

A photograph of a white wind turbine in a field under a blue sky with white clouds. The turbine is the central focus, with several other smaller turbines visible in the distance. The ground is a mix of brown soil and green grass. On the left side of the image, there are several overlapping, curved bands in shades of blue and green, which are part of the slide's design.

# 9M22 | Results Presentation

Lisbon, October 28<sup>th</sup>

BRASIL  
Aventura II  
Windfarm

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# Agenda

- 1 Update on Strategy Execution
- 2 9M22 Results
- 3 Closing Remarks
- 4 Q&A

# Strong EBITDA performance on Renewables, Networks and Thermal offset at Net Profit level by higher financial costs due to macro environment



## 9M22 Key Figures

Reported EBITDA €3,046m (+21% YoY)

Reported Net Profit €518m (+1% YoY)

Gross Investments €5.5Bn (+2x YoY)

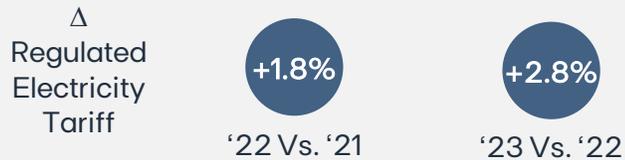
## Highlights

- ^ Good performance on Wind & Solar, Electricity Networks and Thermal generation
- ∨ -3.3 TWh Hydro shortfall in Iberia (vs -2.8 TWh in 1H22)
- ∨ Higher financial costs mainly impacted by Brazil and forex
- ^ Solid investment execution, **96% on renewables and electricity networks.**
  - ✓ Record of 4.3 GW of renewables capacity under construction in 15 markets
  - ✓ Transmission networks growth in Brazil

# 2023 electricity regulated tariffs proposal in Portugal (Oct.17<sup>th</sup>): Despite high electricity wholesale prices, retail tariffs stable, system debt down by €2bn

## Reg. Electricity Tariff components

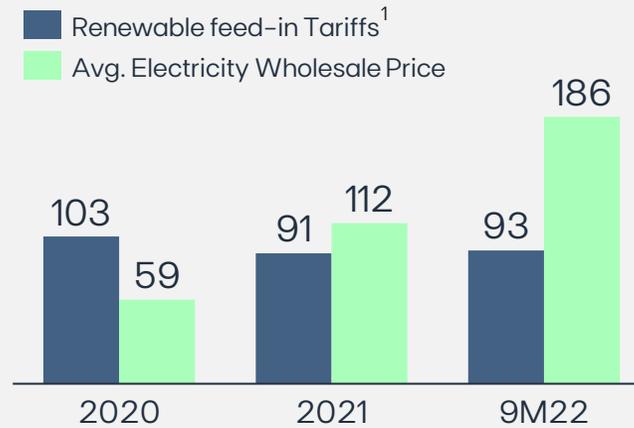
Residential end-user tariffs<sup>2</sup>;



Decrease in global use of system component due to renewables feed-in tariff surplus and proceeds from CO<sub>2</sub> auctions, provide relatively stable regulated residential tariffs

## Wholesale Price vs Renewables FiT

€/MWh



% of SRP<sup>1</sup> that covers low-voltage consumption



Stable renewables feed-in tariffs moved from a premium to a discount vs. wholesale price (€262/MWh assumed for 2023), generating a tariff surplus to Portuguese electricity consumers

## Electricity System Debt

€Bn



Continuous Portuguese system debt decline... -€2.1Bn between 2020 and 9M22

(1) Special Regime Production, including renewables and cogeneration – Source: ERSE | (2) Low-voltage clients (residential & SMEs)  
 (3) Renewables spread included in this component

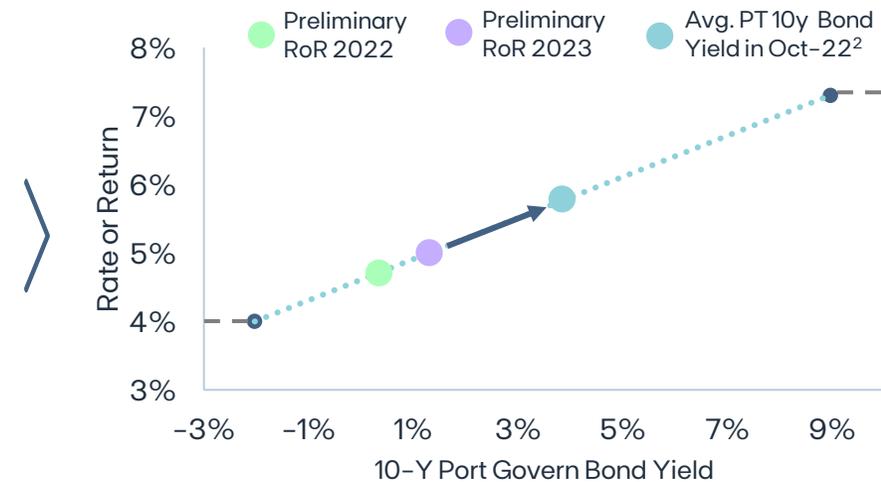
# Electricity Networks in Portugal 2023 regulated revenues +2% supported by indexation to Portugal 10-year bond yields and inflation



## Electricity Distribution regulated revenues ERSE's proposal

	2022	2023	YoY
 Regulated Revenues	€1,029m	€1,050m	+2.0%
Return on RAB	4.70% Preliminary RoR as of Dec-21	5.03% Preliminary RoR as of Oct-22	+33bps
GDP Deflator	1.5% LTM as of Jun-22	7.8% <sup>1</sup> IMF projection for 2022 as of Oct-22	+630bps

Annual RoRAB indexed to 10-year Portuguese bond yields<sup>1</sup>



Inflation update on RAB & Totex at GDP Deflator<sup>3</sup> with some time lag

(1) Avg. Portuguese 10-year bond yields from October year t-1 to September year t | (2) Avg. 10-year Portuguese Gov. Bond Yield until 21st October, which will impact the RoR for 2023 | (3) Note that RAB & Totex in year t is updated on the avg. GDP Deflator from June t-2 to June t-1

# Positive macro environment in Brazil in a counter cycle with Europe and United States



## Favourable macro prospects...

Electricity Wholesale Price	→	PLD at <b>R\$60MWh</b> (~€10MWh) Low pressure on tariffs
Inflation <sup>(1)</sup>	↘	Deflation in Jul22–Sep22
Interest Rates <sup>(1)</sup>	→	Expected to start to <b>decline</b> by the second half of 2023
GDP	↗	Upward revisions for 2023
Electricity Demand <sup>2</sup>	↗	<b>+1.9%</b> vs 9M21
Currency	↗	<b>+17%</b> BRL appreciation vs. the Euro in 9M22

## ...with strong business execution by EDP in Brazil

Investment focused on Electricity Networks and Wind & Solar	€0.9 Bn 9M22	+75% YoY
Reducing conventional generation	<p>Hydro disposal Aug-22 (Mascarenhas, 198MW)</p> <p>Releverage of thermal plant Sep-22 (Pécem, 720MW)</p>	
EBITDA in Brazil 9M22 in €		<b>+48%</b> YoY
Net Profit in Brazil 9M22 in €		<b>+16%</b> YoY

