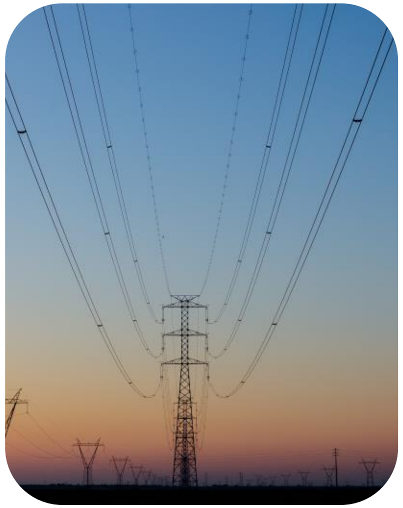
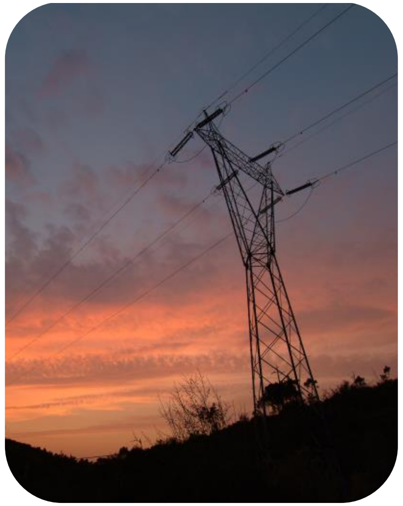
REN

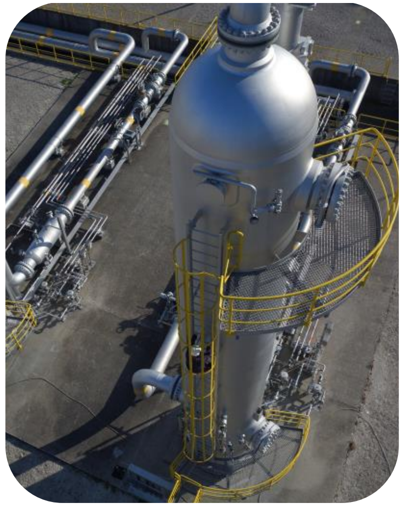
Results Presentation 1Q23

27th April 2023

trensition







I
Overview of the Period

II
Business Performance

III
Closing Remarks

01

OVERVIEW OF THE PERIOD

trensition

Key messages

- **Strong operational performance, with EBITDA growing 11.4% YoY to €131.9M**, as a result of an increase in: **(1) domestic contribution** (+€11.8M) with both Electricity and Gas activities achieving a **higher Rate of Return (RoR)**; and **(2) international contribution** (+€1.7M).

- **Net Profit reached €12.8M** (+€6.8M vs 1Q22), benefiting from a robust operational performance, in which **EBIT increased 22.7% to €69.1M**. This was parcialy offset by the **negative evolution of financial results** (-€3.5M), **taxes** (+€2.4M) and **levy** (+€0.1M) consistent with a higher regulated asset base.
- Excluding tariff deviations outflows, **Net Debt decreased 2.1% to €2,432.1M**, benefiting from a strong operating cash-flow.

- **Capex rose to €45.9M**, which compares with €27.3M in the same period of the previous year (+68.0%), whilst **Transfers to RAB increased to €8.3M**, more than doubled versus 1Q22 (+€4.3M). **Average RAB stood at €3,549.4M** (-1.9%).

- **Renewable Energy Sources (RES) were 72.0%** of the total supply in 1Q23, versus 49.1% in 1Q22, with a significant contribution of hydro (34%) and wind (27%) generation.
- The **consumption of electricity grew 2.0%** and the **consumption of natural gas decreased by 19.6%**.

- **High levels of service quality** were maintained. **Average interruption time in electricity dropped to 0.00 minutes** (-0.06 minutes YoY) while **gas transmission combined availability rate** remained at 100%.

02

BUSINESS PERFORMANCE

trensition

Business highlights

STRONG QUALITY OF SERVICE AND 72% OF ENERGY CONSUMPTION IN ELECTRICITY COMING FROM RENEWABLES IN 1Q23

Segment	Indicator	1Q23	Change	1Q22
Electricity	Consumption	13.5TWh	0.3 TWh (2.0%) ↑	1Q22: 13.2TWh
Electricity	Renewables in consumption supply	72.0%	22.9 pp ↑	1Q22: 49.1%
Electricity	Energy transmission losses	2.2%	0.4 pp ↑	1Q22: 1.8%
Electricity	Average interruption time	0.00min	0.06min ↓	1Q22: 0.06min
Electricity	Line length	9,424km	58km (0.6%) ↑	1Q22: 9,366km
Electricity	Combined availability rate	98.6%	0.5 pp ↓	1Q22: 99.1%
Gas Transportation	Consumption	12.9TWh	3.1TWh (19.6%) ↓	1Q22: 16.0TWh
Gas Transportation	Combined availability rate	100.0%	0.0 pp =	1Q22: 100.0%
Gas Transportation	Line length	1,375km	0km (0.0%) =	1Q22: 1,375km
Gas Distribution	Gas distributed	1.7TWh	0.2TWh (10.3%) ↓	1Q22: 1.9TWh
Gas Distribution	Emergency situations with response time up to 60min	99.4%	0.8 pp ↑	1Q22: 98.6%
Gas Distribution	Line length	6,354km	206km (3.4%) ↑	1Q22: 6,148km

NOTE: These figures are representative of the Portuguese activities alone

Financial highlights

STRONG OPERATIONAL PERFORMANCE AND POSITIVE NET PROFIT EVOLUTION

EBITDA

€131.9

13.5
(11.4%)

1Q22: **€118.4M**

Financial results

€-12.9M

3.5
(37.1%)

1Q22: **€-9.4M**

Net Profit

€12.8M

6.8
(114.6%)

1Q22: **€6.0M**

CAPEX

€45.9M

18.6
(68.0%)

1Q22: **€27.3M**

Average RAB[1]

€3,549.4M

69.2
(1.9%)

1Q22: **€3,618.6M**

Net Debt[2]

€2,191.5M

92.8
(4.4%)

