

REN

July, 26th 2018

RESULTS REPORT 1H18



1H18 HIGHLIGHTS



RESULTS
REPORT

MAIN INDICATORS

€M	2Q18	1H18	1H17	Δ%	Δ Abs.
EBITDA¹⁾	124.1	252.4	242.7	4.0%	9.7
Financial Result¹⁾	-10.7	-27.3	-27.5	0.6%	0.2
Net Profit	39.8	52.8	53.0	-0.3%	-0.1
Recurrent Net Profit	40.0	78.4	80.9	-3.0%	-2.4
Average RAB	3,855.2	3,855.2	3,470.3	11.1%	384.9
CAPEX	25.5	39.4	41.0	-3.8%	-1.6
Net Debt²⁾	2,686.7	2,686.7	2,577.4	4.2%	109.2

1) Financial result from the interconnection capacity auctions between Spain and Portugal (-€0.4M in 1H18 and -€0.3M in 1H17) – known as FTR (Financial Transaction Rights) was reclassified from Financial Result to Revenues (EBITDA level);

2) Fixed/Variable rates: 61%/39%.

▶ **EBITDA** stood at €252.4M, an increase of €9.7M (4.0%) when compared with 1H17. This was due to: (1) Portugal's consolidation (€21.2M), which also benefited the **Average RAB** growth (11.1% YoY) that standing at €3,855.2M; and (2) **OPEX contribution** (€9.0M), highlighting REN's operational efficiency. However, EBITDA was penalized by the evolution of the average **rates of return** (RoR), as a result of the lower parameters set for the current regulatory period and the decline in bond yields (-€18.4M);

▶ **Net Profit** reached €52.8M, in line with last year (-0.3%), and **Recurrent Net Profit** was €78.4M, 3.0% below 1H17's number. Both were negatively affected by higher **Amortizations** (€9.0M), explained by the integration of Natural Gas distribution assets. Additionally, REN's results were penalized by the maintenance of the **extraordinary levy on the energy sector** (€25.4M in 2018) leading the effective tax rate to **39.0%**. The **Financial Result** (-€27.3M) partially offset these effects, showing an improvement of €0.2M and helped by a steady drop in the **cost of debt** to 2.3%, from 2.6% in 1H17;

▶ In May 2018, **REN presented its 2018-2021 strategic plan** at its "Capital Markets Day" event. REN maintained its commitment to operations in Portugal and willingness to invest at home and abroad;

▶ In July 2018, **REN sold its LPG⁽¹⁾ business to Energyco II**, for €4M. This operation is in line with the strategy outlined by REN of focus on regulated businesses.

CAPEX WAS €1.6M LOWER YOY

CAPEX and RAB

€M	1H18	1H17	Δ%	Δ Abs.
Average RAB	3,855.2	3,470.3	11.1%	384.9
Electricity	2,107.6	2,129.1	-1.0%	-21.5
Land	246.1	258.8	-4.9%	-12.7
Natural gas _T	1,041.7	1,082.5	-3.8%	-40.8
Natural gas _D	459.9	0.0		459.9
RAB end of period	3,811.9	3,420.7	11.4%	391.2
Electricity	2,081.1	2,095.9	-0.7%	-14.8
Land	242.9	255.6	-5.0%	-12.7
Natural gas _T	1,028.1	1,069.2	-3.8%	-41.0
Natural gas _D	459.7	0.0		459.7
CAPEX	39.4	41.0	-3.8%	-1.6
Electricity	27.6	37.5	-26.5%	-10.0
Natural gas _T	3.0	3.3	-8.2%	-0.3
Natural gas _D	8.8	0.0		8.8
Other	0.0	0.1	-97.5%	-0.1
RAB variation e.o.p.	-86.8	-99.1		
Electricity	-53.1	-66.0		
Land	-6.3	-6.4		
Natural gas _T	-27.1	-26.7		
Natural gas _D	-0.3	0.0		

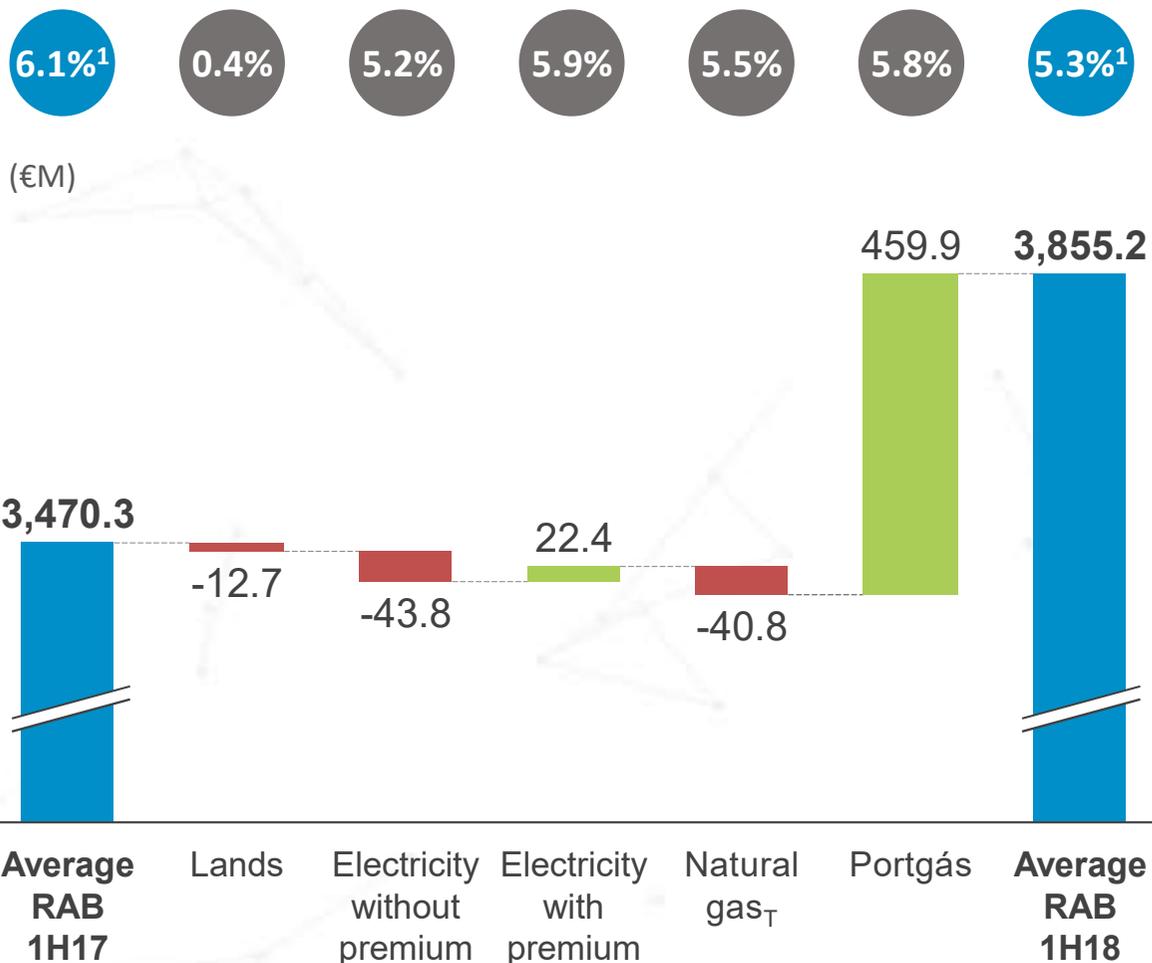
- ▶ In the first semester of 2018, **CAPEX** stood at €39.4M (-€1.6M) and **Transfers to RAB** have displayed a positive evolution (€17.0M) due to Portgás, standing at €19.3M. Furthermore, **Average RAB** rose by 11.1% to €3,855.2M, again helped by the contribution of Portgás (€459.9M);
- ▶ Within the scope of the **electricity transmission** infrastructures, the following projects were completed:
 - Remodelling of the 400 kV overhead lines between Riba de Ave and Recarei 1 and between Rio Maior and Alto de Mira;
 - The installation of a new autotransformer 220/150 kV and the remodelling of the protection, automation and control systems, in Zêzere substation.
- ▶ **Natural Gas transportation** investments were in line with 1H18, with no highlighted projects;
- ▶ **Portgás** capex is proceeding according to plan. Investments this semester were focused in networks expansion and densification on existing ones, mainly for B2C clients.

