



# RESULTS PRESENTATION 1Q16

May 13<sup>th</sup>, 2016



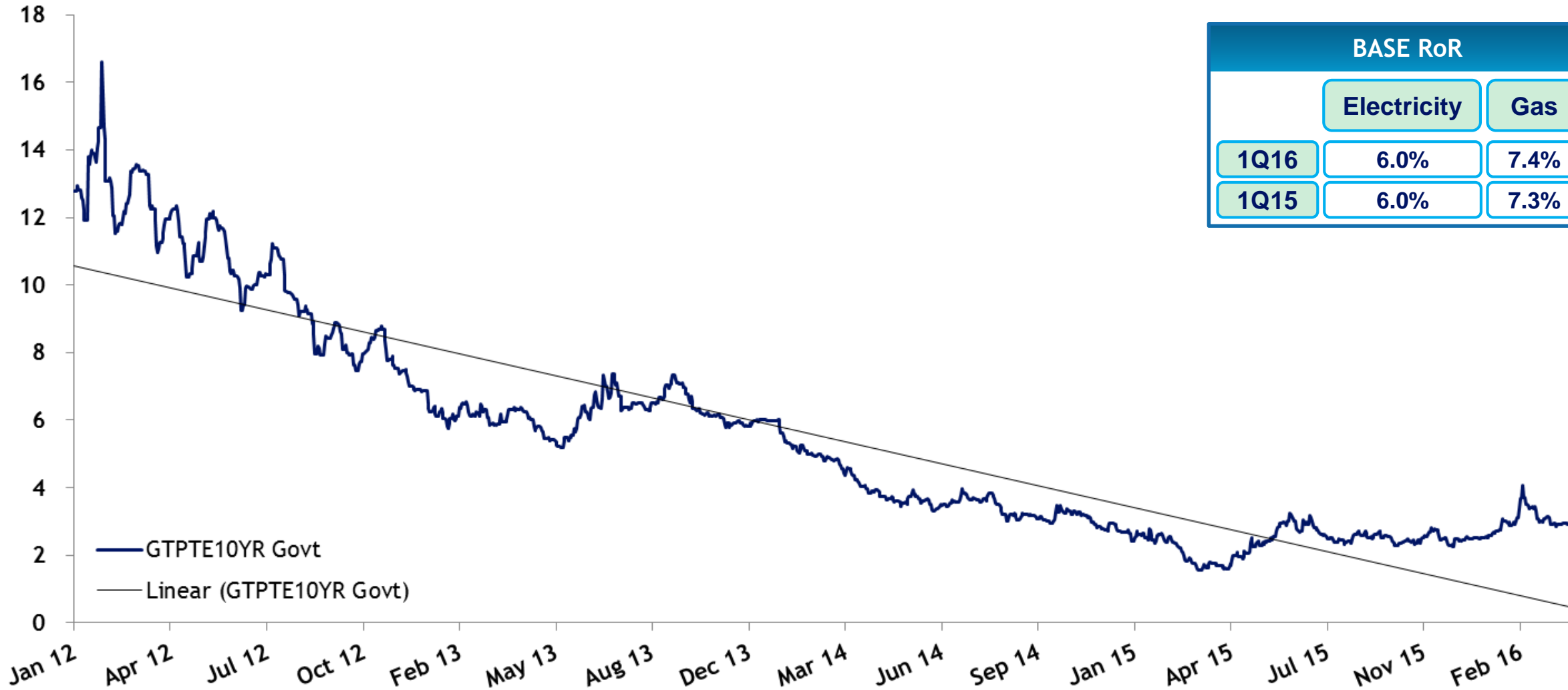
- ▶ **Recurrent Net Profit** increased by 5.6% (+€1.7M), reaching €32.0M, mainly due to the improvement in the Group's **Financial performance** (+4.3%) underpinned by a lower average **cost of debt** (cut to 3.7% from 4.1%);
- ▶ **Net Profit** stood at €6.1M, €14.2M below 1Q15, because of the 2015 non recurrent capital gain from the sale of REN's Enagás stake (+€16.1M) and penalized by the maintenance of the costs incurred with the extraordinary levy to the energy sector established in 2016's State budget law (€25.9M);
- ▶ In this quarter, **EBITDA** amounted to €121.1M, 12.4% below 1Q15. This was affected by the capital gain achieved in 2015 with the sale of REN's stake in Enagás (+€20.1M, at EBITDA level), despite better **OPEX** results achieved by the Company (-€0.3M) reflecting a continued effort towards optimization and operational efficiency, as well as the increase in recovery of depreciation and the expansion in the Asset remuneration;
- ▶ Total **CAPEX** was up to €11.3M. The **average RAB** increased to €3,542.1M and **transfers to RAB** were €0.9M.

€M	1Q16	1Q15	Δ%	Δ Abs.
<b>EBITDA</b>	<b>121.1</b>	<b>138.3</b>	<b>-12.4%</b>	<b>-17.2</b>
<b>Financial Result</b>	<b>-23.4</b>	<b>-24.5</b>	<b>4.3%</b>	<b>1.0</b>
<b>Net Profit</b>	<b>6.1</b>	<b>20.3</b>	<b>-70.0%</b>	<b>-14.2</b>
<b>Recurrent Net Profit</b>	<b>32.0</b>	<b>30.3</b>	<b>5.6%</b>	<b>1.7</b>
<b>Average RAB</b>	<b>3,542.1</b>	<b>3,512.4</b>	<b>0.8%</b>	<b>29.7</b>
<b>CAPEX</b>	<b>11.3</b>	<b>8.4</b>	<b>35.2%</b>	<b>2.9</b>
<b>Net Debt</b>	<b>2,473.2</b>	<b>2,371.7</b>	<b>4.3%</b>	<b>101.5</b>

