



1H19

Financial Results

Conference call and webcast

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EDP - Energias de Portugal, S.A. Headquarters: Av. 24 de Julho, 12 1249 - 300 Lisboa, Portugal

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Important notice

On 1-Jan-19, EDP adopted IFRS 16, which supersedes IAS 17 in what respects the regulation of operating leases. The new standard requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset "Right Of Use Asset" as counterparty. The adoption of IFRS 16 implied higher liabilities (€737m) and higher assets (€748m) on 1-Jan-19. In 1H19, it resulted in higher EBITDA (€33m) and lower net profit (-€3m).

Main highlights for the period

Key Operational Data	1H19	1H18	Δ %	Δ Abs.
Installed capacity (MW)	27,262	26,806	2%	+455
Weight of Renewables (1)	74%	74%	-	Op.p.
Production (GWh)	33,816	38,191	-11%	-4,374
Weight of Renewables (1)	68%	72%	-	-4p.p.
Customers supplied (thousand of contracts)	11,401	11,427	-0%	-26
Customers connected (thous.)	10,390	10,277	1%	+113

In the first half of 2019, EDP continued implementing its leadership strategy in the current energy transition: in **renewables**, we secured stable revenues for over 0.8 GW of new wind and solar projects in the U.S., Europe and Brazil, expected to start operating within the period covered by our 2019-2022 strategic plan. By June 2019, we had 1.3 GW of renewable projects under construction. In May-19, we agreed on a 50/50 partnership with Engie to create the 5th largest global off-shore wind operator, ensuring that we have the required scale for this activity. Regarding **electricity networks**, we are successfully carrying out the execution of the new transmission lines in Brazil, having added in May a new project to our portfolio that now includes 6 lines, 1 of which is already operational. In **energy supply**, we maintained high levels of customer satisfaction and continue increasing the weight of dual offers (electricity and gas) and the weight of services such as home appliances maintenance in the residential segment and energy efficiency in the corporate segment.

Key Income Statement data (2) (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	2,601	2,692	-3%	-92
EBITDA	1,908	1,722	11%	+187
EBIT	1,168	1,026	14%	+142
Financial Results & Results JV/Assoc.	(358)	(274)	-31%	-85
Income taxes & CESE (3)	203	181	12%	+22
Non-controlling Interest	201	191	5%	+10
Net Profit (EDP Equity holders)	405	380	7%	+25

The **11% growth in EBITDA** benefited from the strong performance of our renewables business. **Wind and solar generation** saw an increase in installed capacity of 6% to 11.4 GW, while our asset rotation strategy generated capital gains of €0.2bn related with the agreed sale of a portfolio of wind farms in 4 European countries with a net installed capacity of 0.5 GW, representing proceeds of €0.8bn to be cashed in over 3Q19. On the other hand, **hydro production** in Iberia fell ~50% vs. 2018, a 44% deviation vs. historical average, which had a negative impact on 1H19 EBITDA of around €0.2bn. In our **regulated networks** business, there was sound growth in Brazil following the start of operations for our first transmission line, as well as a strong increase in demand (+4%) in our distribution concession areas. In Iberia, our distribution networks benefited mostly from a greater efficiency in operating expenses, which decreased by 5%. In **client services and energy management**, the Iberian supply segment saw a normalization of market and regulatory environment compared to the extremely adverse context in 2018, whereas our thermal generation activity suffered a deterioration of market conditions for coal generation, partially offset by the recovery of gas generation.

Key Performance indicators (€ million)	1H19	1H18	Δ %	Δ Abs.
Recurring EBITDA (4)	1,908	1,740	10%	+168
Renewables	1,264	1,161	9%	+103
Networks	472	420	12%	+52
Clients solutions & EM	208	180	15%	+28
Other	(35)	(21)	-65%	-14
Recurring net profit (4)	470	457	3%	+13
OPEX Performance				
OPEX Iberia (€ million)	413	423	-2%	-10
Core OPEX/MW (€/MW) - Wind & Solar (5)	18.6	20.3	-8%	-2
OPEX Brazil (R\$ million) (5)	529	531	-0%	-2

The **7% growth in net profit** reflects not only the 11% expansion of EBITDA, but also an increase in financial costs resulting from a higher cost of debt of 4.0%, up by 30bps, related with the issuance of €1bn in hybrid bonds in Jan-19, which had a positive impact on our credit metrics, and an increase in the weight of the U.S. Dollar and the Brazilian Real in our consolidated debt, resulting from a higher share of these markets in our total investment. The main contribution for the increase in net profit in this period was our global wind and solar business. **Our conventional activities in Portugal** (electricity distribution network, hydro and thermal generation, as well as energy supply) recorded a net loss of €18m in the first half of 2019, penalized by a continued adverse regulatory and fiscal context, which was aggravated in this semester by an abnormally low hydro production.

As of June 2019, **net debt amounted to €14.0 Bn** (4% higher vs. December 2018), but still 1% lower than in June 2018, impacted by the significant scale of our ongoing investments as cash expansion activity more than doubled (85% of which allocated to renewables), while the cash proceeds from the asset rotation transaction announced in Apr-19 is scheduled for the 3Q19.

Key Balance Sheet Data (€ million)	Jun-19	Dec-18	Δ %	Δ Abs.
Net debt	14,043	13,480	4%	+563
Adjusted net debt/EBITDA (x) (6)	4.0x	4.0x	-2%	-0.1x

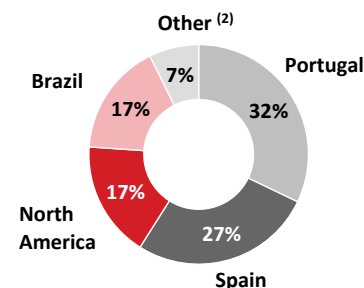
On May 15th, 2019, **EDP paid its shareholders the annual 2018 dividend, €0.19 per share** or €0.7bn, in line with the floor set in our dividend policy defined for 2019-2022.

(1) Including Wind, Solar, Hydro and mini-hydro capacity; (2) Full P&L statement on page 24; (3) CESE: Extraordinary contribution from the energy sector; (4) Excluding one-off impacts as per page 3 (EBITDA) and page 4 (Net profit); (5) Adjusted for IFRS 16; (6) Net of regulatory receivables; Based on trailing 12 months recurring EBITDA and net debt excluding 50% of hybrid bond issues (including interest)

EBITDA Breakdown

EBITDA (€ million)	1H19	1H18	Δ %	Δ Abs.	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	YoY Δ %	Δ Abs.
Renewables	1,264	1,156	9%	+108	585	570	390	650	556	708			24%	+138
Wind & Solar	961	686	40%	+275	381	305	184	431	385	576			89%	+271
Hydro Iberia	205	360	-43%	-155	142	217	167	97	112	93			-57%	-125
Hydro Brazil	97	110	-12%	-13	62	48	40	123	59	39			-19%	-9
Networks	472	420	12%	+52	219	201	214	197	243	229			14%	+28
Iberia	339	314	8%	+24	159	155	162	149	165	173			12%	+18
Brazil	133	106	26%	+28	60	46	52	48	78	55			21%	+10
Client solutions & EM	208	167	24%	+41	85	82	71	88	116	92			13%	+11
Iberia	143	77	86%	+66	45	32	14	62	84	59			82%	+27
Brazil	65	90	-28%	-25	41	49	57	27	32	33			-33%	-16
Other	(35)	(21)	-65%	-14	3	(25)	13	(29)	7	(42)			72%	-18
Consolidated EBITDA	1,908	1,722	11%	+187	893	829	688	907	921	987			19%	+158
- Adjustments (1)	(0)	(18)	100%	+18	(18)	0	-	49	(0)	-			-100%	-0
Recurring EBITDA	1,908	1,740	10%	+168	911	829	688	858	921	987			19%	+158

EBITDA 1H19



EBITDA advanced 11% YoY, to €1,908m in 1H19, with a positive contribution across all the platforms. Our growth strategy of combining portfolio expansion (+€70m YoY) with asset rotation strategy (+€219m) proved outstanding, surpassing the adverse weather effect on renewables production (nearly -€0.25 bn in 1H19), mostly in hydro in Portugal, where resources stood 44% below the historical average. Excluding one-off impacts^(*), **recurring EBITDA was 10% higher YoY, at €1,908m** in 1H19, including a negligible ForEx impact (+€4m, stemming following USD 7% appreciation and BRL 5% depreciation, both vs. Euro.) and €33m impact in 1H19 from the adoption of IFRS 16 on leases.

RENEWABLES (66% of EBITDA, €1,264m in 1H19) - EBITDA advanced by 9% YoY as the benefits from our growth strategy of combining portfolio expansion (+€57m YoY) all in wind with asset rotation strategy (gain of €219m) was partially offset by the consequences of weak hydro resources in Iberia (-€0.2 bn vs. normalized EBITDA level) and wind output 4% below average (-€37m vs. normalized). Average selling prices posted a recovery across all technologies (+5% in wind and solar; +15% in hydro Iberia). Moreover, EBITDA performance reflected the de-consolidation of some mini-hydros in Portugal and Brazil following disposal in 4Q18 (-€33m), some PTC phasing out in US (-€26m YoY), the adoption of IFRS16 since 1-Jan-19 (+€23m, mostly in wind) and ForEx impact (+€14m, mostly due to stronger USD vs.).

NETWORKS (25% of EBITDA, €472m in 1H19) - EBITDA increased 12% YoY (+€52m), driven by: (i) **in Brazil**, +€18m YoY in transmission, following the commissioning of the 1st transmission line in Espirito Santo; +€31m YoY in distribution, resulting from the increase in electricity distributed and annual tariff adjustment. ForEx impact was -€7m, following BRL 5% depreciation vs. Euro; (ii) **greater efficiency in Iberia**, which showed a 5% YoY decline in OPEX, mostly driven by Portugal, where higher share of remote metering and reduction in the number of customers' claims/requests, enabled by smart meters progressive installation (+300k YoY).

CLIENT SOLUTIONS & ENERGY MANAGEMENT (10% OF EBITDA, €208m in 1H19) - EBITDA rose by 24% YoY (+€41m YoY), mainly driven by the normalization of the market and regulatory context for supply in Iberia following a particularly weak 1H18 (+€48m YoY). Also in Iberia, EBITDA from thermal generation & EM rose by €17m YoY following an 11% increase in production and better market conditions in gas generation. **In Brazil, EBITDA fell by €25m YoY** mainly reflecting last year's positive effect from the revision of Pecém contracted availability level (+€18m in 1H18) and the 30% YoY decline in supply volumes, following lower liquidity and higher volatility in electricity free market over 1H19.

(1) Non-recurring items: **-€18m in 1H18**, relative to 2H17's share of the impact from the difference between CMEC final adjustment recognised in Dec-17 and approved by the Portuguese Government in May-18 (-€5m on renewables, -€13m on Client solutions & EM).

Profit & Loss Items below EBITDA

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Profit & Loss Items below EBITDA (€ million)	1H19	1H18	Δ %	Δ Abs.	3Q18	4Q18	1Q19	2Q19	YoY Δ %	Δ Abs.
EBITDA	1,908	1,722	11%	+187	688	907	921	987	19%	+158
Provisions	5	(3)	-	+8	286	5	4	1	-66%	-3
Amortisations and impairments	735	699	5%	+36	350	396	374	362	4%	+14
EBIT	1,168	1,026	14%	+142	53	506	544	624	31%	+146
Net financial interest	(306)	(292)	-5%	-15	(148)	(186)	(155)	(151)	5%	-7
Capitalized financial costs	21	15	43%	+6	9	10	9	12	49%	+4
Unwinding of long term liabilities (1)	(105)	(88)	-18%	-16	(46)	(42)	(53)	(52)	16%	-7
Net foreign exchange differences and derivatives	(17)	15	-	-32	(7)	(13)	(6)	(11)	9%	-1
Capital Gains/(Losses)	(1)	19	-	-20	(0)	94	-	(1)	-116%	-5
Other Financials	37	55	-32%	-17	26	26	19	18	-50%	-19
Financial Results	(371)	(277)	-34%	-94	(166)	(111)	(186)	(185)	23%	-35
Share of net profit in JVs/associates (Details page 27)	12	3	254%	+9	6	2	5	7	241%	+5
Pre-tax Profit	810	752	8%	+57	(108)	397	364	446	35%	+116
Income Taxes	137	117	17%	+20	(67)	49	99	38	-12%	-5
Effective Tax rate (%)	17%	16%			62%	12%	27%	9%		
Extraordinary Contribution for the Energy Sector	67	64	4%	+3	1	0	67	(0)	-84%	+2
Non-controlling Interests (Details page 27)	201	191	5%	+10	40	125	98	104	39%	+29
Net Profit Attributable to EDP Shareholders	405	380	7%	+25	(83)	222	100	305	42%	+90

Amortisations and impairments increase (+5% YoY) is mainly impacted by the adoption of the IFRS 16 on leases (+€27m) and net capacity additions.