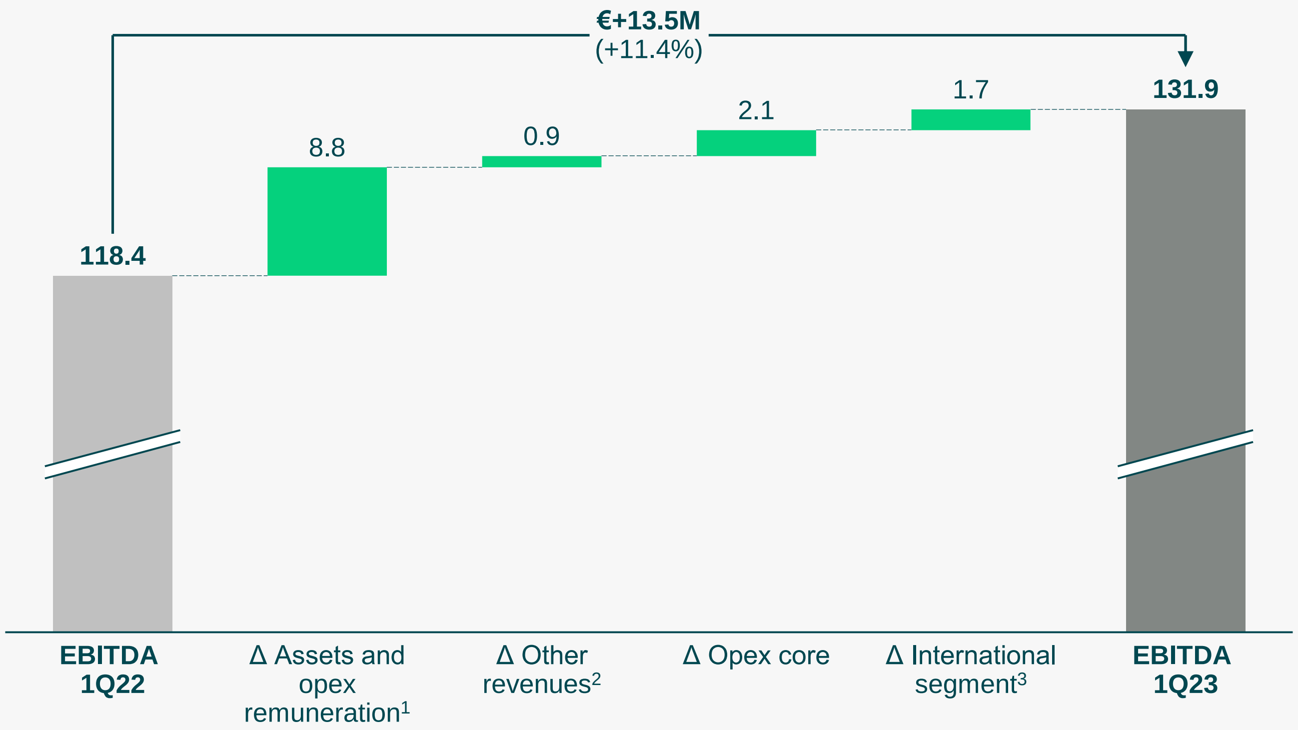
1Q22: **€2,098.7M**

1) Refers only to Domestic RAB
2) Includes tariff deviations

Consolidated View

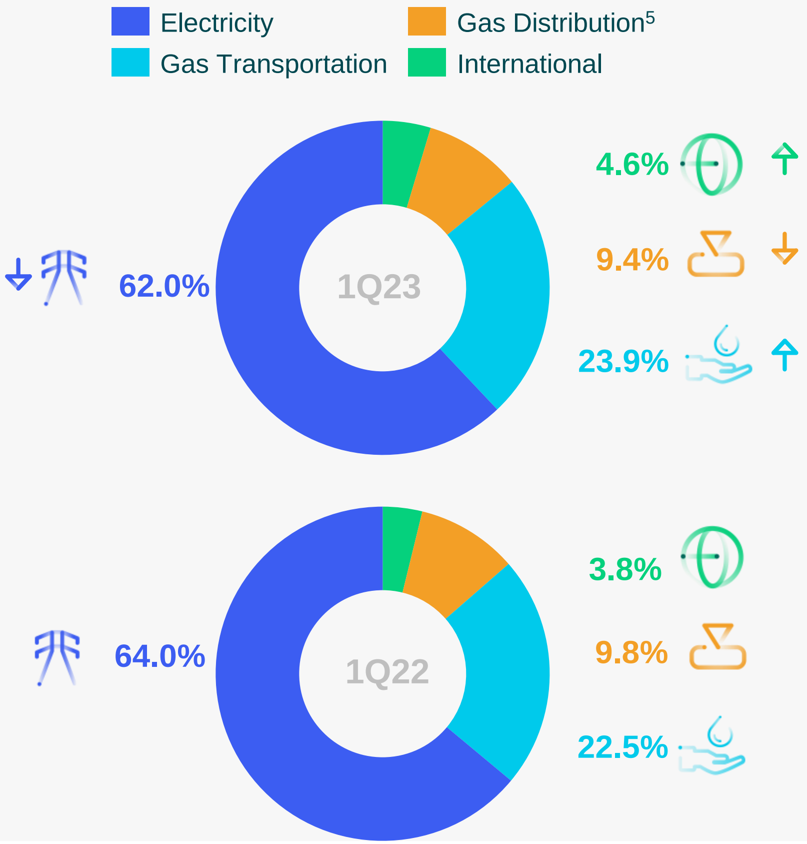
EBITDA INCREASE DRIVEN BY ASSETS AND OPEX REMUNERATION IN DOMESTIC ACTIVITIES AS WELL AS POSITIVE INTERNATIONAL PERFORMANCE

EBITDA evolution breakdown - €M



1. Includes electricity regulatory incentives and excludes Opex remuneration related to pass-through costs | 2. Includes REN Trading incentives, telecommunication sales and services rendered, interest on tariff deviation, consultancy revenues and other services provided, OMIP and Nester results | 3. Includes Apolo SpA and Aerio Chile SpA costs | 4. This value takes into consideration the impact from the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V. | 5. Refers to Portgás

