



### Analysts

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### Overseen by

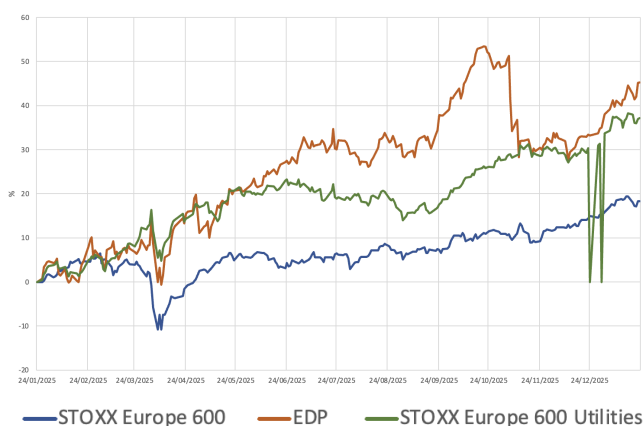
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### Basic Information

Last Closing Price	€ 4.21
Target Price	€ 4.60
+/- potential	+ 9.2%
Ticker	EDP-PT
GICS Sector	Utilities
GICS Sub-Industry	Multi-Utilities

### 1 Year returns: STOCK, Sector ETF, S&P500 or STOXX



Source: FactSet

Market Cap	17.543 billion
Basic Shares O/S	4.14 billion
52-Wk High	4.4900
52-Wk Low	2.8760

Source: Yahoo Finance

€ million	FY21	FY22	FY23	FY24
Gross profit	1,787	3,587	4,344	3,707
EBITDA	2,801	3,692	4,391	4,279
EBIT	1,048	1,678	2,308	1,858
Net Income	657	679	952	801

Source: FactSet

### Key Executives

Miguel Stilwell de Andrade	CEO
Rui Manuel Rodrigues Lopes Teixeira	CFO

### Investment Thesis

The market views Energias de Portugal, S.A. as a leveraged utility, but this misses its shift toward regulated and contracted renewables and grids. Over the time period of next 24 months, lower-risk cash flows grow, balance-sheet risk falls, supporting rerating potential. Execution on asset rotations and project delivery is key to unlocking valuation upside despite weak margins.

### Valuation

We are valuing EDP using a blend of DCF and Comparables Analysis, arriving at a target price of €4.77, a 9.2 % increase from its last close price.

### Key Risks

**Downside risks:** Operational risk such as costs control, regulatory risks, financial market exposure (interest rate risk) and competitive pressure.  
**Upside risks:** Structural tailwinds across multiple geographies (Europe, Brazil, US), deleveraging and mix-shift.

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## Investment Thesis

The market currently values EDP as a capital-intensive utility whose renewables expansion adds balance-sheet risk rather than equity value. The last investment cycle demonstrated this concern: net debt grew from €13.5bn in 2018 to €19.0bn in 2024 (€19.6bn long-term debt), while returns lagged Iberdrola and ROIC remained below WACC. Consensus still frames EDP's renewables exposure as "volume growth with financing risk," leading the stock to trade with a risk discount instead of a growth multiple.

Our view is that this narrative is incomplete. EDP's growth is increasingly tied to cash-flow streams that are either regulated or contract-backed, fundamentally changing the risk profile and valuation dynamics. Sector value creation is shifting toward contracted renewables and grid investments, precisely where EDP is reallocating capital. With renewables already supplying ~56% of Spain's and ~71% of Portugal's electricity, the share of low-volatility, contracted or regulated earnings is set to rise, supporting a lower equity risk premium that is otherwise heightened by cash flow and leverage metrics.

The timing favors EDP. Data centres and decarbonization are raising structural power demand. Europe must also commit several hundred billion euros to grid upgrades by 2030, underpinning steady, regulated returns. Beyond Iberia, EDP's regulated operations in Brazil provide a complementary growth vector. Capital deployed in distribution and transmission expands the regulated asset base, increasing allowed revenues and anchoring cash generation while renewables scale.

The market underappreciates this transition in risk composition. Investors remain focused on (i) high capex-to-sales optics and (ii) elevated leverage and (iii) cash flow concerns, overlooking the de-risking that will occur as rotation proceeds are collected and regulated/contracted EBITDA becomes a larger share of earnings. Valuation-wise, EDP trades at a discount across P/E, EV/EBITDA, and EV/Sales multiples. While free cash flow yield and margin performance remain weak, rerating does not require "best-in-class" profitability, only recognition that financing and cash-flow risks are falling. Execution remains the key variable: delays in project delivery, weaker asset rotations, or persistently high rates could prolong the leverage overhang and maintain the valuation gap.

## Valuation

Our valuation incorporates both relative and intrinsic methodologies. While our DCF analysis implies modest downside, we believe this result is driven by conservative assumptions around long-term growth and margin normalization that do not fully reflect the company's operating momentum or peer benchmarks. In contrast, our comparable company analysis indicates approximately 5% upside to the current share price, suggesting the stock is modestly undervalued relative to peers. Given the company's improving fundamentals, defensible competitive position, and identifiable near-term catalysts. Final recommendation from the analysts involved implies a 9.2% upside. The valuation is based on a combination of split of DCF and comparables.

Scenario	Method	Upside
Bear	DCF	-19%
Base	Comps	+5.42%
Bull	Adjusted assumptions	+9.2%

The key assumptions for DCF include:

- WACC: 7.3% (for full derivation, check appendix)

Risk Premium for Equity		Cost of Equity	
Market Risk Premium	5.1%	Risk Free Rate	2.9%
Average Unlevered Beta	0.40	Equity Risk Premium	3.3%
Levered Beta <sup>4</sup>	0.66	Country Risk Premium	1.6%
Equity Risk Premium	3.3%	Cost of Equity	7.8%

Capital Structure		
	Current	Target
Total Debt	19,102	44.7%
Market Capitalization	23,600	55.3%
Total Capitalization	42,702	100.0%
Debt / Equity	80.9%	86.4%

Cost of Debt	
Pre-Tax Cost of Debt	8.8%
Tax Rate	25.0%
After-Tax Cost of Debt	6.6%

Weighted Average Cost of Capital		
	Weight	Cost
Debt Capital	46.4%	6.6%
Equity Capital	53.6%	7.8%
Weighted Average Cost of Capital		7.3%

- CapEx: reshaped the profile to reflect a 2022–24 investment peak, followed by normalisation toward ~6% of beginning PP&E, in line with asset rotation and portfolio maturity. High initial CapEx based on management's future outlook.

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- Sales growth: ~3%, to reflect volume-led demand growth with wholesale price headwinds.
- Costs: kept COGS stable, but allowed SG&A and other OpEx to decline slightly as % of sales, driven by modest operating leverage (no aggressive cost-cutting assumed).
- D&A: kept broadly in line with historical averages as % of PP&E.
- NWC: stable, assuming it stays neutral and not a key value driver for EDP
- Sensitivity analysis conducted to analyse effect of WACC and terminal multiple (check appendix)

### Comparables analysis

Comparables analysis (multiples) include P/E, EV/EBITD, EV/Sales and FCF Yield compared to top 9 named competitors (*Source of competitors: FactSet*). EDP trades at a discount across P/E, EV/EBITDA, and EV/Sales multiples while having significantly weak free cash flow yield compared to peers.

### Bear

Going with the outlined assumptions and a perpetual growth rate of 4.5% as would be expected by the market sentiment, the target price upside is -19%.

EDP as a company is in a heavy investment and capital-recycling phase, where near-term free cash flow is structurally depressed by capex while value is realized later through regulated RAB growth, contracted project ramp-up, and timing-dependent proceeds (asset rotation/tax equity/disposals)

### Base

Taking into account the sensitivity analysis of the DCF, the base case has been taken through a pure peer based, i.e. comparables analysis reasoning giving a ~5.42% potential upside.

