

# RESULTS REPORT

9M19 

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15<sup>th</sup> November

REN 

# 9M19 HIGHLIGHTS

## MAIN INDICATORS

€M	3Q19	9M19	9M18	Δ%	Δ Abs.
EBITDA	120.6	368.0	378.4	-2.7%	-10.4
Financial Results	-12.6	-39.4	-43.5	9.3%	4.0
Net Profit	35.3	86.3	90.9	-5.0%	-4.5
Recurrent Net Profit	35.3	110.7	112.5	-1.6%	-1.8
Average RAB	3,717.8	3,717.8	3,835.2	-3.1%	-117.3
CAPEX	60.4	110.3	67.2	64.1%	43.1
Net Debt	2,586.5	2,586.5	2,643.8	-2.2%	-57.4

▶ EBITDA for the period stood at €368.0M, 2.7% (€10.4M) lower than the same period of the previous year. As expected, this was mainly due to the decrease in rates of return, following the drop in the Portuguese bond yield and the reduction in the Regulated Asset Base;

▶ Net Profit and Recurrent Net Profit amounted to €86.3M (-5.0%) and €110.7M (-1.6%), respectively. Financial Results (-€39.4M) impacted the results positively, benefiting from the decrease in Net Debt (-€57.4M) and the continuing decline in the average cost of debt (2.2% in 9M19, from 2.3% in 9M18). Taxes reached €42.0M, less 0.9% when compared with last year. Nevertheless, the payment of the extraordinary energy sector levy (CESE) penalized REN's results (€24.4M in 2019), raising the effective tax rate to 39.5%;

▶ On October 01<sup>st</sup>, REN acquired the entire share capital of Transemel, for 168.6 million USD. This transaction was supported by debt. Since the announcement of this acquisition, all three major rating agencies have reaffirmed REN's rating at investment grade level. Despite this acquisition, Portugal continues to be REN's main target and natural market.

# CAPEX AND TRANSFERS TO RAB ROSE BY €43.1M AND €27.6M, RESPECTIVELY

## CAPEX and RAB

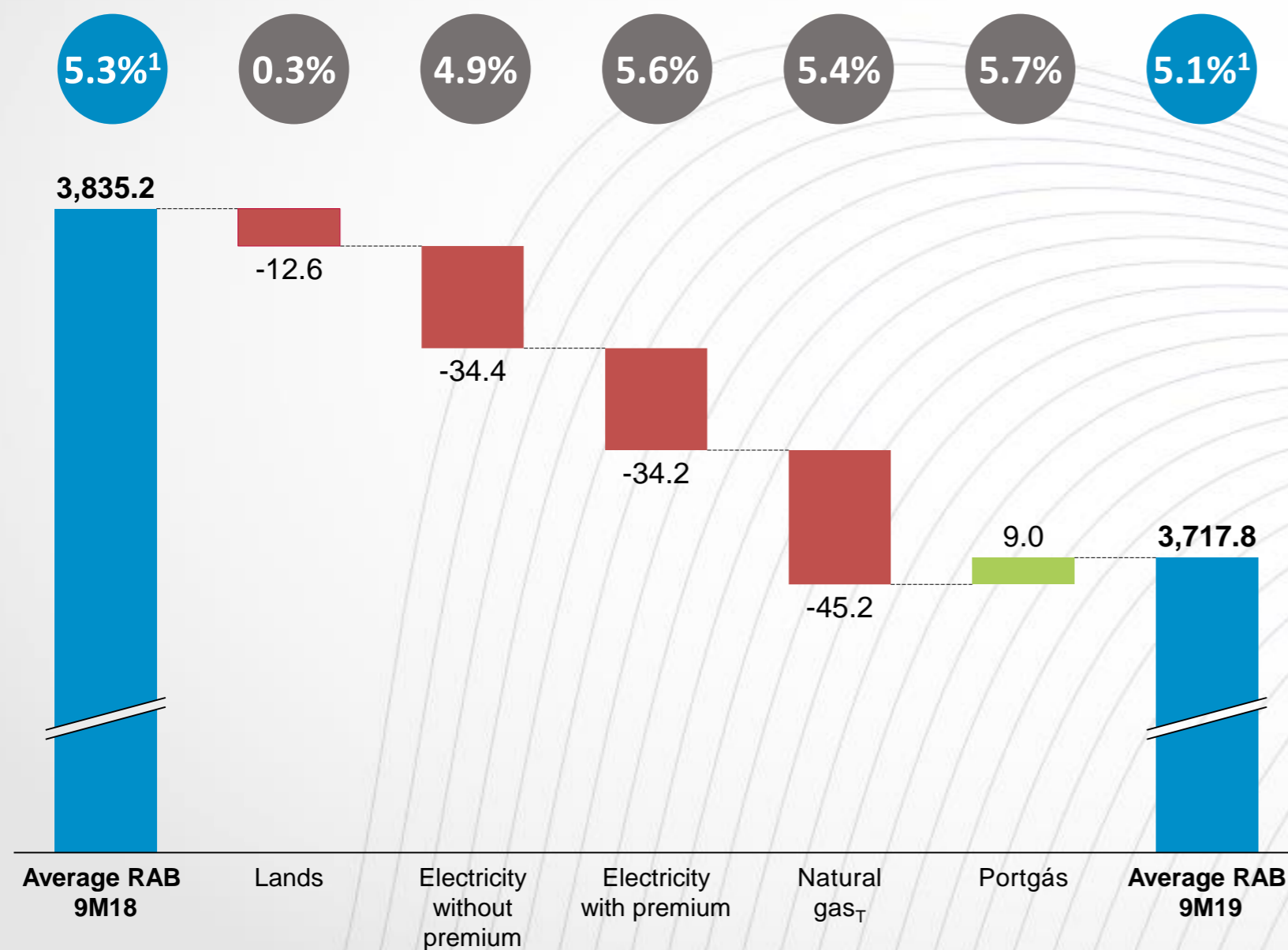
€M	9M19	9M18	Δ%	Δ Abs.
<b>Average RAB</b>	<b>3,717.8</b>	<b>3,835.2</b>	<b>-3.1%</b>	<b>-117.3</b>
Electricity	2,026.4	2,094.9	-3.3%	-68.6
Land	231.9	244.5	-5.1%	-12.6
Natural gas <sub>T</sub>	990.0	1,035.2	-4.4%	-45.2
Natural gas <sub>D</sub>	469.5	460.5	2.0%	9.0
<b>RAB end of period</b>	<b>3,666.7</b>	<b>3,771.8</b>	<b>-2.8%</b>	<b>-105.1</b>
Electricity	1,998.6	2,055.8	-2.8%	-57.2
Land	227.2	239.8	-5.2%	-12.6
Natural gas <sub>T</sub>	970.0	1,015.2	-4.4%	-45.1
Natural gas <sub>D</sub>	470.8	461.1	2.1%	9.8
<b>CAPEX</b>	<b>110.3</b>	<b>67.2</b>	<b>64.1%</b>	<b>43.1</b>
Electricity	87.5	47.5	84.3%	40.0
Natural gas <sub>T</sub>	7.0	5.2	33.4%	1.7
Natural gas <sub>D</sub>	15.8	14.4	9.8%	1.4
Other	0.0	0.1	-65.2%	-0.1
<b>RAB variation e.o.p.</b>	<b>-101.0</b>	<b>-126.9</b>		
Electricity	-54.1	-78.4		
Land	-9.4	-9.4		
Natural gas <sub>T</sub>	-40.0	-40.1		
Natural gas <sub>D</sub>	2.4	1.1		

- ▶ CAPEX rose by 64.1% to €110.3M while Transfers to RAB increased by 84.8% to €60.1M. Both benefited from more investment in the electricity business, which represented 79.3% and 72.2% of the total, respectively;
- ▶ In electricity, the main projects on-going were:
  - The 400/220kV substation of Fundão and the overhead line Falagueira - Fundão;
  - The overhead line Ponte de Lima – V. Nova de Famalicão, 400 kV.
- ▶ In Natural Gas transportation and storage, investment was mainly focused on the refurbishment and upgrading of equipment;
- ▶ Investments in Portgás targeted network expansion and densification, mostly for B2C.

# AVERAGE RAB DECREASED BY 3.1%

## Despite the €9.0M rise in Portgás

(€M)

