



## 2Q18 Earnings Presentation

August • 09 • 2018

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# Highlights

## OPERATIONAL

- ▶ Total electricity consumption (captive + free market) grows 2.5% in the quarter, and 3.0 in the semester, above the national average (1.3%);
- ▶ Total consolidated losses (LTM) reached 11.86% of the required energy, 0.23 p.p. below the regulatory level.
- ▶ ETO and EMS reach their lowest levels of DEC and FEC

## FINANCIAL

- ▶ Adjusted EBITDA reached R\$ 652.9 million in the quarter, and R\$ 1,436.2 million in the semester, increasing 38.6% and 37.0% respectively;
- ▶ Net income of R\$ 103.4 million in the quarter, and of R\$ 245.7 million in the semester, growing 37.9 and 19.3% respectively;
- ▶ Net debt amounts to R\$ 8,362.7 million, and net debt over adjusted EBITDA ratio of 3.0x;
- ▶ Investments reached R\$ 825.2 million in the semester, a drop of 23.5%.

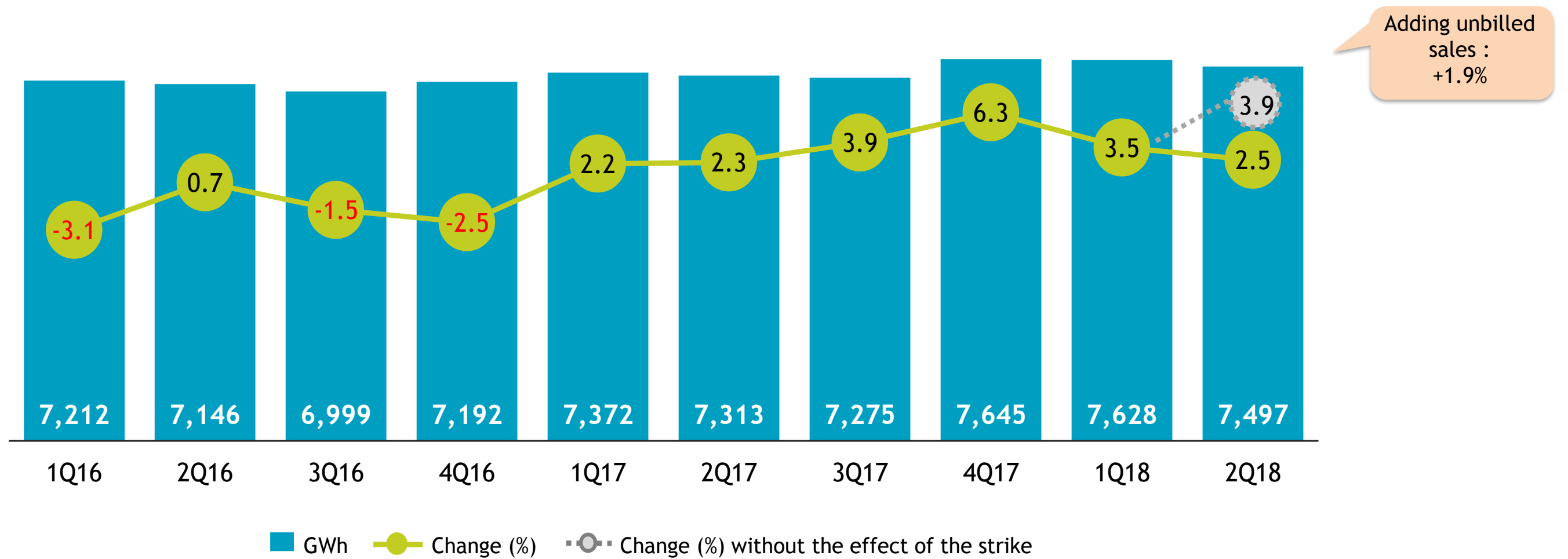
## TRANSMISSION

- ▶ Energisa won Block 19 in the Transmission Auction which took place on June 28 and now owns three transmission projects, with an extension of 571 km

# Energy Market

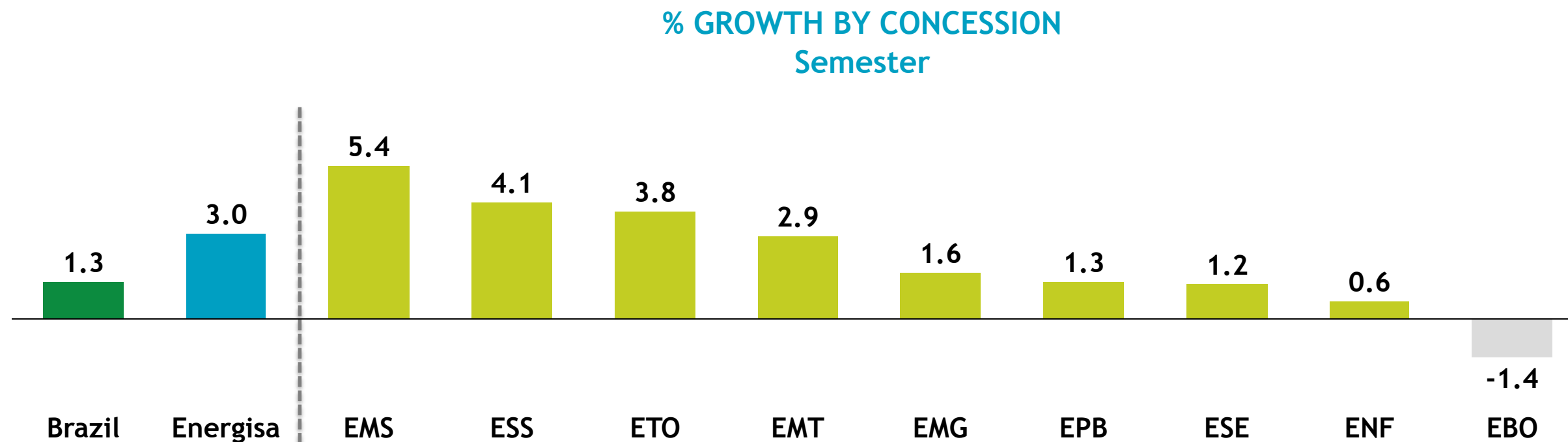
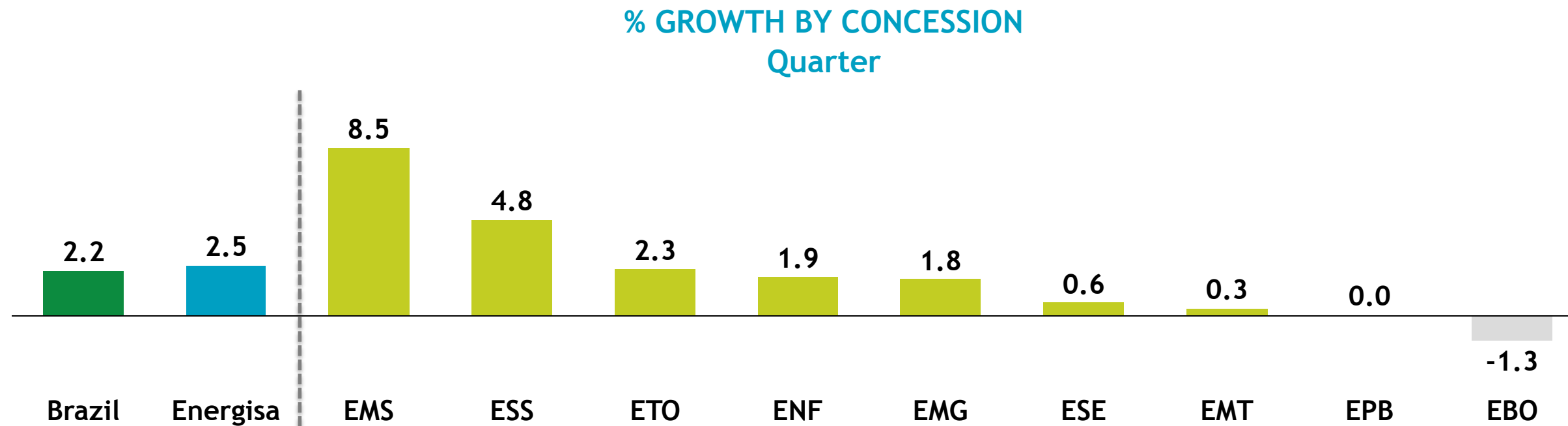
Growth of 2.5% in the quarter despite the truckers strike

