



9M20 Results Presentation

Lisbon, October 30th, 2020

Disclaimer



This document has been prepared by EDP - Energias de Portugal, S.A. (the "Company") solely for use at the presentation to be made on this date and its purpose is merely of informative nature and, as such, it may be amended and supplemented. By attending the meeting where this presentation is made, or by reading the presentation slides, you acknowledge and agree to be bound by the following limitations and restrictions. Therefore, this presentation may not be distributed to the press or to any other person in any jurisdiction, and may not be reproduced in any form, in whole or in part for any other purpose without the express and prior consent in writing of the Company.

This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute or form part of and should not be construed as, an offer (public or private) to sell or issue or the solicitation of an offer (public or private) to buy or acquire securities of the Company or any of its affiliates or subsidiaries in any jurisdiction or an inducement to enter into investment activity in any jurisdiction.

Neither this presentation nor any materials, documents and information used therein or distributed to investors in the context of this presentation or any part thereof, nor the fact of its distribution, shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever and may not be used in the future in connection with any offer (public or private) in relation to securities issued by the Company.

Matters discussed in this presentation may constitute forward-looking statements. Forward-looking statements are statements other than in respect of historical facts. The words "believe," "expect," "anticipate," "intends," "estimate," "will," "may", "continue," "should" and similar expressions usually identify forward-looking statements. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; energy demand and supply; developments of the Company's markets; the impact of legal and regulatory initiatives; and the strength of the Company's competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Important factors that may lead to significant differences between the actual results and the statements of expectations about future events or results include the company's business strategy, financial strategy, national and international economic conditions, technology, legal and regulatory conditions, public service industry developments, hydrological conditions, cost of raw materials, financial market conditions, uncertainty of the results of future operations, plans, objectives, expectations and intentions, among others. Such risks, uncertainties, contingencies and other important factors could cause the actual results, performance or achievements of the Company or industry results to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation, and are subject to change without notice unless required by applicable law. The Company and its respective directors, representatives, employees and/or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances.

9M20: Market Context & Strategic Developments



Resilient business model

- **Recovery** in 3Q20 vs. 2Q20 of **electricity demand** and prices in our main markets
- **75% EBITDA** from long-term contracted and regulated activities



Continued growth in renewables

- **Renewables: 20 GW** installed by Sep-20, with **+6.5 GW secured** (+0.7 GW closed YTD)
- Positive developments regarding **public support** for renewables (EU, US)



Proactive portfolio management

- **Viesgo acquisition** (electricity network & wind); **Disposal of 2 CCGT and B2C supply** in Spain
- **Early coal shutdown** in Iberia; **€1.1bn renewable asset rotation** in Europe & US



Sound capital structure

- **€1bn rights issue** (8.45% of share capital) closed in Aug-20
- **€2.2bn bonds** issued in 2020 YTD at 1.7% avg cost: **Green bonds represent 30% of total debt**

Leading the energy transition to create superior value for our stakeholders

9M20 Results – Key highlights

EBITDA: -2% YoY

- ↑ Recovery of hydro production in Iberia and good results in energy management
- ↓ Electricity demand decline YoY, Brazilian Real devaluation vs. Euro (-23%), weak wind resources

€2,625m EBITDA

Recurring Net Profit: +14% YoY

- ↑ Avg cost of debt -80bps to 3.2%
- ↓ Reported Net Profit €422m (-8% YoY), penalized by one-offs (coal shutdown in 2Q, CMEC provision in 3Q)

€669m Recurring Net Profit

Net debt: -6% YTD to €13.0bn

- ↑ Recurring Organic Cash Flow +36% YoY to €1.4bn
- ↑ Gross expansion investments +58% YoY to €2.1bn, of which 89% renewables)

3.4x Net Debt / EBITDA⁽¹⁾

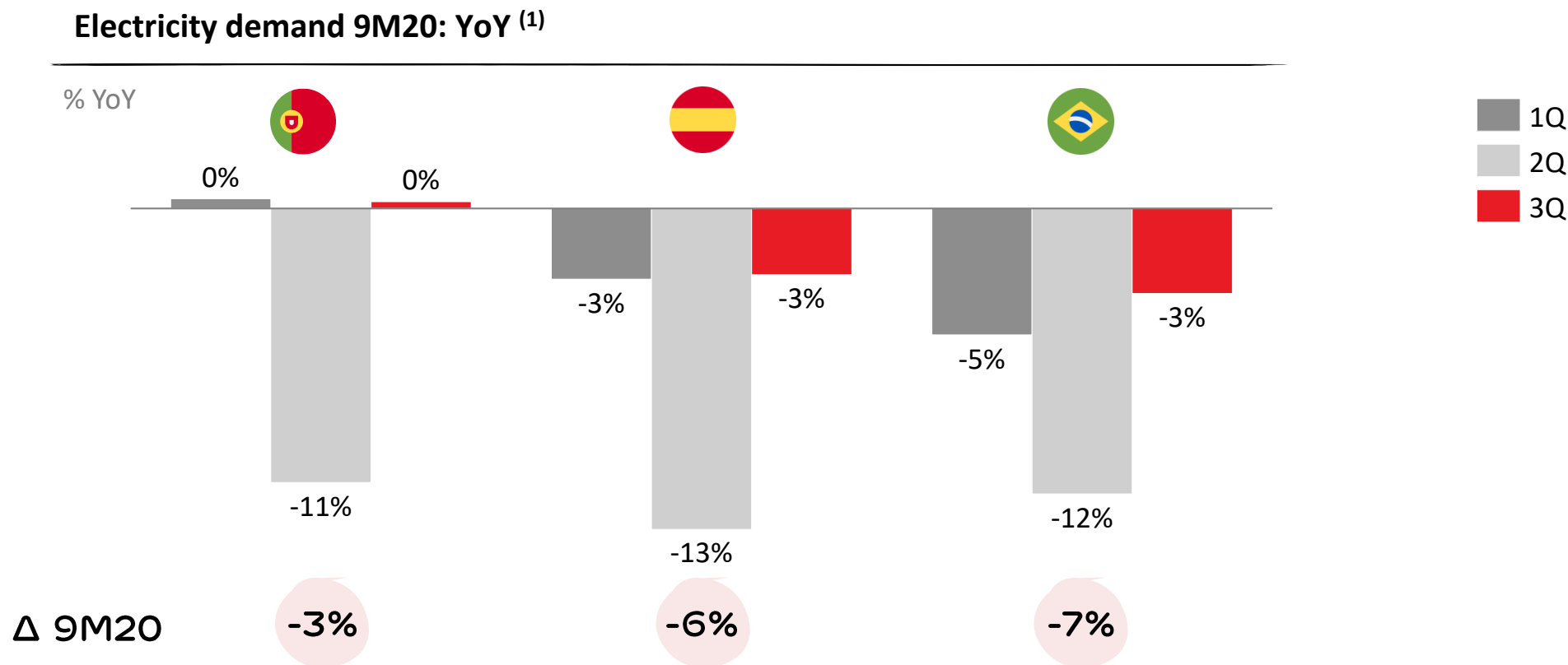
CO₂ emission factor: -47% YoY

- ↑ Renewables production +10% YoY making up 74% of generation mix, CO₂ emissions -50% YoY

