



Financial Information 9M 2018

November 7th, 2018

Conference call & webcast

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Webcast: www.edpr.com

Phone dial-in number: +44 (0) 20 7192 8000 | +1 631 5107 495

Phone Replay dial-in number: +44 (0) 333 300 9785 | +1 866 331 1332 (until November 14th, 2018)

Access code: 4082364



Financial information

Installed Capacity (MW)	9M18	9M17	Δ 18/17
EBITDA MW	10,897	10,321	+576
Other equity consolidated	331	331	-
EBITDA MW + Equity Consolidated	11,228	10,652	+576

Operating Data - EBITDA MW metrics	9M18	9M17	Δ 18/17
Load Factor (%)	30%	30%	(0.5pp)
Output (GWh)	20,667	19,817	+4%
Avg. Electricity Price (€/MWh)	53.7	60.6	(11%)

EDPR managed, by Sep-18, a portfolio of operating assets of 11.2 GW spread over 11 countries, of which 10.9 GW fully consolidated and 331 MW equity consolidated (equity stakes in Spain and US). Over the last year, EDPR portfolio increased by 576 MW, of which 303 MW in North America, 147 MW in Europe and 127 MW in Brazil.

EDPR produced 20.7 TWh of clean electricity (+4% YoY), avoiding 16.3 mt of CO₂ emissions. The increase in production benefitted mainly from the capacity additions (+576 MW EBITDA YoY) with higher expected load factor. The achieved load factor in the 9M18 was 30% (stable YoY), representing 96% of the long-term average (P50; vs 99% in the 9M17). In the period, EDPR maintained high level of technical availability (97%), however lower YoY (9M17 at 97.8%), due to adverse weather conditions in certain regions.

The average selling price in the period totalled €53.7/MWh, -11% YoY mainly as a result of forex translation and lower YoY prices achieved in Europe (-6% YoY; mostly due to Poland and Romania) and North America (-3% YoY; hedges gains in 9M17 and mix effect from new MW).

Consolidated Income Statement (€m)	9M18	9M17	Δ 18/17
Revenues	1,239	1,346	(8%)
EBITDA	869	991	(12%)
EBITDA/Revenues	70%	74%	(3pp)
EBIT	472	606	(22%)
Net Financial Expenses	(219)	(224)	(2%)
Share of profit of associates	2	2	(13%)
Non-controlling interests	114	128	(11%)
Net Profit (Equity holders of EDPR)	115	165	(30%)

Employees	9M18	2017	Δ YTD
Total	1,364	1,220	+12%

As a result of higher generation (+4% YoY; +€47m YoY), lower average selling price (-11% YoY; -€62m YoY), negative impact from forex translation and other (-€49m YoY) and the 10-year life PTCs scheduled expiration of specific tax equity structures (-€43m), Revenues totalled €1,239m (-8% YoY). Net Operating Costs totalled €370m (+4% YoY), with Core Opex per average MW in operation at €31.2k (+2% YoY).

In the 9M18 reported EBITDA summed €869m (-12% YoY; -9% YoY ex-fx), as a consequence, and given higher YoY depreciation and amortization costs, including provisions, impairments and net of government grants, EBIT decreased to €472m (vs €606m in the 9M17).

Net Financial Expenses decreased to €219m (-€5m YoY), benefitting from a gain (€15m) subsequent to the sale of a stake in a UK offshore project (1Q18), along with both lower Institutional Partnerships costs (-€9m; -13% YoY in Euros) and Net interest costs (-€1m; -1% YoY).

At the bottom line, Net Profit summed €115m (vs €165m in the 9M17). Non-controlling interests in the period totalled €114m, decreasing by €14m YoY as a result of top-line performance.

Cash-Flow (€m)	9M18	9M17	Δ 18/17
Operating Cash-Flow	767	744	+3%
Retained Cash-Flow ¹	590	717	(18%)
Net Investments	1,025	697	+47%

Balance Sheet (€m)	9M18	2017	Δ %
PP&E (net)	13,938	13,185	+6%
Equity	7,921	7,895	+0%
Net Debt	3,482	2,806	+24%
Institutional Partnership Liabilities	1,130	1,249	(10%)

(1) Note that RCF includes tax benefits generated by the projects in the US under the TE structures, which are not included in Organic Free Cash-flow concept

In terms of cash generation, following EBITDA, income tax of the period, interests, banking and derivatives expenses and minority dividends/interest payments, 9M18 Retained Cash-Flow ("RCF") totalled €590m. RCF decreased by €127m vs reported in 9M17, while decreasing €46m (-7%) vs adjusted 9M17.

