

# Investor Presentation

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Lisbon, May 2021

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# Successful execution of EDPR Capital Increase well received by the market, de-risking the 21-25 plan and reinforcing our Balance sheet



Positive market feedback and investor appetite...

✓ **€1.5Bn Capital Increase at EDPR**

at a price of **€17.00 /sh** with EDP reducing its stake to **74.98%** and increasing EDPR free float by **~60%**

✓ **€750m Subordinated Green Notes**

1.875% NC 5.5 Green Hybrid

....Reinforcement of Balance Sheet acknowledged by rating agencies



**S&P Upgrades to BBB with stable outlook**



**Fitch Upgrades BBB with stable outlook**



**Moody's revises outlook to positive**



25-Jan

€750m Hybrid

25-Feb

Strategic Update 2021-2025

03-Mar

€1.5Bn ABB at EDPR

16-Mar

S&P Upgrade to BBB with stable outlook

16-Apr

Completion of Capital Increase

11-May

Moody's revises outlook to positive

12-May

Fitch Upgrade to BBB with stable outlook

# +6.4 GW capacity additions secured for 21-25 and Asset Rotation on track at attractive valuations



## Continued Accelerated and Sustainable Growth...

**Strong execution on capacity deployment**

+1.2 GW<sup>(1)</sup> of Wind & Solar net capacity added over the last 12 months

+3.2 GW<sup>(1)</sup> Added in 1Q21 + Capacity Under Construction as of Mar-21

**LT contracts: 6.4 GW secured for 21-25 (32% of the 20GW target)**

+0.5 GW PPA signed in Mar/Apr-21

+0.4 GW

+0.1 GW

+2.5 GW PPAs under negotiations & shortlisted

## ~€1.1Bn deals signed with closing in 2021 & expected gains of ~€0.2Bn



2021  
Indiana Crossroads Wind B&T

NIPSCO  
Signed in Oct-19



2021  
Bright Stalk & Harvest Ridge

Greencoat Capital  
Signed in Apr-21



2021  
Riverstart

CCL  
Signed in Sep-20



2022  
Indiana Crossroads Solar B&T

NIPSCO  
Signed in Mar-21



First deal announced in US post CMD at attractive valuation



Additional deals in Europe in advanced stage

On track to deliver >€300m in 2021

Key Targets by 2025

20GW Gross Additions

€8 Bn AR proceeds

(1) EBITDA MW + Equity MW. (2) May be upsized to 80%.

# We will keep delivering attractive returns and sound contracted profile

## Clear investment framework and strong track record...

	Achieved <sup>1</sup>	Threshold	
<b>Attractive returns</b>	IRR/WACC	<b>&gt;1.4x</b>	1.4x
	IRR-WACC	<b>~250 bps</b>	≥200 bps
	NPV/CAPEX	<b>~30%</b>	25%
<b>Sound contracted profile</b>	Contracted period	<b>~22 yr</b>	>15 yr
	Contracted NPV	<b>&gt;70%</b>	>60%

## ... being selective in value-accretive opportunities

Broad reach	Multi-tech >5 RES technologies	Multi-geo 20 countries	Multi-product Government tenders, corporate PPAs, competitive processes
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**Selective growth**  
% of CAPEX

**~55%** bids vs. total investment opportunities (2020)

1. On projects approval in 2019 and 2020

# Continued political support towards decarbonization with positive developments for the overall sector



29-Mar Biden Administration pushes for US targets **30 GW of offshore** wind by 2030

02-Apr Initial details of the **\$2.25 trn American Job Plan**



- 10Y extension** and phase down of ITC & PTC wind, solar & fuel cells
- A "direct-pay" of tax credits
- \$100Bn** in US power infrastructure
- A new tax credit for **energy storage**

22-Apr **Net zero emissions by 2050** and cut U.S. **GHG emissions by 50-52%** from 2005 levels by 2030

Mar/Apr **NextGen EU Funds** (€ 750 Bn) focused at least 37% in Climate transition and 20% on Digital transition

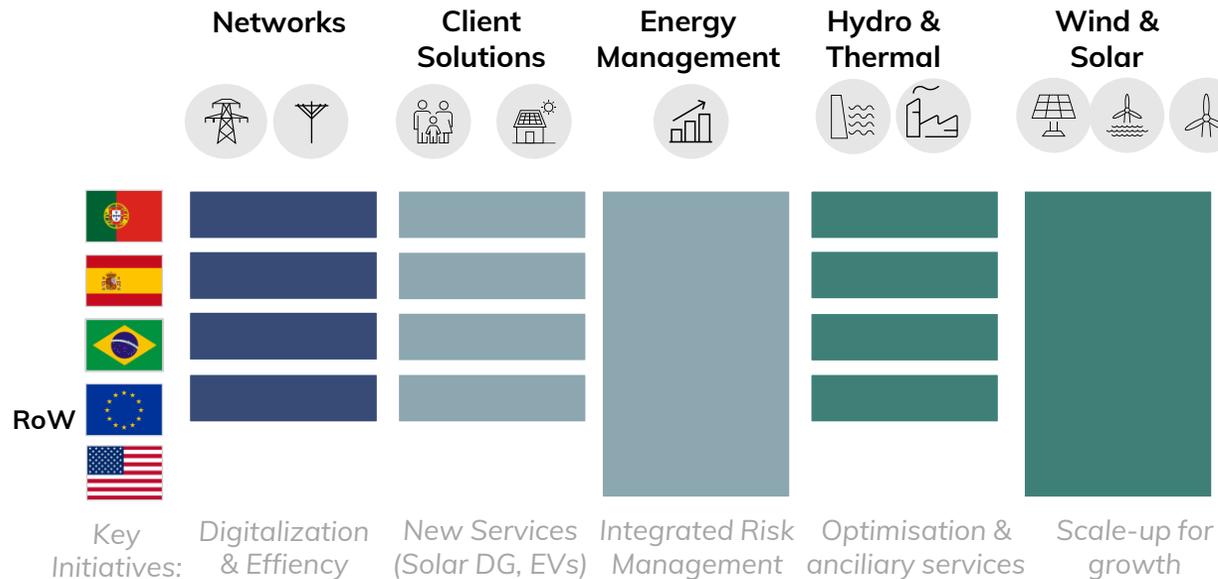


- EDP is **accessing opportunities** across its **business and geographies** with an extensive pipeline already identified
- Multiple geographies including **Portugal & Spain** have already submitted Recovery & Resilience Plans

# Organizational alignment with global business platforms in place together with a clear roadmap to deliver the next growth cycle



## ✓ Structure simplification and organizational alignment with global business platforms to drive further transformation



## ✓ 40 Global initiatives launched to fast-track execution

- Fostering agility and accountability
- Transformative step-up
- EBD Sponsorship



