

# EDPR

Wednesday, July 30<sup>th</sup>, 2025

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Chaired by Miguel Stilwell d' Andrade



Link for conference call replay: [Here](#)

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## Company Participants

- Miguel Stilwell d' Andrade, Chief Executive Officer
  - Rui Teixeira, Chief Financial Officer
  - Miguel Viana, Head of Investor Relations and ESG
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## Miguel Viana

Hello, and welcome, everyone. Thank you for joining EDPR's first half 2025 results conference call.

We are pleased to have you with us today our CEO, Miguel Stilwell d' Andrade, and our CFO, Rui Teixeira.

They will walk us through the key financial highlights from the period and share insight into the full year outlook. After the presentation, we'll open the floor for questions. You are welcome to submit them via the conference chat or ask them directly over the phone. Session is scheduled to last approximately 60 minutes.

With that, I will now hand over to Miguel Stilwell d' Andrade to begin the presentation.

## Miguel Stilwell d' Andrade

Thank you, Miguel. Good afternoon, everyone. It's good to catch up with you before many of you head off to some well-deserved holidays.

So I'd start off by moving to slide four and talking about the first half key highlights and numbers. So I think the first half was marked by a really solid evolution of the underlying EBITDA and Net Profit. We're also on track to deliver the 2 GW of capacity that we'd committed to, and the asset rotation plan is also proceeding as expected.

So in fact, we just announced a couple of hours ago an asset rotation in Greece, so another one, and we expect a couple more over the next couple of days and weeks. That's all aligned with our 2025 year-end targets.

Overall, installed capacity grew to almost 20 GW, up 18% YoY. So that's thanks to the net additions of 3 GW. We got a 12% increase in generation of 12% YoY increase in generation, reaching over 21 TWh. And here we've done a lot of work on our volume projections and modeling, and I think just increased confidence in the ability to estimate the projections. So I think we're feeling good about this.

In terms of average selling price, it's standing at €55 per MWh, down 9% YoY. That's mainly due to lower prices in Europe and South America, but then partially offset by stronger pricing in North America.

One point I really wanted to highlight is the fact that our adjusted core OPEX per average MW in operation improved by 11% YTD, reflecting our ongoing focus on operational efficiency. So here you can see the economies of scale really beginning to kick in, the solar, the fact that we have obviously more megawatts, and keeping the cost on a nominal basis really under strict control.

On the financials, recurring EBITDA at around €960m, so flat YoY, however, excluding asset rotation gains, the underlying EBITDA grew by around 20% YoY.

Recurring net profit coming in at around €137m, which includes our €132m excluding asset rotation gains, and that's an €80m increase YoY. So, strong operational results, good execution, good financial discipline, I think, positioning us well to meet our 2025 objectives.

So, let's talk about some of our key markets and highlights on what's happened over the last couple of months. So, first, we see robust demand outlook for power renewables. I think this is undeniable. You'll see it everywhere. I mean, a lot has been written about it. And just to give you sort of a couple of data points, but it's projected around 70% increase in the U.S. power demand by 2015. And the other thing, so apart from this increased demand that we expect over the next couple of years and even decades, we now have much more clarity on the market conditions following the One Big Beautiful Bill that's being approved by Congress and Senate and signed into law by President Trump.

At the end of all of this process, we continue to see strong fundamentals to capitalize on the opportunities ahead. I think we continue to believe strongly that renewables remains the most competitive source of power and that it's the only technology that is really ready to connect at scale today, certainly over the next couple of years as well to meet this demand. I'm sure we can then go into more debate about nuclear and coal and gas, but the truth is, as of today and over the next couple of years, renewables is really what can provide or supply a lot of power to this market.

This market demand is coming through in pricing dynamics. We are seeing high demand for near-term connection projects and also for longer-term contracts with a trend towards increasing the appetite for 20-year contracts. So, indicating market views on long-term energy pricing. Terms of prices, high prices on the back of this increased demand and lack of short-term and near-term supply. And just one data point, for example, here, we PJM capacity auction prices clearing at the cap of \$329 per MW-day for 2026/27 compared to \$270 we saw for 2025/26.

On One Big Beautiful Bill, it's brought clarity to the tax credit structure. I think that most of you will be familiar with that. So now the new framework is in place. There's no changes to the adders, no changes to the storage tax credits. We have coverage for tax credits until December 2027 without further start of construction or safe harbor limitations. We are expecting some revised guidance on start of construction under the new law now in mid-August following the Executive Order from July 7, but

hopefully we'll be able to get some more information on that over the next couple of weeks.

But, all in all, we are well positioned in this landscape with '26 and '27 capacity, basically, or the ability to have this capacity secured under the Bill, and with existing safe harbor capacity. So we have about 1.5 GW of solar and wind capacity safe harbored under the old legislation as of December 2024, and that can be placed in service until December 2028. And then post-2028, we are currently working to secure additional safe harbor capacity, potentially all the way through to 2030. So, clearly, things have moved on since we last spoke at the last call, and we now have pretty good visibility, I'd say, until 2030, and we expect to firm that up over the next couple of weeks. Clearly, something we'll come back to in the third quarter numbers in CMD, but I'd say couple of years we have this visibility on growth.

On storage, no need for safe harboring. Tax credits are protected well through to 2030 and beyond, and this will continue to play a significant role in our growth in the U.S. and, as you know, with very good, typically double-digit returns. We think that the utilities will have to fulfill the capacity needs with storage in the near term, and so we're in a good position to capitalize on this with our robust pipeline.

Finally, we have limited impact from import duties and tariffs because, as you know, we have a mostly U.S.-based supply chain set up since 2022-23. So we had issues back with panels in that period. We redirected our supply chain basically into the U.S. So in terms of solar panels and trackers and inverters and all of that. So we really have mitigated significantly our supply chain risk from tariffs now with this from these most recent sort of tariffs. So that's on the U.S.

We can talk about Europe, and here are a couple of points. First, European Commission is actively promoting grid reforms and looking also at industrial resilience and competitiveness, and I've had the opportunity to spend some time in Brussels talking to some of the key people there, and it's very clear the drive for energy security, competitiveness, and that comes through in this continued promotion and defense of grids and renewables.