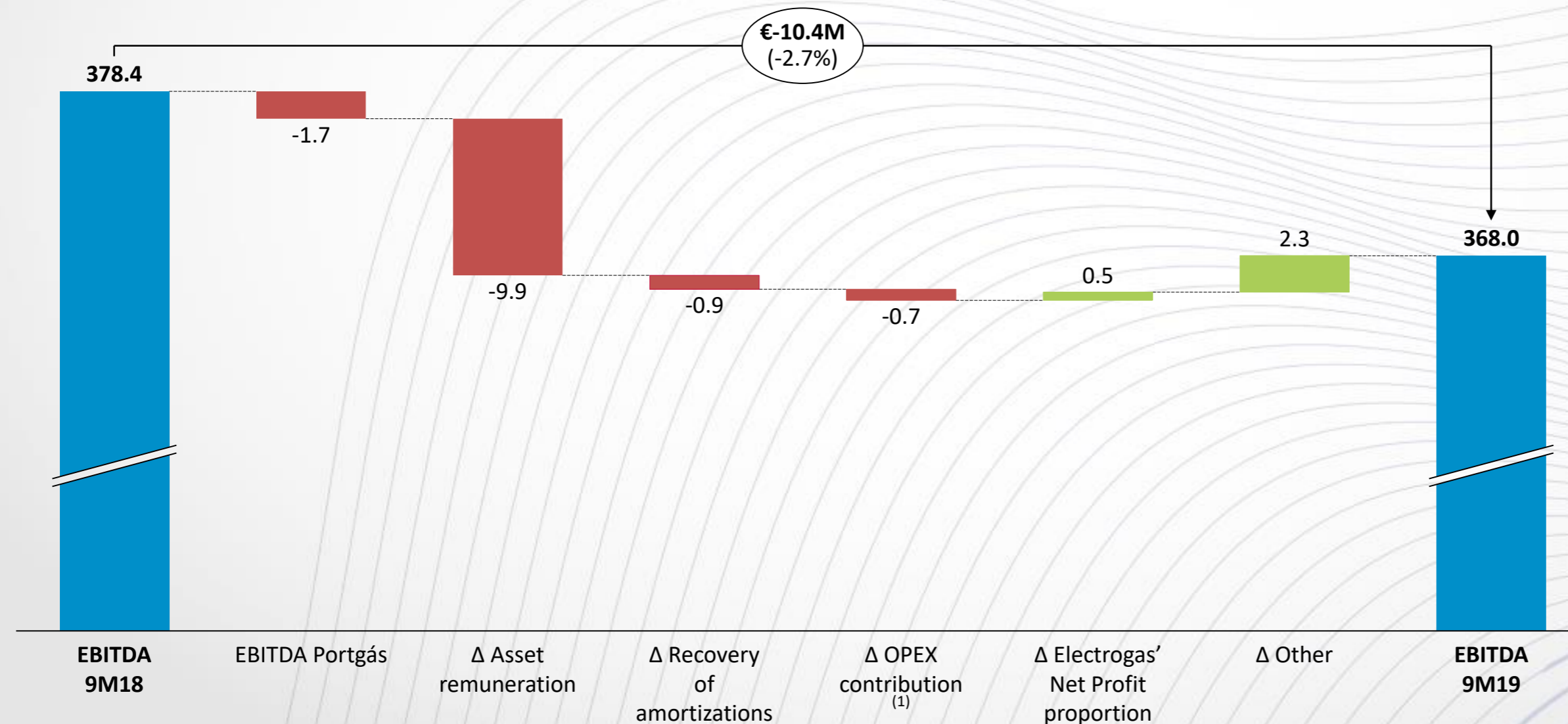


- ▶ The decline in transmission assets impacted average RAB that was €117.3M lower than last year;
- ▶ In the electricity transmission, the base rate of return (RoR) was down by 0.3p.p. to 4.9%. The electricity assets with premium declined by €34.2M YoY, while lands, the category with the lowest RoR (0.3%), was €12.6M down to €231.9M;
- ▶ In natural gas transportation, the average RAB decreased by €45.2M (RoR 5.4%) to €990.0M;
- ▶ By year-end, electricity accounted for 54.5% of the average RAB, natural gas for 39.3% (Portgás included) and lands for the remaining 6.2%.

1) RoR is equal to the specific asset remuneration, divided by the average RAB.

# EBITDA WAS MAINLY PENALIZED BY LOWER TRANSMISSION ASSETS' REMUNERATION

**EBITDA**  
(€M)



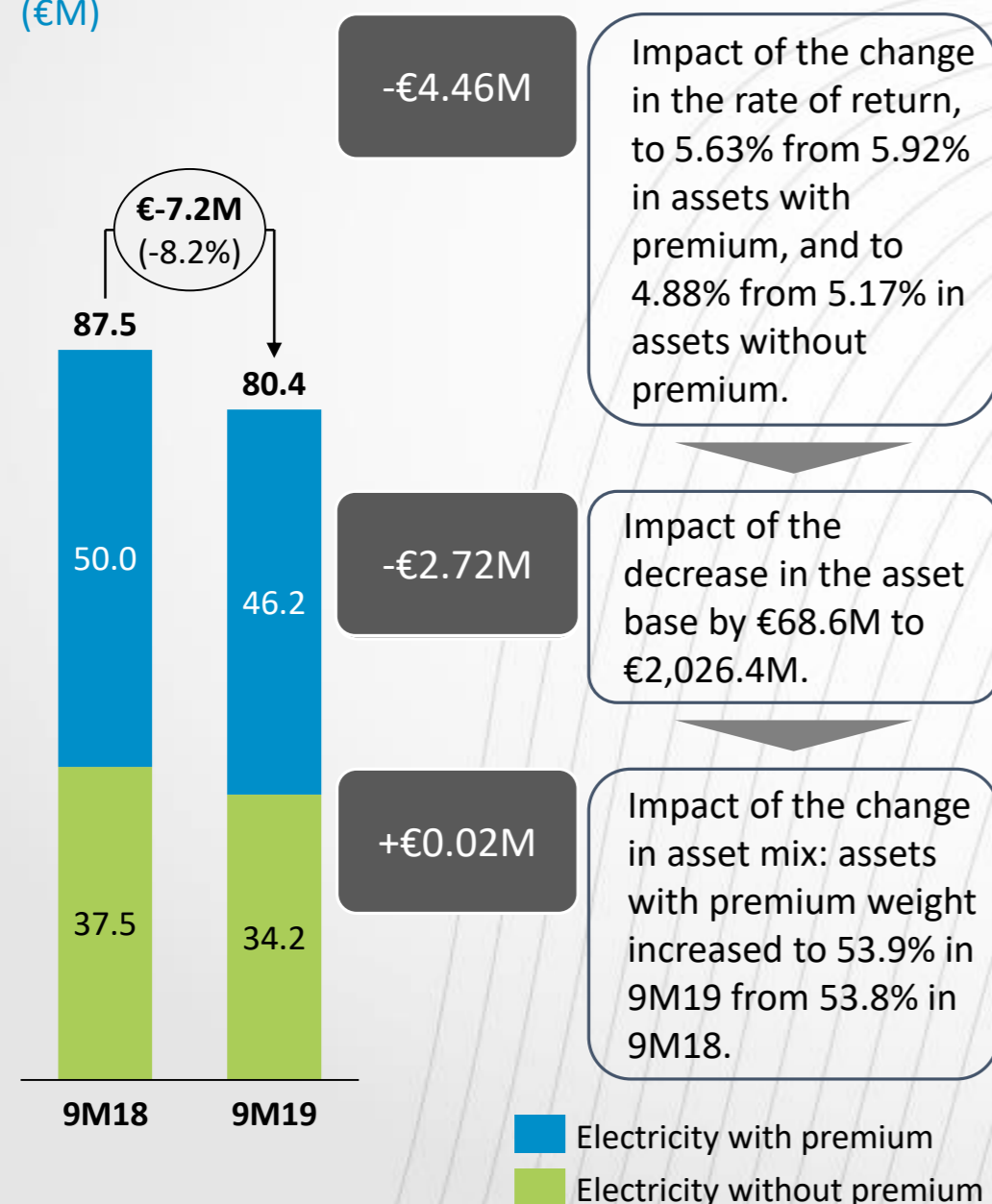
(1) Includes -Δ€0.08M of OPEX own works.

# RAB REMUNERATION DECLINED BY 6.7%

Following the reduction in RoR and RAB (excluding Portgás)

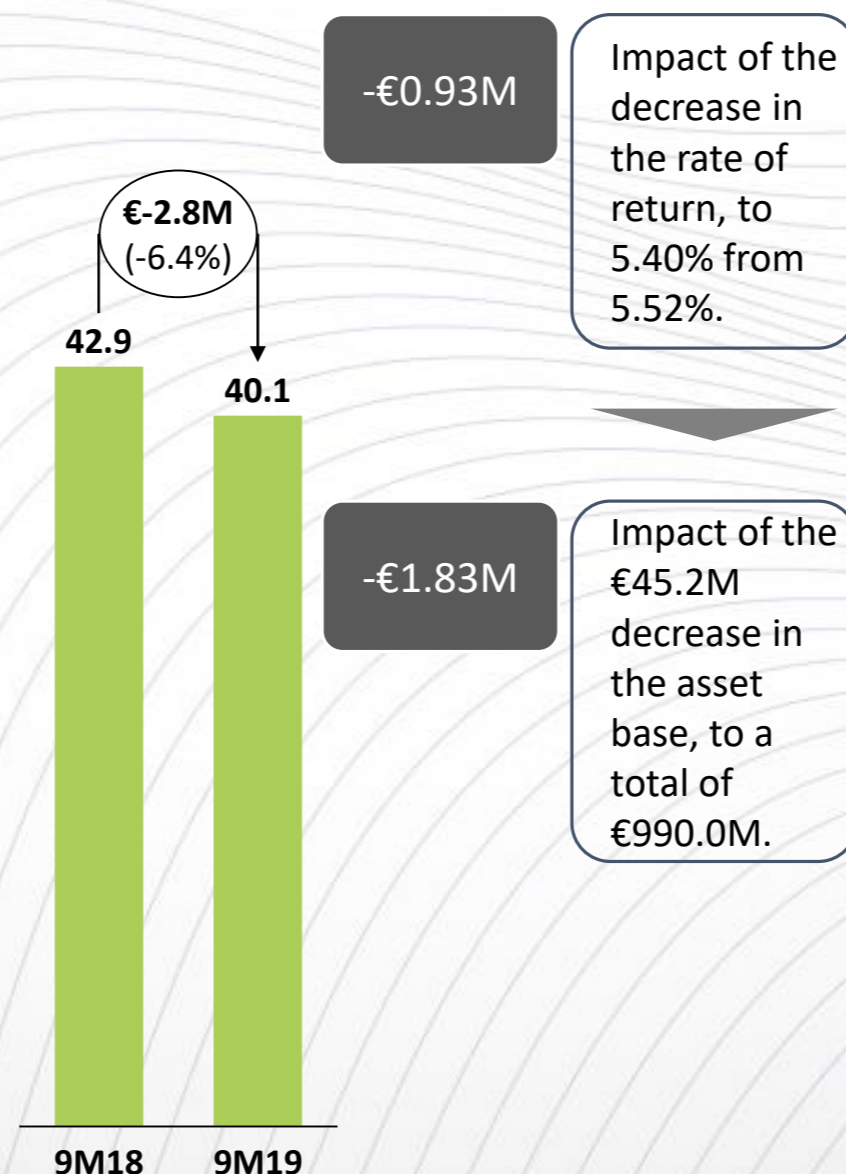
## RAB REMUNERATION ELECTRICITY

(ex. Lands)  
(€M)



