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EQUITY RESEARCH ON THE NAVIGATOR COMPANY – WRITTEN OFF OR READY  
TO REWRITE? THE FUTURE OUTLOOK OF THE ENERGY SEGMENT AMID  
REGULATORY CHANGE

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Abstract:

Navigator's energy segment is experiencing a structural shift following the end of the Feed-in Tariffs, transitioning from a regime of guaranteed above-market revenues to full exposure to wholesale electricity prices. This study analyses historical performance and develops forward-looking cash flows projections to determine Energy Sales' strategic and financial attractiveness under current market conditions. Moreover, using scenario and sensitivity analysis, the study assesses the influence of diverse regulatory, market, cost structure, and strategic factors to the long-term value creation of Energy Sales Operations.

Keywords: Corporate Finance; Sensitivity Analysis; Valuation; Energy Markets; Strategy

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# 1. Introduction

Navigator's Energy Segment is currently undergoing rapid changes, operating in a volatile and strategically critical sector. Energy price fluctuations, driven by disruptions in supply and evolving regulatory frameworks, reflect undergoing geopolitical, growing renewable electricity demand and changing regulatory incentives and directives.

Historically, Portugal's Feed-in Tariff framework guaranteed above-market prices, meaning high profitability and investments in facilities dedicated to external electricity sales. The gradual discontinuation of these tariffs represents a structural break, exposing its revenues to wholesale market dynamics and increasing potential volatility.

This study analyses the value creation potential of the Energy Sales Operations across different scenarios under the new regulatory environment, highlighting the segment's profitability and its main drivers of value.

It is important to highlight that the Energy Sales Operations don't capture the full value that the Energy Segment generates, as many synergies, particularly those reducing costs in other business units, do not appear in its reported standalone accounts, nor in this study, meaning that its strategic contribution and true profitability extends beyond the figures reported and forecasted in this analysis.

## 2. Energy's Business Model

Navigator's energy business model enhances its vertically integrated operations, ensuring a reliable, efficient, and cost-stable energy supply for its highly energy-intensive industrial operations.

The Company produces electricity and thermal energy through renewable cogeneration units, dedicated biomass thermoelectric plants, non-renewable (mostly natural gas) cogeneration systems, and an expanding base of photovoltaic solar installations (EDP, 2023).

Biomass co-generation plants and biomass power stations remain as Navigator's core energy producers, leveraging residues and operational waste streams, such as debarking waste, forestry residues and black liquor (a by-product from the cooking of wood), as primary energy inputs within a circular production system. Cogeneration units supply both electricity and heat, using such thermal energy entirely in manufacturing processes for pulp and paper. Such integrated use generates substantial cost savings by avoiding external energy procurement, enhancing operational efficiency, and strengthening energy independence in a highly energy-intensive and capital-intensive industrial context.

Navigator also developed dedicated biomass power plants at Cacia and Setúbal, that only produce electricity and that feed 100% of the power produced into the national grid, representing Navigator's Energy Sales Operations.

Therefore, Navigator's vertically integrated and circular energy model constitutes a structural competitive advantage, reducing exposure to fuel price volatility, reliance on external suppliers, and lowering marginal production costs. Such characteristics are difficult to replicate without scale, biomass access, and industrial integration, creating meaningful barriers to achieving energy long-term cost stability.

By producing internally, Navigator also ensures Sustainable practices, as 78% of the company's electricity output in 2024 came from renewable sources, as non-renewable cogeneration phases-out. Furthermore, its operational flexibility allows the company to adjust production levels and the internal use and external sales ratio as market conditions change, consistently capturing the most value within its cost savings and energy sales.

### 3. Industry and Market Overview

Portugal's energy market has undergone significant structural shifts, driven by strict regulations, renewable-energy incentives, and supply-chain disruptions. Structurally, the power sector is increasingly shaped by EU's decarbonization policies aimed to achieve net-zero emissions by 2050. Such policies raise the costs of fossil-fuel electricity generation through the EU Emissions Trading System, where carbon-emission allowances become progressively more expensive (European Commission, s.d.). Furthermore, EU and National support schemes have historically provided strong incentives for renewable energy production. As a result, non-renewable sources are significantly declining, although still represented 32.5% of EU electricity generation in 2023 (European Commission, Eurostat, 2024).

