



November, 08th 2018

RESULTS REPORT 9M18



9M18 HIGHLIGHTS



RESULTS
REPORT

MAIN INDICATORS

€M	3Q18	9M18	9M17	Δ%	Δ Abs.
EBITDA¹⁾	125.9	378.4	364.4	3.8%	14.0
Financial Result¹⁾	-16.2	-43.5	-44.5	2.3%	1.0
Net Profit	38.0	90.9	88.9	2.3%	2.0
Recurrent Net Profit	34.0	112.5	116.9	-3.8%	-4.4
Average RAB	3,835.2	3,835.2	3,462.5	10.8%	372.6
CAPEX	27.8	67.2	80.3	-16.3%	-13.1
Net Debt²⁾	2,643.8	2,643.8	2,540.6	4.1%	103.2

1) Financial result from the interconnection capacity auctions between Spain and Portugal (-€0.3M in 9M18 and 9M17) – known as FTR (Financial Transaction Rights) was reclassified from Financial Result to Revenues (EBITDA level);

2) Fixed/Variable rates: 62%/38%;

3) LPG: Liquefied Petroleum Gas.

- ▶ In 9M18, EBITDA grew by 3.8% (€14.0M) yoy to €378.4M, while Net Profit rose by 2.3% (€2.0M) yoy to €90.9M;
- ▶ EBITDA increase was mainly driven by the consolidation of Portgás (€31.8M), the contribution from OPEX (€8.0M) and the sale of the LPG(1) business (€4.0M). Portgás added €460.5M to the average RAB, which totalized €3,835.2M (€3,462.5M in 9M17). Nevertheless, revenues suffered from lower remuneration rates, due to the parameters set for the current electricity regulatory period and the decline in bond yields;
- ▶ REN's solid Financial performance (2.3%, to -€43.5M), with the average cost of debt displaying a reduction (2.3%, versus 2.6% in 9M17) contributed to Net Profit stability. Though, it was penalized by two main effects: (1) the increase in Amortizations (€13.4M), due to the integration of Portgás; and (2) the maintenance of the extraordinary energy sector levy (€25.4M in 2018 and €125M in 5 years), that brought the effective tax rate to 38.7%. Excluding extraordinary effects, Recurrent Net Profit amounted to €112.5M (-3.8%, -€4.4M);
- ▶ In 16th October 2018, Standard & Poor's Global Ratings (S&P) upgraded REN's corporate credit rating to BBB/A-2 from BBB-/A-3, with a stable outlook. Thus, REN strengthened further its position as the Portuguese company with the best rating from all three major agencies.

CAPEX DECLINED BY €13.1M

Portgás contributed with €14.4M

CAPEX and RAB

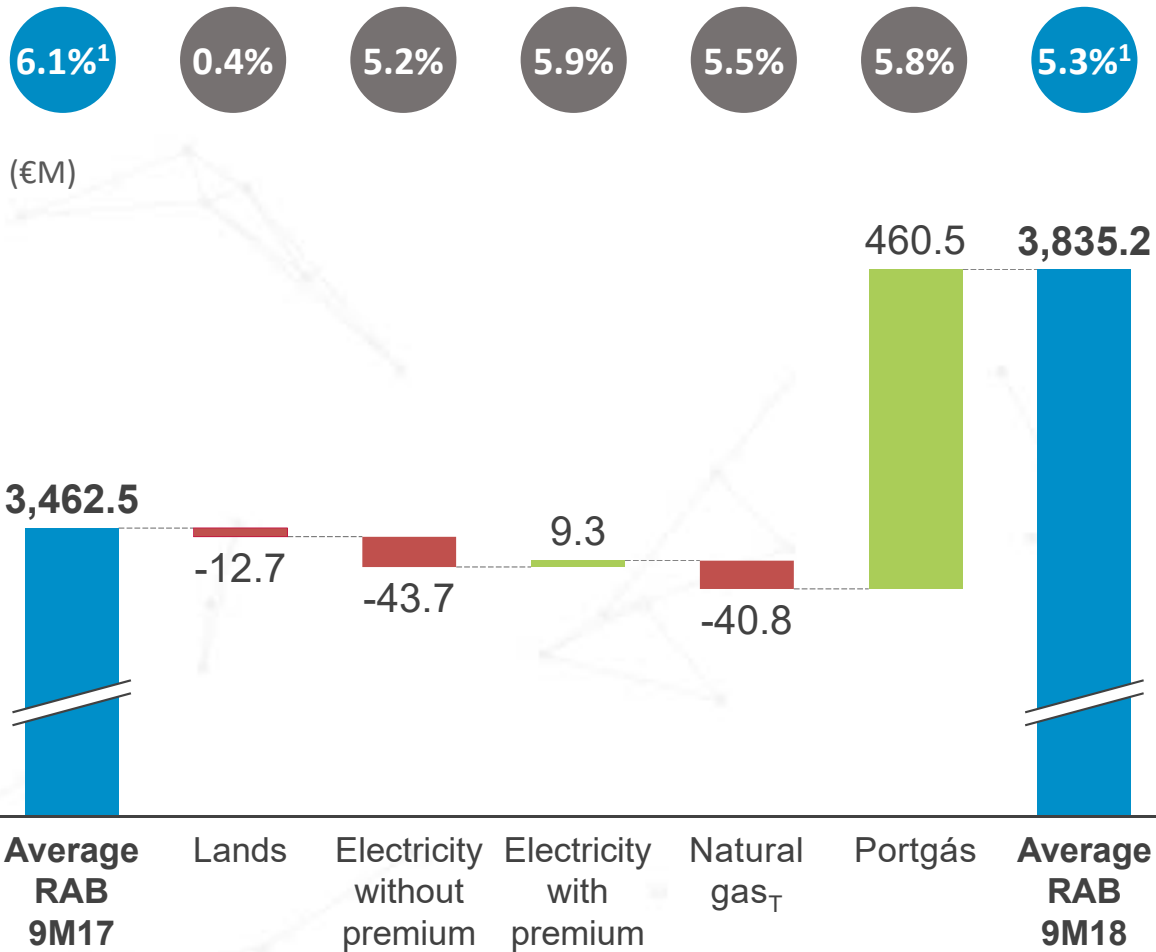
€M	9M18	9M17	Δ%	Δ Abs.
Average RAB	3,835.2	3,462.5	10.8%	372.6
Electricity	2,094.9	2,129.4	-1.6%	-34.4
Land	244.5	257.2	-4.9%	-12.7
Natural gas _T	1,035.2	1,076.0	-3.8%	-40.8
Natural gas _D	460.5	0.0		460.5
RAB end of period	3,771.8	3,405.2	10.8%	366.7
Electricity	2,055.8	2,096.6	-1.9%	-40.7
Land	239.8	252.4	-5.0%	-12.6
Natural gas _T	1,015.2	1,056.2	-3.9%	-41.1
Natural gas _D	461.1	0.0		461.1
CAPEX	67.2	80.3	-16.3%	-13.1
Electricity	47.5	74.8	-36.5%	-27.3
Natural gas _T	5.2	5.4	-3.1%	-0.2
Natural gas _D	14.4	0.0		14.4
Other	0.1	0.1	-12.3%	0.0
RAB variation e.o.p.	-126.9	-114.6		
Electricity	-78.4	-65.4		
Land	-9.4	-9.6		
Natural gas _T	-40.1	-39.6		
Natural gas _D	1.1	0.0		

Note: T - Transmission; D - Distribution; OHL - Overhead Line.

- ▶ In 9M18, **CAPEX** was €67.2M (-€13.1M), of which Portgás contributed with €14.4M. **Average RAB** rose by 10.8% to €3,835.2M, again helped by Portgás (€460.5M);
- ▶ The following projects were completed within the scope of the **electricity transmission** infrastructure:
 - Insulation refurbishment of the 150 kV overhead line Ourique-Tavira;
 - New transformer 220/60 kV, 126 MVA, in Tábua substation;
 - Opening of the Palmela-Fanhões overhead line for the Alcochete substation.
- ▶ Within **NG transportation and storage** investments were in line with budgeted, highlighting the following upgrades:
 - Experion platform of command & control;
 - Anti-corrosive protection of pipes & equipment.
- ▶ **Portgás** capex is proceeding according to plan, both in unitary and overall investment costs. Investments this period were focused in networks expansion and densification on existing ones, mainly for B2C clients. Portgás is also investing in its information systems.