### Bull

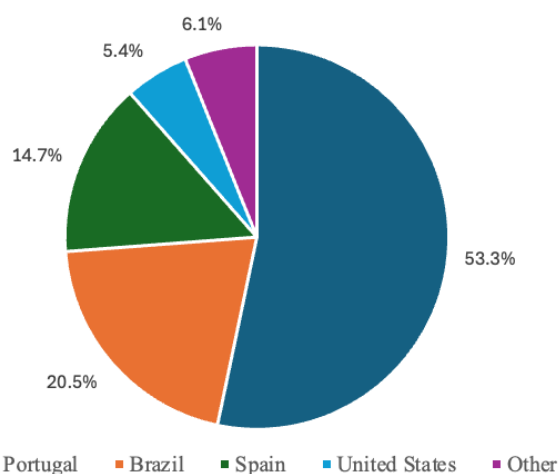
Along with the outlines assumptions the perpetual growth rate was taken as 5.2% instead. The decision to take a higher perpetual growth rate was due to the long time horizon of EDP's return on investments as outlined above. However, we believe that with a longer time horizon taken (through the higher perpetual growth rate) might be more representative of the business mix of EDP, not reflected in traditional DCF assumptions.

prompting a 50/50 split in DCF and comparables analysis.

## Company Overview

EDP S.A., also known as Energias de Portugal, is a Portuguese multinational electric utility company founded in 1976 and headquartered in Lisbon. The company has operations across Europe, Brazil, North America and selected other markets, combining electricity generation, regulated networks, and customer supply activities. EDP's operations span both regulated and liberalised electricity markets, reflecting the different market structures across its core geographies.

**Figure 1.1: Revenue Exposure by Region (FY 2024)**



Source: Factset

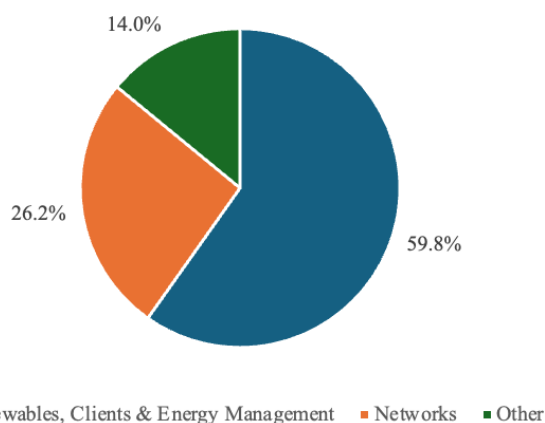
## Business Segments

**Renewables, Clients & Energy Management:** This segment comprises EDP's activities in energy generation, retail supply and energy management activities. This includes energy generation primarily from renewable sources, mainly hydro, wind, and solar, with some residual traditional generation activities. EDP operates these generation assets across Europe, North America, and Brazil, with electricity sold through regulated frameworks, long-term power purchase agreements, and wholesale electricity markets. The segment also includes the retail supply of electricity and gas to residential, commercial, and industrial customers. Energy management activities include the coordination of commercial placement of electricity, balancing generation and customer demand, and managing price exposure. Revenues are driven by electricity production, contracted sales, and end-customer

consumption under both regulated and market-based structures.

**Networks:** In the networks sector, EDP participates in regulated electricity transmission and distribution activities, primarily in Portugal and Brazil. EDP owns and operates high and medium-voltage grids that transport electricity from generation assets to end users. Revenues are determined by regulatory frameworks, with tariffs and allowed returns set by national regulators, and are earned through grid access and usage fees charged to suppliers and generators. This segment represents the infrastructure layer of the electricity system and operates independently from electricity generation and retail supply.

**Figure 1.2: Revenue Exposure by Business Segment (FY 2024)**



Source: Factset, Company Filings

In conclusion, across EDP's activities, the company earns revenue from three principal sources:

1. Electricity sales under a mix of long-term contracts, regulated frameworks and wholesale markets.
2. Retail supply volumes billed to end customers.
3. Regulated network tariffs and access fees associated with transmission and distribution services.

## Industry and Competitive Landscape

EDP S.A. operates in two closely related but rapidly changing parts of the energy system:

1. Electricity generation and supply: prices are set by the market based on supply and demand, and revenue can fluctuate significantly year on year.
2. Electricity networks (grids): revenues are determined by regulators, and cash flow is more stable.

The Iberian (Spain and Portugal) electricity market, where EDP's main activities are located, is large and highly developed. Spain consumes around 250 TWh of electricity per year, and Portugal just over 50TWh, for roughly 300TWh combined. Power is mostly traded via organised day-ahead (electricity bought and sold for "each hour of tomorrow") and intraday markets, meaning quick price reactions to supply and demand.

The region has limited interconnection with the rest of Europe, which means that Iberia functions as its own "energy region", amplifying the impact of price drivers such as weather, hydrology and renewable output on prices.

Renewables are already the biggest source of electricity in the Iberian market, with ~56% of electricity in Spain and ~71% of consumption in Portugal coming from renewable sources. Making Iberia one of Europe's cleanest integrated systems.

## Structural Trends: Secular vs Cyclical Growth

From a growth perspective, electrification of transport, heating, data centers and industrial processes is increasing the demand for energy. According to the International Energy Agency (IEA), this long-term structural trend will see global electricity demand grow twice (3-4%) as fast as total final energy demand in the coming years.

Power grids will require a substantial investment to handle higher demand, connect new renewable projects, and integrate storage and other flexible demand response resources. Europe is estimated to require several hundred billion euros of grid investment by 2030 to support electrification.

Renewable energy, especially from wind and solar, continues to gain share due to increasing structural cost competitiveness vs fossil fuels and policy support (EU Green Deal, national climate plans). The levelized costs for wind and solar remain well below new fossil fuel generation, reinforcing the long-term relevance of this sector.

Value creation in the sector is changing, with the renewable output share increasing, and average wholesale prices in Europe have fallen. 2024 saw a substantial increase in hours with very low, zero, or

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negative prices as renewables output surged. Illustrating how renewable penetration can alter pricing dynamics.

The overall trend suggests a continuation in the decrease in underlying equipment and installed costs for renewables. However, competition for good sites has compressed returns, whilst higher interest rates and risk premia can push up the cost of capital and place pressure on renewable project returns.

Running a system comprised of mainly renewables can be operationally complex due to flexibility requirements, grid congestion and the need for more balancing, digitisation, and forecasting, raising capex requirements.

Overall, the industry outlook remains positive in terms of growth. However, value creation is shifting from uncontracted generation and merchant power generation to grid flexibility and contracted renewables.

### Industry structure and EDP's position

Regulated networks are the most stable part of the value chain. In Portugal and Spain, revenues are set by the ERSE (Portugal's Energy Services Regulatory Authority) and CNMC (Spain's National Commission for Markets and Competition) using a regulated asset base (RAB), allowed return (WACC), and multi-year regulatory periods with inflation adjustment. EDP's network EBITDA has stayed broadly stable even through volatile power price periods, indicating predictable cash flow. Networks maintain margin resilience through regulation rather than market dominance and benefit directly from ongoing grid investment and electrification.

Generation and supply are competitive, price-taking, where margins depend on costs, hedging, and contract coverage, not pricing power. Earnings are structurally more volatile and increasingly exposed to low and negative prices as renewable penetration grows. EDP's long-term value and margin stability hinge on continuing to tilt its portfolio toward regulated networks and contracted renewables, reducing reliance on pure wholesale market power.

## Management

### Leadership

CEO: Miguel Stilwell d'Andrade. He became CEO Jan 2021, long-tenured at EDP since 2000, previously EDP CFO and held senior operational roles.

### Capital Allocation

#### 1. R&D

EDP has a strong R&D profile, having secured nearly €35 million in innovation funding since 2015. It leads Portugal in EU R&D funding, with a high 23% application success rate versus a 12% market average. With 54 projects secured through 2027 across all innovation domains, EDP's R&D efforts are closely aligned with its strategic objectives.

#### 2. Acquisition Strategy

EDP Renewables (EDPR) (the renewables subsidiary) has targeted acquisitions in solar and wind developers, such as ITP Development in 2024, to expand its portfolio. EDP SA also is focusing on expanding its renewables and energy networks capacity as evident through its acquisition of Viesgo, and thus its thermal power plants as well. Through its venture capital arm, EDP invests in early-stage startups working in energy, AI, and digital solutions to support its core business.

