

Results Report

9M2021

11th November 2021

AGENDA

- 1.** Overview of the period
- 2.** Business performance
- 3.** Closing remarks

1. Overview of the period



KEY MESSAGES



9M2021



EBITDA amounted to €343.4M, a reduction of 2.6% (-€9.1M) **YoY** explained by (1) a lower RAB remuneration (-€6.6M), driven by a decrease in RAB (with an impact of -€4.4M) and in RoR (-€2.2M); (2) a lower OPEX contribution (-€3.4M), partially offset by a higher incentive for economic efficiency of investments (+€1.4M) and amortizations recovery (+€0.9M).

International performance had a negative delta of €0.9M, despite a better EBITDA from Transemel (+€0.3M).



Net Profit stood at €68.4M, due to (1) a solid contribution from **Financial results** (increase of €5.5M to -€31.1M), a consequence of the decrease of the **cost of debt** (from 1.9% to 1.6%); and (2) a lower energy levy (Δ€1.1M).



Capex increased by €38.0M vs 9M20 to €141.7M, while transfers to RAB reached €80.5M, an increase of €58.6M, driven by the electricity transmission business (+€56.4M). Steadily the transfers that had to be delayed due to the pandemic are getting on target.



Renewable energy sources (RES) reached **60.6%** of total supply (approx. +4.7 p.p. than in 9M20). **Consumption** of electricity and the **distribution** of natural gas **increased**.



High levels of service quality were maintained during the first nine months of 2021. The level of energy transmission losses stood at 2.0% for 9M2021, in line with the figure for the previous year while the combined availability rate of gas transmission reached 99.9%.

SECTOR OVERVIEW



The Energy Transition is at the center of the Portuguese Government agenda



New regulatory period for the electricity sector

- On the 15th of October, ERSE announced the proposal of Tariffs and Prices for Electricity in 2022. The regulator defined the **Rate of Return** applicable to the next regulatory period 2022-2025 with a base rate of 4%, considering 0.224% for the Portuguese 10Y Treasury bonds. An **indexation mechanism** is kept as before, a variation of 2.5% of the 10YTB leads to a variation of 1% in the RoR. The **floor** is 3.7% and the **ceiling** is 7%. The **efficiency factor** for both TEE and GGS activities are set to 1.5% for the years 2023 to 2025. ERSE has also decided to keep 0.75% **premium** over all the assets built before the 31st of December 2021 that are entitled to this under the **reference cost mechanism**.
- The detailed parameter proposal has been submitted to the tariff council and the final parameters will be known on the 15th of December.**



Tariffs Regulation for the electricity sector

- ERSE approved and published the reformulation of the Tariffs Regulation for the electricity sector where it approved a new set of rules relating to tariffs and allowed revenues between 2022 and 2025.
- Tariff changes include the elimination of the tariff applied to producers for the injection of energy into the public network, the tariff treatment to be given to autonomous storage facilities, and other.
- With regard to the regulatory regime, new provisions are set to reinforce the monitoring of the financial performance of regulated companies and the scrutiny in the assessment of reported costs, and a new regulatory model is defined, a revenue cap methodology applied to the controllable TOTEX of electricity transmission and electricity distribution activities in HV and MV.



Network Development Plans reports

- In August, **ERSE has published PDIRT and PDIRG assessment reports** following the public consultation, recommending **investment restrictions to both electricity and gas**. The assessment reflects ERSE's particular views on the development of the energy sector which **conflict with the government policy and present sector response**
- REN is carefully evaluating the full assessment reports** to understand the real extent of ERSE's recommendations related to particular investment projects, in order to incorporate in the final version of PDIRT and PDIRG the projects to be approved, and send it to the Government for decision

European Commission new legislative package

- European Commission presented the legislative package '**Fit-for-55: delivering the EU's 2030 climate target on the way to climate neutrality**' - the package consists of a set of interlinked legislative proposals that address the common goal of ensuring a fair, competitive and green transition by 2030 and beyond.

2. Business performance



BUSINESS HIGHLIGHTS



Higher share of renewables, in a context of declining gas consumption by the large industrial customers



Electricity

Consumption

36.7TWh ↑ 0.6 TWh (1.8%)

9M20: **36.0TWh**

Renewables in consumption supply

60.6% ↑ 4.7pp

9M20: **55.9%**

Energy transmission losses

2.0% ↑ 0.2pp

9M20: **1.8%**

Average interruption time

0.05min ↑ 0.02min (66.7%)

9M20: **0.03min**

Line length

9,037km ↑ 36km (0.4%)

9M20: **9,002km**



Gas Transmission

Consumption

47.9TWh ↓ 1.7TWh (3.5%)

9M20: **49.6TWh**

Combined availability rate

99.9% ↓ 0.07pp

9M20: **100.0%**

Line length

1,375km = 0km (0.0%)

9M20: **1,375km**



Gas Distribution

Gas distributed

5.7TWh ↑ 0.4TWh (8.5%)

9M20: **5.3TWh**

Emergency situations with response time up to 60min

98.1% ↓ 1.0pp

9M20: **99.1%**

Line length

6,024km ↑ 210km (3.6%)

9M20: **5,814km**

FINANCIAL HIGHLIGHTS

Net profit declined despite the solid improvement in Financial Results and the improvement in Net Debt

EBITDA

€343.4M  9.1
(2.6%)

9M20: €352.5M

Financial results

-€31.1M  5.5
(15.1%)

9M20: -€36.7M

Net Profit

€68.4M  7.7
(10.1%)

9M20: €76.1M

CAPEX

€141.7M  38.0
(36.7%)

9M20: €103.7M

Average RAB¹

€3,518.5M  134.4
(3.7%)

9M20: €3,652.9M

Net Debt

€2,378.2M  364.8
(13.3%)

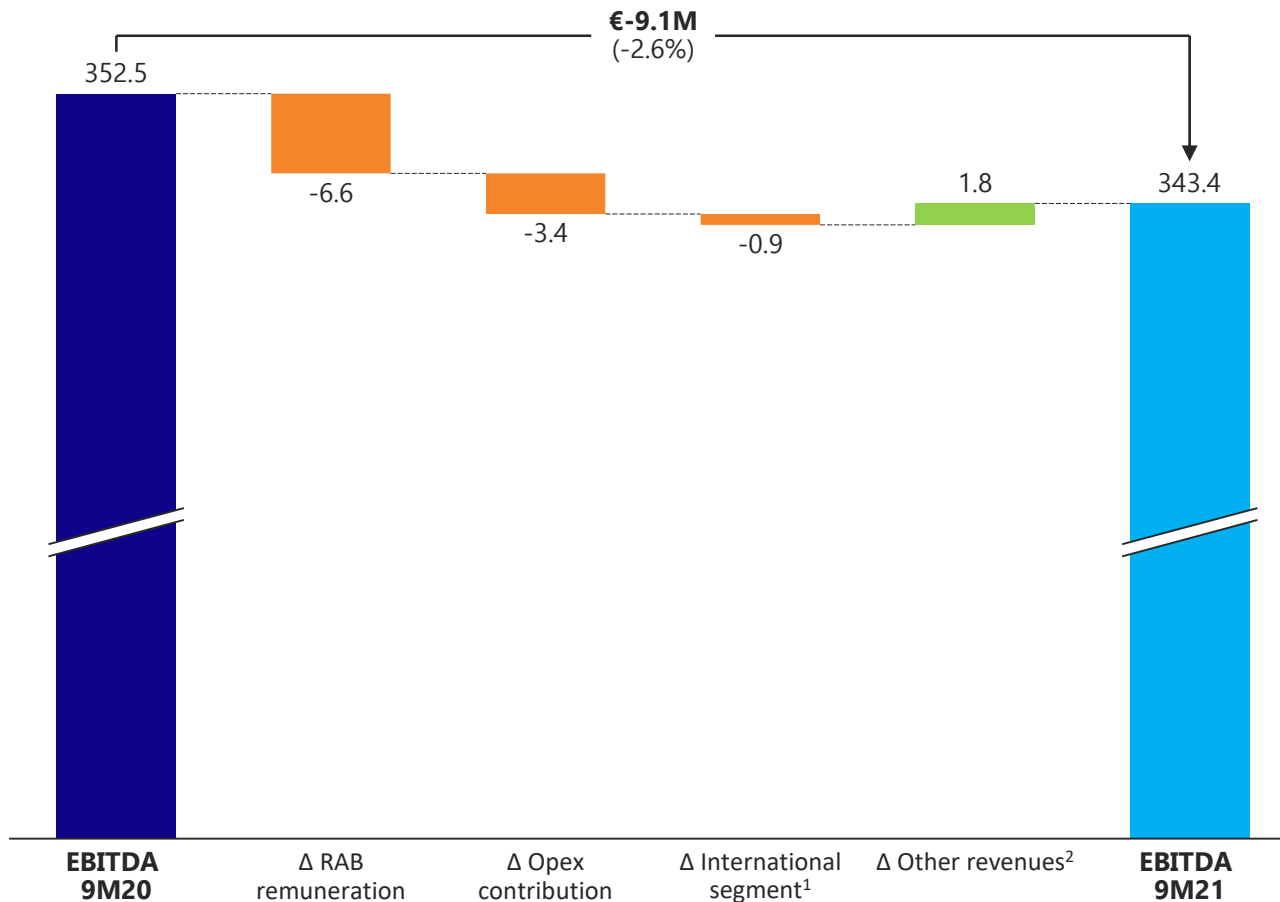
9M20: €2,743.0M

CONSOLIDATED VIEW



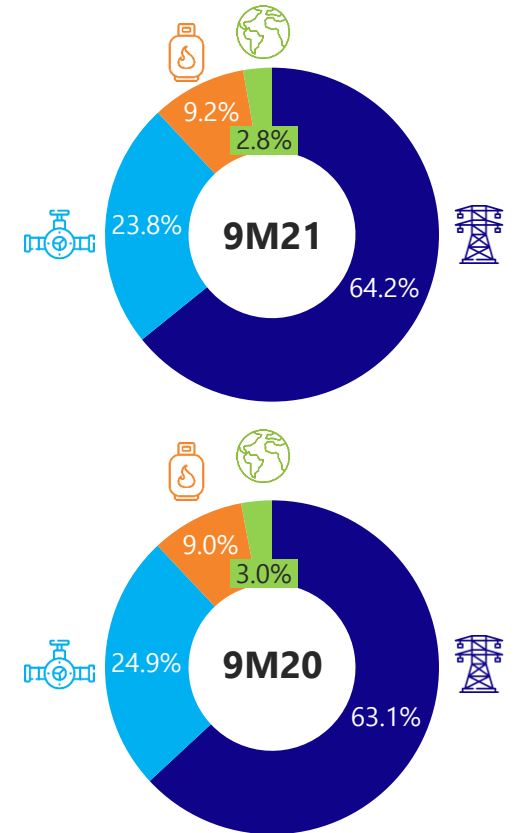
The decrease in EBITDA is due to the decrease in RAB remuneration, opex contribution and the performance of the international segment