Driving organizational change to fast-track execution

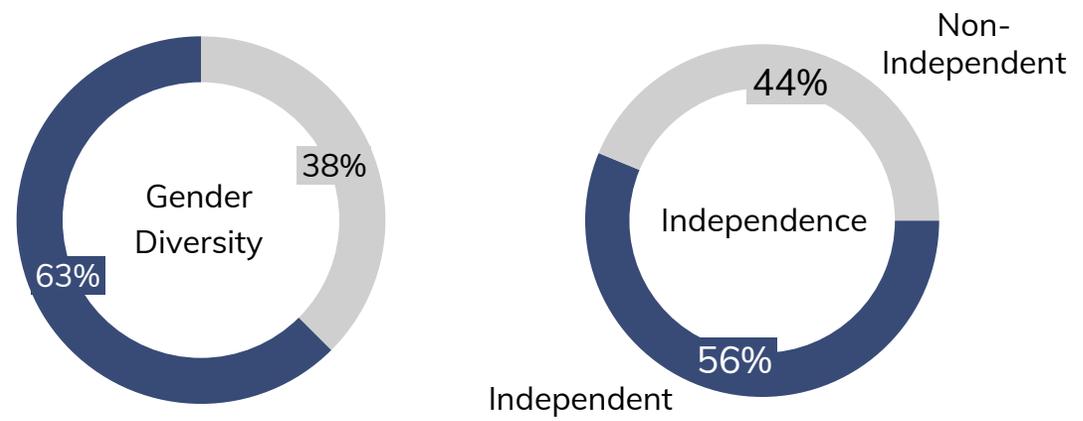
# Important milestones achieved on EDP's commitment to implement the best Governance standards

## ✓ Newly appointed General Supervisory Board

**Dual Model of Corporate Governance**, ensuring separation of functions and specialization of supervision

➔ **GSB** n° of members decreased from **21** to **16**  
 Combined n° of members from **EDP & EDPR main corporate bodies** reduced from **45** to **33**

➔ **Majority of independent members reinforced**

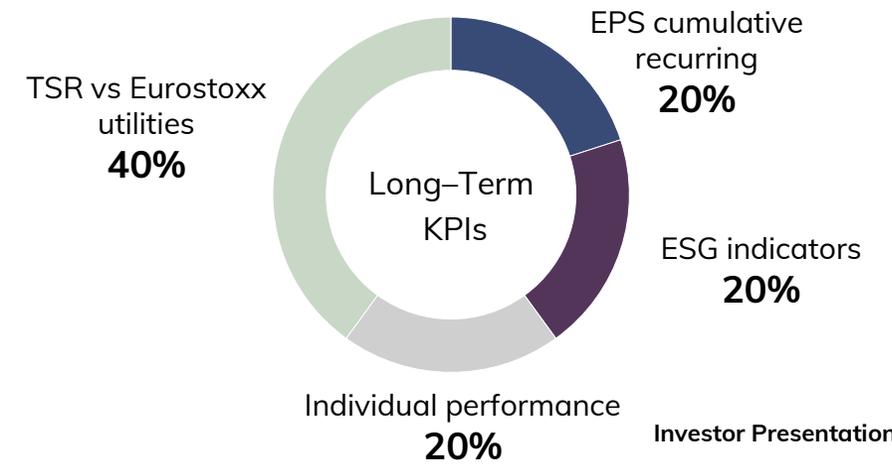


## ✓ New EBD's remuneration policy in line with best practices

➔ Long-term incentive settled in **shares with deferred payment**

➔ **Three year period** for the assessment of long-term performance

➔ **ESG** linked compensation (% RES Share, CO<sub>2</sub> Emissions reduction, Gender Diversity, amongst others)



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



Accelerated and sustainable growth

## Key figures and targets

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

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

€8 Bn asset rotation

BBB rating in the short term

## 1Q21

€0.7 Bn (93% in RES + Networks)

6.4GW secured (32%) & +3.2 GW added YTD+U/C

~€1.1 Bn signed, other deals on track

Rating upgrades to BBB by S&P & Fitch



Future-proof organization

Structure **simplification** and organizational **alignment**

Changing tomorrow now – 40 Global initiatives launched to **fast-track execution**



ESG excellence and attractive returns

Coal free by 2025

Carbon neutral by 2030

€0.19/share dividend floor

Coal Revenues -37% YoY to 4%

85% Renewables Generation (+6pp)

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

(1) 2021-25 | (2) FFO/ND formula consistent with rating agencies methodologies, considering EDP definition of EBITDA Recurring.

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

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

1. Including financial investments

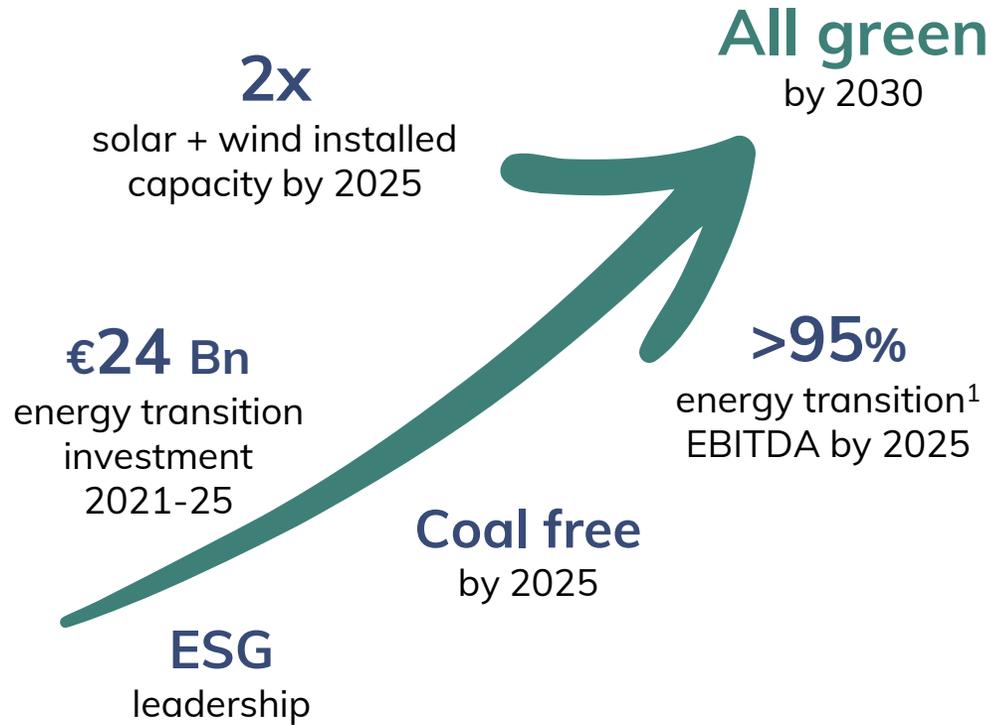
2. EBITDA and Net Income adjusted by disposed portfolios in 2020 (6 hydro plants, B2C portfolio and 2 CCGTs in Spain); CESE at net income level as recurring cost

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

Note: Recurring EBITDA and Net income

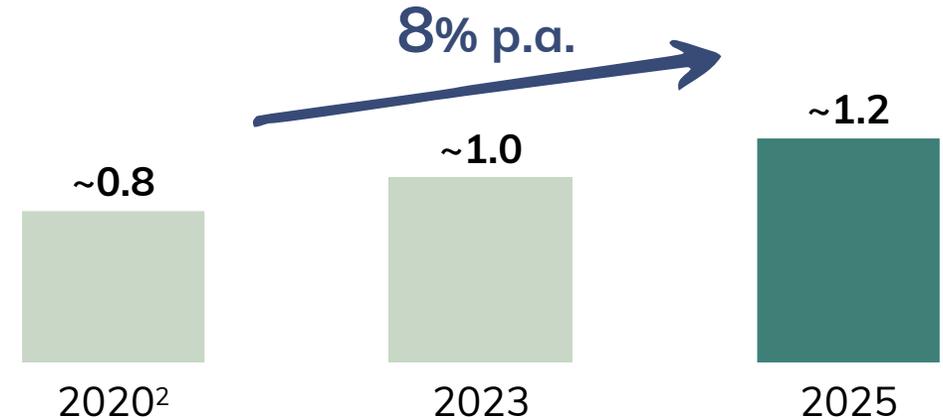
# We will deliver superior value to our shareholders

Superior green positioning and accelerated growth...