# PORTUGAL'S PERCEIVED SOVEREIGN DEBT RISK

## maintains rates at low levels in 2016

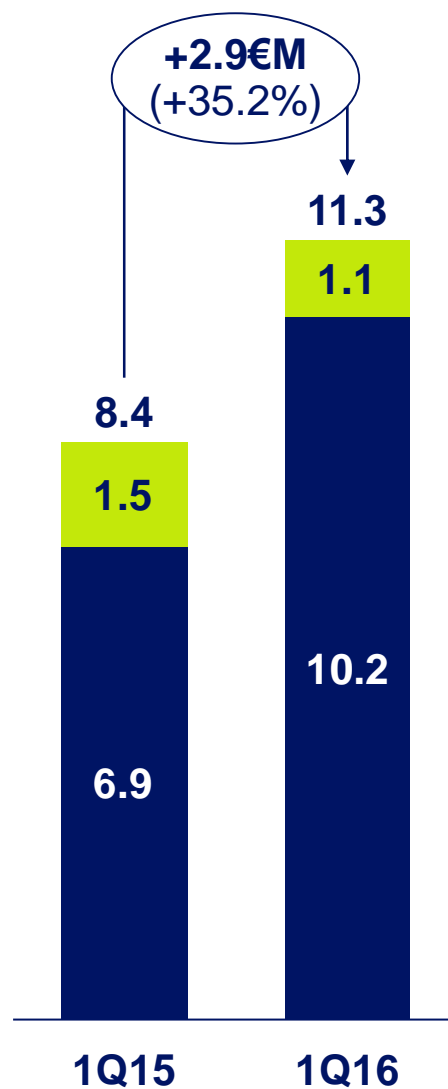
### PT 10Y Treasury Bond Yields



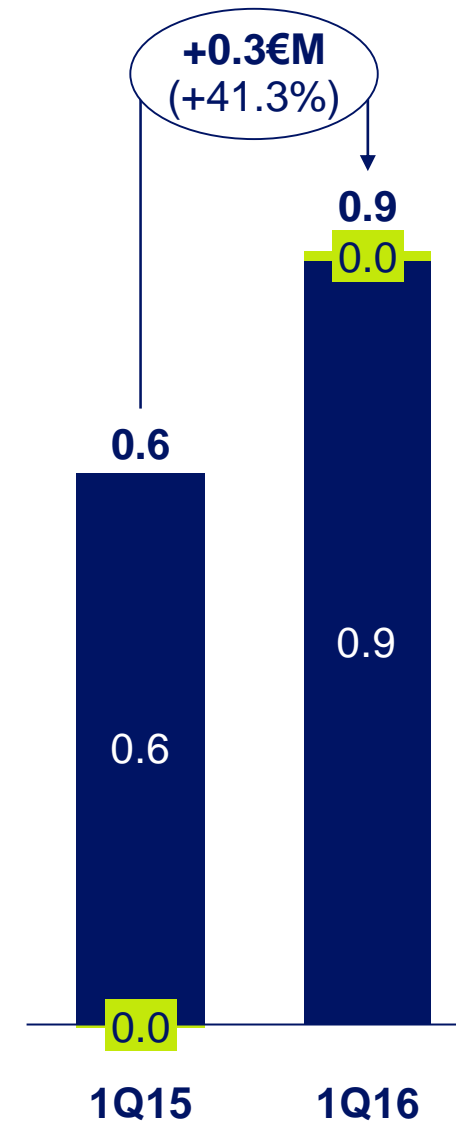
# INVESTMENT WAS SLIGHTLY UP IN 1Q16

As expected, it should come down in FY

## CAPEX



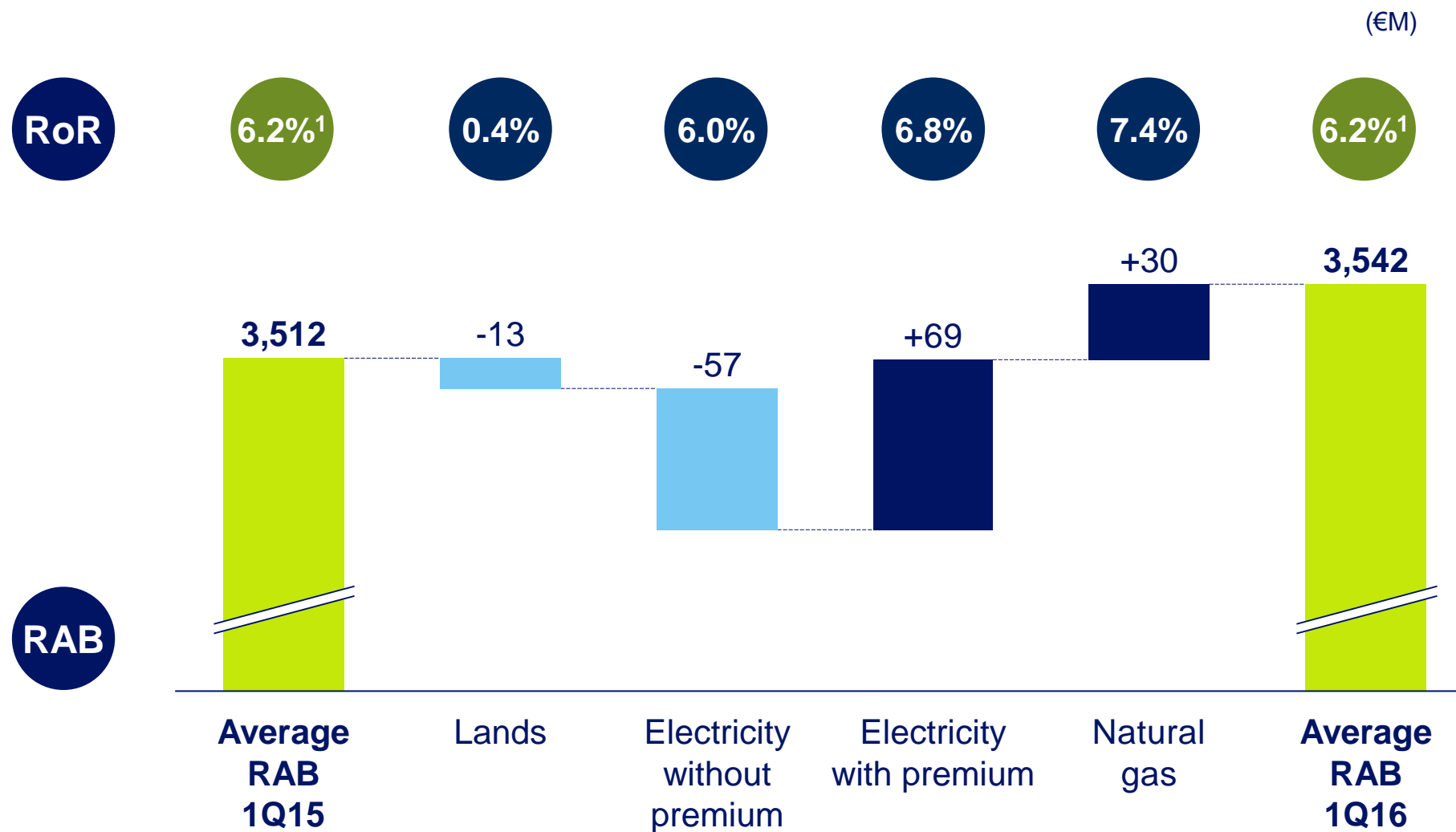