EBITDA evolution breakdown €M



EBITDA contribution by business segment³ %

- Electricity
- Gas Distribution⁴
- Gas Transmission
- International



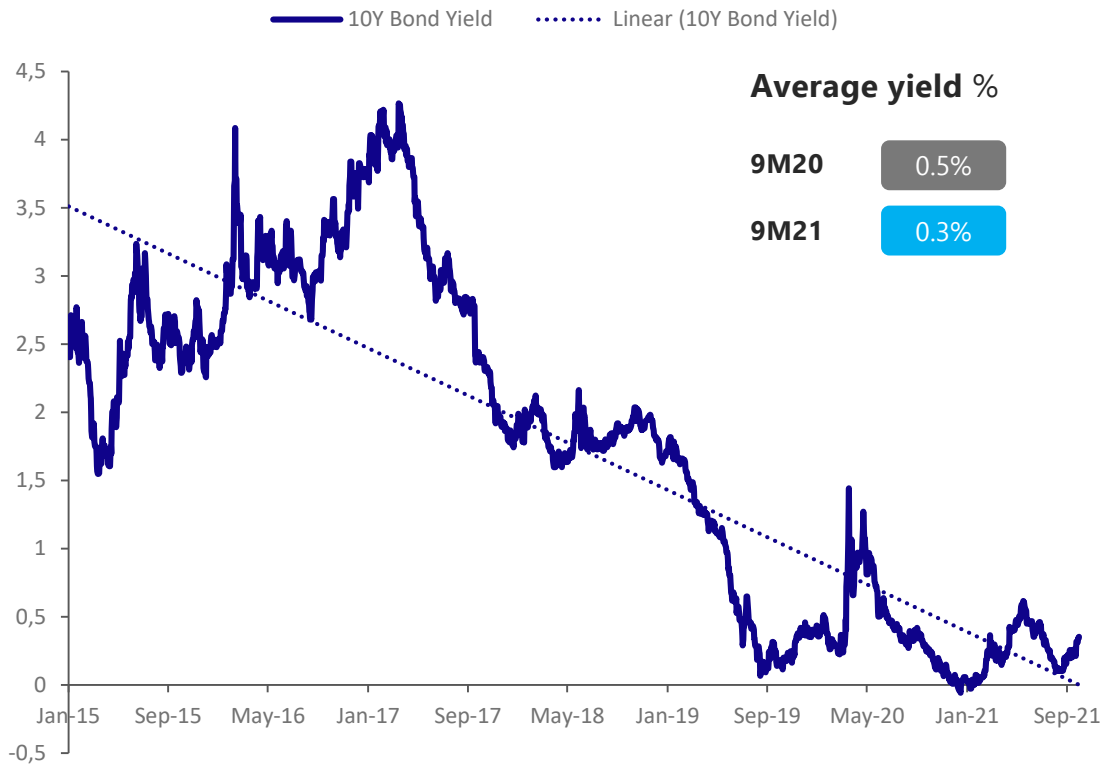
1 Includes Apolo SpA and Aerio Chile SpA costs | 2 Includes amortizations recovery, subsidies amortization, REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3 Excludes the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 4 Refers to Portugal

DOMESTIC BUSINESS

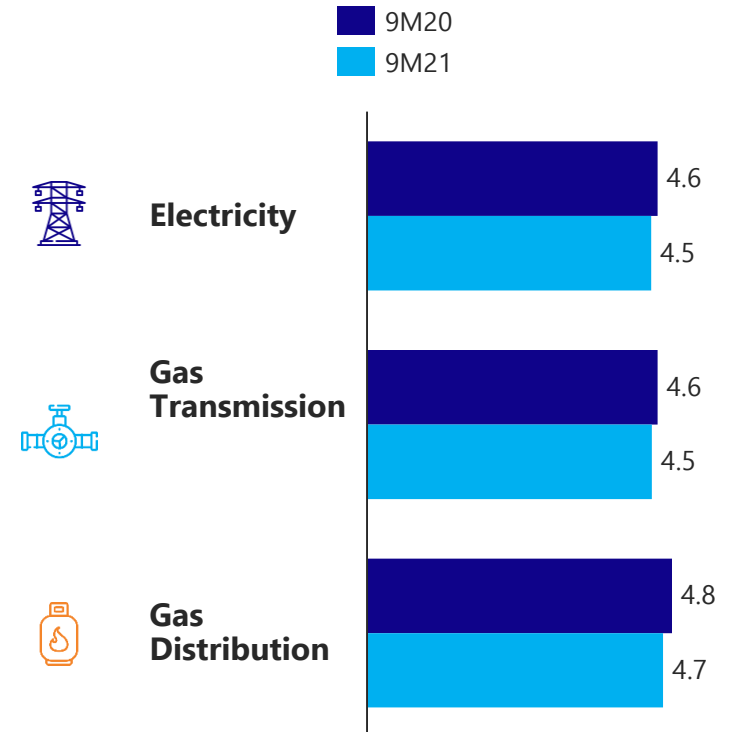
Return on RAB stable relatively to last year, with regulatory WACC at the set floor



Portuguese 10Y Treasury Bond Yields %



Base Return on RAB (RoR)* %



SOURCE: Bloomberg; REN

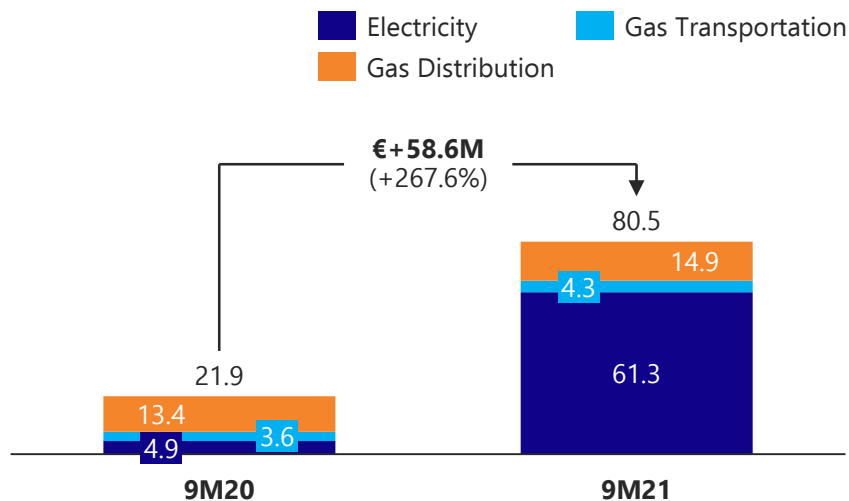
* Electricity data collected from Oct-20 to Sep-21, Gas data collected from Jan-21 to Dec-21

DOMESTIC BUSINESS

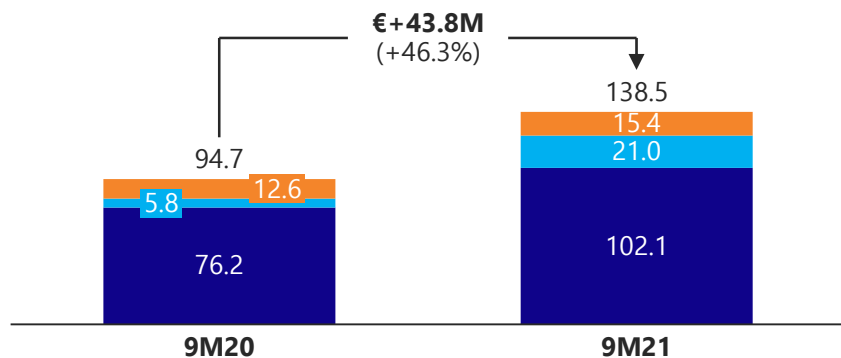
Solid progress in both Transfers to RAB and Capex



Transfers to RAB €M



Capex €M



Key highlights



Electricity

Main investment projects:

- Passage at 400 kV of the Falagueira - Estremoz - Divor - Pegões axis, allowing, among others, the supply of electricity to the railway line between Évora and Elvas / Caia;
- 400 kV axis between Vieira do Minho - Ribeira de Pena-Feira: the new axis will allow the connection and reception of capacity of Alto Tâmega hydroelectric power plant;
- New 400 kV Fundão - Falagueira axis through the extension of the current Falagueira - Castelo Branco line to Fundão and construction of a new 400/200kV Fundão substation;
- Estremoz Substation: upgrade in voltage level from 150 to 400 kV, with the installation of a new 400/60, kV, 170 MVA transformer;
- New 400 kV overhead line Ponte de Lima – V. Nova de Famalicão;



Gas Transmission

Main investment projects:

- Carriço Storage: Water Firefighting System upgrade;
- Pipeline Network and Sines Terminal: replacement and upgrade of equipment and systems at the end-of-life;



