



2018 RESULTS PRESENTATION

London, March 12th 2019

2018 Key Highlights I



Recurring EBITDA¹: €3,287 Mn

YoY

- ↑ +2% Installed Capacity, +0.6 GW of wind farms additions (net of asset rotation)
- ↓ Wind resources at 6-year record low in 2H18, avg. hydro resources in Portugal in 2018 (but weak in 4Q)
- ↓ Regulatory changes in Portugal
- ↑ Strong Opex performance – Iberia: -3% (nominal); Brazil: -1% (real terms)

-3% Recurring EBITDA¹

Recurring Net Profit¹: €797 Mn

- ↑ Net interest costs -12%; Avg. cost of debt -30bps to 3.8%
- ↓ Reported Net Profit €519 Mn: one-off provision on CMEC (2018); gain on Naturgas (2017)

+3% Recurring Net Profit¹

Net debt: €13.5 Bn by Dec-18

- ↑ €1.2 Bn Recurring Organic FCF (+50% YoY)
- ↑ €0.6 Bn reduction of Regulatory Receivables

-3% Net Debt

✓ **2018 dividend: €0.19/share²**, payment expected in May 2019

€0.19 Dividend per share

¹ See notes on page 5 and 7 regarding adjustments on Non recurring items at EBITDA and net profit level respectively | ² Executive Board proposal, subject to AGM approval



Focused growth

Wind onshore & solar:

- **+0.8 GW built out**
- **PPAs secured** for 1.3 GW (0.4 GW of solar)

Wind offshore

- **UK:** Moray East: FID & start of construction
- **France:** higher visibility on FiT & permits
- **US:** Awarding of lease area in MA

Networks Brazil

- Commissioning of **1st transmission line**
- Acquisition of 23.56% stake at **CELESC**



Portfolio optimization

1st asset rotation of majority stake in wind

- 80% of 0.5 GW in US/Canada
- \$1.72 Mn/MW multiple

Asset rotation in off-shore projects

- **Moray East (UK):** 43% stake
- **France:** 13.5% stake

Disposal of subscale operations

- **Mini-hydro/biomass** Portugal
- **Mini-hydro** Brazil



Efficiency and financing

Efficiency

- **OPEX IV savings: ~€200 Mn in 2018** (2020 target reached 2 yrs ahead)

Financing

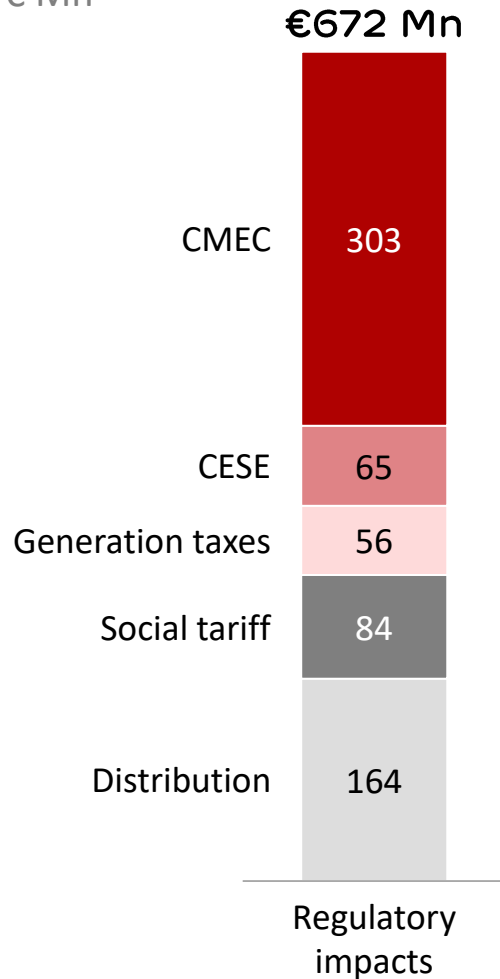
- €1.3 Bn of **tariff deficit sales**
- **1st green bond** (€0.6 Bn in Oct-18)
- **1st green hybrid** (€1.0 Bn in Jan-19)

2018 Results penalized by heavy sector taxes and adverse regulatory decisions in Portugal



Pre-tax impact in Portugal 2018

€ Mn



CMEC ONE-OFFS 2018

- **Retroactive** cuts on innovatory aspects (€285 Mn) and final adjustments (€18 Mn)

CESE (Extraordinary Energy Tax)

- **0.85%** on net assets; **€25 Mn distribution** + **€40 Mn generation**

GENERATION TAXES

- **Clawback** (€50 Mn), **ISP/CO₂** (€6 Mn)

SOCIAL TARIFF

- **Financed by conventional generation assets**, against EC guidelines

YOY CHANGE OF REGULATED REVENUES DISTRIBUTION

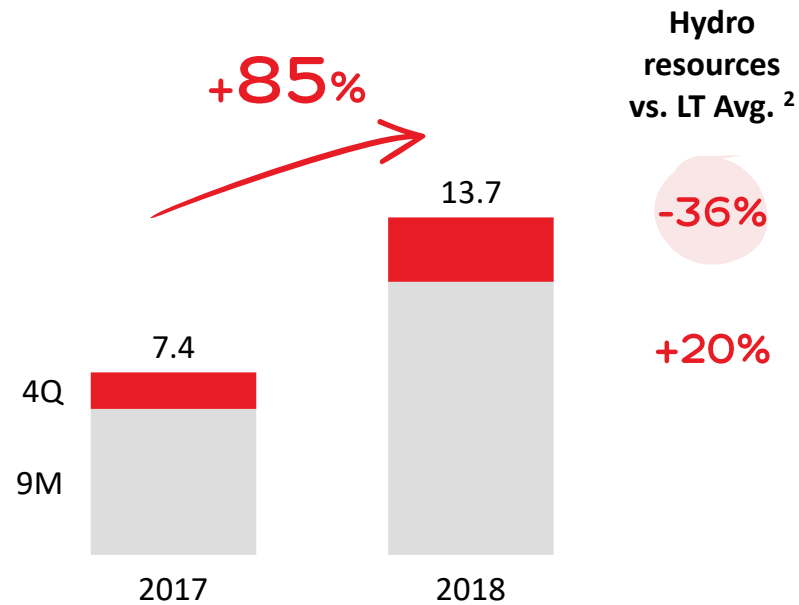
- Adverse impact from start of **new regulatory period (-€164 Mn)**

