



# RESULTS PRESENTATION 1Q15

May 11<sup>th</sup>, 2015



# 1Q15 Highlights

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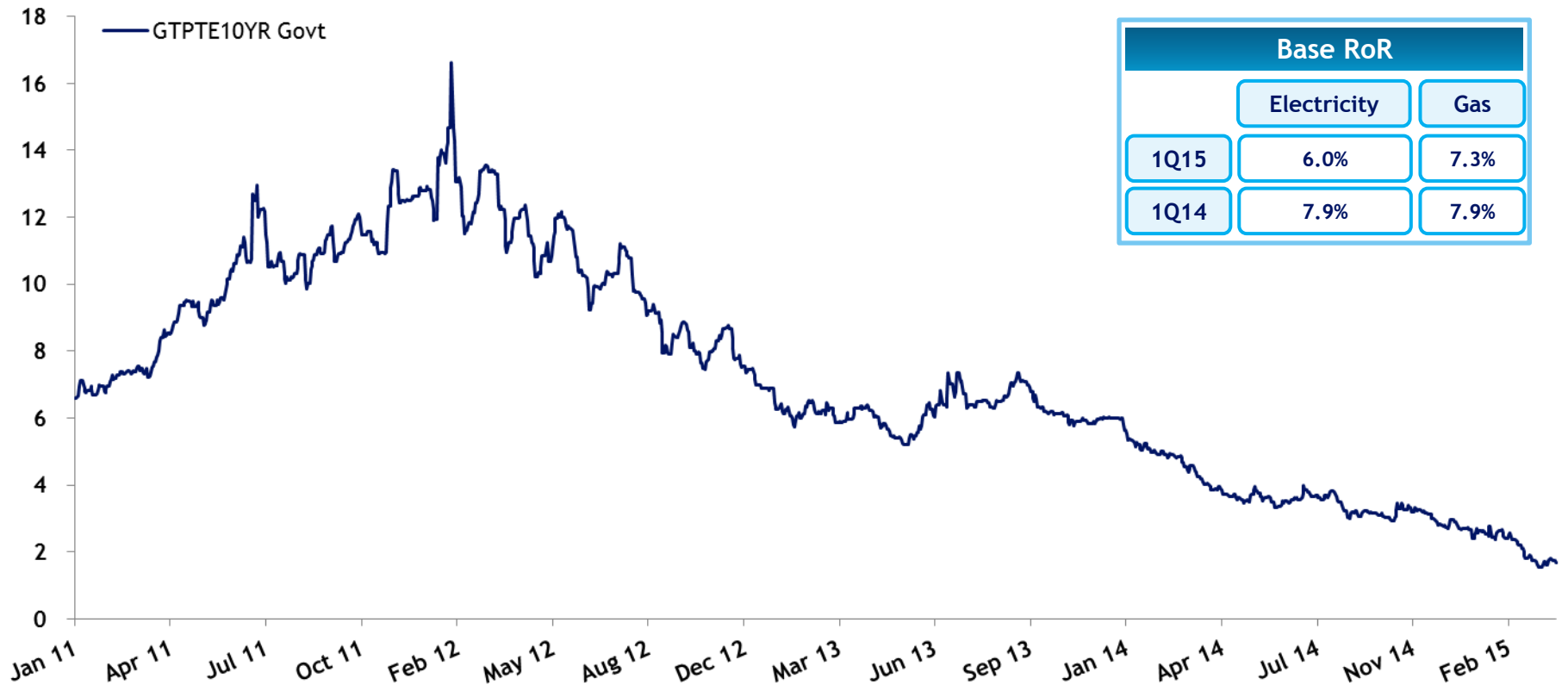
- ▶ **EBITDA** reached €138.3M, an increase of 9.4% (+€11.8M) versus 1Q14. This growth benefited from the capital gains with the sale of REN's stake in Enagás (+€20.1M), despite the negative impact of the recent regulatory changes in the electricity sector;
- ▶ **Financial Results** stood at -€24.5M (vs -€29.3M in 1Q14), profiting from a significant reduction in the company's average cost of debt, which was down to 4.1% from 4.8% in 1Q14. Net debt showed a flattish QoQ evolution (+0.2%), with the slowdown in CAPEX;
- ▶ **Net Profit** was up to €39.4M, a 49.8% (+€13.1M) increase when compared to the same period of the previous year. Excluding extraordinary effects, **Recurrent Net Profit** was down by €2.9M to €30.3M;
- ▶ Despite the increase in average RAB (+€10.7M) reaching €3,512.4M, **CAPEX** amounted to €8.4M, -€1.1M than in 1Q14.