AVERAGE RAB INCREASED BY 10.8%

Essentially due to Portgás assets integration (€460.5M)



- ▶ Including Portgás, average RAB increased by €372.6M to €3,835.2M (€3,462.5M in 9M17), despite the negative path of NG transmission and electricity without premium;
- ▶ In the electricity business, the base rate of return (RoR) fell to 5.2% from 6.3%. Electricity with premium (with a 5.9% RoR) increased by €9.3M vs 9M17, while lands, the category with the lowest RoR (0.4%), dropped the value of its average RAB of €12.7M, to €244.5M year-on-year;
- ▶ In natural gas transmission, the average RAB fell by €40.8M (RoR 5.5%);
- ▶ At the end of 9M18, electricity accounted for 54.6% of the average RAB, natural gas for 39.0% (Portgás included) and lands for the remaining 6.4%.

1) RoR is equal to the specific asset remuneration, divided by the average RAB.

EBITDA IMPROVED BY 3.8% TO €378.4M

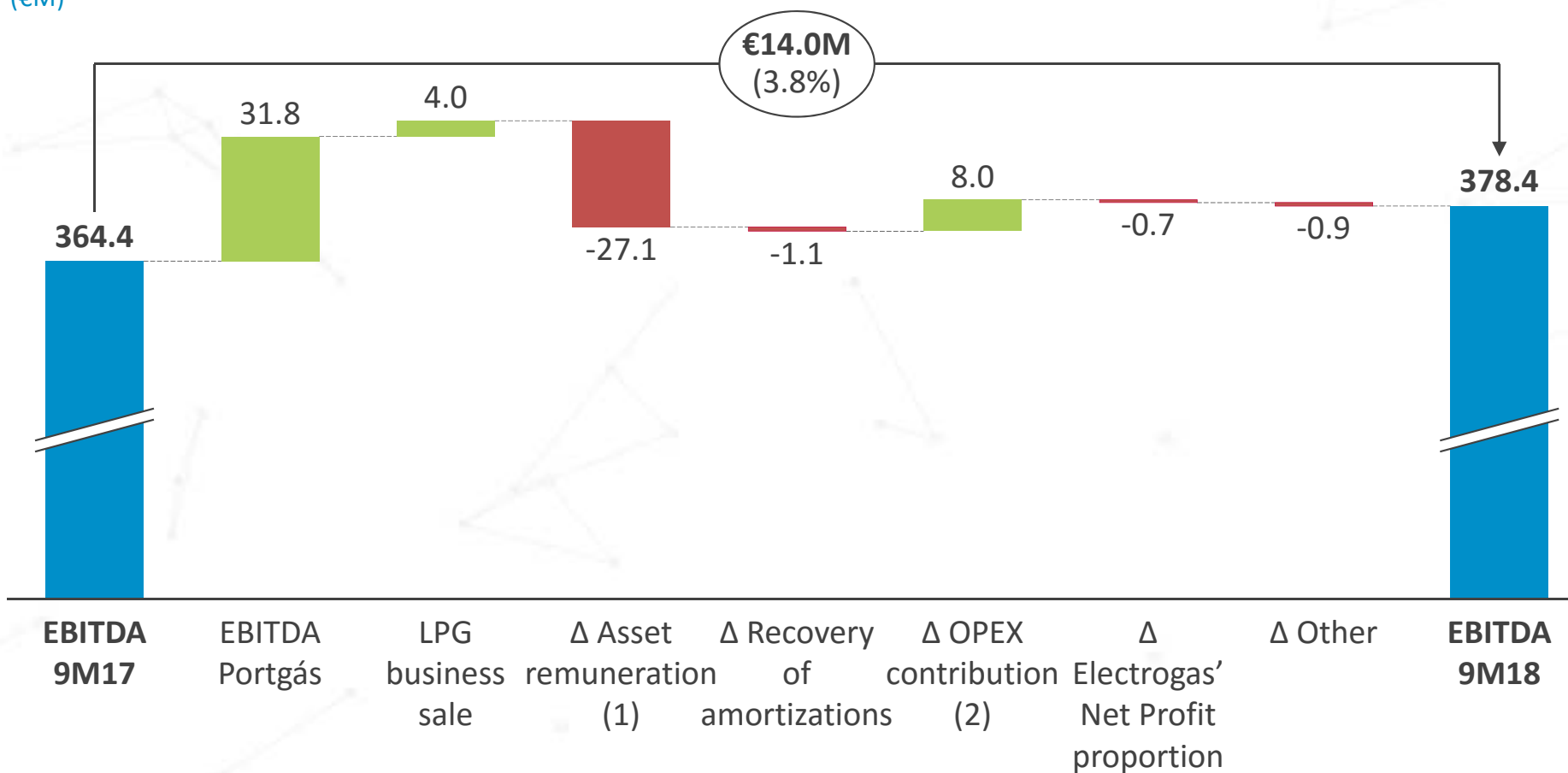
Portgás contribution was €35.7M, of which €4.0M were related to the LPG business sale



RESULTS
REPORT

EBITDA

(€M)



(1) Includes -Δ€0.6M of NG tariff smoothing effect (natural gas);

(2) Includes €1.2M related to the one-off costs with Electrogas (in 1Q17) and -Δ€0.02M of OPEX own works.

TRANSMISSION RAB REMUNERATION DECREASED BY €26.5M

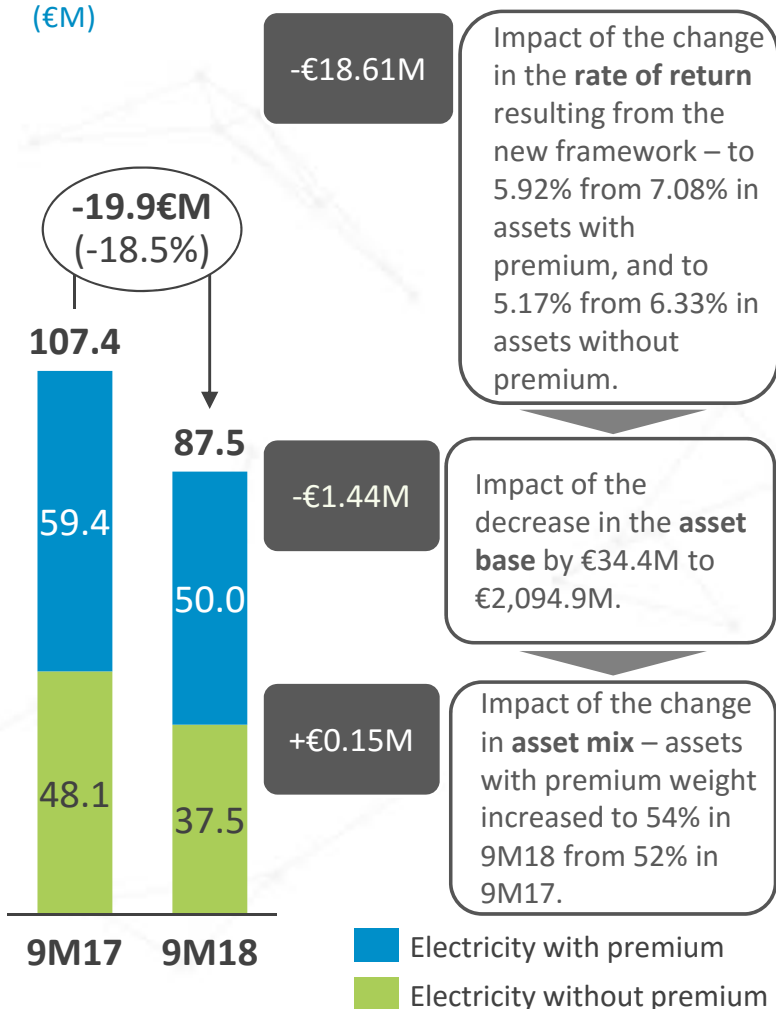
Partially offset by Portgás integration



RESULTS
REPORT

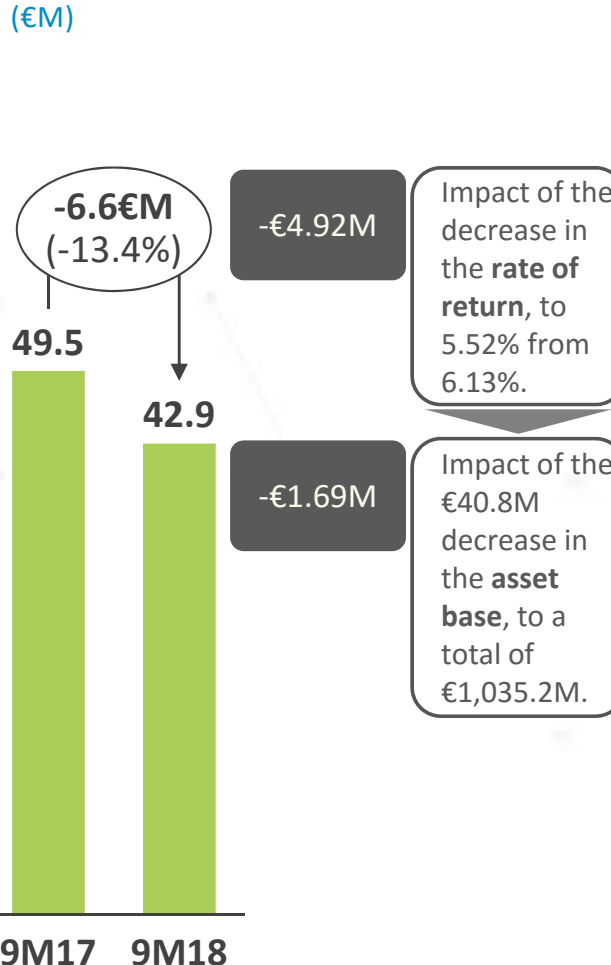
RAB REMUNERATION ELECTRICITY

(ex. Lands)
(€M)



