



9M18

Financial Results

Conference call and webcast

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Key Operational Data	9M18	9M17	Δ %	Δ Abs.
Installed capacity (MW)	26,974	26,490	2%	+484
Weight of Renewables (1)	74%	73%	1%	1p.p.
Production (GWh)	54,068	51,418	5%	+2,650
Weight of Renewables (1)	66%	56%	19%	11p.p.
Customers supplied (thous.)	11,428	11,422	0%	+6
Customers connected (thous.)	10,301	10,199	1%	+102

Key Income Statement data (€ m)	9M18	9M17	Δ %	Δ Abs.
Gross Profit	3,862	4,122	-6%	-260
EBITDA	2,410	3,269	-26%	-859
EBIT	1,078	2,213	-51%	-1,135
Financial Results & Equity results	(434)	(582)	25%	+148
Income taxes & CESE (2)	115	245	-53%	-130
Non-controlling Interest	231	239	-3%	-8
Net Profit (EDP Equity holders)	297	1,147	-74%	-849

Key Performance indicators (€ m)	9M18	9M17	Δ %	Δ Abs.
Recurring EBITDA (3)	2,428	2,571	-6%	-143
Iberia (Ex wind & Solar) & Other	1,104	1,116	-1%	-12
Wind & Solar	869	991	-12%	-121
Brazil	455	464	-2%	-9
Recurring net profit (3)	570	558	2%	+12
OPEX (4) Performance				
OPEX Iberia (€ m)	630	646	-2%	-16
Core OPEX/MW (€/MW) - Wind & Solar	31	31	2%	+0
OPEX Brazil (BRL m)	799	806	-1%	-7

Key Balance Sheet Data (€ m)	Sep-18	Dec-17	Δ %	Δ Abs.
Net debt	14,505	13,902	4%	+603
Adjusted net debt/EBITDA (x) (5)	4.3x	3.7x	16%	0.6x

EDP group results in the 3Q18 are materially impacted by the Secretary of State for Energy (SSE) Order from 29-Aug-18, quantifying at €285m the financial impact of an alleged overcompensation of the CMECs (details on page 11). EDP was notified by DGEG about this decision on 26-Sep-18 and, even though EDP considers that there were no innovative features weighted in the annual adjustments or in the final adjustment of the CMEC and has submitted an Administrative Appeal, EDP has booked a €285m one-off provision in 3Q18. The impact of this provision on net profit amounts to €195m, dragging 9M18 net profit to €297m in 9M18. Excluding this impact, other one offs effects (as per page 4) and the 9M17 contribution from gas networks in Iberia (disposed of during 2H17), **recurring net profit increased by 2% YoY, to €570m in 9M18**, as growth at EDP Brasil and market improvement in Iberia outstood the effect from adverse regulatory developments in Portugal, announced in 4Q17, and weak wind resources at EDPR.

In 9M18, EDP continued to implement its growth strategy focused on renewable energies and Brazil. **Total installed capacity increased by 2% YoY (+0.5GW YoY, all wind & solar) to 27GW in Sep-18, raising the weight of renewables to 74%.** In terms of **total production, the weight of renewables advanced 11pp YoY, to 66% in 9M18.** EDP keeps focused in improving customers' satisfaction, the quality of services provided and enhancing customers engagement, leveraging on its **customers portfolio of 11.4 million** contracts spread throughout Iberia and Brazil.

EBITDA in 9M18 reached €2,410m. Excluding the contribution from Iberian gas networks disposed over the 2H17 and one-off impacts (as per page 3), recurring EBITDA fell 6% (-€143m) YoY, to €2,428m in 9M18, fully in line with the negative forex impact in the period (-6% or -€132m, prompted by BRL and, to a lower extent, USD depreciation vs. the Euro). In 9M18, EBITDA performance further reflected the positive effect from i) hydro recovery and strong OPEX performance in Iberia, ii) strong underlying growth in Brazil (local currency) and iii) benefits from portfolio expansion, particularly in wind & solar. These positives were nevertheless offset by regulatory cuts in Portugal (-€169m YoY recurring), low wind resources (particularly in 3Q18: 11% below P50, a 6-year low record) and lower revenue per MWh in renewables.

On efficiency, OPEX (staff + supplies & services costs) excluding forex increased 1% YoY. By main division, OPEX in **Iberia** declined by 2%, Core OpeX/avg. MW at EDPR rose by 2% YoY and OPEX at EDP **Brasil** fell by 1% in local currency.

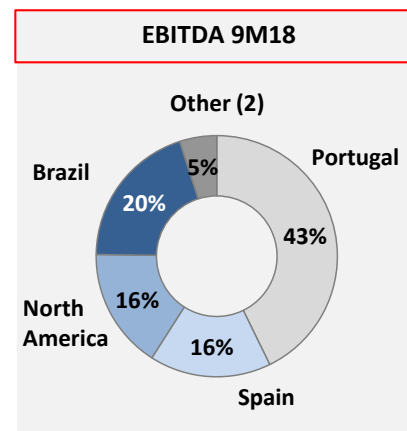
Net financial results (including equity results) **improved by 25% YoY (+€148m), to -€434m in 9M18**, supported by a steady improvement in interest costs (14% YoY), following the lower average cost of debt (from 4.1% in 9M17 to 3.7% in 9M18) and the decrease of avg. debt (-11% or -€1.9bn YoY).

Net debt reached €14.5bn in Sep-18, up from €13.9bn in Dec-17. Recurring organic cash flow amounted to €1.0bn in 9M18 and was mostly dedicated to net expansion activity in 9M18, focused on renewables and Brazil.

Note that there are €0.2bn from the new tax equity partnerships agreed and €0.2bn from asset disposals recently announced but not yet cashed in, with financial proceeds expected in 4Q18.

EBITDA Breakdown

EBITDA (€ m)	9M18	9M17	Δ %	Δ Abs.	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	3Q18 YoY Δ % Δ Abs.
Generation & Supply Iberia	622	518	20%	+104	201	160	158	36	185	252	185		17% 27
Regulated Networks Iberia	477	717	-34%	-241	265	248	205	181	159	155	162		-21% -43
Wind & Solar Power	869	991	-12%	-121	373	345	272	376	381	305	184		-33% -88
Brazil	455	464	-2%	-9	164	151	148	151	163	143	149		1% 1
Other	(13)	579	-	-591	8	(13)	583	(23)	5	(26)	8		-99% -575
Consolidated EBITDA	2,410	3,269	-26%	-859	1,011	892	1,367	721	893	829	688		-50% -678
- Adjustments (1)	(18)	698	-	-716	58	57	583	(89)	(18)	-	-		- -583
Recurring EBITDA	2,428	2,571	-6%	-143	953	835	783	810	911	829	688		-12% -95



Reported EBITDA amounted to €2,410m in 9M18. Excluding the contribution from Iberian gas networks disposed over the 2H17 (€140m in 9M17) and the one-off impacts^(*), **recurring EBITDA fell 6% (-€143m) YoY, to €2,428m in 9M18**, fully in line with the adverse forex impact (-6% or -€132m), prompted by BRL and, to a lower extent, USD depreciation vs. the Euro). In 9M18, EBITDA performance further reflected the positive effect from i) hydro recovery and strong OPEX performance in Iberia, ii) strong underlying growth in Brazil (local currency) and iii) benefits from portfolio expansion, particularly at EDPR. These positives were nevertheless offset by regulatory cuts in Portugal (-€169m YoY recurring) and low wind resources (particularly in 3Q18: 11% below P50).

WIND & SOLAR POWER (36% of EBITDA) – EBITDA was 12% lower YoY (-€121m), at €869m in 9M18, penalised by i) -€34m forex impact (due to USD and BRL depreciation), ii) weak wind resources (4% below the historical average in 9M18 vs. 1% below P50 in 9M17), iii) avg. selling price -8% YoY Ex-forex, mainly supported by Spain, Poland, Romania and US; iv) lower income from the expiration of some 10-year life PTCs (-€43m); v) in 9M17, the impact from our first farm down in the wind off shore project, Moray, in UK (3Q17). These impacts more than compensated the 6% increase in avg. capacity on stream backed by capacity additions in the US, Italy, France and Brazil.

GENERATION & SUPPLY IN IBERIA (26% of EBITDA) – EBITDA in 9M18 advanced by 20% YoY to €622m, including a €18m one-off provision in 1Q18 (CMEC-related^(*), as per page 11). Excluding this, **recurring EBITDA increased 24% YoY, to €640m in 9M18**, as benefits from resurging hydro conditions outstod the combined impact from regulatory cuts in Portugal and the steady, high-price environment in Iberia, which curbed results from energy management and supply activity in light of our hedging strategy. Regulatory-wise, changes in Portugal resulted in higher costs with clawback, coal levy (+€53m YoY) and lower CMEC final adjustment.

REGULATED NETWORKS IN IBERIA (20% of EBITDA) – Excluding gas distribution in Iberia, EBITDA fell by 19% YoY, to €477m in 9M18, largely impacted by: (i) in Portugal (77% of total), the new regulatory terms applicable to electricity distribution and LRS as from 1-Jan-18 (-€116m YoY) which was only partially compensated by tight cost control; and (ii) in Spain (23% of total), our prudent approach to possible regulatory changes, even ahead of the end of the current regulatory period, in 2019YE.

BRAZIL (19% of EBITDA) - EBITDA was 2% lower YoY, to €455m in 9M18, following a -€97m impact from the 18% depreciation of BRL vs. the Euro. **EBITDA in local currency was up 19% (+R\$312m YoY) to R\$1,952m in 9M18**, mainly reflecting: i) +R\$85m YoY on distribution backed by operational performance (including lower losses); ii) better results in Pecém coal plant, mainly due to the availability above contractual benchmark (+R\$112m YoY); and iii) successful portfolio integration management which lead to a GSF impact net of hedging of +R\$135m YoY.

() Non-recurring items: (i) +€558m in 9M17, fully justified by the gain on the sale of Naturgas Energia Distribución; (ii) -€18m in 9M18, related to 2H17 share of the impact on results from the difference between CMEC final adjustment recognised in Dec-17 and approved by the Government on May 3rd.*

(1) Adjustments for one-off impacts^(*) and to exclude the 2017 contribution from Gas distribution in Iberia; (2) Includes Poland, Romania, France, Belgium, Italy and UK.

Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ m)	9M18	9M17	Δ %	Δ Abs.	4Q17	1Q18	2Q18	3Q18	3Q18 YoY	
									Δ %	Δ Abs.
EBITDA	2,410	3,269	-26%	-859	721	893	829	688	-50%	-678
Provisions	283	1	n.m.	+282	(5)	(7)	4	286	-	+286
Amortisation and impairment	1,049	1,055	-1%	-6	621	351	348	350	1%	+4
EBIT	1,078	2,213	-51%	-1,135	105	549	477	53	-95%	-968
Net financial interest	(440)	(511)	14%	+71	(180)	(148)	(144)	(148)	12%	+20
Regulatory receivables-related fin. results	15	24	-38%	-9	(4)	6	6	3	-14%	-0
Capitalized financial costs	23	24	-3%	-1	9	7	8	9	13%	+1
Unwinding of long term liabilities(1)	(134)	(138)	3%	+4	(49)	(44)	(45)	(46)	-5%	-2
Net foreign exchange differences and derivatives	8	(44)	-	+52	9	25	(10)	(7)	75%	+21
Investment income, net interest with associates and JV	(20)	(18)	-12%	-2	(8)	(8)	(5)	(7)	-	+1
Capital Gains/(Losses)	19	25	-25%	-6	4	15	5	(0)	-	-1
Other Financials	85	44	93%	+41	4	19	37	30	141%	+17
Financial Results	(443)	(593)	25%	+150	(215)	(127)	(150)	(166)	25%	+57
Share of net profit in JVs/associates (Details page 28)	9	11	-16%	-2	1	1	2	6	58%	+2
Pre-tax Profit	644	1,631	-61%	-987	(110)	423	330	(108)	-	-910
Income Taxes	50	175	-71%	-125	(165)	74	43	(67)	-	-123
Effective Tax rate (%)	8%	11%	-	-3.0 pp	150%	18%	13%	62%		55 pp
Extraordinary Contribution for the Energy Sector	65	69	-6%	-4	(0)	66	(2)	1	-53%	-1
Non-controlling Interests (Details page 28)	231	239	-3%	-8	89	116	75	40	-14%	-7
Net Profit Attributable to EDP Shareholders	297	1,147	-74%	-849	(33)	166	214	(83)	-	-779

Amortisation and impairments fell by 1% YoY, to €1,049m in 9M18, mainly supported by the de-consolidation of gas distribution assets (€19m in 9M17) and forex impact (-€40m). 9M18 amortisation and impairment charges further reflect the impact from new capacity additions in the last 12 months.

On 26-Sep-18, DGEG notified EDP about an Order of the Secretary of State for Energy (SSE), from 29-Aug-18, quantifying at €285m the financial impact of an alleged overcompensation of the CMECs (details on page 11). Considering that the dispatch lacks legal, economic technical basis, EDP submitted an Administrative Appeal on 8-Oct-18. Although EDP considers that there were no innovative features weighted in the annual adjustments or in the final adjustment of the CMEC, a €285m provision was booked in 3Q18. As a result, total **provisions** amounted to €283m in 9M18.

Net financial results improved by 25% YoY (+€150m), to -€443m in 9M18, supported by lower net debt and respective cost (+€71m); and by more favourable net results with ForEx and derivatives (+€52m YoY, to €8m in 9M18) mainly resulting from EUR/USD evolution. **Net interest expense improved by 14% YoY**, to €440m in 9M18 as deleveraging over 2017, coupled with better funding conditions and liability management, have gathered a 40bps YoY decline in the avg. cost of debt (from 4.1% in 9M17 to 3.7% in 9M18) and a 11% (€1.9bn) decrease in average debt. **Capitalised financial expenses**, worth €23m in 9M18 and broadly stable YoY, are mainly related to new renewable capacity under construction and regulated networks. Also worth to note is the impact on **Other financial results** from: in 9M18, the sale of a 20% stake in the UK offshore wind project (+€15m in 1Q18) and the badwill arising from the acquisition of a stake in Celesc (+€15m in 2Q18); in 9M17, the gain booked on the sale of a 3.5% stake in REN (+€25m in 2Q17).

Share of net profit in joint ventures and associates amounted to €9m in 9M18 (-€2m YoY). (Details on page 28).

Income taxes amounted to €50m (-€125m YoY). Note that excluding the tax effect of the aforementioned €285m provision for alleged CMEC overcompensation, the effective tax rate stood at 15% in 9M18.

Non-controlling interests amounted to €231m in 9M18 (-3% YoY), reflecting the net impact from i) lower share of minorities at EDPR and EDPR's lower contribution to net profit; and ii) net profit growth at EDP Brasil. (Details on page 28)

Overall, net profit reached €297m in 9M18, heavily impacted by one-off impacts(*): -€273m net impact in 9M18 versus +€514m in 9M17. Excluding one offs and the contribution from gas networks in 9M17, **recurring net profit rose by 2% YoY, to €570m in 9M18**, as growth at EDP Brasil and hydro recovery in Iberia outstood the effect from adverse regulatory changes in Portugal known in 4Q17 and EDPR performance.

