



1H19 RESULTS PRESENTATION

Lisbon, July 26th 2019

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1H19 Key Highlights



EBITDA: +11% YoY

- ↑ Renewables growth (+0.9 GW built YoY) and Asset Rotation deals (+0.5 GW agreed YTD)
- ↑ Networks with Growth in Brazil (Distribution & Transmission) and lower OPEX in Iberia
- ↓ Hydro resources Portugal in 1H19 -44% vs. historical average

€1,908 Mn EBITDA

Net Profit: +7% YoY

- ↑ EBIT +14% supported by growth in renewables and networks + efficiency (Opex -1% LFL)
- ↓ Avg. cost of debt at 4.0% (+30bps) impacted by €1bn hybrid and higher weight of USD & BRL

€405 Mn Net Profit

Net debt: -1% YoY

- ↑ €0.7bn Recurring Organic Free Cash Flow in 1H19 (+16% YoY)
- ✓ Net expansion investments doubled YoY to €1.2 Bn with strong focus on renewables

€14.0 Bn Net Debt

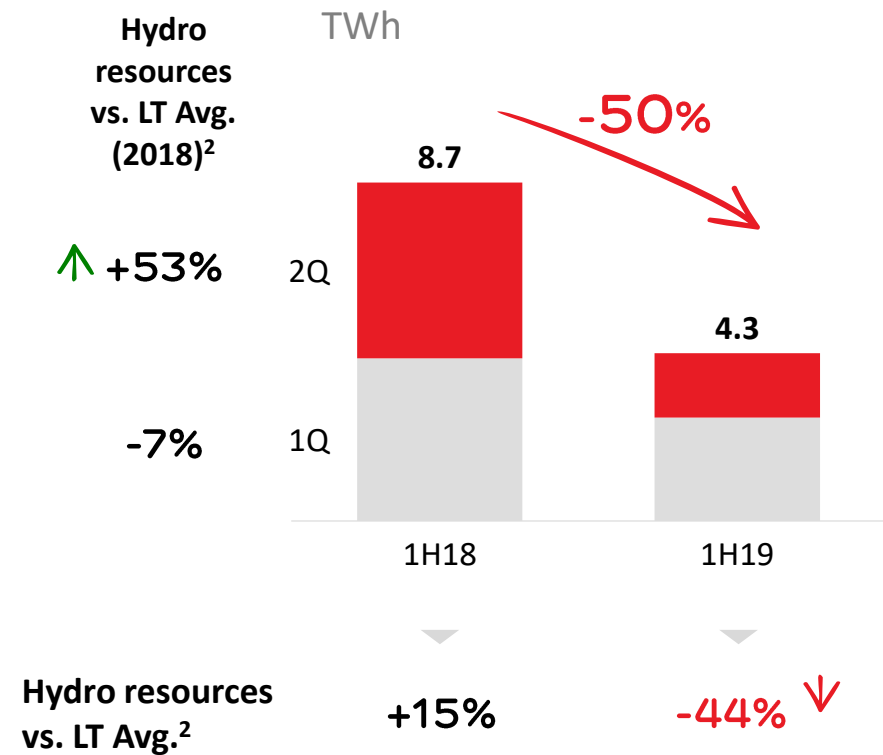
- ✓ 2018 annual dividend paid on May 15th (€0.7bn): **Sustainable and stable dividend policy**

€0.19 Dividend per share

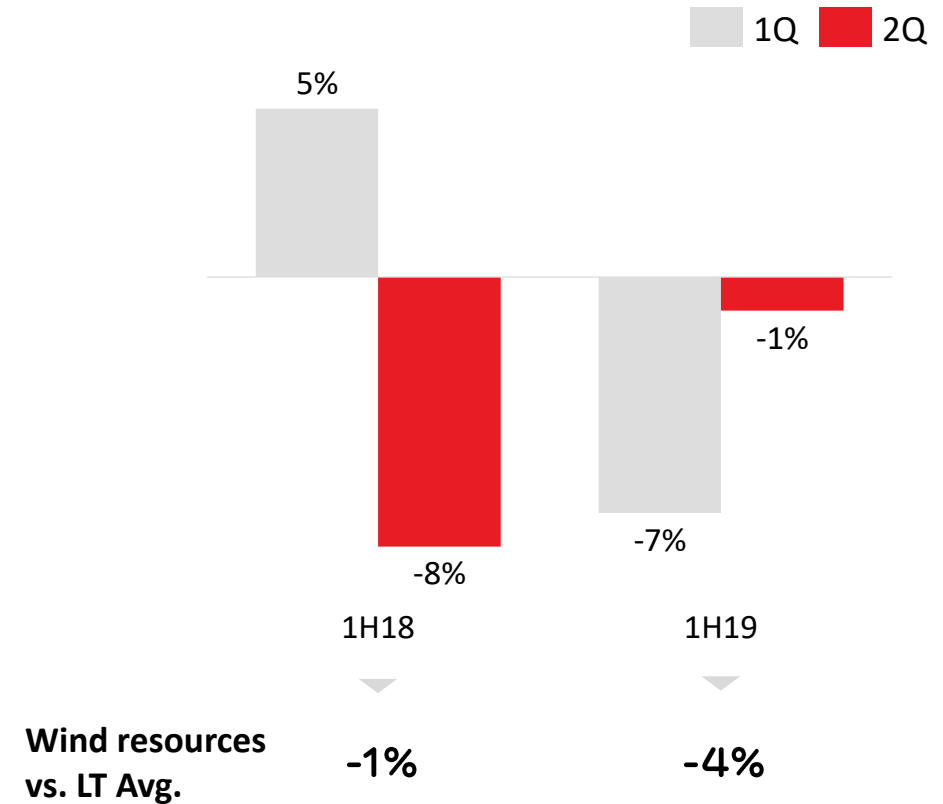
Low hydro resources in Iberia in 1H19, wind resources recovering globally in 2Q19 but still below average



EDP Hydro production in Iberia¹



EDP Wind resources vs Long-term average (P50)



