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So, let's start the journey from now until 2020. But my introduction today - so before going to Iberia, Renewables, Brazil and then talking about financials and my final presentation for the business plan - I would like to start talking about framework and also a little bit about track record. Why? Because I believe that track record is important for any industry. But in this industry, it's even more important. Why? Because a lot of the companies – and sometimes, not to say very often, the biggest – have clearly changed the nature of direction compared to what it should be. So, track record is essential to see into the future. Of course, it's not a guarantee to do everything right again to minimize mistakes and to maximize the good choices, but I think it's a good sign.

So, let's talk a little bit [about] the environment. I will not go very long beyond this. But clearly, with global economic growth, decline of energy commodity price, of course the efforts of worldwide to address climate change and, of course, the nature of the market design that exists today put enormous pressure of the role of the conventional power, are four critical elements to look into when you want to analyze the sector.

Let's start by weak global growth. Basically, we have electricity demand. We have basically lost in a decade on average in Europe. In any case, in Iberia, we have recovered in the recent past. In Brazil, where growth was, of course, the rule because of the macro and political situation, you saw a small decrease. In any case, if we pick the last four years, it's basically rather flat.

We have a big change at the benchmark interest rates. The Brazilian one shows how expensive today the debt is there. So, we have the Selic above 14%. And you have seen elsewhere a strong decline on interest rates.

And the last element - that, by the way, is important whenever we discuss results in EDP - is, of course, the euro-dollar and the euro-real with the dollar increasing compared to the moment where we met in London two years ago by 24%, at the same time, the real depreciated, more or less, by the same amount. So, we are comparing – we started comparing some of the data that we were considering when we met in a room like this two years ago, exactly the same time to present you the vision up to 2017.

We have also volatility in international energy markets. And, of course, this introduced the big change on commodities and, of course, the pool prices. And as you see, when you compare what was expected for 2016 and what we have now in front of us, clearly, we are



at very different levels. With the Brent on the \$50/bbl compared to what was supposed to be the \$100/bbl. People say that the 50s are the new 100s- it was an expression that I've heard last week and read somewhere.

The coal going down by 46% compared to what was expected; the gas, 35%. The CO2 is the only variable that, more or less, stayed the same. And even after Paris, as you know, it went down clearly below 5%. The Iberian pool price is, today, 12% below what was expected when we presented in 2014. The Clean Dark Spread is more or less the same, and the Clean Spark Spread, clearly, more negative than expected at that time. But coal relatively better but at the same amount.

What does this shows? That having a hedging policy and clearly being long in clients was very important in this moment, and I believe that our structure is quite adequate for this time.

Renewables growth. Also, we have presented that choice in 2006 when we started in London that we wanted to be a player. We have started at that moment with more or less 300 megawatts of renewables. But clearly, what we have seen today is supporting declining cost and public policy, giving strong momentum to wind, solar in some of the key markets in the world. Really, the learning curve is very important and also the visibility in key markets like U.S. concerning the rules of the game and concerning targets has been very important. You have huge increases between 2013 and 2015 in U.S. with more than 20% and more than 150% increase in Brazil. In Brazil in 2012, it was more or less, I would say, comic talking about the importance of wind, and now wind clearly is on the table in every moment.

First block, depressed energy prices. They have been eroding value of conventional generation. And here, I want to share with you this chart. Here, you have the impairment charges as percentage of average equity book value of European integrated utilities.

A lot of times I've been hearing from people – from some people, “oh, you have one-offs, they are positive”. In the future, we'll not have it. But clearly, we have been able to work on positive one-offs. And when we see this, where we have people having write-offs up to 92% of their book value, I think it's interesting to show this. And we are at the right with the lower amount.

So, clearly, the asset allocation policy here also shows how what you choose to do, where you choose to put your money, clearly makes a difference in the present but also a very

strong difference in the future. So, a strict discipline on capital allocation is a key driver to a lower exposure to asset devaluation. I think it's quite relevant.

