

RESULTS PRESENTATION

1Q20

May 7th

REN 

COVID-19 ON REN

Actions taken	Impacts on the business
70% of employees working remotely	<p>Capex and Transfers to RAB</p> <ul style="list-style-type: none"> • Delay in investment execution as a result of the temporary suspension of construction and design works and of the corresponding licensing processes; • Restarting of CAPEX works has already taken place, although with a probable slower rhythm of execution during the first months.
Dispatch functions and other critical processes operated without issues	<p>Rate of return (RoR)</p> <ul style="list-style-type: none"> • 10y Portuguese Government Bonds are now recovering from historically low level, with a positive impact on remuneration of regulated assets.
Suspension of all other functions and works	<p>Tariff deviations</p> <ul style="list-style-type: none"> • Possible increase in tariff deviations stock resulting from a potential decrease in consumption and possible tariff payment deferrals by consumers as a consequence of COVID-19 certified problems as defined by ERSE. The increase in tariff deviations stock has no impact on REN's revenues recognized in P&L, but reduces REN's operational cash flow. Most of these tariff deviations are usually recovered up to two years later, as defined by ERSE's tariff code.
Donations of masks and other equipment	<p>The overall impact on REN's business is quite moderate</p>

HIGHLIGHTS

- ▶ In 1Q20, EBITDA stood at €118.9M, 5.1% (€6.4M) lower when compared with the same period of the previous year. This was essentially driven by the reduction in the remuneration of the asset base, following the decrease in the Portuguese bond yield, the introduction of a new regulatory framework in gas, a lower RAB and the increase in OPEX. This outcome was partially offset by a positive contribution from the two businesses in Chile (€1.8M) and natural gas distribution (€0.2M);
- ▶ There was however, a positive contribution of Financial Results (€1.9M), which benefited from a lower average cost of debt (1.8% in 1Q20, versus 2.3% in 1Q19);
- ▶ REN continued to be penalized by the extraordinary energy sector levy (€28.2M), which, for the first time, included Portgás. Hence, the effective tax rate rose to 43.9%. Net Profit totaled €4.3M (-€8.9M) and excluding extraordinary effects, Recurrent Net Profit was €32.5M (-€5.2M);
- ▶ Net Debt increased by €136.4M to €2,750.3M, as a result of the Transemel acquisition in October of last year and the consolidation of its debt;
- ▶ CAPEX rose by €10.2M to €27.0M, of which the electricity business represents over 76%. Transfers to RAB increased by €1.2M to €4.9M.

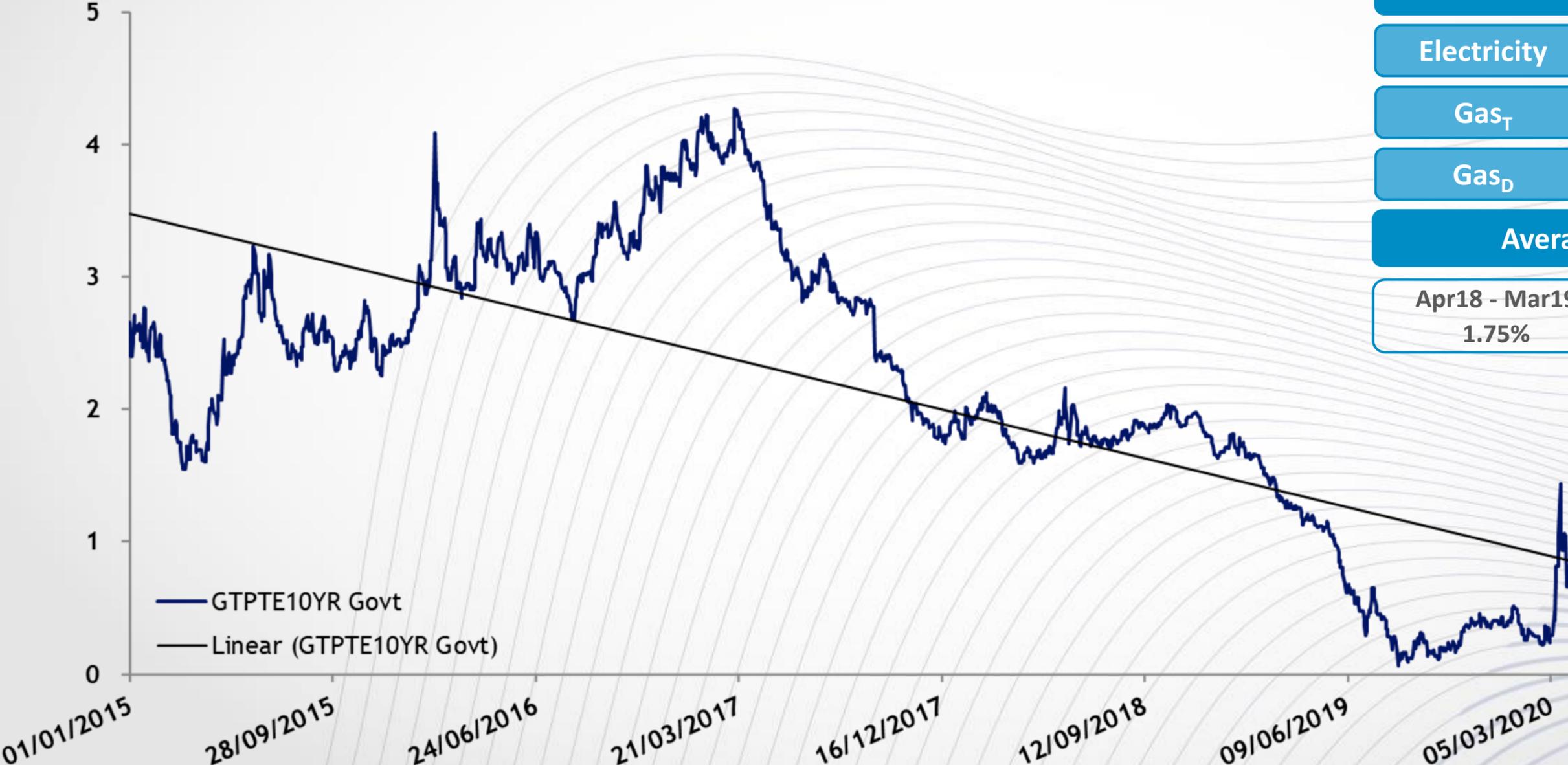
RESULTS AT A GLANCE

€M	1Q20	1Q19	Δ%	Δ Abs.
EBITDA	118.9	125.3	-5.1%	-6.4
Financial Results	-13.6	-15.5	12.0%	1.9
Net Profit	4.3	13.2	-67.5%	-8.9
Recurrent Net Profit	32.5	37.6	-13.7%	-5.2
Average RAB	3,714.2	3,743.0	-0.8%	-28.8
CAPEX	27.0	16.8	60.5%	10.2
Net Debt	2,750.3	2,613.9	5.2%	136.4