Net financial results -€371m in 1H19 (-34% or -€94m YoY) were primarily impacted by : (i) results from ForEx and derivatives (-€32m YoY) mostly impacted by the adoption of the section of hedge account as from 1-Jan-19 and ForEx differences; (ii) -€17m YoY on the adoption of IFRS 16 ('Unwinding'); and (iii) last year's gains on the sale of a 20% stake in the wind offshore project, Moray East (+€15m) and goodwill on the acquisition of a stake in Celesc (+€15m). **Net interest costs increased 5% YoY (€15m YoY)**, to €306m in 1H19 following a 30bps YoY increase in avg. cost of debt (from 3.7% in 1H18 to 4.0% in 1H19): the combined effect of the higher weight of USD in our debt YoY (+2p.p.) and the issuance of our €1bn hybrid bond in Jan-19 and the benefit from the 1% YoY decrease in the average debt.

Share of net profit in joint ventures and associates increased €9m YoY to €12m in 1H19, mainly reflecting higher contribution from our hydro plants and Celesc in Brazil (details on page 27).

Income taxes amounted to €137m (+€20m YoY), following a slightly higher effective tax rate of 17% in 1H19 vs. 16% in 1H18.

Non-controlling interests include €135m related to wind & solar and €70m related to Brazil. The 5% YoY increase in 1H19 is mainly justified by the increase in EDPR net profit (details on page 27).

Overall, net profit rose by 7% YoY, to €405m in 1H19. Adjusted by one-off impacts(*), recurring net profit increased 3% YoY, to €470m in 1H19, as the asset rotation strategy and increased renewables capacity, as well as growth at networks in Brasil, more than offset the weak hydro resources, and the increase in financial costs in 1H19.

(*) Non-recurring items: (i) **-€77m in 1H18**, including the extraordinary contribution for the energy sector (-€64m) and difference between CMEC final adjustment recognised in Dec-17 and approved by the Government on May-18 (-€13m); (ii) **-€67m in 1H19**, relative to the extraordinary contribution for the energy sector.

(1) Includes unwinding of medium, long term liabilities (TEIs, dismantling & decommissioning provision for wind assets, concessions) and interest on medical care and pension fund liabilities.

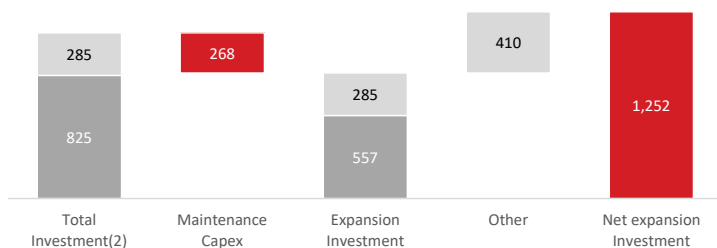
Investment activity

Capex (€ million)	1H19	1H18	Δ %	Δ Abs.
Expansion	557	500	11%	+56
Renewables	384	479	-20%	-96
Networks	172	16	-	+156
Other	2	5	-67%	-3
Maintenance	268	229	17%	+39
Renewables	13	12	12%	+1
Networks	192	147	31%	+45
Other	63	70	-10%	-7
Consolidated Capex	825	729	13%	+96

Net expansion investment (€ m)	1H19	1H18	Δ %	Δ Abs.
Expansion Capex	557	500	11%	+56
Financial investments	285	81	252%	+204
Renewables	275	-	-	+275
Networks	-	81	-	-81
Other	10	-	-	+10
Financial divestments	-	71	-	-71
Renewables	-	40	-	-40
Asset rotations	-	40	-	-40
Other	-	-	-	-
Networks	-	-	-	-
Other	-	31	-	-31
Proceeds from TEI in US	0	(9)	-	+10
Other (1)	409	91	348%	+318
Net expansion investment	1,252	592	111%	+660

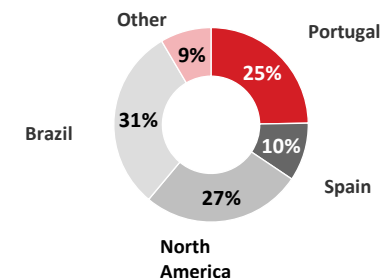
Investment activity in 1H19

€ million



	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Expansion	283	217	505	389	222	334		
Renewables	278	202	465	365	158	226		
Networks	5	11	39	19	63	108		
Other	1	4	1	5	1	1		
Maintenance	85	144	163	245	122	147		
Renewables	6	6	9	20	5	8		
Networks	61	86	106	175	91	101		
Other	19	52	48	51	26	37		
Consolidated Capex	368	362	668	634	344	481		

CAPEX 1H19



Consolidated capex amounted to €825m in 1H19, 70% of which dedicated to expansion (70% share in renewables, 30% share in transmission).

Financial investments in 1H19 include: (i) €153m allocated to the build-out of wind onshore capacity in US, where we sold an 80% stake in a portfolio of 0.5 GW of wind farms in Dec-18 but where we will carry the construction works until commissioning; (ii) €95m of equity contributions to several offshore wind projects under development, namely in US and UK and the construction of pre-commercial wind offshore floating projects in Portugal and France; (iii) €8m equity contributions, namely to the construction of San Gaban hydro plant in Peru.

Maintenance capex (€268m) was mostly dedicated to our regulated networks in Iberia and Brazil, targeting a reduction of grid losses (Brazil) and the implementation of several digitalisation projects (Iberia).

Expansion investments (including financial investments) was focused in renewables globally and grids in Brazil:

1) €659m investment in new wind capacity (76% of the total) was distributed between US (68%), Europe (30%) and Latam (2%). (details on page 10)

2) €172m investment in new transmission lines in Brazil, with the ongoing construction works of line 11 (Maranhão) and 21 (Santa Catarina).

All in all, net expansion investments more than doubled YoY, to €1,252m in 1H19. The bulk of this (85%) was dedicated to renewables, mainly wind. Net expansion investments include a +€409m effect from payments to fixed asset suppliers mostly in wind and changes in consolidation perimeter mostly related to the agreed asset rotation deal in Europe.

(1) Includes Change in WC Fixed asset suppliers, change in consolidation perimeter and other; (2) Includes Capex and Financial investment.

Cash Flow Statement

Consolidated Cash Flow (€ million)	1H19	1H18	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	6,379	7,035	-9%	-656
Proceeds from tariff adjustments sales	1,084	905	20%	+179
Cash paid to suppliers and personnel	(5,239)	(5,840)	10%	+601
Concession rents & other	(407)	(442)	8%	+35
Net Cash from Operations	1,816	1,657	10%	+159
Income tax received/(paid)	(118)	(20)	-474%	-97
Net Cash from Operating Activities	1,699	1,637	4%	+62
Net Cash from Investing Activities	(1,629)	(855)	-91%	-774
Net Cash from Financing Activities	(510)	(1,578)	68%	+1,068
Changes in Cash and Cash Equivalents	(440)	(797)	45%	+356
Effect of exchange rate fluctuations	18	(49)	-	+67
Change in Net Debt (€ million)	1H19	1H18	Δ %	Δ Abs.
Recurring CF from Operations (1)	1,422	1,228	16%	+195
Recurring EBITDA	1,908	1,740	10%	+168
Change in operating working capital, taxes and other	(486)	(512)	5%	+26
Maintenance capex (2)	(329)	(263)	-25%	-66
Net interests paid	(286)	(277)	-3%	-8
Payments to Institutional Partnerships US	(64)	(84)	24%	+20
Other	(86)	(38)	-128%	-48
Recurring Organic Cash Flow	658	566	16%	+93
Net Expansion	(1,252)	(592)	-111%	-660
Expansion capex	(557)	(500)	-11%	-56
Proceeds from asset rotations	-	40	-	-40
Acquisition and disposals	(25)	-	-	-25
Other net Financial Investm. (exc. Asset rotations)	(260)	(50)	-418%	-210
Proceeds from Institut. Partnerships in US	(0)	9	-	-10
Other	(409)	(91)	-348%	-318
Change in Regulatory Receivables	(79)	409	-	-488
Dividends paid to EDP Shareholders	(691)	(691)	0%	-0
Effect of exchange rate fluctuations	(38)	50	-	-89
Other (including one-off adjustments)	839	(11)	-	+850
Decrease/(Increase) in Net Debt	(563)	(269)	-109%	-294
Funds from Operations (€ million)	1H19	1H18	Δ %	Δ Abs.
EBITDA	1,908	1,722	11%	+187
Current income tax	(165)	(219)	25%	+55
Net financial interests	(306)	(292)	-5%	-15
Net Income and dividends received from Associates	2	(9)	-	+11
FFO Adjustments	(127)	(70)	-82%	-58
FFO - Funds From Operations	1,312	1,131	16%	+181

(1) Excluding Regulatory Receivables; (2) Maintenance capex includes payables to fixed assets suppliers.

Recurring organic cash flow rose 16% YoY, to €658m in 1H19, mainly supported by a 16% YoY increase in the Recurring cash flow from operations: despite the adverse hydro and wind conditions in the period and the delayed cash in of the €219m gain on the sale of wind assets agreed in Apr-19, growth was supported by portfolio expansion, lower investment in working capital and tight cost control. **Maintenance capex** (including payables to fixed assets suppliers) accelerated to €329m in the period, mostly related to the networks business.

Net expansion investment activity doubled YoY to €1,252m in 1H19, almost fully devoted to renewables (85% of the total) and transmission in Brazil. (Details on page 5)

Regulatory receivables increased by €79m in 1H19, mainly driven by Portugal: albeit the year-to-date stock increase prompted by 2019 deferral of special regime overcost (€0.5bn) was fully sold down by EDP in 2Q19, unanticipated deviations were created in Portugal (Details on page 7).

On 15-May-19, EDP paid its **annual dividend totalling €691m (€0.19/share)**, in line with the previous year.

Effects of exchange rate fluctuations resulted in an €38m increase on net financial debt in 1H19, mainly justified by the appreciation of the USD (+1% YTD) and the BRL (+2% YTD) vs. Dec-18, both against the Euro.

The caption **Other** includes the +€0.5 bn relative to the 50% equity component attributed by the credit rating agencies to the new €1 bn hybrid bond issued in Jan-19 and the +€0.36 bn net impact stemming from one-off impacts in 1H19, corresponding to an extraordinary contribution to employees' medical care services fund (-€0.1 bn) and tariff deficit related (impact from the tax payment relative to 2018 deficit sales, at -€0.2 bn and the sell down of 2H19 portion of 2019 deferral of special regime overcost, at +€0.6 bn).

Overall, net debt increased by €0.6bn in 1H19, to €14.0 bn as of Jun-19, reflecting faster pace of expansion activity, while cash proceeds from the asset rotation deal announced (+€0.8bn) is expected to flow in 3Q19.

Funds from operations (FFO) rose by 16% YoY, to €1,312m in 1H19, mainly impacted by: i) an 11% increase in EBITDA (see details on page 3); ii) a €55m decrease in current income tax; which was outstood by iii) adverse YoY impact from FFO adjustments, which is mainly explained by different timing in the year of the extraordinary contribution to pension fund.

Consolidated Financial Position

Assets (€ million)	Jun vs. Dec		
	Jun-19	Dec-18	Δ Abs.
Property, plant and equipment, net	21,327	22,708	-1,380
Right-of-use assets	830	-	+830
Intangible assets, net	4,634	4,737	-103
Goodwill	2,113	2,251	-139
Fin. investments & assets held for sale (details page 27)	1,408	963	+445
Tax assets, deferred and current	1,656	1,560	+96
Inventories	337	342	-5
Other assets, net	8,200	7,071	+1,130
Collateral deposits	192	193	-1
Cash and cash equivalents	1,381	1,803	-422
Total Assets	42,078	41,627	+451

Equity (€ million)	Jun vs. Dec		
	Jun-19	Dec-18	Δ Abs.
Equity attributable to equity holders of EDP	8,808	8,968	-161
Non-controlling Interest (Details on page 27)	3,758	3,932	-174
Total Equity	12,566	12,900	-335

Liabilities (€ million)	Jun vs. Dec		
	Jun-19	Dec-18	Δ Abs.
Financial debt, of wich:	16,729	16,085	+644
Medium and long-term	13,993	13,462	+531
Short term	2,735	2,623	+113
Employee benefits (detail below)	1,264	1,407	-143
Institutional partnership liability (US wind)	1,178	1,269	-91
Provisions	956	1,018	-62
Tax liabilities, deferred and current	1,181	1,238	-58
Deferred income from inst. partnerships	957	962	-5
Other liabilities, net	7,247	6,746	+501
Total Liabilities	29,512	28,727	+786
Total Equity and Liabilities	42,078	41,627	+451

Employee Benefits (€ million)	Jun vs. Dec		
	Jun-19	Dec-18	Δ Abs.
Employee Benefits (bef. Tax)	1,264	1,407	-143
Pensions	597	759	-162
Medical care and other	667	648	+19
Deferred tax on Employee benefits (-)	-370	-422	+52
Employee Benefits (Net of tax)	894	985	-91

Regulatory Receivables (€ million)	Jun vs. Dec		
	Jun-19	Dec-18	Δ Abs.
Regulatory Receivables	385	287	+98
Portugal	375	216	+159
Brazil(1)	10	71	-61
Change in Fair value (+)	-	-	-
Deferred tax on Regulat. Receivables (-)	-118	-68	-50
Regulatory Receivables (Net of tax)	267	219	+48

Total amount of **property, plant & equipment and intangible assets** decreased €1.5 bn vs. Dec-18 at €26.0 bn as of Jun-19, mainly driven by the derecognition (-€1.1bn) of a portfolio of wind assets in Europe to recognize an amount (-€0.8bn) under the account “Other assets, net”, following the asset rotation announced in Europe, on April 23rd, such effect was mitigated by: (i) the construction activity in the semester; (ii) the positive effect the USD (+1%) and the BRL (+2%) against the EUR. As of Jun-19, EDP works in progress amounted to €1.9 bn (7% of total consolidated tangible and intangible assets): 60% at EDP level, 3% at EDP Brasil level and the remaining 37% at Iberian level.