Gas Distribution

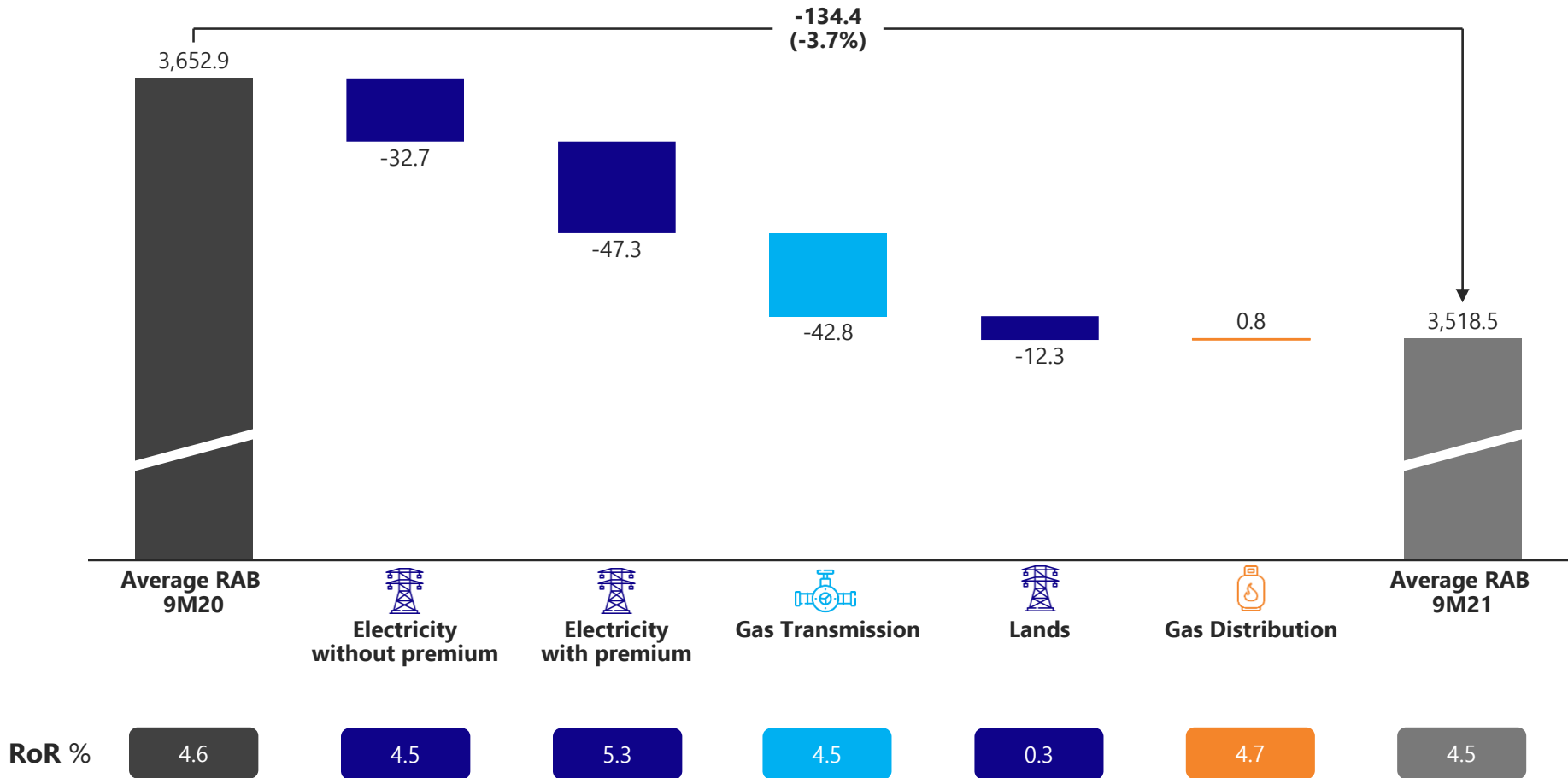
- Investments in **network expansion and densification**, mostly for B2C, with new prospects for B2B investments continuing to be monitored, counting with 53 more clients connected in 9M21;
- Licensing of **3 big projects** with Capex execution expected to occur in 2H 2021;
- **Network decarbonization process** on the move;

DOMESTIC BUSINESS

Downward trend in RAB in most asset categories



Average RAB evolution €M

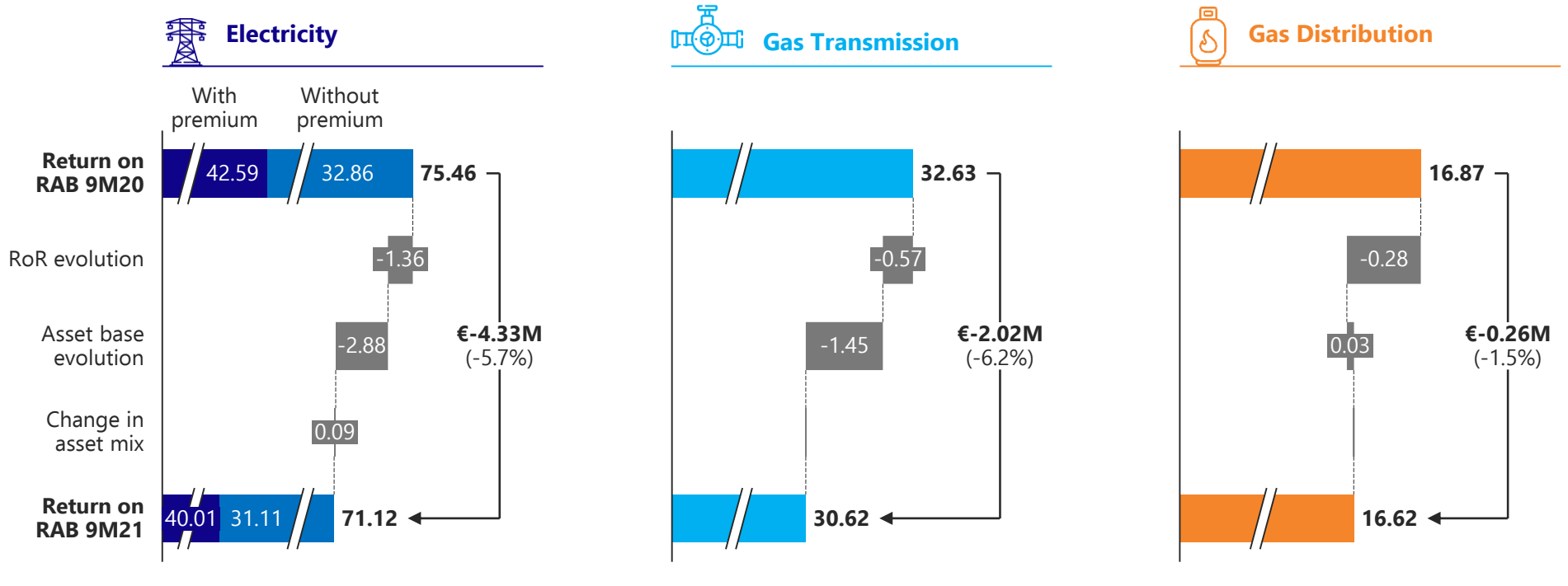


DOMESTIC BUSINESS



RAB remuneration decreased across all businesses, but especially in the electricity business, mostly driven by the decrease in the asset base

Return on RAB evolution breakdown €M



Return on RAB drop caused by a **smaller asset base** (by €80.0M to €1,935.8M) and **lower rate of return on assets** with and without premium¹

Decline in Return on RAB justified by a **smaller asset base** (by €42.8M to a total of €905.2M) and a **lower RoR** of 4.51% (-8bps)

Return on RAB reduction attributed to a **lower rate of return** (from 4.79% to 4.71%) and practically same **asset base** (+€0.8M to a total of €470.5M)

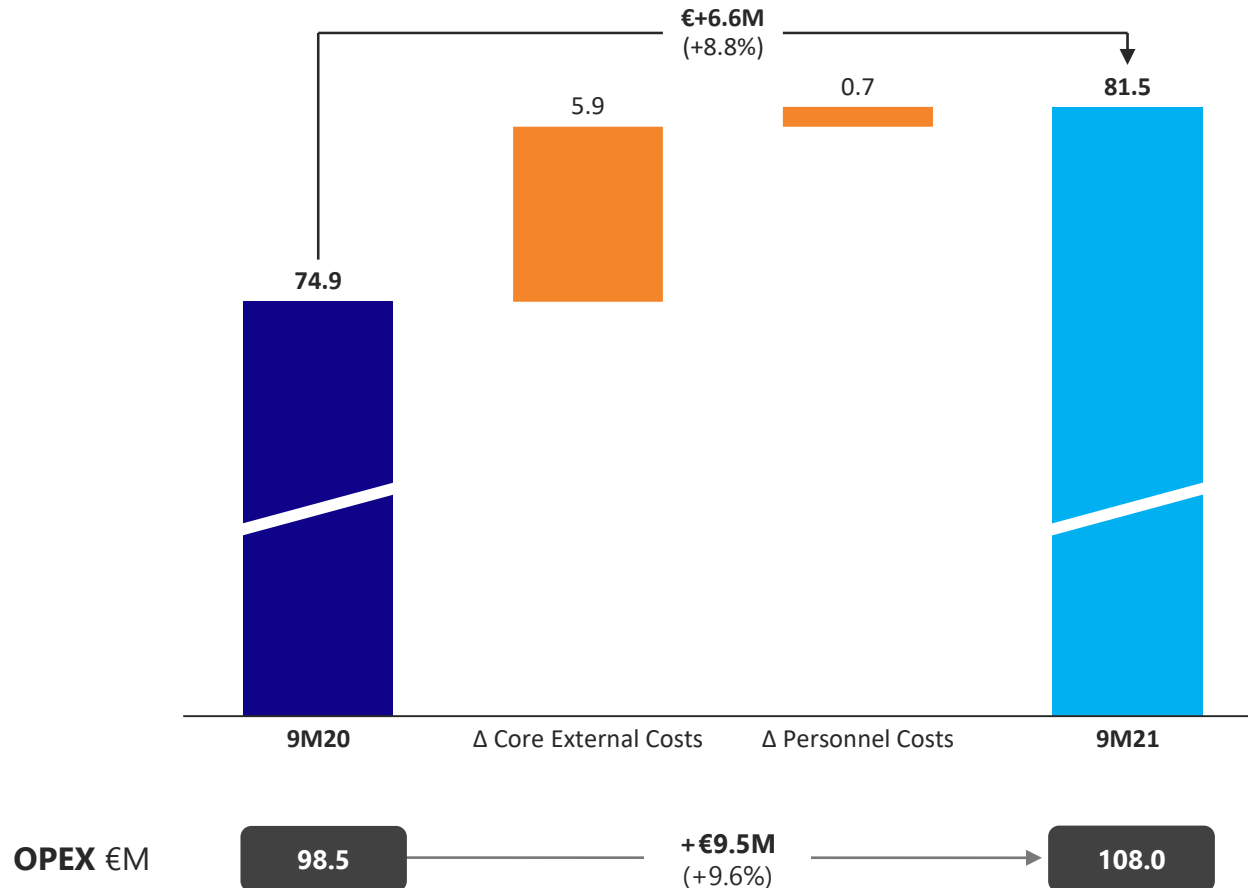
¹ From 5.35% to 5.26% for assets with premium, and from 4.60% to 4.51% for assets without premium