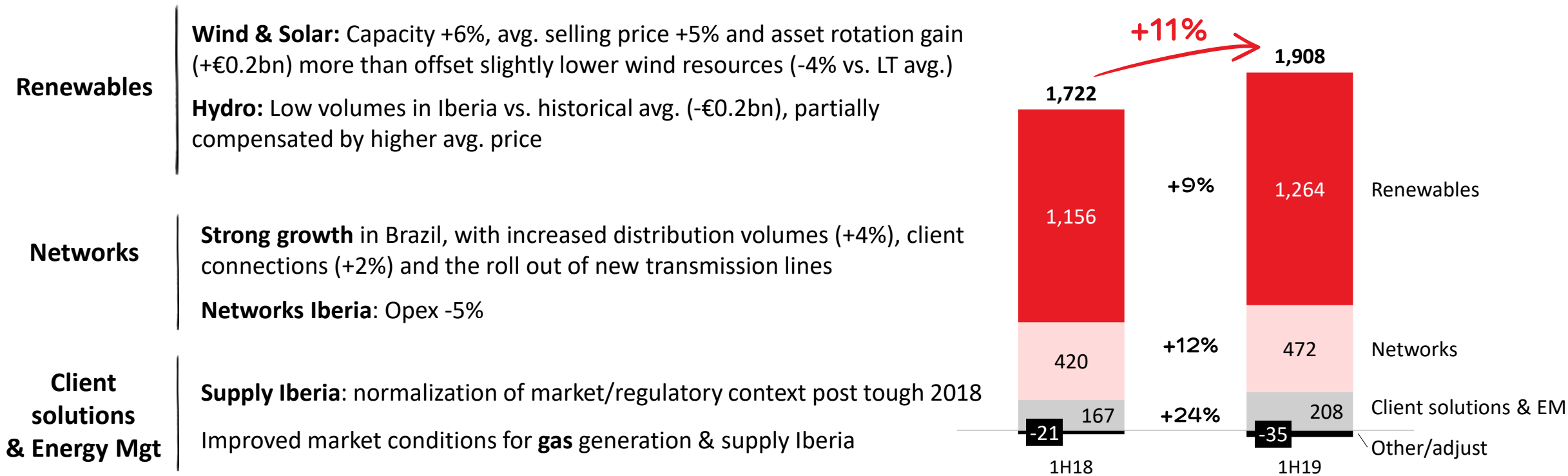
1) Average of monthly hydro coefficient from REN ; 2) Hydro resources reference from Portugal only

EBITDA +11%, with strong growth in renewables (new capacity + asset rotation) and networks (expansion in Brazil, lower Opex Iberia)



EBITDA 1H19¹

€ Mn; YoY growth, %



1) Non recurring items in 1H18: Retroactive final CMEC (-€18 Mn).

Strong operating costs performance in all divisions



xx% Weight on Opex

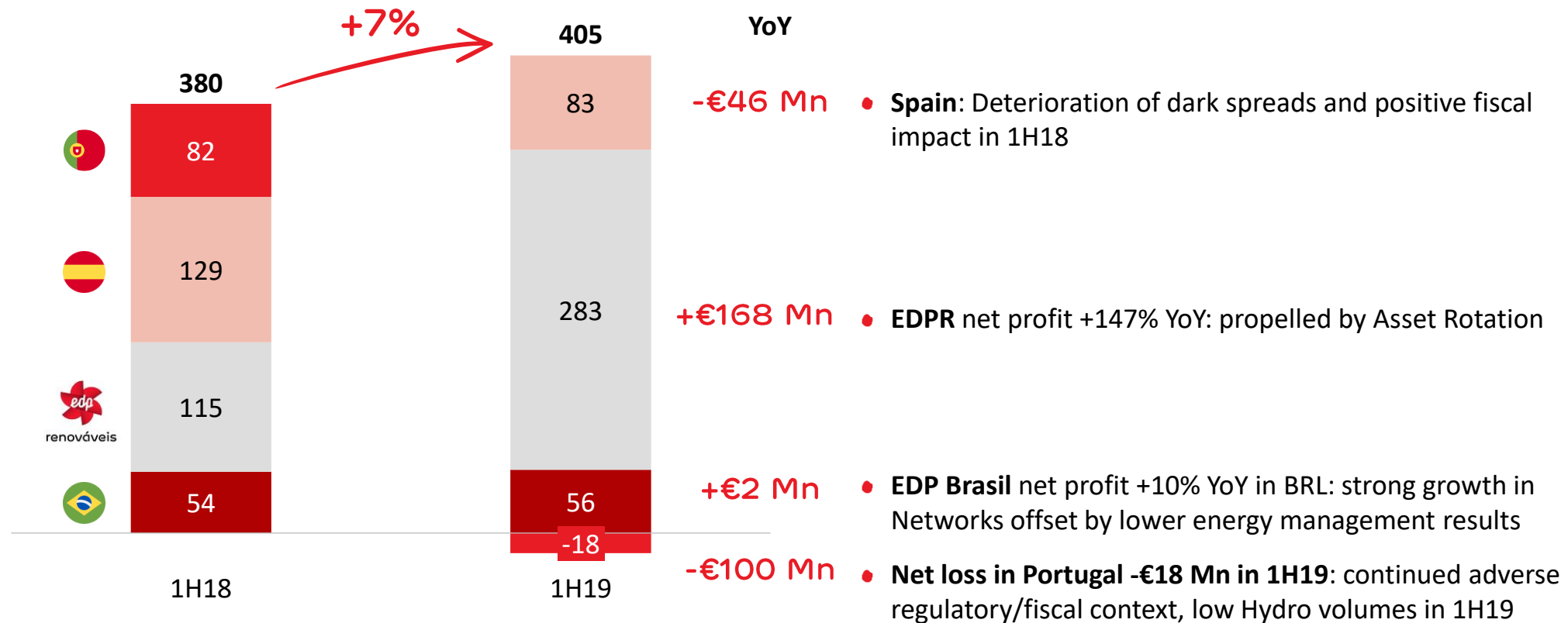
Operations	Indicator	YoY Change	Main drivers
Iberia 55%	Opex ¹	-1%	<ul style="list-style-type: none"> • Inflation Portugal +0.6%² • -4% avg. Headcount vs Jun-18
EDP Brasil 16%	Opex ¹ in BRL	+3%	<ul style="list-style-type: none"> • Avg. Inflation: +4.2%³ • DisCos # Customers: +2% YoY
EDPR 28%	Adj. Core Opex ¹ /MW ⁴	-2%	<ul style="list-style-type: none"> • Avg inflation in our geographies⁵: +1.6% • Avg MW +6%
	Opex ex-forex ¹	+1%	<ul style="list-style-type: none"> • Generation avg. MW: +2%
	Opex like-for-like (excl. growth)	-1%	<ul style="list-style-type: none"> • DisCos # Customers: +1%