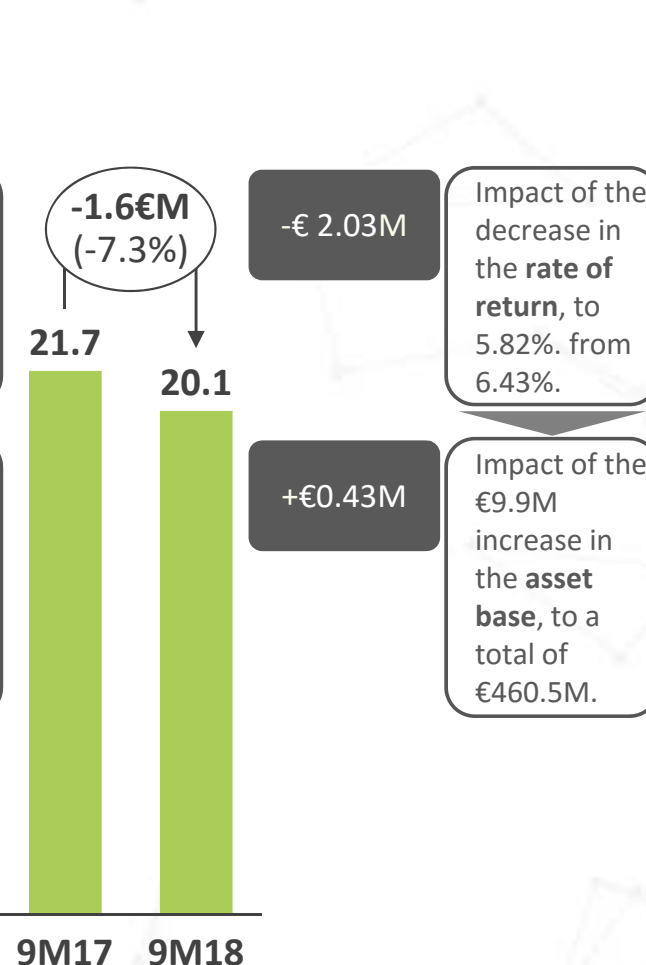
RAB REMUNERATION NATURAL GAS_T

(ex. tariff smoothing effect)
(€M)



RAB REMUNERATION PORTGÁS⁽¹⁾

(€M)



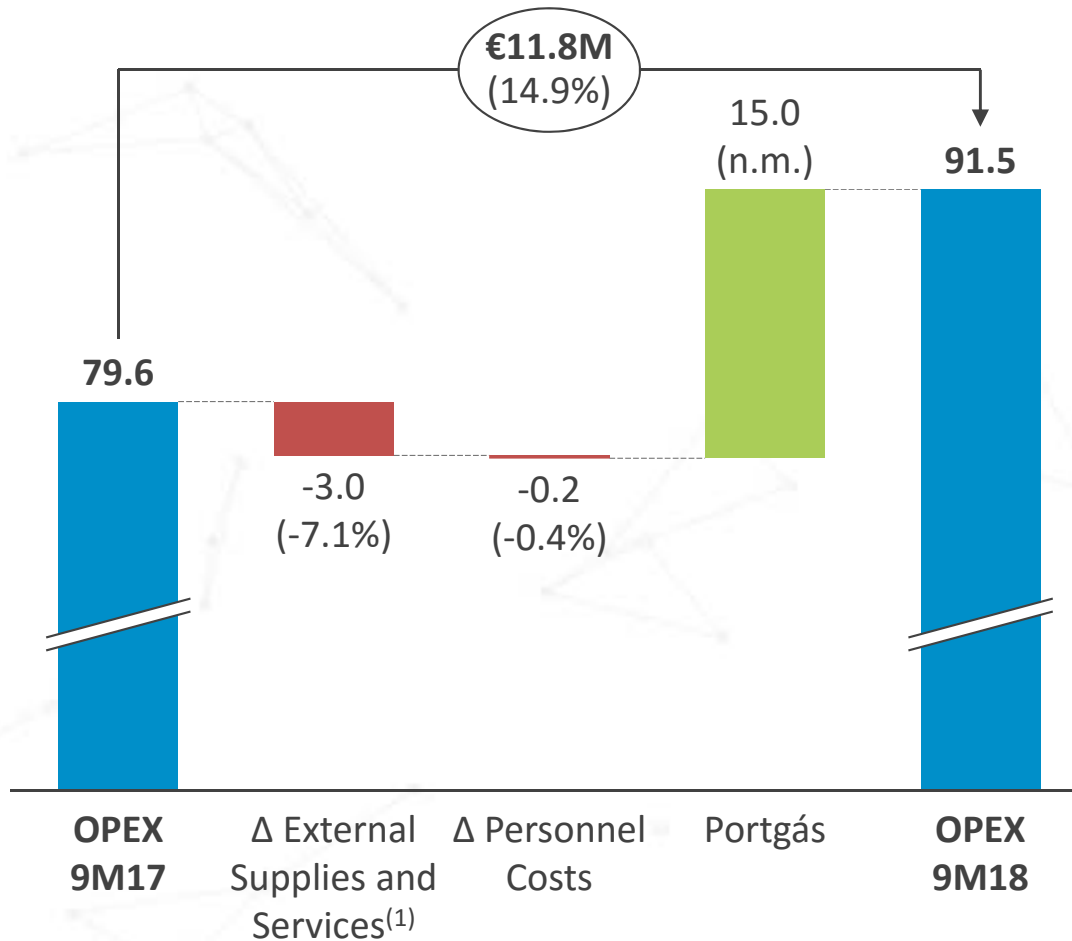
1) Portgás accounted for asset returns using ERSE's *ex-ante* allowed return (6.42%). REN used the effective rate calculated using the 10-Year bond yields (6.43%). In this period, Portgás wasn't included in the REN's consolidation perimeter.

OPEX ROSE BY 14.9% TO €91.5M

Excluding Portgás, OPEX fell by 4.0%

OPERATIONAL COSTS

(€M)



- ▶ OPEX variation was mainly affected by the acquisition of Portgás;
- ▶ External Supplies and Services include €1.2M from Electrogas acquisition in 2017.

⁽¹⁾ Include -Δ€0.4M of Other Operating Costs.

