

EDP, S.A.

Fitch Ratings' April 2026 ratings affirmation reflects EDP, S.A.'s credit-positive business plan update with more conservative net renewable expansion, good pipeline visibility and a resilient business profile underpinned by a 30% share of regulated earnings and 35% share of quasi-regulated earnings. These earnings are largely contracted renewables across diversified geographies and benefit from a high-quality generation fleet with growing, flexible capabilities. The ratings further reflect the plan's moderate execution risk and EDP's leading integrated position in Portugal and leading position in Spain.

We forecast ample leverage headroom with funds from operations (FFO) net leverage averaging 4.3x during 2026-2028, compared with the revised positive sensitivity of 4.2x. EDP remains publicly committed to the 'BBB' Issuer Default Rating and may use the ample headroom to scale growth from 2028, in line with its guidance.

Key Rating Drivers

Positive Business Plan Update: EDP's latest business plan update is credit-positive, in our view. The company is targeting lower net investment of EUR7 billion (EUR2.3 billion a year versus EUR3.3 billion as of the 2024 plan) mostly focused on renewables (60% of gross investment) and networks (30% of gross investment). The company is guiding EDP-defined EBITDA of EUR5.2 million for 2026.

Renewables development benefits from good pipeline visibility and is focused largely on the same geographies (but with an acceleration in the US). EDP is mainly focused on solar (standalone or collocated with battery energy storage systems), although it also has wind onshore and residual offshore projects (the latter through the Ocean Winds joint venture). EDP's distribution policy remains broadly unchanged with a payout ratio of 60%-70% and a growing dividend per share floor to EUR0.210 in 2028 from EUR0.205 in 2025.

Comfortable Leverage Headroom: EDP remains publicly committed to the 'BBB' rating and forecasts a EUR1 billion debt reduction over the business plan. According to the management, this leverage headroom might be used to scale growth from 2028, in line with the company's guidance, but we still expect EDP to be comfortably positioned within the guidelines for the 'BBB' rating. We forecast EDP's FFO net leverage to average 4.3x over 2026-2028, slightly above the revised positive sensitivity of 4.2x.

Moderate Development Risks in US: Close to 60% of EDP's renewables gross investment over 2026-2028 is focused in the US. The company has good visibility on US growth with about 5GW of projects safe-harboured until end-2028, according to the IRA's latest guidance, and a well-developed local supply chain. This mitigates regulatory and macroeconomic risk that has been increasing in the region over the past two years, despite improved visibility on EDP's plan. Most of EDP's investment is focused on solar/solar with BESS, which are less affected by an adverse regulatory environment than other technologies such as wind.

Regulatory Updates: The final determinations of the Spanish and Portuguese regulators in 2025 showed higher-than-expected regulatory rates of return, which is positive for EDP. Both the Spanish and the Portuguese frameworks remain largely unchanged, in our view, and moderately supportive of the business. In Brazil, EDP's transmission concessions were extended for 30 years, also providing good visibility on regulated returns in the country.

Improving Operating Environment: The operating environment in Portugal has been improving, including supportive budget and tax proposals and continued stability of the regulatory environment. The latest Portuguese state budget excludes the extraordinary energy levy for new investments from 2026 in order to boost investment in the country. At the same time, the Portuguese regulator expects the country's tariff deficit to be fully repaid in 2028. Lastly, we expect the corporate tax rate to continue decreasing through 2028.

Asset Rotation Strategy: EDP maintains its asset rotation strategy and expects to collect about EUR5 billion in proceeds from asset rotation disposals and EUR1 billion from non-core disposals. This is an important pillar of the business plan as it is the largest funding contributor. We see some execution risk but this is mitigated by the company's sound record, portfolio granularity and healthy technological and geographical diversification. Further, capex remains contingent on the successful execution of asset rotation.

Resilient Business Profile: EDP has maintained a strong business profile, supported by the moderate (compared with main peers) share of regulated earnings (above 30%) in Iberia and Brazil and large share of quasi-regulated earnings (35%) through EDP Renewables. About 70% of the subsidiary's earnings are contracted under long-term power purchase agreements with an average remaining life of 11 years. EDP's resilient business profile is further supported by its strong integrated position in Iberia with an important portfolio of flexible generation assets, including pumped hydro storage and combined cycle gas turbines.

