EDP – ENERGIAS DE PORTUGAL

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Chaired by Miguel Stilwell d' Andrade

Company Participants

• **Miguel Stilwell d' Andrade**, Chief Executive Officer

• **Rui Manuel Rodrigues Lopes Teixeira**, Chief Financial Officer

• **Miguel Viana**, Head of Investor Relations

Miguel Viana: Good morning, ladies and gentlemen. Thank you for attending EDP's first half 2021 results conference call. We have today with us our CEO, Miguel Stilwell d' Andrade; and our CFO, Rui Teixeira, which will present you the main highlights of first half 2021 financial performance and then update on strategic execution. We'll then move to the Q&A session, in which we will be taking your questions both by phone and recent questions that you can insert from now onwards at our webpage. This call should take close to 60 minutes.

I'll give now the floor to our CEO, Miguel Stilwell d' Andrade.

Miguel Stilwell d'Andrade: Thank you, Miguel. Good morning, everyone. And thanks for attending the call today. I hope you're all well. Before I move into the results, I just wanted to highlight I think it's really positive that we begin to see economic recovery and also the continued political support for the energy sector, so I think that's certainly a very good tailwind and we're very excited really about what lies ahead.

In terms of the first half results, a couple of key numbers which I think are worth highlighting. The first, we continued to accelerate the growth with growth investments increasing almost 30% year-on-year. So now around EUR1.6 billion, so that's clear indication of the ramp up in growth. We've also ramped up the renewables development in terms of megawatts, so we now have 3.6 gigawatts of capacity installed and under construction. Around 700 megawatts added year-to-date and 2.9 gigawatts was under construction as of June.

We also have full visibility on our asset rotation strategy for this year, which continues to really highlight the value and the quality of our projects both on wind and solar. As you know, we completed the asset rotation deal in the U.S, we had a capital gain of around EUR250,000 per megawatt, which is above our business plan assumption of around EUR200,000 per megawatt. We also recently announced the asset rotation deal in Portugal which combined with previous announcements amounted to a total of EUR1.9 billion of asset rotation proceeds at very attractive multiples. So altogether, approximately 25% of the 8 billion asset rotation targets that we've given until 2025. Recurring EBITDA excluding ForEx decreased around 1%, so reaching EUR1.7 billion approximately, and just to give you some highlights on the impacts on this, so the semester as you know was penalized by below average wind resources also lower asset rotation gains versus last year in the renewables platform, but we also had a challenging quarter on the energy management division. We'll give little bit more information on that. And this was obviously impacted in the context of the strong increase in power prices in the wholesale market. So that translated into higher sourcing and production costs and had also some negative mark-to-market mainly on gas contracts.

Also, worth noting from an integrated risk management perspective, part of the negative performance is offset by the positive results in the hydro generation in Iberia as well as in the supply division. So, our diversified portfolio allowed us to partially mitigate these effects with some positives and some negatives. We had a very positive performance in the electricity network with recurring EBITDA increasing by 33%. And so bottom line recurring net profit reached EUR326 million and reported net profits of EUR343 million mainly impacted by non-recurring gain of EUR21 million booked in the first quarter in the supply division in Spain relating to the sale of the asset last year.

If we move on to Slide 4, so talking a little bit about growth. You can see we continued to accelerate the growth. We have 2.1 gigawatts of capacity added in the last 12 months, of which, 700 megawatts added in the year to date. And as I mentioned, 2.9 gigawatts under construction as of June. Secured capacity, we now have 6.7 gigawatts with the recent 200 megawatts we just signed this week, and also visibility on additional 3.7 gigawatts of PPAs in advanced stages of negotiation. So overall, strong short-term visibility on additional PPAs, and of course we will be participating in several auctions over the next couple of months, which total over 30 gigawatts of capacity to be awarded until year-end in our European markets.

We also continued to expand our footprint into new markets with high growth prospects and we recently entered Hungary, Chile, Vietnam, UK onshore market and also offshore in Poland. So on track with our commitment to deliver the 20 gigawatts by 2025. Move on to Slide 5. So 6.7 gigawatts of capacity secured now, almost two-thirds of our '21 to '23 targets addition. As I mentioned in the EDPR conference call, we've been able to secure this capacity at attractive returns in line with our disciplined investment criteria which you are all very familiar with. We secured capacity across all technologies and above our investment thresholds both from a return and risk perspective.

So all-in-all, spread over wacc for the 6.7 secured so far at 320 basis points. From a risk perspective, we continued to focus the investments on long-term contracted assets that have a contracted NPV above 60% of the total NPV of the project. And we use this as a proxy for the risk, because we're basically locking in upfront already a big chunk of the value of the project. So obviously having this type of project is key to the success of our asset rotation strategy, given the quality of the portfolio, and the type of assets that investors like to buy.

Go on to Slide 6, so here I'd just like to address some concerns that have been raised in the sector regarding CapEx cost inflation. Now as you know, we've already talked about this, but just like to reiterate that we are well protected from CapEx cost inflation. Our investment policy is to contract major equipment upfront at fixed price, so that when we take the investment decisions, we're doing it based on real time quotes requested from suppliers and then typically locking them in. So at every point in time, we're incorporating in our investment approvals most updated CapEx estimates. We then reflect this in the PPA or auction bids and are therefore passing through any CapEx cost inflation and keeping our return stable. We've covered this in detail on the EDPR call, but bottom-line overall our exposure is limited.

Go on to Slide 7. So, as I mentioned, after quotation, six months into the business plan and we already have around 1.9 billion secured. So, 25% of the overall target for the five years. So very solid execution by our teams. As you know, we like to frontend the business plan and we try to do most of this in the first couple of years. More importantly, I think it's a great performance in the multiples achieved, and as I said with a strong appetite from investors.

Overall, multiples achieved higher than average of EUR1.6 million per megawatt correspond roughly to EUR1.7 million per megawatt for winds and 1.25 million for solar. Obviously, there are CapEx differences in the cost per megawatts of wind and solar. We also recently completed an asset rotation deal of a wind portfolio in the U.S. of 405 megawatts, around 500 million of asset rotation proceeds which had a capital gain of about 100 million, you can see that there on the left hand side of the slide. So, summing up, we're on track to exceed our business plan targets and deliver capital gains north of the 300 million in 2021, and really excited to see the asset rotation has been very solid in the last couple of months.

