

RESULTS REPORT

1H19

25th July

REN 

1H19 HIGHLIGHTS

MAIN INDICATORS

€M	2Q19	1H19	1H18	Δ%	Δ Abs.
EBITDA	122.0	247.4	252.4	-2.0%	-5.1
Financial Results	-11.4	-26.9	-27.3	1.7%	0.5
Net Profit	37.8	51.1	52.8	-3.3%	-1.8
Recurrent Net Profit	37.8	75.5	78.4	-3.8%	-3.0
Average RAB	3,738.2	3,738.2	3,855.2	-3.0%	-117.0
CAPEX	33.1	49.9	39.4	26.5%	10.5
Net Debt	2,638.7	2,638.7	2,686.7	-1.8%	-48.0

▶ EBITDA totalled €247.4M in the first half of the year, 2.0% (€5.1M) below the same period of 2018. Lower rates of return, a decreasing RAB and OPEX contribution significantly contributed to this outcome. This was partly offset by the favorable progression of Portgás (+€0.8M) and Electrogas, that contributed with €3.9M to EBITDA;

▶ Net Profit slightly decreased by 3.3% (€1.8M), standing at €51.1M. Below EBITDA, the result benefited from stronger Financial Results (€0.5M) and lower taxes (-€1.4M). The effective tax rate was 38.8%, including the extraordinary levy (CESE). Without extraordinary effects, Recurrent Net Profit amounted to €75.5M, a 3.8% decrease over the previous year;

▶ Net Debt improved by 1.8%, standing at €2,638.7M (-€48.0M). The average cost of debt continued to go down, reaching 2.2% (versus 2.3% in 1H18).

CAPITAL EXPENDITURES UP BY €10.5M TO €49.9M

Transfers to RAB increased by €30.5M year-on-year

CAPEX and RAB

€M	1H19	1H18	Δ%	Δ Abs.
Average RAB	3,738.2	3,855.2	-3.0%	-117.0
Electricity	2,039.4	2,107.6	-3.2%	-68.1
Land	233.5	246.1	-5.1%	-12.6
Natural gas _T	996.7	1,041.7	-4.3%	-45.0
Natural gas _D	468.6	459.9	1.9%	8.7
RAB end of period	3,708.6	3,811.9	-2.7%	-103.3
Electricity	2,025.9	2,081.1	-2.7%	-55.2
Land	230.4	242.9	-5.2%	-12.6
Natural gas _T	983.4	1,028.1	-4.3%	-44.7
Natural gas _D	468.9	459.7	2.0%	9.2
CAPEX	49.9	39.4	26.5%	10.5
Electricity	36.5	27.6	32.4%	8.9
Natural gas _T	4.1	3.0	34.7%	1.1
Natural gas _D	9.3	8.8	5.3%	0.5
Other	0.0	0.0		0.0
RAB variation e.o.p.	-51.7	-86.8		
Electricity	-32.0	-53.1		
Land	-6.3	-6.3		
Natural gas _T	-14.0	-27.1		
Natural gas _D	0.5	-0.3		

▶ CAPEX and Transfers to RAB amounted both to €49.9M, an year-on-year increase of €10.5M and €30.5M, respectively, benefiting from higher investments in the electricity business;

▶ In electricity, the main projects ongoing are:

- 3 new power transformers in the substations of Recarei, Lavos and Sines;
- 2 new 150 kV bays for the connection of photovoltaic parks (Ourique and Falagueira substations);
- 1 new 60 kV bay for the connection of a biomass power plant (Lavos substation);
- The Uprating of the overhead lines Rio Maior – Alto de Mira at 400 kV and Porto Alto – Palmela 2 at 150 kV.

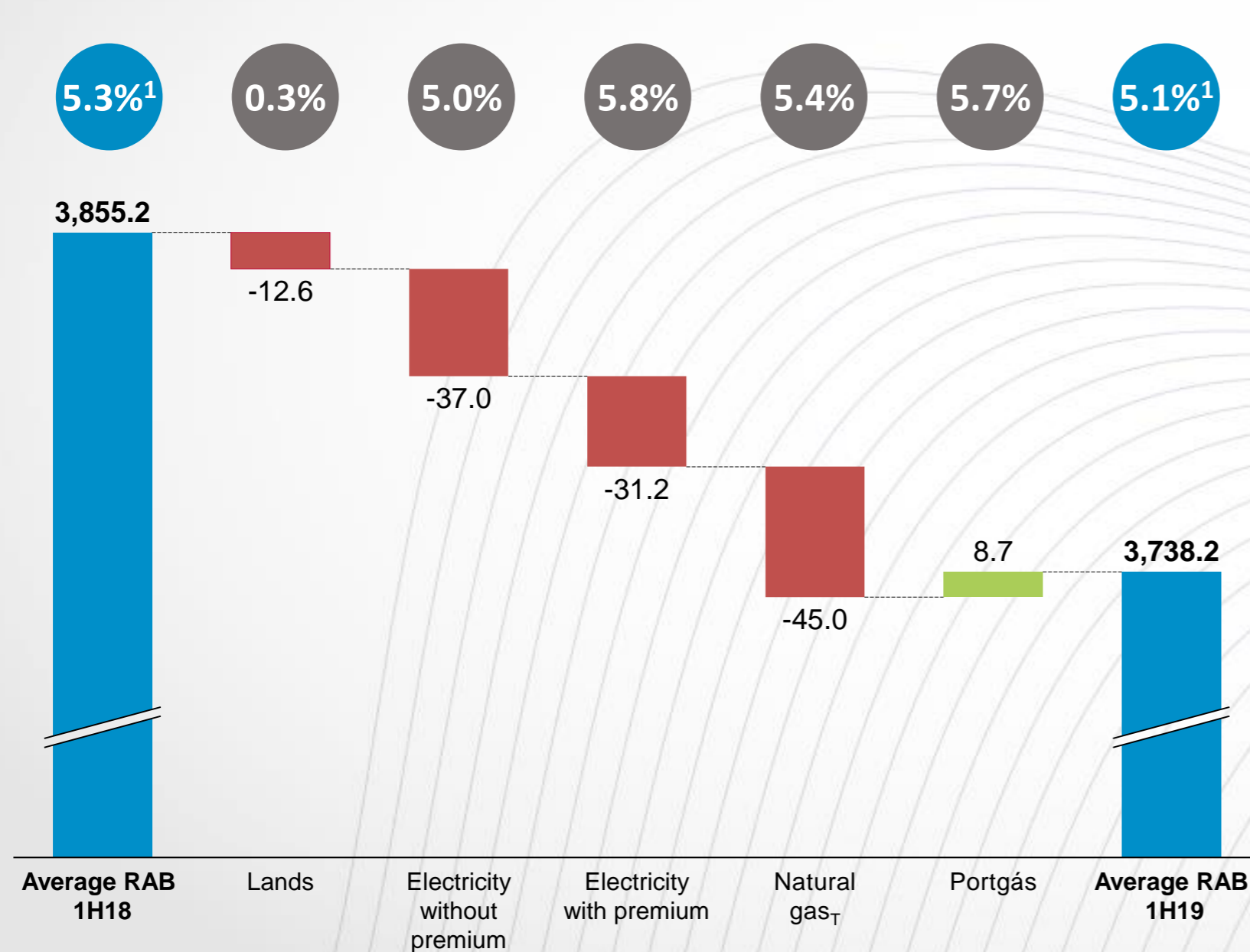
▶ Within Natural Gas transportation and storage, investment was mainly focused on the refurbishment of equipment;

▶ Investments in Portgás targeted network expansion and densification, mostly for B2C.