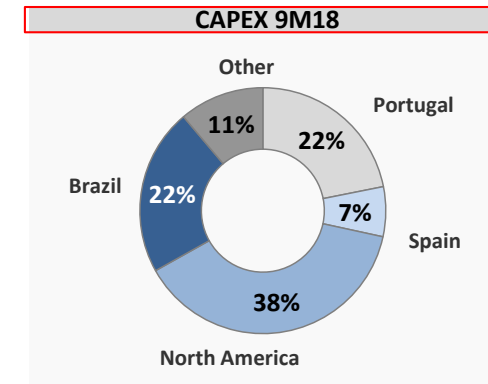
(* *Non-recurring items: (i) +€514m in 9M17, including the gain on the sale of Naturgás Energia Distribución (€558m) and our stake in REN (€25m) and the extraordinary contribution for the energy sector (-€69m); (ii) -€273m in 9M18, including the provision for CMEC innovative features (-€195m), the 2H17 share of the impact on results from the difference between CMEC final adjustment recognised in Dec-17 and approved in May-18 (-€13m) and the extraordinary contribution for the energy sector (-€65m).*

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

Investment activity

Capex (€ m)	9M18	9M17	Δ %	Δ Abs.
Expansion	1,005	652	54%	+353
Wind & Solar	926	715	30%	+211
Brazil	55	2	n.m.	+53
Iberia and Other	25	(65)	-	+89
Maintenance	392	426	-8%	-34
Regulated Networks Iberia	150	217	-31%	-67
Regulated Networks Brazil	103	117	-12%	-14
Other	139	93	50%	+46
Consolidated Capex	1,397	1,078	30%	+319

1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
112	351	188	365	283	217	505	
93	331	291	337	265	199	461	
-	1	1	9	5	11	39	
19	19	(103)	20	13	7	5	
140	144	143	282	85	144	163	
73	73	71	132	34	52	63	
42	35	39	41	26	34	43	
25	36	32	109	24	58	57	
252	495	331	647	368	362	668	



Net financial investments/ (Divestments) (1) (€m)	9M18	9M17	Δ %	Δ Abs.
Financial Investments	83	392	-79%	-309
EDPR Perimeter	2	7	-75%	-5
EDP Brasil Perimeter	81	56	46%	+25
Tender offer for EDPR shares	-	298	-	-298
Iberia and Other	-	31	-	-31
Financial Divestments	90	2,544	-96%	-2,454
EDPR Perimeter	40	272	-85%	-231
EDP Brasil Perimeter	10	-	-	+10
Sale of NED + EDP Gas	40	2,221	-98%	-2,182
Other	-	51	-	-51
Net Financial Investment	(7)	(2,152)	100%	+2,145

Summary of Expansion Investment activity (1) (€m)	9M18	9M17	Δ %	Δ Abs.
Expansion capex	1,005	652	54%	+353
Net financial Investm./ (Divestm) (1)	(7)	(2,152)	100%	+2,145
Proceeds from TEI in US	(71)	(101)	30%	+31
Other (2)	30	506	-94%	-476
Total	957	(1,096)	-	+2,053

Consolidated capex amounted to €1,397m in 9M18 (+30% YoY), supported by an acceleration of expansion capex, the bulk of which allocated to renewables and transmission in Brazil. In line with EDP strategy, the bulk of total capex (89%) was devoted to regulated and long term contracted activities, including expansion projects (c70% of total capex).

Maintenance capex (€392m in 9M18) was mostly absorbed by regulated networks in Brazil and Iberia (65% of total). The decline in 9M18 is mainly supported by the de-consolidation of gas distribution in Iberia (€24m capex in 9M17) and weaker BRL/EUR rate underlying capex.

Expansion capex was mostly dedicated to new renewable capacity and the transmission lines in Brazil:

1) New wind & solar capacity: capex amounted to €926m in 9M18, of which 58% was applied in North America, 27% in Europe and 14% in Brazil. Onshore wind under construction by Sep-18 totalled 900MW: 67% in US, 15% in Brazil and 18% in Europe.

2) New transmission lines in Brazil: capex is ramping up, with €55m spent in 9M18, as the execution of the R\$3.1bn capex planned until 2022 (5 new transmission lines) should be concentrated in 2019-21 (95% of total expected capex of these projects).

Net financial divestments amounted to €7m, including: (i) the acquisition in Brazil of a 19.6% stake in Celesc (Centrais Elétricas de Santa Catarina) for €77m, completed in Apr-18; (ii) the sale of a 20% stake in Moray East offshore wind project (€40m), the cash in of additional €40m relative to the disposal of Naturgas Energia Distribución ('NED') and the completion of the sale of Costa Rica small hydro plant in Brazil (€10m).

Overall, net expansion activity resulted in net cash investment of €957m, including an acceleration of expansion capex (+€353m YoY), proceeds from new TEI structures (€71m in 9M18) and no material net impact from disposals/acquisitions. Note that 9M17 investment activity was marked by an intense portfolio reshuffling activity and significant change in working capital related to fixed asset suppliers.

Finally, it is worth noting that net expansion activity does not yet reflect the full impact from disposals already so far agreed on (€0.2bn from the sale of small hydro plants in Brazil; stake in biomass project in Portugal, Bioelectrica) and full cash in from tax equity partnership structures so far agreed on (€0.2bn).

Cash Flow Statement

Consolidated Cash Flow (€m)	9M18	9M17	Δ %	Δ Abs.
Operating Activities				
Cash receipts from customers	10,244	10,341	-1%	-97
Proceeds from tariff adjustments sales	905	593	53%	+312
Cash paid to suppliers and personnel	(8,604)	(8,396)	-2%	-208
Concession rents & other	(356)	(709)	50%	+353
Net Cash from Operations	2,188	1,829	20%	+359
Income tax received/(paid)	(66)	(608)	89%	+542
Net Cash from Operating Activities	2,122	1,221	74%	+901
Net Cash from Investing Activities	(1,437)	593	-	-2,030
Net Cash from Financing Activities	(2,108)	(1,812)	-16%	-296
Changes in Cash and Cash Equivalents	(1,422)	2	-	-1,424
Effect of exchange rate fluctuations	(58)	(64)	9%	+6

Change in Net Debt (€ m)	9M18	9M17	Δ %	Δ Abs.
Recurring CF from Operations (1)	2,060	2,238	-8%	-177
Recurring EBITDA	2,428	2,571	-6%	-143
Change in operating working capital, taxes and other	(368)	(333)	-10%	-35
Maintenance capex (2)	(415)	(474)	13%	+60
Net interests paid	(416)	(486)	14%	+70
Payments to Institutional Partnerships US	(120)	(174)	31%	+55
Other	(129)	(183)	29%	+53
Recurring Organic Cash Flow	981	920	7%	+60
Net Expansion	(957)	1,096	-	-2,053
Expansion capex	(1,005)	(652)	-54%	-353
Net Fin. Investm./Divestments	7	2,152	-100%	-2,145
Proceeds from Institut. Partnerships in US	71	101	-30%	-31
Other	(30)	(506)	94%	+476
Change in Regulatory Receivables	209	(419)	-	+628
Dividends paid to EDP Shareholders	(691)	(691)	0%	+0
Effect of exchange rate fluctuations	5	507	-99%	-502
Other (including one-off adjustments)	(149)	(625)	76%	+475
Decrease/(Increase) in Net Debt	(603)	788	-	-1,391

Funds from Operations (€m)	9M18	9M17	Δ %	Δ Abs.
EBITDA	2,410	3,269	-26%	-859
Current income tax	(158)	(90)	-75%	-67
Net financial interests	(440)	(511)	14%	+71
Net Income and dividends received from Associates	(11)	16	-	-27
FFO Adjustments	(181)	(74)	-145%	-107
FFO - Funds From Operations	1,621	2,610	-38%	-989

Recurring organic cash flow amounted to €981m in 9M18, mainly supported by a decrease in net interest paid and lower maintenance capex. Note that the adverse impact from regulatory developments in Portugal over the past year and the disposal of gas distribution in Iberia (-€129m YoY) on Recurring organic cash flow is smoothed out by the correspondent income tax effect.

In detail, it is worth to highlight: (i) **Recurring cash flow from operations, reaching €2.1bn in 9M18**, posted a €0.2bn YoY decrease in the wake of lower recurring EBITDA (details on page 3) ; (ii) **Net interests paid (net of capitalised expenses) amounted to €416m**, posting a €70m YoY improvement, mirroring EDP's trajectory of reduction in financial debt and respective cost.

Expansion capex net of divestments (€957m in 9M18) **almost paired Recurring organic cash flow generated in the period**. Net expansion activity comprised the construction of new wind capacity (seasonally stronger in 3Q18), the investment in CELESC (R\$0.3bn), the sale of 20% stake in our UK offshore wind project (£36m) and the disposal of Costa Rica small hydro plant, in Brazil (R\$43m). Note that in 9M17, net expansion divestments (€2.2bn) included net proceeds from portfolio reshuffling (€1.9bn), €0.25bn impact from disposals (the sale of a minority stake in Portuguese wind assets to CTG and the sale of a 3.5% stake in REN); and consolidation of wind assets in Mexico.

Regulatory receivables fell by €209m in 9M18, driven by Portugal.

On 2-May-18, **EDP paid its annual dividend totaling €691m** (€0.19/share).

Effects of exchange rate fluctuations had a small impact on net debt, mainly reflecting opposite effects from the appreciation of the USD (+4%) and depreciation of the BRL (-15%) vs. Dec-17, both against the Euro.

One-off impacts (included in **Other**) amounted to €0.1bn in 9M18, including an extraordinary contribution to pension fund. In 9M17, total one-off impacts amounted to €0.6bn (equally split between tax payment related to 2016 tariff deficit securitisations in Portugal and VAT payments in Spain, later recovered in 4Q17).

On balance, **net debt** increased by €603m vs. Dec-17 to €14.5bn as of Sep-18, reflecting seasonally strong capex in 3Q18 and the postponement of some disposals and sell downs in renewables.

Funds from operations (FFO) were 38% lower YoY, at €1,621m in 9M18, reflecting i) a €859m decrease in reported EBITDA (see details on page 3); ii) a €67m increase in current income tax, largely impacted by the higher amount of sales of tariff deficit in 9M18 (~€0.9bn) than in 9M17 (€0.6bn); iii) a €71m decrease in net financial interests paid; and iv) a €27m decrease in net income and dividends received from Associates, following the disposal of a 3.5% stake in REN in 9M17.

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

Consolidated Financial Position

Assets (€ m)	Sep vs. Dec		
	Sep-18	Dec-17	Δ Abs.
Property, plant and equipment, net	23,050	22,731	319
Intangible assets, net	4,444	4,747	-303
Goodwill	2,244	2,233	11
Fin. investments & assets held for sale (details page 28)	1,297	1,236	62
Tax assets, deferred and current	1,576	1,390	187
Inventories	356	266	91
Other assets, net	6,702	7,028	-325
Collateral deposits	39	45	-7
Cash and cash equivalents	920	2,400	-1,480
Total Assets	40,629	42,075	-1,446

Equity (€ m)	Sep-18	Dec-17	Δ Abs.
Equity attributable to equity holders of EDP	8,662	9,546	-884
Non-controlling Interest (Details on page 28)	3,855	3,934	-79
Total Equity	12,517	13,480	-963

Liabilities (€ m)	Sep-18	Dec-17	Δ Abs.
Financial debt, of wich:	16,047	16,918	-871
<i>Medium and long-term</i>	<i>13,952</i>	<i>15,470</i>	<i>-1,518</i>
<i>Short term</i>	<i>2,095</i>	<i>1,448</i>	<i>647</i>
Employee benefits (detail below)	1,344	1,522	-179
Institutional partnership liability (US wind)	1,130	1,249	-119
Provisions	1,112	753	359
Tax liabilities, deferred and current	1,260	1,122	138
Deferred income from inst. partnerships	951	915	37
Other liabilities, net	6,268	6,117	151
Total Liabilities	28,112	28,595	-482
Total Equity and Liabilities	40,629	42,075	-1,446

Employee Benefits (€m)	Sep-18	Dec-17	Δ Abs.
Employee Benefits (bef. Tax)	1,344	1,522	-179
Pensions	674	763	-89
Medical care and other	669	759	-90
Deferred tax on Employee benefits (-)	-412	-459	47
Employee Benefits (Net of tax)	932	1,064	-132

Regulatory Receivables (€m)	Sep-18	Dec-17	Δ Abs.
Regulatory Receivables	651	870	-219
Portugal Distribution (1)	428	608	-180
Portugal Annual CMEC Deviation	115	237	-122
Brazil	108	26	82

Change in Fair value (+)	1	-	1
Deferred tax on Regulat. Receivables (-)	-120	-266	146
Regulatory Receivables (Net of tax)	532	604	-72

Total amount of **property, plant & equipment and intangible assets** remained fairly constant vs. Dec-17 at €27.5bn as of Sep-18, mainly driven by an acceleration in CAPEX in the 9M18 which outstood depreciation charges and forex impact from the depreciation of the BRL (-15%) against the EUR between Dec-17 and Sep-18 and decline in the stock of CO2 licenses. As of Sep-18, EDP works in progress amounted to €2.7bn (10% of total consolidated tangible and intangible assets): 61% at EDPR level, 6% at EDP Brasil level and the remaining 33% at EDP level.

The book value of **financial investments & assets held for sale** was flat vs. Dec-17 (details on page 28). Worth noting in this regard that some mini-hydro plants and a biomass plant, both in Portugal, are classified under assets held for sale. Note also that by Sep-18, financial investments include: i) €303m at EDPR level, corresponding to equity stakes in 331MW wind farms in US and Spain, and 57% and 43% stakes in offshore projects in UK and France, respectively; ii) €415m at EDP Brasil level (mainly related to 19.6% stake in Celesc, 50% stake in Jari, 50% stake in Cachoeira Caldeirão and 33% stake in São Manoel); and iii) €266m at EDP level, including a 50% equity stake in EDP Asia (the owner of a 21% stake in CEM) and other.

Tax assets net of liabilities, deferred and current were flat vs. Dec-17, to €0.3bn in Sep-18. **Other assets (net)** decreased €0.3bn vs. Dec-17 to €6.7bn as of Sep-18, supported essentially by the €0.2bn reduction in regulatory receivables. Note that other assets (net) includes €0.2bn in cash yet to collect from the disposal of Naturgas Distribución.

Total amount of EDP's **net regulatory receivables** was €0.2bn lower vs. Dec-17, at €651m as of Sep-18 (**€532m net of tax**), due to the combined effect of the sale of €0.9bn of regulatory receivables in Portugal and the annual increase of deficit reflected in EDP's accounts. Worth noting that the total Portuguese system debt has decreased significantly in the 9M18 by €0.5bn to €4.2bn, on the back of electricity demand growth (+3.8% YoY in the 9M18) and past regulatory cuts in Portugal.

Equity book value attributable to EDP shareholders decreased by €0.9bn to €8.6bn as of Sep-18, reflecting the net profit for the period (+€0.3bn) which was more than offset by the annual payment of dividends (-€0.7bn), by the impact of IFRS 9 and IFRS 15 and by the impact of exchange differences arising on consolidation, following the depreciation of BRL against EUR.

Non-controlling interest (details on page 28) were stable vs. Dec-17, at €3.9bn as of Sep-18, as the results attributable to minority stakes in the period were offset by the YTD depreciation of BRL against the EUR, and the dividends paid in the period

Pension fund, medical care and other employee benefit liabilities fell by €0.2bn vs. Dec-17 to €1.3bn as of Sep-18 (**€0.9bn, net of tax**), reflecting the recurrent payment of pension and medical care expenses in 9M18 and the extraordinary contribution in 9M18.

Institutional partnership liabilities declined €0.1bn vs. Dec-17 to €1.1bn as of Sep-18, following the benefits appropriated by the tax equity partners during the period and new tax structure.

Provisions as of Sep-18 amounted to €1.1bn (+€359M vs Dec-17). This increase is mainly explained by the recognition of a provision of €285m related to CMEC (details on page 11).

(1) Tariff deviations to be recovered/(returned) through tariffs in the following years by electricity distribution and last resort supply and gas in Portugal.

