	FiT	CfD + PPA
Inflation-linked	✓	✓	✓
<i>Revenues, Funding and ~95% of the Capex got locked at FiD</i>			

✓ Project finance covers 70% of project investment of which 70% at fixed rates (<4%), 18-year avg. debt maturity

Under development projects under strict investment criteria

> 9 projects under development totaling 10.5 GW with rights secured of which 7.6 GW with current devex of €0.2m /MW

2 more advanced projects under development:



B&C Wind
0.4 GW

- 25Y CfD inflation-linked
- No contracted capex, mature supply chain in the region



SouthCoast
2.3 GW

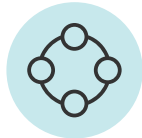
- Project with advanced permitting & interconnection
- No PPA nor Capex contracted

Final investment decisions depending to **strict investment criteria**: and short period of fixing between contracted revenues, capex cost and project financing terms

(1) EDPR's 50% stake in Ocean Winds

Inflationary environment driving even more focus on efficiency initiatives and preservation of value to increase profitability and keep solid ratios

EDPR is dedicated to fostering initiatives throughout the organization with an efficiency mindset that ensures sustainable growth



CAPEX & O&M EXCELLENCE

Adapt cost structure to growth pace

Integrated & Global procurement

Internal O&M

50% fleet

Ongoing efficiency measures to impact 2024:

>€30m

positive impact & growing

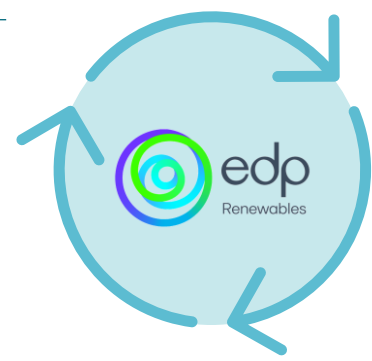
LEANER ORGANIZATION



Leveraging even more EDP & EDPR synergies

Extend **Global Business Services** model (GBS)

Resources allocation where is most financially efficient can **save up to 2.5x per position**



DIGITAL TRANSFORMATION



Integrated Digital Program will bring 10% to 20% of **efficiency** through process optimization and automation

Current market environment favourable to renewables investments, EDPR continues committed with its selective risk/return investment criteria

Key market concerns



Capacity Growth Bottlenecks

- ✓ Strong public/private support on energy transition execution in the next decade
- ✓ Short term challenges support **selective growth and focus on value creation**



Interest Rates

- ✓ Expected to be **higher for longer**, but likely be **closer to a peak**



Returns

- ✓ **High absolute IRRs for new projects**, due to market cost of capital, high demand for renewable energy and scarcity of ready to build projects



Energy Prices

- ✓ **Upward trends on PPA/auction & merchant prices** both in Europe and US
- ✓ **Post PPA prices** includes **conservative** assumptions with discount factor in solar








Supply Chain & Capex

- ✓ Visibility on supply increase to have a positive impact on renewables capex prices
- ✓ **Indexation of new projects' revenues to inflation** and increased auction caps

9M23 Results

2023 performance continues penalized by short-term headwinds in line with what was stated in the previous quarter