AVERAGE RAB FELL DOWN BY 3.0%

Despite the increase in Natural Gas Distribution (€8.7M)

(€M)



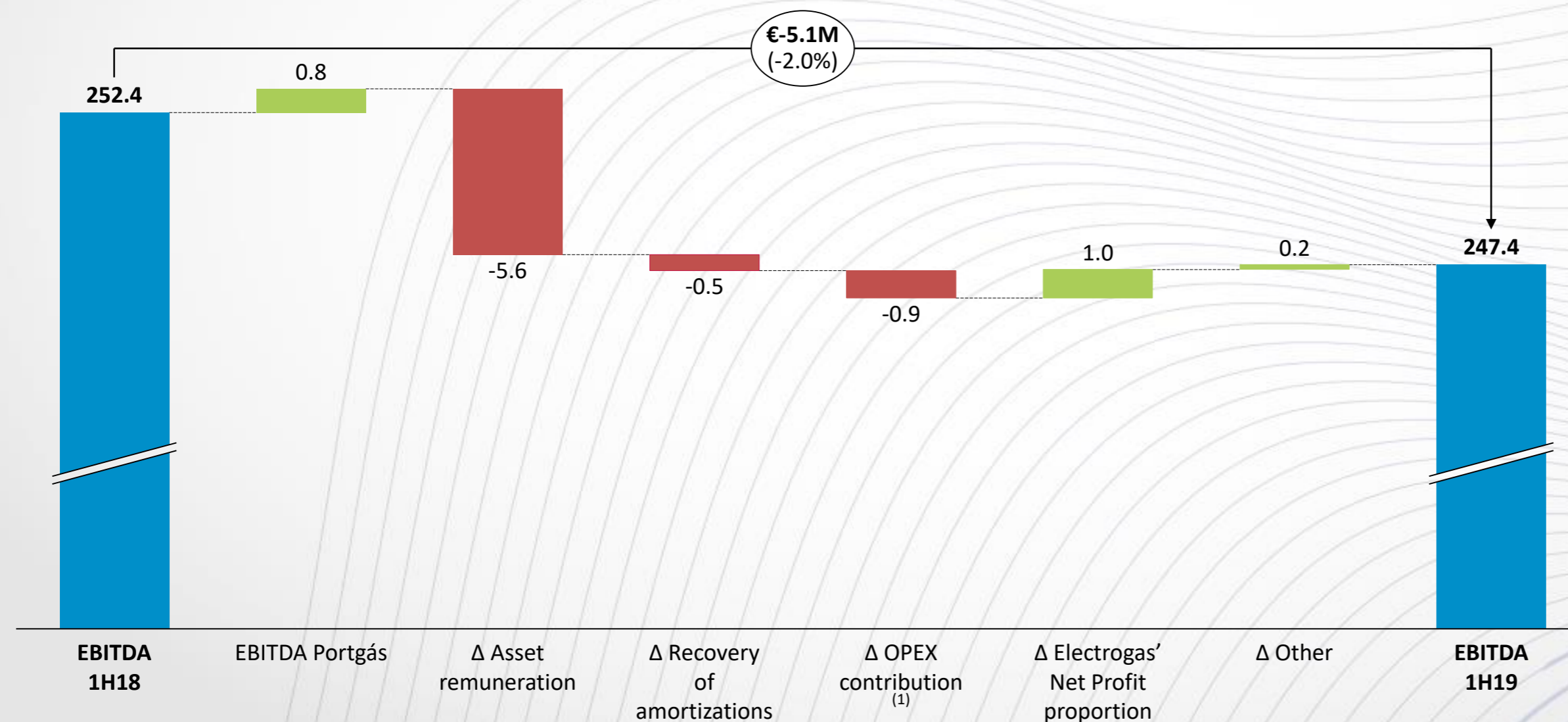
- ▶ Average RAB decreased by €117.0M year-on-year, penalized by the negative trend of natural gas transportation and electricity transmission;
- ▶ In the electricity transmission, the base rate of return (RoR) decreased by 0.2p.p. to 5.0%. The electricity with premium declined by €31.2M YoY, while lands, the category with the lowest RoR (0.3%), was down by €12.6M to €233.5M;
- ▶ In natural gas transportation, the average RAB decreased by €45.0M (RoR 5.4%) to €996.7M. On May 31st, ERSE made public the final documents regarding the parameters for the 2020-2023 gas regulatory framework. The documents do not introduce any material changes comparing with the proposal presented by ERSE on the past 1st April;
- ▶ By year-end, electricity accounted for 54.6% of the average RAB, natural gas for 39.2% (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 PENALIZED BY LOWER TRANSMISSION ASSETS' REMUNERATION

Partially offset by Portgás and Electrogas performance

EBITDA
(€M)



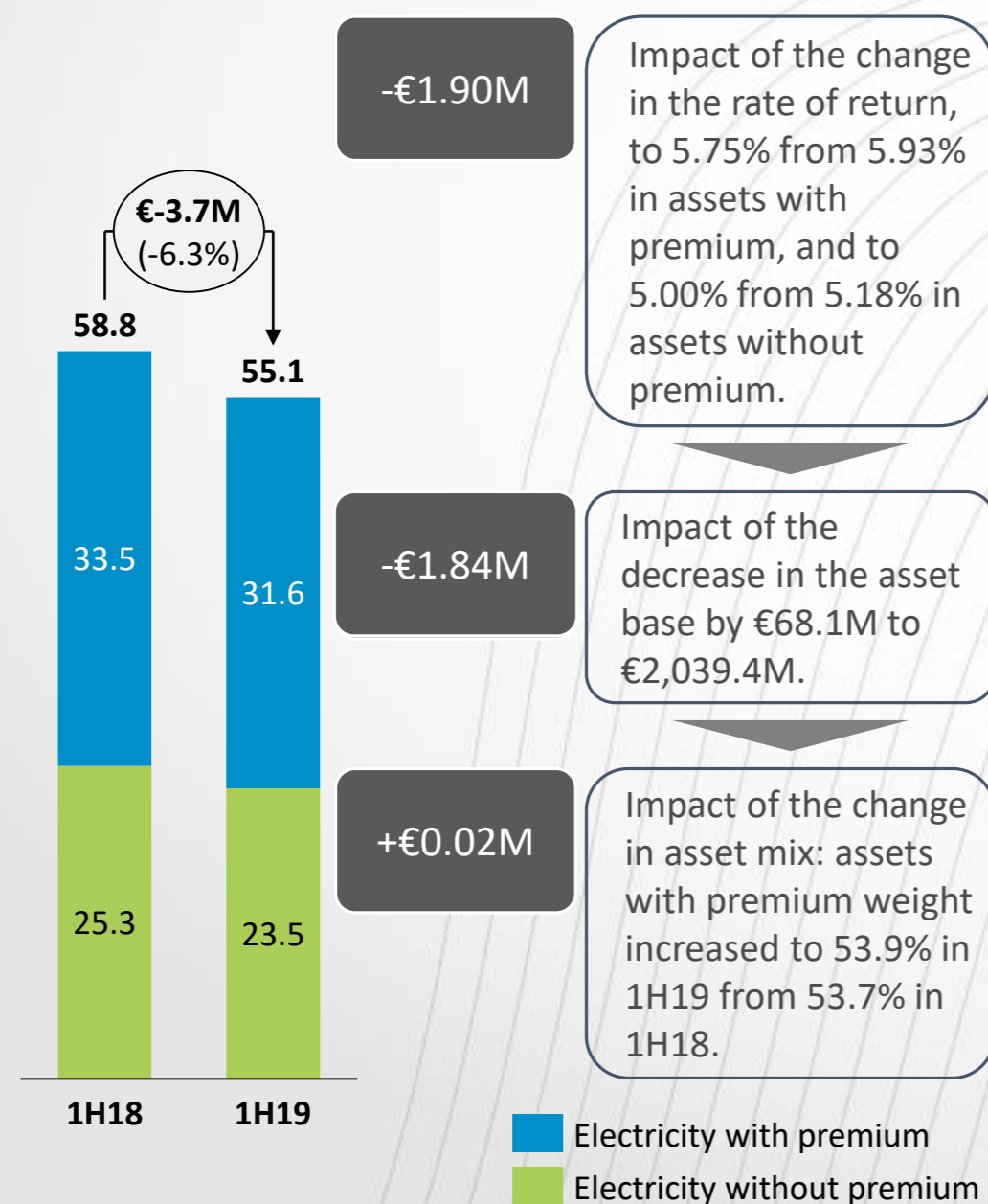
(1) Includes Δ€0.27M of OPEX own works.

RAB REMUNERATION DOWN BY 5.6%

Reflecting the reduction in RoR and RAB (excluding Portgás)