EBITDA contribution by business segment[4] - %

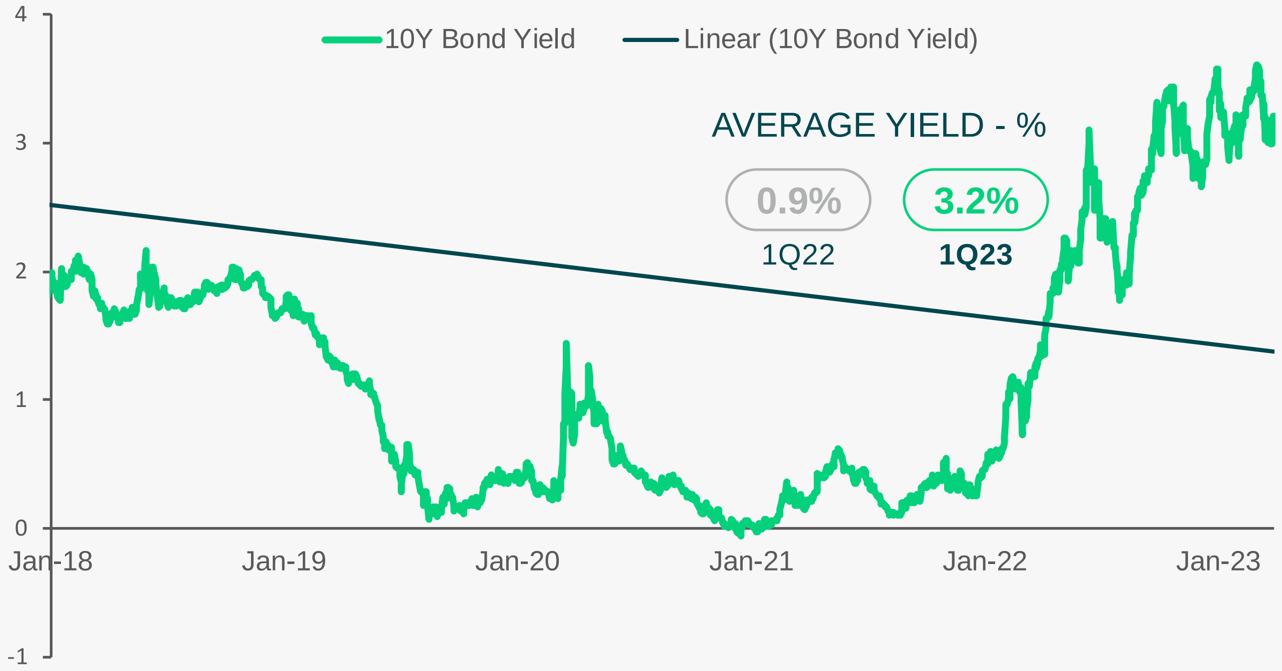


RoR Evolution

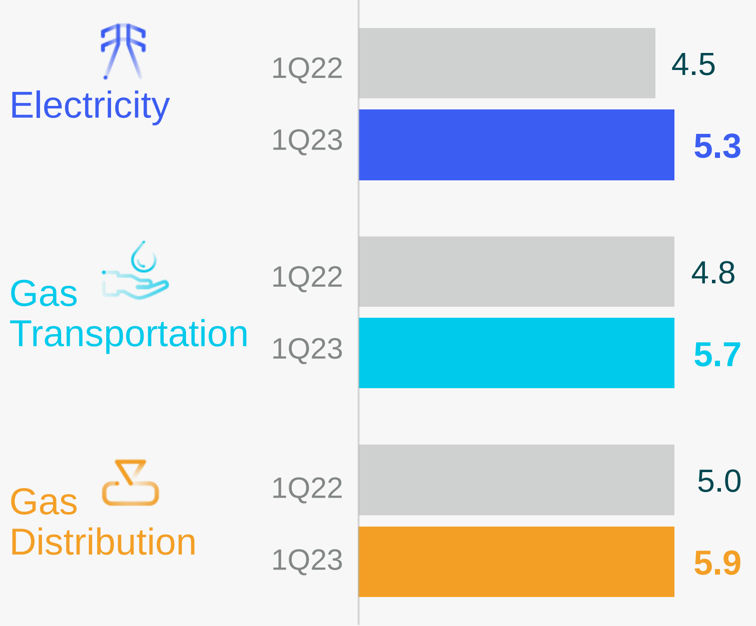
Domestic Business

HIGHER PORTUGUESE BOND YIELDS CONTINUE TO SUPPORT AN INCREASE IN RETURN ON RAB RATES

Portuguese 10Y Treasury Bond Yields - %



Base Return on RAB (RoR)* - %

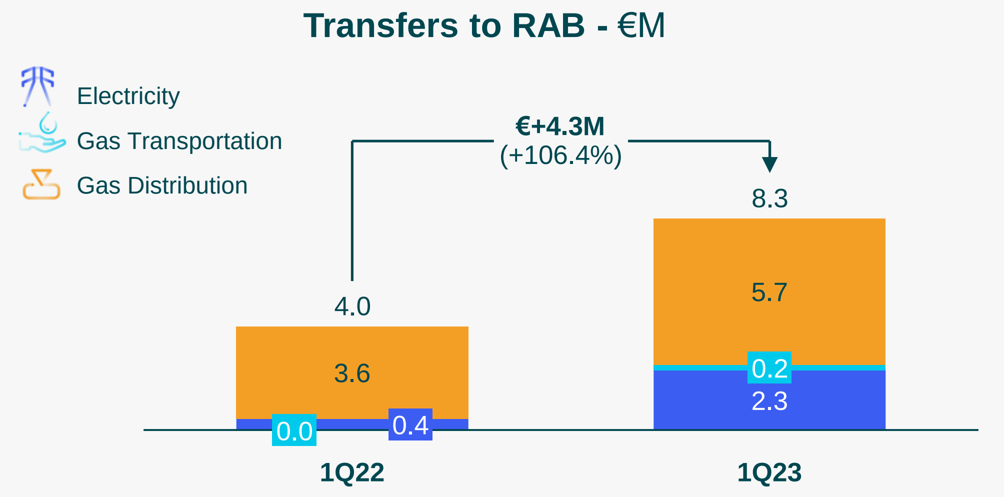


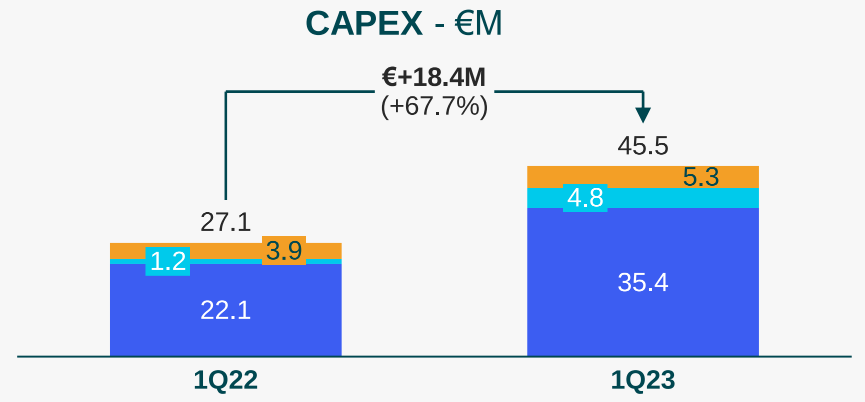
SOURCE: Bloomberg; REN
* Electricity data collected from Oct-22 to Sep-23; Gas data collected from Jan-23 to Dec-23

Investment

Domestic Business

TRANSFERS TO RAB AND CAPEX INCREASED IN 1Q23





Key Highlights

Electricity

- 220 kV line bay at Fundão Substation to connect a photovoltaic solar power plant
- 150 kV line bay at Castelo Branco Substation to connect a photovoltaic solar power plant

