

# Investor Presentation

Lisbon, November 2021



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# We have started this journey in Renewables over 2 decades ago and are committed to continue to lead the Energy Transition

The logo for EDP, consisting of the lowercase letters 'edp' in a white, rounded, cursive font.

*Leading the energy transition to create superior value*

Changing  
Tomorrow

Now ☀️

*By 2025*

**€24 Bn**

CAPEX in energy transition

**4 GW/yr**

renewables deployed

**Double**

solar+wind installed capacity

**Coal free**

*By 2030*

**>50 GW**

renewables additions

**100%**

renewables generation

**100%**

energy transition EBITDA

**Carbon neutral**

# Strategic commitments on track as we step up to the challenge to deliver superior value creation



Accelerated and sustainable growth

## Key figures and targets

€24 Bn CAPEX in energy transition<sup>(1)</sup>

20 GW gross additions<sup>(1)</sup>

€8 Bn asset rotation

Improve financial strength

## 9M21

€2.7 Bn (95% in RES + Networks)

8.1GW secured (41%) with 3.9 GW added YTD+U/C

~€2.6 Bn signed (~33% target)

~-€0.1 Bn Net Det



Future-proof organization

Contracting major equipment **upfront at fixed price**

Scale-up organization to **support growth**



ESG excellence and attractive returns

Coal free by 2025

Carbon neutral by 2030

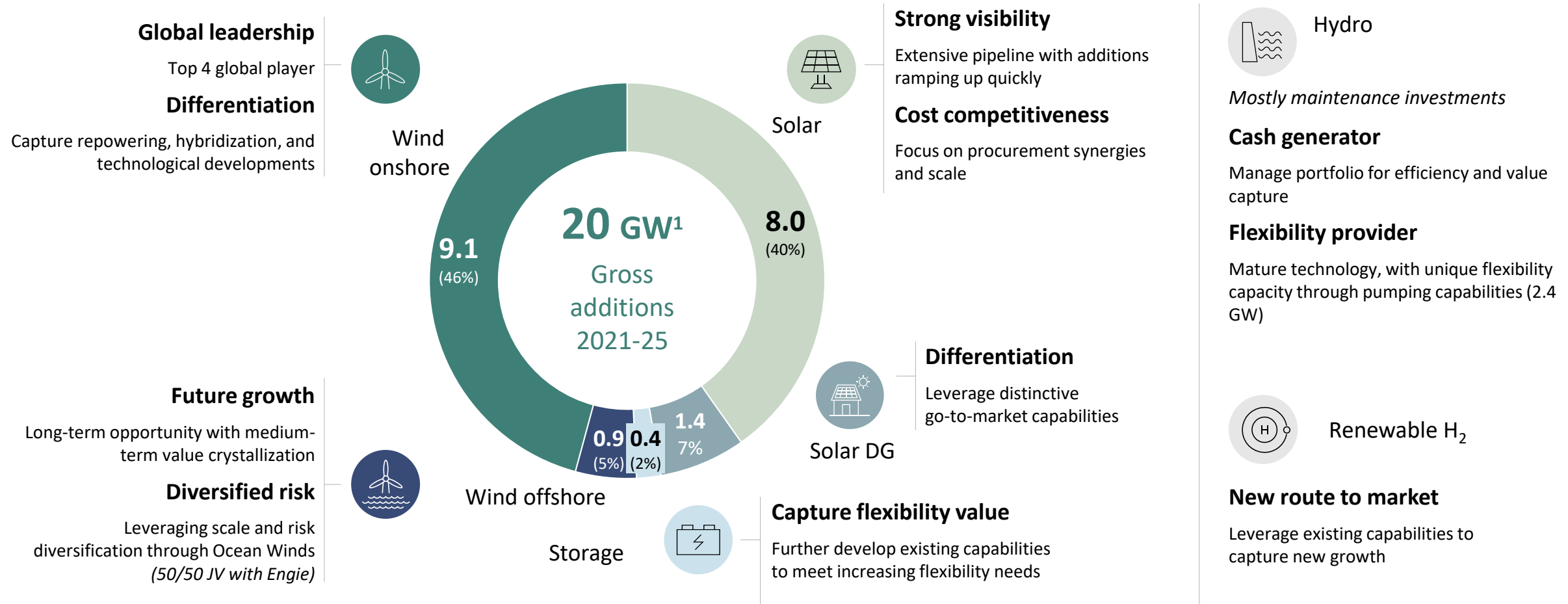
€0.19/share dividend floor

Coal Revenues 5%

76% Renewables Generation

€0.19/share dividend paid April 26<sup>th</sup>

# We will grow our presence across technologies, with differentiating value propositions

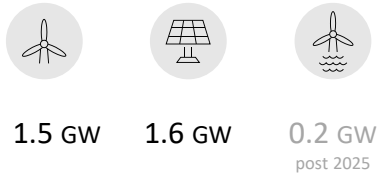


1. EBITDA + Equity GWs

# We have +8.1 GW capacity additions secured (41%) evenly split per geography

## North America

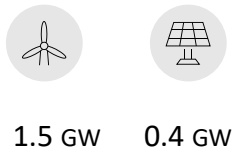
36% secured



3.1  
GW

## LatAm

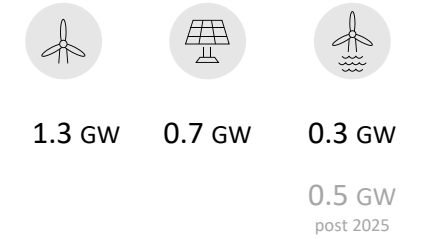
65% secured



1.9  
GW

## Europe

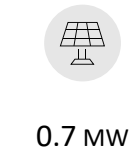
33% secured



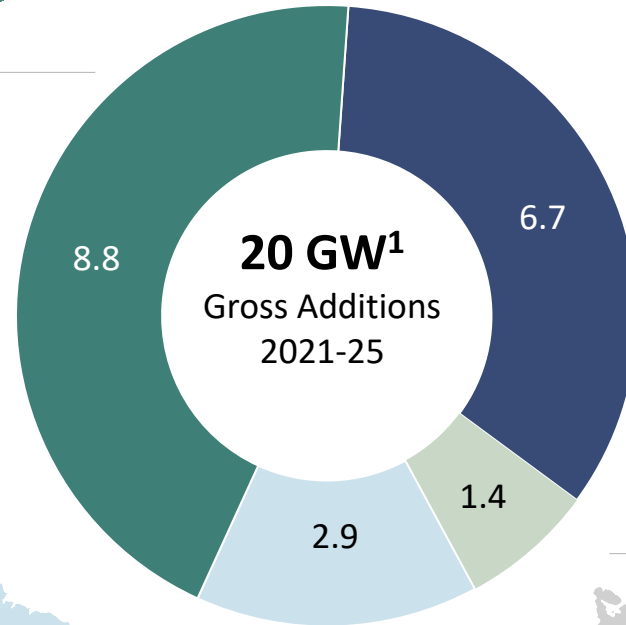
2.3  
GW

## APAC

48% secured



0.7  
GW



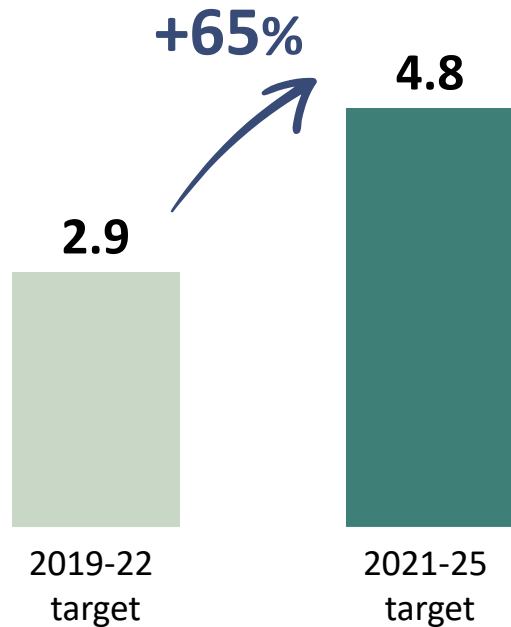
GW  
secured

1. EBITDA + Equity GW

# We will deliver unparalleled investment levels fully aligned with the energy transition

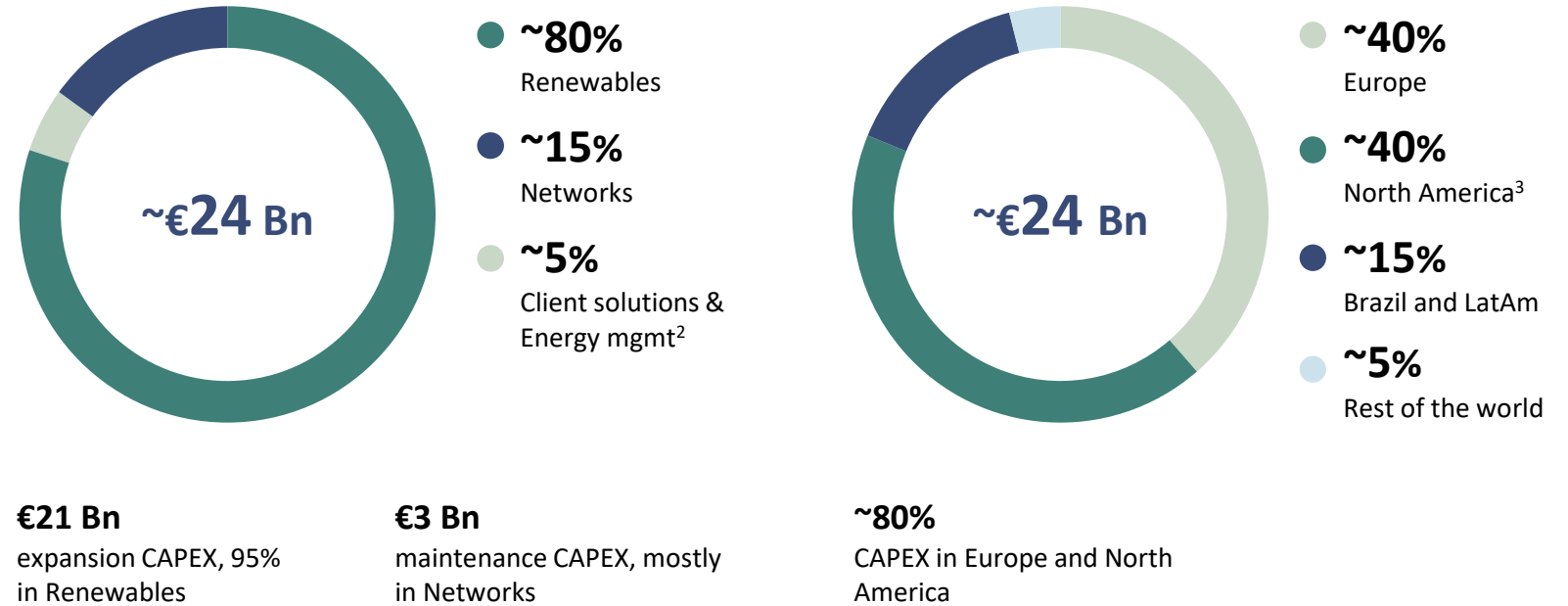
## Significant investment acceleration...