Two public consultations recently launched to address these challenges aiming to ease bottlenecks, accelerate permitting processes, enhance cross-border planning. We've also seen the publication of the Net-Zero Industry Act to boost competitiveness and the resilience across Europe. One of the measures in this Act refers to having at least 30% of the renewable energy auctioned annually in each member state meeting non-price criteria, and all of this designed to strengthen Europe's industrial basin and economic security.

Still on this point, and interesting to see, the European Commission is also monitoring the actual implementation of a lot of the measures that they've defined over the last couple of years. So, for an example, they launched infringement procedures against all member states except Denmark because most countries hadn't transposed the revised renewable energy directive by the deadline.

So, you've now seen the European Commission really putting pressure on the member states to actually transpose and get moving with a lot of the stuff that had been defined at the Brussels level.

Regarding batteries in Europe, as you know, we've definitely seen a big push for batteries in the U.S. We've seen them in the UK. In Europe, we hadn't seen so far. But I'd say that certainly now in 2025, we are seeing unprecedented daily price spreads. Now, these spreads are a sustained increase in relation to the power prices. And we're seeing renewables putting a significant downward pressure on the central hours of the day with solar driving prices sometimes to zero or even negative prices.

And, at the same time, we're seeing higher prices during the evening hours, driven typically by the marginal price of gas. So this is a great situation for assets with flexible capabilities. And a strong signal for the energy arbitrage business case. So we've been holding back from investments on batteries over the last couple of years. I think we believe that over the next month, years, there will be an increased focus on promoting batteries in several countries.

And we've seen, for example, in Poland recently, and also we expect some auctions in Spain, that there will be further opportunities, for example, in batteries. Just as a sort of interesting data point, you can see there on the slide, capacity awarded 15 GW expected in 2025 versus 13 GW in 2024. So we're already talking about quite relevant numbers. So overall, you're taking important steps to have a more resilient and sustainable energy system.

So, it's basically talking about our capacity expansion plans for 2025 and beyond. Well, essentially 2026. We're on track for the 2 GW, as I mentioned, around 70% of that capacity is expected in the fourth quarter. The additions are progressing on time and on budget. So we have good line of sight to them. Looking to 2026, we have good visibility on up to 1.5 GW of capacity additions, around 65% is already secured. And we have additional capacity under advanced negotiations with good opportunities in both U.S. and Europe. So we're talking about megawatts that are really in the final, final stages of negotiation.

So we hope to give you some visibility on that soon. Secured projects, they're expected to deliver returns above our target risk-return threshold. So around 270 basis points above WACC. And I think that just confirms the strength of our pipeline and also our capital allocation discipline. Overall, 85% of the 2026 pipeline is concentrated in the U.S. and in Europe. And, as I've said before, this really reinforcing our focus on our core markets.

If you look at Slide 8, asset rotations, again, I think here, relatively positive news. We're advancing this plan with ~€0.7bn of the targeted proceeds already signed or closed liquid multiples. We had one transaction in Spain already closed, three more signed, including the transaction signed today in Greece. Three additional deals that are currently under binding bids. And we expect those will come out over the next couple of weeks.

The enterprise value per megawatt across these transactions' averages valuations of €1.5m per MW so showing good, strong market demand. As you know, typically

I've talked about, it's important to have demand and then it's important to have good prices. And I think we're seeing both of those processes with robust number of parties participating in the non-binding and binding offers. So I think that's holding up quite well in 2025.

Overall, we're expecting the 2025 transactions to generate around €0.1bn in gains, thereabouts. But half of the volume of the asset rotation will be executed at a 49% stake. And most of these proceeds are expected to be recognized in the second half of 2025, obviously. So you'll see that coming through an impact in the net debt also towards the end of the year.

On Slide 9, I'm talking about investments. So we have been very disciplined on our investments. They're about €1.1bn, around a 25% decrease versus €1.5bn invested in 2024, but obviously also doing fewer megawatts this year versus last year. Despite the reduction, the investments are highly focused, as I mentioned earlier, 90% in this case allocated to core markets in North America and Europe.

And if we break this down by technologies, we have around a third of the investments going towards solar utility scale, of that 47% in the U.S., 38% in Europe, primarily Italy, Spain, and Germany. Then we have around 31% on wind onshore projects across the U.S., Europe, mostly Italy, Spain, and Greece, and then also some Brazil. 20% of the investment towards storage, mostly in the U.S. Around 0.3 GW of storage capacity under construction. Around 9% for offshore wind, mostly the French projects which are under advanced construction, and 6% targeted Solar DG, with investments concentrated in the US and Singapore. So this investment profile really reflects our commitment to the core geographies but also a diversified technology portfolio but of mature technologies.

Let's talk about efficiency, and I think this is one of the positives that we can really highlight here in this first half. So, we're continuing our trend of improved operational efficiency. We'd already shown that in previous quarters, and I think this quarter is not an exception. We're delivering an 11% reduction in adjusted core OPEX per average megawatt. This is driven by essentially three things. One is just general cost discipline and very targeted efficiency measures and improving streamlined processes just across the organization, and I think the whole organization has responded very well towards this.

The second point is also a much leaner workforce model. So, as I mentioned last year, we did a very deep internal reorganization aligned with our revised growth outlook, but also trying to really eliminate a lot of well, any areas that could have either duplications or redundancies, and so we have a much leaner workforce model, and we continue to work on that, and I think we still see some additional potential for efficiency.

The third point is on the AI-driven initiatives. Obviously, as we go on optimizing operations and digitalizing a lot of the processes, we are also managing to just become more productive and get those economies of scale.

In terms of headcount, so it's obviously optimized down to around 2,880 people. We are obviously ensuring we retain our top talent and best performance, and that's been

a key driver for us and certainly a key priority for us. Overall, I just wanted to really highlight this commitment to operational excellence and cost efficiency and productivity, and making sure we stay competitive and agile in this fast-changing energy landscape.

In terms of guidance, and just before I turn it over to Rui, so we are targeting, as I said, the 2 GW for the full year. We had about 0.4 GW in the first half, but I think I've already guided earlier in previous quarters to that most of this would then be coming in the fourth quarter. The full year recurring EBITDA is expected to be around ~€1.9bn, including the ~€0.1bn in asset rotation gains, and having generation in the range of 41–43 TWh. I think we're quite comfortable this year with this. Last year, I think we were a little bit off, but I'd say this year we've really gone deep on this topic of the volumes and feel much more confident.