(1) Broad Consumer Price Index and Brazilian Interbank Deposit Rate | (2) Electricity distributed in EDP Brasil in 9M22

# Governments are joining forces to foster renewables growth, while context of high energy prices pushes for additional regulation in EU countries



**IRA** represents unprecedented US commitment on climate, aiming to reduce carbon emissions by more than 40% in by 2030

- > **Expansion and extension of PTCs and ITCs** with 10+ years of full-value credits visibility adjusted for inflation
- > **New tax credits implemented** for clean hydrogen and storage facilities

**~\$600bn**

Investment in renewable power

**+0.5m**

Number of jobs created

**~320-480 GW**

Build in the US from 2023 to 2030



Scenarios of price stabilization and regulation from European governments  
LT growth supported by **RepowerEU**

- > Context of high energy prices increases **political intervention risk** in windfall taxes/price caps in Italy, Poland and Romania
- > **Repower EU** measures to foster renewables growth already being developed in some member states

 **Easter Package**

 **SIMPLEX**

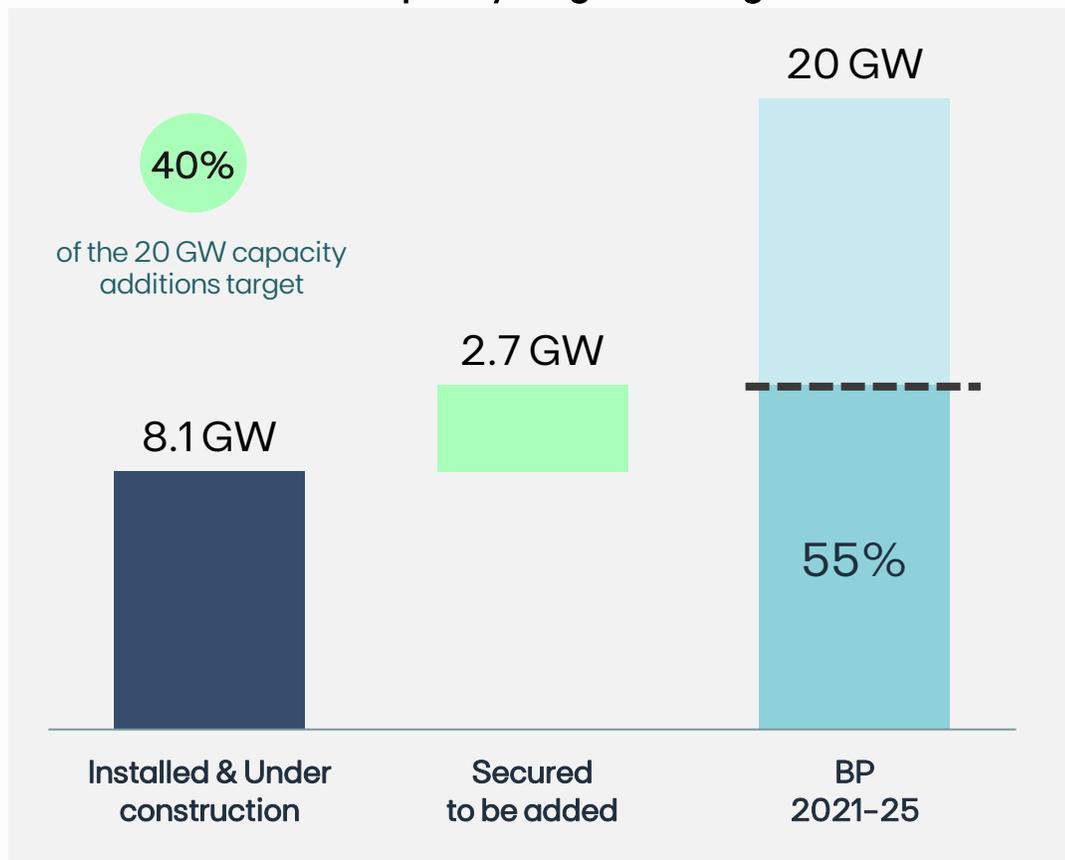
 **Energy Decree**

- > EDP is already present in **12 European Markets**, covering **~90%** of EU Solar PV growth and **82%** of EU wind growth

# Out of the 20 GW of 2021–25 capacity additions, EDP has 40% already installed or under construction and 55% secured

EDP continues to accelerate growth across all platforms, with +3.7 GW installed & U/C YTD

10.8 GW committed capacity vs. growth target 2021–25



Short-term challenges have implied some transfers from 2022 to 2023...

↘ Supply chain delays and regulatory uncertainty in US implied the postponement of some capacity additions from 2022 to 2023, expecting additions of >2 GW in '22

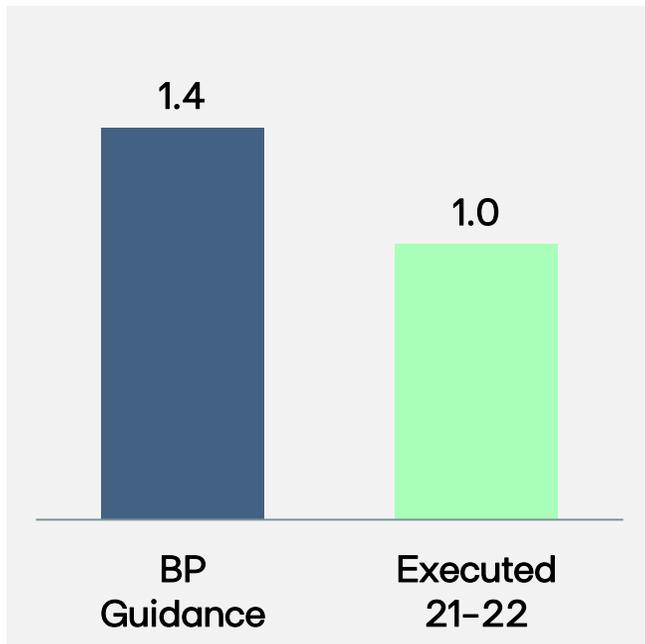
↗ >4.0 GW to be added in 2023 of which ~3.0 GW are already under construction

... but we are also seeing many long term opportunities in the market

↗ Growth prospects for 2024–25 and beyond to be supported by RepowerEU and Inflation Reduction Act in US