# 1Q15 Main financial indicators

€M	1Q15	1Q14	Δ%	Δ Abs.
EBITDA	138.3	126.5	9.4%	11.8
Financial Results	-24.5	-29.3	16.5%	4.8
Recurrent Net Profit	30.3	33.3	-8.8%	-2.9
Net Profit	39.4	26.3	49.8%	13.1
Average RAB	3,512.4	3,501.7	0.3%	10.7
CAPEX	8.4	9.5	-12.0%	-1.1
Net Debt	2,371.7	2,366.6	0.2%	5.1

# Portugal's perceived sovereign debt risk continues to decrease

PT 10Y Treasury Bond Yields



Source: Bloomberg

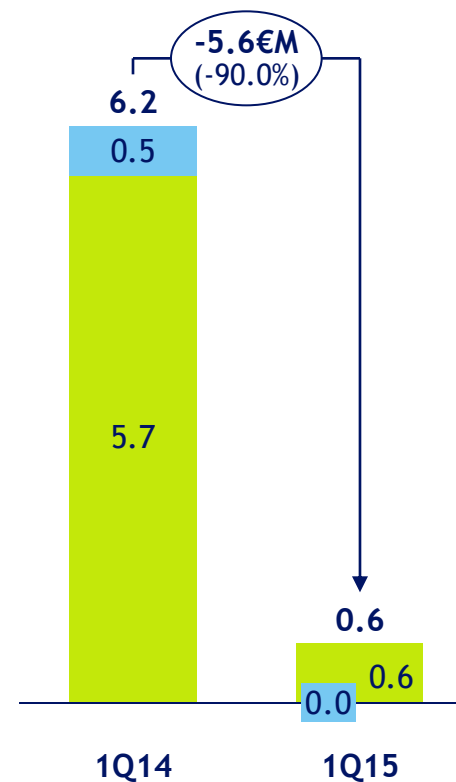
# CAPEX decreased by €1.1M vs 1Q14

In 1Q14, NG benefited from the investment in a new storage cavity (REN C6)

