EDP – ENERGIAS DE PORTUGAL

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Chaired by Miguel Stilwell d' Andrade

Company Participants

• **Miguel Stilwell d'Andrade**, Chief Executive Officer

• **Rui Teixeira**, Chief Financial Officer

• **Miguel Viana**, Head of Investor Relations and ESG

Miguel Viana

Good morning, ladies and gentlemen. Thank you for attending EDP nine months '24 results conference call. We have today with us our CEO, Miguel Stilwell d'Andrade and our CFO, Rui Teixeira, that will present you the main highlights of our strategy execution and nine month '24 financial performance. We'll then move to the Q&A session on which we'll be taking your questions both by phone or written questions that you can insert from now onwards at our web page.

I'll give now the floor to our CEO, Miguel Stilwell d'Andrade.

Miguel Stilwell d'Andrade

Thank you, Miguel. And hello everyone, thank you for attending our nine months results conference call. And what a week it has been, so definitely a lot happening.

And hopefully this call will help clarify issues and questions that you may have.

We move to slide 3. I'd just like to start off with a quick look at the nine months performance.

The first thing to highlight I think is that the nine months performance once again demonstrates the strength of our diversified portfolio. And it really highlighted our progress also in decarbonization.

97% of EDP's generation in these nine months came from renewable sources, hydro wind and solar, and the renewables generation increased 18% year on year. So this is at the EDP level. We're not even talking about EDPR – 97% of the EDP level. In other words, EDP as a whole has taken big steps in its decarbonization journey while growing and maintaining a strong financial performance.

The quarter was supported by a good performance of the integrated segment, had really excellent performance excluding coal deconsolidation impact. The integrated Iberian generation supply EBITDA excluding coal increased 15% backed by strong hydro volume slightly offset by lower spot prices and then positively impacted by lower energy sourcing costs. In terms of networks, resilient electricity networks, we had an EBITDA excluding gains of +7% supported by higher consumption and inflation updates in Brazil and Portugal. On wind and solar it was a positive underlying performance of EBITDA excluding asset rotation gains of around +7% year on year. While the figure including gains was penalized by the lower asset rotation gains year on year.

These effects led to EBITDA being stable year on year, reaching EUR3.9 billion. The topline performance together with improved performance below EBITDA led to a net profit increase of around 7% to reach almost EUR1.1 billion in the period. Improved performance below EBITDA included lower minorities following the EDP Brasil minorities buyout. And we'll talk about that later in the presentation.

I'd just like to take a step back and remind everyone that back in '23 we set out a target of EUR1.3 billion of net income for EDP in 2024. And we are delivering those EUR1.3 billion that we committed to. In fact, with some upside risk for the full year.

This has a different composition from what was initially expected with lower EDPR numbers, but better networks and Iberian integrated margin. Again, I think it shows the value and the stability of the EDP diversified portfolio.

And if we move now to the next slide and talk about hydro, so hydro generation increased 66% year on year and reached 9.4 TWh.

This reflected the strong hydro resources in the year - we had hydro resources, 33% above average.

And compared to the nine months of 2023, that was approximately 21% below average. It was an outstanding quarter also in terms of pumping generation, which increased 19% year on year, reaching 1.4 TWh. You can see that on the left-hand side and I'll provide more color on this on the next slide. But I just wanted to highlight that we're able to lock in very attractive spreads of close to 50% of baseload price.

On the right-hand side of the slide, our hydro reservoirs continue at very healthy levels currently at 65% more than 15 percentage points above average for this time of the year. And that leaves us feeling confident on hydro volumes for the fourth quarter of the year. As you know, is normally one of the wetter quarters. But I think we're well placed given the levels of hydro we have.

We move on to slide 5.

Let's talk about the value of the flexible hydro portfolio.

On the left-hand side of the slide, you can see the intraday prices deviation has been increasing over the last few years. It's a typical duck curve beginning to show up. So the hourly price curve is getting steeper and steeper as the solar production increases as a proportion of the total production. So this for us is actually a good opportunity to use our flexible generation capabilities.

As you know, 85% of our hydro portfolio includes reservoirs and that allows us to concentrate the generation in the peak hours and capture that premium pricing and 45% of the generation of the hydro portfolio includes pumping, and so again, we can take advantage of the lower prices in the day when the solar penetration is higher and then sell at night. We see this potential already in the 2024 numbers in a material way. If you look at the hydro premium evolution, that's the evolution of the hydro realized price versus the baseload price. You see it constantly increasing from around 10% in 2020 to around 20% in '23 and now around 25% in the nine months, '24. When we look at the hydro pumping spreads over baseload trend is also the same. It's reaching around 50% in 2024. So increasing premiums and spreads over the years.

So, a lot of value creation here, we expect this trend to continue as the renewables penetration in the system rises and intraday prices get more volatile.

Move on to slide 6 and talking about the integrated business.

So as you know, baseload volumes for 2024 were contracted at a price of around EUR90 per megawatt hour. Obviously, this was a price we were able to lock in in the context of higher prices back in 2022 and '23. On the other side, we had above average hydro volumes that were partially offset by significantly lower uncontracted electricity prices.

I'd also like to add here on the gas side that our Trinidad Tobago LNG gas sourcing contract with Atlantic ended in September.

So that implied some volatility in our energy management EBITDA over the last couple of years: it had a negative impact in '22 and '23 at the EBITDA level and a positive impact in the first nine months of 2024. We don't expect any further impact from this contract from the third quarter onwards. Since our business plan update, last May, the forward prices have actually moved up slightly for '25 and '26 leaving us aligned with the guidance we provided at the time.

So, the recent uplift in prices continues to allow us to close positions for 2025 and '26 at better prices. So, for 2025 we have around 85% of baseload generation volumes closed at around EUR70 per megawatt hour.

For '26 we have around 40% of volumes hedged at a price of around EUR63 per megawatt hour. And the increase in the forward prices could have a positive impact in our upcoming hedging prices. As you know, we typically don't hedge 100% of our volumes. And our strategy is to be around 80% to 90% hedged to mitigate hydro volume risk.

Now talking about Portugal. So, Portugal is actually, you know, over the last couple of years and certainly today, a very successful case study in terms of economic growth, coupled with significant improvement on public finances.

This has strengthened its low-risk investment profile. I still remember people betting on Portugal exiting the euro back in 2011, '12. Definitely not the case now. I would highlight that this September Fitch actually reviewed upwards the outlook for Portugal rating from stable to positive.