Geopolitical Uncertainty Manageable: We do not expect the ongoing energy market disruptions introduced by the Iran war to have a negative impact on EDP's performance over the short term as its asset fleet is largely composed of renewable technologies and its exposure to the Middle East is limited.

Rating Sensitivities

Factors that May Collectively or Individually Lead to Negative Rating Action/Downgrade

- FFO net leverage above 4.9x and FFO interest coverage below 3.7x for a sustained period, for example, as a result of delays in asset rotation, in the absence of mitigating measures
- Evolution of the business mix towards higher-risk activities or countries could weaken EDP's debt capacity

Factors that May Collectively or Individually Lead to Positive Rating Action/Upgrade

- Improvement of the business mix towards a higher weight in regulated activities
- FFO net leverage below 4.2x and FFO interest coverage above 4.6x on a sustained basis, assuming no unexpected major changes in activity mix

Issuer Profile

At end-March 2026, EDP had an installed capacity of 33GW, 64% of which was wind and solar, 22% hydro and 14% thermal and other. In the distribution sector, EDP operates electricity networks in Iberia and Brazil, with a combined regulated asset base of EUR7.4 billion.

Financial Summary

(EURm)	2023	2024	2025	2026F	2027F	2028F
EBITDA	4,326.5	4,424.3	4,566.0	4,570.5	4,471.6	4,583.5
FFO	2,400.4	2,850.7	3,014.4	2,574.8	2,435.4	2,529.6
FCF after acquisitions and divestitures	-4,923.5	-2,306.1	-1,842.4	74.8	-549.6	-365.4
FFO net leverage (x)	4.8	4.3	4.1	4.2	4.4	4.3
FFO interest coverage (x)	3.6	4.2	4.2	3.8	3.6	3.7

