

# RESULTS REPORT

1H19 

---

25<sup>th</sup> July  

---

REN 

# 1H19 HIGHLIGHTS

## MAIN INDICATORS

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

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

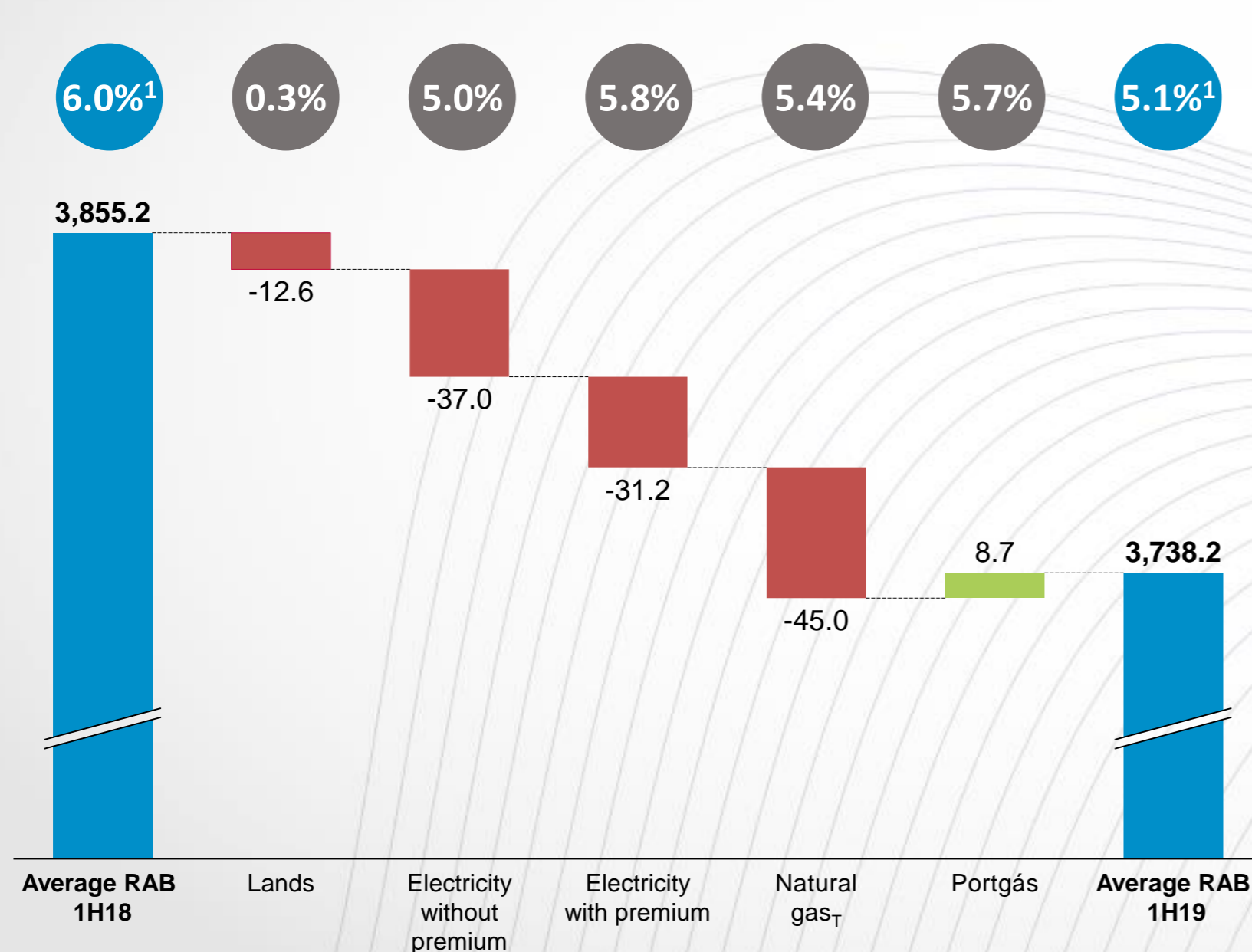
▶ Within Natural Gas transportation and storage, investment was mainly focused on the refurbishment of equipment;

▶ 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)



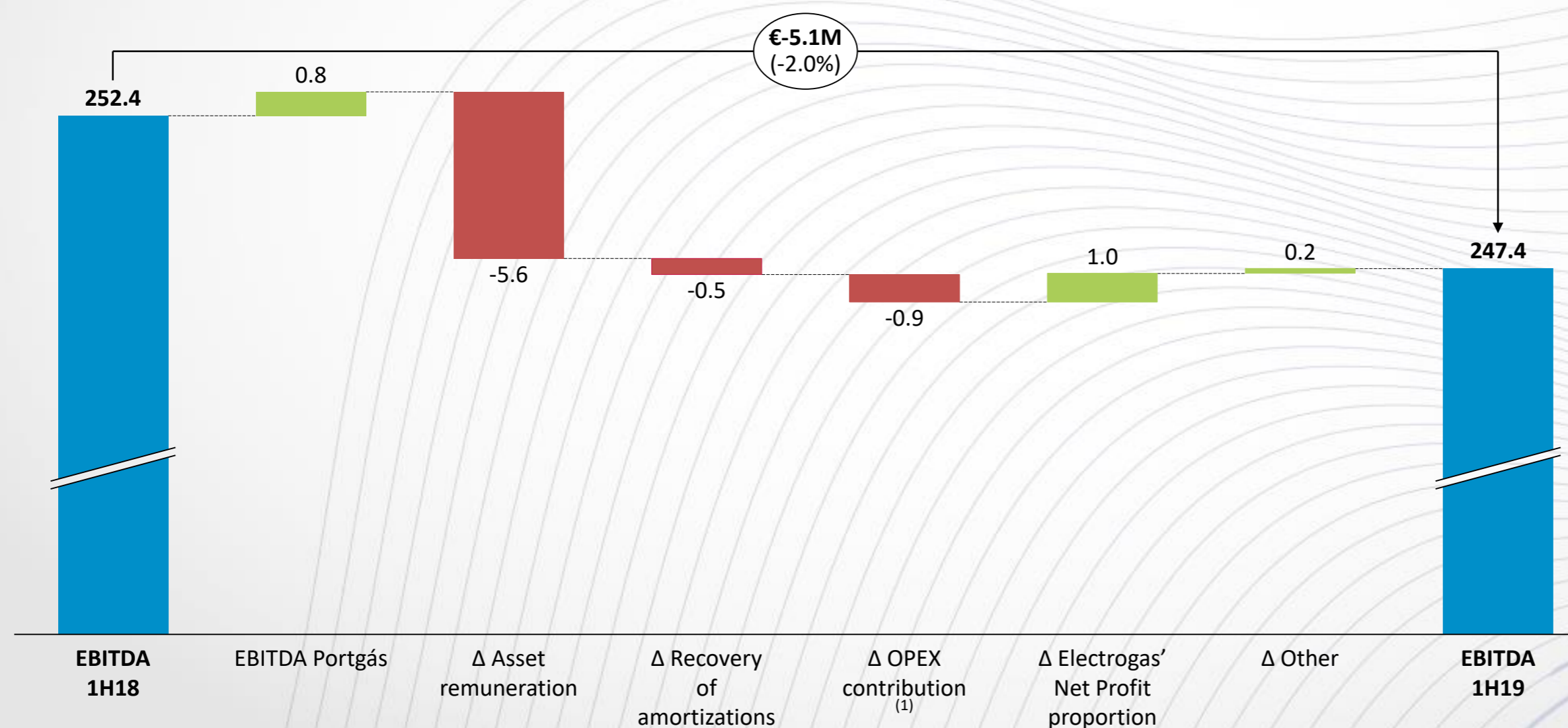
- ▶ Average RAB decreased by €117.0M year-on-year, penalized by the negative trend of natural gas transportation and electricity transmission;
- ▶ In the electricity transmission, the base rate of return (RoR) decreased by 0.2p.p. to 5.0%. The electricity with premium declined by €31.2M YoY, while lands, 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 31<sup>st</sup>, 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 1<sup>st</sup> 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)