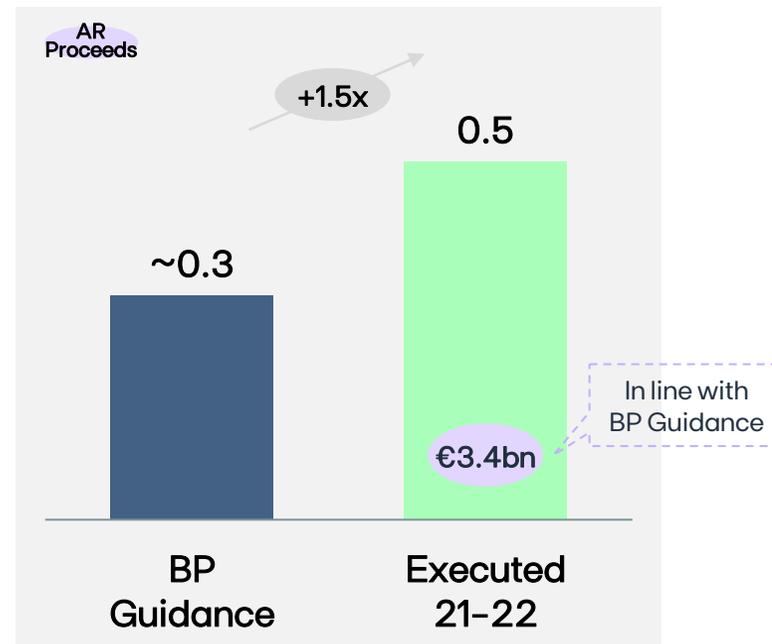
# EDP Asset Rotation program keeps delivering value, with €3.4bn of AR proceeds secured, >40% of the €8bn target for 2021-25

AR net GW/year  
GW



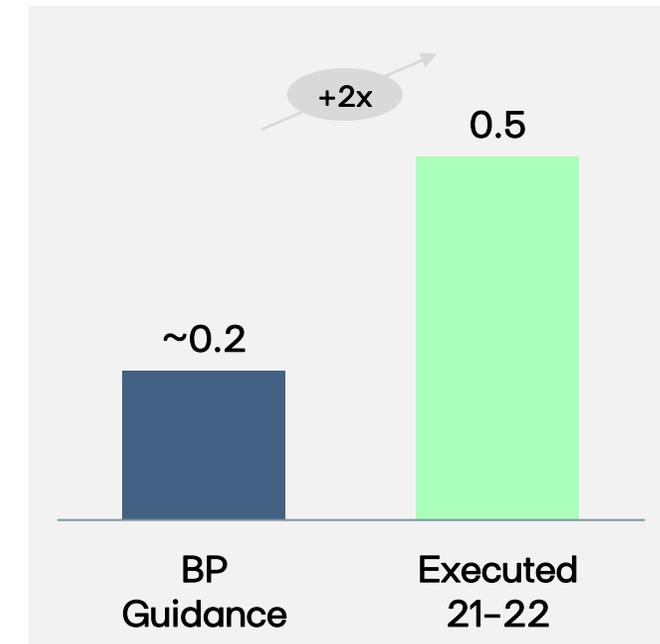
✓ 2 GW sold in 2021-22, below the 1.4 GW/year average assumed in the BP for 2021-23...

AR Gains/year  
€bn



✓ ...resulting in €1bn of total gains in 2021-22, clearly exceeding the €0.3bn/year targeted...

AR Gains/MW  
€m



✓ ... with clear value generation, being 2x the guidance provided in the BP

# Higher electricity prices for 2023 and long-term hedging strategy optimization present an upside to a challenging 2022

## Hydro shortfall resulted in short position in 2022

- ⬇ **Hydro shortfall in Iberia: 3.3 TWh below expectation in 9M22.**  
**Low reservoir levels** require build up in 4Q22
- ⬇ **Overhedging** resulted in higher sourcing costs  
 Long on supply vs. generation

⬇ **Increase in gas sourcing costs** as a result of punctual short positions

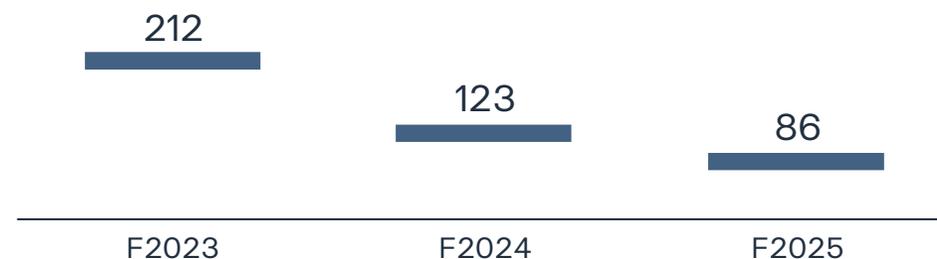
⬆ **Increase in thermal generation in Iberia**  
 +80% or +5.6 TWh YoY



## 2023-25 upside on higher avg. selling price

⬆ **Structural reduction of maximum hedged volumes** to reduce over-hedging risk

Electricity Wholesale Forward Prices Iberia<sup>(1)</sup>  
 €/MWh



⬆ **Avg. selling price upside** in the medium/long-term as hedges roll over and hedging strategy is optimized

(1) Data as of 24 of October 2022 | Source: OMIP

# EDP's alignment with the energy transition and ESG criteria enables the business to finance growth with green and cost competitive funding

## Stepping-up green leadership position...



Sustainability linked loan in August  
5-year Revolving credit facility of €3.7 billion



Of total bonds outstanding are Green Bonds  
€2.3 Bn of Green Bond issuance in 2022  
Issued a total of €7.8 Bn worth of Green bonds



CAPEX aligned with EU Taxonomy



EDP, EDPR and OW subscribed to the 9 principles of the Sustainable Ocean.

## ...while being recognized by ESG performance



EDP is in the top 10 of S&P's Global Clean Energy Index



Top 5% in FTSE4Good Index, with a score improvement as of September 2022



EDP rates AAA in Morgan Stanley Capital International (MSCI) ESG Index



Included for 2<sup>nd</sup> consecutive years in the Bloomberg GEI

A photograph of a wind turbine in a field under a blue sky with clouds. The turbine is white and stands prominently in the middle ground. In the background, several other wind turbines are visible on the horizon. The foreground is a dirt road leading towards the turbine. On the left side of the image, there are several overlapping, curved bands in shades of blue and green, partially obscuring the sky and the turbine.