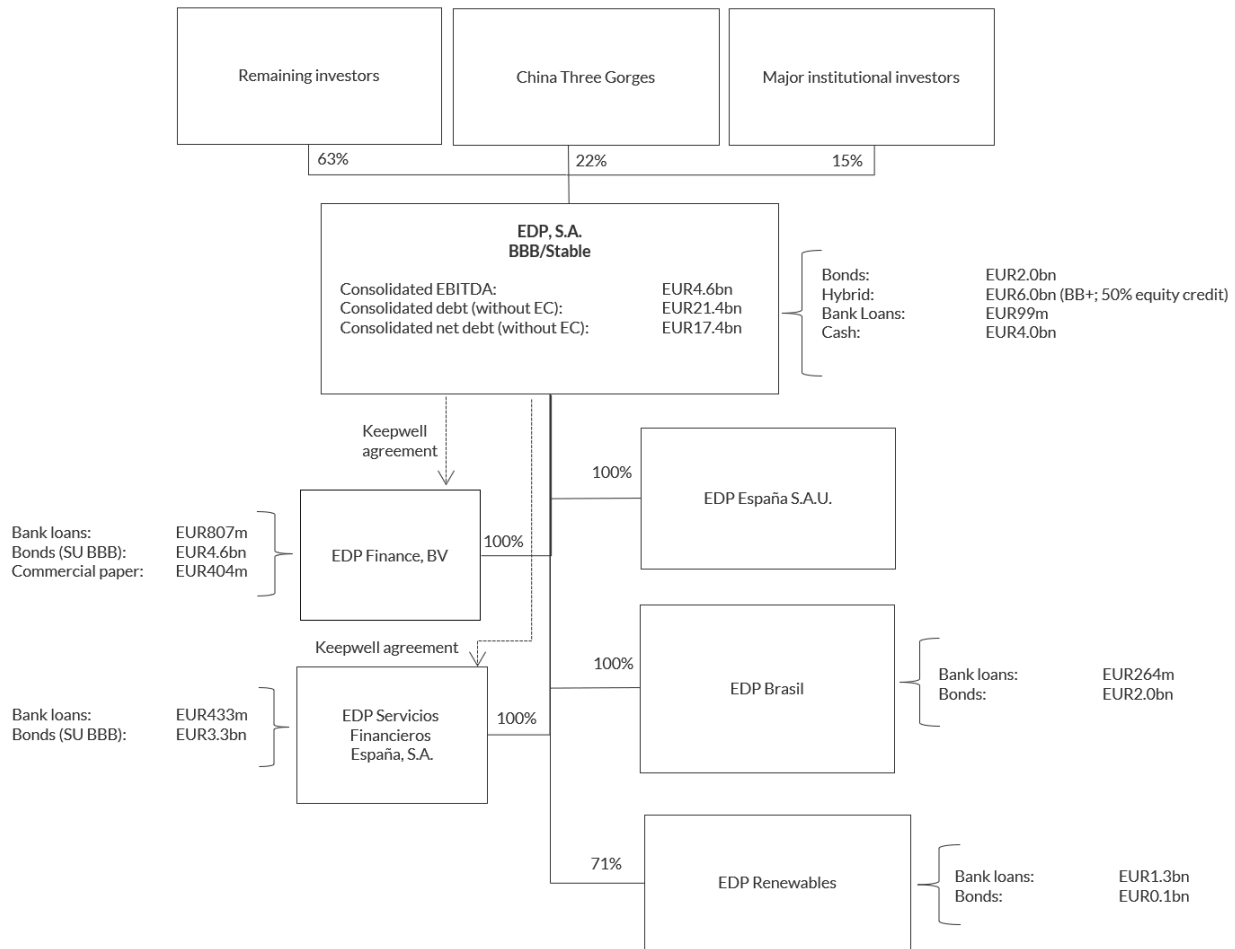
Source: Fitch Ratings, Fitch Solutions

Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): Management (bbb, Lower), Sector Characteristics (bbb, Moderate), Market and Competitive Positioning (bbb, Moderate), Diversification and Asset Quality (a-, Moderate), Company Operational Characteristics (bbb+, Higher), Profitability (bbb, Moderate), Financial Structure (bbb, Higher), and Financial Flexibility (bbb+, Moderate).
- The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2025, 40% for the forecast year 2026 and 40% for the forecast year 2027.
- The Governance assessment of 'Good' results in no adjustment.
- The Operating Environment assessment of 'a-' results in no adjustment.
- The SCP is 'bbb'.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, EDP, S.A. as of December 2025

Ratings Navigator

EMEA Utilities

	Business Profile					Financial Profile			Standalone Credit Profile	Foreign Currency LT Issuer Default Rating
	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility		
aaa									aaa	AAA
aa+									aa+	AA+
aa									aa	AA
aa-									aa-	AA-
a+									a+	A+
a									a	A
a-									a-	A-
bbb+	Lower	Moderate	Moderate	Moderate	Higher	Moderate	Higher	Moderate	bbb+	BBB+
bbb	Lower	Moderate	Moderate	Moderate	Higher	Moderate	Higher	Moderate	bbb	BBB Sta
bbb-	Lower	Moderate	Moderate	Moderate	Higher	Moderate	Higher	Moderate	bbb-	BBB-
bb+									bb+	BB+
bb									bb	BB
bb-									bb-	BB-
b+									b+	B+
b									b	B
b-									b-	B-
ccc+									ccc+	CCC+
ccc									ccc	CCC
ccc-									ccc-	CCC-
cc									cc	CC
c									c	C
d or rd									d or rd	D or RD

Factor Outlook: Stable (grey square), Evolving (grey diamond), Positive (grey triangle up), Negative (grey triangle down)
 Relative Importance: Lower (light blue square), Moderate (dark blue square), Higher (red square)

Additional Adjustments to the Standalone Credit Profile

	Assessment	Impact
Weakest link considerations	Not applied	0
Additional sector considerations	Not applied	0
B+ to CC considerations	Not applied	0
Governance	Good	0
Operating environment	a-	0
Other risk elements	Not applied	0
Calibration	Not applied	0
Standalone Credit Profile		bbb
Parent subsidiary linkage	Not applied	—
Government-related entities	Not applied	—
Other criteria considerations	Not applied	0
Country Ceiling considerations	Not applied	0

Factor/Subfactor	Score/Outlook/Importance	Description
Management	bbb/stable/lower	
Risk tolerance	bbb/moderate	Management committed to conservative risk profile. Only modest/short-term deviations from strategy allowed.
Management strategy	bbb/moderate	Good track record of implementing coherent and stable strategy.
Management quality	bbb/moderate	Experienced management or proven track record. Management composition is broadly stable. No evidence of material risk management weaknesses.