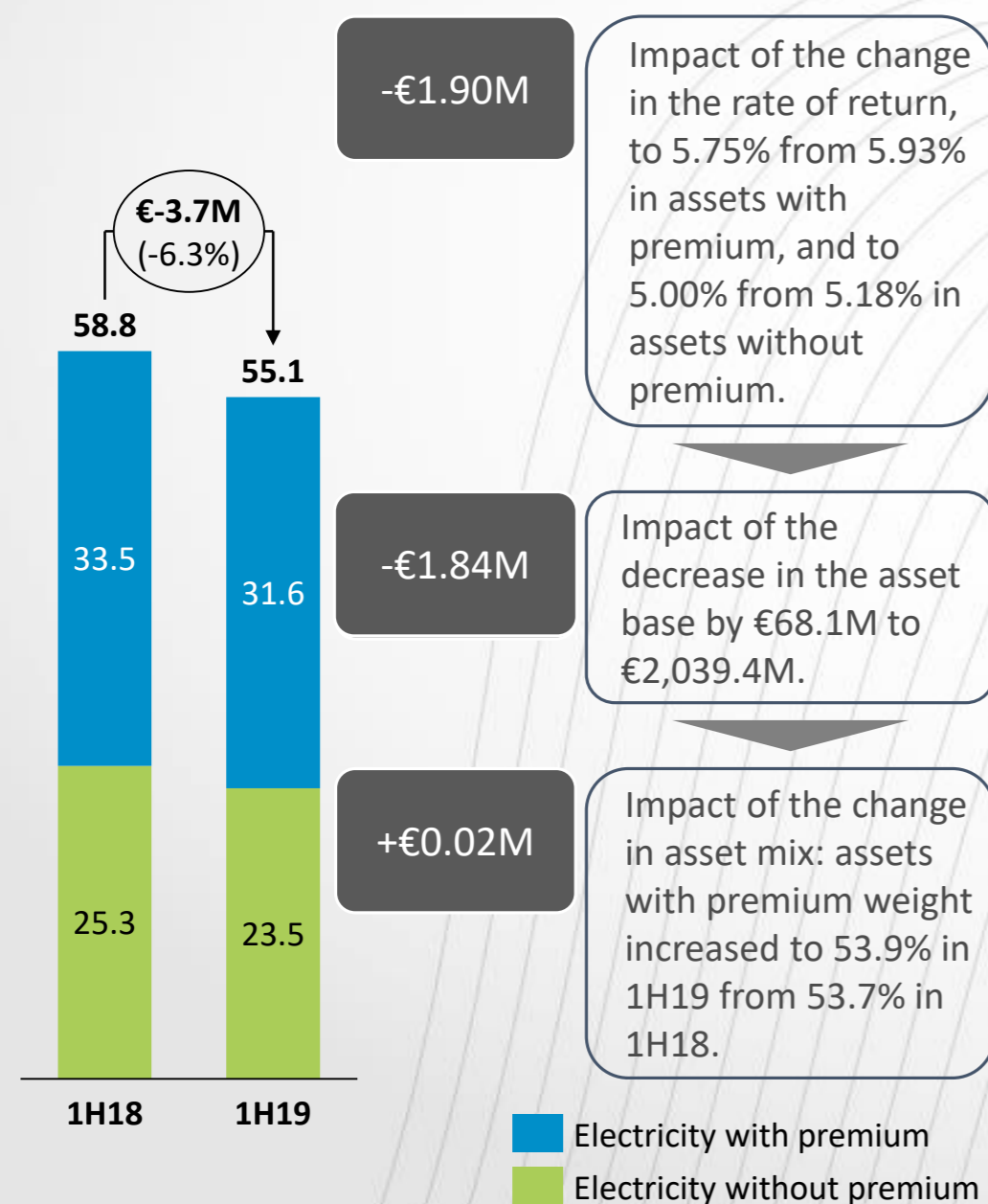
(1) Includes Δ€0.27M of OPEX own works.

# RAB REMUNERATION DOWN BY 5.6%

Reflecting the reduction in RoR and RAB (excluding Portgás)

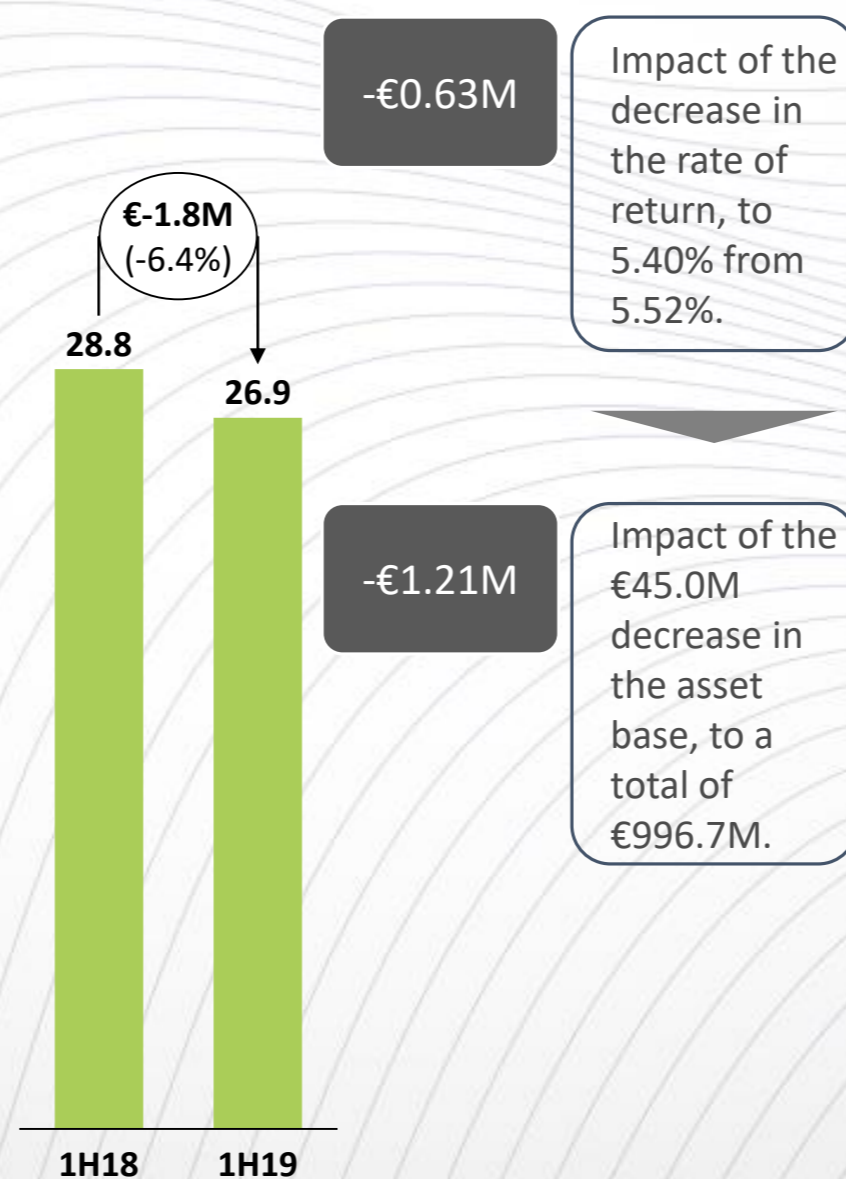
## RAB REMUNERATION ELECTRICITY

(ex. Lands)  
(€M)