... delivering strong earnings growth...

Net income<sup>2</sup>, € Bn



... with an attractive dividend policy

**€0.19/share**  
dividend floor

**75-85%**  
target payout

**Sustainable  
EPS growth  
to deliver  
DPS increase**

1. EDP EBITDA excluding thermal generation

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

# We are stepping up to the challenge



Leading the energy transition  
to create superior value

*All green by 2030*

By 2025

**€24 Bn**

CAPEX in energy transition

**4 GW/yr**

renewables deployed

**Double**

solar+wind installed capacity

**Coal free**

By 2030

**>50 GW**

renewables additions

**100%**

renewables generation

**100%**

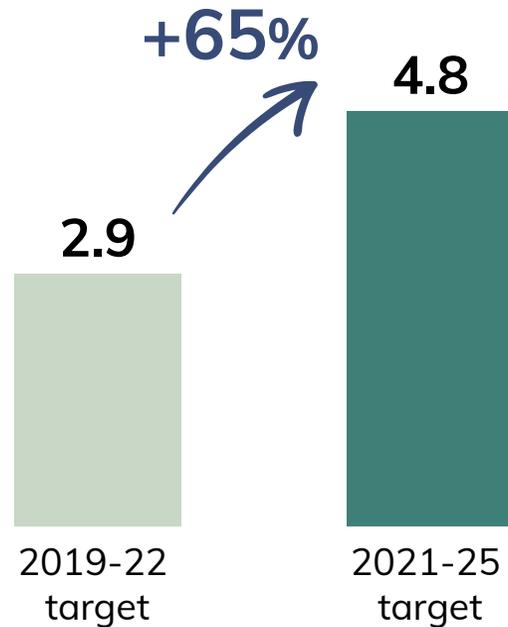
energy transition EBITDA

**Carbon neutral**

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

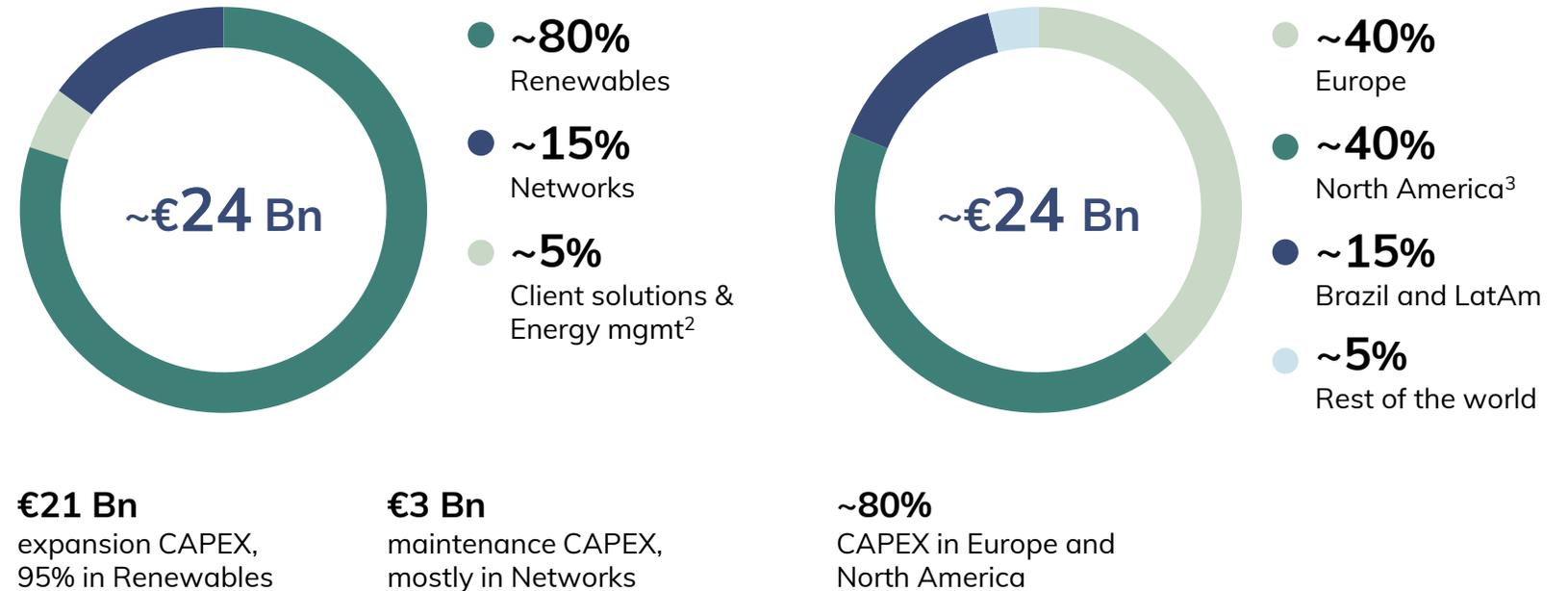
## Significant investment acceleration...

CAPEX<sup>1</sup>, € Bn/yr



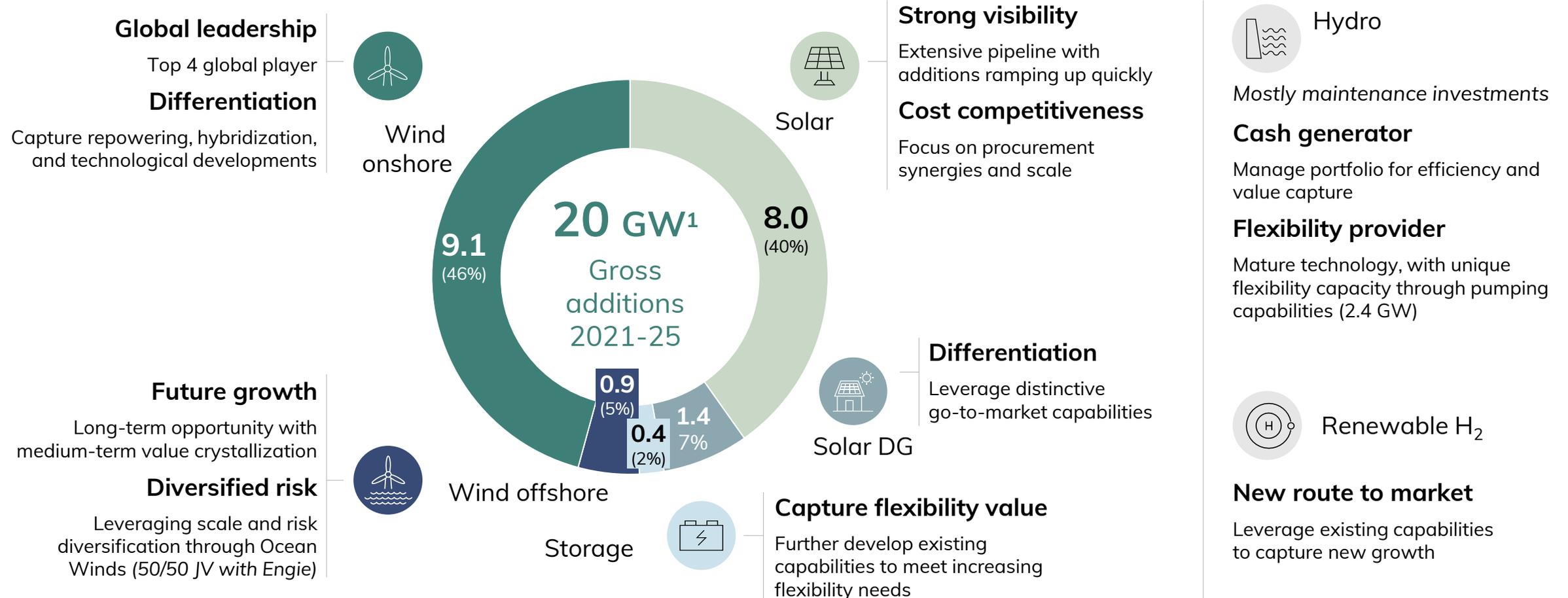
## ... with strong focus on Renewables, across key markets in Europe and North America