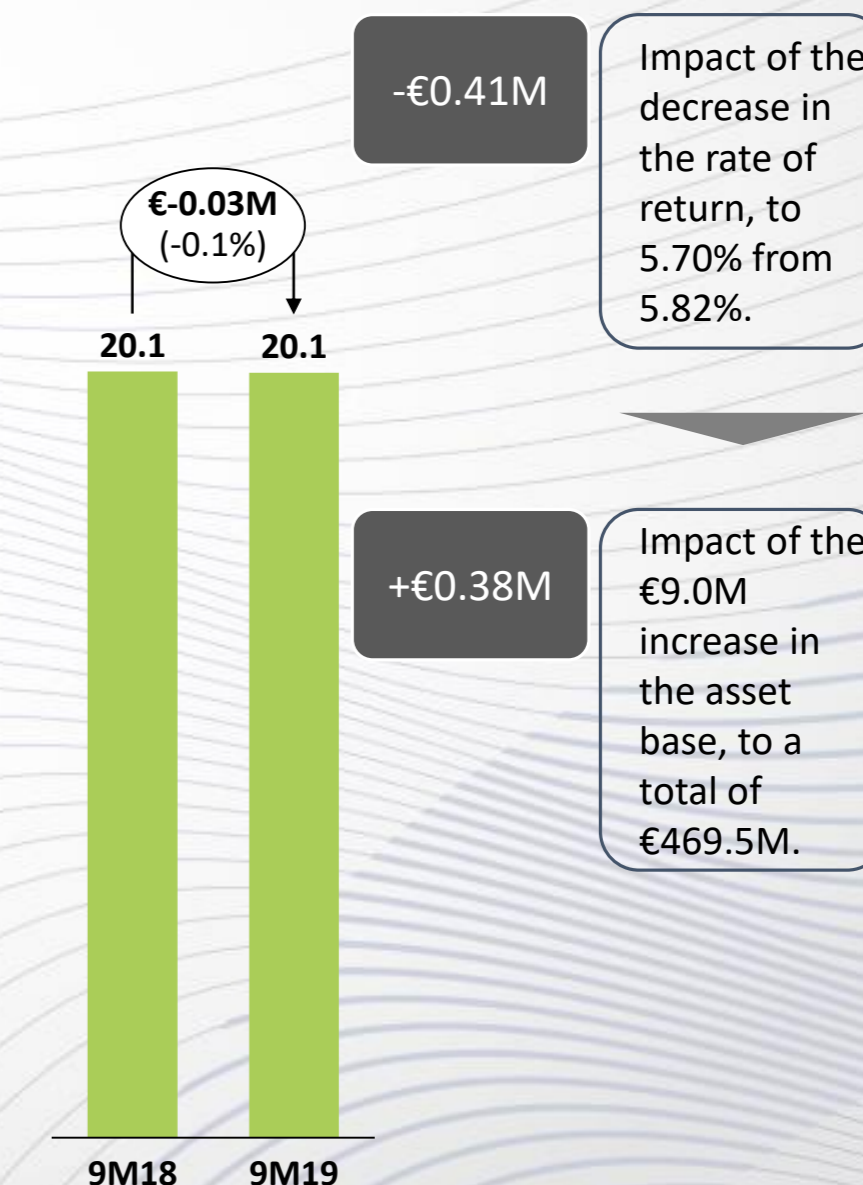
## RAB REMUNERATION NATURAL GAS<sub>T</sub>

(€M)



## RAB REMUNERATION PORTGÁS

(€M)



# OPERATIONAL COSTS INCREASED BY €1.4M

Of which €2.5M were pass-through

## OPERATIONAL COSTS

(€M)



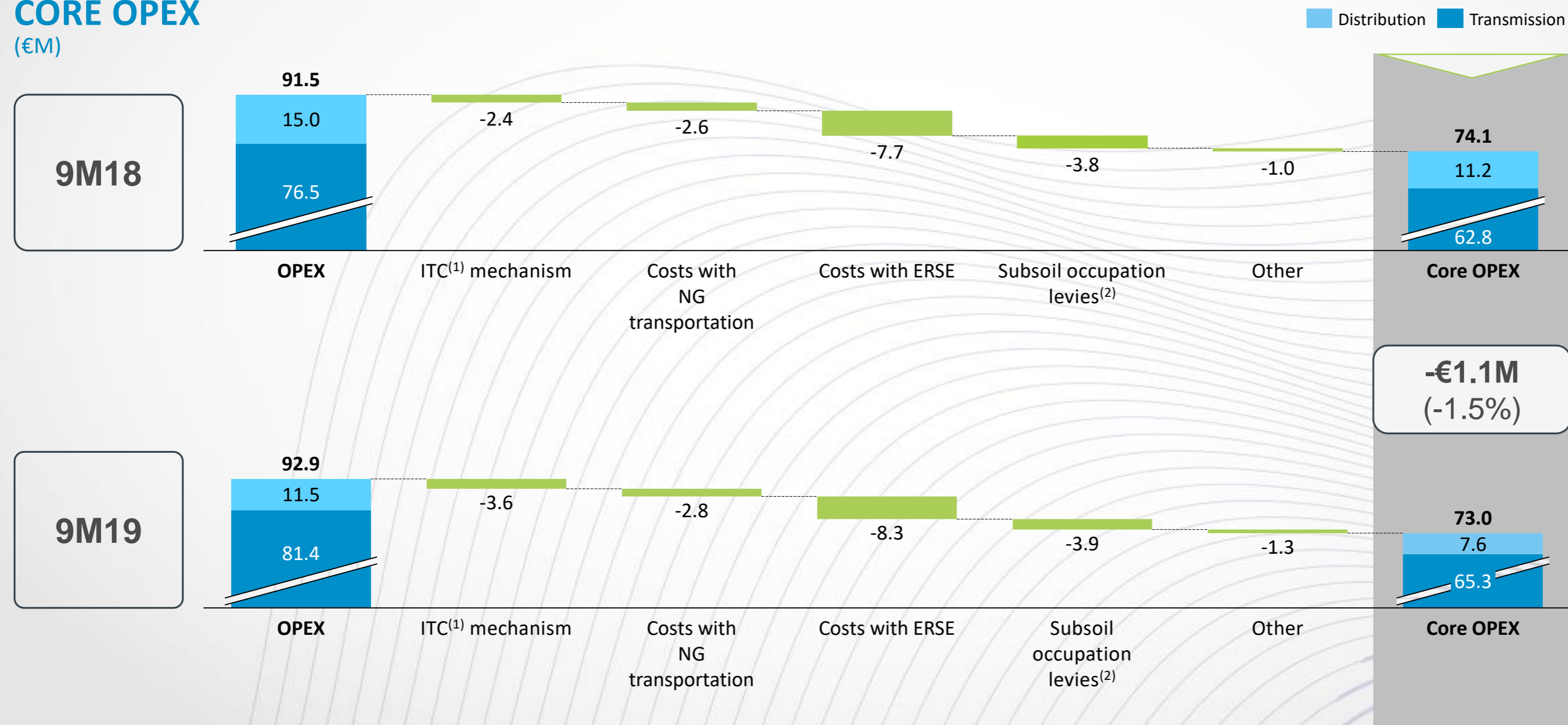
▶ Regarding the transmission business, External Supplies and Services included higher forest clearing costs, as a result of more demanding legislation, and higher electricity costs in the LNG Terminal, due to higher activity;

▶ Regarding the natural gas distribution business, OPEX variation was positively impacted by ESS (-€2.5M), Personnel Costs (-€0.6M) and OOC (-€0.5M).