## TRANSFERS TO RAB



 Natural gas  
 Electricity

# AVERAGE RAB EXPANDED TO €3,542M (+€29.7M)

boosted by gas storage facilities and electricity with premium



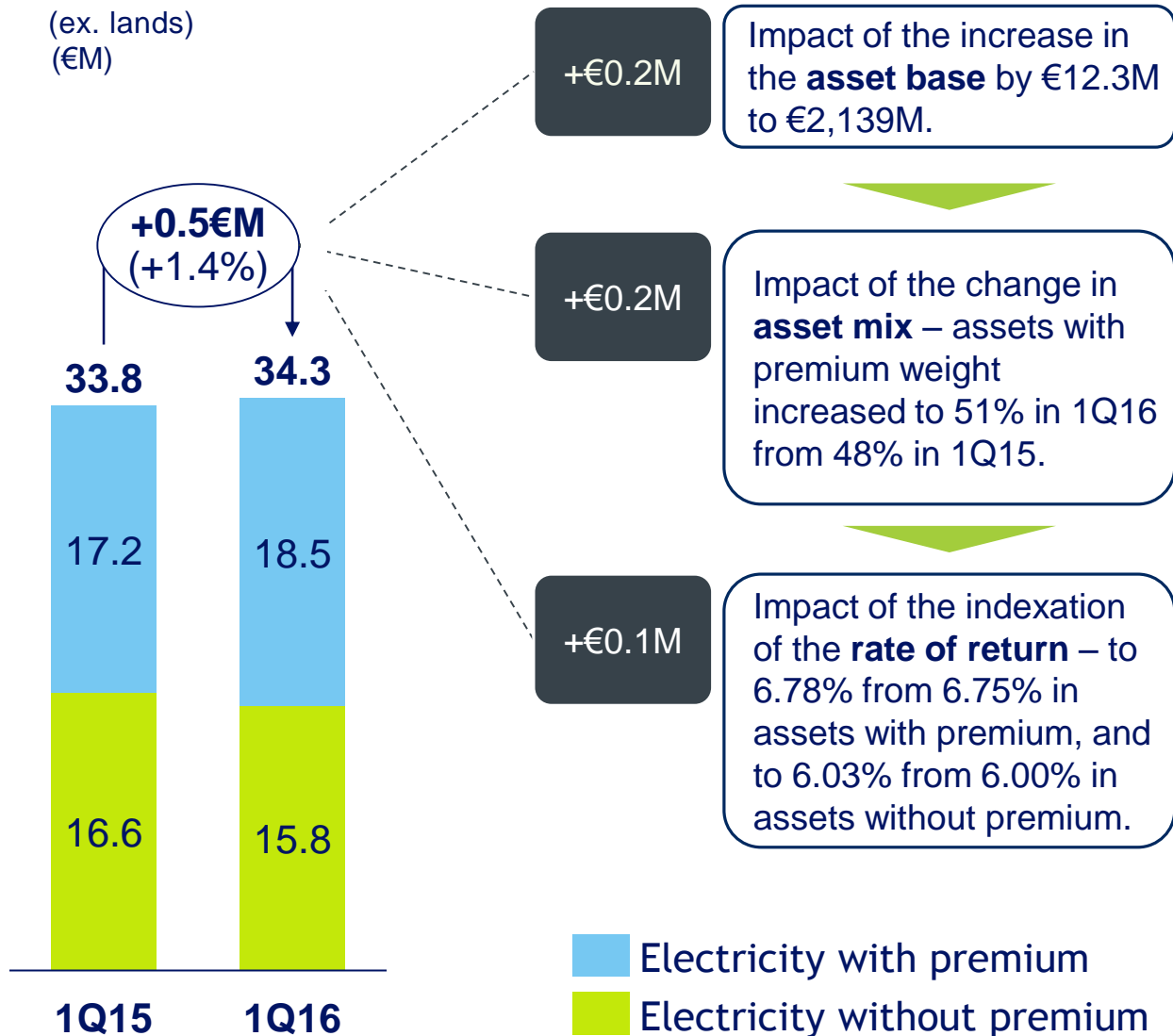
1) RoR is equal to the specific asset remuneration, divided by the average RAB.