By mid-year, we have already achieved €1bn, with 1H25 generation at 21.2 TWh. Net debt is projected to be ~€8bn by year-end, factoring in ~€2bn in asset rotation proceeds and ~€1bn in tax equity proceeds.

And so, as of the first half, the net debt was at €9bn, but as I mentioned earlier, proceeds are expected to have come in mostly in the second half of the year, so we should see that convergence from the €9bn down to the €8bn of net debt. So, overall, EDPR firmly on track to meet its 2025 guidance and very much supported by a very disciplined execution on both the investments and on the operational side.

With that, I'll stop there and turn it over to Rui. Thank you.

### Rui Teixeira

Thank you very much, Miguel. Good afternoon. So let's move into the first half results and starting with slide 13, really solid operational performance. So, in the first six months, it was driven significantly by improving across all the generation metrics. So installed capacity increased by 18% YoY, reaching 19.6 GW, up from 16.6 GW in 1H24. This growth was supported by strong contributions from North America, Brazil, Italy, and Spain.

Asset rotation activities and decommissioning contributed to the portfolio reshaping. As of June 2025, 2.3 GW of capacity is under construction, for projects in 2025, but as well in 2026.

Electricity generation rose by 12% YoY, from 18.9 TWh in 1H24 to 21.2 TWh in 1H25.

Operational efficiency has also improved, as Miguel highlighted, lower electricity losses and a renewable resource of 99%, slightly below the 100% recorded in 1H24, with North America performing above average, helping to offset lower resource levels in Europe.

EDPR recorded a 2% YoY increase in electricity sales in the first half of 2025, driven by strong growth in generation, partially offset by lower average selling prices. The average realized selling price declined by 9% YoY, from €60.1/MWh to €54.9/MWh but this was fully compensated by the 12% increase in clean power generation. This



average price evolution was mainly due to Europe and South America, while North America saw a slight price increase from new projects in operation, as well as merchant exposure. So, overall, a positive sales performance and showcasing the strength of our diversified portfolio.

If we move now to Slide 15, underlying recurring EBITDA increased by €159m YoY, representing a 20% growth excluding asset rotation gains and +1% YoY excluding FX impacts. And this is driven by €219m of Tax Equity Revenues from North America +18% increase in generation and new capacity additions. €12m of capital gains from the asset rotation closed in Spain, as planned, with the remaining gains concentrated in the second half of 2025.

–€384m from core OPEX, in line with last year's on the back of strong efforts in constant efficiency improvements and –€50m from other net costs, that improved around €60m on the back of no material impacts this year from Colombia nor Romania vs last year additional costs. These results highlight the improvement in the underlying business from both operational growth as well as the enhanced efficiency.

If we now go to Slide 16 on the first half of this year the financial results rose by €21m YoY, reaching €244m. This increase was primarily due to a €1.7bn rise in nominal financial debt and lower capitalized financial expenses, partially offset by FX & Derivatives. A key strength of the financial structure is that 74% of EDPR's debt is at the fixed rate and therefore protecting against interest rate volatility. We also maintain a robust debt maturity profile with 57% of our debt mainly or effectively maturing beyond 2028 and of course also this reinforced a long-term financial stability. And, finally, our currency exposure remains well diversified with 47% of that euro and 35% in U.S. dollar, and therefore we have a natural hedge against forex fluctuations.

Looking to the cash flow evolution that I think is definitely a very positive one, in the first half of 2025 organic cash flow reached €295mmarking a €0.2bn YoY increase. It's a solid performance of the operating portfolio as well as changes in working capital and distributions to minority interests and tax equity partnerships. Just please note that organic cash flow excludes tax equity cash proceeds. These are typically received when the project is commissioned and have an immediate impact on net debt.

So in the first half we received €132m of the cash tax equity cash proceeds and we remain on track to reach €1.0bn for the full year and this is aiming then of course we are aiming to have this cash in towards the end of the year. So as of June 2025 net debt stood at €9.0bn, up €0.7bn since December 2024. This increase was mainly driven by €1.3bn in net expansion investments, supporting our portfolio growth. And this was partly offset by asset rotation proceeds, primarily from the transactions that were already closed, as I explained.

Looking ahead, we expect net debt to converge to around €8bnby year-end. Again, as Miguel said, timing of asset rotation proceeds, what I just mentioned about tax equity cash proceeds, which will be concentrated in the second half of the year.

If we now move to Slide 18, as mentioned earlier, our recurring underlying EBITDA rose by €159m YoY, and this is reflected immediately into the net profit. Depreciation increased driven by the new capacity additions and the one-off impact from accelerated depreciation of repowering wind farm in the U.S., something that we already explained in the first quarter.

The effective tax rate normalized at 29%, slightly above the previous quarters, and this is because given the absence of tax benefits coming from asset rotation gains, effectively the tax rate is applied to the operational results from EBITDA. Minorities contributed positively year-over-year, following the completion of the CTG minorities buyback in late 2024—an important step in optimizing our portfolio and reinforcing long-term value creation for shareholders. As you know, this is an important step in optimizing the portfolio and reinforcing the long-term value-creation for all the shareholders.

Regarding the one-off impact at net profit level, just to mention, there are about €30m that we recognize this quarter, approximately €11m coming from Ocean Winds in the U.S., given a contract or some contract cancellations that happened at the South Coast Wind Project, and this relates to equipment supplier that were the contract was cancelled, and €15m related to a portion of outdated equipment that we have in the U.S. and will not be using it in future projects.

So, all in all, recurring net profit reached €137m, and excluding capital gains this represents a threefold increase versus last year, so really a very good performance on the underlying asset base.

So, now, Miguel, back to you for closing remarks. Thank you.

### **Miguel Stilwell d'Andrade**

Thank you, Rui. So, just a couple of points. First, strong first half of 2025, as I mentioned, delivering on the strategy, confident in our ~2 GW capacity additions target for the year on time and on budget, and already with the gigawatt of capacity secured for 2026 and looking to close some additional megawatts over the next couple of weeks.

Financial foundation solid, recurring EBITDA, excluding asset rotation gains up 20% YoY, recurring net profit almost tripling YoY, strong organic cash flow, so clearly on track to meet full year guidance. U.S. energy market, accelerating, driven by rising demand and need for new capacity; renewables are an important part of this, no matter what people might say, and EDPR is well positioned in this market context.