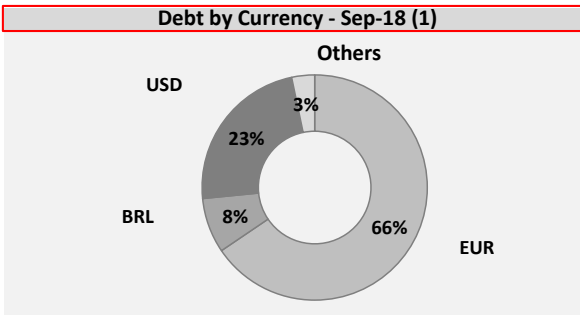
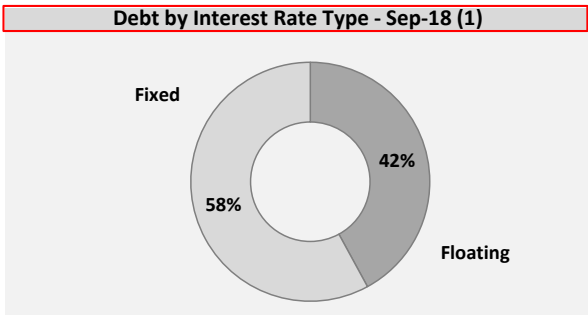
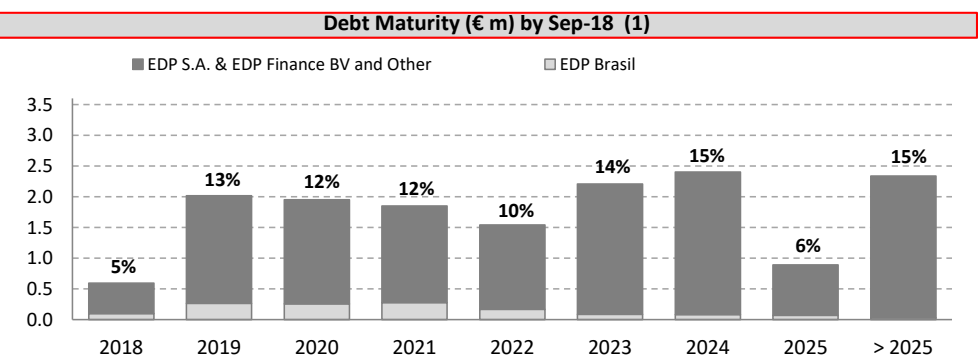
Net Financial Debt

Net Financial Debt (€ m)	Sep-18	Dec-17	Δ %	Δ Abs.
Nominal Financial Debt	15,787	16,575	-5%	-788
EDP S.A. and EDP Finance BV	13,545	14,079	-4%	-534
EDP Renováveis	918	992	-8%	-74
EDP Brasil	1,324	1,504	-12%	-180
Accrued Interest on Debt	210	261	-20%	-51
Fair Value of Hedged Debt	50	81	-38%	-31
Derivatives associated with Debt (2)	(97)	(141)	32%	45
Collateral deposits associated with Debt	(39)	(45)	14%	7
Hybrid adjustment (50% equity content)	(386)	(391)	1%	5
Total Financial Debt	15,526	16,340	-5%	-814
Cash and cash equivalents	920	2,400	-62%	-1,480
EDP S.A., EDP Finance BV and Other	382	1,608	-76%	-1,227
EDP Renováveis	271	388	-30%	-117
EDP Brasil	267	404	-34%	-137
Financial assets at fair value through P&L	101	38	168%	63
EDP Consolidated Net Debt	14,505	13,902	4%	603

Credit Lines by Sep-18 (€m)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Jul/19
Revolving Credit Facility	3,300	23	3,300	Oct/23
Revolving Credit Facility	2,240	17	1,613	Mar/23
Domestic Credit Lines	226	10	226	Renewable
Underwritten CP Programmes	50	1	50	2021
Total Credit Lines	5,891		5,264	

Credit Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BBB-/Stable/A-3	Baa3/Stable/P3	BBB-/Stab/F3
Last Rating Action	08/08/2017	03/04/2017	14/12/2017

Key ratio	Sep-18 (3)	Dec-17
Net Debt / EBITDA adjust. for Reg. Receivables (x) (3)	4.3x	3.7x



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 Dec-17, **Fitch** affirmed EDP's credit rating at "BBB-", with Stable outlook. In Aug-17, **S&P** upgraded EDP's credit rating to "BBB-" with Stable outlook. In Apr-17, **Moody's** affirmed EDP's credit rating at "Baa3" with Stable outlook.

Looking at 9M18's major debt repayments and refinancing deals: in Feb-18 EDP repaid USD531m of a USD1,000m bond with a 6% coupon, of which USD469m had been bought back in Dec-16. In Mar-18, EDP signed a 5-year revolving credit facility (with options to extend for 2 additional years, subject to bank's approval) in the amount of €2,24bn, which can be drawn in either EUR or USD, replacing a €2,00bn facility that was maturing in Feb-20. In Jun-18, EDP issued a €750m bond with a yield of 1.67%, maturing in Jan-26. In Sep-18 EDP exercised the option (and obtained bank's approval) to extend the maturity of the €3.3bn RCF for 1 year to Oct-23. Also, in Oct-18, EDP made its first ever "Green Bond" issuance of €0.6bn with a 7-year maturity and a yield of 1.959%. EDP's long dated bond issues are in line with the Group's financial policy of extending the average term of its debt portfolio and reinforcing its financial flexibility.

The weight of consolidated financial debt through capital markets stood at 79%, while the remaining debt was raised essentially through bank loans. **Refinancing needs in 2018** amount to €0.6bn, consisting in €0.2bn in bonds and €0.4bn in bank loans. **In 2019 and 2020**, refinancing needs amount to approx. €4.0bn. Total cash and available liquidity facilities amounted to €6.3bn by Sep-18. This liquidity position allows EDP to cover its refinancing needs beyond 2020.



Business Areas

Iberian Electricity and Gas Markets

Electricity Balance (TWh)	Portugal			Spain			Iberian Peninsula		
	9M18	9M17	Δ%	9M18	9M17	Δ%	9M18	9M17	Δ%
Hydro	9.9	5.4	83%	29.5	17.2	72%	39.4	22.6	74%
Nuclear	-	-	-	39.9	42.6	-6%	39.9	42.6	-6%
Coal	8.2	10.2	-20%	24.8	29.7	-17%	33.0	39.9	-17%
CCGT	7.9	10.5	-25%	17.8	22.2	-20%	25.7	32.7	-21%
(-)Pumping	(1.1)	(1.5)	-29%	(2.4)	(2.6)	-5%	(3.5)	(4.1)	-14%
Conventional Regime	24.9	24.6	1%	109.6	109.2	0%	134.5	133.8	1%
Wind	8.7	8.9	-2%	35.8	34.6	3%	44.4	43.5	2%
Other	7.1	6.7	6%	36.3	36.9	-2%	43.4	43.6	-0%
Special Regime	15.8	15.6	1%	72.0	71.5	1%	87.8	87.1	1%
Import/(export) net	(2.6)	(3.2)	-20%	9.3	8.7	8%	6.8	5.5	24%
Gross demand (before grid losses)	38.1	37.0	3.0%	191.0	189.3	0.9%	229.1	226.3	1.2%
Adjust. temperature, working days			1.7%			1.1%			n.a.

Gas Demand (TWh)	Portugal			Spain			Iberian Peninsula		
	9M18	9M17	Δ%	9M18	9M17	Δ%	9M18	9M17	Δ%
Conventional demand	32.9	31.4	5%	209.0	197.1	6%	241.9	228.5	6%
Demand for electricity generation	16.2	21.5	-25%	42.6	50.3	-15%	58.8	71.9	-18%
Total Demand	49.1	53.0	-7%	251.6	247.5	2%	300.7	300.4	0%

Electricity demand in Iberia grew 1.2% in 9M18, continuing to increase in 3Q18 (+0.8% YoY), albeit at a slower pace than in 1H18, which was marked by colder-than-normal temperatures. In Spain (83% of Iberia), demand adjusted for temperature and working days was up 1.1% YoY. In Portugal (17% of total), demand adjusted for temperature and working days increased 1.7% YoY, driven by both the residential and business segments.

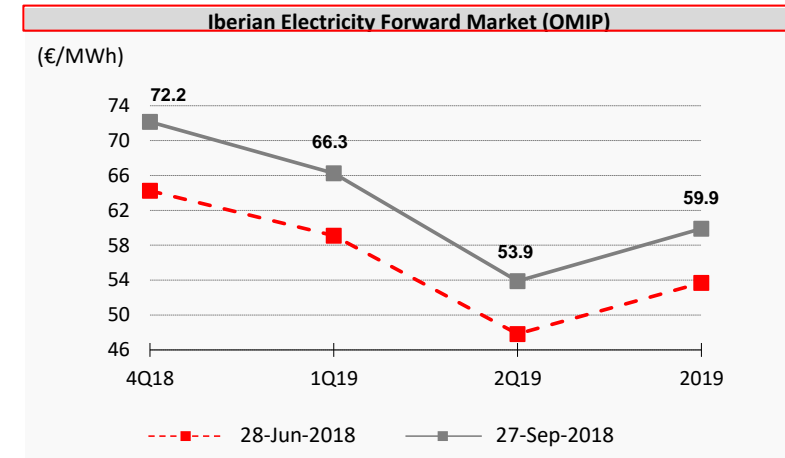
Installed capacity in Iberia decreased by 0.6GW to 118.8GW as of Sep-18, mainly reflecting a reduction in cogeneration installed capacity.

Residual thermal demand (RTD) declined 19% YoY in 9M18 (-14TWh), mostly supported by a strong rebound of hydro resources in Iberia since Mar-18 (20% and 40% above the average year in Portugal and Spain in 9M18, respectively, vs. c. 43% below average year in 9M17), which enabled a 17TWh YoY increase in hydro output (net of pumping) and brought reservoirs in line with avg. historical levels as of Sep-18, from abnormally low levels in Dec-17. Wind output increased 0.9TWh YoY backed by outstanding wind resources in 1Q18 (more than compensating a 19% YoY decline in 3Q18 on weaker resources), and net imports increased 1.3TWh YoY. In turn, nuclear output fell 2.7TWh, reflecting some nuclear outages, particularly in 2Q18. As a result, coal output decreased 17% YoY (-7TWh) and CCGT output fell 21% YoY (-7TWh). Overall, higher demand in Iberia (+2.8TWh YoY) was tackled by higher production from renewables and imports, leading to lower avg. load factors at both coal (-10p.p. YoY to 45%) and CCGTs (-4p.p. YoY to 14%), respectively.

Average electricity spot price rose 10% YoY, to c.€55/MWh in 9M18, fuelled by the rise in coal, gas and CO₂ prices, advancing 36% YoY in 3Q18 also impacted by lower wind production and restrictions in the availability of French nuclear fleet. **Average CO₂ prices** soared 172% YoY, to €14.4/ton in 9M18. The **average electricity final price** in Spain rose by 25%, to €72/MWh. The difference between final electricity price and pool price derives from the contribution from profiling, restriction market, ancillary services and capacity payments.

In the Iberian gas market, consumption was broadly flat, reflecting the mixed impact from: (i) 6% YoY increase in conventional gas demand (80% of total gas consumption in Iberia), mostly driven by the cold snap in the beginning of the year; and (ii) 18% YoY decline in gas consumption for electricity generation (20% of total gas consumption in Iberia), due to a lower thermal gap.

Installed Capacity in Electricity (GW)	Iberian Peninsula		
	9M18	9M17	Δ%
Hydro	26.4	24.5	8%
Nuclear	7.0	7.0	-
Coal	11.3	11.3	0%
CCGT	28.8	28.8	0%
Conventional Regime	73.5	71.5	3%
Wind	28.6	28.5	0%
Other special regime	16.7	19.4	-14%
Special Regime	45.3	47.9	-5%
Total	118.8	119.4	-0.6%



Main Drivers (1)	9M18	9M17	Δ%
Hydro coefficient (1.0 = avg. year)			
Portugal	1.20	0.57	111%
Spain	1.40	0.60	133%
Wind coefficient (1.0 = avg. year)			
Portugal	0.98	1.01	-3%
Electricity spot price, €/MWh			
Portugal	56	50	10%
Spain	55	50	10%
Electricity final price, €/MWh (2)			
Spain	72	58	25%
CO ₂ allowances (EUA), €/ton	14.4	5.3	172%
Coal (API2 CIF ARA), USD/tonne	92	81	13%
Mibgas (€/MWh)	24	20	19%
Gas NBP, €/MWh	22	17	35%
Brent, USD/bbl	72	52	39%
EUR/USD	1.19	1.11	-7%

Income Statement (€ m)	9M18	9M17	Δ%	Δ Abs.
Gross Profit	1,133	973	16%	+159
OPEX (1)	320	337	-5%	-16
Other operating costs (net)	190	118	61%	+72
Net Operating costs	511	455	12%	+56
EBITDA	622	518	20%	+104
Amortisation, impairment and Provisions	572	285	100%	+286
EBIT	50	233	-78%	-183

On 3-May-18, it has come to EDP's knowledge, through a DGEG's letter of Apr-18, that the ERSE's amount of €154m for the final adjustment of CMEC had been officially approved. Although EDP considers that the administrative act contained in the Order of the Secretary of State for Energy (SSE) lacks technical, economic and legal basis, and has filed an Administrative Action on this matter, a provision corresponding to the difference of the amounts already recognised in revenues was booked in 9M18, with an impact on EBITDA of -€30m, of which -€18m relative to 2H17 (one-off).

Excluding the one-off impact from CMEC (-€18m), **recurring EBITDA rose 24% YoY, to €640m in 9M18**, propelled by hydro's higher output and contribution to the production mix (42% share in total production in 9M18 vs. 23% in 9M17) on the back of the strong recovery of hydro resources since Mar-18, which more than compensated the adverse impacts from: (i) regulatory changes in Portugal, namely higher clawback and coal levy (+€53m YoY) and lower CMEC final adjustment; and (ii) a steady and high-price environment in Iberia, which curbed results from energy management and supply activity.

Gross Profit breakdown (€ m)	9M18	9M17	Δ%	Δ Abs.
Electricity Sources & Uses	988	720	37%	+268
Total Volume (TWh) - Details below	52.9	53.1	-0%	-0
Unit margin (€/MWh)	18.7	13.6	38%	+5
Before hedging (€/MWh) - Details below	19.6	12.5	57%	+7
From Hedging (€/MWh) (2)	(1.0)	1.1	-	-2
Other	144	253	-43%	-108
Electricity generation (Detail page 12), Energy supply	150	259	-42%	-109
Gas trading, other and adjustments	(6)	(6)	8%	+0
Total	1,133	973	16%	+159

Gross profit excluding CMEC one-off impact rose by 18% YoY, to €1,151m in 9M18, mainly driven by higher avg. unit margin (up from €14/MWh in 9M17 to €19/MWh in 9M18):

Volumes: Total volume sold was broadly flat YoY, at 53TWh in 9M18, reflecting the mixed impact from a 5% fall in sales to customers, mainly prompted by business customers; and 2% rise in sales in the wholesale market, driven by a higher production. Generation output was 2% higher YoY, reflecting an increase in hydro production; electricity purchases were 3% lower YoY.

Unit margin ⁽²⁾⁽³⁾: Avg. electricity spread before hedging rose from €13/MWh in 9M17, to €20/MWh in 9M18, mainly reflecting a cheaper generation mix. **Avg. sourcing cost** declined 8% YoY, to €42/MWh in 9M18, mainly supported by a higher contribution from hydro production in the generation mix. **Avg. selling price** rose 6% YoY in 9M18, reflecting a 7% increase in the average selling prices in the wholesale market and an 8% increase in the avg. selling prices to customers.

Net operating costs amounted to €511m in 9M18 (+12% YoY), mostly impacted by higher regulatory costs in Portugal.