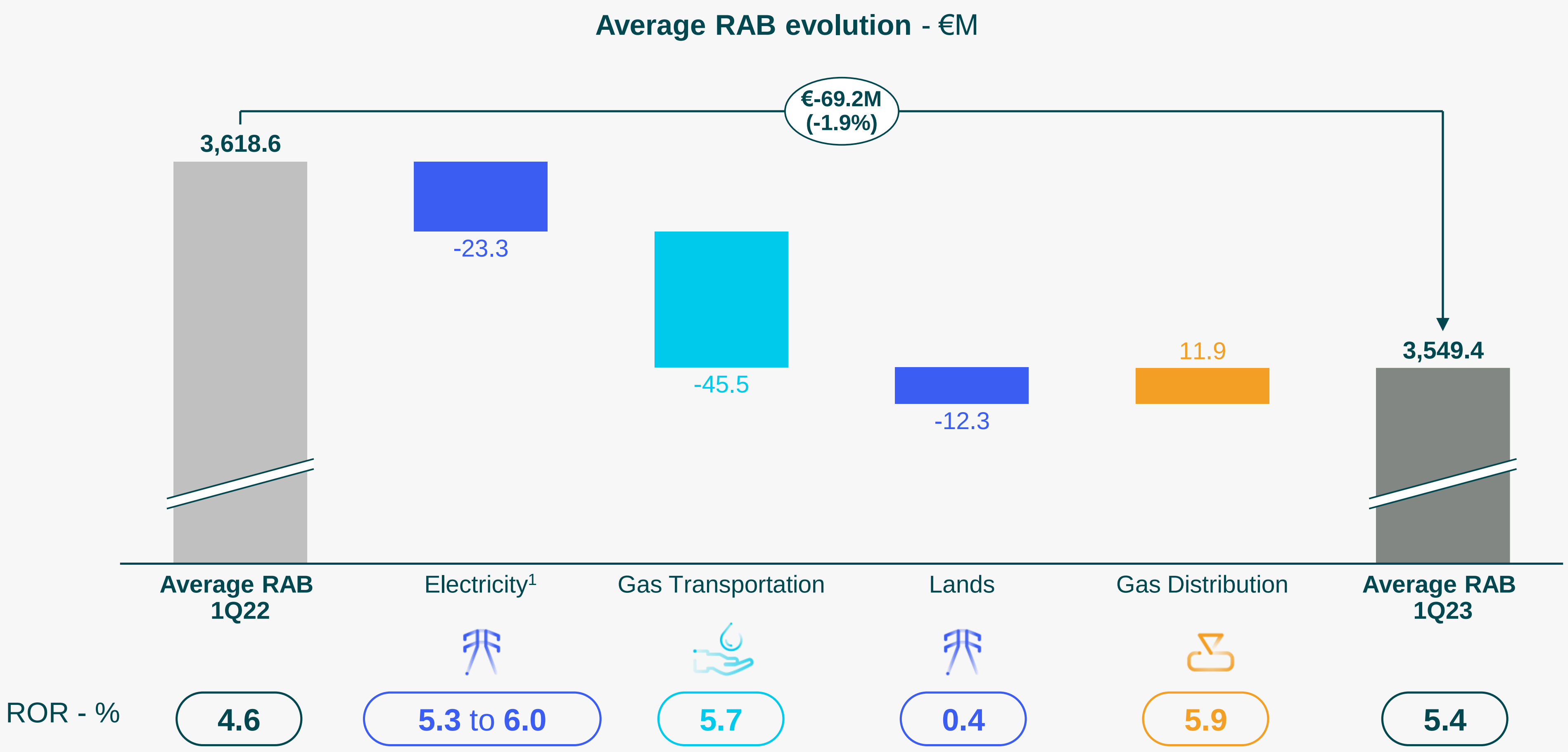
Gas Distribution

- Investments for network expansion and densification mostly for B2C, incentivizing building decarbonization thru future renewable gases
- Ongoing expansion to new industrial zones, with new prospects for B2B investments closely monitored to provide both natural gas price visibility and client comfort regarding network costs
- Decarbonizing and digitalization plan on the move with encouraging results on H2 infrastructure readiness
- New investment plan 2023-27 delivered to DGEG for approval
- Technological Transformation on the move

RAB Evolution

Domestic Business

DECREASE IN AVERAGE RAB REFLECTING HIGHER AMORTIZATIONS, MOSTLY IN GAS TRANSPORTATION BUSINESS



1. Includes Electricity with and without premium.

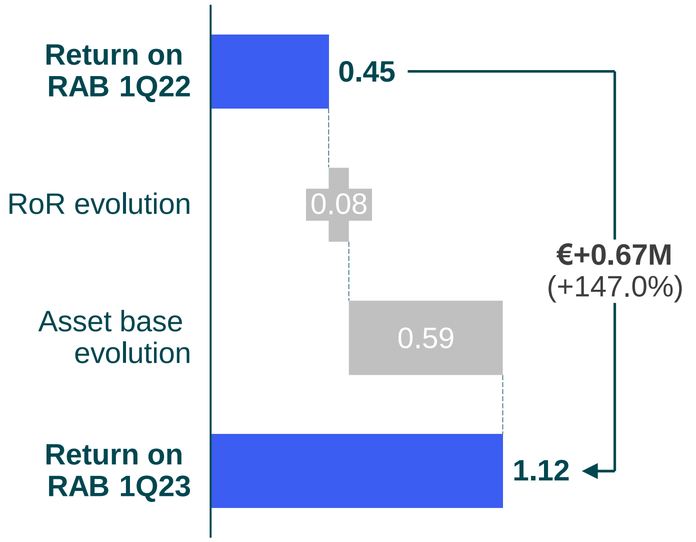
RAB Returns

Domestic Business

RAB REMUNERATION GROWTH ACROSS ALL BUSINESSES REFLECTING HIGHER ROR

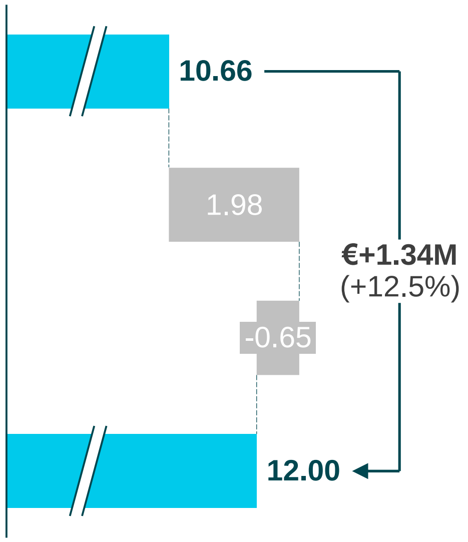
Return on RAB evolution breakdown - €M

Electricity (GGS[1])



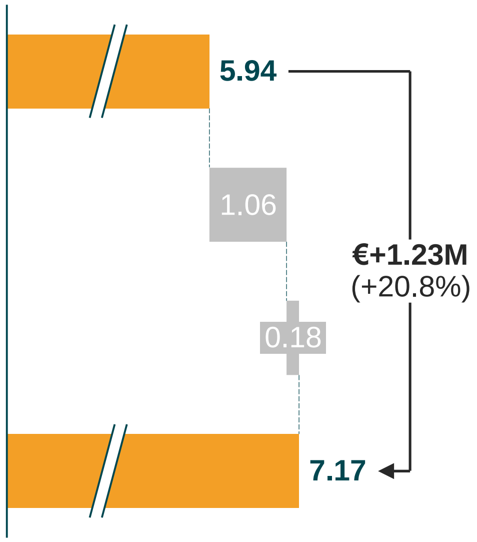
- Return on RAB rise due to a **higher asset base** (by €44.8M[2] to €85.0M) and higher RoR of 5.26% (vs 4.50%)