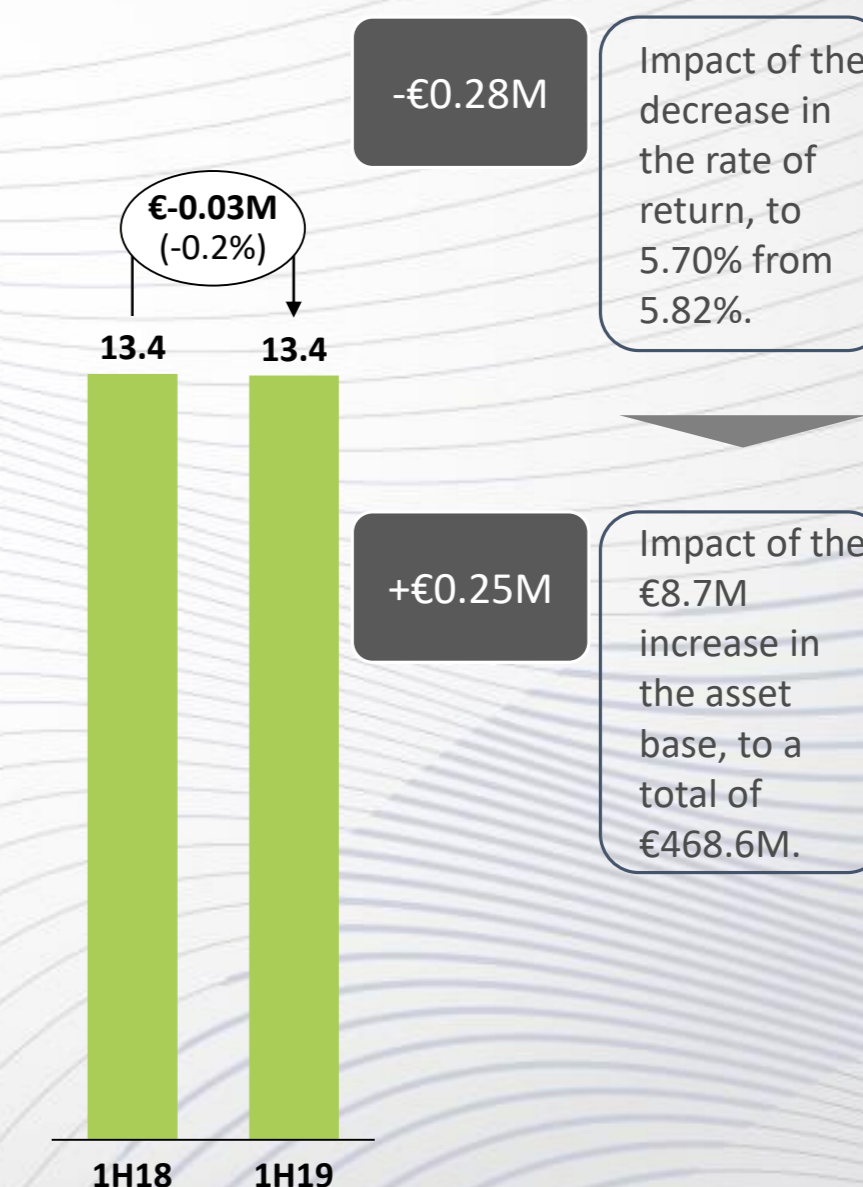
## RAB REMUNERATION NATURAL GAS<sub>T</sub>

(€M)



## RAB REMUNERATION PORTGÁS

(€M)

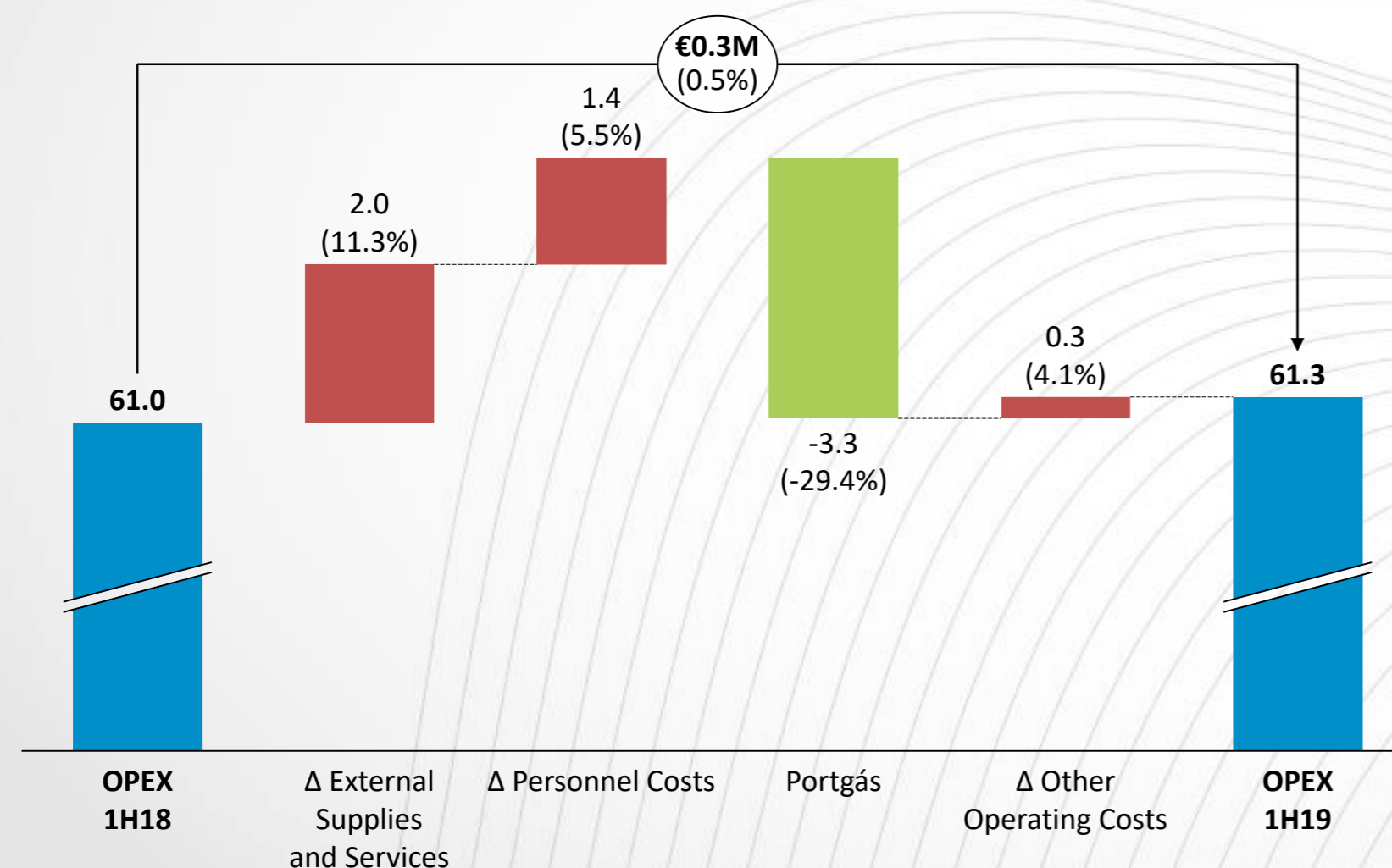


# OPEX IN LINE WITH PREVIOUS YEAR

Portgás performance improved by €3.3M

## OPERATIONAL COSTS

(€M)