And when we look at the 10-year government bond yields, they're actually trading lower versus Spain, France or Italy. The public accounts are in a budget surplus in

2023 and this is expected to continue in '24 and '25 according to the state budget proposal for '25. Also including the proposal, the public debt to GDP is expected to continue a downward trend reaching 93% in 2025 but well below the 100% and certainly well below 130% that we had just a few years ago.

All of this done while reducing also the nominal corporate tax rate from 21% to 20% and possibly going lower over future years.

This planned reduction is positive for the investment environment in Portugal and should drive also additional growth and consumption.

In terms of other taxes, we continue to believe that a reduction in the CESE – the extraordinary contribution – should happen at some point because it's a tax that's clearly outlived its purpose. And as I've said publicly, many times, apart from the fact that it's supposed to be extraordinary, and we're certainly not in extraordinary times anymore, this is actually counterproductive to investment in the sector since it's a tax on assets and the more you invest, the more tax you pay independently of the profit generated. So hopefully the courts will look at this and recognize we're no longer in extraordinary times.

And I'd also like to highlight that the government is also proposing a VAT reduction in electricity consumption to support electrification and that may actually lead to an increase in electricity consumption. And if you look on the right-hand side of the slide, just a quick summary of the 2025 electricity tariff proposal, the average retail tariffs are increasing 2% with Portuguese electricity prices continuing clearly below European average.

If we look at the industrial clients, Portugal has the fifth lowest price in the European Union, the fifth lowest price in the European Union.

So Portugal has one of the most competitive energy costs in Europe. And on top of it, clean. Last year, 75% of our generation was renewable in Portugal. So together with being the fifth lowest price, supports the thesis of industrialization of Portugal, including with data centers and other electro intensive businesses.

So, I think it is possible, it just shows it is possible to have a very competitive price in Europe. And certainly with renewals, obviously, there are other factors, like taxes and other non-energy costs that are sometimes included in energy prices. But if you look at just the energy wholesale price, again, extremely competitive compared with other places in the world.

Also, the proposal expects a downward trend for electricity system debt to 2025. So reaching EUR1.7 billion. Again, it shows the Portuguese electricity system is able to keep electricity prices relatively stable without compromising the financial system sustainability.

And you know, I'm sure most of you remember just over the last couple of years, even when we had the energy crisis that we were able to keep relatively stable retail prices throughout all of this period.

So, I think, really robust system. Just before I move on to the next slide, I'd also just like to take this opportunity to talk about last week's development in the CMEC judicial case in Portugal. We issued an official statement last week. But since there are a few questions at the IR level, I just wanted to explain the following.

So as many of you know, back in 2004, 2007, there's a transition from the CAEs and PPAs to CMEC. So the maintenance of the economic equilibrium regime implemented in Portugal. So this was in order to move the conventional power generation to the single liberalized Iberian wholesale electricity market. And it is very similar to other regulatory or contractual transition processes that we had in other countries. For example, the CTCs or the RECORE regimes in Spain.

Now, the judicial case has now moved from the investigation phase to the accusation phase and there's an allegation that there was some undue benefit to EDP in that process.

I want to be very clear about this. EDP is not a defendant or party to the litigation. And even more importantly, EDP did not have any undue economic or financial gain or benefit from this transition of the CAEs to the CMECs.

This has been validated by the European Commission in 2013 and 2017 as well as many other independent technical opinions. So we have absolutely no doubt that we did not have any undue benefit. In fact, since 2012, the company suffered several financial haircuts to the amounts to be received from the CMECs in different moments in time.

So EDP was effectively worse off with the CMECs than we the previous CAEs and PPAs. So I think that's the reality and these haircuts as you know, are being litigated, given a strong disagreement with them. So the lawyers have reviewed all the new information available in the case and we keep the opinion that the risk of any indirect penalty for EDP should continue to be classified as remote.

So that means not having any accounting provision for this. This will be a very long process, lasting many years. However, we'll obviously keep you updated if there's any additional information that comes up as we have done so far.

And obviously for any of you that want, as you know, there's extensive information on the history of this process on our website. And the IR teams are also available for any clarification you need.

If we move on to slide 8. And, and talking about Iberia. So we will have new regulatory periods in Spain and Portugal starting in 2026. I think it's consensual in the sector, so Europe, US and Brazil, that we need to significantly increase investment and ensure adequate returns for electricity networks to be able to do the energy transition. Particularly in Iberia, the need for investment in electricity networks is evident.

So we see a trend for an increase in electrification driven by this push for decarbonization. We think that will happen, continue to happen independently of the political cycles. Data center demand, EV adoption, heating and cooling systems. I mean, we're forecasting electricity demand to grow at a CAGR of around 2 to 4% up to 2023 to 2030 according to our internal forecast.

And then Iberia itself is a market with very strong renewables potential. I just talked about that in relation to Portugal, we have lots of renewable resources, you know, very high NCFs for wind and solar, we have the possibility of further implementation of additional renewable capacity. And so we think that investments in networks will also be following the investments in renewables.

It can actually happen. I mean, we are expecting a significant increase in investment. We have assets also that need to be modernized and that are nearing the end of their useful life. And that, you know, there's a big electrification push back in the 70s and many of these assets are now coming up on 40 years old.

So about 45% of the Portuguese transformers are more than 40 years old. So clearly, there's a lot of room for further investment here. So, EDP is prepared to step up its investment in networks to help drive this transformation, provided obviously that the adequate incentives are in place.

We've also been investing very much on efficiency, both Portugal and Spain. We now have all connection points with smart meters, all of them, the 6 million plus in Portugal and a million plus in Spain. And these meters are crucial for enhancing network operation efficiency.

And they also play a very important part in the energy transition since they also enable us to control much better the charging of electrical vehicles and the development of electric energy communities. And so we plan to continue to invest in the business.

We've recently just made a proposal to the regulator of an increase of 50% in investments in the period 2026 to 2030 in the medium and high voltage electricity networks in Portugal under the multiannual investment program, that means the CAGR on RAB networks in Portugal of around 5% over this period. The proposal is under analysis by the regulator. So, we'll see if the final numbers are these. The impact on the tariffs of all of this additional investment should be zero. There's an expected consumption increase as I mentioned. And so that would dilute basically on a per megawatt hour basis. And so the unitary cost would not increase. So you'd have more investment. But since you have more consumption, the cost on a unitary basis does not increase. And so it should not have any additional or impact on tariffs.