The P&L impact is temporary, not affecting medium-term earnings prospects

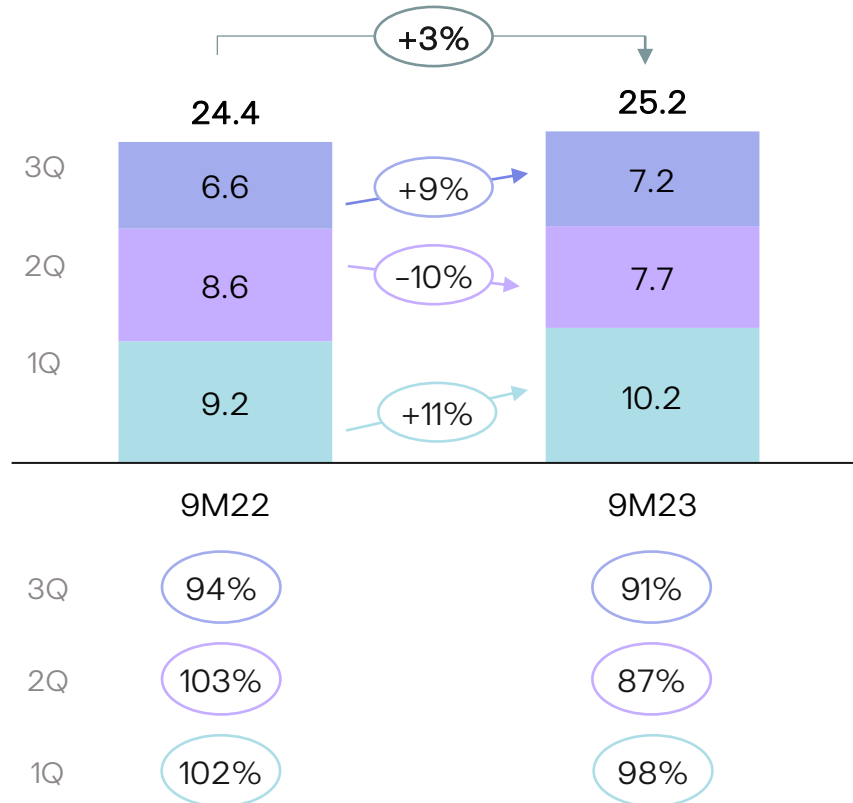
	EBITDA impact		
	9M23	2023	
 Wind generation below average	€138m	~€0.2bn	> Weather cycles continue affecting quarterly results but no impact on asset's value as already embedded in LT platforms
 Regulatory clawbacks in Romania & Poland ⁽¹⁾	€71m	~€0.1bn	> Lower impact on the back of lower pool prices; related mostly to tax in Poland currently approved until December 2023
 Costs incurred with capacity additions delays in US & Colombia	€55m	~€0.1bn	> Partially mitigating impact mainly through PPA terms renegotiations. US is mostly secured; challenges continue in Colombia.
 Change in the reference price for the RECORE assets in Spain	€67m	~€80m	> Accounting adjustment to the Spanish regulatory assets, with non-cash impact and no valuation or project returns impact
 Asset Rotation Gains	€0.4bn	>€0.4bn	> Strong valuation driving higher than expected Asset Rotation gains with two transactions closed (Spain and Poland)

Note: (1) Included implied cancellation hedging costs.

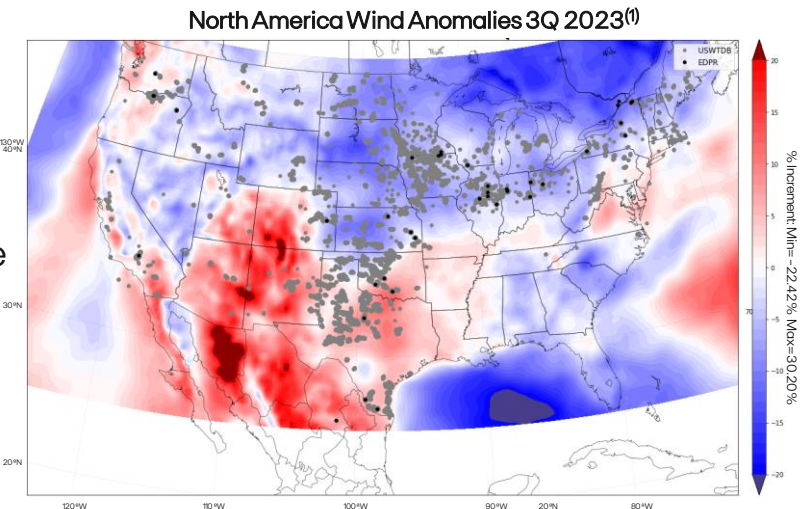
3Q23 renewables generation penalized by below average wind volumes in US due to cyclical El Niño effect already embedded in LT projections

3Q23 generation continue being penalized by below avg. wind resources namely in US

EDPR Renewables generation (TWh)