Gas Transmission



- Return on RAB rise with a **higher RoR** of 5.68% (vs 4.79%), despite the **smaller asset base** (by €45.5M to a total of €844.9M)

Gas Distribution



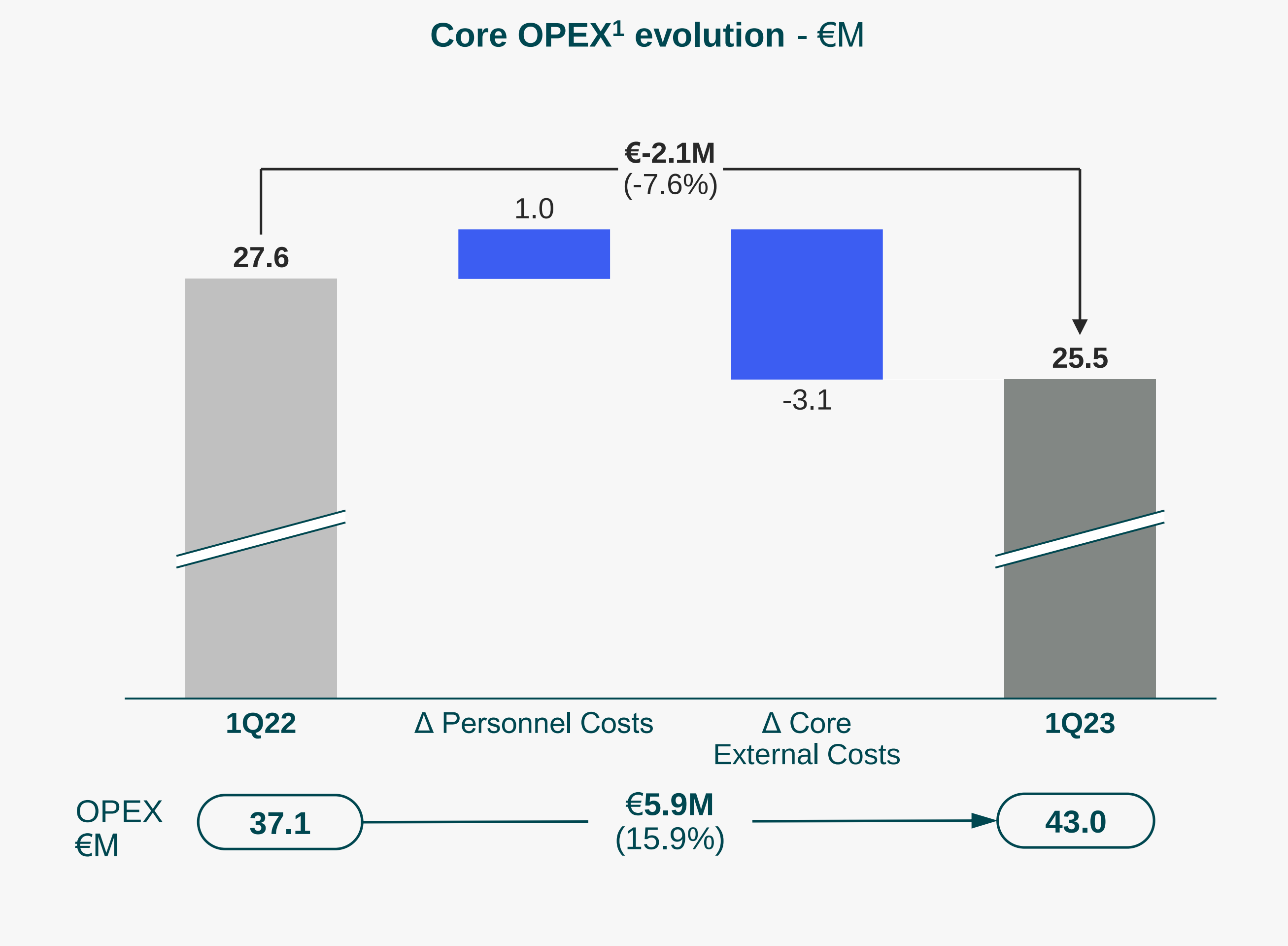
- Return on RAB rise thanks to a **higher rate of return** (from 4.99% to 5.88%) and a **higher asset base** (+€11.9M to a total of €488.0M)

1 Only General System Management (GGS) activity, assets extra Totex model and Enondas | 2. The transfer of power line Fernão Ferro-Trafaria 2 , accepted by the regulator as extra Totex model, with average RAB in 1Q23 of €44.0M

OPEX

Domestic Business

OPEX INCREASED 15.9% YOY, WHILE CORE OPEX DROPPED 7.6%



Key Highlights

CORE EXTERNAL COSTS

- Lower LNG Terminal electricity costs which reflect the decrease in electricity prices (-€3.0M)

PERSONNEL COSTS

- General increases and headcount growth (+3% YoY, to 714 people in March 2023), driven by expansion in operational areas

NON-CORE COSTS

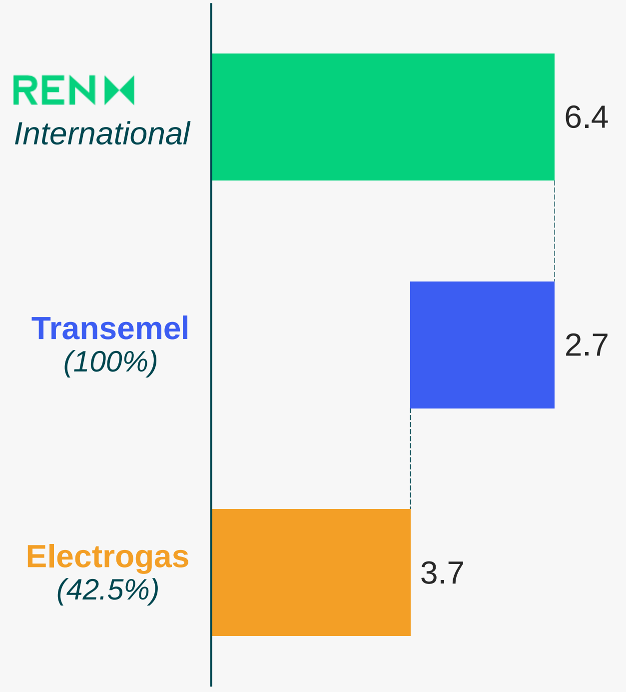
- Pass-through costs (costs accepted in the tariff) increased €8.0M of which +€7.2M include cross-border and system services costs

Chile Highlights

International Business

SOLID PERFORMANCE FROM THE CHILEAN BUSINESS, CONTRIBUTING 4.6%[1] TO TOTAL EBITDA IN 1Q23

Contribution to EBITDA 1Q23 - €M



TRANSEMEL (100%)

- **EBITDA increased YoY** mainly driven by higher revenues

Revenues		EBITDA	
€3.9M	€0.8M (27.3%)	€2.7M	€0.3M (12.2%)
1Q22: €3.1M		1Q22: €2.4M	

ELECTROGAS (100%)

- **EBITDA increased YoY,** driven by higher revenues (higher tariff and higher transported volumes)

Revenues		EBITDA	
€13.6M	€4.3M (46.0%)	€12.4M	€4.0M (47.6%)
1Q22: €9.3M		1Q22: €8.4M	

1. This value takes into consideration the impact from the segment "Other", which includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN PRO and REN Finance B.V.