Consumption Evolution (Captive + Free)



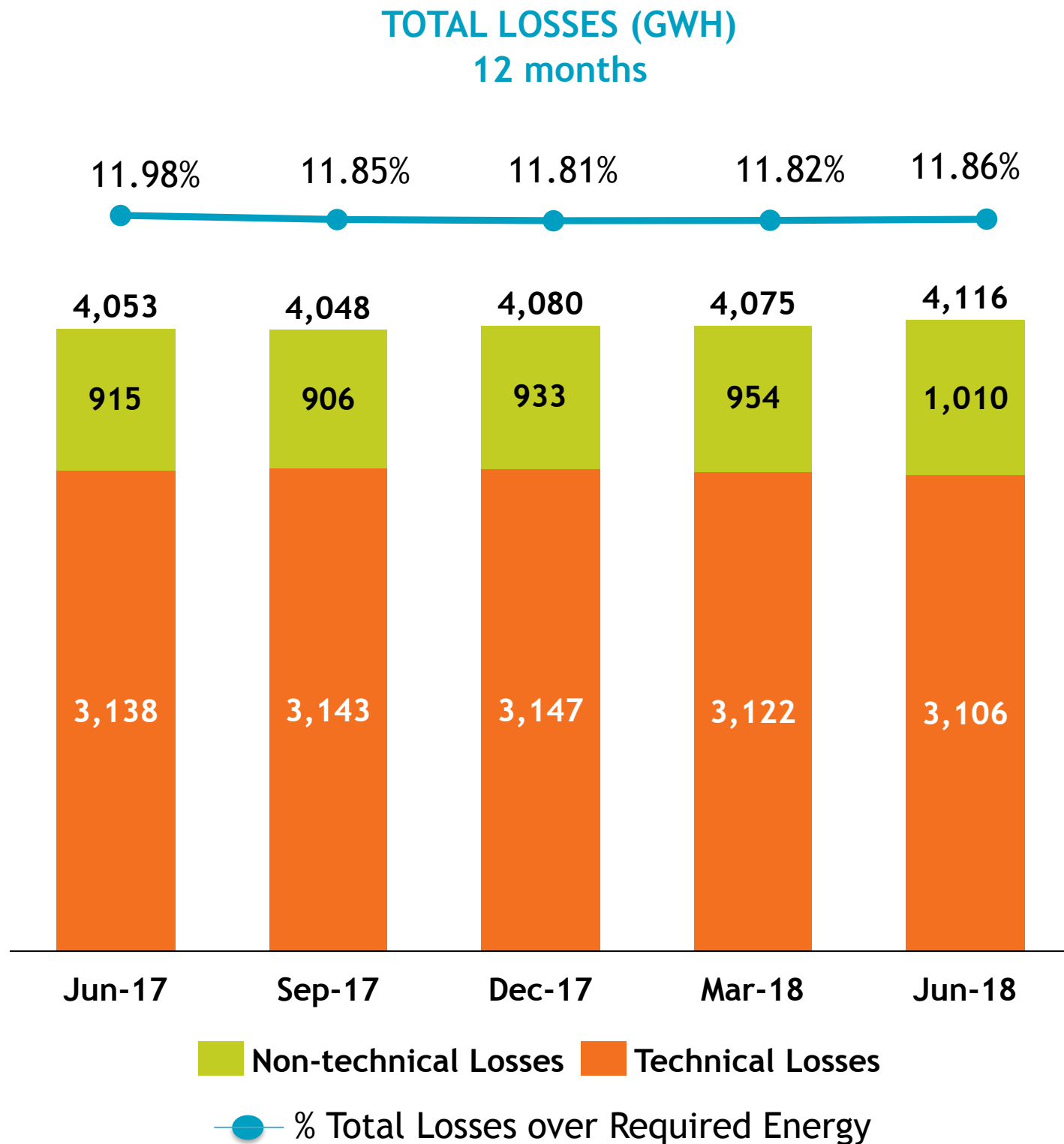
# Energy Market

Energisa grows 1.7 p.p. above the national average



# Total Losses

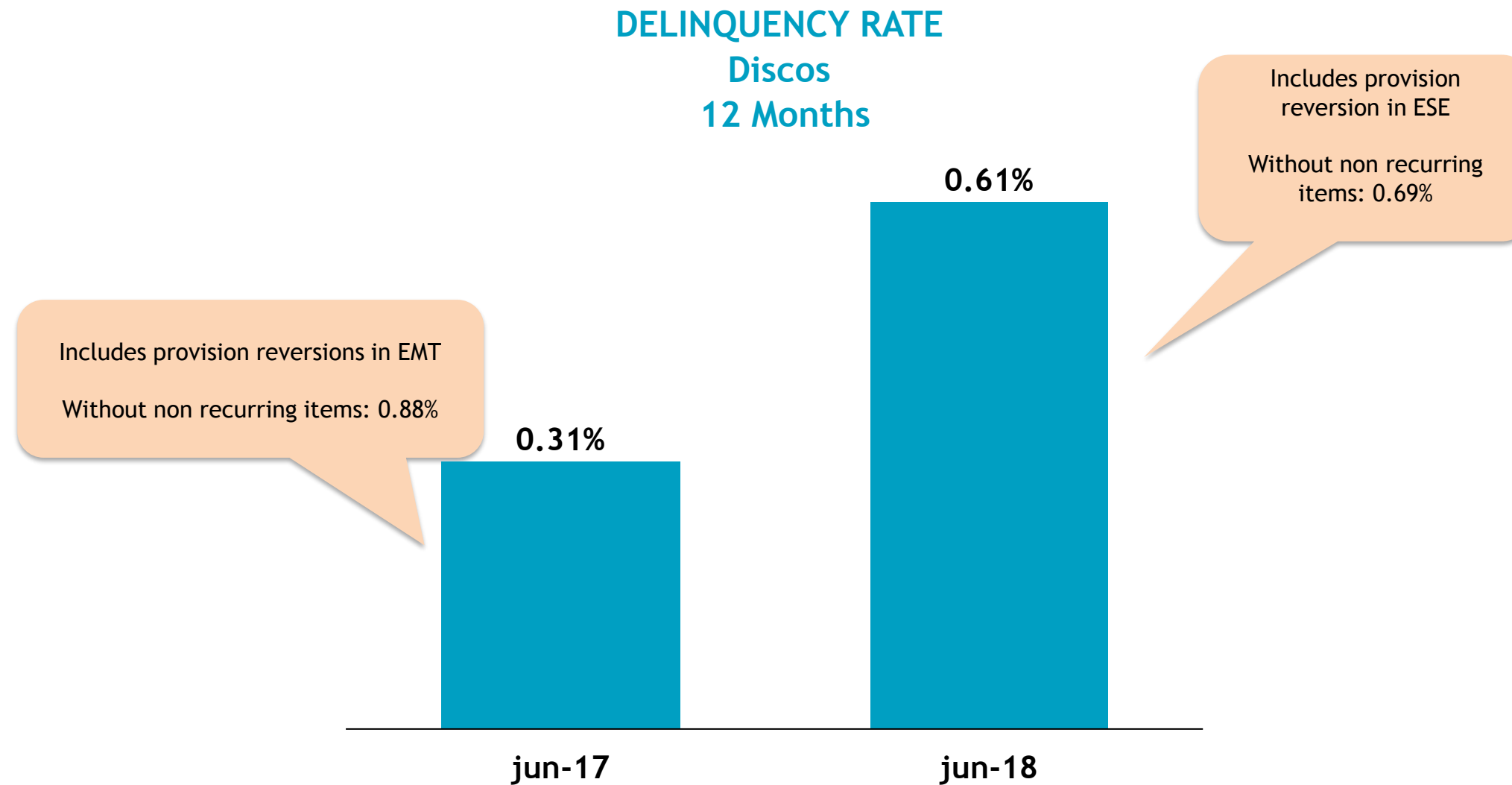
EMS reaches 13.05%, 1.32 p.p. below the regulatory limit