Navigator has leveraged Portugal's Feed-in Tariffs (FITS) to expand its renewable energy generation, now producing around 78% of its electricity from renewable sources. The FITS are a mechanism that aimed to accelerate renewable energy investment through long-term contracts that guaranteed above-market prices for eligible renewable plants (REPSOL, 2025). Dedicated biomass power stations, such as Cacia and Setúbal, gained disproportionately from FITS due to their higher operating costs, ensuring stable and attractive returns, encouraging energy expansions, due to reduced risk, as reflected in the Company's significant energy investments during 2020. However, FITS are expiring due to their financial burden, and as the renewable market matures (well-established investments are already in place), allowing for competitiveness under market-based schemes, and exposing Navigator to wholesale market volatility (The Portugal Post, 2025).

Moreover, Portugal operates within the integrated Iberian electricity market (MIBEL), where prices are set through a marginal pricing mechanism (EDP, 2022). Under this system, renewable generators with low marginal costs, such as Navigator, benefit when higher cost fossil fuel plants set the market price, but experience lower prices when renewables dominate the generation mix. As renewable penetration increases, this mechanism tends to compress average prices and amplify volatility, reinforcing Navigator's exposure to wholesale market dynamics following the phase-out of Feed-in Tariffs.

Moreover, the energy segment also remains structurally vulnerable to external disruptions, that significantly affects its long-term attractiveness. Recently, such sensitivity of the market was seen, as global energy markets experienced extreme shocks, from the post-pandemic rebound to the Ukraine war, which spiked natural-gas prices and Iberian electricity prices to record levels.

Looking ahead, risk uncertainty remains significant. Additional regulatory changes, such as electricity market reforms or adjustments to renewable support schemes, could materially affect the risk-return profile of Navigator's Energy Segment. Simultaneously, persistent geopolitical tensions continue to affect energy prices and supply dynamics, whilst the growing share of intermittent renewables makes the power system harder to balance. Recent large-scale grid disruptions in Portugal and Spain highlight these vulnerabilities, underscoring risks related to grid stability, curtailment, and extreme price volatility (REN21, 2025). Although Navigator's renewable operations and energy independence substantially mitigate such risks, they are non-negligible.

## 4. Methodology

To assess the performance of Navigator's Energy Sales activity, the analysis separates the segment's value creation into two major components: Investing Cash Flows and Operating Cash Flows.

Investing Cash Flows capture the required investments to sustain energy operations, including both CAPEX and changes in Net Working Capital needed to finance daily activity. Since the segment produces far more energy than it sells externally, only a proportional share of these investments is attributable to the sales operations to avoid overstating its capital intensity. Historically, electricity sold represents on average 10% of total energy output, which was used for the allocation (*table 1*).

Operating Cash Flows reflect the financial performance of the standalone Energy Sales Operations, adjusting the reported Energy Segment accounts to isolate only the cash flows generated by Electricity Sales. Given so, Revenues from electricity sold are reduced by Cost of Goods Sold (COGS) and by the corresponding share of Operating Cash Flows (OPEX) (allocated using the share of electricity sold in total output). Depreciation and amortization (D&A) are deducted to obtain EBIT, which is then taxed. D&A is then added back to obtain actual cash created by the segment.

The Incremental Value of Energy Sales is derived as the difference between Operating Cash Flows and Investing Cash Flows, isolating the total value created.

## 5. Historical Performance

Navigator's historical performance reflects a segment entering maturity, with investments falling sharply after large investments between 2020 and 2022, when Feed-in Tariffs offered low-risk and attractive returns. As the company achieved well-established investments and incentives gradually expired, further investments diminished, along with receivables (due to a €90M drop in Revenues in 2023). By 2025, investment attributable to Energy Sales Operations had fallen to approximately €1M (*table 2*).

Total Energy Output and Electricity Sold, has steadily declined since 2022. This evolution reflects improved operational efficiency, the gradual phase-out of natural-gas cogeneration, and reduced incentives to sell electricity externally following the expiration of Feed-in Tariffs. Revenues peaked in 2022, driven by exceptional realized electricity prices (173 €/MWh) across the Iberian market as the Ukraine War triggered severe supply-chain disruptions and a spike in fossil-fuel prices (European Central Bank, 2022).

Under regular market conditions, FITS kept Navigator's realized selling prices above wholesale market levels (106 €/MWh vs. 62 €/MWh in 2024). This regulatory support sustained strong profitability, with EBIT margins of approximately 50% in both 2023 and 2024. However, in 2025, selling prices converged to wholesale market levels, causing revenues to fall from €122.8M in 2024 to €96.4M in 2025, leading to a 22% decrease in total EBITDA.