In terms of transactions, EDP is heavily involved in Asset Rotation/Divestments, essentially a capital recycling machine, i.e. they build projects, de-risk them, then sell stakes to long-term investors and reinvest the cash into the next build cycle. In the November 2025 presentation, EDP calls this "at the core of our strategy," targeting ~€5bn of asset-rotation proceeds in 2026–28 with ~€0.2bn of AR gains per year on average. These proceeds directly fund capex and relieve leverage pressure.

#### 3. Dividends

The dividend policy targets a payout ratio of 60–70% and establishes a dividend per share floor of €0.20 in FY25 and FY26, rising to €0.205 in FY27 and €0.21 in FY28. One impediment is that, although the dividend is high, it has not grown too much since 2019, despite reinvestment in the business that should be compounding attractively, something reflected in the gains from asset rotation. A key reason is the acceleration of investments. As a result, net debt has been increasing, and while EDP we believe is fundamentally capable of supporting higher leverage, given its asset rotation strategy, markets have clearly punished the current debt position of EDP.

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## Alignment

EDP's management pay is designed as "pay for performance", with a meaningful share of compensation variable and tied to both shareholder returns and balance-sheet/earnings quality. Under the 2024–2026 remuneration policy, EDP shows a package mix of roughly 25% fixed, 28% short-term variable, and 47% long-term variable.

EDP approved a €100m share buyback (explicitly framed as creating value for shareholders while ensuring a strict financial policy).

## Governance & Communication

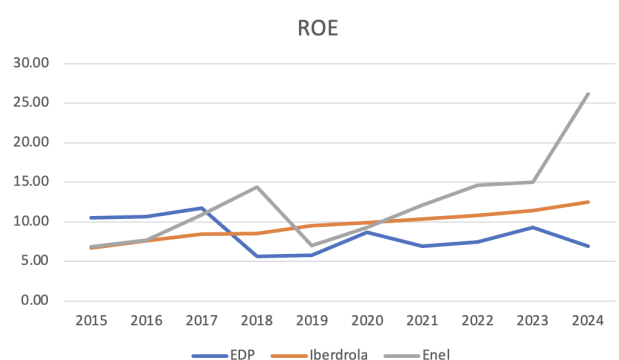
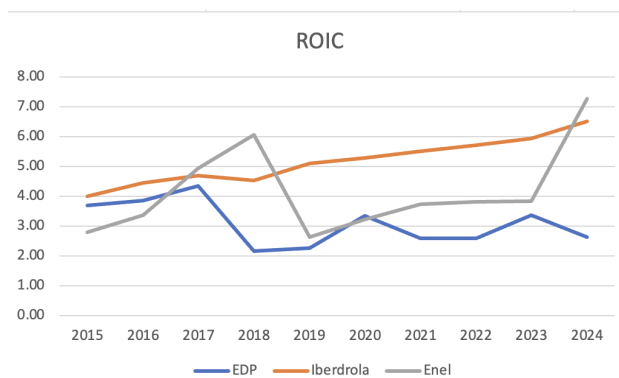
They emphasize governance structure (dual model separating executive management and supervision, related party transactions policy), which supports oversight as they run a capital-heavy plan.

## Ownership

Institutional ownership is 31.56% while 28% is insider ownership. Concentrated shareholder influence risk: China Three Gorges is the largest shareholder holding ~21%, with other large holders including Oppidum (~7%) and BlackRock (~6%).

## Value creation

Leadership looks experienced and seems to have a "return focus" however it is not that reflective in the ROIC of EDP.



EDP's capital investment has yet to deliver a clear, through-cycle uplift in ROIC, which remains well below both its WACC and peer levels, particularly Iberdrola's. While this could point to a structural return issue, management's future plans could improve outcomes through higher cash returns on capital, deleveraging, lower interest costs, and a growing contribution from networks and contracted earnings, suggesting ROIC may be temporarily depressed. Nevertheless, EDP has generated weaker operating and shareholder returns than its best peer, supporting a valuation discount. Its ROE is materially higher than ROIC, reflecting the positive impact of leverage and regulated stability, but this also makes equity returns more sensitive to financing costs and balance-sheet risk, leaving the stock vulnerable if rates remain high or debt stays elevated.

## Verdict

Management quality seems adequate enough for a neutral impact on valuation, i.e. not a reason for a premium, but also strong enough for not an automatic discount.

## Financial Analysis

### A. Profitability

#### Operating margin

It is cyclical as opposed to a continuous upward trend, which fits a profitable mix of utilities/renewables heavily influenced by hedging, hydro/winds, regulatory aspects etc.



2023 looked unusually strong because Iberia recovered from a very weak hydro year and sourcing conditions improved, and plus asset-rotation gains helped.

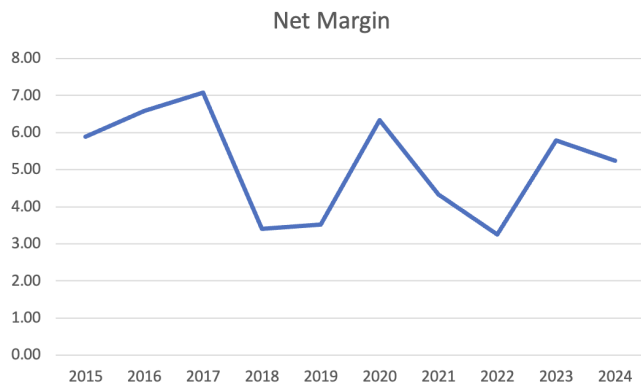
2024 looked more "normal" because the renewables arm (EDPR) was seen to have contributed less (lower asset-sale gains and slower growth) and reported earnings were dragged by large one-offs (for instance,

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exit from the Colombia deal), even though underlying profitability improved.

The core business is holding up or even improving (strengthening wind & solar performance and resilient networks) shown by profit excluding asset-rotation gains up +5% YoY. However, reported profitability looks weaker because asset-rotation gains are lower this year and financing costs are higher.

## Net margin



It is more volatile and event-driven than operating margin for EDP. Below-the-line drivers that can impact net profitability even when operations are stable include interest costs or refinancing, tax effects, and impairments / one-offs / asset-rotation timing, this often shows up in capital structure and non-recurring items, not a sudden downturn in operational competitiveness.

On the profitability of its operations, EDP is not a best-in-class peer and more resembles a mid-tier operator whose margins recover in favorable periods but do not compound as consistently as Iberdrola's. While EDP's net profitability is not weak, it remains structurally second-tier to Iberdrola and more influenced by capital structure and non-recurring items, which increases the relative importance of recurring earnings. Overall, EDP screens as less profitable than Iberdrola on both operating and net margins, and broadly in line with, or even slightly more stable than, Enel over time.

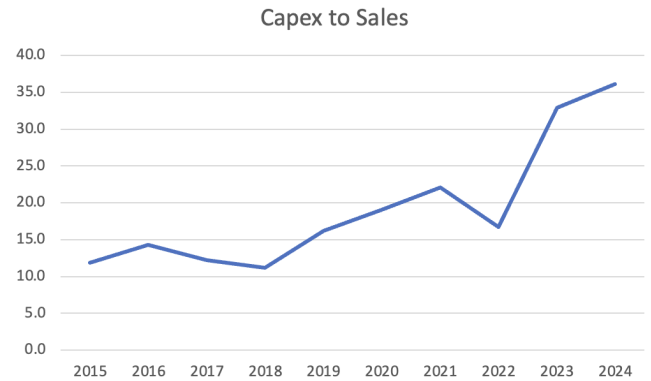
## Other Metrics

For EDP, gross margin is a less informative metric because the main economic drivers sit below gross profit, particularly network operating costs and overheads, heavy depreciation, financing costs, and the impact of hedging and regulatory adjustments. Similarly, revenue growth is often a misleading headline indicator, as higher revenues (driven by power

prices for example) do not necessarily reflect improved economics/business efficiency.