Electricity Sources & Uses	9M18	9M17	Δ%	9M18	9M17	Δ%
	Output (GWh)			Variable Cost (€/MWh) (3)		
Own production (4)	25,517	25,074	2%	26	33	-21%
Purchases	27,345	28,053	-3%	57	57	1%
Electricity Sources	52,863	53,127	-0%	42	46	-8%
	Volumes Sold (GWh)			Average Price (€/MWh) (5)		
Grid Losses	3,245	2,656	22%	n.a.	n.a.	-
Final customers	24,100	25,397	-5%	69	63	8%
Wholesale market	25,517	25,074	2%	63	59	7%
Electricity Uses	52,863	53,127	-0%	62	58	6%

On 26-Sep-18, DGEG notified EDP about a dispatch issued by the SSE on 29-Aug-18 on the financial impact of the "innovative features" of the PPA Cessation Agreements, which quantified at €285m the alleged overcompensation of EDP related to the calculation of the real availability factor of the plants under the CMEC regime. Additionally, the dispatch from SSE also mentioned that the possible charging of a maximum amount of €72.9m for alleged overcompensation of plants under CMEC regime operating on ancillary services market is still under analysis. Considering that the dispatch lacks legal, economic technical basis, EDP submitted on 8-Oct-18 an Administrative Complaint and will take the necessary measures to protect its rights and interests, including all legal means available. Although EDP considers that there were no innovative features weighted in the annual adjustments or in the final adjustment of the CMEC, this aspect was reflected in 3Q18 through a provision of €285m. As a result, **amortisation, impairment and provisions** increased by 100% YoY, to €572m in 9M18.

Our gas sourcing activity in 2018 is based on c2.6bcm/year long-term contracts. In 2018, total gas consumed/sold declined by 2% YoY, driven by a 21% YoY decrease in gas consumption at our power plants (-2.3TWh) and 6% YoY decline in sales to final customers (-0.5TWh). In turn, sales in wholesale market increased 35% YoY (+2.2TWh).

EDP is adapting its hedging strategy to the current market conditions. As a result, for 2019, EDP has so far forward contracted with clients electricity sales of ~17TWh, at an avg. price of c.€58/MWh (excluding naturally-hedged price-indexed volumes), and has already secured avg. thermal spread at a high single digit per MWh for around 40% of expected coal production.

Gas Uses (TWh)	9M18	9M17	Δ%	Δ Abs.
Consumed at EDP power plants	8.4	10.7	-21%	-2.3
Sold in wholesale markets	8.7	6.5	35%	+2.2
Sold to Final customers	8.1	8.6	-6%	-0.5
Total	25.3	25.8	-2%	-0.5

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes results from hedging on electricity; (3) Variable cost: fuel and CO2 cost, hedging costs (gains), system costs;

(4) Excludes production at mini-hydro, cogeneration and waste plants; (5) Average selling price: includes selling price (net of TPA tariff), ancillary services and others.

Electricity Generation in Iberia

Income Statement (€ m)	9M18	9M17	Δ%	Δ Abs.
Gross Profit	931	758	23%	+173
OPEX (1)	172	181	-5%	-9
Other operating costs (net)	139	78	79%	+62
Net Operating costs	311	259	20%	+52
EBITDA	620	499	24%	+121
Amortisation, impairment; Provision	544	275	98%	+269
EBIT	75	224	-66%	-148

Our liberalised generation & supply activities are jointly managed as most of our production is sold to our supply units at fixed prices. The current section refers only to electricity generation operations.

The **overall generation portfolio in Iberia** (excluding wind and solar) encompasses a total of 13.6GW, of which 52% in hydro capacity, 27% in CCGT, 18% in coal (86% with DeNOx), 2% of mini-hydro, cogeneration and waste; and 1% in nuclear. **Production** in 9M18 (including mini-hydro, cogeneration and waste) increased 2% YoY (+0.6TWh), to 26.1TWh, reflecting a sharp rebound of hydro resources since Mar-18, which enabled a 5.0TWh YoY increase in hydro output and brought reservoir levels in line with LT avg. as of Sep-18 (from abnormally low levels in Dec-17). This increase in hydro output was, however, partially offset by a lower production at our coal (-2.6TWh) and CCGT (-2.0TWh) plants.

Avg. production cost fell 21% YoY, to €26/MWh in 9M18, driven by hydro's higher contribution to the production mix (42% of total output in 9M18 vs. 23% in 9M17). **Avg. production cost at our coal plants** increased 14% YoY, fuelled by a higher coal and CO₂ prices. **Avg. production cost at CCGTs** logged a 5% YoY increase, due to a higher cost of gas.

Gross profit from generation in Iberia rose 23%, to €931m in 9M18, benefitting from a lower avg. production cost and higher gross profit from mini-hydro, cogeneration and waste plants (+33% YoY), on the back of the strong recovery in hydro output which more than compensated the impacts from: (i) the €18m one-off provision from CMEC; (ii) 14% YoY decrease in capacity payments; and (iii) steady and high price-environment curbing results from energy management. Also note that the annual deviation from PPA/CMEC gross profit vs CMEC reference, totalling €111m in 1H17, ceased to be in force since Jun-17 (€5m booked in 9M18 reflects prior years adjustments).

Net operating costs increased by 20% YoY, to €311m in 9M18, impacted by higher regulatory costs in Portugal, only partly mitigated by tight cost control. **Regulatory costs** rose 29% YoY, to €179m in 9M18, impacted by: (i) at gross profit level, a €7m YoY increase in social tariff and coal levy in Portugal; (ii) at 'Other operating costs' level, a €48m YoY increase in clawback, only partly offset by lower generation taxes in Spain.

It is noteworthy that, in Spain, RDL 15/2018 of 5-Oct-18 approved a 6-month suspension of the 7% tax on generation with effect from 1-Oct-2018, and has put an end to the green cent tax on gas. RDL 15/2018 was definitively approved by Parliament in 18-Oct-18. Accordingly, in Portugal, the Draft State Budget Law for 2019 foresees the revision of the clawback mechanism until the end of the 1Q19 by the Government, in order to harmonize the regulatory mechanisms in the Iberian electricity market. Note that on 17-Nov-17, the Portuguese Government through Dispatch 9955/2017, set the clawback rate at €4.75/MWh starting from 24-Aug-17.

In respect to capacity payments in Spain, as from Jul-18 availability payments to thermal plants have not been extended by the Ministry for the Ecological Transition. In Portugal, the Government decided to suspend the auction for the attribution of capacity payment in 2018 (Dispatch 93/2018) in Apr-18, until the EC formally pronounces on the fit of the auction rules with EC framework. Note that the EC has already approved capacity mechanism in 6 European countries. Moreover, note that the current rules have been set in Mar-17 and the auction for capacity payments in 2018 (Ministerial order nr. 2275-A/2017) was initially scheduled for May-17, revenues from capacity payments in Portugal during 2017 were €3m in 9M17 and amounted to €5m in 2017FY.

Capex increased by 7% YoY, to €96m in 9M18, mostly driven by large maintenance works at our thermal plants. Note that the €18m expansion capex is mostly related to final works in Foz-Tua hydro plant surrounding area.

Key Operating Data	9M18	9M17	Δ%	Δ Abs.
Generation Output (GWh)	26,094	25,461	2%	+634
Hydro	10,758	5,728	88%	+5,030
CCGT	3,950	5,934	-33%	-1,984
Coal	9,954	12,517	-20%	-2,563
Nuclear	856	895	-4%	-39
Mini-hydro, Cogener. & Waste	577	387	49%	+190
Hydro pumping volume (GWh)	1,095	1,535	-29%	-440
Generation Costs (€/MWh) (2)	26	33	-21%	-7
Hydro	6	16	-66%	-11
CCGT	55	52	5%	+3
Coal	39	34	14%	+5
Nuclear	5	5	7%	+0
Load Factors (%)				
Hydro	23%	12%	-	11p.p.
CCGT	16%	24%	-	-8p.p.
Coal	63%	79%	-	-16p.p.
Nuclear	84%	88%	-	0p.p.
Employees (#)	1,523	1,619	-6%	-96
Capex (€m)	96	90	7%	+6
Expansion	18	53	-66%	-35
Maintenance	78	36	114%	+41

Other financial details (€ m)	9M18	9M17	Δ%	Δ Abs.
At Gross profit level:				
Capacity payments	33	38	-14%	-5
Mini-hydro, cogeneration & waste	43	33	33%	+11
CMEC annual deviation	5	111	-95%	-105
At EBITDA level:				
Regulatory costs (3)	179	138	29%	+41

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Includes fuel costs, CO₂ emission costs, hedging results;

(3) Includes: (i) at gross profit, social tariff in Portugal; (ii) at the level of operating costs, generation taxes in Spain (incl. fuel, nuclear waste, hydro resources), clawback in Portugal.

Electricity and Gas Supply in Portugal and Spain

Income Statement (€ m)	9M18	9M17	Δ%	Δ Abs.
Gross Profit	210	224	-6%	-14
OPEX (1)	153	161	-5%	-7
Other operat. costs (net)	49	38	29%	+11
Net Operating costs	202	198	2%	+3
EBITDA	8	26	-69%	-18
Amortisation, impairment; Provisions	27	10	173%	+17
EBIT	(19)	16	-	-35

Our electricity and gas supply activities in Portugal and Spain are managed by integrated platforms, ensuring a responsive and competitive commercial structure. EDP Group's subsidiaries that operate in this business segment have intra-group electricity and gas procurement contracts with our generation and energy trading divisions. The current section refers only to energy supply, but excludes gas trading and sourcing activities.

EDP's electricity portfolio in Iberia remained relatively stable YoY, totaling 5.3m customers in Sep-18, strongly biased towards residential and SME customers (c.43% of total consumption). In Portugal, according to the most recent data released by ERSE, 94% of total electricity consumption was in the liberalized market as of Sep-18. Note that, following the publication of DL 105/2017, electricity customers in Portugal are, since 1-Jan-18, allowed to return to the regulated market until the end of 2020.

Key data	9M18	9M17	Δ%	Δ Abs.
Portfolio of Customers (th.)				
Electricity	5,272	5,252	0%	+20
Portugal	4,121	4,135	0%	-15
Spain	1,151	1,116	3%	+35
Gas	1,549	1,513	2%	+36
Portugal	658	644	2%	+14
Spain	891	869	3%	+22
Dual fuel penetration rate (%)	30%	30%	2%	+0
Other Services				
Services to contracts ratio (%)	18%	17%	6%	0p.p.
Volume of electricity sold (GWh)	23,000	24,170	-5%	-1,169
Residential	9,851	9,438	4%	+413
Business	13,149	14,731	-11%	-1,583
Volume of gas sold (GWh)	8,642	8,631	0%	+11
Residential	4,814	4,212	14%	+602
Business	3,828	4,420	-13%	-591
Electronic invoicing (%)	32%	29%	10%	3p.p.
Complaints per 1000 contracts (#)	16	20	-17%	-3
Employees (#)	579	520	11%	+59
OPEX per customer (2) (€)	22	24	-5%	-1
EBITDA per customer (2) (€)	1	4	-69%	-3
Capex (€m)	13	12	5%	+1

EDP targets to leverage on its portfolio of customers, offering additional products and innovative services, as part of its strategy to build a longer-term relationship with customers backed by the enhancement of their satisfaction and loyalty levels. The rate of dual fuel offer in the residential market is currently at 30%, including different stages of evolution in Spain and Portugal: in Portugal, dual offer rate corresponds to 16% in Sep-18; in Spain, dual offer rate, is currently at 78%. As a result of this strategy, EDP's gas portfolio in Iberia increased 2% YoY, to 1.5m customers in Sep-18. The penetration rate of service contracts in Iberia increased from 17% in Sep-17 to 18% in Sep-18.

Electricity volumes sold in Iberia fell 5% YoY, to 23.0TWh in 9M18, reflecting the mixed impact from: (i) a 4% YoY increase in the residential segment; and (ii) an 11% YoY decrease in the business segment, reflecting more selective commercial criteria.

Gross profit at our supply activities in Iberia declined by 6% YoY, to €210m in 9M18, penalised by higher sourcing costs, adverse regulatory changes in Portugal and prior year adjustments.

Net operating costs increased by 2% YoY, to €202m in 9M18. EDP is building the ground for a decrease in cost per customer through a higher digitalisation rate and higher customer satisfaction: electronic invoicing (per avg. residential client) represents a 32% rate as of Sep-18, a 3pp increase vs. Sep-17; claims per customer dropped by 17% YoY, to 16 per 1000 contracts as of Sep-18.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Based on the number of contracts.

edp

EDPR Equity Market Data	9M18	9M17	Δ %	Δ Abs.
Share price at end of period (€/share)	8.71	7.20	21%	1.51
Number of Shares Issued (million)	872.3	872.3	-	-
Stake Owned by EDP (%)	82.6%	82.6%	-	-
EDPR Key Balance Sheet Figures (€ m)	9M18	9M17	Δ %	Δ Abs.
Financial investm, assets held for sale	303	317	-4%	-14
Net Financial Debt	3,482	2,999	16%	+483
Bank Loans and Other (Net)	609	577	6%	+32
Loans with EDP Group (Net)	2,872	2,422	19%	+451
Non-controlling interests	1,610	1,475	9%	+135
Net Institutional Partnership Liability (5)	1,130	1,131	0%	-1
Equity Book Value	6,311	6,334	0%	-23
EUR/USD - End of Period Rate	1.16	1.18	2%	-0.02
Financial Results (€ m)	9M18	9M17	Δ %	Δ Abs.
Net financial Interests	(103)	(104)	1%	+1
Institutional Partnership costs	(61)	(69)	13%	+9
Capitalised Costs	16	10	55%	+6
Forex Differences	(0)	(3)	89%	+3
Other	(71)	(57)	-24%	-14
Financial results	(219)	(224)	2%	+5

Financial results (net) amounted to -€219m in 9M18, (-2% YoY). **Net interest costs** fell by 1% YoY on slightly lower cost of debt, and **institutional partnerships costs** decreased 13% YoY to €61m, on positive forex. **Other financial costs** increased by €14m YoY which includes a €15m gain on the sell down of a 20% stake in UK offshore project Moray East in 1Q18.

Opex rose by 8% YoY to €333m, on the back of the new capacity installed, higher headcount and reflecting forex impact. Core Opex per average MW in operation was €31.2K, +2% YoY, being affected by the positive forex effect. **Other operating costs (net)** which are positive, decreased €18m YoY, reflecting: i) +€29m gain on the sell down of 23% stake in UK offshore project Moray East in 3Q17; and ii) YoY increase of income from insurances and other business compensations.

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EDP Renováveis: North America & Brazil

North America	9M18	9M17	Δ %	Δ Abs.
EUR/USD - Avg. of period rate	1.19	1.11	-7%	0.08
Installed capacity (MW)	5,363	5,060	6%	+303
PPA's/Hedged/Feed-in tariff	4,569	4,376	4%	+194
Merchant	793	684	16%	+109
Avg. Load Factor (%)	34%	34%	-	-0 p.p.
Electricity Output (GWh)	11,575	10,739	8%	+836
US	10,977	10,232	7%	+744
Canada	53	53	0%	+0
Mexico	545	454	20%	+91
Avg. Selling Price (USD/MWh)	45.7	47.1	-3%	-1.5
US	44.4	46.3	-4%	-1.9
Canada	113.5	111.2	2%	+2
Mexico	64.4	58.3	10%	-
Adjusted Gross Profit (USD m)	675	673	0%	+2
Gross Profit (USD m)	510	488	5%	+22
PTC Revenues & Other (USD m)	165	185	-11%	-20
EBITDA (USD m)	476	487	-2%	-11
EBIT (USD m)	235	272	-14%	-37
Installed capacity (MW Equity)	179	179	0%	-
Capex (1) (USD m)	642	535	20%	+107
Capacity under construction (MW)	598	303	98%	+296

Brazil	9M18	9M17	Δ %	Δ Abs.
Euro/Real - Average of period rate	4.29	3.53	-18%	+0.76
Installed Capacity (MW)	331	204	62%	+127
Avg. Load Factor (%)	39%	42%	-	-3 p.p.
Electricity Output (GWh)	836	564	48%	+273
Avg. Final Selling Price (R\$/MWh)	194	269	-28%	-75
Gross Profit (R\$ m)	144	141	2%	+3
EBITDA (R\$ m)	108	110	-1%	-2
EBIT (R\$ m)	70	84	-16%	-14
Capex (R\$ m)	562	531	6%	+31
Capacity under construction (MW)	137	263	-48%	-127

In North America (NA), installed capacity totalled 5,363M in Sep-18 (5,133MW in the US, 200MW in Mexico, and 30MW in Canada). New capacity additions in the last 12 months (+303MW) were fully concentrated in the US of which +243MW respects to wind onshore capacity and +60MW to solar capacity. Additionally, EDPR owns equity stakes in other wind projects, equivalent to 179MW.