Moving on to Slide 8, we're talking about policy. We see the policy environment still very supportive of the energy transition. I mean, just since Wednesday in the U.S. following Biden's American's jobs plan, the Senate has now passed a key milestone in infrastructure bill, and that includes additional support on investments in electricity grid of around $73 billion, which are critical for renewables growth. As you know, one of the key issues in the U.S. is having good transmission networks that we can connect renewal projects to, and so we think this is a very healthy sign which will be good news for the renewable sector in the U.S. In late June, we also had positive news from the IRS decision to extend the PTCs and the ITCs by around two years, so taking into consideration some delays related with the COVID situation, this is clearly positive for our investments in the U.S. with the planned commission over the next couple of years.

In Europe, as you know, the bids for 55 legislative package enhances again the widespread political support on decarbonization. It increases the renewables growth targets and mechanisms for the sector, includes reforms to EU emissions trading scheme. And I think it's also worth highlighting, increased guidance and financial support for contracting of renewables PPAs by SMEs. So, this is very much in line with the expectation of a growing PPA market in Europe. All of this, I think calls for strong fundamentals and unprecedented growth in renewables, as referenced this in the past, but if you look at the IEA, International Energy Agency, net zero roadmap is expected to represent 90% of electricity generation by 2050 by renewables. So then good news for the sector.

Slide 9, so talking about networks. The networks have been extremely resilient and I think we continue to deliver strong operational performance, I think the teams' done a great work here. Overall, distributed electricity increased 14%. There was a good economic recovery across all our geographies, but also given the acquisition of the Viesgo. In Portugal, we significantly ramped up the deployment of smart meters and we've got a share of now almost 60% in June. And I think, it's also important to note, network's platform has also been a very important driver of efficiency for cash recurring OpEx decreasing 5% on a like-for-like basis.

The Viesgo integration on track, that's in this new collective labor agreements signed last month. This is the key milestone for the integration plan that allows us to move forward with significant part of the restructuring. So, also an important milestone to highlight. And in Brazil, the networks operations also showed very solid growth. So, we've talked about the acquisition of a transmission line in the state of Maranhão, and we were awarded the largest batch in the recent transmission auction, and that increases our overall transmission portfolio to eight lines. So, six of them in operations or in advanced stage of construction.

One point I wanted to highlight that in relation to transmission in Brazil, given that we see very interesting value creation in the development of these transmission lines, we're now considering the implementation of an asset rotation business model transmission in Brazil where we crystallize some of this value upfront and rotate the capital into new greenfield transmission projects that have been permitting or pre-construction phase. So, this is something that we're also working on and hope to give you some visibility in the next couple of months.

So, on Slide 10 and just a note about client solutions, and I think really some very interesting numbers. First, the penetration of value-added services continues to increase, so up 5% around 30% in the first half. Focus very much on service quality and leveraging our customer portfolio to increase the share of wallet, so proved to be a very successful strategy so far. And also, I think really interesting to highlight is solar DG really taking off, it's almost doubled the installed capacity of distributed solar, now at around 190 megawatts peak versus the first half of last year, both transactional and also as a service. And also in terms of mobility, public mobility and private charging points also relevantly increased. So, I think also worth highlighting these two numbers.

Finally, if we go to Slide 11 going to address that EDP has been working hard to adjust its business portfolio towards the energy transition across all divisions. And I just wanted to highlight three business divisions that represent today the bulk of our Iberian operations. The first one is hydro in Iberia. We have around 5.5 gigawatts, of which more than 40% was pumping capacity. As you know, this is a flexible renewable technology that would be critical for to complement the growth of other variable renewable technologies, namely solar. And as you'll recall, in December 2019, we agreed to deal with the consortium led by ENGIE for the disposal of the 1.7 gigawatts of hydro capacity for a total of 2.2 billion. So at that time, the forward power prices were significantly lower than today. I just highlight this point because I think that's important in terms of doing a read across for existing portfolio. We've also reinforced our presence in electricity network, so the second piece of the business. We now have a regulated asset base of EUR4.6 billion in Iberia now including the Viesgo acquisitions, which I've mentioned, the integration is going very well. So I think we continue to believe that the electricity networks will play a key role in the energy transition. Finally, we have a portfolio of 4 million clients in Iberia, and the strategy is to continue to increase the share of wallet for clients with the new services namely distributed solar where we see a very interesting growth opportunity. As you know, this business was more mature -- not more mature, but it's been growing in the past in Portugal, in Spain, it's more recent, and so there's a huge market opportunity really to explore there. And we are seeing that and the teams are doing a fantastic job in building out the businesses in distributed solar in Spain.

Overall, we believe the recent equity market performance of EDP, particularly, if you consider the relative market value of EDPR, and also implicit value EDP's Iberian business doesn't reflect the fundamental value of these operations, which I just talked about, and which are very well placed to benefit from the opportunities in the energy transition.

So I'll just leave that comment there, and I'll turn over to Rui Teixeira, then come back for closing remarks. Thank you.

Rui Manuel Rodrigues Lopes Teixeira: Thank you, Miguel. And good morning to you all. So, on EDP's performance for the first half 2021, I'd like you to move on to Slide 13, please. The recurring EBITDA decreased 6% to EUR1.7 billion, so that's EUR1,678 million by the first half of 2021. If you were to exclude the ForEx impact, actually the performance would be relatively flat versus year-on-year, so it would be a 1% drop.

So recurring EBITDA from the renewables platform was penalized by weaker wind resources, particularly in U.S. which was 6% below average. Brazil and Europe was good as represented in the results two days ago. -- impacting the first quarter of '21 results, of course, a negative impact that was concentrated in the first quarter. Lower asset rotation gains when compared to last year. I think it's important here to note that we booked in the first half 2020 offshore capital gains of EUR145 million versus what we are looking this year in the first half of EUR118 million. This performance in wind and solar was partially offset by the good performance that we have in hydro.

In the electricity networks, recurring EBITDA increased by 32%, of course these benefits from the integration of Viesgo, which had an EUR86 million EBITDA contribution, a strong demand across all regions and around improved financial -- sorry operational performance.

In Client Solutions & Energy Management platform, which was penalized by a sharp increase in energy prices in the wholesale market, particularly in the second quarter 2021, this imply a higher production and sourcing costs, but also negative mark-to-market impact on hedging contracts. Part of these results are mitigated by a stronger than expected performance in hydro in Iberia, with realized the price of EUR57 per megawatt hour that's above the hedge price of the base load production for '21 of EUR45 per megawatt hour. These also compares to an exceptional positive performance last year. If we move now to Page 14, EBITDA from EDPR declined 18% year-on-year to 654 million or 13% drop if you were to exclude the ForEx impact. Despite this the 10% increase of installed capacity supported naturally by the additions over the last 12 months. As I mentioned before, EBITDA was penalized by overall resources, so that overall 5% below average. The negative impact from the polar vortex in February, 35 million impact, and lower asset rotation gains when compared to last year, so that's a minus 27 million.