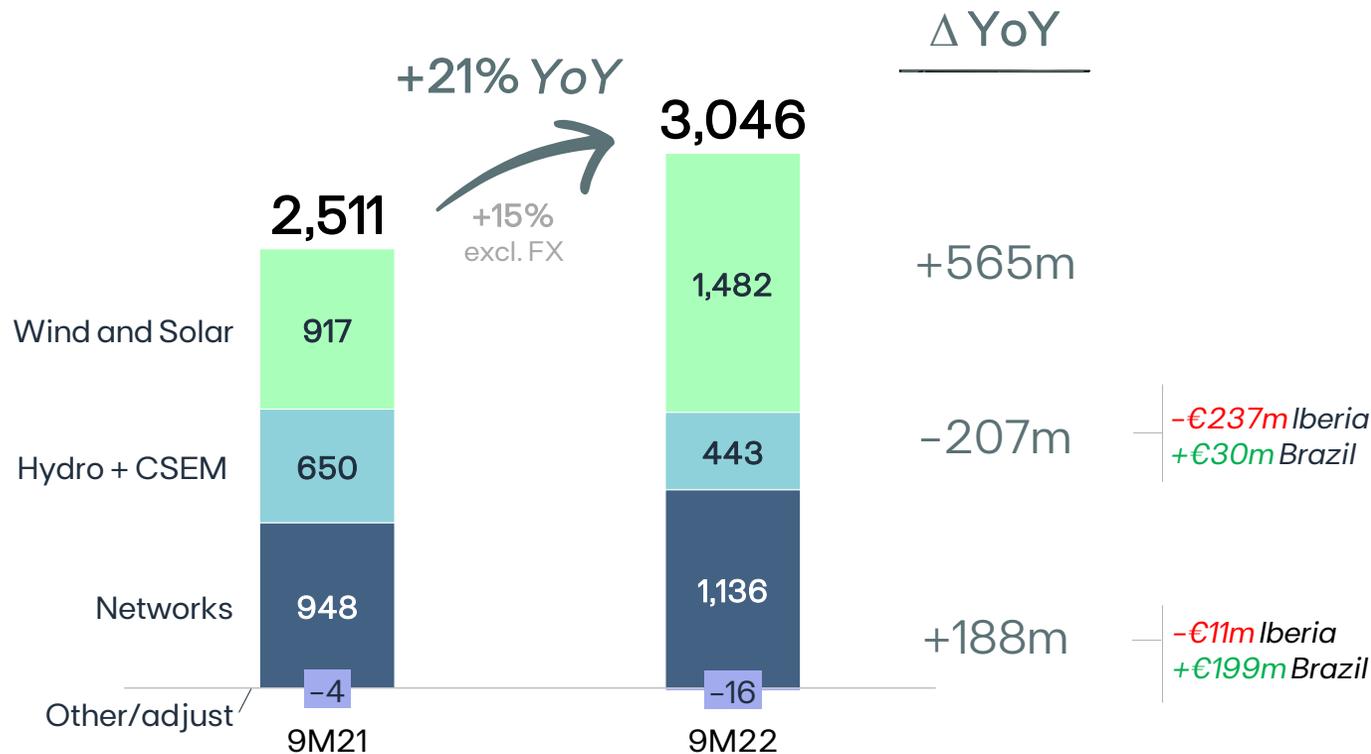
# FINANCIAL PERFORMANCE

# Recurring EBITDA +21% YoY prompt by good performance of Wind & Solar and Electricity Networks despite the penalizing Iberian hydro shortfall



Recurring EBITDA<sup>(1,2)</sup> €m

YoY growth, %



EDPR Installed Capacity +10% YoY

Wind resources in line with LT avg (vs. -5% in 9M21)

-3.3 TWh hydro shortfall in context of €186/MWh avg. spot price partially compensated by higher thermal generation Iberia +5.6 TWh

Brazil Networks: tariff updates driven by inflation and BRL appreciation

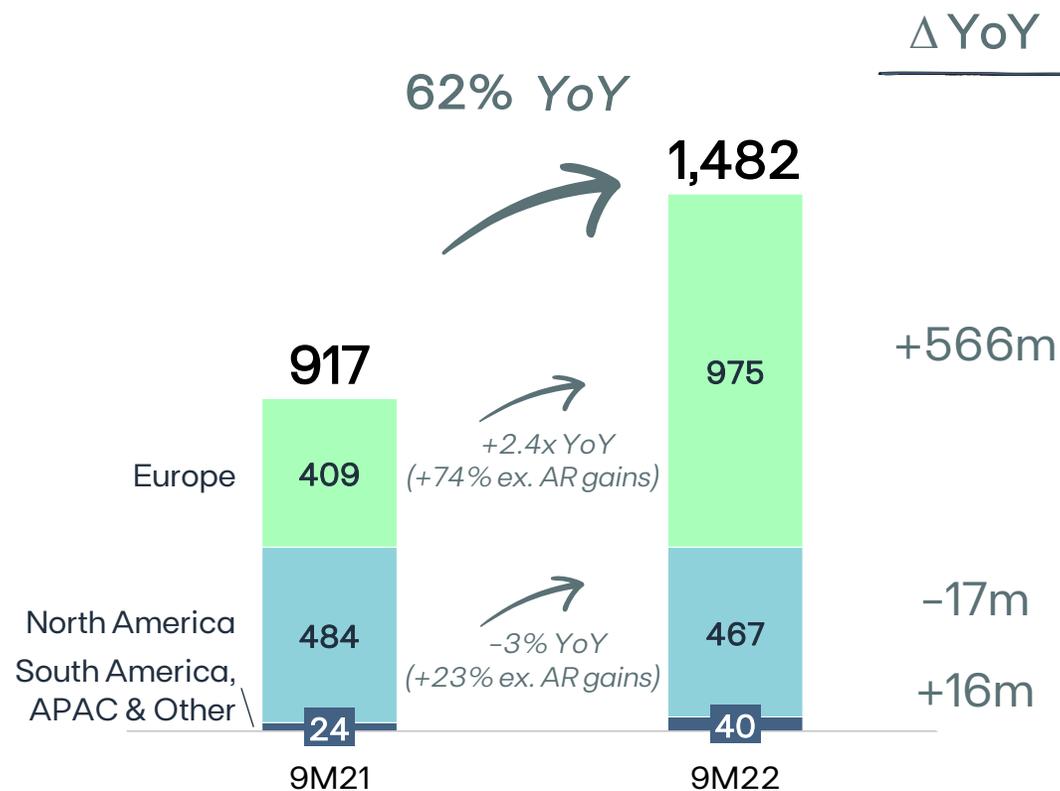
(1) Adjustments and Non-recurring items include -€4m in 9M21, comprising +€21m gain on CIDE, -€17m from Sonatrach agreement and -€8m from HR restructuring costs in Spain