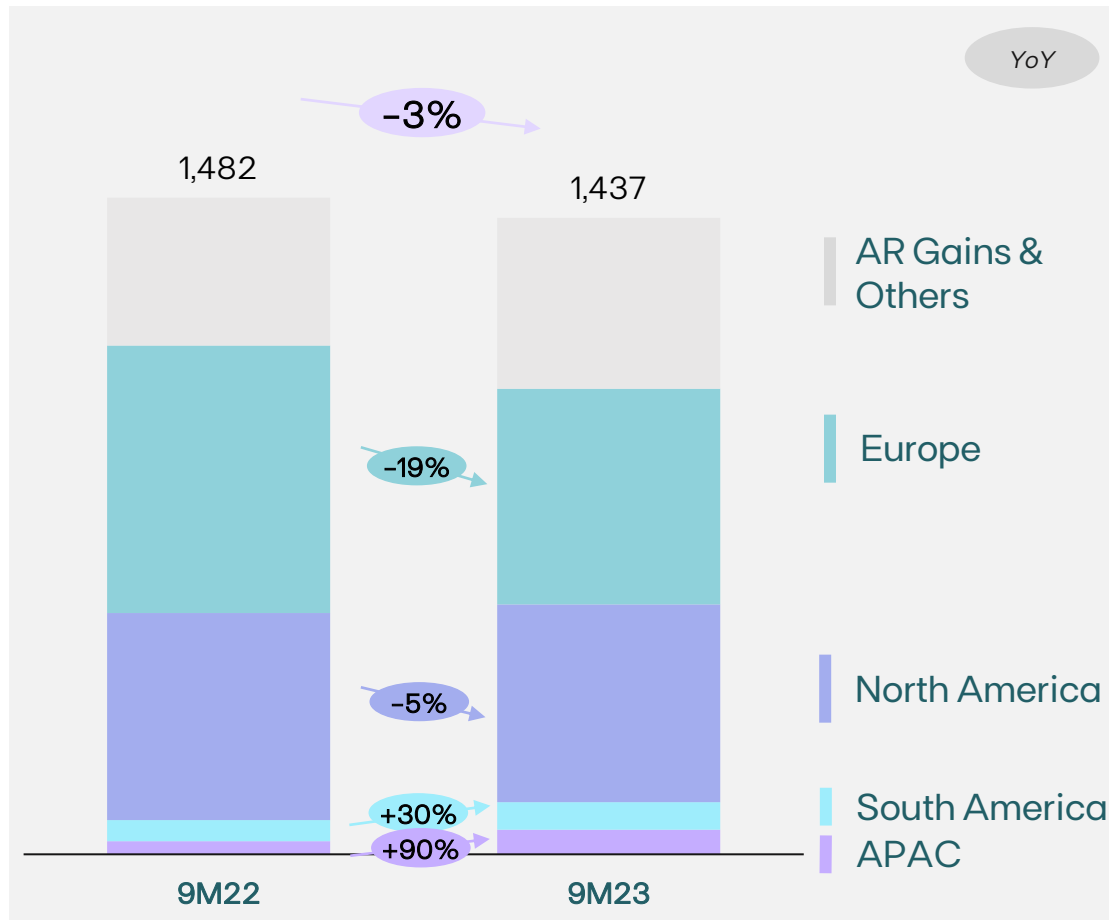
- ✓ Generation +3% YoY on the back of capacity additions
- ✓ Renewable resource impacted by stationarity in Europe
- ✓ El Niño affecting wind resources mainly in US east region at 76% of long-term average in 3Q23



(1) Wind Speed Anomaly (%) at 100m Height. Data Source ERA5 at 0.25°x0.25°. Long Term Average Period 2000-2019. EDPR Energy Assessment EA.