Factor/Subfactor	Score/Outlook/Importance	Description
Sector characteristics	bbb/stable/moderate	
Regulatory environment	bbb+/moderate	Less transparent frameworks, with emerging track record and multi-year tariffs; exposed to political risk. Medium-term predictability.
Cost and investment recovery	bbb/moderate	Tariff setting that may limit efficiently incurred cost and investment recovery, with moderate regulatory lag, price and volume risk.
Market structure	bb+/lower	Markets with structural challenges.

Factor/Subfactor	Score/Outlook/Importance	Description
Market and competitive positioning	bbb/stable/moderate	
Generation and supply positioning	a/moderate	Strong position in the merit order; effective hedging; flexible fuel procurement. Generation balanced with strong position in supply and services.
Customer base	bbb/higher	Economy of area served provides structurally stable background, some exposure to cyclical industries/customers.

Factor/Subfactor	Score/Outlook/Importance	Description
Diversification and asset quality	a-/stable/moderate	
Asset diversification	a-/moderate	High diversification by geography, generation source, supplied product; multi-jurisdictional utility or regional multi-utility.
Asset quality	a-/moderate	High asset quality likely to benefit opex and capex requirements compared with peers.
Carbon exposure	a/moderate	Energy production mostly from clean sources and low carbon exposure (<300gCO ₂ /kWh).

Factor/Subfactor	Score/Outlook/Importance	Description
Company operational characteristics	bbb+/stable/higher	
Size and integration	bbb/moderate	Top-tier position in at least one market. Partially integrated (typically including generation, distribution and supply).
Earnings from regulated network assets	bbb-/moderate	Less than 40% of EBITDA comes from high-quality regulated network assets.
Earnings from quasi-regulated assets	a+/moderate	Over 20% of EBITDA comes from quasi-regulated assets in markets or from long-term contracted sales with creditworthy counterparties.
Counterparty risk	bbb/moderate	Medium counterparty risk. Diversified counterparties, pooled/codified counterparty risk; high collection rates for supply operations.

Factor/Subfactor	Score/Outlook/Importance	Description
Profitability	bbb/stable/moderate	
Free cash flow	bbb/moderate	Structurally neutral to negative FCF across the investment cycle.
Volatility of profitability	bbb/higher	Stability and predictability of profits in line with utility peers.

Factor/Subfactor	Score/Outlook/Importance	Description
Financial structure	bbb/stable/higher	
FFO leverage (x)	bbb/moderate	5.0
FFO net leverage (x)	bbb/higher	4.5

Factor/Subfactor	Score/Outlook/Importance	Description
Financial flexibility	bbb+/stable/moderate	
Financial access	a-/lower	Unequivocal access through the cycle to: Local financial markets with FMD of 'a' and above, or international financial markets with (primarily) FMD of 'a' and above. If the issuer is an infrequent/untested issuer, the issuer must be very likely to be able to freely access these markets through the cycle.
Liquidity	a/moderate	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
FFO interest coverage (x)	bb+/moderate	3.5
FX exposure	a-/moderate	Profitability potentially exposed to FX but efficient hedging. Debt and cash flows well matched.

Factor/Subfactor	Score/Outlook/Importance	Description
Governance	Good/—/—	
Ownership and decision-making concentration	Good/moderate	No concentration in ownership and/or decision-making. Presence of effective checks and balances. Key person risk is immaterial. Decision-making is defensible from a governance perspective.
Group structure transparency and contagion risk	Good/moderate	Transparent group structure. No contagion risks.
Information quality/transparency	Good/moderate	Timely and good provision of financial and operational information, facilitating the analysis of the credit profile.

Fitch's Key Rating-Case Assumptions

- Fitch-defined EBITDA (excluding capital gains) averaging EUR4.5 billion a year during 2026-2028
- Effective interest rate averaging 4.5% during 2026-2028, with an effective tax rate of 21%
- Dividends in line with the communicated dividend floor of EUR0.20 in 2025, before increasing towards EUR0.21 in 2028
- Capex averaging EUR3.7 billion a year, plus net asset rotation and non-core disposal proceeds (including capital gains) of EUR1.9 billion a year to 2028
- Cumulative tax equity proceeds of EUR1.5 billion over 2026-2028

Liquidity and Debt Structure

As of March 2026, EDP had EUR3.6 billion of readily available cash and EUR7.7 billion of available committed credit lines, maturing in 2029 and 2030, and close to USD475 million available under commercial paper programmes. Liquidity is sufficient to cover maturities and announced voluntary debt repayments in 2026. EDP's maturity schedule is balanced and the company maintains diversified sources of funding including euro medium term note and commercial paper programmes, bank loans, loans from supranational lenders and project finance.