EBITDA in NA was 2% lower YoY, to USD476m in 9M18, explained by: i) 3% decrease of the average selling price to USD46/MWh (driven by US prices), and ii) lower income from tax equity investments (-USD20m) which more than offset the increase of production (+836GWh YoY). Capacity additions and better load factors achieved by new wind farms contributed to the higher electricity production. Wind and solar resources were below the historical average (97% of P50, even though flat YoY) contributing to a stable load factor at 34% vs. 9M17.

In the **United States**, average selling price decreased to USD44/MWh (-4% YoY) penalised by the new PPAs at lower prices, and a different mix of technology vs. prices. **Income from institutional partnerships** declined 11% YoY to USD165m in 9M18, as a result of the negative impact of USD24/MWh production tax credit ("PTCs") expiring for wind farms commissioned 10 years ago. In Sep-18, EDPR established a new institutional partnership, respecting institutional equity financing structures, in exchange for an interest in Arkwright 78MW and Turtle Creek 199MW wind farms, for a total amount of USD268m.

In **Canada**, avg. selling price was at USD114/MWh, (+2% YoY) mainly reflecting the forex translation (CAD/USD).

In **Mexico**, EDPR has a bilateral supply agreement under self-supply regime. Avg. load factor was 42%. Avg. selling price was at USD64/MWh (+10% YoY) due to the 200MW PPA start-timing.

All wind and solar capacity currently under construction in NA (+598MW) is concentrated in the US: 200MW Meadow Lake VI (Indiana); 199MW Turtle Creek (Iowa); and 199MW Prairie Queen (Kansas); of which 0.4GW is expected to be commissioned in 2018. Additionally, EDPR has secured long-term PPAs in the US for 1.2GW YTD of new capacity to be built over the next years of new capacity (of which 0.6GW were signed in 3Q18).

In **Brazil**, installed capacity totalled 331MW in Sep-18, (+127MW YoY) and operates under long-term contracts. **EBITDA slightly decreased -1% to R\$108m in 9M18 vs. 9M17** due to: i) lower avg. selling price -28% YoY at R\$194/MWh, and ii) lower avg. load factor -3p.p. YoY at 39%; thus, mitigating the higher production (+273GWh) that came from the new installed capacity. **Avg. selling price** was down YoY justified by the lower PPA unwinding volumes.

As of Sep-18, EDPR had +137MW **under construction** in Brazil respecting to Babilônia wind project which is expected to be due in 4Q18. In Sep-18, EDPR signed: i) a 20-year PPA to sell the energy produced by two wind farms, Jerusalem with 176MW and Monte Verde with 253MW which are expected to start commercial operations in 2024; and ii) 15-year PPA to sell the energy produced by Pereira Barreto solar photovoltaic park that has a total capacity of 199MW, and it is expected to be commissioned in 2022.



- Energy is sold either under PPAs (up to 20 years), 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 (\$24/MWh in 2017); (ii) Wind farms beginning construction in 2009-10 could opt for 30% cash grant in lieu of PTC



- Feed-in Tariff for 20 years (Ontario)
- Renewable Energy Support Agreement (Alberta)



- Bilateral Electricity Supply Agreement for 25 years under self-supply regime



- Installed capacity under PROINFA program
- Competitive auctions awarding 20-years PPAs

(1) Net of cash grants

EDP Renováveis: Spain & Portugal

Spain	9M18	9M17	Δ %	Δ Abs.
Installed capacity (MW)	2,312	2,244	3%	+68
Avg. load factor (%)	26%	26%	-	-0 p.p.
Production (GWh)	3,760	3,730	1%	+30
Prod. w/capac. complement (GWh)	3,450	3,431	1%	+19
Standard production (GWh)	3,047	2,954	3%	+93
Above/(below) std. prod. (GWh)	404	477	-15%	-73
Prod. w/o cap. complement (GWh)	310	300	3%	+10
Avg. Price (€/MWh)	71.3	76.3	-7%	-5
Total GWh: realised pool (€/MWh)	49.9	48.1	4%	+2
Regulatory adj. on std. GWh (€m)	-27	-7	-	-
Complement (€m)	129	129	-	-
Hedging gains/(losses) (€m)	-22	-17	-29%	-5
Gross profit (1)	289	301	-4%	-12
EBITDA (1)	176	192	-8%	-16
EBIT (1)	96	113	-16%	-18
Installed capacity (MW Equity)	152	152	0%	-
Capex (€m)	52	35	51%	+18
Capacity under construction (MW)	-	68	-	-68

In **Spain**, EDPR operates 2,312MW (MW EBITDA), which reflects +68MW of new capacity added in Sep-18 (Muxia wind farm). Additionally, EDPR owns equity stakes in other wind projects equivalent to 152MW.

EBITDA in Spain decreased 8% YoY to €176m in 9M18, due to: i) lower average selling price at 71€/MWh in 9M18 vs. 76€/MWh in 9M17 reflecting the higher discount on the regulatory adjustment against the pool price and ii) higher losses related to the hedging strategy in place (-€5m); Total output was slightly above the previous year (+1%).

The remuneration framework in Spain was revised in Feb-17, establishing the new parameters of remuneration for renewable energy assets for 2017-2019 which includes: an increase of wind profile coefficient to 14.79% from previous 11.11%; 2014-2016 regulatory adjustments; and new forecasted pool prices with defined caps and floors for the standard production. 92% of Spanish capacity is entitled to receive capacity complement.

Portugal	9M18	9M17	Δ %	Δ Abs.
Installed capacity (MW)	1,280	1,253	2%	+27
Avg. Load factor (%)	26%	27%	-4%	-1 p.p.
Electricity output (GWh)	2,133	2,208	-3%	-75
Avg. selling price (€/MWh)	94.0	92.9	1%	+1
Gross profit	200	205	-2%	-4
EBITDA	167	168	-1%	-1
EBIT	126	127	-1%	-1
Capex (€m)	45	11	314%	+34
Capacity under construction (MW)	76	-	-	+76

In **Portugal**, EDPR owns a portfolio of 1,280MW of wind and solar capacity which includes +27MW of new wind capacity installed in 9M18.

EBITDA in Portugal amounted to €167m in 9M18, -€1m YoY driven by the slightly lower load factor -1p.p. at 26%. Note that wind coefficient in Portugal was below the historical avg. at 0.98 in 9M18 vs. 1.01 in 9M17 (strongly penalized in 3Q18 due to the scarce of wind resource) impacting the outcome of the electricity production (-3% YoY). Avg. selling price increased (+1% YoY) to €94/MWh which translates the inflation indexation of the feed-in-tariff.

As of Sep-18, EDPR had 76MW of wind capacity under construction in Portugal distributed by two wind farms expected to be due later this year (Feed-in-tariff).

- Wind energy receives pool price and a premium per MW, if necessary, in order to achieve a target return established as 'Spanish 10-year Bond yields + 300bp'; Every 3 years, there will be revisions as to compensate deviations from the expected pool price
- Premium calculation is based on standard assets (standard load factor, production and costs)

- Older Wind farms: Feed-in Tariff updated with inflation and inversely correlated with load factor. Duration: 15 years (Feed-in tariff updated with inflation) + 7 years (extension cap/floor system: €74/MWh - €98/MWh)
- ENEOP: price defined in a international competitive tender and set for 15 years (or the first 33 GWh per MW) + 7 years (extension cap/floor system: €74/MWh - €98/MWh). Tariff for first year established at c.€74/MWh and CPI monthly update for following years
- VENTINVESTE: price defined in a international competitive tender and set for 20 years (or the first 44 GWh per MW)

EDP Renováveis: Rest of Europe

Rest of Europe	9M18	9M17	Δ %	Δ Abs.
Installed capacity (MW)	1,612	1,560	3%	+52
Avg. load factor (%)	23%	25%	-9%	-2 p.p.
Electricity output (GWh)	2,363	2,575	-8%	-213
Avg. selling price (€/MWh)	73.8	83.1	-11%	-9
Poland				
Installed capacity (MW)	418	418	0%	-
Avg. load factor (%)	23%	27%	-14%	-4 p.p.
Electricity output (GWh)	627	726	-14%	-99
Avg. selling price (PLN/MWh)	245	306	-20%	-62
EUR/PLN - Avg. Rate in period	4.25	4.27	0%	-0
Romania				
Installed capacity (MW)	521	521	0%	-
Avg. load factor (%)	23%	28%	-19%	-5 p.p.
Electricity output (GWh)	775	960	-19%	-185
Avg. selling price (RON/MWh)	261	345	-24%	-84
EUR/RON - Avg. Rate in period	4.65	4.55	-2%	+0
France				
Installed capacity (MW)	421	406	4%	+15
Avg. load factor (%)	22%	21%	4%	1 p.p.
Electricity output (GWh)	597	559	7%	+38
Avg. selling price (€/MWh)	90	90	0%	+0
Belgium & Italy				
Installed capacity (MW)	252	215	17%	+37
Avg. load factor (%)	25%	24%	1%	0 p.p.
Electricity output (GWh)	363	330	10%	+33
Avg. selling price (€/MWh)	111	117	-5%	-6
Gross profit	175	213	-18%	-38
EBITDA	120	177	-32%	-57
EBIT	59	117	-49%	-58
Capex (€m)	154	38	308%	+116
Capacity under construction (MW)	89	41	117%	+48

In **European markets outside of Iberia** EDPR had a total installed capacity of 1,612MW in Sep-18, (+37M in Italy; +15MW in France) and 89MW are **under construction**: +74MW in Italy and +15MW in France.

EDPR's EBITDA in Rest of Europe decreased by 32% YoY, to €120m in 9M18, driven by i) lower prices particularly in Poland (-20% YoY) and Romania (-24% YoY) mostly due to regulatory changes and therefore contributing to the reduction of the average selling price (-11% YoY, at €74MWh in 9M18) and ii) lower avg. load factor (-2 p.p. YoY).

In **Poland**, EDPR operates 418MW of wind capacity. Average selling price was 20% lower YoY at PLN245/MWh driven by lower green certificates' prices due to the change on substitution fee calculation method since Sep-17. Avg. load factor decreased -4p.p. YoY (that led to a reduction of wind output of 14% to 627GWh).

In **Romania**, EDPR operates 521MW: 471MW in wind and 50MW of solar PV. Operational activities were largely penalized by lower wind and solar output -19% in 9M18 to 775GWh, due to the lower avg. load factor -4p.p. YoY, and the 24% decline on prices deriving from the previously defined amount of Green Certificates attributed per MWh produced post-2017, with avg. selling price at RON261/MWh.

In **France**, wind output increased 7% YoY, to 597GWh, propelled by the higher avg. capacity in operation (+4%), along with a slightly higher avg. load factor +1p.p. at 22%. Average tariff stood at €91/MWh, flat YoY. Additionally, EDPR has a 43% stake in the consortium Eoliennes en mer des Iles d'Yeu et de Noirmoutier (in partnership with Engie and CDC), which since 2014 (round 2 tender) has been developing two offshore wind projects receiving a feed-in tariff as defined by the French government (Jun-18): Dieppe-Le Tréport (496MW) and the islands of Yeu and Noirmoutier (496MW).

In **Belgium & Italy**, the 252MW in operation produced 10% more YoY to 363GWh on the back of capacity additions and slightly better wind resource (+1p.p. avg. load factor). Average selling price was lower at €111/MWh (-5% YoY), due to a lower market prices in Italy (in wind farms installed before 2013).

In **the UK**, EDPR has a 56.7% stake in 950MW Moray East off-shore wind project, which was awarded with a 15-year Contract for Difference ("CfD") at £57.5/MWh (2012 tariff-based) from 2022 onwards. The wind farm will be equipped with 100 turbines of 9.5MW from Vestas, and it is now at final investment decision stage. Moray East is expected to be commissioned in early 2022. Note that EDPR has already executed two sell down deals in this project: (1) in Sep-17, the sell down of a 23% stake to Engie (2) in Mar-18, the sell down of a 20% stake to Mitsubishi Corporation.

In Jul-18, EDPR secured a 20-year CfD at the **Greek energy auction** to sell electricity produced by Livadi 45MW wind farm, with expected commercial operation in 2020. With this new contract, EDPR entered in a new market increasing its footprint in the development of Renewable Energy.

- Price is set 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
- Wind assets (installed until 2013) received 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. 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
- 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
- Assets under construction will receive 15-yr CfD similar to existing FIT
- Wind & solar energy sold at 'Market price + green certificate (GC)'; Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh); Option to negotiate long-term PPAs
- Projects online before 2013 are (during 15 years) under a pool + premium scheme (premium=1x€180/MWh –“P-1”)x0.78, being P-1 previous year average market price; Assets online from 2013 onwards were awarded a 20 years contract through competitive auctions

Regulated Networks in Iberia

Regulated Networks in Iberia (1)

Income Statement (€ m)	9M18	9M17	Δ %	Δ Abs.
Gross Profit	964	1,242	-22%	-278
OPEX (2)	304	353	-14%	-49
Other operating costs (net)	183	171	7%	+12
Net Operating Costs	487	524	-7%	-37
EBITDA	477	717	-34%	-241
Amortisation, impairm.; Provisions	211	223	-5%	-12
EBIT	265	494	-46%	-229
Capex & Opex Performance	9M18	9M17	Δ %	Δ Abs.
Controllable Operating Costs (3)	288	294	-2%	-6
Cont. costs/customer (€/supply point) (3)	42	43	-3%	-1
Cont. costs/km of network (€/Km) (3)	1,168	1,193	-2%	-26
Employees (#)	3,283	3,512	-7%	-229
Capex (Net of Subsidies) (€m)	150	217	-31%	-67
Network ('000 Km) (3)	247	247	0.1%	+0

Electricity Distribution in Spain

Income Statement (€ m)	9M18	9M17	Δ %	Δ Abs.
Gross Profit	144	148	-3%	-4
OPEX (2)	41	41	-1%	-0
Other operating costs (net)	(5)	(10)	47%	+5
Net Operating Costs	36	31	14%	+4
EBITDA	108	117	-7%	-9
Amortisation, impairm.; Provisions	22	32	-29%	-9
EBIT	86	85	1%	+1
Gross Profit Performance	9M18	9M17	Δ %	Δ Abs.
Gross Profit	144	148	-3%	-4
Regulated Revenues	142	137	4%	+5
Non-regulated gross profit	2	11	-84%	-9
Electricity Supply Points (th)	666	663	0%	+3
Electricity Distributed (GWh)	6,998	6,940	1%	+58
Other Key data	9M18	9M17	Δ %	Δ Abs.
Capex (Net of Subsidies) (€m)	20	22	-12%	-3
Network (Km)	20,662	20,555	0.5%	+108
Employees (#)	306	305	0.3%	+1

Our Regulated networks in Iberia in 2017 and 2018 include our activities of distribution of electricity, in Portugal and Spain; and electricity last resort supply activity in Portugal (LRS). Furthermore, Regulated networks in Iberia in 2017 included gas distribution activities in Spain (up to Jul-17, when its disposal was completed) and Portugal (up to Oct-17, when disposal was completed).