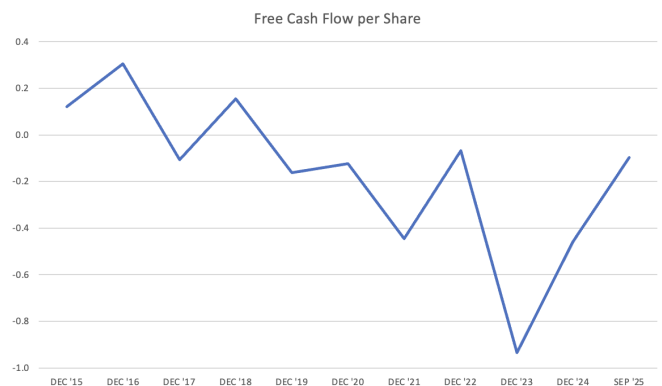
## B. Cash Flow

### Capex to sales



Significant uptick since 2022 is seen. The heavy investment today helps build a larger regulated/contracted asset base, positioning EDP to take advantage of opportunities as they present themselves faster and supporting higher future EBITDA/earnings. On the other side, heavy capex today reduces near-term free cash flow and can push debt higher, which is already a concern from the market.

### FCF per share



The key signal from this chart is not past negativity, but the emerging post-2023 recovery, which supports the broader thesis of improving cash flow visibility, deleveraging, and valuation upside as the investment cycle matures.

## C. Balance Sheet

EDP's balance sheet adheres to characteristics of a capital-intensive growth strategy.

### Leverage

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The company's balance sheet is composed of around €43-44bn in total assets, funded by roughly €40bn of liabilities and €13-16bn of equity. A debt-heavy balance sheet is common for a utility company heavily invested in infrastructure and renewable energy.

As of December 2024, EDP's debt-to-equity ratio stands at 1.40x, a significant inflection from 2022, when the ratio stood at 1.58x. The improvement was driven by a significant equity raise in 2023, which increased common equity from €8.9 billion to €11.6 billion. EDP's long-term debt has grown steadily from €13.5 billion in 2018 to €19.6 billion in 2024, indicating substantial capital requirements for its renewables growth.

### Liquidity

EDP's liquidity has decreased over the past two years, with the current ratio declining from 1.48x in 2022 to 1.09x in 2024. Whilst cash decreased from €4.9 billion in 2022 to €3.7 billion in 2024. The current 1.09x ratio is below the conservative 1.5x threshold, suggesting management has deployed working capital toward growth investments.

### Debt Sustainability

In December 2024, the company's net debt has increased by €5.4 billion from 2019, a period which saw net PPE grow by €8.7 billion, indicating that debt is funding asset growth. Construction in progress peaked at €6.7 billion in 2023 and remains elevated at €5.9 billion, indicating ongoing deployment of renewable projects.

### Final Valuation Methodology

The valuation of EDP SA is based on a combination of 50/50 split of DCF and comparables respectively. A method that has used to provide a benchmark, is based on trading comparable valuation. EV/Sales has been favoured over EV/EBITDA in arriving at a valuation as it is more applicable to companies within the utility business acting as a bridge to EV/RAB.

Despite an initial conservative DCF indicating downside, we recommend a Long position based on relative undervaluation versus peers, improving fundamentals, and upcoming catalysts not fully captured in our intrinsic valuation. We believe the market is overly discounting near-term risks, creating an attractive entry point.

### Risks and Catalysts

EDP S.A.'s investment thesis is supported by a shift towards long-dated regulated and contracted cash flows, the company remains exposed to several downside risks that could affect earnings, capital intensity and equity valuation. Although EDP's shifting strategy away from merchant generation reduces its exposure to market volatility, risks are still prevalent due to its capital-intensive and high leverage nature, common for regulated utility companies. Changes in regulation, financing conditions and operational can have a significant impact on equity returns.

#### Operational Risks

EDP faces operational risk in the form of execution risk of construction, operation and integration of renewable assets across all active geographies. Delays in projects, cost overruns and underperformance of renewable generation assets could all negatively impact returns. Furthermore, as renewable penetration increases so does the complexity of system and grid infrastructure. Exposing EDP to curtailment risk, grid congestion and balancing costs.

#### Regulatory Risks

Regulation is a material risk for EDP, effects on renewable remuneration, compensation to renewable owners, are heavily influenced by changes in allowed returns on regulated networks, tariffs and other policy. In Europe, political sensitivity around energy prices increases the risk of tighter regulatory oversight. Given the long-date asset lives, regulatory uncertainty has a significant impact on valuation.

#### Macro Risks

EDP is exposed to macroeconomic conditions such as interest rates, inflation and FX rate movements. Higher interest rates increase financing cost and reduce present value of long-dated cash flows, affecting earnings and equity valuation. Whilst inflation is partially passed on through regulated and contracted revenues, mismatch in timing can still affect margins. Currency risk arisen from overseas operations such as Brazil and the US, may cause further earnings volatility when translated to Euros.

#### Competitive Risks

Competition in the renewable space has intensified, demand high-quality projects compress returns on investments and raise acquisition costs. In deregulated

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power markets, increased renewable supply leads to lower wholesale prices and higher volatility affecting the value of uncontracted generation and increasing the incentive for long-term power purchase agreements.

### Upside Catalysts

#### Structural tailwinds

**Brazil:** offers a regulated-growth path. Brazil's regulation is described as fostering long-term value in both distribution and transmission networks, and they show regulated return parameters. Investment in distribution/transmission can expand regulated assets, lift allowed revenues, and increase steadier earnings. This requires monitoring RAB growth and allowed returns.

**Europe/Iberia renewables advantage:** Europe's energy transition is something that EDP is well positioned to benefit from as it operates in an attractive region for renewables. Europe's heavy reliance on imported gas, with prices far above US levels, creates a structural incentive to accelerate domestic renewable capacity. EDP's focus on wind, solar, and storage aligns directly with this trend, allowing the company to capture growth while addressing regional bottlenecks in permitting and grid capacity and potentially earning higher returns as renewable generation becomes more valuable.

**Data centres:** Iberia offers strong wind and solar resources, making renewable electricity relatively affordable and increasingly appealing to power-intensive customers such as data centres, a point highlighted by EDP's CEO. In its 2026–28 plan deck, EDP emphasizes wind/solar/BESS as the quickest to deploy versus much longer-cycle alternatives which is important in Europe. Faster to market projects mean EDP can respond quicker to demand, policy incentives, and contract opportunities.

Demand upshift in data centres also matters because if demand growth continues, it supports higher contracting volumes and better pricing, especially where grid capacity is constrained. EDP is also therefore, well positioned to benefit from rising US data-center demand. Management reported focused €12 Bn investment plan with US renewables and Iberian Electricity Networks at the core.

#### Earnings quality

**Deleveraging and balance-sheet repair:** Management has committed to reducing net debt by ~€1bn while growing EBITDA, with FFO/net debt targeted at ~22%. Clear evidence of deleveraging through quarterly reporting would reduce balance-sheet risk perception and support equity re-rating as financial risk discounts fade.

**Mix shift to lower volatility:** EDP management's plan highlights growth in renewables and energy networks, potentially offsetting Iberian normalization, and highlights that ~80% of the portfolio is regulated/long-term contracted/hedged. That matters because more stable earnings typically reduce the equity risk premium and improve through-cycle profitability perception.

### Final Recommendation

We reiterate a **Buy** on EDP: the market still discounts its capex and leverage, but we expect a mix-shift toward regulated and contract-backed cash flows plus asset rotations to make deleveraging more visible and drive a rerating. Our €4.60 target price (~9.2% upside from €4.21) is based on a 50/50 DCF vs comps approach. Structural tailwinds, i.e. electrification-driven demand (incl. data centres), large EU grid investment needs, and regulated growth opportunities in Brazil support both volume growth and steadier returns, reinforcing the rerating setup. Risk/reward remains attractive: downside stems from execution delays/cost overruns, regulatory changes, and higher-for-longer rates, while upside comes from ~€5bn asset-rotation proceeds, improving leverage metrics, and a growing share of stable earnings.

Overall, EDP can strengthen a diversified portfolio by adding regulated and contract-backed cash flows, which are typically less tied to the economic cycle than many growth or industrial stocks. It also gives exposure to the electrification/renewables build-out tailwind while providing a more defensive earnings base, though it remains rate- and leverage-sensitive due to its capital intensity.

