

EDP

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Hosted by Miguel Stilwell d' Andrade and Rui Teixeira



[Link for conference call replay](#)

Company Participants

- Miguel Stilwell d' Andrade, Chief Executive Officer
 - Rui Teixeira, Chief Financial Officer
 - Miguel Viana, Head of Investor Relations and ESG
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Miguel Viana

Good morning. Welcome to EDP and EDPR nine months 2025 results conference call. We have with us today our CEO, Miguel Stilwell de Andrade; and our CFO, Rui Teixeira, that will present to you the main highlights of EDP and EDPR financial performance in these first nine months of 2025.

The presentation will be followed by a Q&A session in which we'll be receiving just written questions that you can insert from now onwards in the text box available in the webcast. As we'll have just later on at 10 AM London time, our Capital Markets Day presentation. So, the Q&A session will be focused on teams around nine months financial performance.

I'll pass now the floor to our CEO, Miguel Stilwell de Andrade.

Miguel Stilwell d' Andrade

Thank you, Miguel, and good morning, everyone. So, thank you for attending our nine months 2025 results conference call. As Miguel said, we'll be doing the EDP results and then the EDPR, so really a two in one call, but for the reasons that Miguel has already mentioned.

And so, I'll go straight into the EDP overall numbers. In slide 3, we'll see the recurring net profit has reached €974 million in the first nine months of the year. So that's up 5% in underlying terms. And that reflects basically higher wind and solar installed capacity, higher generation and resilient electricity networks. On the wind and solar front, underlying EBITDA is growing 21% YoY, and that's supported by almost 20 gigawatts of installed capacity and generation up also 14% YoY.

Electricity networks. They continue to show good resilience, underlying performance, excluding asset rotation gains and FX is increasing 3% YoY. And our integrated business in Iberia is also delivering solid results. So although YoY comparison was impacted by higher sourcing costs, lower hydro volumes and lower contracted prices, this was partially mitigated by the performance of our FlexGen fleet in Iberia.

It's also important to note that the asset rotation gains were lower at this point in the year. So €55 million versus €250 million last year, so same time last year at the EBITDA level. And I think that just reinforces the strength of our underlying performance. If you look at the number's ex capital gains.

Finally, just to mention we continue to show an improvement in efficiency with lower costs and better productivity metrics, for example, in things like OpEx per megawatt, et cetera, and we will get into that in its slides. So overall, these results underscore the strength of our integrated model, even in the context of reduced asset rotation gains.

And with that, I'll pass it over to Rui to present the EDP and the EDPR financials.

Rui Teixeira

Thank you very much, Miguel. Good morning to all. So let me start first with EDP's results, and then moving to slide 5. So, our EBITDA reached €3.7 billion in the nine months of 2025. That's a 2% increase on underlying YoY or actually 4% when excluding FX effects.

Let's look at the recurring figures. Renewables, Clients, Energy Management decreased €99 million YoY. This is coming from €198 million decrease in hydro, clients and energy management segment. Comparing last year, the fact that we have now lower hydro volumes, lower contracted prices and higher sourcing cost. This is mainly in Iberia. And there is also some FX impact in Brazil.

Strong performance of EDPR, €111 million YoY, if we compare last year's asset rotation gains of €179 million with this year's €59 million, this means an increase of €231 million in underlying terms, driven by the increase in installed capacity. Obviously, this is following the record additions we had in 2024.

On the network side, EBITDA is declining €91 million, but this is mostly due to the absence of asset rotation this year compared to the €71 million – or the capital gains from the asset rotation compared to the €71 million that we booked in the nine months 2024.

And also the loss of EBITDA from the transmission lots that were sold, which together, they – with the asset rotation gain represents around €102 million reduction versus last year. Additionally, this segment is also impacted by the year of Brazilian real depreciation.

If we now move to slide 6, the performance on the wind and solar segment, recurring underlying EBITDA grew 21% YoY or 23% when excluding FX impact, it's robust growth. It reflects a significant step-up in generation following our record capacity additions last year, although this has been negatively impacted by worse renewable resources in Q3, mostly in North America.