The adoption of IFRS 16, on January 1st 2019, resulted in a €0.75bn accounted as ‘**Right-of-use assets**’. Along with this, a liability of €0.8 bn was booked under ‘Other liabilities, net’. The current amount of €0.8bn is the result of the normal activity of the group.

The book value of **financial investments & assets held for sale net of liabilities** increased by €0.4 bn vs. Dec-18, as part of the recognition under the account “assets held for sale” mentioned before and the USD appreciation against the EUR (More details on page 27).

Tax assets net of liabilities, deferred and current increased €0.2bn vs. Dec-18 at €0.5bn in Jun-19. **Other assets (net)** increased €1.1 bn vs. Dec-18 to €8.2 bn as of Jun-19, mainly supported by the asset rotation transaction announced in April. Note that other assets (net) includes €0.16bn in cash yet to collect from the disposal of Naturgas Distribución.

Equity book value attributable to EDP shareholders decreased by €0.1 bn to €8.8 bn as of Jun-19, reflecting on one hand the positive effects of the net profit for the period and the Forex and on the other hand the payment of annual dividend.

Pension fund, medical care and other employee benefit liabilities fell by €0.1bn vs. Dec-18 to €1.3bn as of Jun-18 (**€0.9bn, net of tax**), reflecting the recurrent payment of pension and medical care expenses in 1H19 and an extraordinary contribution to the pension fund of €65m in 1Q19.

Institutional partnership liabilities decreased €0.1bn vs Dec-18 at €1.2bn, following the benefits appropriated by the tax equity partners during the period which offset the USD appreciation against the EUR.

Provisions by Jun-19 include the reduction of provisions related with the dismantling and decommissioning of the wind farms involved in the asset rotation deal announced in April.

Other liabilities (net) increased €0.5bn vs Dec-18, includes the adoption of the IFRS-16 (€0.74bn), these effects were lessened through the reduction in equipment suppliers liabilities (-€0.6bn), associated with the payment of Capex, following the completion of several wind projects in the past quarters.

Total amount of EDP’s **net regulatory receivables** was €0.1bn higher vs. Dec-18, at €385m as of Jun-19 (**€267m net of tax**), mainly driven by Portugal: albeit the year-to-date stock increase prompted by 2019 deferral of special regime over-cost (€0.5bn) was fully sold down by EDP in 2Q19, unanticipated deviations were created in Portugal due to: i) deviations in the receipts from mitigation measures allocated to the electricity system in the period (+€188m), namely on the receipts related with CO2; ii) special regime over-cost caused by lower realized prices and higher volumes than anticipated. In 1H19, Portuguese electricity system’s debt continued the declining trend (-€55m), despite stable during 2Q19, currently standing at €3.79bn.

(1) Excluding the amount corresponding to the impact from the exclusion of ICMS from the calculation of PIS/COFINS from past years in EDP Espírito Santo (R\$743m), since the receivable (recognized under deferred tax assets) is a pass-through to the tariff.

Net Financial Debt

Net Financial Debt (€ million)	Jun-19	Dec-18	Δ %	Δ Abs.
Nominal Financial Debt	16,440	15,766	4%	+674
EDP S.A. and EDP Finance BV	13,959	13,228	6%	+731
EDP Renováveis	721	882	-18%	-161
EDP Brasil	1,760	1,656	6%	+104
Accrued Interest on Debt	208	258	-19%	-50
Fair Value of Hedged Debt	80	61	32%	+20
Derivatives associated with Debt (2)	(110)	(116)	5%	+6
Collateral deposits associated with Debt	(192)	(193)	0%	+1
Hybrid adjustment (50% equity content)	(885)	(391)	-126%	-494
Total Financial Debt	15,542	15,385	1%	+157

Cash and cash equivalents	1,381	1,803	-23%	-422
EDP S.A., EDP Finance BV and Other	579	922	-37%	-343
EDP Renováveis	268	386	-31%	-118
EDP Brasil	534	496	8%	+39
Financial assets at fair value through P&L	118	102	16%	+16

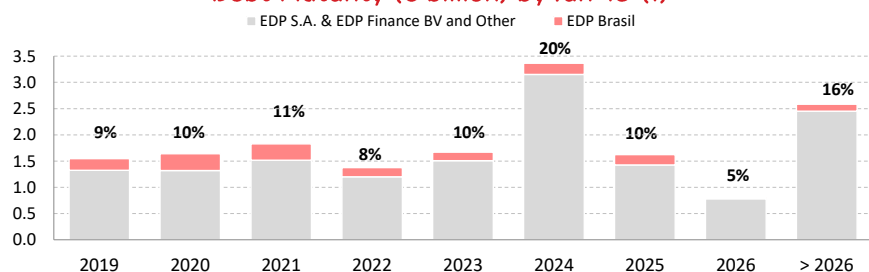
EDP Consolidated Net Debt	14,043	13,480	4%	+563
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Credit Lines by Jun-19 (€ million)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Jul-19
Revolving Credit Facility	3,300	24	3,300	Oct-23
Revolving Credit Facility	2,240	17	1,471	Mar-24
Domestic Credit Lines	256	7	256	Renewable
Underwritten CP Programmes	50	1	50	2021
Total Credit Lines	5,921		5,152	

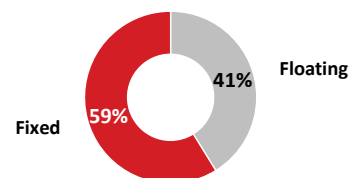
Credit Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BBB-/Stable/A-3	Baa3/Stable/P3	BBB-/Stable/F3
Last Rating Action	15/04/2019	03/04/2017	05/12/2018

Key ratio	Jun-19	Dec-18
Net Debt / EBITDA adjust. for Reg. Receivables (3)	4.0x	4.0x

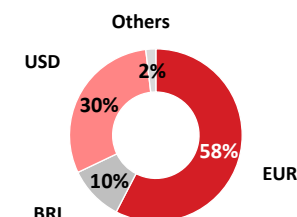
Debt Maturity (€ billion) by Jun-19 (1)



Debt by Interest Rate Type (1) - Jun-19



Debt by Currency (1) (2) - Jun-19



EDP's financial debt is essentially issued at holding level (EDP S.A. and EDP Finance B.V.) through both debt capital markets and bank loans. Maintaining access to diversified sources of funding and assuring refinancing needs at least 12-24 months ahead continue to be part of the company's funding strategy.

In Apr-19, **S&P** affirmed EDP's credit rating at "BBB-", with Stable outlook on the expectation of operational performance improvement and assets disposal, in line with EDP Strategic Update. In Apr-19, **Moody's** completed a periodic review under which the appropriateness of EDP's credit rating was reassessed. The company's current credit rating under Moody's is "Baa3" with Stable outlook. In Dec-18, **Fitch** had affirmed EDP's credit rating at "BBB-", with Stable outlook.

Looking at 2019's major debt repayments and refinancing deals: In Jan-19, EDP extended €2,095m out of the €2,240m Revolving Credit Facility maturity until Mar-24 (except for €145m which matures in Mar-23) and issued €1.000m of subordinated green notes with a yield of 4.5% with maturity in 2079.

The weight of consolidated financial debt through capital markets stood at 80%, while the remaining debt was raised mainly through bank loans. **Refinancing needs for the remaining of 2019** amounts to €1.5bn, consisting in €0.6bn in bonds and €0.9bn in bank loans. **In 2020 and 2021**, refinancing needs amount to approx. €3.5bn. Total cash and available liquidity facilities amounted to €6.7bn by Mar-19. Additionally, during 1H19 EDP closed two sales of tariff deficit in Portugal worth ~€1.1bn.

(1) Nominal Value includ. 100% of the hybrid bond; (2) Derivatives designated for fair-value hedge of debt; (3) Based on trailing 12 months recurring EBITDA and net debt exclud. 50% of hybrid bond issue (including interest).

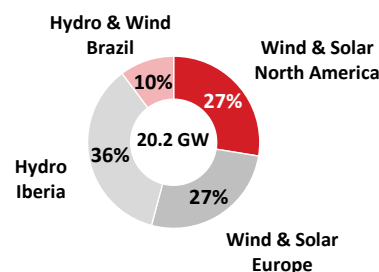


Business Segments

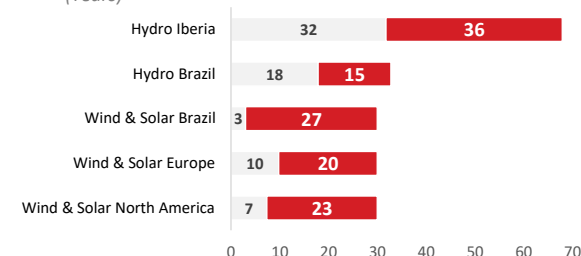
Renewables: Asset base & Investment activity

Installed capacity (MW)	Jun-19	Δ YTD	Δ Abs.	YoY Built	Sold	Under Construc.
EBITDA MW	20,178	+84	+429	+878	-449	+993
Wind & Solar	11,393	+92	+680	+880	-200	+993
US	5,332	-	+278	+478	-200	+779
Canada	30	-	-	-	-	+100
Mexico	200	-	-	-	-	-
North America	5,562	-	+278	+478	-200	+879
Spain	2,288	-24	+44	+44	-	+53
Portugal	1,355	+47	+102	+102	-	-
France	440	+19	+30	+30	-	+13
Belgium	71	-	-	-	-	+10
Poland	418	-	-	-	-	+38
Romania	521	-	-	-	-	-
Italy	271	+50	+89	+89	-	-
Europe	5,364	+92	+266	+266	-	+114
Brazil	467	-	+137	+137	-	-
Hydro	8,785	-8	-250	-1	-249	-
Iberia	7,186	-8	-103	-1	-102	-
Brazil	1,599	-	-148	-1	-147	-
Equity MW	910	-	+40	-0	+40	+408
Wind onshore & Solar	371	-	+40	-0	+40	-
US	219	-	+40	-0	+40	-
Spain	152	-	-	-	-	-
Wind offshore	-	-	-	-	-	+330
Hydro	539	-	-	-	-	+78
Latam	539	-	-	-	-	+78

Renewable Installed Capacity - Jun-19



Assets' average life and residual life (Years)



Renewables capacity accounts **74% of our total installed capacity**, equivalent to **20.2 GW**. In the last 12 months, we built out 880 MW of wind capacity, while selling an 80% stake in 499 MW in North America (299 MW of which under development or construction): as a result of this deal, our EBITDA MW portfolio reduced by 200 MW (Meadow Lake VI), while equity portfolio increased by 40 MW (20% stake retained).

As of Jun-19, we have **PPAs** secured for 3.3 GW (+0.8 GW vs Dec-18) to support installations in 2019-22, representing 46% of our targeted global renewables capacity built-out in this portfolio. Year to date, we signed PPAs for 0.7 GW in wind (0.4 GW in US, 0.2 GW in Europe and 0.1 GW in Brazil) and 0.1 GW in solar (US).

During the 1H19, our renewable capacity development and construction activity keeps busy, **with 1.3 GW under construction for wind and solar** (including 316 MW in Moray East and 14 MW Windplus floating offshore project) the bulk of which is expected to be commissioned in 2H19 (~ 0.8 GW).

In **North America**, we have currently 879 MW under construction, including 299 MW in which we sold an 80% stake in in Dec-18, though keeping the commitment to complete the construction: Prairie Queen (199 MW in US) and Nation Rise (100 MW in Canada).

In **Europe**, we have 114 MW of wind onshore under construction, 24 MW of which relative to a repowering in Spain. In Apr-19, we agreed on an asset rotation transaction through which we are selling our 51% stake in 997 MW in operation in Europe (388 MW in France, 348 MW in Spain, 191 MW in Portugal and 71 MW in Belgium). All the relevant conditions for settlement have been reached by Jun-19.