Total net investments in the 9M18, calculated as total capex net of financial investments, net of government grants and proceeds from asset rotation/sell down strategy (including the sell down of a 20% stake in a UK offshore wind farm for £36m) was €1,025m (+€328m YoY). In the 9M18, Net PP&E totaled €13.9bn, €753m higher YTD given investments and forex translations.

As of Sep-18, Net Debt totalled €3,482m (+€676m vs Dec-17) reflecting on the one hand assets' cash generated and on the other hand investments in the period, a settlement of a cross interest rate swap in place to hedge the USD investment in the US against forex differences and forex translation. Institutional Partnership Liabilities decreased to €1,130m (-€119m vs Dec-17), reflecting the benefits captured by the projects and tax equity partners despite forex translation (-\$190m vs Dec-17) and a new institutional tax equity financing in the period.

Consolidated Income Statement

(€m)	9M18	9M17	Δ 18/17
Electricity sales and other	1,100.6	1,179.3	(7%)
Income from Institutional Partnerships	138.3	166.4	(17%)
Revenues	1,238.9	1,345.7	(7.9%)
Other operating income	65.4	60.1	+9%
Operating Costs	(434.9)	(415.1)	(5%)
Supplies and services	(248.9)	(233.2)	(7%)
Personnel costs	(84.1)	(75.1)	(12%)
Other operating costs	(101.9)	(106.8)	+5%
EBITDA	869.4	990.7	(12%)
<i>EBITDA/Revenues</i>	<i>70%</i>	<i>74%</i>	<i>(5%)</i>
Provisions	(0.3)	(0.0)	(765%)
Depreciation and amortisation	(409.1)	(400.4)	(2%)
Amortisation of deferred income (government grants)	12.0	15.4	(22%)
EBIT	471.9	605.7	(22%)
Financial income/(expense)	(219.2)	(224.0)	+2%
Net interest costs of debt	(103.4)	(104.4)	+1%
Institutional partnerships costs	(60.5)	(69.4)	+13%
Capitalised financial expenses	15.7	10.1	+55%
Forex differences	(0.4)	(3.0)	+88%
Other	(70.7)	(57.3)	(23%)
Share of profit of associates	1.7	1.9	(13%)
Pre-Tax Profit	254.4	383.6	(34%)
Income taxes	(25.2)	(90.0)	+72%
Profit of the period	229.1	293.6	(22%)
Net Profit (Equity holders of EDPR)	115.2	165.5	(30%)
Non-controlling interests	113.9	128.1	(11%)

Balance sheet

Assets (€m)	9M18	2017
Property, plant and equipment, net	13,938	13,185
Intangible assets and goodwill, net	1,562	1,546
Financial investments, net	303	312
Deferred tax assets	162	64
Inventories	34	29
Accounts receivable - trade, net	287	364
Accounts receivable - other, net	309	235
Assets held for sale	111	58
Collateral deposits	39	43
Cash and cash equivalents	271	388
Assets held for sale	17,015	16,224
Equity (€m)	9M18	2017
Share capital + share premium	4,914	4,914
Reserves and retained earnings	1,283	1,146
Net Profit (Equity holders of EDPR)	115	276
Non-controlling interests	1,610	1,560
Total Equity	7,921	7,895
Liabilities (€m)	9M18	2017
Financial debt	3,792	3,237
Institutional partnerships	1,130	1,249
Provisions	289	276
Deferred tax liabilities	451	356
Deferred revenues from institutional partnerships	951	915
Other liabilities	2,481	2,297
Total Liabilities	9,094	8,329
Total Equity and Liabilities	17,015	16,224