## Valuation Deep Dive

### Comparables Company Analysis

Company Name	Market Data (€)				Valuation			
	Price	Shares Out (M)	Mkt Cap (M)	EV (M)	P/E (x)	EV/EBITDA (x)	EV/Sales (x)	FCF Yield (%)
EDP	4.21	4,132.9	17,411.9	40,243.9	14.45x	8.24x	2.68x	-0.15%
VERBUND A	61.40	347.4	21,331.3	23,976.4	14.35x	8.54x	2.94x	0.09%
ENGIE	24.10	2,431.6	58,602.7	91,673.7	12.14x	6.31x	1.42x	0.09%
Orsted	18.45	1,321.2	24,369.9	34,888.8	19.98x	10.90x	4.78x	-0.18%
Corporacion Acciona Energias Renovables	21.34	324.8	6,930.4	10,927.4	10.01x	6.96x	3.66x	-0.16%
ERG	22.64	149.5	3,385.5	5,821.9	18.84x	10.34x	7.71x	0.08%
Solaria Energia	18.09	125.0	2,261.0	3,440.2	18.20x	13.05x	13.87x	-0.07%
Scatec	10.43	158.9	1,657.3	2,971.0	15.60x	8.18x	12.14x	-0.18%
Iberdrola	18.36	6,627.3	1,21,676.5	1,78,506.5	19.29x	10.92x	4.06x	0.02%
Enel	9.02	10,156.6	91,582.0	1,70,244.0	13.12x	7.41x	2.21x	0.06%
<b>Average</b>					<b>15.60</b>	<b>9.09</b>	<b>5.55</b>	<b>-0.04</b>
<b>Median</b>					<b>15.02</b>	<b>8.39</b>	<b>3.86</b>	<b>-0.03</b>

<b>EDP</b>	
EBITDA	4439.96
Net Debt (~)	22,832.1
Sales	15897.76
<b>EV/EBITDA</b>	
Implied EV	40337.22752
Implied equity	17,505.2
Implied price	4.235577682
<b>Upside</b>	<b>0.61%</b>
<b>EV/Sales</b>	
Implied EV	41175.1984
Implied equity	18,343.1
Implied price	4.438334311
<b>Upside</b>	<b>5.42%</b>

### DCF Model

#### Bear Case

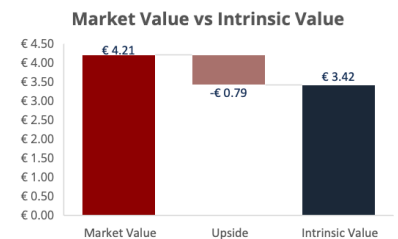
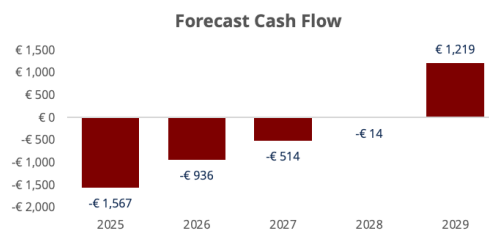
#### DCF Model (Template Source : Corporate Finance Insitute)

EDP S.A. . EDP-PT 4103596 Euronext Lisbon Common stock

Source: FactSet Fundamentals, All figures in EUR millions

Assumptions (Base Year 12/31/2024)

Tax Rate	25%
Discount Rate	7.3%
Perpetual Growth Rate	4.5%
EV/EBITDA Multiple	9.0x
Transaction Date	31/12/24
Fiscal Year End	31/12/25
Current Price	4.21
Shares Outstanding	4,163.91
Debt	22,666
Cash	3,663
Capex	-



Discounted Cash Flow	Entry	2025	2026	2027	2028	2029	Exit
Date	31/12/24	30/12/25	30/12/26	30/12/27	30/12/28	30/12/29	30/12/29
Time Periods		0	1	2	3	4	
Year Fraction		1.00	1.00	1.00	1.00	1.00	
EBIT		2,906	2,900	2,941	3,007	3,103	
Less: Cash Taxes		726	725	735	752	776	
Plus: D&A		2,391	2,556	2,679	2,781	2,859	
Less: Capex		5,904	5,183	4,860	4,452	3,967	
Less: Changes in NWC		233	484	538	599	-	
Unlevered FCF		(1,567)	(936)	(514)	(14)	1,219	
(Entry)/Exit	(36,533)						49,824
Transaction CF	-	(1,567)	(936)	(514)	(14)	1,219	49,824
Transaction CF	(36,533)	(1,567)	(936)	(514)	(14)	1,219	49,824

Intrinsic Value	
Enterprise Value	33,236
Plus: Cash	3,663
Less: Debt	22,666
Equity Value	14,233

Equity Value/Share 3.42

Market Value	
Market Cap	17,530
Plus: Debt	22,666
Less: Cash	3,663
Enterprise Value	36,533

Equity Value/Share 4.21

Terminal Value	
Perpetual Growth	45991.36456
EV/EBITDA	53,657
Average	49,824

Rate of Return	
Target Price Upside	-19%
Internal Rate of Return (IRR)	5%

Market Value vs Intrinsic Value	
Market Value	4.21
Upside	(0.79)
Intrinsic Value	3.42

## Bull Case

### DCF Model (Template Source : Corporate Finance Institute)

EDP S.A. - EDP-PT 4103596 Euronext Lisbon Common stock

Source: FactSet Fundamentals, All figures in EUR millions

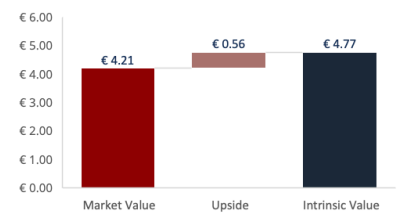
Assumptions (Base Year 12/31/2024)

Tax Rate	25%
Discount Rate	7.3%
Perpetual Growth Rate	5.2%
EV/EBITDA Multiple	9.0x
Transaction Date	31/12/24
Fiscal Year End	31/12/25
Current Price	4.21
Shares Outstanding	4,163.91
Debt	22,666
Cash	3,663
Capex	-

#### Forecast Cash Flow



#### Market Value vs Intrinsic Value



#### Discounted Cash Flow

	Entry	2025	2026	2027	2028	2029	Exit
Date	31/12/24	30/12/25	30/12/26	30/12/27	30/12/28	30/12/29	30/12/29
Time Periods		0	1	2	3	4	
Year Fraction		1.00	1.00	1.00	1.00	1.00	
EBIT		2,906	2,900	2,941	3,007	3,103	
Less: Cash Taxes		726	725	735	752	776	
Plus: D&A		2,391	2,556	2,679	2,781	2,859	
Less: Capex		5,904	5,183	4,860	4,452	3,967	
Less: Changes in NWC		233	484	538	599	-	
Unlevered FCF		(1,567)	(936)	(514)	(14)	1,219	
(Entry)/Exit	(36,533)						57,807
Transaction CF	-	(1,567)	(936)	(514)	(14)	1,219	57,807
Transaction CF	(36,533)	(1,567)	(936)	(514)	(14)	1,219	57,807

#### Terminal Value

Perpetual Growth	61956.68669
EV/EBITDA	53,657
Average	57,807

#### Intrinsic Value

Enterprise Value	38,856
Plus: Cash	3,663
Less: Debt	22,666
Equity Value	19,853

#### Market Value

Market Cap	17,530
Plus: Debt	22,666
Less: Cash	3,663
Enterprise Value	36,533

#### Rate of Return

Target Price Upside	13%
Internal Rate of Return (IRR)	9%

#### Market Value vs Intrinsic Value

Market Value	4.21
Upside	0.56
Intrinsic Value	4.77

EDP S.A.