In **Brazil**, we have 467 MW installed by Jun-19, including Babilônia wind farm (137 MW), which was commissioned in 4Q18.

Our **hydro portfolio** comprises 7,186 MW in Iberia (c. 40% of which pumping capacity) and 1,599 MW in Brazil after the disposal of some small hydro plants over 4Q18, both in Portugal and Brazil (250 MW). Finally, in LatAm, we own equity stakes on 3 hydro plants (Jari, Cachoeira-Caldeirão and S. Manoel, all in Brazil) and own a share in an hydro plant in Peru (San Gaban, 78 MW net) which is currently under construction.

In 1H19, **cash expansion investment more than doubled** to €1,020m including: i) €659m total investment (capex + financial investments), mainly devoted to North America (c70%) and Europe (c30%), includes €153m invested in Prairie Queen and Nation Rise ; and ii) €361m effect from payments to fixed asset suppliers mostly in wind and changes in consolidation perimeter mostly related to the agreed asset rotation deal in Europe.

Net expansion investment (€ million)	1H19	1H18	Δ %	Δ Abs.
Expansion capex	384	480	-20%	-96
North America	221	230	-4%	-10
Europe	157	161	-3%	-4
Brazil & Other	6	88	-94%	-82
Financial investment	275	-	-	+275
Proceeds from TEI in US	-0	-	-	-0
Proceeds from asset rotations	-	-	-	-
Other (1)	361	-	-	+361
Net expansion investment	1,020	480	113%	+540

Maintenance Capex (€ million)	1H19	1H18	Δ %	Δ Abs.
Iberia	12	10	28%	+12
Brazil	1	3	-56%	+1
Maintenance capex	13	12	10%	+13

(1) Includes Change in WC Fixed asset suppliers, change in consolidation perimeter and other.

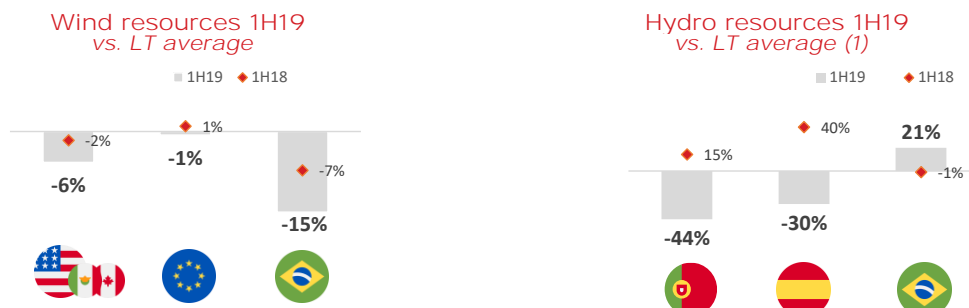
Renewables: Financial performance

Income Statement (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	1,277	1,382	-8%	-105
OPEX	265	277	-4%	-12
Other operating costs (net)	-252	-51	-393%	-201
Net Operating Costs	13	226	-94%	-213
EBITDA	1,264	1,156	9%	+108
Amortisation, impairments; Provision	410	382	7%	+28
EBIT	853	774	10%	+80

EBITDA (€ million)	1H19	1H18	Δ %	Δ Abs.
Wind & Solar	961	686	40%	+275
North America	327	311	5%	+16
Europe	623	369	69%	+254
Brazil & Other	11	6	80%	+5
Hydro	302	470	-36%	-167
Iberia	205	360	-43%	-155
Brazil	97	110	-12%	-13
EBITDA	1,264	1,156	9%	+108

Output (GWh)	1H19	1H18	Δ %	Δ Abs.
Wind & Solar	16,157	15,451	5%	+706
Hydro	6,732	11,710	-43%	-4,978
Iberia	4,264	8,433	-49%	-4,168
Brazil	2,468	3,278	-25%	-810
Total output	22,889	27,162	-16%	-4,272

Core OPEX/Average MW	1H19	1H18	Δ %	Δ Abs.
Wind & Solar	18.6	20.3	-8%	-1.7
Hydro				
Iberia	6.1	6.3	-4%	-0.2
Brazil	7.0	8.5	-18%	-1.5



In 1H19, EBITDA advanced by 9% YoY, to €1,264m, as the benefits from our growth strategy of combining portfolio expansion with asset rotation strategy was partially offset by the consequences of weak hydro resources in Iberia and wind output 4% below LT average.

Wind and solar EBITDA rose to €961m (+40% YoY), supported by the gain booked on the asset rotation deal in Europe (+€219m), the benefits from portfolio expansion (+€57m YoY), higher average selling prices (+€29m YoY), forex impact (+€19m YoY) and the adoption of IFRS16 (+€23m YoY). In turn, EBITDA performance was penalized by adverse wind resource and by lower PTC revenues, mainly due to expiring 10-year incentive in some projects (-€22m YoY).

Hydro EBITDA declined to €302m (-36% YoY), driven by both Iberia and Brazil. In Iberia, a 43% YoY decline in EBITDA resulted from extreme weak hydro resources (-€0.2 bn overall YoY) and disposal of small hydro plants (-€33m YoY).

OPEX performance in renewables (-4% YoY) reflected tight cost control and successful implementation of ongoing savings program, both in Iberia and Brazil.

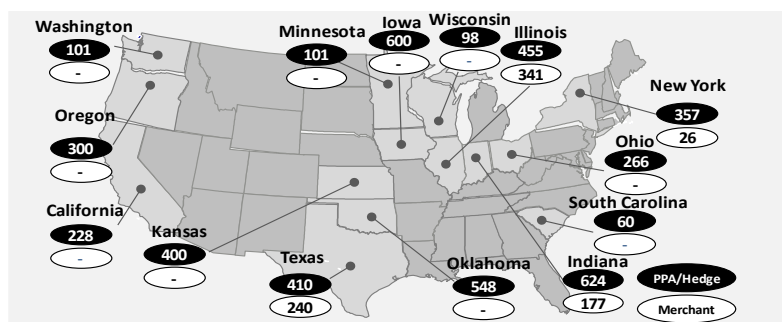
In wind and solar, Core OPEX per average MW decreased to €18.6k (-8% YoY), post the adjustment from IFRS 16 (-€11m YoY). Considering additional impacts (IFRS 16, offshore costs, one-offs and forex), Adjusted Core OPEX per average MW fell 2% YoY.

Other net operating costs, amounting to a €252m revenue in 1H19, includes the gain of the asset rotation deal (+€219m) announced in Apr-19.

(1) In Brazil, Generation Scale Factor (GSF), reflecting the total (real) generation, accounted as a proportion of the total volume of Physical Guarantee in the system (when has a strong volatility on quarterly basis).

Renewables in North America

USA: EBITDA MW by market - Jun-19



In **North America** (NA), installed capacity (5,562 EBITDA MW) is mostly wind (solar: 90 MW). Additionally, we own **equity stakes** in other wind projects, equivalent to 219 MW (+22% YoY). In 1H19, 82% of total installed capacity is PPA/Hedged contracted.

Electricity production increased to 8.8 TWh (+2% YoY) mainly reflecting an increase on average installed capacity (+5% YoY) and weaker wind resources on average (-6% vs P50 in 1H19; -2% vs P50 in 1H18): the wind improvement in the **Eastern region** (8% premium to P50 vs 9% deficit in 1H18) was offset by poorer resources in Central and Western.

Gross profit rose to USD397m (+4% YoY) in 1H19, reflecting output growth along with an 1% rise in the **average selling price**, supported by US (volume mix effect) and Mexico.

PTC Revenue & Other declined to USD107m (-12% YoY), mainly due to **lower PTCs incentives**. Nevertheless, the expiration of 10-year incentives in some projects (-USD26m YoY) was partially compensated by new partnerships (+USD11m YoY).

Operating data	1H19	1H18	Δ %	Δ Abs.
Installed capacity (MW EBITDA)	5,562	5,284	5%	+278
US PPA/Hedge	4,548	4,265	7%	+283
US Merchant	784	790	-1%	-5
Canada	30	30	0%	-
Mexico	200	200	0%	-
Load Factor (%)	37%	38%	-4%	-2 p.p.
US	36%	38%	-5%	-2 p.p.
Canada	30%	30%	0%	0 p.p.
Mexico	46%	45%	4%	2 p.p.
Electricity Output (GWh)	8,849	8,690	2%	+159
US	8,409	8,265	2%	+144
Canada	40	39	0%	+0
Mexico	401	386	4%	+15
Avg. Selling Price (USD/MWh)	46	45	1%	+0
US	44	44	1%	+1
Canada (\$CAD/MWh)	147	146	0%	+1
Mexico	65	64	1%	+1
EUR/USD (Avg. of the period)	1.13	1.21	7%	-0.08
Financial data (USD million)	1H19	1H18	Δ %	Δ Abs.
Adjusted Gross Profit	504	502	0%	+2
Gross Profit	397	380	4%	+17
PTC Revenues & Other	107	122	-12%	-15
EBITDA	370	377	-2%	-7
EBIT	193	220	-12%	-26
Equity stakes (USD million)	1H19	1H18	Δ %	Δ Abs.
Equity MW	219	179	22%	+40
Share of net profit in JVs/associates	1	-3	-	+3



- Sales can be agreed under PPAs (up to 20 years), through Hedges or Merchant prices
- Green Certificates (Renewable Energy Credits, REC) subject to each state regulation
- Tax Incentive:
 - i) PTC collected for 10-years since CoD (\$25/MWh in 2019)
 - ii) Wind farms beginning construction in 2009 and 2010 could opt for 30% cash grant in lieu of PTC



- Feed-in Tariff (Ontario). Duration: 20-years
- Renewable Energy Support Agreement (Alberta)



- Technological-neutral auctions (opened to all technologies) in which bidders offer a global package price for the 3 different products (capacity, electricity generation and green certificates)
- EDPR project: bilateral Electricity Supply Agreement under self-supply regime for a 25-year period

Renewables in Iberia



Operating data	1H19	1H18	Δ %	Δ Abs.
Installed capacity (MW EBITDA)	10,828	10,785	0%	+43
Wind & Solar	3,643	3,497	4%	+146
Spain	2,288	2,244	2%	+44
Portugal	1,355	1,253	8%	+102
Hydro	7,186	7,288	-1%	-103
Load Factor (%)				
Wind & Solar				
Spain	30%	30%	1%	0 p.p.
Portugal	28%	31%	-9%	-3 p.p.
Hydro	14%	27%	-49%	-13 p.p.
Electricity Output (GWh)				
Wind & Solar	4,644	4,542	2%	+102
Spain	3,009	2,866	5%	+143
Portugal	1,635	1,676	-2%	-40
Hydro	4,264	8,433	-49%	-4,168
Net production	3,636	7,709	-53%	-4,073
Pumping	628	724	-13%	-95
Avg. Selling Price (€/MWh)				
Wind & Solar				
Spain	75	72	4%	+3
Portugal	92	94	-2%	-2
Hydro	63	55	15%	+8

Financial data (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	644	808	-20%	-164
Wind & Solar (1)	386	375	3%	+11
Spain	223	205	9%	+18
Portugal	151	158	-4%	-7
Hydro	258	433	-40%	-175
EBITDA	722	628	15%	+94
Wind & Solar (1)	517	268	93%	+249
Hydro	205	360	-43%	-155
EBIT	545	452	20%	+93
Wind & Solar (1)	433	188	130%	+244
Hydro	112	264	-58%	-152

Equity stakes (€ million)	1H19	1H18	Δ %	Δ Abs.
Installed capacity (Equity MW)	152	152	0%	-
Share of net profit in JVs/associates	3.3	2.6	29%	+1

In Iberia, installed capacity (10.8 GW) is split between **wind & solar (34%)** and **hydro (66%)**. Additionally, we own equity stakes in wind projects in Spain (~152 MW).

In **Portugal, wind & solar gross profit** declined by 4% YoY, reflecting a lower load factor (-2pp YoY) and lower average selling price (-€2/MWh YoY) following the lower-tariff commissioned capacity over the last 12 months (€66/MWh).

In **Spain, wind output** rose to 3 TWh (+5% YoY) and average selling price advanced by 4% YoY on higher pool prices. As a result, gross profit amounted to €223m (+9% YoY). Load factors were stable, standing 3pp above LT market average.

Hydro gross profit was down to €258m (-40% YoY), mainly driven by extremely weak hydro factor in Portugal which embodies ~91% of Iberia gross margin.

Hydro resources in Portugal were particularly scarce and bellow the LT average (44% below historical average), resulting in a decline in production based on inflows. Pumping activity was equally affected, posting a 59% YoY decrease driven by low reserves.

Average selling price of hydro production increased by 15% YoY, supported by higher pool price and higher premium due to lower load factor. Pumping cost reflected a 45% discount to the pool price, playing a key role in the stabilisation of margin, particularly in dry periods. Gross profit from hydro was down (-40% YoY), driven by Portugal high exposure to hydro.