1) Recurring Opex Pro-forma (excludes IFRS16 impact) ; 2) Avg. IPC 1H19 vs. 1H18 ; 3) Avg. IPCA 1H19 vs. 1H18 ; 4) Core Opex/Avg MW adjusted by IFRS16, offshore costs (mainly cross-charged to projects SPV's) and FX ; 5) Inflation in 1H19 vs 1H18 in EDPR geographies, weighted by installed capacity in each country

Net Profit +7% YoY, supported by global renewables and networks Brazil, Iberia penalized by taxes/levies burden and weak hydro volumes



Reported Net Profit 1H19
€ Mn





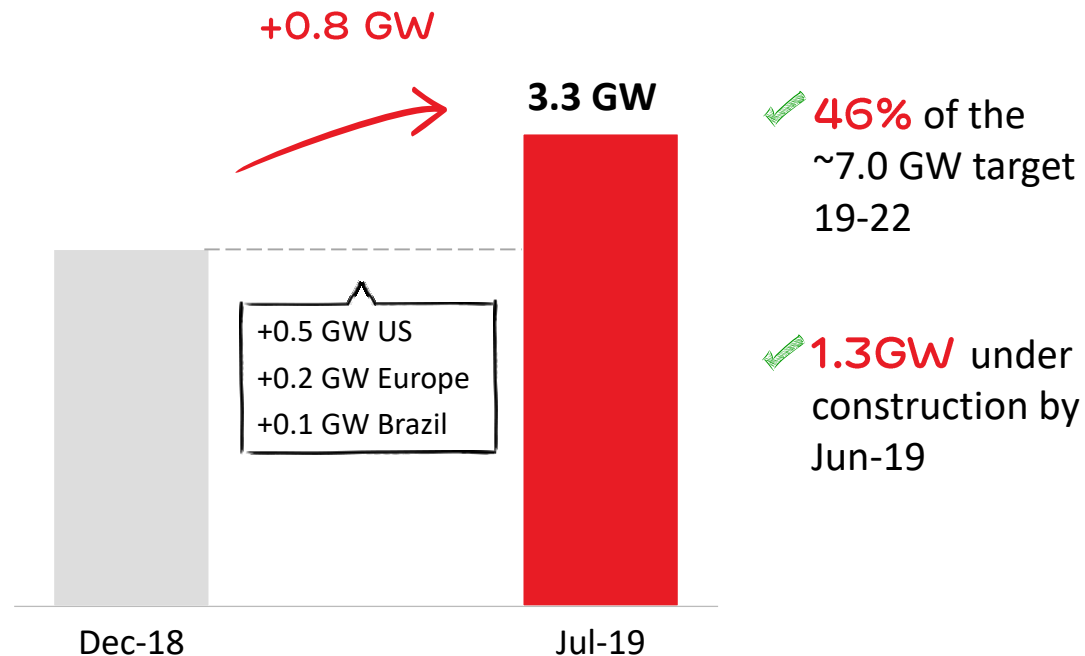
Strategy Execution

Delivering growth targets both in renewables and transmission Brazil



Renewables Growth Visibility

Renewables Capacity LT contracts secured for 19-20



Transmission projects Brazil

6 greenfield transmission lines: 1,439km

R\$3.8 Bn⁽²⁾ of total investment

30% already incurred (20% executed in 1H19)

- 1 line in operation** (20 months ahead of schedule)
- 3 lines under construction**
- 2 lines in permitting stage** (1 line added in 1H19)

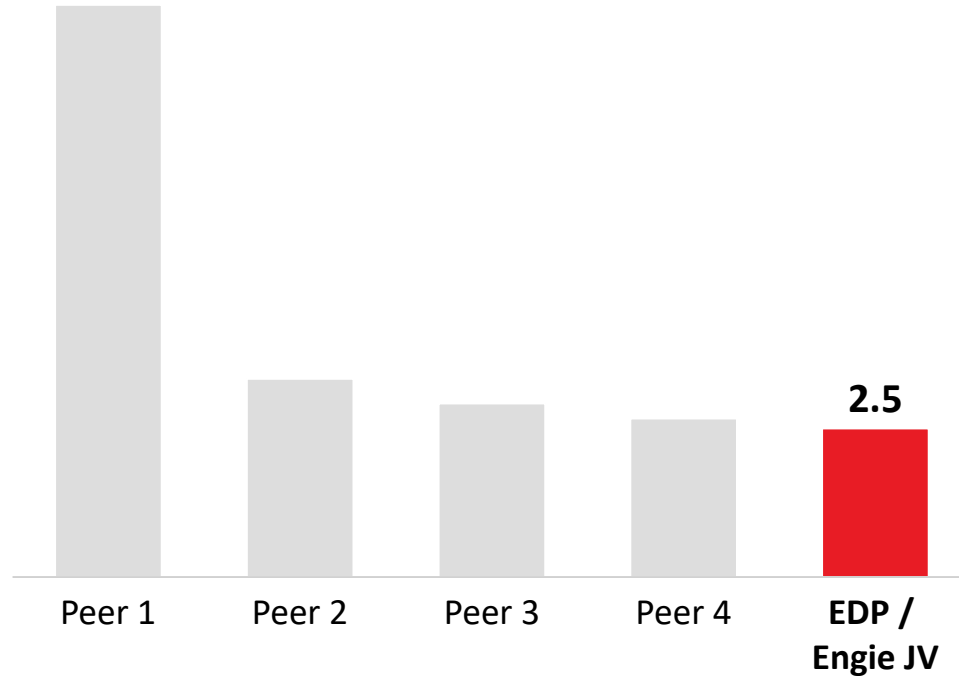
R\$1.6 Bn or 50% of funding already secured under competitive conditions