CAPEX<sup>1</sup>, € Bn/yr



## ... with strong focus on Renewables, across key markets in Europe and North America

CAPEX<sup>1</sup>, Cumulative, € Bn, 2021-25



1. Includes financial investments  
 2. Includes other and holding CAPEX  
 3. US, Canada, and Mexico

# EDP has secured 8.1 GW whilst maintaining a sound investment approach

## Continued accelerated growth in renewables...

**Strong execution on capacity deployment**

**+2.5 GW<sup>(1)</sup>** of Wind & Solar Gross capacity added over the last 12 months

**+2.7 GW** Capacity U/C as of Sep-21

**+8.1 GW<sup>(2)</sup>** Secured for 2021-2025

**LT contracts secured:**

**75%**  
of 2021-23 target

**41%**  
of 2021-25 target

**+4.1 GW** PPAs under neg. & shortlisted



2.8 GW



1.1 GW



0.2 GW

## ... maintaining a selective and disciplined investment approach

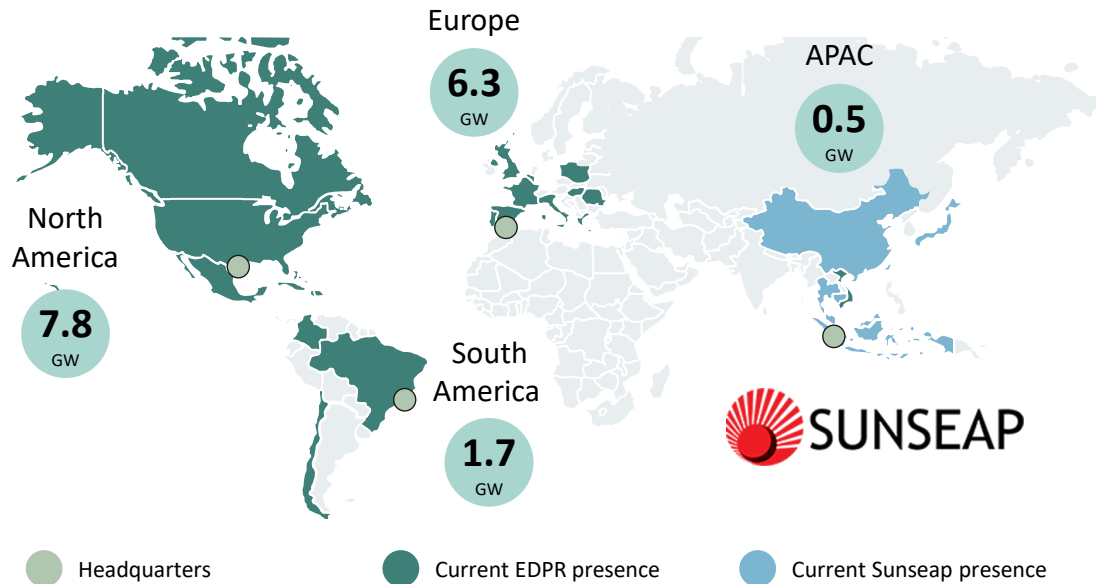
	Target	Actual
✓ IRR/ WACC	>1.4x	~1.45x
✓ IRR to WACC spread	>200bps	~300bps
✓ NPV/ Capex	>25%	~35%
✓ % NPV contracted	>60%	~60%

(1) EBITDA MW + Equity MW | (2) including Sunseap



# With Sunseap, we set up a 4<sup>th</sup> regional hub, a platform for long term growth in APAC, becoming a true global clean energy player

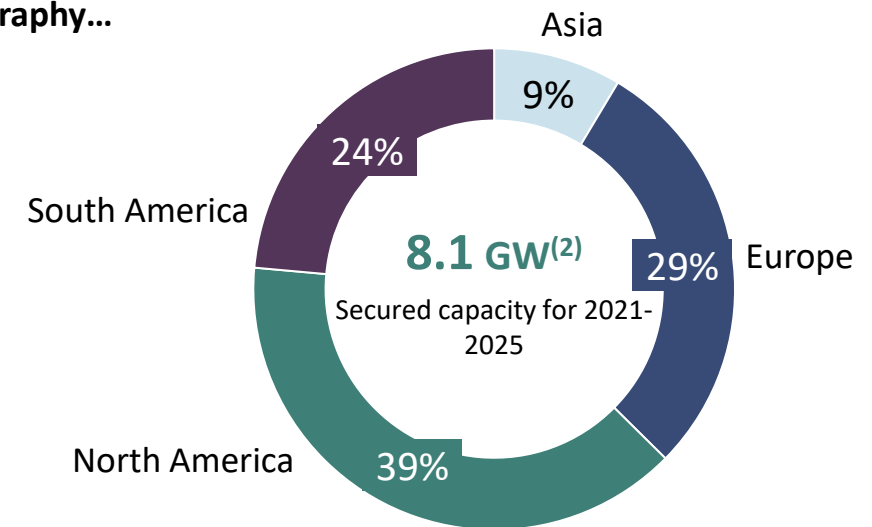
## Global presence through EDPR's installed capacity<sup>(1)</sup>...



- ✓ Enterprise value of **€870M**
- ✓ **0.7 GW operational and secured capacity**, with a pipeline of 5 GW throughout 9 markets (Singapore, Vietnam & Others)
- ✓ **LT Contracted (~20-year)**, avg price ~ €75/MWh

## ... with a focus on accelerated and diversified growth

### By Geography...



### By Technology...

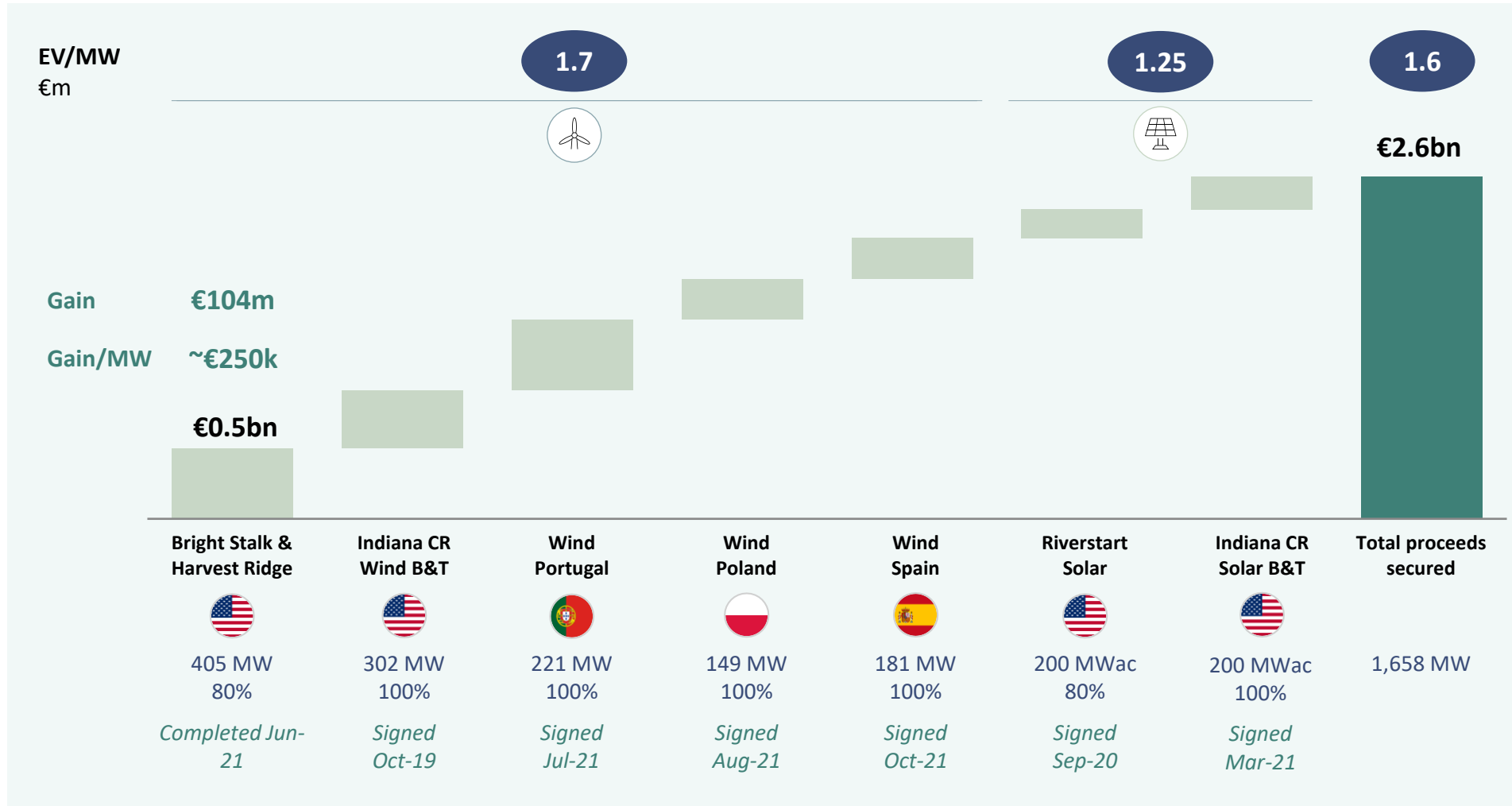


(1) EBITDA + Equity GW operating and under construction as of Sep-21. Capacity reported in MWac | (2) EBITDA + Equity GWs and including Sunseap