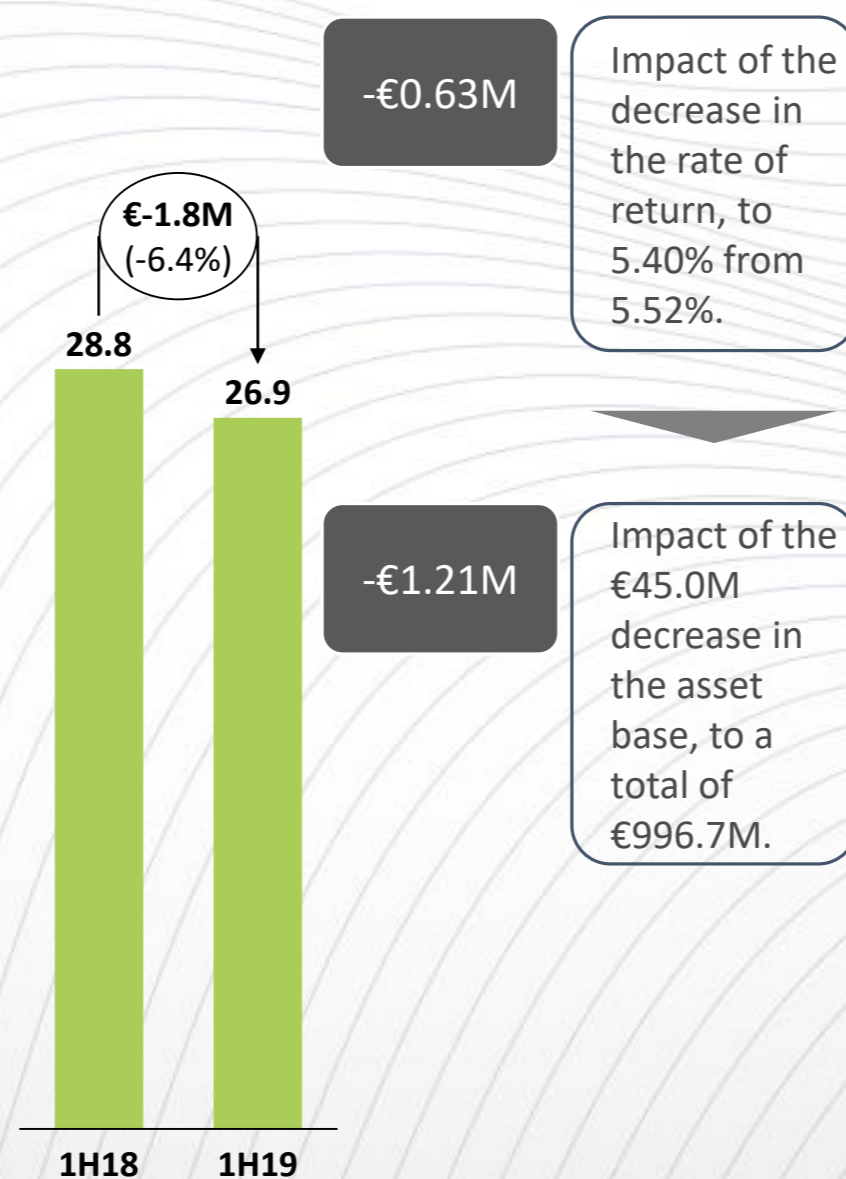
RAB REMUNERATION ELECTRICITY

(ex. Lands)
(€M)



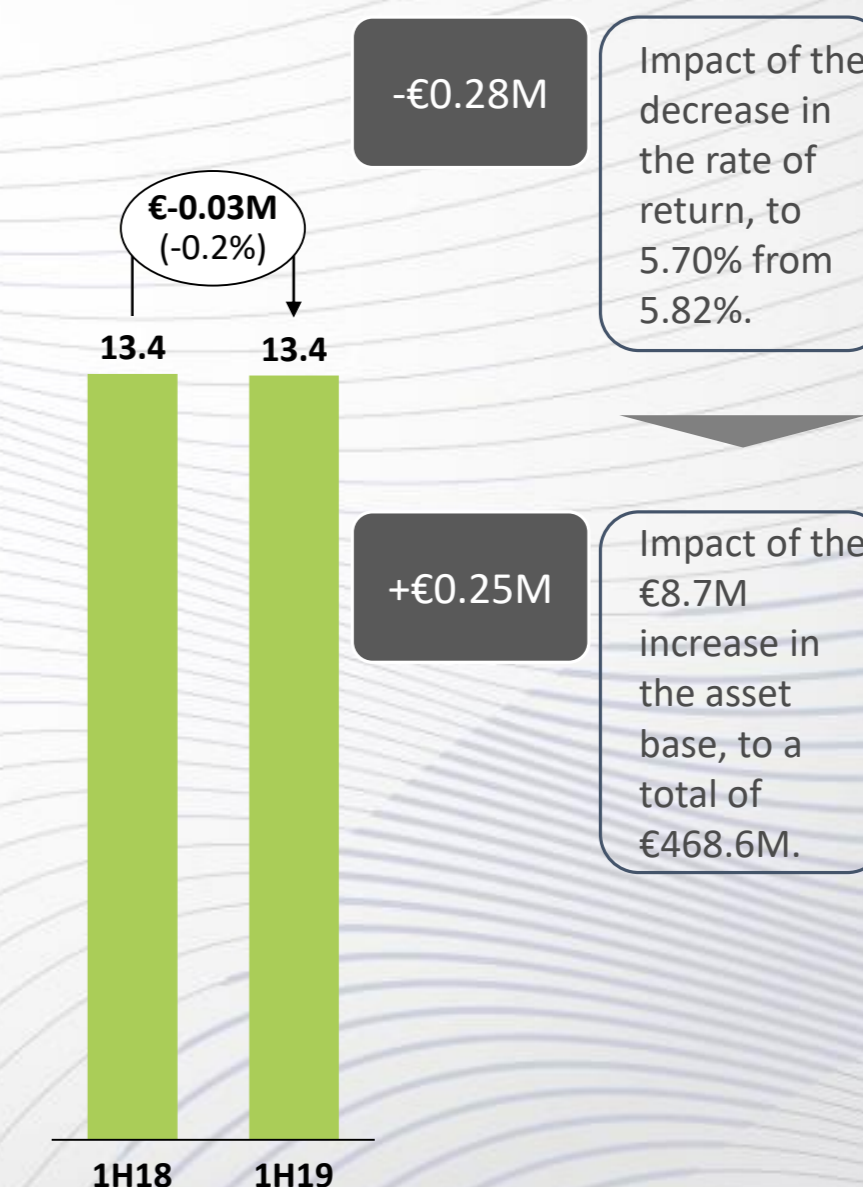
RAB REMUNERATION NATURAL GAS_T

(€M)



RAB REMUNERATION PORTGÁS

(€M)

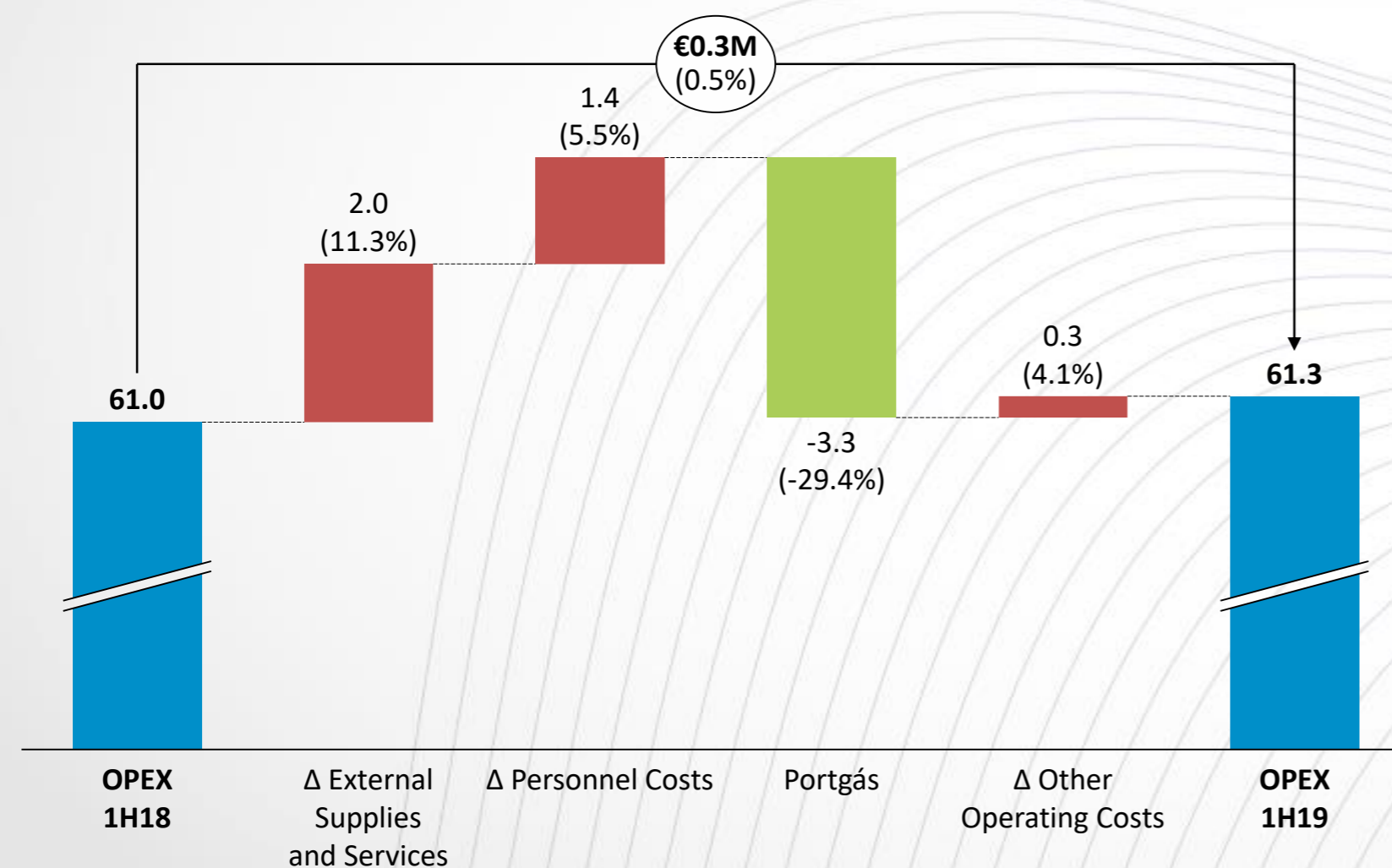


OPEX IN LINE WITH PREVIOUS YEAR

Portgás performance improved by €3.3M

OPERATIONAL COSTS

(€M)