Also in terms of returns, the return on RAB in Portugal is 5.5%. It is one of the lowest rates in Europe, if not the lowest. So there's obviously room for improvement here, but we'll see that in the next regulatory period. I think people generally are recognizing obviously the need for further investment in the networks. And that's true everywhere in the world. And it's also here in Iberia.

In Spain, the return on RAB is 5.6% but there's no inflation updates.

I think it's important to note that recently, the Spanish government issued guidelines on the energy policy for the regulator to consider when setting the allowed return for networks for the new regulatory period. And they emphasize that remuneration should encourage investment in electricity networks.

So we believe that the regulator agrees that is urgent that the current return rate should be increased. So, all in all, the bottom line from this is that improvement of returns is critical for investment in networks and the investment in networks is critical to support the energy transition.

We move on to slide 9, and just doing a quick note here on data center growth opportunities in Iberia. We get a lot of questions on this.

I think the first thing to note is that the growth of data centers in Europe is less advanced compared to the US. And we see a very strong potential for growth in Iberia. I mean, talking to an investor the other day, they were seeing Europe maybe being two years behind the US.

But definitely I think people are seeing a wave coming also to Europe, even if it's just a question of having to have the data stored in Europe and not having it stored elsewhere. So, the region, as you know in Iberia, as I mentioned, abundant baseload power attractive prices, great hub for renewable investments. We are well positioned to take this opportunity.

I mean, we have competitive generation. We have the flexible generation like the gas, the hydro pumping, so we can offer 24/7 supply. We have a good track record on PPA origination, self-consumption. We are seeing increasing demand from tech players on PPAs and direct connections. And this year alone, we signed around 1.6 GW of PPAs with over 65% of these agreements made with major tech companies. A lot of this obviously done in the US.

Also, our assets are strategically located and we have a lot of existing connection points. So they're great for data center installation. So we are currently exploring several sites to host data centers and we have more than two gigawatts of grid access opportunities and this includes around 400 megawatts of secured grid connections and 900 megawatts of grid connection requests.

So we'll provide some more updates on this topic in in coming quarters.

If we move on to slide 10, and talking a little bit about Brazil. So, our investment plan continues to be focused on networks, both transmission and distribution.

Brazil has a very solid regulatory framework. It's got a 7.3% return on RAB before taxes and year inflation updates, providing stable low risk cash flow. I think one of the things that surprised me positively is just the sophistication and stability of the Brazilian electricity system and the sophistication of the regulator.

Also over these cycles, our two distribution companies are reference players in the country. They have great quality of service indicators which are outperforming the regulators metrics. Specifically in EDP Sao Paulo, the, you know, one of the metrics to measure quality of service of the duration of the interruptions in the electricity distributed has decreased consistently since 2022. And it registered its best historic record in the first nine months of 2024.

So, a great quality of service in our distribution networks in Brazil, we're also seeing very strong demand growth in the country. I mean, in our distribution companies, the demand has increased 10%, more than at the overall country level where demand has only increased 5% year on year. So we are in areas of high growth. These concessions, distribution concessions, as you know, the extension process is ongoing. The public hearings have started in October.

EDP Espirito Santo is the first company to renew the concession. It will be renewed for 30 years up to 2055. The contract is expected to be signed in the second quarter of 2025. But I think one of the interesting things about this is that it's pretty much an automatic extension as long as you have good quality of service indicators and as you're committed to investing in this distribution networks. And as I mentioned, we have great quality of service, and we are investing significantly in this in these companies.

We will continue to invest around EUR1.3 billion in the period '24 to '26. That's about three times depreciation and amortization. So, three times higher than depreciation and amortization, which compares to, you know, some European countries where it's just slightly over one time.

On the right-hand side of the slide, there's a positive trend on power prices. So, both in the short term and in the long term. In the short term, this has, you know, pretty neutral financial impact given the hedging position. But for the next couple of years, for '26 and beyond, we see improving prospects for the PPA market.

Finally, just to say the Brazilian Real has been depreciating for the last few months, the Brazilian Real has decreased 60 cents, but this is a limited impact since the funding is also in local currency and it provides a natural hedge for FX.

So for each EUR0.5 to Brazilian real change, the net income in '25 is impacted by around 30 million.

So, on wind and solar, you know, we talked about this also in the EDPR call, but we installed in the first nine months, 1.3 gigawatts, three gigawatts over the last 12 months. Installation pace slightly slower than initially anticipated. So we'll have a higher concentration of installation in the last quarter of the year. Believe me, we are all frustrated with some of the operational issues that have come up and are working hard to solve them.

As of today, we have mechanically completed another one gigawatt and total capacity additions by year end are expected to reach the target of around four gigawatts. And 80% of that will be North America and Europe. Overall, lower wind resource, grid congestions, installations now concentrated in the last quarter, all of that led to expected generation for '24 to be between 35 and 36 terawatt hours.

On the asset rotation side, I mean, this continues to fuel growth. It's important also for our balance sheet. It's not just about capital gains, there have been solid valuations that support accretive investment decisions under more favorable scenarios. So, we're selling assets because we can then reinvest also into better assets and keep the growth path going forward.

We've also done some good acquisitions of assets that we know well, under the logic of simplifying our portfolio and also they are accretive to the EDP and EDPR shareholders. We bought back the Brazilian minorities and more recently, also the portfolio of wind assets in Poland, Italy and Portugal.

This year, on the asset rotation side, we sold four portfolios: US, Canada, Italy and Poland. We've completed the minority buyback transaction of one gigawatt wind portfolio in Europe that was announced last year.

In terms of capital gains, I know there were quite a few questions on this but '24 transactions have been impacted by projects with peak CapEx inflation and investment decisions taken in the context of record low cost of capital which is obviously squeezed in this new environment.

So interest rates have come down more slowly than initially expected. I mean, we expect short term pressure in the asset rotation gains realistically with, you know, similar impacts also in the next couple of transactions in 2025 we then expect the recovery of the asset rotation gains from 2026 and beyond.

And as we start to rotate projects with substantially higher PPA prices from late 2022 investment decisions and onward, I mean, just reviewing some investments recently, you know, we've been signing PPAs in the past at 20 or 30 USD per megawatt hour back in 2019 and 2020.

I mean, as you know, over the last couple of 12/18 months or so, we've been signing PPAs at 60 USD plus. So very big difference in terms of PPA prices, the market demand is still there for asset rotation. And I think that's important also for the balance sheet.