Disco	Mar-18	Jun-18		Aneel
	GWh	GWh	%	%
EMG	182	187	10.72	9.63 ●
ENF	16	15	4.11	5.84 ●
ESE	328	333	9.62	10.75 ●
EBO	49	50	7.00	7.42 ●
EPB	631	628	12.53	12.90 ●
EMT	1,442	1,478	14.68	13.70 ●
EMS	801	797	13.05	14.37 ●
ETO	333	340	12.91	13.96 ●
ESS	293	288	6.29	6.73 ●
<b>Energisa</b>	<b>4,075</b>	<b>4,116</b>	<b>11.86</b>	<b>12.09 ●</b>

# Delinquency

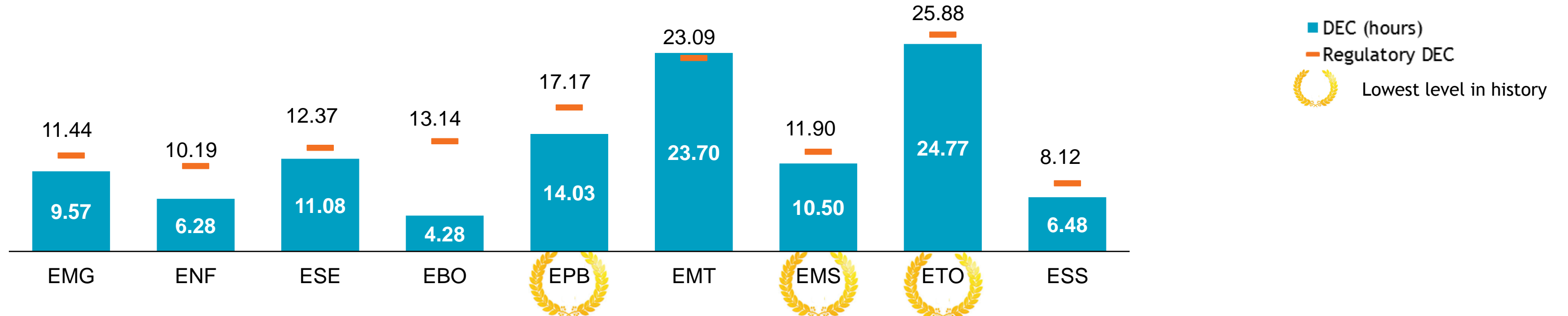
Delinquency rate below 1.0% for the sixth consecutive quarter



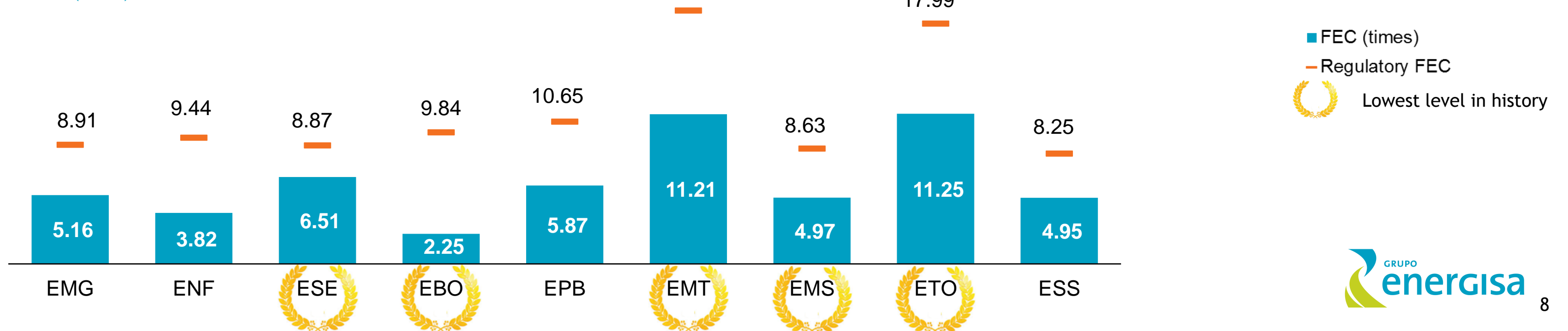
# Service Quality Indicators

EMS and ETO reach their lowest historical levels

## DEC (LTM)



## FEC (LTM)





# 2018 Abradee Awards

Grupo Energisa receives nine awards, and four of its companies are elected the best in the country