2018 marked by normalization of hydro resources in PT (although weak 4Q) and abnormally low wind resources in our main markets



EDP Hydro production in Iberia¹

TWh



Hydro resources vs. LT Avg.²

-36%

+20%

Hydro resources vs. LT Avg.²

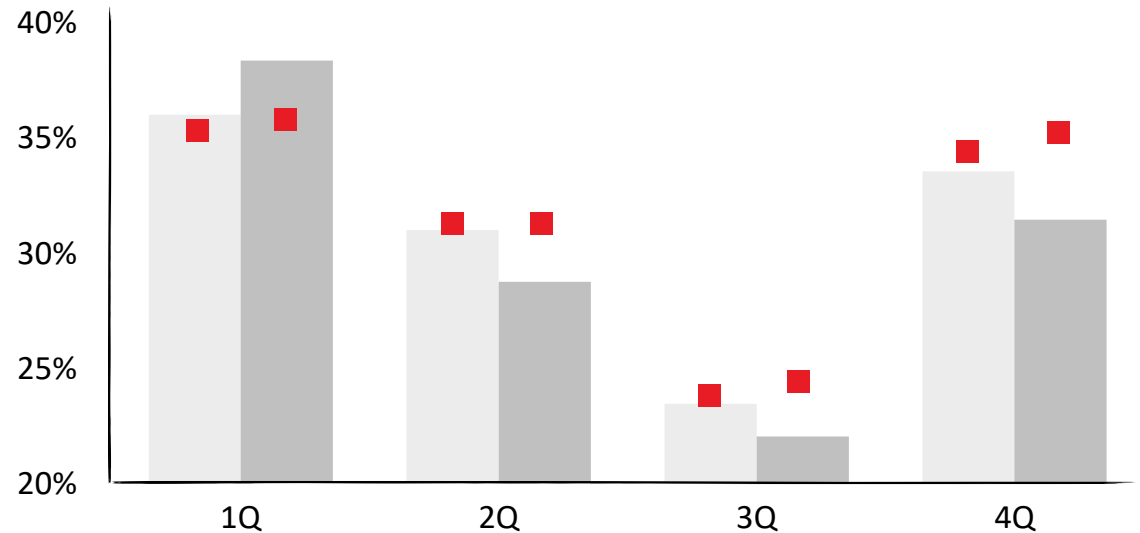
-52%

+5%

EDPR Wind Resources

Load Factor

2017 2018 LT avg.



+5%

-8%

-11%

-12%

2018 quarterly wind resources vs. LT avg.

2018 -6%

6-year record low wind resources

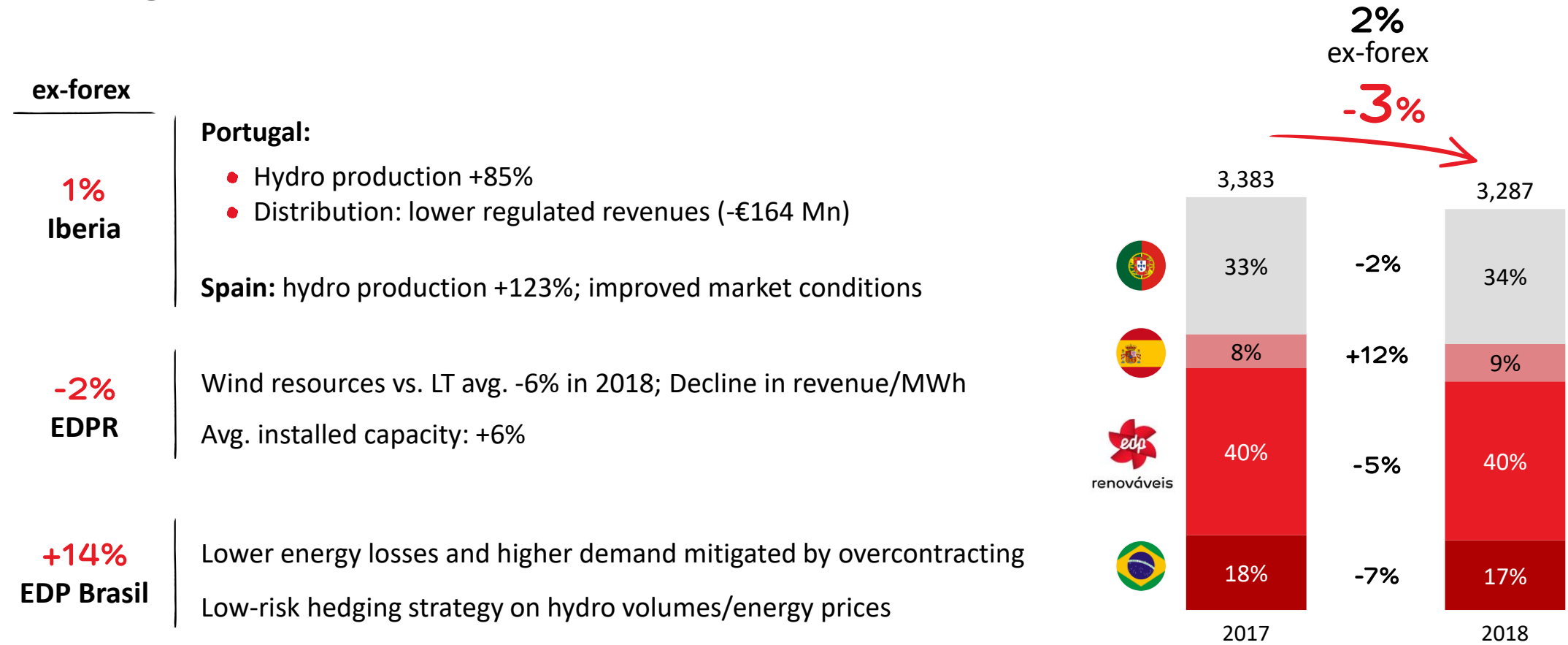
¹ Includes hydro production from pumping and small-hydro | ² Refers to Portugal