EDP-PT 4103596 Euronext Lisbon Common stock

Source: FactSet Fundamentals : All figures in EUR million

(Template Source : Jinseo Park)

(Notes are attained in at the edge of each schedule)

#### EBIT Schedule

Fiscal Year	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Sales	12,649.99	15,160.11	20,884.27	16,433.36	15,268.87	15,681.13	16,104.52	16,539.34	16,985.90	17,444.52
Cost of Goods Sold (COGS)	8,804.40	11,620.59	15,283.13	10,005.96	9,140.97	9,387.78	9,641.25	9,901.56	10,168.90	10,443.46
*COGS margin	70%	77%	73%	61%	60%	60%	60%	60%	60%	60%
Gross Income	3,845.59	3,539.52	5,601.14	6,427.40	6,127.90	6,293.35	6,463.27	6,637.78	6,817.00	7,001.06
SG&A Expense	139.61	115.67	1,181.25	1,259.29	970.62	996.82	1,007.63	1,018.30	1,028.81	1,039.14
*SG&A margin	1.1%	0.8%	5.7%	7.7%	6.4%	6.3%	6.2%	6.1%	6.0%	5.9%
Other Operating Expense	668.18	623.09	728.01	777.08	878.30	902.02	910.27	918.30	926.11	933.67
*Other Opex margin	5.3%	4.1%	3.5%	4.7%	5.8%	5.7%	5.6%	5.5%	5.4%	5.3%
EBITDA	3,038	2,801	3,692	4,391	4,279	5,297	5,456	5,619	5,788	5,962
Depreciation & Amortization Expense	1,650.01	1,752.74	2,013.91	2,083.46	2,420.70	2,390.94	2,555.51	2,678.57	2,780.77	2,859.06
EBIT	1,387.80	1,048.03	1,677.98	2,307.58	1,858.28	2,905.59	2,900.13	2,940.91	3,007.42	3,102.86

#### Assumptions

Sales: 2.5–3.0% CAGR (2025–2029E), reflecting volume-led demand growth and regulated asset expansion.

COGS: Last fiscal year COGS margin of sales, assuming a stable renewables and networks cost structure.

SG&A: Gradually declining % of sales from last fiscal year, reflecting modest operating leverage.

Other Operating Expense: Slightly declining % of sales from last fiscal year, reflecting cost stabilisation.

#### Net Working Capital Schedule

Fiscal Year	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Short-Term Receivables	4,175	6,423	5,995	5,463	5,726	5,483	5,631	5,783	5,939	6,099
Inventories	324	576	1,256	805	590	589	605	621	638	655
Other Current Assets	635	3,567	3,181	2,446	2,082	2,383	2,727	3,122	3,573	4,090
Current Assets	5,134	10,565	10,432	8,715	8,398	8,454	8,963	9,526	10,150	10,844
Accounts Payable	799	1,007	1,256	1,029	1,079	902	926	951	977	1,004
Current Liabilities	799	1,007	1,256	1,029	1,079	902	926	951	977	1,004
Net Working Capital	4,334	9,559	9,176	7,686	7,320	7,552	8,036	8,574	9,173	9,840
Change in Net Working Capital		5,224	-383	-1,490	-366	233	484	538	599	0
Assumptions	2020	2021	2022	2023	2024	Average				
DSO(Days Sales Outstanding)	120.46	154.63	104.78	121.35	136.89	127.62				
DIO(Days Inventory Outstanding)	13.43	18.09	30.00	29.38	23.56	22.89				
Other current asset margin	0.05	0.24	0.15	0.15	0.14	0.14				
DPO(Days Payables Outstanding)	33.13	31.62	30.01	37.54	43.07	35.07				

Property, Plant & Equipment Schedule										
Fiscal Year	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Beginning PP&E		40,509	41,597	46,441	47,620	51,040	54,553	57,180	59,361	61,033
D&A	1,650	1,753	2,014	2,083	2,421	2,391	2,556	2,679	2,781	2,859
CapEx(Absolute)	2,410	3,352	3,500	5,406	5,508	5,904	5,183	4,860	4,452	3,967
*CapEx % of Beg. PP&E		8.3%	8.4%	11.6%	11.6%	9.5%	8.5%	7.5%	6.5%	6.0%
Ending PP&E	40,509	41,597	46,441	47,620	51,040	54,553	57,180	59,361	61,033	62,141
Assumptions		2021	2022	2023	2024	Average				
D&A as a % of Beginning PP&E		4.3%	4.8%	4.5%	5.1%	4.7%				
CapEx as a % of Beginning PP&E : normalises toward ~6% of beginning PP&E following the peak investment phase.										
Source : Prometheus Capital & Jinseo Park										

Weighted Average Cost of Capital										
All figures converted from EUR Thousands to EUR millions										
Base year : 31/12/2024										
Name	Region	Country	Debt	Equity	Average Tax Rate <sup>1</sup>	Debt/Equity	Debt/Capital	Levered Beta <sup>2</sup>	Unlevered Beta <sup>3</sup>	
Iberdrola, S.A.	Europe	Spain	57,731	83,440	27.0%	69.2%	40.9%	0.65	0.43	
Enel spA	Europe	Italy	70,352	69,920	28.0%	100.6%	50.2%	0.89	0.52	
Engie SA	Europe	France	57,731	38,290	25.0%	150.8%	60.1%	0.52	0.24	
RWE Aktiengesellschaft	Europe	Germany	15,790	21,320	30.0%	74.1%	42.5%	0.61	0.40	

Average	27.5%	98.7%	48.4%	0.67	0.40
Median	27.5%	87.3%	46.4%	0.63	0.42

Risk Premium for Equity		Cost of Equity	
Market Risk Premium	5.1%	Risk Free Rate	2.9%
Average Unlevered Beta	0.40	Equity Risk Premium	3.3%
Levered Beta <sup>2</sup>	0.66	Country Risk Premium	1.6%
Equity Risk Premium	3.3%	Cost of Equity	7.8%

Cost of Debt	
Pre-Tax Cost of Debt	8.8%
Tax Rate	25.0%
After-Tax Cost of Debt	6.6%

Capital Structure			
		Current	Target
Total Debt	19,102	44.7%	46.4%
Market Capitalization	23,600	55.3%	53.6%
Total Capitalization	42,702	100.0%	100.0%
Debt / Equity		80.9%	86.4%

Weighted Average Cost of Capital		
	Weight	Cost
Debt Capital	46.4%	6.6%
Equity Capital	53.6%	7.8%
Weighted Average Cost of Capital		7.3%

## Sensitivity Analysis

All figures in EUR millions

Terminal year	5
Terminal value	57,807
Terminal EBITDA	6,582
Terminal Multiple	8.8x
Discount Rate	7.3%
Enterprise Value	32,328
Net Debt	19,003

Shares Outstanding	4,163.91
Current Price	4.20

### ENTERPRISE VALUE <sup>1</sup>

Discount Rate	Terminal Multiple				
	6.8x	7.8x	8.8x	9.8x	10.8x
5.3%	34,533	39,624	44,716	49,807	54,898
6.3%	32,938	37,795	42,651	47,507	52,364
7.3%	31,431	36,065	40,700	45,334	49,968
8.3%	30,006	34,430	38,854	43,278	47,703
9.3%	28,658	32,884	37,109	41,334	45,559

### EQUITY VALUE PER SHARE

Discount Rate	Terminal Multiple				
	6.8x	7.8x	8.8x	9.8x	10.8x
5.3%	3.73	4.95	6.18	7.40	8.62
6.3%	3.35	4.51	5.68	6.85	8.01
7.3%	2.98	4.10	5.21	6.32	7.44
8.3%	2.64	3.71	4.77	5.83	6.89
9.3%	2.32	3.33	4.35	5.36	6.38

### EQUITY VALUE

Discount Rate	Terminal Multiple				
	6.8x	7.8x	8.8x	9.8x	10.8x
5.3%	15,530	20,621	25,713	30,804	35,895
6.3%	13,935	18,792	23,648	28,504	33,361
7.3%	12,428	17,062	21,697	26,331	30,965
8.3%	11,003	15,427	19,851	24,275	28,700
9.3%	9,655	13,881	18,106	22,331	26,556

### PREMIUM (DISCOUNT) TO CURRENT PRICE

Discount Rate	Terminal Multiple				
	6.8x	7.8x	8.8x	9.8x	10.8x
5.3%	(11.2%)	17.9%	47.0%	76.1%	105.3%
6.3%	(20.3%)	7.5%	35.2%	63.0%	90.8%
7.3%	(28.9%)	(2.4%)	24.1%	50.6%	77.1%
8.3%	(37.1%)	(11.8%)	13.5%	38.8%	64.1%
9.3%	(44.8%)	(20.6%)	3.5%	27.7%	51.9%