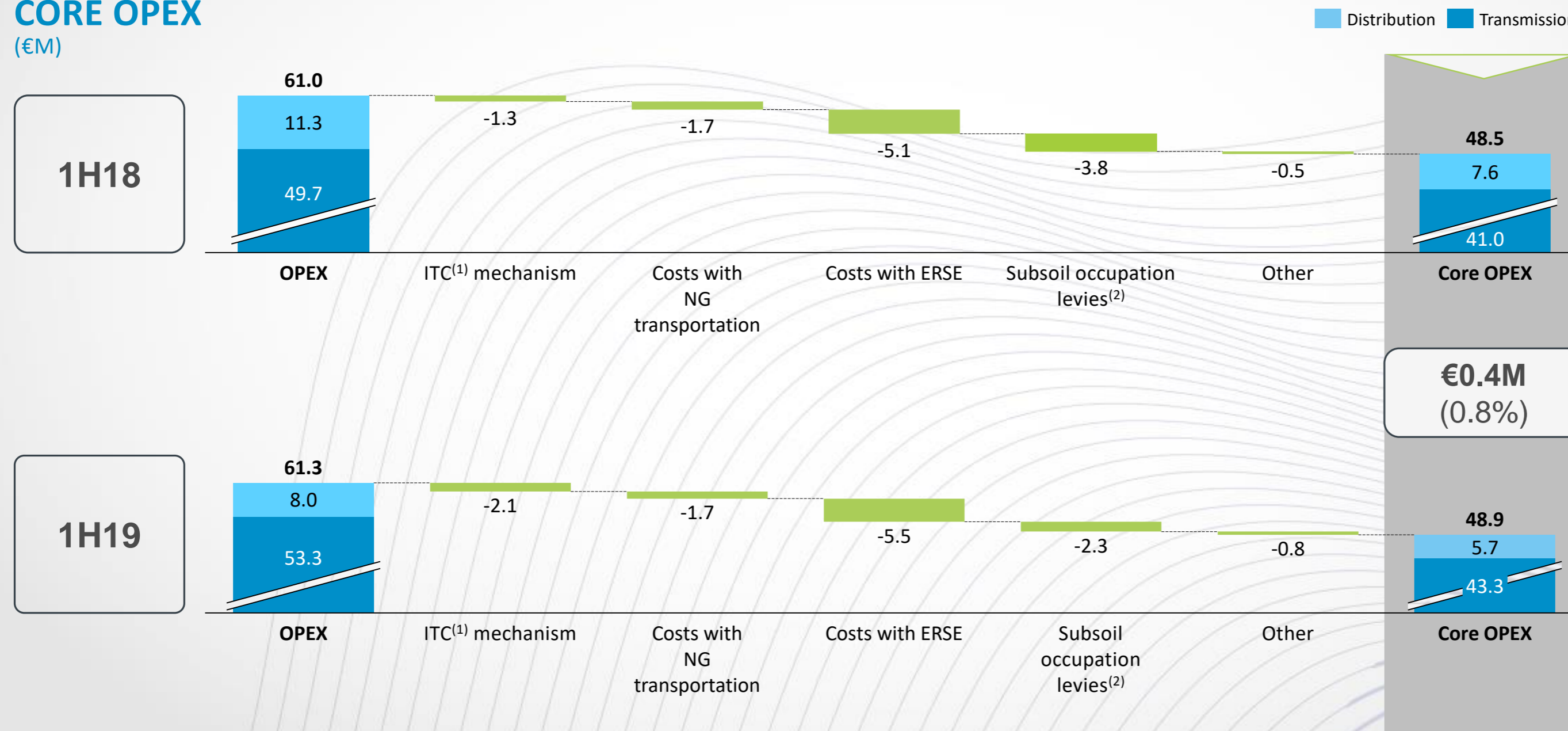
▶ Regarding the transmission business, OPEX variation was worsened by the €2.0M decrease in ESS;

▶ 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

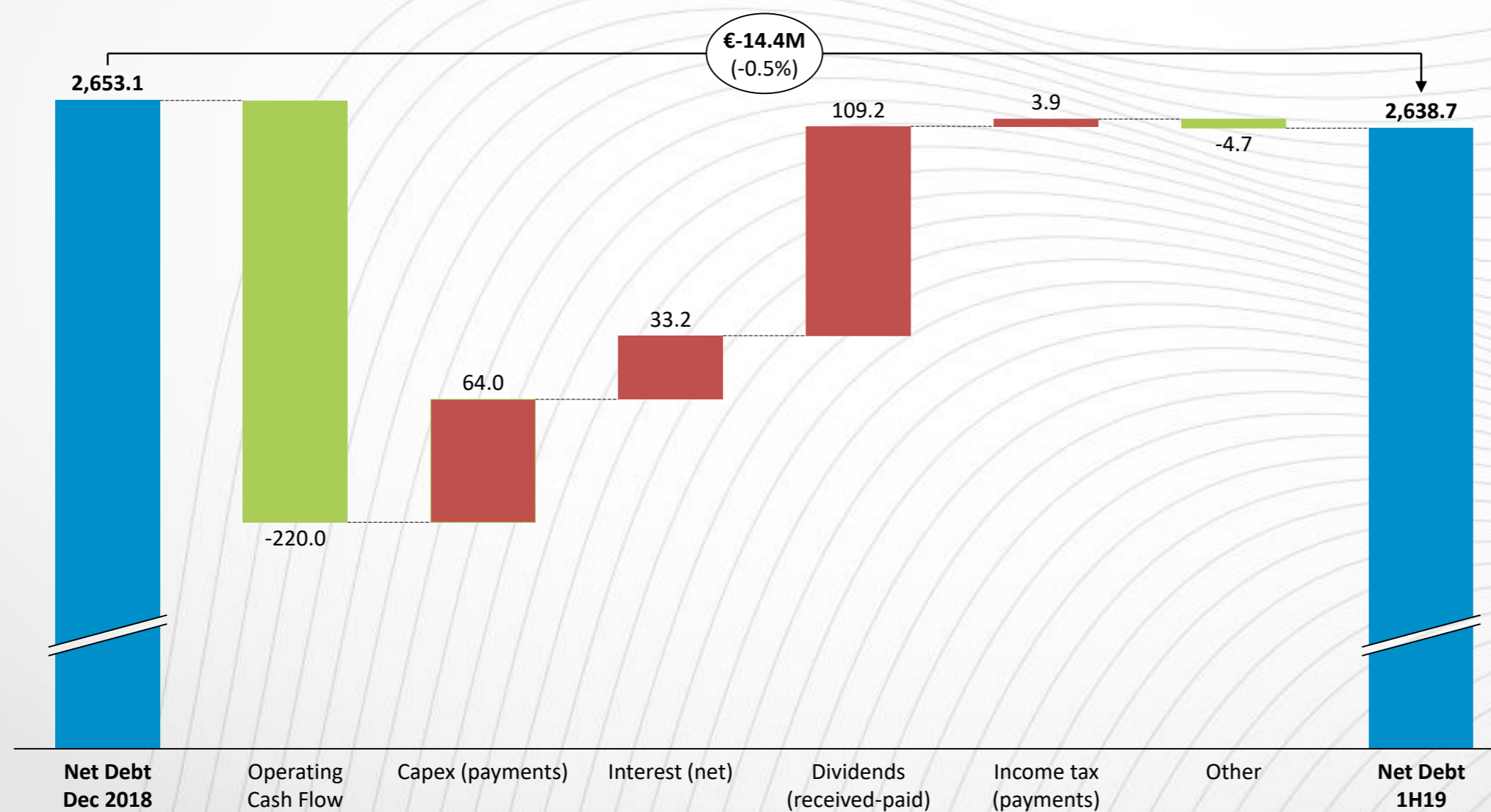
€M	1H19	1H18	Δ%	Δ Abs.
<b>EBITDA</b>	<b>247.4</b>	<b>252.4</b>	<b>-2.0%</b>	<b>-5.1</b>
<b>Depreciations and amortizations</b>	<b>117.2</b>	<b>117.7</b>	<b>-0.4%</b>	<b>-0.5</b>
<b>Financial Results</b>	<b>-26.9</b>	<b>-27.3</b>	<b>1.7%</b>	<b>0.5</b>
<b>Profit before income tax and levy</b>	<b>103.3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