So, I wouldn't spend too much time here. We'll provide a bit more color on EDPR's performance in the next section. So let me move now to slide 7, and deep dive into the hydro activity in Iberia. So hydro inflows, 38% above the long-term average, higher than the 33% level that we saw last year.

However, despite this increase, the hydro generation was lower YoY, since the rainfall was primarily used to reestablish reservoir levels, and this was mostly in Q1, as you can see by the chart on the right-hand side.

So even if we lower generation YoY, hydro output remained above average, and the uncontracted volumes were sold at higher prices compared to 2024, with the Iberian pulp price reaching €65/MWh versus €52/MWh hour in 9M24. The contracted volumes were sold at a lower price of 70€/MWh this year compared to the 90€/MWh in the nine months last year.

Regarding the outlook for the remainder part of the year, October was dry, with the hydrological Index 36% below average. Meantime it has starting to rain. In any case, we see reservoir levels still above average but obviously decreasing. So, I would say that we can expect a weaker fourth quarter as compared to previously expectations into Q3.

If we now move to slide 8 to our hydro, clients and energy management segment. As a whole, EBITDA stood at €1,142 million. That represents a fall of 15% versus last year as expected. It's a mix of different dynamics. So, Iberia in the 9M24 were impacted by extraordinary gas sourcing costs.

In one hand, hydro generation volumes net of bumping was 7.2 TWh versus 8.0 TWh in 9M24. So that's a 10% drop. While on the other hand, pumping generation increased by 28%. In CCGTs, generation increased by more than 3 TWh as requested by the system operators, both in Portugal and Spain.

I'd also highlight that in line with the trend that we have – we saw in the second quarter. In the nine months, we had an increase in flexibility revenues from generation, but also some costs on the supply side, which we expect to persist in the fourth- quarter 2025.

Finally, in Brazil, EBITDA declined from €141 million to €106 million, but this is primarily due to FX impact. So overall, despite the decline in the headline figures, following a very strong 2024, the segment continues very solid.

Now moving to slide 9 on the networks. Recurring EBITDA reached €1.18 billion in the nine months this year. That represents a -7% YoY. This decline is primarily explained by the absence of asset rotation gains, which amounted to €71 million in 9M24 but also has other moving parts. But there's also some other moving pieces here.

So let me break this down probably in three main building blocks. So, the first one is a €33 million increase of EBITDA in Iberia following inflation update in Portugal and RAB growth in Iberia in Spain. Flat EBITDA in Brazilian real, driven by the improvement in operations being mitigated by the loss of EBITDA from transmission lines that were sold.

And naturally, the Brazilian real devaluation in no capital guidance, and the segment is minus €53 million versus last year. So, all in all, EBITDA for electricity networks excluding asset rotation gains in Forex, increased 3%, showing the resilience that was expected from this segment.

If we now move to slide 10, net debt, stood at €17.3 billion from €15.6 billion at year- end 2024. This obviously reflects the execution of the investment plan, the annual payment of dividends, and the fact that we will have proceeds from asset rotation and tax equity, we expect it to be mostly concentrated in the last quarter.

So key drivers for the change in net debt includes €2.1 billion organic cash flow reflecting an improved working capital performance with organic cash flow increasing €0.5 billion YoY from €1.6 billion in the nine months last year, €0.8 billion of dividend, annual payment dividend payment executed in May.

€2.4 billion of net cash investments, including €3.1 billion cash CAPEX, including €0.5 billion related to working capital changes, with PP&E suppliers. And this is offset by €0.4 billion asset rotation proceeds and €0.3 billion tax equity proceeds. And then we have about €0.8 billion from regulatory receivables and others.

For the year- end, we will expect to reach the €16 billion net debt, considering the €2 billion asset rotation proceeds in total expected for the year and the €1 billion tax equity proceeds in total expected for the year.