- Wind energy developed until 2015 receives pool price + premium per MW, if necessary, in order to achieve a target return of 7.4% for the 2016-2019 period;
- Premium calculation is based on standard assets (standard load factor, production and costs);
- Since 2016, all the new renewable capacity is allocated through competitive auctions.



- MWs from previous regime: Feed-in Tariff inversely correlated with load factor throughout the year. Tariff monthly inflation-updated, through the later of: 15 years of operation or 2020, + 7 years (cap/floor system: €74/MWh - €98/MWh);
- ENEOP portfolio : price set in an international competitive tender for 15 years (or the first 33 GWh per MW) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). First year tariff at c.€74/MWh, CPI monthly-updated;
- VENTINVEST portfolio: price defined in an international competitive tender and set for 20 years (or the first 44 GWh per MW), of €66/MWh.

(1) Includes hedging adjustments

Renewables in the Rest of Europe

Operating data	1H19	1H18	Δ %	Δ Abs.
Installed capacity (MW EBITDA)	1,721	1,601	7%	+120
Romania	521	521	0%	-
Poland	418	418	0%	-
France	440	410	7%	+30
Italy	271	181	49%	+89
Belgium	71	71	0%	-
Load Factor (%)	27%	26%	2%	1 p.p.
Romania	28%	26%	4%	1 p.p.
Poland	32%	26%	25%	6 p.p.
France	21%	27%	-22%	-6 p.p.
Italy	32%	29%	10%	3 p.p.
Belgium	22%	23%	-4%	-1 p.p.
Electricity Output (GWh)	1,967	1,799	9%	+168
Romania	626	588	6%	+37
Poland	585	469	25%	+117
France	396	481	-17%	-84
Italy	290	190	53%	+100
Belgium	68	71	-4%	-3
Avg. Selling Price (€/MWh)	79	71	11%	+8
Romania (RON/MWh)	325	248	31%	+77
Poland (PLN/MWh)	301	220	37%	+81
France	90	91	0%	-0
Italy	98	114	-14%	-16
Belgium	106	104	1%	+1
ForEx rate - average in the period				
EUR/PLN	4.29	4.22	-2%	+0.07
EUR/RON	4.74	4.65	-2%	+0.09

Financial data (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	159	129	23%	+30
Romania	45	31	43%	+13
Poland	43	26	68%	+17
France & Belgium	42	51	-16%	-8
Italy	28	21	33%	+7
EBITDA	143	90	58%	+52
EBIT	104	50	108%	+54

In the Rest of Europe (ex-Iberia), **installed capacity** increased 120 MW to **1.7 GW**, standing heavily concentrated in **wind** (onshore ~ 1,617 MW) but also with some **solar capacity in Romania** (c. 50 MW).

Output advanced to 1,967 GWh (+9% YoY), driven by **stronger wind resources** and **higher load factors** (except for France and Belgium).

Gross Profit rose to €159m, a material double digit growth (+23% YoY), explained by **portfolio expansion**, **higher load factors** and **fueled by higher selling prices** in Poland and Romania (both mix of volume and market prices).



- Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-2017 can only be sold from Jan-2018 and until Dec-2025. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Dec-2020 can only be sold after Jan-2021 and until Dec-2030. GC are tradable on market under a cap and floor system (cap €35 / floor €29.4); Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years; The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032.



- Electricity price can be established through bilateral contracts; Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation. From Sep-17 onwards, substitution fee is calculated as 125% of the avg market price of the GC from the previous year and capped at 300PLN.



- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @2,400 hours, decreasing to €28/MWh @3,600 hours, inflation updated; Wind farms under the RC 2016 scheme receive 15-yr CfD which strike price value similar to existing FIT fee plus a management premium.



- MW <2013 are (during 15 years) under a pool + premium scheme; MW >2013 were awarded a 20 years contract through competitive auctions. According with the auction scheme, the electricity produced by these wind farms is sold on the market with CfD.



- Market price plus green certificate (GC) system;
- Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh);
- Option to negotiate long-term PPAs.

Renewables in Brazil

Operating data	1H19	1H18	Δ %	Δ Abs.
Installed capacity (MW EBITDA)	2,066	2,078	-1%	-11
Wind	467	331	41%	+137
Hydro	1,599	1,747	-8%	-148
Load Factor (%)				
Wind	33%	30%	11%	3 p.p.
Hydro	36%	43%	-18%	-8 p.p.
Electricity Output (GWh)	3,165	3,698	-14%	-533
Wind	697	420	66%	+277
Hydro	2,468	3,278	-25%	-810
Hydro volume sold - Brazil (GWh)	4,424	4,271	4%	+153
PPA contracted	3,957	3,382	17%	+574
Other	467	888	-47%	-421
Hydro physical guarantee (GWh)	2,496	3,199	-22%	-703
Avg. Selling Price (R\$/MWh)				
Wind	210	208	1%	+2
Hydro	174	187	-7%	-13
ForEx rate - average in the period				
EUR/BRL	4.34	4.14	-5%	+0.20

Financial data (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	599	596	0%	+3
Wind	132	77	71%	+54
Hydro	467	519	-10%	-52
PPA contracted	679	610	11%	+69
GSF impact (net of hedging) & Other	-212	-91	-133%	-121
EBITDA	522	531	-2%	-9
Wind	94	56	68%	+38
Hydro	428	475	-10%	-47
Lajeado	209	191	9%	+18
Peixe Angical	148	135	10%	+13
Other	71	149	-52%	-78
EBIT	383	407	-6%	-24

Equity stakes (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Installed capacity (Equity MW)	539	539	0%	-
Share of net profit in JVs/associates	4	-4	-	+9

Our renewable portfolio in Brazil encompasses 2.1 GW of installed capacity at EBITDA MW: 1,599 MW in hydro plants and 467 MW in wind farms. Additionally, EDP owns equity stakes in hydro plants, representing 539 MW.

Hydro output decreased by 25% YoY, mainly due to the sale of mini-hydro plants (-148 MW) but also lower average hydro load factor.

Gross profit from Hydro declined 10% YoY, reflecting a 7% YoY reduction on average selling price (Peixe Angical production is now entirely sold in the free market). Hydro energy sold increased by 4%, following the purchase of energy in the spot market to sell over PPAs. Finally, we allocated a lower weight on the physical guarantee of energy to deliver in 1H, in order to overweight it over the second half of the year (when there is usually a deficit of hydro energy).

Wind output grew by 66% YoY, mainly backed by a 41% YoY increase in installed capacity despite lower wind resources. Moreover, Babilônia's above average load factor, increases the portfolio overall KPI. As a result, wind gross profit advanced by 71% YoY.

All in all, gross profit was stable in 1H19, on mixed effect from declining hydro performance and sharp increase in wind.



Wind & Solar:

- Old installed capacity under a feed-in tariff program ("PROINFA")
- Since 2008, competitive auctions awarding 20-years PPAs

Networks: Financial performance

Income Statement (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	893	864	3%	+29
OPEX	286	293	-2%	-7
Other operating costs (net)	135	151	-11%	-16
Net Operating Costs	421	444	-5%	-23
EBITDA	472	420	12%	+52
Amortisation, impairments; Provision	183	175	5%	+9
EBIT	289	246	18%	+43

Our Networks segment includes activities of distribution of electricity, in Portugal, Spain and Brazil; electricity last resort supply activity in Portugal (LRS); and the new activity of transmission, in Brazil.

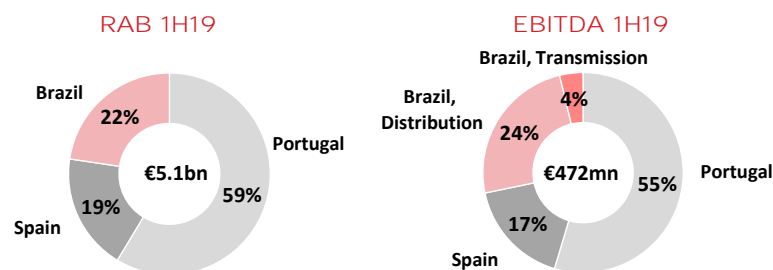
EBITDA in 1H19 posted a 12% increase YoY (to €472m, +€52m YoY) driven by Brazil, namely: (1) Commissioning of the 1st transmission line in Espirito Santo, in Dec-18 (+€18m on EBITDA); (2) 4% increase in electricity distributed (+€12m on EBITDA), and tariff adjustments in both companies (+€19m). ForEx impact on EBITDA amounted to -€7m YoY. **In Iberia**, EBITDA performance was mainly supported by the cost cutting trajectory .

OPEX & Capex performance	1H19	1H18	Δ %	Δ Abs.
Controllable Costs (1)				
Iberia (€ m)	183	191	-4%	-8
Brazil (R\$ m)	344	341	1%	+2
Controllable Costs				
Iberia (€/Supply point)	26	28	-5%	-1
Brazil (R\$/Supply point))	99	100	-1%	-1

OPEX improved by 2.4% YoY to €286m in 1H19, mostly driven by Iberia, where controllable costs fell by 5% YoY, reflecting cost savings and an increasing share of smart meters installed. In Brazil, controllable costs per customer decreased 1% YoY, as the increase in headcount and annual inflation update in wages was offset by the growth in the customer base (+64 thousand YoY).

Employees (#)	5,813	5,484	6%	+329
Iberia	3,492	3,343	4%	+149
Brazil	2,321	2,141	8%	+180
Capex (2) (Net of Subsidies) (€ million)	364	163	123%	+201
Portugal	112	75	49%	+37
Spain	13	11	15%	+2
Brazil	239	76	-	+162
Distribution	67	60	11%	+7
Transmission	172	16	-	+156
Network ('000 Km) (3)	340	339	0%	+2
Portugal	227	226	0%	+0
Spain	21	21	0%	+0
Brazil	93	92	1%	+1

Capex in 1H19 (€364m) includes €172m dedicated to expansion, namely to the new transmission lines under construction in Brazil (Lot 11 and 21, in Maranhão and Santa Catarina states, respectively). Maintenance capex is related to the distribution networks: i) in Iberia, it includes €22m invested in the installation of smart meters in Portugal (~300k); ii) in Brazil, includes investments targeting network improvements and reduction of losses.



(1) Supplies & services + Personnel costs; (2) Net of subsidies; (3) Relative to distribution.

Electricity Distribution & LRS in Portugal

Income Statement (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	541	545	-1%	-4
OPEX	163	173	-6%	-11
Concession fees	131	129	1%	+2
Other operating costs (net)	-11	-1	-	-10
Net Operating Costs	283	301	-6%	-18
EBITDA	258	244	6%	+14
Amortisation, impairment; Provisions	132	127	4%	+5
EBIT	126	117	8%	+9

Gross Profit Performance	1H19	1H18	Δ %	Δ Abs.
Gross Profit (€ million)	541	545	-1%	-4
Regulated	536	541	-1%	-5
Non-regulated	5	5	5%	+0

Distribution Grid				
Regulated revenues (€ million)	520	523	-0%	-2
Electricity distributed (GWh)	22,640	23,089	-2%	-449
Supply Points (th)	6,253	6,206	1%	+47

Last Resort Supply				
Regulated revenues (€ million)	16	18	-13%	-2
Customers supplied (th)	1,080	1,166	-7%	-85
Electricity sold (GWh)	1,375	1,523	-10%	-148

Electricity Distribution in Spain

Income Statement (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	100	95	5%	+5
OPEX	28	27	6%	+2
Other operating costs (net)	-9	-1	-	-8
Net Operating Costs	19	25	-24%	-6
EBITDA	81	70	16%	+11
Amortisation, impairment; Provisions	18	14	29%	+4
EBIT	63	56	13%	+7

Gross Profit Performance	1H19	1H18	Δ %	Δ Abs.
Gross Profit (€ million)	100	95	5%	+5
Regulated	95	94	1%	+1
Non-regulated	5	1	337%	+4
Electricity Supply Points (th)	668	665	0%	+2
Electricity Distributed (GWh)	4,247	4,698	-10%	-452

Electricity distribution and LRS in Portugal

On 18-Dec-2018, ERSE released 2019 electricity tariffs, **setting the regulated revenues for 2019 at €1,060m in the electricity distribution and at €31m in last resort electricity supply.**

In 1H19, distribution regulated gross profit amounted to €520m (-€2m YoY), implying a rate of return on HV/MV assets of 5.26% (vs. 5.42% preliminarily set by ERSE for 2019, due to the decline of the portuguese government 10-year bond yields).

Electricity distributed in the 1H19 posted a 2% YoY decline, mostly due to an adverse temperature effect (adjusted for this, demand was 0.4% lower YoY).

In the **last resort electricity supply (LRS) activity**, gross profit declined €2m YoY, reflecting a lower number of customers (-85 thousand YoY), to a share of 17% of total electricity customers in Portugal (mostly in the residential segment).

Net operating costs were 6% lower YoY (-€18m). OPEX was down 6% YoY (-€11m) arising from fewer clients' claims, lower clients' switching between suppliers and higher share of telemetering. Other operating costs reflect the recovery of previous periods' revenues, which is expected to smooth out in the coming quarters.