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2026F	2027F	2028F
Available liquidity			
Beginning cash balance	4,001	1,625	-890
Rating case FCF after acquisitions and divestitures	75	-550	-365
EUR650m senior unsecured	650	—	—
Total available liquidity (A)	4,726	1,075	-1,255
Liquidity uses			
Debt maturities	-3,101	-1,965	-2,779
Total liquidity uses (B)	-3,101	-1,965	-2,779
Liquidity calculation			
Ending cash balance (A+B)	1,625	-890	-4,034
Revolver availability	7,250	7,250	7,250
Ending liquidity	8,875	6,360	3,216
Liquidity score (x)	3.7	4.2	2.2

Source: Fitch Ratings, Fitch Solutions, EDP

Scheduled Debt Maturities

(EURm)	31 Dec 25
2026	3,101
2027	1,965
2028	2,779
2029	2,659
2030	1,795
Thereafter	9,125
Total	21,423

Source: Fitch Ratings, Fitch Solutions, EDP

Financial Data

(EURm)	2023	2024	2025	2026F	2027F	2028F
Summary income statement						
Gross revenue	16,202	14,966	15,607	15,541	15,244	15,605
Revenue growth (%)	-21.5	-7.6	4.3	-0.4	-1.9	2.4
EBITDA before income from associates	4,327	4,424	4,566	4,571	4,472	4,583
EBITDA margin (%)	26.7	29.6	29.3	29.4	29.3	29.4
EBITDA after associates and minorities	4,239	4,464	4,562	4,471	4,372	4,483
EBIT	2,253	2,160	2,706	2,571	2,372	2,383
EBIT margin (%)	13.9	14.4	17.3	16.5	15.6	15.3
Gross interest expense	-1,127	-1,093	-1,139	-1,106	-1,104	-1,127
Pretax income including associate income/loss	1,839	1,332	1,922	1,950	1,734	1,726
Summary balance sheet						
Readily available cash and equivalents	3,440	3,672	4,001	3,071	3,212	3,189
Debt	18,244	18,969	19,072	17,446	17,664	17,632
Net debt	14,803	15,296	15,071	14,375	14,451	14,444
Summary cash flow statement						
EBITDA	4,327	4,424	4,566	4,571	4,472	4,583
Cash interest paid	-865	-854	-879	-906	-904	-927
Cash tax	-384	-376	-109	-410	-433	-431
Dividends received less dividends paid to minorities (inflow/outflow)	-88	40	-4	-100	-100	-100
Other items before FFO	-751	-527	-735	-660	-660	-660
FFO	2,400	2,851	3,014	2,575	2,435	2,530
FFO margin (%)	14.8	19.1	19.3	16.6	16.0	16.2
Change in working capital	-1,166	530	-419	-50	-50	-50
CFO (Fitch-defined)	1,235	3,381	2,595	2,525	2,385	2,480
Total non-operating/nonrecurring cash flow	-6	-11	-165	—	—	—
Capex	-5,342	-5,508	-4,273	—	—	—
Capital intensity (capex/revenue) (%)	33.0	36.8	27.4	—	—	—
Common dividends	-791	-812	-827	—	—	—
FCF	-4,904	-2,950	-2,669	—	—	—
FCF margin (%)	-30.3	-19.7	-17.1	—	—	—
Net acquisitions and divestitures	-20	644	827	—	—	—
Other investing and financing cash flow items	368	1,010	2,185	—	—	—
Net debt proceeds	1,103	1,770	323	-1,678	18	-231
Net equity proceeds	1,925	—	-100	—	—	—
Total change in cash	-1,528	259	309	-930	141	-24
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-6,158	-5,687	-4,438	-2,450	-2,935	-2,845
FCF after acquisitions and divestitures	-4,924	-2,306	-1,842	75	-550	-365
FCF margin after net acquisitions (%)	-30.4	-15.4	-11.8	0.5	-3.6	-2.3
Gross leverage ratios (x)						
FFO leverage	5.9	5.3	5.1	5.1	5.4	5.2