## CAPEX



## TRANSFERS TO RAB

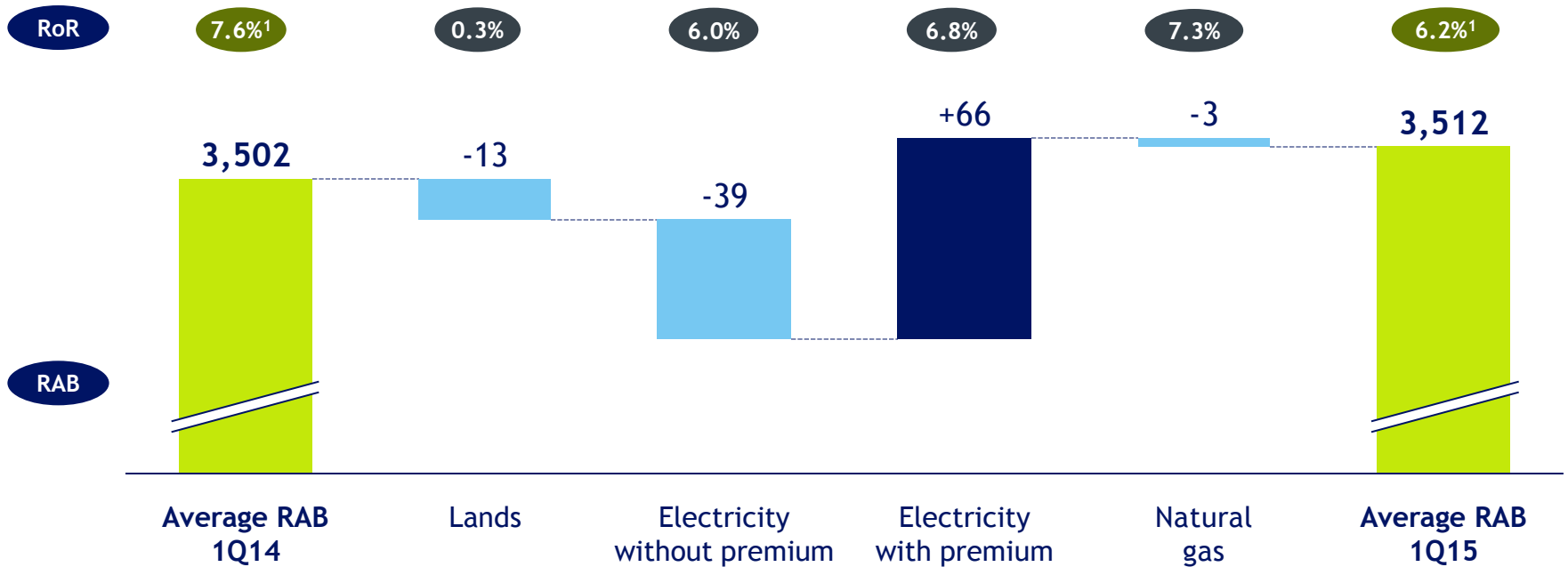


- Other
- Natural gas
- Electricity

# Higher average RAB (+€10.7M)

with focus on electricity assets with premium (RoR 6.8%, +€66M)

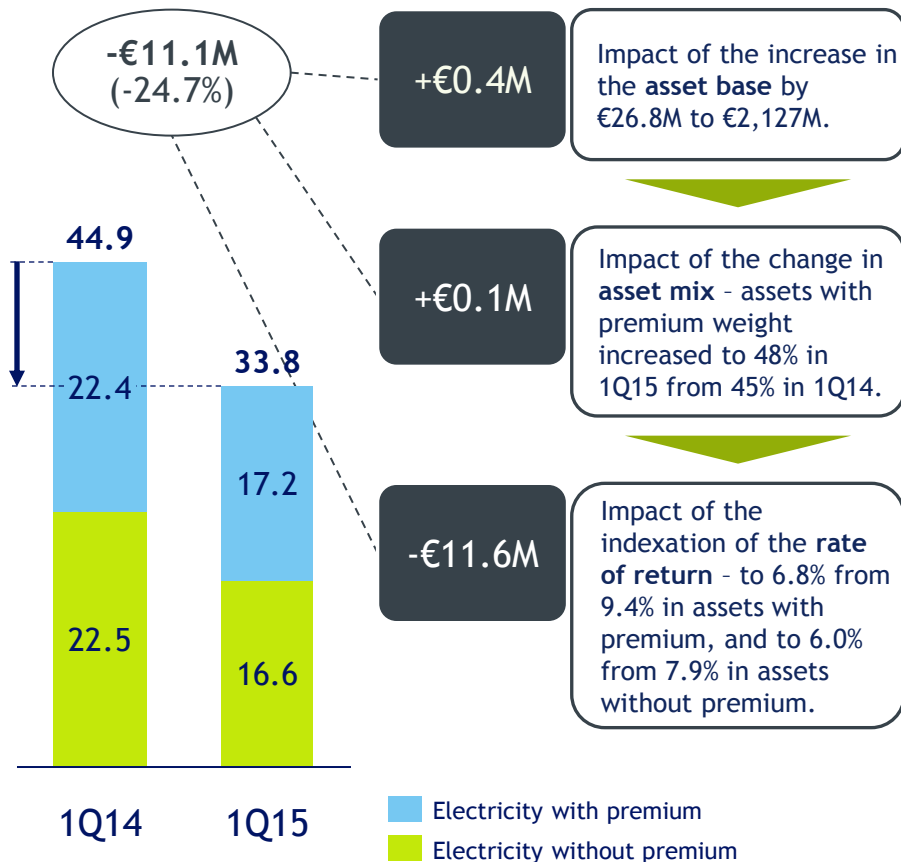
(€M)



