



# Results Presentation 2023

Lisbon, March 1<sup>st</sup>

Transmission Alianca Line, Santa Catarina, Brazil

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## 2023 with key milestones for our strategy announced at EDP's Capital Markets Day

- ✓ Strengthening of balance sheet with €2 Bn equity raises of EDP and EDPR
- ✓ Successful buyouts of minorities (EDP Brasil, wind Europe): earnings enhancing and reinforced weight of regulated networks and LT contracted renewables
- ✓ €2.0 Bn asset rotation proceeds with €460m gains and AR gains/Invested Capital of 60%
- ✓ Moody's upgrade of EDP rating to "BAA2" with Stable Outlook
- ✓ On track to be coal-free by 2025: sale of 80% stake in Pecém and 50/50 partnership to convert the Aboño coal plant into a gas-fired one

# 2023 results delivering guidance, backed by a rebound in integrated performance in Iberia, strong AR gains and resilient networks



## Main targets delivered

	2023	Latest Guidance		2023 ΔYoY
Recurring EBITDA	€5.0 Bn	~5.0 Bn	✓	+11%
Recurring Net Profit	€1.3 Bn	~1.2-1.3 Bn	✓	+48%
Net Debt	€15.3 Bn	~€15 Bn	✓	+16%
Dividend	€0.195/Share <sup>(1)</sup> 63% Payout Ratio	€0.195/Share 60%-70% Payout ratio	✓	+3%

## Highlights

- Unitary integrated margin in Iberia +2.6x YoY; Strong hydro recovery following the severe drought of 2022**
- Strong valuation of AR portfolios: €0.5 Bn AR gains vs. €0.3 Bn target**
- EDPR impacted by low wind and capacity delays**
- EDP Brasil minorities buyout already with a positive impact of €80m on 2023 recurring earnings**
- Networks with a 30% contribution to EBITDA**

(1) To be proposed by Executive Board of Directors to shareholders approval in the General Shareholders Meeting, to be held on April 10, Payout Ratio considering net income recurring

# 2023 presented the normalization of hydro resources vs. 2022; Good prospects for 1Q24

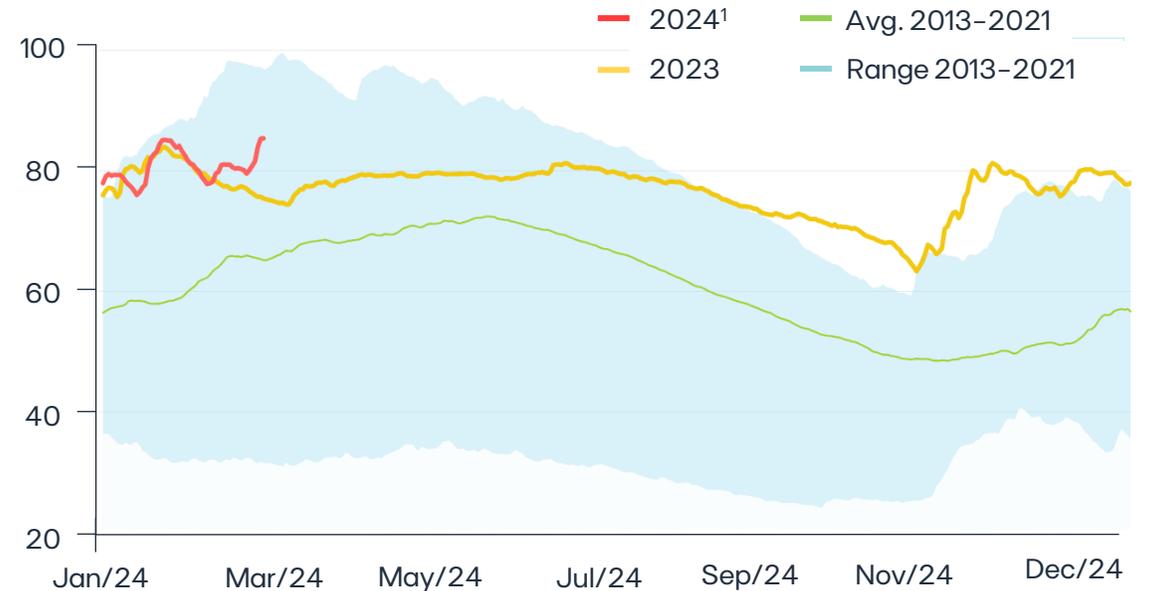
## Strong YoY volumes recovery following average hydro resources in 2023 vs. 2022 extreme drought

Hydro generation in Iberia net of pumping (TWh)



## Strong start of 2024 with above average hydro generation and reservoirs

Reservoir levels in Portugal (%)



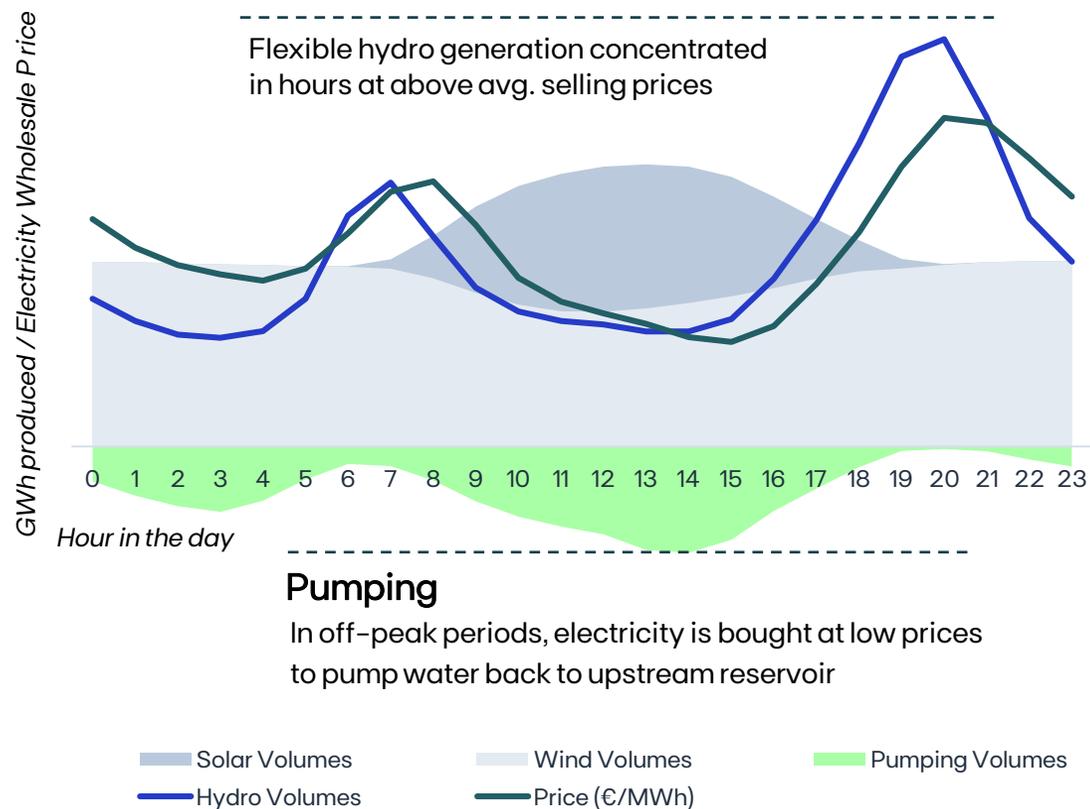
- ✓ January & February 2024: hydro resources in Portugal ~20% above average
- ✓ Hydro reservoir levels at ~85% as of today, +20pp above historical average

(1) Reservoir levels until 28<sup>th</sup> February, 2024

# Flexible hydro generation fleet with 45% of pump. & storage and 75% with reservoir support sustained hydro realized price premium vs. baseload

## Higher renewables penetration enhancing intraday spreads

Avg. hourly price and renewables generation Portugal 2023<sup>1</sup>



## EDP well positioned to benefit from higher volatility in intraday prices



EDP hydro installed capacity

### 5.5 GW

~75% with reservoir  
~45% with pumping

2023 hydro realized price

### +25%

Premium vs. Baseload

- Increase of solar weight in generation mix leading to higher intraday spreads, increasing hydro realized price
- Strong pumping results in 2023 (~€50m margin) expected to grow in 2024-25