AVERAGE RAB ROSE BY 11.1%

Impacted by the Portgás acquisition



RESULTS
REPORT



- ▶ The main reason why RAB was higher this semester was the integration of Portgás, which added €459.9M of assets;
- ▶ Average RAB was up 11.1% to €3,855.2M, despite the negative path of NG transmission and electricity without premium;
- ▶ In the electricity business, the base rate of return (RoR) fell to 5.2% from 6.4%. Electricity with premium (with a 5.9% RoR) increased by €22.4M vs 1H17, while lands, the category with the lowest RoR (0.4%), dropped the value of its average RAB of €12.7M, to €246.1M year-on-year;
- ▶ In natural gas transmission, the average RAB declined €40.8M (RoR 5.5%);
- ▶ At the end of 1H18, electricity accounted for 54.7% of the average RAB, natural gas for 38.9% (Portgás included) and lands for the remaining 6.4%.

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

EBITDA GREW UP BY 4.0%

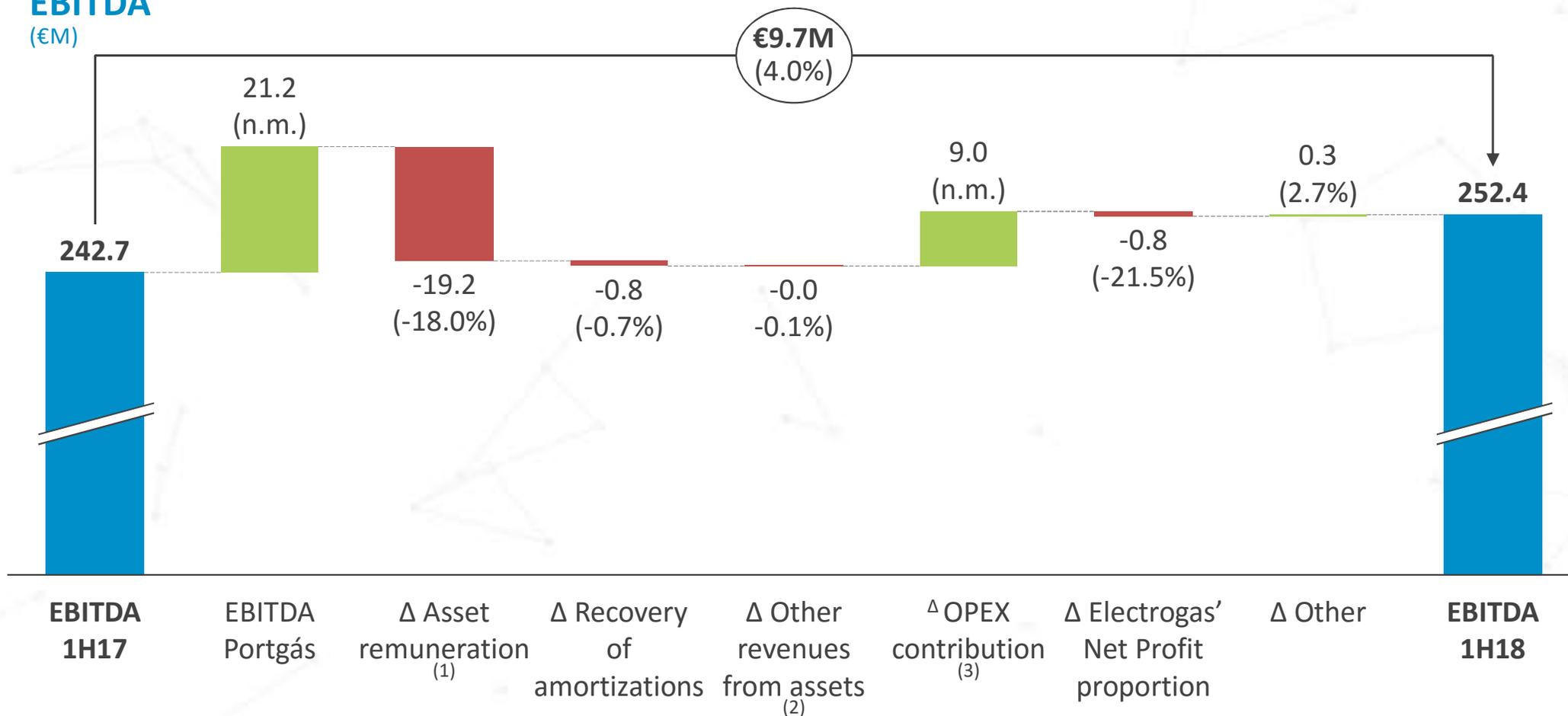
Mainly due to Portgás acquisition (€21.2M)



RESULTS
REPORT

EBITDA

(€M)



(1) Includes -Δ€0.6M of NG tariff smoothing effect (natural gas);

(2) Transmission business only;

(3) Includes €1.2M related to the one-off costs with Electrogas (in 1Q17) and Δ€1.8M of OPEX own works.

RAB REMUNERATION DROPPED €19.3M

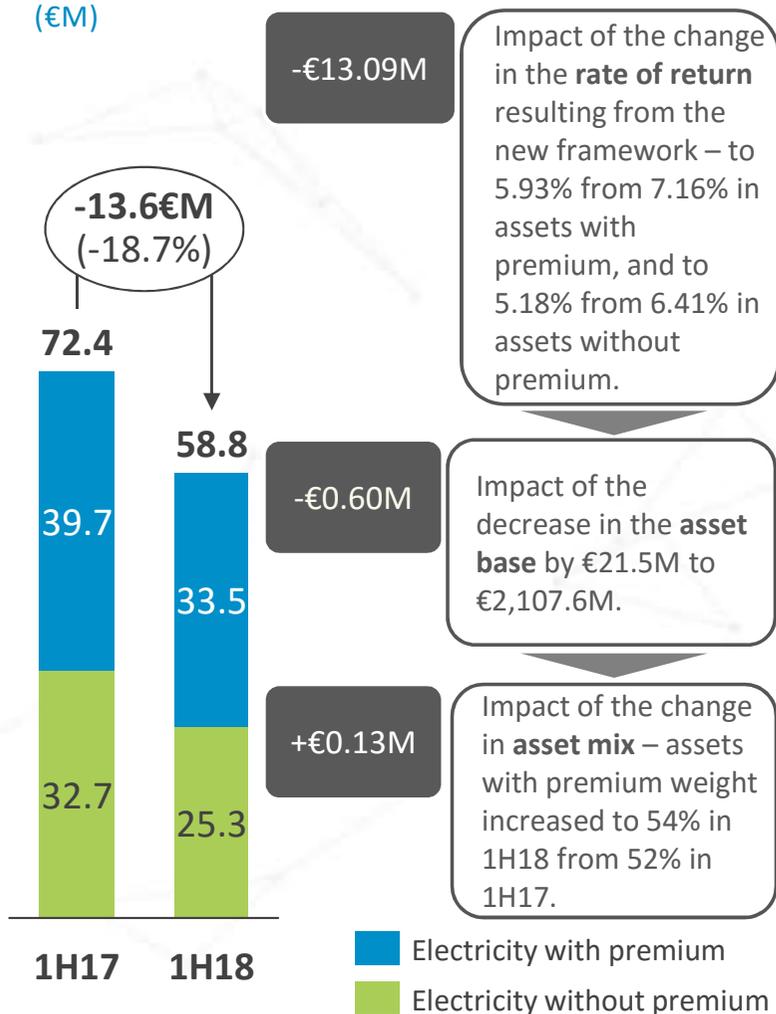
Mainly driven by the lower rate of return on the asset base



RESULTS
REPORT

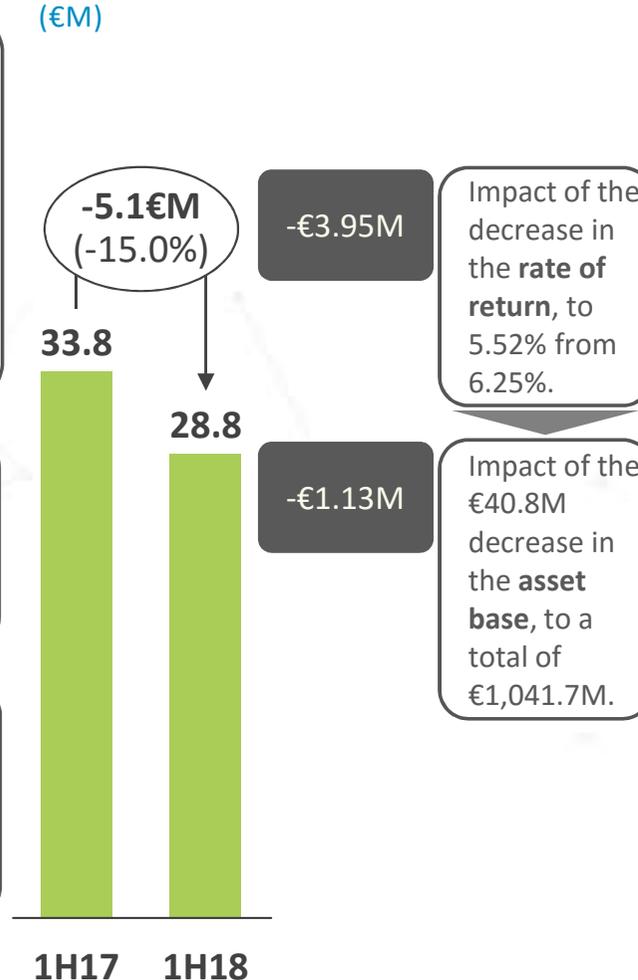
RAB REMUNERATION ELECTRICITY

(ex. Lands)
(€M)