122 gCO₂/kWh

(1) Based on Reported Net Debt excluding net Regulatory Receivables and last 12 months of recurring EBITDA

Significant recovery in electricity demand in 3Q20, following steep decline over 2Q20 lockdown periods



Rebound in 3Q20 vs. 2Q20 of electricity pool prices in Iberia and forward prices for 2021-22

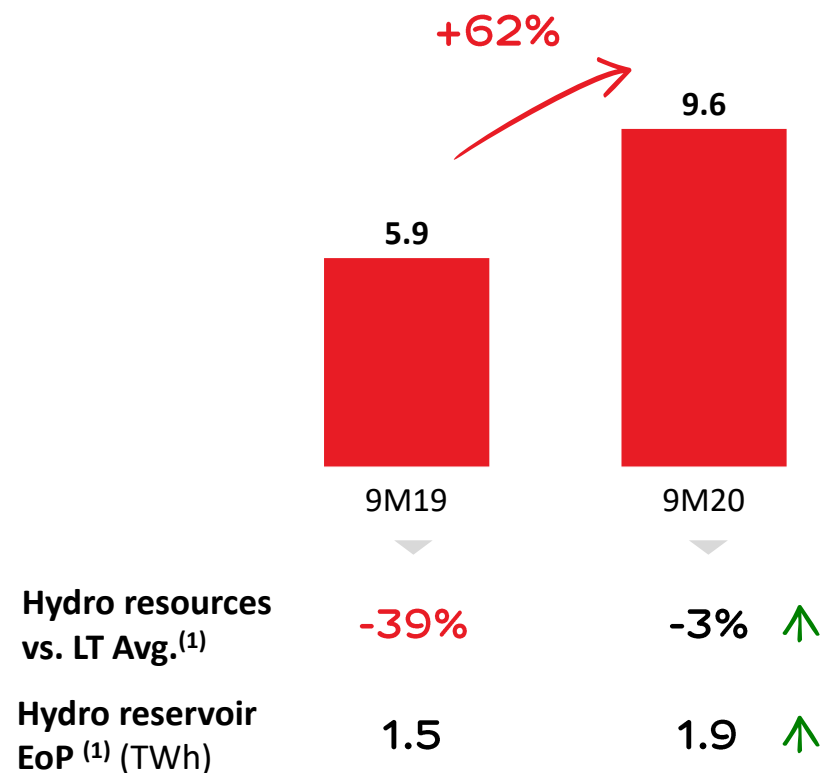
(1) Data from EDP Distribuição to Portugal, REE to Spain; Brazil corresponds only to EDP Distribution concession areas in São Paulo and Espírito Santo

Normalisation of hydro production in Iberia vs. a dry period in 9M19 offsetting lower wind production due to weaker wind resources



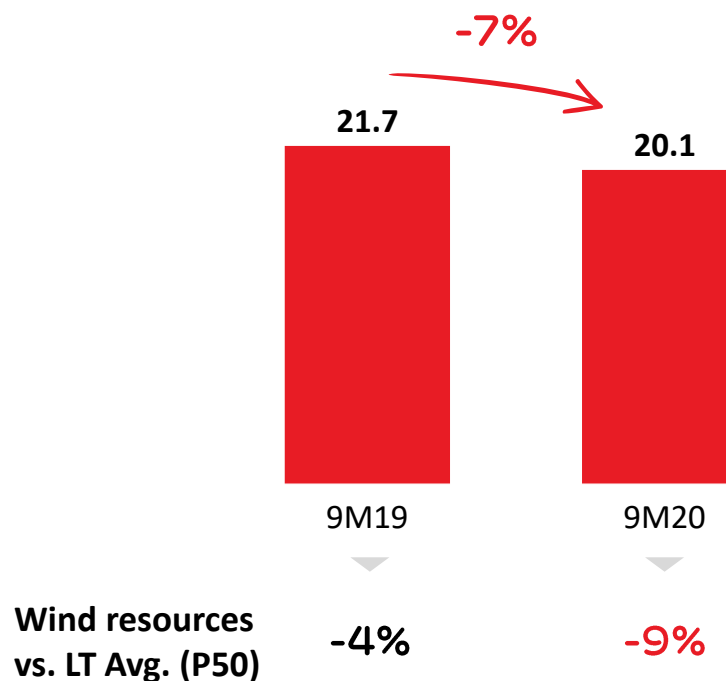
EDP Hydro production in Iberia

TWh



EDP Wind production

TWh

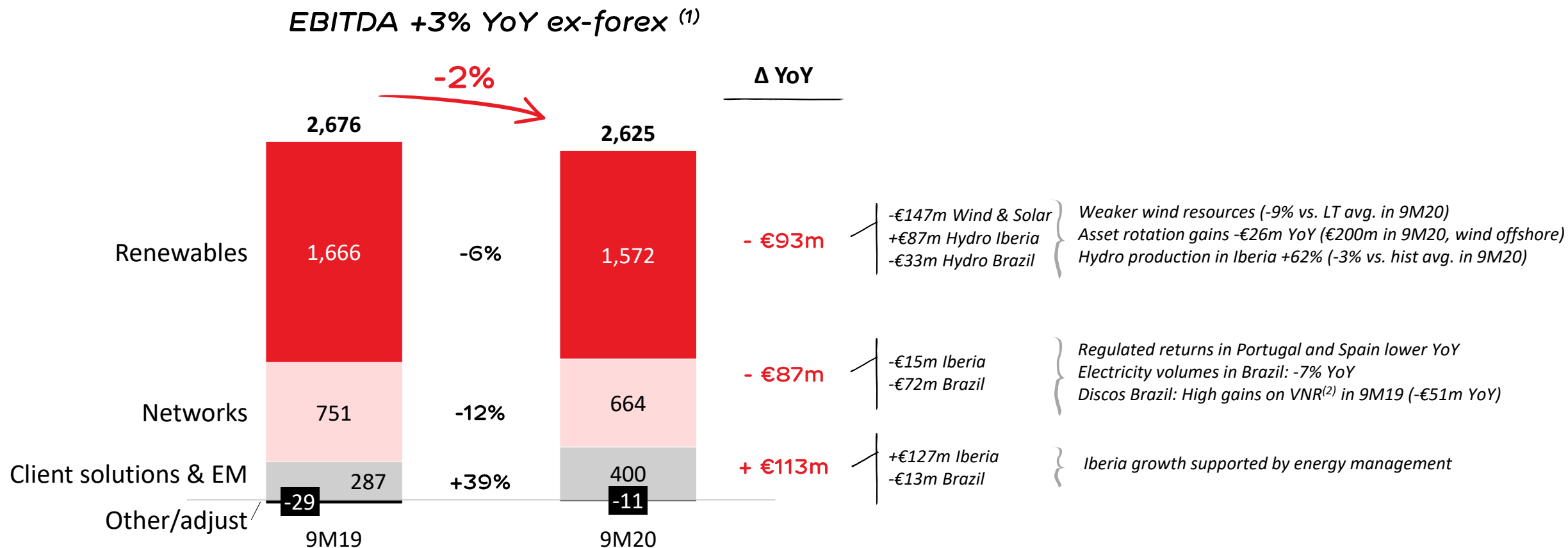


(1) Source: REN. Hydro resources reference from Portugal only.