To comment here on efficiency which is extremely important. We continue to be very focused on efficiency.

We are focused on making sure we get the economies of scale as we continue to grow and stay lean. I think these efficiency efforts are paying off and they're reflected in the nine month numbers. OpEx decreases 2% nominal year on year. That's about, that's more than 4% in real terms, more than offsets the inflation rate in the period.

In relative terms, OpEx to gross profit also decreased to 26% and we've seen EBIT per employee increasing year on year. So we have lower headcount on an absolute basis despite growing very quickly.

We've implemented several measures. I mean, simplifying the decision-making process, the corporate structure. We've integrated several internal teams. We've optimized the commercial processes. We've obviously been focusing very much on automation of processes and digitalization. On the O&M side, we have a global program in place to really improve the operational profitability of the renewable assets.

And as I said, all of these are already having substantial impact in the first nine months and they'll continue to do so over the next months and years. All in all, tight OpEx control crucial to prioritizing cash flow generation and creating shareholder value. Finally, last line just before I turn it over to Rui.

As you know, we've got a 20-year track record in the energy transition. I mean, we've gone from 21% of renewable generation in 2005 to 97% renewable generation in the first nine months of this year. We're also on track to be coal free by 2025.

I mean, Pecém coal plant disposal was concluded in December of '23. Conversion of Aboño thermal plant in Spain from coal to gas is going to happen in 2025. And the authorizations have already been requested to close down EDP's remaining coal plants — Soto 3 and Los Barrios - both located in Spain, they're not producing at the moment, but we've already requested their closure. And hopefully that will also happen.

Our efforts have led to a strong decarbonization trend.

We said we're committed to being coal free for the first time, we said that back in 2021. And, and we will deliver on that.

We've had obviously to operate our coal plants particularly in the energy crisis, but, but that is being phased down. And I think what you've seen is a 73% year on year decrease in scope one and two emissions intensity to 24g of CO2 per kilowatt hours.

I think very importantly, I just wanted to highlight this. Our decarbonization efforts have allowed us to reduce our revenues from coal to almost zero and our revenues from fossil fuels to less than 2%. So, this places us in perfect alignment with sustainable investment criteria as they are below the 5% standard threshold to be eligible for sustainable investment. With that I'll stop there and I'll turn it over to Rui Teixeira. Thank you.

Rui Teixeira

Thank you, Miguel and good morning. So let's move now to slide 15 to review the financial performance.

Recurring EBITDA increased 1% year on year to EUR3.9 billion in nine months. This results from different performances within our diversified portfolio. So, on the renewables, clients energy management, this segment is down by EUR73 million, driven by lower asset rotation gains at the EDPR level. Excluding asset rotation gains, underlying EDPR performance increased EUR72 million a year on year and the rest of the segment is up by EUR71 million year on year.

Also, it's worth highlighting that the underlying nine months performance more than compensated for the impact of the coal deconsolidation in Pecém and Aboño coal power plants, which was around EUR107 million in the nine months last year.

So, on a like for like comparison is, hydro, clients and energy management performance increasing by EUR178 million year on year.

On the electricity networks, EBITDA ex-asset rotation increased EUR83 million year on year. This reflects the resilient performance both of Brazil as well as Iberia Networks.

Additionally, there is a EUR71 million capital gain resulting from the transmission deal that we closed back in the first quarter of this year. So, all in all, electricity networks as of now represent an important 33% of total EBITDA.

Finally, I would like to highlight here the efforts of on efficiency, as Miguel just did, in a growth context. So OPEX decreasing 2% year on year, which is great and also in absolute terms versus the nine months last year. So the efficiency measures that we have been implementing are already positively impacting the bottom line.

If we move now to slide, 16, I won't spend too much time here. Given what we detailed two days ago, underlying EBITDA grew 7%. That's an improved performance year on year, reflecting 11% growth in installed capacity, wind resources improving versus last year, nine months, but still below average with the renewables index at minus 2% which combined supported a 5% increase in electricity generation.

On the other hand, average selling price is down 4% year on year driven by the lower prices in Iberia that are offset by hedging at competitive prices, resilient prices in North America and higher prices in Brazil.

So when we look at the total EBITDA Delta year on year, we have a 10% decrease impacted by lower asset rotation gains in the nine months of this year of EUR179 million versus the nine months of last year that had very strong gains of EUR393 million. Please note that this year we'll still have the Romania's noncash impact that's EUR39 million by September and in Colombia around EUR44 million in the nine month. This week, we also updated the market about the status of the project and I want to manage expectations that during the next 2/3 months, the go/ no go decision may lead to the complete write off of EUR0.7 billion at EDPR.

So if we now move to slide 17, going through the EBITDA of generation and supply business, strong performance of hydro, clients and energy management segment with recurring EBITDA increasing 5% year on year in the context of 42% year on year drop of electricity spot prices in Iberia to EUR52 per megawatt hour versus EUR91 per Megawatt hour last year.

This is really a great performance from this segment on the back of strong hydro volumes, 66% increase year on year, with the premium capture price and strong contribution from flex generation, effective price hedging strategy also played a very important role, and there are obviously lower energy sourcing costs. As I mentioned previously on a like for like comparison, ex-coal capacity EBITDA from this segment increased 15%.

So moving now to slide 18 electricity networks. We can really see a good performance of the segment that represents 33% of group total EBITDA and increased 14% year on year.

In Iberia, EBITDA increased EUR16 million back by an improved performance in Portugal where also we can see gross profit adjusted by concession fees growing 4% year on year supported by inflation update and increased consumption.

In Spain, EBITDA stood relatively stable with revenues increasing due to the RAB growth that compensated for higher maintenance costs.

In Brazil, EBITDA increased EUR139 million resulting from organic growth and improved operations with distributed electricity increasing 10% year on year, inflation update in the transmission, and the capital gain of EUR71 million from the asset rotation of two transmission lines in the first quarter.

So now I would like to move to financial costs on slide 19. Financial costs, net financial costs in recurring terms, stable year on year. And this results from a combination of: cost of debt that decreased from 4.9% last year to 4.5% in the nine months this year, following the decline of the Brazilian real denominated cost of debt and the rebalancing of US dollar and EUR denominated debt as part of the strategy to reduce the US dollar exposure within the portfolio.

