

## BUSINESS REVIEW

### A SET OF STABLE RESULTS

- This semester, REN's operational performance was penalized by lower asset remuneration. However, higher Financial Results and the decrease in taxes partially mitigated this negative impact in Net Profit;
- A decrease in the stock of Debt allowed the company to have stronger Financial Results. Nevertheless, the special levy on energy companies continued to hurt REN's results, leading the effective tax rate to 38.8%;
- 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);
- 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.

### PRIORITIES:

#### STRATEGIC PLAN

REN will continue its commitment to investment grade rating and attractive shareholder returns as well as the highest sustainability standards through:

- Operational excellence and core business consolidation
- Solid financials
- Disciplined growth

## HIGHLIGHTS

### SOLID PERFORMANCE

- 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.

### GOOD PROGRESS

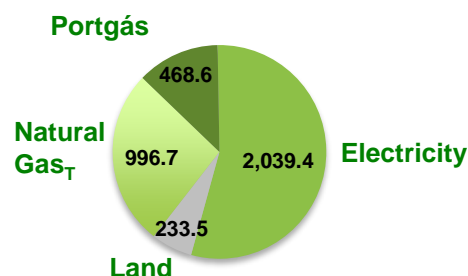
- On July 23<sup>rd</sup>, REN announced the acquisition of 100% of Transemel, for 167 million USD. Transemel is located mainly in northern Chile, operating 92 km of electricity transmission lines and 5 substations, with approximately 93% of its revenues coming from regulated activities owns. This will be the second acquisition that REN makes in Chile after the purchase of 42.5% of Electrogas, and is in line with REN's strategic plan, which h is based on a conservative growth strategy. The transaction will be financed solely with debt and will take place in the beginning of October;
- Both Portgás and Electrogas contributed positively to the results and are performing according to plan.

## GROUP FINANCIAL SUMMARY

BUSINESS PERFORMANCE	1H19	1H18	Δ%
EBITDA	247.4	252.4	-2.0%
FINANCIAL RESULT	-26.9	-27.3	1.7%
NET PROFIT	51.1	52.8	-3.3%
RECURRENT NET PROFIT	75.5	78.4	-3.8%
AVERAGE RAB	3,738.2	3,855.2	-3.0%
CAPEX	49.9	39.4	26.5%
NET DEBT	2,638.7	2,686.7	-1.8%

### Total average RAB

↓ **-3.0%**

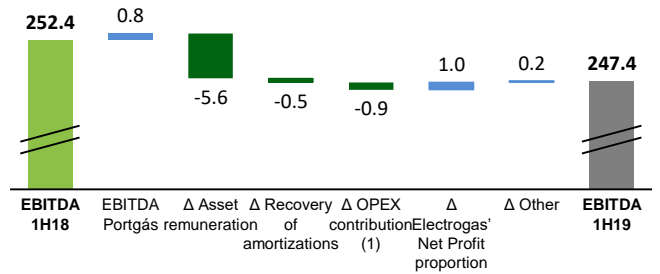


# 2019 RESULTS

# REN 1H19

**EBITDA**  
**€ 247.4M**

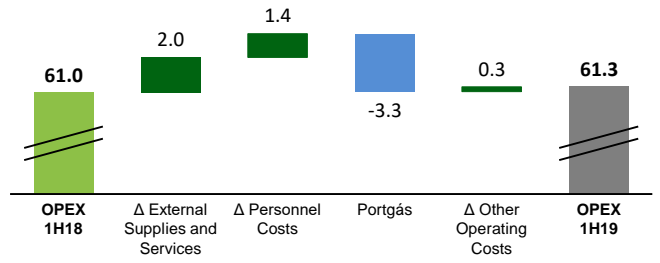
- EBITDA was penalized by lower transmission assets' remuneration, partially offset by Portgás and Electrogas performance



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

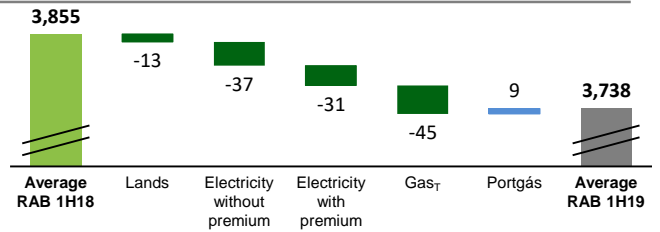
**OPERATIONAL COSTS**  
**€ 61.3M**

- OPEX in line with previous year Portgás performance improved by €3.3M



**AVERAGE RAB**  
**€ 3,738M**

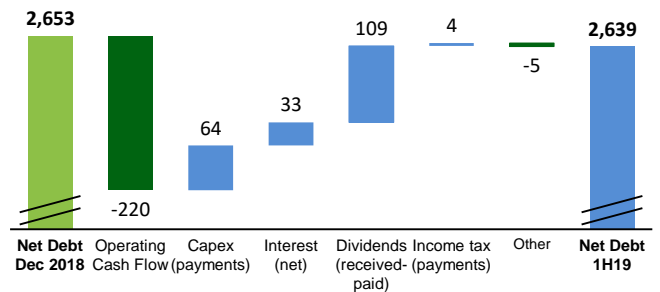
- AVERAGE RAB fell down by 3.0%, despite the increase in Natural Gas Distribution (€8.7M)



Note: T - Transportation.

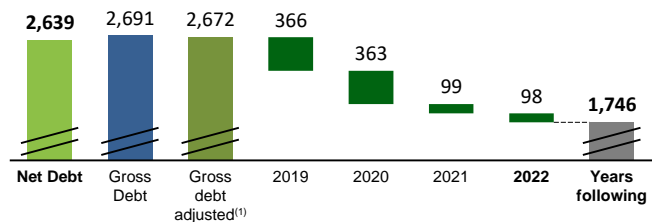
**NET DEBT**  
**€ 2,639M**

- NET DEBT declined to €2,638.7M (-0.5%), reflecting a cash flow higher than Capex and financial needs



**DEBT MATURITY SCHEDULE 2019**  
**€ 366M**

- REN is funded over the next two years The average debt maturity at the end of the period was 4.04 years



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

RoR AVERAGE	RoR ELECTRICITY WITH PREMIUM	RoR GAS <sub>T</sub>	PORTGÁS	AVERAGE COST OF DEBT	Net Debt / EBITDA
5.1%	5.8%	5.4%	5.7%	2.2%	5.3x