Overall, EBITDA 6% growth was mainly supported by sound cost performance: controllable costs per supply point fell by 7% YoY (-€11m).

Electricity distribution in Spain

EBITDA from electricity distribution activity in Spain rose 16%, on the back of unwinding of previous years' costs which are due to be smooth out in the coming quarters.

It is also worth noting that electricity distributed fell by 10% YoY, penalised by a strong decline of one large industrial consumer's production activity.

Networks in Brazil

ForEx rate - average in the period	1H19	1H18	Δ %	Δ Abs.
EUR/BRL	4.34	4.14	-5%	0.20

Income Statement (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	1,088	918	19%	+170
OPEX	393	367	7%	+27
Other operating costs (net)	108	98	9%	+9
Net Operating Costs	501	465	8%	+36
EBITDA	587	452	30%	+134
Amortisation, impairment; Provisions	139	129	8%	+10
EBIT	448	324	38%	+124

Distribution - Key drivers (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Customers Connected (th)	3,470	3,406	1.9%	+64
EDP São Paulo	1,900	1,863	2.0%	+37
EDP Espírito Santo	1,570	1,543	1.7%	+27
Electricity Distributed (GWh)	12,947	12,472	3.8%	+474
Regulated customers	7,247	6,989	3.7%	+257
Customers in Free Market	5,700	5,483	4.0%	+217
Electricity Sold (GWh)	7,247	6,989	3.7%	+257
EDP São Paulo	4,015	3,992	0.6%	+23
EDP Espírito Santo	3,231	2,997	7.8%	+235
Technical losses (% of electricity distributed)				
EDP São Paulo	5.6%	5.6%	0.7%	0 p.p.
EDP Espírito Santo	7.6%	7.9%	-3.2%	-0.2 p.p.
Gross Profit	1,003	913	10%	+90
Regulated revenues	981	819	20%	+162
Other	22	94	-77%	-72
EBITDA	508	451	13%	+57
EDP São Paulo	241	241	0%	-0
EDP Espírito Santo	268	211	27%	+57

Transmission - Key drivers (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	85	5	-	+80
EBITDA	79	1	-	+78
EBIT	78	1	-	+77
Equity stakes (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Share of net profit in JVs/associates	13	0	-	+13

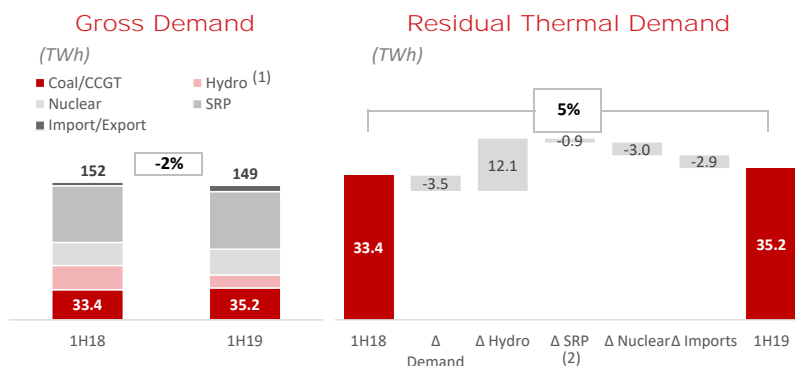
Gross profit increased +R\$170m YoY, including **+R\$80m in transmission**, following the commissioning of our first line in Dec-18, and **+R\$90m in distribution** including **+R\$52m due to the increase of volumes of electricity distributed (+4% YoY)**, prompted by higher average temperatures (mainly in Espírito Santo), improved economic context and lower volumes in 2Q18 due to truck drivers' strike with the **remaining growth of distribution gross profit mostly driven by annual tariff updates** in both EDP São Paulo and EDP Espírito Santo.

OPEX increased 7% YoY, justified by the strategy of replacing a set of outsourced services with personnel hiring which is expected to yield savings on the Supplies and Services in the medium/long-run. Furthermore, such increase also reflects new hiring related with the new activity of Transmission.

Overall, EBITDA rose 30% YoY (+R\$134m).



- EDP operates both in distribution in and transmission businesses, through its subsidiary EDP Brasil
- EDP Brasil holds 100% of EDP São Paulo and EDP Espírito Santo. Furthermore, EDP Brasil owns a 23,56% stake in CELESC, which operates the concession of the distribution grid in Santa Catarina state.
- A new regulatory period will begin for EDP Espírito Santo in Aug-19 (renewed every 3 years) and for EDP São Paulo in Oct-19 (renewed every 4 years). The regulated WACC is currently defined at 8.09%
- EDP operates one transmission line (since Dec-18) and is developing 5 other transmission lines. Including a new one, acquired in May-19.



Main Drivers (3)	1H19	1H18	Δ %	Δ Abs.
Electricity spot price (Spain), €/MWh	52	50	3%	+2
Electricity final price (Spain), €/MWh (4)	57	57	0%	-0
Iberian Electricity 1Y Fwd Price (€/MWh)	55	53	5%	+2
CO2 allowances (EUA), €/ton	24	12	96%	+12
Coal (API2), USD/ton	65	88	-26%	-23
Mibgas, €/MWh	18	22	-18%	-4
Gas NBP, €/MWh	16	21	-27%	-6
Brent, USD/bbl	66	71	-6%	-5
EUR/USD (Avg. of the period)	1.13	1.21	7%	-0.08
Gas Demand in Iberia (TWh)	227	210	8%	+17

Income Statement (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	373	342	9%	+31
OPEX	183	172	6%	+11
Other operating costs (net)	47	93	-49%	-46
EBITDA	143	77	86%	+66
EBIT	48	-17	-	+65

Key financial data breakdown (€ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	373	342	9%	+31
Supply	176	129	36%	+47
Thermal & Energy Management	198	213	-7%	-15
EBITDA	143	77	86%	+66
Supply	43	-5	-	+48
Thermal & Energy Management	100	82	22%	+18
EBIT	48	-17	-	+65
Supply	23	-23	-	+46
Thermal & Energy Management	25	6	317%	+19

Iberian electricity market context

During 1H19, electricity demand in Iberia declined 2% YoY (-3.5 TWh). **Residual thermal demand (RTD)**, i.e. coal and CCGT demand, increased 5% YoY in 1H19 (+1.8 TWh), in the wake of extremely weak hydro resources (44% and 30% below-the-average resources in Portugal and Spain in 1H19, vs. 15% and 40% above-the-average resources in Portugal and Spain in 1H18, respectively). This was partially compensated by: (i) higher nuclear output (+3.0 TWh YoY); (ii) an increase in net imports (+2.9 TWh YoY); and (iii) +0.9 TWh in special regime output (driven by solar). Coal output declined 39% YoY (-7.2 TWh) backed by CO₂ prices, which almost doubled vs. 1H18, leading to a switch towards CCGT (+60% YoY, +9.0 TWh).

Average electricity spot price rose 3% YoY, to ~€52/MWh in 1H19 (-6% QoQ), fuelled by the higher CO₂ prices (+96% YoY). The average electricity final price in Spain remained stable YoY, at €57/MWh.

EDP Performance

EBITDA increased +€66m YoY, supported by: i) **gross profit performance (+€31m YoY)** on the back of a normalization of operating conditions in Supply business vs. a weak 1H18, and a decline in thermal & energy management due to an increase in avg. production costs; and ii) lower generation taxes in Spain and Clawback levy in Portugal following its suspension during 1Q19.

EDP keeps tracking market conditions to adapt its hedging strategy. For the second half of 2019, EDP has so far contracted with clients electricity sales of ~14 TWh, at an avg. price of ~€58/MWh, and has already secured avg. thermal spread at a high single digit per MWh for around 90% of expected thermal production.



- Our client solutions & energy management segment in Iberia incorporates our supply, thermal and energy management activities, encompassing 6.4 GW of thermal installed capacity, ~5.3m electricity clients and energy trading activities in Iberia.
- These businesses are the roots for the success of our integrated portfolio management, ensuring a responsive and competitive structure capable of offering clients diversified solutions and the necessary security of supply.

Supply - Key drivers and financials	1H19	1H18	Δ %	Δ Abs.
Portfolio of Clients (th)				
Electricity	5,259	5,272	0%	-14
Portugal	4,107	4,130	-1%	-22
Spain	1,152	1,143	1%	+9
Gas	1,554	1,541	1%	+13
Portugal	657	654	0%	+3
Spain	897	887	1%	+10
Dual fuel penetration rate (%)	30.3%	30.0%	1%	+0
Services to contracts ratio (%)	18.2%	17.3%	5%	+0
Volume of electricity sold (GWh)				
Residential	6,485	6,813	-5%	-328
Business	8,464	8,724	-3%	-260
Volume of gas sold (GWh)				
Residential	6,463	7,077	-9%	-615
Business	3,678	4,110	-10%	-431
	2,784	2,968	-6%	-183
Gross Profit (€ million)	176	129	36%	+47
EBITDA (€ million)	43	-5	-	+48
Capex (€ million)	12	7	81%	+5

Supply Iberia

EDP's electricity clients portfolio in Iberia (5.3m clients, broadly stable YoY), has a significant weight of residential and SME clients, corresponding to ~43% of total consumption.

EDP targets to leverage on its portfolio of clients, offering additional products and innovative services, as part of its strategy to build a longer-term relationship with clients backed by the enhancement of their satisfaction and loyalty levels. The rate of dual fuel offer (electricity + gas) has increased slightly from 30.0% to 30.3%. The penetration rate of service contracts in Iberia continued to increase from 17% in Jun-18 to 18% in Jun-19.

Electricity and gas volumes sold in Iberia fell by 4% and 9% YoY, respectively, reflecting mild temperatures with a particular effect on residential consumption and a more selective commercial policy in the business segment.

Gross profit at our supply activities in Iberia increased +€47m YoY, supported by normalization of regulatory assumptions and operating margins in Portugal, following a particularly adverse 1H18. **EBITDA** performance was fully in line with gross profit evolution, given the stable cost base.

Thermal generation & Energy management Iberia

Thermal & EM - Drivers and financials	1H19	1H18	Δ %	Δ Abs.
Generation Output (GWh)				
CCGT	9,461	8,492	11%	+968
Coal	3,720	2,147	73%	+1,572
Nuclear	5,028	5,661	-11%	-633
Other	552	518	7%	+34
	161	165	-3%	-5
Load Factors (%)				
CCGT	23%	13%	73%	+10p.p.
Coal	48%	54%	-11%	-6p.p.
Nuclear	82%	77%	7%	+5p.p.
Generation Costs (€/MWh) (1)				
CCGT	52	39	34%	+13
Coal	60	54	12%	+6
Nuclear	51	36	41%	+15
	5	5	-5%	-0
Gross Profit (€ million)	198	213	-7%	-15
EBITDA (€ million)	100	82	22%	+18
Capex (€ million)	19	41	-52%	-21

Production in 1H19 increased 11% YoY, outperforming the 5% YoY increase in residual thermal demand in Iberia. **Avg. thermal production cost** posted a 34% YoY rise (to €52/MWh in 1H19), as a result of the higher contribution from higher-cost CCGT plants to meet demand and: (i) **at our coal plants** (+41% YoY), higher CO₂ prices; (ii) **at CCGTs** (+12% YoY), higher CO₂ prices but lower cost of gas, which lead to a switch towards CCGTs production to replace the less efficient coal plants. As a result of this, along with the effect from lower capacity payments, **gross profit from thermal generation & energy management in Iberia** declined by 7% YoY, to €198m in 1H19.

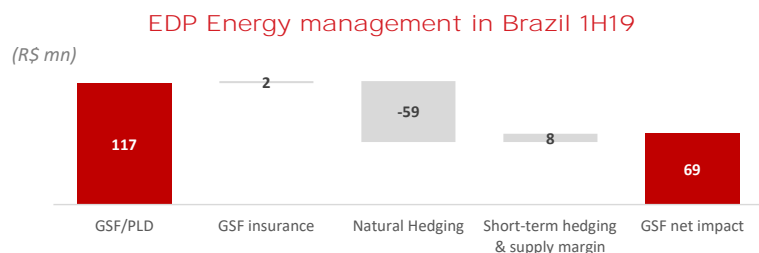
EBITDA increased 22% YoY, to €100m in 1H19, propelled by the suspension of some generation taxes in Spain and of Clawback in Portugal during 1Q19.



Our thermal portfolio in Iberia encompasses 6.4 GW installed capacity, which plays an active role in ensuring the security of electricity supply: 59% in CCGT, 38% in coal, 2% in nuclear and 1% of cogeneration and waste.

(1) Includes fuel costs, CO₂ emission costs and hedging results.

Key drivers	1H19	1H18	Δ %	Δ Abs.
PLD	211	249	-15%	-39
GSF	121%	99%	22%	+22p.p.