The asset rotation program is progressing with high visibility, one transaction closed, several signed, others under binding bids, all that have attracted valuations, and we expect ~€2bn in proceeds during the 2H25, supporting our ~€8bn Net Debt guidance.

And so as we enter the second part of the year, I think we are, as I mentioned, on track to deliver the 2025 targets, good visibility, good execution, resilient growth strategy,



and I think overall a good set of numbers, so I think I'd just also like to thank the teams that contributed to these numbers this first half.

I'd stop there and pass it over to Q&A. Thank you.

### Questions And Answers

#### **Operator**

Ladies and gentlemen, the Q&A session starts now. (Operator Instructions)

#### **Miguel Viana**

Thank you.

So the first question that we have comes from the line of Pedro Alves from CaixaBank BP. Pedro, please go ahead.

#### **Q – Pedro Alves**

Hi.

Thank you for the presentation. Two questions, please. The first one on the U.S., so you have rated above 1.5 GW of safe harbored, but this is as of December 2024, and can you give us some comfort here in terms of a minimum reasonable figure on top of this 1.5 GW that could be safe harbor, and if you have any idea of what could be the additional restrictions for the safe harbor criteria required by the Executive Order that was signed after the bill?

And the second question on the capacity additions for 2026, so roughly two-thirds already secured. How much do you expect to have secured by the next results presentation or the CMD? And if you can tell us the average or a range of the PPA prices by geographies that you have been able to sign and the one that you are negotiating. Thank you.

#### **A – Miguel Stilwell d'Andrade**

Okay. Thank you, Pedro. So, let me just try and break it down. So, until 2027, essentially, if we start construction on new so, for 2025, obviously, there's no issue. For 2026, as long as we start construction and finish it before 2027, there's not a problem. And the same thing if for projects that we start that we can complete in 2027.

So, the 1.5 GW, basically, we can use pretty much use up either in 2027 if we wanted to, but in 2028 mostly. For additional safe harbor beyond 2028, that's obviously something we'll come back to in the in the CMD and then we can talk about that. But I think it's – let's say we have already quite a few options which would give us comfort on 2029 and 2030.

We obviously want to make sure we want to see the safe harbor criteria that comes out in August. We believe there are years and years of precedent about what it takes to safe-harbor projects that essentially two different ways of doing that. But one is just by having 5% already committed of CAPEX for specific projects and others by having sort of bespoke equipment already ordered for specific projects.

Let's just wait and see. So I'd say that we have a couple of GW beyond 2028. That we believe will be eligible, but obviously we want to see the final regulation that comes out before we comment publicly on that.

On the capacity additions, so 2026, I mean, we've got one gigawatt already secured for 2026. As we say here, we think we can go up to, you know, one and a half GW in 2026. We've got about a half a gigawatt still, I'd say, in the final, final stages of negotiation, but obviously I don't want to commit to that before we actually close, but I'd say good confidence on that.

And certainly by the next quarter, we would give you full visibility on the 2026 capacity because by then we would have to have it not just secured, but we'd probably be already beginning construction at that point. If you're in Poland, it will be obviously higher. If you're in Spain, it will be lower, but this is certainly a lot of information, detailed information we can get to then in the CMD, and we'll put, you know, a pack together that we can share with you, but maybe for the moment I'll leave it at that.

#### **A – Miguel Viana**

Thank you, Pedro. And the next question comes from the line of Fernando Garcia from RBC. Fernando, please go ahead.

#### **Q – Fernando Garcia**

Good afternoon, and thank you for taking on my questions. I have as well two. The first question is that clearly there was a recent recovery in the stock price, but EDPR is still trading below book value. So in a scenario of EDPR meeting asset rotation and tax equity targets, and as well, your net debt of around €8 bn for year 2025, I would like to know your thoughts in terms of growth going forward versus other capital allocation options such as share buybacks. That was the first question.

The second question about asset rotation, I will appreciate an indication about how you see valuations at the moment and when you expect to finish the disposal of assets, let's say affected by higher capital costs and evolution that you expect in terms of enterprise value invested capital multiple going forward. Thank you.

**A – Miguel Stilwell d'Andrade**

Okay, so in relation to your first point, I'd say two things. First, we continue to see good organic opportunities for growth or projects with either high single digit or even double digit returns. So I think those are good areas to allocate capital. But, obviously, we're also focused on deleveraging. And so we want to make sure that we get the EDPR balance sheet with the ratios that we would like before we then think about additional areas of capital allocation, like you mentioned, of share buybacks or anything else.

So I'd say deleverage is a key priority, continue to execute on our growth plan, another priority. And then I think we think about whether they're, well, depending on what the share price is at the time, whether it makes sense to think about share buybacks. But it's not something that is imminent.

In terms of asset rotations, so I think if your question is, are we seeing in terms of multiples, I mean, normally what we aim for is NPV of our CAPEX of targets to be around 20% of value-creation. Certainly, we had many years where that was true. I think we're now in an area where we are rotating some vintage projects with slightly higher CAPEX numbers, so slightly smaller capital gains, but the multiples are actually quite good.

And so if you look at the multiples that are coming through, whether it's the Greek projects or if it's, I mean, as I say, we'll talk about some of the other projects, portfolios, hopefully that we'll be communicating over the next couple of weeks. But all with, I think, strong multiples that, if you do the read across, whether it's in the U.S. or in Europe, Spain, Italy, France, Greece, you'll see that those are all very attractive multiples. And I think we'll have an important impact on the read across to the remaining portfolio.

I don't know if, Rui or Miguel, if you want to complement anything else.

**A – Rui Teixeira**

No, no, I would say this. So 2025 transactions, as we have been highlighting, are likely to only give around €100 million of capital gains, also bearing in mind that some of the transactions, namely

U.S. will be probably minority sales, so no capital gains on that. But yes, within those portfolios we are including projects from 2021–2022 FIDs that in the meantime was caught up by CAPEX overruns. So that's why we are expecting low contribution from capital gains while, I mean, the multiples are actually good. So it's a fairly valid transaction.

**A – Miguel Viana**

Thank you, Fernando. So the next question comes from the line of Arthur Sitbon from Morgan Stanley. Arthur, please go ahead.