Cost dynamics remained broadly stable throughout the period. Cost of goods sold (COGS) historically represented 36% of revenues, while operating expenses (OPEX) stayed structurally inelastic, reflecting the largely fixed-cost nature (*table 3*).

Overall, incremental value generated by Energy Sales Operations averaged €70M between 2020 and 2025, peaking at €87M in 2022 and 2023. As market exposure increased and prices normalized, incremental value narrowed to €45 million in 2025, representing a 23% decline relative to 2024 (*table 4*). Nevertheless, the segment continues to generate positive value due to its low marginal production costs and largely established investments.

## 6. Forecasted Performance

With no new large-scale capacity additions planned, CAPEX is expected to stabilize at structurally low levels from 2026 onwards, ranging between €2.1 and 2.3M per year (*table 5*). This is consistent with a matured segment and a self-sustaining asset base, focused on maintenance rather than expansion. Net working capital requirements remain marginal throughout the forecast period, consistent with the reduced business volume of external electricity sales.

Revenues are projected to decline sharply in 2026, by approximately 30%, following a normalization of electricity prices after the expiration of the Feed-in Tariffs. Average realized selling prices are expected to decrease from 82€/MWh in 2024 to 57€/MWh in 2025, before stabilizing at 56€/MWh over the remainder of the forecast horizon. These price assumptions are aligned with OMIP forward curves and reflect a market environment characterized by high renewable penetration and structurally lower marginal pricing (OMIP, 2025).

Electricity volumes sold are expected to remain broadly flat, growing modestly from 1.17M MWh to 1.19M MWh in the terminal year, given incremental additions in renewable cogeneration and photovoltaic capacity, which are offset by the linear phase-out of non-renewable cogeneration, in line with Navigator's sustainability goals.

Regarding costs, COGS are assumed to remain aligned with the historical average of 36.1% of revenues, reflecting the stability of biomass input costs and the low marginal cost structure of renewable generation. OPEX attributable to the Energy Sales Activity are projected to remain structurally inelastic, stabilizing at around €4M yearly (*table 6*).

Therefore, operating margins per MWh sold are projected to drop from €74 in 2023 to €33 in 2026 (*table 7*). This margin compression explains the 28% decline in Operating Cash Flows in 2026, after which results stabilize under normalized market conditions. From 2026 onwards, incremental value creation is expected to remain stable at around €32.6 million per year (*graphic 1*), reflecting a steady-state operating environment characterized by predictable volumes, normalized prices, and limited reinvestment needs (*table 8*).

The present value (PV) of all future cash flows, computed as of the beginning of 2026, equals 510M. This valuation is based on a WACC of 6.43%, obtained by estimating the segment beta using peer regression analysis, unlevering and relevering them using Navigator's capital structure, and finally applying the CAPM with the corporate cost of debt and tax rate. A terminal growth rate of 0% is assumed, consistent with operating cash flows converging to flat, steady-state growth from 2029 onwards.

## 7. Sensitivity Analysis

The sensitivity analysis evaluates how changes in key assumptions affect the Present Value (PV) of Energy Sales as of the beginning of 2026 (€510M under the base case). The goal is to understand which variables most influence value creation and under what market or operational conditions those deviations could happen.

### 7.1. Terminal Growth Rate

The terminal growth rate is not expected to deviate significantly from 0%, reflecting the mature Energy Sales Operations, that showcase limited long-term volume growth and normalized electricity prices in an increasingly renewable driven market. Moreover, given the absence of significant expansion plans and investments, cash flows are assumed to converge towards a steady state position.

A 1 percentage point change would mean a valuation range between €455M and €586M, indicating moderate sensitivity. Upside deviations could stem from sustained renewable energy demand or persistent inflation, while stricter regulations or lower wholesale prices due to excess renewable capacity could mean a downside. However, Navigator's predominantly renewable energy mix limits exposure to regulatory risks (*table 9*).

### 7.2. WACC

The WACC reveals itself to be a key valuation driver, representing a risk given historical market shocks and ongoing uncertainty. While greater stability in biomass markets could limit upward pressure on the discount rate, higher interest rates or an increase in perceived sector risk could raise the WACC, significantly reducing PV.

In particular, a 10% increase in the WACC lowers the valuation to approximately €463 million, highlighting the sensitivity of the segment to changes in financing conditions, especially during periods of market disruption (*table 9*).

### 7.3. Tax Rate

Although Portuguese corporate tax rates are expected to decline slightly, variations in tax rate showcase a limited impact on the valuation of Navigator's Energy Sales Operations.