Companies with more than 500 Thousand clients



ESS: Best Company in Brazil and Operating Management



EPB: Best Company in the Northeast and Economic /Financial Management



EMT: Best Company in the North / Mid-West

Companies with a maximum of 500 Thousand clients



EMG: Best Company in Brazil

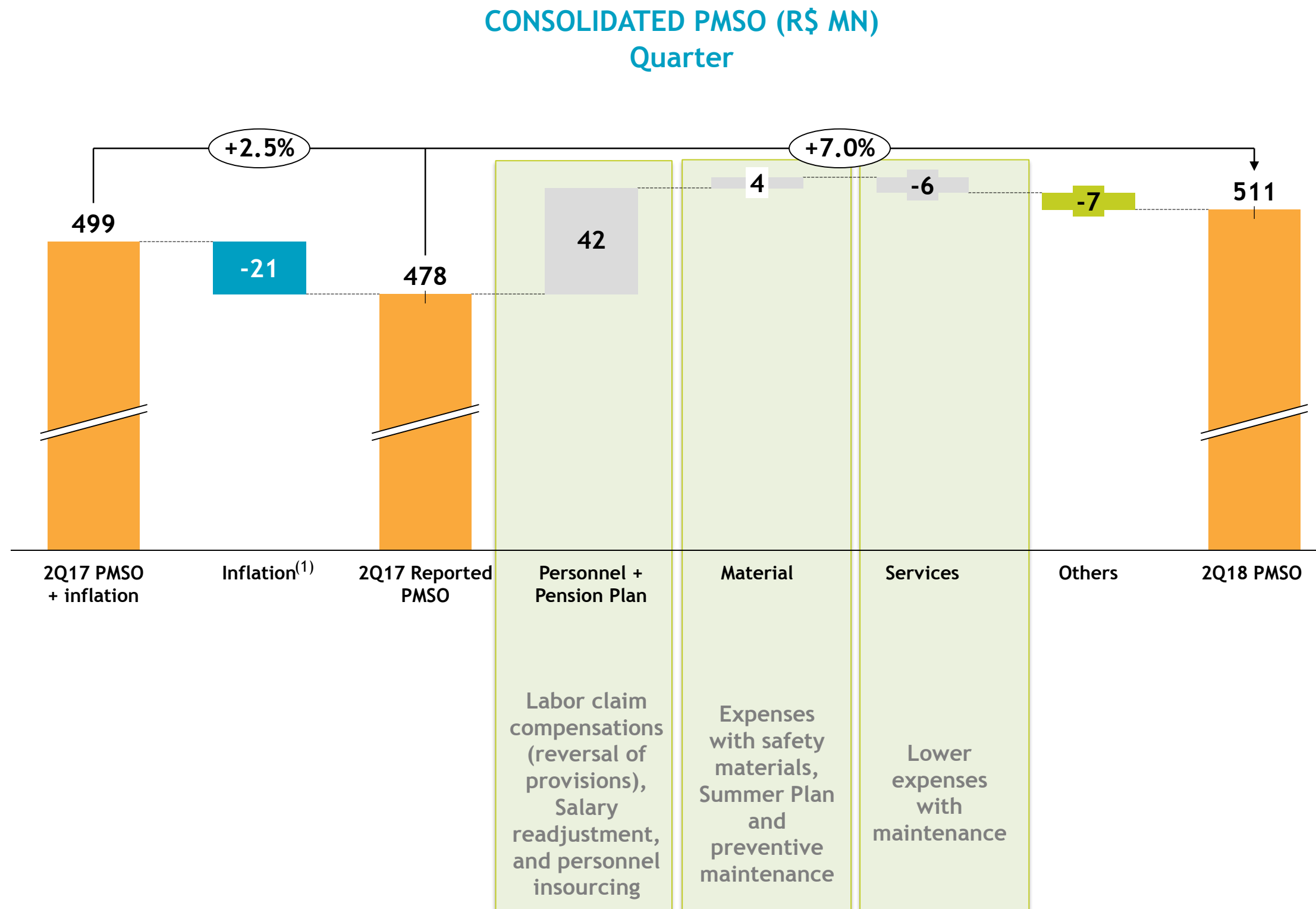


ENF: Best Company in Brazil



EBO: Best Company in Brazil and Operating Management

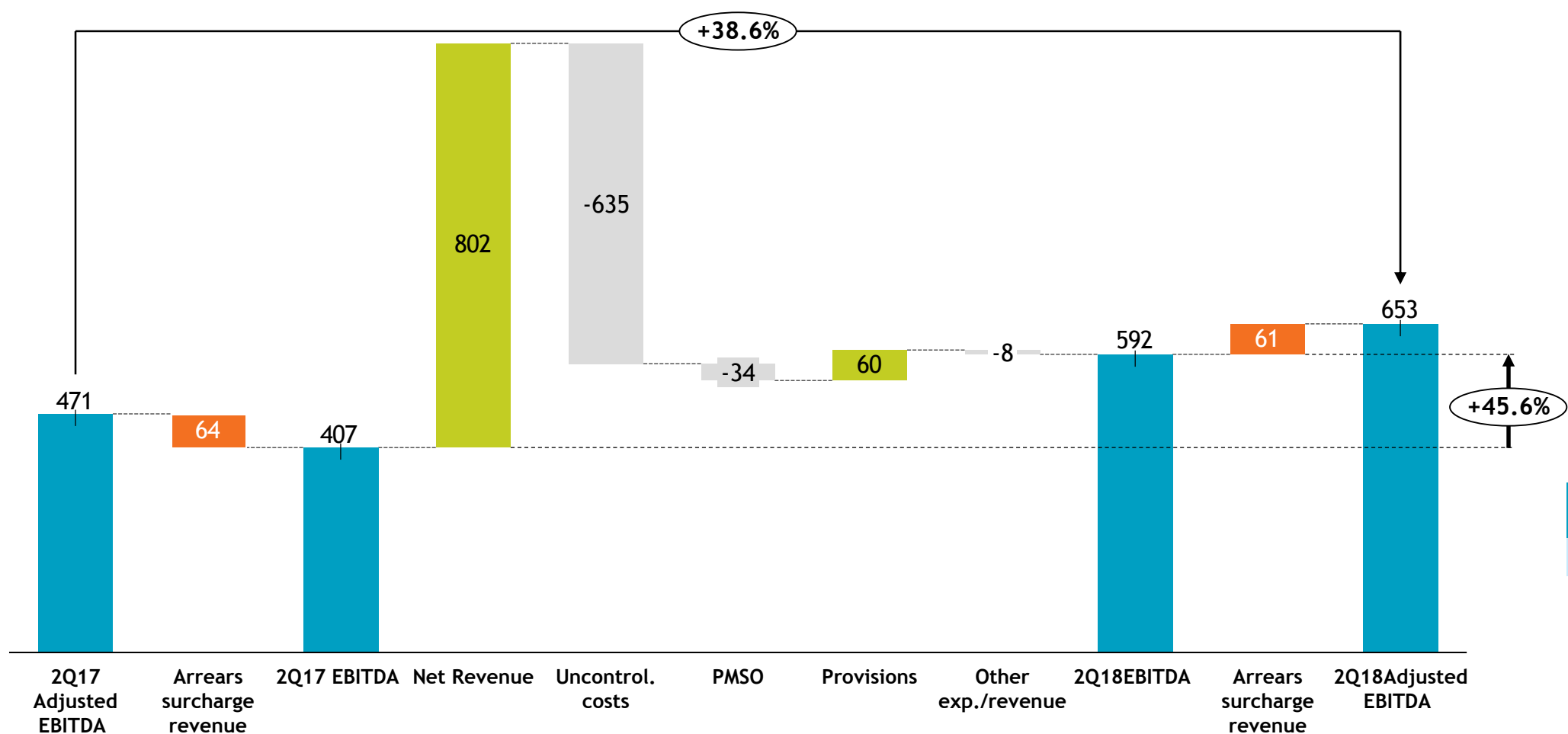
# PMSO (Personnel, Material, Services and Other)



(1) Inflation (IPCA) for the 12 months ended June 2018.

# Consolidated EBITDA

EBITDA AND ADJUSTED EBITDA (R\$ MN)  
Quarter

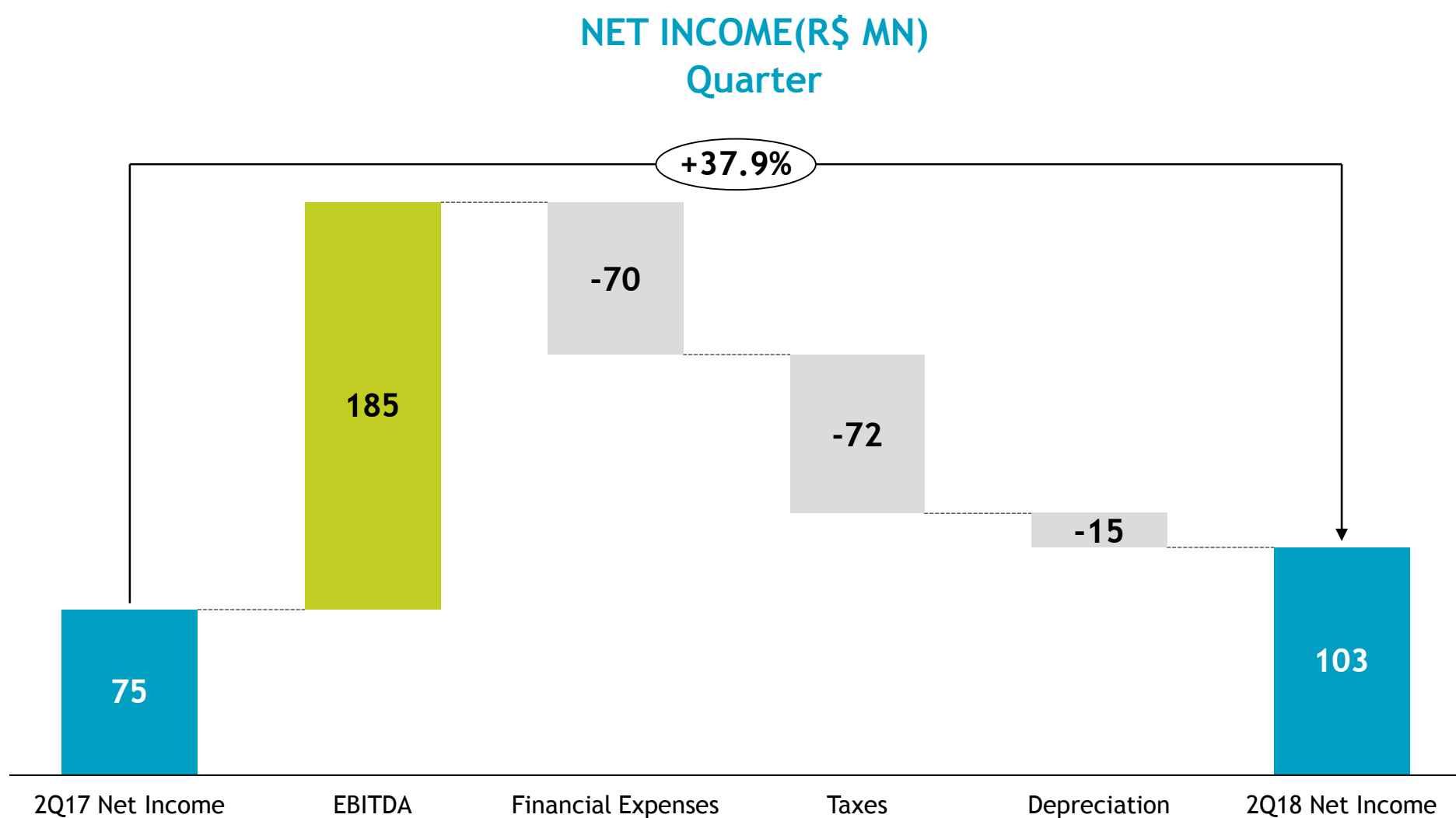


EBITDA  
EXCLUDING NON-RECURRING EFFECTS  
(R\$ MN)

Description (R\$ thousands)	2Q18	2Q17	Var. %
(=) EBITDA	592.2	406.8	+ 45.6
(+) Compensatory costs	7.1	6.6	+ 7.6
(+) Energy surplus (2016 and 2017)	-	(4.3)	-
(-) Financial assets of the concession (VNR)	106.1	3.0	+ 3.436.7
(=) EBITDA (without non recurring effects)	493.2	406.2	+ 21.4