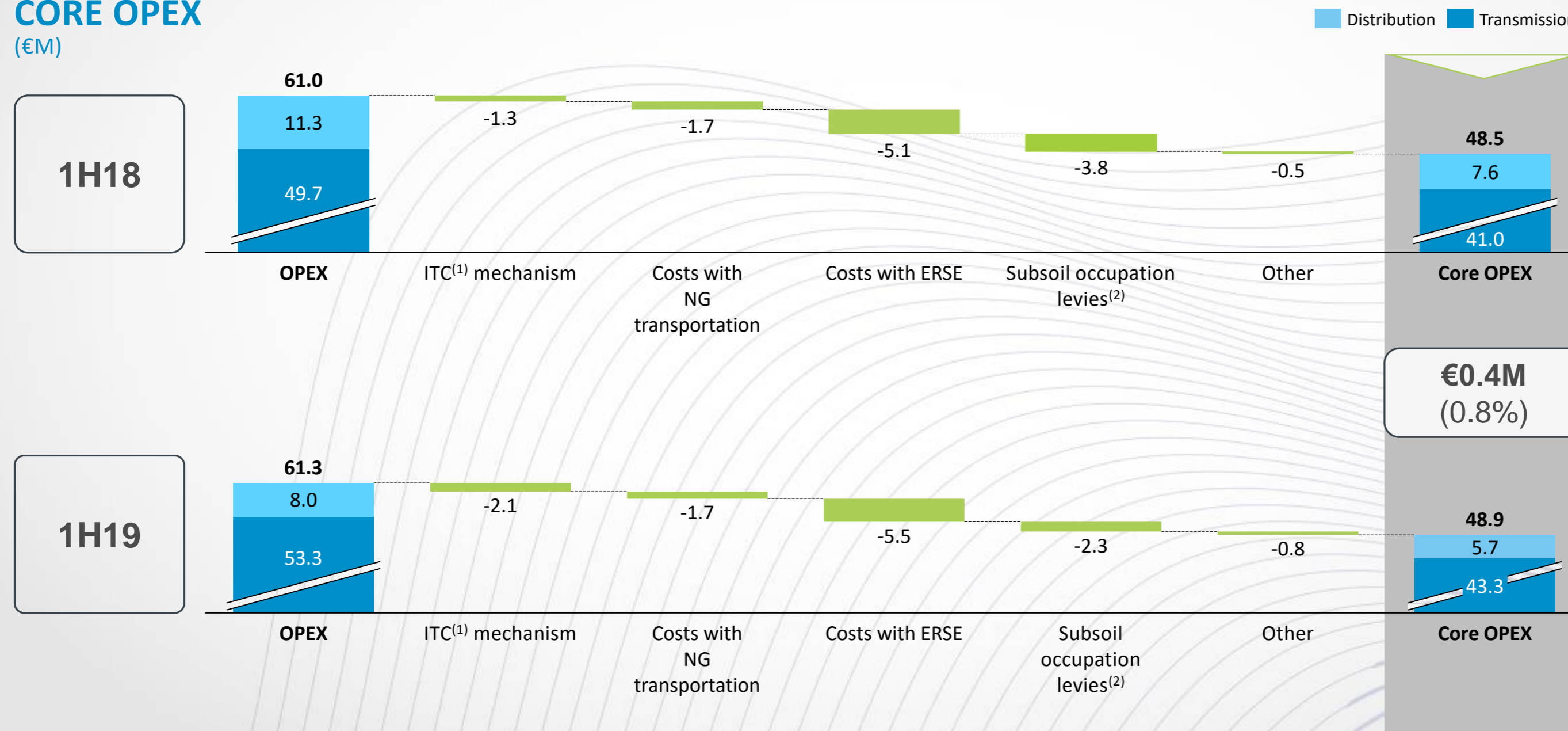
▶ Regarding the transmission business, OPEX variation was worsened by the €2.0M decrease in ESS;

▶ Regarding natural gas distribution business, OPEX variation was positively impacted by ESS (-€1.1M), Personnel Costs (-€0.3M) and OOC (-€1.9M).

OPEX CORE STOOD STEADY IN 1H19

Portgás had a €1.9M positive evolution

CORE OPEX (€M)



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

BELOW EBITDA

Financial Results benefited from lower net debt and average cost of debt

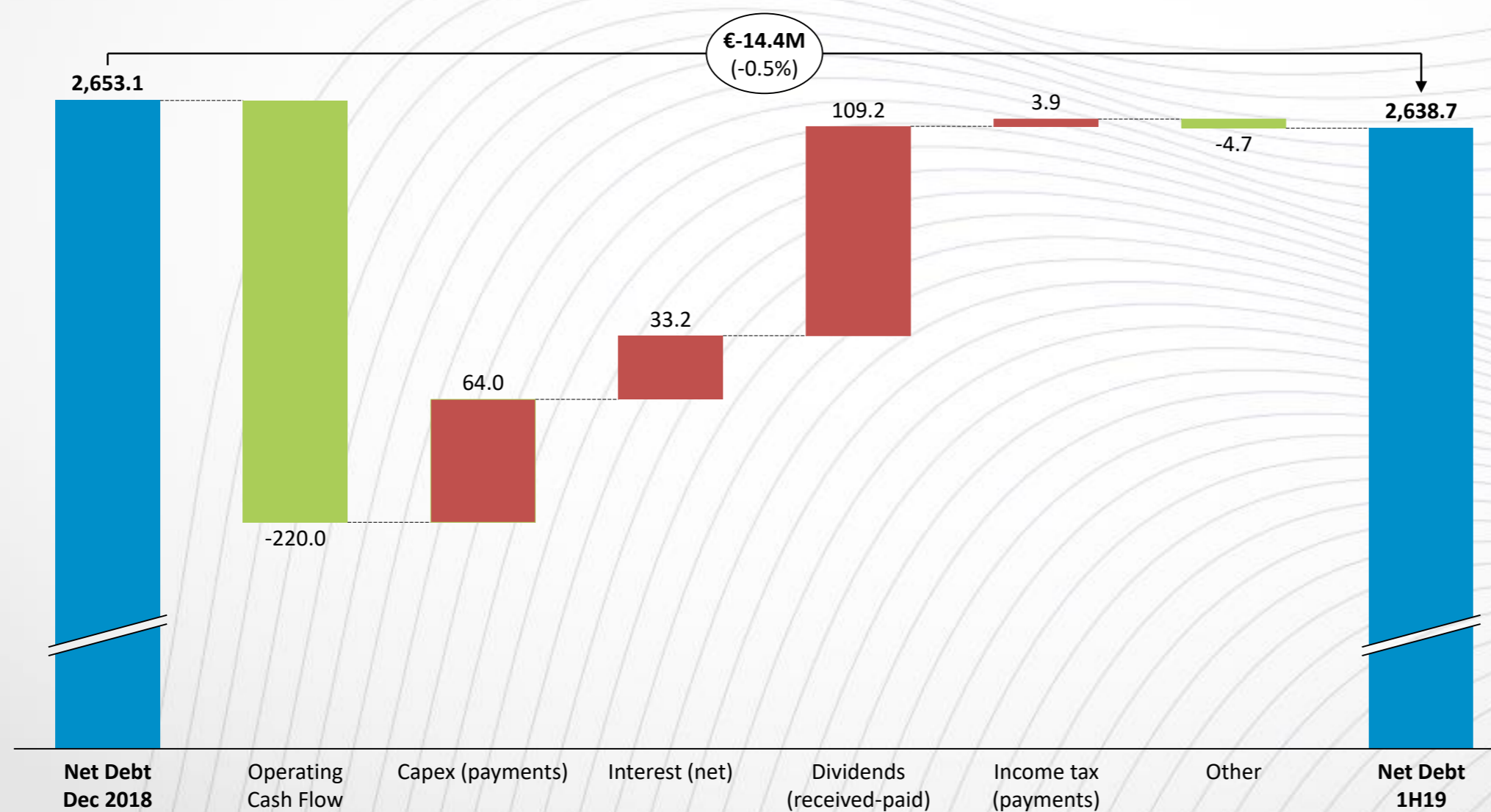
€M	1H19	1H18	Δ%	Δ Abs.
EBITDA	247.4	252.4	-2.0%	-5.1
Depreciations and amortizations	117.2	117.7	-0.4%	-0.5
Financial Results	-26.9	-27.3	1.7%	0.5
Profit before income tax and levy	103.3	107.5	-3.9%	-4.2
Taxes	27.9	29.2	-4.8%	-1.4
Extraordinary levy	24.4	25.4	-4.0%	-1.0
Net Profit	51.1	52.8	-3.3%	-1.8
Recurrent Net Profit	75.5	78.4	-3.8%	-3.0

- ▶ Depreciations and amortizations decreased by 0.4% to €117.2M;
- ▶ Income Tax declined by 4.8%, achieving €27.9M. The effective tax rate, excluding the levy, was 27.0%, while in 1H18 it was 27.2%;
- ▶ Extraordinary levy (CESE) also decreased by 4.0% to €24.4M, as a result of the reduction in the levied regulated assets;
- ▶ In 1H19, 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 1H18;
- ▶ Similarly to the previous years Financial Results improved by 1.7%, benefiting from a lower stock of debt.