DOMESTIC BUSINESS

OPEX increased by 9.6% YoY, with core OPEX rising 8.8%



Core OPEX¹ evolution €M



Key highlights

Core external costs

- Consultancy services and other 3rd party services (+€1.9M), mostly related to strategic plan and bond issuance;
- Insurance costs (+1.4M€);
- Electricity costs (+1.9M€) in LNG terminal;

Non-core costs

- Pass-through costs (costs accepted in the tariff) **increased by €2.9M**, of which €3.0M correspond to **costs with cross-border and system services costs**;

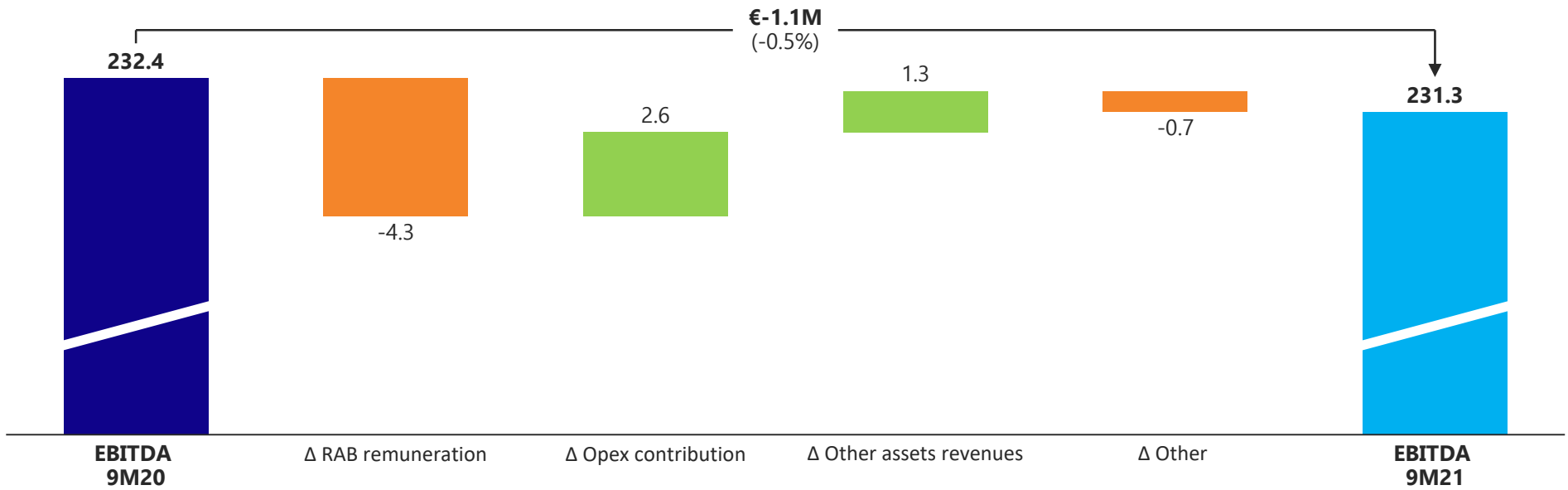
¹ Calculated as OPEX minus pass-through costs (e.g., ITC mechanism, NG transportation costs, ERSE costs and subsoil occupation levies)

DOMESTIC BUSINESS: ELECTRICITY



Decline in Electricity EBITDA, mostly justified with lower return on RAB and greater OPEX

EBITDA breakdown €M



Capex	Transfers to RAB	Average RAB ¹	Base RoR ²	Core OPEX
<p>€102.1M ↑ €25.9M (34.0%)</p> <p>9M20: €76.2M</p>	<p>€61.3M ↑ €56.4M</p> <p>9M20: €4.9M</p>	<p>€2,142.9M ↓ €92.3M (4.1%)</p> <p>9M20: €2,235.2M</p>	<p>4.5% ↓ 0.1pp</p> <p>9M20: 4.6%</p>	<p>€32.5M ↑ €0.4M (1.1%)</p> <p>9M20: €32.2M</p>

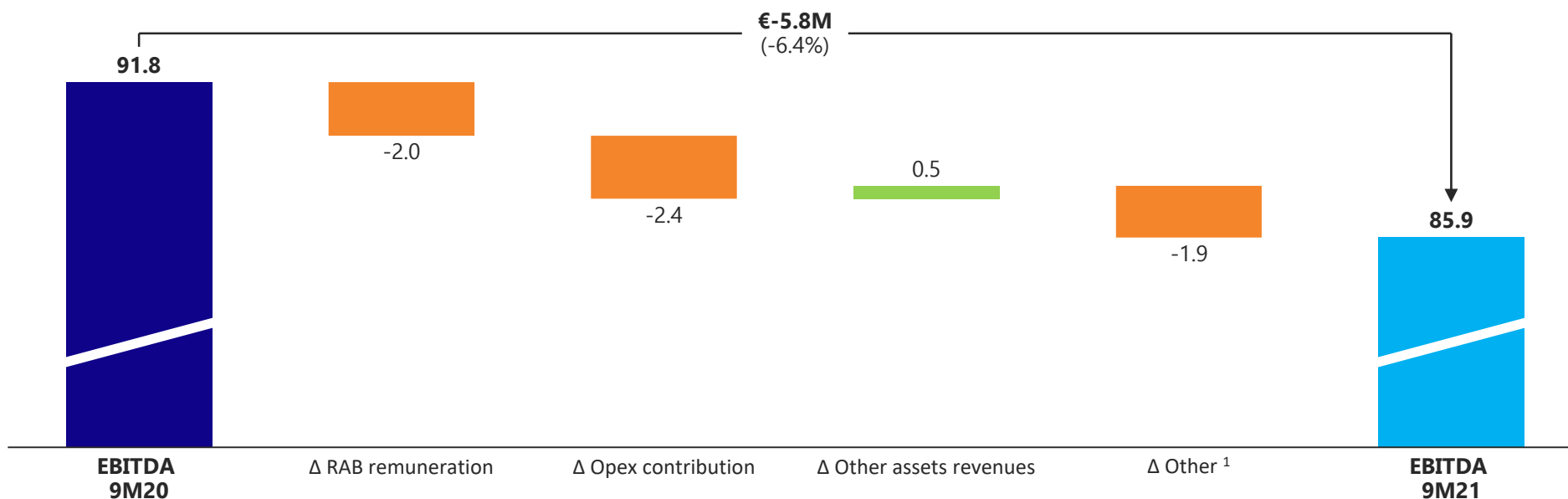
¹ Includes €920.7M of Electricity without premium (€953.4M for 9M20) and €1,015.0M of Electricity with premium (€1,062.4M for 9M20); Includes Lands (€207.1M in 9M21 and €219,5M in 9M20) | ². RoR for Electricity with premium was 5.3% in 9M21 (5.3% in 9M20), and for other Lands 0.3% in 9M21 (0.3% in 9M20)

DOMESTIC BUSINESS: GAS TRANSMISSION



Gas Transmission EBITDA decreased due to the decline in RAB remuneration and lower opex contribution

EBITDA breakdown €M



Capex

€21.0M ↑ €15.2M (261.7%)

9M20: €5.8M

Transfers to RAB

€4.3M ↑ €0.7M (19.8%)

9M20: €3.6M

Average RAB

€905.2M ↓ €42.8M (4.5%)

9M20: €948.0M

RoR

4.5% ↓ 0.1pp

9M20: 4.6%

Core OPEX

€16.7M ↑ €2.6M (18.7%)

9M20: €14.1M

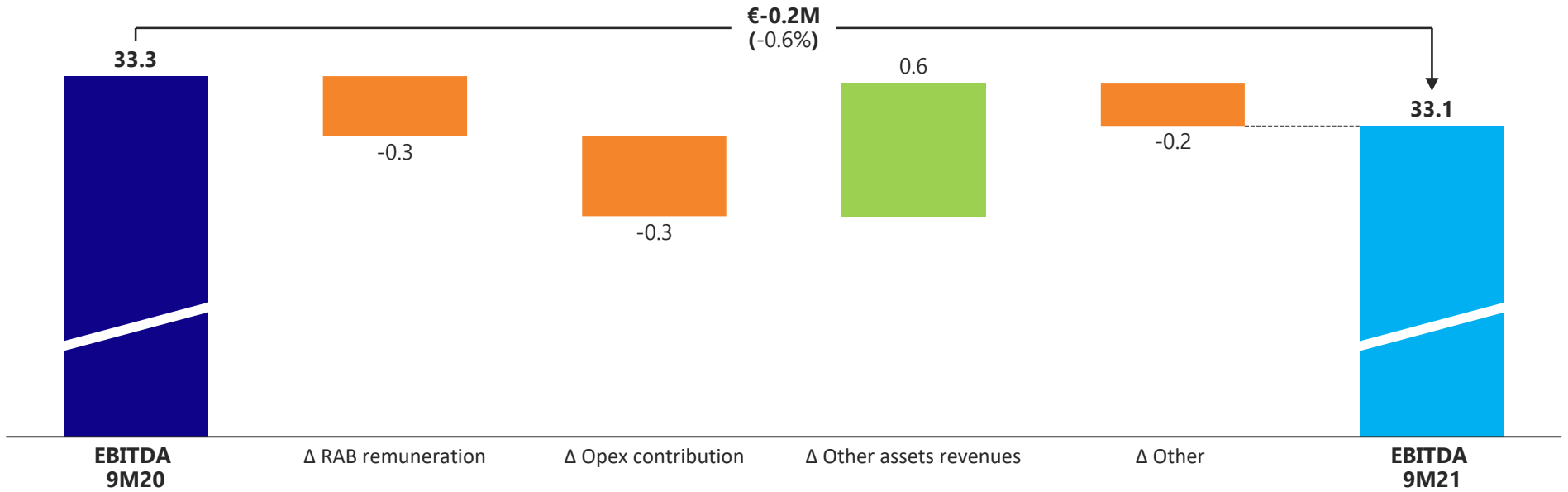
¹ Includes NG transmission tariff deviation corrections from previous years (Δ€-1.5M)