If we move now to Page 15 on the hydro, adjusted by the change in consolidation perimeter, hydro recurring EBITDA increased 22% to 353 million. In Iberia, our EBITDA increased by 58 million year-on-year, impacted by a 10% year-on-year increase in hydro production. Also, as I said before, realized price benefited from the context of higher pool prices, even though our expected output is hedged at EUR45 per megawatt hour. So, it also reflects the quality and the flexibility of our hydro portfolio. Results were also positively impact by the reversion of some hydro levies in Spain, following the recent court decision, which amounted to EUR47 million. Brazil, the hydro EBITDA increased 9% year-on-year. We know that there is a hydro crisis in Brazil, but we are experiencing of course. But performance was well supported by the hedging strategy in place with more energy allocated towards the second half of '21, which protected the portfolio from the impact of the GSF and the consequent price volatility that we have witnessed in this period.

We now move to networks on Slide 16. The semester was marked by a strong performance of this business with a recurring EBITDA increasing 33% year-on-year. In Iberia, EBITDA amounted to EUR418 million that's 32% improvement comparing to the first half last year. And naturally these on the back of the Viesgo integration and also 22 million increase in Portugal due to OpEx savings and a result of also some gradual increase in digitalization for a lot of smart meters and also some lower headcount. So very focused on efficiency. In Brazil, EBITDA rose 38% to EUR168 million, that's 65 in local currency. And this is mainly due the increase of volumes distributed in electricity which are up by 10% year-on-year. The positive impact from inflation indexation on distribution and annual tariff updates. I'd just like to remind that the annual tariff updates were 8% in EDP Espirito Santo that was in August 2020 and 4.8% in EDP Sao Paulo that was in October 2020. EBITDA is also positively impacted by the partial commissioning of the two transmission lines and evolution of construction works in the remaining lines.

We move now to the platform client solutions and energy management on Slide 17. Recurring EBITDA declined 71% year-on-year versus a very obviously exceptional strong performance in the first half 2020, which included still a positive EBITDA contribution of EUR42 million from Sines coal plant that was shutdown half year of 2020. The second quarter of this year was particularly challenging with an EBITDA of minus EUR4 million in which the energy management activity in Iberia was penalized by the sharp increase in the energy prices to really record high levels. These have increased energy sourcing costs and also implied some negative mark-to-market impact from hedging contracts for future periods. Part of these mark-to-market losses are also expected to be reverted in the near-term and are mostly non-cash items. I think it's also worthwhile mentioning that part of this negative performance is offset by the positive results achieved in Hydro Iberia as well as the strong performance in our supply division as we kept the average price of energy sales to its customers on a stable basis.

For assuming the maintenance of the current high energy prices in the current market environment for the second half of the year, we are expecting our client solutions and energy management segment to deliver an EBITDA in the region of the EUR0.2 billion. The third quarter should still be penalized by these context of higher energy prices, but also people we are expecting it to be compensated during the fourth quarter of the year. For the next years, we see an improved level of all forward contracting. So for 2022, we have already had close to 100% of our expected base load generation at the wholesale price of EUR57 per megawatt hour. In for 2023, we have now 30% of our expected generation volumes attractive at an implicit base load price of EUR50 per megawatt hour, which is above our business plan assumptions at roughly EUR47 per megawatt hour.

So, now moving into efficiency on OpEx on Slide 18, excluding growth for like-for-like comparison OpEx improved by 3% year-on-year and of course, we continue to drive efficiencies across the business. So, although we have a higher accounted EDPR to support growth, this was compensated by a leaner organization. Networks OpEx excluding growth declined by 5% year-on-year as we continued to increase the digitalization and also due to a lower headcount. Our efficiency program has now over 330 initiatives identified which has already captured EUR24 million in savings in this first half of the year, that mainly in human resources initiatives and the optimized procurement in Brazil. So, I think, very focused on driving efficiency and delivering this impact in terms of value to all shareholders.

On Slide 19, we'll review on the financing cost, so adjusting by EUR57 million one-off cost that is related to the repurchase of outstanding bonds in the first half of this year and the ForEx gains, net financial interests fell by 10% year-on-year to 164 million, and this is mainly driven by approximately 20 basis points decline on the average cost of debt from 3.3% to 3.1%, a 4% year-on-year decline that's the average of that. And also in January 2021, we have two bonds maturing with coupons of 5.25% and 4.125% which helped to lower the average cost of that. It is also worth highlighting that in the beginning of July, we also concluded a cash tender offer for EUR647 million of short-term outstanding bonds in the proactive liability management that will contribute to lower our recurring net financial costs over the next quarters.

Net debt on Slide 20, increased by EUR1 billion to EUR13.2 billion in this half of the year. So recurring organic cash flow of 0.5 billion, -- sorry, 0.4 billion that's penalized by an increase in working capital related to proactive management decision to anticipate payments to suppliers in order to optimize treasury management, and of course, in this context of high financial equality. EUR0.75 billion related to the annual dividend that was fully paid in April. EUR1.8 billion of net expansion investments following acceleration to about the buildout activity to 1.4 -- with EUR1.4 billion of expansion investments. And the anticipation of build payments to fix asset suppliers of around 0.9 billion. So, this was partly offset by EUR0.5 billion proceeds from the asset rotation deal that was completed in the U.S. We also have a positive impact from the 1.5 billion proceeds from EDPR capital increase in April and 0.4 billion related to 50% of the 750 million hybrid bonds that we issued in January. Regulatory receivables increased by 0.4 billion, mainly in Portugal given that in the first half they were no sales of the tariff deficits. However, in July, we have already -- we already announced the closing of 0.5 billion tariff deficit in Portugal. Just to finalize here on the slide CapEx of exchange rate fluctuation have a negative impact of 0.2 billion in our net debt by the end of the period. Net profit FY'21, so overall we reached 343 million, so that's a 9% increase in year-on-year. If we adjust by one-off impacts and the operations disposed in Iberia in 2020, recurring net profit decreased 15% year-on-year to 336 million. I think it's important to highlight income tax amounted to 164 million representing an effective tax rate of 23% and that's mainly due to the capital gains that are taxed in US. And controlling interest fell 11% year-on- year to 154 million, mainly explained by the decrease in EDPR net profit.