ForEx rate - average in the period	1H19	1H18	Δ %	Δ Abs.
EUR/BRL	4.34	4.14	-5%	+0.20

Income Statement (R\$ million)	1H19	1H18	Δ %	Δ Abs.
Gross Profit	348	457	-24%	-109
OPEX	68	77	-12%	-9
Other operating costs (net)	-4	-4	3%	+0
EBITDA	285	384	-26%	-100
EBIT	182	300	-39%	-118

Supply & EM - Key drivers and financials	1H19	1H18	Δ %	Δ Abs.
Electricity sales (GWh)	5,902	8,482	-30%	-2,580
Gross Profit (R\$ million)	41	99	-59%	-58
EBITDA (R\$ million)	18	81	-78%	-63
EBIT (R\$ million)	12	78	-84%	-66

Thermal - Key drivers and financials	1H19	1H18	Δ %	Δ Abs.
Installed Capacity (MW)	720	720	0%	-
Electricity Sold (GWh)	2,874	2,914	-1%	-39
PPA contracted	1,395	2,229	-37%	-835
Other	1,480	684	116%	+795
Pecém Availability	97%	98%	-1%	-0p.p.
Gross Profit (R\$ million)	307	357	-14%	-50
EBITDA (R\$ million)	267	303	-12%	-37
EBIT (R\$ million)	170	223	-24%	-53

BRAZILIAN ELECTRICITY MARKET CONTEXT

The electricity market in Brazil was very volatile over the 1H19: as a result of constant changes in the rainflow projections, weekly volatility surfaced, leading to an average PLD (Southeast region) of R\$211/MWh in 1H19 (-15% YoY), despite different quarterly trends: 48% YoY increase in 1Q19 and a 57% YoY decline in 2Q19. The weighted average GSF of 121% in 1H19, reflecting the average seasonal weighting curve of the system's physical guarantee, which allocated more energy to the second half of the year.

EDP PERFORMANCE

Over the past two years, **EDP has adopted a successful hedging strategy to mitigate the GSF/PLD risk**, which consists in combining GSF insurance with some uncontracted capacity and the integrated management of our portfolio of PPA generation and supply activities, while allocating part of our capacity to sell energy at the spot prices. In 1H19, due to the higher GSF (121% in 1H19 vs. 99% in 1H18, with an impact of +R\$117m) and the allocation of energy to the second half of the year, this strategy reduced potential gross margin by R\$57m in this quarter; contribution in the full year of 2019 is expected to improve.

At our **Supply and energy management activities**, **EBITDA decreased -R\$63m YoY**, to R\$18m in 1H19, following a 30% YoY reduction in volumes, which resulted from high volatility in PLD in 1H19 and forecasts for the rest of the year and led to the default of small players in this sector, increasing credit restrictions and reducing liquidity in the free market.

At our **thermal generation plant, Pecém I**, **EBITDA YoY comparison (-12% or -R\$37m)** is penalised by last year's positive effect from the downward revision of the regulatory level of availability of this plant to 83.75% (R\$75m positive impact on EBITDA 1H18). Excluding this effect, EBITDA improved, reflecting high availability, lower O&M costs and inflation update of contracted revenues.



Income Statements & Annex

Income Statement by Business Segment

1H19					
(€ million)	Renewables	Networks	Clients solutions & Energy management	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	1,408	3,082	4,526	(1,909)	7,107
Gross Profit	1,277	893	454	(22)	2,601
Supplies and services	174	173	133	(60)	421
Personnel costs and employee benefits	91	113	66	53	324
Other operating costs (net)	(252)	135	46	19	(52)
Operating costs	13	421	246	13	693
EBITDA	1,264	472	208	(35)	1,908
Provisions	(1)	5	0	0	5
Amortisation and impairment (1)	411	178	119	27	735
EBIT	853	289	88	(63)	1,168

1H18					
(€ million)	Renewables	Networks	Clients solutions & Energy management	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	1,490	3,400	4,803	(2,134)	7,559
Gross Profit	1,382	864	453	(7)	2,692
Supplies and services	188	190	132	(68)	443
Personnel costs and employee benefits	89	104	61	71	325
Other operating costs (net)	(51)	151	92	11	203
Operating costs	226	444	286	15	971
EBITDA	1,156	420	167	(21)	1,722
Provisions	(3)	9	(1)	(8)	(3)
Amortisation and impairment (1)	386	166	117	31	699
EBIT	774	246	52	(45)	1,026

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Quarterly Income Statement

edp

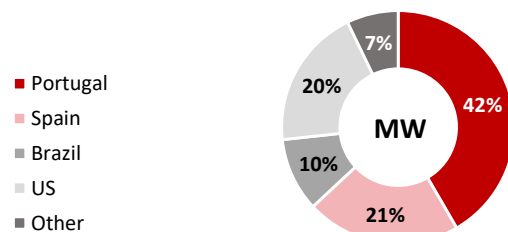
Quarterly P&L (€ million)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	Δ YoY %	Δ QoQ %	1H18	1H19	Δ %
Revenues from energy sales and services and other	4,032	3,527	3,752	3,967	3,744	3,363			-5%	-10%	7,559	7,107	-6%
Cost of energy sales and other	2,639	2,227	2,582	2,730	2,383	2,123			-5%	-11%	4,867	4,506	-7%
Gross Profit	1,393	1,299	1,170	1,237	1,361	1,240			-5%	-9%	2,692	2,601	-3%
Supplies and services	209	233	234	280	200	221			-5%	11%	443	421	-5%
Personnel costs and Employee Benefits	163	162	147	180	159	164			1%	3%	325	324	0%
Other operating costs (net)	128	75	100	(130)	81	(133)			-277%	-265%	203	(52)	-
Operating costs	501	470	482	330	439	253			-46%	-42%	971	693	-29%
EBITDA	893	829	688	907	921	987			19%	7%	1,722	1,908	11%
Provisions	(7)	4	286	5	4	1			-66%	-63%	(3)	5	-
Amortisation and impairment (1)	351	348	350	396	374	362			4%	-3%	699	735	5%
EBIT	549	477	53	506	544	624			31%	15%	1,026	1,168	14%
Financial Results	(127)	(150)	(166)	(111)	(186)	(185)			23%	0%	(277)	(371)	-34%
Share of net profit in joint ventures and associates	1	2	6	2	5	7			241%	29%	3	12	254%
Profit before income tax and CESE	423	330	(108)	397	364	446			35%	22%	752	810	8%
Income taxes	74	43	(67)	49	99	38			-12%	-62%	117	137	17%
Extraordinary contribution for the energy sector	66	(2)	1	0	67	(0)			-84%	n.a.	64	67	4%
Net Profit for the period	282	289	(43)	347	198	408			41%	106%	571	606	6%
Attrib. to EDP Shareholders	166	214	(83)	222	100	305			42%	203%	380	405	7%
Attrib. to Non-controlling Interests	116	75	40	125	98	104			39%	6%	191	201	5%

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

Generation Assets: Installed Capacity and Production

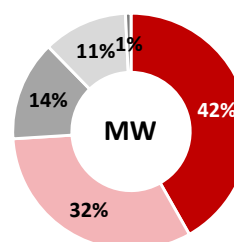
Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	Jun-19	Jun-18	Δ MW	Δ %	1H19	1H18	Δ GWh	Δ %	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Wind	11,248	10,568	+680	6%	16,017	15,339	+678	4%	8,719	6,620	5,145	7,648	8,356	7,661		
US	5,242	4,965	+278	6%	8,309	8,190	+119	1%	4,455	3,735	2,666	3,865	4,196	4,113		
Portugal	1,351	1,249	+102	8%	1,631	1,672	-41	-2%	1,064	608	455	860	832	799		
Spain	2,288	2,244	+44	2%	3,009	2,866	+143	5%	1,766	1,101	894	1,404	1,621	1,388		
Brazil	467	331	+137	41%	697	420	+277	66%	159	262	416	399	314	384		
Rest of Europe (2)	1,670	1,551	+120	8%	1,930	1,766	+165	9%	1,068	697	541	948	1,160	770		
Rest of the World (3)	230	230	-	-	441	425	+16	4%	208	217	173	173	233	208		
Solar	145	145	-	-	141	112	+28	25%	43	69	70	44	55	85		
Hydro	8,785	9,035	-250	-3%	6,803	12,017	-5,214	-43%	6,154	5,863	3,189	4,090	4,055	2,748		
Portugal	6,759	6,862	-103	-1%	3,919	7,962	-4,044	-51%	3,790	4,172	2,249	2,437	2,395	1,523		
Pumping activity	2,806	2,806	-	-	-838	-965	+128	13%	-636	-329	-130	-1,343	-423	-414		
Run of the river	2,408	2,411	-	-	1,900	4,109	-2,209	-54%	1,685	2,424	1,098	954	1,285	615		
Reservoir	4,294	4,308	-	-	1,947	3,545	-1,598	-45%	1,940	1,605	1,120	1,425	1,067	880		
Small-Hydro	57	143	-	-	72	307	-236	-77%	165	143	32	58	43	28		
Spain	426	426	-	-	417	777	-360	-46%	408	370	108	168	274	143		
Brazil	1,599	1,747	-148	-8%	2,468	3,278	-810	-25%	1,956	1,321	832	1,485	1,386	1,081		
Gas/ CCGT	3,729	3,729	-	-	3,720	2,147	+1,572	73%	1,302	846	1,802	1,383	1,315	2,405		
Portugal	2,031	2,031	-	-	2,386	1,567	+820	52%	907	660	1,532	992	768	1,618		
Spain	1,698	1,698	-	-	1,333	580	+753	130%	395	186	270	391	547	786		
Coal	3,150	3,150	+0	0%	6,423	7,891	-1,468	-19%	3,965	3,926	5,260	4,320	3,778	2,645		
Portugal	1,180	1,180	-	-	3,155	3,369	-214	-6%	1,734	1,635	2,431	2,267	1,934	1,221		
Spain	1,250	1,250	-	-	1,873	2,293	-419	-18%	1,045	1,248	1,861	1,794	1,036	837		
Brazil	720	720	-	-	1,395	2,229	-835	-37%	1,186	1,043	968	258	807	587		
Nuclear - Trillo (15.5%)	156	156	-	-	552	518	+34	7%	331	187	337	340	332	220		
Other	49	49	-	-	161	165	-5	-3%	84	82	73	70	82	79		
Portugal	24	24	-	-	95	101	-6	-6%	51	50	41	40	49	46		
Spain	25	25	-	-	65	64	+1	2%	32	32	32	30	32	33		
TOTAL	27,262	26,806	+455	2%	33,816	38,191	-4,374	-11%	20,598	17,593	15,877	17,895	17,974	15,842		
Of Which:																
Portugal	11,350	11,351	-0	-0%	11,191	14,675	-3,484	-24%	7,548	7,127	6,711	6,598	5,981	5,210		
Spain	5,842	5,798	+44	1%	7,250	7,099	+150	2%	3,976	3,123	3,502	4,128	3,843	3,407		
Brazil	2,787	2,798	-11	-0%	4,560	5,927	-1,368	-23%	3,301	2,626	2,216	2,142	2,507	2,052		
US	5,332	5,055	+278	5%	8,409	8,265	+144	2%	4,486	3,779	2,711	3,896	4,235	4,174		

Installed capacity by Country as of Jun-19



Breakdown by Technology as of 1H19

(MW Capacity & GWh of Production)



Regulated Networks: Asset and Performance indicators

RAB (€ million)	Jun-19	Jun-18	Δ %	Δ Abs
Portugal	2,974	2,996	-0.7%	-22
High / Medium Voltage	1,816	1,832	-0.8%	-15
Low Voltage	1,157	1,164	-0.6%	-7
Spain	950	950	0.0%	-
Brazil (R\$ million)	4,994	4,570	9.3%	+424
EDP Espírito Santo	2,601	2,411	7.9%	+190
EDP São Paulo	2,393	2,159	10.9%	+234
TOTAL	5,072	5,049	0.4%	+23

Networks	Jun-19	Jun-18	Δ %	Δ Abs.
Length of the networks (Km)	340,165	338,519	0.5%	+1,646
Portugal	226,633	226,168	0.2%	+465
Spain	20,729	20,649	0.4%	+80
Brazil	92,804	91,702	1.2%	+1,102
DTCs (thous.)				
Portugal	19	16	17%	+3
Spain	7	7	0%	+0
Energy Box (th)				
Portugal	2,283	1,582	44%	+702
Spain	665	638	4%	+27

Customers Connected (th)	Jun-19	Jun-18	Δ %	Δ Abs.
Portugal	6,253	6,206	0.8%	+47
Very High / High / Medium Voltage	25	25	1.2%	+0
Special Low Voltage	37	36	1.9%	+1
Low Voltage	6,191	6,145	0.7%	+46
Spain	668	665	0.4%	+2
High / Medium Voltage	1	1	0.7%	+0
Low Voltage	666	664	0.4%	+2
Brazil	3,470	3,406	1.9%	+64
EDP São Paulo	1,900	1,863	2.0%	+37
EDP Espírito Santo	1,570	1,543	1.7%	+27
TOTAL	10,390	10,277	1.1%	+113

Quality of service	1H19	1H18	Δ %	Δ Abs.
Losses (% of electricity distributed)			-	-
Portugal (1)	10.0%	10.1%	-0.8%	-0.1 p.p.
Spain	3.9%	3.7%	6.1%	0.2 p.p.
Brazil				
EDP São Paulo	8.3%	8.5%	-2.3%	-0.2 p.p.
Technical	5.6%	5.6%	0.7%	0 p.p.
Commercial	2.7%	2.9%	-8.0%	-0.2 p.p.
EDP Espírito Santo	12.5%	12.6%	-0.8%	-0.1 p.p.
Technical	7.6%	7.9%	-3.2%	-0.3 p.p.
Commercial	4.8%	4.7%	3.4%	0.2 p.p.
Telemetry (%)				
Portugal	70%	68%	3%	2 p.p.