As one can see on the right-hand side of the slide, US dollar weight over total debt decreased from 30% in the nine months to 19% in the nine months this year. If we exclude the Brazilian real debt, the average cost of debt which is mostly EUR and US dollar was 3.3% the nine month this year from last year's 3.2%.

Also, average debt increased EUR1.2 billion in the period offsetting the lower average cost of debt. Also please bear in mind that in the nine months last year, we had a positive impact of EUR37 million from the settlement of the US dollar pre-hedge.

So finally, I would like to highlight that we continue to actively manage debt and liquidity needs with EUR1 billion of hybrid issued in September with a 4.625 coupon and EUR0.5 billion of bilateral loans with five years maturity that we closed until September this year at very competitive spreads when compared to the debt capital markets.

So now on the net debt. Net debt stood at EUR17.3 billion with the main drivers being: strong organic cash flow - EUR1.6 billion of organic cash flow -, dividend payment of EUR0.8 billion, regulatory working capital of EUR0.5 billion essentially in Portugal.

So as usual, we plan to securitize these regulatory receivables by year end, after the final tariffs are presented by the regulator. And also net cash investments amounted to EUR2.9 billion mainly from the investments in renewables and networks and including EUR1.1 billion of asset rotation proceeds. Towards the year end we expect to cash in proceeds from tax equity as the projects in the US reach the COD. Overall, we are maintaining solid credit ratios namely FFO over net debt at 20% and remain fully committed to our triple B credit rating.

Finally, recurring net profit amounted to EUR1.1 billion with the electricity networks weighing 42% of this amount. Excluding capital gains, the underlying net profit shows a strong 21% increase versus the nine months last year, as a result of a resilient EBITDA, depreciation, amortization and provisions pretty much in line with last year, net financial costs increasing only EUR9 million year on year reflecting our continuous effort towards decreasing the average cost of debt and which allows us to obviously stabilize financial costs despite average debt increase, higher income taxes following higher effective tax rate due to lower asset rotation gains year on year, and decreasing non-controlling interests, following the lower results at EDPR level and supported by EDP Brasil successful minorities buyout last year. Finally, just to highlight that including asset rotation gains recurring net profit increased 7% vs.

last year, showcasing the strong performance of the underlying business, which more than compensated for the asset rotation gains year on year. So, Miguel, back to you for closing remarks. Thank you all.

Miguel Viana

We have now the Q&A.

Operator

Thank you. The Q&A session starts now.

Miguel Viana

Sorry. So we have the last slide from the CEO for the closing remarks.

Miguel Stilwell d'Andrade

No, I mean, well, I think we want to make sure we leave time for Q&A. So I'll be very quick. I just wanted to reinforce the point that we had great results for the first nine months. And we're well on track to deliver our EUR1.3 billion of net income for the year. This is in line with what we have been saying throughout the year and since last year. Just highlighting the value of being in Iberia, the value of our operations here in terms of the hydro. Brazil continues to show great growth potential. Efficiency, super focused on that and delivering concrete results on that. A solid balance sheet with FFO over net debt at around 20% and ensure we keep net debt level at manageable levels. Significant progress on the portfolio decarbonization, very strong strive to achieve our objective to have 100% generation renewable, we are pretty much there. What we have in terms of fossil fuels is pretty marginal and so that places us very well within the ESG targets and thresholds.

Questions And Answers

Operator

Ladies and gentlemen, the Q&A session starts now. As a reminder, if you wish to ask a question, please press star five on your telephone keypad.

Miguel Viana

The first question comes from the line of Pedro Alves from CaixaBank BPI. Pedro, please go ahead.

Q – Pedro Alves

Hi everyone and good morning and thank you for the presentation and congrats for the Q3 results showing again the value of the integrated business. And so I have two questions, please. The first one on, on the rumors of M&A approach during this year. Well, my question is obviously not for, for you to comment on, on rumors, but just to take the opportunity to ask you some reflection of what your intentions could be regarding EDP growth strategy in the future.

So given that we have an outlook of, let's say roughly flat net profit growth for EDP, my question is if you plan to reposition somehow your portfolio and business needs to unlock new avenues of growth that eventually do not put shareholders in an integrated utility, not so dependent from the fortunes of renewables, which latest years show this can be quite volatile. And if that growth repositioning could be done organically or if organic moves are somehow inevitable.

The second question is on your outlook for 2025. I know it's probably too early and you usually don't give precise figures on that, but just to have to have a sense of direction and given the likely lower generation at EDPR level, also lower realized prices for the integrated business in Iberia. And if it is fair to say that there is some downside to the current consensus of 5 billion of EBITDA.

And so if you can just provide some early views on, on the direction of earnings for next year. Thank you.

A – Miguel Stilwell d'Andrade

Thank you, Pedro. Well, maybe just taking that point and come back to the first one. But I think, I think I'd say that the outlook for '25 continues to be that, you know, we are comfortable with consensus and, you know, the fundamentals haven't changed, we have some areas that are weaker, others that are stronger. And so we look at sort of, you know, a pretty good hedging and realized prices for the integrated business.

We look at distribution doing well and the network is doing well in the various different geographies, we have a slightly weaker EDPR, you know, it's also been the reverse in the, in the past in some years. So I think reinforcing again the value of the diversified portfolio and saying we are comfortable with the '25 consensus.

On the first point. So I think we, you know, we have a good portfolio, a combination of networks and renewables and we will grow these, you know, as much as we can in the various different geographies. I think in the networks, as I mentioned, we are, we have made a specific proposal to increase the investment by around 50% over this period until 2030.

And then that would translate into a 5% CAGR, for example, for the Portuguese, medium and high voltage. Brazil is going growing extremely strongly. We'll see in Spain as well. But I think there's probably some good prospects there and also good returns. I think renewables will continue to grow. I mean, let's, as I mentioned in the EDPR call, let's wait and see, but I certainly wouldn't throw in the towel.

I think the markets clearly overreacted on the, on the downside. But listen, I think we're, as I mentioned on the call, we're long-term investors and, and have an industrial approach to this. So I think renewables will continue to grow.

We need to see the pace and we'll see in the sort of the different regions and there's a function also of what happens in the US, which is obviously a big driver for us. But as I mentioned, I think we continue to see growth in the US as well.

So, I'd say, you know, we have the flexibility to pivot between different parts of our business in different geographies and we'll continue to do that. So that's what we're focused on is delivering shareholder value over the next couple of years and making sure we grow as much as possible.

I obviously, I won't comment on rumors of M&A I would only say, don't believe everything you read in the newspapers, please.