DOMESTIC BUSINESS: GAS DISTRIBUTION



Gas Distribution EBITDA reduction attributed to drop in RAB remuneration and lower Opex contribution

EBITDA breakdown €M



Capex

€15.4M ↑ €2.8M (21.9%)

9M20: €12.6M

Transfers to RAB

€14.9M ↑ €1.4M (10.8%)

9M20: €13.4M

Average RAB

€470.5M ↑ €0.8M (0.2%)

9M20: €469.7M

RoR

4.7%

9M20: 4.8%

↓ 0.1pp

Core OPEX

€7.1M ↑ €0.9M (13.9%)

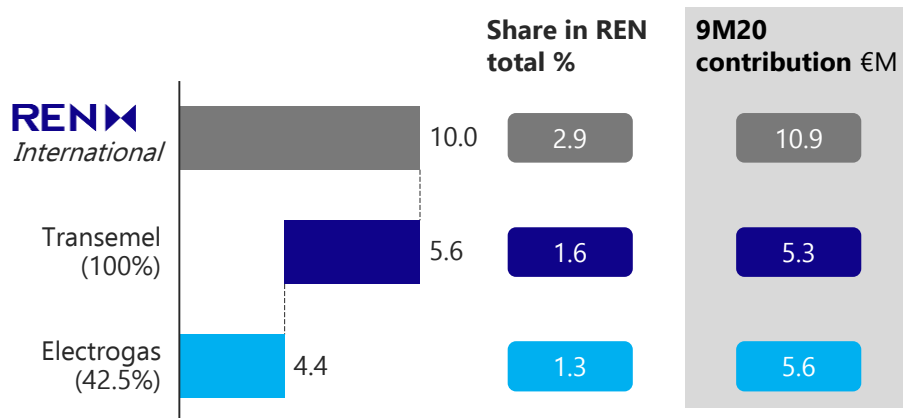
9M20: €6.2M

INTERNATIONAL BUSINESS

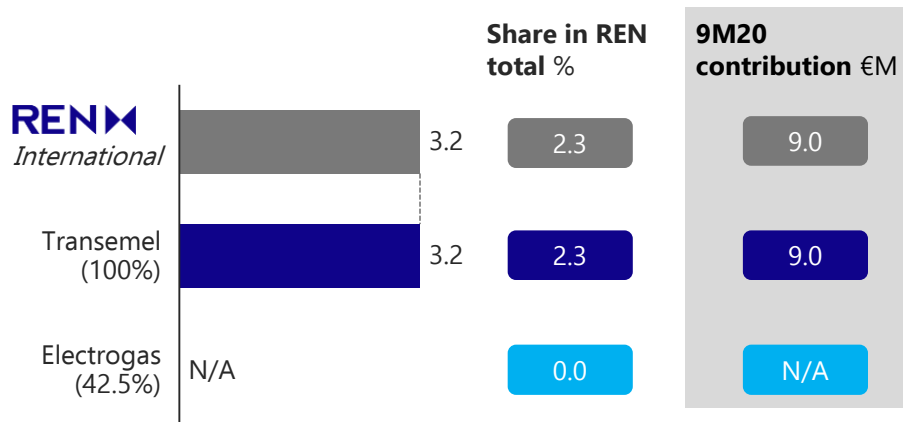
Solid performance from the Chilean businesses



Contribution to EBITDA 9M21 €M



Contribution to Capex 9M21 €M



Key highlights

Transemel, Chile

- Revenues increased €0,7M vs 9M20 reflecting the conclusion of expansion projects in 2020 and 2021

Revenues

€8.3M ↑ €0.7M (9.9%)

9M20: €7.5M

EBITDA

€5.6M ↑ €0.3M (6.3%)

9M20: €5.3M

Electrogas, Chile

- EBITDA decreased YoY, driven by lower revenues (lower tariff and lower transported volume) and higher opex

Revenues

€20.8M ↓ €3.3M (13.6%)

9M20: €24.1M

EBITDA

€18.3M ↓ €3.4M (15.7%)

9M20: €21.7M

CONSOLIDATED VIEW



Robust Financial Results, as the cost of debt continued its descending trend

Depreciation & Amortization

€180.5M  €0.7M
(0.4%)

9M20: **€179.9M**

Increase of €0.7M versus 9M20, along the evolution of gross assets

Financial results

-€31.1M  €5.5M
(15.1%)

9M20: **-€36.7M**

Positive change in financial results (+€5.5M) reflecting **the decrease in the average cost of debt** of 0.27 p.p. to 1.6%, lower net debt and greater dividends from HCB (€1.5M), despite reduced dividends from REE (-€0.3M)

Taxes

€63.4M  €3.5M
(5.8%)

9M20: **€59.9M**

Total taxes include the **extraordinary levy of €27.1M** (€28.2M in 9M20) and **income tax which grew by €4.6M** to €36.3M

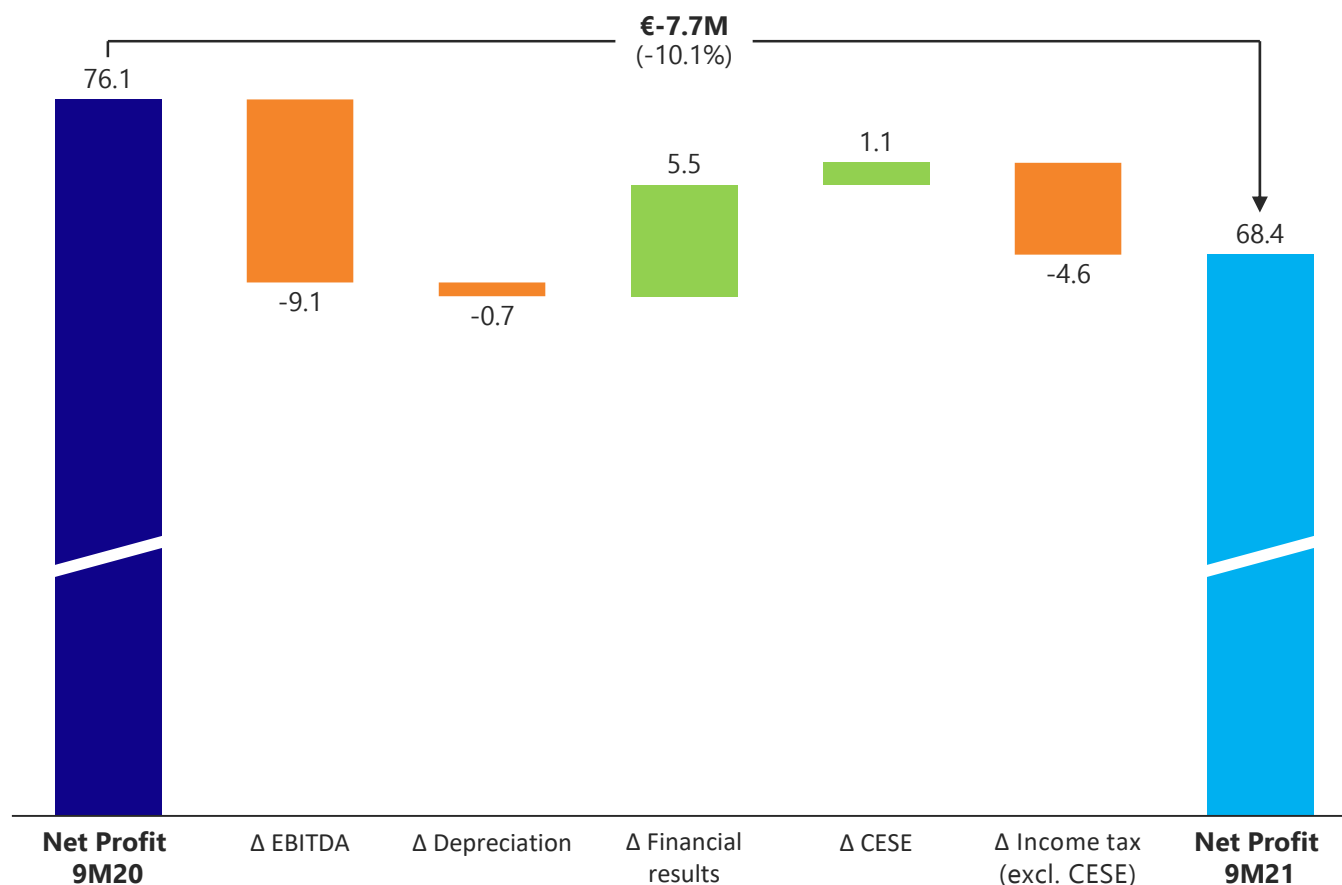
Effective tax rate reached 43.0%, a 4.1 p.p. increment relatively to 9M20 (including the levy)

Increase in the effective tax rate vs 9M20 reflecting the different recovery of previous years taxes in 9M20 (€5.6M) versus 9M21 (€2.4M)

CONSOLIDATED VIEW

Net Profit decreased as a result of lower EBITDA, partially offset by better financial results and lower CESE