CORE OPEX WAS 15.5% HIGHER VERSUS 9M17

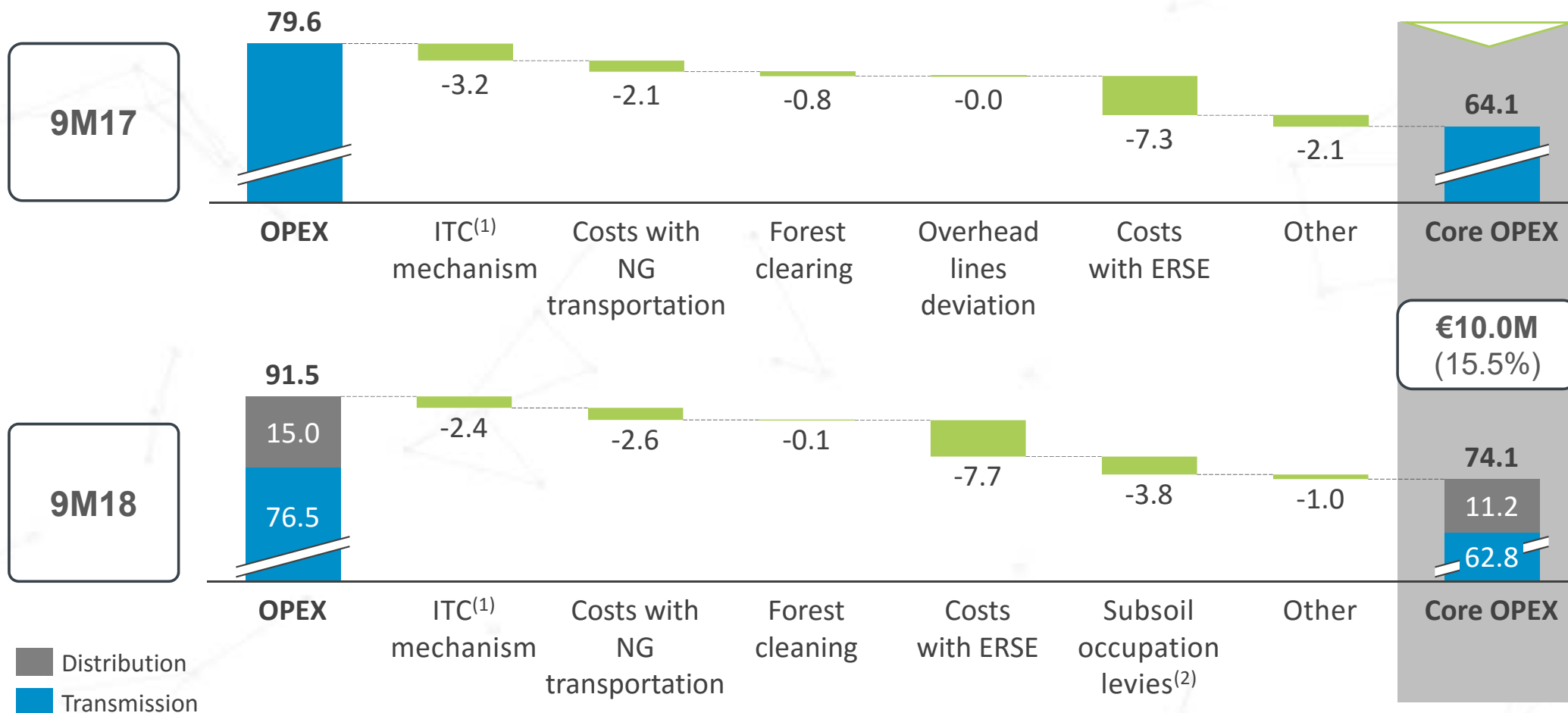
Excluding Portgás it was 2.0% below the previous year



RESULTS
REPORT

CORE OPEX

(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits;

(2) Related to Portgás.

BELOW EBITDA

Financials benefited from the lower average cost of debt

REN

RESULTS
REPORT

€M	9M18	9M17	Δ%	Δ Abs.
EBITDA	378.4	364.4	3.8%	14.0
Depreciations and amortizations	176.2	162.8	8.2%	13.4
Financial Result	-43.5	-44.5	2.3%	1.0
Profit before income tax and levy	158.7	157.1	1.0%	1.6
Taxes	42.4	42.4	0.1%	0.0
Extraordinary levy	25.4	25.8	-1.5%	-0.4
Net Profit	90.9	88.9	2.3%	2.0
Recurrent Net Profit	112.5	116.9	-3.8%	-4.4

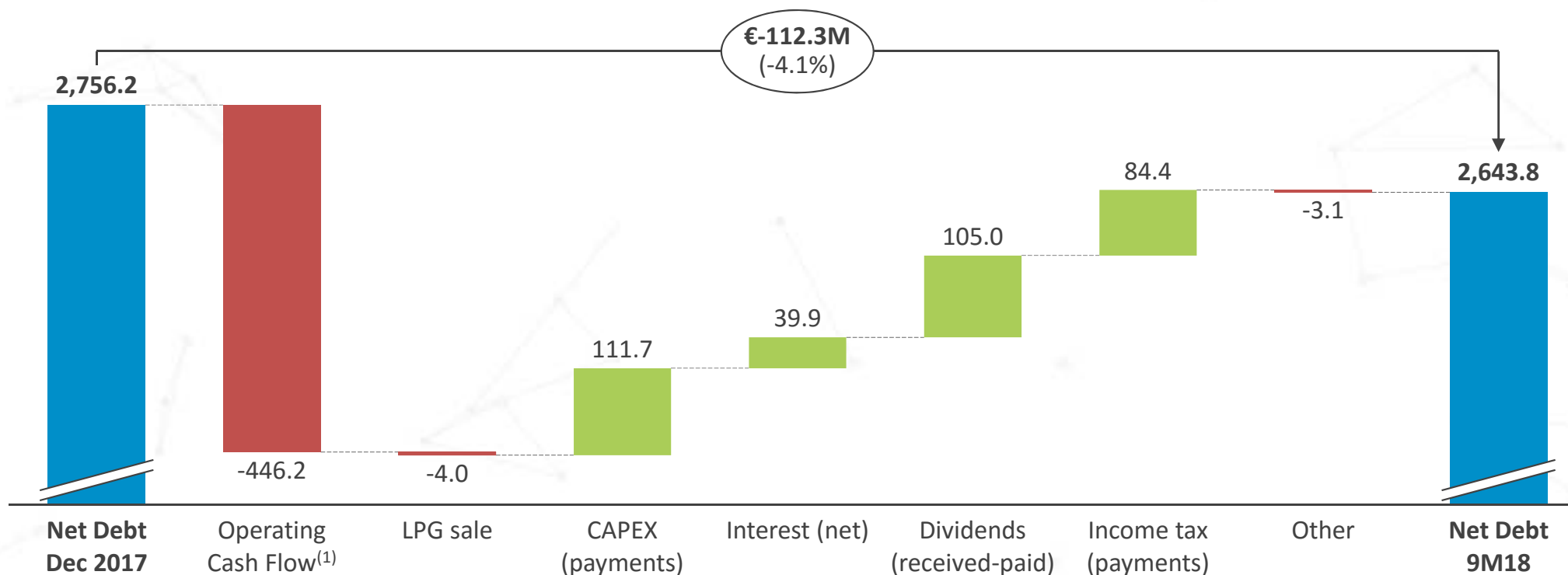
- ▶ **Average cost of debt** stood at 2.3% versus 2.6% in 9M17;
- ▶ **Financial Result** improved by 2.3%, impacted by lower average cost of debt, despite the increase of Net Debt due to the acquisition of Portgás.

- ▶ **Depreciations and amortizations** expanded by 8.2% to €176.2M, as a result of Portgás integration;
- ▶ Reported **Income Tax** slightly higher by 0.1% to €42.4M. The effective tax rate reached **26.7%**, without taking into account the special levy on the energy sector;
- ▶ In 9M18, the Group was taxed at a Corporate Income Tax rate of 21%, added by a municipal surcharge up to the maximum of 1.5% over the taxable profit plus (i) a State surcharge of an additional 3.0% of taxable profit between €1.5M and €7.5M; (ii) an additional 5.0% of taxable profit in excess of €7.5M and up to €35.0M; and (iii) 9.0% over the taxable profit in excess of €35.0M.

NET DEBT DECLINED BY 4.1% TO €2,643.8M

NET DEBT

(€M)