Below EBITDA

DECREASE IN FINANCIAL RESULTS, REFLECTING THE INCREASE IN THE AVERAGE COST OF DEBT

Depreciation & Amortization

€62.8

0.7
(1.2%)

1Q22: **€62.1M**

- Increase of €0.7M versus 1Q22, along with an increase in gross assets.

Financial results

-€12.9M

3.5
(37.1%)

1Q22: **€-9.4M**

- Decrease of Financial results (€3.5M) to -€12.9M, mostly due to the increase in the average cost of debt to 2.4% (from 1.6% in 1Q22).
- Increase in Net Debt by €93M to €2,192M.

Taxes

€43.3M

2.5
(6.0%)

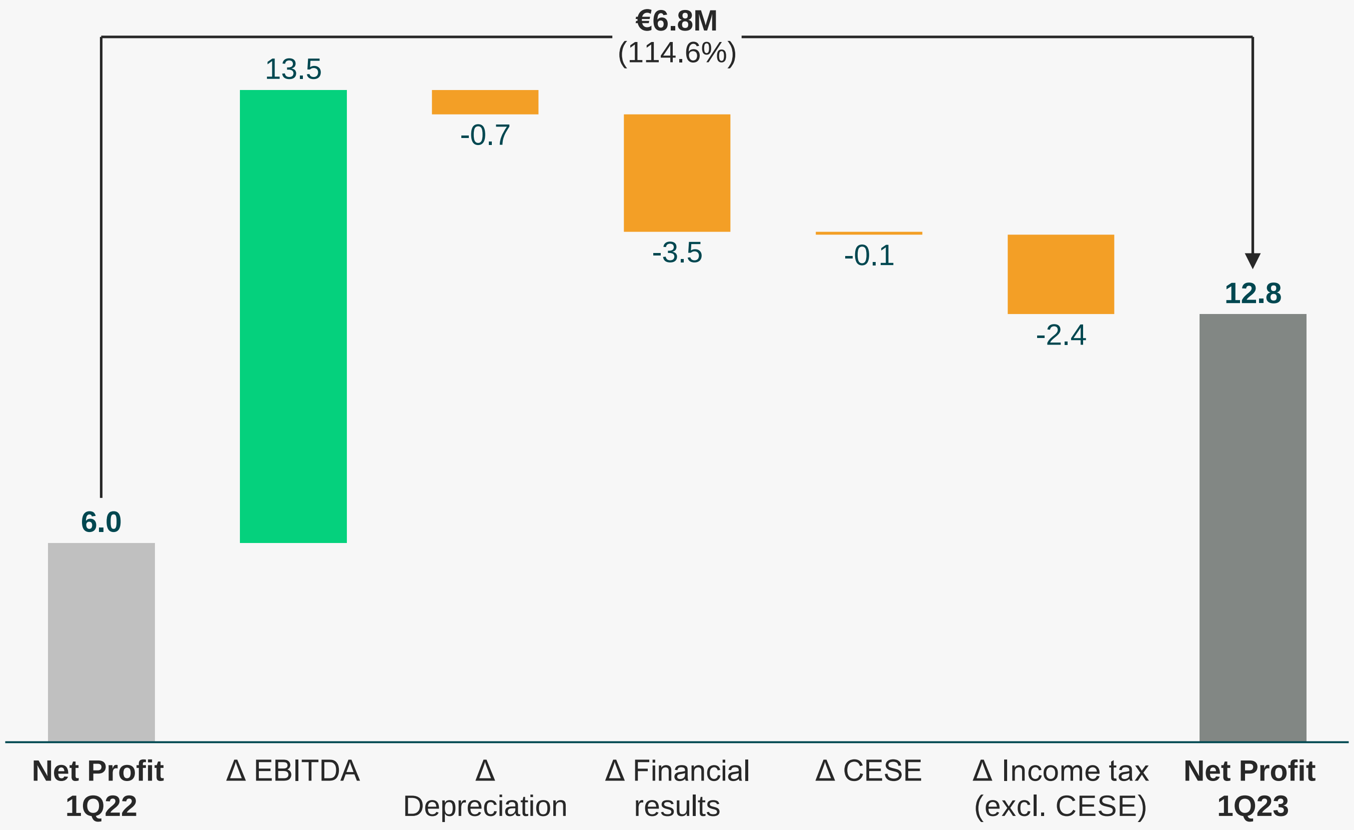
1Q22: **€40.9M**

- Increase in Income tax (+€2.4M to €15.2M) due to higher EBT (+€9.3M to €56.1M) and higher extraordinary levy (+€0.1M to €28.1M), reflecting a higher regulated asset base.
- The Effective tax rate (including the levy) stood at 39.7%, 2.7pp below last year.

Net Profit

NET PROFIT INCREASE AS A RESULT OF HIGHER EBITDA, PARTIALLY OFFSET BY LOWER FINANCIAL RESULTS AND HIGHER DEPRECIATION, TAXES AND CESE