(2) Including positive ForEx impact of +5%

# Wind & Solar EBITDA +62% YoY on the back of outstanding top line performance from base portfolio

## Wind & Solar Recurring EBITDA<sup>(1)</sup> €m

YoY growth, %



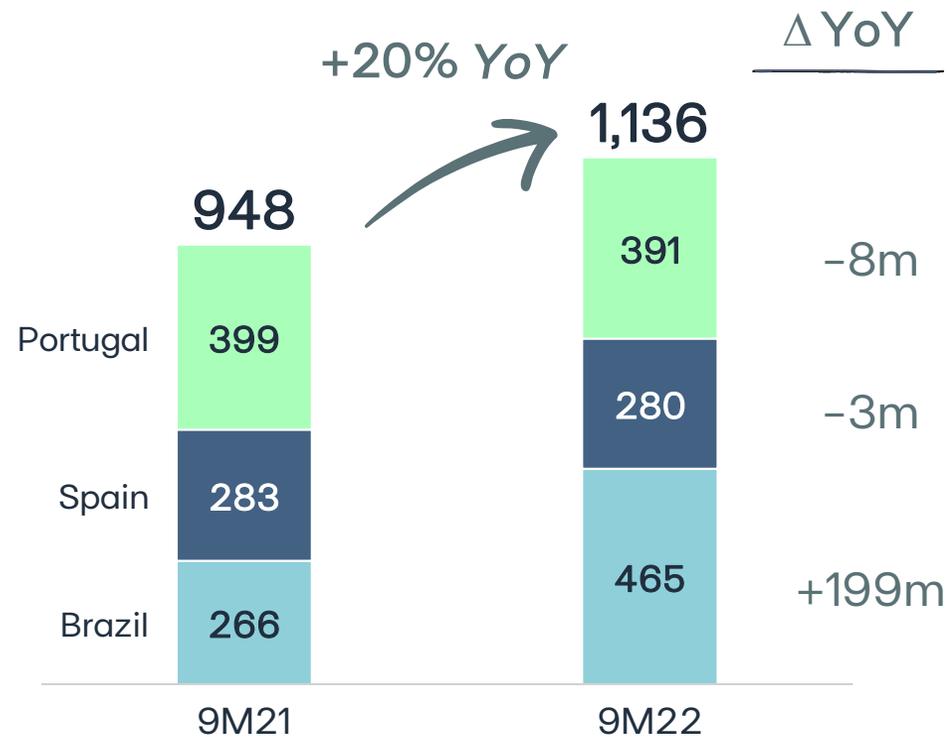
	9M21	9M22	YoY
Installed Capacity <sup>(2)</sup> , GW	13.0	14.3	+10%
Prod. deviation vs. exp. LT Gross Capacity Factor, %	-5%	0%	+5 p.p.
Electricity Generation, TWh	21.5	24.4	+14%
Avg. Selling price, €/MWh	51	66	+29%
Asset Rotation Gains, € m	151	264	32%

(1) Europe includes Equity Method and adjustments allocated to Europe | (2) EBITDA + Equity MW;

# Electricity Networks Recurring EBITDA +20% YoY reflecting tariff updates in Brazil

## Electricity Networks Recurring EBITDA €m

YoY growth, %



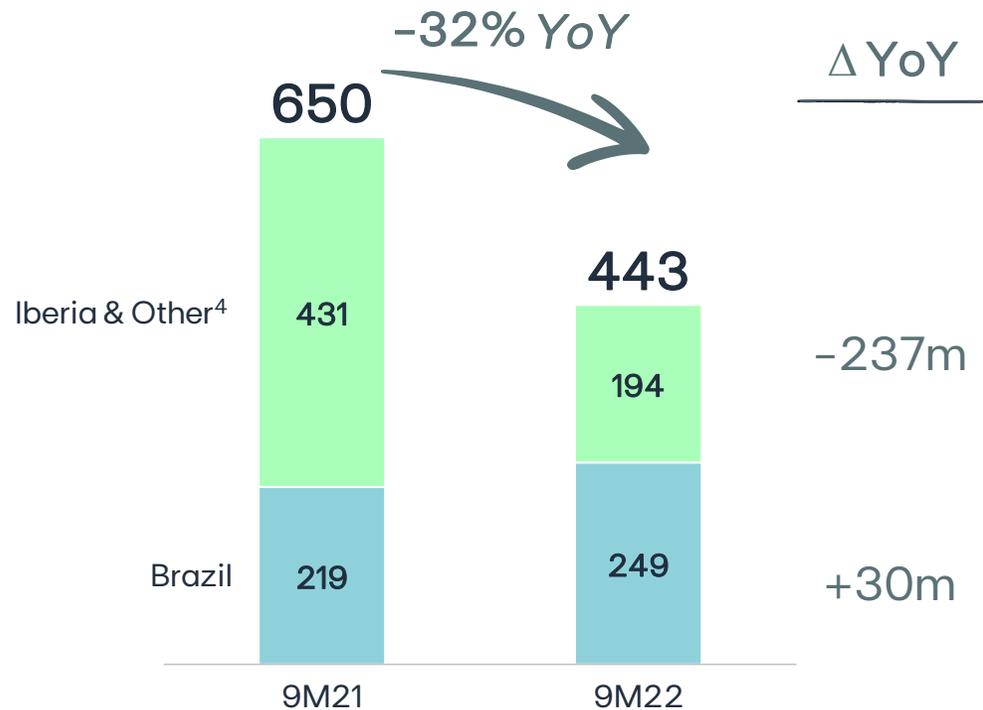
	9M21	9M22	YoY
<b>Iberia</b> 			
Return on RAB Portugal <sup>(2)</sup> , %	4.76%	5.05%	+29 bps 
Return on RAB Spain, %	5.58%	5.58%	0 bps 
OPEX/ Supply Point Iberia <sup>(3)</sup> , €	35.0	35.1	0% 
<b>Brazil</b> 			
Electricity distributed, TWh	19.5	19.9	+2% 
Distribution EBITDA, R\$m	1.228	1.787	+46% 
Transmission EBITDA, R\$m	467	751	+61% 

(1) Adjustments and Non-recurring items include -€8m from HR restructuring costs in Spain | (2) For 1H21, RoRAB of HV/MV | (3) On a like for like basis

# Hydro, Client Solutions & EM EBITDA penalized by scarce hydro resources in Iberia in a period of high energy prices

## Hydro + CS&EM Recurring EBITDA<sup>(1)</sup> €m

YoY growth, %



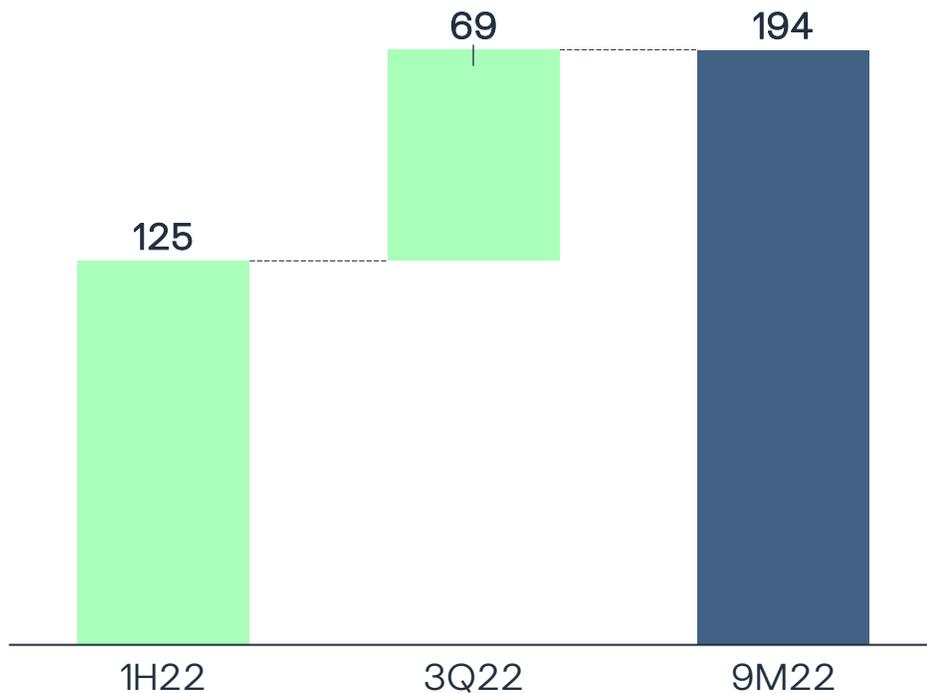
	9M21	9M22	YoY
<b>Iberia</b> 			
Hydro resources vs. Avg <sup>(2)</sup> , %	+13%	-66%	-77 p.p. 
Hydro Generation, TWh	7.7	3.6	-4.1 
Thermal Generation <sup>(3)</sup> , TWh	7.0	12.6	5.6 
<b>Brazil</b> 			
GSF, %	75%	89%	13 p.p. 
Hydro Generation, TWh	3.6	4.2	15% 