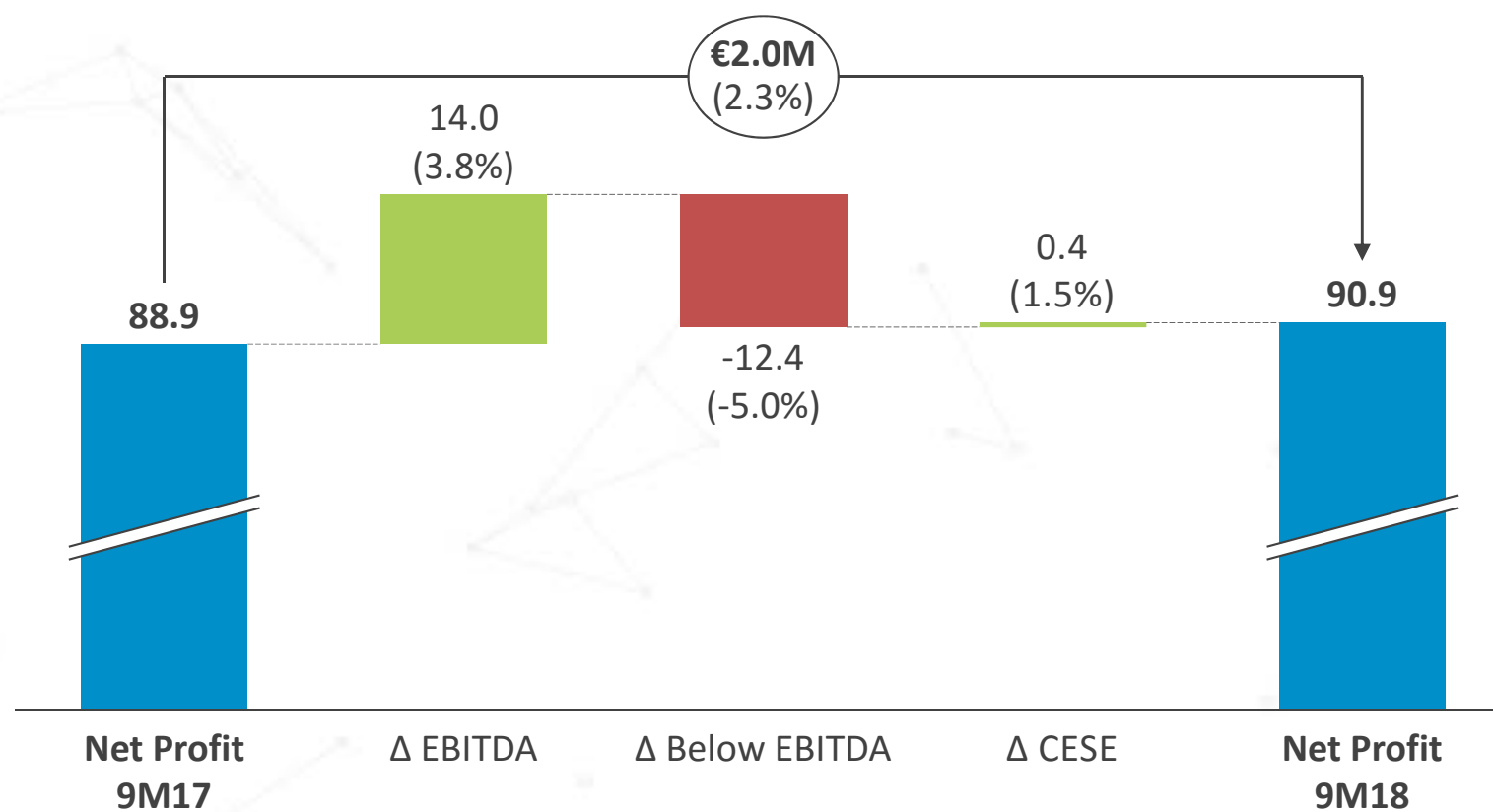
- ▶ The **Average cost of debt** decreased to 2.3%, versus 2.6% in 9M17.

(1) Includes Δ€51.2M of positive **tariff deviations**.

NET PROFIT ROSE BY 2.3% TO €90.9M

NET PROFIT

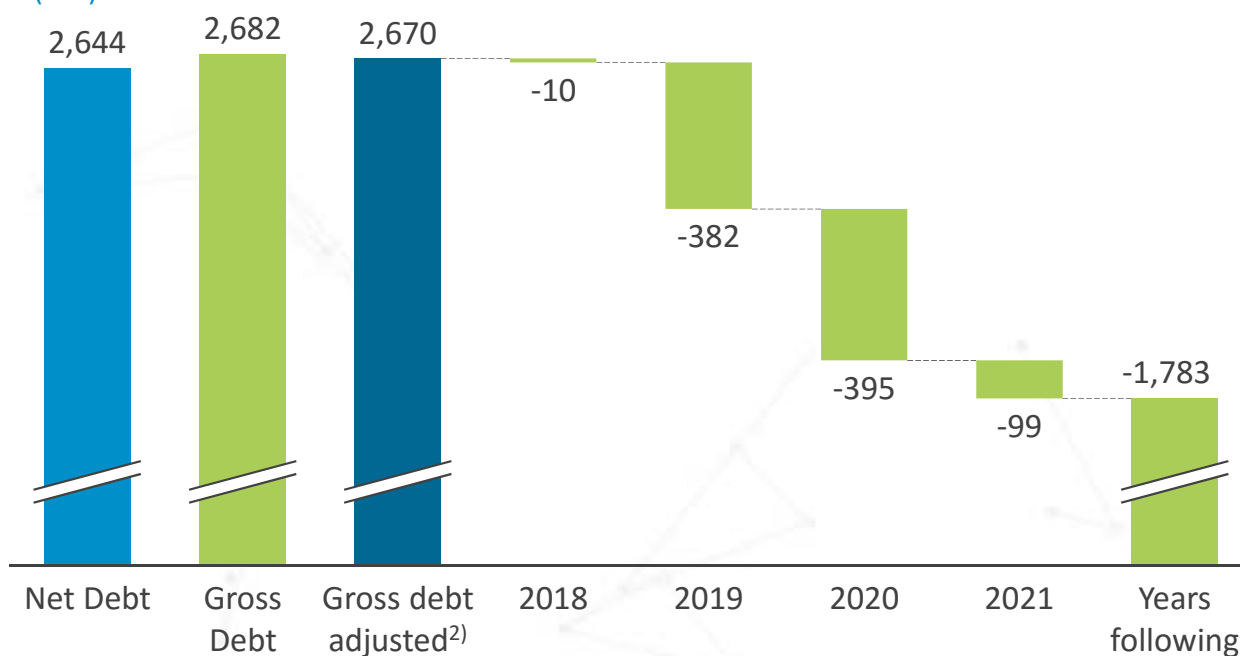
(€M)



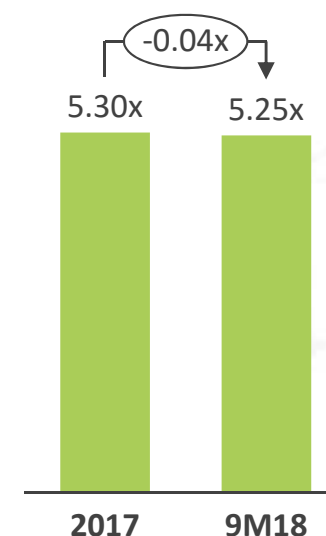
REN IS FUNDED OVER THE NEXT TWO YEARS

DEBT MATURITY SCHEDULE

(€M)



Net Debt / EBITDA¹⁾



- ▶ In 9M18, the cost of REN's debt reduced by 2.3% due to improvements in market conditions and REN's own risk profile that warrants its debt as investment grade by the three major rating agencies - S&P, Fitch and Moody's;
- ▶ In October, S&P has risen REN's rating status to "BBB / A-2", that lead to a more favourable climate among REN's creditors and helps to open the door for future issues of debt securities at potentially lower costs;
- ▶ The average debt maturity at the end of the period was **4.63** years.

1) The ratio was affected by the Portgás acquisition;

2) Value adjusted by interest accruals and hedging on yen denominated debt.

BALANCE SHEET



RESULTS
REPORT

€M	9M18	2017
Fixed assets c. related	4,081.8	4,179.2
Investments and goodwill ¹	350.0	345.5
Tariff deviations	97.8	105.4
Receivables ²	435.3	539.8
Cash	27.6	61.5
Other ³	120.6	133.4
Total assets	5,113.2	5,364.7
Shareholders equity	1,420.5	1,429.2
Debt (end of period)	2,682.4	2,829.7
Provisions	9.0	9.0
Tariff deviations	126.3	110.5
Payables ⁴	750.2	857.3
Other ⁵	124.7	128.9
Total equity and liabilities	5,113.2	5,364.7

- ▶ The total amount of **fixed assets concessions related** increased to **€4,081.8M** (this value includes investment subsidies);
- ▶ **Investments and goodwill** (1) increased to €350.0M from €345.5M at the end of 2017. This item includes goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates (including Electrogas) and other investments;
- ▶ **Receivables** (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €435.3M in 9M18, increasing from €539.8M at the end of 2017;
- ▶ **Other Assets** (3) stood at €120.6M. This item consists of inventories, guarantee deposits, fixed assets and assets in progress (not RAB related);
- ▶ **Payables** (4) include trade and other payables, deferred tax liabilities and income tax payable. These totalized €750.2M at the end of the period, versus €857.3M in 2017;
- ▶ **Other liabilities** (5) stood at €124.7M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€128.9M in 2017).

THE BALANCE OF TARIFFS DEVIATIONS AMOUNTED TO €14.4M

To be received from tariffs over the next two years

REN

RESULTS
REPORT

TARIFF DEVIATIONS

€M	9M18	2017
Electricity ¹⁾	35.6	94.2
Trading	57.6	46.8
Natural gas _T	-80.2	-73.4
Natural gas _D	1.4	-2.1
TOTAL	14.4	65.7

- ▶ The value of the tariff deviations is paid in full and with interest over a two year period from the moment it is created.

1) Value adjusted to include the amount to be received from the Fund for the Systemic Sustainability of the Energy Sector (FSSSE) related with the PPA's (€70.8M in 2017 and €37.0M in 9M18).