# RETURN ON RAB WITH A POSITIVE EVOLUTION

mostly impacted by the acquisition of the two new NG caverns

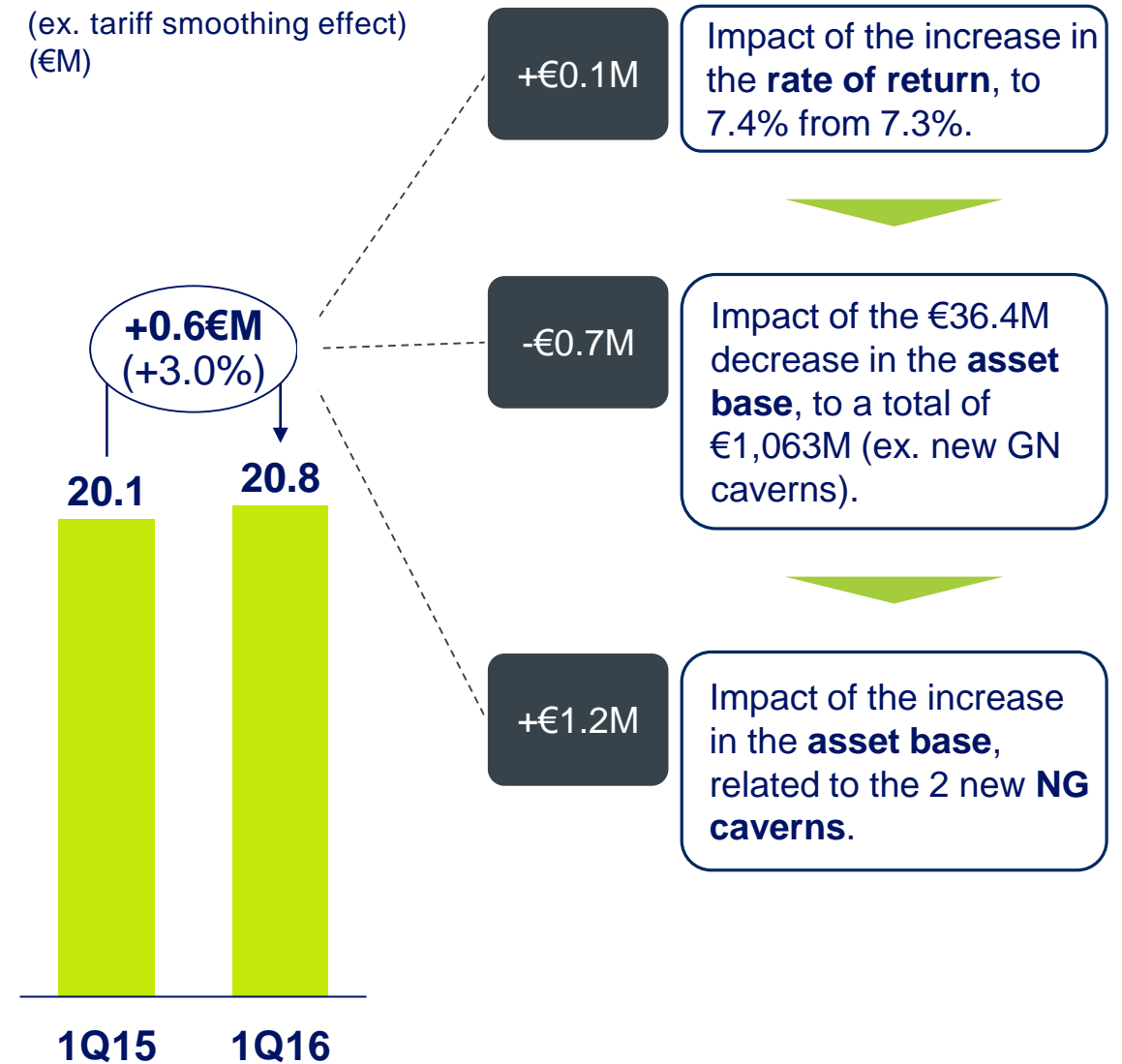
## RAB REMUNERATION ELECTRICITY

(ex. lands)  
(€M)



## RAB REMUNERATION NATURAL GAS

(ex. tariff smoothing effect)  
(€M)