PORTUGAL SOVEREIGN DEBT RISK

Covid-19 crisis lead to a spike at the end of last March

PT 10Y Treasury Bond Yields



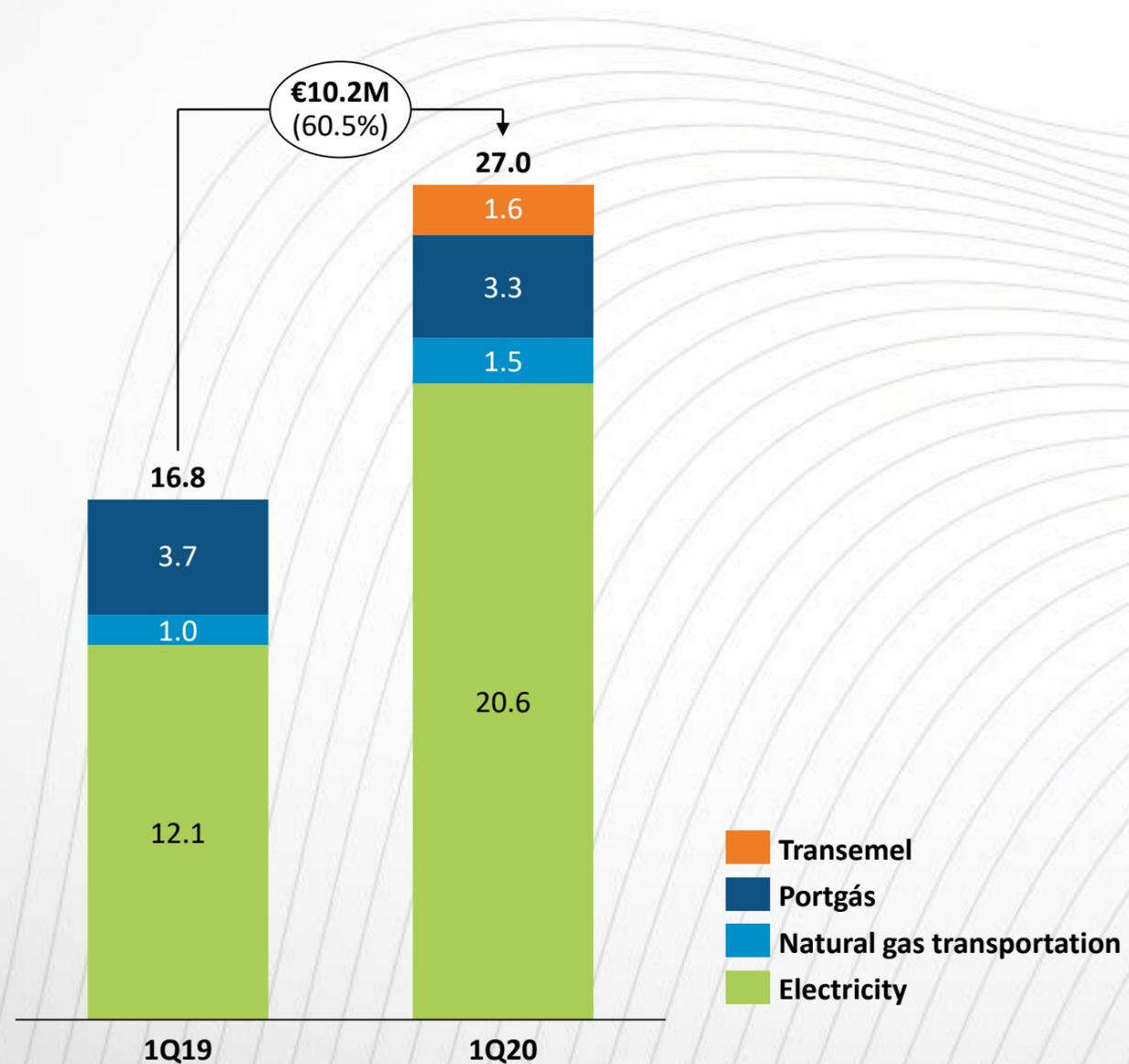
BASE RoR	1Q20	1Q19
Electricity	4.56%	5.09%
Gas _T	4.58%	5.40%
Gas _D	4.78%	5.70%
Average bond yield		
Apr18 - Mar19	1.75%	
Apr19 - Mar20	0.50%	

Source: Bloomberg, REN.