Just to finalize before I hand over to Miguel on Slide 22, I think it's important also to mention some achievements as we are continuing our delivery on the ESG excellence. And so on the environmental front, we are all very pleased to share that the science-based target initiative, recognized EDP's 98% target reduction of Scope 1 and 2 greenhouse gas emissions by 2030, that compares 2015 level. And have also recognized 50% of assorts reduction of Scope 3 missions over the same timeframe. This means that the targets in our '21, '25 business plans are in line with the climate science requirements towards limiting the global warming to 1.5 degrees and highlights the strength of our commitment to become coal-free by 2025 and carbon neutral by 2030.

On the social commitments in the first half 2021, women represented 26% of EDP's workforce, that's a 1% increase versus comparable period. It's aligned with our strategy as you know. Also very committed to health and safety, we registered a 1.11 total recordable injury rate at EDP and I want to emphasize how committed we are to make sure that safety is something present in the day-to-day for the entire people working with and for EDP. And we also invested EUR6 million in social investment during this semester. So, I think, with this, we also highlight some of our commitments in ESG. So, with that being said, we are very committed to what's ahead. And I'd also like to take the opportunity to thank you all for your time today, and Miguel I'll turn towards to you now for closing remarks. Thank you.

Miguel Stilwell d'Andrade: Thank you, Rui. So, just before closing the call and going over to Q&A, just a couple of comments on forecast. So many of the forecast by analysts have now been updated with the EDPR capital increase now in approximately 90% of all analysts' estimates. And so we wanted to reiterate our guidance for 2021 and our recurring EBITDA 3.7 billion and recurring net profits above 800 million.

We have very positive prospects on the asset rotation gains at both EDPR level and eventually in transmission results. We have strong growth in electricity networks and we will continue to ramp up renewable deployment in 2021. These positive trends should more than compensate a weaker year in energy management penalized by the increase in energy prices in the short time -- period of time and implied negative mark-to-market on contract which would be unwound over the next couple of quarters. This guidance is based on stable ForEx in average winds and hydro resources for the second half of 2021. And all of this, reinforces our commitment to deliver the business plan.

If we just move to the following slide, Slide 25, and just highlight again a couple of comments. But honestly, and I've mentioned this before we're very enthusiastic about the growth prospects on the several fronts where we're operating. We've been executing the growth plan with the focus on renewables and networks with the total investment of EUR1.6 billion in the first half of 2021. We've secured already 6.7 gigawatts of renewable projects with long-term contracts at attractive return. So, the third of our 20 gigawatts target for 2025. And at the same time, we continue to successfully execute our asset rotation strategy, given the strong demand and attractive multiples achieved. So, reflecting the high quality of our portfolio. The acceleration of our growth is supported by our solid balance sheet and competitive funding based on green financing just had a positive impact on our average cost of debt. We will continue highly focused on risk management, namely regarding the current volatility from CapEx cost inflation, in which as you know, we maintain a conservative risk approach. And we will continue to grow the organization entering into new markets and increasing renewable capacity annual growth. So that's also something that you can see, also the numbers in terms of -- coming through in terms of megawatts under construction and in terms of megawatts secured. We will continue to accelerate the contribution to decarbonization, and you can see also the increase of the weight of renewables in our generation mix, and also the execution of our coal phaseout plants with the goal of becoming coal-free by 2025. So, very exciting time to be in the energy sector and for the companies as a whole.

Thanks very much for this quarter's call results. And you can now move to Q&A and I'll pass it over to the moderator. Thank you.

Operator: The first question on the phone comes from Harry Wyburd of Bank of America. Harry, please go ahead.

Harry Wyburd: Hi, everyone. Thanks very much for taking my question. So, three of them. And first one is on the hydro and energy management in Iberia, just wanted to take a sense of where we are this year versus what's a sensible projection for next year? I guess just breaking it down into components, so hydro obviously it looks like you're hedging at higher prices for next year. So, I just wonder whether you could give us any kind of flavor as to what that might be, what that might mean in terms of EBITDA?

And then also on energy management, I think you mentioned in one of the slides that you expect 0.2 billion this year. Obviously, this year was a bad year, last year is a good year, what's a normalized year, or what should we be putting in for energy management next year? That's first one. Secondly on the transmission, Brazilian transmission rotation plan, I just want to confirm, is that in addition to the operation you are planning on hydro assets in Brazil? And is this something you think could actually meaningful from an earnings perspective. So, could this be another sort of farm down gaine line that we have on a recurring annual basis and the same as what we have for EDPR and could it be meaningful for next year?

And then finally apologize for the very open-ended question here that you showed quite clearly on the slides from which number it was, number 11. I guess the Iberian business' implied share price, it was much lower. And I think given that you're now below EDPR and there's a market cap, and I think the that the combined Brazilian and Iberian business got a market cap of about EUR3 billion is incredibly low and higher than EBITDA multiple of sort of mid-single digit or lower. I just want, is there anything you can do or anything you're thinking of doing to try and correct that or exploit here, despite more disposals in Iberia in the past they don't appear to be on the agenda. But has the sort of share price mix change will be or maybe you consider something like a buyback, or even from your peers are considered a spin-out, just seems an incredible valuation discount and just interested to see, if you feel there any management actions you can use to take advantage of that? Thank you.

Rui Manuel Rodrigues Lopes Teixeira: Hi, Harry, it's Rui. I'll address the first question in terms of the energy management. So again, maybe just going a step back, so again, first of all, I think that last year we had an incredibly strong year so that we're expecting some reduction vis-a-vis year-on-year. Secondly, what concerns, what's happening this year, effectively I mean starting with a hydro we do have a baseload hedging at EUR45, but then the realizedprice and that has very much to do with the flexibility of the portfolio and the realized right that we can get from that an active management is close to EUR57. So definitely, this is something that is impacting positively on the hydro side within it has a reflection on the on the energy management on the other hand.

So basically, when we look to the energy management, I would say the following I would say that we have a negative impact of around EUR75 million, which is a positive impact on the hydro then we have approximately EUR50 million of a mark-to-market contract. It's a gas contract basically we had TTF against Henry Hub. So, it's a fixed spread, because how we are dealing with the hedging to our gas inputs. But then if TTF goes up then on a mark-to-market basis, we have to book it on a negative -- as a negative result. This is something that will be unwinding as we start using the gas, what we would expect it to wide over the next quarters seem to in 2022 as well. And then this particular quarter, the second quarter, we also have sort of a negative impact in terms of sourcing to our customer base. So that's a roughly also some EUR50 million impact as well. So I would say that also to highlight what was the performance on the energy management side. I think that for next year, for 2022 what I would say is that we should see a recovery. As we share I mean we have also increased the hedging on the baseload to 100% at the EUR57 per megawatt hour, which is well above what we were considering in the business plan. So I would expect a more normalized performances throughout the 2022. Now I would hand over to Miguel for the other question.