# CORE OPEX WAS €1.1M LOWER YOY

Portgás had a €3.6M positive evolution

## CORE OPEX (€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits;  
 (2) Item related to Portgás.



# BELOW EBITDA

Financial Results were strengthened by lower Net Debt and average cost of debt

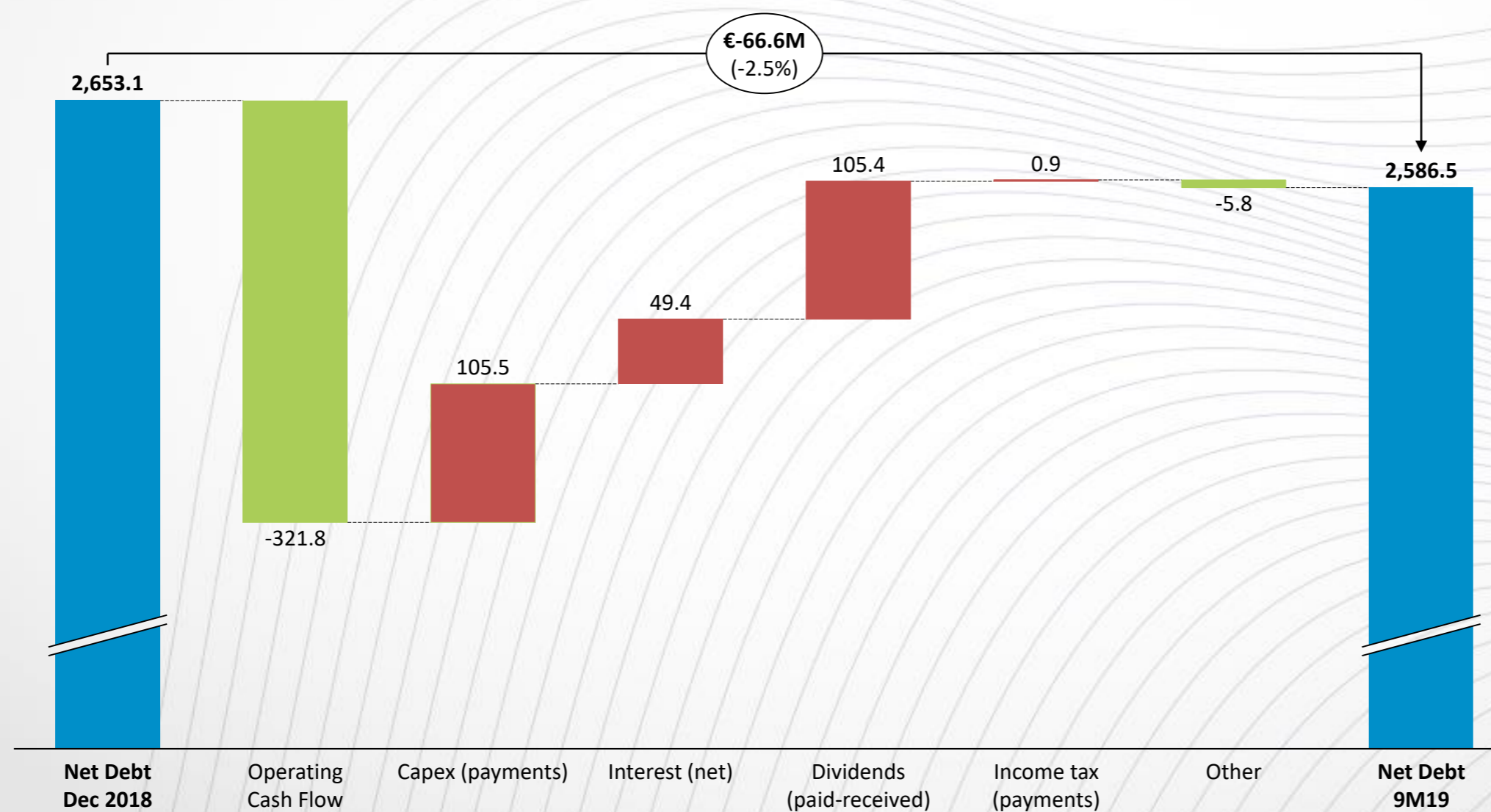
€M	9M19	9M18	Δ%	Δ Abs.
EBITDA	368.0	378.4	-2.7%	-10.4
Depreciations and amortizations	175.8	176.2	-0.2%	-0.4
Financial Results	-39.4	-43.5	9.3%	4.0
Profit before income tax and levy	152.8	158.7	-3.7%	-5.9
Taxes	42.0	42.4	-0.9%	-0.4
Extraordinary levy	24.4	25.4	-4.0%	-1.0
Net Profit	86.3	90.9	-5.0%	-4.5
Recurrent Net Profit	110.7	112.5	-1.6%	-1.8

- ▶ Depreciations and amortizations dropped by 0.2% to €175.8M;
- ▶ Income Tax declined by 0.9%, achieving €42.0M. The effective tax rate, excluding the levy, was 27.5%, while in 9M18 it was 26.7%;
- ▶ Extraordinary levy (CESE) decreased by 4.0% to €24.4M, due to the reduction in the levied regulated assets;
- ▶ In 9M19, the Group was taxed at a Corporate Income Tax rate of 21%, increased by a municipal surcharge up to the maximum of 1.5% over the taxable profit; plus (i) a State surcharge of an additional 3% of taxable profit between €1.5M and €7.5M; (ii) an additional 5% of taxable profit in excess of €7.5M and up to €35.0M; and (iii) 9% over the taxable profit in excess of €35.0M. As a result, the maximum aggregate tax rate was 31.5%;
- ▶ Average cost of debt slightly decreased to 2.2%, from 2.3% in 9M18;
- ▶ Similarly to the previous years Financial Results improved by 9.3%, benefiting from a lower stock of debt.

# NET DEBT REDUCED BY €66.6M TO €2,586.5M

Reflecting a cash flow higher than Capex and financial needs

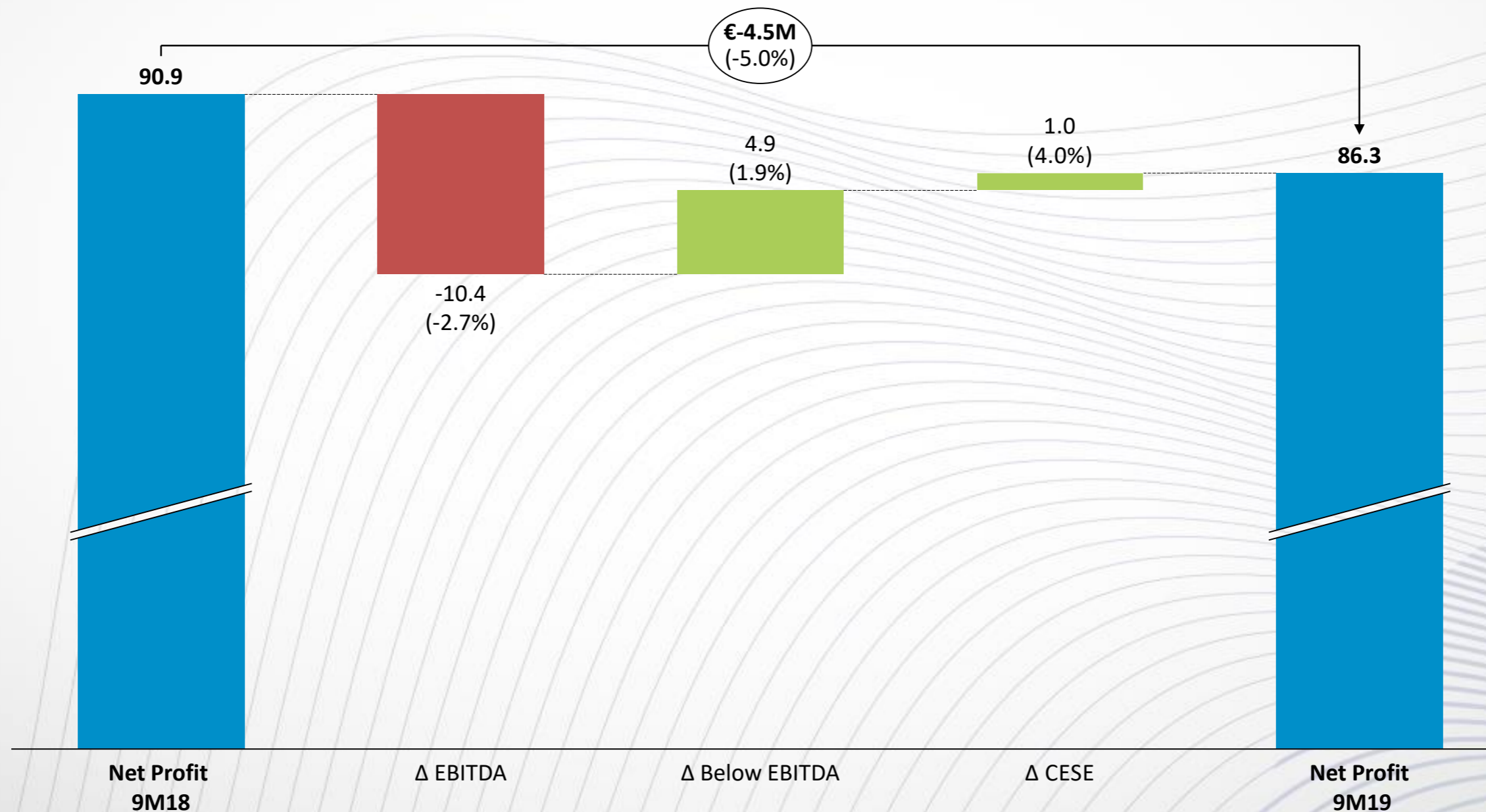
## NET DEBT (€M)



# NET PROFIT DECLINED BY 5.0% TO €86.3M

Despite better Financial Results (€4.0M)