(EURm)	2023	2024	2025	2026F	2027F	2028F
(CFO-capex)/debt (%)	-22.5	-11.2	-8.8	-6.7	-7.4	-6.4
Net leverage ratios (x)						
FFO net leverage	4.8	4.3	4.1	4.2	4.4	4.3
(CFO-capex)/net debt (%)	-27.7	-13.9	-11.1	-8.2	-9.1	-7.8
Coverage ratios (x)						
FFO interest coverage	3.6	4.2	4.2	3.8	3.6	3.7
FFO fixed-charge coverage	3.6	4.2	4.2	3.8	3.6	3.7

CFO – Cash flow from operations
 Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Fitch Adjusted Financials

(EURm as of 31 Dec 25)	Notes and formulas	Standardised values	Cash adjustment	Fair value and other debt adjustments	Lease treatment	Other adjustments	Adjusted values
Income statement summary							
Revenue		15,607	—	—	—	—	15,607
EBITDA	(a)	4,951	—	—	-141	-244	4,566
Depreciation and amortisation		-1,952	—	—	91	-0	-1,860
EBIT		2,999	—	—	-50	-244	2,706
Balance sheet summary							
Debt	(b)	19,675	—	13	—	-616	19,072
Of which other off-balance-sheet debt		—	—	—	—	—	—
Lease-equivalent debt		—	—	—	—	—	—
Lease-adjusted debt		19,675	—	13	—	-616	19,072
Readily available cash and equivalents	(c)	3,930	71	—	—	0	4,001
Not readily available cash and equivalents		—	—	—	—	—	—
Cash flow summary							
EBITDA	(a)	4,951	—	—	-141	-244	4,566
Dividends received from associates less dividends paid to minorities	(d)	-4	—	—	—	—	-4
Interest paid	(e)	-914	—	—	—	35	-879
Interest received	(f)	175	—	—	—	—	175
Preferred dividends paid	(g)	—	—	—	—	—	—
Cash tax paid		-109	—	—	—	—	-109
Other items before FFO		-1,104	—	—	—	369	-735
FFO	(h)	2,995	—	—	-141	160	3,014
Change in working capital		-459	—	—	—	40	-419
CFO	(i)	2,536	—	—	-141	200	2,595
Non-operating/nonrecurring cash flow		—	—	—	—	-165	-165
Capex	(j)	-4,273	—	—	—	—	-4,273
Common dividends paid		-827	—	—	—	—	-827
FCF		-2,563	—	—	-141	35	-2,669
Gross leverage (x)							
FFO leverage	b/(h-e-f-g)	5.3	—	—	—	—	5.1
(CFO-capex)/debt (%)	(i+j)/b	-8.8	—	—	—	—	-8.8
Net leverage (x)							
FFO net leverage	(b-c)/(h-e-f-g)	4.2	—	—	—	—	4.1
(CFO-capex)/net debt (%)	(i+j)/(b-c)	-11.0	—	—	—	—	-11.1
Coverage (x)							
FFO interest coverage	(h-e-f-g)/(-e-g)	4.1	—	—	—	—	4.2

CFO – Cash flow from operations

Note: The standardised items presented above are based on Fitch’s taxonomy for the given sector and region. Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Debt in the standardised values column excludes lease liabilities of EUR1,218.996 million.

Source: Fitch Ratings, Fitch Solutions, EDP, S.A.

Peer Analysis

EDP is a vertically integrated utility and the incumbent in Portugal. The company, along with Iberdrola, S.A. (BBB+/Stable) and Enel S.p.A. (BBB+/Stable), anticipated the energy transition ahead of most other European utilities, although EDP has smaller scale and its business risk profile is not fully comparable due to a lower share of fully regulated businesses.

EDP benefits from a higher share of long-term contracted and incentivised renewables business, which results in a regulated plus long-term contracted share, excluding asset-rotation capital gains, of about 75% of EBITDA over the medium term.

EDP’s higher business risk justifies the one-notch rating differential with Iberdrola and Enel, given the latter two’s larger scale, greater diversification and a higher share of regulated EBITDA. Naturgy Energy Group, S.A.’s (BBB/Stable) business risk profile is slightly weaker than EDP’s, due to the former’s larger share of regulated business (networks) being offset by exposure to more volatile gas activities, subdued growth and a shareholder-friendly strategy.