Excluding the contribution from gas distribution in Iberia, EBITDA from regulated networks fell by 19% YoY (-€114m), to €477m in the 9M18, largely impacted by: (i) in Portugal (77% of total), the new regulatory terms applicable to electricity distribution and LRS as from 1-Jan-18, which largely explain a €113m decrease in gross profit; and (ii) in Spain (23% of total), our prudent approach to possible regulatory changes, even ahead of the end of the current regulatory period, in 2019YE. Note that regulatory framework for electricity distribution and LRS in Portugal was set in mid Dec-17 and is applicable to the period 2018-2020.

Controllable costs in the electricity networks fell by 2% YoY, to €288m in 9M18, reflecting the headcount reduction (-5% in the electricity operations), lower costs with client services and tight cost control.

Capex amounted to €150m in 9M18, the majority of it (87%) related to electricity in Portugal.

ELECTRICITY DISTRIBUTION IN SPAIN

The terms of regulated revenues for electricity distribution in Spain are set for the period 2016-19, under the regulatory framework designed in Dec-13 (Law 24/2013 and RD 1048/2013), Dec-15 (Ministerial order IET 2660/2015) and Jun-16 (Ministerial order IET 980/2016), encompassing a return on RAB equivalent to a 200bp premium over 10-year Spanish bond yields, equaling to 6.5%. Having said this, in Sep-17, the government initiated a process to change one of the terms of IET 980/2016.

EBITDA from our electricity distribution activity in Spain amounted to €108m in 9M18 (-7% YoY), supported by a prudent approach as to a possible regulatory change ('lesividad'), even ahead of the end of the current regulatory period and tight cost control.

The **allowed revenues** increased 4% YoY. The **volume of electricity distributed** by EDP Spain, especially in the Asturias, increased 1%.

(1) In 2017, includes results from gas distribution in Spain and Portugal, sold in Jul-17 and Oct-17, respectively;

(2) OPEX = Supplies and services + Personnel costs + Costs with social benefits;

(3) Only for electricity networks; Controllable Costs includes Supplies & services and personnel costs.

Electricity Distribution & LRS in Portugal

Income Statement (€ m)	9M18	9M17	Δ %	Δ Abs.
Gross Profit	818	931	-12%	-113
OPEX (1)	261	271	-3.6%	-10
Concession fees	193	191	1.2%	+2
Other operating costs (net)	(5)	(7)	23%	+2
Net Operating Costs	450	455	-1.3%	-6
EBITDA	368	475	-23%	-107
Amortisation, impairment; Provisions	189	179	5%	+9
EBIT	179	296	-39%	-117

Gross Profit Performance	9M18	9M17	Δ %	Δ Abs.
Gross Profit (€m)	818	931	-12%	-113
Regulated gross profit	811	926	-12%	-115
Non-regulated gross profit	7	5	43%	+2
Distribution Grid				
Regulated revenues (€ m)	783	895	-13%	-112
Electricity distributed (GWh)	34,480	33,219	3.8%	+1,261
Supply Points (th)	6,217	6,177	0.6%	+40
Last Resort Supply				
Regulated revenues (€ m)	27	31	-10%	-3
Customers supplied (th)	1,147	1,251	-8%	-105
Electricity sold (GWh)	2,149	2,362	-9%	-213

Capex & Opex Performance	9M18	9M17	Δ %	Δ Abs.
Controllable Operating Costs (2)	249	254	-2%	-6
Cont. costs/client (€/customer)	40.0	41.1	-3%	-1
Cont. costs/km of network (€/Km)	1,098	1,124	-2%	-26
Employees (#)	2,973	3,141	-5%	-168
Capex (Net of Subsidies) (€m)	130	171	-24%	-40
Network ('000 Km)	226	226	0.1%	+0
Equival. interruption time (min.) (3)	44	37	19%	+7

EBITDA from electricity distribution and last resort supply (LRS) in Portugal amounted to €368m in 9M18 (-23% YoY or -€107m), penalized by the new regulatory terms in place as from 1-Jan-18 (-€116m, in line with the regulatory framework in place until the end of 2020), such impact was partly offset by a good cost performance (controllable operating costs, -2% YoY).

For the full year of 2018, ERSE preliminarily defined regulated gross profit for distribution and LRS of €1,100m (-11% compared to regulated gross profit booked in 2017). **For the activity of electricity distribution**, ERSE set preliminary regulated revenues of €1,062 million for 2018 (excluding previous year adjustments) and remaining parameters applicable to 2018-20, including: i) for the low voltage ('LV') distribution segment, a RoR of 6.00% in 2018; ii) for the high and medium voltage ('HV/MV') distribution segment, a preliminary rate of return ("RoR") of 5.75% before taxes. The definitive rate in the period 2018-20 for HV/MV segment will range from 4.75% to 9.75% (floor/cap), and will be set for year t, based on the daily average of the 10 year Portuguese government bond yield between October of year t-1 and September of year t. **For the last resort electricity supply**, ERSE defined regulated gross profit (excluding previous year adjustments) of €38m in 2018.

In 9M18, regulated gross profit amounted to €811m, posting a 12% decline YoY (-€115m).

Regulated revenues in electricity distribution, amounting to €783m in 9M18, declined by €112m YoY, driven by tougher regulatory terms and lower rate of return on HV/MV assets: 5.42% in 9M18 vs. 6.68% in 2017. ERSE's assumption for 2018 was 5.75%. Electricity distributed in the 9M18 rose by 3.8% YoY (+2.1%, adjusted for temperature effect), mainly driven by the residential segment.

In the **last resort electricity supply activity (LRS)**, regulated revenues amounted to €27m in 9M18, mainly supported by an 8% reduction in the customers base, following consumers' switching to the free market. Year to date, **total number of customers supplied by the LRS** declined by 105 thousand, to 1,147 thousand at the end of Sep-18 (representing 18% of total electricity customers in Portugal), mostly in the residential segment. Note that, following the publication of DL 105/2017, electricity customers in Portugal are, since 1-Jan-18, allowed to return to the regulated market until the end of 2020. The volume of electricity supplied by our LRS fell by 9% YoY, to 2.1TWh in the 9M18.

Controllable operating costs were 2% lower YoY in 9M18, supported by tight cost control and headcount reduction (-5% YoY).

Capex amounted to €130m in 9M18, including €20m invested in smart meters. The **equivalent interruption time** totaled 44 minutes in 9M18 (vs. 37 minutes in 9M17).

On 15-Oct-18, **ERSE released its proposal for 2019 tariffs**. For the activity of electricity distribution, ERSE proposed regulated gross profit of €1,060m in 2019. For the last resort electricity supply activity, ERSE proposed regulated gross profit in 2019 of €31m.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits; (2) Supplies & services and personnel costs. (3) Adjusted for non-recurring impacts (rainstorms, high winds and summer fires).

EDP Brasil: Financial Performance

Income Statement	Consolidated (R\$ m)			
	9M18	9M17	Δ %	Δ Abs.
Gross Profit	2,869	2,597	10%	+272
OPEX (1)	799	806	-1%	-7
Other operating costs (net)	118	151	-22%	-33
Net Operating Costs	917	957	-4%	-40
EBITDA	1,952	1,640	19%	+312
Amortisation, impairment; Provisions	500	448	11%	+52
EBIT	1,453	1,192	22%	+261
Financial results	(247)	(397)	38%	+150
Results from associates	(2)	(7)	70%	+5
Pre-tax profit	1,203	788	53%	+416

Consolidated (€ m)			
9M18	9M17	Δ %	Δ Abs.
668	735	-9%	-67
186	228	-18%	-42
27	43	-36%	-16
213	271	-21%	-58
455	464	-2%	-9
116	127	-8%	-10
339	337	0%	+1
(58)	(112)	-49%	+55
(1)	(2)	-75%	+2
281	223	26%	+58

Energias do Brasil	9M18	9M17	Δ %	Δ Abs.
Share price at end of period (R\$/share)	12.79	15.14	-16%	-2.35
Number of shares Issued (million)	606.9	606.9	-	-
Treasury stock (million)	0.6	0.7	-	-
Number of shares owned by EDP (million)	310.8	310.8	-	-
Euro/Real - End of period rate	4.65	3.76	-19%	+0.89
Euro/Real - Average of period rate	4.29	3.53	-18%	+0.76
Inflation rate (IPCA - YoY)	3.5%	3.7%	-	-
Net Debt / EBITDA (x)	1.9	1.9	-	+0.1
Average Cost of Debt (%)	8.7	12.0	-	-3.2p.p.
Average Interest Rate (CDI)	6.5	10.8	-	-4.4p.p.
Employees (#)	2,948	2,903	2%	+45

Capex & Financial Investments	(R\$ m)			
	9M18	9M17	Δ %	Δ Abs.
Capex	755	488	55%	+267
Distribution	444	413	7%	+31
Transmission	234	6	3581%	+228
Generation	72	58	24%	+14
Supply and Other	5	11	-51%	-6
Net Financial Invest. & Acquisitions	282	192	47%	+91

(€ m)			
9M18	9M17	Δ %	Δ Abs.
176	138	27%	+38
103	117	-12%	-14
55	2	2929%	+53
17	16	2%	+0
1	3	-59%	-2
81	56	46%	+25

Key Balance Sheet Figures (R\$ Million)	9M18	9M17	Δ %	Δ Abs.
Financial investm, assets held for sale	1,929	1,432	35%	+497
Net financial debt	4,875	3,873	26%	+1,002
Regulatory receivables	501	12	4166%	+490
Non-controlling Interests	1,201	1,474	-19%	-273
Equity book value	8,428	7,976	6%	+452

Financial Results (R\$ Million)	9M18	9M17	Δ %	Δ Abs.
Net Interest Costs	(333)	(348)	4%	+15
Capitalised Costs	9	7	36%	+2
Forex Differences and Derivatives	(11)	(3)	-328%	-8
Other	88	(53)	-	+140
Financial Results	(247)	(397)	38%	+150

In local currency, EDP Brasil (“EDPB”) EBITDA increased 19% YoY (+R\$312m) to R\$1,952m in 9M18, impacted by (i) higher EBITDA in **distribution** (+R\$85m YoY in 9M18) on better operational performance; (ii) better results in **Pecém coal plant** mainly due to the availability above contractual benchmark (+R\$112m YoY); and (iii) **successful portfolio integration management** which lead to a GSF impact net of hedging of +R\$135m YoY.

EBITDA in distribution increased by R\$85m YoY to R\$683m in 9M18, mostly due to the trajectory in the reduction of losses, which allowed for an increase of R\$28m YoY in results, and to the update of the concessions assets’ value to inflation (+R\$30m YoY). **Generation and Supply EBITDA** increased by R\$186m to R\$1,303m, reflecting for supply (+R\$37m YoY), the positive impact of higher volumes; and for Pecém, the abovementioned reduction in the provision for penalties on unavailability. **EBITDA in EUR terms**, which reached €455m, was negatively impacted by BRL avg. depreciation against the EUR by 18% (-€97m).

Net operating costs decreased by R\$40m YoY, with OPEX costs decreasing 1% (avg. IPCA rate of +3.5% in 9M18), while other operating costs fell R\$33m essentially due to a R\$34m gain on the sale of Costa Rica mini-hydro plant.

Net financial debt increased R\$443m vs. Dec-17 to R\$4.9bn, due to: (i) the anticipated payment of dividends of R\$0.5bn, (ii) the acquisition of 19.62% of CELESC for R\$0.3bn and (iii) the increase in regulatory receivables by R\$0.4bn. **Financial results** improved 38% YoY to R\$247m in 9M18, reflecting (i) lower cost of debt (from 12.0% in 9M17 to 8.7% in 9M18), in line with the declining in interest rates in Brazil - annualized CDI stood at 6.5% in 9M18 vs. 10.8% in 9M17 and; (ii) +R\$64m from badwill at CELESC, the owner of the electricity distribution concession in the Santa Catarina State, in which EDPB concluded de acquisition of a 19.62% stake on Apr-18, for a total amount of R\$0.3bn (equity consolidated).

Results from associates totalled -R\$2m in 9M18 (+R\$5m YoY), reflecting a negative contribution from Cachoeira-Caldeirão (-R\$6m) and São Manoel (-R\$22m), offset by Jari (+R\$12m) and CELESC (+R\$17m).

Worth noting that 31% of the capex made in the 9M18 was on the **Transmission** segment (R\$234m in 9M18), a segment inF which EDPB is developing 5 transmission lines with a total investment of R\$3.1bn up to 2022. Note that by Sep-18 the Espírito Santo line has already concluded 79% of the construction works and the new line in Santa Catarina is pending the granting of installation licences to begin construction works.

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits.

Brazil: Electricity Distribution

Income Statement (R\$ m)	9M18	9M17	Δ %	Δ Abs.
Gross Profit	1,374	1,281	7%	+94
OPEX (1)	541	536	1%	+5
Other operating costs (net)	151	148	2%	+3
Net Operating Costs	692	683	1%	+8
EBITDA	683	598	14%	+85
Amortisation, impairment; Provisions	189	158	19%	+30
EBIT	494	439	13%	+55

EBITDA from our electricity distribution activity in Brazil increased by R\$85m YoY to R\$683m in 9M18, mostly due to (i) the update of the concession's assets value to inflation, as contemplated by the regulatory framework (R\$45m in 9M18 vs. R\$14m in 9M17); (ii) a reduction of the losses which allowed for an increase in results of R\$28m YoY; partly offset by a negative tariff impact of R\$38m due to 2018's tariff revision on **regulated gross profit**, which considered the price deflation in the preceding months to the tariff revisions.

Volumes of electricity sold increased slightly in 9M18 by 1% vs. 9M17. At the same time, **volumes distributed to clients in the free market** increased 3% YoY to 8.4TWh in 9M18. All in all, **electricity distributed** increased by 1.6% YoY in 9M18.

The volumes of energy contracted surpassed by more than 5% the volumes demanded by clients during the 9M18. The **overcontracted** volumes are sold at the spot price (PLD) which was higher than the long-term sourcing contracted prices, leading to a gain of R\$35m on 9M18.

Gross Profit Performance	9M18	9M17	Δ %	Δ Abs.
Gross Profit (R\$ m)	1,374	1,281	7%	+94
Regulated revenues	1,205	1,247	-3.3%	-42
Other	169	34	397%	+135
Regulatory Receivables (R\$ m)				
Beginning of period	101	(392)	-	+493
Recovery of past deviations	43	353	-88%	-310
Annual deviation (2)	357	50	615%	+307
CDE/ACR Account (3)	-	-	-	-
End of period	501	12	4166%	+490
Customers Connected (th)	3,419	3,359	1.8%	+59
EDP São Paulo	1,872	1,830	2.3%	+42
EDP Espírito Santo	1,547	1,530	1.1%	+17
Electricity Distributed (GWh)	18,636	18,346	1.6%	+290
EDP São Paulo	11,340	10,978	3.3%	+362
EDP Espírito Santo	7,296	7,368	-1.0%	-73
From which:				
To customers in Free Market (GWh)	8,361	8,142	2.7%	+219
Electricity Sold (GWh)	10,265	10,194	0.7%	+70
EDP São Paulo	5,910	5,909	0.0%	+0
Resid., Commerc. & Other	4,929	4,876	1.1%	+54
Industrial	980	1,034	-5.2%	-53
EDP Espírito Santo	4,355	4,285	1.6%	+70
Resid., Commerc. & Other	3,904	3,794	2.9%	+110
Industrial	451	491	-8%	-40

The trajectory of lower non-technical losses observed in the recent quarters was maintained. Non-technical losses in the low-voltage segment have decreased both for EDP Espírito Santo, reaching 11.8% in 9M18 (-0.3pp vs. 9M17), as well as for EDP São Paulo, whose level stood at 8.5% in 9M18 (-1.1pp vs. 9M17). Provisions for doubtful clients were nearly flat YoY at R\$73m in 9M18. EDPB keeps tackling the situation through increased proximity to clients, regardless of some economic improvement and unemployment reduction in the region of EDP São Paulo.