Recurring EBITDA +2% ex-forex, with hydro improvement and growth in Brazil offsetting weaker wind resources and regulatory cuts in PT



Recurring EBITDA 2018¹

€ Mn; YoY growth,%




¹ Non recurring items in 2018: gain on small-hydro sale in Brazil (+€82 Mn), CMEC adjustment (-€18 Mn), HR restructuring costs (-€34 Mn), in 2017: on a pro-forma basis (excluding gas networks) and excluding gain on gas networks sales (+€574 Mn) Iberian regulation provisions (-€77 Mn), HR restructuring costs (-€30 Mn)

Strong performance on operating costs



xx% Weight on Opex

Business area	Indicator	YoY Change	Main drivers
Iberia 55%	Opex ¹	-3%	<ul style="list-style-type: none"> • Inflation Portugal +1.0%² • -4% avg. Headcount vs Dec-17
EDP Brasil 16%	Opex in BRL	+3%	<ul style="list-style-type: none"> • Avg. Inflation: +3.7%³ • DisCos # Customers: +2% YoY
EDPR 29%	Adj. Core Opex/MW ⁴	+3%	<ul style="list-style-type: none"> • Development of O&M internalisation • Core Opex/Avg. MW: +2%
	Opex ex-forex ⁵	+1%	<ul style="list-style-type: none"> • Generation avg. MW: +1% • DisCos # Customers: +1%

1 Pro-forma excluding one-off of HR restructuring in 2017 | 2 Avg. IPC 2018 vs. 2017 | 3 Avg. IPCA 2018 vs. 2017 | 4 Adjusted by forex, one-offs and offshore costs cross-charged to projects' SPVs

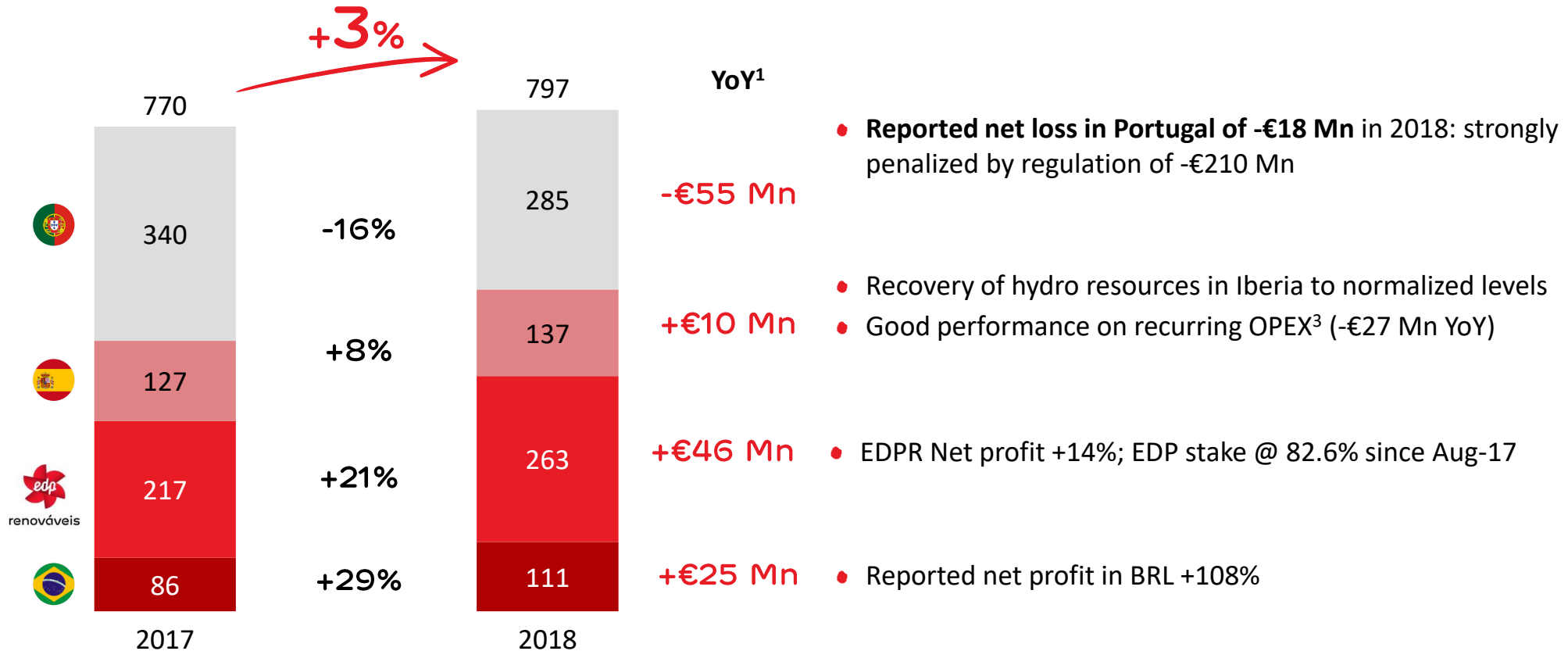
5 Adjusted by forex and one-offs

2018 Recurring Net Profit +3%, growth in renewables & Brazil and efficiency gains partially offset by regulatory cuts in Portugal