# Asset rotation execution has been strong with €2.6bn of proceeds secured at attractive multiples and €0.15bn<sup>(1)</sup> gains already booked



## Strong AR execution at attractive multiples, showcasing the value of EDPR projects



● **€2.6bn** of proceeds, ~**33%** of **€8bn AR target** for 2021-25

● **Attractive multiples with avg. €1.6m/MW** (Wind @ €1.7m and Solar @ €1.25m/MW)

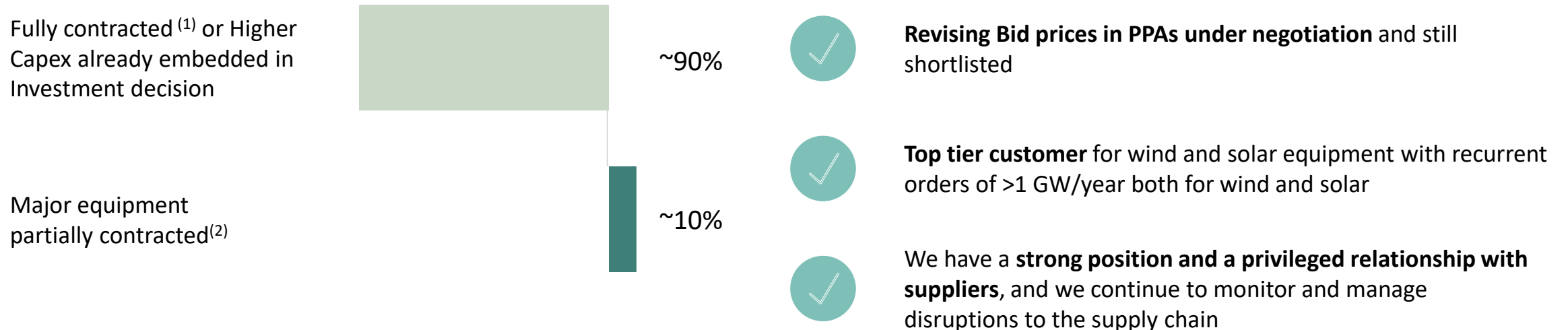
● **On track to deliver >€300m of capital gains in 2021.** Upsize will depend on exact timing of regulatory approvals and closing of each transaction

1. Gains of €151m in 9M21 include i) €104m from Jun-21 US asset rotation deal, ii) €16m contingent price review of Offshore France sell-down transactions iii) €2m price adjustment of Rosewater B&T and iv) €30m for Mayflower earn-out

# We have a policy of contracting major equipment upfront at fixed price mitigating concerns on capex cost inflation

## Secured Capacity Breakdown

%



**Strong returns with spread to WACC >300 bps**

(1) WTG for wind projects; Modules; Trackers and Inverters for solar projects | (2). Capacity which has Major equipment partially contracted, but not fully

# We continue to witness a policy environment highly supportive of the energy transition



✓ Reiterated **global commitments** in the fight against **climate change**



ASEAN targets **23% of primary energy** from RES by 2025

✓ IEA<sup>(1)</sup> forecast investment needed to reach **+1.5°C**

Global Annual Investment in Clean Energy

**\$4 Tn/Year by 2030**  
(vs. \$1Tn/Year in 2020)

✓ **EC toolbox** to tackle energy prices:

Need to accelerate energy transition investments



✓ European **Resilience and Recovery Funds**

**\$0.75 Tn**

Focused around the Green Deal and the Energy Transition

✓ Important legislative measures under discussion

**\$1.20 Tn**

Infrastructure Bill, already approved and signed

**\$1.75 Tn**

Build Back Better Framework

✓ More long-term visibility on **fiscal incentives**

**ITC/PTC**

10-year Extensions

**\$320 Bn**

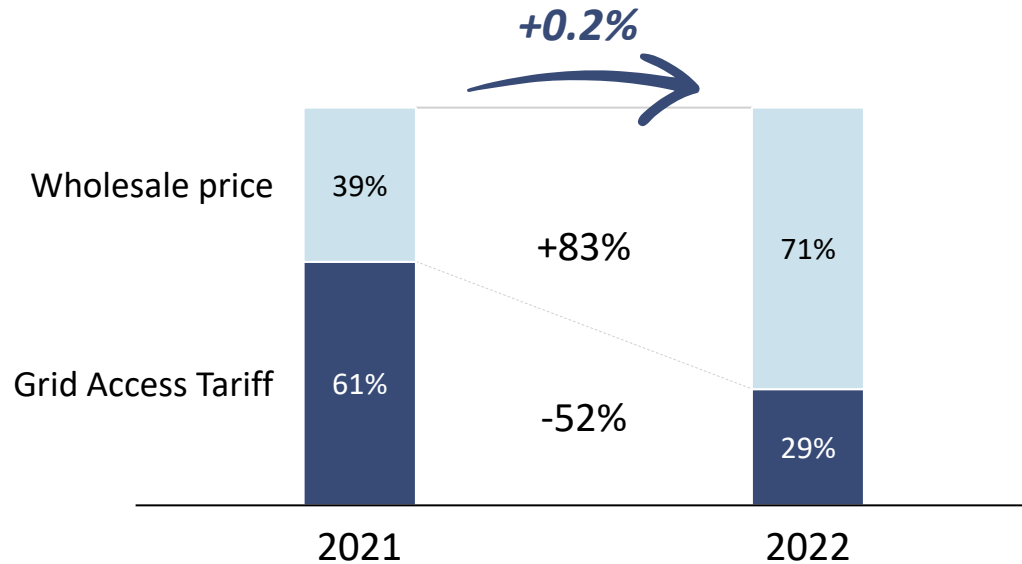
Tax credits

# Despite higher wholesale prices, regulatory framework in Portugal provides stable prices for residential and continuous system debt decline



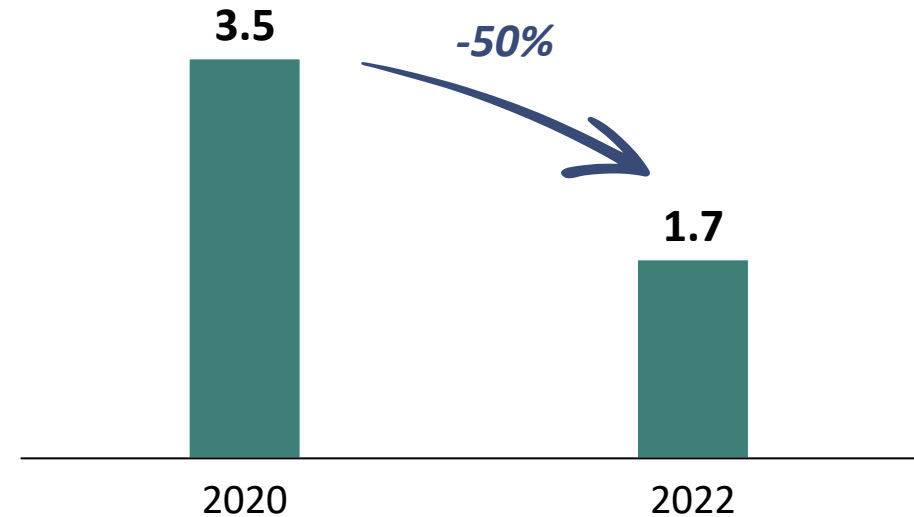
## End-users Regulated Electricity Tariff

€/MWh; Low-voltage clients (residential & SMEs)



## Portugal Electricity System Debt

€ Bn



- Renewables & cogen generation at **stable feed-in tariffs** <sup>(1)</sup> cover **~110% of Low-voltage consumption**
- Grid access tariff -52% due to **spread inversion between feed-in tariffs (~€90/MWh) and wholesale price** <sup>(2)</sup>

- Stable end-users regulated tariffs for residential together with a **50% system debt decline in 2 years**
- Main contribution from **improved spread between stable feed-in tariffs and higher wholesale prices**

Source: ERSE | (1) ~22TWh/Year at ~€90/MWh (2) avg. wholesale electricity price assumption up from €54/MWh in 2021 to €105.5/MWh in 2022

# Significant developments in Brazil's portfolio reshuffling provide value crystallization and improve growth prospects

## Transmission Asset Rotation Strategy

	Acquisition Celg-T	Asset Rotation Actis
Enterprise value	R\$1,977M	R\$1,329M
Annual allowed Revenue (RAP <sup>2</sup> )	R\$223M	R\$131M
<b>EV/RAP Multiple</b>	<b>8.9</b>	<b>10.2</b>
Line's extension	756km	439km
Substations	14	3



Celg-T region (Goiás) with **strong electricity demand growth**, requiring significant transmission investments



**Two additional greenfield transmission projects added in 2021** (463km, RAP R\$47M<sup>(1)</sup>)



Advanced negotiations for **disposal of 0.5 GW net Hydro assets** (Jari, Cachoeira and Mascarenhas)