## NET PROFIT (€M)

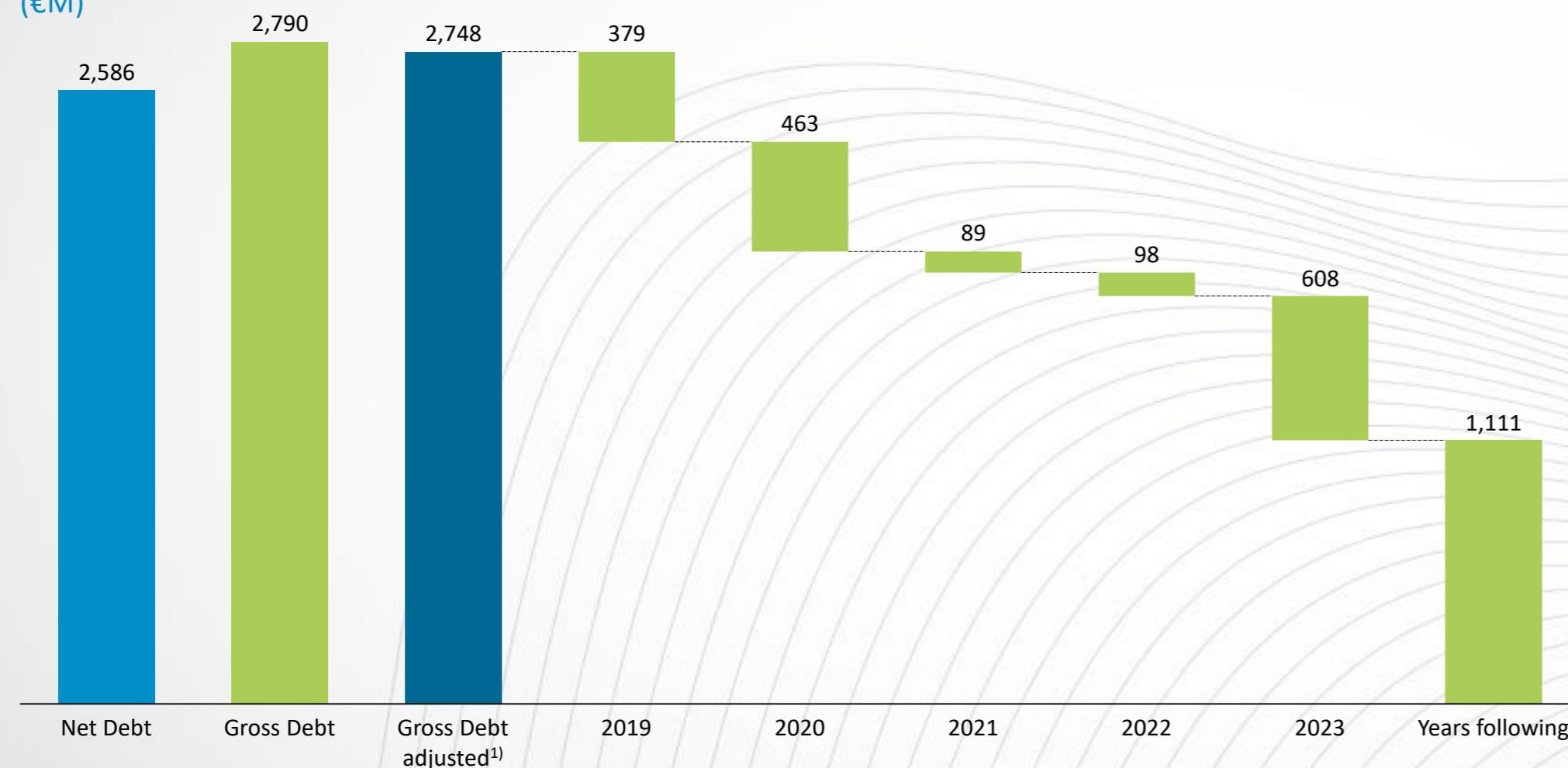


# REN IS FUNDED OVER THE NEXT TWO YEARS

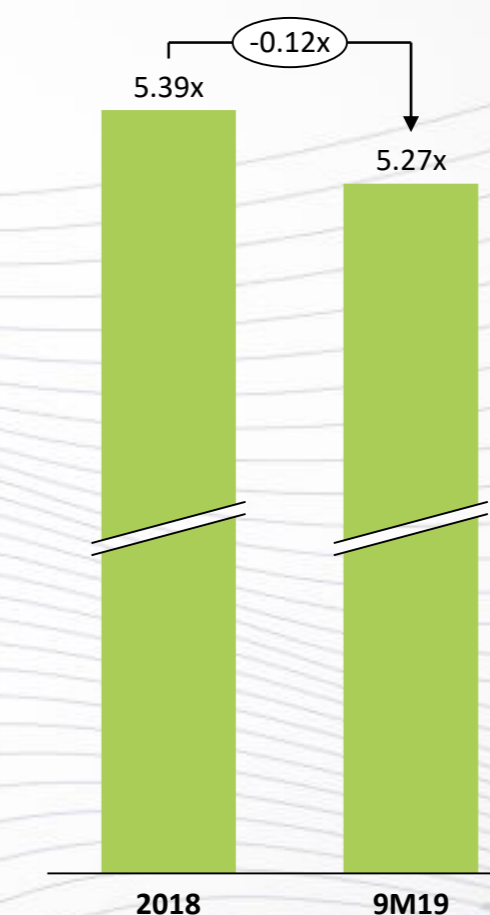
The average debt maturity at the end of the period was 3.66 years

## DEBT MATURITY SCHEDULE

(€M)



## Net Debt / EBITDA



- ▶ In 9M19, the cost of REN's debt stood at 2.2% due to improvements in market conditions and REN's own risk profile that warrants its debt as investment grade by the three major rating agencies: S&P, Fitch and Moody's.

1) Value adjusted by interest accruals and hedging on yen denominated debt.

# BALANCE SHEET

€M	9M19	2018
Fixed assets c. related	4,010.3	4,072.9
Investments and goodwill <sup>1</sup>	380.9	355.3
Tariff deviations	223.4	160.8
Receivables <sup>2</sup>	371.8	444.4
Cash	171.5	35.7
Other <sup>3</sup>	119.8	122.4
<b>Total assets</b>	<b>5,277.7</b>	<b>5,191.6</b>
Shareholders equity	1,428.2	1,463.8
Debt (end of period)	2,789.9	2,706.3
Provisions	8.8	8.9
Tariff deviations	100.9	120.4
Payables <sup>4</sup>	823.2	780.9
Other <sup>5</sup>	126.7	111.2
<b>Total equity and liabilities</b>	<b>5,277.7</b>	<b>5,191.6</b>

- ▶ The total amount of *fixed assets concessions related* declined to €4,010.3M (this value includes investment subsidies);
- ▶ *Investments and goodwill* (1) increased to €380.9M from €355.3M at the end of 2018. This item includes goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates (including Electrogas) and other investments;
- ▶ *Receivables* (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €371.8M in 9M19, decreasing from €444.4M at the end of 2018;
- ▶ *Other Assets* (3) stood at €119.8M. This item consists of inventories, guarantee deposits, fixed assets and assets in progress (not RAB related);
- ▶ *Payables* (4) include trade and other payables, deferred tax liabilities and income tax payable. These totalized €823.2M at the end of the period, versus €780.9M in 2018;
- ▶ *Other liabilities* (5) stood at €126.7M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€111.2M in 2018).

# THE BALANCE OF TARIFF DEVIATIONS WAS €134.8M

To be received from tariffs over the next two years

## TARIFF DEVIATIONS

€M	9M19	2018
Electricity <sup>1)</sup>	41.1	16.6
Trading	157.9	128.0
Natural Gas <sub>T</sub> <sup>2)</sup>	-60.5	-71.5
Natural Gas <sub>D</sub>	-3.7	-1.1
<b>TOTAL</b>	<b>134.8</b>	<b>72.0</b>

- ▶ The value of the tariff deviations is paid in full and with interest over a two year period from the moment it is created.

1) Value adjusted to include the amount to be received from the Fund for the Systemic Sustainability of the Energy Sector (FSSSE): €25.8M in 2018 and €6.4M in 9M19;

2) Value adjusted to include the amount to be received from the FSSSE: €5.8M in 2018 and in 9M19.

# DIVERSIFIED FUNDING SOURCES

## BORROWINGS

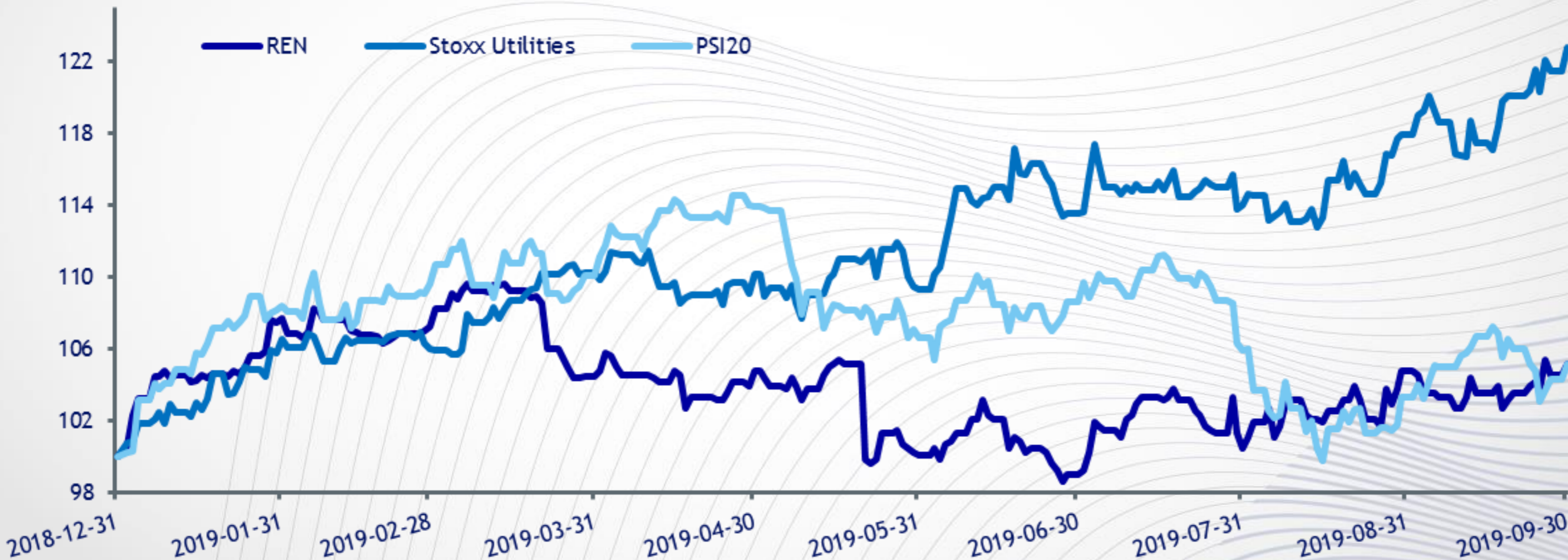
€M	Current	Non Current	TOTAL
Bonds	30.0	1,722.6	<b>1,752.6</b>
Bank borrowings	56.4	499.4	<b>555.8</b>
Commercial paper	468.0	0.0	<b>468.0</b>
Bank overdrafts	6.0	0.0	<b>6.0</b>
Finance lease	1.4	2.3	<b>3.7</b>
<b>TOTAL</b>	<b>561.8</b>	<b>2,224.3</b>	<b>2,786.1</b>
Accrued interest	29.5	0.0	<b>29.5</b>
Prepaid interest	2.7	-28.3	<b>-25.6</b>
<b>TOTAL</b>	<b>593.9</b>	<b>2,196.0</b>	<b>2,789.9</b>

- ▶ In 9M19, REN's total liquidity reached €1,204M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ Bank borrowings were mainly represented by EIB loans (€369.1M);
- ▶ The Group had credit lines negotiated and not used in the amount of €87.5M, maturing up to one year, which are automatically renewed periodically (if they are not resigned in the contractually specified period for that purpose);
- ▶ REN also had seven active commercial paper programmes in the amount of €1,300.0M, of which €832.0M were available for use;
- ▶ REN's financial liabilities had the following main types of covenants: Cross Default, *Pari Passu*, Negative Pledge and Gearing (ratio of total consolidated equity with the total consolidated regulated assets).