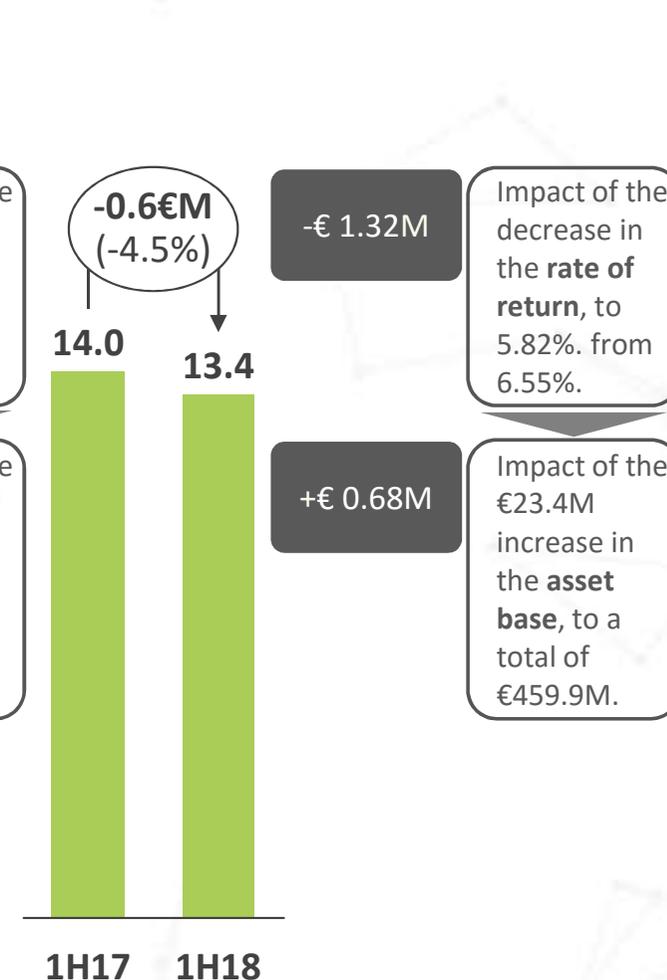
RAB REMUNERATION NATURAL GAS_T

(ex. tariff smoothing effect)
(€M)



RAB REMUNERATION PORTGÁS⁽¹⁾

(€M)



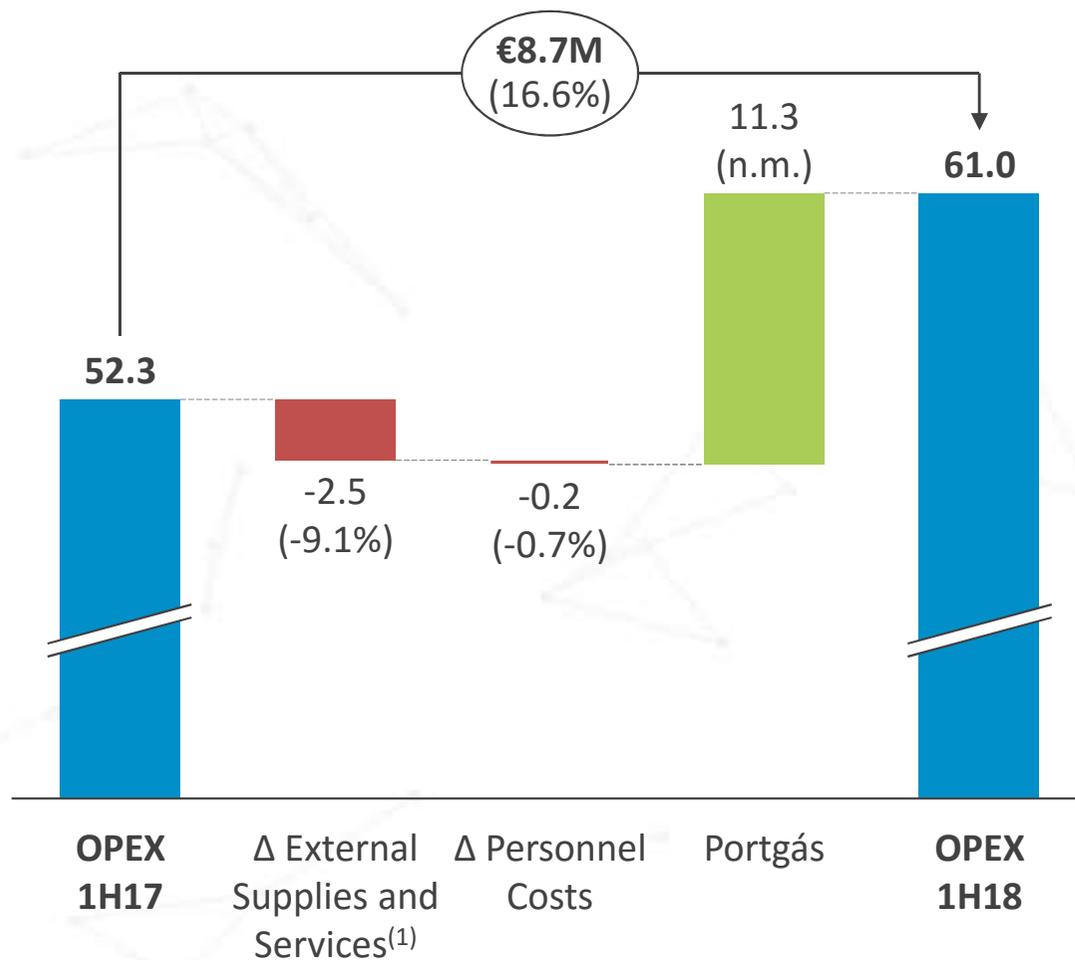
1) Portgás accounted for asset returns using ERSE's *ex-ante* allowed return (6.42%). REN used the effective rate calculated using the 10-Year bond yields (6.55%).

OPEX CAME €8.7M HIGHER YOY AT €61.0M

Without the Portgás effect, it went down by €2.7M

OPERATIONAL COSTS

(€M)



- ▶ OPEX variation was impacted by the acquisition of Portgás;
- ▶ *External Supplies and Services* include €1.2M from Electrogas acquisition in 2017.

⁽¹⁾ Include -Δ€0.5M of Other Operating Costs.

CORE OPEX ROSE BY €5.7M (13.4%)