EBITDA down 2% YoY reflecting BRL devaluation, EBITDA ex-forex +3%; *edp* positive performance on OPEX (-4% YoY like-for-like)

EBITDA

€m; YoY growth, %



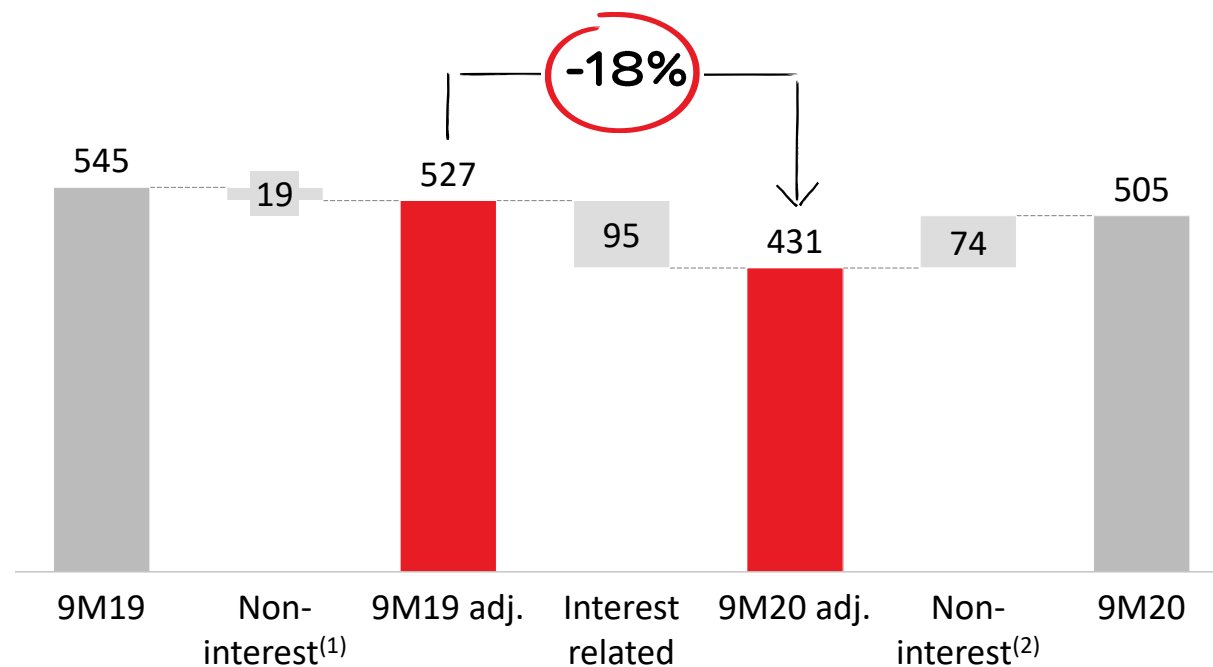
(1) FX Impact on EBITDA: -€117m (BRL), -€1m (USD), -€2m Other currencies | (2) Revaluation of residual asset value

Interest related costs -18%, with marginal cost of debt significantly below cost of maturing debt



Reported Financial Costs

€m



Avg. cost of debt

-80 bp

3.2%

Bonds issued

Green bonds

	Amount	Coupon	Maturity
Sep-19	€600m	0.38%	2026
Jan-20 (hybrid)	€750m	1.70%	2080
Apr-20	€750m	1.63%	2027
Sep-20	USD850m	1.71%	2028

2020/21 bond maturities

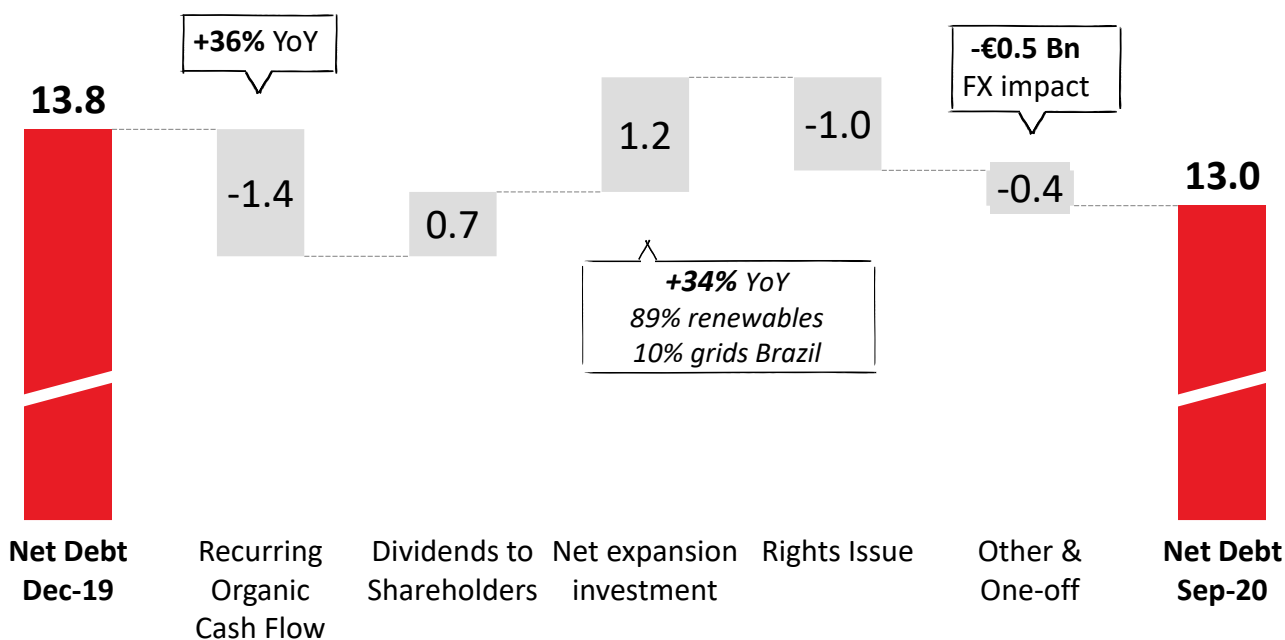
	Amount	Coupon
Jan-20	USD 583m	4.13%
1Q20 (hybrid) ⁽³⁾	€750m	5.38%
Jun-20	€233m	4.13%
Sep-20	€462m	4.88%
Jan-21	€553m	4.13%
Jan-21	USD 750m	5.25%

(1) Non-interest items in 9M19 includes: -€16m of net foreign exchange differences and -€3m capital gains | (2) Non-interest items in 9M20 are related with -€57m liability management cost to repurchase €750m hybrid bond with 5.4% coupon and -€17m net foreign exchange differences and derivatives | (3) Repurchased in 1Q20