We do not apply a one-notch uplift to EDP’s senior unsecured rating as its fully regulated EBITDA share is below 50%, or below 40% regulated plus 10% of contribution from renewables.

Navigator Peer Comparison

Issuer		Business profile (Score/Relative Importance)					Financial profile (Score/Relative Importance)		
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility
EDP, S.A.	BBB/Stable	bbb	bbb	bbb	a-	bbb+	bbb	bbb	bbb+
Iberdrola, S.A.	BBB+/Stable	bbb	bbb+	bbb+	a	a	bbb	bbb+	bbb+
Naturgy Energy Group, S.A.	BBB/Stable	bbb-	bbb	bbb-	bbb+	bbb+	bbb-	bbb	a-
Enel S.p.A.	BBB+/Stable	bbb	bbb+	bbb	a	a	bbb	bbb+	bbb+
Endesa, S.A.	BBB+/Stable	bbb	bbb	bbb	bbb+	bbb+	bbb	a+	a-
SSE plc	BBB+/Stable	bbb	a	bbb+	bbb+	a-	bb+	bbb	a-

Relative importance: ■ Higher ■ Moderate ■ Lower

Source: Fitch Ratings

Issuer		Business profile (Score/Outlook)					Financial profile (Score/Outlook)		
Name	IDR/Outlook	Management	Sector Characteristics	Market and Competitive Positioning	Diversification and Asset Quality	Company Operational Characteristics	Profitability	Financial Structure	Financial Flexibility
EDP, S.A.	BBB/Stable	bbb	bbb	bbb	a-	bbb+	bbb	bbb	bbb+
Iberdrola, S.A.	BBB+/Stable	bbb	bbb+	bbb+	a	a	bbb	bbb+	bbb+
Naturgy Energy Group, S.A.	BBB/Stable	bbb-	bbb	bbb-	bbb+	bbb+	bbb-	bbb	a-
Enel S.p.A.	BBB+/Stable	bbb	bbb+	bbb	a	a	bbb	bbb+	bbb+
Endesa, S.A.	BBB+/Stable	bbb	bbb	bbb	bbb+	bbb+	bbb	a+	a-
SSE plc	BBB+/Stable	bbb	a	bbb+	bbb+	a-	bb+	bbb	a-

Rating categories: ■ b/cc ■ bb ■ bbb ■ a ■ aa ■ aaa ▲ Factor outlook direction.

Source: Fitch Ratings

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	EBITDA (EURm)	FFO (EURm)	FCF after acquisitions and divestitures (EURm)	FFO net leverage (x)	FFO interest coverage (x)
EDP, S.A.	BBB						
	BBB	2025	4,566	3,014	-1,842	4.1	4.2
	BBB	2024	4,424	2,851	-2,306	4.3	4.2
	BBB	2023	4,327	2,400	-4,924	4.8	3.6
Iberdrola, S.A.	BBB+						
	BBB+	2025	14,790	11,196	408	3.8	5.2
	BBB+	2024	14,559	10,275	5,262	4.4	5.2
	BBB+	2023	14,166	9,271	-2,037	4.2	4.5
Naturgy Energy Group, S.A.	BBB						
	BBB	2025	5,127	3,513	455	3.0	6.0
	BBB	2024	5,149	3,494	15	3.0	5.5
	BBB	2023	5,259	3,660	-53	3.1	6.1
Enel S.p.A.	BBB+						
	BBB+	2025	22,201	13,502	-3,878	4.1	5.4
	BBB+	2024	22,296	12,917	2,950	4.0	4.2
	BBB+	2023	21,504	13,528	-1,323	4.1	4.5
Endesa, S.A.	BBB+						
	BBB+	2025	5,601	4,501	230	2.1	13.8
	BBB+	2024	5,163	4,164	2,725	2.2	8.7
	BBB+	2023	3,638	3,511	7,054	3.1	8.2