Recurring Net Profit 2018¹

€ Mn



1 Non recurring items: in 2018: gain on mini-hydro sale (+€64 Mn), regulatory issues (-€208 Mn), HR restructuring costs (-€21 Mn), impairments (-€21 Mn); debt prepayment (-€26 Mn) extraordinary energy tax (-€65 Mn).

2 In 2017: gas distribution sale (+€574 Mn), REN sale (€25 Mn); regulatory provisions (-€61 Mn), RH restructuring costs (€21 Mn), impairments (-€191 Mn); debt prepayment (-€33 Mn); US tax reform (+€44 Mn) extraordinary energy tax (-€69 Mn).

3. Excludes FX and one-offs



Results Analysis

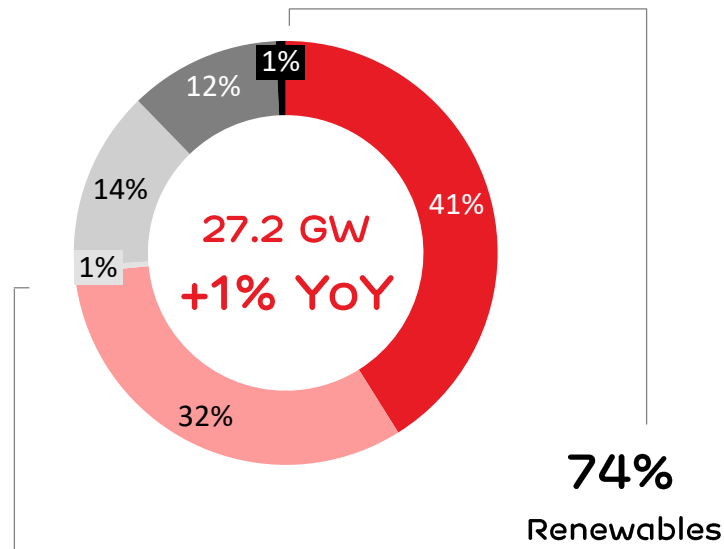
+0.6 GW of wind capacity, renewables represent 74% of total capacity *edp*