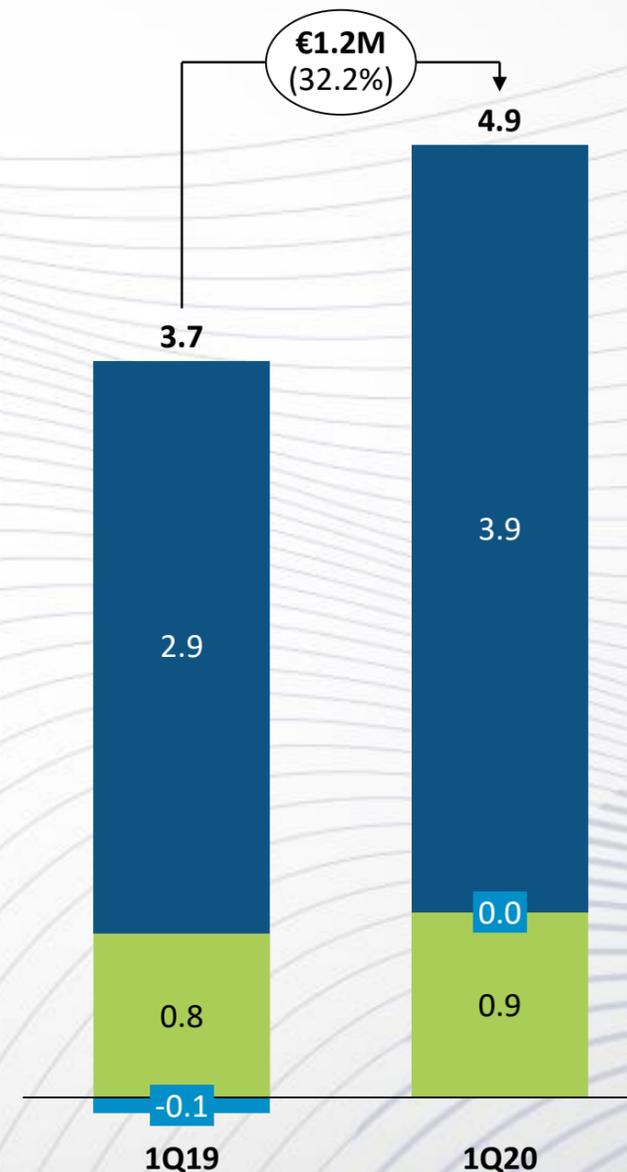
CAPEX ROSE BY €10.2M TO €27.0M

Transemel contributed with €1.6M

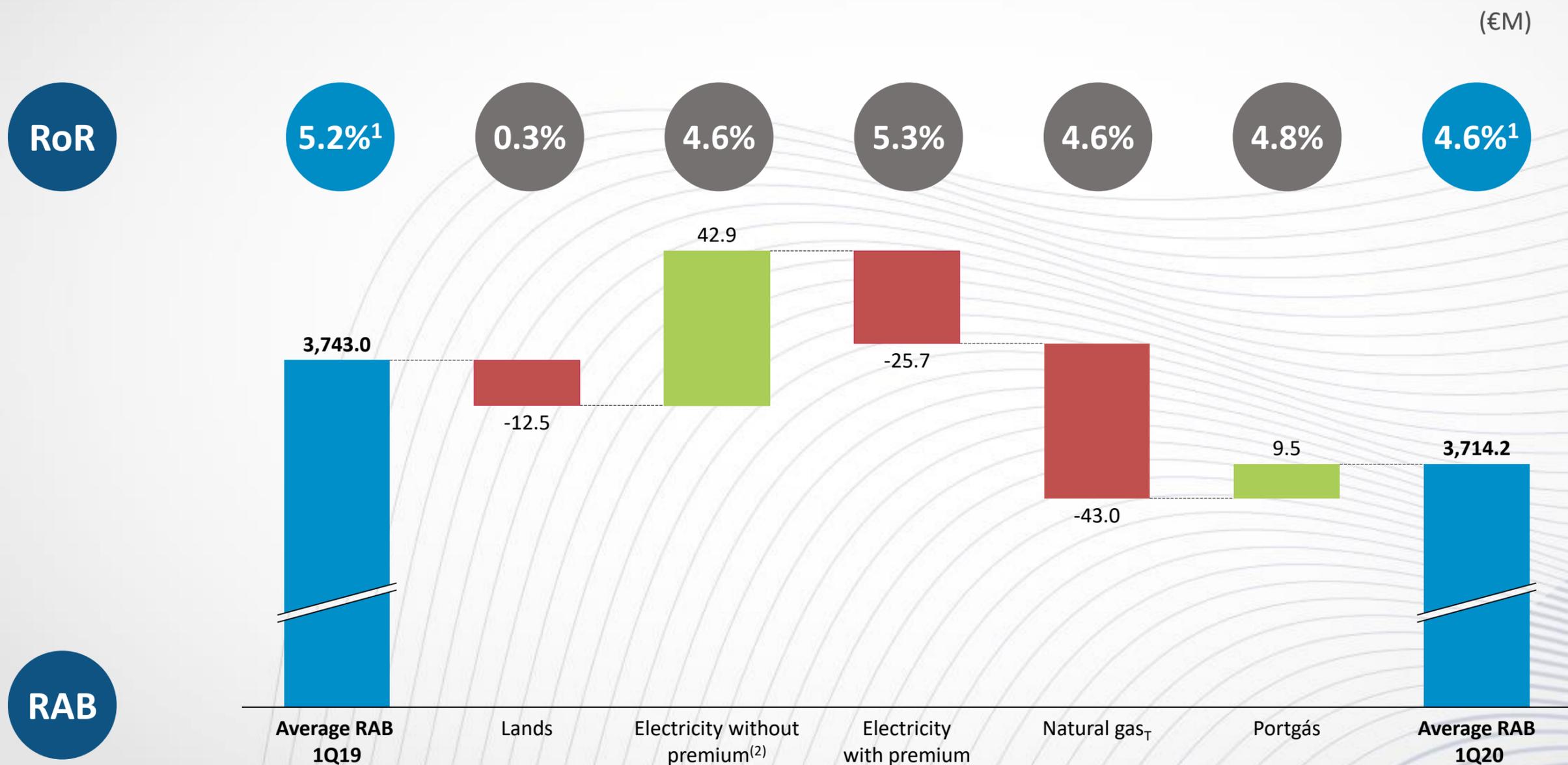
CAPEX
(€M)



TRANSFERS TO RAB
(€M)



AVERAGE RAB STOOD AT €3,714.2M (-0.8% YOY)