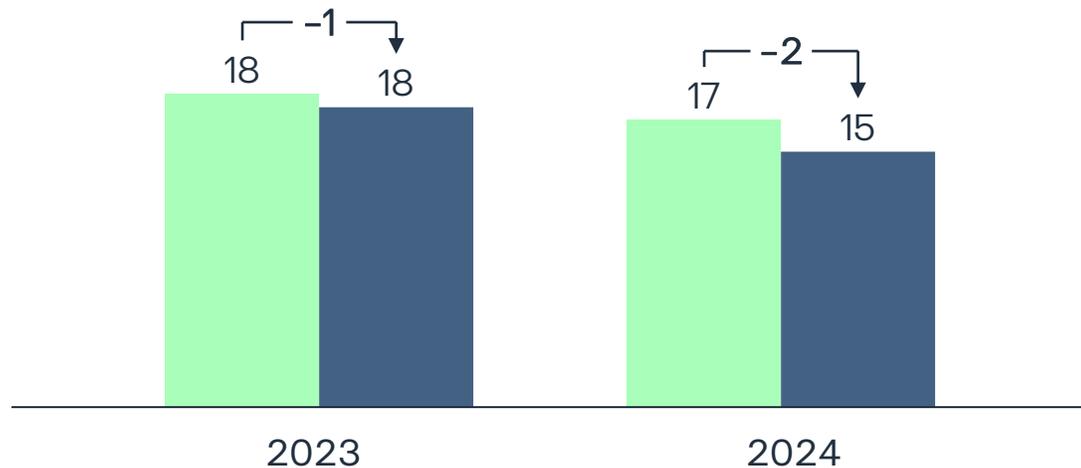
(1) Source: REN

# Integrated generation and supply portfolio in Iberia providing resilience under a context of decreasing energy prices

EDP has a balanced position between generation and clients in Iberia

EDP Iberia generation vs supply volumes<sup>1</sup>, TWh

■ Generation  
■ Supply



Clients, (#m)

3.8

Iberian integrated business resilient to power price volatility, supporting good prospects for 2024

- > ~75% of volumes for 2024 hedged at ~€100/MWh
- > Active management of hydro reservoir levels, optimizing generation in function of market prices
- > Lower gas prices with a positive impact in 2023 gas sourcing costs
- > Integrated generation and supply Iberia EBITDA for 2024 expected in line with 2023

(1) Assuming average hydro year, excluding pumping

# Regulated networks in EDP's portfolio: 30% weight on EBITDA and Net Profit, RAB net of minorities +29% following EDP Brasil minorities buyout



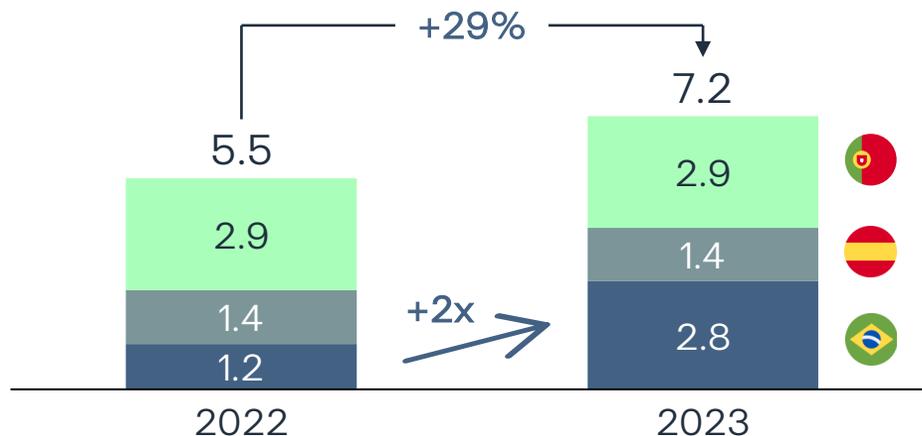
## Networks portfolio with a significant weight in EBITDA, reflecting the growth in our asset base

Weight of networks business in EBITDA and Net Profit 2023

~30%

- ✓ EDP Brasil minorities buyout in July 2023 strongly increasing EDP Networks RAB net of non-controlling interests

EDP RAB, net of non-controlling interests, € Bn



## Positive developments on networks outlook for 2024

- ✓  EDP São Paulo tariff review for 2023-27 in place since Oct. 2023 with RAB doubling vs. last regulatory period
- ✓ Ongoing process for the renewal of distribution concessions for 30 years: EDP ES renewal concession in July 2025

- ✓  2024 regulated revenues: RoRAB + 52 bps to 5.57%, inflation update of +5.3%

- ✓  Positive court decision regarding retroactive remuneration of older regulated asset base ("Lesividad")

- ✓ Initial proposal of regulated returns for next regulatory period expected to be published by 2024YE

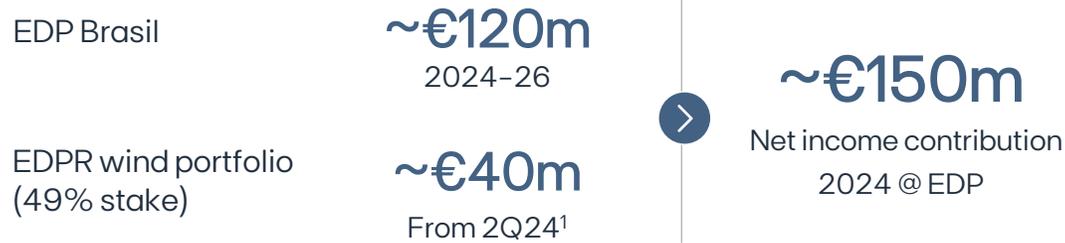
~€1 Bn investment in distribution and transmission in 2024 (capex/D&A ~1.8x times)

# Acquisitions of minority interests at EDP Brasil and wind portfolio in Europe to support 2024–2026 earnings outlook

Minority buyouts executed in 2023 increasing exposure to earnings enhancing businesses

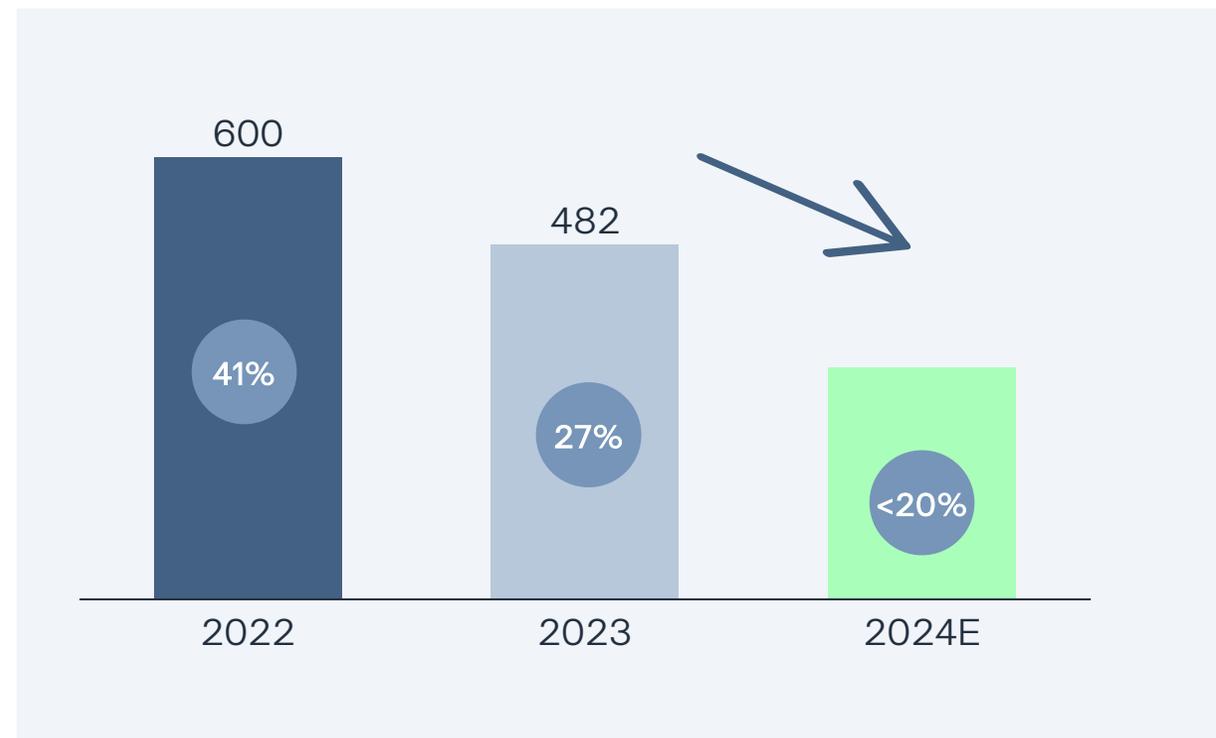
Decrease of minorities at P&L enhancing EDP's net income from 2023 onwards