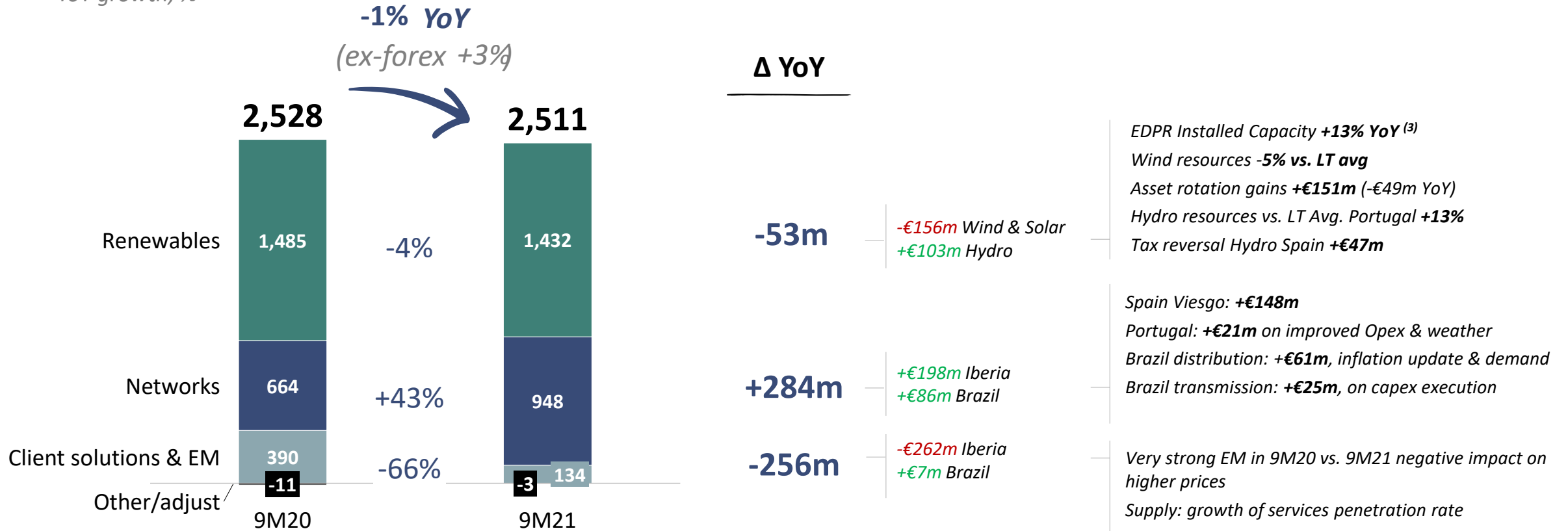
EDP Brasil additional **share buyback program** (~4% of share capital) announced in Oct-21

(1) Composed by Lots 1 in Acre and Rondonia States and 18 in Maranhão State

# Recurring EBITDA -1% YoY (+3% ex-forex) with CS&EM weak performance being mitigated by strong Networks' results

## Recurring EBITDA<sup>(1,2)</sup> €m

YoY growth, %



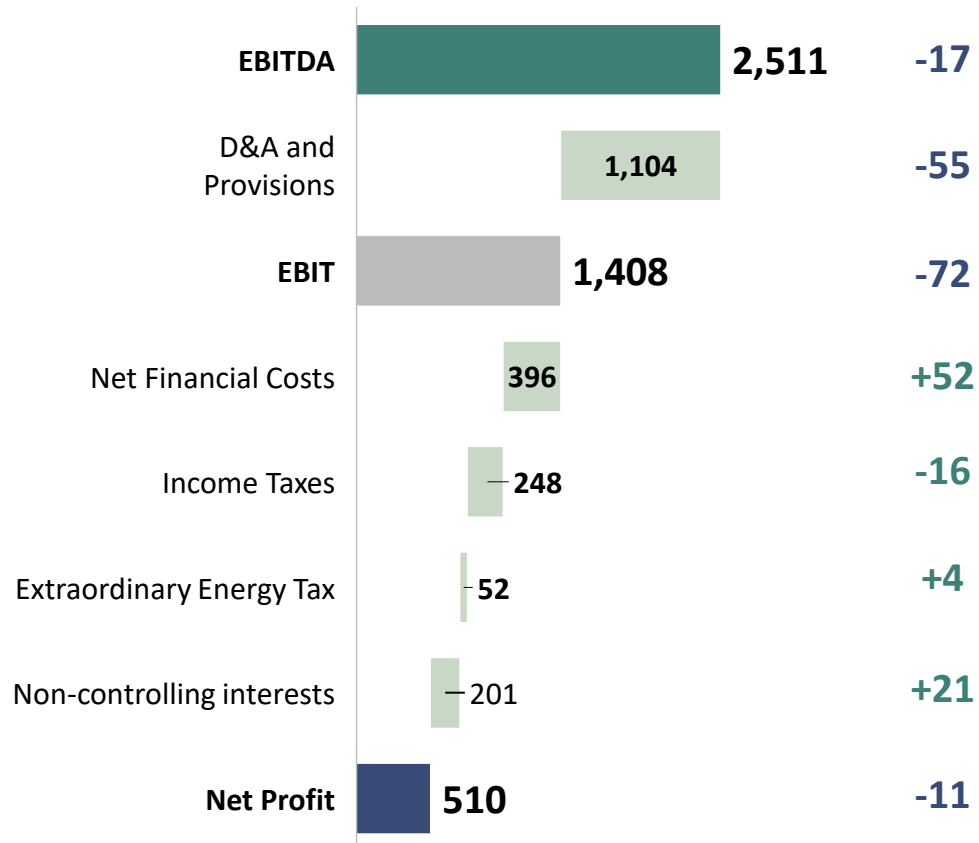
(1) Adjustments and Non-recurring items include: (i) 9M20 of +€97m, namely, EBITDA correspondent to the 6 hydro plants sold in Portugal (+€87m), EBITDA correspondent to 2 CCGTs and B2C portfolio in Spain sold to Total (+€32m), and non-recurring costs related to Sines Shut-down (-€22m); (ii) 9M21 +€4m of non-recurring namely -€21m related to the gain from the sale of a 50% stake in the energy supplier CHC in Spain to our partner CIDE, costs related with Sonatrach (+€17m); curtailment costs mainly in networks in SP(+€8m) | (2) FX impact on EBITDA -€95m | (3) EBITDA + Equity MW.

# Net Profit -2% YoY benefitting from improved financial results and lower minority interests; net non-recurring items at zero in 9M21