## Appendix- Financial Statements of EDP S.A. (Source: FactSet)

EDP S.A.(Income Statement)	2020	2021	2022	2023	2024
<b>Sales</b>	<b>12,650</b>	<b>15,160</b>	<b>20,884</b>	<b>16,433</b>	<b>15,269</b>
<b>Cost of Goods Sold (COGS) incl. D&amp;A</b>	<b>10,454</b>	<b>13,373</b>	<b>17,297</b>	<b>12,089</b>	<b>11,562</b>
COGS excluding D&A	8,804	11,621	15,283	10,006	9,141
<b>Depreciation &amp; Amortization Expense</b>	<b>1,650</b>	<b>1,753</b>	<b>2,014</b>	<b>2,083</b>	<b>2,421</b>
Depreciation	1,181	1,296	1,491	1,511	1,812
Amortization of Intangibles	456	449	515	565	594
Amortization of Deferred Charges	13	8	8	8	15
<b>Gross Income</b>	<b>2,196</b>	<b>1,787</b>	<b>3,587</b>	<b>4,344</b>	<b>3,707</b>
<b>*Gross income excluding D&amp;A</b>	<b>3,846</b>	<b>3,540</b>	<b>5,601</b>	<b>6,427</b>	<b>6,128</b>
<b>SG&amp;A Expense</b>	<b>140</b>	<b>116</b>	<b>1,181</b>	<b>1,259</b>	<b>971</b>
Other SG&A	140	116	1,181	1,259	971
Other Operating Expense	668	623	728	777	878
<b>EBIT (Operating Income)</b>	<b>1,388</b>	<b>1,048</b>	<b>1,678</b>	<b>2,308</b>	<b>1,858</b>
<b>Nonoperating Income - Net</b>	<b>901</b>	<b>855</b>	<b>728</b>	<b>998</b>	<b>554</b>
Nonoperating Interest Income	123	112	203	314	313
Reserves Increase (Decrease)	22	23	29	29	30
Other Income (Expense)	756	720	497	654	210
<b>Interest Expense</b>	<b>793</b>	<b>725</b>	<b>1,090</b>	<b>1,201</b>	<b>1,172</b>
Gross Interest Expense	864	816	1,136	1,339	1,363
Interest Capitalized	71	91	46	138	191
<b>Unusual Expense - Net</b>	<b>29</b>	<b>-80</b>	<b>-12</b>	<b>343</b>	<b>-127</b>
<b>Impairments</b>	<b>36</b>	<b>36</b>	<b>41</b>	<b>208</b>	<b>56</b>
Goodwill	2	5	0	5	2
Other Intangibles	0	0	0	0	0
Property, Plant & Equipment	34	31	41	203	53
Financial Fixed Assets				0	0
Exceptional Provisions					
Legal Claim Expense		-44	-23		
<b>Unrealized Valuation Gain/Loss</b>	<b>-18</b>	<b>54</b>	<b>-36</b>	<b>-177</b>	<b>135</b>
Investment Property					
Hedges/Derivatives	-18	54	-36	-177	135
Other Intangibles					
<b>Excp'l Chrgs - Others</b>	<b>-25</b>	<b>-18</b>	<b>-66</b>	<b>-41</b>	<b>-48</b>
Early termination of Contracts costs (Income)		22			
Calamitous Events	-25	-40	-72	-41	-48
Other Unusual Expense			6		
<b>Pretax Income</b>	<b>1,467</b>	<b>1,258</b>	<b>1,329</b>	<b>1,761</b>	<b>1,367</b>
<b>Income Taxes</b>	<b>309</b>	<b>262</b>	<b>398</b>	<b>507</b>	<b>506</b>
Income Taxes - Current Domestic	140	191	374	232	193
Income Taxes - Deferred Domestic	169	70	24	275	313
Equity in Earnings of Affiliates	3	108	239	78	-35
Other After Tax Adjustments	0	0	0	0	0
<b>Consolidated Net Income</b>	<b>1,161</b>	<b>1,105</b>	<b>1,170</b>	<b>1,331</b>	<b>825</b>
Minority Interest	361	448	491	379	24
<b>Net Income</b>	<b>801</b>	<b>657</b>	<b>679</b>	<b>952</b>	<b>801</b>
Net Income available to Common	801	657	679	952	801
<b>Per Share</b>					
EPS (recurring)	0.22	0.15	0.17	0.29	0.17
<b>EPS (basic)</b>	<b>0.21</b>	<b>0.17</b>	<b>0.17</b>	<b>0.23</b>	<b>0.19</b>
Basic Shares Outstanding	3,764.32	3,946.53	3,946.84	4,128.99	4,126.86
Total Shares Outstanding	3,946.12	3,946.58	3,947.06	4,161.57	4,163.91
<b>EPS (diluted)</b>	<b>0.21</b>	<b>0.17</b>	<b>0.17</b>	<b>0.23</b>	<b>0.19</b>
Diluted Shares Outstanding	3,764.32	3,946.53	3,946.84	4,128.99	4,126.86
Total Shares Outstanding	3,946.12	3,946.58	3,947.06	4,161.57	4,163.91
Earnings Persistence	91.24	88.60	89.14	81.25	91.75
<b>Dividends per Share</b>	<b>0.19</b>	<b>0.19</b>	<b>0.19</b>	<b>0.20</b>	<b>0.20</b>
Payout Ratio	89.33	114.18	110.47	84.56	103.04
<b>EBITDA</b>					
<b>EBITDA</b>	<b>3,038</b>	<b>2,801</b>	<b>3,692</b>	<b>4,391</b>	<b>4,279</b>
EBIT	1,388	1,048	1,678	2,308	1,858
Depreciation & Amortization Expense	1,650	1,753	2,014	2,083	2,421

All figures in millions of Euro except per share items.

EDP S.A. (Cashflow Statement)	2020	2021	2022	2023	2024
<b>Operating Activities</b>					
Net Income / Starting Line	1,535	1,420	1,620	1,888	1,379
<b>Depreciation, Depletion &amp; Amortization</b>	<b>1,631</b>	<b>1,741</b>	<b>2,000</b>	<b>2,067</b>	<b>2,400</b>
Depreciation and Depletion	1,175	1,292	1,485	1,494	1,791
Amortization of Intangible Assets	456	449	515	573	609
Other Funds	-566	-635	-537	-511	-148
Funds from Operations	2,601	2,526	3,083	3,444	3,632
<b>Changes in Working Capital</b>	<b>-650</b>	<b>-930</b>	<b>149</b>	<b>-1,892</b>	<b>-15</b>
Receivables	6	-1,267	406	590	-126
Accounts Payable	16	786	766	-883	4
Other Accruals	-102	-170	-142	-109	-110
Other Assets/Liabilities	-571	-278	-881	-1,490	217
Net Operating Cash Flow	1,951	1,597	3,232	1,552	3,617
<b>Investing Activities</b>					
<b>Capital Expenditures</b>	<b>-2,410</b>	<b>-3,352</b>	<b>-3,500</b>	<b>-5,406</b>	<b>-5,508</b>
Capital Expenditures (Fixed Assets)	-2,410	-3,352	-3,500	-5,406	-5,508
Net Assets from Acquisitions	-1,137	-125	-1,751	-1,214	-511
Sale of Fixed Assets & Businesses	3,941	880	1,842	1,357	1,135
<b>Purchase/Sale of Investments</b>	<b>-301</b>	<b>-397</b>	<b>-55</b>	<b>-87</b>	<b>-16</b>
Purchase of Investments	431	508	138	335	200
Sale/Maturity of Investments	130	111	83	248	184
Other Funds	-455	140	-42	110	284
Other Uses	-781	-489	-782	-449	-510
Other Sources	326	629	740	560	794
Net Investing Cash Flow	-362	-2,854	-3,506	-5,240	-4,617
<b>Financing Activities</b>					
<b>Cash Dividends Paid</b>	<b>-690.7</b>	<b>-749.8</b>	<b>-749.8</b>	<b>-791.4</b>	<b>-811.7</b>
Common Dividends	-690.7	-749.8	-749.8	-791.4	-811.7
<b>Change in Capital Stock</b>	<b>927.8</b>	<b>1,416.5</b>	<b>-1.0</b>	<b>1,925.2</b>	<b>-68.1</b>
Repurchase of Common & Preferred Stk.	0.0	0.0	-1.0	-20.9	0.0
<b>Sale of Common &amp; Preferred Stock</b>	<b>927.8</b>	<b>1,416.5</b>	<b>0.0</b>	<b>1,946.1</b>	<b>-68.1</b>
Proceeds from Sale of Stock	927.8	1,416.5	0.0	1,946.1	-68.1
<b>Issuance/Reduction of Debt, Net</b>	<b>-319.0</b>	<b>377.5</b>	<b>3,070.7</b>	<b>1,102.6</b>	<b>1,751.1</b>
<b>Change in Long-Term Debt</b>					
Reduction in Long-Term Debt					
Change in Other Debt	-319.0	377.5	3,070.7	1,102.6	1,751.1
Repayments of Operating Lease Liabilities	-80.4	-98.8	-133.7	-141.9	-130.6
Other Funds	149.5	567.4	-266.2	42.4	646.2
Other Uses	-112.0	-135.1	-287.2	-328.5	-201.3
Other Sources	261.5	702.5	21.0	370.9	847.5
Net Financing Cash Flow	-12.8	1,512.9	1,920.0	2,136.9	1,387.0
<b>All Activities</b>					
Exchange Rate Effect	-170.2	28.0	32.3	45.6	-120.7
Net Change in Cash	1,405.7	283.3	1,677.8	-1,505.3	266.4
<b>Free Cash Flow</b>	<b>-459.2</b>	<b>-1,754.7</b>	<b>-268.4</b>	<b>-3,853.4</b>	<b>-1,891.4</b>
Free Cash Flow per Share	-0.1	-0.4	-0.1	-0.9	-0.5
Free Cash Flow Yield (%)	-2.37	-9.20	-1.46	-20.49	-14.83