- ▶ 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

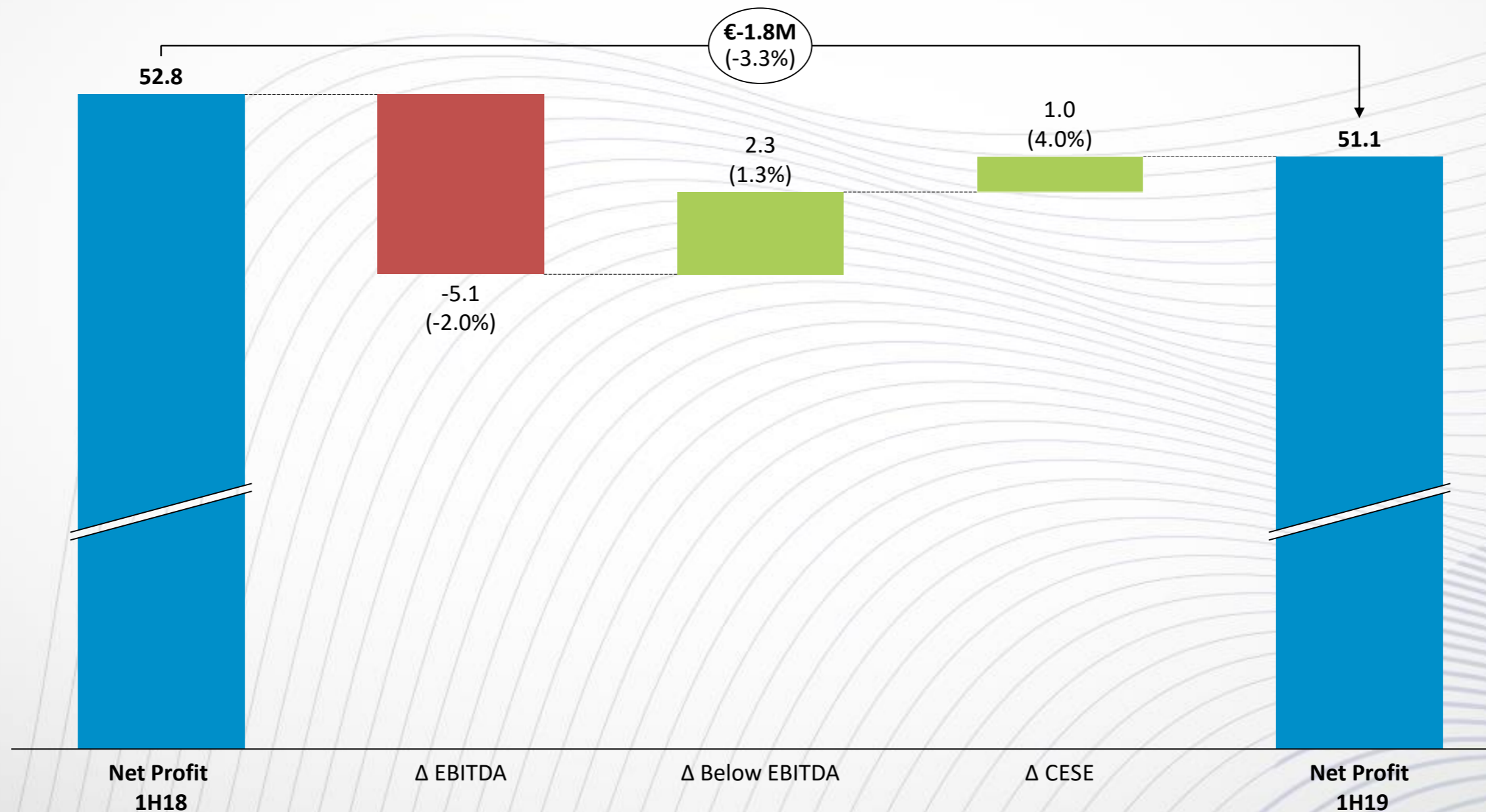
## NET DEBT (€M)