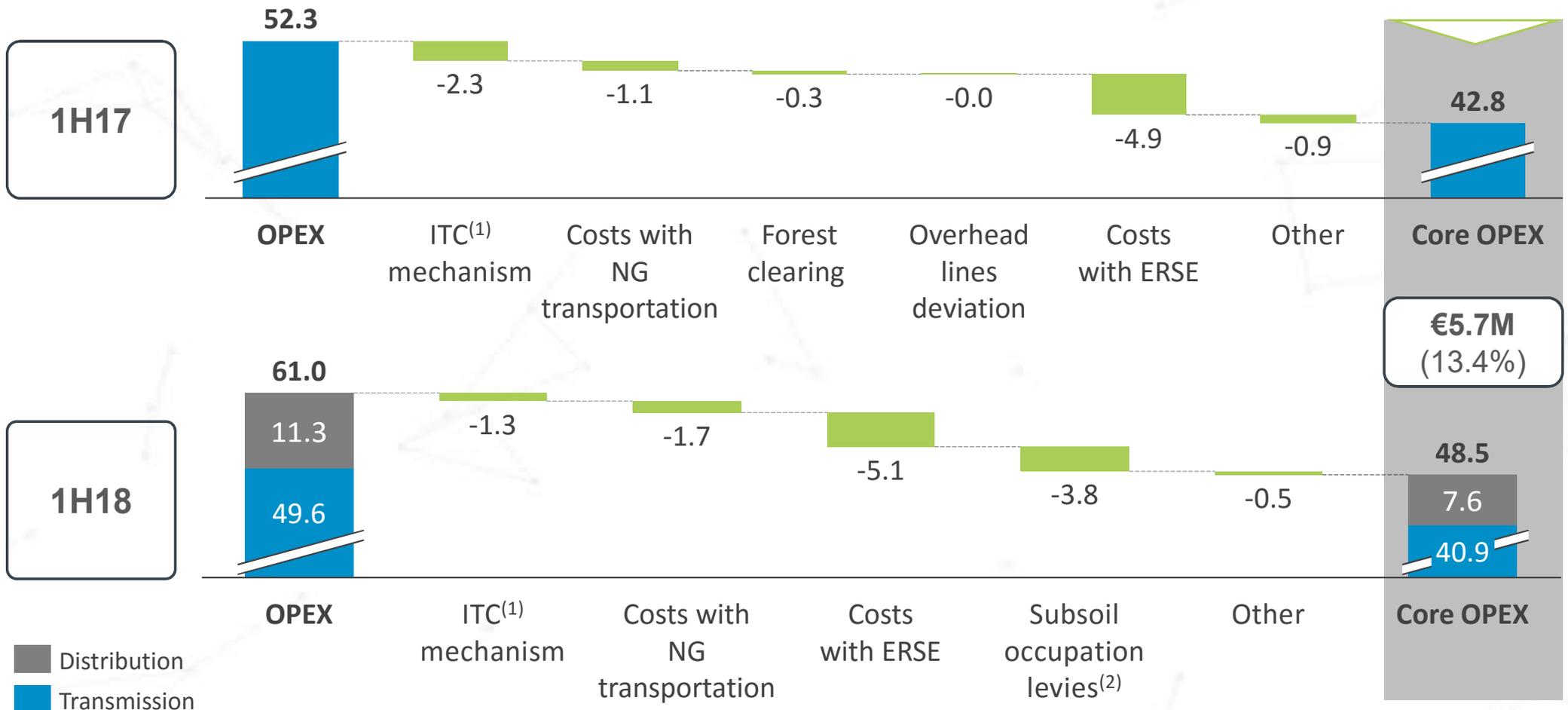
Excluding Portugás it decreased by 4.3% vs last year



RESULTS
REPORT

CORE OPEX

(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits;

(2) Related to Portugás.

BELOW EBITDA

Average cost of debt maintained its downward trend (from 2.6% to 2.3%)



RESULTS
REPORT

€M	1H18	1H17	Δ%	Δ Abs.
EBITDA	252.4	242.7	4.0%	9.7
Depreciations and amortizations	117.7	108.6	8.3%	9.0
Financial Result	-27.3	-27.5	0.6%	0.2
Profit before income tax and levy	134.8	134.1	0.5%	0.7
Taxes	29.2	27.9	5.0%	1.4
Extraordinary levy	25.4	25.8	-1.5%	-0.4
Net Profit	52.8	53.0	-0.3%	-0.1
Recurrent Net Profit	78.4	80.9	-3.0%	-2.4

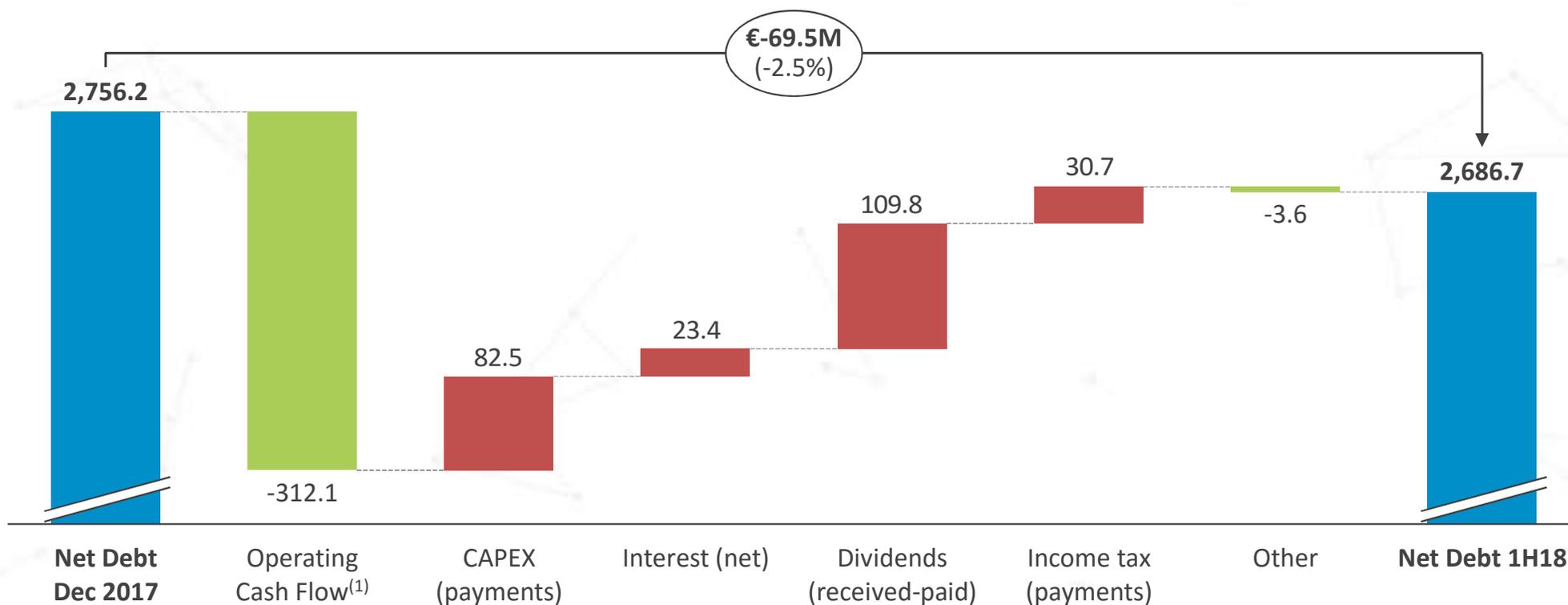
- ▶ **Depreciations and amortizations** increased by €9.0M (8.3%) to €117.7M, due to Portgás integration;
- ▶ Reported **Income Tax** increased by €1.0M to €54.6M. The effective tax rate reached **27.2%**, without taking into account the special levy on the energy sector;
- ▶ In 1H18, the Group was taxed at a Corporate Income Tax rate of 21%, added by a municipal surcharge up to the maximum of 1.5% over the taxable profit plus (i) a State surcharge of an additional 3.0% of taxable profit between €1.5M and €7.5M; (ii) an additional 5.0% of taxable profit in excess of €7.5M and up to €35.0M; and (iii) 9.0% over the taxable profit in excess of €35.0M.

- ▶ **Average cost of debt** was 2.3% versus 2.6% in 1H17;
- ▶ **Financial Result** stood at -€27.3M, impacted by the evolution of Net Debt that included the acquisition of Portgás.

NET DEBT REACHED €2,686.7M

NET DEBT

(€M)