Net Income annual contribution



Net Profit attrib. to non-controlling Interests, recurring figures, m€

● Net Profit attrib. to minorities/ Net Profit before minorities



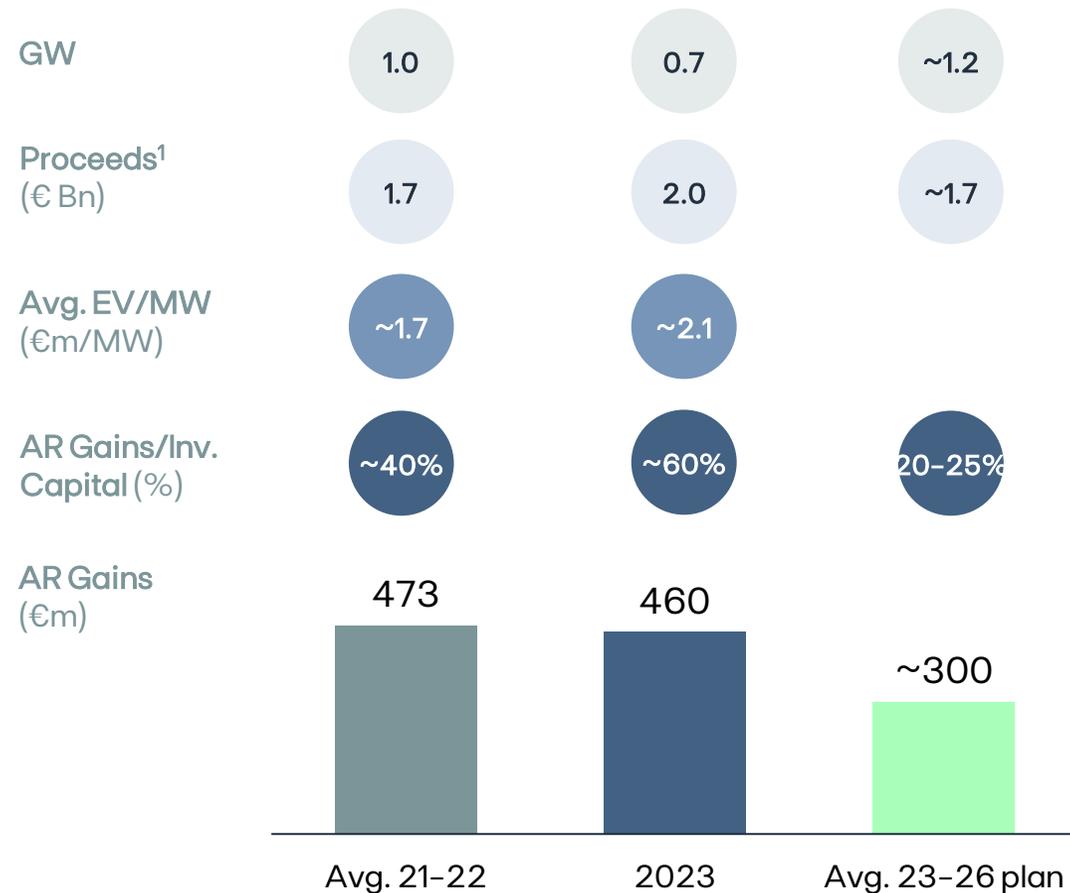
✓ EDP 100% owned activities with a strong performance, weighting 70% in 2023 net income

✓ TSR of EDP Brasil peer group<sup>2</sup> +46% since tender offer launch vs. +22% premium paid by EDP

(1) For EDPR and assuming twelve months contribution, at EDP level €30m  
 (2) EDP brasil peer group includes: CPFL, Neenergia, Equatorial and Energisa, TSR in euros

# Strong asset rotation execution in 2023 with €460m gains and positive outlook for 2024, with 2 transactions closed in 1Q24 and other pending closing

## 3 AR deals closed in 2023 – Key metrics



## Outlook for 2024

### Closed

- Sale of 80% stake in 340 MWac portfolio, \$0.4 Bn EV
- Transmission: 743 Km, BRL 288.5m Annual Allowed Revenue, EV@€482m

### Signed

- Sale of 80% stake in 297 MW portfolio, C\$0.6 Bn EV
- OW sale of 16.6% stake in the Moray East offshore wind farm (950 MW), €3.6m EV/MW @EDPR

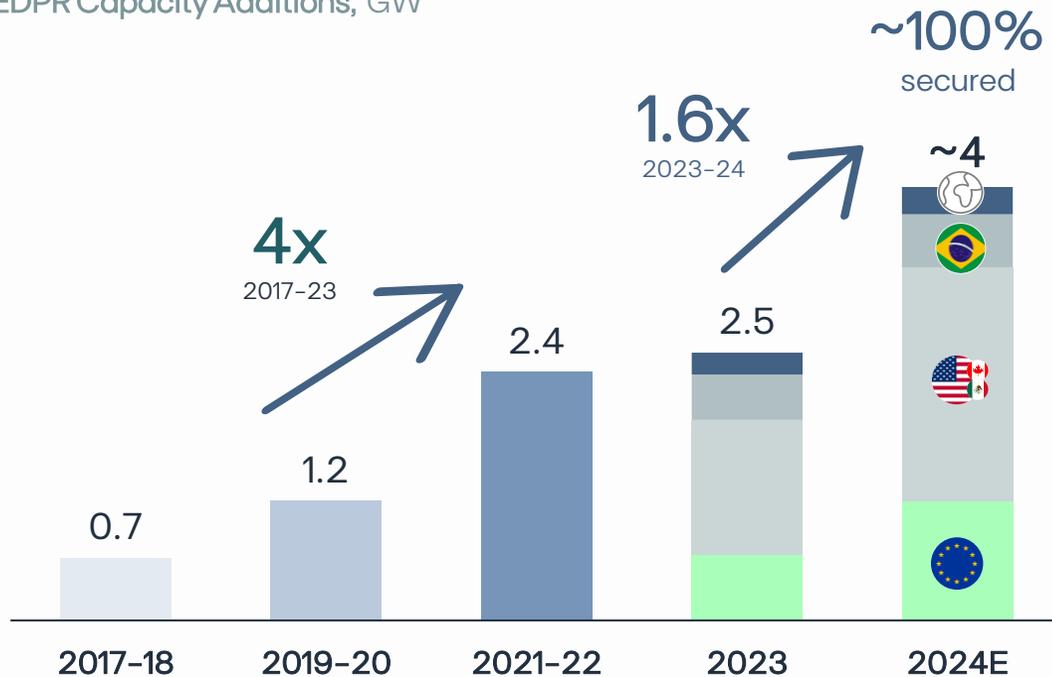
**Asset rotation gains and proceeds for 2024**  
expected to be in line with strategic plan annual target

(1) 2023 AR Proceeds includes: Equity proceeds from 2022 Brazil transaction, TE from recent US transaction and debt deconsolidation of transmission lines deal in Brazil