## Recurring Net Profit <sup>(1)</sup>

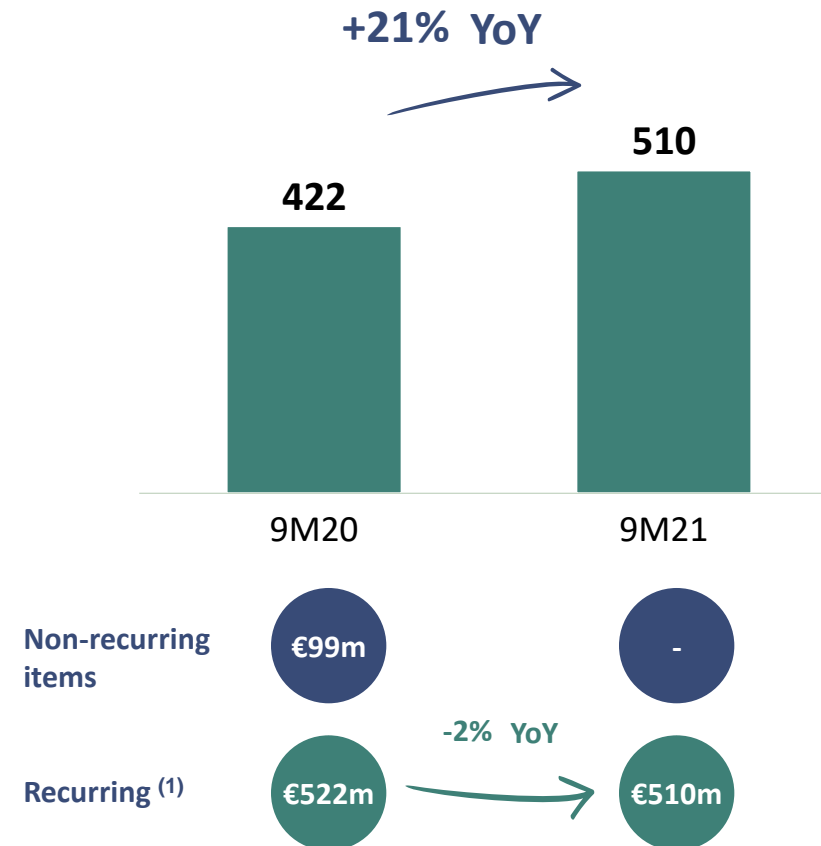
€m

Δ YoY



## Reported Net Profit

€m



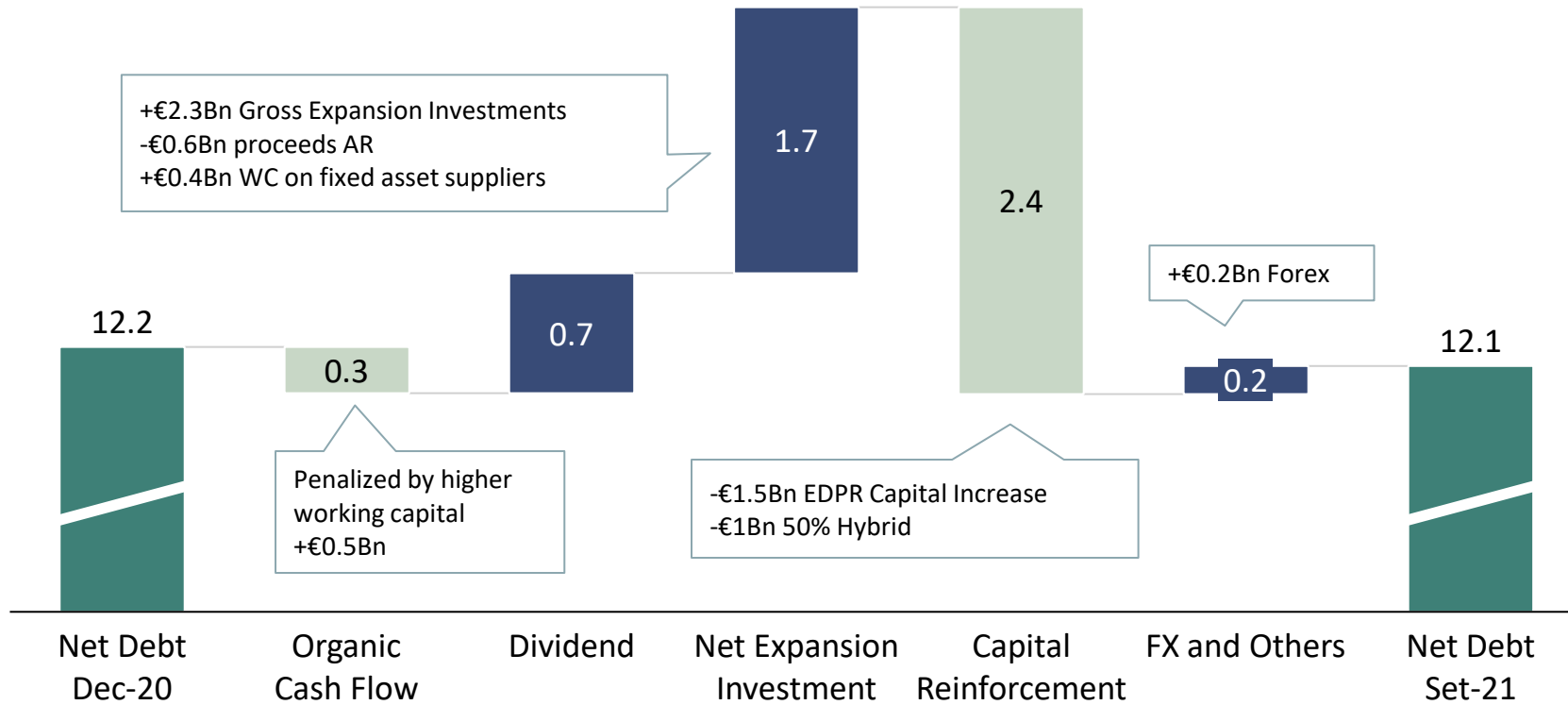
(1) Adjustments and non-recurring items impact at net profit level: -€99m in 9M20 including the adjustment for the net profit contribution of 6 hydro plants in Portugal (-€66M); CCGT and B2C supply sold in December 2020 (-€18m), early shutdown of Sines (-€89m); CMEC overcompensation (+€50m) and one-off liability management cost (-€45m); no impacts in 9M21 including the net gain from CIDE disposal and acquisition of debt in minority stake in Spain are offset by curtailment costs in Spain, Provision on competition authority penalty and buyback prepayment fees.



# Net Debt mostly flat YTD, capex growth and temporary higher working capital offset by EDPR capital increase and hybrid bond issuances

## Change in Net Debt

€ Bn



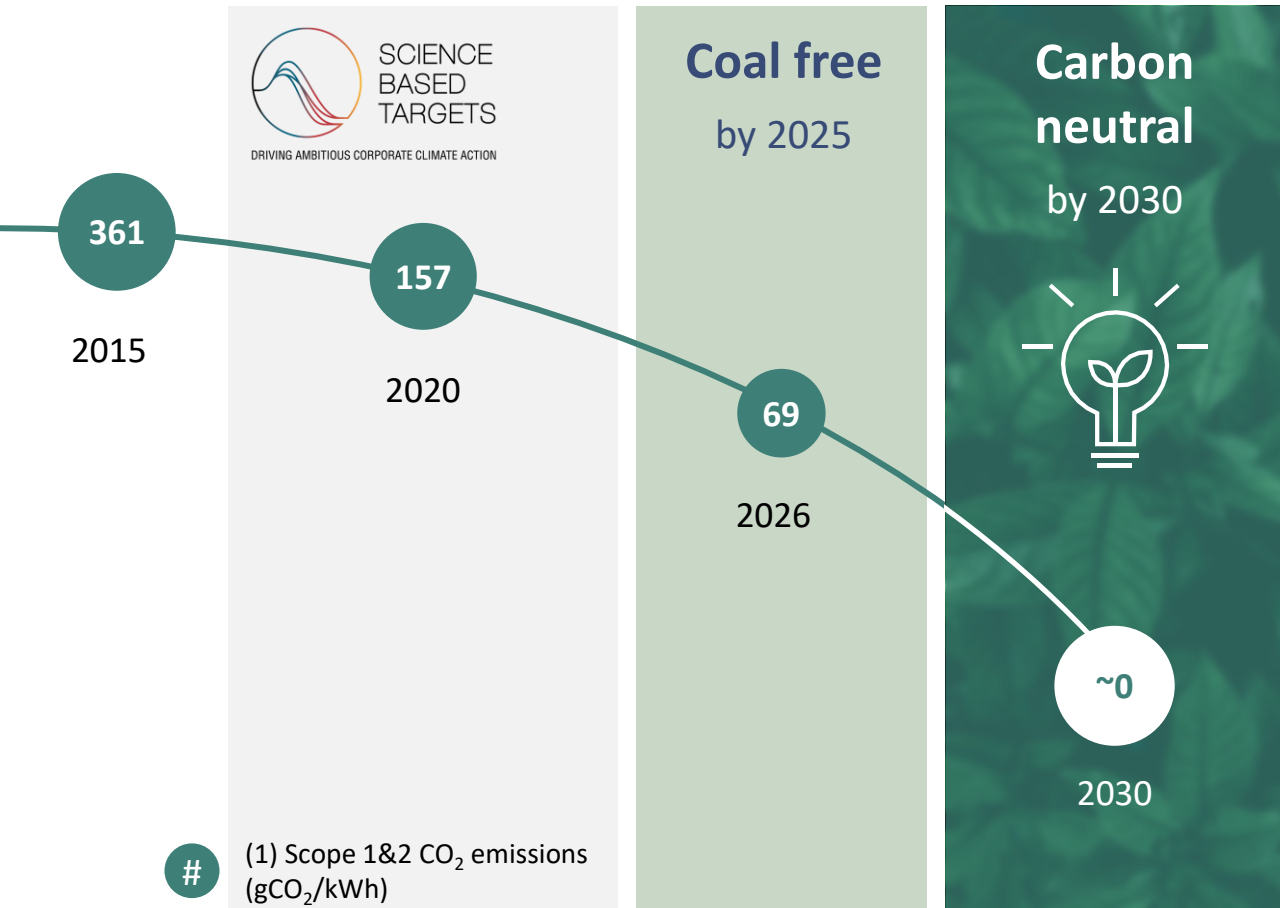
FFO/Net Debt<sup>1</sup>

~19%

~18%

(1) FFO/ND formula consistent with rating agencies methodologies, considering EDP definition of EBITDA Recurring,

# On ESG we have been validated by SBTi on our carbon neutral targets as we continue to pave the way towards decarbonization



## Environment

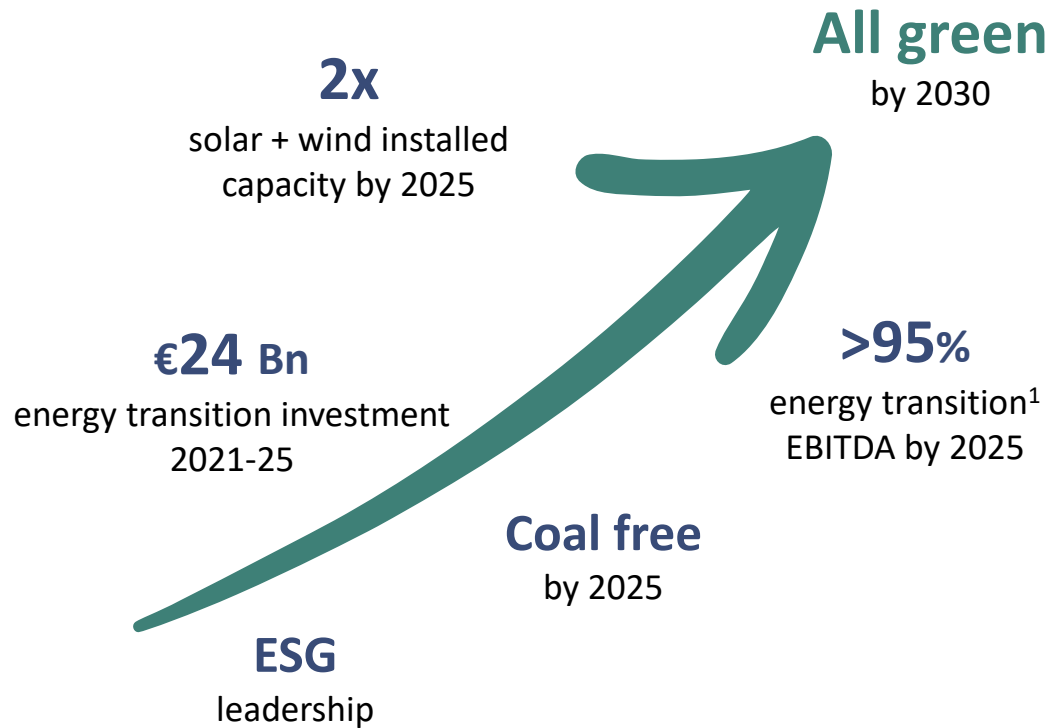
- ✓ **76%** renewables generation in 9M21
- ✓ **-54%** CO<sub>2</sub> Specific Emissions<sup>(1)</sup> vs. 2015
- ✓ **66%** Revenues aligned w/ EU Taxonomy (+14% vs. 9M20)

## Social

- ✓ **26%** female employees (+0.5 p.p vs. 9M20)
- ✓ **1.24** total recordable injury rate EDP
- ✓ **~€10m** in Social Investment