Recurring EBITDA –3% YoY positively impacted by Asset Rotation Gains mitigating weak wind resources and lower electricity prices in Europe

Recurring EBITDA per region (€m)

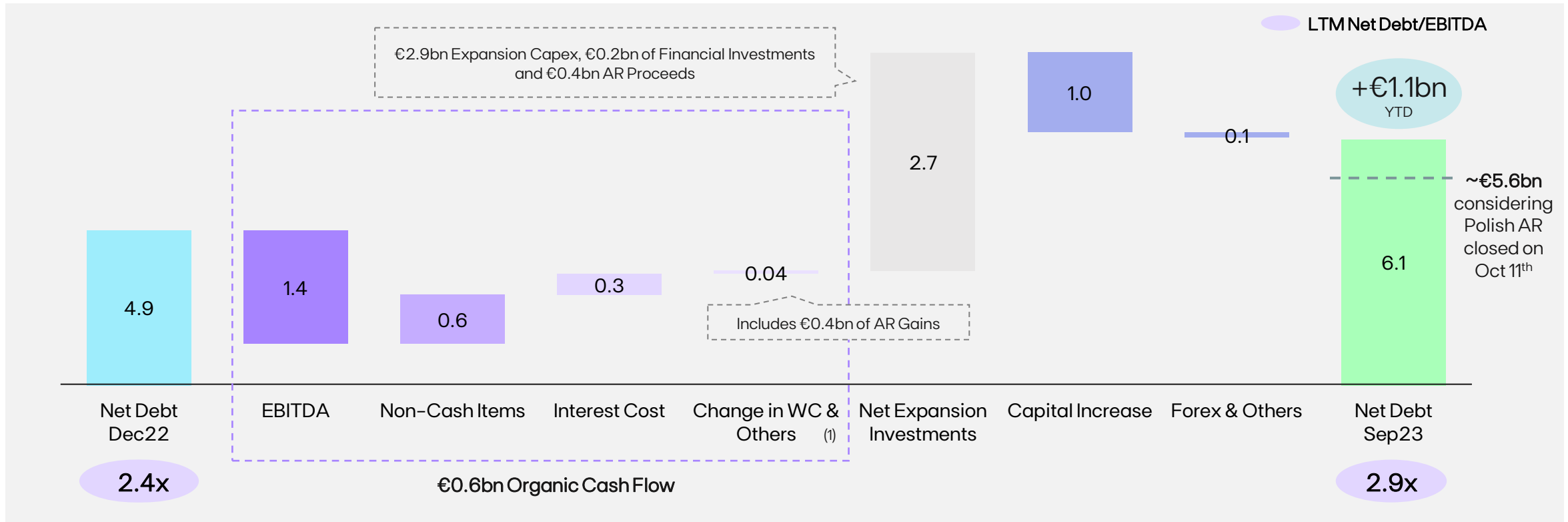


	9M22	9M23	YoY
Installed Capacity ⁽¹⁾ GW	14.3	15.1	+6%
Electricity Generation TWh	24.4	25.2	+3%
<i>Europe TWh</i>	8.6	8.3	-4%
<i>North America TWh</i>	13.4	12.7	-6%
Avg. Selling price €/MWh	66.1	61.7	-7%
<i>Europe €/MWh</i>	109.1	93.0	-15%
<i>North America \$/MWh</i>	43.5	47.2	+8%
Share of profits from associates €m	104	7 ⁽²⁾	-
Asset Rotation Gains €m	264	393	+49%

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

Net Expansion Investments of €2.7bn and €1bn equity raise result in +€1.1bn Net Debt; Organic CF impacted by non-cash items

Net Debt Evolution from Dec22 to Sep23 (€bn)