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



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

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



1. EBITDA + Equity GWs

# We have +6.4 GW capacity additions secured (32%) evenly split per geography

## North America

2.6  
GW

30% secured



1.2 GW

1.4 GW

0.2 GW  
post 2025

## LatAm

1.6  
GW

55% secured



1.3 GW

0.3 GW

## Europe

2.1  
GW

32% secured



1.2 GW

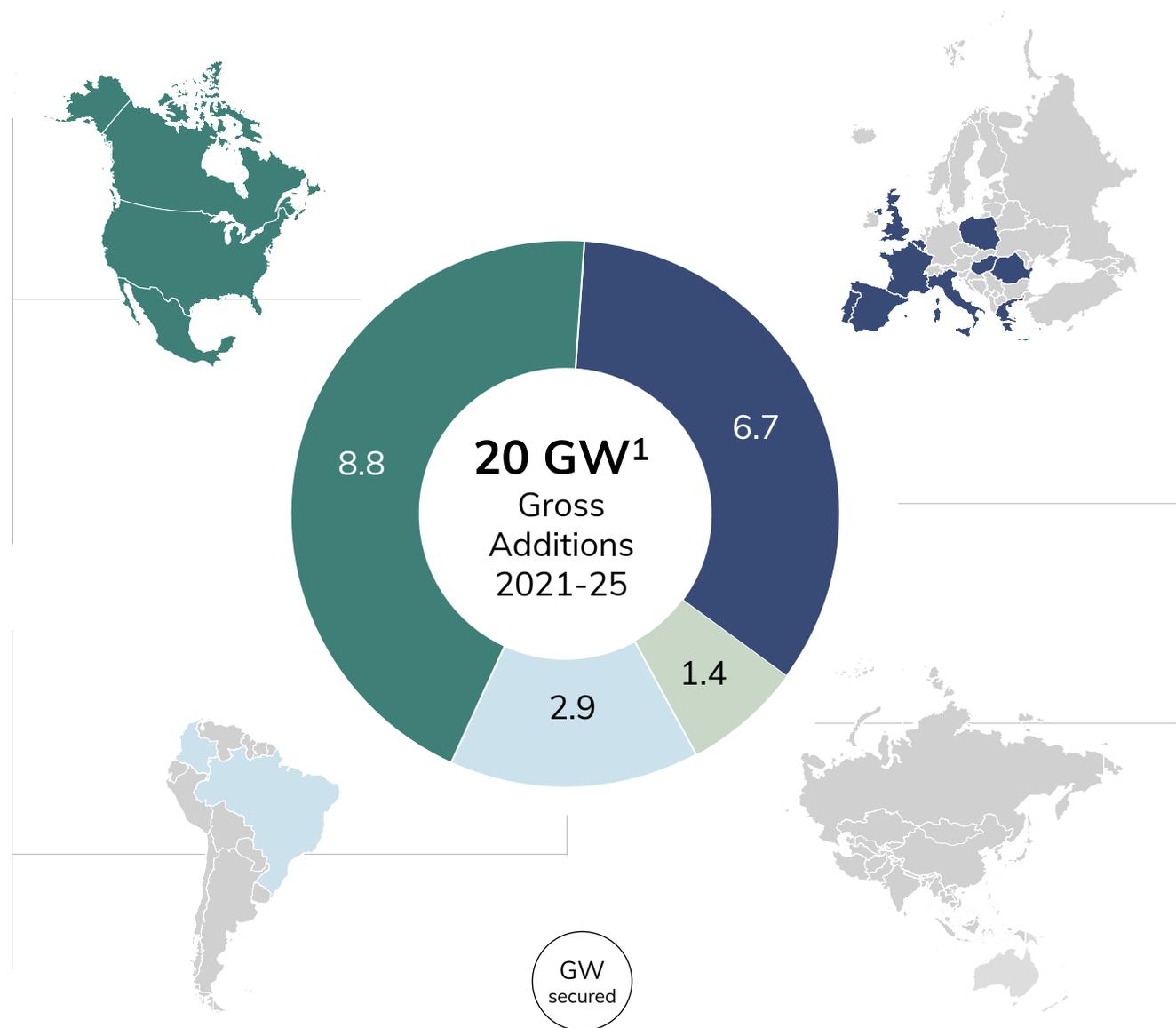
0.6 GW

0.3 GW

0.3 GW  
post 2025

## Rest of World

Evaluating several opportunities to enter in new markets



GW  
secured

1. EBITDA + Equity GW

# We will strengthen our leadership position in wind onshore



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

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

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

+2.8  
GW ~30%



  
**Europe**  
 4.9 GW

+3.4  
GW ~40%



  
**LatAm**  
 0.4 GW

+2.2  
GW ~25%



**Rest of world**

+0.7  
GW ~5%

18  
 GW

... consolidating leadership and exploring growth opportunities

Consolidate position as **global Top Wind player**

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

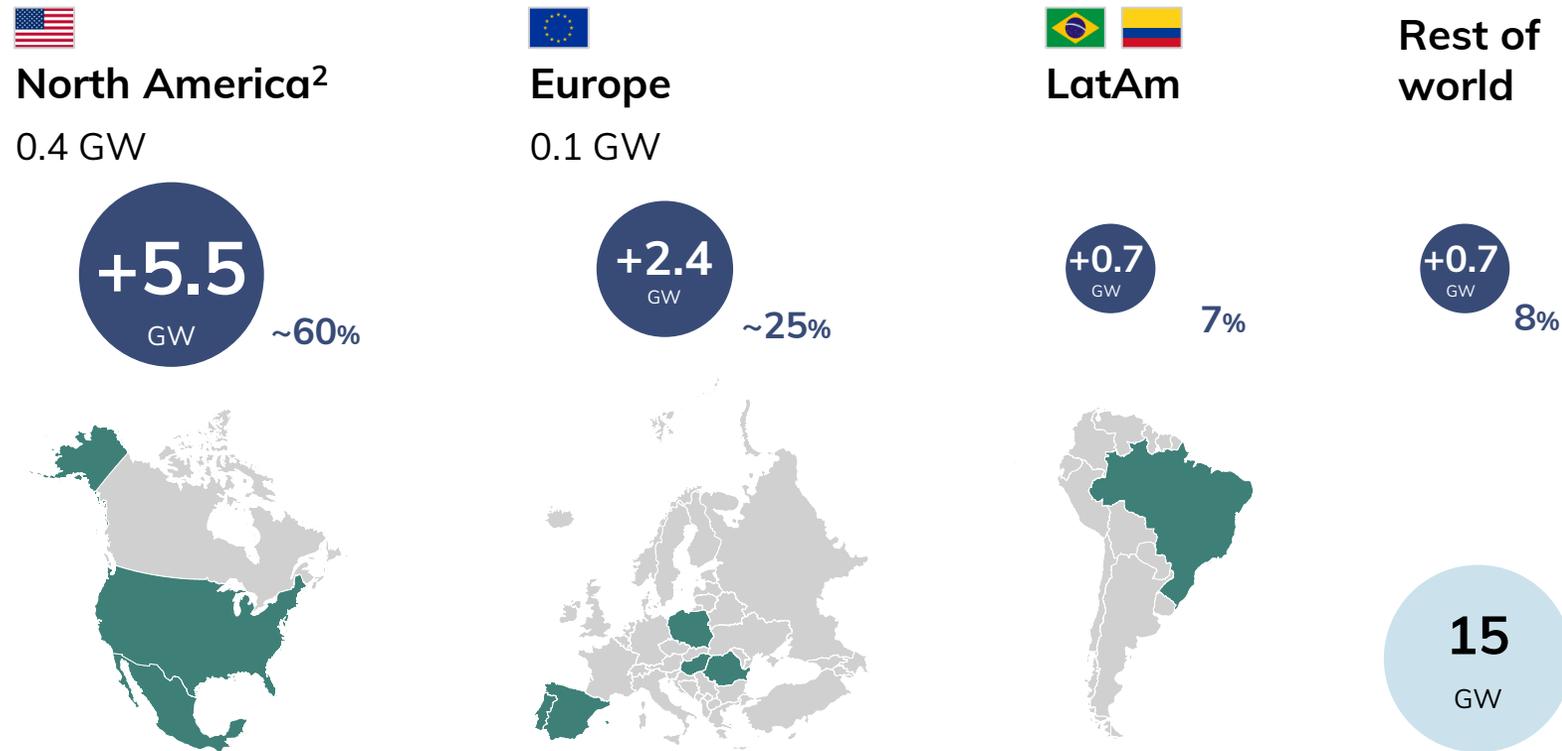
Capture **growing repowering, hybridization opportunities,** and technological developments

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

# We will build a sound market presence in Solar

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

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



## ... adopting a differentiated approach to clients

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

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