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

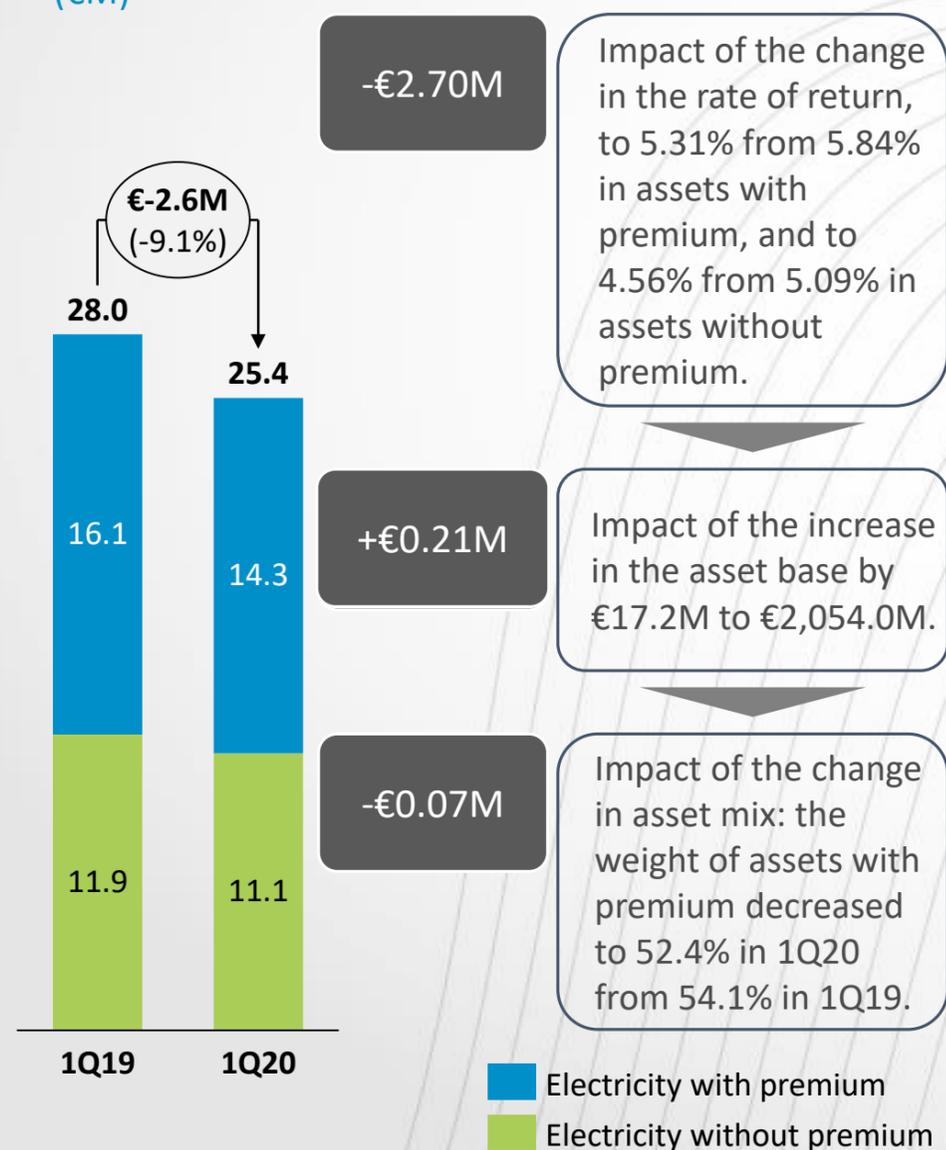
2) Includes transfers to RAB of the connection to the off-shore wind project "Windfloat", which is remunerated at the base rate.

RAB REMUNERATION WAS €6.1M BELOW 1Q19

Mainly due to the decrease in RoR (-€5.9M)

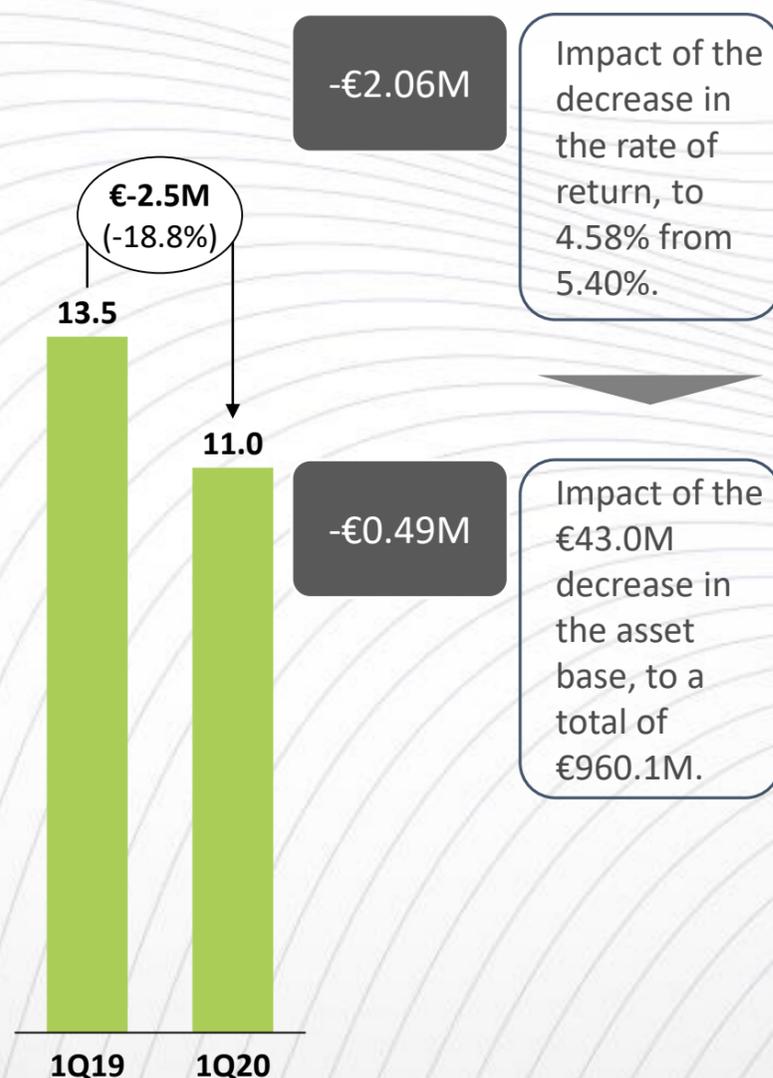
RAB REMUNERATION ELECTRICITY

(ex. Lands)
(€M)