Miguel Stilwell d'Andrade: Yeah. Hi, Harry. In relation to Brazilian transmission, so, yes, in addition to the sense that we are considering doing some rotations of some of the transmission lines we have in Brazil, as you know we've been building them up or constructing, developing, constructing them over the last couple of years, it's been a good value driver once they are built essentially become almost bond like. So, we may -- we are seriously considering rotating some of these and redeploying that capital into new transmission projects, as you saw recently we won of the big batches as I mentioned in the recent transmission auction.

So that is something that we will be giving you an update probably over the next couple of months. Is it material? I mean, it's not very material in the overall context of the EDP, so certainly nothing like, let's say the renewables asset rotation program. So -- but it is something we will provide further visibility on probably post summer. In relation to the third question, I mean, it's obviously a great question, very open-ended you say. But all I can say is that, we are aware, very aware of that delta that's picking up that's why we wanted to flag it explicitly in the presentation. And we will obviously look at any opportunity or any option that allows us to bridge that gap or to remove that delta in terms of share price.

So I think fundamentally, we don't think that EDP share prices reflecting the some of the parts and that's something that we'll look at and see how best we can do that. It can be just sometimes perhaps it's just providing more information, it continue to give visibility as we are doing on the intrinsic value of the assets, but then it obviously we'll always consider all options as we've all the time.

Harry Wyburd: Okay. Thank you very much.

Miguel Stilwell d'Andrade: We can go to the next question, please.

Operator: Next question comes from Sara Piccinini from Mediobanca. Sarah, your line is now open.

Sara Piccinini: Hi. Good afternoon and many thanks for the presentation and for taking my questions. I have -- first question regarding the political discussions in Iberia that might impact your business. So, first in Spain, about the discussion on the law to revise the marginal pricing system. What is your expectation about the outcome of this regulatory proposal alone? So, the level of output that you expect to be impacted for EDP. And the second is on Portugal. There are political discussions about the possibility to pay a stamp duty for the sale of the idle assets and do you expect to book any provision for the possible risk? So this was the first question.

The second question was on Energy Management, so maybe just given that the expected higher CO2 prices that should be supported by the fit-for-55 package. Would you expect to take the opportunity to increase merchant exposure in terms of generation or you stick to your strategy to bit as much as possible long-term contracted?

And the final question, you highlighted the significant level of investments expected in the U.S. also to improve the network. So would you consider to enter in this market as well?

Thank you.

Miguel Stilwell d'Andrade: In relation to Spain, I can then ask Rui to comment a little bit more on the marginal pricing system, but we certainly don't see anything on that front. I think the key issue that's really under discussion in Spain, which for us has a more residual impact is on, let's say the CO2 clawback value and that's specific proposal which is being discussed and I think that's public, the impact for EDP itself is relatively limited.

In terms of Portugal and the stamp duty, so this had some media attention over the last couple of months. We don't intend to have a provision on this. This was a very textbook standard plain vanilla transaction, the merger and sale of the company to Engie, fully supported by all of the legal advisors and financial advisors. So something that was thoroughly scrutinized, we've been fully collaborative and will continue to be fully collaborative on providing all information regarding this, so that we can clarify this as quickly as possible.

In relation to your second question on energy management and the higher CO2 prices, would we increase merchant exposure? But I think we've also taken an approach that what we aim to do and I think that's one of the fundamental values of EDP and utilities, which have predictable stable long-term cash flows. And so what we look for is to lock-in either through PPAs, feed-in tariff, CfDs, these long-term cash flows and it's what I think has given us the stability over time. So the same way we've seen the volatility of the market, we saw it last year prices crashing. We see them going up this year. I think what we like is this predictability and so on, I wouldn't see us increasing merchant exposure. I would expect us to keep the same philosophy in terms of contracting of new renewable project sort of on these terms.I mean, obviously we go on hedging for what we do have merchant. So whether it's hydros or any renewables, which does have merchants exposure, we typically forward hedging and Rui has already spoken a little bit about that, but I wouldn't expect these prices necessarily change philosophically our attitude to this.

In relation to the third question and it's a great question, U.S. investment. So we are investing heavily in the U.S. in general, mostly in renewables, wind, solar looking at storage, looking at hydrogen, networks I think the key issue for relating to renewables is on the transmission side and we've looked at this in the past it's not something, which we expect to go into in the short term but we are certainly willing to work with partners who are developing these transmission lines, because typically there's a lot -- the U.S. has fantastic resources in both wind and solar. And sometimes it's, let's say that those projects are not located close to load centers, and so it's important to have the network to be able to connect, let's say the demand and supply in the U.S. And so, I think this package is 73 billion, which has been earmarked for investment in networks I think it's a positive in that sense. Rui?

Rui Manuel Rodrigues Lopes Teixeira: Yeah. So going back to your first question about Spain. I think, first of all, changes in the marginal market is something that we're thinking the market architecture is something that EDP has pushed for many years now. We believe that the more you have these zero marginal cost technologies as a renewables penetrating the systems. The more it is important to rethink this market architecture. It has to be done at the European level, so I think it's going to be very hard that any country can progress a little I mean changing these the market rules without a consensus or support from European Union. So I will not be very -- I'm not very optimistic that we would see some structural changes in the market. And as Miguel said, I mean, what we are expecting now is for this CO2 clawback to see how it will ultimately unfold. Now, from what we have heard that could be this – the changes that were incorporated after the report from the senate regulator CNMC. This potentially would impact EDP's net profit, low tens of millions. EDPR should be low very low single-digits. So, it would not be material, nevertheless it's something that from a conceptual perspective, we don't see it going in the same direction as it is for 55. So I would expect, still some discussions to go on in Spain about the surge.

Sara Piccinini: Very clear. Many thanks.

Miguel Stilwell d'Andrade: We can go to the next question, please.

Operator: Our next question comes from Javier Garrido of JP Morgan. Javier, your line is now open.

Javier Garrido: Yes. Good afternoon, everyone. Thanks for the presentation. Two blocks of questions if I may. The first block is on guidance. I would like to understand firstly, what you are including in your net debt guidance. If you are including any proceeds from any disposal outside the asset rotations in renewables, specifically, you're including any proceeds on asset rotations in transmission in Brazil or the sale of Brazilian generation assets?