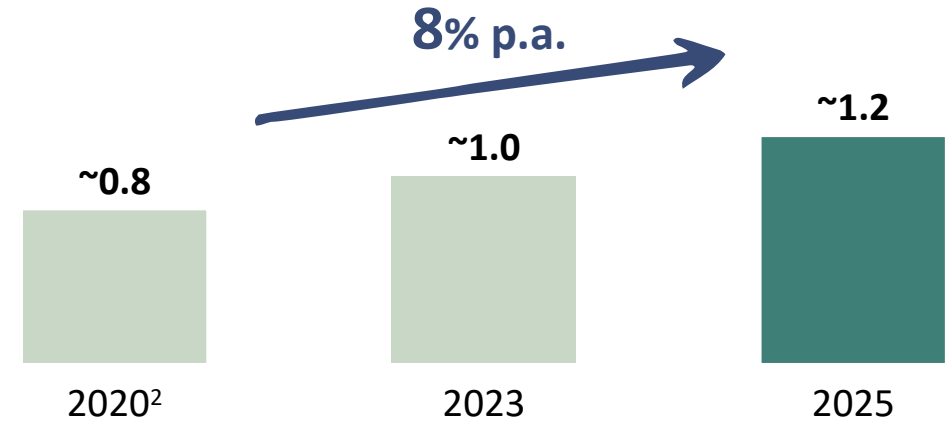
# We will deliver superior value to our shareholders

## Superior green positioning and accelerated growth...



## ... delivering strong earnings growth...

Net income<sup>2</sup>, € Bn



## ... with an attractive dividend policy

**€0.19/share**  
dividend floor

**75-85%**  
target payout

**Sustainable EPS growth**  
to deliver  
**DPS increase**

1. EDP EBITDA excluding thermal generation  
2. Recurring Net income excluding contribution from disposed portfolios in 2020 (6 hydro plants, B2C portfolio and 2 CCGTs in Spain); CESE as recurring cost

# Annex

# We will deliver superior value, while keeping a solid balance sheet and low-risk profile

	2020	2023	2025	
<b>CAPEX<sup>1</sup>, € Bn/yr</b> Step-up investment plan with renewables focus	3.7	4.5	<b>4.6</b>	↑ <b>+1 Bn</b> 2025 vs. 20
<b>EBITDA<sup>2</sup>, € Bn</b> Increased results with distinctive energy transition profile	3.5	4.2	<b>4.7</b>	↑ <b>+6%</b> CAGR 2020-25
<b>Net income<sup>2</sup>, € Bn</b> Earnings acceleration	0.8	1.0	<b>1.2</b>	↑ <b>+8%</b> CAGR 2020-25
<b>FFO/ Net Debt<sup>3</sup>, %</b> Achieve BBB rating in the short term	~19%	~20%	<b>~21%</b>	↑ <b>+2 pp</b> 2025 vs. 20

1. Including financial investments

2. EBITDA and Net Income adjusted by disposed portfolios in 2020 (6 hydro plants, B2C portfolio and 2 CCGTs in Spain); CESE at net income level as recurring cost

3. FFO/ND formula consistent with rating agencies methodologies, considering EDP definition of EBITDA Recurring

Note: Recurring EBITDA and Net income

# We will strengthen our leadership position in wind onshore

● Pipeline as of Dec 2020    
 ● Target additions 2021-25 (GW)    
 ● Current presence<sup>1</sup>    
 XX % in additions    
 XX Total installed capacity

We have a strong onshore presence across the globe that will be reinforced...

**North America<sup>2</sup>**
  
 6.5 GW



**Europe**
  
 5.0 GW



**LatAm**
  
 0.4 GW



**Rest of world**



... consolidating leadership and exploring growth opportunities

Consolidate position as **global Top Wind player**

**Reinforce presence in core low-risk markets (EU and US)**

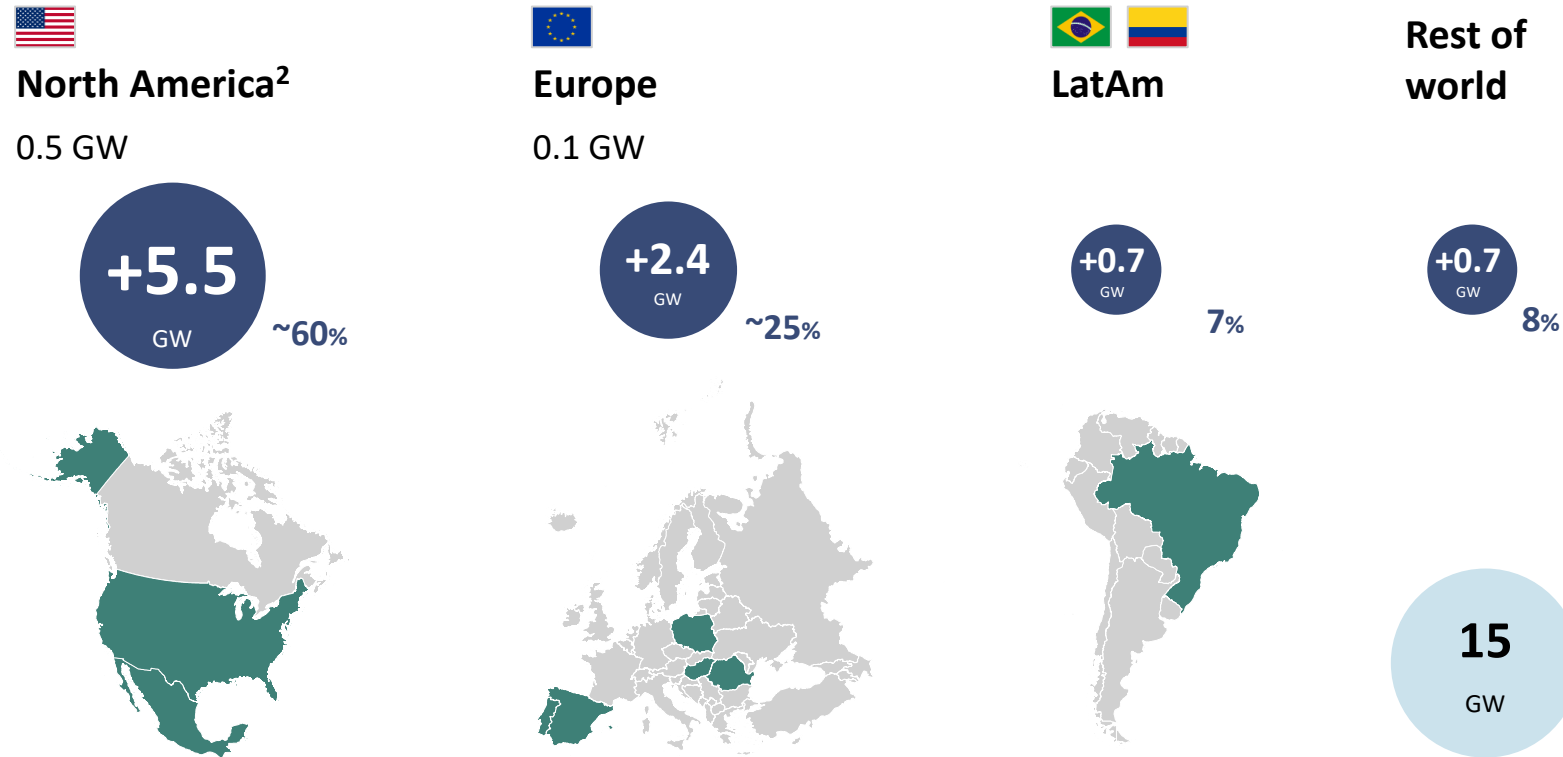
Capture **growing repowering, hybridization opportunities, and technological developments**

1. Countries with installed capacity and/or capacity already secured  
 2. Includes Canada and Mexico  
 Note: EBITDA MW + Equity MW

# We will build a sound market presence in Solar

● Pipeline as of Dec 2020   
 ● Target additions 2021-25 (GW)   
 ● Current presence<sup>1</sup>   
 XX % in additions   
 XX Total installed capacity

## We have robust secured additions and strong pipeline in solar...



## ... adopting a differentiated approach to clients

Reinforce approach to **large-scale utility model** through in-house capabilities

Develop a distinctive approach to C&I through a **dedicated Distributed Generation platform** in the US

Provide **differentiating and solid solutions** with coupled storage

1. Countries with installed capacity and/or capacity already secured  
 2. Includes Mexico  
 Note: EBITDA MW + Equity MW

# We aim to be a leading global player in offshore wind through the 50:50 JV Ocean Winds (OW)



## Step-change in capacity with a global footprint...

● Installed  
 ● Under construction  
 ● Under development  
 ✓ PPA/Tariff secured

### Project visibility for 6.6 GW of capacity

Name	Country	MW gross	% OW	COD	
<span style="color: purple;">●</span> Windplus		25	85%	2020	✓
<span style="color: purple;">●</span> SeaMade <sup>1</sup>		487	18%	2021	✓
<span style="color: green;">●</span> Moray East		950	57%	2022	✓
<span style="color: blue;">●</span> EFGL		30	80%	2023	✓
<span style="color: blue;">●</span> Noirmoutier		496	61%	2025-26	✓
<span style="color: blue;">●</span> Moray West		871	62% <sup>2</sup>	2025-26	
<span style="color: blue;">●</span> Mayflower		1,336	50%	2025-26	✓
<span style="color: blue;">●</span> Le Tréport		496	61%	>2025	✓
<span style="color: blue;">●</span> B&C-Wind		400	100%	>2025	✓
<span style="color: blue;">●</span> KF Wind		1,500	61%	>2025	

- Early market entry through multi-partnerships
- Bid preparations for competitive auctions
  - Scotwind
  - NY Bight
  - Norway
  - California
  - France
  - Japan
  - other