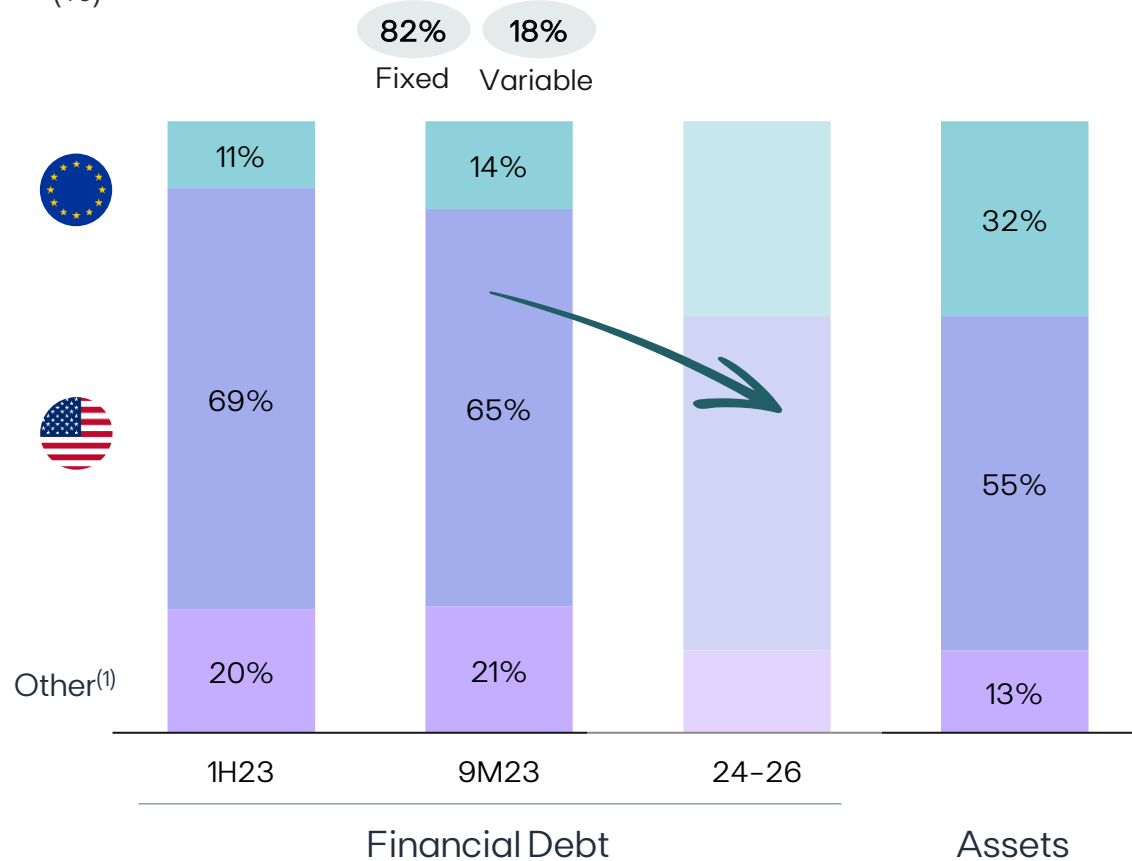
Gross Debt €6.8bn in 9M23

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

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 (%)

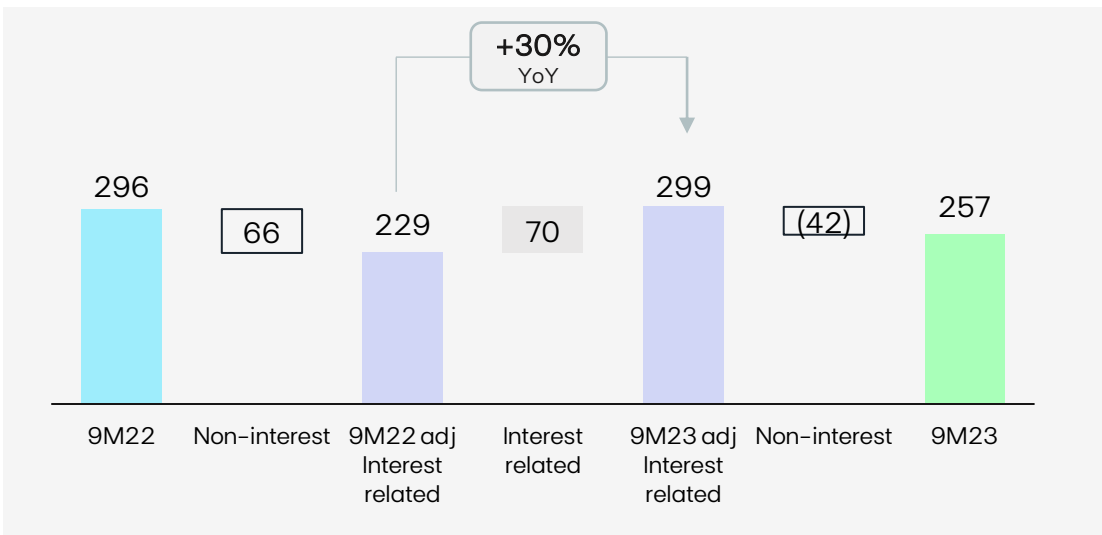


- ✓ Rebalance of debt mix by currency with asset mix by market ongoing since June-23, expected to be concluded in Dec-24
- ✓ Gradually increase of USD denominated equity exposure from neutral to a long position
- ✓ Interest savings from lower USD refinancing needs in 2024-2026: ~€100m