A reduction of 2 percentage points, corresponding to a tax rate of 19%, only increases the present value by €8 million (table 10), reflecting the marginal tax shield effect on this mature and low-growth cash flow segment.

## 7.4. Selling Prices and Energy Output

Selling price per MWh and Energy output remain the primary drivers of value in Energy Sales Operations. OMIP forward curves already incorporate current market expectations and risk premia, meaning that a sustained upside in electricity prices under regular conditions is limited. A 10% decline in realized selling prices reduces the PV to €427M, representing an €82M decrease relative to the base case.

The segment showcases a strong operating leverage, as higher utilization rates or improved production translate into disproportionate effects on value creation. A 10% variation in energy output shifts the present value within the range of €419M to €610M. When deviations in output are combined with changes in selling prices, the impact amplifies, implying a wide value range from €352M to €710M. Incremental installed capacity, particularly in photovoltaic generation, supports value creation through an increase in output volumes, being able to offset potential decreases in prices, as PV is more sensitive to changes in output (*table 11*). This sensitivity underscores the strategic importance of utilization rates and incremental renewable capacity additions.

## 7.5. COGS and OPEX

Navigator's cost structure has a moderate influence on value creation. A 10% increase in COGS reduces the PV by approximately 6%, primarily reflecting potential increases in biomass and fuel input costs (*table 12*). This risk is limited given the Energy Segment predominant renewable and low marginal cost structure.

In contrast, variations in OPEX have a negligible impact on valuation. A 10% increase in operating costs will reduce the present value by only around 1%, consistent with the historically fixed and inelastic nature of these costs and their allocation across the segment (energy sales operations represent only a 10% share of the segment).

Overall, Navigator's vertically integrated operations and efficient use of biomass inputs mitigate the risk of sustained cost increases, reinforcing the resilience of value creation even under adverse cost scenarios.

## 7.6. Investing Cash Flows

In the base case, Investing Cash Flows are expected to remain marginal, as Navigator's Energy Sales Operations primarily rely on existing capacity and mature asset base. Incremental investments that do not translate into additional capacity or efficiency gains marginally reduce the present value, reflecting the limited scale of Energy Sales within the broader Energy Segment.

However, when increased renewable capacity or operational efficiency, its impact on value creation becomes strongly positive. Increased energy output enhances valuation by scaling revenues while diluting the segment's largely fixed cost base. Even under scenarios involving substantial capital investment, such as a 400% increase in investing cash flows, modest increases in energy output generate a disproportionately large improvement in value creation (*table 13*).

Such Sensitivity Analysis highlights the strategic attractiveness of selective expansion projects, particularly in photovoltaic and renewable cogeneration assets, as the Energy Sales Operations are far more sensitive to the productive outcome of investments than to their absolute size, reinforcing the importance of disciplined, efficiency-driven capital allocation.

## 8. Strategic Takeaways

Overall, the Sensitivity Analysis indicates that the base case valuation is conservative, as it assumes normalized electricity prices, zero terminal growth, and no material capacity expansion. These assumptions constrain the upside potential while providing a cautious and robust valuation under expected steady-state market conditions.

Downside risk is primarily driven by macroeconomic and market-wide variables, mainly WACC and electricity prices deviations, which materially compress the present value, especially during periods of higher interest rates or market uncertainty. Therefore, risk mitigation lies in preserving financial resilience through a conservative capital structure, limiting WACC volatility. Moreover, Navigator's vertically integrated operations and strong cost discipline contribute to stable and predictable cash flows, reducing exposure to persistent cost deviations.

By contrast, the upside potential is mainly driven by operational variables. Targeted investments in renewable capacity and efficiency improvements can significantly enhance value creation, as higher energy output scales revenues while diluting the segment's cost base. Sensitivity results showcase that

the outcome of expansive investments outcomes, as increased utilization or output, largely outpaces the cost of the capital deployed.

Despite the structural shift following the end of the Portuguese Feed-in Tariffs, the Energy Sales Operations continue to generate positive value across a wide range of scenarios. Although incremental value per MWh is expected to decline by more than 50% relative to 2023 levels, it is still projected to generate €27 per MWh, preserving the segment's financial attractiveness.

Nonetheless, the strategic importance of Energy Sales is expected to remain secondary to internal energy consumption, as avoided procurement costs exceed external selling margins. This supports Navigator's current strategic focus on self-consumption, complemented by a selective and disciplined expansion of renewable production capacity, as Energy Sales Operations expansions prove to be attractive.