YE 2018

■ Wind
 ■ Hydro
 ■ Solar
 ■ CCGT
 ■ Coal
 ■ Other⁽¹⁾

Installed capacity breakdown by technology

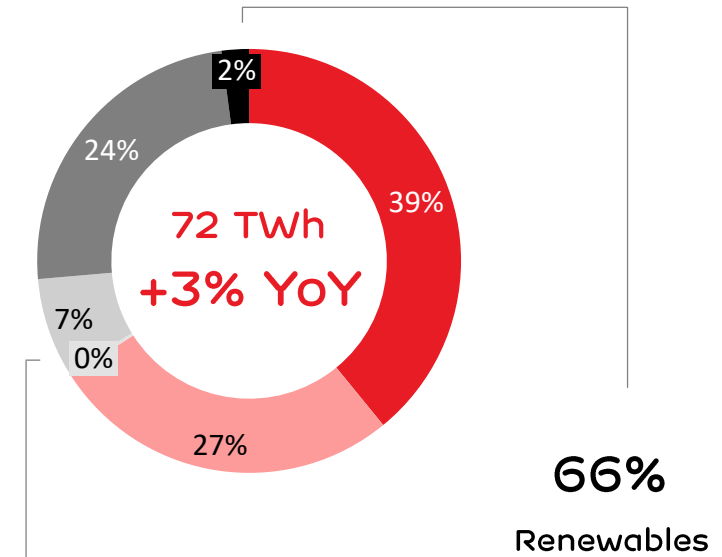
GW



+2%
in renewables capacity

Electricity production breakdown by technology

TWh



+22%
in renewables production

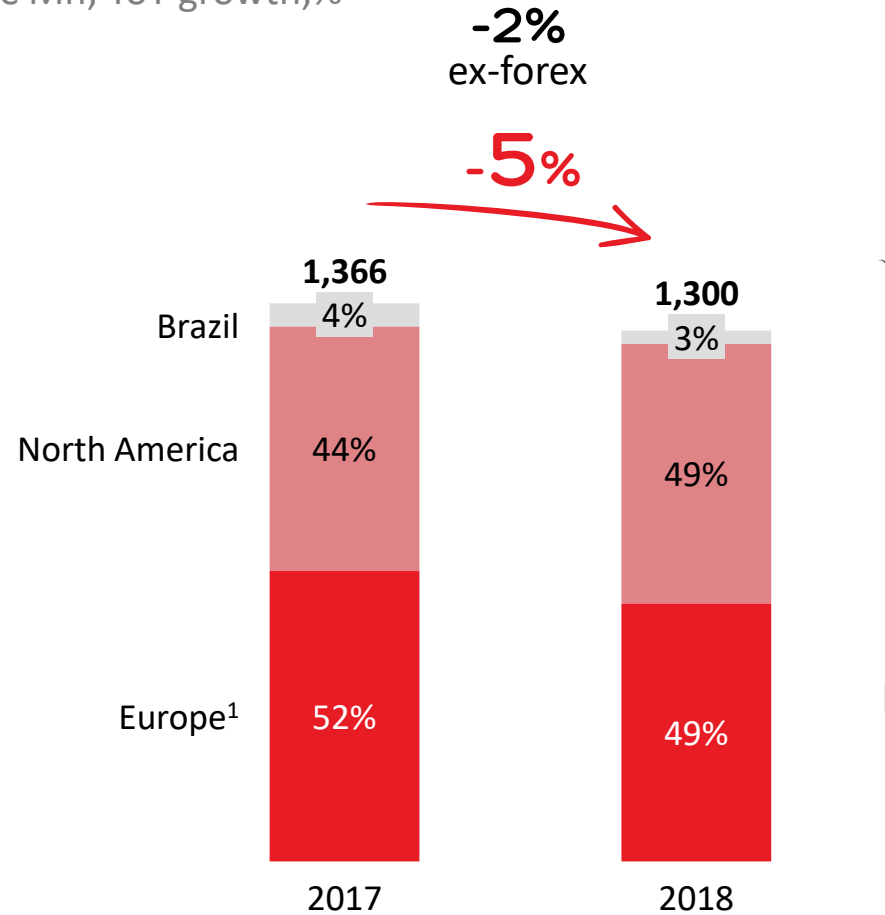
¹ Others include thermal special regime (cogeneration, biomass) and nuclear

EDPR EBITDA penalized by very weak wind resources, lower avg. price and PTC's expiration despite +6% avg. capacity and asset rotation



EDPR EBITDA

€ Mn; YoY growth, %



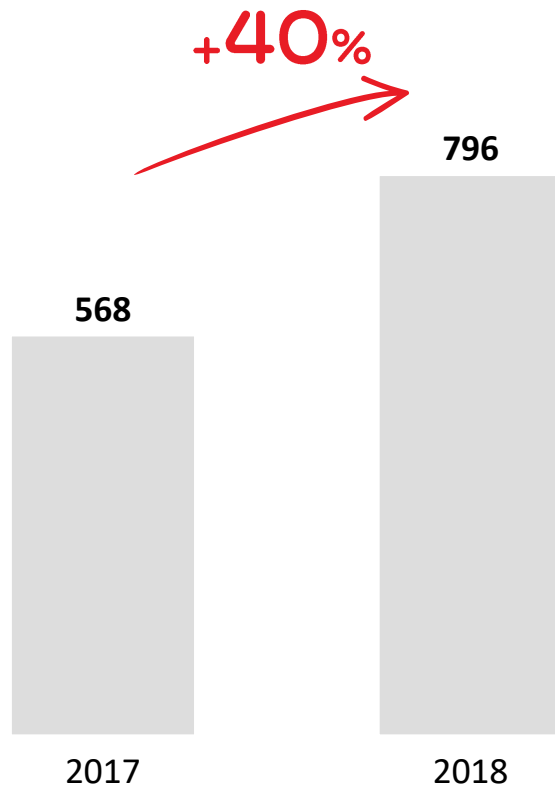
	2017	2018	YoY
Avg. Installed Capacity, GW	10.2	10.8	+6%
Production vs. LT Avg. (P50), %	-2%	-6%	-4 pp
Electricity Production, TWh	27.6	28.4	+3%
Avg. selling price, €/MWh	59.2	53.7	-9% (-7% ex forex)
PTC revenues, \$ Mn	255	219	-14%

Generation & Supply Iberia recurring EBITDA +40% mainly driven by higher hydro resources and regulatory costs reduction in Spain



Recurring EBITDA Generation & Supply Iberia¹

€ Mn; YoY growth,%



	2017	2018	YoY
Hydro Production ² , TWh	7.4	13.7	+85%
Hydro weight on Gen. mix, %	22%	39%	+18 pp
Avg. production cost ³ , €/MWh	33	29	-14%
CMEC deviation revenues, € Mn	108	5 ⁴	-95%

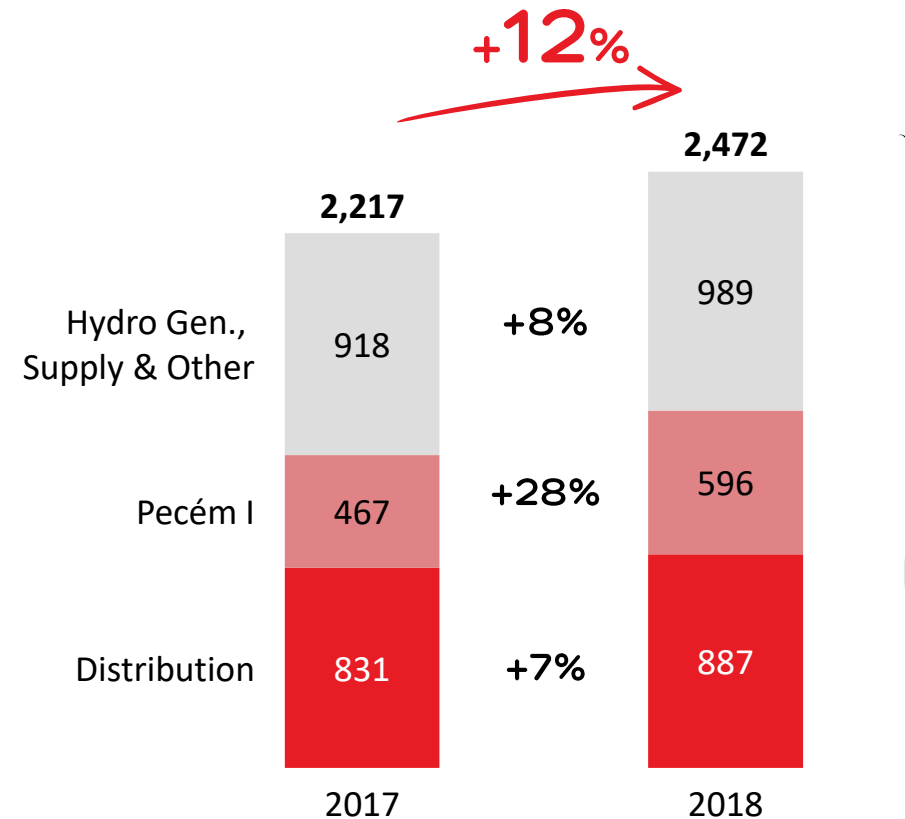
¹ Adjusted for 2H17's share of lower CMEC Final Adjustment (-€18 Mn in 2018) and restructuring costs (-€15 Mn in 2018 vs. -€13 Mn in 2017) | ² Including pumping and small hydro | ³ Includes coal, gas, CO₂, pumping and other associated costs