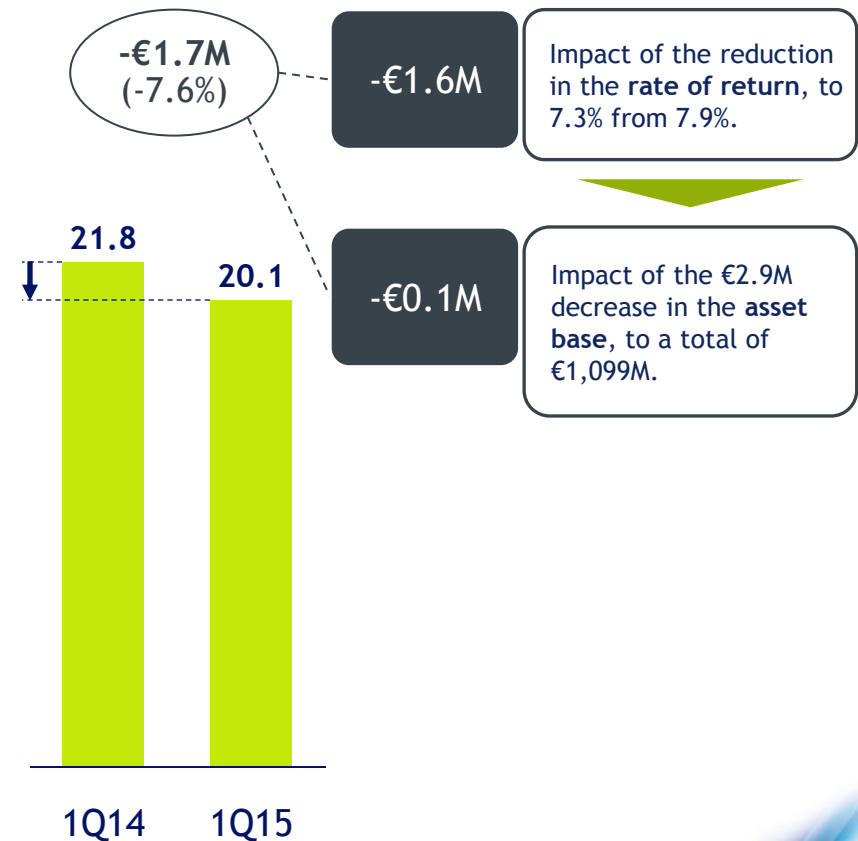
# RAB remuneration negatively impacted by a lower RoR

## Nevertheless, average RAB showed a positive evolution

### RAB REMUNERATION ELECTRICITY (ex. lands) (€M)



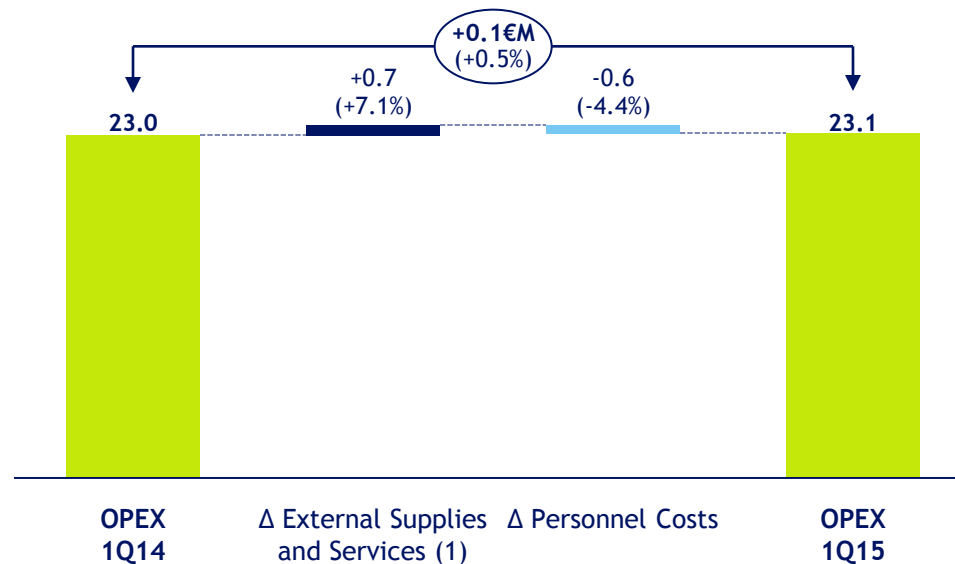
### RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect) (€M)



# OPEX was flat due to Bond issuance costs

## OPERATIONAL COSTS

(€M)



(1) Includes Δ+€0.2M of Other Operating Costs.