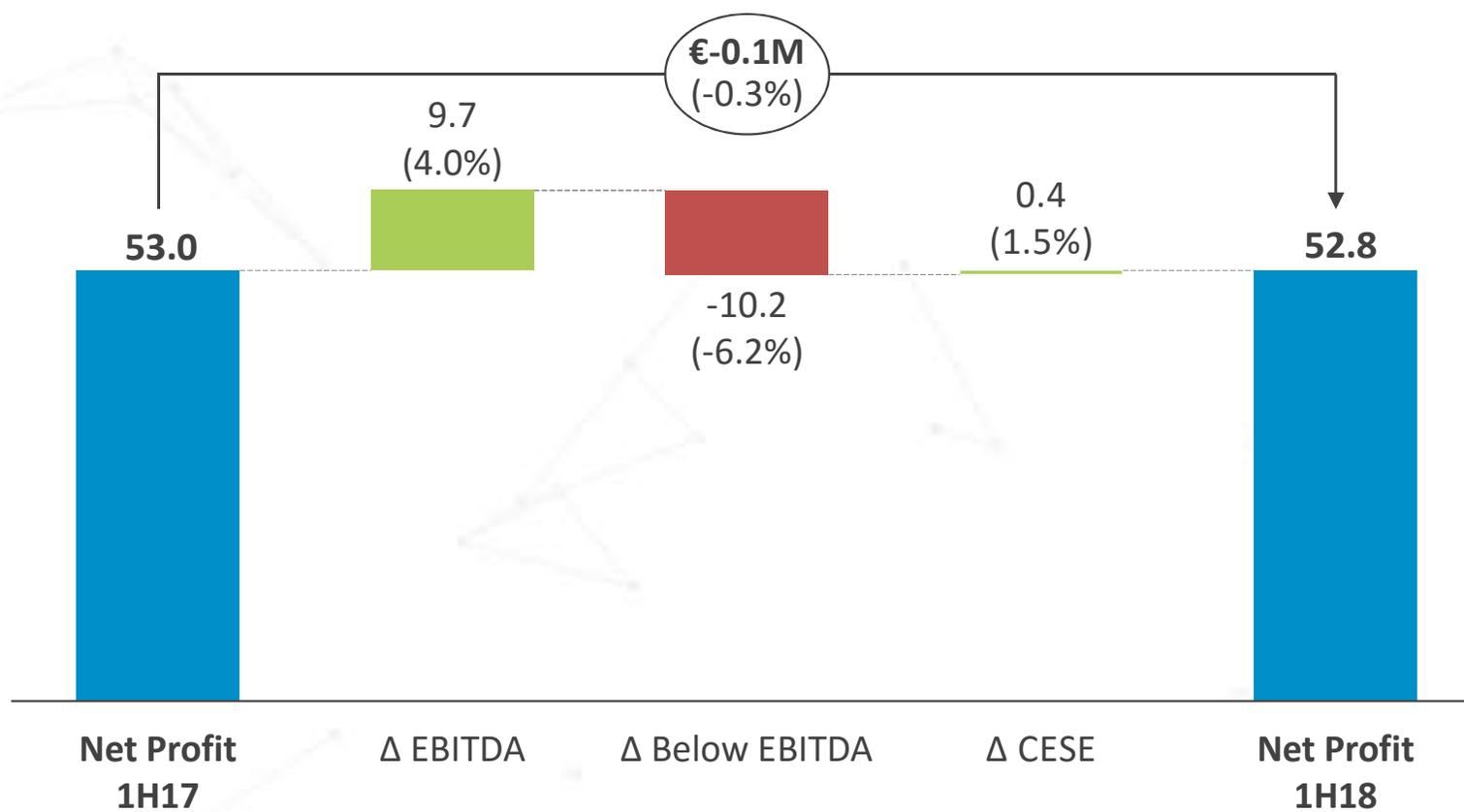
- ▶ **Average cost of debt** decreased over the last twelve months (2.3% in 1H18 vs 2.6% in 1H17);
- ▶ **FFO/Net Debt** went up to 12.2%.

(1) Includes Δ€39.4M of tariff deviations.

NET PROFIT WAS FLAT YOY

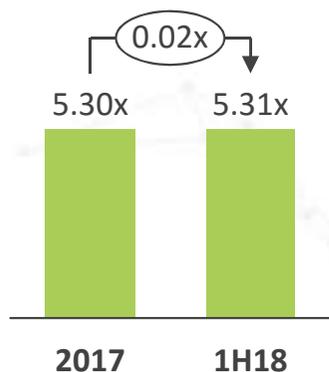
NET PROFIT

(€M)

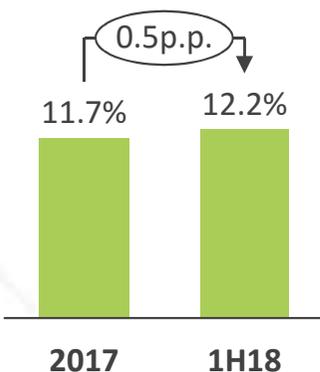


REN IS FUNDED OVER THE NEXT TWO YEARS

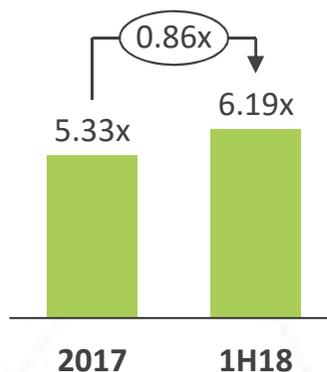
Net Debt / EBITDA¹⁾



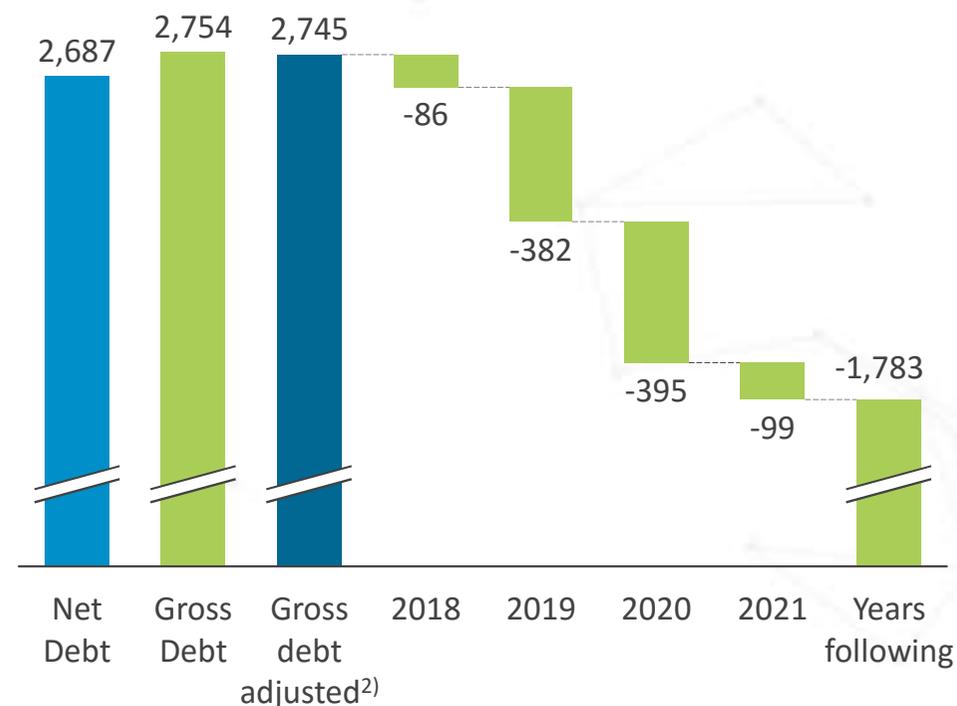
FFO / Net Debt



FFO interest coverage



DEBT MATURITY SCHEDULE (€M)



- ▶ In 1H18, the cost of REN's debt maintained its downward trend. This reduction was 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;
- ▶ The average debt maturity at the end of 1H18 was **4.75** years.

1) The ratio was affected by the Portgás acquisition;

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

BALANCE SHEET



RESULTS
REPORT

€M	1H18	2017
Fixed assets c. related	4,106.3	4,179.2
Investments and goodwill ¹	348.0	345.5
Tariff deviations	110.1	105.4
Receivables ²	443.3	539.8
Cash	52.1	61.5
Other ³	127.2	133.4
Total assets	5,186.9	5,364.7
Shareholders equity	1,376.9	1,429.2
Debt (end of period)	2,754.2	2,829.7
Provisions	9.1	9.0
Tariff deviations	141.0	110.5
Payables ⁴	777.4	857.3
Other ⁵	128.3	128.9
Total equity and liabilities	5,186.9	5,364.7

- ▶ The total amount of **fixed assets concessions related** decreased to **€4,106.3M** (this value includes investment subsidies);
- ▶ **Investments and goodwill** (1) increased to €348.0M from €345.5M at the end of 2017. 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 €443.3M in 1H18, a decrease from €539.8M at the end of 2017;
- ▶ **Other Assets** (3) stood at €127.2M. 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 totaled €777.4M at the end of the period, versus €857.3M in 2017;
- ▶ **Other liabilities** (5) stood at €128.3M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€128.9M in 2017).

THE BALANCE OF TARIFFS DEVIATIONS FELL TO €23.2M

To be received from tariffs over the next two years

REN

RESULTS
REPORT

TARIFF DEVIATIONS

€M	1H18	2017
Electricity ¹⁾	48.2	94.2
Trading	67.1	46.8
Natural gas _T	-89.2	-73.4
Natural gas _D	-2.9	-2.1
TOTAL	23.2	65.7

- ▶ 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) related with the PPA's (€70.8M in 2017 and €48.3M in 1H18).