⁴ Prior years adjustment

EDP Brasil recurring EBITDA +12% in local currency, supported by efficiency enhancements and integrated hedging strategy



EDP Brasil EBITDA recurring¹
R\$ Mn; YoY growth, %



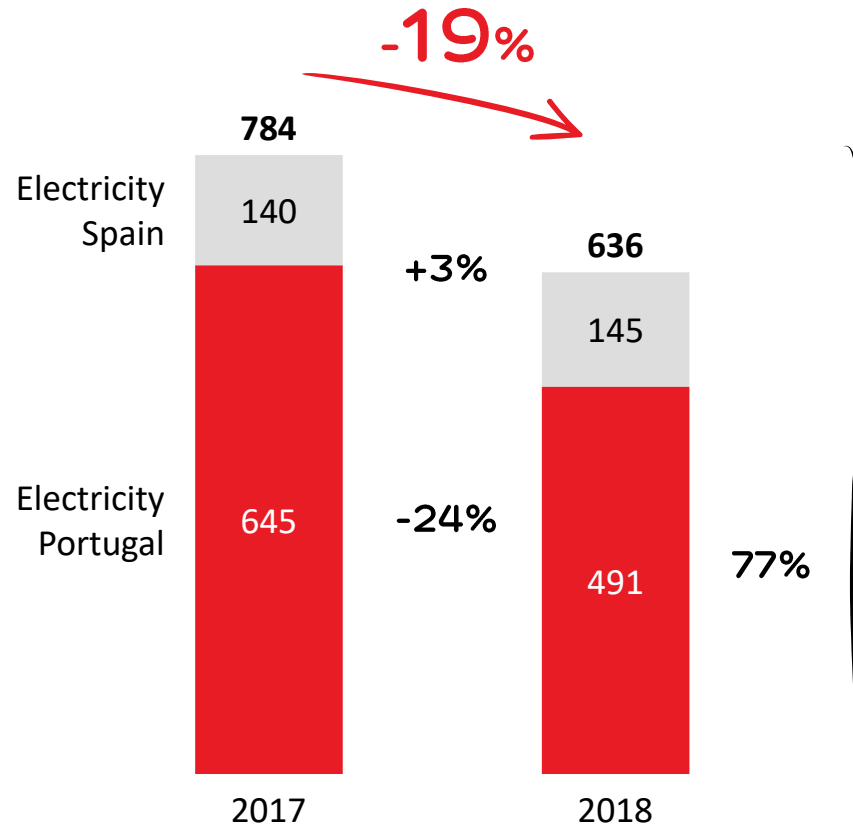
	2017	2018	YoY	
Distribution grid losses ² , %	Espírito Santo	11.9%	11.2%	-0.8 pp
	São Paulo	9.6%	8.5%	-1.1 pp
Pecém availability penalty/premium, R\$ Mn	-R\$26 Mn	+R\$110 Mn	+R\$135 Mn	
GSF impact net of hedging ³ , R\$ Mn	+R\$30 Mn	+R\$151 Mn	+R\$121 Mn	

¹ In 2018, excludes gain on the sale of small hydro plants in Brazil (R\$375 Mn) and restructuring costs (R\$32 Mn) | ² Non-technical losses in LV | ³ Includes hedging results of Pecém and supply margin

Regulated Networks Iberia EBITDA -19%, mainly impacted by the Dec-17 regulatory review in Portugal