And then on the guidance on EBITDA and net income, if you are including any asset rotation gains from transmission in Brazil. Probably the first block and then second group of questions would be on renewables, as you have delivered 320 basis points spread of a WACC in the 6.7 gigawatts that you have already secured, but that includes assets that you retain and asses that you are selling your asset rotations. If I'm correct, is there any meaningful discrepancy in that spread in between the assets to keep on the asset to agree to sell?

And on the second question on renewables is how are you seeing your discussions from PPAs with regards to the passing through of incremental costs? Because you have been very clear about how protected you are for the portion of capacity that is already secured, but the new PPAs would lead to include that pass-through, how are those conversations going on? Thank you.

Rui Manuel Rodrigues Lopes Teixeira: So, it's Rui here. So let me address the guidance and then I'll hand over to Miguel for the other two. So, starting with the net debt. So for the net debt what we are considering is bearing in mind that we will have already the assets rotation, which is already signed in July we closed it is three, four days ago, $650 million from tax equity. So we know that is closed in our accounts, in July. Regulatory receivables, so we did a 500 million sale of very deficit already in July. We may do some more towards the end of the year and naturally we are expecting a normalization of working capital because as we had during the first half, particularly in the first quarter, we had some anticipation to suppliers just to manage the liquidity position. So that's we are seeing -- how we are seeing this evolving to around EUR11 billion, EUR11.5 billion by the year end. And, yes, I mean what concerns are estimates for the year end at EBITDA level, we are considering that we will be closing asset rotation. And that includes sale of EDPR and also at the Brazilian transmission. Although I have to say it's a very small contribution from the Brazilian transmission. And Miguel, the other one.

Miguel Stilwell d'Andrade: Yeah, thanks. So listen to your questions on renewables, so it's roughly the same. I mean we are crystallizing the fair value of the assets upfront and that we don't differentiate necessarily between what we retain versus what we sell that decision is taken much more on the criteria in terms of -- is there a sufficient critical mass, and the geography that that we think are interesting for investors to come in. So that's the key criteria and not so much whether there's a difference in terms of the returns from one to the other. So, I would say it's the same between both.

Javier Garrido: All right. Thank you very much.

Miguel Stilwell d'Andrade: Can we go to the next question, please.

Operator: Our next question comes from Alberto Gandolfi of Goldman Sachs. Alberto, your line is now open.

Alberto Gandolfi: Thank you for taking my question, and good afternoon. I have three, please. Two are clarifications. Can I just be clear about the energy management EBITDA? I think Rui you said the EUR75 million negative impact, which is offset of the hydro level then you talked about negative sourcing of EUR50 million, maybe didn't get it, but was a mistake and you didn't provide a mark-to-market impact. Now should we say that the total energy management is about EUR200 million plus partially offset by EUR75 million in hydro or is the impact even bigger? And would you expect some of these normalized by year end? So you're going to use some gas in the second half? That's what I'm asking.

Second question is, forgive me again on guidance. You talked about market I mean adjusted EUR3.7 billion EBITDA, recurring above 800. Could you tell us if you really put, I mean, if you're comfortable provided more than EUR300 million gains or at EUR300 million gains, because at EUR300 million gains the underline net income before gains would be about EUR650 million. So, I'm trying to figure that out.

And sticking to guidance, sorry, this is that question to be, for 2022 we should have a bounce in volumes in renewables in particular new capacity those factors, you don't have losses in Texas. Some power price tailwinds, the energy management, so before any asset rotation gains or assuming constant gain shouldn't 2022 be a particularly strong year for you both operating and bottom line?

And last, I promise, yesterday I asked a question about asset rotation that you're making like 2x invested capital. So I guess what I asked yesterday was why don't you sell fewer gigawatt get the same euro amount inflow and retain more assets, but thinking about it why don't you actually sell the same gigawatt? Make this above expectation gains, but at the same time, use higher proceeds to upgrade the capacity. So I was going to be here in February next year, where you just going to keep the same gigawatt disposals and then suddenly maybe achieve your 6 gigawatt growth sooner than expected or go even about that? Thank you.

Rui Manuel Rodrigues Lopes Teixeira: Hi, Alberto. So I'll take the first one, the energy management just so just be clear. So yes, we see a negative impact of EUR75 million that it's a positive impact on the hydro and that has much it's partially with the realized price. Then we have around EUR50 million which is higher cost of sourcing to supply -- to our supply business and therefore the energy management takes a higher source of costing, sorry, higher cost of sourcing, but then the this is not reflected in the price to the customers. And then there's a third one, which is the negative mark-to-market of EUR50 million on a gas -- some gas hedges that we have. Again just because we hedge and once we utilize the gas, we will benefit from that spread, but it was considered to be a speculative contract and then in that regard, it's mark-to-market against ETFs increasing. So that's the negative impact that will be unwinding it as we utilize this gas, but those were the three blocks that have a I would say a significant impact in terms of the energy management.

Miguel Stilwell d'Andrade: Hi, Albert. Yeah, Hi. So in terms of the guidance, if I understood your question, so would we guide towards more than EUR300 million? I mean the answer is yes. I think

-- and this is something I would just like to make sure it's clear. So we have several transactions that have been signed and that we are working through the regulatory approvals some in U.S., some in Europe, we've talked about the one in Portugal, but there's another one that's upcoming. And so it's essentially a question of managing also the timing of these and whether all of these crystallized in 2021, or whether some of these also crystallized in 2022.

In -- almost any scenario we look at, we are very comfortable with more than the EUR300 million. The exact value will then depend on exactly which deals closed in 2021, versus others that may close in 2022. So that's what I would say on this. In relation to the second part of your question, I think you are absolutely right. I mean, quite frankly, we had a poor first half on an operational basis in terms of the volumes of renewables particularly in the U.S., Europe and Brazil has fine, but the U.S. has clearly low volume, not just because of Texas event, I mean that was a one-off but we also had to just generally low wind. So if we normalize that we would expect certainly more volume on renewables overall. So operationally we would expect that to bounce back in 2022 assuming an average year. In terms of assets rotations and going to your third question, I think clearly our stated goal was the EUR8 billion of asset rotation. So if we sell, let's say, if we get those proceeds with less megawatts then that's fine. I mean, we'll have tick that box in terms of we'll have met the criteria that we needed to in terms of our in terms of our balance sheet. I think we'll then be in a position where we decide as you say, do we sell additional megawatts and reinvest or do we keep it there and keep more megawatts on the balance sheets. And I think that will depend very much on how we see the markets in terms of our ability to continue to scale up the type of projects, the returns we see on those projects.