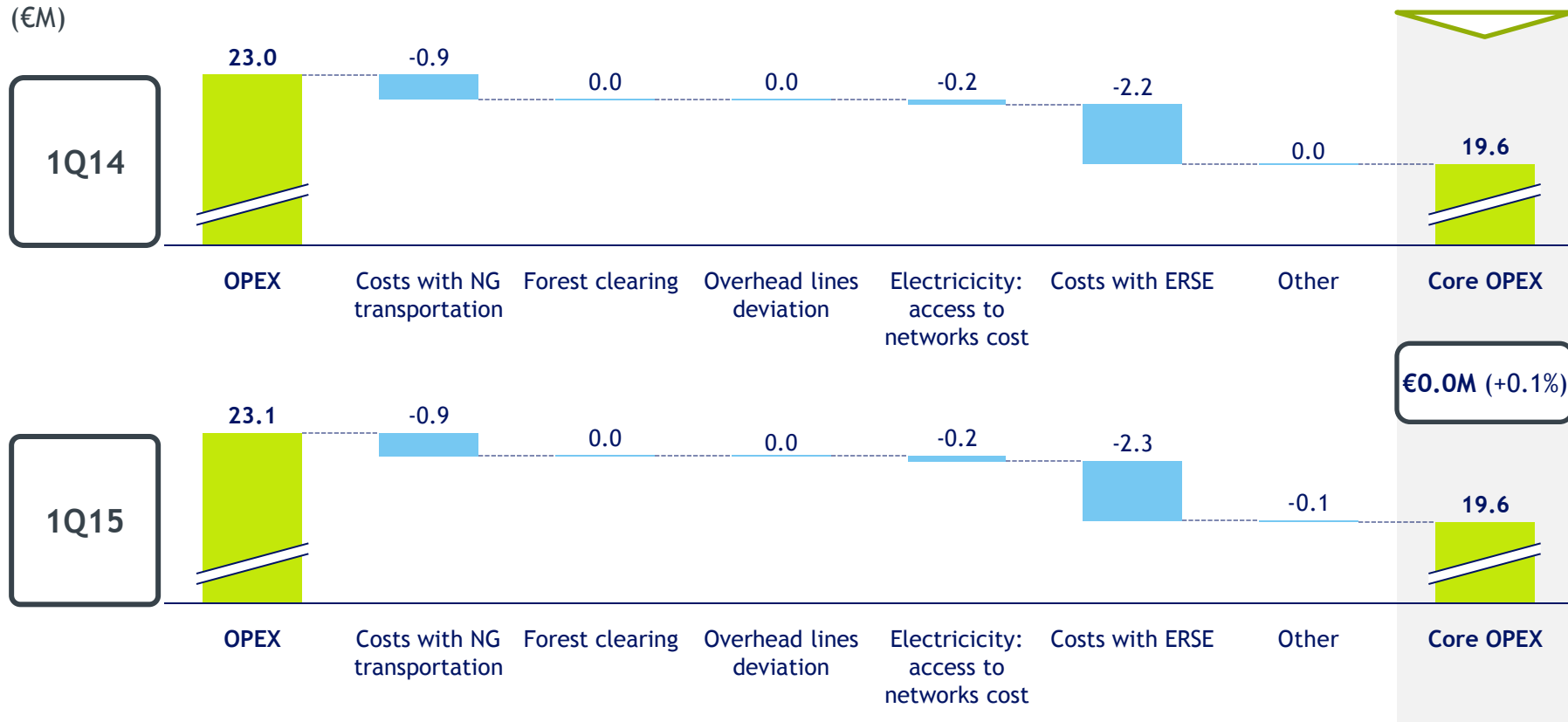
Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €4.9M in 1Q14 and €4.7M in 1Q15.