Net profit evolution breakdown - €M

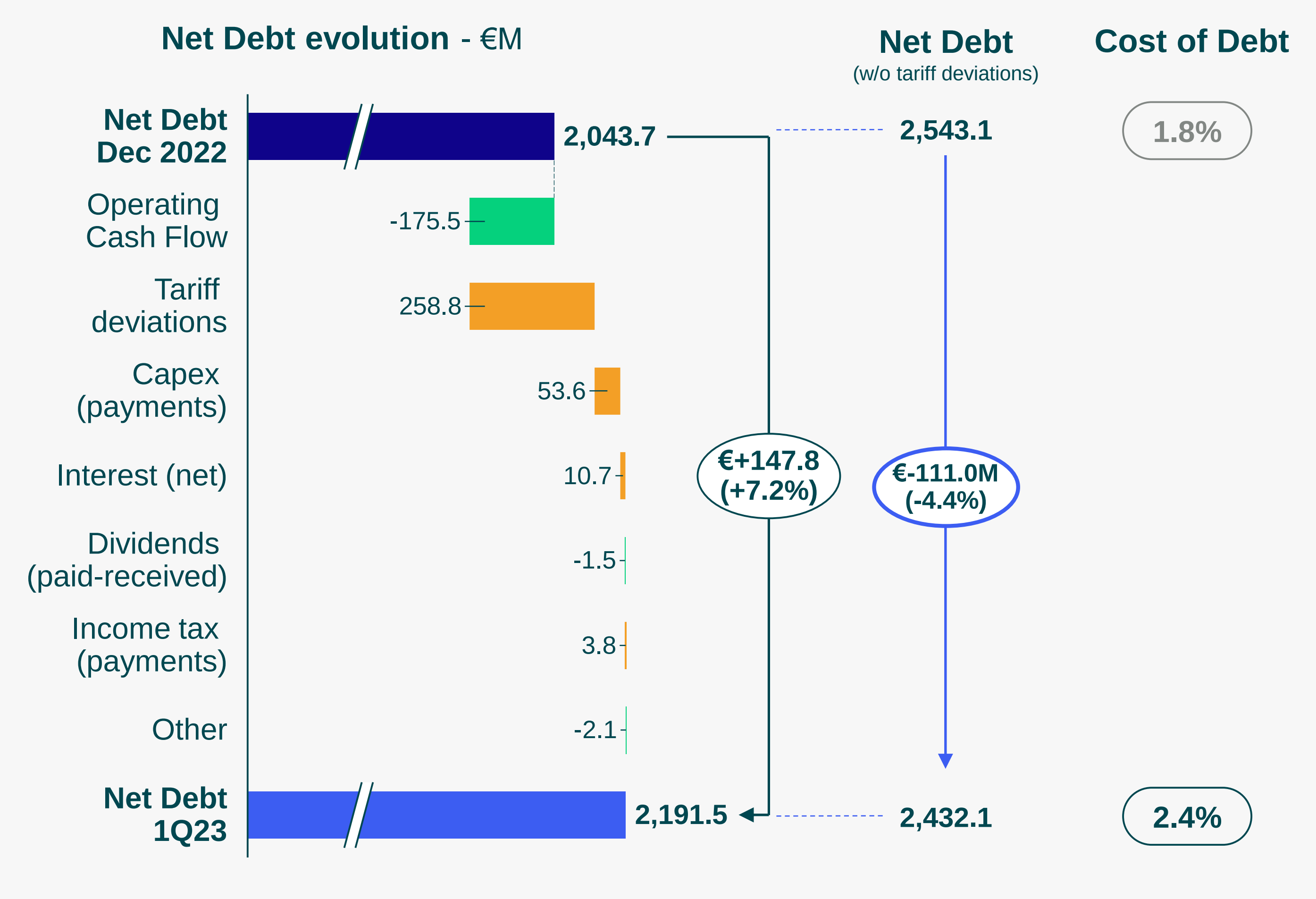


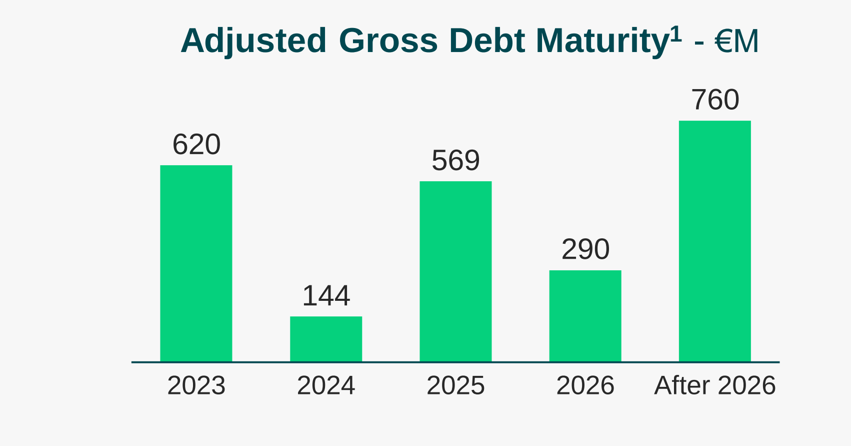
Key Highlights

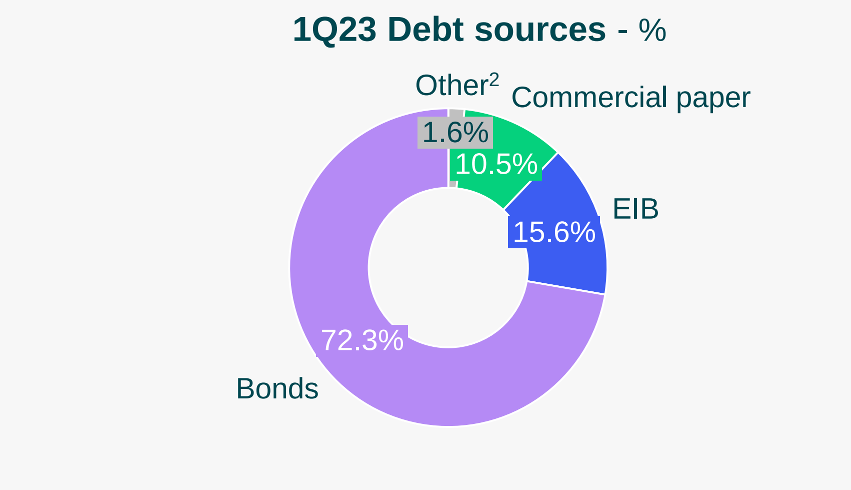
- **Increase in EBITDA** reflecting the strong operational performance, with a positive contribution of both domestic (+€11.8M) and international businesses (+€1.7M).
- **Negative effect** of €3.5M from **Financial Results** as a consequence of higher cost of debt, and higher Net debt.