Q – Alberto Gandolfi

Good morning and thank you for taking my questions. I was going to ask you something very similar on strategy and growth. So I'll go a little bit deeper if you, if you don't mind here. You had another 24 hours or so to digest the outcome of the US elections. And so, any observations you can bring in terms of how, what is your contingency plan?

What is your risk management in case we have the introduction of tariffs, in case that I don't know, some equipment like I'm thinking solar modules take longer to clear, to clear customs. There's a phase out in tax credits. How are you preparing your business for any of these issues before actually they materialize. And they may never do, right?

The power demand is growing a lot in the US. I'm just thinking about risk management and, and I don't want to be confrontational here. But the past since 2020 operational execution has not been flawless. And so I'm trying to see how you're preparing for any curveball, as they would say in the US for it. The second question is on your slide, on data centers, you talk about more than two gigawatt opportunities of which if I understand right, 400 megawatts are fully secured. I wanted to ask you more broadly, what do you think is the opportunity here for you?

Is this 400 megawatts secured by you and you're going to try to attract, you know, demand, you're going to offer these to big tech developers or are these 400 megawatts secured on your network already for third party clients? Basically, how do you monetize data center opportunity in Iberia? Is it through higher investments in the network? Is it through PPA?

Is it through doing joint ventures, selling connection points? All of the above? I'm trying to gauge here this opportunity. And the last question is on your 2% to 4% power demand growth. Look after 15 years of decline in demand if your estimate is correct, and we actually, we share the fact that that the power demand is inflecting, this is changing the shape of the top line of the whole industry, right?

So can you give us maybe some key assumptions that underpin your, your forecast in terms of EV penetration, heat pumps, maybe perhaps so many data centers you see in Spain in Gigawatt in Iberia by, by 2030. And you know, in this environment, what needs to change for you to capitalize on this opportunity? I'm thinking maybe the allowed returns in networks. Thank you so much.

A – Miguel Stilwell d'Andrade

Thank you Alberto.

So quite a quite a lot to get into and obviously not a lot of time. So I'll try to be relatively brief and then we can catch up offline as well if, if you think you want to go in deeper but in the first one. So contingency plan, well, the first thing I'd say is, and you know, we mentioned that I think very, very well in the call on EDPR but things around tariffs, not being able to import solar modules, etc.

I mean, I think we're very well protected because one of the things we did as a result of what happened two years ago was exactly pivot to a US based production. So, we have, you know, the panels all secured for the next couple of years coming from the US.

And you know, so I think the, the risk there that is, I mean, we weren't necessarily expecting or taking a position on whether Trump or Harris winning, but we certainly recognize that there was, we wanted to derisk our supply chain and this was the way to do it no matter which administration was in place. And so that's what we've done.

So I think we've derisked the procurement on the tax credits. You know, again, what I've heard, and many people will tell you is that they may take a scalpel to the IRA but not a hammer.

You know, you have also Republican support from many Republicans who support the IRA and who support the tax credits. Tax credits have been around for years and years and years. And, you know, you and I know that and they've been continuously, you know, reapproved from on a partisan level, there's also a figure which is called the Safe Harbor, which means as long as you've initiated construction on some of these projects and sort of done a minimum amount of investment, then those are also protected from a tax credit side.

So I think that's also something that and so people will be doing. So I think, you know, '25/'26 I'd say that's pretty safe. If something like very drastic, like worst case scenario came in, I mean, obviously that could impact then the medium long term growth prospects in the US, but certainly '25 and '26 I wouldn't expect that there could be anything that would happen. You know, the US does not have a history of any retroactive sort of changes and stuff like that, which would obviously be more, more damaging.

So I'd say that, I mean, you know, recognizing that, I think if anything, you know, we do recognize we've have been, we have had aggressive targets in the past and we've been very transparent that they were aggressive and we've had some operational issues in terms of supply chain and others, which I think we've also learned from that and taken measures to correct them.

On the second point on data centers. So what's the impact of this. First, this is really for attracting demand. So we get a lot of inbound calls asking for, you know whether there's connection to the networks, can we provide supply, you know, renewables or 24/7 supply. I think the driver for value. So that's really, I think that the value of these connection points, where does it create value for us It's more investment in networks, it's more PPAs, it's more demand in the system as a whole, which helps also bring down costs and dilute the fixed costs. So I see that as a as a positive for the system as a whole.

So we are obviously fully incentivized. You know, to work with the different governments in the different sort of investment bodies to try and promote as much as industrial investment in Iberia, in Portugal and Spain as is possible. And that's good for the system as a whole.

On the third point, on power demand growth.

So it's a little bit connected to the second point if I answer it correctly. So as you get more demand flowing in, that will drive more investment in the networks. And I don't know if there was any specific comment you wanted to make. I mean, I think you were basically agreeing that there is going to be power demand growth.

I don't know what the specific comment or question was.

Q – Alberto Gandolfi

No, it was, it was more like a question. Thank you, Miguel, by the way, so far, super exhaustive and patient. Now the power demand 2% to 4% per year to 2030. What underpins it? You know, do you see it particularly from data centers, industrial electrification?

A – Miguel Stilwell d'Andrade

I think it's the, it's, it's the industrial growth. I mean, Spain is one of the fastest growing, if not the fastest growing economy in Europe, you know, Portugal is doing extremely well. We had a slide on that. One of the reasons the debt to GDP is coming down so much It's not that the debt is coming down. So the GDP is going up. And so these are, well, it's ironic, but it's actually inverted from what it was maybe 10/12 years ago where you had, you know, the South doing poorly and you had sort of central Europe doing very well.

I think that's those positions have been reversed. You know, now the discussion is, Germany, okay. And the South is booming. So I think we are seeing that interest, well, that demand growth or the economy growing, we're seeing demand growth.

And as for the reasons I mentioned, you know, we have cheap clean energy, even if you install a data center in Portugal, even if you did a PPA, you'd still have 75% of your generation would be renewable. So that's a huge, that's a great calling card for a lot of investors.

So hopefully we can leverage on that. And as I say we're working hand in hand with the different investment authorities to see if we can promote that. I think that's good for the economy and it's good for business.

Q – Alberto Gandolfi

Thanks you so much.

Q – Manuel Palomo

Hello and good morning, everyone. Just a couple of questions. The first one is on, on the longer term outlook. Remember back in Q124 you provide with some outlook for the year 2026. Question number one is whether that is still valid. And the question number two is within that guidance.