But the energy markets are still very challenging. We still miss the carbon – the right carbon – price signals, we still miss the adequate investment framework and even what concerns the security of supply consistency – like the capacity markets – we are still in a very messy framework, everybody is going into that direction. Sometimes, even like if people are feeling ashamed, as you know, there are markets where they don't like capacity market – countries that don't like capacity markets – but then, they do strategic reserves. So basically, we are playing with words. Everybody recognizes that now. We need a new market design in a system that is mainly driven by fixed cost and not by variable cost. What makes the marginal pricing really not enough for the investments that are needed in this sector.

We are talking about trillions of investment that are needed namely in Europe and you are still missing the right signals. And the signals typically arrive when you don't have any alternatives and the case of UK shows clearly how we are in a different pace from the rest of Europe.

So, big challenges. It will keep being challenged. But, the key element is that EDP has remained focused and committed to what is a different story from a typical European utility. We clearly have a distinctive profile amongst European utilities. The key element, the first, balance between growth and financial deleveraging, not only the focus growth and this growth being focused on core markets. We will repeat this along the day, it's very important. We are not shooting everywhere. The deleveraging committee to improve visibility and that visibility of growth and cash flows is sensing that we are very keen and it's very close to our heart and our wallet.

The second is, of course, the controlled risk, keeping the low risk profile. The third is superior efficiency – being clear reference – and it's enough to see what is the ratio between OpEx over gross margin, to see that we are reference in the sector. And also, very important, the first block, attractive returns and sustainable dividend policy, that is also important. So, this will of value creation and sharing these value creations with our stakeholders and namely with the shareholders, is critical.

Let's go a moment in this wheel. First, delivery of growth. We have added 7% capacity in the last two years. So, we have increased from 23GW to 25GW. Renewables have increased from 69% to 72% and long-term contracted kept the same weight in the portfolio. And in

what concerns new additions, basically, you see wind and the hydro in Portugal, as you've seen 400MW already at the end of last year and beginning of this year. We will see much more coming into stream now. The new hydro in Brazil with Jari delivered a lot, almost four months, in advance. We will see also the others for the future that will be also in advance. And clearly, the wind additions were 100% PPAs or feed-ins. So, visibility in what concerns the revenues – the revenue stream of those projects. We typically do the projects after we have assured the PPA. So, focus on wind PPAs and feed-in, conclusion of the new hydro project.

Visibility. Visibility on future growth, once again. We know, typically, instead of just putting big figures, we like to say exactly what we are doing, where we are doing, having earmark projects. So, we believe about what is and make believe in what's coming in stream in the short term.

So, hydro in Portugal, 1 gigawatt to be commissioned in the second half of 2016 and the first quarter 2017, namely pumping and ancillary services. This is very important. Hydro in Brazil. We expect Cachoeira Caldeirão where we have 50% together with CTG to start operations in the second quarter with eight months ahead of schedule. And São Manoel, we are in a very stressed market, as you know, on schedule for the COD on May 18. We are also being commissioned almost 500 megawatts in 2016 in U.S. and Mexico also.

So, clearly, as we have seen the 1.1 gigawatts of wind signed since January 2014. So, in the last 27 months, we were able to sign PPAs more than 1 gigawatts giving visibility on what is coming in 2016, 2017, at the beginning of 2018.

Also, the balanced approach between growth and financial deleverage. Asset rotation, important element. It's a new word. We have done this and not other alternatives. By the way, I think that we did the right choice, and I will stress this and discuss this when we talk about the future. We have seven deals executed. And total proceeds of \$1.5 billion, more than the double that we have committed two years ago, target of \$700 million up to 2017.

So, we have been doing good deals, strong deals in terms of asset rotation, very important for fueling the growth of EDP and EDPR, of course. With an average implied EV per megawatt of €1.5 million per megawatt, I think it's a very nice price compared to what is in the underlying valuation at the stock in the market. And it's not because of different cost of capital between the buyer and the seller. It's clearly because the deals are good and it's – I think it's clearly unquestionable this kind of operation.