# SHARE PERFORMANCE

**REN's share price increased by 5.2% YTD in the first 9M of 2019**

## ANNUALIZED CLOSING PRICES

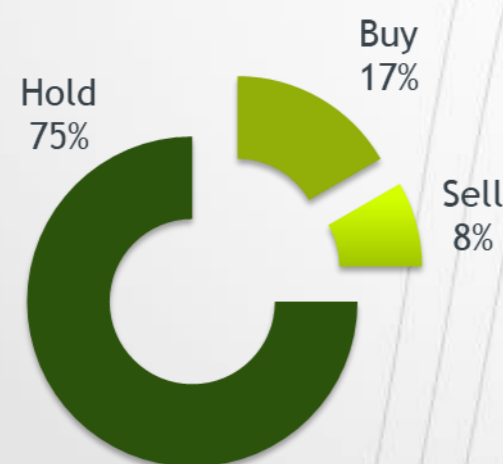




# MARKET INFORMATION

## ANALYST RECOMMENDATIONS<sup>(1)</sup>

- ▶ **Average Price target**  
**€2.73**
- ▶ **Upside/Downside(+/-)**  
**5.0%**



## CMVM: MAIN PRESS RELEASES (from January 2019)

- ▶ **Jan-04:** 2018-2027 PDIRGN Approval
- ▶ **Jan-07:** 2019 Financial calendar
- ▶ **Jan-10:** Constitutional Court decision regarding Special Energy Levy
- ▶ **Jan-21:** Summary of annual information disclosed in 2018
- ▶ **Feb-13:** Qualified shareholding from Great-West Lifeco
- ▶ **Feb-19:** 2018-2027 PDIRT-E Approval
- ▶ **Mar-08:** Qualified shareholding from The Capital Group Companies
- ▶ **Mar-21:** 2018 Consolidated results
- ▶ **Apr-01:** ERSE proposal for tariffs and prices for Natural Gas for the 2019-2020 gas year and parameters for the 2020-2023 regulatory period
- ▶ **Apr-03:** Notice to convene the Annual General Shareholders Meeting and deliberation proposals
- ▶ **Apr-03:** Accounts reporting document referring to the financial year ended on 31<sup>st</sup> December 2018 - item 1 of the agenda for the general shareholders meeting
- ▶ **May-03:** Resolutions approved at the general shareholders meeting
- ▶ **May-03:** First 3 months 2019 consolidated results
- ▶ **May-09:** Payment of dividends relating to the financial year of 2018
- ▶ **May-31:** ERSE proposal for tariffs and prices for natural gas for the 2019-2020 gas year and parameters for the regulatory period between the years 2020 and 2023
- ▶ **Jul-23:** Acquisition of Empresa de Transmisión Eléctrica Transemel S.A. (Chile)
- ▶ **Jul-25:** 1H19 Consolidated results

1) October 18<sup>th</sup>, 2019.

# REN'S TOTAL SHAREHOLDER RETURN WAS +12.6% (YTD)

REN END OF PERIOD	9M19	2018
<b>Price (€)</b>		
Close	2.560	2.434
Average	2.530	2.458
High YTD	2.668	2.650
Low YTD	2.400	2.326
<i>Variation</i> YTD	5.2%	-1.8%
Market cap. (€M)	1,708	1,624
Number of shares	667,191,262	667,191,262
Own shares (mn)	3.9	3.9
Average Daily Volume YTD (€M)	1.5	2.4
Average Daily Volume YTD (th shares)	587	959
<b>Performance indicators</b>		
Dividend yield	6.7%	7.0%
Total shareholder return YTD	12.6%	5.0%
Cumulative total return*		
REN	108.9%	85.6%
PSI20	-39.7%	-45.1%
EuroStoxx Utilities	19.9%	-6.5%

\*Inception to date (July 09<sup>th</sup> 2007).

REN 

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# APPENDIX

# RESULTS BREAKDOWN

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>557.5</b>	<b>523.0</b>	<b>726.9</b>	<b>6.6%</b>	<b>34.5</b>
<b>Revenues from assets</b>	<b>332.2</b>	<b>339.9</b>	<b>455.3</b>	<b>-2.3%</b>	<b>-7.8</b>
Return on RAB	140.5	150.5	200.6	-6.6%	-10.0
Electricity	80.4	87.5	116.5	-8.2%	-7.2
Natural gas	40.1	42.9	57.1	-6.4%	-2.8
Portgás	20.1	20.1	27.0	-0.1%	0.0
Hydro land remuneration	0.0	0.2	0.0		-0.2
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	18.8	16.2	23.6	15.8%	2.6
Recovery of amortizations (net from subsidies)	159.0	159.1	212.4	-0.1%	-0.1
Subsidies amortization	13.3	13.5	17.9	-1.0%	-0.1
<b>Revenues of OPEX</b>	<b>97.7</b>	<b>93.2</b>	<b>121.1</b>	<b>4.8%</b>	<b>4.5</b>
<b>Other revenues</b>	<b>17.4</b>	<b>23.4</b>	<b>28.6</b>	<b>-25.7%</b>	<b>-6.0</b>
<b>Construction revenues (IFRIC 12)</b>	<b>110.3</b>	<b>66.5</b>	<b>121.8</b>	<b>65.9%</b>	<b>43.8</b>
<b>2) OPEX</b>	<b>92.9</b>	<b>91.5</b>	<b>131.3</b>	<b>1.5%</b>	<b>1.4</b>
Personnel costs	41.7	41.1	55.8	1.6%	0.6
External supplies and services	36.1	35.4	58.2	1.9%	0.7
Other operational costs	15.1	15.0	17.3	0.5%	0.1
<b>3) Construction costs (IFRIC 12)</b>	<b>96.4</b>	<b>52.9</b>	<b>102.4</b>	<b>82.2%</b>	<b>43.5</b>
4) Depreciations and amortizations	175.8	176.2	235.1	-0.2%	-0.4
5) Other	0.3	0.3	0.9	10.1%	0.0
<b>6) EBIT</b>	<b>192.2</b>	<b>202.2</b>	<b>257.2</b>	<b>-4.9%</b>	<b>-10.0</b>
7) Depreciations and amortizations	175.8	176.2	235.1	-0.2%	-0.4
<b>8) EBITDA</b>	<b>368.0</b>	<b>378.4</b>	<b>492.3</b>	<b>-2.7%</b>	<b>-10.4</b>
9) Depreciations and amortizations	175.8	176.2	235.1	-0.2%	-0.4
10) Financial result	-39.4	-43.5	-57.8	-9.3%	4.0
11) Income tax expense	42.0	42.4	58.5	-0.9%	-0.4
12) Extraordinary contribution on energy sector	24.4	25.4	25.3	-4.0%	-1.0
<b>13) NET PROFIT</b>	<b>86.3</b>	<b>90.9</b>	<b>115.7</b>	<b>-5.0%</b>	<b>-4.5</b>
14) Non recurrent items*	24.4	21.6	21.5	12.8%	2.8
<b>15) RECURRENT NET PROFIT</b>	<b>110.7</b>	<b>112.5</b>	<b>137.2</b>	<b>-1.6%</b>	<b>-1.8</b>

## \* NON RECURRENT ITEMS:

**9M19:** i) Extraordinary energy sector levy, as established in the 2019 State budget law (€24.4M);

**9M18:** i) Extraordinary energy sector levy, as established in the 2018 State budget law (€25.4M); ii) one-off costs from the LPG sale, in July (€3.7M, €3.8M after taxes).

# OTHER OPERATIONAL REVENUES AND COSTS BREAKDOWN

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>Other revenues</b>	<b>17.4</b>	<b>23.4</b>	<b>28.6</b>	<b>-25.7%</b>	<b>-6.0</b>
Allowed incentives	1.1	2.5	2.9	-55.7%	-1.4
Interest on tariff deviation	0.4	0.1	0.0		0.3
Gains in related companies	0.0	4.0	4.0		-4.0
Telecommunication sales and services rendered	4.9	4.8	6.1	1.7%	0.1
Consultancy services and other services provided	1.4	2.8	3.0	-50.9%	-1.4
Other revenues*	9.6	9.1	12.5	4.7%	0.4
<b>Other costs</b>	<b>15.1</b>	<b>15.0</b>	<b>17.3</b>	<b>0.5%</b>	<b>0.1</b>
Costs with ERSE	8.3	7.7	7.2	8.2%	0.6
Other	6.8	7.3	10.0	-7.5%	-0.5

\*Includes revenues related to Electrogas' Net Profit proportion (€5.7M in 9M19 and €5.1M in 9M18).