And that, as I said before, we are expecting that to come – so the remaining pieces in Q4 and with this, we will be reaching a 19% FFO net debt ratio and therefore, meeting our BBB goal in terms of funding of net debt ratios.

Now on slide 11, recurring net profit, €974 million, so that's a 5% increase YoY. This is coming on the back of a lower EBITDA as we explained before, €139 million lower than last year, a combination of lower asset rotation gains and the decreased results from the integrated segment in Iberia.

Higher D&A and provisions, increasing €107 million, resulting from our investment path and the increased net financial costs driven by higher cost of debt, 4.5% last year and this year, 4.9% and this is primarily due to the higher cost of debt in Brazilian real, which is – it's floating and also the average – the higher average nominal debt. So, we also have some lower income taxes, lower non- controlling interests. And basically, this takes us to the net profit.

So, highlighting again that excluding asset rotation guidance, the underlying performance on the net profit shows a 5% increase versus last year. So definitely a very solid operational performance. In reported terms, net profit reached €952 million, including the negative impact of around €22 million, mostly related to some EDPR impacts.

So I will now turn to EDPR's performance for the first nine months of 2025. So on slide 14, you can see that EDPR delivered a strong set of results. I mean this is marked by robust underlying EBITDA and net profit, continued capacity delivery, solid progress on the asset rotation plan throughout

2025. Operationally, EDPR reached 19.8 gigawatts of installed capacity, with generation up 14% despite this lower renewable resource that we experienced in Q3.

The average selling price declined 9% YoY to an average of €54 per MWh, reflecting the changes in the generation mix, lower average prices in Europe mainly from hedges normalization and the lower feeding tariff prices in Portugal.

Recurring EBITDA reached €1.4 billion, that's up 9% YoY, with underlying EBITDA growing by 21%. I think it's important really to note that asset rotation gains were €59 million this period compared to €179 million in the same period last year because this really shows the strength of the underlying business performance.

Recurring net profit came to 189 million or if we exclude the asset rotation gains, €153 million. So that's definitely a very important increase, €111 million versus nine months 2024. Overall, these results underscore EDPR's ability to combine growth, efficiency and value creation, reinforcing our confidence in the outlook for the remaining of the year.

So now let's go a bit deeper into EDPR's results. So if you focus on EBITDA, slide 15, this was driven by €1.6 billion from electricity sales, €308 million of tax equity revenues from North America, that's a 20% increase in generation and new capacity additions or on the back of this, €59 million of capital gain from asset rotations that we closed in Spain, in France and Belgium, with the remaining gains to be concentrated in the fourth quarter.

And then we have less the impact of €574 million from core OpEx, which is mostly in line with last year's. And I would highlight here the strong efforts in cost and efficiency improvement that we have been implementing across the company. And you also can see that on the ratios on the OpEx per megawatt that have been really under control, and I think they are probably one of the best in class in the sector.

–€22 million from other net costs that improved around €80 million on the back of no material impact this year. As you may remember, last year, we had some headwinds in Colombia, also Romania, this year. And therefore, that's a significant improvement impacting our EBITDA. So, these results highlight improvement in the underlying business as a whole, from an operational perspective as well as this enhanced efficiency that we've been deploying.

So now turning to slide 16. I'd like to look at EDPR's cash flow evolution for the first nine months of this year. Organic cash flow reached €458 million, representing a €0.2 billion increase YoY, reflecting a solid performance of our operating portfolio, as well as the changes in working capital, distributions to minority interest and the tax equity partnerships. I'd like just to note that organic cash flow excludes tax equity, cash proceeds, which are typically received at the project completion and have an immediate positive impact on net debt.

First nine months of this year, we received €278 million, and we remain on track to reach €1 billion for the full year. As of September, net debt stood at €9.2 billion. It's up €0.9 billion since December last year. The increase is primarily driven by the €1.6 billion net expansion investment, obviously supporting the portfolio growth. And this is partly offset by the asset rotation proceeds from the transactions, as I mentioned, closed in Spain, France, Belgium and also US.