Pro-forma¹ EBITDA – Regulated networks
 € Mn; YoY growth,%



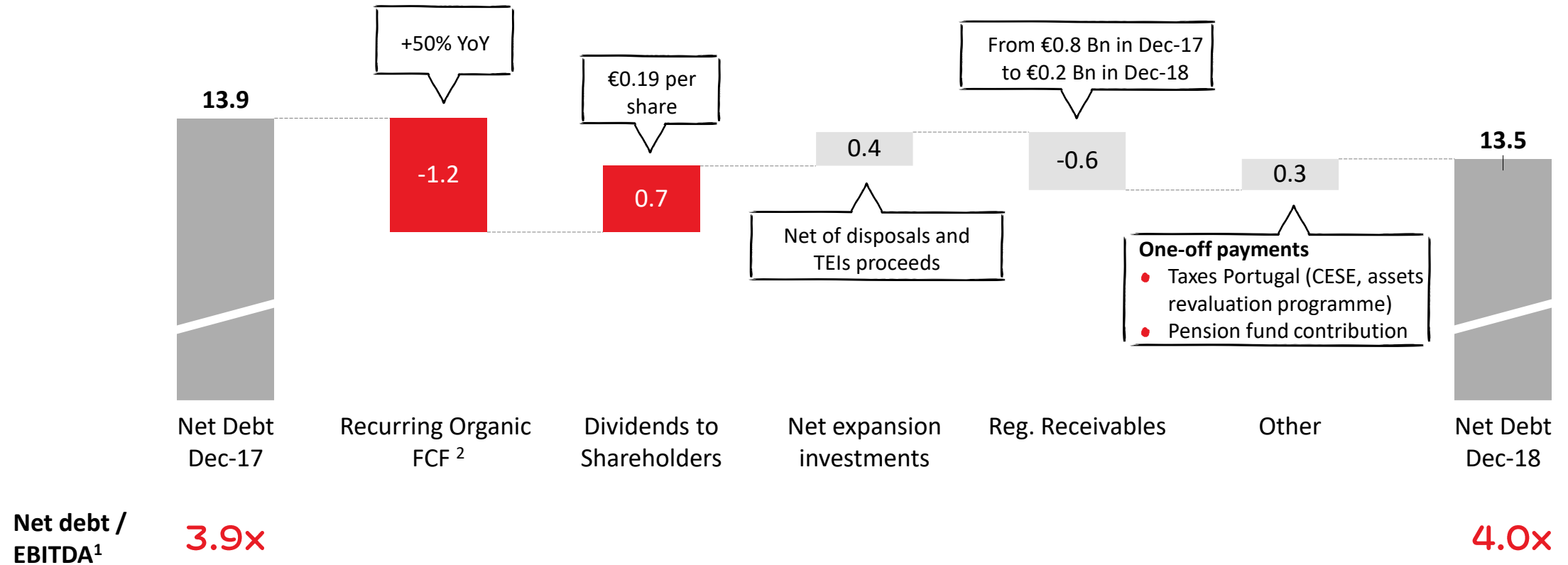
	2017	2018	YoY
Regulated revenues, € Mn	1,240	1,076	-13%
Return on RAB, %	6.68%	5.42% ²	-126 bp
OPEX ³ , € Mn	356	345	-3%
Electricity distributed, TWh	45	46	+3%

¹ In 2017, excludes EBITDA from gas distribution in Iberia; Excludes curtailment effect on 2017 (€15 Mn) and 2018 (€11 Mn) | ² RoRAB of HV/MV | ³ Excludes curtailment effect on 2017 (€15 Mn) and 2018 (€11 Mn)

Net debt -3% to €13.5 Bn, organic free cash flow +50% to €1.2 Bn



Change in Net Debt: Dec-18 vs. Dec-17, € Bn



¹ Net debt excluding regulatory receivables; EBITDA recurring. For 2017, recurring EBITDA excludes the contribution from gas distribution networks | ² Organic Cash Flow = Operating Cash Flow excluding regulatory receivables, net of interests, maintenance capex, dividends to minorities, and TEI payments