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

Financial Results strengthened Net Profit by €0.5M

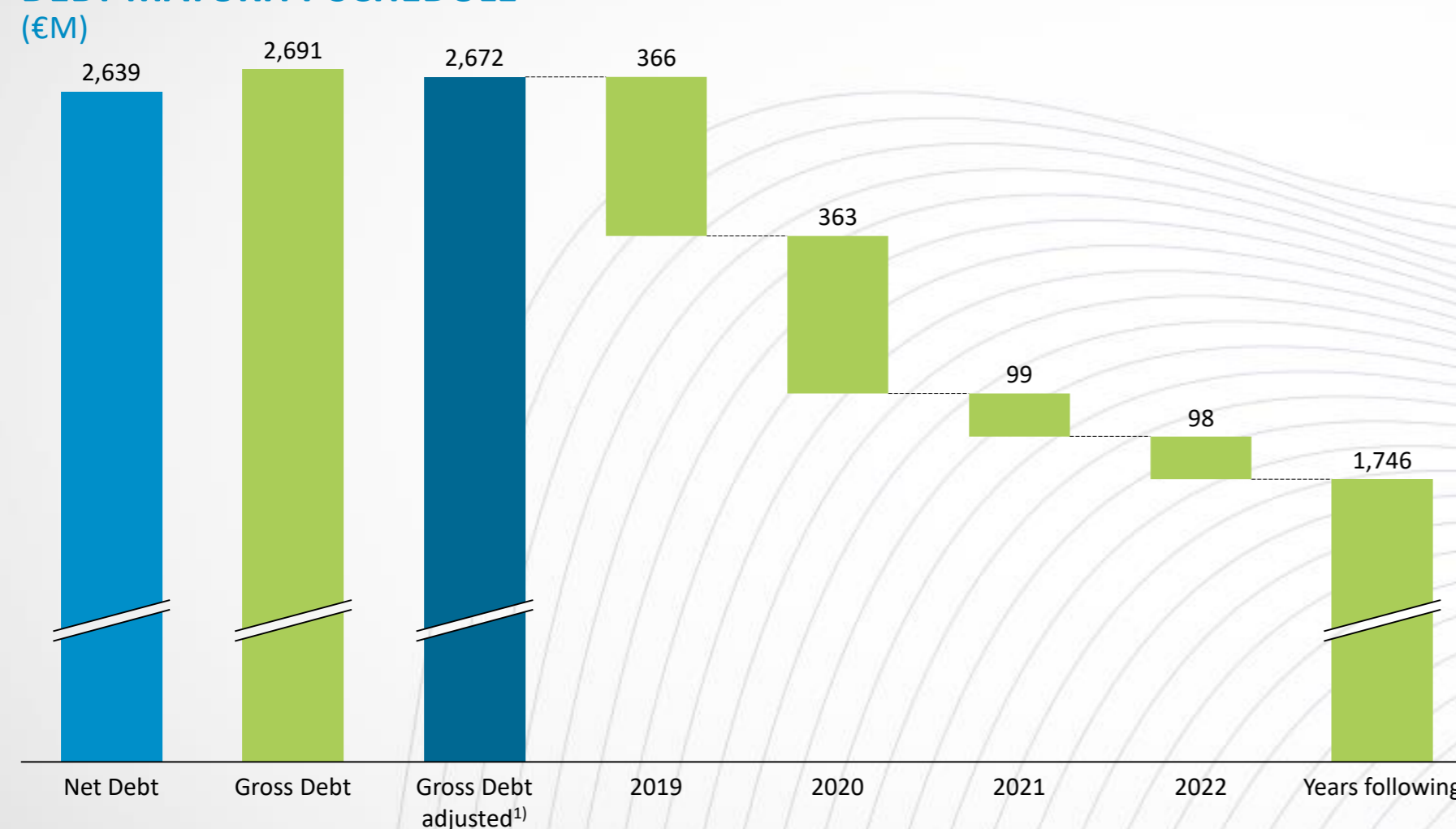
## NET PROFIT (€M)



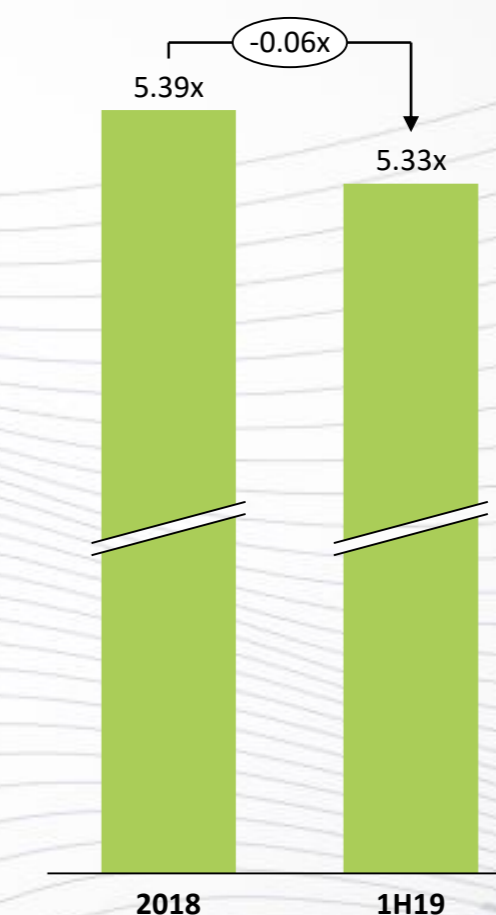
# REN IS FUNDED OVER THE NEXT TWO YEARS

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 <sup>1</sup>	363.4	355.3
Tariff deviations	153.5	160.8
Receivables <sup>2</sup>	381.6	444.4
Cash	25.4	35.7
Other <sup>3</sup>	123.8	122.4
<b>Total assets</b>	<b>5,051.9</b>	<b>5,191.6</b>
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 <sup>4</sup>	735.7	780.9
Other <sup>5</sup>	122.3	111.2
<b>Total equity and liabilities</b>	<b>5,051.9</b>	<b>5,191.6</b>

- ▶ 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 <sup>1)</sup>	29.8	16.6
Trading	100.8	128.0
Natural Gas <sub>T</sub> <sup>2)</sup>	-56.8	-71.5
Natural Gas <sub>D</sub>	-7.1	-1.1
<b>TOTAL</b>	<b>66.6</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 €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

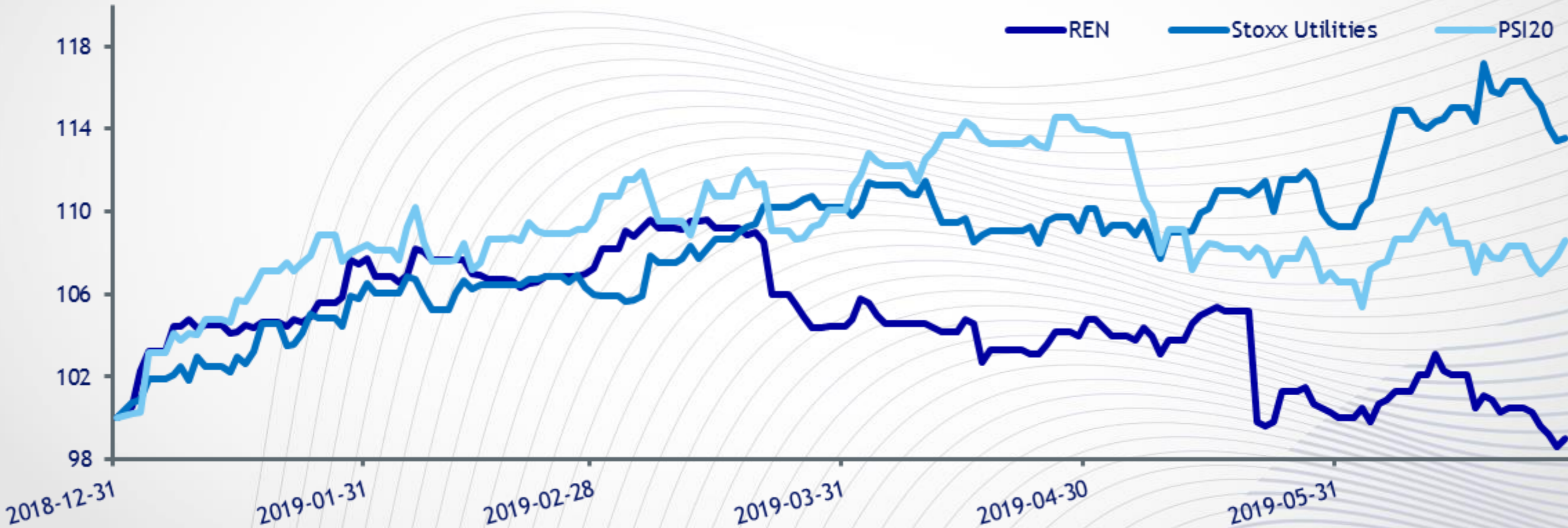
€M	Current	Non Current	TOTAL
Bonds	30.0	1,717.3	<b>1,747.3</b>
Bank borrowings	56.4	535.2	<b>591.5</b>
Commercial paper	329.5	27.0	<b>356.5</b>
Bank overdrafts	1.6	0.0	<b>1.6</b>
Finance lease	1.3	2.4	<b>3.6</b>
<b>TOTAL</b>	<b>418.7</b>	<b>2,281.8</b>	<b>2,700.5</b>
Accrued interest	17.8	0.0	<b>17.8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

- ▶ 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<sup>(1)</sup>

- ▶ **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 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

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



REN END OF PERIOD	1H19	2018
<b>Price (€)</b>		
Close	2.410	2.434
Average	2.545	2.458
High YTD	2.668	2.650
Low YTD	2.400	2.326
<i>Variation</i> YTD	-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
<b>Performance indicators</b>		
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 09<sup>th</sup> 2007).