# EBITDA BREAKDOWN (ELECTRICITY<sup>1</sup>)

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>356.7</b>	<b>321.2</b>	<b>451.0</b>	<b>11.0%</b>	<b>35.5</b>
<b>Revenues from assets</b>	<b>215.6</b>	<b>221.3</b>	<b>296.6</b>	<b>-2.6%</b>	<b>-5.7</b>
Return on RAB	80.4	87.5	116.5	-8.2%	-7.2
Hydro land remuneration	0.0	0.2	0.0		-0.2
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	18.8	16.2	23.6	15.8%	2.6
Recovery of amortizations (net from subsidies)	107.0	107.8	143.7	-0.7%	-0.8
Subsidies amortization	9.0	9.1	12.1	-1.0%	-0.1
<b>Revenues of OPEX</b>	<b>51.3</b>	<b>49.9</b>	<b>64.5</b>	<b>2.8%</b>	<b>1.4</b>
<b>Other revenues</b>	<b>2.3</b>	<b>2.6</b>	<b>4.3</b>	<b>-9.5%</b>	<b>-0.2</b>
Interest on tariff deviation	0.1	0.3	0.4	-61.7%	-0.2
Other	2.2	2.3	3.9	-2.9%	-0.1
<b>Construction revenues (IFRIC 12)</b>	<b>87.5</b>	<b>47.5</b>	<b>85.6</b>	<b>84.3%</b>	<b>40.0</b>
<b>2) OPEX</b>	<b>36.9</b>	<b>33.9</b>	<b>52.6</b>	<b>8.8%</b>	<b>3.0</b>
Personnel costs	13.4	14.1	19.1	-4.5%	-0.6
External supplies and services	17.2	13.7	25.8	25.7%	3.5
Other operational costs	6.3	6.2	7.7	2.0%	0.1
<b>3) Construction costs (IFRIC 12)</b>	<b>76.9</b>	<b>37.1</b>	<b>70.9</b>	<b>107.0%</b>	<b>39.7</b>
<b>4) Depreciations and amortizations</b>	<b>115.6</b>	<b>116.6</b>	<b>155.4</b>	<b>-0.8%</b>	<b>-0.9</b>
<b>5) Other</b>	<b>0.0</b>	<b>0.2</b>	<b>0.4</b>		<b>-0.2</b>
<b>6) EBIT (1-2-3-4-5)</b>	<b>127.3</b>	<b>133.4</b>	<b>171.7</b>	<b>-4.6%</b>	<b>-6.1</b>
7) Depreciations and amortizations	115.6	116.6	155.4	-0.8%	-0.9
<b>8) EBITDA (6+7)</b>	<b>243.0</b>	<b>250.0</b>	<b>327.1</b>	<b>-2.8%</b>	<b>-7.0</b>

1) Includes Electricity and Enondas (wave energy concession).

# EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>126.0</b>	<b>125.8</b>	<b>171.3</b>	<b>0.2%</b>	<b>0.3</b>
Revenues from assets	86.2	89.0	118.5	-3.1%	-2.8
Return on RAB	40.1	42.9	57.1	-6.4%	-2.8
Recovery of amortizations (net from subsidies)	41.7	41.7	55.6	0.0%	0.0
Subsidies amortization	4.4	4.4	5.9	-0.1%	0.0
<b>Revenues of OPEX</b>	<b>33.0</b>	<b>30.1</b>	<b>40.4</b>	<b>9.5%</b>	<b>2.9</b>
<b>Other revenues</b>	<b>-0.2</b>	<b>1.4</b>	<b>1.1</b>		<b>-1.6</b>
Interest on tariff deviation*	-0.2	-0.1	-0.2	127.0%	-0.1
Consultancy services and other services provided	0.1	0.0	-0.3		0.1
Other	-0.1	1.5	1.6		-1.6
<b>Construction revenues (IFRIC 12)</b>	<b>7.0</b>	<b>5.2</b>	<b>11.3</b>	<b>33.4%</b>	<b>1.7</b>
<b>2) OPEX</b>	<b>21.4</b>	<b>19.2</b>	<b>27.3</b>	<b>11.5%</b>	<b>2.2</b>
Personnel costs	5.9	5.5	7.6	7.3%	0.4
External supplies and services	11.6	10.3	16.3	13.4%	1.4
Other operational costs	3.9	3.4	3.4	12.4%	0.4
<b>3) Construction costs (IFRIC 12)</b>	<b>5.4</b>	<b>3.7</b>	<b>9.3</b>	<b>45.2%</b>	<b>1.7</b>
<b>4) Depreciations and amortizations</b>	<b>45.6</b>	<b>45.6</b>	<b>60.8</b>	<b>0.0%</b>	<b>0.0</b>
<b>5) Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>6) EBIT</b>	<b>53.6</b>	<b>57.2</b>	<b>73.9</b>	<b>-6.3%</b>	<b>-3.6</b>
7) Depreciations and amortizations	45.6	45.6	60.8	0.0%	0.0
<b>8) EBITDA</b>	<b>99.2</b>	<b>102.8</b>	<b>134.7</b>	<b>-3.5%</b>	<b>-3.6</b>

\*A negative revenue is consistent with a negative tariff deviation.

# EBITDA BREAKDOWN (PORTGÁS)

€M	9M19 9M18 2018			9M19/9M18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>59.6</b>	<b>62.7</b>	<b>87.9</b>	<b>-5.0%</b>	<b>-3.1</b>
Revenues from assets	30.3	29.7	40.1	2.2%	0.6
Return on RAB	20.1	20.1	27.0	-0.1%	0.0
Recovery of amortizations (net from subsidies)	10.3	9.6	13.1	7.3%	0.7
Revenues of OPEX	13.3	13.1	16.3	1.6%	0.2
Other revenues	0.1	6.1	6.6	-98.3%	-6.0
Interest on tariff deviation	0.0	0.0	0.0	-45.5%	0.0
Adjustments previous years	-0.1	0.2	0.6		
Gains in related companies*	0.0	4.0	4.0		
Other services provided	0.1	1.4	1.5	-90.7%	-1.3
Other	0.1	0.6	0.6	-86.0%	-0.5
Construction revenues (IFRIC 12)	15.8	13.8	24.8	14.8%	2.0
<b>2) OPEX</b>	<b>11.5</b>	<b>15.0</b>	<b>18.4</b>	<b>-23.4%</b>	<b>-3.5</b>
Personnel costs	3.3	3.9	4.8	-14.4%	-0.6
External supplies and services	3.6	6.1	8.1	-40.9%	-2.5
Other operational costs	4.6	5.0	5.5	-9.4%	-0.5
<b>3) Construction costs (IFRIC 12)</b>	<b>14.1</b>	<b>12.0</b>	<b>22.2</b>	<b>17.0%</b>	<b>2.0</b>
<b>4) Depreciations and amortizations</b>	<b>10.4</b>	<b>9.9</b>	<b>13.4</b>	<b>5.2%</b>	<b>0.5</b>
<b>5) Other</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.2</b>		<b>0.1</b>
<b>6) EBIT</b>	<b>23.6</b>	<b>25.8</b>	<b>33.7</b>	<b>-8.7%</b>	<b>-2.2</b>
7) Depreciations and amortizations	10.4	9.9	13.4	5.2%	0.5
<b>8) EBITDA</b>	<b>34.0</b>	<b>35.7</b>	<b>47.1</b>	<b>-4.8%</b>	<b>-1.7</b>

\* One-off related to the sale of LPG business.



# EBITDA BREAKDOWN (OTHER\*)

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>15.1</b>	<b>13.3</b>	<b>16.6</b>	<b>13.9%</b>	<b>1.8</b>
<b>Other revenues</b>	<b>15.1</b>	<b>13.3</b>	<b>16.6</b>	<b>13.9%</b>	<b>1.8</b>
Allowed incentives	1.1	2.5	2.9	-55.7%	-1.4
Interest on tariff deviation	0.5	-0.1	-0.1		0.6
Telecommunication sales and services rendered	4.9	4.8	6.1	1.7%	0.1
Consultancy services and other services provided	1.0	1.4	1.9	-30.8%	-0.4
Other	7.6	4.6	5.9	65.4%	3.0
<b>2) OPEX</b>	<b>23.1</b>	<b>23.3</b>	<b>33.0</b>	<b>-1.3%</b>	<b>-0.3</b>
Personnel costs	19.0	17.6	24.3	8.2%	1.4
External supplies and services	3.7	5.4	8.0	-32.1%	-1.7
Other operational costs	0.3	0.3	0.7	2.1%	0.0
<b>3) Construction costs (IFRIC 12)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>4) Depreciations and amortizations</b>	<b>4.1</b>	<b>4.1</b>	<b>5.5</b>	<b>-0.8%</b>	<b>0.0</b>
<b>5) Other</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>		<b>0.2</b>
<b>6) EBIT</b>	<b>-12.3</b>	<b>-14.3</b>	<b>-22.1</b>	<b>-13.9%</b>	<b>2.0</b>
7) Depreciations and amortizations	4.1	4.1	5.5	-0.8%	0.0
<b>8) EBITDA</b>	<b>-8.2</b>	<b>-10.2</b>	<b>-16.6</b>	<b>-19.3%</b>	<b>2.0</b>

\* Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO, Aerio Chile SPA and REN Finance B.V.