NET DEBT DECLINED TO €2,638.7M (-0.5%)

Reflecting a cash flow higher than Capex and financial needs

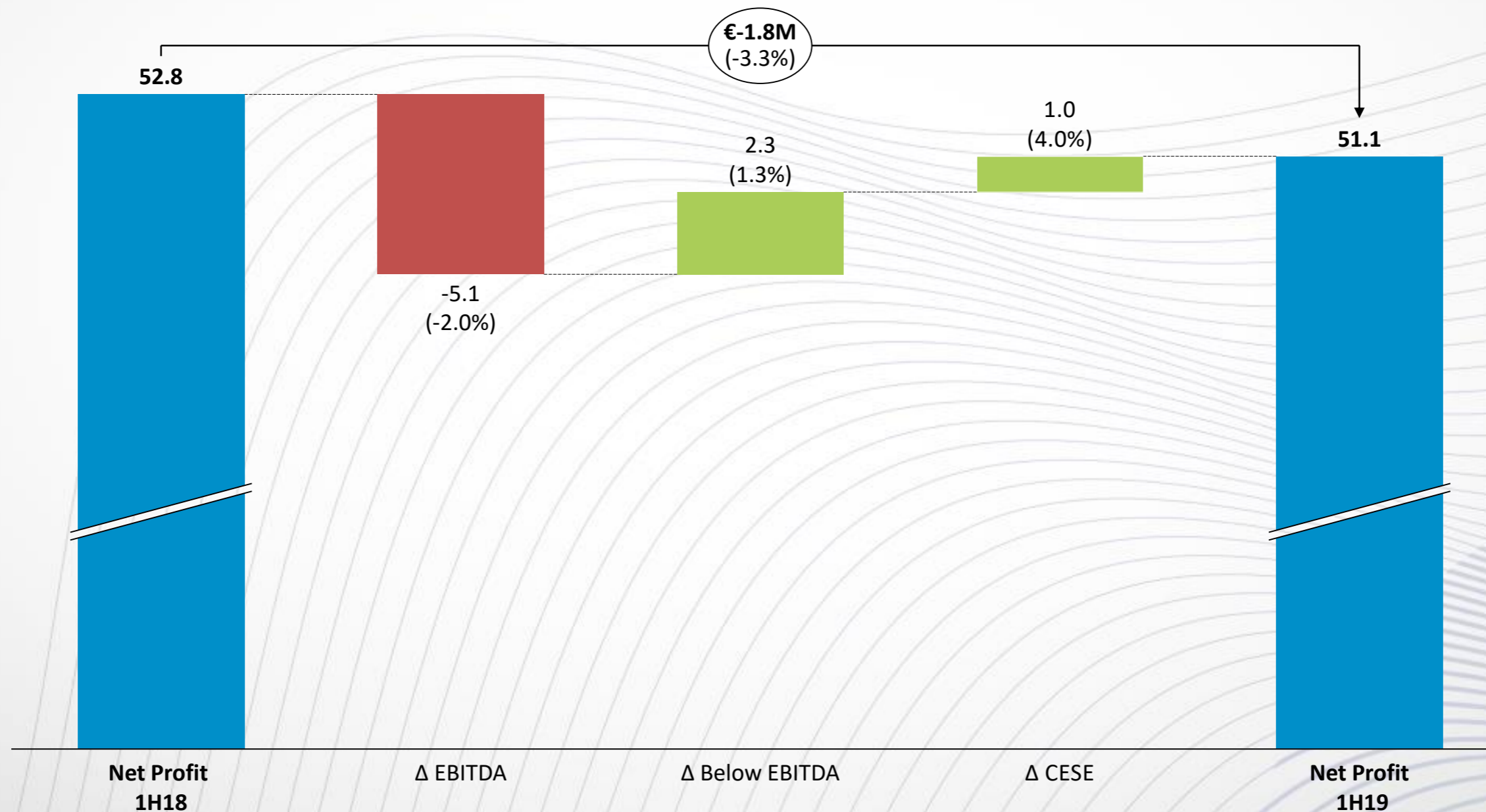
NET DEBT (€M)



NET PROFIT WAS SLIGHTLY LOWER YOY (-€1.8M)

Financial Results strengthened Net Profit by €0.5M

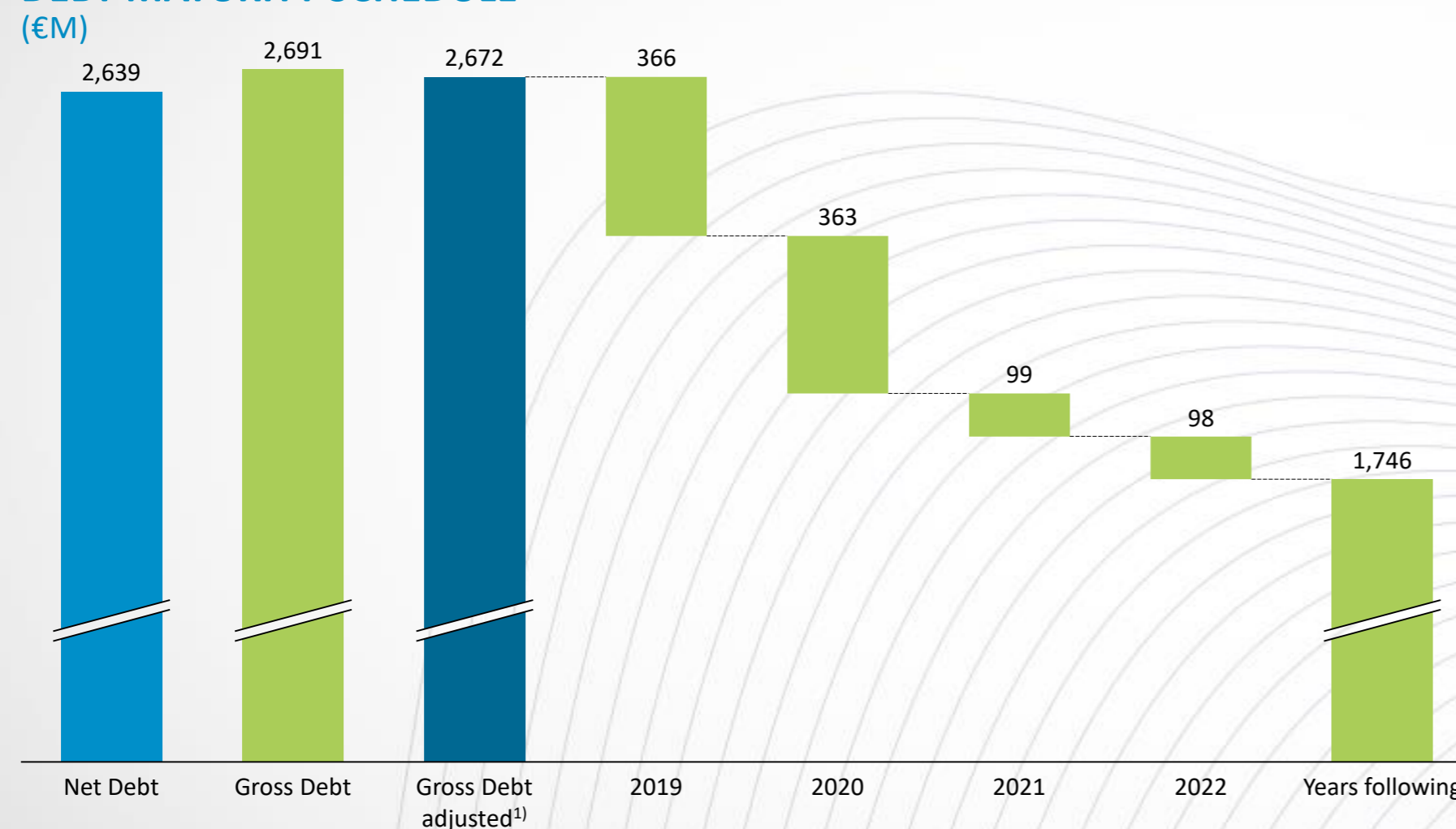
NET PROFIT (€M)