Strong cash flow, expansion capex growth and €1 bn rights issue in 9M20, as well as net proceeds in 4Q20, support financial deleverage



Change in Net Debt: Sep-20 vs. Dec-19
€ bn



Significant volume of transactions with financial closing expected before 2020YE:

- ✓ **€2.2 bn** disposal of 6 hydro plants in Portugal
- ✓ **€0.5 bn** asset rotation of wind portfolio in Spain
- ✓ **US\$ 0.8 bn** asset rotation of wind and solar portfolio in the US
- ✓ **€0.5 bn** disposal of B2C portfolio and CCGT (0.8 GW) in Spain
- ✓ **€2.7 bn EV** acquisition of Viesgo (new partnership with MIRA retaining 25% of all our electricity distribution Spain)

9M19

Net debt / EBITDA⁽¹⁾ **3.6x**

-1.0

0.7

0.9

-0.3

13.8

3.4x

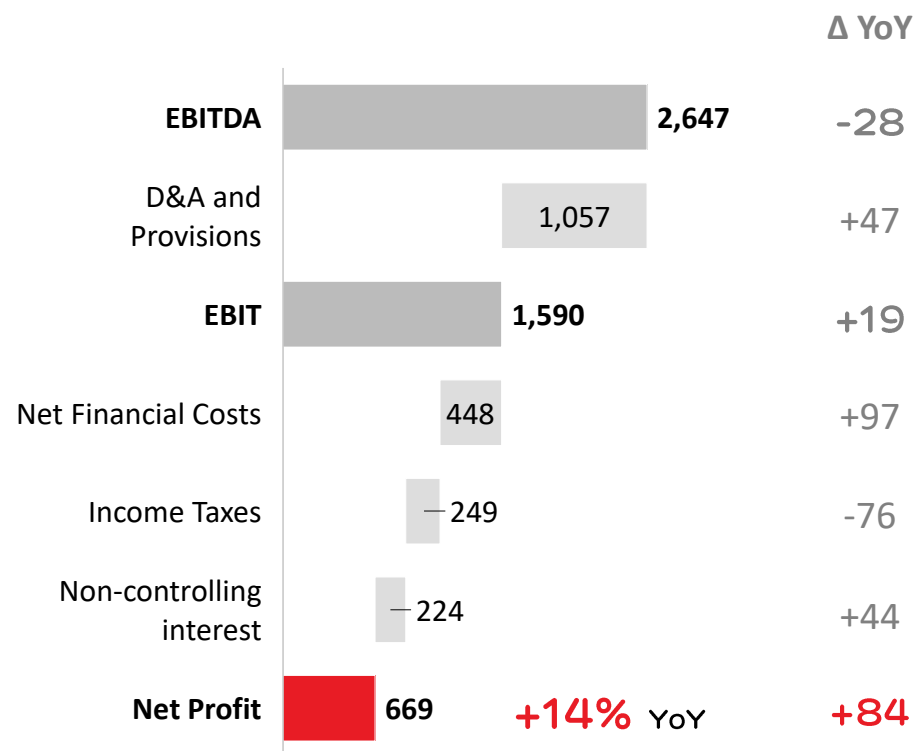
(1) Based on net debt excluding regulatory receivables and impact of sale of tariff deficit, and recurring EBITDA of the last 12 months. Do not include €0.85 bn related with Leasings' debt accounted as Other Liabilities (IFRS 16 impact)

Recurring net profit +14% driven by EBIT +1%, lower financial costs, higher effective tax rate and decline of non-controlling interests