Description (R\$ thousands)	1S18	1S17	Var. %
(=) EBITDA	1,314.6	937.8	+ 40.2
(+) Compensatory costs	12.4	14.6	- 15.1
(+) Energy surplus (2016 and 2017)	-	(4.3)	-
(-) Re-recording of CVA (EMT and EMS)	44.8	-	-
(-) Financial assets of the concession (VNR)	238.8	21.5	+ 1,010.7
(-) Sale of aircraft	-	21.9	-
(=) EBITDA (without non recurring effects)	1,043.4	604.7	+ 15.3

# Consolidated Net Income

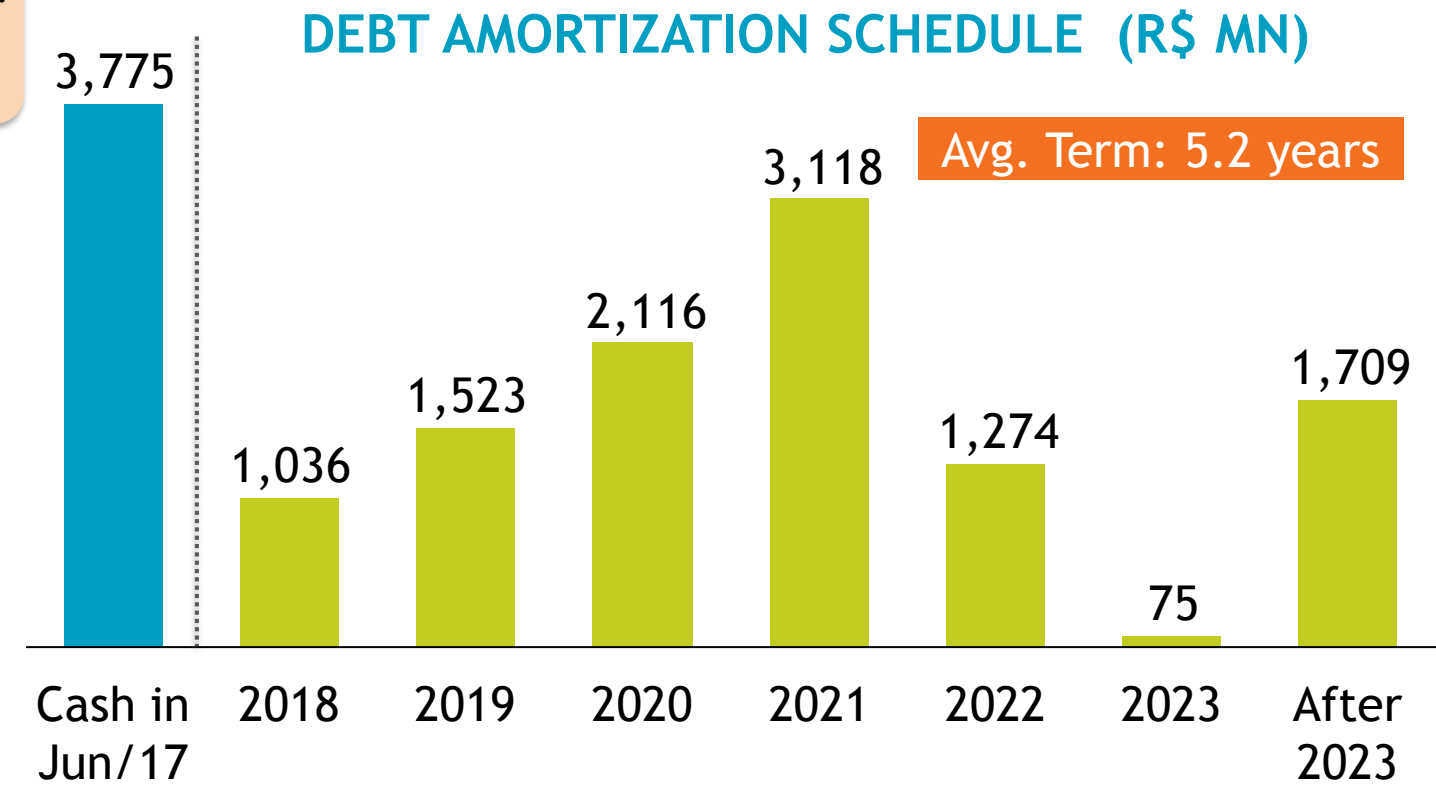
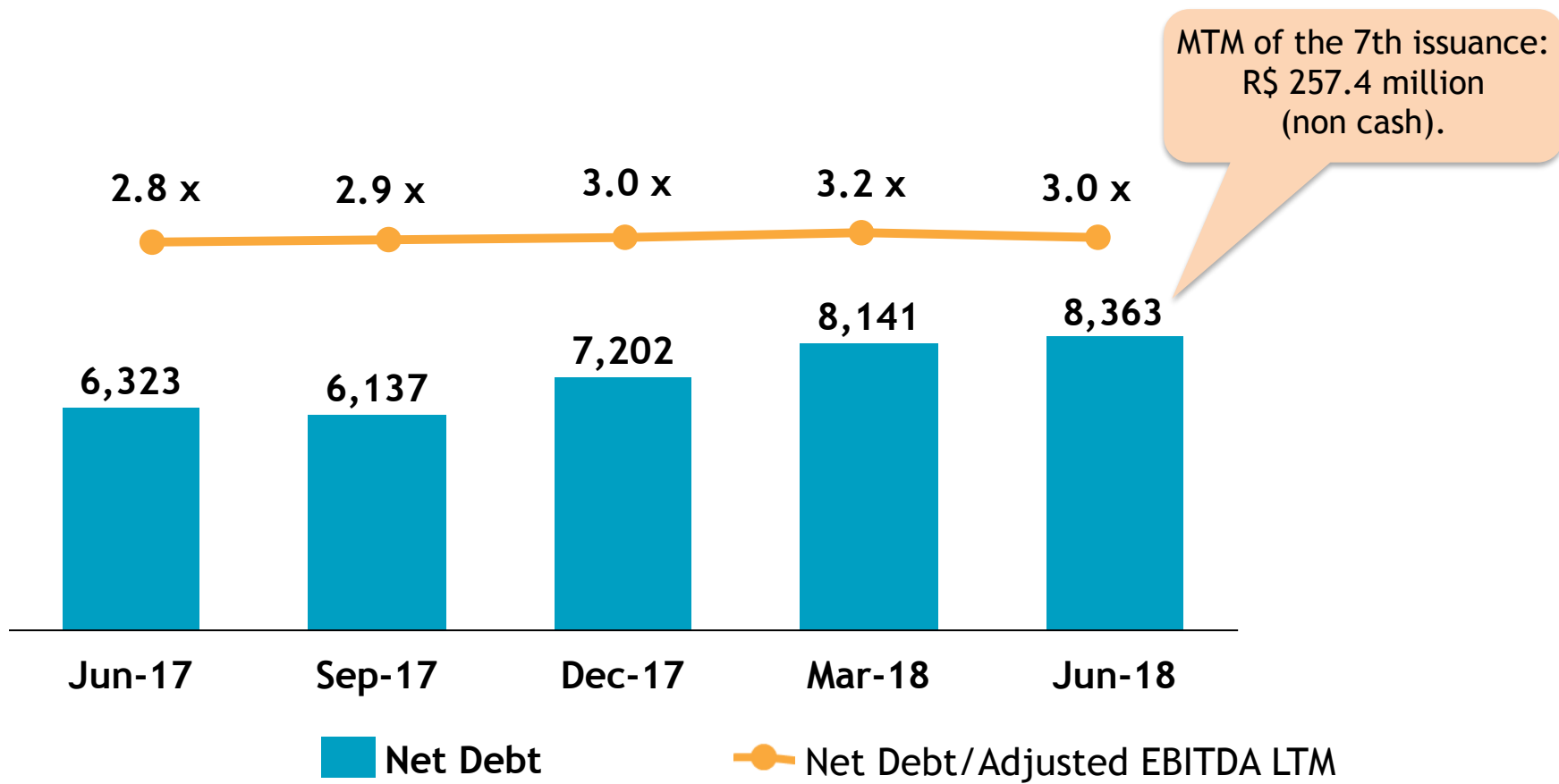