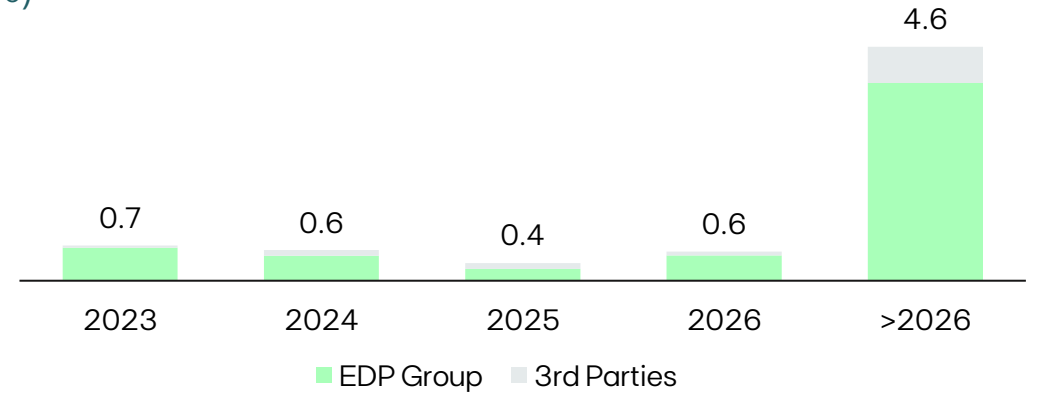
1) Adjusted by SGD\$ 1bn issued in April

Financial Results decreasing YoY due to lower FX & Derivatives despite higher avg. gross debt

Financial Results (€m)



Debt by maturity & counterparty (%)



Cost of Debt (€m)