**Q – Arthur Sitbon**

Hello.

Thank you for taking my questions. So they are both on the U.S. And on your growth pace, basically. The first one is just that the U.S., I think, accounts historically for 30% to 50% of your offshore growth additions every year. And so when I look at your quantity of gigawatt safe harbor for the coming three years, 1.5 GW, I was wondering if that means that essentially if we gross that out with the ratio, the 30% to 50% ratio, does that mean that it's going to be a bit difficult to grow for those three years by more than 3 GW to 4 GW, maybe maximum 5 GW of gross addition over those three years? Or if that's not the case, then where else would the growth come from? That's the first question.

**A – Miguel Stilwell d'Andrade**

Sure. So, Arthur, good questions. Just taking a step back and making sure I'm clear. If we build projects, if we place them into service before 2027, end of 2027, we don't need to safe-harbor. Effectively, they will get the tax credits. So, 2025, 2026, and 2027 are safe. We can build as many megawatts as we want as long as we place them into service, they will be eligible for the tax credits.

The 1.5 GW, essentially, in the limit, we could use them just for 2028 because that's when they expire. And then we're working on is the safe-harboring for projects beyond 2028. So, that's important when we think about the number of megawatts that we could potentially do in the U.S. and about the overall number of megawatts.

So I think we have more than enough buffer to basically do a relevant number of megawatts in the U.S. I mean, certainly in line, I don't want to anticipate myself in terms of what we're going to then be communicating in in the Capital Markets Day, but let's just put it that certainly you can't do that math that you just did. It can be certainly much more than just the 1.5 GW grossed up.

Second point is that storage doesn't require a safe-harboring because it's the tax credits run all the way past 2030. So that's also a significant percentage of growth that we've seen, not just in the past currently, but also going forward. So I think that's on top of the safe-harboring numbers that we would have for solar and wind.

On your second point, which is the Executive Order in August and what we expect, I think here it's really a question about the costs of the safe-harboring, because, as I mentioned, if you do it, it's a very low-cost option, which is just ordering, let's say, a transformer, a main power transformer, that can be the cost per megawatt can be very limited. So you just place an order for a transformer and that's enough to get you the safe-harboring.

In other cases, and that's typically what we've done, you safe-harbor, let's say five, you start of construction of 5% of the value, whether it's in panels or some other equipment, and that is enough to get you the safe-harboring. This is a more prudent approach than many of the peers. I'd say significantly more prudent than many of the peers. It's been the precedent for many, many years that this has been enough to safe-harbor.

And so if we keep with precedent of previous years, we should be fine. If there is any change to that, then we just need to look at it, see what the cost of additional safe harboring is, and then take a position on whether we want to take on that cost of options or not. But I don't want to speculate too much of that at this point.

**Q – Arthur Sitbon**

Thank you. And just to be clear on the definition of the 1.5 GW that are safe-harbor. So based on your comment, should I understand that this is just wind and solar, 1.5 GW just of wind and solar? And on top of that, does that include any of the capacity that you intend to add in 2026?

**A – Miguel Stilwell d'Andrade**

No, no, that's the point. So anything that we add in 2026, we don't need to use up that 1.5 GW, which is just for wind and solar. So batteries doesn't require safe-harboring. So we have flexibility. Basically, any capacity we place into service in 2025, 2026, and 2027 won't consume, won't use up that 1.5 GW of safe harbor that we already have. Is that clear?

**Q – Arthur Sitbon**

Thank you very much. Yes, thanks.

**A – Miguel Viana**

The next question comes from line of Alberto Gandolfi from Goldman Sachs. Alberto, please go ahead.

**Q – Alberto Gandolfi**

Hi, good afternoon. Thank you for taking my question. The first one is long and a bit elaborate, hopefully clear. I noticed three things, in my opinion, seem to be happening here. Asset rotation gains are really plummeting. I mean, you're selling €2 bn, but you're guiding for €100 million. So I wonder how central this strategy might be going forward.

The second thing, Miguel, you just mentioned that you're seeing high single digit and in some cases low double digit returns on projects, which seems to be an upgrade

versus history. And the balance sheet is indeed deleveraging once you reach your €8 bn year-end net-debt target.

So on this basis, do you contemplate, so is your, I'm not asking you to announce it now, but in your mindset over '26, '28, is your philosophy going to include a return of capital to shareholders as well as organic growth, or will you just focus on organic growth and assets rotation? So I'm trying to understand if I buy the stock now, am I going to expect a dividend coming back? And most of all, am I going to expect you to come in and put the floor on the shares with a buyback, which has been extremely successful in many cases in the sector, in other instances.

The second question is on guidance. You talk about €1.9 bn EBITDA with €100 million gains. Can you tell us, please, in the second half, how much EBITDA growth you expect from additions and how much EBITDA deconsolidation from disposals? Because it seems to me that you're kind of guiding for a slowdown in H2 versus H1, which I don't quite fully understand. So I'm trying to understand if it's the prudent guidance or if there's maybe more deconsolidation versus what I thought.

And if you could, maybe last comment. We've seen three very important data center deals Solaria, well, in the press today, Iberdrola, Echelon, RWE, AWS. Can I ask you if there's something EDPR is doing, or perhaps it's more for the EDP call, this question? Thank you so much.

#### **A – Miguel Stilwell d'Andrade**

Thank you, Alberto. So on your first point, so just a couple of clarifications. You talk about the €2 bn of asset rotation and the €100m of capital gains, but bear in mind that about half of that, we're only selling 49% of the significant portfolio. So the capital gains on that would never flow through the P&L in any case. So you can't just do the point 0.1 over the 2, you should do. The more approximate would be the 0.1 over 1 in terms of the capital gains per megawatt or per euros of investment.

The second is that we are focusing on also selling projects that had higher CAPEX numbers. And so getting those, let's call them vintage projects out the door so that we can really focus on good assets that have recurring, strong recurring growth of earnings going forward.

Finally, on this point, I think our objective is to create value, long-term value. And that means making good investments in good projects. And that's our focus. I'm not going to comment or speculate on share buybacks, and I think you have to see that in the context of what are you comparing it against? What's the opportunity cost of continuing to develop our business and developing new projects? And so that's what we'll be looking at. And, at any point in time, if we will be allocating capital in the most efficient way possible, but obviously we are focused on taking these long-term investment decisions on projects that we think can create substantial value.