## NET INCOME EXCLUDING NON-RECURRING EFFECTS (R\$ MN)

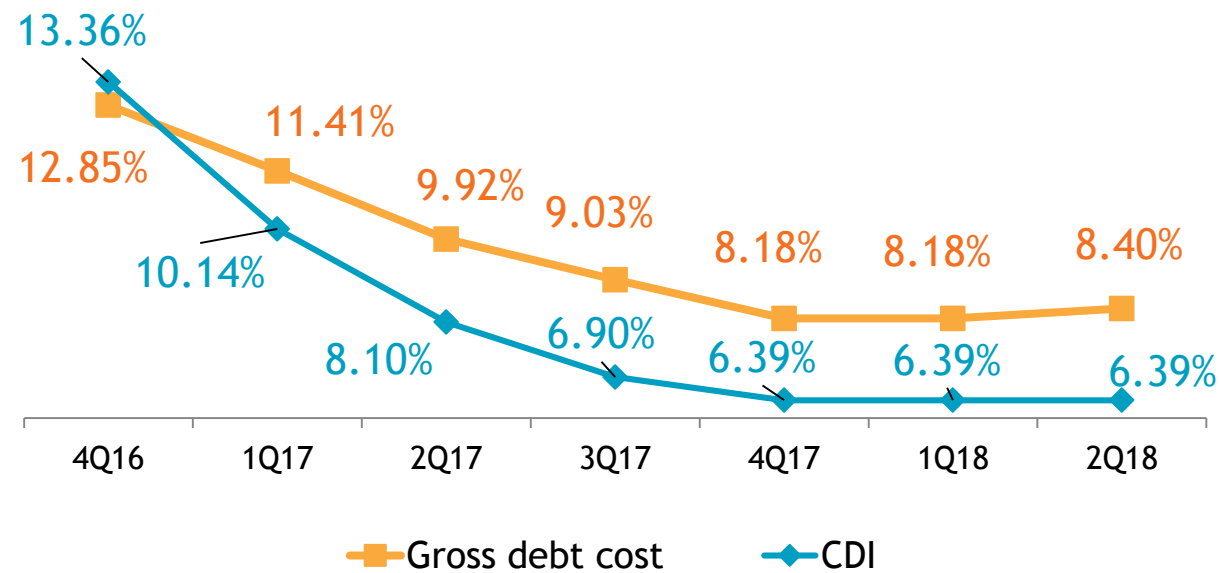
Description (R\$ thousands)	2Q18	2Q17	Var. %
(=) Net Income	103.4	75.0	+ 37.9
(+) Compensatory costs	5.1	5.0	+ 1.9
(+) Energy surplus (2016 and 2017)	-	-3.3	-
(-) Reversal of the provision for the financial asset of the concession (EMT, EMS and ESE)	7.7	-	-
(=) Net Income (without non recurring effects)	100.8	76.7	+ 31.4

Description (R\$ thousands)	1S18	1S17	Var. %
(=) Net Income	245.7	205.9	+ 19.3
(+) Compensatory costs	9.1	11.0	- 17.3
(+) Energy surplus (2016 and 2017)	-	-3.3	-
(+) Mark-to-market of 7 <sup>th</sup> issuance debentures	107.4	-	-
(-) Re-recording of CVA (EMT and EMS)	40.0	-	-
(-) Reversal of the provision for the financial asset of the concession (EMT, EMS and ESE)	92.5	-	-
(-) Sale of aircraft (EMT)	-	18.3	-
(=) Net Income (without non recurring effects)	229.7	195.3	+ 17.6