## 9. Conclusion

Navigator's Energy Sales Operations have transitioned from a regulated, minimal risk framework under Portugal's Feed-in Tariffs to a market exposed environment shaped by wholesale pricing, higher volatility, and increasing renewable dominance. This regulatory shift has structurally reduced the Company's realized prices and compressed margins, leading to lower but more normalized cash flow generation.

Nevertheless, the segment continues to create value, supported by a mature asset base, low marginal production costs, and limited ongoing investment needs. Under conservative assumptions, Energy Sales remain financially profitable despite increased exposure to electricity price dynamics and the cost of capital.

From a strategic perspective, Energy Sales remain secondary to self-sufficiency, remaining as a valuable complement to Navigator's broader energy strategy. Internal energy self-consumption retains greater value creation, as avoided procurement costs exceed external selling margins. However, sensitivity results indicate that selective, efficiency-driven investments, particularly those in renewable and photovoltaic capacity, can enhance value creation due to strong operating leverage.

Accordingly, a disciplined approach focused on self-consumption, financial resilience, and targeted renewable expansion best aligns the Energy segment with the post-regulatory market environment.

## 10. Appendix

Table 1- Inputs and Drivers: Energy Mix

Inputs and Drivers	2021	2022	2023	2024	2025
Energy Produced (MWh)	12895891	12927330	12465880	12444376	12444376
growth		0,2%	-3,6%	-0,2%	0,0%
Electricity Sold (MWh)	1 438 474	1 492 477	1 425 094	1 159 115	1 165 914
% Energy Sold	11%	12%	11%	9%	9%
Electricity Produced Consumed Internally (MWh)	11 457 417	11 434 853	11 040 787	11 285 261	11 278 462
% Energy Consumed Internally	89%	88%	89%	91%	91%

Table 2- Historical Investing Cash Flows

ENERGY SALES ACTIVITY	2021	2022	2023	2024	2025
Investing Cash Flows	-20 266 321 €	-18 630 603 €	12 501 099 €	874 316 €	-11 319 021 €
CAPEX	-6 710 743 €	-2 749 098 €	-3 285 700 €	-2 707 915 €	-4 300 837 €
Δ NWC	13 555 578 €	15 881 505 €	-15 786 799 €	-3 582 231 €	7 018 184 €
as a % of Sales Volume	-1,4%	-1,2%	0,9%	0,1%	-1,0%
Investing Cash Flows Related to Self-Sufficiency Operations	-18 005 711 €	-16 479 676 €	11 071 979 €	792 879 €	-10 258 542 €
Investing Cash Flows Related to Sales Operations	-2 260 610 €	-2 150 927 €	1 429 120 €	81 437 €	-1 060 479 €

Table 3- Operating Investing Cash Flows

ENERGY SALES ACTIVITY	2021	2022	2023	2024	2025
Operating Cash Flows	68 902 125 €	89 199 749 €	86 476 088 €	59 137 857 €	46 652 019 €
Revenues	135 173 674 €	258 525 621 €	168 623 237 €	122 788 834 €	95 434 199 €
Total MWh Sold	1438474	1492477	1425094	1159115	1165914
Selling Price per MWh	93,97 €	173,22 €	118,32 €	106 €	82 €
COGS	-48 263 661 €	-144 713 814 €	-57 594 626 €	-47 674 812 €	-36 013 164 €
as a % of Revenues	-36%	-56%	-34%	-39%	-38%
Gross Profit	86 910 013 €	113 811 807 €	111 028 611 €	75 114 022 €	59 421 035 €
gross margin	64%	44%	66%	61%	62%
External Services and Supplies	-€ 43 946 192	-€ 66 653 687	-€ 37 417 728	-€ 35 942 879	-€ 33 853 142
Payroll Costs	-€ 9 141 373	-€ 11 795 515	-€ 10 088 653	-€ 7 382 423	-€ 7 451 745
Other Operating Net Expenses	-€ 2 273 594	-€ 1 866 340	-€ 507 334	-€ 427 772	-€ 1 003 854
OPEX	-55 361 159 €	-80 315 542 €	-48 013 715 €	-43 753 074 €	-42 308 740 €
as a % of Revenues	-41%	-31%	-28%	-36%	-44%
OPEX Related to Sales Operations	-6 175 270 €	-9 272 531 €	-5 488 906 €	-4 075 322 €	-3 963 907 €
as a % of Revenues	-5%	-4%	-3%	-3%	-4%
EBITDA	80 734 743 €	104 539 276 €	105 539 705 €	71 038 700 €	55 457 129 €
EBITDA margin	60%	40%	63%	58%	58%
D&A	-24 388 943 €	-31 493 908 €	-14 760 575 €	-14 368 022 €	-13 528 034 €
EBIT	56 345 800 €	73 045 367 €	90 779 131 €	56 670 678 €	41 929 095 €
EBIT margin	42%	28%	54%	46%	44%
Tax Rate	-21,00%	-21,00%	-21,00%	-21,00%	-21,00%
NOPAT	44 513 182 €	57 705 840 €	71 715 513 €	44 769 835 €	33 123 985 €
Cash Inflows	68 902 125 €	89 199 749 €	86 476 088 €	59 137 857 €	46 652 019 €