So, we will come to that point. I'm sure. And we will have to take a decision on that. As of today, all I can say is what I would say is that the target is the EUR8 billion, if we do it with less megawatts that's great, and then we'll be in a position to decide whether we do or megawatts and keep them on balance sheet or not. That's something that we will evaluate. Hopefully that answers your question.

Alberto Gandolfi: Yes. That is a good problem to have. Thank you.

Miguel Stilwell d'Andrade: Yes, exactly. The next one, please.

Operator: Our next question comes from Jorge Guimaraes from JB Capital. Jorge, your line is now open.

Jorge Guimarães: Good afternoon. I have two questions, please. The first one is a clarification on the guidance, because I had a problem with my sudden communications. I did not understand, whether the guidance included assets rotation guidance in Brazil. So clarification on our previous answers to these?

The second one it's still on the energy management according to the guidance that the consensus that you still (inaudible) currently the market is expecting something below EUR400 million per year over the next year. Are you comfortable with that value for the division? And the final one is a bit more conceptual. When do you expect that we have cross-border PPAs in Europe that will allow for the export of cheap solar PV from Iberia to Europe? This will be my three questions. Thank you very much.

Rui Manuel Rodrigues Lopes Teixeira: So, hi Jorge. So addressing the maybe the first and second question. Yes, so the first, yes, we are including in the guidance from capital gains from the Brazilian asset rotation. But again I mean, those are all relatively small, so I mean not significant, really not that's compared to the ones that we have from EDPR. On the energy management, yes, I mean, we are not providing sort of guidance for that for the medium term, but I would say that for this year we expect that by the year end, we would have a contribution from the segment client solutions and energy management from EUR0.2 billion. So going forward EUR400 million ballpark figure should be relatively fair to say that. Although as I said, we are not commenting on specific guidance, but ballpark figure, yes.

Miguel Stilwell d'Andrade: Okay, Jorge, if I understood your question, the third one was will we see PPAs in Iberia ramping up and Iberia is exporting solar to rest of Europe was that?

Jorge Guimarães: Yes. When we do -- yes, when can we have cross-border PPAs that can to allow us part of address it to other European countries?

Miguel Stilwell d'Andrade: So in general what I would say is that the PPA market that we've seen in Iberia has been picking up. So as you know, in the U.S., it's very mature, it's something we've been doing for many years. And in Europe, in general, and Iberia in particular had been less so in the past, but we do see it's picking up. And in fact, we've already signed a couple of corporate PPAs with European companies that aren't necessarily in Iberia.

I think the fit-for-55 also shows support for growing PPA market in Europe and so I think that's also something that's positive for the overall market. I think in your question if it was implicit that we would be exporting solar to the rest of Europe, like physically that I think is very much dependent on interconnection, which as you know is something which between Iberia and the rest of Europe is still not great. In fact, we just recently had last week and as you know so with incidents on the network. So, it just shows us as I think sometimes the limited amount of interconnection between Iberia and France, which is expected to increase over this next decade.

So, I think with time, you could then start getting more physical or higher percentage of physical exportation of solar through these PPAs. For the moment these end up being, the people who contract PPAs either in Iberia or then they hire -- they contract them, but they don't physically what they require the energy in the other European markets.

Miguel Stilwell d'Andrade: We can go to the next question, please.

Operator: Our next question comes from Fernando Garcia of RBC Capital Markets. Fernando your line is now open.

Fernando Garcia: Hey. Hi good afternoon. Thank you for taking my questions. I have two questions on gas. First one is I think that you are learning customer (inaudible) after the expiration of 1.5 this year, so you guys contract this year. So could you explain, what is your strategy in gas and how do you hedge all your gas sales that you expect for second half of the year?

And second question. If you can provide some clarification on this EUR50 million mark-to-market of negative gas impacting in Q2 actually and taking into account that TTF gas prices went up still in the at least in July. Taking into account, the gas uses that you expect for H2, what could we expect regarding this favor in the second half of the year? Thank you.

Rui Manuel Rodrigues Lopes Teixeira: Hi, Fernando, it's Rui here. So just -- first of all, in terms of the hedging strategy for the gas contracts with all the same hedging strategies or risk policy that we have at EDP, so we always aim to have it balanced so that we don't have a very open positions. Again, it is small activity for EDP. Nevertheless, long-term contracts hedge for this year, I mean they are hedged two-thirds of the gas volumes are also hedged for 2022. And of course, I mean we always and manage what is the best for the gas whether it is to be the plan or to be a customer base that we have in Iberia.

In what concerns the mark-to-market just to be clear. So all -- in these contracts that we have that are going some of these contracts will be for supply or to be utilized, or to mention the gas in Q3, Q4 throughout 2022. We hedge it. So once we hedge it, we close the spread and basically, this particular mark-to-market, so we will locked in a spread TTF versus Henry Hub. Because TTF is, where will the reference price upon which is then we sell the gas and the acquisition was Henry Hub indexed. So, once it's locked in that spread, it means that when I'm utilizing the gas, I know exactly what those prices will be, utilizing that gas in TTF. What happened as you said is that TTF market went up, so it was considered that this the volume that were hedged with this spread on a mark-to-market basis, so TTF went up. The TTF which we locked in was lower and therefore that delta we had to book it as a mark-to-market. So that's where the negative impact comes, so we expect mark-to-market, so it's not cash out, it's the impact in the accounts. What will happen as we go forward, and we utilize that gas in Q3, Q4 in 2022, basically we'll be unwinding these mark-to-market or if I do, what will be using is that spread I mean, that was already locked in from an economic perspective. This is what we have in the books in this quarter.

Fernando Garcia: Thank you very clear.

Miguel Stilwell d'Andrade: We can go to the next question, please.

Operator: Next question comes from Arthur Sitbon of Morgan Stanley. Arthur, your line is now open.

Arthur Sitbon: Thank you for taking my question I have two. My first question is I was wondering, if you could please provide an update on the investigation into your fiscal obligations regarding the sale of the Portuguese hydro dam to NG. If you could provide a sense of what's really at risk here that would be helpful? And my second question is just if we could get an update on if there I any progress being made for the auction of municipal concession on Portuguese electricity distribution? Thank you very much.