On guidance. So I wouldn't expect any EBITDA growth coming from new additions. I think most of the additions will come through towards the end of the year. And so let's say that I wouldn't factor that in as a driver. And a lot of the divestments will also come



towards the end of the year. So you should assume a relatively steady state in the second half. I'm not going to comment whether it's conservative or not, but I would just say that the new additions or the divestments are not going to have a material impact on the EBITDA estimate that we have for the second part of the year.

Finally, on the data centers. Listen our main clients are the Big Tech and they are the data centers. So we sign contracts with them on a very, very regular basis. Maybe we can talk to our marketing team to see if we give even more visibility to our, let's say, the customers that we interact with. But, by definition, a lot of the corporates that we are signing contracts with and that we are signing these PPAs with are using it for AI, they're using it for the data center. So, listen, I think that's a huge source of demand for the market in general and for us in particular.

But I certainly think that we're very much on top of that. And we have, I think, good strong relationships with whether it's the Amazons and Microsoft, the Googles, the Apples, I mean, all of these guys. So, and a lot of the others. I mean, in some cases we'll do it as utility scale, in other cases we'll do it as distributed generation, sort of behind the meter, but definitely it's something that we are taking advantage of.

**Q – Alberto Gandolfi**

Thank you.

**A – Miguel Viana**

Thank you, Alberto. The next question comes from line of Deepa, from Bernstein. Deepa, go ahead.

**Q – Deepa Venkateswaran**

Hi; this is Deepa Venkateswaran from Bernstein. I had three questions. The first one is on U.S. PPA trends. Would you be able to elaborate what you're seeing in the past three months or so?

What's I mean, it's more the trend. And do you see some of those PJM auction prices kind of

also being reflected in higher PPA offtake prices for renewables? And is there a willingness in the PPA contracts to take any kind of tariff risk or maybe any place-in-service date risk or anything? So that's the first question.

Second one on the asset rotation market. Again, could you give us some color on how you're seeing the market now versus three months back or six months back, both in terms of number of buyers and the valuation? Is it improving?

And then, lastly, would there be any specific points you would want to highlight about the CMD in November, any key areas of focus? I believe you already mentioned that

you want to give more granularity on PPA pricing, but anything else, just as a sneak preview. Thank you.

#### A – Miguel Stilwell d'Andrade

Okay, thanks. So, on the first point, what I'd say is we're seeing still strong demand. And so the PPA price is staying fairly stable in the markets that we're in. So that's positive. I mean, we've seen people reaching out to us and sort of us being able to have pretty strong negotiating positions on these PPA conditions in general.

So not just price, but as you mentioned, taking on tariff risk, taking on place-in-service risk having buffers between COD and sort of PPA starting prices. So I think in general, people want short-term projects, utilities are definitely also looking, for example, for batteries and capacity. So I think that's I'd just reinforce that we are seeing strong demand, and that is driving, obviously, the dynamics of the rest of the market.

On the asset rotation, again, strong demand. I can tell you that in Europe, in the various different markets, whether it's Spain, Italy, France, Greece, or even in the U.S., we've seen very robust number of participants, and we've been positively surprised by the competitiveness of those of the proposals that they've made, both at the non-binding and at the binding level. So, I'll leave it at that. I mean, you'll see sort of the multiples that are coming out of those transactions as we go on announcing them.

But what I'd say is that every year we have the discussion at the beginning of the year where the market is skeptical about the asset rotations and whether the market, the demand will be there or not. I think 2025 will again demonstrate that we are able to rotate assets successfully and have good counterparts and good multiples. And on both sides of the Atlantic, in this case.

In relation to the CMD, I mean, again, I don't want to sort of anticipate a lot of things, but I think what you can expect is delivering the current plan. I mean, that's for sure.

Looking out beyond 2026 at these dynamics, now that we have visibility on the U.S. and as soon as we get this additional data point in August, I think we'll have even really be able in a good position to give you guidance on what we've managed to safe-harbor, what we think is our capacity growth for the next couple of years in the U.S. That's also true in Europe. It's true in APAC and Brazil. So we'll be able to give you much more comfort and I think confidence on the growth past 2028, past 2026 rather. Talking about efficiency and the productivity and the economies of scale that we're seeing, I think you've seen a flavour of that in this presentation and some of the previous presentations.

I think we can continue to go deeper there and see how and we can tell you about how we see that evolving. So that's, I'd say that's really sort of the key issue, but ultimately at the end of the day is how we can continue to grow the business profitably and create value. And I think that's what we'll show you at the CMD.

**Q – Deepa Venkateswaran**

Thank you.

**A – Miguel Viana**

Thank you. So the next question comes from the line of Manuel Palomo from the BNP. Manuel, please go ahead.

**Q – Manuel Palomo**

Hello, good afternoon everyone. I have still a couple of questions. The first one is on the asset rotation plans in the short term.

One of the things that you're planning is to do the rotation of a minority stake in a large portfolio of assets. I wonder whether you could provide a bit with the rationale for selling a minority stake instead of 100% of assets as before. That's the first one.

Secondly, I'd like to ask you a bit about the detail on the one-offs in this first half. If I'm not wrong, it's a €44 million impact that comes both from Ocean Winds and repowering. I wonder whether you could give us the split. Secondly, whether you could tell us what is left for that repowering. And also, following with the repowering, I wanted to ask you, do you have any view, any idea about the run rate of assets to be repowered on a yearly basis in the coming years?

Thank you very much.

**A – Miguel Stilwell d'Andrade**

Thank you, Manuel. So on the first question, the rationale is the structure is what optimizes our balance sheet. And so by selling a minority stake in the U.S. because we have a very healthy FFO in the first couple of years, by selling a 49% stake, and certainly for the purposes of ratios and credit-rating agencies, it's better to sell a minority stake and keep consolidating 100% of the EBITDA and the FFO, rather than selling the full portfolio. So that's certainly one of the key considerations there.

The second is, it was an attractive structure that the investors, these are typically financial investors that are looking at this that they feel comfortable with. But I'd say certainly we looked at a majority stake and the structure, so selling 49% stake ends up optimizing the balance sheet ratios. And so we thought that that was the best option.