BORROWINGS

€M	Current	Non Current	TOTAL
Bonds	30.0	1,731.6	1,761.6
Bank borrowings	200.0	565.8	765.7
Commercial paper	150.0	0.0	150.0
Bank overdrafts	1.5	0.0	1.5
Finance lease	1.3	1.9	3.2
TOTAL	382.8	2,299.3	2,682.1
Accrued interest	30.5	0.0	30.5
Prepaid interest	-6.0	-24.2	-30.2
TOTAL	407.4	2,275.0	2,682.4

- ▶ In 9M18, REN's total liquidity reached €904M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ **Bank borrowings** were mainly represented by EIB loans (€418.0M);
- ▶ The Group had **credit lines** negotiated and not used in the amount of €91.5M, maturing up to one year, which are automatically renewed periodically (if they are not resigned in the contractually specified period for that purpose);
- ▶ REN also had five active **commercial paper** programmes in the amount of €975M, of which €825M were available for use;
- ▶ REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge, Leverage ratios and Gearing (ratio of total consolidated equity with the total consolidated regulated assets).

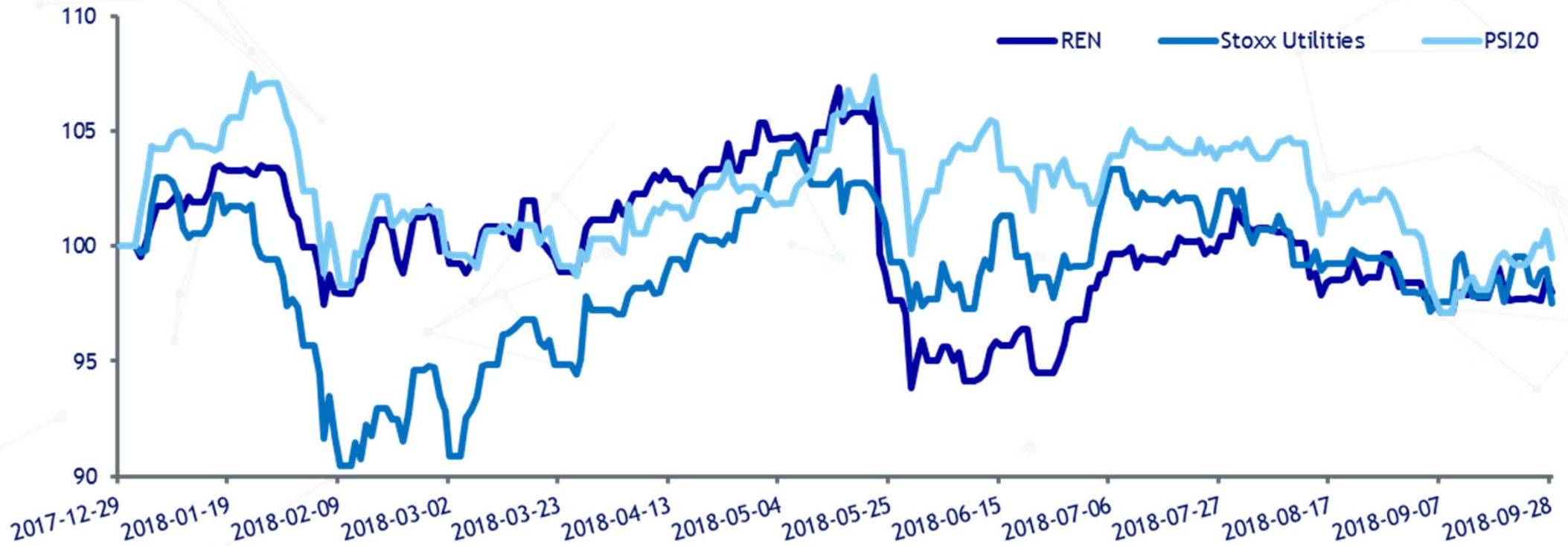
SHARE PERFORMANCE

In the end of first half, REN's share price was -2.0% YTD



RESULTS
REPORT

ANNUALIZED CLOSING PRICES



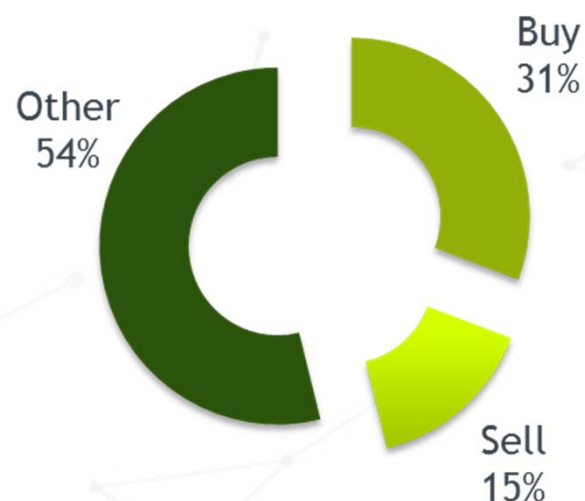
ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ Average Price target

€2.71

- ▶ Upside/Downside(+/-)

15.0%



CMVM: MAIN PRESS RELEASES

(from January 2018)

- ▶ **Jan-23:** Qualified shareholding and transactions over REN shares (Fidelidade, Jorge Magalhães Correia)
- ▶ **Feb-21:** Summary of annual information disclosed in 2017
- ▶ **Mar-15:** 2017 Consolidated results
- ▶ **Mar-23:** Notice to convene the Annual General Shareholders Meeting and deliberation proposals
- ▶ **Mar-23:** Accounts Reporting Document referring to the financial year 2017 - Item 1 of the agenda for the General Shareholders Meeting
- ▶ **May-03:** 1Q18 Consolidated results
- ▶ **May-03 :** Resolutions approved at the general shareholders meeting
- ▶ **May-04 :** Strategic Update 2018-2021
- ▶ **May-10 :** Payment of dividends relating to the financial year of 2017
- ▶ **May-30 :** Manager's transaction over REN' shares (Manuel Sebastião)
- ▶ **Jul-02:** Sale of LPG business
- ▶ **Jul-03 :** Supplement to the communication of 02 July
- ▶ **Jul-26:** 1H18 Consolidated results
- ▶ **Oct-16:** S&P raises REN's rating to BBB/A-2, with a stable outlook

1) October 22th, 2018.

REN'S TOTAL SHAREHOLDER RETURN WAS +4.8% (YTD)

REN	9M18	2017
END OF PERIOD		
Price (€)		
Close	2.430	2.479
Average	2.479	2.510
High YTD	2.650	2.767
Low YTD	2.326	2.254
<i>Variation YTD</i>	-2.0%	3.4%
Market cap. (€M)	1,621	1,654
Number of shares	667.191262	667,191,262
Own shares (mn)	3.9	3.9
Volume (th shares)	0.534	0.644
Average Daily Volume (th shares)	1.073	838
Performance indicators		
Dividend yield	7.0%	6.5%
Total shareholder return YTD	4.8%	10.1%
Cumulative total return*		
REN	85.3%	76.7%
PSI20	-37.8%	-39.9%
EuroStoxx Utilities	-9.6%	-11.3%

*Inception to date (July 09th 2007).

The background of the slide is a network diagram. It consists of numerous small grey dots representing nodes, connected by thin grey lines representing edges. The nodes are scattered across the page, with some forming small clusters or triangles. A prominent feature is a cluster of nodes on the left side, where several nodes are highlighted in a bright green color. The overall layout is clean and modern, with a white background.

RESULTS BREAKDOWN



RESULTS
REPORT

€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
1) TOTAL REVENUES	523.0	512.1	747.8	2.1%	10.9
Revenues from assets	339.9	338.4	460.3	0.5%	1.6
Return on RAB	150.5	156.9	215.7	-4.1%	-6.4
Electricity	87.5	107.4	143.9	-18.5%	-19.9
Natural gas	42.9	49.5	64.7	-13.4%	-6.6
Portgás	20.1	0.0	7.1		20.1
Hydro land remuneration	0.2	0.2	0.2	-4.9%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	16.2	16.2	21.8	0.0%	0.0
Tariff smoothing effect (natural gas)	0.0	0.6	0.6		-0.6
Recovery of amortizations (net from subsidies)	159.1	150.5	203.4	5.7%	8.6
Subsidies amortization	13.5	13.5	18.0	-0.3%	0.0
Revenues of OPEX*	93.2	75.2	108.2	23.9%	18.0
Other revenues	23.4	18.3	24.7	27.8%	5.1
Construction revenues (IFRIC 12)	66.5	80.2	154.7	-17.1%	-13.7
2) OPEX**	91.5	79.6	121.5	14.9%	11.8
Personnel costs	41.1	37.3	51.8	10.0%	3.7
External supplies and services	35.4	32.0	55.0	10.9%	3.5
Other operational costs	15.0	10.3	14.7	44.8%	4.6
3) Construction costs (IFRIC 12)	52.9	67.8	136.7	-22.0%	-14.9
4) Depreciations and amortizations	176.2	162.8	222.0	8.2%	13.4
5) Other	0.3	0.3	2.1	-3.8%	0.0
6) EBIT	202.2	201.6	265.5	0.3%	0.6
7) Depreciations and amortizations	176.2	162.8	222.0	8.2%	13.4
8) EBITDA	378.4	364.4	487.5	3.8%	14.0
9) Depreciations and amortizations	176.2	162.8	222.0	8.2%	13.4
10) Financial result	-43.5	-44.5	-61.2	2.3%	1.0
11) Income tax expense	42.4	42.4	52.5	0.1%	0.0
12) Extraordinary contribution on energy sector	25.4	25.8	25.8	-1.5%	-0.4
13) NET PROFIT	90.9	88.9	125.9	2.3%	2.0
14) Non recurrent items*	21.6	28.0	28.9	-22.8%	-6.4
15) RECURRENT NET PROFIT	112.5	116.9	154.8	-3.8%	-4.4