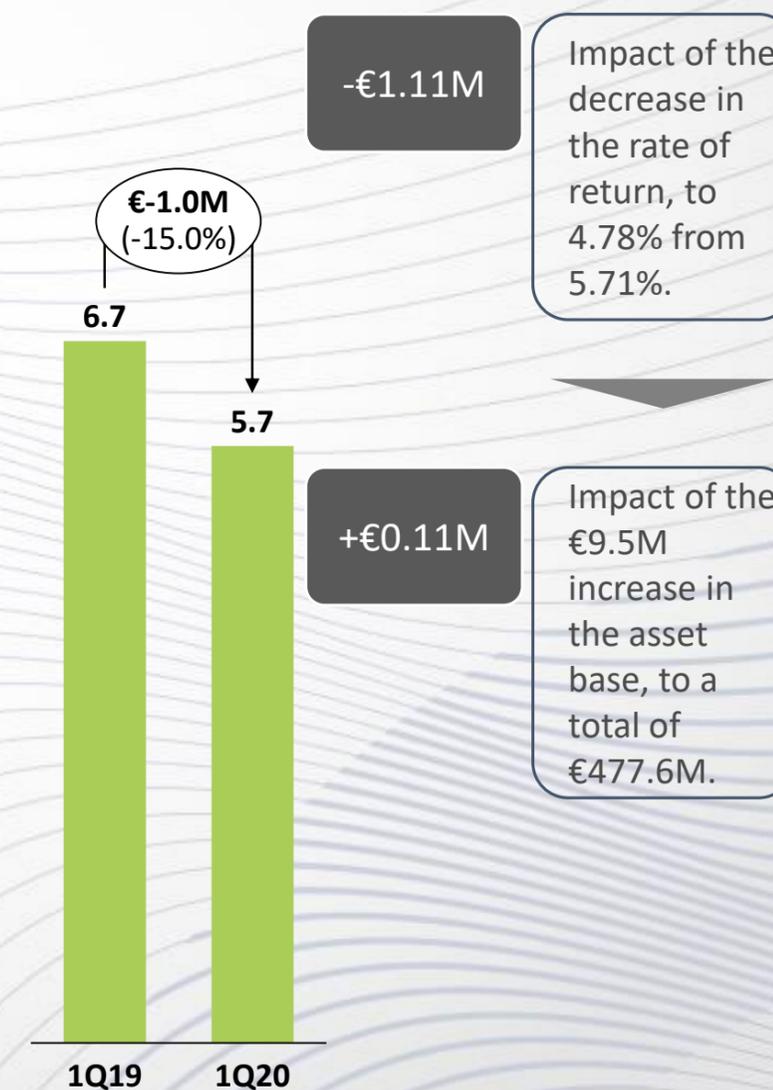
RAB REMUNERATION NATURAL GAS_T

(€M)



RAB REMUNERATION PORTGÁS

(€M)

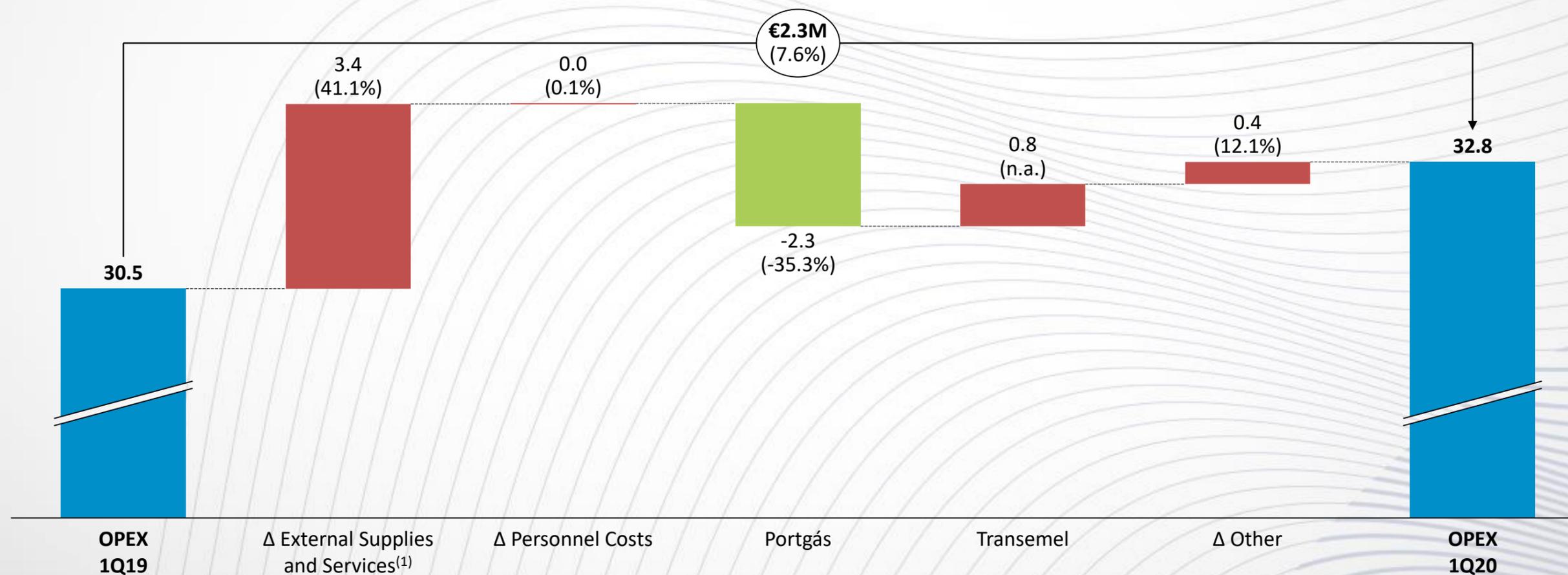


OPERATIONAL COSTS AMOUNTED TO €32.8M

Despite the positive variation in Portgás (-€2.3M)

OPERATIONAL COSTS

(€M)