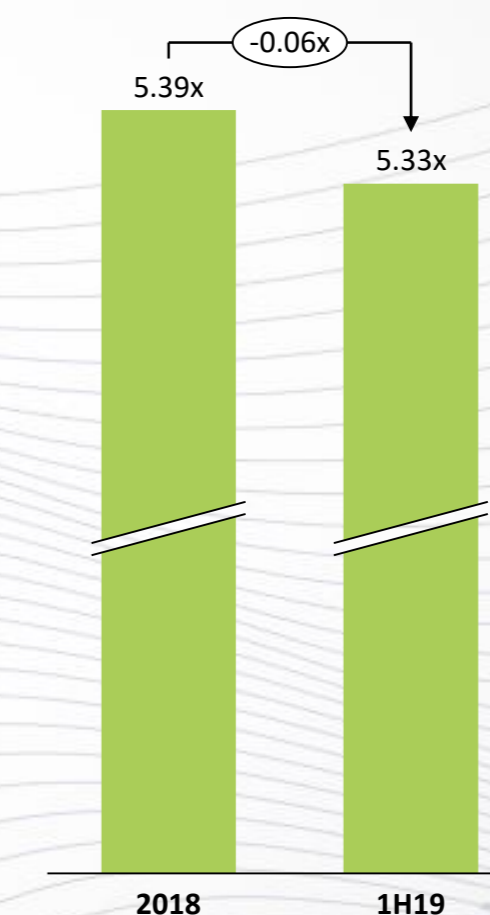
REN IS FUNDED OVER THE NEXT TWO YEARS

The average debt maturity at the end of the period was 4.04 years

DEBT MATURITY SCHEDULE



Net Debt / EBITDA



- ▶ In 1H19, 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	1H19	2018
Fixed assets c. related	4,004.2	4,072.9
Investments and goodwill ¹	363.4	355.3
Tariff deviations	153.5	160.8
Receivables ²	381.6	444.4
Cash	25.4	35.7
Other ³	123.8	122.4
Total assets	5,051.9	5,191.6
Shareholders equity	1,388.8	1,463.8
Debt (end of period)	2,690.6	2,706.3
Provisions	8.8	8.9
Tariff deviations	105.6	120.4
Payables ⁴	735.7	780.9
Other ⁵	122.3	111.2
Total equity and liabilities	5,051.9	5,191.6

- ▶ The total amount of *fixed assets concessions related* declined to €4,004.2M (this value includes investment subsidies);
- ▶ *Investments and goodwill* (1) increased to €363.4M 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 €381.6M in 1H19, decreasing from €444.4M at the end of 2018;
- ▶ *Other Assets* (3) stood at €123.8M. 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 €735.7M at the end of the period, versus €780.9M in 2018;
- ▶ *Other liabilities* (5) stood at €122.3M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€111.2M in 2018).

THE BALANCE OF TARIFF DEVIATIONS WAS €66.6M

To be received from tariffs over the next two years

TARIFF DEVIATIONS

€M	1H19	2018
Electricity ¹⁾	29.8	16.6
Trading	100.8	128.0
Natural Gas _T ²⁾	-56.8	-71.5
Natural Gas _D	-7.1	-1.1
TOTAL	66.6	72.0

- ▶ 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 €12.9M in 1H19;

2) Value adjusted to include the amount to be received from the FSSSE: €5.8M in 2018 and in 1H19.

DIVERSIFIED FUNDING SOURCES

BORROWINGS

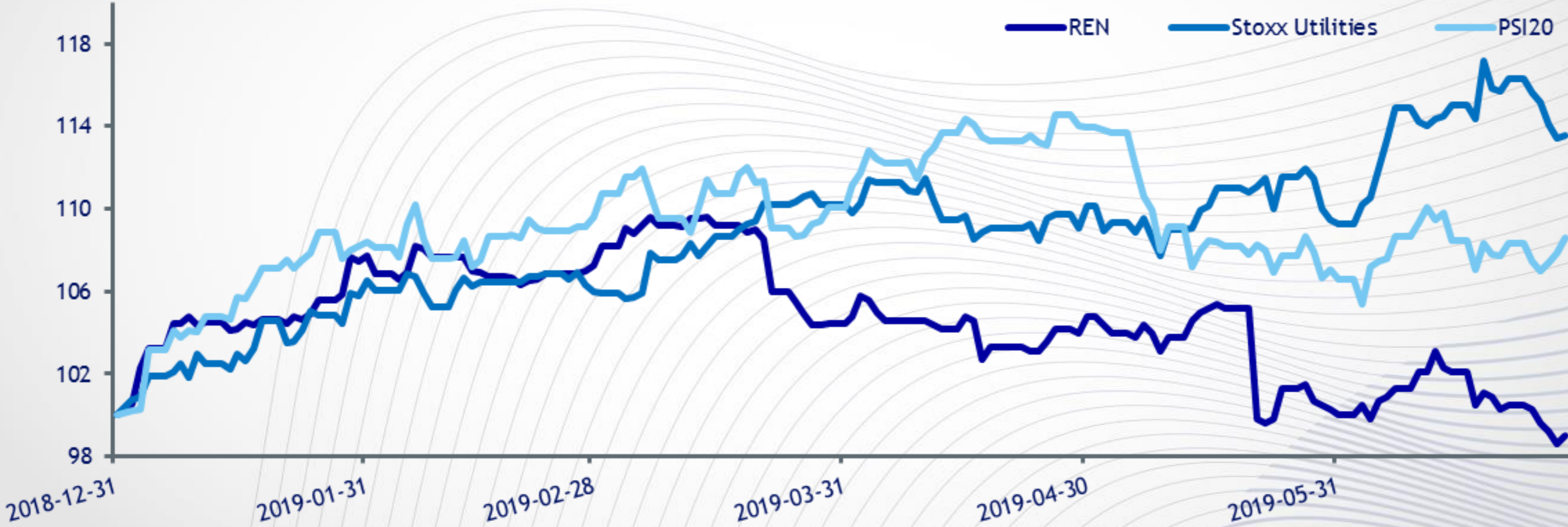
€M	Current	Non Current	TOTAL
Bonds	30.0	1,717.3	1,747.3
Bank borrowings	56.4	535.2	591.5
Commercial paper	329.5	27.0	356.5
Bank overdrafts	1.6	0.0	1.6
Finance lease	1.3	2.4	3.6
TOTAL	418.7	2,281.8	2,700.5
Accrued interest	17.8	0.0	17.8
Prepaid interest	-6.1	-21.5	-27.6
TOTAL	430.4	2,260.2	2,690.6

- ▶ In 1H19, REN's total liquidity reached €922M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ Bank borrowings were mainly represented by EIB loans (€394.9M);
- ▶ 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 five active commercial paper programmes in the amount of €1,050.0M, of which €693.5M 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

In 1H19, REN's share price decreased by 1.0% YTD

ANNUALIZED CLOSING PRICES



MARKET INFORMATION

ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ **Average Price target**
€2.65
- ▶ **Upside/Downside(+/-)**
5.4%



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 31st 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

1) July 17th, 2019.

REN'S TOTAL SHAREHOLDER RETURN WAS +6.0% (YTD)



REN END OF PERIOD	1H19	2018
Price (€)		
Close	2.410	2.434
Average	2.545	2.458
High YTD	2.668	2.650
Low YTD	2.400	2.326
<i>Variation YTD</i>	-1.0%	-1.8%
Market cap. (€M)	1,608	1,624
Number of shares	667,191,262	667,191,262
Own shares (mn)	3.9	3.9
Average Daily Volume YTD (€M)	1.7	2.4
Average Daily Volume YTD (th shares)	655	959
Performance indicators		
Dividend yield	7.1%	7.0%
Total shareholder return YTD	6.0%	5.0%
Cumulative total return*		
REN	96.7%	85.6%
PSI20	-37.9%	-45.1%
EuroStoxx Utilities	9.8%	-6.5%

*Inception to date (July 09th 2007).