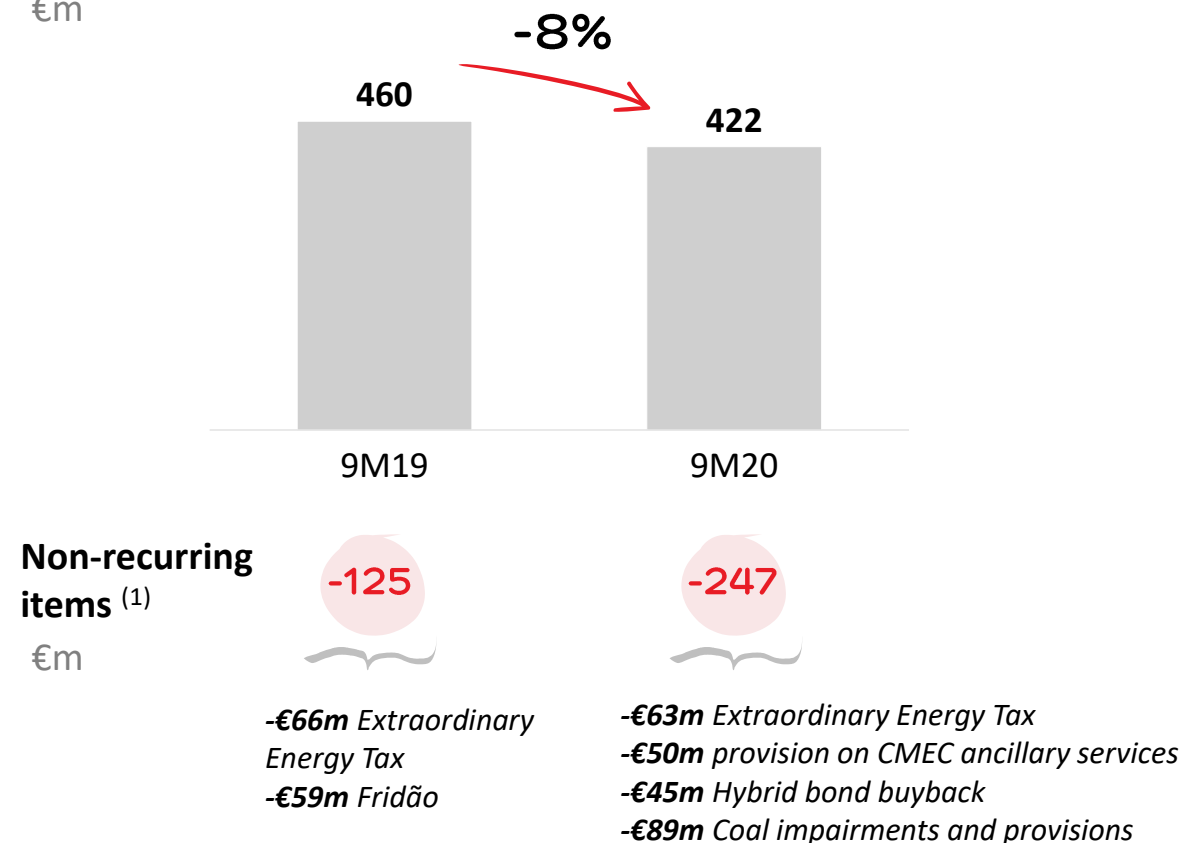
Recurring Net Profit 9M20

€m



Reported Net Profit

€m



Reported net profit in 9M20 penalized by €247m of non-recurring costs

(1) At net profit level, net of taxes



Strategy Execution

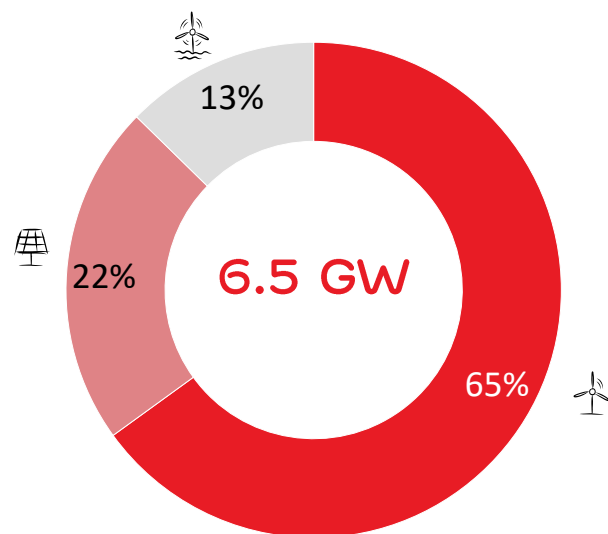
We already have 86% of capacity additions either operational or secured, out of ~7 GW target in the Business Plan 2019-22



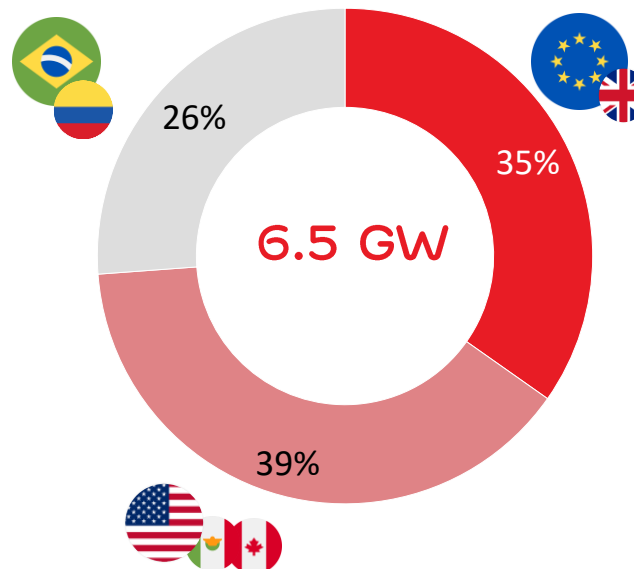
Projects already secured to be built with long term contracts⁽¹⁾

GW; Sep-20

By technology



By geography



Increased Global Public Support

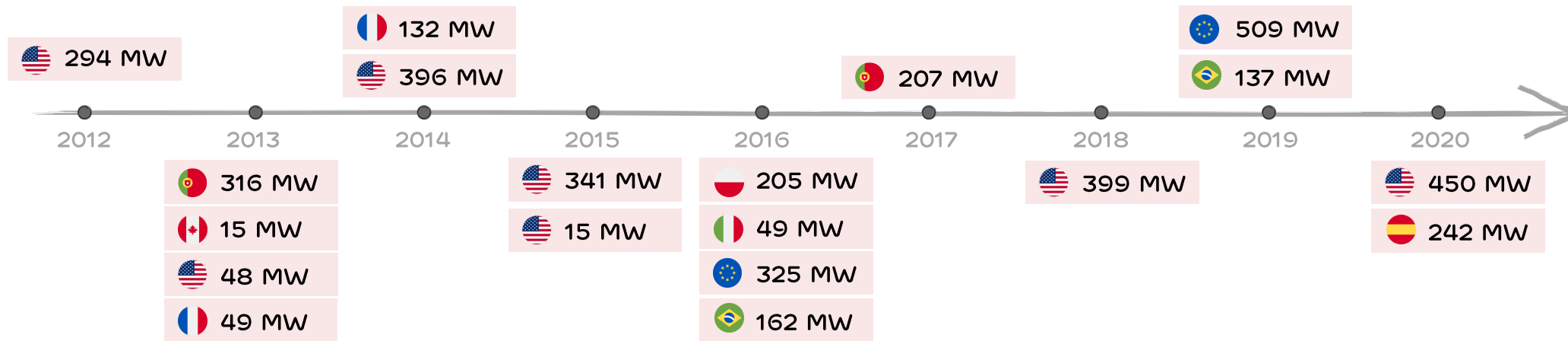
- **European Union**
 - **55% emissions cut by 2030** vs. 1990
 - €750 Bn Next Generation Fund, >30% contribution to climate targets
- **US**
 - PTC Extension secured: 100% for CODs 2021-22; 60% for CODs 2023-24
 - **Ambitious renewables policy proposals** under discussion

As of Sep-20, we have 6.5 GW to be built (including projects with COD after 2022)

⁽¹⁾ Includes 0.5 GW of wind in Spain and Portugal from Viesgo renewables acquisition, with financial closing expected in 4Q20

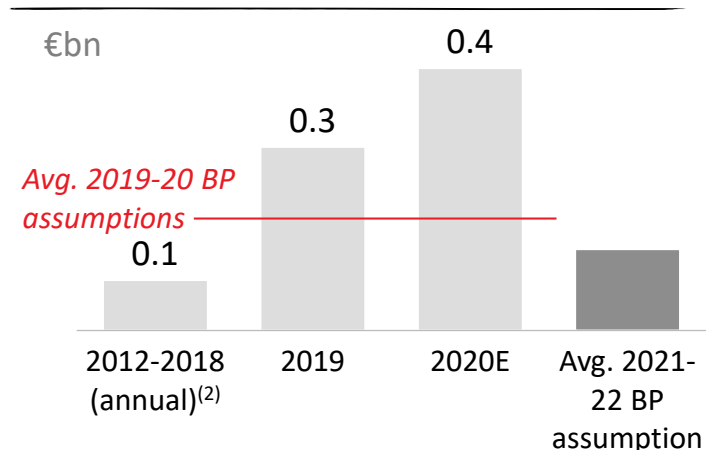
Asset rotation of renewables assets have been a key component of our recurring business model, with a well proven track record since 2012 *edp*

Timeline of EDP asset rotation deals 2012-2020:⁽¹⁾



- **~20 asset rotation deals** agreed in 2012-2020:
 - **4.3 GW** sold **>€5 Bn** of proceeds
 - **Annual average:** ~2 deals and ~0.5 GW sold
- Better than expected valuations achieved in 2019-20 support **positive outlook for this activity in 2021-22**