# EDPR 2024 additions clearly identified and ~100%, secured supporting renewables generation ramp up over 2024

4 GW on track for 2024, with 85% already under construction and 100% secured

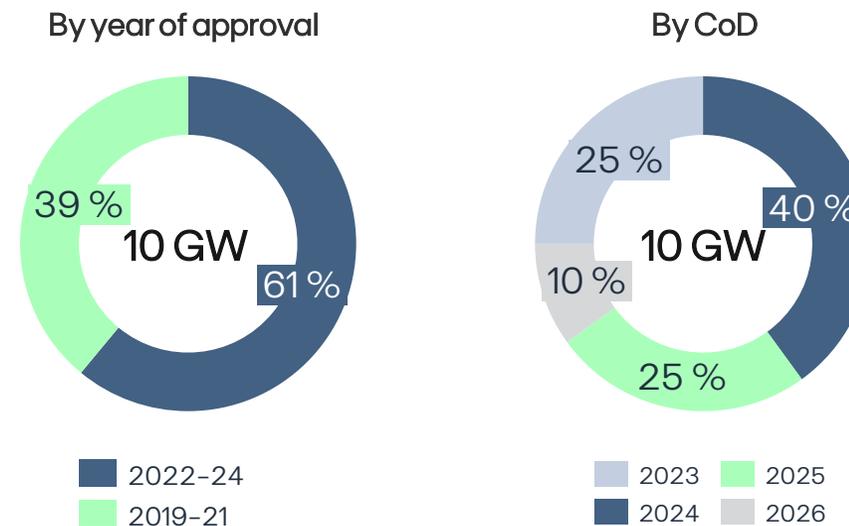
EDPR Capacity Additions, GW



North America and Europe expected to be the main growth contributors in 2024, representing ~80% of total

Attractive long-term revenues secured in 2022-2023 for 10 GW

EDPR secured capacity 2023-26, GW

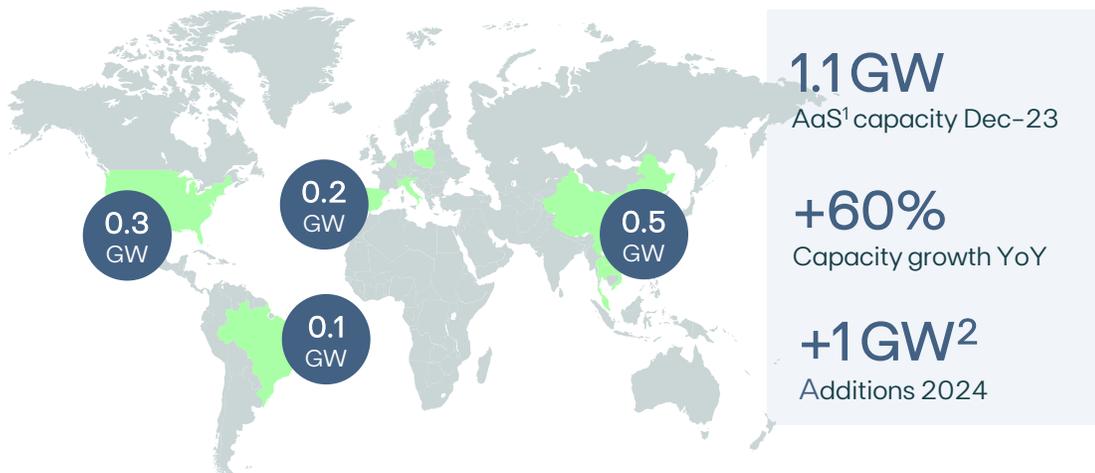


- Out of the 10 GW of secured capacity, 61% have been approved under a higher PPA price environment
- Improved market conditions for projects to be installed post late 2024: lower inflation pressure, easing interest rates

# Growing our leading global Solar DG business with record installations, while continuing at the forefront of new renewable solutions

## Unprecedented growth in solar DG business

● Installed capacity, GWac



- ✓ Distinctiveness in multi-geography deals: Decathlon (6 European countries) and Draxton (across Europe and APAC)
- ✓ Landmark agreements for strategic projects: largest C&I partnership in the US with Google, 200 MWp government tender awarded in Singapore
- ✓ Consolidated leadership in B2C in Iberia: >37k new installations in 2023, >143k cumulative installations

## Growing and creating value based on complementary technological solutions

### Wind /Solar Hybrid Parks

107 MW in 6 wind & solar hybrid projects operational in Poland, Portugal and Spain

1 GW of hybridization projects under development



### Green Hydrogen

1 pilot project in operation in Brazil

Projects in Spain: Aboño and Los Barrios selected for funding from the EU Innovation Fund



(1) As-a-Service  
(2) 0.8GW AaS, 0.2GW B&T

# Stepping up green leadership position: Key ESG metrics improving in 2023 and on track to be coal free by 2025



## Emissions & EU Taxonomy metrics

 **96.4%** (+0.4 p.p. YoY)  
CAPEX aligned with EU Taxonomy

 **87%** (+13 p.p. YoY)  
Renewables in Total Generation

 **4.3%** (-6 p.p. YoY)  
Revenues from coal

 **-50%** vs. 2022  
Scope 1 & 2 Emissions Intensity (gCO<sub>2</sub>/kWh)

## Progressing in our commitments, while being recognized by ESG performance

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

**#1 integrated electric utility**  
in the S&P CSA Scores 2023



**On track to be coal free by 2025:** sale of 80% stake in Pecém and 50/50 partnership to convert Aboño into a gas-fired plant