Miguel Stilwell d'Andrade: Hi Arthur. So in relation to the first one, there's not really any update. So, there's an ongoing investigation in relation to what's come out in the media is in relation to the stamp tax, which is being alleged by a local movement to be of around EUR100 million. And as I mentioned earlier on the call, so this is something which has been seen and reviewed many, many times by both legal, financial tax advisors and we're very comfortable with the position we have. So, it's something that's, as I said, we are collaborating fully and hope to clarify as quickly as possible.

In relation to the auction on the low-voltage concessions, I think that's what you're referring to. So, there's a working group that was put together a few months ago to come up with a proposal for how to run this process. We would expect that to -- that proposal from the working group to come out probably over the next couple of weeks even. And it would probably be followed by public discussions and essentially it would only be following those public discussions that there would be actually a decision taken on what to do in relation to the low voltage.

I think just it's always good to reiterate that as you know this represents about EUR1.2 billion of RAB. And that's in terms of let's say we are continuing to manage it on an ongoing sort of as usual basis. In any scenario, we would get either RAB back so that the concession contract were -- if we were to win this process depending on what it is, it would be under the terms for another concession period. So that's essentially what would happen. The process itself, there's not much visibility on whether it's going to be one region or more than one region in fact what terms, so I can't comment much more on that.

Arthur Sitbon: Thank you.

Miguel Stilwell d'Andrade: Go to the last question by phone.

Operator: And today's last question over the telephone lines is from Oli Jeffery of Deutsche Bank. Ali, your line is now open.

Oli Jeffery: Thank you. Good afternoon. Three questions, please. The first one is on the Viesgo integration. I just wanted to get a sense of how you saw the integration going in terms of the synergies that you expect and just physically on if you've got any more confident on the synergies since the Capital Market Day in February if you found more for example, you think you'll be able to exploit about to generate and initially envisaged. That's the first question.

And the second one is on the net gain. So you mentioned that the gains recorded on the transaction is completed EUR250,000 a megawatt. Onshore wind asset obviously and you guided EUR200,000 a megawatt over the plan. I just wanted to get a sense of is that EUR250,000 a megawatt, that was above EUR200,000 guided. The EUR200,000 a megawatt is guide as a mixture of wind and solar with the wind asset probably having a higher EUR1,000 per megawatt gain expectation. So if EUR250,000 a megawatt in line of what you expect for onshore wind or is it still higher than what you're expecting for onshore wind? Thank you.

Miguel Stilwell d'Andrade: Thanks Oli for the questions. So in relation to the first part, in relation to Viesgo. I think quite frankly, we're positively surprised -- not surprised, but happy about the way that the integration is going it's certainly on good track, even probably seeing in the pre-closing assumptions. It's already -- we've defined already the new organizational model already back in March, we have several initiatives on track in terms of to maximize the value creation.

As I mentioned earlier, we got the collective labor agreement closed now in the second quarter of 2021, which was an important precondition to implementing let's say the restructuring. So, 2021, is a transition period, where we are expecting to be implementing the bulk of the let's say the synergies in the initiative and that we would get, that was benefit from integration in 2022 onwards.

We haven't quantified the energy synergies explicitly, but overall what I would say is that they're in line with those estimated by analysts. So in terms of operational synergies sort of around the 20 million per year plus and then also some tax synergies, which we've talked about all the channels, we talked about, which could take the overall number up to 40, 50 per year. On the second part of the question. So we expect higher gains, I mean, yes, so wind does typically have higher gains per megawatt than for solar and so that's built into the assumptions. So, when we talk about the EUR200,000 per megawatt that's essentially what includes both wind and solar. However, this one is 250 it came above what we had in the business plan for wind specifically. So let's say the comparison of the 250 is still above what we had estimated in the business plan.

Oli Jeffery: Thanks, that's good.

Miguel Viana: We are a little bit short in time, but we still have time for a couple of questions from the web. The first question will be on the drought in Brazil. So what do you expect impact of the drought Brazil on your second half from 2021 results would be from Mohamed from Bloomberg?

Miguel Viana: I would just say that in terms of the current situation in Brazil, we are going through a worst rainy season in over the last 90 years. Nevertheless, I think the edging of EDP Brazil that was placed in the beginning of the year and we are not (inaudible) for sectors from the current GSF levels that we see in the region of 70%, 76%. And so we there can be some inter-quarter volatility, and definitely third quarter is a more challenging quarter where we see GSF in the region of 50% to 60%. But at the end of the year, so it will be in line with what was our expectation at the beginning of the year.

Miguel Viana: We have another question also from the web from (inaudible). Is there any specific to the asset in west (inaudible) announced in Portugal in order to justify the higher than average multiple of EUR2.4 million per megawatt. Can you give any indication on the capital gain?

Miguel Stilwell d'Andrade: Hi, Stefano. So in relation to your question, I mean, what I would say is you've definitely seen a lot of appetite for these assets. Overall, I mean, even last year in Spain, for example, Spanish transaction was also a fantastic multiple. So these multiples are obviously influenced by the good quality of assets, number one, very low cost of capital in Europe with very low European interest rate environment. The second one serves I'd say, the average age of the portfolio. These are fairly new assets. In fact, just finished being built or being finished being building and then they have 15 years of strong contracted cash yield. So I'd say that's the fourth point. So you put all of these together and I think you come up with these type of multiples that people are willing to pay for. We haven't provided and we won't provide the exact capital gain at this stage. We all need to wait for the final closing. So that we can calculate exactly the capital gain and that's disclosed in the quarterly reporting following the financial closing. So in any case, I think you guys have or somebody who've done the math using CapEx estimates for the different projects and I'm sure you'll be able to come up with a good estimate.

Miguel Viana: Thanks. We are little bit long in time. So we'll finish here, and we'll follow-up on some few other questions that we have still on the web. And I will leave now to Miguel Stilwell to some closing remarks on the call.

Miguel Stilwell d'Andrade: So what I'd say is, I think we had a quarter which was having some ups and downs and clearly we recognize that in terms of the downs, in terms of energy management and the weaker volume. But I think all -- at the same time also showing the value of some of the diversification, namely, on the network side, on the efficiency side. And so we feel comfortable with where we are and we feel comfortable with the guidance that came out in the market.

Thinking more medium, long term, we feel very excited and very comfortable with the overall growth perspective certainly the renewables business but also the other parts, both client solutions and also in the network side. I think that generally we feel positive about the sector and about the company. And that's something which will be working on now over the next couple of months to make sure we deliver the results this year, but also for future years. And I think that's it

I mean on my side. Just wish you all good holidays and (inaudible) probably for the next couple weeks. So take care. Stay safe. Enjoy. And well I guess talk again early September. Thanks a lot.