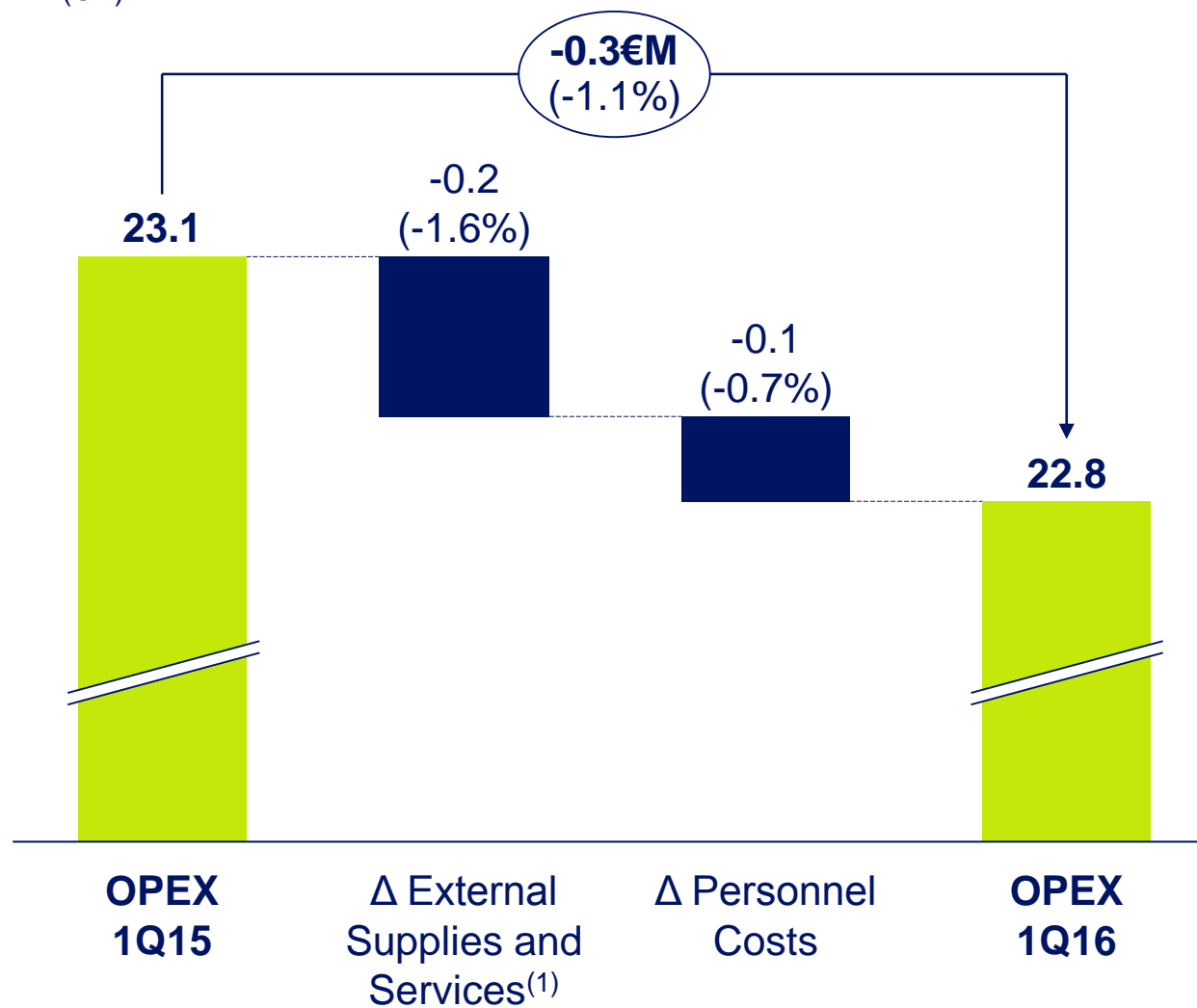


# OPERATIONAL COSTS FELL BY 1.1%

following a reduction in ESS and Personnel Costs

## OPERACIONAL COSTS

(€M)



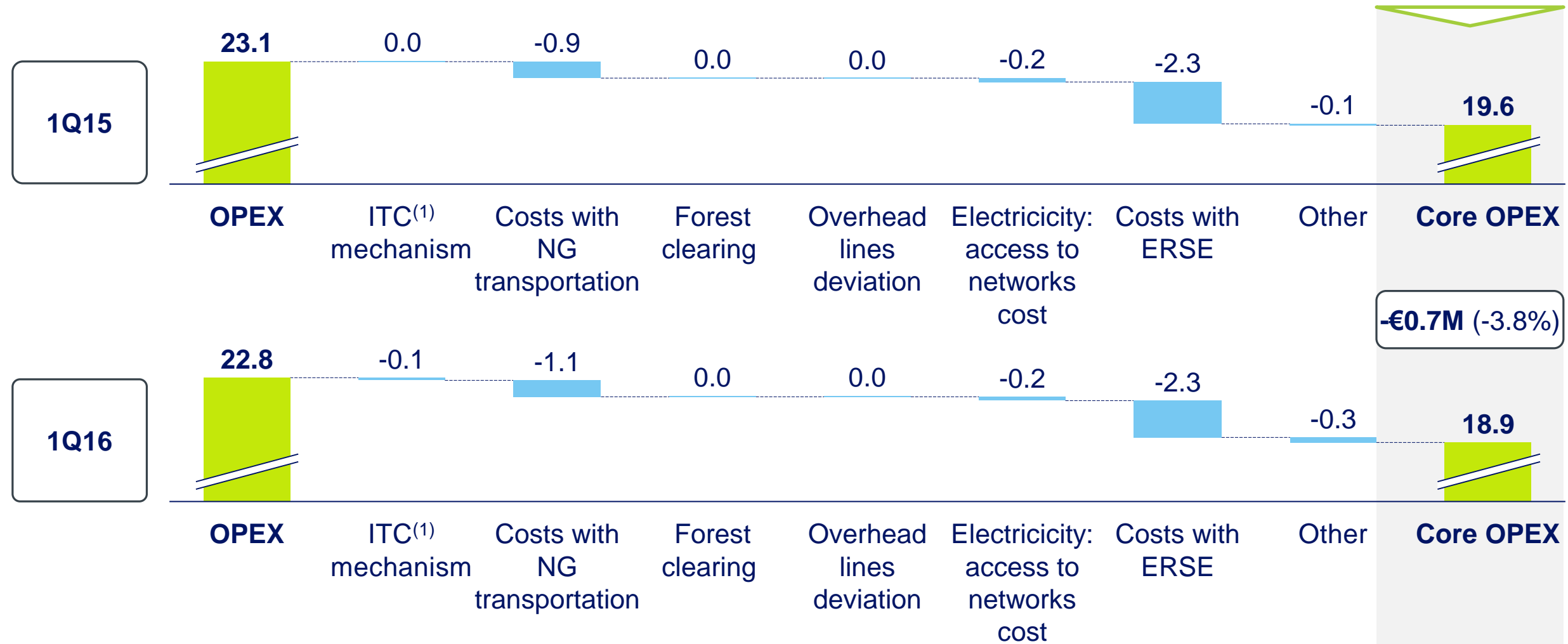
(1) Includes Δ+€0.3M of Other Operating Costs.