REN 

APPENDIX

RESULTS BREAKDOWN

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
1) TOTAL REVENUES	349.2	344.0	726.9	1.5%	5.2
Revenues from assets	223.1	227.2	455.3	-1.8%	-4.1
Return on RAB	95.4	101.0	200.6	-5.5%	-5.6
Electricity	55.1	58.8	116.5	-6.3%	-3.7
Natural gas	26.9	28.8	57.1	-6.4%	-1.8
Portgás	13.4	13.4	27.0	-0.2%	0.0
Hydro land remuneration	0.0	0.1	0.0		-0.1
Lease revenues from hydro protection zone	0.3	0.4	0.7	-1.2%	0.0
Economic efficiency of investments	12.5	10.8	23.6	15.8%	1.7
Recovery of amortizations (net from subsidies)	105.9	106.0	212.4	0.0%	0.0
Subsidies amortization	8.9	9.0	17.9	-0.9%	-0.1
Revenues of OPEX	64.0	62.9	121.1	1.8%	1.1
Other revenues	12.2	14.7	28.6	-16.6%	-2.4
Construction revenues (IFRIC 12)	49.9	39.3	121.8	27.0%	10.6
2) OPEX	61.3	61.0	131.3	0.5%	0.3
Personnel costs	28.6	27.5	55.8	3.8%	1.0
External supplies and services	22.9	21.9	58.2	4.3%	0.9
Other operational costs	9.9	11.6	17.3	-14.4%	-1.7
3) Construction costs (IFRIC 12)	40.3	30.4	102.4	32.6%	9.9
4) Depreciations and amortizations	117.2	117.7	235.1	-0.4%	-0.5
5) Other	0.2	0.2	0.9	15.9%	0.0
6) EBIT	130.2	134.8	257.2	-3.4%	-4.6
7) Depreciations and amortizations	117.2	117.7	235.1	-0.4%	-0.5
8) EBITDA	247.4	252.4	492.3	-2.0%	-5.1
9) Depreciations and amortizations	117.2	117.7	235.1	-0.4%	-0.5
10) Financial result	-26.9	-27.3	-57.8	1.7%	0.5
11) Income tax expense	27.9	29.2	58.5	-4.8%	-1.4
12) Extraordinary contribution on energy sector	24.4	25.4	25.3	-4.0%	-1.0
13) NET PROFIT	51.1	52.8	115.7	-3.3%	-1.8
14) Non recurrent items*	24.4	25.6	21.5	-4.8%	-1.2
15) RECURRENT NET PROFIT	75.5	78.4	137.2	-3.8%	-3.0

*** NON RECURRENT ITEMS:**

1H19: i) Extraordinary energy sector levy, as established in the 2019 State budget law (€24.4M);

1H18: 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 (€0.3M, €0.2M after taxes).

OTHER OPERATIONAL REVENUES AND COSTS BREAKDOWN

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
Other revenues	12.2	14.7	28.6	-16.6%	-2.4
Allowed incentives	0.9	2.3	2.9	-59.1%	-1.4
Interest on tariff deviation	0.2	0.1	0.0	58.5%	0.1
Gains in related companies	0.0	0.0	4.0		0.0
Telecommunication sales and services rendered	3.2	3.1	6.1	2.7%	0.1
Consultancy services and other services provided	0.8	2.6	3.0	-70.1%	-1.8
Other revenues*	7.1	6.5	12.5	9.1%	0.6
Other costs	9.9	11.6	17.3	-14.4%	-1.7
Costs with ERSE	5.5	5.1	7.2	8.2%	0.4
Other	4.4	6.5	10.0	-32.3%	-2.1

*Includes revenues related to Electrogas' Net Profit proportion (€3.9M in 1H19 and €2.9M in 1H18).

EBITDA BREAKDOWN (ELECTRICITY¹)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
1) REVENUES	217.3	210.6	451.0	3.2%	6.7
Revenues from assets	145.3	148.0	296.6	-1.8%	-2.7
Return on RAB	55.1	58.8	116.5	-6.3%	-3.7
Hydro land remuneration	0.0	0.1	0.0		-0.1
Lease revenues from hydro protection zone	0.3	0.4	0.7	-1.2%	0.0
Economic efficiency of investments	12.5	10.8	23.6	15.8%	1.7
Recovery of amortizations (net from subsidies)	71.3	71.8	143.7	-0.7%	-0.5
Subsidies amortization	6.0	6.1	12.1	-1.0%	-0.1
Revenues of OPEX	33.8	33.0	64.5	2.3%	0.8
Other revenues	1.6	2.0	4.3	-18.2%	-0.4
Interest on tariff deviation	0.1	0.2	0.4	-61.7%	-0.1
Other	1.5	1.8	3.9	-13.5%	-0.2
Construction revenues (IFRIC 12)	36.5	27.6	85.6	32.4%	8.9
2) OPEX	23.7	21.4	52.6	11.0%	2.3
Personnel costs	9.1	9.4	19.1	-3.0%	-0.3
External supplies and services	10.4	7.8	25.8	32.3%	2.5
Other operational costs	4.2	4.1	7.7	2.4%	0.1
3) Construction costs (IFRIC 12)	29.2	20.8	70.9	40.7%	8.5
4) Depreciations and amortizations	77.1	77.7	155.4	-0.7%	-0.6
5) Other	0.0	0.2	0.4		-0.2
6) EBIT (1-2-3-4-5)	87.1	90.5	171.7	-3.7%	-3.4
7) Depreciations and amortizations	77.1	77.7	155.4	-0.7%	-0.6
8) EBITDA (6+7)	164.3	168.2	327.1	-2.3%	-3.9

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

EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
1) REVENUES	83.1	83.8	171.3	-0.8%	-0.7
Revenues from assets	57.7	59.5	118.5	-3.1%	-1.8
Return on RAB	26.9	28.8	57.1	-6.4%	-1.8
Recovery of amortizations (net from subsidies)	27.8	27.8	55.6	0.0%	0.0
Subsidies amortization	2.9	2.9	5.9	-0.1%	0.0
Revenues of OPEX	21.5	19.8	40.4	8.7%	1.7
Other revenues	-0.2	1.4	1.1		-1.6
Interest on tariff deviation*	-0.2	0.0	-0.2		-0.2
Consultancy services and other services provided	0.1	0.0	-0.3		0.1
Other	0.0	1.4	1.6		-1.5
Construction revenues (IFRIC 12)	4.1	3.0	11.3	34.7%	1.1
2) OPEX	13.9	12.3	27.3	13.5%	1.7
Personnel costs	4.1	3.7	7.6	11.2%	0.4
External supplies and services	7.3	6.2	16.3	17.1%	1.1
Other operational costs	2.5	2.4	3.4	7.4%	0.2
3) Construction costs (IFRIC 12)	3.1	2.1	9.3	45.8%	1.0
4) Depreciations and amortizations	30.4	30.4	60.8	0.0%	0.0
5) Other	0.0	0.0	0.0		0.0
6) EBIT	35.7	39.0	73.9	-8.3%	-3.3
7) Depreciations and amortizations	30.4	30.4	60.8	0.0%	0.0
8) EBITDA	66.1	69.3	134.7	-4.7%	-3.2

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

EBITDA BREAKDOWN (PORTGÁS)

€M				1H19/1H18	
	1H19	1H18	2018	Δ %	Δ Abs.
1) REVENUES	38.1	40.0	87.9	-4.9%	-1.9
Revenues from assets	20.1	19.7	40.1	2.0%	0.4
Return on RAB	13.4	13.4	27.0	-0.2%	0.0
Recovery of amortizations (net from subsidies)	6.8	6.3	13.1	6.9%	0.4
Subsidies amortization	0.0	0.0	0.0		0.0
Revenues of OPEX	8.7	10.1	16.3	-13.4%	-1.4
Other revenues	0.0	1.6	6.6	-98.9%	-1.6
Interest on tariff deviation	0.0	0.0	0.0	27.2%	0.0
Adjustments previous years	-0.1	0.2	0.6		-0.3
Gains in related companies*	0.0	0.0	4.0		0.0
Other services provided	0.1	1.3	1.5	-93.2%	-1.2
Other	0.0	0.1	0.6	-70.4%	-0.1
Construction revenues (IFRIC 12)	9.3	8.6	24.8	7.1%	0.6
2) OPEX	8.0	11.3	18.4	-29.4%	-3.3
Personnel costs	2.3	2.6	4.8	-12.0%	-0.3
External supplies and services	2.8	3.9	8.1	-27.9%	-1.1
Other operational costs	2.9	4.8	5.5	-40.2%	-1.9
3) Construction costs (IFRIC 12)	8.0	7.5	22.2	6.7%	0.5
4) Depreciations and amortizations	6.9	6.6	13.4	5.2%	0.3
5) Other	0.0	-0.1	0.2		0.1
6) EBIT	15.1	14.7	33.7	3.1%	0.5
7) Depreciations and amortizations	6.9	6.6	13.4	5.2%	0.3
8) EBITDA	22.0	21.2	47.1	3.7%	0.8