On the second point, so maybe we can then elaborate a little bit more here, but on the repowering, so that's, I don't have the exact split, but I can take it.

**A – Rui Teixeira**

I can take this one. Thank you, Miguel. Hi, Manuel. So just step by step. So at net profit in Q1, we have already recorded €14 million of this repowering activity in the U.S., again, just to be precise. As we move to repowering, the components that we are replacing that are not yet fully depreciated, we basically have to write it off according to a calendar and that calendar typically follows a sort of a construction period of the new plant being built effectively.

So I would say that this is like, I mean, we expect this to slightly increase throughout the year for this specific asset, because the COD is for 2026, and therefore I would say this quarter should have been, I mean, a little bit, but yes, you should expect some small increase, maybe it's around €2 million or so, but that's it. So the bulk has already been done in Q1.

Now on what was addition this year, or this quarter, a €30 million has also to do with Ocean Winds. So it's about the €11 million from Ocean Winds, because there were some contracts in place for the South Coast wind, and even beyond the four-year delay impairment that we did last year, at some point we decided that the costs of delaying those contracts would probably wouldn't make sense, and therefore we decided to cancel, there were some cancellation fees. That's basically the €11 million. And then there is a minor impact from HR restructuring as well at the U.S. offshore.

Last but not least, we have about €15m of impact. We had some outdated equipment in warehouses. And basically we are just taking a view that this will not be used or if we sell it, it will be sold at a discount. And that's about €15m. So this is how we break it down.

**A – Miguel Stilwell d'Andrade**

And then on the run rates repowering, I think we can probably get that to you in the CMD maybe, because I think, I'm not sure we have that information with us today.

**A – Miguel Viana**

Thank you. The next question is from the line of Skye Landon from Rothschild. Skye, please go ahead.

**Q – Skye Landon**

Hi, thanks for the presentation. Firstly, on battery storage, now that you're doing more and more large-scale projects, both in the U.S. and Europe, I saw a fairly large project in Spain on social media just the other day. I was just wondering if you could elaborate on the typical return profile that you're seeing in this market. And if possible, it'd be interesting to hear what you see as a typical kind of CAPEX figure for storage projects, both in the U.S. and Europe separately, and maybe how this is evolving.

And, secondly, just on asset rotation, I know it's been touched on already, but with the Greek asset sale today, it looks to me like at least 50% of the €0.1 bn gained guidance is locked in from the first 0.7 GW. So we've 1.3 GW yet to sign. In theory, the €0.1 bn is quite achievable. Just wondering if you can elaborate on this a little bit more, and what it potentially means for gains from the remaining 1.3 GW. Thanks.

**A – Miguel Stilwell d'Andrade**

Okay, so the storage projects are some of the most profitable projects that we are seeing at the moment, particularly in the U.S., with typically double-digit IRRs. On top of it, on a risk-adjusted basis, even better, because most of these are tolling agreements that we have for the storage projects, and so it's good returns with low risk. So very positive.

In terms of CAPEX, I mean, the data point I have here, but we can then double-check it and get back to you, but it's around points, so what do you guys have €0.3 million per megawatt-hour, all-in CAPEX. And just the blocks, 80,000 per megawatt-hour. But, listen, we can get that information in more detail offline.

On the asset rotation, again, I didn't quite catch the question.

**Q – Skye Landon**

Yes, so just wondering, I mean, with the Greek asset sale today, it looks to me like at least 50% of the €0.1 bn guidance is kind of locked in. So with another 1.3 GW yet to go, in theory, the €0.1 bn guidance is pretty achievable. Just wondering if you could elaborate on how we should think about the remaining 1.3 GW.

**A – Miguel Stilwell d'Andrade**

Yes, so a big part of that additional GW is the 49% sale. So those gains would not flow through the P&L. And so I'd say the €0.1 bn of capital gains is achievable. I wouldn't want to guide you much above that because I say a big part of the volume still to be done is in the U.S., the 49% stake. And so that won't be contributing anything to the bottom line.

**Q – Skye Landon**

Great. Thank you.

**A – Miguel Viana**

The next question comes from the line of Jorge Guimaraes from JB Capital. Jorge, please go ahead.

**Q – Jorge Guimaraes**

Good afternoon. I have two questions. The first one is related with the U.S. and is if you are seeing any type of abnormal CAPEX inflation, as I assume there will be a run to install projects to benefit from the to have them operating by the end of 2027. So the first one is on U.S. CAPEX.

And the second one is related to storage. You were mentioning just answering two questions on storage. What is your view about the lack of legislation on storage in Spain? Is it preventing you from deploying opportunities? Or is it simply a matter that the spreads are not there and you on a group basis prefer to work with the hydro pumping? Thank you very much.

**A – Miguel Stilwell d'Andrade**

Okay, thank you. So on the CAPEX, I mean, we're not seeing a lot of CAPEX inflation. I mean, we've been locking in the EPCs and the equipment. And I think at the moment, it's been relatively stable. We haven't seen sort of that, any type of inflation coming through in the numbers or in the sort of the context that we've been having with suppliers. But that's obviously something to monitor.

On the second one, yes, there is not a lot of investment going into batteries in neither Spain nor Portugal because of a lack of regulation. And we've been advocating for quite a long time now that there should be capacity payments, there should be additional ancillary services which would remunerate, for example, batteries for fast frequency response or other types of ancillary services.

And so far that legislation and regulation has still not come through. So what you're seeing is basically most players or very few players are actually moving forward with investment decisions in batteries. And so that's what I'd say. I think if the governments want to see additional batteries in Portugal and Spain, then they need to put in place the regulation and framework and incentives so that actually gets done.

So Portugal and Spain have a very high penetration of renewables but compared to other countries but very low penetration and investments in batteries. It's true we have storage on the EDP side, it's not obviously on the EDPR side, but in any case when we look at storage, the business case is still not coming out under the current conditions.

**A – Miguel Viana**

The next question comes from the line of Olly from Deutsche Bank; Olly, please go ahead.

**Q – Olly Jeffery**

Thanks.