REN 

---

# APPENDIX

# RESULTS BREAKDOWN

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>349.2</b>	<b>344.0</b>	<b>726.9</b>	<b>1.5%</b>	<b>5.2</b>
<b>Revenues from assets</b>	<b>223.1</b>	<b>227.2</b>	<b>455.3</b>	<b>-1.8%</b>	<b>-4.1</b>
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
<b>Revenues of OPEX</b>	<b>64.0</b>	<b>62.9</b>	<b>121.1</b>	<b>1.8%</b>	<b>1.1</b>
<b>Other revenues</b>	<b>12.2</b>	<b>14.7</b>	<b>28.6</b>	<b>-16.6%</b>	<b>-2.4</b>
<b>Construction revenues (IFRIC 12)</b>	<b>49.9</b>	<b>39.3</b>	<b>121.8</b>	<b>27.0%</b>	<b>10.6</b>
<b>2) OPEX</b>	<b>61.3</b>	<b>61.0</b>	<b>131.3</b>	<b>0.5%</b>	<b>0.3</b>
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
<b>3) Construction costs (IFRIC 12)</b>	<b>40.3</b>	<b>30.4</b>	<b>102.4</b>	<b>32.6%</b>	<b>9.9</b>
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
<b>6) EBIT</b>	<b>130.2</b>	<b>134.8</b>	<b>257.2</b>	<b>-3.4%</b>	<b>-4.6</b>
7) Depreciations and amortizations	117.2	117.7	235.1	-0.4%	-0.5
<b>8) EBITDA</b>	<b>247.4</b>	<b>252.4</b>	<b>492.3</b>	<b>-2.0%</b>	<b>-5.1</b>
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
<b>13) NET PROFIT</b>	<b>51.1</b>	<b>52.8</b>	<b>115.7</b>	<b>-3.3%</b>	<b>-1.8</b>
14) Non recurrent items*	24.4	25.6	21.5	-4.8%	-1.2
<b>15) RECURRENT NET PROFIT</b>	<b>75.5</b>	<b>78.4</b>	<b>137.2</b>	<b>-3.8%</b>	<b>-3.0</b>

**\* 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.
<b>Other revenues</b>	<b>12.2</b>	<b>14.7</b>	<b>28.6</b>	<b>-16.6%</b>	<b>-2.4</b>
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
<b>Other costs</b>	<b>9.9</b>	<b>11.6</b>	<b>17.3</b>	<b>-14.4%</b>	<b>-1.7</b>
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 (ELECTRICITY<sup>1</sup>)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>217.3</b>	<b>210.6</b>	<b>451.0</b>	<b>3.2%</b>	<b>6.7</b>
<b>Revenues from assets</b>	<b>145.3</b>	<b>148.0</b>	<b>296.6</b>	<b>-1.8%</b>	<b>-2.7</b>
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
<b>Revenues of OPEX</b>	<b>33.8</b>	<b>33.0</b>	<b>64.5</b>	<b>2.3%</b>	<b>0.8</b>
<b>Other revenues</b>	<b>1.6</b>	<b>2.0</b>	<b>4.3</b>	<b>-18.2%</b>	<b>-0.4</b>
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
<b>Construction revenues (IFRIC 12)</b>	<b>36.5</b>	<b>27.6</b>	<b>85.6</b>	<b>32.4%</b>	<b>8.9</b>
<b>2) OPEX</b>	<b>23.7</b>	<b>21.4</b>	<b>52.6</b>	<b>11.0%</b>	<b>2.3</b>
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
<b>3) Construction costs (IFRIC 12)</b>	<b>29.2</b>	<b>20.8</b>	<b>70.9</b>	<b>40.7%</b>	<b>8.5</b>
<b>4) Depreciations and amortizations</b>	<b>77.1</b>	<b>77.7</b>	<b>155.4</b>	<b>-0.7%</b>	<b>-0.6</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>87.1</b>	<b>90.5</b>	<b>171.7</b>	<b>-3.7%</b>	<b>-3.4</b>
7) Depreciations and amortizations	77.1	77.7	155.4	-0.7%	-0.6
<b>8) EBITDA (6+7)</b>	<b>164.3</b>	<b>168.2</b>	<b>327.1</b>	<b>-2.3%</b>	<b>-3.9</b>

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

# EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>83.1</b>	<b>83.8</b>	<b>171.3</b>	<b>-0.8%</b>	<b>-0.7</b>
<b>Revenues from assets</b>	<b>57.7</b>	<b>59.5</b>	<b>118.5</b>	<b>-3.1%</b>	<b>-1.8</b>
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
<b>Revenues of OPEX</b>	<b>21.5</b>	<b>19.8</b>	<b>40.4</b>	<b>8.7%</b>	<b>1.7</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	0.0	-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
<b>Construction revenues (IFRIC 12)</b>	<b>4.1</b>	<b>3.0</b>	<b>11.3</b>	<b>34.7%</b>	<b>1.1</b>
<b>2) OPEX</b>	<b>13.9</b>	<b>12.3</b>	<b>27.3</b>	<b>13.5%</b>	<b>1.7</b>
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
<b>3) Construction costs (IFRIC 12)</b>	<b>3.1</b>	<b>2.1</b>	<b>9.3</b>	<b>45.8%</b>	<b>1.0</b>
<b>4) Depreciations and amortizations</b>	<b>30.4</b>	<b>30.4</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>35.7</b>	<b>39.0</b>	<b>73.9</b>	<b>-8.3%</b>	<b>-3.3</b>
7) Depreciations and amortizations	30.4	30.4	60.8	0.0%	0.0
<b>8) EBITDA</b>	<b>66.1</b>	<b>69.3</b>	<b>134.7</b>	<b>-4.7%</b>	<b>-3.2</b>

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

# EBITDA BREAKDOWN (PORTGÁS)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>38.1</b>	<b>40.0</b>	<b>87.9</b>	<b>-4.9%</b>	<b>-1.9</b>
<b>Revenues from assets</b>	<b>20.1</b>	<b>19.7</b>	<b>40.1</b>	<b>2.0%</b>	<b>0.4</b>
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
<b>Revenues of OPEX</b>	<b>8.7</b>	<b>10.1</b>	<b>16.3</b>	<b>-13.4%</b>	<b>-1.4</b>
<b>Other revenues</b>	<b>0.0</b>	<b>1.6</b>	<b>6.6</b>	<b>-98.9%</b>	<b>-1.6</b>
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
<b>Construction revenues (IFRIC 12)</b>	<b>9.3</b>	<b>8.6</b>	<b>24.8</b>	<b>7.1%</b>	<b>0.6</b>
<b>2) OPEX</b>	<b>8.0</b>	<b>11.3</b>	<b>18.4</b>	<b>-29.4%</b>	<b>-3.3</b>
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
<b>3) Construction costs (IFRIC 12)</b>	<b>8.0</b>	<b>7.5</b>	<b>22.2</b>	<b>6.7%</b>	<b>0.5</b>
<b>4) Depreciations and amortizations</b>	<b>6.9</b>	<b>6.6</b>	<b>13.4</b>	<b>5.2%</b>	<b>0.3</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>15.1</b>	<b>14.7</b>	<b>33.7</b>	<b>3.1%</b>	<b>0.5</b>
7) Depreciations and amortizations	6.9	6.6	13.4	5.2%	0.3
<b>8) EBITDA</b>	<b>22.0</b>	<b>21.2</b>	<b>47.1</b>	<b>3.7%</b>	<b>0.8</b>