OW pipeline  
**24**  
GW

## ... with results already in place

**Pursuing greenfield development**, while assessing other opportunities

**Construction progressing on schedule** despite Covid challenges

**Early mover advantage in Floating** with Greenfield projects in multiple geographies

**Financing via project finance and Equity Bridget Loans** at asset level during construction

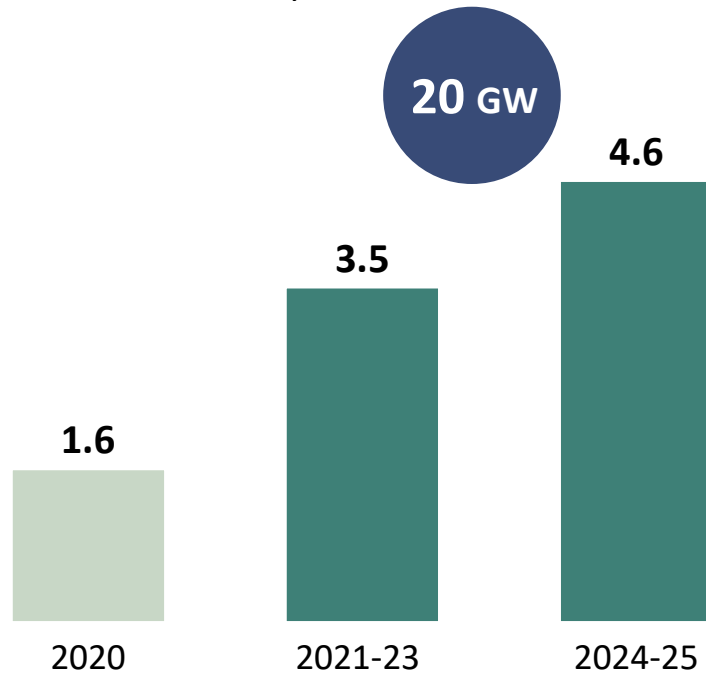
1. COD in 1Q21  
 2. Additional 33% directly owned by EDPR



# We will double growth in renewables, adding 4 GW/year with clear visibility

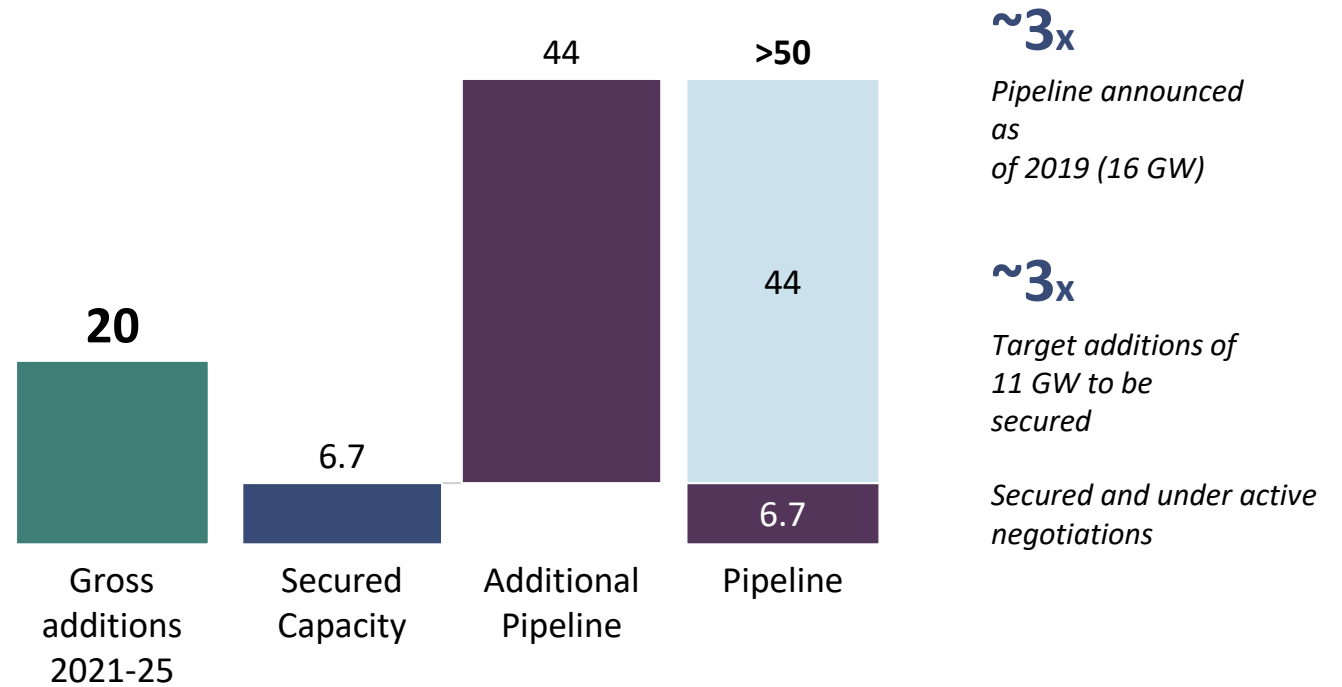
## Step-up growth in renewables...

Gross additions, GW<sup>1</sup>/yr



## ... with a robust pipeline to address target additions

Total gross additions, GW<sup>1</sup>



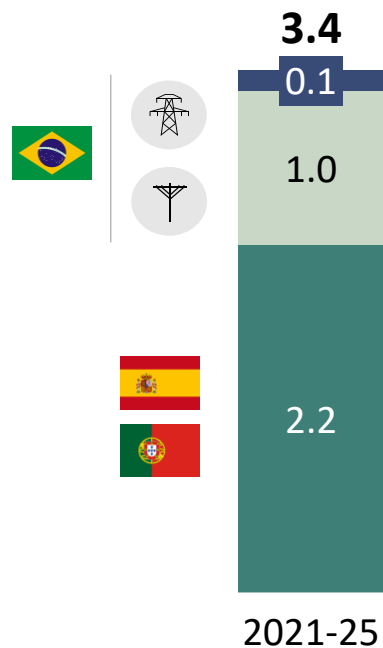
1. EBITDA MW + Equity MW

# Networks - Key highlights

+xx Growth, 2020-25

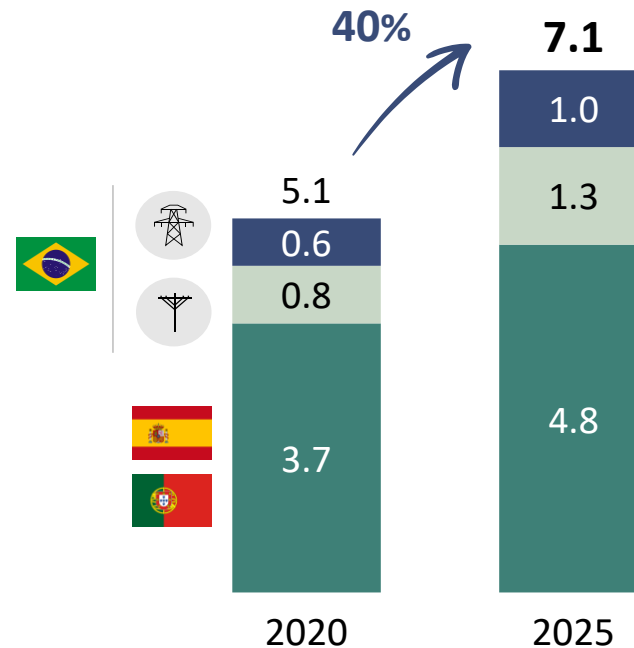
## ~€0.7 Bn annual organic CAPEX

CAPEX<sup>1</sup>, € Bn



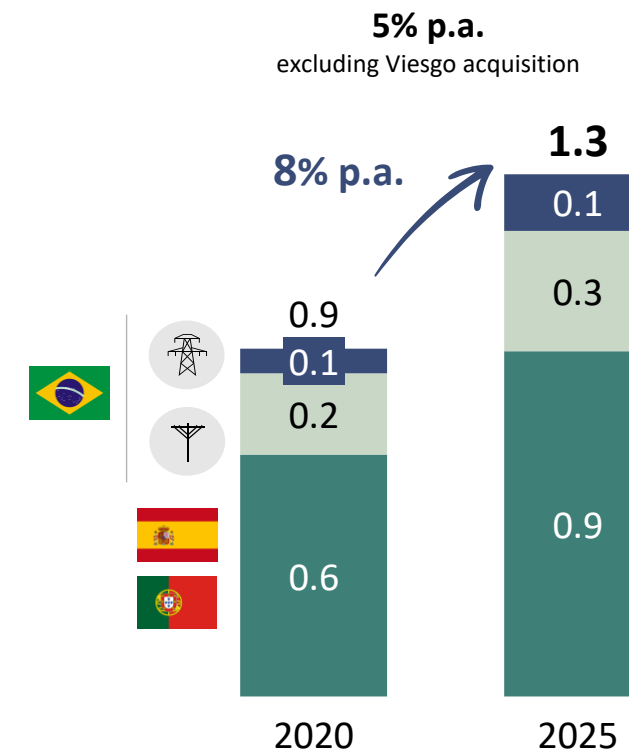
## Regulated Asset Base to increase by ~€2 Bn