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

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

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



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

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

### Project visibility for 6.6 GW of capacity

Name	Country	MW gross	% OW	COD	
<span style="color: purple;">●</span> Windplus		25	85%	2020	✓
<span style="color: purple;">●</span> SeaMade <sup>1</sup>		487	18%	2021	✓
<span style="color: green;">●</span> Moray East		950	57%	2022	✓
<span style="color: blue;">●</span> EFGL		30	80%	2023	✓
<span style="color: blue;">●</span> Noirmoutier		496	61%	2025-26	✓
<span style="color: blue;">●</span> Moray West		871	62% <sup>2</sup>	2025-26	
<span style="color: blue;">●</span> Mayflower		1,336	50%	2025-26	✓
<span style="color: blue;">●</span> Le Tréport		496	61%	>2025	✓
<span style="color: blue;">●</span> B-Wind		200	100%	>2025	
<span style="color: blue;">●</span> C-Wind		200	100%	>2025	
<span style="color: blue;">●</span> KF Wind		1,500	61%	>2025	

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

OW pipeline  
**24**  
GW

## ... with results already in place

Pursuing greenfield development, while assessing other opportunities

Construction progressing on schedule despite Covid challenges

Early mover advantage in Floating with Greenfield projects in multiple geographies

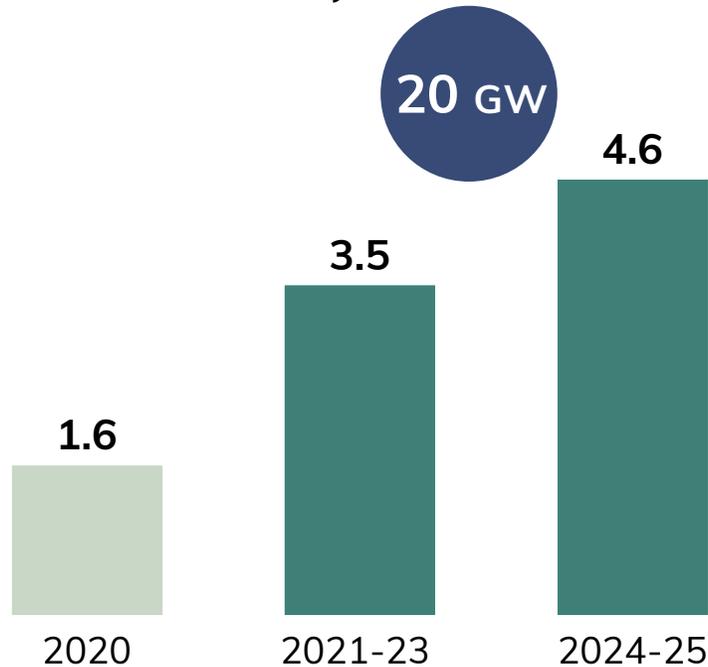
Financing via project finance and Equity Bridget Loans at asset level during construction

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

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

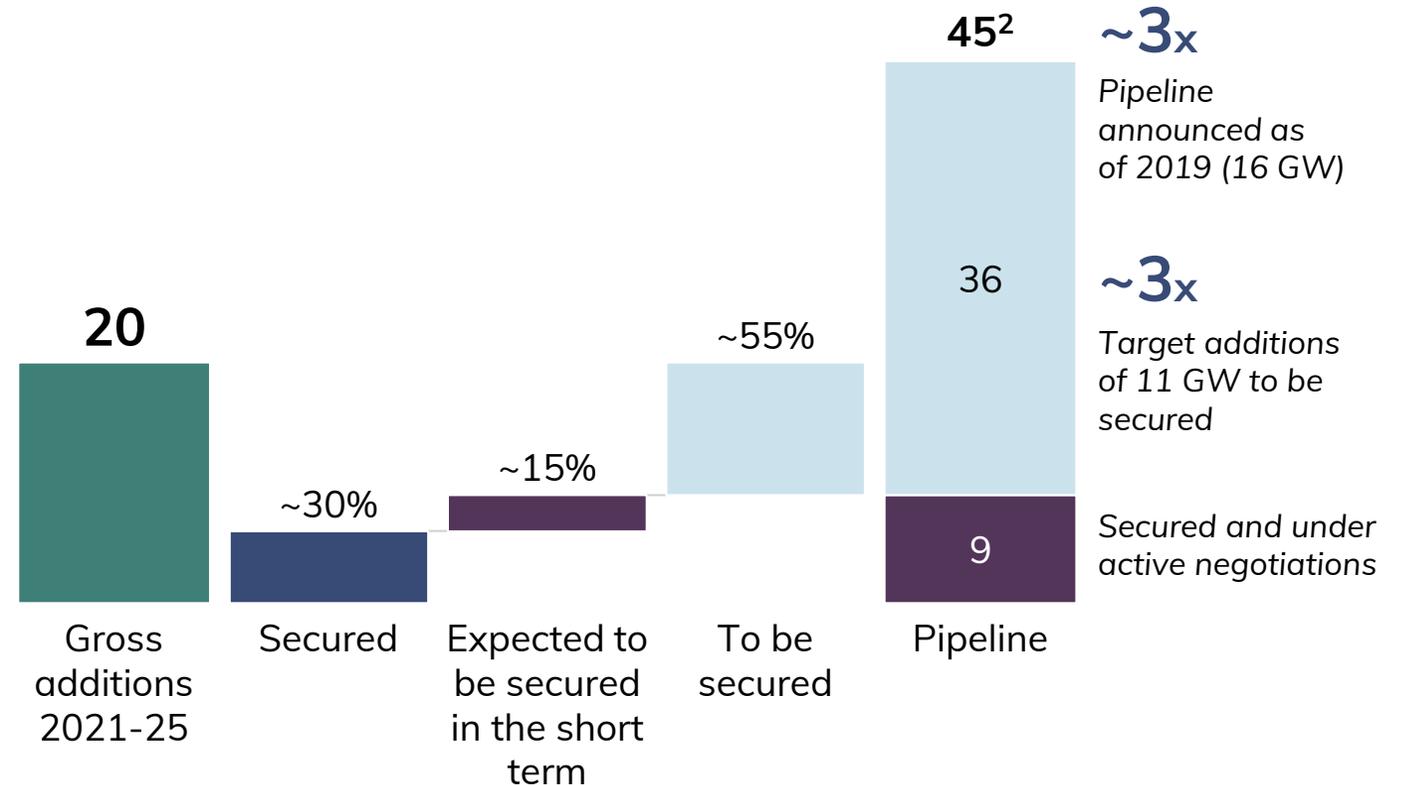
## Step-up growth in renewables...