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

EBITDA BREAKDOWN (OTHER*)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
1) TOTAL REVENUES	10.7	9.6	16.6	11.7%	1.1
Other revenues	10.7	9.6	16.6	11.7%	1.1
Allowed incentives	0.9	2.3	2.9	-59.1%	-1.4
Interest on tariff deviation	0.3	-0.1	-0.1		0.4
Telecommunication sales and services rendered	3.2	3.1	6.1	2.7%	0.1
Consultancy services and other services provided	0.6	1.3	1.9	-51.2%	-0.7
Other	5.7	3.0	5.9	89.2%	2.7
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
2) OPEX	15.6	16.0	33.0	-2.1%	-0.3
Personnel costs	13.0	11.8	24.3	10.5%	1.2
External supplies and services	2.4	4.0	8.0	-39.7%	-1.6
Other operational costs	0.2	0.2	0.7	0.3%	0.0
3) Construction costs (IFRIC 12)	0.0	0.0	0.0		0.0
4) Depreciations and amortizations	2.7	3.0	5.5	-8.9%	-0.3
5) Other	0.2	0.0	0.3		0.2
6) EBIT	-7.8	-9.3	-22.1	16.6%	1.5
7) Depreciations and amortizations	2.7	3.0	5.5	-8.9%	-0.3
8) EBITDA	-5.1	-6.4	-16.6	20.2%	1.3

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

CAPEX AND RAB

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
CAPEX*	49.9	39.4	121.9	26.5%	10.5
Electricity	36.5	27.6	85.6	32.4%	8.9
Natural gas _T	4.1	3.0	11.3	34.7%	1.1
Natural gas _D	9.3	8.8	24.9	5.3%	0.5
Other	0.0	0.0	0.1		0.0
Transfers to RAB**	49.9	19.3	88.5		30.5
Electricity	39.8	12.4	53.8		27.3
Natural gas _T	1.3	0.7	11.0	72.5%	0.5
Natural gas _D	8.8	6.2	23.7	42.9%	2.7
Average RAB	3,738.2	3,855.2	3,832.0	-3.0%	-117.0
Electricity	2,039.4	2,107.6	2,091.9	-3.2%	-68.1
With premium	1,099.6	1,130.8	1,127.0	-2.8%	-31.2
Without premium	939.9	976.8	964.9	-3.8%	-37.0
Land	233.5	246.1	242.9	-5.1%	-12.6
Natural gas _T	996.7	1,041.7	1,032.6	-4.3%	-45.0
Natural gas _D	468.6	459.9	464.5	1.9%	8.7
RAB e.o.p.	3,708.6	3,811.9	3,767.7	-2.7%	-103.3
Electricity	2,025.9	2,081.1	2,052.7	-2.7%	-55.2
Land	230.4	242.9	236.6	-5.2%	-12.6
Natural gas _T	983.4	1,028.1	1,010.0	-4.3%	-44.7
Natural gas _D	468.9	459.7	468.4	2.0%	9.2
RAB's variation e.o.p.	-51.7	-86.8	-131.0		
Electricity	-32.0	-53.1	-81.5		
Land	-6.3	-6.3	-12.6		
Natural gas _T	-14.0	-27.1	-45.2		
Natural gas _D	0.5	-0.3	8.4		

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
RAB's remuneration	95.7	101.4	201.3	-5.6%	-5.7
Electricity	55.1	58.8	116.5	-6.3%	-3.7
With premium	31.6	33.5	66.7	-5.7%	-1.9
Without premium	23.5	25.3	49.9	-7.1%	-1.8
Land	0.3	0.5	0.7	-25.7%	-0.1
Natural gas _T	26.9	28.8	57.1	-6.4%	-1.8
Natural gas _D	13.4	13.4	27.0	-0.2%	0.0
RoR's RAB	5.1%	5.3%	5.3%		-0.1p.p.
Electricity	5.4%	5.6%	5.6%		-0.2p.p.
With premium	5.8%	5.9%	5.9%		-0.2p.p.
Without premium	5.0%	5.2%	5.2%		-0.2p.p.
Land	0.3%	0.4%	0.3%		-0.1p.p.
Natural gas _T	5.4%	5.5%	5.5%		-0.1p.p.
Natural gas _D	5.7%	5.8%	5.8%		-0.1p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

DEBT

	1H19	1H18	2018
Net Debt (€M)	2,638.7	2,686.7	2,653.1
Average cost	2.2%	2.3%	2.2%
Average maturity (years)	4.0	4.8	4.3
Net Debt / EBITDA	5.3x	5.3x	5.4x

DEBT BREAKDOWN

Funding sources			
Bond issues	64%	64%	65%
EIB	15%	16%	15%
Loans	7%	15%	13%
Other	13%	5%	7%

TYPE

Float	41%	39%	38%
Fixed	59%	61%	62%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	29/03/2019
Standard & Poor's	BBB	A-2	Stable	19/10/2018
Fitch	BBB	F3	Stable	12/06/2019

REN

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (thousands of euros)

	Jun 2019	Dec 2018
ASSETS		
Non-current assets		
Property, plant and equipment	419	561
Goodwill	3,688	3,877
Intangible assets	4,125,444	4,192,619
Investments in associates and joint ventures	169,429	167,841
Investments in equity instruments at fair value through other comprehensive income	157,722	162,552
Derivative financial instruments	32,537	21,010
Other financial assets	57	45
Trade and other receivables	90,109	50,246
Deferred tax assets	89,917	92,495
	4,669,323	4,691,247
Current assets		
Inventories	2,168	2,095
Trade and other receivables	340,202	427,126
Current income tax recoverable	14,838	35,371
Cash and cash equivalents	25,359	35,735
	382,568	500,327
TOTAL ASSETS	5,051,890	5,191,574

	Jun 2019	Dec 2018
EQUITY		
Shareholders' equity:		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	318,582	326,906
Retained earnings	251,435	253,505
Other changes in equity	-5,561	-5,561
Net profit for the year	51,078	115,715
TOTAL EQUITY	1,388,807	1,463,837
LIABILITIES		
Non-current liabilities		
Borrowings	2,260,248	2,274,939
Liability for retirement benefits and others	93,889	98,288
Derivative financial instruments	28,422	12,952
Provisions	8,796	8,852
Trade and other payables	376,862	367,743
Deferred tax liabilities	111,211	113,644
	2,879,429	2,876,418
Current liabilities		
Borrowings	430,382	431,401
Trade and other payables	353,273	419,917
	783,655	851,319
TOTAL LIABILITIES	3,663,083	3,727,737
TOTAL EQUITY AND LIABILITIES	5,051,890	5,191,574

CONSOLIDATED STATEMENTS

Profit and loss (thousands of euros)

	Jun 2019	Jun 2018
Sales	17	34
Services rendered	280,434	286,976
Revenue from construction of concession assets	49,889	39,277
Gains / (losses) from associates and joint ventures	5,589	2,542
Other operating income	13,343	15,561
Operating income	349,272	344,390
Cost of goods sold	-367	-821
Cost with construction of concession assets	-40,332	-30,410
External supplies and services	-23,070	-22,176
Personnel costs	-28,357	-27,253
Depreciation and amortizations	-117,183	-117,656
Provisions	1	-57
Impairments	-189	-105
Other expenses	-9,531	-10,740
Operating costs	-219,028	-209,218
Operating results	130,244	135,172
Financial costs	-34,656	-37,648
Financial income	3,800	4,975
Investment income - dividends	3,934	4,968
Financial results	-26,923	-27,705
Profit before income tax and ESEC	103,322	107,467
Income tax expense	-27,854	-29,246
Energy sector extraordinary contribution (ESEC)	-24,390	-25,398
Net profit for the year	51,078	52,823
Attributable to:		
Equity holders of the Company	51,078	52,823
Non-controlled interest	0	0
Consolidated profit for the year	51,078	52,823
Earnings per share (expressed in euro per share)	0.08	0.08

CONSOLIDATED STATEMENTS

Cash flow (thousands of euros)

	Jun 2019	Jun 2018
Cash flow from operating activities		
Cash receipts from customers	1,195,206	1,179,006 a)
Cash paid to suppliers	-921,067	-836,534 a)
Cash paid to employees	-37,673	-36,384
Income tax received/ paid	-3,905	-30,660
Other receipts/ (payments) relating to operating activities	-16,461	6,108
Net cash flows from operating activities (1)	216,100	281,536
Cash flow from investing activities		
Receipts related to:		
Property, plant and equipment	0	15
Investment grants	4,829	3,648
Interests and other similar income	17	197
Dividends	4,223	3,664
Payments related to:		
Financial investments	0	-12
Property, plant and equipment	-20	-53
Intangible assets - Concession assets	-64,016	-82,419
Net cash flow used in investing activities (2)	-54,966	-74,960
Cash flow from financing activities		
Receipts related to:		
Borrowings	2,651,500	1,400,091
Payments related to:		
Borrowings	-2,670,817	1,465,734
Interests and other similar expense	-38,681	-43,105
Dividends	-113,426	113,426
Net cash from/ (used in) financing activities (3)	-171,424	-222,175
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	-10,290	-15,599
Effect of exchange rates	-30	-91
Cash and cash equivalents at the beginning of the year	34,096	60,448
Cash and cash equivalents at the end of the period	23,777	44,759
Detail of cash and cash equivalents		
Cash	25	23
Bank overdrafts	-1,582	-7,348
Bank deposits	25,334	52,084
	23,777	44,759

(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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