EDPR: Income Statement by Region

9M18 (€m)	Europe	N. America	Brazil	Other/Adj.	EDPR
Electricity sales and other	643.4	427.1	33.6	(3.5)	1,100.6
Income from institutional partnerships	-	138.3	-	-	138.3
Revenues	643.4	565.4	33.6	(3.5)	1,238.9
Other operating income	19.6	33.3	1.8	10.7	65.4
Operating Costs	(205.5)	(200.0)	(10.2)	(19.2)	(434.9)
Supplies and services	(125.3)	(115.9)	(8.4)	0.6	(248.9)
Personnel costs	(21.9)	(40.9)	(1.2)	(20.1)	(84.1)
Other operating costs	(58.4)	(43.2)	(0.6)	0.3	(101.9)
EBITDA	457.4	398.7	25.2	(11.9)	869.4
<i>EBITDA/Revenues</i>	<i>71%</i>	<i>71%</i>	<i>75%</i>	<i>n.a.</i>	<i>70%</i>
Provisions	(0.3)	-	0.0	0.0	(0.3)
Depreciation and amortisation	(184.2)	(213.8)	(8.9)	(2.2)	(409.1)
Amortisation of deferred income (government grants)	0.5	11.4	0.0	(0.0)	12.0
EBIT	273.3	196.3	16.3	(14.1)	471.9

EDPR Europe: Income Statement by Country

9M18 (€m)	Spain	Portugal	RoE	Other/Adj ⁽¹⁾	Total Europe
Revenues	289.0	200.5	175.1	(21.2)	643.4
Operating Costs and Other operating income	(91.4)	(33.6)	(55.5)	(5.6)	(186.0)
EBITDA	197.6	166.9	119.6	(26.8)	457.4
<i>EBITDA/Revenues</i>	<i>68%</i>	<i>83%</i>	<i>68%</i>	<i>n.a.</i>	<i>71%</i>
Depreciation, amortisation and provisions	(79.9)	(40.6)	(60.2)	(3.3)	(184.1)
EBIT	117.7	126.3	59.4	(30.1)	273.3

⁽¹⁾ **Important note on Spain and Other:** Pursuant the changes in the Spanish regulatory framework, EDPR hedges its exposure to the Spanish pool price, accounted at the European platform level (Other/Adj.)

Note on Offshore: From 2018 onwards Offshore is no longer reported under European platform.

Asset Base

Installed Capacity (MW)	9M18	YTD	vs 9M17	Under Construc.
EBITDA MW				
Spain	2,312	+68	+68	-
Portugal	1,280	+27	+27	76
France	421	+11	+15	15
Belgium	71	-	-	-
Poland	418	-	-	-
Romania	521	-	-	-
Italy	181	+37	+37	74
Europe	5,204	+143	+147	165
United States	5,133	+78	+303	598
Canada	30	-	-	-
Mexico	200	-	-	-
North America	5,363	+78	+303	598
Brazil	331	-	+127	137
Total EBITDA MW	10,897	+221	+576	900
Equity Consolidated (MW)				
Spain	152	-	-	-
United States	179	-	-	-
Total Equity Consolidated	331	-	-	-
Total EBITDA MW + Equity Consolidated	11,228	+221	+576	900

Capital Expenditures and PP&E

Investments (€m)	9M18	9M17	Δ %	Δ €
Europe	253.7	83.5	+204%	+170
North America	537.4	480.4	+12%	+57
Brazil	130.8	150.2	(13%)	(19)
Other	3.8	0.4	-	+3
Total Capex	925.8	714.5	+30%	+211
Financial investments/(divestments)	142.1	(17.2)	-	+159
Government grant	-	-	-	-
Asset rotation/Sell-down proceeds	(43.0)	-	-	(43)
Net Investments	1,024.9	697.3	+47%	+328
Property, Plant & Equipment - PP&E (€m)				
PP&E (net)	13,938	13,185	+753	
(-) PP&E assets under construction	1,580	949	+631	
(=) PP&E existing assets (net)	12,358	12,236	+122	
(+) Accumulated Depreciation	5,502	5,025	+477	
(-) Government Grants	516	524	(8)	
(=) Invested capital on existing assets	17,343	16,737	+606	