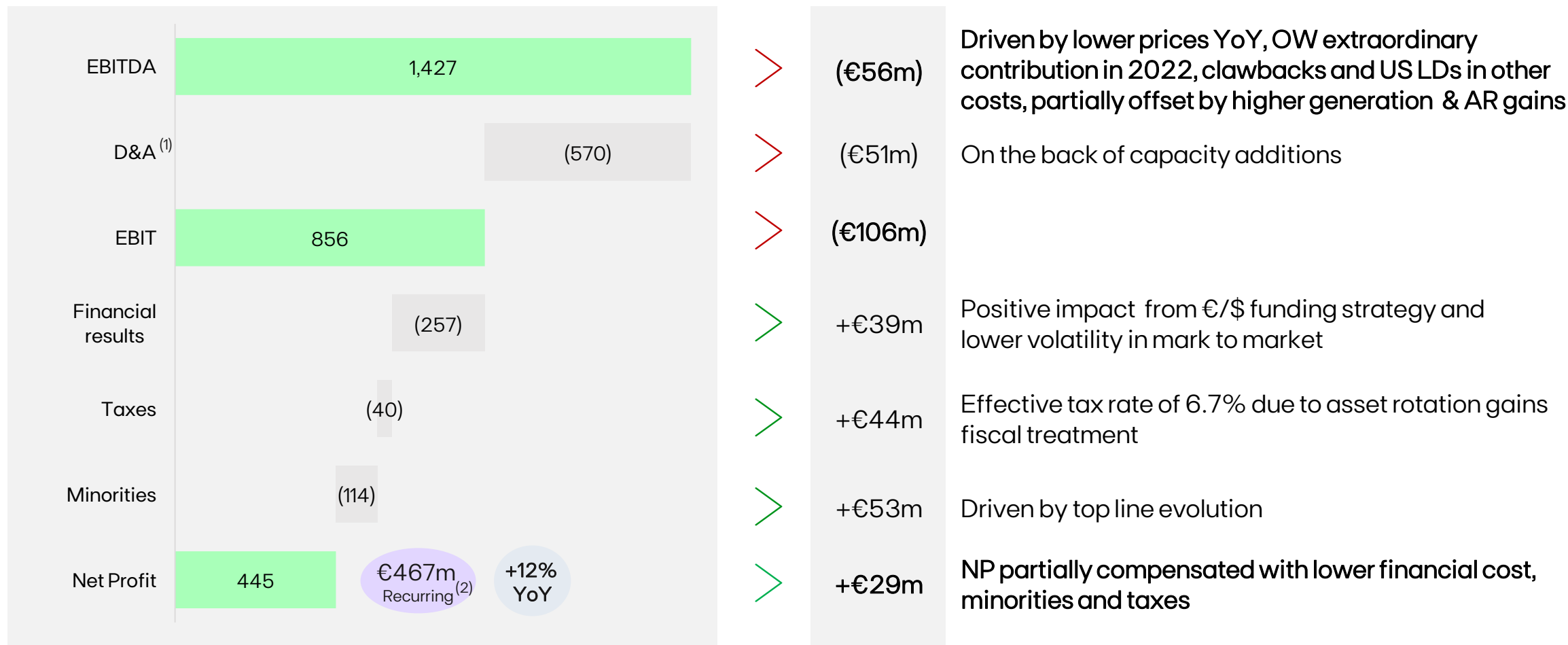


- ✓ 2023 debt refinanced with loans with avg. life > 5 Y
- ✓ Financial liquidity (cash + committed credit lines) covers refinancing needs beyond 2026
- ✓ Avg. cost of debt driven by avg. gross debt +€0.5bn YoY

Net Profit of €467m (+12% YoY) impacted by top line, compensated with strong execution of AR transactions and improved financials and taxes



9M23 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)

Closing Remarks

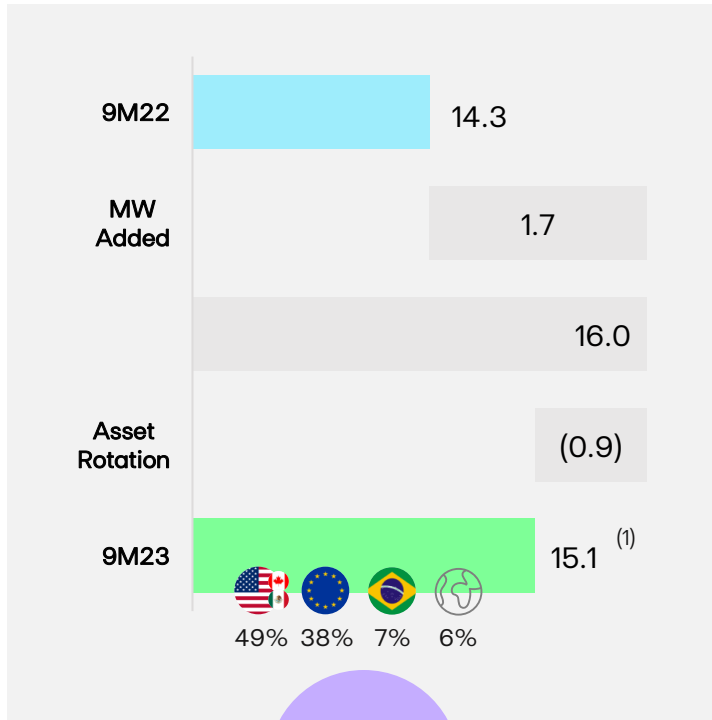
Leading the energy transition to create superior value

- Increase of PPA and forward market electricity prices along with the downward trend in some relevant capex components, like solar panels, supports value enhancing growth at attractive returns while maintains risks under control with our strict investment criteria
- Additions of ~2.5 GW to be installed in 2023 and ~4 GW in 2024, supported by improved outlook in solar supply chain deliveries in US, and a diversified growth by market and technology
- Strong Asset Rotation execution in 3Q23, based assets with a short life in our portfolio, provide visibility on our business model value creation, with strong valuation multiples positively impacted by higher energy prices and additional value source from hybridization more than compensating a higher interest rates environment
- Strong balance sheet with a good asset rotation execution, a significant decline in USD debt weight to rebalance debt mix and assets mix by currency along with good visibility of TELs financing in US
- Current market environment with strong demand for renewables and scarcity of ready to build projects creates the adequate conditions to invest at long-term attractive returns while controlling risks