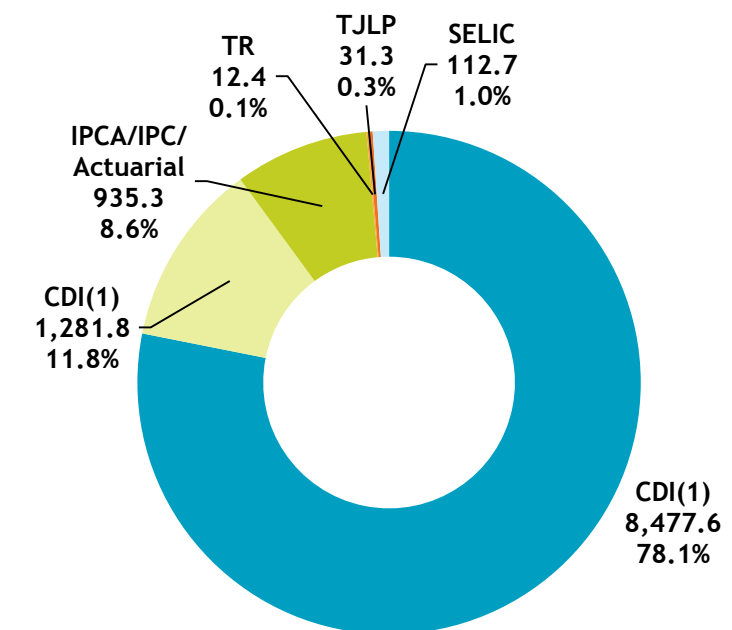
# Indebtedness



## GROSS DEBT COST

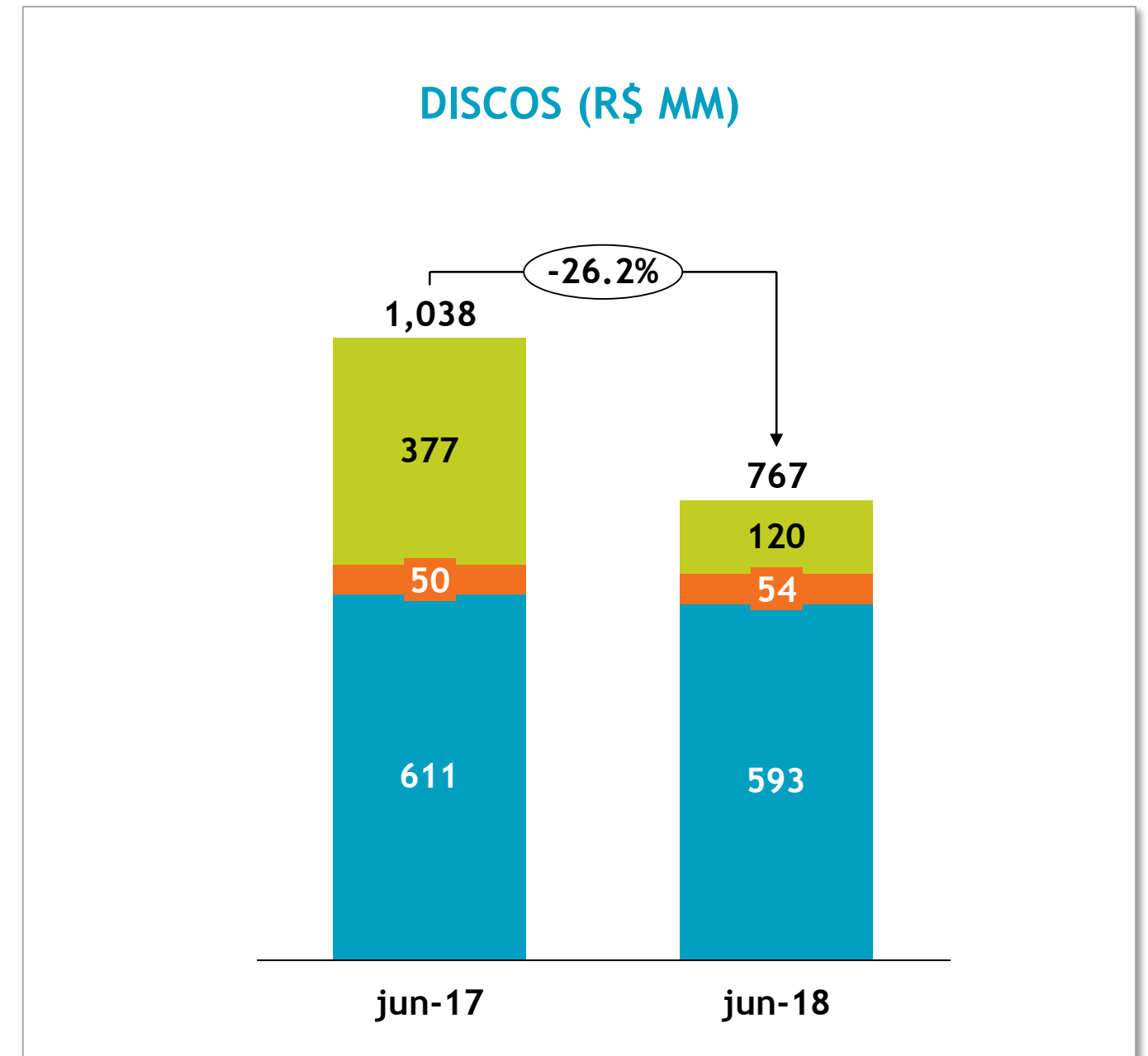
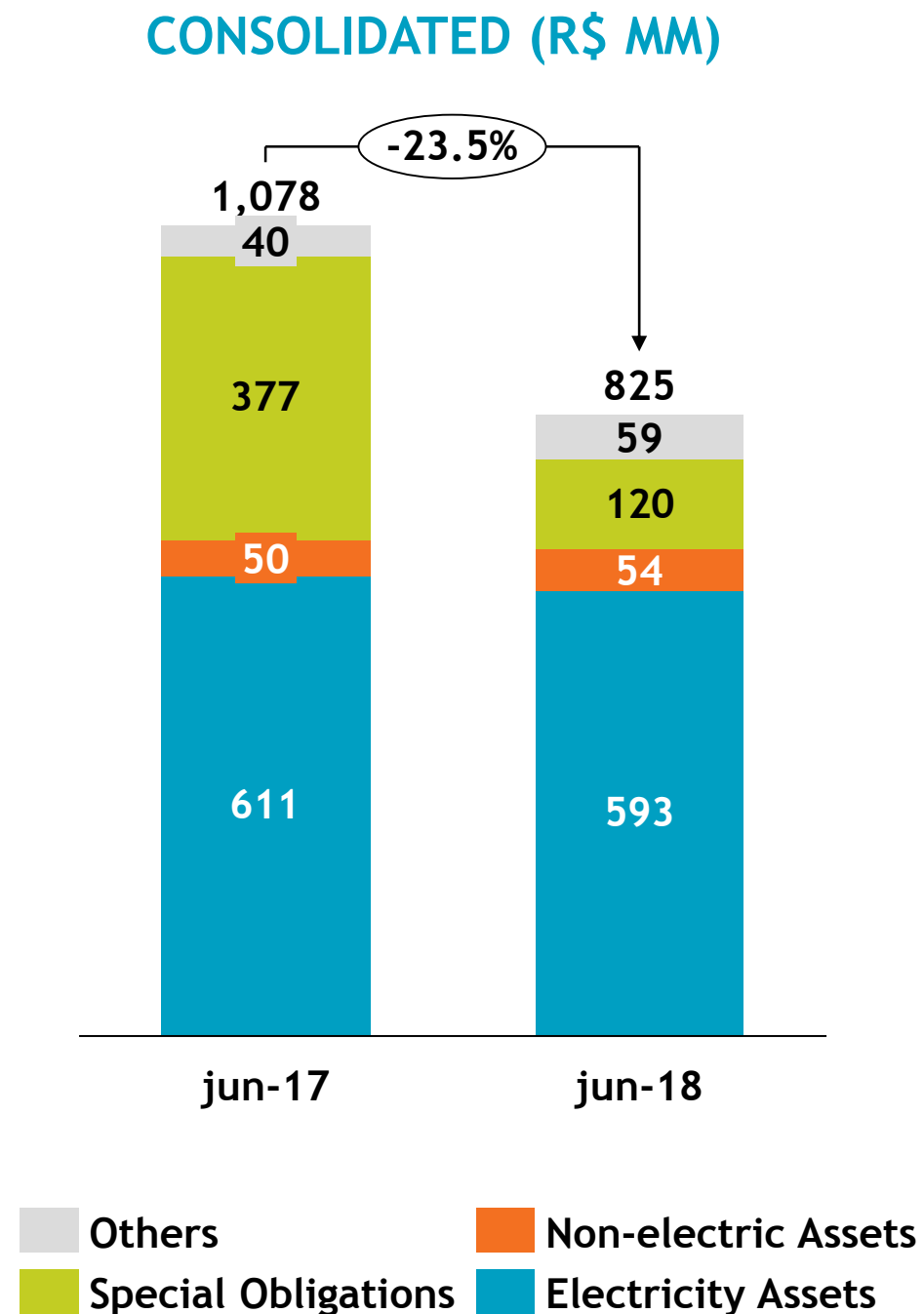