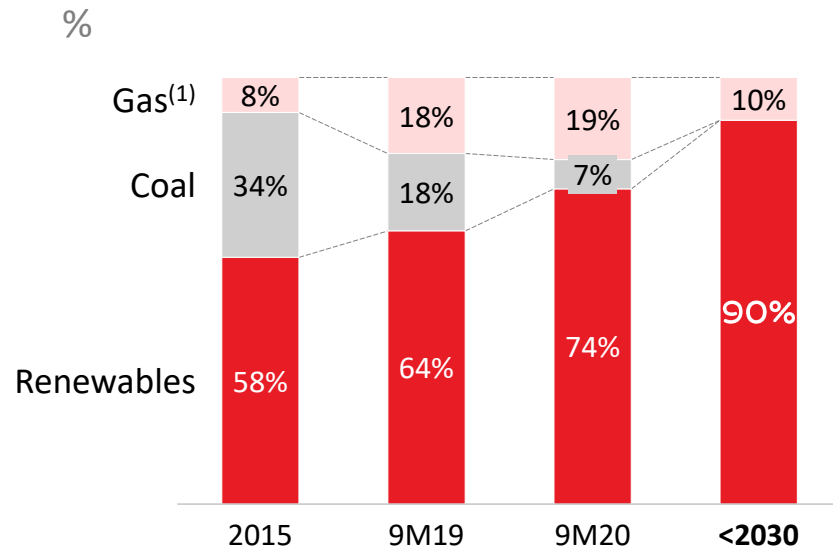
Asset rotation gains



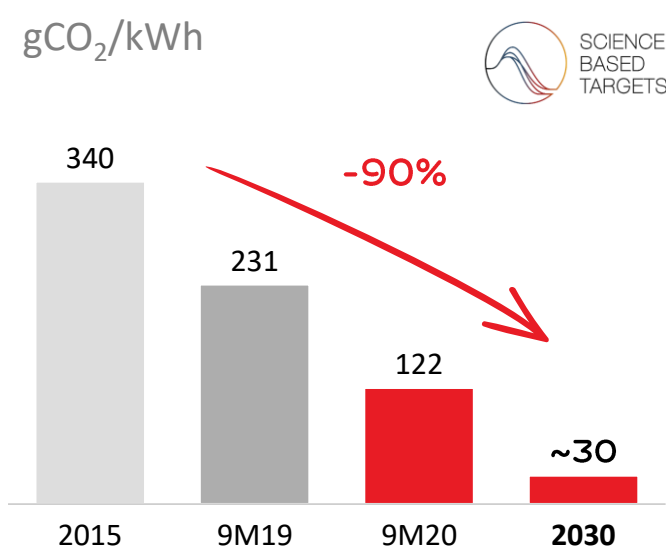
Renewables growth and early coal shutdown lead to upgrade of CO₂ emissions reduction target to 90% by 2030 vs. 2015 (vs. previous 2005)



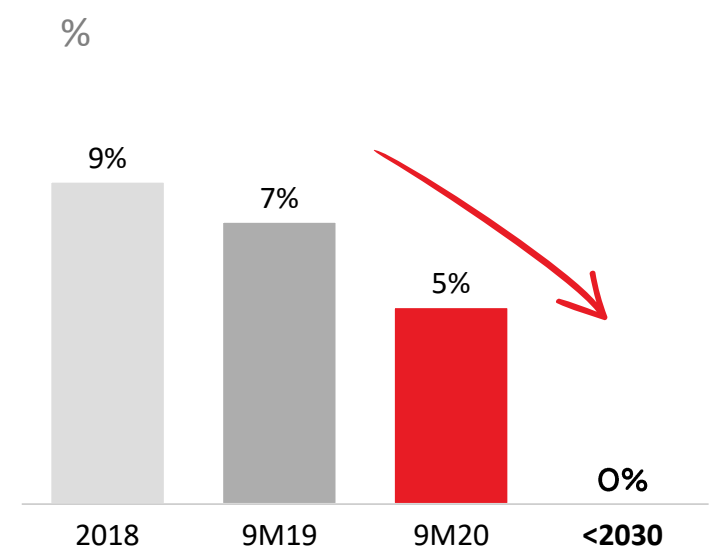
Electricity generation mix



Specific emissions



Revenues from coal



Recent actions contributing to the reduction of our emissions in the near term (2021):

- ✓ Early coal shutdown in Iberia (1.5 GW)
- ✓ Integration of Viesgo renewables (+0.5 GW)
- ✓ 2.2 GW renewables under construction
- ✓ Disposal of 2 CCGT plants (0.8 GW)

(1) Includes residual contribution from other technologies (Nuclear, CHP and Waste)

Brazil (15% of EBITDA, 10% of earnings): COVID crisis mitigated by supportive regulation, low risk business model, proactive management



Weak macro context, but with supportive regulation



Distribution

- **Covid Account: R\$0.6bn** liquidity for EDP Brasil, partial recovery of COVID related overcontracting costs



Hydro

- **Extension of hydro concession periods** as a compensation for hydro deficit (GSF) costs supported by hydro plants with energy contracts in free market
 - In final stage of resolution by ANEEL

Steep BRL devaluation, mitigated by local funding & inflation update



Financial hedging

- **Discos regulated revenues updated to inflation (IGP-M)**
 - EDP ES: +9.3% (Aug-20), EDP SP: +17.9% (Oct-20)
- **Funding in local currency**
- **Interest rates at historical lows** (selic rate at 2.0)



Transmission

- **79%** of R\$3.7 bn capex in 6 transmission lines, **full completion expected in 2021**
- **~75% of leverage** (fully in local currency)
- **Contracted revenues**, updated to inflation (IPCA), no exposure to demand

Upgrade of financial performance outlook for 2020 supported by resilience of our business model



	Previous guidance	New guidance	Updated Outlook for 4Q20
Recurring EBITDA 2020E:	~€3.6 bn	↑ ~€3.7 bn	• Hydro reservoirs above avg. • Brazil: Adverse forex/economic context mitigated by supportive regulatory measures and management actions
Recurring Net income 2020E:	€0.85 - €0.90 bn ⁽¹⁾	↑ ~€0.9 bn ⁽¹⁾ <i>(single digit growth YoY despite COVID challenging context)</i>	• Favorable energy markets volatility positive for energy management • Renewables asset rotation gains expected in 4Q20: ~€0.2bn • Interest costs downward trend

Positive medium term prospects based on proactive management of asset portfolio, renewables growth, keeping low risk profile

(1) Recurring Net Profit excludes exceptional and non-recurring items (including extraordinary energy tax/CESE)