BORROWINGS

€M	Current	Non Current	TOTAL
Bonds	30.0	1,736.1	1,766.1
Bank borrowings	250.0	591.5	841.5
Commercial paper	150.0	0.0	150.0
Bank overdrafts	7.3	0.0	7.3
Finance lease	1.3	1.7	3.0
TOTAL	438.6	2,329.3	2,767.9
Accrued interest	26.6	0.0	26.6
Prepaid interest	-14.3	-26.0	-40.3
TOTAL	450.9	2,303.3	2,754.2

- ▶ In 1H18, REN's total liquidity reached €987M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ **Bank borrowings** were mainly represented by EIB loans (€437M);
- ▶ The Group had **credit lines** negotiated and not used in the amount of €91.5M, 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 €975M, of which €825M were available for use;
- ▶ REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge, Leverage ratios and Gearing (ratio of total consolidated equity with the total consolidated regulated assets).

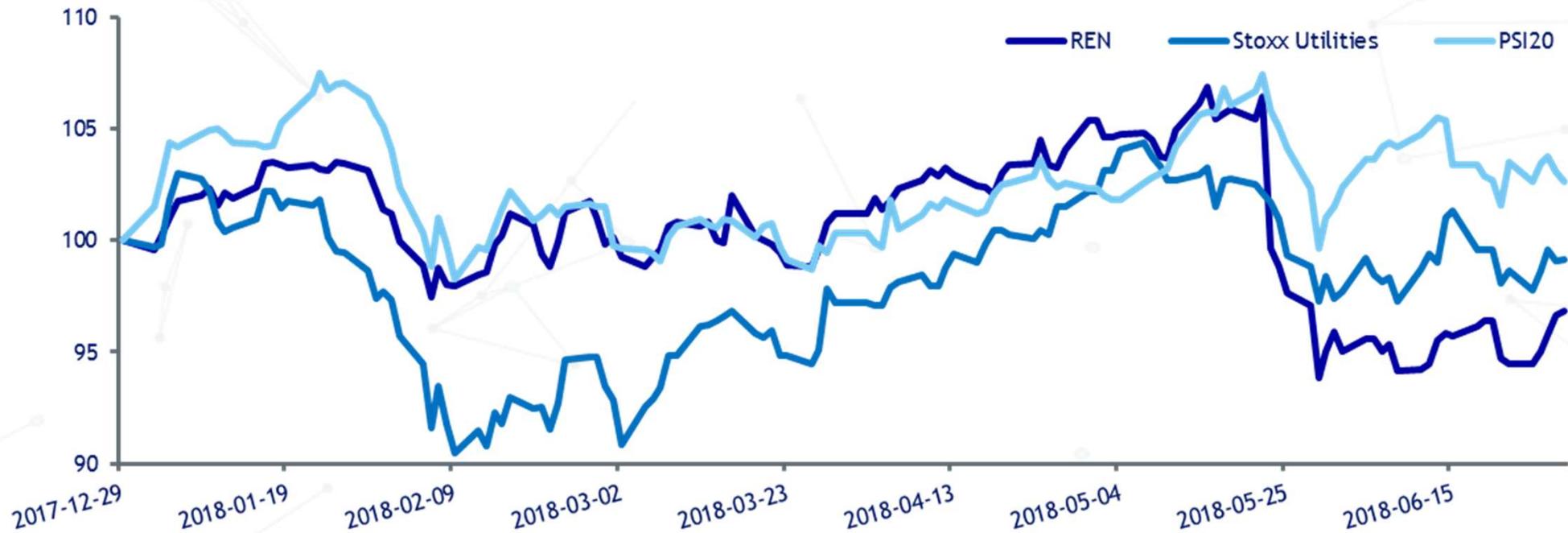
SHARE PERFORMANCE

In the end of first half, REN's share price was -3.2% YTD



RESULTS
REPORT

ANNUALIZED CLOSING PRICES



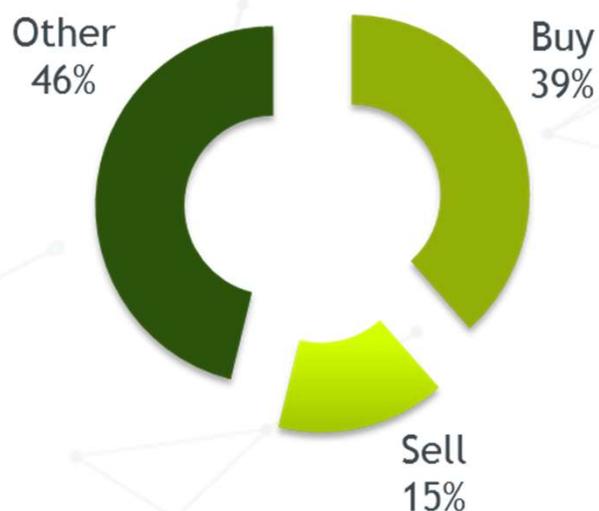
ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ **Average Price target**

€2.69

- ▶ **Upside/Downside^(+/-)**

8.9%



CMVM: MAIN PRESS RELEASES

(from January 2018)

- ▶ **Jan-23:** Qualified shareholding and transactions over REN shares (Fidelidade, Jorge Magalhães Correia)
- ▶ **Feb-21:** Summary of annual information disclosed in 2017
- ▶ **Mar-15:** 2017 Consolidated results
- ▶ **Mar-23:** Notice to convene the Annual General Shareholders Meeting and deliberation proposals
- ▶ **Mar-23:** Accounts Reporting Document referring to the financial year 2017 - Item 1 of the agenda for the General Shareholders Meeting
- ▶ **May-03:** 1Q18 Consolidated results
- ▶ **May-03 :** Resolutions approved at the general shareholders meeting
- ▶ **May-04 :** Strategic Update 2018-2021
- ▶ **May-10 :** Payment of dividends relating to the financial year of 2017
- ▶ **May-30 :** Manager's transaction over REN' shares (Manuel Sebastião)

1) July 24th, 2018.

REN'S TOTAL SHAREHOLDER RETURN WAS +3.5% (YTD)



RESULTS
REPORT

REN END OF PERIOD	1H18	2017
Price (€)		
Close	2.400	2.479
Average	2.492	2.510
High YTD	2.650	2.767
Low YTD	2.326	2.254
<i>Variation YTD</i>	-3.2%	3.4%
Market cap. (€M)	1,601	1,654
Number of shares	667,191,262	667,191,262
Own shares (mn)	3.9	3.9
Volume (th shares)	2.220	0.644
Average Daily Volume (th shares)	1.265	875
Performance indicators		
Dividend yield	7.1%	6.5%
Total shareholder return YTD	3.5%	10.1%
Cumulative total return*		
REN	83.0%	76.7%
PSI20	-36.0%	-39.9%
EuroStoxx Utilities	-9.2%	-11.3%

*Inception to date (July 09th 2007).

The background of the slide is a network diagram. It consists of numerous small grey dots representing nodes, connected by thin grey lines representing edges. The nodes are scattered across the page, with some forming small clusters or triangles. A prominent feature is a cluster of nodes on the left side, where several nodes are highlighted in a bright green color. The overall layout is clean and modern, with a white background.

RESULTS BREAKDOWN



RESULTS
REPORT

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
1) TOTAL REVENUES	344.0	329.9	747.8	4.3%	14.1
Revenues from assets	227.2	227.5	460.3	-0.1%	-0.3
Return on RAB	101.0	106.2	215.7	-5.0%	-5.3
Electricity	58.8	72.4	143.9	-18.7%	-13.6
Natural gas	28.8	33.8	64.7	-15.0%	-5.1
Portgás	13.4	0.0	7.1		13.4
Hydro land remuneration	0.1	0.1	0.2	-4.9%	0.0
Lease revenues from hydro protection zone	0.4	0.4	0.7	-1.2%	0.0
Economic efficiency of investments	10.8	10.8	21.8	0.0%	0.0
Tariff smoothing effect (natural gas)	0.0	0.6	0.6		-0.6
Recovery of amortizations (net from subsidies)	106.0	100.4	203.4	5.6%	5.6
Subsidies amortization	9.0	9.0	18.0	-0.5%	0.0
Revenues of OPEX	62.9	48.3	108.2	30.2%	14.6
Other revenues	14.7	13.2	24.7	10.6%	1.4
Construction revenues (IFRIC 12)	39.3	40.9	154.7	-3.9%	-1.6
2) OPEX	61.0	52.3	121.5	16.6%	8.7
Personnel costs	27.5	25.1	51.8	9.8%	2.4
External supplies and services	21.9	20.0	55.0	9.6%	1.9
Other operational costs	11.6	7.3	14.7	59.4%	4.3
3) Construction costs (IFRIC 12)	30.4	34.7	136.7	-12.3%	-4.3
4) Depreciations and amortizations	117.7	108.6	222.0	8.3%	9.0
5) Other	0.2	0.2	2.1	-5.9%	0.0
6) EBIT	134.8	134.1	265.5	0.5%	0.7
7) Depreciations and amortizations	117.7	108.6	222.0	8.3%	9.0
8) EBITDA	252.4	242.7	487.5	4.0%	9.7
9) Depreciations and amortizations	117.7	108.6	222.0	8.3%	9.0
10) Financial result	-27.3	-27.5	-61.2	-0.6%	0.2
11) Income tax expense	29.2	27.9	52.5	5.0%	1.4
12) Extraordinary contribution on energy sector	25.4	25.8	25.8	-1.5%	-0.4
13) NET PROFIT	52.8	53.0	125.9	-0.3%	-0.1
14) Non recurrent items*	25.6	27.9	28.9	-8.2%	-2.3
15) RECURRENT NET PROFIT	78.4	80.9	154.8	-3.0%	-2.4

* NON RECURRENT ITEMS:

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);

1H17: i) Extraordinary energy sector levy, as established in the 2017 State budget law (€25.8M); ii) one-off costs from the Electrogas and Portgás acquisition processes (€1.9M, €1.4M after taxes); iii) Electrogas acquisition stamp duty (€1.0M, €0.8M after taxes).