* NON RECURRENT ITEMS:

9M18: i) Extraordinary energy sector levy, as established in the 2018 State budget law (€25.4M); ii) One-off gains related to the sale of LPG business in July, net from associated costs (€3.7M, €3.8M after taxes);

9M17: i) Extraordinary energy sector levy, as established in the 2017 State budget law (€25.8M); ii) one-off costs from the Electrogas and Portgás acquisition processes (€2.0M, €1.5M after taxes); iii) Electrogas acquisition stamp duty (€1.0M, €0.8M after taxes).

* Revenues of OPEX is calculated using the annual revenue divided by the number of months elapsed.

** OPEX is the effective cost incurred in the period.

OTHER OPERATIONAL REVENUES AND COSTS BREAKDOWN

REN

RESULTS
REPORT

€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
Other revenues	23.4	18.3	24.7	27.8%	5.1
Allowed incentives	2.5	2.4	3.2	6.3%	0.2
Interest on tariff deviation	0.1	1.1	1.4		-1.0
Gains in related companies	4.0	0.0			4.0
Telecommunication sales and services rendered	4.8	3.8	5.2	28.5%	1.1
Consultancy services and other services provided	2.8	1.0	2.8		1.8
Other revenues*	9.1	10.0	12.1	-9.0%	-0.9
Other costs	15.0	10.3	14.7	44.8%	4.6
Costs with ERSE	7.7	7.3	9.7	4.3%	0.3
Other	7.3	3.0	5.0		4.3

*Includes revenues related to Electrogas' Net Profit proportion (€5.1M in 9M18 and €5.8M in 9M17).

EBITDA BREAKDOWN (ELECTRICITY¹)

€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
1) REVENUES	321.2	369.0	530.4	-12.9%	-47.8
Revenues from assets	221.3	242.7	324.2	-8.8%	-21.4
Return on RAB	87.5	107.4	143.9	-18.5%	-19.9
Hydro land remuneration	0.2	0.2	0.2	-4.9%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	16.2	16.2	21.8	0.0%	0.0
Recovery of amortizations (net from subsidies)	107.8	109.3	145.4	-1.4%	-1.5
Subsidies amortization	9.1	9.1	12.1	-0.4%	0.0
Revenues of OPEX	49.9	45.8	64.5	9.0%	4.1
Other revenues	2.6	5.7	6.9	-55.1%	-3.2
Interest on tariff deviation	0.3	0.7	0.9	-58.6%	-0.4
Other	2.3	5.0	6.0	-54.7%	-2.8
Construction revenues (IFRIC 12)	47.5	74.8	134.8	-36.5%	-27.3
2) OPEX	33.9	36.4	53.8	-6.8%	-2.5
Personnel costs	14.1	14.7	19.5	-4.5%	-0.7
External supplies and services	13.7	14.9	26.0	-8.0%	-1.2
Other operational costs	6.2	6.8	8.3	-9.2%	-0.6
3) Construction costs (IFRIC 12)	37.1	64.0	119.7	-42.0%	-26.9
4) Depreciations and amortizations	116.6	117.5	157.0	-0.8%	-0.9
5) Other	0.2	0.1	1.2	-74.0%	-0.2
6) EBIT (1-2-3-4-5)	133.4	151.0	198.7	-11.6%	-17.6
7) Depreciations and amortizations	116.6	117.5	157.0	-0.8%	-0.9
8) EBITDA (6+7)	250.0	268.5	355.8	-6.9%	-18.5

1) Includes Electricity and Enondas (wave energy concession).

EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

REN

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€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
1) REVENUES	125.8	131.0	180.7	-4.0%	-5.2
Revenues from assets	89.0	95.7	126.2	-7.0%	-6.7
Return on RAB	42.9	49.5	64.7	-13.4%	-6.6
Tariff smoothing effect (natural gas)	0.0	0.6	0.6		-0.6
Recovery of amortizations (net from subsidies)	41.7	41.3	55.1	1.1%	0.5
Subsidies amortization	4.4	4.4	5.9	-0.1%	0.0
Revenues of OPEX	30.1	29.3	39.6	2.8%	0.8
Other revenues	1.4	0.6	0.6		0.8
Interest on tariff deviation	-0.1	0.2	0.3		-0.3
Other services provided	0.0	0.1	0.0		-0.1
Other	1.5	0.2	0.3		1.2
Construction revenues (IFRIC 12)	5.2	5.4	14.2	-3.1%	-0.2
2) OPEX	19.2	19.4	26.9	-0.9%	-0.2
Personnel costs	5.5	5.4	7.4	1.2%	0.1
External supplies and services	10.3	10.7	15.4	-4.6%	-0.5
Other operational costs	3.4	3.2	4.1	7.8%	0.2
3) Construction costs (IFRIC 12)	3.7	3.8	11.8	-0.5%	0.0
4) Depreciations and amortizations	45.6	45.1	60.2	1.0%	0.5
5) Other	0.0	0.0	0.1		0.1
6) EBIT	57.2	62.8	81.5	-8.9%	-5.6
7) Depreciations and amortizations	45.6	45.1	60.2	1.0%	0.5
8) EBITDA	102.8	107.9	141.8	-4.7%	-5.1

EBITDA BREAKDOWN (PORTGÁS)

€M	9M18	4Q17 ⁽¹⁾
1) REVENUES	62.7	19.9
Revenues from assets	29.7	9.9
Return on RAB	20.1	7.1
Recovery of amortizations (net from subsidies)	9.6	2.8
Revenues of OPEX	13.1	4.1
Other revenues	6.1	0.3
Interest on tariff deviation	0.0	0.0
Adjustments previous years	0.2	-0.3
Gains in related companies*	4.0	0.0
Other services provided	1.4	0.7
Other	0.6	0.0
Construction revenues (IFRIC 12)	13.8	5.7
2) OPEX	15.0	6.0
Personnel costs	3.9	1.5
External supplies and services	6.1	3.0
Other operational costs	5.0	1.5
3) Construction costs (IFRIC 12)	12.0	5.1
4) Depreciations and amortizations	9.9	3.3
5) Other	-0.1	-0.1
6) EBIT	25.8	5.6
7) Depreciations and amortizations**	9.9	3.3
8) EBITDA	35.7	8.9

(1) REN only started to consolidate Portgás in 4Q17;

* One-off related to the sale of LPG business;

** In 4Q17, €1.2M was reclassified to “Depreciations and amortizations” in “EBITDA breakdown (Other)” (page 25).

EBITDA BREAKDOWN (OTHER¹)

€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
1) TOTAL REVENUES	13.3	12.0	16.9	10.3%	1.2
Revenues of OPEX	0.0	0.1	0.1		-0.1
Other revenues	13.3	12.0	16.8	11.0%	1.3
Allowed incentives	2.5	2.4	3.2	6.3%	0.2
Interest on tariff deviation	-0.1	0.2	0.2		-0.3
Telecommunication sales and services rendered	4.8	3.8	5.2	28.5%	1.1
Consultancy services and other services provided	1.4	0.9	2.1	57.1%	0.5
Other	4.6	4.8	6.1	-3.2%	-0.2
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
2) OPEX	23.3	23.9	34.9	-2.1%	-0.5
Personnel costs	17.6	17.2	23.4	2.5%	0.4
External supplies and services	5.4	6.3	10.6	-14.4%	-0.9
Other operational costs	0.3	0.4	0.9	-9.1%	0.0
3) Construction costs (IFRIC 12)	0.0	0.0	0.0		0.0
4) Depreciations and amortizations*	4.1	0.2	1.5		3.9
5) Other	0.1	0.2	0.9	-50.0%	-0.1
6) EBIT	-14.3	-12.2	-20.4	17.0%	-2.1
7) Depreciations and amortizations	4.1	0.2	1.5		3.9
8) EBITDA	-10.2	-12.0	-19.0	-15.4%	1.9

(1) Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, Aerio Chile SPA and REN Finance B.V.