**Net Zero target by 2040**  
target recognized by SBTi

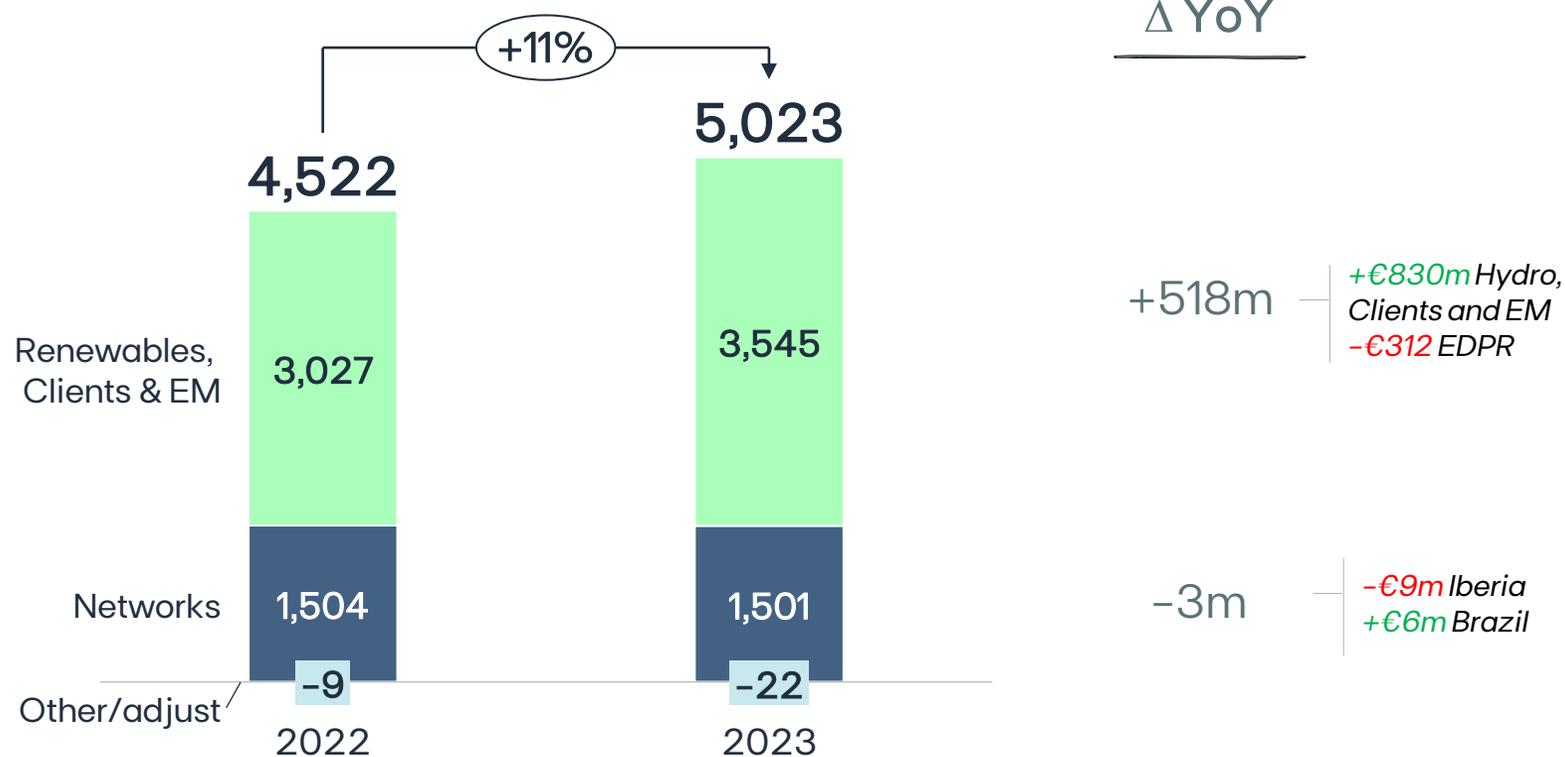


# 2023 Financial Results

# Recurring EBITDA +11% YoY reflecting the growth of integrated margin and including ~€0.5Bn of AR Gains

## Recurring EBITDA<sup>1</sup>, €m

YoY growth, %



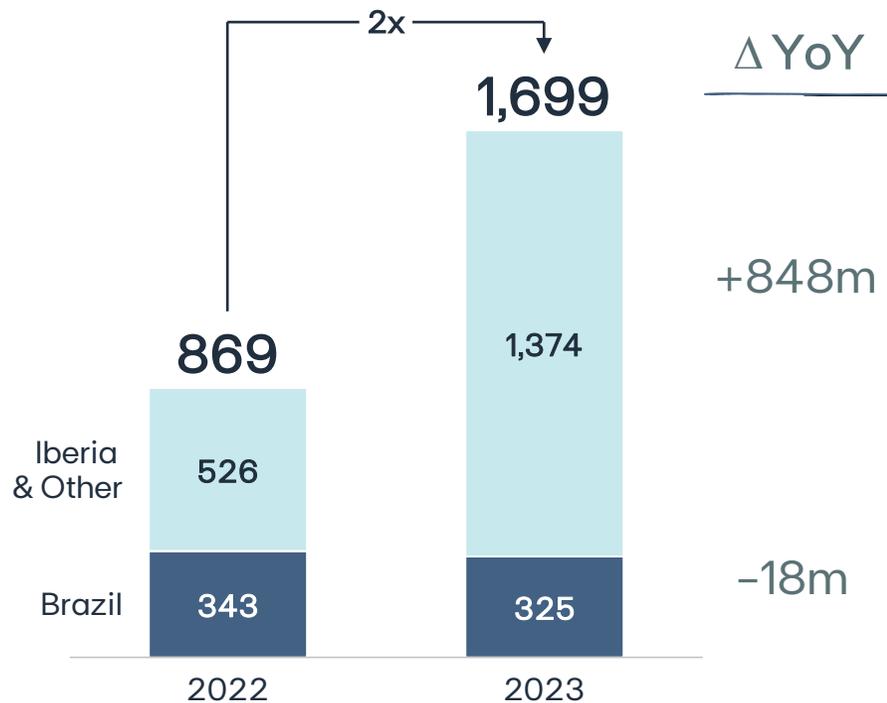
- Normalization of hydro resources in Portugal vs. very weak 2022
- Lower electricity and gas sourcing costs
- Unitary integrated margin +2.6x YoY
- AR gains of €460m vs. €423m in 2022
- EDPR Installed Capacity +12% YoY
- Wind and Solar generation +4% YoY
- Avg. selling price -6% YoY
- Renewables Index -4p.p YoY
- Recovery of previous years' revenues in Spain in 2022
- Brazil: increase in regulated revenues partially offset by overcontracting costs

(1) Including positive ForEX impact

# Generation & supply integrated EBITDA rebound, on the back of hydro and sourcing conditions recovery vs. extremely adverse context in 2022

## Hydro, Clients & EM Recurring EBITDA €m

YoY growth, %

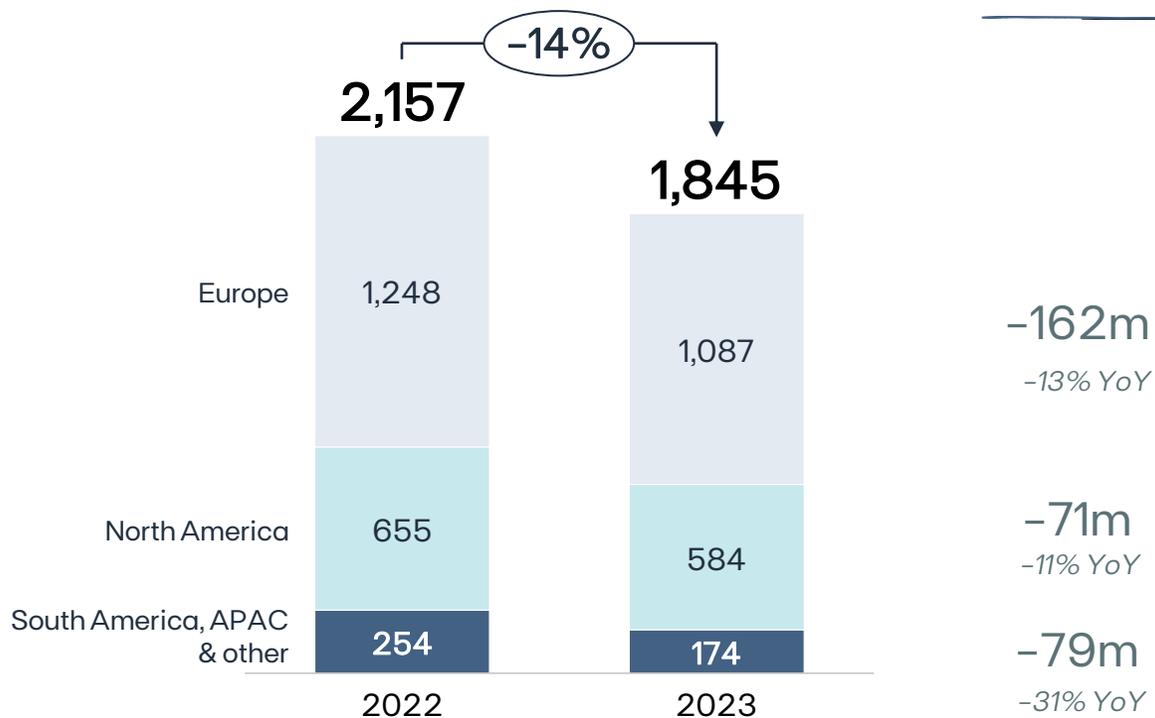


Iberia	2022	2023	YoY	
Hydro coefficient in Portugal, avg.=1	0.63	0.99	+57%	↑
Hydro Generation, TWh	6.0	9.8	+62%	↑
Electricity spot price, OMIE €/MWh	168	87	-48%	↓
Gas spot price Mibgas, €/MWh	99	39	-60%	↓

# Wind & Solar EBITDA decreasing YoY with ~€0.5Bn AR gains mitigating weaker wind resources and selling prices and lower contribution from OW

## Wind & Solar Recurring EBITDA €m

YoY growth, %



	2022	2023	YoY	
Installed Capacity <sup>1</sup> , GW	14.7	16.6	+12%	↑
Prod. deviation vs. exp. LT Gross Capacity Factor, %	-2%	-6%	-4 p.p.	↓
Electricity Generation, TWh	33.4	34.6	+4%	↑
Avg. Selling price, €/MWh	64.7	61.1	-6%	↓
Share of Profit <sup>2</sup> , €	179	24	-87%	↓
AR Gains, €m	424	460	8%	↑