# CORE OPEX STOOD 3.8% BELOW 1Q15

## CORE OPEX

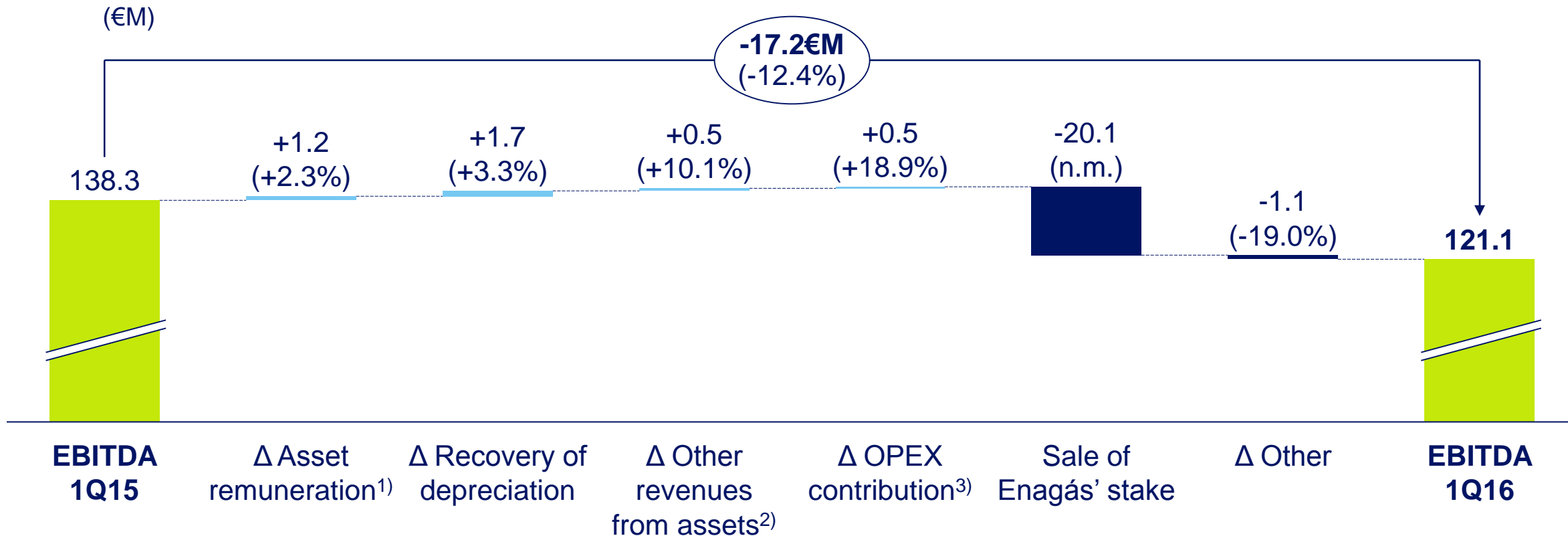
(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits.

# EBITDA DECLINED BY 12.4% AS EXPECTED

driven by the capital gain in Enagás' stake sale in 2015



(1) Includes Δ+€0.2M of NG tariff smoothing effect;

(2) Includes Δ+€0.5M of Remuneration of fully depreciated assets;

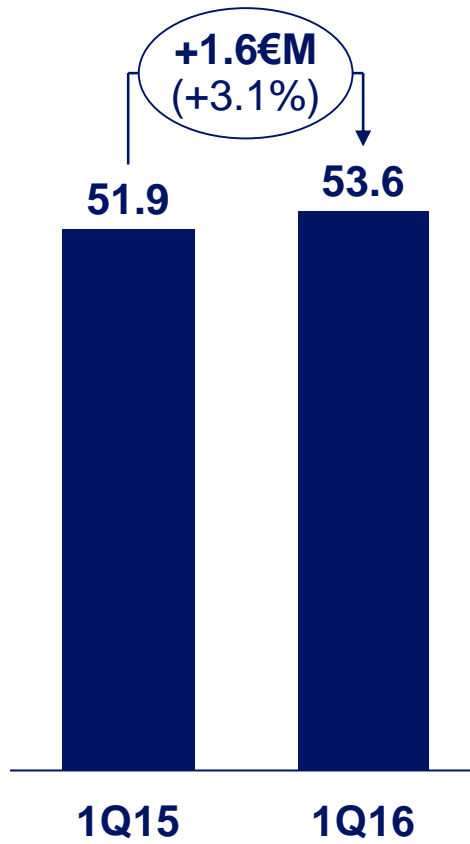
(3) Includes Δ-€0.3M of Opex own works.