1) Total capex includes investment in all 6 transmission lines (2) inflation updated investment






Establishment of a 50:50 JV with Engie for global off-shore wind creating a Top 5 global player



Top players Global Off-shore Wind⁽¹⁾
(by capacity secured with PPA/FiT for 2025E)
GW



EDP/Engie JV for off-shore wind: Projects with PPA/FiT secured

Project 	CoD	MW	JV Stake (%)
 Floating off-shore	2019E	49	80.0
 Seamade	2020E	487	17.5
 Moray East	2022E	950	56.6
 Tréport & Nourmoutier	23E/24E	992	60.5
Under Construction/Secured⁽²⁾		~2.5 GW	
Under development (UK, US, Poland)		~3.0 GW	
Total Projects⁽²⁾		~5.5 GW	

- **Partners since 2013** in off-shore wind projects, with **complimentary competences to achieve large scale of operations**
- **Dedicated team** and joint-operations with head-offices in Madrid
- **Shared control governance:** Initial CEO proposed by EDP, COO & Chairman by ENGIE; rotation following 3-year mandates

1) Peers numbers based on equity research; 2) Considering 100% of projects capacity

Asset rotation and disposals in Iberia moving forward as planned



Asset rotation



Announcement	Apr-19
Capacity, Gross	997 MW
Net	491 MW
EV/MW	€1.6 M/MW
Cash Proceeds	€0.8 Bn 3Q19

- ✓ Implicit **valuation above** business plan **assumptions**
- ✓ Deals agreed YTD: ~**20% of €4bn target proceeds for 2019-22**

Asset Disposals Iberia

- Identification of a **portfolio of merchant generation assets in Portugal (>1.5GW)** for potential disposal
- **Strong market interest** and selection of a restricted group of interested parties to present non-binding offers (end of July)
- Other complementary/alternative options also being considered

- ✓ On track to reach **full execution by 2020**

On track to deliver our 2019-22 strategic plan



OUR STRATEGY

1H19 EXECUTION



Accelerated and focused growth



Renewables: +0.9 GW built YoY; +0.8 GW PPAs **(46% secured out of 7.0 GW for 19-22)**

50:50 JV with Engie for **Wind Offshore: Top 5 Global player**



Networks Brazil: Transmission lines ahead of schedule **(30% incurred)**, competitive funding



Continuous portfolio optimization



Asset Rotation deals: €0.8bn YTD of value crystallization **(20% of 19-22 target)**



Asset disposal in Iberia: moving as expected for full delivery before 2020 YE



Solid balance sheet and low-risk profile



€1bn hybrid green bond issue; **Securitization of €1.1bn** of tariff deficit Portugal



€6.7bn of financial liquidity by June, **covering refinancing needs beyond 2021**



Efficient and digitally enabled



-1% Opex (Like-for-Like ex-growth)



-5% Opex Iberian Networks (Digital meters: +15%; Remote meter readings: +40%)



Attractive shareholder remuneration



Annual dividend per share of €0.19, referent to 2018, paid on last May 15th (~€0.7bn): in line with the floor of dividend policy defined for 2019-22 period



Results Analysis

+0.7 GW of wind capacity added in 1h19, with renewables representing 74% of total capacity by Jun-19