Debt

NET DEBT INCREASED DRIVEN BY TARIFF DEVIATIONS OUTFLOWS





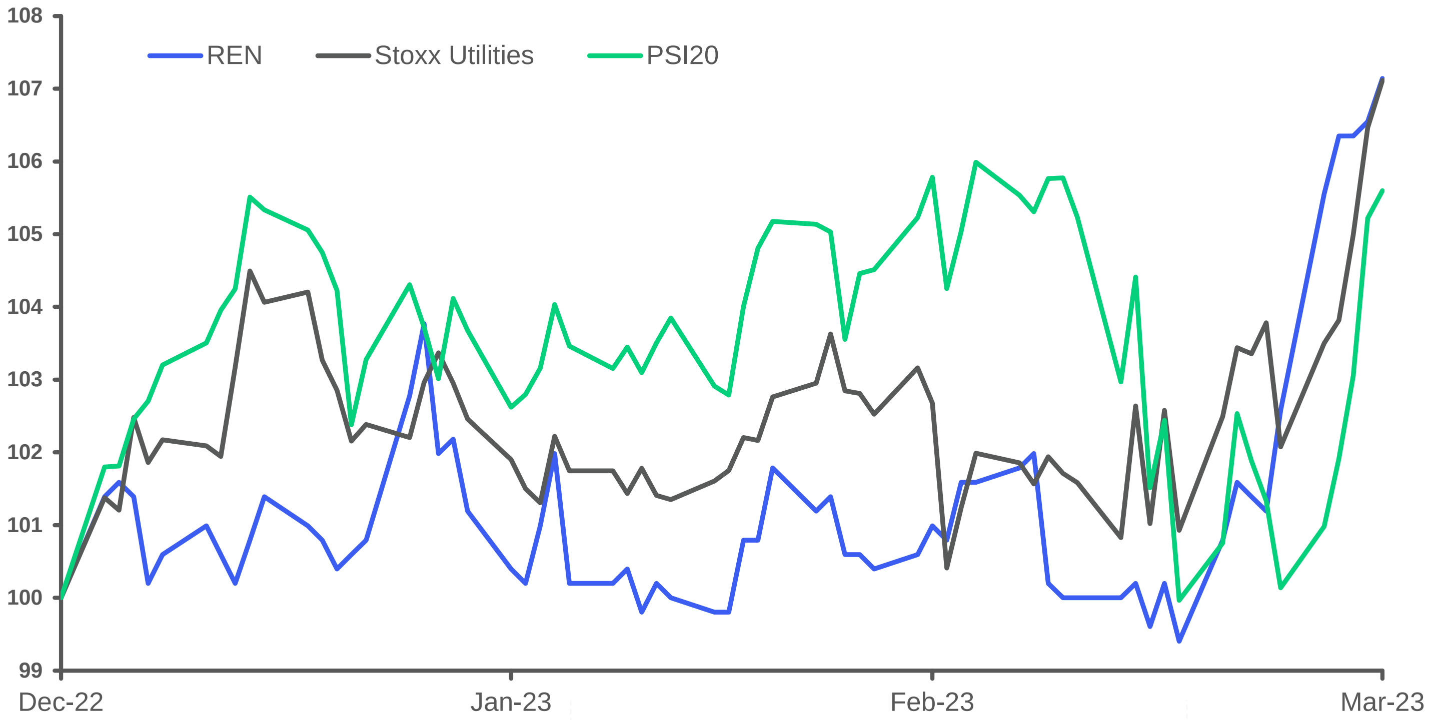


1. Excludes effects of hedging on yen denominated debt, accrued interest and bank overdrafts | 2. Includes loans (1.5%) and leasing (0.2%)

Share price & Shareholder Return

REN'S SHARE ENDED Q1 WITH A TSR OF 7.1% CONTINUING TO PROVIDE A POSITIVE RETURN IN LINE WITH THE SECTOR

Annualized closing prices - %



Analyst recommendations[1]

Average Price target

€2.72

€0.0 (0.0%)

2022: €2.72

% TSR 1Q23	% TSR 1Q22
5.6	8.4
7.1	12.0
8.2	-6.6

[1] End of period
SOURCE: Bloomberg, REN

Highest ESG Standards

IMPROVING OUR PERFORMANCE IN INTERNATIONAL ESG SCORES

	SCALE	SCORE	YoY	STRENGTHS	LATEST ASSESSMENT
S&P Global	0-100	62	▲	Innovation, environmental reporting, and social reporting	December 2022
CDP	D-A	B	▲	Governance, business strategy, financial planning, scenario analysis, and scope 1 and 2 emissions	December 2022
SUSTAINALYTICS	100-0	18.3	▲	Emissions, occupational health and safety, land use and biodiversity, human capital, and carbon	February 2023
MSCI	CCC-AAA	AAA	▲	Biodiversity and land use, carbon emissions, and governance	March 2023
ISS ESG	D-A	B	=	Community outreach, occupational health and safety	March 2023

03

CLOSING REMARKS

trensition

Closing Remarks

REN CONTINUES TO PROVIDE SUSTAINABLE RETURNS AND SOLID RESULTS WHILE OFFERING A HIGH LEVEL OF EXECUTION AND SERVICE QUALITY

- **EBITDA rose to €131.9M** (+11.4%) YoY**,** with Domestic and International businesses delivering a strong performance.

- REN achieved a **Net Profit of €12.8M** (+€6.8M YoY) in 1Q23, as a result of strong operational performance, partially offset by lower financial results, higher taxes and CESE.
- Results were still impacted by the **energy sector levy** (€28.1M in 2023).

- Excluding tariff deviations, **Net Debt declined to €2,432M (-2.1%)** YoY, as a result of an increase in operating cash flow.

- There was an **increase across both CAPEX** (+€18.6M) **and transfers to RAB** (+€4.3M), highlighting the focus on operational execution.

- The General Shareholder's Meeting of April 27th approved by a majority vote a **dividend of 15.4 cents per share** (**6.4 cents** were already paid in December and the remaining **9 cents will be paid this year**).

Disclaimer

This document has been prepared by REN – Redes Energéticas Nacionais, SGPS, S.A (the "Company") and its purpose is merely informative. As such, this document may be amended and supplemented at the discretion of REN and it should be read as a overview of the matters addressed or contained herein.

By attending the meeting where this presentation takes place, or by reading the presentation slides, you acknowledge and agree to be bound by the following conditions and restrictions:

1. 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.
2. The purpose of this document is merely of informative nature and this presentation and all materials, documents and information used herein 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.
3. Any decision to invest in any securities of the Company or any of its affiliates or subsidiaries in any offering (public or private) should be made solely on the basis of the information to be contained in the relevant prospectus, key investor information or final offering memorandum provided to the investors and to be published in due course in relation to any such offering and/or public information on the Company or any of its affiliates or subsidiaries available in the market.
4. This document may also contain statements regarding the perspectives, objectives, and goals of REN, namely concerning ESG (Environmental, Social & Governance) objectives, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by REN, it being specified that the means to be deployed may not depend solely on REN and shall be considered as non-binding and for information purposes only.
5. This presentation contains forward-looking statements regarding future events and the future results of REN. Accordingly, neither REN nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements.
6. Forward-looking statements include, among other things, statements concerning the potential exposure of REN to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections, and assumptions. All statements other than historical facts may be deemed to be, forward-looking statements. Words such as ‘expects’, ‘anticipates’, ‘targets’, ‘goals’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, ‘seeks’, ‘estimates’, variations of such words, and similar expressions are intended to identify such forward-looking statements.
7. Any information and forward-looking statements contained in this document made by or on behalf of REN speak only with regard to the date they are made or presented.
8. REN does not undertake to update the information and the forward-looking statements, particularly, to reflect any changes in REN’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Contacts

VISIT OUR WEB SITE
AT WWW.REN.PT

OR CONTACT US:
Madalena Garrido – Head of IR
Alexandra Martins
Mariana Asseiceiro
Telma Mendes

Av. EUA, 55
1749-061 Lisboa
Telephone: +351 210 013 546
ir@ren.pt

Available on the App Store
Android app on Google play

The International Davey Awards
The Communicator Awards
Mercury Excellence Awards
The Stevies
Vega Digital Awards
Renewables Grid Initiative
Wellbeing Awards