# BELOW EBITDA

improvement in net financial results

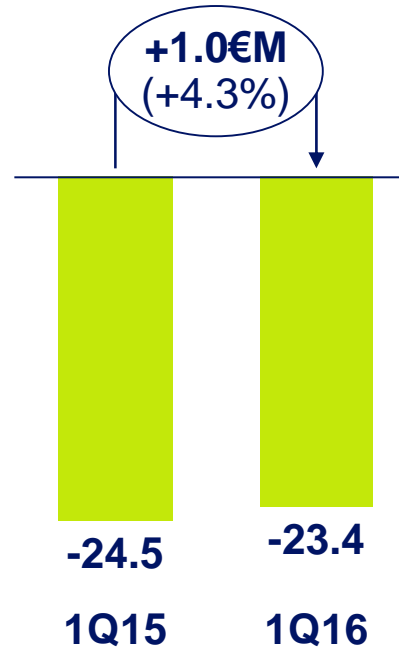
## DEPRECIATION

(€M)



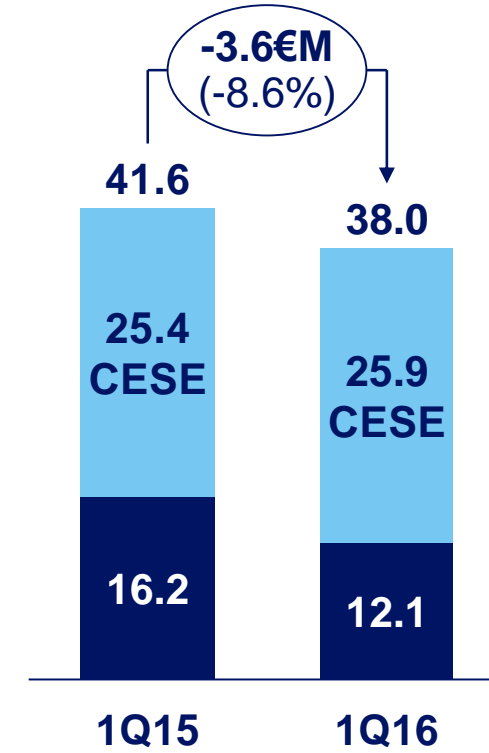
## FINANCIAL RESULTS

(€M)



## TAXES

(€M)