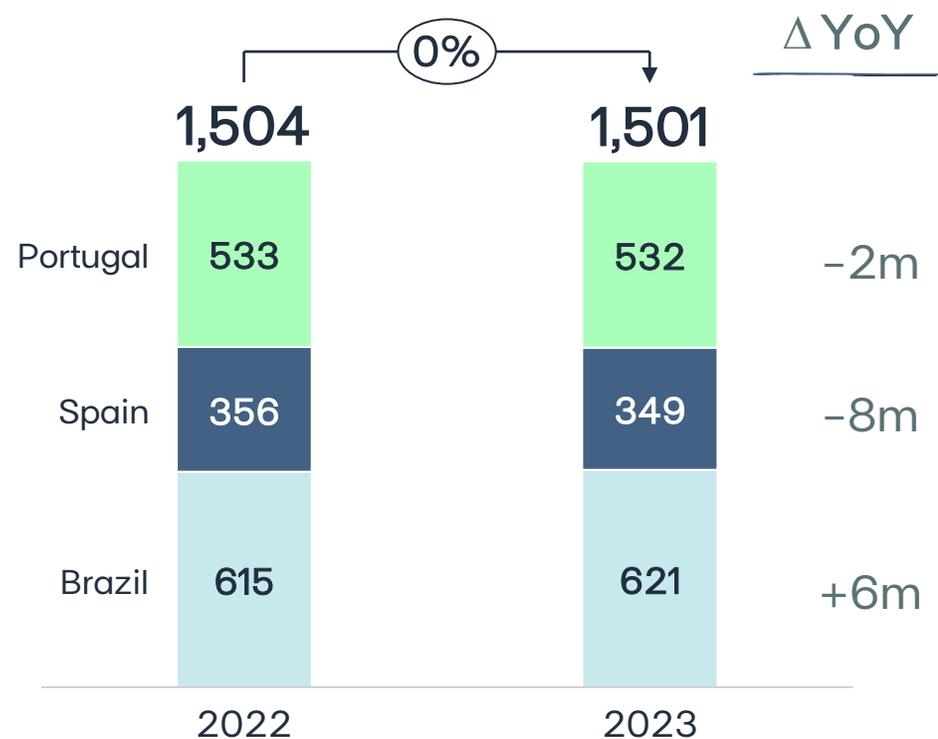
(1) EBITDA + Equity MW

(2) SouthCoast PPA cancellation accounted in 2023 as a non recurrent impact in JV from associates of -€10m

# Electricity Networks representing 30% of total EBITDA, roughly stable YoY

## Electricity Networks Recurring EBITDA €m

YoY growth, %



	2022	2023	YoY
<b>Iberia</b>			
Return on RAB Portugal, %	5.05%	5.57%	+53 bps ↑
Return on RAB Spain, %	5.58%	5.58%	0 bps →
OPEX/ Supply Point Iberia <sup>1</sup> , €	48.3	51.5	+7% ↑
<b>Brazil</b>			
Networks EBITDA, R\$m	3,344	3,353	0% →
RAB <sup>2</sup> , R\$Bn	11.7	15.2	30% ↑
RoRAB <sup>3</sup>	7.6%	7.3%	-30bps ↓
Electricity distributed (GWh)	26,491	27,778	5% ↑

(1) On a like for like basis

(2) Includes distribution RAB and transmission fixed assets

(3) After taxes and before inflation

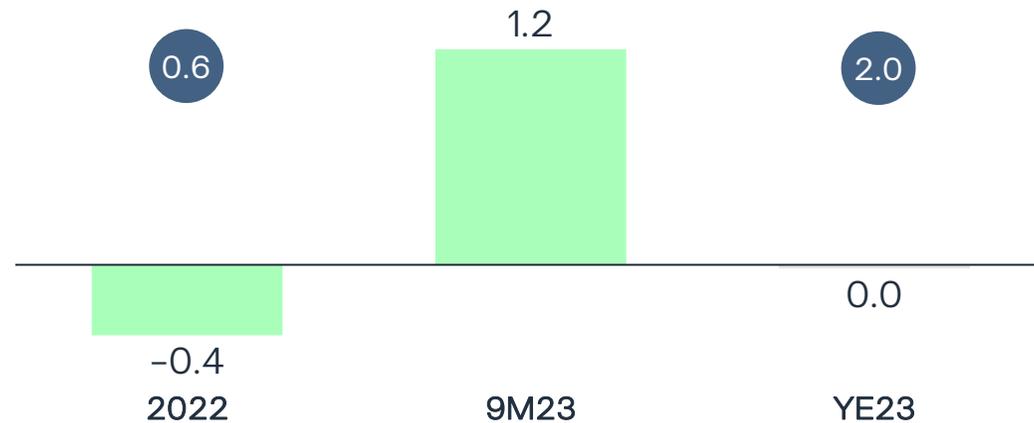
# Successful management of regulatory receivables in Portugal through tariff deficit sale and a sizeable volume of tax equity transitions in 4Q23

~€2.0 Bn tariff deficit securitized in 2023, netting regulatory receivables

Regulatory receivables in the balance sheet (€ Bn)



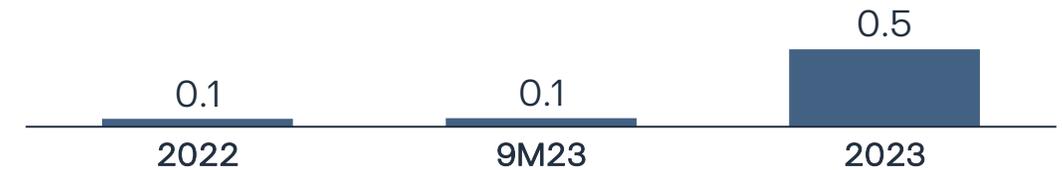
● Deficit Securitizations (€Bn)



- Successful securitization of ~€2 Bn tariff deficit in 4Q23
- 2024 Tariff Proposal presenting electricity system debt under control

TEI proceeds reaching €0.5 Bn in 2023 and expected to increase in 2024

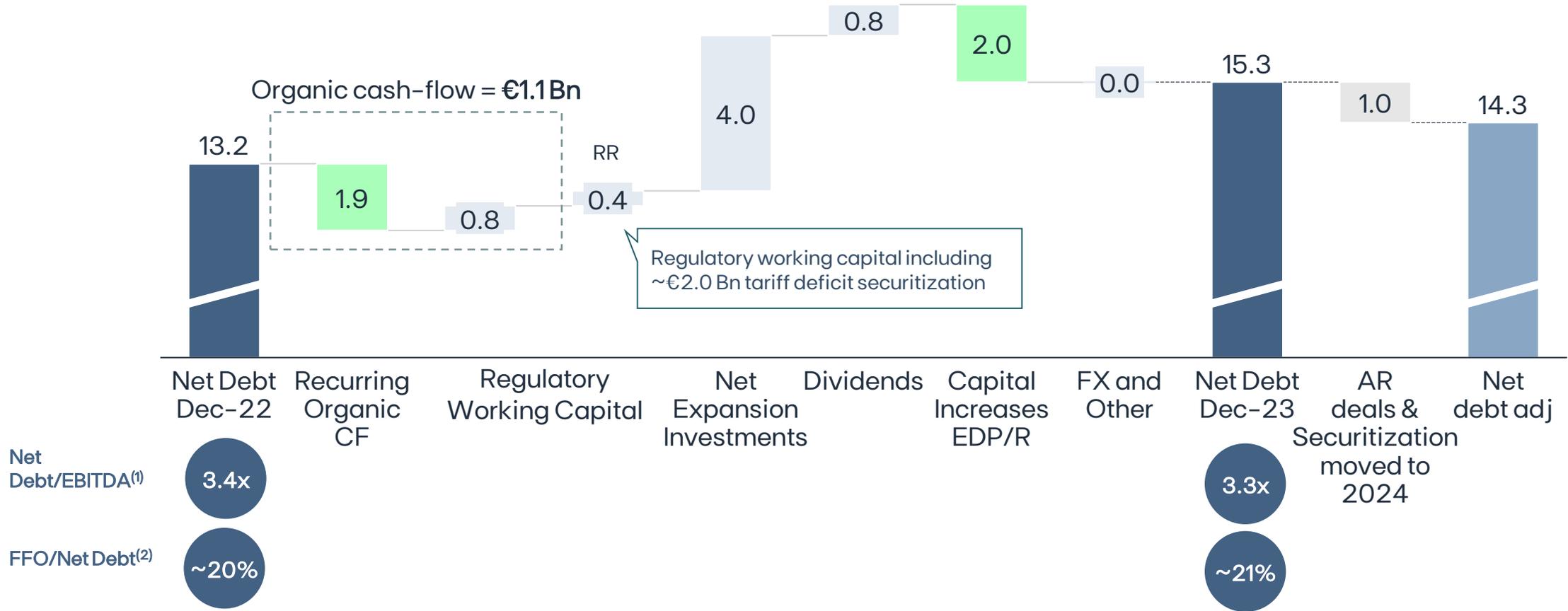
TEI proceeds (€ Bn)