What is your long-term expectation about what should be a normalized hydro performance? Because, well, this year we've seen that it's in one of the slides is mentioned at 33 above the historical average.

So I wonder whether you could share, what is your expectation for that hydro, clients and energy management in Iberia?

Secondly, a question on well, in Portugal, which is whether you could update us on what is the latest? You mentioned something about taxes. But I mean, it's a recurring question on my side, evolution of the Distribution Concession Renewal process and linked to this one, the last one would go on the potential for investments in networks in Europe. There's a slide in which you are somehow into it but what I see is that last year already in Iberia, we saw that your investments were above EUR500 million.

My question is, what do you expect to be your run rate of investments in Iberia in the year 2026 and onwards when the new regulatory frameworks will begin? Thank you very much.

A – Miguel Stilwell d'Andrade

So I'd say for 2026 we maintain our guidance that we'd already given. So for 2025 as I mentioned to Pedro, we're comfortable with consensus. For '26 we will also maintain the guidance. And so I think the fact that we have this wider portfolio, both in terms of businesses and geographies means that we are, we're still keeping that guidance. On the long term expectation on the hydro performance what I'd say is that that additional rain that we had, which obviously by definition is not hedged. So that comes in at around the 50 euros or so, which was sort of the average price would give us about EUR150 million of the additional value from that additional water.

So that you can take that perhaps as the, the value of the, the extra 33%. On the Portuguese taxes of 21% it's coming down to 20%. And I think there was a view by the government that they would like to bring it even lower. That obviously depends on it's a minority government.

So it depends on negotiations in the future. But I think they're still focused on getting the current budget approved. But obviously, we think that, you know, corporate rates coming down is good for investment. It's good for the economy, it promotes growth. On the concession renewal process, there were statements. So the government constituted an independent committee to follow the low voltage concessions renewal process and to provide some guidance or opinion by mid-December. But the responsible for that committee has already said that there would not be any process in 2025. So that's already been pushed back to at least '26 and beyond. And I think that the reason that he indicated was that in '25 we have the municipality elections.

And as you know, these are municipal concessions and so he didn't believe that there would be the conditions to have that discussion. So I think it's off the table at least for '25. On the investments in Europe and the run rate. So I think I gave you the number or certainly for Portugal, that the current proposal is up 50% or to increase by 50%.

And so that, let's say give the number for Portugal for Spain, you know, we still don't have feedback from the Spanish government as to, you know, we're already capped out in terms of percentage, you know, there's a maximum investment you can do in Spain.

A new limit hasn't been defined in Portugal. I can give you a specific number but in Spain, we still have to wait a little bit to get a better number on what could be the increase in investment there.

Q – Manuel Palomo

Thank you very much for that help.

Q – Jorge Alonso Suils

Hi, good morning and thank you very much. A couple of questions, please on my side.

On the net debt, would you be able to give us some more color about I mean, what is the amount of tax equity pending to be collected and on the asset rotation?

Just to understand if the there is a temporary effect that could be on the net debt or if the increase in the net debt that we have seen already in EDP and EDPR level will remain, will remain in the coming in the coming years due to the whatever effects that the CapEx and working capital issues, et cetera, et cetera. The other question is on the US offshore capacity.

Do you have any or what is the more is that the annual cost in which you incurred developing the asset? Just in order to see, I mean, those projects can be delayed or not, but what is let's say the cost that you are incurring every day, every year in developing those in developing those assets? Thank you very much.

A – Rui Teixeira

Hi Jorge. It's Rui here. So if you look at net debt by year end, I believe that will be around the EUR17 billion.

So and that's, you know, a billion above what we were expecting earlier this year. So what are the main building blocks of that? So first of all, less gross investment, we are talking about, you know, take EUR1 billion less of gross investment.

We do not expect to close any further transactions of asset rotation this year. So that means that we would have an impact of around EUR1/1.2 billion. Then on tax equity capacity, given that the tax equity comes after the COD of the US project as we get closer to December CODs then increases the likelihood of tax equities only being closed into January. We are estimating around the EUR0.5 billion of tax equity that flows into January.

And then between operating cash flow, regulatory receivables that we cash in in the year, I would say EUR0.2. So basically, those are the building blocks that we are seeing that all in all, you know, amount to about EUR1 billion.

And that's why we are targeting the EUR17 billion by year end. As I just mentioned, so tax equity, it really is a timing and then also asset rotations are asset rotations that we will not close this year if that we could potentially close beginning of next year.

On the offshore, I can also take this one. So just to be clear, we have under Ocean Winds, we have three projects under development: two in the east cost and one in the west coast. I mean, the development of these projects are not truly material.

They are mostly related to, you know, permitting processes and environmental impact studies and geotechnical studies which will obviously you know, manage depending on what is the impact from Trump presidency. He has been extremely vocal that he would stop offshore in the first day. We are expecting to get federal permits still for one of the projects. But let's wait and see.

The other two, we were not expecting to get any federal permits anyway, within the next 3/4 years. So for the other two, which is the New York and California, basically the development cost is relatively low. I mean, we can follow up afterwards, but I can tell it's not something material and it goes through the JV.

Q – Jose Ruiz

Good morning and thanks for taking my questions – just two. First of all, on hydro expectations for 2025 considering that the hydro reserves are increasing and the question is basically, could we have the same hydro production levels as we have had in 2024?

And the second question is about the guidance 2024 you said that there is an upside risk on the guidance for the EUR1.1 billion, sorry, EUR1.3 billion and you have more delivered more than 80% of the guidance in the nine months.

So I was wondering if that upside risk is very high or you are expecting something negative in the fourth quarter, you talked very quickly and sorry, I completely missed this a writeoff at EDPR level of EUR0.7 billion I guess it is not affecting that guidance. Thanks for all the clarifications.

A – Miguel Stilwell d'Andrade

So on the hydro 2025 expectations, I mean, normally we assume P50 I think that's the best guess that anyone can have.

You know, we'd love to be able to predict the El Niño and La Niña. And believe me, we spend a lot of time discussing that. But at the end of the day, probably the best guidance we can give you is that we should, you should expect an average year. Obviously, we are coming into the final months of the year with high hydro levels.

Which means that, you know, we have a robust position to take advantage of prices over the next couple of months. But let's say in terms of average rainfall for the year, you should just expect the average levels. We don't have any additional a degree of trust on additional information that we could guide you to a different place on the upside risk.