* In 2017, €1.2M from “EBITDA breakdown (Portgás)” (page 25) was reclassified to “Depreciations and amortizations” in “EBITDA breakdown (Other)”.

CAPEX AND RAB



RESULTS
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€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
CAPEX*	67.2	80.3	155.6	-16.3%	-13.1
Electricity	47.5	74.8	134.8	-36.5%	-27.3
Natural gas _T	5.2	5.4	14.2	-3.1%	-0.2
Natural gas _D	14.4	0.0	6.3		14.4
Other	0.1	0.1	0.3	-12.3%	0.0
Transfers to RAB**	32.5	36.1	158.8	-9.8%	-3.5
Electricity	19.4	34.4	134.2	-43.7%	-15.0
Natural gas _T	1.7	1.7	14.6	-0.6%	0.0
Natural gas _D	11.5	0.0	10.0		11.5
Average RAB	3,835.2	3,462.5	3,924.7	10.8%	372.6
Electricity	2,094.9	2,129.4	2,138.4	-1.6%	-34.4
With premium	1,126.8	1,117.5	1,132.3	0.8%	9.3
Without premium	968.1	1,011.9	1,006.1	-4.3%	-43.7
Land	244.5	257.2	255.6	-4.9%	-12.7
Natural gas _T	1,035.2	1,076.0	1,075.5	-3.8%	-40.8
Natural gas _D	460.5	0.0	455.2		460.5
RAB e.o.p.	3,771.8	3,405.2	3,898.7	10.8%	366.7
Electricity	2,055.8	2,096.6	2,134.2	-1.9%	-40.7
Land	239.8	252.4	249.2	-5.0%	-12.6
Natural gas _T	1,015.2	1,056.2	1,055.2	-3.9%	-41.1
Natural gas _D	461.1	0.0	460.0		461.1
RAB's variation e.o.p.	-126.9	-114.6	378.9	-10.7%	-12.3
Electricity	-78.4	-65.4	-27.8		
Land	-9.4	-9.6	-12.7		
Natural gas _T	-40.1	-39.6	-40.6		
Natural gas _D	1.1	0.0	460.0		

€M	9M18	9M17	2017	9M18/9M17	
				Δ %	Δ Abs.
RAB's remuneration	151.2	157.6	216.7	-4.1%	-6.4
Electricity	87.5	107.4	143.9	-18.5%	-19.9
With premium	50.0	59.4	80.2	-15.8%	-9.4
Without premium	37.5	48.1	63.7	-21.9%	-10.5
Land	0.7	0.7	1.0	-2.1%	0.0
Natural gas _T	42.9	49.5	64.7	-13.4%	-6.6
Natural gas _D	20.1		7.1		20.1
RoR's RAB	5.3%	6.1%	6.1%		-0.8p.p.
Electricity	5.6%	6.7%	6.7%		-1.2p.p.
With premium	5.9%	7.1%	7.1%		-1.2p.p.
Without premium	5.2%	6.3%	6.3%		-1.2p.p.
Land	0.4%	0.4%	0.4%		0.0p.p.
Natural gas _T	5.5%	6.1%	6.0%		-0.6p.p.
Natural gas _D	5.8%	6.4%	6.2%		-0.6p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

	9M18	9M17	2017
Net Debt (€M)	2,643.8	2,540.6	2,756.2
Average cost	2.3%	2.6%	2.5%
Average maturity (years)	4.6	4.4	4.1
Net Debt / EBITDA	5.3x	5.2x	5.3x

DEBT BREAKDOWN

Funding sources			
Bond issues	66%	65%	59%
EIB	16%	18%	16%
Loans	13%	2%	17%
Other	6%	15%	8%

TYPE

Float	38%	40%	46%
Fixed	62%	60%	54%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	04/12/2017
Standard & Poor's	BBB	A-2	Stable	10/19/2018
Fitch	BBB	F3	Stable	04/11/2018

The background of the slide is a light gray network of interconnected nodes and lines, resembling a molecular or data structure. The nodes are small circles, and the lines are thin, connecting them into various geometric shapes and paths. The overall effect is a complex, interconnected web of points and lines.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (thousands of euros)

REN

RESULTS
REPORT

	Sep 2018	Dec 2017
ASSETS		
Non-current assets		
Property, plant and equipment	3,222	3,227
Goodwill	18,818	19,102
Intangible assets	4,196,306	4,306,417
Investments in associates and joint ventures	167,011	162,027
Investments in equity instruments at fair value through other comprehensive income	153,016	156,439
Derivative financial instruments	11,110	7,907
Other financial assets	40	27
Trade and other receivables	91,083	6,528
Deferred tax assets	100,862	97,737
	4,741,469	4,759,411
Current assets		
Inventories	2,857	2,958
Trade and other receivables	335,127	540,849
Current income tax recoverable	6,088	0
Cash and cash equivalents	27,616	61,458
	371,688	605,265
TOTAL ASSETS	5,113,157	5,364,676

	Sep 2018	Dec 2017
EQUITY		
Shareholders' equity:		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	314,840	310,191
Retained earnings	247,126	225,342
Other changes in equity	-5,577	-5,541
Net profit for the year	90,868	125,925
TOTAL EQUITY	1,420,530	1,429,189
LIABILITIES		
Non-current liabilities		
Borrowings	2,275,041	2,205,390
Liability for retirement benefits and others	118,341	121,977
Derivative financial instruments	6,337	6,960
Provisions	9,042	9,035
Trade and other payables	388,028	364,961
Deferred tax liabilities	97,540	99,534
	2,894,328	2,807,857
Current liabilities		
Borrowings	407,365	624,336
Trade and other payables	390,934	473,337
Income tax payable	0	29,957
	798,299	1,127,630
TOTAL LIABILITIES	3,692,627	3,935,487
TOTAL EQUITY AND LIABILITIES	5,113,157	5,364,676

CONSOLIDATED STATEMENTS

Profit and loss (thousands of euros)

REN

RESULTS
REPORT

	Sep 2018	Sep 2017
Sales	96	23
Services rendered	427,477	408,058
Revenue from construction of concession assets	66,479	80,161
Gains / (losses) from associates and joint ventures	4,540	4,469
Other operating income	24,737	19,621
Operating income	523,329	512,332
Cost of goods sold	-1,022	-146
Cost with construction of concession assets	-52,896	-67,800
External supplies and services	-35,770	-32,253
Personnel costs	-40,731	-37,031
Depreciation and amortizations	-176,191	-162,809
Provisions	-57	27
Impairments	-199	-293
Other expenses	-13,951	-10,197
Operating costs	-320,816	-310,502
Operating results	202,513	201,831
Financial costs	-53,232	-54,353
Financial income	4,460	4,566
Investment income - dividends	4,947	5,013
Financial results	-43,825	-44,774
Profit before income tax	158,688	157,057
Income tax expense	-42,421	-42,392
Energy sector extraordinary contribution (ESEC)	-25,398	-25,798
Net profit for the year	90,868	88,867
Attributable to:		
Equity holders of the Company	90,868	88,867
Non-controlled interest	0	0
Consolidated profit for the year	90,868	88,867

CONSOLIDATED STATEMENTS

Cash flow (thousands of euros)

	Sep 2018	Sep 2017
Cash flow from operating activities		
Cash receipts from customers	1,799,528	1,801,293 a)
Cash paid to suppliers	-1,301,250	-1,315,949 a)
Cash paid to employees	-52,832	-50,171
Income tax received/ paid	-84,402	-63,381
Other receipts/ (payments) relating to operating activities	763	-8,532
Net cash flows from operating activities (1)	361,807	363,261
Cash flow from investing activities		
Receipts related to:		
Property, plant and equipment	7	0
Other financial assets	4,030	1,309
Investment grants	5,572	5,647
Interests and other similar income	85	12
Dividends	8,393	9,250
Payments related to:		
Financial investments	-12	-169,285
Property, plant and equipment	-152	-239
Intangible assets - Concession assets	-111,558	-130,460
Net cash flow used in investing activities (2)	-93,634	-283,766
Cash flow from financing activities		
Receipts related to:		
Borrowings	1,849,999	3,618,800
Interests and other similar income	0	0
Payments related to:		
Borrowings	-1,993,601	-3,581,052
Interests and other similar expense	-45,434	-46,293
Dividends	-113,426	-90,650
Net cash from/ (used in) financing activities (3)	-302,462	-99,196
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	-34,289	-19,701
Effect of exchange rates	-90	1,582
Cash and cash equivalents at the beginning of the year	60,448	10,680
Cash and cash equivalents at the end of the period	26,070	-7,440
Detail of cash and cash equivalents		
Cash	25	21
Bank overdrafts	-1,546	-13,812
Bank deposits	27,591	6,351
	26,070	-7,440

(a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

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