Operating Performance

Load Factor	9M18	9M17	Δ 18/17
Europe	25%	26%	(1pp)
North America	34%	34%	(0pp)
Brazil	39%	42%	(3pp)
Total	30%	30%	(0.5pp)
Renewables Index (vs P50)	96%	99%	(2pp)
Electricity Generation (GWh)	9M18	9M17	Δ 18/17
Europe	8,256	8,514	(3%)
North America	11,575	10,739	+8%
Brazil	836	564	+48%
Total	20,667	19,817	+4%
Selling Prices (per MWh)	9M18	9M17	Δ 18/17
Europe	€77.8	€82.7	(6%)
North America	\$45.7	\$47.1	(3%)
Brazil	R\$194.3	R\$268.9	(28%)
Average Selling Price	€53.7	€60.6	(11%)
Electricity Sales and Other (€m)	9M18	9M17	Δ 18/17
Europe	643.4	702.7	(8%)
North America	427.1	438.0	(2%)
Brazil	33.6	40.0	(16%)
Total	1,100.6	1,179.3	(7%)
Income from Institutional Partnerships (€m)	9M18	9M17	Δ 18/17
Total	138.3	166.4	(17%)
Revenues	9M18	9M17	Δ 18/17
Revenues (€m)	1,238.9	1,345.7	(8%)
Revenues per avg. MW in operation (€k)	115.9	134.0	(13%)
Efficiency and Profitability Ratios	9M18	9M17	Δ %
Revenues/Average MW in operation (€k)	115.9	134.0	(13%)
Core Opex (S&S + PC) /Average MW in operation (€k)	31.2	30.7	+2%
Core Opex (S&S + PC) /MWh (€)	16.1	15.6	+4%
EBITDA margin	70%	74%	(3pp)
EBITDA/Average MW in operation (€k)	81.3	98.6	(18%)

Note: Operational Performance considers only capacity consolidated at EBITDA level

Cash-Flow

Cash-Flow	9M18	9M17	Δ 18/17
EBITDA	869	991	(12%)
Current income tax	(37)	(46)	+20%
Net interest costs	(103)	(104)	+1%
Share of profit of associates	2	2.2	(25%)
FFO (Funds From Operations)	731	843	(13%)
Net interest costs	103	104	(1%)
Share of profit of associates	(2)	(2.2)	+25%
Income from institutional partnerships	(133)	(166)	+20%
Non-cash items adjustments	24	(32)	-
Changes in working capital	43	(3)	-
Operating Cash-Flow	767	744	+3%
Capex	(926)	(715)	(30%)
Financial (investments) divestments	(142)	17.2	-
Changes in working capital related to PP&E suppliers	156	(144)	-
Government grants	-	(0.0)	-
Net Operating Cash-Flow	(144)	(97)	(50%)
Sale of non-controlling interests and Sell-down Strategy	43	248	(83%)
Payments to institutional partnerships	71	101	(30%)
Proceeds from institutional partnerships	(120)	(175)	+31%
Net interest costs (post capitalisation)	(88)	(94)	+7%
Dividends net and other capital distributions	(122)	(98)	(25%)
Forex & others	(315)	(129)	(143%)
Decrease / (Increase) in Net Debt	(676)	(244)	(177%)

Net Debt and Institutional Partnership Liability

Net Debt (€m)	9M18	2017	Δ €
Nominal Financial Debt + Accrued interests on Debt	3,792	3,237	+555
Collateral deposits associated with Debt	-39	-43	+4
Total Financial Debt	3,753	3,194	+559
Cash and cash equivalents	271	388	(117)
Loans to EDP Group related companies and cash pooling	0.01	0.02	(0.2)
Cash & Equivalents	271	388	(117)
Net Debt	3,482	2,806	+676
Average Debt (€m)	9M18	2017	Δ %
Average nominal financial debt	3,550	3,476	+2.1%
Average net debt	3,125	3,048	+3%
Net Debt Breakdown by Assets (€m)	9M18	2017	Δ €
Net debt related to assets in operation	3,233	2,553	+680
Net debt related to assets under construction & develop.	248	253	(5)
Institutional Partnership (€m)	9M18	2017	Δ €
Institutional Partnership Liability	1,130	1,249	(119)