No, we have no negative expectation on anything. I think it's just depending on what happens in terms of hydro volumes and in terms of pricing, et cetera, I think what we mentioned was, I mean, first, it would be a non-recurring, it would be an extraordinary.

But in any case that's not a decision which has been taken, it's just flagging that that is a possible scenario. So we just wanted to make sure that there are no misunderstandings about that point. But if there was, it would be an extraordinary.

Q – Jorge Guimarães

Good morning. Thank you very much for taking my question, actually, two of them are EDPR related. So the first one is on your reference to the end of the gas sourcing impact. You were mentioning that it will have no more impact for Q4.

Can you give us an idea what has been the contribution in the nine months of this gas sourcing for us to calculate the impact or of its absence in Q4, it would be the first one. The second one, and on EDPR side, I believe there was a reference in EDPR conference call to a EUR400 million book value of US offshore. I would like to understand if this is at Ocean Winds level or EDPR level.

And the third one is also at EDPR, if you can give us some idea about the current PPA prices or IRRs in for wind and solar. Thank you very much.

A – Miguel Stilwell d'Andrade

So on the first one, maybe Miguel Viana or Rui can get on that one. I'll just answer the 2nd and 3rd and then come back to you. So on the second one, on the book value for

OW. So that's EDPR level 400, so EDP level would be 300. That's total book value exposure, including leases and all the development costs and the financial costs, et cetera.

On the third question in terms of PPA prices Brazil, I think the answer there is we are not, we're not developing additional projects in Brazil at the moment.

So I mean, we did for a while where we had certain PPA prices which were making viable the projects, the prices then went down a lot as you know, because of the hydro volumes were very high. And therefore the PPA prices were also not allowing us to take any profitable investment decisions on them on the projects there, the prices have started to tick back up and start getting closer to sort of high hundreds reais per megawatt hour, sort of that, that type of level 200 per megawatt hour, which I think we already start making the projects viable.

But we haven't seen an active market for PPA prices recently in Brazil. I think what we've tried to indicate is that we're seeing the prices go up. So it may be that we get to a level where it starts being enabling profitable projects to be FIDed and on the first question, Rui.

A – Rui Teixeira

Hi. So on the first one, maybe just a little bit of going back to 2 years ago, if you remember, we had curtailment of some gas that was not being delivered into Iberia and that we had to buy the shortfalls from the market at much higher prices where we had negative impact in our recurring results. I mean, this year, we basically had very limited type of curtailment and obviously the gas prices are at a much lower level.

So therefore we actually this year benefited, I mean in all, I would say that we are that if anything over the years, there was an accumulated negative impact and, but basically this year we just recovered from that. I mean, I guess your question is what to look for into the numbers, into the coming years. And I think that what we have been saying is that if you look to the integrated margin, our business, let's say the hydro, the gas business, the clients business that integrated margin that we are currently at around EUR1.3 billion, EUR1.4 billion, it should be normalizing over time to EUR0.9 billion give or take. So that's, you know, really part of this, the overall integrated margins.

Q – Arthur Sitbon

Hello, thank you for taking my question. So it's a question on the debt evolution and thanks for the comment that you made earlier on the potential level by the end of the year. I was wondering more broadly speaking about FFO to debt evolution as and if profits normalized in 2025 with potentially a bit more normal hydro, also you gave a bit of an update on the asset rotation trajectory.

Look if the cash inflow is weaker than expected, what can you do to manage the debt evolution?

I know you issued a new hybrid earlier in the year. Is there room to issue more of this or have you already reached maximum capacity? With the new trajectory that you have in mind are you comfortable with being above the 19% of FFO to debt that which I think is the threshold that S&P considers? Thank you very much.

A – Rui Teixeira

Hi Arthur is Rui right here. So, I mean, we are fully committed to the triple B rating and as we already said in the call, I mean, we look at 2025 and even so the consensus for '25 we're comfortable with our guidance for '26 is there and we keep it which includes as well, the 20% FFO/net debt.

If, you just recall my comments is yes, we have some shortfall, but really what we have is some are some timing impacts namely from tax equity and potentially on the asset rotation side moving, you know, beyond the cutoff, the 31st of December, but also a reduction in terms of the gross investment.

So at the end, what we always look at is the net investment profile. I think it's also important to highlight that what we have been saying, and Miguel repeated today is we are seeing a good market out there for asset rotation. So there are buyers, there are buyers willing to buy quality assets and the multiples I think they are fair adjusting for the fact that you sell, if we start selling more solar, then obviously the per megawatt is lower than if we sell wind assets.

But the price we believe it's a fair price. A different discussion is about capital gains, but you know that cash in flow from the asset rotation, we are expecting it to continue. So that's why all in all we look at this 20% target and really keen to, to keep it. On the question on the hybrid. I mean, we did that, we decided to move, we anticipate and make sure that we strengthen further the balance sheet. We have room to do some more if needed, but it's not something that we are currently planning.

Q – Arthur Sitbon

So just to be clear, on the asset rotation, essentially, what you're saying is that even though your gains may be lower for '24 and '25 your target on proceeds still holds.

A – Rui Teixeira

That's right. So we're still working on maintaining the proceeds, again, many times as because there are transactions you don't get to the cutoff date of the 31st of December, but we are not seeing a fundamental change in the volumes. What we stated is that we obviously expect much less contribution from the capital gains for these two years.

Q – Arthur Sitbon

Thank you very much.

Miguel Viana

I will pass now to our CEO for closing remarks.

Closing Remarks

Miguel Stilwell d'Andrade

Thank you Miguel. So just to say, listen, record results from EDP on track to deliver at least the guidance that we committed to for this year. And you know, comfortable with consensus for next year.

I think this is a clear reflection of the strong and stable diversified portfolio. Obviously, we'll have areas that are weaker currently, EDPR, we'll have areas that are stronger currently, networks and the integrated portfolio.

And that's part of, let's say these cycles, the energy transition will go on and there will be cycles. No one said it was going to be easy. And I think we said, in fact, there was going to be a bumpy ride and it certainly has been over the last couple of weeks.

But I think we are and we continue to be very committed to continue to grow the company at these different levels. I think the increase that we see the potential increase at the demand or the electricity demand of networks, even of renewables, even if at a slower pace, but with good profitable projects. And I think that will continue to drive the growth of the company going forward.

So that's what we're committed to executing and then I'll probably stop there and I'm sure we'll be talking again soon. Thank you.