Financial liquidity of €7.6 Bn in Dec-18 covering refinancing needs beyond 2021



Financial liquidity as of Dec-18

€ Bn

Cash & Equivalents: €1.9 Bn

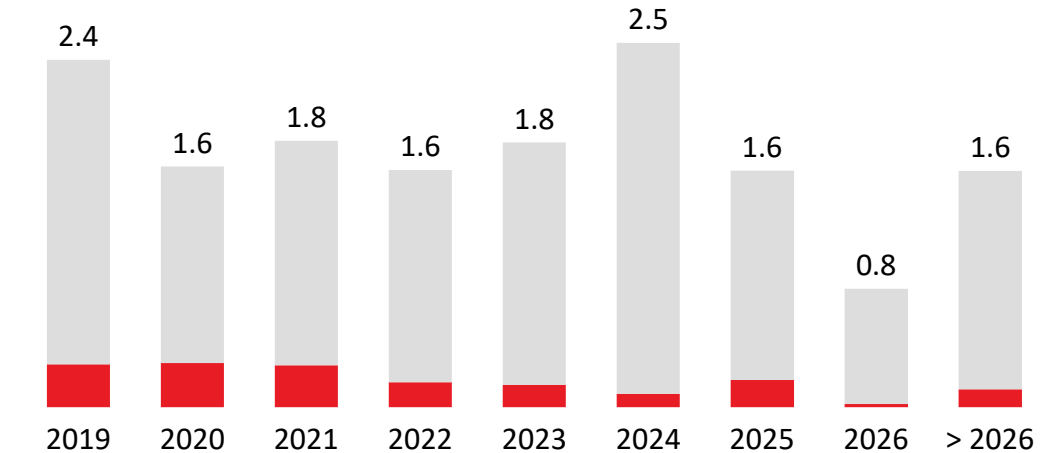
Available Credit Lines: €5.7 Bn

Total Liquidity €7.6 Bn

EDP consolidated debt maturity profile as of Dec-18

€ Bn

EDP S.A., EDP Finance B.V. and Other EDP Brasil



2018 main events	Mar-18: €2.24 Bn 5Y RCF (extendable by up to 2Y)	~€1.3 Bn of securitization/tariff deficit sales	Jun-18: €0.75 Bn long-7Y bond issue @1.7%	Dec-18: Repurchase of €0.5 Bn of notes
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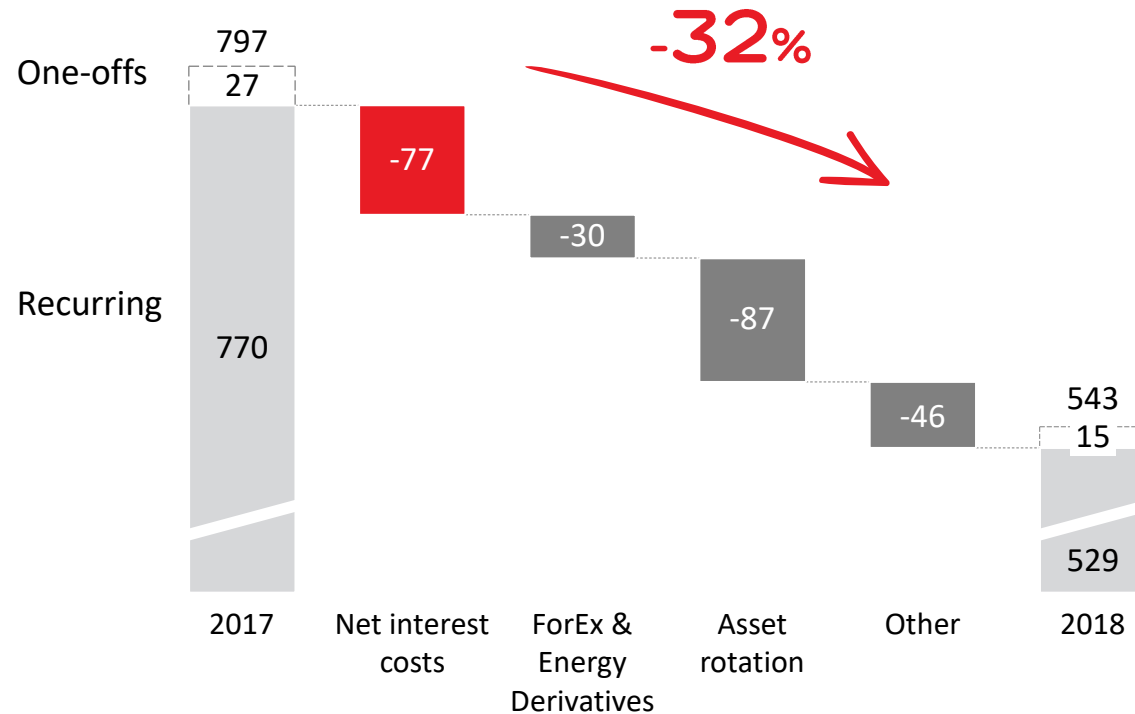
First ever EDP's green bond issued in Oct-18: €0.6 Bn with 7-year maturity and yield of ~1.96%

32% decline in net financial costs sustained by lower interest costs and asset rotation gains in wind off-shore



Net Financial Costs¹ : 2018 vs. 2017

€ Mn



Recurring net interest costs: -€77 Mn or -12% YoY

- Avg. cost of debt down from 4.1% to 3.8%
- Avg. debt -11% YoY

Asset rotation of majority stakes: gains on sale of stakes in wind off-shore projects in UK and France (€87 Mn in 2018)

Other: In 2018 CELESC badwill (€18 Mn), higher financial guarantees revenues in Brazil (+€14 Mn) lower costs with TEIs (+€8 Mn)

¹ Includes dividends and results from associates

Recurring Net Profit +3%, growth in renewables/Brazil and Iberia hydro recovery offsetting regulatory cuts in Portugal and weak wind resources



2018 Reported and Recurring Net Profit, € Mn

	Reported	Δ YoY		Recurring ¹	Δ YoY ^{1, 2}	
EBITDA	3,317	-673	€0.6bn gain 2017	3,287	-96	Hydro normalization Iberia and renewables capacity additions offset by regulation in Portugal (-€210 Mn) ³ , forex (-€163 Mn) and weak wind
Amort., Impair. & Provisions	-1,733	-61	CMEC provision (2018) coal impairments (2017 & 2018)	-1,417	-20	+2% capacity increase
EBIT	1,584	-734		1,870	-116	
Financial Results & Associates	-543	254		-529	225	+€77 Mn lower recurring interest costs; +€87 Mn from off-shore asset rotations; lower forex losses (+€30 Mn)
Income Taxes	-100	-89		-227	-83	
Extraordinary Energy Tax	-65	4		0	-4	
Non-controlling interests	-357	-29	Share of gain on mini-hydros Brazil	-318	5	
Net Profit	519	-594		797	27	+3% growth YoY

1. Non recurring items at net profit level: in 2018: gain on mini-hydro sale (+€64 Mn), regulatory issues (-€208 Mn), HR restructuring costs (-€21 Mn), impairments (-€21 Mn); debt prepayment (-€26 Mn) extraordinary energy tax (-€65 Mn) | 2. Non recurring items at net profit level In 2017: gas distribution sale (+€574 Mn), REN sale (€25 Mn); regulatory provisions (-€61 Mn), RH restructuring costs (€21 Mn), impairments (-€191 Mn); debt prepayment (-€33 Mn); US tax reform (+€44 Mn) extraordinary energy tax (-€69 Mn) | 3. Includes EDPD regulatory changes + clawback + ISP&CO₂

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Next Events

- March 13th: London (Morgan Stanley)
- March 14th: London (UBS)
- March 19th: London (Eiffel Conference)
- March 20th: Zurich (Credit Suisse)
- March 21st: Paris (Oddo BHF)
- March 18th: Chicago (Kepler)
- March 19th: Toronto (Credit Suisse)
- March 20- 21st: New York (Macquarie)
- March 22nd: Boston (Macquarie)
- April 24th: Annual Shareholders meeting
- May 16th: 1Q19 results release