Net profit evolution breakdown €M



Key highlights

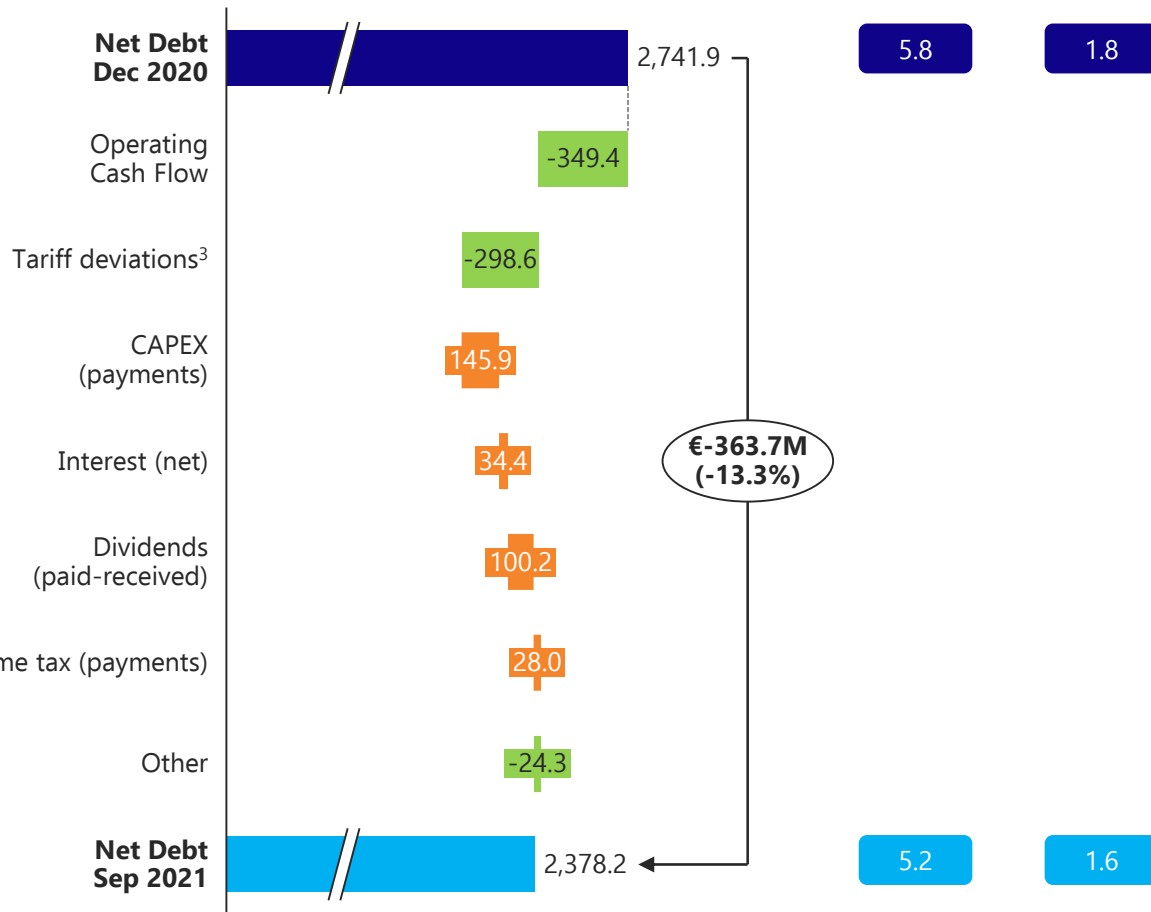
- The **Positive effect** of €5.5M from **Financial Results** as a consequence of better financial conditions and higher dividends from associates (Δ€1.2M)
- **Lower charge by CESE** (Δ€-1.1M), reflecting the evolution of the asset base
- Decrease in **tax recovery** from previous years (Δ€-3.2M)

CONSOLIDATED VIEW

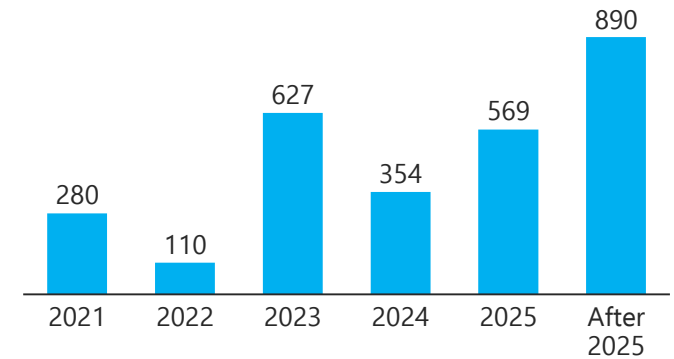


Net Debt improvement due to a higher operating cash flow and tariff deviations

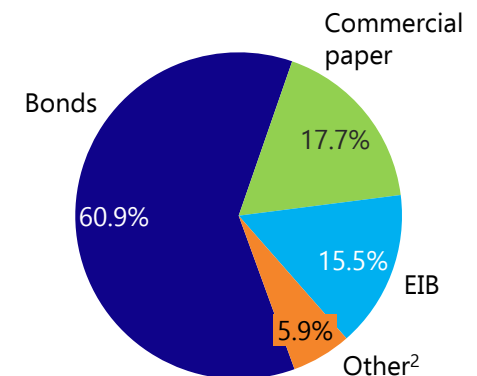
Net debt evolution €M



Adjusted Gross Debt Maturity¹ €M



Debt sources %



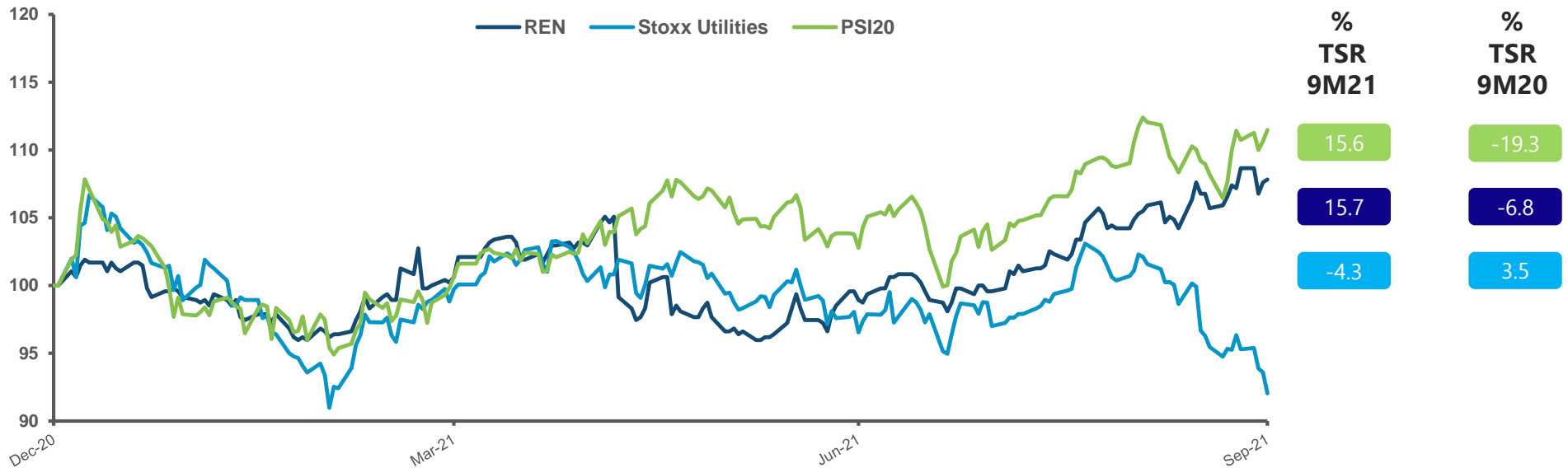
¹ Calculated as Net Debt plus Cash, bank deposits and derivative financial instruments (€467M), excluding effects of hedging on yen denominated debt, accrued interest and bank overdrafts | ² Includes loans (5.8%) and leasing (0.1%) | ³. Includes amounts received from the Fund for Systemic Sustainability of the Energy Sector (FSSSE)

SHARE PRICE & SHAREHOLDER RETURN



The share price moved in line with the Portuguese index

Annualized closing prices %



Analyst recommendations¹

Average Price target

€2.58 ↓ €0.22 (7.9%)

9M20: **€2.80**

Upside/Downside (+/-)

8.3% ↓ 4.1pp

9M20: **12.4%**

Buy recommendations

40.0% ↓ 20.0pp

9M20: **60.0%**

Hold recommendations

50.0% ↑ 10.0pp

9M20: **40.0%**

¹ End of period
SOURCE: Bloomberg, REN

3. Closing remarks



CLOSING REMARKS



Fully committed to deliver solid results and sustainable returns



Unsurprisingly, **EBITDA** decreased as a consequence of the **reduction** in both RAB and remuneration rates as well as the activities in Electrogas.



Net Profit stood at €68.4M reflecting the EBIT reduction and the gains from the financial results, the recovery of previous years' taxes and a lower levy.



Net debt was significantly lower than in the previous quarter benefiting from a **higher operating cash flow** and the cash inflow of tariff deviations, which were both higher than the outflows of CAPEX and financing activities.



CAPEX is improving according to plan and due to the decrease in the pandemic hurdles



On the 15th of October **ERSE disclosed the proposal for Tariffs and Prices for Electricity for 2022** and the parameters for the regulatory period of 2022-2025. After evaluation of the opinion expressed by the Tariff Council (due by 15th of November), ERSE will approve the final tariff values, which are to be published **until 15 December 2021**.

Appendix



APPENDIX

Results breakdown

€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) TOTAL REVENUES	577.5	534.8	758.5	8.0%	42.7
Revenues from assets	313.6	317.9	431.4	-1.3%	-4.3
Return on RAB	118.4	125.0	165.4	-5.3%	-6.6
Electricity	71.1	75.5	99.9	-5.7%	-4.3
Natural gas	30.6	32.6	43.1	-6.2%	-2.0
Portgás	16.6	16.9	22.4	-1.5%	-0.3
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	20.2	18.8	32.0	7.5%	1.4
Recovery of amortizations (net from subsidies)	160.6	159.8	214.3	0.5%	0.8
Subsidies amortization	14.0	13.9	19.0	1.2%	0.2
Revenues from Transemel	8.3	7.5	10.1	9.9%	0.7
Revenues of OPEX	102.0	97.1	130.1	5.0%	4.9
Other revenues	15.2	17.8	26.0	-14.6%	-2.6
Construction revenues (IFRIC 12)	138.4	94.5	160.9	46.5%	43.9
2) OPEX	110.7	100.8	145.8	9.8%	9.9
Personnel costs	42.3	41.3	55.6	2.3%	0.9
External supplies and services	53.7	44.5	68.5	20.8%	9.2
Other operational costs	14.7	15.0	21.6	-2.1%	-0.3
3) Construction costs (IFRIC 12)	123.1	81.2	142.0	51.5%	41.9
4) Depreciation and amortization	180.5	179.9	241.2	0.4%	0.7
5) Other	0.3	0.2	0.5	18.7%	0.0
6) EBIT	162.9	172.6	229.0	-5.7%	-9.8
7) Depreciation and amortization	180.5	179.9	241.2	0.4%	0.7
8) EBITDA	343.4	352.5	470.2	-2.6%	-9.1
9) Depreciation and amortization	180.5	179.9	241.2	0.4%	0.7
10) Financial result	-31.1	-36.7	-46.8	-15.1%	5.5
11) Income tax expense	36.3	31.7	44.9	14.4%	4.6
12) Extraordinary contribution on energy sector	27.1	28.2	28.1	-3.9%	-1.1
13) NET PROFIT	68.4	76.1	109.2	-10.1%	-7.7
14) Non recurrent items	24.7	22.5	22.5	9.6%	2.2
15) RECURRENT NET PROFIT	93.0	98.6	131.7	-5.6%	-5.6