Table 4- Historical Incremental Value through Energy Sales

	2021	2022	2023	2024	2025
Incremental Value Through Energy Sales	66 641 515 €	87 048 822 €	87 905 208 €	59 219 294 €	45 591 539 €
growth		31%	1%	-33%	-23%

Table 5- Forecasted Investing Cash Flows

ENERGY SALES ACTIVITY		2026 F	2027 F	2028 F	2029 F	2030 F	2031 TV
<b>Investing Cash Flows</b>		-2 355 808 €	-2 159 381 €	-2 151 570 €	-2 164 606 €	-2 162 105 €	-2 162 105 €
CAPEX		-2 158 535 €	-2 042 641 €	-2 054 007 €	-2 066 001 €	-2 078 634 €	-2 078 634 €
Δ NWC		197 274 €	116 740 €	97 563 €	98 605 €	83 470 €	83 470 €
as a % of Sales Volume		-0,2%	-0,2%	-0,2%	-0,2%	-0,2%	-0,2%
<b>Investing Cash Flows Related to Self-Sufficiency Operations</b>		-2 133 967 €	-1 954 902 €	-1 946 697 €	-1 957 288 €	-1 953 760 €	-1 953 760 €
<b>Investing Cash Flows Related to Sales Operations</b>		-221 842 €	-204 479 €	-204 873 €	-207 318 €	-208 344 €	-208 344 €

Table 6- Forecasted Operating Cash Flows

ENERGY SALES ACTIVITY		2026 F	2027 F	2028 F	2029 F	2030 F	2031 TV
<b>Operating Cash Flows</b>		<b>33 443 848 €</b>	<b>31 642 133 €</b>	<b>32 929 180 €</b>	<b>32 916 110 €</b>	<b>33 050 163 €</b>	<b>33 076 506 €</b>
Revenues		66 812 098 €	63 597 598 €	66 653 752 €	67 042 953 €	67 692 748 €	67 692 748 €
	Total MWh Sold	1171862	1178398	1184956	1191875	1199163	1199163
	Selling Price per MWh	57 €	54 €	56 €	56 €	56 €	56 €
COGS		-24 116 991 €	-22 956 661 €	-24 059 833 €	-24 200 322 €	-24 434 876 €	-24 434 876 €
	as a % of Revenues	-36%	-36%	-36%	-36%	-36%	-36%
<b>Gross Profit</b>		<b>42 695 107 €</b>	<b>40 640 937 €</b>	<b>42 593 919 €</b>	<b>42 842 631 €</b>	<b>43 257 871 €</b>	<b>43 257 871 €</b>
	gross margin	64%	64%	64%	64%	64%	64%
External Services and Supplies		-€ 31 929 224	-€ 31 630 432	-€ 32 439 261	-€ 32 777 309	-€ 33 125 247	-€ -
Payroll Costs		-€ 7 990 828	-€ 8 198 519	-€ 8 413 970	-€ 8 634 055	-€ 8 848 427	-€ -
Other Operating Net Expenses		-€ 785 746	-€ 789 406	-€ 805 403	-€ 816 565	-€ 828 123	-€ -
OPEX		-40 705 798 €	-40 618 357 €	-41 658 633 €	-42 227 929 €	-42 801 797 €	-42 801 797 €
	as a % of Revenues	-61%	-64%	-63%	-63%	-63%	-63%
OPEX Related to Sales Operations		-3 833 183 €	-3 846 284 €	-3 966 742 €	-4 044 429 €	-4 124 460 €	-4 124 460 €
	as a % of Revenues	-6%	-6%	-6%	-6%	-6%	-6%
<b>EBITDA</b>		<b>38 861 925 €</b>	<b>36 794 654 €</b>	<b>38 627 177 €</b>	<b>38 798 202 €</b>	<b>39 133 411 €</b>	<b>39 133 411 €</b>
	EBITDA margin	58%	58%	58%	58%	58%	58%
D&A		-13 061 558 €	-12 258 840 €	-11 493 859 €	-10 788 240 €	-10 165 562 €	-10 291 005 €
<b>EBIT</b>		<b>25 800 367 €</b>	<b>24 535 813 €</b>	<b>27 133 318 €</b>	<b>28 009 962 €</b>	<b>28 967 849 €</b>	<b>28 842 406 €</b>
	EBIT margin	39%	39%	41%	42%	43%	43%
Tax Rate		-21,00%	-21,00%	-21,00%	-21,00%	-21,00%	-21,00%
<b>NOPAT</b>		<b>20 382 290 €</b>	<b>19 383 292 €</b>	<b>21 435 321 €</b>	<b>22 127 870 €</b>	<b>22 884 601 €</b>	<b>22 785 501 €</b>
<b>Cash Inflows</b>		<b>33 443 848 €</b>	<b>31 642 133 €</b>	<b>32 929 180 €</b>	<b>32 916 110 €</b>	<b>33 050 163 €</b>	<b>33 076 506 €</b>