OTHER OPERATIONAL REVENUES AND COSTS BREAKDOWN



RESULTS
REPORT

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
Other revenues	14.7	13.2	24.7	10.6%	1.4
Allowed incentives	2.3	2.4	3.2	-3.8%	-0.1
Interest on tariff deviation	0.1	0.8	1.4	-85.0%	-0.7
Telecommunication sales and services rendered	3.1	2.5	5.2	22.8%	0.6
Consultancy services and other services provided	2.6	0.5	2.8		2.1
Other revenues*	6.5	7.0	12.1	-6.3%	-0.4
Other costs	11.6	7.3	14.7	59.4%	4.3
Costs with ERSE	5.1	4.9	9.7	5.0%	0.2
Other	6.5	2.4	5.0		4.1

*Includes revenues related to Electrogas' Net Profit proportion (€2.9M in 1H18 and €3.7M in 1H17).

EBITDA BREAKDOWN (ELECTRICITY¹)

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RESULTS
REPORT

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
1) REVENUES	210.6	234.3	530.4	-10.1%	-23.7
Revenues from assets	148.0	162.7	324.2	-9.0%	-14.7
Return on RAB	58.8	72.4	143.9	-18.7%	-13.6
Hydro land remuneration	0.1	0.1	0.2	-4.9%	0.0
Lease revenues from hydro protection zone	0.4	0.4	0.7	-1.2%	0.0
Economic efficiency of investments	10.8	10.8	21.8	0.0%	0.0
Recovery of amortizations (net from subsidies)	71.8	72.9	145.4	-1.4%	-1.1
Subsidies amortization	6.1	6.1	12.1	-0.7%	0.0
Revenues of OPEX	33.0	29.8	64.5	11.0%	3.3
Other revenues	2.0	4.3	6.9	-54.3%	-2.4
Interest on tariff deviation	0.2	0.5	0.9	-58.6%	-0.3
Other	1.8	3.9	6.0	-53.8%	-2.1
Construction revenues (IFRIC 12)	27.6	37.5	134.8	-26.5%	-10.0
2) OPEX	21.4	23.4	53.8	-8.8%	-2.1
Personnel costs	9.4	9.9	19.5	-5.0%	-0.5
External supplies and services	7.8	8.7	26.0	-10.1%	-0.9
Other operational costs	4.1	4.8	8.3	-14.0%	-0.7
3) Construction costs (IFRIC 12)	20.8	32.1	119.7	-35.4%	-11.4
4) Depreciations and amortizations	77.7	78.4	157.0	-0.9%	-0.7
5) Other	0.2	0.1	1.2	-74.0%	-0.2
6) EBIT (1-2-3-4-5)	90.5	100.2	198.7	-9.7%	-9.7
7) Depreciations and amortizations	77.7	78.4	157.0	-0.9%	-0.7
8) EBITDA (6+7)	168.2	178.6	355.8	-5.8%	-10.4

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

EBITDA BREAKDOWN (NATURAL GAS TRANSPORTATION)

REN

RESULTS
REPORT

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
1) REVENUES	83.8	87.1	180.7	-3.8%	-3.3
Revenues from assets	59.5	64.8	126.2	-8.2%	-5.3
Return on RAB	28.8	33.8	64.7	-15.0%	-5.1
Tariff smoothing effect (natural gas)	0.0	0.6	0.6		-0.6
Recovery of amortizations (net from subsidies)	27.8	27.5	55.1	1.1%	0.3
Subsidies amortization	2.9	2.9	5.9	-0.1%	0.0
Revenues of OPEX	19.8	18.5	39.6	6.8%	1.3
Other revenues	1.4	0.4	0.6		1.0
Interest on tariff deviation	0.0	0.2	0.3	-95.5%	-0.2
Other services provided	0.0	0.1	0.0		-0.1
Other	1.4	0.1	0.3		1.4
Construction revenues (IFRIC 12)	3.0	3.3	14.2	-8.2%	-0.3
2) OPEX	12.3	12.2	26.9	1.1%	0.1
Personnel costs	3.7	3.6	7.4	1.1%	0.0
External supplies and services	6.2	6.4	15.4	-2.3%	-0.1
Other operational costs	2.4	2.1	4.1	11.5%	0.2
3) Construction costs (IFRIC 12)	2.1	2.5	11.8	-17.0%	-0.4
4) Depreciations and amortizations	30.4	30.1	60.2	1.0%	0.3
5) Other	0.0	0.0	0.1		0.1
6) EBIT	39.0	42.3	81.5	-8.0%	-3.4
7) Depreciations and amortizations	30.4	30.1	60.2	1.0%	0.3
8) EBITDA	69.3	72.4	141.8	-4.2%	-3.1

EBITDA BREAKDOWN (PORTGÁS)

REN

RESULTS
REPORT

€M	1H18	4Q17 ⁽¹⁾
1) REVENUES	40.0	19.9
Revenues from assets	19.7	9.9
Return on RAB	13.4	7.1
Recovery of amortizations (net from subsidies)	6.3	2.8
Revenues of OPEX	10.1	4.1
Other revenues	1.6	0.3
Interest on tariff deviation	0.0	0.0
Adjustments previous years	0.2	-0.3
Other services provided	1.3	0.7
Other	0.1	0.0
Construction revenues (IFRIC 12)	8.6	5.7
2) OPEX	11.3	6.0
Personnel costs	2.6	1.5
External supplies and services	3.9	3.0
Other operational costs	4.8	1.5
3) Construction costs (IFRIC 12)	7.5	5.1
4) Depreciations and amortizations	9.4	4.5
5) Other	-0.1	-0.1
6) EBIT	11.8	4.4
7) Depreciations and amortizations	9.4	4.5
8) EBITDA	21.2	8.9

(1) REN only started to consolidate Portgás in 4Q17.

EBITDA BREAKDOWN (OTHER¹)

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
1) TOTAL REVENUES	9.6	8.5	16.9	12.9%	1.1
Revenues of OPEX	0.0	0.0	0.1		0.0
Other revenues	9.6	8.5	16.8	12.9%	1.1
Allowed incentives	2.3	2.4	3.2	-3.8%	-0.1
Interest on tariff deviation	-0.1	0.1	0.2		-0.2
Telecommunication sales and services rendered	3.1	2.5	5.2	22.8%	0.6
Consultancy services and other services provided	1.3	0.4	2.1		0.8
Other	3.0	3.0	6.1	-1.5%	0.0
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
2) OPEX	16.0	16.7	34.9	-4.4%	-0.7
Personnel costs	11.8	11.5	23.4	2.4%	0.3
External supplies and services	4.0	4.9	10.6	-19.1%	-0.9
Other operational costs	0.2	0.3	0.9	-27.9%	-0.1
3) Construction costs (IFRIC 12)	0.0	0.0	0.0		0.0
4) Depreciations and amortizations	0.1	0.1	0.2	-1.7%	0.0
5) Other	0.0	0.1	0.9	-88.7%	-0.1
6) EBIT	-6.5	-8.4	-19.2	-23.1%	2.0
7) Depreciations and amortizations	0.1	0.1	0.2	-1.7%	0.0
8) EBITDA	-6.4	-8.3	-19.0	-23.5%	2.0

(1) Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, Aerio Chile SPA and REN Finance B.V.