As of Set-18, **regulatory receivables** amounted to R\$501m (+R\$400m vs. Dec-17), to be recouped from the system in the following years: (i) a R\$357m increase in tariff deficit occurred, essentially related to higher energy costs than the ones incorporated in the tariffs; (ii) a R\$43m of past deviations were recognized.

Controllable operating costs and other operating costs were higher YoY at R\$541m (+R\$5m) and R\$151m in 9M18 (+R\$3m), respectively. Distribution capex increased R\$31m to R\$444m in 9M18.

Capex & Opex Performance	9M18	9M17	Δ %	Δ Abs.
Controllable Operating Costs (4)	541	536	1.0%	+5
Cont. costs/customer (R\$/customer)	158	159	-0.8%	-1
Cont. costs/km (R\$/Km)	6	6	0.4%	+0
Employees (#)	2,145	2,147	-0.1%	-2
Capex (net of subsidies) (R\$m)	444	413	7%	+31
Network ('000 Km)	92	91	0.6%	+1

(1) OPEX = Supplies and services + Personnel costs + Costs with social benefits;

(2) Net of extraordinary tariff increase and tariff flags impacts;

(3) Including financial update of the corresponding regulatory assets/liabilities;

(4) S&S and Personnel costs.

Brazil: Electricity Generation and Supply

Income Statement (R\$M)	Generation			
	9M18	9M17	Δ %	Δ Abs.
Gross Profit	1,295	1,166	11%	+129
OPEX (1)	154	173	-11%	-19
Other operating costs (net)	(5)	(3)	31%	-1
Net Operating Costs	149	169	-12%	-20
EBITDA	1,146	997	15%	+149
Amortisation, impairment; Provisions	274	271	1.3%	+3
EBIT	872	726	20%	+146

EBITDA from our electricity generation activities in Brazil went up 15% YoY (+R\$149m in 9M18) to R\$1,146m in 9M18, reflecting higher EBITDA at Pecém coal plant at R\$487m in 9M18 (+R\$150m YoY), mostly due to the availability above contractual benchmark (+R\$112m in 9M18).

Hydro gross profit remained flat (R\$726m in 9M18), mainly due to weak hydro conditions that saw a deterioration in the 3Q18 (GSF at 59%) but were very similar YoY (GSF at 85% in both 9M18 and 9M17). Worth noting that EDPB hedging and GSF insurance coupled with the sale of uncontracted volumes, offset the impact of GSF which otherwise would have had a negative impact of R\$520m in 9M18 (-R\$441m in 3Q18).

EDPB will continue to manage its portfolio of plants and contracts, handling volumes and hedges together with its supply business as to minimize the impact of hydro deficits and price volatility.

Key Data	9M18	9M17	Δ %	Δ Abs.
Gross Profit (R\$ m)	1,295	1,166	11%	+129
Hydro	726	730	-0%	-4
PPA contracted revenues & Other	728	832	-12%	-103
GSF impact (net of hedging)	(2)	(102)	98%	+100
Thermal	569	436	30%	+133
PPA contracted revenues	521	507	3%	+14
Other	48	(71)	-	+119
Installed Capacity (MW)	2,451	2,466	-1%	-15
Hydro	1,731	1,746	-1%	-15
Thermal	720	720	-	-
Electricity Sold (GWh)	10,259	9,583	7%	+676
PPA contracted	8,401	8,495	-1%	-95
Hydro	5,203	5,224	-0.4%	-21
Thermal	3,197	3,272	-2%	-74
Other	1,858	1,088	71%	+771
Avg. Hydro Sale Price (R\$/MWh) (2)	187	181	3%	+6
Installed Capacity (MW Equity)	539	306	76%	+233
Capex (R\$ m)	72	58	24%	+14
Financial Investments (R\$ m)	10	192	-95%	-182
Employees (#)	465	491	-5%	-26

Moreover, the avg. price of hydro volumes, which reached R\$187/MWh in 9M18, was 3% higher YoY, due to PPA prices being inflation updated annually, but also due to higher prices on new short-term and long-term contracts. Hydro volumes sold fell 0.4% YoY, mostly due to changes in inter-quarter volumes' allocation strategy. EBITDA comparison was negatively impacted by a change in the tax rate paid by Peixe Angical that was accounted in 9M17 (+R\$33m).

Pecém's gross profit reached R\$569m in 9M18 (+R\$133m YoY), of which R\$521m relative to PPA fixed revenues. Availability stood at 89% in 9M18, significantly above the 83.5% contractual benchmark, which led to a reduction in the provisions for penalties on unavailability.

EDPB operates 3.0GW of capacity, of which 0.5GW are equity consolidated. Equity accounted capacity refers to a 50% equity stake in Santo Antônio do Jari hydro plant (393MW), to a 50% equity stake in Cachoeira-Caldeirão hydro plant (219MW), both in partnership with CTG, to a 33% equity stake in São Manoel hydro plant (700MW, fully online in Apr-18) in partnership with CTG and Furnas. In 9M18, our 50% stake in Jari contributed with a net gain of R\$12m (+R\$7m YoY), reflecting an increase of the volumes sold vs. 9M17. Cachoeira-Caldeirão contributed with a net loss of R\$6m (@50%) impacted by interest costs, given the initial stage of the asset's life. São Manoel, fully online since Apr-18, contributed with a net loss of R\$22m (@33%).

Capex increased R\$14m YoY to R\$72m in 9M18, corresponding mostly to maintenance works in Pecém. Note that the final equity investments devoted to São Manoel hydro project are classified as 'financial investments' (equity-method accounted) and in 9M18 totalled R\$10m.

EBITDA Breakdown (R\$ m)	9M18	9M17	Δ %	Δ Abs.
Pecém (100%)	487	338	44%	+150
Lajeado (73% owned by EDPB)	286	280	2%	+6
Peixe Angical (60% owned by EDPB)	152	201	-24%	-49
Other (100%)	221	178	24%	+43
EBITDA	1,146	997	15%	+149

Electricity supply EBITDA increased R\$37m to R\$156m in 9M18, reflecting higher volumes and evidencing the integration of the portfolio through the hedging strategy developed to deal with price volatility.

Supply	9M18	9M17	Δ %	Δ Abs.
Gross profit (R\$ m)	184	145	27%	+40
Net Operating costs (R\$ m)	28	25	11%	+3
EBITDA (R\$ m)	156	119	31%	+37
Electricity sales (GWh)	13,568	11,980	13%	+1,589
Capex (R\$ m)	3	4	-26%	-1



Income Statements & Annex

Income Statement by Business Area

9M18 (€m)	Generation & Supply Iberia	Regulated Networks Iberia	Wind & Solar	Brazil	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	6,030	3,650	1,110	2,459	(1,937)	11,311
Gross Profit	1,133	964	1,101	668	(3)	3,862
Supplies and services	212	211	249	104	(99)	677
Personnel costs and employee benefits	108	93	84	82	105	472
Other operating costs (net)	190	183	(102)	27	5	303
Operating costs	511	487	231	213	10	1,452
EBITDA	622	477	869	455	(13)	2,410
Provisions	281	2	0	7	(8)	283
Amortisation and impairment (2)	291	209	398	109	41	1,049
EBIT	50	265	471	339	(47)	1,078

9M17 (€m)	Generation & Supply Iberia	Regulated Networks Iberia(1)	Wind & Solar	Brazil	Corpor. Activ. & Adjustments	EDP Group Pro-forma	Gas Networks Iberia	EDP Group Reported
Revenues from energy sales and services and other	5,832	3,784	1,203	2,443	(1,886)	11,376	273	11,654
Gross Profit	973	1,078	1,179	735	(7)	3,959	166	4,122
Supplies and services	221	215	233	130	(124)	675	14	707
Personnel costs and employee benefits	115	97	75	98	105	491	10	499
Other operating costs (net)	118	174	(120)	43	(566)	(350)	2	(353)
Operating costs	455	487	189	271	(585)	816	26	853
EBITDA	518	592	991	464	579	3,143	140	3,269
Provisions	(1)	(2)	0	4	(0)	1	0	1
Amortisation and impairment (2)	286	213	385	122	36	1,043	19	1,055
EBIT	233	381	606	337	542	2,099	121	2,213

(1) Includes only Electricity distribution in Portugal and Spain, LRS in Portugal; Excludes Gas distribution in Spain and Portugal, stated on column "Gas Networks Iberia", following its disposal, in Jul-17 and Oct-17, respectively.

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

Quarterly Income Statement

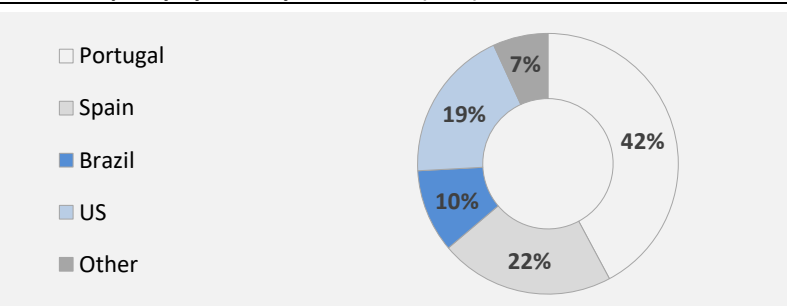
Quarterly P&L (€ m)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Δ YoY %	Δ QoQ %
Revenues from energy sales and services and other	4,233	3,642	3,779	4,092	4,032	3,527	3,752		-1%	6%
Cost of energy sales and other	(2,710)	(2,272)	(2,549)	(2,823)	(2,639)	(2,227)	(2,582)		-1%	-16%
Gross Profit	1,523	1,370	1,229	1,269	1,393	1,299	1,170		-5%	-10%
Supplies and services	227	246	235	283	209	233	234		-0%	1%
Personnel costs and Employee Benefits	171	169	159	181	163	162	147		-7%	-9%
Other operating costs (net)	114	64	(531)	83	128	75	100		-	34%
Operating costs	512	479	(137)	548	501	470	482		-	2%
EBITDA	1,011	892	1,367	721	893	829	688		-50%	-17%
Provisions	4	(2)	(0)	(5)	(7)	4	286		-	-
Amortisation and impairment (1)	359	349	346	621	351	348	350		1%	1%
EBIT	648	545	1,021	105	549	477	53		-95%	-89%
Financial Results	(197)	(173)	(223)	(215)	(127)	(150)	(166)		25%	-11%
Share of net profit in joint ventures and associates	(1)	8	4	1	1	2	6		58%	173%
Profit before income tax and CESE	450	379	801	(110)	423	330	(108)		-	-
Income taxes	66	53	56	(165)	74	43	(67)		-	-
Extraordinary contribution for the energy sector	70	(2)	2	(0)	66	(2)	1		-53%	-141%
Net Profit for the period	315	328	743	56	282	289	(43)		-	-
Net Profit Attributable to EDP	215	235	696	(33)	166	214	(83)		-	-
Non-controlling Interests	100	93	47	89	116	75	40		(0)	-46%

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

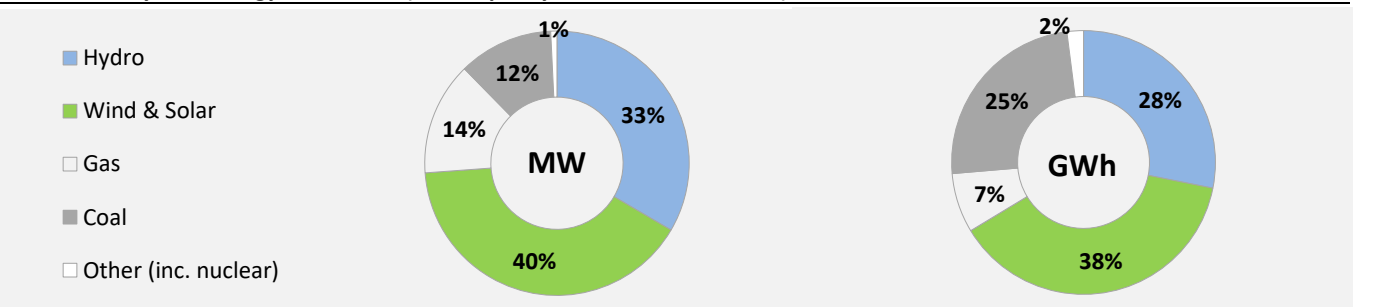
EDP - Installed capacity & electricity generation

Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	9M18	9M17	Δ MW	Δ %	9M18	9M17	Δ GWh	Δ %	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Wind	10,752	10,236	516	5%	20,485	19,691	794	4%	7,690	6,777	5,224	7,775	8,719	6,620	5,145	
US	5,043	4,801	242	5%	10,857	10,171	686	7%	4,059	3,764	2,348	4,161	4,455	3,735	2,666	
Portugal	1,275	1,249			2,127	2,203	-76	-3%	876	657	670	702	1,064	608	455	
Spain	2,312	2,244	68	3%	3,760	3,730	30	1%	1,442	1,223	1,065	1,365	1,766	1,101	894	
Brazil	331	204			836	564	273	48%	147	167	249	298	159	262	416	
Rest of Europe (2)	1,562	1,509	52	3%	2,307	2,517	-210	-8%	1,050	754	713	1,075	1,068	697	541	
Rest of the World (3)	230	230	0	0%	598	507	91	18%	115	213	179	174	208	217	173	
Solar	145	85	60	71%	182	126	56	45%	28	51	47	29	43	69	70	
Hydro	9,019	9,081	-61	-1%	15,206	8,783	6,423	73%	4,364	2,606	1,813	2,641	6,154	5,863	3,189	
Portugal	6,862	6,908	-47	-1%	10,212	5,618	4,594	82%	2,921	1,537	1,160	1,330	3,790	4,172	2,249	
Pumping activity	2,806	2,799	7	0%	-1,095	-1,535	440	-29%	-550	-652	-334	-692	-636	-329	-130	
Run of the river	2,411	2,435			5,207	2,447	2,761	113%	1,364	713	370	356	1,685	2,424	1,098	
Reservoir	4,308	4,314			4,666	2,960	1,706	58%	1,409	771	779	947	1,940	1,605	1,120	
Small-Hydro	143	157			339	211	128	61%	148	52	10	27	165	143	32	
Spain	426	426	0	0%	885	321	564	176%	175	88	58	151	408	370	108	
Brazil	1,731	1,746	-15	-1%	4,109	2,844	1,265	44%	1,268	981	596	1,160	1,956	1,321	832	
Gas/ CCGT	3,729	3,736	-7	0%	3,950	5,934	-1,984	-33%	1,713	1,388	2,833	2,095	1,302	846	1,802	
Portugal	2,031	2,039			3,099	4,644	-1,545	-33%	1,105	1,203	2,336	1,297	907	660	1,532	
Spain	1,698	1,698			851	1,290	-439	-34%	608	185	497	798	395	186	270	
Coal	3,124	3,124	0	0%	13,151	15,788	-2,637	-17%	5,041	5,304	5,444	5,656	3,965	3,926	5,260	
Portugal	1,180	1,180			5,800	7,176	-1,376	-19%	2,192	2,486	2,497	2,250	1,734	1,635	2,431	
Spain	1,224	1,224			4,154	5,341	-1,187	-22%	1,860	1,758	1,723	2,080	1,045	1,248	1,861	
Brazil	720	720			3,197	3,272	-74	-2%	988	1,060	1,224	1,326	1,186	1,043	968	
Nuclear - Trillo (15.5%)	156	156	0	0%	856	895	-39	-4%	333	223	339	340	331	187	337	
Other	49	49	0	0%	238	174	64	37%	45	57	72	73	84	82	73	
Portugal	24	24			142	79	63	80%	15	26	38	40	51	50	41	
Spain	25	25			96	95	1	1%	30	31	34	33	32	32	32	
TOTAL	26,974	26,466	508	2%	54,068	51,392	2,676	5%	19,215	16,406	15,771	18,609	20,598	17,593	15,877	
Of Which:																
Portugal	11,377	11,428	-51	0%	21,386	19,751	1,635	8%	7,110	5,912	6,729	5,595	7,548	7,127	6,711	
Spain	5,840	5,772	68	1%	10,601	11,673	-1,071	-9%	4,449	3,508	3,715	4,766	3,976	3,123	3,502	
Brazil	2,782	2,670	112	4%	8,143	6,680	1,463	22%	2,403	2,208	2,069	2,783	3,301	2,626	2,216	
US	5,133	4,831	303	6%	10,977	10,232	744	7%	4,074	3,789	2,369	4,177	4,486	3,779	2,711	

Installed capacity by Country as of 9M18 (MW)



Breakdown by Technology as of 9M18 (MW Capacity & GWh of Production)



(1) Installed capacity that contributed to the revenues in the period; (2) Includes Poland, Romania, France, Belgium; (3) Includes Canada and Mexico.