NON RECURRENT ITEMS:

9M2021: i) Extraordinary energy sector levy, as established in the 2021 State budget law (€27.1M);
 ii) Taxes recovery from previous years (€2.4M)

9M2020: i) Extraordinary energy sector levy, as established in the 2020 State budget law (€28.2M)
 ii) Taxes recovery from previous years (€5.6M)

APPENDIX

Other operational revenues and costs breakdown

€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
Other revenues	15.2	17.8	26.0	-14.6%	-2.6
Allowed incentives	1.0	1.1	1.3	-8.6%	-0.1
Interest on tariff deviation	0.3	0.4	0.5	-21.1%	-0.1
Telecommunication sales and services rendered	5.4	5.1	6.7	5.7%	0.3
Consultancy services and other services provided	0.8	1.4	2.9	-42.3%	-0.6
Other revenues	7.8	9.9	14.6	-21.5%	-2.1
Other costs	14.7	15.0	21.6	-2.1%	-0.3
Costs with ERSE	7.9	8.6	11.5	-7.8%	-0.7
Other	6.8	6.4	10.1	5.7%	0.4

Includes revenues related to Electrogas' Net Profit proportion (€4.4M in 9M2021 and €5.7M in 9M2020)

APPENDIX

EBITDA breakdown (Electricity)



€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) REVENUES	369.5	344.0	495.8	7.4%	25.5
Revenues from assets	207.9	210.9	288.9	-1.4%	-3.0
Return on RAB	71.1	75.5	99.9	-5.7%	-4.3
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Economic efficiency of investments	20.2	18.8	32.0	7.5%	1.4
Recovery of amortizations (net from subsidies)	106.5	106.7	143.2	-0.2%	-0.2
Subsidies amortization	9.6	9.4	13.1	1.4%	0.1
Revenues of OPEX	56.7	53.3	72.2	6.5%	3.5
Other revenues	2.9	3.8	8.3	-23.5%	-0.9
Interest on tariff deviation	0.2	0.3	0.4	-26.6%	-0.1
Other	2.7	3.5	7.9	-23.2%	-0.8
Construction revenues (IFRIC 12)	102.0	76.0	126.4	34.2%	26.0
2) OPEX	47.4	45.5	68.3	4.2%	1.9
Personnel costs	12.7	13.1	17.1	-2.6%	-0.3
External supplies and services	29.2	25.5	40.0	14.6%	3.7
Other operational costs	5.5	6.9	11.1	-21.1%	-1.5
3) Construction costs (IFRIC 12)	90.8	66.1	112.2	37.3%	24.7
4) Depreciation and amortization	115.6	115.8	155.7	-0.2%	-0.2
5) Other	0.0	0.0	0.2		0.0
6) EBIT (1-2-3-4-5)	115.7	116.6	159.4	-0.7%	-0.8
7) Depreciation and amortization	115.6	115.8	155.7	-0.2%	-0.2
8) EBITDA (6+7)	231.3	232.4	315.1	-0.5%	-1.1

APPENDIX

EBITDA breakdown (Natural gas transmission)



€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) REVENUES	129.9	117.0	158.9	11.0%	12.9
Revenues from assets	77.1	78.6	104.5	-2.0%	-1.5
Return on RAB	30.6	32.6	43.1	-6.2%	-2.0
Recovery of amortizations (net from subsidies)	42.1	41.6	55.5	1.2%	0.5
Subsidies amortization	4.4	4.4	5.8	0.0%	0.0
Revenues of OPEX	32.0	30.8	40.9	3.8%	1.2
Other revenues	-0.1	1.8	1.6	-105.0%	-1.9
Interest on tariff deviation	-0.3	-0.3	-0.4	9.9%	0.0
Consultancy services and other services provided	0.1	0.1	0.2	-48.7%	-0.1
Other	0.1	2.0	1.8	-93.6%	-1.8
Construction revenues (IFRIC 12)	21.0	5.8	11.9	261.7%	15.2
2) OPEX	24.9	21.0	28.9	18.7%	3.9
Personnel costs	6.5	6.2	8.2	4.4%	0.3
External supplies and services	14.3	10.8	15.4	32.2%	3.5
Other operational costs	4.2	4.0	5.3	4.5%	0.2
3) Construction costs (IFRIC 12)	19.0	4.3	9.7	346.0%	14.8
4) Depreciation and amortization	45.9	45.4	60.7	1.1%	0.5
5) Other	0.0	0.0	-0.1		0.0
6) EBIT	40.0	46.3	59.6	-13.7%	-6.3
7) Depreciation and amortization	45.9	45.4	60.7	1.1%	0.5
8) EBITDA	85.9	91.8	120.3	-6.4%	-5.8

A negative revenue is consistent with a negative tariff deviation

APPENDIX

EBITDA breakdown (Portgás)



€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) REVENUES	56.9	53.8	77.1	5.8%	3.1
Revenues from assets	28.7	28.4	38.0	1.1%	0.3
Return on RAB	16.6	16.9	22.4	-1.5%	-0.3
Recovery of amortizations (net from subsidies)	12.0	11.5	15.5	4.6%	0.5
Subsidies amortization	0.1	0.0	0.1	165.5%	0.0
Revenues of OPEX	13.3	13.0	16.9	1.8%	0.2
Other revenues	-0.4	-0.3	-0.5	73.0%	-0.2
Interest on tariff deviation	0.0	0.0	0.0	457.3%	0.0
Adjustments previous years	-0.6	-0.5	-1.0	23.8%	-0.1
Other services provided	0.0	0.1	0.2	-81.5%	-0.1
Other	0.1	0.1	0.4	19.8%	0.0
Construction revenues (IFRIC 12)	15.4	12.6	22.6	21.9%	2.8
2) OPEX	10.6	9.6	13.0	9.7%	0.9
Personnel costs	3.1	3.2	4.2	-3.3%	-0.1
External supplies and services	3.1	2.5	3.9	24.9%	0.6
Other operational costs	4.3	3.9	4.9	10.6%	0.4
3) Construction costs (IFRIC 12)	13.2	10.8	20.1	22.2%	2.4
4) Depreciation and amortization	12.2	11.7	15.8	5.0%	0.6
5) Other	0.0	0.0	0.0		0.0
6) EBIT	20.9	21.6	28.2	-3.7%	-0.8
7) Depreciation and amortization	12.2	11.7	15.8	5.0%	0.6
8) EBITDA	33.1	33.3	44.0	-0.6%	-0.2

APPENDIX

EBITDA breakdown (Transemel)



€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) REVENUES	8.3	7.5	10.1	9.9%	0.7
2) OPEX	2.6	2.3	3.3	16.1%	0.4
3) Depreciation and amortization	1.2	1.1	1.5	1.8%	0.0
4) EBIT	4.5	4.2	5.3	7.5%	0.3
5) Depreciation and amortization	1.2	1.1	1.5	1.8%	0.0
6) EBITDA	5.6	5.3	6.8	6.3%	0.3

APPENDIX

EBITDA breakdown (Other¹)

€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
1) TOTAL REVENUES	12.8	12.4	16.5	3.3%	0.4
Other revenues	12.8	12.4	16.5	3.3%	0.4
Allowed incentives	1.0	1.1	1.3	-8.6%	-0.1
Interest on tariff deviation	0.3	0.3	0.4	8.7%	0.0
Telecommunication sales and services rendered	5.4	5.1	6.7	5.7%	0.3
Consultancy services and other services provided	0.5	0.2	0.6		0.3
Other	5.6	5.8	7.5	-2.2%	-0.1
2) OPEX	25.2	22.4	32.2	12.2%	2.7
Personnel costs	19.5	18.7	25.8	4.5%	0.8
External supplies and services	5.2	3.5	6.1	47.6%	1.7
Other operational costs	0.4	0.2	0.4		0.2
3) Depreciation and amortization	5.6	5.8	7.4	-3.0%	-0.2
4) Other	0.3	0.3	0.4	0.0%	0.0
5) EBIT	-18.2	-16.1	-23.5	13.5%	-2.2
6) Depreciation and amortization	5.6	5.8	7.4	-3.0%	-0.2
7) EBITDA	-12.6	-10.3	-16.0	22.7%	-2.3

Includes the negative impacts of the PPAs² of Portgás (€4.1M) and Transemel (€1.3M) in 9M2021

1 Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO, Aerio Chile SPA, Apolo and REN Finance BV

2 PPA - Purchase Price Allocation

APPENDIX

Capex and RAB



€M	9M2021	9M2020	9M2021 / 9M2020		
			2020	Δ %	Δ Abs.
CAPEX	141.7	103.7	173.3	36.7%	38.0
Electricity	102.0	76.0	126.4	34.2%	26.0
Natural gas _T	21.0	5.8	11.9	261.7%	15.2
Natural gas _D	15.4	12.6	22.6	21.9%	2.8
Transemel	3.2	9.0	12.1	-64.3%	-5.8
Other	0.1	0.2	0.3	-47.4%	-0.1
Transfers to RAB	80.5	21.9	79.6	267.6%	58.6
Electricity	61.3	4.9	45.1	1162.4%	56.4
Natural gas _T	4.3	3.6	12.6	19.8%	0.7
Natural gas _D	14.9	13.4	21.8	10.8%	1.4
Average RAB	3,518.5	3,652.9	3,635.0	-3.7%	-134.4
Electricity	1,935.8	2,015.8	2,000.0	-4.0%	-80.0
With premium	1,015.0	1,062.4	1,058.5	-4.5%	-47.3
Without premium	920.7	953.4	941.5	-3.4%	-32.7
Land	207.1	219.5	217.9	-5.6%	-12.3
Natural gas _T	905.2	948.0	945.5	-4.5%	-42.8
Natural gas _D	470.5	469.7	471.6	0.2%	0.8
RAB e.o.p.	3,476.2	3,575.2	3,564.2	-2.8%	-99.0
Electricity	1,916.5	1,961.6	1,954.9	-2.3%	-45.2
With premium	996.5	1,041.2	1,033.4	-4.3%	-44.7
Without premium	920.0	920.5	921.5	-0.1%	-0.5
Land	202.5	214.8	211.7	-5.7%	-12.3
Natural gas _T	886.3	929.0	924.0	-4.6%	-42.7
Natural gas _D	470.9	469.8	473.5	0.2%	1.1

€M	9M2021	9M2020	2020	9M2021 / 9M2020	
				Δ %	Δ Abs.
RAB's remuneration	118.9	125.5	166.1	-5.3%	-6.6
Electricity	71.1	75.5	99.9	-5.7%	-4.3
With premium	40.0	42.6	56.6	-6.1%	-2.6
Without premium	31.1	32.9	43.3	-5.3%	-1.7
Land	0.5	0.5	0.7	-1.2%	0.0
Natural gas _T	30.6	32.6	43.1	-6.2%	-2.0
Natural gas _D	16.6	16.9	22.4	-1.5%	-0.3
RoR's RAB	4.5%	4.6%	4.6%		-0.1p.p.
Electricity	4.9%	5.0%	5.0%		-0.1p.p.
With premium	5.3%	5.3%	5.3%		-0.1p.p.
Without premium	4.5%	4.6%	4.6%		-0.1p.p.
Land	0.3%	0.3%	0.3%		0.0p.p.
Natural gas _T	4.5%	4.6%	4.6%		-0.1p.p.
Natural gas _D	4.7%	4.8%	4.8%		-0.1p.p.