The second thing that we have also committed, the CTG partnership. Important, very important and still very important. We have executed €1.5 billion since 2012. With Jari and Cachoeira in Brazil and the sale of 49% in Brazil and also what we expect to close at the end of this quarter, the beginning of next quarter - Poland and Italy.

As you know, we can consider at this moment, until the end of the year, we will give visibility of the complete execution of the framework agreement. That's very important. It was a question raised a lot of times and now we have given together the answer.

And also the opportunistic deal. I'd like to stress also this. We have done some disposals and we have done also some acquisitions. But I also prefer to sell more expensive and to buy cheaper. I think it's also a little bit different from the average moves of the sector. So, typically, when we sell Gas Murcia and we have a non-regret at a 13x EV/EBITDA, and then we reinvest half of that amount at 9x in the network in the spot where we are in Spain, I think it's a good option.

When we sell mini-hydros in Brazil at 3.5x P/BV, I think it's important compared especially when we bought Pecém, the remaining 50%, at 0.3x for the same ratio. When we compare these data, I think that eventually they look like one-offs, but I think they are better than other one-offs.

Globally, what we see is, including this, we have reached €2 billion execution in this balance between those elements.

Financial leverage, clear long-term trend, of course, at a slower pace, mainly due to adverse energy markets and also some forex. As we have already mentioned, the rates of U.S. dollar and the decline on Brazilian real and, of course, the full consolidation of Pecém. But here, I would like to stress, people start considering this deal as something that we were obliged to do because our partner was in a very messy situation and it ended up being an amazing value creation deal. By the way, having also being alone solved the operation's issues going typically to above 90% availability.

Also, the asset rotation even with some delays in what concerns the bureaucracy involved, regulatory and legal authorizations, but basically, we have been doing what is expected. And we have also not hesitate to do in the right moment, as soon as we got the conditions to do, namely the double investment grade rating to do an hybrid with a 50% content. So, financial leverage, yes, in the right direction, penalize slower because of the energy

markets, weather and forex, and also Pecém that we were very consistent in that trend and doing what we need to do to fulfill that trend.

Let's go to the second block – control risk – ratings, rating upgrades and improving trading marks. And especially, and remember a lot of roadshows where people saying that it will be for us difficult to find money and specially money at competitive rates. And what we see since 2013, we have a decrease of 50% on the average cost of new bond issued. With an increase of the maturity by one year, from four to almost five years. And so, I think we are in the right direction.

Control risk. Two elements that were important. Let's start by Brazil. Weather, no rain, no rain, an issue that was really – everybody was focused on this. What we were able to do through the insurance agreement on GSF is clearly – that cost us BRL 10 million a year so we are talking about less than €3 million – we have reduced the potential loss in very dry years without giving up a lot in what concerns a very wet year. Because it's obviously you have an asymmetry when it's a very dry year the price goes up very strongly, and when it's very wet, the price goes down. And so, the additional revenues are not very relevant. So, clearly this is very good news. We have clearly reduced the generation risk profile in Brazil, and also the turnaround in Pecém that started with strong negative results, with availabilities of 62%, and now 88% for the full year, and now slightly above 90% for the first quarter.

Controlled risk – energy management – as we have seen challenging years, we have done quite well with – in what concerns the liberalized activities in Iberia, even in 2015 affected by a very dry year. So, hedging mostly through size of clients, we will talk about this. Miguel Stilwell as you will see will talk also in detail about this. But we have been very active in the market with short-term market optimization. And so, we have clearly, through our actions, limit the downside on this market. Controlled risk, once again.

Another issue that was raised strongly for a long time. We have reduced – we have seen the reduction of the debt in the Spanish system and in the Portuguese system, creating clearly already the reversal of this situation, as expected, as shared with you, since the beginning, the figures are just confirming. And also the fact that we were able to securitize, not including the last April deals, around €3 billion in the market in 2014, 2015 and now already in 2016. So, clearly – and by the way, manageable with demand evolutions and average tariff increases that have been able to respect on balance what is needed for that sustainability in the sector. So, sustainability of the sector is, today, clearly proven.