EDP - Networks, Customers connected and Volumes distributed



RAB	9M18	9M17	Δ %	Δ GWh
Portugal (€ m)	2,996	2,970	0.9%	25
High / Medium Voltage	1,832			
Low Voltage	1,164			
Spain (€ m)	950	950	0.0%	-
Brazil (BRL m)	4,577	4,165	9.9%	412
EDP Espírito Santo	2,379	2,207	7.8%	171
EDP São Paulo	2,198	1,957	12.3%	241
TOTAL (€ m)	5,011	5,027	-0.3%	-15

Networks	9M18	9M17	Δ %	Δ Abs.
Lenght of the networks (Km)	338,822	338,000	0.2%	822
Portugal	226,240	226,076	0.1%	165
Spain	20,662	20,555	0.5%	108
Brazil	91,920	91,370	0.6%	550
DTCs (thous.)				
Portugal	17	14	25%	3
Spain	7	7	5%	0
Energy Box (th)				
Portugal	1,730	1,059	63%	672
Spain	642	581	10%	60

Customers Connected (th)	9M18	9M17	Δ %	Δ Abs.
Portugal	6,217	6,177	0.6%	40
Very High / High / Medium Voltage	25	25	1.1%	0.3
Special Low Voltage	36	36	1.9%	0.7
Low Voltage	6,155	6,116	0.6%	39
Spain	666	663	0.4%	3
High / Medium Voltage	1	1	1.0%	0.0
Low Voltage	665	662	0.4%	2.7
Brazil	3,419	3,359	1.8%	59
EDP São Paulo	1,872	1,830	2.3%	42
EDP Espírito Santo	1,547	1,530	1.1%	17
TOTAL	10,301	10,199	1.0%	102

Quality of service	9M18	9M17	Δ %	Δ Abs.
Losses (% of electricity distributed)			-	-
Portugal (1)	9.7%	10.6%	-8.6%	-0.9 p.p.
Spain	3.4%	3.4%	-0.5%	0 p.p.
Brazil				
EDP São Paulo	8.4%	8.7%	-3.3%	-0.3 p.p.
Technical	5.6%	5.5%	2.2%	0.1 p.p.
Commercial	2.8%	3.3%	-12.7%	-0.4 p.p.
EDP Espírito Santo	12.3%	13.1%	-5.6%	-0.7 p.p.
Technical	7.7%	8.3%	-7.8%	-0.7 p.p.
Comercial	4.7%	4.7%	-1.7%	-0.1 p.p.
Telemetering (%)				
Portugal	69%	67%	3%	2 p.p.

Electricity Distributed (GWh)	9M18	9M17	Δ %	Δ GWh
Portugal	36,237	34,834	4.0%	1,403
Very High Voltage	-	-	-	-
High / Medium Voltage	34,480	33,219	3.8%	1,261
Low Voltage	1,757	1,616	8.8%	142
Spain	23,100	22,184	4.1%	916
High / Medium Voltage	16,103	15,244	5.6%	859
Low Voltage	6,998	6,940	0.8%	58
Brazil	18,636	18,346	1.6%	290
Free Customers	8,361	8,142	2.7%	219
Industrial	1,431	1,525	-6.1%	-93
Residential, Comercial & Other	8,844	8,680	1.9%	164
TOTAL	77,974	75,365	3.5%	2,609

Financial investments & Assets for Sale; Non-controlling interests; Provisions

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ m)				Book value (€ m)			
	9M18	9M17	Δ MW	Δ %	9M18	9M17	Δ Abs.	Δ %	9M18	9M17	Δ Abs.	Δ %
EDP Renováveis	331	331	0	0%	2	2	0	-13%	303	317	-14	-4%
Spain	152	152										
US	179	179										
Other	0	0										
EDP Brasil	539	306	233	76%	-1	-2	2	-75%	415	380	34	9%
Generation - Hydro	539	306										
Distribution												
Iberia (Ex-wind) & Other	10	10	0	0%	8	11	-3	-28%	258	275	-16	-6%
Spain - Cogeneration & Waste	10	10										
Macao - Distribution (CEM)												
Other												
Assets Held for Sale (net of liabilities)									214	555	-341	-62%
TOTAL	880	647	233	36%	9	11	-2	-16%	1,189	1,526	-337	-22%

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ m)				Book value (€ m)			
	9M18	9M17	Δ MW	Δ %	9M18	9M17	Δ Abs.	Δ %	9M18	9M17	Δ Abs.	Δ %
EDP Renováveis	4,677	4,524	153	3%	130	161	-31	-19%	2,701	2,572	129	5%
At EDPR level:	2,781	2,728	53	2%	114	128	-14	-11%	1,610	1,475	135	9%
Iberia	851	851										
North America	1,210	1,220										
Rest of Europe	557	557										
Brazil	162	100										
17.4% attributable to free-float of EDPR (3)	1,896	1,796	100	6%	16	33	-17	-52%	1,091	1,097	-6	-1%
EDP Brasil	1,807	1,814	-7	0%	104	81	23	28%	1,184	1,470	-286	-19%
At EDP Brasil level:	606	606	0	0%	23	27	-4	-14%	258	392	-134	-34%
Hydro	606	606										
Other	0	0										
49% attributable to free-float of EDP Brasil	1,201	1,208	-7	-1%	81	55	26	48%	926	1,078	-152	-14%
Iberia (Ex-wind) & Other	12	12	0	0%	-2	-3	1	-18%	-30	-41	11	-26%
TOTAL	6,496	6,350	146	2%	231	239	-8	-3%	3,855	4,001	-147	-4%

Provisions (Net of tax)	Employees benefits (€ m)			
	9M18	9M17	Δ Abs.	Δ %
EDP Renováveis	0	N/A		
EDP Brasil	118	N/A		
Iberia (Ex-wind) & Other	813	N/A		
TOTAL	932	N/A		

(1) MW attributable to associated companies & JVs and non-controlling interests; (2) Share of profit in JVs & associates and from non-controlling interests; assets held for sale not included; (3) 22.5% up to Aug-17. 17.4% thereafter.

EDP - Sustainability performance



Main Events 9M18 (a)

EDP elected world leader in the social dimension of sustainability

The Group is in the top 2 of energy companies on the Dow Jones Sustainability Index and was considered the best in the world in criteria such as environmental policy management.

EDP increases score on FTSE4Good Global Index

EDP is in the top 2 of companies with the highest ESG score on FTSE4Good Global Index with a score 4.6 out of 5.

Ethisphere Institute - World's Most Ethical Companies 2018

The Most Ethical Companies in the World in 2018, published by the Ethisphere Institute, includes 135 companies from 23 countries and recognizes the EDP Group for its seventh consecutive year.

EDP is one of the 100 world companies with science-based climate commitments

According to CDP - one of the international organizations behind the Science-Based Target Initiative (SBTi) - the number of companies with CO2 emission reduction targets now stands at 100. EDP is part of this universe of companies contributing to compliance with the Paris Agreement.

EDP Internal Sustainability Index (base 2010-12)

	9M18	9M17	Δ %
Sustainab. Index (b)(c)(d)	106	104	2%
Environmental %Weight	105 33%	93 33%	12%
Economic %Weight	103 37%	109 37%	-5%
Social %Weight	111 30%	110 30%	1%

This Sustainability Index was developed by EDP and is based on 33 sustainability performance indicators

Economic Metrics

	9M18	9M17	Δ %
Economic Value (€m)	11,983	12,902	-7%
Distributed	10,856	10,997	-1%
Accumulated	1,127	1,906	-41%
Energy Serv. Revenues (b)	744	795	-6%
Energy Efficiency Serv.	100	85	18%

Social Metrics

	9M18	9M17	Δ %
Employees	11,555	11,716	-1%
Total hours of training	253,625	265,558	-4%
On-duty Accidents (e)	22	21	5%
Severity Rate (Tg) (f)	112	120	-7%
Freq. rate (Tf) (f)	1.45	1.32	10%
Fatal accidents (3rds)	6	7	-14%

Environmental Metrics

	9M18	9M17	Δ %
Absolute Atmospheric Emissions (kt)			
CO2 (c)(g)	13,920	16,953	-18%
NOx	10.5	12.8	-17%
SO2	16.8	21.8	-23%
Particle	1.640	1.049	56%

Specific Atmospheric Emissions (g/KWh)			
CO2 (c)(g)	258.5	331.5	-22%
NOx	0.20	0.25	-22%
SO2	0.31	0.43	-27%

GHG emissions (ktCO2 eq)			
Direct Emissions (scope 1) (c)	13,937	16,972	-18%
Indirect emissions (scope 2) (d)	572	694	-18%

Primary Energy Consumption (TJ) (h)	165,023	202,109	-18%
Max. Net Certified Capacity (%)	92%	90%	2%
Water Use (10³ m³)	1,111,275	1,331,671	-17%
Total Waste to final disposal (t)	253,854	359,023	-29%

Environmental Matters (€ th) (j)	179,470	76,773	134%
Investments	39,621	38,720	2%
Expenses	139,849	38,053	268%

Environmental Fees and Penalties (€)	3,389	18,032	-81%
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Environmental Metrics - CO2 Emissions

CO2 Emissions	Absolute (ktCO2) (c)		Specific (t/MWh)		Generation (i) (GWh)	
	9M18	9M17	9M18	9M17	9M18	9M17
Iberia	10,257	13,096	0.69	0.68	14,785	19,263
Coal	8,624	10,739	0.87	0.86	9,954	12,517
CCGT	1,514	2,246	0.38	0.38	3,950	5,934
Cogeneration + Waste	119	111	0.14	0.14	882	813
Brazil	3,663	3,857	1.15	1.18	3,197	3,271
Coal (PPA contracted)	3,663	3,857	1.15	1.18	3,197	3,271
Thermal Generation	13,920	16,953	0.77	0.75	17,983	22,535
CO2 Free Generation					35,873	28,600
CO2 Emissions			0.26	0.33	53,856	51,135

(a) Detailed information about the progress of EDP contribution to the United Nations Sustainable Development Goals can be found at: www.edp.com>Investors.

(b) Services provided under energy supply, instalation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.

(c) The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain.

(d) Scope 2 emissions according with GHG Protocol based location methodology.

(e) Accidents leading to an absence of one more calender day and fatalities.

(f) EDP + ESP (External Services Provider).

(g) Includes only stationary emissions.

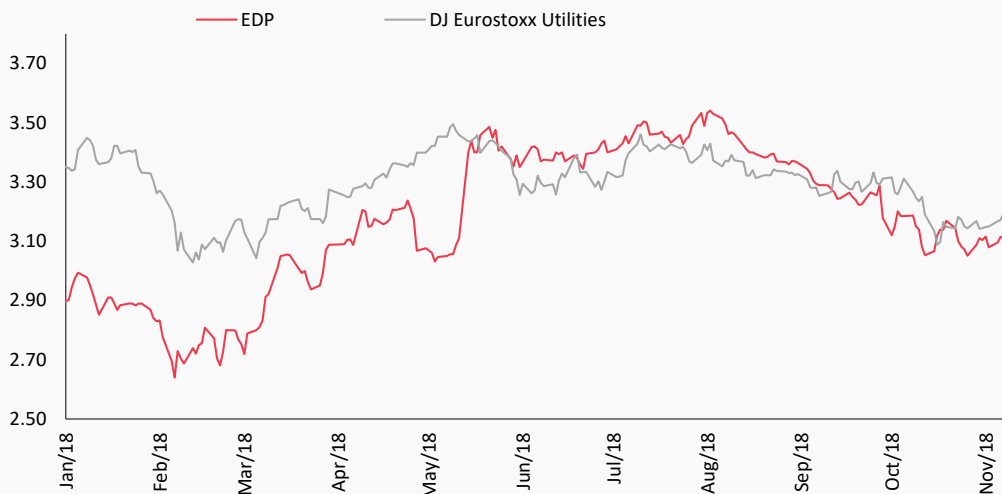
(h) Including vehicle fleet.

(i) Includes heat generation (2018: 643 GWh vs 2017: 639 GWh).

(j) Report methodology was revised. Inclusion of consumptions CO2 emissions licenses, as environmental expenses in 2018.

EDP Share Performance

EDP Stock Performance on Euronext Lisbon



EDP's Main Events

- 29-Jan:** EDP sells EUR 97 million of tariff deficit in Portugal
- 7-Mar:** EDP signed a 5-year revolving credit facility in the amount of €2,240,000,000
- 12-Mar:** EDP sells EUR 150 million of tariff deficit in Portugal
- 21-Mar:** EDP Brasil acquires 14.5% of Celesc and will launch bid for up to 33.6%
- 23-Mar:** EDPR announces the sale of a 20% stake in UK wind offshore project
- 27-Mar:** EDP Brasil launches bid for up to 33.6% of CELESC
- 5-Apr:** EDP's General Shareholders' Meeting
- 5-Apr:** Payment of Dividends – Financial Year 2017
- 6-Apr:** Appointment of Representatives for the General Supervisory Board
- 9-Apr:** EDP informs about news published today on BFM Business
- 27-Apr:** EDP Brasil announces results of the bid for CELESC
- 15-May:** Announcement regarding launching of preliminary offer announcement over EDP
- 18-May:** Capital Group's ownership interest in the capital of EDP decreases to 9.973%
- 12-Jun:** EDP sells EUR 641m in securitization of electricity tariff deficit in Portugal
- 20-Jun:** EDP issues EUR 750 million bond maturing in January 2026
- 4-Jul:** EDP Renováveis is awarded long-term CfD for 45MW of wind at Greek energy auction
- 19-Sep:** EDP Renováveis successfully establishes new institutional partnership structure for 280MW in the US
- 27-Sep:** Secretary of State for Energy's decision on alleged CMEC overcompensation
- 1-Oct:** Capital group's ownership interest in the share capital of EDP decreases to 2.958%
- 9-Oct:** EDP issues first EUR 600 million green bond maturing in October 2025
- 14-Oct:** Capital Group leaves its Qualified Shareholding Position in EDP
- 16-Oct:** ERSE announces proposal for electricity tariffs in 2019
- 16-Oct:** Paul Elliott singer notifies qualified shareholding in EDP
- 26-Oct:** EDP Brasil sells mini-hydro plants
- 29-Oct:** EDP Brasil closes R\$ 1.2 billion funding for new transmission line

EDP Stock Market Performance

YTD 52W 2016
07/11/2018

EDP Share Price (Euronext Lisbon - €)

Close	3.110	3.110	2.885
Max	3.549	3.549	3.389
Min	2.631	2.631	2.641
Average	3.069	3.111	3.012

EDP's Liquidity in Euronext Lisbon

Turnover (€ m)	9,236	4,863	5,044
Average Daily Turnover (€ m)	19	19	20
Traded Volume (million shares)	3,009	1,563	1,675
Avg. Daily Volume (million shares)	6.3	6.1	6.6

EDP Share Data

	9M18	9M17	Δ %
Number of shares Issued (million)	3,656.5	3,656.5	-
Treasury stock (million)	21.8	21.6	0.8%

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