Electricity Distributed (GWh)	1H19	1H18	Δ %	Δ GWh
Portugal	22,640	23,089	-1.9%	-449
Very High Voltage	1,224	1,206	1.5%	18
High / Medium Voltage	10,790	10,863	-0.7%	-74
Low Voltage	10,626	11,019	-3.6%	-393
Spain	4,247	4,698	-9.6%	-452
High / Medium Voltage	3,126	3,551	-12.0%	-425
Low Voltage	1,121	1,148	-2.3%	-27
Brazil	12,947	12,472	3.8%	474
Free Customers	5,693	5,476	4.0%	217
Industrial	871	952	-8.5%	-81
Residential, Commercial & Other	6,383	6,045	5.6%	338
TOTAL	39,833	40,259	-1.1%	-426

(1) Excludes Very High Voltage

Financial investments, Non-controlling interests and Provisions

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ million)				Book value (€ million)			
	Jun-19	Jun-18	Δ %	Δ MW	1H19	1H18	Δ %	Δ Abs.	Jun-19	Dec-18	Δ %	Δ Abs.
EDP Renováveis	371	331	12%	+40	4	1	271%	+3	332	357	-7%	-25
Spain	152	152										
US	219	179										
Other	0	0										
EDP Brasil	539	539	0%	-	4	-2	-	+5	468	456	3%	+13
Renewables	539	539										
Networks												
Iberia (Ex-wind) & Other	10	10	0%	-	5	4	14%	+1	276	264	5%	+12
Generation	10	10										
Networks												
Other												
Assets Held for Sale (net of liabilities)									278	11	2415%	+267
TOTAL	920	880	5%	+40	12	3	254%	+9	1,355	1,088	25%	+267

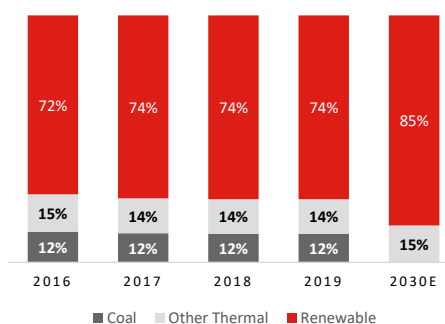
Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ million)				Book value (€ million)			
	Jun-19	Jun-18	Δ %	Δ MW	1H19	1H18	Δ %	Δ Abs.	Jun-19	Dec-18	Δ %	Δ Abs.
EDP Renováveis	4,765	4,650	2%	+115	135	123	9%	+12	2,510	2,739	-8%	-229
At EDPR level:	2,783	2,786	0%	-3	91	101	-11%	-11	1,354	1,613	-16%	-259
Iberia	853	848										
North America	1,210	1,215										
Rest of Europe	557	561										
Brazil	162	162										
17.4% attributable to free-float of EDPR	1,982	1,864	6%	+118	45	22	102%	+22	1,156	1,125	3%	+30
EDP Brasil	1,963	1,815	8%	+149	70	66	5%	+3	1,284	1,225	5%	+58
At EDP Brasil level:	598	606	-1%	-8	19	16	15%	+2	255	259	-1%	-3
Hydro	598	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	1,365	1,209	13%	+157	51	50	2%	+1	1,028	967	6%	+62
Iberia (Ex-wind) & Other	119	118	0%	+0	-3	2	-	-5	-35	-32	9%	-3
TOTAL	6,848	6,477	6%	+371	201	191	5%	+10	3,759	3,932	-4%	-173

Provisions (Net of tax)	Employees benefits (€ million)			
	Jun-19	Dec-18	Δ %	Δ Abs.
EDP Renováveis	0	0	18%	+0
EDP Brasil	113	115	-1%	-1
Iberia (Ex-wind) & Other	780	870	-10%	-90
TOTAL	894	985	-9%	-91

Sustainability performance

Environmental Metrics	1H19	1H18	Δ %
Renewable installed capacity (%)	74%	74%	1%
ISO 14001 certification (%)	96%	88%	9%
Emissions			
Specific CO ₂ emissions (g/KWh) (1)	221	222	0%
GHG Emission Scope 1 (ktCO _{2eq}) (2)	7,461	8,455	-12%
Stationary combustion	7,451	8,444	-12%
Sf6 Emissions	2.99	2.93	2%
Company fleet	7.17	8.17	-12%
Natural gas consumption	0.02	0.09	-75%
GHG Emission Scope 2 (ktCO _{2eq}) (2)	388	376	3%
Electricity consumption in office buildings	2.47	1.94	27%
Electricity losses	374	366	2%
Renewable plants self-consumption	12	10	18%
NOx emissions (kt)	5.47	6.44	-15%
SO ₂ emissions (kt)	7.67	10.87	-29%
Particulate matter emissions (kt)	0.66	0.99	-33%
Natural Resources			
Primary Energy Consumption (Tj) (3)	94,894	98,842	-4%
Waste sent to final disposal (t)	118,328	157,357	-25%
Specific fresh water consumption (m ³ /GW)	281	290	-3%
Environmental Matters (€ th)			
Investments	46,937	18,398	155%
Expenses	137,497	71,848	91%
Environmental Fees and Penalties (€ th)	3	1	100%
Sustainable Mobility			
Light-duty fleet electrification (%)	9.7%	n.a.	-
Electric charging points (#)	544	n.a.	-
Customers with electric mobility solutions (#)	8,795	n.a.	-
Social Metrics	1H19	1H18	Δ %
Employment			
Employees (#)	11,570	11,566	0%
Female employees (%)	25%	24%	3%
Turnover (%)	6.07%	5.33%	14%
Training			
Total hours of training (h)	187,562	195,264	-4%
Employees with training (%)	76%	82%	-8%
Direct training investment (€ th)	1,489	2,243	-34%
Health and Safety			
Accidents EDP (4)	14	11	27%
Accidents Contractors (4)	36	54	-33%
Fatal Accidents EDP	0	1	0%
Fatal Accidents Contractors	0	3	-100%
Frequency rate EDP	1.27	1.09	16%
Frequency rate Contractors	1.72	2.68	-36%
Economic Metrics	1H19	1H18	Δ %
Economic Value Generated (€ million)	7,703	8,039	-4%
Distributed	7,009	7,502	-7%
Accumulated	694	537	29%
Low carbon economy			
EBITDA in Renewables (%)	66%	67%	-1%
CAPEX in Renewables (%)	48%	67%	-29%
New market opportunities			
Smart meters in Iberian Peninsula (%)	43%	31%	38%
Energy Services Revenues / Turnover (%)	5%	7%	-19%
Energy Efficiency Services Revenues (€ th)	79,317	71,036	12%

Installed Capacity Mix (5)



Ratings	Range	2018 *	Ranking **
SAM (DJSI)	[0-100]	85	2º
FTSE Russel (FTSE4Good)	[0-5]	4.6	Top 2
VigeoEiris (Euronext Vigeo)	[0-100]	68	1º
ISS-Oekom (GCI)	[D-A]	B-	n.a.
Sustainalytics (STOXX ESG)***	[100-0]	21	3º
MSCI Research (MSCI ESG)	[CCC-AAA]	AAA	n.a.
CDP	[D-A]	A-	n.a.
Ethisphere	Y/N	Yes	n.a.

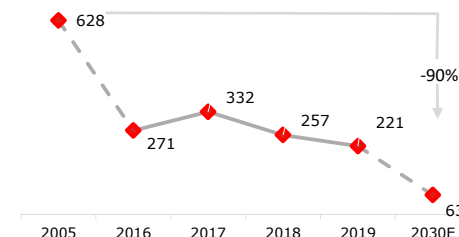
* Last available.

** Comparable Peers.

*** In 2018 the company's rating began to express a measure of risk. Medium risk: 20-30.

Detailed information can be found at: www.edp.com>Sustainability>Economic Dimension>Sustainable Investment>ESG Indexes

Specific CO₂ Emissions (g/kWh) (5)



Sustainable Development Goals (SDG)

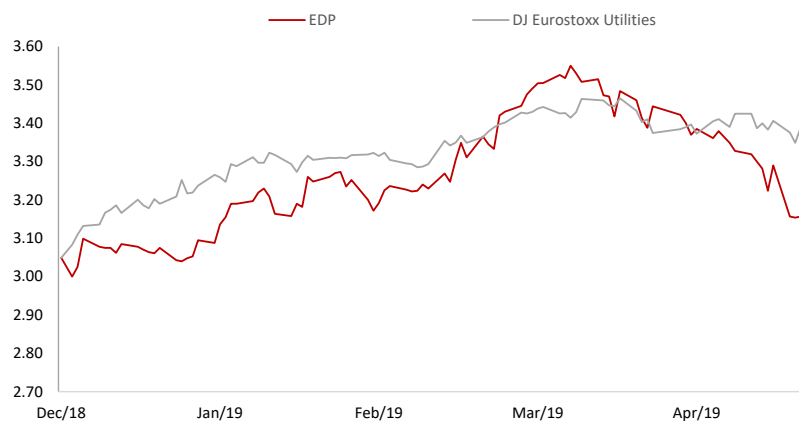


EDP is committed to ensuring that its activity contributes actively to 9 of the 17 United Nations SDG to be achieved by 2030.

Detailed information about the progress of EDP contribution to the United Nations Sustainable Development Goals can be found at: www.edp.com>Investors>Investor Information>Results>Key Data

- (1) The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain.
- (2) Scope 2 emissions according with GHG Protocol based location methodology.
- (3) Including vehicle fleet.
- (4) Accidents leading to an absence of one more calendar day and fatalities.
- (5) The figures presented are annual values, except for the value of 2019 wich corresponds to YTD.

YTD EDP Stock Performance on Euronext Lisbon



EDP's Main Events

- 23-Jan:** EDP prices € 1,000 Million subordinated green notes
- 01-Feb:** EDP signs a Build & Transfer agreement for 102 MW wind farm project in the US
- 12-Feb:** EDP secures a 104 MW PPA for a new wind farm in the US
- 12-Mar:** Strategic Update
- 15-Apr:** S&P affirms EDP at "BBB-" with stable outlook
- 23-Apr:** EDP announces €0.8bn asset rotation deal for wind farms in Europe
- 24-Apr:** EDP's Annual General Shareholders' Meeting
- 26-Apr:** Payment of dividends of the year 2018 at May 15th
- 13-May:** EDP sells Portuguese tariff deficit for €0.6 billion
- 21-May:** EDP and Engie join forces to create a leading global offshore wind player
- 28-May:** EDP acquires electricity transmission line in Brazil
- 20-Jun:** EDP reached a PPA agreement for its first large scale renewable project with storage in the U.S.
- 25-Jun:** EDP agrees to sell €470 million in securitization of Portuguese tariff deficit
- 28-Jun:** State Street Corporation notifies decrease of qualified shareholding in EDP
- 04-Jul:** Alliance Bernstein L.P. notifies qualifies shareholding in EDP
- 08-Jul:** EDP secures PPA for 126 MW in Brazil
- 17-Jul:** State Street Corporation notifies qualified shareholding in EDP

EDP Stock Market Performance	YTD	52W 15/05/2019	2018
EDP Share Price (Euronext Lisbon - €)			
Close	3.157	3.157	3.049
Max	3.559	3.559	3.549
Min	2.986	2.905	2.631
Average	3.283	3.277	3.132
EDP's Liquidity in Euronext Lisbon			
Turnover (€ million)	1,971	4,565	4,741
Average Daily Turnover (€ million)	21	18	19
Traded Volume (million shares)	600	1,393	1,514
Avg. Daily Volume (million shares)	6.45	5.44	5.94

EDP Share Data (million)	1H19	1H18	Δ %
Number of shares Issued	3,656.5	3,656.5	-
Treasury stock	21.4	21.8	-2%

Investor Relations Department

Miguel Viana, Head of IR
 Sónia Pimpão
 Carolina Teixeira
 Andreia Severiano
 Pedro Gonçalves Santos
 André Pereira da Silva

Phone: +351-21-001-2834
 Email: ir@edp.com
 Site: www.edp.com