Looking at we do expect net debt to convert to around €8 billion by year-end, supported by the timing of the asset rotation tax equity proceeds. As I mentioned, this will be concentrated now until the end of December.

Also highlighting that already in October, we closed a transaction for a 1.6- gigawatt portfolio in the US. Again, just to emphasize, it's a 49% sale, straight equity, no structure. And I think it came at – in the context, as you know, of quite a lot of uncertainty throughout 2025.

So definitely a great transaction executed on top of the one that we have been executing in Europe. And as you know, we have already signed some Europe transactions that we are expecting to close before the end of the year.

Now moving to slide 17. So as previously highlighted, EDPR's recurring underlying EBITDA rose by €231 million, again, on the back of the solid performance on the operational side. Depreciation and amortization increase, obviously, on the back of the new capacity additions.

We do have some one-off impact from accelerated depreciation of requiring wind farm in the US. Financial results increased on the back of higher nominal financial debt, lower capitalized financial expenses partly offset by some FX and derivatives, contribution to minorities improved YoY following the completion of the buyback of CGD minorities in late 2024.

So at the net profit level, recognized around €40 million of one-off impacts this quarter. And this is mainly from impairments in Europe related to noncore countries. So all in all, recurring net profit reached €189 million, excluding capital gains, this represents a fourfold increase versus last year, again, just underscores the strength of EDPR's underlying performance.

Summary. EDPR's performance during nine months, I think it's a testament to the ability to execute, to adapt, and deliver sustainable growth. We'll have Miguel presenting the strategy for the next few years. But I think that we are on good track in terms of how we are delivering the results this year.

So I will hand it over to you, Miguel, for final remarks. Thank you.

Miguel Stilwell d'Andrade

Thank you, Rui. So just to wrap up and moving on to slide 18, just to reinforce the guidance. So we're expecting a recurring EBITDA for 2025 of around €4.9 billion, and that's supported by strong performance across all the business segments, and you can see that already at the nine months numbers. Breaking this down by segment. So the integrated generation supply should deliver about €1.4 billion EBITDA of about – of which €1.1 billion was already recorded in the first nine months.

Wind and solar, including EDPR, expected to contribute roughly €1.9 billion, including €0.1 billion of asset rotation gains and having the 2 GW capacity additions on time and on budget. In electricity networks forecasted at around €1.5 billion with the distribution performance mitigating the transmission asset deconsolidation and the Brazilian real devaluation.

Regarding net profit, approximately €1.2 billion, impacted mostly by a higher cost of debt on the Brazilian real debt an average higher debt, since the asset rotation proceeds and the tax equity proceeds are expected to be received more towards the end of the year. Net debt expected to stand near €16 billion, so assuming about €2 billion in asset rotation proceeds, and about €1 billion in tax equity proceeds for the year.

All in all, guidance reflects resilience and the strength of our integrated and diversified portfolio, Rui as also mentioned, and obviously, we'll be providing further color on the outlook for the years ahead in the next presentation in the CMD.

But for now, I'll pass it back to Miguel to see if there are any questions. So we can take those mostly concentrated on the nine months numbers. Thanks.

Questions And Answers

Miguel Viana

So we have here some written questions. And first one from Pedro Alves, CaixaBank BPI.

Q – Miguel Viana (question from Pedro Alves, CaixaBank BPI)

So we have here some written questions. And first one from Pedro Alves, CaixaBank BPI. Regarding the capital gain at EDPR in the first quarter, if it relates only with the sale of the 121 megawatts wind portfolio in France and Belgium. And if we can clarify the good capital gain per megawatt implicit in the transaction.

A – Miguel Stilwell d'Andrade

Okay. So thank you, Pedro. Yes. So in the first – in the third quarter, the capital gain is mostly related to the French and Belgium portfolio. And it's around €0.4 million per megawatt. So the multiple was greater as an EV per megawatt of around €1.6 million per megawatt. And that implies around 28% or so capital gains on invested capital. So yes, it was a great deal.