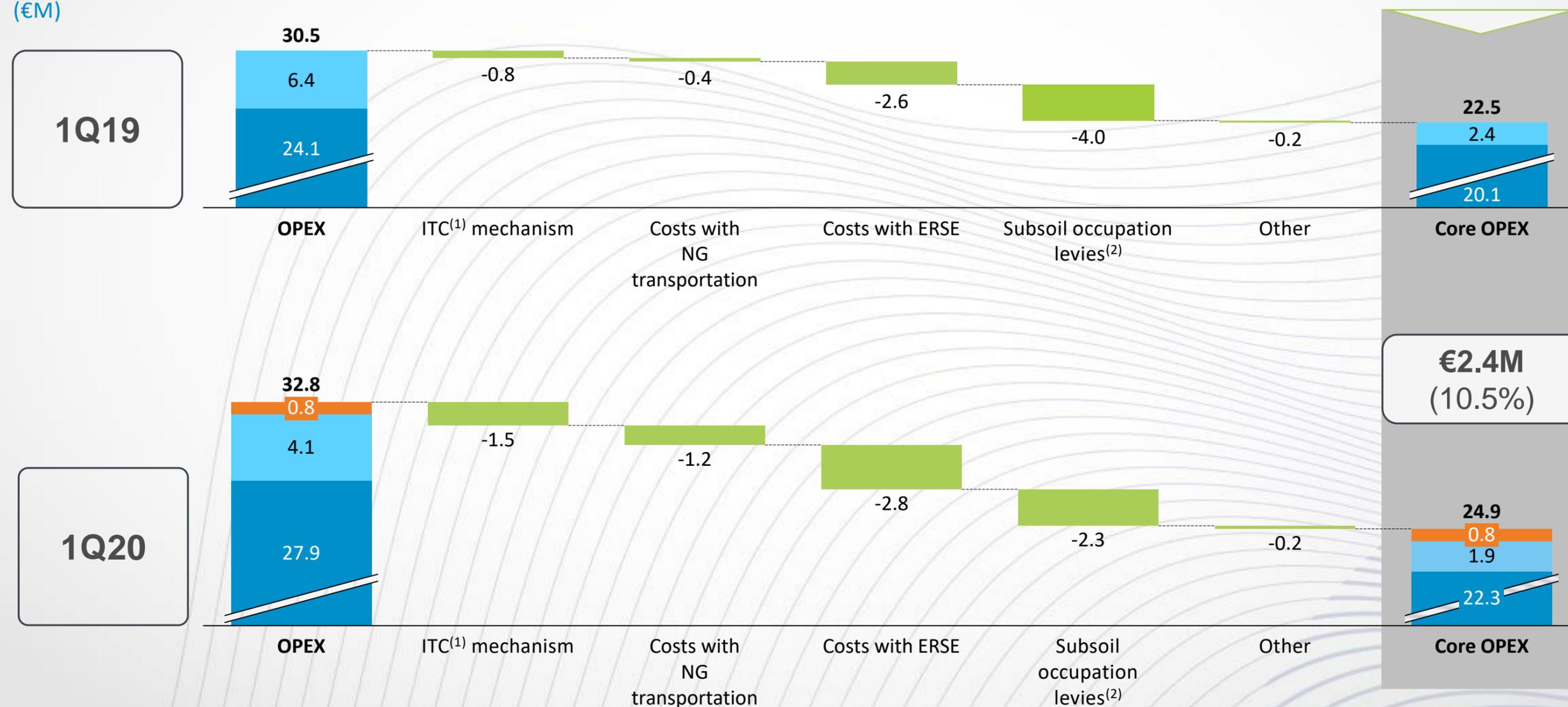
(1) Includes the following main variations: €1.4M from maintenance costs with forest clearing, as a result of more demanding legislation; €0.8M from costs with NG transportation (pass through cost); €0.6M from ITC mechanism (pass through cost); €0.3M from donations of masks to the health authorities in March 2020, following COVID-19 pandemic; -€0.4M from lower electricity costs in the LNG Terminal.

CORE OPEX INCREASED BY €2.4M

Portgás had a favourable evolution (-€0.6M)

CORE OPEX (€M)

Transemel Distribution Transmission

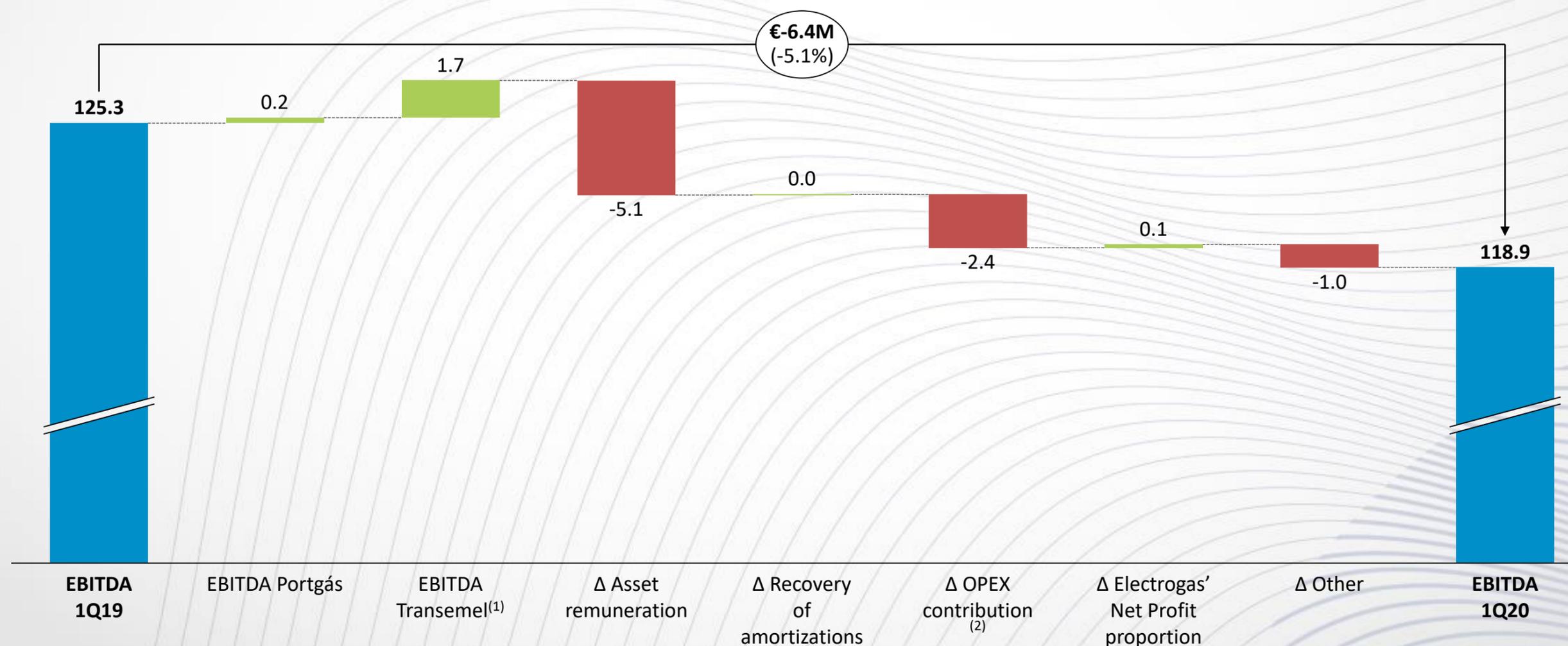


(1) ITC - Inter Transmission System Operator Compensation for Transits;
 (2) Item related to Portgás.