(1) Adjustments and Non-recurring items include +€21m gain on CIDE and -€17m from Sonatrach agreement  
 (2) Source REN Hydro resources reference from Portugal only | (3) Excludes Cogeneration and nuclear | (4) Includes Poland and Italy

# Generation & Supply business in Iberia in 3Q22 penalized by low hydro volumes and higher fuel costs, partially offset by high thermal volumes

## EBITDA Iberia<sup>(1)</sup> Hydro, Client Sol. & Energy Mgmt.

€ millions, recurring



## 3Q22 marked by:

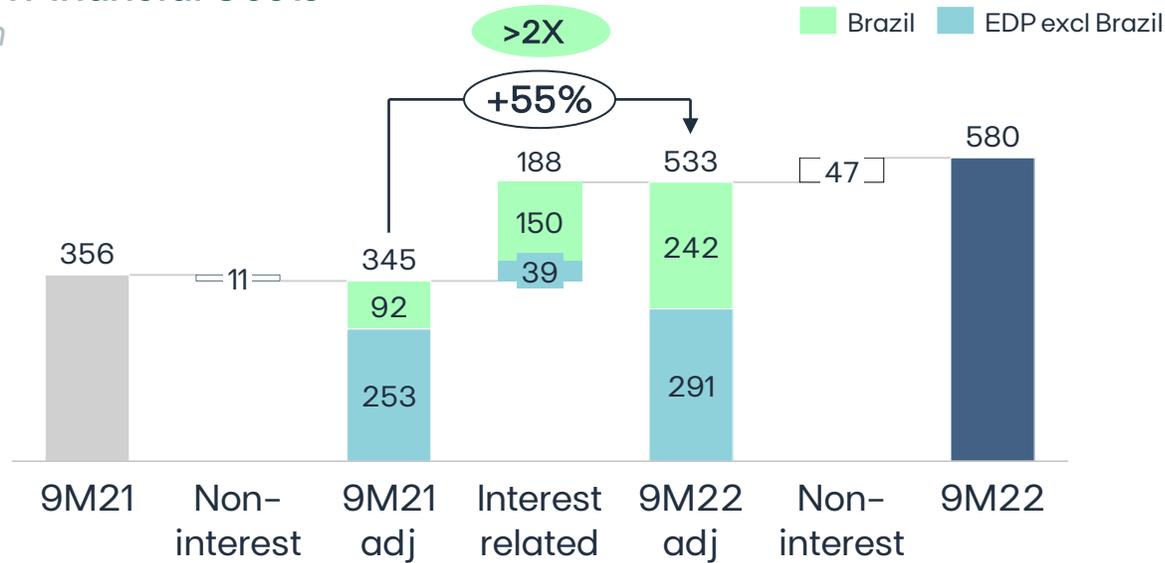
-  Hydro volumes -0.5TWh vs. expected
-  Thermal volumes 5.3TWh (+2.4TWh YoY)
-  Higher thermal costs, namely due to the high TTF gas price

(1) Includes Poland and Italy

# Net financial costs increase in 9M22 impacted by higher interest rates in Brazil

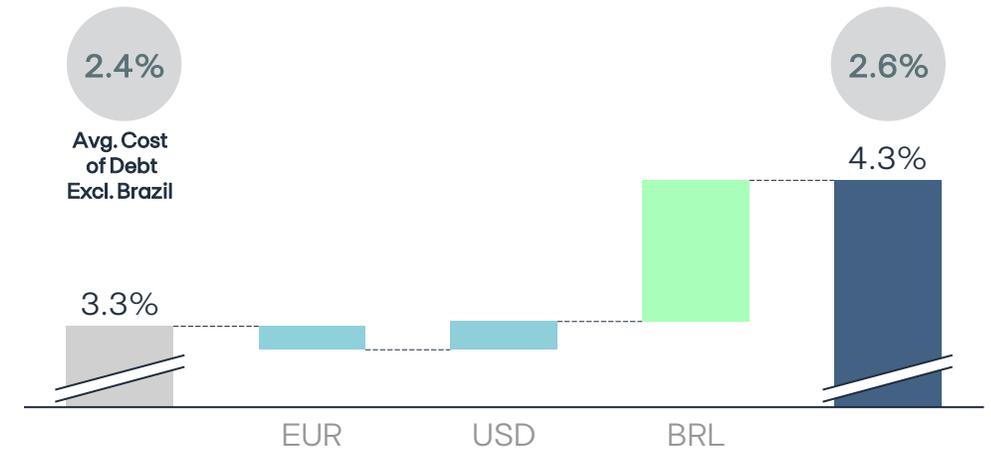
## Net Financial Costs

€m



## Cost of Debt<sup>(1)</sup>

€m



> Lower Capitalized interest after Start-up of operations in transmission Brazil (-€41m)

> Avg Gross debt increased ~€2.6Bbn, with almost 36% coming from FX impact

> Avg. cost of debt in BRL up from 9.7% to 13% (BRL with a 14% weight on total debt)

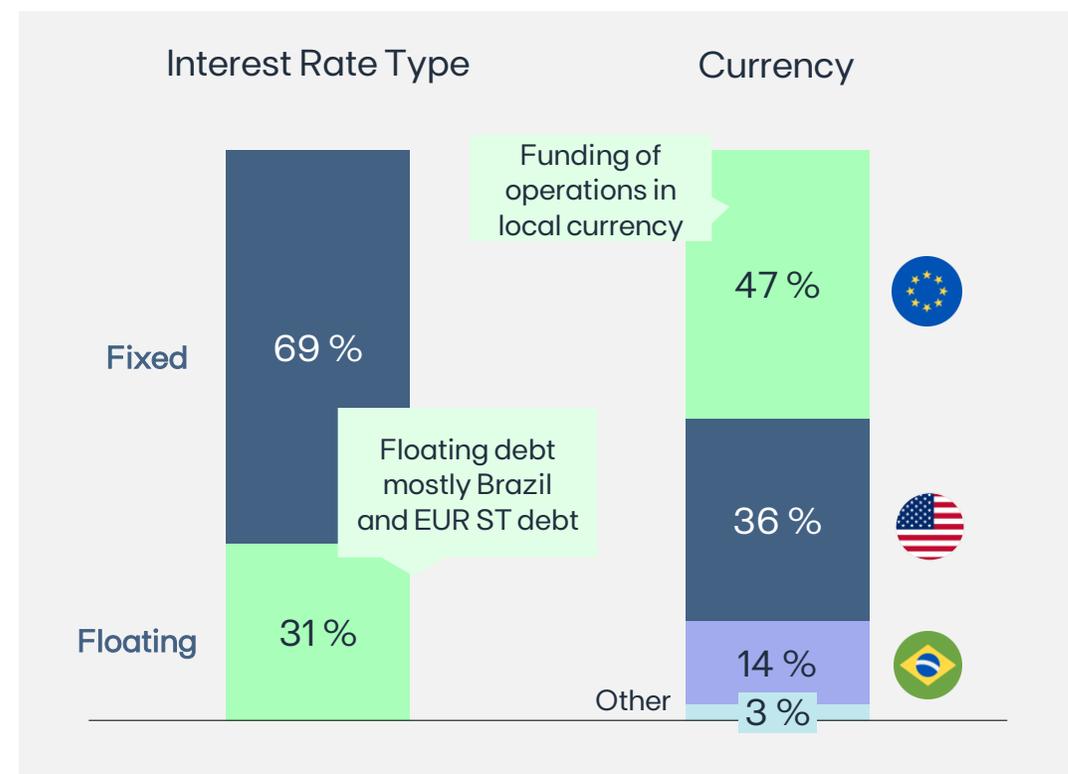
(1) Annualized gross interests / Avg Gross Debt