- TEI proceeds of €0.5 Bn in 2023 despite the impact of COD delays
- Option for credit transferability set to expand the investor base
- EDP has been an active player in the market: €1.5 Bn TEI proceeds expected for 2024

# Improvement of credit ratios: Net Debt/EBITDA at 3.3x and FFO/Net Debt at 21% reflecting the capital structure reinforcement with €2 Bn capital increases

## Change in Net Debt € Bn



(1) Net of regulatory receivables; net debt excluding 50% of hybrid bond issues (including interest); Based on trailing 12 months recurring EBITDA and net debt excluding 50% of hybrid bond issue (including interest); Includes operating leases (IFRS-16);  
 (2) FFO/ND formula consistent with rating agencies methodologies, considering EDP definition of EBITDA Recurring

# High financial liquidity at >€10 Bn, supported by >€7bn of available credit lines, covers refinancing needs until 2027

## Financial liquidity

as of Dec-23, €Bn

Cash & Equivalents

3.4

Available Credit Lines

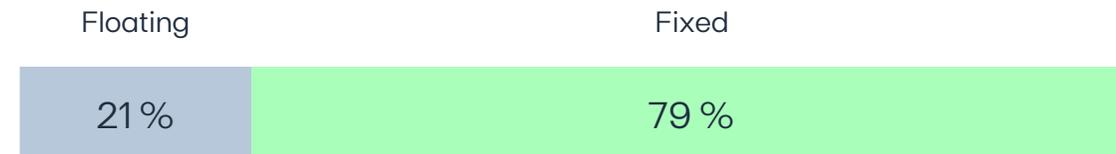
7.1

Total Liquidity

€10.5 Bn

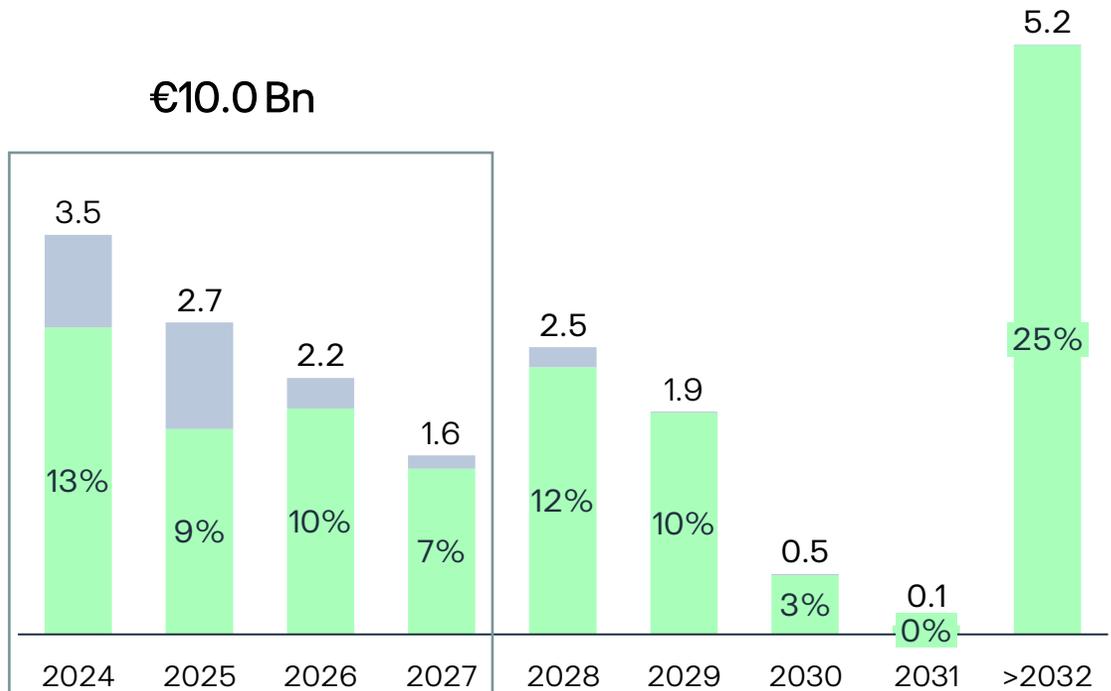
## Avg. nominal debt by interest rate type

as of Dec-23



## EDP consolidated debt maturity profile<sup>1</sup>

as of Dec-23, €Bn



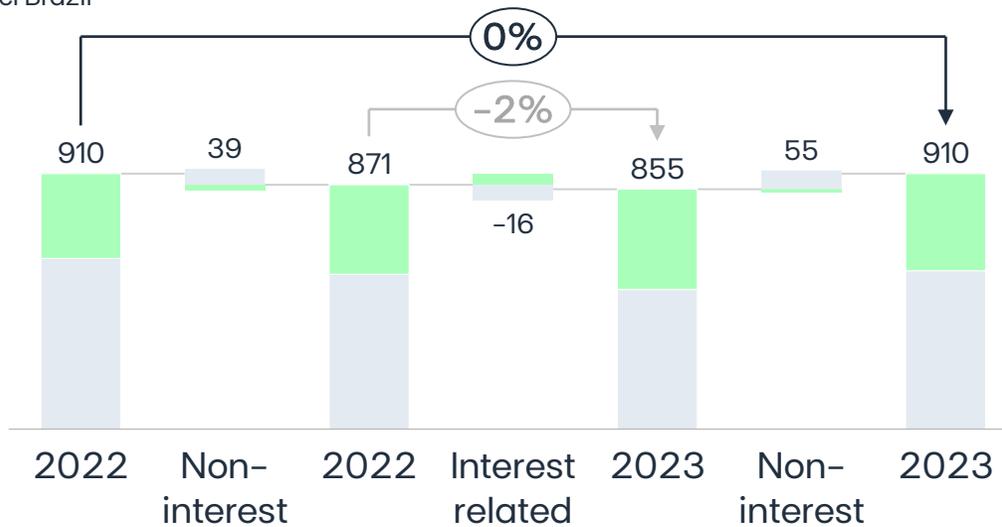
(1) Including hybrids at maturity

# Net financial costs flat YoY: cost of debt increase mitigated by higher capitalized interest due to higher volumes of construction activities