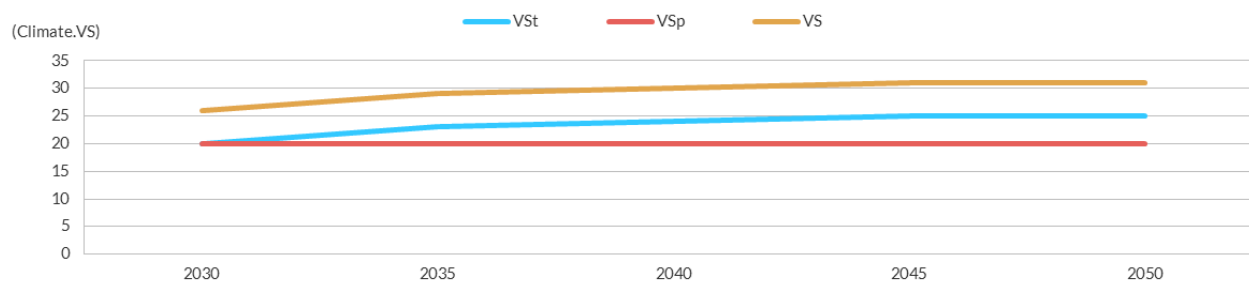
Source: Fitch Ratings, Fitch Solutions

Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to climate-related risks. If Fitch identifies an entity as higher risk (i.e. its Climate.VS in 2035 is 50 or higher), the entity receives additional analysis and consideration in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch’s [Corporate Rating Criteria](#). For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see [Climate Vulnerability Signals for Non-Financial Corporate Sectors](#).

The Climate.VS for 2035 is 29 out of 100. This reflects a VSp of 20 and a VSt of 23.

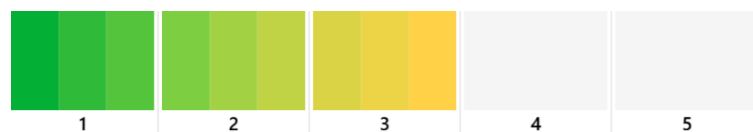
Climate Vulnerability Signals



Source: FitchRatings

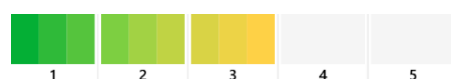
ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/topics/esg/products#esg-relevance-scores.



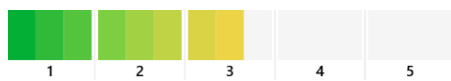
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Emissions from operations	Diversification and Asset Quality; Profitability
Energy Management	3	Fuel use to generate energy	Diversification and Asset Quality; Sector Characteristics; Profitability
Water & Wastewater Management	3	Water used by hydro plants or by other generation plants; effluent management	Diversification and Asset Quality; Sector Characteristics; Profitability
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste from operations	Diversification and Asset Quality; Profitability
Exposure to Environmental Impacts	3	Plants' and networks' exposure to extreme weather	Diversification and Asset Quality; Profitability



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Product affordability and access	Profitability; Sector Characteristics
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Quality and safety of products and services; data security	Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility
Employee Wellbeing	2	Worker safety and accident prevention	Profitability; Financial Structure; Financial Flexibility
Exposure to Social Impacts	3	Social resistance to major projects that leads to delays and cost increases	Diversification and Asset Quality; Profitability



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Strategy development and implementation	Management; Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Governance
Group Structure	3	Complexity, transparency and related-party transactions	Governance
Financial Transparency	3	Quality and timing of financial disclosure	Governance



ESG Scoring






ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

EDP, S.A.

Long-Term IDR	BBB
Short-Term IDR	F2
Senior Unsecured Debt - Long-Term Rating	BBB
Subordinated Long-Term Rating	BB+
Outlook	
Long-Term Foreign-Currency IDR	Stable

EDP Espana, S.A.

Long-Term IDR	BBB
Short-Term IDR	F2
Outlook	
Long-Term Foreign-Currency IDR	Stable

[Click here for the full list of ratings](#)

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal	29
Transition (Climate.VSt)	23
Physical (Climate.VSp)	20

Applicable Criteria

Corporate Rating Criteria (January 2026)
Parent and Subsidiary Linkage Rating Criteria (June 2025)
Country-Specific Treatment of Recovery Ratings Criteria (February 2026)
Sector Navigators – Addendum to the Corporate Rating Criteria (January 2026)
Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)
Corporate Hybrids Treatment and Notching Criteria (April 2025)

Related Research

Global Corporates Macro and Sector Forecasts

Analysts

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