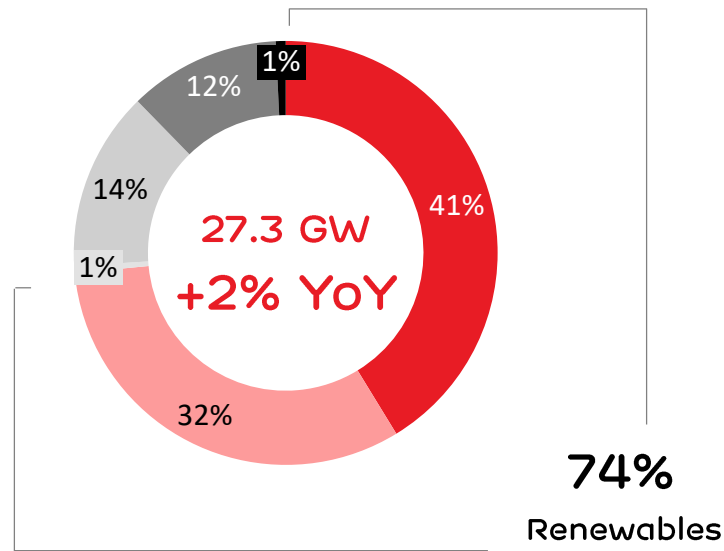


1H19

Wind Hydro Solar CCGT Coal Other⁽¹⁾

Installed capacity breakdown by technology

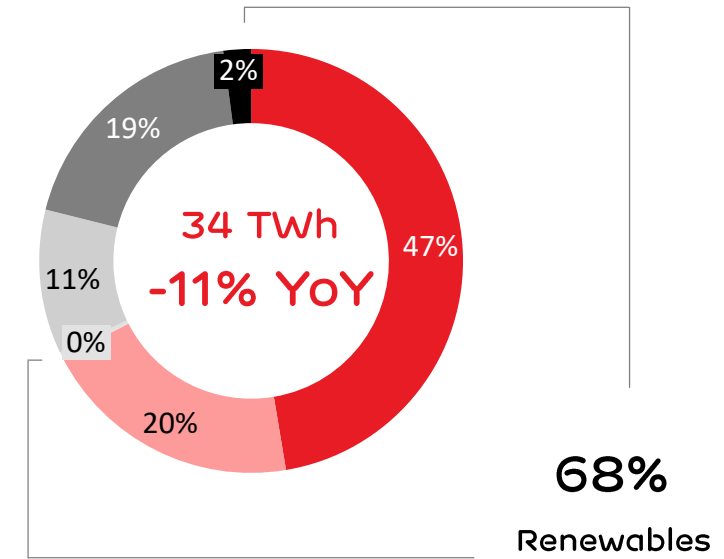
GW



+2%
in renewables capacity

Electricity production breakdown by technology

TWh



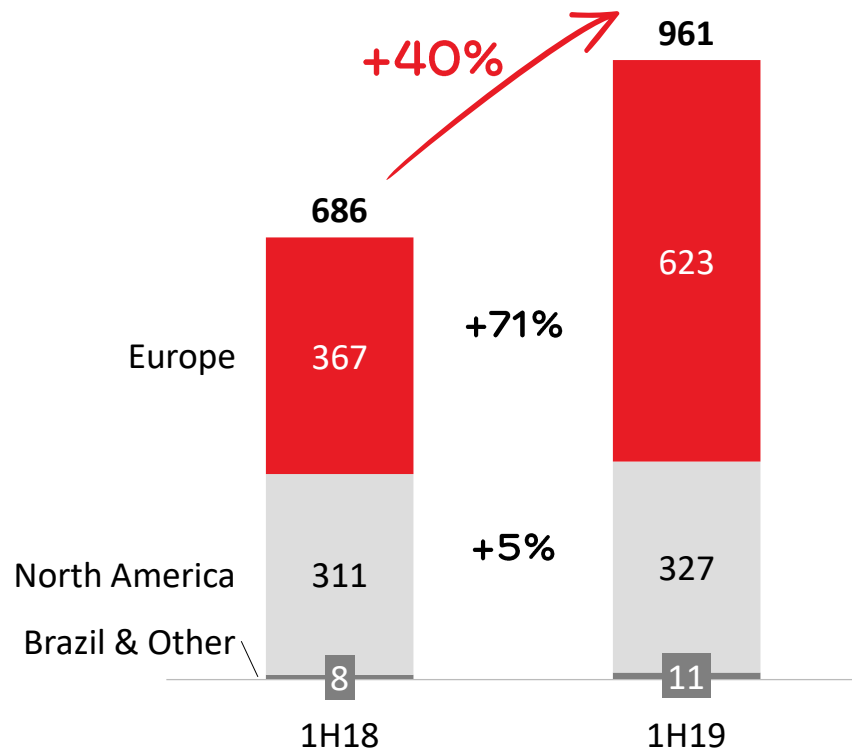
- 16%
in renewables production

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

Wind & Solar EBITDA +40%, impacted by Asset Rotation in Europe, +6% capacity and selling price, offset by wind resources 4% below avg.



EBITDA – Wind & Solar
€ Mn; YoY growth, %



	1H18	1H19	YoY
Avg. Installed Capacity ¹ , GW	10.7	11.4	+6% ↑
Production vs. LT Avg. (P50), %	-1%	-4%	-3 pp ↓
Electricity Production, TWh	15.5	16.2	+5% ↑
Avg. selling price, €/MWh	53.5	56.2	+5% ↑
Asset Rotation Gains, € Mn	-	219	- ↑

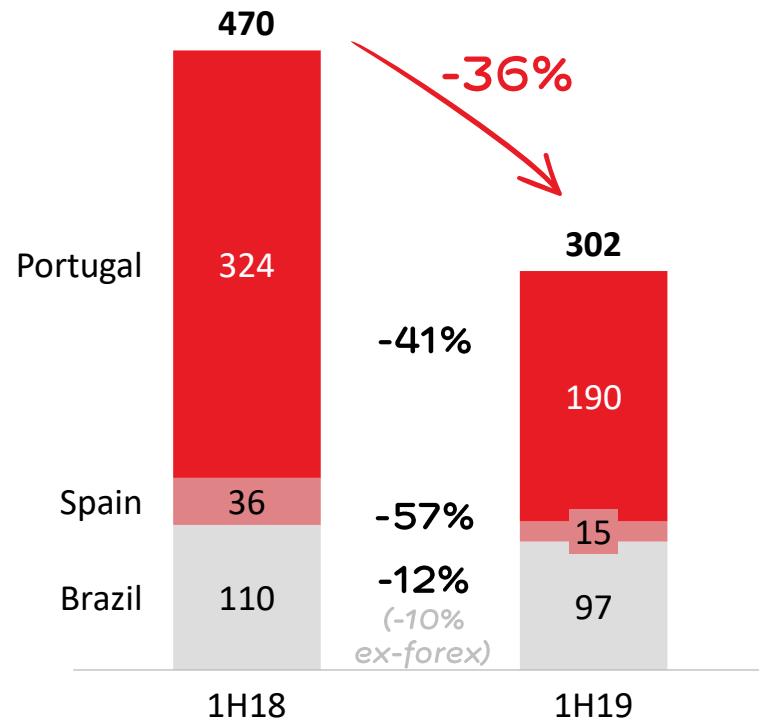
1) Considers capacity at EBITDA level

EBITDA from Hydro down by 36%, strongly penalized by low volume in Iberia, partially offset by higher prices



EBITDA – Hydro

€ Mn; YoY growth, %



	1H18	1H19	YoY	
Hydro factor Portugal (1.0 = avg.)	1.15	0.56	-51%	↓
Hydro Production ¹ , TWh	8.4	4.3	-50%	↓
Avg selling price, €/MWh	55	63	+15%	↑