CAPEX AND RAB



RESULTS
REPORT

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
CAPEX*	39.4	41.0	155.6	-3.8%	-1.6
Electricity	27.6	37.5	134.8	-26.5%	-10.0
Natural gas _T	3.0	3.3	14.2	-8.2%	-0.3
Natural gas _D	8.8	0.0	6.3		8.8
Other	0.0	0.1	0.3	-97.5%	-0.1
Transfers to RAB**	19.3	2.3	158.8	733.8%	17.0
Electricity	12.4	1.0	134.2		11.4
Natural gas _T	0.7	1.3	14.6	-45.2%	-0.6
Natural gas _D	6.2	0.0	10.0		6.2
Average RAB	3,855.2	3,470.3	3,924.7	11.1%	384.9
Electricity	2,107.6	2,129.1	2,138.4	-1.0%	-21.5
With premium	1,130.8	1,108.4	1,132.3	2.0%	22.4
Without premium	976.8	1,020.6	1,006.1	-4.3%	-43.8
Land	246.1	258.8	255.6	-4.9%	-12.7
Natural gas _T	1,041.7	1,082.5	1,075.5	-3.8%	-40.8
Natural gas _D	459.9	0.0	455.2		459.9
RAB e.o.p.	3,811.9	3,420.7	3,898.7	11.4%	391.2
Electricity	2,081.1	2,095.9	2,134.2	-0.7%	-14.8
Land	242.9	255.6	249.2	-5.0%	-12.7
Natural gas _T	1,028.1	1,069.2	1,055.2	-3.8%	-41.0
Natural gas _D	459.7	0.0	460.0		459.7
RAB's variation e.o.p.	-86.8	-99.1	378.9	12.4%	12.3
Electricity	-53.1	-66.0	-27.8		
Land	-6.3	-6.4	-12.7		
Natural gas _T	-27.1	-26.7	-40.6		
Natural gas _D	-0.3	0.0	460.0		

€M	1H18	1H17	2017	1H18/1H17	
				Δ %	Δ Abs.
RAB's remuneration	101.4	106.7	216.7	-4.9%	-5.3
Electricity	58.8	72.4	143.9	-18.7%	-13.6
With premium	33.5	39.7	80.2	-15.5%	-6.2
Without premium	25.3	32.7	63.7	-22.7%	-7.4
Land	0.5	0.5	1.0	-2.1%	0.0
Natural gas _T	28.8	33.8	64.7	-15.0%	-5.1
Natural gas _D	13.4		7.1		13.4
RoR's RAB	6.1%	5.3%	6.1%		0.8p.p.
Electricity	5.6%	6.8%	6.7%		-1.2p.p.
With premium	5.9%	7.2%	7.1%		-1.2p.p.
Without premium	5.2%	6.4%	6.3%		-1.2p.p.
Land	0.4%	0.4%	0.4%		0.0p.p.
Natural gas _T	5.5%	6.3%	6.0%		-0.7p.p.
Natural gas _D	5.8%	6.4%	6.2%		-0.6p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

DEBT



RESULTS
REPORT

	1H18	1H17	2017
Net Debt (€M)	2,686.7	2,577.4	2,756.2
Average cost	2.3%	2.6%	2.5%
Average maturity (years)	4.8	4.5	4.1

DEBT BREAKDOWN

Funding sources

Bond issues	64%	63%	59%
EIB	16%	19%	16%
Loans	15%	2%	17%
Other	5%	17%	8%

TYPE

Float	39%	39%	46%
Fixed	61%	61%	54%

CREDIT METRICS

Net Debt / EBITDA	5.3x	5.3x	5.3x
FFO / Net Debt	12.2%	11.2%	11.7%
FFO Interest Coverage	6.2x	5.3x	5.3x

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	04/12/2017
Standard & Poor's	BBB-	A-3	Positive	10/26/2017
Fitch	BBB	F3	Stable	04/11/2018

The background of the slide features a network of interconnected nodes and lines. The nodes are small circles in various colors (grey, green, blue) and are connected by thin lines, creating a complex web-like structure. The overall aesthetic is clean and modern, with a light green and blue color palette.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (thousands of euros)

REN

**RESULTS
REPORT**

	Jun 2018	Dec 2017
ASSETS		
Non-current assets		
Property, plant and equipment	3,029	3,227
Goodwill	18,913	19,102
Intangible assets	4,227,485	4,306,417
Investments in associates and joint ventures	163,888	162,027
Investments in equity instruments at fair value through other comprehensive income	149,768	156,439
Derivative financial instruments	14,689	7,907
Other financial assets	36	27
Trade and other receivables	92,880	6,528
Deferred tax assets	106,030	97,737
	4,776,718	4,759,411
Current assets		
Inventories	2,966	2,958
Trade and other receivables	354,451	540,849
Cash and cash equivalents	52,107	61,458
	409,524	605,265
Assets held-for-sale associated with discontinued operations	665	0
TOTAL ASSETS	5,186,907	5,364,676

	Jun 2018	Dec 2017
EQUITY		
Shareholders' equity:		
Share capital	667,191	667,191
Own shares	-10,728	-10,728
Share premium	116,809	116,809
Reserves	309,290	310,191
Retained earnings	247,124	225,342
Other changes in equity	-5,561	-5,541
Net profit for the year	52,823	125,925
TOTAL EQUITY	1,376,948	1,429,189
LIABILITIES		
Non-current liabilities		
Borrowings	2,303,315	2,205,390
Liability for retirement benefits and others	119,566	121,977
Derivative financial instruments	8,695	6,960
Provisions	9,071	9,035
Trade and other payables	384,741	364,961
Deferred tax liabilities	100,360	99,534
	2,925,748	2,807,857
Current liabilities		
Borrowings	450,872	624,336
Trade and other payables	397,839	473,337
Income tax payable	34,980	29,957
	883,691	1,127,630
Liabilities directly associated with the assets held-for-sale	520	0
	884,211	1,127,630
TOTAL LIABILITIES	3,809,959	3,935,487
TOTAL EQUITY AND LIABILITIES	5,186,907	5,364,676

CONSOLIDATED STATEMENTS

Profit and loss (thousands of euros)

REN

RESULTS
REPORT

	Jun 2018	Jun 2017
Sales	34	15
Services rendered	286,976	272,977
Revenue from construction of concession assets	39,277	40,857
Gains / (losses) from associates and joint ventures	2,542	2,753
Other operating income	15,561	13,611
Operating income	344,390	330,213
Cost of goods sold	-821	-124
Cost with construction of concession assets	-30,410	-34,667
External supplies and services	-22,176	-20,252
Personnel costs	-27,253	-24,800
Depreciation and amortizations	-117,656	-108,636
Provisions	-57	27
Impairments	-105	-199
Other expenses	-10,740	-7,131
Operating costs	-209,218	-195,782
Operating results	135,172	134,432
Financial costs	-37,648	-36,716
Financial income	4,975	3,889
Investment income - dividends	4,968	5,013
Financial results	-27,705	-27,813
Profit before income tax	107,467	106,619
Income tax expense	-29,246	-27,856
Energy sector extraordinary contribution (ESEC)	-25,398	-25,798
Net profit for the year	52,823	52,965
Attributable to:		
Equity holders of the Company	52,823	52,965
Non-controlled interest	0	0
Consolidated profit for the year	52,823	52,965

CONSOLIDATED STATEMENTS

Cash flow (thousands of euros)

REN

**RESULTS
REPORT**

	Jun 2018	Jun 2017
Cash flow from operating activities		
Cash receipts from customers (a)	1,179,006	1,284,930
Cash paid to suppliers (a)	-836,534	-944,205
Cash paid to employees	-36,384	-32,754
Income tax received/ paid	-30,660	-25,414
Other receipts/ (payments) relating to operating activities	6,108	-4,701
Net cash flows from operating activities (1)	281,536	277,856
Cash flow from investing activities		
Receipts related to:		
Property, plant and equipment	15	0
Other financial assets	0	1,309
Investment grants	3,648	-1,471
Interests and other similar income	197	0
Dividends	3,664	5,890
Payments related to:		
Financial investments	-12	-169,285
Property, plant and equipment	-53	-191
Intangible assets - Concession assets	-82,419	-93,135
Net cash flow used in investing activities (2)	-74,960	-253,941
Cash flow from financing activities		
Receipts related to:		
Borrowings	1,400,091	2,417,150
Interests and other similar income	0	8
Payments related to:		
Borrowings	-1,465,734	-2,298,551
Interests and other similar expense	-43,105	-41,925
Dividends	-113,426	-90,650
Net cash from/ (used in) financing activities (3)	-222,175	-13,968
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	-15,599	9,947
Effect of exchange rates	-91	1,710
Cash and cash equivalents at the beginning of the year	60,448	10,680
Cash and cash equivalents at the end of the period	44,759	22,296
Detail of cash and cash equivalents		
Cash	23	21
Bank overdrafts	-7,348	-374
Bank deposits	52,084	22,649
	44,759	22,296

(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.

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