Table 7- Energy Sales Value Added per MWh Sold Evolution

Inputs and Drivers	2021	2022	2023	2024	2025	2026 F	2027 F	2028 F	2029 F	2030 F	2031 TV
Electricity Sold (MWh)	1 438 474	1 492 477	1 425 094	1 159 115	1 165 914	1 171 862	1 178 398	1 184 956	1 191 875	1 199 163	1 199 163
Sale Price per MWh	94 €	173 €	118 €	106 €	82 €	57 €	54 €	56 €	56 €	56 €	56 €
COGS per MWh	-34 €	-97 €	-40 €	-41 €	-31 €	-21 €	-19 €	-20 €	-20 €	-20 €	-20 €
Operating Costs per MWh Sold	-4 €	-6 €	-4 €	-4 €	-3 €	-3 €	-3 €	-3 €	-3 €	-3 €	-3 €
Operating Margin per MWh Sold (Before D&A and Taxes)	56 €	70 €	74 €	61 €	48 €	33 €	31 €	33 €	33 €	33 €	33 €

Table 8- Forecasted Incremental Value through Energy Sales

	2026 F	2027 F	2028 F	2029 F	2030 F	2031 TV
<b>Incremental Value Through Energy Sales</b>	<b>33 222 006 €</b>	<b>31 437 654 €</b>	<b>32 724 307 €</b>	<b>32 708 792 €</b>	<b>32 841 819 €</b>	<b>32 868 162 €</b>
growth		-27,1%	-5,4%	4,1%	0,0%	0,4%
						0,1%

Table 9- WACC and Terminal Growth Rate Sensitivity Analysis

		Terminal growth rate					
		-100%	-50%	50%	100%		
		-1,00%	-0,50%	0,00%	0,50%	1,00%	
WACC	510 053 957 €						
	-25%	4,82%	580 665 704 €	625 857 098 €	680 420 876 €	747 610 009 €	832 379 815 €
	-10%	5,79%	497 728 252 €	529 535 537 €	566 839 998 €	611 201 526 €	664 831 854 €
		6,43%	454 406 553 €	480 222 488 €	510 053 957 €	544 916 863 €	586 201 359 €
	+10%	7,07%	417 991 194 €	439 287 747 €	463 595 726 €	491 602 470 €	524 221 719 €
+25%	8,04%	373 092 667 €	389 453 747 €	407 850 731 €	428 688 841 €	452 488 480 €	

Table 10- WACC and Tax Rate Sensitivity Analysis

		Tax Rate					
		510 053 957 €	-19,00%	-20,00%	-21,00%	-22,00%	-23,00%
WACC	-25%	4,82%	692 206 389 €	686 313 632 €	680 420 876 €	674 528 119 €	668 635 363 €
	-10%	5,79%	576 634 769 €	571 737 383 €	566 839 998 €	561 942 612 €	557 045 227 €
		6,43%	518 853 831 €	514 453 894 €	510 053 957 €	505 654 019 €	501 254 082 €
	+10%	7,07%	471 581 928 €	467 588 827 €	463 595 726 €	459 602 625 €	455 609 524 €
	+25%	8,04%	414 861 056 €	411 355 894 €	407 850 731 €	404 345 568 €	400 840 405 €