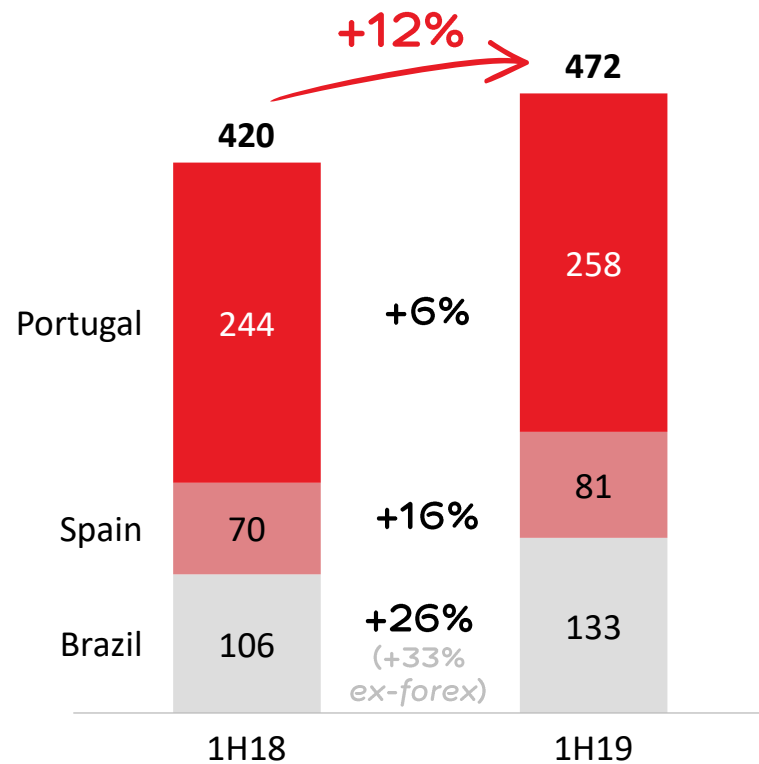
	1H18	1H19	YoY	
Generation Scaling Factor (GSF)	99%	121%	+22pp	↑
Average spot price PLD, \$R/MWh	249	211	-15%	↓
% of annual energy contracts allocated to 1H	48%	46%	-2pp	↓

1) Including pumping, but excluding small hydro

Regulated Networks EBITDA +12%, with strong performance in Brazil backed on demand growth and beginning of transmission operations



EBITDA – Networks
€ Mn; YoY growth, %



	1H18	1H19	YoY	
Return on RAB PT ¹ , %	5.43%	5.26%	-17 bp	↓
Opex, €Mn	200	191	-5%	↑
	1H18	1H19	YoY	
Electricity distributed, TWh	12.5	13.0	+4%	↑
Transmission EBITDA, € Mn	-	18	-	

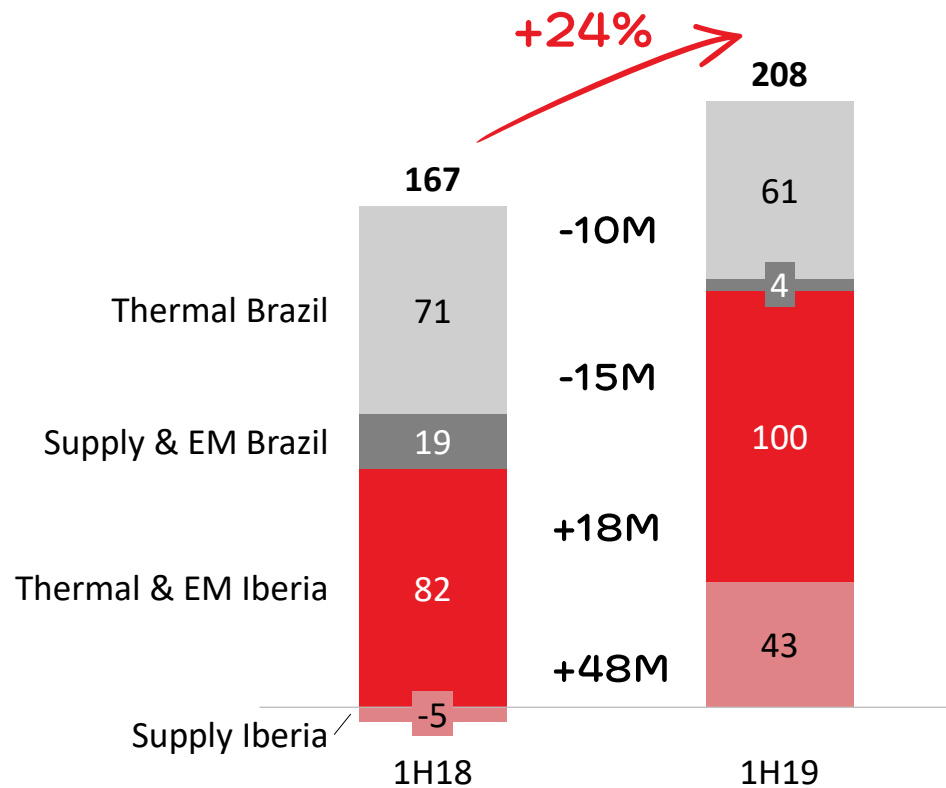
1) RoRAB of HV/MV

Client Solutions & Energy Management EBITDA +24%, normalization of supply margins in Iberia and weaker Energy Management in Brazil



EBITDA – Client Solutions & Energy Management

€ Mn; YoY growth, %



	1H18	1H19	YoY	
CCGT production, TWh	2.1	3.7	+73%	↑
Services to electricity contracts ratio	17.3%	18.2%	+5%	↑
Normalization of operating margins in Iberia, following a particularly adverse 1H18.				↑