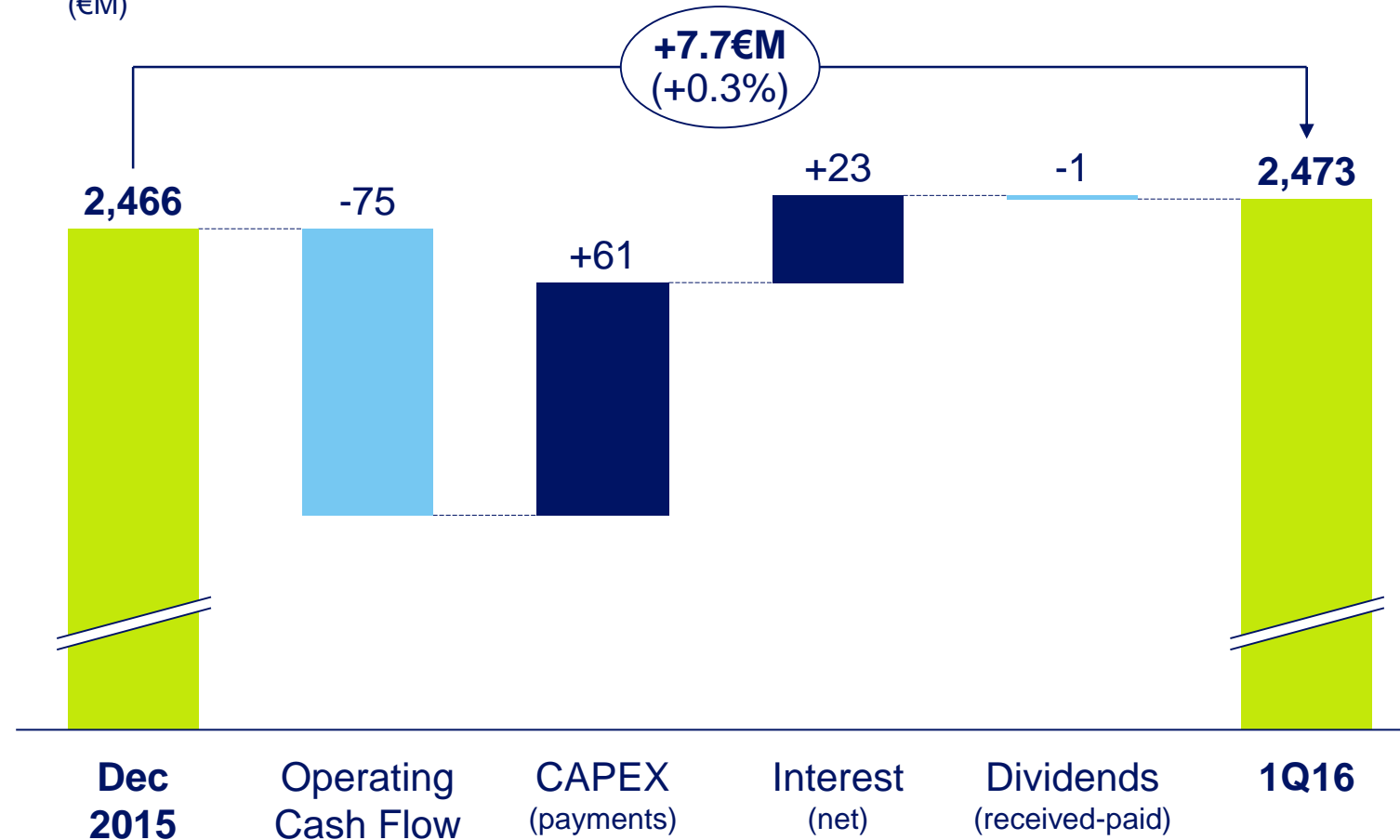


# NET DEBT SLIGHTLY INCREASED BY 0.3%

average cost of debt declined ahead of expectations

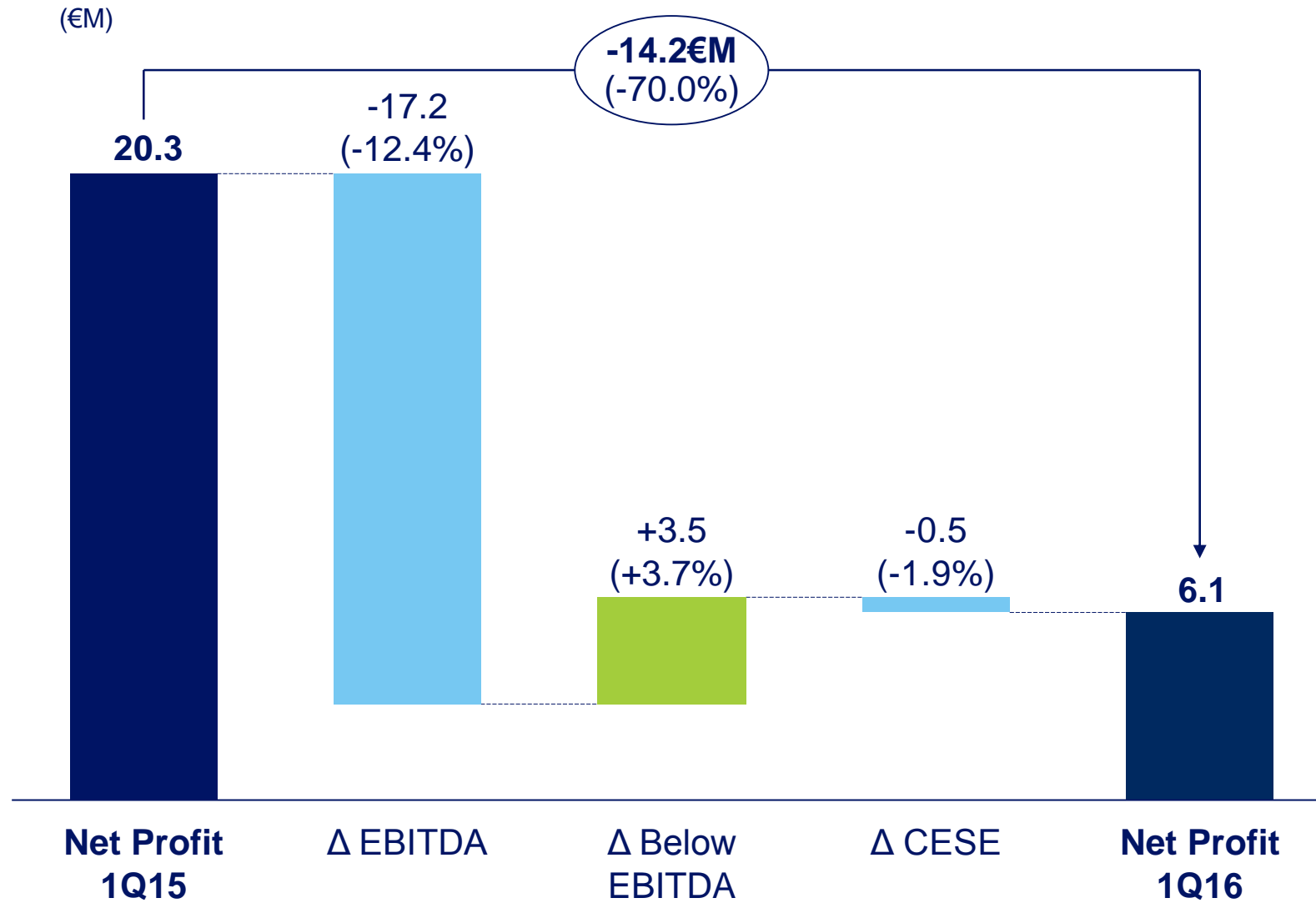
## NET DEBT

(€M)



- ▶ The **average cost of debt** decreased to 3.7% (4.1% in 2015);
- ▶ **FFO/Net Debt** decreased to 11.2% (12.2% in 2015).

# AS EXPECTED, NET PROFIT DECREASED BY €14.2M but recurrent profits go up 5.6%



- ▶ REN presented a stable operating performance, highlighting the reduction obtained in operational costs and the increase displayed in both the average RAB and transfers to RAB;
- ▶ During this quarter the downward trend in the average cost of debt was ahead of expectations and that led to the good financial performance. Nevertheless, the special levy on energy companies continued to penalize REN's results;
- ▶ In May, REN paid a dividend of 17.1 cents per share related to its 2015 results (dividend yield of 6%).

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, a public offer, private placement or solicitation of any kind by REN, or by any of REN's shareholders, to sell or purchase any securities issued by REN and its purpose is merely of informative nature and this presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation may not be used in the future in connection with any offer in relation to securities issued by REN without REN's prior consent.



REN's IR & Media app:

Visit our web site at [www.ren.pt](http://www.ren.pt)  
or contact us:

Ana Fernandes – Head of IR  
Alexandra Martins  
Telma Mendes

Av. EUA, 55  
1749-061 Lisboa  
Telephone: +351 210 013 546  
[ir@ren.pt](mailto:ir@ren.pt)