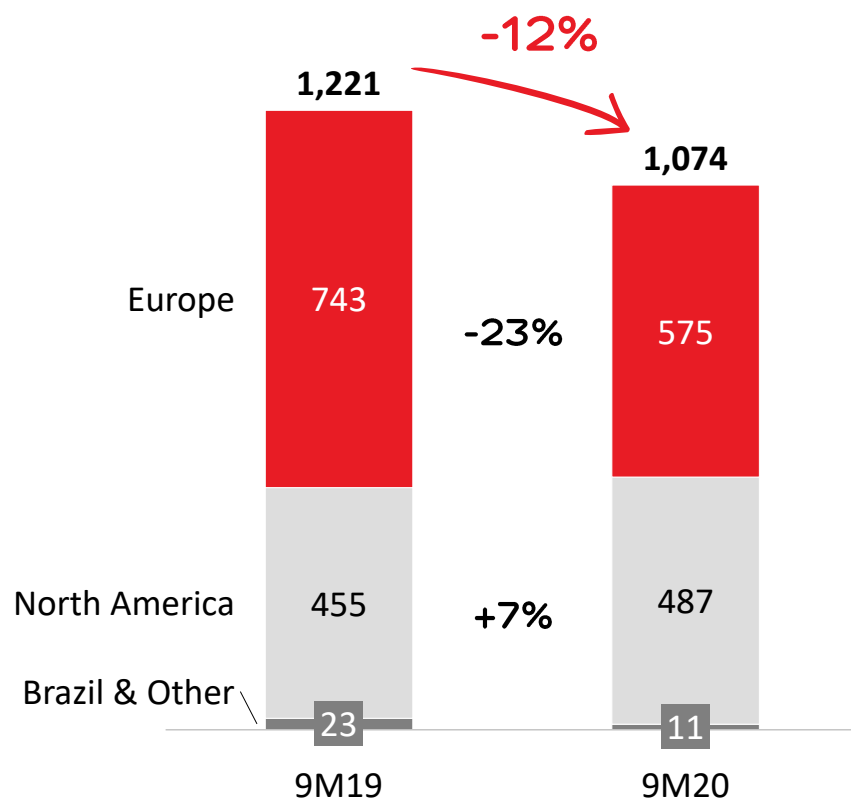


Appendix

Wind & Solar EBITDA -12% on weak wind resources, lower asset rotations gains and deconsolidation of assets rotated



EBITDA - Wind & Solar
€m; YoY growth, %



	9M19	9M20	YoY	
Avg. Installed Capacity ⁽¹⁾ , GW	11.0	10.7	-3%	↓
Production vs. LT Avg. (P50), %	-4%	-9%	-5 p.p.	↓
Electricity Production, TWh	21.9	20.4	-7%	↓
Avg. selling price, €/MWh	56.1	54.7	-2%	
Asset rotation gains, €m	226	200	-11%	

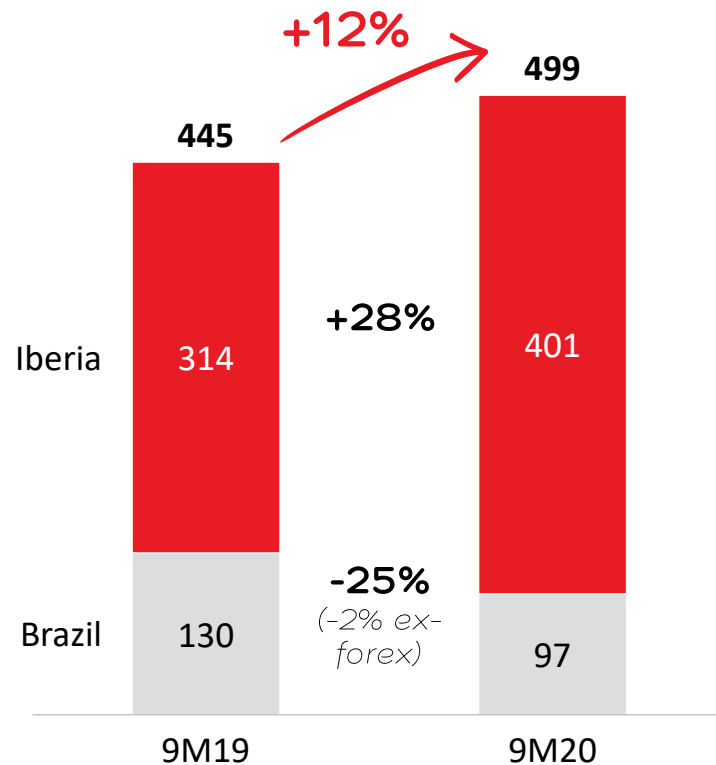
(1) Considers capacity at EBITDA level

Hydro EBITDA up by 12%, prompted by the recovery of hydro resources in Iberia, lower avg. selling price mitigated by hedging strategy



EBITDA - Hydro

€m; YoY growth, %



	9M19	9M20	YoY
Hydro production ⁽¹⁾ , TWh	5.9	9.5	+62% ↑
Avg selling price ⁽²⁾ , €/MWh	61	38	-37%
Reservoirs, TWh	1.5	1.9	+33%



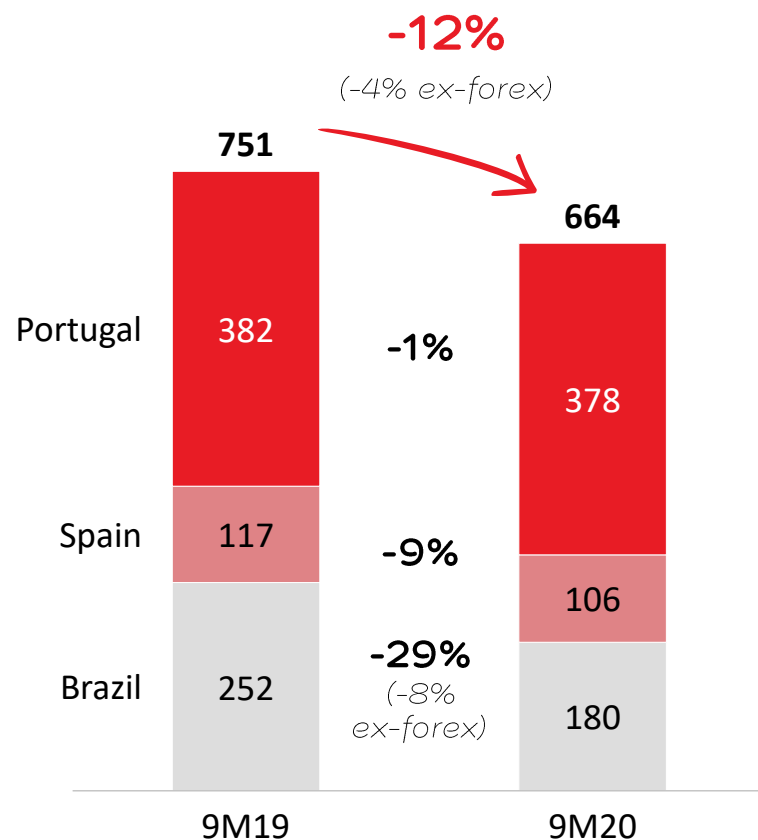
	9M19	9M20	YoY
Avg selling price, R\$/MWh	180	195	+9%
GSF	86%	85%	-1p.p. ↓

(1) Excludes small hydro plants | (2) Does not consider results from hedging

Regulated Networks EBITDA -12%, driven by BRL devaluation, the recognition of higher asset base in 3Q19 in BR and lower RoRAB in IB



EBITDA - Networks €m; YoY growth, %



	9M19	9M20	YoY
Return on RAB Portugal ⁽¹⁾ , %	5.13%	4.85%	-29 bp ↓
Return on RAB Spain, %	6.5%	6.0%	-50 bp ↓
Opex Iberia, €m	288	274	-5% ↑