All figures in millions of Euro except per share items.

EDP S.A. (Balance sheet)	2020	2021	2022	2023	2024
<b>Assets</b>					
<b>Cash &amp; Short-Term Investments</b>	<b>2,988</b>	<b>3,251</b>	<b>4,930</b>	<b>3,418</b>	<b>3,663</b>
Cash Only	2,964	3,249	4,930	3,408	3,652
Total Short Term Investments	24	2	0	11	11
<b>Short-Term Receivables</b>	<b>4,175</b>	<b>6,423</b>	<b>5,995</b>	<b>5,463</b>	<b>5,726</b>
<b>Accounts Receivables, Net</b>	<b>2,145</b>	<b>3,437</b>	<b>2,991</b>	<b>2,617</b>	<b>2,452</b>
Accounts Receivables, Gross	2,398	3,669	3,250	2,887	2,718
Bad Debt/Doubtful Accounts	-253	-232	-259	-270	-267
Other Receivables	2,030	2,986	3,004	2,847	3,275
<b>Inventories</b>	<b>324</b>	<b>576</b>	<b>1,256</b>	<b>805</b>	<b>590</b>
Finished Goods	82	232	439	219	139
Raw Materials	58	124	275	77	31
Progress Payments & Other	184	220	541	509	420
<b>Other Current Assets</b>	<b>635</b>	<b>3,567</b>	<b>3,181</b>	<b>2,446</b>	<b>2,082</b>
Miscellaneous Current Assets	635	3,567	3,181	2,446	2,082
Total Current Assets	8,121	13,816	15,362	12,133	12,061
<b>Net Property, Plant &amp; Equipment</b>	<b>21,420</b>	<b>22,106</b>	<b>25,537</b>	<b>27,304</b>	<b>29,239</b>
<b>Property, Plant &amp; Equipment - Gross</b>	<b>40,509</b>	<b>41,597</b>	<b>46,441</b>	<b>47,620</b>	<b>51,040</b>
Buildings	365	378	419	366	468
Land & Improvements	74	76	100	110	188
Machinery & Equipment	35,686	36,862	38,768	38,543	42,559
Construction in Progress	2,800	2,679	5,196	6,699	5,901
Other Property, Plant & Equipment	554	595	637	677	714
Operating Lease Right-of-Use Assets	1,030	1,007	1,320	1,225	1,209
<b>Accumulated Depreciation</b>	<b>19,088</b>	<b>19,491</b>	<b>20,904</b>	<b>20,316</b>	<b>21,801</b>
Buildings	164	171	189	184	190
Land & Improvements				0	0
Machinery & Equipment	18,427	18,797	20,101	19,260	20,197
Construction in Progress	82	74	124	340	856
Other Property, Plant & Equipment	416	449	490	532	558
<b>Total Long-Term Investments</b>	<b>4,163</b>	<b>5,500</b>	<b>6,560</b>	<b>6,399</b>	<b>4,865</b>
LT Investment - Affiliate Companies	940	1,350	1,606	1,558	1,589
Other Long-Term Investments	563	947	1,303	879	902
Long-Term Note Receivable	2,660	3,203	3,651	3,962	2,374
<b>Intangible Assets</b>	<b>7,334</b>	<b>7,294</b>	<b>8,453</b>	<b>8,204</b>	<b>8,075</b>
Goodwill	2,336	2,379	3,469	3,379	3,418
Other Intangible Assets	4,998	4,915	4,984	4,825	4,657
Deferred Tax Assets	1,207	1,509	1,784	1,409	1,221
<b>Other Assets</b>	<b>1,026</b>	<b>768</b>	<b>1,120</b>	<b>1,248</b>	<b>969</b>
Deferred Charges	63	47	125	242	313
Tangible Other Assets	963	721	995	1,006	656
Total Assets	43,271	50,994	58,816	56,697	56,431
<b>Liabilities &amp; Shareholders' Equity</b>					
<b>Current</b>					
ST Debt & Curr. Portion LT Debt	2,301	1,416	4,135	3,731	3,058
Accounts Payable	799	1,007	1,256	1,029	1,079
Income Tax Payable	48	101	164	224	59
<b>Other Current Liabilities</b>	<b>4,527</b>	<b>9,057</b>	<b>11,870</b>	<b>8,399</b>	<b>6,860</b>
Dividends Payable	56	68	77	54	43
Accrued Payroll	372	353	352	361	275
Miscellaneous Current Liabilities	4,100	8,636	11,440	7,985	6,542
Total Current Liabilities	7,675	11,580	17,425	13,384	11,055
<b>Long-Term</b>					
<b>Long-Term Debt</b>	<b>15,376</b>	<b>16,676</b>	<b>17,662</b>	<b>18,542</b>	<b>19,608</b>
Long-Term Debt excl Lease Obligations	14,421	15,724	16,410	17,365	18,416
Capital and Operating Lease Obligations	955	952	1,252	1,176	1,192
Provision for Risks & Charges	2,132	1,917	1,566	1,411	1,544
Deferred Tax Liabilities	871	989	1,245	1,479	1,567
<b>Other Liabilities</b>	<b>3,833</b>	<b>5,533</b>	<b>6,756</b>	<b>4,923</b>	<b>5,991</b>
Other Liabilities (excl. Deferred Income)	2,415	4,258	5,485	3,695	4,018
Deferred Income	1,417	1,275	1,271	1,227	1,973
Total Liabilities	29,887	36,695	44,655	39,738	39,766
Non-Equity Reserves	313	322	327	302	459

<b>Equity</b>					
<b>Common Equity</b>	<b>9,583</b>	<b>9,323</b>	<b>8,883</b>	<b>11,553</b>	<b>11,548</b>
Common Stock Par/Carry Value	3,966	3,966	3,966	4,184	4,184
Additional Paid-In Capital/Capital Surplus	1,197	1,197	1,197	1,971	1,971
Retained Earnings	4,727	5,171	5,296	6,024	6,025
Cumulative Translation Adjustment/Unrealized For. Exch. Gain	-1,053	-1,029	-889	-427	-452
Unrealized Gain/Loss Marketable Securities	12	17	16	-4	-6
Other Appropriated Reserves	789	55	-651	-125	-110
Treasury Stock	-54	-53	-51	-70	-63
Total Shareholders' Equity	9,583	9,323	8,883	11,553	11,548
Accumulated Minority Interest	3,488	4,655	4,951	5,104	4,657
Total Equity	13,071	13,978	13,835	16,657	16,205
Total Liabilities & Shareholders' Equity	43,271	50,994	58,816	56,697	56,431
<b>Per Share</b>					
Book Value per Share	2.43	2.36	2.25	2.78	2.77
Tangible Book Value per Share	0.57	0.51	0.11	0.80	0.83

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