# Core OPEX fully in line with 1Q14, standing at €19.6M

## CORE OPEX

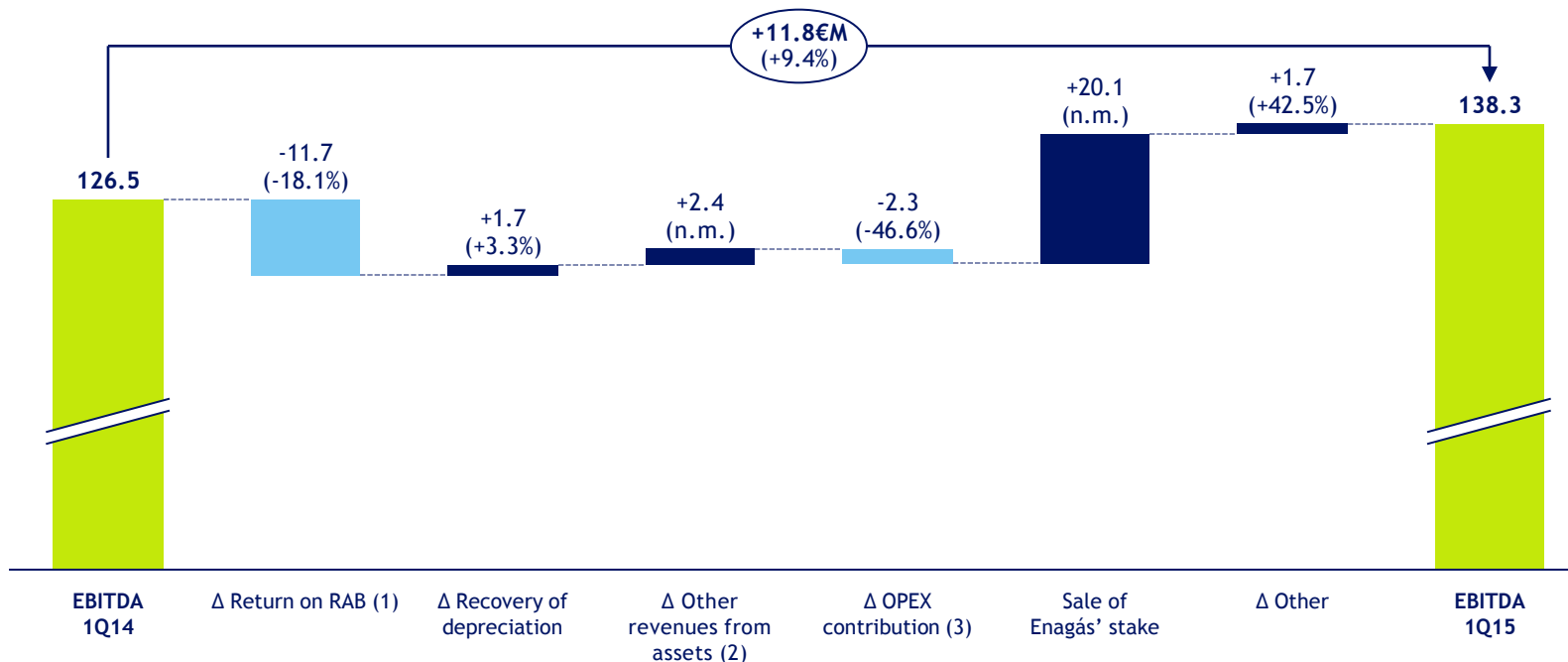
(€M)



Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €4.9M in 1Q14 and €4.7M in 1Q15.

# EBITDA increased by 9.4% to €138.3M sustained by the sale of Enagás' stake

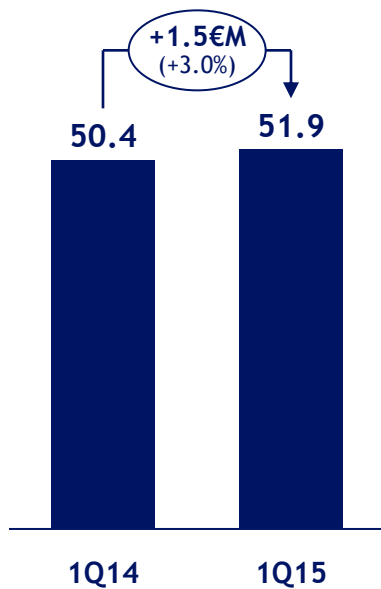
(€M)