I think this just reinforces that we continue to see strong demand for these portfolios. We continue to see great multiple for these portfolios. And in Europe, we've been consecutively able to deliver on good numbers here. It was a good operating portfolio. It's around 11 wind projects in France and 1 wind project in Belgium, all with COD around 2020.

I mean in this case, the buyer is a financial investor. And as I said, we continue to see strong interest for our assets at attractive implicit yields.

Q – Miguel Viana

We have also a question about what impact we have in our nine months '25 accounts regarding the extra cost with the ancillary services in Iberia related with the increase of these costs during this year, namely supported on the supply side?

A – Miguel Stilwell d'Andrade

Yeah, So ancillary services, as you know, post backup was a big increase, but there has already been a structural increase before that. And I'll talk a little bit about that later in the CMD. I mean the value is estimated at around €150 million. But just bear in mind that the revenues on the generation side must then be passed on to customers. And in some cases, those contracts are already fixed.

So on a net basis, we continue to benefit from our FlexGen portfolio, but obviously partially offset by sort of in the pass-through to the customers taking just happening over the next couple of years. But we can give you more detail on that also when we talk about in the CMD.

Q – Miguel Viana

So we have asked a question regarding the guidance for 2025. So we see now the EBITDA under €4.9 billion, which is at the top of the previous range provided, net income at €1.2 billion. So if we can comment on this evolution for the guidance for 2025.

A – Miguel Stilwell d'Andrade

Yes. So what I'd comment here on the guidance is, listen, we're very confident on delivering the guidance for all the different business segments, including the integrated in Iberia. I mean, we did have a weaker October and that's also incorporated. But we are also seeing – so that's sort of at the EBITDA level. There's no doubt we're sort of at the top end of the range.

But we are seeing slightly higher financial costs, especially in Brazil and also tax rate expected to be around 25%, 26% by year-end, and therefore, the net income coming in still within the range, but close to the €1.2 billion end of the range.

Q – Miguel Viana

We have also a question regarding our current exposure regarding offshore in US. And if we have any comments regarding the latest news regarding permitting in US?

A – Miguel Stilwell d'Andrade

So there was some news that came out. I think it was an article that's probably what you're referring to, article that came out in the New York Times or something like that, around offshore in the US and around the permitting. As you know, offshore in the US is pretty much in hibernation mode at the moment and sort of it's been much more about just riding out this phase.

We have an exposure, and we said this multiple times. We have a total exposure at the EDPR level of around €300 million. It's about €200 million at the EDP level. We're already partially impaired that at the end of last year, assuming that we're going to delay the project for years. So we're keeping this exposure contained and sort of at a minimum.

And we're just focused on building the legal case to defend the project permits and the value and also just then focusing on what could be the next steps? Essentially, we're at the same stage as many other of our peers are in relation to offshore in the US, I think the key issue here is what is the value it's taken – as many of you know, it's around the €300 million at the EDPR level, which has already been partially impaired.

Q – Miguel Viana

We have also a question in terms of the hedging. How we are evolving in terms of hedging for 2026 where we are in terms of contracting in terms of hedging volume and prices in Iberia?

A – Miguel Stilwell d'Andrade

So for hedging, as you know, we typically hedge 12 to 18 months ahead. So in this case, for 2026, we're already around 85% hedged at a price that's north of €64 per megawatt hour. This is something that we do sort of on a rolling basis.

But for 2026, it's pretty much all set. I'd say we normally don't – we wouldn't hedge more than this just because of – just to make sure from a risk perspective, we don't become overhead. So 85% is – I'd consider to be already the level of hedging that we want for 2026, and that's at the 64% or north of 64% actually in this case.

Miguel Viana

So we have no more questions. Miguel, just if you want to do closing remarks.

Closing Remarks

Miguel Stilwell d'Andrade

No, I'd say it's been a good year, good three quarters, and I think we're well positioned to have a good full year, and looking forward to talking to you about the next couple of years at the CMD, so I look forward to seeing you all then. Thanks.