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



# EBITDA BREAKDOWN (OTHER\*)

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>10.7</b>	<b>9.6</b>	<b>16.6</b>	<b>11.7%</b>	<b>1.1</b>
<b>Other revenues</b>	<b>10.7</b>	<b>9.6</b>	<b>16.6</b>	<b>11.7%</b>	<b>1.1</b>
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
<b>Construction revenues (IFRIC 12)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>2) OPEX</b>	<b>15.6</b>	<b>16.0</b>	<b>33.0</b>	<b>-2.1%</b>	<b>-0.3</b>
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
<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>2.7</b>	<b>3.0</b>	<b>5.5</b>	<b>-8.9%</b>	<b>-0.3</b>
<b>5) Other</b>	<b>0.2</b>	<b>0.0</b>	<b>0.3</b>		<b>0.2</b>
<b>6) EBIT</b>	<b>-7.8</b>	<b>-9.3</b>	<b>-22.1</b>	<b>16.6%</b>	<b>1.5</b>
7) Depreciations and amortizations	2.7	3.0	5.5	-8.9%	-0.3
<b>8) EBITDA</b>	<b>-5.1</b>	<b>-6.4</b>	<b>-16.6</b>	<b>20.2%</b>	<b>1.3</b>

\* 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.
<b>CAPEX*</b>	<b>49.9</b>	<b>39.4</b>	<b>121.9</b>	<b>26.5%</b>	<b>10.5</b>
Electricity	36.5	27.6	85.6	32.4%	8.9
Natural gas <sub>T</sub>	4.1	3.0	11.3	34.7%	1.1
Natural gas <sub>D</sub>	9.3	8.8	24.9	5.3%	0.5
Other	0.0	0.0	0.1		0.0
<b>Transfers to RAB**</b>	<b>49.9</b>	<b>19.3</b>	<b>88.5</b>		<b>30.5</b>
Electricity	39.8	12.4	53.8		27.3
Natural gas <sub>T</sub>	1.3	0.7	11.0	72.5%	0.5
Natural gas <sub>D</sub>	8.8	6.2	23.7	42.9%	2.7
<b>Average RAB</b>	<b>3,738.2</b>	<b>3,855.2</b>	<b>3,832.0</b>	<b>-3.0%</b>	<b>-117.0</b>
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 <sub>T</sub>	996.7	1,041.7	1,032.6	-4.3%	-45.0
Natural gas <sub>D</sub>	468.6	459.9	464.5	1.9%	8.7
<b>RAB e.o.p.</b>	<b>3,708.6</b>	<b>3,811.9</b>	<b>3,767.7</b>	<b>-2.7%</b>	<b>-103.3</b>
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 <sub>T</sub>	983.4	1,028.1	1,010.0	-4.3%	-44.7
Natural gas <sub>D</sub>	468.9	459.7	468.4	2.0%	9.2
<b>RAB's variation e.o.p.</b>	<b>-51.7</b>	<b>-86.8</b>	<b>-131.0</b>		
Electricity	-32.0	-53.1	-81.5		
Land	-6.3	-6.3	-12.6		
Natural gas <sub>T</sub>	-14.0	-27.1	-45.2		
Natural gas <sub>D</sub>	0.5	-0.3	8.4		

€M	1H19	1H18	2018	1H19/1H18	
				Δ %	Δ Abs.
<b>RAB's remuneration</b>	<b>95.7</b>	<b>101.4</b>	<b>201.3</b>	<b>-5.6%</b>	<b>-5.7</b>
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 <sub>T</sub>	26.9	28.8	57.1	-6.4%	-1.8
Natural gas <sub>D</sub>	13.4	13.4	27.0	-0.2%	0.0
<b>RoR's RAB</b>	<b>5.1%</b>	<b>6.0%</b>	<b>5.3%</b>		<b>-0.8p.p.</b>
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 <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

	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
<b>ASSETS</b>		
<b>Non-current assets</b>		
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
	<b>4,669,323</b>	<b>4,691,247</b>
<b>Current assets</b>		
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
	<b>382,568</b>	<b>500,327</b>
<b>TOTAL ASSETS</b>	<b>5,051,890</b>	<b>5,191,574</b>

	Jun 2019	Dec 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	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
<b>TOTAL EQUITY</b>	<b>1,388,807</b>	<b>1,463,837</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
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
	<b>2,879,429</b>	<b>2,876,418</b>
<b>Current liabilities</b>		
Borrowings	430,382	431,401
Trade and other payables	353,273	419,917
	<b>783,655</b>	<b>851,319</b>
<b>TOTAL LIABILITIES</b>	<b>3,663,083</b>	<b>3,727,737</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,051,890</b>	<b>5,191,574</b>

# 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
<b>Operating income</b>	<b>349,272</b>	<b>344,390</b>
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
<b>Operating costs</b>	<b>-219,028</b>	<b>-209,218</b>
<b>Operating results</b>	<b>130,244</b>	<b>135,172</b>
Financial costs	-34,656	-37,648
Financial income	3,800	4,975
Investment income - dividends	3,934	4,968
<b>Financial results</b>	<b>-26,923</b>	<b>-27,705</b>
<b>Profit before income tax and ESEC</b>	<b>103,322</b>	<b>107,467</b>
Income tax expense	-27,854	-29,246
Energy sector extraordinary contribution (ESEC)	-24,390	-25,398
<b>Net profit for the year</b>	<b>51,078</b>	<b>52,823</b>
<b>Attributable to:</b>		
Equity holders of the Company	51,078	52,823
Non-controlled interest	0	0
<b>Consolidated profit for the year</b>	<b>51,078</b>	<b>52,823</b>
<b>Earnings per share (expressed in euro per share)</b>	<b>0.08</b>	<b>0.08</b>

# CONSOLIDATED STATEMENTS

## Cash flow (thousands of euros)

	Jun 2019	Jun 2018
<b>Cash flow from operating activities</b>		
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
<b>Net cash flows from operating activities (1)</b>	<b>216,100</b>	<b>281,536</b>
<b>Cash flow from investing activities</b>		
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
<b>Net cash flow used in investing activities (2)</b>	<b>-54,966</b>	<b>-74,960</b>
<b>Cash flow from financing activities</b>		
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
<b>Net cash from/ (used in) financing activities (3)</b>	<b>-171,424</b>	<b>-222,175</b>
<b>Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)</b>	<b>-10,290</b>	<b>-15,599</b>
Effect of exchange rates	-30	-91
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>23,777</b>	<b>44,759</b>
<b>Detail of cash and cash equivalents</b>		
Cash	25	23
Bank overdrafts	-1,582	-7,348
Bank deposits	25,334	52,084
	<b>23,777</b>	<b>44,759</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.

# DISCLAIMER

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.





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  
Phone number: +351 210 013 546  
ir@ren.pt