RAB<sup>2</sup>, € Bn



## EBITDA to increase by 50%

EBITDA, € Bn



1. Includes financial investments

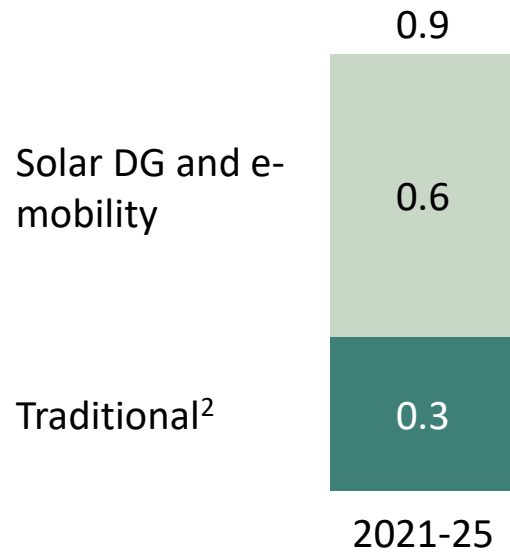
2. Transmission based on awarded CAPEX

Note: Excludes Viesgo in 2020. 6x Euro/BRL along the period

# Client Solutions & Energy Management - Key highlights

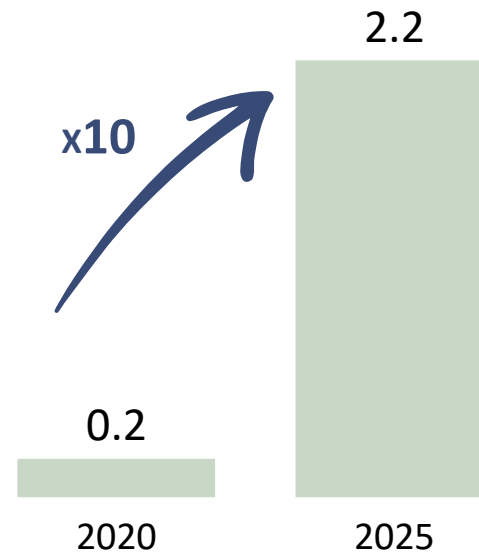
## ~€0.2 Bn annual CAPEX

CAPEX, € Bn<sup>1</sup>



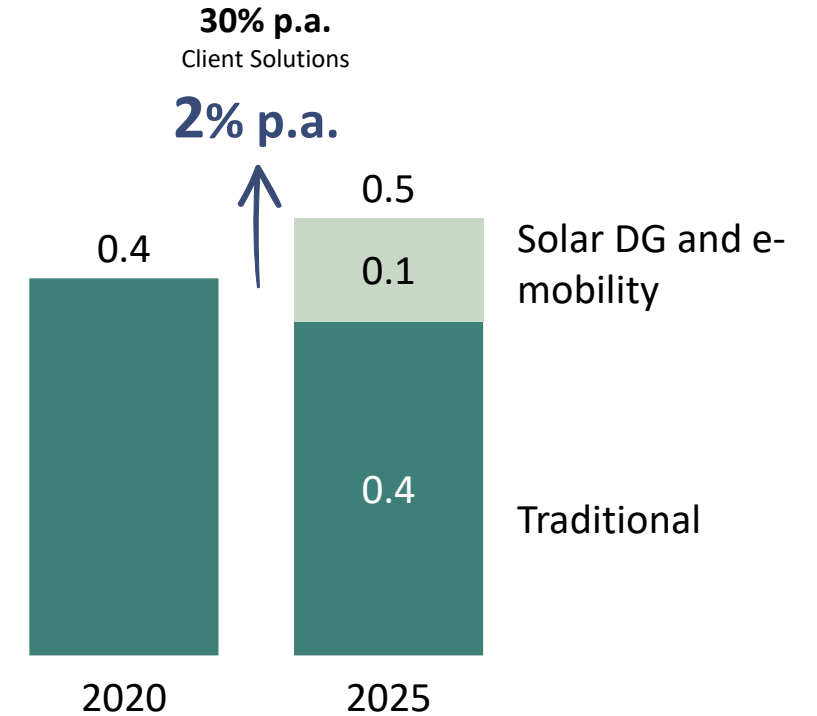
## Step-change growth in Solar DG

Cumulative contracted PV, GWP<sup>3</sup>



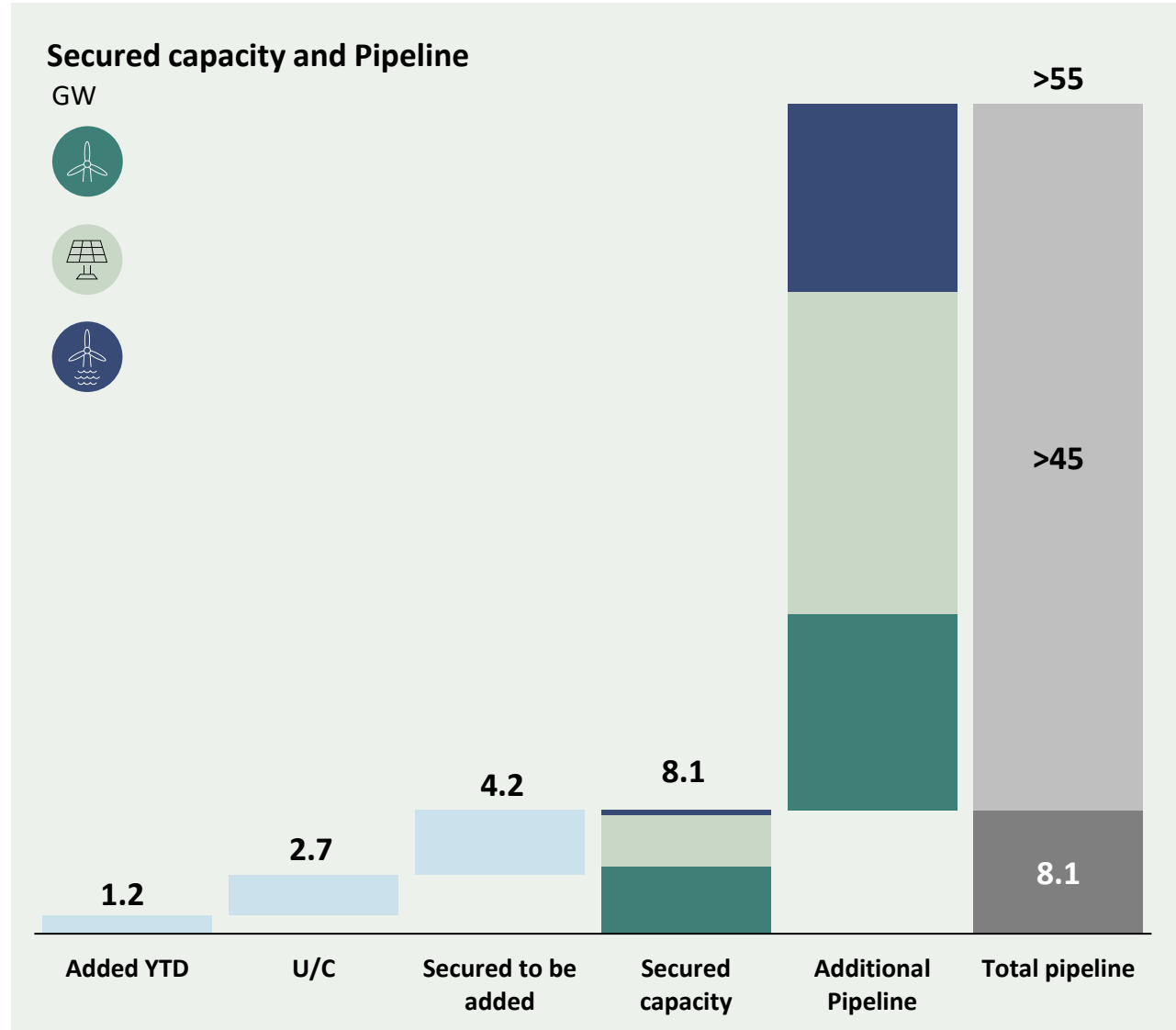
## EBITDA to increase by 15%

EBITDA, € Bn



1. Includes financial investments and does not include holding capex  
 2. Energy management, thermal, and other client services  
 3. Includes under management and entirely sold to customers  
 Note: Excluding contribution from disposed portfolios in 2020

# EDP continues to ramp-up renewables pipeline and has significant short-term visibility on additional growth



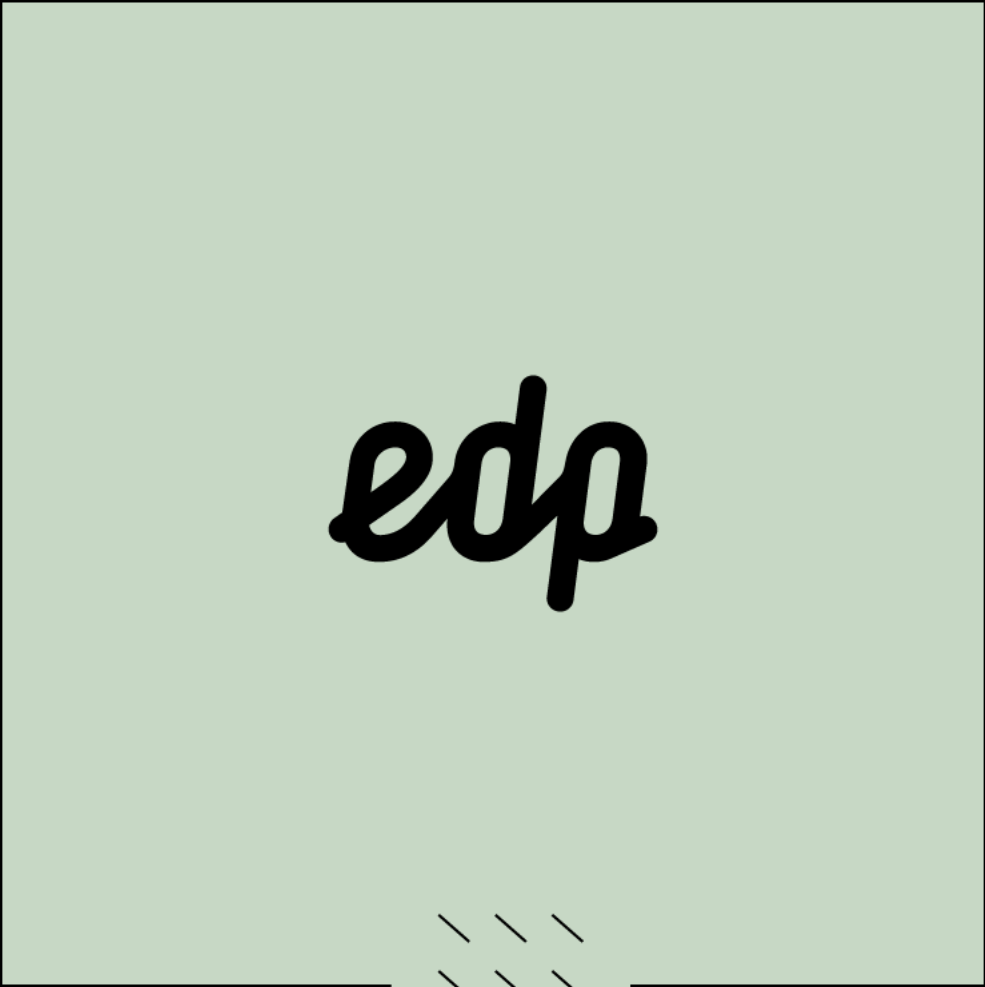
✓ Active in the private market with ~60% of the secured capacity achieved through PPAs



✓ 4.1 GW of PPAs under negotiations and shortlisted



✓ Over 40 GW of RES expected to be auctioned until 2022 YE in EDPR markets



*edp*



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