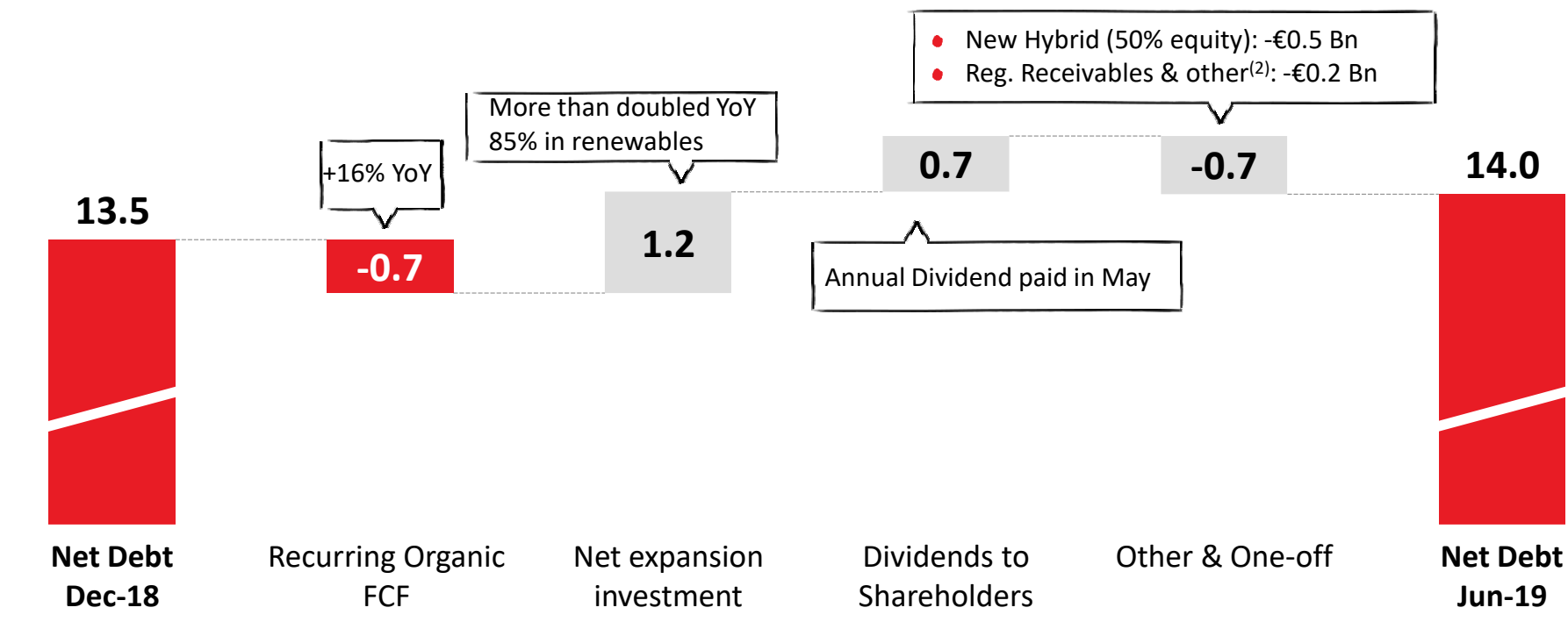


	1H18	1H19	YoY	
Pecém availability, %	98%	97%	-1 pp	↓
Supply volumes, TWh	8.5	5.9	-30%	↓

Net debt at €14.0 Bn, +4% YTD



Change in Net Debt: Jun-19 vs. Dec-18, € Bn



1H18, € Bn

-0.6

+0.6

+0.7

-0.4

Net debt /
EBITDA¹

4.0x

4.0x

1) Based on net debt excluding regulatory receivables and on recurring EBITDA of the last 12 months; 2) includes -€0.3 bn from changes in reg. receivables and related working capital/tax payments; €65m extraordinary pension fund contribution and €38m forex impact 3) The adoption of IFRS16 resulted in a liability of €737m that is book under "Other liabilities, net".

Financial liquidity of €6.7 Bn in Jun-19 covering refinancing needs beyond 2021



Financial liquidity as of Jun-19

€ Bn

Cash & Equivalents: €1.5 Bn

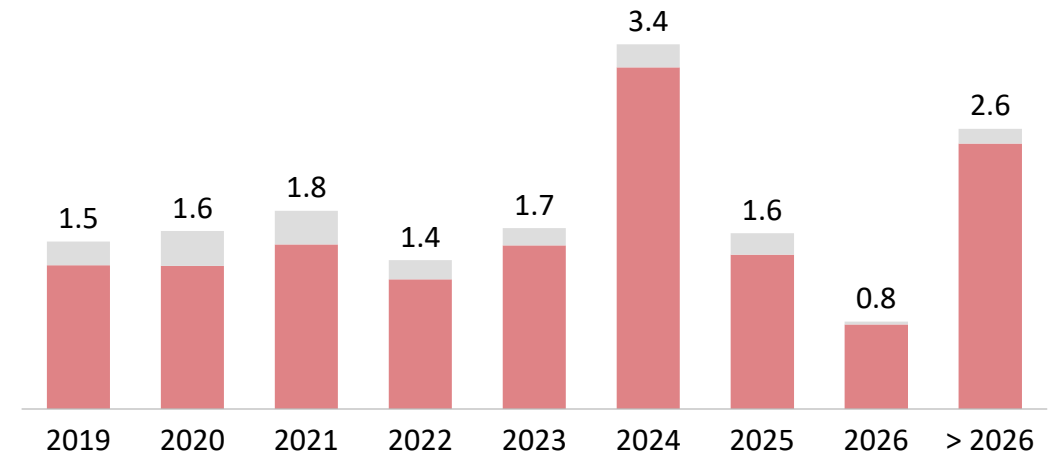
Available Credit Lines: €5.2 Bn

Total Liquidity €6.7 Bn

EDP consolidated debt maturity profile as of Jun-19

€ Bn

EDP Brasil
EDP SA & EDP Finance BV and Other



**2019
main events**

Jan 23rd: €1 Bn hybrid bond
issued (4.5% yield)