Annex

In the last 12 months, EDPR additions amounted to +1.7 GW with installed capacity reaching 15.1 GW, including Asset Rotation impact

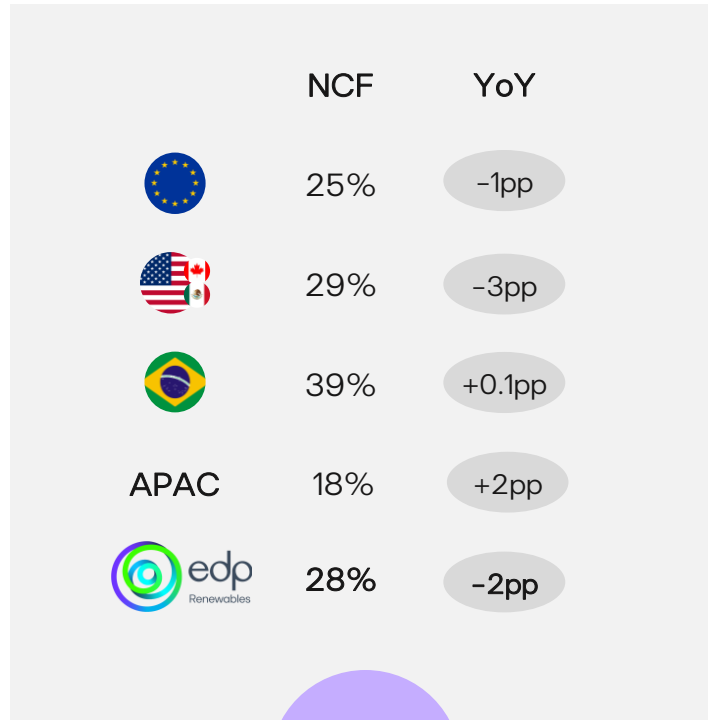
Installed Capacity YoY (EBITDA + Equity GW)



5.2
GW

Under Construction
as of Sep23

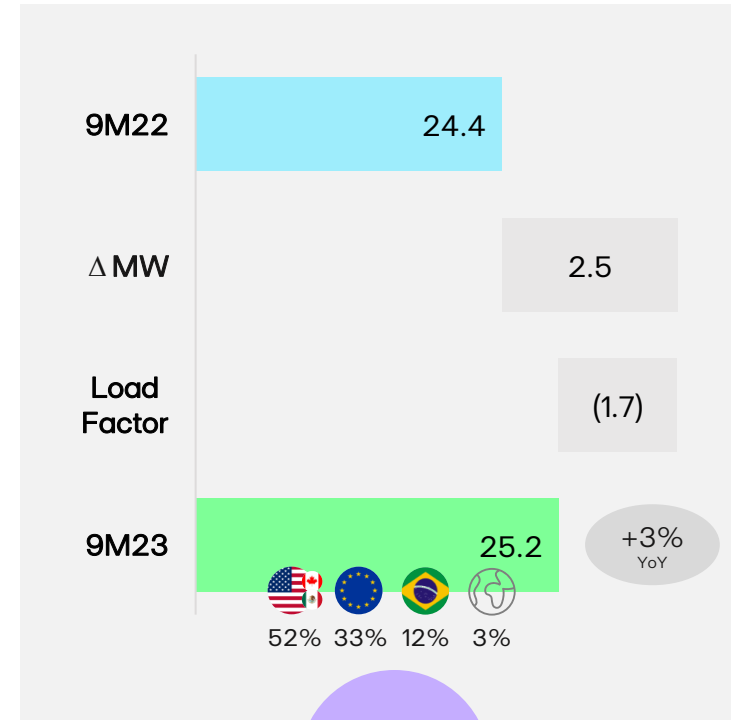
Net Capacity Factor 9M23 (%)



94%
-6pp vs. LT avg

GCF vs. P50

Electricity Generation YoY (TWh)



+0.8
GW

YoY net portfolio
variation

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

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