Table 11- Selling Price and Energy Output Sensitivity Analysis

		Selling Price Multiple					
		510 053 957 €	-10%	-5%	5%	+10%	
			90,00%	95,00%	100,00%	105,00%	110,00%
Energy Produced Multiple	-10%	90,00%	352 133 691 €	385 636 120 €	419 138 549 €	452 640 977 €	486 143 406 €
	-5%	95,00%	388 743 351 €	426 071 674 €	463 399 997 €	500 728 321 €	538 056 644 €
		100,00%	427 331 911 €	468 692 934 €	510 053 957 €	551 414 980 €	592 776 003 €
	+5%	105,00%	467 899 371 €	513 499 899 €	559 100 427 €	604 700 955 €	650 301 482 €
	+10%	110,00%	510 445 732 €	560 492 570 €	610 539 408 €	660 586 245 €	710 633 083 €

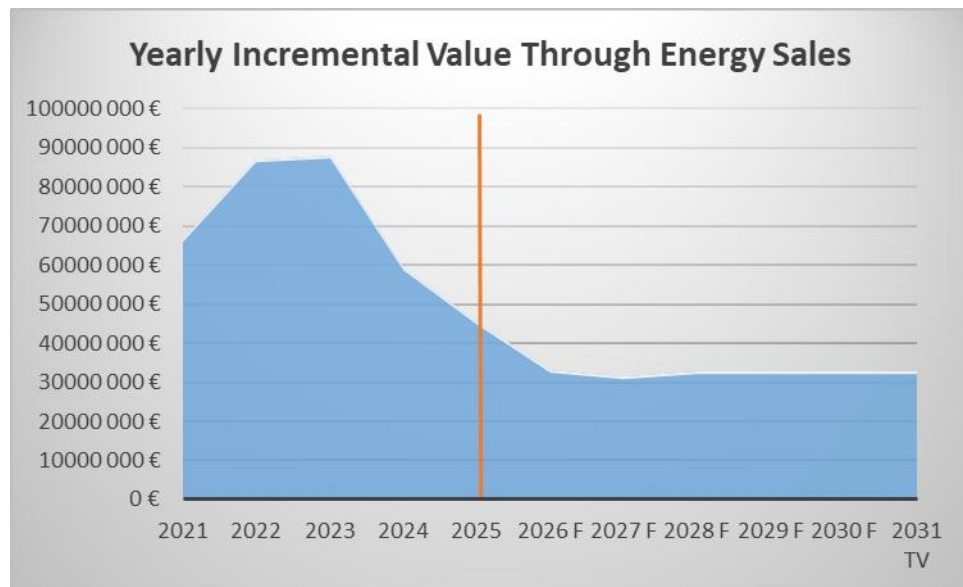
Table 12- COGS and OPEX Sensitivity Analysis

		OPEX Multiple					
		510 053 957 €	-10%	-5%	5%	+10%	
			90,00%	95,00%	100,00%	105,00%	110,00%
COGS Multiple	-10%	90,00%	544 925 788 €	542 419 854 €	539 913 920 €	537 407 986 €	534 902 052 €
	-5%	95,00%	529 995 806 €	527 489 872 €	524 983 938 €	522 478 004 €	519 972 070 €
		100,00%	515 065 824 €	512 559 891 €	510 053 957 €	507 548 023 €	505 042 089 €
	+5%	105,00%	500 135 843 €	497 629 909 €	495 123 975 €	492 618 041 €	490 112 107 €
	+10%	110,00%	485 205 861 €	482 699 927 €	480 193 993 €	477 688 059 €	475 182 125 €

Table 13- Investing Cash Flows and Energy Output Sensitivity Analysis

		Investing Cash Flows					
		510 053 957 €	100%	200%	300%	400%	500%
			100,00%	200,00%	300,00%	400,00%	500,00%
Energy Produced Multiple	-10%	90,00%	419 138 549 €	415 892 270 €	412 645 992 €	409 399 714 €	406 153 435 €
	-5%	95,00%	463 399 997 €	460 153 719 €	456 907 441 €	453 661 162 €	450 414 884 €
		100,00%	510 053 957 €	506 807 678 €	503 561 400 €	500 315 122 €	497 068 843 €
	+5%	105,00%	559 100 427 €	555 854 148 €	552 607 870 €	549 361 592 €	546 115 313 €
	+10%	110,00%	610 539 408 €	607 293 129 €	604 046 851 €	600 800 573 €	597 554 294 €

Graphic 1- Incremental Value through Energy Sales Evolution



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