# CAPEX AND RAB

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>CAPEX*</b>	<b>110.3</b>	<b>67.2</b>	<b>121.9</b>	<b>64.1%</b>	<b>43.1</b>
Electricity	87.5	47.5	85.6	84.3%	40.0
Natural gas <sub>T</sub>	7.0	5.2	11.3	33.4%	1.7
Natural gas <sub>D</sub>	15.8	14.4	24.9	9.8%	1.4
Other	0.0	0.1	0.1	-65.2%	-0.1
<b>Transfers to RAB**</b>	<b>60.1</b>	<b>32.5</b>	<b>88.5</b>	<b>84.8%</b>	<b>27.6</b>
Electricity	43.4	19.4	53.8	124.1%	24.0
Natural gas <sub>T</sub>	1.8	1.7	11.0	6.0%	0.1
Natural gas <sub>D</sub>	15.0	11.5	23.7	30.0%	3.5
<b>Average RAB</b>	<b>3,717.8</b>	<b>3,835.2</b>	<b>3,832.0</b>	<b>-3.1%</b>	<b>-117.3</b>
Electricity	2,026.4	2,094.9	2,091.9	-3.3%	-68.6
With premium	1,092.6	1,126.8	1,127.0	-3.0%	-34.2
Without premium	933.8	968.1	964.9	-3.5%	-34.4
Land	231.9	244.5	242.9	-5.1%	-12.6
Natural gas <sub>T</sub>	990.0	1,035.2	1,032.6	-4.4%	-45.2
Natural gas <sub>D</sub>	469.5	460.5	464.5	2.0%	9.0
<b>RAB e.o.p.</b>	<b>3,666.7</b>	<b>3,771.8</b>	<b>3,767.7</b>	<b>-2.8%</b>	<b>-105.1</b>
Electricity	1,998.6	2,055.8	2,052.7	-2.8%	-57.2
Land	227.2	239.8	236.6	-5.2%	-12.6
Natural gas <sub>T</sub>	970.0	1,015.2	1,010.0	-4.4%	-45.1
Natural gas <sub>D</sub>	470.8	461.1	468.4	2.1%	9.8
<b>RAB's variation e.o.p.</b>	<b>-101.0</b>	<b>-126.9</b>	<b>-131.0</b>		
Electricity	-54.1	-78.4	-81.5		
Land	-9.4	-9.4	-12.6		
Natural gas <sub>T</sub>	-40.0	-40.1	-45.2		
Natural gas <sub>D</sub>	2.4	1.1	8.4		

€M	9M19	9M18	2018	9M19/9M18	
				Δ %	Δ Abs.
<b>RAB's remuneration</b>	<b>141.0</b>	<b>151.2</b>	<b>201.3</b>	<b>-6.7%</b>	<b>-10.1</b>
Electricity	80.4	87.5	116.5	-8.2%	-7.2
With premium	46.2	50.0	66.7	-7.7%	-3.8
Without premium	34.2	37.5	49.9	-8.8%	-3.3
Land	0.5	0.7	0.7	-25.7%	-0.2
Natural gas <sub>T</sub>	40.1	42.9	57.1	-6.4%	-2.8
Natural gas <sub>D</sub>	20.1	20.1	27.0	-0.1%	0.0
<b>RoR's RAB</b>	<b>5.1%</b>	<b>5.3%</b>	<b>5.3%</b>		<b>-0.2p.p.</b>
Electricity	5.3%	5.6%	5.6%		-0.3p.p.
With premium	5.6%	5.9%	5.9%		-0.3p.p.
Without premium	4.9%	5.2%	5.2%		-0.3p.p.
Land	0.3%	0.4%	0.3%		-0.1p.p.
Natural gas <sub>T</sub>	5.4%	5.5%	5.5%		-0.1p.p.
Natural gas <sub>D</sub>	5.7%	5.8%	5.8%		-0.1p.p.

\* Total costs;

\*\* Transfers to RAB include direct acquisitions RAB related.

# DEBT

	9M19	9M18	2018
Net Debt (€M)	2,586.5	2,643.8	2,653.1
Average cost	2.2%	2.3%	2.2%
Average maturity (years)	3.7	4.6	4.3
Net Debt / EBITDA	5.3x	5.3x	5.4x

## DEBT BREAKDOWN

Funding sources			
Bond issues	63%	66%	65%
EIB	13%	16%	15%
Loans	7%	13%	13%
Other	17%	6%	7%

## TYPE

Float	42%	38%	38%
Fixed	58%	62%	62%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	24/07/2019
Standard & Poor's	BBB	A-2	Stable	31/07/2019
Fitch	BBB	F3	Stable	02/08/2019

REN

# CONSOLIDATED FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENTS

## Financial position (thousands of euros)

	Sep 2019	Sep 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	445	561
Goodwill	3,594	3,877
Intangible assets	4,127,262	4,192,619
Investments in associates and joint ventures	178,083	167,841
Investments in equity instruments at fair value through other comprehensive income	159,455	162,552
Derivative financial instruments	39,717	21,010
Other financial assets	64	45
Trade and other receivables	188,586	50,246
Deferred tax assets	88,863	92,495
	<b>4,786,069</b>	<b>4,691,247</b>
<b>Current assets</b>		
Inventories	2,343	2,095
Trade and other receivables	302,305	427,126
Current income tax recoverable	15,496	35,371
Cash and cash equivalents	171,474	35,735
	<b>491,619</b>	<b>500,327</b>
<b>TOTAL ASSETS</b>	<b>5,277,688</b>	<b>5,191,574</b>

	Sep 2019	Sep 2018
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	322,789	326,906
Retained earnings	251,388	253,505
Other changes in equity	-5,561	-5,561
Net profit for the year	86,324	115,715
<b>TOTAL EQUITY</b>	<b>1,428,212</b>	<b>1,463,837</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	2,195,961	2,274,939
Liability for retirement benefits and others	92,885	98,288
Derivative financial instruments	33,794	12,952
Provisions	8,796	8,852
Trade and other payables	361,837	367,743
Deferred tax liabilities	127,302	113,644
	<b>2,820,575</b>	<b>2,876,418</b>
<b>Current liabilities</b>		
Borrowings	593,934	431,401
Trade and other payables	434,967	419,917
	<b>1,028,900</b>	<b>851,319</b>
<b>TOTAL LIABILITIES</b>	<b>3,849,475</b>	<b>3,727,737</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,277,688</b>	<b>5,191,574</b>

# CONSOLIDATED STATEMENTS

## Profit and loss (thousands of euros)

	Sep 2019	Sep 2018
Sales	51	96
Services rendered	419,378	427,477
Revenue from construction of concession assets	110,270	66,479
Gains / (losses) from associates and joint ventures	7,499	4,540
Other operating income	20,143	24,737
<b>Operating income</b>	<b>557,341</b>	<b>523,329</b>
Cost of goods sold	-539	-1,022
Cost with construction of concession assets	-96,362	-52,896
External supplies and services	-36,406	-35,770
Personnel costs	-41,412	-40,731
Depreciation and amortizations	-175,753	-176,191
Provisions	1	-57
Impairments	-283	-199
Other expenses	-14,514	-13,951
<b>Operating costs</b>	<b>-365,269</b>	<b>-320,816</b>
<b>Operating results</b>	<b>192,072</b>	<b>202,513</b>
Financial costs	-50,499	-53,232
Financial income	5,805	4,460
Investment income - dividends	5,377	4,947
<b>Financial results</b>	<b>-39,317</b>	<b>-43,825</b>
<b>Profit before income tax and ESEC</b>	<b>152,755</b>	<b>158,688</b>
Income tax expense	-42,042	-42,421
Energy sector extraordinary contribution (ESEC)	-24,390	-25,398
<b>Net profit for the year</b>	<b>86,324</b>	<b>90,868</b>
<b>Attributable to:</b>		
Equity holders of the Company	86,324	90,868
Non-controlled interest	0	0
<b>Consolidated profit for the year</b>	<b>86,324</b>	<b>90,868</b>
Earnings per share (expressed in euro per share)	0.13	0.14

# CONSOLIDATED STATEMENTS

## Cash flow (thousands of euros)

	Sep 2019	Sep 2018
<b>Cash flow from operating activities</b>		
Cash receipts from customers	1,794,353	1,799,528 a)
Cash paid to suppliers	-1,381,425	-1,301,250 a)
Cash paid to employees	-54,634	-52,832
Income tax received/ paid	-883	-84,402
Other receipts/ (payments) relating to operating activities	-36,493	763
<b>Net cash flows from operating activities (1)</b>	<b>320,917</b>	<b>361,807</b>
<b>Cash flow from investing activities</b>		
Receipts related to:		
Investments in associates	292	0
Property, plant and equipment	0	7
Other financial assets	0	4,030
Investment grants	6,283	5,572
Interests and other similar income	24	85
Dividends	8,070	8,393
Payments related to:		
Financial investments	0	-12
Property, plant and equipment	-73	-152
Intangible assets - Concession assets	-105,393	-111,558
<b>Net cash flow used in investing activities (2)</b>	<b>-90,797</b>	<b>-93,634</b>
<b>Cash flow from financing activities</b>		
Receipts related to:		
Borrowings	3,938,550	1,849,999
Payments related to:		
Borrowings	-3,882,722	-1,993,601
Interests and other similar expense	-41,129	-45,434
Dividends	-113,426	-113,426
<b>Net cash from/ (used in) financing activities (3)</b>	<b>-98,726</b>	<b>-302,462</b>
<b>Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)</b>	<b>131,394</b>	<b>-34,289</b>
Effect of exchange rates	-28	-90
Cash and cash equivalents at the beginning of the year	34,096	60,448
<b>Cash and cash equivalents at the end of the period</b>	<b>165,463</b>	<b>26,070</b>
<b>Detail of cash and cash equivalents</b>		
Cash	26	25
Bank overdrafts	-6,011	-1,546
Bank deposits	171,448	27,591
	<b>165,463</b>	<b>26,070</b>

(a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

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