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



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

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



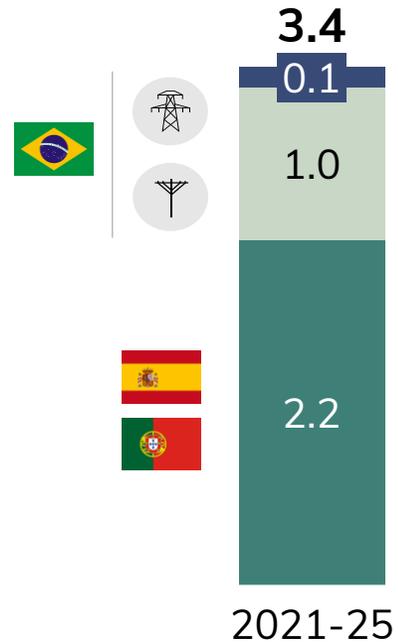
1. EBITDA MW + Equity MW  
 2. Includes the 50% stake in Ocean Winds JV with Engie for wind offshore projects

# Networks - Key highlights

+xx Growth, 2020-25

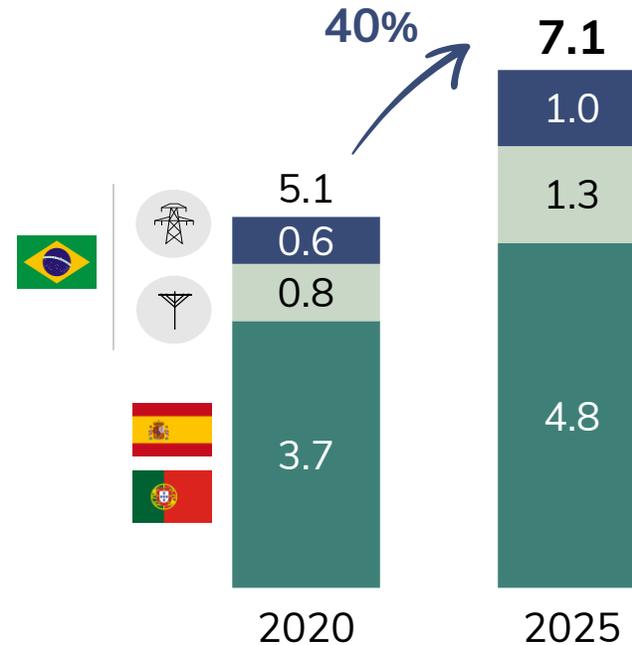
## ~€0.7 Bn annual organic CAPEX

CAPEX<sup>1</sup>, € Bn



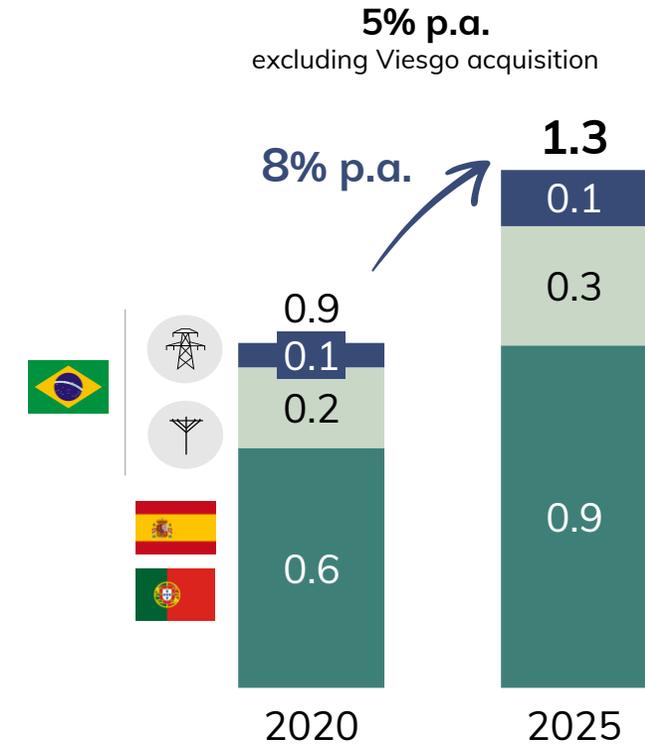
## Regulated Asset Base to increase by ~€2 Bn