Apr 15th: S&P affirms
rating at BBB-

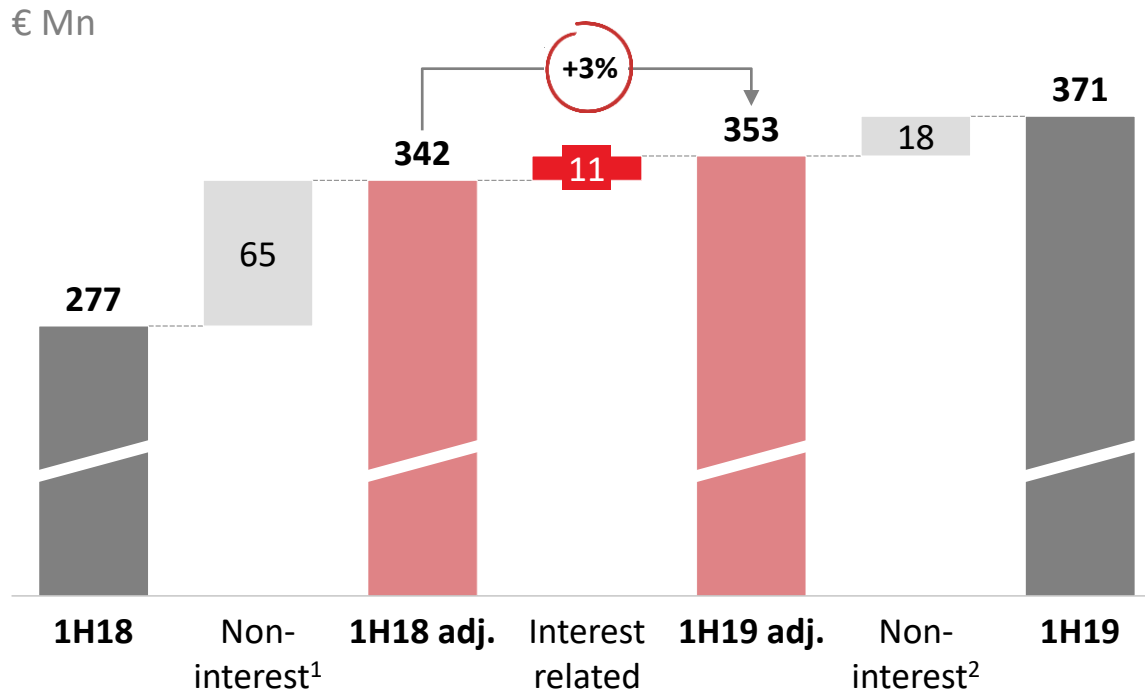
May 13th: €0.6 Bn tariff
debt securitization

June 25th: €0.5 Bn tariff
debt securitization

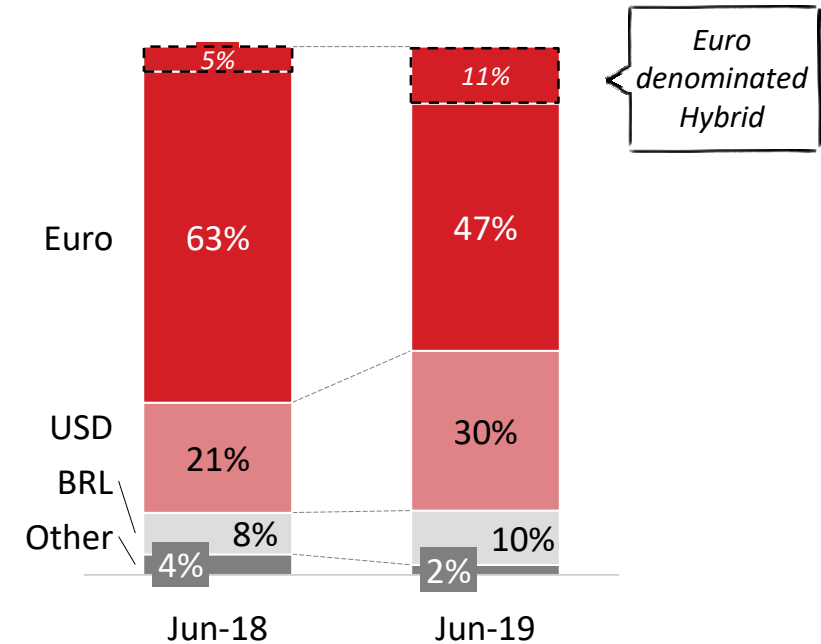
Financial results adjusted for non-interest items up by 3% following 30bp increase of avg cost of debt and slight decline of avg debt



Net Financial Costs: 1H19 vs. 1H18



Nominal debt by currency



Avg. cost of debt **+30bp 4.0%** impacted by €1bn hybrid bond issue in Jan-19 and higher weight of USD & BRL

Avg. Debt **-1%**

1) Other items in 1H18 includes: +€15 Mn of goodwill arising from the acquisition of a stake in Celesc, +€19 Mn of Capital Gains (mostly Moray East asset rotation), +€15 Mn of Net foreign exchange differences and derivatives and +€16 Mn pro-forma impact from IFRS 16. 2 Other items in 1H19 are related with Net foreign exchange differences and derivatives

Net Profit +7% YoY, supported by EBIT growth and penalized by increase of financial costs



1H19 Reported Net Profit, € Mn

		Δ YoY	Key comments
EBITDA	1,908	187	EBITDA +11% ; recurring EBITDA +10% (excl. -€18m from CMECs in 1H18)
Amort, Impair. & Provisions	740	-45	Generation capacity increase of +2%
EBIT	1,168	142	EBIT +14%
Financial Results & Associates	358	-85	Adverse YoY comparison of non interest related items 30bps increase in avg. cost of debt
Income Taxes	137	-20	Effective tax rate 17% in 1H19 vs. 16% in 1H18
Extraordinary Energy Tax	67	-3	Non-recurring item (CESE) mostly flat yoy
Non-controlling interest	201	-10	Increase of EDPR net profit
Net Profit	405	25	Net profit +7% ; recurring net profit +8%
	470		
	Recurring Net Profit¹		

1) One-offs impacts at net profit level: 1H18: CESE (-€64 Mn) and retroactive Final CMEC (-€13 Mn); in 1H19: CESE (-€67 Mn)

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Next Events

- Sep 6th: Porto (CaixaBank BPI Conf.)
- Sep 11th: London (BBVA Iberian Conf.)
- Sep 12-13th: London (Morgan Stanley Power & Utility Summit)
- Sep 17th: London (UBS Renewables Conf.)
- Sep 24-25th: New York (Santander Conf.)
- October 30th: 9M19 results release