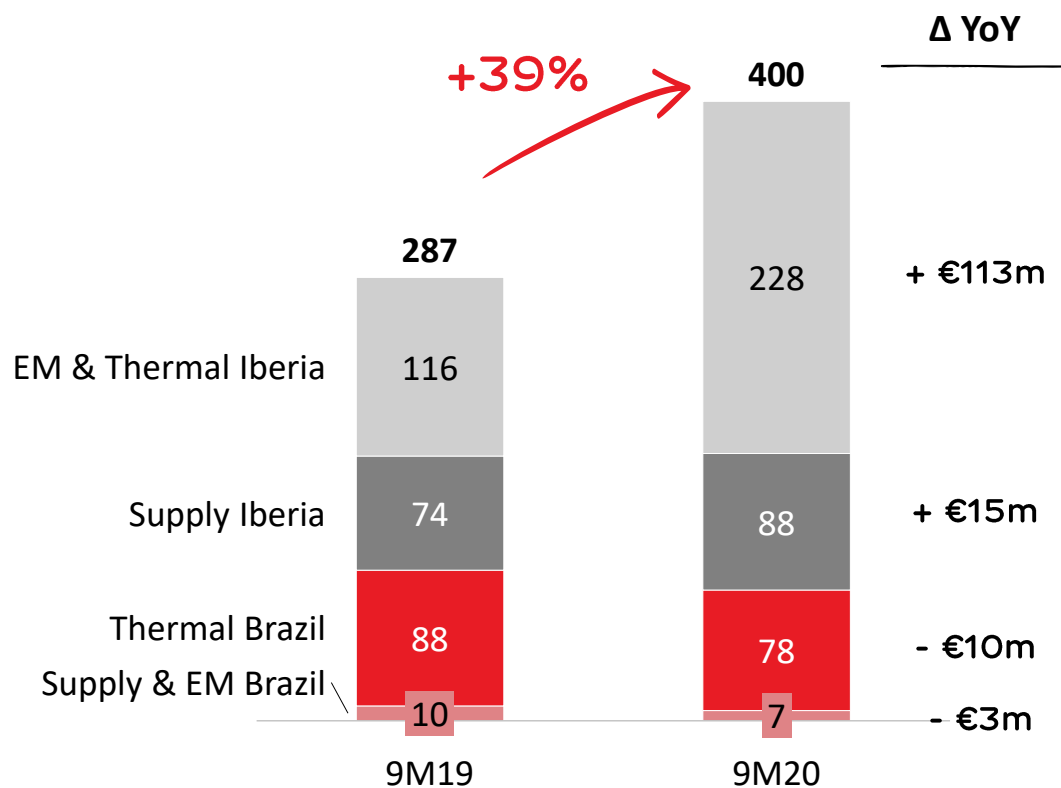
	9M19	9M20	YoY
Transmission EBITDA, R\$m	127	275	+117% ↑
Distribution EBITDA, R\$m	983	749	-24%
VNR ⁽²⁾ , R\$m	257	25	-90% ↓
Electricity distributed, TWh	19.1	17.8	-7% ↓

(1) RoRAB of HV/MV (2) Revaluation of residual asset value

Client Solutions & Energy Management EBITDA +39%, benefiting from successful hedging strategy in Iberia in 9M20



EBITDA – Client Solutions & Energy Management
€m; YoY growth, %



- ↑ **Good results on energy management in Iberia** supported by **anticipated contracting** in energy prices, thermal spreads and optimization of portfolio in a **volatile energy market environment**
- ↑ **Resilient B2C demand and increased services penetration** (e.g. Distributed solar and Funciona)
- ↓ **Coal production -58% YoY** (avg. load factor 17%)
- ↓ **B2B supply volumes Iberia -14% YoY**, negative impact from re-sale of previously purchased volumes at low pool prices

Operating cost (OPEX) -4% on like-for-like base (ex-growth) in 9M20



xx% Weight on Opex

Operations	Indicator	YoY Change	Main drivers
Iberia 56%	Opex ⁽¹⁾	-3%	-2% avg. headcount vs. Sep-19
EDP Brasil 13%	Opex ⁽¹⁾ excl. growth and forex	-5%	Avg. inflation: +2.9%⁽²⁾
EDPR 31%	Adj. Core Opex/MW ⁽³⁾	+3%	Growth of renewables development activity
 ⁽¹⁾	Opex ex-forex	0%	
	Opex like-for-like (excl. growth)	-4%	

(1) Operating Costs Cash Recurring: Opex excluding caps, one-offs and forex impact. 2019: Caps (+€99m); 2020: Caps (+€110m), one-offs (-€8m), forex (-€45m); | (2) Avg. IPCA 9M20 | (3) Core Opex adjusted by asset rotation, offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs and FX

Financial liquidity of €7.7 bn in Sep-20 covering refinancing needs beyond 2023



Financial liquidity as of Sep-20

€ bn

Cash & Equivalents: €1.8 bn

Available Credit Lines: €5.9 bn

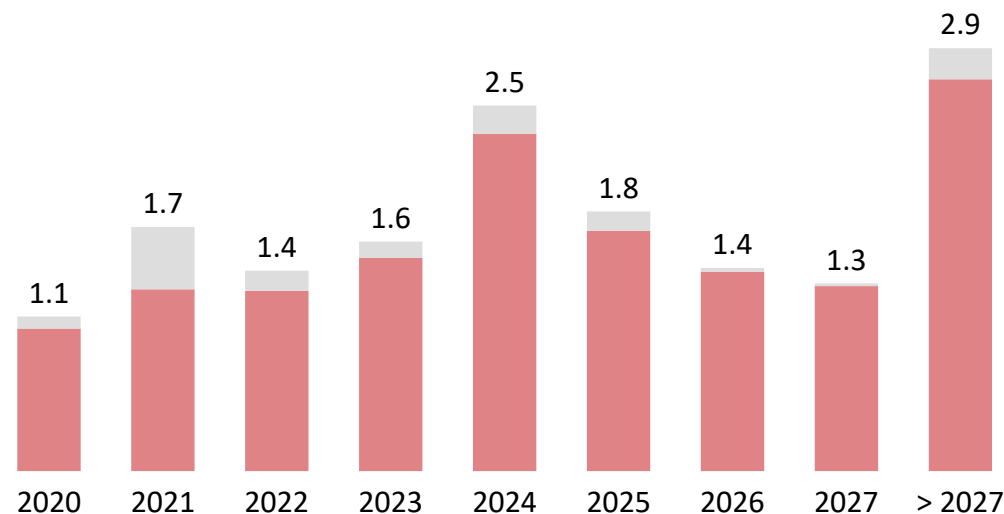
Of which:
• >90% due in 2024/25
• >25 counterparties

Total Liquidity €7.7 bn

EDP consolidated debt maturity profile as of Sep-20

€ bn

EDP Brasil
EDP SA & EDP Finance BV and Other



**2020
main deals**

1Q20: €0.75 bn hybrid replacement (new issue + buy back)

Mar 9th: €0.8 bn tariff deficit sale

Apr 7th: €0.75 bn green bond

Jul 14th: €0.3 bn tariff deficit sale

Aug 11th: €1bn rights issue

Sep 17th: US\$0.85 bn green bond

IR Contacts

E-mail: ir@edp.com

Phone +351 210 012 834

Site: www.edp.com

Next Events

- Nov 2nd-3rd: JP Morgan Global Energy Conference
- Nov 19th: CA CIB Utilities & Infrastructure Conference