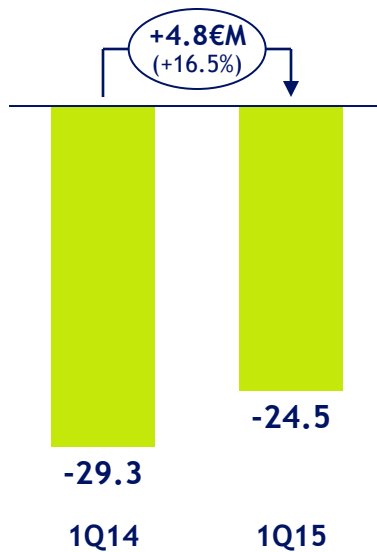
# Below EBITDA

Financial Results strengthened by lower avg. cost of debt

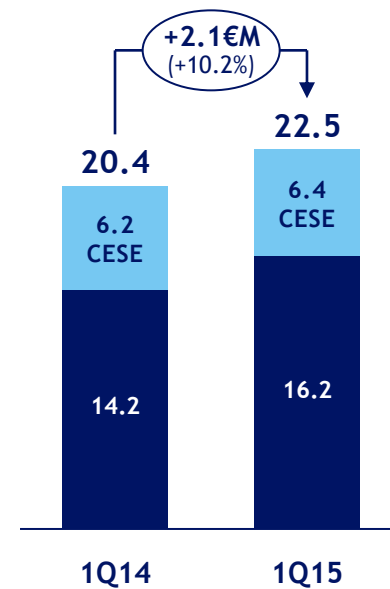
DEPRECIATION  
(€M)



FINANCIAL RESULTS  
(€M)



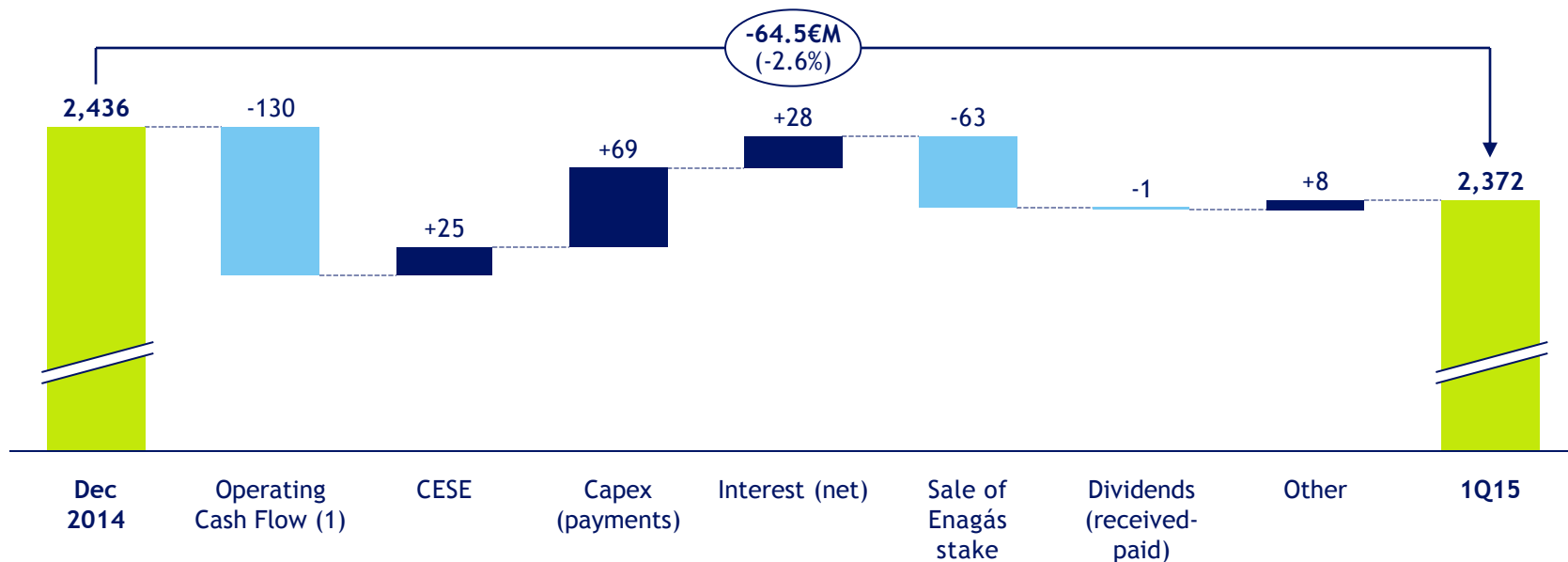
TAXES  
(€M)



# Average cost of debt fell to 4.1% (4.7% in 2014)

## NET DEBT

(€M)