RAB<sup>2</sup>, € Bn



## EBITDA to increase by 50%

EBITDA, € Bn



1. Includes financial investments

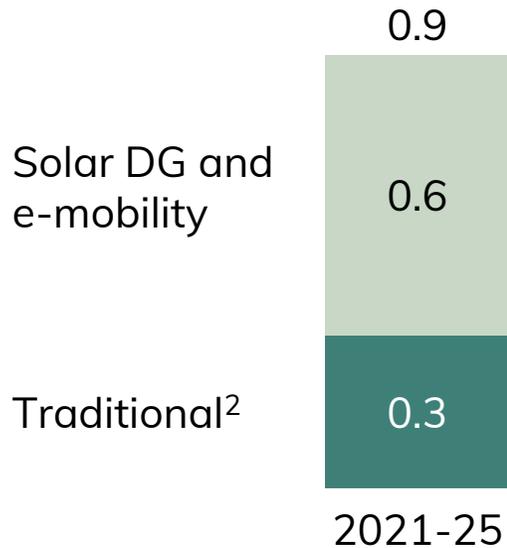
2. Transmission based on awarded CAPEX

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

# Client Solutions & Energy Management - Key highlights

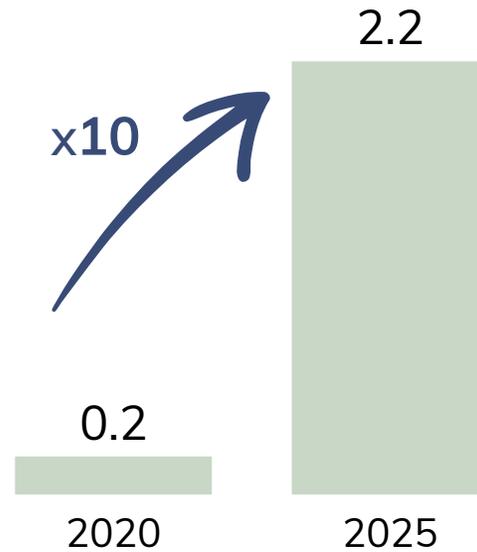
## ~€0.2 Bn annual CAPEX

CAPEX, € Bn<sup>1</sup>



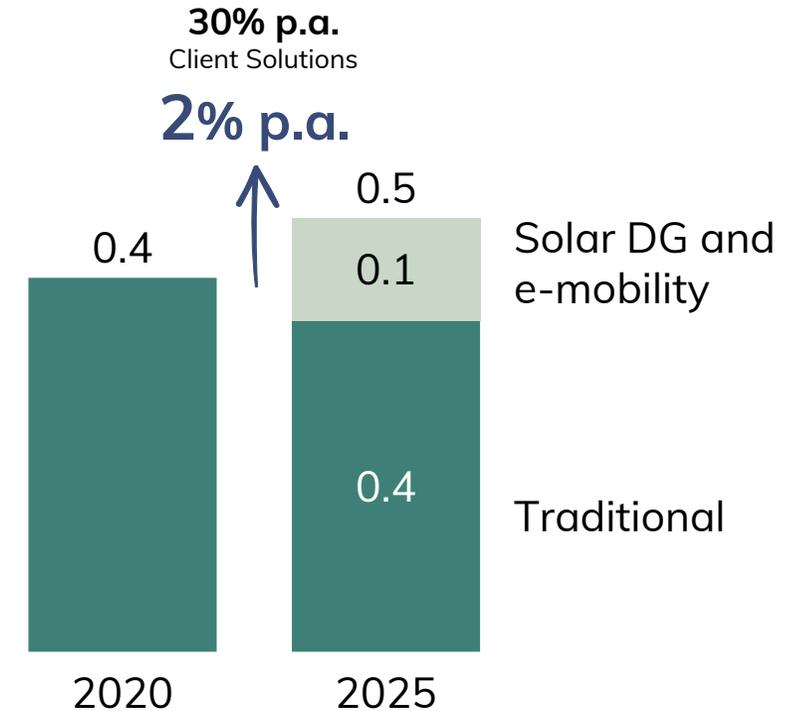
## Step-change growth in Solar DG

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



## EBITDA to increase by 15%

EBITDA, € Bn



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

# Recurring EBITDA -8% YoY (flat ex-forex), US renewables penalized by *edp* ERCOT event/low load factors, normalization of Energy Management Iberia

Recurring EBITDA<sup>(1,2)</sup> €m

YoY growth, %

**-8%YoY**  
(ex-forex ~0%)

Δ YoY



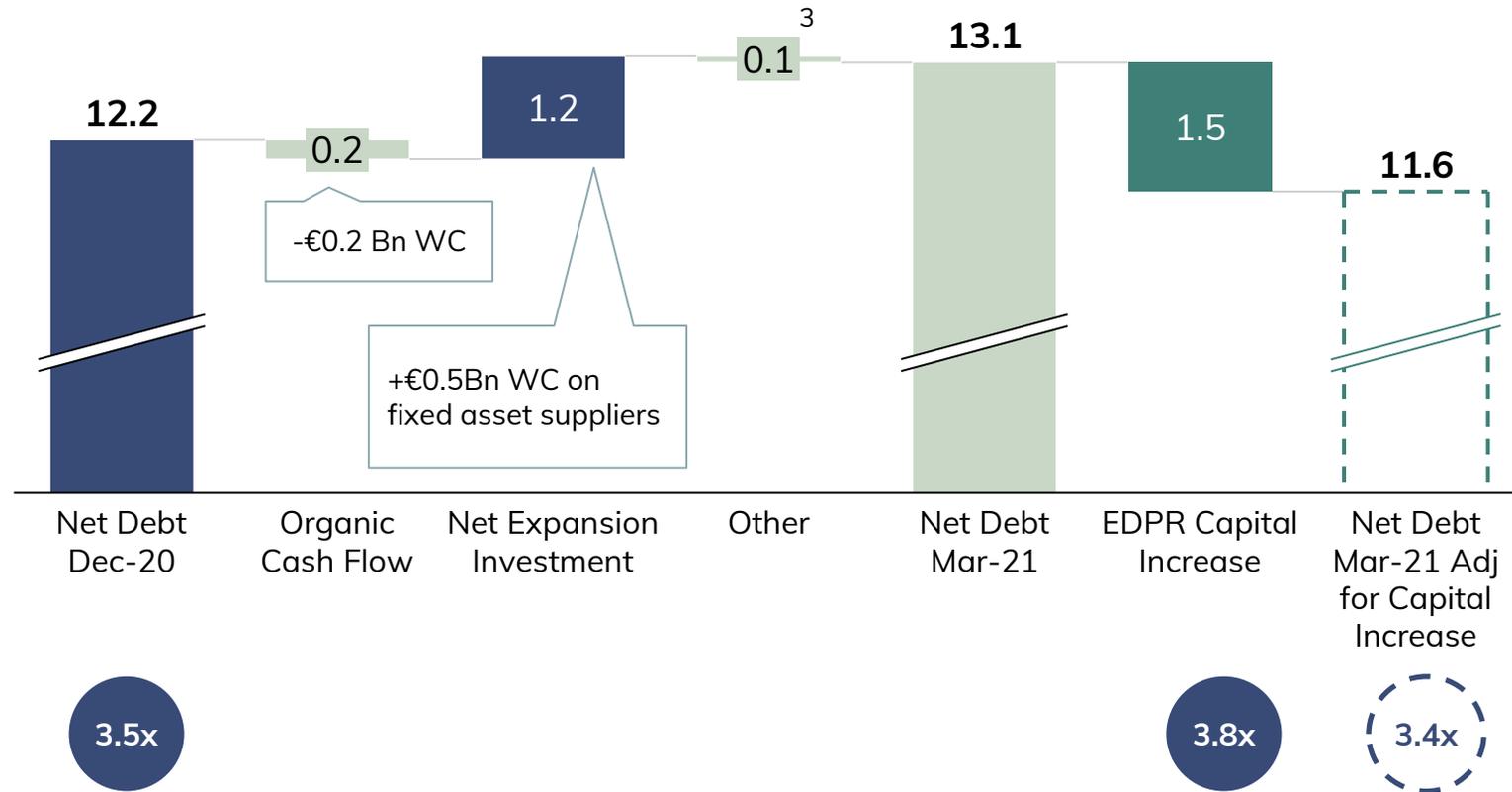
(1) Adjustments and Non-recurring items include: (i) 1Q20 Adjustment by the EBITDA correspondent to the 6 hydro plants sold in Portugal (€56m) and the EBITDA correspondent to 2 CCGTs and B2C portfolio in Spain sold to Total (€11m); (ii) 1Q21 non-recurring of +€21m related to the gain from the sale of a 50% stake in the energy supplier CHC in Spain to our partner CIDE | (2) FX impact on EBITDA €70m.