## GROSS DEBT BY INDEX (R\$ / %)



# Investments

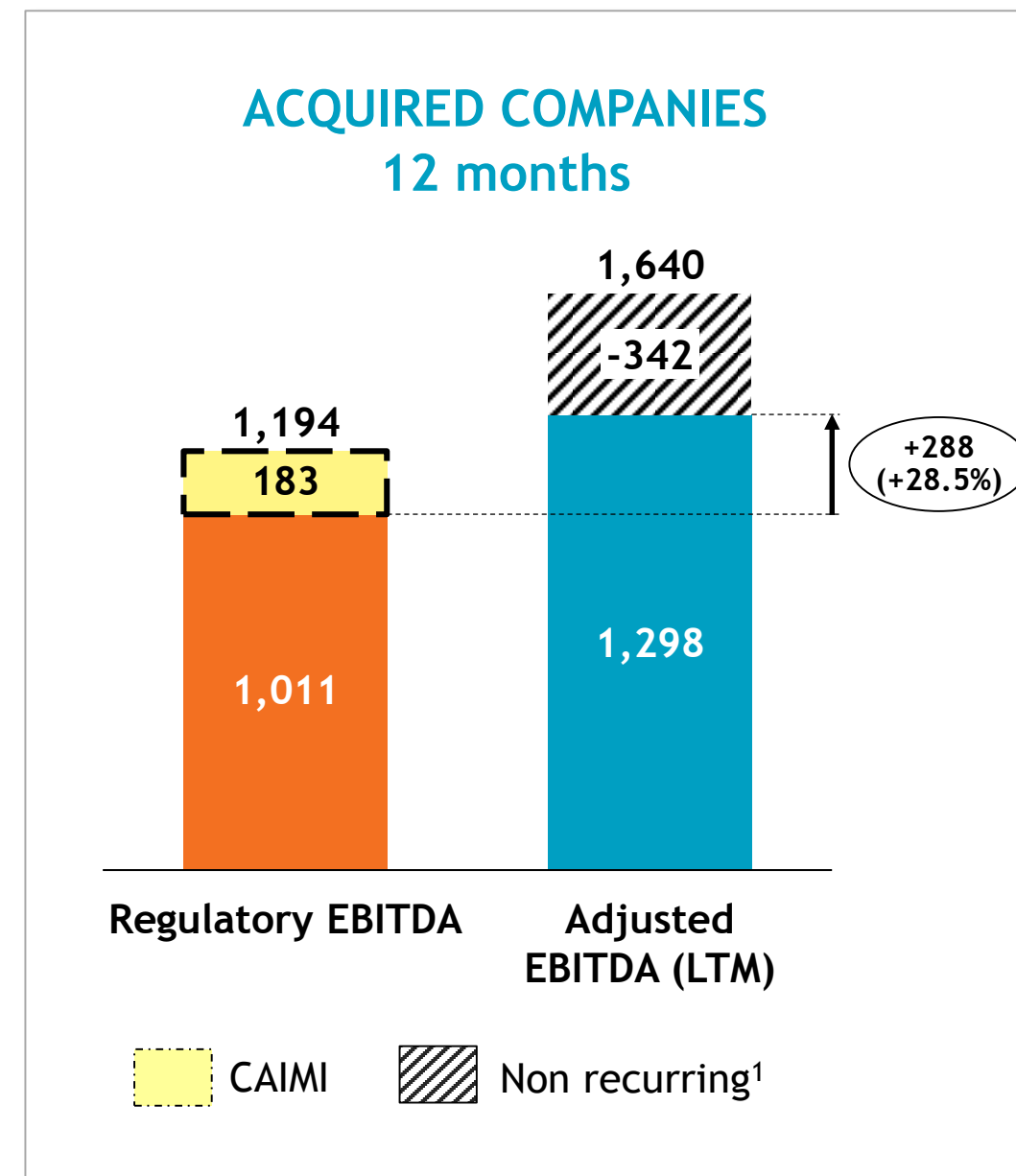
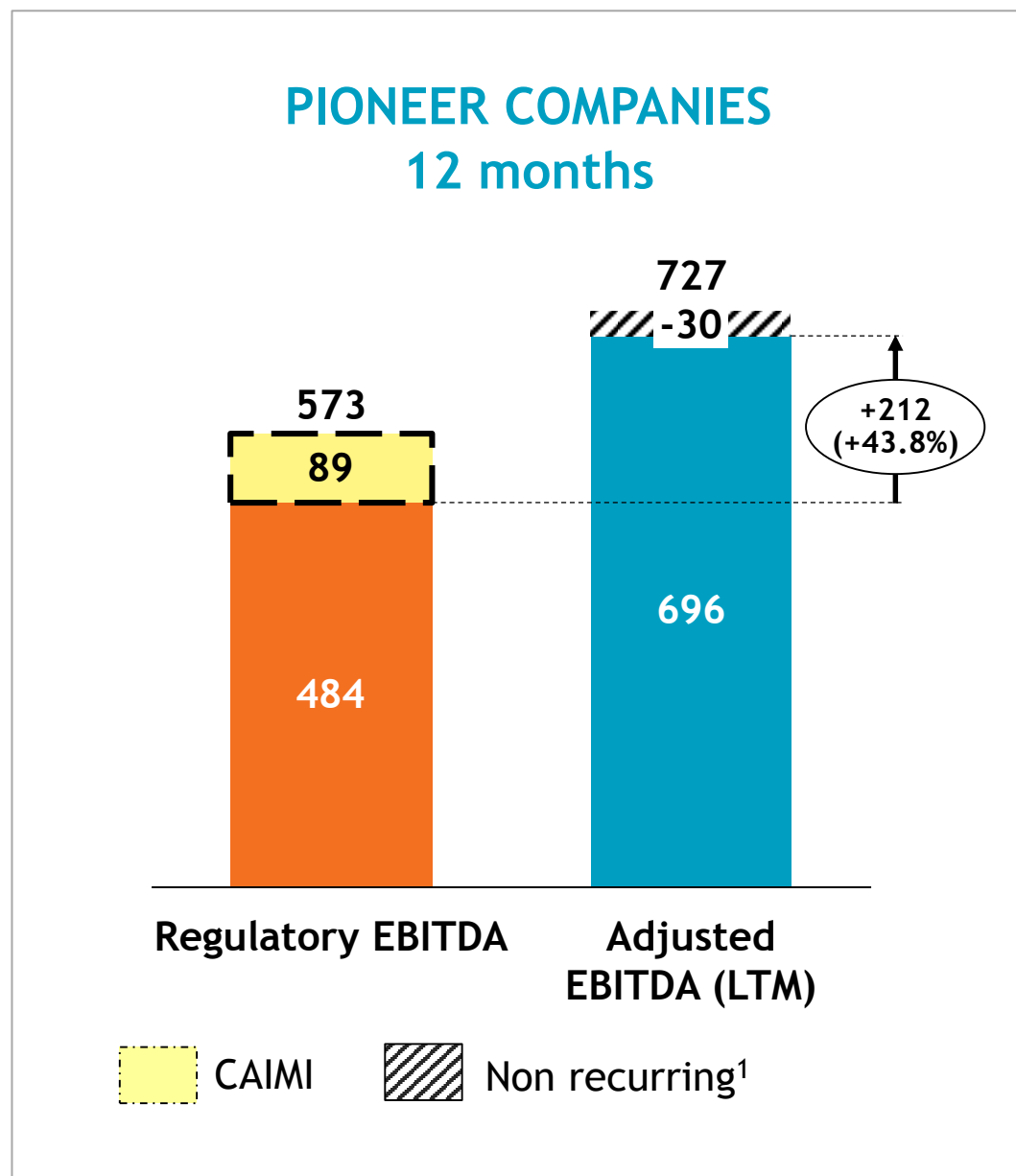
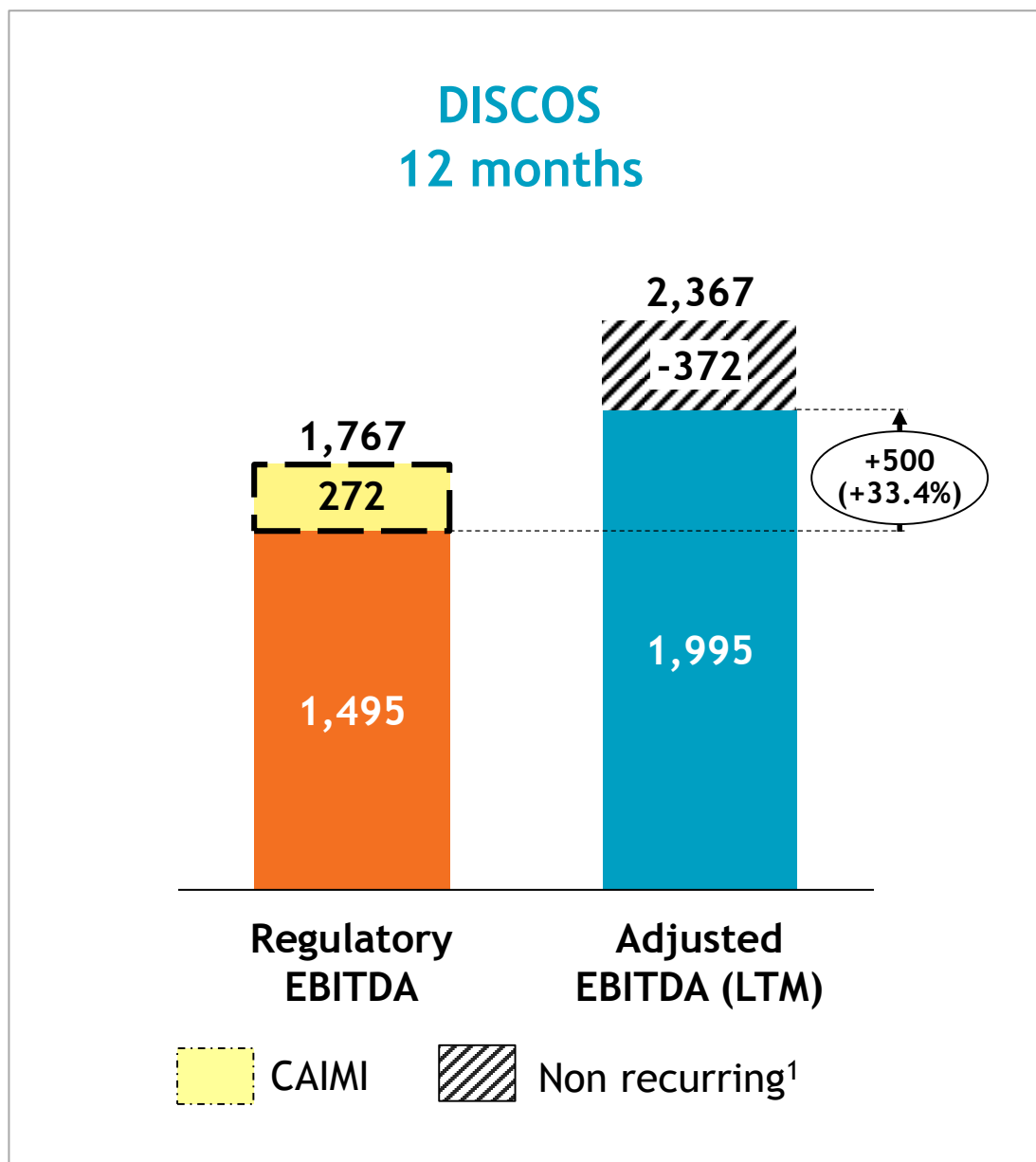
Investments in the distribution companies dropped 26.2% after the conclusion of the revision cycles.



# Regulatory

## Regulatory EBITDA vs. Reported EBITDA (without non recurring)

(R\$ million)



Non recurring events in the last months ended Jun/18: R\$ 25.0 million (compensatory costs), R\$ 353.7 million (reversal of VNR), R\$ 13.4 million (reversal of Provision for Doubtful Accounts in ESE), R\$ 46.2 million (health insurance/post employment benefit), R\$ 5.1 million (adhesion to PERT), R\$ 44.8 million (re-recording of CVA for EMT and EMS); and R\$ 41.2 million (overcontracting).

# Thank you

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