## Net Financial Costs

€m

EDP excl Brazil  
Brazil



Avg. Cost of Debt

4.4%

5.0%

Avg. Cost of Debt Brazil

13.1%

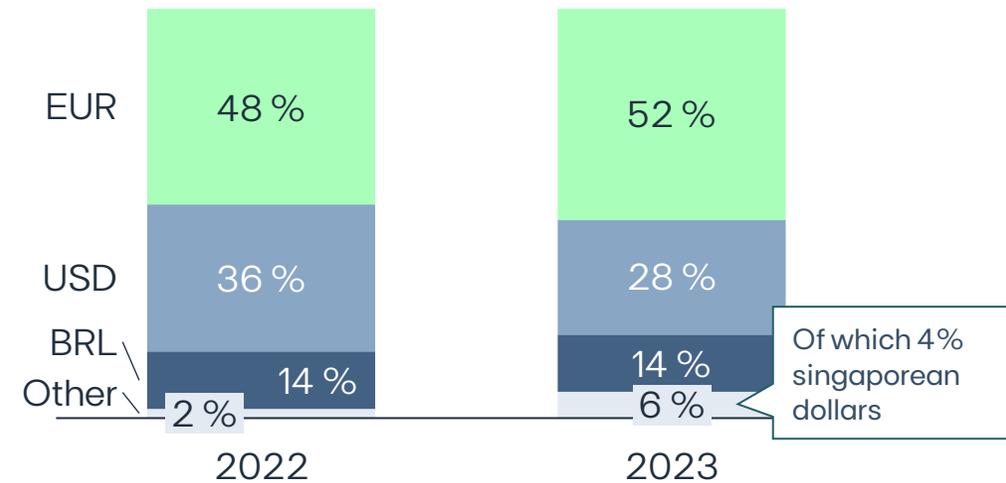
14.8%

Avg. Cost of Debt Excl. Brazil

2.7%

3.4%

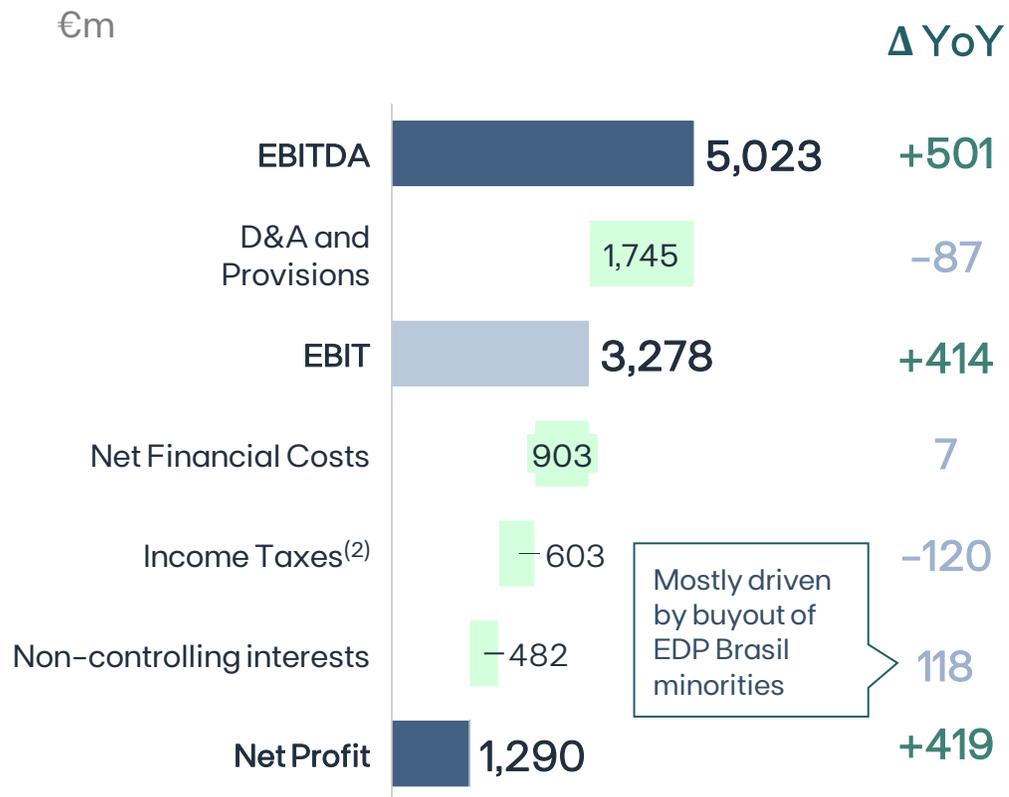
## Avg. nominal debt by currency



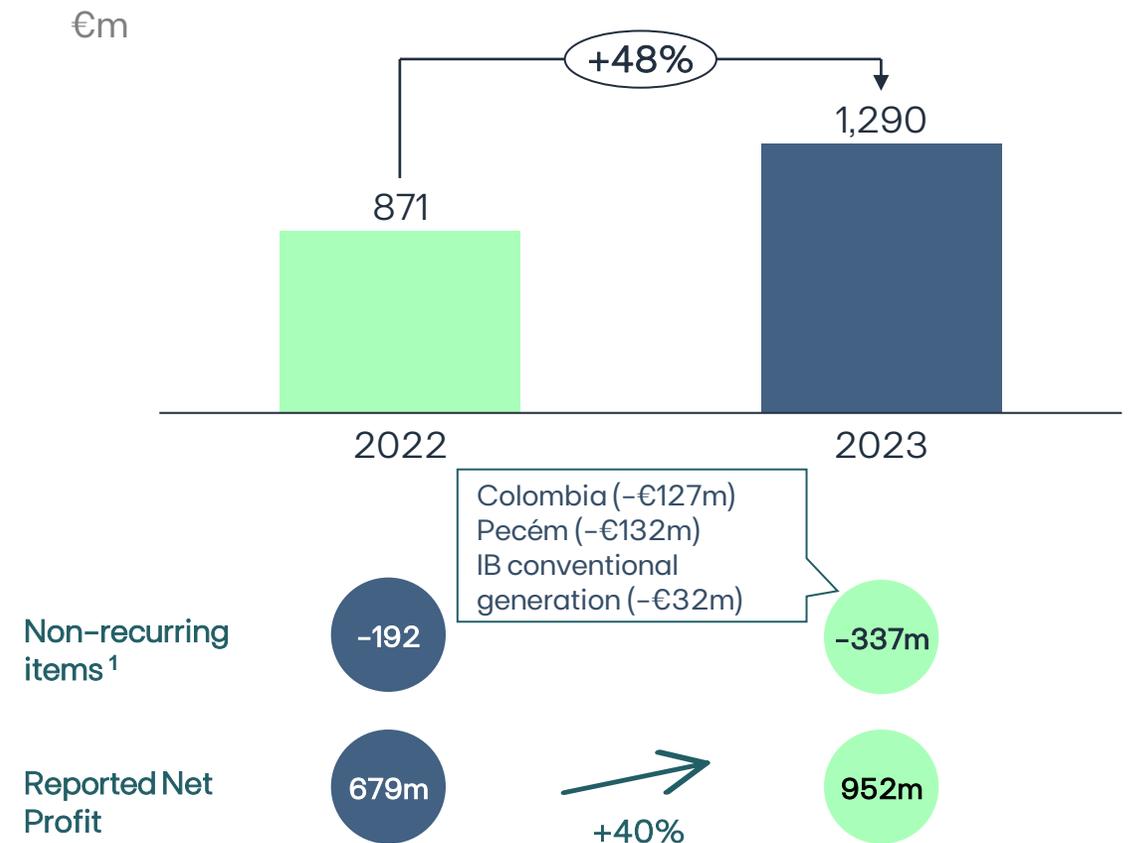
- > Higher weight of EUR debt, with marginal cost of financing decreasing. **Recent issuance: €750m @3.5% coupon, maturing in July 2030**
- > Decline in USD debt weight in 2023, to be reinforced by recent **repurchase of 367m USD debt @6.3% coupon**

# Recurring net Profit of €1.3 Bn, on the back of a strong integrated business rebound, and supported by lower minorities in Brazil since 3Q23

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



## Recurring Net Profit



(1) Adjustments and non-recurring items impact at net profit level: In 2023 +€337m, including: i) Iberian conventional generation net impact (€32m), ii) EDPR impairments (€130m), iii) Pecém impact (€132m) and other impairments (€24m); iv) other one-offs at EDPR (€16m) and in Portugal (€4m). In 2022 -€192m, including: (i) impairments in thermal assets and other (-€154m), impairments in EDPR (-€41m); and others.



# 2023 Closing Remarks

# On track to deliver 2024 guidance

## 2024 Guidance

~€1.3 Bn

Net Profit recurring

**Strong  
integrated  
business  
performance**

*Portfolio optimization,  
high reservoir levels,  
balanced position  
between generation and  
supply*

**Regulated  
Electricity  
Networks  
resilience**

*Networks contributing  
30% to EBITDA, acting as  
a portfolio stabilizer*

**EDP Brasil  
minorities'  
buyout**

*100% earnings  
contribution following  
successful tender offer  
(~€120m impact in Net  
Profit)*

# Q&A

## **IR Contacts**

E-mail: [ir@edp.com](mailto:ir@edp.com)

Phone +351 210 012 834

Site: [www.edp.com](http://www.edp.com)