Controlled risk, the business risk portfolio, the profile of our business, what we see. Lower importance of Portugal, of Spain. Brazil, it depends on the real, but clearly, diversification is a key driver. Market diversification has been a key element since 2011. And even we also see in the last two years a big change. And also, we have been able to keep what the 90% long-term or regulated part of the EBITDA in our portfolio. So, reinforcement of the market diversification and long-term contracted and regulated profile, quite unique.

And then efficiency, third element, efficiency. It's very important to know now everybody talks about costs. Three or four years ago, it was not on fashion. But now everybody needs to talk about cost. What we have committed and the target for 2015 was to reduce by €130 million and we have reduced more. We have increased by 40%, so 30% above what was the target.

And basically, we have, as you remember, we have committed to a €180 million in 2017 when we met two years ago here in London. And we have basically already done it with two years in advance. I think it's also – all these elements has to do with credibility. And we see that, by business units, the Iberia, Renewables and Brazil, it has to do with everything, a lower HR, O&M, client services, IT, so spread evenly about different elements of the cost structure.

Also, efficiency. We have seen operating cost when you compare 2015 with 2013, two years ago, we see a consistent decrease everywhere: in Iberia, in Brazil and in Renewables. In Brazil, we are even 8% below inflation. So, I think it's quite relevant to stress this effort in Portugal, Spain, Brazil, and overall, in EDPR with the 2% decrease by year on OpEx per megawatt. So, with some intelligent differentiation in the strategy, in sourcing of O&M, of course, mainly in U.S., shows how you can really do different stuff – can represent really a difference between you and others.

Fourth element, attractive returns. Good resilience and a challenging business context. We have seen in 2014, we were expected to grow EBITDA by around 5% on the business plan. The increase was, when you compare these, if we fulfill the target at 2016 that we've now feel comfortable, we are comparing with the 3%. And, the adjusted net profit, having that year in the previous business plan, we are rather flat because of the reasons that we have explained. But clearly, let's see what people have – how people see the sector. And what are the changes between – we have been talking about how the world has changed and what were the expectations of the changes between 2014 and 2016 and the revision of EPS consensus versus 2014. And I think that we are quite well-ranked among our peers that go from +20% to -53%. I think it's quite decent. And by the way, we affirmed this, the



same – the key question for the first quarter results. We feel very comfortable with the guidance for 2016 supported by this strong quarter.

Attractive returns. Total shareholder returns. Since December 2013, we have basically delivered the double of the sector, and we have seen people going from +26% to -100%, so, basically, to 0€. And clearly, I think that we are also, once again, well placed and the visibility and being able throughout this period to keep the dividend commitment, I think, it's very important. We have committed. We have delivered.

And just to finalize this introduction, I believe that when we see since we met the first time in London, we have multiplied by 6 the weight of wind in the group. We have improved the efficiency by 10p.p., it means by one-third. We have increased the part of EBITDA-regulated long-term contracted activities. We have improved the net debt-over-EBITDA ratio with all these investments and amid of the turmoil. We have increased the earnings by 61%. We have increased the dividend by 85%. And we have given basically five times more than the index to the shareholders. The evolution of the index is 22% in this period between 2006 and 2015. We gave total shareholder return of 114%.

And also, I think that sometimes we talk less about this, but clearly we have created internally all the conditions in terms of starting with risk management, price risk management, ending up in HR and culture, stakeholder management. We have clearly improved our index and we are now top performers. So, it gives an idea how sustainable, how equipped we are for the future. So, basically, even if track record is not the only condition to be very optimistic of the future, I think it helps a lot. And I believe that we have survived an existential crisis from our country, home country and also I would say from the sector. I think it's enough to see what happened to the rest.

We have avoided denials and we have avoided side winds and I believe that avoiding temptations as we will prove in the story up to 2020, it was important in the past, but it will be also critical in the future. Avoiding, following the last side winds I think it's very important. So, thank you for this first part. I will come back at the end.

I will now pass the word to Miguel Stilwell to talk about the Iberian business. Miguel? Thank you.