# Significant volumes of LT financing closed in 2021-2022 under attractive market conditions in accordance with our conservative funding policy

In 21/22 EDP has issued ~€4Bn through green senior bonds & hybrids

- > 2021:  
€2Bn Hybrid issued @ avg. 1.7%
  
- > 2022:  
€2.3Bn (€1.8Bn and \$0.5Bn) issued @ avg. 3.3%
  
- > As of Sep-22:  
€2Bn of pre-hedged interest rate for 23-24 refinancing needs, mostly closed in 1H22, mitigating interest rate risk  
  - ✓ Avg. of 1.8% for EUR and 2.6% for USD

## 9M22 Financial debt breakdown



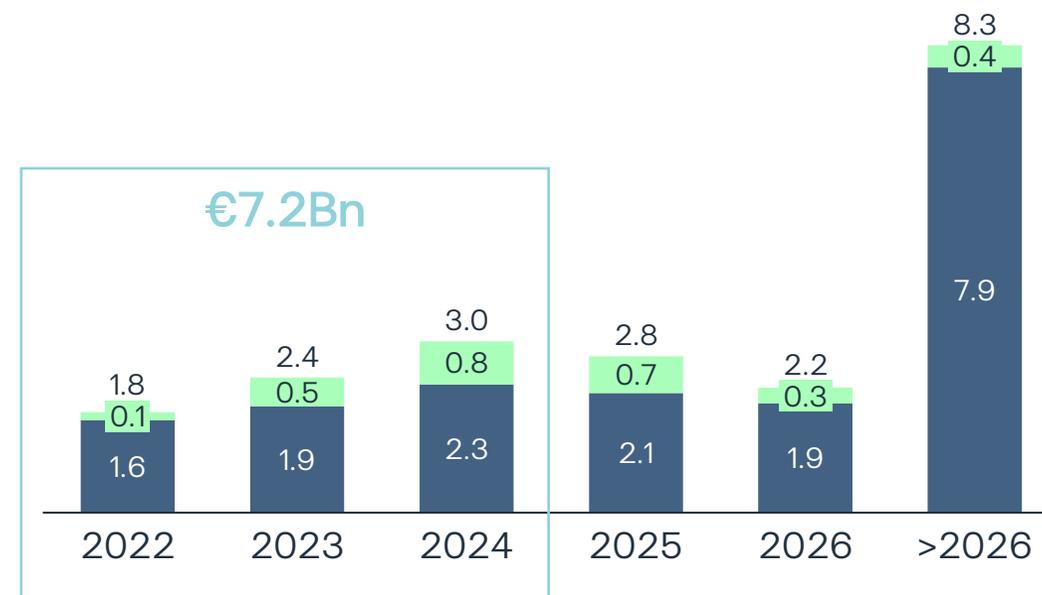
# Strong liquidity position covering refinancing needs beyond 2024

## Financial Liquidity as of Sep-22 (Bn)

Cash & Equivalents	€3.5Bn
Available Credit Lines	€5.8Bn
<b>Total Liquidity 9M22</b>	<b>€9.3Bn</b>
Bonds Issued in Oct-22	€1Bn
<b>Financial Liquidity Adjusted</b>	<b>€10.3Bn</b>

## Debt breakdown by Maturity

■ BRL ■ EUR & USD



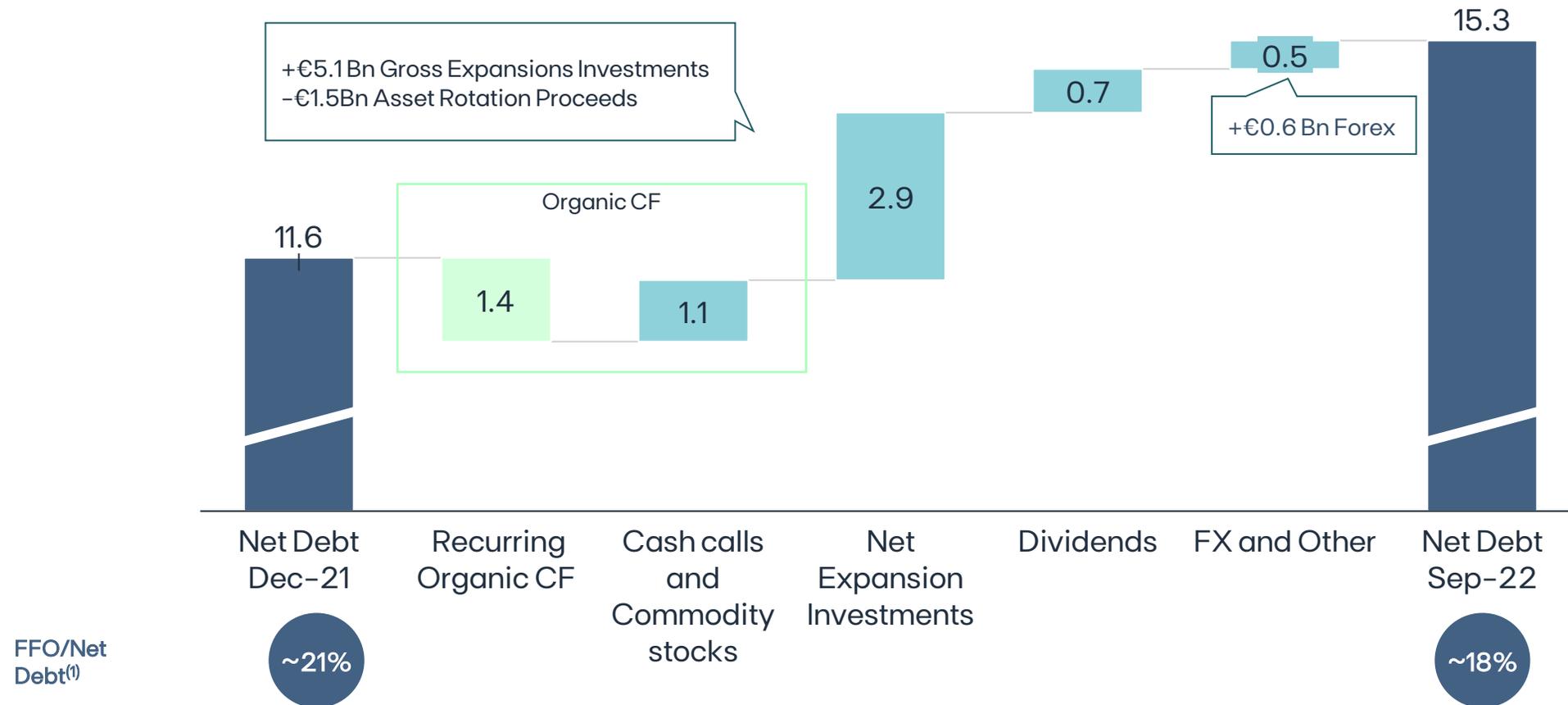
> Cash calls from Energy markets derivatives as of Sep-22: €0.5Bn