APPENDIX

Tariff deviations

€M	9M2021	9M2020
Electricity	67.3	70.9
Trading	-66.5	153.7
Natural gas _T	-150.0	-53.5
Natural gas _D	-0.4	-2.2
Total¹	-149.6	168.8

! 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 Amount received from FSSSE in January 2021 (44,2M€), offset by amounts given back to the electricity tariff throughout the year (-11,1M€ in 9M21)

APPENDIX

Funding sources



€M	Current	Non Current	Sep 2021
Bonds	0.0	1,734.3	1,734.3
Bank borrowings	93.7	510.0	603.6
Commercial paper	250.0	250.0	500.0
Bank overdrafts	0.1	0.0	0.1
Finance lease	1.4	2.5	3.9
TOTAL	345.1	2,496.8	2,841.9
Accrued interest	17.7	0.0	17.7
Prepaid interest	-7.9	-6.5	-14.4
TOTAL	355.0	2,490.3	2,845.3

- REN maintained its financial strength and continued to present high liquidity and a low average cost of debt;
- REN's total liquidity reached €1,260.6M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- Bank borrowings were mainly represented by EIB loans, which at the 30th of September 2021 amounted to €440.1M (€480.8M at the 31st of December of 2020);
- The Group had credit lines negotiated and not used in the amount of €80M, 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 eight active commercial paper programmes in the amount of €1,925M, of which €1,425M were available for use. Of the total amount 500,000 thousand Euros have a guaranteed placement, of which 250,000 thousand Euros are available for utilization at 30 September 2021.
- During April 2021, the Group issued a Green Bond in the amount of 300,000 thousand Euros at a fixed rate.
- REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge and Gearing;
- The effect of the foreign exchange rate exposure was not considered as this exposure is totally covered by a hedge derivate in place. The average interest rates for borrowings, including commissions and other expenses, was 1.60% on the 30th September 2021 and 1.81% on the 31st of December 2020.

APPENDIX

Debt and debt metrics



	9M2021	9M2020	2020
Net Debt (€M)	2,378.2	2,743.0	2,741.9
Average cost	1.6%	1.9%	1.8%
Average maturity (years)	3.5	3.7	3.4
Net Debt / EBITDA	5.2x	5.7x	5.8x
DEBT BREAKDOWN			
Funding sources			
Bond issues	60.9%	61.4%	50.8%
EIB	15.5%	17.8%	17.2%
Commercial paper	17.7%	13.6%	25.0%
Other	5.9%	7.2%	7.0%
TYPE			
Float	40%	41%	38%
Fixed	60%	59%	62%

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Positive	24/06/2021
Standard & Poor's	BBB	A-2	Stable	29/10/2020
Fitch	BBB	F3	Stable	02/06/2021

APPENDIX

Market information



CMVM: MAIN PRESS RELEASES (from January 2021)

- Jan-09: Qualified shareholding from Great-West Lifeco
- Feb-17: Summary of annual information disclosed in 2020
- Mar-18: 2020 annual consolidated results
- Mar-23: Notice to convene the annual general shareholders meeting and deliberation proposals
- Mar-23 : Accounts reporting documents referring to the financial year ended on 31st December 2020 - item 1 of the agenda for the general shareholders meeting
- Mar-23 : Corporate Governance report included in the 2020 Report and Accounts
- Apr-09: Issuance of 300 million euros of green bonds
- Apr-23: Resolutions approved at the Annual General Shareholders Meeting
- Apr-30: Payment of dividends of the 2020 financial year
- May-14: First 3 months 2021 consolidated results report
- May-14: Strategic update 2021-2024
- May-18: Communication from the shareholder Oman Oil
- Jun-02: Fitch maintains REN's rating at BBB and revises outlook to stable
- Jun-24: Moody's maintains REN's rating at 'Baa3' and revises outlook to positive
- Jul-08: Request for temporary suspension of Board Member
- Jul-29: First Half 2021 consolidated results
- Jul-30: Change in qualified shareholding
- Aug-09: Resignation of a Board Member

Consolidated Financial Statements



CONSOLIDATED FINANCIAL STATEMENTS



Financial position

Thousand Euros	Sep 2021	Dec 2020
ASSETS		
Non-current assets		
Property, plant and equipment	118,777	127,119
Intangible assets	4,086,189	4,130,562
Goodwill	4,916	5,367
Investments in associates and joint ventures	167,074	158,845
Investments in equity instruments at fair value through other comprehensive income	152,791	150,850
Derivative financial instruments	19,319	25,685
Other financial assets	128	102
Trade and other receivables	82,531	45,507
Deferred tax assets	122,208	92,575
	4,753,932	4,736,611
Current assets		
Inventories	2,534	2,450
Trade and other receivables	316,351	448,099
Current income tax recoverable	0	0
Derivative financial instruments	949	0
Other financial assets	0	0
Cash and cash equivalents	455,595	61,499
	775,430	512,048
Total assets	5,529,362	5,248,658

Thousand Euros	Sep 2021	Dec 2020
EQUITY		
Shareholders' equity		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	300,314	289,887
Retained earnings	231,216	240,853
Other changes in equity	-5,561	-5,561
Net profit for the period	68,353	109,249
Total equity	1,367,595	1,407,700
LIABILITIES		
Non-current liabilities		
Borrowings	2,490,266	2,260,875
Liability for retirement benefits and others	97,477	100,507
Derivative financial instruments	24,397	29,215
Provisions	8,508	8,508
Trade and other payables	484,311	371,886
Deferred tax liabilities	113,164	144,969
	3,218,123	2,915,960
Current liabilities		
Borrowings	354,987	562,557
Provisions	0	0
Trade and other payables	513,075	353,800
Income tax payable	75,582	8,641
	943,644	924,999
Total liabilities	4,161,767	3,840,958
Total equity and liabilities	5,529,362	5,248,658

CONSOLIDATED FINANCIAL STATEMENTS



Profit and loss

Thousand Euros	Sep 2021	Sep 2020
Sales	115	30
Services rendered	412,855	414,380
Revenue from construction of concession assets	138,387	94,460
Gains / (losses) from associates and joint ventures	4,670	5,926
Other operating income	21,660	19,815
Operating income	577,686	534,610
Cost of goods sold	-748	-459
Costs with construction of concession assets	-123,085	-81,233
External supplies and services	-53,907	-44,672
Personnel costs	-42,109	-41,155
Depreciation and amortizations	-180,533	-179,851
Provisions	0	0
Impairments	-283	-238
Other expenses	-13,943	-14,545
Operating costs	-414,608	-362,153
Operating results	163,078	172,457
Financial costs	-41,319	-46,452
Financial income	2,934	4,128
Investment income - dividends	7,020	5,823
Financial results	-31,365	-36,501
Profit before income tax and ESEC	131,713	135,955
Income tax expense	-36,290	-31,721
Energy sector extraordinary contribution (ESEC)	-27,070	-28,165
Net profit for the period	68,353	76,070
Attributable to:		
Equity holders of the Company	68,353	76,070
Non-controlled interest	0	0
Consolidated profit for the period	68,353	76,070
Earnings per share (expressed in euro per share)	0.10	0.11

CONSOLIDATED FINANCIAL STATEMENTS

Cash flow

Thousand Euros	Sep 2021	Sep 2020
Cash flow from operating activities:		
Cash receipts from customers	1,853,130	1,620,533
Cash paid to suppliers	-1,133,373	-1,242,296
Cash paid to employees	-55,833	-54,554
Income tax received/paid	-28,027	-4,334
Other receipts / (payments) relating to operating activities	-15,981	924
Net cash flows from operating activities (1)	619,916	320,272
Cash flow from investing activities:		
Receipts related to:		
Investments in associates	199	220
Property, plant and equipment	0	0
Other financial assets	0	0
Investment grants	25,368	21,653
Interests and other similar income	0	0
Dividends	13,218	11,587
Payments related to:		
Other financial assets	0	0
Financial investments	0	0
Equity instruments through other comprehensive income	0	0
Property, plant and equipment	-2,142	-11,077
Intangible assets - Concession assets	-143,736	-102,635
Net cash flow used in investing activities (2)	-107,094	-80,252
Cash flow from financing activities:		
Receipts related to:		
Borrowings	1,585,000	1,692,500
Capital and supplementary obligations	0	0
Interests and other similar income	0	0
Payments related to:		
Borrowings	-1,554,397	-1,782,320
Interests and other similar expense	-35,088	-34,986
Dividends	-113,426	-113,426
Net cash from / (used in) financing activities (3)	-117,911	-238,232
Net (decrease) / increase in cash and cash equivalents (1)+(2)+(3)	394,911	1,789
Effect of exchange rates	-538	-441
Cash and cash equivalents at the beginning of the year	61,169	20,521
Changes in the perimeter	0	0
Cash and cash equivalents at the end of the period	455,542	21,868
Detail of cash and cash equivalents		
Cash	22	22
Bank overdrafts	-54	-2,926
Bank deposits	455,574	24,772
	455,542	21,868

← 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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