EBITDA DROPPED BY €6.4M TO €118.9M

Despite the positive impact of Portgás and the inclusion of Transemel

EBITDA
(€M)



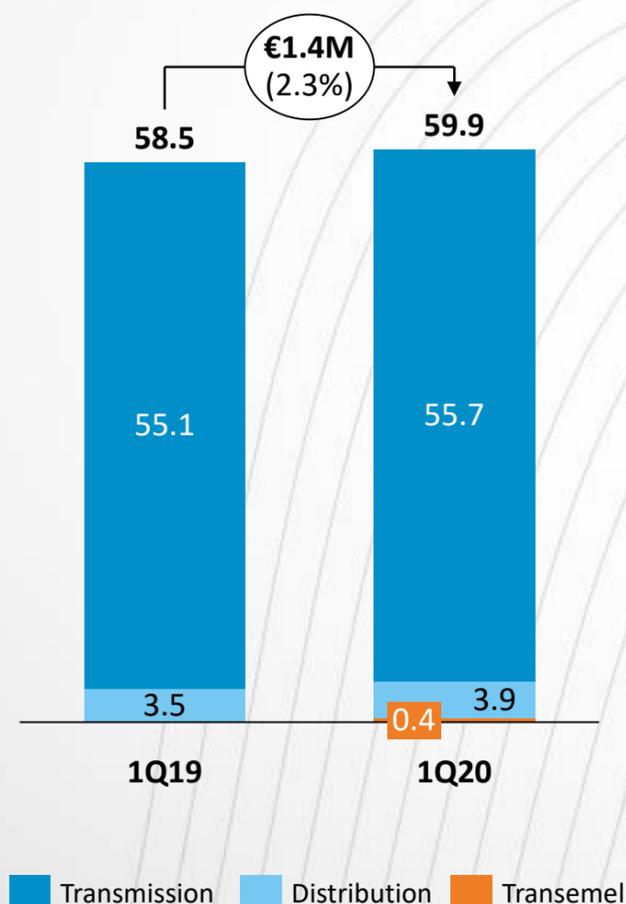
(1) Transemel was consolidated from 1 October 2019;

(2) Includes -Δ€0.15M of OPEX own works.

BELOW EBITDA

Hurt by the rise in CESE, in part offset by the drop in the average cost of debt

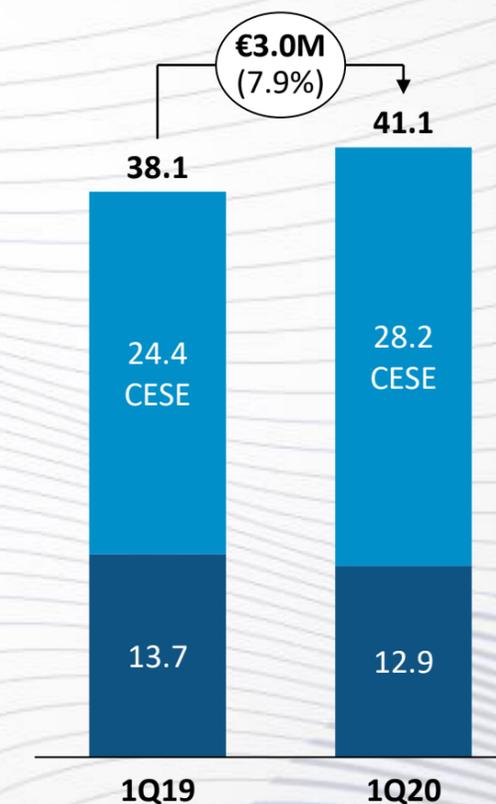
DEPRECIATIONS AND AMORTIZATIONS
(€M)



FINANCIAL RESULTS⁽¹⁾
(€M)



TAXES⁽²⁾
(€M)



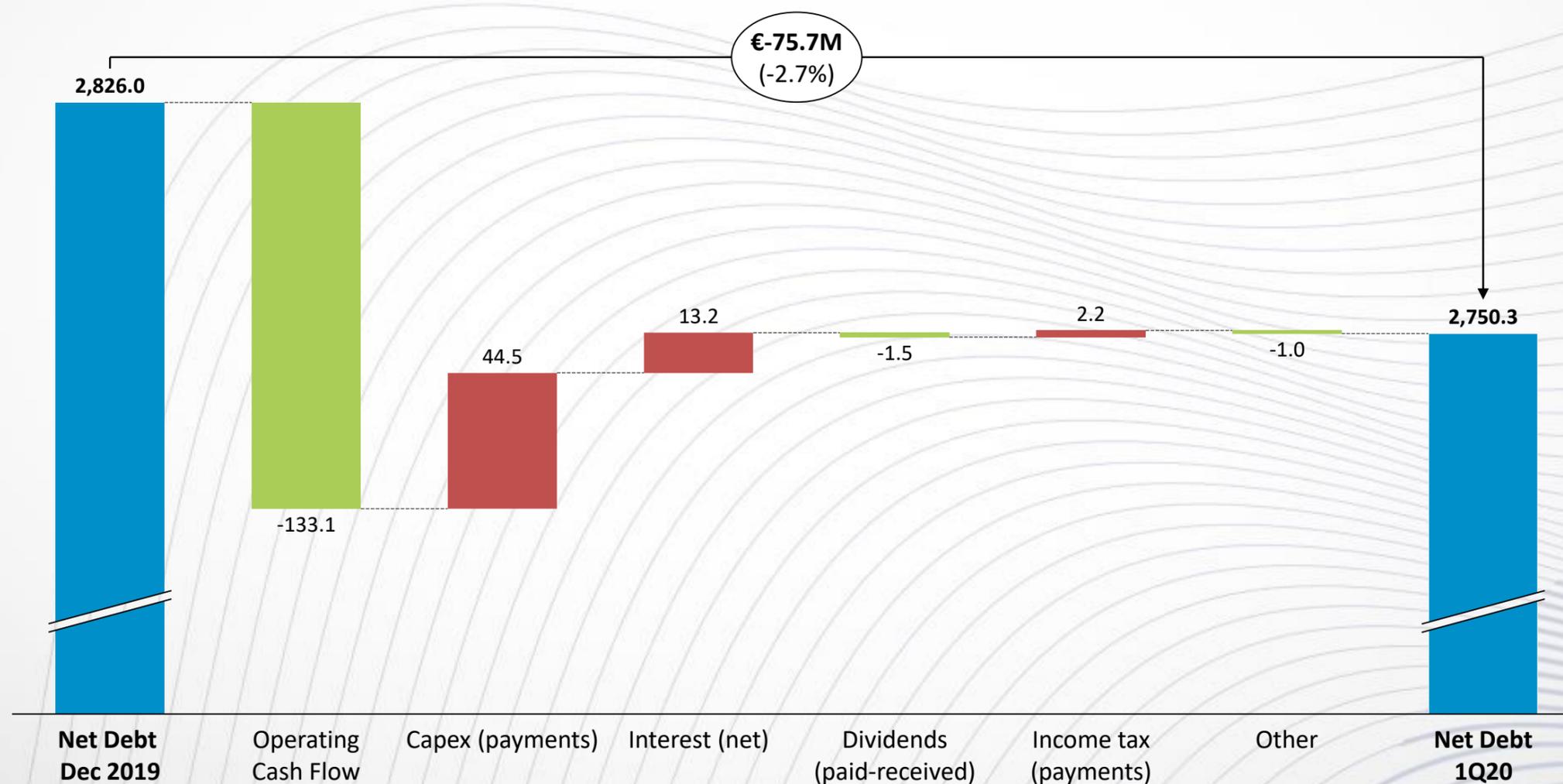
(1) The average cost of debt decreased by 0.43p.p. to 1.8%;