> Average Debt Maturity of around 5 years

# Increase in Net Debt impacted by the acceleration of Net expansion investment and temporary WC due to higher commodity prices

## Change in Net Debt

€ Bn



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

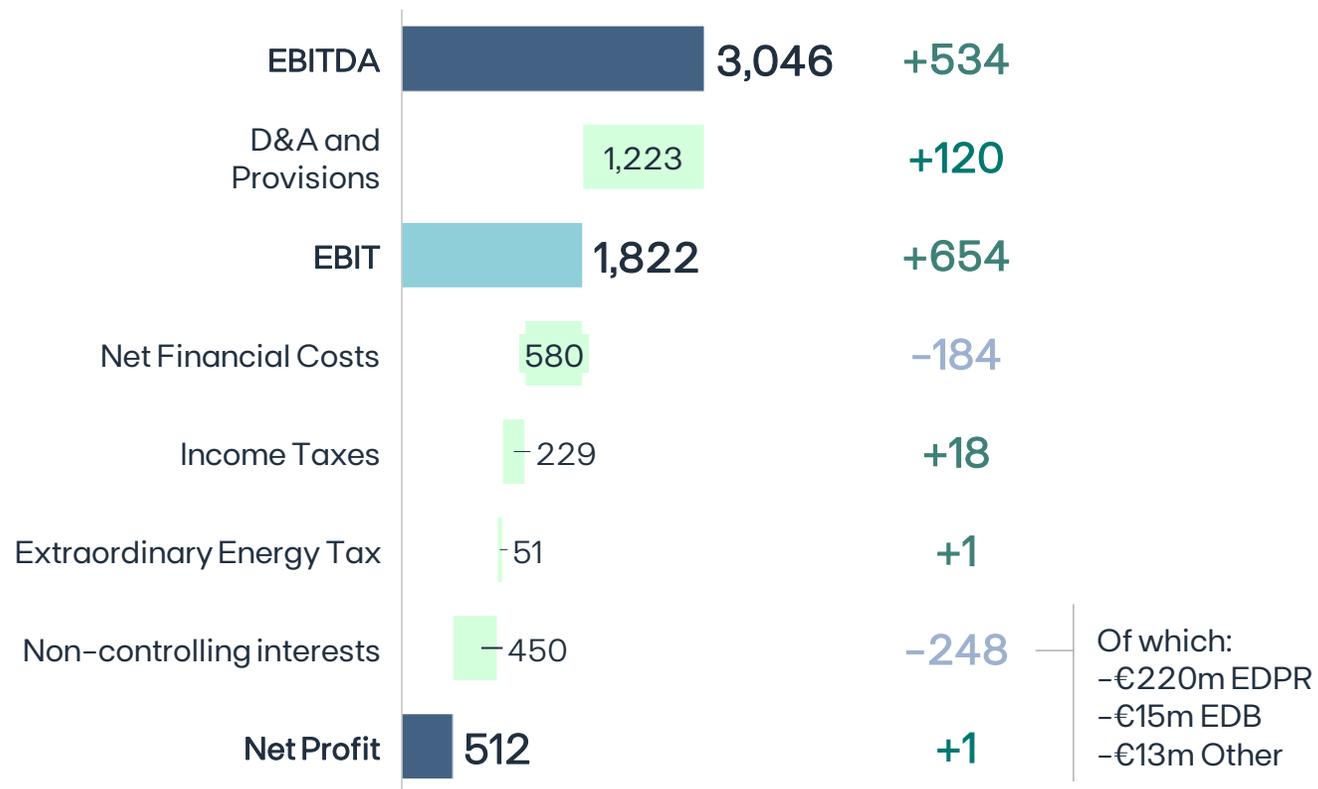
# Recurring Net Profit penalized by higher financial costs in Brazil and increase of minority interests



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

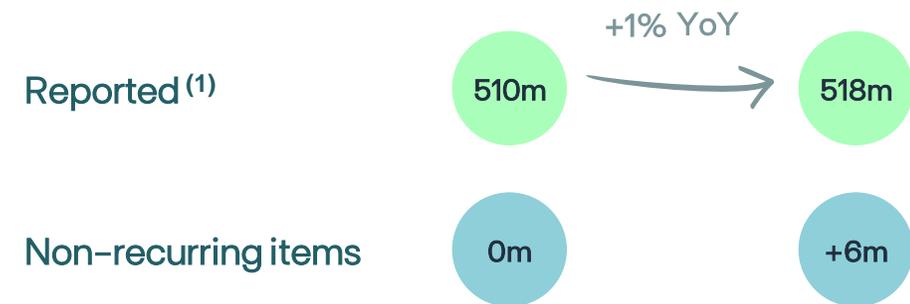
€m

Δ YoY



## Reported Net Profit

€m



(1) Adjustments and non-recurring items at net profit level: No impact in 9M21, gain from CIDE disposal (+€21m), acquisition of debt in minority stake in Spain (+€36m) are offset by curtailment costs in Spain (-€5m), provision on competition authority penalty (-€33m) and buyback prepayment fees (-€19); In 9M22 +€6m related to amortizations and impairment of the generation asset in Iberia.

A large, white, sans-serif text overlay at the bottom left of the image, reading '9M22 CLOSING REMARKS'. The text is set against a dark, semi-transparent background that blends into the landscape below.

# Resilient and diversified portfolio support 2022 performance and upfront execution of 21–25 plan, CMD Mar–23 to provide updated targets

Maintenance  
2022  
Guidance

Recurring Net Profit 2022 > 2021<sup>(1)</sup>

Upfront execution  
of 2021–25  
Business Plan

	Current	Target	Secured
<p>➤ <b>Committed renewable capacity</b> 4.3 GW under construction in 15 markets</p>	10.8GW	20GW	55%
<p>➤ <b>AR proceeds secured</b> €1.0 Bn gains cumulative since 2021</p>	€3.2 Bn	€8 Bn	>40%

Capital Markets Day  
March 2023

➤ **Strategy and financial targets update**, including updated energy prices, regulatory frameworks, interest rates and Forex

(1) Conditional on hydro conditions

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