# Net Debt increase mostly explained by cash capex & working capital optimization in the context of high financial liquidity

Adj. Net Debt / EBITDA  
x

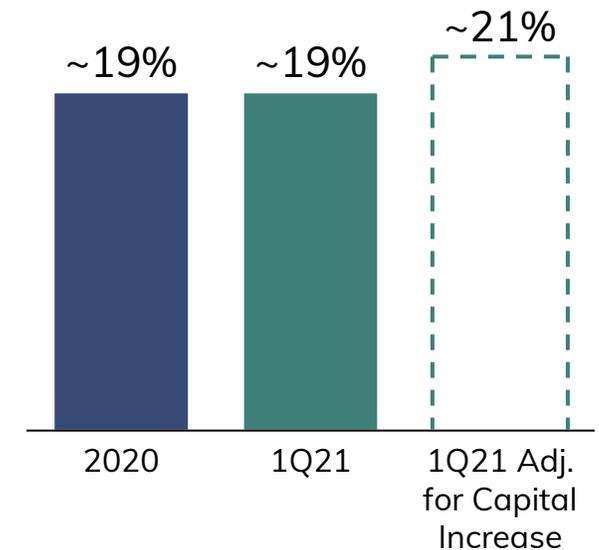
## Change in Net Debt (1)

€Bn



## FFO/Net Debt (2)

%

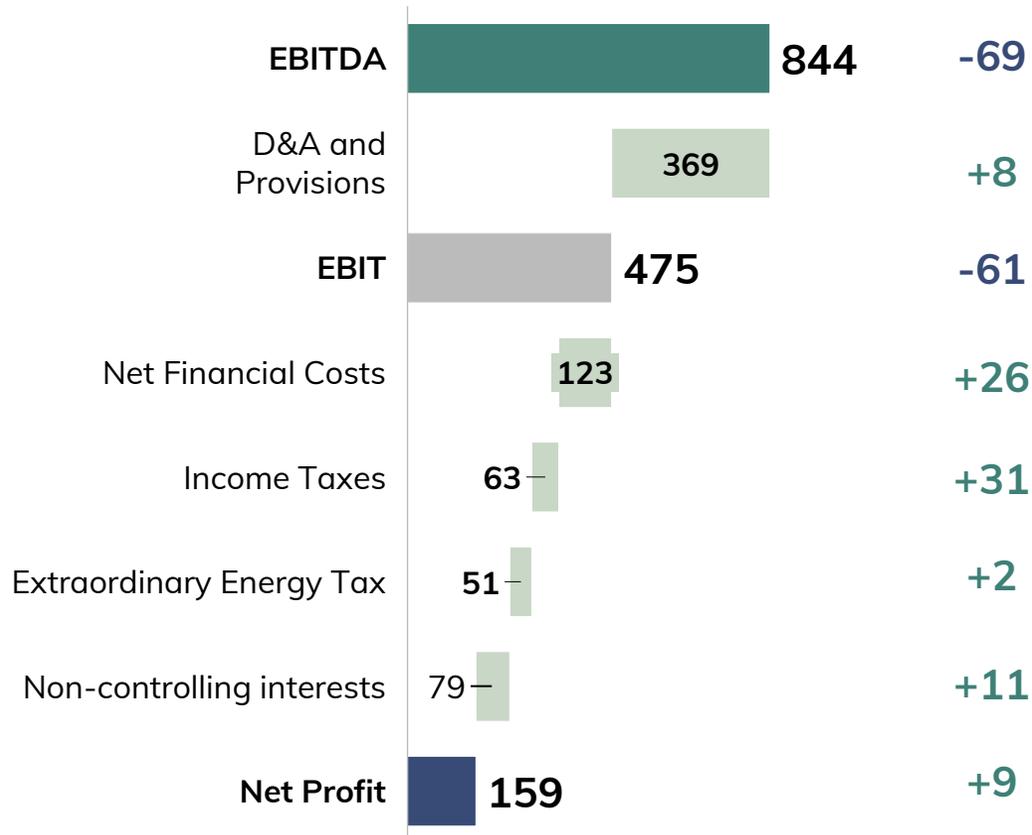


(1) Net Debt Adjusted by Regulatory Receivables/(Liabilities) and including Lease liabilities / EBITDA Recurring | (2) FFO/ND formula consistent with rating agencies methodologies, considering EDP definition of EBITDA Recurring and adjusted by 1.5 bn EDPR ABB | (3) Includes Hybrid -€0.4 Bn, Regulatory receivables +€0.2Bn and Effects of FX €32m.

# Recurring Net Profit +6% benefitting from improved financial results and lower effective tax rate

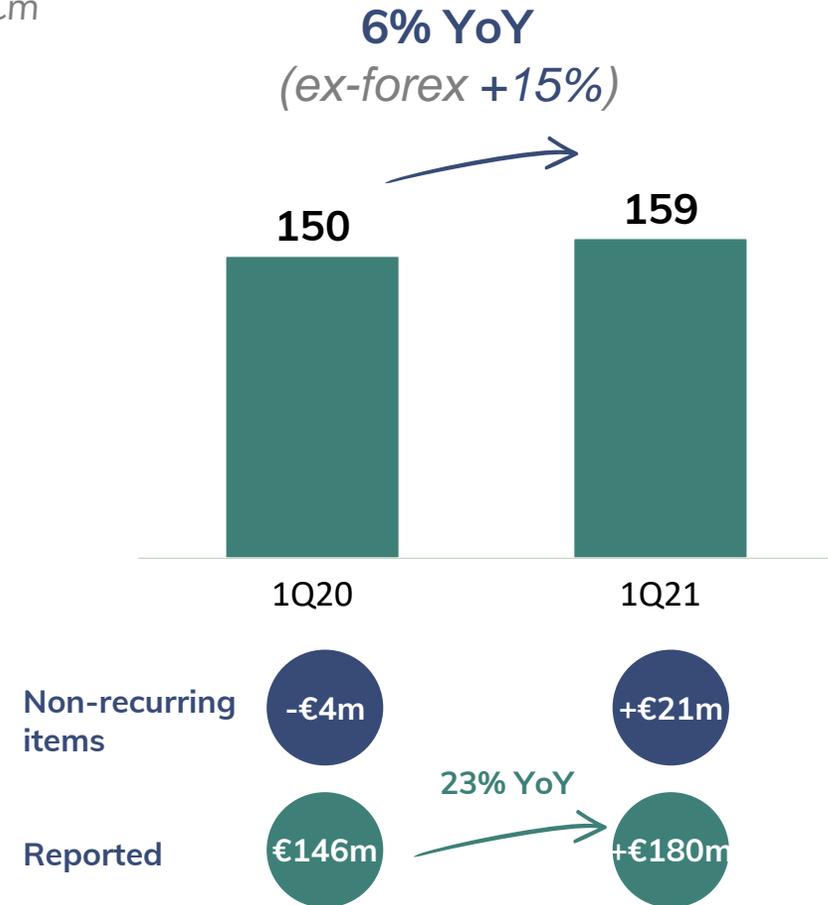
## Recurring Net Profit (1) Δ YoY

€m



## Recurring Net Profit (1)

€m



(1) Adjustments and Non-recurring items include: 1Q20 (i) Adjustment for the two disposals closed in December 2020, the 6 hydro plants in Portugal and the 2 CCGTs and B2C portfolio in Spain sold to Total of +€41m and (ii) Non-recurring item of -€45m, related to liability management costs; 1Q21 non-recurring of +€21m related to the gain from the sale of a 50% stake in the energy supplier CHC in Spain to our partner CIDE.



*edp*



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