(2) From 2020, the CESE paid by REN also includes Portugás (€4.1M). Excluding the special levy on the energy sector, the effective tax rate reached 28.4%, versus 26.6% in 1Q19.

NET DEBT DECLINED BY €75.7M TO €2,750.3M

With an increase in free cash flow (-€133.1M)

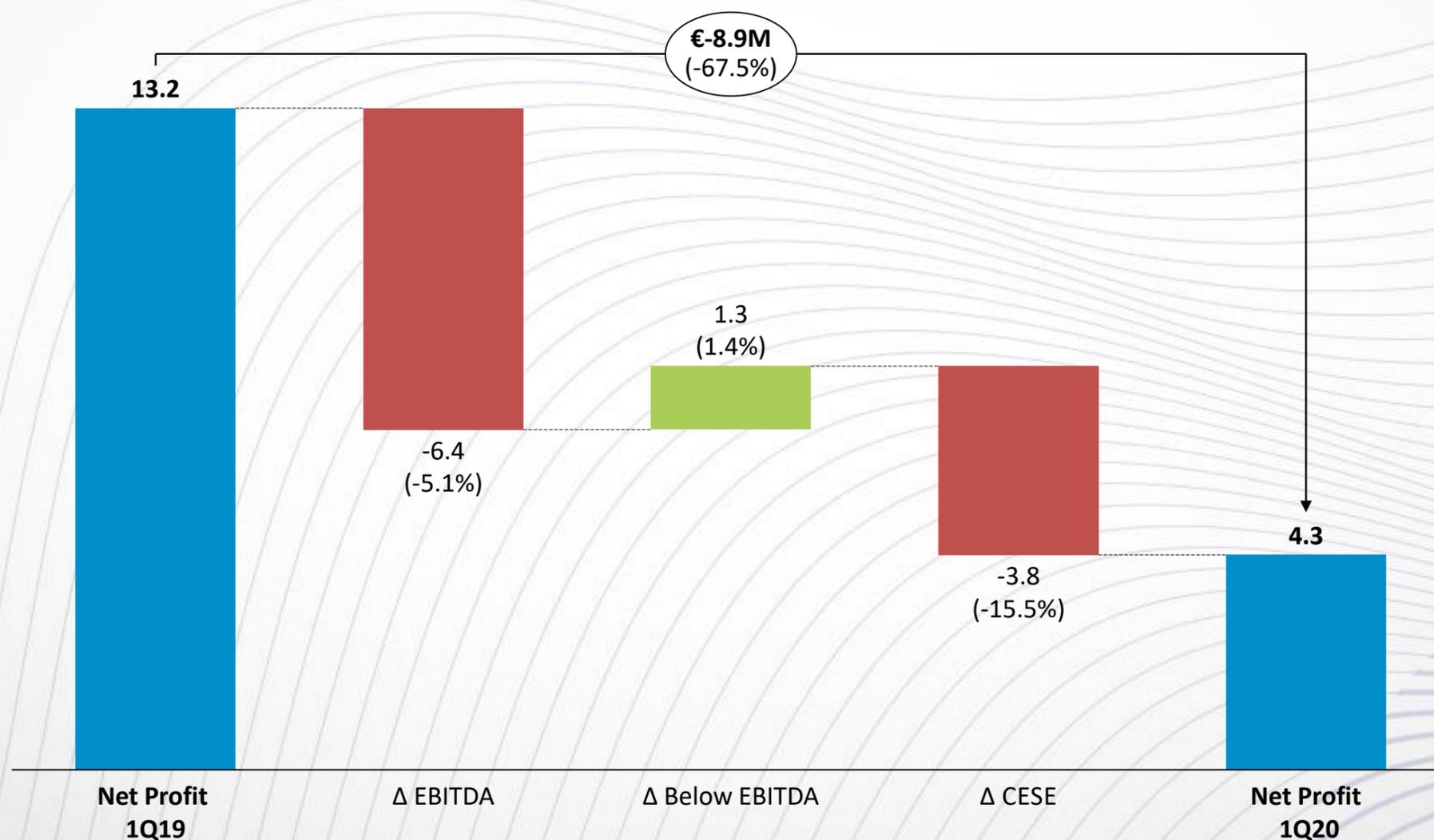
NET DEBT (€M)



NET PROFIT STOOD AT €4.3M (-€8.9M)

Despite better financials

NET PROFIT
(€M)



FINAL REMARKS

- ▶ In the first quarter of 2020, the highlight was the global coronavirus outbreak, which brought major challenges to the economies in general and a deterioration of the macroeconomic environment. REN plays a critical and essential role towards the community in which it provides its services. With its contingency plans activated, the Company had no impact on the security of supply in its infrastructures. Accordingly, REN's top priority is to ensure the continuity of operations and to safeguard the health of its employees;
- ▶ In terms of results, the operational performance was hurt by the decrease in returns from assets, led by lower sovereign bond yields and a more demanding new regulatory framework in gas. However, it benefited from a positive contribution from Portgás, Transemel and Electrogas;
- ▶ The Group's Net Profit continued to suffer from having to pay the extraordinary levy on the energy sector (CESE), that raised the effective rate to 43.9%. Since its introduction in 2014 REN has paid €180.1M. On a positive note, REN maintained its robust financial and credit profiles, as well as its current dividend policy. The dividend yield is clearly above 6%;
- ▶ This morning, REN's shareholders' telematic meeting approved the payment of a dividend of 17.1 cents per share, at the proposal of the Board of Directors.

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