Just one question for me, again, regarding the U.S., just to get your thoughts on essentially the outlook for the return spreads or ROI that you think might be achievable when you think about what was in the table right after the Big Beautiful Bill came out and then after the news around the Executive Order came, because I'm wondering that if the safe-harboring becomes more onerous, that's more likely to impact smaller developers, which would, the upshot of that could be you have less supply from the renewable side in the market, the same demand, and that would make me think that there'll be a better opportunity for you to potentially make even higher returns in that eventuality, if you were not impacted as nearly as much as the small developers, is that the right way of thinking about it? I mean, is there any way you can, anything you can share on that, that'd be great, thank you.

**A – Miguel Stilwell d'Andrade**

Hi, Olly. I mean, yes, I think obviously a lot of players have taken out sort of or put in place safe harbor, and so they're now waiting, like us, to see what sort of the outcome is, or that comes out in August, those clarifications. I think certainly if it becomes a lot more onerous, as you're saying, I think a lot of people will drop a lot of those projects or a lot of those options, and so you might have that type of dynamic that you're talking about.

But I mean, there are a lot of options of safe harbor that people have put in. So, I think a little bit of cleaning-up would definitely be a good thing. So, we're not super negative. I mean, I think we've typically been more prudent to the market. If it cleans up part of the rest of the market, I think that could be net positive for us. But let's wait and see what comes up.

**A – Miguel Viana**

Thank you, Olly. Going on to the last question from the line of Jenny Ping from Citi. Jenny, please go ahead.

**Q – Jenny Ping**

Thanks very much. Two questions on the U.S. from me, please. Just firstly, you talk about the potential upside on PPA prices in the U.S. But if I look back, your PPA prices in the U.S. in the early part in 2022 is in the low 40s. It's sort of got to the high 40s where we are today. So can you just talk a little bit about the dynamics of the contracts coming up for renewal? Obviously, there is the

unhedged piece that will naturally benefit from the volatility of commodity prices. But just in terms of the hedged piece, is it right to think about sort of that similar trajectories in terms of how we should think about PPA prices as we go forward, assuming the \$70 that you referred to earlier is sustainable?

And then just secondly, talking about IRR or the WACC spreads, obviously the U.S. and given IRA, given OBBBA, given tariffs and given everything else that's going on, are you guys thinking about the cost of capital for U.S. projects, i.e. to do business is

generally higher? Is that how you're thinking about it, or is it status quo as it was and hence the 270 bps, 300 bps that you can still achieve? Thank you.

**A – Miguel Stilwell d'Andrade**

Hi, Jenny. So, in relation to your first question, if I got it, so in the past, there were lower priced PPAs, obviously, sort of pre-increase in cost of debt and sort of inflation. Those PPA prices have now gone up, and we're doing sort of PPAs and we're seeing them sort of relatively stable sort of in the high 60s, low 70s in the key markets. For the PPAs that are rolling off and where they're moving to merchant and where we are having to hedge sort of in the market, we are seeing those market or those merchant prices and capacity payments moving up. And so I gave you that data point, for example, in PJM.

So those are for slightly older projects that typically will have a higher merchant component, or the PPA will have run out, there you are seeing the higher prices flowing through, and so higher hedged prices. But for the new projects that we do, we always do them with PPAs, and those are the PPA reference prices that we're seeing.

In relation to the second question, I mean, the way we look at our cost of capital and our WACC, I mean, it's very traditional sort of cap-hem type. So we'll look at the cost of debt, where's the cost of debt 10 years in the U.S.? We'll look at the cost of tax equity, look at the cost of equity that we're assuming for the U.S., and we'll just build up our cost of capital based on that.

So we will be factoring obviously where interest rates are and where we think that sort of the risk premiums are, the market risk premiums, but we don't sort of take into account other types of factors like whether IRA or Big Beautiful Bills or other factors. We assume that those are incorporated into these numbers that I just talked about. Does that make sense?

And maybe I don't know, Rui, if you want to complement here and I don't know. Jenny, was that relatively clear, or was there something you wanted me to elaborate more on?

**Q – Jenny Ping**

Yes, no, I just yes, no, I was just more thinking about the risk premium element. Has that expanded given the volatile nature of announcements that come through and the unpredictability of U.S., whether you've built some tolerance into your spreads effectively?

**A – Miguel Stilwell d'Andrade**

So a couple of points. First, when we are pricing the PPAs, we're also obviously looking at where are the where's the CAPEX, what are our long-term energy price curves assuming, and that's how we're pricing it. So we're not looking sort of at the

short-term volatility and taking a position on that. We're sort of just figuring out where we think that sort of the returns versus our cost of capital is.

Yes, so we're not necessarily the unpredictability, I think, gets factored out by the fact that if we are locking in the PPA and the CAPEX and sort of all these different variables, you can essentially eliminate then that unpredictability going forward. I mean, once the project is locked in and built, then we assume no retroactive effects, et cetera. And for new projects, as they come along, we're obviously constantly repricing them to take into account whatever is the latest information that we have from the market and from any decrees that come along or sort of any Executive Orders, etc.

**Q – Jenny Ping**

Okay, thank you, Miguel.

**A – Rui Teixeira**

Yes, the only thing I would add, Jen, is bear in mind that for the current PPA negotiations and tariffs the reciprocal tariffs and tariffs has been a topic in U.S. What we have been doing is either including a wording that protects us against tariff changes in the PPAs, or else we locked it in through the supply chain. And therefore this type of more short-term uncertainty in the U.S., we also don't get it I mean, that's why we don't include it into WACC, because we protect it through the contracts.

**A – Miguel Viana**

Thank you, Jenny. So, this concludes the Q&A session. Some final words?

### Closing Remarks

**A – Miguel Stilwell d'Andrade**

I mean, just first, I think, as I mentioned, good, solid first half, but also, very importantly, I think we're looking forward to a solid second half as well. Good line of sight to the capacity, good line of sight to the asset rotation, good line of sight also to the '26 numbers. So, I think we've cleaned up a lot of issues that we had in previous years, or even in previous quarters, and so I think you're seeing much cleaner, more stable recurring numbers, and obviously the additional stability in the market and the visibility that we have now in the U.S. and in Europe is obviously helping towards that.

So, looking forward to coming back in the third quarter to talk about the third quarter numbers to look at the overall guidance then for the rest of the year, and obviously to then talk about also the prospects going forward for '26 and beyond, at the Capital Markets Day. So looking forward to that, and I hope if you get some holidays now in the next couple of weeks, enjoy it, and I'm sure we'll be talking again in September. Thank you.