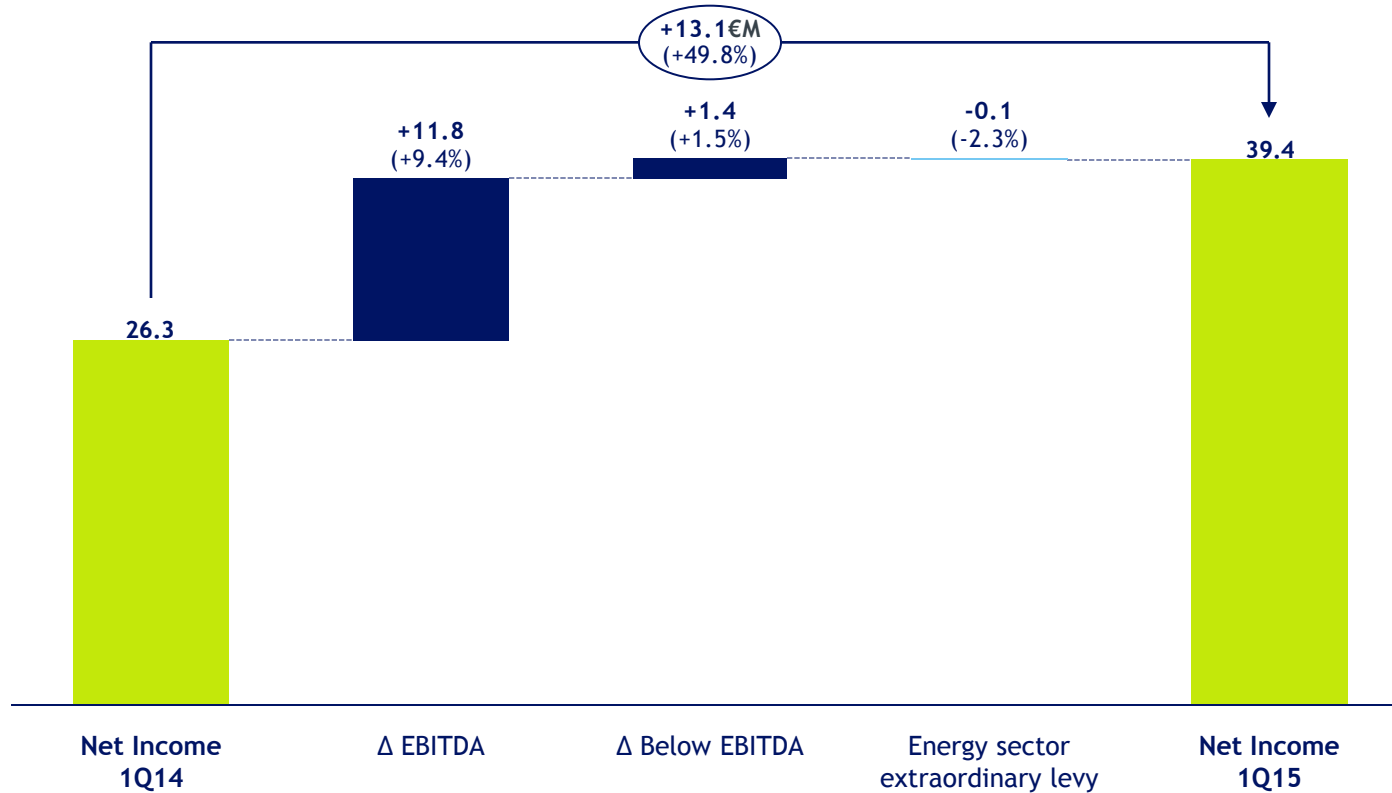


- ▶ The average cost of debt decreased by 60 b.p. compared with 2014;
- ▶ Net debt/EBITDA decreased to 4.81x (4.82x in 2014).

# Net Profit improved 49.8% to €39.4M

supported by the increase in EBITDA (+€11.8M)

(€M)



# Final remarks

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- ▶ REN presented sustained operational results and was able to further strengthen its Financial Results, which produced an increase in Net Profit;
- ▶ The sale of the Enagás stake boosted this performance, but the energy sector extraordinary levy and the changes in the new electricity regulatory framework penalized the results;
- ▶ In May, REN will paid 17.1 cents per share as dividend in relation to its 2014 Net Profit (dividend yield of about 6%);
- ▶ The new Strategic Plan of the Company will be disclosed to the market next May 15<sup>th</sup>, in the Investor Day.

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# REN

